



September 2024 Financial Results Briefing Document
(Disclosure on business plans and matters related to high growth potential)

November 14, 2024

Topics

FY2024 Actual

- Sales 7,502 mil.yen (YoY 121%), Operating profit 1,790 mil.yen (YoY 144%)
- Year-end dividend 15 yen (First) & Share repurchase 500 mil.yen

Group Company

- FY2024 Sales 761 mil.yen, The most recent QTR Sales YoY 216%
- Expand areas of current genres & Start new genres

FY2025 Forecast

- Sales 8,600 mil.yen (YoY 115%), Operating profit 2,000 mil.yen (YoY 112%)
- Year-end dividend 15 yen → 30 yen (YoY 200%)

Topics : Summary of Financials and Shareholder returns

	FY2024 Actual	FY2025 Forecast
Sales revenue	7,502 mil.yen	8,600 mil.yen (YoY 115%)
Operating profit	1,790 mil.yen	2,000 mil.yen (YoY 112%)
Net income ^{※1}	1,467 mil.yen	1,400 mil.yen (YoY 95%)
Dividend per share (Total Dividend amount ^{※2})	15.00 yen (348 million yen)	30.00 yen (697 million yen)
Share repurchase	500 mil.yen	TBD

※1 Profit attributable to owners of the parent company

※2 Calculated based on the number of issued shares at the end of FY2024 (excluding treasury shares)

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FY2024

Performance reporting

Fiscal Year ending Sep. 30, 2024 results

FY2024 Sales revenue ended in YoY 121%, due to sales increase of main genres and expansion of Az support. Operating profit ended in YoY 144%, due to sales increase and continuous appropriate control of Advertisement cost ratio. Despite the effect of tax effect accounting, Net income increased (YoY 111%).

	FY2024 YTD	FY2023 YTD	YoY change
Sales revenue	7,502 mil.yen	6,228 mil.yen	+1,274 mil.yen (121%)
Operating profit	1,790 mil.yen	1,240 mil.yen	+549 mil.yen (144%)
Net income [※]	1,467 mil.yen	1,320 mil.yen	+146 mil.yen (111%)

※Profit attributable to owners of the parent company

4Q (3 months) Fiscal Year ending Sep. 30, 2024 results

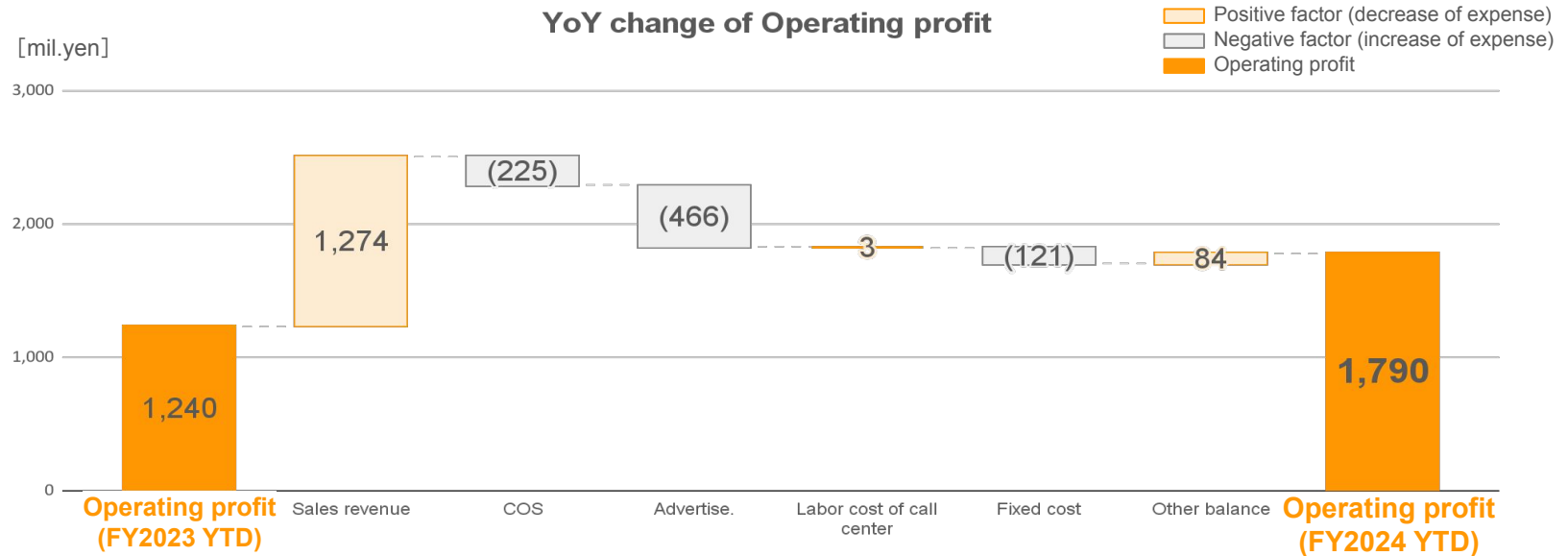
4Q Sales revenue ended in YoY 115%, due to sales increase of main genres and expansion of Az support. Operating profit ended in YoY 138%, due to sales increase and continuous appropriate control of Advertisement cost ratio. Net income largely increased (YoY 210%), since the previous 4Q was materially affected by tax effect accounting.

	FY2024 4Q	FY2023 4Q	YoY change
Sales revenue	2,234 mil.yen	1,934 mil.yen	+299 mil.yen (115%)
Operating profit	576 mil.yen	418 mil.yen	+157 mil.yen (138%)
Net income [※]	465 mil.yen	221 mil.yen	+244 mil.yen (210%)

※Profit attributable to owners of the parent company

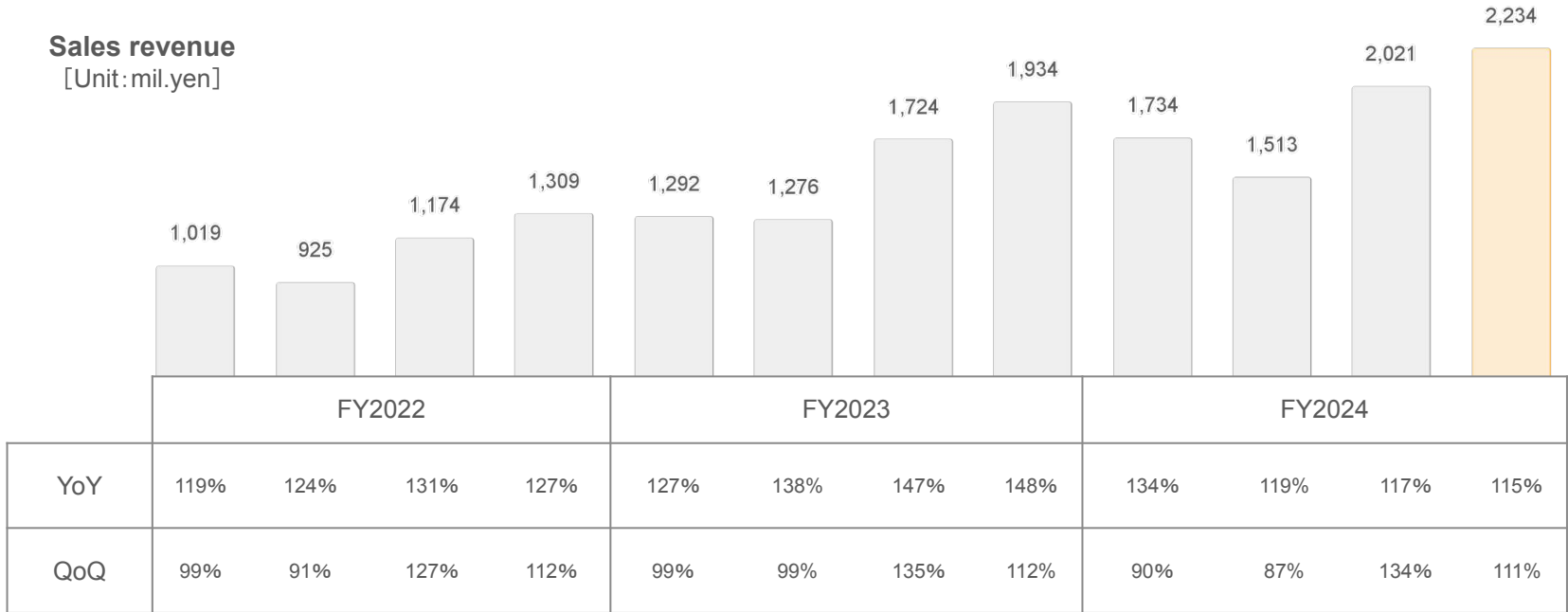
Analysis of YoY change of Operating profit of FY2024

Starting from 1,240 mil.yen of Operating profit of FY2023, Sales revenue increased. Though COS and Advertisement cost increased along with Sales revenue increase, both cost ratios to Gross profit are maintained at the certain level. Consequently, Operating profit of FY2024 recorded 1,790 mil.yen (YoY +549mil.yen).



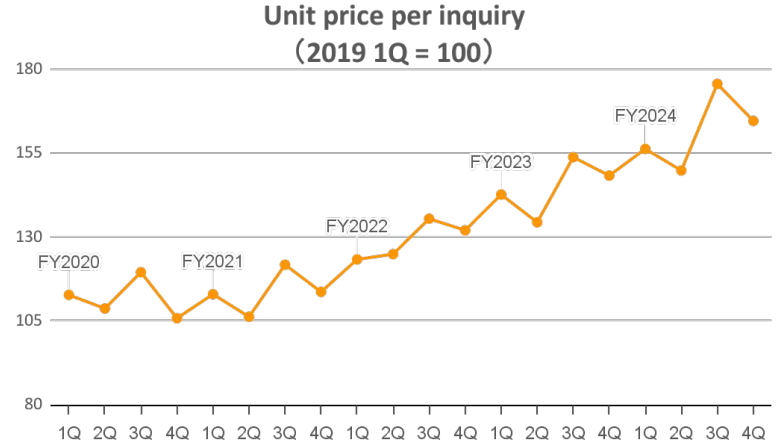
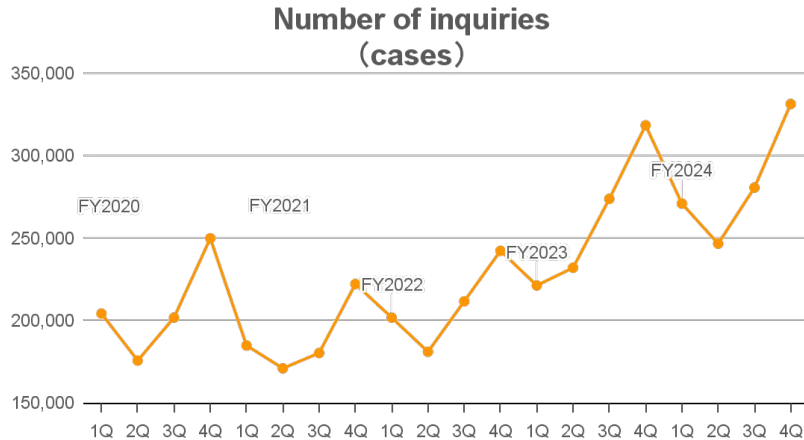
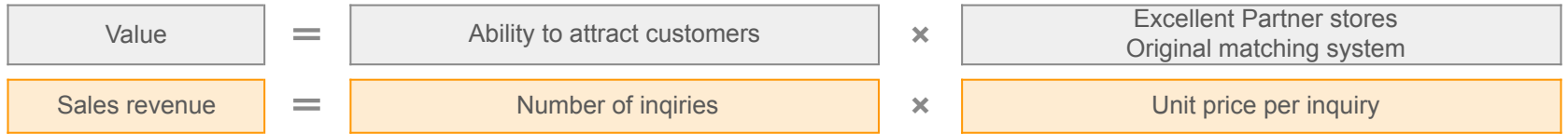
Sales revenue trend of “Household problems” business

FY2024 4Q Sales revenue ended in YoY 115%, hitting a record high.



Transition of KPI of Sales revenue

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



Transition of KPI of Business

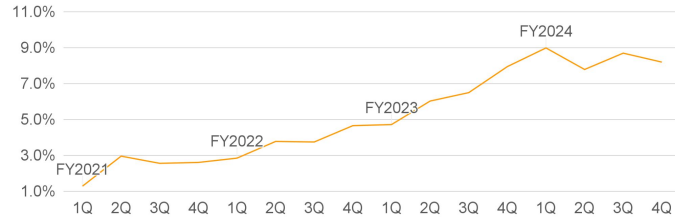
FY2024 Sales revenue increased continuously. COS increased along with Our-own service (includ. Az support) increase. Advertisement cost ratio was kept around proper 47%. Ratios of Labor cost of Call center, Fixed cost were also kept stably. Consequently, Operating profit ended in 1,790 mil.yen.

[mil.yen] (Ratio to GP)	FY2022					FY2023					FY2024				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales revenue	1,019	925	1,174	1,309	4,429	1,292	1,276	1,724	1,934	6,228	1,734	1,513	2,021	2,234	7,502
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%)	117 (8%)	175 (9%)	182 (8%)	631 (8%)
SGA	921	843	1,020	1,080	3,866	1,017	999	1,201	1,359	4,577	1,216	1,115	1,336	1,492	5,161
Advertisement	499 (51%)	419 (47%)	550 (49%)	585 (47%)	2,055 (48%)	598 (49%)	594 (50%)	741 (46%)	804 (45%)	2,739 (47%)	755 (48%)	683 (49%)	840 (46%)	926 (45%)	3,205 (47%)
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%)	109 (8%)	115 (6%)	121 (6%)	473 (7%)
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%)	322 (23%)	380 (21%)	445 (22%)	1,482 (22%)
Other balance	3	7	0	0	11	7	4	(13)	(2)	(4)	13	45	4	18	80
Operating profit	70	54	109	167	401	220	204	397	418	1,240	374	325	514	576	1,790

Transition of KPI of Expense

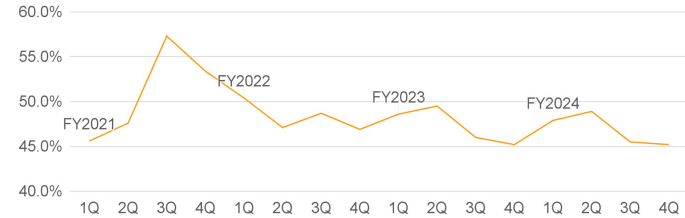
Cost of Sales ratio

Cost (service) ratio rising along with increasing Our-own service (includ. Az Support).



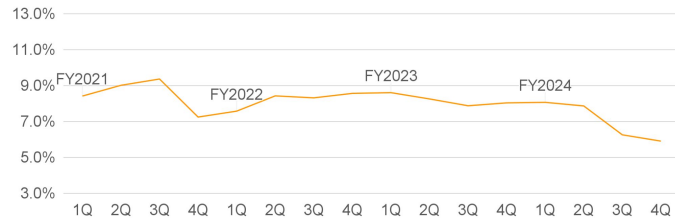
Advertisement cost (PPC) ratio

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



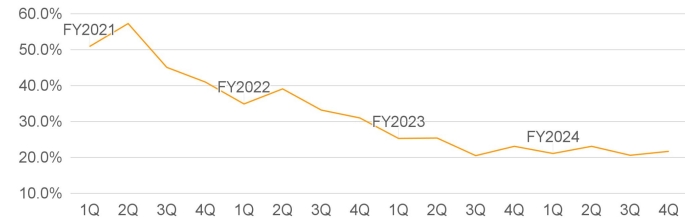
Labor cost of Call Center ratio

Maintaining the certain level. Although labor cost per headcount increases, maintained the low level by efficiency and optimization.



Fixed cost ratio

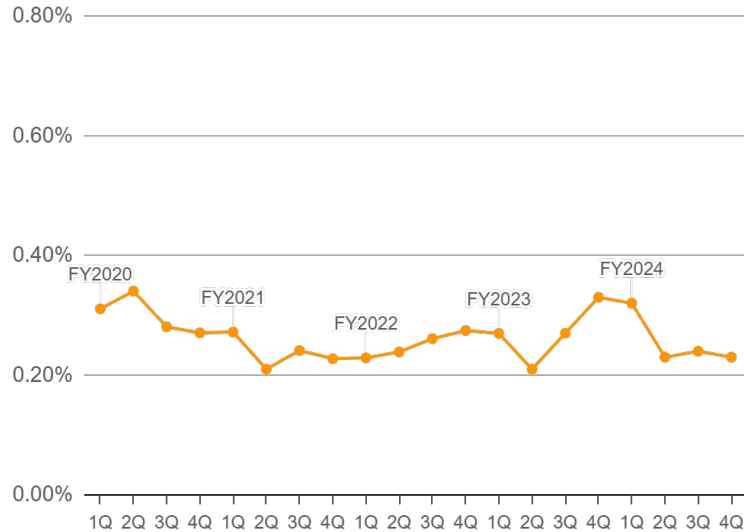
Maintaining Fixed cost (includ. Az support) within the certain range. Ratio to Gross profit is maintained at the certain level.



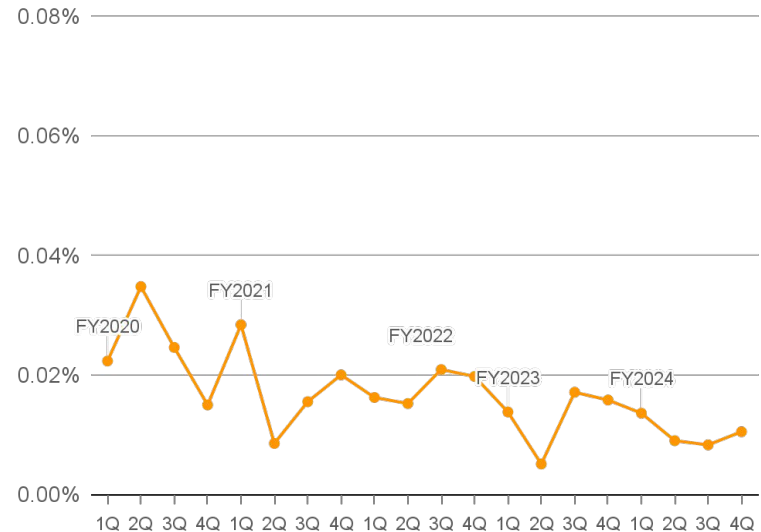
For Satisfaction of Customers and Partner Stores

Both Claim ratios from customers and partner stores are continuously low level. For further satisfaction, we will make the best effort to implement friendly platform both for customers and partner stores. Just after some increase in FY2023 2Q, both KPI returned to the non-problematic low level.

Claim ratio from customers



Claim ratio from partner stores



Growth Strategy

Our strength brought by improvement of Service Quality

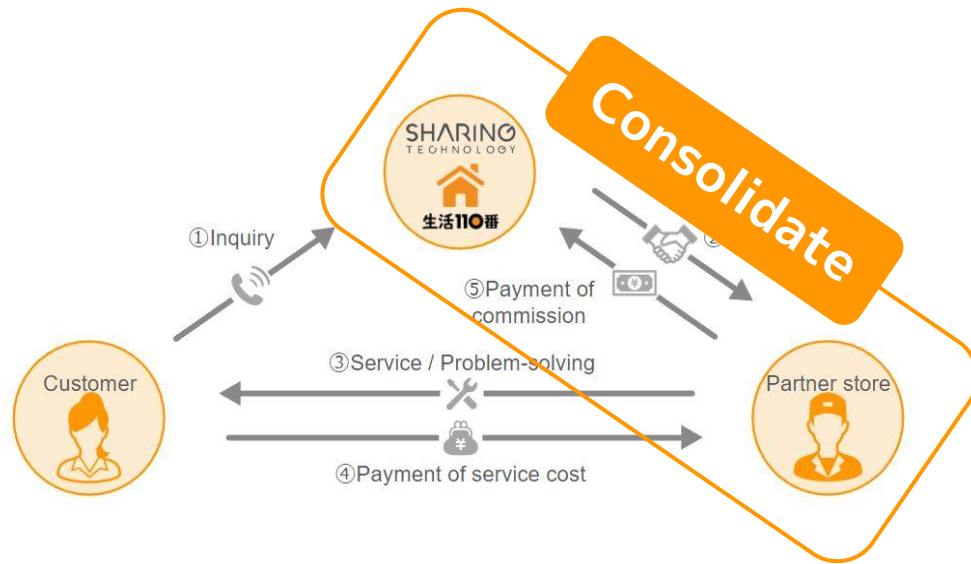
Since FY2019, we have pursued Service Quality improvement, which started to bring apparent rise of profit from FY2022. SHARETECH will continue this policy, and aim business expansion. Improvement of Service Quality directly leads to rise of Close Rate. Subsequently, rise of Close Rate raises profitability. 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 its first M&A of a Service provider in Apr. '23. Az support after M&A has consistently achieved good performance. With expanding Az support, SHARETECH will seek for M&A opportunity, examining closely. Quantitatively, Az support (761 mil.yen of Sales, 67 mil.yen of Operating profit in FY2024) 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

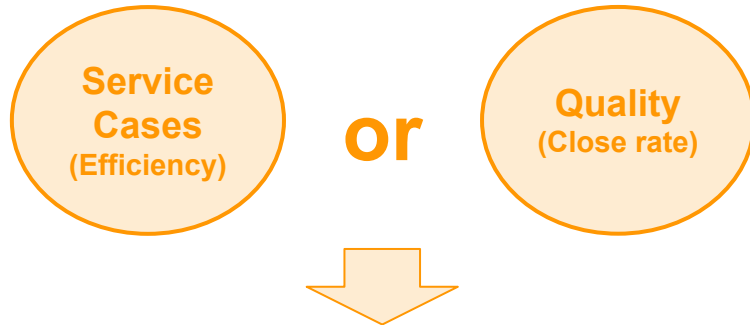
■ Criterion of M&A

- Quality service
(Confirm quality of past service)
- Match of Management
(Share long-term growth vision)
- Synergy of genre and area
(Synergy with SHARETECH)
- Payback period
(Payback period after M&A)

KFS of Rapid Expansion of Az support (Service Group Company)

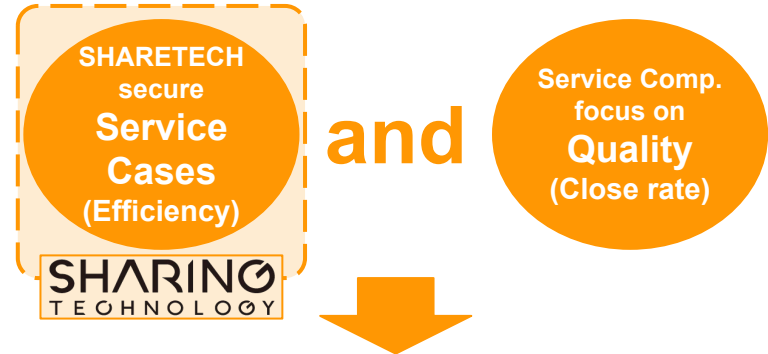
In our industry, attracting customer is indispensable for business expansion. Ordinary service providers have to make a trade-off between “Attracting customers” and “Quality” due to management resource constraints. Meanwhile, a service provider acquired by SHARETECH becomes able to focus on quality improvement, which leads to further business expansion.

Ordinary Service Provider



Frequent trade-off between Service Cases (Efficiency) and Quality (Close rate)

Service Company of SHARETECH Group



Rapid expansion by synergy between “Efficiency” and “Close rate”

Transition of Az support QTR Business Result

Az support acquired in Apr. '23, turned to surplus, right after M&A. Since FY2024, Az support has been focusing on expansion, and resulted in amazing business expansion with 4Q Sales (YoY 216%). Despite a prior investment (mostly, labor cost), Operating profit was secured.

	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q
Sales	119 mil.yen	114 mil.yen	266 mil.yen (YoY 183%)	261 mil.yen (YoY 216%)
Operating profit	19 mil.yen	5 mil.yen	33 mil.yen	7 mil.yen
(impact on Consolidated Sales)	78 mil.yen	78 mil.yen	157 mil.yen	143 mil.yen

Forecast of FY2025 & Shareholder returns

Forecast of FY2025

For forecast of FY2025, Sales revenue and Operating profit will increase to 8,600 mil.yen, and 2,000 mil.yen, respectively. Net income will decrease to 1,400 mil.yen, due to the effect of tax effect accounting.

	FY2025 Forecast	FY2024 Actual
Sales revenue	8,600 mil.yen (YoY 115%)	7,502 mil.yen
Operating profit	2,000 mil.yen (YoY 112%)	1,790 mil.yen
Net income [※]	1,400 mil.yen (YoY 95%)	1,467 mil.yen

※Profit attributable to owners of the parent company

Rationale of Forecast of FY2025

Earnings Forecast is based upon FY2024 Actual. COS ratio and Fixed cost will rise along with increase of Our-own service (includ. Az support), etc. Meanwhile, ratios of Advertisement cost and Call Center labor cost are expected at the same level. Consequently, Operating profit ratio will be kept at the same level, and Operating profit is expected 2,000 million yen.

	FY2025 Forecast	FY2024 Actual
Sales revenue	<u>8,600 mil.yen (YoY 115%)</u>	7,502 mil.yen (YoY 121%)
COS (Cost of sales) ratio	Rise w/ Az support, etc.	8% (to Sales)
Advertisement cost ratio	Same Level	47% (to Gross profit)
Call Center labor cost ratio	Same Level	7% (to Gross profit)
Fixed cost	Rise w/ Az support, etc.	1,482 mil.yen
Other balance	Same Level Amount	80 mil.yen
Operating profit	<u>2,000 mil.yen</u>	1,790 mil.yen
Net income*	<u>1,400 mil.yen</u>	1,467 mil.yen

※Profit attributable to owners of the parent company

Forecast of FY2025 Shareholder returns

SHARETECH decided 15 yen of dividend (first) and 500 mil.yen of share repurchase in FY2024. Continuing investment, dividend will be increased to 30 yen in FY2025.

	FY2025	FY2024
Net income ^{※1}	1,400 mil.yen	1,467 mil.yen
Earnings per share ^{※2}	61.22 yen	64.17 yen
Dividend per share (Total Dividend amount ^{※2})	<u>30.00 yen</u> (697 million yen)	15.00円 (348 million yen)
Payout ratio	<u>49.0%</u>	23.4%
Share repurchase	TBD	500 mil.yen
Total Payout ratio	<u>More than 49.0%</u>	57.8%

※1 Profit attributable to owners of the parent company

※2 Calculated based on the number of issued shares at the end of FY2024 (excluding treasury shares)

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 6,800 partner stores nationwide that can provide support for various “Household problems”. We accept customers who visit our website or call us, 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 6,800 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



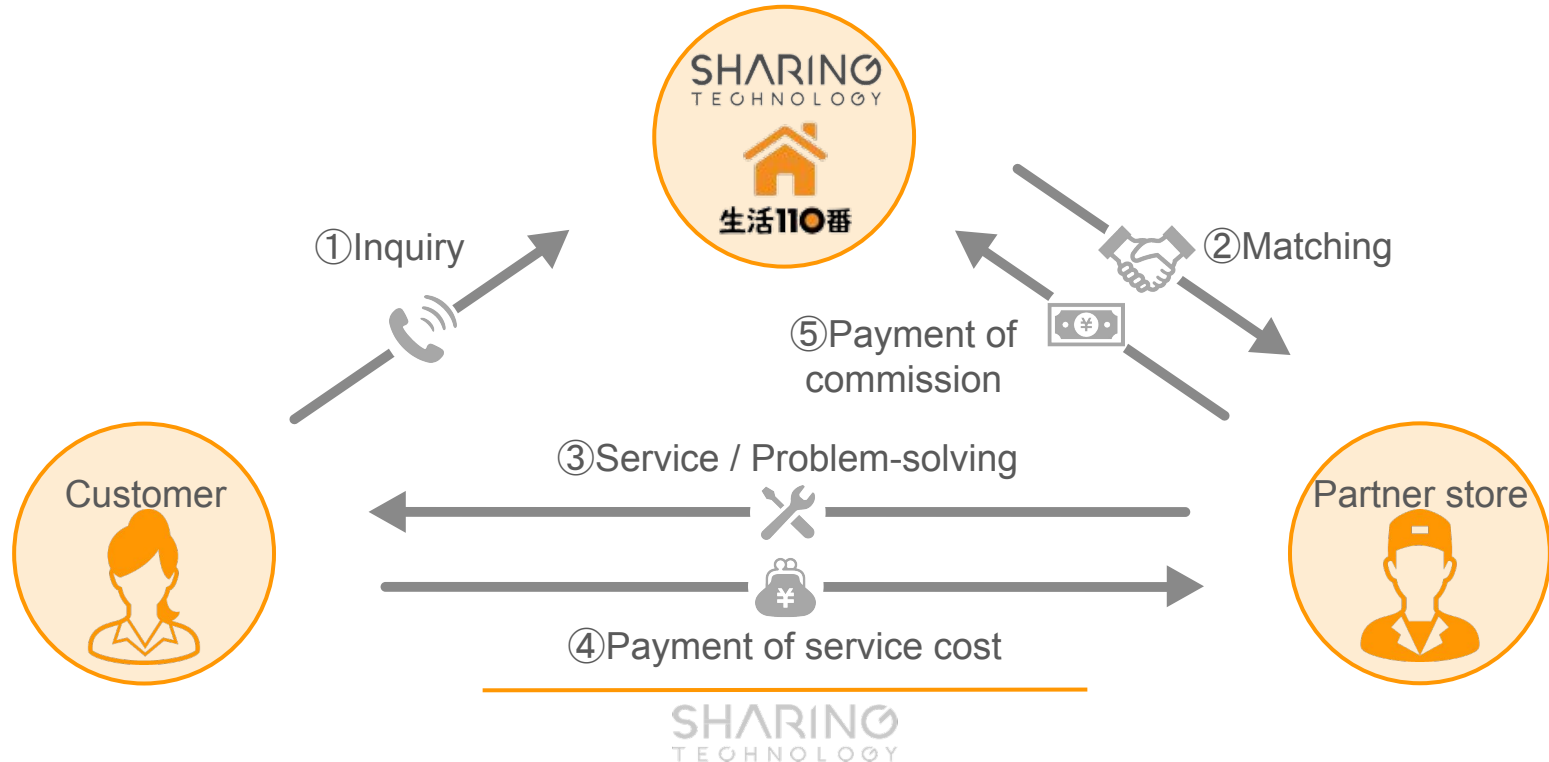
One genre per site



Mainly listing inflow

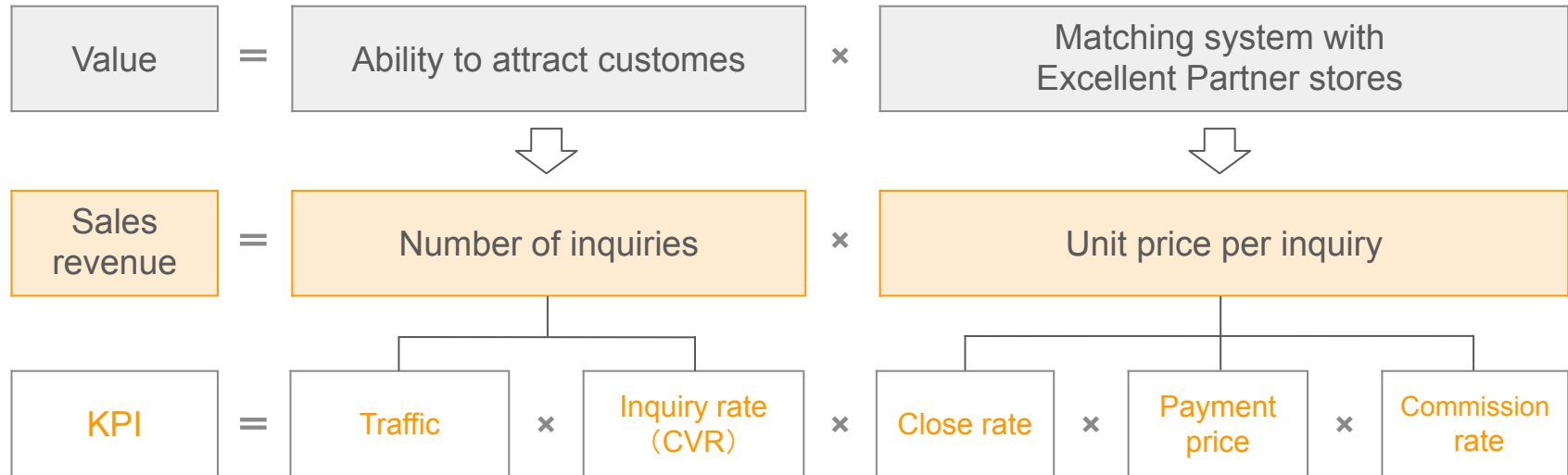
Business Flow

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".





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

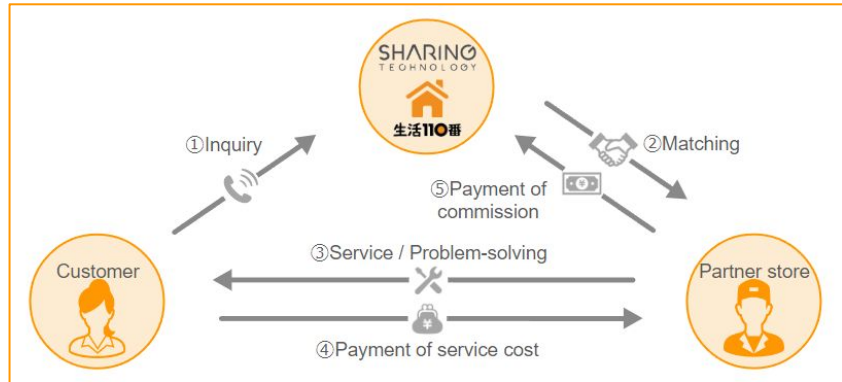
Our Promise of Value ~ Matching ~

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



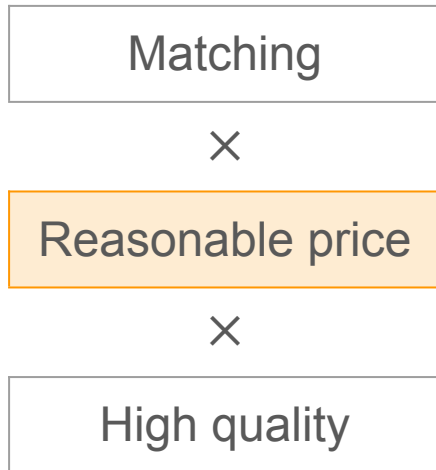
Enhance Original Matching System



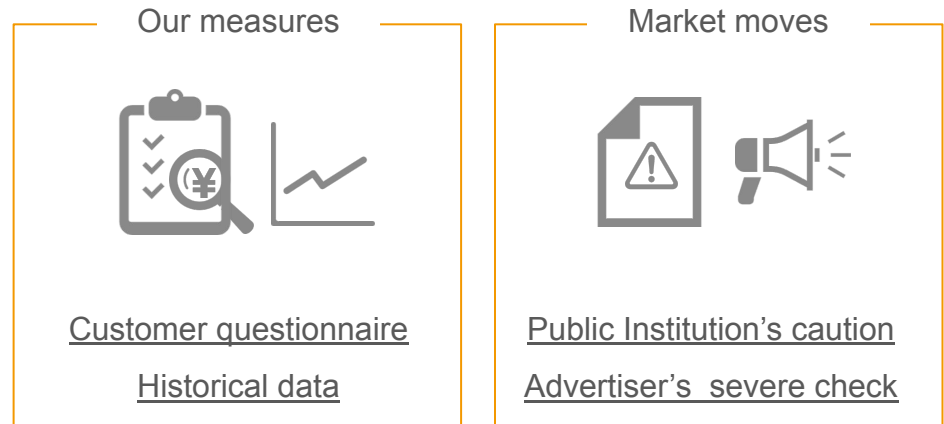
Our Promise of Value ~ Reasonable price ~

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



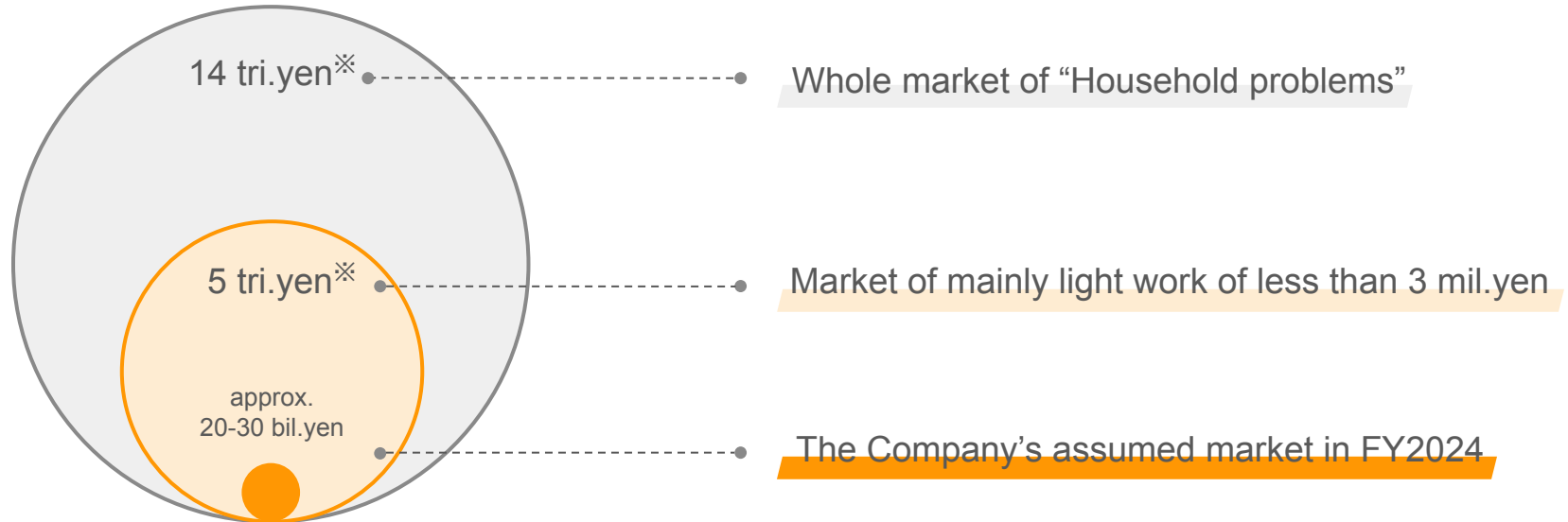
Full Swing Own Service

To realize High quality

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

Market of “Household problems” business

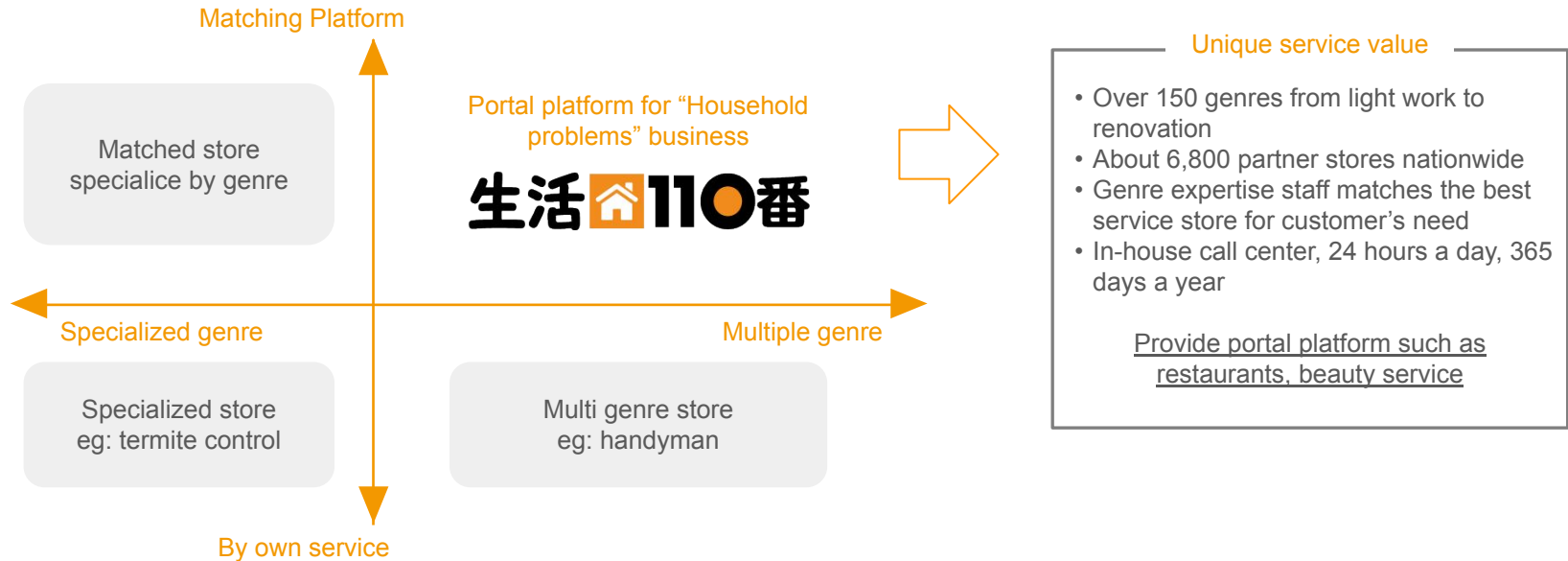
Domestic market of “Household problems” business is approx. 14 tri.yen, and of that, the market of low-price light work is estimated 5 tri.yen. With increase of the aged and people living alone, this market is expected to grow further. In addition, with an ongoing shift from current phone book to online,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

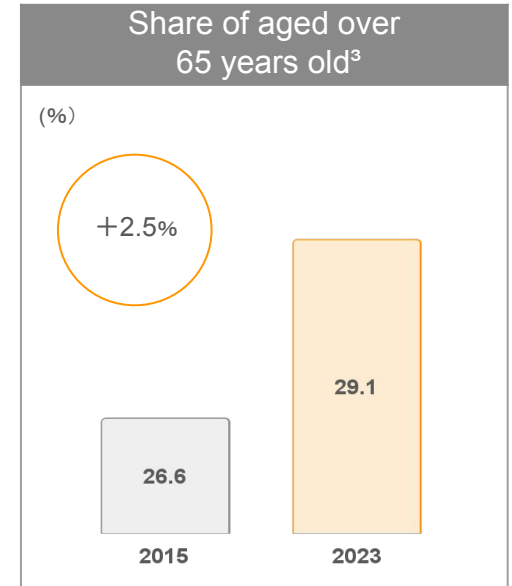
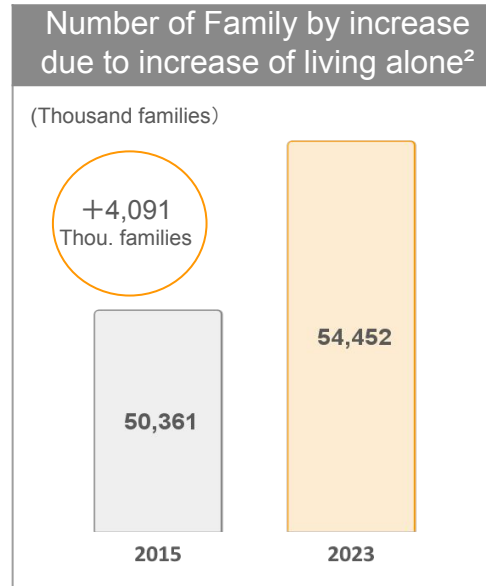
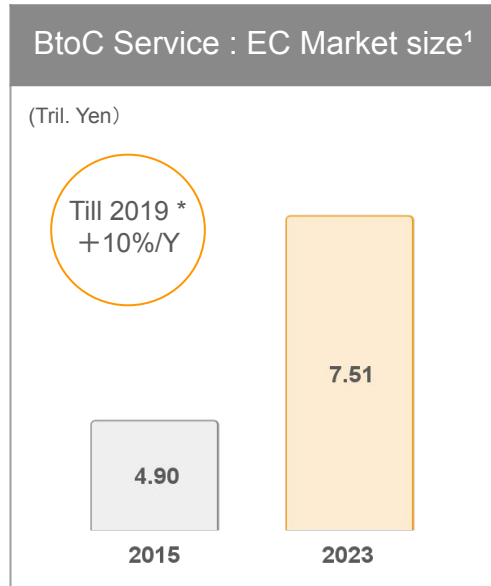
Competitors and our Target Position

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.






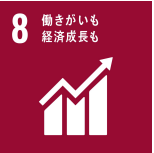

1 Ministry of Economy, Trade and Industry “Infrastructure of Data Driven Society (EC Market Research)” *Due to COVID-19, growth ratio temporarily decrease in 2020-2022

2 Ministry of Health, Labour and Welfare “Comprehensive Survey of Living Condition 2023”

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 (※ as of Sep. 30, '24)
<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 95.5%(female ratio in Call Center is 86.1%)</u>. Excluding Call Center, female ratio of managerial position is 26.3%(female ratio in all company is 54.7%).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

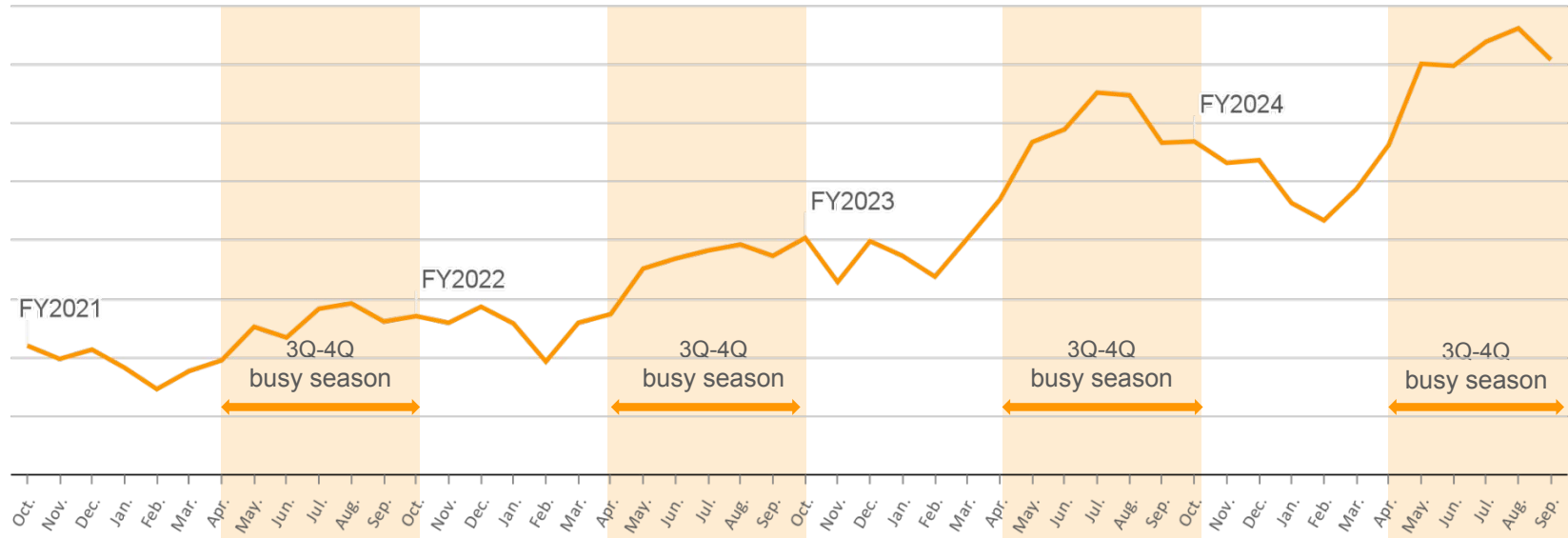
Area	Major Risk	Frequency/ Time/Impact	Countermeasure
Business Environment: Internet industry	Due to delay of securing engineers, etc., failure to respond to change of market environment may adversely effect on the Company's operating results.	Low/ Mid.& Long-term/ Medium	Always collect industry information, 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

Monthly Sales revenue

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

Sales trend fluctuating with Seasonality



Fiscal Year ending September 30, 2024 Balance sheet

[million.yen]

	Current year-end 2023 (As of Sep. 30,2024)	Previous year-end 2022 (As of Sep. 30,2023)	YoY change
Current assets	5,273	2,842	+2,431
Fixed assets	1,045	1,283	(238)
Total assets	6,319	4,126	+2,192
Current liabilities	2,063	1,443	+619
Fixed liabilities	347	493	(146)
Total equity	3,908	2,188	+1,719
Capital ratio	61.8%	53.0%	+8.8pt

Fiscal Year ending September 30, 2024 P/L statement

[million.yen]

	Current Fiscal Year (FY2024)	Previous Fiscal Year (FY2023)	YoY change
Sales revenue	7,502	6,228	+1,274
Cost of sales	631	405	+225
Gross profit	6,871	5,822	+1,048
SGA expense	5,161	4,577	+584
Operating profit	1,790	1,240	+549
Pre-tax profit	1,791	1,235	+555
Net income*	1,467	1,320	+146

※Profit 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** 190.98 million yen *As of the end of Sep.,2024
- **Number of Employees** 178 (including 31 temporary and part-time workers) *As of the end of Sep.,2024
- **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.