Commerce One Holdings Inc.

TSE Growth: 4496

FY3/2025 Q1

Financial Results

August 14, 2024

Today's Agenda

1

Company Overview

Corporate Philosophy

Our Vision

To be an e-commerce platform that maximizes the power of people who leverage technology

A Society We Aspire to Build

We aspire to build a society that is fair and empowers anyone to pursue self-realization

Our Business

Commerce One
Holdings

Future Shop Co., Ltd

Provides a SaaS-based platform for developing e-commerce sites

Softel Inc.

Offers e-commerce sales and inventory management systems tailored to each client's needs

TradeSafe Inc.

Provides certification services for e-commerce sites and management support tools that visualize order trends based on data analysis

SOLAIRO, INC.

Provides web-based customer service solutions to increase repeat rate, create conversion opportunities, and improve Life Time Value (LTV).

SAMURAI TECHNOLOGY Co., Ltd

Provides optimal solutions based on its system development track record that has built over 20 years

Commerce One Holdings Group provides SaaS-based e-commerce platform services to small and medium sized companies operating e-commerce sites in Japan.

As explained at left, our Group operates under a single segment of e-commerce platform business.

Commerce One *Holdings*

Our Product Portfolio Provides Total E-Commerce Support

Enhance enterprise DX and productivity

through e-commerce support

DX (digital transformation)

Technology and data owned by each product

Consulting services that bring together each company's know-how

Front-end products

SaaS-based e-commerce platforms

F futureshop

F omni-channel

Web-based customer service solution

WhatYa

Back-end products

Sales & inventory software

通販するぞ蔵
Tsuhan-Suruzo

Database support

Fast Connector®

Safe transactions

Symbol of trust and security

安心 取引
TradeSafe Trustmark

Business Model of Our Group

Commerce One Holdings

FRONT

future shop

BACK

SOFTEL

ONLINE

Social media

CRM*

Support

Apps

F futureshop

F omni-channel

Point-of-sale (POS)

OFFLINE

Settlement

Brick-and-mortar store

E-commerce mall branch

Centralized management

通販素蔵
Tsuhan-Suruzo

Hub System

Sales and inventory management system

Return information to each environment

Core system

Warehouse/ Logistics

POS

Suppliers

E-commerce site building	Shop operation & management support	Promotion to attract customers	Payment processing & transmission of order information	Order capturing & product-linked processing	Processing status monitoring to provide instruction	Shipping instruction & warehouse management	Customer correspondence & DB linkage

*CRM: Customer Relationship Management

Commerce One Holdings

The Path from Establishment

2006–2014

Establishment to business launch

2017–2020

Business expansion, incorporation of holding company

After 2022

Further growth

September 2022
Released live commerce option "Live cottage"

October 2023
20th anniversary from the launch of futureshop service

September 2018
Future Shop Co., Ltd. released a new CMS function branded "commerce creator"

June 2020
Listed on the Mothers market of the Tokyo Stock Exchange

March 2010
Jointly established Future Shop Co., Ltd. to began E-commerce support service

August 2006
Established TradeSafe Inc. to launch Trustmark third-party E-Commerce site verification business

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

TradE SafE

future shop

SOFTEL

September 2017
Split the business of TradeSafe Inc., converting it into a Group company and changing its name to TS Holdings Inc.

Commerce One Holdings

December 2019
Changed the company name to Commerce One Holdings Inc.

SAMURAI TECHNOLOGY

November 2022
Made SAMURAI TECHNOLOGY Co., Ltd. a wholly owned subsidiary

December 2012
Made Future Shop Co., Ltd. a wholly owned subsidiary

July 2014
Made Softel Inc. a wholly owned subsidiary

SOLAIRO

March 2023
Acquired SOLAIRO, INC. stock and made it a group company.

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FY3/2025 Q1 Highlights

Commerce One Holdings

FY3/2025 Q1 Summary

Consolidated net sales	Consolidated operating profit	Consolidated operating margin	Profit attributable to owners of parent
JPY 898 mn	**JPY 154mn**	**17.2%**	**JPY 40 mn**
YoY **+JPY 33mn** (+ 3.8%)	YoY **+JPY 35mn** (+29.3%)	YoY **+3.4pts**	YoY **JPY (41)mn** (-50.5%)

EC market situation

The domestic EC market, which had remarkably expanded due to the COVID-19 pandemic, has continued to grow steadily since FY3/2023 although growth has moderated as economic activity has normalized. The domestic EC market, in which the Group operates, is expected to grow sustainably at an average annual rate of 10.3% from 2023 to 2027.
* Source: *Summary of Report on the Current Status of Information and Communications 2023* issued by the Ministry of Internal Affairs and Communications

Financial summary

Through proactive efforts including growth investments since the previous fiscal year, the Group has achieved stronger operating performance during FY3/2025 Q1. Specifically, the Group recorded increases in both sales and profits by enhancing services and revising prices for futureshop, while also having recorded increases in both sales and profits for SOFTEL by deepening the expertise of SAMURAI TECHNOLOGY, which has allowed for more efficient delivery of projects. Although operating profit increased year on year as presented above, profit attributable to owners of parent decreased due to upfront investment in Enecycle, an equity-method affiliate for the Group.

FY3/2025 Q1 Highlights

— Status of each subsidiary in FY3/2025

futureshop

The number of contracts decreased due in part to the consolidation of shops, while GMV and ARPU picked up steadily with the enhancement of functions and alliances.

- Enhanced service for food EC operators
- Expanded the support business domain by strengthening collaboration with other service providers
  - Started collaboration with ViSenze in its AI Recommend/Image Search Service
  - Was certified as a partner in Line Yahoo Partner Program, which is intended to recognize partners specialized in each process of promoting the use of Line Yahoo Marketing solutions, such as their introduction and support processes
  - Started collaboration with SB Frameworks in its e-logistics agency service
  - Started collaboration with Charlla, a platform that provides highly appealing short-video-based marketing solutions

SOFTEL

To promptly get SAMURAI TECHNOLOGY, a newly acquired subsidiary, work-ready for SOFTEL's business, we are making on-going efforts to dispatch engineers from SOFTEL and to develop an OJT* program. In some cases, some of SAMURAI TECHNOLOGY employees have been assigned to new implementation projects of Tsuhan-Suruzo as key personnel, progressing smoothly toward getting work-ready at an early stage.

- Gross Merchandise Volume (GMV) via Tsuhan-Suruzo reached more than JPY360.0 bn
- The subsidiary has made efforts to help obtain Rakuten SAIKYO delivery service labels by building an environment in which each mall labels shops that are quick in shipping

OJT stands for "On the Job Training," a training method to acquire business knowledge through practice in the workplace.

FY3/2025 Q1 Highlights

Consolidated **Commerce One Holdings**

(Thousands of yen)

	FY3/2024 Q1	FY3/2025 Q1	YoY Change	YoY % Change
Net sales	865,862	898,956	+33,094	+3.8%
Operating profit	119,611	154,688	+35,077	+29.3%
Ordinary profit	137,955	107,367	(30,588)	−22.2%
Profit before income taxes	137,955	107,367	(30,588)	−22.2%
Profit attributable to owners of parent	81,999	40,599	(41,400)	−50.5%

Achievement Against FY/3 2025 Budget

Consolidated **Commerce One Holdings**

(Thousands of yen)

	FY3/2025 Q1 Results	FY3/2025 Full-year Budget	Achievement vs. Budget
Net sales	**898,956**	**3,815,446**	**23.6%**
Operating profit	**154,688**	**604,956**	**25.6%**
Ordinary profit	**107,367**	**683,343**	**15.7%**
Profit attributable to owners of parent	**40,599**	**454,730**	**8.9%**

These are mainly due to the inclusion of losses from Enecycle, an equity-method affiliate. Progress has been delayed due to the recording of non-operating expenses which is worthy of the Company's investment amount. Enecycle plans to record sales as each project progresses during the current fiscal year, but as of 1Q, the Company has made an upfront investment, resulting in a negative booking.

FY3/2025 Q1 Highlights of futureshop

Non-consolidated **futureshop**

Net sales	Operating profit	Operating margin
JPY **663** mn	JPY **201** mn	**30.4%**
YoY | +JPY 37 mn (+6.0%)	YoY | +JPY 16 mn (+8.8%)	YoY | +0.8pts

GMV	Number of contracts as of June 30, 2024	ARPU
JPY **509,0** bn	**2,867**	JPY **76,984**
YoY | +JPY **1,871** mn (+3.8%)	FYTD | (14) (-0.5%)	YoY | +JPY 5,013 (+7.0%)

Commerce One Holdings

FY3/2025 Q1 Highlights of SOFTEL

Non-consolidated SOFTEL (SAMURAI TECHNOLOGY combined)

SOFTEL

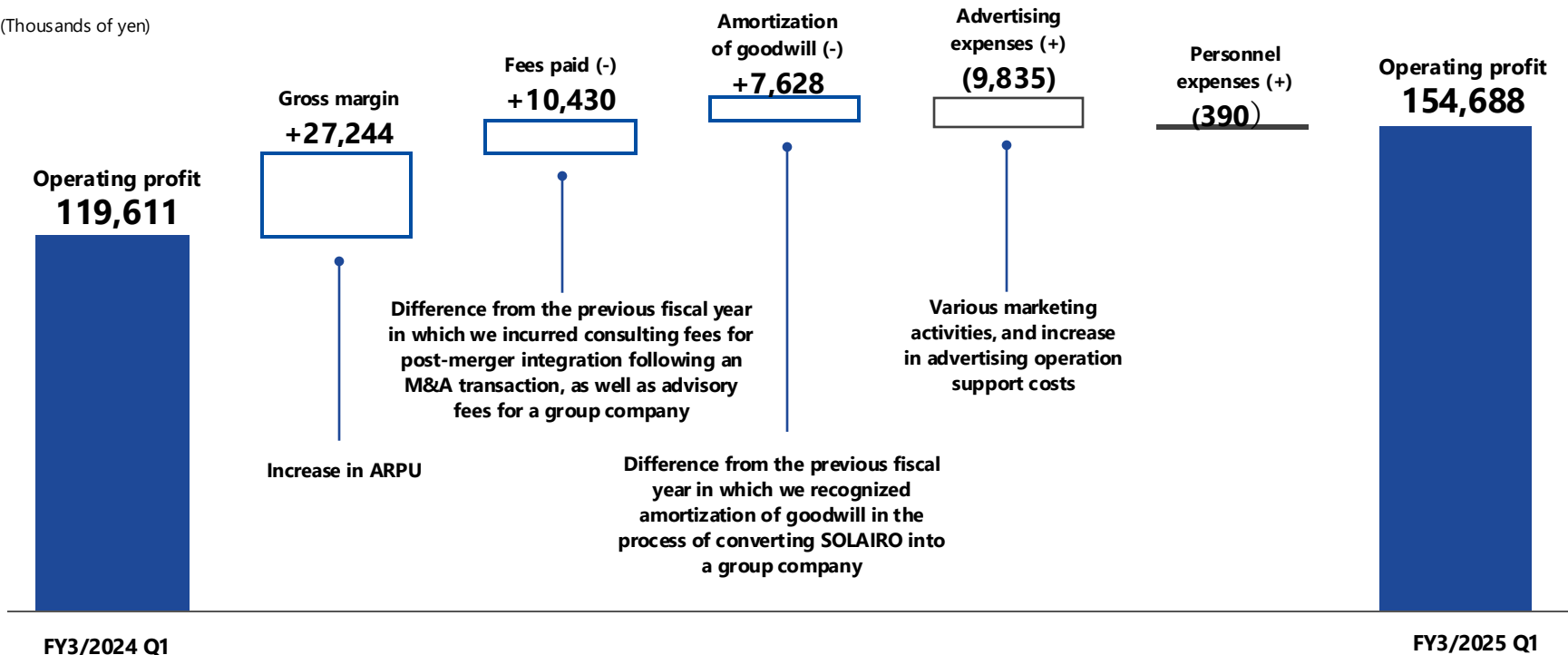| Net sales*1	Operating profit*1	Operating margin*1
JPY **216** mn	JPY **20** mn	**9.6%**
YoY +JPY **7.6** mn (+3.7%)	YoY +JPY **4.4** mn (+27.2%)	YoY +**1.8**pts

*[1] As SAMURAI TECHNOLOGY's SES*2 sales to SOFTEL are expected to continue increasing in the future, the figures above were calculated by adding the business results of SAMURAI TECHNOLOGY from FY3/2024 Q1 and eliminating internal transactions.

Total development sales	Development sales per customer	Recurring revenue	Ratio of recurring revenue
JPY **81** mn	JPY **0.8** mn	JPY **92** mn	**48.5%**
YoY +JPY **2.6** mn (+3.3%)	YoY JPY **(0.1)** mn (-12.2%)	YoY +JPY **5.0** mn (+5.8%)	Compared to average for the past 8 years +**5.2**pts

*2 SES stands for System Engineering Service, a type of contract that mandates engineers to engage in system development and other activities; performance of the contract depends on the capability of system engineers.

Analysis of Change in Operating Profit: FY3/2025 Q1 vs. FY3/2024 Q1

Consolidated **Commerce One Holdings**

(Thousands of yen)

Gross margin
+27,244

Fees paid (-)
+10,430

Amortization of goodwill (-)
+7,628

Advertising expenses (+)
(9,835)

Personnel expenses (+)
(390)

Operating profit
119,611

Operating profit
154,688

Increase in ARPU

Difference from the previous fiscal year in which we incurred consulting fees for post-merger integration following an M&A transaction, as well as advisory fees for a group company

Difference from the previous fiscal year in which we recognized amortization of goodwill in the process of converting SOLAIRO into a group company

Various marketing activities, and increase in advertising operation support costs

FY3/2024 Q1

FY3/2025 Q1

*FS stands for Future Shop Co., Ltd., a Commerce One group company.

FY3/2025 Q1 YoY Analysis of Operating Profit to Profit Before Income Taxes

Consolidated **Commerce One Holdings**

(Thousands of yen)

	FY3/2024 Q1	FY3/2025 Q1	YoY Change
Operating profit	119,611	154,688	+35,077
Non-operating income	18,394	16,298	(2,096)
Non-operating expenses	51	63,619	+63,568
Ordinary profit	137,955	107,367	(30,588)
Extraordinary income	-	-	-
Extraordinary loss	-	-	-
Profit before income taxes	137,955	107,367	(30,588)
EBITDA*	158,111	183,642	+25,530

This is mainly due to the inclusion of losses of Enecycle, an equity-method affiliate, which is worthy of the Company's investment amount. Enecycle plans to record sales during the current fiscal year as each project progresses, but as of 1Q, the Company has made an upfront investment, resulting in a negative booking.

*EBITDA: Operating profit + Depreciation + Amortization of goodwill

FY3/2025 Q1 Balance Sheet: Flux Analysis Compared to March 31, 2024

Commerce One Holdings

Consolidated

(Thousands of yen)

	March 31, 2024	June 30, 2024	Change
Current assets	2,305,885	2,242,290	(63,595)
Cash and deposits	1,733,879	1,770,688	+36,809
Other	129,890	49,655	(80,235)
:	:	:	:
Non-current assets	1,576,802	1,501,124	(75,678)
Investment securities	1,002,854	932,709	(70,145)
:	:	:	:
Current liabilities	915,574	817,755	(97,819)
Non-current liabilities	122,138	124,129	+1,991
Net assets	2,844,974	2,801,530	(43,444)
Shareholders' equity	2,465,794	2,427,267	(38,527)
Other, and valuation difference on available-for-sale securities	379,180	374,263	(4,917)

This is attributable mainly to advance payments for receiving discount on server usage fees during the previous fiscal year, recognized at cost.

YoY Analysis of Cash Flows: FY3/2025 Q1 against FY3/2024 Q1

Consolidated **Commerce One Holdings** (Thousands of yen)

	FY3/2024 Q1	FY3/2025 Q1	YoY Change
Cash flows from operating activities	**241,977**	**128,556**	**(113,421)**
Profit before income taxes	137,955	107,367	(30,588)
Share of profit (loss) of entities accounted for using equity method	-	63,149	63,149
Decrease (increase) in deposits paid	109,883	230	(109,653)
Other	121,691	88,195	(33,496)
:	:	:	:
Income taxes paid	(154,653)	(175,264)	(20,611)
Cash flows from investing activities	**(24,118)**	**(27,169)**	**(3,051)**
Purchase of intangible assets	(19,642)	(26,982)	(7,340)
:	:	:	:
Cash flows from financing activities	**(110,700)**	**(78,547)**	**32,153**
Purchase of treasury shares	(109,797)	-	109,797
Dividends paid	-	(77,644)	(77,644)
:	:	:	:
Net increase (decrease) in cash and cash equivalents	**123,753**	**36,808**	**(86,945)**

Recognition of share of loss of Enecycle, an entity accounted for using equity method
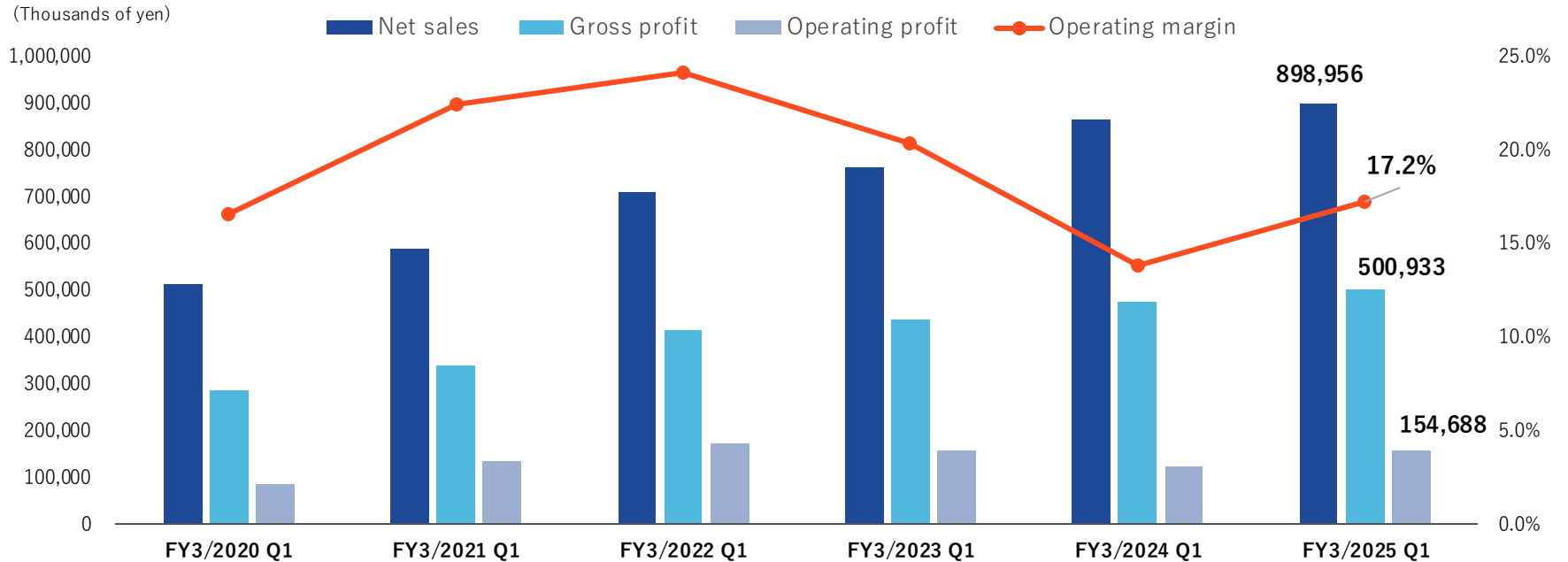
Repurchase of treasury shares under a discretionally trading contract completed in FY3/2024 Q1

Share repurchase implemented during FY3/2024

Year-end dividends paid for FY3/2024

Changes in Consolidated Operating Results for the Past 5 Years

During FY3/2025 Q1, the Group did not incur any M&A related expenses, such as M&A related compensation and amortization of goodwill. In addition, supported by consistent increases in net sales and gross profit since prior years, as well as the organic growth of existing businesses, operating profit increased year on year.

*PMI stands for Post Merger Integration, a process of consolidating two companies into one after M&A

Financial Strategy

Working to maximize corporate value

Shareholder Returns

Dividends	Dividend payout ratio of 30%*
Share buybacks	Carry out in a flexible manner
Internal reserves	Actively invest in growth, and expand shareholder returns by accelerating EPS growth in the medium to long term

* Dividend payout ratio 30% for profit attributable to owners of parent

Capital Structure

Build optimal capital structure for increasing business growth and corporate value

Growth Investments

Core businesses

Enhance capabilities, products, and business domain based on human resources investments

New businesses

Implement proactively and strategically

Achieve sustainable growth

Targeting **20**% ROE

Acquisition of Treasury Stock

In keeping with the financial strategy set out in the medium-term business plan (from the fiscal year ending March 2025 to the fiscal year ending March 2027), the Company repurchase of its own shares in consideration of a comprehensive array of factors, including strategic investment opportunities, the Company's financial position, and the price of its common stock.
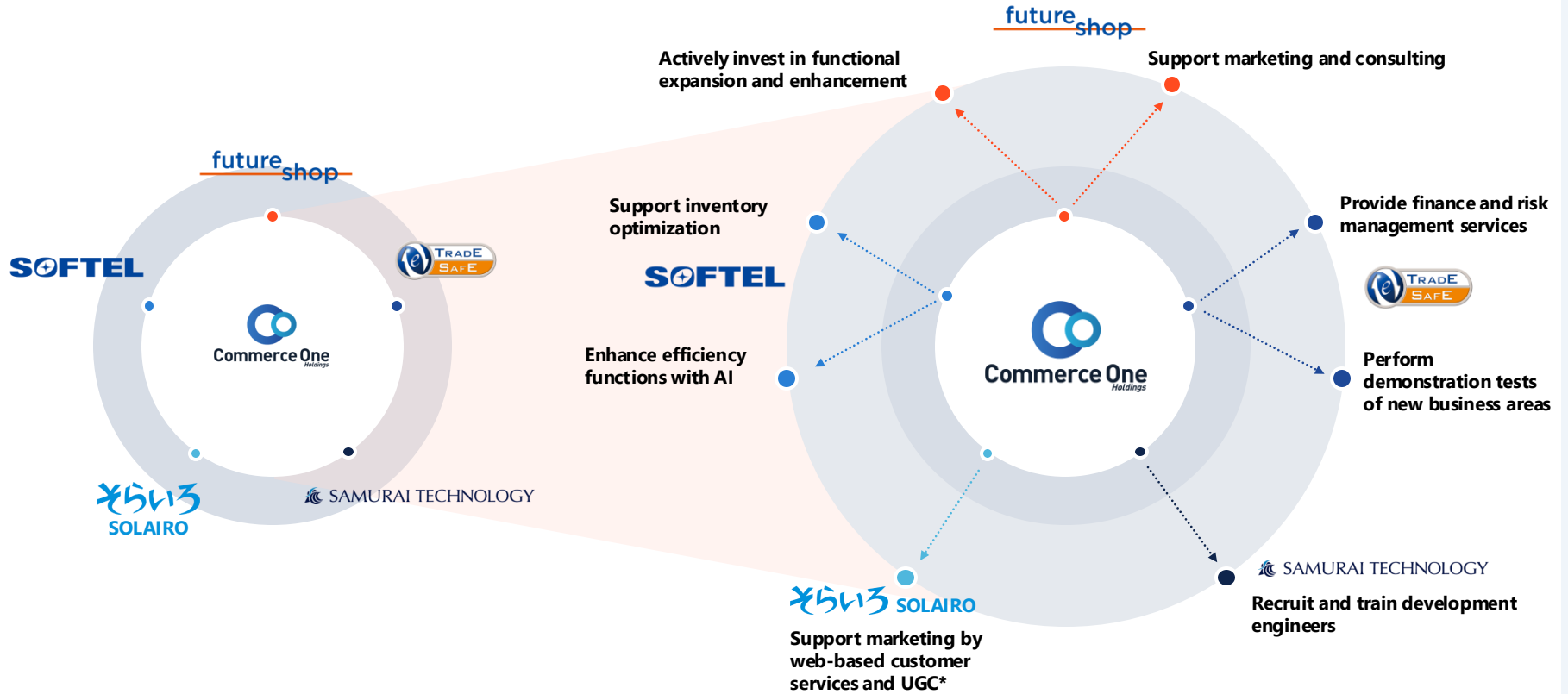
【Details of matters relating to the acquisition of treasury stock】

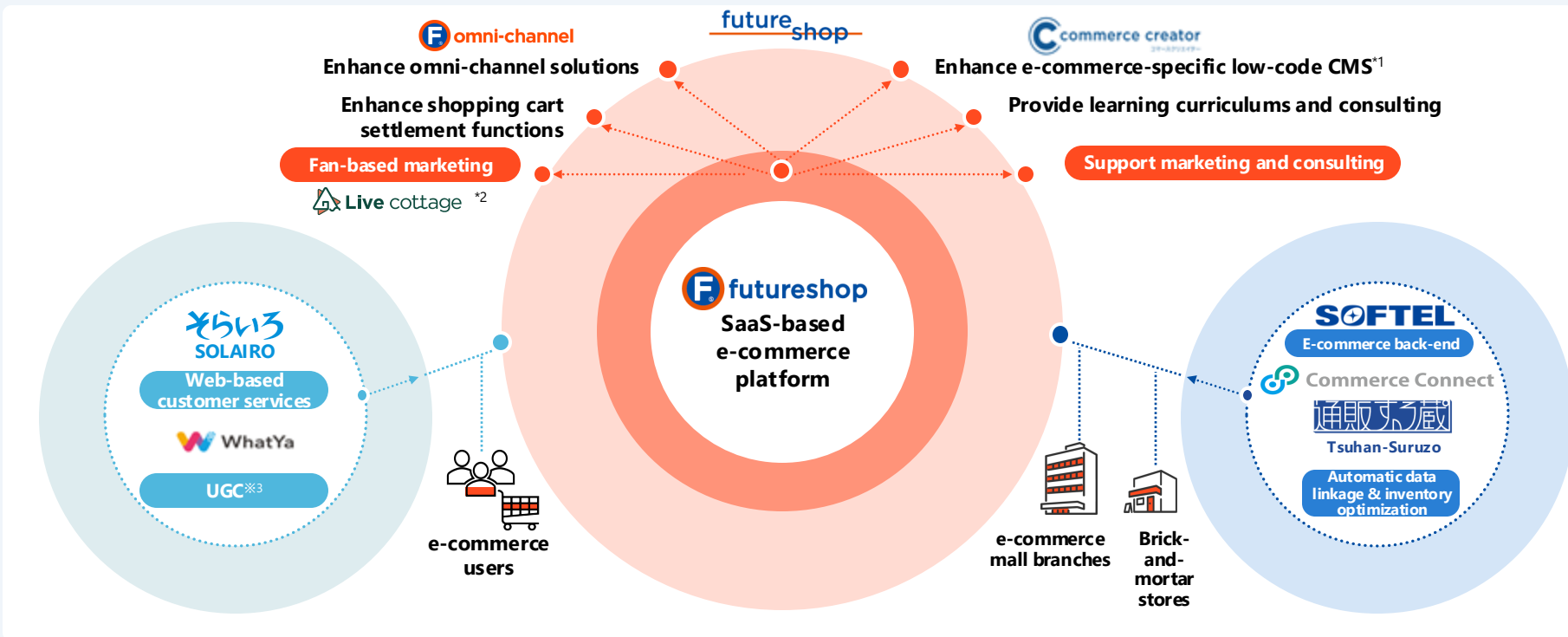|	
(1) Class of shares to be acquired	Common stock
(2) Total number of shares that may be acquired	Up to 100,000 (1.4% of total number of shares outstanding [excluding treasury stock])
(3) Total value of acquired shares	Up to 75,000,000 yen
(4) Acquisition period	From August 15, 2024 to November 8, 2024
(5) Method of acquisition	Market purchases based on a discretionary trading contract

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Growth Strategy

Policies for Achieving Growth

Actively invest in functional expansion and enhancement

Support marketing and consulting

Support inventory optimization

Provide finance and risk management services

Enhance efficiency functions with AI

Perform demonstration tests of new business areas

Recruit and train development engineers

Support marketing by web-based customer services and UGC*

*UGC: User Generated Content

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Medium-term Policies for Achieving Growth

Incorporate Group companies' highly specialized services into futureshop to create a stronger platform, while allowing Group companies to use the futureshop's customer base.

omni-channel
Enhance omni-channel solutions

Enhance shopping cart settlement functions

Fan-based marketing

Live cottage [*2]

commerce creator
Enhance e-commerce-specific low-code CMS[*1]

Provide learning curriculums and consulting

Support marketing and consulting

future shop

futureshop
SaaS-based e-commerce platform

SOLAIRO
Web-based customer services
WhatYa
UGC[※3]

e-commerce users

SOFTEL
E-commerce back-end
Commerce Connect
Tsuhan-Suruzo
Automatic data linkage & inventory optimization

e-commerce mall branches

Brick-and-mortar stores

* 1 Low-code CMS：Content management system using the minimum necessary source code   * 3 UGC: User Generated Content
* 2 Live cottage：A service that can deploy live commerce to customers by setting up a live-streaming venue within the company's own e-commerce site

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Commerce One Holdings

futureshop **Policies and Initiatives for FY3/2025 Q2 and Beyond**

Product development policy

- **Enhance shipping cost calculation and delivery date/time control functions (to enhance support for food-related EC)**

  Enhance functions for shipping cost calculation by temperature range and displaying an estimated delivery date

  Shipping cost calculation for 3 temperature ranges, bundled packaging control, and delivery lead time control, etc.
  Phase one update: Completed in January 2024
  Phase two update: Completed in June 2024
  Phase three update: To complete in Spring 2025

- **Improve a function for regular sale and sale through a buyer's club (subscription function)**

  Improve convenience for subscription users

  Improve convenience for delivery date change and cancellation
  Phase one update: Competed in July 2023
  Phase two update: To complete in Fall 2024

- **Enhance site production support functions (for production companies, especially by enhancing commerce creator functions**

  Improve convenience when creating EC sites with commerce creator（CMS）

  Implement template import/export functionality
  Phase one update: Completed in January 2024
  Phase two update: To complete in Fall 2024

- **Strengthen Live Commerce products**

  Strengthen live commerce

  Develop new services in view of expected growth of the live commerce market

- **Enhance linkage with external systems (API enhancement)**

  Enhance services for EC back-end functions

  Enhance system linkage with the EC back-end system provided by SOFTEL

Customer success policy

- **Improve GMV and LTV by expanding store support services**

  Prepare to launch a practical group consulting business on EC

  Provide optional one-to-one practical workshops on how to increase sales. Expanding customer growth base.

Sales and marketing policy

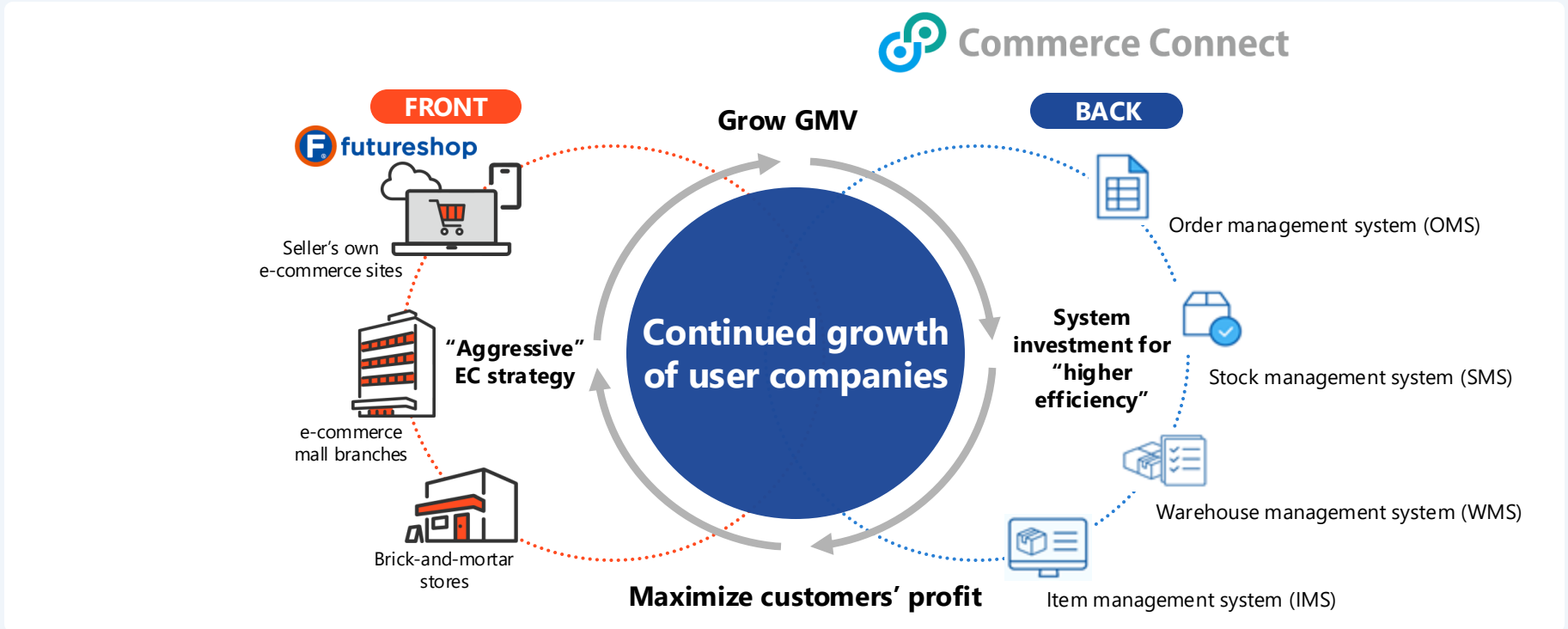- **Improve brand awareness by strengthening sales promotions and advertising**

  Strengthen marketing efforts

  Aggressively invest in marketing to increase lead acquisition and, eventually, the number of new contracts won.

Commerce Connect

Provides SaaS-based multi-shop management functions.

Helps boost business growth by increasing expandability through modularization of functions with high demand for customization.
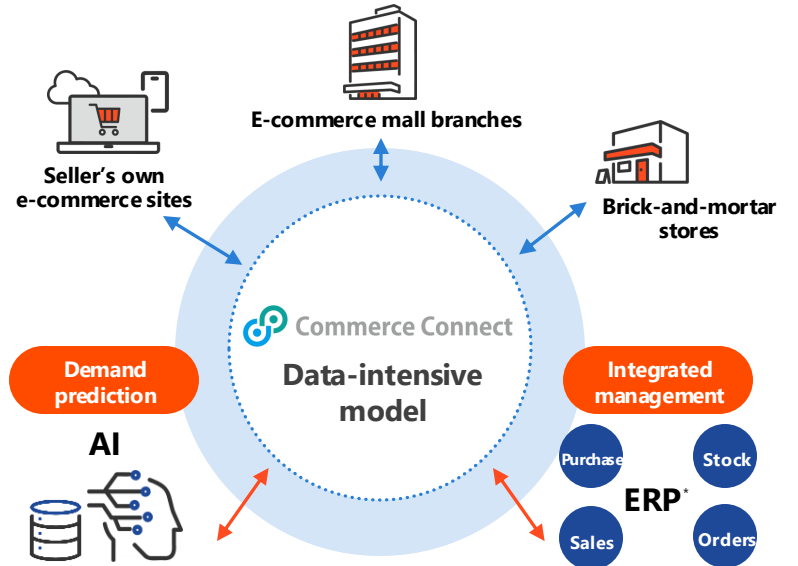

Commerce Connect

FRONT

BACK

Grow GMV

Continued growth of user companies

Seller's own e-commerce sites

"Aggressive" EC strategy

e-commerce mall branches

Brick-and-mortar stores

System investment for "higher efficiency"

Order management system (OMS)

Stock management system (SMS)

Warehouse management system (WMS)

Item management system (IMS)

Maximize customers' profit

![Commerce One Holdings logo]

Commerce Connect

Transforms the e-commerce industry's business model from "labor-intensive" to "data-intensive."
Expands business through AI-based demand forecasting.

Different e-commerce sites are managed separately as channels are not integrated

Integrate channels to improve sales/management functions while **driving business performance with big data**

Seller's own e-commerce sites

e-commerce mall branches

Brick-and-mortar stores

Labor-intensive model

Purchase | Stock | Sales | Orders

Seller's own e-commerce sites

E-commerce mall branches

Brick-and-mortar stores

Demand prediction

AI

Commerce Connect

Data-intensive model

Integrated management

Purchase | Stock

ERP*

Sales | Orders

*ERP: Enterprise Resource Planning

Commerce One Holdings

Started implementation phase in generative AI projects for Commerce Connect and Tsuhan-Suruzo

Generative AI

**Item management
and customer support functions**

✕

Integrated management

Commerce Connect

通販する蔵

**Improved product
management efficiency**

**Tools for product description writing,
communications**

✓ **Optimize human resources**

✓ **All tasks can be completed
within the product**

**Captures purchase data and customer needs
and turning them into knowledge**

**Improves efficiency of customers' entire
back-end operations**

**Maximum customer benefit
Support GMV growth**

Image generation

**Generative
AI**

Original image   Deliverables

※ ERP：Enterprise, Resource, Planning

SOFTEL Policies and Initiatives for FY3/2025 Q2 and Beyond

Product development

- **DX Solution for commerce "Commerce Connect"**
  Resumed development in April, after the projects to make major specification changes by a major mall customer were largely completed. Specifically, resumed development of a product information linkage function with improved processing and development efficiency as well as operation verification of the already-developed functions and a function to specify multiple delivery destinations. Also, a pilot development of a function to support product information creation powered by AI has progressed steadily.

- **Provision of backyard options for futureshop**
  Resumed development and specific discussions on identifying customer needs, identifying necessary functions, and developing support structure for futureshop in line with the progress of developing Commerce Connect.

Strengthening of sales and development structure

- **Strengthen a sales and development base in Kanto region**
  Accumulated knowledge and improved development efficiency by assigning key development personnel in the Kanto region to a new project, Tsuhan-Suruzo.
  Continue to dispatch SOFTEL engineers and conduct OJT*-based development with an aim for developing a technical team capable of implementing the same level of customization as the Head of Office Development Team.

- **Effectively use product introduction videos and customized case studies**
  Release a series of product introduction videos using YouTube and other media to target new potential customers. The aim is to acquire leads by providing easy-to-understand explanations of customization, which is one of the strengths of Tsuhan-Suruzo. For existing customers, we will make a proposal using a collection of customized case studies we have developed to date. This will transform our passive sales system into a more productive one.

- **Accelerate branding and problem solving by holding Tsuhan-Suruzo seminars**
  Continued to actively conduct joint seminars with external service vendors that have a high affinity with Tsuhan-Suruzo to improve product awareness and acquire leads. Regular study session seminars with existing customers are being held on an ongoing basis, which benefits finding issues related to products.

- **Reinforcement of proposals of Logi-Suruzo**
  Logi-Suruzo is a logistic management option that manages the warehouse system in alignment with Tushan-Suruzo. Everyone can operate it using a mobile phone, enabling them to customize their operations, such as inventory and shipping management at multiple sites.

Focusing on proposals including cases with high customer needs related to the EC logistics

- **Responses to RSL(Rakuten Super Logistics)**
  Major malls are striving to improve the delivery quality of the warehouses they provide, which will result in improved marketability of products stored in their warehouses. We expect the utilization rate of mall warehouses to increase, thus proposing collaborative functions aggressively.

- **Responses to Rakuten SAIKYO delivery***
  Satisfy configurations to be qualified as Rakuten SAIKYO delivery label.
  *Rakuten SAIKYO delivery: Delivery quality enhancement project implemented by the Rakuten Group, Inc., a major Japanese EC mall, from 2024.

- **Reinforcement of collaborative functions with Mercari Shops**

※OJT stands for "On the Job Training," a training method to acquire business knowledge through practice in the workplace.

Product Development Schedule

FY3/2024		FY3/2025		FY3/2026	
H1	**H2**	**H1**	**H2**	**H1**	**H2**

future shop — Reinforcement of shipping cost calculation/delivery date display functions (functional improvement for food e-commerce sites)

future shop — Reinforcement of regular purchase/buying club functions (subscription)

future shop — Enhancement of omni channel functions through OMO*1

そらいろ — Development of UGC*2 solution

SOFTEL — Release of Commerce Connect

*1 OMO：Online Merges with Offline
*2 UGC ： User Generated Contents, or content created and generated by general users

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Overview of Our Business

Future Shop Co., Ltd.

ARPU（Average Revenue Per User）

Monthly sales per store

ARPU（Average Revenue Per User）

(Yen)
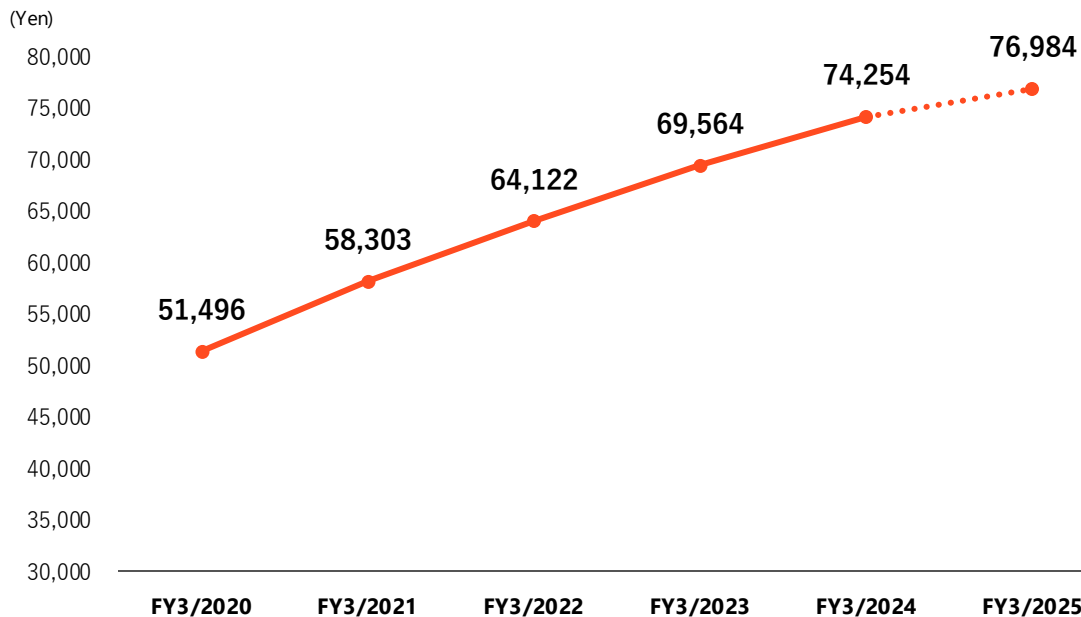
With the expansion of the e-commerce market, the functions required for the growth of EC business are expanding.
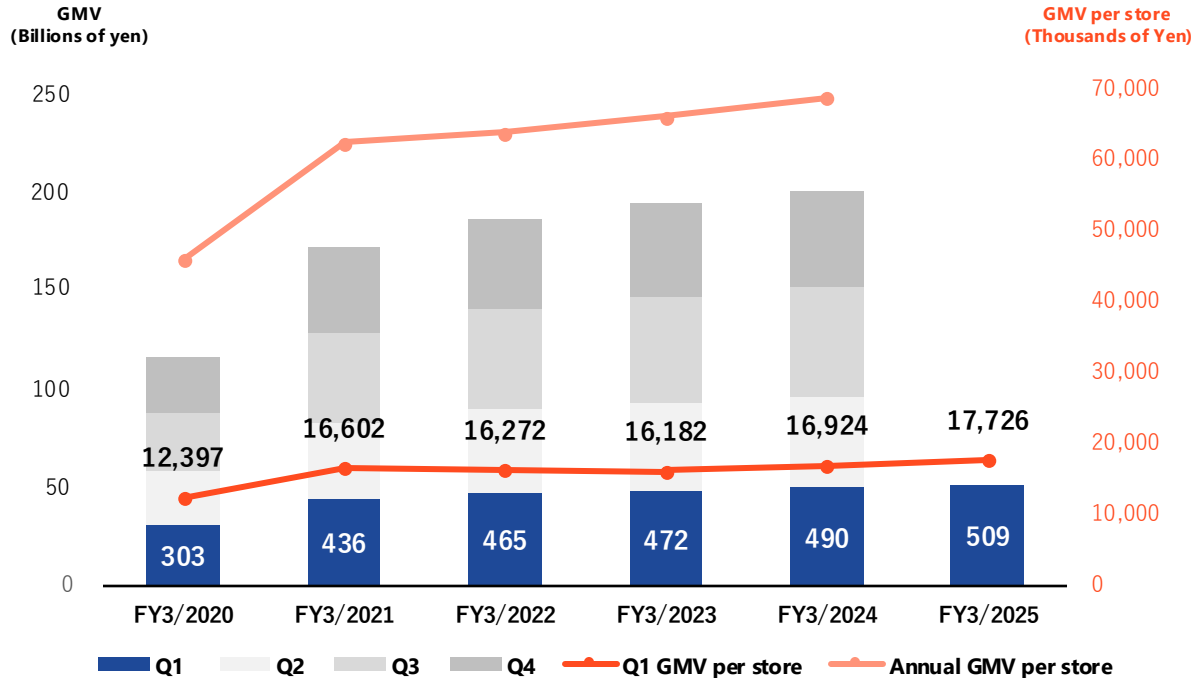
Given the situation above, ARPU will steadily increase due to the expanded use of optional functions and alliance tie-up services.

Changes in GMV

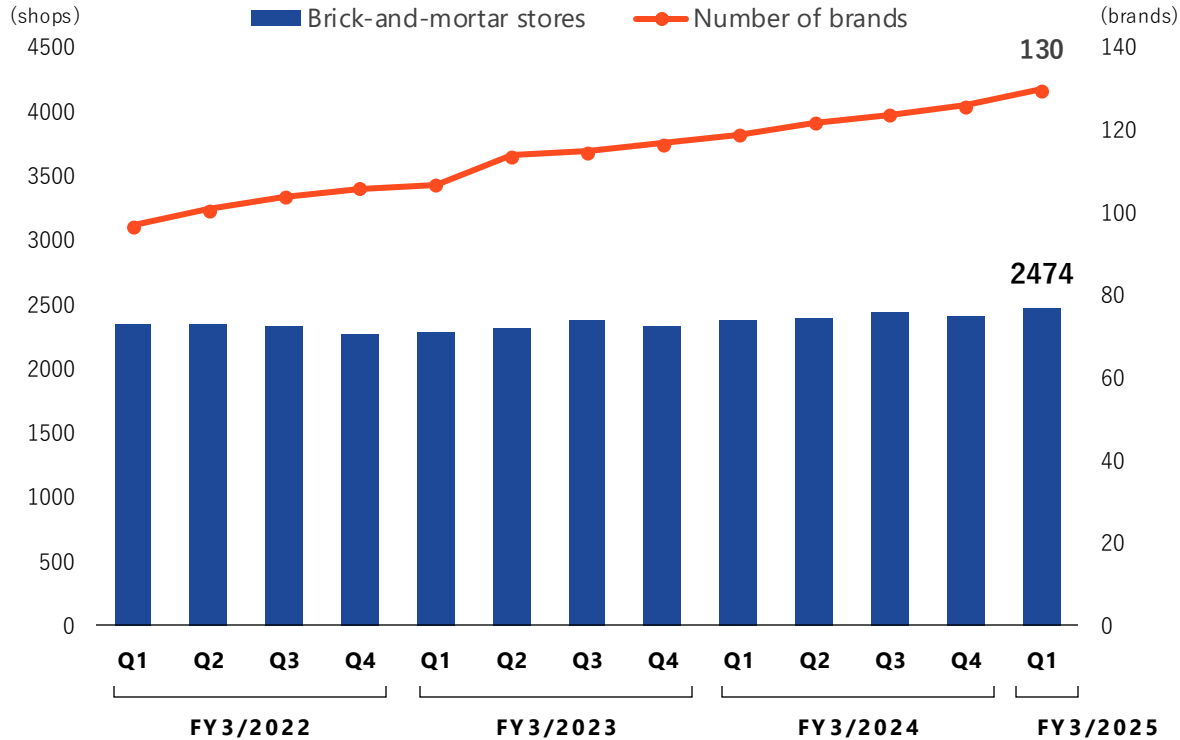**FY3/2025 Q1 results**

GMV: **JPY50.90 bn (up 3.8% YoY)**

GMV per store: **JPY17,726 thousand (up 4.7% YoY)**

GMV for FY3/2025 Q1 totaled JPY50.90 billion, up 3.8% YoY

GMV per store increased by 4.7% YoY, showing robust customer growth, although acquiring new contracts with stores was still challenging. Also, the impact of the rate revision from June is currently minimal, while the churn rate is declining compared to the previous fiscal year.
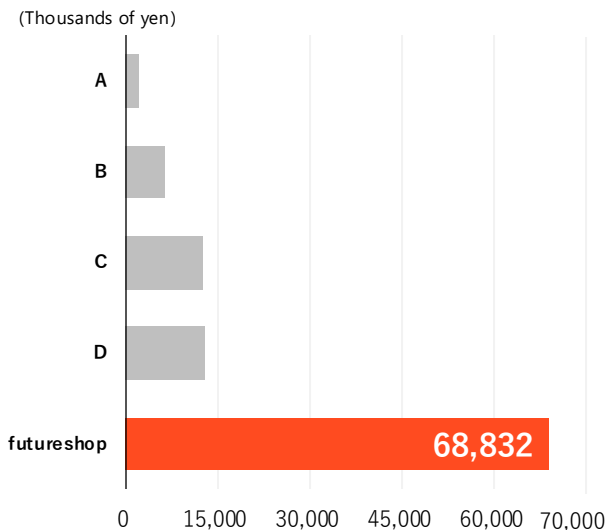
Omni-Channel Transition

(shops) / (brands)

Legend: Brick-and-mortar stores, Number of brands

Chart values: 130, 2474

X-axis: Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1

FY3/2022 | FY3/2023 | FY3/2024 | FY3/2025

Companies continue to invest aggressively in OMO* and omni-channel.

*OMO stands for Online Merges with Offline, meaning the fusion of online and offline.
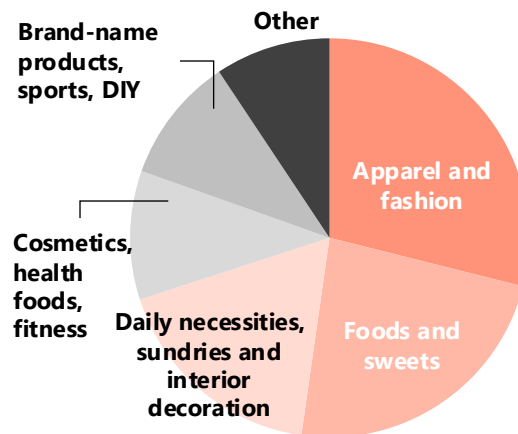
Commerce One *Holdings*

Service Features

futureshop achieved overwhelmingly high GMV per store even as a provider of non-customized services

GMV per store of major SaaS-based EC platforms

(Thousands of yen)

- A
- B
- C
- D
- **futureshop: 68,832**

0 15,000 30,000 45,000 60,000 70,000

futureshop customers by shop category (As of Q1 FY3/2025)

- Other
- Brand-name products, sports, DIY
- Apparel and fashion
- Cosmetics, health foods, fitness
- Daily necessities, sundries and interior decoration
- Foods and sweets

* The above graph is based on estimated GMV per store of major SaaS-based EC platforms in Japan in FY2023 researched by the Company (excluding industry/subscription commerce-specific and customized models)

Sales of customers who have been under contract for more than two years increased by

25.6% on average

For FY3/2025 Q1: Average YoY growth rate[1]

+ 25.6%

For FY3/2025 Q1: Overall average YoY growth rate

+22.3%

[1] Average growth rate of customers who have been under contract for more than 2 years=Average sales growth rate of stores that have been under contract for more than 2 years and have monthly sales of at least JPY 1. Value of rapid sales growth in the initial stage is omitted by disregarding customers who have been in business for less than two years since start-up or renewal.

Commerce One Holdings

Service Features – Customer Satisfaction and Brand Awareness of **F** futureshop **F** omni-channel
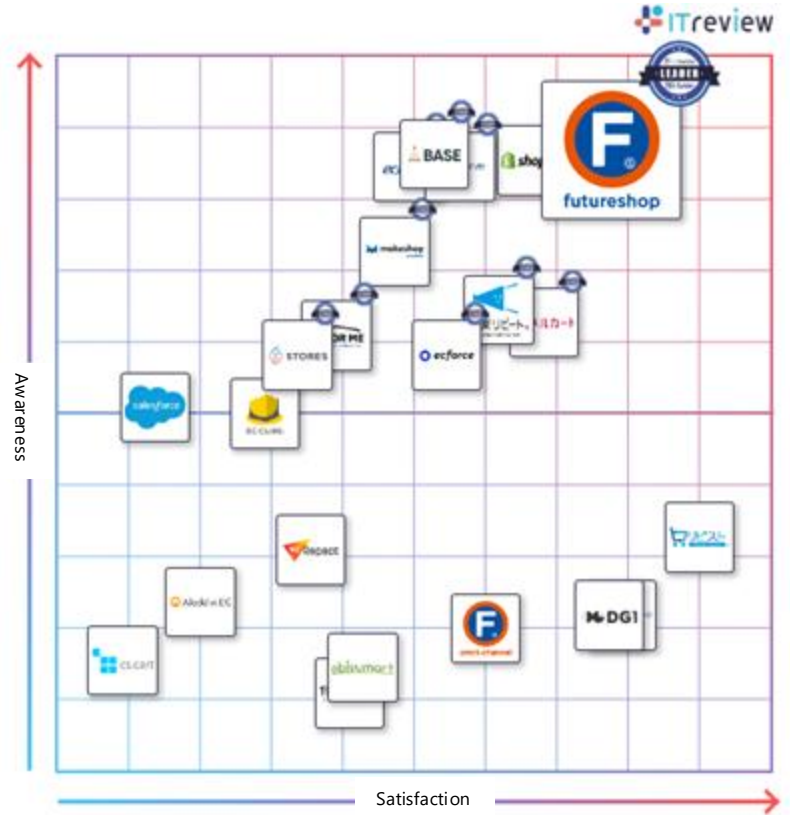
F futureshop

Received the "Leader" badge in the e-commerce site construction category at the ITreview Grid Award 2024

Summer for the 20th consecutive period (five consecutive years).

ITreview LEADER 2024 Summer

5 Years ITreview LEADER 2020-2024 Summer

"Leader" Badge:
Indicates that our product is highly rated in both customer satisfaction and brand awareness on ITreview, a review site for business IT products and cloud services.

Awareness

Satisfaction

E-commerce site construction category at the ITreview Grid Degree of satisfaction (relative value) as of July 2024

Commerce One Holdings

Highly Economically Rational, Multi-tenant, Non-customized SaaS-type Business Model

A SaaS model in which software and server environment are shared by all customers

futureshop

All customers, from those at a startup phase to those with annual sales of several billion yen, run the same software in the same environment.

3 advantages of the SaaS model

Highly reliable security

Provides user-friendly system updates and up-to-date secure environment

Speedy version upgrades

Enables efficient function development and version upgrades without user-specific development and operation

Highly satisfactory support

Provides highly satisfactory support without customer-specific specifications

Backed by these advantages, futureshop's business model can maximize the monetization of development resources. Engineers can focus on product development, resulting in low turnover rates. As all users are in the same environment, knowledge of successful cases is easy to accumulate and share and highly reproducible.
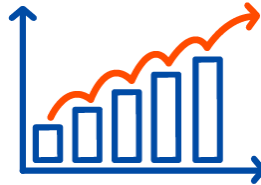
Service strengths

While being a non-customized service, our service strengths lie in product technology and expandability to ensure its customizability and Customer Success Team that supports the sales growth of users.
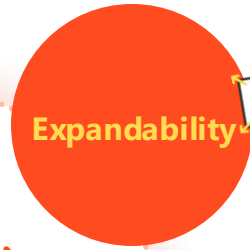
commerce creator
コマースクリエイター

(Patent registered, Patent No. 6619478)

Provides a CMS tailored for e-commerce that offers both design customizability and updatability

Technology

Expandability

omni-channel

Integrates web and brick-and-mortar sales channels

Connecting e-commerce and brick-and-mortar stores

How to Improve User's Sales

Support by Customer Success Team

futureshop
ACADEMY
From "I don't know what to do" to "I know what to do!"

Provides informative programs, day-to-day telephone/email support and consulting services that help expand e-commerce business

Commerce One Holdings

Linkage with more than 100 EC support services

As a platform on which many excellent EC sites operate, futureshop is always linked quickly with trendy EC support services and payment services

Store operation management (order management)

- CROSS MALL
- 通販する蔵
- NEXT ENGINE
- TEMPOSTAR
- コマースロボ
- Robot-in
- zaiko Robot
- item Robot
- eシェルパモール2.0
- fun order
- GoQSystem
- 店舗アップ♪
- 頑張れ♪店長！
- まとまるEC店長
- 助ネコEC管理システム
- One'sCloset
- アパレル管理自動くん
- 特攻店長
- マイティ通信販売
- TATEMPO GUIDE
- Simplex
- 受注応援
- 速販UX
- タロスPOS
- dアプリ

EAI (data linkage)

- ECコネクター®

Customer communications

Web-based customer service/Web-based chat
- KARTE
- Sprocket
- チャネルトーク
- WhatYa
- AiDeal lite
- **CODE Marketing Cloud for futureshop**
- **MATTRZ CX for futureshop**
- **PUSH ONE for futureshop**
- Flipdesk
- unisize
- skinsense
- i-DESIGNER `new!`
- wearcoord `new!`
- Charlla `new!`

MA/CRM
- カスタマーリングス
- うちでのこづち
- LTV-DB
- **LTV-Lab for futureshop**
- **LTV-Omni for futureshop**
- **アクションリンク for futureshop**
- **DATA CAST for futureshop**
- **EC Intelligence for futureshop**
- b→dash
- WazzUp!
- LOYCUS
- WEBCAS

Contact center support
- Re:lation

Smartphone apps
- MGRe

EFO
- **EFOcats for futureshop**

Extension guarantee
- proteger

Gift support
- **giftimize for futureshop**
- AnyGift

Goods return support
- Narvar
- 返品くん

Security
- **Web改ざん検知サービス for futureshop**

Customer attraction

Advertisement
- Criteo
- Logicad
- KANADE DSP
- EC Booster
- dfplus.io
- DFOマネージャー
- AdSIST

Influencers/Referral marketing
- toridori

Ads/EC operation support
- エフカフェ運用支援
- SupershipECコンサルティングサービス `new!`

Linkage with SNS / Video platforms
- YouTubeショッピング `new!`
- TikTok for Business `new!`

Recommendation

Recommendation engines
- アイジェント・レコメンダー
- NaviPlusレコメンド
- awoo AI
- ViSenze `new!`

Use of coordination/Styling services
- STAFF START
- SNAPBOARD
- DROBE

Use of UGC
- **visumo social for futureshop**
- Letro
- Instagram連携（ショッピング）

Site search
- GENIEE SEARCH for EC

Settlement agent / ID settlement
- Amazon Pay
- 楽天ペイ（オンライン決済）
- LINE連携（ログイン）
- Apple Payオプション
- PayPay（オンライン決済）
- SBペイメントサービス
- au PAY
- d払い
- NP後払い決済
- あと払い（ペイディ）
- エフレジ
- GMO後払い

Logistics
- mylogi
- はぴロジ
- Fulfillment by ZOZO
- 富士ロジテックホールディングス
- ロジレス
- LogiMoPro

Cross-boarder EC
- WorldShopping BIZ
- shutto翻訳
- Buyee Connect
- アジアンブリッジ

Product image creation
- SmartJPEG for Desktop

Package production
- **canal for futureshop**

Data analytics/MD support
- radial
- LTV-Zaiko

※for futureshop: the services that offer fee plans exclusively for futureshop customers.

![Commerce One Holdings logo]

FY3/2025 Q1 Customer Success Activities

Academy programs/seminars and one-to-one consultations available online

CS activities through customer-only seminars and open events

User-only small-group EC courses

\# of programs held: 65
\# of participants: **1,282**

Open seminar events

\# of events held: 10
\# of viewers: **464**

One-to-one onboarding sessions & free spot consulting sessions

\# of consulting services offered:
87

We developed eight more user-only small-group EC courses YoY, resulting in 31 courses being run regularly.

The rich curriculum helps reinforce the EC business support structure, expand customer sales, and improve operating efficiency.

FY3/2025 Q1 Business Highlights

Press release   April 4, 2024

Started linking with AI recommendations and image search services provided by *ViSenze*

Help customers find similar products they want, offer AI recommendations on styling, and provide image search to find the most relevant items immediately.

Started alliance with ViSenze Pte. Ltd (CEO and joint founder: Oliver Tan), an AI solution provider headquartered in Singapore.

ViSenze, an advanced AI recommendation and image search system provided by ViSenze, will enable *futureshop* to offer further value. This alliance will allow *futureshop* users to enjoy a new shopping experience by finding new favorite products and coordinates using AI-driven product recommendations.
Also, users need only upload images of the products they want so that the relevant products are immediately and precisely displayed.

FY3/2025 Q1 Business Highlights

Press release **May 22, 2024**

Certified as a qualified partner of the *LY Corporation Partner Program*, which recognizes partner companies by each specified field, such as in introducing and supporting LY Corporation's marketing solutions.

Certified as an "Advanced Technology Partner" in the communication category for the FY2024 under the *LY Corporation Partner Program*, which recognizes partner companies, such as in introducing and supporting marketing solutions provided by the LY Corporation (headquartered in Chiyoda-ku, Tokyo; President and Representative Director Takeshi Idezawa).

A Technology Partner is a partner company that provides technical support in introducing marketing solutions and API-related services centered on the *LINE official account, LINE Ads, Yahoo Advertising, LINE Sales Promotion*, and *LINE MINI App*.
In the communication category where *futureshop* was certified as an Advanced Technology Partner, companies are evaluated: whether they can share specifications of tools linked with the LY Corporation as applicable; whether they have skills/resources to respond to the LY Corporation's specification changes; and whether they can maintain required technical specifications. Companies that are incredibly excellent in these areas are certified as Premier or Advanced companies. Furthermore, partner companies that achieve specific performance receive recognition badges for various solutions.

FY3/2025 Q1 Business Highlights

Press release   April 18, 2024

Started an alignment with the third-party logistics services for EC provided by SB Frameworks Corp.

Enable utilizing 3PL services tailored to EC, even with a small value, and for a short-term period, and provide process optimization proposals.

futureshop started aligning with the third-party logistics services (3PL) for EC provided by SB Framework Corp. (Headquartered in Koto-ku, Tokyo; Representative Director Hiroshi Watanuki).
The alignment allows *futureshop* users to utilize 3PL services tailored to EC, even with a small value, and for a short-term period.

Press release   June 20, 2024

Started an alignment with *Charlla* that enables highly efficient marketing using attractive short movies

***Charlla* enables embedding high-quality movies quickly on their user sites. Short movies exclusively focused on EC sites will increase session duration and enhance conversion.**

Started an alignment with *Charlla,* a short movie platform provided by Catenoid., Inc.(headquartered in Chuo-ku, Tokyo; CEO 李亨九)
The alignment allows *futureshop* users to showcase their products easily using short movies on their EC sites.

Synergy between futureshop and SOLAIRO

futureshop

そらいろ
SOLAIRO

Evolve and accelerate
marketing communication support for customers

Deployment of AI solutions and development and provision of UGC* solutions, leading to an improved purchase rate of e-commerce sites,

Utilizing the natural language processing technology cultivated through the operation of SOLAIRO's AI-powered web customer service solutions, the synergy further evolves and accelerates marketing communication support for customers.

Going forward, through collaboration between SOLAIRO and futureshop, which operate a SaaS type e-commerce platform, we will proceed with the deployment of AI solutions and development and provision of UGC* solutions, leading to an improved purchase rate of e-commerce sites.

We aim to further enhance corporate value by achieving further synergies across the group.

* UGC: User Generated Content, or content created and generated by general users

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UGC[*1] Solution developed by SOLAIRO

Accelerate OEM development for futureshop to increase the Group's GMV and ARPU, as well as increase the competitiveness of the solution and expand to other companies' e-commerce platforms.

UGC
User Generated Content

SOLAIRO

Promote
posting

Collect

Utilize

**Abundant reviews
Rich content**

Diverse word-of-mouth content

Development into advertising use

**Easy-to-post UX[*2]
Customer loyalty program**

Purchase rate

Ability to attract customers

AD

Company's own EC

*1 UGC: User Generated Content, or content created and generated by general users
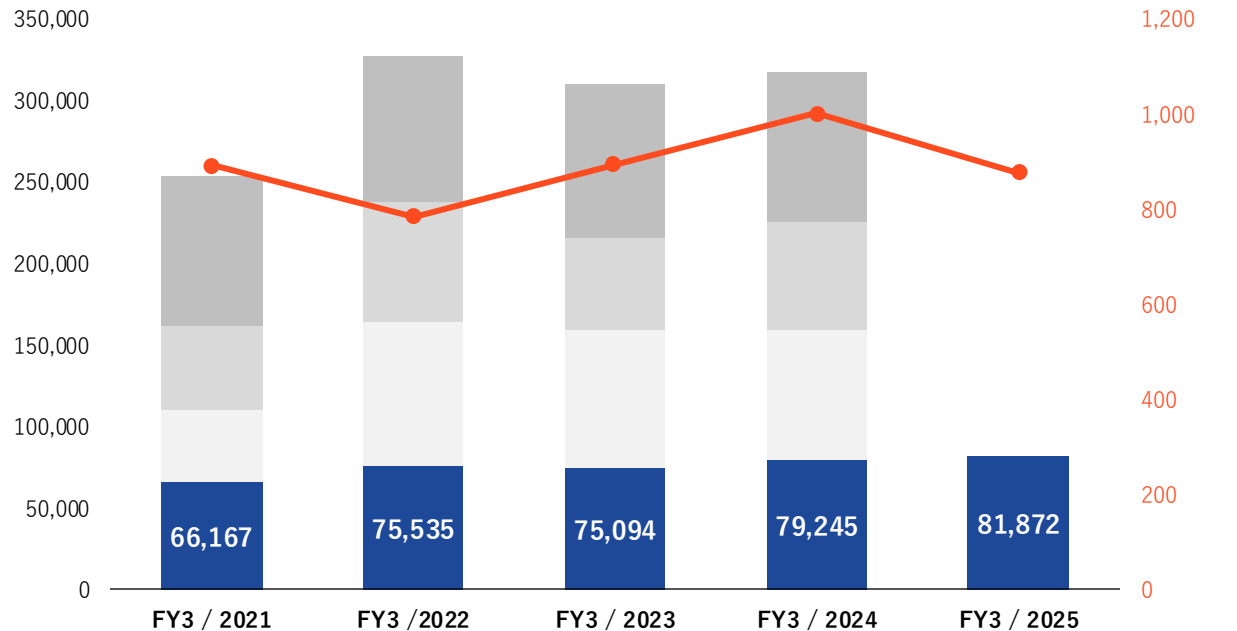*2 UX: User Experience, or experience that users gain through products and services

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株式会社ソフテル

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Amount of Development Sales *1 / Development Sales per Customer *2

(Thousands of yen)

(Thousands of yen)

FY3 / 2021	FY3 / 2022	FY3 / 2023	FY3 / 2024	FY3 / 2025
66,167	75,535	75,094	79,245	81,872

Amount of Development Sales *1 ▬ 1 Q ▭ 2 Q ▬ 3 Q ▬ 4 Q ▬●▬ Development Sales per Customer *2

Due to stable growth in customization and enhanced efficiency of SAMAURAI TECHNOLOGY, the company acquired via M&A, development orders increased, resulting in increased development sales YoY. Meanwhile, development sales per customer decreased due to the relatively large number of low-unit-price projects.
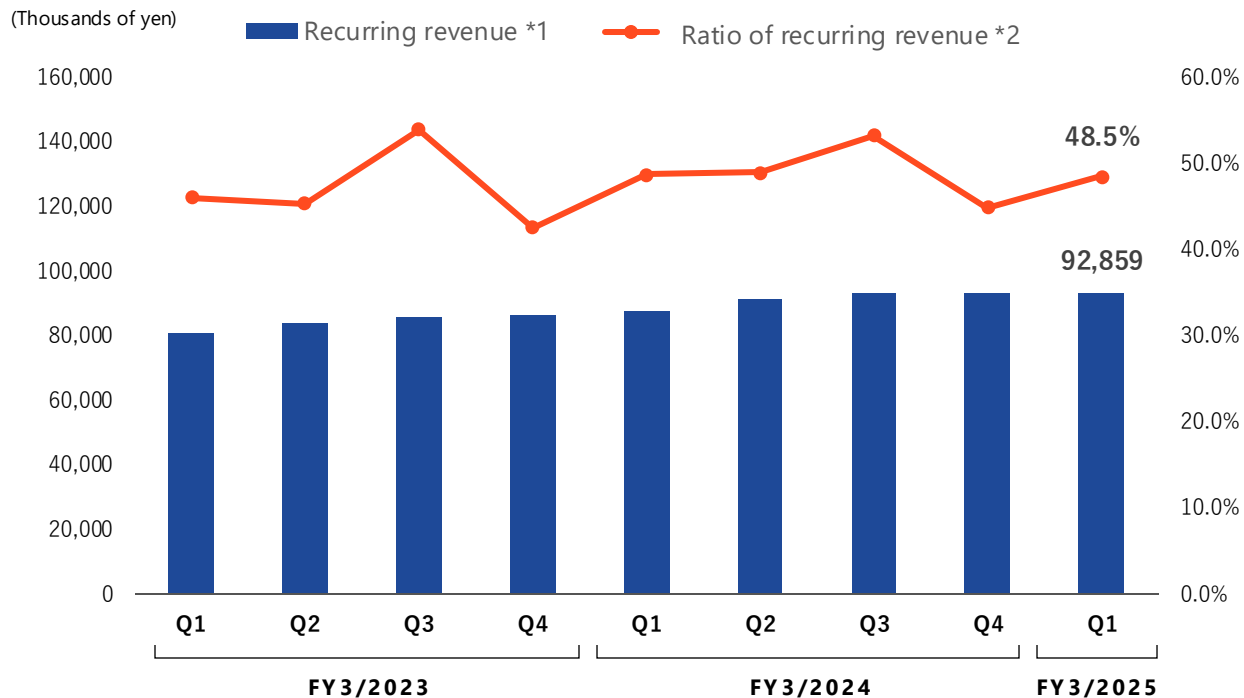
From FY2022/3 1Q, SOFTEL adopted percent of completion method. Therefore, except for small amounts or short-term development orders, sales of orders in progress also can be booked.

*1   Sales amount of initial cost and customizing fee of Tsuhan-Suruzo
*2   Quotient of Amount of development sales / number of the companies installed or customized Tsuhan-Suruzo during the said period

Recurring Revenue*1

(Thousands of yen)

Legend: ■ Recurring revenue *1 ● Ratio of recurring revenue *2

48.5%

92,859

Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1

FY3/2023 | **FY3/2024** | **FY3/2025**

Revenues increased steadily due to the increase in the number of large clients and the sophistication of projects. In general, recurring revenue remained stable at 40% or more, which is a robust business foundation.

In Q2 and Q4, the ratio of recurring revenue tends to be lower due to customized sales growing as a result of increased deliveries due to seasonal factors.

*1 Monthly maintenance sales of Tsuhan-Suruzo
*2 Value of recurring revenue divided by net sales of each quarter

"Tsuhan-Suruzo" Concept

Customized
centralized management system

Brick-and-mortar stores

Seller's own EC

Tsuhan-Suruzo

Customized ASP

EC mall Branch A

EC mall Branch B
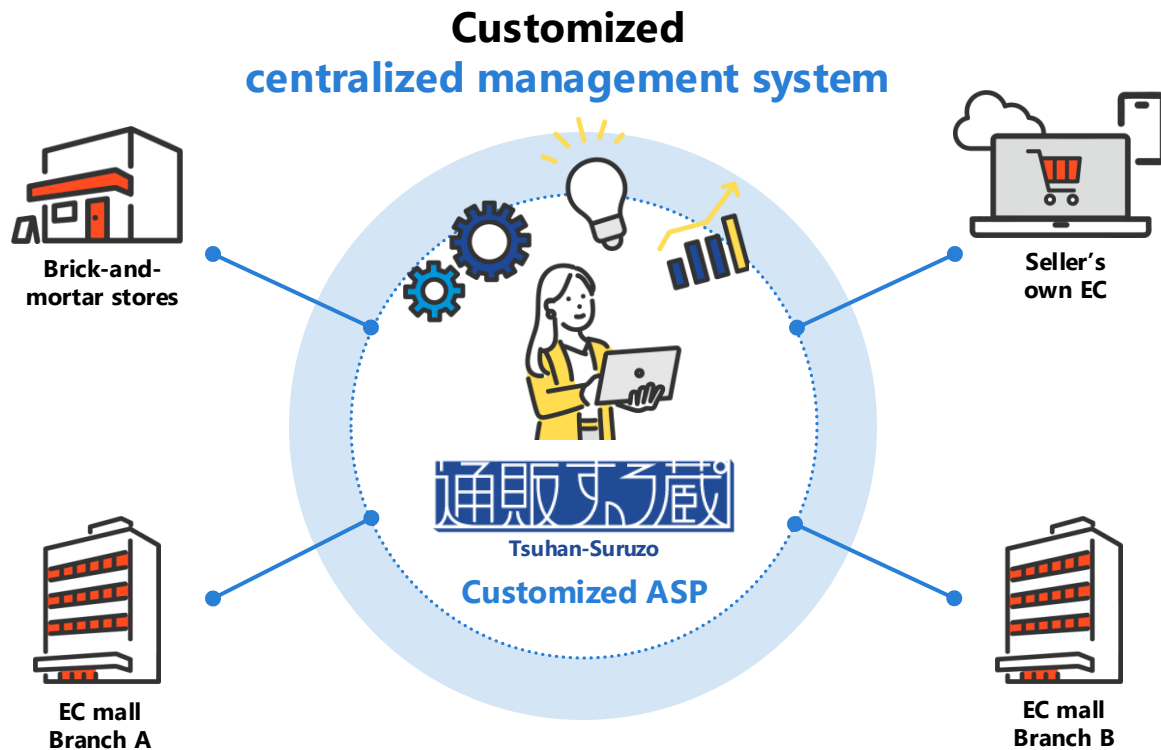
While non-customized ASP cannot support e-commerce operators in the field of backyard systems such as inventory management, Tsuhan-Suruzo can reduce human resources and costs by centrally managing e-commerce operations through customization, thereby creating resources required for business growth.

Business Overview

FRONT

EC mall branches

Seller's own EC

- Products
- Inventory
- Orders
- Customers

通販する蔵
Tsuhan-Suruzo
Convert information to adapt it to each environment appropriately

BACK

Core system

POS systems

Shops

Logistics / Warehouse

Manufacturers (Suppliers)
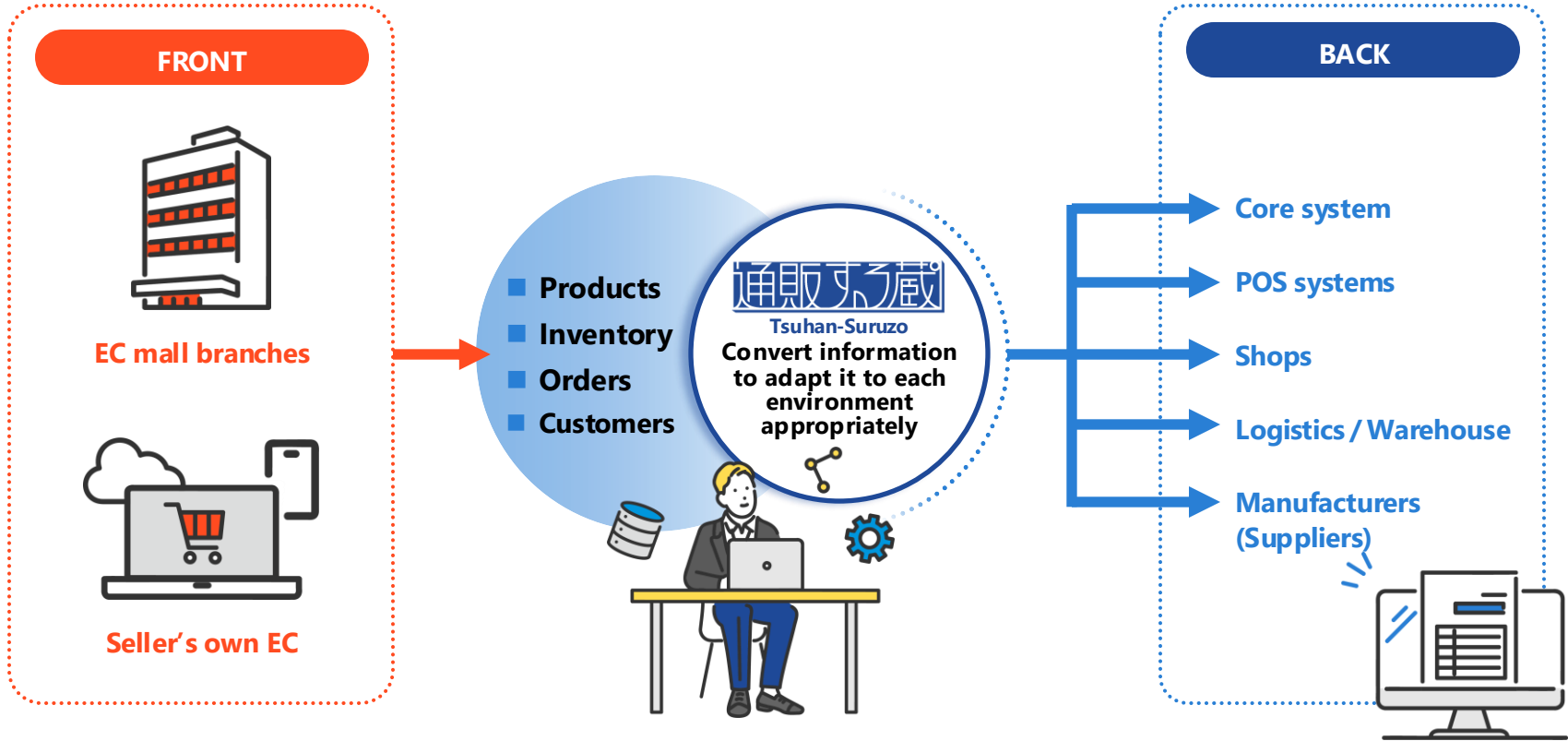
Our Positioning

Expandability/Customizability

High

Cost advantage

Low ←——————————————→ **High**

Full scratch EC

SOFTEL

Customized centralized management system

Non-customized ASP

Low
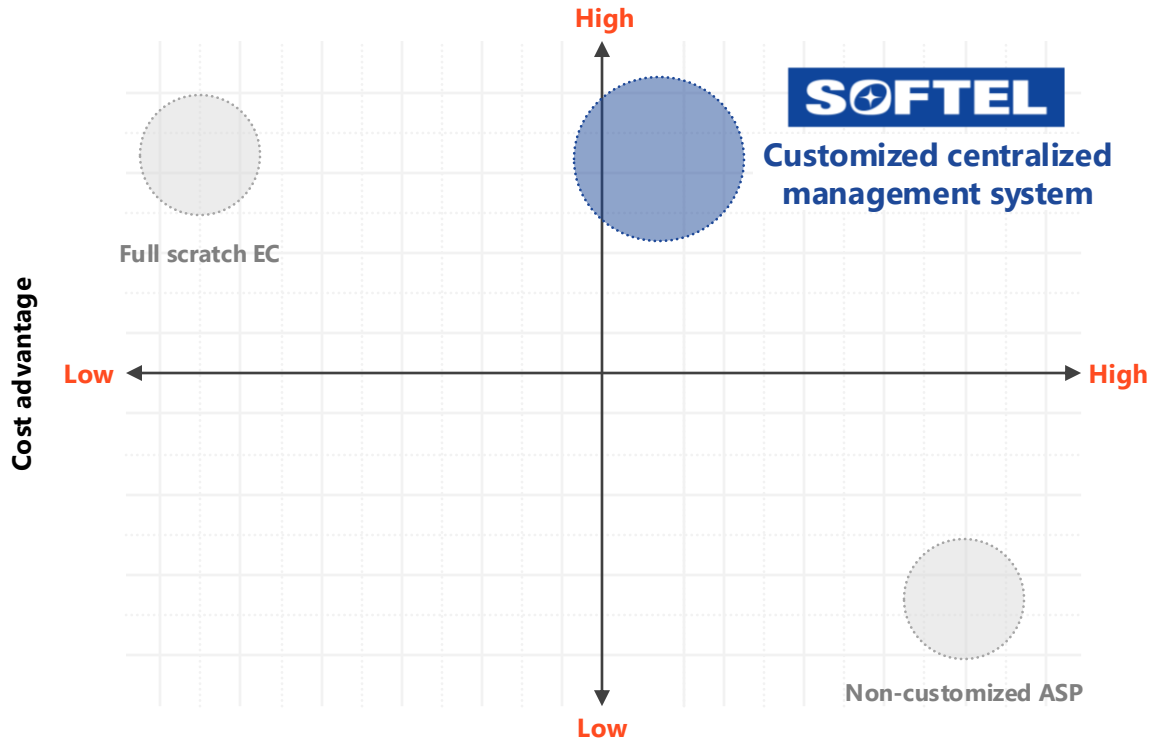
SOFTEL helps customers improve efficiency of their bloated operations through strong customizability and a wealth of track records. Also, our system can accelerate profitability of major and medium-sized enterprises through linkage with their core system and/or POS system.

SOFTEL has established a highly expandable and customizable, yet cost-effective, positioning, based on its accumulated expertise in updating Tsuhan-Suruzo, the basis for customization, and in meeting diverse and sophisticated demands from clients who regularly use our system.

Revenue Model

SOFTEL is expected to consistently boost revenue and client LTV, driven by additional customized development 3.7 times per year in average and increased maintenance fee in conjunction with the additional customization.

Consistent increase in revenue!

Client LTV

Customizing / Maintenance fee

Initial cost

Uniqueness of the systems

Maintenance of systems that have become unique through customization

**Maintenance of systems that were customized upon initial installation**

54
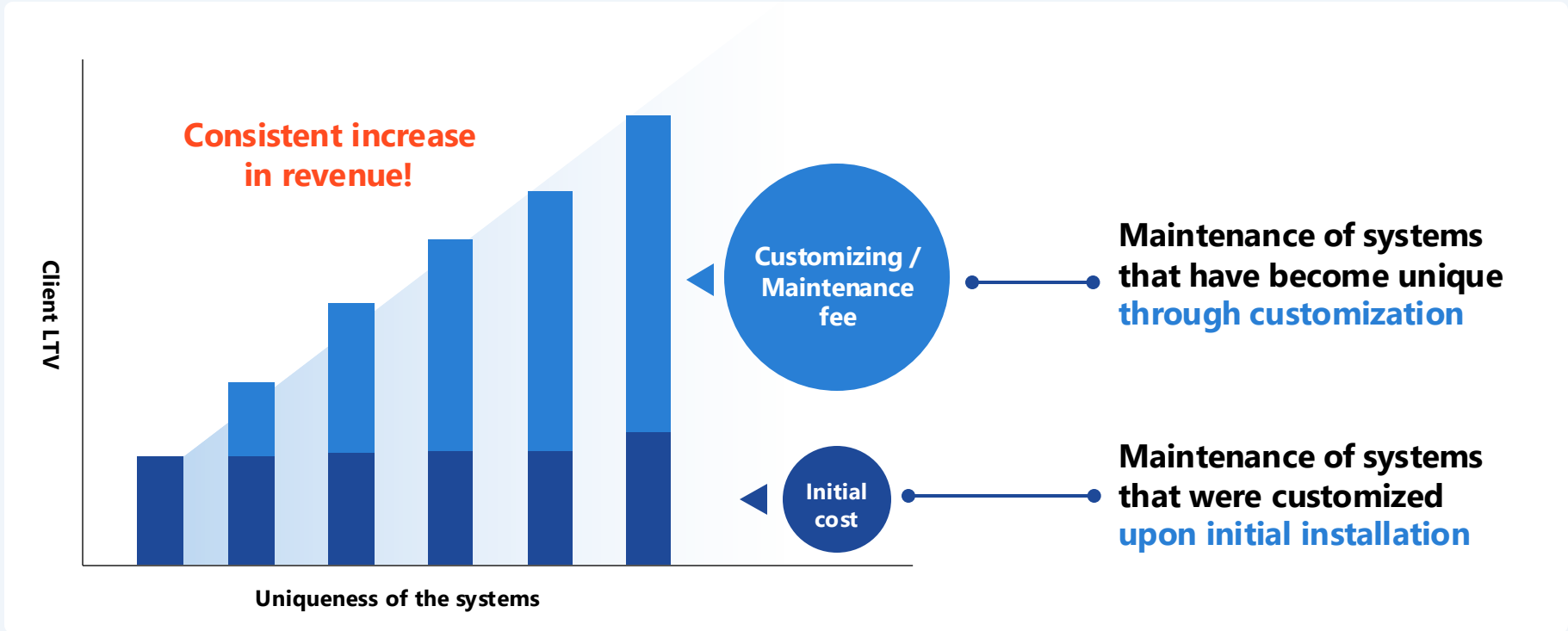
5

Group Companies

Background of Capital Contribution to Enecycle Inc. (Approaches to the decarbonization market)

As a business infrastructure company that supports the sound development of society, the Group aims to contribute to the development of a sustainable society and enhance its long-term corporate value through the investment in the business of Enecycle Inc. (hereinafter, "Enecycle"), which develops a touch point for the global decarbonization market.

Changes in primary energy consumption by energy source

(Mtoe)

Oil
Coal
Natural gas
Renewable energy
Nuclear power
Hydraulic power
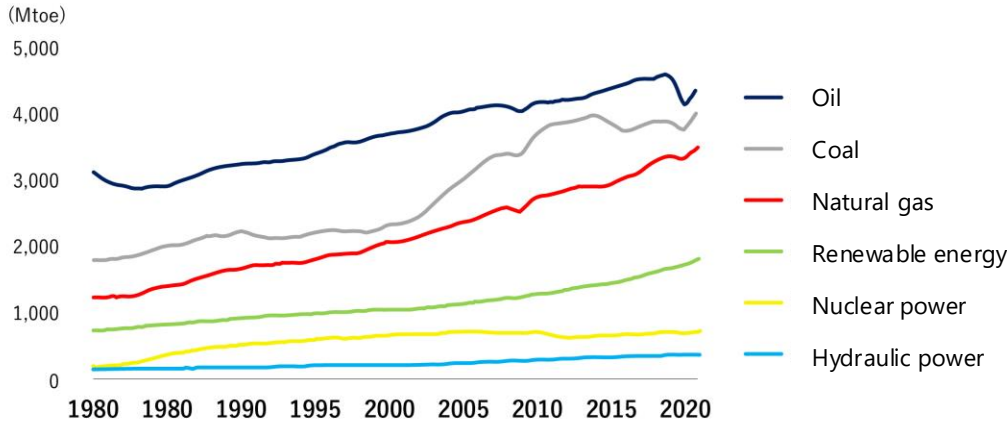
Source: "World Energy Balances 2023 database" by IEA

Environmental responsibility of businesses

Creation of new industries in global markets

• Job creation
• Regional revitalization

Synergies with TradeSafe

• Ensuring traceability of raw materials for the carbon credit market.
• Consideration of certification services for safety and security

Corporate credibility from an internal perspective

As President Okamoto has been involved as a founder since the company's inception, we see solid growth potential in the company.
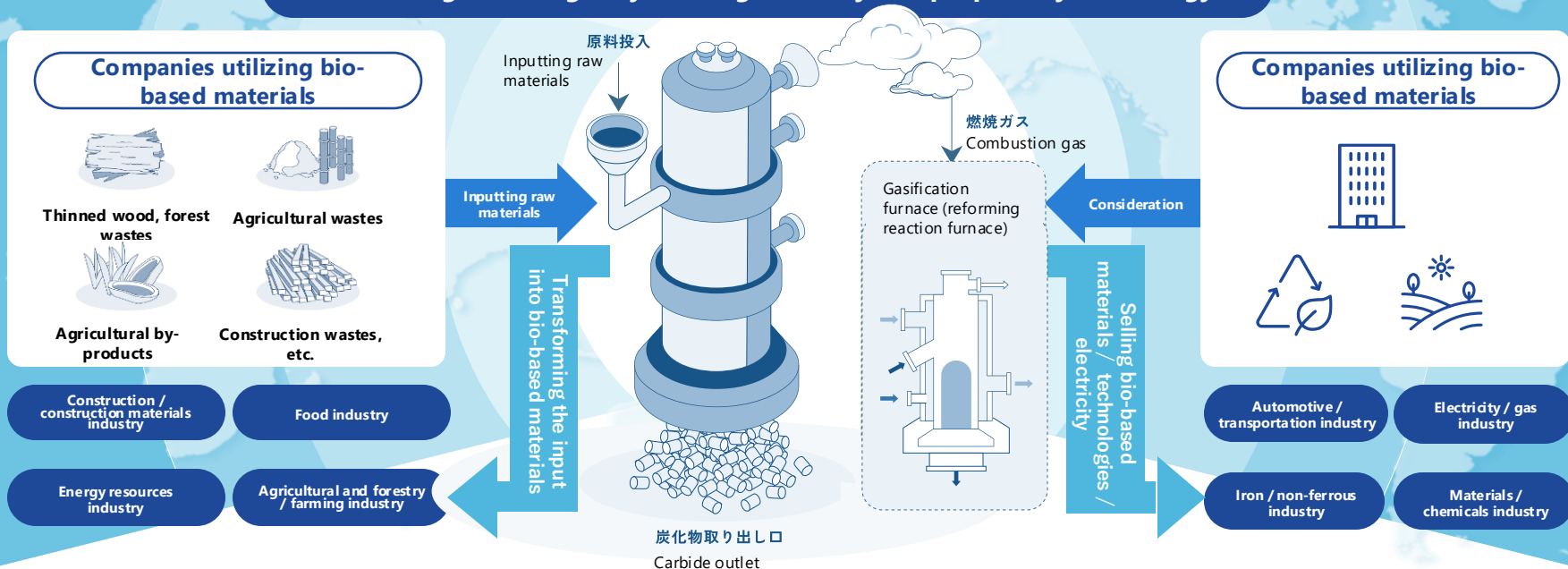
Commerce One Holdings

Carbonization and Gasification Technologies Developed on Our Own

Enecycle efficiently generates and makes use of biochar gas by utilizing a wide range of resources with its proprietary patented technology

Generating biochar gas by drawing on Enecycle's proprietary technology

Companies utilizing bio-based materials

Thinned wood, forest wastes

Agricultural wastes

Agricultural by-products

Construction wastes, etc.

Construction / construction materials industry

Food industry

Energy resources industry

Agricultural and forestry / farming industry

原料投入
Inputting raw materials

Inputting raw materials

Transforming the input into bio-based materials

炭化物取り出し口
Carbide outlet

燃焼ガス
Combustion gas

Gasification furnace (reforming reaction furnace)

Consideration

Selling bio-based materials / technologies / electricity

Companies utilizing bio-based materials

Automotive / transportation industry

Electricity / gas industry

Iron / non-ferrous industry

Materials / chemicals industry

* Biochar: charcoal derived from biomass such as wood chips, plant residues, manure, and other agricultural waste

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Co **Commerce One**
Holdings

Growth Potential of Our Business │ Utilization of Water Gas/Hydrogen

The size of the hydrogen gas market projected to grow to JPY 54 trillion globally*

Current and future demand for hydrogen

Hydrogen is used in many industrial applications

Hydrogen is expected to enjoy greater demand as a source of energy in the future

- Semiconductor
- Solar panel
- Glass/optical fiber
- Ironwork
- Petroleum refining / petrochemical
- Ammonia production
- Metallurgy
- Rocket fuel
- Electronic components

Expanding uses of hydrogen

- Home-use fuel cell
- Fuel cell bus
- Fuel cell vehicle
- Hydrogen power plant

High-purity hydrogen is essential for the production of semiconductor wafers, solar cell silicon, and liquid crystal.

The size of the global hydrogen gas market is projected to reach JPY53,829.7 billion* in fiscal 2040. At present, the market consists primarily of applications for industrial materials/gas, while applications for fuel cell vehicles is expected to grow steadily over time.

Our proven track record

The Group was selected to join a hydrogen production demonstration project by the Ministry of the Environment and has succeeded in producing renewable energy-derived green hydrogen.
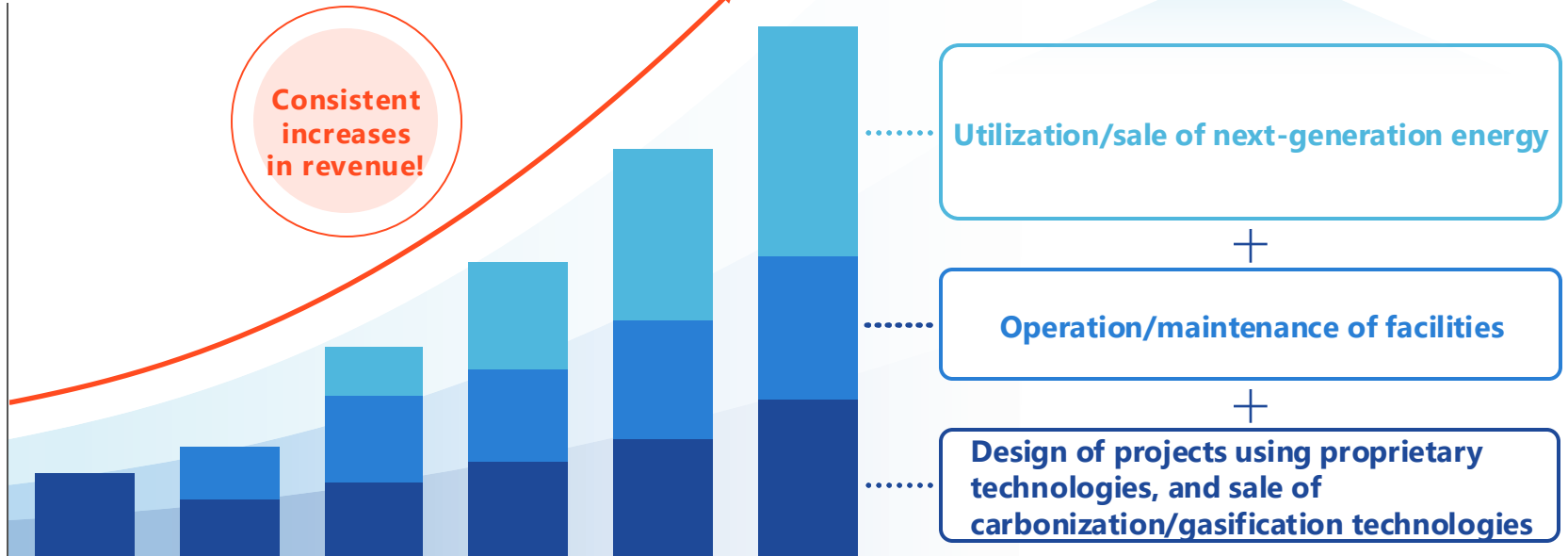

※水素製造プラントの完成写真
（https://www.shimz.co.jp/company/about/news-release/2022/2022029.html）

Jointly with Shimizu Corporation, the Company participated in the "project to develop and demonstrate a low-carbon and low-cost hydrogen production technology using geothermal heat and biomass resources" led by the Ministry of the Environment, conducting a demonstration test with the aim of producing green hydrogen using a wealth of biomass resources in Japan, such as geothermal heat and wood.

*Source: "Survey of global markets related to hydrogen" by Fuji Keizai Co., Ltd. on its press release at https://www.fuji-keizai.co.jp/press/detail.html?cid=23031&view_type=2&la=ja
Reference: Global Hydrogen Market

Revenue Model

Revenues (from operation, maintenance, sales of biochar and hydrogen) are on the rise with the establishment of a platform built on our patented proprietary technology

Consistent increases in revenue!

Utilization/sale of next-generation energy

+

Operation/maintenance of facilities

+

Design of projects using proprietary technologies, and sale of carbonization/gasification technologies

Disclaimer and Forward-Looking Statements

This presentation material is prepared solely for the purpose of providing information on Commerce One Holdings Inc. (the "Company") and its subsidiaries and is not intended for soliciting investment.

Business performance forecasts and any other forward-looking statements contained in this material have been determined by the Company based on information currently available to the Company.

Forecasts are inherently subject to various uncertainties, and actual results may differ materially from these forward-looking statements.

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