



Net Protections Holdings, Inc.

Financial Results Presentation for the Nine Months Ended December 31,  
2023

February 14, 2024

※Q&A will be uploaded at a later date.

# Financial Results Presentation for the Nine Months Ended December 31, 2023

Net Protections Holdings, Inc.  
(TSE Prime Market: 7383)



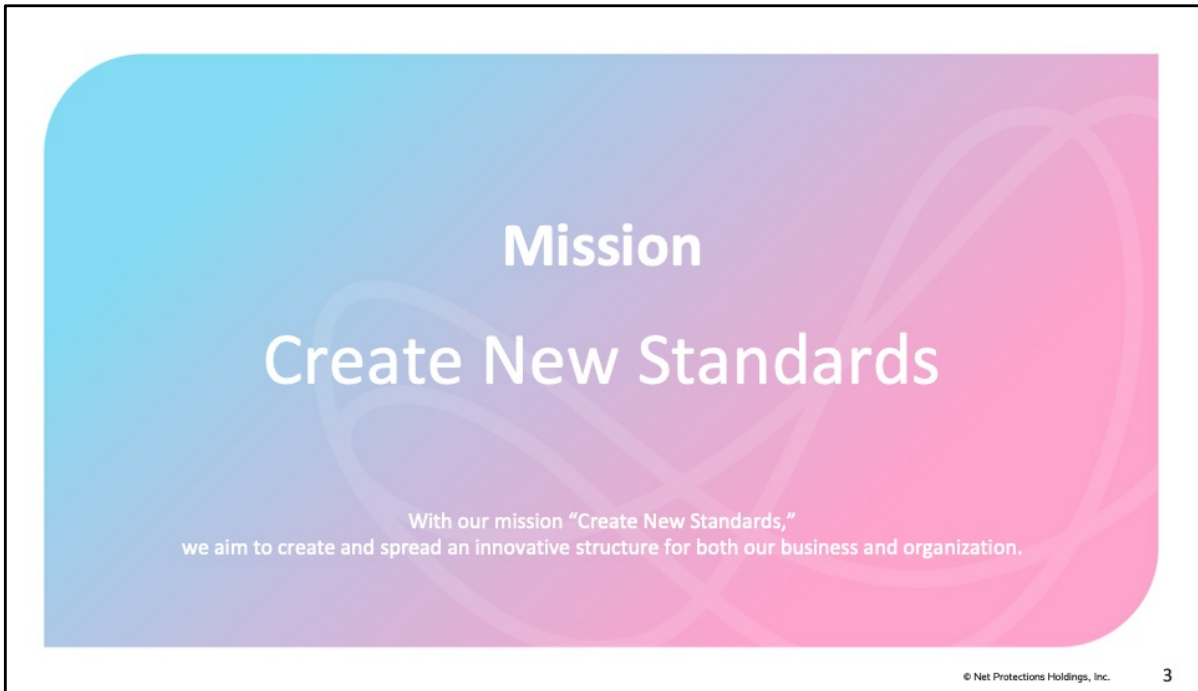
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Good afternoon, everyone. I am Kazuharu Watanabe, CFO of Net Protections Holdings. I would like to begin the financial results presentation for the third quarter of the fiscal year ending March 31, 2024.

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These are the agendas for today.

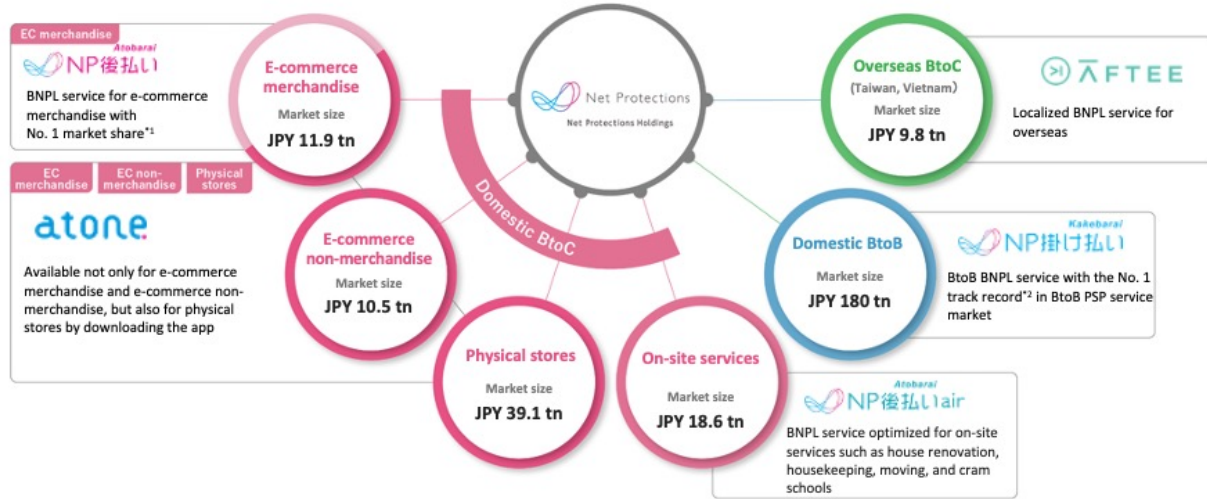
In addition to the regular financial reporting, my presentation today touches upon our management policy for achieving bottom-line profitability for the next fiscal year.



This is our Mission.  
Please skip to page 7.

## Business Overview: Service Lineup and Target Markets

**A comprehensive BNPL provider expanding services to BtoC, BtoB, and overseas.**



<sup>1</sup> Our estimate based on the "75th E-commerce and E-learning Sales Ranking" published in the January 7, 2021 edition of the Tsuhanshimibun.

<sup>2</sup> Based on our annual GMV for FY2021 from Deloitte Tohmatsu MIC Research Institute "MIC IT Report October 2022 - Survey on BtoB Payment Service Provider Market (<https://mic-r.co.jp/micr/2022/>)."

See Appendix on pages 76-78 for the definitions of TAM, SAM, and SOM.

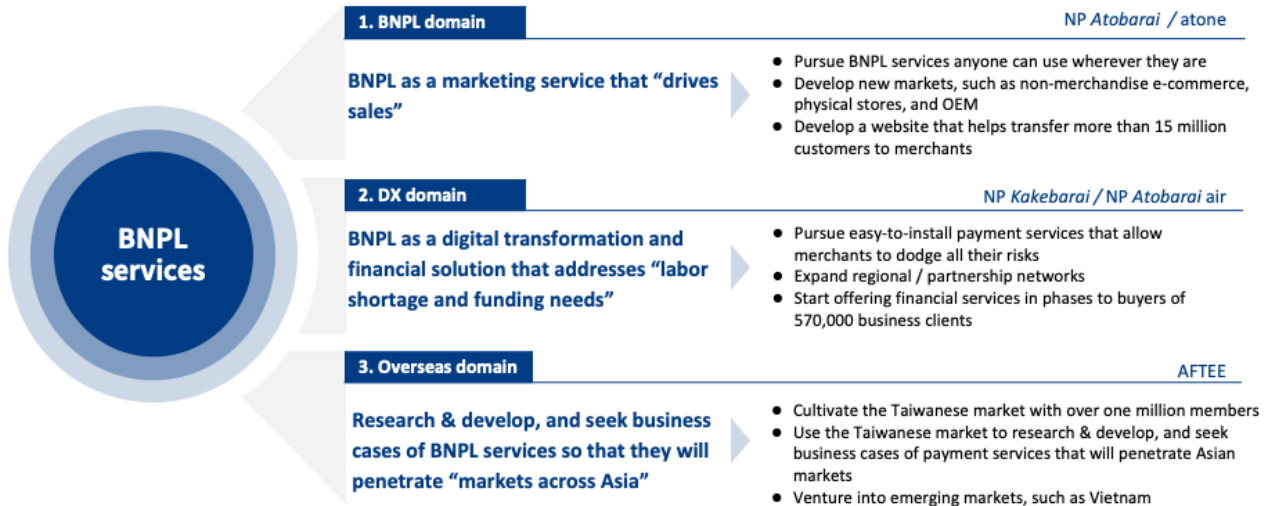
Source: Those figures are calculated using our analysis based on certain assumptions with reference to the following various data:

"Cashless Vision" (P. 70), "Cashless Payment Ratio in Japan, Payment Providers, and the State's Disclosure Policy" (P. 21), and "Current Survey of Commerce (2020)" by the Ministry of Economy, Trade and Industry.

"Taiwan Cards and Payments - Opportunities and Risks to 2024" (P. 26 and 30) by GlobalData, and "e-Economy SEA 2022" etc.

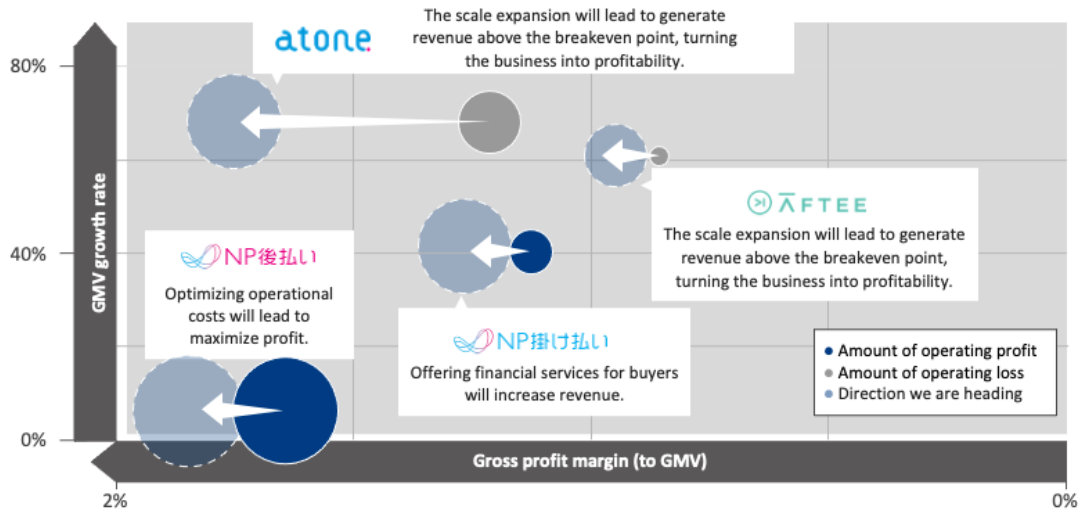
Medium-term Growth Story

We will promote BNPL services that are easy to use for everyone so they will penetrate all markets. We will also keep enhancing our services by leveraging the customer network and the transaction data built up over the past 20 years.



Business Portfolio and Its Direction

Now that we have completed strengthening our structure to expand in scale, we are ready to increase revenues from all service categories and build up profits.



Note) The GMV growth rates, gross profit margin, and operating profit/loss are estimated based on the earnings forecasts for the fiscal year ending March 31, 2024.  
 Note) Operating profit (loss) is calculated by excluding common fixed costs.  
 Note) AFTEE does not include service provided in Vietnam.



## Highlights of Group Financial Results



Summary of Q3 Financial Results

Group total GMV | Achieved profitability for Q3 alone

**Achieved profitability for Q3 alone while maintaining double-digit growth of the Group total GMV!**

9 months GMV **JPY423.8bn** **+13.7% YoY**  
(BtoC +4.9%, BtoB +38.0%)

Q3 alone  
Operating Profit **JPY146mn**  
+229mn YoY

BtoC	atone	BtoC	NP Atobarai and other	BtoB	NP Kakebarai
9 months GMV	<b>JPY19.4bn</b> +25.1% YoY	9 months GMV	<b>JPY267.2bn</b> +3.6% YoY	9 months GMV	<b>JPY137.1bn</b> +38.0% YoY
Q3 alone	GMV +28.1%	Q3 alone	Gross profit +10.9%	Q3 alone	GMV +34.2%
Growth accelerated due to increased transactions in mainly e-commerce apparel, tickets, and entertainment.		Improved fraud detection logic has helped build up gross profit by bringing the delinquency rates under control.		Achieved GMV growth in substantially all categories including advertising and advertising production for recruiting.	

This is a summary of financial results for the third quarter of the fiscal year ending March 31, 2024.

The Group total GMV continued to maintain double-digit growth.

The biggest topic here is that we have finally achieved profitability for the third quarter alone.

By balancing GMV growth with cost containment, we have turned into profitability earlier than initially expected.

Next, a summary by service.

As for atone, GMV increased 25% year on year for the 9 months ended December 31, with increased transactions in mainly e-commerce apparel, tickets, and entertainment solidly accumulating GMV.

The growth is accelerating, with 28% growth for the third quarter alone, giving us confidence in this business.

NP *Atobarai* is positioned as what is called a "cash cow," and we have successfully increased gross profit for the third quarter alone by more than 10% year on year.

Since the third quarter, we have improved our fraud detection logic, which lowered the delinquency rate and successfully built up gross profit.

NP *Kekebarai* continued to perform well.

Transactions with advertising and advertising production for recruiting increased, driving the overall performance with 34.2% growth for the third quarter alone.

**Group Financial Results: Summary of Q3 Financial Results (for 9 Months Ended December 31, 2023)**

**Achieved operating profit of 146 million yen for Q3 alone, turning business into profitability. To achieve full-year profitability for FY3/25, we will build a profit structure that can achieve a double-digit GMV growth while keeping SG&A expenses under control.**

Summary of financial results (JPY in millions)	FY3/24 Q3 (9 months)		Full-year forecast *4		FY3/24 Q3	
	Results	YoY percentage change	Full-year forecast	Progress rate	Results	YoY percentage change
GMV (non-GAAP)	423,880	+13.7%	574,000	73.8%	150,057	+13.1%
Total operating revenue	15,773	+9.3%	21,576	73.1%	5,442	+4.6%
Revenue	15,394	+9.4%	21,076	73.0%	5,314	+3.9%
Gross profit (non-GAAP)*1	5,878	+3.0%	8,100	72.6%	2,195	+7.7%
SG&A expenses	6,692	+10.5%	9,480	70.8%	2,170	+0.3%
Other operating expenses	23	-63.5%	-	-	6	-85.3%
Of SG&A expenses, marketing expenses*3	473	-24.1%	900	52.6%	136	-51.7%
Operating profit (loss)	(459)	-	(879)	-	<b>146</b>	-
EBITDA (non-GAAP)*2	714	-30.0%	627	113.9%	572	+111.8%

\*1 Gross profit: Revenue - (Collection expense + Invoicing expense + Allowance for doubtful accounts (addition) + Bad debt expense + Loss on sale of trade receivables + Credit screening expense + NP point expense + Other payment related expenses)  
 \*2 EBITDA: Operating profit + (Depreciation and amortization + Share based payment expenses + Loss on disposal of property, plant and equipment + impairment loss - Gain from reversal of impairment losses)  
 \*3 Marketing expenses: Sales promotion expenses (excluding agency commissions) + Advertising expenses  
 \*4 Consistent with Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 dated May 14, 2023

This is a summary of financial results for the 9 months ended December 31, 2023.

As you can see on the right side of the slide, we achieved profitability for the third quarter alone.

Gross profit increased 8% year on year due to GMV growth, while SG&A expenses remained mostly flat and under control, resulting in operating profit of 146 million yen.

And about the outlook for the full year, operating profit or loss is expected to be bigger than the forecast, meaning that the deficit is expected to be smaller.

Operating profit or loss for the nine months ended December 31, 2023 has progressed more than 200 million yen above the forecast.

The fourth quarter alone is expected to be slightly in the red, but this is due to the fact that GMV in the fourth quarter tends to be lower than in the third quarter because it is after the year-end sales season, and also due to the one-time expenses such as campaigns and restoration costs associated with the reduction of head office space.

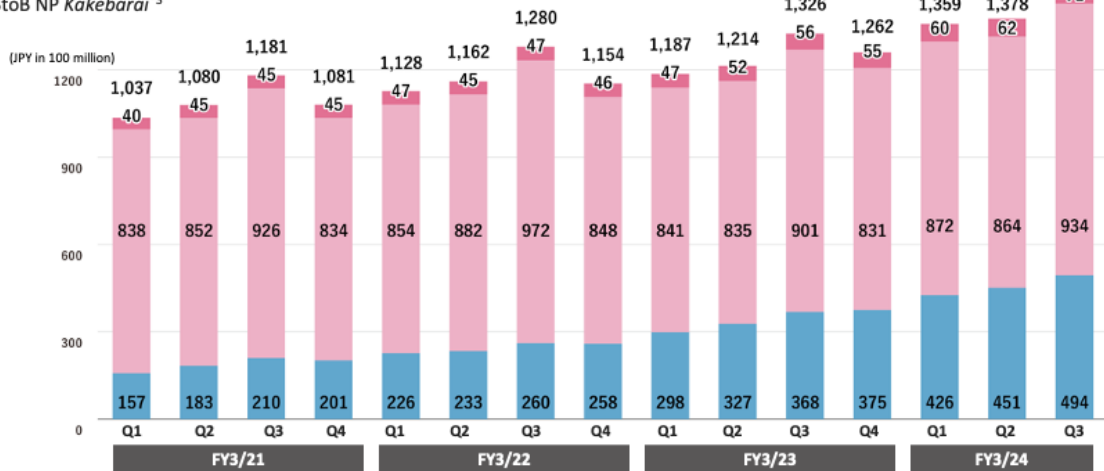
In any case, the large savings will help us reduce the operating loss for the full year.

The following pages will explain each of the key performance indicators.

### Quarterly Changes in GMV

All services accumulated GMV, and Group total GMV reached a record high for the third consecutive quarter.

- BtoC atone\*<sup>1</sup>
- BtoC NP Atobarai and other\*<sup>2</sup>
- BtoB NP Kakebarai\*<sup>3</sup>



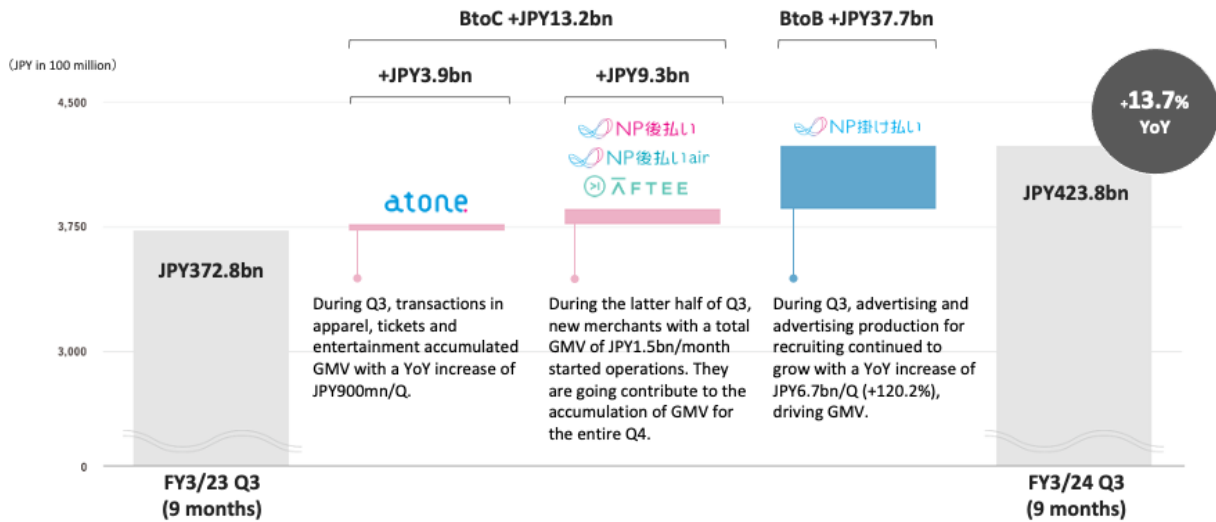
\*<sup>1</sup> Total amount of payments (including consumption tax) made through atone provided by the Group  
 \*<sup>2</sup> Total amount of payments (including consumption tax) made through NP Atobarai, AFTEE, and NP Card provided by the Group  
 \*<sup>3</sup> Total amount of payments (including consumption tax) made through NP Kakebarai provided by the Group

This is the changes in each service's share in GMV.

GMV continued to accumulate for all services in the third quarter, and the Group GMV for the third quarter alone exceeded 150 billion yen, a record high for the third consecutive quarter.

GMV for Q3 (for 9 Months Ended December 31, 2023)

The Group total GMV increased 13.7% year on year due to an increase in new merchants in BtoC and an increase in transactions at existing merchants in BtoB.



This slide shows how our GMV increased year on year.

The introduction of atone has been increasing in apparel, tickets and entertainment e-commerce merchants. These categories accumulated GMV of 900 million yen in the third quarter.

For NP Atobarai, several new merchants, including major ones, have been in operation from mid-November to the end of December.

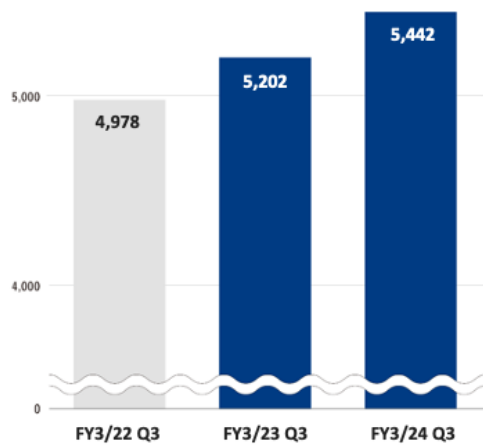
In the fourth quarter, we expect them to accumulate GMV fully.

NP Kakebarai grew significantly, with a year-on-year increase of advertising and advertising production for recruiting by 120.2%.

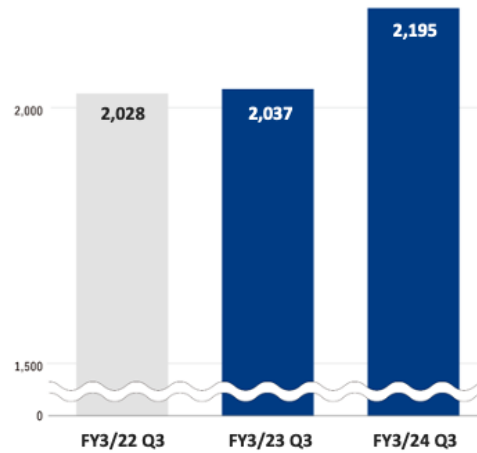
## Operating Revenue and Gross Profit (Group Total)

Improved fraud detection logic mainly in NP *Atobarai* helped increase profitability, resulting in total operating revenue and gross profit up by 4.6% and 7.7% YoY, respectively.

Total operating revenue (JPY in millions)



Gross profit (JPY in millions)



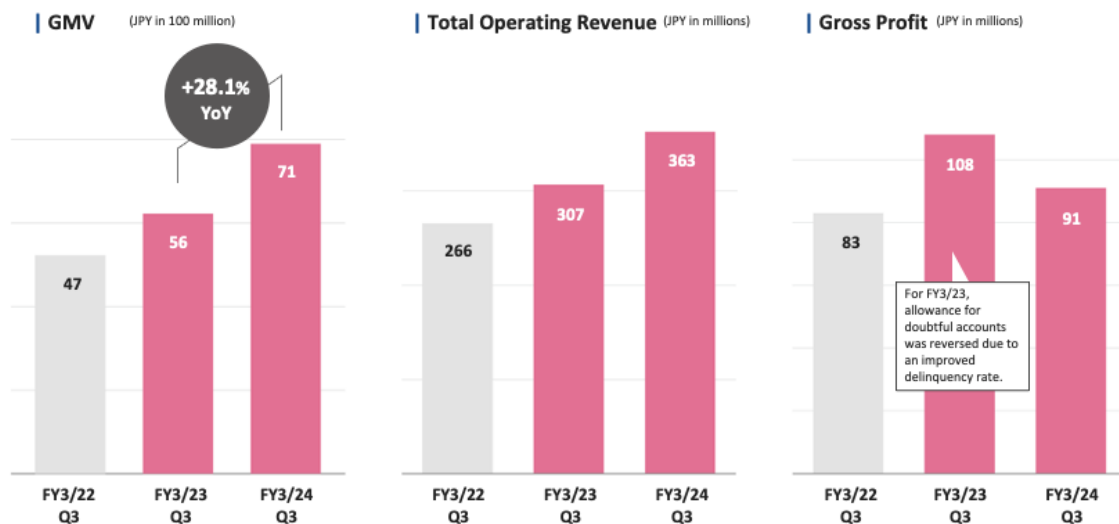
This slide shows the trends of total operating revenue and gross profit.

In the third quarter, gross profit began to accumulate relative to total operating revenue, mainly due to improved fraud detection logic in NP *Atobarai*, which led to higher profitability.

On the following pages, let me explain the summary of the financial results by service.

Financial Results by Service: BtoC: atone

**GMV growth accelerated to +28.1% YoY due to increased transactions in apparel, tickets, and entertainment.**



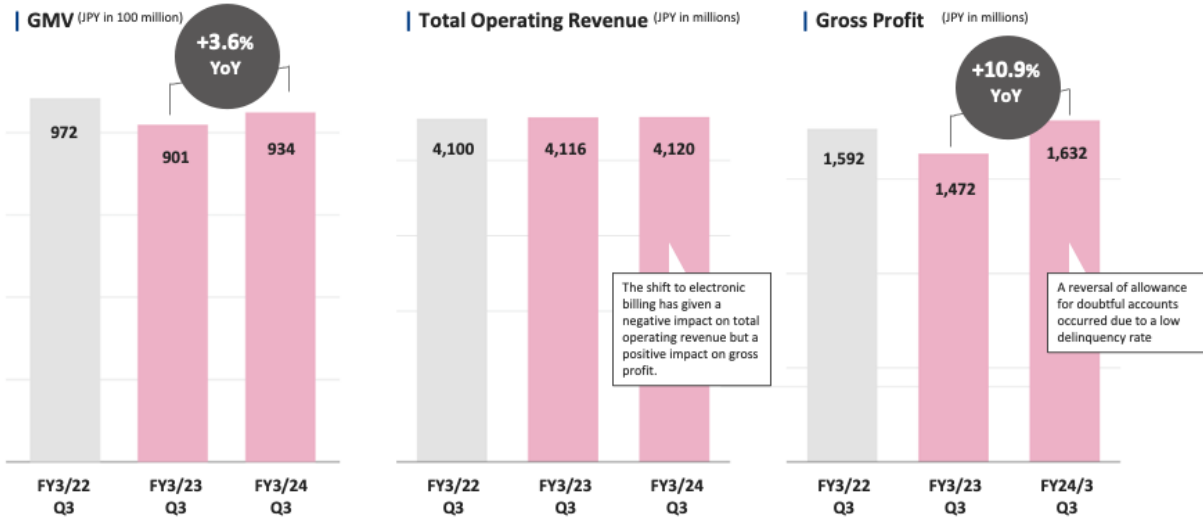
This slide shows the results of *atone*.

The introduction of new merchants is progressing steadily, and we are now one step closer to a 30% GMV growth.

We are also seeing results from our strategic initiatives for further growth, which I will touch upon in more detail later in this presentation.

Gross profit for the current third quarter appears lower than that for the same quarter a year ago simply because of the timing of adding or reversing allowances for doubtful accounts. In fact, the delinquency rate is continuously improving, so over time, costs will be reduced, and profitability will increase.

**GMV grew steadily, and gross profit increased by 10.9% YoY due to the improved fraud detection logic.**



This slide shows the results of BtoC services consisting of NP *Atobarai* and other, which exclude atone.

The "cash cow" business, NP *Atobarai* successfully increased gross profit for the third quarter alone by more than 10% year on year.

Total operating revenue remained flat, but this was due to the impact of the shift to electronic billing.

Since electronic billing is offered at a lower cost than paper billing, sales will somewhat drop as more merchants use electronic barcode billing.

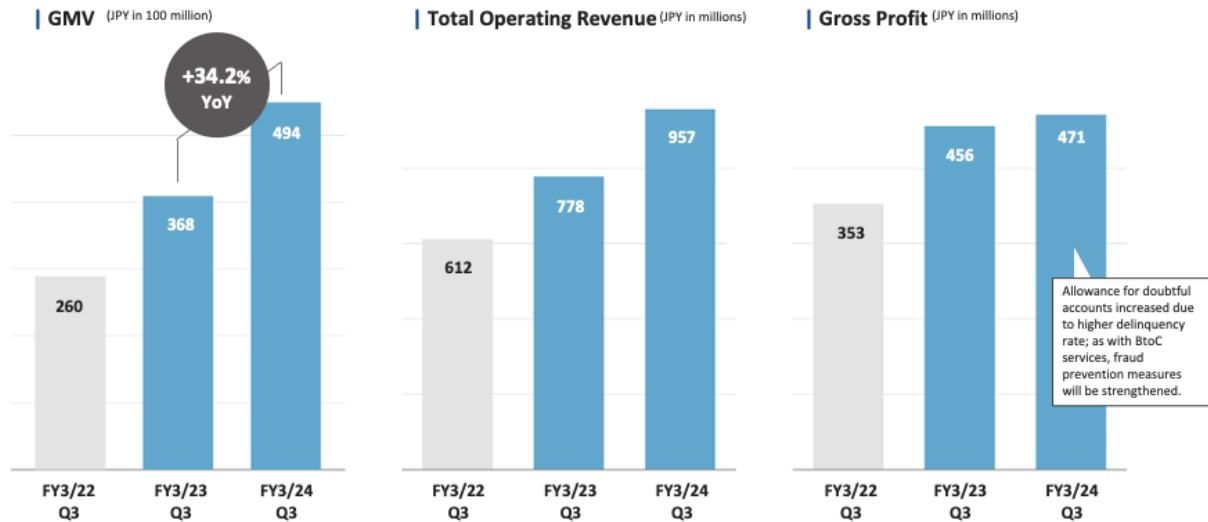
Meanwhile, we intend to increase electronic billing because it has a positive impact on gross profit due to reduced costs mainly consisting of paper and postage costs.

Gross profit accumulated more than 10% year on year.

There has been a slight increase in delinquent accounts in the recent past, but by improving the fraud detection logic, we have been able to bring the delinquency rates under control, resulting in the reversal of allowance for doubtful accounts.



**Advertising and advertising production for recruiting drove performance with a YoY increase of 120.2%, while GMV maintained high growth with a YoY increase of 34.2%.**



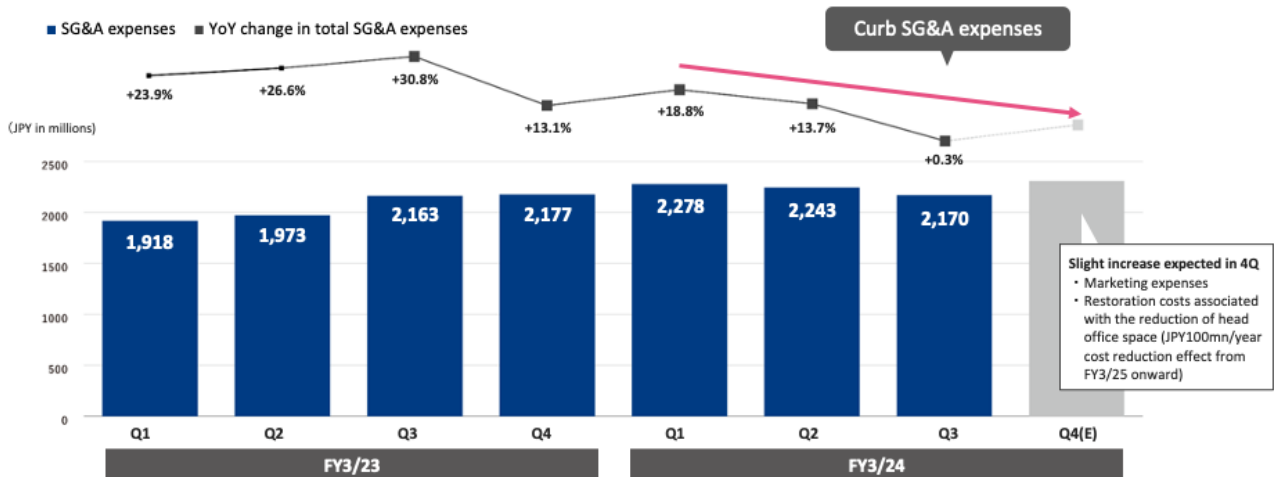
In this slide, we look at the performance of our BtoB service, NP *Kakebarai*. GMV continued to grow strongly with a 34% year-on-year increase.

We are focusing on controlling the delinquency rate, as the delinquency rate is on the rise due to deteriorating macro environment.

Service fees tend to be lower for the major merchants, but we have been able to maintain other merchants' service fees and have accumulated more than 20% in operating revenues, indicating that service fees have been adequately in control.

## SG&A Expenses: Quarterly Trend and Outlook

Following Q2, SG&A expenses continued to decrease in Q3. In FY3/25, we plan to maintain SG&A expenses at the same level as FY3/24. Therefore, sales growth will directly contribute to profit.



SG&A expenses continued to be properly controlled and are decreasing on a quarterly basis.

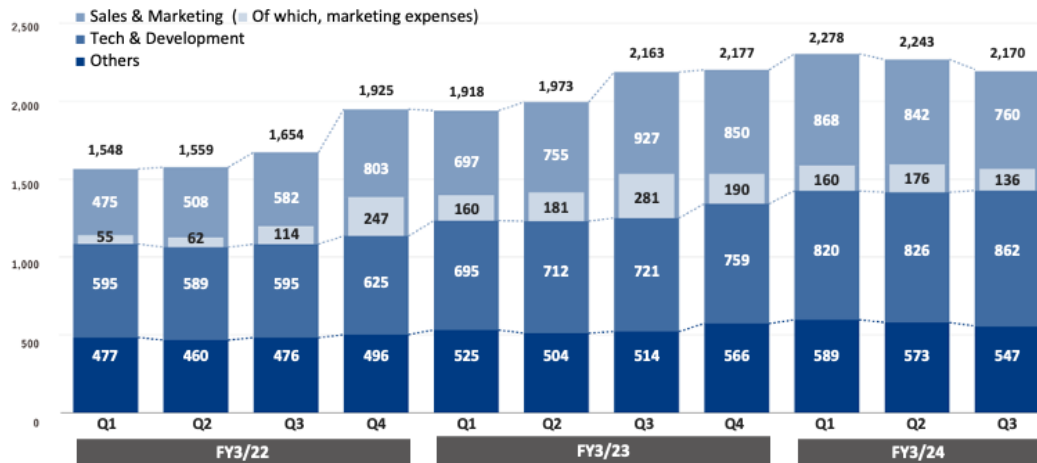
SG&A expenses in the fourth quarter are expected to increase slightly due to marketing initiatives and the restoration costs associated with the reduction in office floor space. However, the marketing initiatives are directly related to GMV as they are planned mainly for campaigns with merchants, and the reduction in office floor space will lead to a reduction of annual costs by 100 million yen from the next fiscal year onward. As such both efforts will lead to an increased return in the short term.

In FY3/25, we plan to maintain SG&A expenses at the same level as FY3/24.

### SG&A Expenses: Quarterly Changes by Function

SG&A expenses decreased as the increased number of full-time employees hired last year became more productive and were encouraged to internalize outsourced operations. Among others, Sales & Marketing increased operational efficiency.

(JPY in millions)



\*1 Sales & Marketing: Personnel, outsourcing, operations related, marketing, and other expenses related to sales and marketing  
 \*2 Tech & Development: Personnel, outsourcing, operations related, and other expenses related to system development, credit related operations, and other operations.  
 \*3 Others: SG&A expenses other than \*1 and \*2 (personnel and outsourcing expenses related to back-office operations, outsourcing expenses of help desk for services, etc.)

Looking at the breakdown of SG&A expenses by function, cost containment has been effective in Sales & Marketing.

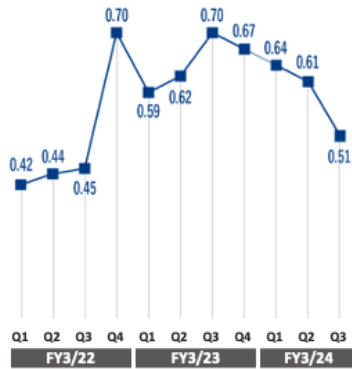
We have increased the number of full-time employees since last fiscal year, but the reinforcement is now complete.

As each full-time employee has become more productive, we have been able to reduce outsourcing costs by bringing operations in-house that had previously outsourced.

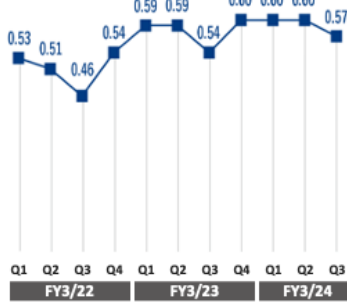
(Reference) Changes in Ratio of SG&A Expenses to GMV

**We started to see the effect of the operating leverage due to the improved operational efficiency of Sales & Marketing.**

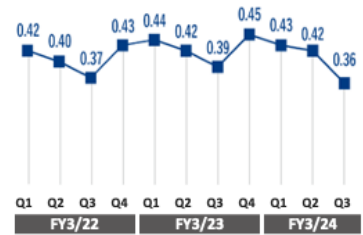
**| Sales & Marketing (%)**



**| Tech & Development (%)**



**| Others (%)**



\*1 Sales & Marketing: Personnel, outsourcing, operations related, marketing, and other expenses related to sales and marketing  
 \*2 Tech & Development: Personnel, outsourcing, operations related, and other expenses related to system development, credit related operations, and other operations.  
 \*3 Others: SG&A expenses other than \*1 and \*2 (personnel and outsourcing expenses related to back-office operations, outsourcing expenses of help desk for services, etc.)

The SG&A to GMV ratio shows that the ratio of the SG&A of Sales & Marketing to GMV has dropped significantly.  
 It is clear that the operating leverage is in effect.

Also, you can see that the SG&A ratios are approaching those of FY3/22, the period when profit was generated before the investment began.  
 This may indicate that the Company is close to turning around from red to black.



## **Management Policy to Achieve Bottom-Line Profitability for FY3/25**

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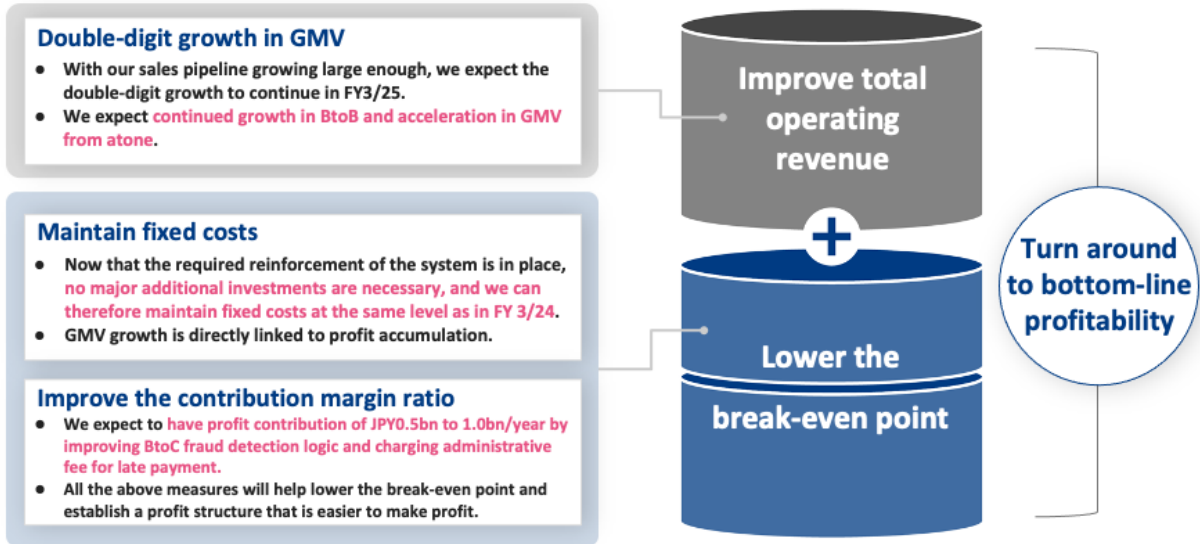
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I, Shin Shibata, CEO of Net Protections Holdings, will make a presentation from here.

As Watanabe reported earlier on the achievement of quarterly profitability, we have a policy of achieving the full-year bottom-line profitability for the next fiscal year. So please allow me to explain our approach to making it happen.

Management Policy to Achieve Profitability in the Final Profit and Loss (Net Income) for FY3/25

The Company aims to achieve high profitable growth through a **double-digit growth in GMV** after establishing a profit structure by **maintaining fixed costs** and **improving the contribution margin ratio**.



This shows the key indicators and the level to be achieved.

Our major policy is to take measures to lower the break-even point and then improve total operating revenue to turn around to bottom-line profitability.

First, the blue box indicates measures to lower the break-even point.

We are currently working to reduce fixed costs, and our policy for the next fiscal year is to keep fixed costs substantially unchanged from the current fiscal year level.

Despite a slight increase in operating expenses due to the expansion of our business, we have determined that we can grow our business without further major investments by improving efficiency.

As an additional measure, we will work on to improve the contribution margin ratio.

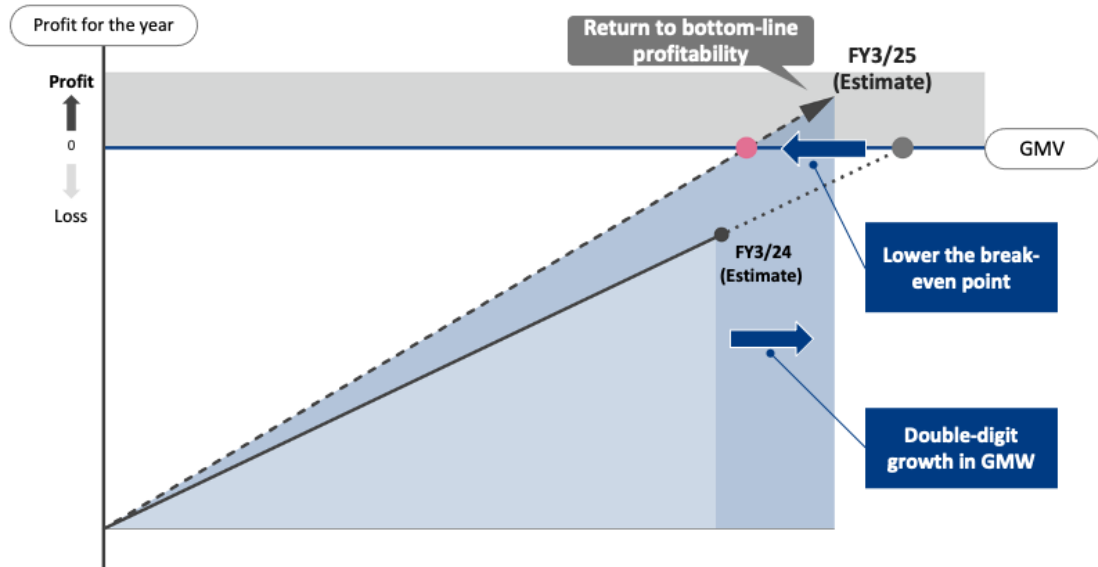
We expect to have profit contribution of 0.5 billion to 1.0 billion yen per year by improving BtoC fraud detection logic and charging administrative fee for late payment.

With these initiatives in place, we will expand GMV, in other words, improve operating revenues to turn around to profitability.

In the next fiscal year, we expect to further expand GMV of BtoC atone in addition to BtoB and will be able to confidently achieve a double-digit growth of Group total GMV.

(Reference) Illustrative Presentation of Operating Results for FY3/25

**We are going to establish a profit structure under which GMV exceeds the break-even point and GMV growth will directly translate into profit accumulation.**



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This slide graphically represents the previously mentioned approach.

The key is that the control of fixed costs and the administrative fee for late payment are measures that we can control, and thus the feasibility of lowering the break-even point is high.

Given that our sales pipeline has currently been growing large enough, we believe that GMV will grow sufficiently going forward. However, there are some uncertainties, such as delays in the start of operation as it is always up to a counterparty.

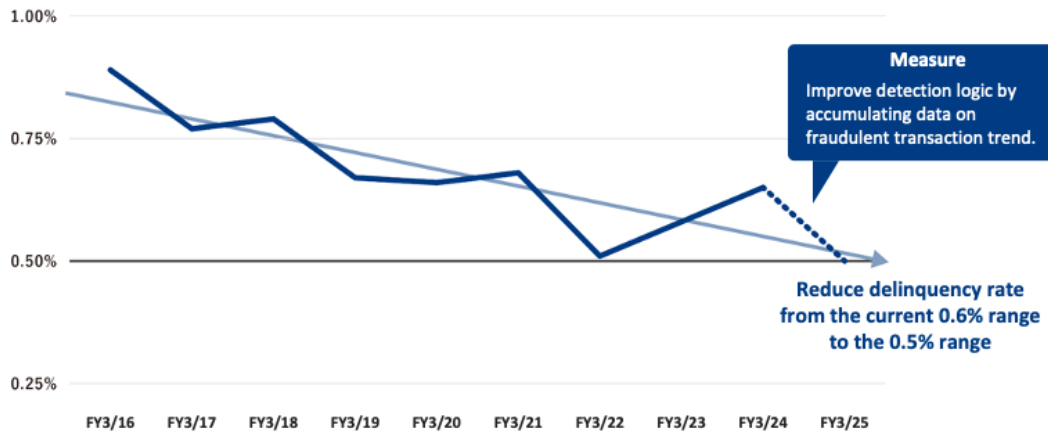
Therefore, our approach is to achieve profitability by building a profit structure under which we can accumulate profit through measures we can manage.

In this way, we can turn around to profitability by absorbing losses from any uncertain events.

Measures to Improve Contribution Margin Ratio: Improve Fraud Detection Logic for Domestic BtoC Services

**We aim for the lowest-ever delinquency rate by improving fraud detection logic for BtoC services. This measure already started in Q3, and we expect to see the effect for the full FY3/25.**

Delinquency rate in BtoC NP *Atobarai*



Now I will explain measures to improve the contribution margin ratio.

First, we will improve the fraud detection logic for BtoC services, NP *Atobarai*, and atone. We have been working on NP *Atobarai* since the third quarter, and as reported in the financial results, it has led to a solid improvement in gross profit.

Since we have already achieved results, we expect the delinquency rate, which is currently at 0.6%, to reach a record low of 0.5% in the next fiscal year.

For atone, we have also started fraud detection measures in the fourth quarter.

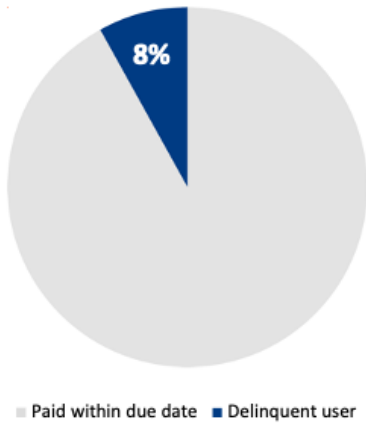
Actual results will be forthcoming, but we believe that atone's delinquency rate is on its way to improvement.



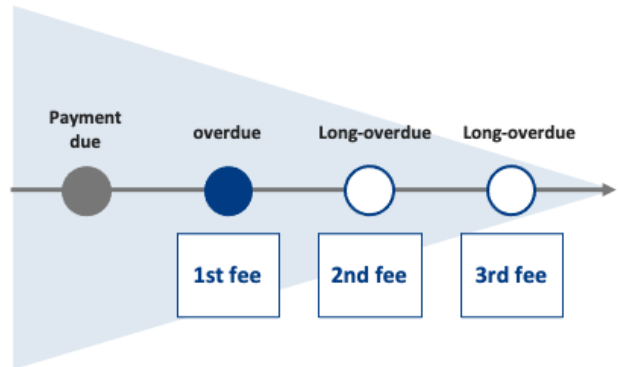
Measures to Improve Contribution Margin Ratio: Administrative Fee for Late Payment of NP *Atobarai*

We will collect administrative fee for late payment for the overdue period from a delinquent user of NP *Atobarai* (average 8%). This will start in H1 of the fiscal year ending March 31, 2025.

Delinquency rate (1st payment due)



Collection process of administrative fee for late payment



Control late payments and reduce costs related to sending out a payment reminder/collecting payment

Another measure is to collect administrative fee for late payment for NP *Atobarai*.

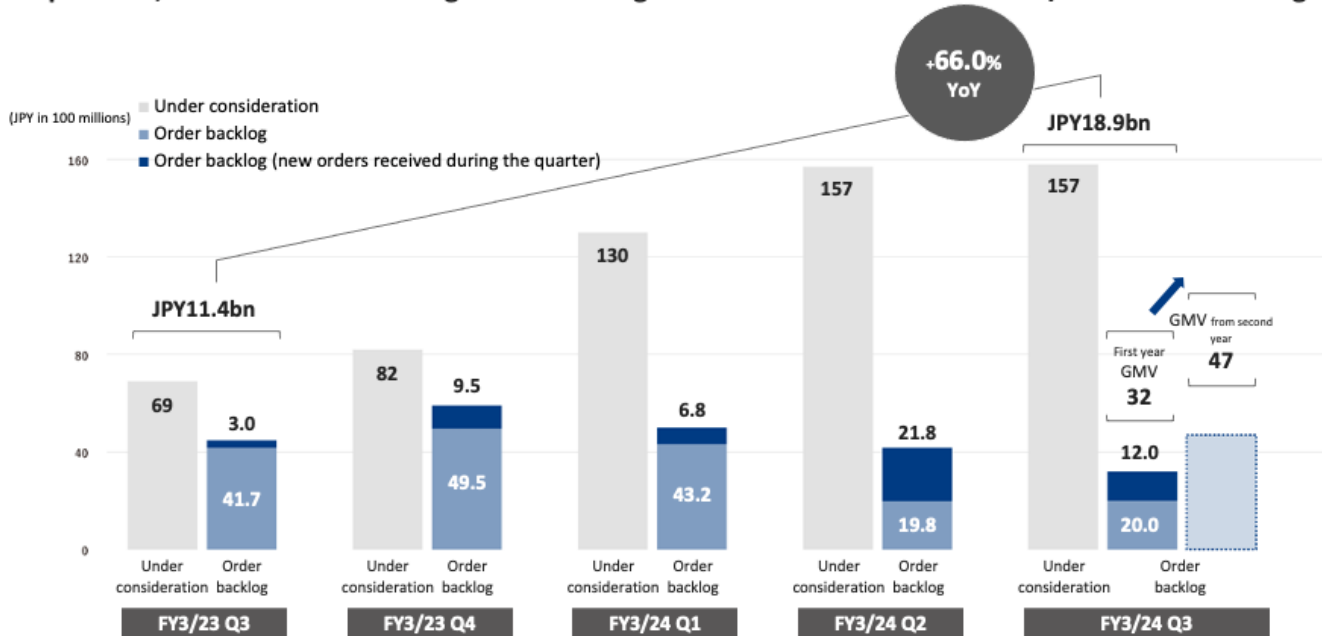
Payment period of NP *Atobarai* is 2 weeks and the ratio of more than one-month overdue is about 8%.

As the cost related to providing BNPL services after the payment period will incur, we have decided to collect administrative fee for late payment from delinquent users.

The system is being prepared and to be launched in the first half of the next fiscal year.

## GMV Outlook: Sales Pipeline

The Group total sales pipeline increased 66.0% year on year. Contracts with large stores were put into operation, and new order backlog estimated to generate GMV of over JPY100mn/month is increasing.



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This slide shows the status of our sales pipeline, a leading indicator for GMV growth in the future.

The latest order backlog is shown separately for GMV at the beginning of operation and projected GMV one year after operation.

In the last three months, we put contracts with large stores into operation and also added new orders received of 1.2billion yen.

In particular, orders for atone and NP Kakebarai are solid, and the number of new orders estimated to generate GMV of over 100 million yen per month is increasing.



## Progress of Strategy by Service

From now on, allow me to talk about the progress of our strategy by service.

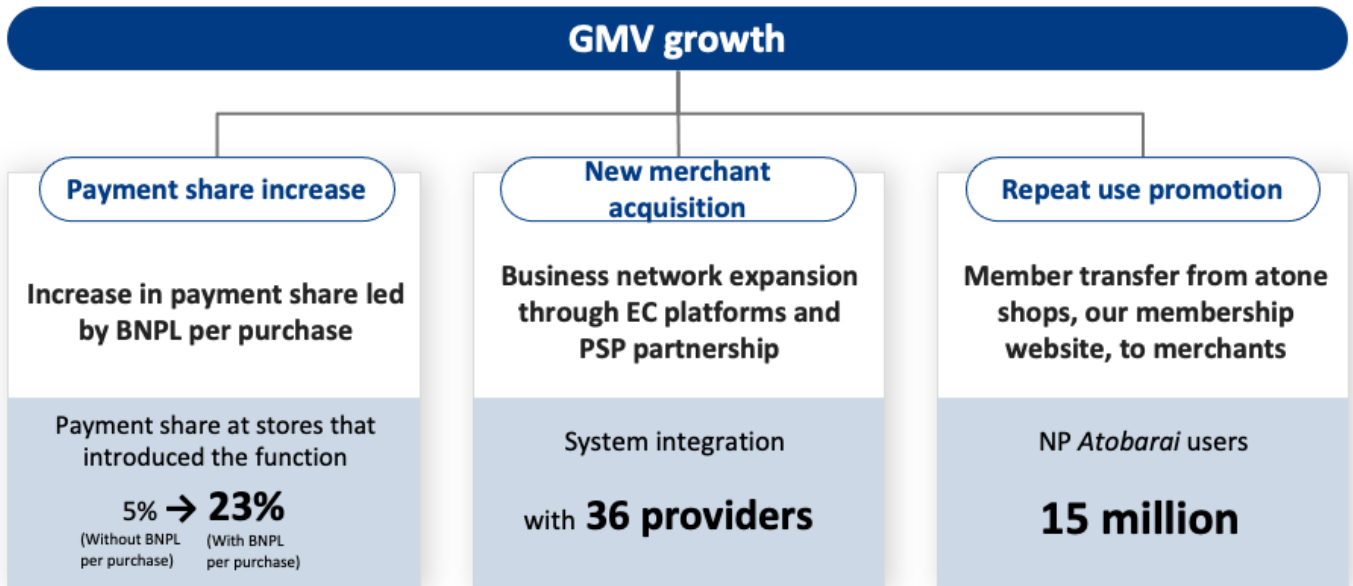


## **Progress of Strategy**

The first update is about atone, our BtoC service.

## Growth Strategy for BtoC Services: atone

We aim to efficiently acquire new merchants through system integration with EC platforms\*<sup>1</sup>. We also aim for GMV growth by leveraging campaigns as a hook to transfer members from atone shops to merchants' websites.



\*1. Collective noun for shopping cart softwares and PSPs (Payment Service Providers)

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This slide shows atone's main strategies.

First of all, we released BNPL per purchase in Q1 to increase the payment share.

As a result, at stores that introduced BNPL per purchase, atone's payment share jumped from 5% to over 20%.

We are also working on system integration with EC platforms. We will lower the hurdle to introduce atone through system integration with EC platforms.

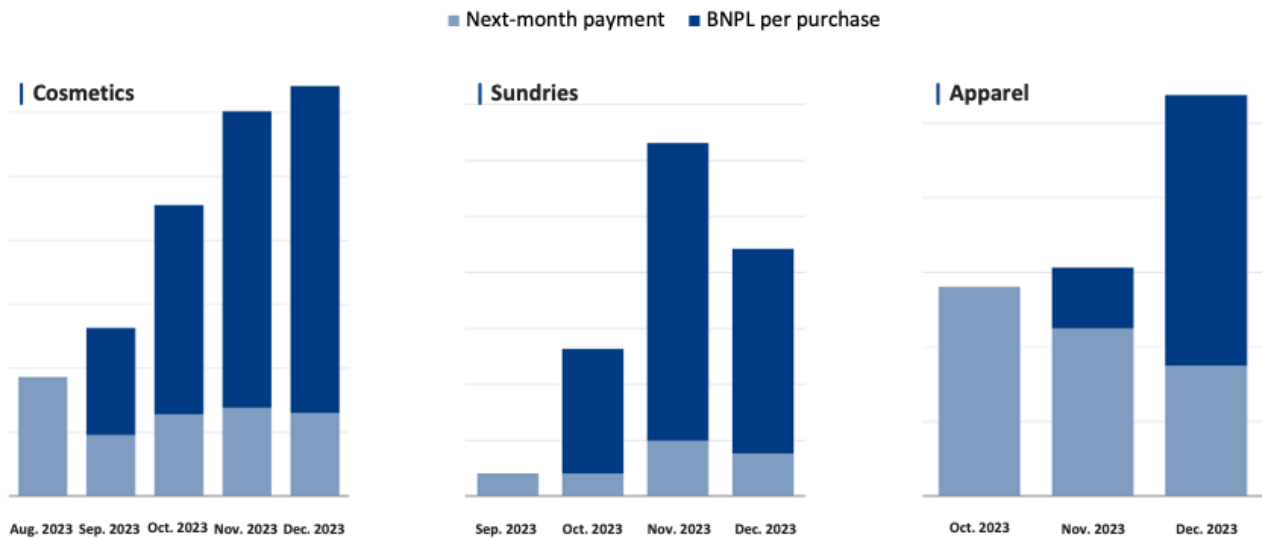
Many EC platforms and PSPs including major ones have already privately consented or currently in development.

Additionally, atone shops enables us to approach users and to transfer them to other merchants.

The biggest concern for shops is whether or not they can attract customers. We will strengthen the system that can strongly support this.

The addition of BNPL per purchase pushed atone's payment share up to over 20% and significantly increased GMV. atone has become an important payment method following credit cards for both merchants and users.

atone's GMV trend after adding BNPL per purchase



This slide shows the performance after releasing BNPL per purchase function in Q1.

Next-month payment is a default function of atone. However, when our clients added BNPL per purchase, atone's payment share jumped to over 20% and GMV significantly increased in about two to three months.

We are now approaching all existing major stores that only introduced next-month payment to propose to introduce BNPL per purchase.

Some stores are scheduled to go into operation in Q4.

We are proposing Next-month payment + BNPL per purchase for new merchants.

atone system was integrated into several EC platforms. E-commerce shops (GMV: JPY2 trillion yearly) using each platform are our potential revenue source.

**New e-commerce platforms partnering with atone**  
**Total GMV of the platforms: JPY2 trillion\*<sup>1</sup> or more yearly**

Integrated in FY3/24	Under development
    	     <b>+2 provider</b>

**BNPL per purchase is available for all the above platforms.**  
**Several other platforms are privately consented.**

\*1 Our estimate

Let me now talk EC Platform integration status.

In Q3, we newly integrated with 4 EC platforms.

There are also 7 EC platforms currently under development and will be complete soon.

Total GMV of EC businesses using these platforms is estimated at 2 trillion yen yearly, and the difficulty of acquiring new merchants in the future will be greatly reduced.

As all these platforms are available for BNPL per purchase, our sales activities will prioritize businesses using these platforms.

**atone shops achieved unique user of 380,000 and page view of 8.8 million.**  
**atone app is also expected to create a new user flow to atone shops in the future.**  
**atone shops works as a hook to increase the number of merchants who consider introducing atone.**



\*1 Average result for December 2023 and January 2024

### Planned implementation

#### To users

Smartphone and atone app improvement

- Access to atone shops
- Campaign notifications & recommendations

#### To merchants

Development of campaign management screen

- Campaign application & management

This is about atone shops.

atone shops is a member-transfer service that was launched in October 2023 and currently has more than 300,000 users.

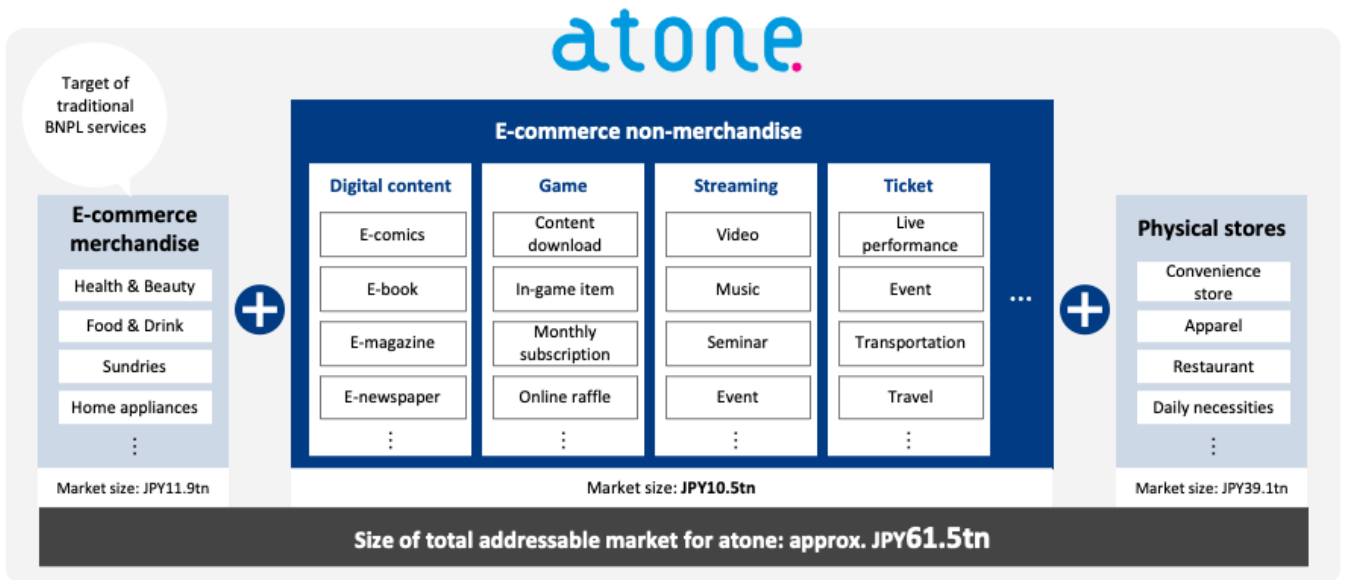
The number of users is growing steadily, so we will continue to attract attractive stores and campaigns, while improving UI/UX.

We believe that access from atone app is particularly important because they can attract loyal users.



(Reference) Expansion into New BtoC Markets

**atone will enable us to enter a market where traditional BNPL services do not fit.  
Our target is all the BtoC markets where a credit card payment is a norm.**



Let me touch on the target market of atone.

Traditionally, BNPL has mainly targeted the e-commerce merchandise market. However, thanks to its more accurate credit screening model, atone can target the e-commerce non-merchandise market, as well as physical stores. In other words, we can provide our services to all markets where a credit card payment is widely used.

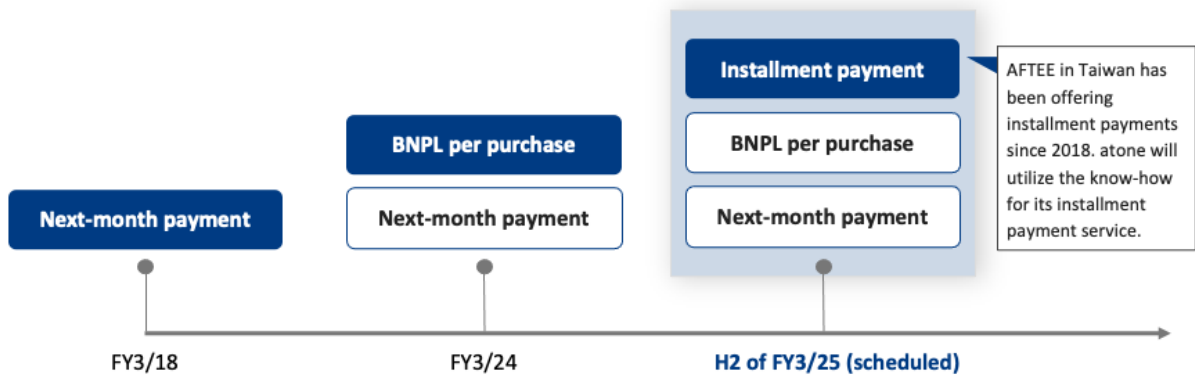
In particular, the e-commerce non-merchandise market is a blue ocean for BNPL, which will bring us big opportunities.

More specifically, we are able to offer our services to the digital content market, the online gaming market, the streaming service market, and the ticket market for such as live performances, travel and transportation.

The market size of the e-commerce non-merchandise itself is more than 10 trillion yen. Therefore, we have already started sales activities. Actually, when we look at our pipeline status, contracts with companies of this domain have been brisk.

**We have decided to offer an installment payment as a new atone service in H2 of FY3/25 (scheduled). atone will be available for all types of shopping, even for high-value goods.**

**atone evolves into BNPL that supports a variety of payment methods**



Finally, we are pleased to announce a new strategy for atone. We have decided to offer an installment payment as a new service under the atone brand. The service is scheduled to be launched in the second half of the next fiscal year.

atone aims to make payments available for all types of shopping, and we believe that there is a great need for installment payments when purchasing high-value goods, and we will respond to this need.

Since AFTEE in Taiwan has been offering installment payments since 2018, we believe that by utilizing its know-how and expertise in atone's installment payment service, we can quickly establish this as a business.

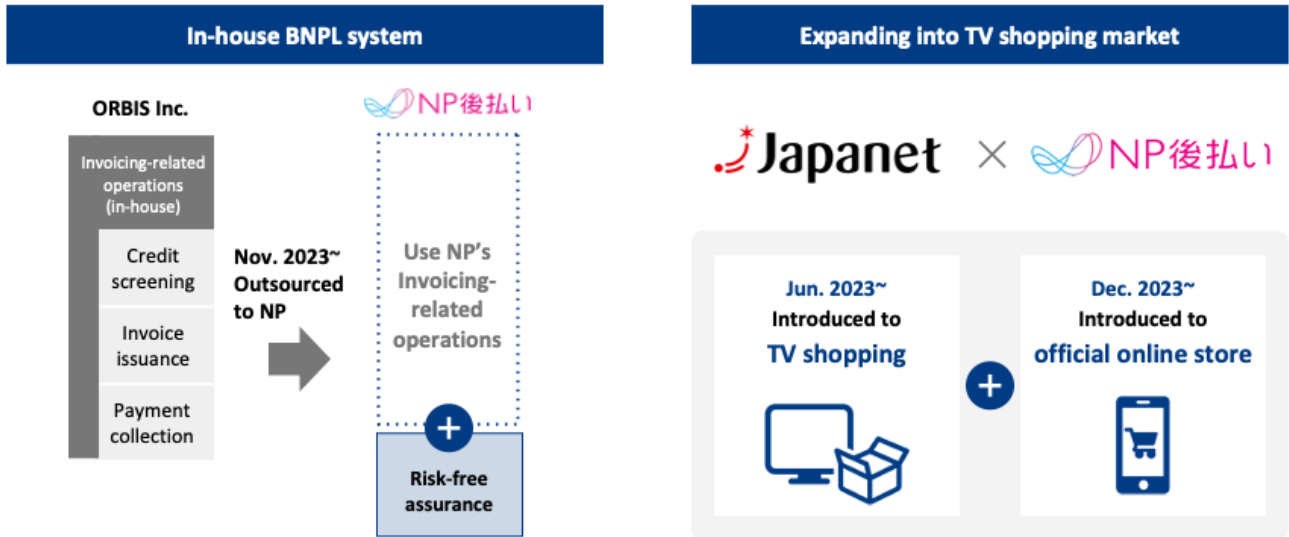
BtoC  
NP後払い NP後払いair >| AFTEE

**Progress of Strategy**

From here on, I will update on BtoC services other than atone.

**Steady approach made to in-house BNPL system and TV shopping markets.**

- **ORBIS Inc. introduced NP *Atobarai* to replace its own BNPL system.**
- **Japanet Takata introduced NP *Atobarai* to its official online store and TV shopping channel.**



ORBIS Inc. and Japanet Takata have introduced NP *Atobarai*.

With the two industry leading companies introducing NP *Atobarai*, we can expand GMV and also uncover new merchant stores.

There are many other e-commerce companies that currently use their in-house BNPL systems and major TV shopping.

Growth Strategy for BtoC Services: NP *Atobarai* and other

AFTEE in Taiwan has introduced its service for non-merchandise goods, and GMV for Q3 (9 months) recorded a high growth of +39.5% year on year.

AFTEE in Vietnam has launched in full-scale the service for Sendo, a major local e-commerce mall.



Global companies are introducing AFTEE also in non-merchandise areas.

Flight tickets



E-book



E-learning



Rental service (mobile battery)



“Sendo”, an e-commerce mall that belongs to FPT Corporation, the largest IT company in Vietnam started its AFTEE operation. Sendo plans to extend AFTEE to other online OEM marketplaces.



AFTEE is also on track.

AFTEE in Taiwan has grown by approximately 40% also in this quarter, and non-merchandise merchants are introducing AFTEE one after another.

As I explained earlier about the growth potential atone has in the non-merchandise area, we will expand GMV both in merchandise and non-merchandise markets abroad based on our expertise in Japan.

AFTEE in Vietnam has safely launched its service for a major local e-commerce mall and getting off with a good start in its first year.



## Other Management Topics

## Shareholder Benefit Program: Outline

To promote the use of atone and offer shareholder benefit, we will award to shareholders NP Points, which can be redeemed for a discount when shopping with atone.

### Record date

March 31, 2024



### Eligible shareholders

Shareholders holding more than 100 shares (one trading unit) as of the record date

### Timing of award/application method

A guide on how to apply for the benefit will be enclosed with the Notice of Convocation of the General Meeting of Shareholders to be sent in mid-June 2024.

NP Points will be awarded when the eligible shareholders register as a member following the instructions.

Number of shares held	Number of NP Points to be awarded
100 shares or more but less than 300 shares	1,000 points (equivalent to JPY1,000)
300 shares or more but less than 500 shares	1,500 points (equivalent to JPY1,500)
500 shares or more but less than 1,000 shares	2,000 points (equivalent to JPY2,000)
1,000 shares or more but less than 1,500 shares	3,000 points (equivalent to JPY3,000)
1,500 shares or more but less than 2,000 shares	4,000 points (equivalent to JPY4,000)
2,000 shares or more	5,000 points (equivalent to JPY5,000)

We will return profit to shareholders after comprehensively considering the business environment, business performance, and financial conditions, and other factors. As of February 14 2024, we have not yet decided on the implementation of the shareholder benefit program in the next fiscal year.

Lastly, this slide shows our shareholder benefit program.

We will award NP Points, which can be used for our payment service to eligible shareholders who own more than one trading unit of shares as of the end of March 2024.

We hope our shareholders will experience atone with this benefit program.

## Shareholder Benefit Program: NP Points

NP Points can be used to redeem for a discount when shopping with atone (1 point is equivalent to JPY1), exchange for merchandise available at atone shops and enter a prize competition.

### Stores where atone is available (non-exhaustive list)

#### Online stores

##### GMS, daily necessity stores, food



##### Apparel



#### Physical stores\*2

##### Convenience stores, supermarkets



##### Drugstores



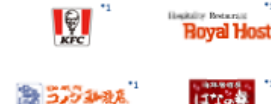
##### Entertainment



##### Digital content



##### Restaurants



##### Daily necessity stores



\*1 Some stores are not available.

\*2 Payment at physical stores requires our credit screening.

atone is widely available at stores ranging from specialty stores to general merchandise stores (GMS).

You can use NP Points for a discount when shopping at these stores.

We hope shareholders will enjoy shopping with atone redeeming their reward points in this benefit program.

This is the end of our results briefing for the nine months ended December 31, 2023. Thank you for your attention.



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