



Safie Inc.

TSE:4375



# Q2 FY2024 Financial Results Presentation Materials

August 9, 2024

1. Executive summary

2. Q2 FY24 financial results

3. Business update

Appendix

# 1. Executive summary

 [Investor relations](#)



Safie Inc.

## *Create a better future with intelligent vision*

A platform to assist the decisions made by people and things by building an infrastructure of data from the household to the city

## FY2024Q2 Results

FY2024Q2 Revenue

**¥3.39bn**  
YoY +17.2%

FY2024Q2 Gross profit

**¥1.70bn**  
YoY +22.7%

FY2024Q2  
Adjusted operating loss \*1

**-¥0.19bn**  
Loss widened by  
¥0.1bn QoQ

## Executive Summary

- **ARR exceeded ¥10bn. We aim for further growth by driving onsite DX**
- **Summary for FY24 first half and Q2**
  - FY24 first half results were in line with our plan
  - In FY24 Q2, one-time revenue declined while recurring revenue grew by 26.9%, and total revenue was ¥3.39bn
  - Full year guidance is within our reach
    - ✓ Our focus on Q2 was creating more sales pipelines to achieve full year guidance
  - Actions such as user conference were taken place as planned
    - ✓ We discussed with our clients about opportunities of video solutions for “8 gake society” at Safie Future Resolution Summit
  - Adjusted operating loss was at -¥0.19bn
  - Solution line up continued to expanded with e.g., launch of remote customer service solution “RURA(SF)”
    - ✓ Remote customer service through video solution to address labor shortage in retail and service industries
- **FY24Q3 Forecast**
  - Both one-time and recurring revenue are expected to grow
  - Operating loss is expected to be similar level as Q2
- **FY24 full year forecast**
  - No change in guidance

\*1 Adjusted operating profit = operating profit + stock-based compensation expense + depreciation of intangible assets arising from M&A

\*2 By 2040, the working age population (15-64 years old) in the seven service industries that support our lives (construction, logistics, sales, factories, nursing care, medical care, and restaurants) will be 80% of the current level

Although the company is achieving good results that will enhance the value of Safie platform, extraordinary loss of ¥827ml was recorded

## Reasons of extraordinary loss

Loss on devaluation of investment securities ¥827ml was recorded as extraordinary loss on a consolidated basis, because the real value decreased remarkably vs. acquisition cost regarding some investment securities that Safie Ventures inc, Safie's venture capital company, holds

At the same time, good results that lead to higher value of Safie platform has been achieved

## Purpose of investment



Strategic investment aims to increase value of Safie platform and accelerate business growth

## Results

  
TIMELEAP



RURA (SF) was launched as a remote customer service solution that enables a small number of labor to smoothly serve and operate multiple stores

MUSVI



Online medical service was started using medical service vehicle via industry – academia – government collaboration including our partner NTT east and MUSVI

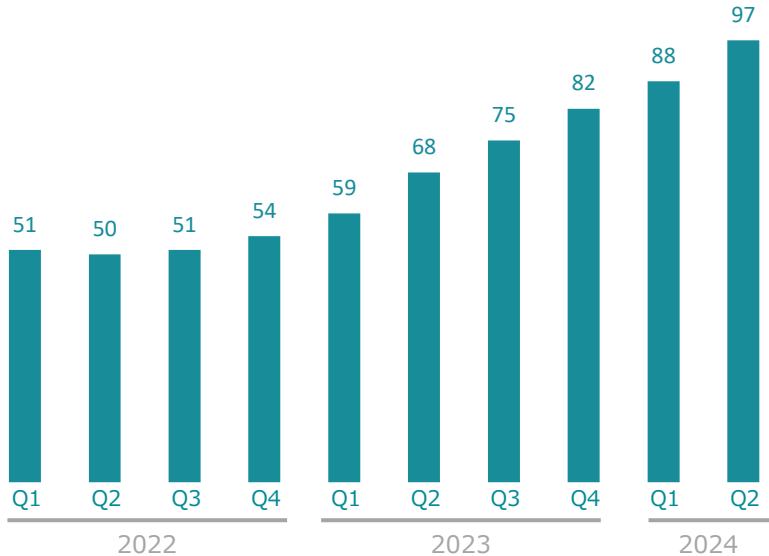
  
Liberaware  
CO., LTD.

The company listed on the Growth Market of the Tokyo Stock Exchange

## Solution sales continues to be our focus

### Solution revenue\*1 trend

(¥ million)



### FY24Q2 results



Usage and the number of users of **AI-App** continue to expand



Remote customer service solution **RURA(SF)** was launched



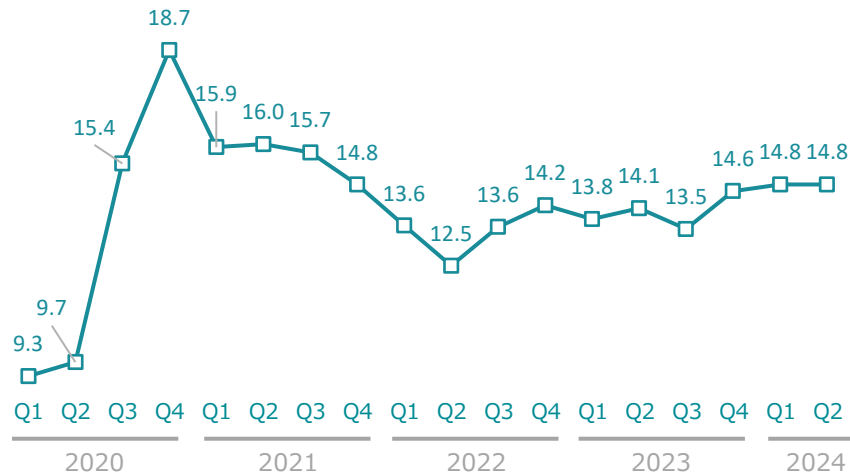
Development for other remote solutions continues

\*1 Total revenue of AI-App and other applications, various options to expand camera functions, and video utilization services, etc. It includes both recurring and one-time revenue

We aim to improve gross profit per head through strengthening sales organization, operations, and solutions

## Gross profit per head\*1

(¥ million)



### Continuous improvement of sales enablement capabilities

- Further actions to increase communication with users

### Continuous planning and development of value-added solutions

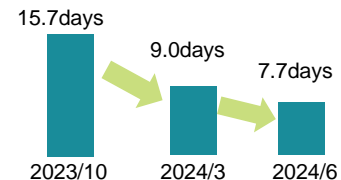
- More solution line ups
- More high value-added solution such as solutions with AI

### Operational improvements up to service delivery

- Shorter lead time from user request to pre installation assessment

#### Lead time

(user request to site assessment)



\*1 (gross profit for each quarter x 4) / the number of employees at start of next period

Safie aims to turn profitable in adjusted operating profit **ahead of our original plan, whose target was being profitable in FY26 full fiscal year results**, through strengthening solutions and improving productivity

## Mid-term strategic actions

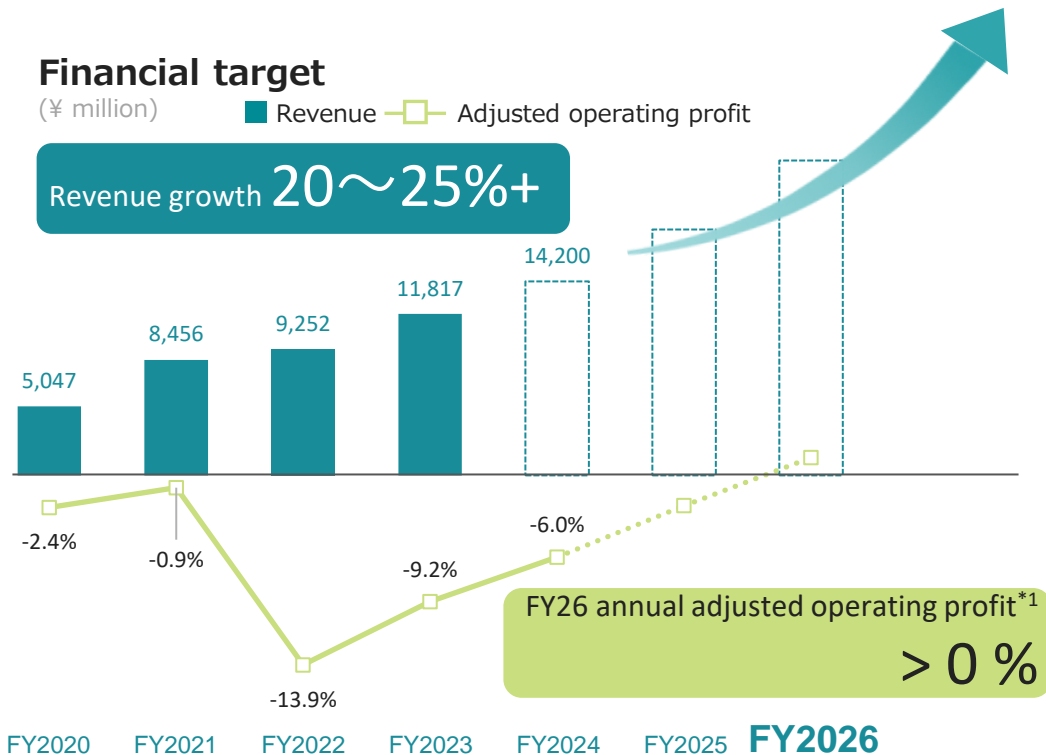
- Continuous strengthen of customer base around crime prevention and remote connectivity
- **Thorough strengthen of solution sales by providing solutions in line with industry and customer issues**
- **Improving productivity**

## Financial target

(¥ million)

■ Revenue □ Adjusted operating profit

Revenue growth **20~25%+**



\*1 Adjusted operating profit = operating profit + stock-based compensation expense + depreciation of intangible assets arising from M&A



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## 2. Q2FY24 financial results

(¥ million)	FY2023 Q2	FY2024 Q2	
		Actual	YoY
ARR	8,091	10,230	+26.4%
Billing cloudcams (K units)	207	260	+25.6%
Revenue	2,899	3,398	+17.2%
One-time	925	893	▲3.5%
Recurring	1,974	2,505	+26.9%
Gross profit	1,390	1,706	+22.7%
Gross profit margin	47.9%	50.2%	-
Adjusted operating profit/loss	▲247	▲191	-

## FY24 first half and Q2 results

- ARR exceeded ¥10bn
- FY24 first half results were in line with our plan
- In FY24 Q2, one-time revenue declined while recurring revenue grew, and total revenue was ¥3.39bn
  - ✓ Our focus on Q2 was creating more sales pipelines to achieve full year guidance
  - ✓ Recurring revenue grew 26.9% YoY
- Gross profit margin was 50.2%
  - ✓ Its QoQ improvement through bigger proportion of recurring revenue
- Adjusted operating loss was at -¥0.19bn

## FY24Q3 Forecast

- Both one-time and recurring revenue are expected to grow
- Operating loss is expected to be similar level as Q2

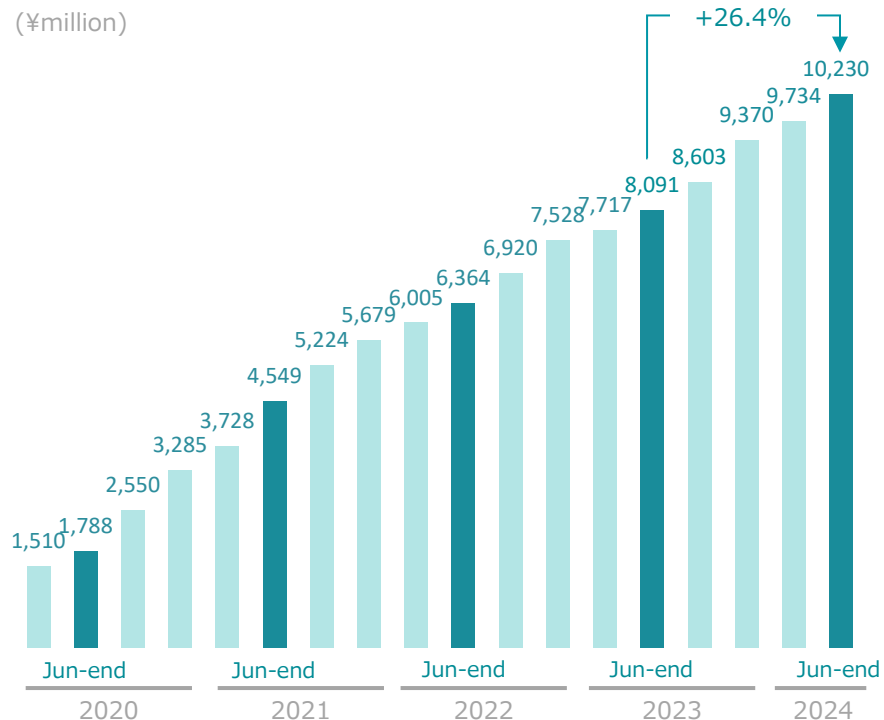
## FY24 full year forecast

- Achieving full year guidance is within our reach
- No change in guidance

## ARR exceeded ¥10bn. The billing cloudcam reached 260K units

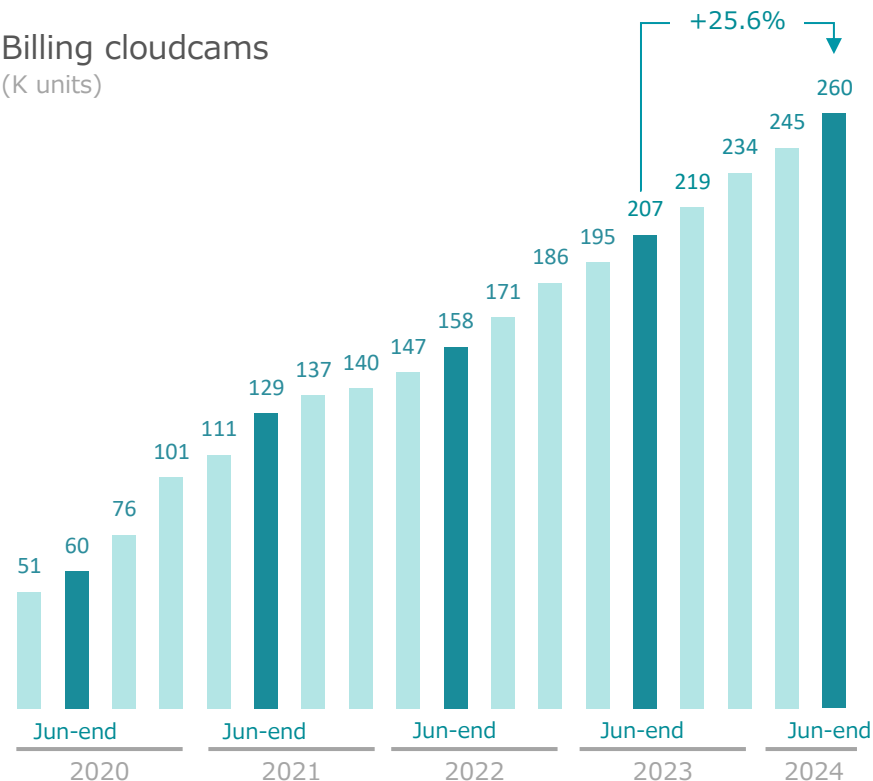
### ARR

(¥million)



### Billing cloudcams

(K units)



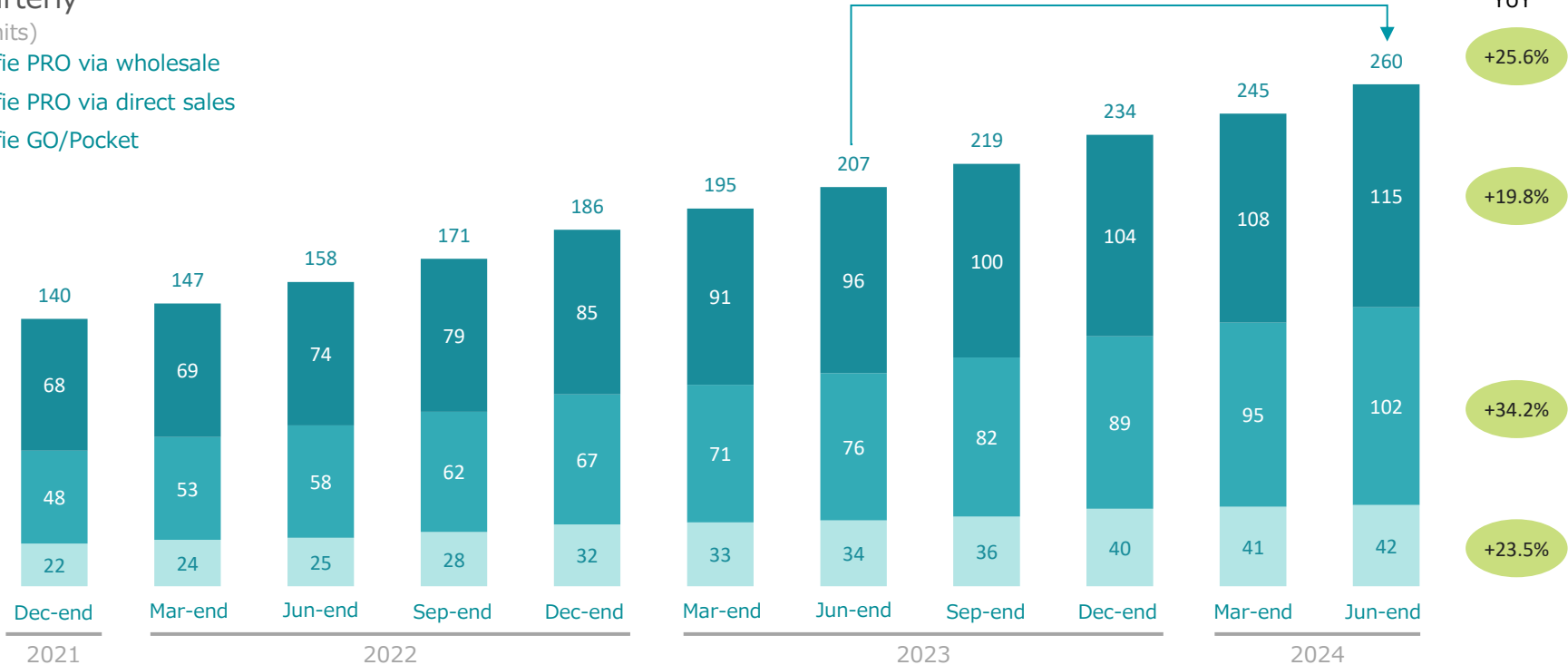
# Trend of billing cloudcams by sales channel

## The grows of billing cloudcams was led by Safie PRO via direct sales

### Quarterly

(K units)

- Safie PRO via wholesale
- Safie PRO via direct sales
- Safie GO/Pocket

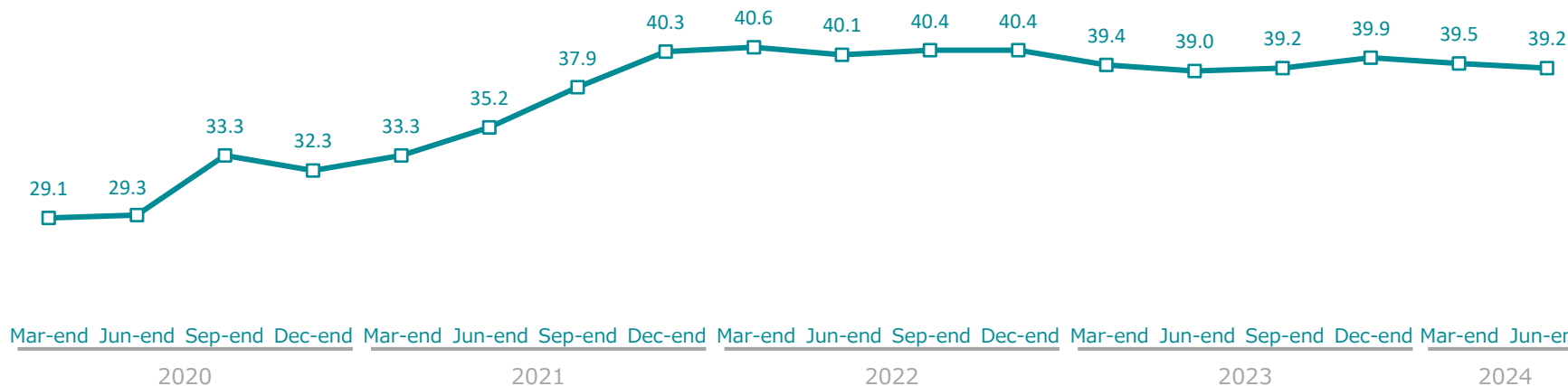


# Trend of ARPC (Average Revenue per Camera)\*1

ARPC declined due to a decline in the product mix of Safie GO/Pocket which has higher unit prices than Safie PRO

Quarterly

(¥ thousand)

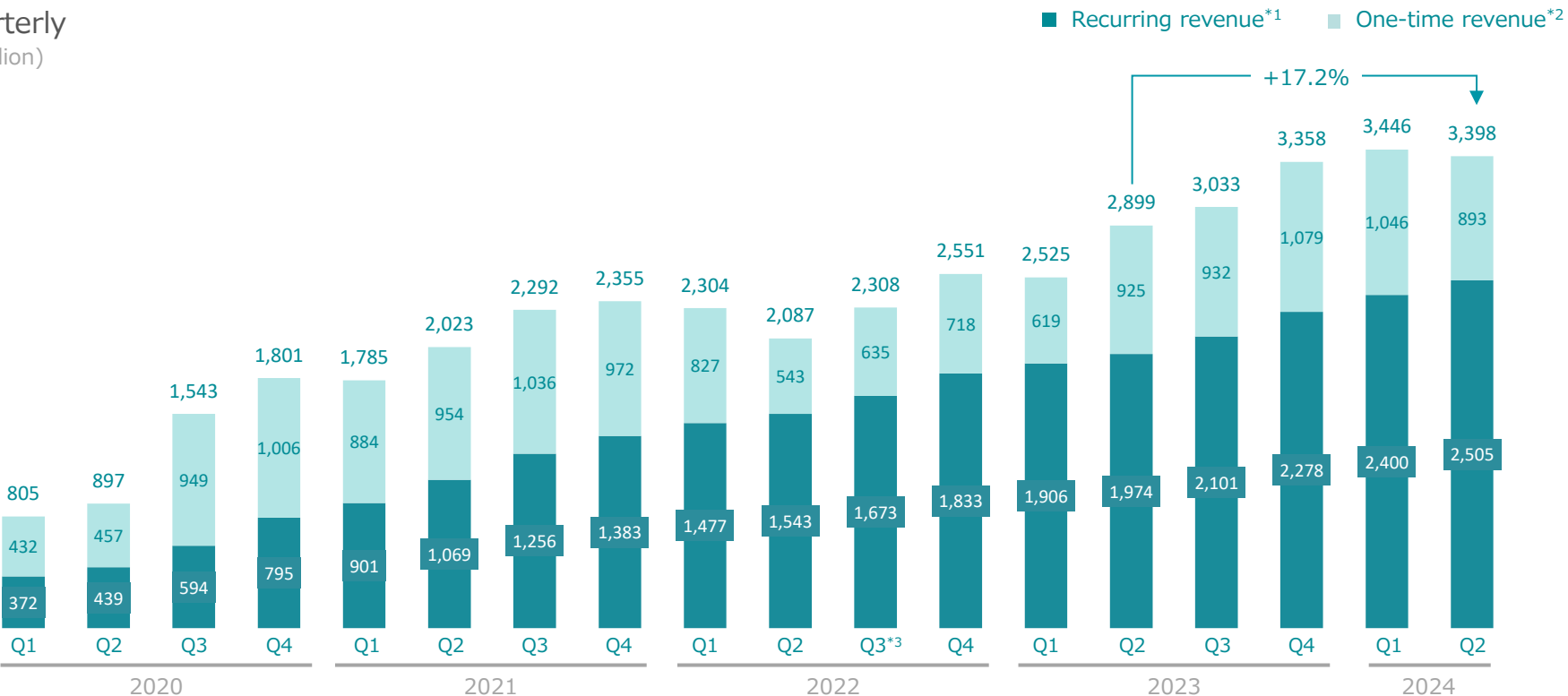


\*1 ARPC = ARR ÷ billing coloudcams

## Revenue grew by 17.2% YoY

### Quarterly

(¥ million)



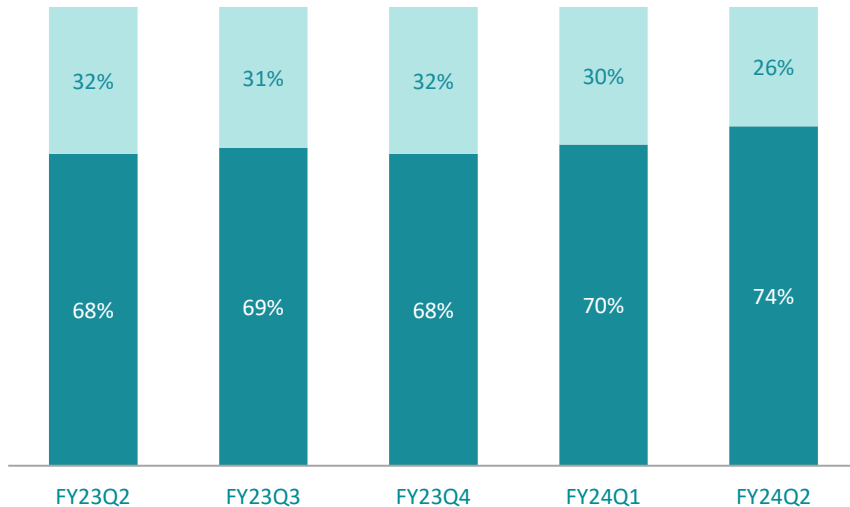
\*1 Recurring revenue includes cloud, applications, rental and including SIM, etc.  
 \*2 One-time revenue includes merchandise and camera set up installation work etc.  
 \*3 Reporting on a consolidated basis from Q3 FY2022

# Revenue breakdown and gross profit margin of one-time and recurring revenue

One-time revenue declined while recurring revenue increased, hence the proportion of recurring revenue increased. Recurring gross profit margin declined slightly due to an increase in cloud computing costs resulting exchange rate trend which put pressure on profitability, despite progress in cost reduction measures. One-time gross profit margin decreased due to higher procurement costs for some products caused by weaker yen

### Revenue breakdown (Quarterly)

- Recurring\*1
- One-time\*2



### Trend of Gross profit margin

- Recurring\*1
- One-time\*2
- One-time (without inventory valuation loss)

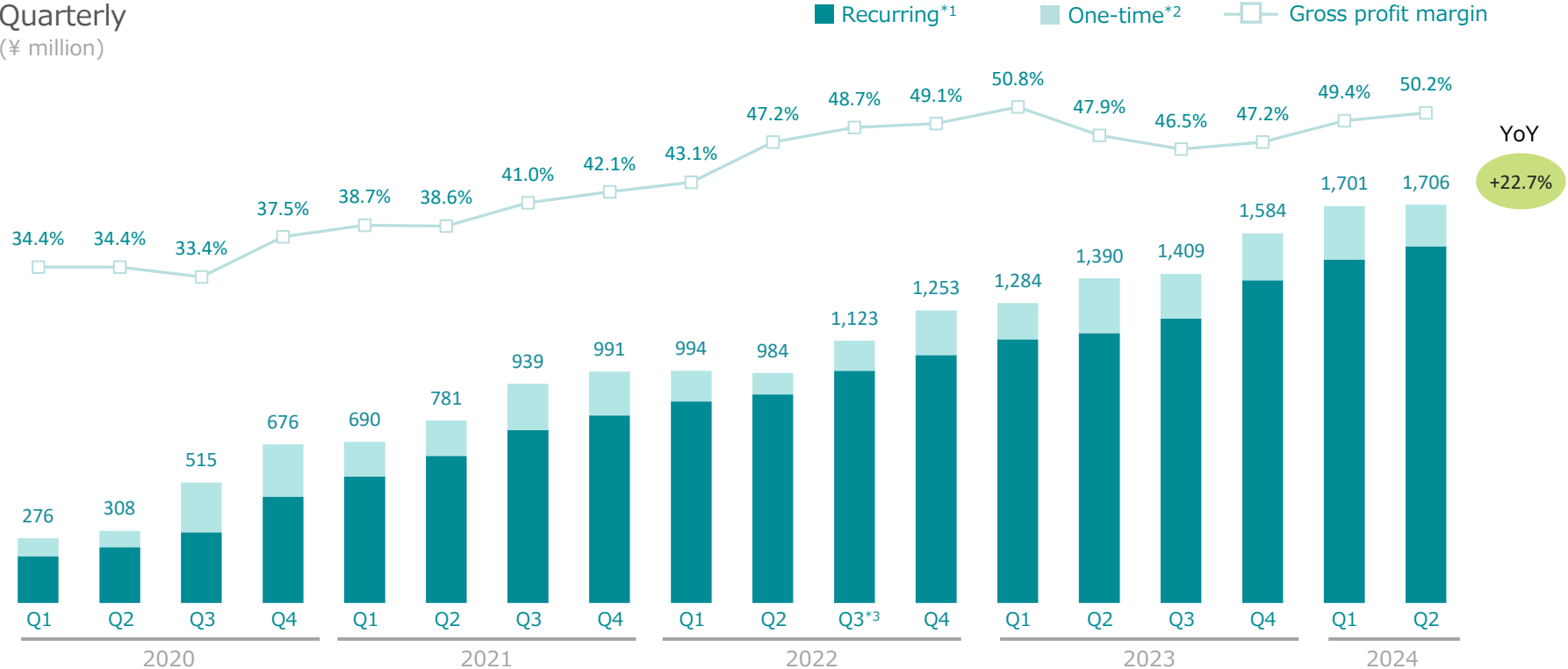


\*1 Recurring revenue includes cloud, applications, rental and including SIM, etc.

\*2 One-time revenue includes merchandise and camera set up installation work etc.

## Gross profit margin improved 0.8%p QoQ, and gross profit improved by 22.7% YoY

Quarterly  
(¥ million)



\*1 Recurring revenue includes cloud, applications, rental and including SIM, etc.

\*2 One-time revenue includes merchandise and camera set up installation work etc.

\*3 Reporting on a consolidated basis from Q3 FY2022



## Selling, general and administrative expenses increased QoQ Ratio of SG&A to revenue increased due to the QoQ decline in revenue

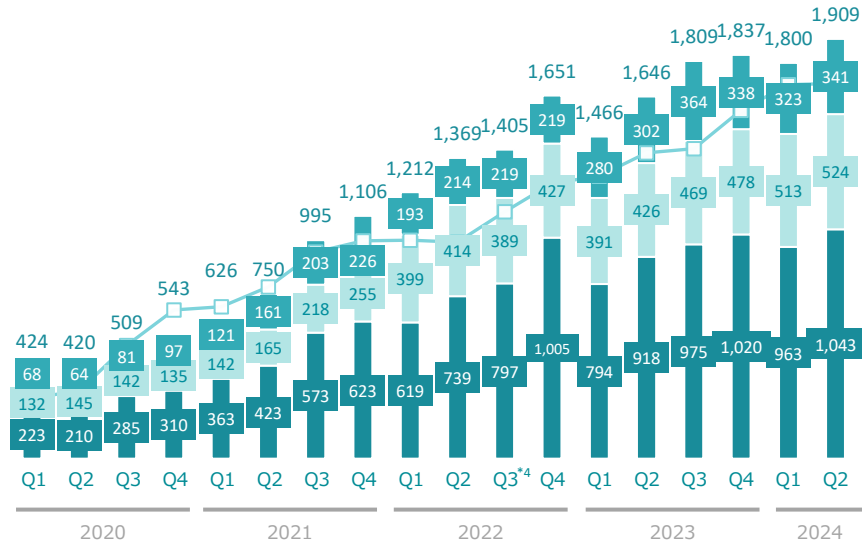
### Quarterly

(¥ million)

- S&M\*1
- R&D\*2
- G&A\*3
- Gross profit

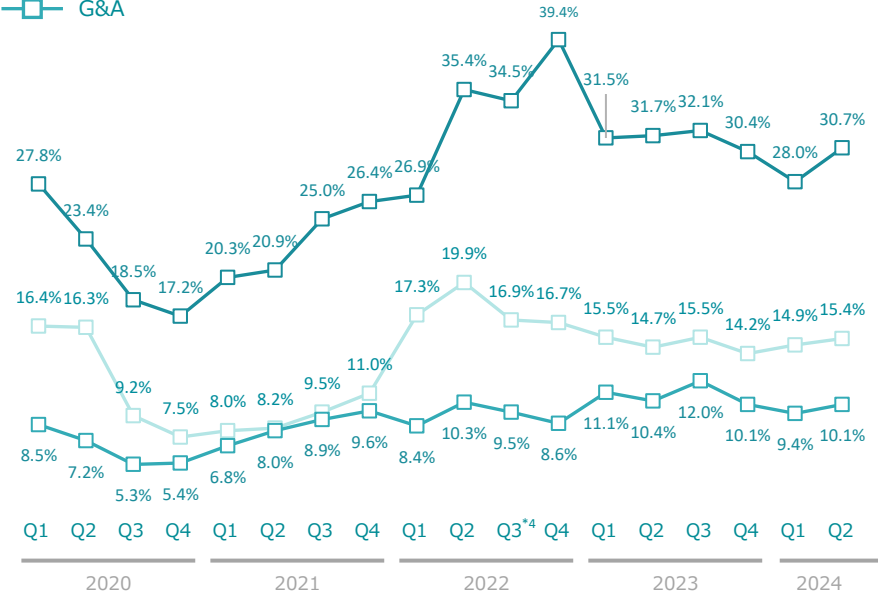
### Reasons for QoQ changes

- S&M Increase in promotion costs
- R&D Increase due to headcount
- G&A Increase in recruiting cost



### Quarterly ratio of SG&A expenses to revenue

- S&M
- R&D
- G&A



\*1 S&M stands for Sales and Marketing and is the sum-total of sales promotion expense, advertising expense, sales personnel costs and other related/common expenses

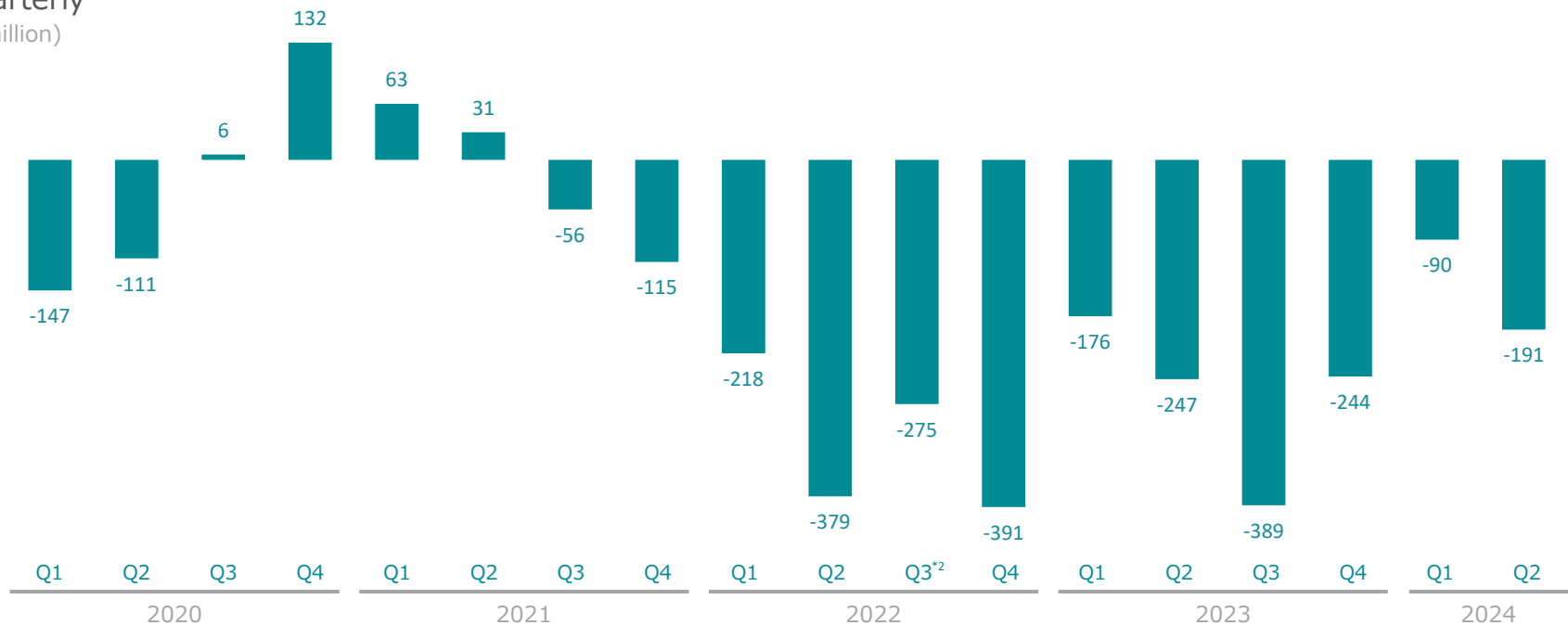
\*2 R&D stands for Research and Development and is the sum-total of R&D engineer personnel cost, outsourcing expense and other related/common expenses

\*3 G&A stands for General and Administrative and is the sum-total of administrative personnel cost and other related/common expenses

\*4 Reporting on a consolidated basis from Q3 FY2022

## Adjusted operating loss for FY24Q2 was -¥ 191ml

Quarterly  
(¥ million)



\*1 Adjusted operating profit/loss = operating profit + stock-based compensation expense + depreciation of intangible assets arising from M&A

\*2 Reporting on a consolidated basis from Q3 FY2022

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## 3. Business update



現場  
DX  
Powered by safie

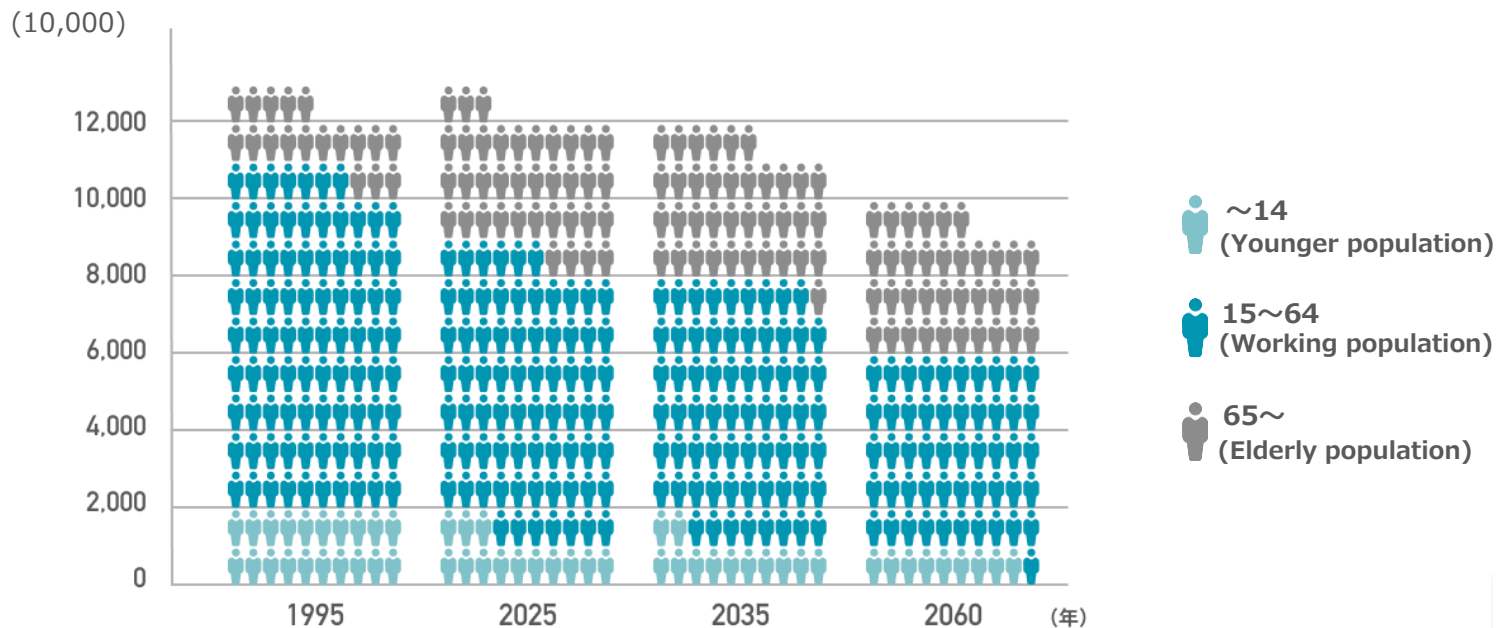


Applying *The digital transformation* DX  
using video data to  
a wide range of industries



The working age population will decrease sharply from a peak of over 85 million to around 50 million in the future

Trend of Japanese population



\*1 "Population Projections for Japan" National Institute of Population and Social Security Research

In 2040, there will be a shortage of 11 million workers to meet the demand for labor nationwide, and a shortage of 3.41 million workers in 2030\*1



## Retail

↘ 24.8%\*2

In 2024  
Labor demand: 4.385ml  
Labor supply: 3.297ml



## Restaurants

↘ 15.1%

In 2024  
Labor demand: 3.748ml  
Labor supply: 3.181ml



## Construction

↘ 22.0%

In 2024  
Labor demand: 2.989ml  
Labor supply: 2.332ml



## Logistics

↘ 24.2%

In 2024  
Labor demand: 413.2ml  
Labor supply: 313.4ml



## Factory

↘ 13.3%

In 2024  
Labor demand:  
8.450ml  
Labor supply:  
7.326ml



## Nursing care

↘ 25.2%

In 2024  
Labor demand: 2.297ml  
Labor supply: 1.717ml



## Healthcare

↘ 17.5%

In 2024  
Labor demand: 4.676ml  
Labor supply: 3.860ml

\*1 "Future Predictions 2040 in Japan —The Dawn of the Limited-Labor Supply Society—" Recruit Works Institute

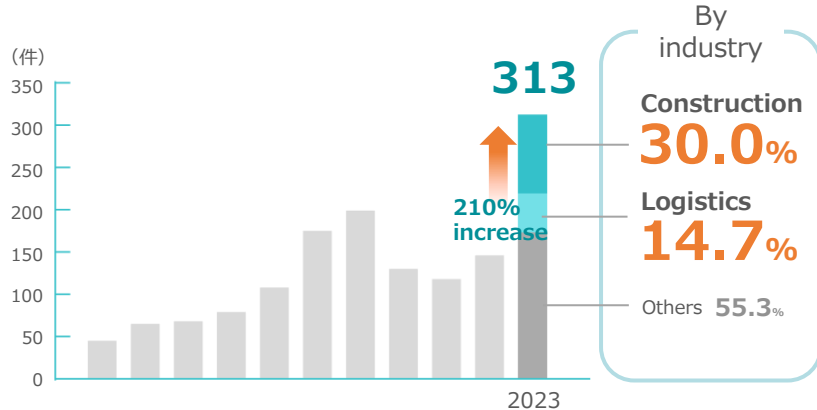
\*2 Labor supply shortage rate = 1 - (labor supply ÷ labor demand), in 2040

The labor shortage in the workplace has already become serious, and the number of companies going bankrupt due to labor shortages is increasing every year. The job-to-applicant ratio for major industries with on-site operations is significantly higher than the average for all industries

## Increasing bankruptcies due to labor shortages

Construction and logistics companies have reached record highs due to 2024 Issue

bankruptcies due to labor shortages\*1

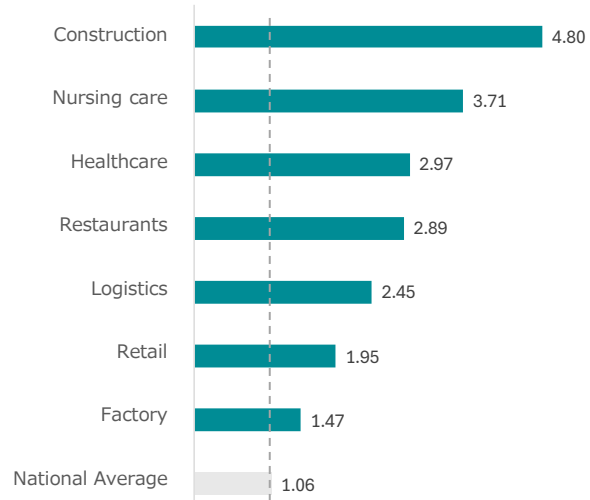


\*1 “人手不足倒産の動向調査（2023年度）（Hitode Busoku Tousei no Doko Chosa (2023))” TEIKOKU DATABANK, LTD.

## Job-to-applicant ratio for industries with on-site operations

Job-to applicant ratio is high and the labor shortage is already severe

Job-to-applicant ratio\*2



\*2 EMPLOYMENT REFERRALS FOR GENERAL WORKERS (2023 Nov)” Ministry of Health, Labor and Welfare

In order to resolve the labor shortage and improve productivity and convenience, the relaxation and abolition of the 9,669 regulations stipulated by law is progressing, and Safie is also actively proposing the DX of on-site operations\*1

# 9,669 articles

## 7 main analog regulation

- (1) Visual inspection (2927)
- (2) Regular inspection (74)
- (3) Field audit (1034)
- (4) Residencies/full-time (1062)
- (5) Written-notice (772)
- (6) Courses in-person (217)
- (7) Onsite viewing (1446)



\*1 Institute for Digital Transformation in Construction to which Safie belong presented about proposals to the government for promoting Construction DX at the public-private partnership forum to expand domestic investment held at Prime Minister of Japan and His Cabinet



From the beginning of July 2024, analog regulations for “visual inspection” items in construction and infrastructure industry were relaxed. As a result, “remote observation” using fixed and portable cameras are expected to increase

## Business environment



Expansion of “remote observation” to address labor shortage

- Relaxation of Industrial Safety and Health Act set by MHLW

Day 1 Day 2 Day 3 Day 4 Day 5

Before



Remote observation



- By using Safie GO and Safie Pocket series\*1, direct visit per day is no longer necessary. And, there is increasing need for remote observation combined with direct visit once per week \*2

## Usage Images

### safie Pocket

Safie Pocket series



Structure check

Checking work in accordance with plan and procedures, and location/situation of the workers

Checking status of materials and machines at work site



### safie GO

Safie GO 360



Safety patrol

Checking safety regarding construction vehicle etc.

\*1 Safie Pocket2 and Safie Pocket2 Plus meet functional requirements for remote observation. Using with Safie GO 360 enables remote observation with more safety and productivity

\*2 “Tokutei Motokata Jigyosha niyoru Sagyobasho no Junshi ni kakaru Digital Gijyutu no Katsuyo nitsuite” Ministry of Health, Labor and Welfare, Labor Standards Bureau

The number of unmanned/reduced staff stores is increasing due to severe labor shortage in retail/service industry. Safie's video solution is essential for operation of self-checkout, which is the key to store operation

## Market trend



Labor shortage



The increasing use of unstaffed/staff-reduced stores



Accelerating store operations using on-site data

## User examples



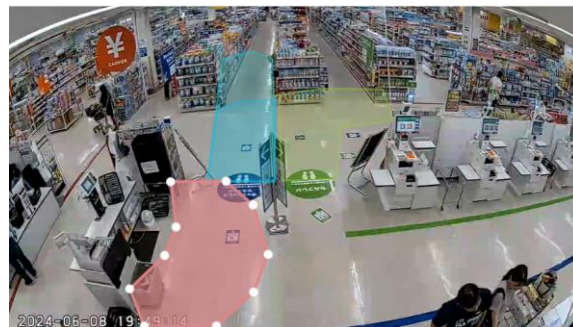
マックスバリュ東海株式会社



ディスカウントストア  
MrMax



## Usage examples



Photos from Mr. Max Holdings Ltd.

- ✓ **To reduce the waiting time at self-checkout counters**, the AI solution "AI-APP People Counting" is used. This contributes to creating store layouts that aim to increase sales while reducing the labor force
- ✓ **Video and AI are used to reduce the increasing number of suspicious behaviors** that occur as self-checkout counters become more common

## Labor-saving solution for store management that uses Safie's cameras to manage stores and "RURA" to provide remote customer service

Usage examples

### Use Case



- ✓ By using RURA, three employees handle reception work for about approx. 30 stores nationwide in "Jiyu Kukan (自遊空間)", multi-purpose café
- ✓ **Remote customer service has been improved** thanks to remote customer service solution "RURA (SF)" that combines Safie's camera which allows to see stores from above and remote customer service "RURA"



Widening use



Fitness

- ✓ Handling of contract changes, cancellations and other inquiries at the front desk
- ✓ Explaining the facilities (equipment, lessons, options) to customers who have visited the facilities for the first time
- ✓ Counseling after body composition testing



Hotels

- ✓ Flexible workstyle for attracting enough workforce (e.g., working from home)
- ✓ Human assistance for those whose who are unfamiliar with automatic check-in machines

In the medical industry, where there is a shortage of manpower, online medical consultation services using mobile medical consultation vehicles have been started through cooperation between industry, academia and government, including partner cooperation

## Use Case



- ✓ Utilizing a vehicle with medical equipment, **MUSVI's the telepresence system "Mado"** enables a consultation that is almost as good as face-to-face
- ✓ In preparation for the future shortage of doctors and the aging of society, we are driving the improvement of community healthcare and the effective use of medical personnel. Nurses can communicate with doctors at any time, and improvements in the **working environment for nurses in the field are expected.**

\*1 "Future Predictions 2040 in Japan —The Dawn of the Limited-Labor Supply Society—" Recruit Works Institute

### Participants (examples only)



### Widening use of remote healthcare service

- ✓ There will be a shortage of 186K medical professionals in 2030 and 816K in 2040. The shortage rate against the labor demand in 2040 (4.676M) will be 17.5%\*2
- ✓ Regional disparities in health care are also increasing, with some areas lacking facilities and equipment, while the need for health care is growing due to an aging population.



The relationship with the top leaders in each industry who are tackling the “8 gake society”<sup>\*1</sup> has deepened, and engagement has improved



## Goal



- ✔ Long-term (5-10 years) relationship development among wide range of stakeholders in order to realize Safie’s vision  
Create a better future with intelligent vision
- ✔ The relationship with the top leaders in each industry who are tackling the “8 gake society” has deepened, and engagement has improved

## Overview



- ✔ Main 3 sessions: Speakers includes Fumiaki Kobayashi (member of House of Representative)  
Retail and construction sub-sessions: 2 sessions each:  
Lunch and networking reception were also held
- ✔ More than 250 participants



\*1 8 gake Society refers to future society where only 80% of workforce demanded will be provided due to aging society



- **8 gake society is around the corner**
- **Ongoing relaxation of analog regulation**
- **More onsite DX promoted by Safie**

- **Launch of new services such as remote customer service solution RURA (SF)**
- **Further expanding solution**

- **ARR exceeded ¥10bn**
- **Achieving FY24 full year guidance is within our reach**
- **Turning profitable ahead of original plan**



**Create a better future with intelligent vision**

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# Appendix



# Initiatives from Institute for Digital Transformation in Construction: Creation and enrichment of grants that contribute to construction DX

- At the public-private partnership forum to expand domestic investment held on May 30<sup>th</sup> 2024, the necessity and usefulness of promoting construction DX were announced, including issues in the construction industry and examples of productivity improvement by member companies
- Support from the government, such as subsidies, and encouragement for construction DX was requested
- Prime Minister Kishida gave us words of encouragement regarding the promotion of construction DX, and also instructed the Small and Medium Enterprise Agency to expand the scope of its labor-saving subsidy program to include the construction industry



The public-private partnership forum to expand domestic investment (24/5/30)  
From “総理の一日 (Today's prime minister): [https://www.kantei.go.jp/jp/101\\_kishida/actions/202405/30forum.html](https://www.kantei.go.jp/jp/101_kishida/actions/202405/30forum.html)



The public-private partnership forum to expand domestic investment (24/5/30)  
From: Safie press release: <https://safie.co.jp/news/3327/>

## At a Glance

Established

October 2014

Number of employees (as of Jul. 2024) \*1

461

Annual Revenue (FY2024 forecast)

¥14,200 million

ARR (as of end-June 2024) \*2

¥10,230 million

Number of billing clondcams (end-June 2024) \*3

260 K units

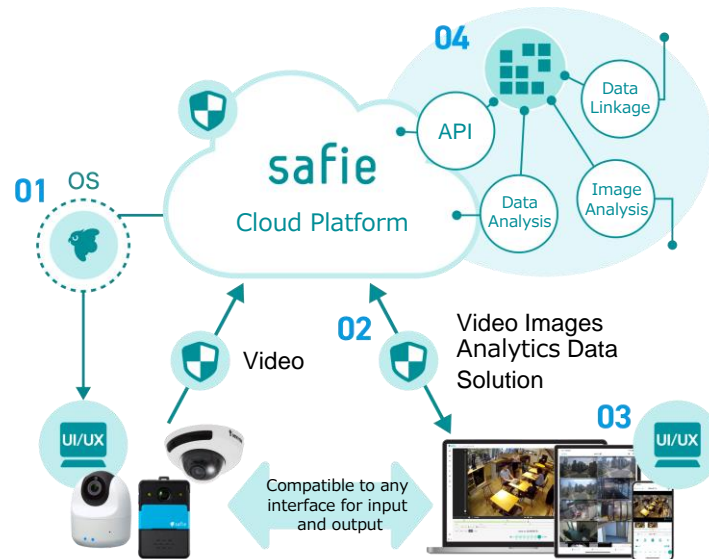
\*1 Number of employees is counted at the beginning of the month.

\*2 ARR: Annual Recurring Revenue. ARR is calculated by multiplying MRR (Monthly Recurring Revenue) at the end of the month by 12 (months).

MRR: Monthly Recurring Revenue. MRR is the sum of total charges in the current month based on the contracts with continuous billing as of the end of the applicable month (including sales through sales partners).

\*3 Billing clondcam is the number of clondcams in operation that is fee-charging for each quarter. It does not represent the number of clondcams sold in each quarter.

## Overview of Products & Services



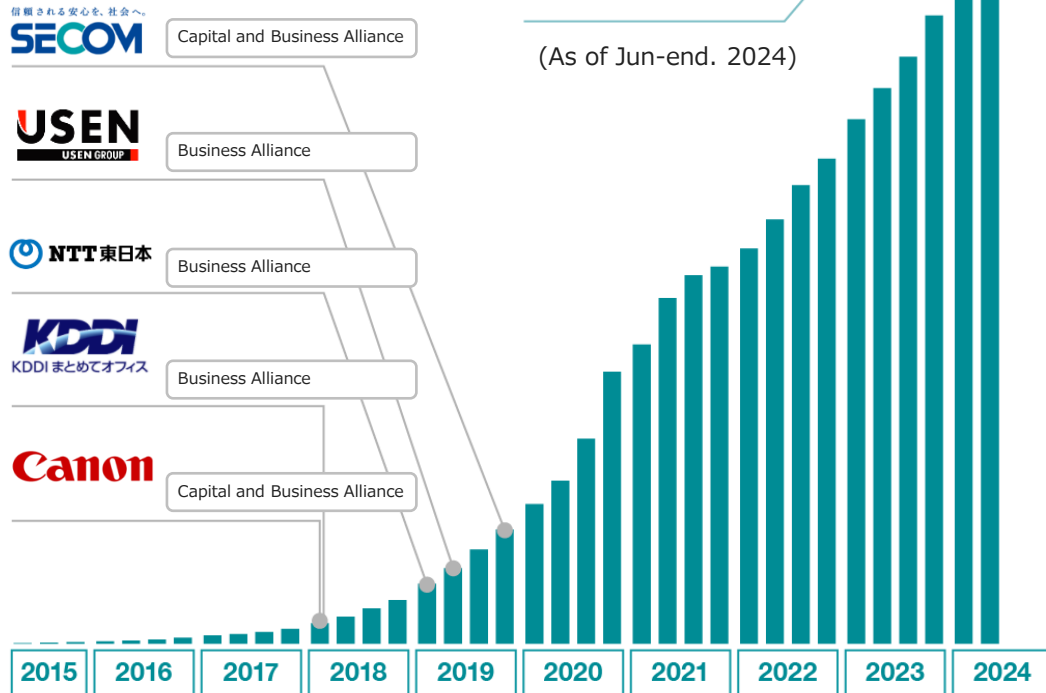
- 01 Cloud-driven camera OS
- 02 Powerful security
- 03 High quality UI/UX
- 04 Highly scalable platform

## Billing cloudcams and Major Business Alliance

Number of billing cloudcams

**260K Units**

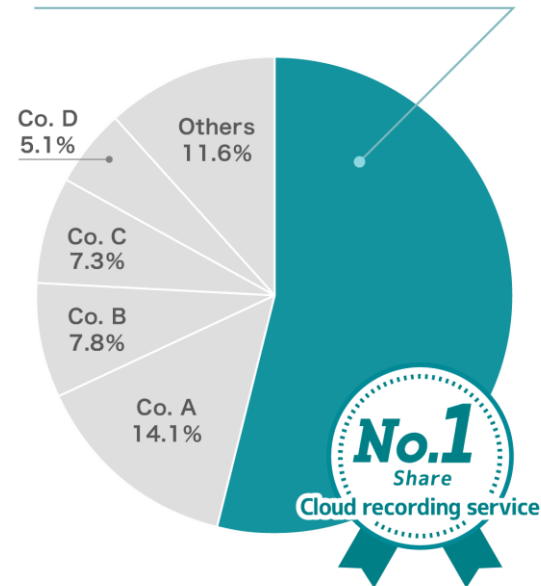
(As of Jun-end. 2024)



## Market Share

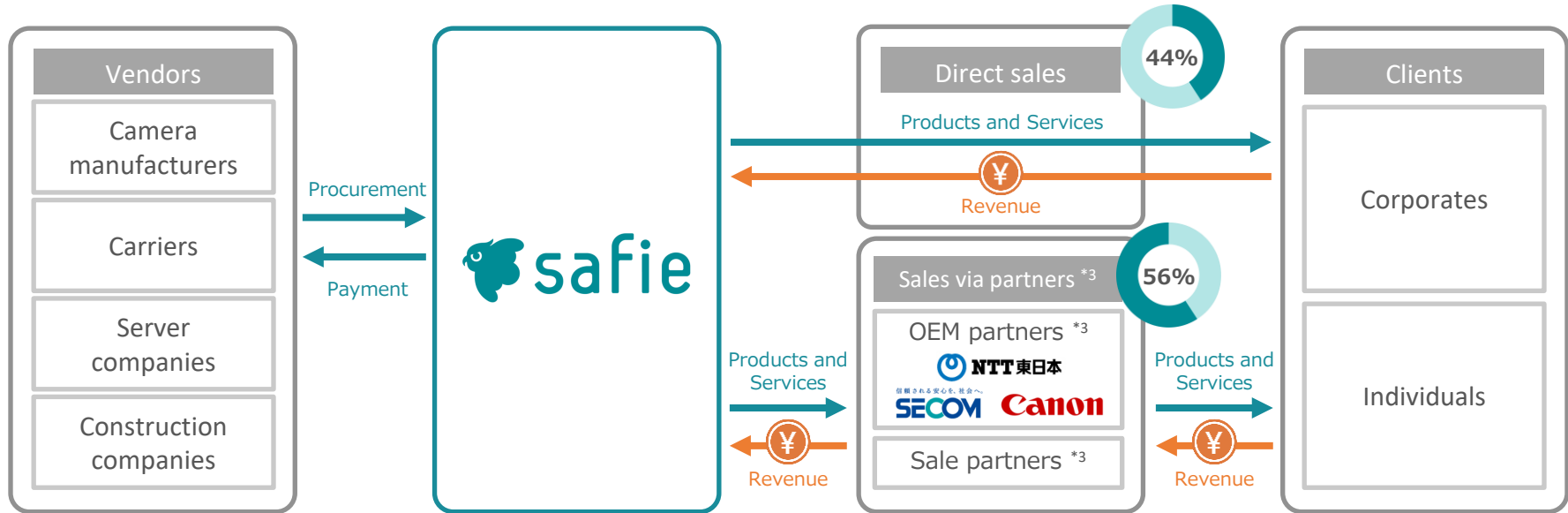
Market share of cloud monitoring and video recording services\*1

**safie 54.1%**  
(2023)



\*1 Techno Systems Research report of "Cloud recording service market research of network camera (2023)". Market share is based on the number of registered camera s by engine

Safie's business consist of sales of cloudcams <sup>\*1</sup> by direct and/or through sales partners as well as providing cloud recording services<sup>\*2</sup>



One-time revenue (revenue from cloudcam sales)

**Recurring revenue** (revenue from monthly charges for cloud recording services, viewing and use of applications)

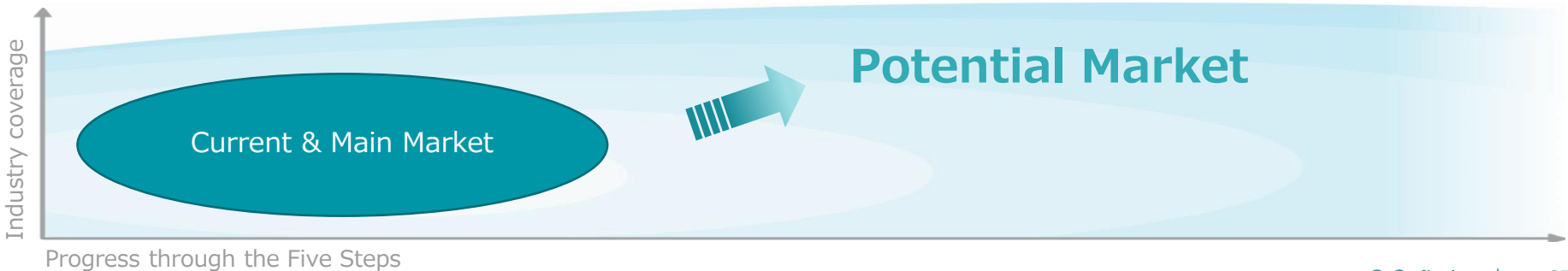
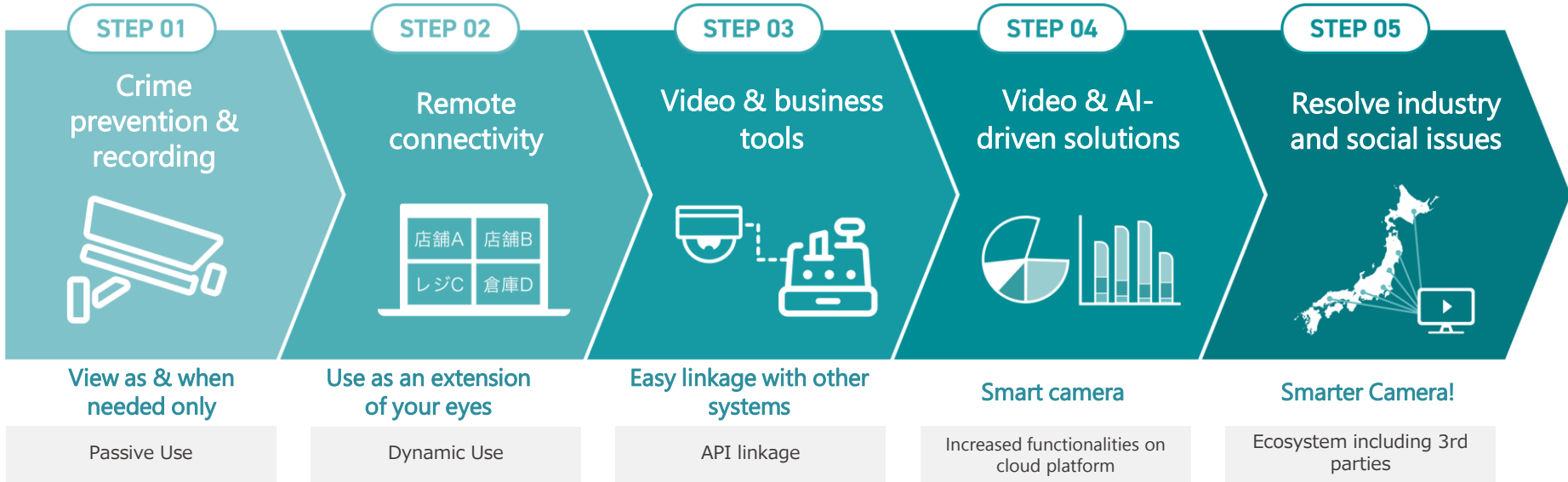
\*1 Safie procures cloudcams from various camera manufacturers (incl. Safie brand cloudcams) and does not engage in manufacturing.

\*2 Safie does not develop all the cloud infrastructure on its own but utilizes the services of major cloud vendors to provide data storage and viewing services.

\*3 "OEM partner" is a partner that purchases cloudcams and cloud services (or only the latter) from Safie and resells to end clients under the partner's brand name.

"Other sales partners" is a partner that purchases cloudcams and cloud services (or only the latter) from Safie and resell to end customers under the Safie brand name.

# The five steps for onsite DX using cloudcams



# Our client : track record of large enterprises (example)

## Retail/Services



## Restaurant



## Construction



## Infrastructure/Public



## Manufacturing/Plant



## Logistics



## Office Buildings



## Security





## Ryuhei Sadoshima

Representative Director & CEO

- Dec. 1999 Founded Daigakunote.com (CEO)
- Apr. 2002 Joined So-net Co., Ltd  
(currently Sony Network Communications Inc.)
- Oct. 2010 Joined Motion Portrait, Inc. (CMO)
- Oct. 2014 Founded Safie Inc.
- Dec. 2020 Ranked in first place of Forbes JAPAN's 200 Superstar Entrepreneurs 2021



## Shoichiro Iwata

Outside Director

- Mar. 1973 Joined Lion Fat and Oil Co., Ltd.  
(currently Lion Corporation)
- Mar. 1986 Joined PLUS CORPORATION
- May 1992 Head of ASKUL Business Promotion Office at PLUS CORP.
- Mar. 1997 President of ASKUL Corporation
- May 2000 President and CEO of ASKUL Corporation
- Jun. 2006 Outside Director of Shiseido Company, Limited
- Apr. 2008 Vice Chairman of Japan Association of Corporate Executives
- Apr. 2012 Trustee of Japan Association of Corporate Executives
- Sep. 2019 CEO of FORCE Marking & Management, Inc. (current position)
- Aug. 2020 Outside Director of Safie, Inc. (current position)
- Jun. 2021 Outside Director of S. T. Corporation (current position)
- Sep. 2021 Outside Director of Arithmer, Inc. (current position)
- May 2022 Outside Director of Hacobu, Inc. (current position)



## Kazuma Morimoto

Director and CTO, R&D Division Head

- Mar. 2001 Graduated from The University of Tokyo,  
Department of Applied Physics, School of Engineering
- Apr. 2001 Joined Sony Corporation
- Aug. 2012 Joined GREE, Inc.
- Nov. 2013 Joined Motion Portrait, Inc.
- Oct. 2014 Founded Safie Inc.



## Tetsuharu Furuta

Director and CFO, Administration Division Head

- Apr. 2006 Joined McKinsey & Company Inc.
- Nov. 2010 Joined INCJ. Ltd.  
(Innovation Network Corporation of Japan)
- Mar. 2017 Joined Safie Inc. as CFO (current position)
- Oct. 2019 Director of Safie Inc. (current position)



## Nobuaki Nishimura

Executive Officer and CRO, Sales Division Head

- Apr. 2001 Joined Orix Corporation
- May 2018 Seconded to ORIX Corporation USA
- May 2022 Joined Safie Inc.
- Jan. 2023 Appointed Executive Officer



## Shinya Nakamura

Executive Officer and CCO, Customer Service Division Head

- Oct. 2001 Joined IT-it Co., Ltd.  
(currently EXEO System Management, Inc.)
- Mar. 2007 Joined So-net Corp.  
(currently Sony Network Communications Inc.)
- Apr. 2020 Joined Safie Inc., Operations Head
- Dec. 2021 Appointed Executive Officer



## Hisaya Shiraishi

Executive Officer and CPO, Planning Division Head

- Apr. 1997 Joined TDC Soft Inc.
- Oct. 2002 Joined Yahoo Japan Corporation
- Jun. 2018 Joined GYAO Corporation as Director
- Oct. 2021 Joined Z Entertainment Corporation as head of CPO office
- Jun. 2022 Joined Safie Inc.
- Jan. 2023 Appointed Executive Officer



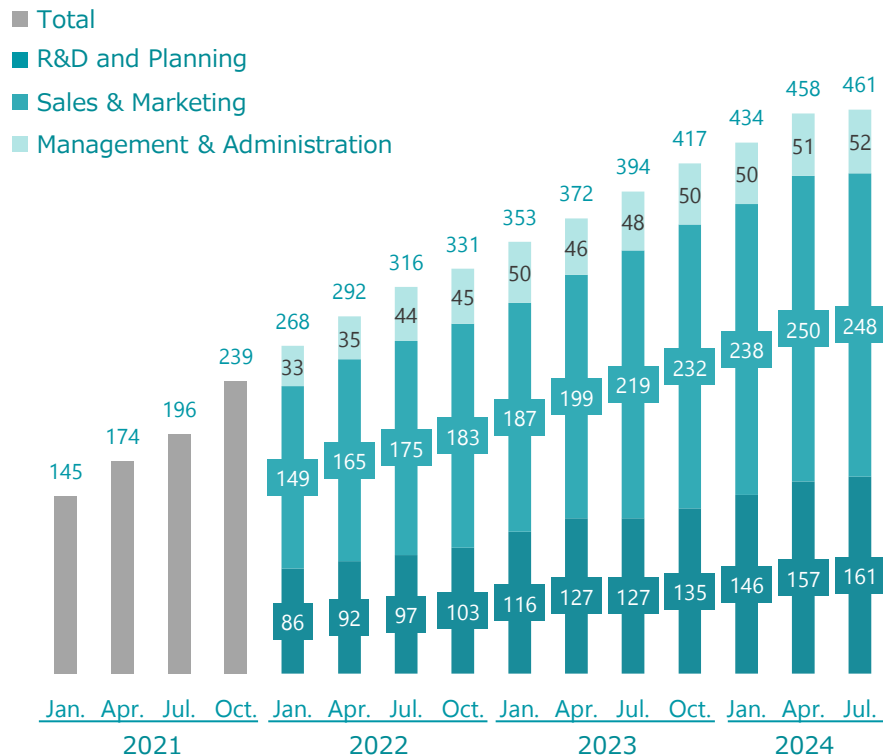
## Yumi Uematsu

Executive Officer and VPOp, Planning Division Deputy Head

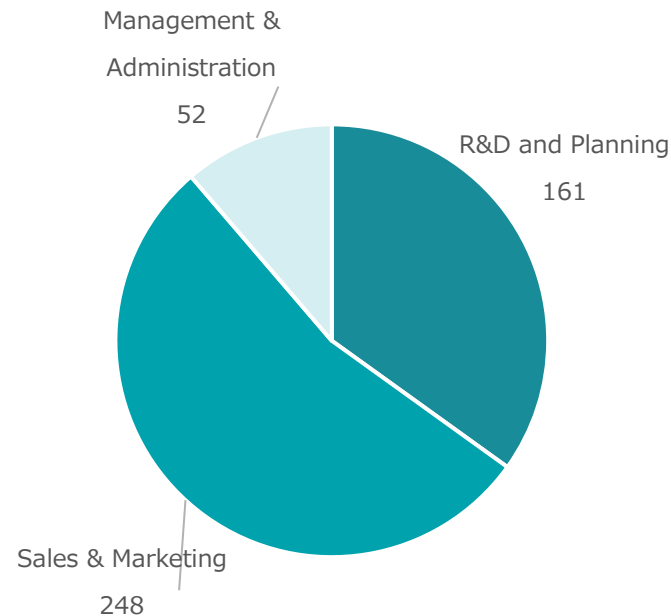
- Mar. 1999 Masters from Division of Quantum Science and Engineering, Graduate School, Hokkaido University
- Apr. 1999 Joined Hitachi Medico  
(currently Fujii Film Health Manufacturing Corporation)
- Nov. 2006 Joined Sony Corporation
- Jan. 2015 Joined Spotlight Inc. (currently Rakuten Payment, Inc.)
- Sep. 2017 Joined Amazon G.K.
- Feb. 2020 Joined Safie Inc.
- Apr. 2021 Appointed Planning Division Head
- Dec. 2021 Appointed Executive Officer



## Number of employees\*1

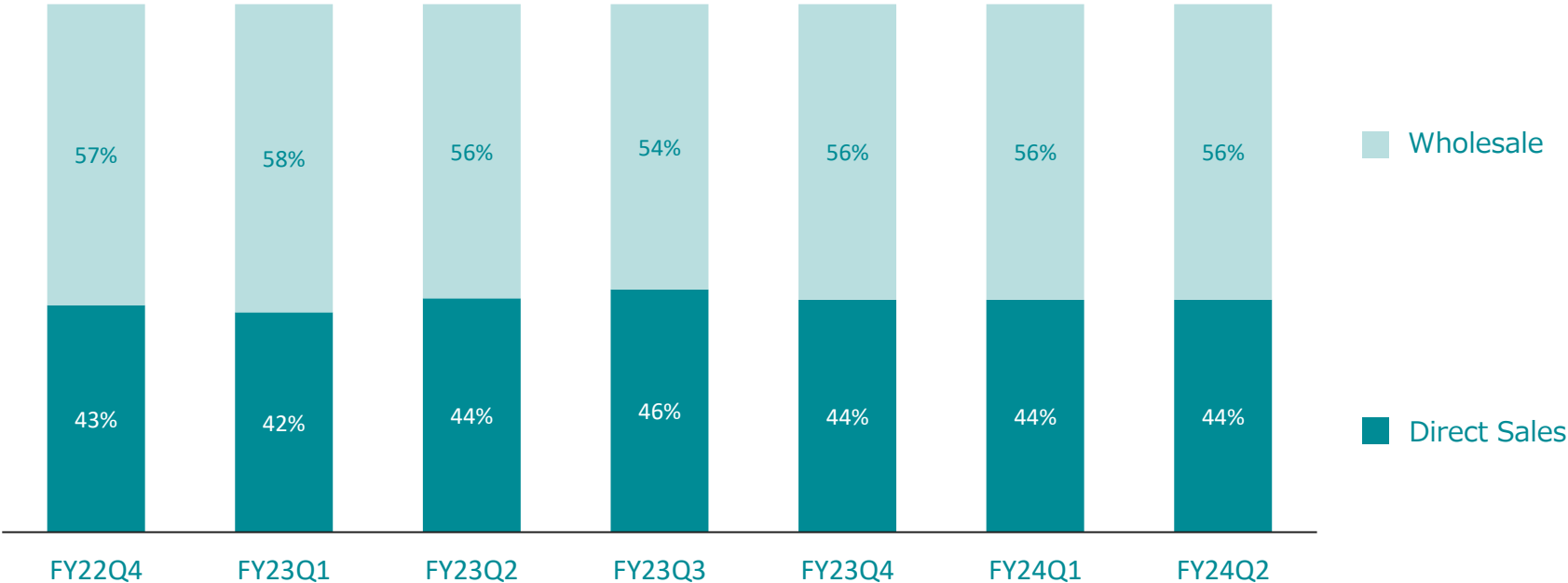


## Employee Breakdown



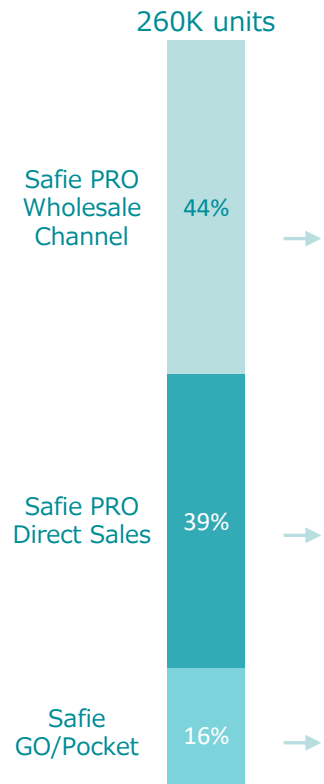
\*1 Figures show the number of employees at the start of each month

Revenue Breakdown (Quarterly)

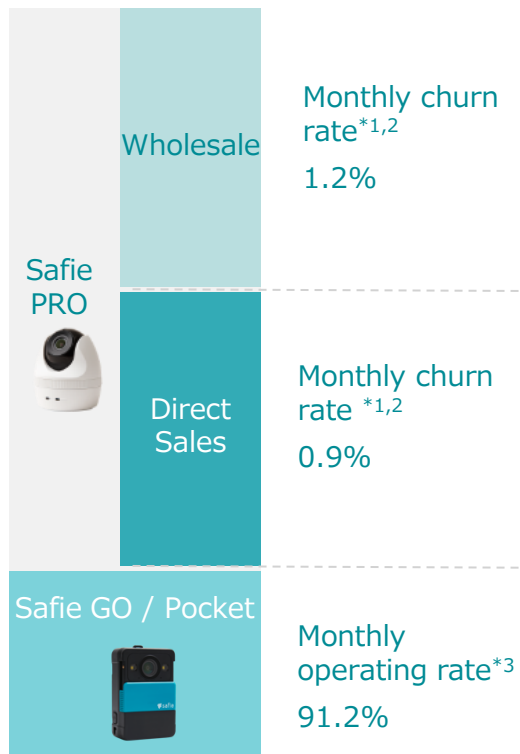


# Breakdown of billing cloudcams

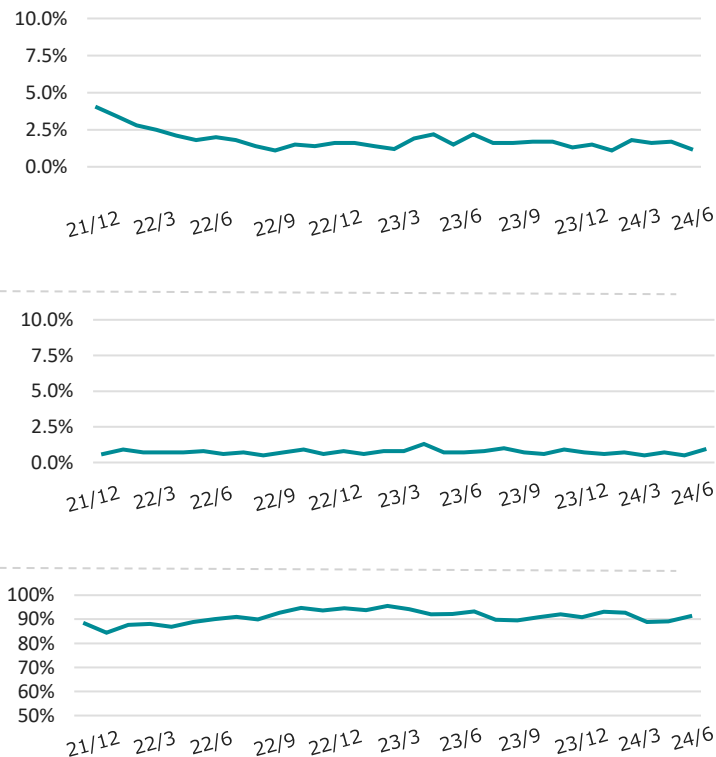
## Breakdown(as of end-Jun.)



## Monthly (Jun.2024)



## Monthly trend



\*1 Churn rate is based on the number of billing cloudcams at the end of the month and is calculated as follows: Monthly churn rate of billing cloudcams: Number of churned units in the current month ÷ Nos. of billing cloudcams at the end of the previous month.

\*2 Operating rate = Nos. of billing cloudcams at the end of the month ÷ Nos. of cloudcams for rental business at the end of the month (excluding units in repair).

\*3 Regarding the churn rate figures, due to the reclassification of Billing Cloudcams, the churn rate for Mar. 2023 is calculated based on the new classification from Q1 FY2023, while the new classification has not been applied for the past churn rate

## ■ Safie PRO Billing Cloudcam Churn Rate(volume basis) \*1

		2022/6	2022/9	2022/12	2023/3	2023/6	2023/9	2023/12	2024/3	2024/6
Wholesale	Monthly	2.0%	1.1%	1.6%	1.2%	1.5%	1.6%	1.3%	1.8%	1.2%
	12-mnth avg.	4.2%	2.8%	2.0%	1.6%	1.6%	1.7%	1.7%	1.7%	1.6%
Direct sales	Monthly	0.6%	0.7%	0.8%	0.8%	0.7%	0.7%	0.7%	0.5%	0.9%
	12-mnth avg.	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.7%
Total	Monthly	1.4%	0.9%	1.2%	1.1%	1.2%	1.2%	1.0%	1.2%	1.1%
	12-mnth avg.	2.8%	1.9%	1.4%	1.2%	1.2%	1.3%	1.3%	1.3%	1.2%

## ■ GO/Pocket Billing Cloudcam Operating Rate(volume basis)

		2022/6	2022/9	2022/12	2023/3	2023/6	2023/9	2023/12	2024/3	2024/6
Total	Monthly	90%	92%	94%	94%	93%	90%	92%	93%	91%

\*1 Due to the change in method of aggregating the number of billing cloudcams, figures for the churn rate is based on new method applicable from Q1 FY2023, and past figures are based on the previous method and are not adjusted to the new aggregation method.

# Consolidated balance sheet



(¥: thousand)	End Dec. 2023	End Jun. 2024		End Dec. 2023	End Jun. 2024
<b>Assets</b>			<b>Liabilities</b>		
Current assets			Current liabilities		
Cash and deposits	7,216,707	6,866,335	Accounts payable – trade	702,369	809,507
Electronically Recorded Monetary Claims	10,300	17,100	Current portion of long-term borrowings	91,656	91,656
Accounts receivable – trade and contract asset	1,713,219	1,759,328	Income taxes payable	53,602	53,091
Merchandise	968,061	985,505	Provision for bonuses	30,000	47,940
Other	349,749	431,591	Other	747,911	716,615
Allowance for doubtful accounts	△3,730	△2,715	Total current liabilities	1,625,538	1,718,810
Total current asset	10,254,307	10,057,145	Non-current liabilities		
Non-current assets			Long-term borrowings	2,548	1,720
Property, plant and equipment	-	209	Other	56,504	48,314
Investments and other assets	1,446,942	634,543	Total non-current liabilities	59,052	50,034
Total non-current assets	1,446,942	634,753	Total liabilities	1,684,591	1,768,844
Deferred assets	282	685	<b>Net assets</b>		
Total assets	11,701,532	10,692,584	Shareholder's equity		
			Share capital	5,584,350	5,609,348
			Capital surplus	8,069,732	8,094,731
			Retained earnings	△3,642,070	△4,813,304
			Treasury shares	△167	△191
			Total shareholder's equity	10,011,844	8,890,584
			Accumulated other comprehensive income		
			Valuation difference on available-for-sale securities	1,144	712
			foreign currency translation adjustment	-	△1,539
			Total accumulated other comprehensive income	1,144	△827
			Share acquisition rights	3,952	7,797
			Non-controlling interest	-	26,186
			Total net assets	10,016,941	8,923,740
			Total liabilities and net assets	11,701,532	10,692,584

# Reconciliation table for adjusted operating profit

(¥ million)	2020				2021				2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Operating profit	-147	-111	6	132	63	31	-56	-115	-218	-384	-281	-398	-182	-256	-399	-252	-99	-203
+ ) stock-based compensation expense	0	0	0	0	0	0	0	0	0	5	6	6	6	8	10	8	8	11
+ ) depreciation of intangible assets arising from M&A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted operating profit	-147	-111	6	132	63	31	-56	-115	-218	-379	-275	-391	-176	-247	-389	-244	-90	-191

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For inquiries, please contact Safie IR at [ir@safie.jp](mailto:ir@safie.jp)

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