OutlookConsulting Co., Ltd.

FY2023 Financial Results

May, 2024

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FY2023 Financial Highlights

Sales

1,667 million yen

YoY + 15. 8 %

Sales (Consulting Business)

1,057 million yen

YoY + 13. 4 %
sales composition 63. 4 %

Sales (Base Business)

610 million yen

YoY +20. 2 %
sales composition 36. 6 %

Operating income

565 million yen
Operating margin 33. 9 %

YoY + 20. 2 %

Ordinary income

542 million yen
Ordinary margin 32. 6 %

YoY + 16. 9 %

Net income

452 million yen
Net income margin 27. 2 %

YoY +41. 6 %

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Income Statement

- FY23 revenue as well as profits recorded historical high.
- Sale of fixed asset (laboratory/employee benefit facility) had 79mil yen profit before tax impact and 58mil yen profit after tax impact.

(JPY Million)

	FY2022	FY2023	Change	% Change
Sales	1,440	1,667	227	15.8%
Gross profit	934	1,131	196	21.1%
Operating income	470	565	94	20.2%
Ordinary income	464	542	78	16.9%
Net income	319	452	133	41.6%

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Income Statement

- Sales exceeded from the forecast driven by increased project orders.
- 23 million yen of the listing-related expenses that were included in operating expenses in forecast, was recognized as non-operating expenses, that led to increase of operating income.
- SG&A expenses lowered from budget by cost management.

(JPY Million)

	FY2023 (Forecast)	FY2023 (Results)	Change	% Change
Sales	1,656	1,667	11	0.7%
Operating income	490	565	75	15.4%
Ordinary income	490	542	52	10.8%
Net income	372	452	80	21.7%

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Balance Sheet

(JPY Million)

	FY2022	FY2023	Increase/ Decrease amount
Current assets	655	1,291	636
Cash and deposits	320	1,004	684
Non-current assets	264	90	-174
Total Assets	920	1,382	462
Current liabilities	439	366	-74
Non-current liabilities	-	-	-
Net assets	480	1,016	536
Total liabilities and net assets	920	1,382	462
Equity ratio	52.2%	73.5%	21.3%

- Cash and deposits and net assets increased due from strong positive cash flow from operation, sale of non-current assets, and equity public offering through listing.
- Equity ratio increased by 21.3% to 73.5%.

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Key KPIs（Financial KPIs）

- Sales growth rate, Operating income margin, Ordinary income margin, Net income margin are making good progress from FY2022.
- ROA and ROE were decreased due from increasing Total Assets and Equity, but kept high level.

	FY2022	FY2023	Increase/ Decrease amount
Sales growth rate	14.7%	15.8%	1.1%
Operating income margin	32.7%	33.9%	1.2%
Ordinary income margin	32.2%	32.6%	0.3%
Net income margin	22.2%	27.2%	4.9%
ROA	34.8%	32.8%	-2.0%
ROE	99.8%	60.5%	-39.2%
Equity ratio	52.2%	73.5%	21.3%

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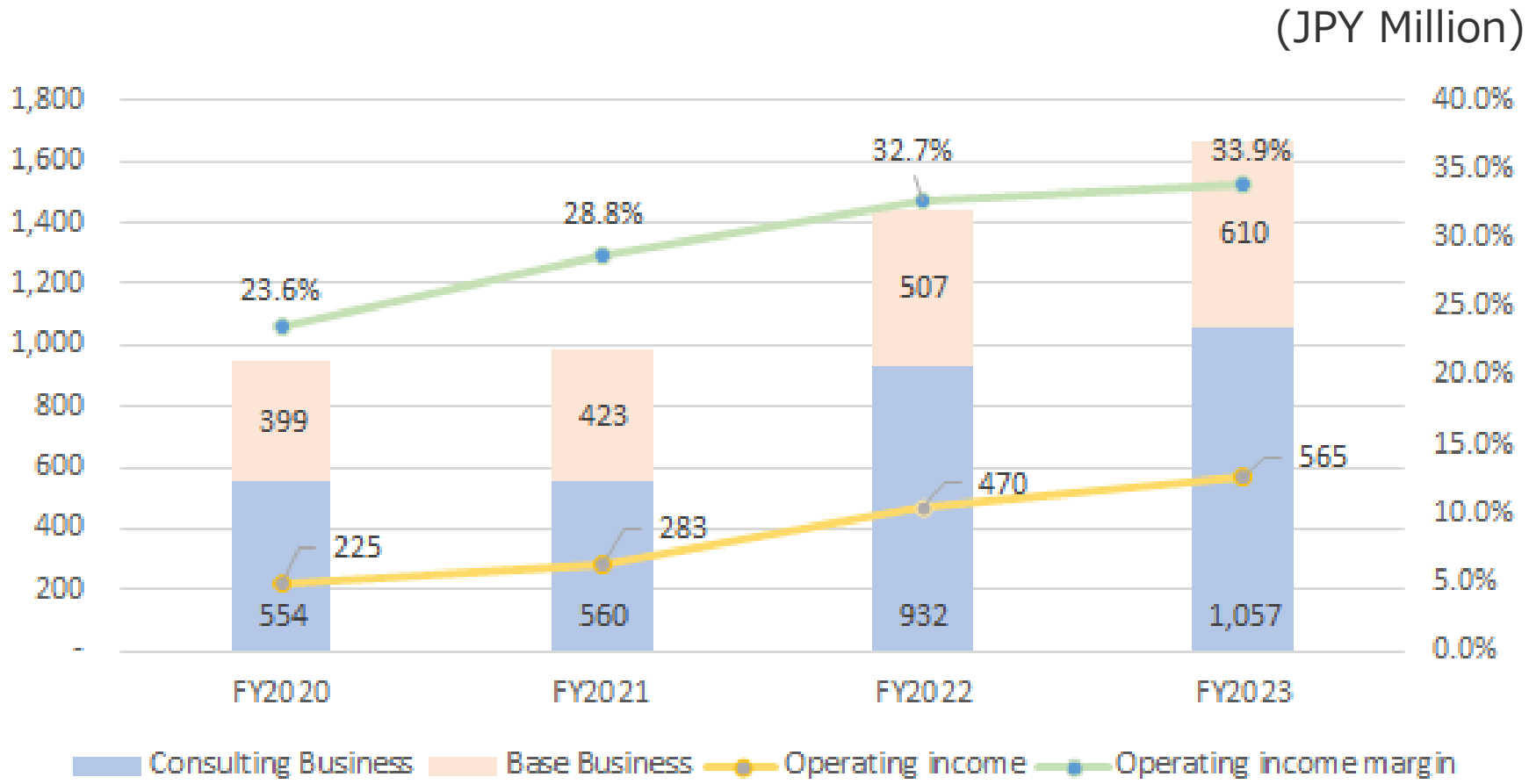
Revenue/Profit History

- Revenue and profit growth is making good progress.



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Company Overview

Company Name	OutlookConsulting Co., Ltd.
Head Office Location	3-1-3 Minami-Aoyama, Minato-ku, Tokyo
Representative	President and CEO, Yasufumi Hirao
Establishment	April 2006
Listed Stock Exchange	TSE Growth Market (code: 5596)
Listing Date	December 12, 2023
Capital Stock	141.4 million yen (as of March 31, 2024)
Number of employees	72 (as of March 31, 2024)

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Sactona in Multiple Use over Industries

- **Sactona is a data platform system for corporate management accounting and performance management**
- **Provide information that contribute to management decisions through visualization of data from various sources**
- **From corporate financials to sales and operation planning, and human resources planning**



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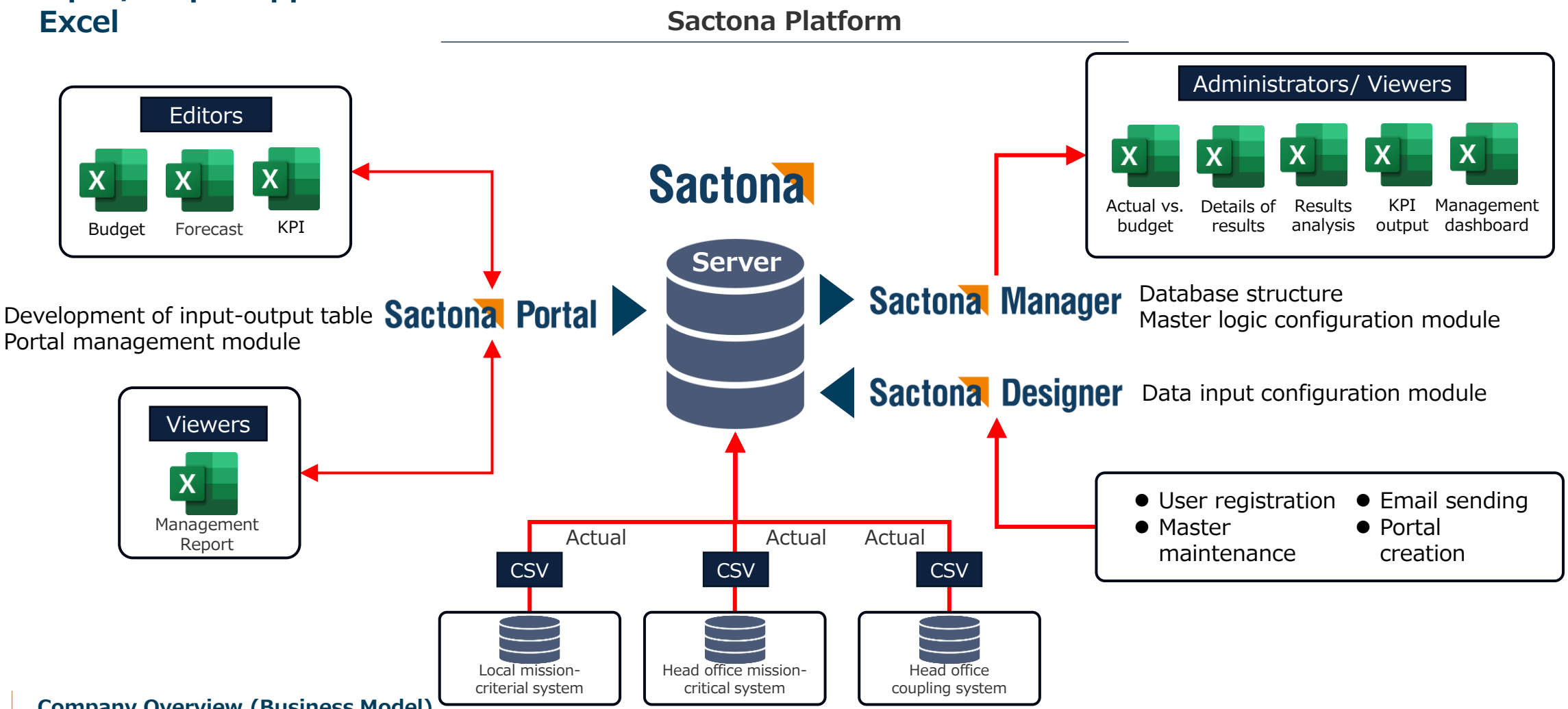
Sactona Interface

- **Users can maintain a familiar working environment as data input/output app is Excel**
- **Users can link with a database through inputting data**
- **Low-cost implementation as users can keep using Excel**
- **Meet the needs of step-by-step implementation to avoid risks**



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Sactona Solution

〈Major issues at companies 〉

- **Data from many sources** (Complications and omissions due to internal shared communication)
- **Frequent data integration error, though hard work** (Manual transcription errors, replacing formulas with fixed values, version control errors)
- **Low accuracy, little time for analysis** (No evidence, ignoring historical trends)
- **Delay in recognizing the alert** (Significant time required to reach aggregate results and analysis)
- **The work is so personalized** (Black boxed files by depending on a particular)

Sactona

Simplicity
- ✓ **Automated file version management**
- ✓ No more email attached files (all in Web browser)

Metadata
- ✓ **Server based arithmetic processing**
- ✓ Actual data warehousing

Integrated
- ✓ **Automated integration of data from ERP and other sources**
- ✓ All necessary data in a Sactona DB

Error prevention
- ✓ **Error check function**
- ✓ Avoid personalized spreadsheet

Analysis
- ✓ **Multi-dimensional analysis**
- ✓ **Visualization**
- ✓ **Qualitative information management**

Flexibility
- ✓ **Easy maintenance to corporate re-organization**
- ✓ Centralize input template maintenance
- ✓ Linking of forms and masters

< Customer Success >

Reduced man hours required for budgeting in Corporate Planning department

1800 hours/year reduction from 3 to 2 persons in charge

Reduced under-performing inventory

Approx. 2 billion yen of underperforming inventory reduced to almost zero

Accelerate decision-making based on a correct understanding of the business progress

(Note) We do not guarantee the same achievements above to all our clients.

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Business Description

- **Single business segment to provide a Corporate Performance Management system “Sactona” related services**
- **The company receives Sactona license fee and infrastructure service fee as Base business together with Consulting business for Sactona initial implementation followed by extension development**

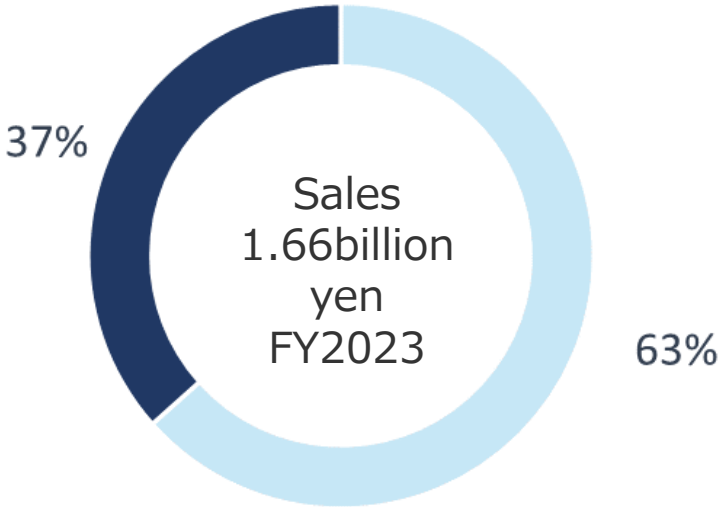
Base Business

<Product License>

✓ Subscription base Sactona license fee upon the number of users*1 of files produced by Sactona

<Infrastructure Services*2>

✓ Cloud base Sactona infrastructure usage fees



Consulting Business

<Implementation Support>

✓ Development of initial application upon Sactona

<Extension Support>

✓ Extensional application development for additional function and scope of users

Two Business Wheels

*1 : The number of individuals who belong to a client, individuals who are outsourced by a client, or individuals who belong to a corporation that is outsourced by a client, who use Sactona using a user ID, and who enter and update data in packages generated by Sactona

*2 : Cloud service that provides servers, databases, and other infrastructure for using Sactona

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Examples of Client Companies





































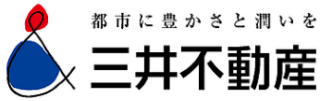











































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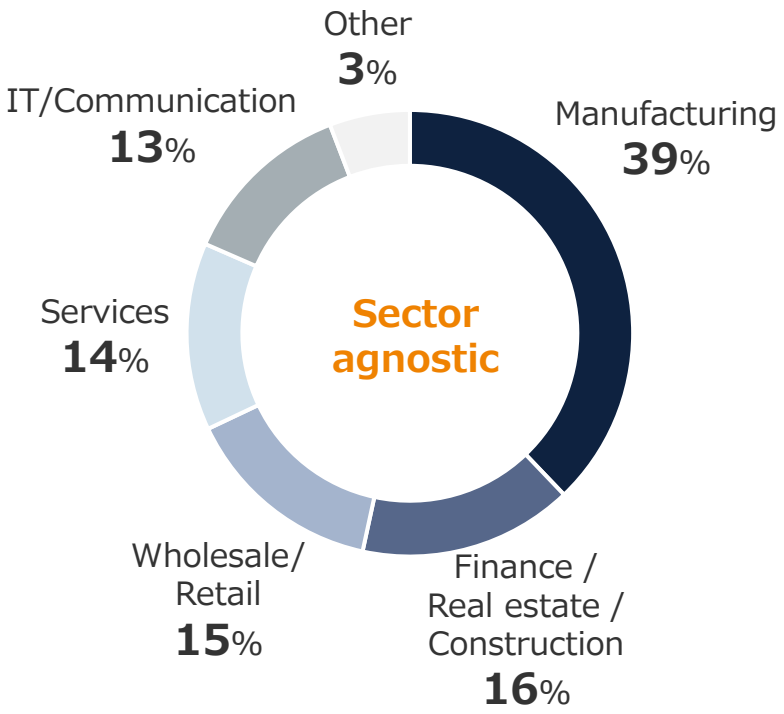
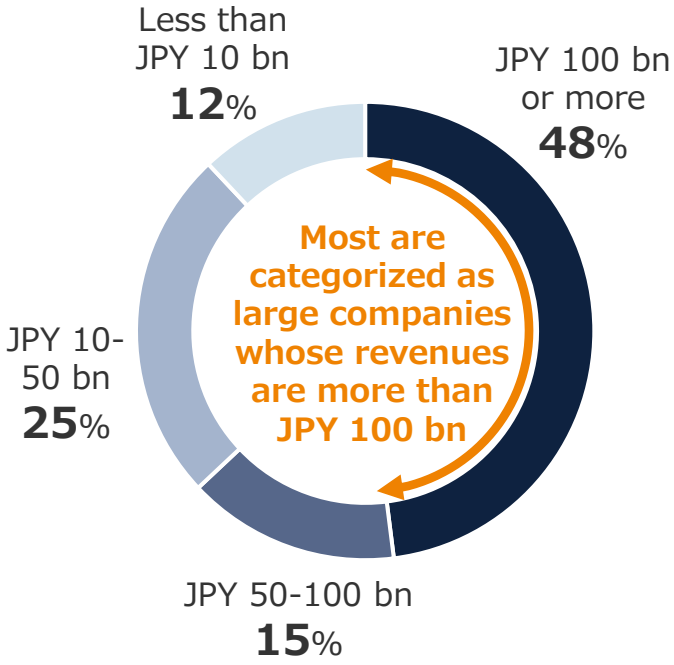
Client Companies Profile

- **Client companies are in all over sectors with approx. 40% manufacturing companies and approx. 60% non-manufacturing companies. Most companies are of large size**
- **Large companies tend to have strong needs for business performance management platform. And the company's product and services are well accepted by them**

Clients by Sector

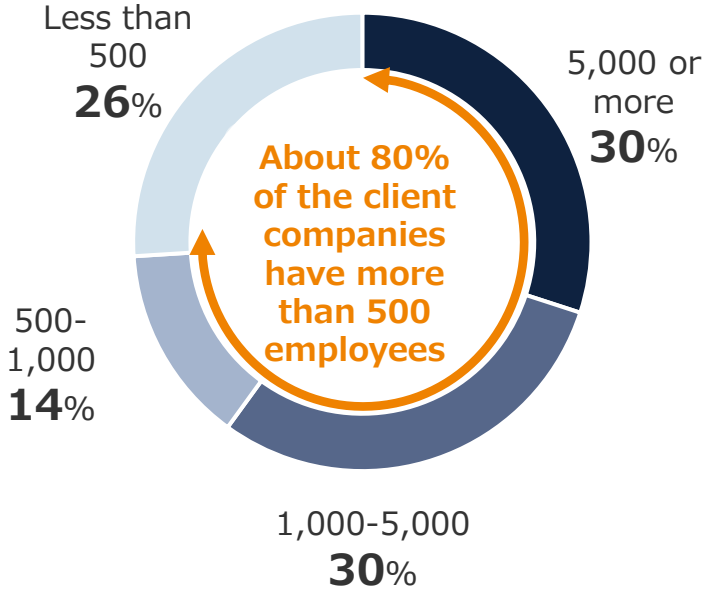


by Clients Revenue Size



Listed companies (including group companies) account for **76**% of all client companies

by Clients No. of Employees



(Note) Information based on the FY2023 client companies

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FY2023 Major achievements

- **New Clients : 21 new clients**
- **Partners : 7 Value Added Resellers and 4 application development partners**
- **Consulting business : Increased by 13% in revenue and by 12% in number of consultants**
- **Product developments : Dashboard upgrades, Co-editing, Google Spreadsheet**
- **Strengthen corporate infrastructure : IPO at TSE Growth Market on December 12, 2023**

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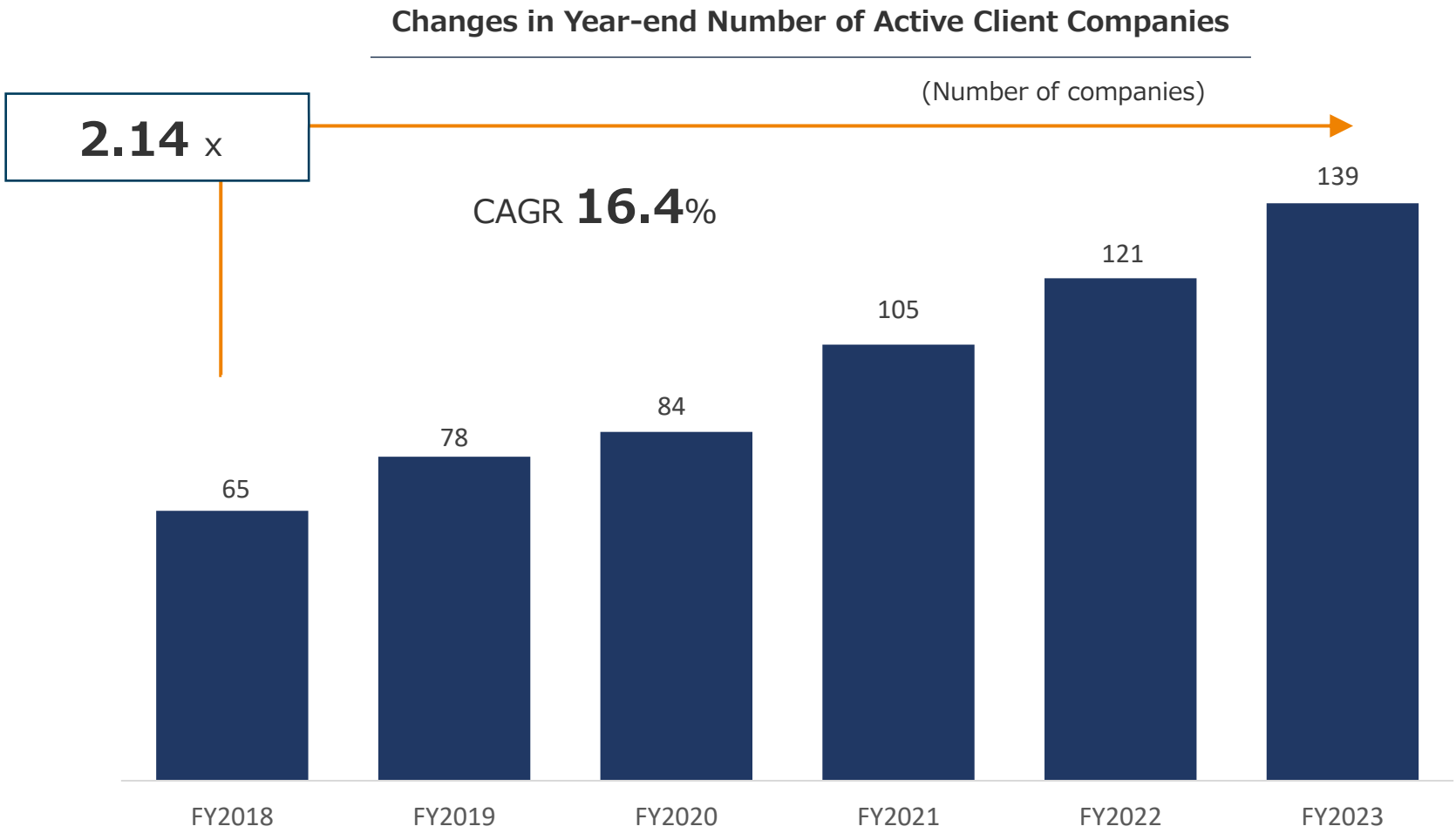
Sactona Client Base



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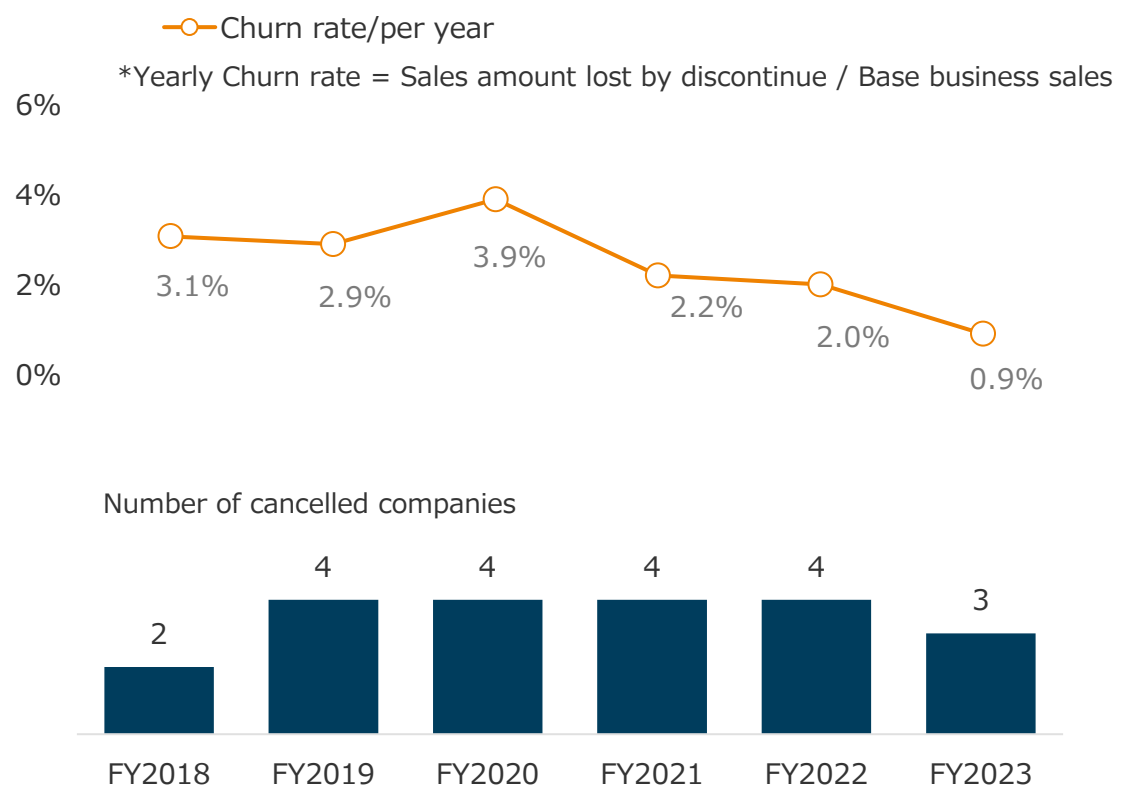
Churn Rate, New Clients

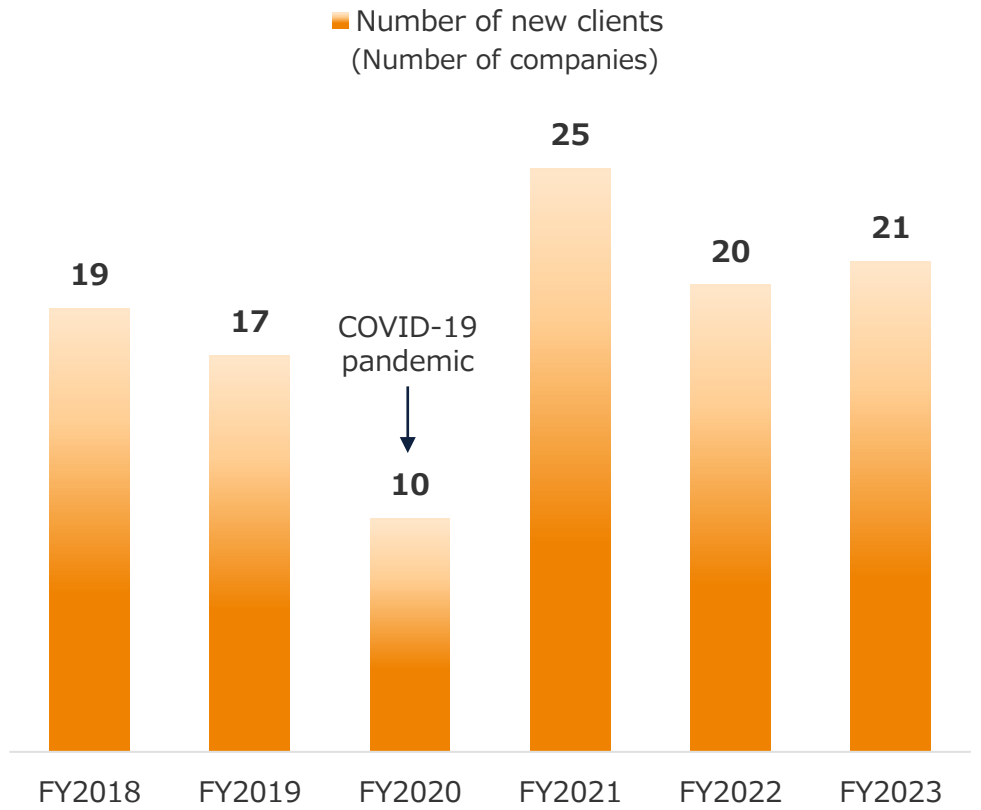
- **High usability and flexible extensibility of function and scope in application help to maintain the churn rate as low as about 1% or less.**

Number of Companies discontinued and Churn Rate



- **The number of new clients is steadily added every year thanks to high usability and low psychological hurdles at service launch**

Changes in Number of New Clients



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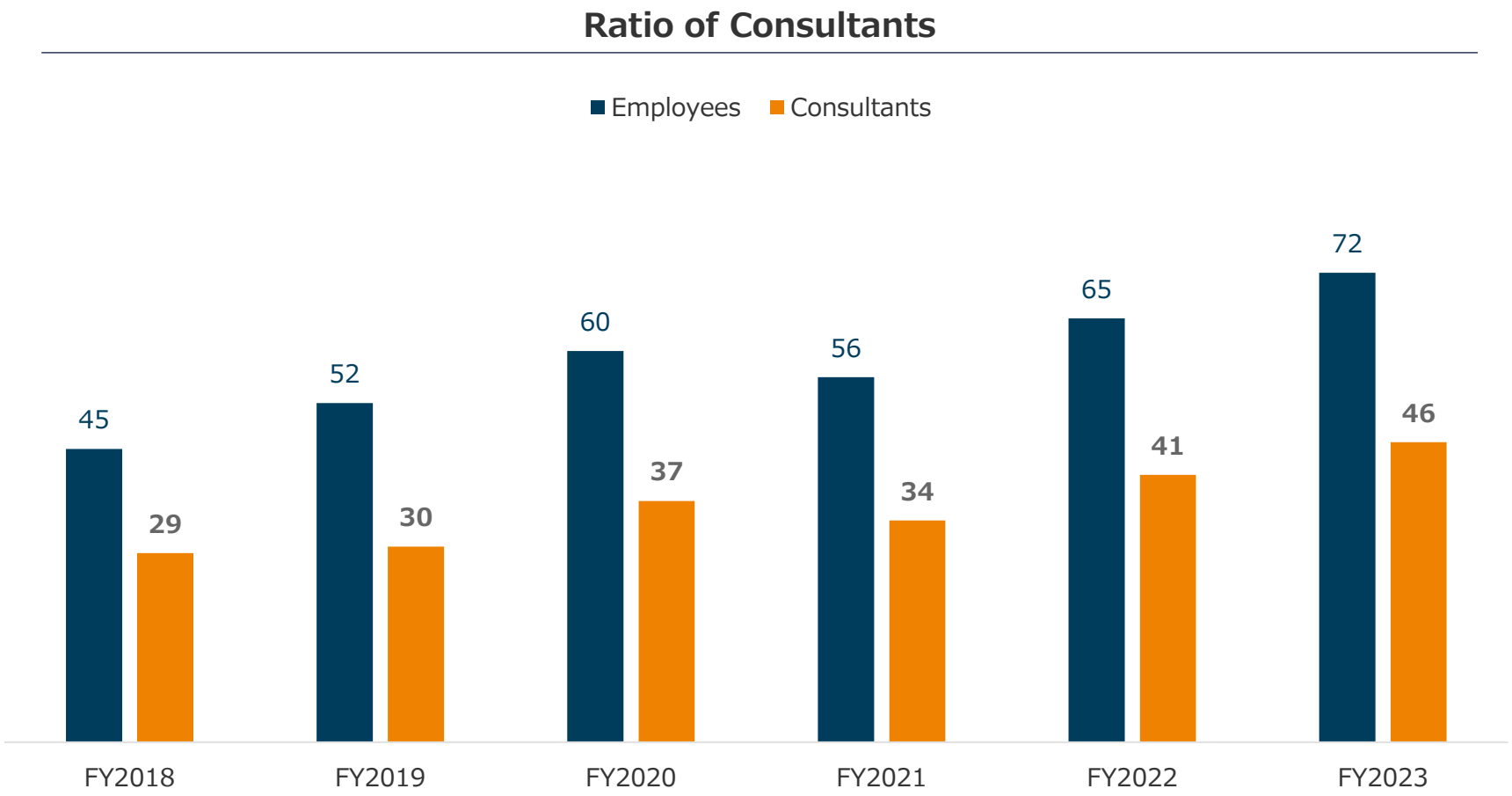
Sactona Enhancement: System Consulting Capability

- **Our IT consultants are with expertise in accounting and finance**
- **Increasing number of consultants accounting for over 60% of all employees**
- **Directly listen to the voice of users to assess their needs, and conduct every operation from in-house product development to application development and maintenance**



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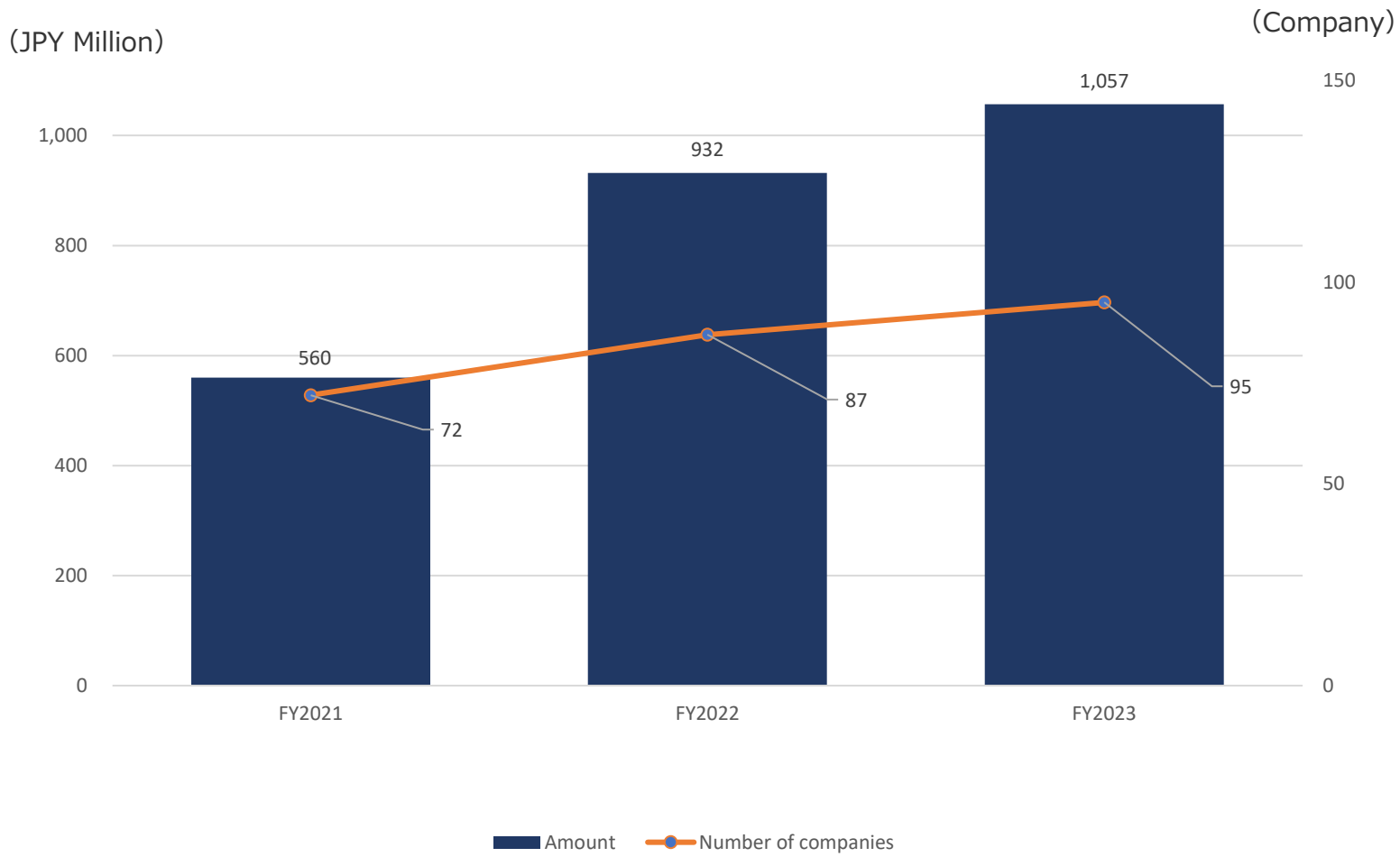
Sales trends by service (Consulting business)

(Consulting business)



Number of consultants	34	41	46

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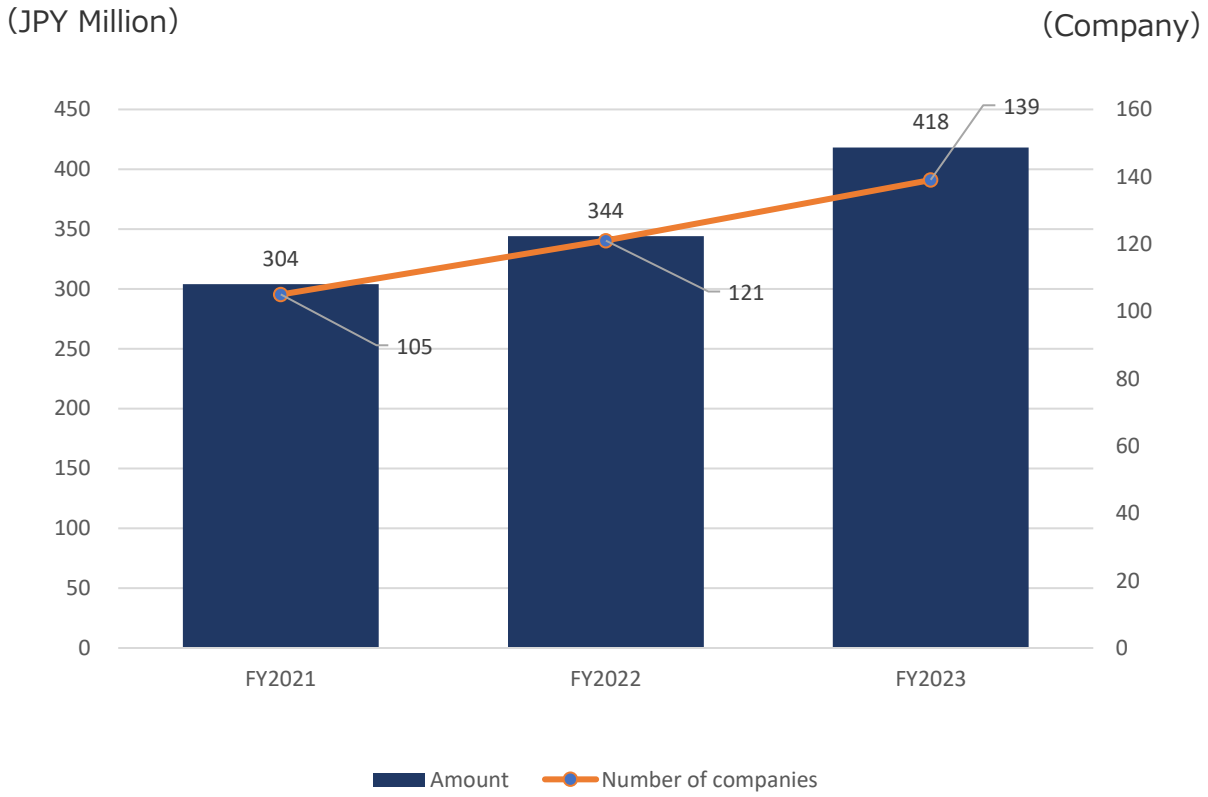
Sales trends by service （Base business）

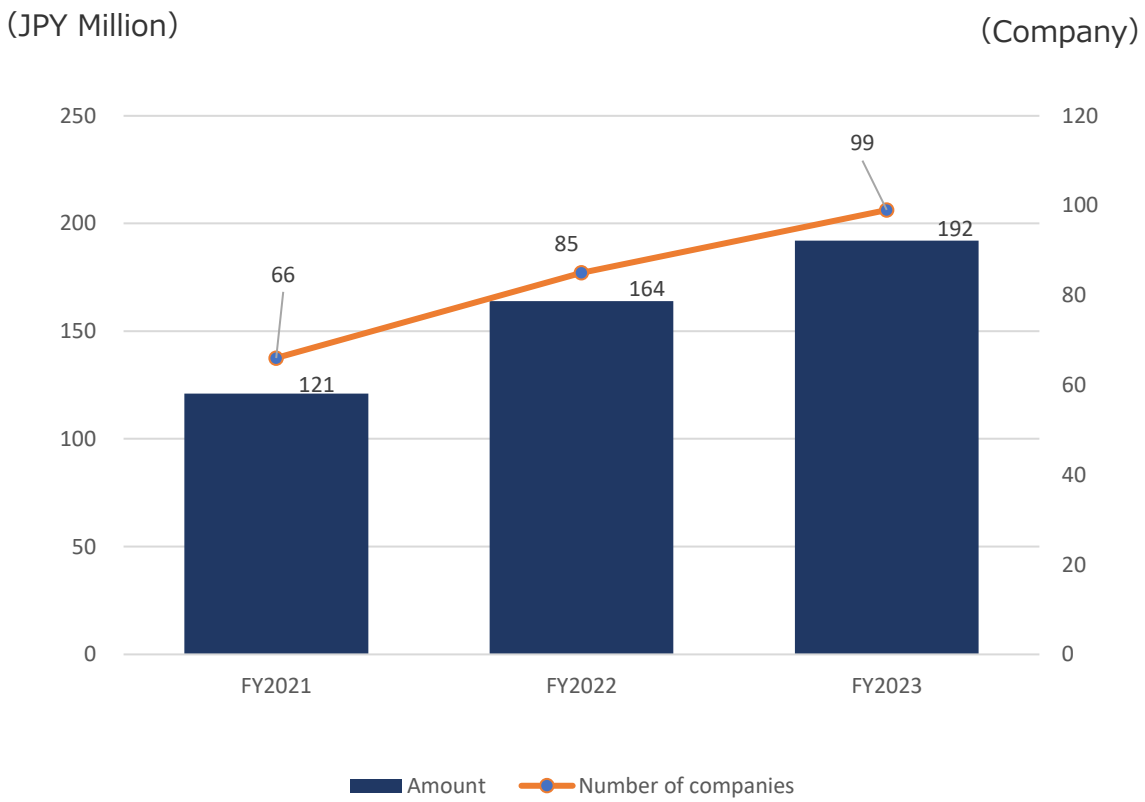
- **New clients acquisition and increase of user accounts of existing clients attribute to the growth of license revenue.**

(Base business / License)



- **Over 70% of clients use our infrastructure services, which provide our managed cloud server infrastructure for Sactona.**

(Base business / Infrastructure services)



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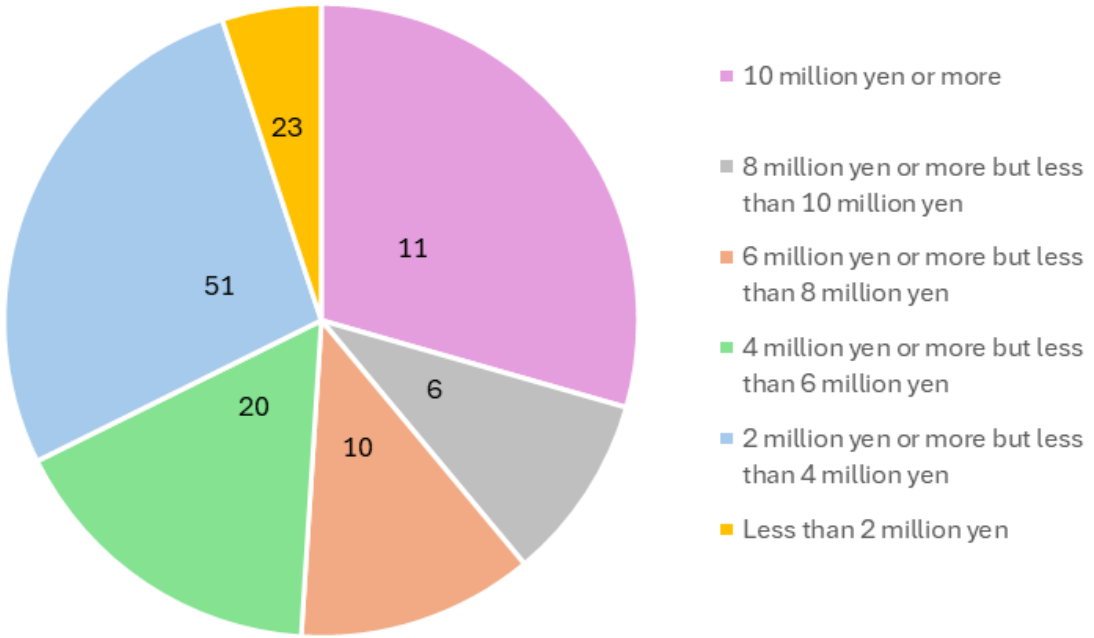
Distribution by annual sales by client

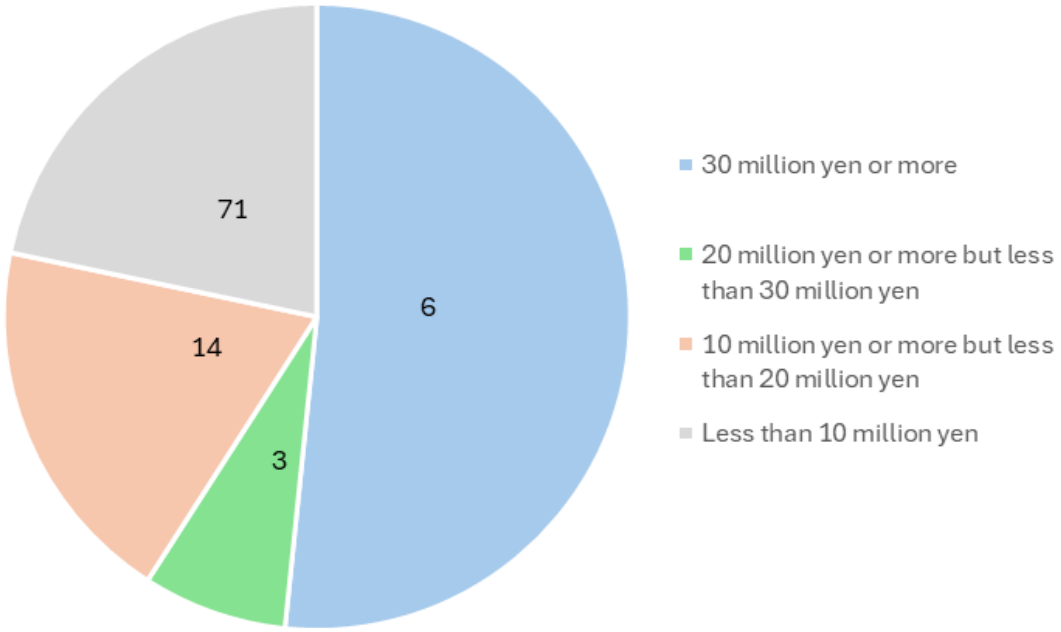
(Base business)

(Number of companies)



(Consulting business)

(Number of companies)



＊The size in each graph illustrates the total sales from clients in the corresponding range

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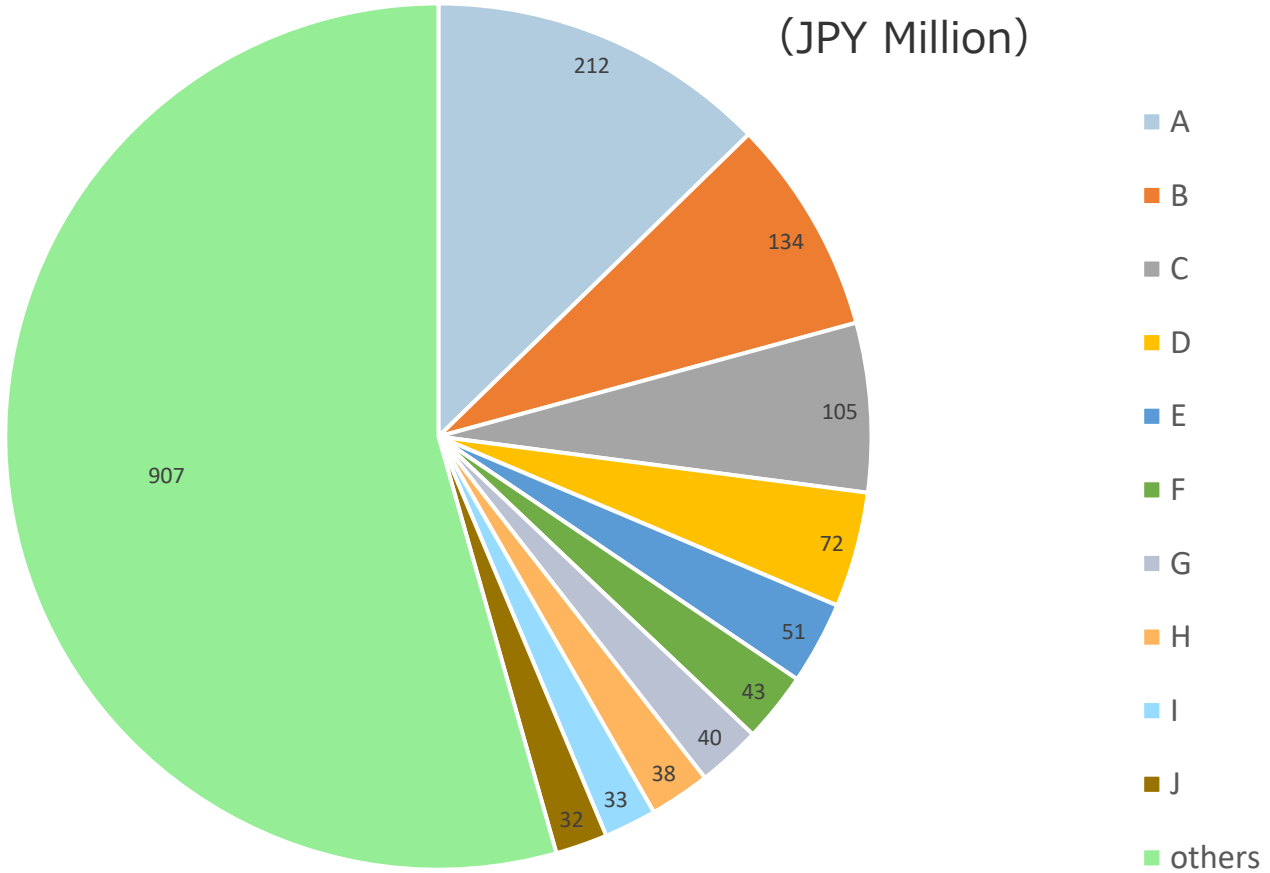
Percentage of each client in sales

The top 10 clients in sales account for 46%



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FY2024 Forecast

- We forecast sales growth by 20%, and operating income and ordinary income margin to be maintained high.
- Net income is estimated to decrease in FY2024 but increase without impact of extraordinary income from fixed asset sale last year.

(JPY Million)

	FY2023 Results	FY2024 Current Forecast	YOY	
			Increase/ Decrease amount	Percentage change
Sales	1,667	2,001	333	20.0%
Operating income	565	584	19	3.4%
Operating income margin	33.9%	29.2%		
Ordinary income	542	584	41	7.7%
Ordinary income margin	32.6%	29.2%		
Net income	452	409	-43	-9.6%

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FY2024 main measures

- **Active marketing**
- **Enhance network of Value Added Resellers and application development partners**
- **Further growth of consulting business**
- **Use of AI (alerts, projections, generative AI, system collaboration with AI products)**
- **Global expansion**
- **M&A to strengthen our business**

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Dividends / share buyback

- Medium to long term growth is our current top priority through investment to business opportunities, so that dividends and share buybacks are not in the immediate plan.

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Financial Highlights

Fiscal year		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
period		2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Sales	(thousand yen yen)	831,909	993,692	954,403	984,563	1,440,025	1,667,850
Ordinary income	(thousand yen yen)	239,569	263,095	250,802	304,969	464,357	542,985
Net income	(thousand yen yen)	204,959	189,873	195,623	199,926	319,813	452,863
Capital stock	(thousand yen yen)	100,000	100,000	100,000	100,000	100,000	141,400
Number of shares outstanding	(Shares)	2,000	2,000	2,000	17,600,000	17,600,000	3,570,000
Net assets	(thousand yen yen)	1,055,334	1,245,207	1,718,746	160,661	480,474	1,016,137
Total assets	(thousand yen yen)	1,235,279	2,405,639	2,720,568	1,191,096	920,146	1,382,198
Equity ratio	(%)	85.4	51.8	63.2	13.5	52.2	73.5%
ROE	(%)	21.5	16.5	13.2	21.3	99.8	60.5%
Net cash provided by operating activities	(thousand yen yen)	–	–	–	153,447	432,234	409,865
Net cash provided by investing activities	(thousand yen yen)	–	–	–	△33,955	△14,807	214,405
Net cash provided by financing activities	(thousand yen yen)	–	–	–	203,000	△795,000	59,614
Cash & Cash Equivalent	(thousand yen yen)	–	–	–	698,022	320,449	1,004,334
Number of Employees	(persons)	45	52	60	56	65	72

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