OutlookConsulting Co., Ltd.

FY2024 2nd Quarter Financial Results

November, 2024

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Index

1. Company Overview (Business Model)
2. FY2024-2Q Financial Summary
3. FY2024 Full-Year Outlook
4. Main Business Environment
5. Medium-term Perspective(Growth Strategy)
6. Commencement of TOB for Shares of Our Company

Appendix

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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	144.4 million yen (as of September 30, 2024)
Total Number of issued Shares	3,578,160 (as of September 30, 2024)
Number of employees	82 (as of September 30, 2024)

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Sactona in Multiple Use Case over Industries

Sactona is our proprietary CPM (Corporate Performance Management) system that aggregates budget, forecast and actual data including qualitative information, and visualize real-time snapshots to support analyze business status and going-forward for better decision making.
Sactona is used in a wide range of business application such as FP&A (Financial Planning & Analysis), inventory optimization and IT investment planning.



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CPM : Clear and Present Challenges in many companies

Man-hours

Complicated aggregation process of Excel files

Errors

Frequent human errors in processing data

Timeliness

Long latency to finalize data collection
No time for proper analisys

Data Capacity

Data volume exceeds the capacity of single file

Depend on personal skills

Nobody understands but a specific person



Data integration

Hard to integrate data from non-unified account title etc over subsidiaries

System linkage

Manual process to coordinate data among various package systems

Flexibility

Not easy to change distributed input format

Versioning

Frequent changes before finalizing budget

Approval process

No system control over multi-layer approval process

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Sactona for better CPM and decision making

Our unique CPM platform, Sactona, significantly streamlines the data aggregation process and delivers flexible solution to organizational restructuring and KPI changes.
Budget, actual and forecast data together with qualitative information by department, region and product can be managed in real time in a multidimensional DB. Easy output and analysis by various dimensions support proper decision making.

Efficient data collection

- ✓ Flexible application interface
- ✓ Automatic version management

Real-time recognition of forecast

- ✓ Error check / Real-time reflection / Automatic email distribution
- ✓ Automatic data retrieval from other systems

Process complex logic

- ✓ Multi-stage cost allocation, Multi-Currency Conversion
- ✓ Multiple simulations

Manage large volumes of data

- ✓ Multi-dimensional enterprise database
- ✓ Drill-down, Drill-through

Deep-dive analisys

- ✓ Visualize and analyze from various angles
- ✓ Manage qualitative information

Adaptability to changes

- ✓ Adapt to corporate reorganization
- ✓ Master Information management

Security

- ✓ User access control
- ✓ Data backup / Access logs

Process management

- ✓ Approval process management
- ✓ Data update history management

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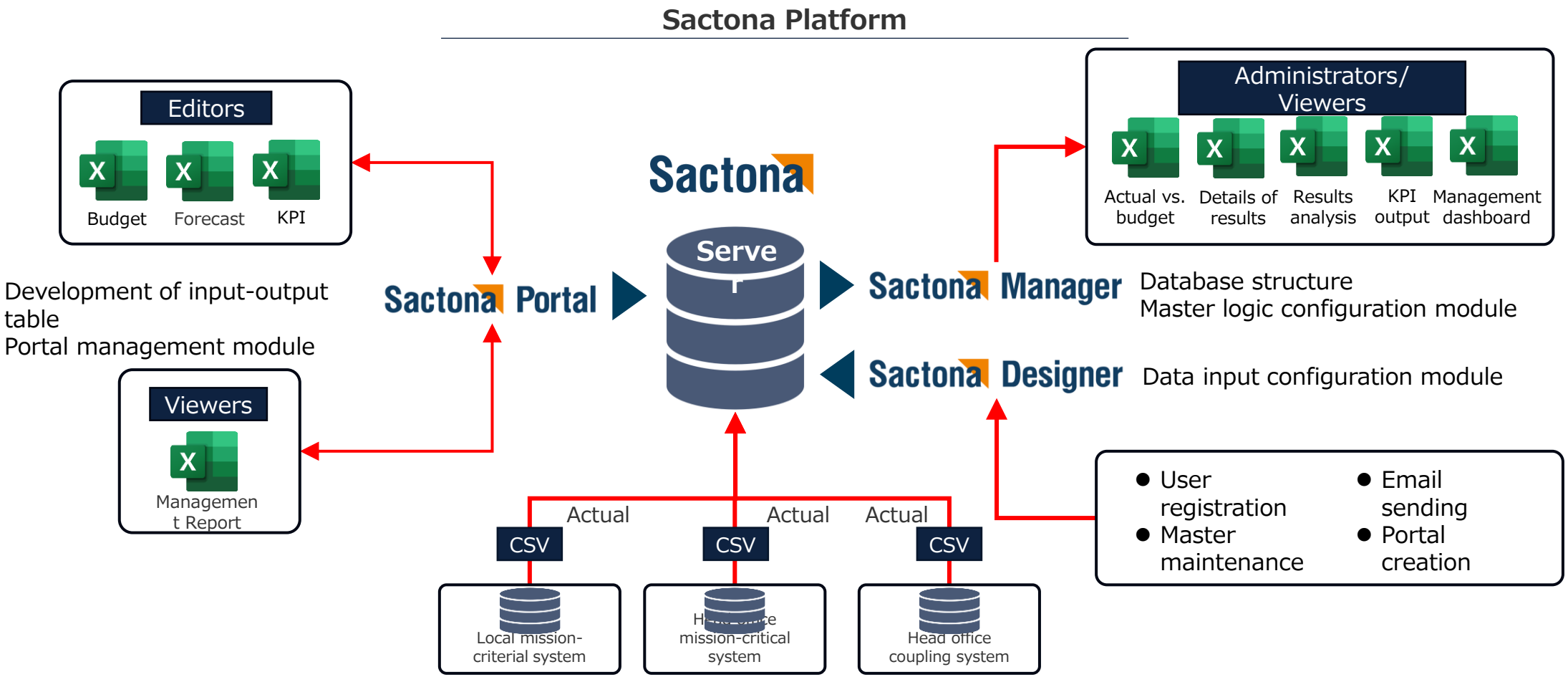
Sactona overview

Main user interface is Excel as well as Google Spreadsheet.
Input data in Excel file reflects to multidimensional database in real-time.
User interface file can be flexibly designed. Sactona has value added CPM functions such as data retrieval from other systems like accounting system, an approval process setting function, data access control, automatic email distribution and a dashboard.



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Sactona Interface (Flexible to realize customers' requirements)

Full utilization of Excel functions

20XX年度 P/L
(連結) 地域別合計
(単位: 千円)

コード	勘定科目	(連結) 地域別合計	(連結) 日本	(連結) 北米	(連結) 欧州	(連結) アジア	(消去) 地域間
A0110	総売上高	13,120,106	6,209,632	1,716,452	3,149,910	2,044,113	0
A0111	値引・割戻	▲ 1,292,165	▲ 672,856	▲ 147,125	▲ 286,355	▲ 185,828	0
SALES	売上高	11,827,941	5,536,776	1,569,327	2,863,554	1,858,284	0
A0120	買入原価	5,441,858	1,914,968	738,028	1,821,018	967,846	0
A0121	工場売上	3,885,756	3,885,756	0	0	0	0
A0122	工場原価	3,143,703	3,132,110	5,390	6,203	0	0
GROSP	売上総利益	7,128,136	4,375,454	825,910	1,036,334	890,439	0
A0150	販売促進費	769,312	2				0
A0151	人件費	2,001,770	1,0				0
A0152	業務委託費	166,828					0
A0153	研究開発費	98,127					0
A0154	減価償却費	404,642	2				0
A0160	本部管理費	907					0
A0170	その他経費	175,007	79,812	27,958	46,629	20,608	0

Parameters are managed by Master data

Visualized dashboard



Real time data analysis

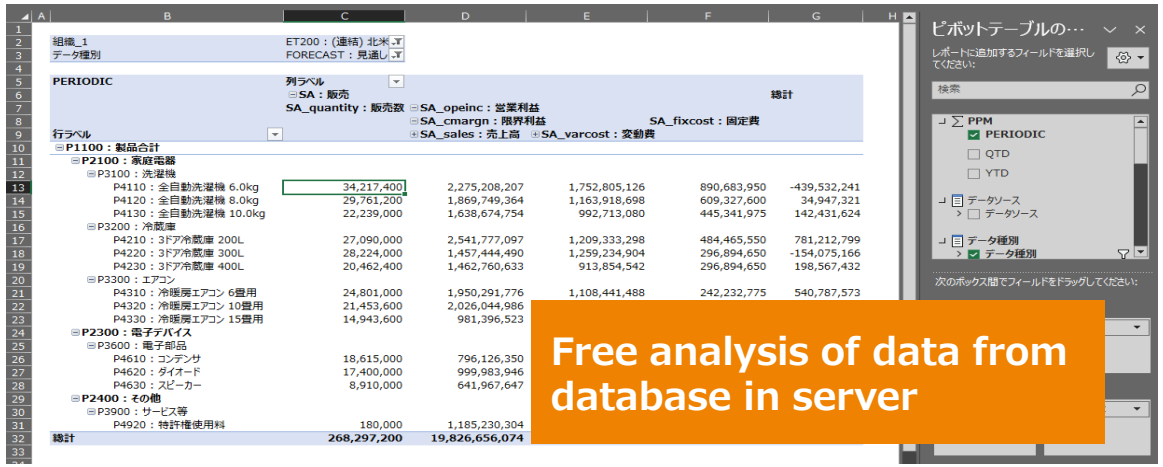
Drill down data

20XX年度 設備投資 計画
E1152 大阪支店
(単位: 千円)

行番	テーマ	案件・便途	案件・便途(詳細)	資産種類	取得価額 取得日	勘定科目	期首残高	設備投資	▲減損	▲除売却	期末残高	減価償却 開始日	PL区分	償却方法	耐用年数	残存価額	期首累計	償却費	▲減損	▲除売却	期末累計
							120,000	40,000	0	0	160,000					12,000	21,600	0	0	0	21,600
001	インフラ	オフィス(支店)	大阪府門真市大字門真1006番地	建物	20XX04	有形固定資産	80,000	0	0	0	80,000	20XX04	一般管理費	定額法	20	8,000	14,400	0	0	0	14,400
002	インフラ	営業用設備	営業用車	車両運搬具	20XX04	有形固定資産	16,000	0	0	0	16,000	20XX04	一般管理費	定率法	5	1,600	2,880	0	0	0	2,880
003	インフラ	ＩＴハードウェア	オフィスサーバー	機械及び装置	20XX10	有形固定資産	24,000	0	0	0	24,000	20XX10	一般管理費	定率法	5	2,400	4,320	0	0	0	4,320
004	インフラ	ＩＴソフトウェア	販売管理システム	ソフトウェア	20XX10	無形固定資産	0	40,000	0	0	40,000	20XX10	一般管理費	定額法	5	0	0	0	0	0	0
005																					0
006																					0
007																					0
008																					0

Flexible output formats

Free data analysis by pivot table



Free analysis of data from database in server

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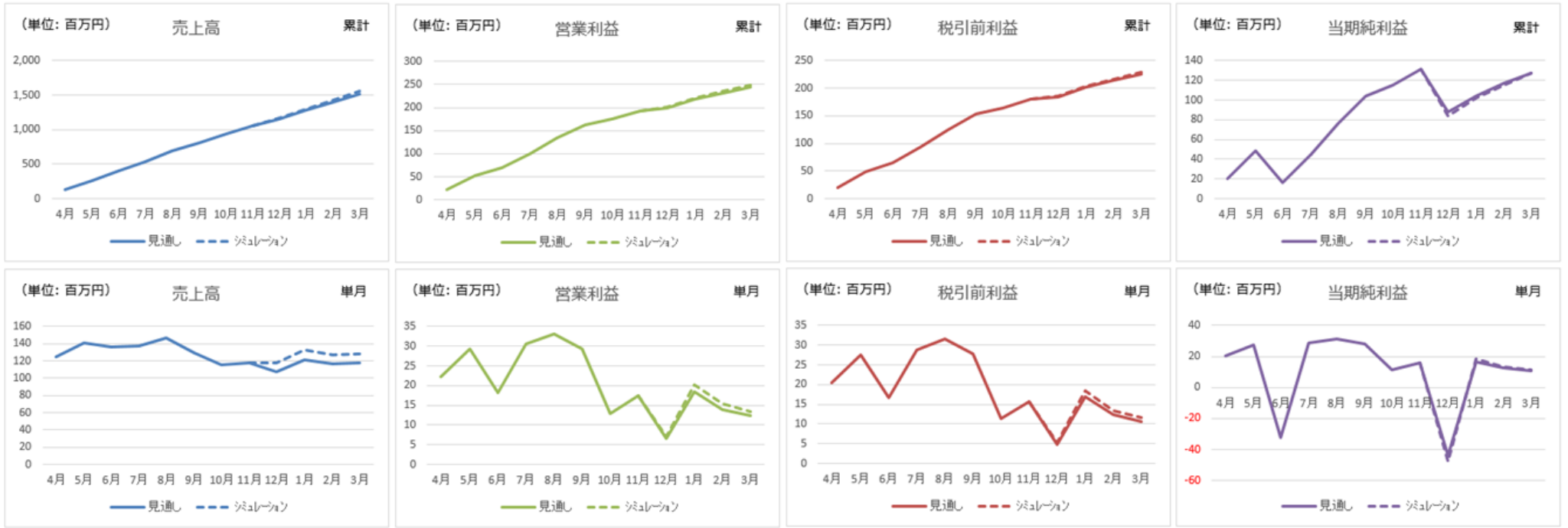
Example of analysis

Sactona supports sensitivity analysis changing parameter such as sales volume, price, and exchange-rate, and scenario planning adopting different exchange-rate (e.g., average rate for PL, year-end rate for BS etc.).
Multi-step allocation of common expenses to business unit is also useful function in CPM.

[redacted]年度 為替シミュレーション

(単位: 円/現地通貨)

通貨	4月 実績	5月 実績	6月 実績	7月 実績	8月 実績	9月 実績	10月 実績	11月 実績	12月 見通し	1月 見通し	2月 見通し	3月 見通し
USD	109.92	109.12	105.72	103.99	101.34	101.98	103.80	105.32	115.00	115.00	115.00	115.00
EUR	124.59	123.08	118.84	114.96	113.54	114.33	114.40	115.45	120.00	120.00	120.00	120.00
CNY	16.95	16.66	16.02	15.55	15.23	15.27	15.40	15.48	15.48	15.48	15.48	15.48



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Business Model

Our revenue consists of Sactona's annual subscription-based Base Business and Consulting Business for initial implementation and expansion of Sactona.

Sales Composition

Base Business

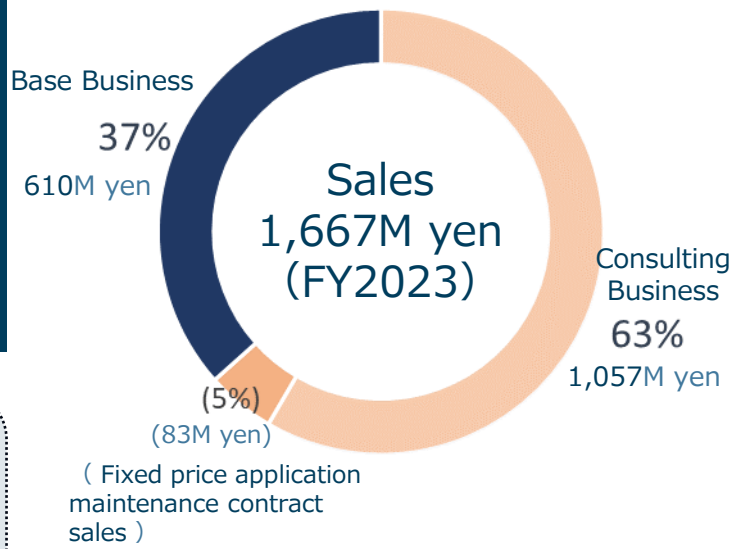
<Product License >

- ✓ Subscription base Sactona license fee upon the number of users

<Infrastructure Services>

- ✓ Cloud base Sactona infrastructure service fees

- Billed at the beginning of each fiscal year for the full year（No cancellation during a year）
- About 70% of clients use Infrastructure services



Consulting Business

<Implementation Support>

- ✓ Application development at initial implementation

<Extension Support>

- ✓ Extensional application development for additional function and scope of users

- Each development project spends from 3 months to a year+.
- No major quarterly seasonality..
- Revenue from new customers account for approximately 20% of annual sales.
- Fixed price application maintenance sales were 84 million yen in FY2023. Combined with base sales, ARR in FY2023 was 693 million yen.

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Some of Client Companies



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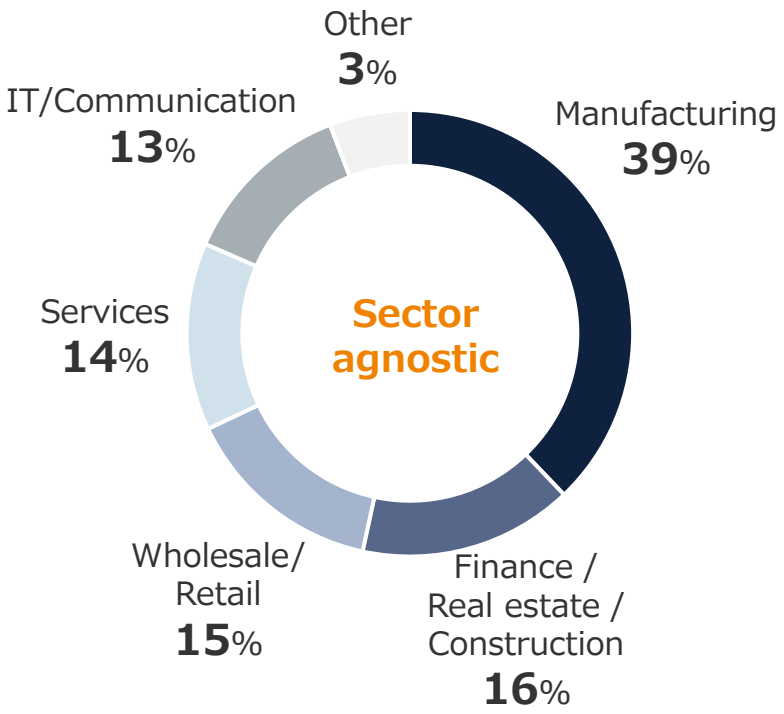
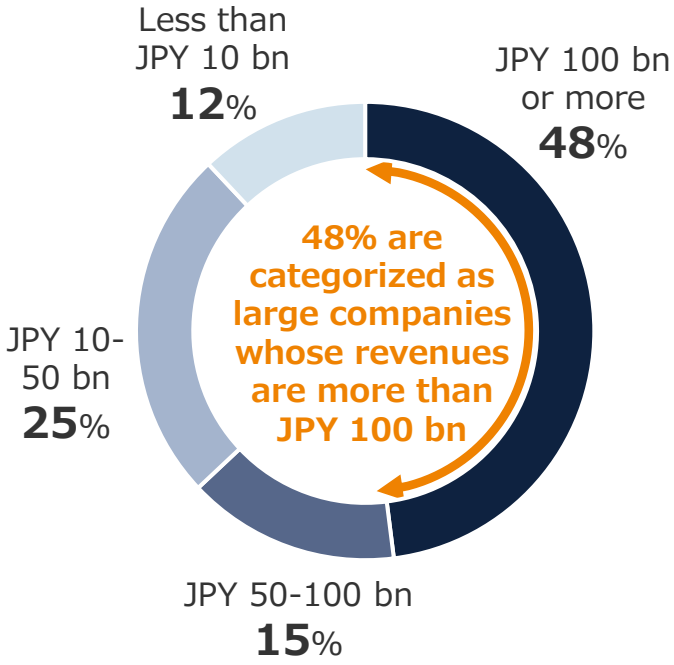
Client Companies Profile

CPM is an important in all industries, and Sactona is used across a wide range of industries.
As the size of a company increases, the number of divisions, offices, and segments increases, the complexity of operations deepens, and the number of people involved in the process also increases. Large and medium-sized companies account for a large percentage of our clients.

Clients by Sector

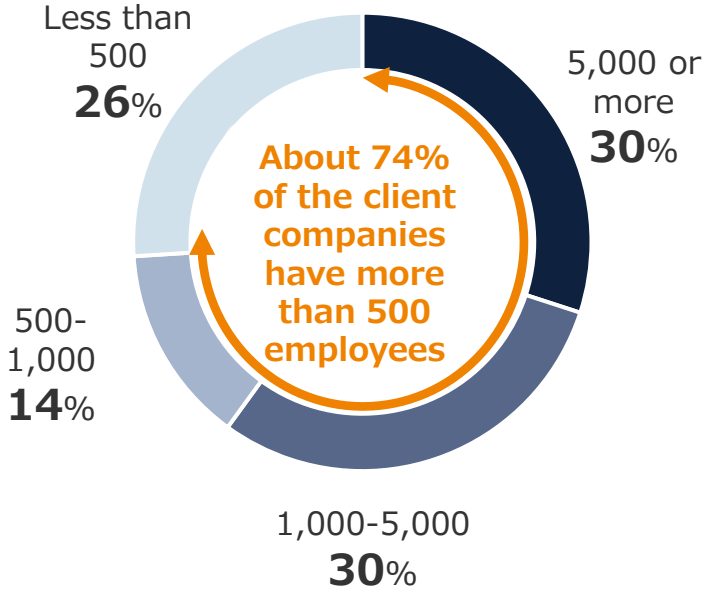


by Clients Revenue Size



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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Index

1. Company Overview (Business Model)
2. **FY2024-2Q Financial Summary**
3. FY2024 Full-Year Outlook
4. Main Business Environment
5. Medium-term Perspective(Growth Strategy)
6. Commencement of TOB for Shares of Our Company

Appendix

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FY2024-2Q Financial Highlights

Sales

812million yen

YoY +2.5%

Operating income

213 million yen

Operating margin 26.3%

※ YoY -19.2%

Ordinary income

213 million yen

Ordinary income margin 26.3%

※ YoY -19.0 %

Sales from Base Business

343million yen

YoY +16.5%
(Sales composition 42.3%)

Sales from Consulting Business

468 million yen

YoY -5.8%
(Sales composition 57.7%)

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Income Statement

- Base business revenue increased by 16.5% over the same period last year with increase of number of clients.
- In consulting business, excessive consultant work in a specific project resulted in short of allocation to other potential revenue generating projects. This revenue opportunity cost was assumed approximately 110million yen.
  For that reason year-on-year 2.5% total sales increase could not cover incremental expenses including additional staff and operating income and ordinary income decreased by 50 million yen from the same period last year.

(JPY Million)

	FY2023 2Q	FY2024 2Q	Change	% Change
Sales	792	812	19	2.5%
Gross profit	533	525	-7	-1.4%
Operating income	263	213	-50	-19.2%
Ordinary income	264	213	-50	-19.0%
Net income	172	148	-24	-14.0%

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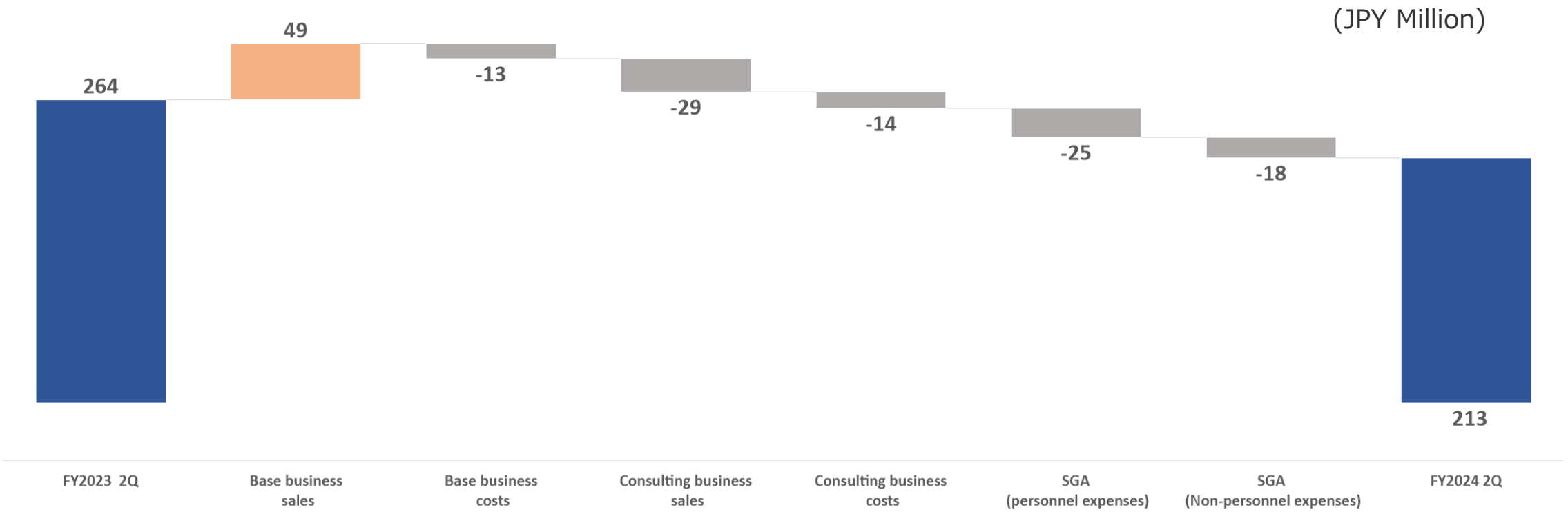
Operating Income year-on-year comparison)

- Base business sales increased by 49 million yen, but consulting business sales decreased by 29 million yen.
- Cost increase in the base business was due to incremental procurement costs for infrastructure services. Increased headcount caused consulting business cost.
- SGA (except personnel expenses) increase was largely due from business tax.
- Short of consulting revenue caused by opportunity cost is main reason of decrease in operating income.



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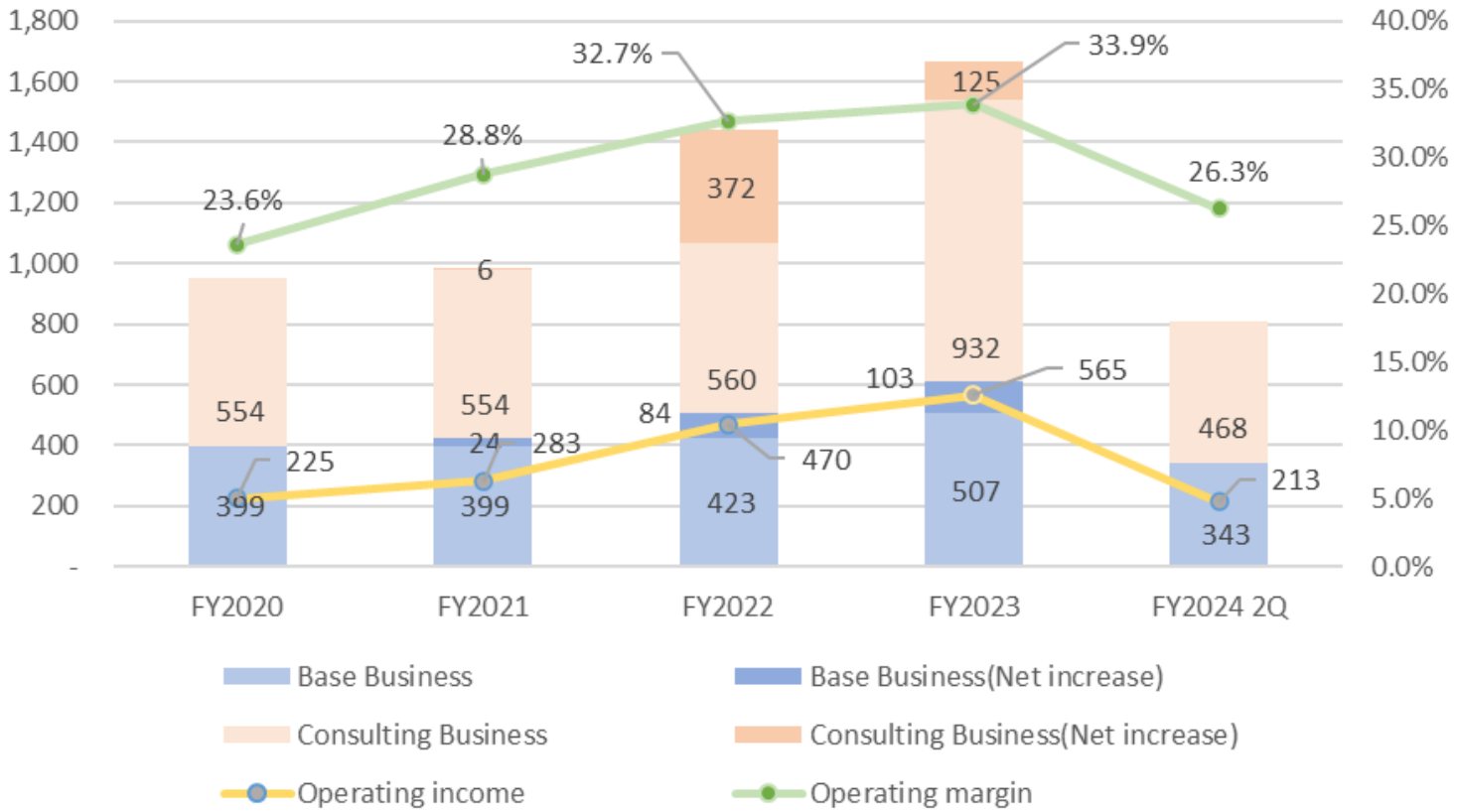
Revenue/Profit History

- Base business, which generates accumulated income, has increased every year thanks to increased number of clients.
- Consulting business revenue increased over years with number of consultants increase.
  For the first half of FY2024, we had to allocated more consultants to a specific project than plan and caused opportunity losses of sales (assumingly about 110 million yen).

(JPY Million)



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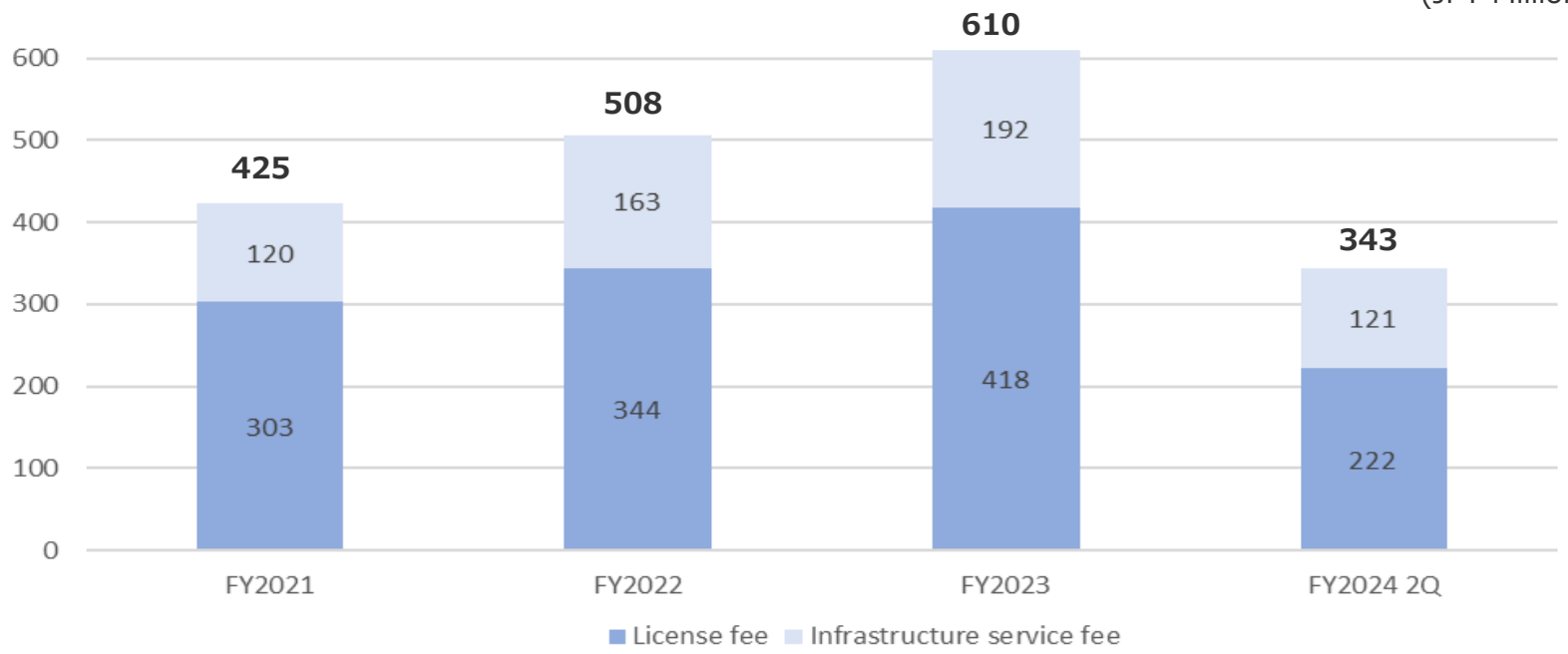
Sales trends by service（Base Business）

Over the past 3 years, the number of new clients acquired is about 20 per year. For this first half of FY2024 we received 13 new clients orders.
Full year license is charged at the beginning of the financial year and non-refundable.
The number of cancellation in FY2023 was 3, and its monetary impact is approximately 0.9% of FY2023 Base Business revenues.

(JPY Million)



Number of Clients(Infrastructure)	66	85	99	103
Number of Clients(License)	105	121	139	152
Number of Clients(New acquired)	25	20	21	13
Sales per client ＊	4,728 Thousand yen	4,772 Thousand yen	4,946 Thousand yen	–

＊ Sales per customer ：License fee÷ Number of Clients(License) ＋ Infrastructure usage fee ÷ Number of Clients(Infrastructure)

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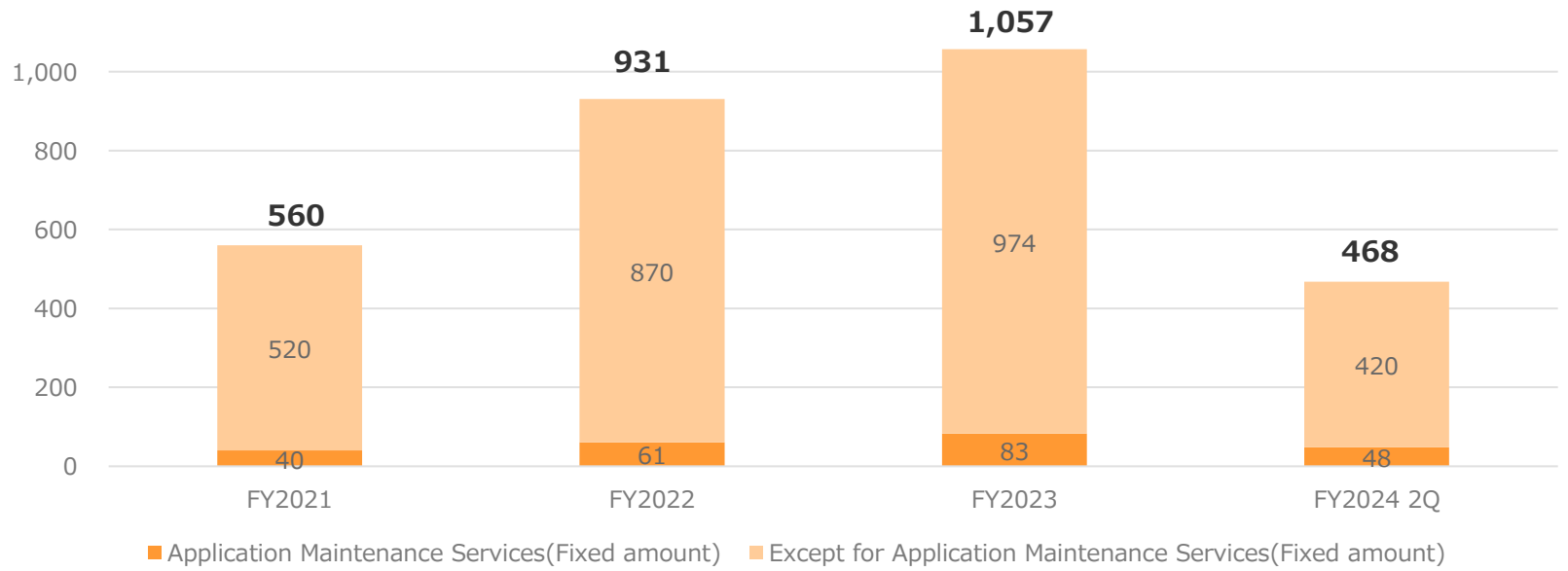
Sales trends by service（Consulting business）

Sales activities have become active again FY2022 as pandemic of COVIT-19 was settling, and revenue improved significantly with increase of headcount. Application maintenance contract, which is annual subscription maintenance contract is also increasing. We receive order for extensional support contract from approximately 70% of clients. As illustrated on p.17, the company suffered from opportunity loss of approximately 110 million yen in sales FY2024H1 due to the excess man-hours required for specific projects.

(Consulting Business)

(JPY Million)



	FY2021	FY2022	FY2023	FY2024 2Q
Number of Clients	72	87	95	101
(Number of contracts of Application Maintenance)	(23)	(39)	(57)	(67)
Number of Consultants	34	41	46	50

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Balance Sheet

(JPY Million)

	FY2023	FY2024 2Q	Increase/ Decrease amount
Current assets	1,291	1,688	397
Cash and deposits	1,004	1,443	439
Non-current assets	90	74	-16
Total Assets	1,382	1,762	381
Current liabilities	366	592	226
Non-current liabilities	-	-	-
Net assets	1,016	1,170	154
Total liabilities and net assets	1,382	1,762	381
Equity ratio	73.5%	66.4%	-7.1%

- Base business and annual application maintenance contract for existing customers (Total 756 million yen) was invoiced invoiced in April. Contract liabilities then will decrease toward the end of the fiscal year.
- Due to the above increase in total assets, Equity ratio decreased from 73.5% to 66.4% compared to FY2023 end, but is expected to increase towards the end of the fiscal year.

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Index

1. Company Overview (Business Model)
2. FY2024-2Q Financial Summary
3. **FY2024 Full-Year Outlook**
4. Main Business Environment
5. Medium-term Perspective(Growth Strategy)
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Appendix

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FY2024 Full-Year Earnings Forecasts

- As excess man-hour project settles, our sales and service delivery activities are expected to be in usual course.
- The forecast for the full year remains unchanged.

(JPY Million)

	FY2024 2Q	FY2024 Current Forecast	Progress percent
Sales	812	2,001	40.6%
Ordinary income	213	584	36.6%
Net income	148	409	36.2%

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Index

1. Company Overview (Business Model)
2. FY2024-2Q Financial Summary
3. FY2024 Full-Year Outlook
4. **Main Business Environment**
5. Medium-term Perspective(Growth Strategy)
6. Commencement of TOB for Shares of Our Company

Appendix

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Key KPIs

We expect our realizable target market would continue to increase. In order to get market share, we keep investing in recruiting and marketing, while maintaining high profitability.

(As of September 30, 2024)

Business KPIs

Number of New Clients
13 companies per year

Number of Client Companies
152 companies

Cancellation Amount Impact
0.9% per year(FY2023) （※）

Number of Consultants（Number of all employees)
50 persons（82 persons）

Financial KPIs

Sales Growth Rate
(FY2022/3−FY2023/3 CAGR)
15.8%

Operating income ratio
26.3%

ROA
32.8% (FY2023)

Equity ratio
66.4%

（※）Cancellation Amount Impact＝ Base business sales of the cancelled company/ Total of Base business sales

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Growth Strategies ： Progress report

Expansion of client base

- Obtained 13 new clients in FY2024H1.
- 9 VARs（increased by 2 from FY2023 end)

Strengthening the system

- 82 employees as of Sep30 (from 72 FY2023end)
- Consultants ： 50(from 46 FY2023end)
- Consultant managers 15 (from 9 FY2023end)

Overseas expansion

- Getting necessary infrastructure ready
- Started contacting potential VARs

Enhanced product functionality

- Released new Sactona version with reinforced function of business intelligence
- Generative AI based Q&A commenced its operation.
- Developing forecasting and alert function using AI/ML technology.

M&A

- Contacting with multiple candidates

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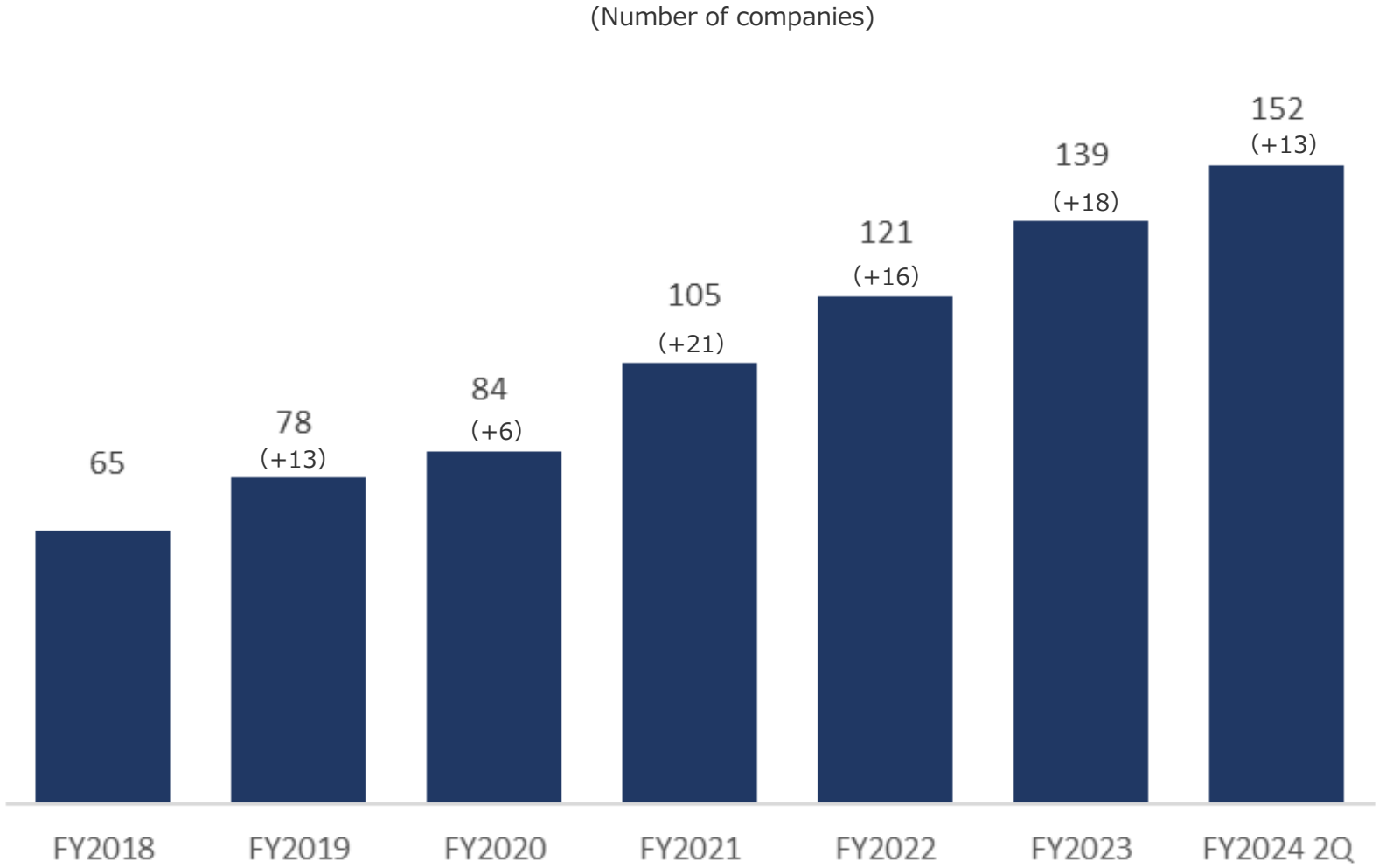
Sactona Client Base

Changes in Year-end Number of Active Client Companies



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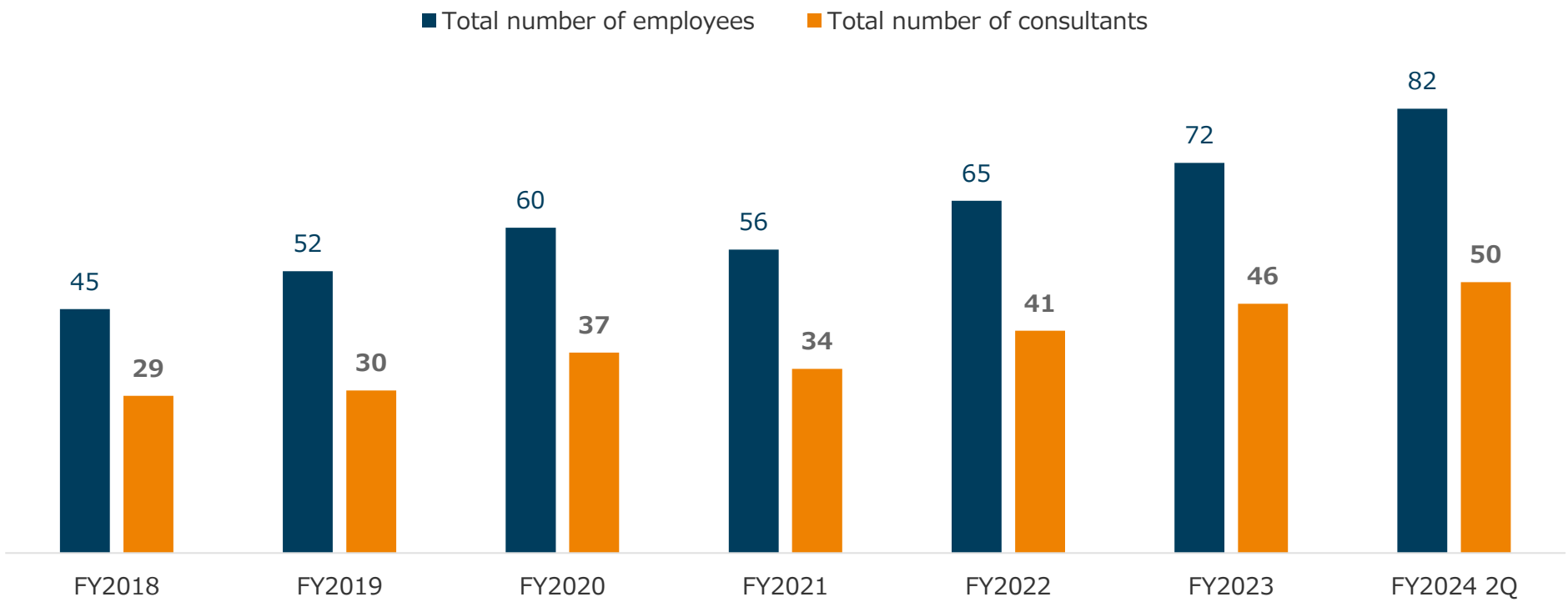
Sactona Enhancement: System Consulting Capability

- **The consulting business is led by IT consultants with expertise in the fields of accounting and finance**
- **We have direct contacts with our users to hear their requirements. And ideas leads to develop new function of our product. Our strength is one stop solution from product development to implementation and maintenance by ourselves.**

Ratio of Consultants



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Index

1. Company Overview (Business Model)
2. FY2024-2Q Financial Summary
3. FY2024 Full-Year Outlook
4. Main Business Environment
5. **Medium-term Perspective(Growth Strategy)**
6. Commencement of TOB for Shares of Our Company

Appendix

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Medium-term Perspective (Growth Strategy)

1 Increase new clients

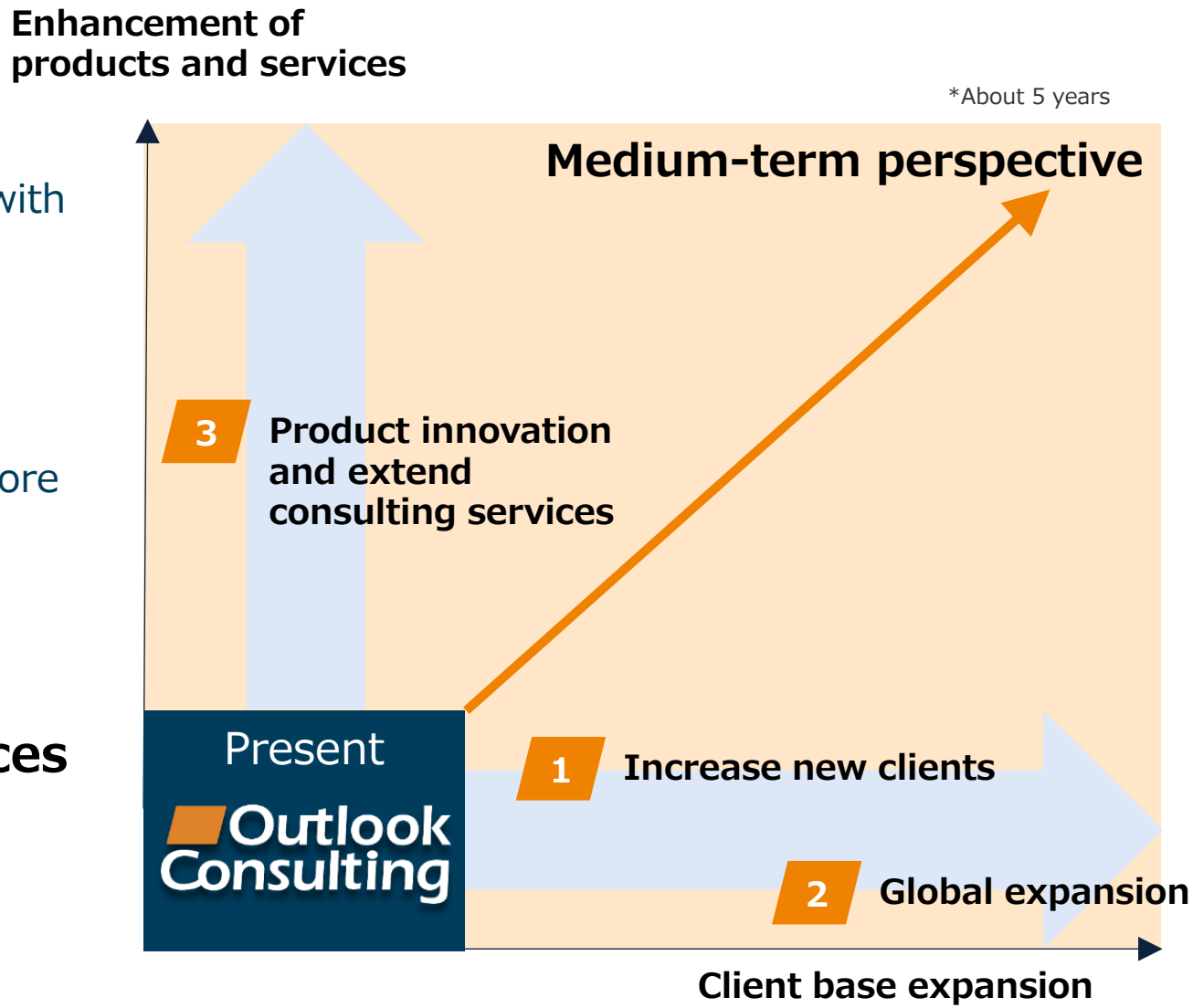
- Expand distribution network with partners
- Enforce Marketing

2 Global expansion

- Establish foundation for offshore clients
- Alliance with partners

3 Product innovation and extend consulting services

- AI/ML
- Extend solution



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A business and capital alliance with Money Forward group

- We entered into a business and capital alliance contract with Money forward group that achieved exceptionally high growth in Cloud ERP solution, and aims to expand its business in CPM market.
- CPM market is in the stage of rapid growth, and we, through solid collaboration with Money Forward group, accelerate our growth and make Sactona to take a path to de-fact standard in CPM market.

Money Forward Group

1 Wide product lineup and development capabilities

- 39% of employees are designers or engineers (As of November 30, 2023)

2 Organization and culture, recruiting capabilities

- Penetrating MVVC, Strengthening human capital disclosure including “Talent Forward Strategy”
- The percentage of non-Japanese engineer members is increasing (41%)

3 High growth

- FY11/23 Sales growth YoY +41% (¥30,381mil)
- >Mid-size clients YoY+40%(7,589 clients)

Assumed value

1 Upgrade service level

- Bring value to clients through mutual support and knowledge sharing

2 Marketing & Recruiting

- Co-promotion to achieve new sales lead and have new talents

3 Product innovation

- Accelerate development of AI enabled new function and UI/UX improvement

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Index

1. Company Overview (Business Model)
2. FY2024-2Q Financial Summary
3. FY2024 Full-Year Outlook
4. Main Business Environment
5. Medium-term Perspective(Growth Strategy)
6. **Commencement of TOB for Shares of Our Company**

Appendix

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Outline of the TOB

Tender Offeror	Money Forward Cloud Corporate Performance Management Consulting Co., Ltd. (Wholly owned subsidiary of Money Forward, Inc.)
Target stock	Common stock
Offer Price	1,656 yen per share
Number of shares to be purchased	Upper limit : 2,197,400 (Ownership Percentage : 60.00%) lower limit : 1,834,800 (Ownership Percentage : 50.10%)
Tender Offer Period	From : November 14, 2024 To : December 11, 2024
Settlement start date	December 18, 2024
Other	After the Tender Offer, the Company will continue to be listed at TSE Growth Market Exchange.

If the total number of tendered shares exceeds the maximum number of shares to be purchased (2,197,400 shares), the Tender Offeror will not purchase all or part of the excess shares and will conduct delivery and other settlement procedures in respect of the purchase of shares through the Pro Rata Method prescribed in Article 27-13, Paragraph 5 of the Law and Article 32 of the Cabinet Office Ordinance.

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Board resolution toward TOB

1．Expression of Opinion

◇ At a meeting of the Board of Directors held on November13, 2024, the following was resolved

Position to the Tender Offer	In favor
Recommendation for the Tender Offer	Neutral (at discretion of the shareholders)

2. Grounds and reasons for opinion

◇ Based on the following grounds and reasons, the company expresses its opinion in favor of the Tender Offer.

The purpose of the Tender Offer is in line of the company long term growth strategy	・The enterprise value is assumed to be increased through collaboration between two companies for earnings growth ・Business principles of both companies that are promised to society is in alignment

◇ The Company will maintain to be listed TSE Growth Market Exchange after the TOB completion, we are in the neutral position to recommend whether or not shareholders tender their shares in the Tender Offer.

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Index

1. Company Overview (Business Model)
2. FY2024-2Q Financial Summary
3. FY2024 Full-Year Outlook
4. Main Business Environment
5. Medium-term Perspective(Growth Strategy)
6. Commencement of TOB for Shares of Our Company

Appendix

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Financial Highlights

Fiscal year		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 2Q
period		2020/3	2021/3	2022/3	2023/3	2024/3	2024/9
Sales	(thousand yen)	993,692	954,403	984,563	1,440,025	1,667,850	812,029
Ordinary income	(thousand yen)	263,095	250,802	304,969	464,357	542,985	213,852
Net income	(thousand yen)	189,873	195,623	199,926	319,813	452,863	148,361
Capital stock	(thousand yen)	100,000	100,000	100,000	100,000	141,400	144,460
Number of shares outstanding	(Shares)	2,000	2,000	17,600,000	17,600,000	3,570,000	3,578,160
Net assets	(thousand yen)	1,245,207	1,718,746	160,661	480,474	1,016,137	1,170,618
Total assets	(thousand yen)	2,405,639	2,720,568	1,191,096	920,146	1,382,198	1,762,969
Equity ratio	(%)	51.8	63.2	13.5	52.2	73.5	66.4
ROE	(%)	16.5	13.2	21.3	99.8	60.5	13.6
Net cash provided by operating activities	(thousand yen)	–	–	153,447	432,234	409,865	444,564
Net cash provided by investing activities	(thousand yen)	–	–	-33,955	-14,807	214,405	-11,258
Net cash provided by financing activities	(thousand yen)	–	–	203,000	-795,000	59,614	6,120
Cash & Cash Equivalent	(thousand yen)	–	–	698,022	320,449	1,004,334	1,443,761
Number of Employees	(persons)	52	60	56	65	72	82

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Disclaimer

- This presentation material is provided for a deeper understanding of our company, and is not intended to be used as a solicitation for investment or other activities.

- This material has been prepared by our company based on the information available at the time of the presentation. Actual results many differ materially from those presented in this material due to various factors.

- Some of the figures for past fiscal years shown in this document may include figures that have not been audited by an auditing firm because the Company was unlisted.

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