

November 13, 2023

Brief Report on

Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024

Estore Corporation

Estore Group



Summary of Consolidated Business Results

Business results improved due to the consolidation of SHIFFON and success in capturing strong DX demand from enterprises (especially due to the growth of Commerce21)

(Millions of yen)	Q2 FY3/23	Q2 FY3/24	YoY
Net sales	2,850	5,214	183%
EC business	2,850	3,070	108%
HOI business	—	2,143	—
Operating income	247	232	94%
EC business	247	328	133%
HOI business	—	-98	—
Net income attributable to owners of parent	92	167	181%

EBITDA	356	471	132%
EC business	356	445	125%
HOI business	—	24	—

*EBITDA = Operating income + depreciation and amortization + amortization of goodwill *Figures are rounded to the nearest whole number and do not include adjustments

Highlights

Business results improved due to the consolidation of SHIFFON and success in capturing strong DX demand from enterprises (especially due to the growth of Commerce21)

Net sales
5,214 million yen
Increased by 83% year on year

HOI
business

Sales increased due to the consolidation of SHIFFON (consolidation started in the second half of the previous fiscal year)
Increase of 2,143 million yen

EC
business

Business results improved due to success in capturing strong DX demand from enterprises (especially due to the growth of Commerce21).
Increase of 221 million yen

Operating income
232 million yen
Decreased by 6% year on year

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Operating income for the EC business increased by 81 million yen due to an increase in the number of large-scale projects achieved by strengthening the consulting sales of Commerce21, as well as the enhancement of business management.

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Prior investment in systems: 89 million yen increase
Extraordinary bonus (one-time): 69 million yen increase
Amortization of goodwill: 88 million yen increase, depreciation and amortization: 43 million yen increase

EBITDA
471 million yen
Increased by 32% year on year

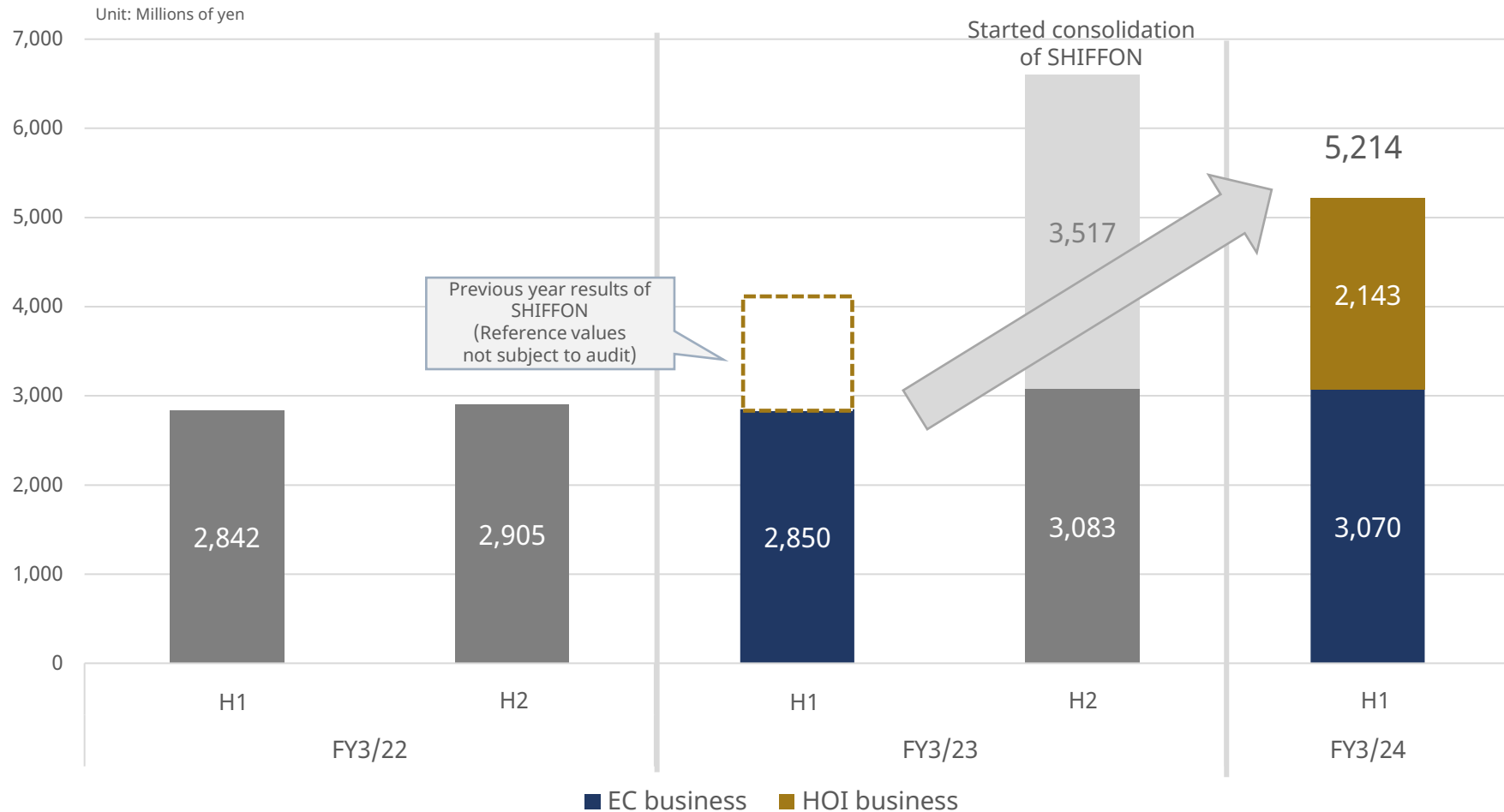
Profitability increased by 115 million yen

Sales increased due to the start of full-year consolidation of SHIFFON

(consolidation started in the second half of the previous fiscal year)

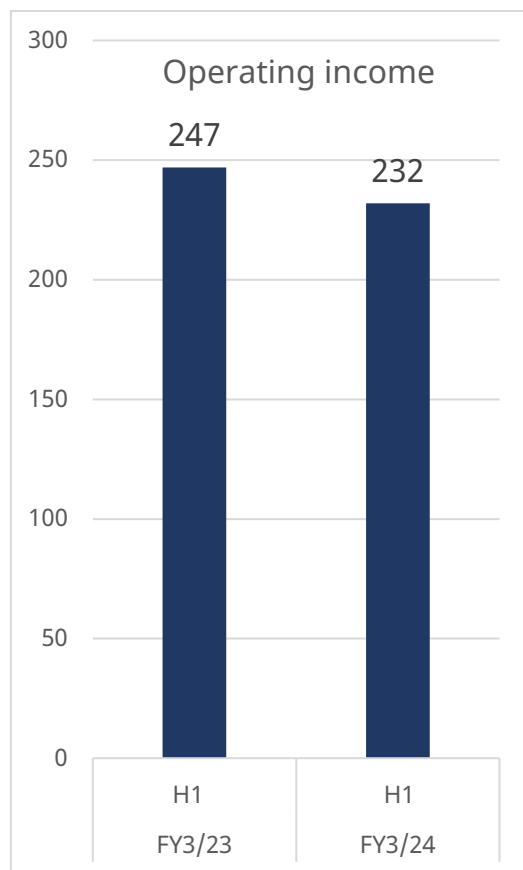
Net sales

Sales increased due to the consolidation of SHIFFON and success in capturing strong DX demand from enterprises (especially due to the growth of Commerce21)

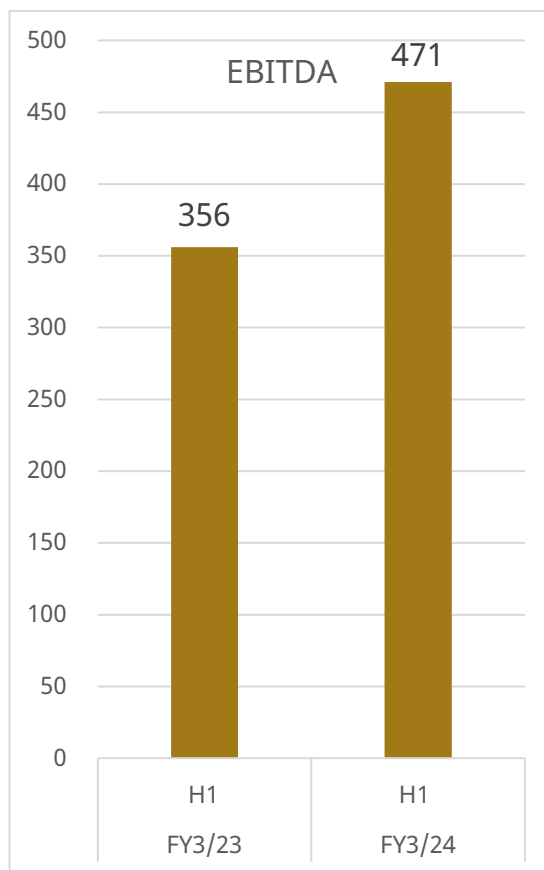


EBITDA (profitability) increased

Unit: Millions of yen

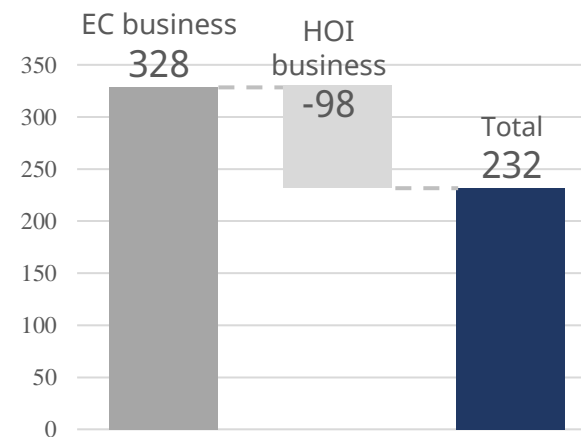


Unit: Millions of yen

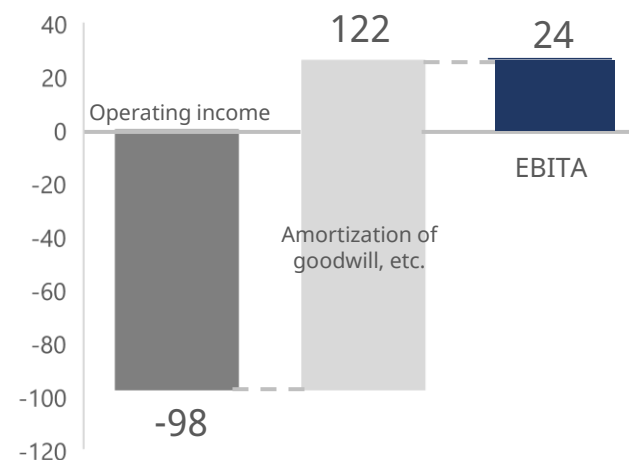


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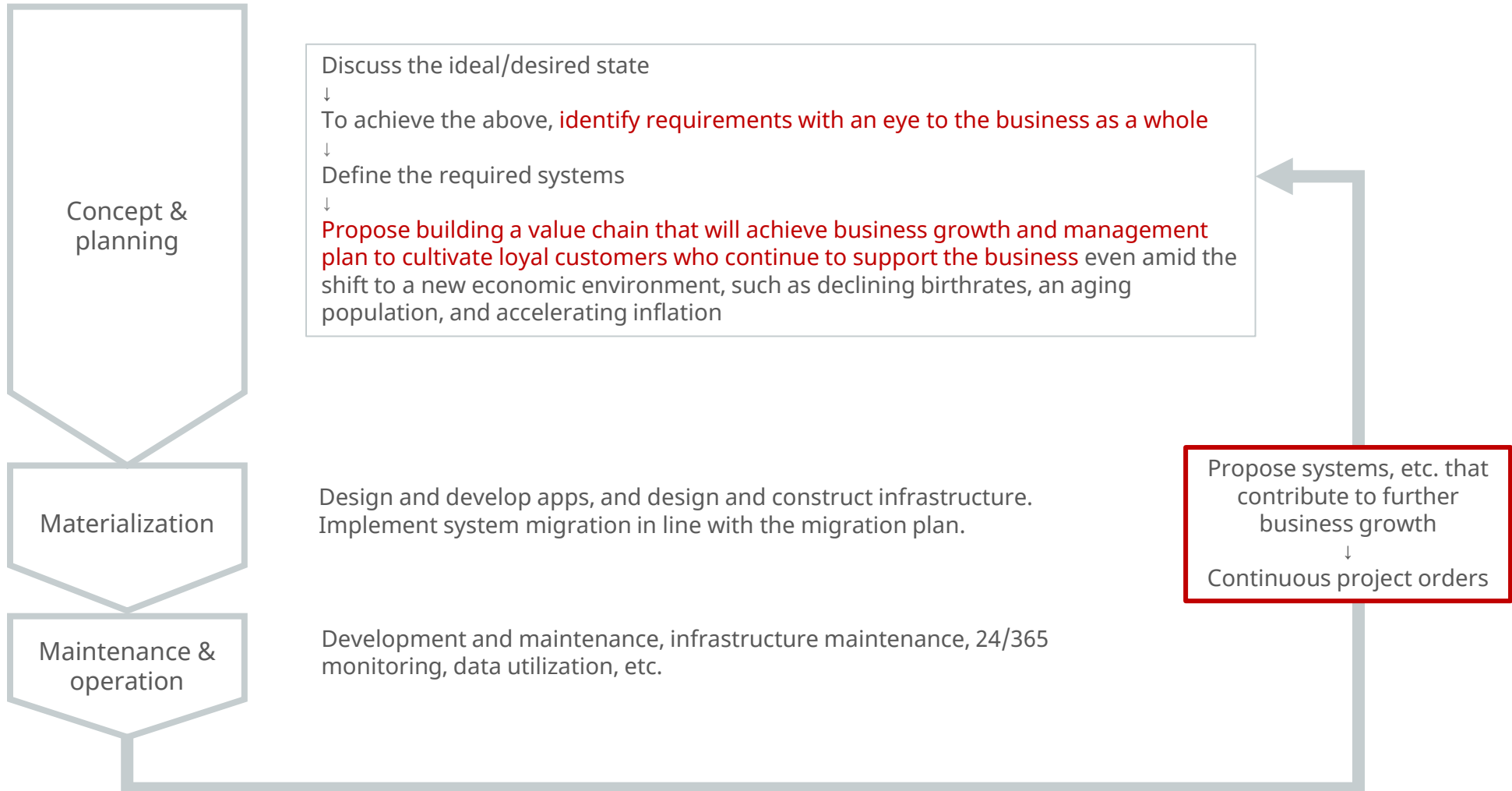
Breakdown of operating income



Operating income/EBITDA of SHIFFON



Commerce21 offers not only system development proposals, but also continuous proposals with an eye to the business as a whole, with the aim of building clients' value chains and cultivating loyal customers.



Both sales and operating income progressed as planned

Full-Year Forecast

Progressed as planned toward achieving the business plan for the current period

(Millions of yen) <small>*Figures are rounded to the nearest whole number</small>	(Reference) FY3/23 2H results <small>Oct. 2022–Mar. 2023</small>	FY3/24 Q2 results	FY3/24 Shortfall from full-year plan	FY3/24 Full-year forecast
Net sales	6,600	5,214	7,284	12,498
EC business	3,083	3,070	3,095	6,165
HOI business	3,517	2,143	4,189	6,332
Operating income	636	232	603	835
EC business	384	328	158	486
HOI business	252	-98	448	349
EBITDA	826	471	754	1,226

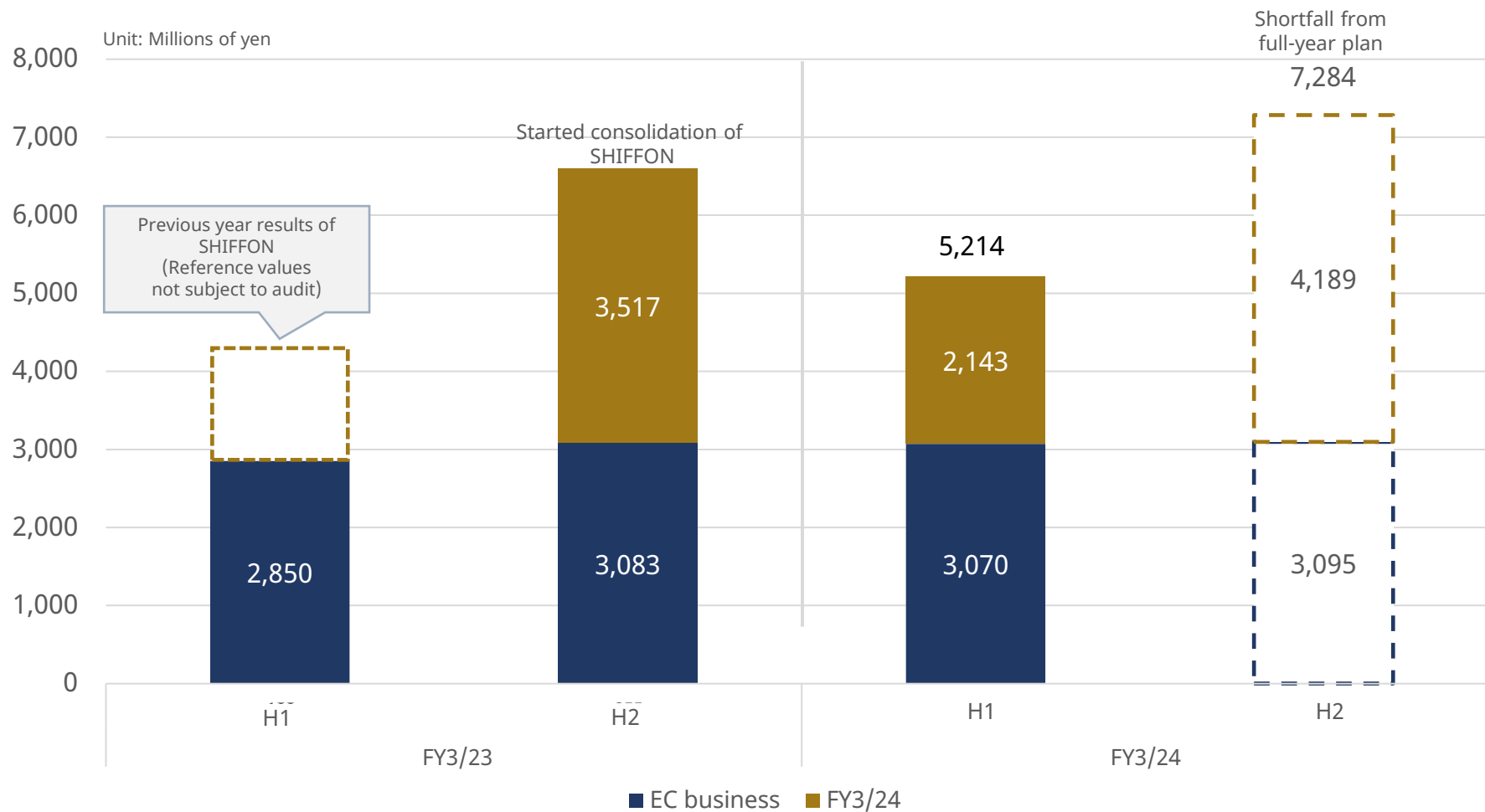
*EBITDA = Operating income + depreciation and amortization + amortization of goodwill

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Sales progressed as planned

Full-Year Forecast: Net Sales

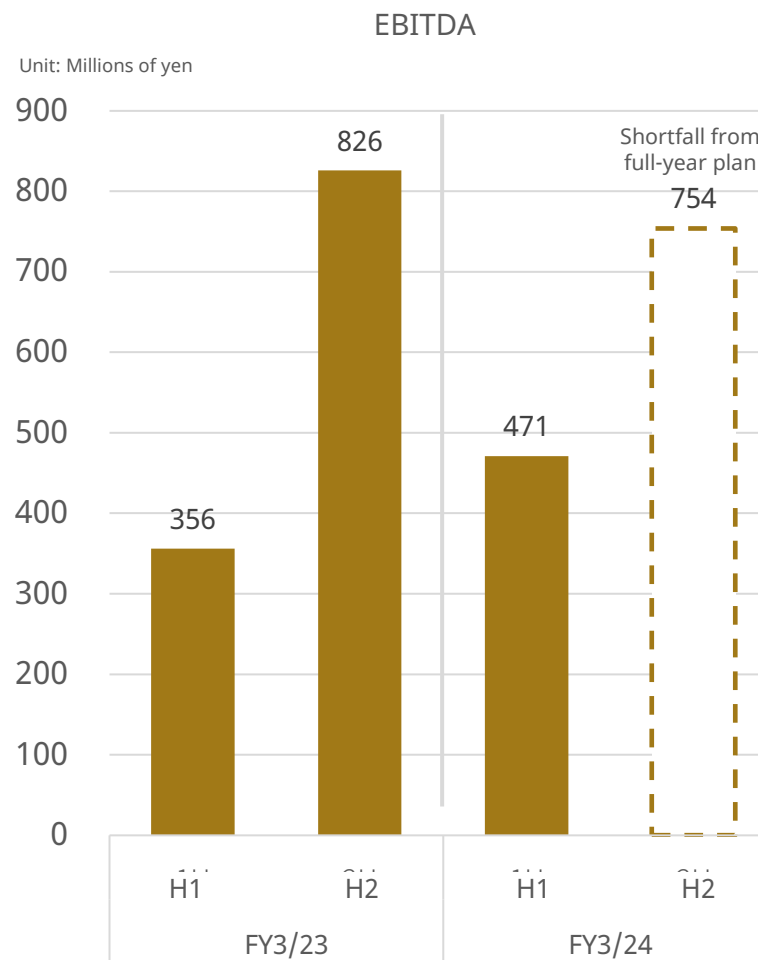
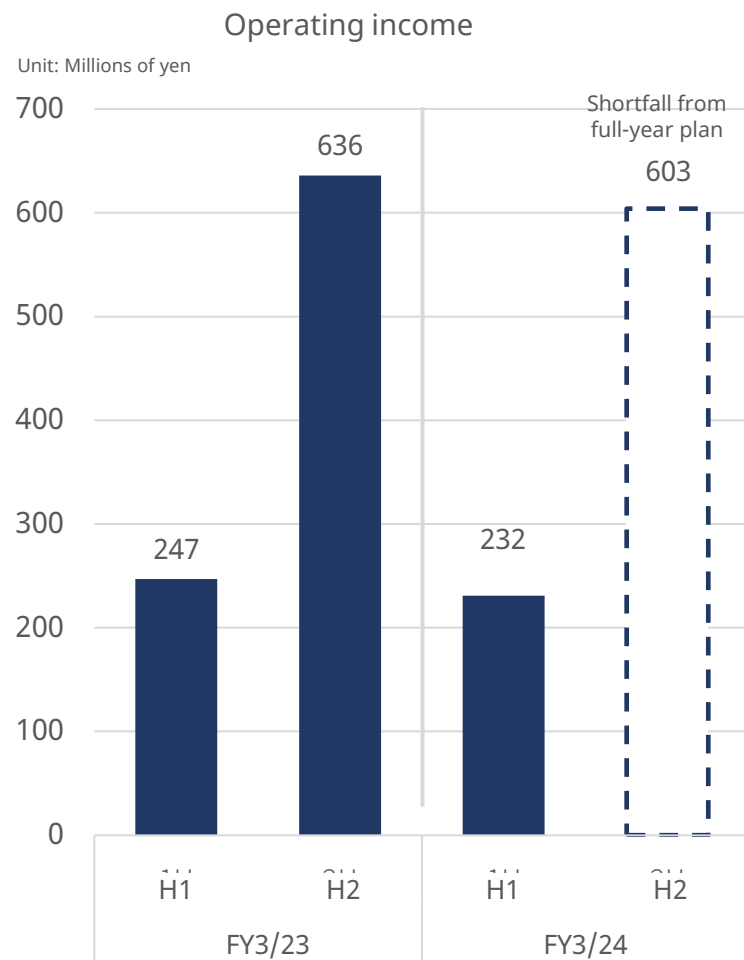
With a business structure that has sales concentrated in the second half of the fiscal year, sales progressed as planned toward achieving the business plan for the current period



Both operating income and EBITDA progressed as planned

Full-year Forecast:
Operating Income/EBITDA

With a business structure that has sales concentrated in the second half of the fiscal year, operating income progressed as planned toward achieving the business plan for the current period



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Please be aware that the forward-looking statements contained in this presentation and the briefing materials may include a number of uncertain elements. As such, actual results may differ from these forward-looking statements due to changes in various factors.