



## September 2023 Financial Results Briefing Document

(Disclosure on business plans and matters related to high growth potential)

November 14, 2023

# Topics

## FY2023 Actual

- Sales revenue : 6,228 mil.yen (YoY 141%, +1,799 mil.yen)
- Operating profit : 1,240 mil.yen (YoY 309%, +839 mil.yen)

## Group Company

- After M&A of GC in Apr. '23, implemented PMI in business and control
- Achieved Sales increase and Turning into surplus from the latest close

## FY2024 Forecast

- Growing business & Full-year consolidated GC increase Sales and Profit
- Sales revenue : 7,200 mil.yen / Operating profit : 1,600 mil.yen

# Table of contents

- 01 FY2023 Performance reporting
- 02 PMI of Az support (Former name : Fujisawa Real Estate)
- 03 Forecast of FY2024 & Growth Strategy
- 04 Supplementary materials

FY2023

Performance reporting

## Consolidated 4Q results (3 months)

---

Succeeding 3Q, 4Q Sales revenue ended 1,934 mil.yen (YoY 148%), mainly due to sales increase of main genres (i.e. “Key lost” genre), and consolidation of Az support.

Operating profit increased largely, due to sales increase and continuous control of Advertisement cost (around 45% of ratio to Gross profit).

	4Q results FY2023	4Q results FY2022	YoY change
Sales revenue	1,934 mil.yen	1,309 mil.yen	+624 mil.yen (148%)
Operating profit	418 mil.yen	167 mil.yen	+251 mil.yen (251%)
Net income	238 mil.yen	252 mil.yen	(13) mil.yen (95%)

## Fiscal Year ending Sep. 30, 2023 performance results

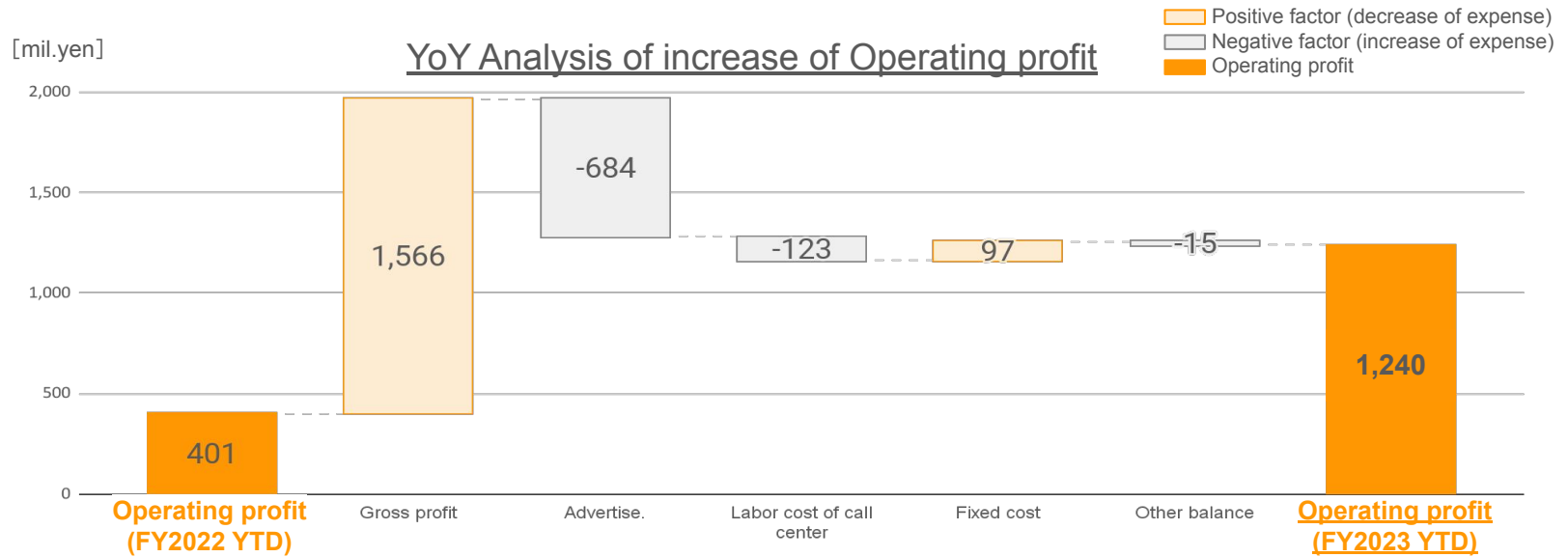
---

FY2023 Sales revenue was remarkable 6,228 mil.yen (YoY +1,799 mil.yen). Operating profit was 1,240 mil.yen (YoY +839 mil.yen) by Sales revenue increase, optimized Advertisement cost ratio through the year, and diminished Fixed Cost, etc.

	Sep. 2023 YTD	Sep. 2022 YTD	YoY change
Sales revenue	6,228 mil.yen	4,429 mil.yen	+1,799 mil.yen (141%)
Operating profit	1,240 mil.yen	401 mil.yen	+839 mil.yen (309%)
Net income	1,338 mil.yen	472 mil.yen	+865 mil.yen (283%)

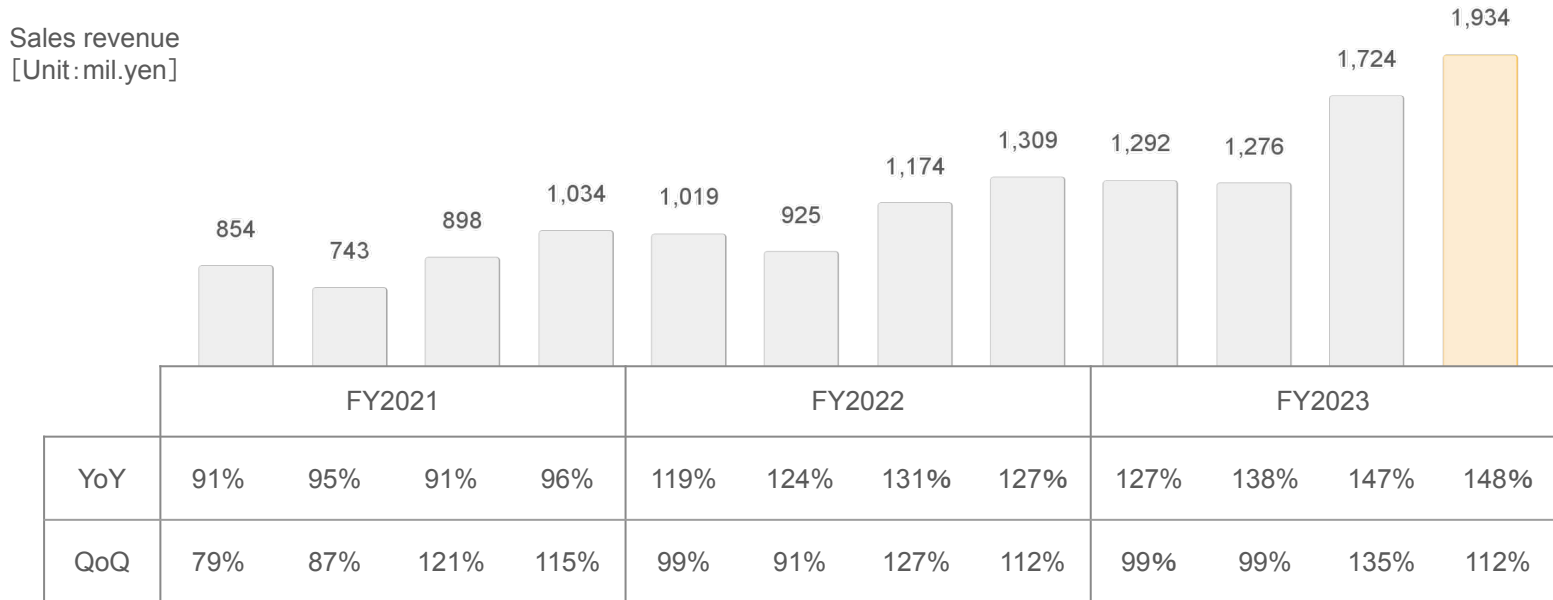
# Analysis of change of Operating profit in FY2023

Starting from 401 mil.yen of Operating profit of FY2022, Gross profit increased significantly. Though cost of Advertisement and Call Center labor increased with sales increase, cost ratio to Gross profit are maintained at the certain level. Also, 97 mil.yen decrease of Fixed cost contributed to large 1,240 mil.yen (YoY +839 mil.yen) of Operating profit of FY2023.



# Sales revenue trend of “Household problems” business

FY2023 4Q Sales revenue ended in YoY 148%, thanks to strong summer genres such as “Garden related”, “Pest, Vermin, etc.” and recovery of “Key lost” genre, succeeding 3Q. (exclud. effect of Az support consolidated in 3Q, pro forma 4Q YoY was 141%). Also, continuous countermeasures for Unit price increase and Business alliance, Our-own service have steadily contributed.





# Transition of KPI

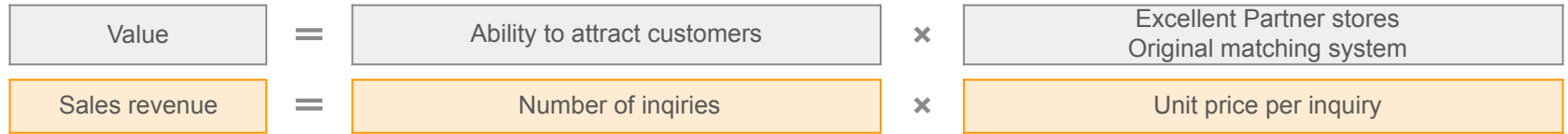
In FY2023, Sales revenue increased significantly. COS ratio to sales rose with increase of Our-own service (includ. Az support) and Business Alliance. Advertisement cost ratio to GP was kept around appropriate 47%. Labor cost ratio of Call center was also kept at the certain level. Also, decrease of Fixed cost contributed to 1,240 mil.yen of Operating profit of FY2023.

[mil.yen] (Ratio to GP)	FY2021					FY2022					FY2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales revenue	854	743	898	1,034	3,531	1,019	925	1,174	1,309	4,429	1,292	1,276	1,724	1,934	6,228
Cost of sales (Ratio to sales)	11 (1%)	22 (3%)	23 (3%)	27 (3%)	85 (3%)	29 (3%)	35 (4%)	44 (4%)	61 (5%)	172 (4%)	61 (5%)	77 (6%)	112 (7%)	153 (8%)	405 (7%)
SGA	885	822	979	1,024	3,712	921	843	1,020	1,080	3,866	1,017	999	1,201	1,359	4,577
Adver ise.	384 (46%)	343 (48%)	501 (57%)	538 (54%)	1,767 (51%)	499 (51%)	419 (47%)	550 (49%)	585 (47%)	2,055 (48%)	598 (49%)	594 (50%)	741 (46%)	804 (45%)	2,739 (47%)
Labor cost of call center	71 (9%)	65 (9%)	82 (9%)	73 (7%)	292 (9%)	75 (8%)	75 (8%)	94 (8%)	107 (9%)	353 (8%)	106 (9%)	99 (8%)	127 (8%)	143 (8%)	476 (8%)
Fixed cost	429 (51%)	413 (57%)	395 (45%)	413 (41%)	1,651 (48%)	346 (35%)	348 (39%)	375 (33%)	387 (31%)	1,458 (34%)	312 (25%)	305 (25%)	331 (21%)	411 (23%)	1,360 (23%)
Other balance	65	60	(10)	(979)	(864)	3	7	0	0	11	7	4	(13)	(2)	(4)
Operating profit (Loss)	23	(41)	(114)	(998)	(1,130)	70	54	109	167	401	220	204	397	418	1,240

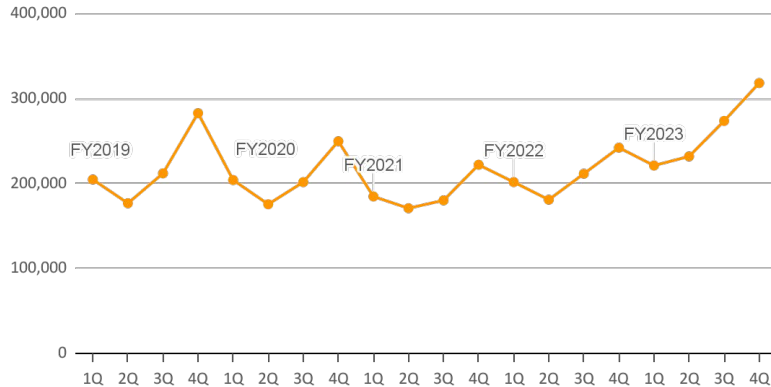
# Transition of KPI of Profit Structure (Sales revenue)

“Number of inquiries” is gradually increasing from the stable certain level.

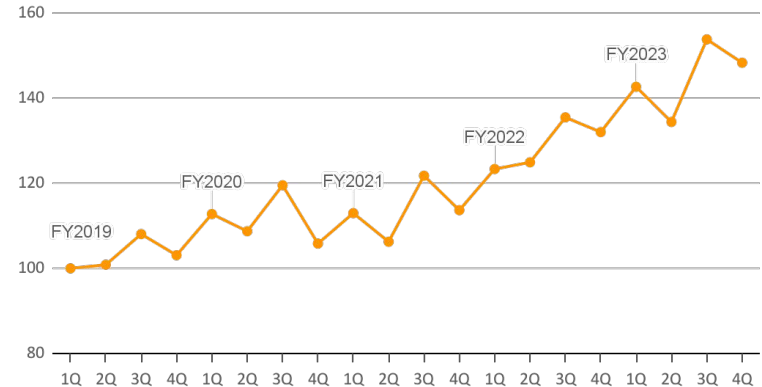
“Unit price per inquiry” is also on the upward trend, thanks to optimized matching methodology and increased Our-own service (includ. Az support consolidated from 3Q).



Number of inquiries  
(cases)



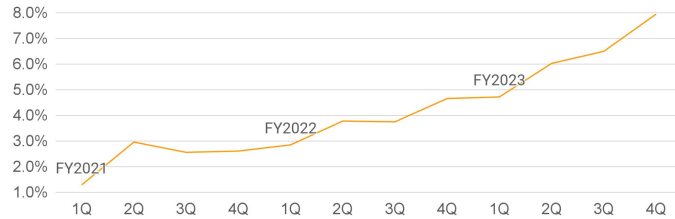
Unit price per inquiry  
(2019 1Q = 100)



# Transition of KPI of Profit Structure (Cost)

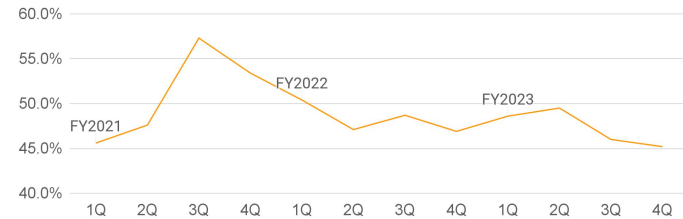
## Cost of Sales ratio

Cost of Sales ratio (service cost and consignment fee) rising due to increasing Our-own service (includ. Az Support) and alliance with business entities.



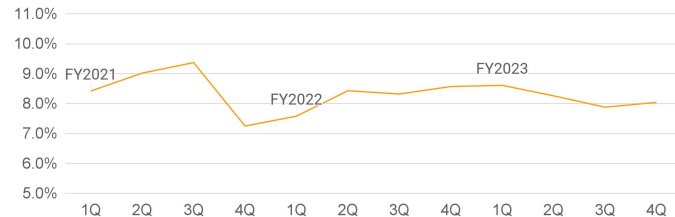
## Advertisement cost (PPC) ratio

Improving from FY2021 in the rapid worsening competition. Since FY2022, certain level kept.



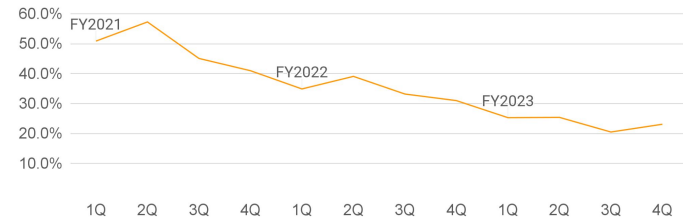
## Labor cost of Call Center ratio

Maintaining the certain level despite seasonality. Although labor cost increases, ratio to Gross profit is maintained at the same level by optimization.



## Fixed cost ratio

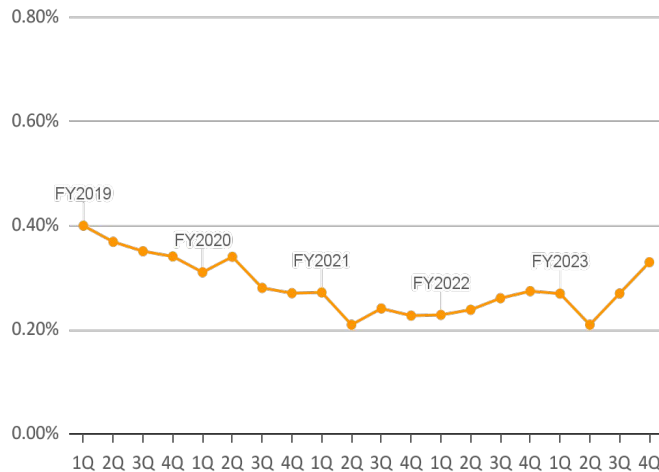
Decreasing due to optimization of expense (e.g. depreciation, rent). Ratio is expected to diminish along with the increase of Sales revenue in future.



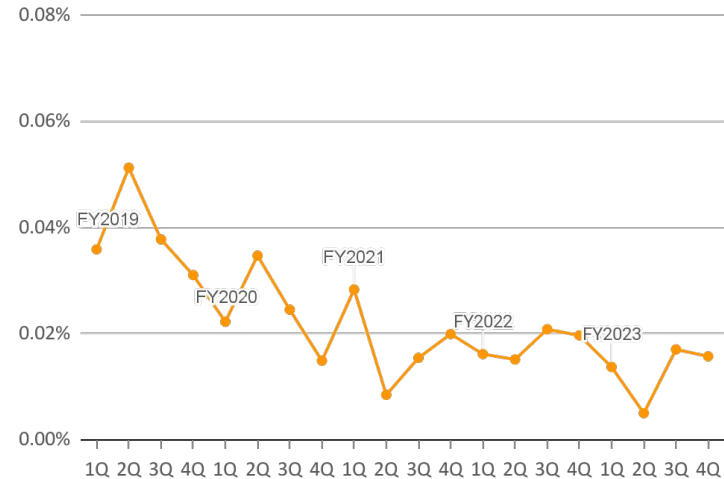
# For Satisfaction of Customers and Partner Stores

Claim ratios from customers and partner stores are continuously low, with stable trend at certain level. For further satisfaction, we will make the best effort to implement friendly platform both for customers and partner stores. Despite low level transition, since increased from 2Q, we will closely monitor KPI, and take countermeasures in timely manner, if necessary.

### Claim ratio from customers



### Claim ratio from partner stores



PMI of Az support

(Former name : Fujisawa Real Estate)

# PMI of Az support

Az support (Former name : Fujisawa) acquired in Apr. '23, turned to surplus, just after PMI. Since operating foundation such as Control Dep't has been strengthened, "Area and Genre" through sales activity shall be widened for further increase of sales and profit in FY2024.

※As support only

	After M&A Apr.- Sep. '23 (6 months)	Latest Close ended Apr. '23 (12 months)
Sales revenue	267 mil.yen	442 mil.yen
Operating profit	<b><u>63 mil.yen</u></b>	(21) mil.yen
(Net consolidated)	170 mil.yen	—

## PMI of Az support

### ■ Done

- Furbish up sales operation  
(Systemize customer control, etc.)
- Integrate Administration Departments  
(Merge to Parents Admini. Dep't.)
- Streamline management  
(Optimization of SGA)

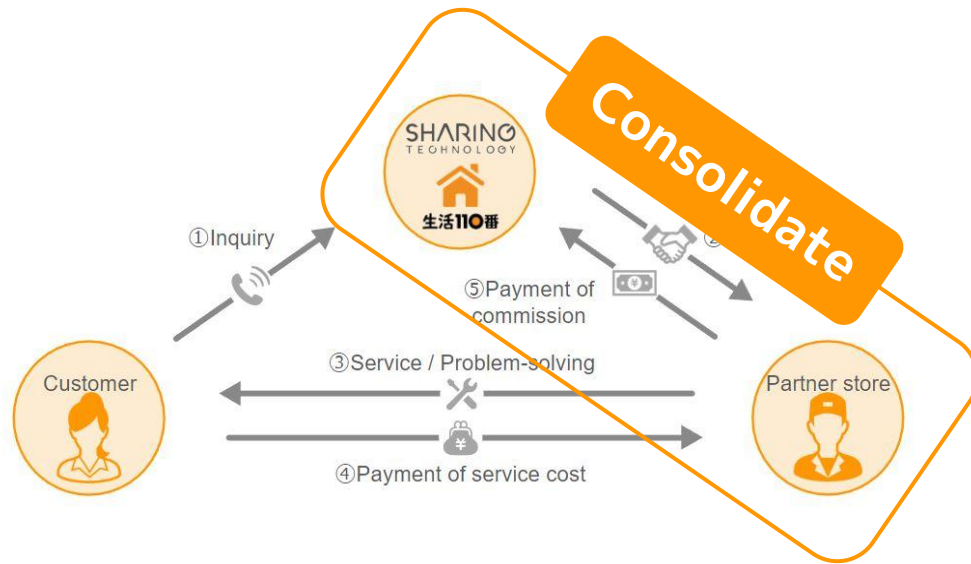
### ■ To do (In addition to above)

- Enhance sales activity  
(Widen area, genre)

# Rationale of M&A of Service provider

SHARETECH carried out the first M&A of a Service provider in Apr. '23. Az support after M&A has consistently contributed good performance. With expanding Az support, SHARETECH will seek for M&A opportunity, examining closely. Quantitatively, Az support, which contributed 63 mil.yen of Operating profit in Apr.-Sep.'23, will play an important role of “Household problems” business.

※At this moment, there has been no decision made for M&A.



## Rationale of M&A

### ■ Criterion of M&A

- Quality service  
(Confirm quality of past service)
- Match of Management  
(Share long-term growth vision)
- Synergy of genre  
(Synergy with SHARETECH)
- Payback period  
(Payback period after PMI)

# Forecast of FY2024 & Growth Strategy



# Forecast of Fiscal Year ending Sep. 30, 2024

---

Forecast of FY2024 Sales revenue will be 7,200 mil.yen by growth of each genre, full-year consolidation of Az support, and increase of Our-own service and Alliance with business entities. Operating profit will be 1,600 mil.yen. COS will rise with increase of Our-own service and Alliance. Meanwhile, cost ratio of Advertisement and Call Center labor, and amount of Fixed cost will be kept at the certain level.

	Sep. 2024 Forecast	Sep. 2023 Actual
Sales revenue	7,200 mil.yen (YoY 116%)	6,228 mil.yen
Operating profit	1,600 mil.yen (YoY 129%)	1,240 mil.yen

## Rationale of Forecast of FY2024

Earnings Forecast is based upon FY2023 Actual. Sales revenue will be 7,200 mil.yen (YoY 116%). COS ratio will rise a little bit with increase of Our-own service and Alliance with business entities. Meanwhile, cost ratio of Advertisement and Call Center labor, and amount of other Fixed cost are expected at the same level.


	FY2024 Forecast	FY2023 Actual
Sales revenue	<b><u>7,200 mil.yen (YoY 116%)</u></b>	6,228 mil.yen (YoY 141%)
COS (Cost of sales) ratio	Rise w/ Own-service, Alliance	7% (to Sales)
Advertisement cost ratio	Same Level	47% (to Gross profit)
Call Center labor cost ratio	Same Level	8% (to Gross profit)
Fixed cost	Same Level Amount	1,360 mil.yen
Other balance	Same Level Amount	(4) mil.yen
Operating profit	<b><u>1,600 mil.yen</u></b>	1,240 mil.yen


# Issues at the Market and Our Promise of Value


---

The issues of “Household problems” business are recognized as “Unkown service provider” “Unkown reasonable price” “Unkown service quality”, until now. we have been aiming at normalization of the industry by “Effective matching” “Reasonable price” “High quality”. In addition to current countermeasures, we will provide more reliable One-stop service.

## Issues at the Market

Unkown service provider 

Unkown reasonable price 

Unkown service quality 



## Our Promise of Value

Matching

×

Reasonable price

×

High quality

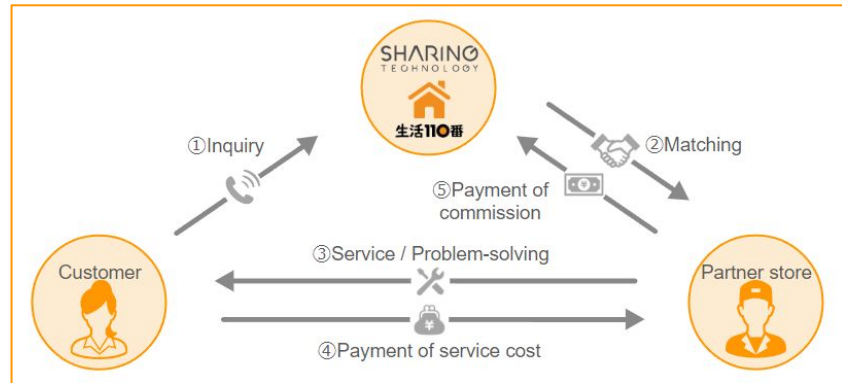
# Our Promise of Value ~ Matching ~

To optimize “Matching”, the prerequisite of “Household problems” business, we have developed our original system based on the network with Service Providers. We will continue to optimize “Matching” by feedback from Customers and Service Providers, and accumulated historical service data.

## Our Promise of Value



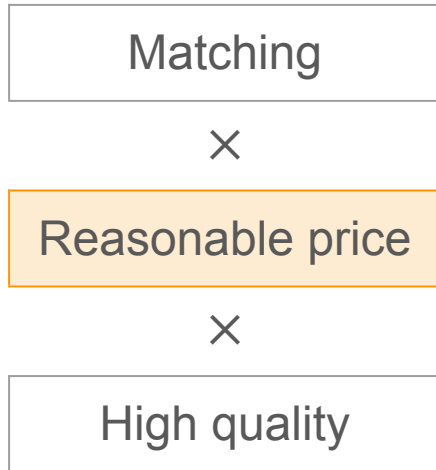
## Enhance Original Matching System



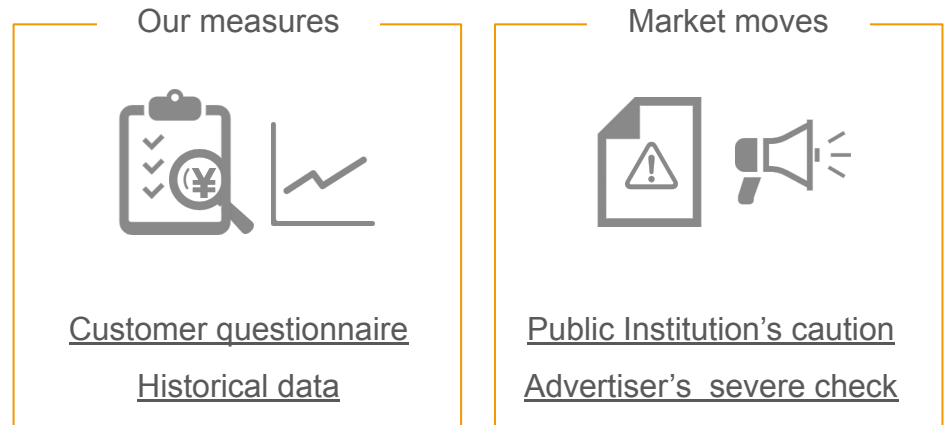
# Our Promise of Value ~ Reasonable price ~

To attain “Reasonable price”, the issue of “Household problems” business, we have been eliminating unfair overcharging based on historical data and feedback from Customers. The recent problem consciousness of the market also supports our effort to “Reasonable price”.

## Our Promise of Value



## Our Measures and Market Moves



# Our Promise of Value ~ High quality ~

To achieve “High quality” of “Household problems” business, we have been improving Partner Stores network based on feedback from Customers. For further understanding of the industry and clarification of ideal standard, we will enhance our own service provision by our staff and our Group entities.

## Our Promise of Value

Matching

×

Reasonable price

×

High quality



## Full Swing Own Service

### To realize High quality

- Clearly understand service on site
- Realize quality of best practice
- Try out new service

# Our strength brought by improvement of Service Quality

---

Since FY2019, we have pursued Service Quality improvement, which started to bring apparent rise of profit from FY2022. SHARETECH will continue this policy, and aim business expansion. Improvement of Service Quality directly leads to rise of Close Rate. Subsequently, rise of Close Rate raises profitability. In the end, more profitability enables Aggressive advertisement. Thus, this virtuous circle shall be our strength.



# Supplementary materials



# Contributing to a safe life by creating a new mechanism

We will provide peace of mind for customers with “Household problems” at the earliest possible moment. We hope that existence of our service will improve the sense of ease of customers with respect to future "Household problems". We have always improved and will always improve our service in response to the needs of society.

# VALUE

---

**Speed × Flexibility**

Meet the needs of customers, service provider stores, associates, the times, at the earliest time possible.

We will run to the clear and present goal at top speed.

Besides that, we will keep running at real top speed by coping with changes of needs flexibly.

**Diversity × Togetherness**

Solve any "Household problems" of any category throughout Japan, in cooperation with our specialists in all fields. We believe that respecting diversity of age, gender, value systems, exchanging opinions, creating services together, will inspire to all stakeholders. With this firm belief, our team will surely produce the best result.

**Challenge × Growth**

Keep challenging and growing in ever-changing world of service, technology, and sensibility.

Any failure shall be a stepping stone to the next challenge.

We will appreciate associate's challenge and growth with one another.

# Solving “Household problems”

We have contracts with about 6,300 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  
About 6,300 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 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



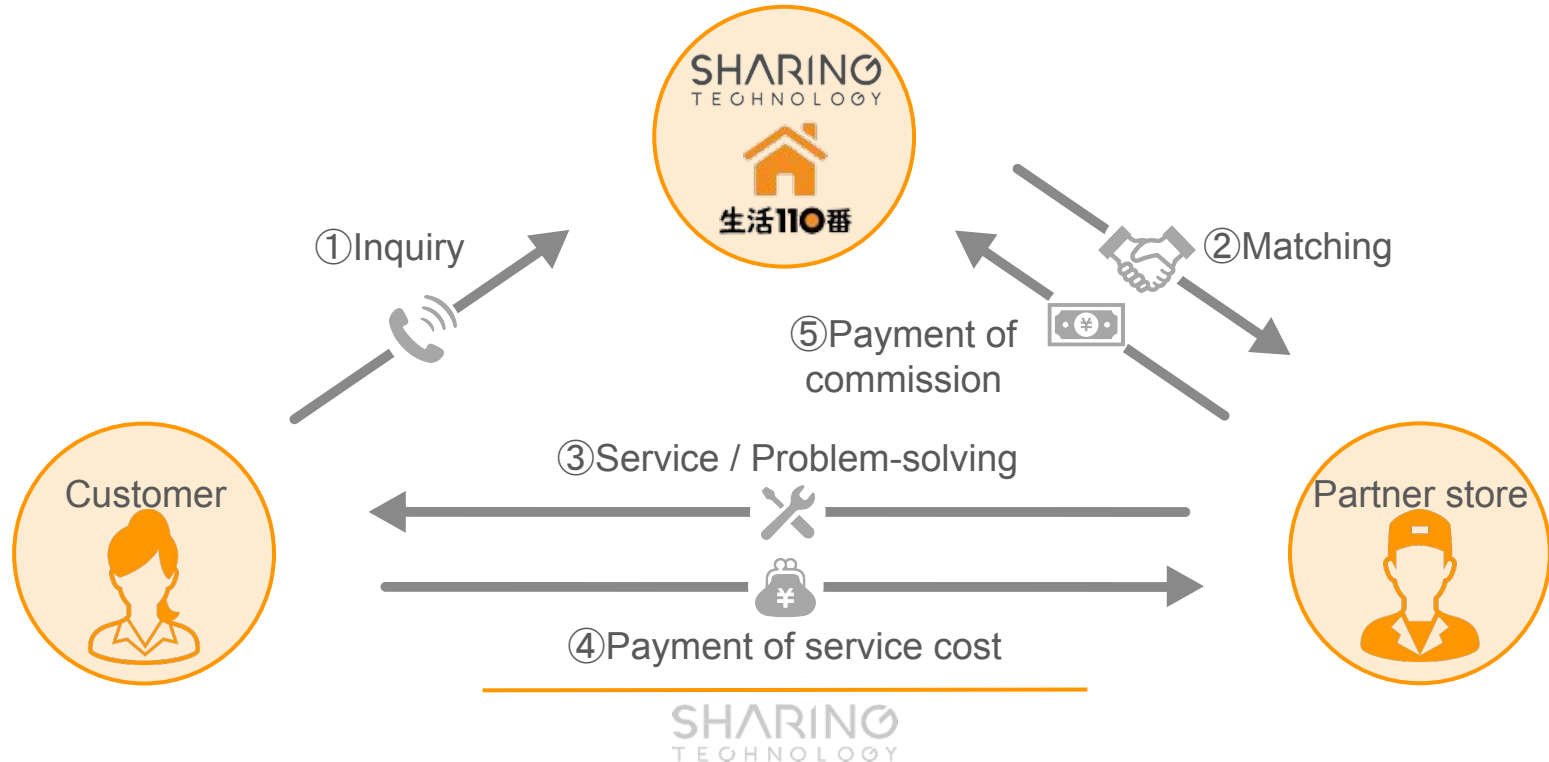
One genre per site



Mainly listing inflow

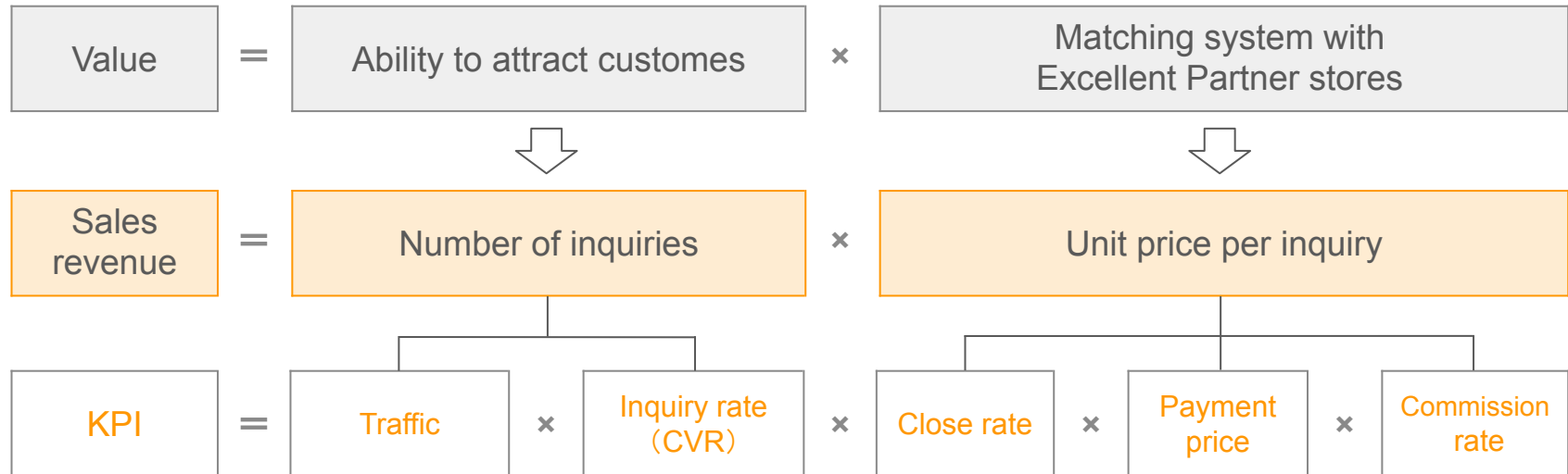
# Business Flow

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

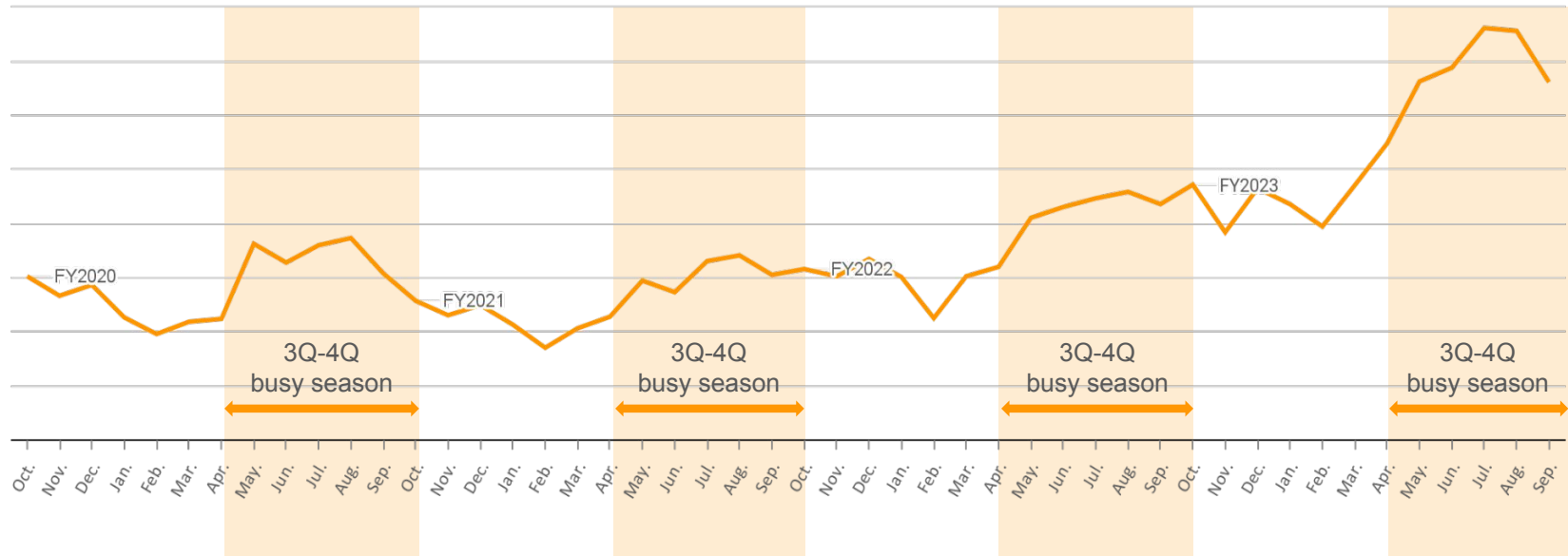
Our value source (Value) is defined as our ability to attract customers, our matching system to solve customers' problems, and excellent partner stores network. Each "Number of inquiries" and "Unit price per inquiry" is represented as numeric value. "Number of inquiries" is broken down into "Traffic",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



# Monthly Sales revenue of “Household problems” business

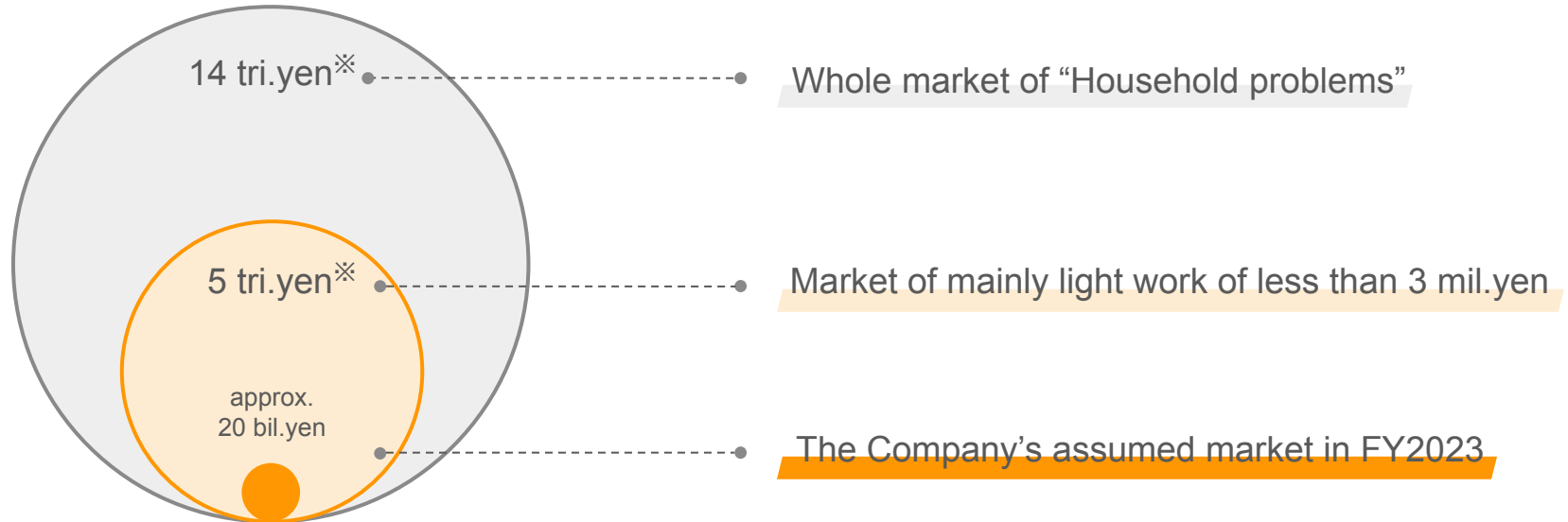
“Household problems” business has seasonality (e.g. Summer with pest control and mowing/gardening, early autumn of our 2nd half with typhoon damages on residential houses). This seasonality continues, and Sales revenue are expected to grow in the current fiscal year.

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.

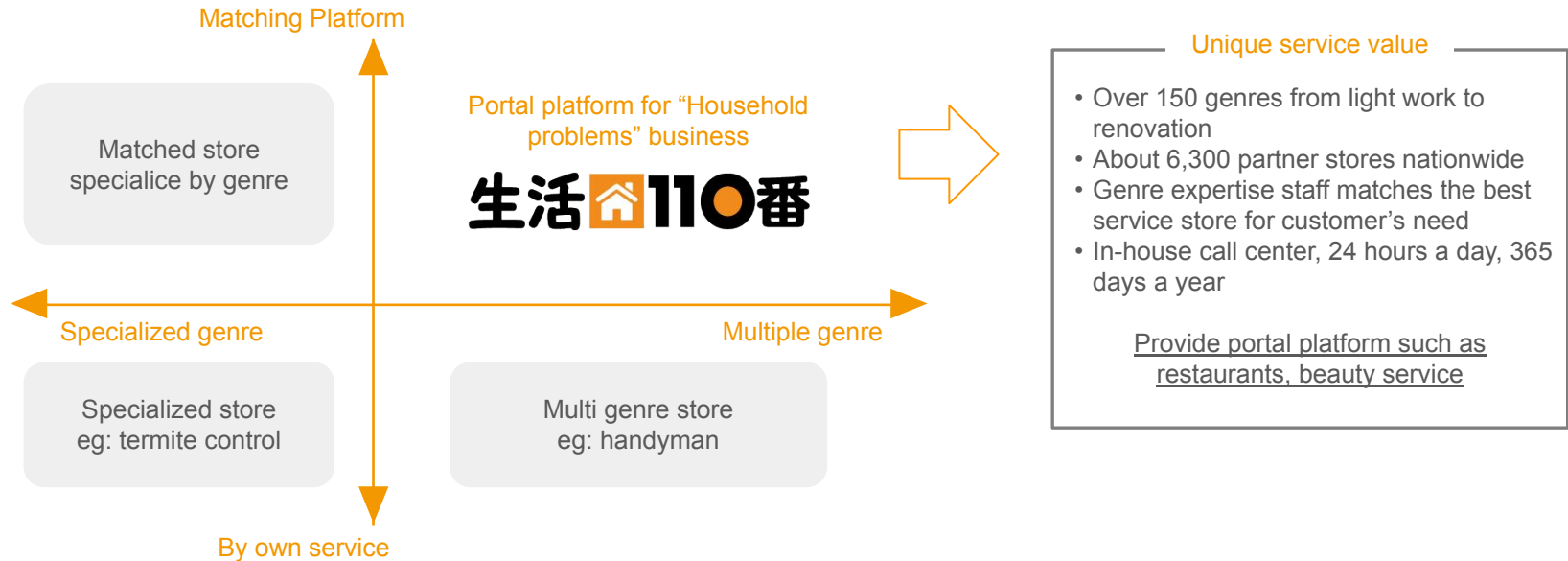


※ estimated based on a survey of frequency and price of “Household problems” services that targeted 20,000 respondents conducted by an external specialized agency



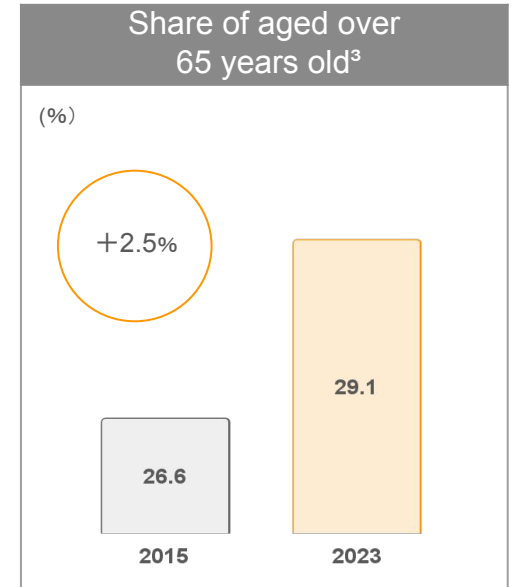
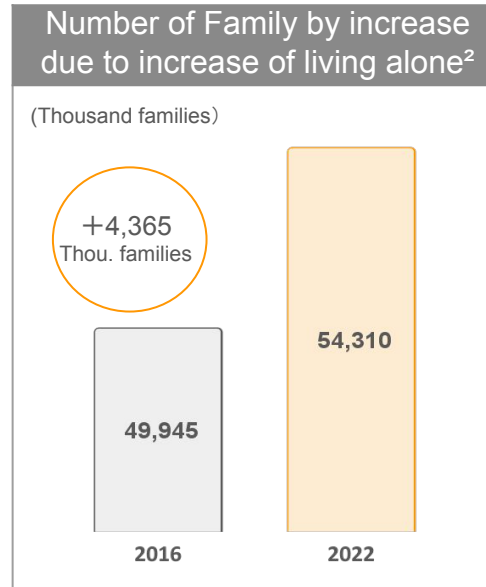
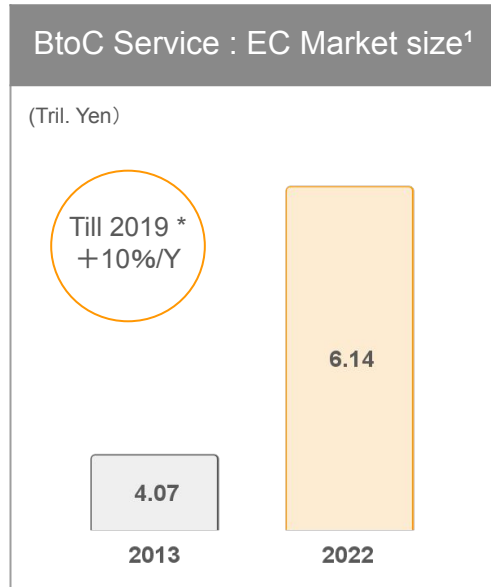
# Competitors and our Target Position

Competitors in “Household problems” business are mapped as follows in terms of the number of genres, platform, and service provider store. We assume there exists no portal platform such as restaurants search, beauty service. For this business opportunity, by expanding quality partner store network after analyzing requests, prioritizing matching with high added-value & customer satisfaction partner stores, we try to provide portal platform to solve various problems in daily life.



# 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)” \*Due to COVID-19, growth ratio temporarily decrease in 2020-2022

2 Ministry of Health, Labour and Welfare “Comprehensive Survey of Living Condition 2022”

3 Ministry of Public Management, Home Affairs Posts and Telecommunications “Statistics Topics No. 138 Japanese aged society”

# SHARETECH'S ESG/SDGs

As a member of society, we, a business entity, recognize the importance ESG(Environment, Society, Governance) and SDGs(Sustainable Development Goal), along with improvement of Corporate Value. We will manage our Company to fulfill social responsibility and contribute to sustainable future, through business activity and business entity.

Relevant SDGs items	Contents of Activities
<div style="display: flex; justify-content: space-around;"> <div data-bbox="272 472 426 625"> <p>11 住み続けられるまちづくりを</p>  </div> <div data-bbox="498 472 653 625"> <p>12 つくる責任つかう責任</p>  </div> </div>	<p><b>Contribution by “Household problems” business</b></p> <p>“Household problems” business extend the life of buildings by repair/maintenance of houses and facilities, reduce new construction. This will contribute to heighten sustainability of cities, promote efficient use of resources, and diminish disposals. Thus, we aim to reduce the environmental impact, realize economical efficiency, and contribute to sustainable future.</p>
<div style="display: flex; justify-content: space-around;"> <div data-bbox="218 718 372 871"> <p>5 ジェンダー平等を実現しよう</p>  </div> <div data-bbox="388 718 542 871"> <p>8 働きがいも経済成長も</p>  </div> <div data-bbox="558 718 712 871"> <p>10 人や国の不平等をなくそう</p>  </div> </div>	<p><b>Contribution by Gender Equality organization</b></p> <p>Our organization respects equal opportunity including gender equality. Concretely, <b><u>female ratio of leader and above position in our Call Center is 95.7%(female ratio in Call Center is 87.3%)</u></b>. Excluding Call Center, female ratio of managerial position is 28.6%(female ratio in all company is 59.2%).Although our female managerial position ratio is above the average, we will continue to raise the ratio, and contribute to sustainable future.</p>

# Recognized Risk and Countermeasures

Area	Major Risk	Frequency/ Time/Impact	Countermeasure
Business Environment: Internet industry	Due to delay of securing engineers, etc., failure to respond to change of market environment may adversely effect on the Company's operating results.	Low/ Mid.& Long-term/ Medium	Always collect industry information, hire engineers timely, or utilize proper outsourcing
Business Content: Search engine	Due to change of priority display, etc., downward effectiveness of SEO may decrease effectiveness of customer inflow in sites.	Medium/ Mid.& Long-term/ Large	Continuously enhance SEO for further customer inflow through search engine, and strive to have our site displayed at the upper prioritized listing position
Business Content: Partner store	Due to some reasons, deterioration of partner stores' service quality may incur shortage of qualified partner stores.	Low/ Mid.& Long-term/ Medium	Recruit new partner stores continuously, and establish organization robust for sudden leaving of partner stores
Business Content: Seasonality	High seasonality genres affected by unsettled/abnormal weather may reduce the number of customer inquiries.	Medium/ Mid.& Long-term/ Large	Increase sales revenue of low seasonality genres, and try to not heavily count onseasonality
Business Content: System	Due to sudden surge of access, human error, disaster, system failure may adversely effect on the Company's operation.	Low/ Mid.& Long-term/ Medium	Decentralize servers, back up periodically, monitor operation status, and prevent/avoid system failure

※Quoted partially from "Business Operation Risk" of Securities Report regarding major risks for business growth and operation  
For other risks, refer to "Business Operation Risk" of Securities Report

# Fiscal Year ending September 30, 2023 balance sheet

[million.yen]

	Current year-end 2023 (As of Sep. 30,2023)	Previous year-end 2022 (As of Sep. 30,2022)	YoY change
Current assets	2,842	1,706	+1,135
Fixed assets	1,283	622	+661
Total assets	4,126	2,328	+1,797
Current liabilities	1,443	1,565	(121)
Fixed liabilities	493	93	+400
Total equity	2,188	669	+ 1,518
Capital ratio	53.0%	28.8%	+24.2pt

# Fiscal Year ending September 30, 2023 P/L statement

[million.yen]

	Current year-end 2023 (As of Sep. 30,2023)	Previous year-end 2022 (As of Sep. 30,2022)	YoY change
Sales revenue	6,228	4,429	+ 1,799
Cost of sales	405	172	+ 233
Gross profit	5,822	4,256	+ 1,566
SGA expense	4,577	3,866	+ 711
Operating profit	1,240	401	+ 839
Pre-tax profit	1,235	390	+ 844
Net income	1,338	472	+ 865

# Company profile

---

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

Representative Director, CEO	Nobuhiro Moriyoshi
Director, COO	Yoshitaka Katayama
Director	Eisaku Ueda
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** 74.16 million yen \*As of the end of Sep.,2023
- **Number of Employees** 201 (including 44 temporary and part-time workers) \*As of the end of Sep.,2023
- **Accounting Period** End of September
- **Market** Securities Code: 3989 (Tokyo Stock Exchange, Growth)

## 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 intended for providing information about the Company, and are not intended for soliciting to purchase or disposal of the Company's stock. We ask that all investors make your own judgments relating to investments.

The disclosed documents include “Documents of business plans and matters related to high growth potential” . Update of “Documents of business plans and matters related to high growth potential” will be disclosed around November after fiscal year-end close.