



FY2025 1Q Financial Results Briefing Document

February 14, 2025

Topics

Sales revenue

- Sales revenue : 1,942 mil.yen (YoY 112%, +208 mil.yen)
- Az support impact on Consolidated Sales : 193 mil.yen, YoY 248%

Operating profit

- Operating profit : 487 mil.yen (YoY 130%, +113 mil.yen)
- Az support Operating profit : 40 mil.yen, High growth securing profit

Progress in FY25

- 1Q progress in FY25 Sales revenue : 22.6% (1Q in FY24 : 23.1%)
- 1Q progress in FY25 Operating profit : 24.4% (1Q in FY24 : 20.9%)

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FY2025 1Q

Performance reporting

Consolidated 1Q results (3 months)

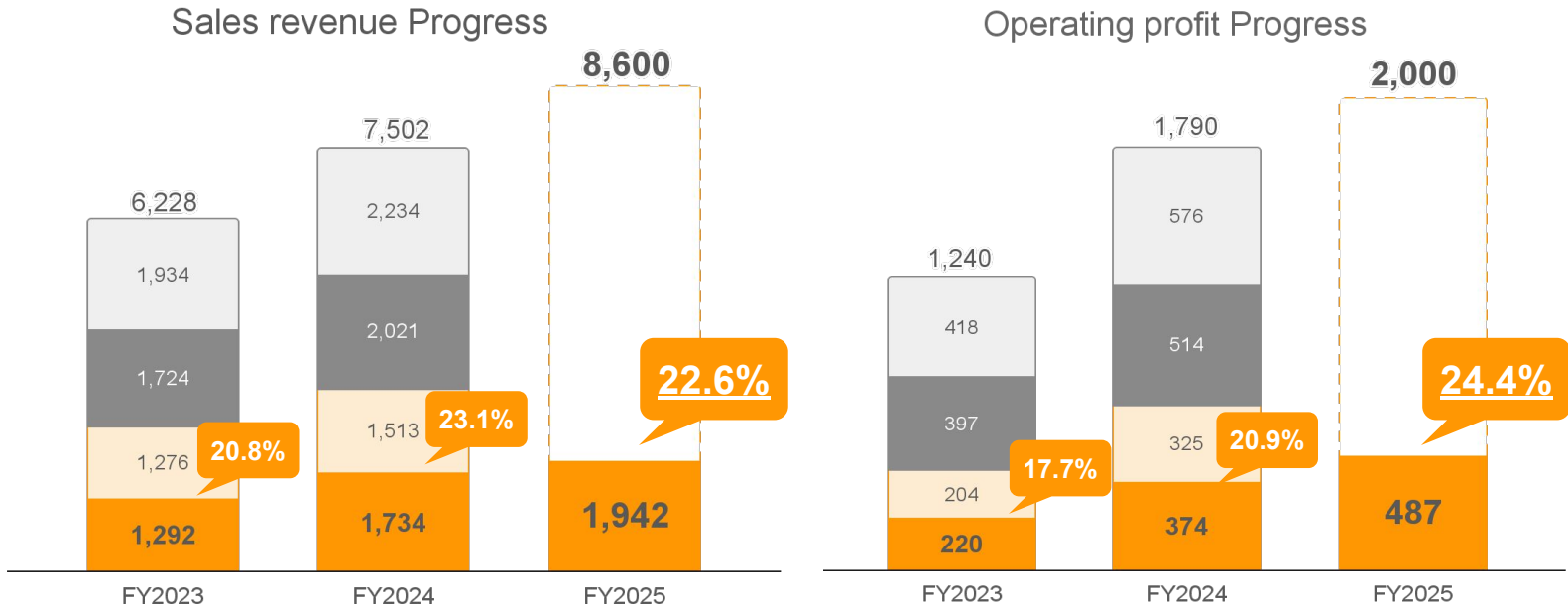
Sales revenue ended in YoY 112%, due to sales increase of main genres and expansion of Az support. Operating profit ended in YoY 130%, due to sales increase and continuous appropriate control of Advertisement cost ratio. Net income also increased (YoY 127%).

	1Q results FY2025	1Q results FY2024	YoY change
Sales revenue	1,942 mil.yen	1,734 mil.yen	+208 mil.yen (112%)
Operating profit	487 mil.yen	374 mil.yen	+113 mil.yen (130%)
Net income [※]	324 mil.yen	255 mil.yen	+69 mil.yen (127%)

※Profit attributable to owners of the parent company

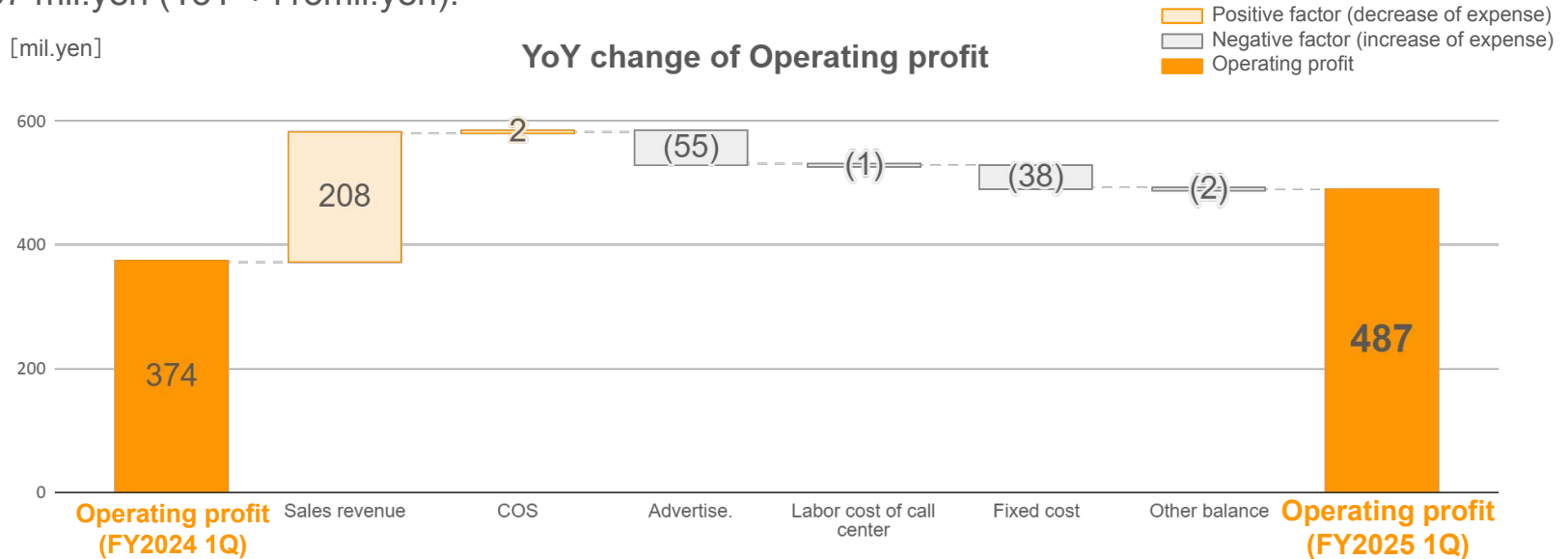
Progress toward FY2025 Forecast

1Q Sales revenue progress rate toward FY2025 was at 22.6%. 1Q Operating profit progress rate started at 24.4%. Though 1-2Q progress are usually lower by seasonality, current progress of Sales revenue toward FY2025 is the same level as the past. Meanwhile, current progress of Operating profit achieved higher rate, compared to the past progress.



Analysis of YoY change of Operating profit

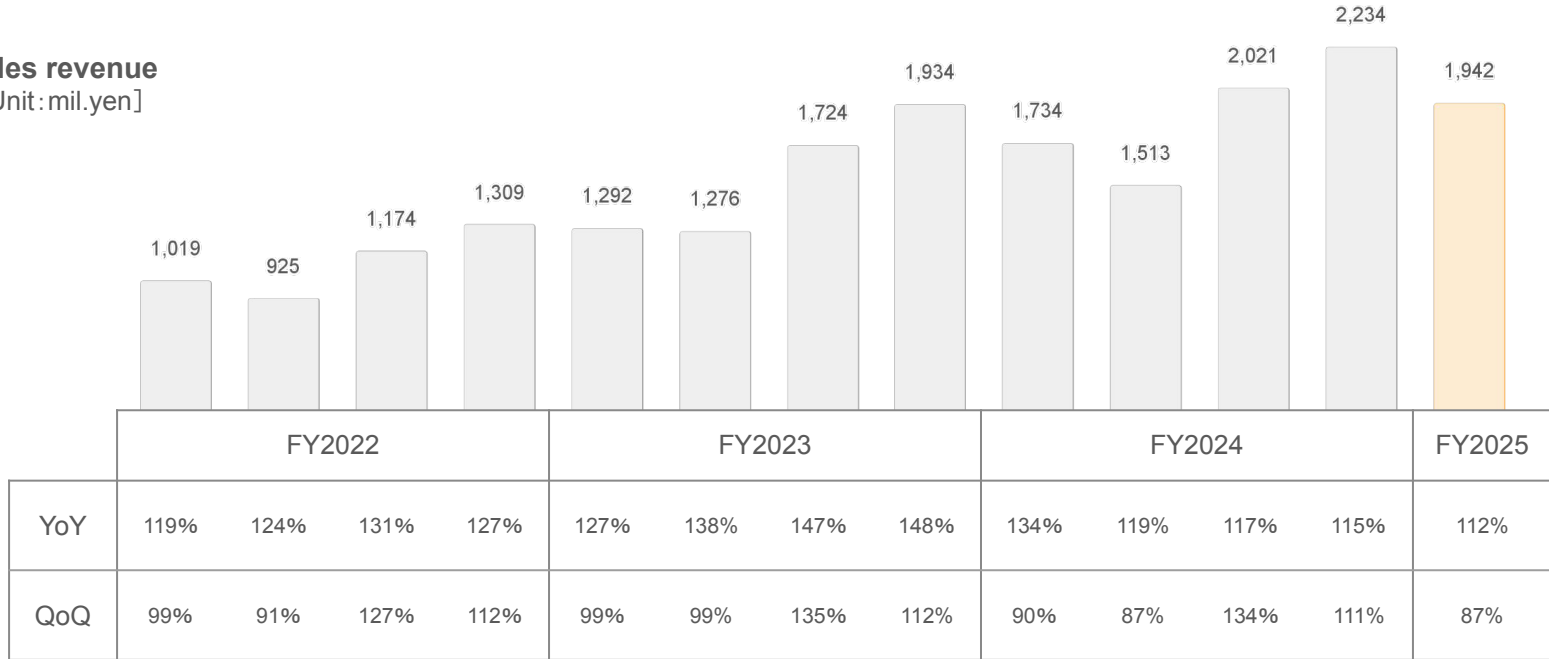
Starting from 374 mil.yen of Operating profit of FY2024 1Q, Sales revenue increased. Meanwhile, COS almost stayed, after offsetting increasing Our-own service (includ. Az support) and decreasing BtoB business. Though Advertisement cost increased, cost ratio to Gross profit is maintained at the certain level. Also, Fixed cost increase was limited. Hence, Operating profit of FY2025 1Q recorded 487 mil.yen (YoY +113mil.yen).



Sales revenue trend of “Household problems” business

FY2025 1Q Sales revenue ended in YoY 112%, hitting a 1Q record high. Since FY2024 3Q, Sales revenue consolidated Az support. Meanwhile, YoY has achieved stable growth rate.

Sales revenue
[Unit: mil.yen]



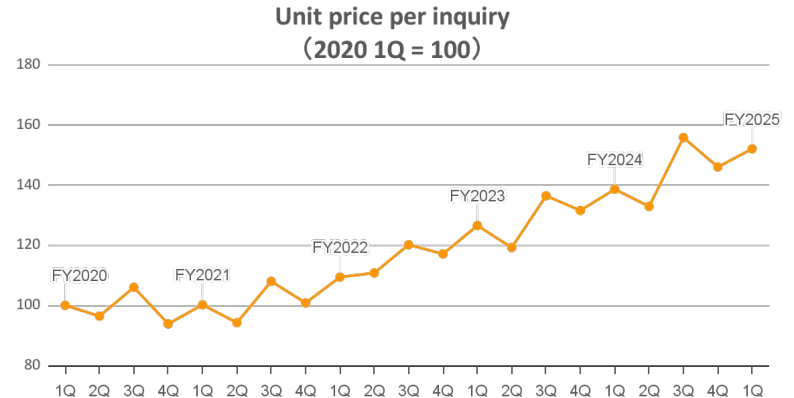
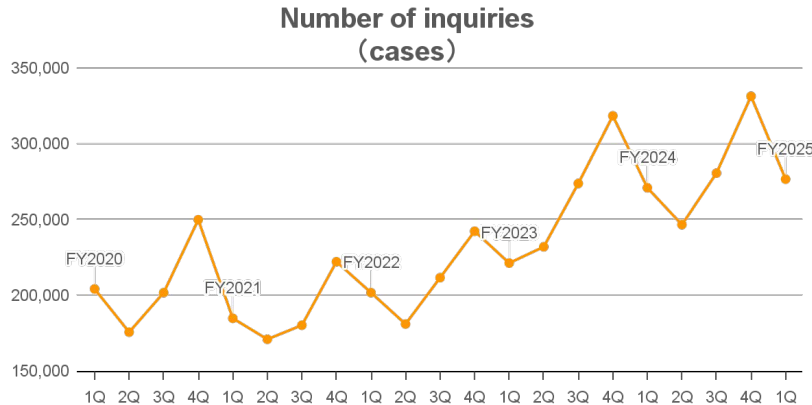
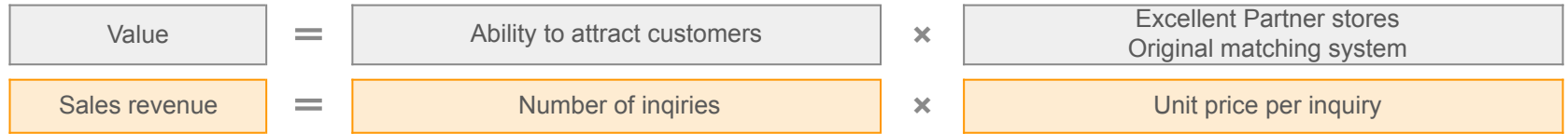
Transition of KPI of Business

Sales revenue of FY2025 1Q increased stably, compared to the past 1Q. Advertisement cost ratio to Gross profit was kept around proper 45%. Also, ratios of Call Center labor cost and Fixed cost were appropriately maintained at certain levels. Hence, Operating profit ended in 487 mil.yen.

[mil.yen] (Ratio to GP)	FY2023					FY2024					FY2025
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Sales revenue	1,292	1,276	1,724	1,934	6,228	1,734	1,513	2,021	2,234	7,502	1,942
Cost of sales (Ratio to sales)	61 (5%)	77 (6%)	112 (7%)	153 (8%)	405 (7%)	155 (9%)	117 (8%)	175 (9%)	182 (8%)	631 (8%)	153 (8%)
SGA	1,017	999	1,201	1,359	4,577	1,216	1,115	1,336	1,492	5,161	1,311
Advertisement	598 (49%)	594 (50%)	741 (46%)	804 (45%)	2,739 (47%)	755 (48%)	683 (49%)	840 (46%)	926 (45%)	3,205 (47%)	811 (45%)
Labor cost of Call center	106 (9%)	99 (8%)	127 (8%)	143 (8%)	476 (8%)	127 (8%)	109 (8%)	115 (6%)	121 (6%)	473 (7%)	128 (7%)
Fixed cost	312 (25%)	305 (25%)	331 (21%)	411 (23%)	1,360 (23%)	333 (21%)	322 (23%)	380 (21%)	445 (22%)	1,482 (22%)	372 (21%)
Other balance	7	4	(13)	(2)	(4)	13	45	4	18	80	10
Operating profit	220	204	397	418	1,240	374	325	514	576	1,790	487

Transition of KPI of Sales revenue

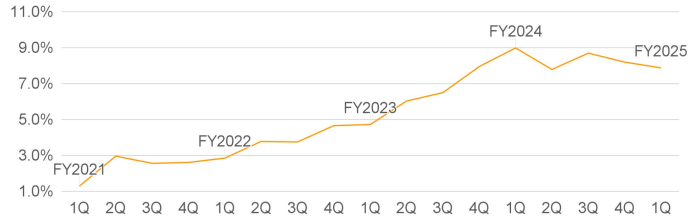
“Number of inquiries” is gradually turning from levelling off trend to increasing trend since FY2023.
 “Unit price per inquiry” is on the upward trend, thanks to optimization of matching methodology and increase of Our-own service (includ. Az support consolidated since FY2023 3Q).



Transition of KPI of Expense

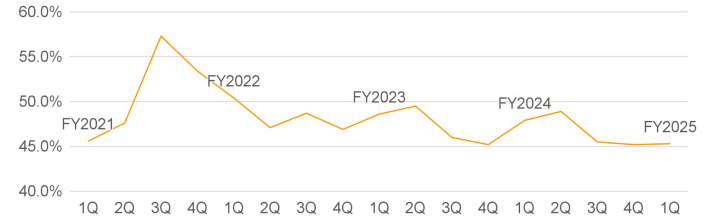
Cost of Sales ratio

Cost (service) ratio is stable, after offsetting increasing Our-own service (includ. Az Support) and decreasing BtoB business.



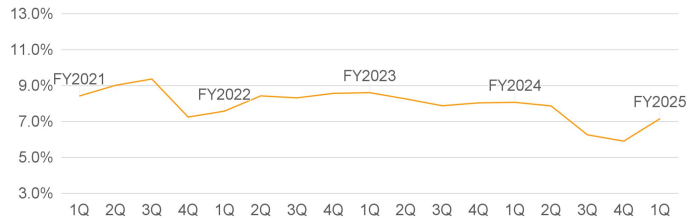
Advertisement cost (PPC) ratio

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



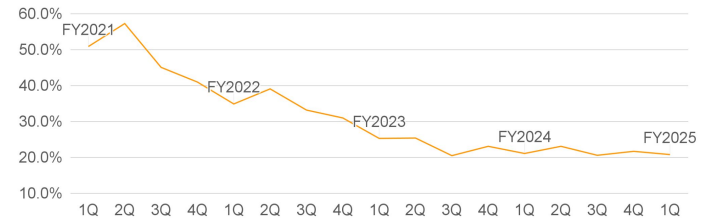
Labor cost of Call Center ratio

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



Fixed cost ratio

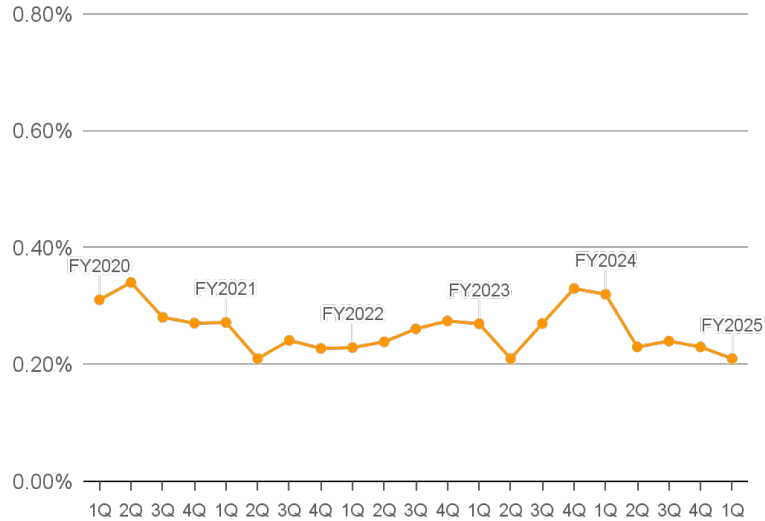
Maintaining Fixed cost (includ. Az support) within the certain range. Ratio to Gross profit is maintained at the certain level.



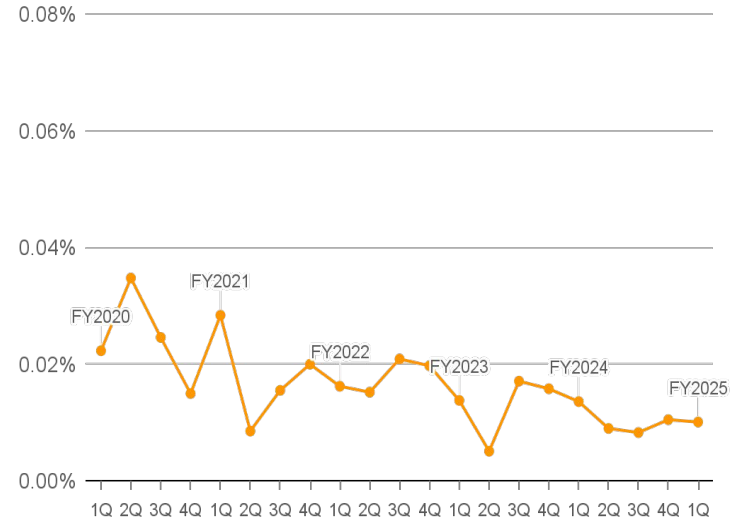
For Satisfaction of Customers and Partner Stores

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



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 1Q Sales (YoY 249%). Despite a prior investment (mostly, labor cost), Operating profit has been increasing.

	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q	FY2025 1Q
Sales	119 mil.yen	114 mil.yen	266 mil.yen (YoY183%)	261 mil.yen (YoY216%)	<u>296 mil.yen</u> <u>(YoY249%)</u>
Operating profit	19 mil.yen	5 mil.yen	33 mil.yen	7 mil.yen	40 mil.yen
(impact on Consolidated Sales)	78 mil.yen	78 mil.yen	157 mil.yen (YoY176%)	143 mil.yen (YoY177%)	<u>193 mil.yen</u> <u>(YoY248%)</u>

Forecast of FY2025 & Growth Strategy

Forecast of FY2025 (No change from the latest forecast)

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. While progress ratios of Operating profit and Net income are high, the latest forecast is not changed at the moment.

	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 business 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)

Our strength brought by improvement of Service Quality

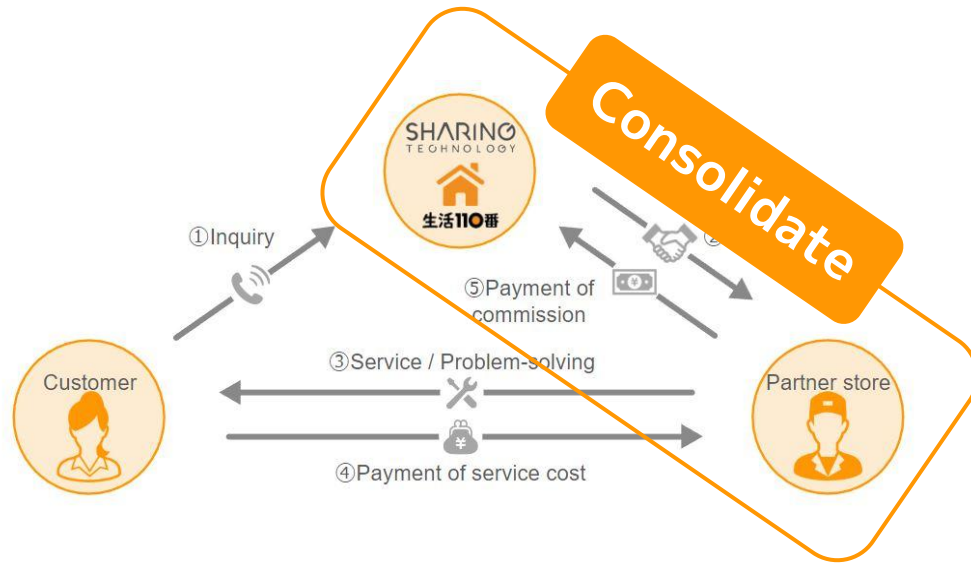
Since FY2019, we have pursued Service Quality improvement, which started to bring apparent rise of profit from FY2022. SHARETECH will continue this policy, and aim business expansion. Improvement of Service Quality directly leads to rise of Close Rate. Subsequently, rise of Close Rate raises profitability. 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 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

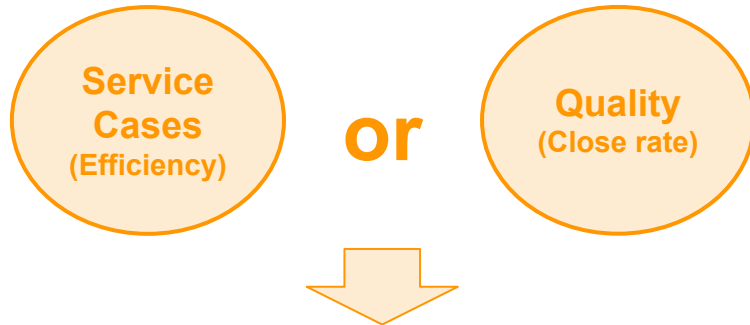
■ Criterion of M&A

- 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)

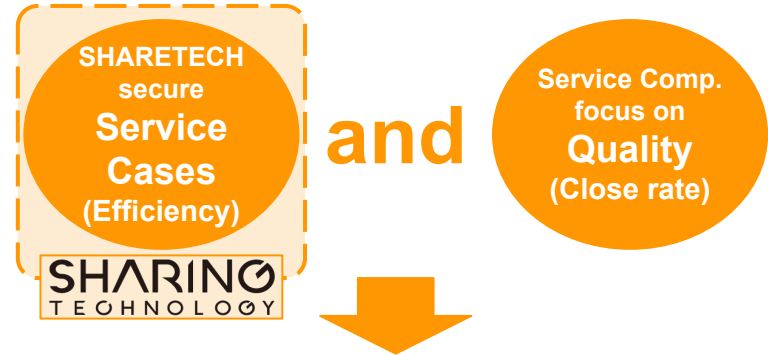
In our industry, attracting customer is indispensable for business expansion. Ordinary service providers have to make a trade-off between “Attracting customers” and “Quality” due to management resource constraints. Meanwhile, a service provider acquired by SHARETECH becomes able to focus on quality improvement,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

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 6,900 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 6,900 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



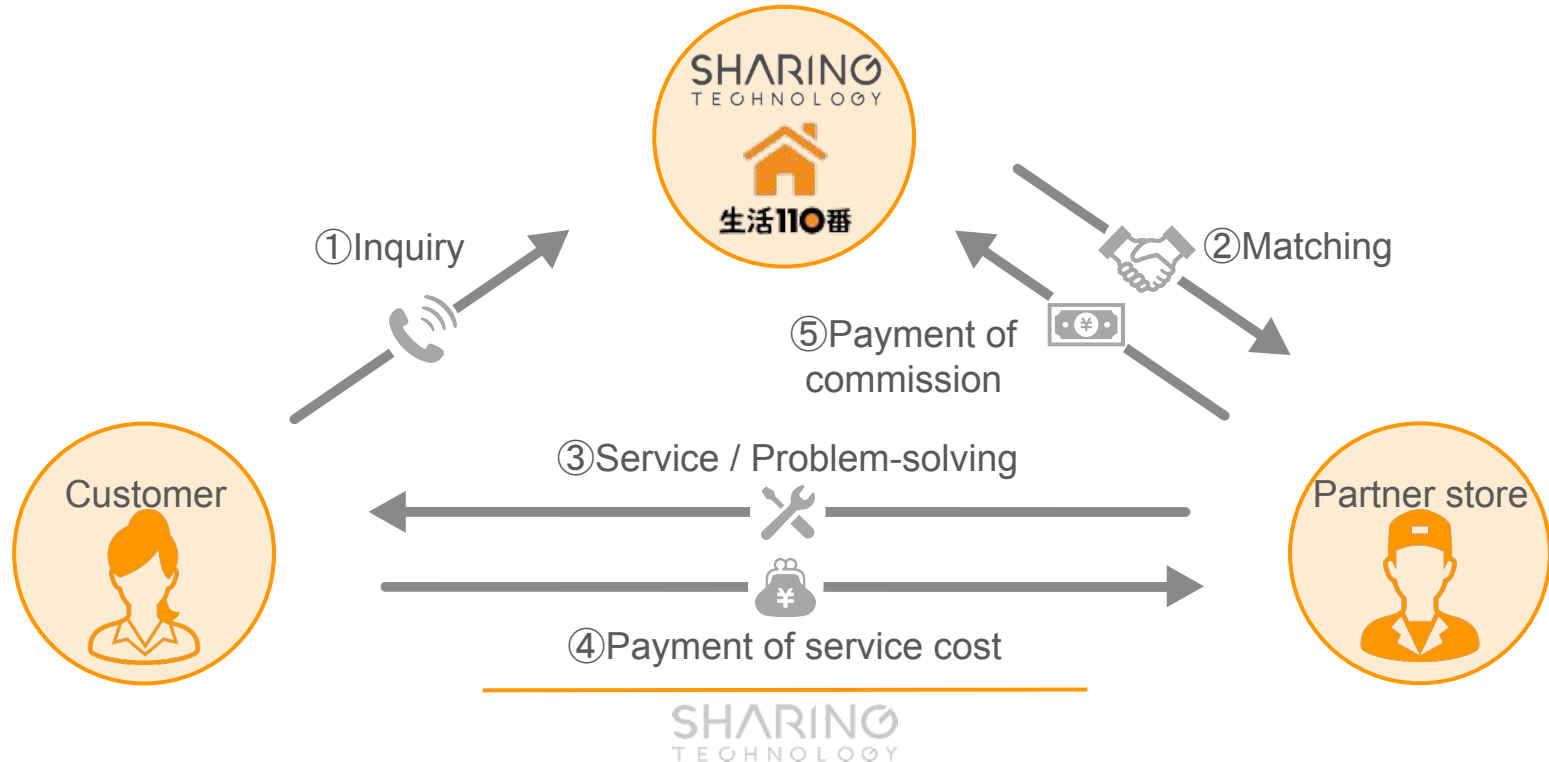
One genre per site



Mainly listing inflow

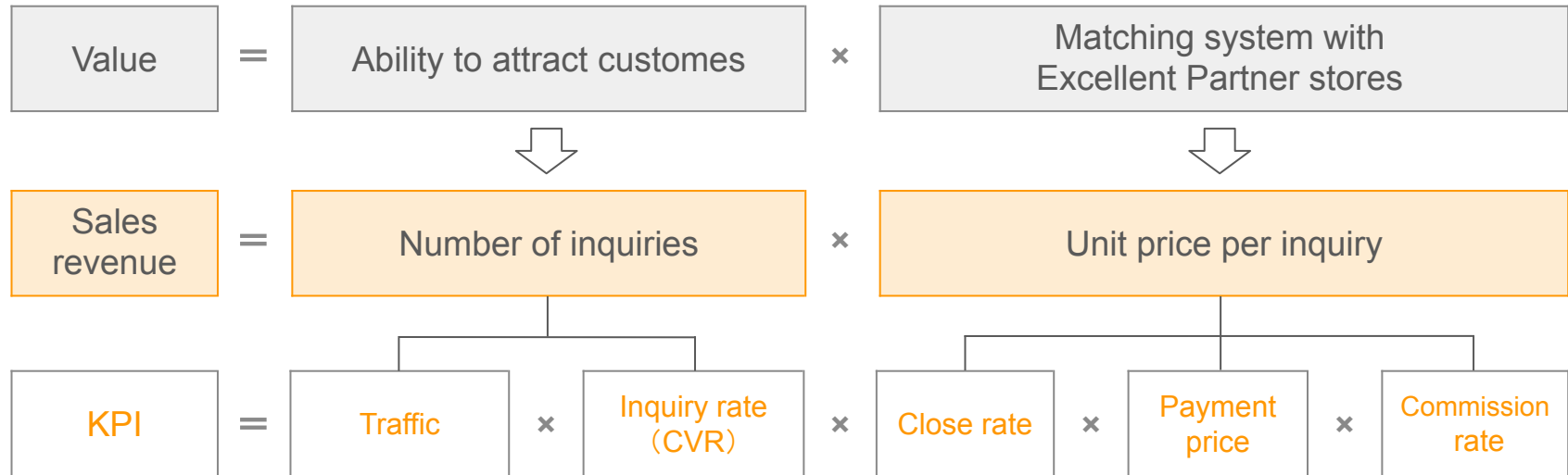
Business Flow

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.



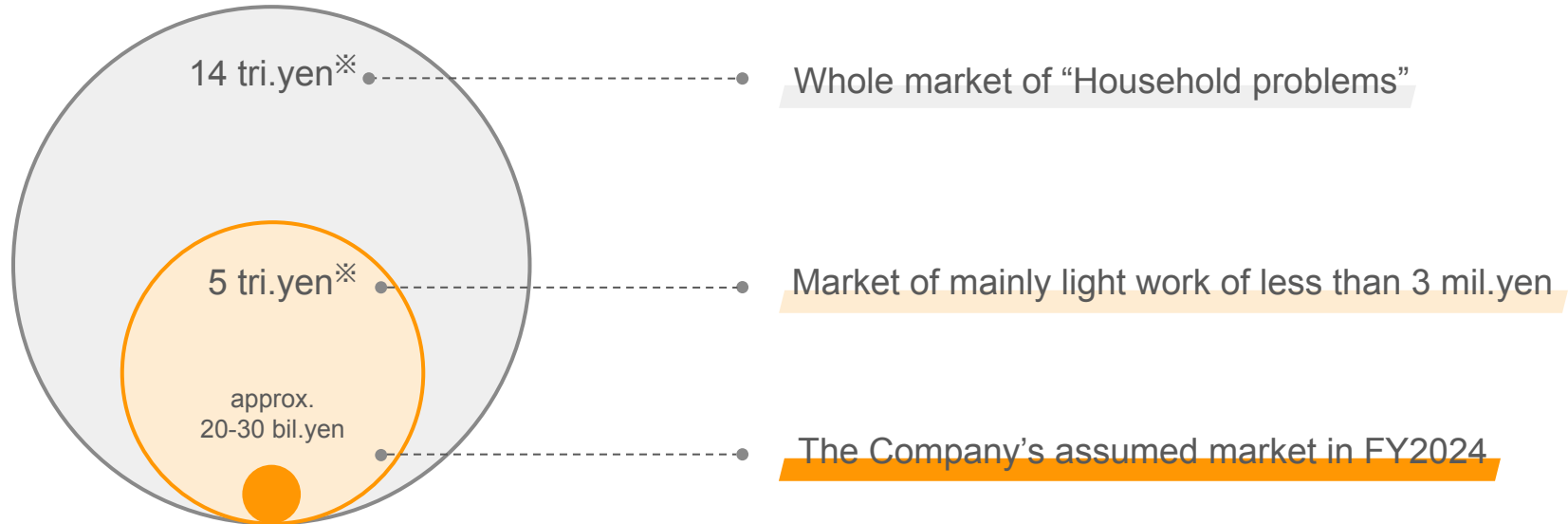
Profit Model

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".



Market of “Household problems” business

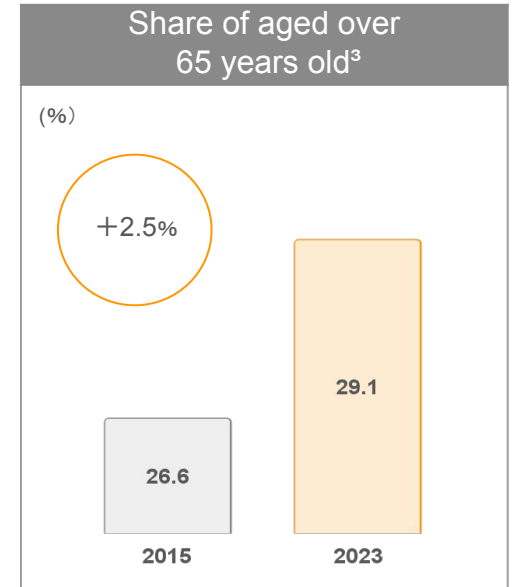
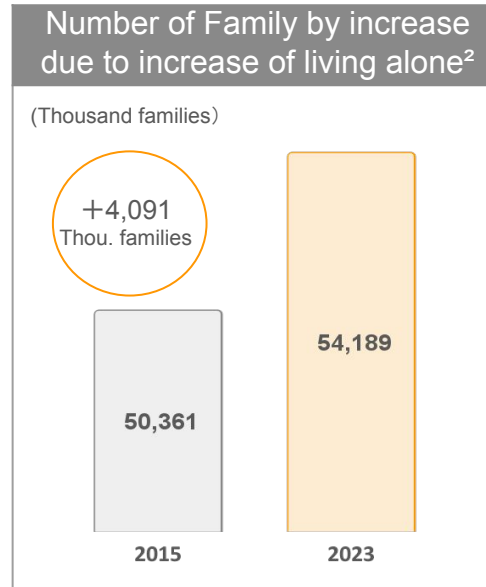
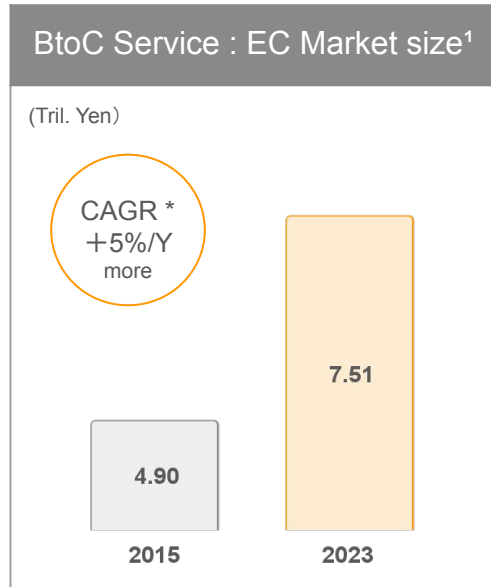
Domestic market of “Household problems” business is approx. 14 tri.yen, and of that, the market of low-price light work is estimated 5 tri.yen. With increase of the aged and people living alone, this market is expected to grow further. In addition, with an ongoing shift from current phone book to online,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




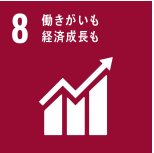

The increase of single and aged families, and spread of EC service will enlarge the market of our “Household problem” business.



- 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 National Institute of Population and Security Research “Future estimation of national households number” (2018 Estimation)
- 3 Ministry of Public Management, Home Affairs Posts and Telecommunications “Statistics Topics No. 138 Japanese aged society”

SHARETECH'S ESG/SDGs

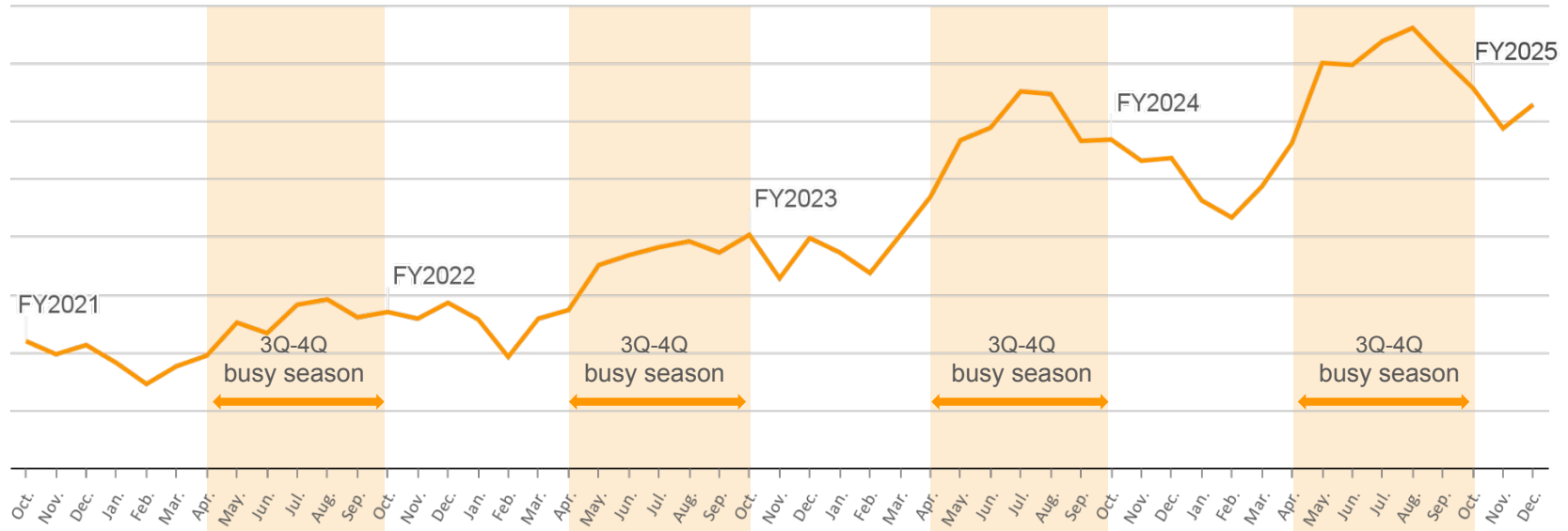
As a member of society, we, a business entity, recognize the importance ESG(Environment, Society, Governance) and SDGs(Sustainable Development Goal), along with improvement of Corporate Value. We will manage our Company to fulfill social responsibility and contribute to sustainable future, through business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

Relevant SDGs items	Contents of Activities (※ as of Sep. 30, '24)
<div style="display: flex; justify-content: space-around; align-items: center;"> <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; align-items: center;"> <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>

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



FY2025 1Q Balance sheet

[million.yen]

	FY2025 1Q (As of Dec. 31,2024)	FY2024 (As of Sep. 30,2024)	Change from Previous year-end
Current assets	4,836	5,273	(437)
Fixed assets	989	1,045	(55)
Total assets	5,825	6,319	(493)
Current liabilities	1,616	2,063	(447)
Fixed liabilities	313	347	(33)
Total equity	3,896	3,908	(11)
Capital ratio	66.1%	61.3%	+4.8pt

FY2025 1Q YTD P/L statement

[million.yen]

	FY2025 1Q YTD (From Oct. 1, 2024 to Dec. 31,2024)	FY2024 1Q YTD (From Oct. 1, 2023 to Dec. 31,2023)	YoY change
Sales revenue	1,942	1,734	+208
Cost of sales	153	155	(2)
Gross profit	1,789	1,578	+210
SGA expense	1,311	1,216	+94
Operating profit	487	374	+113
Pre-tax profit	487	378	+108
Net income*	324	255	+69

*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 Dec.,2024
- **Number of Employees** 175 (including 35 temporary and part-time workers) *As of the end of Dec.,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.