safie

Safie Inc.

TES: 4375



Q4 FY2024
Financial Results Presentation Materials

February 13, 2025

safie

Safie Inc.

Create a better future with intelligent vision

A platform to assist the decisions made by people and things by building an infrastructure of data from the household to the city



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1. FY24 results and FY25 guidance
    a. FY24 annual results
    b. FY25 annual guidance
2. Business updates
    a. Industry trend
    b. Our strength
    c. Growth strategy

Appendix

Safie IR website

Summary

FY2024 Q4 and full year results

FY2024 Q4 Revenue
¥4.52bn
Increase by 34.7% YoY

Full year 2024 Revenue
¥15.04bn
Increase by 27.4% YoY

Full year 2024
Adjusted operating loss*1
▲¥0.53b
Shrink by ¥0.52b YoY

- **Revenue increased with more advertising and promotional activities as planned in Q4 FY2024**
  - ✓ One-time revenue was ¥1,618ml up by 61.8% QoQ thanks to enterprise customers with promotional activities
  - ✓ Adjusted operating loss has widened as planned to ▲¥201m
- **Great results with significantly exceeding guidance for FY2024**
  - ✓ Revenue exceeded ¥15bn which is 106.0% achievement vs. guidance
  - ✓ Solution revenue for FY2024 was ¥432ml, up by 51.6% YoY. This shows steady growth
  - ✓ Gross profit per head increased throughout the year by working on sales organization, expanding more added-value solution lineups and operational improvement

FY2025 full year guidance and future business strategy

Full year 2025 Revenue
¥18.4bn
Increase by 22.3% YoY

Full year 2025
Adjusted operating profit*1
¥0.05bn～0.3bn

- **We aim to achieve revenue ¥18.4bn (up by 22.3% YoY), and profitable adjusted operating income**
  - ✓ We pursue steady revenue growth in retail and service industries which we have multiple main customers
  - ✓ R&D investment will be kept for new products/solutions and platform
  - ✓ We will continue to improve productivity, reduce the S&M and G&A expenses ratios of revenue, aiming to achieve profitability in adjusted operating profit
- **Future business strategy**
  - ✓ We will try to take opportunities of already-installed camera market (mainly 9m on-premise cameras)
  - ✓ We will continue Onsite DX initiatives for each industry
  - ✓ We will build an AI platform and mass produce AI businesses
- **Revenue growth rate as mid-term financial target was revised upward to 22%～27%**

*1 Adjusted operating profit/loss = operating profit/loss + stock-based compensation expense + depreciation of intangible assets arising from M&A + temporary expenses

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Appendix

1-a.
FY24 annual results

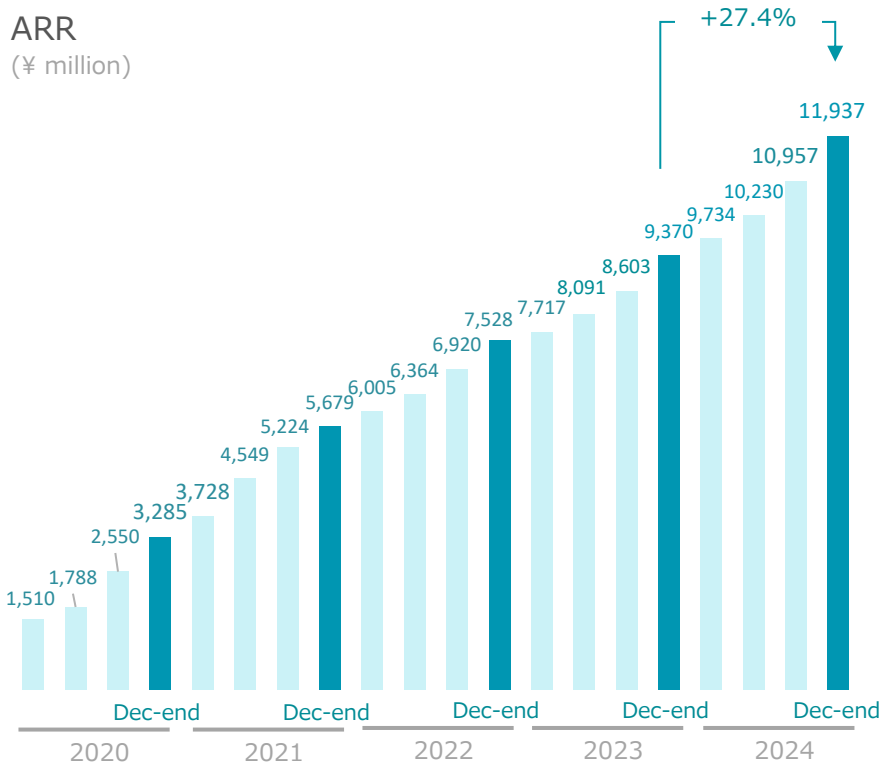
FY2024 annual results highlight

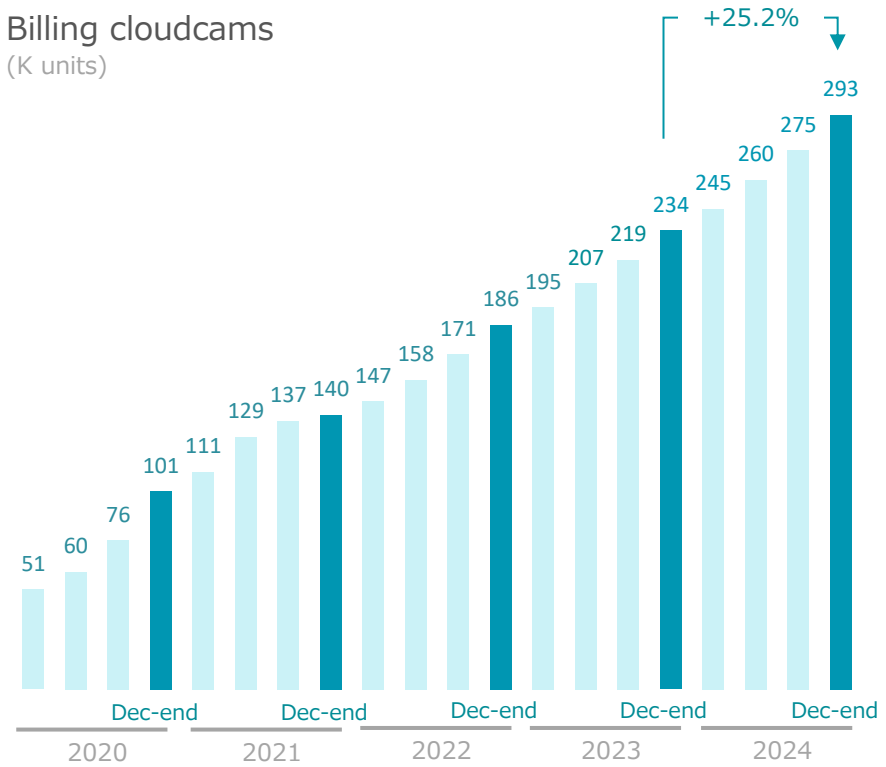
ARR, billing cloudcams, revenue and gross profit grew by >25%, and all of them exceeded guidance. Adjusted operating loss was -¥535m (shrank by ¥522m YoY), which was within our guidance range

(¥ million)	FY2023	FY2024			
		Guidance	Actual	vs. FY2023	vs. guidance
ARR	9,370	11,300	11,937	+27.4%	105.6%
Billing cloudcams (K units)	234	285	293	+25.2%	102.8%
Revenue	11,817	14,200	15,049	+27.4%	106.0%
Gross profit	5,668	7,070	7,336	+29.4%	103.8%
Gross profit margin	48.0%	49.8%	48.7%	+0.7pp	-1.1pp
Adjusted operating profit/loss	△1,057	△850	△535	+522	+315

Trend of ARR and billing cloudcams

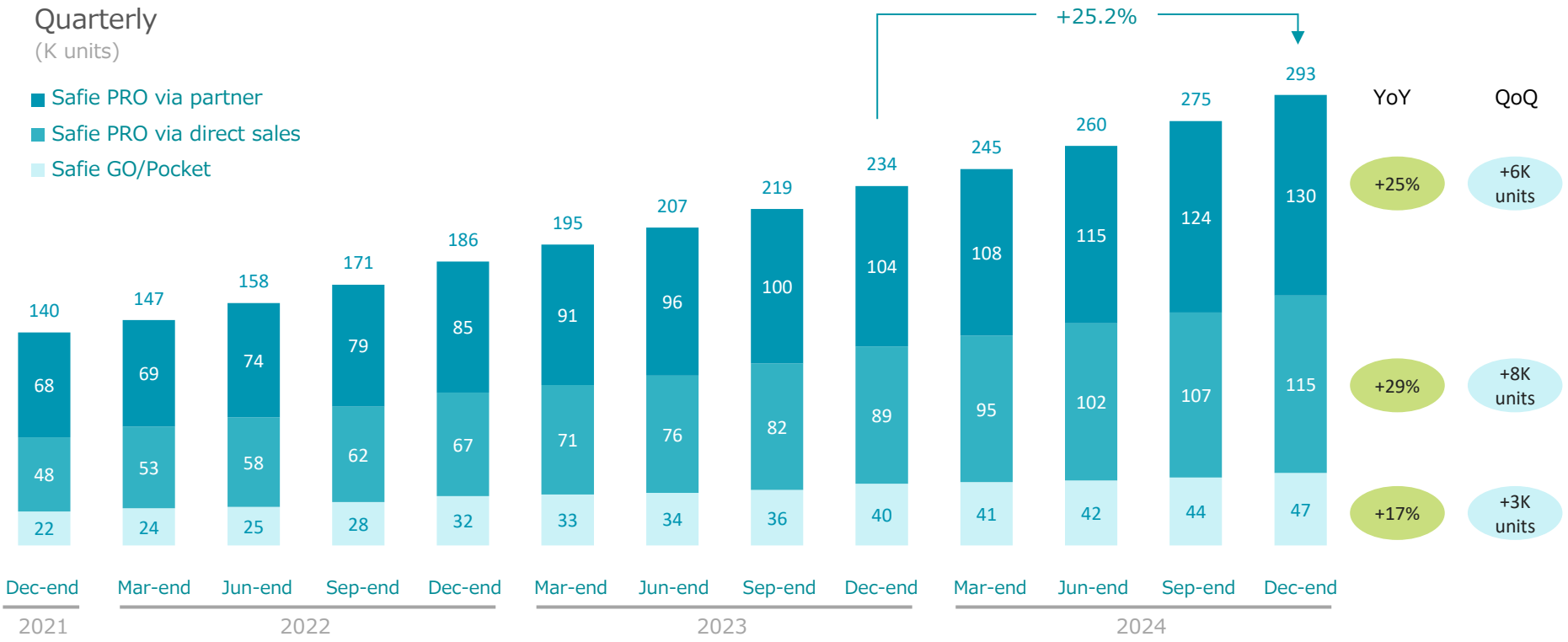
ARR grew by 27.4% to ¥11.9bn, and the billing cloudcams reached 293K units





Trend of billing cloudcams by sales channels

Safie PRO direct sales drove the growth of billing cloudcams by enterprise customers

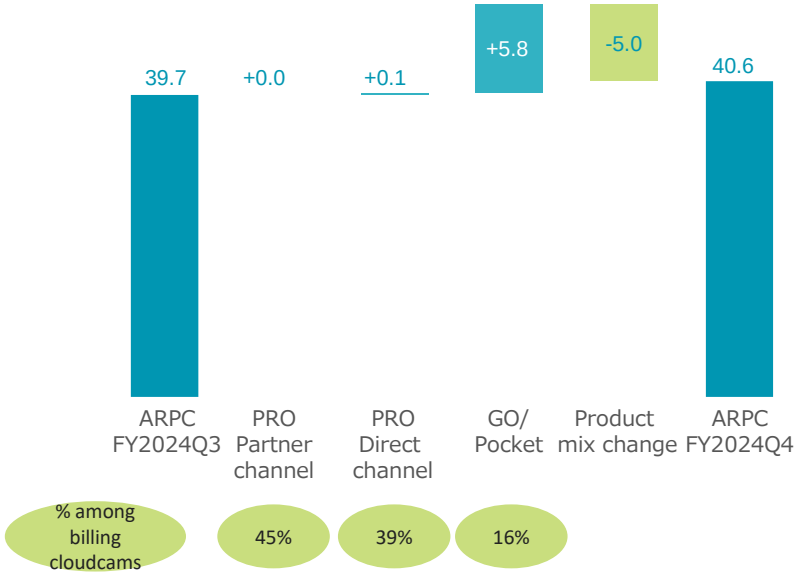


Trend of ARPC (Average revenue per camera) *1

The ARPC improvement is thanks to increase in product/service, which has higher unit price, and unit price increase of Safie GO/Pocket by ¥5.8K. Safie GO/Pocket accounts for 16% of billing cloudcam, and hence its impact of overall ARPC is limited to an increase by ¥0.9K

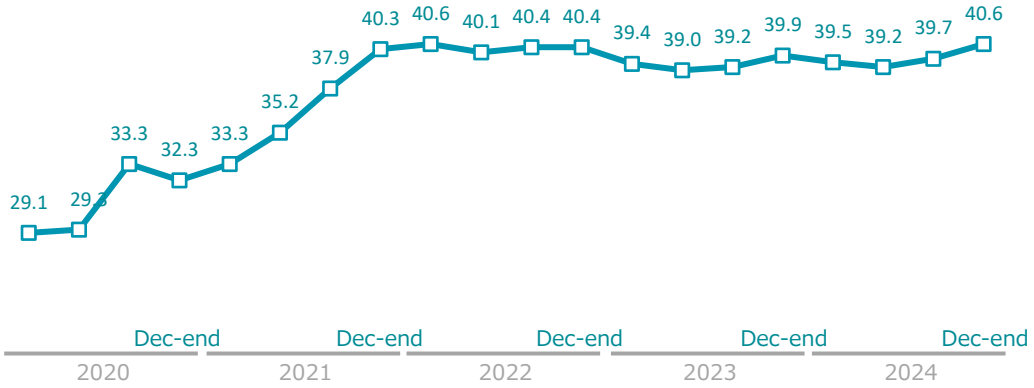
Details of ARPC change

(thousand)



Quarterly

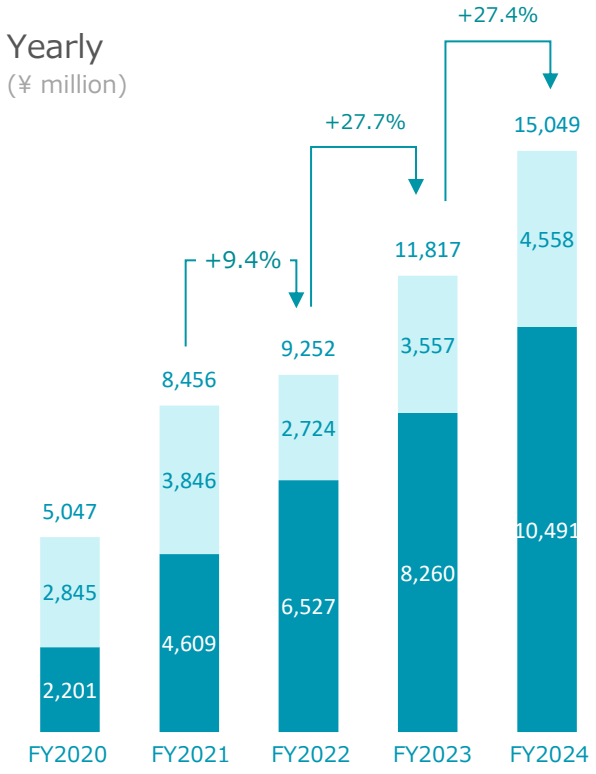
(thousand)

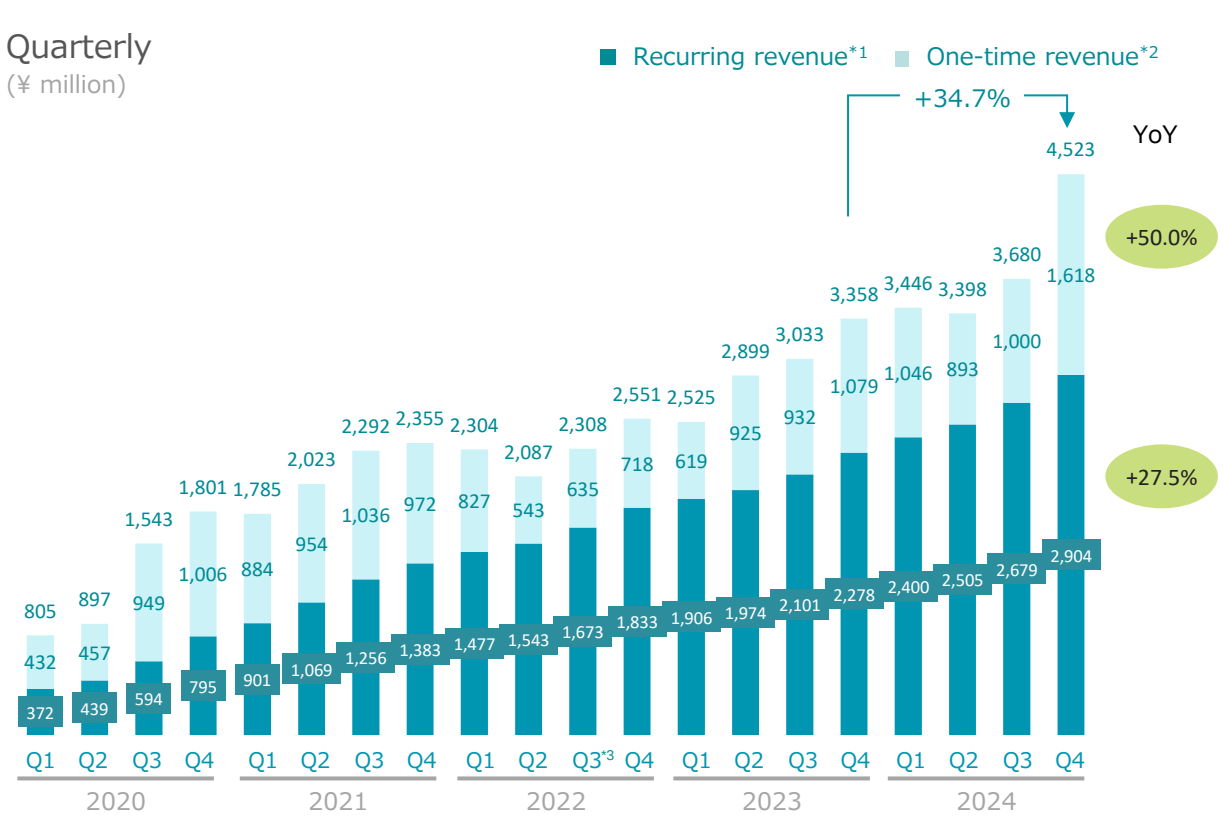


*1 ARPC = Average revenue per camera

Revenue trend

Annual 2024 revenue growth rate is +27.4% YoY, and Q4 2024 is +34.7% YoY. One-time revenue increased significantly due to the multiple large-scale projects for enterprise customers



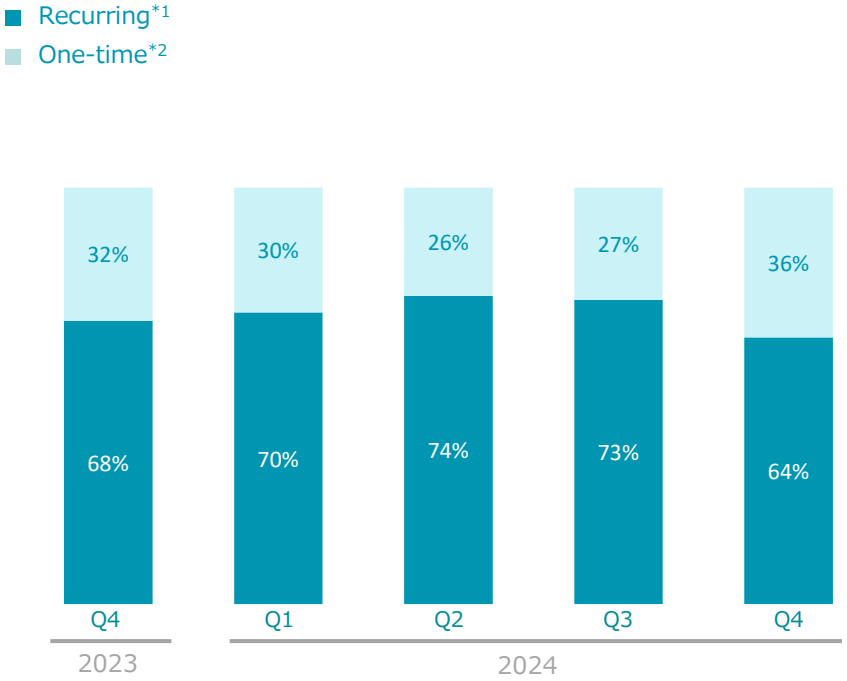


*1 : Recurring revenue includes cloud, applications, rental and including SIM, etc.
*2 : One-time revenue includes merchandise and camera set up installation work etc.
*3 : Reporting on a consolidated basis from Q3 FY2022

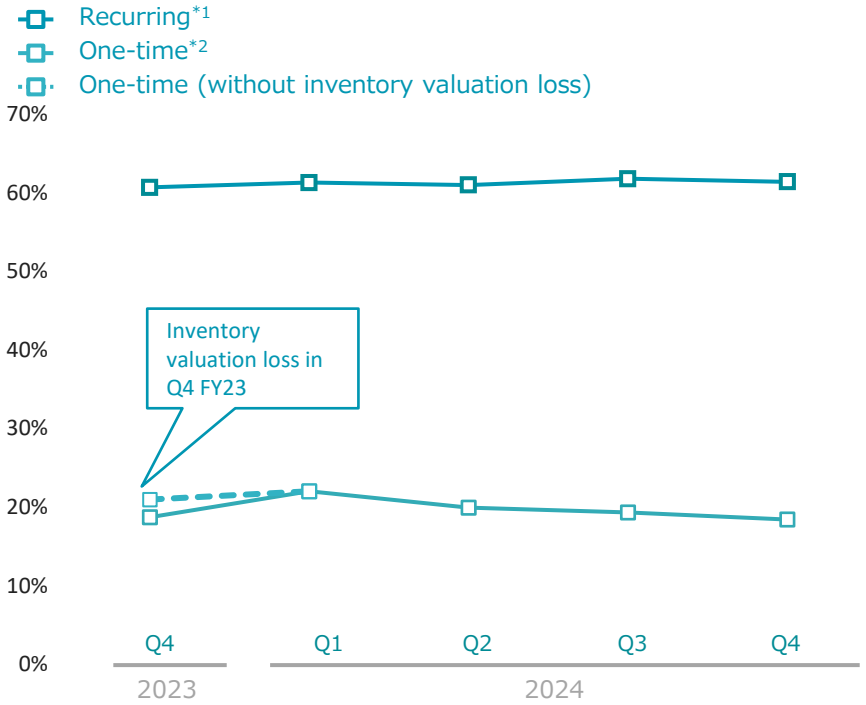
Revenue breakdown and gross profit margin of one-time and recurring revenue

Proportion of one-time revenue increased vs. recurring revenue due to multiple projects from enterprise customers. One-time gross profit margin decreased slightly due to high COGS and promotional expenses.

Revenue breakdown (Quarterly)



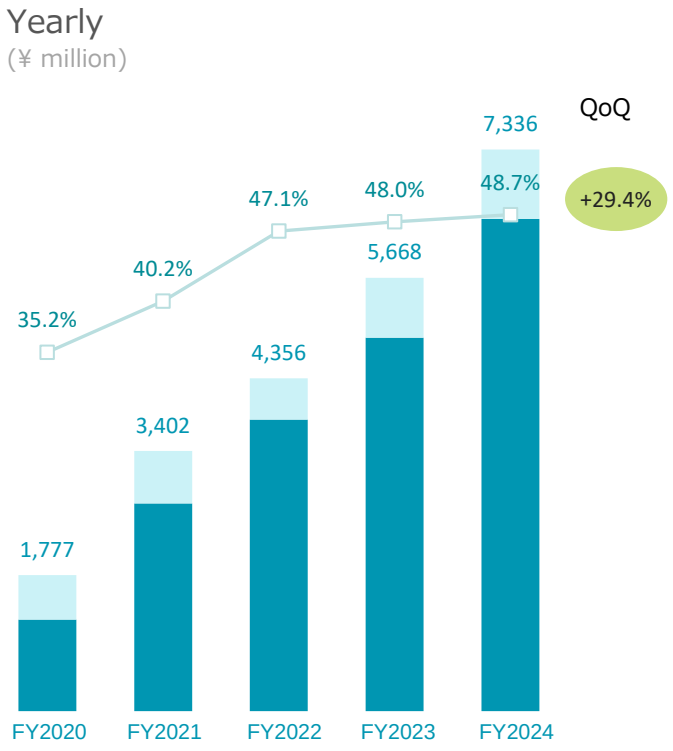
Trend of gross profit margin

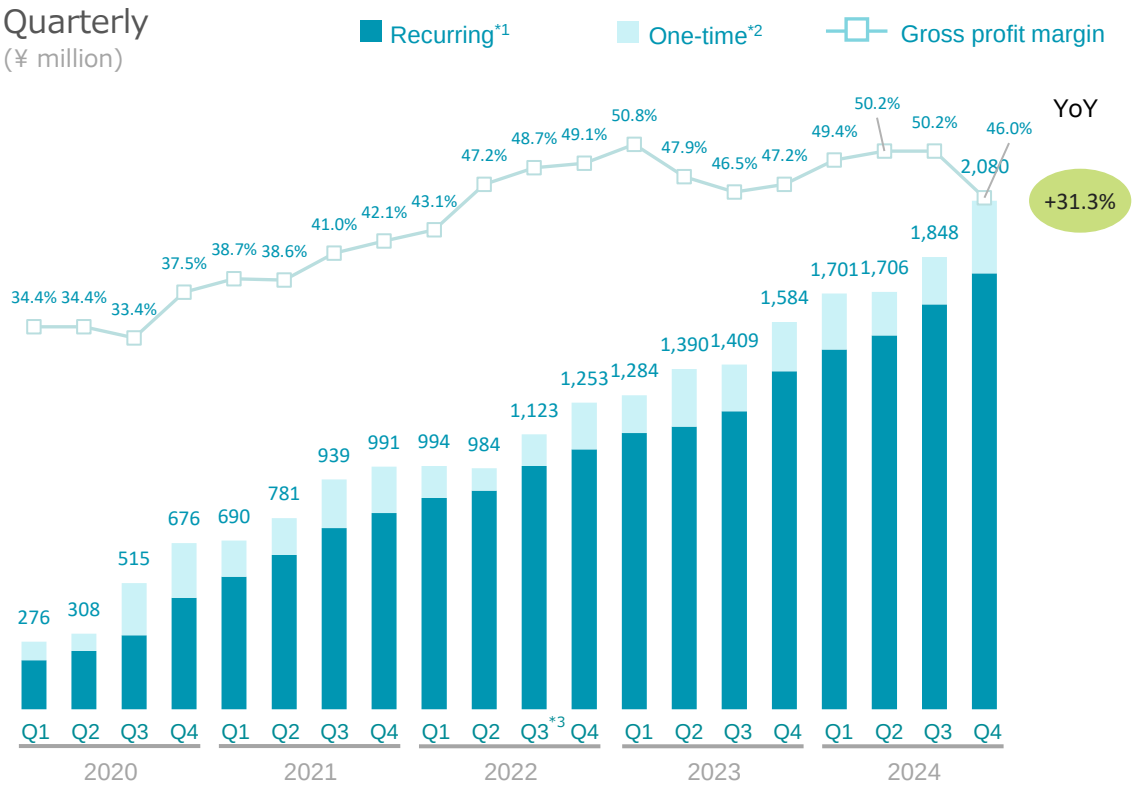


*1 Recurring revenue includes cloud, applications, rental and including SIM, etc.
*2 One-time revenue includes merchandise and camera set up installation work etc.

Trend of gross profit

Gross profit for full year and Q4 improved by 29.4% YoY and 31.3% YoY respectively. Proportion of one-time revenue increased, hence overall gross profit margin in Q4 decreased from previous quarter



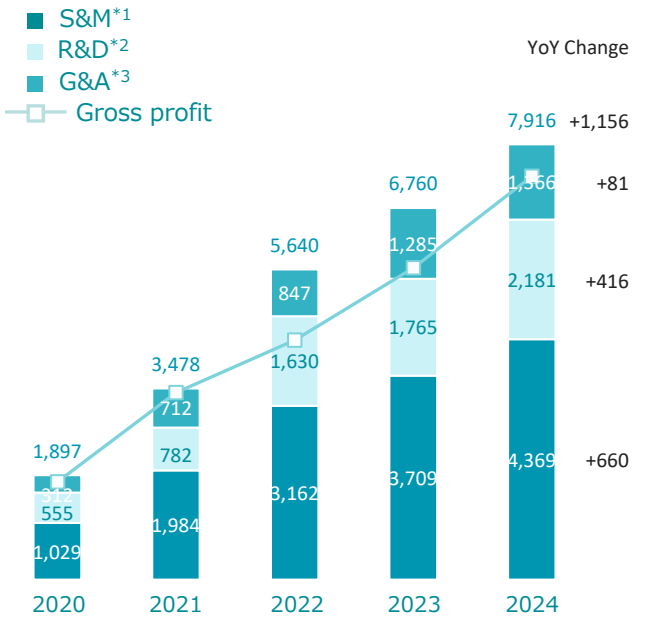


*1 Recurring revenue includes cloud, applications, rental and including SIM, etc.
*2 One-time revenue includes merchandise and camera set up installation work etc.
*3 Reporting on a consolidated basis from Q3 FY2022

Trend of SG&A expenses

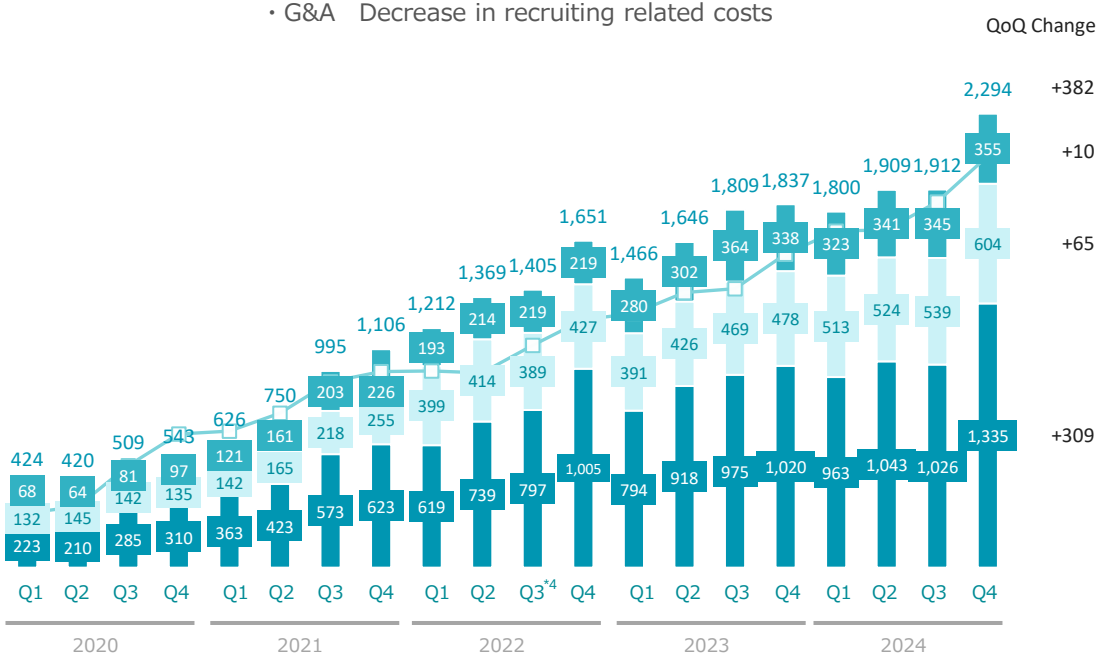
Sales and marketing expenses increased in Q4 due to advertising activities as planned

Yearly
(¥ million)



Quarterly
(¥ million)

Reasons for QoQ changes
- S&M Increase in advertising costs
- R&D Increase in research and development costs
- G&A Decrease in recruiting related costs



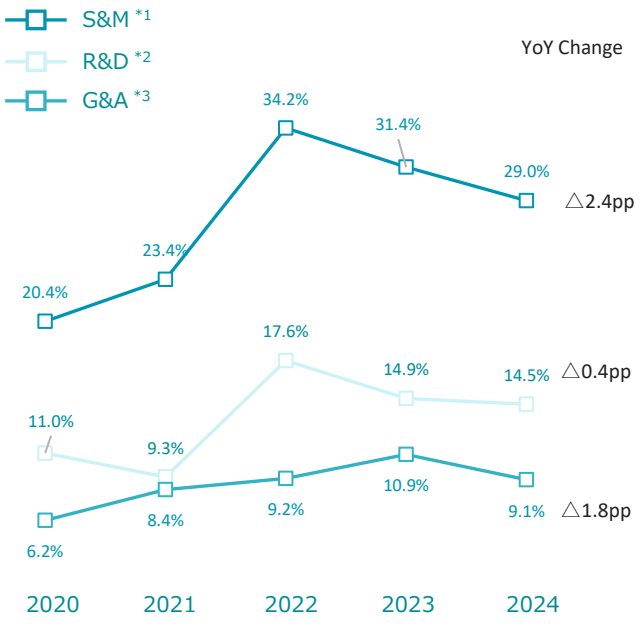
*1 S&M stands for Sales and Marketing and is the sum-total of sales promotion expense, advertising expense, sales personnel costs and other related/common expenses
*2 R&D stands for Research and Development and is the sum-total of R&D engineer personnel cost, outsourcing expense and other related/common expenses
*3 G&A stands for General and Administrative and is the sum-total of administrative personnel cost and other related/common expenses
*4 Reporting on a consolidated basis from Q3 FY2022

Trend of SG&A expenses as a percentage of revenue

Regarding yearly trend, each cost ratio to revenue decreased in FY2024

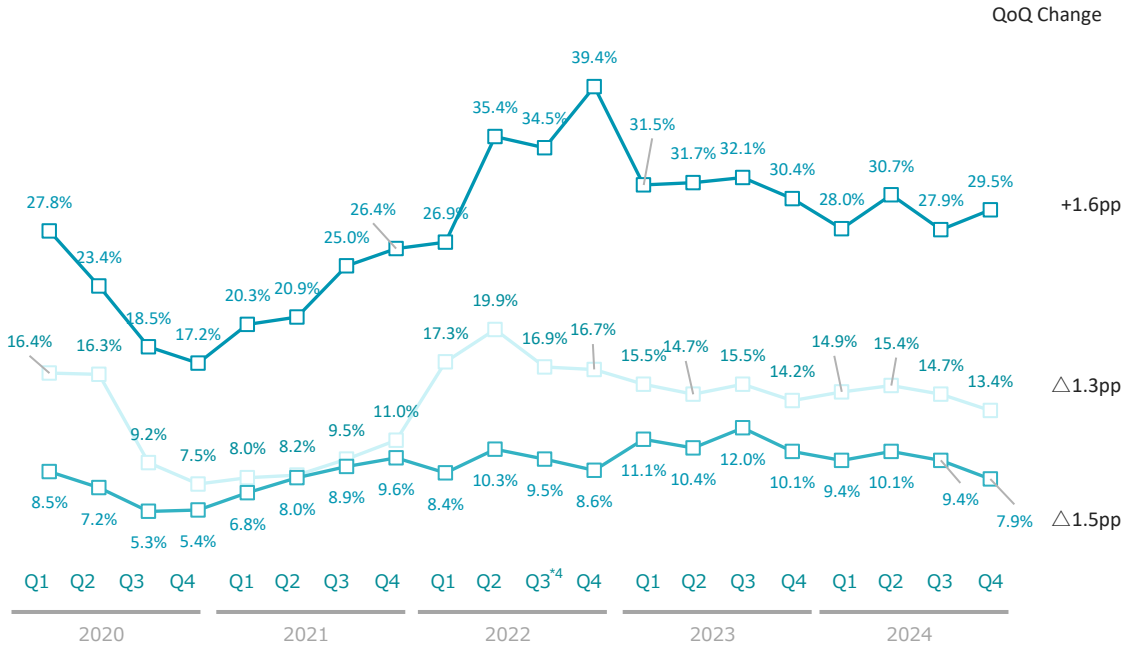
Yearly

(¥ million)



Quarterly

(¥ million)

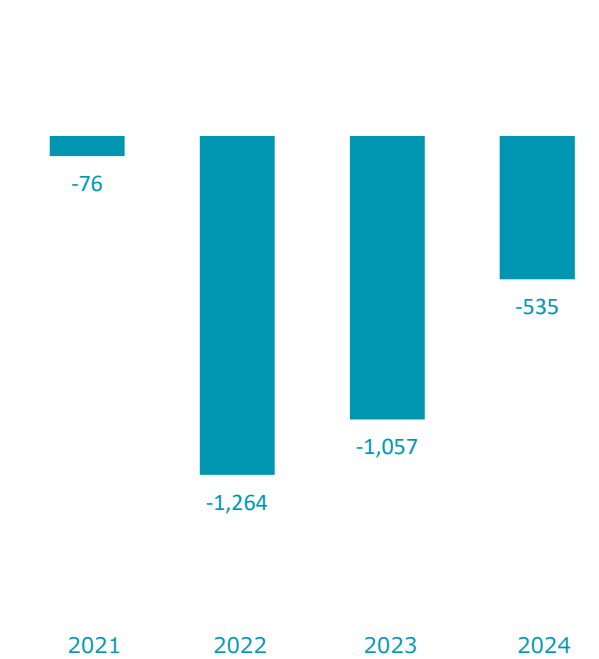


*1 S&M stands for Sales and Marketing and is the sum-total of sales promotion expense, advertising expense, sales personnel costs and other related/common expenses
*2 R&D stands for Research and Development and is the sum-total of R&D engineer personnel cost, outsourcing expense and other related/common expenses
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*4 Reporting on a consolidated basis from Q3 FY2022

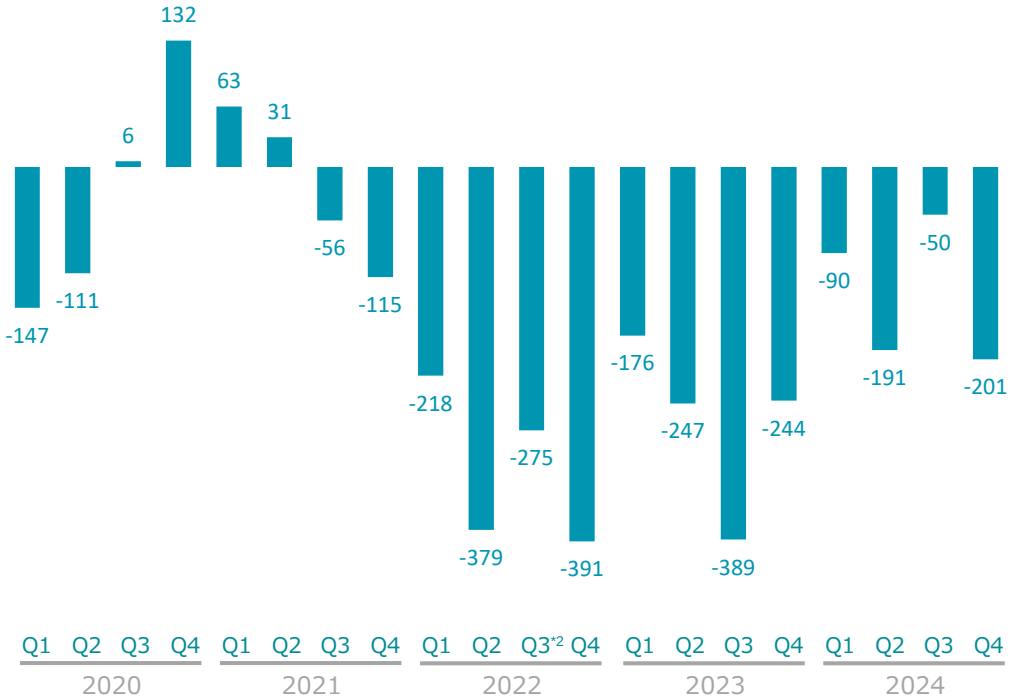
Trend of adjusted operating profit/loss*1

The adjusted operating loss widened in Q4 only for temporally basis due to an increase in advertising expenses as planned. The annual adjusted operating loss for FY2024 was ▲¥535m, a great improvement by ¥522m

Yearly
(¥ million)



Quarterly
(¥ million)

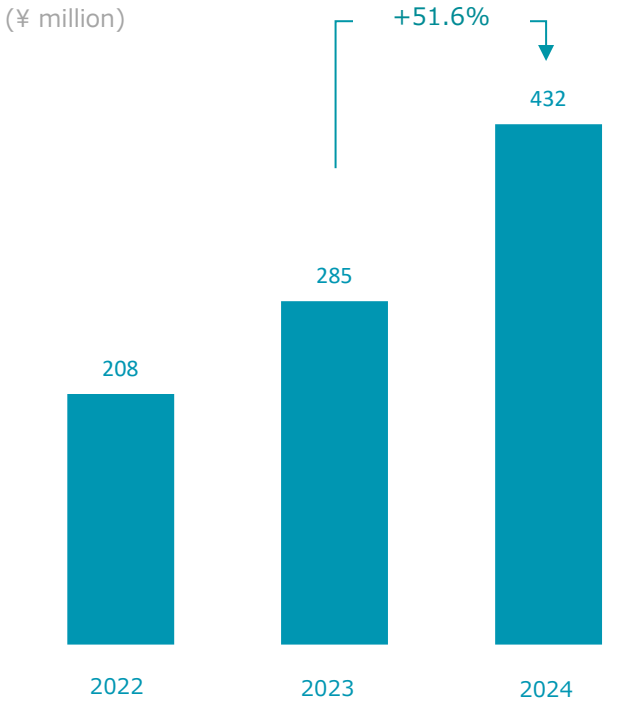


*1 Adjusted operating profit/loss = operating profit/loss + stock-based compensation expense + depreciation of intangible assets arising from M&A + temporary expenses
*2 Reporting on a consolidated basis from Q3 FY2022

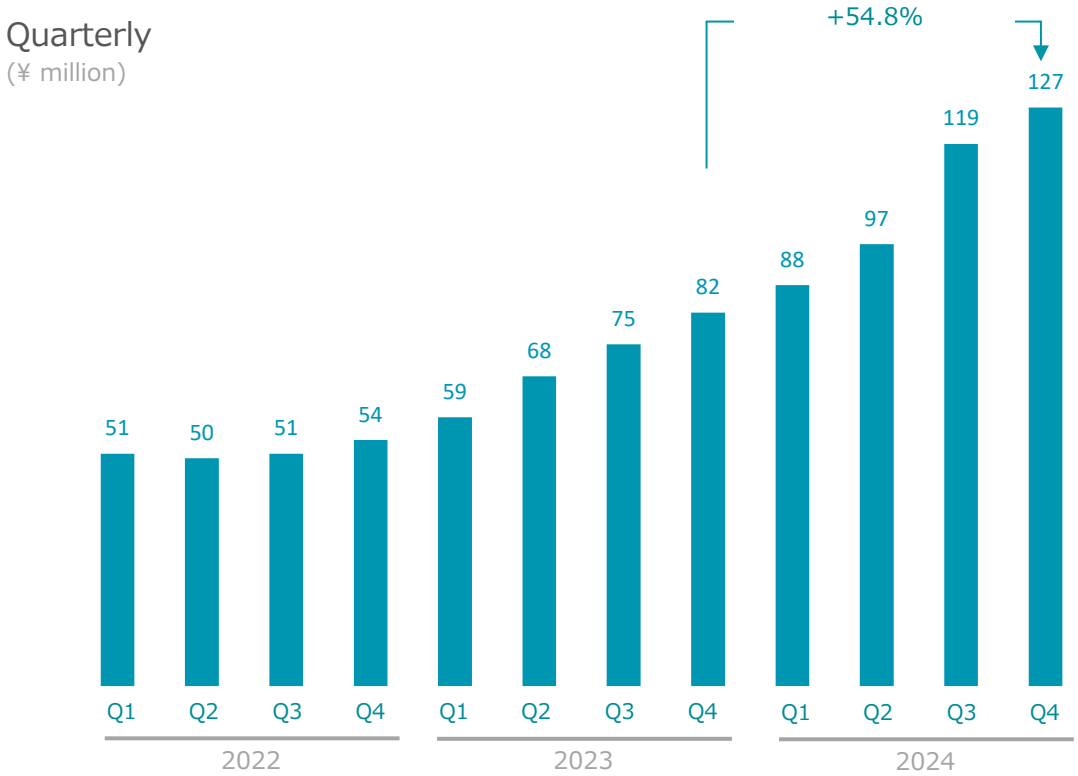
Trend of solution revenue *1

We continue to provide solution to customers. Solution revenue for FY24 full year and Q4 increased by 51.6% YoY and by 54.8% QoQ respectively

Yearly
(¥ million)



Quarterly
(¥ million)



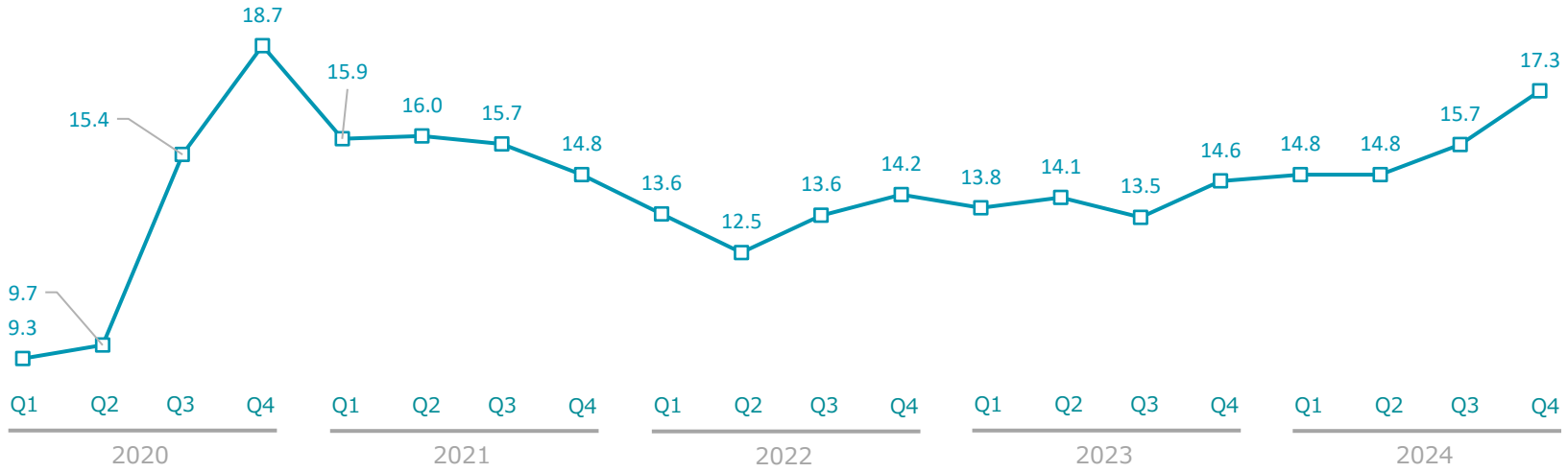
*1 It includes application such as AI-App, various options for camera/recording, and user support service and so on. It also includes both recurring and one-time revenue.

Gross profit per head

Gross profit per head continues to increase through sales organization improvement, more added-value solution lineups and operational improvement

Gross profit per head*1

(¥ million)



*1 (gross profit for each quoter x 4) / the number of employees at start of next period

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1-b. FY25 annual guidance

FY2025 Guidance

Revenue growth rate is expected to be 22.3% YoY. We pursue profitability in adjusted operating income. The plan does not factor in the increase in unit price per camera, and growth will be driven by an increase in the number of billing cloudcams

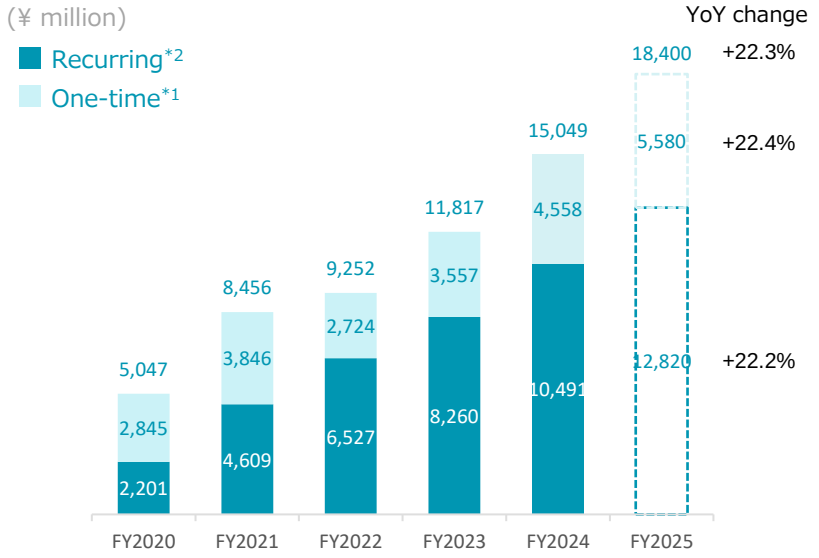
(million)	FY2024 Actual	FY2025 Guidance	Changes	
			in ¥	%
Financial numbers				
Revenue	15,049	18,400	+3,351	+22.3%
One-time	4,558	5,580	+1,022	+22.4%
Recurring	10,491	12,820	+2,329	+22.2%
Gross profit	7,336	9,030	+1,694	+23.1%
Gross profit margin	48.7%	49.1%	+0.4pp	-
Adjusted SG&A expenses	7,871	8,730~8,980	+859~+1,109	+10.9%~14.1%
Adjusted operating profit*1	△535	50～300	+585~+835	-
KPI				
ARR	11,937	14,600	+2,663	+22.3%
Billing cloudcams (K units)	293	357	+64	+21.8%
ARPC (¥ thousand)	40.6	40.9	+0.3	+0.5%

*1 Adjusted operating profit/loss = operating profit/loss + stock-based compensation expense + depreciation of intangible assets arising from M&A + temporary expenses

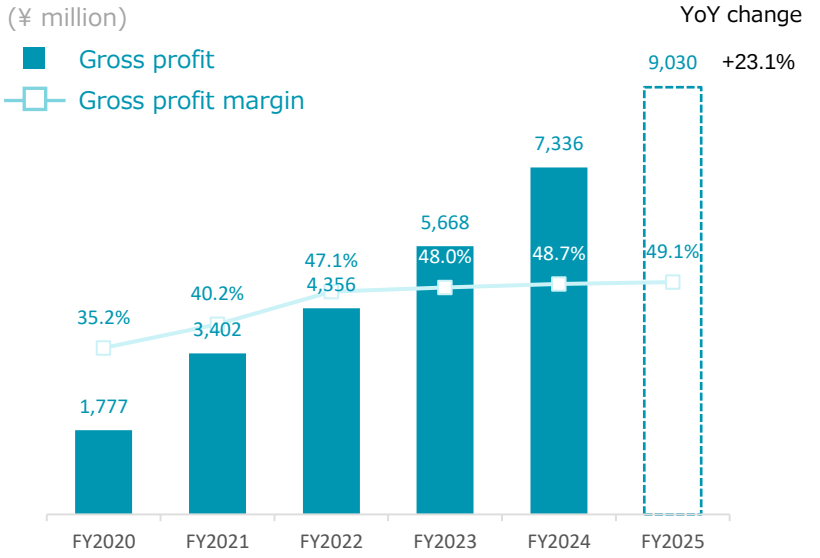
FY2025 Guidance: Revenue and gross profit

Growth rate for revenue and gross profit is expected to be around +22% and +23% respectively. Improvement in gross profit margin will also be maintained

Revenue



Gross profit



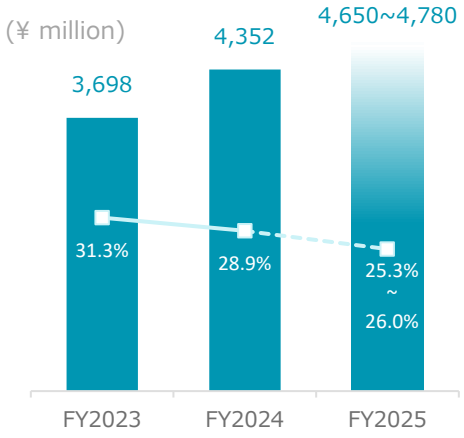
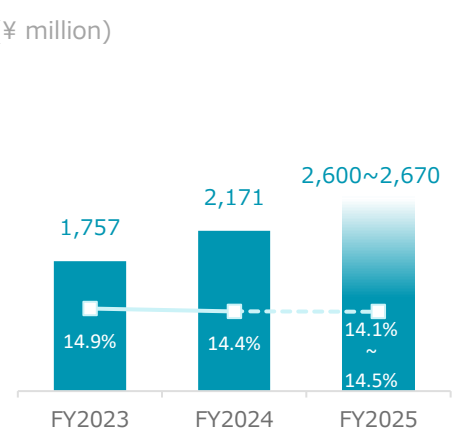
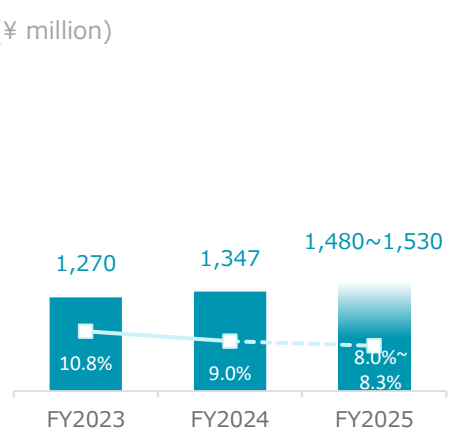
Assumptions and factors affecting the guidance

- Our main growth driver is retail/service and construction industries
- Presence/absence of large project is major factor

- Gros profit margin fluctuate depending on mix of one-time and recurring revenue
- We expect both recurring and one-time gross profit margins to be at the same level as in FY24

FY2025 Guidance: Adjusted SG&A expenses

Expenses in all categories are expected to increase. However, regarding ratio of expenses to revenue, the ratio for R&D is expected to stay same level, while ratio for S&M and G&A is expected to decrease through continuous productivity improvement

	Adjusted S&M *1	Adjusted R&D *2	Adjusted G&A *3
Forecast	Ratio to revenue will decrease	Ratio to revenue will be maintained	Ratio to revenue will decrease
Forecast amount			
Assumptions and factors affecting the guidance	■ Promotion and advertising cost will increase by ¥170M ■ Human resource costs will also increase due to increase in personnel	■ Costs of recruiting engineers and outsourcing will increase for new product R&D and improving our infrastructure	■ Recruiting costs and costs related to increase in personnel will expand

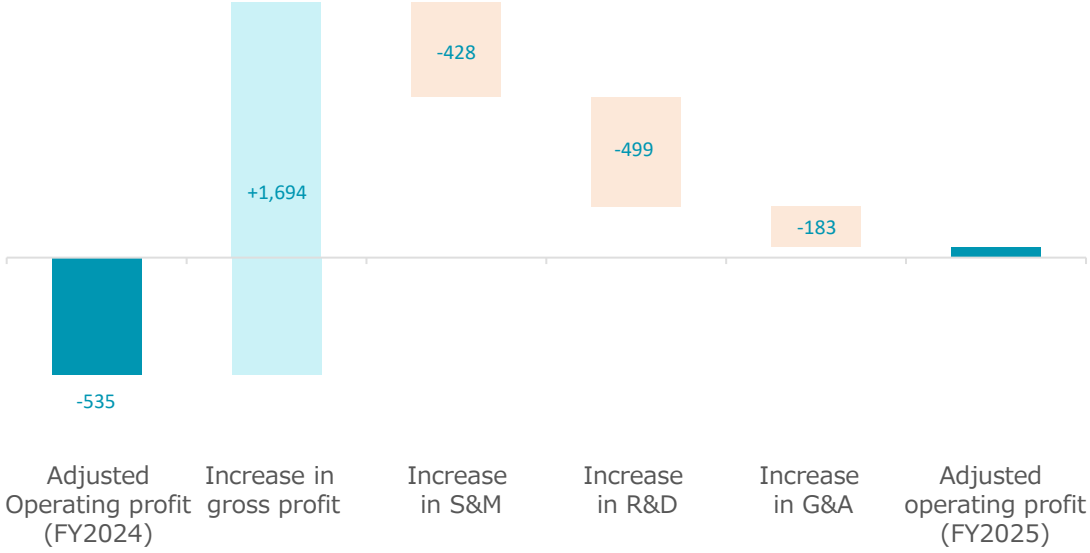
*1, 2, 3: Adjusted S&M, R&D, and G&A is calculated by SG&A in each category – stock-based compensation expense – depreciation of intangible assets arising from M&A etc.

FY2025 Guidance: Adjusted operating profit/loss

We aim to control SG&A increase in line with gross profit increase, and hance to achieve adjusted operating profit

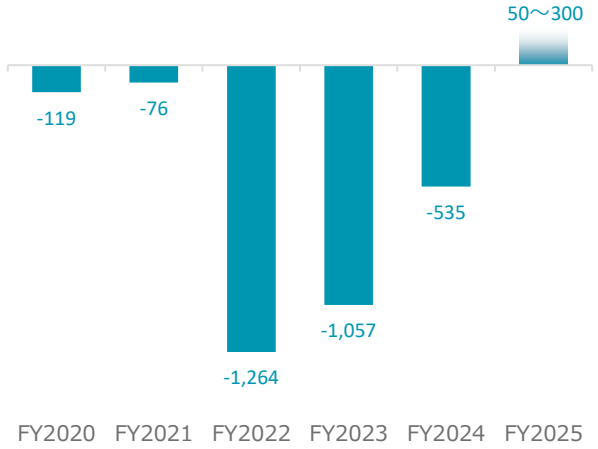
Forecast for adjusted operating profit*1 (it fluctuate within range of adjusted SG&A expenses range)

(¥ million)



Trend of adjusted operating profit/loss

(¥ million)



*1 Adjusted operating profit/loss = operating profit/loss + stock-based compensation expense + depreciation of intangible assets arising from M&A + temporary expenses

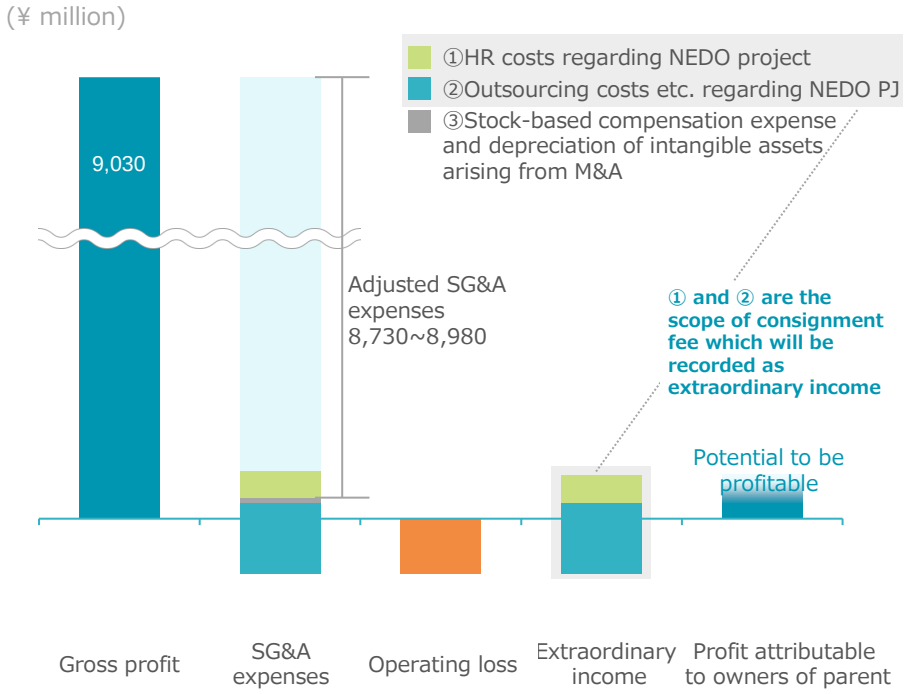
NEDO project and accounting profit trend

Expenses regarding NEDO project (e.g., outsourcing costs) will be recorded as expenses. Consignment fee will be recorded as extraordinary income, hence net income attributable to owners of the parent is expected to be profitable

Accounting policy about NEDO project

- **Positive impact on cashflow**
  - Background (Some of below information has been already disclosed in Q3 FY2024 presentation)
    - We are selected for "Research and Development Project to Enhance the Post-5G Information and Communications System Infrastructure / Survey of Advanced Cases Related to the Utilization of Data-Generating AI" called by New Energy and Industrial Technology Development Organization (NEDO)
    - **Max. ¥890m consignment fee** is expected to be received. However some of it may be booked in FY2026
    - Based on this, we will work on developing platform that makes it easy to create AI business
  - Accounting policy
    - Expenses about this project will be recorded as SG&A expenses
    - **Consignment fee is treated as extraordinary income**
- **Net Income Attributable to Owners of the Parent is expected to be profitable**
  - Detailed guidance is not disclosed due to possibility in timing change and difficulty in forecasting, while we expect profitable status

Accounting profit trend



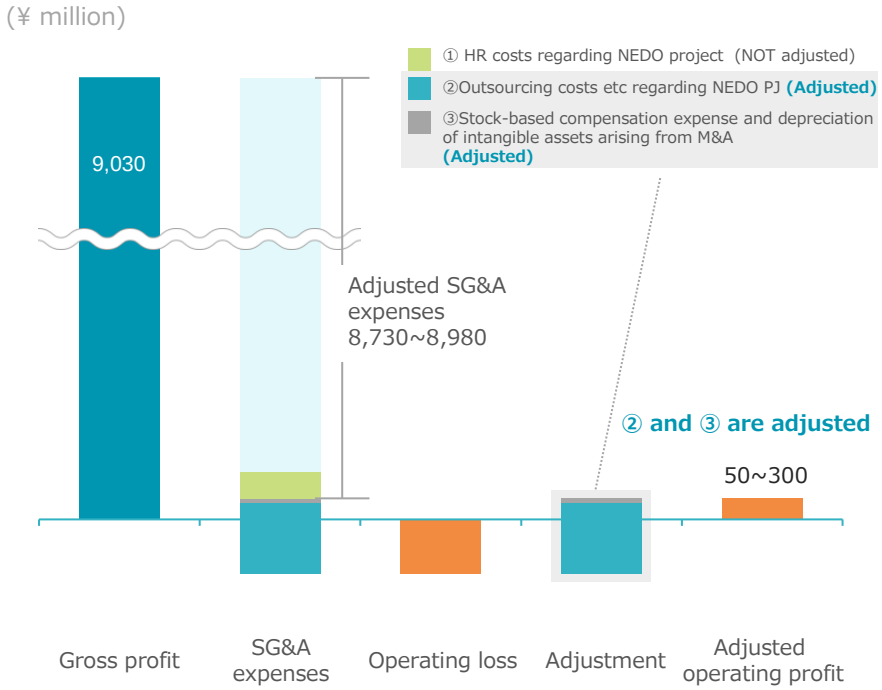
Adjustment of operating profit

Regarding expenses for NEDO project, only newly incurred expenses due to NEDO project (e.g., outsourcing expenses) will be the scope for adjustment

Overview of adjustment

- **NEDO consignment fee**
  - Only newly incurred expenses due to NEDO project (e.g., outsourcing expenses) will be the scope for adjustment
  - Human resource expenses (e.g., salaries) will not be the scope for adjustment, while it is scope for consignment fee
- **Other adjustment factors (same as before)**
  - Stock-based compensation expense
  - Depreciation of intangible assets arising from M&A

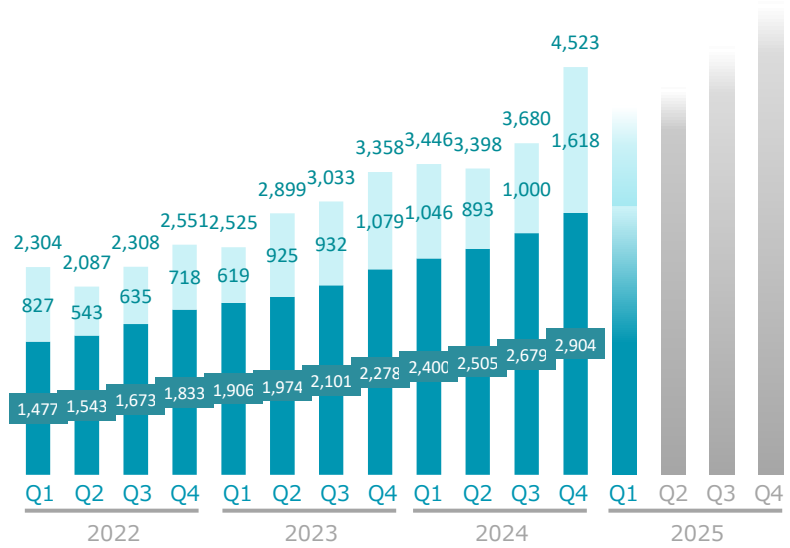
Adjustment policy (illustrative)



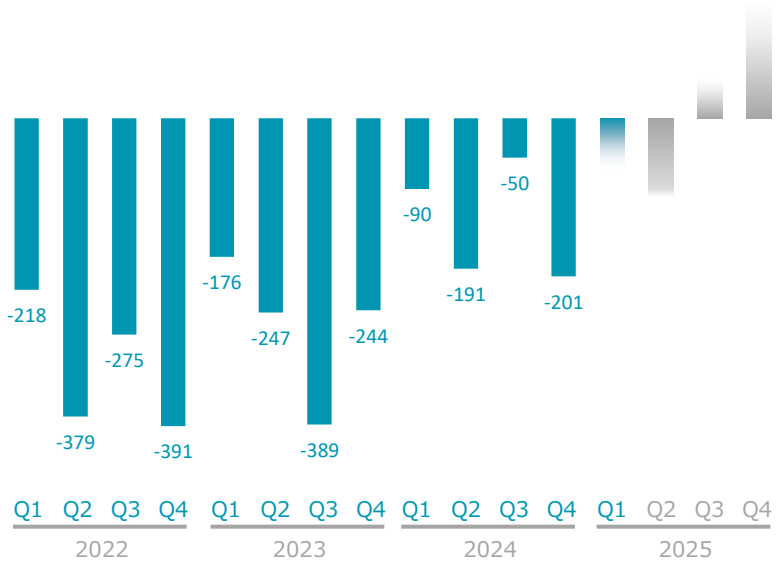
FY2025 Guidance: Quarterly revenue and adjusted operating profit

This is the current forecast and updates may be made at quarterly financial presentation

Revenue



Adjusted operating profit/loss*1



FY2025 forecast

- One-time revenue is expected to fluctuate
- Recurring revenue is expected to grow every quarter
- Overall revenue for Q1 FY25 will decrease due to decrease in one-time revenue

- It is expected to record loss in fist half and profit in second half of the year. Overall, profit is expected in annual basis
- Loss in Q2 will be wider due to new graduate hiring

*1 Adjusted operating profit/loss = operating profit/loss + stock-based compensation expense + depreciation of intangible assets arising from M&A + temporary expenses

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2. Business updates

Business updates summary

Safie's strength

High entry barriers exist thanks to having numerous customers in various industries, our platform nature, and solution development capability

- The labor shortage is an unavoidable trend, and the need for Safie's video solutions will continue to grow
- Both expanding business with existing customers and acquiring new customers are growth drivers
- Having a video platform and the ability to create solutions support our continuous growth

Growth strategy

We will try to take opportunities of already-installed 9m cameras (mainly on-premise cameras)

- Cloud-based management possible for cloudcams and already-installed existing cameras (mainly on-premise cameras)

More Onside DX for each industry

- Retail/service: providing solution with multiple cameras
- Construction: increasing revenue per site and more business in related areas

Mass production from AI platform

- We are building a platform that makes it easy to use data, easy to generate and relearn AI, and easy to create AI businesses, and we are accelerating the creation of new AI businesses

Mid-term financial target

Expected revenue growth rate has been revised upwards from 20%~25% to 22%~27%

- Reasons include sales organizational improvement and further solution lineup expansion
- We will action our growth strategy to achieve the target

1. FY24 results and FY25 guidance
    a. FY24 annual results
    b. FY25 annual guidance
2. Business updates
    a. Industry trend
    b. Our strength
    c. Growth strategy

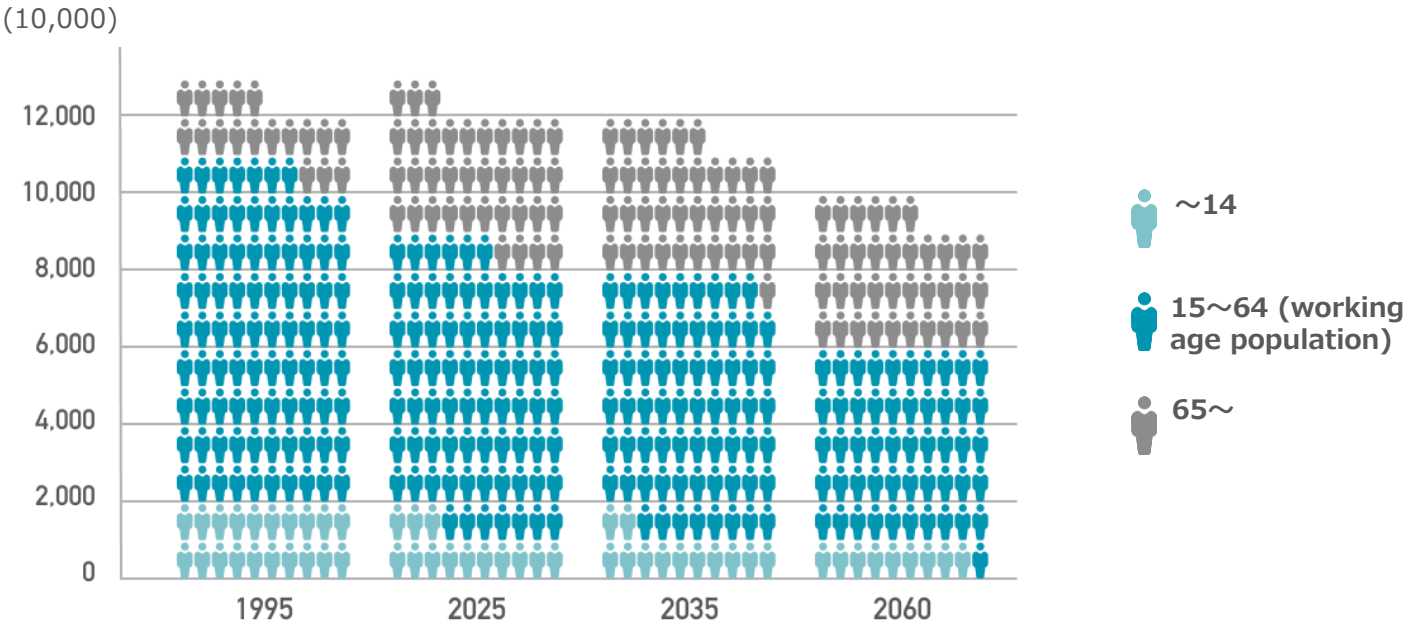
Appendix

2-a. Industry trend

Declining population and labor shortage

The working age population will decrease sharply from a peak of over 85 million to around 50 million in the future

Trend of Japanese population



*1 "Population Projections for Japan" National Institute of Population and Social Security Research

Shortage of labor in major industries with onsite operations

There will be a shortage of 11 million workers to meet the demand for labor nationwide in 2040, and a shortage of 3.41 million workers in 2030*1



Retail

↘ 24.8%*2

In 2024
Labor demand: 4.385ml
Labor supply: 3.297ml



Restaurants

↘ 15.1%

In 2024
Labor demand: 3.748ml
Labor supply: 3.181ml



Construction

↘ 22.0%

In 2024
Labor demand: 2.989ml
Labor supply: 2.332ml



Logistics

↘ 24.2%

In 2024
Labor demand: 413.2ml
Labor supply: 313.4ml



Factory

↘ 13.3%

In 2024
Labor demand: 8.450ml
Labor supply: 7.326ml



Nursing care

↘ 25.3%

In 2024
Labor demand: 2.297ml
Labor supply: 1.717ml



Healthcare

↘ 17.5%

In 2024
Labor demand: 4.676ml
Labor supply: 3.860ml

*1 "Future Predictions 2040 in Japan —The Dawn of the Limited-Labor Supply Society—" Recruit Works Institute
*2 Labor supply shortage rate = 1 − (labor supply ÷ labor demand), in 2040

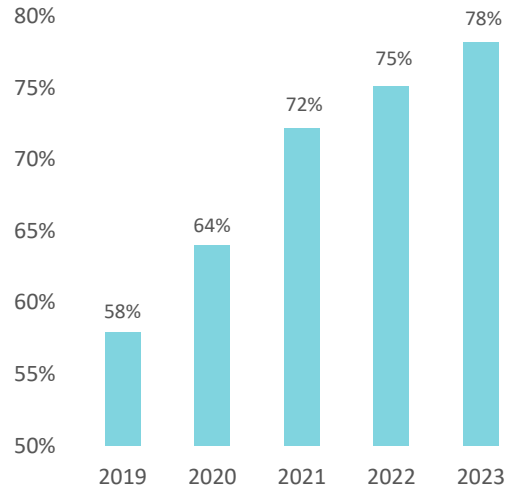
© Safie Inc.

Market environment (retail/service): Increasing needs for manpower saving in stores and data use

The needs for manpower saving/unmanned stores are further increasing due to expected labor shortage. The usage of security cameras are expanding, including risk management and data use for wide range of needs

Further manpower saving from efficient store operation

% of (semi-)self-checkout payment system *1



Increasing awareness of store risk management

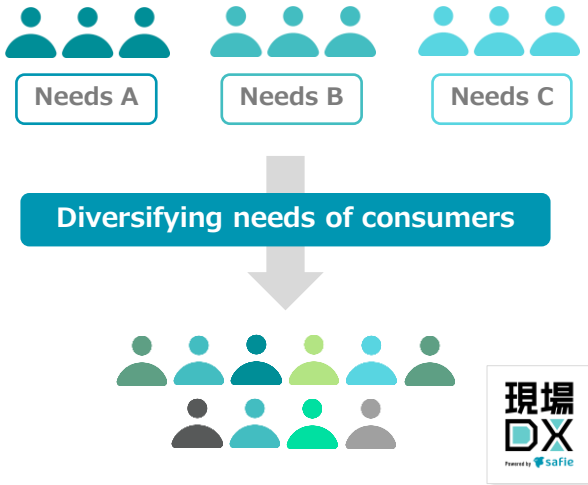
Given the increase in theft and troubles as the number of unstaffed/unmanned stores expands, security cameras are being used for various risk management purposes

1. Video data as a crime evidence
2. For crime prevention
3. For employees' misbehavior
4. To avoid troubles at payment checkout

Reasons for installing security cameras (examples)

Behavior needs analysis is possible for diversifying needs

Better return on improvement through data acquisition, quantification and analysis



*1 Source: "supermarket hakusho 2024", National Supermarket Association of Japan.

Market environment (construction): Large change in working environment in construction industry from 2024

The Work Style Reform Law which regulates overtime work limit took effect in Apr/24 in the construction industry. AI is being used more for remote management due to analogue regulation relaxation

Large needs in productivity improvement

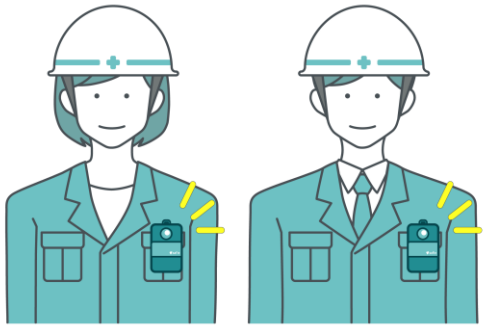
The 2024 issue of construction industry

- Work Style Reform Law promulgated in April 2019
- For the construction industry, the law applies from 2024 April after a 5-year grace period due to difficulties in improving working environment in a short time period

1. **Maximum limit on overtime work**
   The law stipulates the maximum limit of overtime as “45 hours per week / 360 hours per year”, with punishments for violations
2. **“Equal pay for equal work” applied to both regular and non-regular workers**
3. Raising overtime additional pay rate for overtime work exceeding 60 hours per month
   Overtime pay rate raised from 25% to 50%, starting from 2023

Promotion for digitalization

- Review of "analog regulations" to be completed by June 2024
- **Use of conference system and wearable cameras will be allowed for "inspection/audit," "survey," and "patrol/watch“ items** that are related to construction industry, **improving operation efficiency**



Manpower-saving and automation through AI

- “i-construction 2.0”, advocated by the Ministry of Land, Infrastructure, Transport and Tourism, aims to reduce the number of workers by 30% by fiscal 2040.Automation and labor-saving using AI is expected to solve the problems of “labor shortage”, “long working hours” and “improving safety” in the construction industry.



Create 3D models instantly



Advanced hazard prediction



Autonomous control of construction machinery



Turning unstructured data into knowledge

1. FY24 results and FY25 guidance
    a. FY24 annual results
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Appendix

2-b. Our strength

Our strength

There is high entry barriers based on customer base in various industries



01 Customers in various industries



02
A highly scalable and stable video platform that can operate large amounts of data



03
Expanding service / solution lineup



04 Solid direct and partner sales



05 Delivery capability that can respond to diverse needs

01 Customers in various industries

safie

Retail/service



Restaurants



Construction



Infrastructure/public



Manufacturing/plant



Logistics



Office buildings



Security



01 Customers in various industries : Revenue from existing customers (NRR) and reasons behind increasing ARR

Both revenue growth from existing customers and acquiring new customers are the growth drivers of direct sales channel. Expanding business with existing partners is the growth driver for partner channel

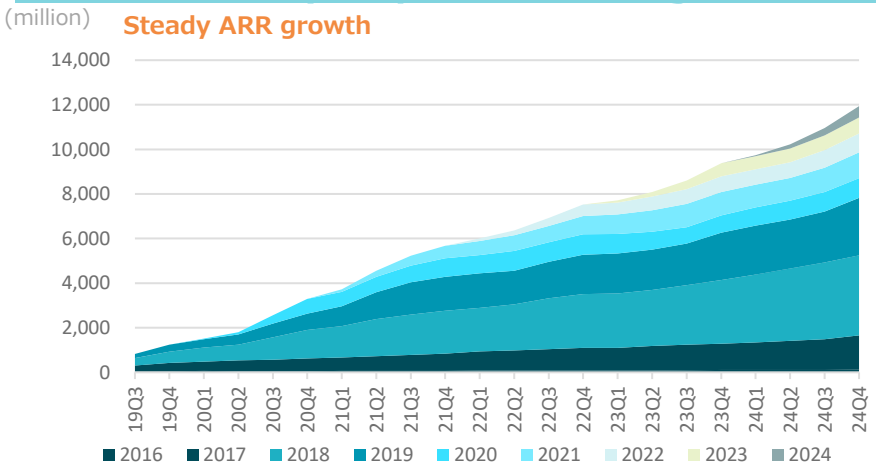
NRR*1

Growth through expansion of business with existing customers

	FY2023	FY2024
Direct channel	110.9%	111.2%
Partner channel (for reference only)	118.3%	125.9%
Total	115.6%	120.4%

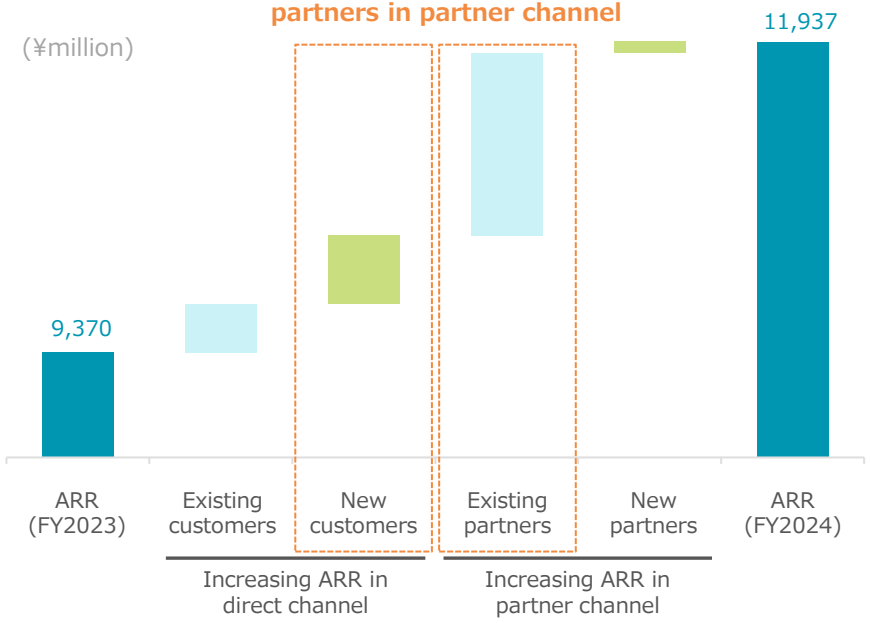
ARR by acquisition timing*2

Steady ARR growth



Reasons behind ARR increase

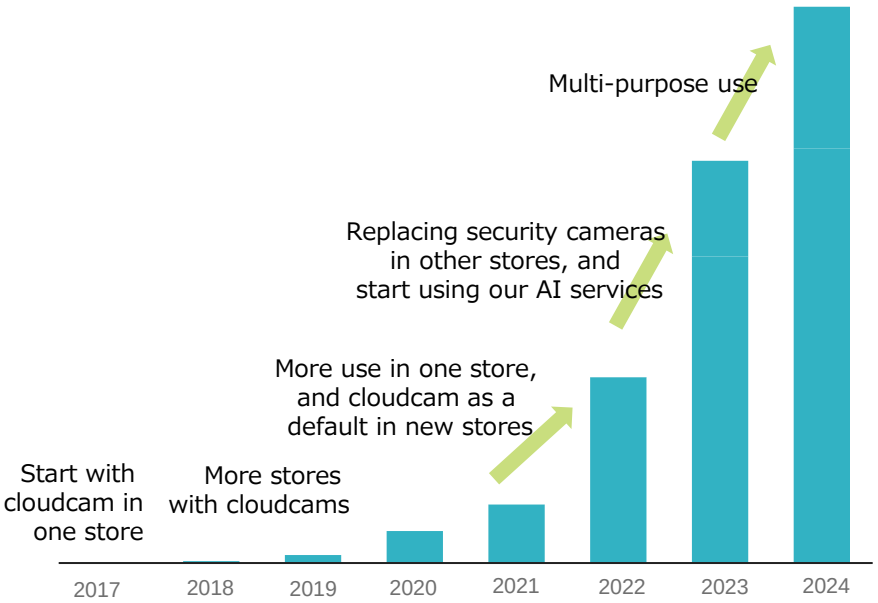
New customer acquisition in direct channel was also solid, as well as expanding business with existing partners in partner channel



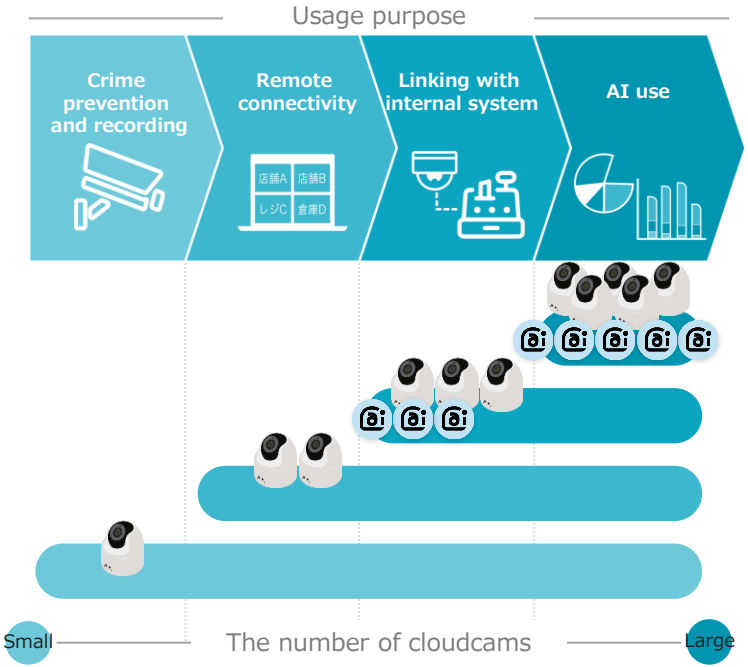
*1 NRR stands for Net Revenue Retention. NRR for direct sales is calculated by dividing each year's December-end MRR of direct sales from paying customers acquired via direct sales channel at the end of Dec. in the previous year, by the MRR of direct sales at end of Dec. in the previous year. NRR for sales partner is calculated by diving each year's Dec-end MRR from paying customers acquired via sales partners at the end of Dec in the previous year, by the MRR of sales partner channel at the end of Dec. in the previous year.
*2 ARR of direct sales channel is as of timing of contract for paying customers acquired through direct sales. ARR of sales partner channel is classified according the timing of contract with the respective sales partner

The high direct sales NRR is due to the increase in the number of stores using cloudcams and the number of cloudcams per store among major customers, as well as the use of AI

■ Examples of a growing customer (trend of recurring revenue - illustrative)



■ More usage potential as the number of installed cloudcam increases



Our cloudcams are used by the top 29 companies in the construction industry

■ Our cloudcam usage in construction industry

Customers

Our cloudcams used by **29 companies** among top 30 construction companies (based on revenue)

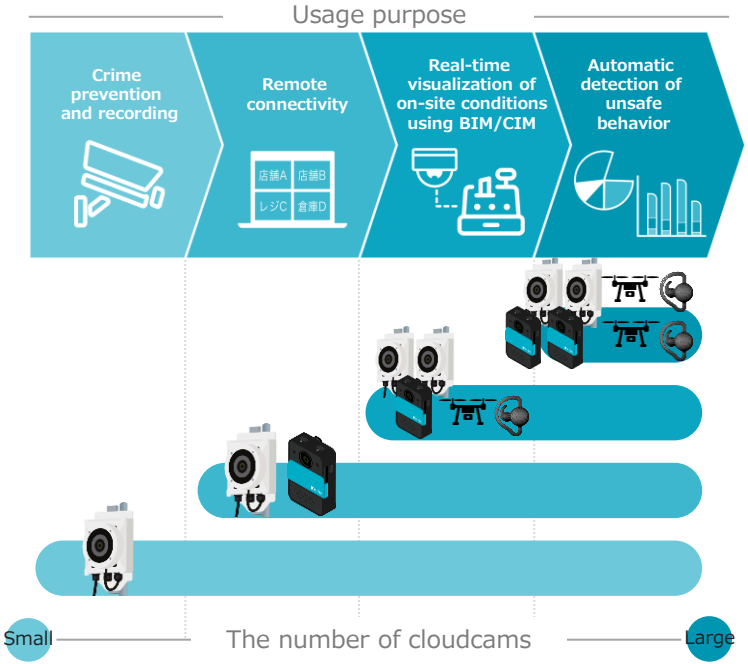


Revenue

Trends in recurring revenue for top 3 customers (based on FY24 revenue)



■ More usage potential as the number of installed cloudcam increases



02 Highly scalable and stable video platform that can operate large amounts of data

The huge amount of data sent from 300,000 cloudcams is gathered on Safie's video platform. Data can be linked and AI can be used easily and securely



01 Cloud-based camera OS

Providing a wide range of B2B camera lineup
Cloud-based control of device and video data

02 Powerful security

Secure network communication routes through encryption, etc.

03 High quality UI/UX for all

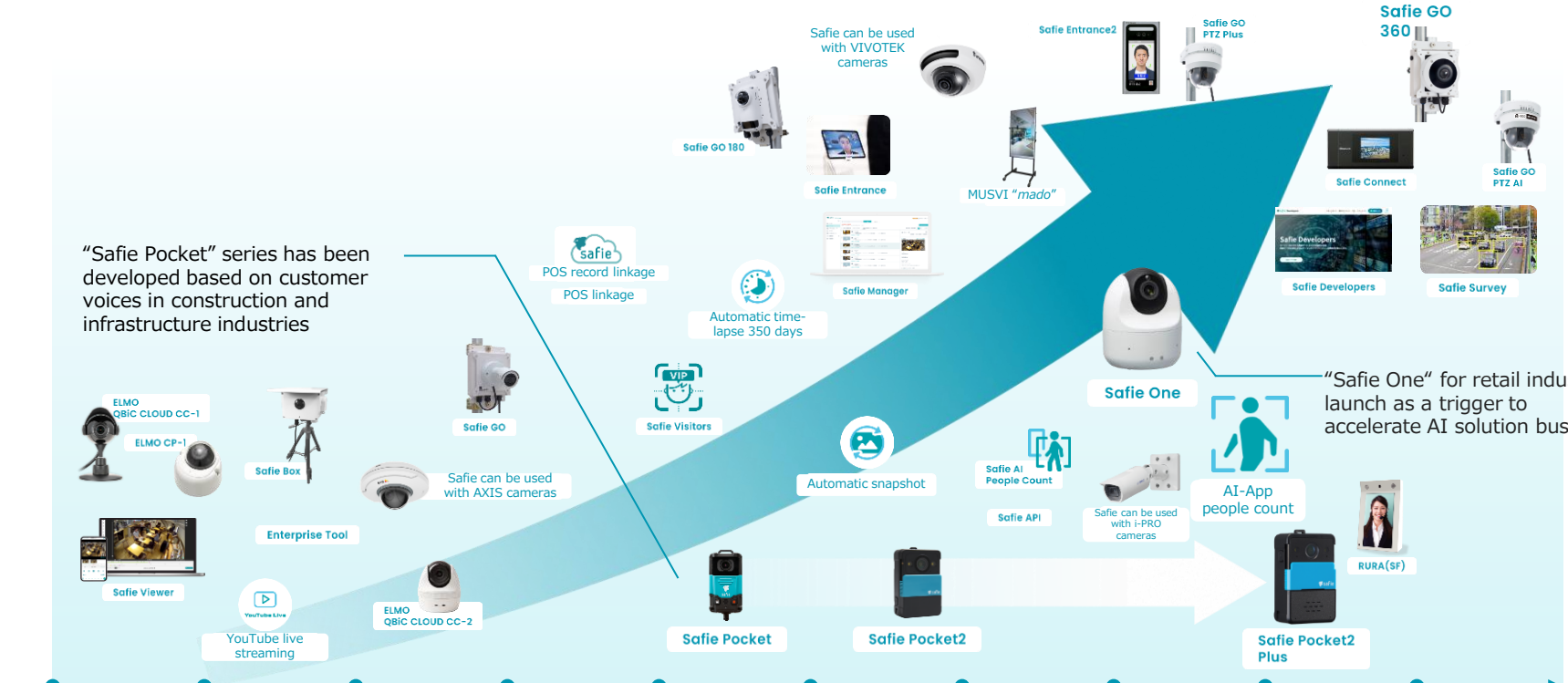
Easy to use UX (just put the camera on and use)
High quality and highly compressed video data

04 Highly scalable platform

Video data platform as a key to AI development. APIs that can be linked to all kinds of services

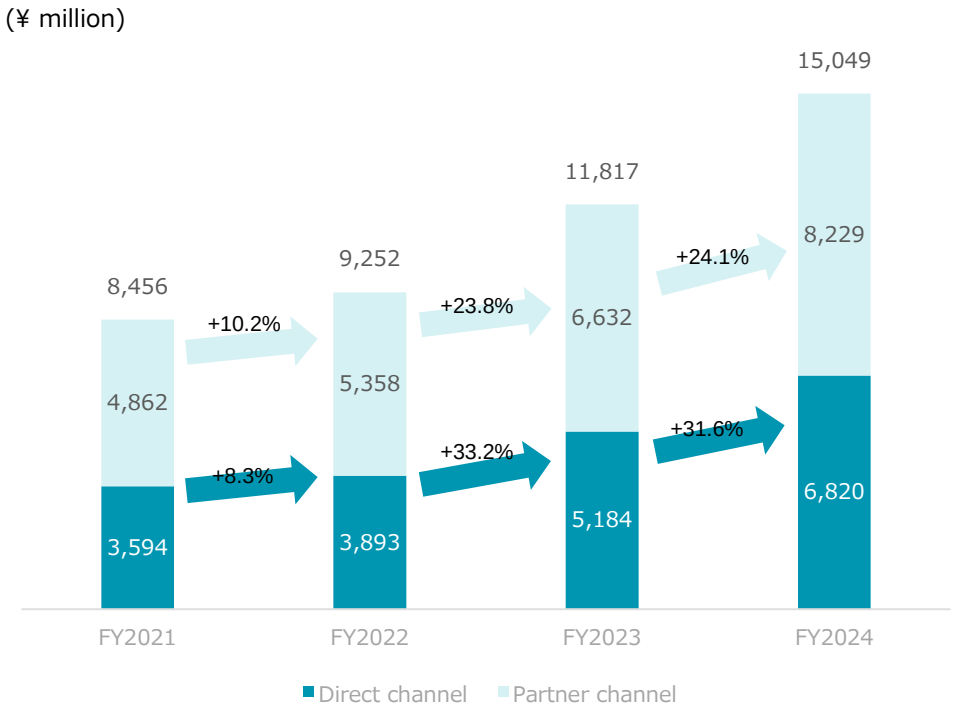
03 Expanding service / solution lineup

Since the service launch in 2015, we have continued to expand our device and solution lineup



Both direct sales and partner sales are the drivers for our growth

Revenue trend of direct and partner sales



Partner sales contributes to stable revenue growth

- Stable growth by committing to the business growth of partner companies
- Some major partner companies have maintained a growth rate of over 30%, which is the same level as direct sale

Direct sales maintains >30% growth rate

- Results of enhancing organizational capability
- Product/solution lineup expansion
- Expansion of business with major leading companies in each industry

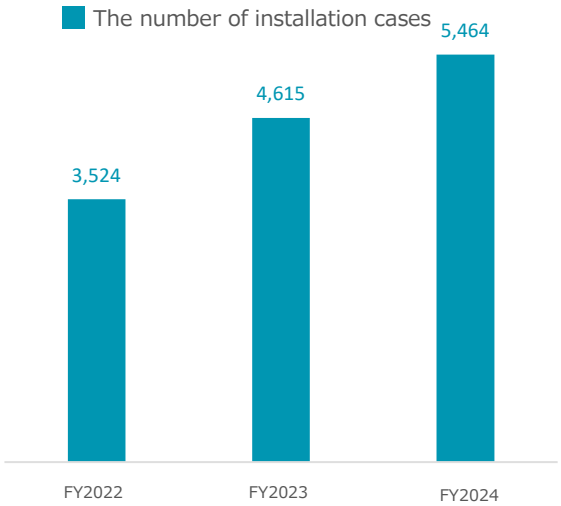
05 Delivery capability that can respond to diverse needs

Delivery and support capability has been improving in order to meet increasing and diversifying needs of customers

Installation capability

Strengthening installation capability to handle large-scale projects

The number of installation cases is increasing



Various product lineup

More collaboration with start-ups about product lineups

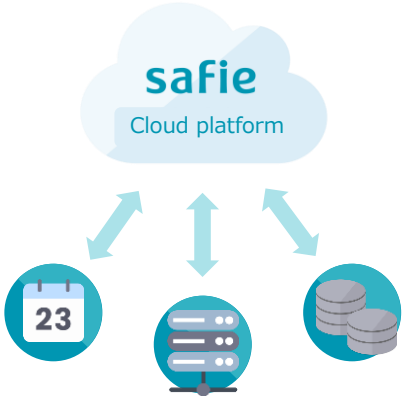




RURA(SF)　VUSVI

Customization capability

Strengthening system integration capabilities to meet unique customization needs



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2-c Growth strategy

Growth strategy outline

1 Opportunity in on-premise camera market
Expanding business in already-installed camera market

2 Onsite DX for each industry

2-1 Retail/service: Solution with multiple cameras

2-2 Construction: Sales per site increase and business expansion in related areas

3 AI solution platform to accelerate onsite DX

4 Growth strategy

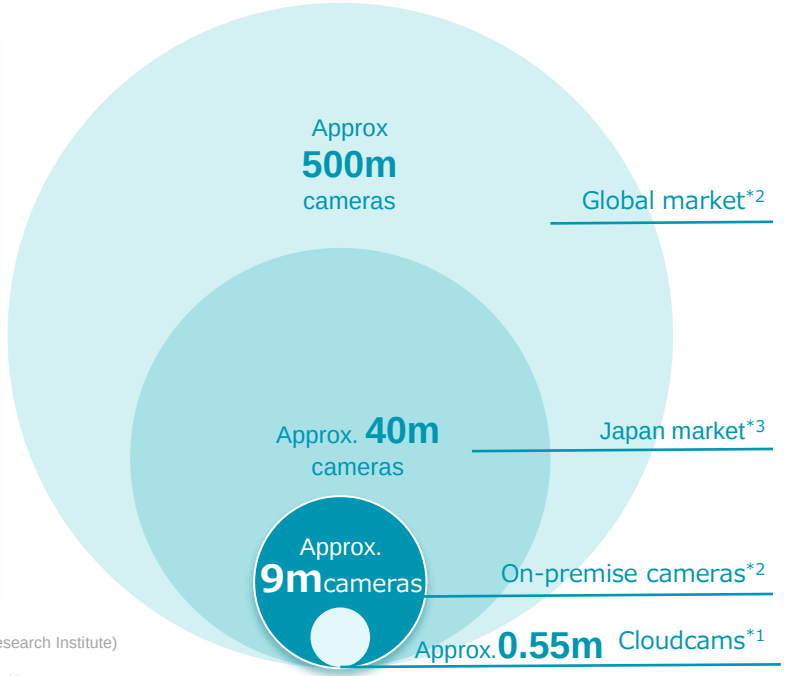
5 Mid-term financial target

6 Areas for future investment

Opportunity in on-premise camera market
Expanding business in already-installed camera market

We aim to expand our market by taking opportunity in already-installed camera market (i.e., on-premise camera market)

	Cloud-based camera market	On-premise camera market
Market size	Approx. 0.55m cameras (now)	Approx 9m cameras (forecast for 2028)
Service to provide	Only cloudcams can be provided Cloudcams	All cameras can be managed cloud-based Cloudcams Already-installed cameras /On-premise cameras
Security needs	Small	Large



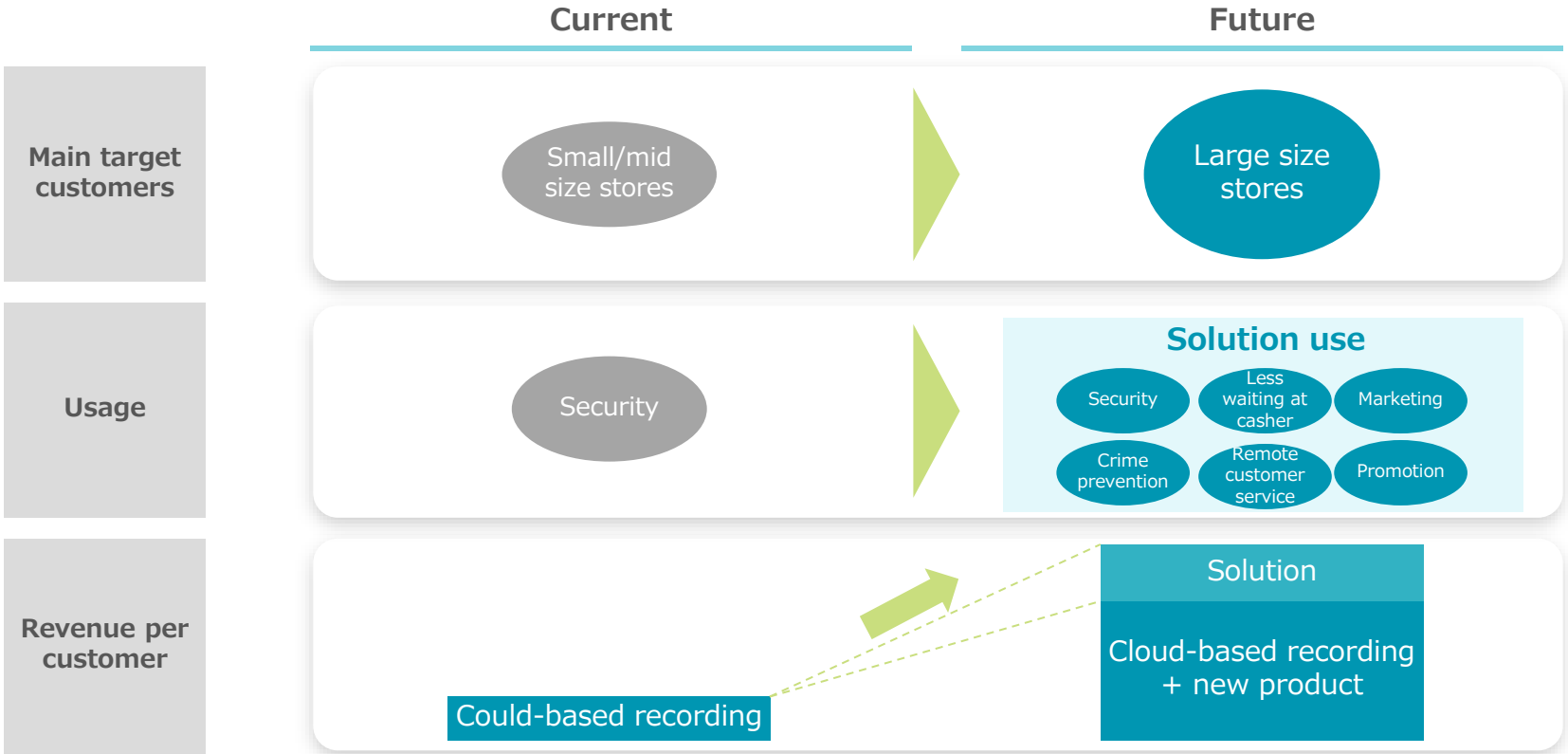
*1 Network camera refers to a usable commercial-use camera with a built-in IP function that can self-connect to the internet. (Source: Yano Research Institute) Figures are calculated by applying certain assumptions on data from various sources.

*2 A surveillance/monitoring camera refers to surveillance camera products which can be broadly classified as IP cameras or analog cameras. (Source: Yano Research Institute) Figures are Safie estimates calculated by applying certain assumption to the shipment volume data stated in Yano Research Institute Ltd.'s "Surveillance Camera Market Forecast 2020 – Visual Communication Research".

*3 Safie estimates

Retail/service: Solution with multiple cameras

We aim to maximize revenue by installing multiple cameras in large stores while also providing solutions



Onsite DX for each industry: retail/service

We aim to increase revenue per customer by helping customers to meet labor-saving needs through AI and video service



Solution with multiple cloudcams

1 Better security
Detect revisit of suspicious person

2 Remote crime prevention
Remote risk management of stores

3 Less waiting time at casher
Better customer experience

4 Remote customer service
No need for dedicated personnel in stores
Inbound needs can be handled easily

5 Marketing
Counting number of visitors

6 Promotion activities
Best timing and arrangement of shelf controlling

現場DX

Onsite DX for each industry: retail/service

safie

While focusing on risk management and efficiency improvement, which make it easier to evaluate the investment return, we will also contribute to improving store sales in the future

Risk management	Operation transformation	Marketing and promotion

Revisit automatically detected



Detect revisit of suspicious person

Remote supervision of stores



Crime prevention

Less waiting time at cashers



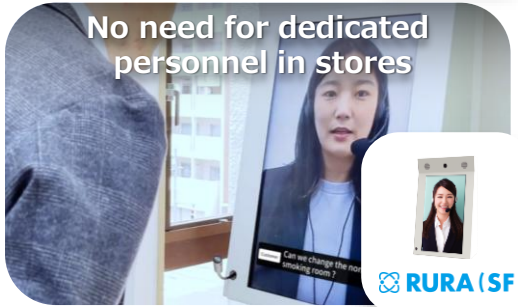
Entry detection

Visualize number of visitors or people traffic in front of stores



Counting number of people passing by

No need for dedicated personnel in stores



RURA (SF)

Optimizing the timing of restocking products



Counting number of people in the area

現場DX

Onsite DX for each industry: construction

We will increase revenue per construction site in the construction industry and expand our business in related industries

Current



Construction

Top 29 general construction companies use Safie couldcams

Future

Expanding business to related industries

Road / infrastructure

- We will expand business with companies who orders constructions (such as road and infrastructure companies)
- We will also increase the number of fixed cameras to maximize LTV



Housing industry

- We work on sales of outdoor cloudcams at reasonable price



Building management

- More business with construction developers



Increasing revenue per construction site (solution for multiple camera users)

- We make working at construction sites even more convenient by linking audio and sensor data

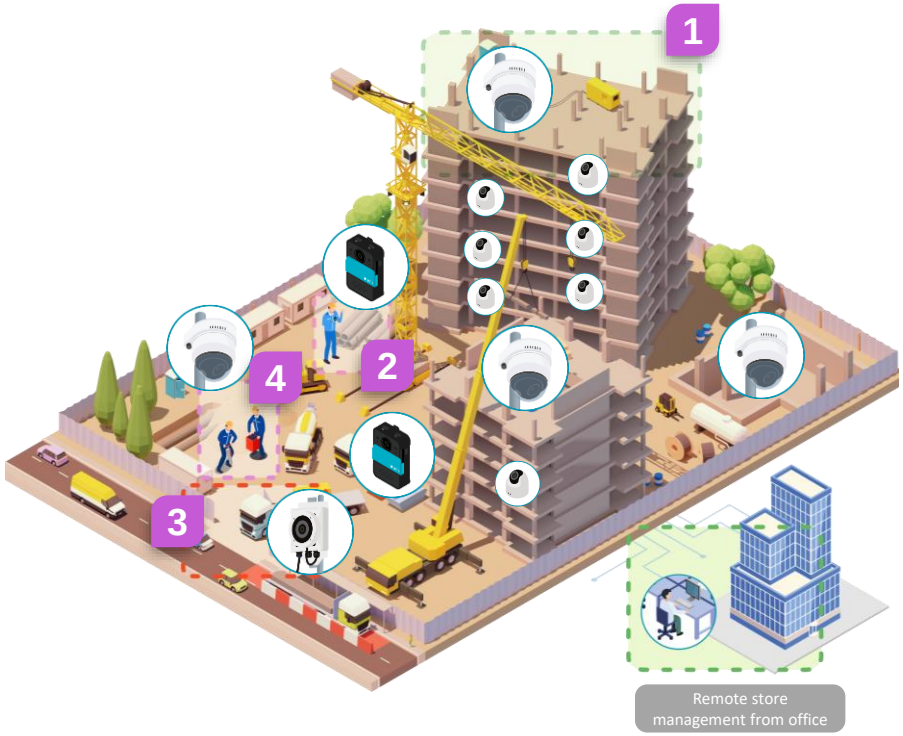


Video
Sensor
Audio

現場DX

Onsite DX for each industry: construction

Solution with multiple cameras enables better Onsite DX for construction industries



Solution with multiple cloudcams

1 

Monitoring of construction progress
Progress check through multiple cameras

2 

Remote presence
Cost reduction

3 

Gate inspection, crime prevention
Material theft prevention

4 

Unsafe behavior inspection
Preventing entry into unsafe areas

Onsite DX for each industry: construction

New remote management of construction site with video, audio and sensor data makes entry barrier even higher

Video with audio and sensor enables remote construction with five senses



1 Sensors detects irregular activities

- The sensors detect conditions at the site and equipment malfunctions, and notify the construction supervisor

2 Remote check with video image

- Check the situation at the site as notified by the n sensor on video.

3 Sharing via audio communication

- Simultaneous handsfree communication with multiple people is possible

4 Reporting through telepresence system

- Communication tool to connect two areas to allow smooth communication between construction site and office

現場DX

3 Accelerating AI development and AI use by working on our video platform further

Platform development initiative for creating AI, that is individually optimized more quickly and easily, has been selected for NEDO for their project

Overview

- We are selected for “Research and Development Project to Enhance the Post-5G Information and Communications System Infrastructure / Survey of Advanced Cases Related to the Utilization of Data-Generating AI” called by New Energy and Industrial Technology Development Organization (NEDO)
- Safie's efforts to build a platform since its founding will be further promoted by this project
- Maximum of ¥890 ml yen in consignment fees will be received in FY2025 for the investment related to the project



Reasons for selection

01 293K billing cloudcams

02 Large amount of video data

03 High level in-house technical capabilities

04 Collaboration with data owners

AI solution platform to accelerate onsite DX

We are accelerating AI business development through easy data use and platform development that can easily generate AI and relearn

Industry challenges

- Construction: Unsafe behavior / Long working hours
- Retail: Long working hours / Theft/shoplifting
- Security: Crime
- Road: Road congestion / Traffic accidents



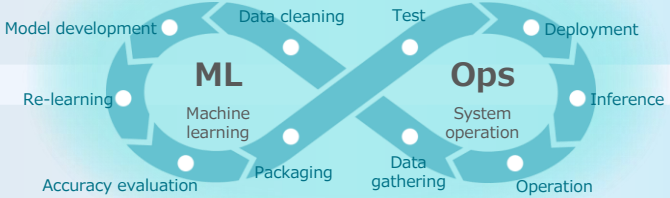
Data owners
(video data)

×



AI developers

safie
Cloud platform



AI solution


Safety area detection


Visualization of work efficiency


Less-staffed/ unmanned stores


Less shoplifting


Unmanned security


Visualization of traffic status

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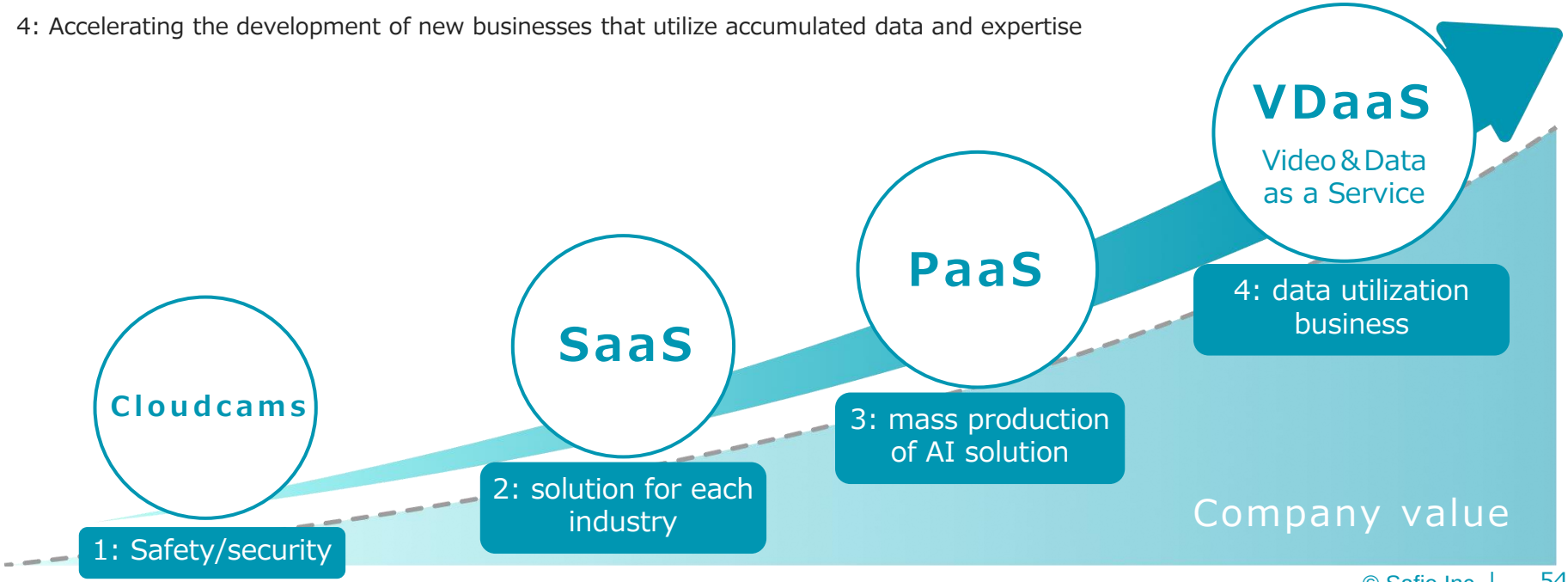
While steadily achieving results in the existing business areas, we will also be working on future business

1: Responding to the basic needs of safety and security across industries

2: Creating onsite DX solutions to meet the needs of many industries

3: Strengthening the video platform to make it easier to use data, easier to generate and relearn AI, and easier to do AI business

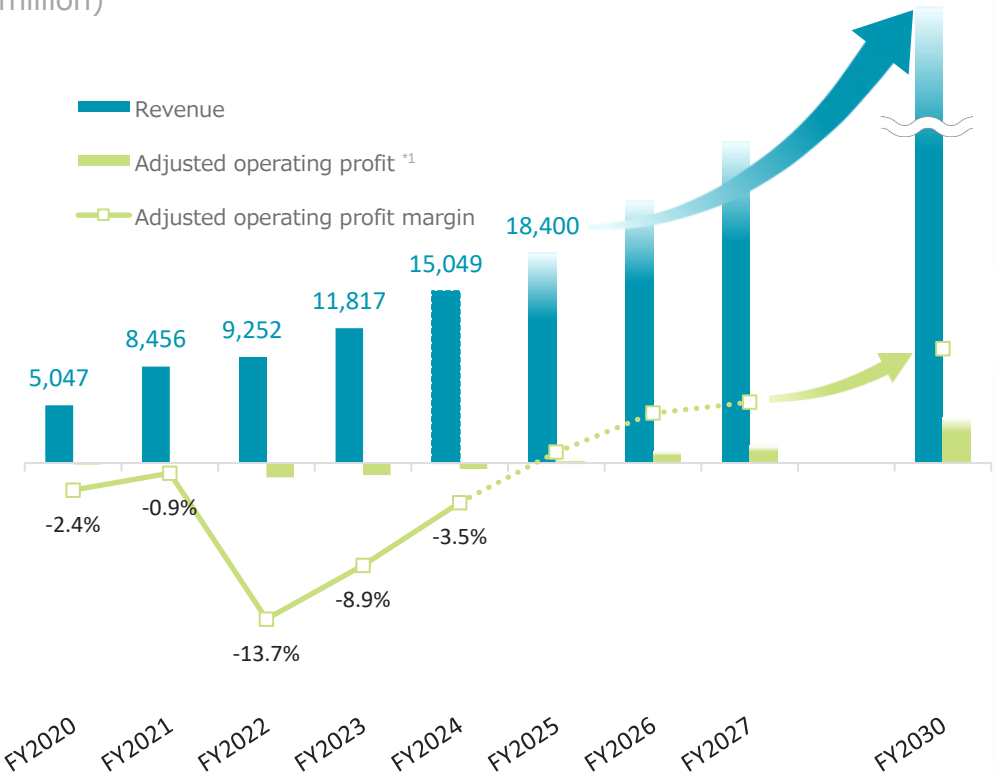
4: Accelerating the development of new businesses that utilize accumulated data and expertise



Mid-term financial target updated

Financial target

(¥ million)



Revenue growth rate

Before

・20~25%

After

・**22~27%**
・Even further revenue growth rate in longer term

Adjusted operating profit

Before

・We plan to achieve profitable adjusted operating income prior to our original plan (i.e., achieving in 2026)

After

FY2025 full year
・**Profitable adjusted operating income**

FY2026 and FY2027
・**Maintaining the trend of increasing profit**

*1 Adjusted operating profit/loss = operating profit/loss + stock-based compensation expense + depreciation of intangible assets arising from M&A + temporary expenses

Area for future investment

Expanding more solution lineup and recruiting experts who can accelerate business growth in each industry

Advertising and promotional investment (identifying and implementing measures suitable for each industry)

M&A to accelerate business growth

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We have conducted investment to accelerate sensor data use with video data, and business transfer regarding traffic volume analysis service

Investment to MODE, Inc. who has capability in data management and analysis of onsite data through

セーフィー、IoT・生成AI活用による現場データ管理・解析技術のMODEに出資
映像とセンサーの組み合わせにより現場業務の効率化や革新を支援

クラウド録画サービスシェアNo.1（※1）のセーフィー株式会社（東京都品川区：代表取締役社長CEO 佐渡島 隆平、以下「セーフィー」）は、現場業務を抱える業界のDXを加速させることを目的に、当社のCVCであるセーフィーベンチャーズ株式会社を通して、IoT技術に生成AIをかけ合わせることであらゆる作業現場での働き方に革新を起こすMODE, Inc.（米国カリフォルニア州サンマテオ：CEO 上田 学、以下「MODE」）への出資を行いました。



（※1）テクノ・システム・リサーチ社調べ「ネットワークカメラのクラウド録画サービス市場調査（2023）」より、エンジン別カメラ登録台数ベースのシェア（54.1%）

“Census AI” business has been transferred to Safie from CyberAgent, Inc.

AIによる交通量解析サービス「センサスAI」の事業譲受について

クラウド録画サービスシェアNo.1（※1）のセーフィー株式会社（東京都品川区：代表取締役社長CEO 佐渡島 隆平、以下「セーフィー」）は、株式会社サイバーエージェント（東京都渋谷区：代表取締役社長 藤田 晋）よりAIによる交通量解析サービス「センサスAI」を事業譲受いたしましたので、お知らせいたします。この度の事業譲受に伴い、セーフィーが2024年2月より提供開始している映像×AIの調査サポートサービス「Safie Survey（セーフィー サーベイ）」の提供範囲やメニューを拡大し、建設・公共領域における現場DXを推進してまいります。

■事業譲受の概要

（1）対象事業　AIによる交通量解析サービス「センサスAI」
（2）譲渡時期　2025年2月7日

（※1）テクノ・システム・リサーチ社調べ「ネットワークカメラのクラウド録画サービス市場調査（2023）」より、エンジン別カメラ登録台数ベースのシェア（54.1%）

Today’s summary



FY2024 results

- Revenue exceeded ¥15bn which is 106.0% achievement vs. guidance
- Solution revenue for FY2024 was ¥432ml, up by +51.6% YoY. This shows steady growth
- Gross profit per head increased throughout the year



FY2025 guidance and mid-term financial target

- Adjusted operating profit to be achieved in FY2025
- Revenue growth rate as mid-term financial target was revised upward to 22%～27%



Growth strategy

- Expanding business also through taking chances in already-installed (mainly on-premise) camera market
- More onsite DX
- Mass production of AI business based on AI platform development
- M&A to accelerate business growth



Create a better future with intelligent vision

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Appendix

Appendix

Company overview

At a Glance

Established

October 2014

The number of employees (as of Jan 2025)*1

480

Annual revenue (FY2025 forecast)

¥18,400m

ARR (as of end-Dec 2024)*2

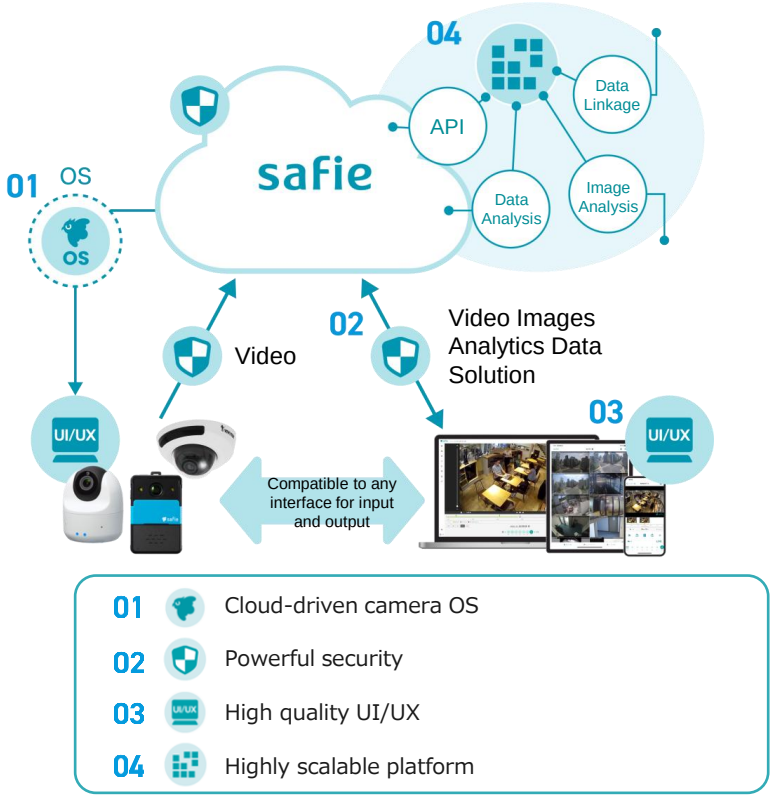
¥11,937m

The number of billing cloudcams (as of end-Dec 2024)*3

293K units

*1 Number of employees is counted at the beginning of the month.
*2 ARR: Annual Recurring Revenue. ARR is calculated by multiplying MRR (Monthly Recurring Revenue) at the end of the month by 12 (months). MRR: Monthly Recurring Revenue. MRR is the sum of total charges in the current month based on the contracts with continuous billing as of the end of the applicable month (including sales through sales partners).
*3 Billing cloudcam is the number of cloudcams in operation that is fee-charging for each quarter. It does not represent the number of cloudcams sold in each quarter.

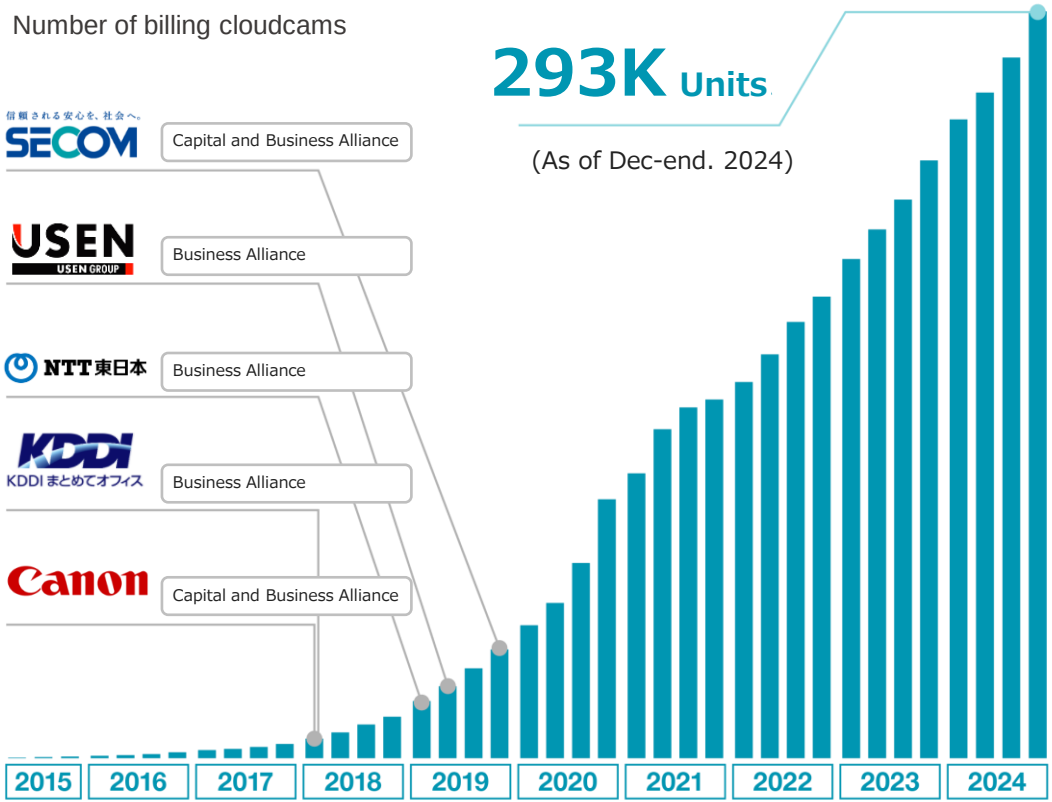
Overview of Products & Services



History and market share

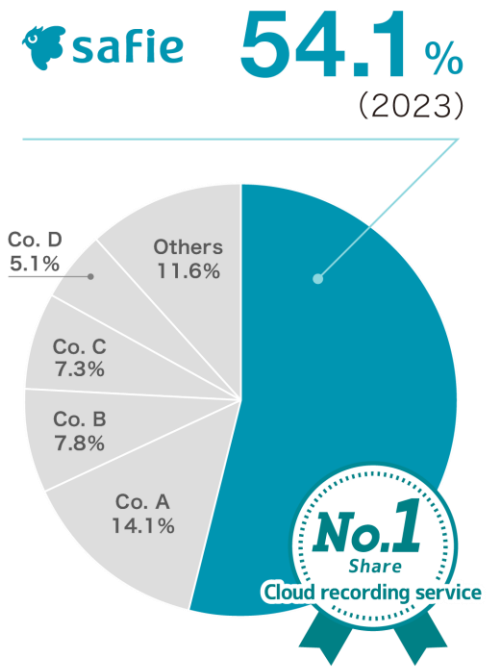
Billing cloudcams and Major Business Alliance

Number of billing cloudcams



Market share

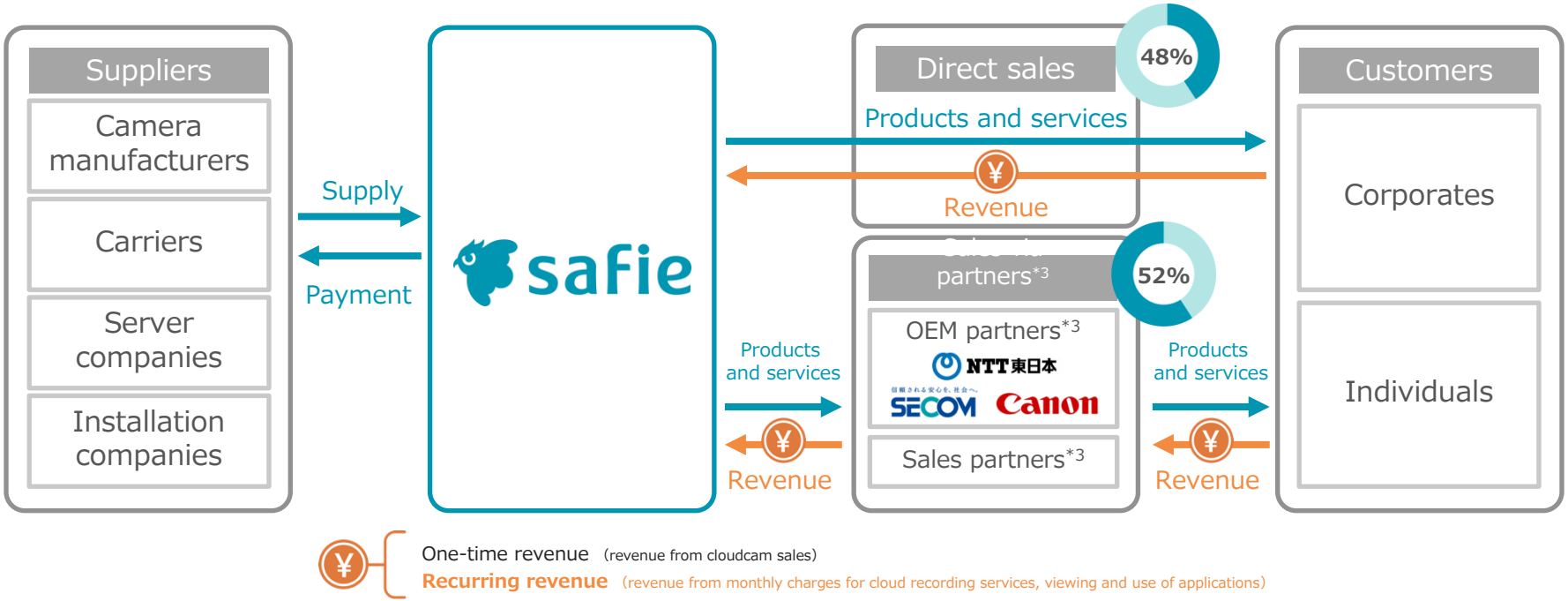
Market share of cloud monitoring and video recording services[*1]



*1 Techno Systems Research report of "Cloud recording service market research of network camera (2023)". Market share is based on the number of registered camera s by engine

Business model and sales channel

Safie's business consist of sales of cloudcams*1 by direct and/or through sales partners as well as providing cloud recording services*2



*1 Safie procures cloudcams from various camera manufacturers (incl. Safie brand cloudcams) and does not engage in manufacturing.
*2 Safie does not develop all the cloud infrastructure on its own but utilizes the services of major cloud vendors to provide data storage and viewing services.
*3 "OEM partner" is a partner that purchases cloudcams and cloud services (or only the latter) from Safie and resells to end clients under the partner's brand name.
"Other sales partners" is a partner that purchases cloudcams and cloud services (or only the latter) from Safie and resell to end customers under the Safie brand name.

Management team (1)



Ryuhei Sadoshima

Representative Director & CEO

Dec. 1999	Founded Daigakunote.com (CEO)
Apr. 2002	Joined So-net Co., Ltd (currently Sony Network Communications Inc.)
Oct. 2010	Joined Motion Portrait, Inc. (CMO)
Oct. 2014	Founded Safie Inc.
Dec. 2020	Ranked in first place of Forbes JAPAN's 200 Superstar Entrepreneurs 2021



Kazuma Morimoto

Director and CTO, R&D Division Head

Mar. 2001	Graduated from The University of Tokyo, Department of Applied Physics, School of Engineering
Apr. 2001	Joined Sony Corporation
Aug. 2012	Joined GREE, Inc.
Nov. 2013	Joined Motion Portrait, Inc.
Oct. 2014	Founded Safie Inc.



Tetsuharu Furuta

Director and CFO, Administration Division Head

Apr. 2006	Joined McKinsey & Company Inc.
Nov. 2010	Joined INCJ. Ltd. (Innovation Network Corporation of Japan)
Mar. 2017	Joined Safie Inc. as CFO (current position)
Oct. 2019	Director of Safie Inc. (current position)



Shoichiro Iwata

Outside Director

Mar. 1973	Joined Lion Fat and Oil Co., Ltd. (currently Lion Corporation)
Mar. 1986	Joined PLUS CORPORATION
May 1992	Head of ASKUL Business Promotion Office at PLUS CORP.
Mar. 1997	President of ASKUL Corporation
May 2000	President and CEO of ASKUL Corporation
Jun. 2006	Outside Director of Shiseido Company, Limited
Apr. 2008	Vice Chairman of Japan Association of Corporate Executives
Apr. 2012	Trustee of Japan Association of Corporate Executives
Sep. 2019	CEO of FORCE Marking & Management, Inc. (current position)
Aug. 2020	Outside Director of Safie, Inc. (current position)
Jun. 2021	Outside Director of S. T. Corporation (current position)
Sep. 2021	Outside Director of Arithmer, Inc. (current position)
May 2022	Outside Director of Hacobu, Inc. (current position)

Management team (2)



Chuya Sakurada

Executive Officer and CRO, Corporate Business Division Head

Mar. 2009 Graduated from School of International Liberal Studies, Waseda University
Apr. 2009 Joined Hikari Tsushin, inc.
Oct. 2010 Joined Rakuten, Inc. (currently Rakuten Group, Inc)
Jul. 2013 Joined Kotobuki Spirits Co., Ltd.
Mar. 2020 Joined Safie Inc.
Jan. 2025 Appointed Executive Officer



Hisaya Shiraishi

Executive Officer and CPO, Planning Division Head

Apr. 1997 Joined TDC Soft Inc.
Oct. 2002 Joined Yahoo Japan Corporation
Jun. 2018 Joined GYAO Corporation as Director
Oct. 2021 Joined Z Entertainment Corporation as head of CPO office
Jun. 2022 Joined Safie Inc.
Jan. 2023 Appointed Executive Officer



Nobuaki Nishimura

Executive Officer and VPoS, Corporate Business Deputy Division

Apr. 2001 Joined Orix Corporation
May 2018 Seconded to ORIX Corporation USA
May 2022 Joined Safie Inc.
Jan. 2023 Appointed Executive Officer



Yumi Uematsu

Executive Officer and AI Solution Platform Office Head

Mar. 1999 Masters from Division of Quantum Science and Engineering, Graduate School, Hokkaido University
Apr. 1999 Joined Hitachi Medico (currently Fuji Film Health Manufacturing Corporation)
Nov. 2006 Joined Sony Corporation
Jan. 2015 Joined Spotlight Inc. (currently Rakuten Payment, Inc.)
Sep. 2017 Joined Amazon G.K.
Feb. 2020 Joined Safie Inc.
Apr. 2021 Appointed Planning Division Head
Dec. 2021 Appointed Executive Officer



Shinya Nakamura

Executive Officer and CCO, Customer Service Division Head

Oct. 2001 Joined IT-it Co., Ltd. (currently EXEO System Management, Inc.)
Mar. 2007 Joined So-net Corp. (currently Sony Network Communications Inc.)
Apr. 2020 Joined Safie Inc., Operations Head
Dec. 2021 Appointed Executive Officer

Service overview of Safie Ventures investee companies

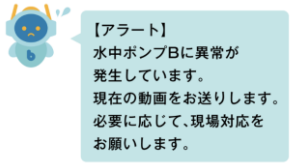
MODE



Providing IoT platform solutions



Collecting sensor and video data from onsite workplace



Use collected data at communication chat

BONX



Providing comprehensive communication solution for onsite workplaces



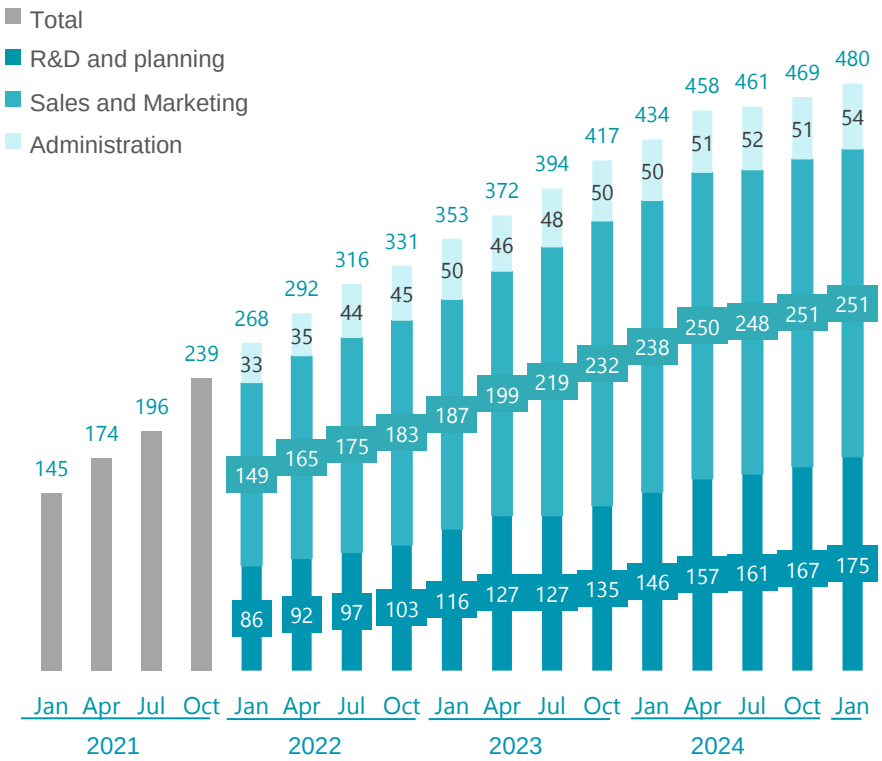
Smooth audio talk



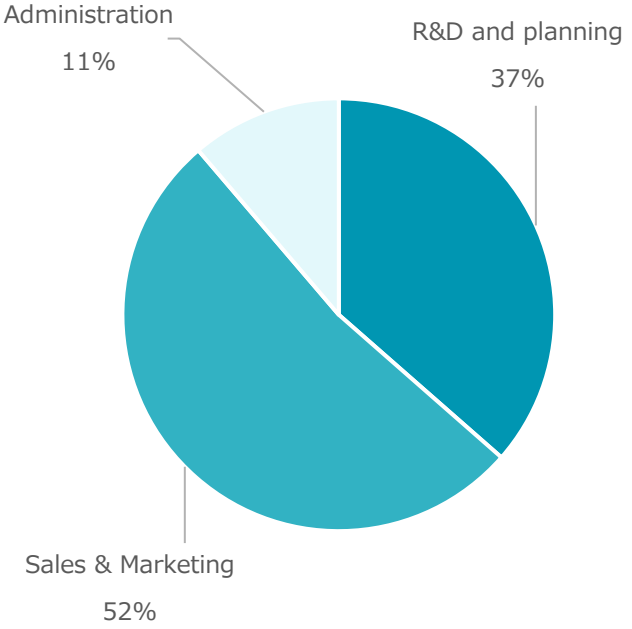
Suitable to any onsite workplace

Employees

Number of employees*1



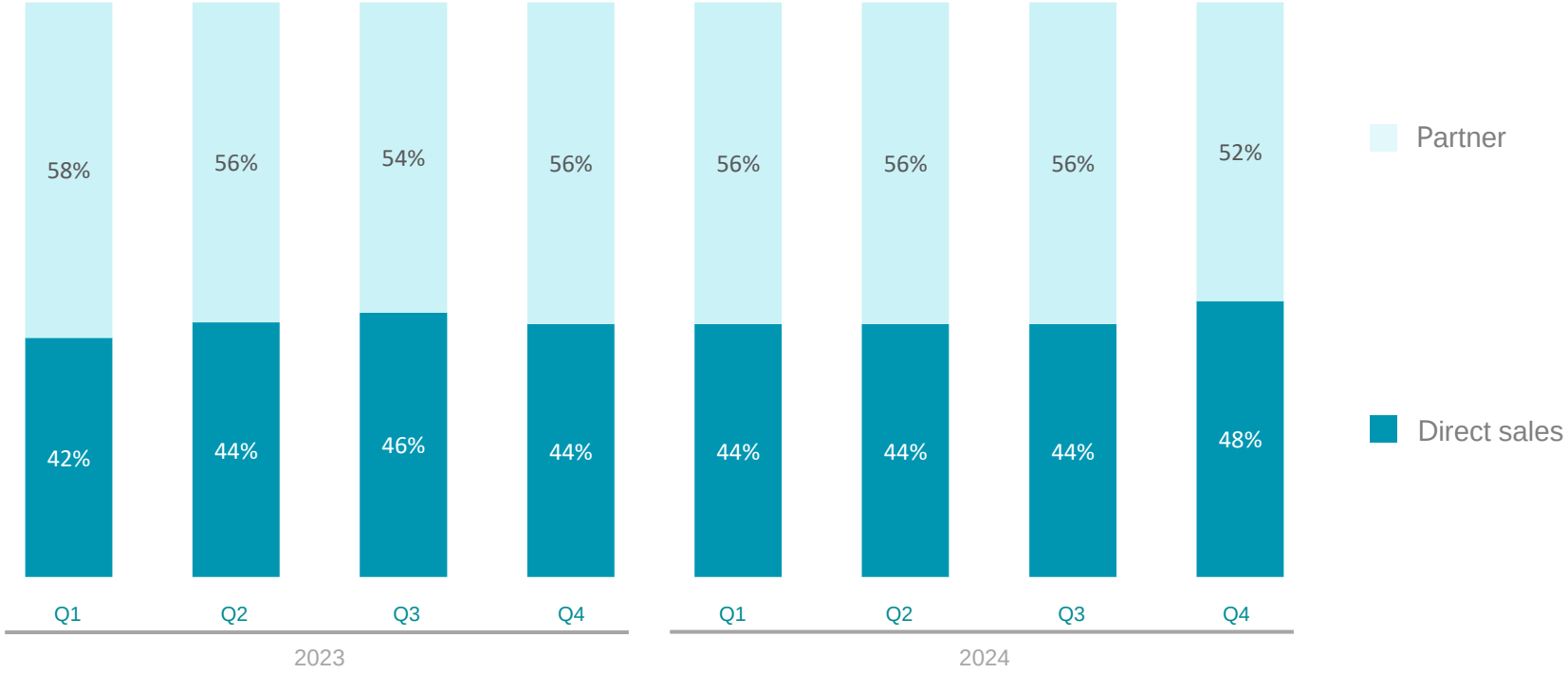
Employee breakdown



*1 Figures show the number of employees at the start of each month

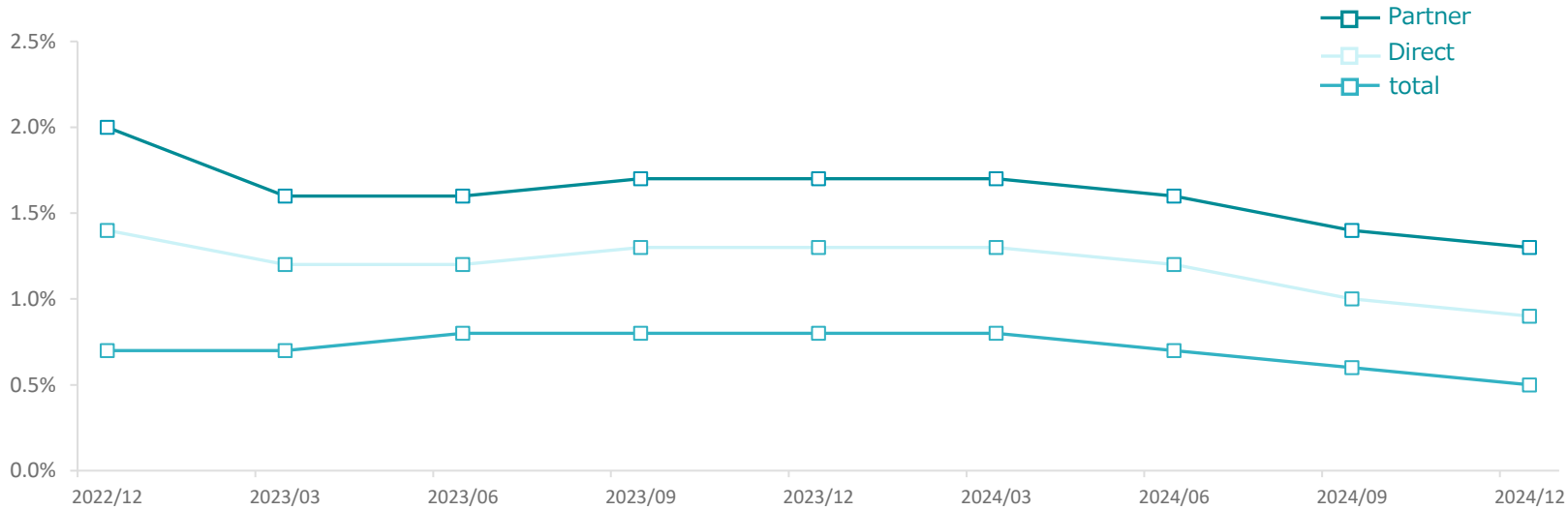
Revenue breakdown by sales channels

Quarterly



Churn rate

Safie PRO billing cloudcam 12-month average churn rate (volume basis) *1



	2022/12	2023/3	2023/6	2023/9	2023/12	2024/3	2024/6	2024/9	2024/12
Partner	2.0%	1.6%	1.6%	1.7%	1.7%	1.7%	1.6%	1.4%	1.3%
Direct	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.7%	0.6%	0.5%
Total	1.4%	1.2%	1.2%	1.3%	1.3%	1.3%	1.2%	1.0%	0.9%

*1 Due to the change in method of aggregating the number of billing cloudcams, figures for the churn rate is based on new method applicable from Q1 FY2023, and past figures are based on the previous method and are not adjusted to the new aggregation method.

Estimated TAM (Safie estimates)

Industry	Potential locations (thousands sites)	Estimated number of cloudcams per location*1	Potential number of cloudcams (million units)
Restaurants/café	1,400K*2	Approx. 4 units	Approx. 5.62 units
Retail	880K*3	Approx. 10 units	Approx. 8.80 units
Service (excluding hotels)	430K*4	Approx. 4 units	Approx. 1.73 units
Service (hotels)	50K*4	Approx. 10 units	Approx. 0.51 units
Construction	300K*5	Approx. 5 units	Approx. 1.50 units
Housing construction	2,210K*6	Approx. 1 units	Approx. 2.21 units
Manufacturing/logistics	260K*7	Approx. 10 units	Approx. 2.60 units
Infrastructure/public	1,990K*8	Approx. 3 units	Approx. 5.98 units
Finance	160K*9	Approx. 3 units	Approx. 0.50 units
Parking	5,560K*10	Approx. 1 units	Approx. 5.56 units
Hospitals/nursing/educational institution	270K*11	Approx. 10 units	Approx. 2.77 units
Offices	260K*12	Approx. 3 units	Approx. 0.78 units
Condominiums	120K*13	Approx. 4 units	Approx. 0.49 units
Elevators	770K*14	Approx. 1 units	Approx. 0.77 units
Office buildings	10K*15	Approx. 50 units	Approx. 0.52 units
Total	14,620K	-	Approx. 40.34 units

Source: All source is available in Japanese, and hence sources were written in Japanese languages as below : *1 1拠点あたり想定設置台数 過去の事業経験等を踏まえた当社の試算値、*2 厚生労働省「令和5年度衛生行政報告例」に記載の飲食店営業施設数（2024）、*3 経済産業省「令和3年経済センサス-活動調査結果（卸売業，小売業）」に記載の小売業の事業所数（2021）、*4「アミューズメント産業界の実態調査 2021年度」に記載のアミューズメント施設店舗数（2023）、警察庁「令和5年における風俗営業等の現状と風俗関係事犯等の取締り状況について」に記載のパチンコ/パチスロ店舗数（2024）、文部科学省「令和3年度社会教育統計の公表について」に記載の図書館数、博物館数（2023）の合計、厚生労働省「令和5年度衛生行政報告例の概況」に記載の公衆浴場数（2024）及び理容室・美容室数（2024）、ホテル数（2024）及び旅館数（2024）、*5 国土交通省「建設工事受注動態統計調査報告（令和5年計分）」に記載の公共機関からの受注工事件数（2024）、*6 国土交通省「建築着工統計調査報告　時系列一覧」に記載の新設住宅着工数（2025）、「建築物リフォーム・リニューアル調査報告（概要）」に記載の工事受注件数（2022）*7 経済産業省「2023年経済構造実態調査」に記載の工場・作業場（2024）及び物流センター推定数（2024）及び大型物流センター推定数（2024）の合計、*8 資源エネルギー庁公表の自然エネルギー発電設備総数（2019）、「緯度経度付き全国沿線・駅データベース」に記載の鉄道等の駅数（2025）、水道技術研究センター「水道ホットニュース」に記載の水道・浄水場数（2021）、国土交通省公表の下水道処理場数（2024）及び河川管理施設数（2024）の合計、*9「2023年版決済統計年報」に記載の金融（銀行店舗数 2022-2023）、全国信用組合主要勘定及び系統信、用事業の現状と農林中央金庫の役割 他に記載の金融（ATM数 2023）の合計、*10国土交通省「自動車駐車場年報　令和５年度版（2023年）」に記載の駐車場総共用台数（2023）、*11 厚生労働省「令和5年医療施設（動態）調査・病院報告」に記載の医療施設数（2023）と、厚生労働省「令和5年社会福祉施設等調査」に記載の有料老人ホーム数（2023）、文部科学省「令和6年度学校基本調査（確定値）」に記載の学校数（2024）及び幼稚園数（2024）、こども家庭庁「保育所等関連状況取りまとめ（令和5年4月1日）」の保育所（2023）及び他保育施設数（2023）の合計、*12 国土交通省「2023年法人土地・建物基本調査」に記載の主な利用現況が事務所の建物件数（2024）、*13 一般社団法人マンション管理業協会「令和6年マンション管理受託動向調査結果概要」に記載のマンション棟数（2024）、*14 一般社団法人日本エレベーター協会「2022年度昇降機設置台数等調査結果報告」に記載のエレベーター保守台数（2023）、*15 一般財団法人日本不動産研究所「【公表資料】全国オフィスビル調査（2023年1月現在）」に記載のオフィスビル件数（2023年）

Consolidated balance sheet

(¥ thousand)	End Dec. 2023	End Dec. 2024
(Assets)		
Current assets		
Cash and deposits	7,216,707	6,799,232
Electronically recorded monetary claims	10,300	12,600
Accounts receivable – trade	1,704,684	2,235,019
Contract asset	8,534	1,219
Merchandise	968,061	789,745
Work in process	-	11,506
Other	349,749	401,998
Allowance for doubtful accounts	△3,730	△4,995
Total current assets	10,254,307	10,246,326
Non-current assets		
Property, plant and equipment	-	487
Investment and other assets	1,446,942	776,675
Total non-current assets	1,446,942	777,163
Deferred assets	282	598
Total assets	11,701,532	11,024,087

	End Dec. 2023	End Dec. 2024
(Liabilities)		
Current liabilities		
Accounts payable –trade	702,369	1,094,652
Accounts payable other	343,914	613,242
Current proportion of long-term borrowings	91,656	1,656
Income tax payable	53,602	75,450
Contract liabilities	95,703	55,771
Provision for bonuses	30,000	186,480
Other	308,293	381,267
Total current liabilities	1,625,538	2,408,521
Non-current liabilities		
Long-term borrowings	2,548	892
Deferred tax liabilities	504	5,507
Other	56,000	40,000
Total non-current liabilities	59,052	46,399
Total liabilities	1,684,591	2,454,920
Net assets		
Shareholders' equity		
Share capital	5,584,350	5,617,220
Capital surplus	8,069,732	8,102,602
Retained earnings	△3,642,070	△5,194,555
Treasury shares	△167	△216
Total shareholders' equity	10,011,844	8,525,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,144	12,478
Foreign currency translation adjustment	-	△3,238
Total accumulated other comprehensive income	1,144	9,240
Share acquisition rights	3,952	12,720
Non-controlling interests	-	22,156
Total net assets	10,016,941	8,569,167
Total liabilities and net assets	11,701,532	11,024,087

Reconciliation table for adjusted operating profit

(¥ million)	2020				2021				2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating profit	△147	△111	6	132	63	31	△56	△115	△218	△384	△281	△398	△182	△256	△399	△252	△99	△203	△64	△214
+) stock-based compensation expense	0	0	0	0	0	0	0	0	0	5	6	6	6	8	10	8	8	11	13	12
+) depreciation of intangible assets arising from M&A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted operating profit	△147	△111	6	132	63	31	△56	△115	△218	△379	△275	△391	△176	△247	△389	△244	△90	△191	△50	△201

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- This presentation material includes forward-looking statements that express expectations of future results. These forward-looking statements include, but are not limited to, expressions such as “believe”, “anticipate”, “plan”, “develop a strategy”, “expect”, “project”, “forecast” or “have the potential” and other similar expressions that explain our future business activities, results, events and circumstances. Forward-looking statements are based on the intentions of our management based on the information that is available to them at the time of such statements. Therefore, these forward-looking statements are dependent on various risks and uncertainties, and actual results may significantly differ from the results expressed or implied in the forward-looking statements. Accordingly, you should not place undue reliance on the forward-looking statements.

- We are not under any obligation to change or correct the forward-looking statements according to new information, future events or other discoveries.

- Any information pertaining to companies other than us or that was derived from any third-party source identified in this presentation material is cited from publicly-available information. We have not independently verified the accuracy or appropriateness of such information and are not able to guarantee the accuracy of such information.



For inquiries, please contact Safie IR at ir@safie.jp

Details on Safie Inc.’s as below

Sustainability initiatives: https://safie.co.jp/csr/

IR website: https://safie.co.jp/en/ir/