

FY2023 3rd Quarter Financial Results Briefing Materials

Feb. 14, 2024

Synchro Food Co., Ltd. <3963>



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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 HR Services Unit Office(opened in November, 2023):13F, Ebisu Garden Place Tower, Ebisu, 4-20-3, Shibuya-ku, Tokyo
Capital:	510 million yen
Number of Employees:	179 (Consolidated basis/permanent employees/as of Dec 31, 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

Consolidated Financial Results (Q3 cumulative)

- **Revenue: 2,654 million yen (+26.1% year on year); operating profit: 761 million yen (+17.4% year on year)**
- **The consolidated financial results remained robust as both revenue and operating profit for Q3 hit another all time high.**
 - ✓ **Media Platform Business**
 - Recruitment advertising services in both channels of direct sales and agencies were robust.
 - Services for design companies remained robust.
 - ✓ **M&A Service Business**
 - Revenue grew as deals were closed steadily whose timing of transfer was pushed back to Q3 from the first half.
- **We continued efficient cost management while maintaining strategic investment in sources of business growth (personnel costs and advertising costs).**
 - ✓ **While we strengthened recruitment, the ratio of personnel costs to revenue declined year on year (32.2%→30.7%).**
 - ✓ **We maintained efficient advertising cost management. The ratio of advertising costs to revenue declined year on year (7.0%→5.4%).**

Main Topics

- **Mobility Service:** Entered the Kyushu and Okinawa areas. Started pilot introduction with Kyoto City. Cooperated with Urban Renaissance Agency.
- **SNS short videos:** The number of restaurants listed on “gourmet_baito_chan” exceeded 150.
- **Data service:** Launched the “Inshokuten.com certification mark” service
- **M&A strategy:** Acquired “Nogyo Job (Agrijob)”, a human resource matching business specializing in the agriculture, forestry, and fisheries industries

FY2023 Q3 Summary (vs. Target Figures)

Consolidated results remained strong;
We are making steady progress toward our full-year earnings forecast

(Million yen)

	FY2023 Q3 Total Actual (Consolidated)	FY2022 Q3 Total Actual (Consolidated)	Year on Year	FY2023 Earnings Forecast (Consolidated)		Progress
					Growth rate	
Revenue	2,654	2,105	+26.1%	3,500	+19.4%	75.9%
Gross profit	2,222	1,847	+20.3%	-	-	-
SG & A	1,460	1,198	+21.9%	-	-	-
Operating profit	761	648	+17.4%	1,000	+14.1%	76.1%
Operating profit ratio	28.7%	30.8%	(2.1pt)	28.6%	-	-
Recurring profit	760	650	+17.0%	1,000	+13.9%	76.0%
Net Income Attributable to Owners of Parent	518	438	+18.3%	700	+11.4%	74.1%

Supplementary Note: Seasonal Trend in Revenue

Revenue tends to be larger in Q4, a period in which preparations for business launches and recruitment activities gain momentum

Ratios of quarterly revenue to annual revenue

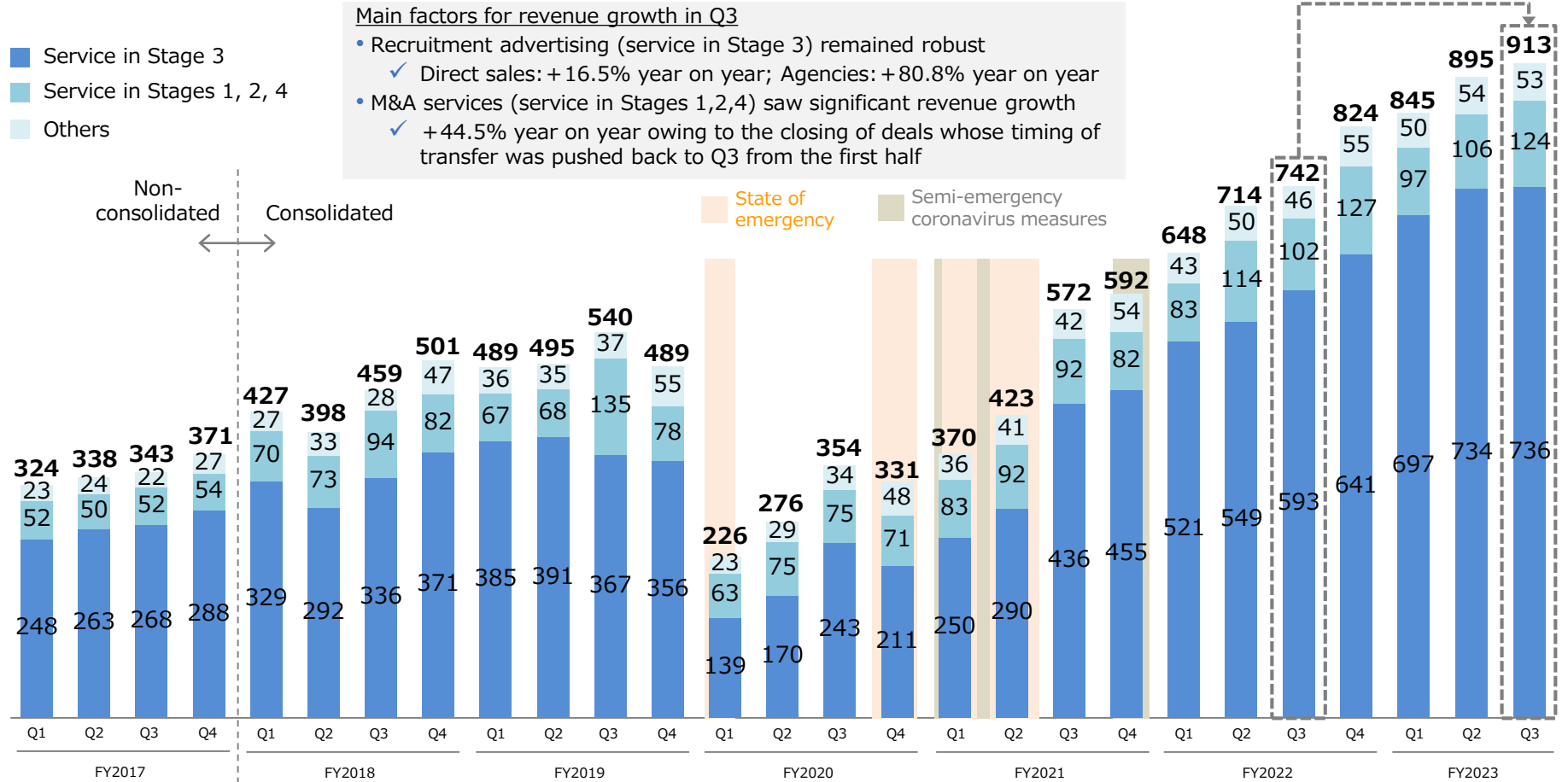
	Q1	Q2	Q3	Q4
FY2017	23.5%	24.5%	24.9%	27.2%
FY2018	23.9%	22.3%	25.7%	28.0%
FY2021	18.9%	21.6%	29.2%	30.2%
FY2022	22.1%	24.4%	25.3%	28.1%

* Excludes FY2019, in which we first began to be affected by the COVID-19 pandemic, and FY2020, in which we were significantly impacted by it.

Trend of the Revenue

Revenue in Q3 remained strong, breaking the record high for quarterly revenue (up 23.1% year on year)

Trend of the revenue in FY2017 - FY2023



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 	<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 Interior furnishing*1 Real estate properties A fully furnished asset transfer 	
		Wit	<ul style="list-style-type: none"> M&As 	
Other	Synchro Food		<ul style="list-style-type: none"> Restaurants research Advertisement insertion and newsletters Interior job seeking Comparison service (POS/FC) Nogyo Job(Agrijob)*3 	
	Wit		<ul style="list-style-type: none"> Food Accounting Association*2 	

*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.

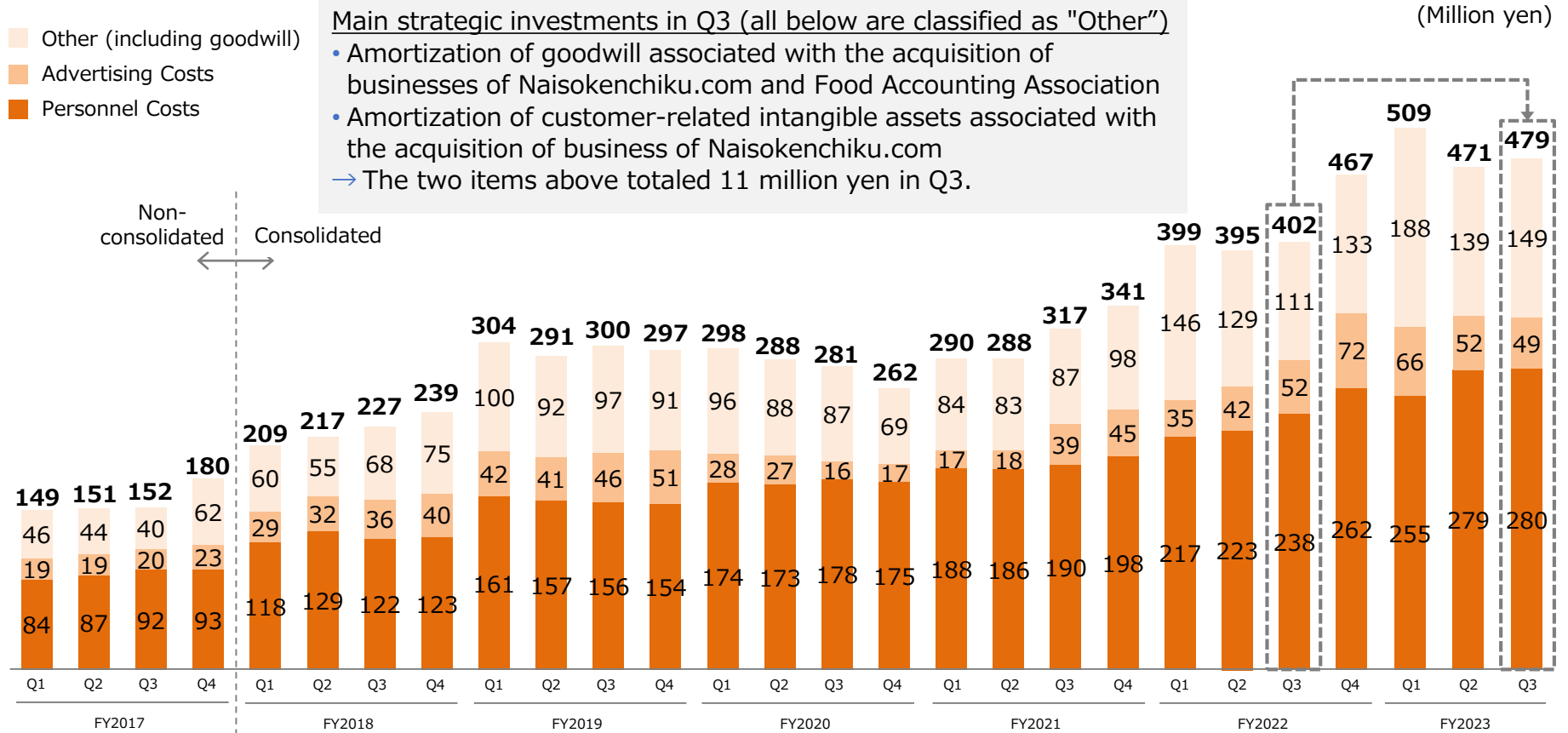
*2 As announced in "Notice regarding the business acquisition by a consolidated subsidiary of the Company" on May 12, 2023, the Company acquired a support and consulting business for creating sales promotion materials for clients of tax accountant firms on June 1, 2023.

*3 As announced in the "Notice of business acquisition" on December 25, 2023, the Company acquired the human resource matching business specializing in the agriculture, forestry, and fisheries industries on January 31, 2024. Revenue will be reported based on the above classification starting in Q4 of the fiscal year ending March 31, 2024.

Trend of SG&A

We continued efficient cost management in Q3 as in the first half
(up 19.1% year on year)

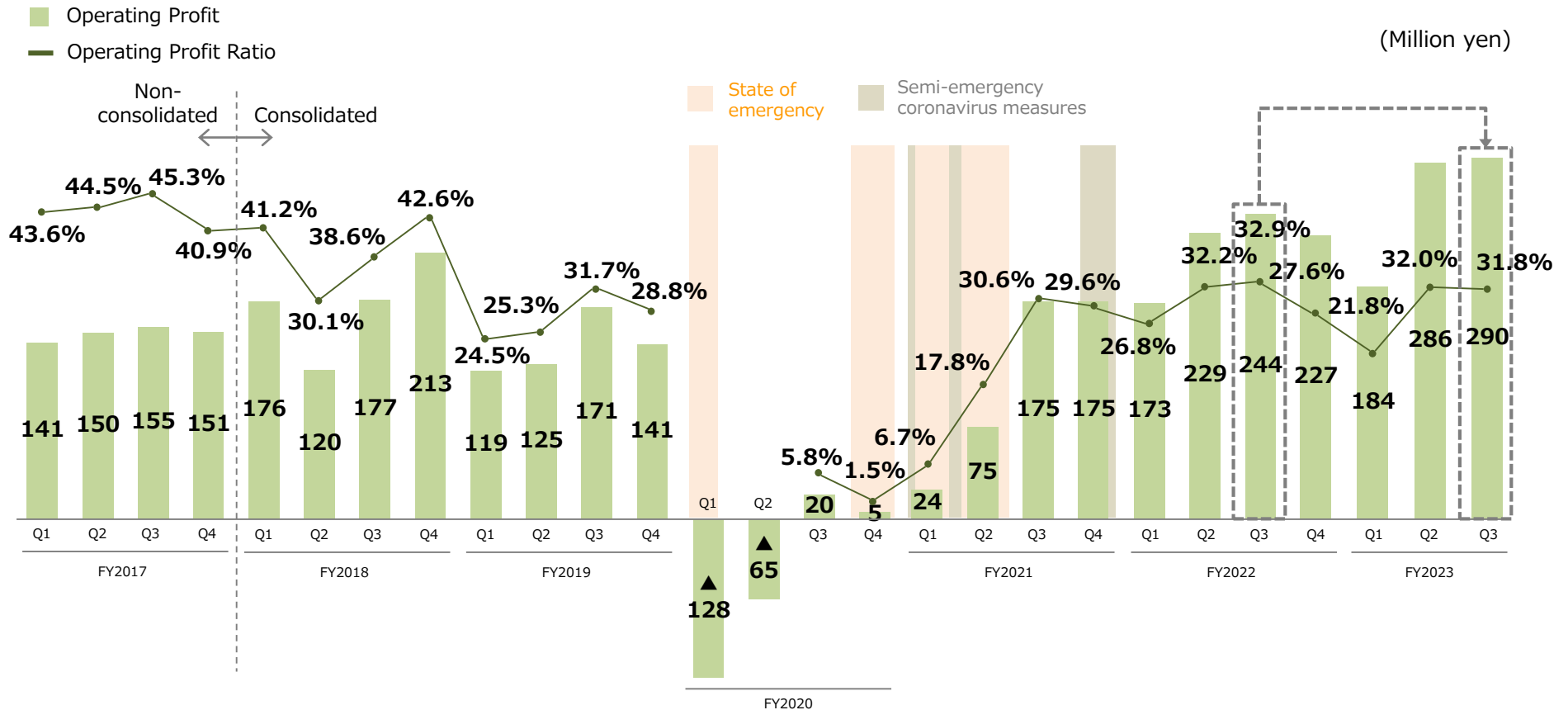
Trend of SG&A in FY2017 - FY2023



Trend of the Operating profit

Achieved a historical high for quarterly operating profit in Q3
(up 18.7% year on year)

Trend of the operating profit in FY2017 - FY2023



Consolidated Balance Sheet

Net assets increased by 196 million yen due to an increase in retained earnings (compared to Sep.30, 2023)

(Million yen)	Dec. 31, 2023	Q on Q Top: Amount Bottom: Increase/decrease rate	Sep. 30, 2023
Current Assets Total	4,202	+ 104 +2.5%	4,098
Cash and Bank	4,003	+ 114 +2.9%	3,889
Fixed Assets Total	503	+0.7 +0.2%	503
Assets Total	4,706	+ 104 +2.3%	4,601
Current Liabilities Total	627	(91) (12.7%)	718
Fixed Liabilities Total	22	+0.05 +0.2%	22
Net Assets Total	4,056	+ 196 +5.1%	3,860

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Media Platform Business

Revenue remained strong in Q3 (up 22.1% year on year)
Segment profit also increased steadily (up 18.3% 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	Q2	Q3
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	845,840	849,553
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	845,840	849,553
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	283,395	277,933

Recruitment ads services

- ✓ The services grew in both channels of direct sales (+16.5% year on year) and agencies (+80.8% year on year)

Services for design companies

- ✓ The services remained robust as in the first half (+12.5% year on year)
*excluding naisokenchiku.com

Various indices

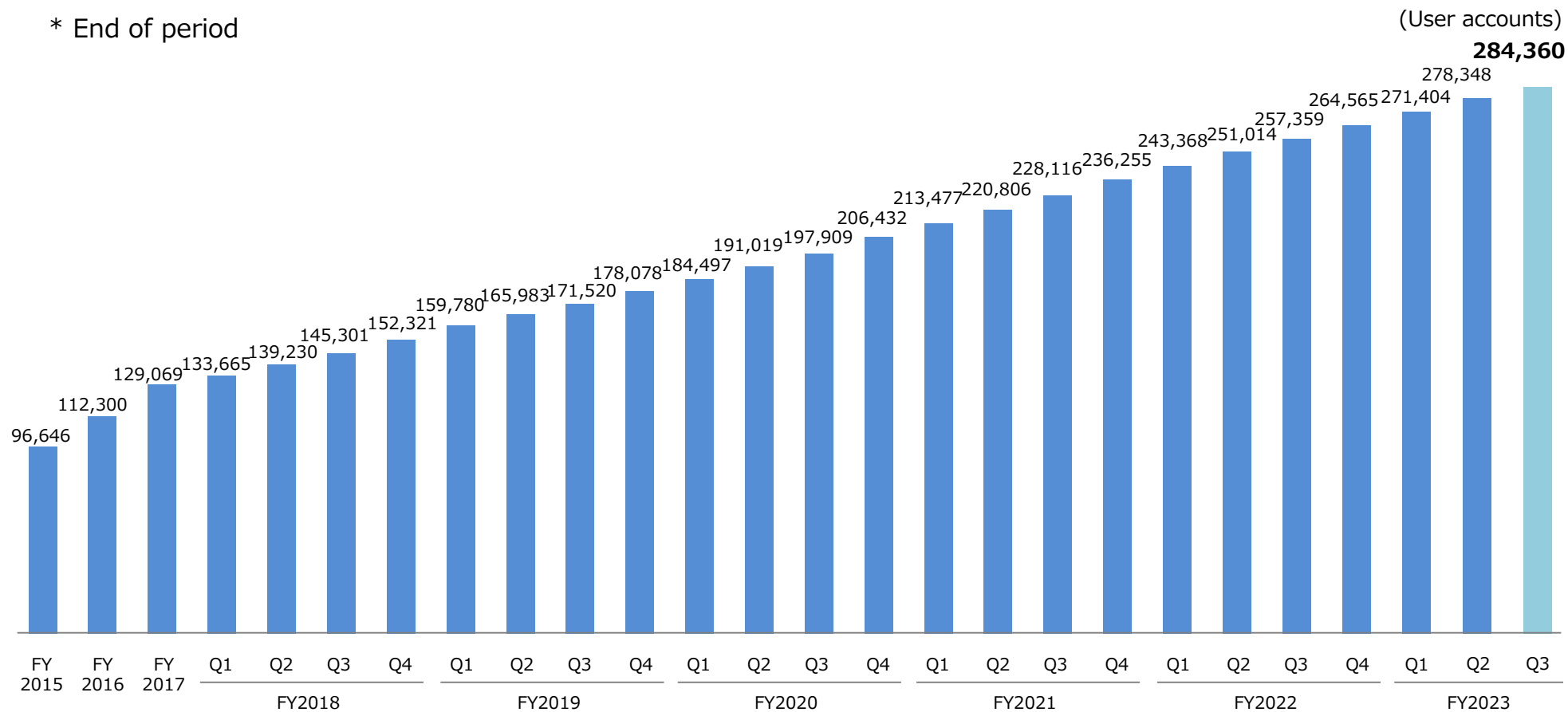
- ✓ The number of registered users, operators, and job seekers also increased steadily

Media Platform Business - Trend of the Users

The number of users is increasing steadily
(up 10.5% year on year)

Trend of the Inshokuten.com registered users

* End of period



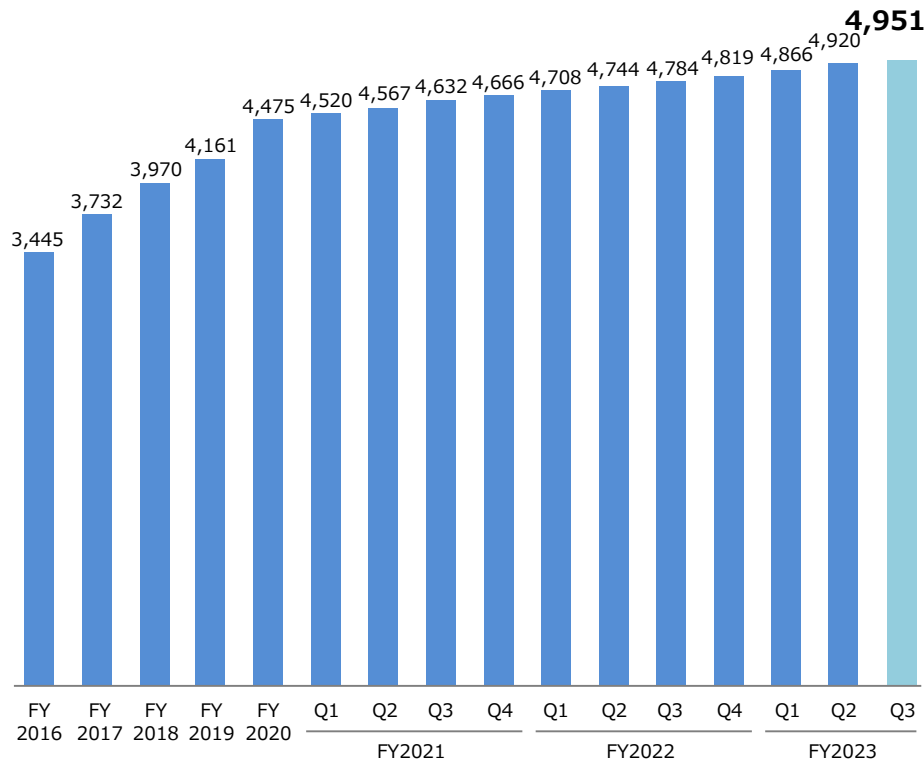
Media Platform Business - Trend of the Operators and Job Seekers

The number of operators and job seekers increased steadily
 (Operators: up 3.5% year on year; Job seekers: up 22.3% year on year)

Trend of the operators

(User operators)

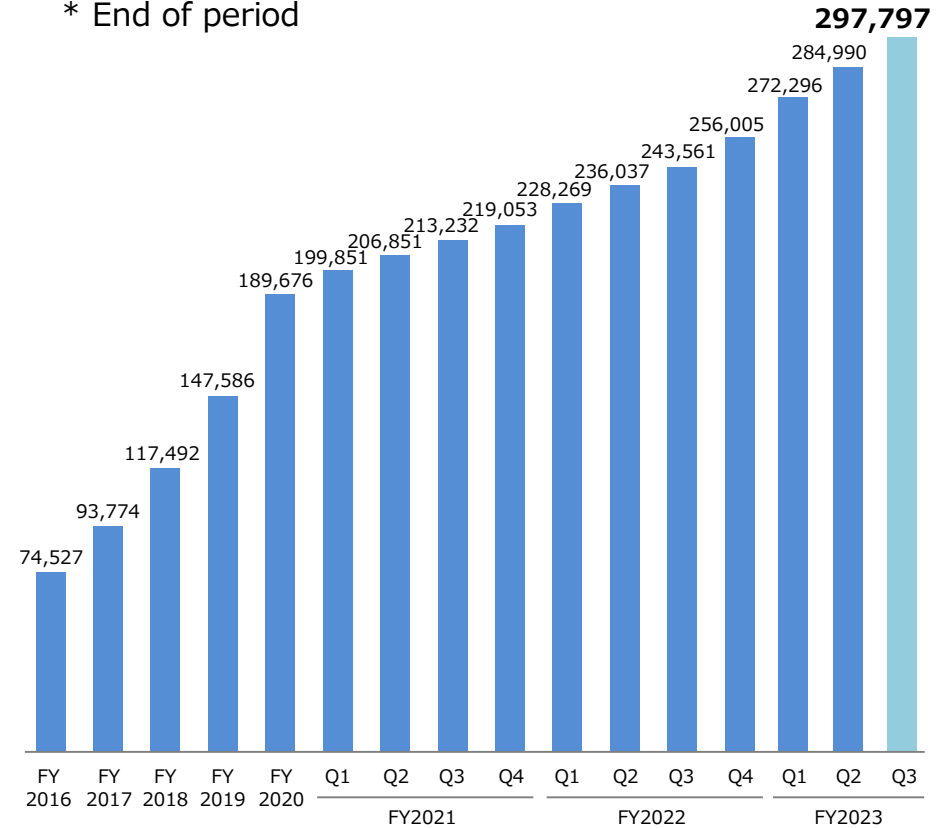
* End of period



Trend of the job seekers

(User accounts)

* End of period



*Total of real estate companies, design companies and foodstuff purchasing companies registered as of the end of month(excluding naisokenchiku.com)

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



M&A Service Business

Progress in the closing of deals led to an increase in revenue (up 37.9% year on year) and a significant increase in segment profit (up 27.0% 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	Q2	Q3
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	49,549	64,375
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	49,549	64,375
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)	2,688	11,983

M&A services

- ✓ The business grew thanks to the closing of deals whose timing of transfer was pushed back to Q3 from the first half (+44.5% year on year).

Services to facilitate fully-furnished asset transfers

- ✓ The number of inquiries on asset sale and the number of deals remained at the same level as in Q2.

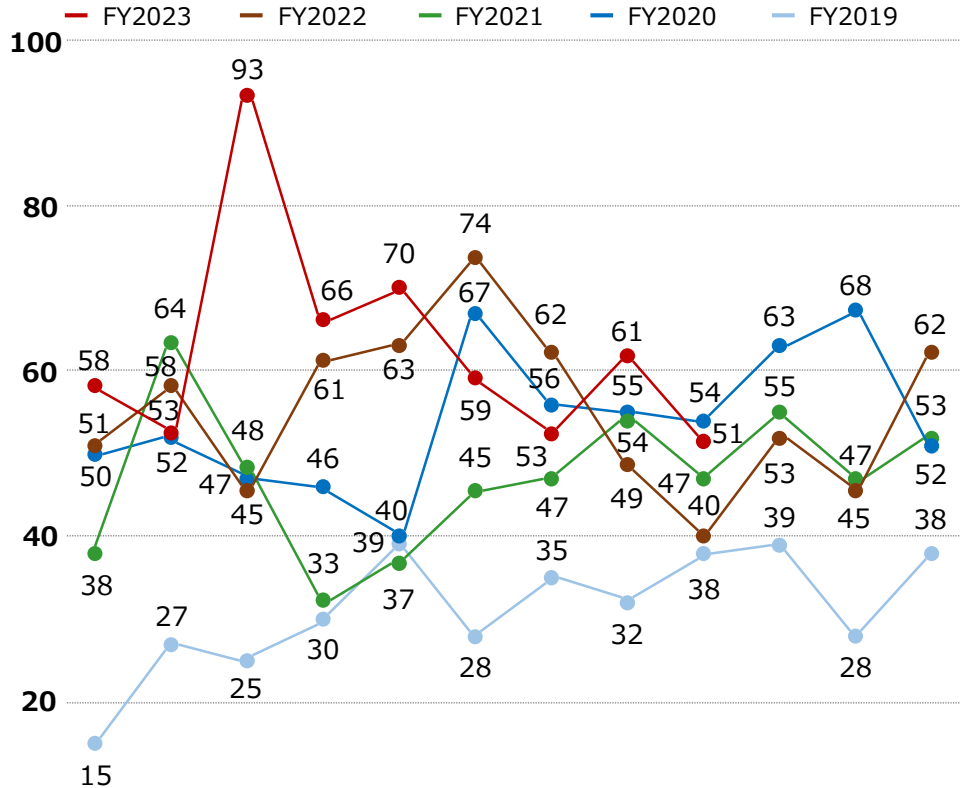
Others

- ✓ Food Accounting Association services remained robust.
- ✓ Promoting matching through "Inshokuten.com Find Your Tax Consultant"

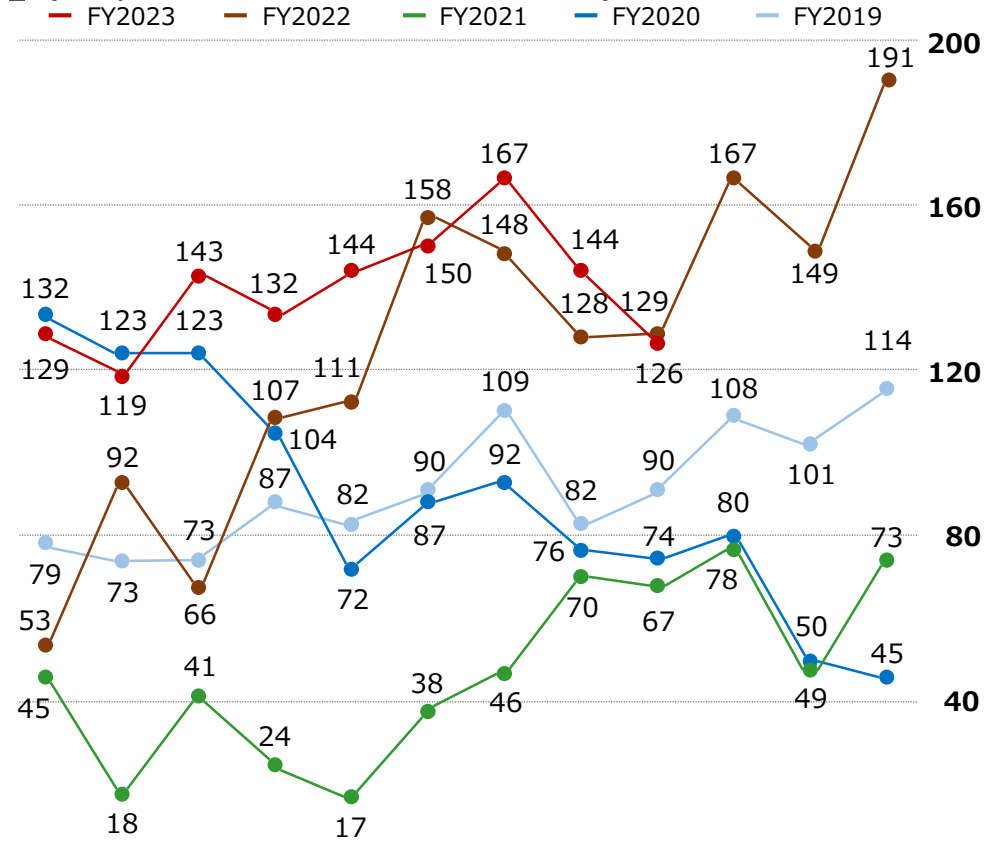
M&A Service Business – Trend of Inquiries on Assets Sale

Maintained the same level of fully furnished asset transfers as in Q2 while M&A showed some moderation

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



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



Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.

Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.



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


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Current Progress on FY2023 Objectives

Making steady overall progress toward the fiscal year objectives

FY2023 Objectives*

Progress at the end of Q3

1			Evaluation	<ul style="list-style-type: none"> ✓ Direct sales: HR Services Unit Office opened and got off to a smooth start. Performed well in all areas. ✓ Agency: Number of sales personnel (unique) who have received orders increased to 213 (+25 since September 30), and number of contracted agencies is 35 (+2 since September 30).
Surely implement the new Medium-Term Management Plan for the initial year	Promotion of 5 Business Strategies	Offering the recruitment advertising service nationwide		<ul style="list-style-type: none"> ✓ Services for design companies were steady. ✓ M&A services grew thanks to the closing of deals whose timing of transfer was pushed back to Q3 from the first half.
		Expanding the platform service		<ul style="list-style-type: none"> ✓ Significantly increased with 935 locations (unique Q1-Q3 results; +420 locations year on year) and 3,157 vehicles registered (excluding temporary registrations).
		Promoting and expanding the mobility service		<ul style="list-style-type: none"> ✓ "The Inshokuten.com certification mark" service, in which food and beverage professionals test and evaluate products, → Page 21 became available from December 2023.
		Offering the data service using the membership platform		<ul style="list-style-type: none"> ✓ Number of recruitment postings is expanding (98 stores, +43 since September 30). *2 ✓ A total of 153 part-time job videos were created and posted in Q3 ("gourmet_baito_chan" and "puchipura_gourmet" combined). *3
		Expand revenue in the areas of customer attraction and job offering with the use of SNS short videos		<ul style="list-style-type: none"> ✓ PMI of Naisokenchiku.com and Food Accounting Association services progressed steadily. ✓ Acquired "Nogyo Job (Agrijob)", a human resource matching business specializing in the agriculture, forestry, and fisheries industries. (January 31, 2024) → Pages 22,23
2 Promote efforts toward dynamic growth		Formulate and promote long-term strategies and M&A strategies		<ul style="list-style-type: none"> ✓ Began to use GPT to write job advertisements, in addition to automatically generating employment history of job seekers.
		Promote Generative AI Project		

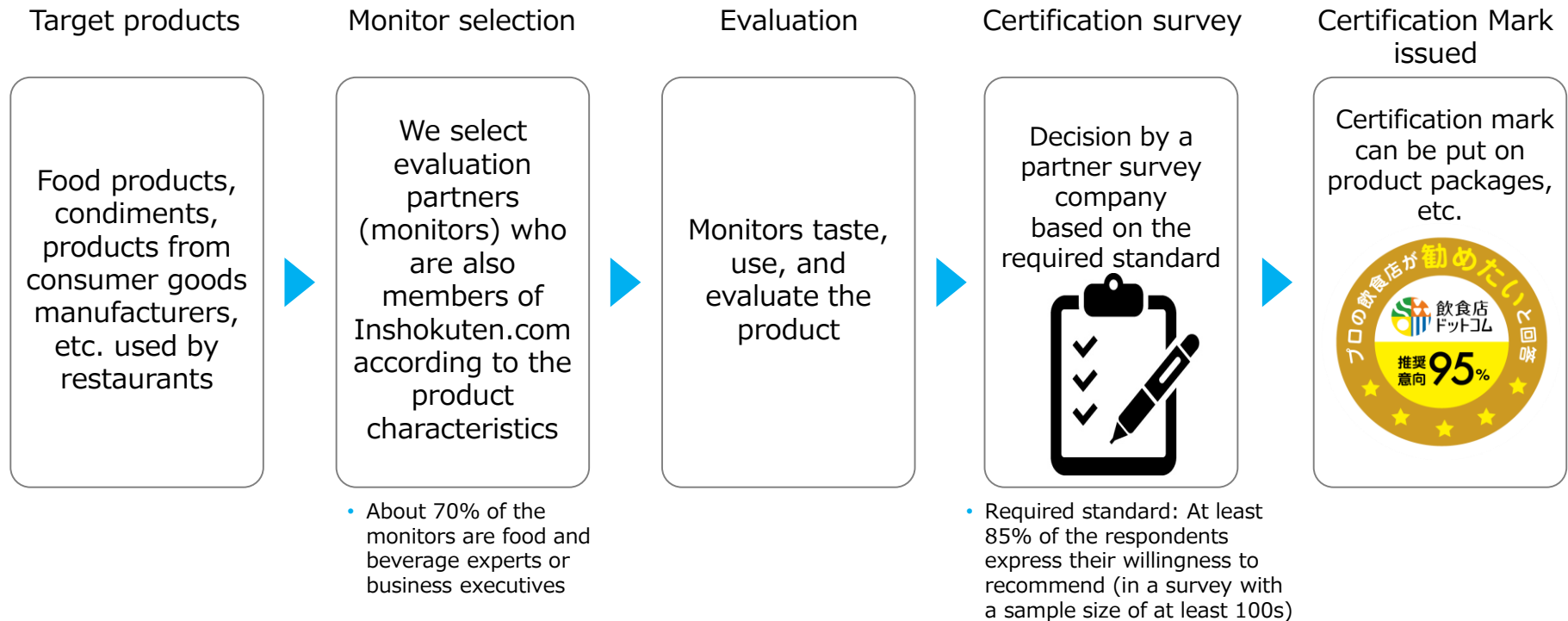
* Source: FY2022 Financial Results Briefing Materials(announced May 12, 2023)

*2,3 Starting in Q3 of the fiscal year ending March 31, 2024, we began to tabulate the number of recruitment postings for each store, rather than for each brand, and include only the number of videos that are strictly for the hiring of part-time workers in the number of created/posted videos.

Launch of the “Inshokuten.com certification mark” service

We launched the “Inshokuten.com certification mark” service to enhance our name recognition among consumers and generate synergies with future consumer services

Overview of the “Inshokuten.com certification mark” service



Acquisition of “Nogyo Job (Agrijob)” (1/2): Overview

We acquired Life Lab, Inc.’s agricultural recruitment site, employment agency services, and corporate joint-information-session operations for new graduates

* As announced in the “Notice of business acquisition” on December 25, 2023, the Company acquired the human resource matching business specializing in the agriculture, forestry, and fisheries industries on January 31, 2024.

Overview of the business acquisition

Company Name	Life Lab, Inc.
Acquired business	<ul style="list-style-type: none"> • Agricultural job information site Nogyo Job • Employment agency services specializing in agriculture • Corporate joint-information-session operations for new graduates specialized in the agriculture and food industries
Representative	Hironori Nishida
Establishment	November 2005
Schedule	Date of business acquisition: January 31, 2024

About “Nogyo Job”



- Has been operating as an agricultural recruitment site for over 17 years since 2006, the oldest in the industry
 - ✓ **Stable transactions with nationwide JA organizations, and with central and local governments** by leveraging brand power



- Customer asset is among the largest in the industry
 - ✓ **About 3,000** client companies
 - ✓ **Over 130,000** job seekers
(As of December 31, 2023)



Acquisition of “Nogyo Job (Agrijob)” (2/2): Future direction

Maximize synergies in three primary directions and contribute to the entire food domain as a food platformer in the agriculture, forestry, and fisheries industries

1 Strengthen “Nogyo Job (Agrijob)” with our know-how



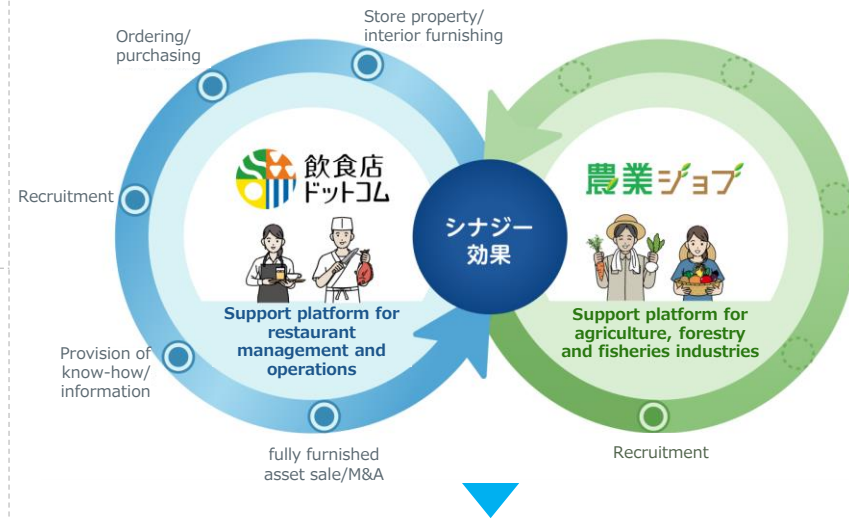
Inject our extensive human-resource matching know-how into “Nogyo Job (Agrijob)”

2 Strengthen our services with know-how of “Nogyo Job (Agrijob)”



Expand the recruiting business and joint-information-session business for new graduates into the restaurant and interior-furnishing industries

3 Operate platforms for the agriculture, forestry, and fisheries industries



In the agriculture, forestry, and fisheries industries, we will pursue development of services and platforms that contribute to business management in addition to recruiting, thereby connecting the restaurant industry with the agriculture, forestry, and fisheries industries

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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

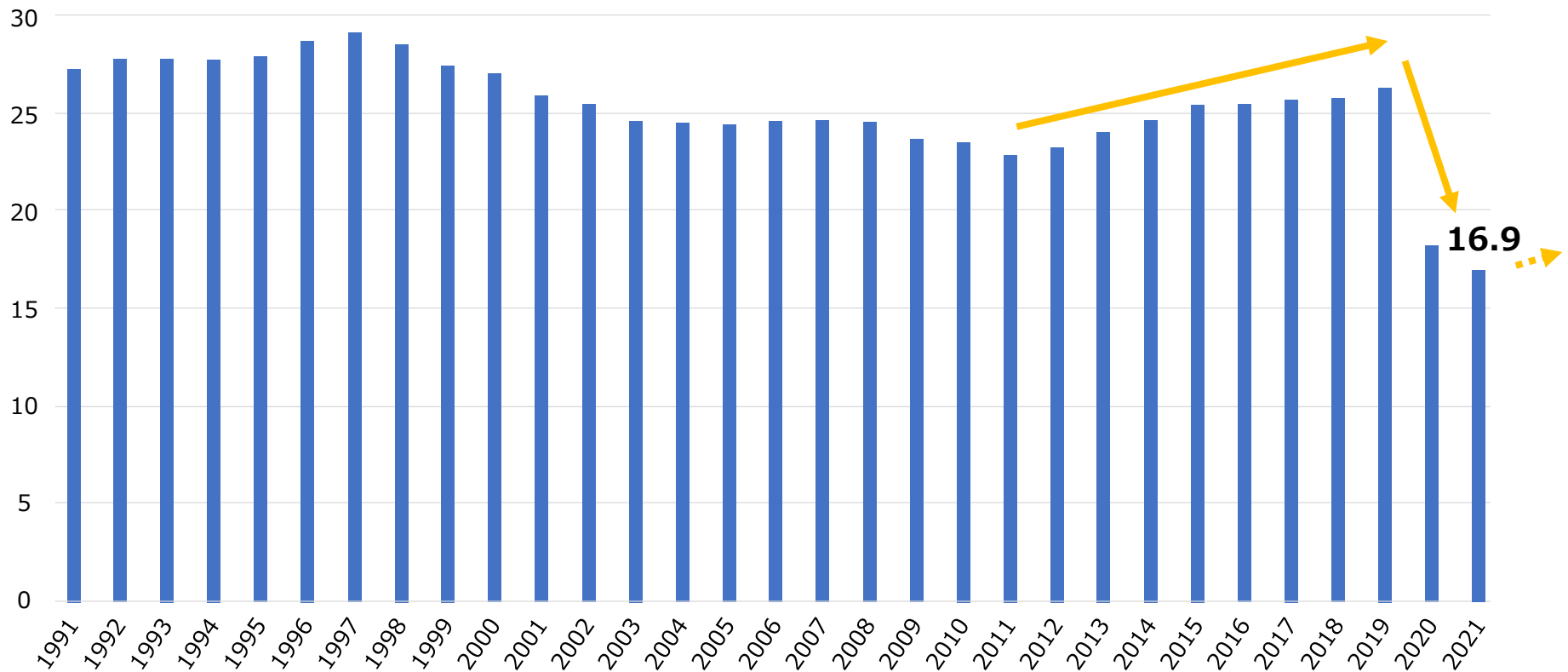
2003	Apr	Established Synchro Food Co., Ltd.
	Sept	Started running a restaurant operations support site "Inshokuten.com".
2005	Mar	Created a recruiting site for interior decoration companies "Tenpodesign.com".
	Nov	Developed a recruitment information site for interior industry "Kyujin@interiordesing".
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)
	May	Launched an SNS short video part-time job service "gourmet_baito_chan"
	Sept	Released a web edition of the SNS short video part-time job service "gourmet_baito_chan"
	Oct	Released a matching service for restaurants and accounting firms "Inshokuten.com Find Your Tax Consultant"
	Dec	Launched the "Inshokuten.com certification mark" service, in which food and beverage experts taste and evaluate products

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)

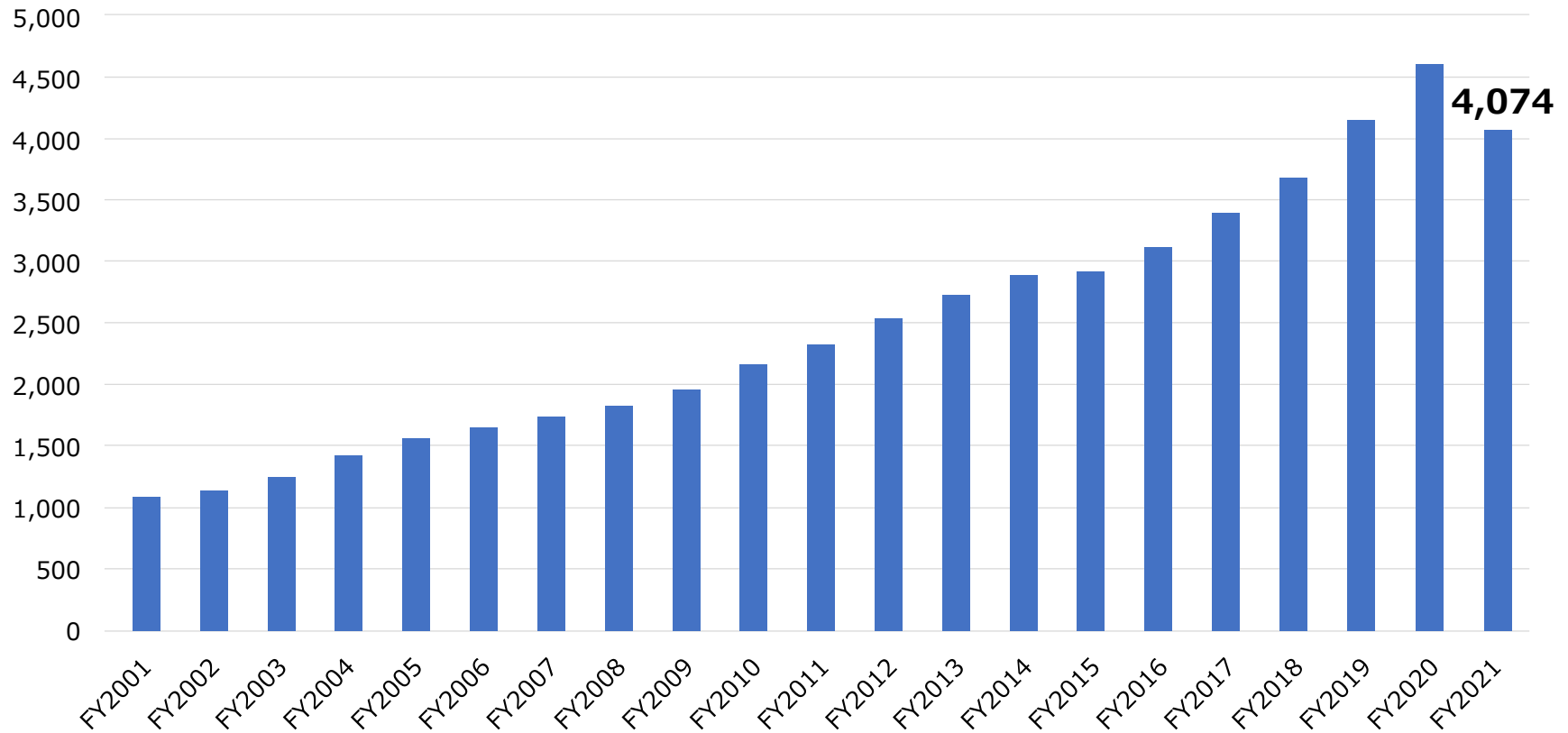


Source: "Trend of estimation of the food service industry market size" by Japan Foodservice Association

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)

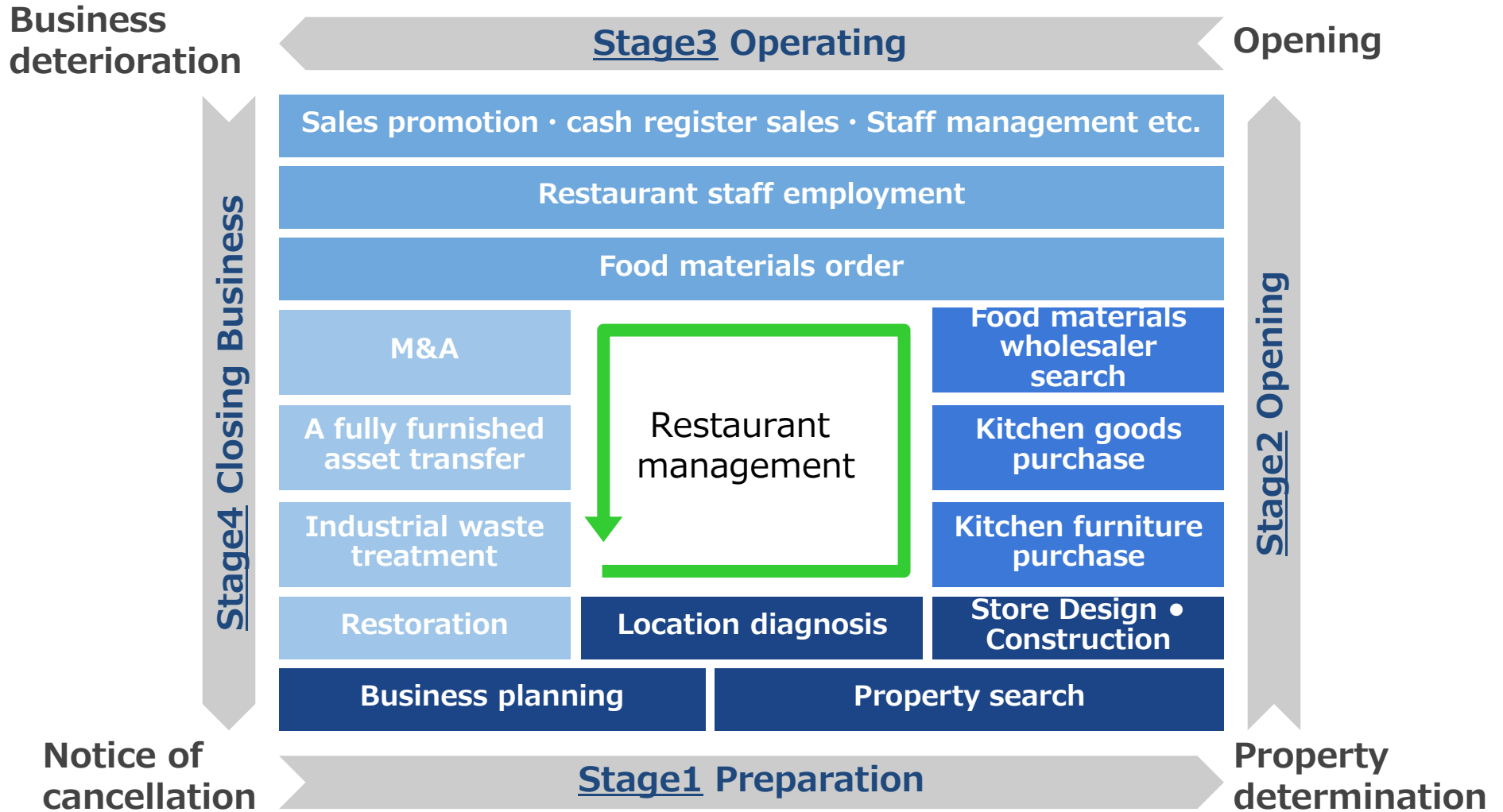


Source: "Food Hygiene-related Business Report" by Bureau of Social Welfare and Public Health, Tokyo Metropolitan Government



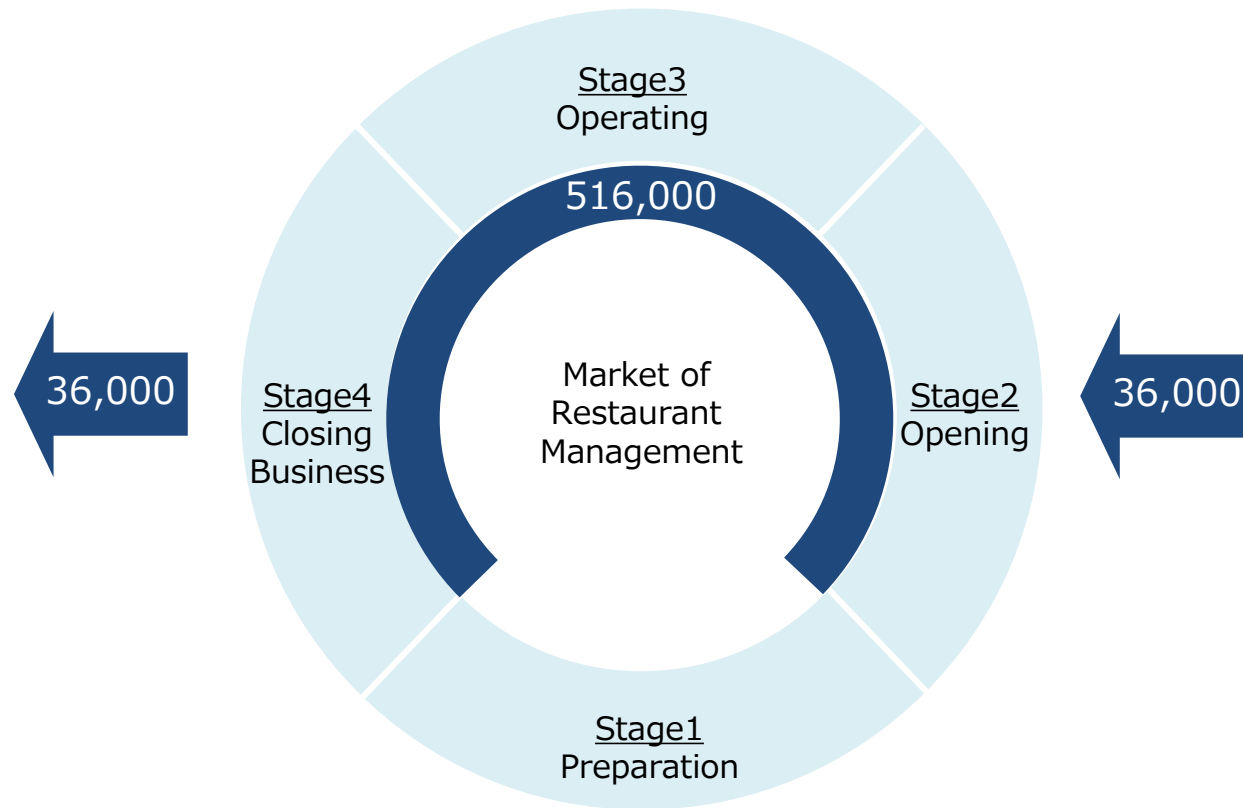
Stage of restaurant management

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

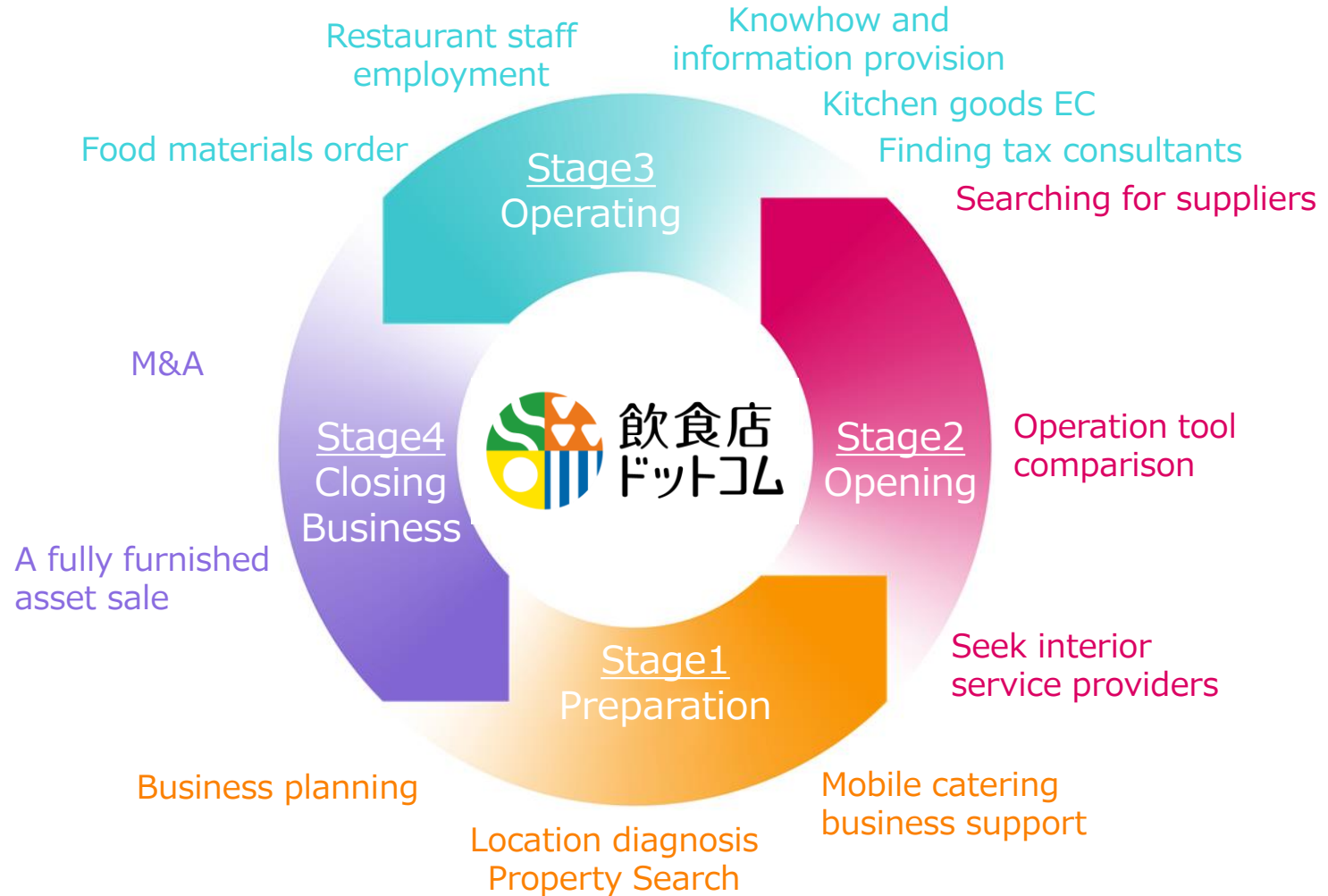
FC Comparison is a website to match restaurant owners/those who plan to open a store with franchise business headquarters.

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.

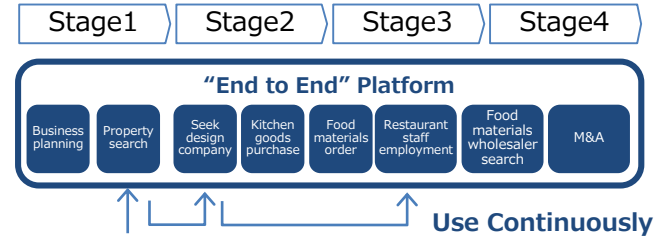


Our Strengths

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



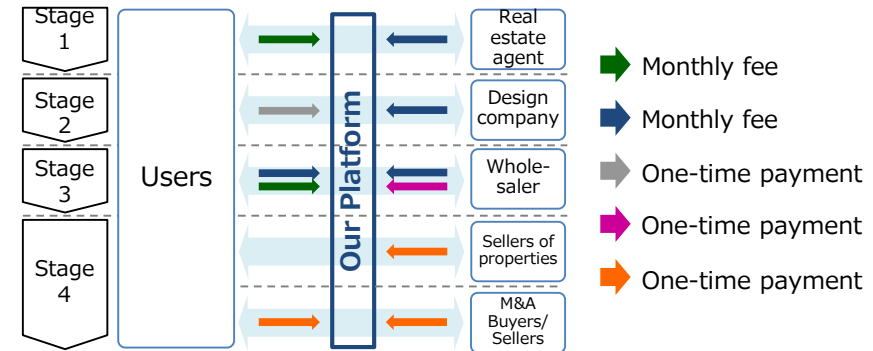
2 Profitability

- ✓ 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.

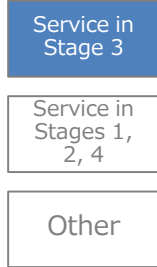
Challenges to new fields

- (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).



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.

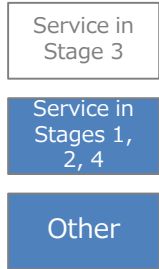
Revenue for FY2024

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 280,000 user accounts, has a significant value in mediation.

Service in Stage 3

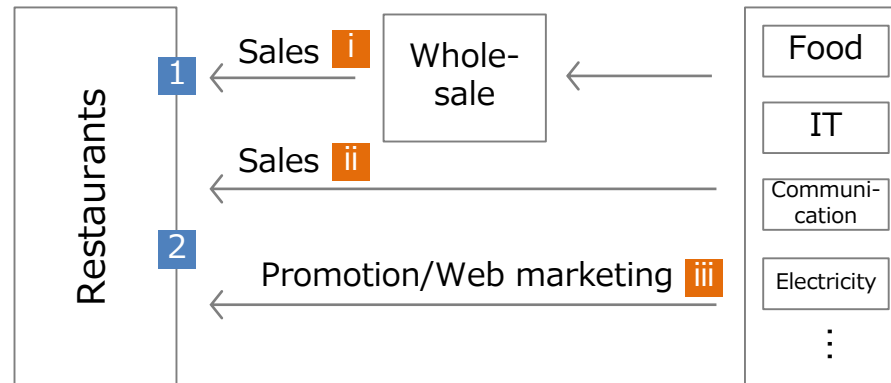
Service in Stages 1, 2, 4

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 280,000 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

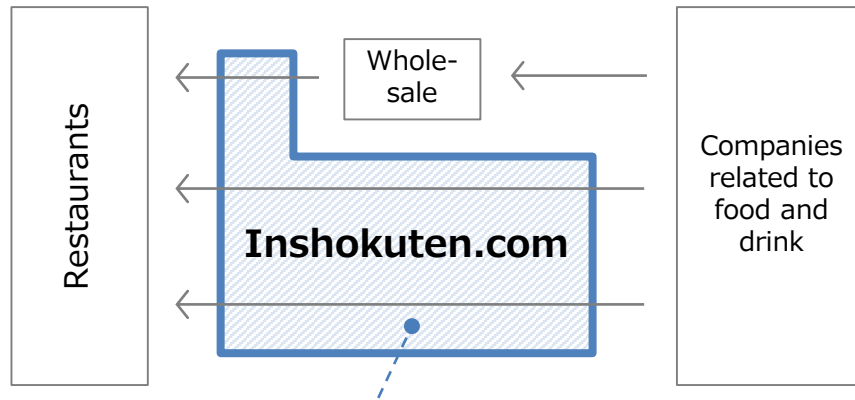
Service in Stage 3

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 280,000 user accounts of restaurant owners/those planning to open a restaurant
- ✓ Know-how in job offering for restaurants
- ✓ Sales system for restaurants

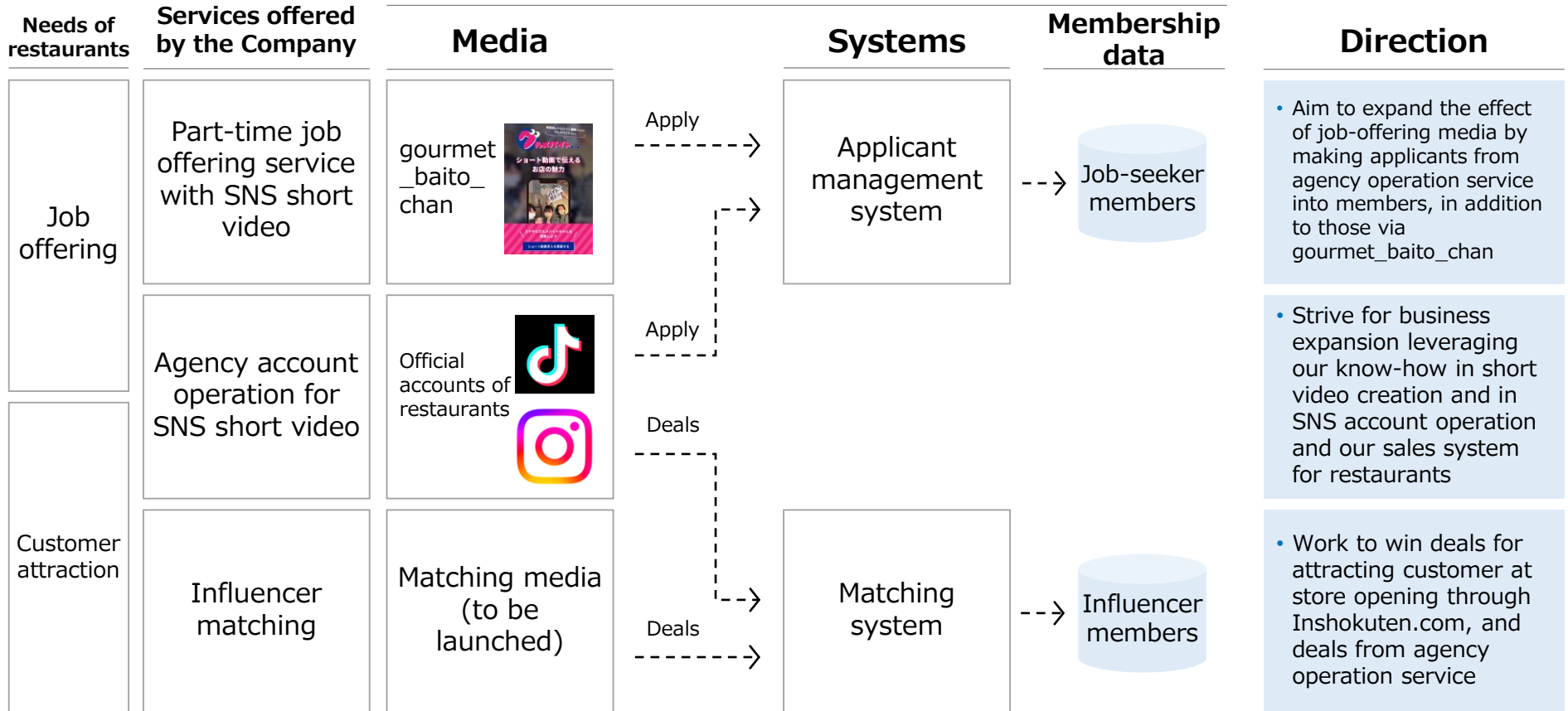
Tap into a part-time job recruitment market targeting all types of jobs for businesses of all sizes

※ 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.