

Consolidated Financial Result for the Third Quarter of the Fiscal Year to August 31, 2024

Last One Mile Co., Ltd.

(9252: JPX Growth Market)

July 12, 2024

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, Inc.
CITV HIKARI Co., Ltd.

Established

June 4, 2012

Registered capital

JPY. 388,310,650.-*

Number of employees

223 *

*As of May 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.
	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
	SHC Co., Ltd. becomes a wholly owned subsidiary (planned)

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Business diagram

The Group's sales 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. From 3Q FY2024, item no.5 and 6 are newly added for recent business expansion through M&As.

1: Alliance Business

2: Listing and media business

3: EC Site Business

4: Contact center

5: Hotel operation contract

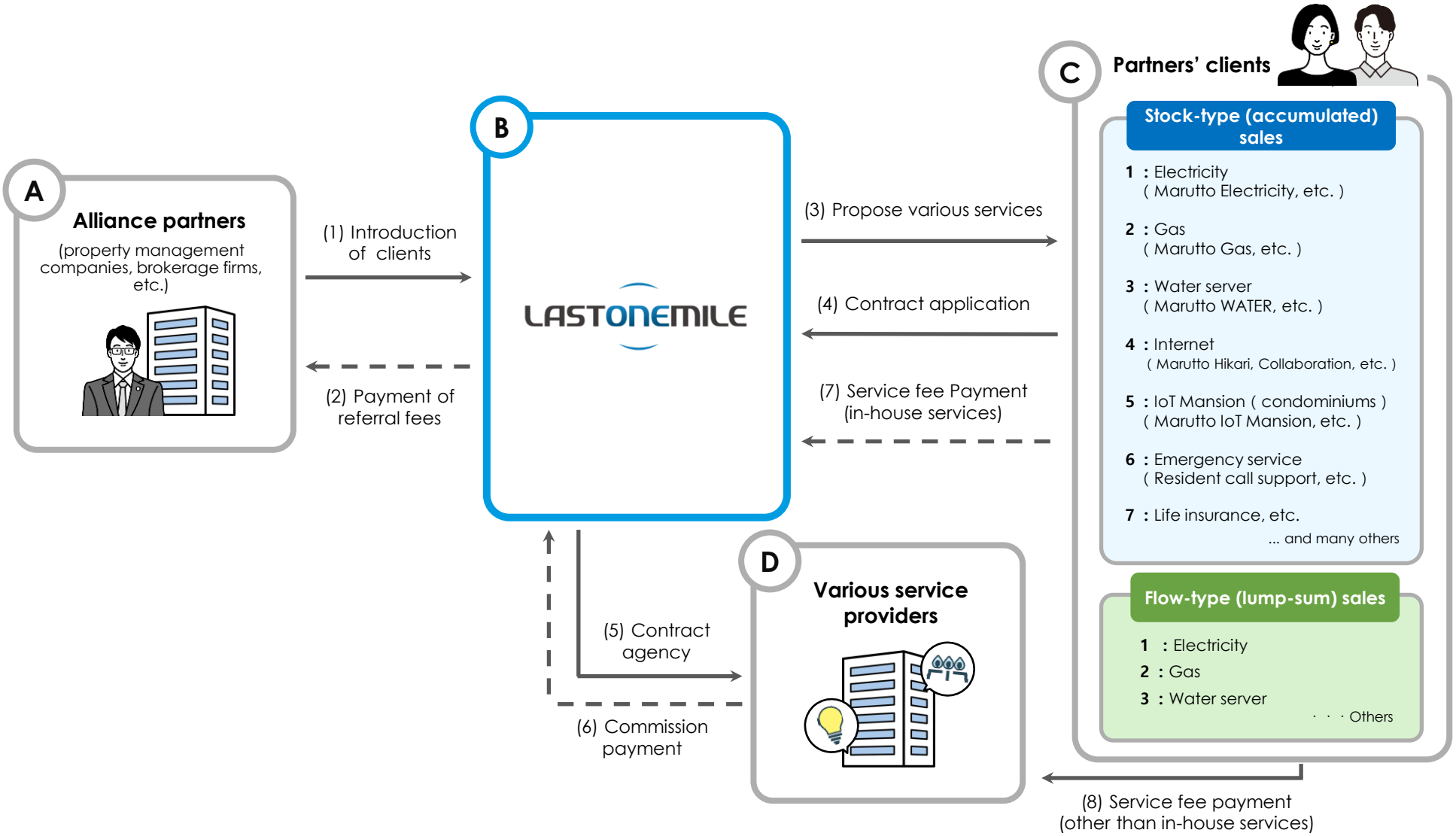
6. Free internet service for condominiums

7. Other businesses

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Business Diagram 1 - Alliance Business

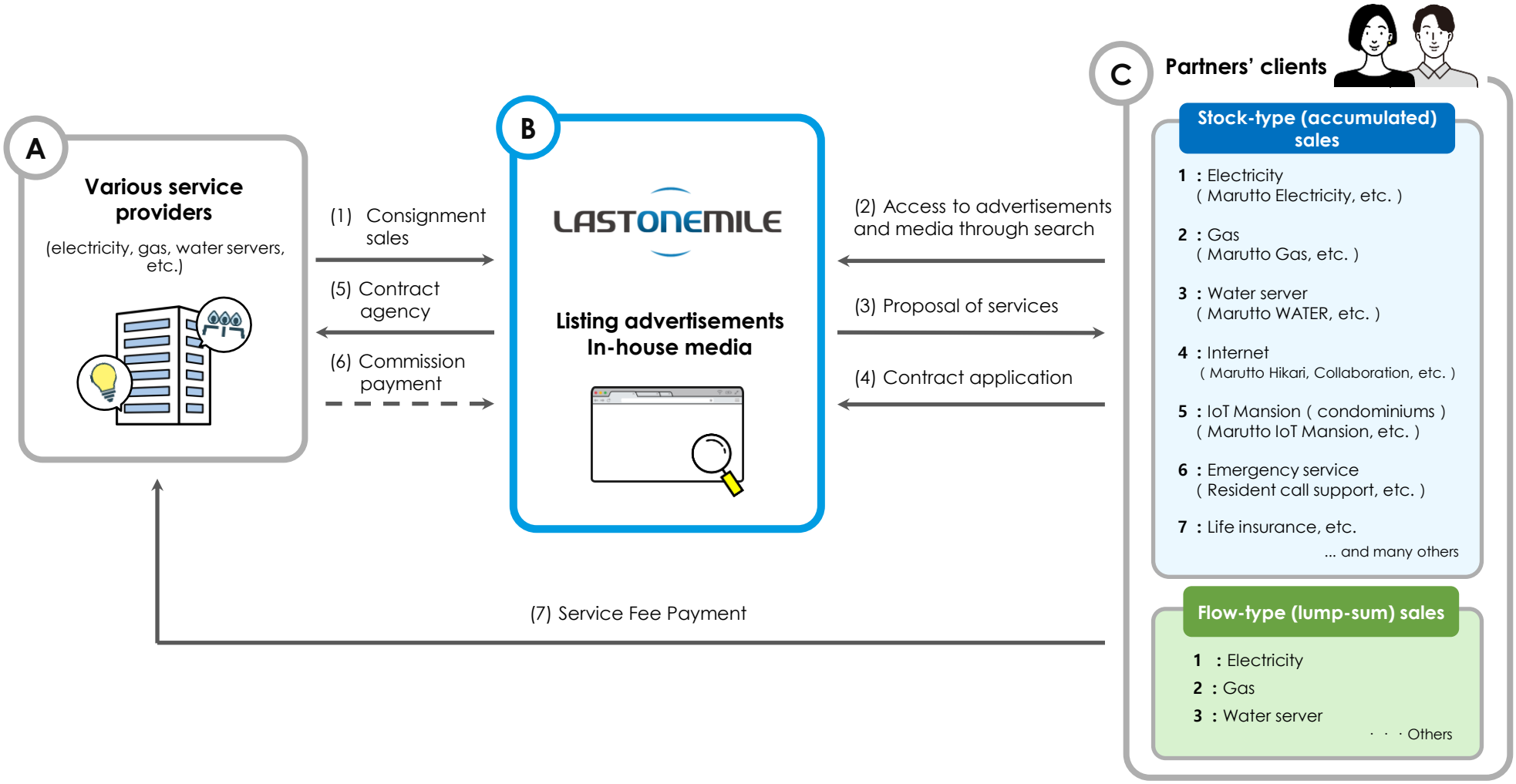
In the alliance business, we are introduced to prospective customers who desire our services by property management companies and other companies that have customers, and we propose and sell our own services and various services of service providers to prospective customers.



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Business Diagram-2 - Listing and Media Business

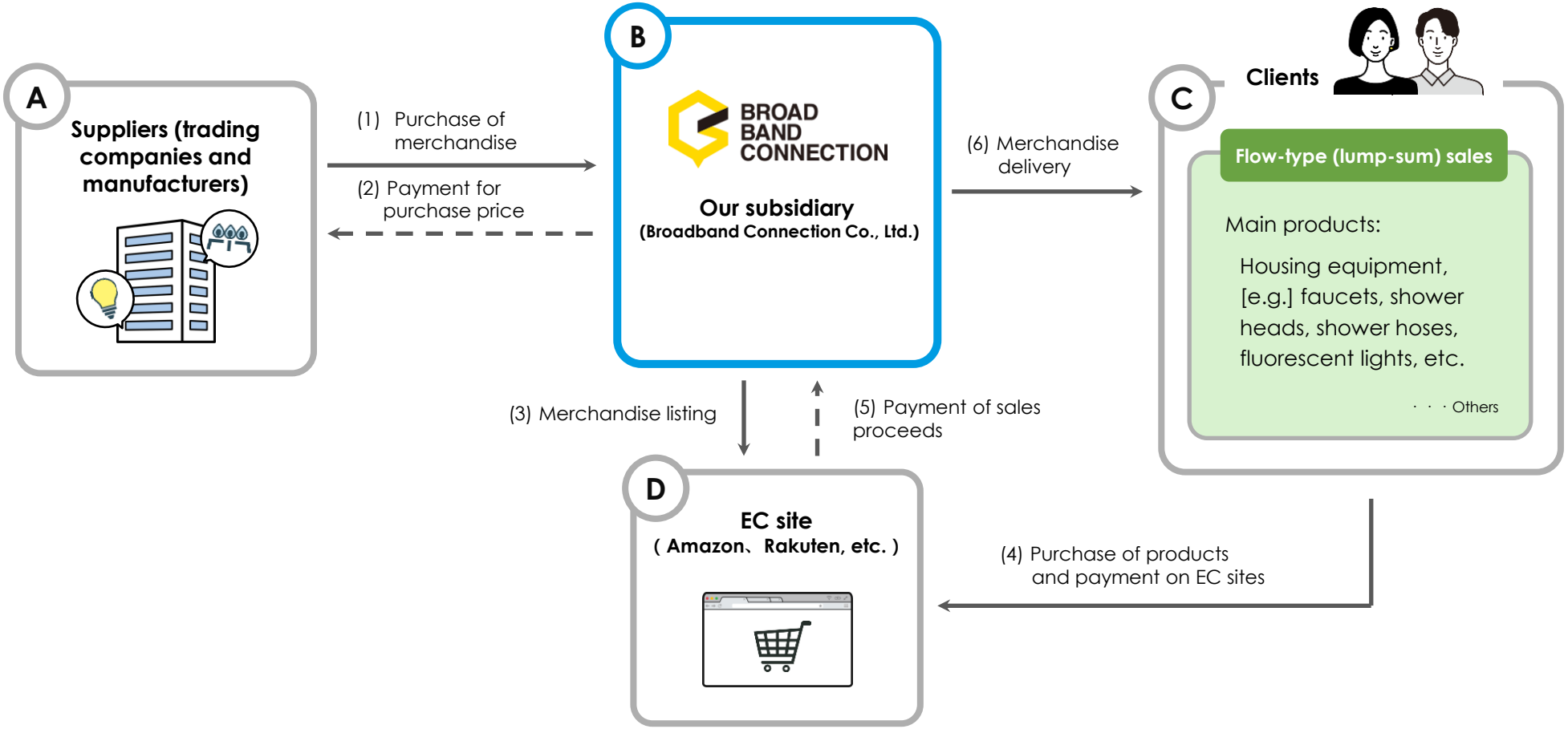
The Listing and Media Business is a business that utilizes the company's marketing know-how to obtain direct inflows from customers through the operation of listing advertisements and landing pages.



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Business Diagram 3 - EC Site Business

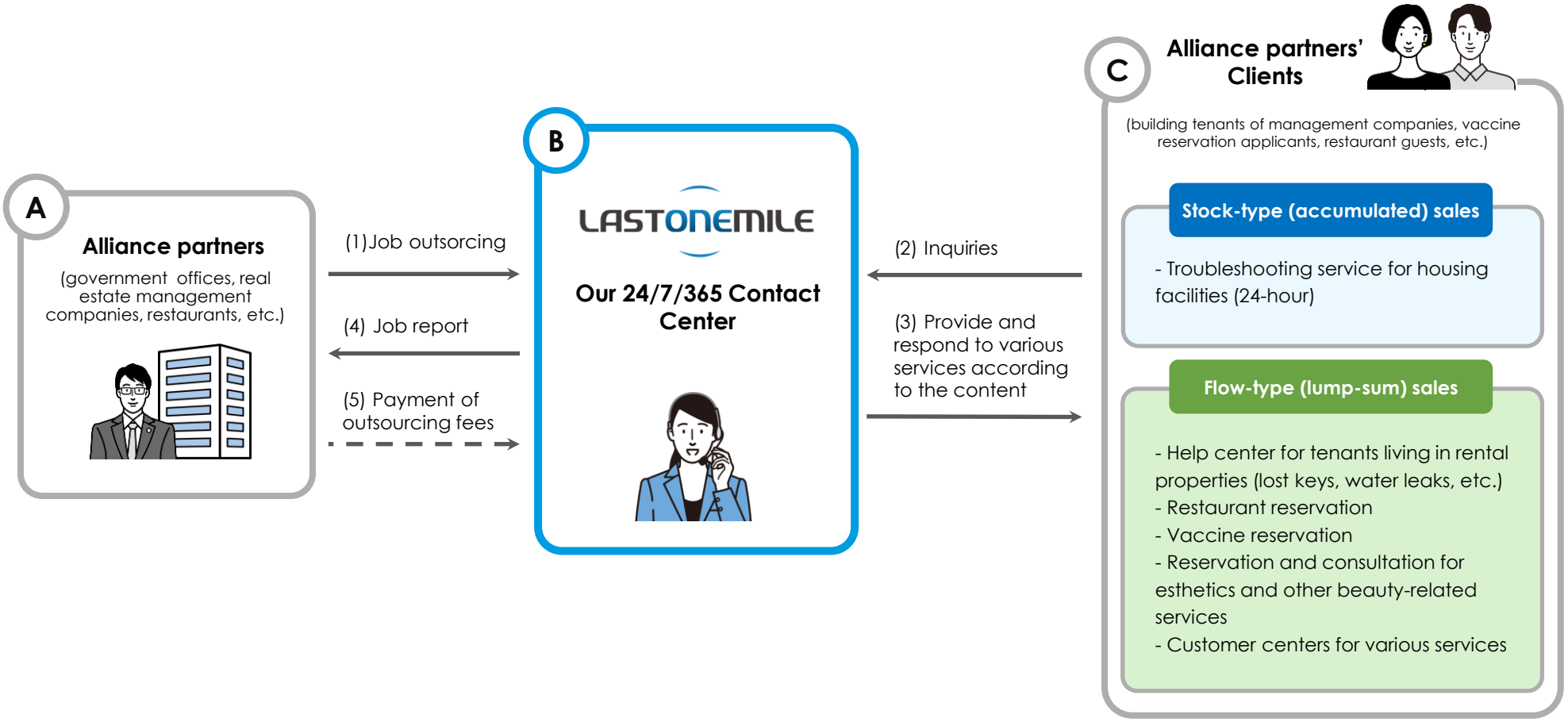
In the e-commerce site business, our subsidiary Broadband Connection Co., Ltd. ("BBC") analyzes sales data for each product and sells products on e-commerce sites (online stores) such as Amazon and Rakuten. Currently, the Company mainly sells products related to residential equipment such as faucets,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



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Business Diagram 4 - Contact Center Business (Inbound Center)

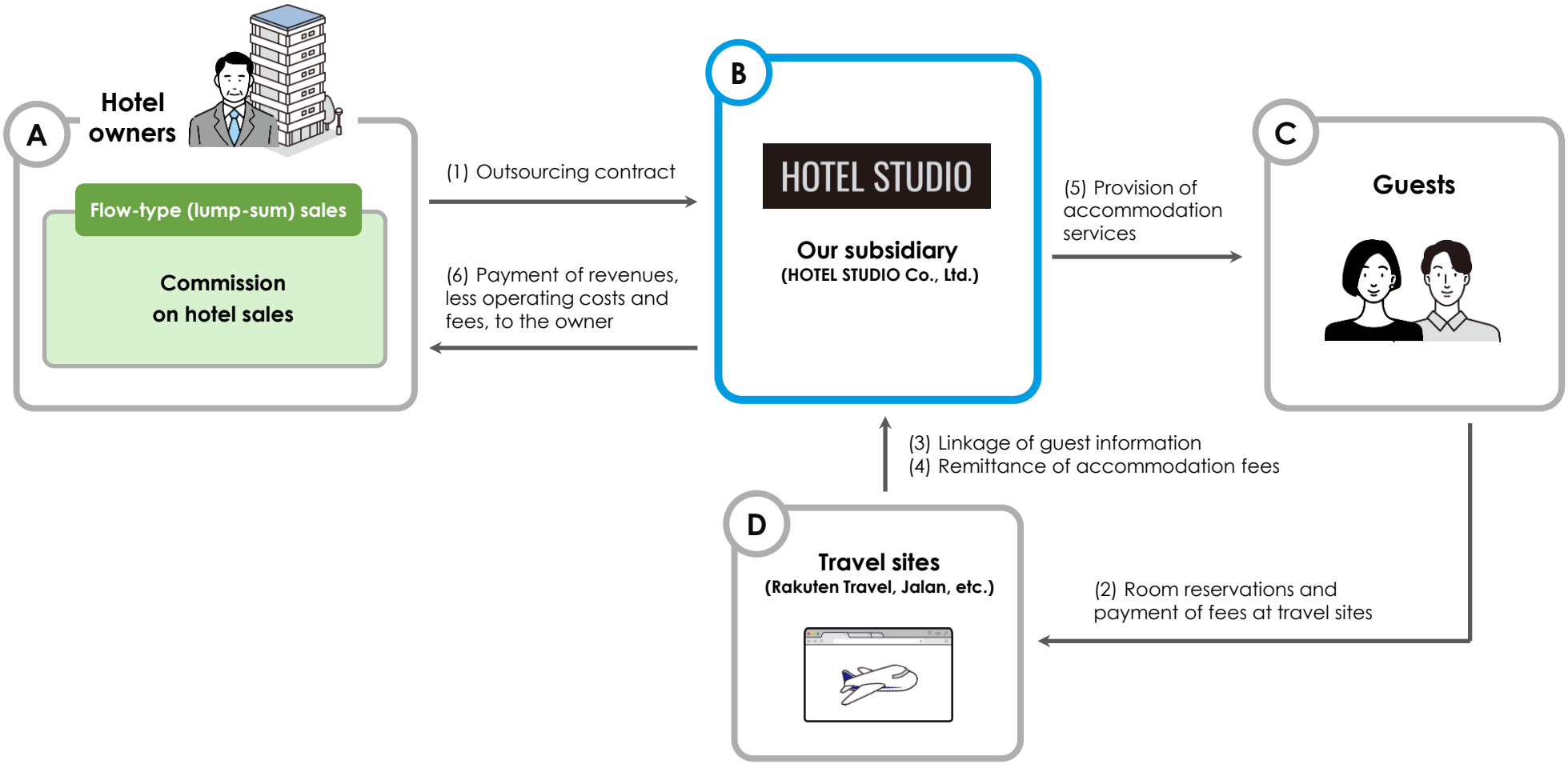
The contact center business is a business that provides call center services on behalf of government and municipal offices, real estate management companies, restaurants, etc. Contact center services are provided for various types of reception and inquiries, such as vaccination reservations and responses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



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Business diagram 5 - Hotel operation contract

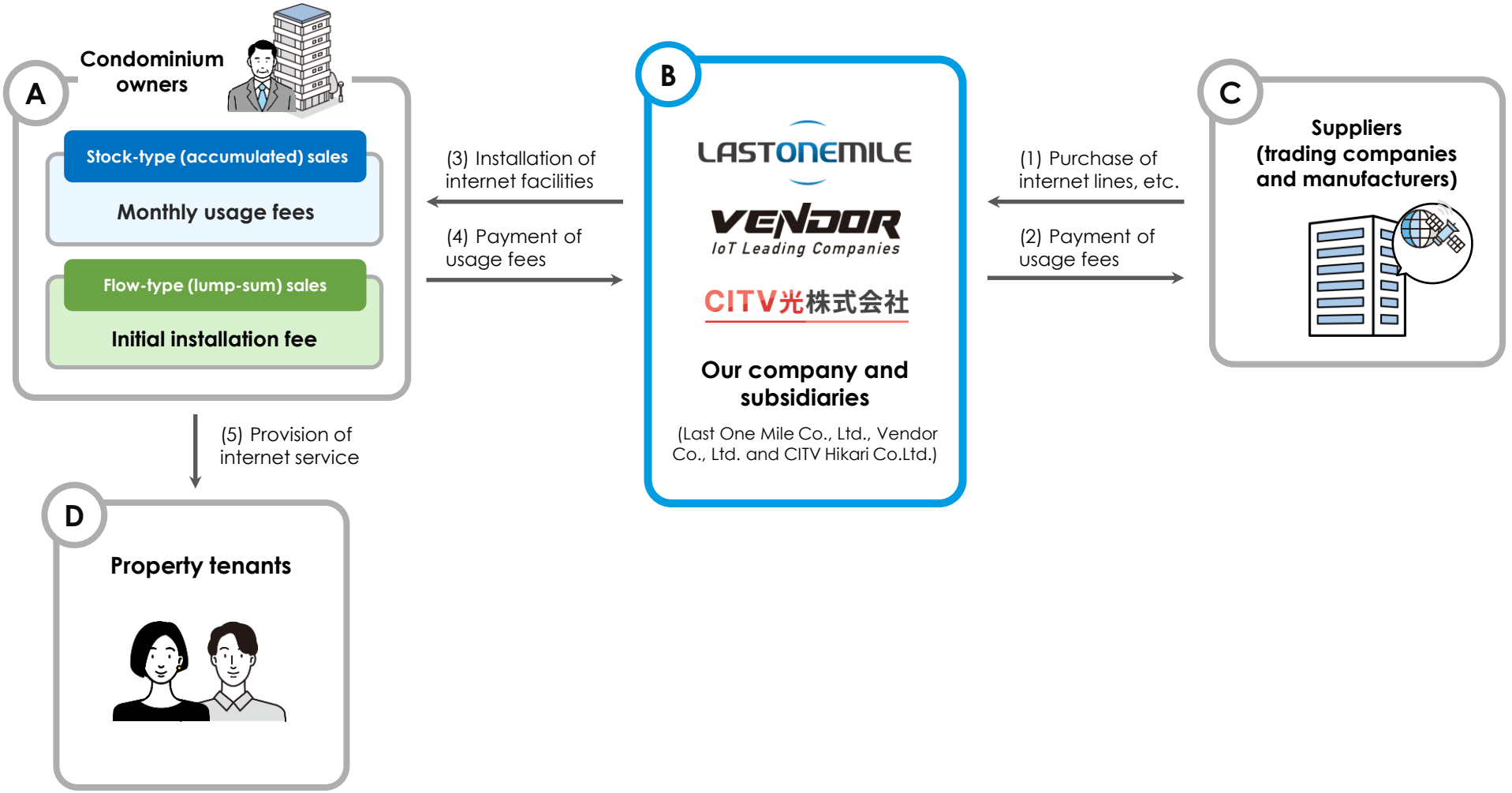
In the hotel operation contract, HOTEL STUDIO, our subsidiary is commissioned by hotel owners to perform operations such as taking guests'booking and room-making, etc.



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Business Chart 6 - Free Internet Service for condominiums

Free Internet service for condominiums is a service that allows tenants to use the Internet free of charge by installing Internet facilities in multi-dwelling units such as condominiums and apartments at the expense of the owner of the condominium, etc.



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List of main services

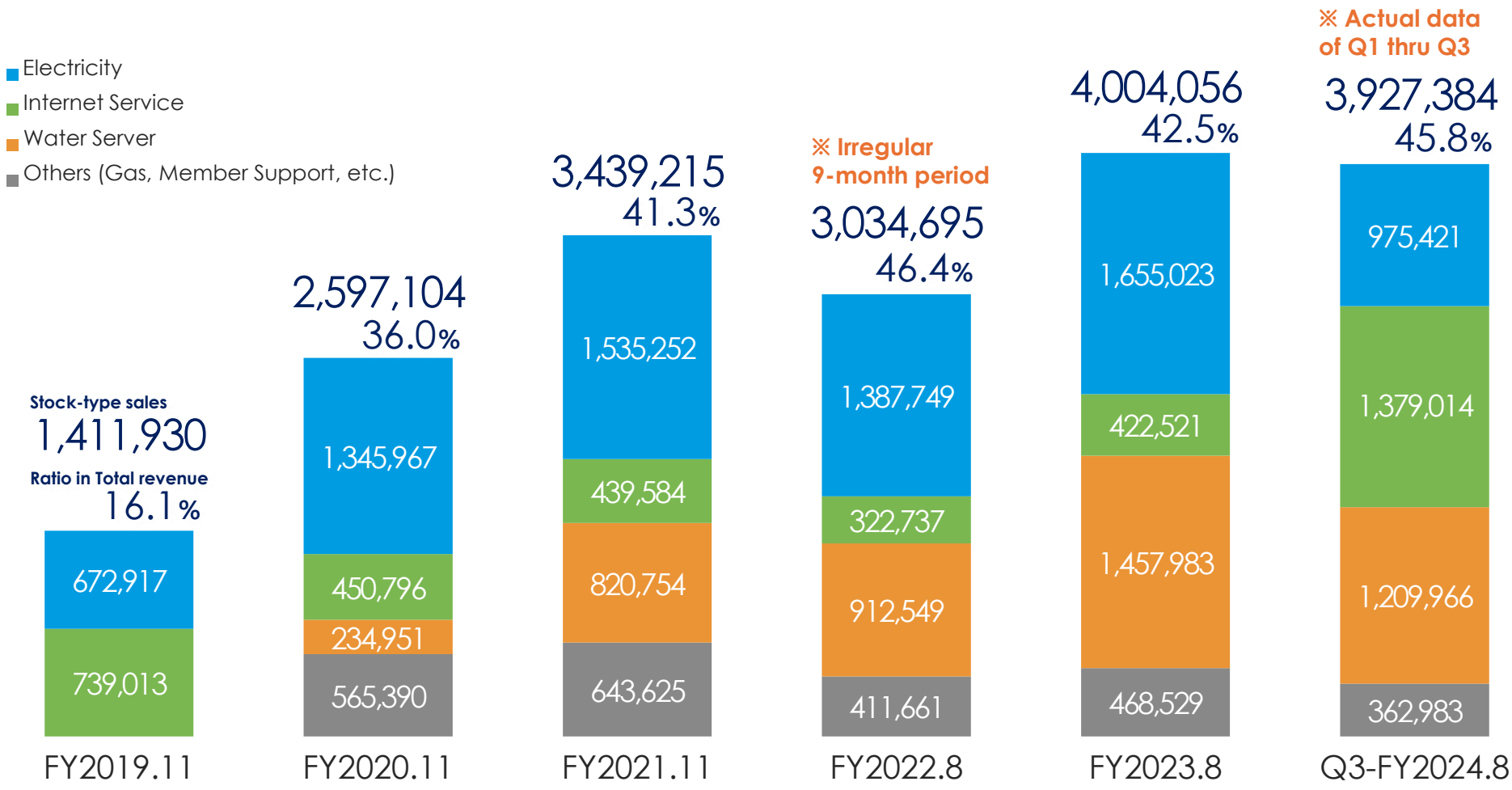
種別	№	対象 個人	対象 法人	自社サービス	サービス名
電気	1	○		○	まるっとでんき
電気	2	○			東京ガスでんき
電気	3	○			関西電力
電気	4	○			たのしいでんき
電気	5	○			くらしエナジー
電気	6	○			オクトパスエナジー
電気	7	○			九州電力
電気	8	○			楽々でんき
電気	9	○			Looopでんき
ガス	1	○		○	まるっとガス
ガス	2	○			東京ガス
ガス	3	○			東京ガス電気セット
ガス	4	○			関西電力ガスセット
ガス	5	○			九州電力ガスセット
ガス	6	○			東邦ガス
ガス	7	○			ガスワン
WTS	1	○	○	○	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
回線	1	○		○	まるっとひかり
回線	2	○	○		NTTフレッツ光
回線	3	○			Softbank光
回線	4	○			SO-net光
回線	5	○			ドコモ光
回線	6	○			BIGLOBE光
回線	7	○			OCN光
回線	8	○			J:COM NET
回線	9	○			auひかり
回線	10	○			NTTSOHO
回線	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」
その他	1	○	○	○	まるっとIoTマンション
その他	2	○		○	まもりんぐ
その他	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)
その他	4		○		インターネット無料マンション
その他	5		○		宅配BOX
その他	6		○		集合ポスト
その他	7		○		オートロック(集合玄関)
その他	8		○		スマートロック(玄関キー)
その他	9		○		ランドリール(室内物干し)
その他	10		○		地デジ/BS・CSアンテナ
その他	11		○		複合機
その他	12		○		BizMoネット
その他	13		○		ITサポート&セキュリティ
その他	14		○		ギガらくWi-Fi
その他	15		○		ギガらくカメラ
その他	16		○		ビジネスホン
その他	17		○		UTM(統合脅威管理)
その他	18		○		RPA(自動化ロボット)
その他	19		○		業務用エアコン
その他	20		○		業務用冷蔵庫
その他	21		○		プロバイダ
その他	22		○		24時間出張修理オプション
その他	23		○		ITSS(ITスキル標準)
その他	24		○		エアコン
その他	25		○		業務用Wi-Fi
その他	26		○		コワークストレージ
その他	27		○		サポートパック
その他	28		○		カラオケレンタル(DAM)
その他	29		○		カラオケレンタル(JOYSOUND)
その他	30		○		おまかせサイバーみまもり
その他	31		○		防犯カメラ
その他	32		○		弱電工事
その他	33	○			家族信託(㈱ファミトラ提供)
その他	34	○			生命保険・損害保険

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

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

For internet service segment (including free internet service for condominiums), the growth of existing business and the profit making by newly acquired subsidiaries through M&A have made a great contribution. We continue to focus on acquiring new contracts.
In the electricity business, due to many uncertainties such as soaring fuel prices, we are not aggressively acquiring new customers, but expect to continue to generate sales from existing customers.



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FY2024 3Q Consolidated accounting period results and YoY comparison

The main reasons for the large increase in profit compared to the previous year were (1) significant growth in the existing alliance business, (2) the success of cross-selling measures, those are as a result of high season initiatives, and (3) the contribution of profits from subsidiaries acuired through new M&A deals. In addition, under the new management led by President Makoto Watanabe from the previous year, further management reforms, including a review of the existing business operation and profit structure, were pushed forward, resulting in improved profit margins.

(Thousand of yen)	FY2024.3Q Actual	FY2023.3Q Actual	Difference	Change(%)
Net sales	3,335,496	2,329,781	1,005,716	43.2%
Gross profit	971,369	811,787	159,582	19.7%
SG&A expenses	1,937,966	1,493,853	444,113	29.7%
Other Income	16,458	11,056	5,401	48.9%
Other Expenses	819	—	819	—
Operating income (Loss)	441,801	35,198	406,603	1155.2%
Income before Tax	436,690	33,148	403,542	1217.4%
Net Income	279,612	28,836	250,776	869.7%

Substantial Increase

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FY2024 Cumulative 3Q (9 month) consolidated results and YoY comparison.

As explained on the previous page, a large increase in profit in 3Q contributed significantly.

(Thousand of yen)	FY2024 Cumulative 3Q Actual	FY2023 Cumulative 3Q Actual	Difference	Change(%)
Net sales	8,571,246	7,159,107	1,412,139	19.7%
Gross profit	2,917,319	2,812,905	104,414	3.7%
SG&A expenses	4,940,110	4,205,625	734,485	17.5%
Other Income	35,253	38,997	△ 3,745	△ 9.6%
Other Expenses	819	—	819	—
Operating income (Loss)	748,250	179,574	568,676	316.7%
Income before Tax	736,006	173,926	562,080	323.2%
Net Income	480,649	224,327	256,321	114.3%

Substantial Increase

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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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IR Topics for the Fiscal Year Ending August 31, 2024 (as of 7/12/2024)

№	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
21	5/22	2024.3Q	Notice of Making SHC Co., Ltd. a Wholly Owned Subsidiary through Simplified Share Exchange
22	7/12	2024.4Q	Notice of Change in Shareholder Return Policy (Abolition of Shareholder Benefit Plan and Commencement of Dividend Payment)

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Compan Name	SHC Co., Ltd.
Business description	Free internet condominiums, "FReeNeXT" business, call center business, various agency businesses, and partner business
Reason for acquisition of shares	SHC Co., Ltd. operates its business with stock-type earnings from the free internet condominium "FReeNeXT" business and flow-type earnings from the call center business, various agency businesses, and partner business as its earnings pillars, like our group's business structure. We expect this company to accelerate the expansion of the "free Internet condominium business," which was added as the next pillar of our group from the third quarter of the fiscal year ending August 31, 2024, and to make a significant contribution to the expansion of our alliance business.

The impact of this transaction on the Group's consolidated earnings forecast is not included in the forecast figures, and will contribute to earnings from the fiscal year ending August 31, 2025.

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Notice of Change in Shareholder Return Policy announced on July 12, 2024

The Company has decided to abolish the shareholder benefit plan with a final record date of August 31, 2024, and to adopt a policy of paying dividends as a means of returning profits to shareholders in the future.

Reason for abolition	The plan has contributed to raising the Company's name recognition, which was one of the objectives of the shareholder benefit plan.		
Transition Timing		Year to August 2024	Year to August 2025
	Shareholder benefit program	**Applicable**	**Not applicable**
	Dividend (year-end and interim)	**Not applicable**	**Applicable**
Dividends	The Company's policy is to begin paying dividends starting with the interim dividend for the fiscal year ending August 31, 2025 (record date: last day of February 2025). There is no revision to the dividend forecast for the fiscal year ending August 31, 2024. Specific details of the dividend will be announced once the matters to be disclosed have been determined.		

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