



Safie Inc.

TSE: 4375



Q3 FY2024 Financial Results Presentation Materials

November 14, 2024

1. Executive summary

2. Q3 FY2024 financial results

3. Business updates

Appendix

1. Executive summary

 [Safie IR website](#)

 [Safie IR news](#)



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

Q3 FY2024 Results

Q3 FY2024 Revenue

¥3.68bn
YoY +21.3%

Q3 FY2024 Gross profit

¥1.84bn
YoY +31.2%

Q3 FY2024
adjusted operating loss *1

▲0.05bn
loss shrank by
¥0.14bn QoQ

Executive summary

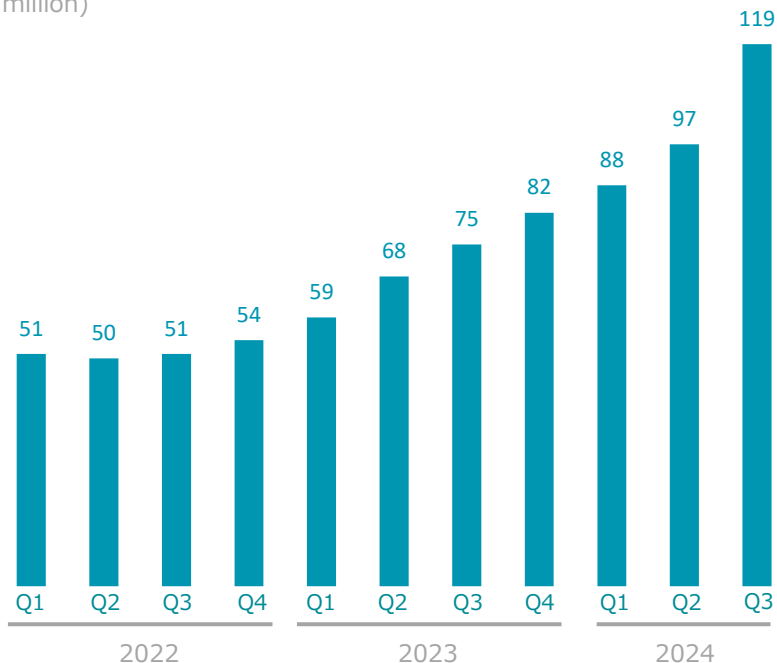
- **FY2024 consolidated annual forecast is within our reach**
More solution sales and more progress on AI platform building
- **Summary for Q3 FY2024**
 - **Q3 FY2024 results**
 - ✓ One-time revenue increased slightly YoY, and improved QoQ to ¥1bn
 - Recurring revenue also grew by 27.5% YoY, and overall revenue was up 21.3% YoY to ¥3.68bn
 - **FY2024 annual forecast is within reach**
 - ✓ Our sales pipeline including large projects has grown, with the aim of achieving the full-year forecast
 - **Gross profit increase and SG&A remained same level QoQ resulted in improve in adjusted operating profit to ¥-0.05 bn**
- **Business updates to accelerate mid-long-term growth**
 - ✓ Our “AI solution platform” business was selected for “Research and Development Project to Enhance the Post-5G Information and Communications System Infrastructure / Survey of Advanced Cases Related to the Utilization of Data-Generating AI” called by NEDO*2
 - ✓ As we approach “8 gake society”^{*3}, use of cloudcams is accelerating as a result of the relaxation and removal of analog regulations
 - ✓ More solution implemented to promote Safie’s “Onsite DX”
- **Forecast for Q4 FY2024**
 - Both one-time and recurring revenue is expected to grow
 - We plan to conduct marketing and promotion at ¥0.1 to 0.2 bn that contributes to FY25 sales. Operating loss is expected to worsen only temporary basis
- **FY2024 full year forecast**
 - No change in forecast

*1 Adjusted operating profit = operating profit + stock-based compensation expense + depreciation of intangible assets arising from M&A. *2 NEDO = New Energy and Industrial Technology Development Organization. *3 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.

We continue to provide wider range of solution line ups

Solution revenue ^{*1} trend

(¥ million)



Q3 FY2024 results



Solid grows of **AI-App** usages
Following on from Q2, has also increased in Q3



More implementation of
remote customer service solution "RURA (SF)"



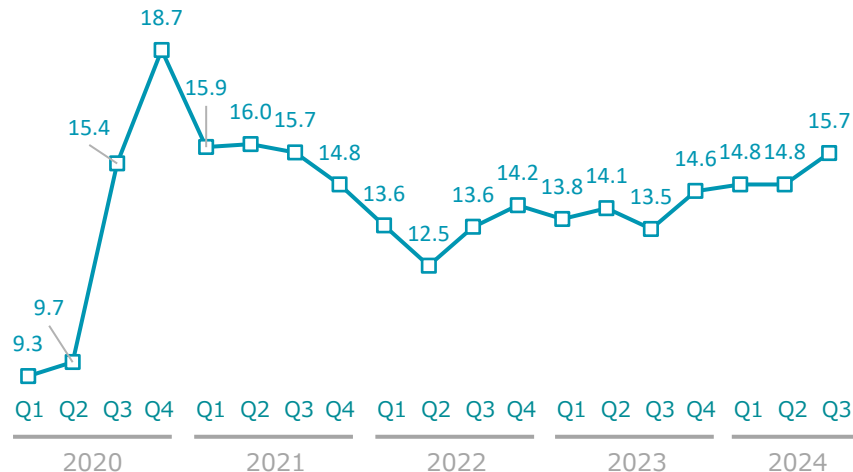
Wider range of onsite DX **solution** with cloudcams and AI for such as **labor saving and remote connectivities**

^{*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, operational excellence, and high-priced solutions

Gross profit pre head *1

(¥ million)



Continuous improvement of sales enablement capabilities

- More amount of customer contact
- Foundation for enterprise customer acquisition is renewed

Continuous planning and development of value-added solutions

- More solution line ups
- Development of high-value-added solution with AI
- We provide solutions that meet the needs of our customers through continuous verification

Operational improvements up to service delivery

- We have continuously enhanced the dedicated team for construction work and create a structure that can withstand sales expansion

*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-year results**, through strengthening solutions and improving productivity

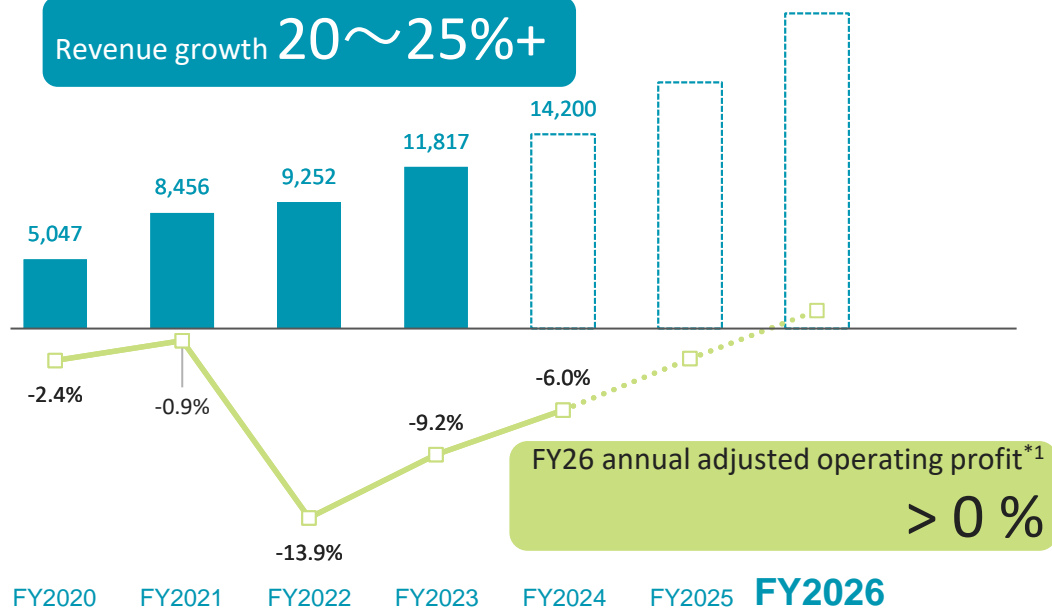
Mid-term strategic actions

- 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 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. Q3 FY2024 financial results

| (¥ million) | Q3 FY23 | Q3 FY24 | |
|-----------------------------------|---------|---------|--------|
| | | Actual | YoY |
| ARR | 8,603 | 10,957 | +27.4% |
| Billing cloudcams (K units) | 219 | 275 | +25.6% |
| Revenue | 3,033 | 3,680 | +21.3% |
| One-time | 932 | 1,000 | +7.3% |
| Recurring | 2,101 | 2,679 | +27.5% |
| Gross profit | 1,409 | 1,848 | +31.2% |
| Gross profit margin | 46.5% | 50.2% | - |
| Adjusted operating profit/loss | ▲389 | ▲50 | - |

Results of Q3 FY2024

- **ARR exceeded ¥10.9bn, and FY2024 annual forecast is within our reach. Billing cloudcams reached 275K**
- **Revenue grew +21.3% YoY to ¥3.68bn**
 - ✓ One-time revenue increased slightly YoY, and improved QoQ to ¥1bn
 - ✓ Recurring revenue also grew +27.5% YoY
 - ✓ Our sales pipeline including large projects has grown, with the aim of achieving the full-year forecast
- **Gross profit margin was at 50.2%**
 - ✓ Cloud related cost has decreased due to exchange rate and hence recurring gross profit margin has improved
- **Gross profit increase and SG&A remained same level QoQ resulted in improve in adjusted operating profit to ¥-0.05 bn**

Q4 FY2024 forecast

- Both one-time and recurring revenue are expected to grow
- More advertising and promotion cost is expected to kick-start FY25. Thus the operating loss is expected to widen temporally

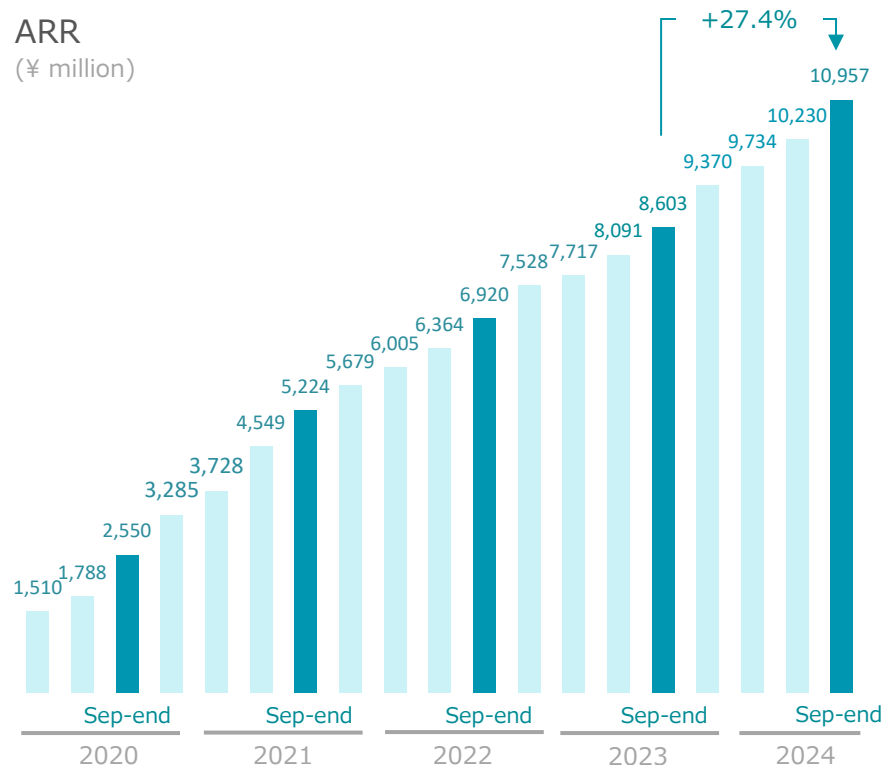
FY2024 full year forecast

- No change in forecast

ARR was ¥10.9bn, the billing cloudcams reached 275K units

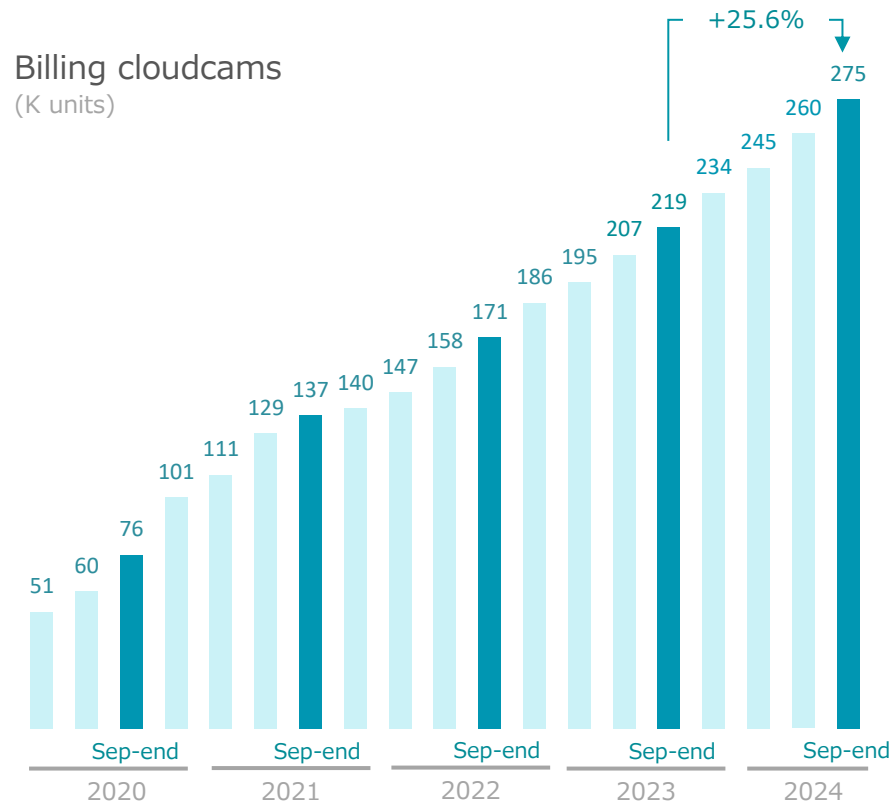
ARR

(¥ million)



Billing cloudcams

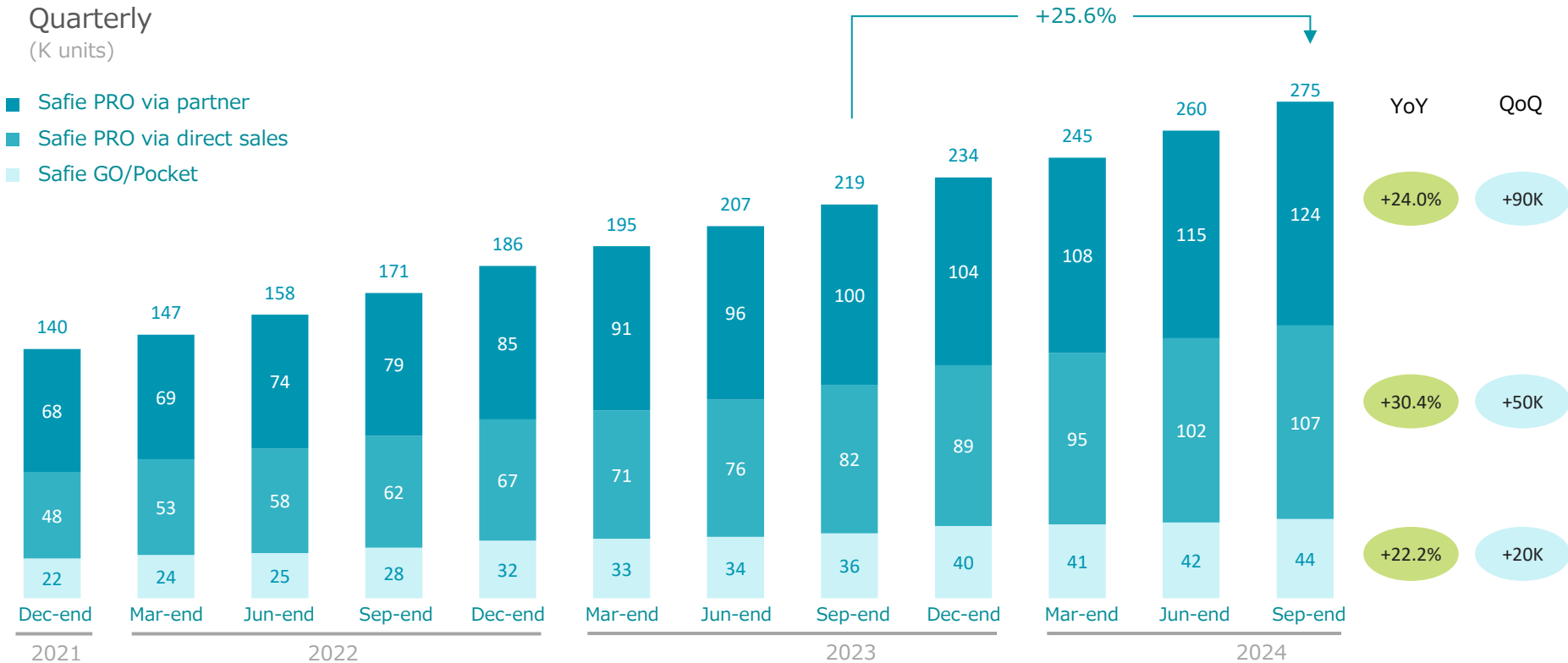
(K units)



Trend of billing cloudcams by sales channel



The growth was led by Safie PRO via partner sales



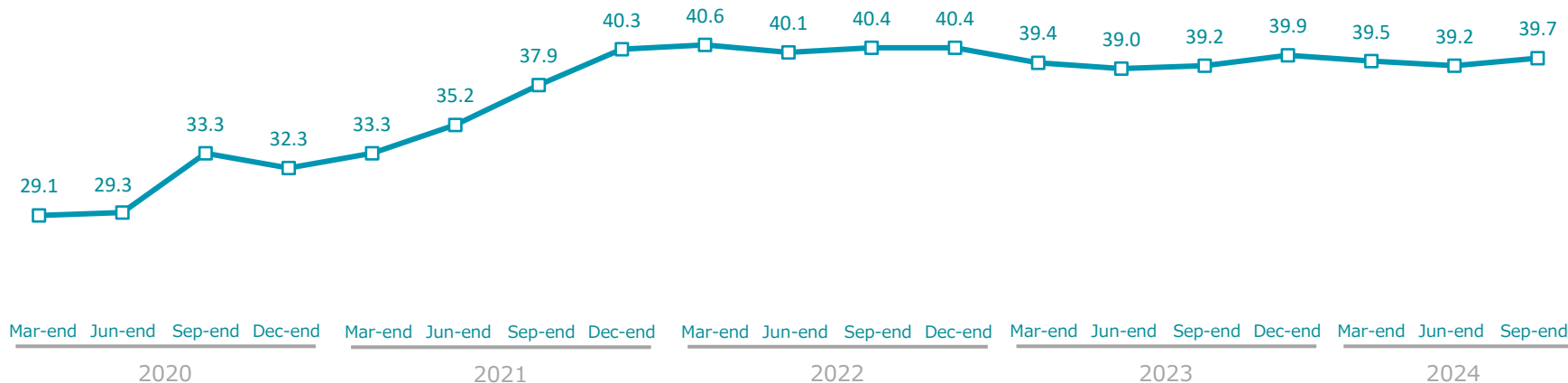
Trend of ARPC (Average Revenue per Camera)*1

ARPC has improved thanks to solution sales (e.g., AI-app) in Safie PRO business

ARPC also has increased in Safie GO/Pocket business thanks to better product mix with new products

Quarterly

(¥ thousand)

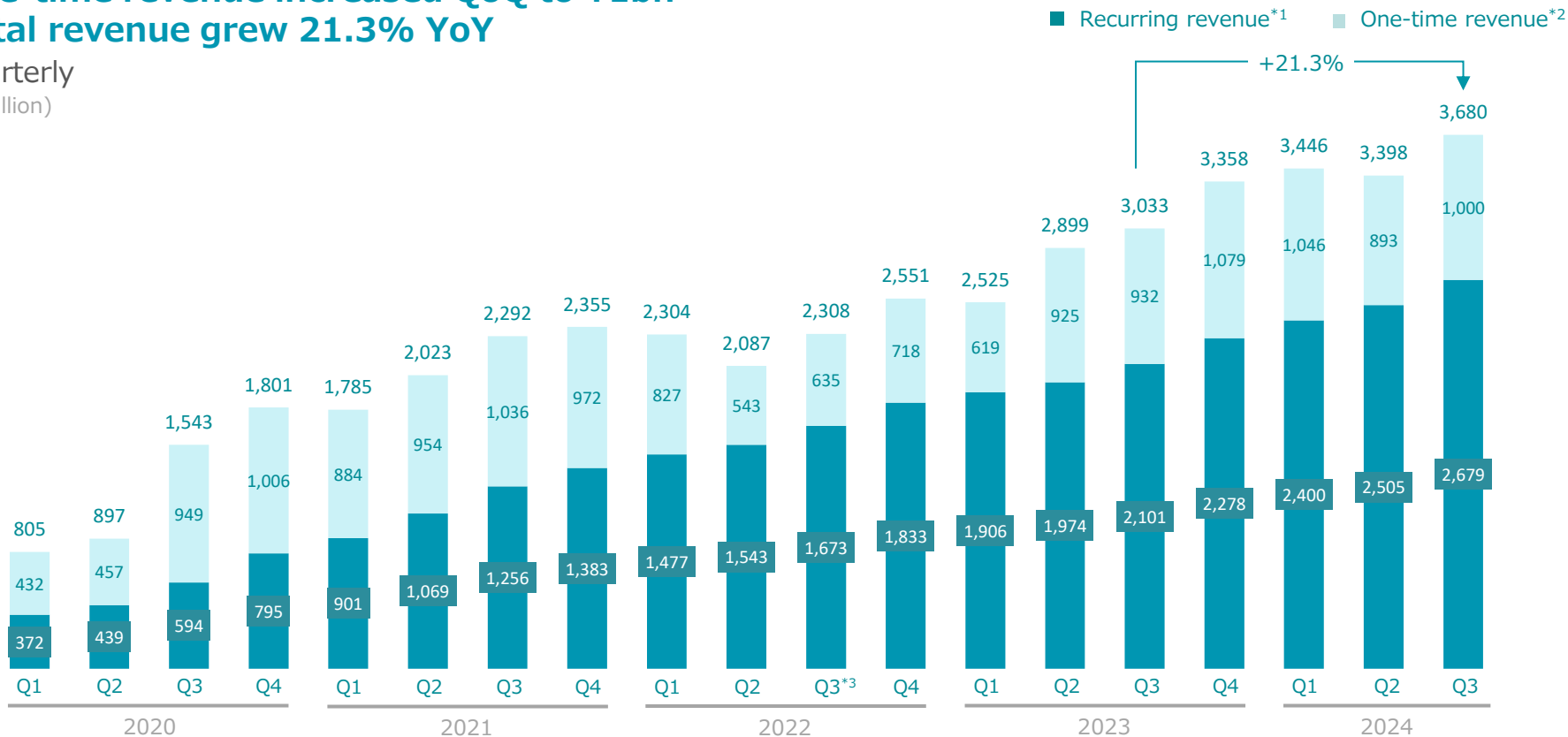


*1 ARPC = $\text{ARR} \div \text{billing coloudcams}$

One-time revenue increased QoQ to ¥1bn Total revenue grew 21.3% 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.

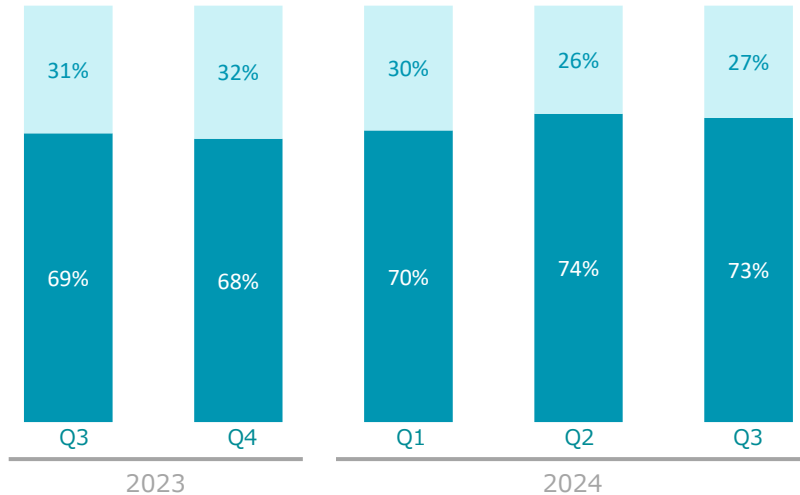
*3 Reporting on a consolidated basis from Q3 FY2022

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

Exchange rate has led to a decrease in cloud costs, and the recurring gross profit margin has improved compared to the previous quarter. As a result of our active customer acquisition campaigns, the one-time gross profit margin has decreased compared to the previous quarter

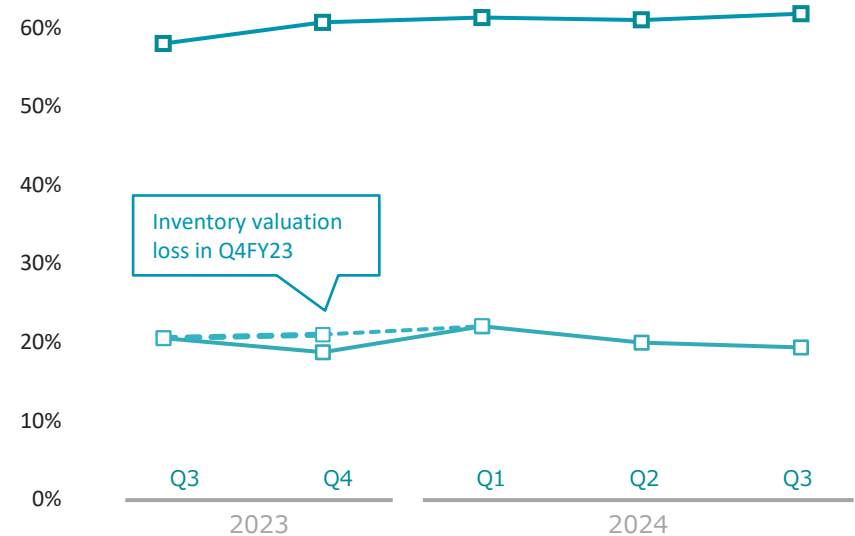
Revenue breakdown (Quarterly)

- Recurring*¹
- One-time*²



Trend of gross profit margin

- Recurring*¹
 - One-time*²
 - One-time (without inventory valuation loss)
- 70%



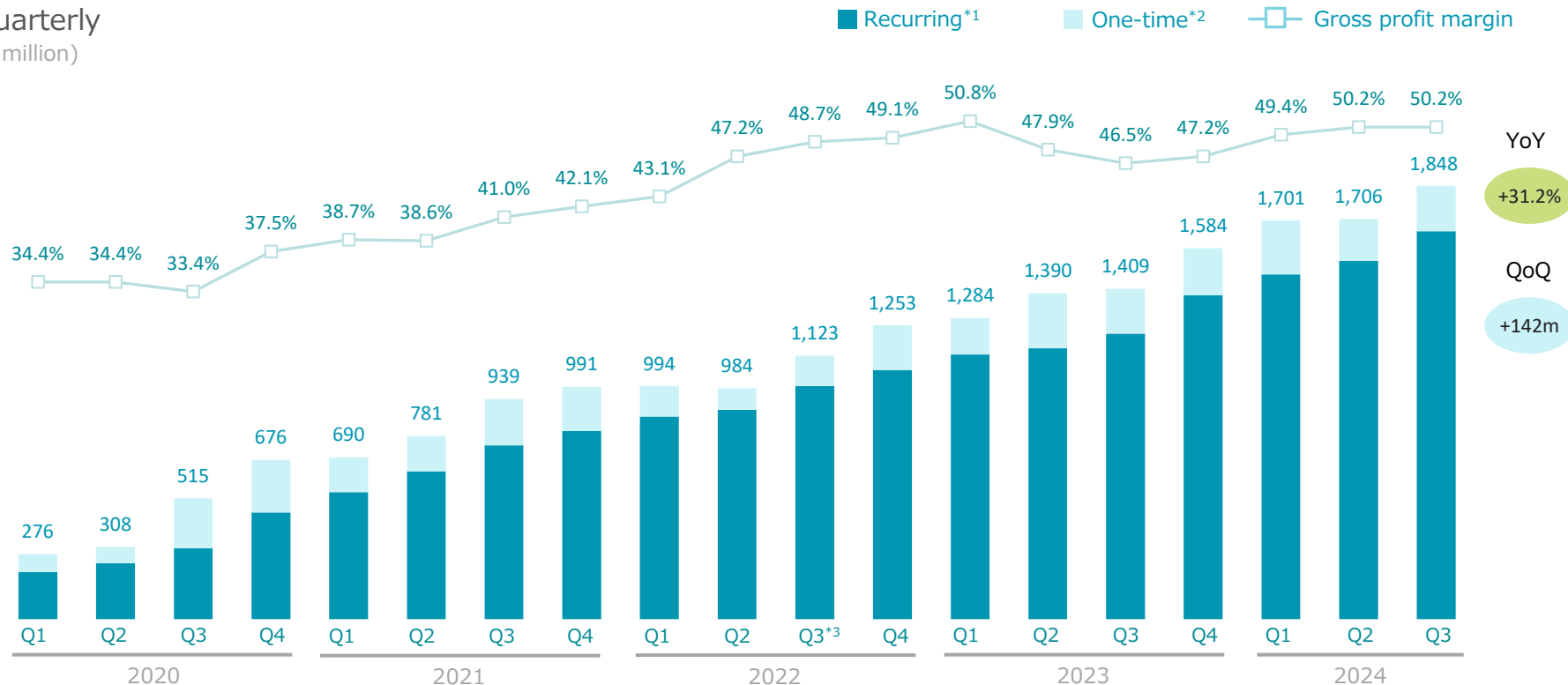
*1 Recurring revenue includes cloud, applications, rental and including SIM, etc.

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

Gross profit increased by ¥0.14b thanks to revenue increase
Gross profit margin also improved +31.2% 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

SG&A expenses stayed almost flat QoQ. The ratio of advertising expenses to revenue decreased due to revenue increase

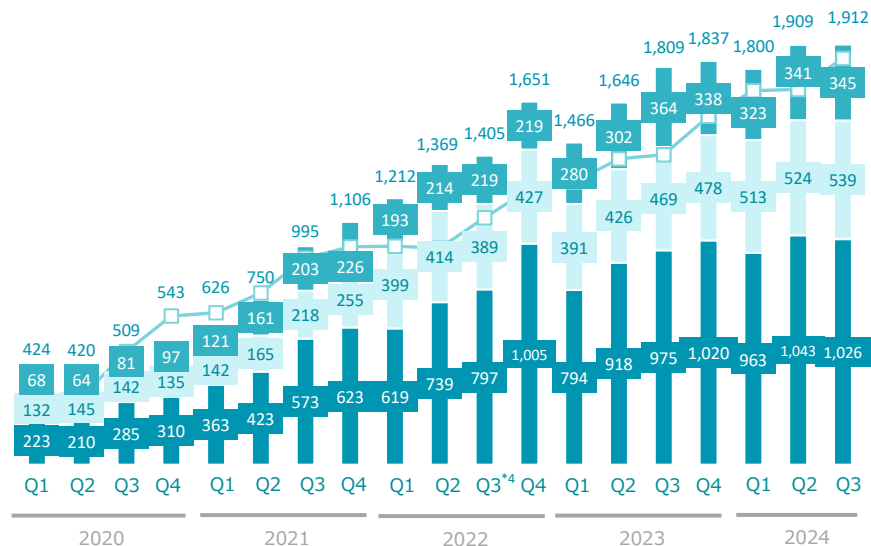
Quarterly

(¥ million)

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

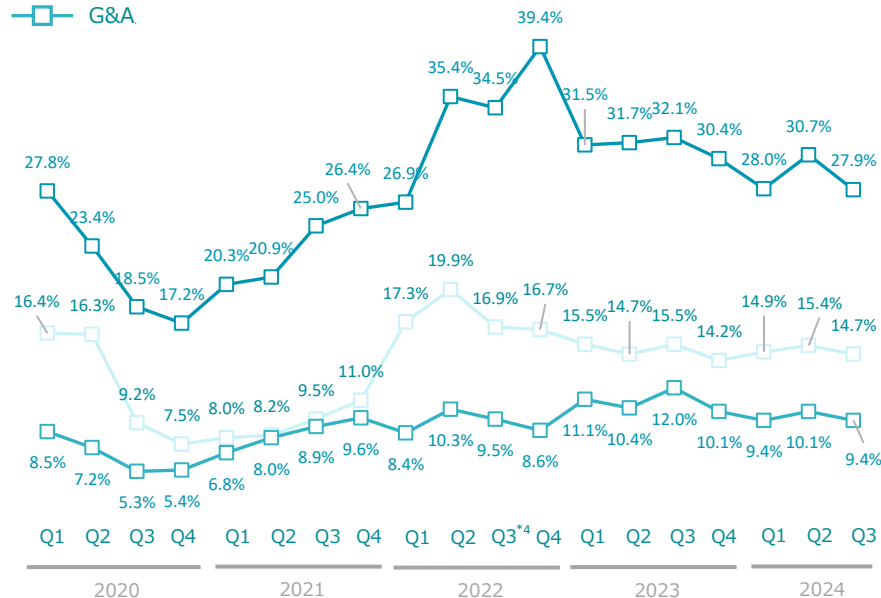
Reasons for QoQ changes

- S&M Decrease in promotion cost
- R&D Increase in headcount
- G&A Increase in human resource costs and Kansai-office related costs



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

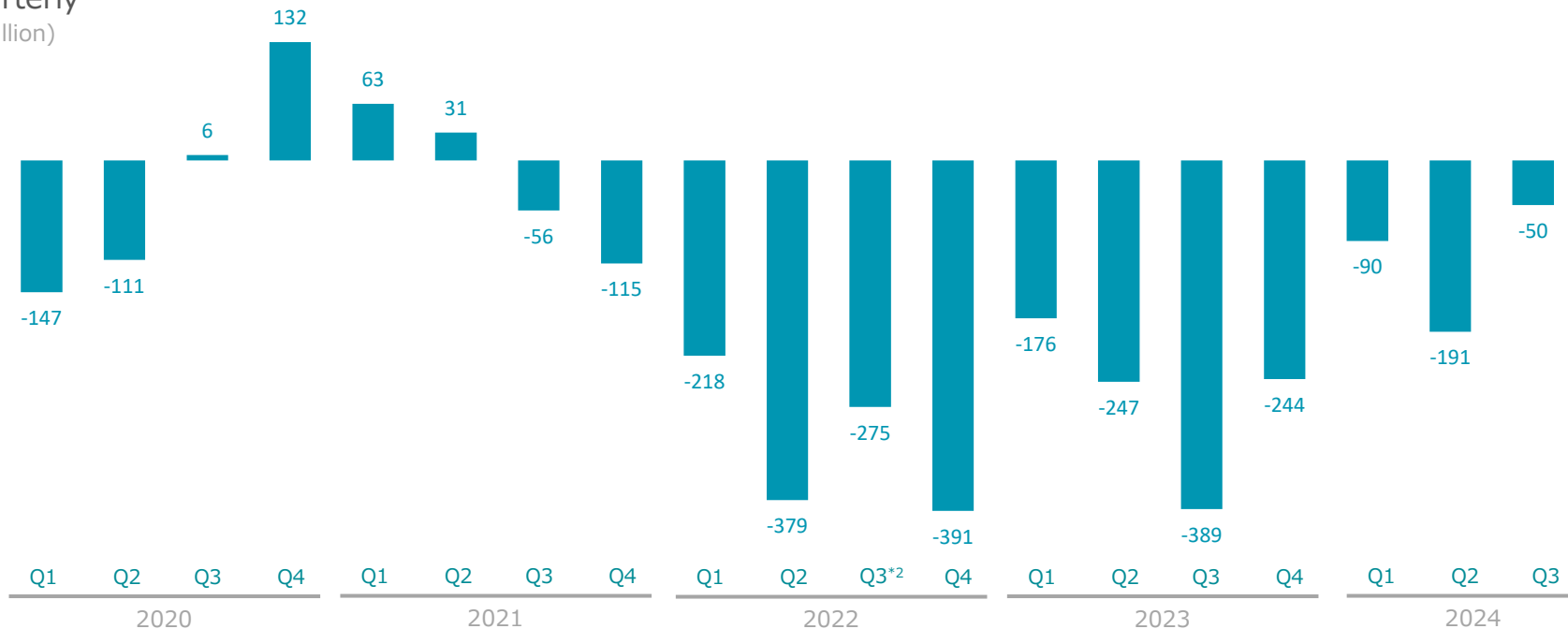
*2 R&D stands for Research and Development and is the sum-total of R&D engineer personnel cost, outsourcing expense and other related/common expenses

*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 Q3 FY24 was -¥50ml

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 updates

Our growth theme is unchanged



現場 DX

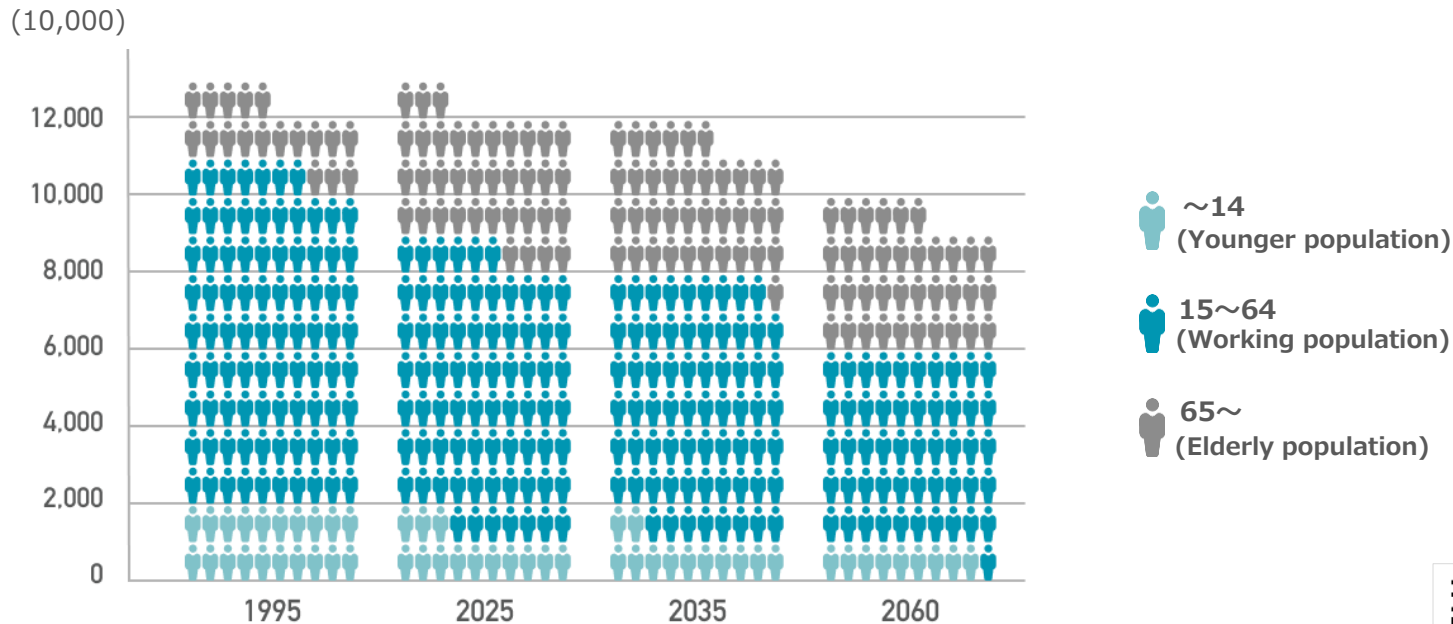
Powered by  safie

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

Shortage of labor in major industries with onsite operations (Same slide as Q2 FY24)

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

↘ **25.3%**

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 = $1 - (\text{labor supply} \div \text{labor demand})$, in 2040

Onsite DX through relaxation of analog regulations (Same slide as Q2 FY24)

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 onsite operations*¹

9,669

articles

7 main analog regulation

- (1) Visual inspection (2,927)
- (2) Regular inspection (74)
- (3) Field audit (1,034)
- (4) Residencies/full-time (1,062)
- (5) Written-notice (772)
- (6) Courses in-person (217)
- (7) Onsite viewing (1,446)



*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

The relaxation and abolition of analog regulations in 9,669 articles is progressing, and the demand for the use of digital tools is increasing. The DX of onsite operations using Safie's cloudcams is also progressing in various industries

Industries

Details of deregulation and abolition

Usage examples

Companies using our cloudcams

Construction, housing



- Industrial Safety and Health Act set by MHLW was relaxed *1

- Use of cameras has led to an increase in demand for “remote patrols” combined with direct onsite visits at least once a week

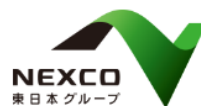


Road maintenance



- The requirement for close visual inspection once every five years regarding road maintenance/repair has been relaxed*2

- Remote regular inspections using cameras are carried out to improve efficiency

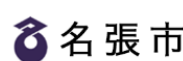


Utilities



- The MHLW relaxed the rule for “junshi” and “tenken” *3

- Regular inspections and patrols can be carried out remotely using a camera



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

*2 “Doro Hashi Teiki Tenken Yoryo (Heisei 31, Feb)”, Ministry of Land Infrastructure and Transport, Road Bureau

*3 “Suidouhou Shiko Kisoku” “Suidouhou Shiko Kisoku no Ichibu Kaisei ni Tsuite (Suidou Shisetsu no Iji Oyobi Shuzen Kankei)”, Ministry of Health, Labor and Welfare

Analog regulation regarding “Visual inspection” was relaxed. Demand for “remote patrol” and “remote audit” with wearable cameras has been increasing, and more implementation mainly in public sector

Market environment



More use of “remote patrol” and “remote audit” to resolve labor shortage

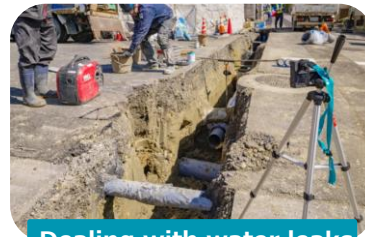
- ✓ “Patrol” and “audit” items in Ordinance for Enforcement of the Water Supply Act set by MHLW*1
- ✓ If it is possible to grasp the situation to the same level or better than a “patrol” that goes to the site at the appropriate time, **remote confirmation is considered to be equivalent to a patrol**
Better evaluation and judgement via new technology, and **automated and unmanned inspection are also in demand**
- ✓ By using the Safie Pocket series, which is easy to carry and can operate for up to 8 hours, it is possible to check the work situation remotely
There are also expectations for its use in training and human resources development as well as for dealing with water leaks and regular inspection

Usage examples



safie Pocket

Safie Pocket series



Dealing with water leaks

- Sharing video between the site and the headquarters for identifying the cause and repairing leaks



Regular checks

- Remote instruction of work
- Recording of facility inspections

Companies and local governments that use wearable cameras (example)



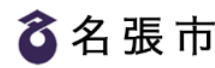
株式会社 水機テクノス



松本市
Matsumoto City



長野市
Nagano City



名張市



*1 “Suidouhou Shiko Kisoku” “Suidouhou Shiko Kisoku no Ichibu Kaisei ni Tsuite (Suidou Shisetsu no Iji Oyobi Shuzen Kankei”, Ministry of Health, Labor and Welfare

More measures to increase in billing cloudcams, to develop video image with AI solution, and to build AI platform



Camera

Billing cloudcams 

We continue to pursue an increase in the number of billing cloudcams via industry-specific and area-focused strategies

- Promoting “remote connectivity” in construction and infrastructure industries
- Kansai Branch opened in Grand Green Osaka to expand the business area.



Solution

Unit price 

We continue to increase price per camera through solution sales

- Remote customer service is now possible and store operation efficiency has improved
- Visualizes the number of visitors to the store, contributes to data-driven management



Platform

Unit price 

We continue to build platform that can quickly and easily create AI solutions that lead

- Out “AI solution platform” business was selected for “Research and Development Project to Enhance the Post-5G Information and Communications System Infrastructure / Survey of Advanced Cases Related to the Utilization of Data-Generating AI” called by NEDO





Remote connectivity for road and construction management works in construction industry is expanding that is responding legal amendments such as “2024 issue”. Because it is used in various work processes, the number of billing cloudcams per company is increasing.

Market environment



Start of 2024 issue in construction

- ✓ The cap on overtime work, “45 hours per month, 360 hours per year,” will be applied from April with penalties



Expansion of “remote presence,” which is also recommended by MLIT

- ✓ More efficient operation thanks to such as “wearable cameras”



Meeting the continuing demand for construction work through use of ICT

- ✓ Demand continues to grow despite a shortage of labor and rising construction material prices. We aim to improve productivity by ICT

Usage examples

Cameras are used for remote attendance of highway management over 400km length. Travel time of over 2 hours was reduced to 0



- ✓ The management of >400km highway in Niigata Prefecture is needed. In order to attend road construction sites, it can take >2hours to travel and back, but it is now possible to check the road surface conditions and construction details in live using cloudcams and discuss how to respond
- ✓ While it was a burden for the person in charge to attend vehicle inspections, maintenance, and other management tasks, by lending cloudcams to the maintenance company, the person in charge can perform the inspection tasks while at the office. It is estimated that 80 hours of travel will be reduced per year. **The reduction of 80 hours /year** is estimated





Kansai branch and our showroom was opened in “JAM BASE” in Grand Green Osaka.
We continue to work on sales activities, aiming to increase sales in Kansai area

Market environment

- The Kansai area will host the World Expo in 2025 and there are also plans for an IR (integrated resort). There are also plans for a direct express train service from Umeda to Kansai International Airport and a linear Shinkansen line is scheduled to be built by 2045, so large-scale investment is expected.
- Safie is participating in the “Umeda Development Project” and has installed over 300 cameras throughout the city. We are creating new industries in the Kansai region, starting with DX for new town development. There are also new customers in Kansai area



Our user companies whose business area is in Kansai



Remote customer service improves efficiency in onsite operation in retail and service industries



Unit price

Reception work has been made more efficient by remote customer service solution "RURA (SF)". The additional time created by this remote customer service will be used to improve service quality and increase sales

Market environment



Labor shortage

- ✓ In the retail and service industries, the labor supply shortage rate will reach 24.8% by 2040



Labor-efficient, unmanned stores

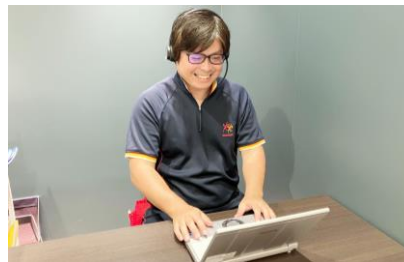


Accelerating store management using onsite data

Usage examples



"Remote customer service" will make store operation more efficient



- ✓ Remote customer service "RURA (SF)" is used in sport gym RENAISSANCE, and is used to operate gym reception work remotely
- ✓ With remote reception work, additional time has been spent to improve onsite service quality and amount when necessary





AI solution “AI-App” in edge AI cloudcam “Safie One” is used to improve service quality in store operation, and hence also contributes to revenue

Market environment



Labor shortage



Labor-efficient,
unmanned stores



Accelerating store
management using
onsite data

- ✓ In order to meet diversified needs, data gathering, qualification, and analysis was conducted
- ✓ Better service quality resulted in increase in sales

Usage examples

Use Case



Live counting the number of visitors
in large entertainment contributes to
data-driven store operation



- ✓ “GiGO group stores” with >350 stores Japan and overseas is working on its DX. However, its challenge was that data such as the number of visitors was not collected. As a first step to the data-driven store operation, the company wanted to count the number of visitors was an urgent step
- ✓ We selected stores with different management styles and measured the flow of people using the “Safie One” installed in each store. We linked **the data on the number of visitors** to the store to BI tools **that allows us to grasp the situation of visitors in real time**





Unit price 

A project to build a platform for creating AI that is individually optimized more quickly and easily has been selected for funding by NEDO

Overview

- ✓ We are selected for “Research and Development Project to Enhance the Post-5G Information and Communications System Infrastructure / Survey of Advanced Cases Related to the Utilization of Data-Generating AI” called by New Energy and Industrial Technology Development Organization (NEDO)
- ✓ Safie's efforts to build a platform since its founding will be further promoted by this project
- ✓ Maximum of ¥890 ml yen in consignment fees will be received in FY2025 for the investment related to the project



Reasons for selection



275K billing cloudcams



Large amount of video data



High level in-house technical capabilities



Collaboration with data owners

Accelerating AI development and implementation by video platform infrastructure



Unit price 

We aim to build “win-win-win” ecosystem with data owners and AI developers aiming to realize 1) easy data use, 2) easy AI generation and re-learning, 3) easy business

Industry challenges

Construction

Unsafe behavior
Long working hours

Retail

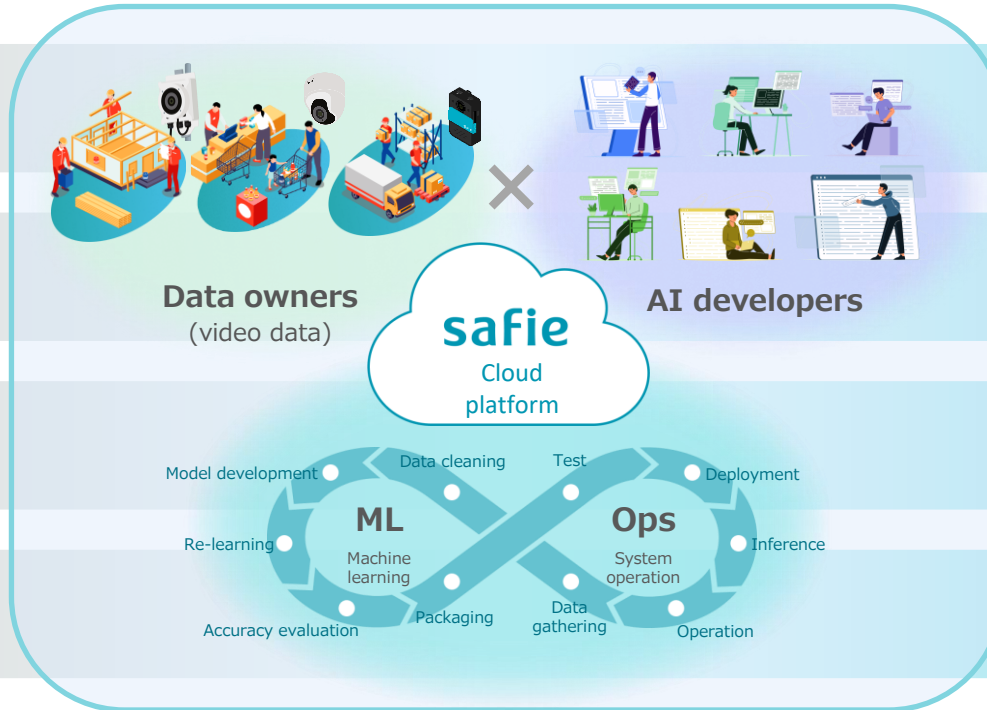
Long working hours
Theft/shoplifting

Security

Crime

Road

Road congestion
Traffic accidents



AI solution



Safety area detection



Visualization of work efficiency



Less-staffed/
unmanned stores



Less shoplifting



Unmanned security

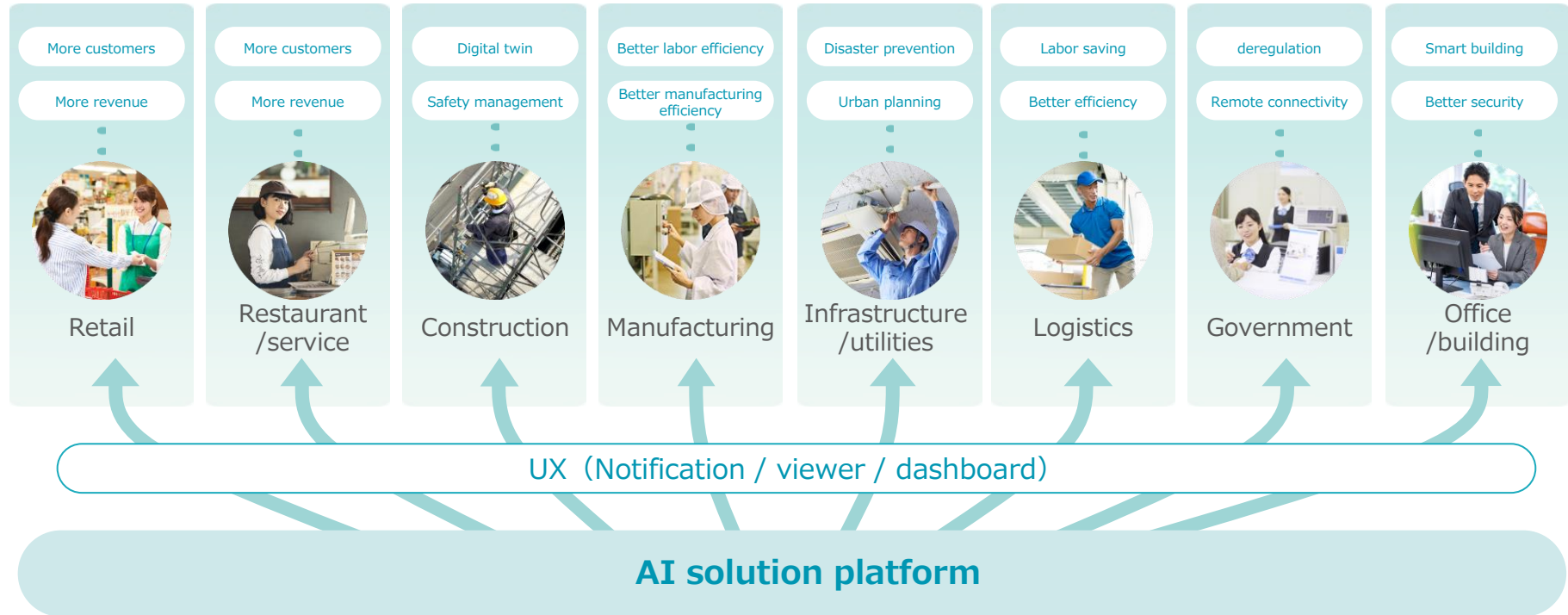


Visualization of traffic status

Accelerating AI development and implementation by video platform infrastructure



We further work on “onsite DX” in various industries by using AI solution platform





- Relaxation of analog regulation is in progress in preparation for the “8 gake society”
- The need for video/AI use is increasing to fulfil labor shortage



- The number of billing cloudcams was increased via industry-specific strategy and regional expansion
- The unit price also increased via solution and platform building



- Achieving FY24 annual guidance is within our reach
- Timing of turning profitable and strategy of FY25 will be announced in next quarterly disclosure



Create a better future with intelligent vision

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Appendix

Appendix

At a Glance

Established

October 2014

The Number of employees (as of Oct. 2024)*¹

469

Annual revenue (FY2024 forecast)

14,200 million

ARR (as of end-Sep 2024)*²

10,957 million

The number of billing cloudcams (end-Sep 2024)*³

275 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 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

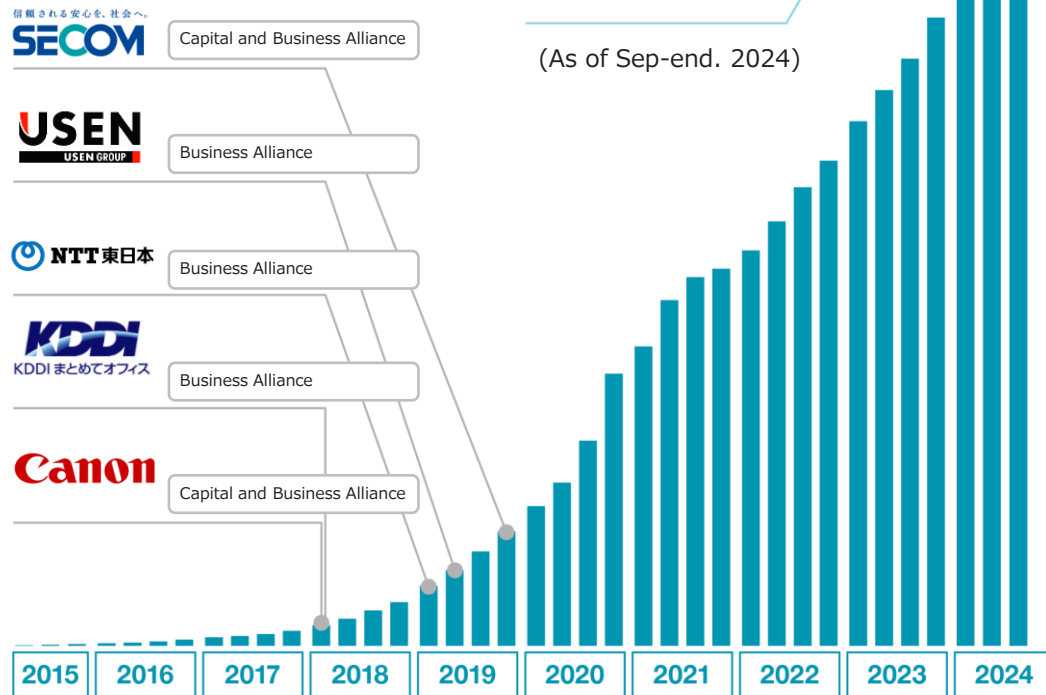


Billing cloudcams and Major Business Alliance

Number of billing cloudcams

275K Units

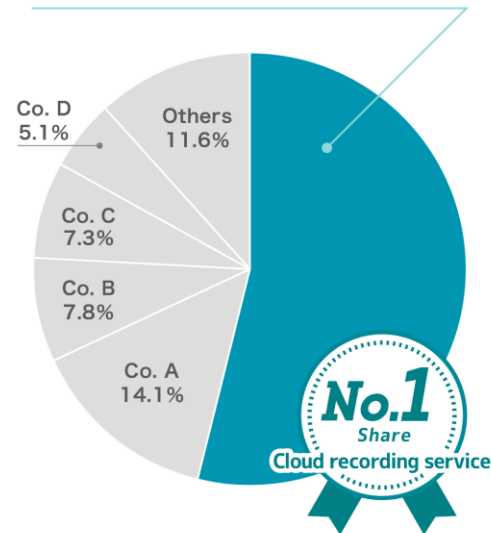
(As of Sep-end. 2024)



Market share

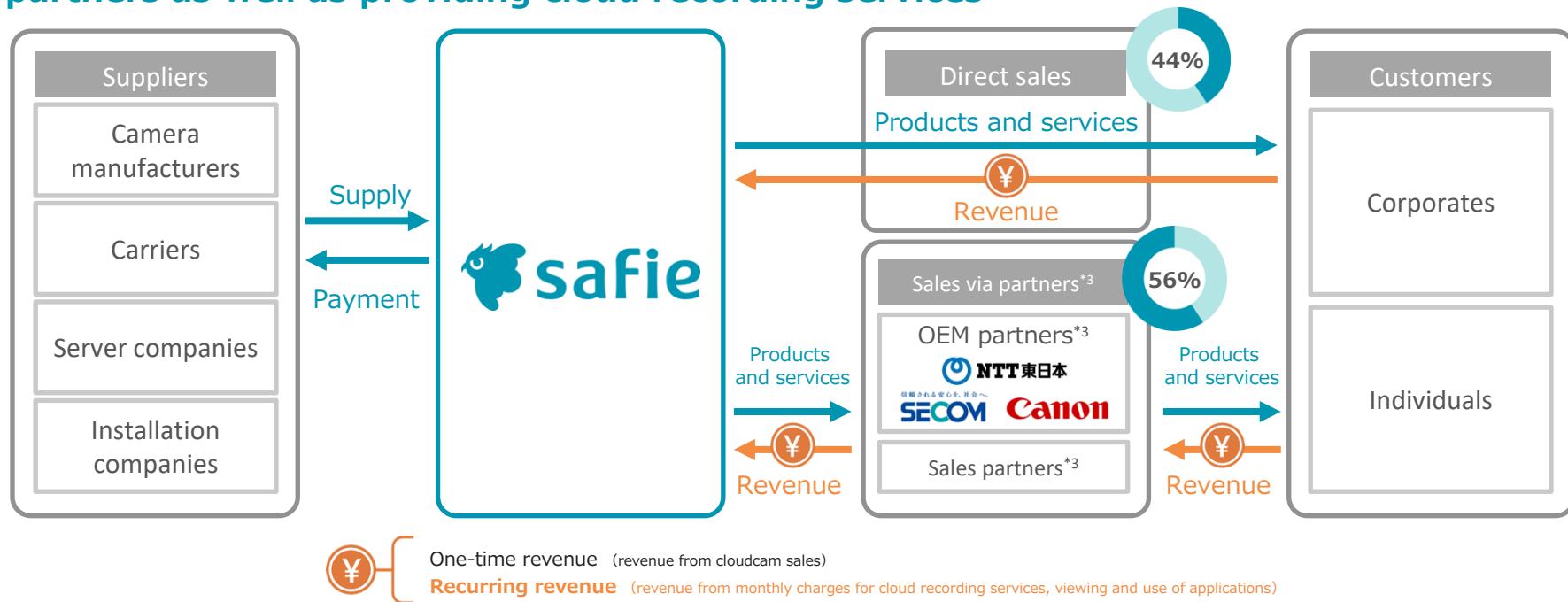
Market share of cloud monitoring and video recording services*1

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*¹ by direct and/or through sales partners as well as providing cloud recording services*²



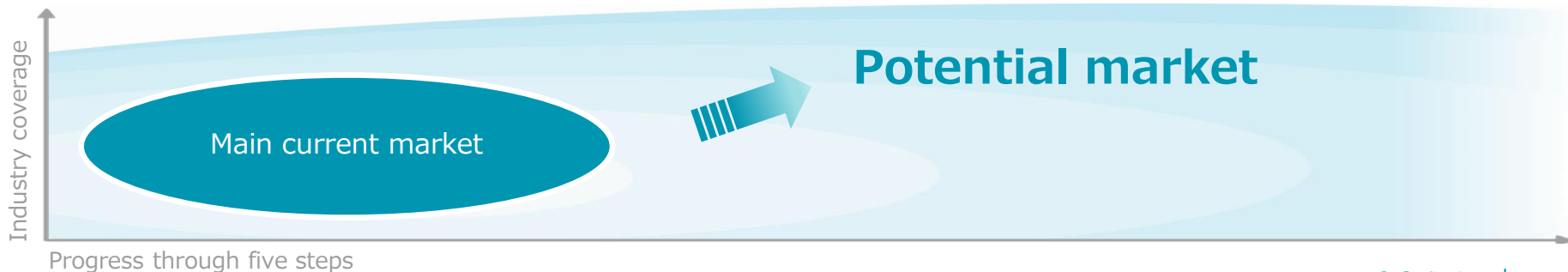
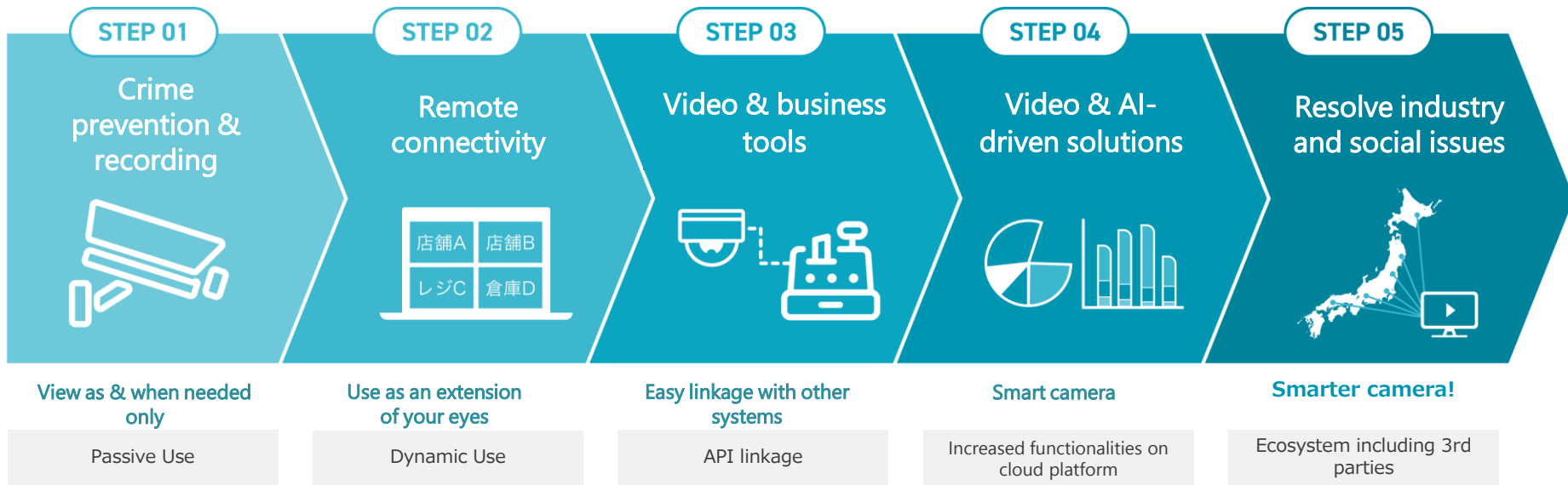
*1 Safie procures cloudcams from various camera manufacturers (incl. Safie brand cloudcams) and does not engage in manufacturing.

*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



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

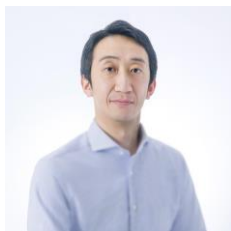
Apr. 2006 Joined McKinsey & Company Inc.
Nov. 2010 Joined INCJ. Ltd.
(Innovation Network Corporation of Japan)
Mar. 2017 Joined Safie Inc. as CFO (current position)
Oct. 2019 Director of Safie Inc. (current position)



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)



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

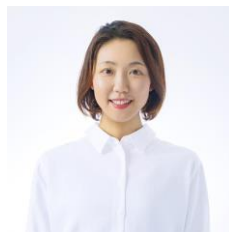
Oct. 2001 Joined IT-it Co., Ltd.
 (currently EXEO System Management, Inc.)
Mar. 2007 Joined So-net Corp.
 (currently Sony Network Communications Inc.)
Apr. 2020 Joined Safie Inc., Operations Head
Dec. 2021 Appointed Executive Officer



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

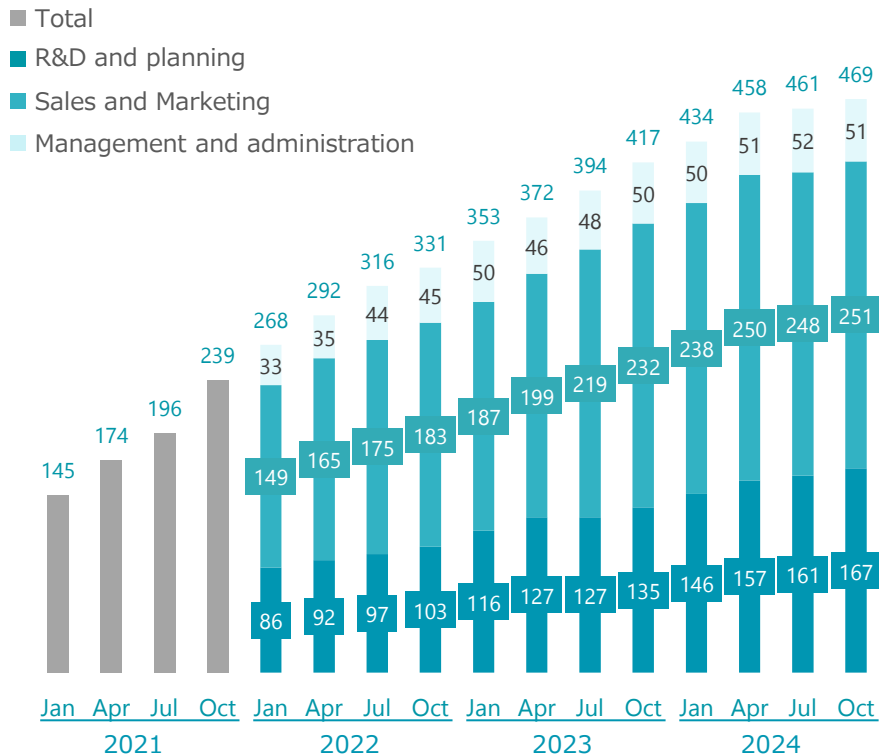


Yumi Uematsu

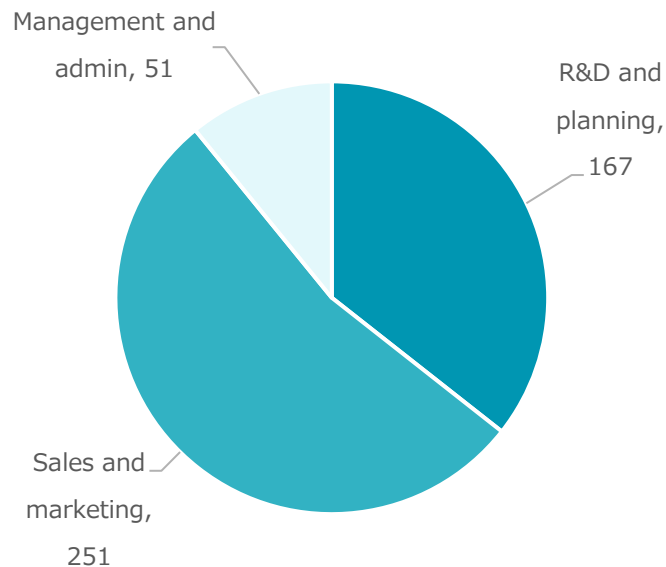
Executive Officer and VPoP, Planning Division Deputy Head

Mar. 1999 Masters from Division of Quantum Science and
 Engineering, Graduate School, Hokkaido University
Apr. 1999 Joined Hitachi Medico
 (currently 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 Officer

Number of employees*1

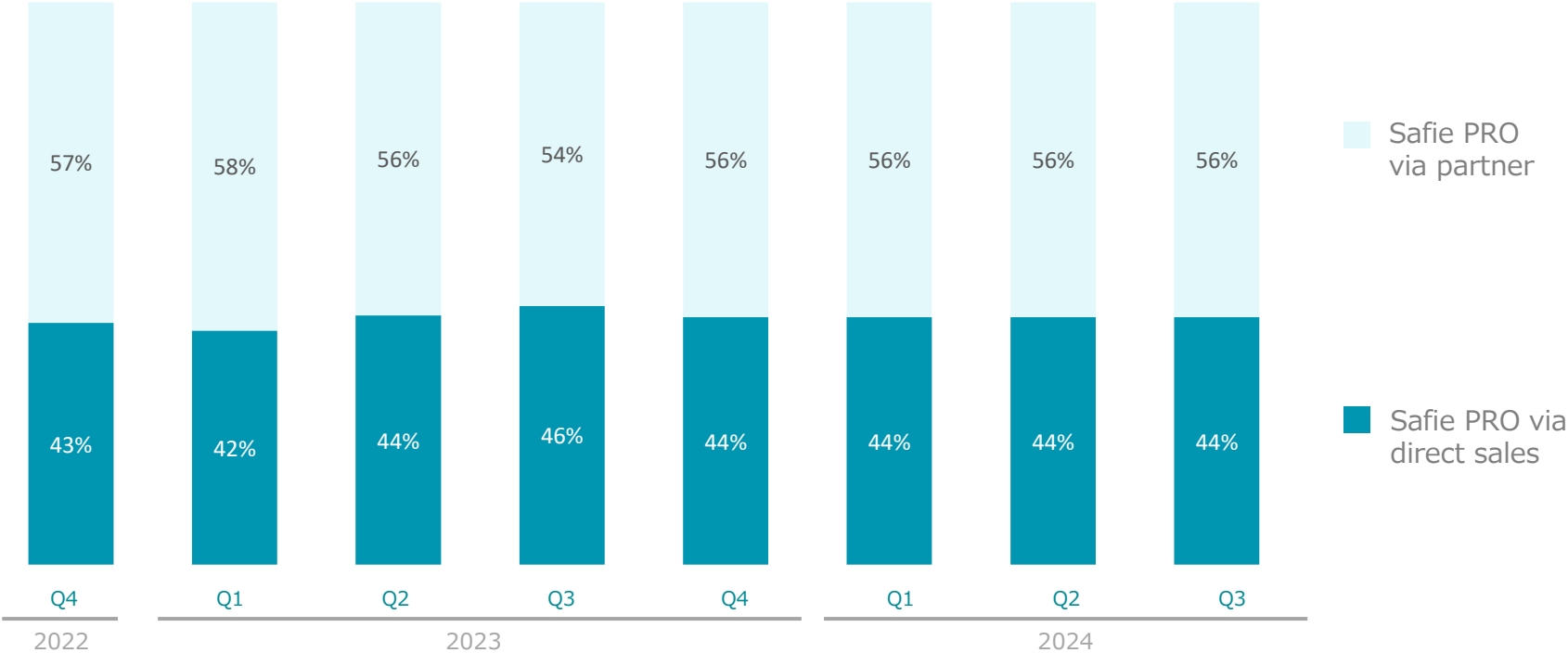


Employee breakdown



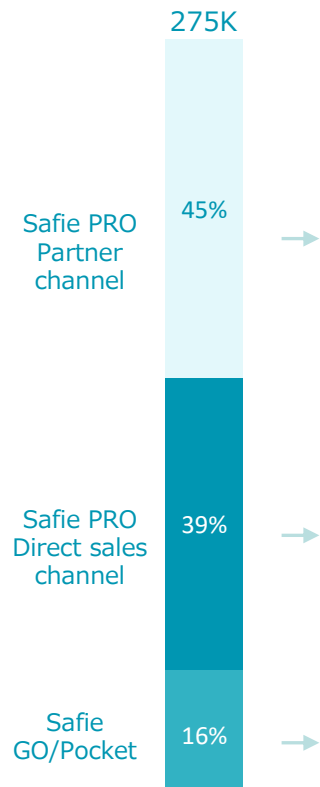
*1 Figures show the number of employees at the start of each month

Quarterly

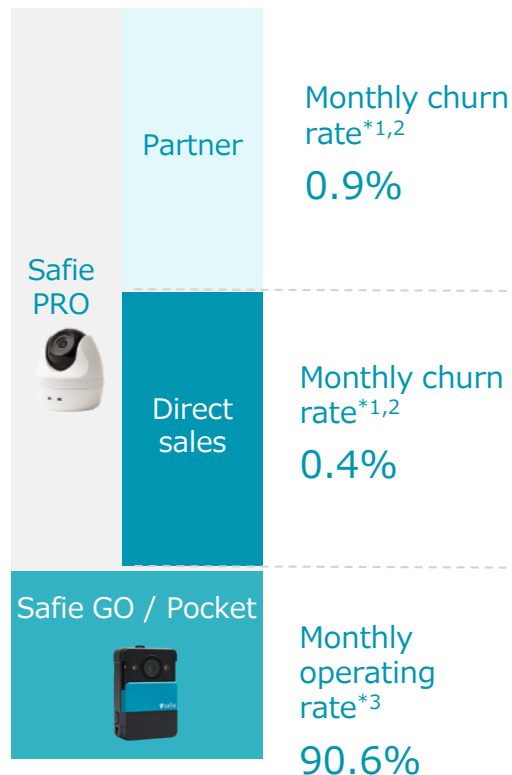


Breakdown of billing cloudcams

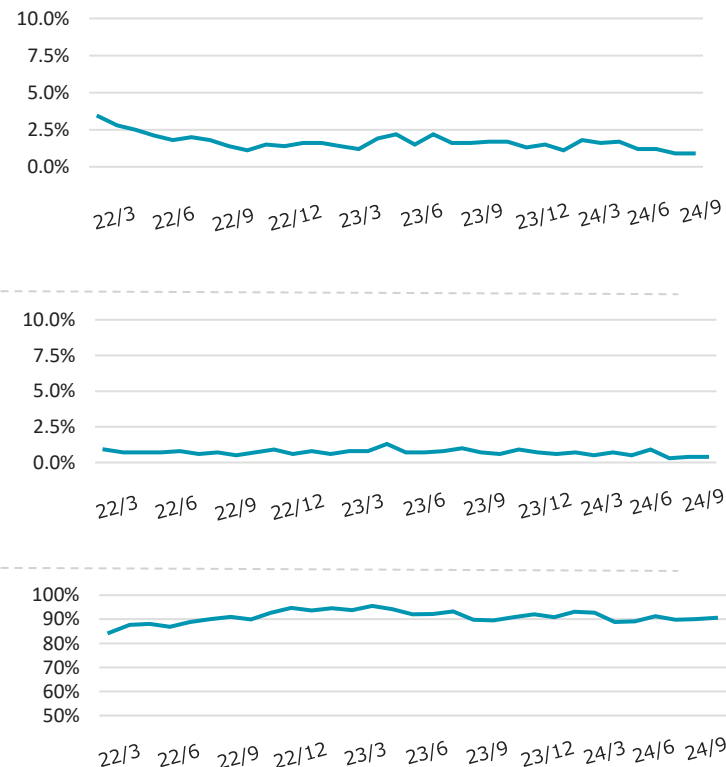
Breakdown (as of end-Sep)



Monthly (Sep 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

| | | 2022/9 | 2022/12 | 2023/3 | 2023/6 | 2023/9 | 2023/12 | 2024/3 | 2024/6 | 2024/9 |
|---------|--------------|--------|---------|--------|--------|--------|---------|--------|--------|--------|
| Partner | Monthly | 1.1% | 1.6% | 1.2% | 1.5% | 1.6% | 1.3% | 1.8% | 1.2% | 0.9% |
| | 12-mnth avg. | 2.8% | 2.0% | 1.6% | 1.6% | 1.7% | 1.7% | 1.7% | 1.6% | 1.4% |
| Direct | Monthly | 0.7% | 0.8% | 0.8% | 0.7% | 0.7% | 0.7% | 0.5% | 0.9% | 0.4% |
| | 12-mnth avg. | 0.7% | 0.7% | 0.7% | 0.8% | 0.8% | 0.8% | 0.8% | 0.7% | 0.6% |
| Total | Monthly | 0.9% | 1.2% | 1.1% | 1.2% | 1.2% | 1.0% | 1.2% | 1.1% | 0.7% |
| | 12-mnth avg. | 1.9% | 1.4% | 1.2% | 1.2% | 1.3% | 1.3% | 1.3% | 1.2% | 1.0% |

■ GO/Pocket billing cloudcam operating rate (volume basis)

| | | 2022/9 | 2022/12 | 2023/3 | 2023/6 | 2023/9 | 2023/12 | 2024/3 | 2024/6 | 2024/9 |
|-------|---------|--------|---------|--------|--------|--------|---------|--------|--------|--------|
| Total | Monthly | 92% | 94% | 94% | 93% | 90% | 92% | 93% | 91% | 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 Sep 2023 | End Sep 2024 | | End Sep 2023 | End Sep 2024 |
|---|--------------|--------------|---|--------------|--------------|
| Assets | | | Liabilities | | |
| Current assets | | | Current liabilities | | |
| Cash and deposits | 7,216,707 | 6,619,029 | Account payable – trade | 702,369 | 806,772 |
| Electronically Recorded Monetary Claims | 10,300 | 11,300 | Current portion of long-term borrowings | 91,656 | 1,380 |
| Accounts receivables – trade and contract asset | 1,713,219 | 1,832,485 | income tax payable | 53,602 | 35,731 |
| Merchandise | 968,061 | 951,953 | Provision for bonuses | 30,000 | 44,695 |
| Other | 349,749 | 416,818 | Other | 747,911 | 711,620 |
| Allowance for doubtful accounts | △3,730 | △4,322 | Total current liabilities | 1,625,538 | 1,600,199 |
| Total current asset | 10,254,307 | 9,827,265 | Non-current liabilities | | |
| Non-current assets | | | Long-term borrowings | 2,548 | 1,444 |
| Property, plant and equipment | - | 597 | Other | 56,504 | 56,549 |
| Investments and other assets | 1,446,942 | 695,651 | Total non-current liabilities | 59,052 | 57,993 |
| Total non-current assets | 1,446,942 | 696,249 | Total liabilities | 1,684,591 | 1,658,193 |
| Deferred assets | 282 | 642 | Net assets | | |
| Total assets | 11,701,532 | 10,524,156 | Shareholder's equity | | |
| | | | Share capital | 5,584,350 | 5,612,741 |
| | | | Capital surplus | 8,069,732 | 8,098,123 |
| | | | Retained earnings | △3,642,070 | △4,907,536 |
| | | | Treasury shares | △167 | △216 |
| | | | Total shareholder's equity | 10,011,844 | 8,803,112 |
| | | | Accumulated other comprehensive income | | |
| | | | Valuation difference on available-for-sale securities | 1,144 | 28,435 |
| | | | Foreign currency translation adjustment | - | △30 |
| | | | Total accumulated other comprehensive income | 1,144 | △28,405 |
| | | | Share acquisition rights | 3,952 | 10,258 |
| | | | Non-controlling interest | - | 24,187 |
| | | | Total net assets | 10,016,941 | 8,865,963 |
| | | | Total liabilities and net assets | 11,701,532 | 10,524,156 |

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 | Q3 |
| Operating profit | △147 | △111 | 6 | 132 | 63 | 31 | △56 | △115 | △218 | △384 | △281 | △398 | △182 | △256 | △399 | △252 | △99 | △203 | △64 |
| +) stock-based compensation expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 6 | 6 | 6 | 8 | 10 | 8 | 8 | 11 | 13 |
| +) 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 | 0 |
| Adjusted operating profit | △147 | △111 | 6 | 132 | 63 | 31 | △56 | △115 | △218 | △379 | △275 | △391 | △176 | △247 | △389 | △244 | △90 | △191 | △50 |

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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/>