

Think  
subscription  
support,  
think TEMONA

TEMONA. Inc.  
Securities code: 3985

# Results Briefing Materials for the 2<sup>nd</sup> Quarter of the Fiscal Year Ending September 30, 2023 (FY2023)

May 2023

# Today's Agenda

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# 1. Results Summary

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# Results Summary

- Net sales rose 30.7% year on year to ¥1.2 billion. The total number of accounts dropped 9.1% to 1,243, while ARR\* and GMV also declined.
- The loss was reduced due to cost reductions by promoting management efficiency.

\*ARR calculated as monthly recurring revenue in final month of fiscal year multiplied by 12.

## Net sales

**¥1.245 billion**

(up 30.7% year on year)

## Ordinary profit

**(¥29 million)**

(Q2 FY2022: ¥49 million)

## EPS

**(¥2.57)**

(Q2 FY2022: ¥1.43)

## ARR

**¥839 million**

(down 7.8% year on year)

## GMV

**¥64.4 billion**

(down 13.8% year on year)

## Total number of accounts

**1,243 accounts**

(down 9.1% year on year)

# Statement of Income (Year on Year)

- Net sales rose 30.7% year on year to ¥1,245 million. Gross profit margin decreased to 53.3% from 70.4% due to an increase in customization revenue with a high cost ratio and an increase in the proportion of the Engineering Business, resulting in an operating loss.

(Unit: million yen)

	FY22 2Q consolidated results		FY23 2Q consolidated results		
	Result	Weighting (%)	Result	Weighting (%)	Change (%)
Net sales	953	100.0	1,245	100.0	30.7
Cost of sales	281	29.6	581	46.7	106.3
Gross profit	671	70.4	663	53.3	△1.1
SG&A expenses	614	64.5	698	56.1	13.7
Operating profit	57	6.0	△34	△2.8	—
Non-operating income	0	0.0	9	0.7	1969.9
Non-operating expenses	8	0.9	4	0.3	△49.8
Ordinary profit	49	5.2	△29	△2.4	—
Extraordinary income	—	—	—	—	—
Extraordinary losses	—	—	—	—	—
Profit before income taxes	49	5.2	△29	△2.4	—
Profit attributable to owners of parent	15	1.6	△27	△2.2	—

# Statement of Income (Quarterly)

- Net Sales of the EC Support Business remained steady, but those of the Engineering Business declined in FY23 2Q
- Profitability recovered, returning to the black in FY23 2Q, by reviewing human resource investment in unprofitable businesses and improving operational efficiency

(Unit: million yen)

(Number of persons is the number of permanent and non-permanent employees)

	FY22 3Q Consolidated		FY22 4Q Consolidated		FY23 1Q Consolidated		FY23 2Q Consolidated	
	Result	Weighting (%)	Result	Weighting (%)	Result	Weighting (%)	Result	Weighting (%)
Net sales	632	100.0	668	100.0	640	100.0	605	100.0
( E-Commerce Support Business )	464	73.4	505	75.6	496	77.5	507	83.9
( Engineering Business )	168	26.6	163	24.4	143	22.5	97	16.1
Cost of sales	323	51.1	354	53.1	314	49.1	266	44.1
Gross profit	309	48.9	313	46.9	325	50.9	338	55.9
SG&A expenses	462	73.2	412	61.7	380	59.4	317	52.5
Operating profit	△153	△24.3	△98	△14.8	△54	△8.6	20	3.4
Permanent employees*1	180	—	173	—	169	—	161	—
Non-permanent employees*2	17	—	16	—	15	—	10	—

\*1 Number of regular employees and executive officers as of the last day of each quarter

\*2 Number of fixed-term employees, part-time employees, re-employed post-retirement employees, and dispatched employees as of the last day of each quarter

# Revision of Full-year Consolidated Earnings Forecast

- The decrease in net sales from the initial forecast was due to a decline in recurring revenue associated with a decrease in the number of accounts and a decline in the number of users of SES services of the Engineering Business.

## ● Comparison of FY22 Results and Initial Forecast

Million yen

	FY22 Full-year consolidated earnings results	FY23 Full-year consolidated earnings forecast (11/11/2022 _ Initial forecast)	Comparison	
	Result	Forecast	Change (yen)	Change (%)
Net sales	2,253	2,643	390	17.3%
Operating profit	(195)	(150)	45	—
Ordinary profit	(194)	(147)	47	—
Profit attributable to owners of the parent	(175)	(164)	11	—

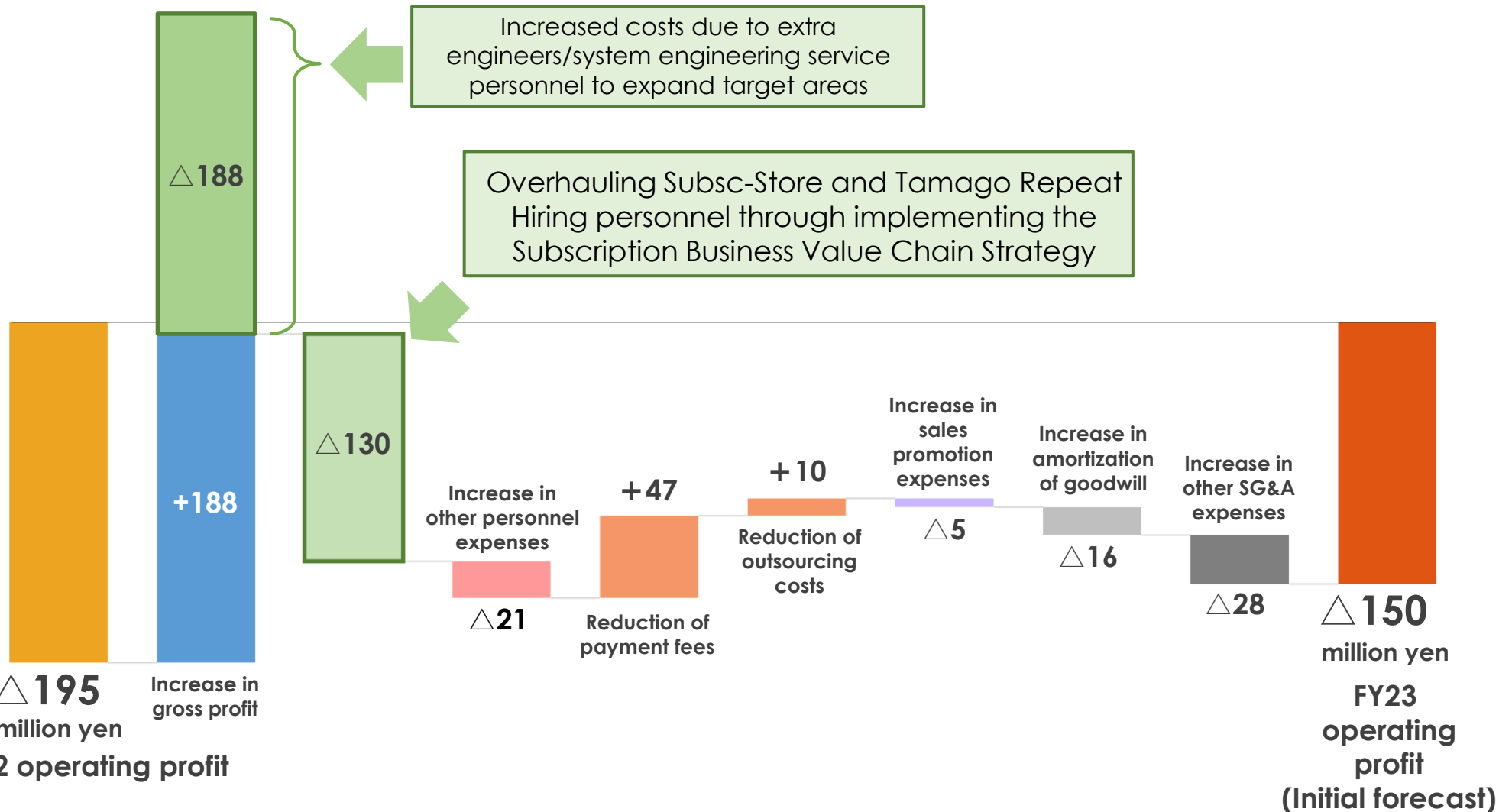
## ● Comparison of FY22 Results and Revised Forecast

Million yen

	FY22 Full-year consolidated earnings results	FY23 Full-year consolidated earnings forecast (5/10/2023 _ Revised forecast)	Comparison	
	Result	Forecast	Change (yen)	Change (%)
Net sales	2,253	2,328	74	3.3%
Operating profit	(195)	(65)	130	—
Ordinary profit	(194)	(64)	130	—
Profit attributable to owners of the parent	(175)	(60)	115	—

# Revision of Full-year Consolidated Earnings Forecast: Analysis of **initial forecast** by operating profit factor

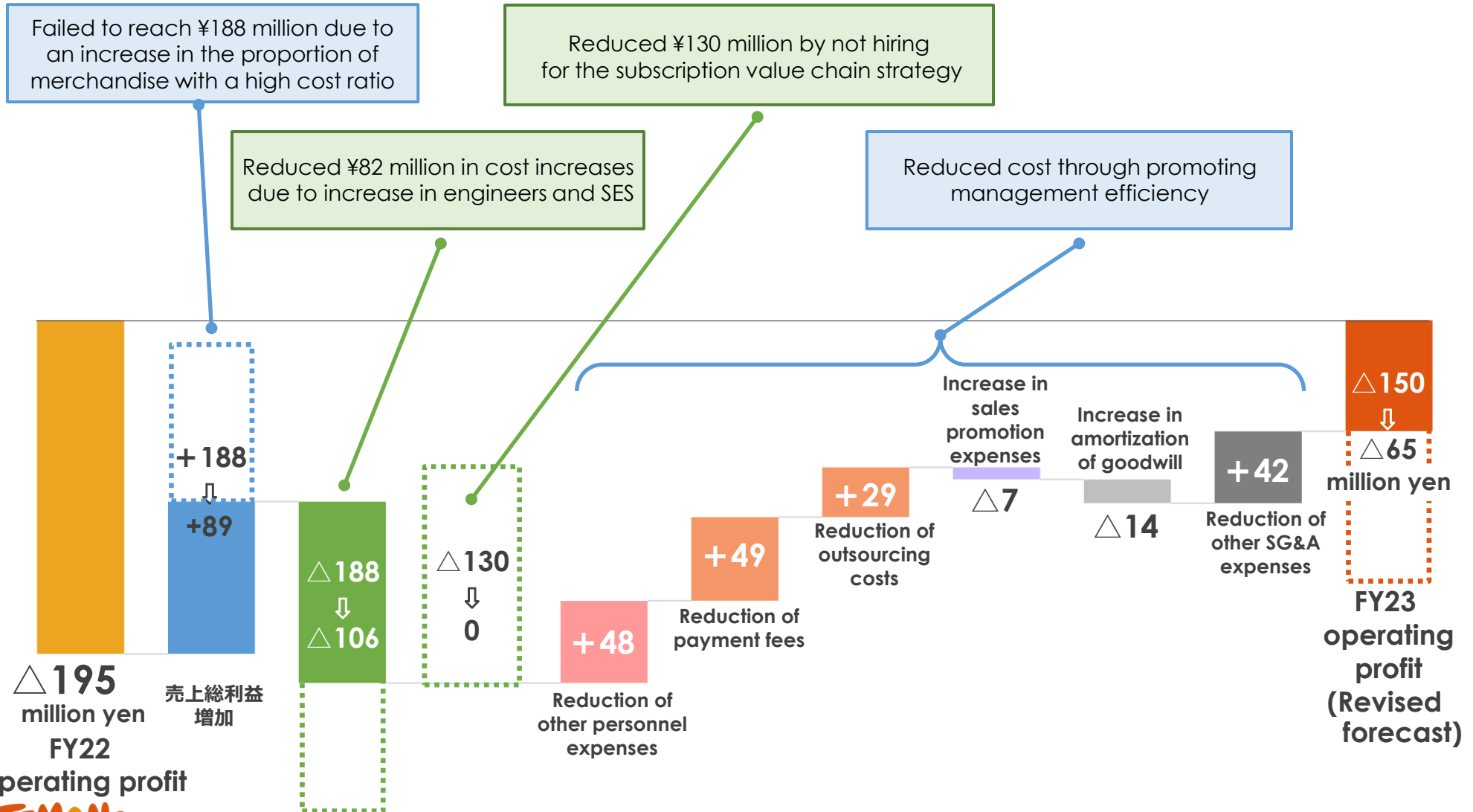
In the initial plan, **human resource investment (green) of -¥318 million** would continue





# Revision of Full-year Consolidated Earnings Forecast: Analysis of revised forecast by operating profit factor

We revised **human resource investment (green) of ¥212 million** from initial plan to promote early return to profitability



# Balance Sheet (Year on Year)

- Other current assets decreased by ¥122 million, mainly due to a decline in income taxes receivable.
- Liabilities decreased by ¥157 million, mainly due to loan repayments.

	FY22 year-end consolidated	FY22 2Q consolidated	Change
Cash and deposits	994	952	△42
Accounts receivable-trade	284	261	△22
Other current assets	206	84	△122
<b>Total current assets</b>	<b>1,485</b>	<b>1,298</b>	<b>△187</b>
Property, plant, and equipment	69	58	△10
Intangible assets	507	502	△4
Investments and other assets	243	269	26
<b>Total non-current assets</b>	<b>820</b>	<b>831</b>	<b>11</b>
<b>Total assets</b>	<b>2,306</b>	<b>2,129</b>	<b>△176</b>

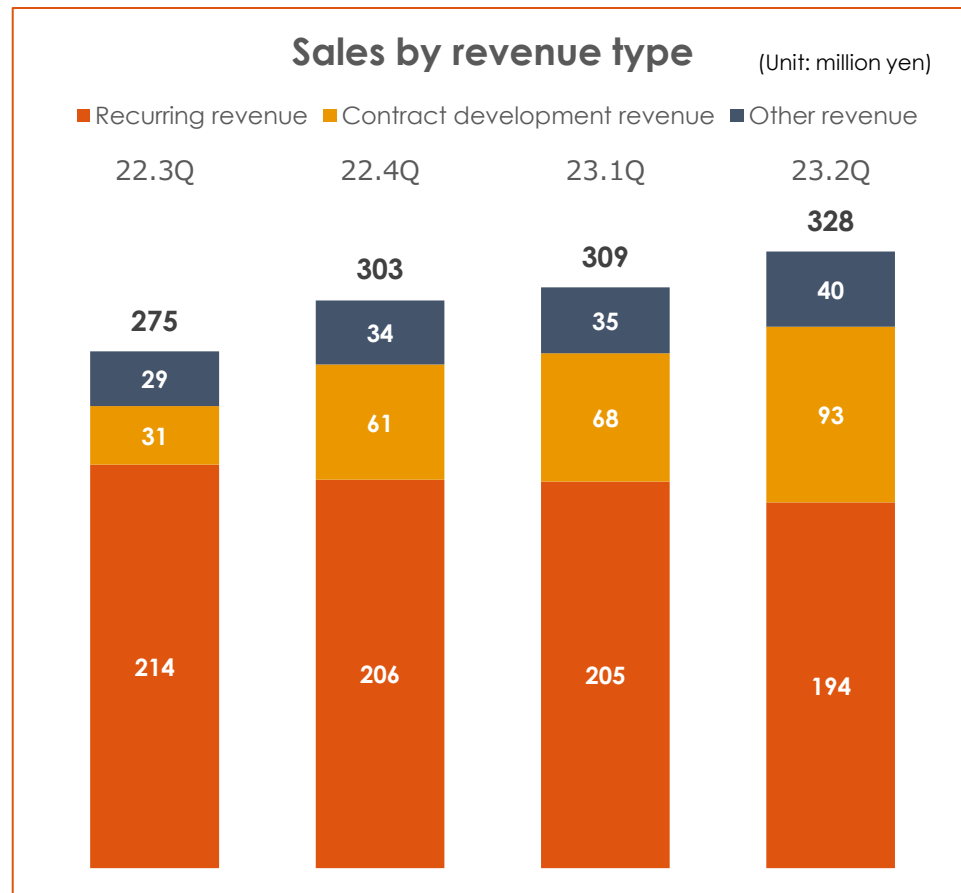
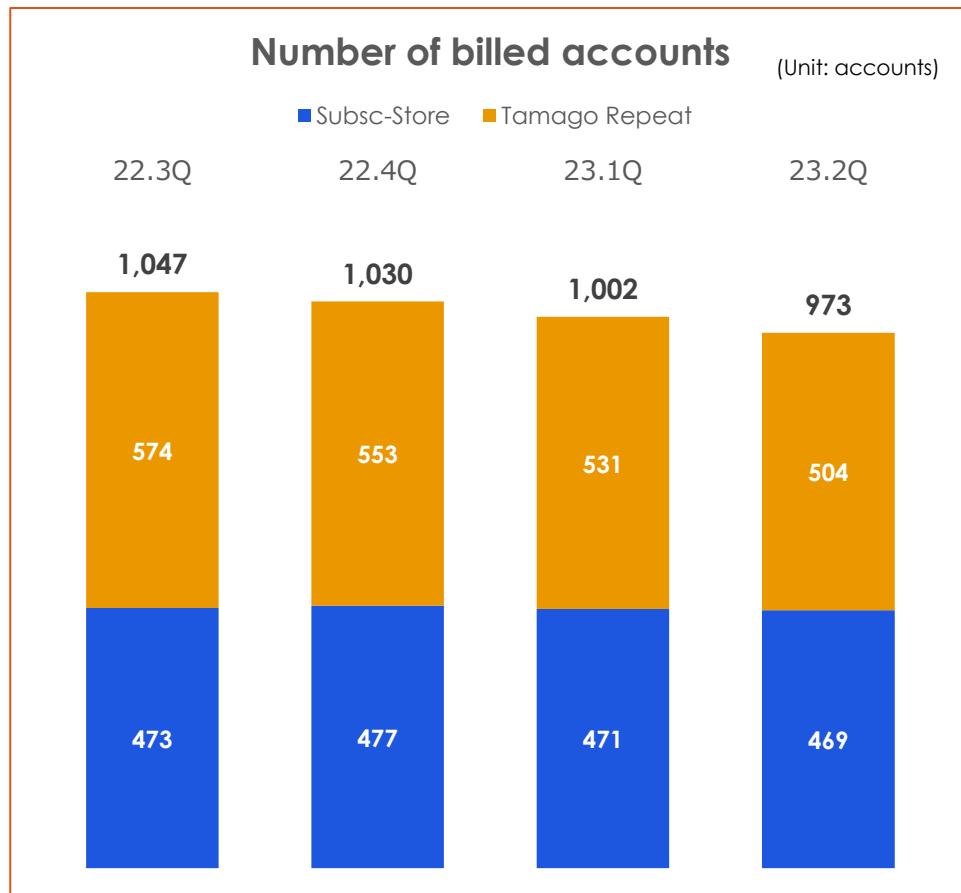
	FY22 year-end consolidated	FY22 2Q consolidated	Change
Accounts payable-trade	136	94	△41
Other current liabilities	709	655	△54
Non-current liabilities	259	197	△61
<b>Total liabilities</b>	<b>1,105</b>	<b>947</b>	<b>△157</b>
Capital stock	385	385	0
Capital surplus	375	375	0
Retained earnings	1,003	975	△27
Treasury shares	△583	△583	0
Stock acquisition rights	20	28	8
<b>Total net assets</b>	<b>1,201</b>	<b>1,181</b>	<b>△19</b>
<b>Total liabilities and net assets</b>	<b>2,306</b>	<b>2,129</b>	<b>△176</b>

## 2. Results by Service

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# Results by Service: Subsc-Store and Tamago Repeat

- The number of accounts has a net downtrend for both Tamago Repeat and Subsc-Store.
- Net sales are increasing thanks to a growth in contract development revenue for the enterprise area.



## ○ Background

In recent years, there have been many inquiries about contract development in the enterprise area because there has been a large number of large enterprises entering the subscription business.

## ○ Status of the TEMONA Group

It was difficult for TEMONA to secure development person-hours on its own, but it has become possible as Sackle joined the TEMONA Group in 3Q of the 14th period.

## ○ Results

Some orders exceed ¥50 million in total, which is a major factor driving the Group's overall earnings. We will continue to focus on contract development in the enterprise area.

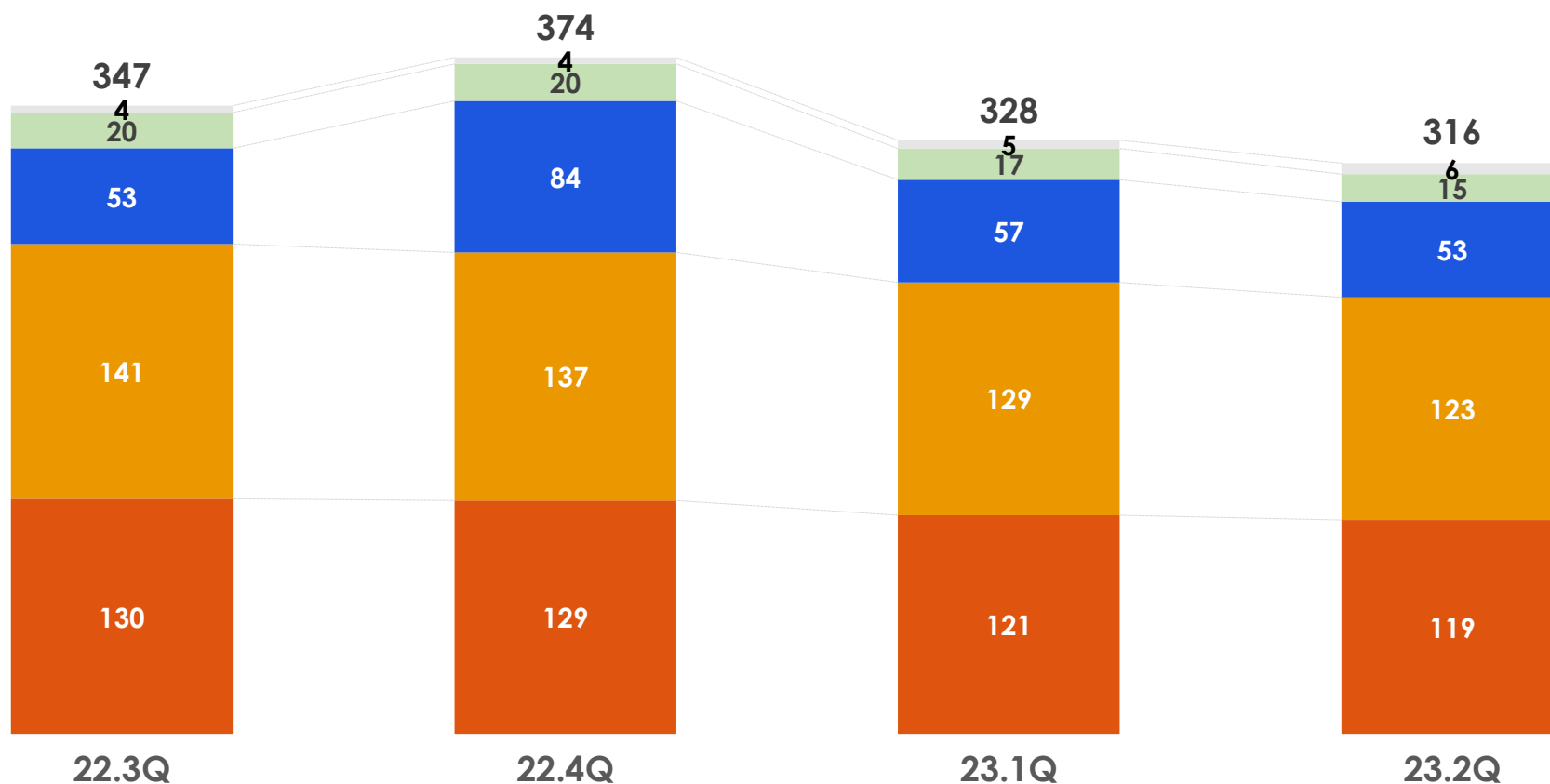
TEMONA  
×  
Sackle

# GMV by Client Segment (Quarterly)

- GMV is on a downward trend due to a decline in the number of accounts in the cosmetics, pharmaceuticals, and health foods segments.

(Unit: billion yen)

■ Cosmetics, pharmaceuticals ■ Health foods ■ Food, alcoholic/non-alcoholic beverages ■ Household/interior goods, furniture ■ Other



# Results by Service: Other

- Settlement fees are on a downward trend, as is GMV
- Subsc-Store B2B and Subsc-@, which will be the next core of peripheral businesses, grew steadily
- The Engineering Business has been added as Sackle joined the TEMONA Group

Service	Net sales (million yen)		Change (%)	Explanation
	FY22 2Q Total	FY23 2Q Total		
Subsc-Store B2B	8	30	280.6	Number of accounts up to 19 from 15 year on year. Recurring revenue rose to ¥16 million from ¥5.0 million year on year.
Subsc-@	11	22	96.4	Number of accounts (corporate contracts) up to 168 from 160 year on year. Recurring revenue rose to ¥18 million from ¥10 million year on year.
Settlement fees	282	239	(15.2)	Decreased 15.2% year on year mainly due to a 13.8% decline in GMV.
Other EC support business	99	73	(26.4)	Decreased 26.4% year on year due to the effect of a decline in Web page production orders associated with Subsc-@.
Engineering business	0	241	—	System development contracting and systems engineering services were provided by Sackle Inc. Contributions to revenue began from previous 3Q.

### 3. Progress in Implementation of Key Actions for FY2023 Growth Strategies

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# Review of Key Actions for FY2023 Growth Strategies

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Key Actions for FY2023 Announced at Beginning of the Year

- ① **Transition to a profitable structure**
- ② **Complete overhaul of Subsc-Store and Tamago Repeat**
- ③ **Evolution of Subscription Business Value Chain**
- ④ **Development of Group Management**

# Review of Key Actions for FY2023 Growth Strategies

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## Key Actions

### ① Transition to a profitable structure

#### » Continuing to invest and controlling costs

- We will keep making investments for business growth and also regulate costs with a top-down approach. We will curtail unnecessary costs and transition away from a loss-making structure to one of profitability.

## Progress in implementation

- We have reviewed human resource investment in unprofitable businesses and improved operational efficiency.
- Achieved profitability in 2Q.

## Policy for second half

- We will continue to review costs and reorganize businesses and organizations, and allocate resources according to the status of the respective business.

# Review of Key Actions for FY2023 Growth Strategies

## Key Actions

## ② Complete overhaul of Subsc-Store and Tamago Repeat

### >>Lowering the cancellation rate

- We will drive a recovery in the quality and quantity of communication with customers and strive to lower the cancellation rate.

### >>Increasing the number of new contracts

- We will accelerate the strategy of expanding our target areas to various subscription business operators.
- We will undertake a review of pricing plans in order to respond to wide-ranging needs.

### >>Enhancing our competitive advantage

- We will capitalize on synergies with Sackle and promote the development of new functions to enhance our competitive advantage.
- We will start providing customization services for Tamago Repeat to support further business growth of the enterprise area.

## Progress in implementation

- We have restored communication with customers, including holding briefings on product development policies and resuming concierge telephone services that had been suspended due to the pandemic.
- We have promoted the expansion of target areas by starting to offer Subsc-Class, and providing support from the start-up phase of subscription businesses.
- We have started the development of Tamago Repeat Tamashii.

## Policy for second half

- We will continue with the initial policy and focus on lowering the cancellation rate.
- We will work on the development of Tamago Repeat Tamashii and rebranding of Subsc-Store and Tamago Repeat as Key Actions.

# Review of Key Actions for FY2023 Growth Strategies

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## Key Actions

### ③ Evolution of Subscription Business Value Chain

#### » Improving productivity and profit margins in all businesses

- For each group of services in the subscription business value chain, we will continue to develop them into services used by even more customers, and focus on variable-fee revenue.
- We will closely assess new businesses and make decisions on whether to press ahead or withdraw in a flexible manner. We will also reassess the allocation of investments, including eliminations and consolidations.

## Progress in implementation

- We have closely examined selection and concentration, concentrating on Temonavi and Temologi out of each of the services in the subscription business value chain, and have reviewed investment allocation.
- “Temologi”, a service that supports logistics for EC operators, has evolved to accommodate customers of Subsc-@ for brick-and-mortar stores.

## Policy for second half

- We will continue to promote selection and concentration, as well as the evolution of the subscription business value chain.

# Review of Key Actions for FY2023 Growth Strategies

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## Key Actions

### ④ Development of Group Management

#### » Enhancing Group-wide profitability

- We will further promote synergies with AIS and Sackle. We will push ahead with the provision of sales capabilities and the sharing of management platforms in an effort to strengthen profitability.

## Progress in implementation

- We have contributed to increasing profitability for the entire Group by using Sackle's resources to develop Subsc-Store and handle contract development projects, and by using AIS's Web production technology for landing page creation for Subsc-@.

## Policy for second half

- We will continue with the referral of customers within the Group and sharing of management platforms to promote the further development of the Group's management.

# Key Actions for Growth Strategies for Second Half of FY2023

## Key Actions NEW

## Development and rebranding of Tamago Repeat Tamashii

### ○ Background

We had been developing functions of “Tamago Repeat” based on repeated communications with customers and working in tandem with customers to create services, but in recent years, we had been unable to respond to customer feedback.



### ○ Started the development of Tamago Repeat Tamashii

Returning once again to our roots and restoring “Field Communication-Driven Development\*”, we will:

1. Modernize aging functions
2. Make overwhelming speed improvements
3. Add technomaniac functions for experts

With these three as a concept, we decided to develop Tamago Repeat Tamashii and make a fresh start.

\*A development method that involves closely communicating with customers and creating something necessary and truly appreciated

# Key Actions for Growth Strategies for Second Half of FY2023

## Key Actions NEW

### Development and rebranding of Tamago Repeat Tamashii

We will enhance the competitiveness of Tamago Repeat and Subsc-Store and implement rebranding to dispel the traditional image.



Specializing in single-item mail-order sales of cosmetics, supplements, and others, with professional specifications equipped with many technomaniac functions that are extremely thorough, including the God Hand



Accommodating the subscription sales of various commercial products such as food, coupon tickets, membership dues and digital content, with a wide range of functions for beginners to advanced users

TEMONA

サブスクといえばテモナ。



# Appendix

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# Contents (appendix)

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# 1 . About Us

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# Company Overview

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The expansion of subscriptions will help to realize a prosperous world in which many businesses will continue to provide essential, high-value services and pursue customer satisfaction.

Our Purpose is to “enrich the world with subscriptions” by supporting businesses with our subscription-specific technology and expertise.

## About the Company

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Company name	TEMONA. Inc.
Established	October 2008
Capital	¥385.67 million
Representative	Hayato Sagawa, president & representative director
Headquarters	2-12-19 Shibuya, Shibuya-ku, Tokyo
Employees	161 (as of September 30, 2023)

## Main services provided

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サブスクストア



サブスクストア B2B

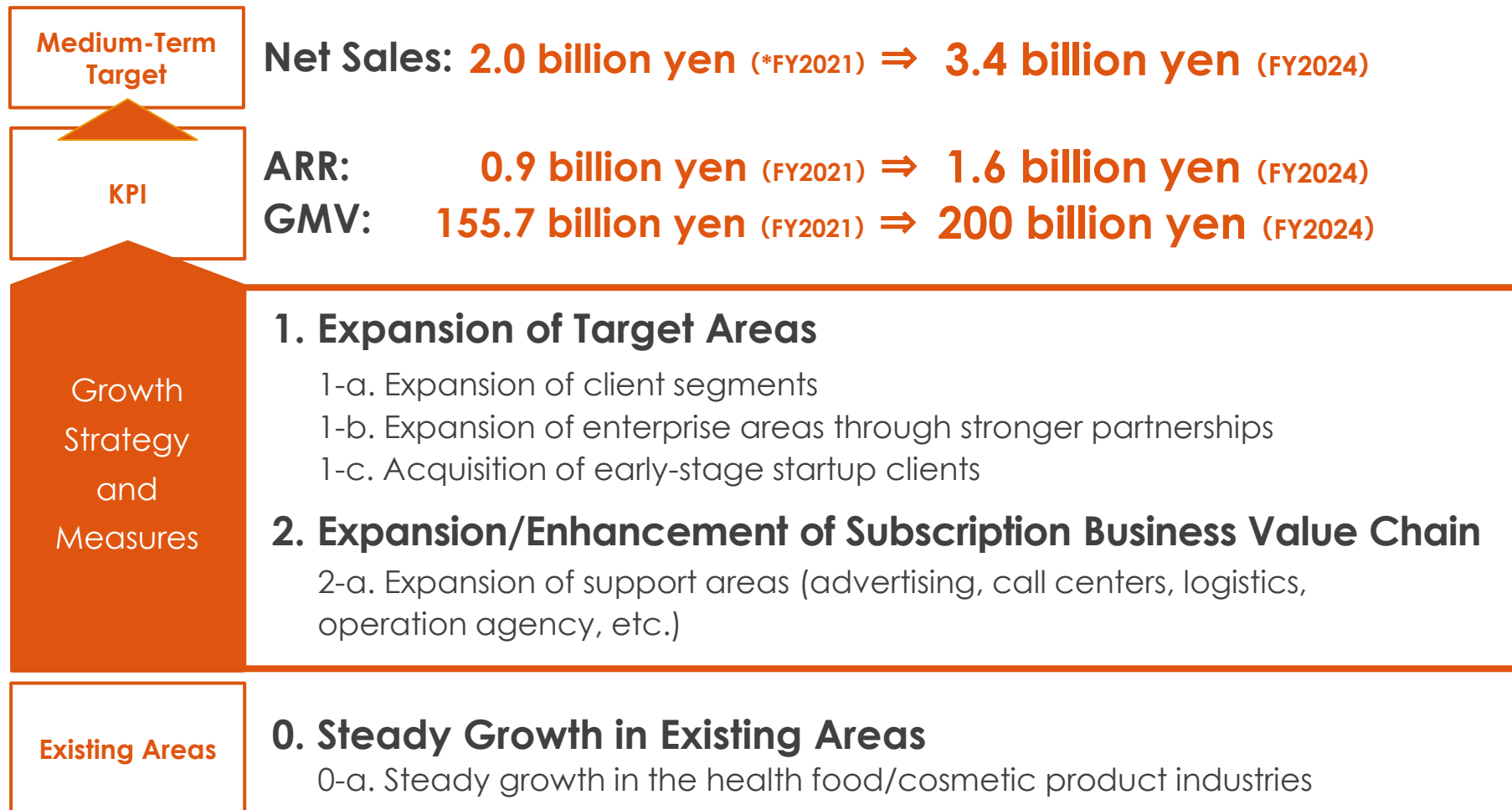


サブスク@



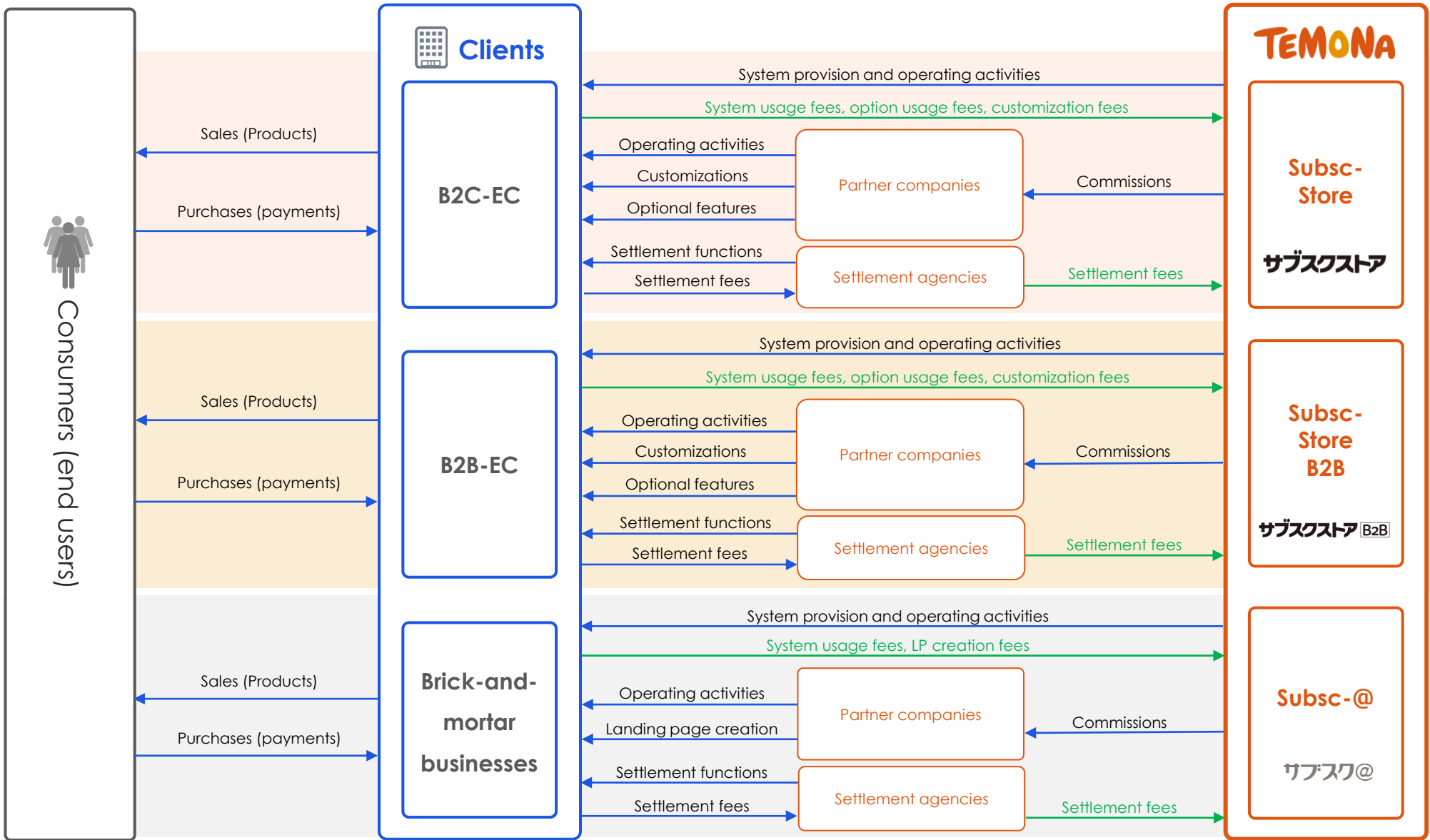
# Medium-Term Targets and Growth Strategies

The three-year period covered by the medium-term management plan is positioned as a period of preparation for further growth. We will 1. Expand Target Areas and 2. Expand the Subscription Business Value Chain. The medium-term target will be to achieve a net sales figure of 3.4 billion yen in FY2024 (ending Sept. 30, 2024).



\*Figures after applying revenue recognition standard (unaudited)

# Business System Chart



# Service Overview: Subsc-Store

サブスクストア

サービス一覧 ▾ 料金プラン ▾ 導入事例 資料一覧 お問い合わせ > 資料請求 >

定期通販・サブスクリプション事業の  
販売効率と売上をあげる！ ✓✓

サブスクするなら  
「サブスクストア」

国内トップクラスのサブスク支援事業のデモナ  
1,100社のノウハウを凝縮！

市場シェア No.1  
年間取引総額 1,523億円  
導入アカウント数 1,000以上

お問い合わせ > 資料請求 >



Subsc-Store is a cloud-based system that enables users to centrally manage regular purchase systems/carts for the kind of product and customer management required for single-item e-commerce, D2C, and subscription businesses.

## サブスクストア

Pricing plans (not incl. tax)	
Standard Plan	¥49,800 per month
Premium Plan	¥79,800 per month
Expert Plan	Varies depending on development work required

# Service Overview: Tamago Repeat



リピート通販企業のための、究極のクラウド型通販システム。

# 「定期購入」なら、 たまごリピート



- ショッピングカート
- コールセンター (CTI連携OK)
- ステップメール
- 分析 (広告・CRM・定期リピート)

Tamago Repeat is a mail-order system (with a shopping cart feature) that automates all online shopping operations and that is tailor-made for subscription business and subscription box club business.



Pricing plan (not incl. tax)	
ASP Plan	¥49,800 per month
Gold Plan	¥79,800 per month



# Service Overview: Subsc-Store B2B

サブスクストア

サブスクストア B2B

サービス一覧 資料一覧 ヘルプセンター コミュニティー

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面倒なBtoB取引業務をWeb化!

BtoB EC、法人・卸の受発注業務を効率化!

やるならサブスクストア B2B

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B2C向け定期通販カートサービスはこちら



王子サーモン  
Since 1967



兼松ウェルネス株式会社



Takakura



morry's  
I like myself even better.  
All thanks to the beauty skin.

三菱

\*Companies introducing Subsc-Store series

Subsc-Store is a one-stop operations support tool for B2B subscription businesses in a wide range of industries. Suitable for wholesale, professional and consulting services, property rental, maintenance services, group membership fee subscriptions, etc.

Pricing plan (not incl. tax)

¥79,800 per month

サブスクストア B2B

# Service Overview: Subsc-@

サブスクストア サービス一覧 資料一覧 コミュニティ

サブスク@ 「サブスク@」とは サブスク@ができること お問い合わせ 資料請求

店舗事業者向けサブスク・ECサービス

導入数 1000店舗以上の サブスク@

店舗でしか買えない商品や施術チケットの販売ができます

1,000 店舗以上の開設実績

1店舗月商 1,400万円の売上実績

全国 10社以上のメーカー・ディーラー様と提携

お問い合わせ 資料請求

サブスク@

CATEGORY

OFFICIAL PARTNER HOLISTIC cures

Blossom



e.m.a  
Excellent Match Association

H Company  
HAIR DESIGNING SALON



TJ  
天気予報



SEVEN  
by P

Subsc-@ is a cloud system dedicated to supporting brick-and-mortar store subscriptions. Features include subscriber perk and discount voucher issuance, subscriber management, payment settlement, and store visit reservations, as well as notifications to encourage subscribers to visit stores.

Pricing plan

Please contact us for details

## サブスク@

# Disclaimer

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Information provided in these briefing materials includes forward-looking statements based on plans, estimates, and forecasts regarding our business and industry trends as of the time of writing.

Such forward-looking statements are inherently subject to various risks and uncertainties. Known and unknown risks, uncertainties, and other factors may cause actual performance and financial results in future periods to differ materially from projections of future performance or results expressed in the forward-looking statements.

The actual performance and financial results of the Company in future periods may differ materially from the forward-looking statements contained in these briefing materials.

The forward-looking statements set forth by the Company in these briefing materials are based on information available as of May 31, 2023. The Company undertakes no obligation to update or revise forward-looking statements to reflect future events and circumstances.

Contact

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URL: <https://temona.co.jp/contact/>

TEMONA

サブスクといえばテモナ。

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