PORT INC.

FY2024 Q1

Financial Results Briefing

PORT INC. Securities Code: 7047

Aug 14,2023

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Company Profile

Company Profile

PORT INC.

Company name	PORT INC.
Established	April 18, 2011
Head office address	5th Floor, Shinjuku Front Tower, 2-21-1 Kitashinjuku, Shinjuku-ku, Tokyo
Satellite office3-9-5	Iwasaki, Nichinan, Miyazaki
Share capital	1.1 Billion yen (as of June 30, 2023)
Representative	Hirofumi Kasuga, Representative Director, President and CEO
Business	Contract support
Number of employees	459 (as of June 30, 2023; consolidated)
Average age of employees	Approx. 28 (as of June 30, 2023)
Ratio of men to women	6 : 4
Securities code	7047 (TSE Growth, FSE Q-Board; listed on December 21, 2018)
Major group companies	INE .Inc. / DOORS Inc.

PURPOSE

社会的負債を、次世代の可能性に。

社会は常に今を優先してきました。
負債を、次世代へと先送りしながら。

多方面での歪みは複雑な摩擦を生み、深刻化する一方です。
にもかかわらず、その複雑さが故、いまだ放置されている状態にあります。

だからこそ、いつかではなく、今やる。

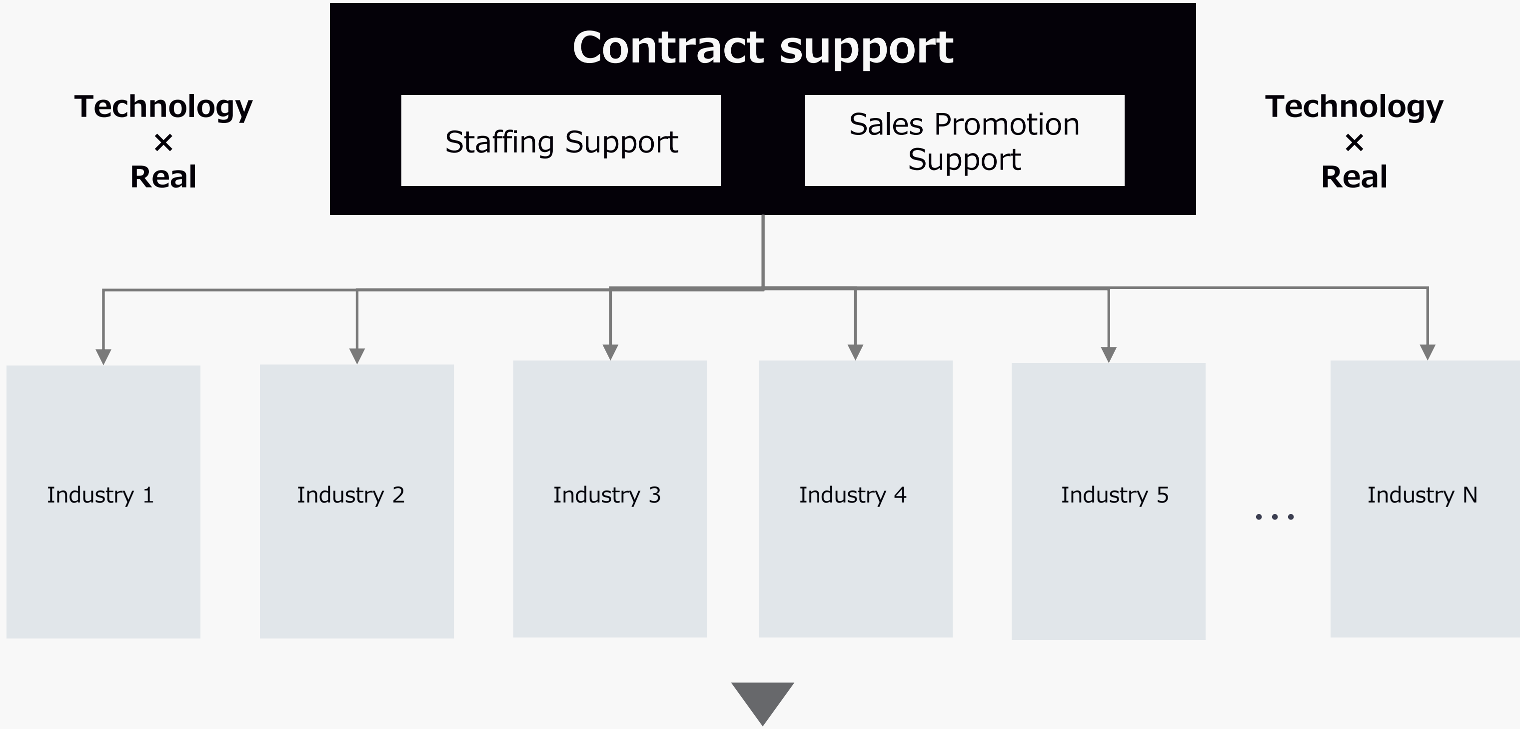
私たちは、100年後の次世代にその負債を引き継ぐのではなく、
自ら社会課題を特定し、提言から実行まで、テクノロジー×リアルで推進します。

「あったらいいな」ではなく、「無くてはならない」、
世の中にとって大切なものを社会実装します。

そう、一つでも多くの社会的負債を、次世代の可能性に変えていくために。

Creating possibilities in a society facing a declining working population

Supplying human resources to each industry and improving industry productivity with the contract support business, thus creating possibilities in a society facing a declining working population



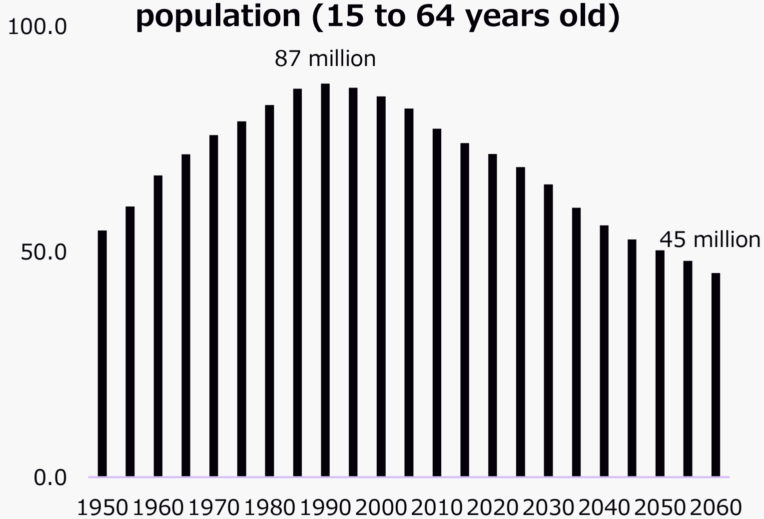
Improving productivity in society as a whole
by improving the efficiency and profitability of each industry

Insight into Society: Issues Faced by the Labor Market of Japan

Declining working population (working-age population)

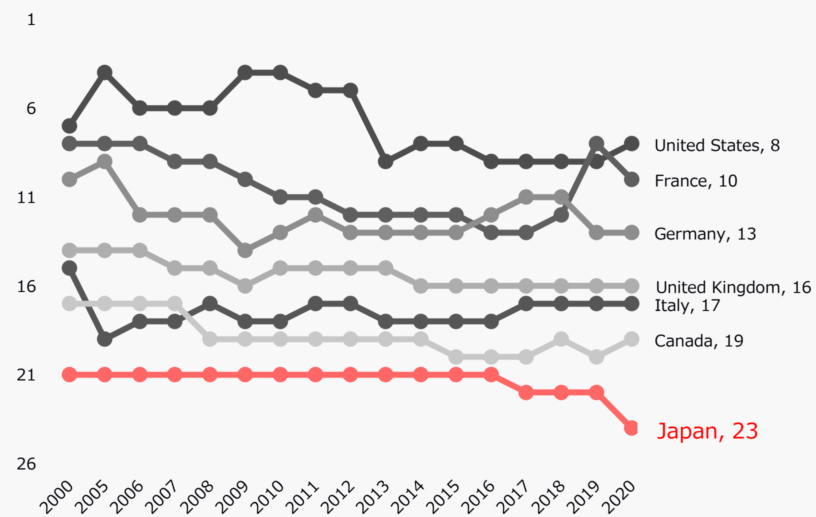
The working-age population of Japan will decrease due to the declining birthrate and aging population.*1

Forecast changes in working-age population (15 to 64 years old)



Low labor productivity

The labor productivity of Japan was ranked 23th among 38 OECD countries in FY2020, falling in rank in recent years.*2



The working population will inevitably decline. Moreover, Japan also faces a sustainability crisis due to low labor productivity.

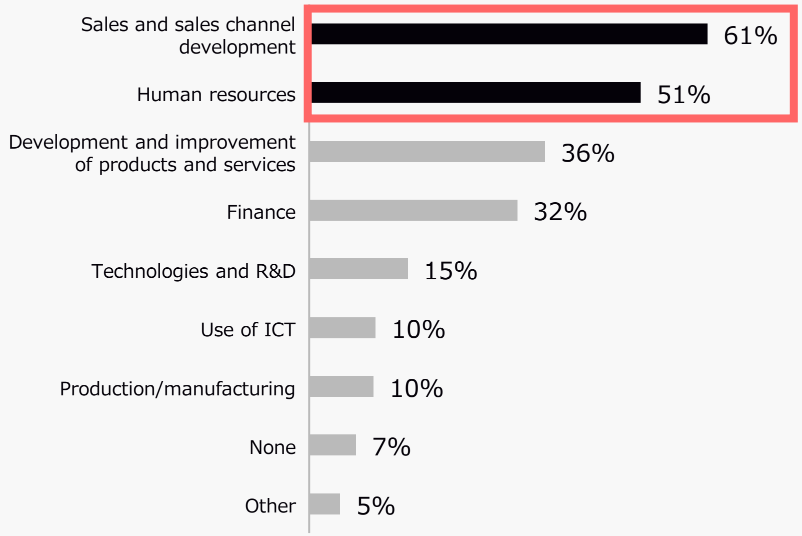
*1 https://www.chusho.meti.go.jp/pamflet/hakusyo/H30/h30/html/b2_1_2_1.html
*2 https://www.jpc-net.jp/research/assets/pdf/international_trend_summary2021.pdf

Insight into Society: Themes of Issues to Solve

PORT INC.

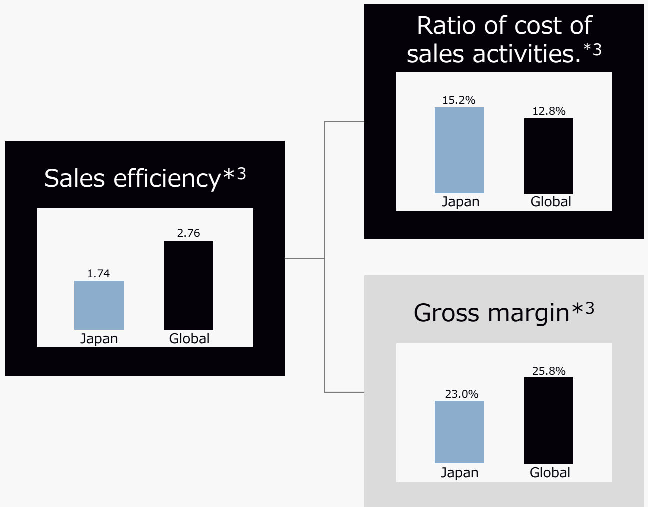
Management issue of SMEs is sales activities

Management issues for SMEs, which constitute 90% of all Japanese companies*1, are sales promotion and human resources*2. In other words, they are issues related to sales activities.



Low productivity of sales activities

The sales efficiency of Japanese companies is said to be lower than that of companies in other countries. This is attributable to the low profitability and inefficiency of the ratio of cost of sales activities.



Efficiency improvement of sales promotion activities and recruitment, which are regarded as management issues of companies, were identified as top priority themes of issues to be solved.

*1 https://www.chusho.meti.go.jp/koukai/chousa/chushoKigyouZentai9wari.pdf
*2 Source: Nomura Research Institute, *Chusho Kigyo Keiei-ni kansuru enquete* (Questionnaire survey on SMEs' management) (March 2021)
*3 Calculated by determining the simple averages of ROI, etc. by benchmark industry based on *Nihon-no Eigyo Seisansei-ha naze hikui noka* (why sales efficiency of Japanese companies is low) from McKinsey
https://www.mckinsey.com/jp/~/media/mckinsey/locations/asia/japan/our%20insights/why%20is%20japan%20sales%20productivity%20so%20low%20japanese.pdf

Insight into Society: Solutions

PORT INC.

What we are required to do

Comprehensive support for processes from activities to attract users to the conclusion of a contract, by integrating technologies with real-life activities

Providing information → Estimation Information request → Sales → Successful contract

Support for attracting users

Contract support

Potential of the market

Total		Promotion expenses		Recruitment expenses
49 trillion yen	=	**39 trillion yen**	+	**10 trillion yen**

Promotion expenses = Advertising market[*1] + Personnel expenses for salespeople (population x average reward/year)[*2]

Recruitment expenses = Recruitment advertising market[*3] + job placement market[*3] + temporary staffing market[*3] + personnel expenses for general affairs and personnel affairs (population x average reward/year)[*3]

Establishment of a service based on rewards for contracts

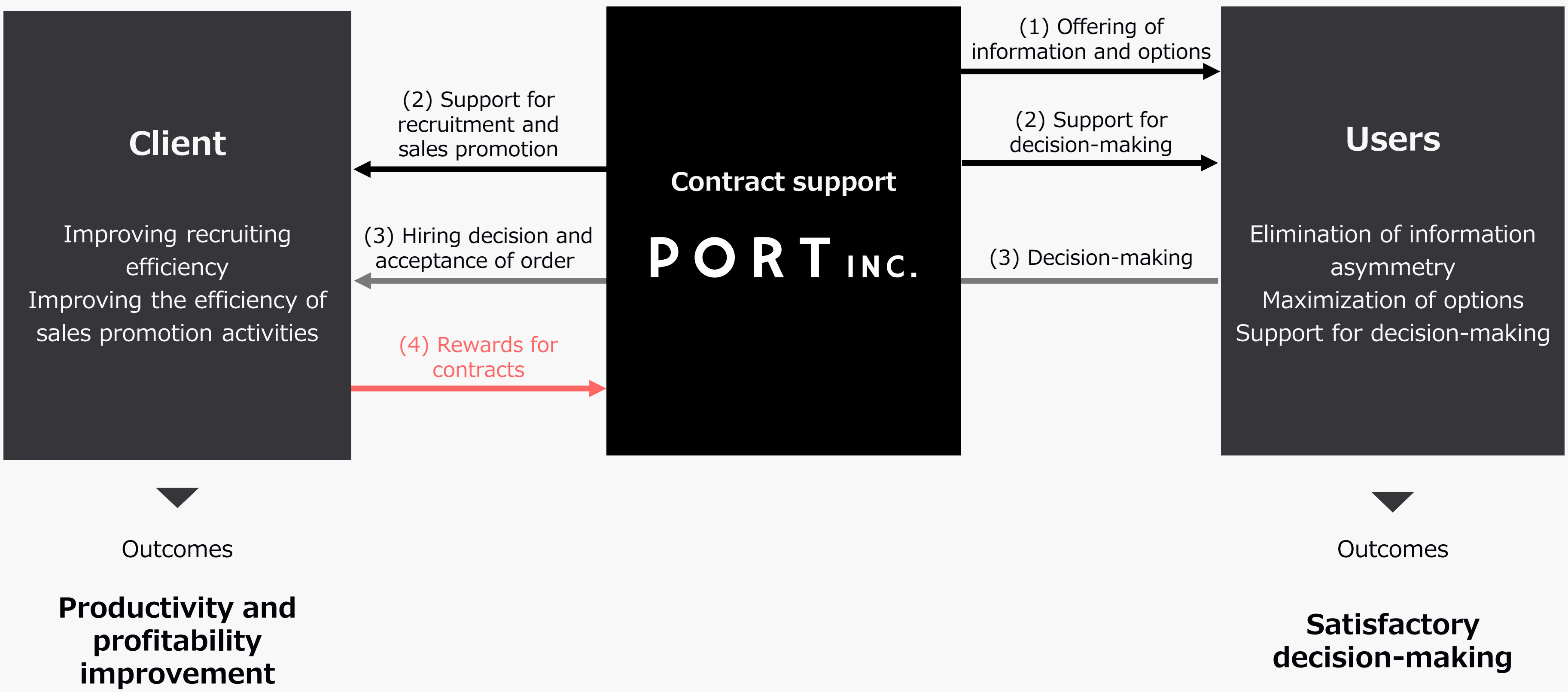
We provide comprehensive support for recruiting and sales promotion activities of companies, from the process of attracting users to the conclusion of a contract. This enables companies to enjoy profit efficiently without risks and aim to increase shares in huge markets.

*1 https://www.dentsu.co.jp/news/release/2022/0224-010496.html
*2 Estimated by the PORT INC. based on *Rodoryoku Chosa* (labor force survey) from the Ministry of Health, Labour and Welfare/*Nihon-no Toukei "Shuyo Shokushu-betsu heikin nennrei, kinzoku nensu, jitsu-rodo jikansu to gekkan kyuyogaku"* (information about average age, length of service, actual working hours, and amount of monthly salary by major job category from a book on statistics in Japan)
*3 https://j-hr.or.jp/wp/wp-content/uploads/JHR_JHR_2030_report_20210125.pdf

Contract Support Business: Common Business Model

We adopt a common business model in which we are deeply involved in clients' recruitment and sales promotion processes to earn rewards for their new contracts.

We form a population of users and provide support until new contracts are concluded, aiming to minimize risks in clients' recruiting and sales promotion activities.



Contract Support Business: Common Business Model

PORT INC.

Total sales are calculated by multiplying the number of contracting companies by the average revenue per user (ARPU).

To increase the above indicator, we position the capability of winning contracts, sales capability, and capability of attracting users as important factors.

Net sales = Number of contracting companies × ARPU

Important factors

Capability to attract users

- Providing useful information and options based on the user-first principle
- Continuing to attract users through the stock of data

Capability to win contracts

- Concluding contracts which are optimal for both clients and users
- Increasing the number of successful contracts through cross-selling

Sales capabilities

- Finding new clients to maximize the number of options
- Increasing rewards for contracts based on successful contracts achieved actually

Contract Support Business Sales Breakdown

In the contract support business, we provide services that help increase the efficiency of corporate recruitment and sales promotion activities.

Contract support

Staffing Support Services

Sales ratio

Approx. 35%

キャリアパーク! 就活会議

Personnel referral services

Recruitment support services in an alliance with staffing agencies

Sales Promotion Support Services

Sales ratio

Approx. 65%

エネチョイス マネット 業界最大級の外壁塗装専門サイト 外壁塗装の窓口

Sales and sales promotion support services

Services supporting streamlining of sales and sales promotion processes

* The sales ratio has been calculated exclusive of sales of new and other businesses.

Policy of the Medium-term Management Plan

PORT INC.

As stated in the material on the Medium-term Management Plan that we disclosed on May 12, 2023, we will take initiatives under the following policies.

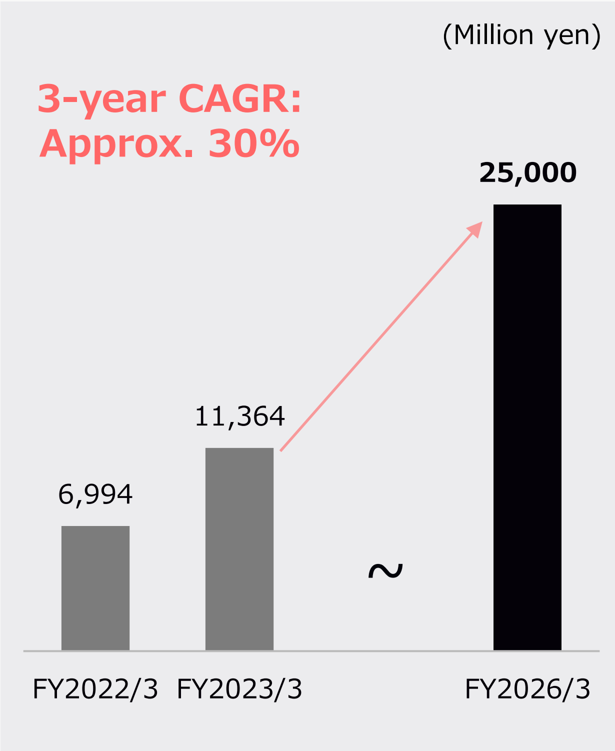
Long-term policy	Maximizing free cash flow	
Policy of the Mid-Term Management Plan	**Maximizing EBITDA in the medium to long term**	
Medium-term Growth Strategy	Organic investment	In huge markets, we will establish the position of the contract support business by combining technologies with real-life activities to make it possible to continue increasing market share.
	Establishing a portfolio of revenue sources	We attach importance to recurring revenue to establish a portfolio of revenue sources and increase the probability of continuous growth while assuming growth of revenue and profit.
	Inorganic investment	To achieve 10.0 billion yen in a single business as soon as possible, we will implement aggressive, large-scale M&A in existing businesses or new domains and develop new businesses.

Financial Guidance (FY2024/3 - FY2026/3)

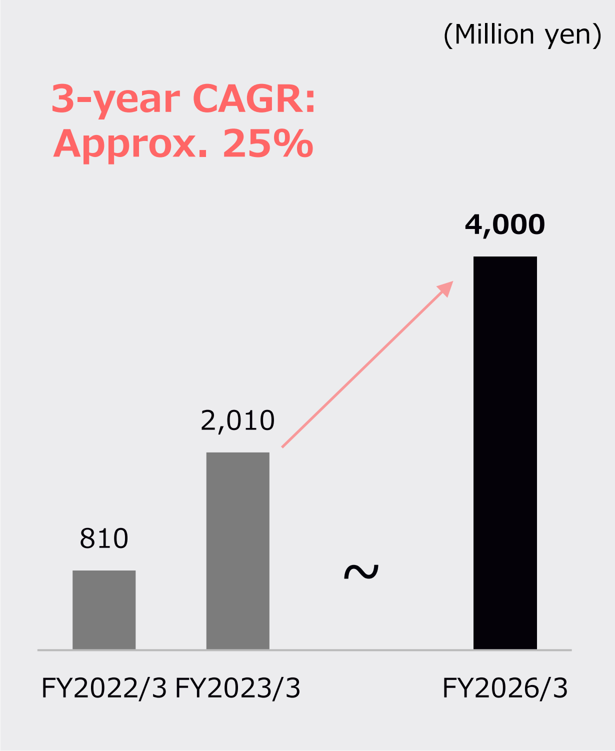
PORT INC.

We aim for significant growth in revenue and profit and set an ambitious plan. While we assume 30% growth of CAGR for revenue, we aim for 30% growth of EBITDA including future revenue because we will be conscious of future revenue during the period.

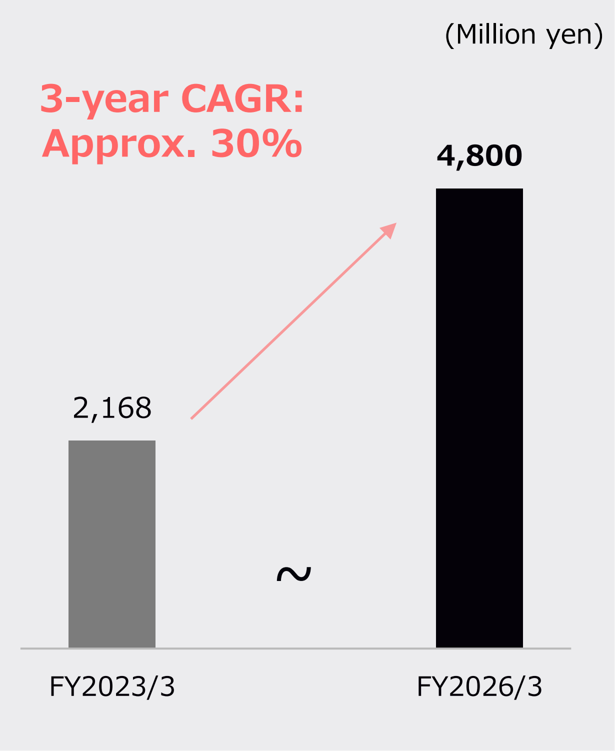
Sales revenue



EBITDA



EBITDA including future revenue*



*EBITDA including future revenue= EBITDA + revenue which would be posted for the current fiscal year as one-time earnings under ordinary circumstances

02
Business Overview

Contract support

Staffing Support Services

Sales Promotion Support Services

Reskilling-oriented staffing support dedicated to young human resources who have never been employed or have no experience

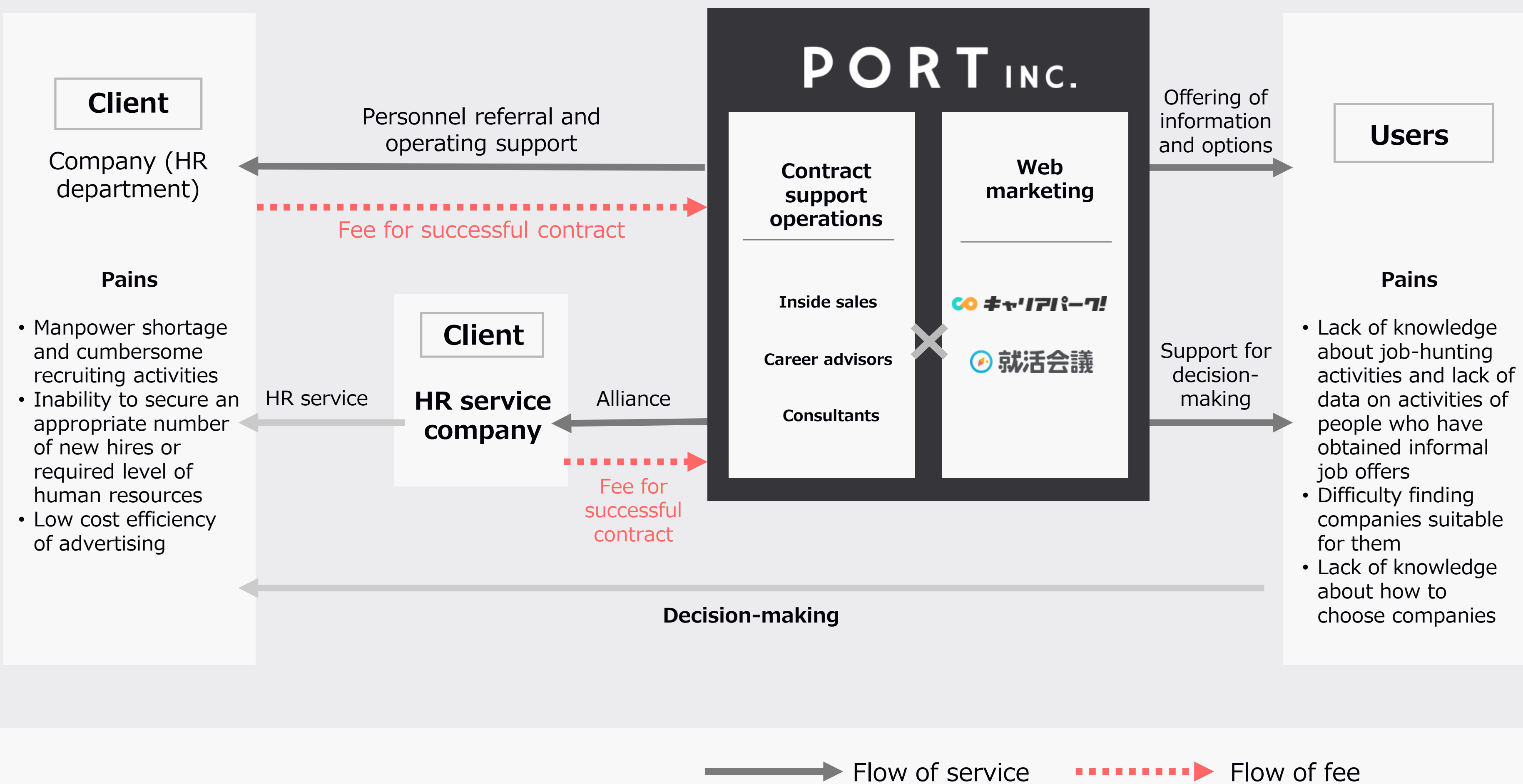
Size of and population in the market of staffing support	Approaches	Outcomes
Young human resources Human resources who have never been employed Market size: 128.0 billion yen*1 New graduates (approx. 600,000 people/year)*2 Those who have already graduated (approx. 50,000 people/year)*3 Human resources with no experience Market size: 168.0 billion yen*4 Young people with no experience (Approx. 10 million people)*5	**Supporting the recruitment of young human resources who have never been employed or have no experience by increasing their added value and committing ourselves to successful contracts** We supply human resources by increasing the added value of human resources who have never been employed or have no experience, through career training, reskilling, and other measures and by committing ourselves to successful contracts in each industry.	**Improving recruiting efficiency** **Increase in working population in the overall society** **Optimal allocation of human resources to growth industries**

*1 https://www.yano.co.jp/press-release/show/press_id/2946
*2 https://www.mext.go.jp/content/20221221-mxt_chousa01-000024177_001.pdf
*3 https://saponet.mynavi.jp/column/detail/20210425105821.html
*4 Calculated by PORT INC. by multiplying the size of the recruitment advertising market+ job placement market, which is one trillion yen, by the percentage of people aged 15 to 34 years old who have changed their careers and by assuming the percentage of those with no experience as 35% based on https://www.recruit.co.jp/newsroom/pressrelease/2021/0805_9201.html
*5 https://www.mhlw.go.jp/file/05-Shingikai-12602000-Seisakutoukatsukan-Sanjikanshitsu_Roudouseisakutantou/0000058034.pdf

Staffing Support Services: Business Flow

Providing personnel referral and operating support services and offer various solutions with alliance partners, mainly to the HR department of each company.

Attracting users and making them members by means of web marketing and helping with decision making with contract support.



Providing support for sales activities and sales promotion in huge markets, where digitalization is needed due to manpower shortages

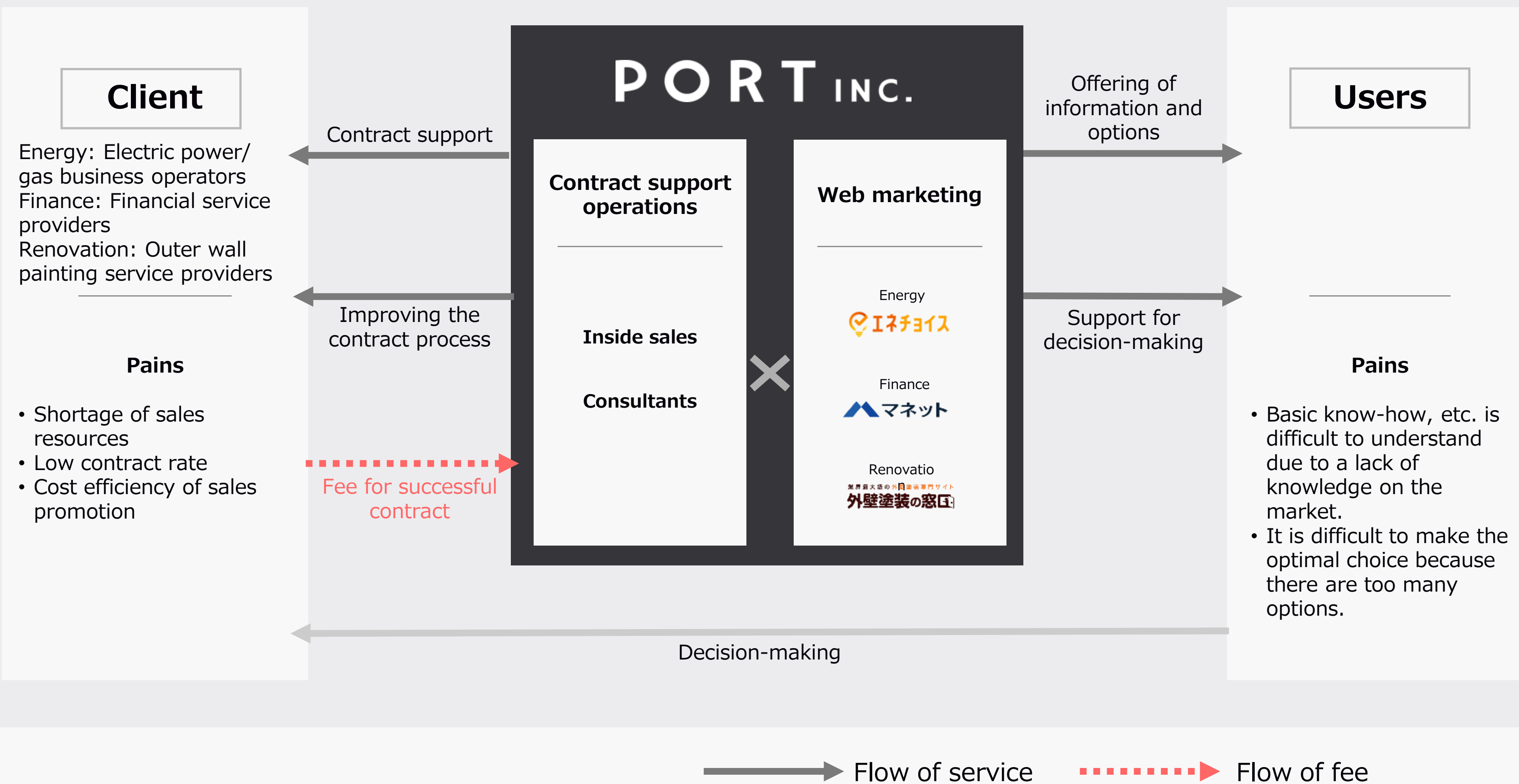
Sizes of target markets	Approaches	Outcomes
Energy Pro forma market size: 300 billion yen*1 **Finance** Pro forma market size: 155 billion yen*2 **Renovation** Pro forma market size: 270 billion yen*3	**Providing business operators in each market with sales promotion support by attracting a huge number of users and committing ourselves to successful contracts** In markets where a huge amount of money is spent on sales promotion, we realize more efficient user acquisition with the contract support business.	**Improving the productivity of sales promotion activities** **Improving profitability of each industry** **Greater productivity of society as a whole**

*1 Market size = Calculated by multiplying the total amount of electric power sales for 2021, which is 13 trillion yen (created based on data from Electricity and Gas Market Surveillance Commission) by the actual stock margin rate of 3%
*2 Market size =DENTSU.Inc「Advertising Expenditures by Industry in 2022」 https://www.dentsu.co.jp/knowledge/ad_cost/2022/koukokuhi.html
*3 Market size = Calculated by multiplying the size of the overall renovation market, which is seven trillion yen (Yano Research Institute, *Home Renovation Market 2021*) by the average ratio of cost for attracting users, which is 4% (*Korekara-no jidai-no reform business* (renovation business in the coming era))

Sales Promotion Support Services: Business Flow

PORT INC.

After forming a population of users by attracting them through web marketing, we help users make decisions through inside sales, etc. and support clients' sales promotion activities.



03
FY2024 Q1 Summary of Results

FY2024 Q1 Summary of Result (Apr 2023 – Jun 2023)

PORT INC.

Overall

Sales revenue: 3,579 million yen (up 36% yoy)

EBITDA: 614 million yen (up 52% yoy)

EBITDA including future revenue: 709 million yen (up 64% yoy)

- Sales revenue reached a record high on a quarterly basis, mainly due to the growth of Staffing Support Services.
- EBITDA increased significantly, up 52% YoY, due to an increase in profit that resulted from the growth of revenue from Staffing Support Services.
- EBITDA including future revenue also increased significantly, up 64% YoY, as recurring revenue began to increase in the current fiscal year.

Staffing Support Services

Sales revenue: 1,151 million yen (up 82% yoy)

Business Profit: 563 million yen (up 89% yoy)

- All indicators in alliance services and personnel referral services were strong, reflecting the improved contract rate and the favorable market environment.
- Personnel referral services grew most significantly, with a 88% YoY increase in sales revenue. Increases in the ratio of contracts gained and prices for individual contracts in personnel referral services led to a high growth rate.
- Remarkable growth in cross-selling sales (up 66% YoY) mainly from referral services specialized in young people and reskilling-oriented referral services, will be a positive factor from the next fiscal year onward.

Sales Promotion Support Services

Sales revenue: 2,238 million yen (up 24% yoy)

Business Profit : 489 million yen (up 2% yoy)

- In the energy domain, revenue increased 17% due to the growth of ARPU resulting from a rise in the ratio of multi-service contracts of gas, etc. Business profit decreased 16% due to an increase in the relative weight of recurring revenue.
- In the finance domain, significant growth was achieved given progress in the optimization of advertising efficiency, with revenue having increased by 41% and business profit by 58% year on year, respectively.
- In the renovation domain, revenue increased both quarter on quarter and year on year because demand increases at this time of the year, but profit decreased 11% due to an increase in outsourcing expenses associated with activities to attract users.

Upward revision of Forecast for Full-year

PORT INC.

Two upward revisions, taking into account the impact of M&A and the share transfer of consolidated subsidiary.

The impact of the acquisition of an equity stake in Five Line inc. and 100% ownership of INE K.K., which will begin to be seen in the second quarter, was taken into account.

The impact of transfer of shares in wholly owned subsidiary PORT ENGINEERING INC. in and after the second quarter was taken into account.

(Million yen)

	FY 3/2023 Results	FY 3/2024 forecast Announced May 12	FY 3/2024 forecast Announced June 16	FY 3/2024 forecast Announced June 30	YoY
Sales revenue	11,364	13,800	15,300	**15,300**	**+35%**
EBITDA	2,010	2,230	2,310	**2,440**	**+21%**
EBITDA including future revenue	2,168	2,850	3,000	**3,130**	**+44%**
Operating profit	1,699	1,900	1,980	**2,110**	**+24%**
Profit before tax	1,658	1,850	1,930	**2,060**	**+24%**
Profit	1,232	1,375	1,430	**1,520**	**+23%**
Profit attributable to owners of parent	1,074	1,200	1,370	**1,460**	**+36%**

Results for FY2024 1Q

PORT INC.

Sales revenue and EBITDA reached record highs on a quarterly basis. On the whole, the continued remarkable growth of the Staffing Support Services drove the overall growth of revenue and profit. The significantly high profit growth rates in 1Q are a good start, far exceeding the profit growth rates in the full-year forecast (EBITDA: +21%, operating profit: +24%). The profit growth rate after tax is low partly because the tax rate was low in the first quarter of the previous fiscal year.

(Million yen)

	FY 3/2023	FY 3/2024			
	Q1 Results	Q1 Results	YoY	Full-year Forecast	YoY
Sales revenue	2,625	**3,579**	**+36%**	15,300	+35%
EBITDA	403	**614**	**+52%**	2,440	+21%
EBITDA including future revenue	431	**709**	**+64%**	3,130	+44%
Operating profit	349	**532**	**+52%**	2,110	+24%
Profit before tax	348	**518**	**+49%**	2,060	+24%
Profit	287	**311**	**+8%**	1,520	+23%
Profit attributable to owners of parent	231	**264**	**+15%**	1,460	+36%

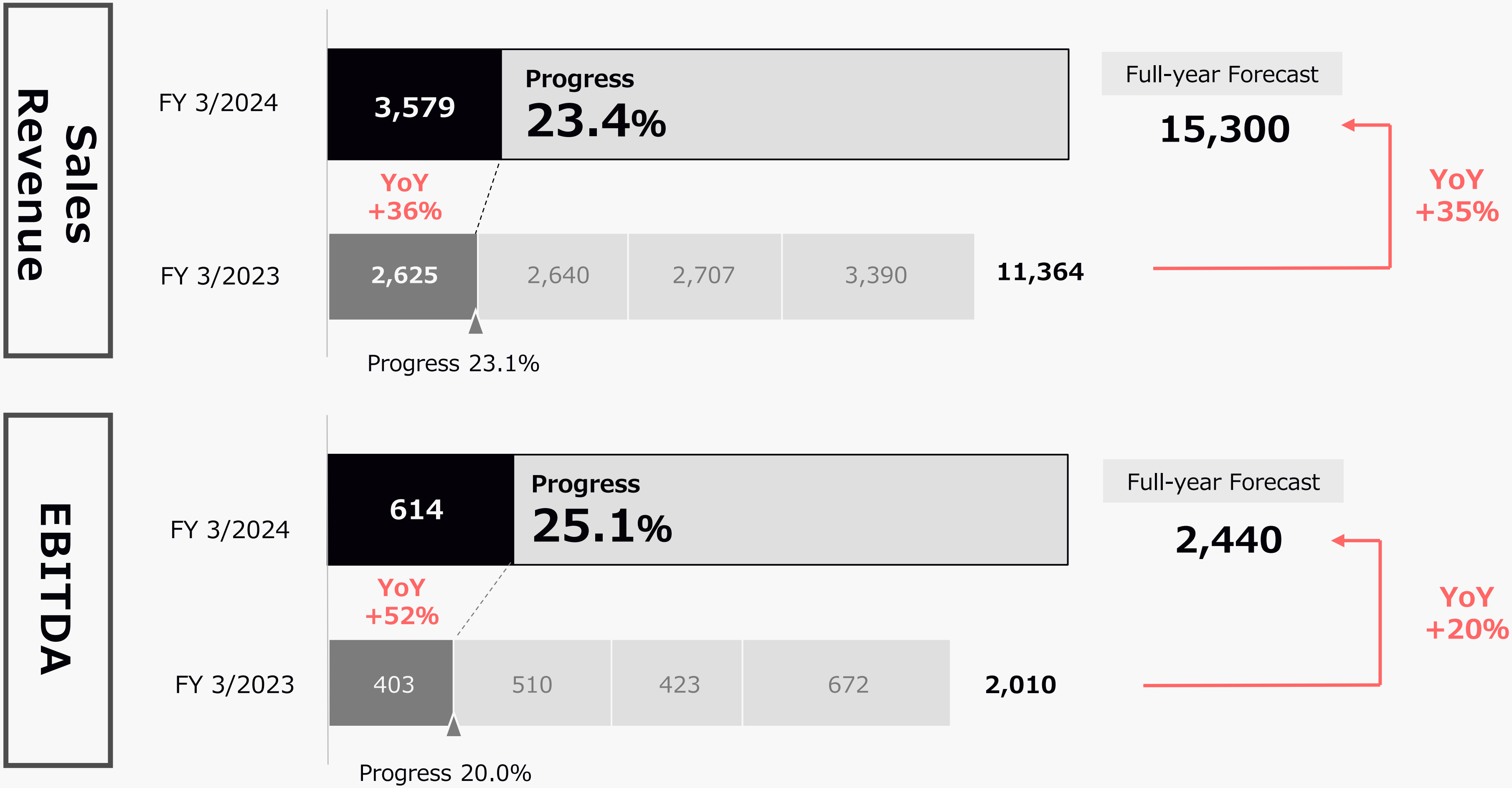
*Until fiscal year ended March 2023: EBITDA = Operating profit + Depreciation and amortization + Stock-based payment expenses
*From fiscal year ending March 2024 onward: EBITDA = Operating profit + Depreciation and amortization + Loss on retirement of fixed assets and valuation gain or loss + Stock-based payment expenses
*Future revenue: Total amount of revenue to be generated from a contract in the future. Because revenue that would be posted in the current fiscal year under ordinary circumstances will be posted into the future, the actual performance of the Company should be measured based on EBITDA including future revenue.

Progress Against Full-year Forecast

PORT INC.

There was a very good start on both revenue and profit in the first quarter compared with the full-year forecast. This reflects the characteristics of the business which feature disproportionately higher numbers (of profits in particular) in the second half, the inclusion of Five Line inc. into the scope of consolidation in the second quarter and other factors.

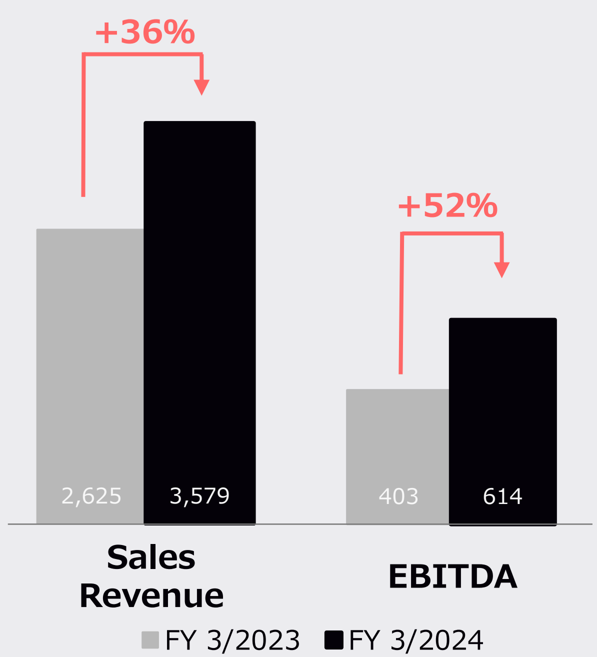
(Million yen)



Outlook for 2Q and Thereafter in the Fiscal Year Ending March 31, 2024

Continued growth is expected from the second quarter onward, with the consolidation of Five Line, the gain on sale of PORT ENGINEERING, and the acquisition of a 100% ownership of INE being additional factors for organic growth, and further, with the improvement in unit price for a successful contract resulting from an increase in electricity rates in the energy domain.

Significant growth in revenue and profit was achieved in the first quarter



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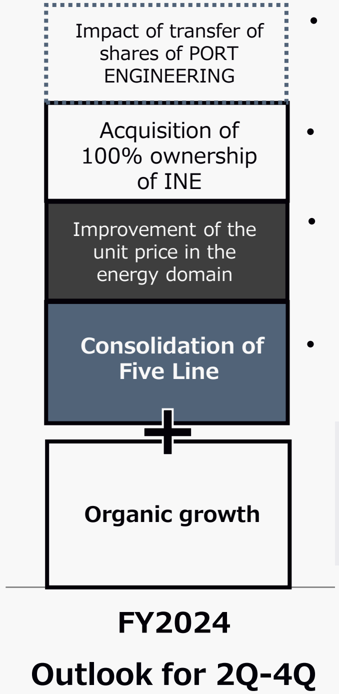
Various disclosure items will begin to be reflected in the consolidated results in the second quarter.



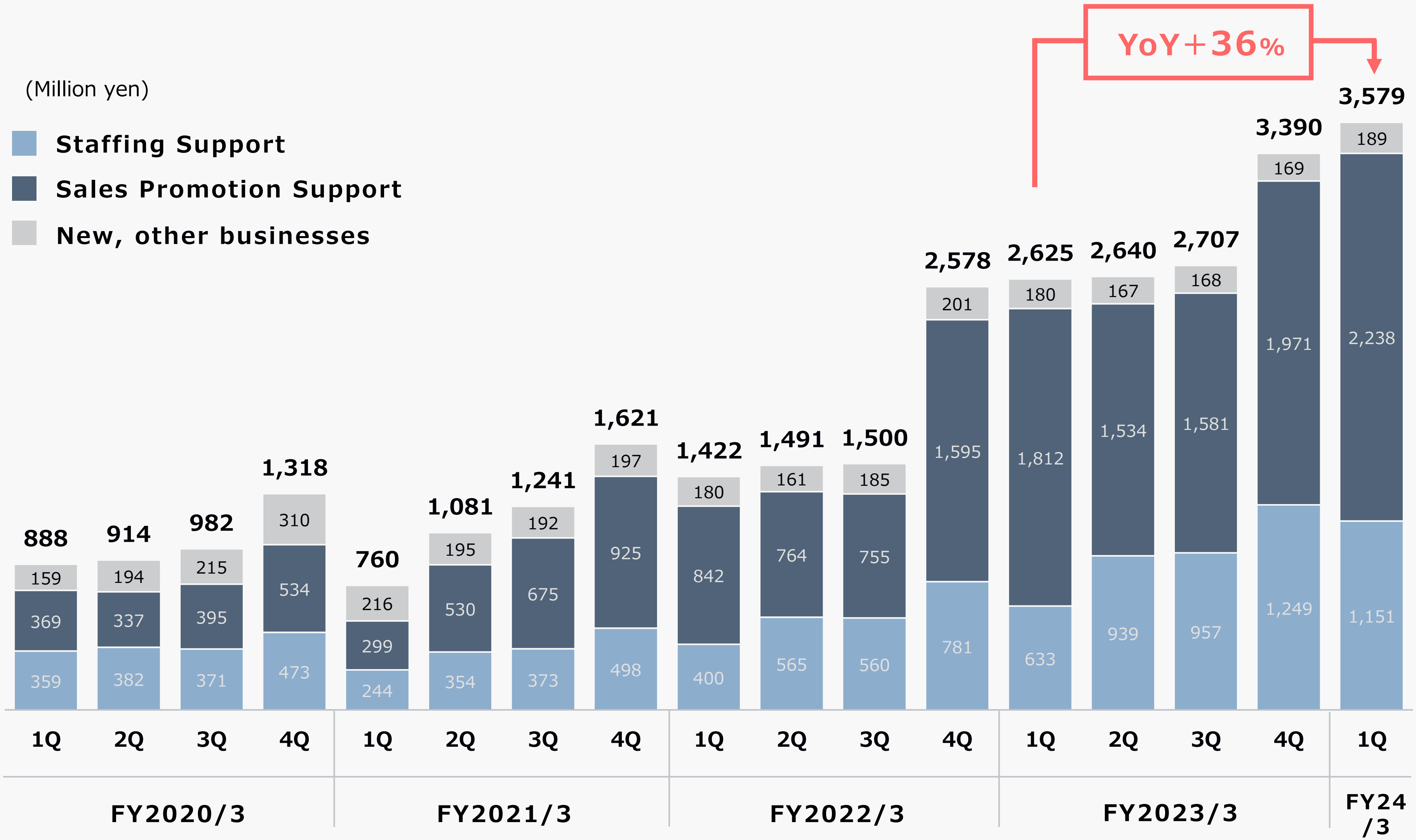
- **Added to EBITDA and items thereunder**
  Disclosed on June 30: Gain on transfer of shares in PORT ENGINEERING was recorded. Positive for EBITDA and items thereunder (recorded in the second quarter)
- **Added to net profit**
  Disclosed on June 16: Acquisition of 100% of shares in a consolidated subsidiary is positive for net profit.
- **Added to sales revenue and items thereunder**
  Disclosed on June 13: Improvement in unit price for a successful contract that resulted from an increase in electricity rates under regulation, which was implemented by regional electric power companies Positive for sales revenue and items thereunder
- **Added to sales revenue and items thereunder**
  Disclosed on May 12: Roll-up M&A in the energy domain.

Non-continuous organic and inorganic growth was achieved

Trends in Quarterly Sales Revenue by Service Segment

PORT INC.

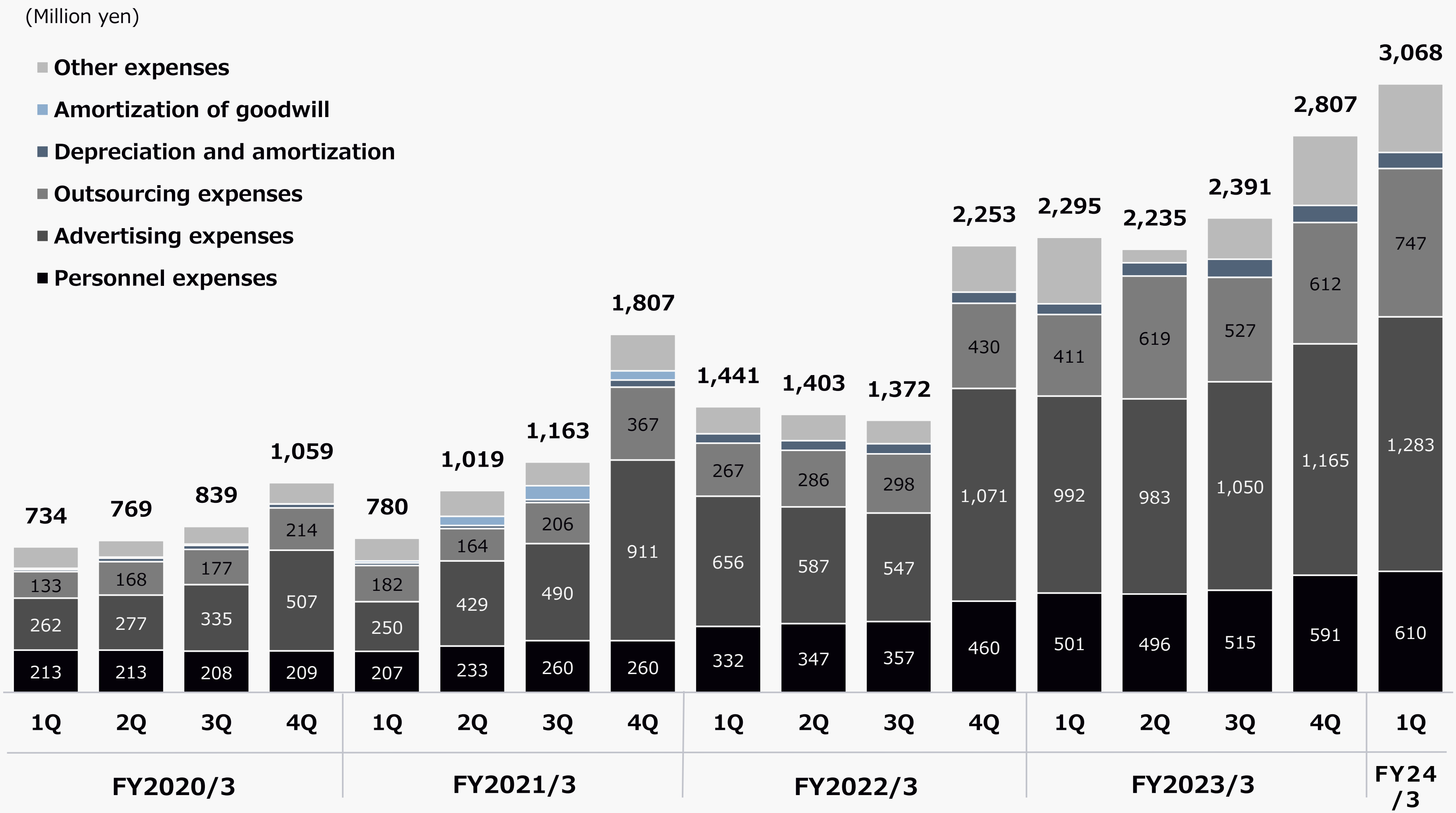
Revenue hit a record high, surpassing the level for FY23 Q4 and having grown significantly YoY +36%.



Change in Major Expenses

PORT INC.

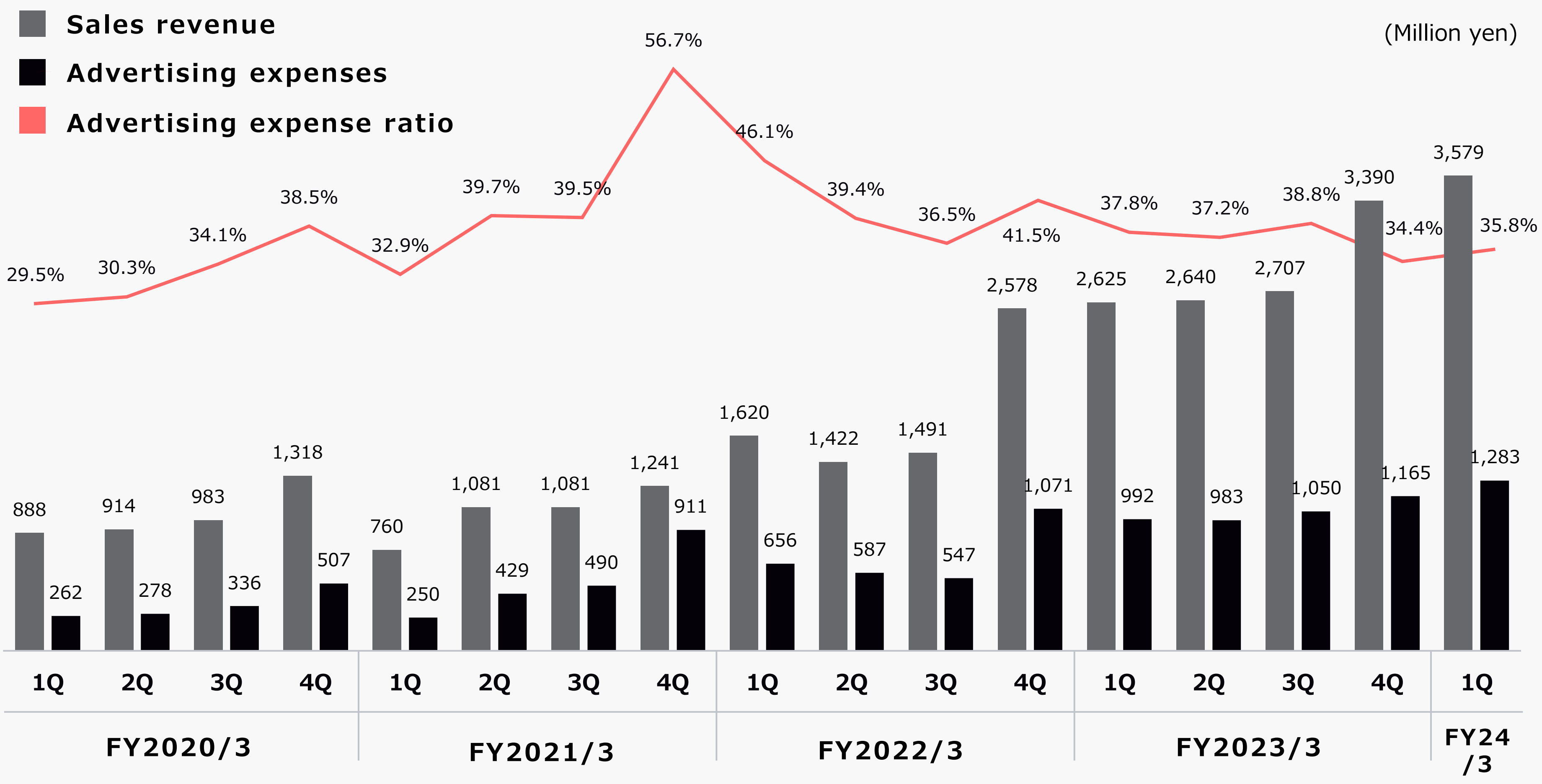
Alongside the growth of revenue, expenses also increased, reflecting the 58 new-graduate employees who joined the company in April. However, the ratio of the expenses to revenue declined year on year.



* In and before the fiscal year ended March 31, 2021, Japan GAAP had been applied. From the fiscal year ended March 31, 2022, IFRS is applied.

Change in Ratio of Advertising Expenses to Sales Revenue

There were no significant changes.



Financial Position

PORT INC.

Net worth increased 754 million yen, partly reflecting the solid income results and the exercise of stock options by officers and employees. The capital adequacy ratio is expected to decline from 33.1% to 28.1% at the end of July due to various factors. (Details are described below.)

(Million yen)

		FY2024 Q1 (June 30, 2023)	FY2023 Q4 (March 31, 2023)	Difference
	Cash and Cash Equivalents	4,411	3,872	+538
	Total Current Assets	6,410	5,872	+537
	Goodwill	3,399	3,399	0
	Total Non-current Assets	5,659	5,562	+97
Total Assets		**12,069**	**11,435**	**+634**
	Total Current Liabilities	2,886	3,023	▲137
	Total Non-current Liabilities	4,364	4,392	▲28
Total Liabilities		**7,250**	**7,415**	**▲165**
Equity Attributable to Owners of Parent		3,996	3,242	+754
Ratio of Equity Attributable to Owners of Parent to Total Assets		33.1%	28.4%	+4.7p
Total Equity		**4,819**	**4,019**	**+800**

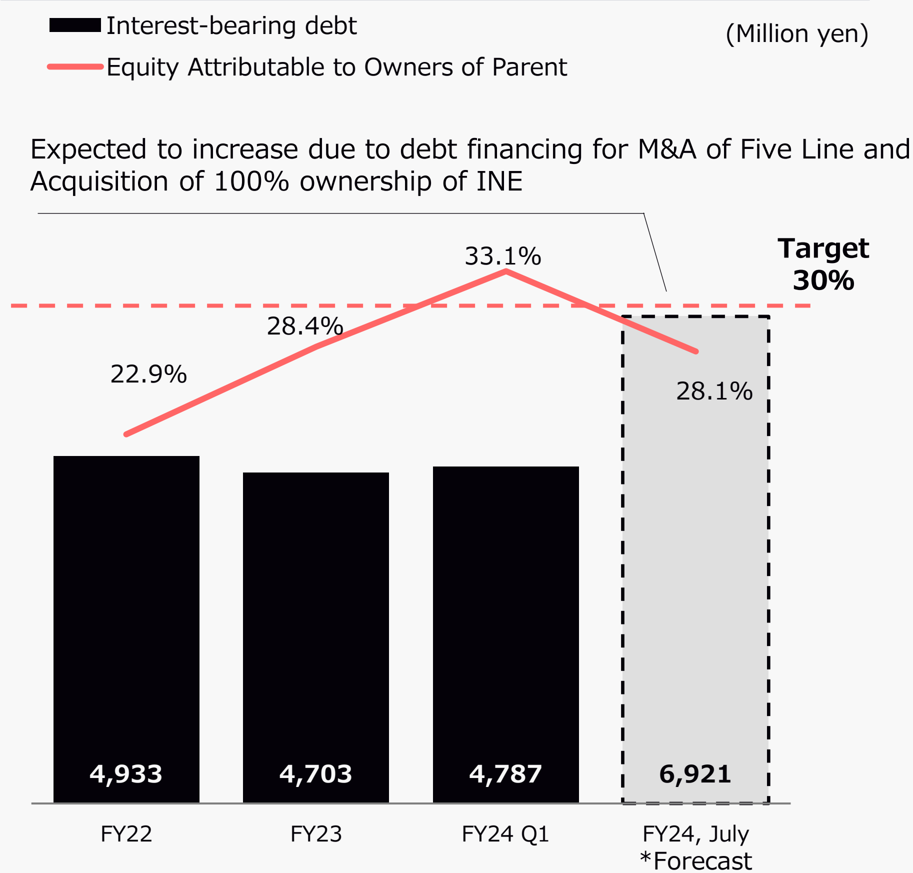
* Ratio of equity attributable to owners of parent (net worth ratio)

Financial Position (Impact of M&A, etc. from 2Q)

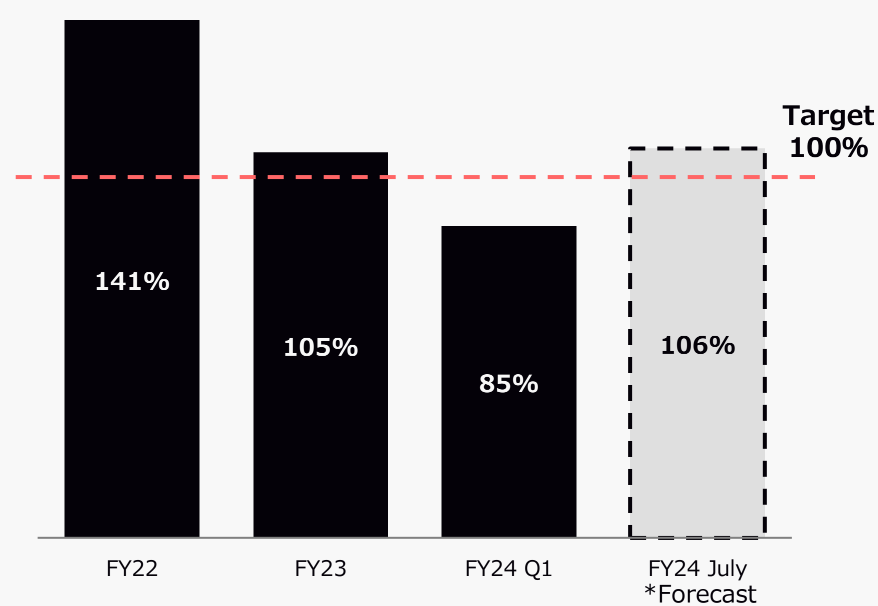
PORT INC.

Although the net worth ratio and the goodwill to assets ratio have been on an improvement trend due to the creation of stable cash flows, they are expected to worsen temporarily compared with the Company's benchmarks due to a closing project in July. The plan is that this will improve with the cash flows from operating activities.

Interest-Bearing Bebt
Equity Attributable To Owners of Parent



Goodwill Net Asset Value Ratio



* These are calculated as of the end of July, that consolidation of Five Line and acquisition of 100% ownership of INE, and do not yet reflect the PPA, etc.

Financial Position (Valuation of Goodwill)

PORT INC.

PMI made steady progress. At present, there is no sign of impairment or other change of goodwill.

Domain of Energy	Domain of Renovation	
Acquired in Jan. 2022 ina / Acquired in Jul. 2023 Five Line — Approx. 2 billion yen*	Acquired in Aug. 2020 DOORS — Approx. 1.3 billion yen	Other 0.6 billion yen

Market	○	The unit price for a successful contract is trending downward as the cost of acquiring customers incurred by electric power companies dropped for reasons including the increase of resource prices and wholesale electricity prices. However, soaring electricity rates are increasing people's need to change electric power companies.
Results	○	Despite being negatively impacted by the market to a degree, the impact was minimized and has not led to a material worsening of business performance, with a rise in the number of power contracts.
Outlook	○	An increase in both revenue and profit is expected to result from aggressive moves to acquire users by each company, with the increase in prices under regulation by regional electric power companies passed on appropriately to users overall.

Market	◎	Despite a declining trend in new construction projects, demand for renovation is strong. In addition, due to the development of online renovation applications, the market related to the Company is expanding.
Results	○	Despite the range of issues that we faced in the fiscal year ended March 2022, sales revenue and operating income have been strong, aided by various PMI measures such as the improvement of marketing efficiency and the facilitation of DX to support contracting in the fiscal year ended March 2023.
Outlook	◎	Efficiency-focused management is expected to lead to a further increase in profit.

* The goodwill of Five Line do not yet reflect the PPA, etc.

04

FY2024 1Q
Summary of Results by Service

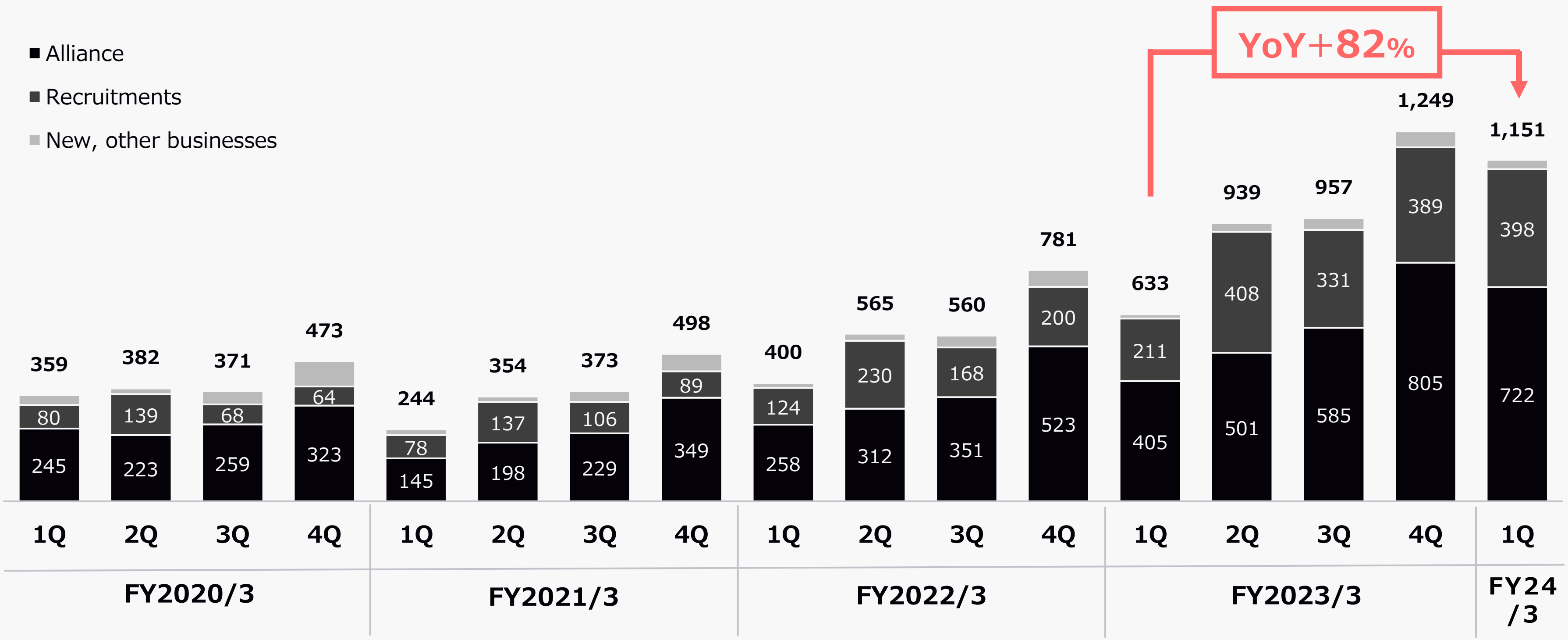
Staffing Support Services

Staffing Support Services: Sales Revenue

A high growth rate was maintained due to the start of year-round job-hunting activities and the enhanced presence of the Company, with a significant year-on-year increase in revenue achieved in both alliance and personnel referral.

(Million yen)

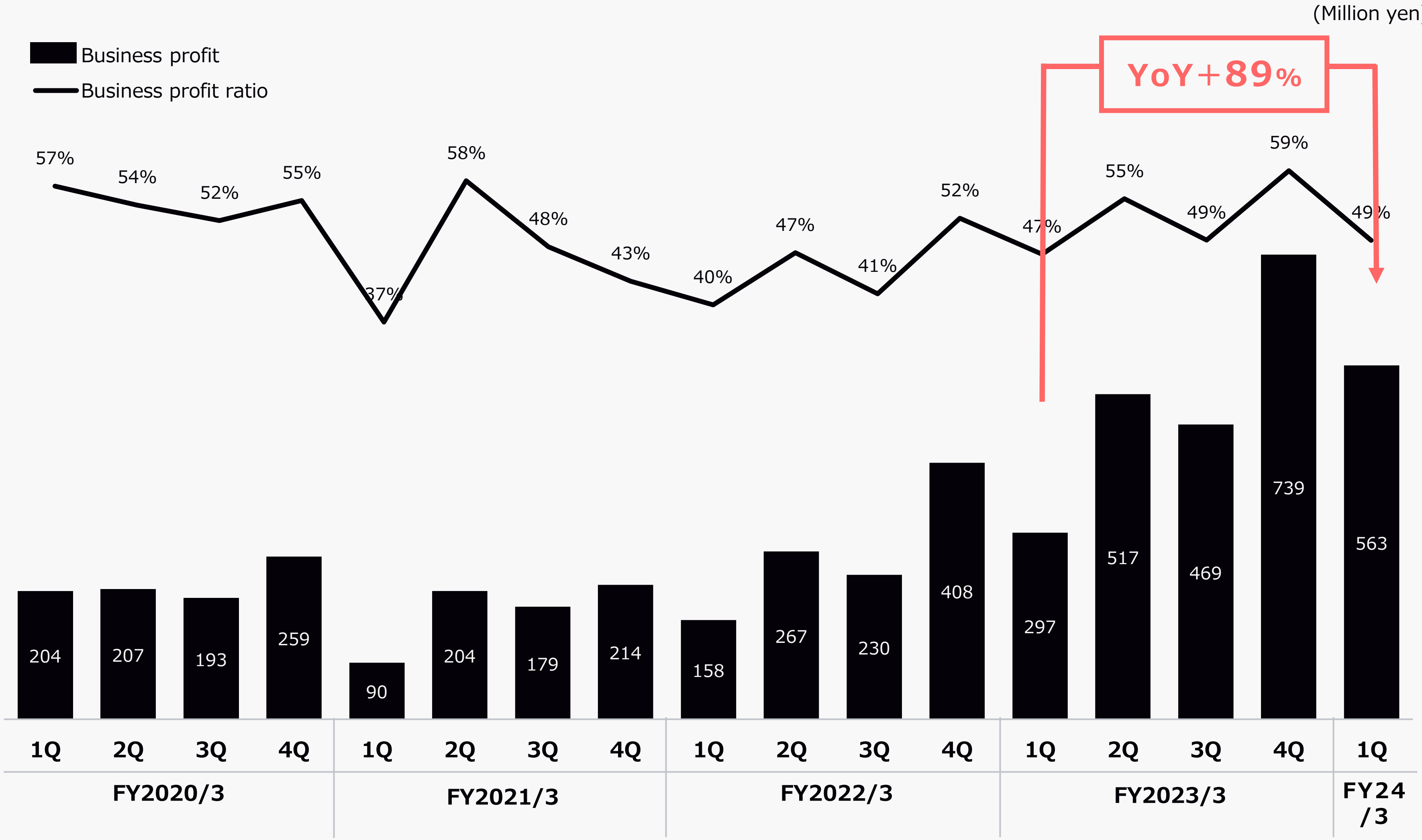
FY2024/3 1Q			
Total	Alliance	Recruitments	Other
1,151 (YoY +82%)	722 (YoY +78%)	398 (YoY +88%)	31 (YoY +98%)



Staffing Support Services: Business Profit

PORT INC.

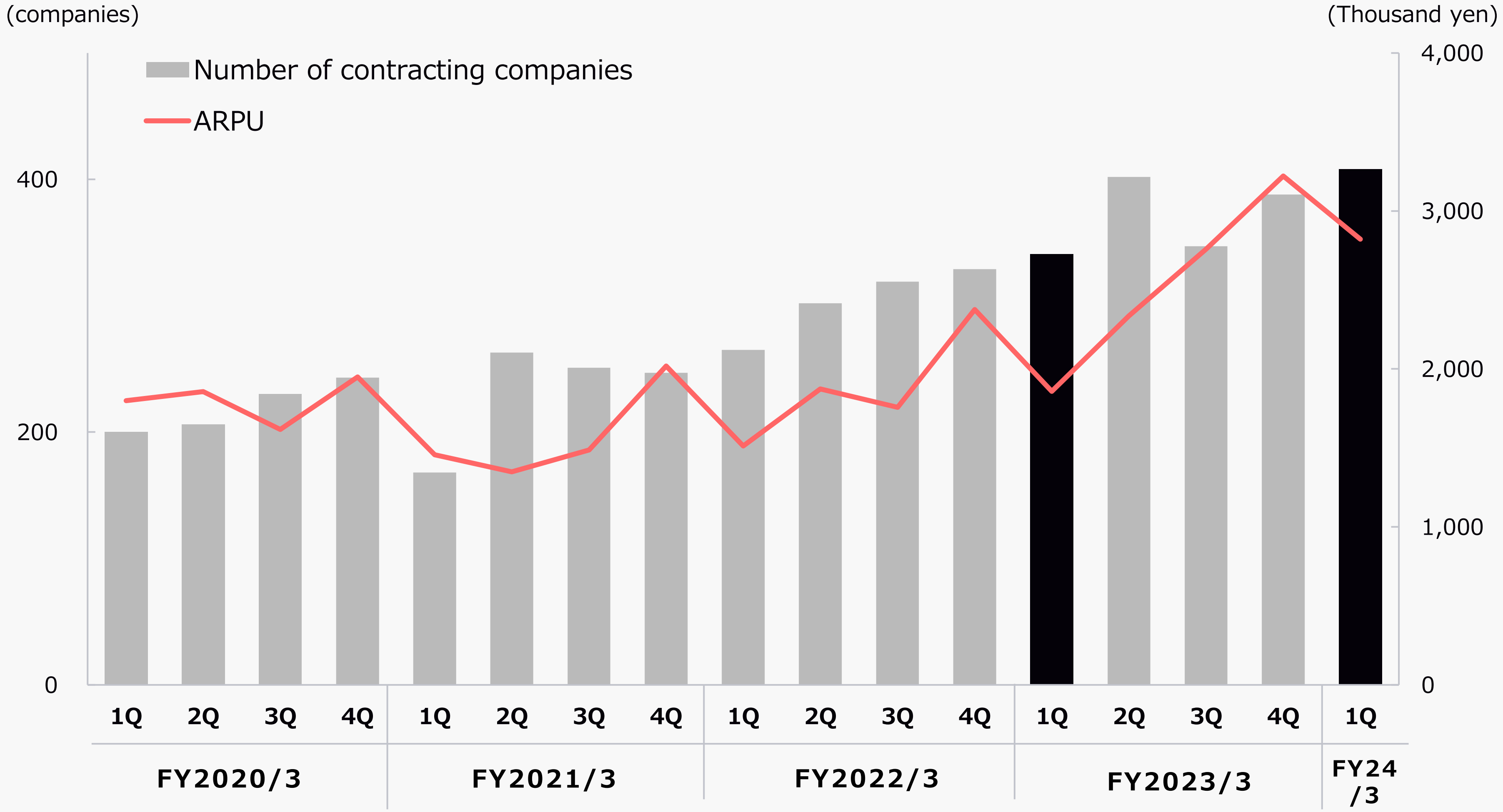
Prices for individual contracts rose due to an improvement in client satisfaction, with the additional contribution of a hike in the number of contracts won and the increasingly fierce competition for human resources.



KPIs of Staffing Support Services: Number of Contracting Companies and ARPU

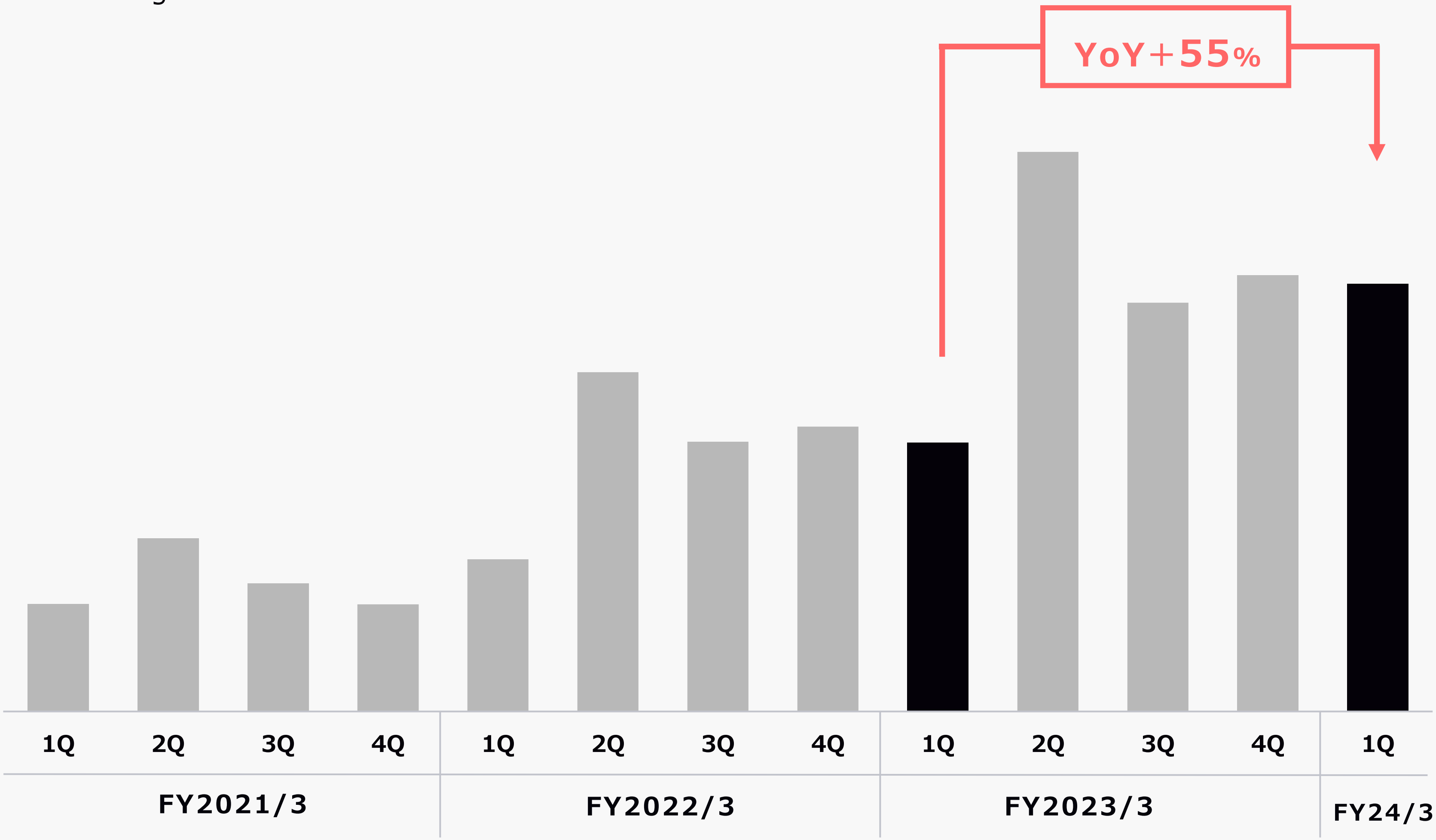
PORT INC.

Demand for both alliance and personnel referral services increased due to the increasingly fierce competition for human resources in the market. The number of contracting companies increased.



KPIs of Staffing Support Services: Number of Contracts Won in Personnel Referral Services

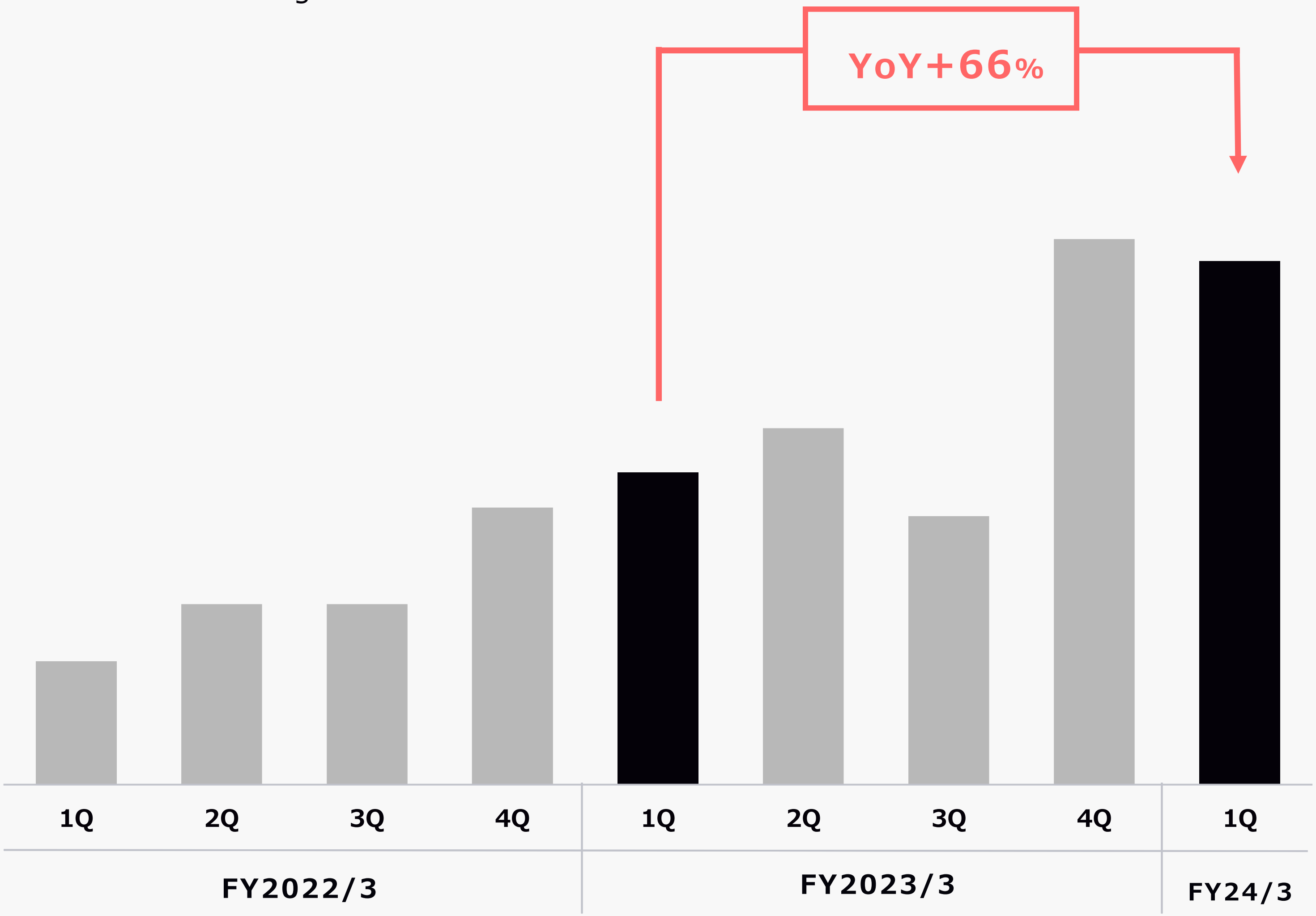
A significant year-on-year increase was achieved due to an increase in the number of career advisors and the growth of demand for personnel referral services in the new graduate recruitment market. While the rate of increase in the number of career advisors has been growing, the indicator for profitability per person has also remained strong due to enablement.



KPIs of Staffing Support Services: Sales of Cross-Selling with Members

PORT INC.

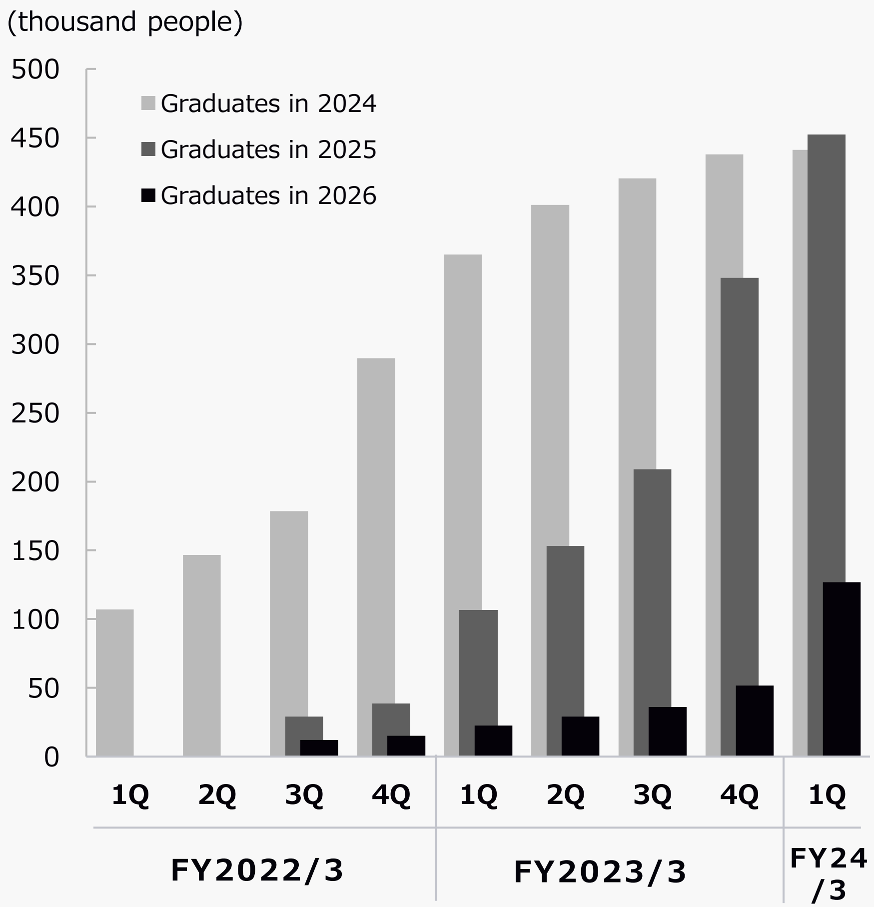
Cross-selling sales to operators of staffing services mainly for graduates, recent graduates, part-time workers and other young people grew 66% year on year. The growth of results is expected to be achieved thanks in part to the government scheme for reskilling.



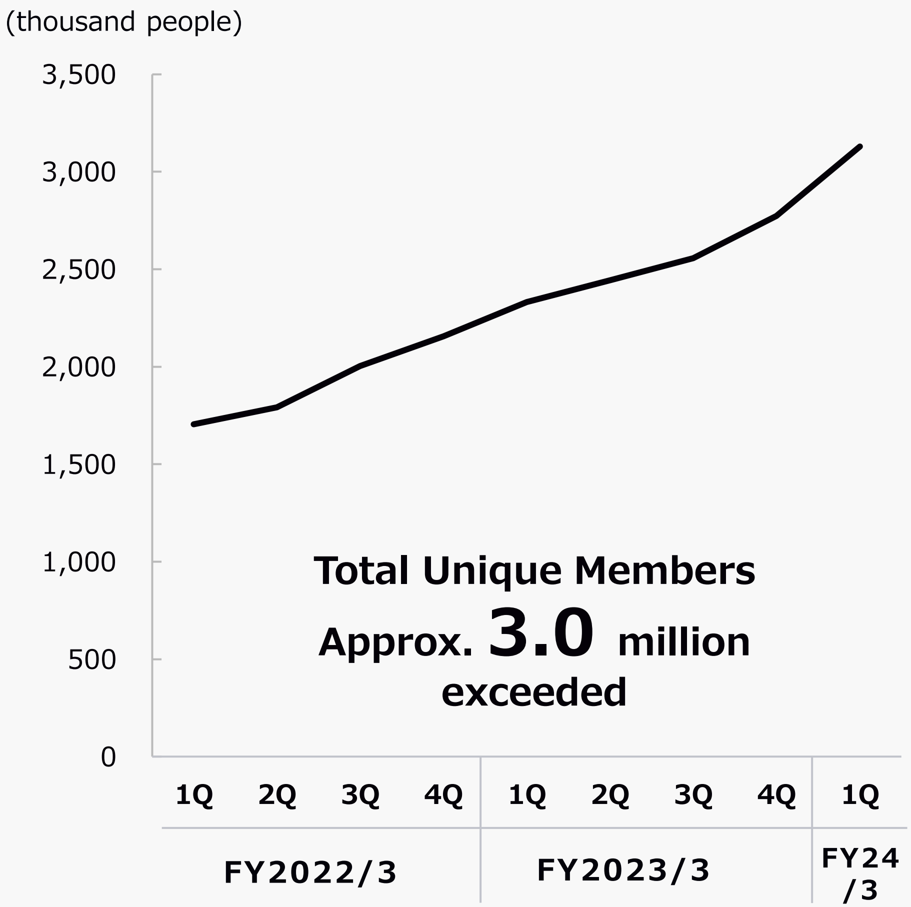
KPIs of Staffing Support Services: Unique Members

The number of new members graduating in FY2025/3 will increase at a higher rate than those graduating in FY2024/3 due to the earlier start of job-hunting activities. The total number of members including users who have already graduated has exceeded 3.0 million, contributing to reinforcement of the member base of services for graduates and recent graduates.

Total Unique Members by Graduation Year



Total Unique Members



* "Career Park!" and "就活会議" as well as other services operated by our group companies.

Staffing Support Services:
Market Trend (New Graduate Support Services Market)

PORT INC.

Due to the earlier start of job-hunting activities and the start of year-round job-hunting activities, students begin to use the Company's services in the latter half of their second year of university. At present, the demand for the Company's services reaches its peak in the fourth quarter. Meanwhile, the demand season is changing constantly due to the earlier start of job-hunting activities.

	Apr / May / Jun	Jul / Aug / Sep	Oct / Nov / Dec	Jan / Feb / Mar
	1Q	**2Q**	**3Q**	**4Q**
2nd-year undergraduates				Spring internship △
3rd-year undergraduates/1st-year graduate students	Opening of major internship sites △	Summer internships ○	Winter internships ○	**Mar. 1: Official opening of job-hunting season** Opening of major recruitment sites ◎ *Peak demand period
4th-year undergraduates/2nd-year graduate students	○	Jun. 1: Official start date of job interviews ◎	Unofficial job offer ceremony ◎	○

Level of contribution to the Company's sales: △ : Low ○ : Medium ◎ : High

(Reference) Impact of the Earlier Opening of Major Recruitment Sites on the Company's Business Performance, a news release dated March 6, 2023

04

FY2024 1Q
Summary of Results by Service

Sales Promotion Support Services

Change of Disclosure

PORT INC.

The following two changes have been made effective from FY2024 1Q.

The point of changes	Reason for the change
Change of name Domain of Card-loan ▶ **Domain of Finance**	• The name was changed because the Company entered the business of supporting the promotion of sales of various financial services, including card loans, in the current fiscal year. • The impact of the entry into this business on business performance in and after the first quarter of the current fiscal year is minor.
Change of KPI Domain of Energy Number of Contract won ▶ Domain of Energy **Number of Multi-Contract won**	• The number of contracts won for FY2023/3 and before is the number of power contracts only. • In the first quarter of the current fiscal year, the Company began to disclose the figure as the total number of contracts won for all products in the energy domain.

Sales Promotion Support Services Sales Revenue

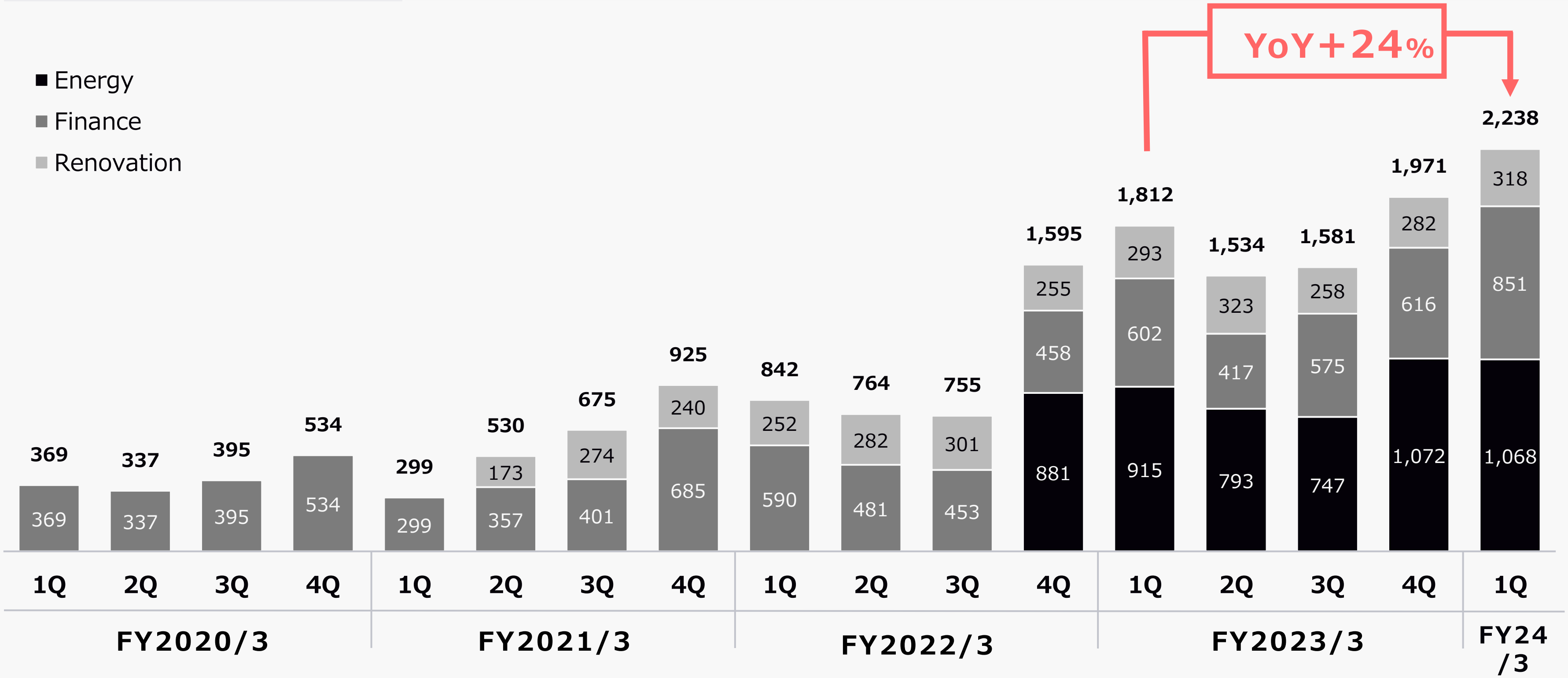
PORT INC.

A record-high quarterly sales revenues was achieved. Revenue increased even after increasing the weight of recurring revenue in the energy domain. Revenue in the finance domain increased significantly up 41% YoY.

*Name changed from card loan domain to finance domain from FY2024 1Q

(Million yen)

FY2024 Q1 Results			
Total	Energy	Finance	Renovation
2,238 (YoY +24%)	1,068 (YoY +17%)	851 (YoY +41%)	318 (YoY +8%)



*In the energy domain, INE.Inc. became a consolidated subsidiary in January 2022.

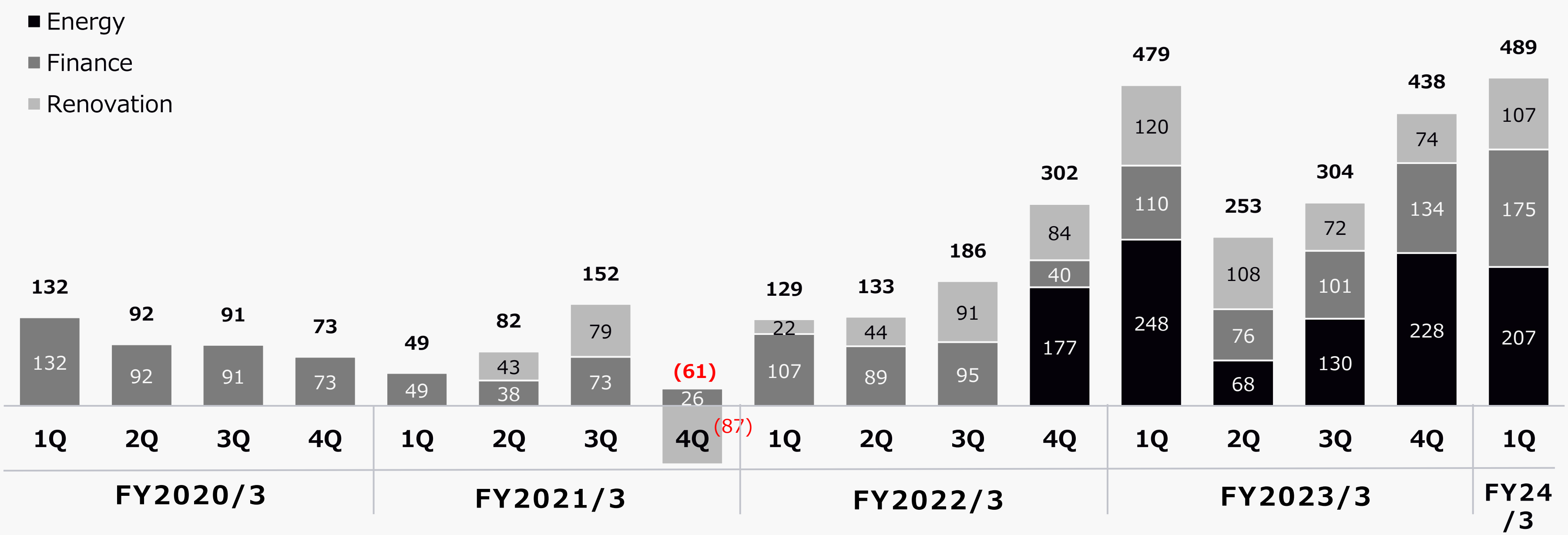
Sales Promotion Support Services Business Profit

PORT INC.

A record-high quarterly business profit was achieved. Profit in the energy domain declined 16% YoY because the relative weight of recurring revenue was increased in the first quarter. Profit in the finance domain increased significantly, up 58% YoY due to the optimization of advertising efficiency.

(Million yen)

	FY2024 Q1 Results			
	Total	Energy	Finance	Renovation
Business Profit	489 (YoY +2%)	207 (YoY ▲16%)	175 (YoY +58%)	107 (YoY ▲11%)
Business Profit Ratio	21.8%	19.4%	20.5%	33.6%

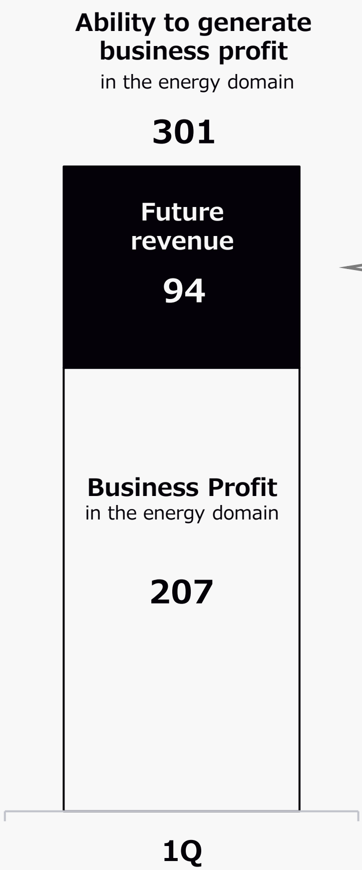


*In the energy domain, INE.Inc. became a consolidated subsidiary in January 2022.

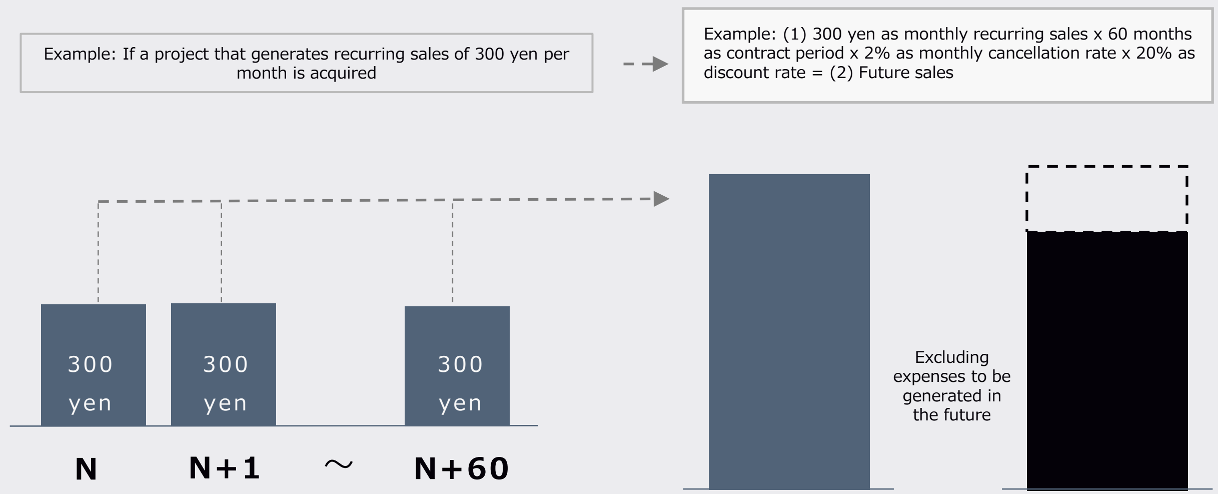
Supplementary information: Approach to Profitability in the Energy Domain

PORT INC.

Future revenue of 94 million yen was acquired on a non-consolidated basis in the first quarter in an attempt to increase the relative weight of recurring revenue. Only the acquisition cost was recorded in the first quarter. The earnings capacity that would apply if one-time earnings were recorded as in the previous fiscal year can be converted to business profit of 300 million yen.



Method of calculating future revenue from projects under contracts generating recurring revenue, which were acquired in the period under review

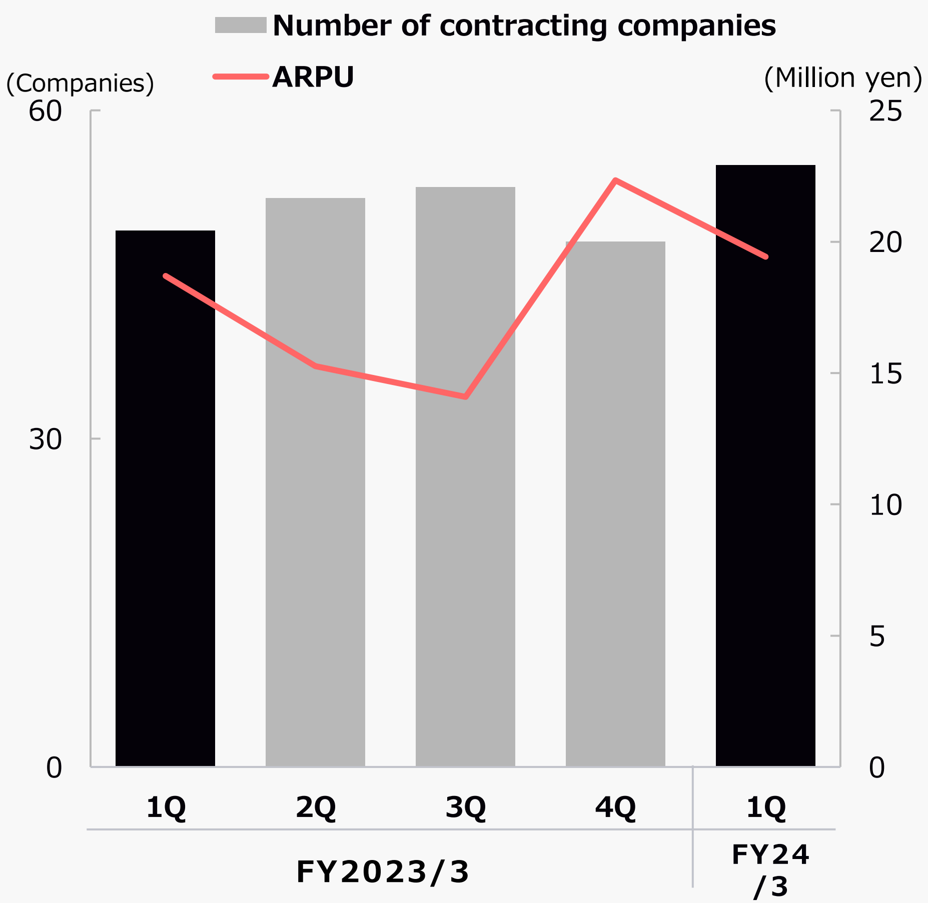


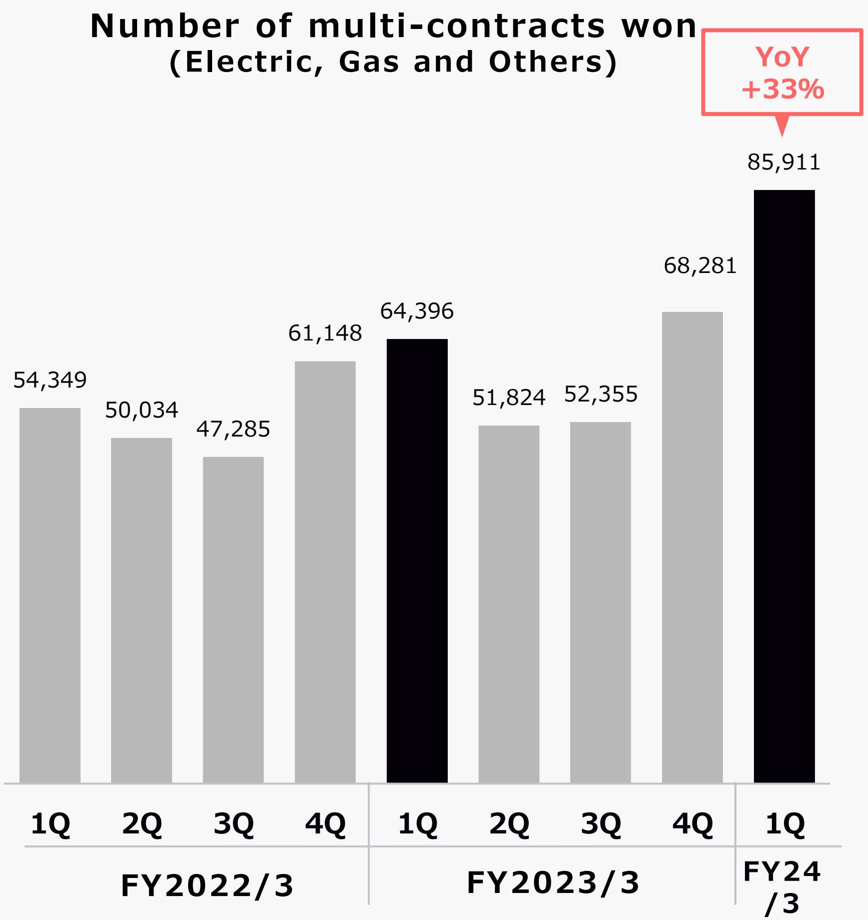
(1) Monthly recurring sales x monthly cancellation rate x discount rate → **(2) Future sales** → **(3) Future revenue**

*Future sales for up to five years are to be factored in.

KPI for Energy in Sales Promotion Support Services

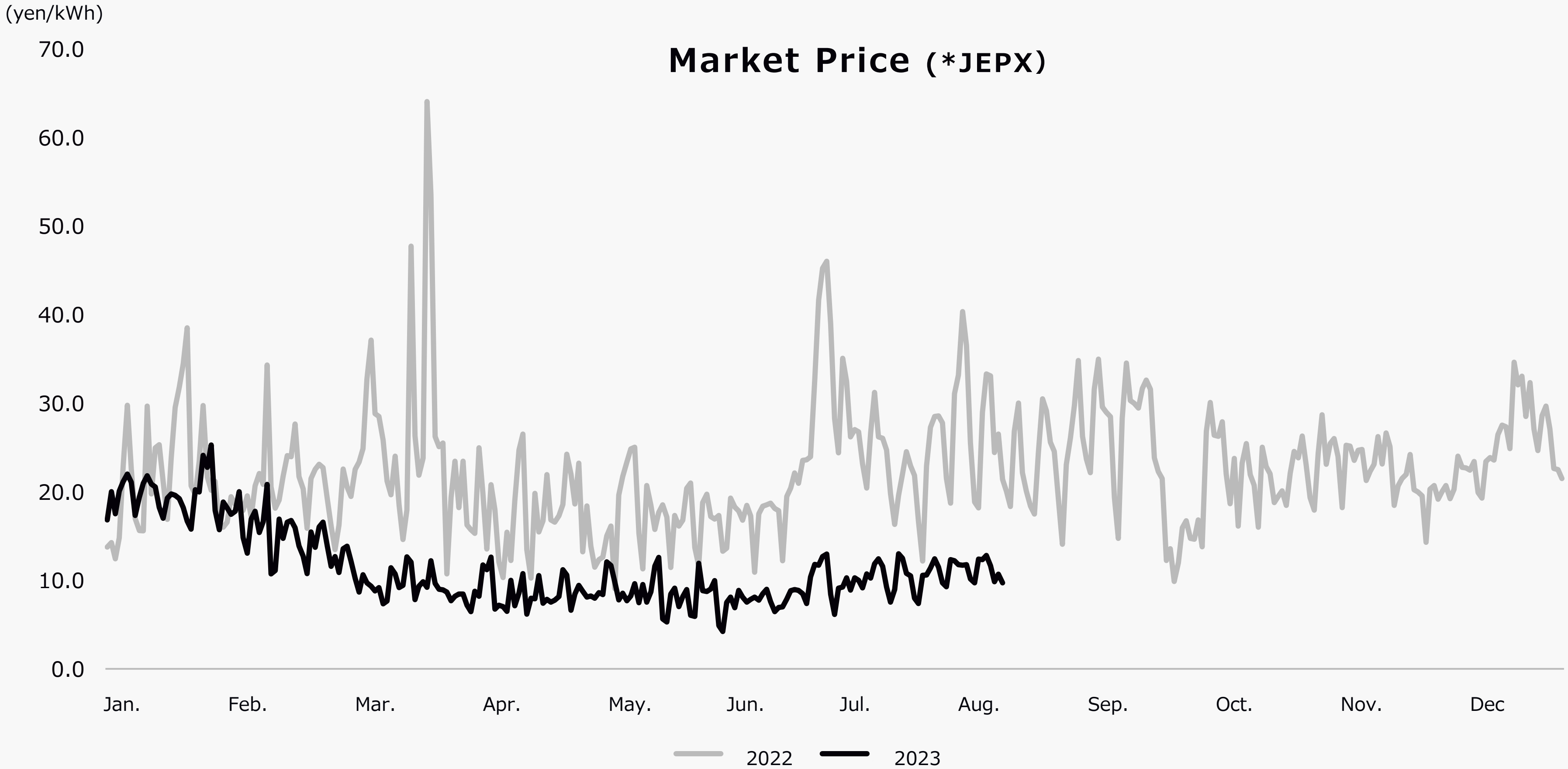
The number of multi-service contracts won significantly rose due to an increase in the incidental rate of gas and other services. On the other hand, ARPU declined due to a decrease in the unit price of electricity contracts, and is expected to improve from 2Q.





Sales Promotion Support Services
Market Trend (Energy Domain)

The JEPX price subsided as compared to the previous fiscal year, partly reflecting a decline in fuel prices, showing improvements in financial standing of regional electric power companies.



* JEPX(Japan Electric Power Exchange) https://www.jepx.jp/electricpower/market-data/spot/

Sales Promotion Support Services: Market Trend (Energy Domain)

Activities for acquiring users are expected to resume in response to the price increases implemented by electric power companies in June 2023. The Company expects the performance of its businesses to be impacted positively in and after the second quarter, including a rise in the unit price for a successful contract.

Major electric power companies' moves to increase prices under regulation

No application

- Chubu Electric Power
- Kansai Electric Power
- Kyushu Electric Power

Price increase in June 2023

- Hokkaido Electric Power
- Tohoku Electric Power
- Tokyo Electric Power
- Hokuriku Electric Power
- Chugoku Electric Power
- Shikoku Electric Power
- Okinawa Electric Power

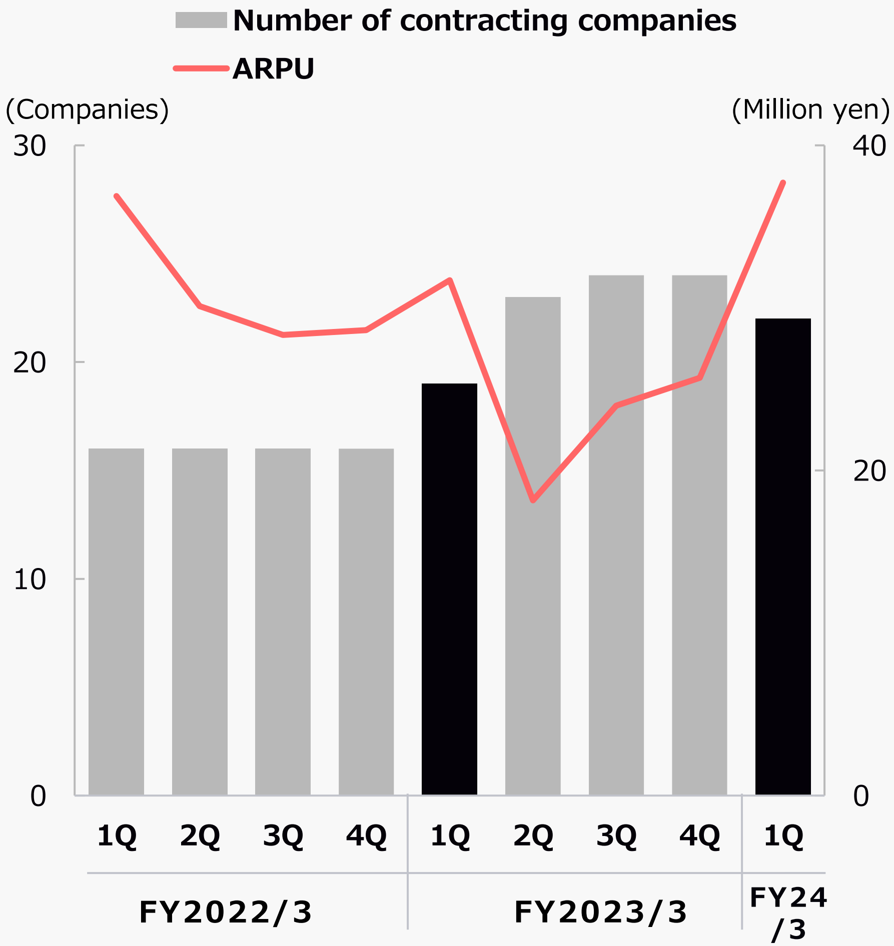
*Rate of increase between 15% and 30%

Steep rise in electricity wholesale price reflecting the impact of the weak yen and soaring resource prices → Electric power companies' reduction of sales promotion costs → Electric power companies' control and suspension of new user acquisition → Increase of prices under regulation implemented by regional electric power companies → **Here at present** Price increase implemented by electric power companies → Resumption of user acquisition activities

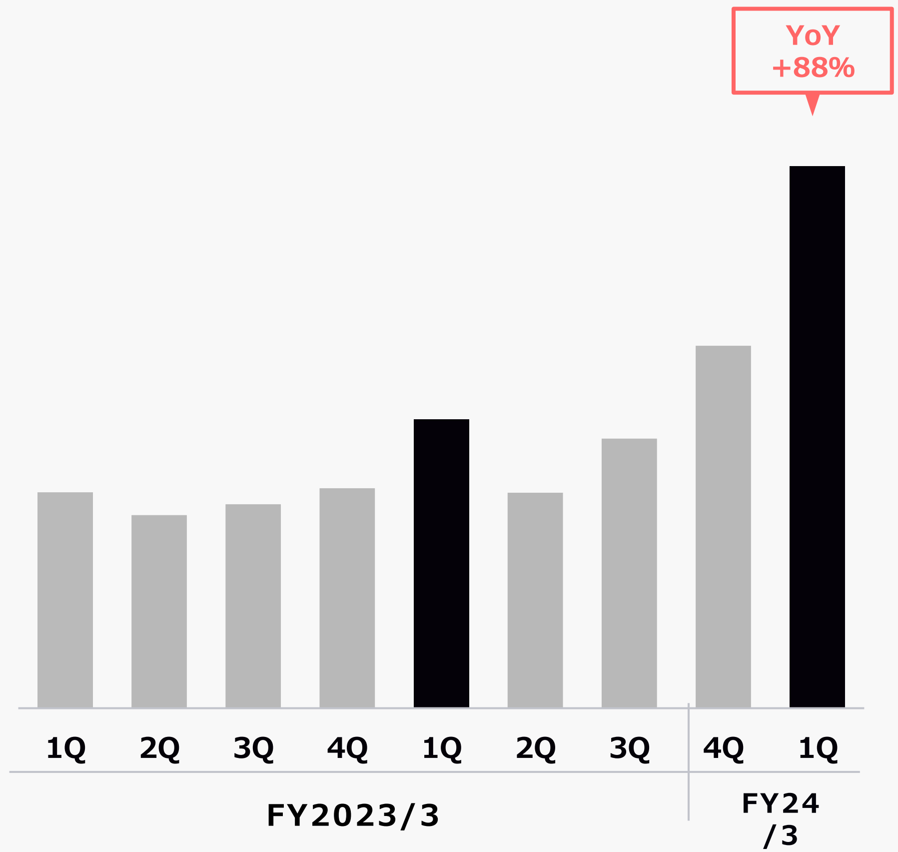
KPI for Card Loans in Sales Promotion Support Services

ARPU rose due to an increase in the number of contracts won, which resulted from an improvement in the contract rate in the favorable market environment associated with recovery of economic activity. The number of customers sent* also rose sharply.

(*Because of frequent changes in the definition of the point of contract, the number of customers sent has been disclosed as a standard to indicate the value of competence, but since there is no direct correlation with the sales growth rate, the method of disclosure will need to be reviewed in the future.)

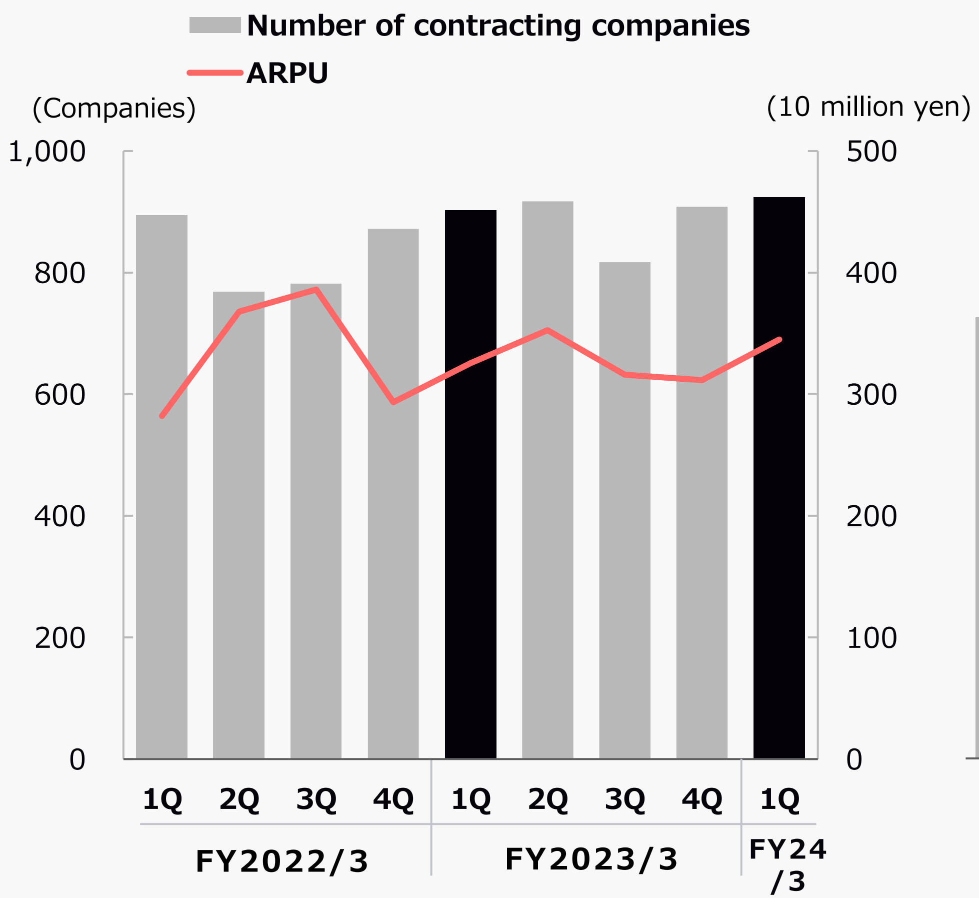


Number of customers sent



KPI for Renovation in Sales Promotion Support Services

Various KPIs are at the same level year-on-year. Although profits have been stable, various measures are being implemented to achieve more growth.



05
Summary of Financial Data

(PL/BS)

*Untill fiscal year ended March 2020:Japanese GAPP

*From fiscal year ended March 2021:IFERS

*Until fiscal year ended March 2023: EBITDA = Operating profit + Depreciation and amortization + Stock-based payment expenses
*From fiscal year ending March 2024 onward: EBITDA = Operating profit + Depreciation and amortization + Loss on retirement of fixed assets and valuation gain or loss + Stock-based payment expenses
*Future earnings: Total amount of earnings to be generated from a contract in the future. Because earnings that would be posted in the current fiscal year under ordinary circumstances will be posted into the future, the actual performance of the Company should be measured based on EBITDA including future revenue.

PL (Quarterly)

PORT INC.

(Million Yen)

	FY2021/3				FY2022/3				FY2023/3				FY24
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales Revenue	760	1,081	1,241	1,606	1,422	1,491	1,500	2,578	2,625	2,640	2,707	3,390	3,579
Staffing Support Services	244	354	373	498	400	565	560	781	633	939	957	1,249	1,151
Sales Promotion Support Services	299	530	675	925	842	764	755	1,595	1,812	1,534	1,581	1,971	2,238
New, other businesses	216	195	192	197	180	161	185	201	180	167	168	169	189
Cost of sales	222	202	248	272	293	327	332	379	595	393	502	529	686
Gross profit	538	878	992	1,333	1,128	1,163	1,168	2,199	2,029	2,247	2,205	2,861	2,893
SG&A	598	825	857	1,509	1,139	1,067	1,038	1,866	1,695	1,836	1,841	2,240	2,373
Labor cost	207	233	260	260	332	347	357	460	501	496	515	591	610
Advertising expenses	250	429	490	911	656	587	547	1,071	992	983	1,050	1,165	1,283
Outsourcing cost	182	164	206	367	267	286	298	430	411	619	527	612	747
Depreciation amortization	13	15	15	36	48	49	51	56	54	67	90	85	81
goodwill amortization	10	46	70	46	0	0	0	0	0	0	0	0	0
Other expenses	115	130	119	184	136	132	118	233	335	67	208	352	345
Business profit	206	348	378	208	308	414	443	736	787	779	783	1,192	1,062
Staffing Support Services	90	204	179	214	158	267	230	408	297	517	469	739	563
Sales Promotion Support Services	49	82	152	-61	129	133	186	302	479	253	304	438	489
New, other businesses	66	61	46	54	20	13	26	25	10	8	9	14	9
Operating profit	-20	92	192	-162	26	96	134	341	349	442	332	574	532
EBITDA	16	133	235	-99	76	147	186	398	403	510	423	672	614
EBITDA including future revenue	-	-	-	-	-	-	-	-	431	542	462	732	709
Profit before tax（loss)	-35	86	185	-77	16	89	131	327	348	429	319	561	518
Profit（loss)	-35	76	160	-40	2	54	105	203	287	314	244	386	311

*From fiscal year ended March 2021:IFERS

PL (Yearly)

PORT INC.

(Million Yen)

		FY2020/3	FY2021/3	FY2022/3	FY2023/3
Revenue		4,103	4,689	6,994	11,364
	Staffing Support Services	1,587	1,471	2,308	3,779
	Sales Promotion Support Services	1,636	2,431	3,957	6,899
	New, other businesses	879	801	728	685
Cost of sales		851	946	1,333	2,020
Gross profit		3,252	3,742	5,660	9,343
SG&A		2,552	3,790	5,111	7,613
	Labor cost	844	961	1,498	2,105
	Advertising expenses	1,382	2,082	2,863	4,191
	Outsourcing cost	694	920	1,282	2,171
	Depreciation amortization	71	81	206	297
	goodwill amortization	21	173	0	0
	Other expenses	389	550	620	963
Business profit		1,504	1,141	1,902	3,542
	Staffing Support Services	864	689	1,064	2,023
	Sales Promotion Support Services	389	223	751	1,476
	New, other businesses	250	228	86	42
Operating profit		699	106	599	1,699
EBITDA		792	290	810	2,010
EBITDA including future revenue		-	-	-	2,168
Profit before tax（loss)		609	159	564	1,658
Profit（loss)		382	160	365	1,232

*From fiscal year ended March 2021:IFERS

BS (Yearly)

PORT INC.

(Million Yen)

	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3 1Q
Total current assets	3,095	3,618	3,780	5,878	5,872	6,410
Cash and cash equivalents	2,395	2,764	2,411	3,962	3,872	4,411
Total non-current assets	379	338	2,975	4,443	5,562	5,659
Property, plant and equipment	31	27	59	63	316	338
intangible assets	171	187	429	443	607	643
Goodwill	123	-	1,909	3,337	3,399	3,399
Total assets	3,482	3,962	6,755	10,322	11,435	12,069
Total current liabilities	1,209	1,189	2,103	3,060	3,023	2,886
Total non-current liabilities	181	656	2,630	4,274	4,392	4,364
Total liabilities	1,391	1,845	4,733	7,335	7,415	7,250
Total equity・net assets	2,091	2,116	2,022	2,986	4,019	4,819
Total equity attributable to owners of parent	2,091	2,111	2,022	2,367	3,242	3,996
Ratio of equity attributable to owners of parent to total assets	60.0%	53.3%	29.9%	22.9%	28.4%	33.1%
Total liabilities and equity	3,482	3,962	6,755	10,322	11,435	12,069

*From fiscal year ended March 2021:IFERS

Disclaimer

Note on forward-looking statements

- The materials and information provided in this presentation include so-called forward-looking statements.

- These statements are based on assumptions associated with current expectations, forecasts and risks, and include uncertainties that could cause actual results to differ substantially from them.

- These risk and uncertainties include regular economic conditions in Japan and overseas, including regular industry and market conditions, interest rates and currency fluctuations.

- The Company does not assume any obligations to update or revise the forward-looking statements contained in this presentation even in response to new information or future events.

PORT INC.

社会的負債を、次世代の可能性に。