



Smaregi, Inc.

Q3 FY2024 Financial Results Briefing

March 18, 2024

Event Summary

[Company Name]	Smaregi, Inc.
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[Time]	10:30 – 11:24 (Total: 54 minutes, Presentation: 37 minutes, Q&A: 17 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	3
	Ryuhei Miyazaki Development Department Director
	Kohei Takamadate Business Strategy Division Director
	Megumi Shikichi Financial Accounting Manager, Management Department

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Presentation

Shikichi: It is now time to start. Thank you for participating in the financial results briefing for Q3 of the fiscal year ending April 30, 2024 of Smaregi, Inc.

Now, let me explain today's flow. This financial results presentation will be presented in two parts, the first half and the second half.

In the first 30 minutes, Mr. Miyazaki, Director and CTO, will give an overview of the Company, followed by a Q&A session. In the first-half Q&A, we will only accept questions regarding the company profile. Please note that questions about the financial results will be answered in the Q&A in the latter half of the presentation.

Next, I will explain how to ask questions. Questions are always welcome via the Q&A button on the viewing screen or by e-mail. If you send your question by e-mail, please indicate in the subject line that your question is about the financial results briefing. We look forward to your questions.

We also encourage you to use our chat function for non-question related inquiries.

Now, Mr. Miyazaki, please begin.

Miyazaki: Good morning, everyone. I am Miyazaki, Development Department Director. Thank you very much for participating in our financial results briefing today.

In the first part of the presentation, I would like to focus mainly on providing an overview to first-time participants to get them acquainted with Smaregi.

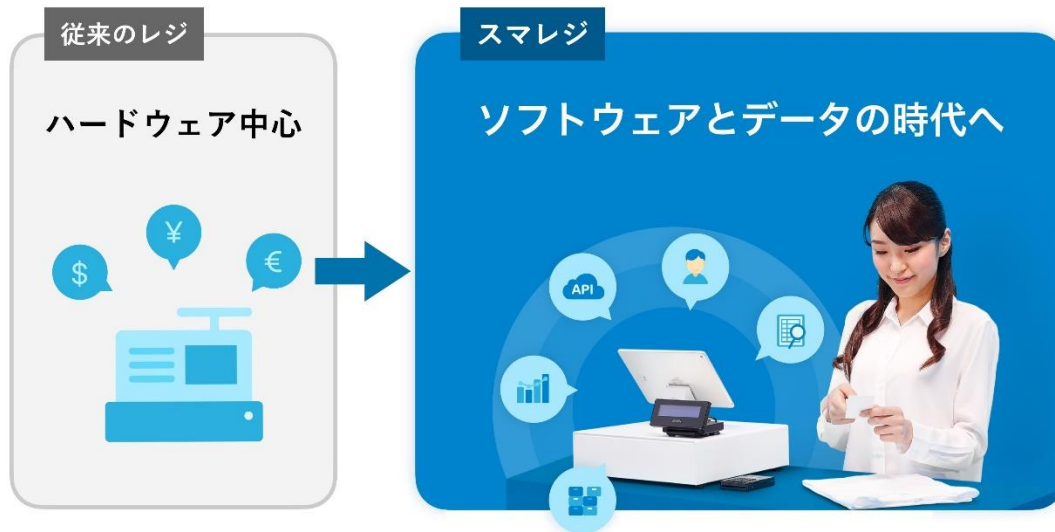
Once again, I would like to briefly introduce myself. I am Miyazaki, CTO and in charge of products. I joined our company in 2011 and have been involved in development planning since the launch of Smaregi. I have been a member of the Board of Directors since 2019. Thank you in advance today.

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Smaregi is an iPad cash register company. In plain terms, we deal with cashiers of stores, but our cash registers are a bit different from the traditional ones. That is, while cash registers have been made by electronics manufacturers such as Toshiba and Sharp, Smaregi was born to specialize in the software and data that are inside them.

I said iPad cash register, but I actually think it doesn't have to be an iPad. There will be no issue if it's replaced with mobile ordering, ticket machines, or e-commerce sites. This is because we believe that the era of data management will come in which data, such as who bought what, when, where, how many, and at what price, will be collected, analyzed, and utilized.

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OPEN DATA, OPEN SCIENCE!

OPEN DATA, OPEN SCIENCE! This is our management philosophy. Data is very important in management. It is much more advantageous to walk with a map or other data in hand than to grope around in the dark. We would like to be the kind of company that shines a flashlight on store operators walking in the dark.

株式会社スマレジ

本社 大阪市

設立 2005年5月 創業
2011年9月 スマレジ (POS) リリース
2019年2月 東証マザーズ上場



The Company was founded in 2005 and is in its 19th year of operation. Initially, we were engaged in website development and contracted system development.

In 2010, we began developing our own POS system, Smaregi, and in 2011, we released Smaregi. This is our 13th year.

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1. 会社概要 - 拠点・従業員数



Currently, the Company has four office locations: Osaka, Tokyo, Sapporo, and Fukuoka.

In addition, there are six showrooms: one in Osaka, three in Tokyo, namely Ebisu, Shinagawa, and Shinjuku, one in Nagoya, and one in Fukuoka. On January 30, we established a subsidiary in Ho Chi Minh City, Vietnam, to secure development personnel for business growth.

The number of employees is 299 as of January 2024. We are actively recruiting, and the number is increasing.

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代表取締役 CEO

山本 博士



事業統括 COO

湊 隆太郎



開発責任者 CTO

宮崎 龍平



事業戦略 CFO

高間館 紘平



Mr. Yamamoto, the President, and Mr. Minato, the Vice President, are both former engineers. Our veteran members of the Company, including the President and the Vice President, had experience in developing POS systems for drugstores on contract in the past and came up with the idea of Smaregi.

Therefore, one of our strengths has been the abundance of full-fledged retail-oriented features since the beginning of our release.

The founders of the Company, Mr. Tokuda and Mr. Mochizuki, are still involved in the Company as an advisor and as an auditor, respectively.

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2. 当社事業

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Our main service offering is Smaregi, a highly functional cloud-based POS cash register used by restaurants and retailers to manage and analyze sales information.

Conventional POS cash registers seen in convenience stores consist of a large, dedicated machine and embedded software, whereas Smaregi can be used with an iOS device, such as an iPhone or iPad, and a Wi-Fi environment.

The service was released in September 2011, and as of the end of Q3, January 31, 2024, 34,288 stores have paid plans. The number of active stores is 41,809, including paid and free stores.

Other services include the attendance management service Smaregi Time Card, a cashless payment service, and an app market.

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PAYGATE
キャッシュレス決済をたった1台で解決

2022年5月リリース

Among peripheral services, cashless payment services have grown significantly in the past few years.

In December 2021, we acquired Royal Gate, a settlement agency. The company's multi-payment service, PAYGATE, is integrated with Smaregi and sold as a set.

POS cash registers and cashless payments have a very high affinity and are growing as a major revenue driver for our company.

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The screenshot displays the Smaregi App Market interface. On the left, there is a navigation menu with options like 'トップ', 'お知らせ', '基本情報', 'マイアカウント', 'スタッフ', 'サービス', 'アプリ', '請求', '支払情報', 'セキュリティ', and 'ログイン履歴'. The main content area shows a list of applications:

アプリ名	価格
Uber Eats LINK	¥7,000 / 月
Kitchen Monitor	¥5,000 / 月
Mobile order for スマレジ	¥3,000 / 月
売り上げデータ分析	¥700~ / 月
顧客カルテ	¥5,000 / 月

Additional text on the slide includes the Smaregi logo, 'AppMarket', '様々な業種へのタッチポイントを創出', and '2020年7月リリース'.

In addition, one of our unique initiatives that we are strengthening is the Smaregi App Market, which was released in 2020. It is a platform that provides extensions to Smaregi and time cards as applications and is inspired by Salesforce's AppExchange and Cybozu's kintone.

The apps in the App Market are mainly developed by third-party development partners, and the revenue sharing model is 30% for us and 70% for the developers.

So far, add-on applications have appeared for niche industries, such as dry cleaners, direct sales, and beauty salons, and are playing a role in expanding the base of Smaregi users by creating touchpoints for industries that are difficult to develop with Smaregi alone.

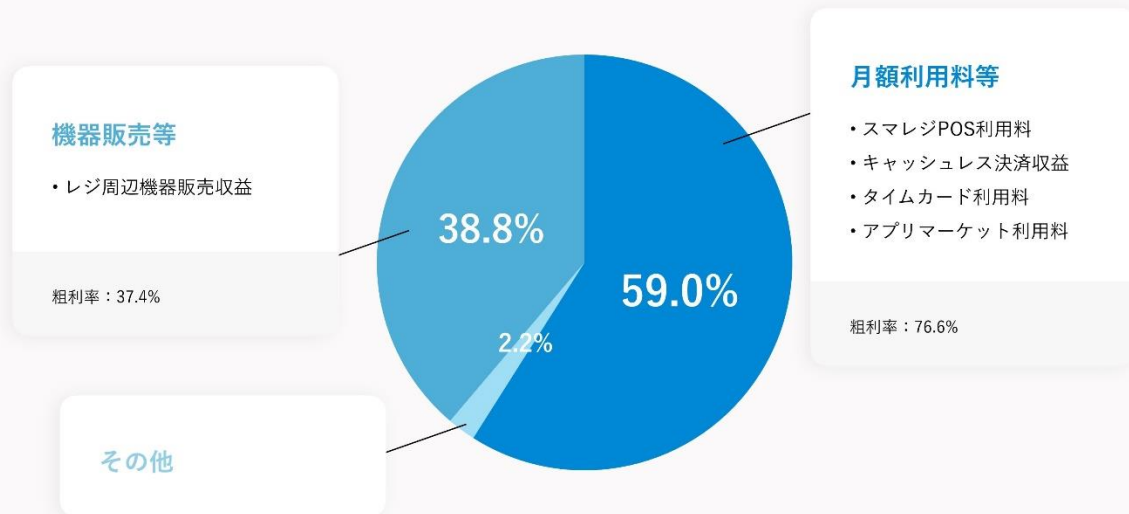
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3. 収益構造

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2023年4月期（2022年5月～2023年4月）の売上高実績を基に作成

The revenue structure is shown in the graph and is mainly divided into two categories: monthly usage fees and equipment sales.

Monthly usage fees consist of monthly usage fees for our cloud services, such as Smaregi, time cards, and cashless payment. Equipment sales are initial costs and consist of the sale of equipment, such as iPads purchased at the installation, cash drawers to store cash, receipt printers, barcode readers, and so on.

Since this is a subscription service, monthly subscription fees and other fees accumulate with each acquisition, whereas equipment sales tend to rise and fall depending on the number of acquisitions and seasonality.

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4. スマレジ (POS) - 月額利用料

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The following is an explanation of the fee structure of Smaregi.

Although you need to purchase the equipment that makes up the cash register, there is no up-front cost for the software itself, just monthly usage fees. For monthly usage fees, we offer four paid plans depending on the functionality required by the user, as well as a free standard plan with basic cash register functions.

Premium plans and above are paid plans, and in principle, paid plans are promoted in business negotiations. Starting with Premium Plus, telephone support is available, and our expert operators are available 365 days a year from 9:00 AM to 10:00 PM.

In addition, the higher-end food business and retail business plans are industry-specific plans, with advanced features specific to the food and beverage and retail industries.

In terms of the number of stores, Premium Plus has the most, followed by retail businesses.

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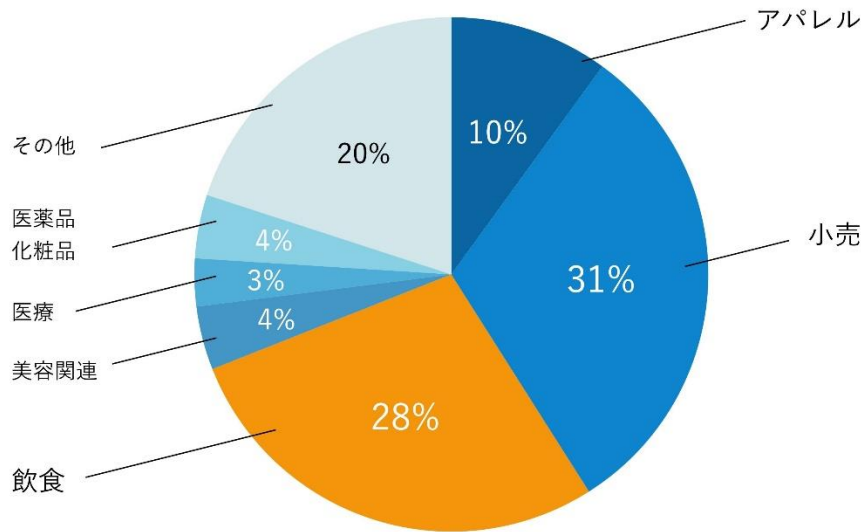
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4. スマレジ (POS) - ユーザー分布

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2024年1月末時点のアクティブ店舗を基に算出

Looking at the user industries for Smaregi POS, 40% are in general retail, including apparel, and just under 30% are in food and beverage, making the retail and food and beverage industries account for 70% of the total.

It is also used in a variety of other industries, including beauty salons, clinics, event venues, events and pop-ups, and shops.

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There are two main sales methods: direct sales and partner sales. The ratio is 80% direct sales and 20% partners. Direct sales have grown significantly, and partner sales have also grown significantly. Direct sales activities are centered on sales activities at showrooms where customers make reservations to visit, which is a selling-type sales style.

Thankfully, the number of inquiries continues to increase, so we rarely do the so-called push sales, in which we visit the clients. Customers who inquire online are either taken directly to an online business meeting or to one of our six showrooms located throughout Japan, where they are guided through a business meeting with actual equipment demonstration.

In addition, users themselves can also sign online contracts on our website without having to negotiate.

We have approximately 300 partners who are experts in a wide range of industries, including Otsuka Shokai, OBC, and TSI. We are proposing Smaregi through cross-selling with our own products. We are able to approach companies that are difficult to approach with Smaregi alone, such as companies with multiple storefronts, over 100 stores, for example, or companies that have a customer base in a regional area.

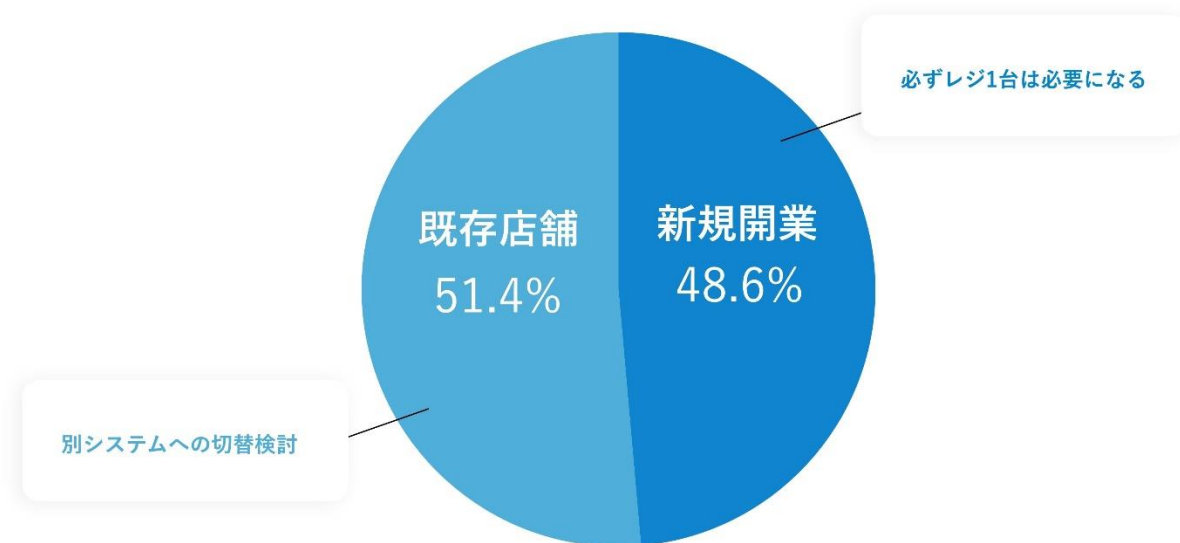
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5. 販売戦略 - 店舗へのアプローチタイミング

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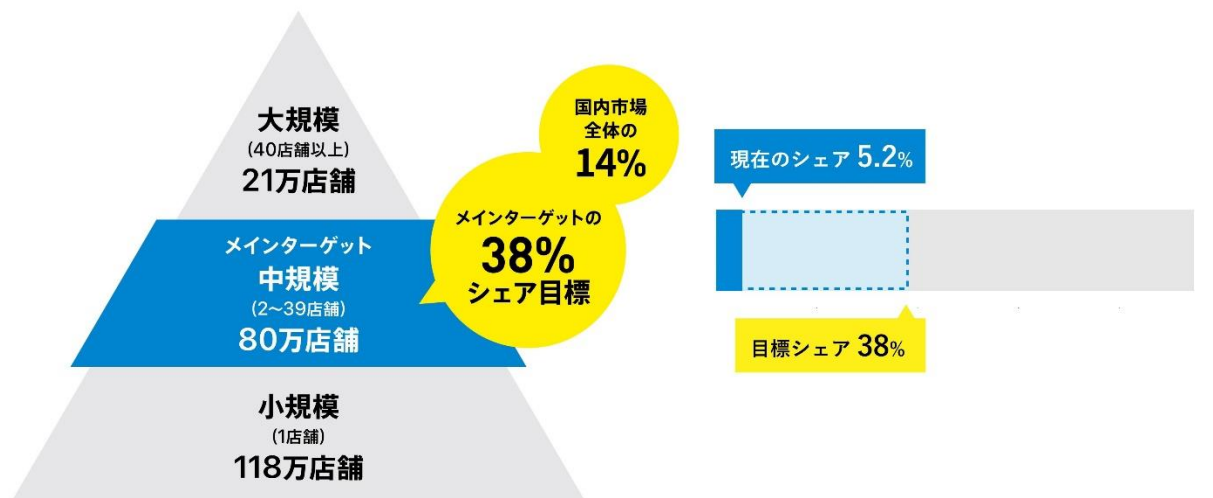


スマレジの問い合わせデータ(2022年5月~2023年4月)を基に算出

As for the timing of the approach to stores, it is difficult to make a proposal to existing stores to replace them one by one. Rather, major business opportunities arise when considering switching to a different system, such as when a new store opens, or when an existing cash register contract expires, or when hardware depreciation is completed. In fact, the introduction of Smaregi is also divided between the two.

6. 市場環境 - 市場規模とターゲット

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経済産業省・総務省「令和3年経済センサス」の調査結果を基に当社作成

In terms of market size and share, there are 2.2 million stores across Japan, including retail, food, service, medical, etc., which are the main user groups of Smaregi, of which approximately 800,000 stores with 2 to 40 medium-size stores will be our main target.

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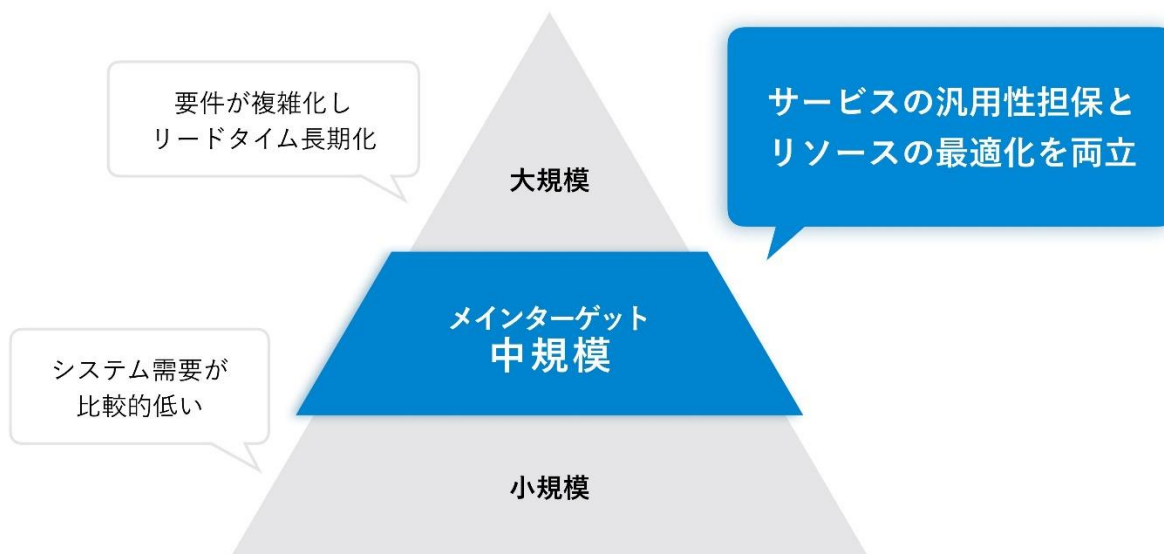
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The current number of active stores is about 41,000, which is about 5.2% of the target, so there is still a lot of growth ahead. Our goal is to exceed 300,000 active stores, 38% market share, and 30% market share in the cash register industry in eight years, in FY2031, and to be number one in Japan.

6. 市場環境 - 中規模層

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As to why we are focusing on the medium-scale segment, in the case of small-scale operations with only one storefront, the store owner can grasp the status of the store to some extent in their mind, so a proper system is not necessary.

On the other hand, if a business is too large, the lead time to get it up and running tends to be very long due to the complexity of the system requirements, and a lot of individual customization must be done.

For these reasons, we are targeting medium-size businesses that can easily adopt a paid plan without customization.

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VISION 2031

POS市場トップへ向け、
2031年までに国内中規模層でトップを目指す。

目標 アクティブ店舗数 **30万**

As for the future of Smaregi, as indicated in our long-term vision, VISION 2031, we aim to capture the top share of the POS market in Japan by 2031. As a specific number, we have set a goal of 300,000 active stores.

第2次 中期経営計画

2024年4月期 - 2026年4月期

ARR増大計画

Regarding the medium-term management plan, the second process of the medium-term management plan has started this fiscal year.

In addition to strengthening business investments centered on advertising expenses and cross-selling of payment and time cards, which were set forth in the first phase, we will achieve ARR growth by promoting

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the market segmentation strategy and approach to e-commerce businesses, which were newly added in the second medium-term management plan.

7. 成長戦略 - ARR増大計画

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We have set ARR as our most important KPI, not sales targets. That would mean that monthly usage fees rather than equipment sales would be the most important component of the sales mix.

Specifically, we aim to achieve an ARR of JPY9.46 billion by the end of the fiscal year ending April 30, 2026 and an average annual growth rate of over 30% in ARR over the three-year period beginning in the fiscal year ending April 2024.

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契約件数の拡大

新規ユーザーの獲得

市場細分化戦略によるターゲットの強化

EC事業者へのアプローチ

S&M投資の継続

×

顧客単価の拡大

既存顧客の利用拡大

アップセル
クロスセル

決済サービス強化

アプリマーケット強化

スマレジ・タイムカード強化

To achieve ARR, it is necessary not only to increase the number of customers, but also to increase the average spending per customer. Customer numbers continue to be driven by market segmentation strategies, approaches to e-commerce businesses, and S&M investments.

We will accelerate sales per customer by strengthening our payment services, App Market, and Smaregi Time Card services and through cross-selling.

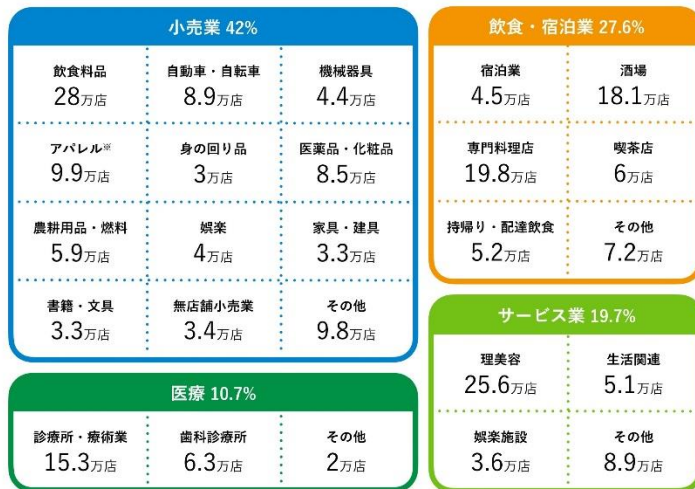
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7. 成長戦略 - 市場細分化戦略

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※服・呉服・服地・寝具など

経済産業省・総務省「平成28年度経済センサス」を基に当社作成

新規ユーザー獲得

市場をより細分化し、
リソースを集中投下

The first measure to increase the number of customers is a market segmentation strategy.

Smaregi mainly targets the retail and restaurant industries, but as you can see, both the retail and restaurant industries are actually very fragmented. This tends to lead to a disjointed approach. For example, while the sales department is talking about targeting bookstores, the marketing department is focusing on cosmetics stores, and the development department is trying to create a self-checkout system.

It would be a waste if the power is dispersed, so we are trying to unify the areas of target throughout the Company.

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新規ユーザー獲得

EC間連動やECと店舗の連動、
EC店舗でスマレジが利用可能に

As for approaching EC businesses, most of Smaregi customers who are in the retail industry are probably also operating EC. Since EC is now an inseparable and important measure for retailers, we recognize that it is absolutely necessary to make the linkage with EC easier and more seamless.

Ultimately, we will encourage e-commerce-only retailers who do not have a storefront to use Smaregi.

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7. 成長戦略 - S&M投資の継続

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新規ユーザー獲得

「認知広告」と「リード獲得」
両方に投資



The third measure to increase the number of customers is to continue S&M investment. This means increasing leads through TV commercials and other advertising efforts.

In the previous medium-term management plan, this was the first priority, but this time we have downgraded it to the third priority. We used to make this a top priority because we did not know how to do it, but now that we have accumulated some know-how, we have reduced the importance of this issue.

In the future, we also want to improve our product appeal so that we can receive inquiries without having to rely on advertising. Therefore, while adjusting the pace of increasing advertising expenses, we are also placing more weight on research and development.

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7. 成長戦略 - クロスセルの強化

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低価格、高性能なクラウドPOSレジ
スマレジ・POS



×

クロスセル強化

キャッシュレス決済サービス
PAYGATE



プラットフォームサービス
アプリマーケット



HRサービス
タイムカード



There are also three measures to increase the average customer's spending. We will focus on increasing the compatibility of the app market, cashless payments, attendance and HR services with Smaregi and on selling them as a set with Smaregi.

By increasing both the number of customers and the average spending per customer, we aim to maximize business performance.

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1

顧客数の獲得

顧客獲得のスピードアップ
またはターゲット領域拡大

対象企業

クラウド系POSベンダー

2

顧客単価の向上

スマレジを機能的に
補完しうる企業

対象企業

店舗向けソフトウェア企業

3

ITエンジニアの獲得

web系エンジニアを
保有する企業

対象企業

システム開発会社

Finally, regarding M&A, companies that are an extension of the strategies we discussed today are targeted for M&A. We are considering M&A from the perspective of whether it would be faster for us to make the product or to buy it.

VISION 2031

TO BE THE NEW STANDARD

誰もがあたりまえにデータ活用できる時代へ

We are committed to supporting stores by promoting data management through the sale of Smaregi. We believe that when stores are energized, the towns will be energized, and in turn, society will be energized.

That is why we are committed to being the new standard and to creating an era in which anyone can easily and naturally manage data.

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That is all from me.

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Question & Answer

Shikichi [M]: We will now proceed with the Q&A.

We will answer as many questions as time permits, so please use the Q&A button at the bottom of the screen or send us your questions by e-mail. If you send us your question by e-mail, please indicate in the subject line that your question is about the financial results briefing. Please note that similar questions will be answered together.

Please note that if you send us questions about the financial results, we will answer them in the Q&A in the latter half of this presentation.

Now, again, Mr. Miyazaki, please go ahead.

Miyazaki [M]: I will now answer your questions.

Participant [Q]: I would like to ask about the current status and prospects of the app market. Especially in the field of time cards, which has been growing recently, are apps also growing?

Miyazaki [A]: To answer your question, the current status of the app market is that the number of highly practical apps is steadily increasing and is gradually contributing to upselling. Currently we have just under 130 applications, but we are actively looking to increase this number to around 300 applications.

Regarding time cards, there are fewer of them compared to Smaregi, but the number is slowly increasing.

Participant [Q]: Second question. What are your intentions, including your policy on price revisions, use of cash, and shareholder returns? Please let us know if you see any changes taking place in the competitive environment.

Miyazaki [A]: Regarding the question about shareholder returns, the next question also overlaps, so I will first answer the question about the changes that are occurring in the competitive environment.

Until a few years ago, there were dozens of companies dealing with cash registers. We are aware that the situation has been narrowed down to a few companies as a result of the shakeout. Therefore, I think that we are approaching an era in which cooperation with other systems, etc., will become more important.

Participant [Q]: As a future vision, when do you have your goals in mind for paying dividends to shareholders?

Miyazaki [A]: Let me answer.

Our basic policy is to realize profit distribution to our shareholders by taking into consideration our operating results and financial condition.

Since the Company is in the process of growth, we have placed a priority on securing the necessary internal reserves for future business development and strengthening our financial position and have not paid a dividend since the Company's establishment.

Currently, we are still prioritizing the enhancement of internal reserves, and in the future, our policy is to aim to distribute profits to shareholders while taking into consideration our operating results and financial position.

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The possibility of implementation and its timing have not been determined at this time.

Participant [Q]: Do you have a policy for returning profits to shareholders, such as share buybacks?

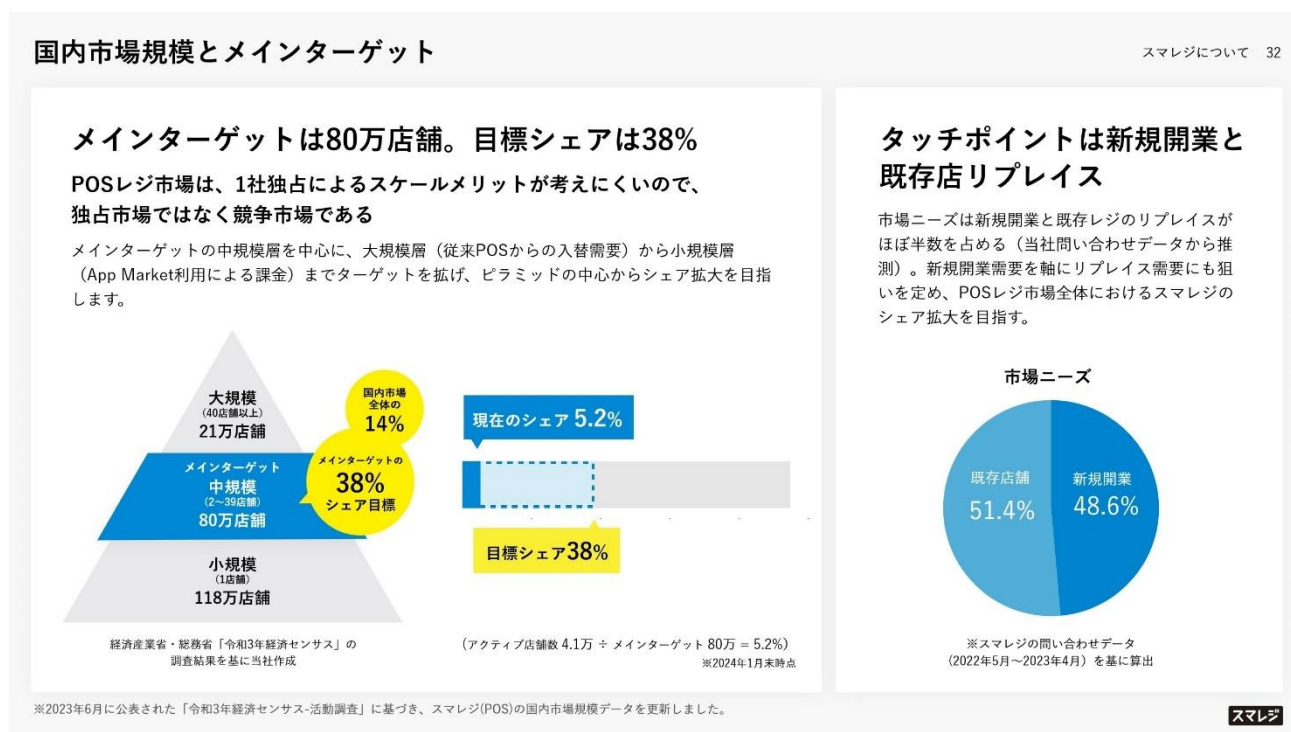
Miyazaki [A]: I cannot comment on the acquisition of treasury stock, but regarding shareholder returns, it is the same as the previous question.

Participant [Q]: Do you plan to disclose any data or other information related to your payment services business in the future?

Miyazaki [A]: We do not have a set schedule for disclosure, but as soon as the data is available, we will gradually disclose it.

Participant [Q]: Do you have plans to increase the number of floating shares?

Miyazaki [A]: We would like to consider this while keeping an eye on market conditions.



Participant [Q]: In the financial results disclosed on March 15, page 32, what year do you expect to achieve the target market share of 38%?

Miyazaki [A]: It is a very difficult target, but we are assuming the year 2031.

Participant [Q]: Are there any new features you are considering in the future?

Miyazaki [A]: Basically, there is nothing I can say about the future, but we will continue to develop functions that have compatibilities with cash registers.

As there are no further questions, this concludes the question-and-answer session.

Shikichi [M]: That concludes the first-half part, our company overview.

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This will be followed at 11:00 AM by an explanation of the financial results disclosed yesterday. We will prepare, so please wait for a while until we start.

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Presentation

Shikichi: It is now time to start.

Again, thank you for participating in the financial results briefing for Q3 of the fiscal year ending April 30, 2024 of Smaregi.

I now will explain the flow for the second half of the presentation. In the last 30 minutes, Mr. Takamadate, Director and CSO, will explain the financial results disclosed yesterday, followed by a Q&A session. In the Q&A session in the second half of the briefing, we will only accept questions related to the contents of the financial statements. The first-half Q&A regarding the company profile has been completed. If you have any additional questions, please send them to the inquiry form on our IR website.

Next, I will explain how to ask questions. Questions are always welcome via the Q&A button on the viewing screen or by e-mail. If you send your question by e-mail, please indicate in the subject line that your question is about the financial results briefing. We look forward to hearing from you.

We also encourage you to use our chat function for non-question related inquiries.

Now, Mr. Takamadate, please go ahead.

Takamadate: Hello. I am Takamadate, Director of Smaregi. Thank you very much for participating in our financial results briefing today. I will now explain the results for Q3 of the fiscal year ending April 2024. Thank you.

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2024年4月期 通期業績予想の修正について

3

販管費の圧縮効果等により、前回の業績予想修正（24年2Q）からさらに業績予想を修正

2024年4月期 通期業績予想（2023年5月1日～2024年4月30日）

(百万円)	売上高	営業利益	経常利益	当期純利益
前回発表予想 (A)	8,012	1,303	1,303	884
今回発表予想 (B)	8,204	1,610	1,608	1,052
増減額 (B-A)	191	307	305	168
増減率	2.4%	23.6%	23.4%	19.0%

業績予想修正の理由

クラウドサービス全体が計画を上回る好調に推移し、2023年12月13日に発表した通期業績予想の修正値を若干上回る見込みです。

広告宣伝活動や採用の効率化・純増人員の未達を原因として、さらに販売費及び一般管理費の圧縮が見込まれ、営業利益、経常利益及び当期純利益は、前回の予想値を上回る見込みです。

スマレゾ

First, prior to the Q3 results, I would like to discuss the revision of the full-year forecast.

This is a follow-up to our previous earnings announcement, but we have decided to revise our earnings forecast because we expect that our earnings progress throughout this fiscal year will be favorable and that we will be able to further exceed the forecast by controlling costs, such as advertising and promotional expenses.

The previously announced forecast was JPY8,012 million in net sales, JPY1,303 million in both operating profit and ordinary profit, and JPY884 million in net income.

The revised business forecasts are sales of JPY8,204 million, an operating profit of JPY1,610 million, an ordinary profit of JPY1,608 million, and a net income of JPY1,052 million.

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Here are the performance highlights.

Compared to the same period last year, sales increased 45% to JPY6,043 million, and operating profit increased 103% to JPY1,283 million. ARR was JPY5,518 million, an increase of 37%. The number of employees was 299, a net increase of 12 from Q2.

Following Q2, Q3 also landed better than planned. ARR exceeded JPY5.5 billion, landing close to the full-year ARR target of JPY5.59 billion.

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損益計算書

2024年4月期3Q 決算概要 5

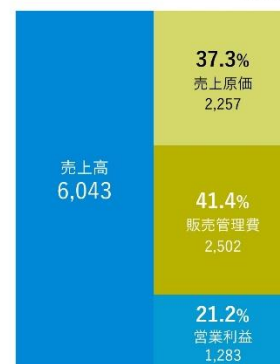
売上高はYoY +45.0%、営業利益はYoY +103.7%の成長

(百万円)	2024年4月期 3Q実績 (23年5月～24年1月)	2023年4月期 3Q実績 ※1 (22年5月～23年1月)	前年同四半期比 YoY	2024年4月期 通期計画 ※2 (23年5月～24年4月)	2024年4月期 3Q進捗率 (23年5月～24年1月)
売上高	6,043	4,168	+45.0%	8,204	73.7%
売上原価	2,257	1,648	+36.9%	-	-
売上総利益	3,785	2,519	+50.3%	-	-
販売費及び 一般管理費	2,502	1,889	+32.4%	-	-
営業利益	1,283	630	+103.7%	1,610	79.7%
経常利益	1,280	632	+102.5%	1,608	79.6%
四半期(当期) 純利益	877	666 ※3	+31.7%	1,052	83.3%

※2 通期業績予想を修正 (P3参照)

収益構造

(百万円)



※1 旧連結子会社である株式会社ロイヤルゲートを2022年7月1日付で吸収合併したため、2023年4月期にロイヤルゲート社の2022年5～6月の業績は含まれません。
 ※3 株式会社ロイヤルゲートの吸収合併により抱合せ株式消滅差益（特別利益）、法人税等調整額（益）を計上

スマレゾ

The income statement and balance sheet are as stated on pages five to six of the material.

Among these, net income is a little higher because there was a special factor of over JPY200 million in the previous fiscal year due to an M&A of a subsidiary.

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貸借対照表

2024年4月期3Q 決算概要 6

事業拡大による前受金と法人税の増加により流動負債がYoY +56.0%

堅調な業績により純資産はYoY +26.3%、自己資本比率は74.4%と財務基盤は安定

(百万円)	2024年4月期 3Q実績 (23年5月~24年1月)	2023年4月期 3Q実績 (22年5月~23年1月)	前年同四半期比 YoY	2024年4月期 2Q実績 (23年5月~10月)	前四半期比 QoQ
流動資産	6,402	4,741	+35.1%	5,931	+7.9%
うち現預金	5,065	3,773	+34.2%	4,658	+8.7%
固定資産	1,173	983	+19.3%	1,115	+5.1%
資産合計	7,576	5,724	+32.4%	7,047	+7.5%
流動負債	1,837	1,178	+56.0%	1,631	+12.7%
固定負債	105	86	+21.9%	102	+2.7%
負債合計	1,943	1,264	+53.7%	1,733	+12.1%
純資産合計	5,632	4,459	+26.3%	5,314	+6.0%
負債・ 純資産合計	7,576	5,724	+32.4%	7,047	+7.5%



スマレジ

The balance sheet shows that cash and deposits have accumulated and exceeded JPY5 billion.

Current liabilities increased compared to the same period last year, but as in Q2, this was mainly due to an increase in advances received due to business expansion and special demand response, as well as an increase in corporate taxes.

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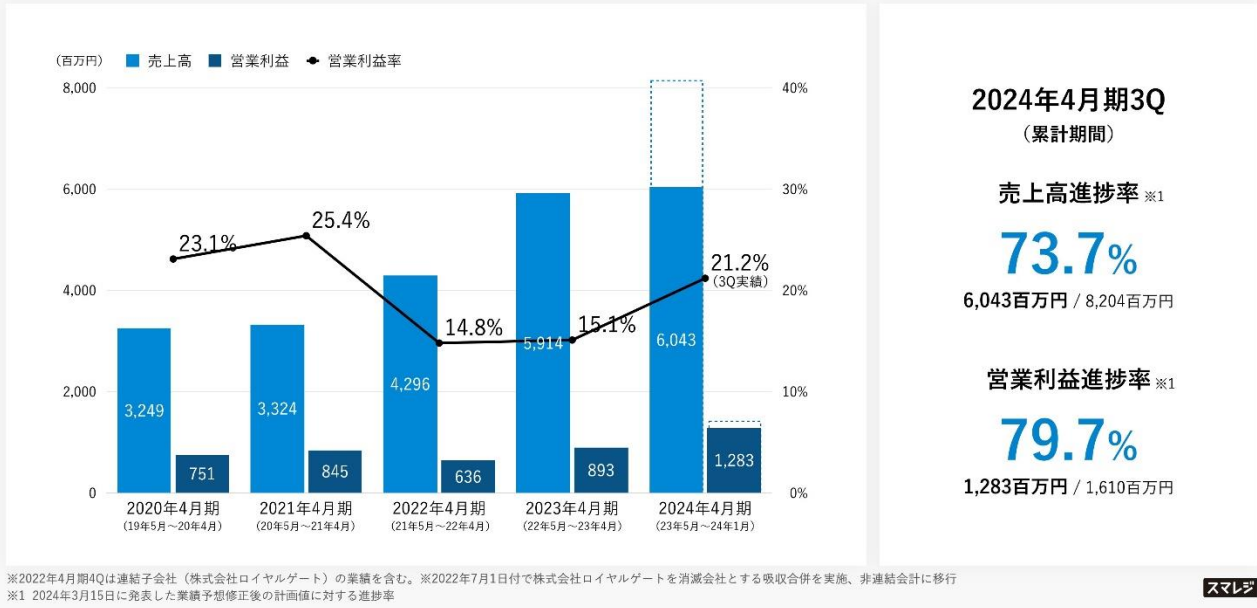
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売上高・営業利益・営業利益率の推移

2024年4月期3Q 決算概要 7

修正後の通期業績計画に対する24年4月期3Qの売上高進捗率は73.7%、営業利益進捗率は79.7% ※1



スマレゾ

Next, I would like to show you the five-year trend of our business performance.

Sales are 73.7% of the revised full-year plan of JPY8.2 billion.

Similarly, operating profit is 79.7% of the new plan.

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売上高・営業利益・営業利益率の四半期推移

自動釣銭機の特需がピークアウトし、売上高はQoQ-1.3%（内訳はP10参照）
 堅調な業績とコストの最適化により、3Q営業利益率は21.4%で着地



2024年4月期3Q

営業利益率

21.4%

YoY 前年同四半期比 **↑5.8pt**

QoQ 前四半期比 **↑1.4pt**

※2022年4月期4Qは旧連結子会社（株式会社ロイヤルゲート）の業績を含む
 ※2022年7月1日付で吸収合併したため、2023年4月期1Qに旧連結子会社（株式会社ロイヤルゲート）の5~6月の業績は含まれません。



This slide shows the quarterly changes.

The operating margin remained strong at 21%.

As will be shown later on page 10, there was a decrease in revenue from the previous quarter due to the impact of the concentration of special demand for new banknotes in Q2, but this is a special factor.

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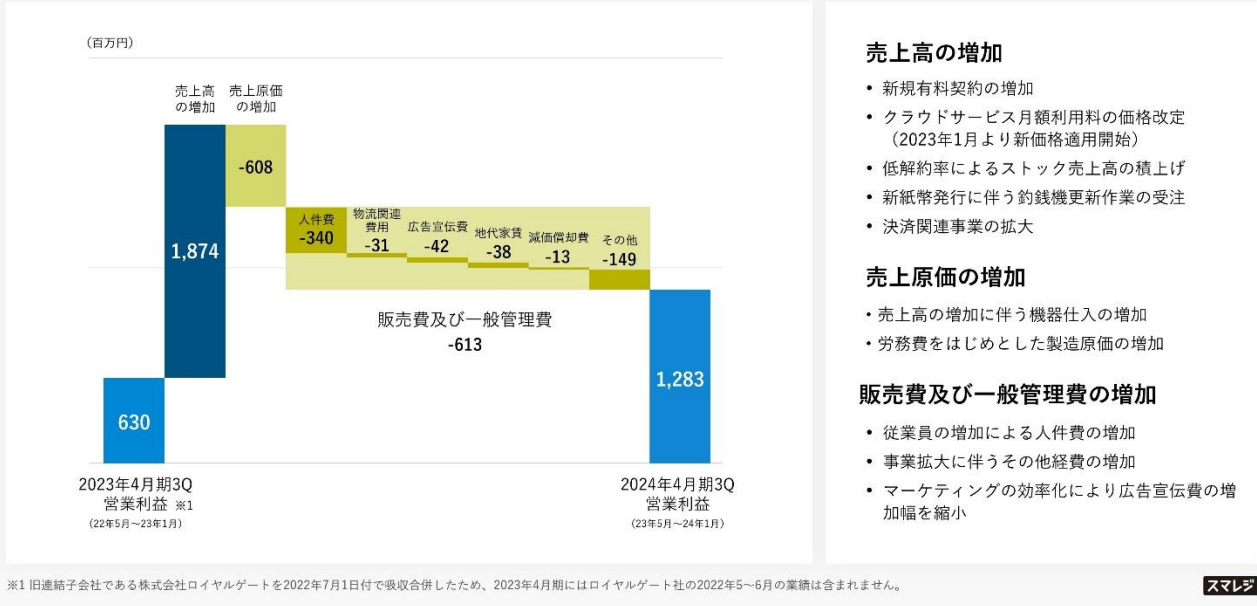
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営業利益の増減分析（前年同期比）

2024年4月期3Q 決算概要 9

堅調な業績と広告運用の効率化による販管費の圧縮が、営業利益の大幅増加に貢献



売上高の増加

- 新規有料契約の増加
- クラウドサービス月額利用料の価格改定（2023年1月より新価格適用開始）
- 低解約率によるストック売上高の積上げ
- 新紙幣発行に伴う釣銭機更新作業の受注
- 決済関連事業の拡大

売上原価の増加

- 売上高の増加に伴う機器仕入の増加
- 労務費をはじめとした製造原価の増加

販売費及び一般管理費の増加

- 従業員の増加による人件費の増加
- 事業拡大に伴うその他経費の増加
- マーケティングの効率化により広告宣伝費の増加幅を縮小

Next, compared to the same period last year, sales increased by JPY1,874 million.

In contrast, the negative figures for cost of goods sold, labor costs, etc., indicate an increase in costs. Cost of sales increased with the increase in sales, and personnel expenses increased with the increase in head count, but other expenses did not change much from the same period of the previous year. The other negative JPY149 million is for research and development and other costs.

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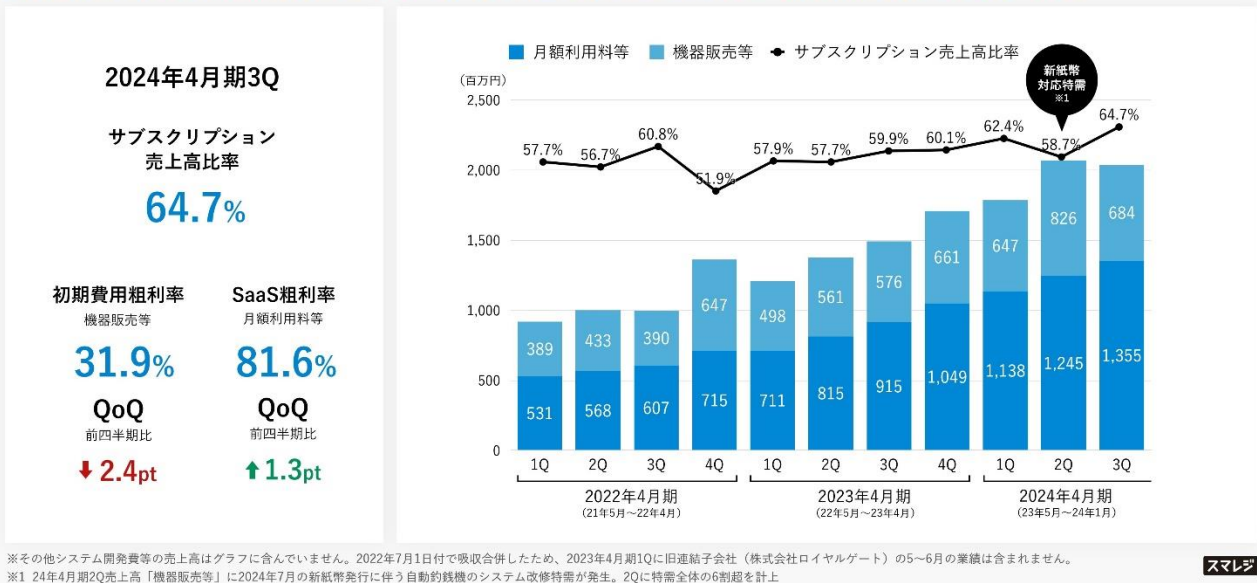
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売上高内訳の四半期推移

2024年4月期3Q 決算概要 10

有料店舗数やキャッシュレス決済サービスの堅調な増加により、サブスクリプション売上高はYoY+48.1%の成長
 機器販売等は、2Qの新紙幣特需がピークアウトし平常化。決済端末配布の影響で初期費用粗利率がQoQ-2.4pt



スマレゾ

Please take a look at the quarterly changes on this slide. This shows the quarterly performance trend in sales.

The quarterly sales figures are broken down into subscriptions, such as monthly usage fees, etc., and initial sales, such as equipment sales, etc., with subscriptions accounting for 64% of total sales.

This is an increase of about 6% from Q2, and as I mentioned earlier, special demand for the new banknotes was concentrated in Q2. Also, there were a lot of equipment sales. This means that the subscription ratio was temporarily low in Q2.

This is a little off-topic, but overall releases rose in Q3 compared to Q2, and this is because the ratio of equipment sales, which have a low gross profit margin, was high, partly due to the impact of special demand, as I mentioned earlier.

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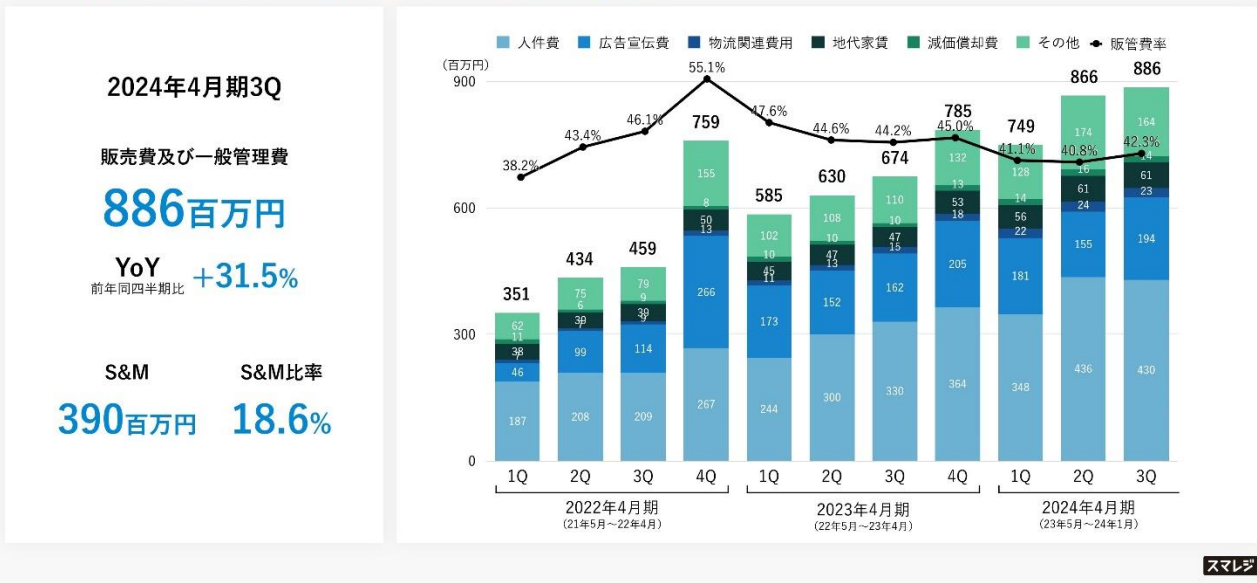
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販売費及び一般管理費の四半期推移

2024年4月期3Q 決算概要 11

認知広告の拡大により広告宣伝費QoQ+25.1%、2Qの人件費積み増しと株式報酬の株価の影響により人件費は微減
 中期経営計画（ARR目標）必達を目指し、計画的な積極投資を継続



スマレジ

The next page shows SG&A expenses.

This Q3 totaled JPY886 million. From Q2, there was a slight increase.

You may think that personnel expenses are a little uneven, but there was an increase in bonuses in Q2. Also, the shape will change depending on stock price fluctuations, but there were changes in evaluation due to stock price fluctuations.

If you remove these factors, it will be somewhere between Q1 and Q3, so I think Q2 has a slightly unique shape.

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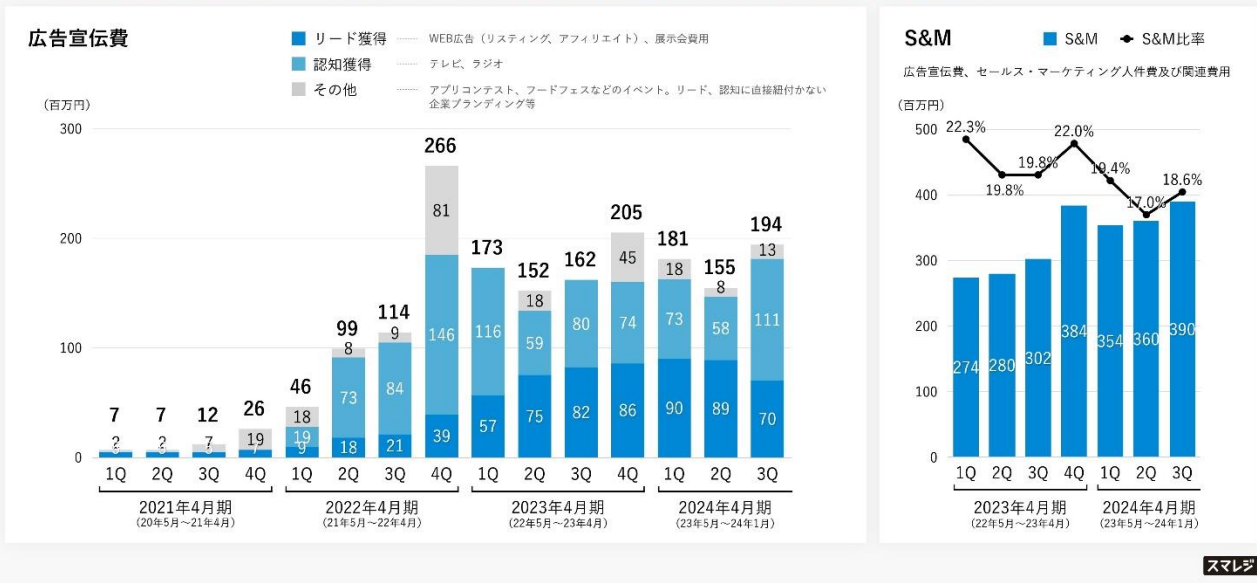
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広告宣伝費・S&Mの四半期推移

2024年4月期3Q 決算概要 12

地方に加えて都市部にもTVCMを展開し、潜在顧客層へのアプローチを拡大

リード獲得施策（主にウェブマーケティング）では、費用対効果を追求した効率的な広告投資を継続



I will discuss advertising expenses on the next page.

Continuing from the previous fiscal year, we have continued to implement advertising activities.

S&M, as noted on the right, was JPY390 million, or 18% of sales.

In Q3, advertising for the purpose of directly acquiring leads amounted to JPY70 million, and advertisements for the purpose of acquiring recognition through TV and radio, etc., amounted to JPY111 million. The advertising costs for lead purposes started in November.

Since the middle of Q2, we have been seriously selecting options based on cost-effectiveness. This is not just a matter of shrinking, but after carefully examining the economics, we are removing things that do not meet a certain standard or cannot be improved, so that the final number of acquisitions will not be affected too much.

We've increased the amount of recognition-acquiring purpose ads significantly in Q3, mainly due to expanding the area of the TV commercial. We intend to continue aggressive marketing in Q3 and beyond after careful examination of cost-effectiveness.

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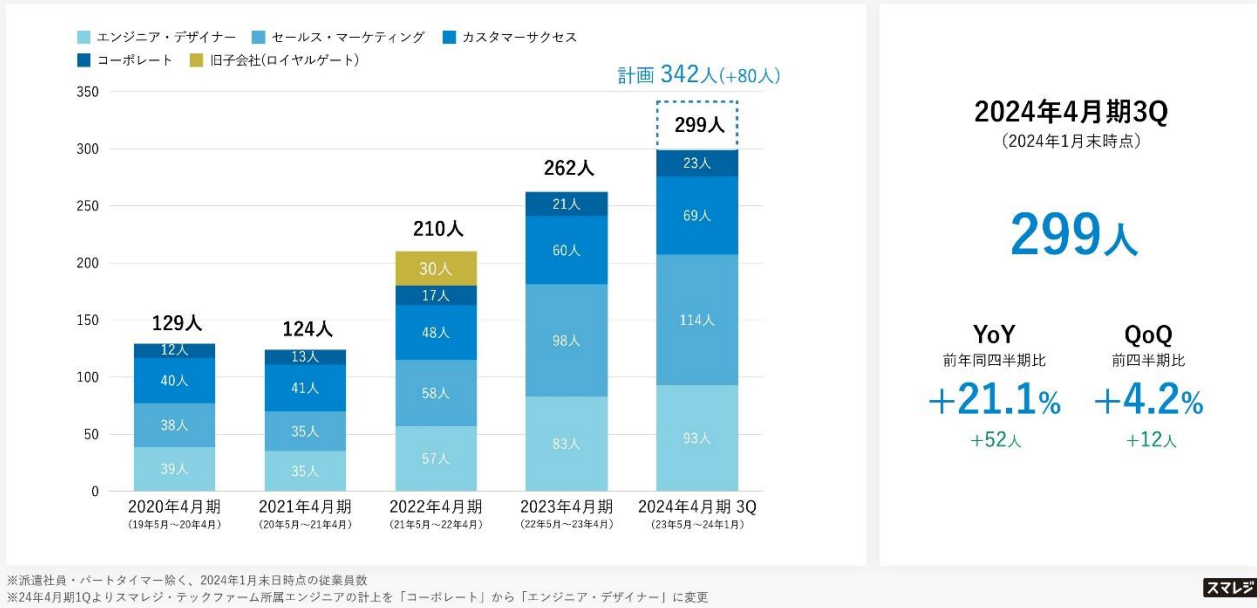
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従業員数の推移

2024年4月期3Q 決算概要 13

従業員数はQoQ +12名の299名に。2024年4月期はYoY +80名 (+30.5%) の計342名を計画



This shows the number of employees.

On the left, through the previous period, the figures are for the end of the fiscal year. The number of employees increased by 37 from the end of the previous period and by 52 from the same period last year to 299. We mentioned at the last briefing that we were behind a bit, but I think we are still behind, with a net increase of 12 from Q2.

However, although we would like to secure the number of personnel, there is no change in our policy of hiring only good personnel without lowering our hiring standards too much. We intend to continue to aggressively hire as our business expands.

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2024年1月

- スマレジ・ベンチャーズ第6弾 中小企業向けクラウドERP株式会社カムに出資
- セルフレジ (券売機) の開発を発表
- 「Pit-nagoya」出展 (名古屋商工会議所)

2023年12月

- 札幌サポートセンターにて採用イベント (CS職) 開催
- 「FUKUSHO DIGITAL EXPO」出展 (福岡商工会議所)

2023年11月

- 「スマレジ・PAYGATE」月額0円プラン提供開始
- 外食・中食・小売業界の垣根を超えた商談展示会「FOOD STYLE Kyushu 2023」出展
- 大阪・福岡にてスマレジユーザー会「アキナイラボ」開催
- IT導入補助金2023の対応件数が前年比+23%に伸長

スマレジ

Next, I would like to provide a business summary. Topics for Q3 are listed.

Smaregi Ventures, CVC, has made its sixth investment in the Company.

As you can see at the bottom left of the screen in this photo, as mentioned in the release, we bought a ticket vending machine and developed it. The sales start in March, so if you are interested, please contact us.

We are also starting a monthly free plan for our payment service.

There were several other sponsored events to raise awareness.

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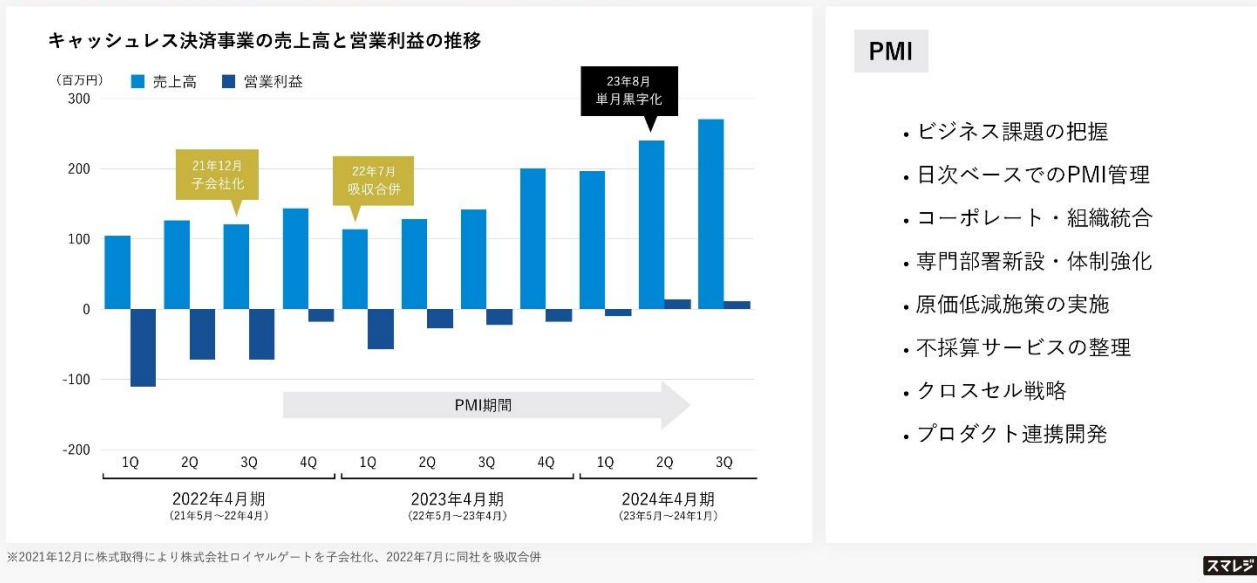
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M&A（ロイヤルゲート社）PMIの成果

事業の状況 16

計画通り2年でキャッシュレス決済事業（旧ロイヤルゲート社）の単月黒字化を達成
参入障壁の高い決済事業を獲得したことで、今後の成長基盤を構築



The next major topic is Royal Gate, which we completed closing in December 2021 and became a subsidiary of the Company. This slide shows the cashless payment business we are currently developing.

As you can see here, since the merger in July 2022, we have been implementing the PMI described here, and as a result, we have successfully returned to profitability in this Q2 to Q3.

Although this is explained on just one slide, when we announced the M&A, our representative, Mr. Yamamoto, declared that we would return to profitability within two years of the purchase, and the entire company was working together to achieve this goal.

Many things happened in the process, and I won't go into them here, but our representative, Mr. Yamamoto, has published what the M&A was about at the bottom of the IR page of the corporate website, where it says "Smaregi Inside (Shareholder Communications)," and I would like to introduce it at the end of this slide as well. Please access and view the site for your reference.

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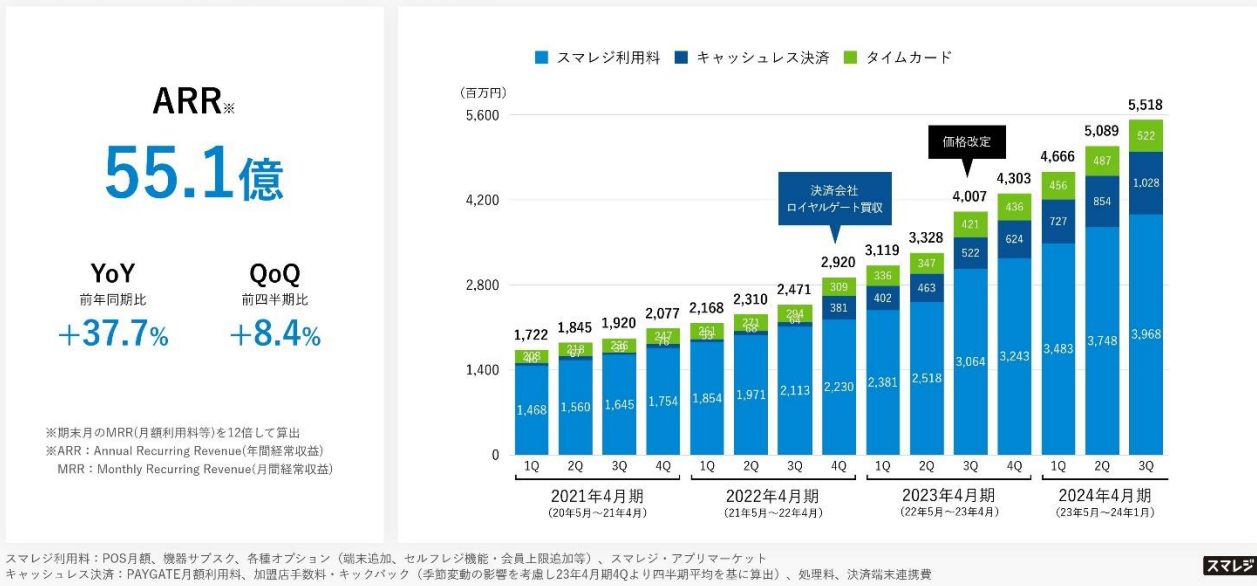
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ARR (サブスクリプション売上高) の推移

事業の状況 17

価格改定(2023年1月) から1年が経過し、ARRはYoY+37.7%の成長
キャッシュレス決済ARRは、YoY+96.6%の高成長



This is the ARR trend, which is our most important KPI.

Due to the increase in customers, ARR was JPY5,518 million, an increase of 37.7% YoY.

Cross-sells of POS and payment services have been strong, with payment services growing at a significant rate of 96% over the previous year.

As I mentioned at the last briefing for Q2, we were up 84% from the previous year, so the growth rate of the payment services has increased even more.

Overall, our target is JPY5.59 billion for the full year, so we are very close to our goal.

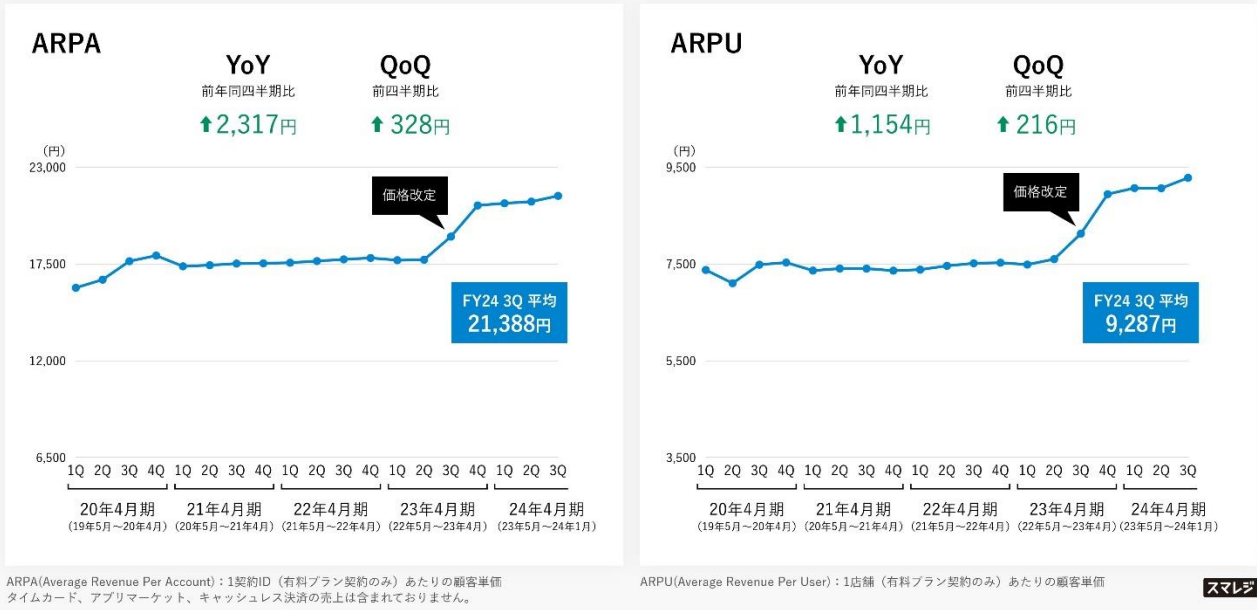
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価格改定による影響が収束し、上昇基調を保って安定的に推移 (2023年1月に価格改定を実施)



The slides from here on are KPIs only for the main POS, Smaregi POS. The various KPI figures are as shown in the material, but first is the ARPA and ARPU per customer.

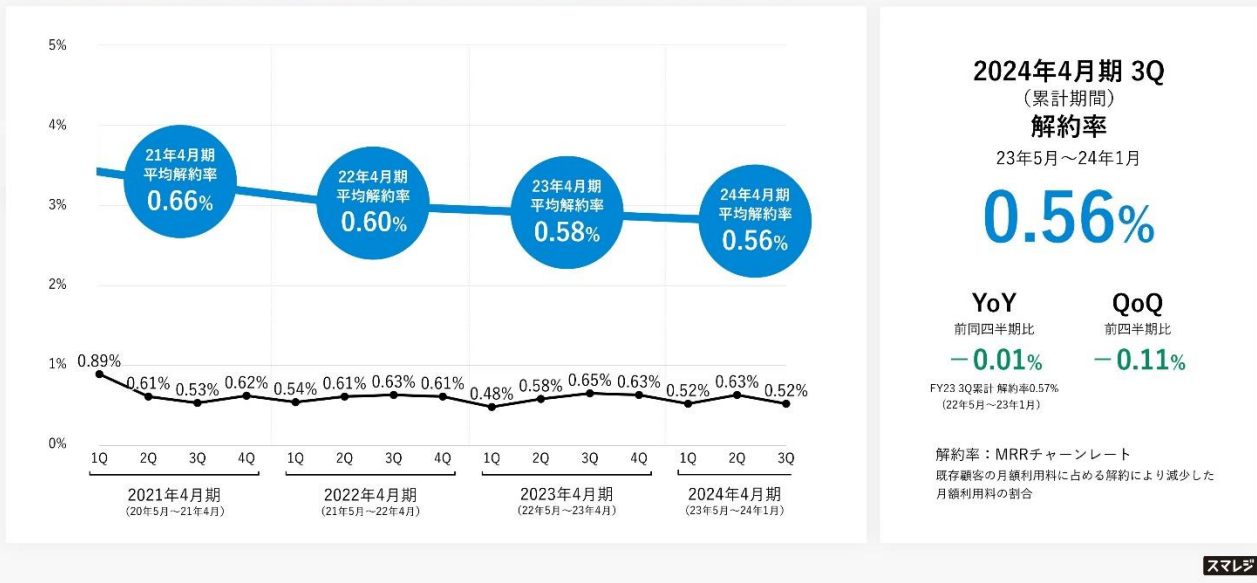
It has just been one year since the price revision, and I think the impact of the revision has subsided. The situation has also stabilized. It has gone up a little in this Q3, but I believe this is within the range of fluctuation.

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オンボーディングの強化とサービス品質の向上施策を継続
 価格改定による影響はほとんどなく、平均解約率は低水準を維持 (2023年1月に価格改定を実施)



スマレジ

Next is the churn rate.

There was no significant change in the churn rates.

As I explained in the previous report, the impact of the price revision was not so great, and the trend has not changed.

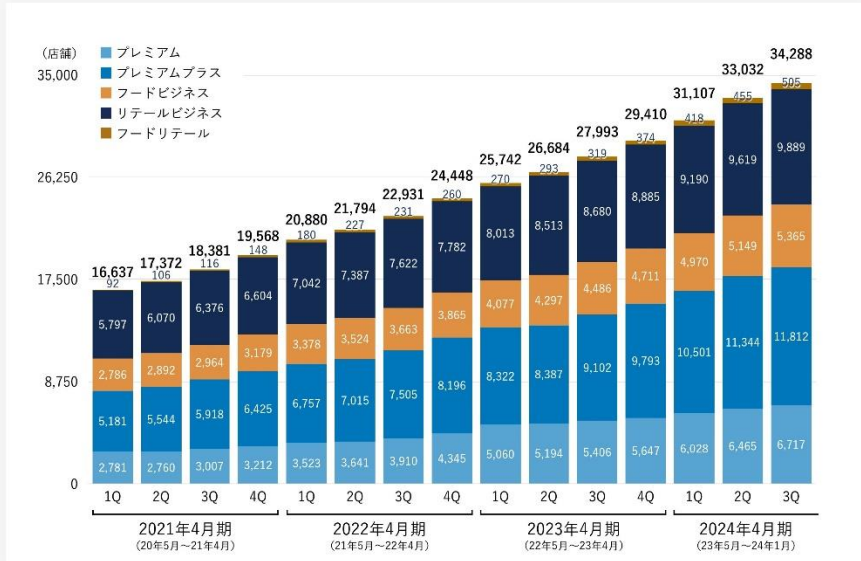
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各プラン堅調に増加し、YoY+22.5%の成長



有料店舗数※

34,288

YoY 前年同四半期比 **+22.5%**
+6,295店舗

QoQ 前四半期比 **+3.8%**
+1,256店舗

※最新の有料店舗数を毎月配信
スマレジは有料店舗数情報を毎月開示しています。
2024年2月末日時点の有料店舗数は34,995店舗です。
最新のプラン別店舗数は[IRサイト](#)をご覧ください。

※スマレジは、より利用されるサービスを目指し、無料店舗数ではなく有料店舗数とアクティブ店舗数を重要なKPIとしています。
※スタンダードプラン契約にオプション追加で有料化されている場合がありますが、有料店舗数には含んでいません。



Next is the number of fee-paying stores. We track the number of fee-paying stores and the number of active stores as key indicators.

The number of stores subscribed to paid plans was 34,288 stores, an increase of 6,295 stores compared to the same period last year.

Every year, the seasonal factor of the year-end and New Year holidays comes into play in Q3, and although it has slowed down a bit since Q2, acquisitions have recently returned to normal since the New Year, so I don't see it as too much of a problem.

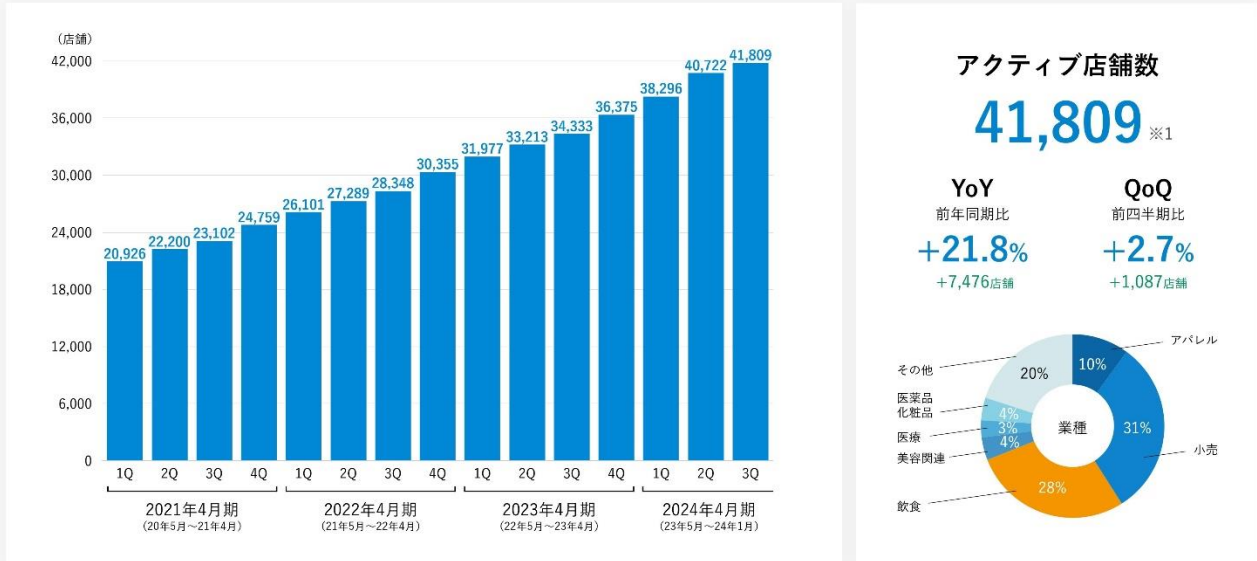
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YoY+21.8%と着実に増加。季節要因（年末年始繁忙期によるレジ需要低下）によりQoQ+2.7%の微増



※1 2024年2月末日時点のアクティブ店舗数は42,435店舗です。詳しくはIRサイトをご覧ください。
 ※プラン種別を問わず、POSレジ機能で直近1ヵ月の間に高取引（売上）の記録を行った店舗数。在庫管理やその他の機能を利用していても高取引がない場合はカウントされません。



Next is the number of active stores.

This is the number of stores that actually used the service and includes free plan users in addition to the paid plans mentioned earlier. This is also an important indicator to measure whether or not the system is really being used, since it does not include stores that have only signed up for the free plan but are not using it.

In Q2, the number of active stores exceeded 40,000 for the first time, and in Q3, the number of stores reached 41,809.

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累積取引総額が7兆円を突破し、年末年始商戦によりさらにGMVが伸長
スマレジ利用店舗のキャッシュレス取引比率は55.2%、日本のキャッシュレス化にも貢献 ※1



キャッシュレス取引：クレジットカード、電子マネー、QRコード決済、一部金券や商品券なども含まれます。
※1 経済産業省は2025年までにキャッシュレス決済比率を4割程度にするという目標を掲げキャッシュレス決済を推進。2022年のキャッシュレス決済比率は36.0% (2023年4月 経済産業省発表)



This is GMV, the distribution value and sales value of all POS cash register users.

In Q3, the total amount was JPY598.1 billion, up 34.7% YoY.

As you can see, the cashless ratio is gradually increasing, and I believe that the overall trend is due to the spread of various QR payments and probably due to the cross-selling of our payment service PAYGATE.

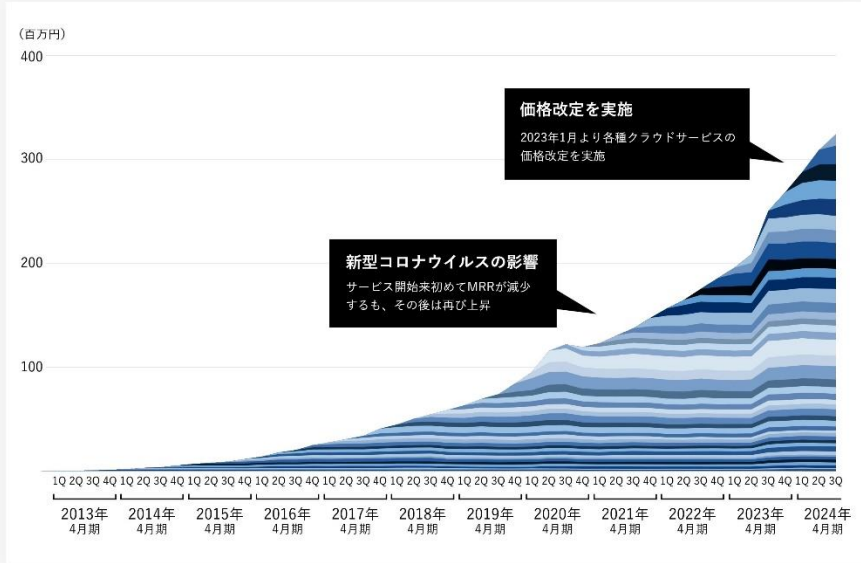
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有料店舗数の堅調な増加によりMRRが拡大。安定した継続利用により持続的成長を実現



2024年4月期3Q

MRR
(POSレジのみ)

3.2億

※2020年3月～4月、新型コロナウイルスの影響を考慮したスマレジ月額利用料の減額措置を実施しましたが、上記グラフに減額措置の影響は含んでおりません。

スマレジ

This is just a POS figure, but the total MRR for Q3 was JP322 million.

After the price revision, the speed of MRR accumulation, which is the angle of this curve, has also increased.

This is the end of my explanation of the overview of the financial results for Q3 of the fiscal year ending April 2024 and the revisions to the full-year earnings forecast.

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Question & Answer

Shikichi [M]: We will now proceed with the Q&A.

We will answer as many questions as time permits, so please use the Q&A button at the bottom of the screen or send us your questions by e-mail. If you send your question by e-mail, please indicate in the subject line that your question is about the financial results briefing. Please note that similar questions will be answered together.

We have already finished accepting questions regarding the company profile in the first half. Please check the archived video to be released tomorrow or submit your questions using the inquiry form on our IR website.

Now, again, Mr. Takamadate, please begin.

Takamadate [M]: Now, I would like to answer your questions. I will begin by answering the questions we received in advance and on the form.

Participant [Q]: First, please tell us about the current status of the invoice system, the introduction of new banknotes, and the increase in demand for device replacement.

Takamadate [A]: As for the invoice system, there was not much of an impact to begin with. There were a few cases where the keyword “invoice support” itself brought in some traffic, but this did not lead to a steady increase in POS sales.

Another aspect of compatibility with the new banknotes was the need to modify hardware, such as change machines, but as I explained to you as a special demand, sales of these items have actually increased at Smaregi. However, the software side of Smaregi's POS has little to do with it.

In that sense, it hasn't been much of a tailwind, but there are some aspects that are getting complicated, including the increasingly reduced tax rate, so there may be a trend to consider replacing them.

Participant [Q]: What is the cost-effectiveness of website commercials versus TV commercials?

Takamadate [A]: I think this meant web advertising, such as ad searches, banners, and search ads on websites, and TV commercials.

First, when it comes to web advertising, it is fairly clear which ads were clicked and how much did each acquisition cost by tracing them in detail. This is the main method of generating leads as an advertisement to raise awareness and demand and acquire the leads.

On the other hand, as you can see on page 12, TV commercials are carried out as awareness advertisements. It is difficult to measure the effectiveness of this. Since it is difficult to measure the effectiveness, in terms of Smaregi, we are broadcasting in different areas rather than evenly throughout the 47 prefectures of Japan. By doing so, we can compare the number of site sessions, accesses, and inquiries in the broadcast area with those outside the area and measure various effects.

This type of awareness advertising not only affects the number of inquiries received through awareness advertising alone, but also affects the web advertising that I explained earlier, so it is important to use the results, such as leads and business negotiations, as a KPI to know how much it costs for one case for the

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purpose of acquiring leads, how much it costs for one case if you include recognition ads, and how much it costs for the CPA. The CPA is not disclosed, but the total cost per case will be lower as a result.

We believe that it is important to maintain a balance between the Web and awareness advertising, including TV commercials.

Participant [Q]: The next question we have received is to what extent the new banknote feature is included in the current financial statements.

Takamadate [A]: As I explained a little at the last briefing, we expect about JPY180 million for this fiscal year as a whole. As I mentioned earlier, sales were a little high in Q2, but we accounted for more than 60% of the total special demand sales in Q2, including equipment sales.

In that sense, I believe we have peaked out.

Participant [Q]: Next, here is a question we received in chat.

The slide materials list several factors behind Royal Gate's return to profitability, but what are the factors that are particularly effective?

Takamadate [A]: Thank you.

On page 16 of the slides, you can see the results of Royal Gate's PMI that I explained earlier. On the right is PMI, and we have written here what they have done since acquiring it and making it into a subsidiary. This only explained a bit of the general outline.

At the time we were considering the acquisition, we already had an idea that there would be a lot of synergy between POS and payment, so we just needed to set up a system to sell the POS and the payment together. We thought that the most important thing was to prepare the functionality and merchantability of the product so that we could sell it together.

Therefore, we recognize that the cross-selling strategy has been the most important factor in the growth of the business performance.

Participant [Q]: In the B/S, the number of buildings and equipment has increased considerably, but what were the reasons for this?

Takamadate [M]: Which page? I see it at the beginning. This is about the current assets, fixed assets, and total assets listed on page six of the balance sheet.

I would like to have Ms. Shikichi from the Financial Accounting Department to answer the detailed numbers. Thank you.

Shikichi [A]: I won't go into the details of the cost, but the main reason behind the increase was the recent renewal of our showroom in Nagoya.

Takamadate [M]: Thank you.

Well, that's all the questions we have, so I would like to end the question-and-answer session here. Thank you very much for your questions.

That's all from me, but good progress was made in Q3. We will continue to move forward to achieve our ARR targets and our revised full-year forecasts. Thank you very much for today.

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Shikichi [M]: This time as well, we delivered our presentation in two parts, the first half and the second half. Hope you enjoyed it.

The QR code shown in this slide is a NOTE article written by Representative Director Yamamoto regarding the M&A mentioned earlier in the financial summary. This section contains information on our efforts, including real-life situations, reflections, and lessons learned from the time of M&A consideration to the present day. Please take a look at it.

Now, lastly, I would like to make an announcement from IR. We also provide IR information via our newsletter and LINE. We send out informative reports every month, including monthly registered store counts, so please be sure to sign up.

Finally, we ask for your cooperation in filling out the survey. After this information session, a survey form will appear on the screen you are viewing. It is a simple process that takes about 30 seconds to complete, so please send us your honest opinions and impressions.

This concludes the financial results briefing for Q3 of the fiscal year ending April 2024. Thank you for your participation throughout the entire presentation. Thank you for your continued support.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
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