

#### **Commerce One Holdings Inc.**

TSE Growth: 4496

FY3/2025 Q2

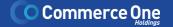
## **Financial Results**

November 14, 2024



## Today's Agenda

1.	Company Overview	P.03
2.	FY3/2025 Q2 Highlights	P.08
3.	<b>Growth Strategy</b>	P.23
4.	Overview of Our Business	P.36
5.	Group Companies	P.59



1 | Company Overview



## **Corporate Philosophy**



Our Vision

To be an e-commerce platform that maximizes the power of people who leverage technology



A Society We Aspire to Build

We aspire to build a society that is fair and empowers anyone to pursue self-realization



## **Our Product Portfolio Provides Total E-Commerce Support**

## **Enhance enterprise DX and productivity**

through e-commerce support

**DX (Digital Transformation))** 



**Technology** and data owned by

each product

**Consulting services** that bring together each company's know-how

**Front-end products** 

SaaS-based e-commerce platforms

futureshop

omni-channel

**Back-end products** 

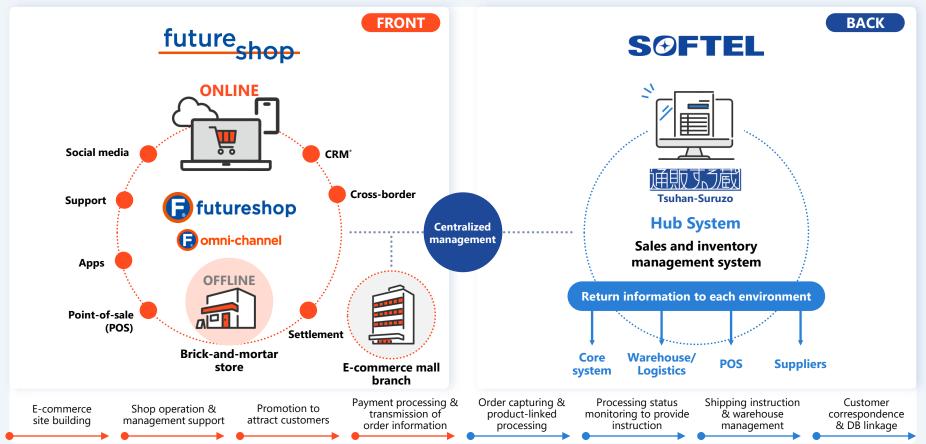
Sales & inventory software

**Safe transactions** 

Symbol of trust and security

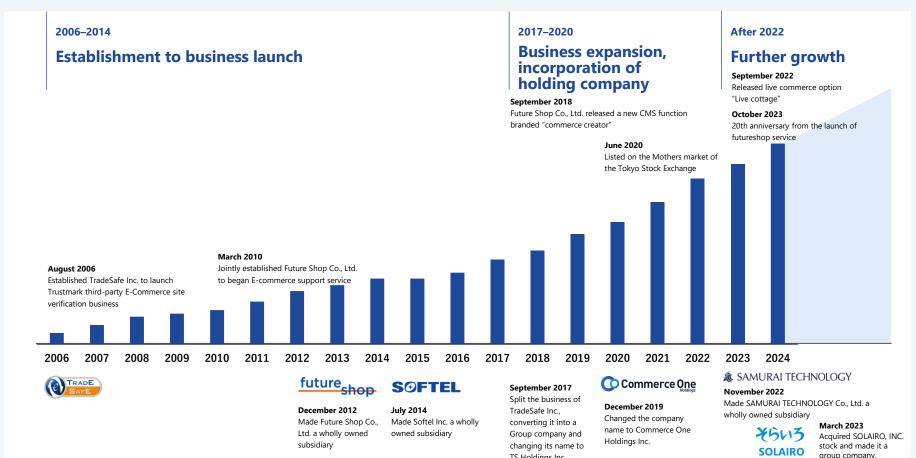


## **Business Model of Our Group**





#### The Path from Establishment



TS Holdings Inc.



FY3/2025 Q2 Highlights



## **FY3/2025 Q2 Summary**

Consolidated net sales

Consolidated operating profit

Consolidated operating margin

Profit attributable to owners of parent

JPY 1,816 mn

**JPY 320 mn** 

**17.7%** 

**JPY 77 mn** 

YoY

+JPY 74 mn (+4.3%)



+JPY 49 mn (+18.1%)



+2.1pts

YoY

JPY (113) mn (-59.4%)

Financial summary

Future Shop recorded increases in both sales and profits due primarily to service enhancement and price revisions. SOFTEL also recorded increased sales and profits by delivering customized development projects catering to strong customer needs, as well as by providing OJT\* to SAMURAI TECHNOLOGY, which has allowed for more efficient development and prompt delivery of projects.

However, for the six months ended September 30, 2024, profit attributable to owners of parent decreased as the Company made upfront investment in Enecycle, an equity-method affiliate.



# FY3/2025 Q2 (for the Six Months Ended September 30, 2024)

## **Business Highlights**

## Converting KIDOKU inc. into a group company

We started delivering new services that help drive e-commerce business through creative revolution with generative AI.

We will create new growth opportunities by drawing on generative AI and achieve competitive advantage by automating and streamlining marketing and creative operations.

For details, see page 32.





## FY3/2025 Q2 Highlights

#### Consolidated Comr

## **Commerce One Holdings**

(Thousands of yen)

	FY3/2024 Q2	FY3/2025 Q2	YoY Change	YoY & Change
Net sales	1,741,973	1,816,569	+74,596	+4.3%
Operating profit	271,617	320,660	+49,043	+18.1%
Ordinary profit	313,667	207,192	(106,475)	-33.9%
Profit before income taxes	313,667	212,175	(101,492)	-32.4%
Profit attributable to owners of parent	191,066	77,651	(113,415)	-59.4%



## **Achievement Against FY3/2025 Budget**

#### **Consolidated** Commerce One Holdings

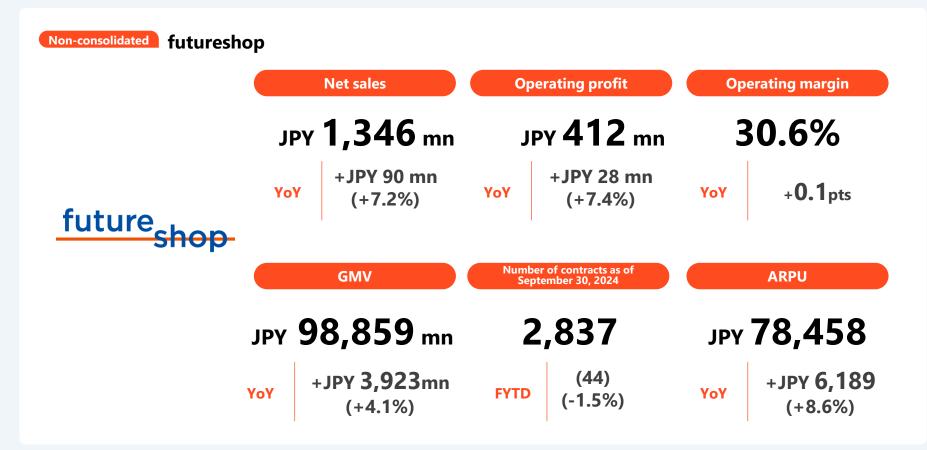
(Thousands of yen)

	FY3/2025 Q2 Results	FY3/2025 Full-year Budget	Achievement vs. Budget
Net sales	1,816,569	3,815,446	47.6%
Operating profit	320,660	604,956	53.0%
Ordinary profit	207,192	683,343	30.3%
Profit attributable to owners of parent	77,651	454,730	17.1%

This is attributable mainly to the recognition of share of loss of Enecycle, an entity accounted for using equity method, as nonoperating expenses. Since, as of the end of Q2, we continued to make upfront investment in Enecycle and recorded the investment as loss, we have reflected all the amount that can be recovered with the right to claim the distribution of residual assets in share of loss of Enecycle. In Q3 and beyond, the company expects sales to increase due to progress in several projects.



## FY3/2025 Q2 Highlights of futureshop





## FY3/2025 Q2 Highlights of SOFTEL

Non-consolidated

#### **SOFTEL (SAMURAI TECHNOLOGY combined)**





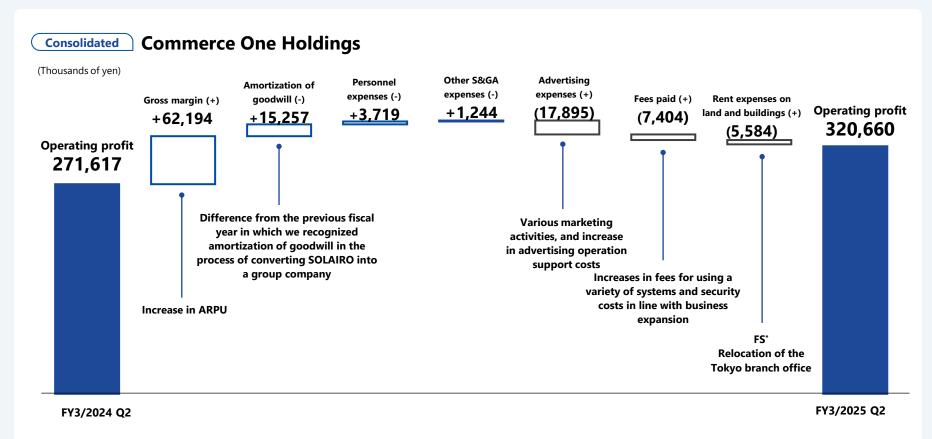
<sup>\*1</sup> As SAMURAI TECHNOLOGY's SES\*2 sales to SOFTEL are expected to continue increasing in the future, the figures above were calculated by adding the business results of SAMURAI TECHNOLOGY from FY3/2024 Q1 and eliminating internal transactions.



<sup>\*2</sup> SES stands for System Engineering Service, a type of contract that mandates engineers to engage in system development and other activities; performance of the contract depends on the capability of system engineers.



## Analysis of Change in Operating Profit: FY3/2025 Q2 vs. FY3/2024 Q2





## FY3/2025 Q2 YoY Analysis of Operating Profit to Profit Before Income Taxes

#### **Commerce One Holdings** Consolidated

(Thousands of yen)

	FY3/2024 Q2	FY3/2025 Q2	YoY Change
Operating profit	271,617	320,660	+49,043
Non-operating income	42,314	27,613	(14,701)
Non-operating expenses	264	141,081	+140,817
Ordinary profit	313,667	207,192	(106,475)
Extraordinary income	_	6,176	-
Extraordinary loss	_	1,193	-
Profit before income taxes	313,667	212,175	(101,492)
EBITDA*	349,472	381,999	+32,527

recognition of share of loss of Enecycle, an entity accounted for using equity method. Since, as of the end of Q2, we continued to make upfront investment in Enecycle and recorded the investment as loss, we have reflected all the amount that can be recovered with the right to claim the distribution of residual assets in share of loss of Enecycle. In Q3 and beyond, the company expects

This is attributable mainly to the



## Comparison of Q1 and Q2 in FY3/2025

#### **Consolidated** Commerce One Holdings

(Thousands of yen)

FY3/2025 Q1		FY3/2025 2Q	QoQ Change	
Net sales	898,956	917,613	+18,657	
Operating profit	154,688	165,972	+11,284	
Ordinary profit	107,367	99,825	(7,542)	_
Operating margin	17.2%	18.1%	+0.9pts	_
Profit attributable to owners of parent	40,599	37,052	(3,547)	

There was no significant change as the Company continued to make upfront investment in the entity accounted for using equity method in Q2 like in Q1, and thus, recorded the investment as loss.



## FY3/2025 Q2 Balance Sheet: Flux Analysis Compared to March 31, 2024

Consolidated Commerce	One Holdings		(Thousands of yen)		
	March 31, 2024	September 30, 2024	Change		
Current assets	2,305,885	2,303,604	(2,281)		
Cash and deposits	1,733,879	1,606,854	(127,025)	<b></b> -	This is attributable mainly to
Other	128,896	236,762	+107,866	•	advance payments for receiving
:	:	:	:		discount on server usage fees.
Non-current assets	1,576,802	1,390,431	(186,371)	- <del></del>	This is attributable mainly to the purchase of furniture and fixtures
Property, plant and equipment	78,489	141,850	+63,361	•	for the Tokyo branch office of FS* which has been relocated.
Investment securities	1,002,854	692,138	(310,716)	•	Share of loss of Enecycle, an
:	:	:	:		entity accounted for using equity method; and a decline in the
Current liabilities	915,574	898,134	(17,440)		share price of a listed company that the Company has invested in.
Non-current liabilities	122,138	94,547	(27,591)		that the company has invested in.
Net assets	2,844,974	2,701,354	(143,620)		
Other, and valuation difference on available- for-sale securities	379,180	251,981	(127,199)	•	A decline in the share price of a listed company that the Company has invested in.



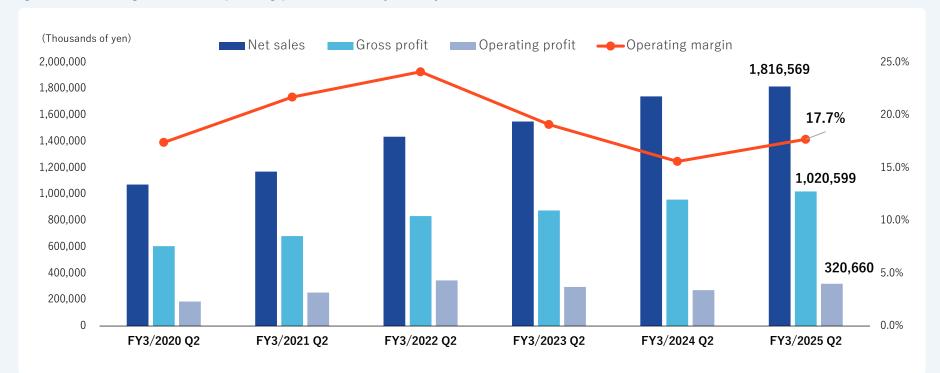
## YoY Analysis of Cash Flows: FY3/2025 Q2 against FY3/2024 Q2

Consolidated Commerce One I	Holdings		(Thousands of yen)	
	FY3/2024 Q2	FY3/2025 Q2	YoY Change	
Cash flows from operating activities	527,772	97,316	(430,456)	
Profit before income taxes	313,667	212,175	(101,492)	Recognition of share of loss of Enecycle,
Share of profit (loss) of entities accounted for using equity method	-	124,594	124,594	an entity accounted for using equity method
Decrease (increase) in deposits paid	12,140	(59,813)	(71,953)	Deposits for share repurchase under a
Other	114,122	(140,933)	(255,055)	discretionary trading contract
:	:	:		This is attributable mainly to advance
Income taxes paid	(82,445)	(115,445)	(33,000)	payments for receiving discount on server usage fees
Cash flows from investing activities	(84,049)	(112,762)	(28,713)	
Purchase of intangible assets	(51,151)	(61,403)	(10,252)	<del></del>
:	:	:		<del></del>
Cash flows from financing activities	(111,604)	(96,151)	15,453	<del></del>
Share repurchase	(109,797)	(15,036)	94,761	Difference in acquisition prices of shares repurchased
Dividends paid	-	(79,008)	(79,008)	 •
:	:	:		Year-end dividends paid for FY3/2024
Net increase (decrease) in cash and cash equivalents	347,586	(127,025)	(474,611)	-



## **Changes in Consolidated Operating Results for the Past 5 Years**

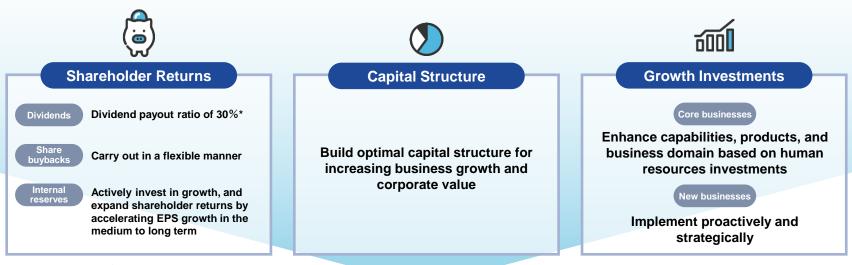
During the first six months of FY3/2025, the Group did not incur any M&A related expenses, such as M&A related compensation and amortization of goodwill. In addition, supported by consistent increases in net sales and gross profit since prior years, as well as the organic growth of existing businesses, operating profit increased year on year.





## **Financial Strategy**

## Working to maximize corporate value



<sup>\*</sup> Dividend payout ratio 30% for profit attributable to owners of parent

**Achieve sustainable growth** 

Targeting 20% ROE



## **Acquisition of Treasury Stock**

In keeping with the financial strategy set out in the medium-term business plan (from the fiscal year ending March 2025 to the fiscal year ending March 2027), the Company will conduct flexible repurchase of its own shares in consideration of a comprehensive array of factors, including strategic investment opportunities, the Company's financial position, and the price of its common stock.



Details of matters relating to the acquisition of treasury stock

(1) Class of shares to be acquired	Common stock
(2) Total number of shares that may be acquired	Up to 100,000 (1.4% of total number of shares outstanding [excluding treasury stock])
(3) Total value of acquired shares	Up to 75,000,000 yen
(4) Acquisition period	From November 15, 2024 to March 31, 2025
(5) Method of acquisition	Market purchases based on a discretionary trading contract

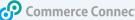


3 | | | Growth Strategy

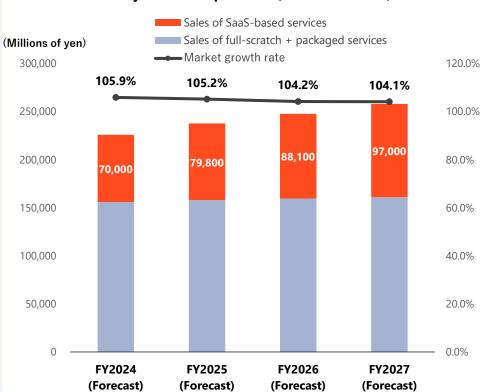


## 





#### Market share forecast for e-commerce site construction support services by method of provision (FY2024 - FY2027)



#### **Advantages of SaaS**

- · Advantages of development speed, scalability, and integration with core systems. The adoption rate is increasing in new entrants of small and medium-sized companies as well as large-scale ecommerce businesses
- Sales per user company is also increasing

#### **Market drivers**

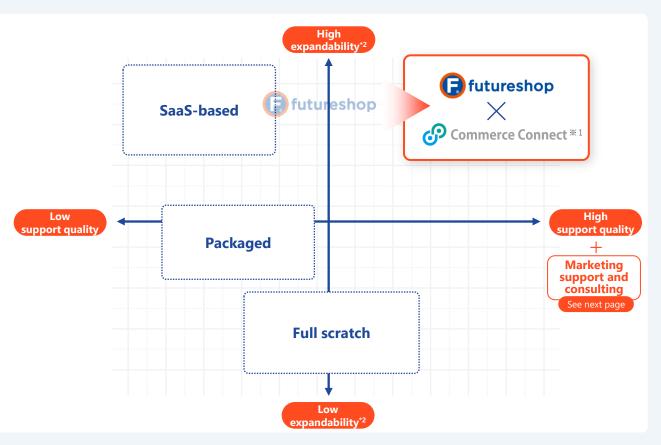
- Advances in AI technologies that make it easier to build e-commerce sites
- The potential for the e-commerce market to grow explosively due to the emergence of new video distribution platforms including social media and YouTube
- · Increased consumer literacy and needs due to the rise of collaboration between brick-and-mortar stores and e-commerce sites in Japan

#### **Market Inhibitors**

- High hurdles to cross-border e-commerce
- Possibility of a reduction in e-commerce business budgets as consumers are returning to physical stores after the COVID-19 pandemic
- Possibility of difficulty in offering price advantages for seller's own e-commerce sites if there are problems with tasks carried out manually; there are a huge number of those tasks in the ecommerce industry, such as logistics



## Our Positioning in the E-commerce Site Construction Services futureshop Commerce Connect \*1



Provide advanced marketing support and strategic consulting with the co-creation and synergy of futureshop and Commerce Connect\*1

#### \*1 Commerce Connect

SaaS-based multi-store management services, in which functions with high demand for customization are modularized. Being developed with the aim of enhancing the Group's collaborative synergy.

#### \*2 Expandability

The number of linked alliance services. The functions required in the growth phase of the shop are expanded.



## **Support for Utilizing Multi-channel Data with futureshop** × **Commerce Connect**

Providing advanced marketing support and strategic consulting with the co-creation and synergy of futureshop and Commerce Connect



# Multi-channel data analysis

Dashboard with at-aglance views, allowing centralized monitoring and analysis

#### Marketing support

#### Strategic consulting

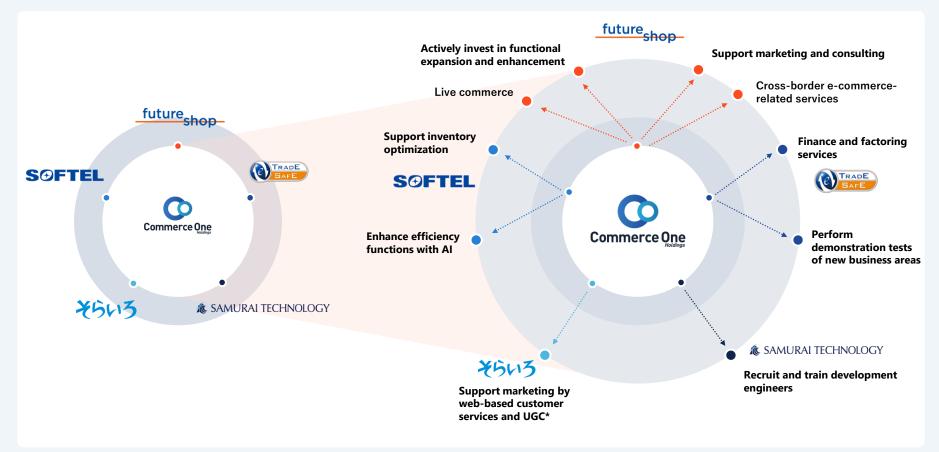
- Optimization of dynamic pricing in line with trends in each mall
- Effective promotions to enable high ROI
- Optimization of merchandising strategy
- Cross-border e-commerce marketing support







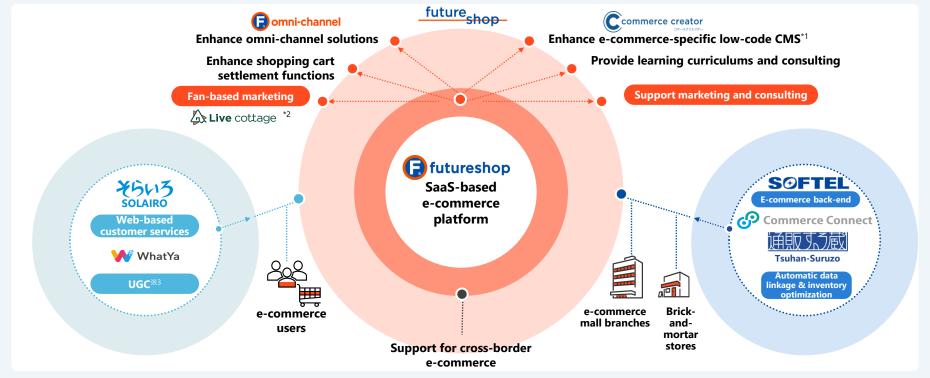
#### **New Business Areas**





#### **Core Businesses**

Incorporate Group companies' highly specialized services into futureshop to create a stronger platform, while allowing Group companies to use the futureshop's customer base.



<sup>\*1</sup> Low-code CMS: Content management system using the minimum necessary source code \*3 UGC: User Generated Content

<sup>\* 2</sup> Live cottage: A service that can deploy live commerce to customers by setting up a live-streaming venue within the company's own e-commerce site

## Commerce One

## future<sub>shop</sub> Policies and Initiatives for FY3/2025 Q3 and Beyond

#### **Product development policy**

 Enhance shipping cost calculation and delivery date/time control functions (to enhance support for food-related EC)

Enhance functions for shipping cost calculation by temperature range and displaying an estimated delivery date

Shipping cost calculation for 3 temperature ranges, bundled packaging control, and delivery lead time control, etc.

Phase three update: To complete in Spring 2025

 Improve a function for regular sale and sale through a buyer's club (subscription function)

Improve convenience for subscription users

Improve convenience for delivery date change and cancellation Phase two update: To complete in Fall 2024

 Enhance site production support functions (for production companies, especially by enhancing commerce creator functions)

Improve convenience when creating EC sites with commerce creator (CMS)

Implement template import/export functionality
Phase two update: To complete in Fall 2024

#### **Customer success policy**

Improve GMV and LTV by expanding store support services

Prepare to launch a practical group consulting business on EC

Provide optional one-to-one practical workshops on how to increase sales. Expanding customer growth base.

To start in Spring 2025

Improve UIs of the management screen

Update the product management screen

Started replacing the classic version with the current version

Strengthen Live Commerce products

**Strengthen live commerce** 

Develop new services in view of expected growth of the live commerce market

Enhance linkage with external systems (API enhancement)

**Enhance services for EC back-end functions** 

Enhance system linkage with the EC back-end system provided by SOFTEL

#### Sales and marketing policy

Improve brand awareness by strengthening sales promotions and advertising

**Strengthen marketing efforts** 

Aggressively invest in marketing to increase lead acquisition and, eventually, the number of new contracts won.



#### **Commerce Connect**

**Provides SaaS-based multi-shop management functions.** 

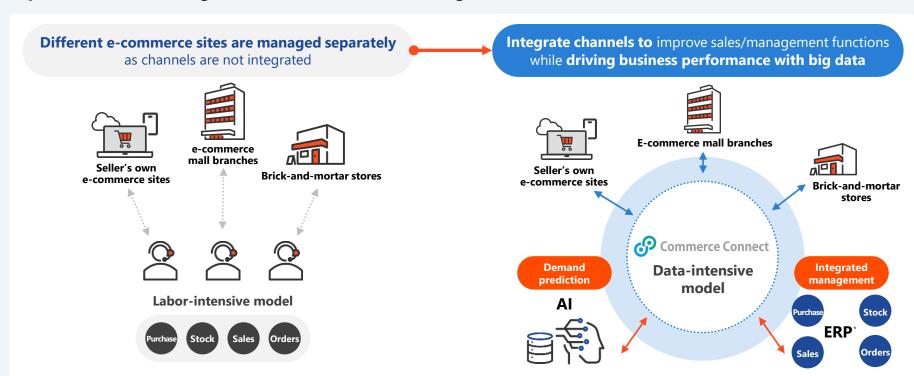
Helps boost business growth by increasing expandability through modularization of functions with high demand for customization.





#### **Commerce Connect**

Transforms the e-commerce industry's business model from "labor-intensive" to "data-intensive." Expands business through Al-based demand forecasting.





### Made KIDOKU inc. a Group Company and Started New Services



Generate high-quality content at low costs through collaborations between humans and Al Support both marketing strategies and advertising materials

Automation

Cost reduction

with

automation

Efficiency
Rapid
large-scale
production

Flexibility
Support for various channels







Accelerate marketing with generative Al-powered advertising















### **Generative AI projects for Commerce Connect and Tsuhan-Suruzo**

#### **Generative AI**

Item management and customer support functions





**Integrated management** 



Improved product management efficiency

Tools for product description writing and communications

- Optimize human resources
- All tasks can be completed within the product

Captures purchase data and customer needs and turning them into knowledge

Improves efficiency of customers' entire back-end operations

Maximum customer benefit Support GMV growth

## STFTEL Policies and Initiatives for FY3/2025 Q3 and Beyond

#### **Product development**

#### Planning the development of Commerce Connect

Reviewing the development plan for Commerce Connect with the aim of implementing the futureshop back office functions while resolving the issues with the prototype version.

Developing Al-powered functions. Provision of options are planned
 Proceeding with the trial development of functions to support generative Al images and product information creation. For some functions, PoC is being conducted.

#### Focusing on proposals including cases with high customer needs

#### • Response to Rakuten Super Logistics (RSL)

Making proposals to customers in response to the need for shipment information coordination with RSL, which has increased due to Rakuten Ichiba's SAIKYO delivery initiative.

#### • Automatic invoice generation function

Offering an environment that improves the quality and speed of delivery for shipments from customers' own warehouses.

#### **Strengthening of sales and development structure**

#### • Strengthen the management base through a merger

The merger with SAMURAI TECHNOLOGY has enabled us to make quick management decisions. We will accelerate growth by streamlining our sales, development, and maintenance operations.

#### Effectively use service introduction videos and customized case studies

Published service introduction videos on YouTube and other media to target new potential customers. Introduced our services, focusing on our strengths such as inventory and product information functions.

For existing customers, we offer proposals using a collection of customized case studies we have developed. We will continue to carry out proactive sales activities.

#### Held Tsuhan-Suruzo seminars

Continued conducting joint seminars with external service vendors with affinity with Tsuhan-Suruzo to improve service awareness and acquire leads. Regular seminars with existing customers provided us with opportunities to identify issues.



## **Product Development Schedule**

FY3/2025		FY3/2026		FY3/2027	
H1	H2	H1	H2	H1	H2
future <sub>shop</sub>	Reinforcement of shipping cost o	calculation/delivery date d	isplay functions (functional ir	mprovement for food e-con	nmerce sites)
future <sub>shop</sub>	Reinforcement of regular purcha	se/buying club functions (	subscription)		
future <sub>shop</sub>	Enhancement of omni channel f	unctions through OMO*1			
<del>2</del> 5113	Development of UGC*2 solution		•		
S@FTEL	Release of Commerce Co	nnect			

<sup>\*1</sup> OMO: Online Merges with Offline

 $<sup>^{\</sup>star}$ 2 UGC  $\div$  User Generated Contents, or content created and generated by general users



4

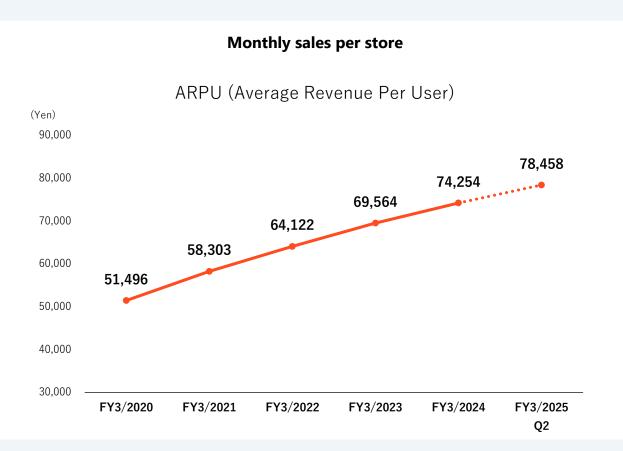
## **Overview of Our Business**

# **future** shop

**Future Shop Co., Ltd.** 



# **ARPU** (Average Revenue Per User)



With the expansion of the ecommerce market, the functions required for the growth of EC business are expanding.

Given the situation above, ARPU will steadily increase due to the expanded use of optional functions and alliance tie-up services.

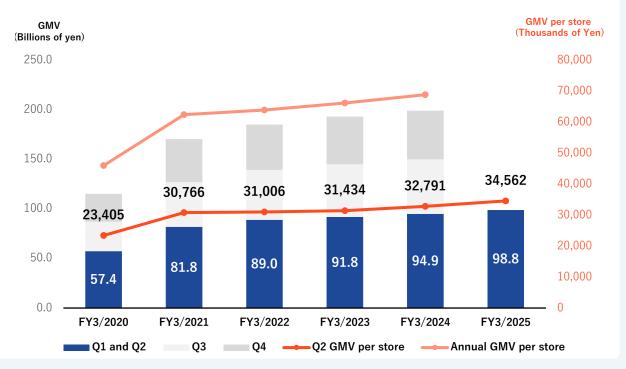


# **Changes in GMV**

#### FY3/2025 Q2 results

GMV: **JPY98.8 bn (up 4.1% YoY)** 

GMV per store: JPY34,562 thousand (up 5.4% YoY)



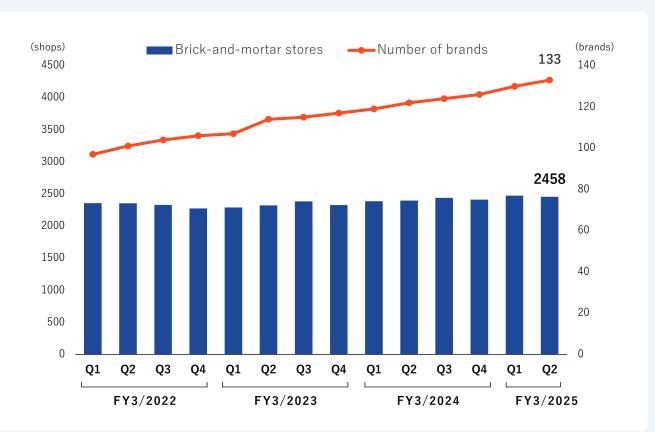
# GMV for FY3/2025 Q2 totaled JPY98.8 billion, up 4.1% YoY

GMV per store increased by 5.4% YoY, showing robust customer growth, although acquiring new contracts with stores was still challenging.

The impact of the rate revision from June on the number of stores with contracts was minimal, but there was an increase in the churn rate associated with the closure of ecommerce sites by businesses with small sales.



# **Omni-Channel Transition**

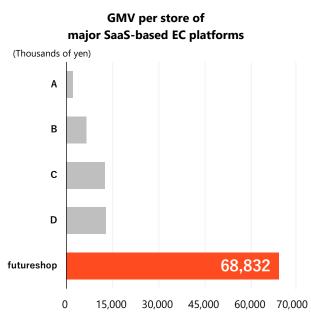


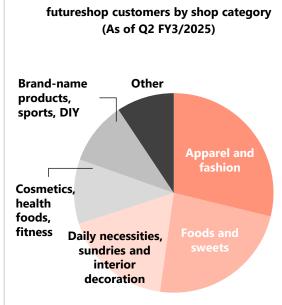
**Companies continue to invest** aggressively in OMO\* and omni-channel.

# Commerce One

### **Service Features**

# futureshop achieved overwhelmingly high GMV per store even as a provider of non-customized services





<sup>\*</sup> The above graph is based on estimated GMV per store of major SaaS-based EC platforms in Japan in FY2023 researched by the Company (excluding industry/subscription commerce-specific and customized models)

Sales of customers who have been under contract for more than two years increased by

23.2% on average

For FY3/2025 Q2:
Average YoY growth rate\*1
+ 23.2%

For FY3/2025 Q2: Overall average YoY growth rate

+12.9%

\*1 Average growth rate of customers who have been under contract for more than 2 years=Average sales growth rate of stores that have been under contract for more than 2 years and have monthly sales of at least JPY 1. Value of rapid sales growth in the initial stage is omitted by disregarding customers who have been in business for less than two years since start-up or renewal.



# Service Features - Customer Satisfaction and Brand Awareness of futureshop formi-channel





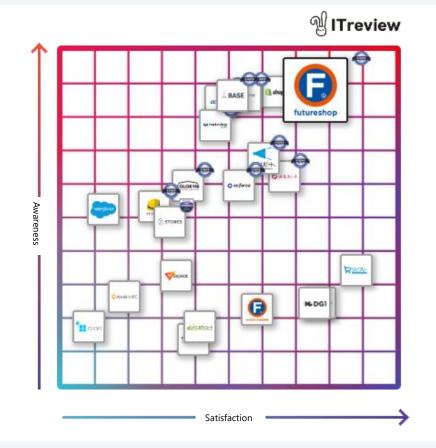
Received the "Leader" badge in the e-commerce site construction category at the ITreview Grid Award 2024

> Fall for the 21st consecutive period (five consecutive years).



#### "Leader" Badge:

Indicates that our product is highly rated in both customer satisfaction and brand awareness on ITreview, a review site for business IT products and cloud services.





### Highly Economically Rational, Multi-tenant, Non-customized SaaS-type Business Model

# A SaaS model in which software and server environment are shared by all customers



3 advantages of the SaaS model



#### **Highly reliable security**

Provides user-friendly system updates and up-to-date secure environment



#### **Speedy version upgrades**

Enables efficient function development and version upgrades without user-specific development and operation



#### **Highly satisfactory support**

All customers, from those at a startup phase to those with annual sales of several billion yen, run the same software in the same environment.

Provides highly satisfactory support without customerspecific specifications

Backed by these advantages, futureshop's business model can maximize the monetization of development resources. Engineers can focus on product development, resulting in low turnover rates. As all users are in the same environment, knowledge of successful cases is easy to accumulate and share and highly reproducible.



# **Service strengths**

While being a non-customized service, our service strengths lie in product technology and expandability to ensure its customizability and Customer Success Team that supports the sales growth of users.





# Linkage with more than 100 EC support services

As a platform on which many excellent EC sites operate, futureshop is always linked quickly with trendy EC support services and payment services

#### **Store operation management** (order management)

- CROSS MALL
- 通販する蔵
- NEXT ENGINE
- TEMPOSTAR
- コマースロボ
- Robot-in
- zaiko Robot
- item Robot
- eシェルパモール2.0
- fun order
- GoQSystem
- 店舗アップ♪
- 頑張れ♪店長!
- まとまるEC店長
- 助ネコEC管理システム
- One'sCloset
- アパレル管理自動くん
- 特攻店長
- マイティ通信販売
- TATEMPO GUIDE
- Simplex
- 受注応援
- 速販UX
- タロスPOS
- dアプリ

#### EAI (data linkage)

ECコネクター®

#### **Customer communications**

#### Web-based customer service/Web-based chat

- KARTE
- Flipdesk
   wearcoord
- Sprocket unisize
- チャネルトークSkinsenseユニウェブ new!
- i-DESIGNER WhatYa
- AiDeal lite
- CODE Marketing Cloud for futureshop
- MATTRZ CX for futureshop
- PUSH ONE for futureshop

#### MA/CRM

- カスタマーリングス
- うちでのこづち
- LTV-DB
- LTV-Lab for futureshop
- LTV-Omni for futureshop
- アクションリンクfor futureshop
- DATA CAST for futureshop
- EC Intelligence for futureshop

#### Contact center support

Re:lation

Gift support

EFO

#### Smartphone apps

b→dash

WazzUp!

LOYCUS

WFBCAS

Charlla

MGRe

#### Extension guarantee EFOcats for futureshop

proteger

#### Goods return support

- · giftimize for futureshop Narvar AnyGift
  - 仮品くん

#### Security

Web改ざん検知サービス for futureshop

#### **Customer attraction**

#### Advertisement

- dfplus.io
- Logicad
- AdSIST
- KANADE DSP
- EC Booster

DFOマネージャー

#### Influencers/Referral marketing

toridori

Criteo

#### Ads/EC operation support Affiliate

- エフカフェ運用支援 A8.net
- SupershipECコンサルティングサービス
- Social Penguin new!

#### Linkage with SNS / Video platforms

- YouTubeショッピング
- TikTok for Business

#### Recommendation

#### Recommendation engines

- アイジェント・レコメンダー awoo Al
- ViSenze • NaviPlusレコメンド

#### Use of coordination/Styling services

- STAFF START
- SNAPBOARD
- DROBE

#### Use of UGC

- visumo social for futureshop
- Letro
- Instagram連携(ショッピング)

#### Site search

GENIFE SEARCH for EC

#### Settlement agent / ID settlement

- Amazon Pav
- au PAY
- 楽天ペイ(オンライン決済) d払い
- LINE連携(ログイン) NP後払い決済
- Apple Pavオプション あと払い(ペイディ)
- PayPay (オンライン決済) エフレジ
- SBペイメントサービス GMO後払い

#### Loaistics

- mvlogi ロジレス
- はぴロジ
- LogiMoPro
- Fulfillment by ZOZO SBフレームワークス
- 富士ロジテックホールディングス

#### **Cross-boarder EC**

- WorldShopping BIZ
- shutto翻訳
- Buyee Connect
- アジアンブリッジ

#### **Product image creation**

SmartJPEG for Desktop

#### Package production

canal for futureshop

#### Data analytics/MD support

- radial
- LTV-Zaiko



# FY3/2025 Q2 Customer Success Activities

# Academy programs/seminars and one-to-one consultations available online

CS activities through customer-only seminars and open events

#### **User-only small-group EC courses**



# of programs held: 65

# of participants: 1,075

#### **Open seminar events**



# of events held: 15

# of viewers: **646** 

# One-to-one onboarding sessions & free spot consulting sessions



# of consulting services offered:

82

Reflecting the recent rise in interest,

a large number of people participated in our seminars on AI-powered e-commerce operations and website production



# FY3/2025 Q2 Business Highlights

Press release

July 23, 2024

# Started linking with YouTube Shopping where products can be posted in YouTube channels and videos

Enable the smooth transition from YouTube channels, videos, and live streams for customers to purchase products on e-commerce website pages

Started linking futureshop with YouTube Shopping, provided by YouTube, a video platform run by Google.

YouTube Shopping allows store owners to introduce their products on YouTube channels as well as videos, short videos, and live streams on YouTube. By clicking on a product on YouTube, viewers can smoothly transition to the product page and make a purchase.

This collaboration has allowed futureshop users to post products for sale on their e-commerce sites on YouTube, which has over 71.2 million monthly active users in Japan. Not only are they able to promote their products with enhanced expressiveness through videos and live streams, but they are also able to further promote sales with a smooth transition to product pages.





# FY3/2025 Q2 Business Highlights

Press release September 5, 2024

# Started linking with UniWeb, a web accessibility tool

Adding a single line of code provides web accessibility functions on the day of introduction

Started linking with UniWeb, a web accessibility tool provided by Kiva Corporation (headquarters: Chuo-ku, Tokyo, CEO: Kota Nojiri, hereinafter "Kiva").

This collaboration allows futureshop users to provide accessibility functions smoothly on their e-commerce websites.

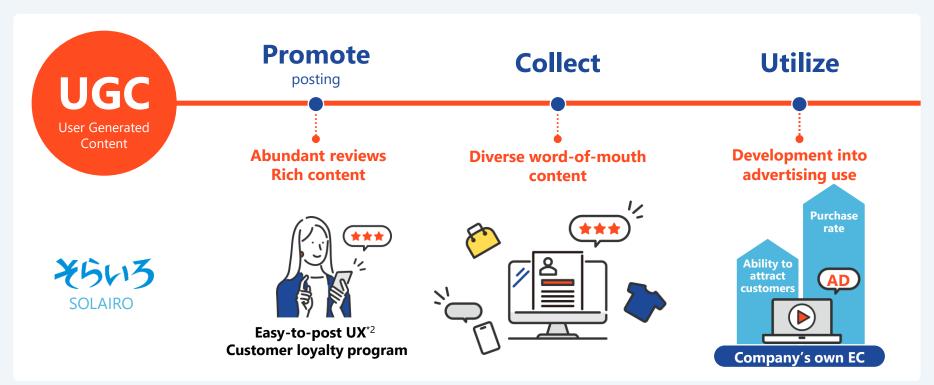
Web accessibility means that all people including senior citizens and people with disabilities can use the information and functions provided on websites without any problems. ("Accessibility Requirements for Websites of Public Organizations" by the Ministry of Internal Affairs and Communications)





# **UGC\*1 Solution developed by SOLAIRO**

Accelerate OEM development for futureshop to increase the Group's GMV and ARPU, as well as increase the competitiveness of the solution and expand to other companies' e-commerce platforms.



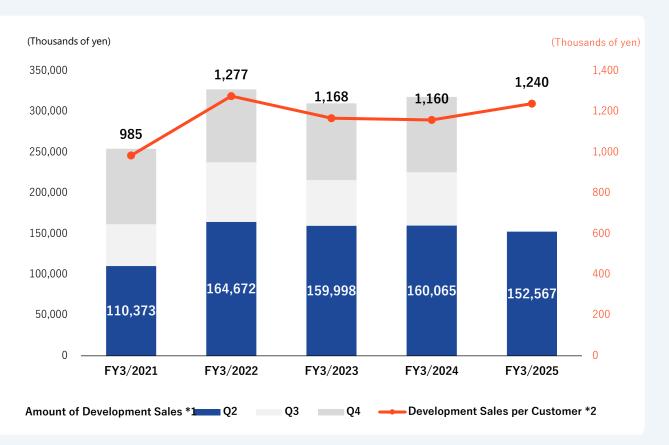
<sup>\*1</sup> UGC: User Generated Content, or content created and generated by general users \*2 UX: User Experience, or experience that users gain through products and services



Softel Inc.



# **Amount of Development Sales \*1/ Development Sales per Customer \*2**



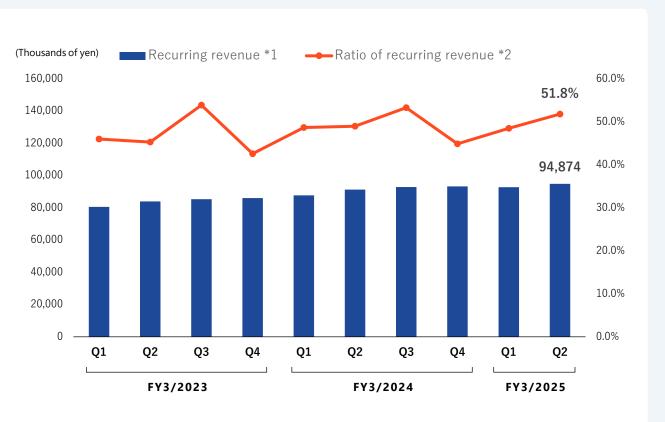
Total development sales decreased YOY due to a greater number of new large projects in the last fiscal year than in the current year. Meanwhile, development sales per customer rose mainly due to an increase in profitable projects as a result of stronger proposals to existing customers.

From FY2022/3 Q2, SOFTEL adopted percent of completion method. Therefore, except for small amounts or short-term development orders, sales of orders in progress also can be booked.

- \*1 Sales amount of initial cost and customizing fee of Tsuhan-Suruzo
- \*2 Quotient of Amount of development sales / number of the companies installed or customized Tsuhan-Suruzo during the said period

# Commerce One

# Recurring Revenue\*1



Revenues increased steadily due to the increase in the number of large clients and the sophistication of projects. In general, recurring revenue remained stable at 40% or more, which is a robust business foundation.

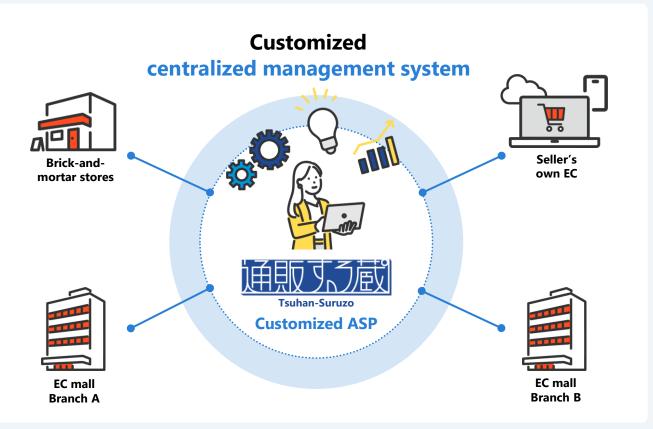
In Q2 and Q4, the ratio of recurring revenue tends to be lower due to customized sales growing as a result of increased deliveries due to seasonal factors.

However, in the first half of the fiscal year ending March 2025, deliveries were not concentrated in Q2, so the ratio of recurring revenue was close to the level of Q1 and Q3.

- \*1 Monthly maintenance sales of Tsuhan-Suruzo
- \*2 Value of recurring revenue divided by net sales of each quarter

# Commerce One

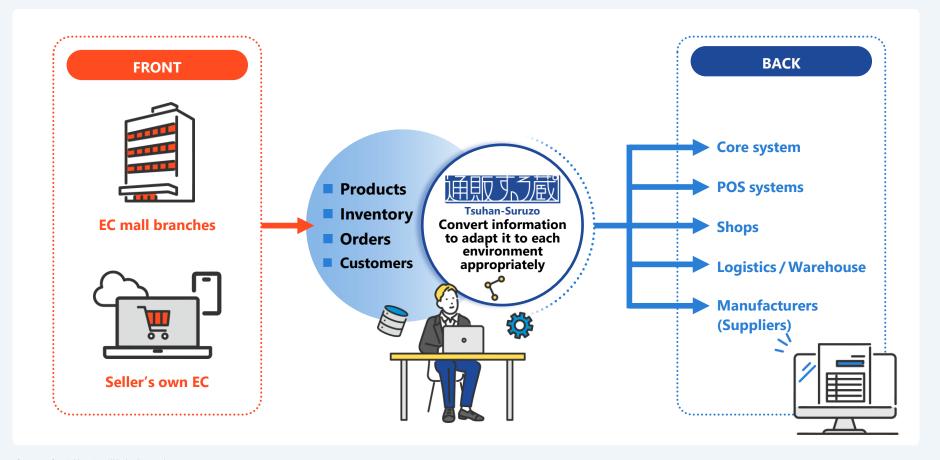
# "Tsuhan-Suruzo" Concept



While non-customized ASP cannot support e-commerce operators in the field of backyard systems such as inventory management, Tsuhan-Suruzo can reduce human resources and costs by centrally managing e-commerce operations through customization, thereby creating resources required for business growth.

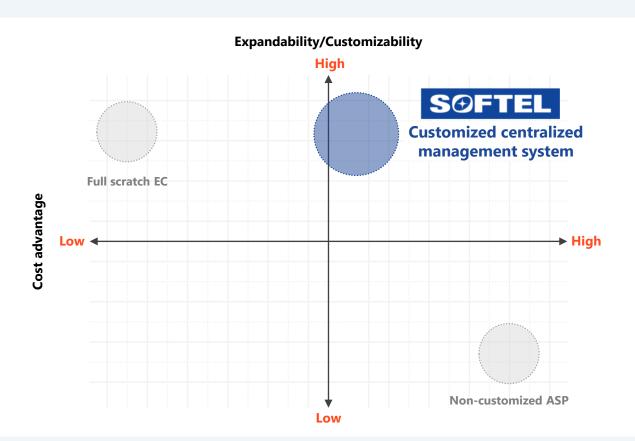


### **Business Overview**



# Commerce One

# **Our Positioning**



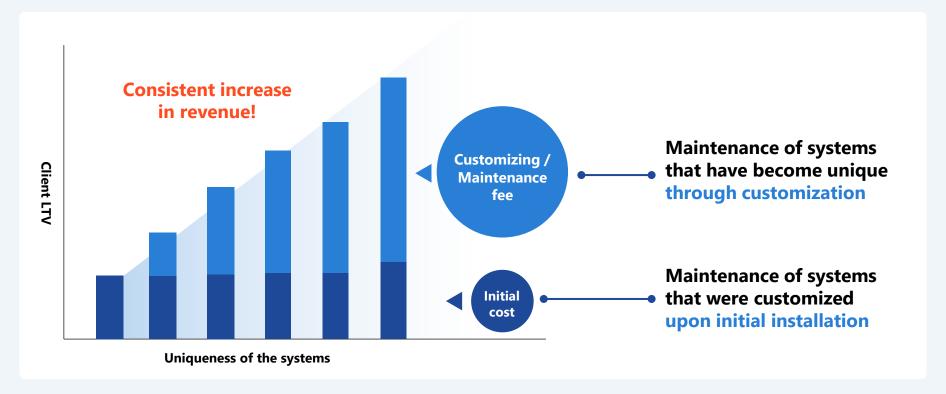
SOFTEL helps customers improve efficiency of their bloated operations through strong customizability and a wealth of track records. Also, our system can accelerate profitability of major and medium-sized enterprises through linkage with their core system and/or POS system.

SOFTEL has established a highly expandable and customizable, yet cost-effective, positioning, based on its accumulated expertise in updating Tsuhan-Suruzo, the basis for customization, and in meeting diverse and sophisticated demands from clients who regularly use our system.



#### **Revenue Model**

SOFTEL is expected to consistently boost revenue and client LTV, driven by additional customized development 3.7 times per year in average and increased maintenance fee in conjunction with the additional customization.





TradeSafe Inc.



# Concept and business details of TradeSafe Trustmark

Offering TradeSafe Trustmark services to build a prosperous e-commerce market with secure transactions and contribute to the development of a sustainable e-commerce market

# Supporting the Japanese e-commerce industry for 18 years

(Started services in 2006)







# Three key features of TradeSafe Trustmark



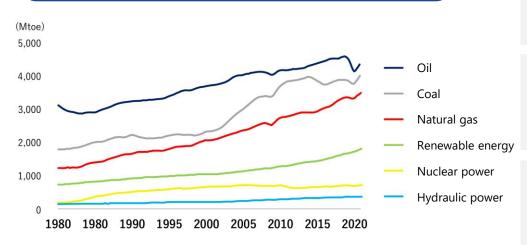
5 | | | | | | | | | | |



# Background of Capital Contribution to Enecycle Inc. (Approaches to the decarbonization market)

As a business infrastructure company that supports the sound development of society, the Group aims to contribute to the development of a sustainable society and enhance its long-term corporate value through the investment in the business of Enecycle Inc. (hereinafter, "Enecycle"), which develops a touch point for the global decarbonization market.

#### Changes in primary energy consumption by energy source



Source: "World Energy Balances 2023 database" by IEA

# **Environmental responsibility of businesses**



# **Creation of new industries in global** markets

- Job creation
- Regional revitalization



#### **Synergies with TradeSafe**

- Ensuring traceability of raw materials for the carbon credit market.
- Consideration of certification services for safety and security



Enecycle Inc.

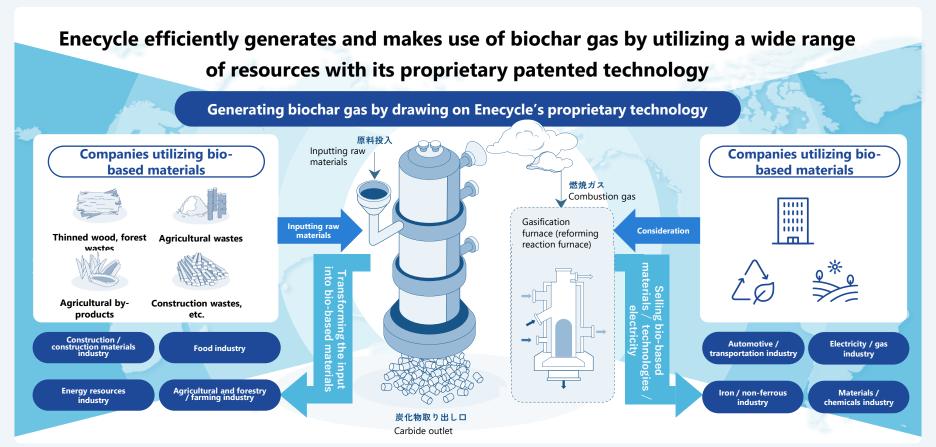
# Corporate credibility from an internal perspective

As President Okamoto has been involved as a founder since the company's inception, we see solid growth potential in the company.





# **Carbonization and Gasification Technologies Developed on Our Own**

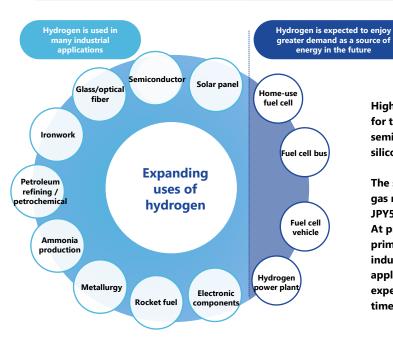




# **Growth Potential of Our Business | Utilization of Water Gas/Hydrogen**

# The size of the hydrogen gas market projected to grow to JPY 54 trillion globally\*

# **Current and future demand for hydrogen**



High-purity hydrogen is essential for the production of semiconductor wafers, solar cell silicon, and liquid crystal.

The size of the global hydrogen gas market is projected to reach JPY53,829.7 billion\* in fiscal 2040. At present, the market consists primarily of applications for industrial materials/gas, while applications for fuel cell vehicles is expected to grow steadily over time.

#### Our proven track record

The Group was selected to join a hydrogen production demonstration project by the Ministry of the Environment and has succeeded in producing renewable energy-derived green hydrogen.

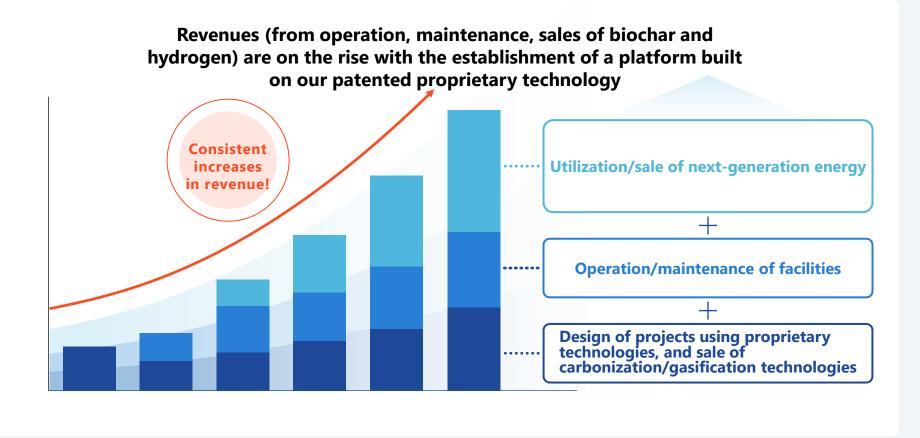


然外系製造プラントの元成与具 (https://www.shimz.co.jp/company/about/news-release/2022/2022029.html)

Jointly with Shimizu Corporation, the Company participated in the "project to develop and demonstrate a low-carbon and low-cost hydrogen production technology using geothermal heat and biomass resources" led by the Ministry of the Environment, conducting a demonstration test with the aim of producing green hydrogen using a wealth of biomass resources in Japan, such as geothermal heat and wood.

# Commerce One

### **Revenue Model**





# **Disclaimer and Forward-Looking Statements**

This presentation material is prepared solely for the purpose of providing information on Commerce One Holdings Inc. (the "Company") and its subsidiaries and is not intended for soliciting investment.

Business performance forecasts and any other forward-looking statements contained in this material have been determined by the Company based on information currently available to the Company.

Forecasts are inherently subject to various uncertainties, and actual results may differ materially from these forward-looking statements.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.