

Enrich
the world
with subscriptions

TEMONA. Inc.

Securities code: 3985

Results Briefing Materials for the Fiscal Year Ended September 30, 2024 (FY2024)

November 2024

Today's Agenda

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1. Results Summary

Results Summary

- Net sales fell 22.0% year on year to ¥1,825 million due to decreases in the total number of accounts and contract development revenue.
- Operating loss decreased from the previous year, due in part to cost reductions by promoting management efficiency.

Net sales

¥**1.825** billion
(down 22.0% year on year)

Operating profit

(¥**56** million)
(FY2023: (¥83 million))

EPS

(¥**36.84**)
(FY2023: (¥12.00))

ARR

¥**708** million
(down 11.7% year on year)

GMV

¥**124.1** billion
(down 4.4% year on year)

Total number of accounts

1,064
accounts
(down 11.4% year on year)

*ARR calculated as monthly recurring revenue in final month of fiscal year multiplied by 12.

Statement of Income (Year on Year)

- Gross profit margin decreased slightly but managed to remain at 51.3%, largely unchanged from a year earlier.
- Cost reductions made progress through the promotion of management efficiency including higher operational efficiency and adequate personnel reallocation.

(Unit: million yen)

	FY2023 Consolidated results		FY2024 Consolidated results		
	Result	Weighting (%)	Result	Weighting (%)	Change (%)
Net sales	2,341	100.0	1,825	100.0	△22.0
Cost of sales	1,108	47.4	888	48.7	△19.8
Gross profit	1,232	52.6	937	51.3	△23.9
SG&A expenses	1,316	56.2	993	54.4	△24.5
Operating profit	△83	△3.6	△56	△3.1	—
Non-operating income	13	0.6	2	0.1	△80.2
Non-operating expenses	5	0.3	4	0.2	△26.7
Ordinary profit	△76	△3.3	△58	△3.2	—
Extraordinary income	—	—	6	0.4	—
Extraordinary losses	49	2.1	256	14.0	412.2
Profit before income taxes	△126	△5.4	△307	△16.8	—
Profit attributable to owners of the parent	△127	△5.5	△393	△21.6	—

Impairment Loss

- In FY24, the Group recorded an impairment loss of ¥241 million for the entire amount of Subsc-Store software held by the Group, as it fell short of the planned business plan.
- The impact on PL from FY25 onward is not expected to be significant, since the burden of depreciation that was recorded in the cost of production will be eliminated while a portion of software development costs will no longer be recorded in internally developed software.

Breakdown of extraordinary losses

(Unit: million yen)

	FY23 consolidated earnings results	FY24 consolidated earnings results	Change (yen)
Extraordinary losses	49	256	206
Loss on valuation of investment securities	49	14	(35)
Impairment loss	—	241	241

Statement of Income (Quarterly)

- In the EC Support Business, net sales were on a downtrend due to a decrease in the total number of accounts, etc., but recovered in other services.
- Net sales of the Engineering Business showed a recovery trend in 4Q reflecting an increase in the acquisition of new projects for contract development service.
- Operating profit returned to profitability in the 4Q due in part to cost reductions achieved by the promotion of management efficiency.

(Unit: million yen)

(Number of persons is the number of permanent and non-permanent employees)

	FY24 1Q Consolidated		FY24 2Q Consolidated		FY24 3Q Consolidated		FY24 4Q Consolidated	
	Result	Weighting (%)	Result	Weighting (%)	Result	Weighting (%)	Result	Weighting (%)
Net sales	505	100.0	453	100.0	410	100.0	455	100.0
(E-Commerce Support Business)	419	82.9	363	80.0	338	82.5	344	75.7
(Engineering Business)	86	17.1	90	20.0	71	17.5	110	24.3
Cost of sales	238	47.1	222	48.9	203	49.5	225	49.4
Gross profit	267	52.9	231	51.1	207	50.5	230	50.6
SG&A expenses	277	54.8	253	55.8	238	58.0	224	49.3
Operating profit	△9	△1.9	△21	△4.7	△30	△7.5	5	1.3
Permanent employees*1	147	—	142	—	139	—	129	—
Non-permanent employees*2	14	—	14	—	12	—	10	—

*1 Number of regular employees and executive officers as of the last day of each quarter

*2 Number of fixed-term employees, part-time employees, re-employed post-retirement employees, and dispatched employees as of the last day of each quarter

Comparison between Revised Full-Year Consolidated Earnings Forecast and Results

- Net sales fell 5.5% to ¥1,825 million due to a greater-than-expected decline in the total number of accounts using the service and sluggish growth in contract development revenue for enterprise systems.
- Although costs were lower than expected due to the promotion of management efficiency including higher operational efficiency and adequate personnel reallocation, they were not enough to offset the decline in sales, and operating profit and ordinary profit fell short of their targets.
- Profit attributable to owners of the parent fell far short of the forecast due to an extraordinary loss of ¥241 million in impairment loss and ¥80 million in income taxes-deferred.

● Comparison between FY24 Results and Revised Forecast

(Unit: million yen)

	FY24 Full-year consolidated earnings results	FY24 Full-year consolidated earnings forecast (5/14/2024_Revised forecast)	Comparison	
	Result	Forecast	Change (yen)	Change (%)
Net sales	1,825	1,932	△106	△5.5%
Operating profit	△56	13	△69	—
Ordinary profit	△58	11	△69	—
Profit attributable to owners of the parent	△393	△5	△388	—

Balance Sheet (Year on Year)

- Cash and deposits decreased by ¥290 million mainly due to loan repayments and investment in software development.
- Intangible assets decreased by ¥280 million due to impairment loss on software, etc.

(Unit: million yen)

	FY23 year-end consolidated	FY24 year-end consolidated	Change
Cash and deposits	1,200	910	△290
Accounts receivable-trade and Contract assets	216	199	△17
Other current assets	77	67	△9
Total current assets	1,494	1,177	△316
Property, plant, and equipment	46	27	△19
Intangible assets	487	206	△280
Investments and other assets	226	130	△96
Total non-current assets	760	364	△396
Total assets	2,254	1,541	△712

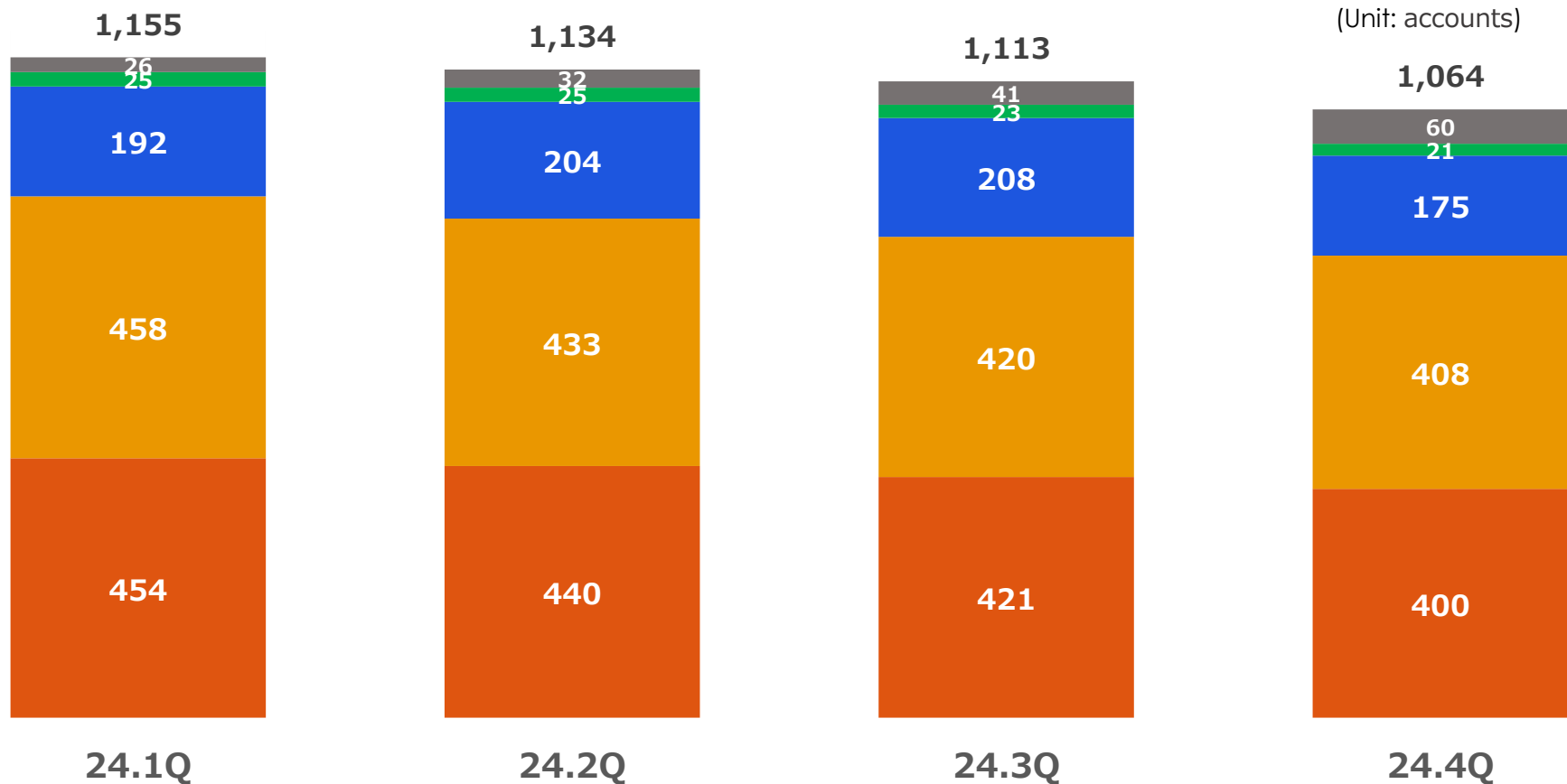
	FY23 year-end consolidated	FY24 year-end consolidated	Change
Accounts payable-trade	72	47	△25
Other current liabilities	653	492	△161
Non-current liabilities	436	301	△135
Total liabilities	1,163	840	△322
Capital stock	386	386	-
Capital surplus	376	377	1
Retained earnings	875	481	△393
Treasury shares	△583	△582	1
Stock acquisition rights	37	34	△2
Non-controlling interests	-	2	2
Total net assets	1,091	700	△390
Total liabilities and net assets	2,254	1,541	△712

2. Results by Service

Number of Accounts (Quarterly)

- The number of accounts continues to decline for both Subsc-Store and Tamago Repeat.
- The number of accounts for Subsc-@ increased through 3Q, but declined in 4Q due to some client defections.

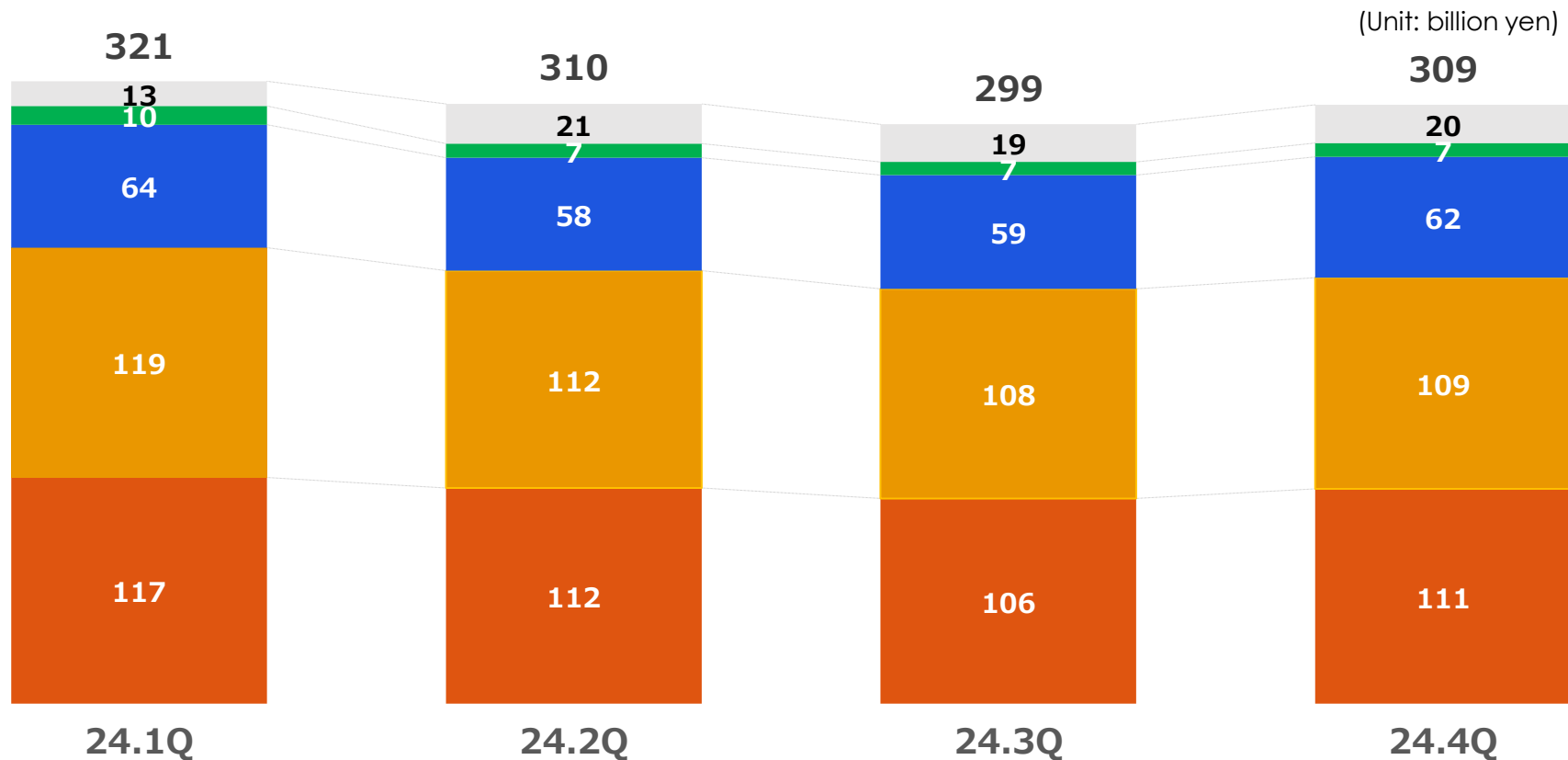
■ Subsc-Store ■ Tamago Repeat ■ Subsc-@ ■ Subsc-Store B2B ■ Other



GMV by Client Segment (Quarterly)

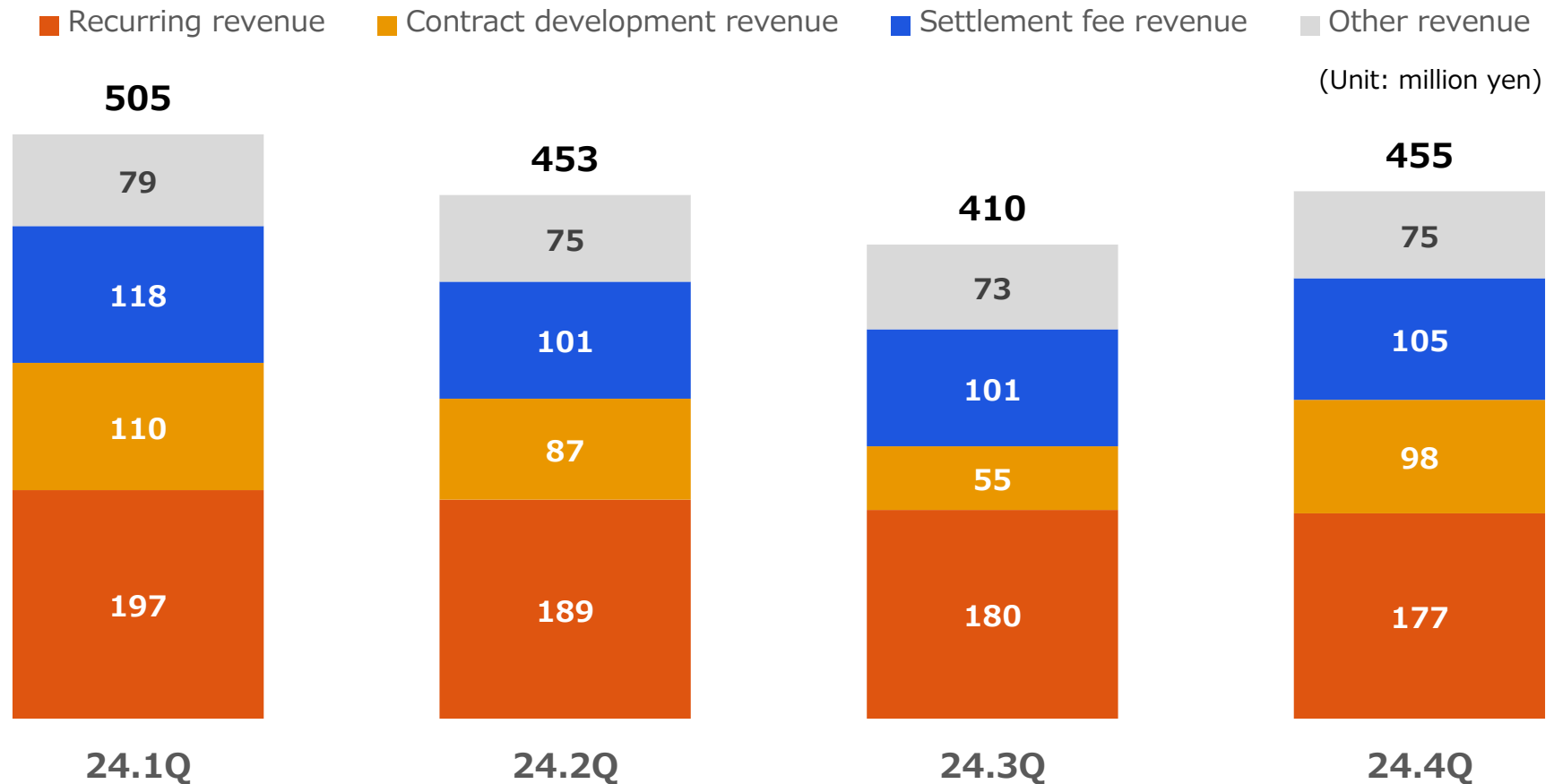
- Despite a decrease in the number of accounts, the amount of each quarter remained around ¥31.0 billion.

■ Cosmetics, pharmaceuticals ■ Health foods ■ Food, alcoholic/non-alcoholic beverages ■ Household/interior goods, furniture ■ Other



Changes by Nature of Revenue (Quarterly)

- Recurring revenue is declining due in part to a decrease in the number of accounts for Subsc-Store and Tamago Repeat.
- Although development projects for Subsc-Store B2B slowed down, contracted system development services in the Engineering Business recovered, leading to a recovery trend in the 4Q.
- Settlement fees showed a recovery trend from 3Q to 4Q in harmony with GMV.



3. Policy for FY2025

FY2025: Earnings Forecast

- In the fiscal year ending September 30, 2025, we aim at re-growth by increasing sales and profit and entering the black for the full year.

● FY25 2Q Forecast

(Unit: million yen)

	FY24 2Q Results	FY25 2Q Forecast	Change (yen)	Change (%)
Net sales	959	917	(41)	(4.3%)
Operating profit	(31)	3	35	—
Ordinary profit	(32)	1	34	—
Profit attributable to owners of the parent	(26)	(6)	20	—

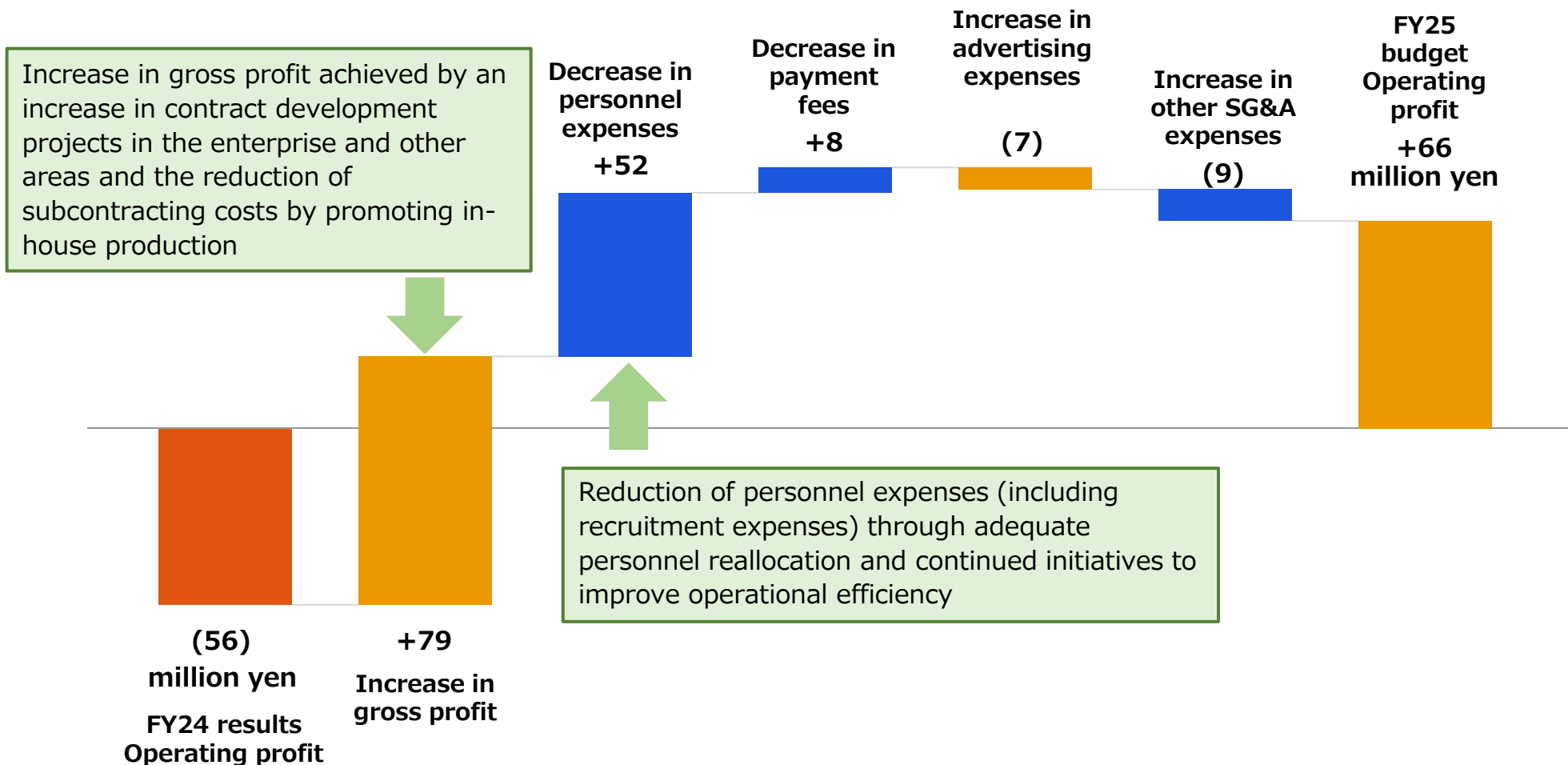
● FY25 full year forecast

(Unit: million yen)

	FY24 full year results	FY25 full year Forecast	Change (yen)	Change (%)
Net sales	1,825	1,918	92	5.1%
Operating profit	(56)	66	123	—
Ordinary profit	(58)	63	121	—
Profit attributable to owners of the parent	(393)	32	425	—

Factors Causing Increase or Decrease in Operating Profit: Comparison of FY2024 Results and FY2025 Forecast

To achieve the full-year profit target for the fiscal year ending September 30, 2025, we will work to increase the number of contract development projects in the enterprise and other areas, and to reduce costs through ongoing cost structure reviews and productivity improvements.



Management Policy for FY2025

- FY2025: Taking into account past growth strategies, we will revise and implement focus points to increase revenue and improve profitability

Management Policy for FY2024

The growth strategy set forth in the medium-term management plan
[Expansion of Target Areas]
[Expansion/ Enhancement of Subscription Business Value Chain]

We will increase revenue and improve profitability
by working on the following focus points

- (1) Development and sales of new SaaS products
- (2) Strengthening of the rebranding of Tamago Repeat and Subsc-Store
- (3) Transformation to leaner organization

Management Policy for FY2025

<Three Basic Strategies>

- (1) Provide services in **new business areas**
- (2) **Enhance** existing services **and sales promotion**
- (3) **Maximize value** through the reinforcement of collaboration on a TEMONA Group-wide basis

We will increase revenue and improve profitability by working on these focus points

(1) Provide Services in New Business Areas

○ Background

In recent years, an increasing number of businesses have entered the EC/subscription business, but many of these businesses face a variety of challenges, including lack of funds, poor know-how in the subscription business, and shortage of human resources. As a result, providing only cart systems and SaaS services to these businesses is no longer sufficient, and needs of these businesses are changing. Therefore, it is necessary to provide new value beyond the scope of cart systems and SaaS.

○ Policy for FY2025

- Launch new area services, including Subsc-credit, Kikitoku (equipment subscription for Subsc-credit)
- Combine existing services to create synergies in service value
Subsc-Store, Tamago Repeat Tamashii x BC Mall (EC Mall for Osteopathic Clinics)

We will aim to increase revenue by providing new area services and "cross-servicing."

(2) Enhance Existing Services and Sales Promotion

○ Background

The rebranding of our main services, "Subsc-Store" and "Tamago Repeat Tamashii," was completed to clarify the difference between service types and targets. In addition, as we have completed the expansion of peripheral services such as "ECield" and "TEMOCHA" which are essential for the expansion of the subscription business, it is necessary to focus on enhancement of existing services and sales promotion.

○ Policy for FY2025

- Functional updates of our core services "Subscription Store" and "Tamago Repeat Tamashii" (throughout the year)
- Functional updates of peripheral services "ECield" and "TEMOCHA" (throughout the year)
- Improvement of profit structure of "Subsc-@" service for brick-and-mortar stores (from April 2025)

Aim to improve client satisfaction and lower the cancellation rate while promoting the acquisition of new accounts, and improve profitability in the medium to long term

(3) Maximizing Value through the Reinforcement of Collaboration on a TEMONA Group-wide Basis

○ Background

In the fiscal year ended September 30, 2024, we implemented a review of human resource investment in unprofitable businesses as well as the improvement of operational efficiency and achieved some results. It is necessary to continue the cost structure reviews and productivity enhancements.

○ Policy for FY2025

- Aim to enhance productivity and bring costs to appropriate levels by increasing the mobility of personnel within the TEMONA Group and continuing the business processes reviews.
- Proceed to maximize service value at optimum costs by stepping up service provision and business collaboration on a TEMONA Group-wide basis.

Aim to improve profitability by undertaking ongoing initiatives

TEMONA

サブスクで世の中を豊かに

Appendix

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1 . About Us

Company Overview

The expansion of subscriptions will help to realize a prosperous world in which many businesses will continue to provide essential, high-value services and pursue customer satisfaction.

Our Purpose is to “enrich the world with subscriptions” by supporting businesses with our subscription-specific technology and expertise.

About the Company

Company name	TEMONA. Inc.
Established	October 2008
Capital	¥386.42 million
Representative	Hayato Sagawa, president & representative director
Headquarters	2-12-19 Shibuya, Shibuya-ku, Tokyo
Employees	129 (as of September 30, 2024)

Main services provided

サブスクストア



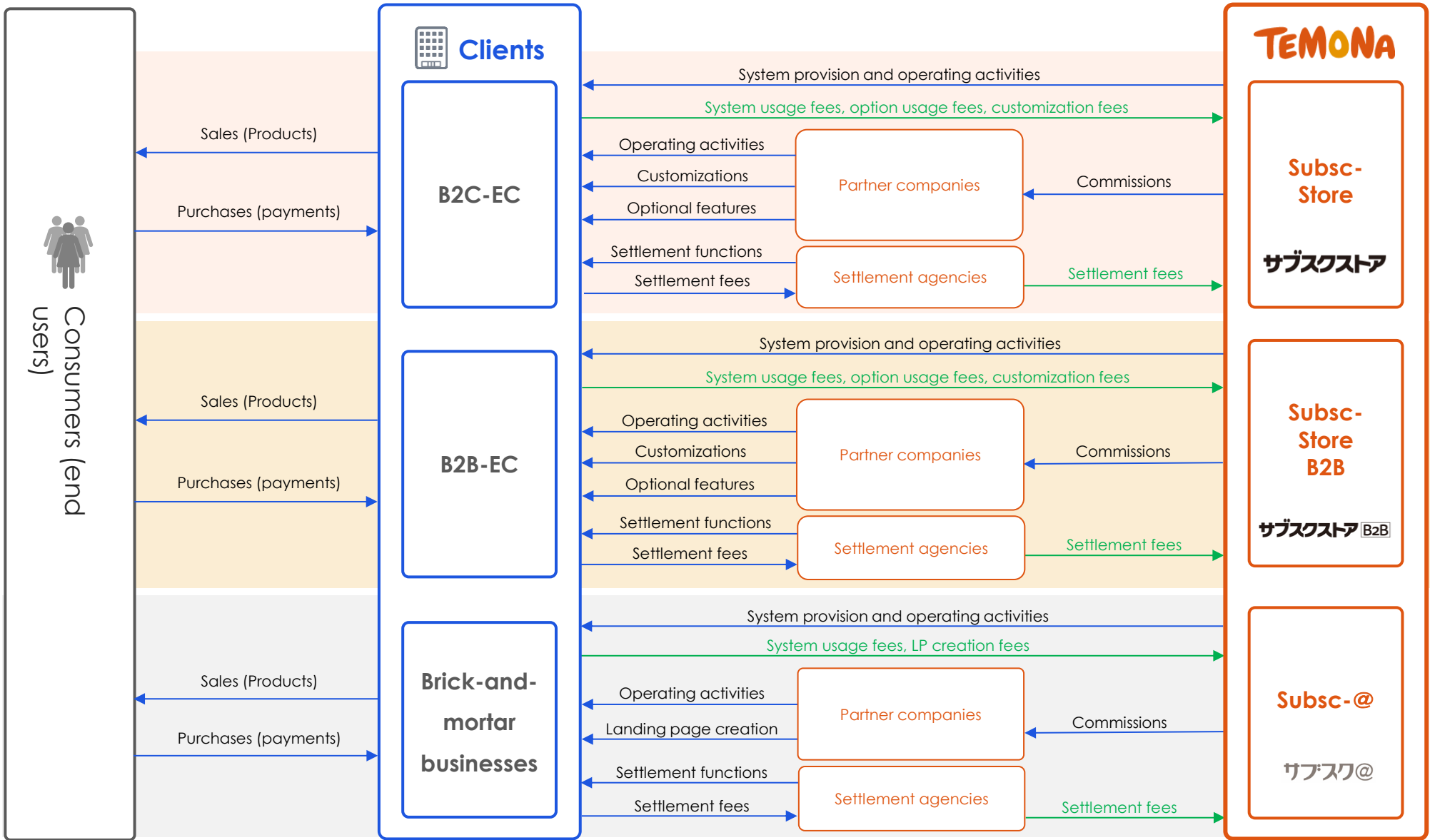
サブスクストア B2B



サブスク@



Business System Chart



Service Overview: Subsc-Store

サービス一覧 ▾ サブスク成功ノウハウ ▾

サブスクストア

定期通販カートの特徴 料金プラン 導入事例 導入までの流れ よくあるご質問 お問い合わせ > 資料請求 >

市場シェア **No.1** ※1
年間取引総額 **1,523** 億円 ※2
導入アカウント数 **1,000** 以上 ※3

サブスク・D2C・定期通販/単品通販やるなら
業界シェアNo.1のサブスクストア

売上げアップと業務効率化を専任コンサルタントが支援

お問い合わせ > 資料請求 >

B2B向け
定期通販カート >
サービスはこちら

※対象:「サブスクストア」「たまごレポート」「ヒキアゲール」「サブスクストアB2B」の合計アカウント数

Subsc-Store is a cloud-based system that enables users to centrally manage regular purchase systems/carts for the kind of product and customer management required for single-item e-commerce, D2C, and subscription businesses.

サブスクストア

Pricing plans (not incl. tax)	
Standard Plan	¥49,800 per month
Premium Plan	¥79,800 per month
Expert Plan	Varies depending on development work required

サービス概要／たまごリピート魂

できないことは、
もう**何も**ない。

マニアックすぎて使い手を選ぶ、
プロ事業者専用D2Cリピート通販システム

資料請求・お問い合わせ



Tamago Repeat Tamashii is a cloud-based mail-order system that is tailor-made for subscription business. By modernizing aging functions of the previous Tamago Repeat, making speed improvements, and adding technological functions, it will solve all the problems of the single-item mail-order sales and the D2C business.

Pricing plan (not incl. tax)	
ASP Plan	¥49,800 per month
Gold Plan	¥79,800 per month



Service Overview: Subsc-Store B2B



サブスクストア B2B

サービス一覧 ▾ サブスク成功ノウハウ ▾

機能概要 導入事例 ご利用の流れ よくあるご質問 お問い合わせ・資料請求 >

面倒なBtoB取引業務をWeb化！

BtoB EC、法人・卸の
受発注業務を効率化！
やるなら
サブスクストア B2B

お問い合わせ・資料請求 >

B2C向け
定期通販カート
サービスはこちら >

項目	数値
本日注文/契約	0
注文	1
本日出荷予定	1065
出荷待ち	0
発注済注文/契約	0
発注済注文/契約	0

注文/契約ステータス	数値
未入金	146
出荷待ち	1883
出荷済	640
出荷作業中	1603
配達済み	0
キャンセル	4
継続定期	11
出荷停止	307

過去1ヶ月の売上推移

販売1ヶ月の売上推移

Subsc-Store is a one-stop operations support tool for B2B subscription businesses in a wide range of industries. Suitable for wholesale, professional and consulting services, property rental, maintenance services, group membership fee subscriptions, etc.

サブスクストア B2B

Pricing plan (not incl. tax)

¥79,800 per month

Service Overview: Subsc-@

Subsc-@ is a cloud system dedicated to supporting brick-and-mortar store subscriptions. Features include subscriber perk and discount voucher issuance, subscriber management, payment settlement, and store visit reservations, as well as notifications to encourage subscribers to visit stores.

サブスク@

Pricing plan

Please contact us for details

Disclaimer

Information provided in these briefing materials includes forward-looking statements based on plans, estimates, and forecasts regarding our business and industry trends as of the time of writing.

Such forward-looking statements are inherently subject to various risks and uncertainties. Known and unknown risks, uncertainties, and other factors may cause actual performance and financial results in future periods to differ materially from projections of future performance or results expressed in the forward-looking statements.

The actual performance and financial results of the Company in future periods may differ materially from the forward-looking statements contained in these briefing materials.

The forward-looking statements set forth by the Company in these briefing materials are based on information available as of Nov 26, 2024. The Company undertakes no obligation to update or revise forward-looking statements to reflect future events and circumstances.

Contact

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