Net Protections

Net Protections Holdings, Inc.

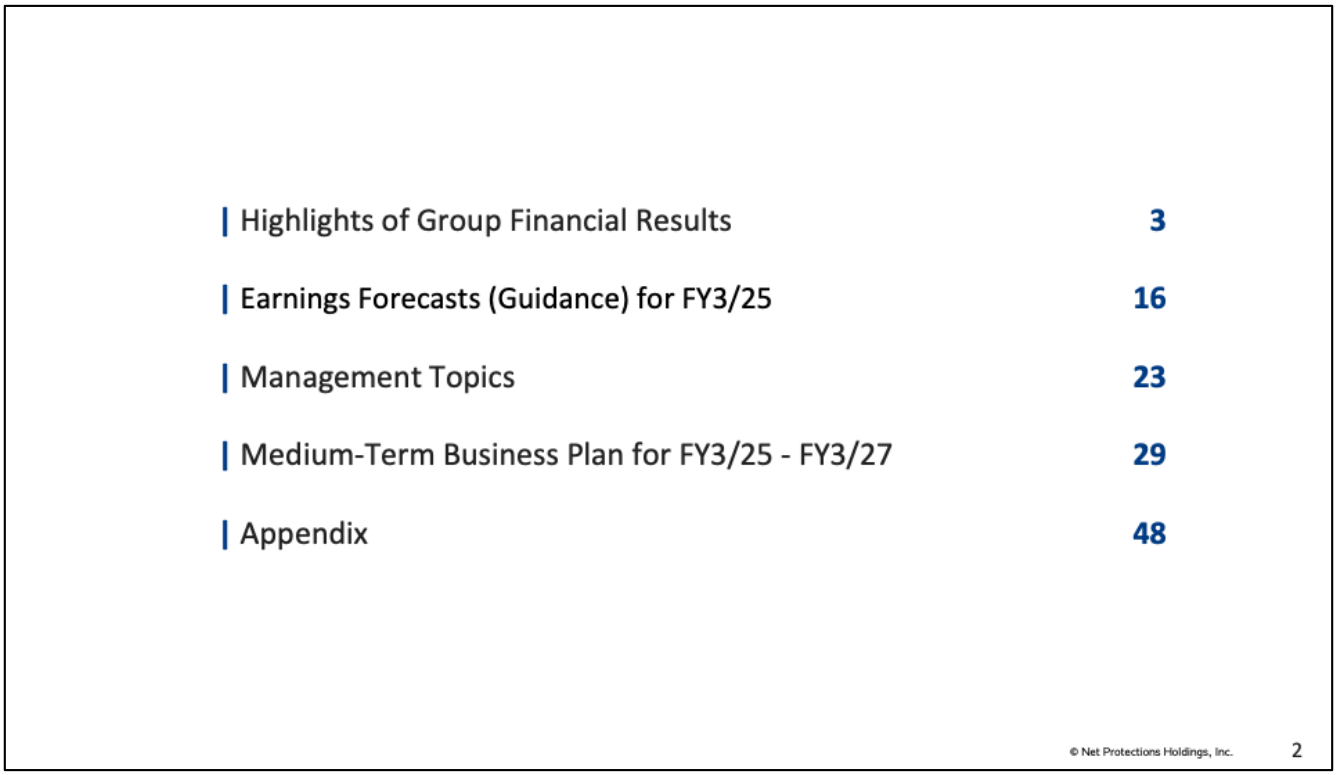
Financial Results Presentation for Q4 and Fiscal Year Ended March 31, 2024

May 15, 2024

※Q&A will be uploaded at a later date.



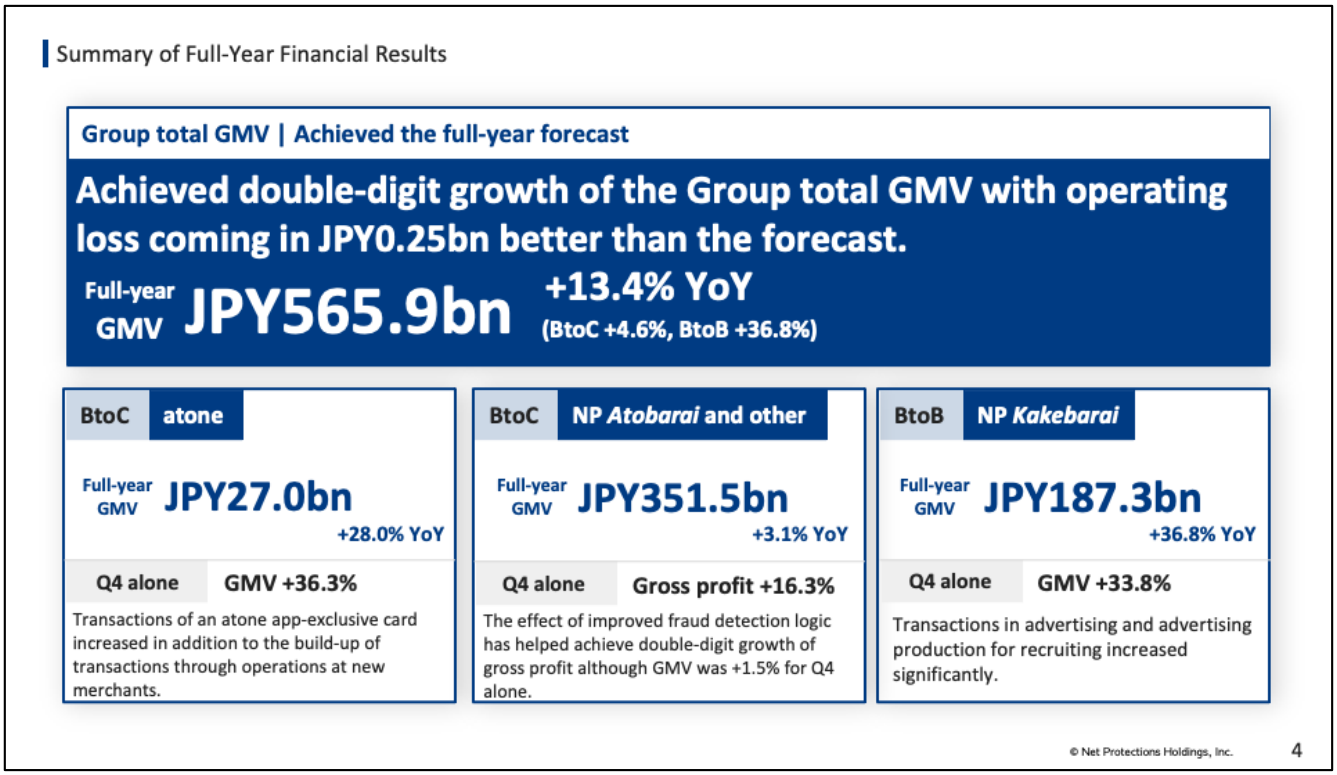
Good afternoon, everyone. I am Shin Shibata, CEO of Net Protections Holdings.
I would like to begin the financial results presentation for the fiscal year ended March 31, 2024.



This is the agenda for today.
In addition to the regular financial reporting, my presentation today touches upon earnings forecasts for the fiscal year ending March 31, 2025 and the details of our revised Medium-Term Business Plan.



CFO Watanabe will explain the highlights of the Group financial results.



This is a summary of financial results for the fiscal year ended March 31, 2024.

The Group total GMV increased 13.4% year on year for the fiscal year. The amount of operating loss was smaller than the forecast, reducing approximately 0.25 billion yen in deficit.

Next, a summary by service.
As for atone, GMV increased 28% year on year for the fiscal year. The growth is accelerating, with a 36% increase for the fourth quarter alone.
The growth has been driven by the increased transactions of an atone app-exclusive card using JCB's merchant network in addition to the build-up of transactions through operations at new merchants.

NP *Atobarai* is positioned as what is called a "cash cow."
We have successfully achieved a year-on-year increase of 16% in gross profit for the fourth quarter alone as a result of having focused on improving our credit screening process, despite a slight increase in GMV for NP *Atobarai* and other.

NP *Kakebarai* continued to perform well.
Transactions with advertising and advertising production for recruiting have increased

throughout the year, driving the overall performance with 36.8% significant growth for the fiscal year.

Group Financial Results: Summary of Full-Year Financial Results

Operating loss came in JPY0.25bn better than the forecast.
We have kept SG&A expenses under control by improving operational efficiency of marketing.

(JPY in millions)	FY3/24 (12 months)		Full-year forecast*4		Q4 FY3/24	
	Results	YoY percentage change	Full-year forecast	Achievement rate	Results	YoY percentage change
GMV (non-GAAP)	565,987	+13.4%	574,000	98.6%	142,107	+12.6%
Total operating revenue	20,844	+7.8%	21,576	96.6%	5,071	+3.6%
Revenue	20,313		21,076	96.4%	4,918	+3.1%
Gross profit (non-GAAP) *1	7,795	+4.9%	8,100	96.2%	1,916	+11.1%
SG&A expenses	8,852	+7.5%	9,480	93.4%	2,159	-0.8%
Other operating expenses	101		–	–	78	–
Of SG&A expenses, marketing expenses*3	634	-22.0%	900	70.0%	161	-15.0%
Operating profit (loss)	(627)		(879)	–	(168)	–
EBITDA (non-GAAP)*2	1,037	-0.8%	627	159%	322	+1,271.8%

*1 Gross profit: Revenue - (Collection expense + Invoicing expense + Allowance for doubtful accounts (addition) + Bad debt expense + Loss on sale of trade receivables + Credit screening expense + NP point expense + Other payment related expenses)
*2 EBITDA: Operating profit + (Depreciation and amortization + Share based payment expenses + Loss on disposal of property, plant and equipment + Impairment loss – Gain from reversal of impairment losses)
*3 Marketing expenses: Sales promotion expenses (excluding agency commissions) + Advertising expenses
*4 Consistent with Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 dated May 14, 2023

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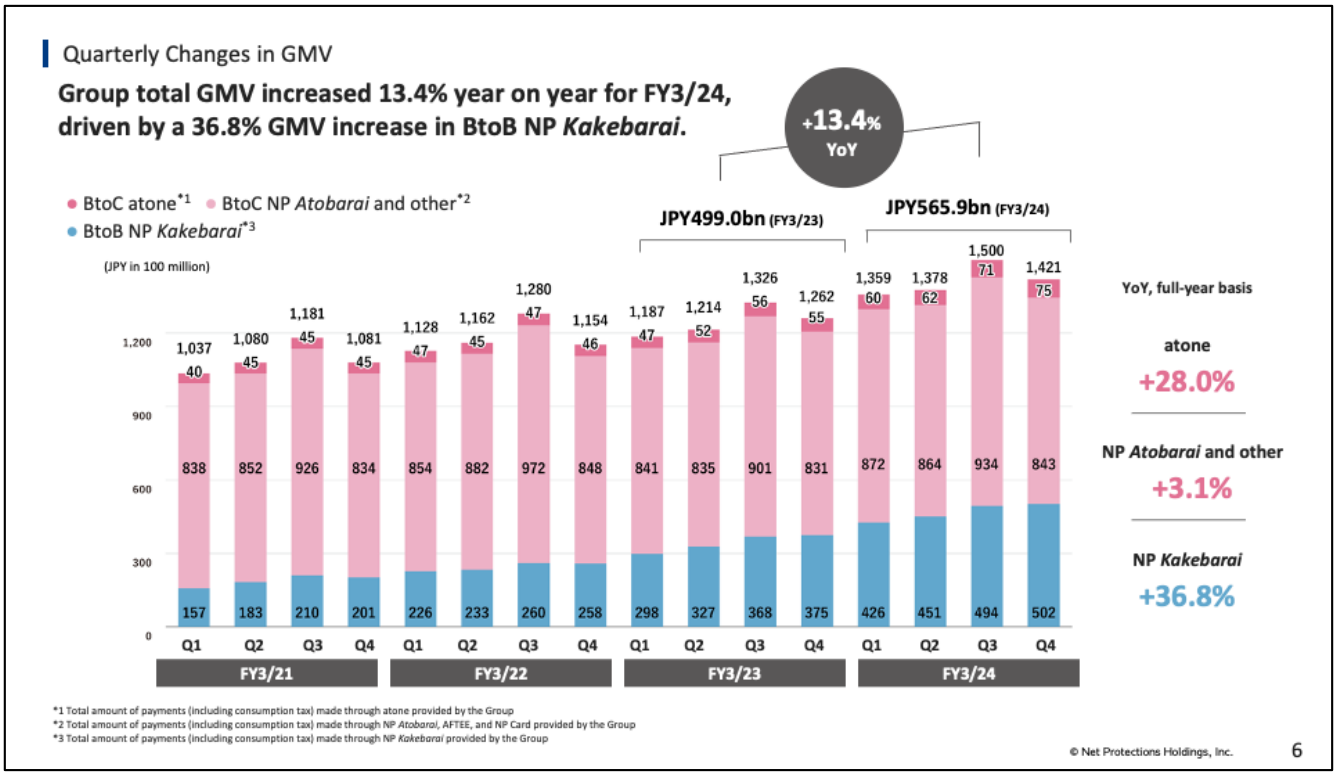
This is a summary of financial results for the fiscal year ended March 31, 2024.

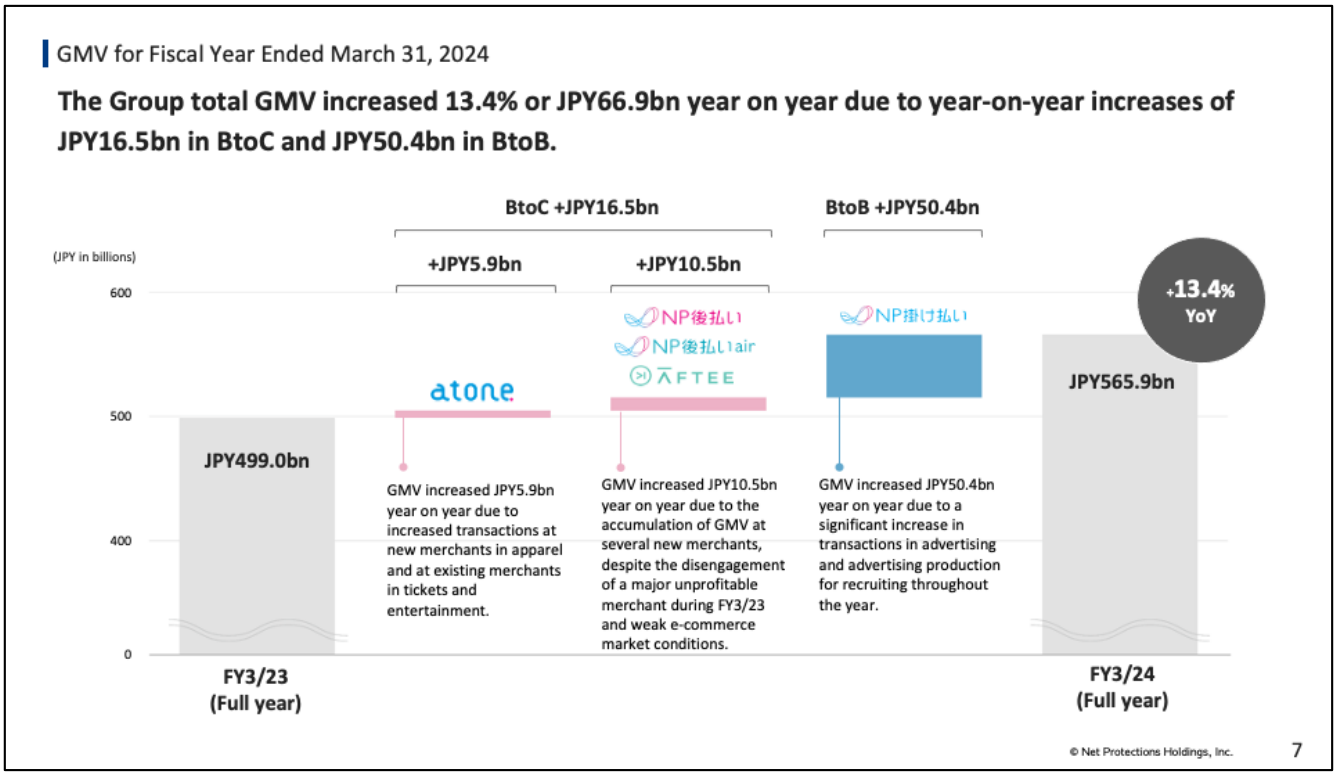
Operating loss came in 0.25 billion yen better than forecasted.
GMV slightly fell short of the forecast due to a delay in the start of operations at some new merchants, but we have kept SG&A expenses under control by improving investment efficiency. As a result, we reduced 0.25 billion yen in deficit.

The fourth quarter alone was slightly in the red compared to the black for the third quarter alone, but this is due to the seasonal factor that GMV in the fourth quarter was lower than in the third quarter because it was after the year-end sales season.
We have maintained GMV growth and kept SG&A expenses more under control. I will explain this in detail later.



This is the changes in each service's share in GMV.

GMV for BtoC atone achieved nearly 30% growth, in addition to strong GMV for BtoB.
Our growth drivers are two services: NP *Kakebarai* and atone.

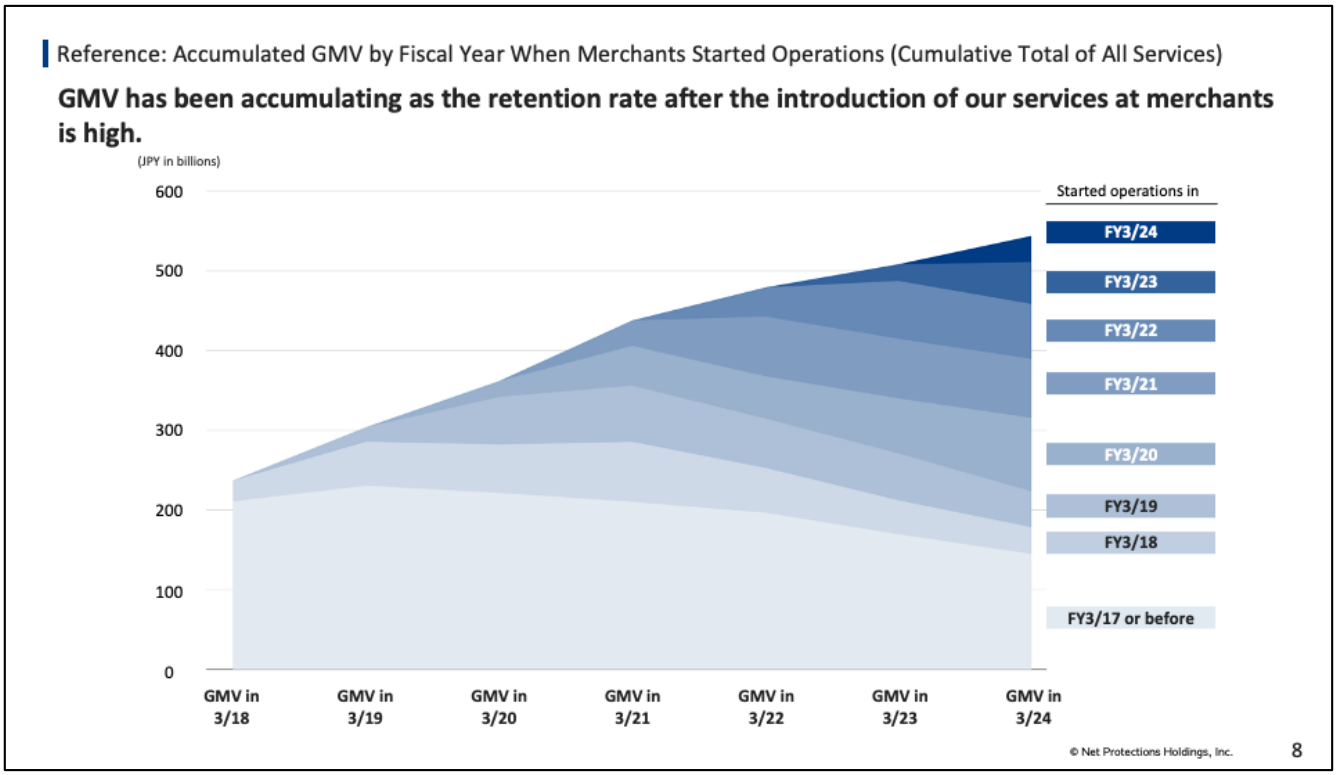


This slide shows how our GMV increased year on year.

GMV for atone has been growing steadily both at new and existing merchants.
With an increase in new orders received, we are confident of further acceleration of GMV growth in the fiscal year ending March 31, 2025.

The growth rate of NP *Atobarai* appears low because the size of the service is large, but in terms of GMV, it has firmly accumulated more than 10.0 billion yen.
We have achieved positive growth of GMV thanks to new orders received, although e-commerce market conditions have not been favorable for the past year.

GMV for BtoB NP *Kakebarai* achieved a significant accumulation of over 50.0 billion yen, beating the guidance, due to an increase in transactions particularly with advertising and advertising production for recruiting.

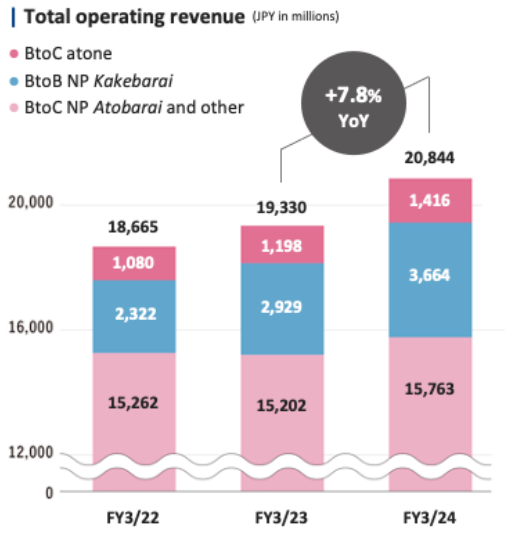


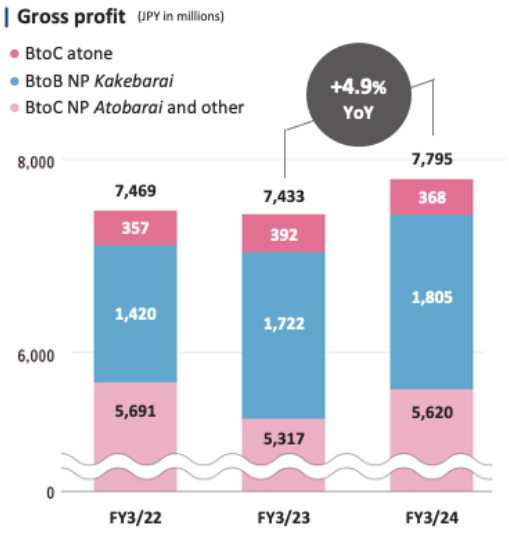
This is a cohort chart showing merchants' contribution to GMV by fiscal year when they started operations.
You can see that our services are based on a recurring business model with very little churn.

GMV of merchants that started operations around 2019 and 2020 has decreased since March 2022.
This is due to the impact of the amendments to the PMD Act, which caused a large decrease in sales on e-commerce shops in the beauty and health category.
Despite this macro impact, the system of our services is basically such that once a merchant introduces our service, it will continue business with us in the following year and beyond.

Operating Revenue and Gross Profit (Group Total)

Total operating revenue amounted to JPY20.8bn due to GMV growth in BtoC atone and BtoB NP *Kakebarai*.





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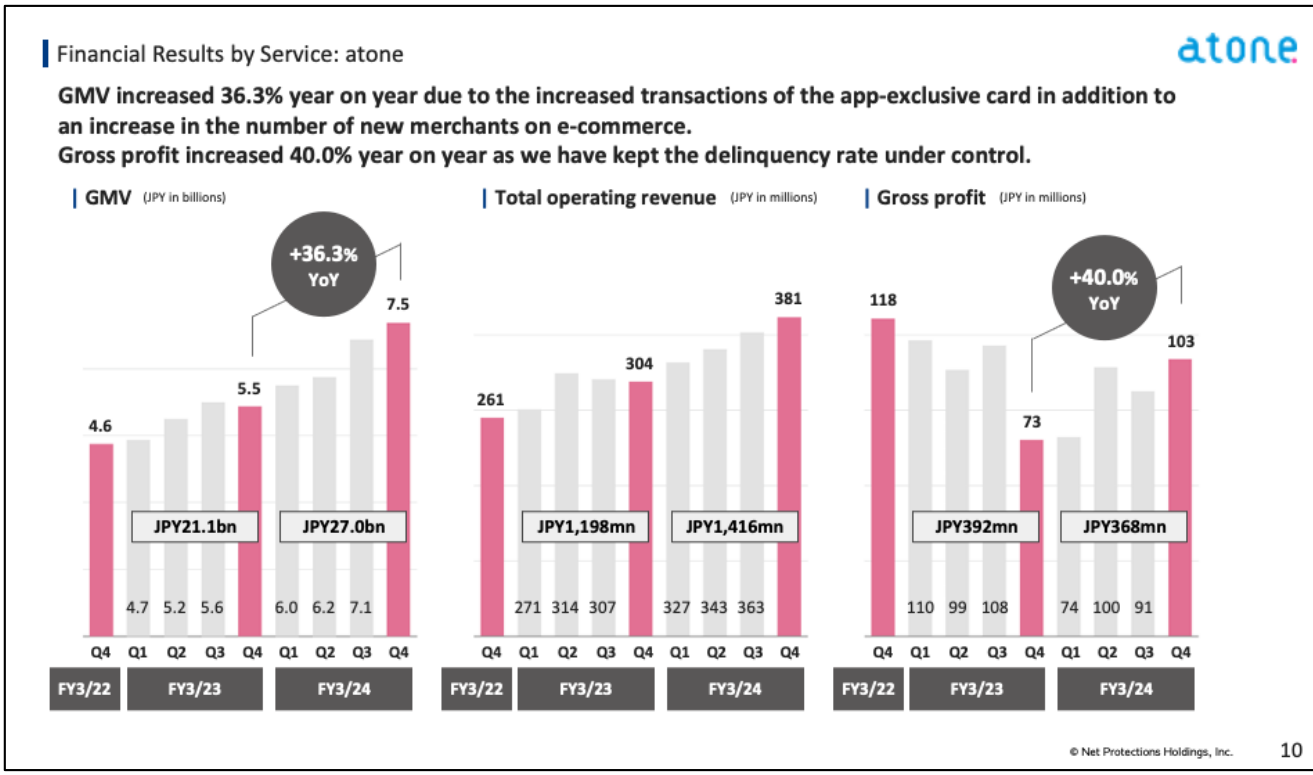
This slide shows the trends of total operating revenue and gross profit.

Total operating revenue exceeded 20.0 billion yen for the first time.
This was driven by GMV growth in BtoC atone and BtoB NP *Kakebarai*.

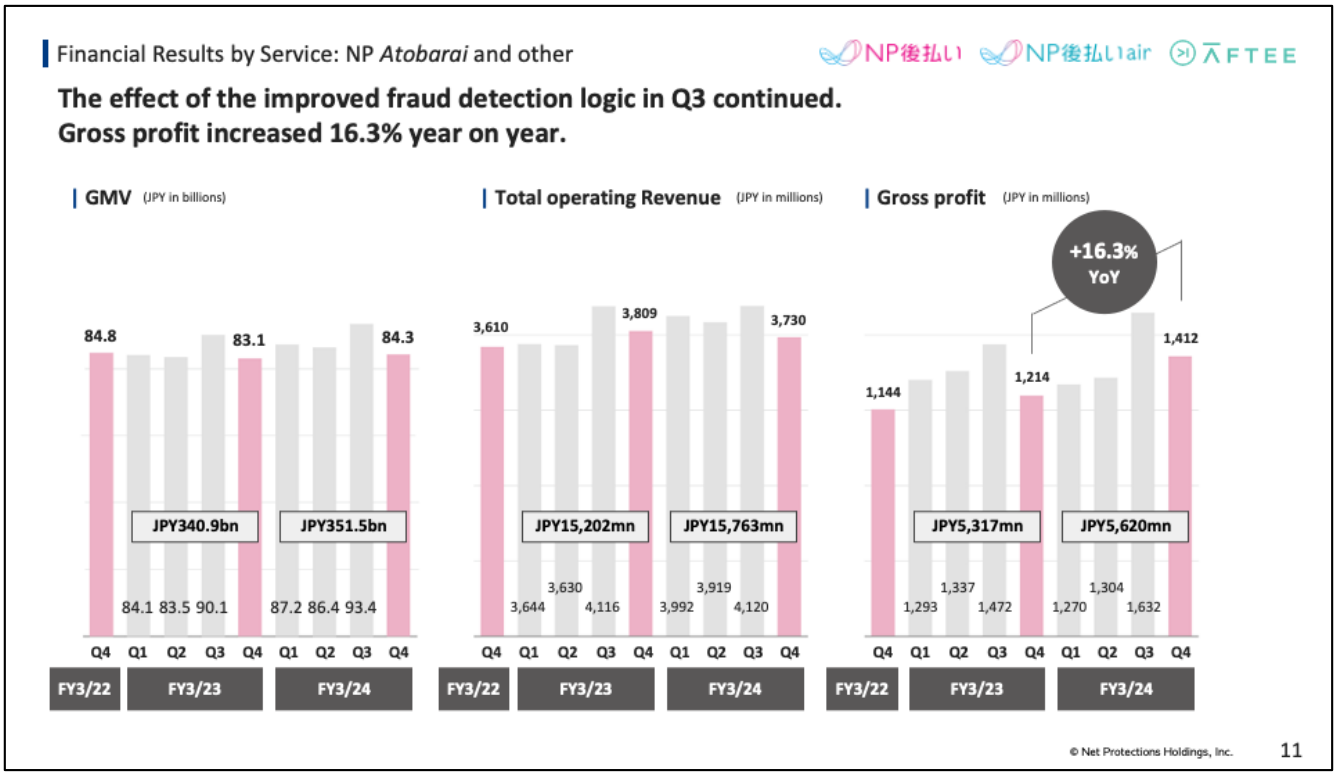
On the following pages, let me explain the summary of the financial results by service.



GMV growth in atone accelerated with a 36.3% year-on-year increase.
The growth is due to an increase in transactions not only on e-commerce but also of the app-exclusive card.

The app-exclusive card allows atone users to pay at stores that do not enter into a contract with us as long as the stores are JCB merchants.
The stores accepting the app card are still limited, but transactions of the app card are steadily increasing.

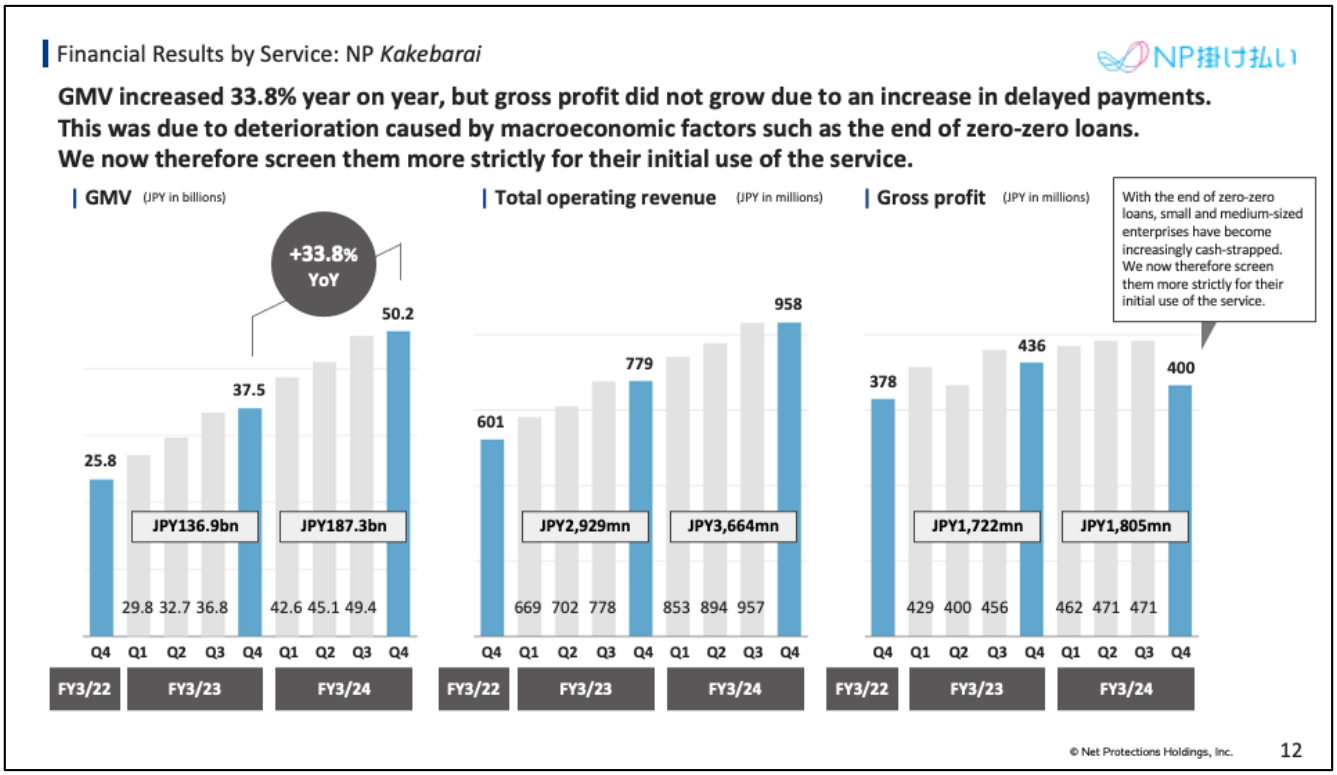
As we have kept the delinquency rate under control, the year-on-year increase in gross profit is greater than that in GMV.
As we plan to take some additional measures, we believe that we can further lower the delinquency rate.



GMV for NP *Atobarai* remained almost unchanged, but gross profit increased 16.3% year on year, contributing to increases in profits.

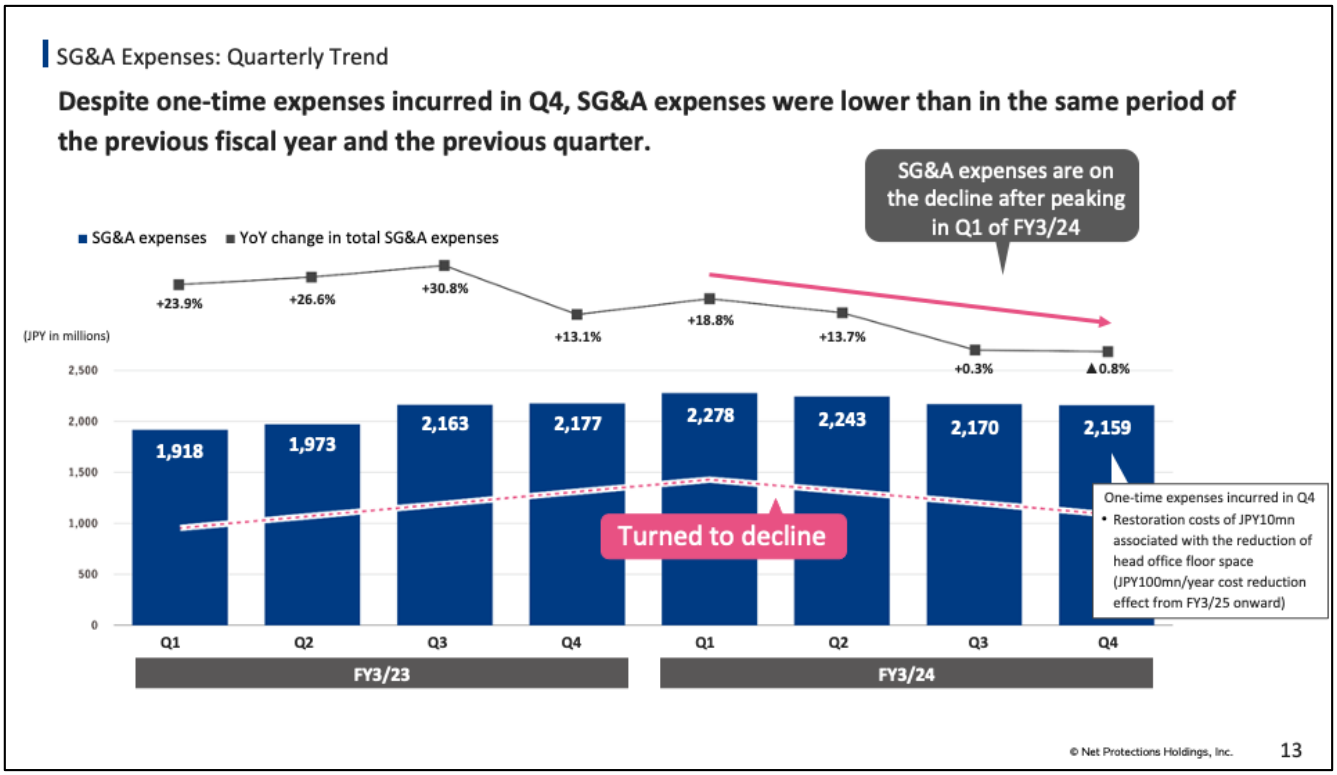
The reason why GMV was flat is that existing transactions were sluggish partly due to the weak e-commerce market and the exit of several unprofitable merchants since the fiscal year ended March 31, 2023, despite new contracts with large merchants.
However, the exit of unprofitable merchants was a positive factor in terms of profitability, and this combined with our credit improvement efforts made in the third quarter has accumulated gross profit.

The effect of the credit improvement efforts is expected to continue in the fiscal year ending March 31, 2025 and will contribute to performance for the fiscal year.



In this slide, we look at the performance of our BtoB service, NP *Kakebarai*.

GMV remained strong in the fourth quarter with a 34% year-on-year increase, but the current issue is to control the delinquency rate, which has been rising especially in the second half of the fiscal year ended March 31, 2024. This is due to deterioration caused by macroeconomic factors such as the end of zero-zero loans.
Thus, now we see small and medium-sized enterprises have become increasingly cash-strapped. As a countermeasure against this, we now screen them more strictly for their initial use of the service, which is showing positive results. We expect to return to the previous level of screening in phases.

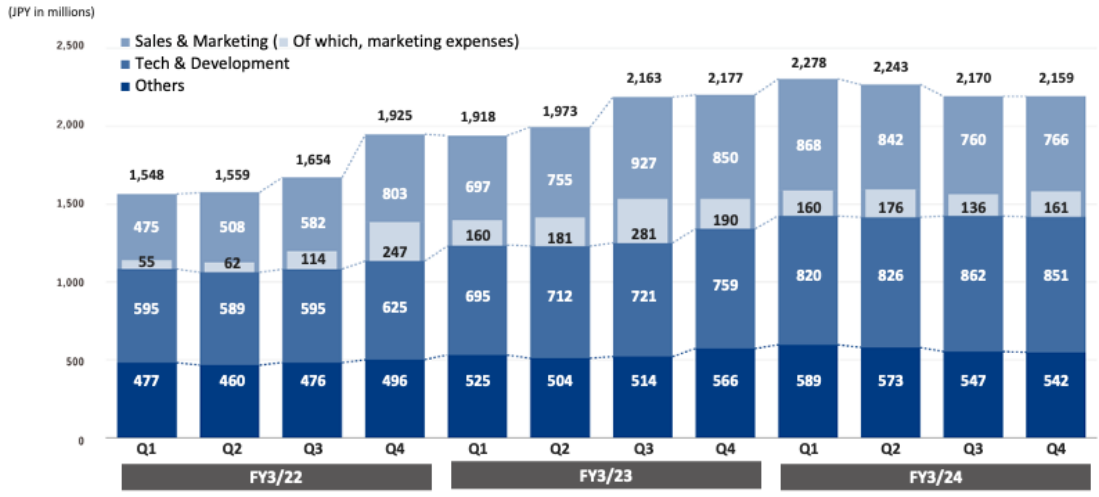


We were able to keep SG&A expenses lower than expected in the fourth quarter.

In the fourth quarter, we incurred one-time expenses such as costs for spot marketing initiatives and restoration costs associated with the reduction of office floor space, but we improved the efficiency of other operations. As a result, even with the one-time expenses incurred, we were able to control SG&A expenses to a level below the previous fiscal year.

SG&A Expenses: Quarterly Changes by Function

We curbed SG&A expenses in Sales & Marketing by encouraging full-time employees to internalize outsourced operations and improving operational efficiency of marketing.



*1 Sales & Marketing: Personnel, outsourcing, operations related, marketing, and other expenses related to sales and marketing
*2 Tech & Development: Personnel, outsourcing, operations related, and other expenses related to system development, credit related operations, and other operations.
*3 Others: SG&A expenses other than *1 and *2 (personnel and outsourcing expenses related to back-office operations, outsourcing expenses of help desk for services, etc.)

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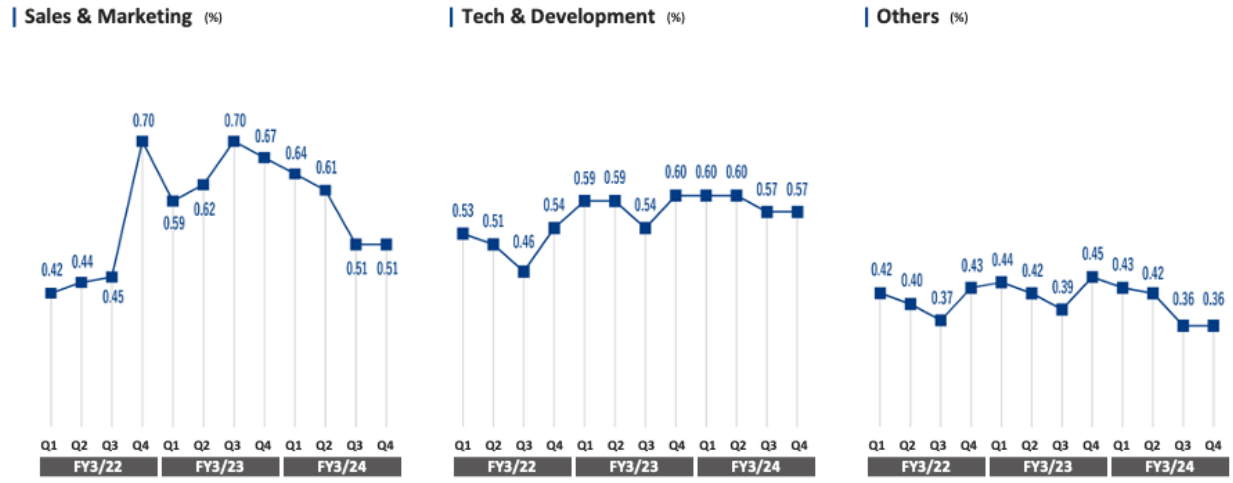
As we completed strengthening our sales structure in the first quarter of the fiscal year ended March 31, 2023, cost containment has been very effective thanks to our full-time employees internalizing outsourced operations and the improved operational efficiency of marketing.

Reference: Changes in Ratio of SG&A Expenses to GMV

The SG&A to GMV ratio remained low in the fourth quarter. We started to see the effect of the operating leverage due to the improved operational efficiency of Sales & Marketing.



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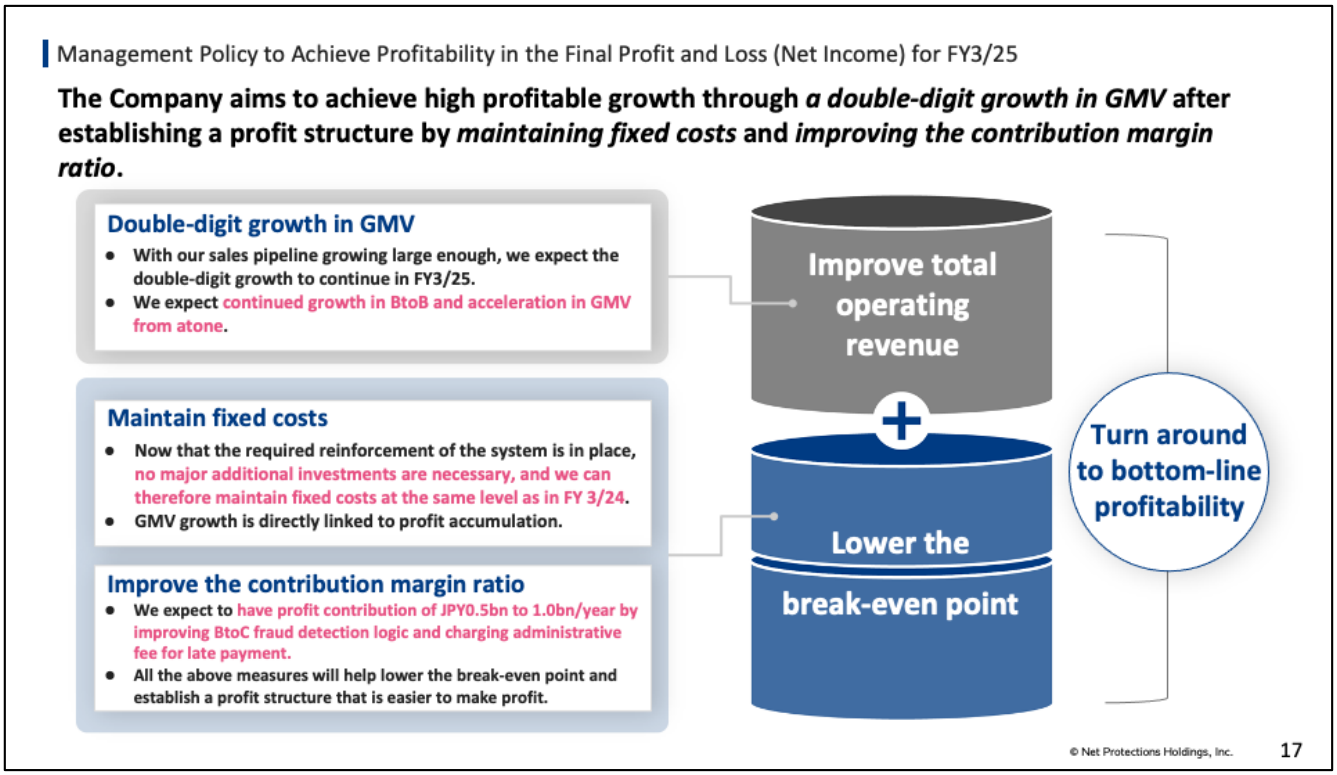
The SG&A to GMV ratio shows that the ratio of the SG&A of Sales & Marketing to GMV has dropped significantly, especially in the second half.
It is clear that the operating leverage is in effect.

We believe that we will be able to further increase productivity by providing training to our employees and establishing a cross-business structure.



Next, I will discuss our earnings forecasts for the fiscal year ending March 31, 2025.

As I have previously announced, I will show my commitment to achieving profitability on a full year basis.



This shows the key indicators and the level to be achieved.
Our major policy is to take measures to lower the break-even point and then improve total operating revenue to turn around to bottom-line profitability.

First, the blue box indicates measures to lower the break-even point.
We are currently working to reduce fixed costs, and our policy for the FY3/25 is to keep fixed costs substantially unchanged from FY3/24 level.
Despite a slight increase in operating expenses due to the expansion of our business, we have determined that we can grow our business without further major investments by improving efficiency.

As an additional measure, we will work on to improve the contribution margin ratio.
We expect to have profit contribution of 0.5 billion to 1.0 billion yen per year by improving BtoC fraud detection logic and charging administrative fee for late payment.

With these initiatives in place, we will expand GMV, in other words, improve operating revenues to turn around to profitability.

In the next fiscal year, we expect to further expand GMV of BtoC atone in addition to BtoB and will be able to confidently achieve a double-digit growth of Group total GMV.

Earnings Forecasts: Summary for FY3/25 Earnings Forecasts

We project operating profit of JPY0.52bn (up JPY1.15bn year on year) and profit of JPY0.26bn for the fiscal year. We expect gross profit and EBITDA to increase 16.3% and 119.2% year on year, respectively, through improving profitability and curbing costs.

Earnings forecasts

(JPY in millions)

	FY3/25 forecasts				Reference: FY3/24 results
	H1	H2	Full-year	vs. FY3/24	
GMV (non-GAAP)*1	300,000	330,500	**630,500**	**+11.4%**	565,987
Total operating revenue	10,740	12,260	**23,000**	**+10.3%**	20,844
Gross profit (non-GAAP)*2	4,024	5,038	**9,062**	**+16.3%**	7,795
Operating profit (loss)	(243)	763	**520**	**In the black**	(627)
Profit (loss) before income taxes	(283)	716	**433**	**In the black**	(820)
Profit (loss) attributable to owners of parent	(167)	435	**268**	**In the black**	(828)
EBITDA (non-GAAP)*3	628	1,644	**2,273**	**+119.2%**	1,037

*1 GMV: The total amount of payments (including consumption tax) made through services provided by the Group, such as NP *Atobarai*, atone, NP *Kakebarai*, and AFTEE
*2 Gross profit: Total operating revenue less operating expenses related to bad debt and invoicing (including invoice issuing fee, collection agency fee, and postal charges)
*3 EBITDA: Operating profit or loss + Depreciation and amortization + Share-based payment expenses + Loss on disposal of fixed assets + Impairment losses - Gain on reversal of impairment losses

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This slide shows a summary of earnings forecasts for the fiscal year ending March 31, 2025.

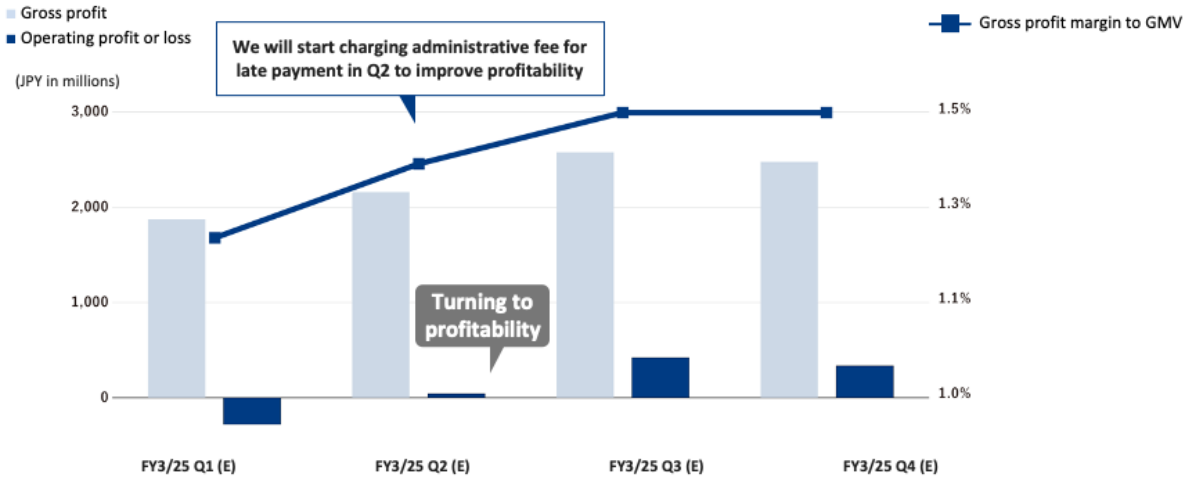
The key is that we expect to post profits for the fiscal year.

We aim to increase gross profit by 16.3% and achieve operating profit of 0.52 billion yen and profit of 0.26 billion yen by not merely raising GMV but striving to improve profitability and curb costs.

Earnings Forecasts: Quarterly Trends in Gross Profit and Operating Profit or Loss

We expect to turn profitable in Q2 and to be in the black for the fiscal year.
Charging administrative fee for late payment and other measures will help increase the gross profit margin.

Quarterly trends in gross profit and operating profit or loss



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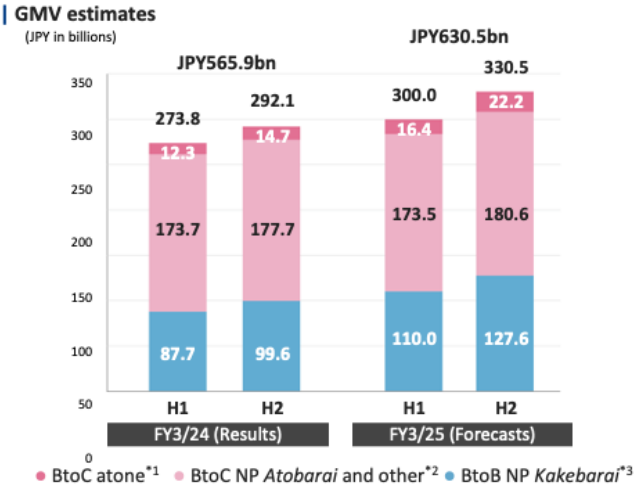
This slide shows quarterly trends in profits.
The effect of administrative fee for late payment that we will start charging in the middle of the second quarter will result in profitability for the second quarter alone.
As the administrative fee will fully contribute to profits from the third quarter, profits will increase from the third quarter onward.

The reason why gross profit and operating profit in the fourth quarter are smaller than in the third quarter is that our sales peak in the third quarter when we have the year-end sales season.

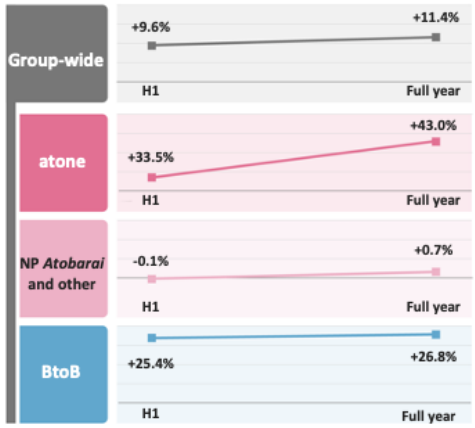
Earnings Forecasts: GMV by Service

Group total GMV is expected to achieve double-digit growth, up 11.4% year on year.
We expect GMV for atone and BtoB to achieve high growth for the fiscal year, up 43.0% for atone and up 26.8% for BtoB year on year.

GMV estimates



GMV growth rate forecasts (vs. FY3/24)



*1 Total amount of payments (including consumption tax) made through atone provided by the Group
*2 Total amount of payments (including consumption tax) made through NP *Atobarai*, AFTEE, and NP Card provided by the Group
*3 Total amount of payments (including consumption tax) made through NP *Kakebarai* provided by the Group

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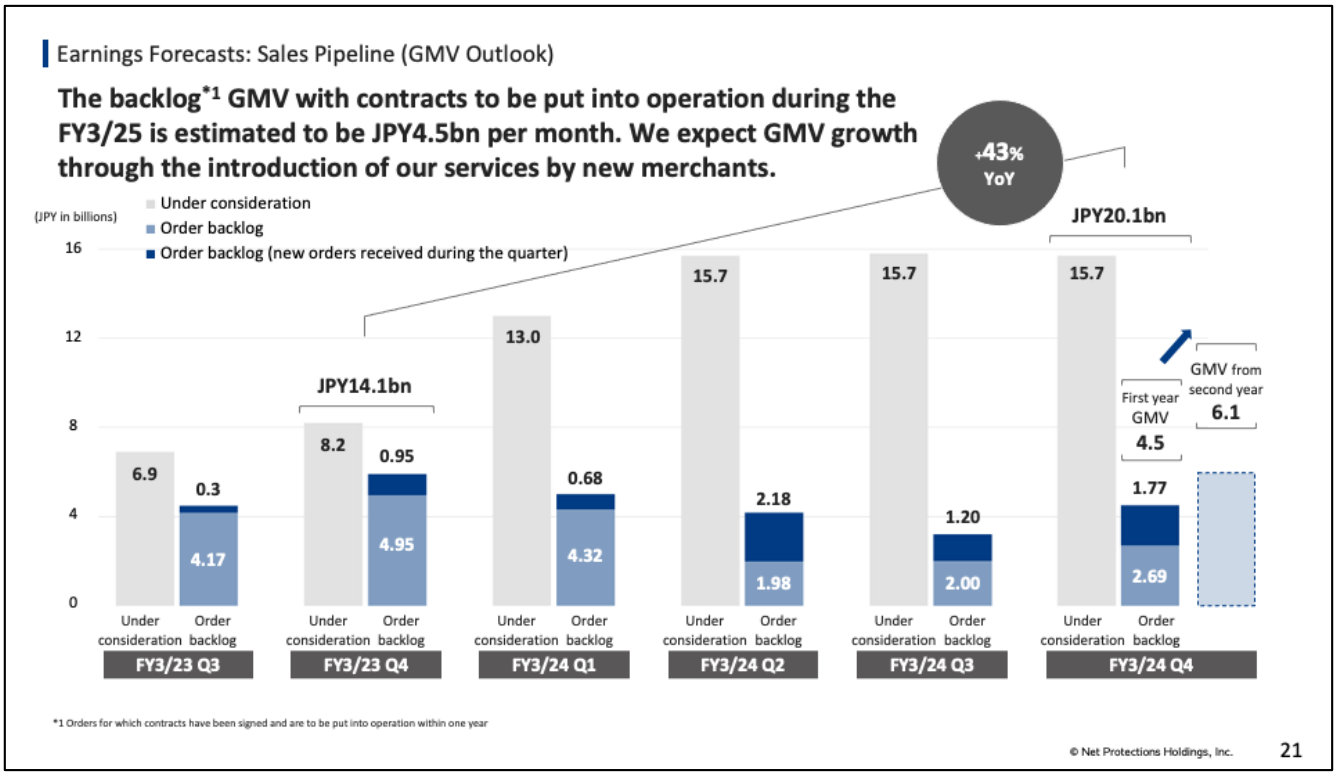
This is each service's share in GMV.

GMV for atone and BtoB, our growth drivers, are expected to grow at high rates of 43% and 26% year on year, respectively.
GMV for NP *Atobarai* is forecasted to increase slightly, factoring in the fact that consumers are reluctant to buy health foods due to reports about health problems.



This is the backlog of orders that will be put into operation within one year.

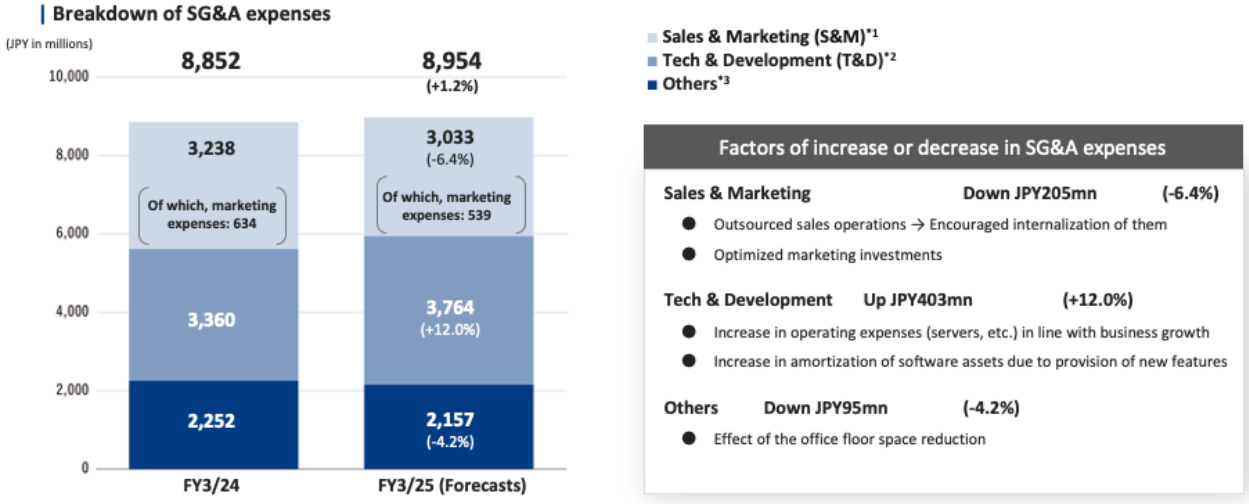
As of March 31, 2024, we had a monthly order backlog of 4.5 billion yen, which will be put into operation gradually.

We believe that we will be able to achieve our earnings forecasts by receiving additional orders through sales activities and factoring in GMV growth at existing merchants.

Earnings Forecasts: Breakdown of SG&A expenses

SG&A expenses are expected to remain almost unchanged from FY3/24, amounting to JPY8.95bn. Operating expenses in line with business growth and amortization will increase, but we will curb fixed costs by optimizing marketing investments and realizing the effect of the office floor space reduction.

Breakdown of SG&A expenses



Factors of increase or decrease in SG&A expenses

Sales & Marketing **Down JPY205mn** **(-6.4%)**

- Outsourced sales operations → Encouraged internalization of them
- Optimized marketing investments

Tech & Development **Up JPY403mn** **(+12.0%)**

- Increase in operating expenses (servers, etc.) in line with business growth
- Increase in amortization of software assets due to provision of new features

Others **Down JPY95mn** **(-4.2%)**

- Effect of the office floor space reduction

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This slide shows the breakdown of SG&A expenses, which are expected to remain almost unchanged from the previous fiscal year.

SG&A expenses in Tech & Development will increase mainly due to the provision of new features and an increase in operating expenses in line with increasing transactions.
On the other hand, we will be able to curb SG&A expenses in Sales & Marketing and Others without undue effort by streamlining operations.

This is the end of our earnings forecasts for the fiscal year ending March 31, 2025.



Management Topics

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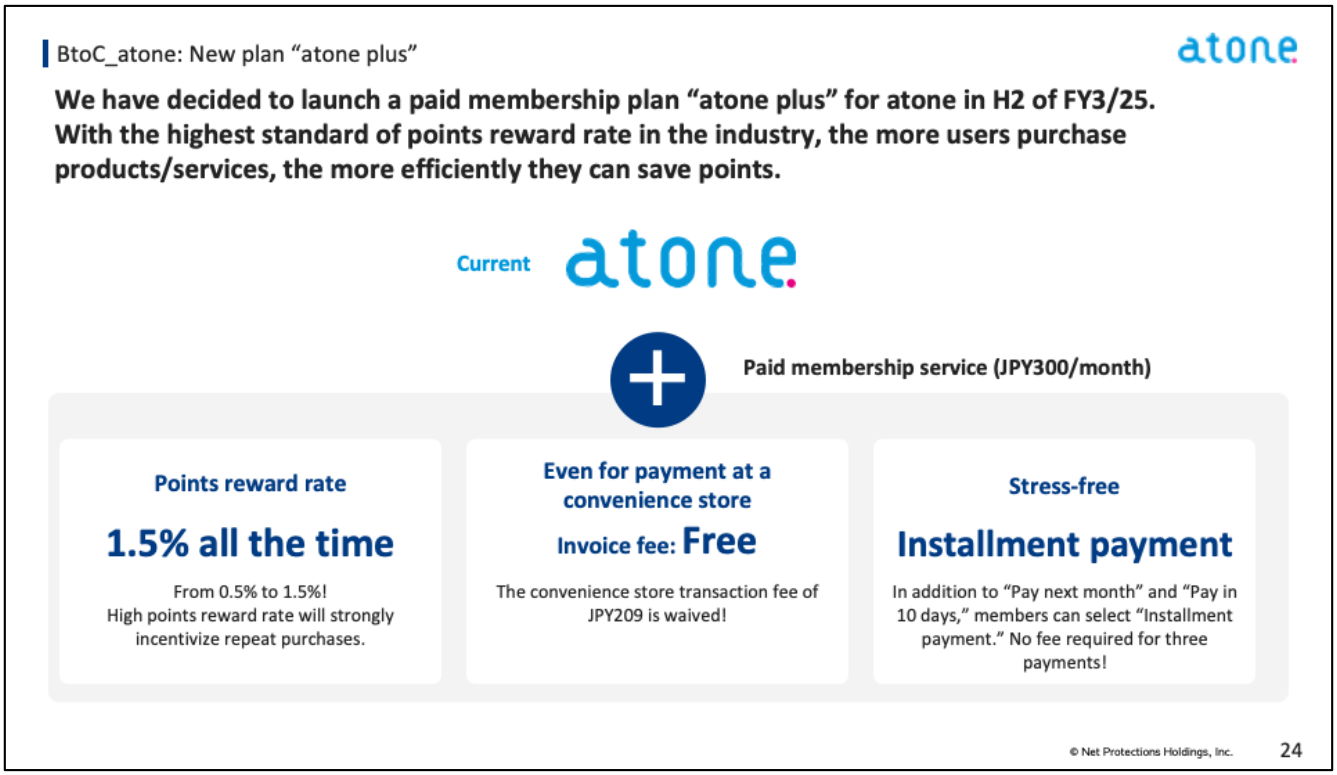
Management topics.
I, CEO Shibata, will explain this part.



We announced a new plan “atone plus” for atone.

This plan targets loyal customers so that they can enjoy atone service more beneficially and conveniently by paying a monthly fee of 300 yen.
What is special about this plan is that paid members can earn 1.5% reward whenever they use atone. 1.5% is the highest standard of points reward rate. We are confident that this is a value we can offer only because of our low delinquency rate.

We will offer installment payment service as well.

BtoC_atone: New service “atone plus”

We plan to launch installment payment for atone plus in H2, which enables paid members to use our service for high price range products/services such as home appliances and travel. Several merchants are already privately consented.



*Above images are for reference only

Target market

Merchandise	Home appliances, computer devices, etc.
	Clothes, fashion accessories, etc.
	Furniture, sundries, interior accessories
Service	Travel
	Ticket sales
	Correspondence courses (except regular course payment)

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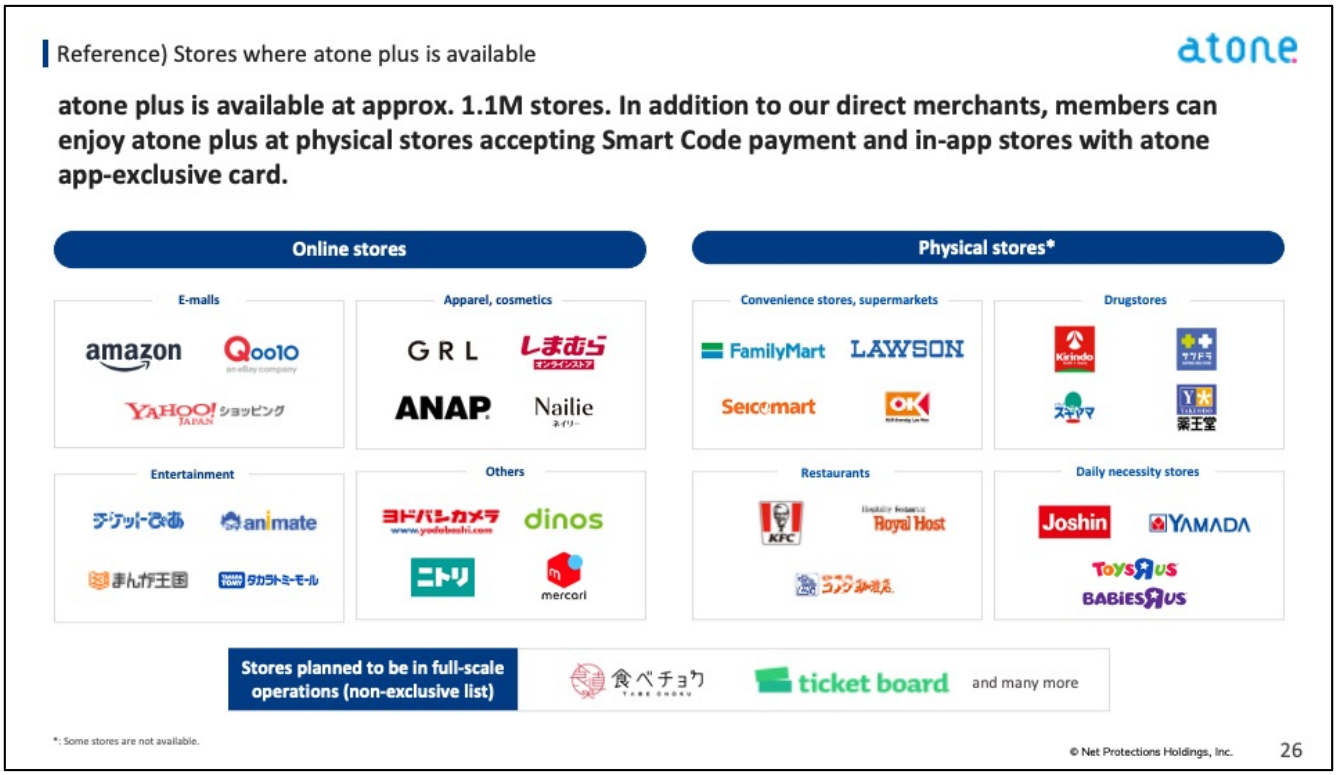
As I said, we have decided to launch an installment payment option in the second half in addition to conventional lump-sum BNPL service. This is to meet the demands of many stores for installment payment suitable for home appliances, travel and other high price range products. We believe that the target market is large.

Having said that, installment payment may cause members to suffer from excessive debt loads, I think that our service needs to be designed to reject a considerable purchase and too many installments.



atone plus is available at more than 1 million stores because it is available at physical stores with Smart Code available and atone app-exclusive card merchants in addition to direct contract marchants.

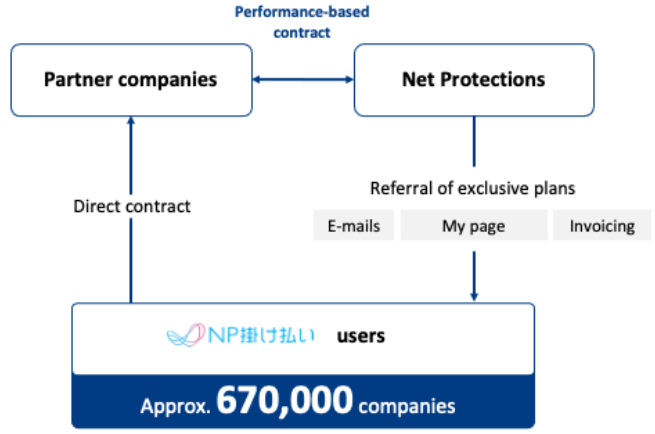
This wide variety of available stores is the advantage of atone plus.

BtoB_NP Kakebarai: “Referral Agency Service”

NP掛け払い

We launched “Referral Agency Service” in April 2024, targeting 670,000 corporate users of NP *Kakebarai* to assist SMEs beyond the framework of payment for more sales and better operational efficiency.

How it works



Partner companies

IVRy アイブリー — “IVRy,” interactive voice AI, supporting interactive voice response

Canly — “Canly” providing integrated management service for maps as well as store information and reviews/posts on websites and various social media

Benefits

Partner companies	NP *Kakebarai* users
can acquire new accounts without the initial cost	**can use paid services less expensively**

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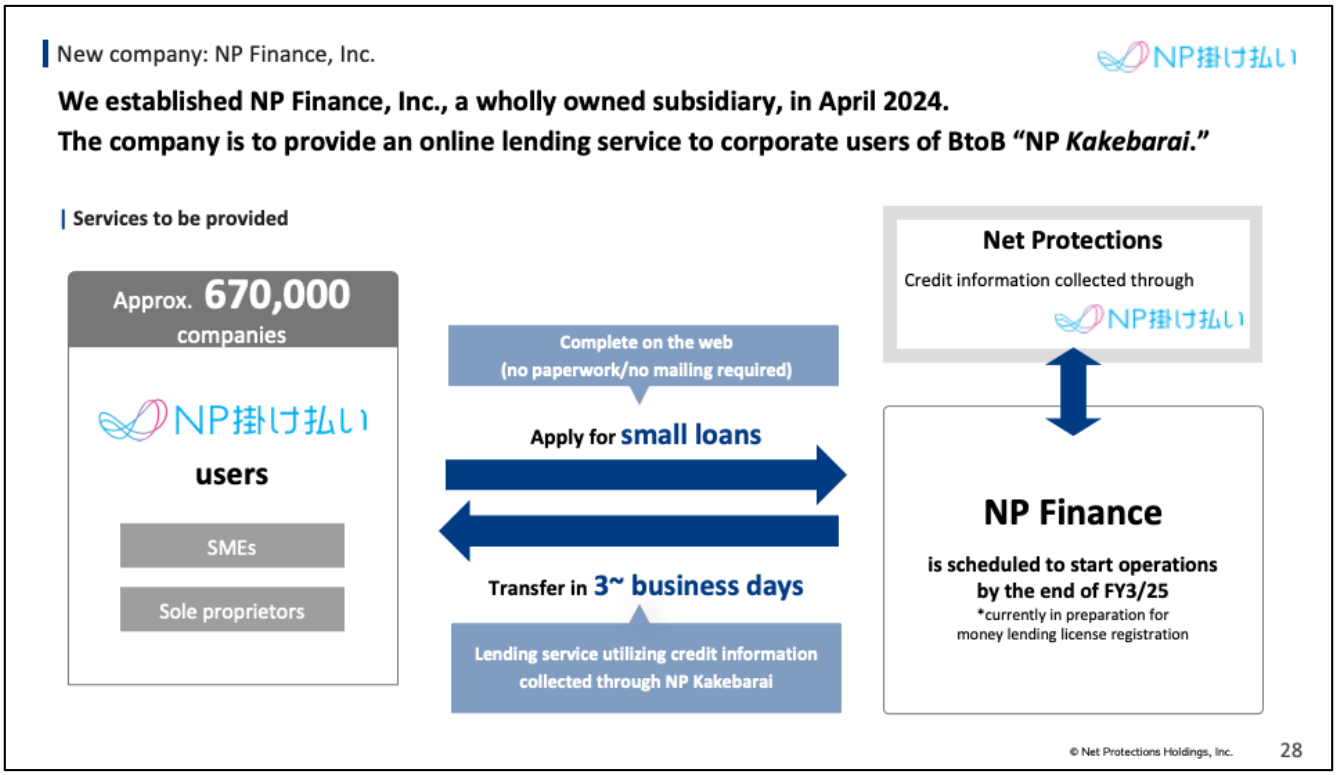
This slide is about BtoB business. We have newly started referral agency service.

Currently, 670,000 companies are using NP *Kakebarai*. So we can reach these 670,000 customers to refer them to partner companies.

We highly expect that this service will contribute to improve sales and operational efficiency of our corporate customers.
Also, this is an initiative that will create a new cash point for us.



Taking this opportunity, let me inform you of the establishment of a subsidiary.

We are launching a lending business for 670,000 companies using NP Kakebarai.

After one-year repeated PoC to verify this business model, we found out that credit screening based on our proprietary credit information enables us to control delinquency. Therefore, we decided to commercialize this business. We are working on registration as a money lender to launch the business by the end of this fiscal year.

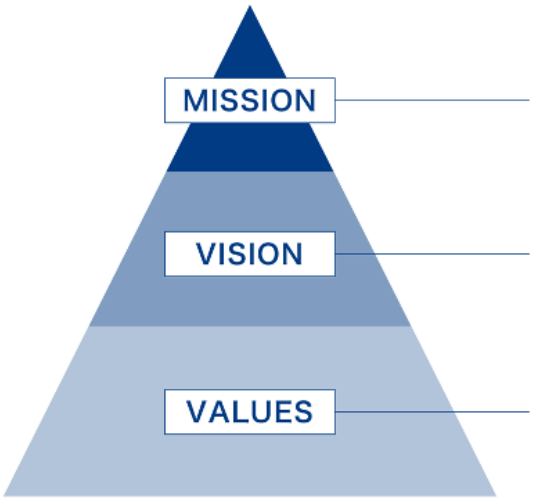


We have just reviewed our mid-term business plan. Let me introduce the revised plan.

I'm afraid that I'm going to skip from pages 30 through 33 due to time constraints, please do read through these pages summarizing our management philosophy, value proposition, and strengths.

Management Philosophy

With our mission "Create New Standards," we aim to create an innovative structure for both our business and organization.



Create New Standards

We will promote a seamless structure to create new standards.

Expand Our Possibilities

We will provide new opportunities through both our business and organization to open up the possibilities of each and every person.

Capture the Essence of Things in Order To Keep Changing

We will capture the essence from every aspect so that both our business and organization can keep changing and trying new things.

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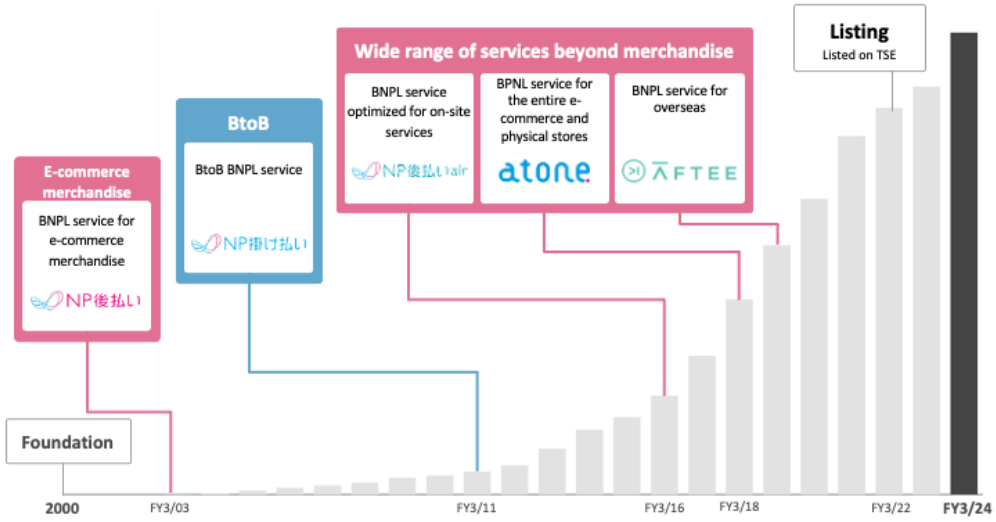
Growth Trajectory

We are boasting No. 1 market share as the leading BNPL company in Japan.
We have expanded our business in other countries such as Taiwan and Vietnam.



FY3/24
GMV
JPY565.9bn

NP *Atobarai* users*1
1 in 7 people

NP *Kakebarai* users*2
1 in 6 companies

AFTEE users*3
1 million

*1 Population aged 15 and over totals 110.6 mn. (Population estimates as of March 1, 2022 published by Statistic Bureau, Ministry of Internal Affairs and Communications) ÷Calculated based on the number of annual unique users, 15 million, in FY3/22
*2 There are approx. 3.67 companies in Japan. (Ministry of Internal Affairs and Communications & Ministry of Economy, Trade and Industry "2021 Economic census for business activity of Japan")÷Calculated based on the number of annual unique BtoB clients, 570,000, in FY3/23
*3 The number of unique members

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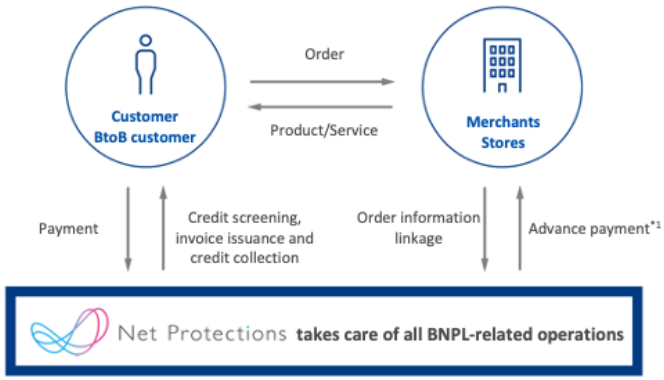
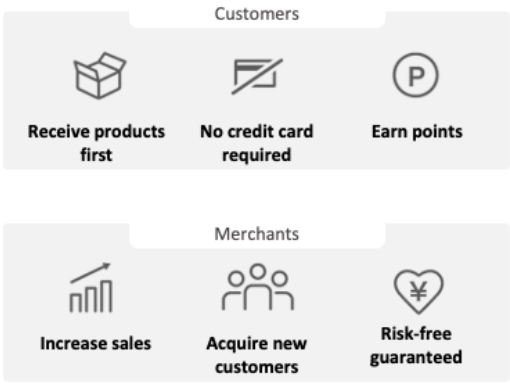
Value proposition

Customers can make a payment immediately without a credit card. Customers and BtoB customers can purchase products/services in a safe, convenient and affordable manner while merchants can expand sales opportunities and reduce their workload.

| Service scheme



| Benefits



*1 The guarantee only covers transactions approved by our credit screening system. In the event that a dispute between a merchant and a customer over a transaction arises and it cannot be immediately resolved, or Net Protections deems there is a risk of such a dispute, or the transaction otherwise falls under any of the grounds set forth in the merchant agreement, such a transaction will not be guaranteed, even though it has been approved.

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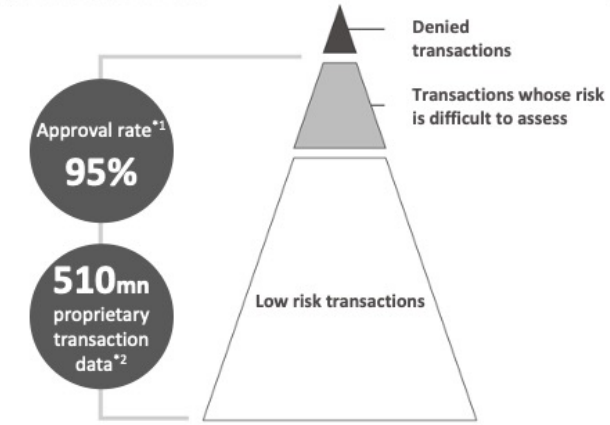
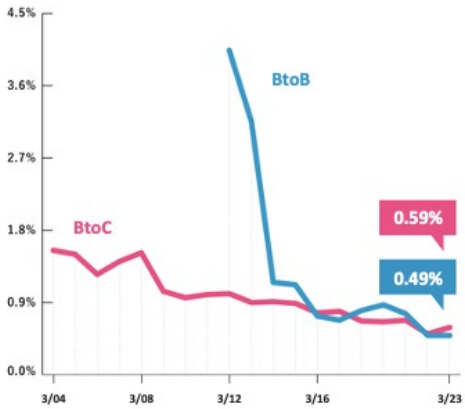
Strength & Uniqueness

We have achieved low delinquency rate by leveraging our proprietary data accumulated over 20 years to decisively handle transactions whose risk is difficult to assess.

| Credit approval rate



| Delinquency rate*3*4



*1 The ratio of approved transactions to transactions denied by our credit screening system for *NP Atobarai* during FY3/2024 (limited to unique users).
*2 As of March 31, 2024
*3 Ratio of outstanding unpaid transactions for NP Atobarai in excess of 18 months to total transactions recorded during such fiscal period on a GMV basis. The ratio for FY3/2023 is based on unpaid transactions as of the end of March 2024 (including transactions prior to writing off of delinquent debt).
*4 Ratio of outstanding unpaid transactions for NP Kakebarai in excess of 14 months to total transactions recorded during such fiscal period on a GMV basis. The ratio for FY3/2023 is based on unpaid transactions as of the end of March 2024 (including transactions prior to sale of receivables and writing off of delinquent debt).

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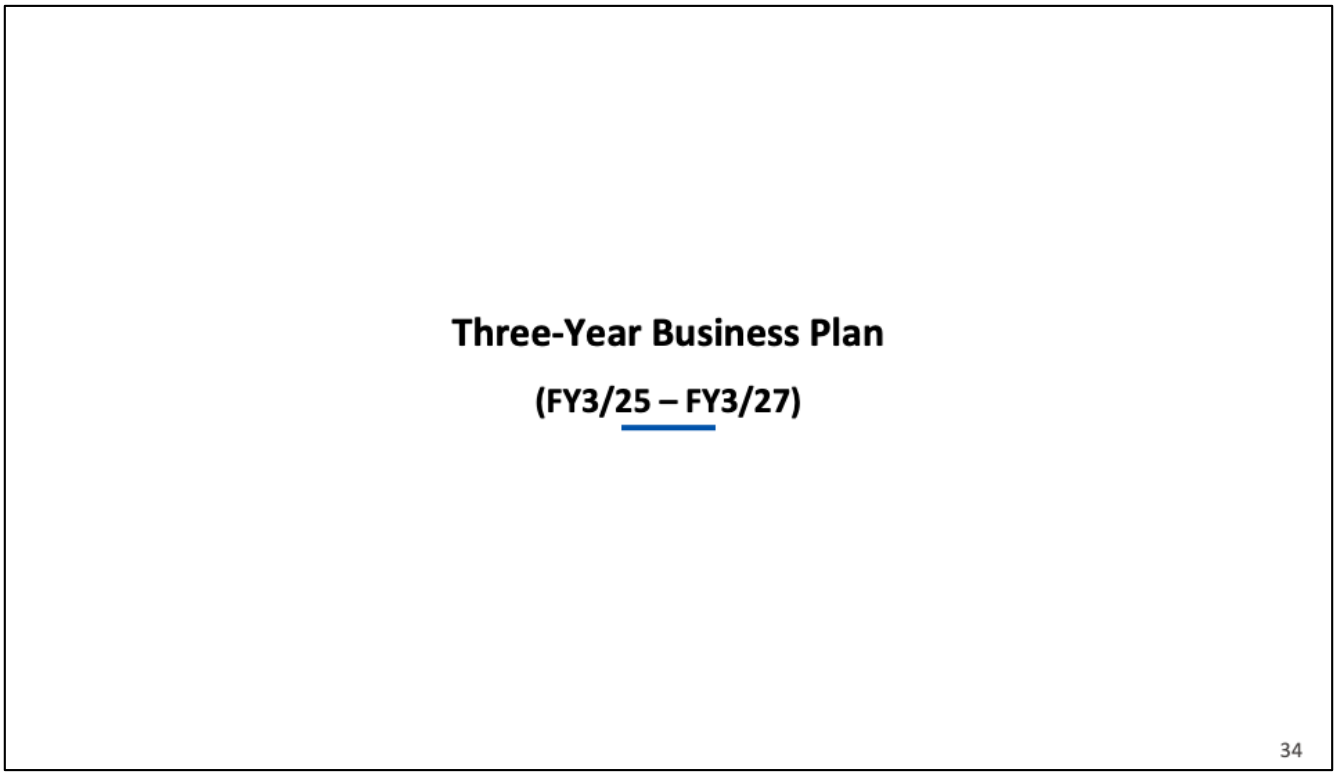
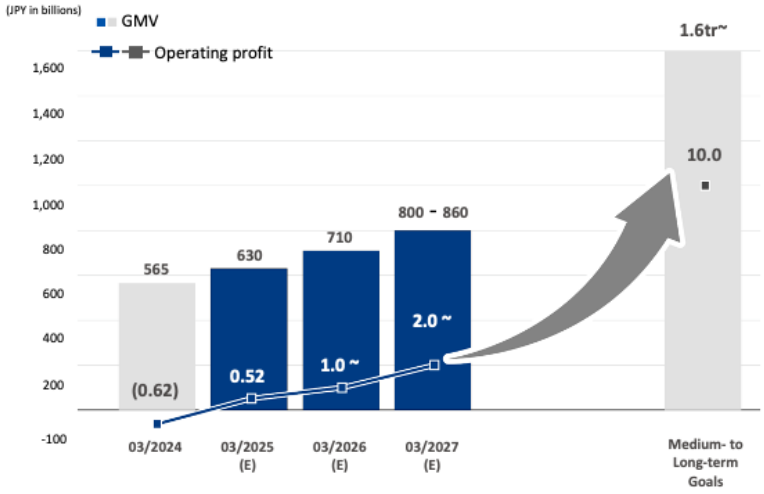


This is a three-year business plan with the fiscal year ending March 31, 2025 as the first year of the plan.

Three-Year Financial Policy (GMV vs Operating Profit)

For the three-year GMV, we aim a CAGR (compound annual growth rate) of 12 - 15%, with total operating revenue of at least JPY 30 billion and operating profit of at least JPY 2 billion for the fiscal year ending March 31, 2027.



Medium-term plan (3 years from now: FY3/2027)

GMV: **JPY800bn - 860bn**
(3-year CAGR: 12% - 15%)

Total operating revenue: JPY **30**bn+
Operating profit: JPY **2**bn+

Medium- to Long-term Target

Operating profit: JPY**10**bn

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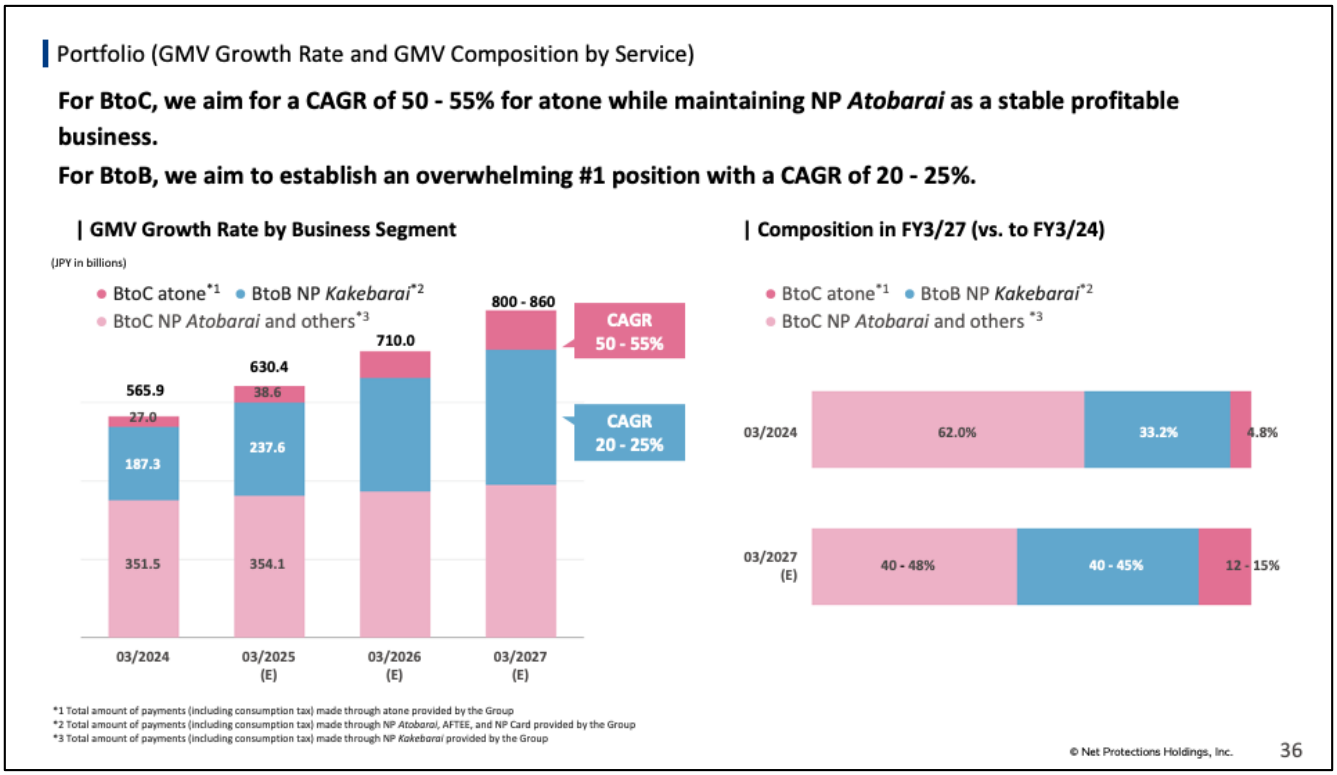
We aim to achieve GMV of 800 billion yen, operating revenue of 30 billion yen, and operating profit of at least 2 billion yen in the fiscal year ending March 31, 2027, three years from now.

GMV growth is planned to be 12-15% with a high degree of certainty.



The left graph shows the growth rate of each service, and the right graph shows the composition ratio.

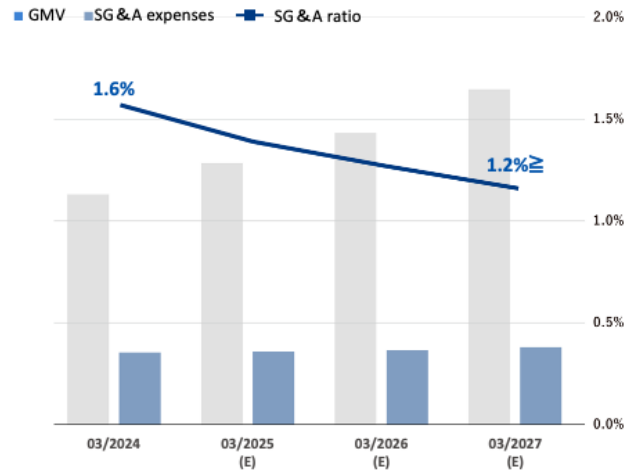
The growth rate of the BtoB business appears to be lower than the current growth rate due to its larger scale, but we believe that it will grow to the same scale as NP Atobarai and become one of the two pillars of our business by the fiscal year ending March 31, 2027.

We expect the BtoC atone business to grow at a rate of more than 50% and become the other pillar of our business.

SG&A Expense Policy

Structural improvements have been completed and no major investments are required in the future. The SG&A ratio will be lowered through disciplined investment in line with GMV and profit growth.

Trend of SG&A ratio (vs. GMV) (illustrative)



Major SG&A Expense Policy

Full-time employees

The system development was completed in FY3/24. From FY3/25 onward, the increase in personnel will be limited to what is necessary to cope with the increase in transactions.

Systems development

Assume the same level of costs for FY3/25 - FY3/27 by increasing the ratio of in-house development and optimizing the development system.

Marketing

Concentrate on growth businesses of atone, BtoB, and measures that can be expected to generate early returns. Gradually increase marketing expenses but make disciplined investments in line with profit growth.

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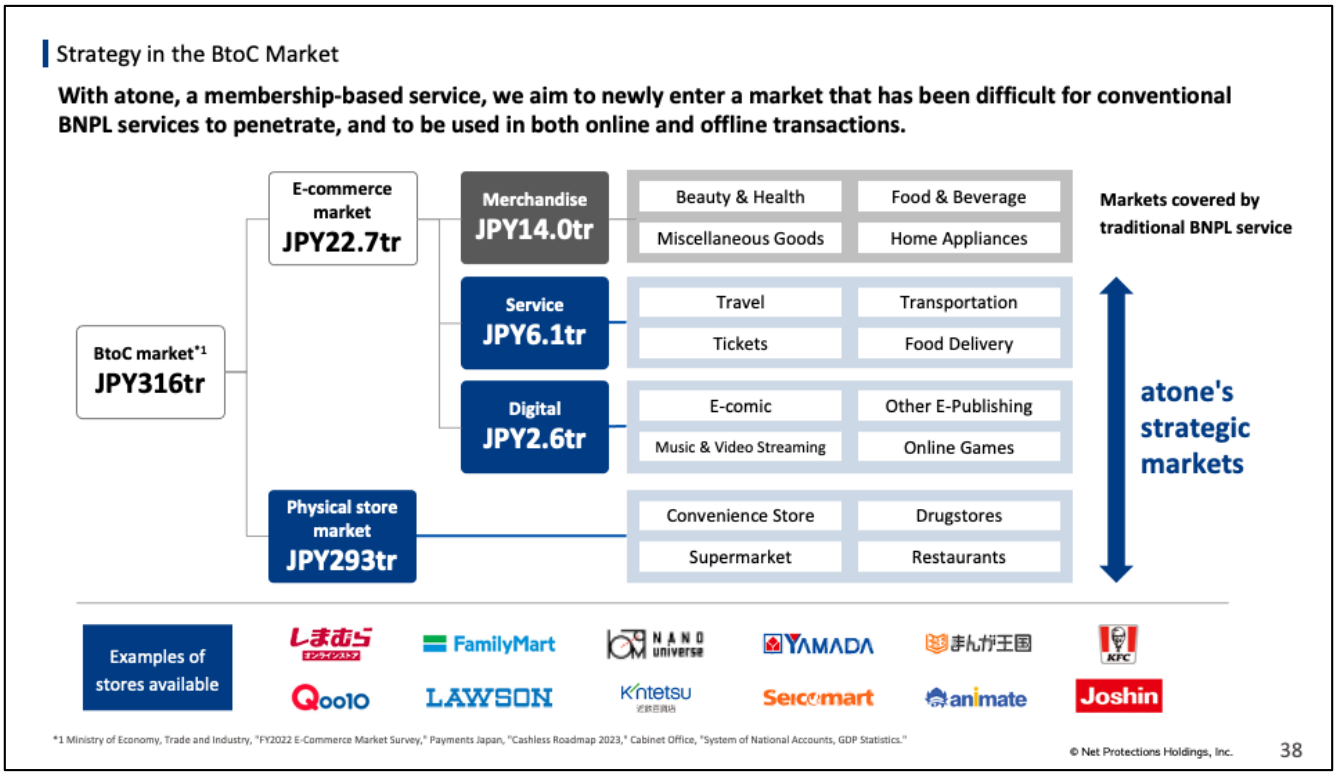
Next, I will explain our SG&A expense policy.

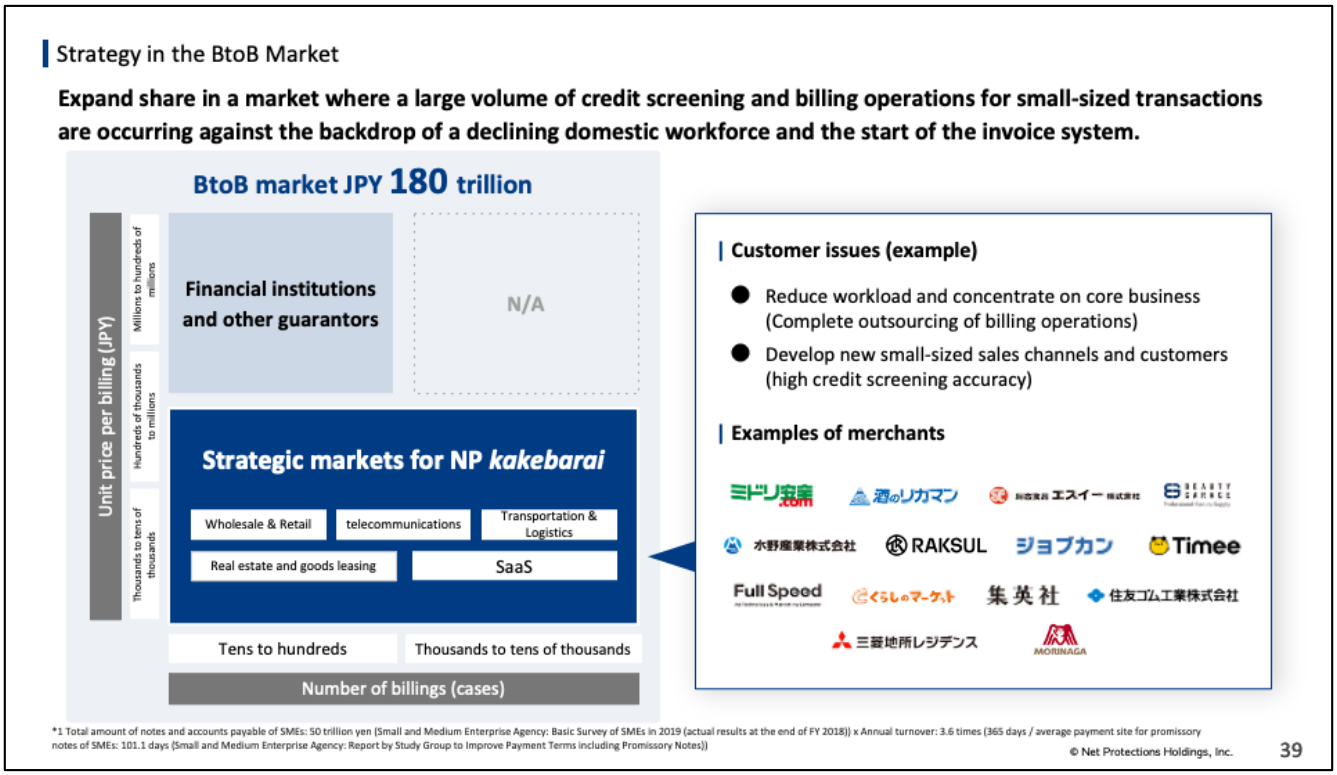
Since SG&A expenses will increase only slightly relative to GMV growth, the SG&A to sales ratio will decrease, generating further profits.

The main SG&A expenses are personnel costs for full-time employees, system development expense, and marketing expense, but these expenses can be controlled by improving efficiency.



We expect BtoC atone to grow by more than 50%, and I would like to explain the background of this growth.

atone can newly enter a market that conventional BNPL could not enter due to its features such as SMS authentication and electronic billing.
Specifically, the e-commerce market services, digital-based markets, and physical store market.
Those are blue ocean for BNPL services.



NP *kakebarai*, which boasts the No. 1 market share in BtoB payment service, expects to grow by more than 20%.

First, there are tailwinds from the external environment, such as the decline in the domestic workforce and the start of the invoice system.
There is a growing demand for outsourcing from companies that used to perform their own accounts receivable billing and collection operations.

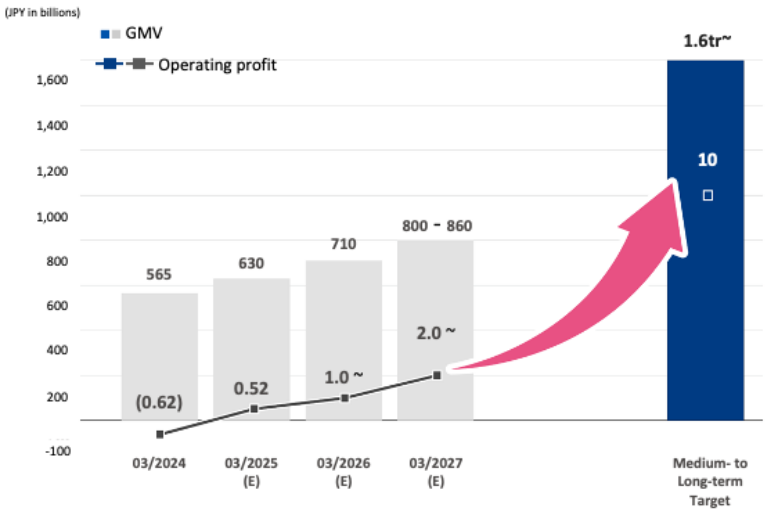
In addition, our ability to provide credit screening and undertake all billing services for small BtoB settlements ranging from a few thousand yen to several million yen is made possible by the fact that we maintain our own credit information.
BtoB market is also huge.

Toward Discontinuous Business Growth

The three-year plan I have described so far is a moderate outlook, but I will also explain the new initiatives we are pursuing to achieve discontinuous growth.

Medium- to Long-term Target (GMV x Operating Profit)

Aim for operating profit of JPY 10 billion as a medium- to long-term target through discontinuous growth. Utilize customers and BtoB customers data to achieve quadratic growth.



Medium- to Long-term Target

Operating profit: JPY **10**bn

Medium-term plan (3 years from now: FY3/2027)

GMV: JPY800bn - 860bn
(3-year CAGR: 12% - 15%)

Total operating revenue: JPY 30bn+
Operating profit: JPY 2bn+

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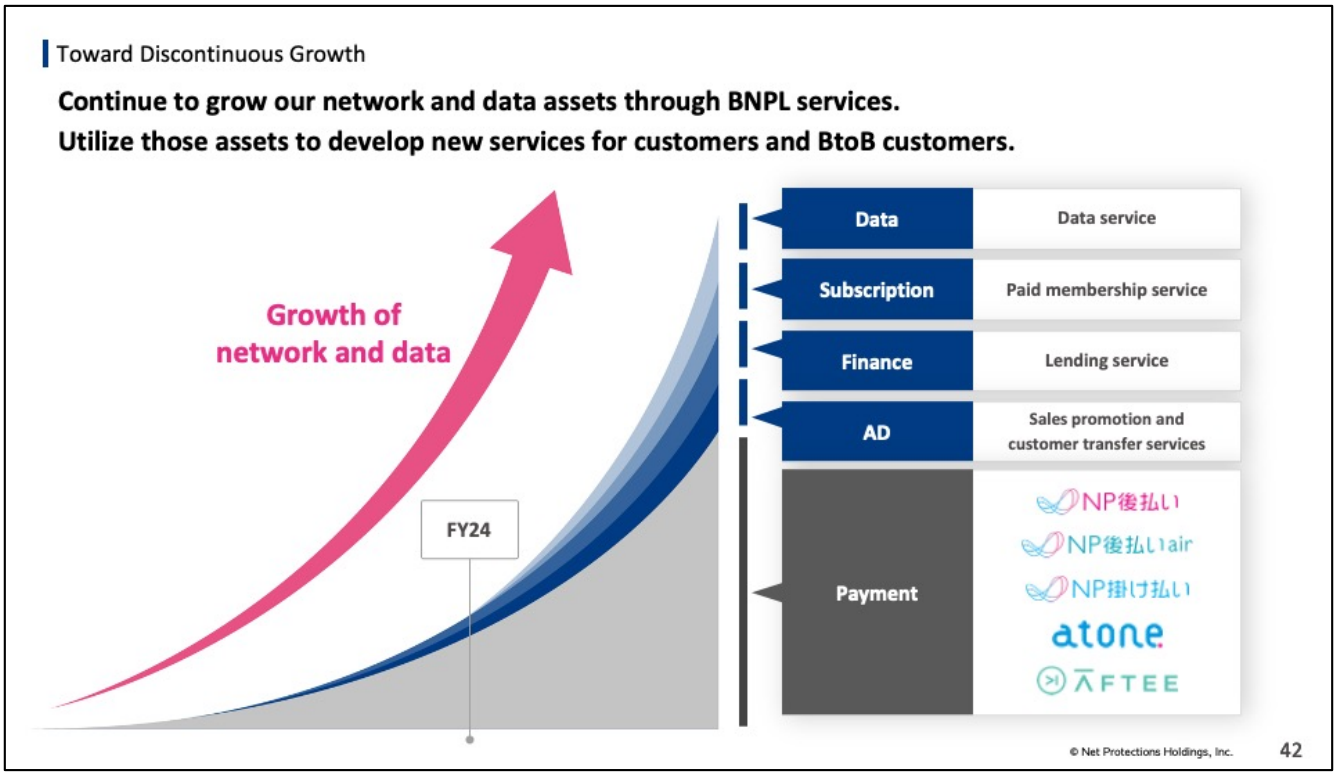
We believe we can surpass 10 billion yen in operating profit at an early stage by leveraging the assets we have accumulated through BNPLservices.

Specifically, while we have grown by increasing the number of merchants as sellers, we believe that we will provide new services to customers/merchant clients as buyers in the future.

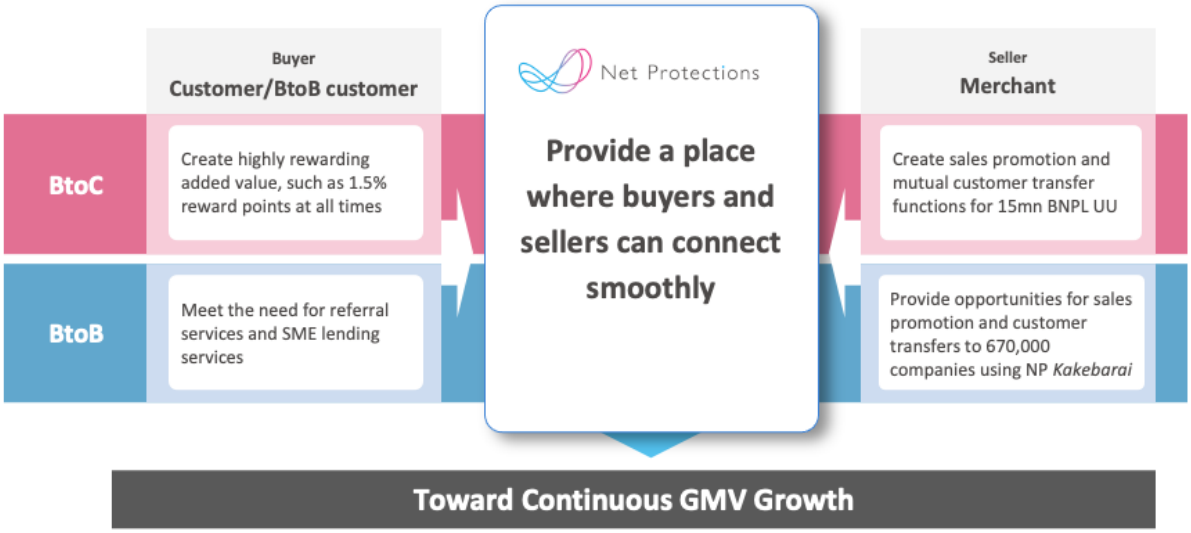


We continue to grow our extensive network and vast data assets through BNPL services.

By utilizing these services, we will develop new services such as sales promotion and customer transfer service, lending service, and paid membership service.
As a result, we aim to further increase our corporate value in addition to our business plan for BNPL services.

Cycle of Value Provision and Business Growth

Aim to be the first BNPL service in Japan that provides a customer transfer service that transfers customers and BtoB customers.
Create a virtuous cycle that keeps buyers and sellers connected and achieve GMV growth.



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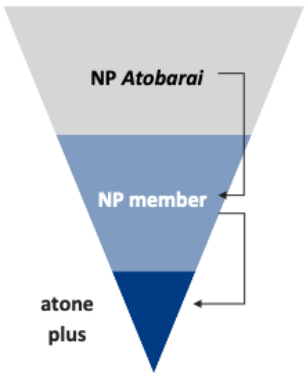
We are widely used by 15 million customers in the BtoC market and 670,000 BtoB customers in the BtoB market, and we will increase the added value for these buyers and direct them to our membership services.
We will increase the number of ways in which we can approach buyers, and we aim to provide these opportunities to companies that are sellers.
We will provide such a place to connect buyers and sellers.
We believe that this new service for customers and BtoB customers will turn and accelerate the cycle of business growth more than ever before.

atone plus, a strategy for BtoC buyers

Drive 15 million NP *Atobarai* users to atone and atone plus, a paid membership service.
Provide a BNPL service with the most available locations and the best value for money.

User Base



15 million Unique users
Promotes transition to membership by awarding 0.5% NP points

7 million members
Increase points reward rate to 1.5% to acquaire loyal users

1 million members (target)
BNPL with great savings available everywhere

Features of atone plus

	atone	atone plus
Available shops	○	◎
Payment method	Pay in 10 days Pay next month	Pay next month **Installment payment**
Invoicing fee	JPY 209	**Free**
Points reward	0.5%	**1.5%**
Membership fee	Free	JPY 300 per month

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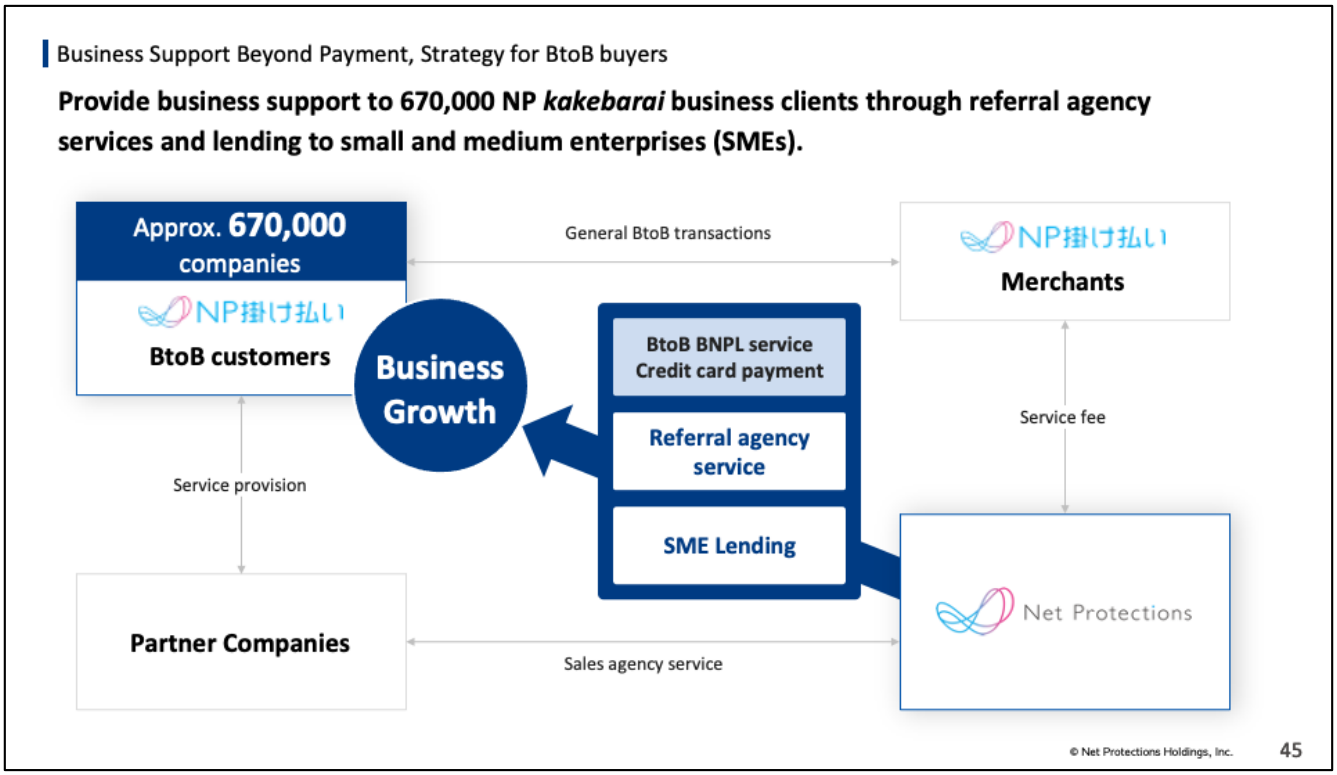
The main strategy for buyers in the BtoC business is a paid membership.

Our paid membership offers a higher point reward rate in the industry and also offers installment payments for free.
We see the average monthly payment amount per person exceeds JPY 40,000.
Full-scale service launch is scheduled to begin in the winter of the fiscal year ending March 31, 2025.

We expect atone shops, our web portal, to grow in line with growth of atone plus.

The GMV from this is only partially reflected in the plan through the fiscal year ending March 31, 2027.



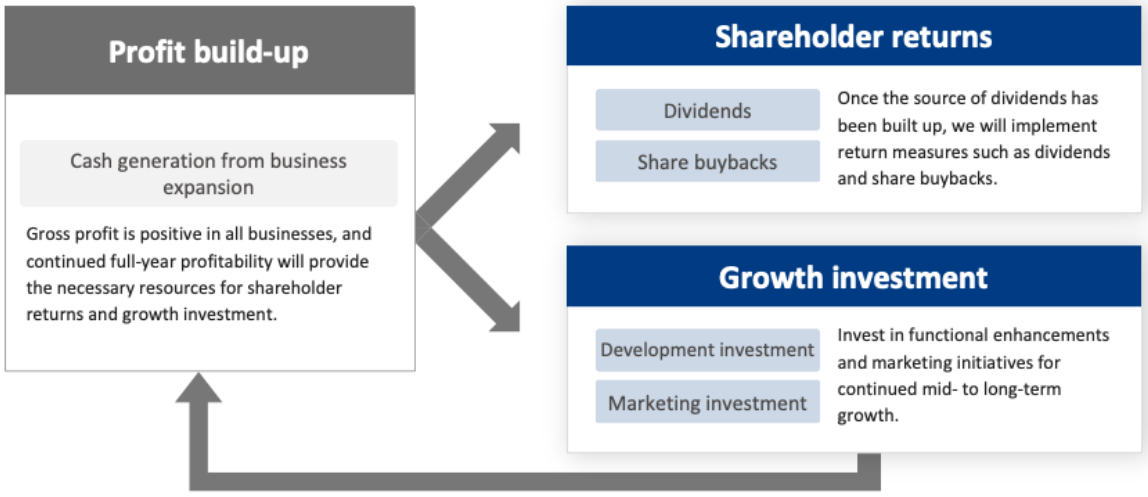
Our strategy for buyers in the BtoB business is Business Support Beyond Settlement.

We will provide an referral agency service that enables buyers to use IT tools and other services that improve their business efficiency at a discount, and a lending service that allows buyers to obtain small loans online and instantly.
We have already begun testing and partially offering the service, and plan to gradually expand the service.

The GMV from this is also only partially reflected in the three-year plan.

Shareholder Return Policy

Shift to dividend and share buybacks in line with profit build-up.



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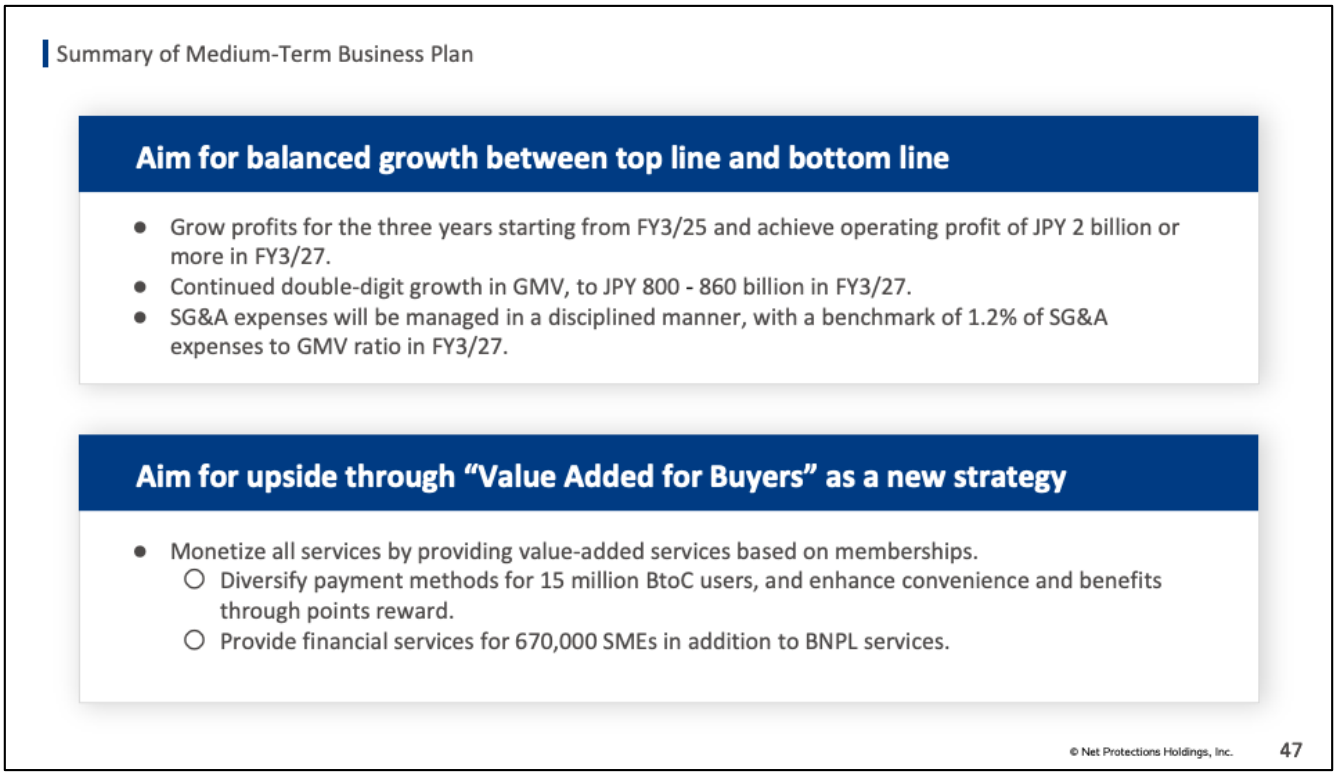
This is our shareholder return policy.

Since all of our services have turned gross profit positive, we will continue to generate cash through continuous profitability.
When we have accumulated sufficient funds to pay dividends, we will implement shareholder return measures such as dividends or share buybacks.
At the same time, we will aim for continuous profit growth by allocating a portion of profits to growth investments.



Finally, this is a summary of the medium-term business plan.

For the three-year period starting with the current fiscal year, we plan to achieve growth that balances top-line and profit, aiming for an operating profit of at least 2 billion yen in the fiscal year ending March 31, 2027.
To achieve this goal, we plan to achieve a GMV of more than 800 billion yen and to control the SG&A ratio to less than 1.2%.

The other is a new strategy to increase the added value of buyers, customers and BtoB customers.
We aim to achieve discontinuous growth by offering new services to 15 million BtoC customers and 670,000 BtoB customers.

This is the end of my presentation for the fiscal year ended March 31, 2024.
Thank you very much for your attention.

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