



Financial Results Briefing Material for FY2024

November 8, 2024

Securities Code : 9438

This report contains forward-looking statements on business performance based on the judgments, assumptions, and beliefs of management using the information available at the time. Actual results may differ materially due to changes in domestic or overseas economic conditions or changes in internal or external business environments or aspects of uncertainty contained in the forecasts, latent risks or various other factors. In addition, risk and uncertainty factors include unpredictable elements that could arise from future events.

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Consolidated B/S

Consolidated P/L

Consolidated SG&A

Business of segment

The list of main healthcare services

Overview of healthcare services

Cloud-based medication history service

Maternal health record book app + Childcare DX services

School DX business

Financial Results Overview for FY2024

Financial highlight

1 FY2024 Results

YoY: Increase in sales, substantial increase in profits

	Actual	YoY
Net sales :	¥27,669 million	+870 million
Operating income :	¥2,394 million	+2,095 million
Profit attributable to owners of parent :	¥2,363 million	+1,610 million

2 Approach and performance for Q4

- Healthcare business : Cloud-based medication history service is performing well (Record number of pharmacies that introduced the service)
- School DX business : Revenue growth driven by increased number of schools introduced in April 2024, positive profit trend

3 Revision of Full-year earning forecast upward

		YoY
Net sales :	¥28,500 million	+830 million
Operating income :	¥2,800 ~ ¥3,200 million	+400 million

Consolidated P/L

Net sales: Increased

Operating income, ordinary income, profit : Substantial increased

(Unit : Mil yen)	FY2023	FY2024	YoY		
			Amount	Percentage	
Net sales	26,798	27,669	+870	+3.2%	The same period of previous year: 739million Yen: Posting of spot sales of the video-streaming service
Cost of sales	8,425	7,264	(1,161)	(13.8)%	<ul style="list-style-type: none"> Loss-making projects in the DX support business for companies have wound down The same period of previous year: 649million Yen :Posting of spot cost of sales of the video-streaming service
ratio	31.4%	26.3%			
Gross profit	18,373	20,404	+2,031	+11.1%	Decrease in personnel and development costs
ratio	68.6%	73.7%			
SG&A	18,074	18,010	(64)	(0.4)%	Increase in equity method investment income (+432 million yen)
ratio	67.4%	65.1%			
Operating income	298	2,394	+2,095	+702.3%	
ratio	1.1%	8.7%			
Ordinary income	458	2,827	+2,368	+516.7%	
ratio	1.7%	10.2%			
Profit attributable to owners of parent	753	2,363	+1,610	+213.8%	
ratio	2.8%	8.5%			

Consolidated SG&A

Advertising expenses: Increased

Personnel expenses: Exclusion of subsidiary from consolidation

Development costs: Improved development costs for the school DX business

(Unit : Mil yen)	FY2023	FY2024	YoY		
			Amount	Percentage	
SG&A	18,074	18,010	(64)	(0.4)%	
Advertising expenses	2,136	2,800	+664	+31.1%	Increase in sales promotion costs for AdGuard
Personnel expenses	7,714	7,276	(437)	(5.7)%	Exclusion of subsidiaries from consolidation
Commission fee	2,954	2,871	(83)	(2.8)%	
Subcontract expenses	1,965	1,738	(227)	(11.6)%	Improve development costs (School DX business)
Depreciation	1,265	1,359	+94	+7.4%	
Other	2,038	1,964	(74)	(3.6)%	

Achievement ratio for earnings forecast

(Unit : Mil yen)

	FY2024 Latest forecast	FY2024 Actual	Difference	Achievement rate
Net sales	27,500	27,669	+169	100.6%
Operating income	2,200	2,394	+194	108.8%
Ordinary income	2,750	2,827	+77	102.8%
Profit attributable to owners of parent	2,400	2,363	(36)	98.5%

Performance by segment

Content Business

- Content service
 - Entertainment & Life
 - Security-related
- Original comics service



Healthcare Business

- Healthcare service for women
- Childcare DX service
- Cloud-based medication history service
- Online consultation service, etc.

LunaLuna 母子手帳アプリ



CARADA 電子薬歴
Solamichi

School DX Business

- School DX service

BLEND



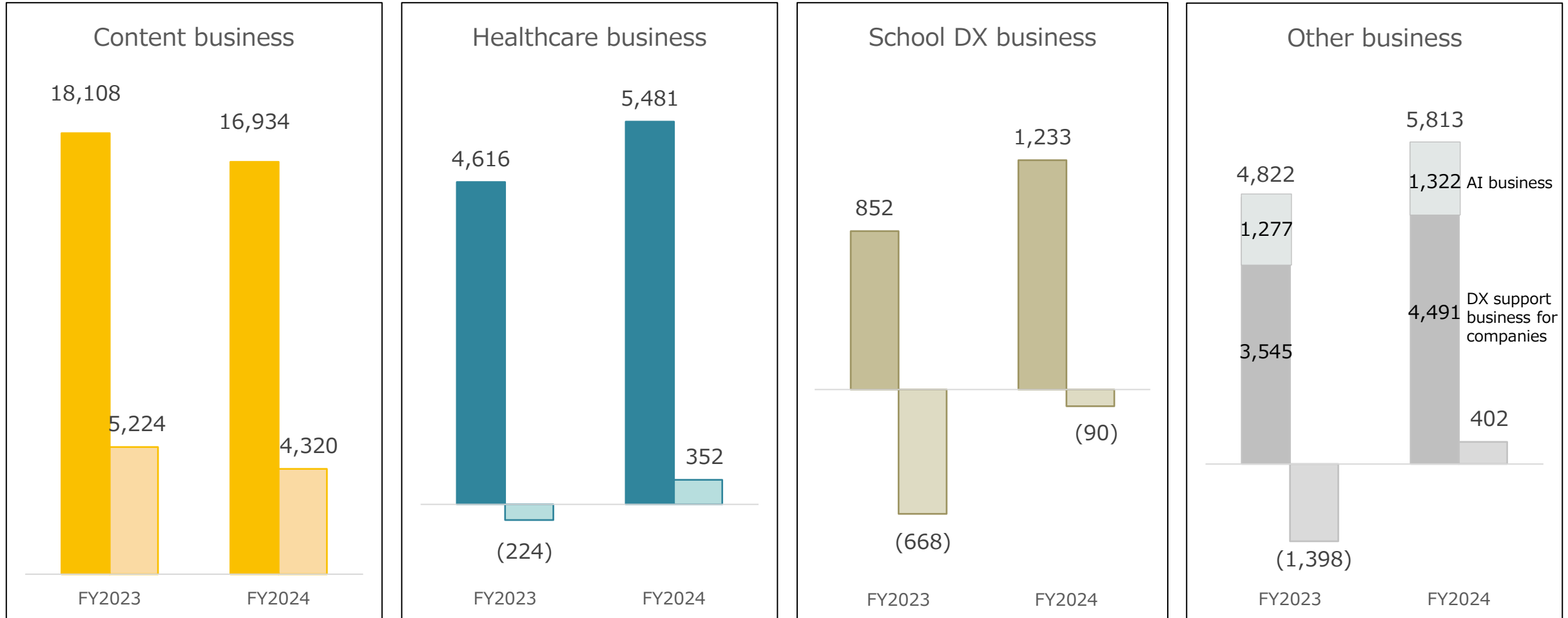
Other Business

- AI business
- DX support business for companies
- Solution service for corporate

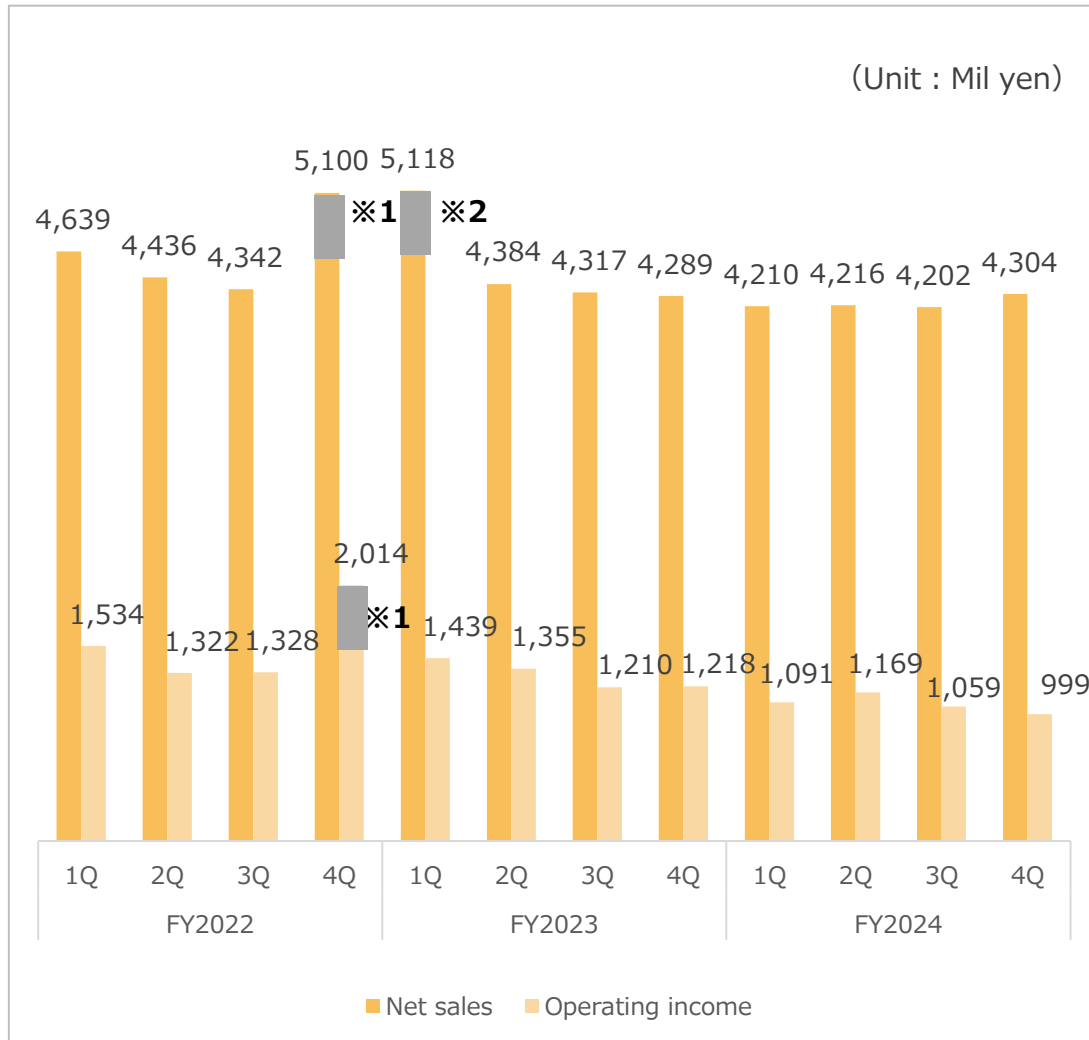


Performance by segment (YoY)

(Left axis : Net sales, Right axis : Operating income, Unit : Mil yen)



Content business : Net sales and operating income



QoQ

Net sales: Flat

The number of paying subscribers remained almost unchanged.

QoQ

Operating income: Flat

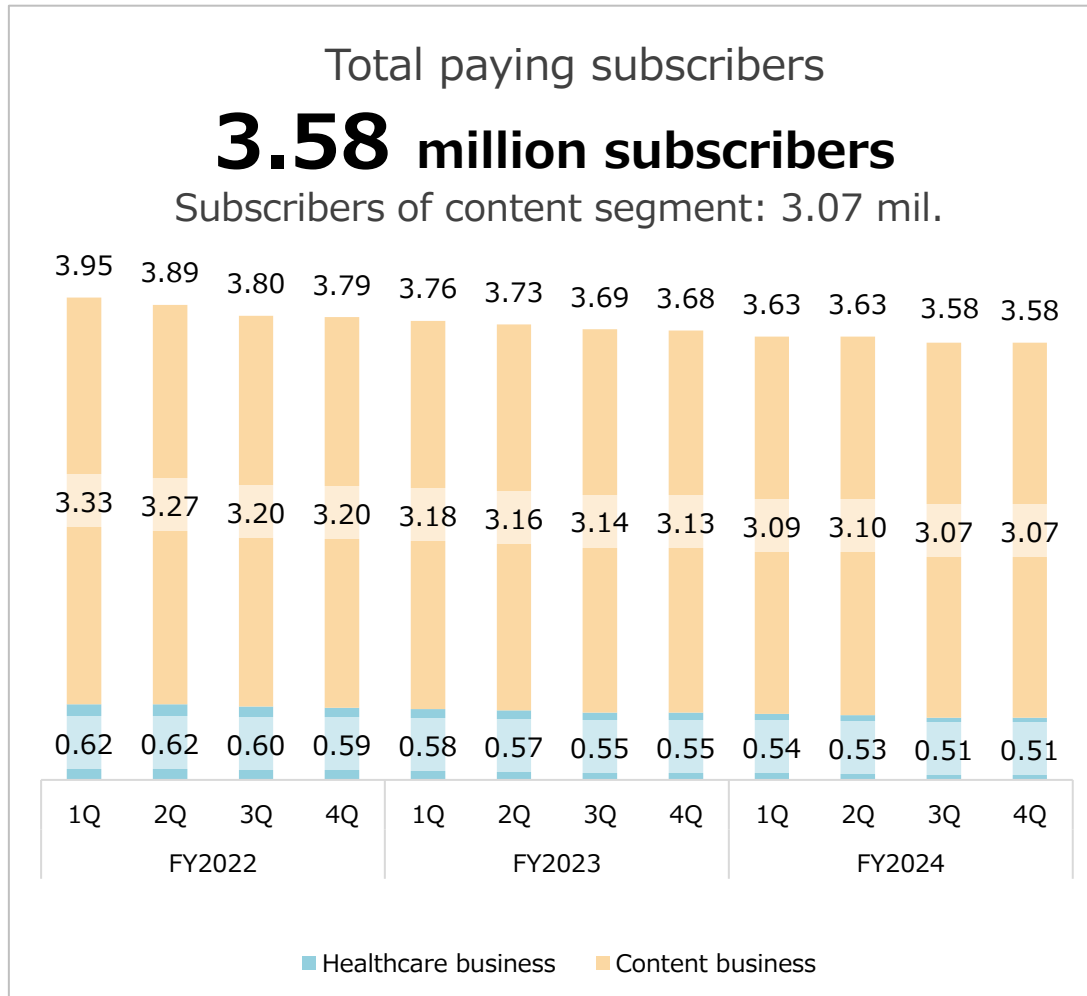
Increased in advertising expenses

Special factors

*1 : Net sales & Operating income 717 million yen:
Change in treatment of consumption tax in monthly content services that award points.

*2 : Net sales 739 million yen:
Posting of spot sales of the video-streaming service.

Content business : The number of paying subscribers

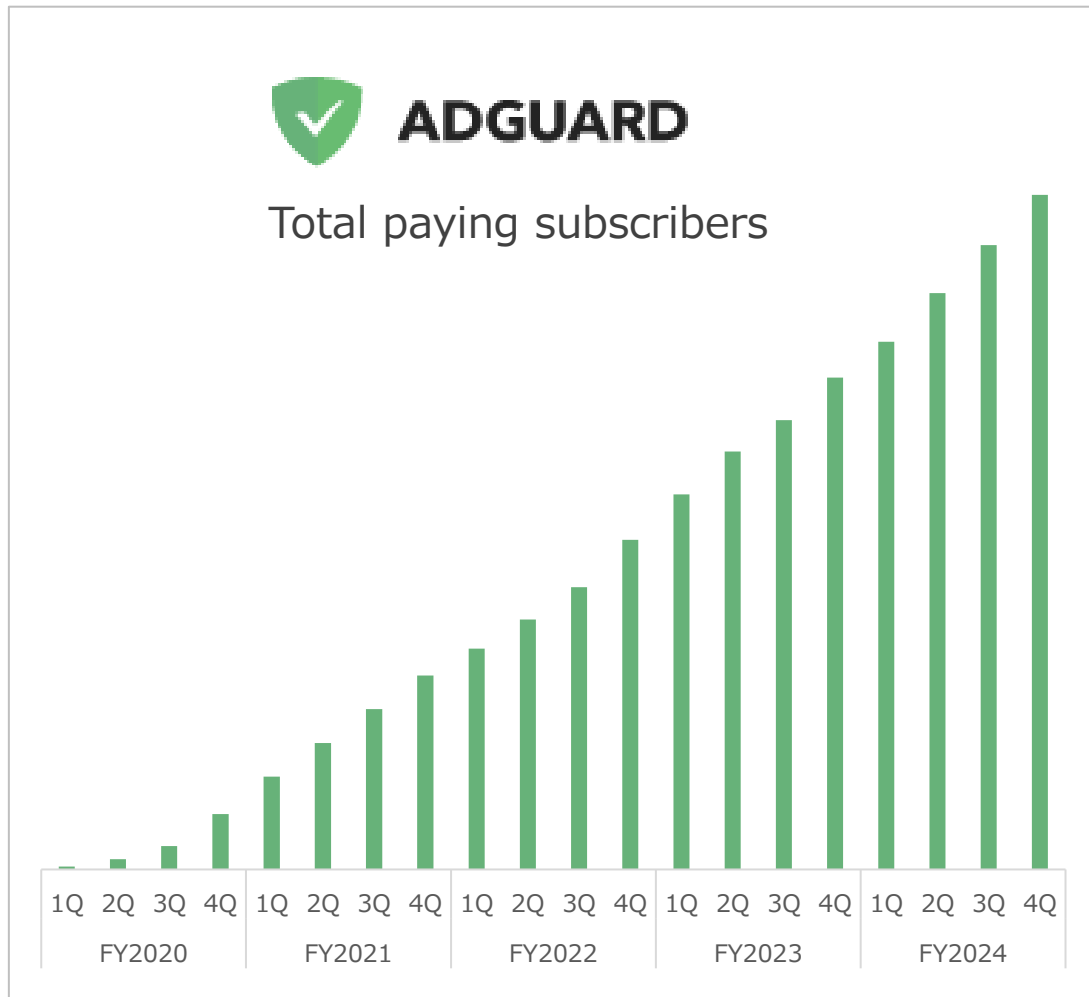


Total paying subscribers

Flat

Brisk Security-related app




Content business: Security-related app



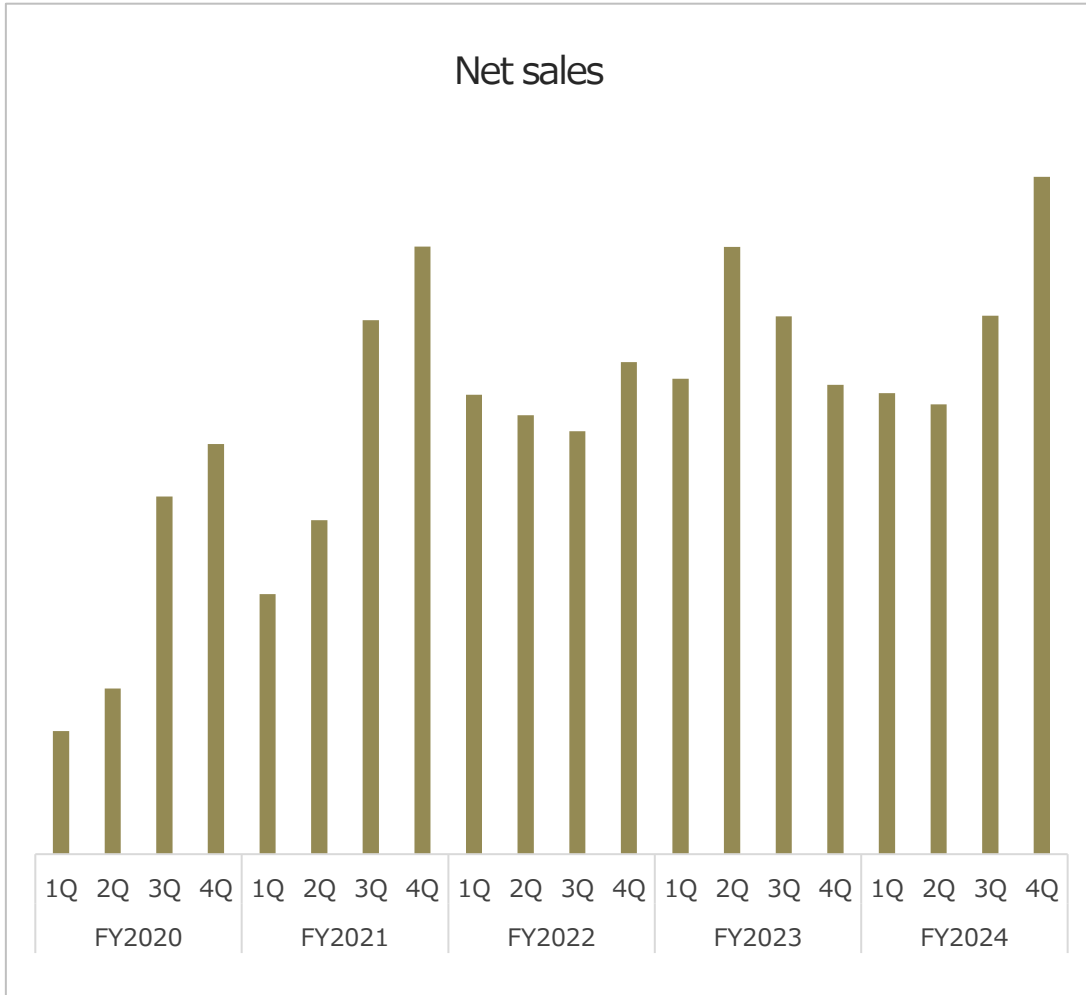
The security-related app continues to perform well

Total paying subscribers
920 thousand subscribers

Four functions

-  Ad blocking
-  Trace blocking
-  Threat blocking
-  Parent function (Child protection function)

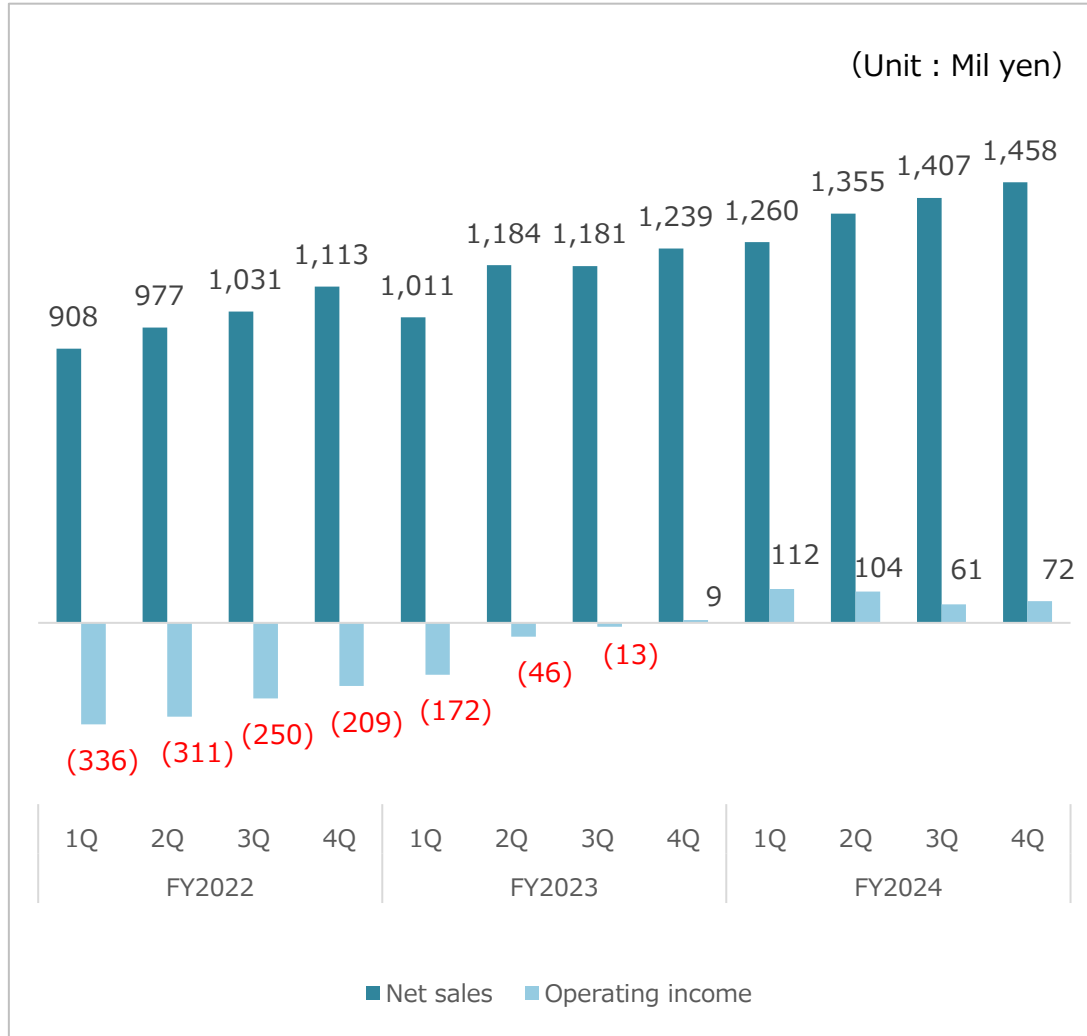
Content business: Original comics content business



Original comics content business Record high for the quarter due to OLD HITS

- Keep in comic titles introduced
- Reactionary decline after TV dramatization

Healthcare business: Net sales and operating income



QoQ

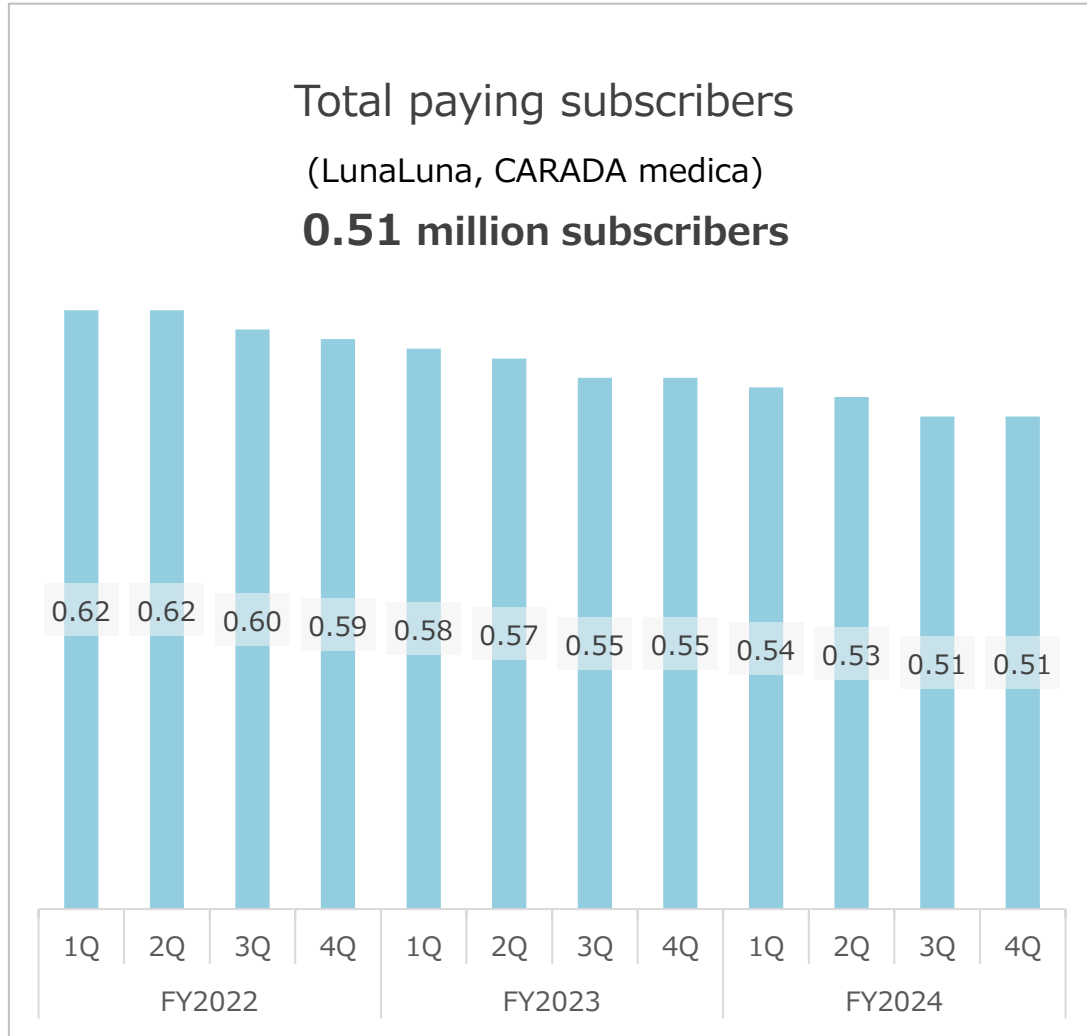
Net sales: growth

QoQ

**Operating income:
On a positive trend**

- Brisk Cloud-based medication history service

Healthcare business: Monthly content service

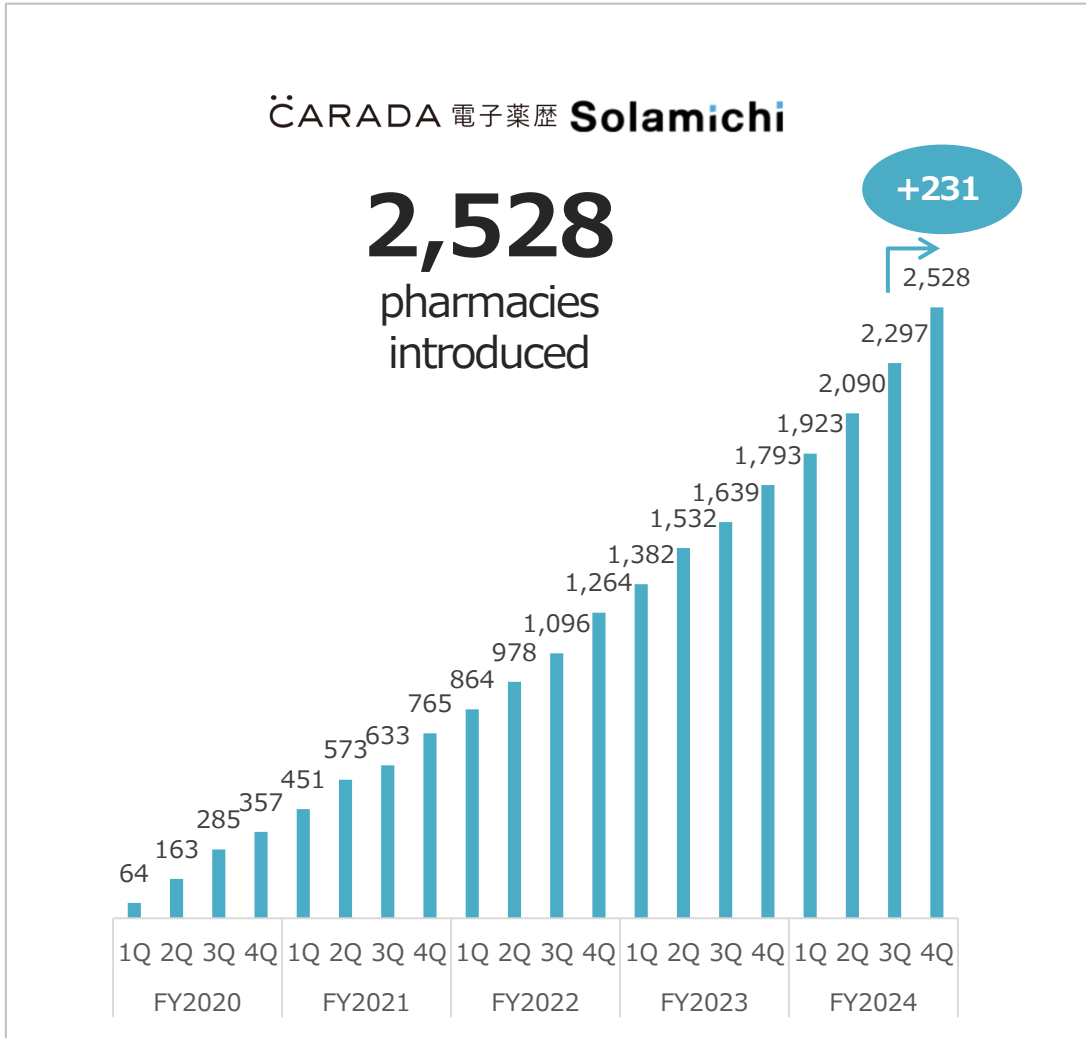


Monthly subscription content service

Total paying subscribers

QoQ: Levelled off

Healthcare business: Cloud-based medication history service

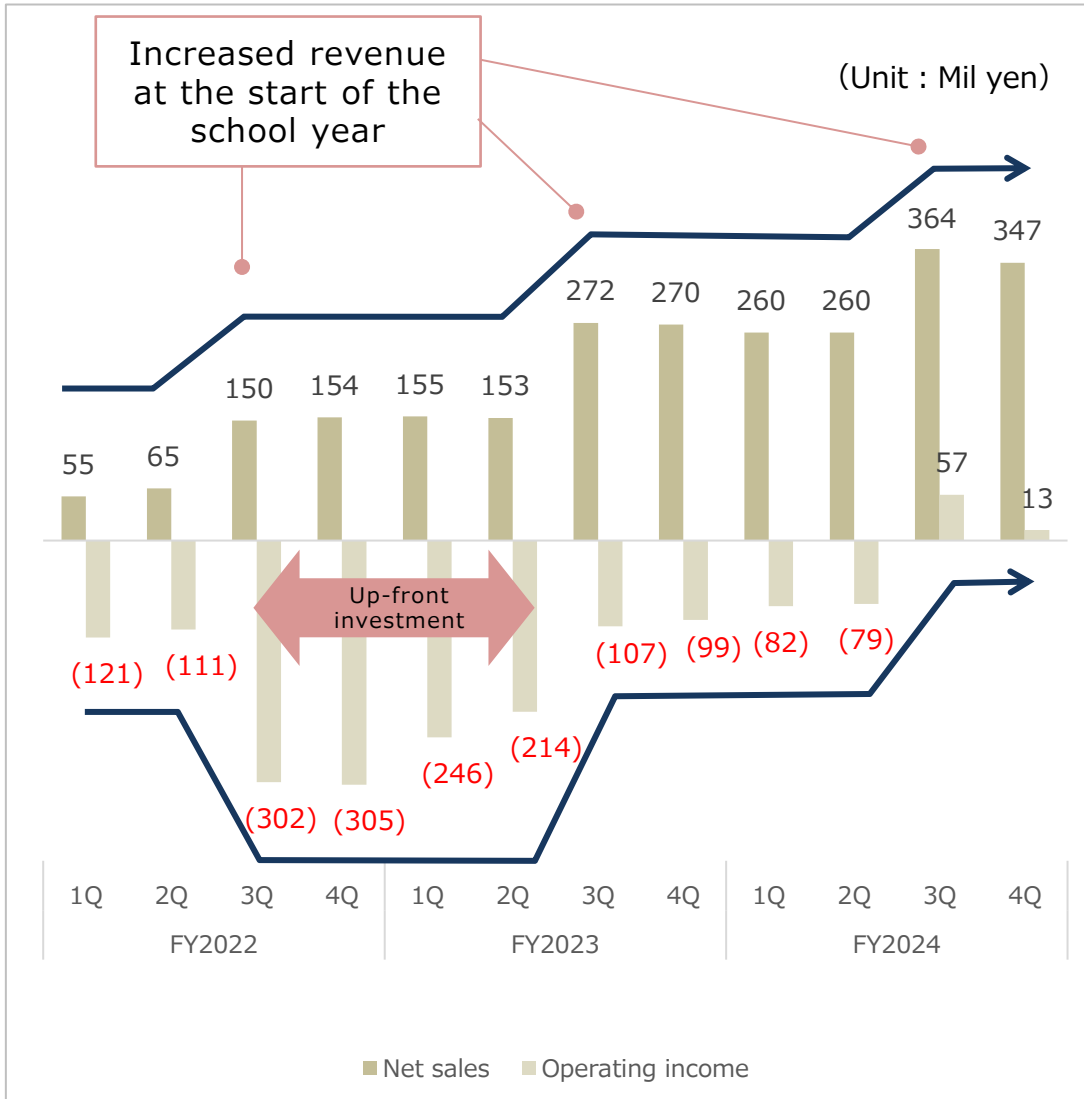


Cloud-based medication history service

Total introduced pharmacies

**Record high,
continuing from Q3**

School DX business: Net sales and operating income



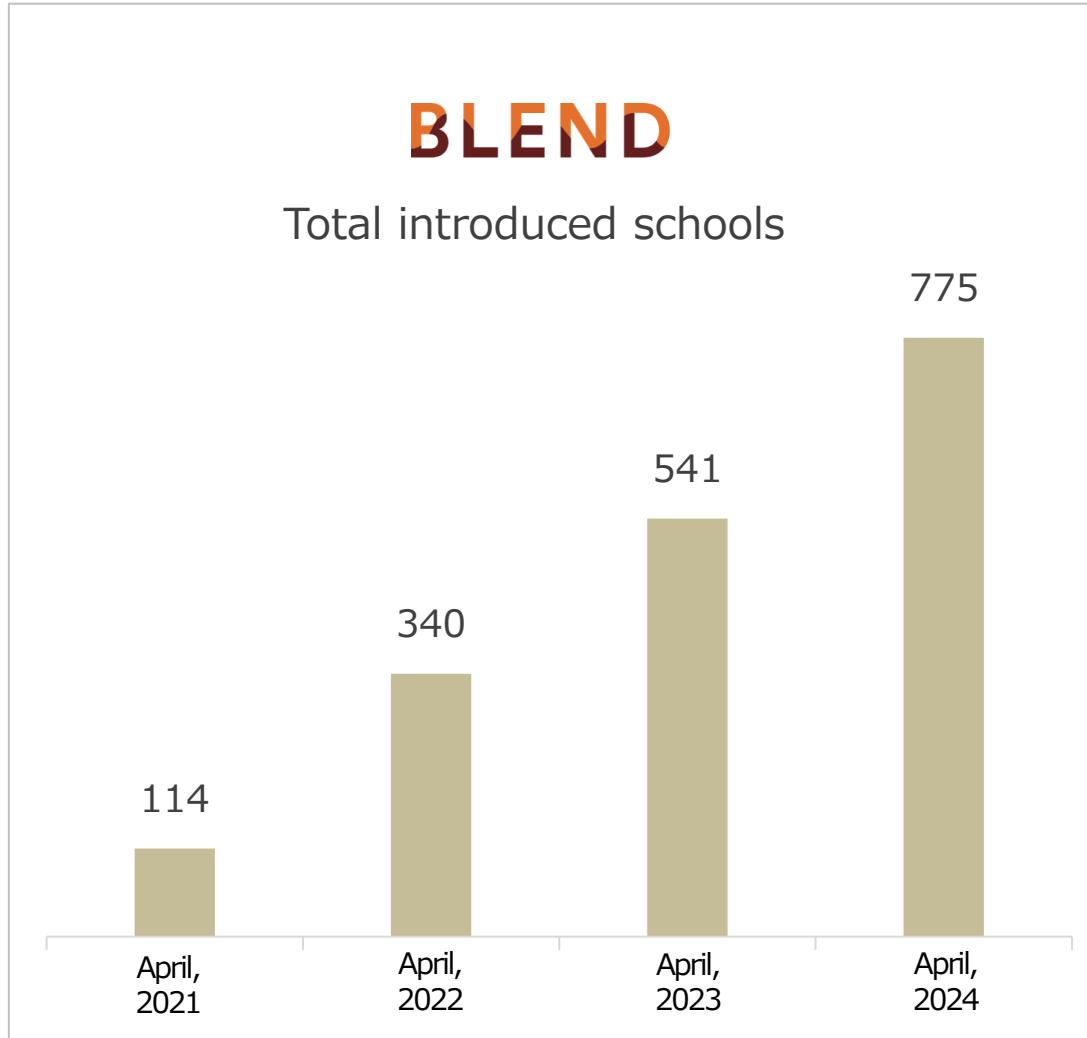
QoQ

Net sales: Levelled off

QoQ

Operating income: On a positive trend

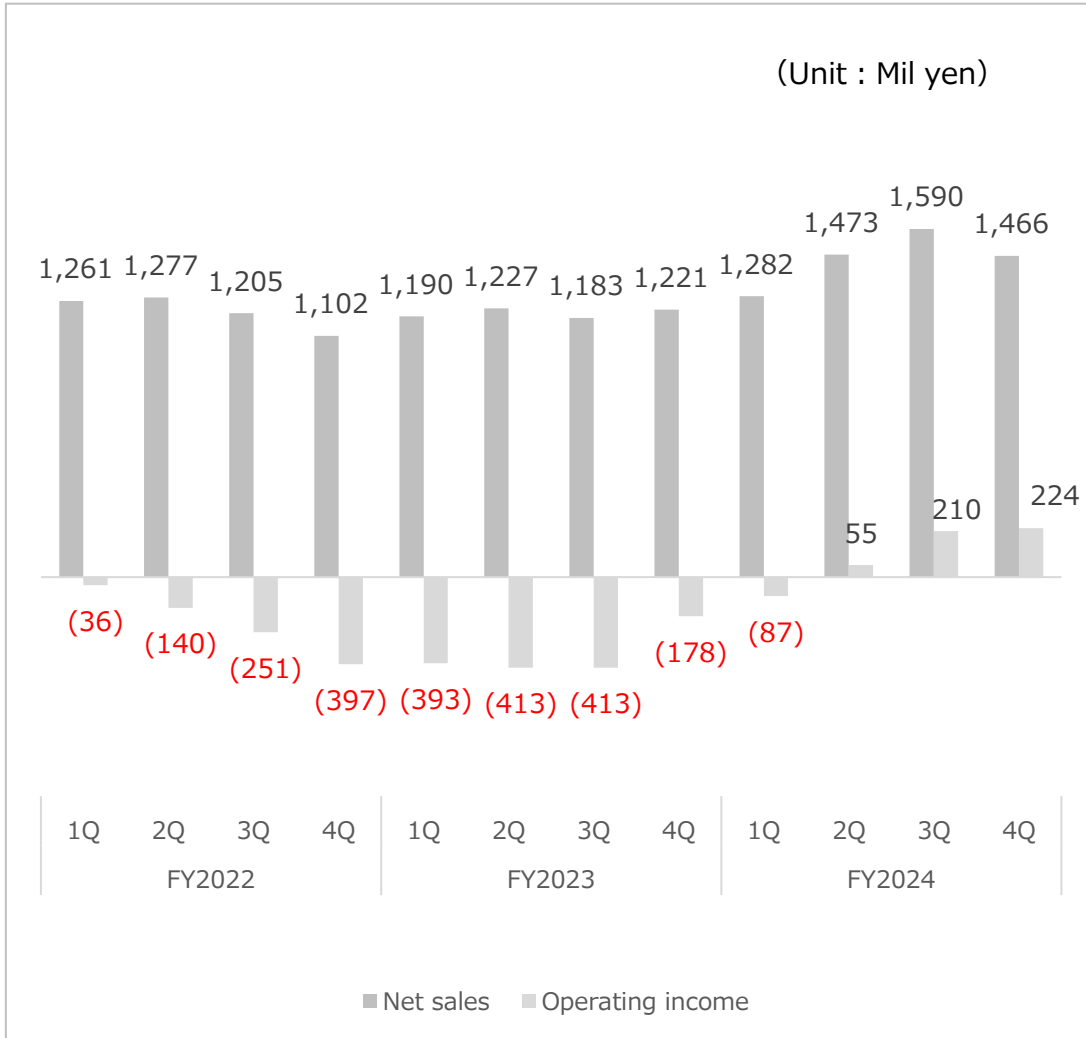
School DX business : Full cloud-based school affairs support system



The number of schools introducing our services is progressing well

Private high school share 35%

Other business (Includes DX support business for companies, AI):
 Net sales and operating income



QoQ

Operating income: On a positive trend

Strong orders in the corporate DX support business

Approach in FY2025

Basic policies and priority issues for FY2025

Healthcare business

Further sales and profit growth

- For Pharmacies:
Further expansion of the cloud-based medication history service
- For Municipalities:
Promotion of the platform strategy of the childcare DX

School DX business

Further sales and profit growth

- For private schools :
Further expansion of the number of introduced schools
- For Public Schools :
Expansion of business areas

Content business

Securing profit

- Original comics content business growth
- Security-related app growth

Healthcare business: Approach in FY2025

Connecting pharmacies and patients

Cloud-based medication history service

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B2B service for pharmacy

Connecting parenting households and municipalities & hospital

Maternal and child health handbook app

+
Childcare DX services



B2BtoC service for municipalities

Healthcare business: Cloud-based medication history service Strong introduction to mid-size dispensing pharmacies

Collaboration with a major prescription pharmaceutical wholesaler  MEDIPAL HOLDINGS CORPORATION

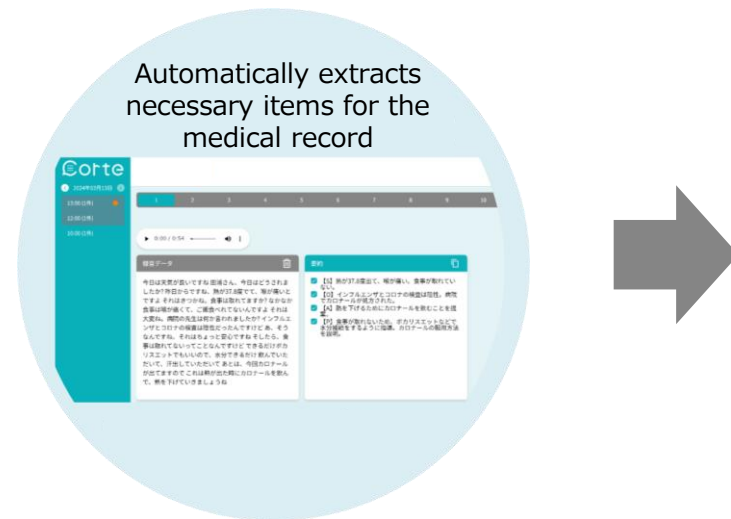
New functional services the automatic summary function has been well received

CARADA 電子薬歴 Solamichi

Medication guidance navigation



AI automatic summarization feature



To further improve pharmacists' work efficiency



* "corte" was jointly developed by our subsidiary Solamichi System Inc. and by corte Inc.
* "Corte" is a registered trademark of Corte Inc.

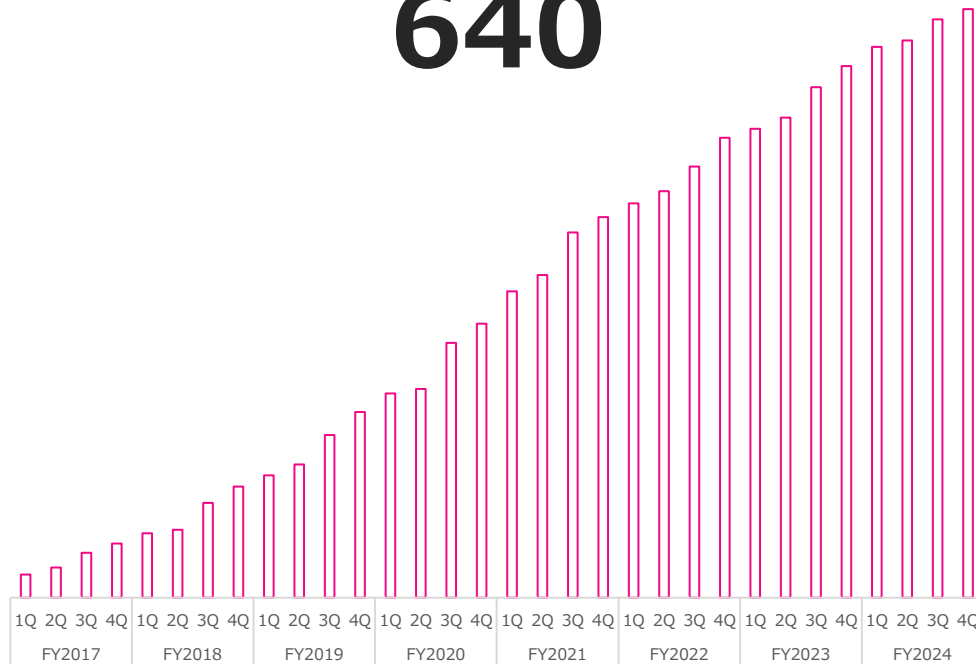


Healthcare business:
Maternal and child health handbook app + Childcare DX services

Introduction smoothly: the childcare DX services at municipalities using “Boshimo”

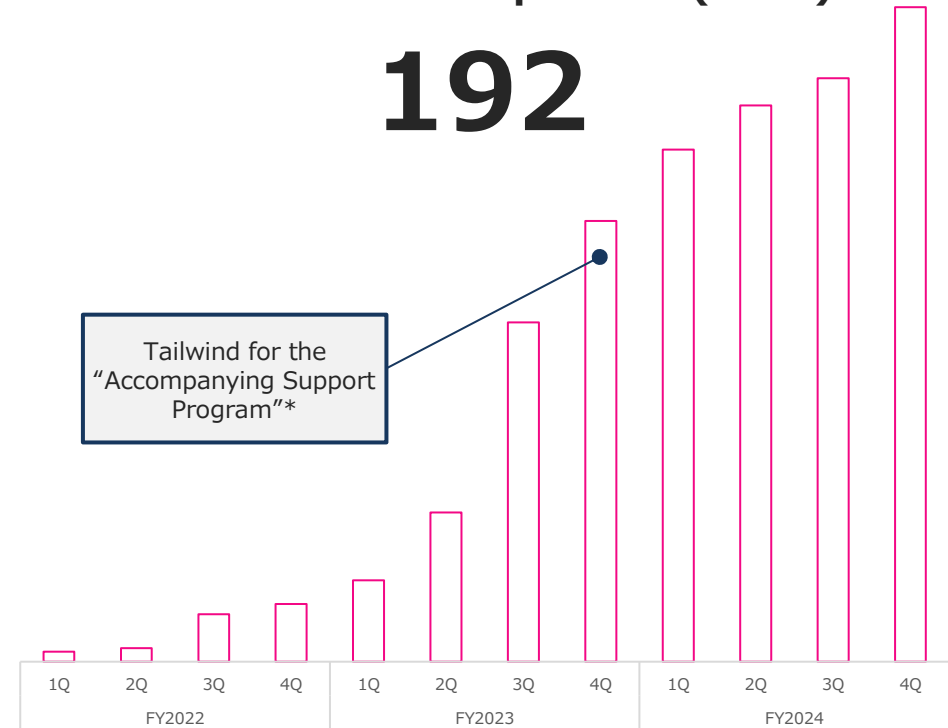
Maternal and child health handbook app

640



Childcare DX services
Number of municipalities (total)

192



Tailwind for the “Accompanying Support Program”*

* Transferred to “Children and Families Agency” from April 1, 2023 .



Healthcare business: Maternal and child health handbook app + Childcare DX services

Promote introduction in municipalities not yet using the maternal and child health handbook app

~Seamless support for pregnancy, childbirth and childcare~

母子手帳アプリ 母子モ

Pregnancy·Birth
Pregnancy health records, pregnancy weight graph

Parenting
Vaccination management, Infant health, Height and weight, Growth records

Notice
facility search, Local childcare events, Questionnaire, Schedule management

Healthcare business:
Maternal and child health handbook app + Childcare DX services

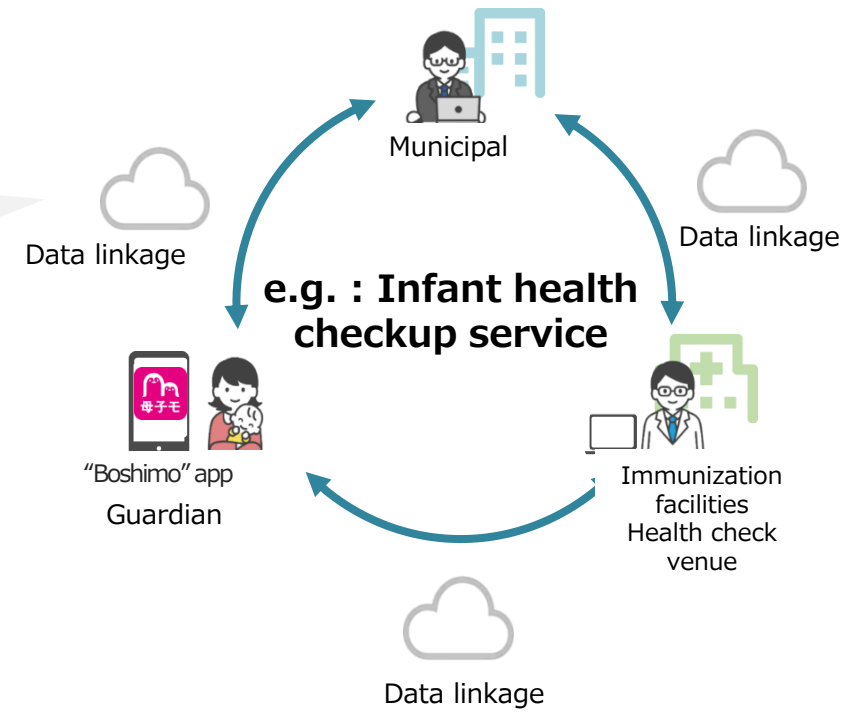
Promote introduction of childcare DX services in municipalities using the maternal and child health handbook app



- Questionnaire and reservation form functionality
- Childhood immunizations (Digital preliminary examination slip , etc.)
- Infant health checkup
- Visits to all households with infants
- Pregnancy checkups and pregnancy notification

High utilization rate

Some municipalities have **over 90%** of applications, such as pregnancy notifications and infant health checkup questionnaires, submitted through the app.



Healthcare business: Topic

LunaLuna

Women (Girls) Support

LunaLuna “Junior mode”

- Support for elementary and junior high school students around menarche
- Parent-child data sharing functionality also added



Family Support

Luna Luna “Family course” offered to municipalities

- Provided free of charge in cooperation with municipalities
- Support for fertility in the home



LunaLuna

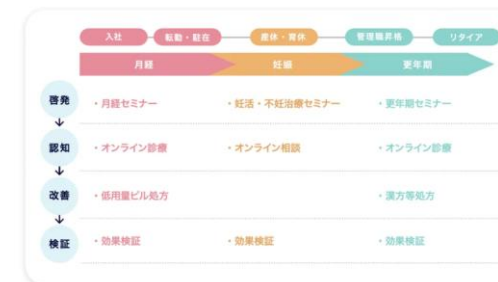
オフィス

Corporate Employee Support (Female + Male)

Expanded

“LunaLuna office” functionality
(Femtech service for corporate clients)

- Introduced “Menopause program*2” in addition to the conventional “Menstrual Program *1”
- A pilot program for the “Male menopause program” is also underway.



*1: Employee benefit program: "Support program for gynecological consultations and Low-Dose pill use utilizing online medical consultation"
 *2: Online menopause outpatient program

Connecting students and teachers

Full cloud-based school affairs support system

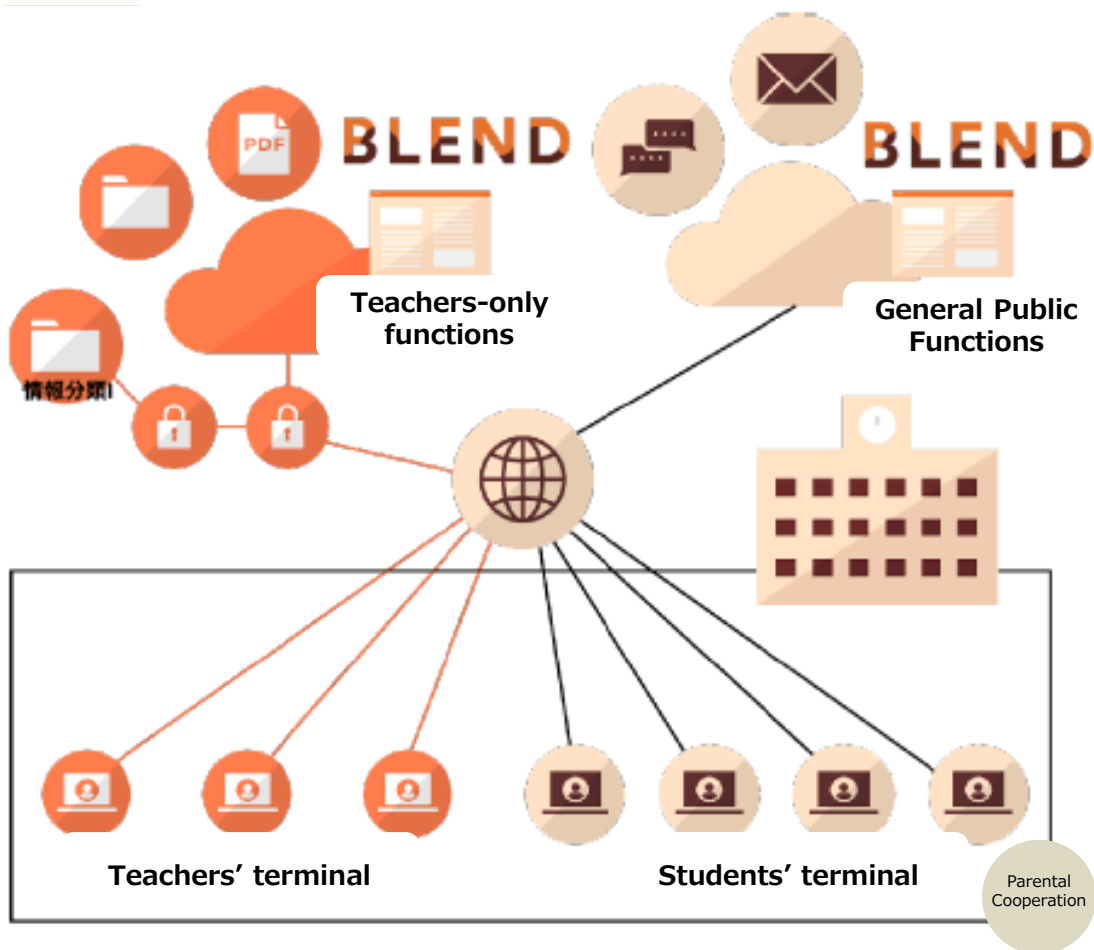
BLEND



School DX business : Full cloud-based school affairs support system

A world with **BLEND**

Eliminating all negatives



Functions

- Fully cloud-based centralized management of data
- Data linkage without returning to the staff room
- Data linkage with parents and guardians

Effects

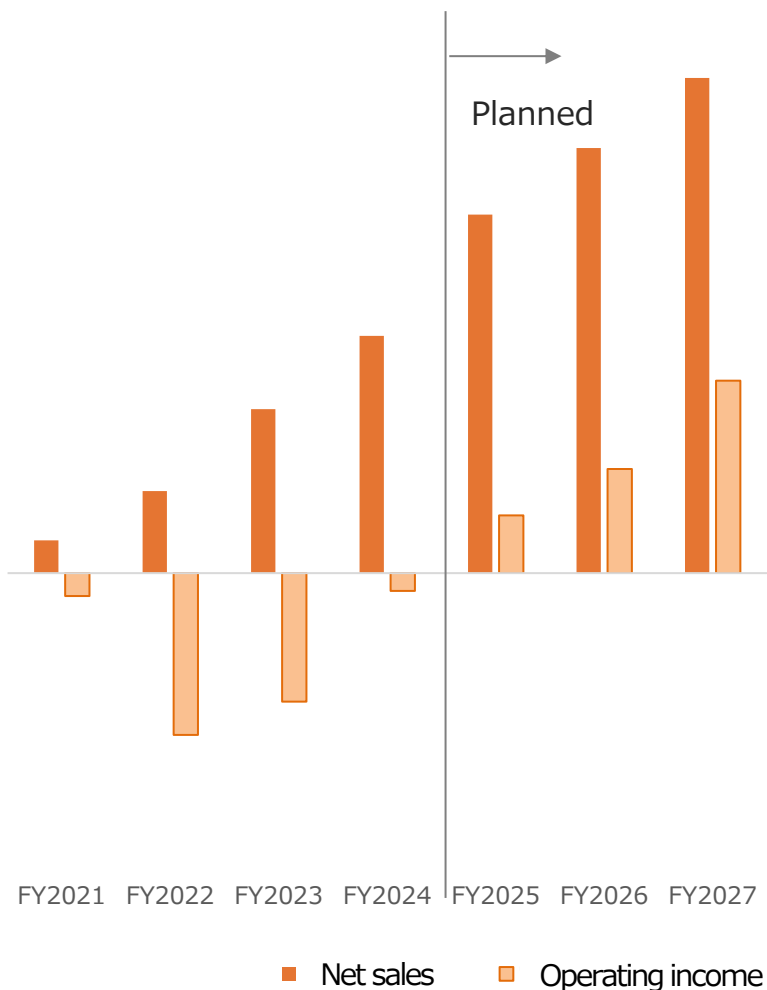
- Reducing workload for school affairs
- Reducing system management costs

Values

Create an environment that enables concentration on essential education through the provision of school DX services

School DX business : Full cloud-based school affairs support system

Image of medium-term profit



Continuing increase in the number of schools introducing our service

Growth opportunities

- Accumulation of projects expected to be new introducing in April 2025
- Government driving DX for school affair unit by prefectural area



Public High School:
Contracted with
Yamanashi Prefectural Government

Differentiation

Cloud-based batch services

Earning forecast for FY2025

Earnings forecast for FY2025

Net sales : increase,
Operating income and Ordinary income : increase

YoY

Net sales :	¥28,500 million	+3.0 %
Operating income :	¥2,800~¥3,200 million	+16.9~+33.7 %
Ordinary income :	¥2,900~¥3,300 million	+2.6~+16.7 %
Profit attributable to owners of parent :	¥1,460~¥1,740 million	(38.2)~(26.4) %

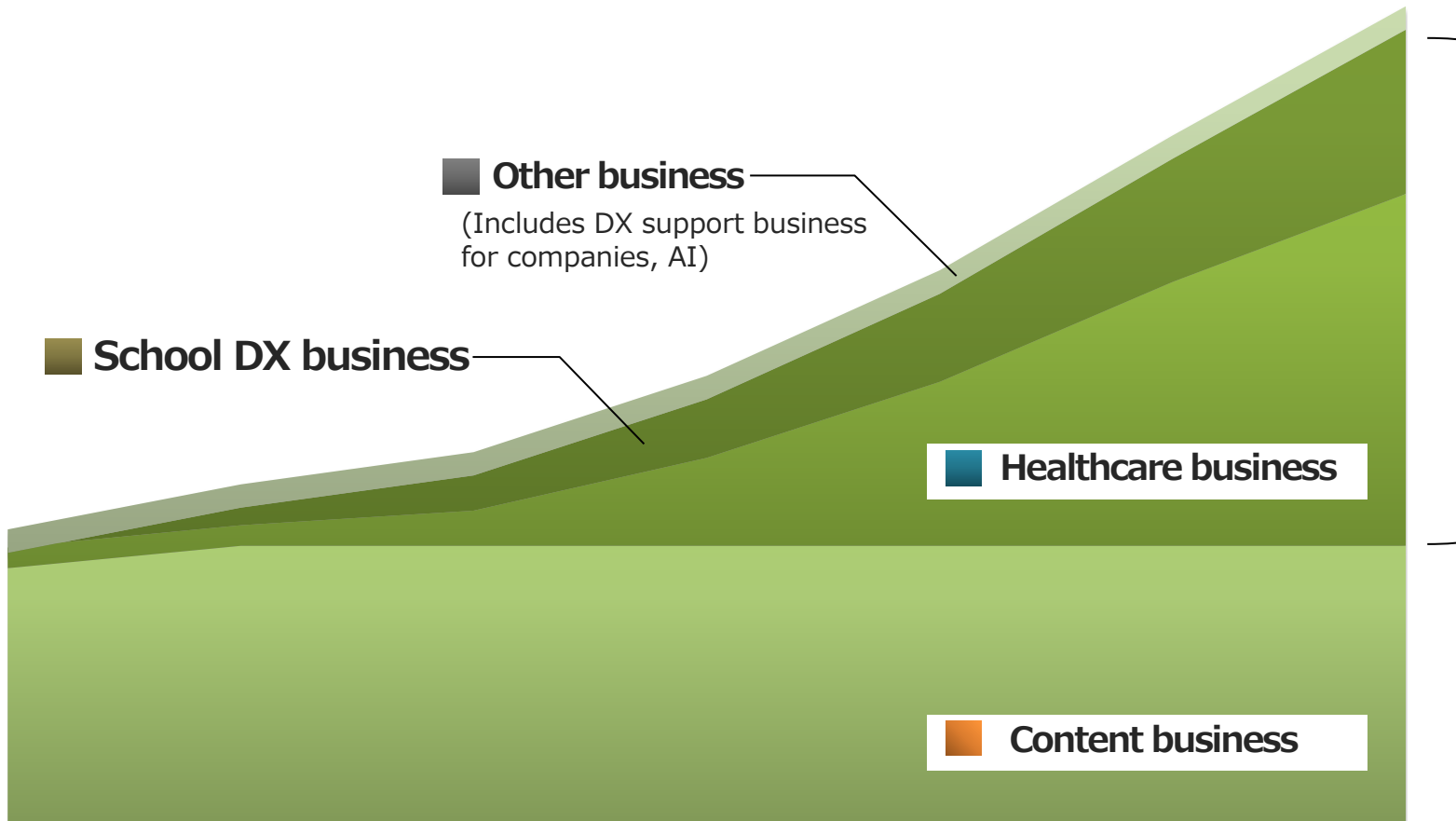
The consolidated earnings forecast for the fiscal year ending September 2025 incorporates a reduction in the amortization burden of goodwill and customer-related assets.

Earnings forecast for FY2025

(Unit : Mil yen)	FY2024 (Actual)			FY2025 (Forecast)			YoY	
	Full year	H1	H2	Full year	H1	H2	Amount (full year)	Ratio (full year)
Net sales	27,669	13,517	14,151	28,500	14,000	14,500	+830	+3.0%
Cost of sales	7,264	3,612	3,651	7,000	3,500	3,500	(264)	(3.6)%
Gross profit	20,405	9,905	10,499	21,500	10,500	11,000	+1,095	+5.4%
SG&A	18,011	8,852	9,157	18,500	9,150	9,350	+489	+2.7%
Operating income	2,394	1,052	1,341	3,000	1,350	1,650	+605	+25.3%
(Ratio)	9.0%	7.8%	9.5%	10.5%	9.6%	11.4%		
Ordinary income	2,721	1,518	1,309	3,100	1,400	1,700	+272	+9.6%
(Ratio)	10.0%	11.2%	9.3%	10.9%	10.0%	11.7%		
Profit attributable to owners of parent	2,256	1,558	805	1,600	730	870	(763)	(32.3)%
(Ratio)	8.0%	11.5%	5.7%	5.6%	5.2%	6.0%		

Image of medium to long-term profit

Image of medium to long-term profit



In the midium to long-term, Healthcare business and School DX businesses will drive the profit growth

FY2024

Capital policy

Capital Policy

We aim for continuous growth in sales and profit, and for harmonizing them with returns to shareholders.

I. Dividend

	Interim dividend		Year-end dividend		Annual dividend
FY2024	¥8	1 yen higher than expected	¥9 (Scheduled)	1 yen higher than previous year	¥17 (Scheduled)
FY2025 (Forecast)	¥9		¥9	1 yen higher than previous year	¥18

※ A Dividend at the end of FY2024 are to be referred to the 29th general shareholders' meeting on December 21, 2024.

II. Cancellation of treasury shares: 1.2 million shares on December 2.

(Percentage of total issued shares before cancellation: 1.95%)



〈Contact us〉

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