

FY2023 First Quarter Financial Results Briefing Materials

Aug. 9, 2023

Synchro Food Co., Ltd. <3963>



Content

1. FY2023 First Quarter Financial Results
2. Overview of Each Business Segment
3. Progress on FY2023 Objectives and Initiatives
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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: | 177 (Consolidated basis/permanent employees/as of June 30, 2023) |
| 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) |

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

Strategic investment continued in Q1 for business growth
in the current and next fiscal year
Quarterly revenue broke the record high

Consolidated
Financial
Highlights
(Q1 cumulative)

| | | Year on Year |
|-------------------------|--------------------------|--------------|
| Revenue | : 845 million yen | + 30.3% |
| Operating profit | : 184 million yen | + 6.2% |

Main Topics (Q1)

● Categorized in terms of business strategy and annual policy

- ✓ Naisokenchiku.com, the interior furnishing service matching business, was acquired from SHELFY Co., Ltd. (April) Dynamic Growth
- ✓ Inshokuten.com started developing services using generative AI (April) Dynamic Growth
- ✓ (Survey Distribution) 98% of restaurants feel price hikes; 68% raised menu prices but see almost no impact on customer traffic (April)
- ✓ Started "gourmet_baito_chan," an SNS short video part-time job service (May) SNS short
- ✓ Consolidated subsidiary, Wit Co., Ltd. acquired the business of Food Accounting Association (May) Dynamic Growth
- ✓ Collaborated with three companies, including JR East, which operates the *Hakobyun* train parcel service Conducted a demonstration experiment using food trucks to sell very fresh products in urban areas (May) Mobility Service
- ✓ Renewal of recruitment Website to strengthen recruitment (June) Strategic Investment
- ✓ Started a project to create a lively atmosphere using food trucks under the elevated railway tracks at Misato-chūō Station (June) Mobility Service
- ✓ Progress under the plan for fulfilling the continued listing criteria (June)
- ✓ (Survey Distribution) Labor shortage affects operations at 60% of restaurants. Profit increased from the pre-pandemic level at 25% of restaurants (June)



FY2023 Q1 Summary(vs. Target Figures)

Revenue and each level of profit progressed as expected while making strategic investments including two business acquisitions

(Million yen)

| | FY2023 Q1 Total Actual (Consolidated) | FY2022 Q1 Total Actual (Consolidated) | Year on Year | FY2023 Earnings Forecast (Consolidated) | Progress |
|---|---|---|--------------|--|----------|
| Revenue | 845 | 648 | +30.3% | 3,500 | 24.2% |
| Gross profit | 694 | 573 | +21.0% | - | - |
| SG & A | 509 | 399 | +27.4% | - | - |
| Operating profit | 184 | 173 | +6.2% | 1,000 | 18.5% |
| Operating profit ratio | 21.8% | 26.8% | (5.0pt) | 28.6% | - |
| Recurring profit | 183 | 175 | +4.5% | 1,000 | 18.4% |
| Net Income Attributable to Owners of Parent | 116 | 118 | (1.4%) | 700 | 16.7% |

1 Recruitment advertising grew and drove revenue, although the timing of asset transfers in M&A service was pushed back (about 30 million yen in closing fees).

2 SG&A increased due to strategic investment made for growth, including two business acquisitions and the hiring of 23 new employees.

3 Each level of profit reached the pre-pandemic level while making prior investment.

Trend of the Revenue

Revenue in Q1 continued to grow, breaking the record high for quarterly revenue (up 30.3% year on year)

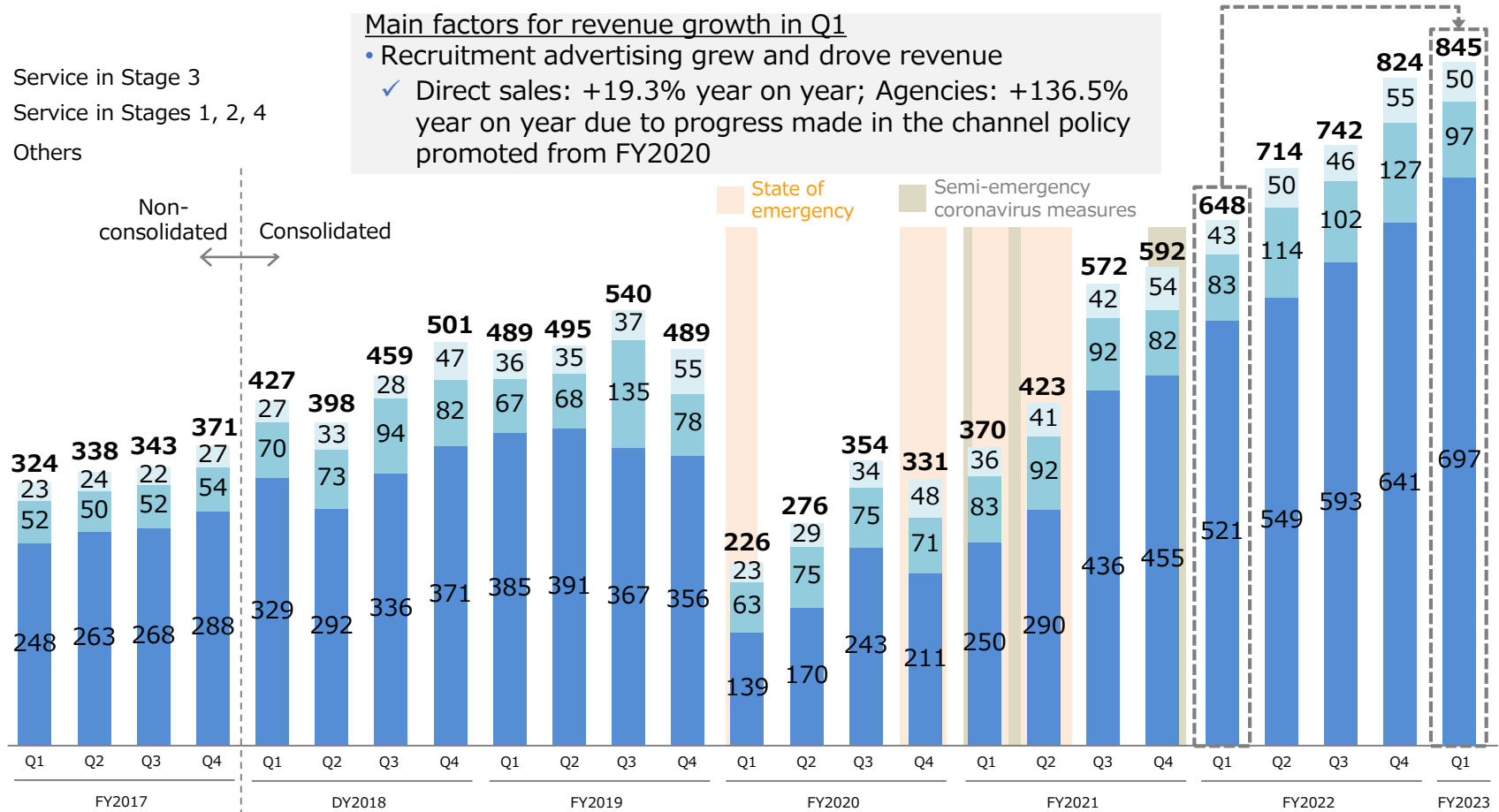
Trend of the revenue in FY2017 - FY2023

- Service in Stage 3
- Service in Stages 1, 2, 4
- Others

Main factors for revenue growth in Q1

- Recruitment advertising grew and drove revenue
- ✓ Direct sales: +19.3% year on year; Agencies: +136.5% year on year due to progress made in the channel policy promoted from FY2020

(Million yen)



Supplementary Note: Revenue Classification

Revenue from each service is recorded based on the following classification

| Revenue Classification | Users | Related Business Operators | Reporting segment | |
|---------------------------|--------------|--|--|-------------------------|
| Service in Stage 3 | Synchro Food | <ul style="list-style-type: none"> Recruitment ads PlaceOrders Food truck sharing and matching (Mobimaru) gourmet_baito_chan*1 | <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) | <ul style="list-style-type: none"> Food Accounting Association*2 | |
| | Wit | | | |

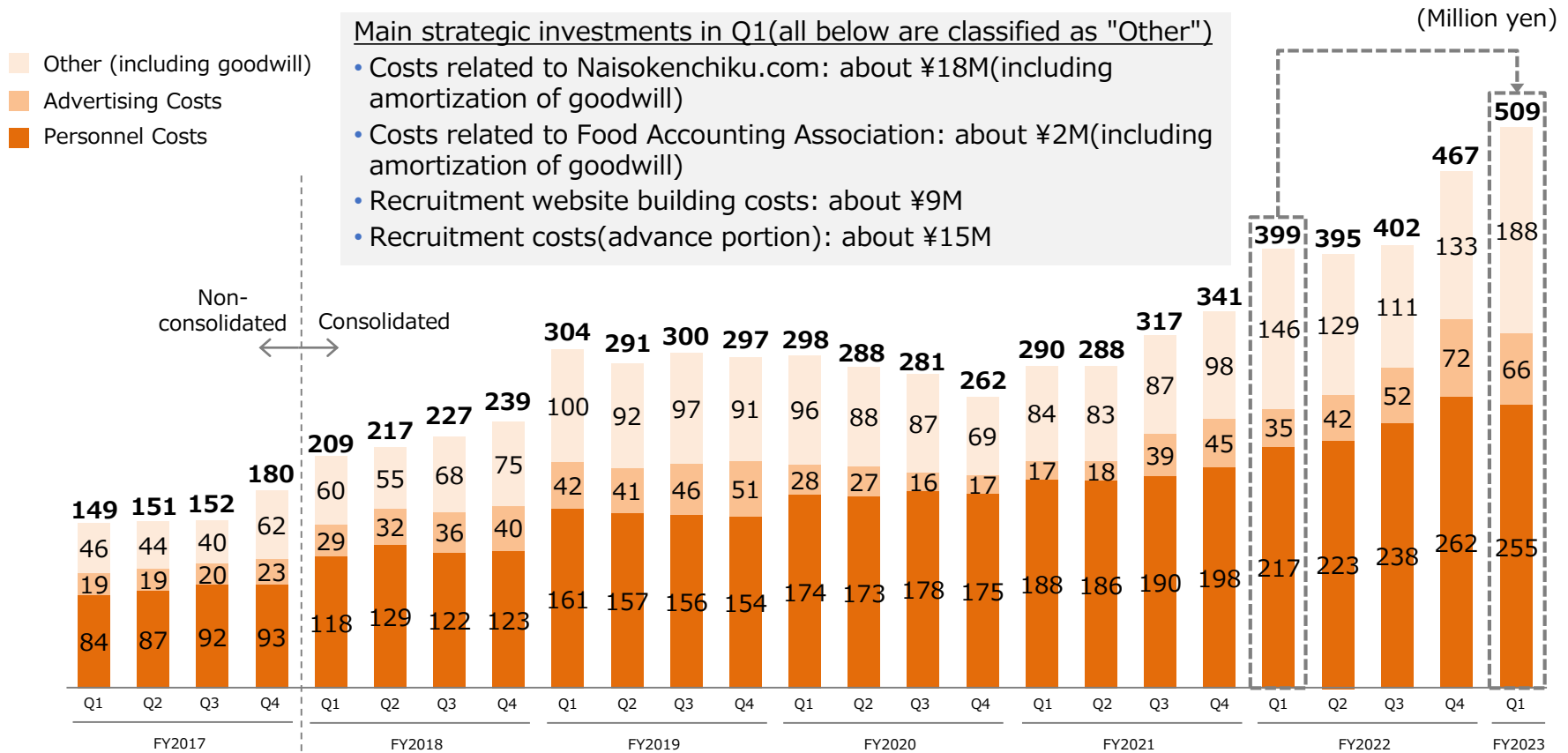
*1 As announced in the "Notice of business acquisition" on April 17, 2023, the Company acquired the interior furnishing service matching business on April 20, 2023.

*2 As announced in "Notice regarding the business acquisition by a consolidated subsidiary of the Company" on May 12, 2023, the Company acquired a support and consulting business for creating sales promotion materials for clients of tax accountant firms on June 1, 2023.

Trend of SG&A

Despite efficient advertising operations, SG&A increased significantly due to two business acquisitions and strategic investment for building a recruiting website and accelerating recruitment (up 27.4% year on year)

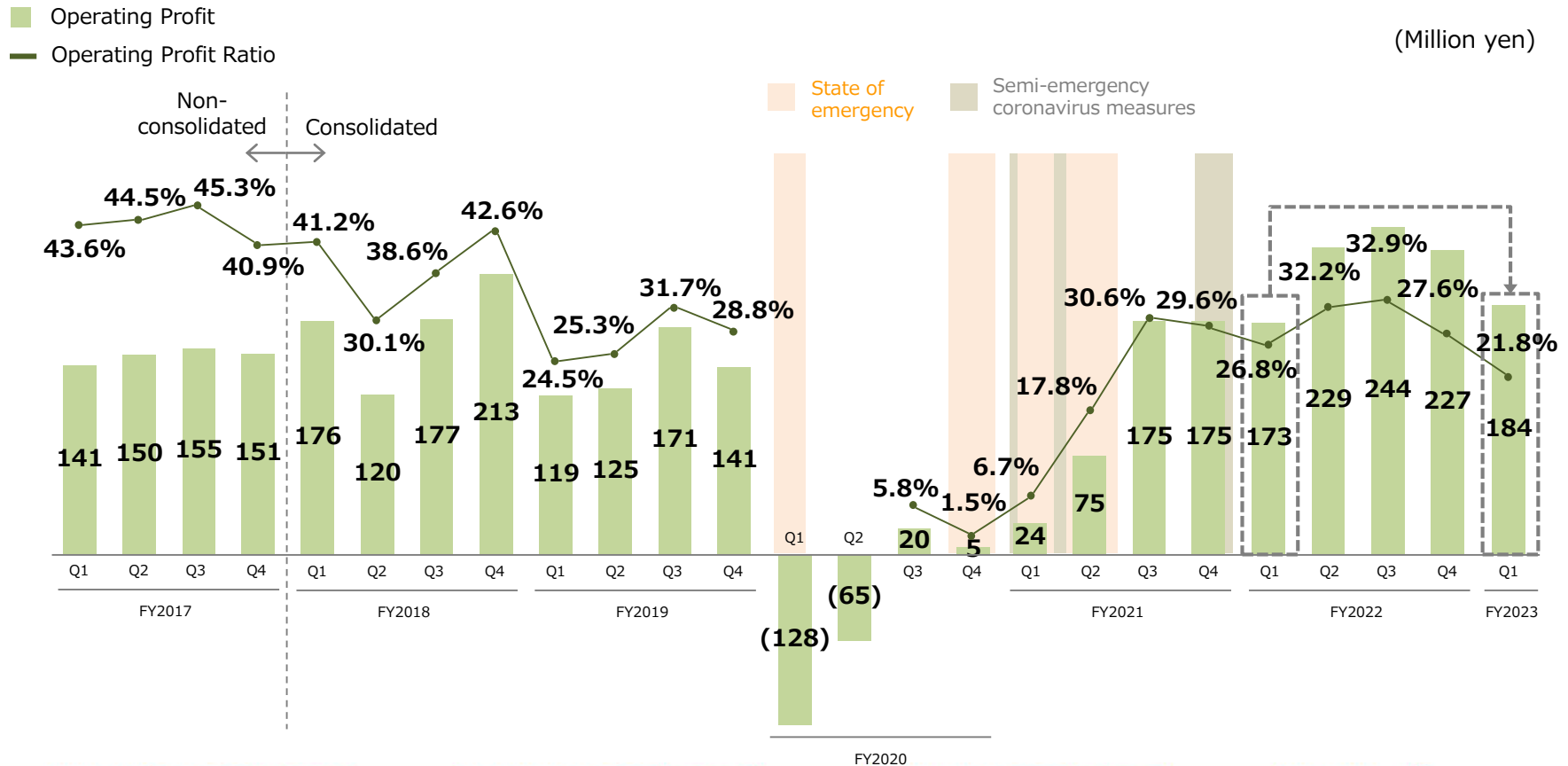
Trend of SG&A in FY2017 - FY2023



Trend of the Operating profit

Operating profit in Q1 exceeded the pre-pandemic level while making strategic investment (up 6.2% year on year)

Trend of the operating profit in FY2017 - FY2023



Consolidated Balance Sheet

Fixed assets increased 307 million yen mainly due to goodwill from business acquisition, and net assets increased 117 million yen due to an increase in retained earnings(compared to Mar. 31, 2023)

| (Million yen) | Jun. 30, 2023 | Q on Q | Mar. 31, 2023 |
|---------------------------|---------------|---------|---------------|
| Current Assets Total | 3,822 | (7.1%) | 4,116 |
| Cash and Bank | 3,667 | (6.8%) | 3,933 |
| Fixed Assets Total | 466 | +193.7% | 158 |
| Assets Total | 4,288 | +0.3% | 4,274 |
| Current Liabilities Total | 613 | (14.5%) | 717 |
| Fixed Liabilities Total | 22 | +0.2% | 22 |
| Net Assets Total | 3,652 | +3.3% | 3,534 |

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Media Platform Business

Strong revenue in Q1 following FY2022 Q4 (up 31.2% year on year)
 Segment profit increased while making investment (up 11.3% year on year)

Trend in revenue and profit (loss)

(Thousand yen)

| | FY2020 | | | | FY2021 | | | | FY2022 | | | | FY2023 |
|------------------------------|----------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Revenue | 193,376 | 234,868 | 321,271 | 303,224 | 336,320 | 382,672 | 532,303 | 562,894 | 618,838 | 656,011 | 695,732 | 758,461 | 811,611 |
| Sales to external customers | 191,312 | 232,804 | 318,219 | 299,970 | 336,317 | 382,672 | 532,303 | 562,894 | 618,838 | 656,011 | 695,732 | 758,461 | 811,611 |
| 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 | 234,933 | 202,567 | 199,354 |

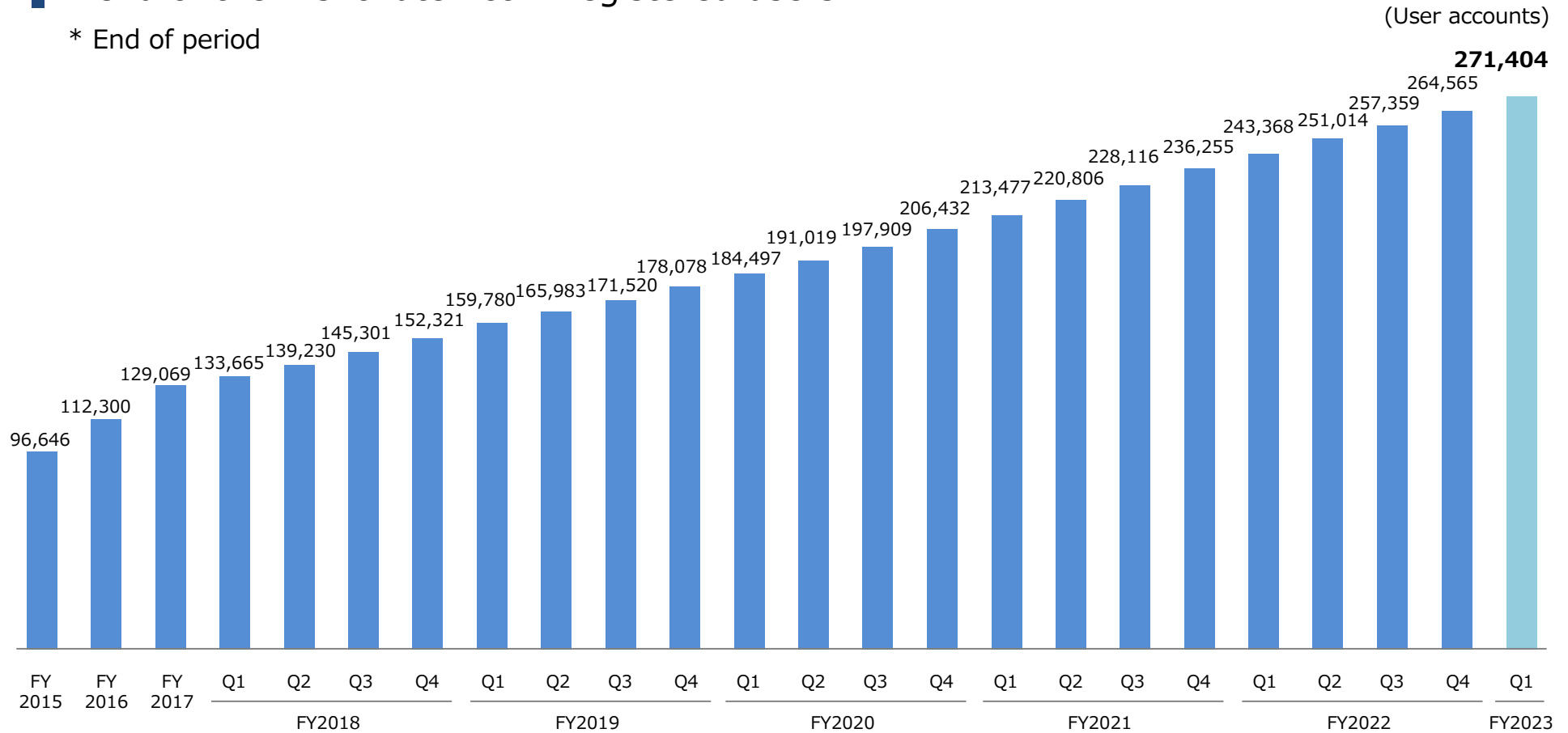
- ✓ Recruitment ads grew in both channels of direct sales (+19.3% year on year) and agencies (+136.5% year on year)
- ✓ Services targeting design companies were steady after plan changing and addition (+14.2% year on year)
- ✓ The number of registered users, operators, and job seekers all increased steadily
- ✓ Strategic investment includes costs related to Naisokenchiku.com (about 18 million yen), building a recruitment website (about 9 million yen), and expenses to accelerate recruitment (about 15 million yen).

Media Platform Business - Trend of the Users

The number of users is increasing steadily, exceeding 270,000
(up 11.5% year on year)

Trend of the Inshokuten.com registered users

* End of period



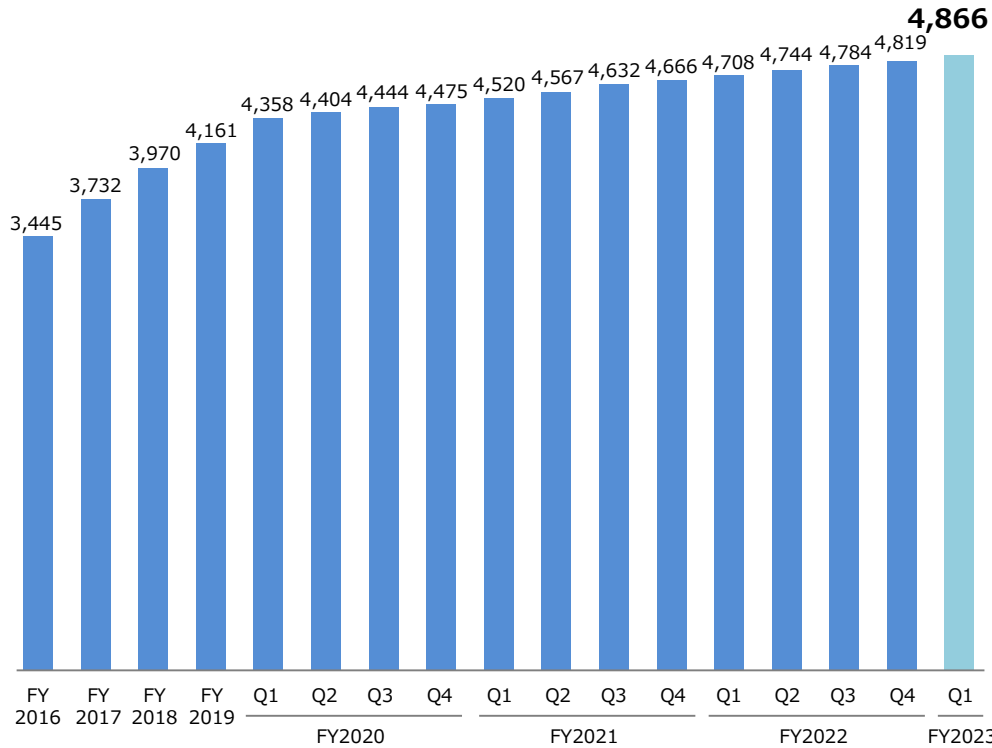
Media Platform Business - Trend of the Operators and Job Seekers

The number of operators and job seekers increased steadily
 (Operators: up 3.4% year on year; Job seekers: up 19.3% year on year)

Trend of the operators

* End of period

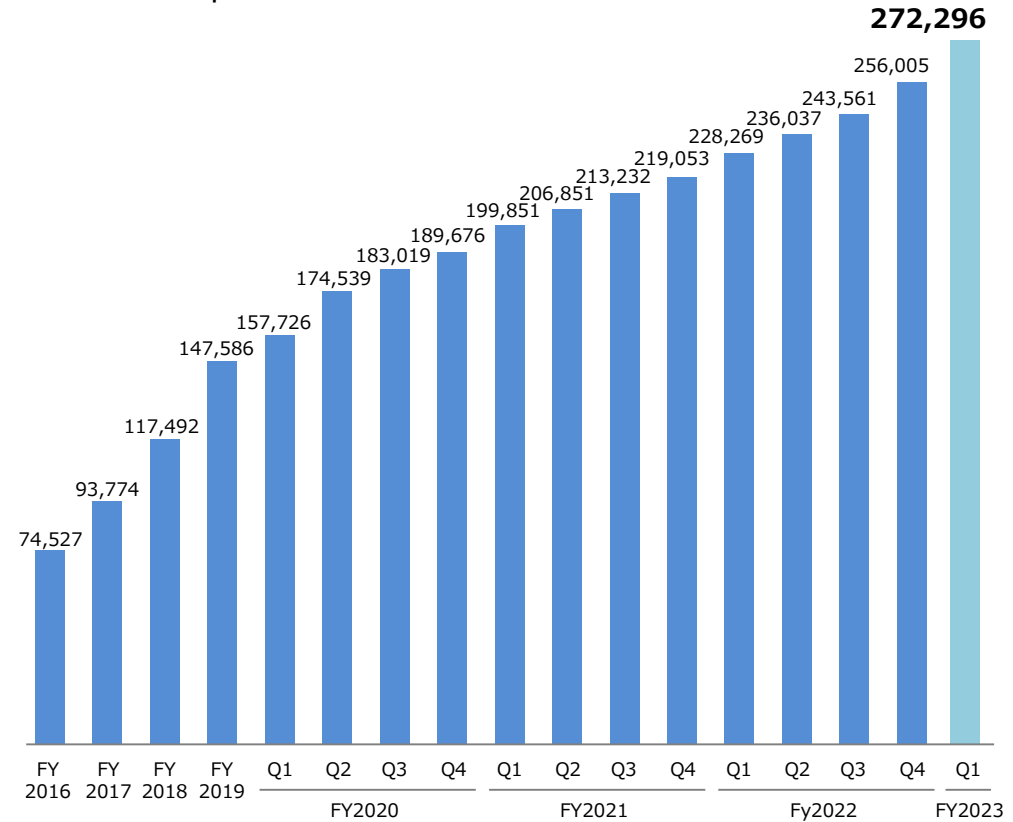
(User operators)



Trend of the job seekers

* End of period

(User accounts)



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

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



M&A Service Business

Revenue in Q1 stagnated as the timing of M&A transfers was pushed back
(up 13.4% year on year)

Posted a significant segment loss
(Segment loss also in the same period of the previous year)

Trend in revenue and profit (loss)

(Thousand yen)

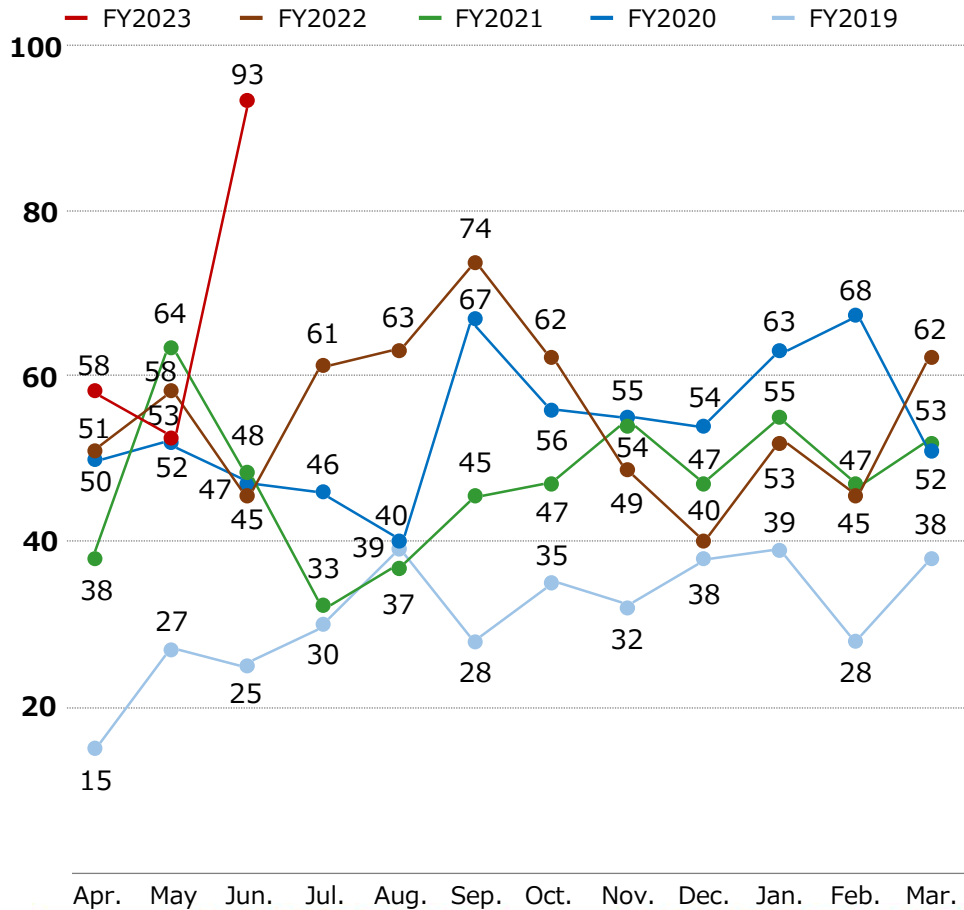
| | FY2020 | | | | FY2021 | | | | FY2022 | | | | FY2023 |
|------------------------------|----------|--------|---------|----------|--------|--------|---------|---------|---------|--------|--------|--------|----------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Revenue | 17,986 | 28,935 | 27,507 | 21,342 | 31,557 | 40,960 | 39,748 | 29,348 | 30,012 | 58,232 | 46,681 | 66,234 | 34,040 |
| Sales to external customers | 17,986 | 28,935 | 27,507 | 21,342 | 31,557 | 40,960 | 39,748 | 29,348 | 30,012 | 58,232 | 46,681 | 66,234 | 34,040 |
| 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 | 9,435 | 25,070 | (14,932) |

- ✓ The number of deals in both M&A services and fully-furnished asset transfers remained at a high level.
- ✓ On the other hand, the timing of asset transfers in M&A service was pushed back (about ¥30 million yen in fees), resulting in a segment loss.
- ✓ Strategic investment includes costs related to Food Accounting Association (about 2 million yen)

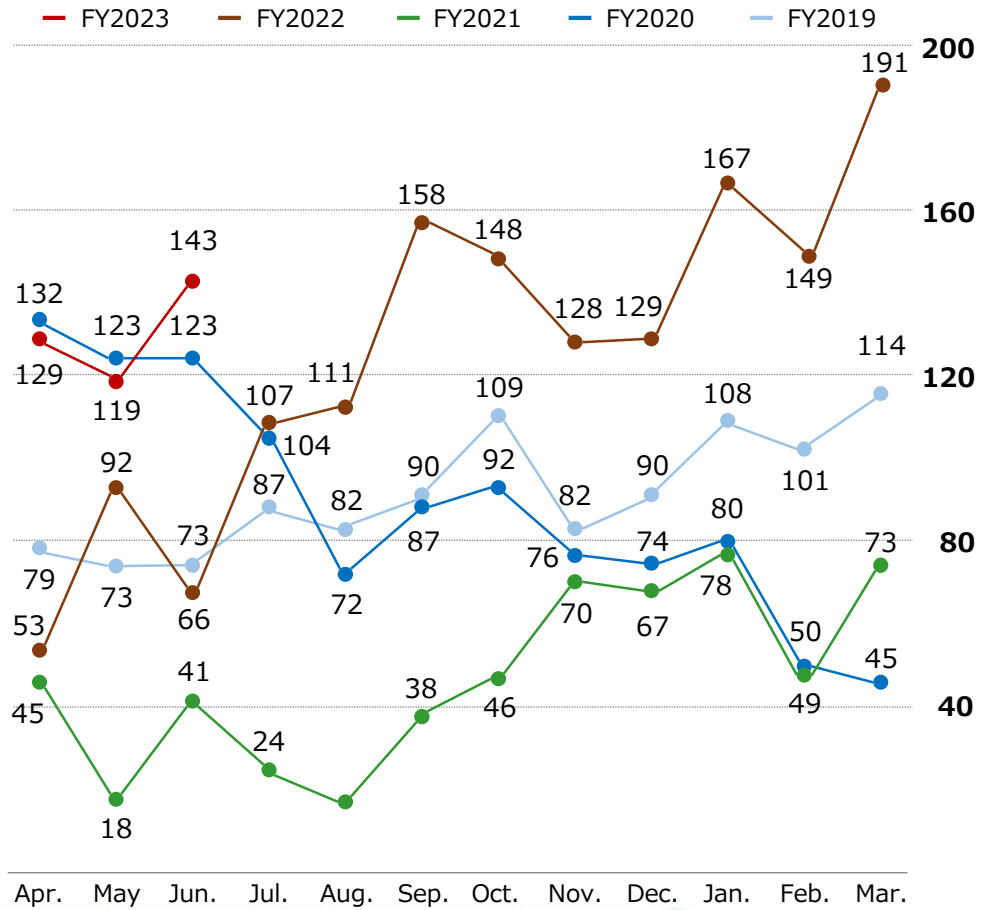
M&A Service Business - Trend of Inquiries on Assets Sale

Maintained a high level of sales consultations for both M&As and fully-furnished asset transfers

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 FY2023 Objectives

Excluding stagnation in M&A services, steady progress was seen in Q1 results

FY2023 Objectives*

Progress at the end of Q1

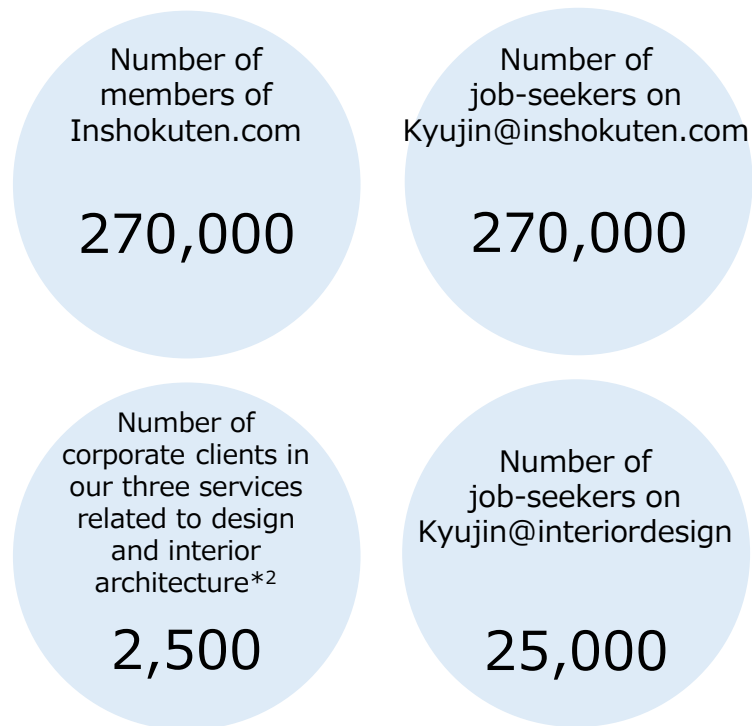
| | | | | |
|---|---|--|--|---|
| 1 Surely implement the new Medium-Term Management Plan for the initial year | Promotion of 5 Business Strategies | Offering the recruitment advertising service nationwide | Evaluation  | <ul style="list-style-type: none"> ✓ Direct sales: Grew steadily in all areas. ✓ Agency: Number of sales personnel(unique)who have received orders increased to 145(+27 since March 31), and number of contracted agencies is 29(+3 since March 31). |
| | | Expanding the platform service | Evaluation  | <ul style="list-style-type: none"> ✓ Services for design companies were steady after plan changing and addition. ✓ M&A services stagnated as the timing of transfers was pushed back. |
| | | Promoting and expanding the mobility service | Evaluation  | <ul style="list-style-type: none"> ✓ Steadily increased with 345 locations (unique Q1 results; +166 locations year on year) and 2,395 vehicles registered (excluding temporary registrations). |
| | | Offering the data service using the membership platform | Evaluation  | <ul style="list-style-type: none"> ✓ "Inshokuten.com Find Your Tax Consultant" service(β edition) released in June after acquisition of business of Food Accounting Association. |
| | | Expand revenue in the areas of customer attraction and job offering with the use of SNS short videos | Evaluation  | <ul style="list-style-type: none"> ✓ Number of recruitment postings is expanding(34 stores, as of June 30, 2023). ✓ 89 part-time job video submissions (total "gourmet_baito_chan" and "puchipura_gourmet"). ✓ Released applicant information viewing system for restaurant. |
| 2 Promote efforts toward dynamic growth | Formulate and promote long-term strategies and M&A strategies | Evaluation  | <ul style="list-style-type: none"> ✓ Two business acquisitions off to a good start after merger. ✓ Sourcing in progress in accordance with redefined M&A policy. → page 20 | |
| | Promote Generative AI Project | Evaluation  | <ul style="list-style-type: none"> ✓ Created several in-house tools incorporating ChatGPT and started operating them. ✓ Application to external services is under development. | |

* Source: FY2022 Financial Results Briefing Materials(announced May 12, 2023)

M&A Policy(1/2) - The Company's Assets & Strengths

Our membership base and experience in operating matching services are our assets and strengths.

Membership/customer base*1



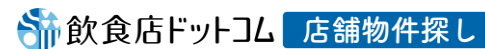
- ✓ Domain-specific
- ✓ Strong membership/customer base with continuous growth in the number of members and customers

*1 As of June 30, 2023

*2 TENPODESIGN.COM, Naisokenchiku.com, Kyujin@interiordesign

Experience in managing multiple matching services

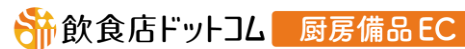
Real estate / property search websites



Recruitment websites



E-commerce websites



Comparison websites



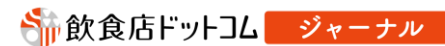
Business matching



Business Support SaaS



Web media



- ✓ More than 40% of employees are engineers, planners and creators, and we have switched to in-house production of all processes, including planning and development
- ✓ Continuous improvement and efficient operation while analyzing data



M&A Policy(2/2) - Sourcing Targets

Sourcing by defining three types of target deals in which we can leverage our strengths and generate synergy

Our strengths considering M&As and alliances

I. Domain-specific (restaurant/interior furnishing) client base

II. Speedy system development

III. Web product management, UI/UX improvement

IV. Improvement of operations and optimization based on data

Sourcing targets

1 Businesses/companies with restaurant customers

2 Businesses/companies whose customers are interior design and construction companies

3 Web media platforms, matching-related businesses/companies

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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

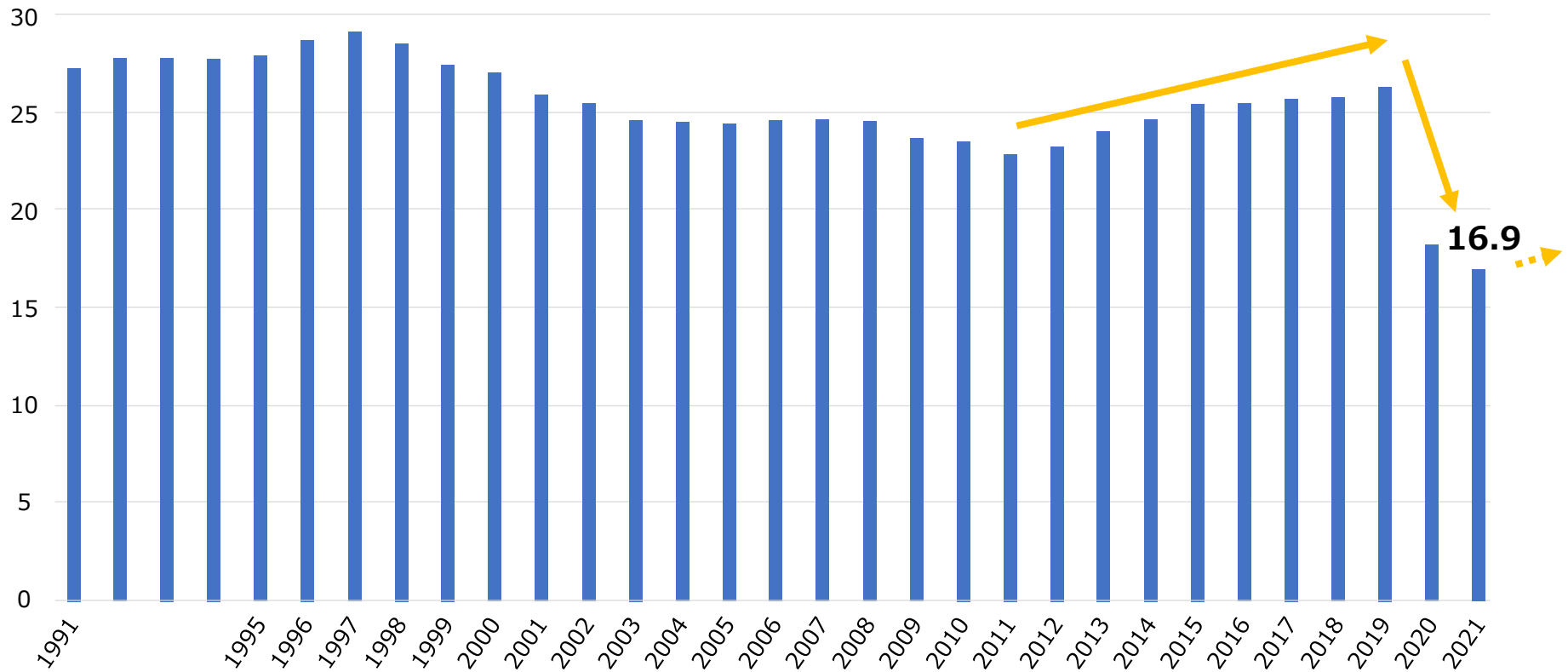
| | | |
|------|------|--|
| 2003 | Apr | Established Synchro Food Co., Ltd. |
| | Sept | Started running a restaurant operations support site "Inshokuten.com". |
| 2005 | Mar | Created a recruiting site for interior decoration companies "Tenpodesign.com". |
| | Nov | Developed a recruitment information 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 "Nicoshigoto" |
| 2021 | Oct | Launched franchise comparison website "Inshoku FC Comparison" |
| 2022 | Oct | Released renewal version of scout service of recruitment information site "Kyujin@inshokuten.com". |
| 2023 | Mar | Completed renewal of main service brands (each service name above at the time of release) |

Size of the Food Service Industry

The size of the food service industry was on an expansion trend from 2011 to 2019, but COVID-19 impact shrank between 2020 and 2021

Trend of estimation of the food service industry market size

(Trillion yen)

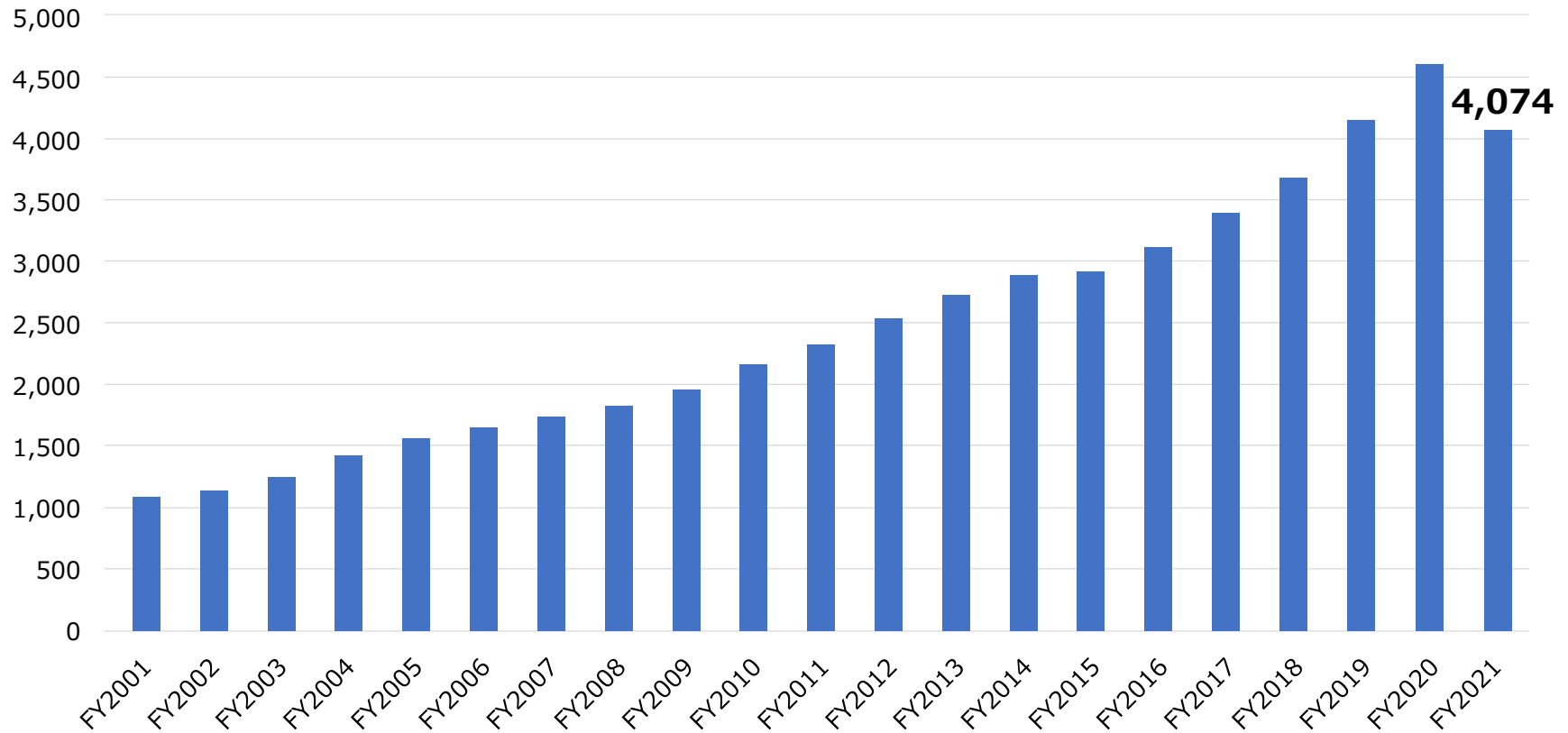


Source: "Trend of estimation of the food service industry market size" by Japan Foodservice Association

The Number of Business Permits for Mobile Shop Truck

Sales operations with mobile shop trucks increased over the years, but decreased in FY2021 due to COVID-19

■ Trend of the number of business permits for mobile shop truck in Tokyo (Unit)

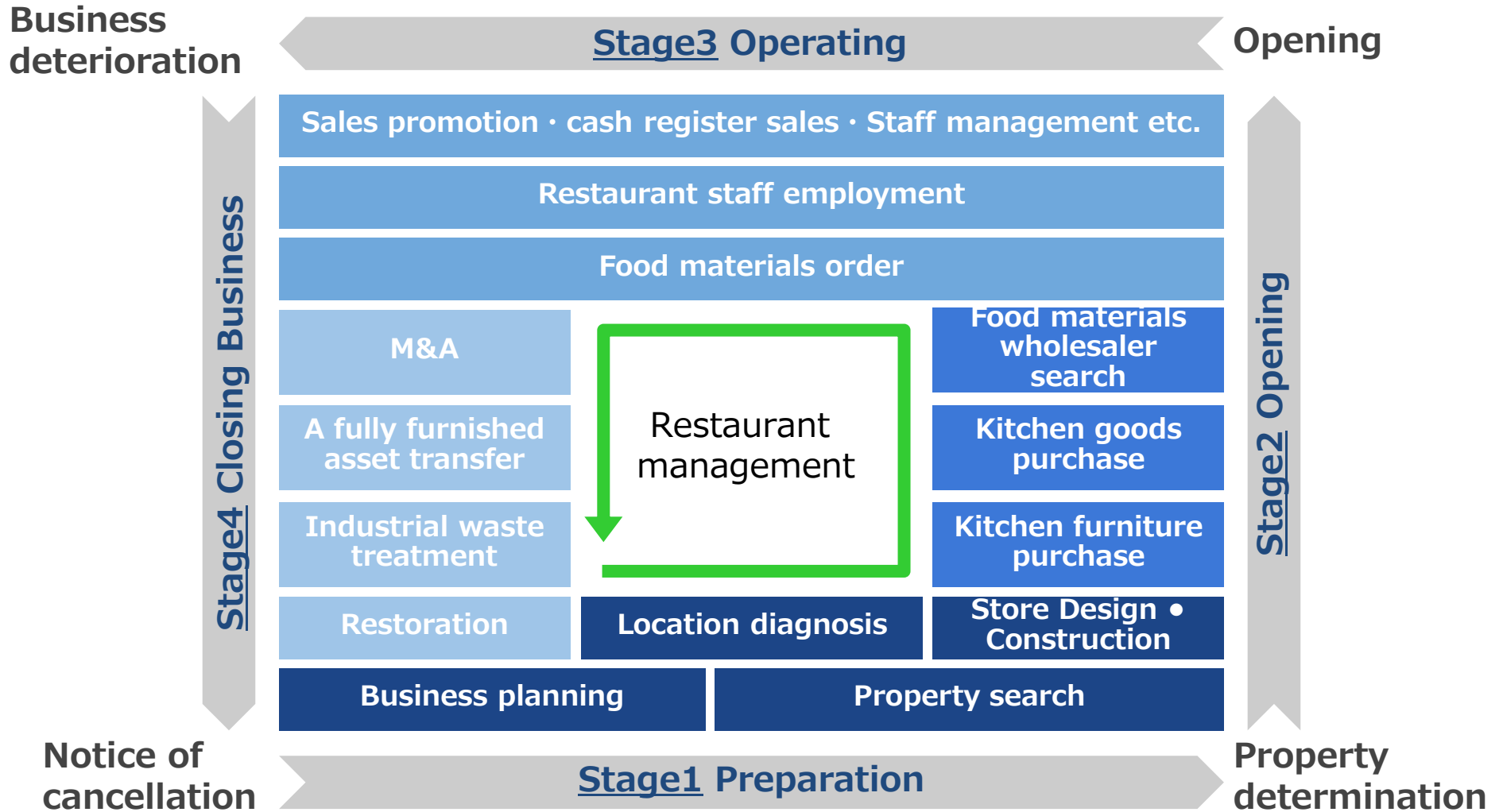


Source: "Food Hygiene-related Business Report" by Bureau of Social Welfare and Public Health, Tokyo Metropolitan Government



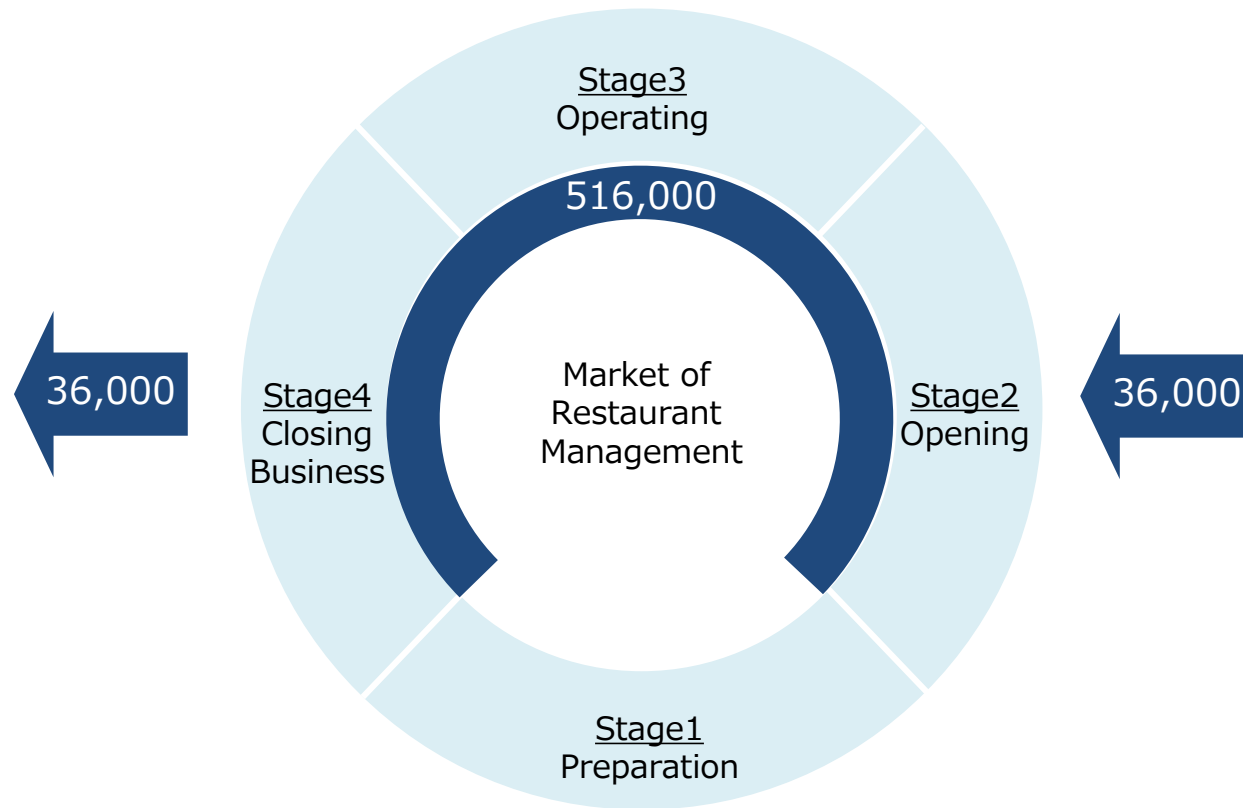
Stage of restaurant management

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.COMSHIRESAKISAGASHI

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.



INSHOKUTEN.COM Journal

INSHOKUTEN.COM Journal 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.



INSHOKUTEN.COM 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.



INSHOKUTEN.COM FC (Franchise) Comparison

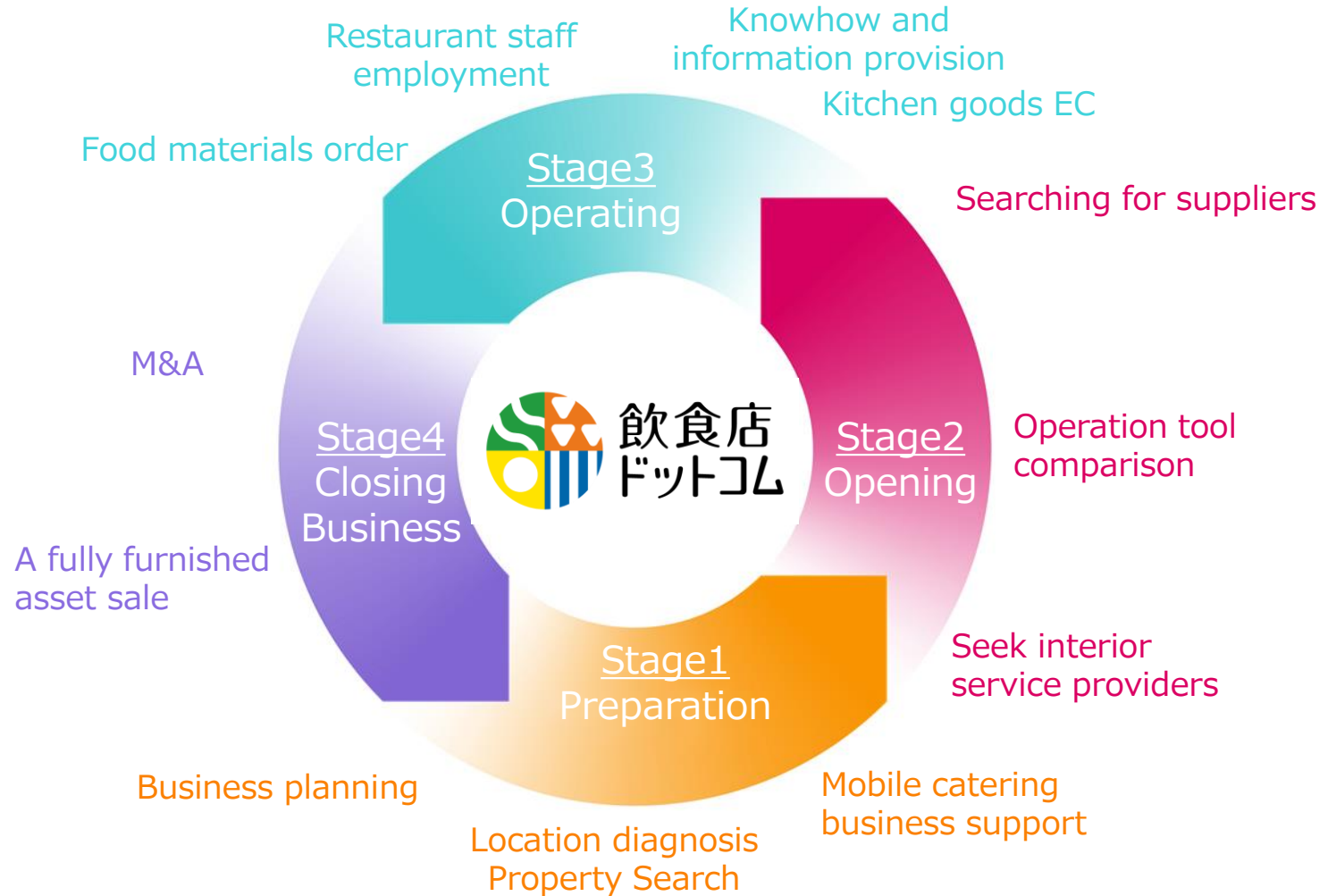
FC Comparison is a website to match restaurant owners/those who plan to open a store with franchise business headquarters.

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.

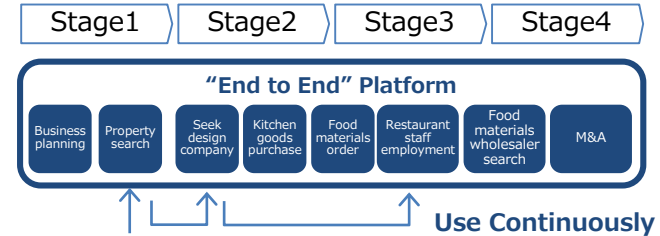


Our Strengths

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



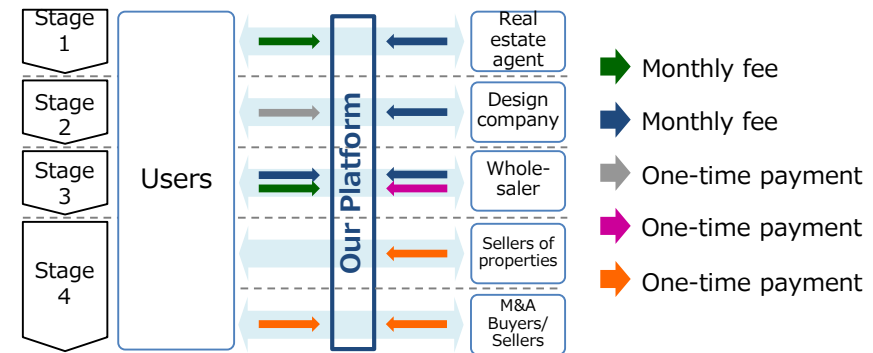
2 Profitability

- ✓ 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)



Updates in Performance Targets

Revised the second- and third-year plans in the Medium-Term Management Plan, given the significant progress of achievement made in FY2022
 (*Net income for FY2024 will sufficiently satisfy the Continued Listing Criteria for Prime Market)

| (Million yen) | <u>Performance targets upon announcement of the Plan</u> | | | <u>New performance targets</u> | | | | |
|---|--|--------------|--------------|--------------------------------|--------------|-------------|--------------|-------------|
| | FY2022 | FY2023 | FY2024 | FY2022 (Results) | FY2023 | | FY2024 | |
| | | | | | | Growth rate | | Growth rate |
| Revenue | 2,300 | 2,600 | 3,000 | 2,930 | 3,500 | +19.4% | 4,200 | +20.0% |
| Operating profit | 470 | 585 | 750 | 876 | 1,000 | +14.1% | 1,260 | +26.0% |
| Operating profit ratio | 20.4% | 22.5% | 25.0% | 29.9% | 28.6% | - | 30.0% | - |
| Recurring profit | 470 | 585 | 750 | 878 | 1,000 | +13.9% | 1,260 | +26.0% |
| Net Income Attributable to Owners of Parent | 340 | 415 | 532 | 628 | 700 | +11.4% | 882 | +26.0% |

*As announced in "Notice concerning progress based on plan for fulfilling continued listing criteria" on June 23, 2023, we have set a theoretical PER (Price Earnings Ratio) of 50.1 times for the past three fiscal years, and we recognize that profit attributable to owners of parent of ¥880 million for the fiscal year ending March 31, 2025 is a theoretical value that would result in a total stock market value of ¥44,000 million and tradable share market cap. of ¥22,500 million.

Updates in Business Strategies

The initial four Business Strategies remain unchanged
Newly add SNS video business, which was proven highly potential

| | | Target revenue for FY2024※1 | Status of business in FY2022 and directions | Target revenue for FY2024※2 | Comparison | |
|---|---|-----------------------------|--|---|-----------------|-------------|
| Enhancement and expansion of existing core businesses | Offering the recruitment advertising service nationwide | 2,000 million yen | <ul style="list-style-type: none"> Performance is steadily expanding, leaving enough room for growth Strategies remain unchanged | 3,050 million yen | +52.5% ↑ | |
| | Expanding the platform service | For design companies | 200 million yen | <ul style="list-style-type: none"> Plan change/addition are steady Strategies remain unchanged | 250 million yen | +25.0% ↑ |
| | | M&A service | 250 million yen | <ul style="list-style-type: none"> Despite a delay in closing deals, steadily progressed on a full-year basis Strategies remain unchanged | 250 million yen | Unchanged → |
| | Promoting and expanding the mobility service | 300 million yen | <ul style="list-style-type: none"> Number of both operating locations and vehicles registered are increasing Strategies remain unchanged | 300 million yen | Unchanged → | |
| Challenges to new fields | Offering the data service using the membership platform | 200 million yen | <ul style="list-style-type: none"> Failed to release a new service Strategies remain unchanged; Continue trial and error | 200 million yen | Unchanged → | |
| | | | <ul style="list-style-type: none"> Verified customer attracting/recruitment support business using SNS video Confirmed the advantage and potential | 100 million yen | — | |

※1 Source: FY2021 Financial Results Briefing Materials (announced May 13, 2022)
 ※2 In addition to 4,150 million yen of total revenue in relation to the business strategies (1) to (5), PlaceOrders, Inshokuten Premium, real estate properties, and Kitchen goods (EC) are included

NEW

Updates in Market Size

With the addition of a Business Strategy, tap into a customer attraction area with the largest market size

Add a part-time job offering area for major restaurant companies that has been out of reach

| | Market size※1 | Ideas behind the updates | | New market size | |
|------------------------------|----------------------|--|----|--------------------|-----|
| Recruitment ads service area | 21 billion yen | <ul style="list-style-type: none"> Reviewed the calculation method to a one based on restaurant companies' budgets for job advertising on media※2, from the method based on a denominator of stores with 5 or more and less than 1,000 permanent employees and with a numerator of the annual unique number of stores posted on our service | ⇒⇒ | 58 billion yen | SAM |
| Platform service area | 3 billion yen | For design companies | ⇒⇒ | 2.5 billion yen | SAM |
| | | M&A service | ⇒⇒ | | |
| Data service area | 64 billion yen | <ul style="list-style-type: none"> Unchanged | ⇒⇒ | 64 billion yen | TAM |
| Mobility service area | — (Not estimable) | <ul style="list-style-type: none"> Unchanged | ⇒⇒ | — | |
| SNS video area | — | Part-time job offering | ⇒⇒ | 143 billion yen ※2 | TAM |
| | | Customer attraction | ⇒⇒ | | |
| | | | | 508 billion yen ※5 | TAM |

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

※2 Calculated by the Company based on information posted by job advertising media companies for full-time and part-time employment market from January 2022 to December 2022 (offered by FROG Co., Ltd.)

※3 Calculated by the Company based on the number of design companies/architectural design companies in 2016 Economic Census for Business Activity

※4 Calculated by the Company based on M&A trend survey for January-December 2022 by RECOFDATA Corporation and financial results briefing materials of major listed M&A service companies

※5 Assumed about 3% in the market size for FY2020 published in "Trend of estimation of the food service industry market size" by Japan Foodservice Association

TAM : Total Addressable Market
SAM : Serviceable Available Market



Investment Policy for the Next Two Years

Plan a net increase in personnel by about 50 across the company in two years
 Ratio of advertising costs to consolidated revenue will rise to 10%-15%

| | | |
|----------------|--|--|
| New areas | Allocate resources to SNS video area | <ul style="list-style-type: none"> Recruit sales personnel for major restaurant companies and staff for video creation/editing Utilize SNS external consultants and job consignment |
| | Strengthen development/product systems | <ul style="list-style-type: none"> Plan a net increase in engineers/directors/designers of about 20 in total in two years Expenses for building a flexible development system, including the use of offshore development |
| Existing areas | Strengthen sales system | <ul style="list-style-type: none"> Plan a net increase in sales personnel of about 20 in total in two years |
| | Allocate more advertising costs | <ul style="list-style-type: none"> Significant increase in advertising costs due to a rapid rise in advertisement posted on other companies' media Utilize new SNS advertisement to acquire job seekers |

Financial Policy

Set an ROE target for a medium-to long-term as a new management indicator
Promote business considering the balance between growth investment and shareholder returns

**Mid-to long-term
ROE target**

25%

▶▶ **Growth investment**

- Investment to expand existing businesses
- Investment to study/promote new businesses
- Investment in M&A and business alliance

▶▶ **Shareholder returns (internal reserves after growth investment shown above)**

- Acquisition of treasury shares
- Dividends

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

※Added Business Strategy

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.
- (5) Expand revenue in the areas of customer attraction and job offering with the use of SNS videos.

Business Strategy (1) Offering the recruitment advertising service nationwide

*A performance target and figures updated

- 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).

Service in Stage 3

Service in Stages 1, 2, 4

Other

Market shares in primary areas

| | FY2021 | FY2022 |
|------------|--------|--------|
| Nationwide | 8.4% | 10.7% |
| Tokyo | 26.4% | 31.8% |
| Osaka | 13.7% | 17.3% |
| Aichi | 6.2% | 8.1% |
| Kanagawa | 13.7% | 17.9% |
| Fukuoka | 4.3% | 7.1% |
| Hyogo | 8.9% | 11.2% |
| Hokkaido | 0.7% | 1.9% |

※Provisionally calculated by the Company with a denominator of stores with 5 or more and less than 1,000 permanent employees and with a numerator of the annual unique number of stores posted, 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.

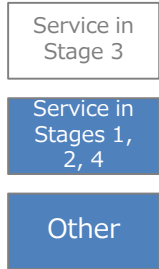
Revenue for FY2024

3,050 million 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



250 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

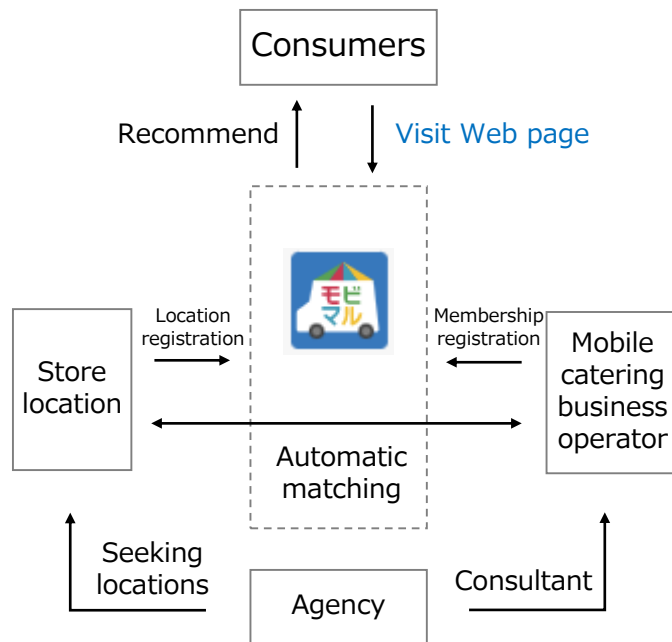
- The number of inquiries on the mobility service has increased as the food and drink businesses are more diversifying.
 - ✓ Expanding profits with automatic matching of locations with mobile catering business operators, as well as transformation to the industry's first subscription model
 - ✓ Expanding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

Service in Stage 3

Service in Stages 1, 2, 4

Other

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 website visits |

Revenue for FY2024

300 million yen

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

※Figures updated

- 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 270,000 user accounts, has a significant value in mediation.

Service in Stage 3

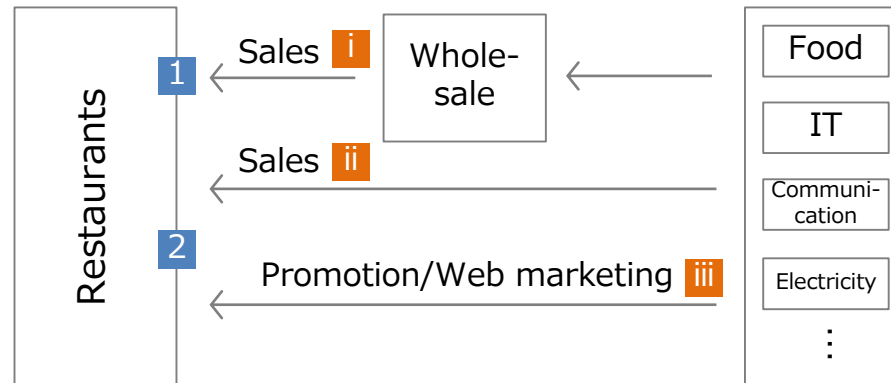
Service in Stages 1, 2, 4

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 270,000 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

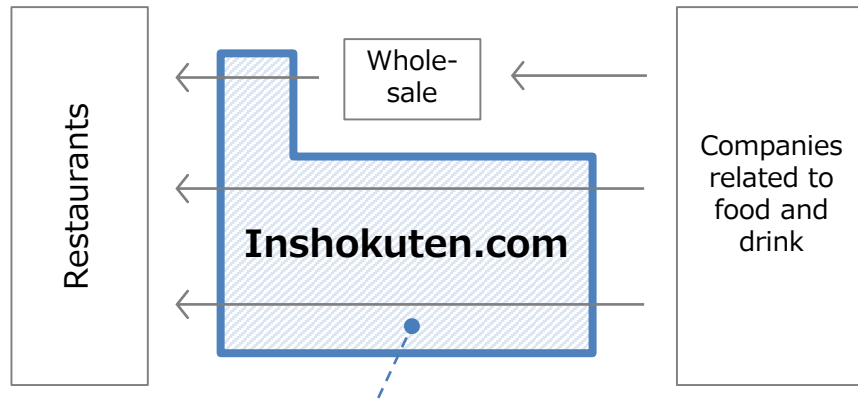
Service in Stage 3

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

Business strategy (5) : Expand revenue in the areas of customer attraction and job offering with the use of SNS short videos (1/2)

Conducted a market research on SNS short videos from 2021 to verify feasibility
Start a part-time job offering service using SNS short video at full scale

※ See "Launch of "gourmet_baito_chan" an SNS short video part-time job service" published on May 12, 2023

Background

- Centering on Generation Z, people are getting more information from short videos such as TikTok and Instagram Reels, shifting away from text-based information
- Its impact on business gradually grows bigger, from entertainment to picking restaurants and rental housing, etc.
- From 2021, operate our account for posting short videos on a trial basis※, mainly for food-spotting and part-time job offering

✓ 99% of applicants from Generation Z actually applied for part-time jobs, validating the business potential in the part-time job area

Our strengths



<SNS short videos>

- ✓ Know-how in shooting and creating short videos to offer part-time jobs
- ✓ Expertise in operating food-spotting account



<Inshokuten.com>

- ✓ Over 270,000 user accounts of restaurant owners/those planning to open a restaurant
- ✓ Know-how in job offering for restaurants
- ✓ Sales system for restaurants

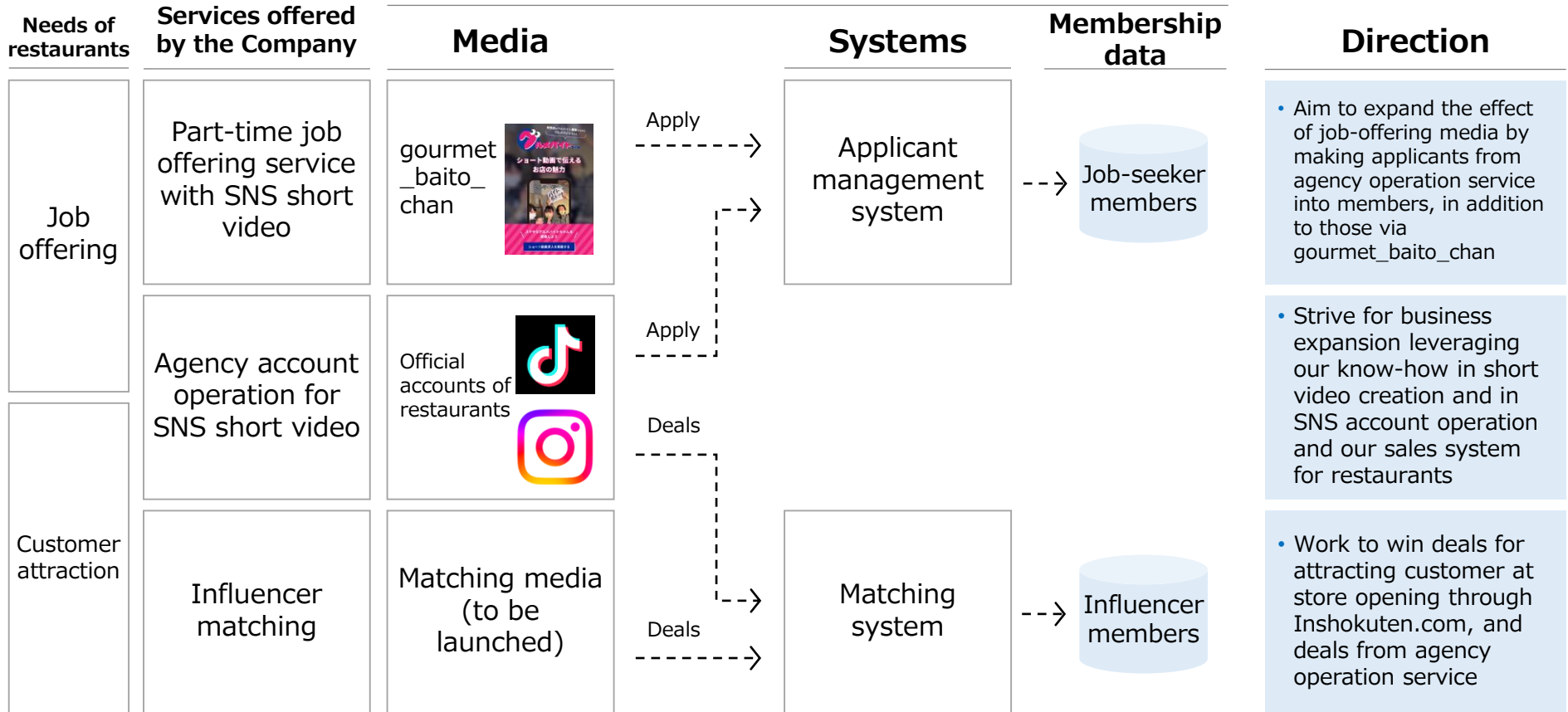
Tap into a part-time job recruitment market targeting all types of jobs for businesses of all sizes

※ As our own SNS accounts, we operate two accounts on TikTok and Instagram; "puchipura_gourmet," a food-spotting account for young adult segment (opened in December 2021) and "gourmet_baito_chan," an account for offering part-time jobs at restaurants (opened in September 2022).

Business strategy (5) : Expand revenue in the areas of customer attraction and job offering with the use of SNS short videos (2/2)

Multiple approaches to meet restaurants' needs for recruitment and customer attraction through offering agency operation of accounts for posting SNS short videos and influencer matching service

Service provision scheme



Sustainability Policy

Key themes were updated in accordance with the Basic Policy for Sustainability. We plan to set KPIs and promote initiatives to achieve them.

Basic Policy

- The origin of Synchro Food is **our desire to support people who take on challenges in the restaurant industry with will and belief**. This includes optimal encounter with properties and personnel, streamlining of management and reduction of wasteful costs.
- We have **helped restaurants enhance sustainability of their management** by indicating solutions or options of solutions to issues that may arise in a flow from opening preparation to operating and closing of restaurants.
- The services required by restaurant owners change as the world changes. We will actively work on new businesses by sensitively recognizing the changes. We are also willing to work to **raise awareness of SDGs from the aspect of food by considering food waste, food production and global environment, etc.**
- **We will create sustainable world through businesses by facing issues in the restaurant industry seriously.**

Six Key Themes (Materiality)

- Increase restaurant management efficiency and improve productivity in the restaurant industry
- Contribute to regional development by providing a variety of places to eat and drink
- Minimize mismatches by providing diverse employment opportunities
- Promoting a circular economy through support for restaurant succession
- Data security and privacy protection
- Creating a rewarding workplace in which diverse human resources can play active roles

SDGs Objectives



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.