

May 15, 2024

Brief Report on Financial Results for the Fiscal Year Ended March 31, 2024

Estore Corporation

Estore Group



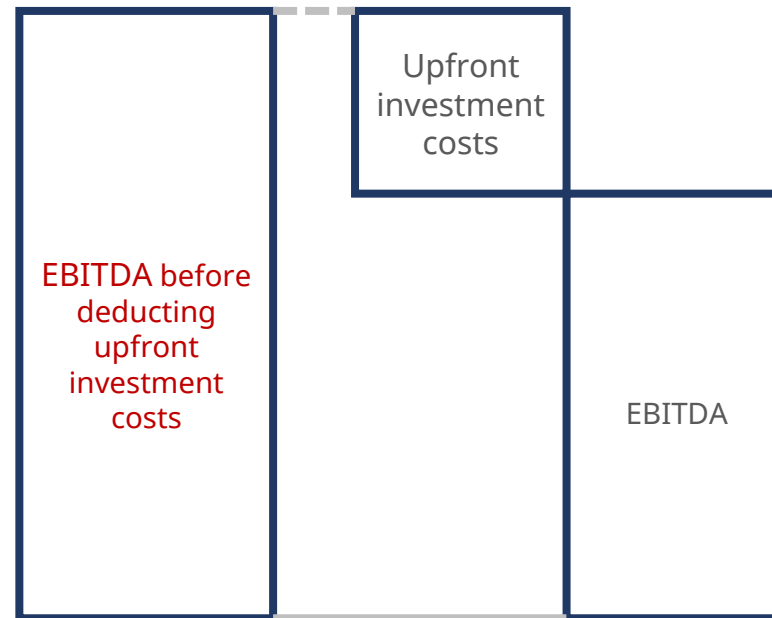
commerce21



S H I F F O N

1. Currently we are in a phase aggressively promoting upfront investment for the future, and
2. Shifting our focus from the EC to HOI business.

Based on the above, we focus on EBITDA before deducting upfront investment costs as the most appropriate indicator to present the business's actual value.



*EBITDA before deducting upfront investment costs = Operating income + depreciation and amortization + amortization of goodwill + upfront investment costs

The highest increase in consolidated sales and profits with steady performance in both EC and HOI businesses.

Summary of Consolidated Business Results

Both the EC and HOI businesses recorded the highest increase in sales and profits due to success in capturing strong DX demand from enterprises (especially due to the growth in Commerce21's large-scale projects) and the start of full-year consolidation with SHIFFON. The same applies to EBITDA before deducting upfront investment costs.

*See slide 10 for details on the growth of Commerce21

(Millions of yen)		FY3/23	FY3/24	YoY
Net sales		9,449	12,566	133%
	EC business (of which for Commerce21)	5,942 (2,576)	6,136 (2,891)	103% (112%)
	HOI business	3,516	6,444	183%
EBITDA before deducting upfront investment costs		1,506	1,844	122%
	EC business (of which for Commerce21)	1,147 (673)	1,265 (787)	110% (116%)
	HOI business	359	575	160%
Operating income		882	1,086	
Net income attributable to owners of parent		304	462	
Year-end dividend per share (yen)		50.00	53.00	

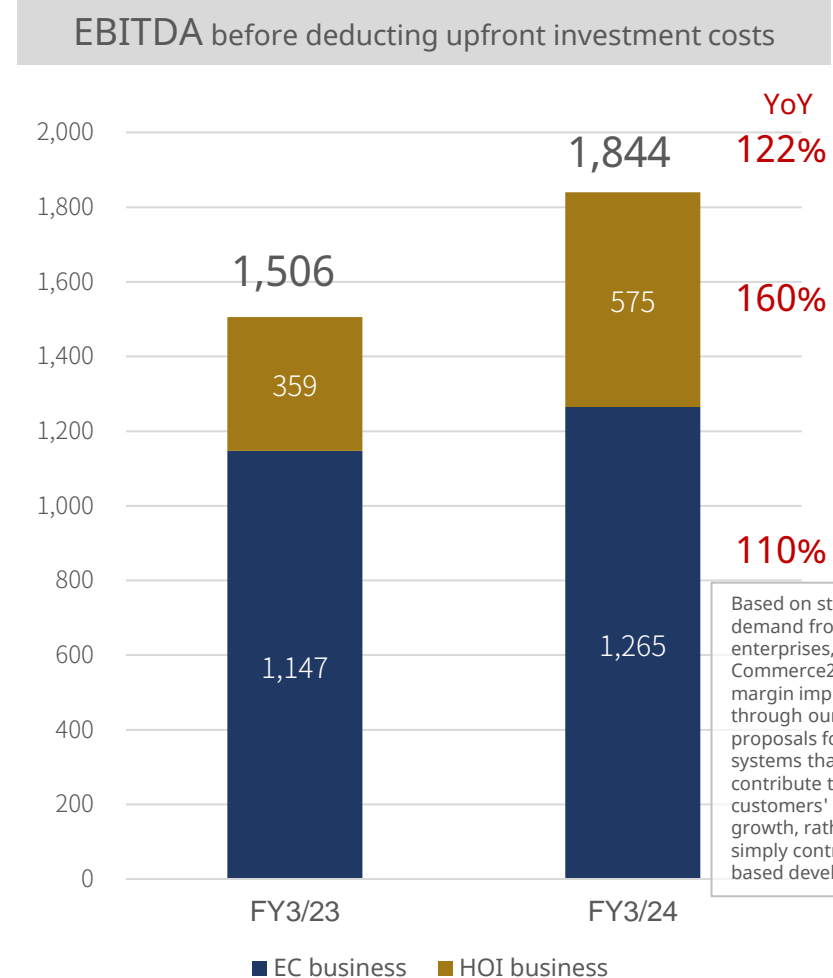
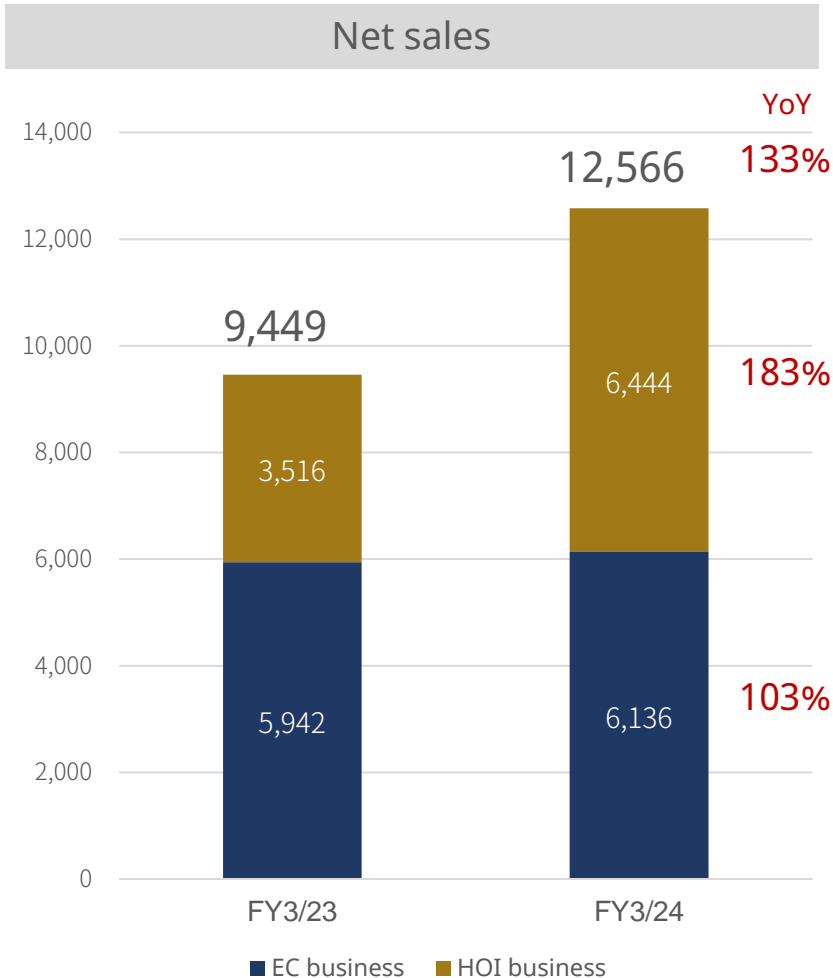
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- Figures are truncated; figures by business do not include adjustments

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Based on strong DX demand from enterprises, Commerce21's profit margin improved through our proposals for systems that contribute to customers' business growth, rather than simply contract-based development.

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Both net sales and EBITDA before deducting upfront investment costs are expected to reach record highs.

FY3/25 Forecast

(Millions of yen)	FY3/23 Results	FY3/24 Results	FY3/25 Forecast	YoY
Net sales	9,449	12,566	13,350	106%
EC business (of which for Commerce21)	5,942 (2,576)	6,136 (2,891)	6,350 (3,150)	104% (109%)
HOI business	3,516	6,444	7,000	109%
EBITDA before deducting upfront investment costs	1,506	1,844	1,966	106%
EC business (of which for Commerce21)	1,147 (673)	1,265 (787)	1,396 (963)	110% (122%)
HOI business	359	575	579	101%

<Main growth factor>
In the EC business, Commerce21's large-scale projects continue to grow due to success in capturing strong DX demand from enterprises. *1

*1 See slide 10 for details on the growth of Commerce21

Operating income 882 1,086 1,206

Depreciation and amortization, amortization of goodwill, etc. 298 443 350

Upfront investment costs 324 315 410

Mainly by Estore only

Mainly by Commerce21*2

*2 See slide 11 for details on upfront investment costs of Commerce21

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Progress of Medium-Term Management Plan

Overall:

Overall progress is on track. Although the synergy strategy was not realized, the shift to the HOI business is successful.

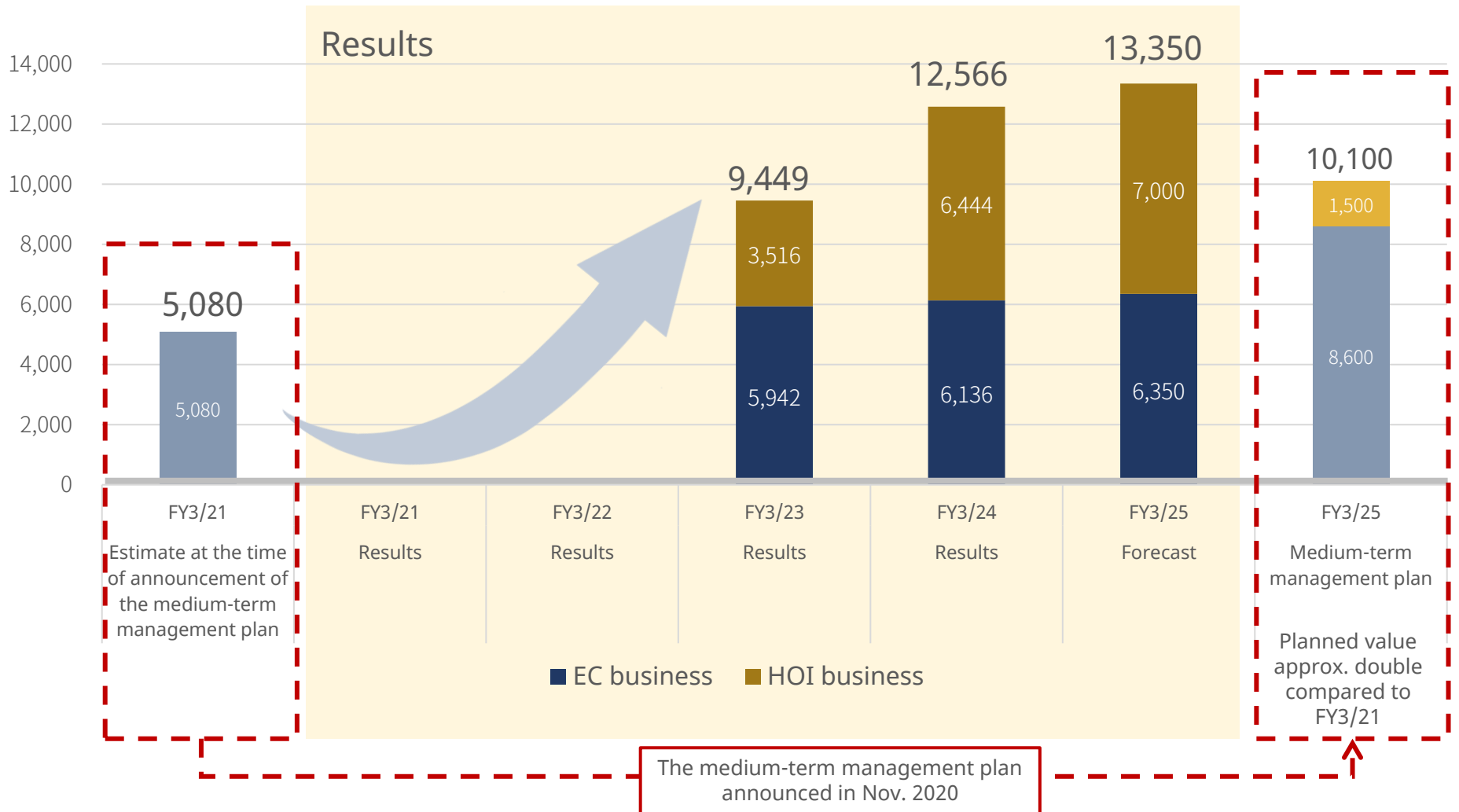
EC business:

- Synergies we initially envisioned (in the marketing and payment areas) were not realized.
- Commerce21 had more large-scale projects due to enterprises' DX promotion, which was further accelerated as a result of the COVID-19 pandemic and labor shortages.

HOI business:

- As more enterprises are actively considering M&A to promote DX and gain management expertise, a favorable environment has been created for expanding our HOI business.

Net sales

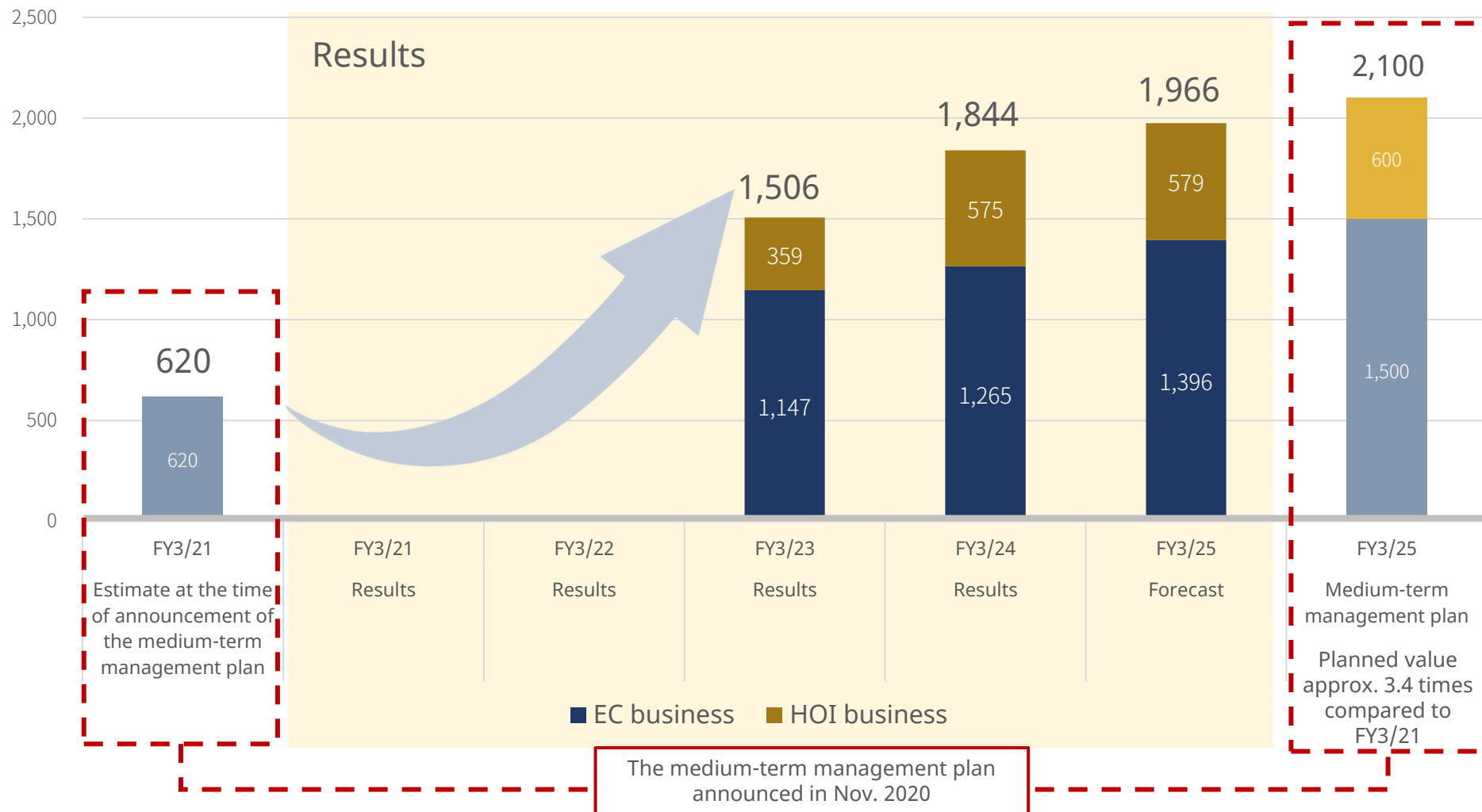


• Figures are truncated; figures by business do not include adjustments

EBITDA before deducting upfront investment costs

is also within the range.

EBITDA before deducting upfront investment costs



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Net sales are expected to exceed the plan, and EBITDA before deducting upfront investment costs is also within range.

Progress of Medium-Term Management Plan

(Millions of yen)	FY3/21 Estimate at the time of announcement of the medium-term management plan	FY3/23 Results	FY3/24 Results	FY3/25 Forecast	Figures in the mid-term management plan
Net sales	5,080	9,449	12,566	13,350	10,100
EC business (of which for Commerce21)	5,080	5,942 (2,576)	6,136 (2,891)	6,350 (3,150)	8,600
HOI business	0	3,516	6,444	7,000	1,500
EBITDA before deducting upfront investment costs	620	1,506	1,844	1,966	2,100 *1
EC business (of which for Commerce21)	620 (-)	1,147 (673)	1,265 (787)	1,396 (963)	800
HOI business	0	359	575	579	1,300
Operating income		882	1,086	1,206	2,000
Depreciation and amortization, amortization of goodwill, etc.		298	443	350	100
Upfront investment costs		324	315	410	—
		Mainly by Estore only		Mainly by Commerce21*2	

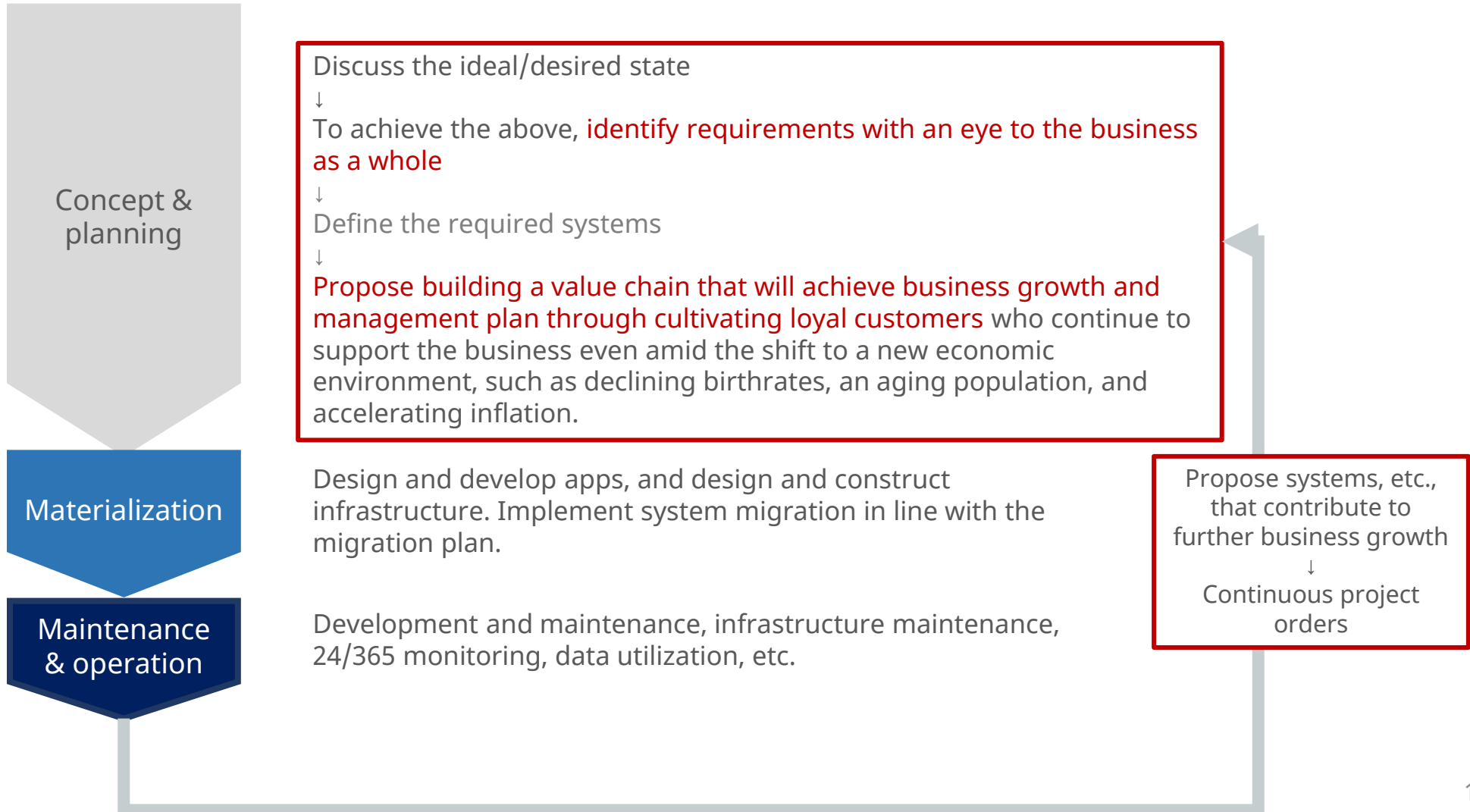
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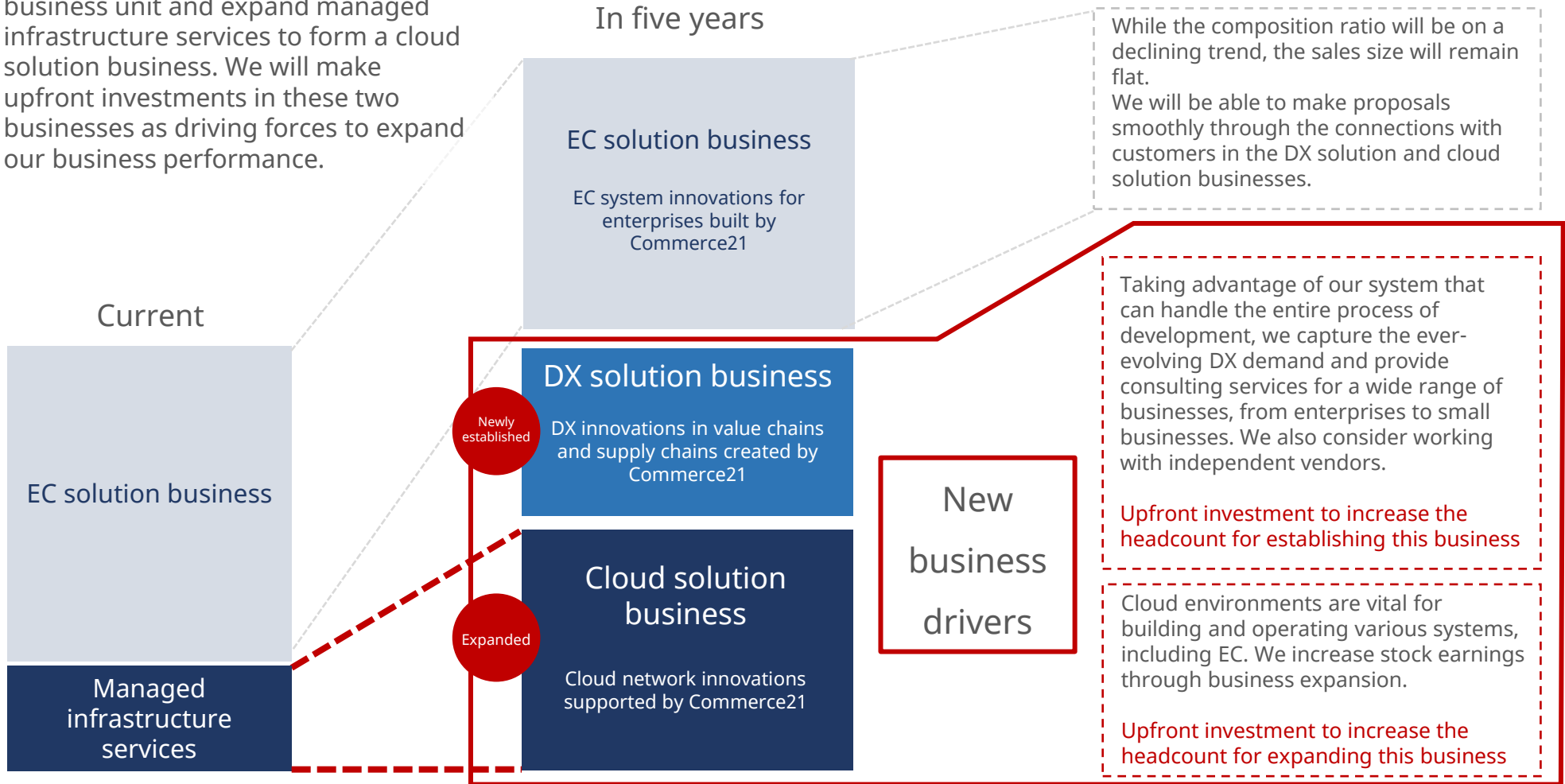
*1 Shown as figures before goodwill amortization in the medium-term management plan announcement materials. Reference: p22, Medium-Term Management Plan announced on Nov. 17, 2020

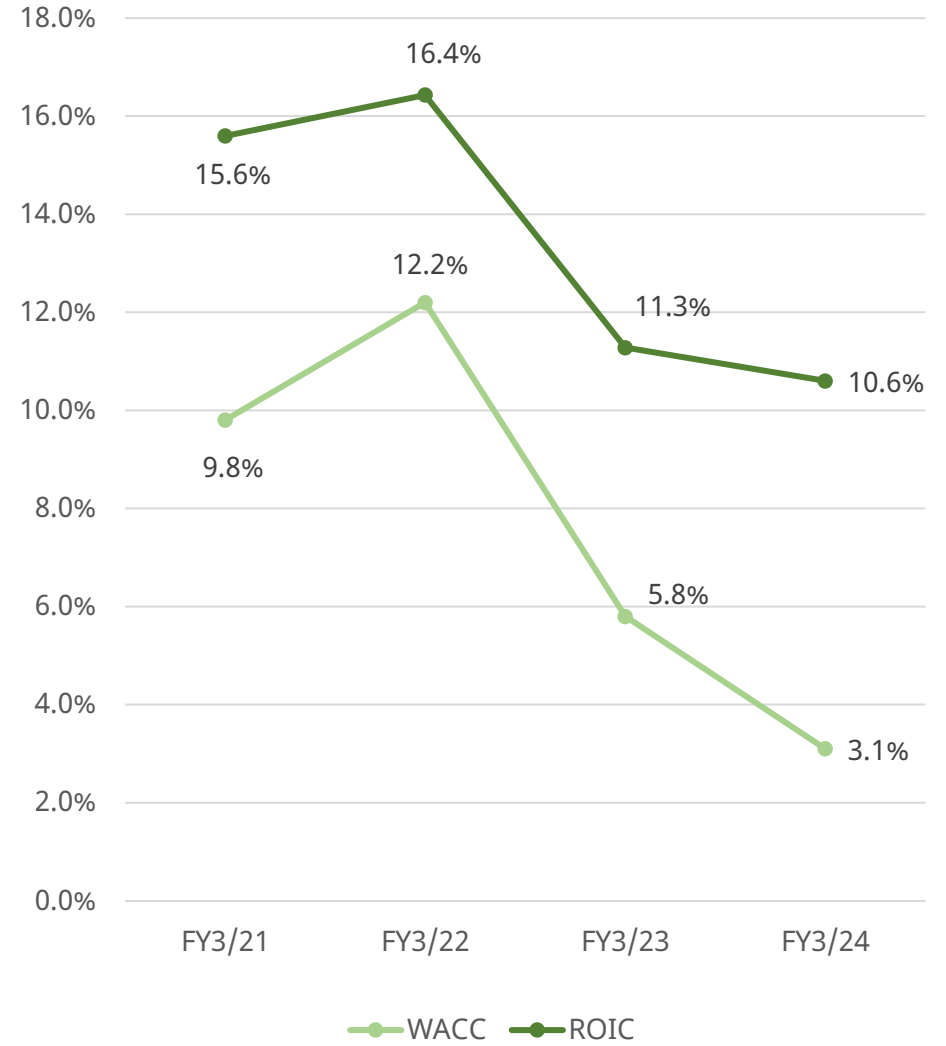
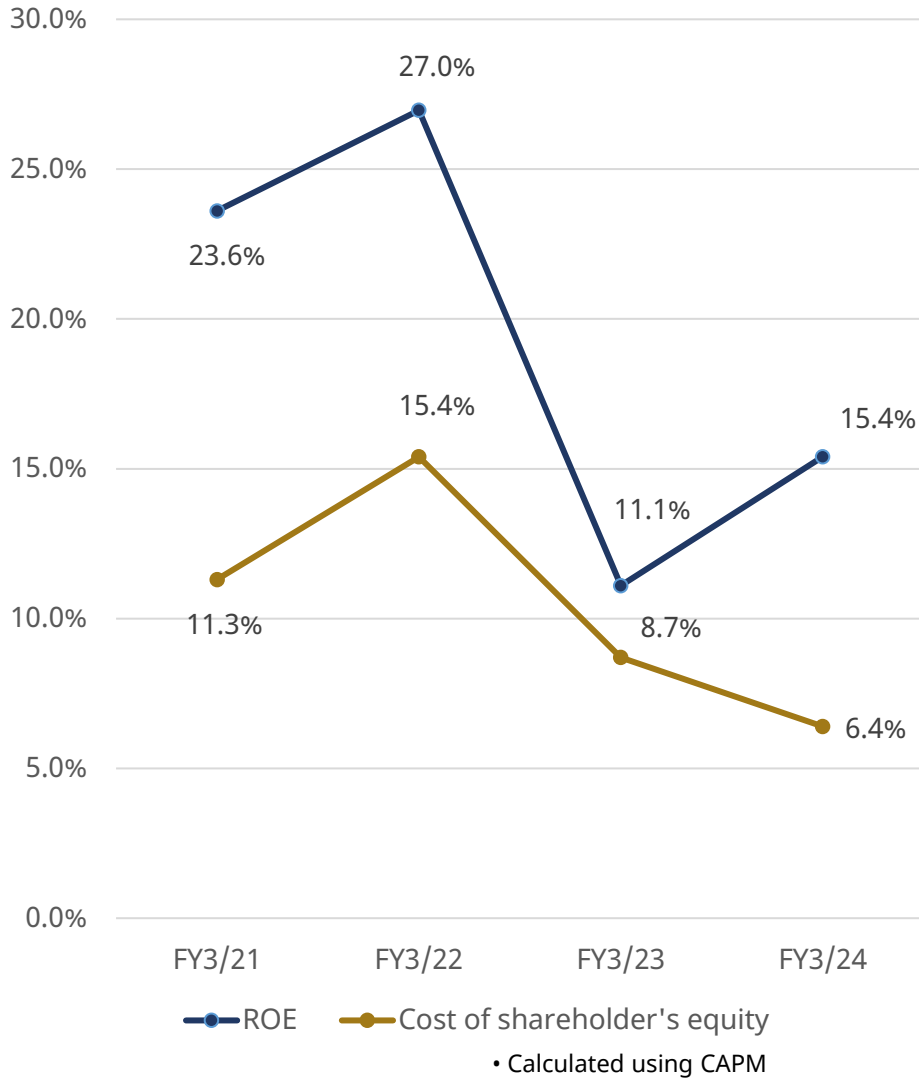
*2 See slide 11 for details on upfront investment costs of Commerce21

Commerce21 offers not only contracted development, but also continuous proposals to build a value chain with a view to the client's business as a whole, and to cultivate loyal customers. We will make proposals that contribute to business growth, leading to continuous project orders.



We will newly establish a DX solution business unit and expand managed infrastructure services to form a cloud solution business. We will make upfront investments in these two businesses as driving forces to expand our business performance.





The contents of this presentation are based on information and estimates available as of the date of disclosure. In the event of changes due to future events, etc., we are under no obligation to update or alter the contents.

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.