

Q2 FY2023

Financial Results

Presentation Materials

August 10, 2023



Safie Inc.

TSE : 4375

Agenda

1. Company and Business Overview
2. Q2 FY2023 Financial Results
3. Business Update

Appendix

1. Company and Business Overview

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2. Q2 FY2023 Financial Results

3. Business Update

Appendix

Company overview

At a Glance

Established

October 2014

Number of employees (as of Jul. 2023)※¹

394

ARR (as of end-Jun. 2023) ※²

¥8,091 million

Number of billing cloudcams
(as of end-Jun. 2023) ※³

207 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 for the current month based on the contract with continuous billing as of the end of the applicable month (including sales through sales partners).

※³ Billing cloudcam is the number of cloudcams in operation that is fee-charging for each quarter. It does not represent the number of cloudcams sold in each quarter.

Overview of Products & Services

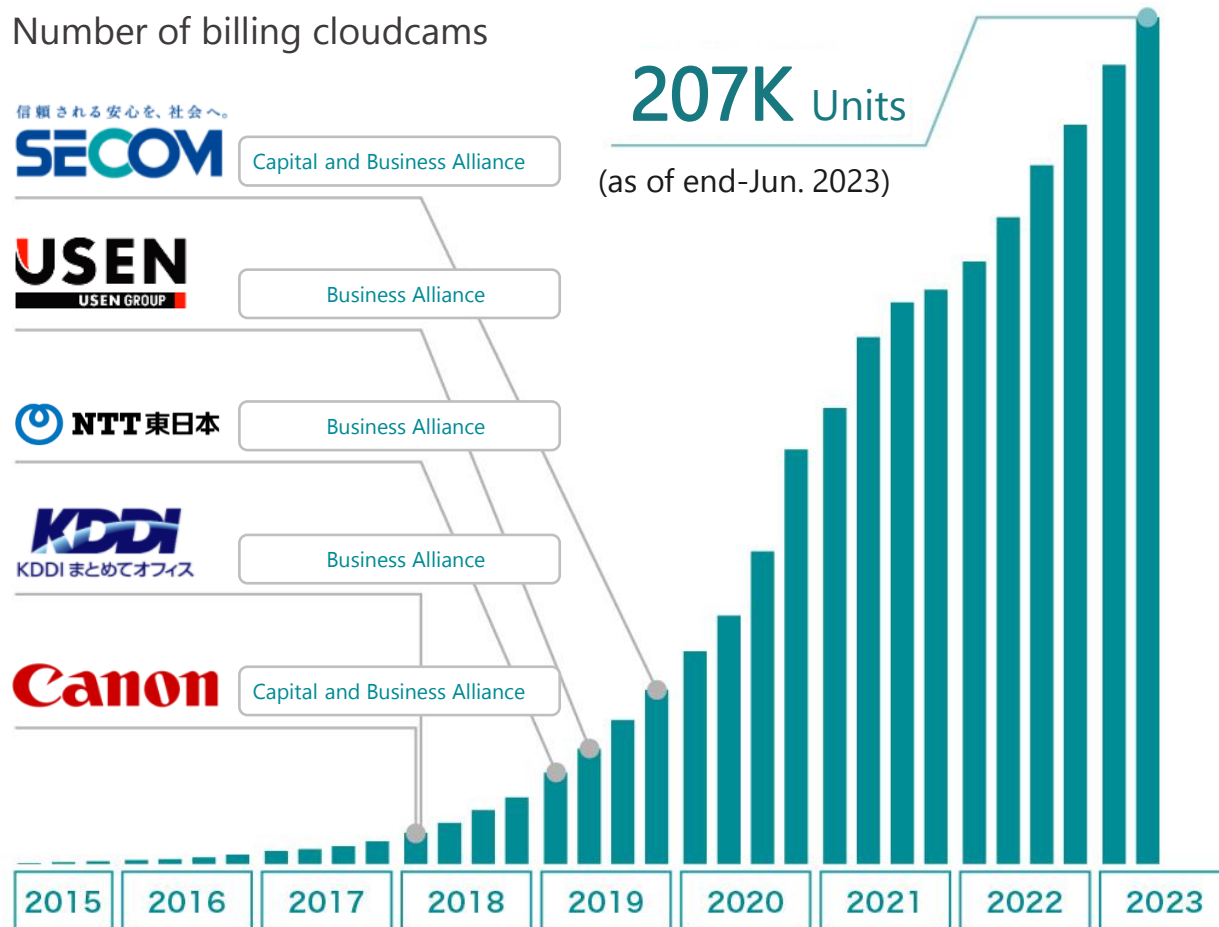


1. Cloud-driven camera OS
2. Powerful security
3. High quality UI/UX
4. Highly scalable platform

History and market share

Billing Cloudcams and Major Business Alliances

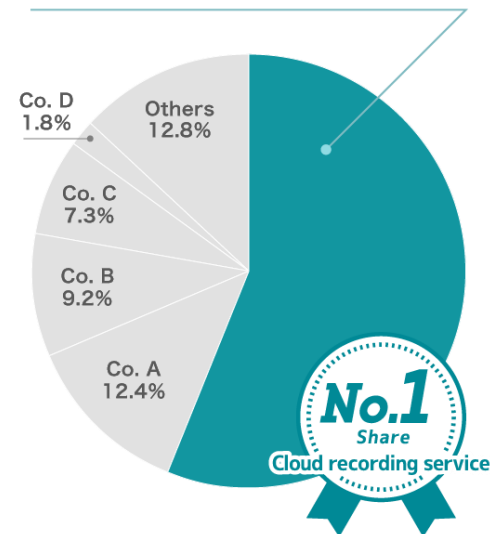
Number of billing cloudcams



Market Share

Market share of cloud monitoring and video recording services ※

safie 56.4%
(2022)



※ Source: Techno Systems Research report of "Cloud recording service market research of network camera (2022)". Cloud monitoring and video recording service is defined as a cloud service that uses network cameras and provides monitoring and/or recording as a paid service. Market share is based on the number of registered camera s by engine.

Our Client: Track record of large enterprises (Examples)

Retail/Service



Other Store Operators, etc.



Restaurant/Services



Manufacturing etc.



Construction



Security



Infrastructure/Public Utility



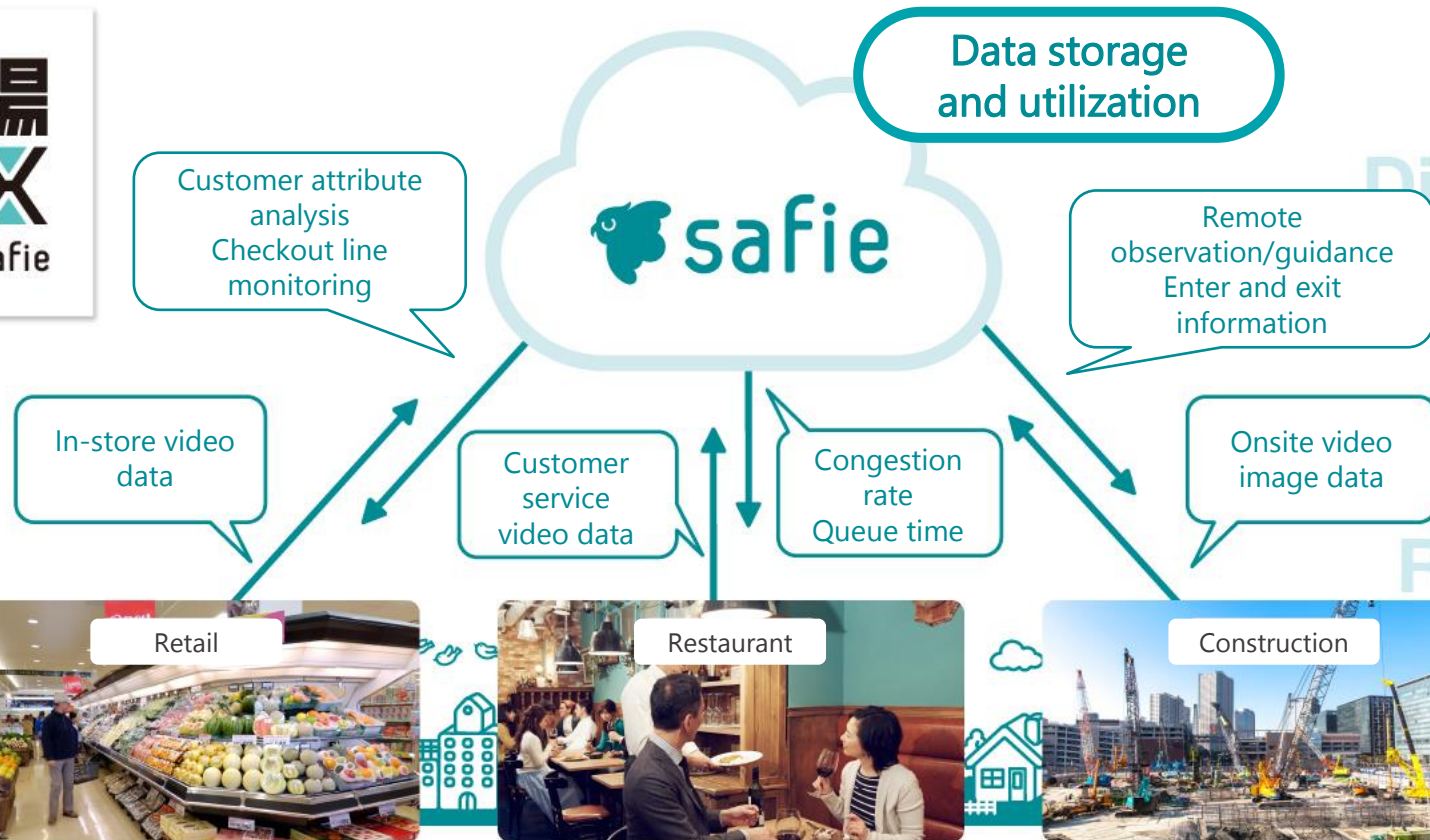
Office Buildings



Logistics



Leverage video data to drive onsite DX across industries

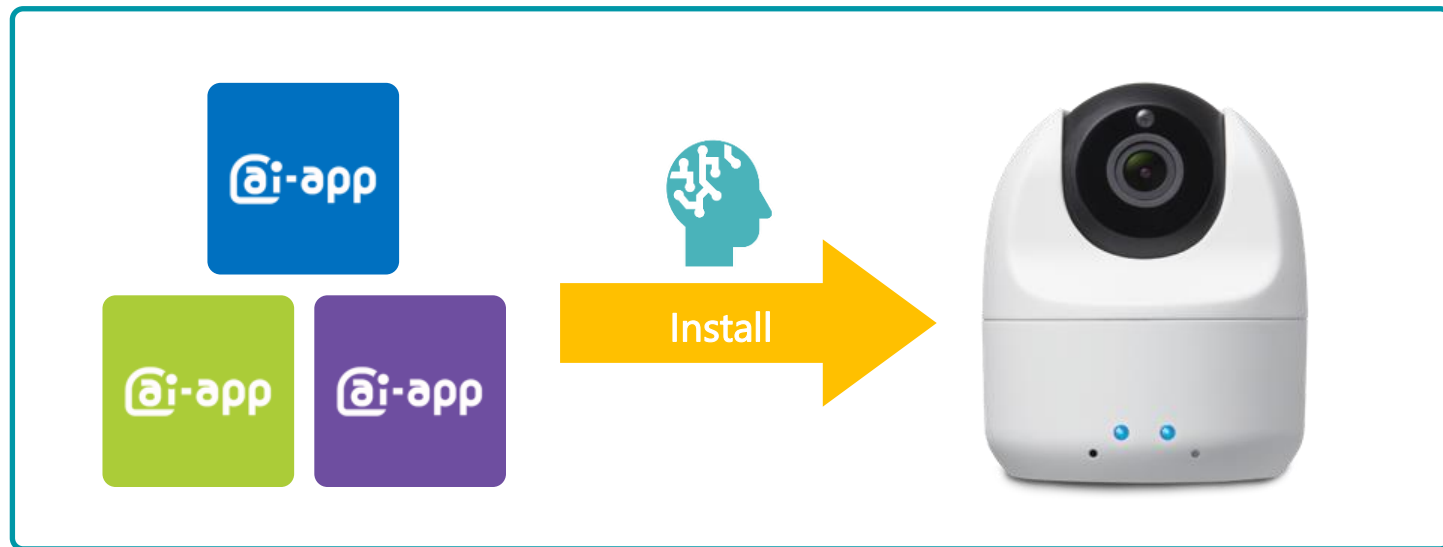


Safie's Vision: Create a better future with intelligent vision

Safie's product: A Cloudcam That Gets Smarter (1 of 2)

A Cloudcam that "gets smarter"

Embedded with quad-core processor. The edge-AI-enabled cloudcam app (AI-app) is tuned to each customer's use case



Safie's product: A Cloudcam That Gets Smarter (2 of 2)

@i-app

Store management solution for managers "Store People Detection Pack"

Detecting people in
a pre-defined area



Detecting when
standing in a pre-
defined area



Counting people who
pass specific line



Counting number
of people



Counting people in
a pre-defined area

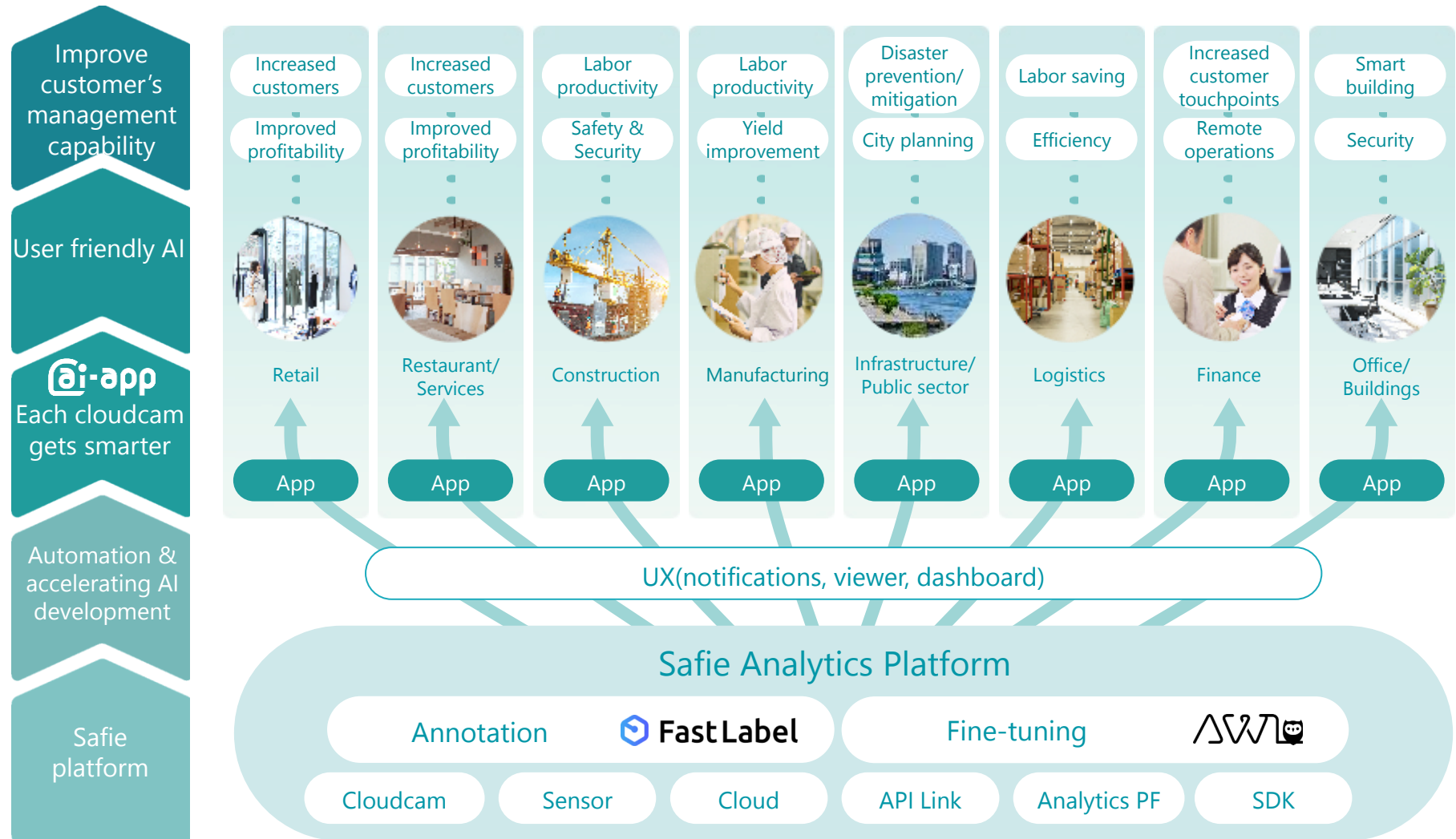


Counting number
of people



Diverse range of applications for various needs and industries

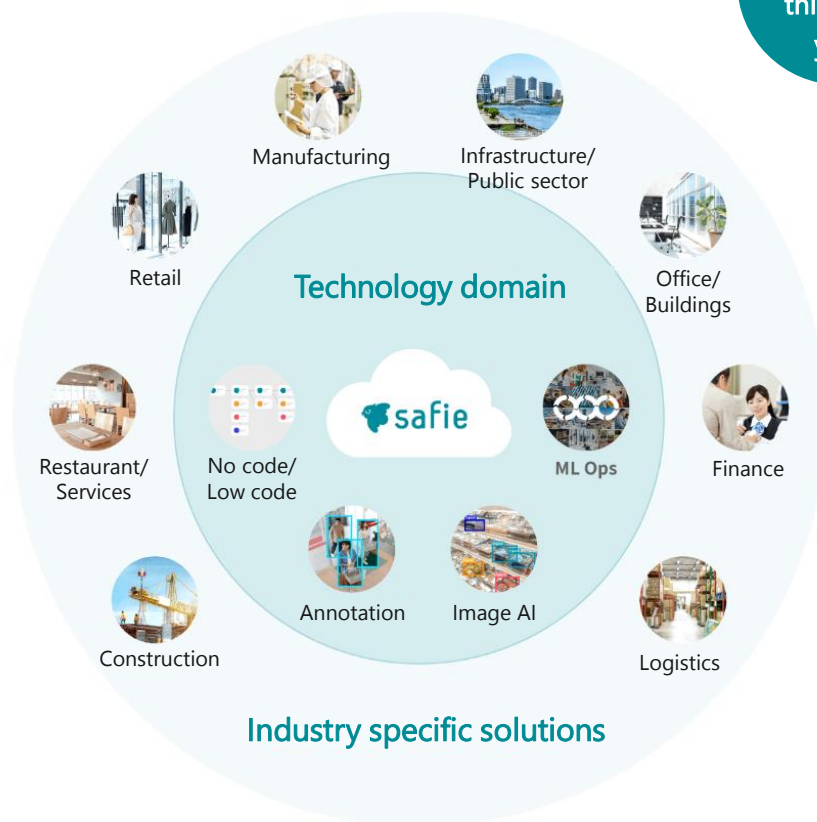
- ✓ Speedy rollout of diverse application is pursued by accelerating automated AI development and optimization



Investments to drive value enhancement of Safie's Video Platform

safie ventures

3 new
investments
this fiscal
year



TIMELEAP

Remote customer service

Remote customer interface to serve maximum number of stores with minimal staffing



Drone

Infrastructure inspection and maintenance management solutions using one of the world's smallest drones and data analytics



Liberaware
CO.,LTD.

Viagate

Marketing platform

Developing and providing a marketing platform that measures and quantifies eye movement and facial expressions using smartphone cameras



※Investment from Safie Inc.

Investments to date



Edge AI/MLOps

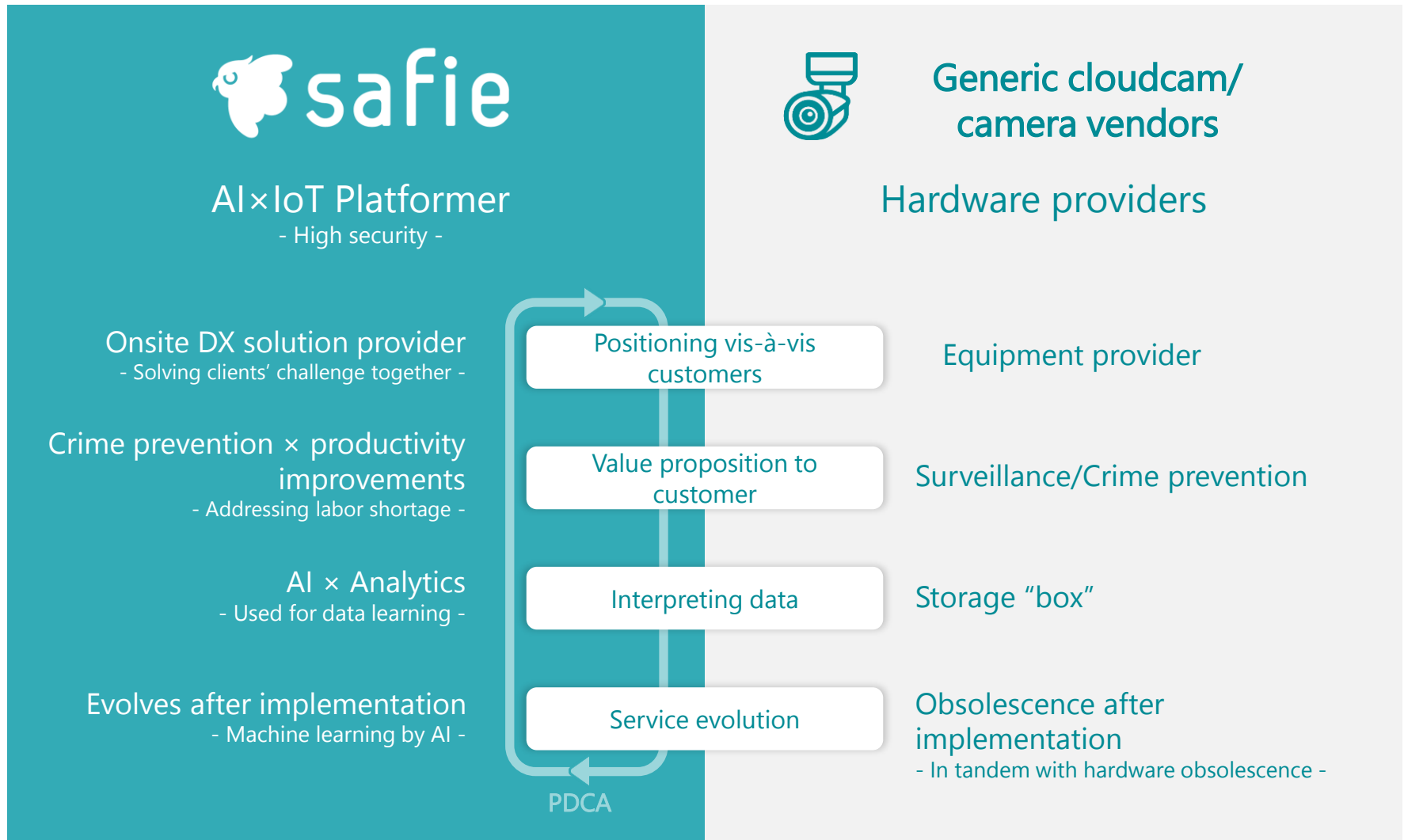
FastLabel

Annotation

MUSVI

IoT device
(Telepresence system)

Safie is a platformer with Onsite DX solutions



2. Q2 FY2023 Financial Results

1. Company and Business Overview
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 3. Business Update
- Appendix

KPI Highlights

ARR reached **¥8.0 bn** (up 27.1% YoY) and billing cloudcams reached 207K units (up 31.0% YoY)

ARR (YoY changes)

- Growth was driven mainly by direct sales which grew 27.1% YoY

Number of Billing Cloudcams (YoY changes)

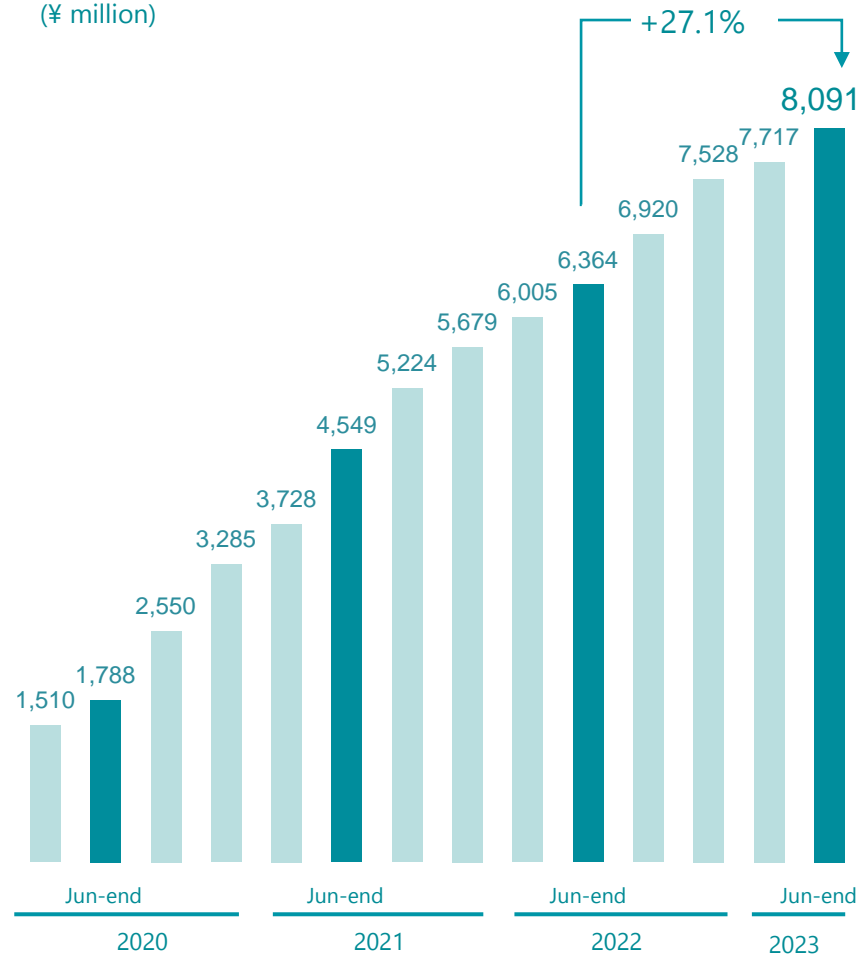
- Safie PRO trended solidly in both direct sales and wholesale channels. The growth is lead especially by large enterprises sales through direct channel
- Safie GO/Pocket units stalled due to seasonal factors

Trend of ARR and Billing Cloudcams

✓ ARR exceeded ¥8.0 bn and billing cloudcams reached 207 K units

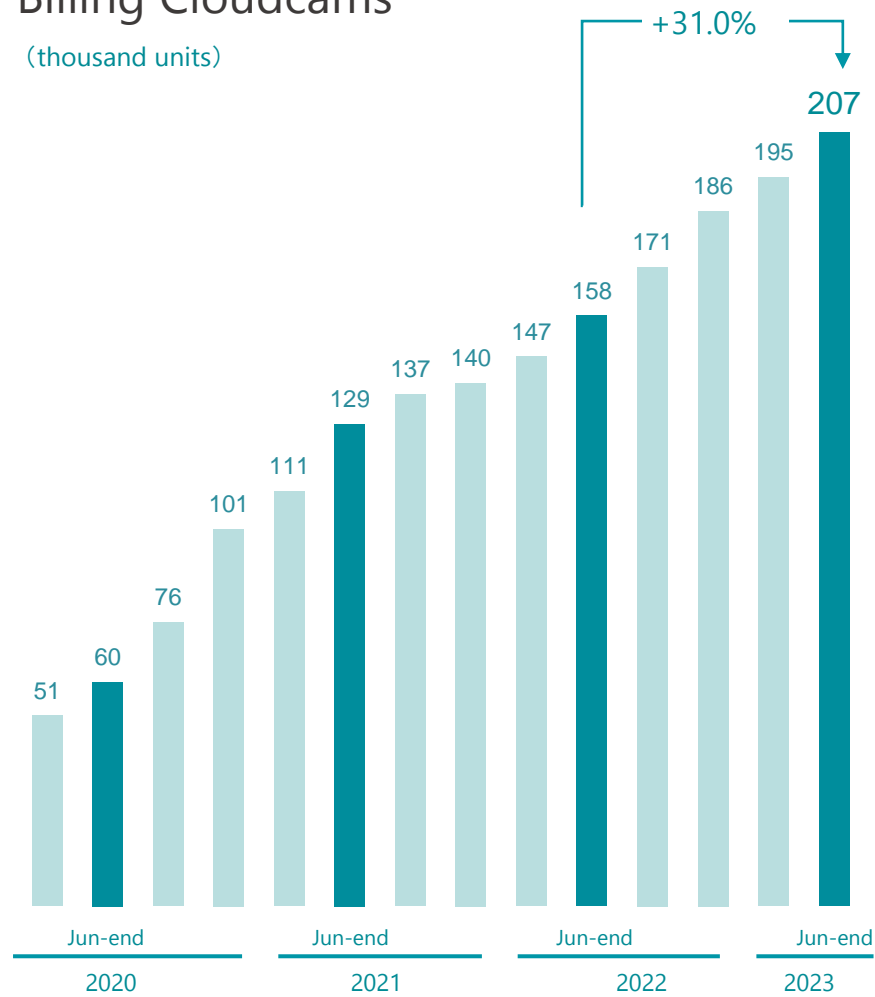
ARR

(¥ million)



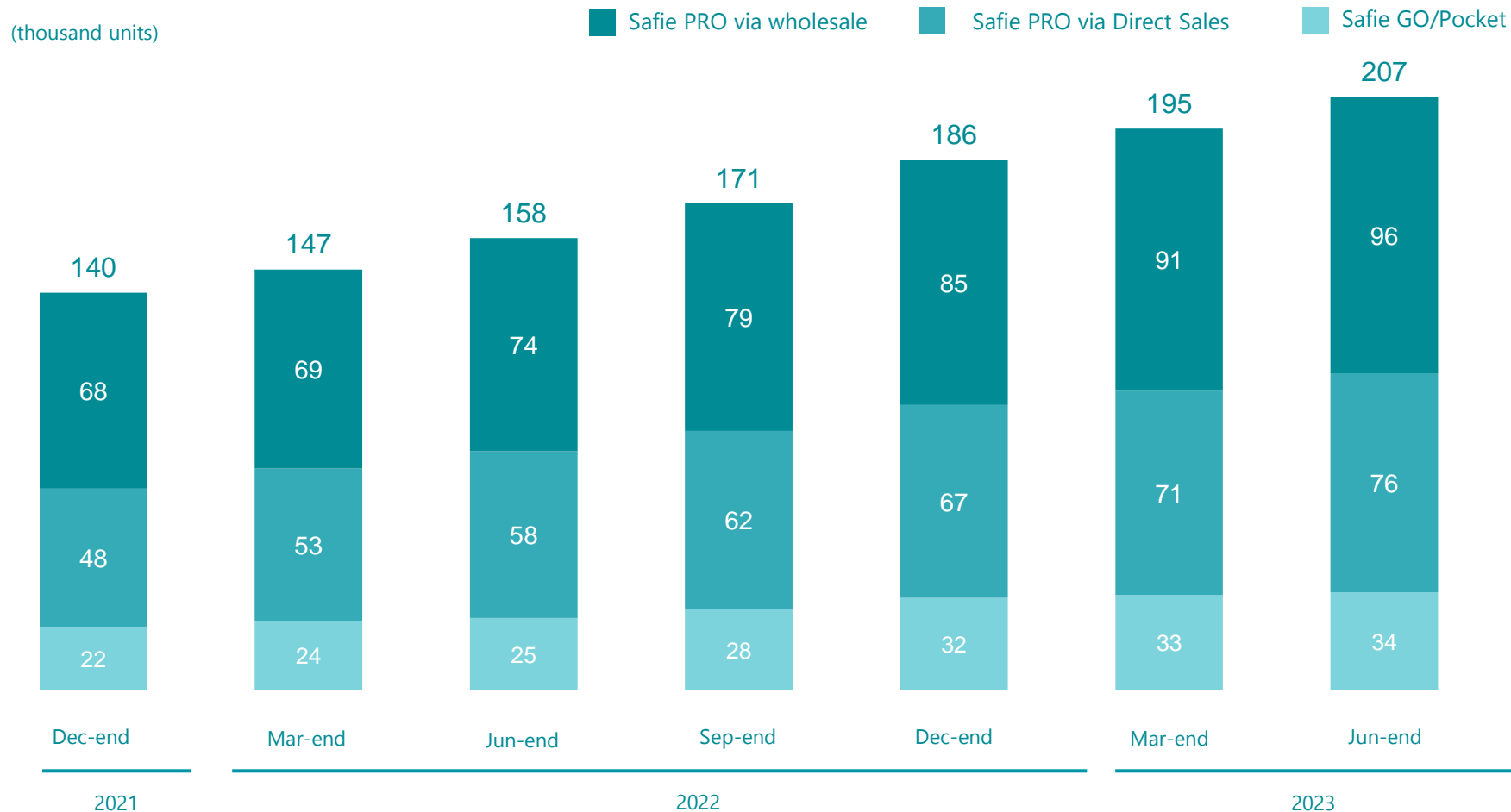
Billing Cloudcams

(thousand units)



Trend of Billing Cloudcams by Sales Channel

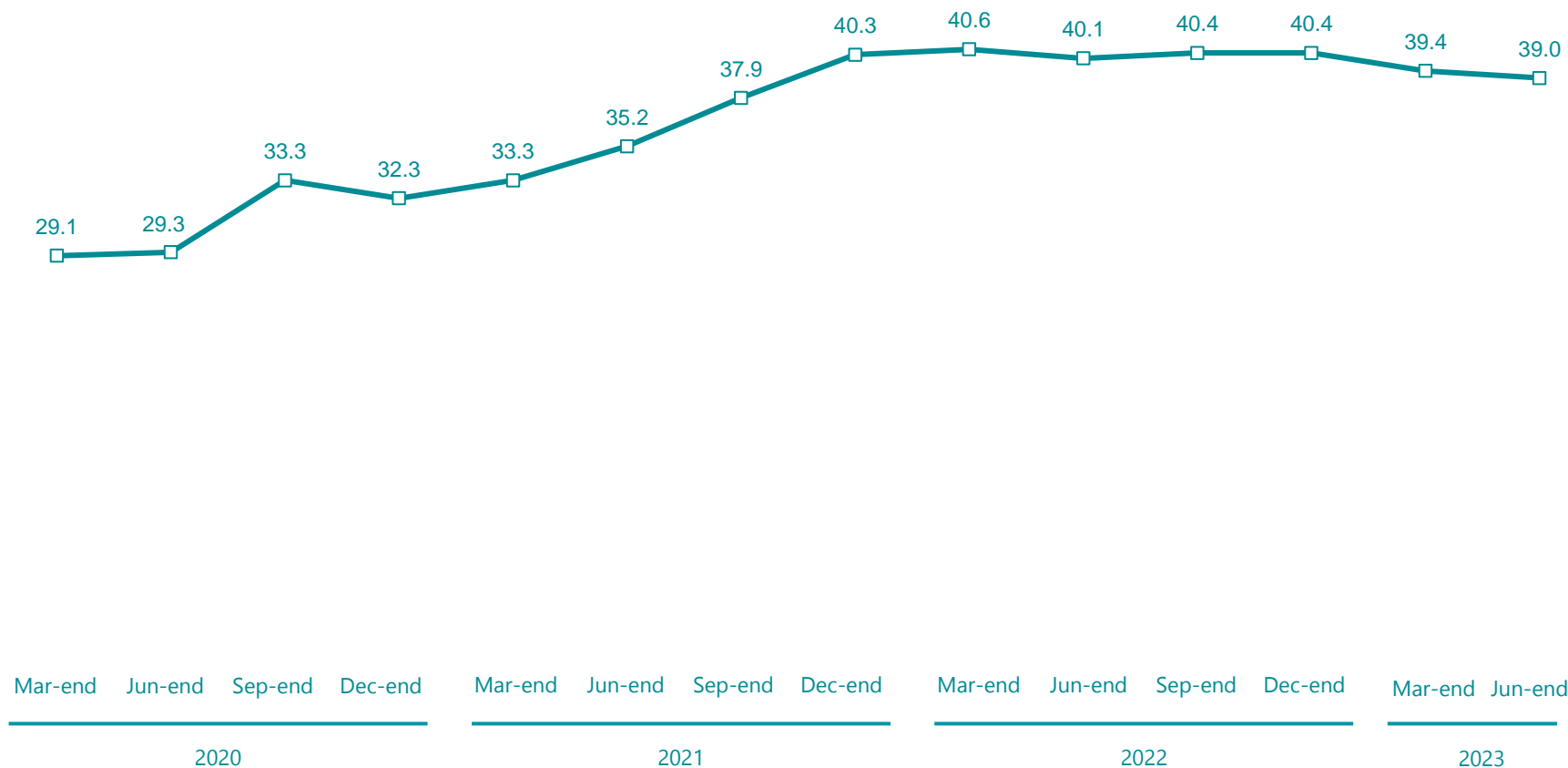
- ✓ Safie PRO trended solidly in both direct sales and wholesale channels
The growth is lead especially by large enterprises sales through direct channel
- ✓ Safie GO/Pocket units stalled due to seasonal factors



Trend of ARPC (Average Revenue per Camera)^{※1}

✓ ARPC remained flat despite the decline in proportion of high unit price Safie GO/Pocket

(¥ thousand)



※1 : ARPC: Average Revenue per camera。 ARPC=ARR ÷ Nos. of billing cloudcams

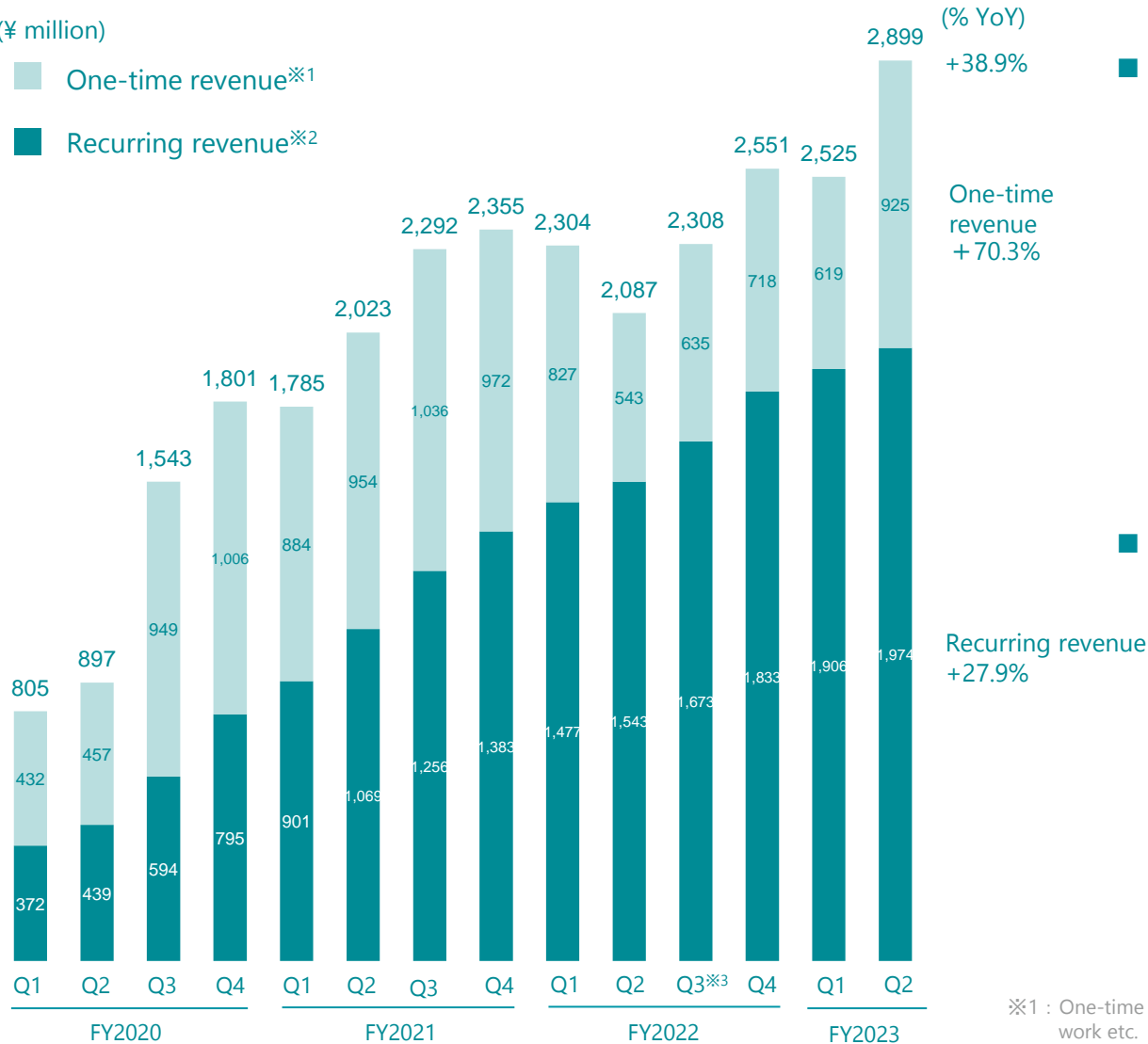
Q2 FY2023 Financial Results Highlights

- Revenue for this Q2 was **¥2.8 bn**, **up 38.9% YoY** and **up 14.8% QoQ**
 - One-time revenue was **up 70.3% YoY**
 - Recurring revenue was **up 27.9% YoY**
- Gross profit was **¥1.39 bn** and gross profit margin was **47.9%**
 - Gross profit grew significantly although gross profit margin declined due to lower proportion of high-margin recurring revenue
- Operating losses shrunk YoY to reach **¥256 million**
 - There were mainly investment in marketing activities to pursue further industry penetration, investment in human capital investment including hiring, and office relocation expenses

Revenue Trend

(¥ million)

■ One-time revenue※1
■ Recurring revenue※2



■ One-time revenue improved to ¥925 mil thanks to large-scale project

- The growth of one-time revenue of this Q2 was mainly lead by cloudcam sales and camera set up (construction) work

■ Recurring revenue reached ¥1,974 mil

- An increase of ¥431 YoY mil (up 27.9%)
- An increase of ¥68 mil QoQ (up 3.6%)

※1 : One-time revenue includes merchandise and camera set up construction work etc.

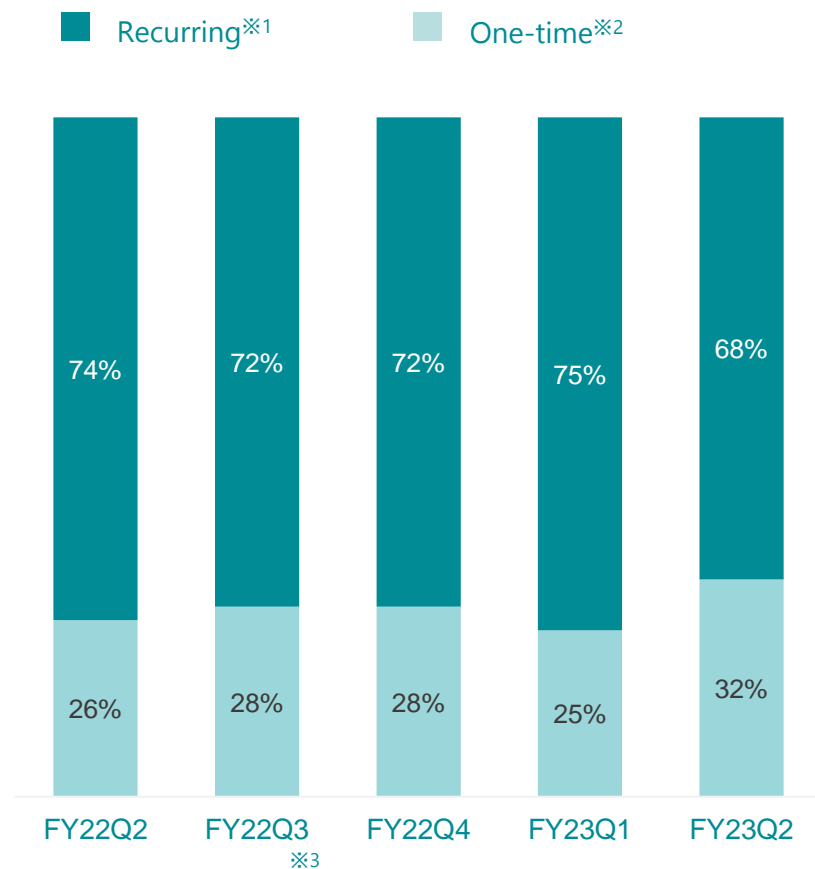
※2 : Recurring revenue includes cloud, applications, rental and SIM, etc.

※3 : Reporting on a consolidated basis from Q3 FY2022

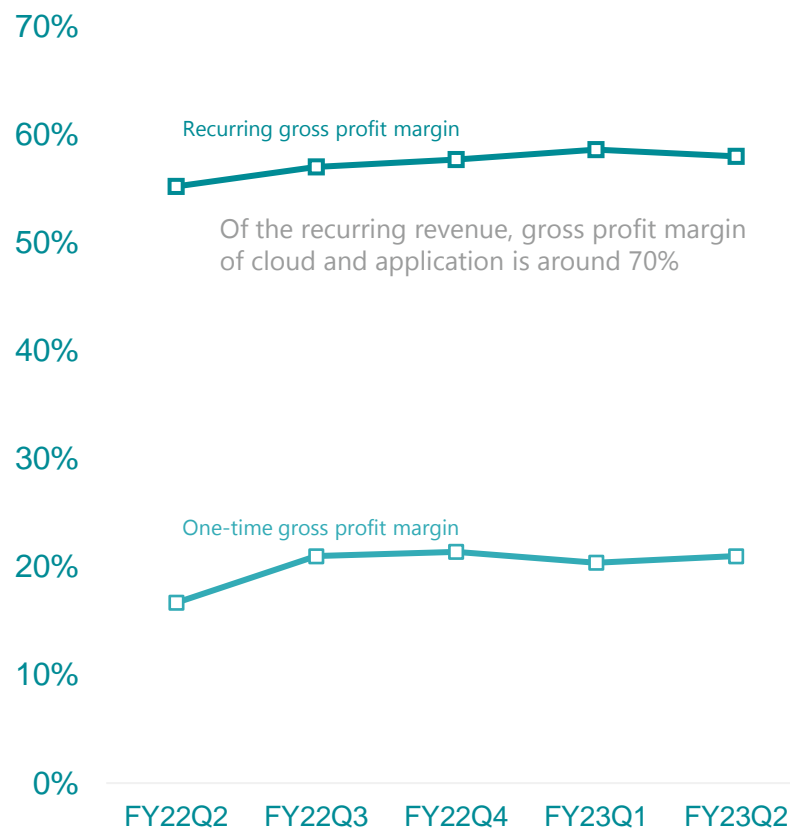
Revenue breakdown and gross profit margin of one-time and recurring revenue

✓ The proportion of high-margin recurring revenue declined

Revenue Breakdown (Quarterly)



Trend of Gross Profit Margin

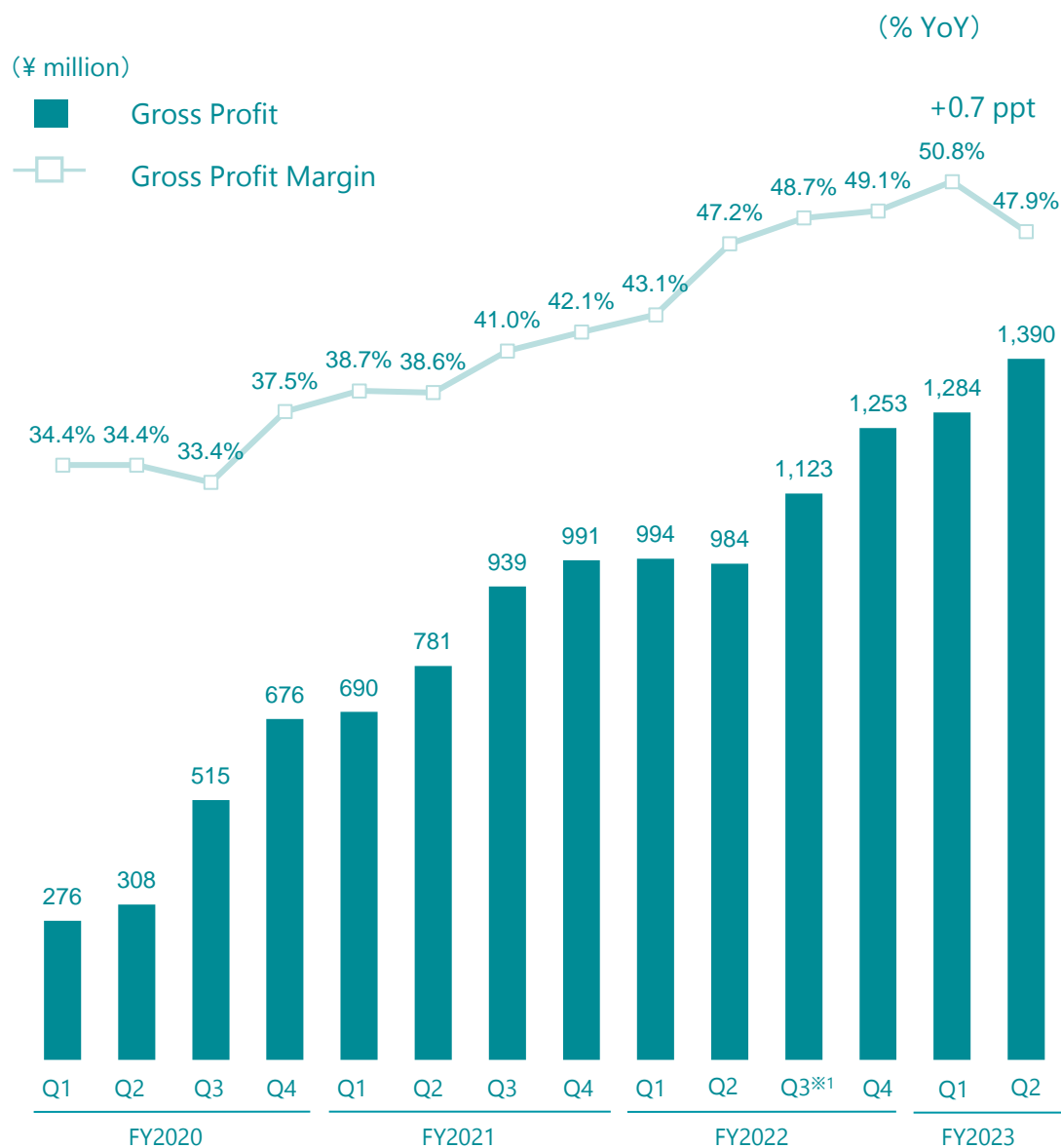


※1 : Recurring revenue includes cloud, applications, rental and SIM, etc.

※2 : One-time revenue includes merchandise and camera set up (construction) work, etc.

※3 : Reporting on a consolidated basis from Q3 FY2022

Gross Profit Trend



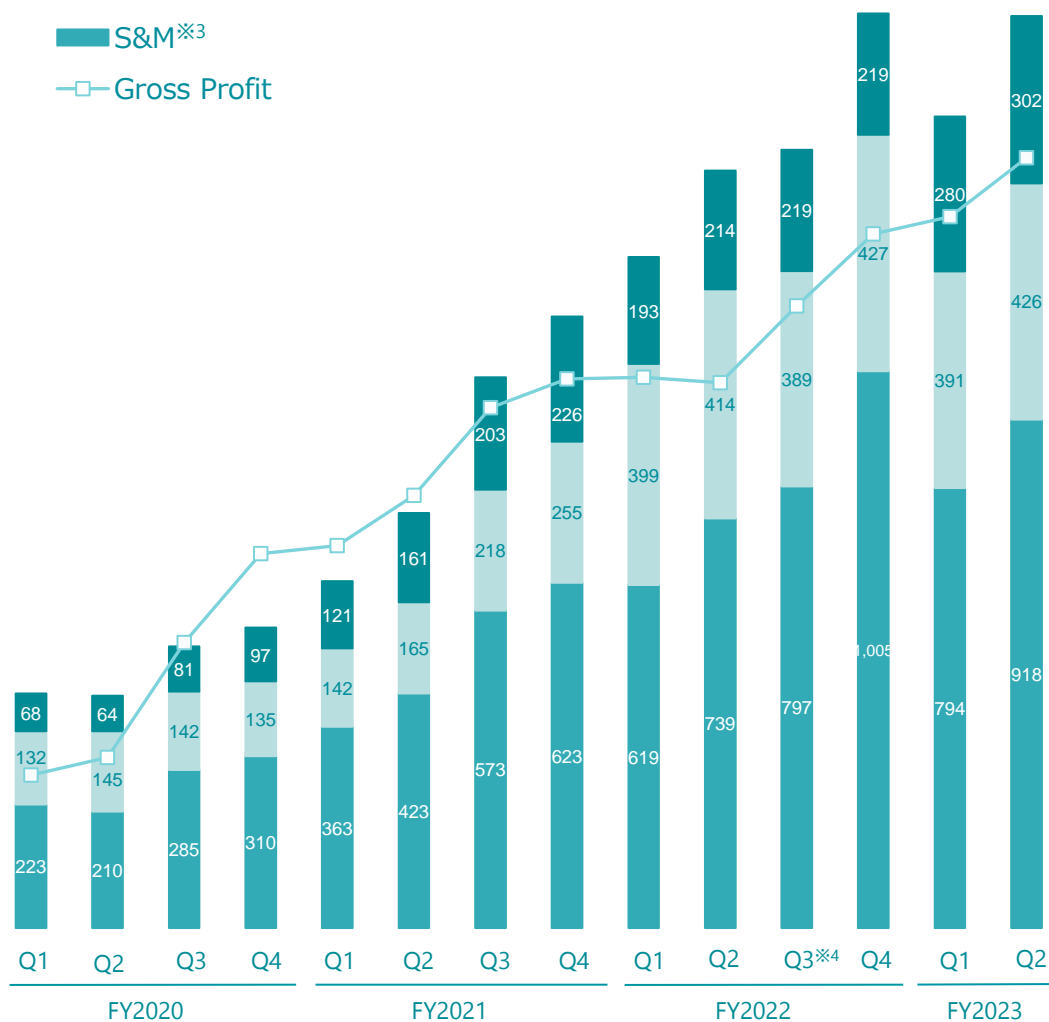
- Gross profit margin improved 0.7% points YoY, and declined 2.9% points QoQ
- Gross profit increased by ¥406 mil YoY and by ¥106 mil QoQ
- Gross profit grew significantly although gross profit margin declined due to lower proportion of high-margin recurring revenue

※1 : Reporting on a consolidated basis from Q3 FY2022.

SG&A Trend

(¥ million)

■ G&A※1
■ R&D※2
■ S&M※3
—□— Gross Profit



■ There were mainly investment in marketing activities to pursue further industry penetration, investment in human capital investment including hiring, and office relocation expenses

- G&A increased ¥22 mil QoQ
- R&D increased ¥35 mil QoQ
- S&M increased ¥124 mil QoQ

※1 : G&A stands for General and Administrative and is the sum-total of administrative personnel cost and other related/common expenses.

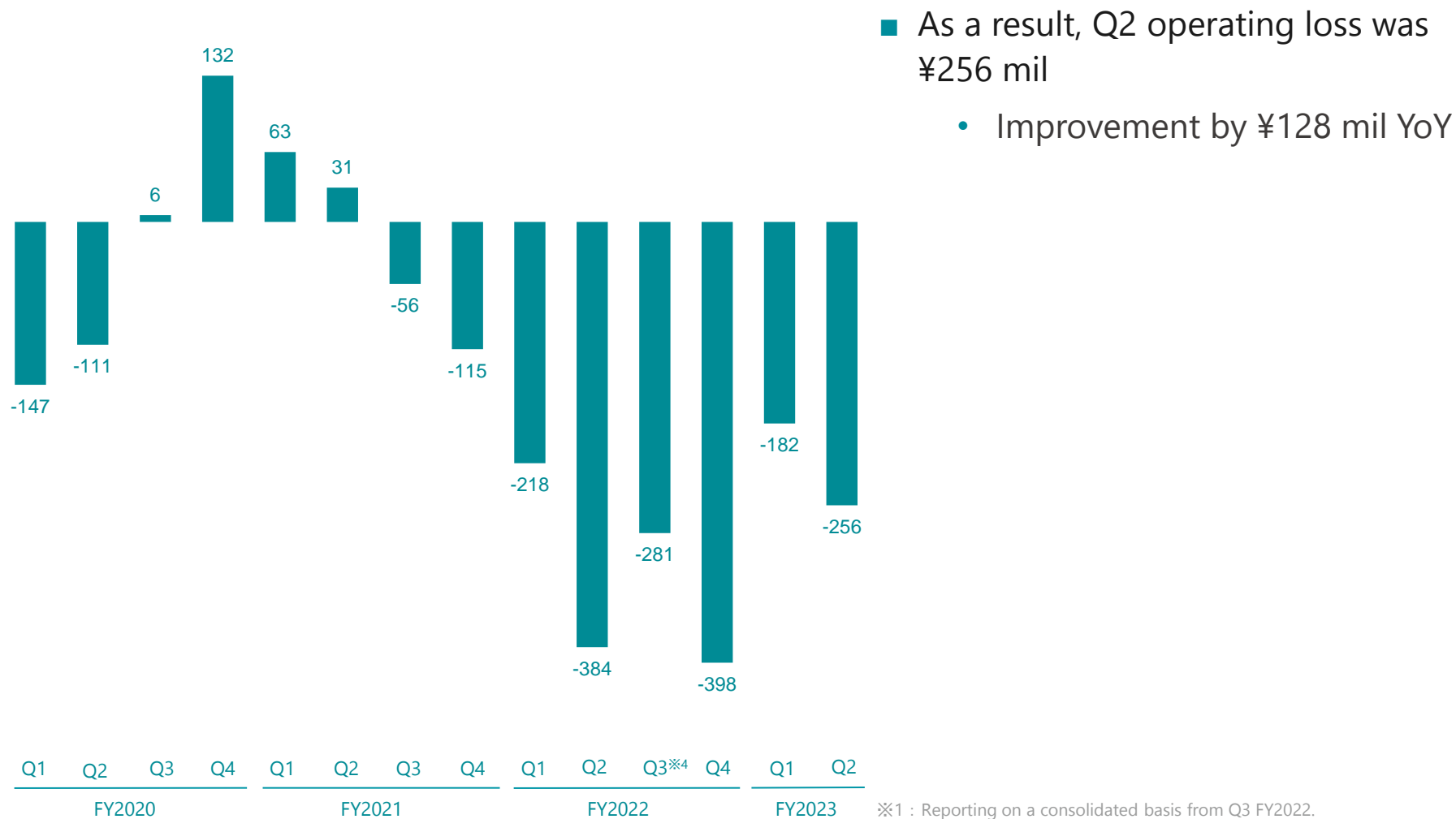
※2 : R&D stands for Research and Development and is the sum-total of R&D engineer personnel cost, outsourcing expense and other related/common expenses.

※3 : 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.

※4 : Reporting on a consolidated basis from Q3 FY2022.

Operating Profit Trend

(¥ million)





3. Business Update

1. Company and Business Overview
 2. Q2 FY2023 Financial Results
 3. Business Update
- Appendix

Priorities to Achieve Targets

- ✓ We are engaging in pursuing further industry penetration, strengthening line-ups, development of applications and collaboration with start-ups

	ARR	
	<div> Nos. of Billing Cloudcams</div>	<div> ARR per Cloudcam (ARPC※1)</div>
Current Priority	☆☆☆	☆
Future Priority	☆☆	☆☆☆
Initiatives	<ul style="list-style-type: none">• Pursue further industry penetration• Strengthen line-up	<ul style="list-style-type: none">• Application with video data × AI• Collaboration with start-ups

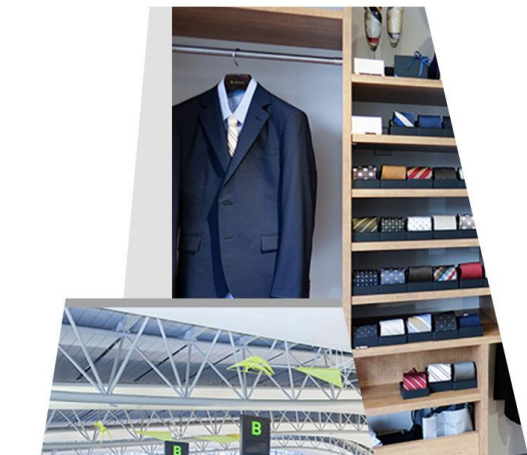
※1 Average revenue per camera

Growth Themes to Achieve Our Target

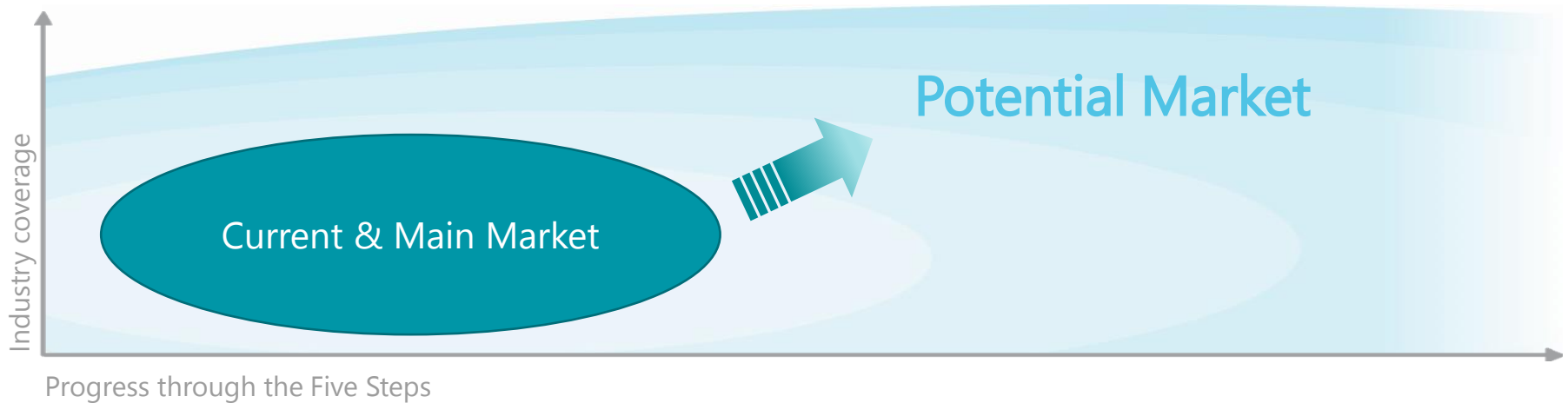
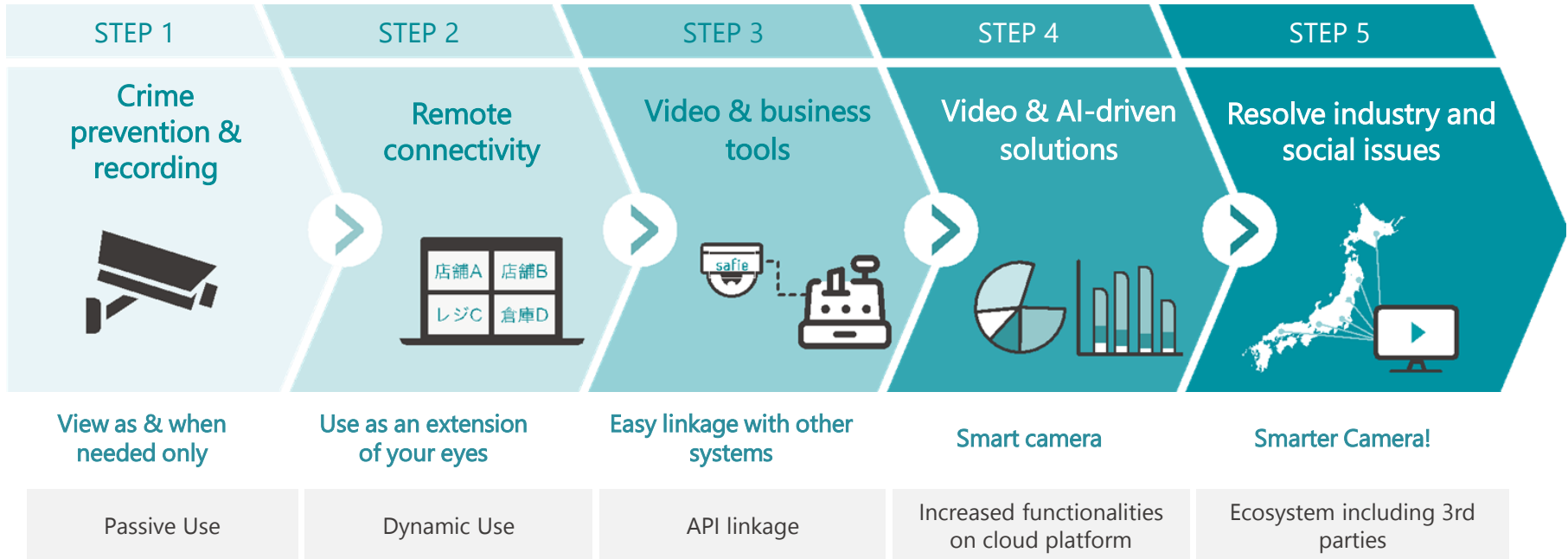
現場
DX

Powered by safie

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



The Five Steps for Onsite DX Using Cloudcams



Wearable cloudcams for safety and security, deterrence and training

Security



Reason for installation

- There have been needs for supporting patrollers remotely through voice communication, as well as for using real video data for training purpose in their mechanical security department
- Patrollers in their railway security department are equipped with wearable cameras to strengthen security

Use case

- Patrollers go to location with Safie Pocket 2 equipped whenever a dispatch request is received and/or alert signal is triggered
- Patrollers who board express trains are equipped with Safie Pocket 2, and the video images are monitored by the client (the railway operator)

Benefit

- Patrol work is often conducted alone during nighttime, thus real-time support through video communication improves their sense of safety
- Wearing a cloudcam with the sign "security camera in use" has the effect of deterring troubles
- When an incident occurs, stakeholders who are outside trains can also understand the situation in timely manner without misinterpretation



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in 5 steps >>>>



STEP.2
Remote connectivity



Onsite DX in the Construction Industry



Construction industry faces “2024 Issue” and needs to address its labor shortage and productivity challenges



Impact of Japan's workstyle reforms on the construction industry

The Act on the Arrangement of Related Acts to Promote Work Style Reform was enforced in April 2019. For the construction industry, the law will be applied in 2024 with 5 years of grace period since improvement of working environment in short period deemed challenging

- 1** **Maximum limit on overtime work**
The law stipulates the maximum limit of overtime as “45 hours per week / 360 hours per year”, with punishments for violations
- 2** “Equal pay for equal work” applied to both regular and non-regular workers
- 3** Raising overtime additional pay rate for overtime work exceeding 60 hours per month
⇒ Overtime pay rate raised from 25% to 50%, starting from 2023

MLIT* recommends remote presence to resolve labor shortage and improve productivity

Overview of Remote Presence

Definition

To conduct presence via **web conference system**, etc. from a **remote location** using video and audio acquired by a **camera** (wearable camera, etc.).

The concept is recommended by MLIT

Difference with conventional presence

Before

Contractee needs physically visit the site to carry out material inspection, process confirmation and various observation

After

Physical onsite visit by contractee is not needed. Video images enables remote inspection etc.

Benefit of remote presence

Cost reduction of travel time and waiting time!

Contractee at office



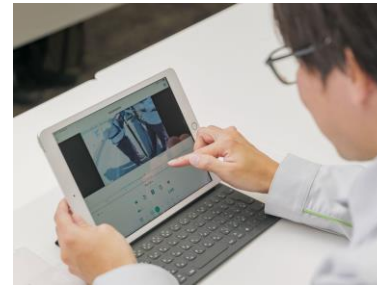
Contractor at work site



Remote Presence cases with Safie cloudcam



East Nippon Expressway Company Limited



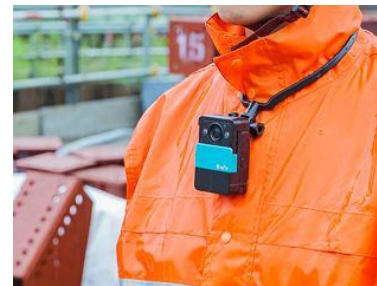
Person in charge inspects remotely



Construction worker video records the onsite test



OBAYASHI CORPORATION



Over 80 Safie Pocket2 at construction site in use

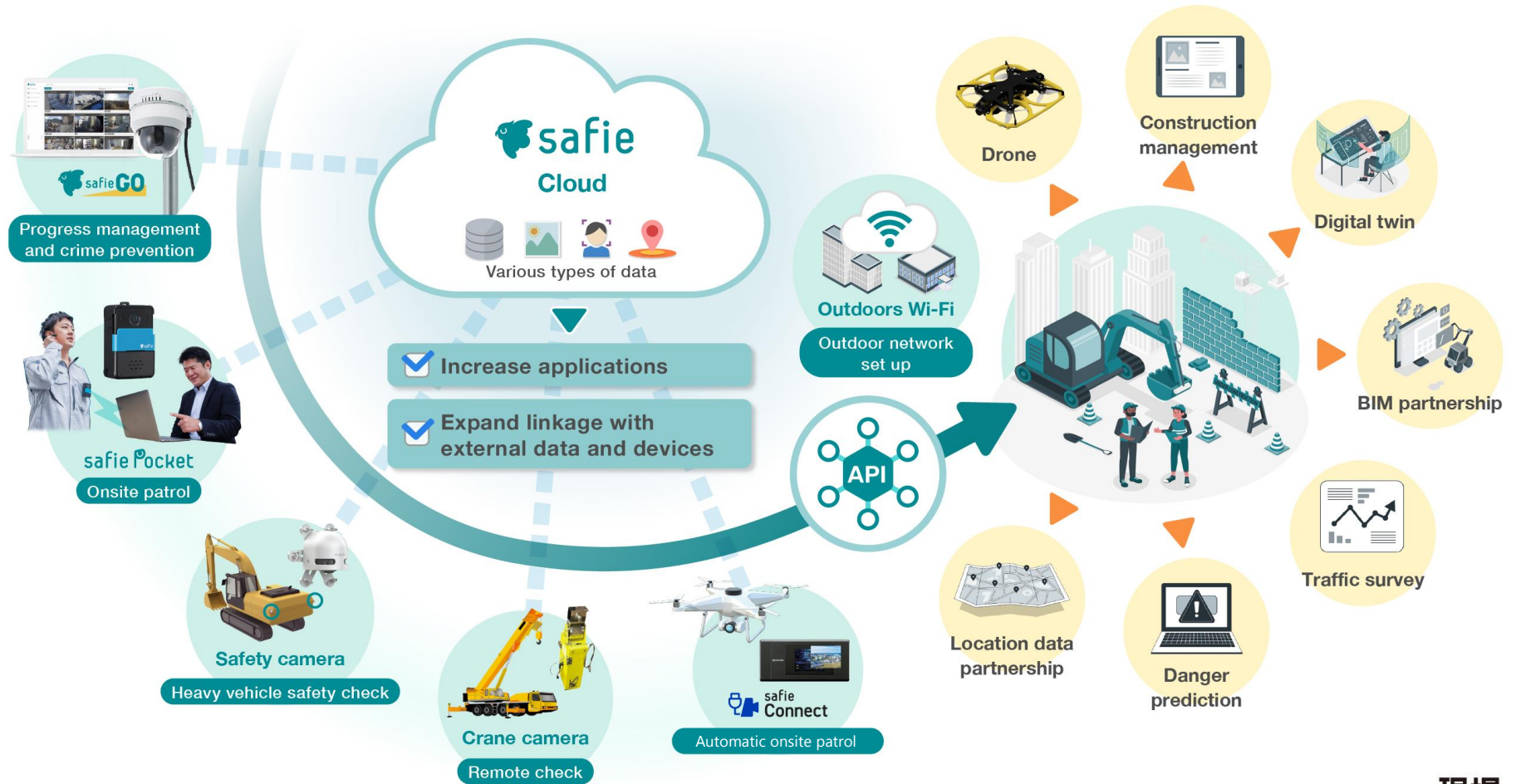


Carrying out remote presence with contractee

※ MLIT stands for Ministry of Land, Infrastructure, Transport and Tourism

Digital Twin is an Onsite DX Theme in the construction industry

Remote presence, remote surveillance and safety management are initially sought, followed by digital twin by using "video x AI"



※Safie provide only cameras and APIs for linkage; we do not provide the entire system.

Traffic volume survey with "Video Data x AI Analytics"



Reason for installation

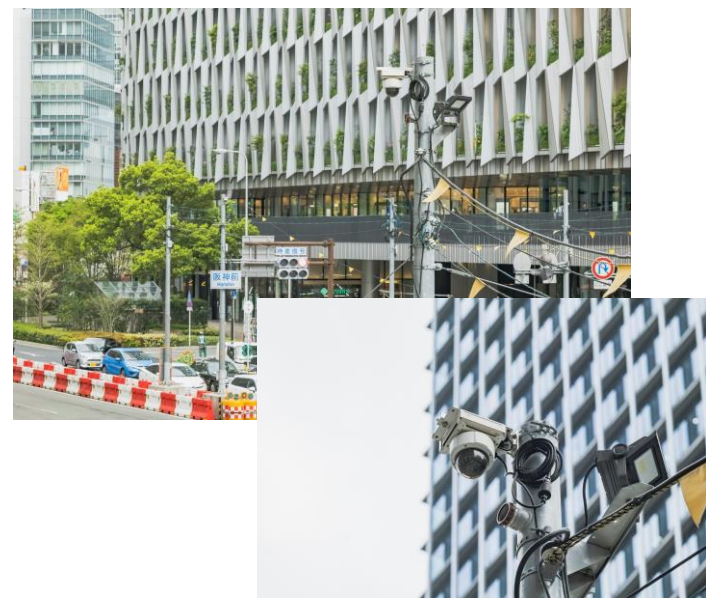
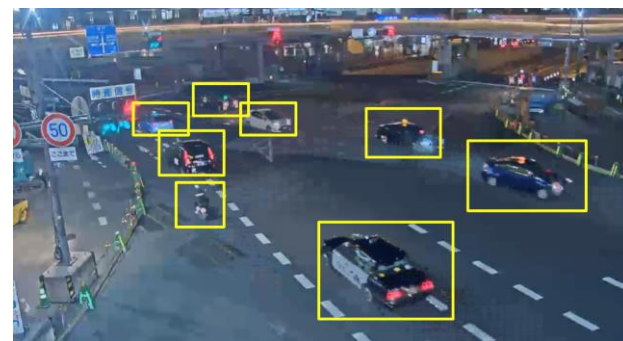
- Conventional traffic survey took costs and effort of arranging survey personnel, counting the passing vehicle traffic volume manually and reporting data manually
- It was difficult to arrange survey personnel, to flexibly conduct survey needs, and to flexibly adjust the number of survey due to its cost

Use case

- View angle of two units of Safie GO cameras at the construction site was adjusted to utilize existing expertise and know-how by carrying out AI analytics on the video data recorded

Benefit

- Results from survey can be utilized for future construction plans
- Workload and costs of traffic survey were reduced, and hence the survey can be carried out regular basis rather than ad-hoc, and benefit of construction work can be examined more easily than before



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STEP.4

Video & AI-driven
problem solving



Strengthen onsite safety management using real-time video check



Reason for installation

- The need for cloudcam has been increasing given the diversifying uses of cloudcams and needs of remote presence recommended by MLIT
- However, implementation of cloudcam is limited to specific construction sites, department and personnels
- Supervisors still needed to physically visit each site regardless of level of importance

Use case

- Cloudcams are installed in all construction sites for more efficient onsite management
- Safety management and progress management have been improved thanks to real-time confirmation of onsite monitoring
- Large screen have been placed in their internal support and safety divisions in order to enable continuous monitoring of construction site

Benefit

- Preemptive accident prevention is now possible by centralized real-time monitoring of onsite situations including fire/flammables and unsafe activities through cloudcams



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STEP.2
Remote connectivity



Improvement of remote operations using real-time video feeds from drone-mounted cloudcams



→ Case of

 関西電力株式会社

 safie
Connect

Reason for installation

- Despite using video images from drone-mounted cloudcams for observing inaccessible or high elevations, onsite visits by personnel were still required due to difficulty in stably streaming real-time images to multiple locations
- Sometime retakes of videos were needed because the necessary view for decision-making was not properly captured on video

Use case

- Safie Connect enables real-time sharing of video images taken from drone-mounted cameras

Benefit

- Real-time image sharing enables stakeholders to remotely inspect and instruct as needed, and hence it improves convenience
- Cost and time have been reduced because inspection can be conducted remotely rather than onsite
- Safety management has also been improved by making sure appropriate working environment and procedures

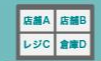


KYOCERA devices enable video from HDMI output devices to be transmitted to the Safie Cloud



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STEP.3
Video & operational tools



Safety management and improved operational efficiency through centralized video and map/positioning data



→ Case of



Reason for partnership

- In the building and civil engineering infrastructure business, there are increasing needs of an extensive use of geographical information system (GIS) to manage/process diverse range of positioning-related data in an integrated manner

Benefit and effects of partnership

- Safie collaborates with GIS platform "ArcGIS®" through API linkage in order to enable real-time video images taken from a cloudcam to be overlaid on a geographical map
- Not only location data but also other data such as video image, weather and temperature information can also be managed centrally. It also enables a safe and efficient onsite work in both regular work and emergency situations by supporting accurate and prompt forecasting and decision making



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STEP.3
Video & operational tools



Remote presence through digital twin that integrates both BIM/CIM models



→ Case of

KOLC+

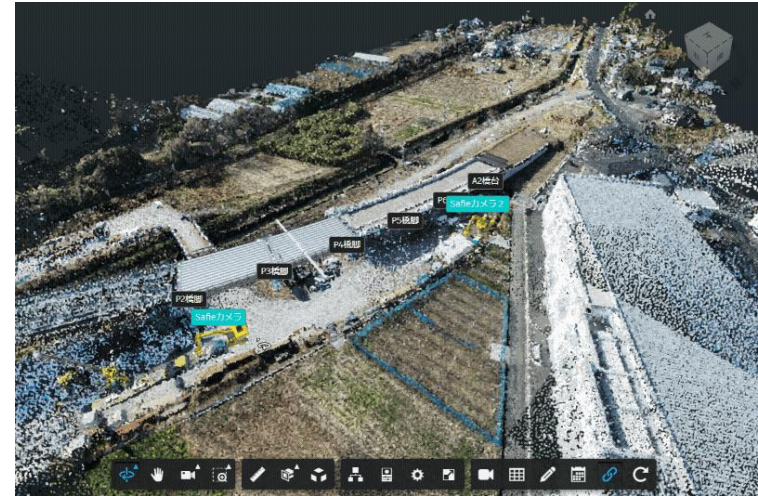
BIM partnership

Reason for partnership

- Many trial-and-errors have been underway to improve onsite productivity in order to tackle the issue of labor shortage
- There is an increasing attention on building a digital twin based on vast data collected using IoT, AI and AR from the physical scene

Benefit and effects of partnership

- Partnership with "KOLC+", which is BIM/CIM cloud platform, realizes remote presence through digital twin by integrating BIM/CIM model, point data, and real time video images in the cloud
- The latest information is stored in the digital twin, enabling construction managers to check the status of every corner of the construction site from the local office or the head/branch office
- When an abnormality or trouble occurs, the situation can be correctly assessed and the cause can be investigated even from a remote location



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STEP.3
Video & operational tools



Line-up of cloudcams used in the construction industry

Safie GO Series



Safie GO



Safie GO 180



Safie GO PTZ Plus

Safie Pocket Series



Safie Pocket series



Safie Pocket2 Plus



Safie Pocket2

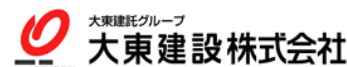
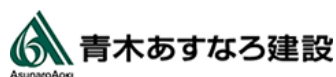
User Corporations



OBAYASHI

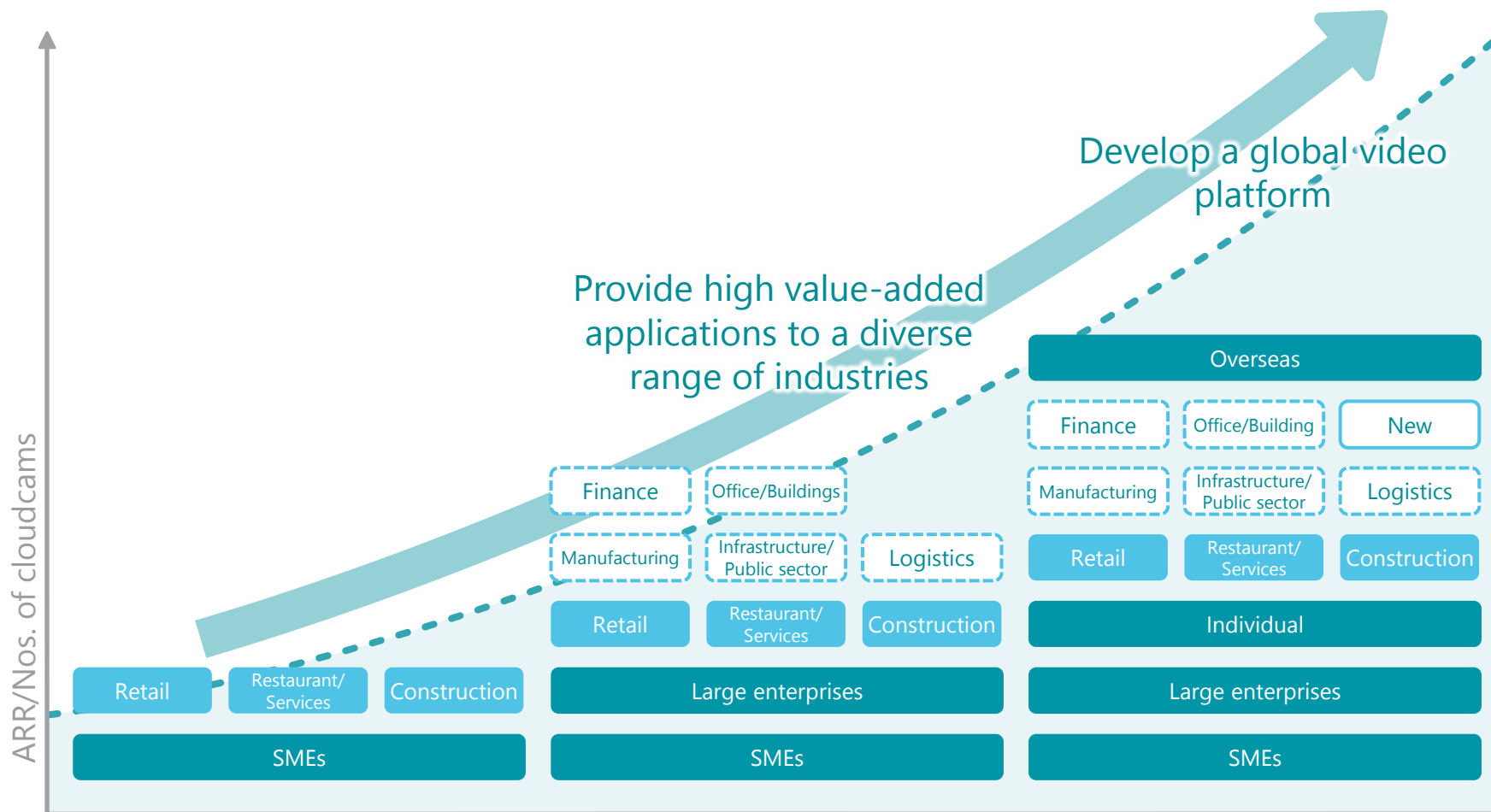


For a Lively World



Safie will drive Onsite DX for not only construction industry but also other various industries

✓ Safie cameras have been in use for more and more industries



映像から未来をつくる



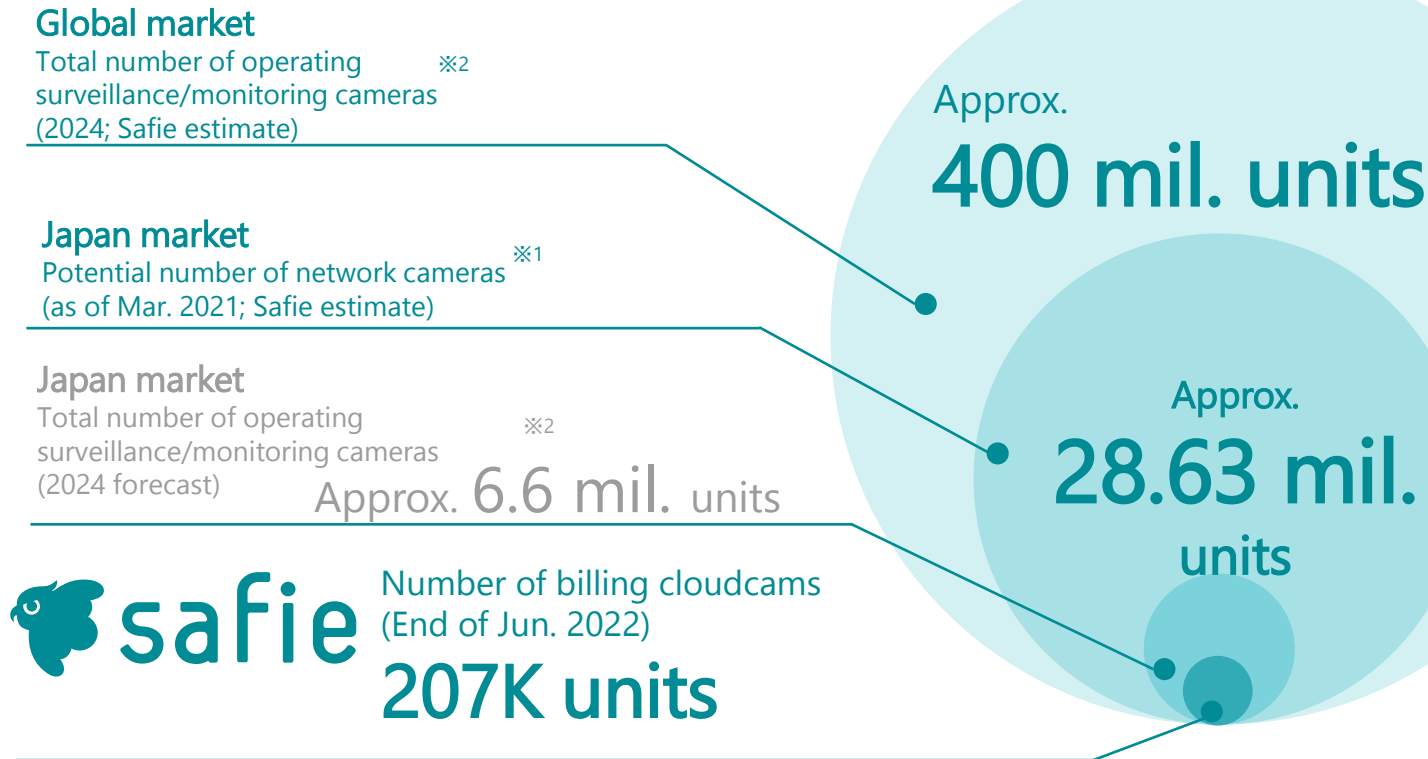
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3. Business Update

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Business Growth Leading to an Expanding TAM

- ✓ Domestic market growth potential is huge at approx. 28.63 mil. units; and an even larger potential exists in the global market



※1 : Network camera refers to a usable commercial-use camera with a built-in IP function that can self-connect to the internet. (Source: Yano Research Institute)

Figures are calculated by applying certain assumptions on data from various sources. Refer to page 42 of the Appendix for the calculation method.

※2 : A surveillance/monitoring camera refers to surveillance camera products which can be broadly classified as IP cameras or analog cameras. (Source: Yano Research Institute)

Figures are Safie estimates calculated by applying certain assumption to the shipment volume data stated in Yano Research Institute Ltd.'s "Surveillance Camera Market Forecast 2020 – Visual Communication Research".

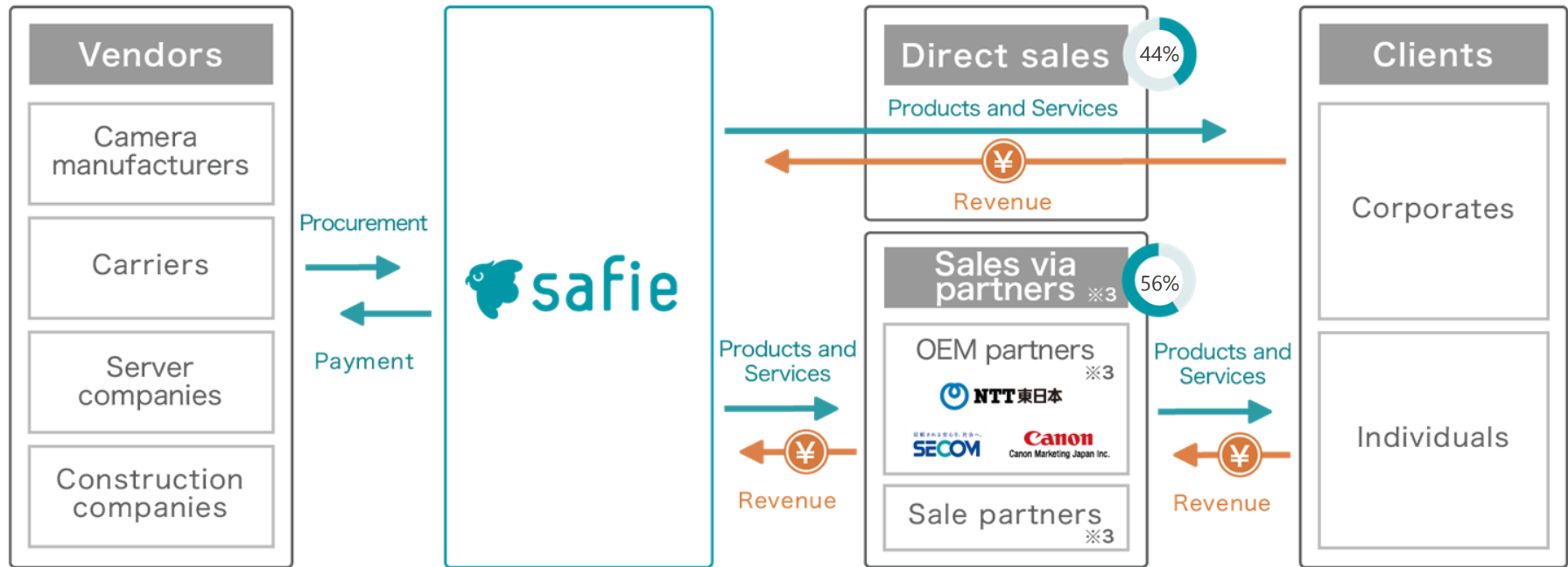
Estimated TAM (Safie estimates)

Strategy	Industry	Potential business locations (unit: thousand sites)	Estimated number of cloudcams per location※1	Potential number of cloudcams (unit: million units)
Main markets (current)	Restaurant	1,420※2	approx. 4 units	approx. 5.67 mil
	Retail	990※3	approx. 4 units	approx. 3.96 mil.
	Service	470※4	approx. 4 units	approx. 1.89 mil.
	Construction	210※5	approx. 5 units	approx. 1.05 mil.
Newly entered markets	Manufacturing and logistics	50※6	approx. 10 units	approx. 0.45 mil.
	Infrastructure/public utility	2,000※7	approx. 3 units	approx. 6.01 mil.
	Finance	250※8	approx. 3 units	approx. 0.75 mil.
Potential markets (medium- to long-term)	Parking lot	5,340※9	approx. 1 unit	approx. 5.34 mil.
	Hospital and nursing home	190※10	approx. 5 units	approx. 0.97 mil.
	Educational institution	80※11	approx. 10 units	approx. 0.83 mil.
	Office	190※12	approx. 3 units	approx. 0.57 mil.
	Condominiums	120※13	approx. 3 units	approx. 0.36 mil.
	Elevator	770※14	approx. 1 unit	approx. 0.77 mil.
	Total	12,080	-	approx. 28.63 mil.

※1 Estimated number of units installed per base: our estimated value based on past business experience, etc. ※2 Number of restaurants operating facilities cited from Ministry of Health, Labor and Welfare "Report on Public Health Administration and Services" (2019) ※3 Number of establishments of retailers cited from Ministry of Economy, Trade and Industry "Economic census-activity survey results (wholesale and retail, 2016)" ※4 Total number of amusement stores (2017), pachinko stores (2018), hotels (2017), inns (2017), museums (2018), hair dressing shops and barbers (2018), and public bathhouse (2018) cited from Yano Research and Institute Ltd. "Surveillance Camera Market Forecast and Next-Generation" ※5 Total number of construction orders from public institutions based on data from Ministry of Land, Infrastructure, Transport and Tourism "Construction work order dynamic statistics survey report (2019)" ※6 Total number of bank branches (2018~19), and ATMs (2018~19) cited from Yano Research and Institute Ltd. "Surveillance Camera Market Forecast and Next-Generation" ※7 Total number of renewable energy power generation equipment (2019), railway stations (2018), water crew and water purification plants (2014), sewage treatment plants (2015), and river management facilities cited from Yano Research and Institute Ltd. "Surveillance Camera Market Forecast and Next-Generation" ※8 Total number of facilities and workplace (2018), distribution depot (estimated, 2013), and large distribution depot (estimated, 2013) cited from Yano Research and Institute Ltd. "Surveillance Camera Market Forecast and Next-Generation" ※9 Total number of shared parking lots (2018) cited from Japan Parking Association "National Parking Lot Maintenance Survey 2020" ※10 Total number of medical facilities (2019) cited from Ministry of Health, Labor and Welfare's "Medical Facility (Dynamics) Survey / Hospital Report (2019)" and pay nursing homes (2019) cited from Ministry of Health, Labor and Welfare's "Survey of social welfare facilities (2019)" ※11 Total number of schools (2019), nursery school (2019), other childcare facilities (2019), and kindergartens (2019) cited from Yano Research and Institute Ltd. "Surveillance Camera Market Forecast and Next-Generation" ※12 Total number of office buildings cited from Ministry of Land, Infrastructure, Transport and Tourism "corporate land and building basic survey (2018)" ※13 Total number of condominiums cited from Condominium Management Companies Association "condominium management contract trend survey result summary (2020)" ※14 Total number of maintenance number of elevators cited from Japan Elevator Association "Report on the results of the survey on the number of elevators installed in 2019" (2020)

Business Model and Sales Channel

- ✓ Safie's business consist of sales of cloudcams ※¹ by direct and/or through sales partners as well as providing cloud recording services※²



¥ 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.

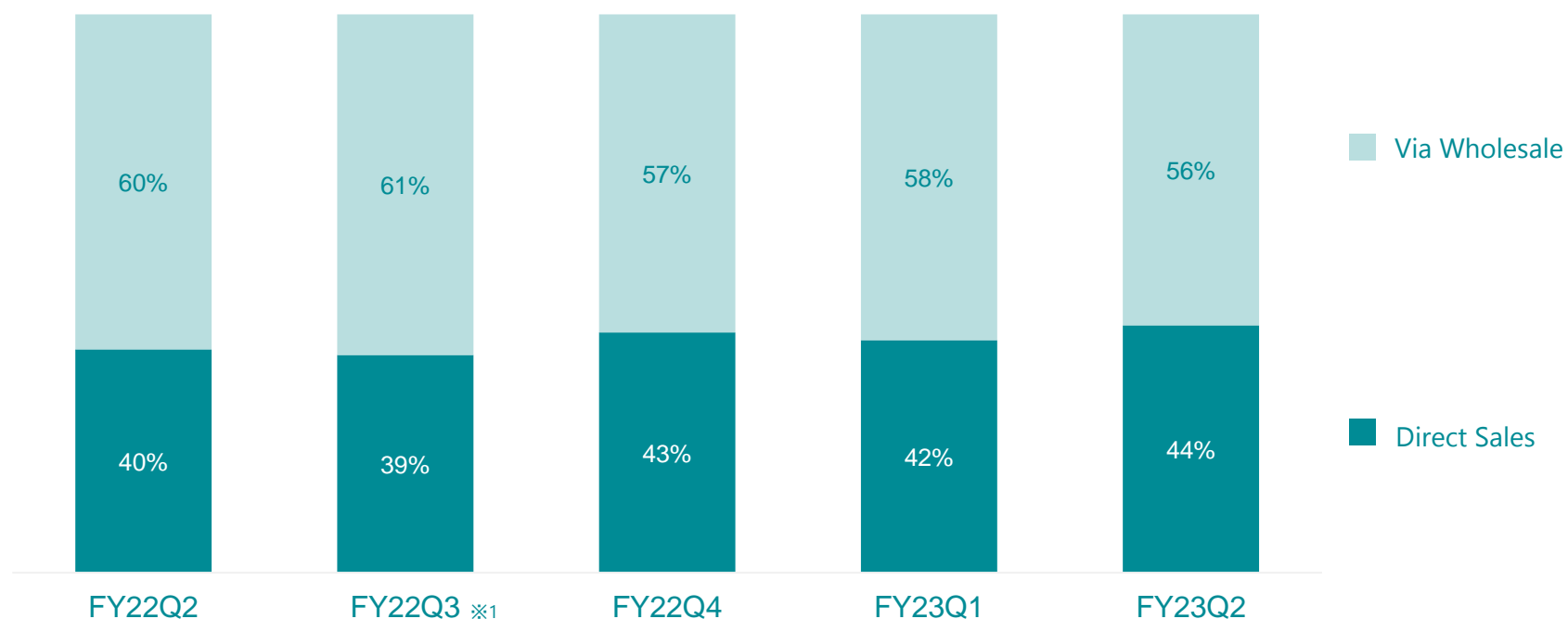
※³ "OEM partner" is a partner that purchases cloudcams and cloud services (or only the latter) from Safie and resells to end clients under the partner's brand name.

"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.

Revenue Breakdown by Sales Channel

✓ Similar proportions for direct sales and partner sales were maintained

Revenue Breakdown (Quarterly)



※1 : Reporting on a consolidated basis from Q3 FY2022

Breakdown of Billing Cloudcams

✓ Churn rate of month billing cloudcams is trending stably at a low rate

Number of Billing Cloudcams^{※3}

Breakdown (as of end-June)

207 K units

Safie PRO
Wholesale
Channel

46%

Safie PRO
Direct Sales

37%

Safie
GO/ Pocket

16%

Monthly (June 2023)

wholesale



Safie
PRO

Direct
Sales

Safie GO / Pocket

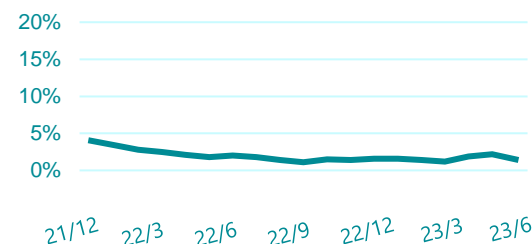


Monthly churn
rate^{※1} :
1.5%

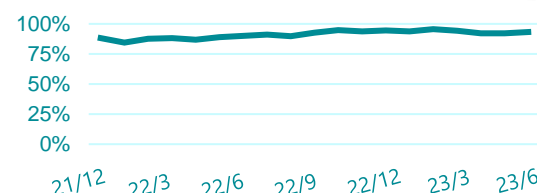
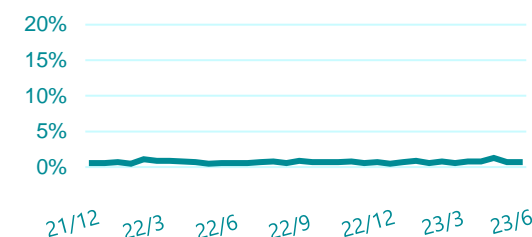
Monthly churn
rate^{※1} :
0.7%

Monthly
operating rate^{※2}
:
93.2%

Monthly trend



Stable at low
churn rates



Stable at high
operating rates

※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.

Churn Rate and Operating Rates

Safie PRO Billing Cloudcam Churn Rate (volume basis) ※1

		2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6
Wholesale	Monthly	4.0%	2.5%	2.0%	1.1%	1.6%	1.2%	1.5%
	12-mnth avg.	6.4%	5.4%	4.2%	2.8%	2.0%	1.6%	1.6%
Direct Sales	Monthly	0.6%	0.7%	0.6%	0.7%	0.8%	0.8%	0.7%
	12-mnth avg.	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%
Total	Monthly	2.6%	1.8%	1.4%	0.9%	1.2%	1.1%	1.2%
	12-mnth avg.	4.3%	3.6%	2.8%	1.9%	1.4%	1.2%	1.2%

GO/Pocket Billing Cloudcam Operating Rate (volume basis)

		2021/12	2022/3	2022/6	2022/9	2022/12	2023/3	2023/6
Total	Monthly	88%	88%	90%	92%	94%	94%	93%

※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.

Management Team (1)



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



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 Funder 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)



Moriaki Shimozaki

Director

- Mar. 2003 Masters from Graduate School of Information Science
and Technology, Department of Mechano-Informatics,
The University of Tokyo
- Apr. 2003 Joined Sony-Kihara Research Center, Inc.
- Jan. 2009 Joined Ziosoft, Inc.
- Dec. 2013 Joined Motion Portrait, Inc.
- Oct. 2014 Founded Safie Inc.



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)

Management Team (2)



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



Ryuta Suzuki

Executive Officer, Sales Division Deputy Head

Apr. 2004 Joined Jupiter Telecom Inc. (currently JCOM Co. Ltd.)
Jun. 2011 Joined G&H Inc. as Director and CSO
Oct. 2016 Joined Safie Inc. GM of Sales Div.
Oct. 2018 Appointed GM of Partner Sales HQ
Dec. 2020 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 Fuji 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 office



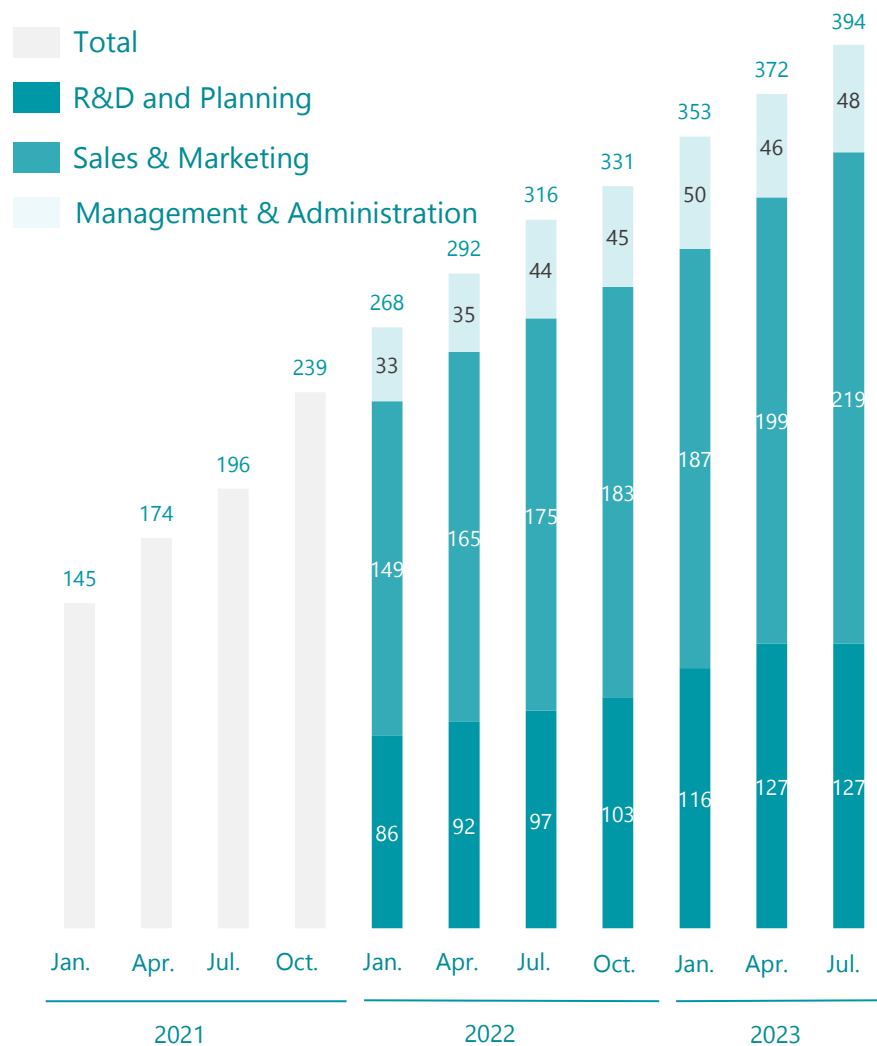
Hisaya Shiraishi

Executive Officer and CPO, Planning Division Head

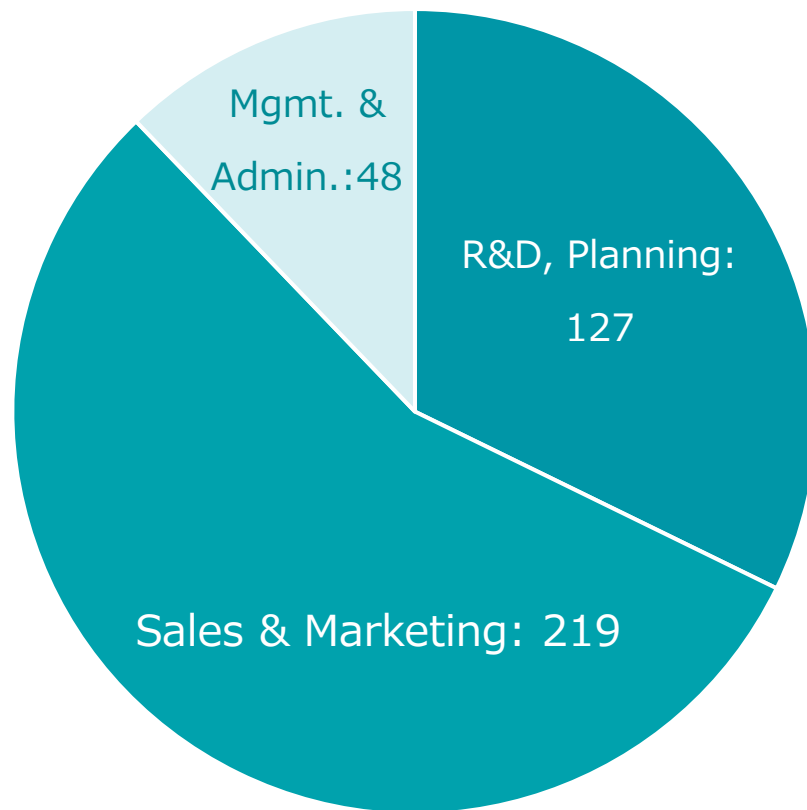
Apr. 1997 Joined TDC Soft Inc.
Oct. 2002 Joined Yahoo Japan Corporation
Jun. 2018 Joined GYAO Corporation as Director
Oct. 2021 Joined Z Entertainment Corporation as head of CPO office
Jun. 2022 Joined Safie Inc.
Jan. 2023 Appointed executive officer

Employees

Number of employees ※1



Employee Breakdown (as of Jul. 2023)



※1 Figures show the number of employees at the start of each month.

Consolidated Balance Sheet

(¥: thousand)	End Dec. 2022	End Jun. 2023		End Dec. 2022	End Jun. 2023
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	8,771,628	7,828,550	Accounts payable – trade	556,961	659,012
Notes and accounts receivable - trade, and contract assets	1,152,934	1,421,682	Current portion of long-term borrowings	31,656	111,656
Electronically recorded monetary claims - operating	9,500	6,300	Income taxes payable	29,869	46,381
Merchandise	1,022,136	1,215,226	Provision for bonuses	55,620	67,298
Other	281,583	414,294	Other	715,521	730,558
Allowance for doubtful accounts	-3,116	-3,747	Total current liabilities	1,389,628	1,614,906
Total current asset	11,234,666	10,882,306	Non-current liabilities		
Non-current assets			Long-term borrowings	94,204	3,238
Property, plant & equipment	—	126,320	Other	242	202
Investment and other assets	1,490,513	1,572,176	Total non-current liabilities	94,446	3,440
Total non-current assets	1,490,513	1,698,496	Total liabilities	1,484,074	1,618,346
Deferred assets	363	322	Net assets		
Total assets	12,725,542	12,581,125	Shareholder's equity		
			Share capital	5,476,879	5,557,716
			Capital surplus	7,962,262	8,043,099
			Retained earnings	-2,203,384	-2,642,280
			Treasury shares	-167	-167
			Total shareholder's equity	11,235,590	10,958,367
			Accumulated other comprehensive income		
			Valuation difference on available-for-sale securities	549	459
			Total accumulated other comprehensive income	549	459
			Share acquisition rights	5,328	3,952
			Total net assets	11,241,467	10,962,779
			Total liabilities and net assets	12,725,542	12,581,125

Disclaimer

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For inquiries, please contact Safie IR at ir@safie.jp

For details on Safie Inc.'s sustainability initiatives please click on this link:

<https://safie.co.jp/csr/>