



Long-term Vision and Medium-term Management Plan

June 11, 2021

Smaregi, Inc.
Securities code: 4431

TO BE THE NEW STANDARD

Smaregi reached its 10th anniversary in 2021. During our first decade, we grew consistently by supplying products with basic functions required by stores of all types. Growth was also backed by outstanding services with the scalability to support the distinctive operating formats of individual stores.

Our goal is to supply these functions and services to an even larger number of stores.

We want to use our powerful support of stores to play a role in the advancement of Japan's economy too.

Over the next 10 years, we aim to go beyond the tablet POS category to become the leader in Japan's POS market.

P4 Long-term Vision – VISION 2031

P6 Medium-term Management Plan

Updated on June 11, 2021

– Plan for Doubling ARR

P8 Medium-term Management Plan

– Four Key Activities

Long-term
Vision

VISION 2031

In 2021, hardware vendors still dominate the POS market in Japan.

Smaregi started operating in 2011 as this market was beginning the shift from hardware to software.

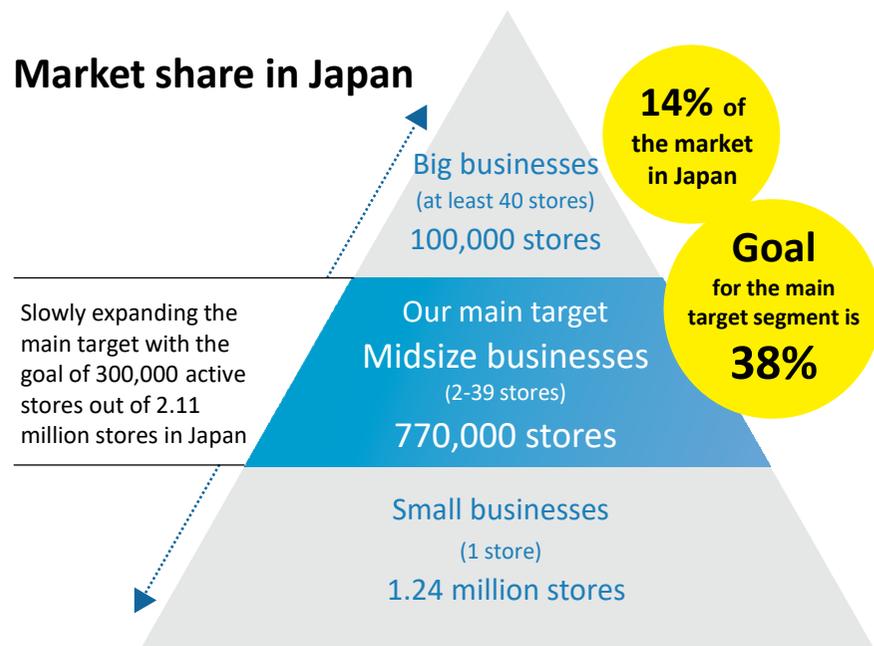
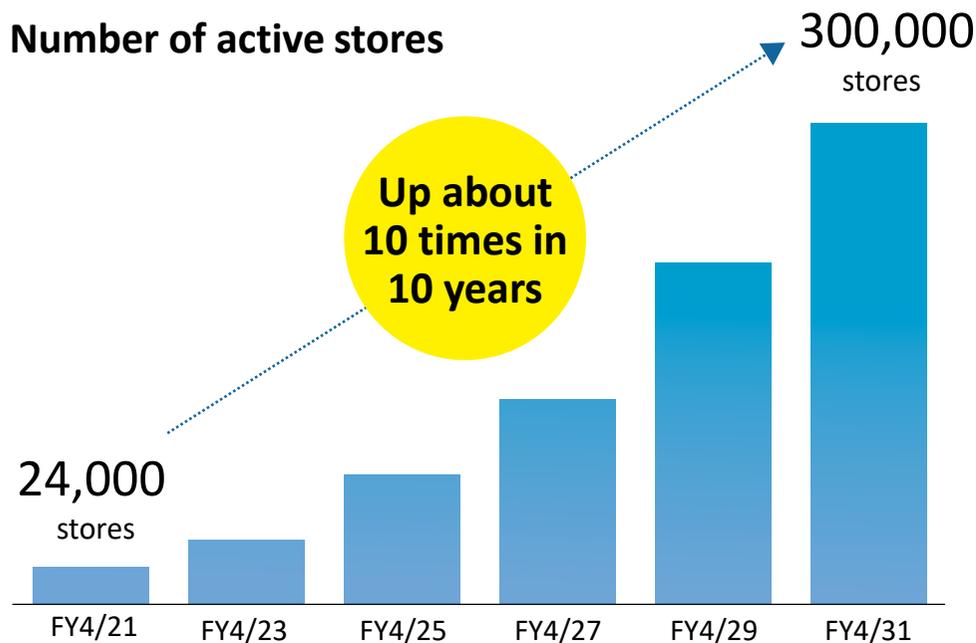
During the next decade, Smaregi will use its strengths as a software and database company to be a leader in the emerging age of the cloud and the digital transformation (DX). Our goal is to increase our market share and become the POS market leader.

Smaregi envisions a future in which anyone can utilize data with ease.

Our goal is to be Japan's POS market leader

KPI	Aiming for 300,000 active stores and a 14% market share in Japan
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The target has been enlarged from the core midsize business category to include big businesses (demand for replacing conventional POS systems) and small businesses (fee income from use of the app market).



Prepared by Smaregi based on 2016 Economic Census conducted by the Ministry of Economy, Trade and Industry and the Ministry of Internal Affairs and Communications.



Medium-term
Management Plan

FY4/22 – FY4/24

Plan for Doubling ARR

Further increase in business investments during the next three fiscal years, resulting in lower earnings, in order to establish a continuous cycle for fast growth

Investments, primarily for high-profile advertisements, have the goals of more active stores and more sales per customer

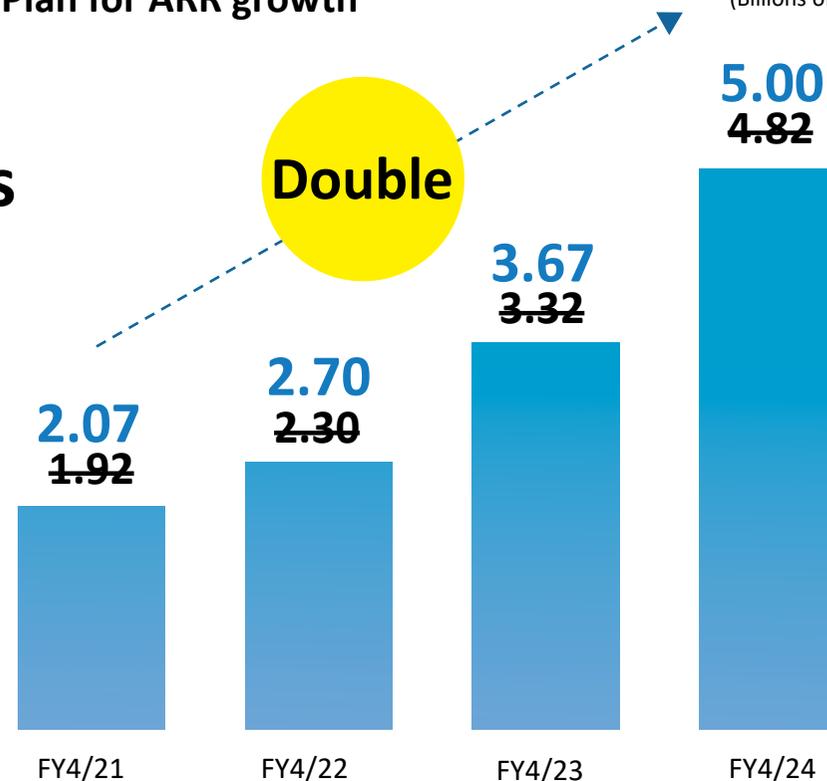
300,000 active stores → First step toward the long-term goal

The goal of the medium-term plan is an **ARR of more than ¥5 billion**

- Use advertising and marketing expenditures to **increase the number of active stores**.
- **Increase sales per customer** by increasing the volume of business in the app market.
- **Increase payment processing income** by reexamining payment services.
- Upgrade and expand the functions of Smaregi Time Card.

Plan for ARR growth

(Billions of yen)



1

Emphasis on Advertising/Marketing

Large advertising/marketing expenditures to raise brand awareness and attract customers faster

Brand awareness/
Become the leader

2

App Market Strategy

Build an ecosystem by creating a large app market

Improve the customer experience
and sales per customer

3

Smaregi Time Card

Growth by expanding working time management service to a human resource services business

Human resources
business/Cross-selling

4

Training for Creative Thinking

Training programs to maintain a creative workforce that can support a continuous fast-growth cycle

Continuous growth

1 Emphasis on Advertising/Marketing

Brand awareness/
Become the leader

Large advertising/marketing expenditures for faster growth

Resume public relations activities that were suspended when the COVID-19 crisis started.
Use proceeds from the IPO to fund a high level of public relations activities with the goals of raising awareness of Smaregi and attracting new customers faster.

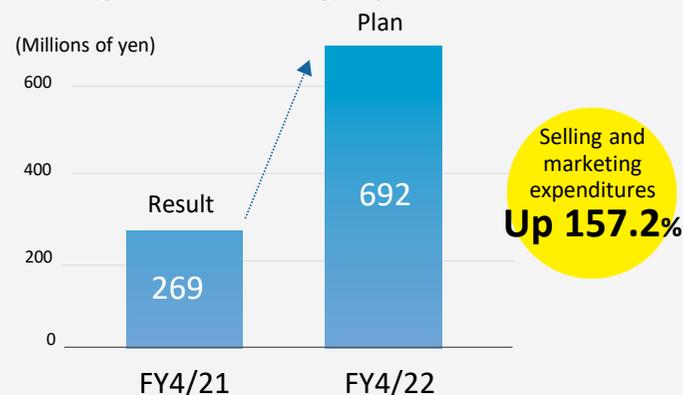
Goals

- More powerful Smaregi brand by raising public awareness
- Faster pace of attracting new customers

Plan to increase the Selling and marketing budget by 157.2% YOY in the fiscal year ending April 2022, the first year of the Medium-term Management Plan. Budget for the second year of the plan will be based on a review of the first-year results.

We are starting with marketing activities (content marketing, word-of-mouth marketing, etc.) that use the perspective of our customers. Plans also include supplementing these activities by using TV commercials and other mass media channels.

Selling and Marketing Expenditures



Improve the customer experience
and sales per customer

Build an ecosystem by creating a large app market

The combination of basic functions and expansion apps registered on the app market enable Smaregi to cover almost any business sector and format.

Smaregi Ventures, a corporate venture capital business, along with Smaregi, are expanding and energizing the app market by making investments in app developers and providing support for their business and sales activities.

Plan to significantly improve the app development environment (Smaregi developers) centered on no-code/low-code platforms.

Goals

- Use highly specialized functions to attract new customers
- Use expansion app utilization fees to increase sales per customer
- Improve the customer experience

3 Smaregi Time Card (Human Resources Business)

Human resources business/
Cross-selling

Upgrade Smaregi Time Card to expand from working time management to human resources management

Make Smaregi Time Card, a cloud-based working time management service, a separate business unit from the Smaregi business and build an independent infrastructure as a human resources business to aim for faster growth.

Goals

- Use a cross-selling for all Smaregi users to increase sales per customer
- Faster growth by creating an independent business unit and benefiting from synergies with other Smaregi Group businesses



Continuous growth

Become a company with one of the most creative workforces in Japan

Significantly increase recruiting expenditures to assemble a team of people with IT creativity for solving problems. Primary targets are IT engineers, designers and data scientists. We will also provide thorough training to give people these skills and reinforce this expertise. The aim is the establishment of a workforce capable of supporting a continuous fast-growth cycle.

Goals

- Hire more IT engineers, a category where more people are needed
- Increase product quality and the speed of development activities
- Invigorate R&D programs
- Utilize POS data and use this data to start businesses

Business plans, forecasts and other forward-looking statements in this presentation are based on the reasonable judgments of Smaregi based on information that was currently available. Actual results of operations may be different because these statements include uncertainties involving market conditions, political events, the economy and other items.

The purpose of this presentation is not to encourage investors to buy or sell Smaregi stock or make any other investment decisions. Investors are responsible for making these decisions on their own.

VISION 2031

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