

Consolidated Financial Results for the Second Quarter of the Fiscal Year to August 31, 2024

Last One Mile Co., Ltd.

(9252: JPX Growth Market)

2024.04.12

Company name

Last One Mile Co., Ltd.

Place

Owl Tower 3F, 4-21-1, Higashi-Ikebukuro, Toshima-ku, Tokyo

Credo

Be a team in which all employees will ultimately be able to make economically rational decisions.

Subsidiaries

Broadband Connection Co., Ltd.
CAREER Co,. Ltd.
Vendor Co,. Ltd.
HOTEL STUDIO Co,. Ltd.
PREMIUM BUSINESS SUPPORT Co,. Ltd.

Established

June 4, 2012

Registered capital

JPY. 387,113,250.-

Number of employees

232

※ As of February 2024

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Management

At the Annual General Meeting of Shareholders held on November 28, 2023, five Directors (who are not members of the Audit Committee) and three Directors who are Audit Committee Members were elected in accordance with the Company's transition to a company with an Audit Committee.

External Director
Member of Audit Committee
Mitsuru Ozaki

External Director
Member of Audit Committee
Tomoharu Ogawa

External Director
Member of Audit Committee
Ryoji Baba



Director
Toshiaki Shimizu

Managing Director
Koichi Matsunaga

Representative Director,
President
Makoto Watanabe

Director
Kohei Ichikawa

Director
Takafumi Yano

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History

2012	Best Effort Co., Ltd. Established (Currently “Last One Lime Co., Ltd.”)
2016	Started in-house service “Best Hikari” (currently “Marutto Hikari.”)
2018	Started "Last One Mile Business"
	Started providing "Zenkoku Jutaku Denki" (currently "Marutto Denki")
	Acquired “Call & System Co., Ltd” through a share exchange and made it a consolidated subsidiary.
	Best Effort Co., Ltd. merged with Nippon Sogo Information & Communication Co. and renamed “Last One Mile Co., Ltd.”
2019	Standardized the name of in-house service to "Marutto Series."
	Started providing "Marutto WATER" and "Marutto Gas."
2021	Listed on the Mothers market (currently Growth market) of the Tokyo Stock Exchange (Securities code: 9252)
2022	Broadband Connection Inc. became a consolidated subsidiary
	Capital and business alliance with Premium Water Holdings, Inc.
	Absorbed and merged with Marutto Change Co., Ltd. and IT Support Co. Ltd.
	Makoto Watanabe appointed as President and Representative Director
2023	Issuance of Paid-in Stock Option (with exercise conditions) to Makoto Watanabe
	Tender offer for the Company's share by Premium Water Holdings, Inc.
	Introduction of trust-type stock options
	CAREER Co., Ltd. becomes a consolidated subsidiary.
	Introduction of shareholder benefit plan
	Adoption of International Financial Reporting Standards (IFRS)
	Introduction of Stock Compensation Plan
	Issuance of new shares as restricted stock compensation
2024	Vendor Co., Ltd. becomes a wholly owned subsidiary
	HOTEL STUDIO Co., Ltd. becomes a wholly owned subsidiary
	Premium Business Support Co., Ltd. becomes a wholly owned subsidiary
	CITV HIKARI Co., Ltd. becomes a wholly owned subsidiary (planned)

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Business diagram

The Group's marketing policy is to "create a new market (blue ocean) for all products, regardless of industry or business category, by developing sales methods that do not yet exist in the world, and to sell them exclusively". We intend to focus our capital on businesses that show promise and grow them. Currently (as of February 2024), our four main businesses are following numbered 1 through 4.

1 : Alliance Business

2 : Listing and media business

3 : EC Site Business

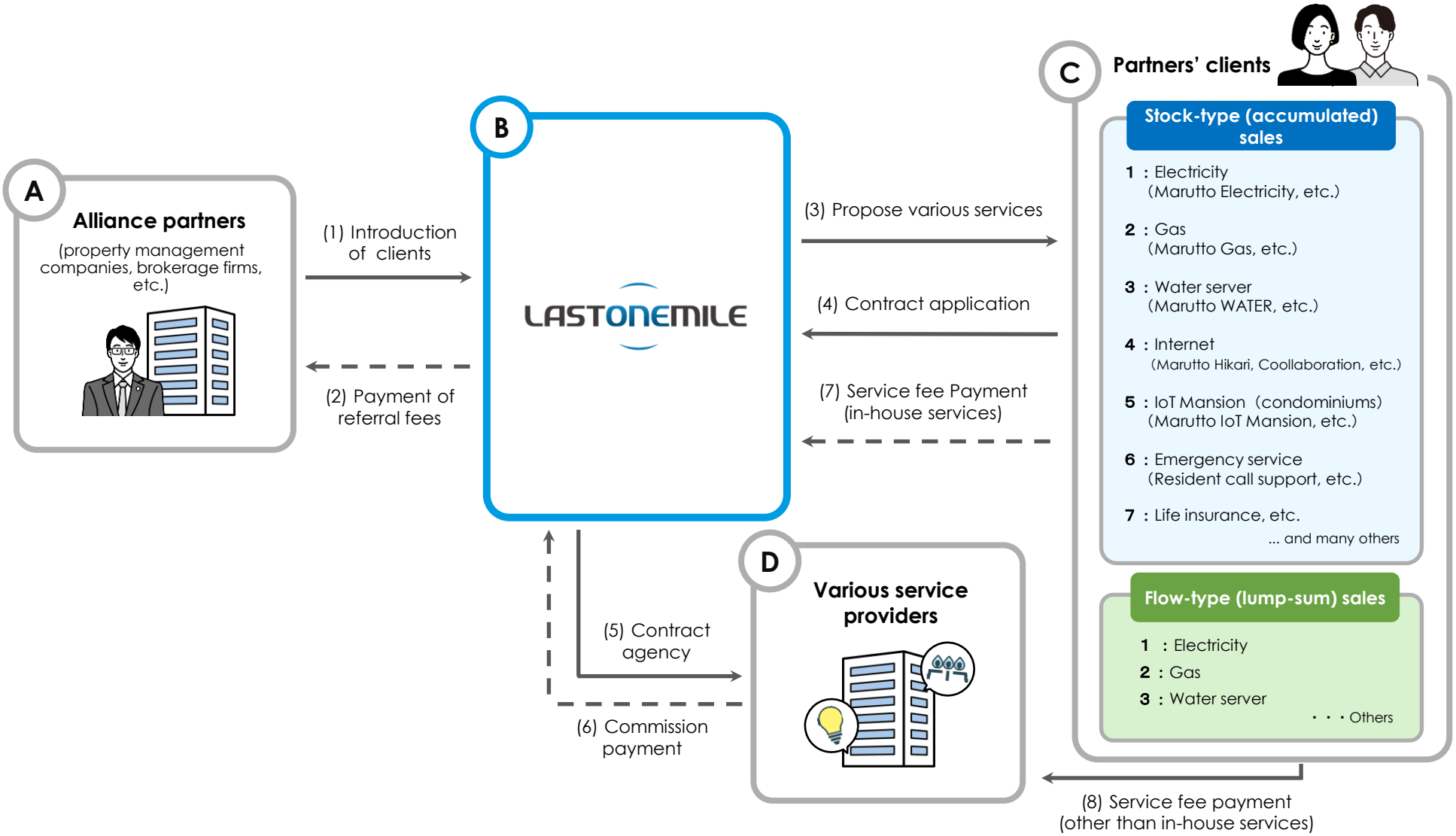
4 : Contact center business

5 : Other businesses (free internet business for condominium, etc.)

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Business Diagram 1 - Alliance Business

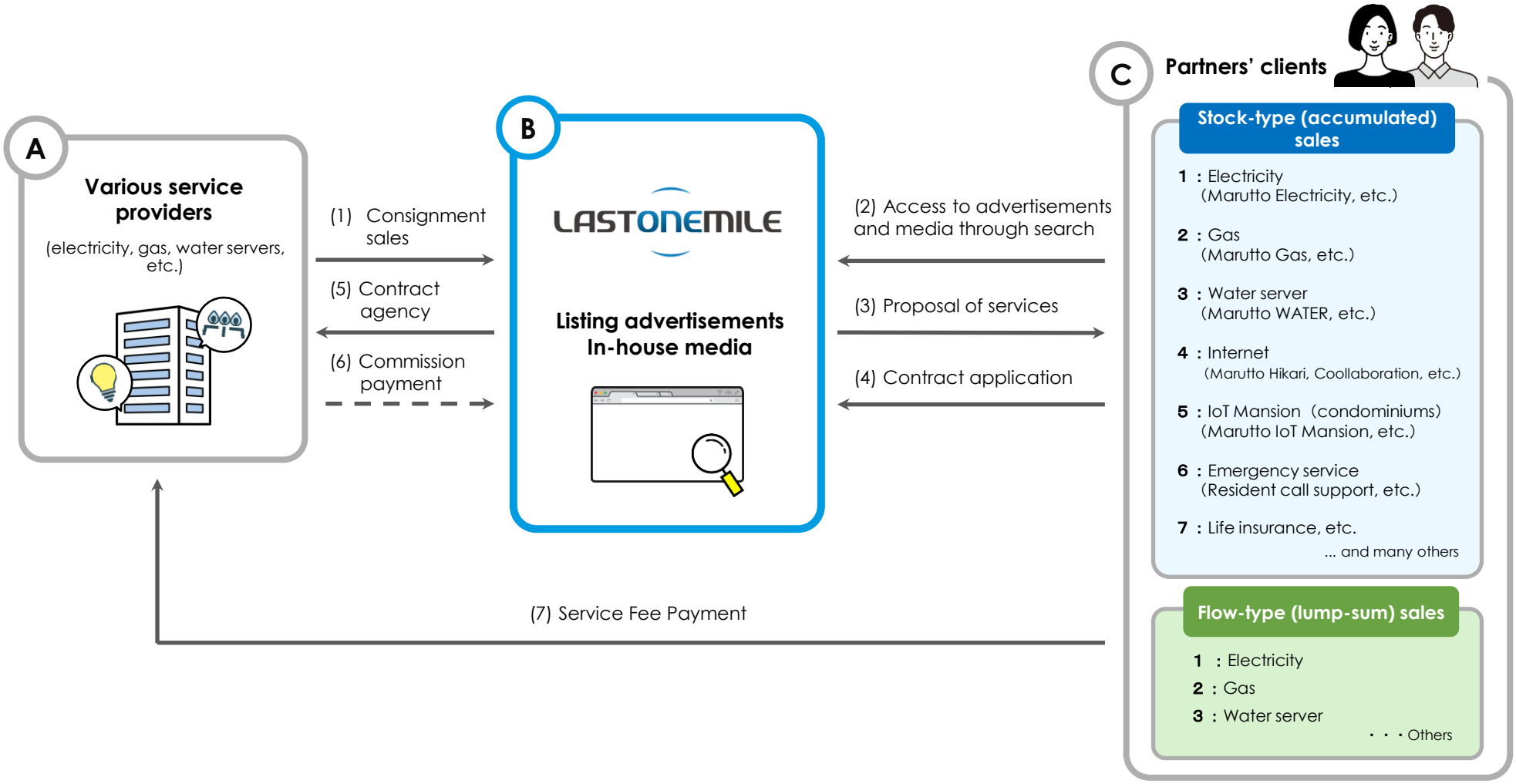
In the alliance business, we are introduced to prospective customers who desire our services by property management companies and other companies that have customers, and we propose and sell our own services and various services of service providers to prospective customers.



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Business Diagram-2 - Listing and Media Business

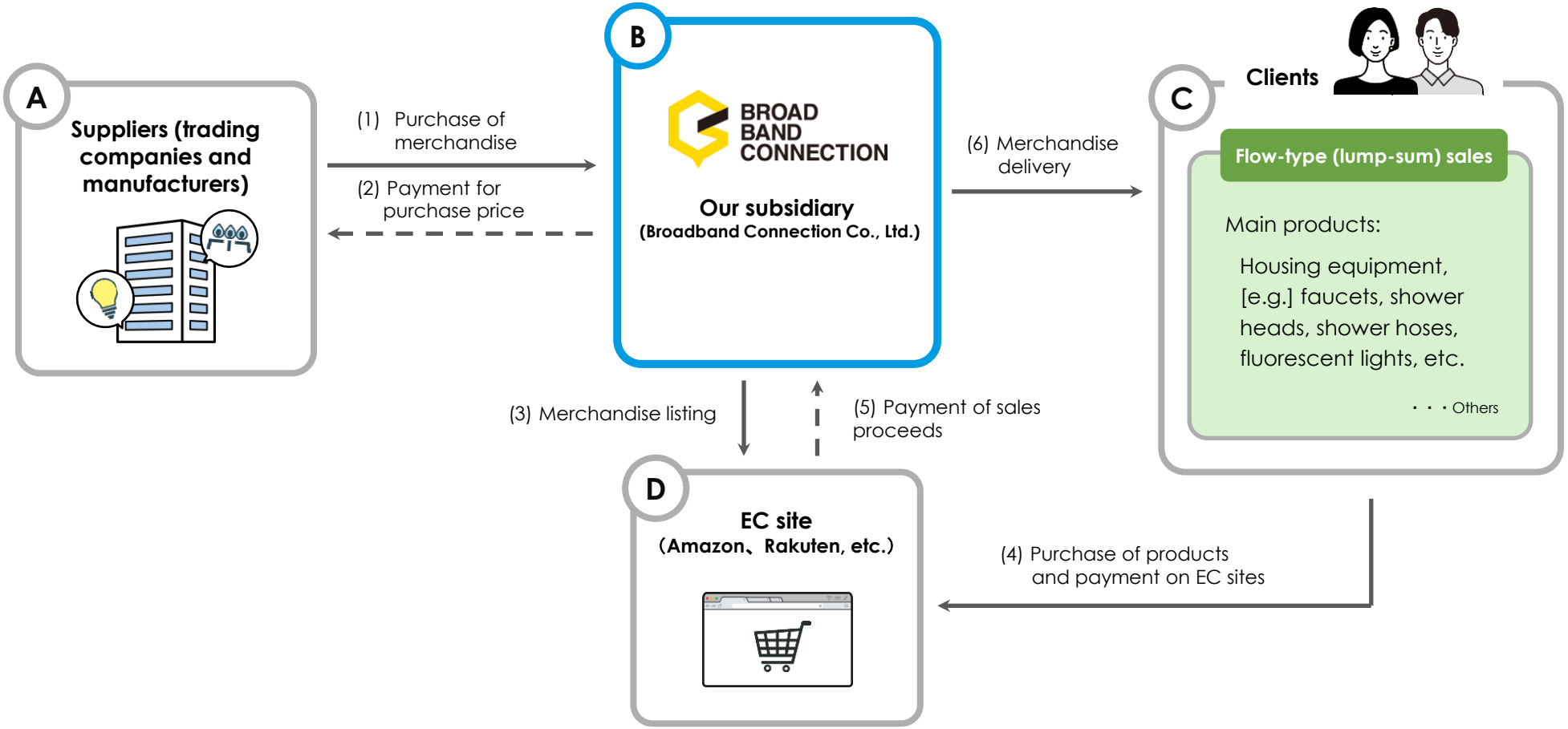
The Listing and Media Business is a business that utilizes the company's marketing know-how to obtain direct inflows from customers through the operation of listing advertisements and landing pages.



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Business Diagram 3 - EC Site Business

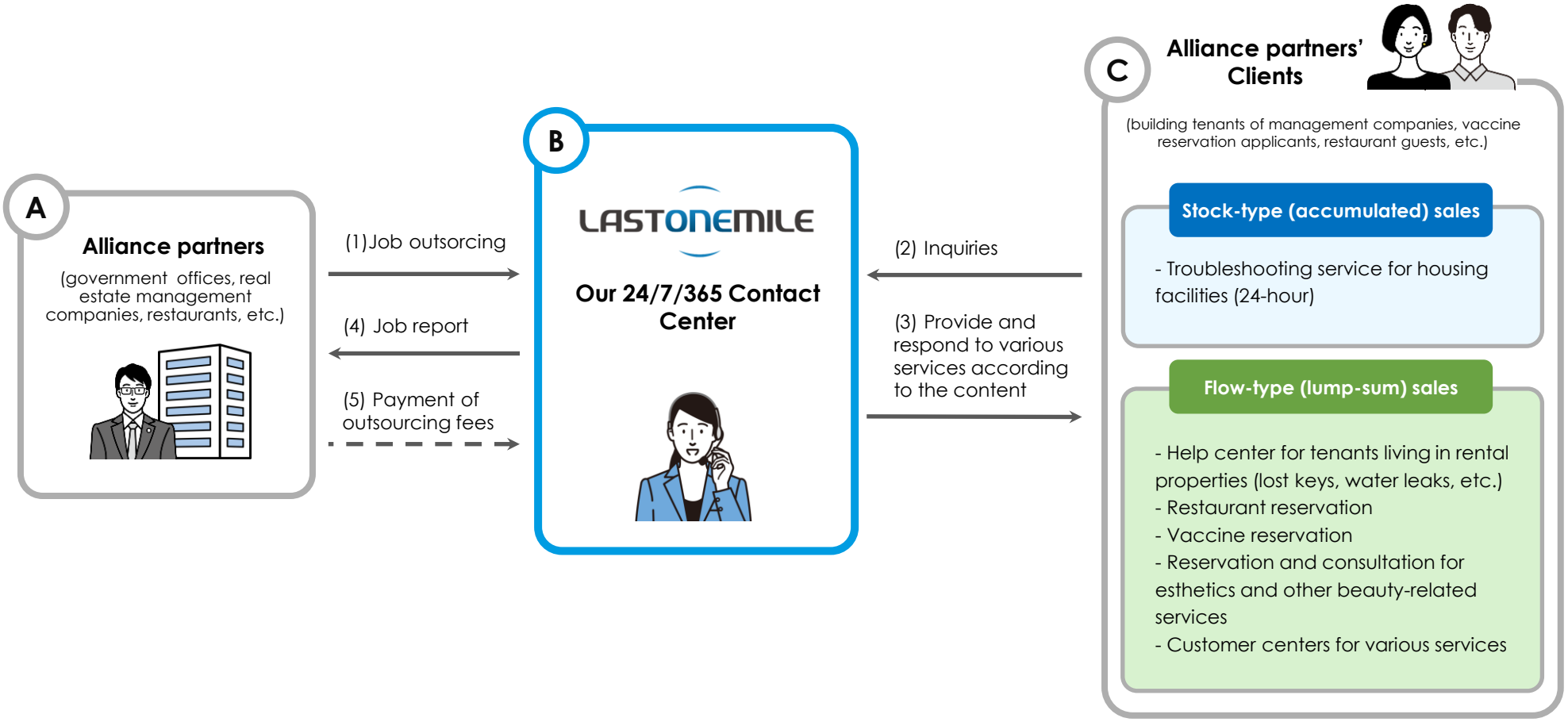
In the e-commerce site business, our subsidiary Broadband Connection Co., Ltd. ("BBC") analyzes sales data for each product and sells products on e-commerce sites (online stores) such as Amazon and Rakuten. Currently, the Company mainly sells products related to residential equipment such as faucets, hoses, etc. on Amazon.com.



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Business Diagram 4 - Contact Center Business (Inbound Center)

The contact center business is a business that provides call center services on behalf of government and municipal offices, real estate management companies, restaurants, etc. Contact center services are provided for various types of reception and inquiries, such as vaccination reservations and responses to inquiries from tenants of managed properties.



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List of main services

種別	№	対象 個人	対象 法人	自社サービス	サービス名
Electricity	1	○		○	まるっとでんき
Electricity	2	○			東京ガスでんき
Electricity	3	○			関西電力
Electricity	4	○			たのしいでんき
Electricity	5	○			くらしエナジー
Electricity	6	○			オクトパスエナジー
Electricity	7	○			九州電力
Electricity	8	○			楽々でんき
Electricity	9	○			Looopでんき
Gas	1	○		○	まるっとガス
Gas	2	○			東京ガス
Gas	3	○			東京ガス電気セット
Gas	4	○			関西電力ガスセット
Gas	5	○			九州電力ガスセット
Gas	6	○			東邦ガス
Gas	7	○			ガスワン
WTS	1	○	○	○	まるっとWATER
WTS	2	○	○		プレミアムウォーター
WTS	3	○	○		Locca
WTS	4	○	○	○	さくっとウォーター
Internet	1	○		○	まるっとひかり
Internet	2	○	○		NTTフレッツ光
Internet	3	○			Softbank光
Internet	4	○			SO-net光
Internet	5	○			ドコモ光
Internet	6	○			BIGLOBE光
Internet	7	○			OCN光

種別	№	対象 個人	対象 法人	自社サービス	サービス名
Internet	8	○			J:COM NET
Internet	9	○			auひかり
Internet	10	○			NTTSOHO
Internet	11		○		光コラボレーション卸事業
Wi-Fi	1	○			Softbank Air
Wi-Fi	2	○			hi-ho Let's Wi-Fi
CC	1		○		24時間365日コールセンター
CC	2		○		不動産管理会社向けコールセンター
CC	3		○		官公庁向けコールセンター
CC	4		○		美容系サポートセンター
CC	5		○		住宅設備修理受付
CC	6		○		秘書代行
CC	7		○		各サービス休眠顧客掘り起こし業務受託
CC	8		○		各サービス顧客に向けたフォローコール受託
CC	9		○		BtoB向けサービス契約に向けたアポイント獲得コール受託
CC	10		○		BtoC向けサービス契約に向けた営業代行
CC	11		○		市場調査・アンケートコール受託
CC	12		○		入居者向け会員制駆けつけサービスの運営
CC	13		○		駆けつけサービス会員数を増やすスキームの提供
CC	14		○		投げる消火器ファイテック販売
CC	15		○		事務代行業務(リスト作成、リスト精査、パンチング、封入・封緘・発送など)
CC	16		○		DTPデザイン(チラシ、パンフレット、名刺など)
CC	17		○		モラルクレーム解決コールセンター「住生活110」
Others	1	○	○	○	まるっとIoTマンション
Others	2	○		○	まもりんぐ
Others	3		○		クラウドボックス(宅配トランクルーム・クラウドストレージ)
Others	4		○		インターネット無料マンション
Others	5		○		宅配BOX

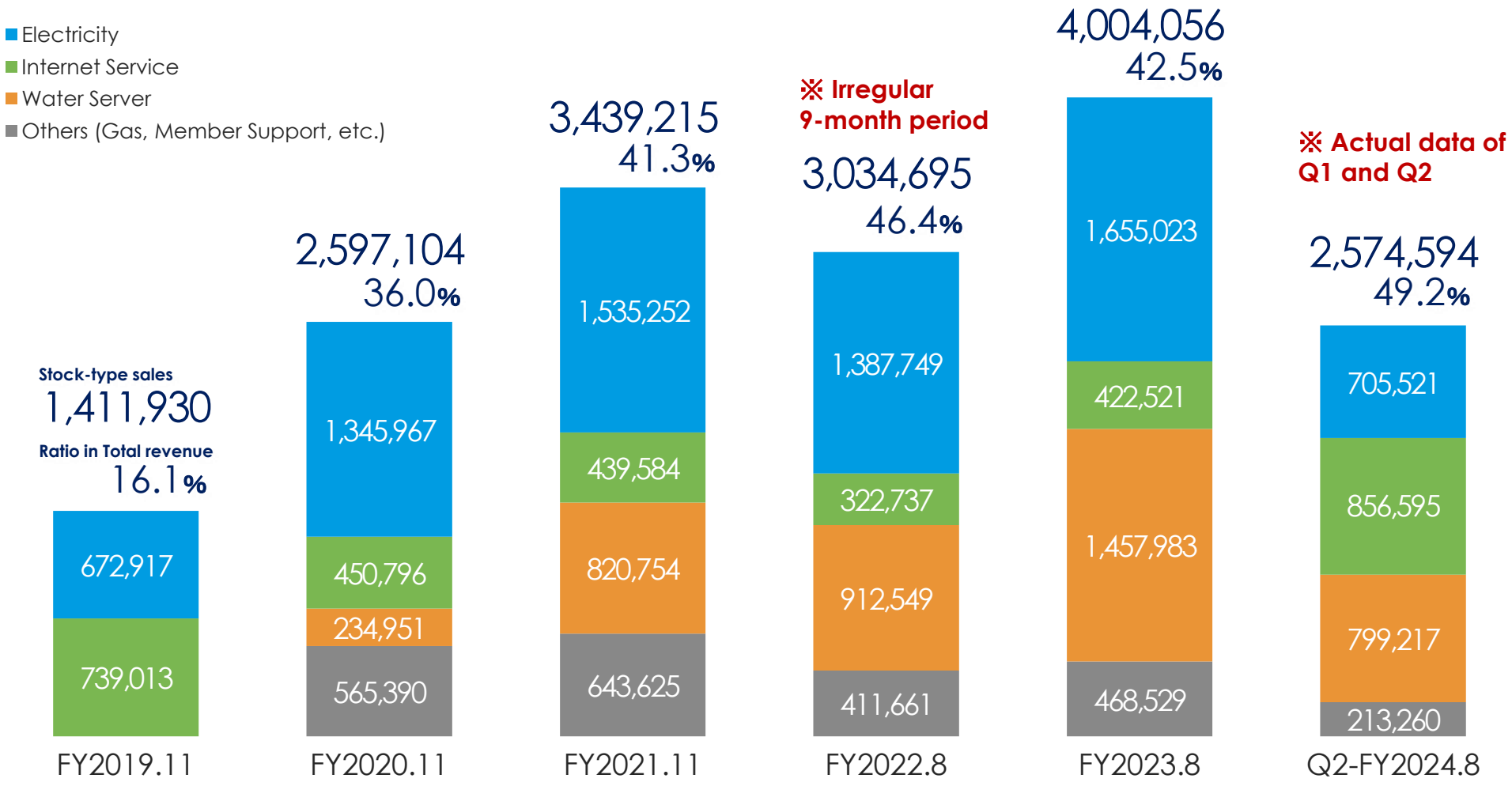
種別	№	対象 個人	対象 法人	自社サービス	サービス名
Others	6		○		集合ポスト
Others	7		○		オートロック(集合玄関)
Others	8		○		スマートロック(玄関キー)
Others	9		○		ランドリール(室内物干し)
Others	10		○		地デジ/BS・CSアンテナ
Others	11		○		複合機
Others	12		○		BizMoネット
Others	13		○		ITサポート&セキュリティ
Others	14		○		ギガらくWi-Fi
Others	15		○		ギガらくカメラ
Others	16		○		ビジネスホン
Others	17		○		UTM(統合脅威管理)
Others	18		○		RPA(自動化ロボット)
Others	19		○		業務用エアコン
Others	20		○		業務用冷蔵庫
Others	21		○		プロバイダ
Others	22		○		24時間出張修理オプション
Others	23		○		ITSS(ITスキル標準)
Others	24		○		エアコン
Others	25		○		業務用Wi-Fi
Others	26		○		コワークストレージ
Others	27		○		サポートパック
Others	28		○		カラオケレンタル(DAM)
Others	29		○		カラオケレンタル(JOYSOUND)
Others	30		○		おまかせサイバーみまもり
Others	31		○		防犯カメラ
Others	32		○		弱電工事
Others	33	○			家族信託(㈱ファミトラ提供)

※WTS = Water Server, Internet = Internet Services, CC = Contact Center

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Core KPI: Trends in stock-type sales (Unit: thousands of yen)

Until the previous fiscal year, "number of services distributed," "number of linked customers," and "number of in-house service contracts held" were used as key KPIs, but due to an increase in stock-type revenue other than in-house services and an increase in sales channels other than customer linkage from alliance partners such as websites, "stock-type sales" will be used as a KPI from the fiscal year ending August 31, 2024. Currently, our business plan is a mixture of flow-type and stock-type revenues, but we intend to increase the proportion of stock-type revenues while securing flow-type revenues in the future.



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FY2024 2Q consolidated accounting period results and YoY comparison

The growth in existing business of Last One Mile Co., Ltd. and also the addition of Career Co., Ltd., as a new consolidated subsidiary from September 2023, contributed to the increase in sales and profit.

(Thousand of yen)	FY2024.2Q Actual	FY2023.2Q Actual	Difference	Change(%)
Net sales	2,837,060	2,650,842	186,218	7.0%
Gross profit	1,006,365	1,127,039	△ 120,675	△ 10.7%
SG&A expenses	1,641,408	1,410,536	230,872	16.4%
Other Income	7,811	21,870	△ 14,059	△ 64.3%
Other Expenses	0	0	0	—
Operating income (Loss)	Substantial Increase 197,098	135,137	61,961	45.9%
Income before Tax	193,927	133,038	60,889	45.8%
Net Income	114,098	103,223	10,875	10.5%

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FY2024 First Half (1H) consolidated accounting period results and YoY comparison.

The growth in existing business of Last One Mile Co., Ltd. and also the addition of Career Co., Ltd., as a new consolidated subsidiary from September 2023, contributed to the increase in sales and profit.
While stock-type revenues accumulated steadily, flow-type revenues were generated more successfully than expected.

(Thousand of yen)	FY2024.1H Actual	FY2023.1H Actual	Difference	Change(%)
Net sales	5,235,750	4,829,326	406,423	8.4%
Gross profit	1,945,951	2,001,119	△ 55,168	△ 2.8%
SG&A expenses	3,002,144	2,711,772	290,372	10.7%
Other Income	18,795	27,941	△ 9,146	△ 32.7%
Other Expenses	0	0	0	—
Operating income (Loss)	Substantial Increase 306,449	144,376	162,073	112.3%
Income before Tax	299,317	140,779	158,538	112.6%
Net Income	201,036	195,491	5,545	2.8%

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Forecast for this year

Our forecast for this year has been revised for the following reasons.Having regard to the performance of Vendor Co., Ltd., HOTEL STUDIO Co., Ltd. and Premium Business Support Co., Ltd. which became consolidated subsidiaries on March 1, 2024, we estimate the increase of sales revenue by 850 million yen, operating income by 400 million yen, income before income taxes by 410 million yen, net income by 270 million yen, and net income attributable to owners of the parent of the Company by 270 million yen, respectively.

(Millions of yen)	Sales	Operating Income	Income before Tax	Net Income	Net income attrbutable to parent company stockholder	Basic earnings per share
Previous forecast(A) (Announced on Oct. 13 2023)	10,100	450	440	289	289	¥106.44
Forecast this time (B)	10,950	850	850	559	559	¥190.96
Difference(B-A)	850	400	410	270	270	—
Change (%)	8.4	88.9	93.2	93.4	93.4	—
[Reference] Previous Year Actual (FY2023)	9,426	198	239	326	326	¥121.44

*The amount of impact on our group's consolidated earnings forecast in relation to CITV HIKARI Co., Ltd. to be made a subsidiary, which was announced on April 10, 2024, is not included in the above forecast. **We will announce the consolidated earnings forecast, which we plan to revise as the result of a close examination, around the middle of October.**

*The Company has decided to adopt International Financial Reporting Standards (IFRS) on a voluntary basis from the financial results for the fiscal year ending August 31, 2024. The actual results for FY2023 is based upon JGAAP.

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1. Expansion of existing business

(1) Establish a “blue ocean” through new sales

(2) Establish a digitalized call center that is a preferred outsourcing choice not only in the leasing industry, but also among peer companies in the same industry.

2. Entry into new businesses

(1) Establish businesses highly synergistic with existing businesses
(e.g., businesses using call centers or businesses that can reuse existing customer data)

(2) Businesses that can use the existing web, media, and listings, even if they are in a different industry.

3. Challenging M&A

(1) Actively invest in businesses and companies with potential synergies with existing businesses

(2) Investing in a target with potentially high returns, even if there is some risk, by way of setting the upper limit amount and disclosing the risk.

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Test Marketing Results and Future Direction

№	Business under the Test	Results and future direction
1	**Life insurance agency**	**Result of test marketing:** Small but steady progress. **Future Direction:** The number of contracts acquired as expected as the result of the test marketing, so the business is planned to be expanded.
2	**Joint business with Rakuten Communications**	**Result of test marketing:** Continue test marketing. **Future Direction:** Conduct test marketing of a completely new sales method for the existing real estate market. If the business can be expanded nationwide, it will become one of the major pillars of stock-type earnings.
NEW 3	**Housing Equipment Warranty Business**	**Future direction:** It is planned to start warranty service of air conditioners, ventilation fans, water heaters, and other equipment for rental residence market.

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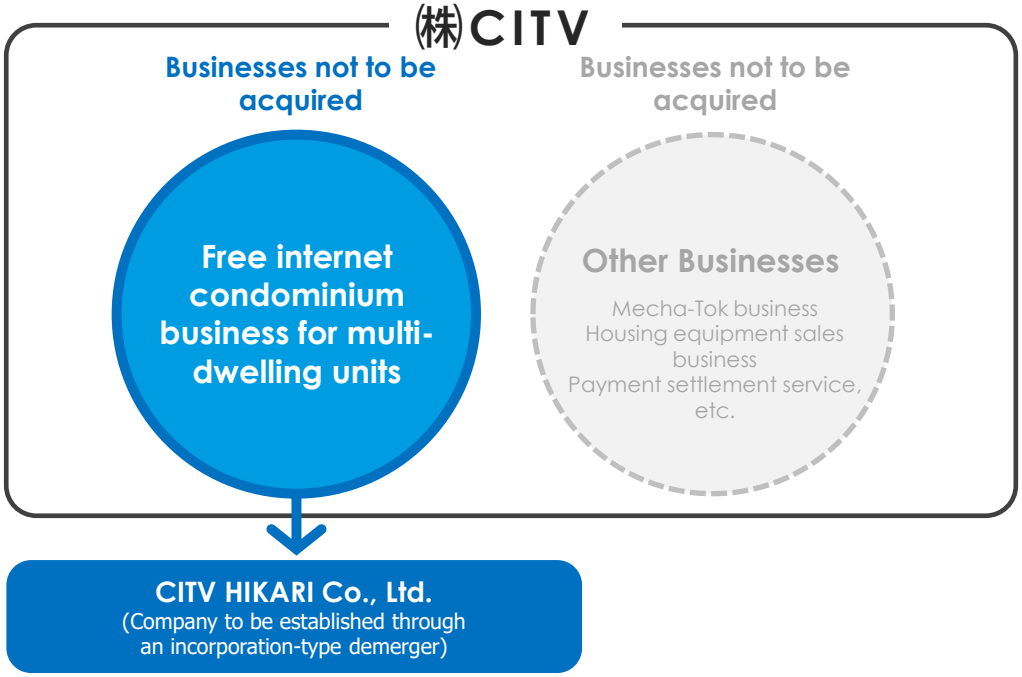
IR Topics for the Fiscal Year Ending August 31, 2024 (as of 4/12/2024)

№	Date	Quarter	Subject
1	9/8	2024.1Q	Launch of "Jyumin Seikatsu 110," a call center for resolving moral complaints for management companies
2	10/13	2024.1Q	Recognition of Deferred Tax Assets and Reversal of Allowance for Doubtful Accounts and Difference between Forecast and Actual
3	10/13	2024.1Q	Introduction of Shareholder Benefit Plan
4	10/13	2024.1Q	Voluntary Adoption of International Financial Reporting Standards (IFRS)
5	10/25	2024.1Q	Change of Certified Public Accountant, etc.
6	10/25	2024.1Q	Introduction of Stock Compensation Plan for Directors
7	11/10	2024.1Q	Acquisition of Shares from Nozomu Shimizu, Former Representative Director, by Directors and Executive Officers of the Company
8	11/13	2024.1Q	Acquisition of Shares of the Company by Directors, Executive Officers and Representative Director of a Subsidiary
9	11/30	2024.1Q	Matters Concerning Controlling Shareholders, etc.
10	12/15	2024.2Q	Issuance of New Shares as Stock Compensation with Restricted Stock Transfers
11	1/12	2024.2Q	Revision (Upward) of Earnings Forecast for 2Q FY2024
12	1/12	2024.2Q	Acquisition of Shares in Vendor Co. Ltd. (To be a wholly-owned subsidiary)
13	1/12	2024.2Q	Acquisition of Shares in HOTEL STUDIO Co. Ltd. (To be a wholly-owned subsidiary)
14	1/12	2024.2Q	Acquisition of hares in Premium Business Support Co. Ltd. (To be a wholly-owned subsidiary)
15	1/29	2024.2Q	Notice of Acquisition of Own Shares and Repurchase of Own Shares through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) (Repurchase of Own Shares under Article 156 of the Companies Act)
16	2/8	2024.2Q	Determination of Matters Pertaining to Repurchase of Own Shares (up to 30,000 shares)
17	2/22	2024.2Q	Determination of Matters Pertaining to Repurchase of Own Shares (up to 40,000 shares)
18	3/11	2024.3Q	Notice of Policy to Sell Representative Director's Shares to Increase the Ratio of Shares Tradable in the Market and to allot for the Compensation
19	4/10	2024.3Q	Notice of Making CITV Corporation a wholly-owned subsidiary through a Share Exchange, and of a Corporate Split by Incorporation-type Company Split (planned) and Transfer of Shares of the Splitting Corporation (planned)
20	4/12	2024.3Q	Revision (Upward) of Earnings Forecasts

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M&A of CITV Corporation disclosed on 2024/4/10

Company name:	CITV Co., Ltd.
Description of Business:	Free internet condominium business for multi-dwelling units
Reason for Share Acquisition:	CITV has been operating the free Internet condominium business for multi-dwelling units for more than 10 years when the market was still in its infancy, and thus possesses valuable operational know-how. In addition, CITV has a network with a large number of customers and real estate businesses, etc., and is expected to contribute significantly to accelerating the expansion of the free Internet condominium business for multi-dwelling units, which was one of the fields our group is trying to establish as the next pillar of our business.



As the result of our due diligence, we determined that among the businesses operated by CITV, the one that would generate significant synergy with our company was the free Internet condominium business for multi-dwelling units, and decided not to acquire the other businesses.

Specifically, after acquiring CITV, the business to be acquired will be spun off in an incorporation-type demerger, as shown in the diagram to the left, and the non-acquired business will be transferred to the current shareholders of CITV, so that only the business to be acquired will eventually become a consolidated subsidiary of the Company.

The impact of this transaction on our group's consolidated earnings forecast is not included in the forecast. We will announce the consolidated earnings forecast, which we plan to revise as a result of our close examination around the middle of October.

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Notice

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