



FY2024 1Q Financial Results Briefing Document

February 14, 2024

Topics

Sales revenue

- Sales revenue : 1,734 mil.yen (YoY 134%, +441 mil.yen)
- Excluding 78 mil.yen sales of M&A, YoY 128%

Operating profit

- Operating profit : 374 mil.yen (YoY 170%, +154 mil.yen)
- Excluding 19 mil.yen profit of M&A, YoY 161%

Progress in FY24

- 1Q progress in FY24 Sales : 24.1% (1Q in FY23 : 20.8%)
- 1Q progress in FY24 Operating profit : 23.4% (1Q in FY23 : 17.7%)

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FY2024 1Q

Performance reporting

Consolidated 1Q results (3 months)

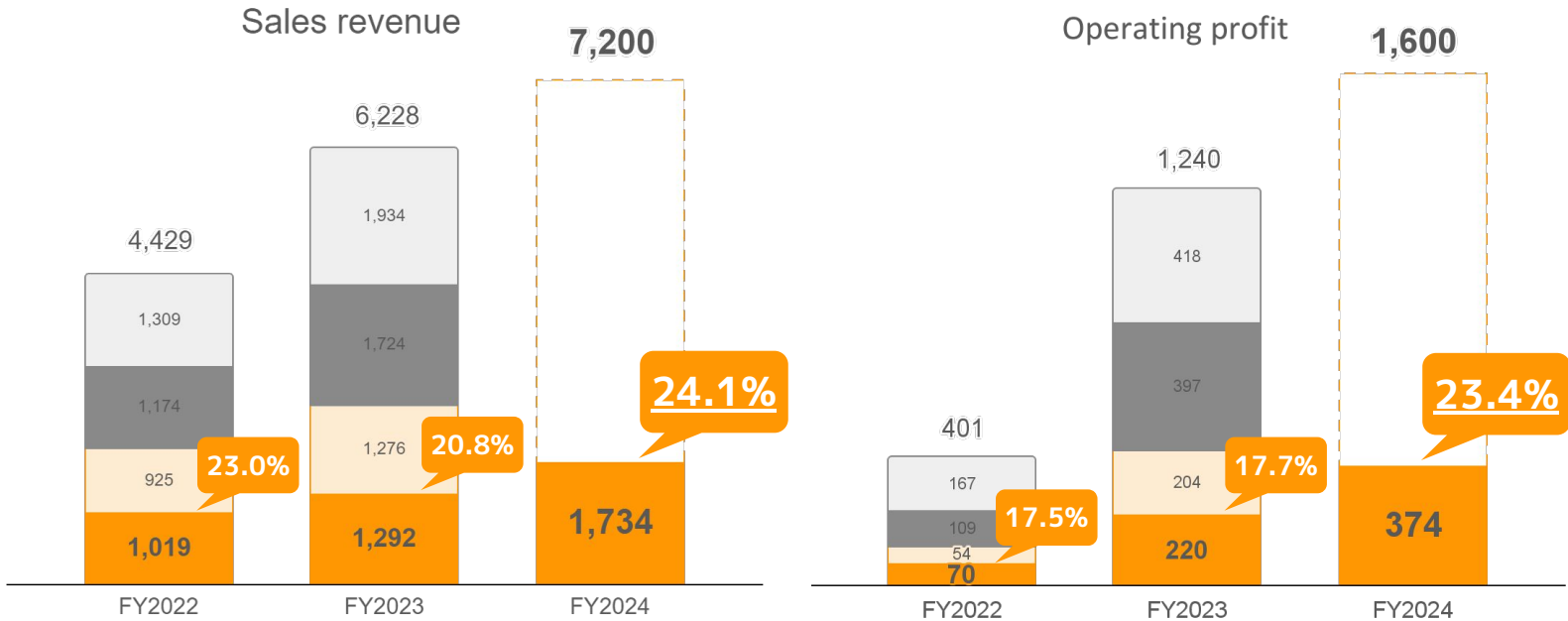
1Q Sales revenue ended 1,734 mil.yen (YoY 134%), due to sales increase of main genres. Operating profit ended 374 mil.yen (YoY 170%), due to sales increase and continuous appropriate control of Advertisement cost. Though Net income decreased due to the effect of tax effect accounting, 1Q started pretty good progress toward FY2024 Forecast.

	1Q results FY2024	1Q results FY2023	YoY change
Sales revenue	1,734 mil.yen	1,292 mil.yen	+441 mil.yen (134%)
Operating profit	374 mil.yen	220 mil.yen	+154 mil.yen (170%)
Net income [※]	255 mil.yen	279 mil.yen	(24) mil.yen (91%)

※Net income attributable to owners of the parent company

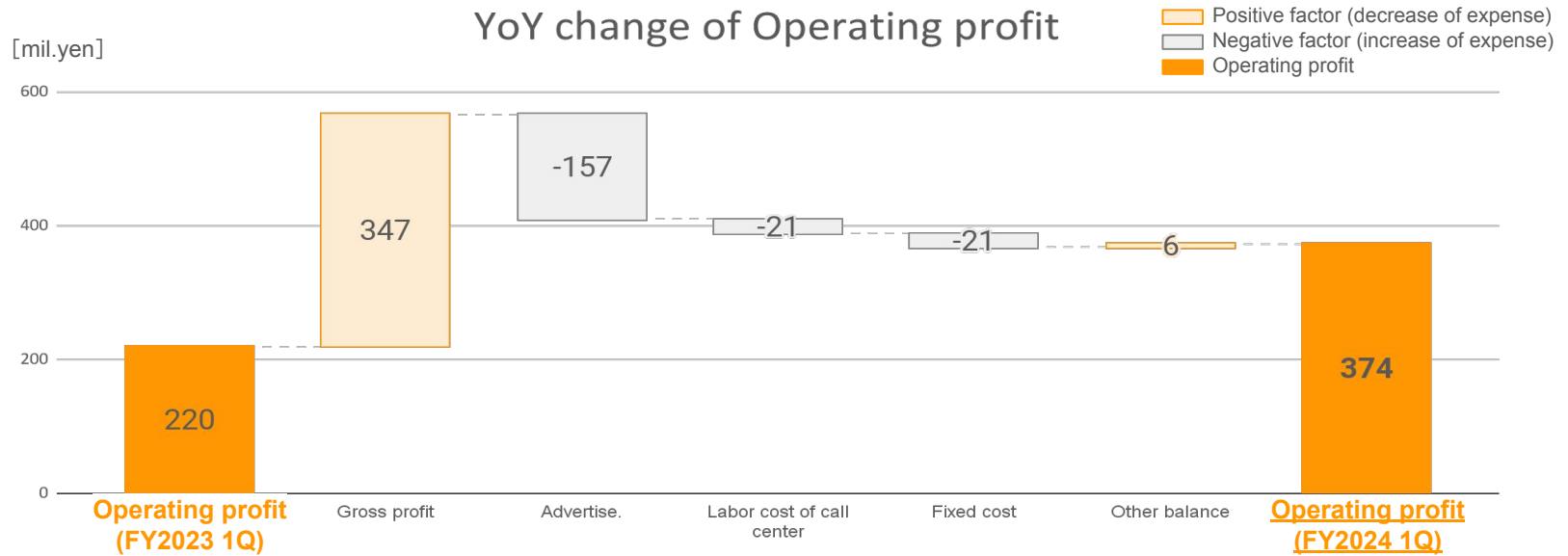
Progress toward FY2024 Forecast

1Q Sales revenue progress rate toward FY2024 was at 24.1%, exceeding that of previous 1Q. Similarly, 1Q Operating profit progress rate started at 23.4%, well above that of previous 1Q. Meanwhile 1Q-2Q progress are usually lower by seasonality, current progress toward FY2024 is pretty good, compared to the past progress.



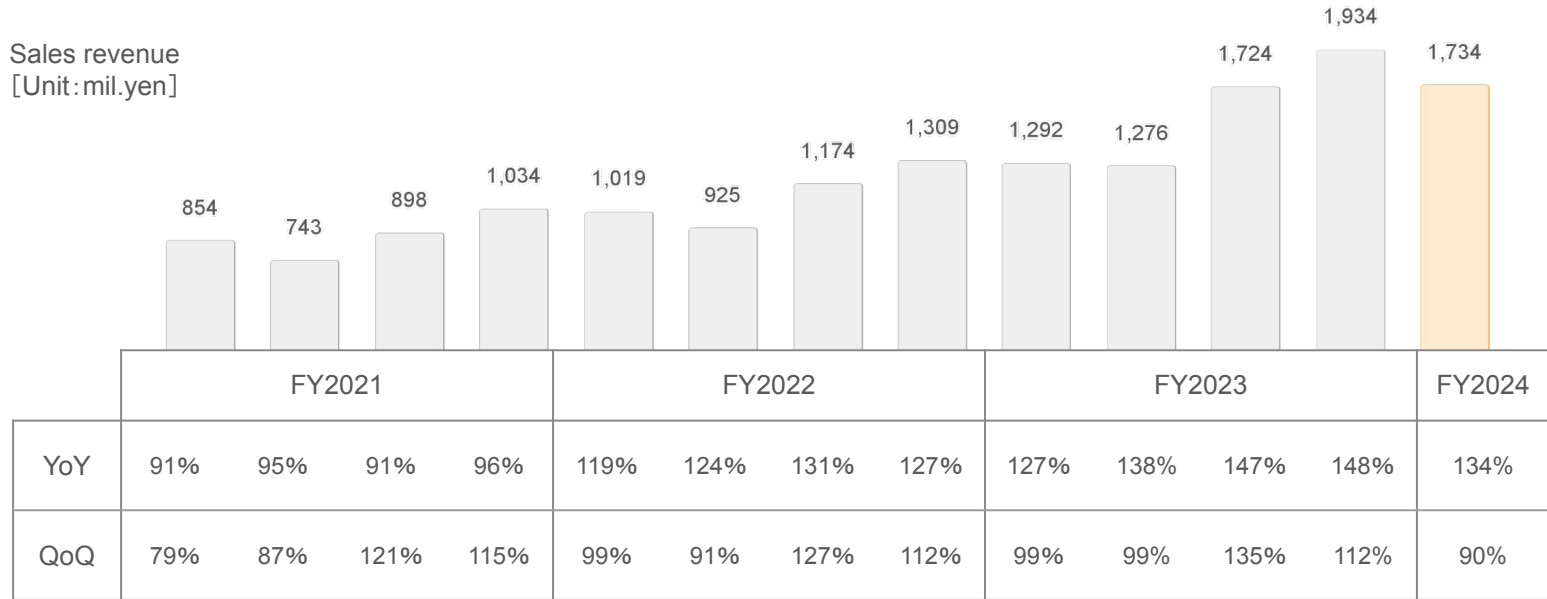
Analysis of YoY change of Operating profit

Starting from 220 mil.yen of Operating profit of FY2023 1Q, 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. Operating profit of FY2024 1Q recorded large 374 mil.yen (YoY +154 mil.yen).



Sales revenue trend of “Household problems” business

FY2024 1Q Sales revenue ended in YoY 134%, thanks to strong main genres. Even excluding effect of Az support newly consolidated in FY 2023 3Q, still now, stable growth is maintained (pro forma 1Q YoY was 128%).



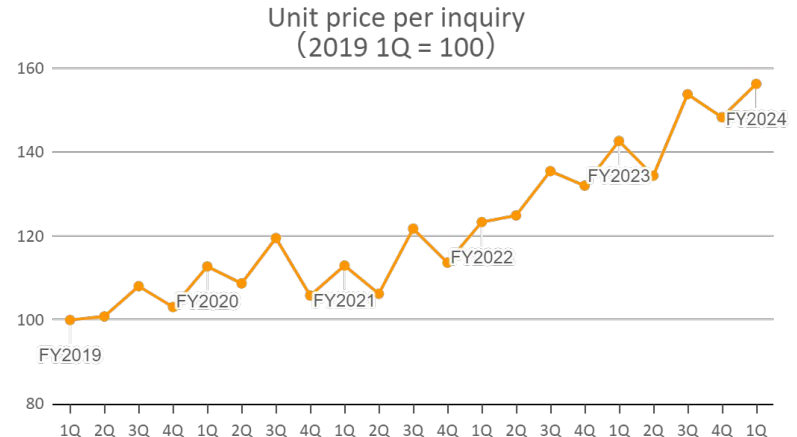
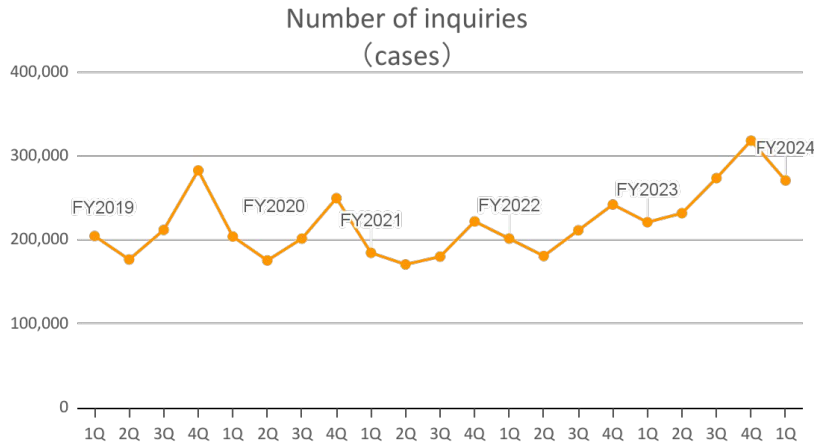
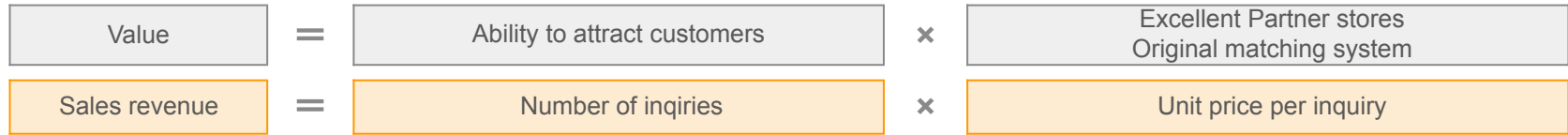
Transition of KPI of Business

Sales revenue increased continuously. 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 48%. Labor cost ratio of Call center and Fixed cost ratio were also kept at the certain level. Consequently, FY2024 1Q Operating profit recorded 374 mil.yen.

[mil.yen] (Ratio to GP)	FY2022					FY2023					FY2024
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Sales revenue	1,019	925	1,174	1,309	4,429	1,292	1,276	1,724	1,934	6,228	1,734
Cost of sales (Ratio to sales)	29 (3%)	35 (4%)	44 (4%)	61 (5%)	172 (4%)	61 (5%)	77 (6%)	112 (7%)	153 (8%)	405 (7%)	155 (9%)
SGA	921	843	1,020	1,080	3,866	1,017	999	1,201	1,359	4,577	1,216
Advertise.	499 (51%)	419 (47%)	550 (49%)	585 (47%)	2,055 (48%)	598 (49%)	594 (50%)	741 (46%)	804 (45%)	2,739 (47%)	755 (48%)
Labor cost of call center	75 (8%)	75 (8%)	94 (8%)	107 (9%)	353 (8%)	106 (9%)	99 (8%)	127 (8%)	143 (8%)	476 (8%)	127 (8%)
Fixed cost	346 (35%)	348 (39%)	375 (33%)	387 (31%)	1,458 (34%)	312 (25%)	305 (25%)	331 (21%)	411 (23%)	1,360 (23%)	333 (21%)
Other balance	3	7	0	0	11	7	4	(13)	(2)	(4)	13
Operating profit	70	54	109	167	401	220	204	397	418	1,240	374

Transition of KPI of Profit Structure (Sales revenue)

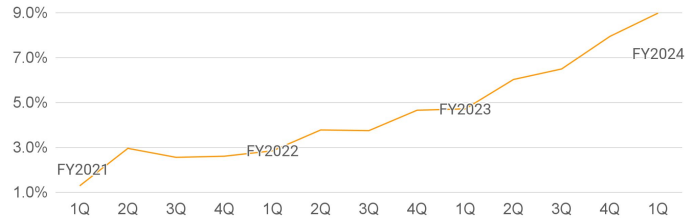
“Number of inquiries” is gradually turning from levelling off trend to increasing trend since FY2023.
 “Unit price per inquiry” is also on the upward trend, thanks to optimized matching methodology and increased Our-own service (includ. Az support consolidated from FY2023 3Q).



Transition of KPI of Profit Structure (Cost)

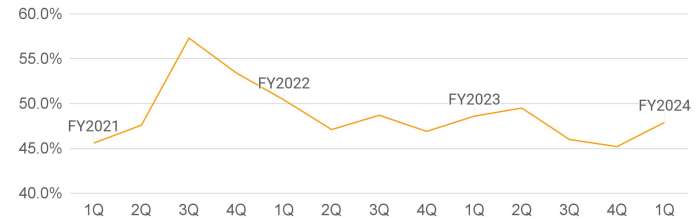
Cost of Sales ratio

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



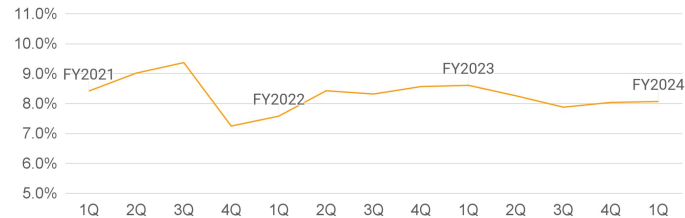
Advertisement cost (PPC) ratio

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



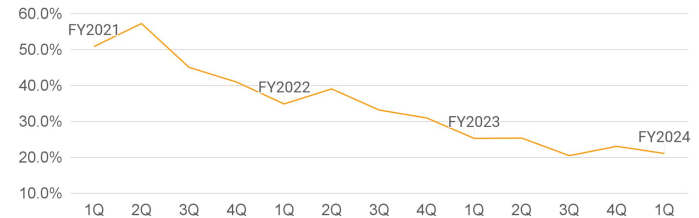
Labor cost of Call Center ratio

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

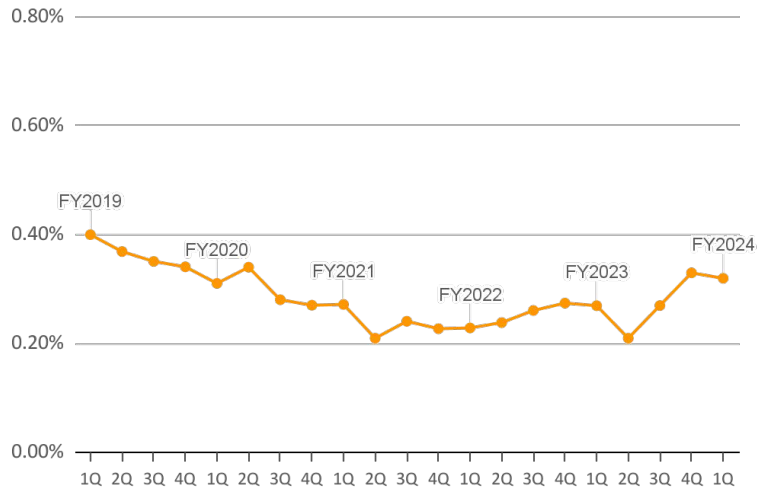
Decreasing due to optimization of expense (e.g. depreciation, rent). Ratio is expected to diminish along with the increase of Sales revenue in future.



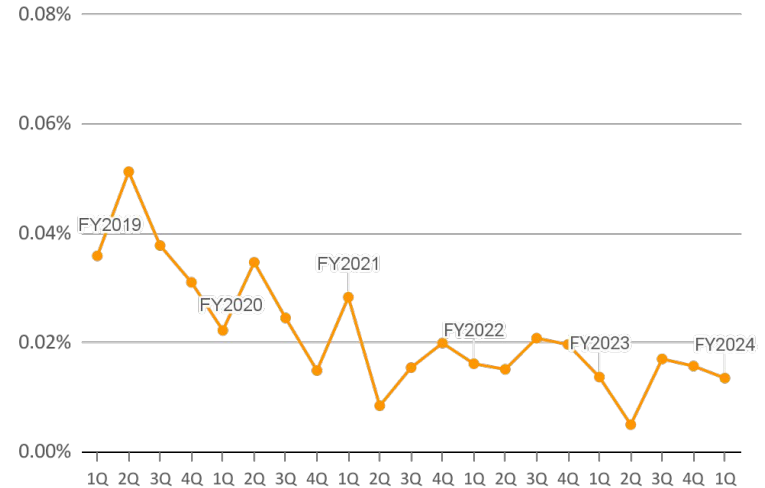
For Satisfaction of Customers and Partner Stores

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 some increase from FY2023 2Q, still now the transition is stably contained at low level.

Claim ratio from customers



Claim ratio from partner stores



PMI of Az support

Az support (Former name : Fujisawa) acquired in Apr. '23, turned to surplus by PMI, just after M&A. Since strengthening of operating foundation such as Control Dep't has been completed, sales enhancement prioritizing "Area and Genre" shall be aimed for further increase of sales and profit in FY2024.

※Az support only

	1Q Oct.- Dec. '23 (3 months)	At M&A ended Apr. '23 (12 months)
Sales	119 mil.yen	442 mil.yen
Operating profit	<u>19 mil.yen</u>	(21) mil.yen
(Net consolidated)	78 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)

Forecast of FY2024 & Growth Strategy

Forecast of Fiscal Year ending Sep. 30, 2024 (added Net income)

Forecast of FY2024 Sales revenue of 7,200 mil.yen and Operating profit of 1,600 mil.yen are not revised from the latest disclosure. Meanwhile, since effect of tax effect accounting has been analyzed, Net income (Net income attributable to owners of the parent company) has been disclosed additionally.

	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
Net income [※]	1,300 mil.yen (YoY 98%)	1,320 mil.yen

※Net income attributable to owners of the parent company

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	<u>7,200 mil.yen (YoY 116%)</u>	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	<u>1,600 mil.yen</u>	1,240 mil.yen
Net income*	<u>1,300 mil.yen</u>	1,320 mil.yen

※Net income attributable to owners of the parent company

Our strength brought by improvement of Service Quality

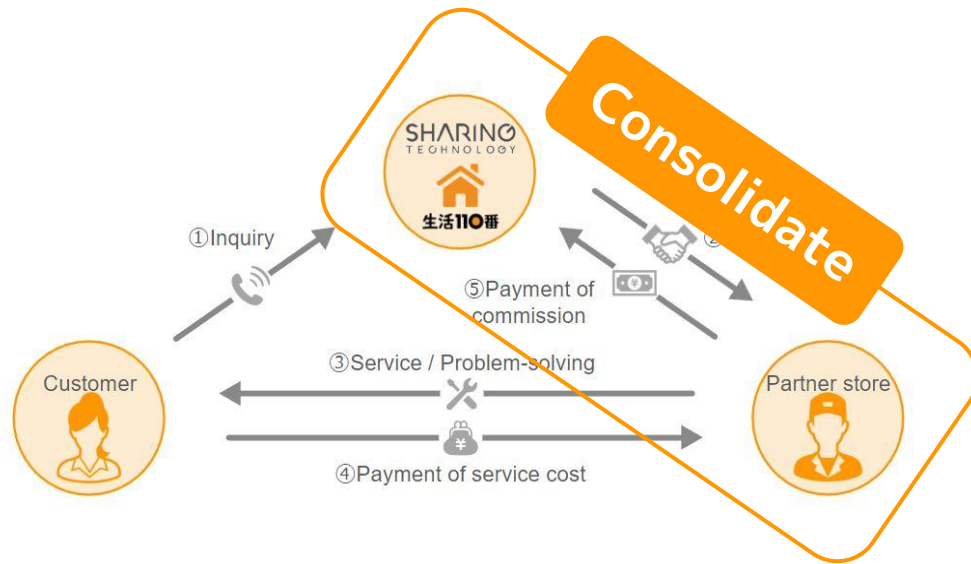
Since FY2019, we have pursued Service Quality improvement, which started to bring apparent rise of profit from FY2022. SHARETECH will continue this policy, and aim business expansion. Improvement of Service Quality directly leads to rise of Close Rate. Subsequently, rise of Close Rate raises profitability.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



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 19 mil.yen of Operating profit in Oct.-Dec.'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)

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 6,400 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 6,400 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



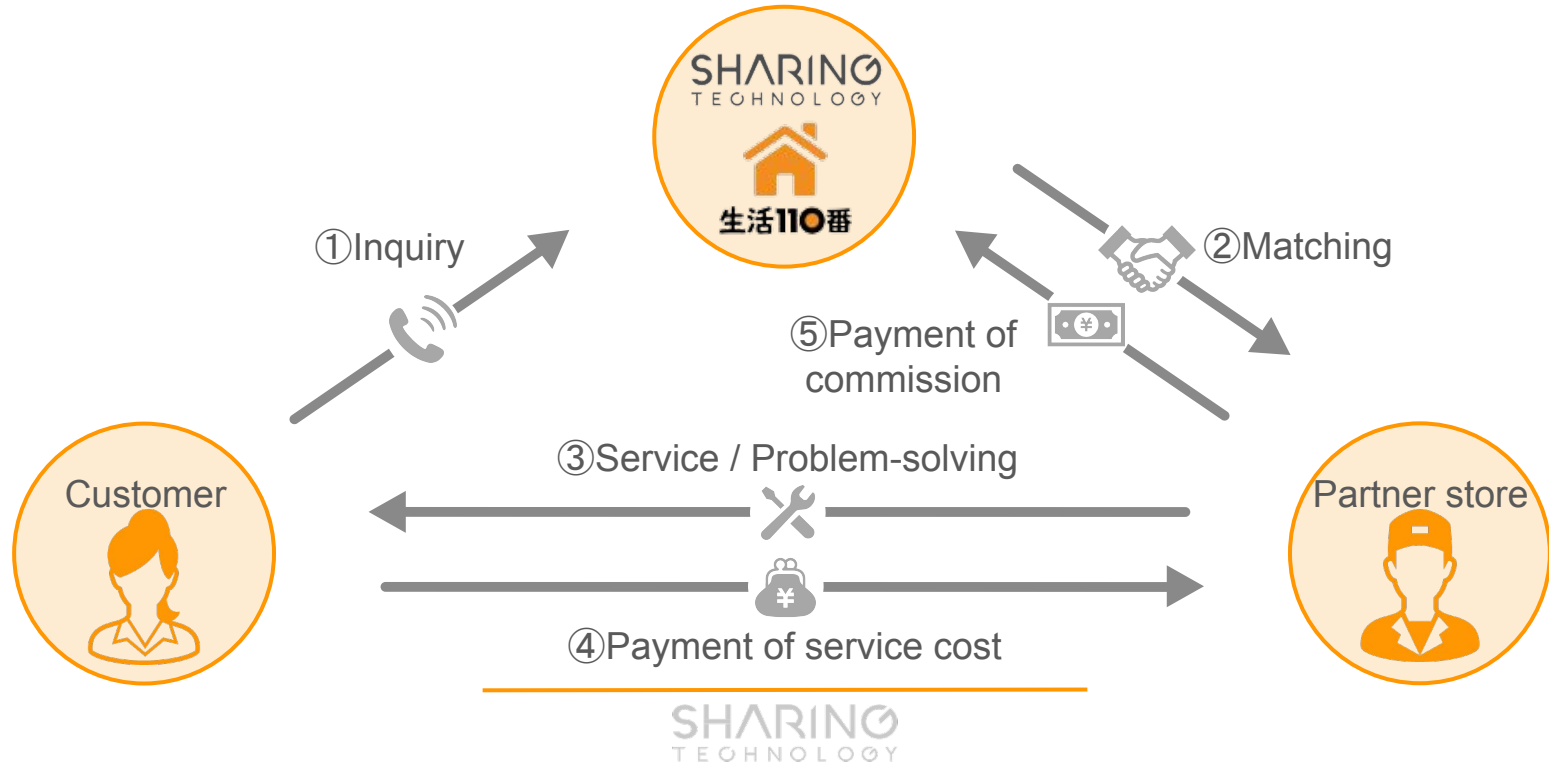
One genre per site



Mainly listing inflow

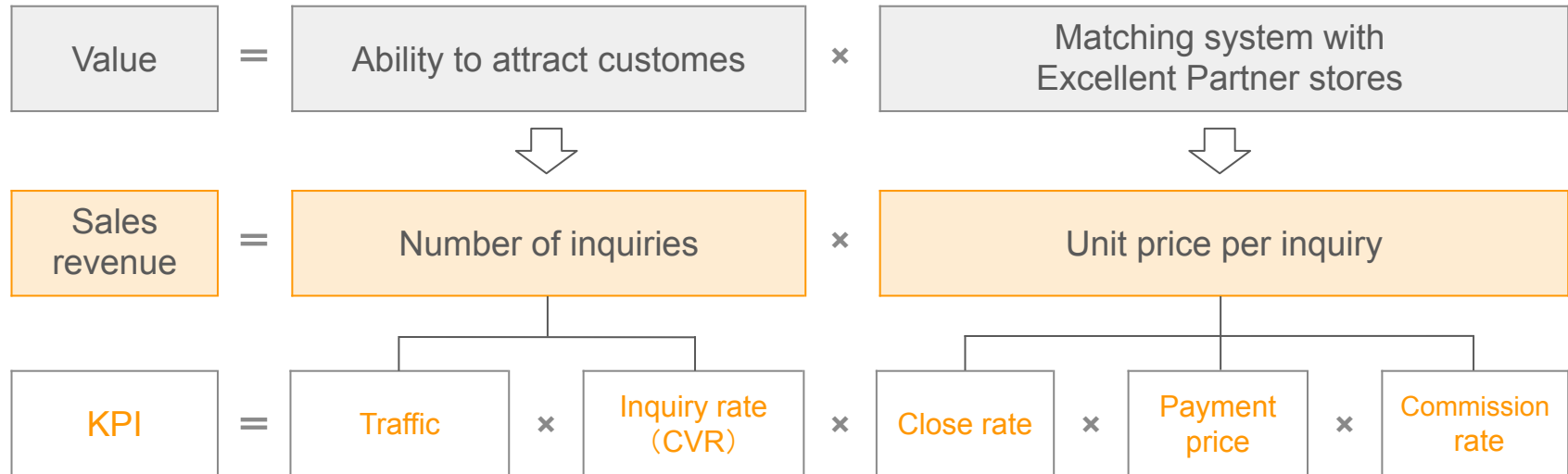
Business Flow

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

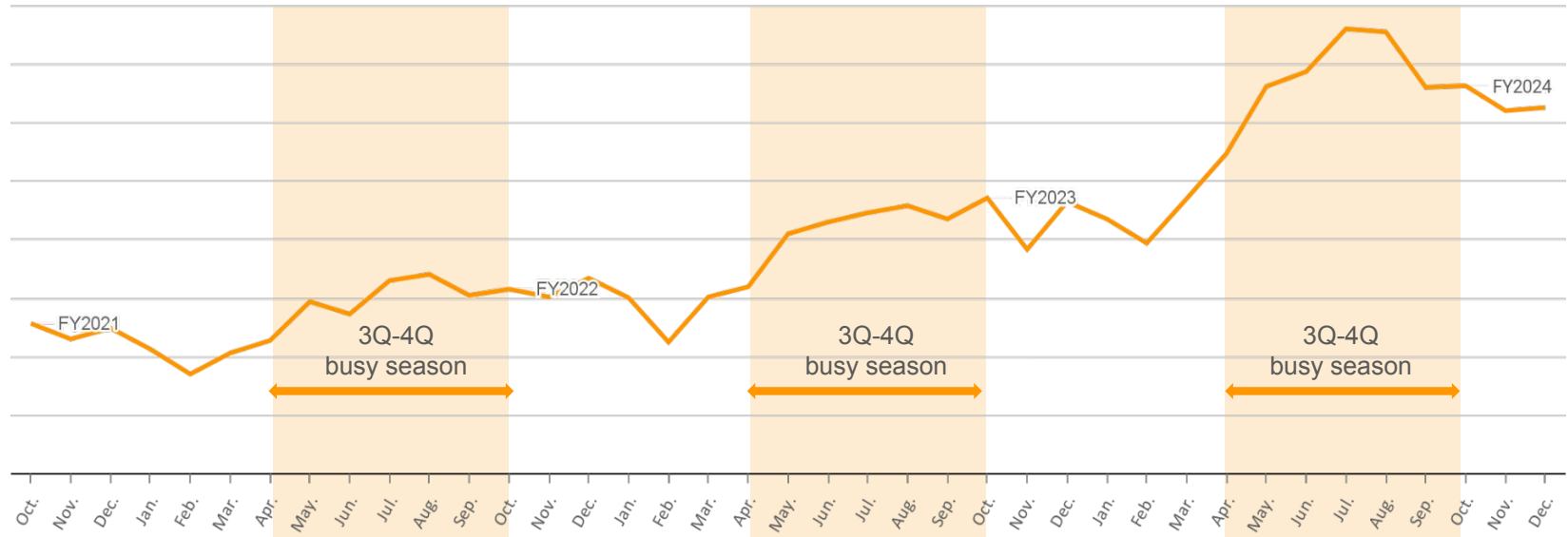
Our value source (Value) is defined as our ability to attract customers, our matching system to solve customers' problems, and excellent partner stores network. Each "Number of inquiries" and "Unit price per inquiry" is represented as numeric value. "Number of inquiries" is broken down into "Traffic",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

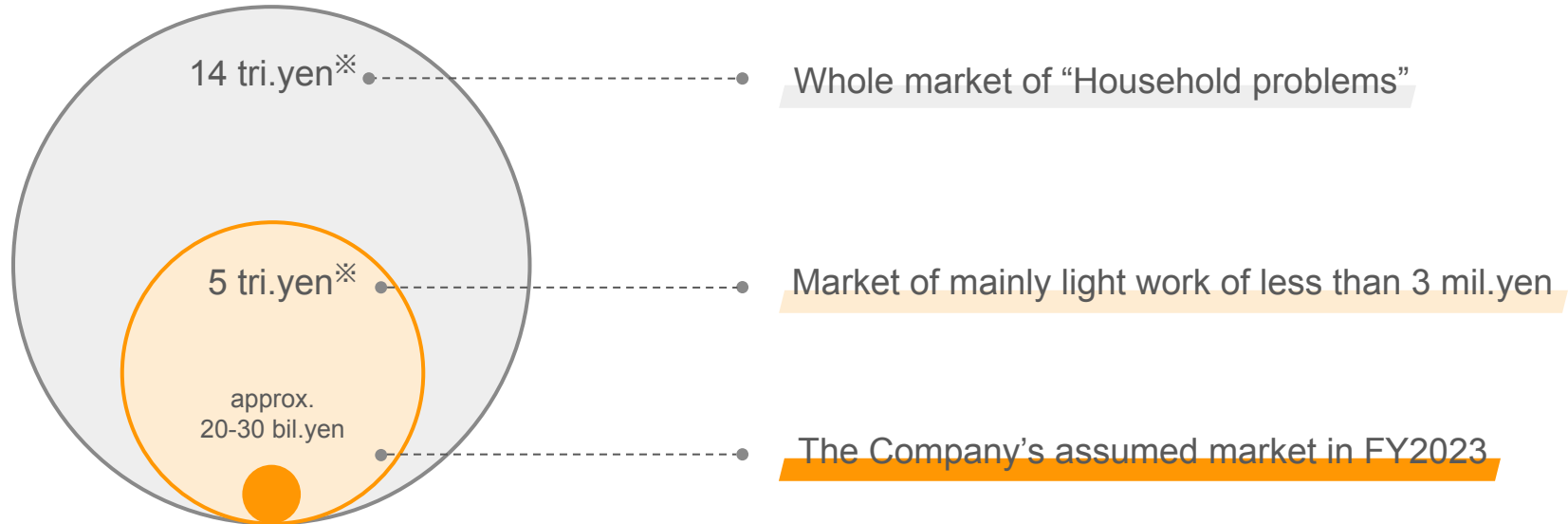
“Household problems” business has seasonality (e.g. Summer with pest control and mowing/gardening, early autumn of our 2nd half with typhoon damages on residential houses). This seasonality continues, and Sales revenue are expected to grow in the current fiscal year.

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



Market of “Household problems” business

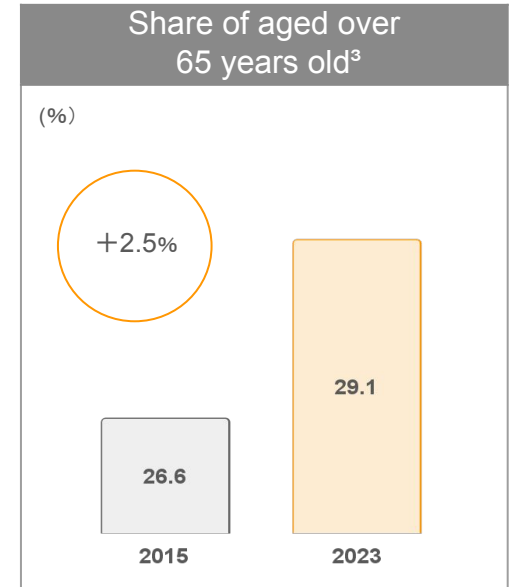
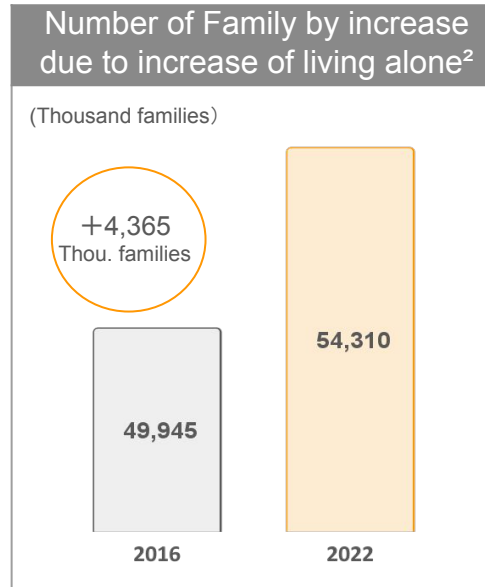
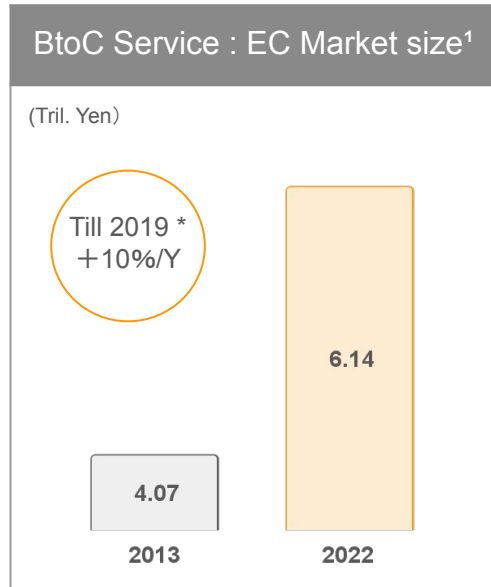
Domestic market of “Household problems” business is approx. 14 tri.yen, and of that, the market of low-price light work is estimated 5 tri.yen. With increase of the aged and people living alone, this market is expected to grow further. In addition, with an ongoing shift from current phone book to online,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

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.






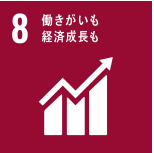

1 Ministry of Economy, Trade and Industry “Infrastructure of Data Driven Society (EC Market Research)” *Due to COVID-19, growth ratio temporarily decrease in 2020-2022

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 style="text-align: center;">  <p>11 住み続けられるまちづくりを</p> </div> <div style="text-align: center;">  <p>12 つくる責任つかう責任</p> </div> </div>	<p>Contribution by “Household problems” business</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 style="text-align: center;">  <p>5 ジェンダー平等を実現しよう</p> </div> <div style="text-align: center;">  <p>8 働きがいも経済成長も</p> </div> <div style="text-align: center;">  <p>10 人や国の不平等をなくそう</p> </div> </div>	<p>Contribution by Gender Equality organization</p> <p>Our organization respects equal opportunity including gender equality. Concretely, <u>female ratio of leader and above position in our Call Center is 95.7%(female ratio in Call Center is 87.3%)</u>. 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>

FY2024 1Q Balance sheet

[million.yen]

	FY2024 1Q (As of Dec. 31,2023)	Previous year-end 2023 (As of Sep. 30,2023)	Change from Previous year-end
Current assets	3,084	2,842	+242
Fixed assets	1,239	1,283	(44)
Total assets	4,324	4,126	+197
Current liabilities	1,355	1,443	(88)
Fixed liabilities	436	493	(56)
Total equity	2,531	2,188	+343
Capital ratio	58.6%	53.0%	+5.6pt

FY2024 1Q P/L statement

[million.yen]

	FY2024 1Q (From Oct. 1, 2023 to Dec. 31,2023)	FY2023 1Q (From Oct. 1, 2022 to Dec. 31,2022)	YoY change
Sales revenue	1,734	1,292	+441
Cost of sales	155	61	+94
Gross profit	1,578	1,230	+347
SGA expense	1,216	1,017	+199
Operating profit	374	220	+154
Pre-tax profit	378	218	+159
Net income*	255	279	(24)

※Net income attributable to owners of the parent company

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** 117.26 million yen *As of the end of Dec.,2023
- **Number of Employees** 196 (including 40 temporary and part-time workers) *As of the end of Dec.,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.