

FY2022 2nd Quarter Financial Results Briefing Materials

Nov. 14, 2022

Synchro Food Co., Ltd. <3963>



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2. Overview of Each Business Segment
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Company Data

Company Name:	Synchro Food Co., Ltd.
Representative:	Shinichi Fujishiro
Founded:	April 2003
Locations:	Head Office:EBIS SOUTH1, 1-7-8, Ebisu Minami, Shibuya-ku, Tokyo Osaka Branch Office:8F, MAINICHI SHINBUN BUILDING, 3-4-5, Umeda, Kita-ku, Osaka-shi, Osaka Nagoya Branch Office:3F, CHIKUBU BUILDING, 3-12-12, Meieki, Nakamura-ku, Nagoya-shi, Aichi Fukuoka Branch Office (opened in April, 2022):TENJIN BUILDING PLUS, 4-8-2, Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka Yokohama Sales Office (opened in May, 2022):SOLACUBE Yokohama-Kannai, 3-30-1, Tokiwa-cho, Naka-ku, Yokohama-shi, Kanagawa Sapporo Branch Office (opened in July, 2022):3F, Horio Building, Higashi 2-16, Ninami 2-jo, Chuo-ku, Sapporo-shi, Hokkaido
Capital:	510,510 thousand yen
Number of Employees:	146 (Consolidated basis/permanent employees/as of Sep 30, 2022)
Business:	Management of a media platform for food and drink businesses
Subsidiaries:	Wit Co., Ltd. (M&A service business specializing in food and drink businesses)

*Nicosshigoto Co., Ltd. (side-job matching business) was dissolved on February 14, 2022, and was liquidated at the end of May 2022.

Vision, Mission and Value



Vision (the world we are aiming at)

Spread happiness derived from various eating and drinking experience all over Japan and the world.



Mission (mission we fulfill for customers)

Establish a platform which enables those who take on a challenge to food and drink businesses to embody their thought.

Mission (promise to members)

Create an environment where they can devote themselves in work in which we support their challenge and opportunities in which they can grow as they want.

Value (platform of Synchro Food's value)

Create new value and provide it simply and speedily.

Create innovative services that solve issues based on accumulated data.

Provide various options that help take on challenges in the food and drink industry.



Executive Summary

Both revenue and operating profit remained strong.
The full-year earnings forecast has been revised upward

* The full-year consolidated earnings forecast for FY2022 has been revised upward, as announced in the "Notice Concerning Revision to the Earnings Forecast" on November 14, 2022.

Consolidated Financial Highlights (Q2 cumulative)			Year on Year
	Revenue	: 1,363 million yen	+71.7%
	Operating profit	: 403 million yen	+304.2%

Main Topics (Q2)

- ✓ Anjo City, Aichi, Mobimaru, and Toyota Tsusho Corporation started a social experiment based on "Co-creative Town Development: Machinaka Placemaking" in July (July)
- ✓ Launched "E Promo @ inshokute.com (beta version)," an experience-based promotion service in collaboration with restaurants (July)
- ✓ Keikyu Corporation and Mobimaru commenced a project aimed at creating hustle and bustle as the first phase of "COCOON Project," an area management initiative for areas along the Keikyu Line (August)
- ✓ Mitsui Sumitomo Insurance Co., Ltd. and Mobimaru signed a comprehensive partnership agreement on regional revitalization and mobile catering (August)
- ✓ Invested in CRUST Group, a food tech company in Singapore that upcycles food waste (September)
- ✓ (Survey Distribution) Awareness of SDGs in restaurants: 53.2% save electricity and make efforts to reduce food loss (September)
- ✓ Mitsui Sumitomo Insurance Co., Ltd. and Mobimaru started offering the "Mobimaru Insurance Program" exclusively for food trucks (mobile shop trucks) (September)

FY2022 Q2 Summary (vs. Target Figures)

We achieved record-high first-half revenue and operating profit despite the impact of the 7th wave of COVID-19

(Million yen)

	FY2022 Q2 Total Actual (Consolidated)	FY2021 Q2 Total Actual (Consolidated)	Year on Year	FY2022 Earnings Forecast (Consolidated)*	Progress
Revenue	1,363	794	+71.7%	2,760	49.4%
Gross profit	1,199	678	+76.7%	-	-
SG & A	795	578	+37.5%	-	-
Operating profit	403	99	+304.2%	730	55.3%
Operating profit ratio	29.6%	12.6%	+17.0pt	26.4%	-
Recurring profit	405	101	+300.1%	730	55.6%
Net Income Attributable to Owners of Parent	272	74	+266.6%	511	53.4%

1 Recruitment advertising services grew primarily. M&A services also made progress in closings, resulting in record-high revenue.

2 Personnel costs increased due to active recruitment. Advertising costs increased in line with market recovery.

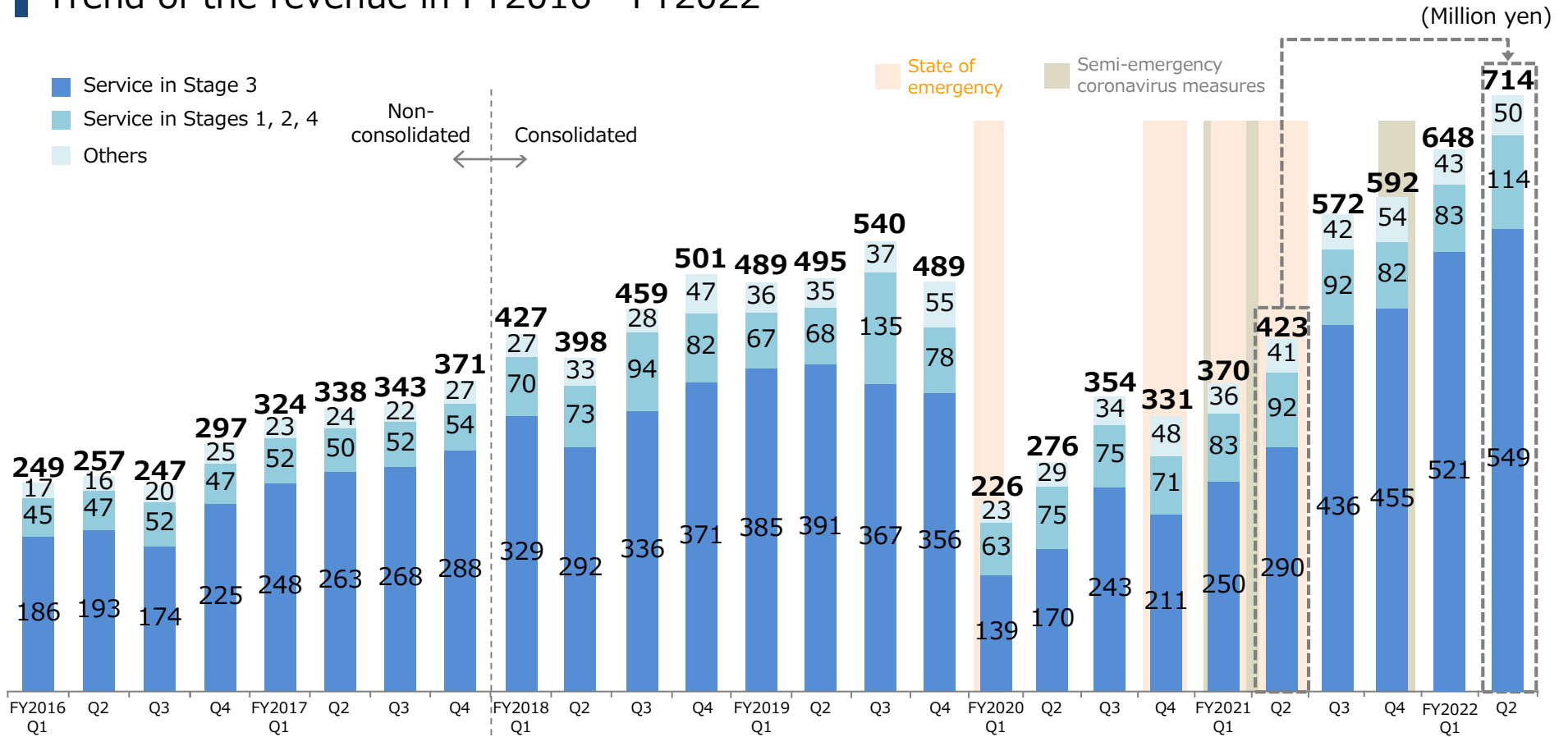
3 Each level of profit reached record highs while investments were made.

* The full-year consolidated earnings forecast for FY2022 has been revised upward, as announced in the "Notice Concerning Revision to the Earnings Forecast" on November 14, 2022.

Trend of the Revenue

Revenue in Q2 broke the record high following Q1
(up 68.6% year on year)

Trend of the revenue in FY2016 - FY2022



Supplementary Note: Revenue Classification

Revenue from each service is recorded based on the following classification

Revenue Classification	Users	Related Business Operators	Reporting segment*2	
Service in Stage 3	Synchro Food	<ul style="list-style-type: none"> Recruitment ads PlaceOrders Food truck sharing and matching (Mobimaru) 	<ul style="list-style-type: none"> Searching for suppliers 	Media platform business
Service in Stages 1, 2, 4	Synchro Food	<ul style="list-style-type: none"> Inshokuten Premium (monthly subscription service) Kitchen goods (EC) 	<ul style="list-style-type: none"> Store design Real estate properties 	
	Wit	<ul style="list-style-type: none"> M&As 	<ul style="list-style-type: none"> A fully furnished asset transfer 	M&A service business
Other	Synchro Food		<ul style="list-style-type: none"> Restaurants research Advertisement insertion and newsletters Interior job seeking Comparison service (POS/FC) 	
	Nicoshigoto*1		<ul style="list-style-type: none"> Side job matching 	

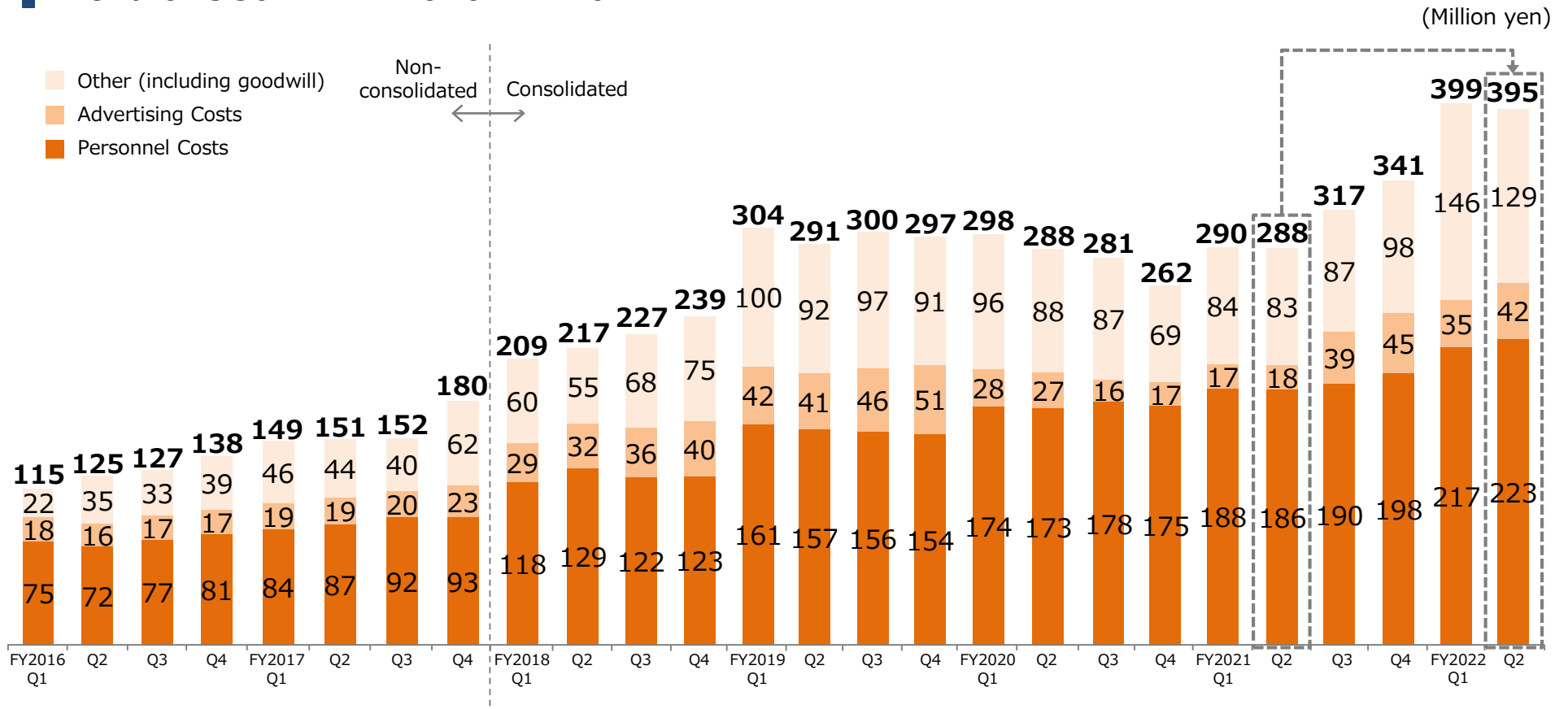
*1 Nicoshigoto Co., Ltd. (side-job matching business) was dissolved on February 14, 2022, and was liquidated at the end of May 2022.

*2 The Group had the following three reporting segments: Media platform business, M&A service business and Other business. However, Synchro Career Co., Ltd., which was the main part of the Other business, disappeared on July 1, 2021 in an absorption-type merger with Synchro Food Co., Ltd. as the surviving company. Accordingly, the reporting segments were changed to the following two from the three months ended June 30, 2022: Media platform business and M&A service business.

Trend of SG&A

Personnel costs increased due to active recruitment, and advertising costs increased in line with market recovery (up 37.2% year on year)

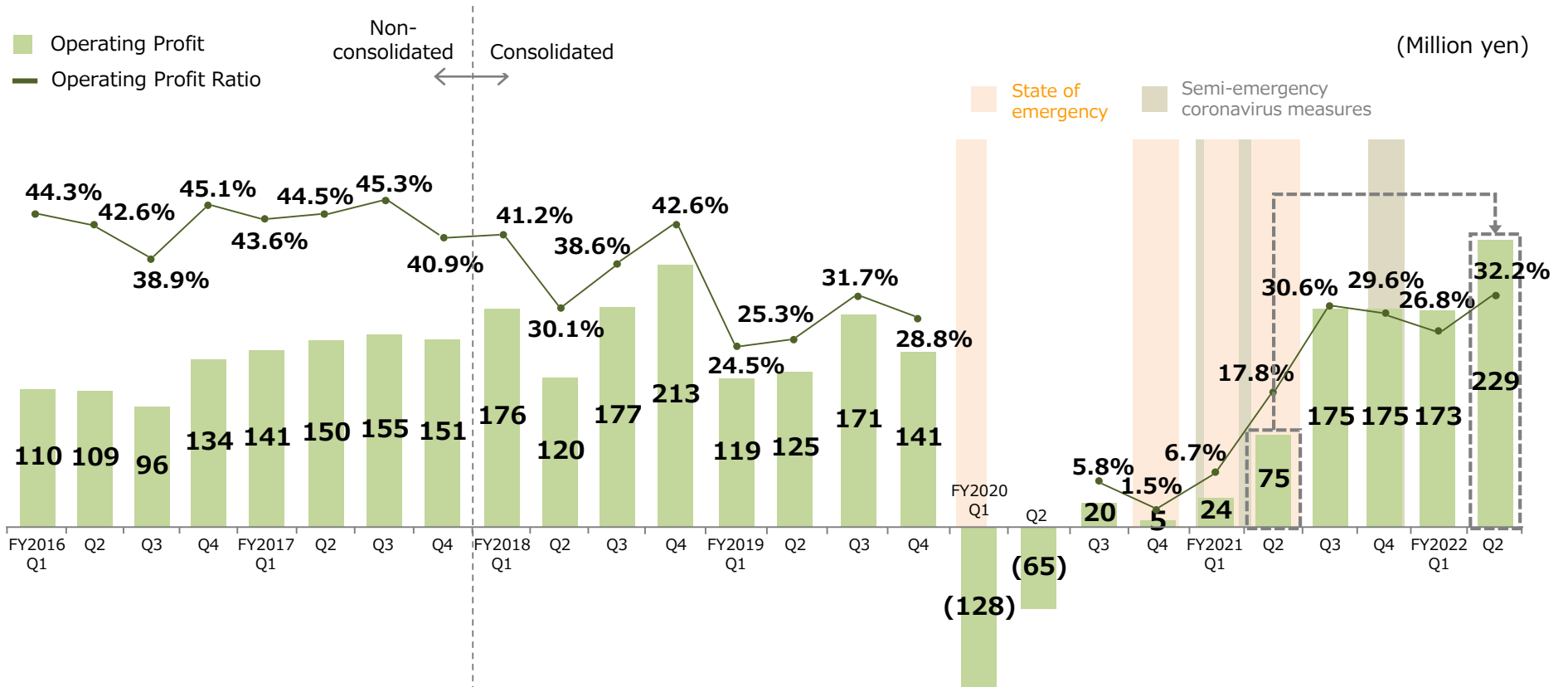
Trend of SG&A in FY2016 - FY2022



Trend of the Operating profit

Operating profit in Q2 reached a historical high
(up 205.7% year on year)

Trend of the operating profit in FY2016 - FY2022



Consolidated Statement of Cash Flows

Operating cash flows were steadily built up again in the first half

(Million yen)	Six months ended September 30, 2022	Six months ended September 30, 2021	Changes
Cash and cash equivalents at beginning of period	3,037	2,173	864
Cash flows from operating activities	296	288	*8
Cash flows from investing activities	(23)	120	(143)
Cash flows from financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	273	408	(135)
Cash and cash equivalents at end of period	3,311	2,581	729

* The figure reflects that there was a significant reduction in tax payments in the six months ended September 30, 2021 due to losses recorded for FY2020, while there were tax payments in the six months ended September 30, 2022 for the financial results of FY2021.

Consolidated Balance Sheet

Net assets increased by 189 million yen due to an increase in retained earnings and disposal of treasury shares (Compared to June 30, 2022)

(Million yen)	Sep. 30, 2022	Q on Q	Jun. 30, 2022
Current Assets Total	3,513	+7.1%	3,279
Cash and Bank	3,361	+6.2%	3,166
Fixed Assets Total	182	+7.3%	170
Assets Total	3,696	+7.2%	3,449
Current Liabilities Total	501	+12.8%	445
Fixed Liabilities Total	14	+0.6%	14
Net Assets Total	3,180	+6.3%	2,990

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Media Platform Business

Revenue in Q2 grew, centered on recruitment ads (up 71.4% year on year)
 Segment profit also improved significantly (up 215.9% year on year)

Trend in revenue and profit (loss)

(Thousand yen)

	FY2020				FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	193,376	234,868	321,271	303,224	336,320	382,672	532,303	562,894	618,838	656,011
Sales to external customers	191,312	232,804	318,219	299,970	336,317	382,672	532,303	562,894	618,838	656,011
Inter-segment internal sales	2,064	2,064	3,052	3,254	2	-	-	-	-	-
Segment profit (loss)	(96,111)	(51,833)	37,906	31,402	27,168	65,570	175,998	177,837	179,188	207,170

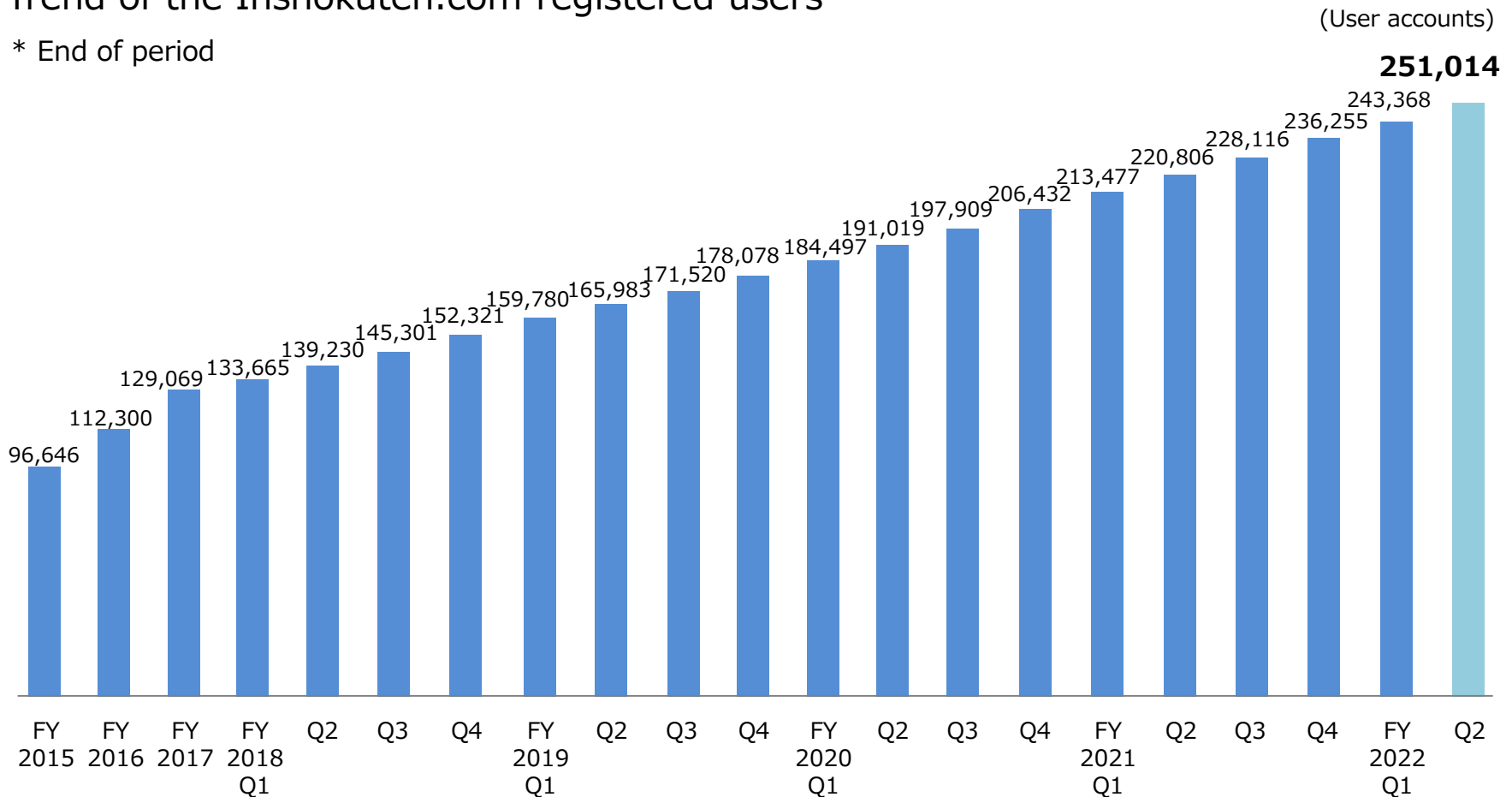
- ✓ Recruitment ads grew in both direct sales and agencies despite the impact of the 7th wave of COVID-19.
- ✓ Plan changing targeting at design companies steadily progressed and contributed to revenue. Property ads, etc. were also stable.
- ✓ The number of registered users, operators, and job seekers all increased steadily.

Media Platform Business - Trend of the Users

The number of users is increasing steadily and exceeded 250,000
(up 13.7% year on year)

Trend of the Inshokuten.com registered users

* End of period



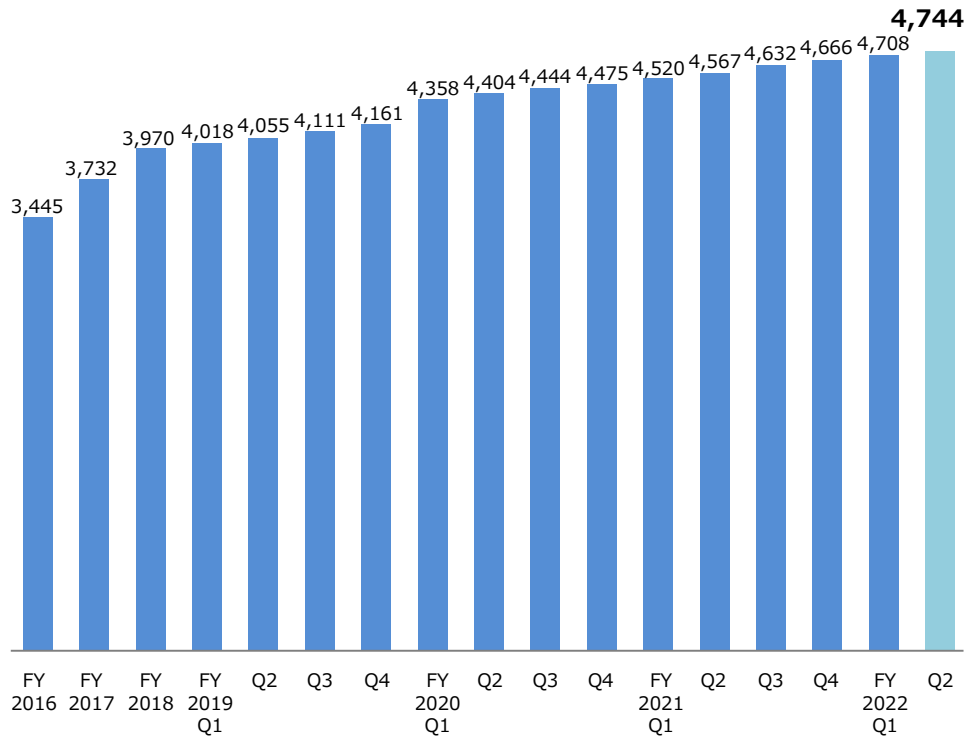
Media Platform Business - Trend of the Operators and Job Seekers

The number of operators and job seekers increased steadily
 (Operators: up 3.9% year on year; Job seekers: up 14.1% year on year)

Trend of the operators

* End of period

(User operators)

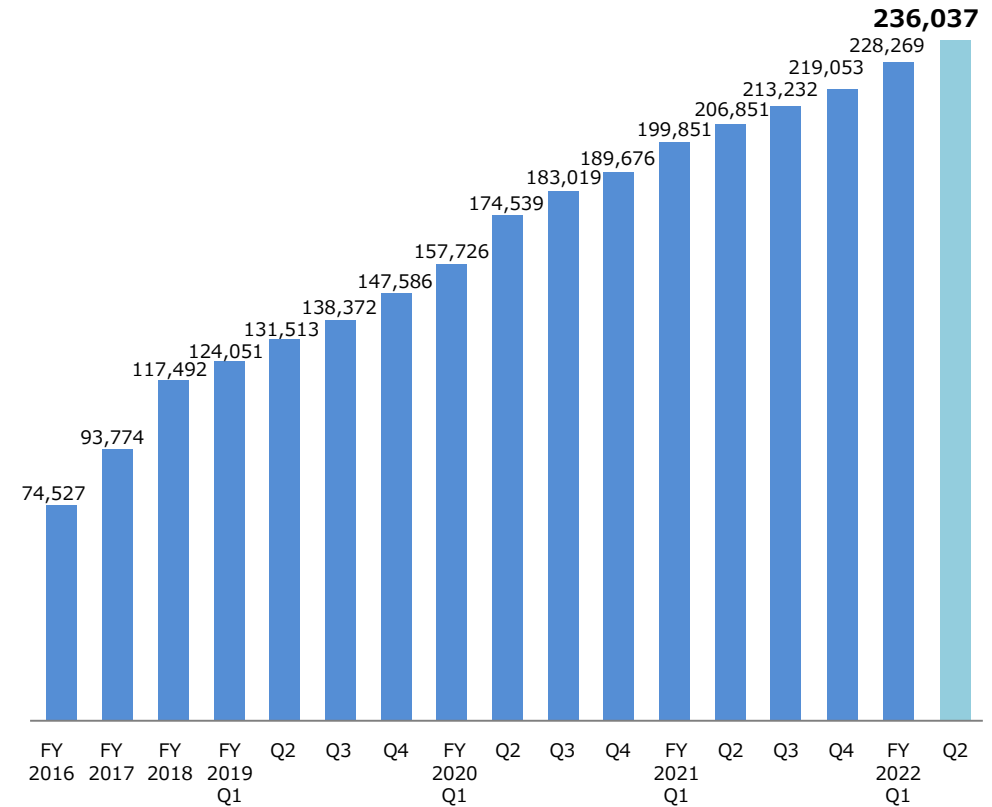


*Total of real estate companies, design companies and foodstuff purchasing companies registered as of the end of month

Trend of the job seekers

* End of period

(User accounts)



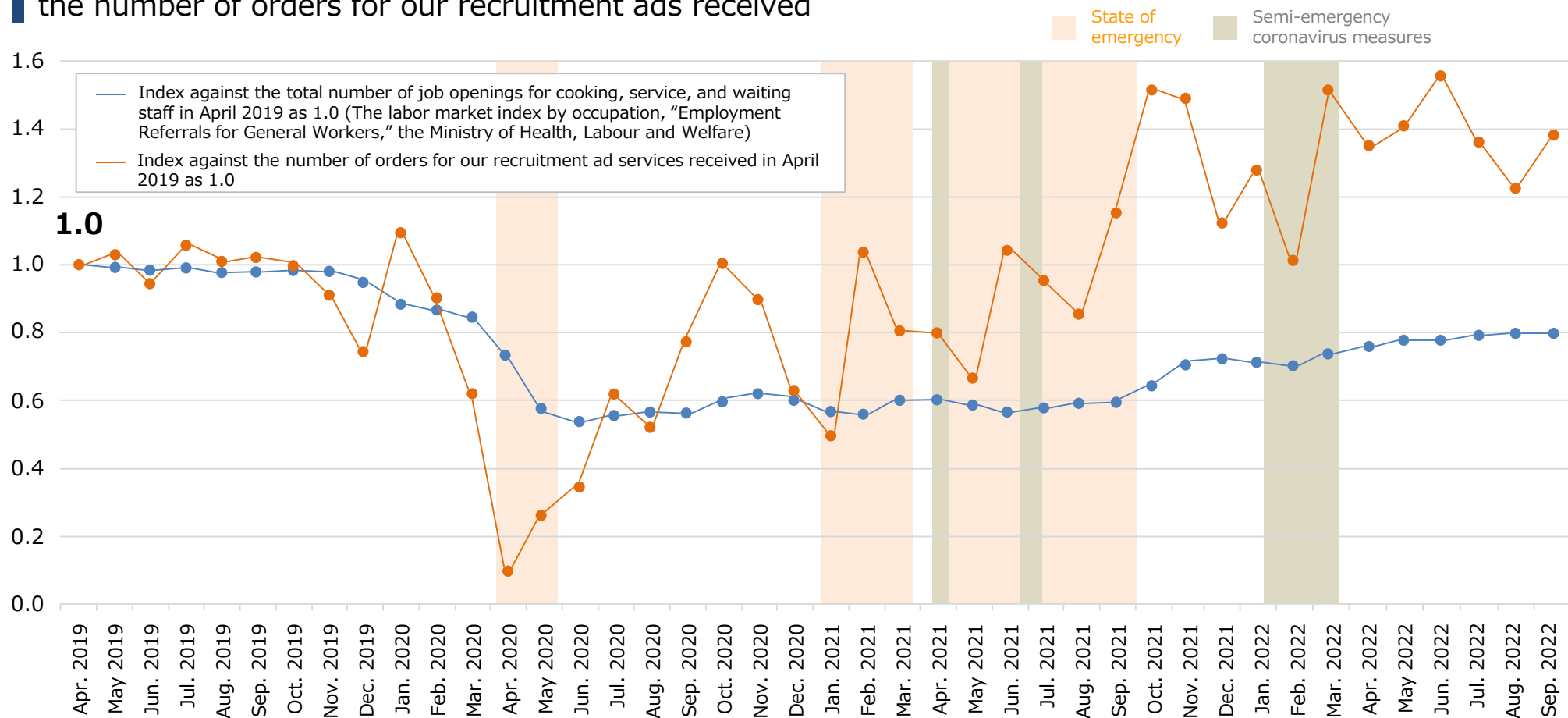
*Number of users registered with Kyujin@inshokuten as job seekers (excluding temporary member registration and withdrawal)



Media Platform Business – Status of Recruitment Advertising Services

Compared to trend of the number of active job openings related to food and drink, our services have been growing at higher level despite the impact of the 7th wave of COVID-19.

The number of active job openings related to food and drink and the number of orders for our recruitment ads received



M&A Service Business

Revenue in Q2 grew due to progress in closings (up 42.2% year on year)
 Segment profit also rose significantly (up 183.8% year on year)

Trend in revenue and profit (loss)

(Thousand yen)

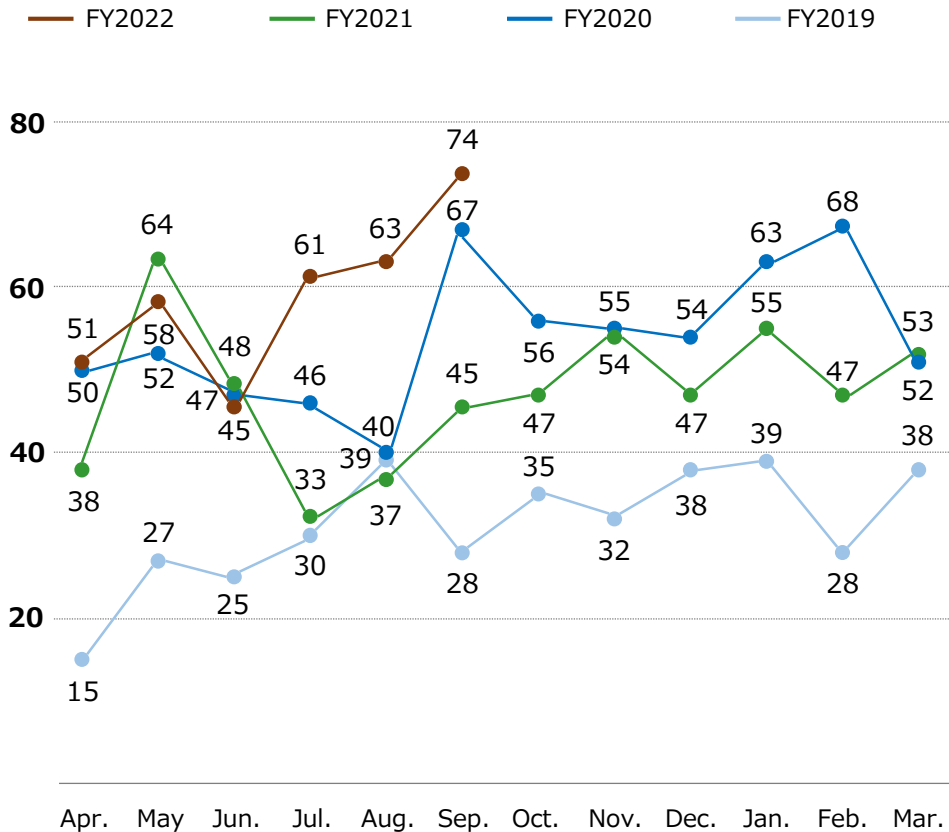
	FY2020				FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	17,986	28,935	27,507	21,342	31,557	40,960	39,748	29,348	30,012	58,232
Sales to external customers	17,986	28,935	27,507	21,342	31,557	40,960	39,748	29,348	30,012	58,232
Inter-segment internal sales	-	-	-	-	-	-	-	-	-	-
Segment profit (loss)	(13,450)	178	(1,085)	(14,036)	343	7,957	(1,101)	(2,729)	(5,487)	22,581

- ✓ Both M&A services and fully-furnished asset transfers increased following Q1.
- ✓ Deals where transfer had been behind schedule were closed in Q2, resulting in a substantial segment profit.

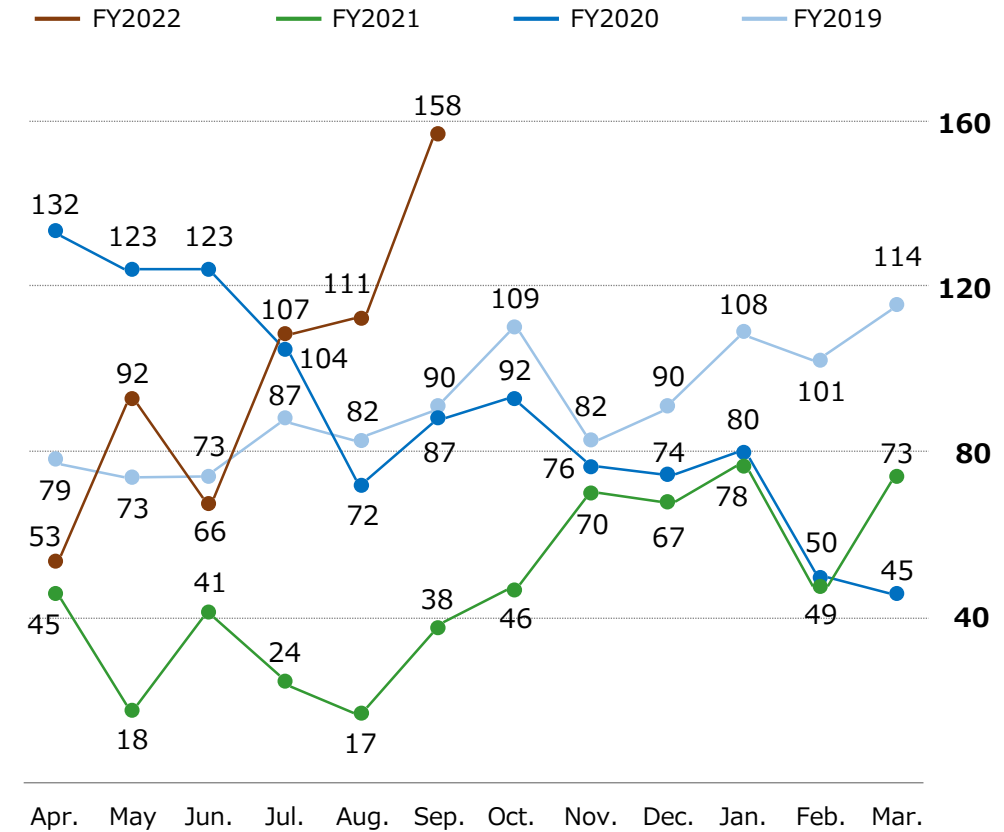
M&A Service Business – Trend of Inquiries on Assets Sale

Both in M&A and fully-furnished asset transfers, the inquiries on assets sale suddenly increased in the recent past

Trend of the inquiries on assets sale (M&A)



Trend of the inquiries on assets sale (fully-furnished asset transfers)



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Current Progress on FY2022 Objectives

Steady progress was observed in all items at the end of Q2

FY2022 Objectives*

Progress at the end of Q2

1 Surely implement the new Medium-Term Management Plan for the initial year	Promotion of 4 Business Strategies	Offering the recruitment advertising service nationwide	Evaluation 	<ul style="list-style-type: none"> ✓ Direct sales: A sales office was opened and started operation in Sapporo. ✓ Agency: Number of sales personnel (unique) who have received orders increased to 83, and contracted agencies increased to 24.
		Expanding the platform service	Evaluation 	<ul style="list-style-type: none"> ✓ The shift in plan for design companies continued to be steady. ✓ M&A services made progress in closing deals, including delayed ones.
		Promoting and expanding the mobility service	Evaluation 	<ul style="list-style-type: none"> ✓ Steadily increased with 308 locations (unique Q1-Q2 results) and 1,311 vehicles registered (excluding temporary registrations).
		Offering the data service using the membership platform	Evaluation 	<ul style="list-style-type: none"> ✓ Worked to consider creating our own media channels to create touchpoints with members and adding further additional services.
	Pursue both the strategic investment and cost control	Evaluation 	<ul style="list-style-type: none"> ✓ Net increase of 6 in Q2 (consolidated) due to ongoing recruitment activities. ✓ The integration of the Head Office floor was completed at the end of September. The effect of cost reduction will be generated in the second half of FY2022. 	
2 Promote the rebranding	Rebrand the entire services of Inshokuten.com		Evaluation 	<ul style="list-style-type: none"> ✓ Made preparations for the renewal of individual service brands (they are being switched one after another since October 2022). ✓ Invested in a Singaporean food tech company, Crust Group, in line with the Sustainability Policy.

* Source: FY2021 Financial Results Briefing Materials (announced May 13, 2022)

Status on and Efforts for Compliance with the Prime Market Criteria

Status on and Efforts for Compliance with the Prime Market Criteria

Changes in the status of compliance with the continued listing criteria of the Prime Market

		Number of tradable shares (units)	Tradable share market cap. (Million yen)	Tradable share ratio (%)	Daily average trading value (Million yen)
Compliance status and progress of the Company	June 30, 2021* ¹	118,212	4,600	43.9%	30
	March 31, 2022* ²	129,139	3,710	48.0%	40
	September 30, 2022* ³	127,135	5,380	47.3%	90
	Continued listing criteria	20,000	10,000	—	20
	Compliance status	○	×	—	○

*¹ Calculated based on the distribution of the Company's share certificates, etc. and other information, as identified by Tokyo Stock Exchange, Inc. as of the reference date of transition.

*² Calculated by the Company based on the distribution of the Company's share certificates, etc. and other information as of March 31, 2022. In addition, the Company's tradable share market capitalization was calculated by multiplying the number of tradable shares by the average daily closing stock price for the period from January to March 2022. The average daily closing stock price for the period from January to March 2022 is 287.5 yen.

*³ Calculated by the Company based on the distribution of the Company's share certificates, etc. and other information as of September 30, 2022. In addition, the Company's tradable share market capitalization was calculated by multiplying the number of tradable shares by the average daily closing stock price for the period from July to September 2022. The average daily closing stock price for the period from July to September 2022 is 423.0 yen.

Initiatives

- Achieve performance targets outlined in the Medium-Term Management Plan ahead of schedule
 - ✓ Scheduled to revise the second- and third-year plans based on full-year results of FY2022
- Implement a capital policy to improve the tradable share ratio*⁴
 - ✓ The tradable share ratio is expected to reach 52.1% after implementation

*⁴ As explained in the "Notice for Off-auction Distribution of Shares" dated November 14, 2022, the purpose of the policy is to improve the distribution and liquidity of the Company's shares, and to accomplish compliance with the continued listing criteria of the Prime Market by expanding the tradable share market capitalization.

If it becomes difficult to implement the policy due to sudden fluctuations in the stock market and other factors, we may cancel or delay the implementation.

Revision of Full-year Earnings Forecast

We aim to achieve the revised earnings forecast while making investments in the second half of FY2022

Assumptions for second-half plan

- Revenue
 - ✓ Assume no declaration of a state of emergency or semi-emergency coronavirus measures with movement restrictions
- SG&A
 - ✓ Accelerate recruitment with a target of net increase of about 20 people in the second half
 - ✓ Increase advertising costs from the original plan in line with the recovery of market conditions
 - ✓ Other strategic investments include investing in new marketing methods and the development of new services to acquire job seekers

Revision of full-year earnings forecast

(Million yen)	<u>Before revision</u> FY2022 Earnings Forecast (Consolidated)	<u>After revision</u> FY2022 Earnings Forecast (Consolidated)	Changes	Changes (%)
Revenue	2,300	2,760	+460	20.0%
Operating profit	470	730	+260	55.3%
Ordinary profit	470	730	+260	55.3%
Net Income Attributable to Owners of Parent	340	511	+171	50.3%

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Directors & Auditors

President and CEO and Chief of Operating for
the Business Department

Shinichi Fujishiro

- Mar.1997 Bachelor of Science and Technology, Tokyo University of Science, Tokyo, Japan
- Mar.1999 Master of Interdisciplinary Graduate School of Science and Engineering, Tokyo Institute of Technology, Tokyo, Japan
- Jun.1999 Joined Andersen Consulting (currently Accenture Japan Ltd)
- Apr.2003 Established Synchro Food Co., Ltd. (current office)

Director & Chief of Operating for
the Administrative Department

Masaki Morita

- May 1999 Joined Andersen Consulting (currently Accenture Japan Ltd)
- Apr.2003 Outside Director of Synchro Food Co., Ltd.
- Apr.2015 Director of Synchro Food Co., Ltd. (current office)

Director & Chief of the Development Department

Shun Ohkubo

- Apr.2005 Joined Mizkan Holdings Co., Ltd.
- Apr.2008 Joined Synchro Food Co., Ltd.
- Apr.2015 Chief of the Development Department of Synchro Food Co., Ltd.
- Jun.2018 Director of Synchro Food Co., Ltd. (current office)

Outside Audit (Full time) & Supervisory Board Member

Ryuichi Makino

Outside Audit & Supervisory Board Member

Yasutomo Inoue

Outside Audit & Supervisory Board Member

Toshihide Nakayama

Director

Tsuguhiro Nakagawa

- Apr.1984 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
- Oct.1998 President of Tokai Car Sensor Co., Ltd.
- Jun.1999 President of Kyushu Car Sensor Co., Ltd.
- Apr.2003 President of Recruit HR Marketing Kansai Co., Ltd.
- Apr.2006 Operating Officer of Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
Managing Executive Officer of Recruit Staffing Co., Ltd.
- Oct.2012 Operating Officer of Recruit Marketing Partners Co., Ltd.
- Jun.2013 Director of JCM Co., Ltd.
- Oct.2014 President of Recruit Car Sensor Co., Ltd.
- Apr.2016 Advisor of Recruit Marketing Partners Co., Ltd.
- Jun.2017 Outside Director of Synchro Food Co., Ltd.
Director of Premium Group Co., Ltd. (current office)
- Jun.2019 Director of Synchro Food Co., Ltd. (current office)

Outside director

Ryota Matsuzaki

- Apr.1991 Joined The Industrial Bank of Japan, Ltd (currently Mizuho Financial Group, Inc.)
- Feb.2000 Joined Rakuten, Inc.
- Feb.2011 Established Thirdgear. Ltd. (current office)
- Nov.2011 Member of the Board, Cloud Works Ltd.
- Feb.2013 Established Kibidango, Inc. (current office)
- Jan.2016 Director of Synchro Food Co., Ltd. (current office)
- Sep.2019 Director of User Local, Inc. (current office)

Outside director

Mihoko Nagai

- Apr.1988 Joined Shiseido Company, Limited
- Oct.1988 Shiseido Institute of Beauty Sciences
- Apr.2015 General Manager of the Corporate Communications Department of Shiseido Company, Limited
- Jul.2019 Director and Secretary General of General Incorporated Association Japan Humanitude Association (current office)
- Dec.2019 Director of Mammy Mart Corporation (current office)
- Jun.2022 Director of Synchro Food Co., Ltd. (current office)



History

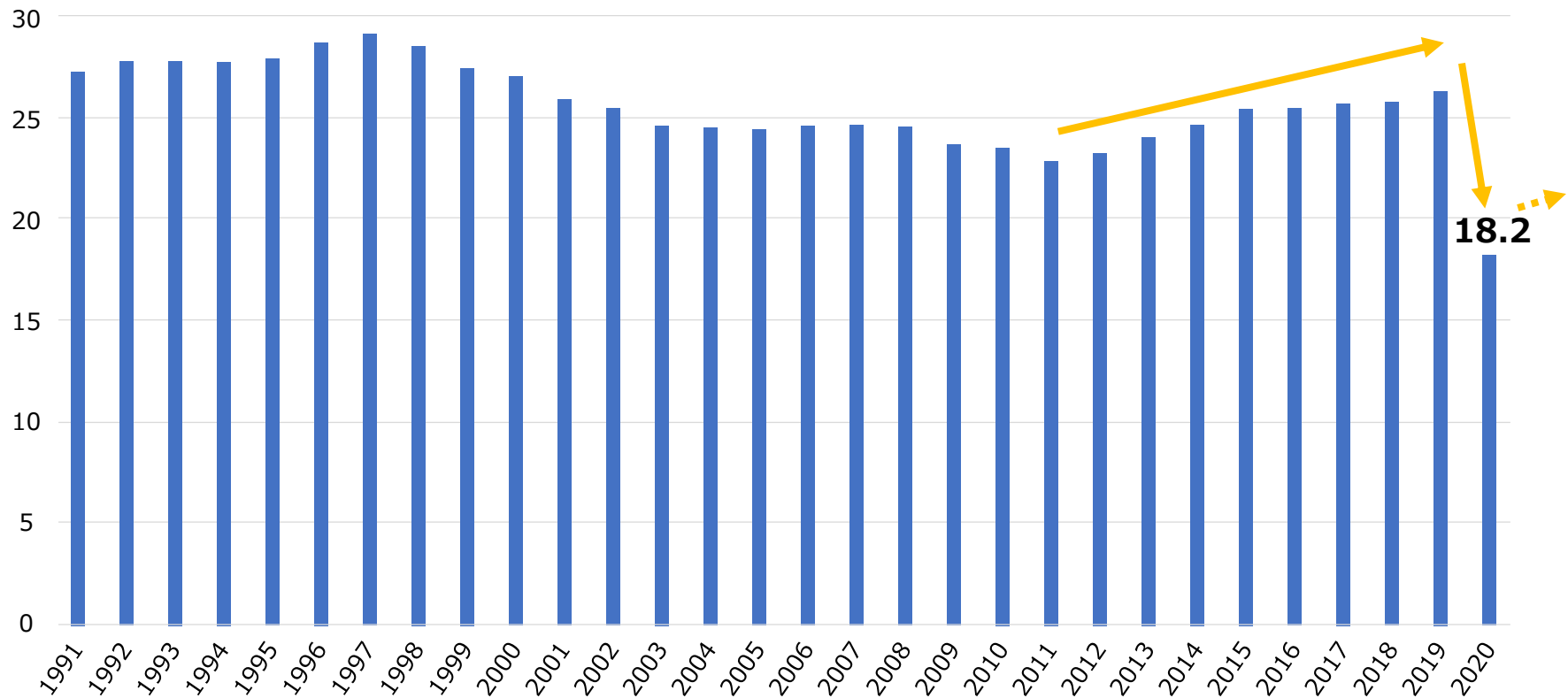
2003	Apr	Established Synchro Food Co., Ltd.
	Sept	Started running a restaurant operations support site "Inshokuten.com".
2005	Mar	Created a recruiting site for interior decoration companies "Tenpodesign.com".
	Nov	Developed a recruitment information site for interior industry "Kyujin@interiordesing".
2006	Oct	Launched a recruitment information site for food and drink industry "Kyujin@inshokuten.com".
2007	Sept	Launched a commercial real estate purchase price assessment site "Inukijyouhou.com".
2011	May	Launched a recruitment information site specialized in KANSAI area "Kyujin@inshokuten.com".
2013	Sept	Added an ingredients supplier locator section to Inshokuten.com site "Shokuzaishiiresakisagashi".
2015	May	Launched WEB magazine "Foodist Media".
	Oct	Launched a property information site specialized in KANSAI area "Inshokuten.com tenpobukensagashi".
2016	Mar	Released food material order system "PlaceOrders".
	Dec	Launched a restaurant M&A support service "Inshoku M&A".
		Launched a recruitment information site specialized in TOKAI area "Kyujin@inshokuten.com".
2017	May	Launched a questionnaire survey system "Restaurants Research".
	Jun	Launched a property information site specialized in TOKAI area "Inshokuten.com tenpobukensagashi".
	Sept	Launched a recruitment information site specialized in KYUSHU area "Kyujin@inshokuten.com".
	Dec	Launched a recruitment information site specialized in HOKKAIDO and TOHOKU area "Kyujin@inshokuten.com".
2018	Apr	Launched a recruitment information site for foreigners specialized food and drink industry "Food Job Japan".
	Jun	Launch of facial recognition attendance management "Restaurant Staff Time Cards" smartphone app.
	Sept	Launched a property information site specialized in KYUSHU area "Inshokuten.com tenpobukensagashi".
2019	Jan	Released renewal version of food material order system "PlaceOrders" and started charging
2020	Mar	Released an order management system for ingredients "ReceiveOrders".
	May	Launched a monthly subscription service "Inshokuten.com Premium".
	Aug	Launched food truck sharing and matching website "Mobimaru"
Launched side-job matching website "Nicosigoto"		
2021	Oct	Launched franchise comparison website "Inshoku FC Comparison"
2022	Oct	Released renewal version of scout service of recruitment information site "Kyujin@inshokuten.com".

Size of the Food Service Industry

The size of the food service industry was on an expansion trend from 2011 to 2019, but due to COVID-19 impact temporarily shrunk significantly in 2020

Trend of estimation of the food service industry market size

(Trillion yen)



Source: "Trend of estimation of the food service industry market size" by Japan Foodservice Association

The Number of Business Permits for Mobile Shop Truck

Sales operations with mobile shop trucks have been increasing year by year, and tend to expand as a method for effective use of vacant spaces and idle lands.

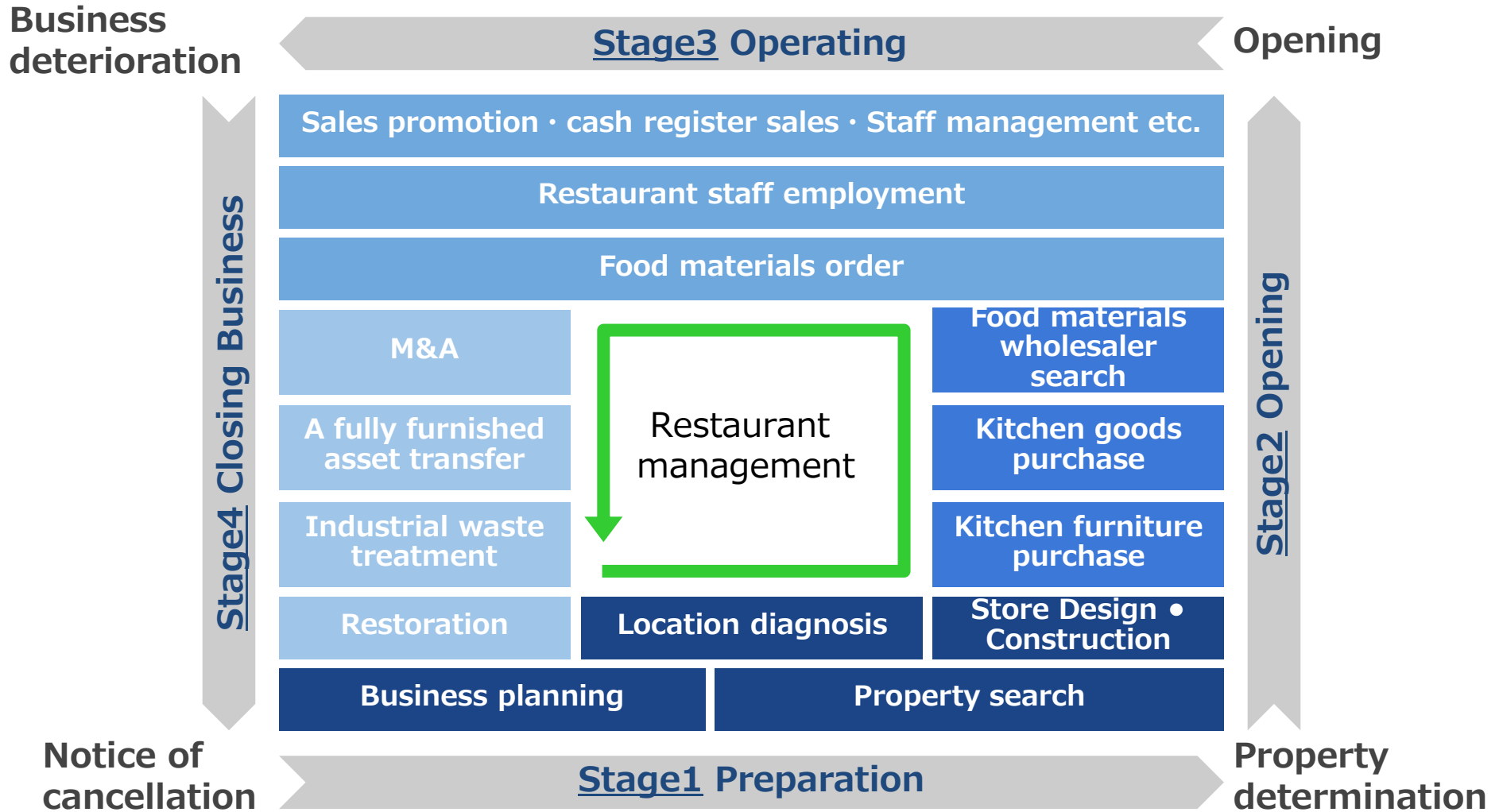


Source: "Food Hygiene-related Business Report" by Bureau of Social Welfare and Public Health, Tokyo Metropolitan Government



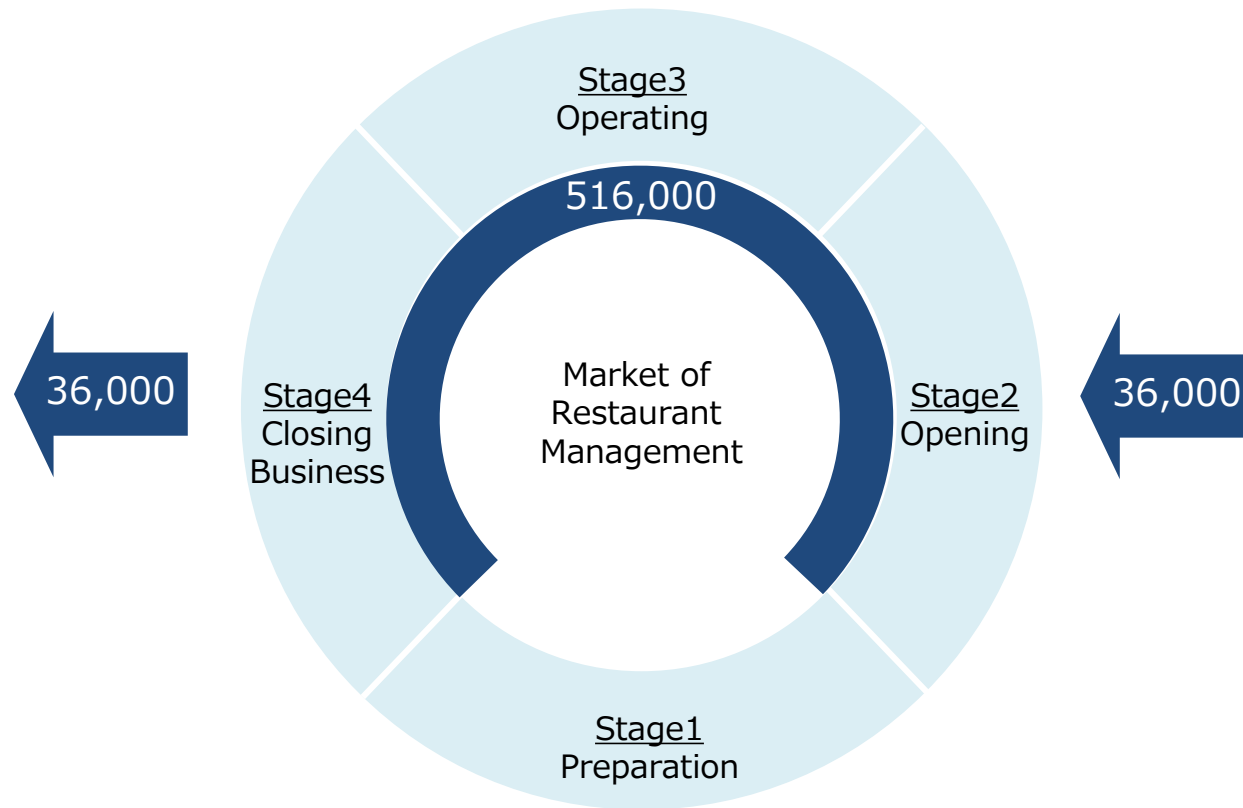
Stage of restaurant management

There are 4 Stages of restaurant management.



Market Recognition

There are 516,000 restaurants (retailers/chains)*¹ in Japan.
36,000 restaurants*² change location each year.



*1 Source: Ministry of Internal Affairs and Communications "economic research" 2014. (The number of business places equivalent to "bars, cabarets and nightclubs" are excluded.)

*2 Calculated based on the new and closed business places in the above "economic research" 2014.

Our Internet Media Business (1/3)

INSHOKUTEN.COM

INSHOKUTEN.COM provides a one-stop service used for restaurant preparation, opening and operation. Some examples include providing information on store properties, kitchen fixtures, food suppliers, and the recruitment of management, etc.

Users can use services required for restaurant opening and operation such as purchasing of store properties, food materials and kitchen fixtures for free (some of the services are charged).



KYUJIN@INSHOKUTEN.COM

KYUJIN@INSHOKUTEN.COM provides specialized job offering services to accommodate the recruitment needs of restaurants. It focuses mainly in the Kanto and Kansai areas, with full time employees specialized in food and drink, as well as a part-time job recruiting information site.

Restaurant owners can post job information on the website for a fee. Job seekers can view the job information and apply for jobs for free.



INSHOKUTEN.COM SHOKUZAISHIRESAKISAGASHI

INSHOKUTEN.COM offers food suppliers who are looking to sell food and drink, with food buyers who are in the market to purchase commercial food ingredients and alcohol.

Food buyers can post information on their company and products they handle and respond to matching requests from food suppliers by registering on this website. Food suppliers can search for food buyers' information and use matching services for free.



Our Internet Media Business (2/3)

PlaceOrders

PlaceOrders is a web-ordering service dedicated to restaurants and provided by INSHOKUTEN.COM.

Users can send a purchase order that is automatically converted for FAX or e-mail to food buyers who are in the market to purchase food ingredients and alcohol by just sending order information from a smartphone. They can also check order history on the smartphone. All the services are available for free.



TENPODESIGN.COM

TENPODESIGN.COM is a service providing information on interior service providers that design and construct stores, to users who are planning to open or refurbish stores.

Interior service providers can post information on their past construction work and respond to matching requests of design and construction from users by registering on this website for a fee. Users can search for interior service providers' information and use matching services for free.



Foodist Media

Foodist Media distributes media distributing important food and drink trends and information to various people involved in the food industry.

The articles posted on the media were written by writers exclusive to the Company. All the articles on the media are available for free for users and others.



Our Internet Media Business (3/3)

Restaurant M&A Service by Inshokuten.com

Restaurant M&A Service by Inshokuten.com offers a platform for restaurant M&As and business transfers.

Buyers who want to purchase a business or restaurant can receive information they want by registering on this website. Those who want to sell their business can estimate selling prices with the online assessment service on the website and receive consultation on selling for free. Sellers can also use “self-plan,” in which they register their selling information and directly contact those who want to purchase their business.



Restaurants Research

Restaurants Research conducts various questionnaire surveys to the users on restaurant management and discloses their results and related reports. Users can view the disclosed information to utilize as a tip for their store management.

Business owners such as food and beverage makers can conduct restaurant surveys and research to use their results for the development of food or beverages and for understanding the needs when creating a plan for restaurants.



FC (Franchise) Comparison

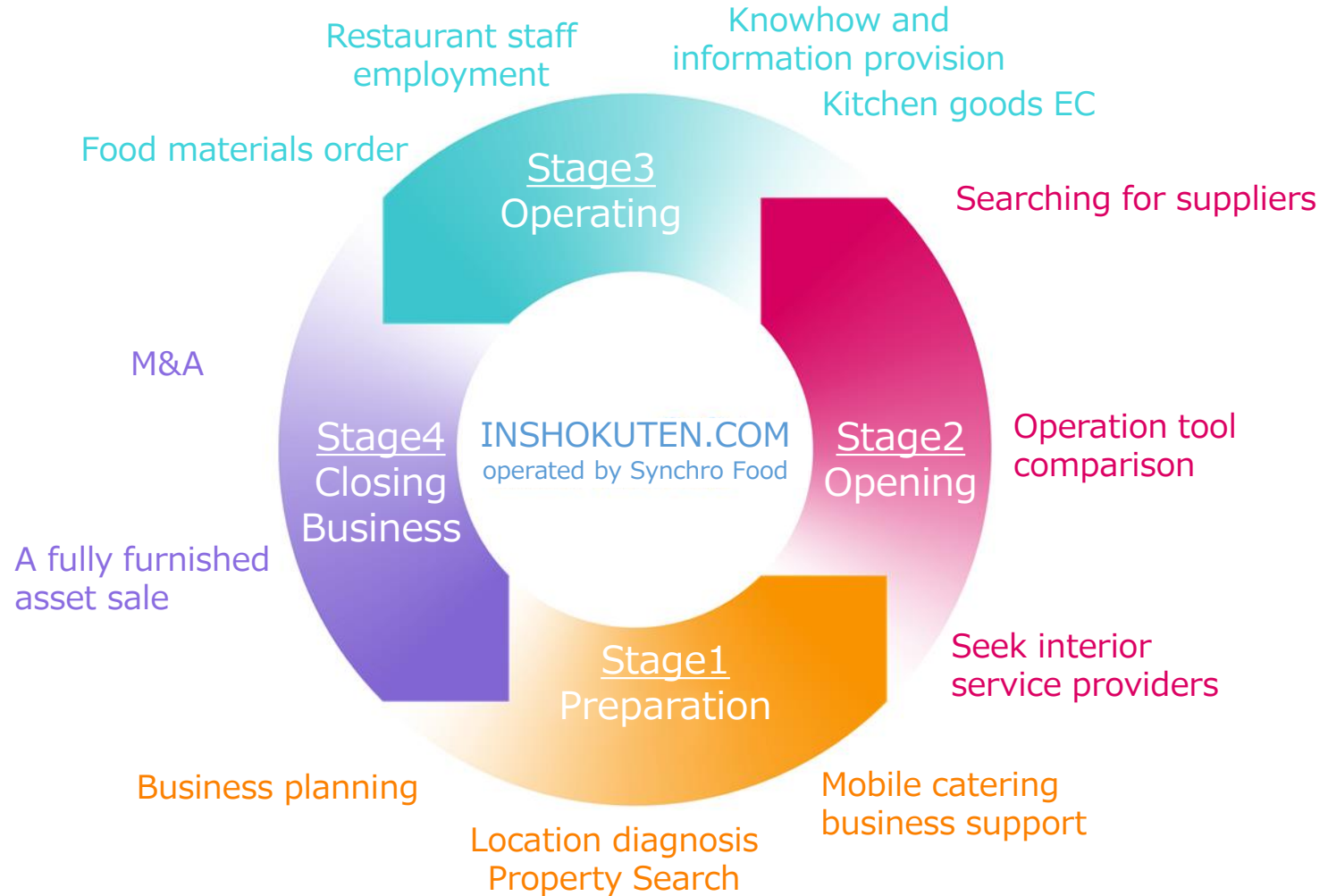
FC Comparison is a website to match restaurant owners/those who plan to open a store with franchise business headquarters.

Information on many brands specialized in delivery and to-go orders has been placed on the website, in addition to conventional franchise outlets. You can look for excellent brands, by organizing and comparing diverse information on franchise brands.



Business Model

We provide “end-to-end” restaurant management services.

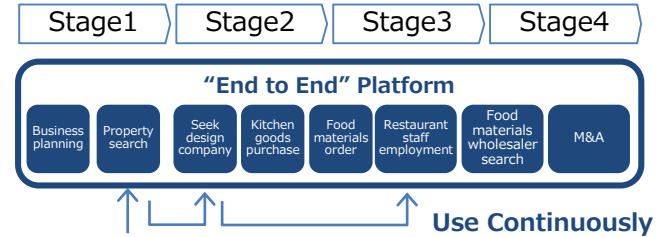


Our Strengths

Our advantages include Uniqueness • Profitability • Stability.

1 Uniqueness

- ✓ A proprietary and consistent platform for the management cycle of restaurants
- ✓ Migration effect due to total service



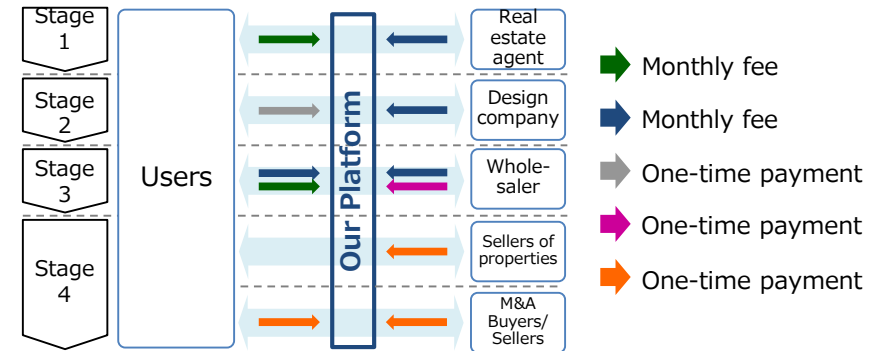
2 Profitability

- ✓ Users can be obtained from various channels, thus user acquisition cost is low
- ✓ Combined with our monthly billing model, we achieve a high profit margin



3 Stability

- ✓ Multi-point-monetization earns revenue from both users / business owners
- ✓ Multiple monetization channels are available even when the economy is stagnant (deliver a fully furnished asset, M&A)



Basic Policy of the New Medium-Term Management Plan and Business Strategies * Announced on May 13, 2022.

Basic Policy

Enhance and expand the existing core businesses, and continue to take on challenges to new fields toward new growth, in order to further improve our corporate value.

Business Strategies

Enhancement and expansion of existing core businesses

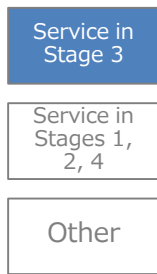
- (1) Offer the recruitment advertising service nationwide.**
- (2) Expand the platform service.**

Challenges to new fields

- (3) Promote and expand the mobility service.**
- (4) Offer the data service using the membership platform.**

Business Strategy (1) Offering the recruitment advertising service nationwide

- The Tokyo metropolitan area and suburban cities have significant potential for growth.
 - ✓ Accelerate the national rollout while optimizing channel policies of direct sales and agencies by establishing bases in addition to present bases in Tokyo, Osaka, and Nagoya.
 - ✓ Take into account a balance of fixed cost (direct sales) and variable cost (agencies).



Market shares in primary areas

	FY2020	FY2021
Nationwide	4.5%	8.4%
Tokyo	15.2%	26.4%
Osaka	7.2%	13.7%
Aichi	3.1%	6.2%
Kanagawa	7.7%	13.7%
Fukuoka	1.1%	4.3%
Hyogo	3.6%	8.9%
Hokkaido	0.4%	0.7%

* Provisionally calculated by the Company with a parameter of stores with 5 or more and less than 1,000 permanent employees, based on Unincorporated Enterprise Survey (2018, Ministry of Internal Affairs and Communications.)

Direct sales

- Expand in areas where a market is large and it is possible to obtain customers efficiently.
- Launch direct sales bases in Fukuoka, Yokohama, and Sapporo to accelerate sales.

Agencies

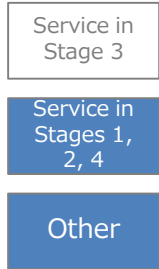
- Exclusive agencies and non-exclusive agencies offer services respectively in center areas of major cities and in peripheral areas of major cities.
- Further increase the number of sales personnel, and improve unit prices of orders.

Revenue for FY2024

2 billion yen

Business Strategy (2) Expanding the platform service

- Even in the COVID-19 catastrophe, the number of registered members for opening new stores is increasing.
 - ✓ Many inquiries on services for opening business such as searching design companies have been constantly received.
 - ✓ As the numbers of inquiries on assets sale and inquiries on succession are increasing, the M&A Service has potential for expanding sales by enhancing advisors.



Revenue for FY2024

Expanding services for design companies

- Increasing chances for profit with plan changing
 - ✓ Searching design companies: introduction of pay-per-use system, Interior job seeking: introduction of incentive fee model



200 million yen

Enhancing M&A Service and Fully Furnished Asset Transfers

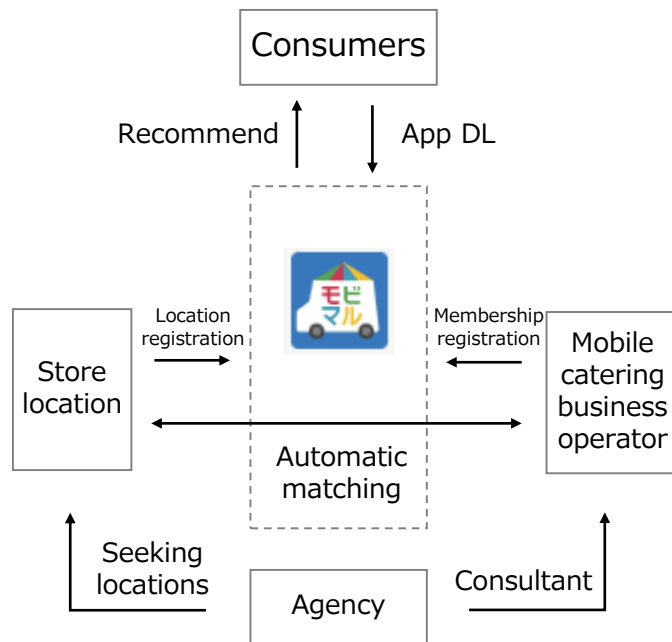
- Securing more orders by enhancing Web marketing
 - ✓ Improving contents, holding seminars for members, increasing partner FAs and real estate companies
- Expanding revenue by further enhancing the advisor system including partner FAs and improving the closing rate

250 million yen

Business Strategy (3) Promoting and expanding the mobility service

- The number of inquiries on the mobility service has increased as the food and drink businesses are more diversifying.
 - ✓ Expanding profits with automatic matching of locations with mobile catering business operators, as well as transformation to the industry's first subscription model
 - ✓ Expanding mobile stores as "movable asset" (Providing locations to open a store as a sales window for various store businesses)

What we are aiming at



Store location	Permanent location	<ul style="list-style-type: none"> ● Increase permanent locations by using agencies, accelerate nationwide rollout
	Event	<ul style="list-style-type: none"> ● Promote nationwide sales activities based on achievements such as the event at Makuhari Messe and sports/SDGs events
	Mobile catering business operator	<ul style="list-style-type: none"> ● Provide the automatic matching service, Introduce the subscription model ● Increase mobile stores
	Consumers	<ul style="list-style-type: none"> ● Announce to neighborhood and promote apps registration

Service in Stage 3

Service in Stages 1, 2, 4

Other

Revenue for FY2024

300 million yen

Business Strategy (4) Offering the data service using the membership platform (1/2)

- In approaches to restaurants, there are issues on both sides of restaurants and companies related to food and drink.
 - ✓ “Inshokuten.com”, a membership platform with over 230,000 user accounts, has a significant value in mediation.

Service in Stage 3

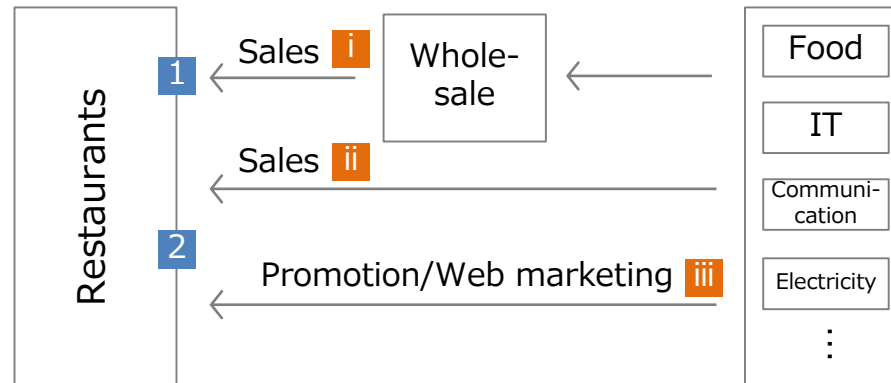
Service in Stages 1, 2, 4

Other

Issues in approaches to restaurants

1. Opportunities of receiving suggestions on food materials and menus from wholesalers decreased.

2. It is difficult to select a certain IT tool, infrastructure, and payment device, etc. from among myriad products and services.



i. On the back of staffing shortage and soaring raw material costs, operations of wholesalers were streamlined, and thus, their resources to seek small-sized stores decreased.

ii. In case of direct sales, if a product is not a high-priced one, sales efficiency is low, and therefore, enough sales staff cannot be deployed.

iii. There are not established methods of promotion and marketing for restaurants, and not many media to place advertisements.

Strengths of Inshokuten.com

- **Restaurant owners' network with over 230,000 user accounts**
 - ✓ As there are many people and decision-makers planning to open a restaurant, the number of members has been continuously increasing.
- **A good record as a platform provider**
 - ✓ Providing various services, including proprietary and other companies' ones, with fairness for many years.

Business Strategy (4) Offering the data service using the membership platform (2/2)

- Through the data service, providing to restaurants opportunities to select products and services, and to companies related to food and drink opportunities of direct sales promotion for restaurants.
 - ✓ Restaurants: possible to efficiently select optimal products and services
 - ✓ Companies related to food and drink: possible to directly conduct sales promotion/marketing for restaurants

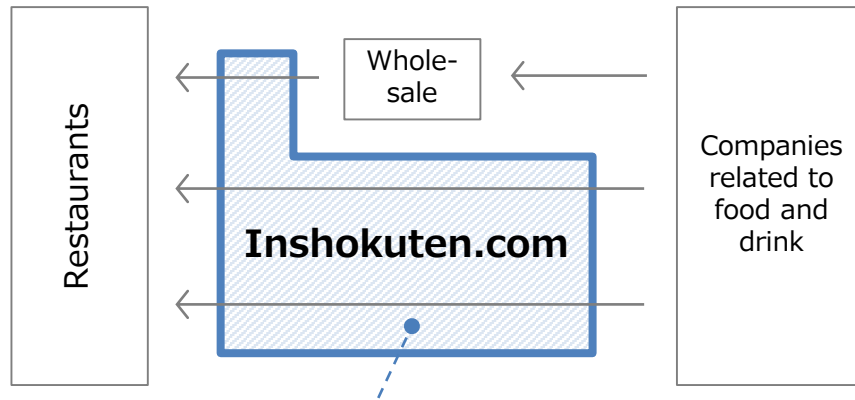
Service in Stage 3

Service in Stages 1, 2, 4

Other

What we are aiming at

The data service provides benefits to both restaurants and companies related to food and drink



Annual revenue from products for restaurants in companies related to food and drink including wholesalers amounts to **approx. 8 trillion yen**.
Expenses for advertising and sales promotion for that are targeted

* Provisionally calculated by the Company based on the estimation of food-service industry market size (August 2020, Japan Foodservice Association)

Mail Promotion / Research

- With an increase of the number of members, membership value improves, and agencies enhance sales channels.

Comparison service

- Horizontally developing the comparison service of POS registers/franchises to other domains

Becoming a media

- Inshokuten.com becomes a media to provide more sales promotion means including placing advertisements.

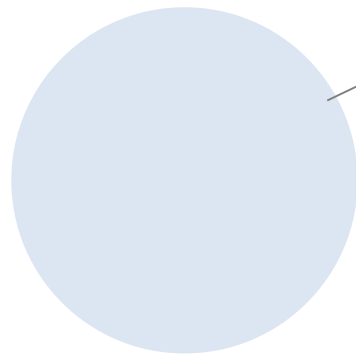
Revenue for FY2024

200 million yen

Market size of each service

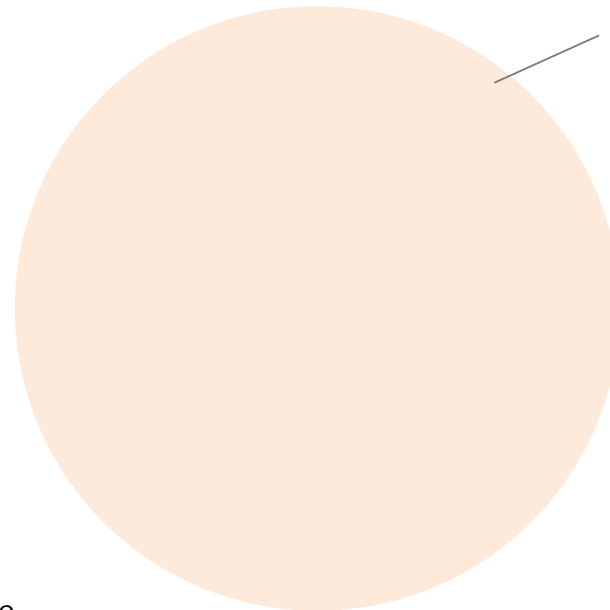
- The recruitment ads area has great potential for growth.
- The data service area has the largest market size. It has the potential to earn revenue of billions of yen if the Company's vision is realized.

Recruitment ads service area 21 billion yen



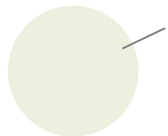
Provisionally calculated by the Company with parameter of stores with 5 or more and less than 1,000 permanent employees, based on Unincorporated Enterprise Survey (2018, Ministry of Internal Affairs and Communications)

Data service area 64 billion yen



Provisionally calculated by the Company based on the estimation of food-service industry market size (August 2020, Japan Foodservice Association), estimation of advertising cost rate, and the number of companies in the Tokyo metropolitan area for which the data service is available

Platform service area 3 billion yen



Provisionally calculated by the Company based on the Company's share of registration in the number of design companies/architectural design companies, etc. (2016 Economic Census for Business Activity), and materials for the panel on management resource intensification of small and medium enterprises (Small and Medium Enterprise Agency, 2021)

Mobility service area

* Presently difficult to make a provisional calculation

Investment Policy

- Strategically make large investments in two areas for three years
 - ✓ With the employment of engineer directors and sales personnel, **an increase in personnel by about 60** is expected (compared to the number as of March 31, 2022) **by March 31, 2025**.

Service
development in
new areas

- Recruitment cost/personnel cost for engineers/directors
 - ✓ Mobility service
 - ✓ Data service
 - ✓ R&D Investment (service for attracting customers with SNS videos, response to inbound)

National rollout
of recruitment
advertising
services

- Costs for opening/operation of bases in new areas, recruitment cost/personnel cost for sales personnel
 - ✓ Fukuoka city, Yokohama city, Sapporo city
- Recruitment cost/personnel cost for sales personnel in existing areas (Tokyo/Osaka/Nagoya)

Goals of Business Results by Fiscal Year

- Aiming at “maximizing net income for FY2024, the last fiscal year of the Plan,” keeping in mind the compliance with the Continued Listing Criteria for Prime Market
 - ✓ To realize it, make the above-mentioned strategic investments
 - ✓ The amount of each profit by fiscal year must be reached.

(Million Yen)	New Medium-Term Management Plan			
	FY2022		FY2023	FY2024
	Before revision	After revision ※2		
Revenue	2,300	2,760	2,600	※1 3,000
Operating profit	470	730	585	750
Operating profit ratio	20.4%	26.4%	22.5%	25.0%
Recurring profit	470	730	585	750
Net Income Attributable to Owners of Parent	340	511	415	532

Scheduled to revise the second- and third-year plans based on full-year results of FY2022

※1 In addition to 2,950 million yen of total revenue in relation to the business strategies (1) to (4), PlaceOrders, Inshokuten Premium, real estate properties, and Kitchen goods (EC) are included.

※2 The full-year consolidated earnings forecast for FY2022 has been revised upward, as announced in the “Notice Concerning Revision to the Earnings Forecast” on November 14, 2022.

Important Notice

The information provided in this document is based on assumptions with current expectations, forecasts ,and risks based on macroeconomic trends, the market environment, and related industry trends of the Company.

Other Internal and external factors may vary.

Therefore, the results may differ from the description of future prospects described in this material.

When there is new information, events etc. in the future we will not update this document.

We are not obliged to update or modify the information provided.