



SHIKIGAKU

MANAGETECH COMPANY

FY2/24 Nine month ended Result Presentation

January 11, 2024

TSE Growth: 7049JP

Agenda

1 | Downward Revision of FY2/24

2 | FY2/24 3Q Result Presentation

Reason

3 Reasons

A weak-order intake of Management Consulting Service (Flow Income) in 1Q, Our focus have shifted to Platform Service (Stock Income)

Shikigaku Carrier business (Other segment), had lagged against a full year revenue target.

Had opportunity of exit in some of our fund investments in this fiscal year, it was delayed to FY2/25 or farther.

Detail

1) weak-order intake of Management Consulting Service (Flow Income)

- Average quarterly order intake was ¥662m in FY2/23, whereas it was ¥580m and ¥618m in 1Q and 2Q FY2/24 respectively.
- In add, we faced the weak order-intake, despite spending of advertisement cost aggressively in 1Q FY2/24.
- Our focus have shifted to Platform Service (Stock Income), we have well managed with new and existing clients, however, sales recovery is not yet achieved to average of FY2/24.
- 3Q order-intake finally hit above last years' average ¥678m.
- Also, January monthly sales of platform service was ¥160m, increased ¥29m compare to last fiscal years' monthly average sales.

2) Shikigaku Carrier(other segment) discontinuing Agent Business

- Shikigaku Carrier had two business lines; Hiring Consulting and Agent
- Considering market demands, our focus has shifted to Hiring Consulting
- Suspended order intake of Agent business 1H FY2/24, re-started taking order again. November monthly order intake of Agent business was ¥30m, full year target is ¥400m.

Initial Forecast vs Post Revision

(¥m)	FY2/24 Initial Forecast	FY2/24 Post Revision	YoY	Detail
Sales	5,224	4,831	▲393	1)Weak order of Management Consulting Business 2)Discontinuing Agent business within Carrier business
CoGS + SG&A	5,055	4,931	▲104	See below
(Within HR cost and Hiring cost)	2,256	2,120	▲136	Suspended heiring of consultant due to more focus of sales per head
(Within advertisement & marketing cost*)	900	854	▲46	Able to targeted reach number of appointment by spending below advertisement cost
Operating profit	168	▲119	▲287	
Recurring profit	157	▲121	▲278	
Net profit	35	▲82	▲117	

* Marketing cost includes outsourcing and commission cost related to advertising

Income Summary

(¥m)	FY2/23	FY2/24	YoY (Sep-Nov)	FY2/23	FY2/24	YoY (mar-Nov)	FY2/24	Progress	FY2/24	Progress
	3Q (Sep-Nov)	3Q (Sep-Nov)		9M (Mar-Nov)	9M (Mar-Nov)		Forecast Initial		Post Revision	
Sales	1,117	1,252	12.1%	3,303	3,548	7.4%	5,224	67.9%	4,831	73.4%
CoGS + SG&A	1,192	1,202	0.8%	3,401	3,693	8.6%	5,055	73.1%	4,951	74.6%
(Within HR cost and Hiring cost)	556	503	▲9.5%	1,578	1,584	0.4%	2,256	70.2%	2,120	74.7%
(Within advertisement & marketing cost*)	208	183	▲12.0%	613	665	8.5%	900	73.9%	854	77.9%
Operating profit	▲ 74	50	-	▲ 97	▲ 144	-	168	-	▲ 119	-
Recurring profit	▲ 77	51	-	▲ 115	▲ 143	-	157	-	▲ 121	-
Net profit	▲ 60	23	-	▲ 117	▲ 114	-	35	-	▲ 82	-
EPS(¥)	▲ 7.5	2.6	-	▲ 14.6	▲ 13.0	-	3.9	-	▲ 9.3	-

* Marketing cost includes outsourcing and commission cost related to advertising

Segment

Consolidated OP tuned to black-ink of ¥50m in 3Q alone

(¥m)	FY2/23	FY2/24	YoY (Sep-Nov)	FY2/23	FY2/24	YoY (Mar-Nov)
	3Q (Sep-Nov)	3Q (Sep-Nov)		3Q (Mar-Nov)	3Q (Mar-Nov)	
Sales	1,117	1,252	12.1%	3,303	3,548	7.4%
Organizational Consulting	987	1,081	9.5%	3,013	3,142	4.3%
Sports Entertainment*	130	171	31.5%	277	375	35.4%
VC Funds	-	-	-	-	30	-
VC Funds with hands-on support	-	-	-	-	-	-
Operating Profit	▲ 74	50	-	▲ 97	▲ 144	-
Organizational Consulting	▲ 27	91	-	87	▲ 29	-
Sports Entertainment*	▲ 39	▲ 27	-	▲ 133	▲ 85	-
VC Funds	▲ 20	▲ 14	-	▲ 72	▲ 38	-
VC Funds with hands-on support	▲ 1	▲ 1	-	▲ 6	▲ 5	-

*Sports Entertainment business holds pro basket ball team, that season has seasonal effect, season opens between Oct to April

Result summary

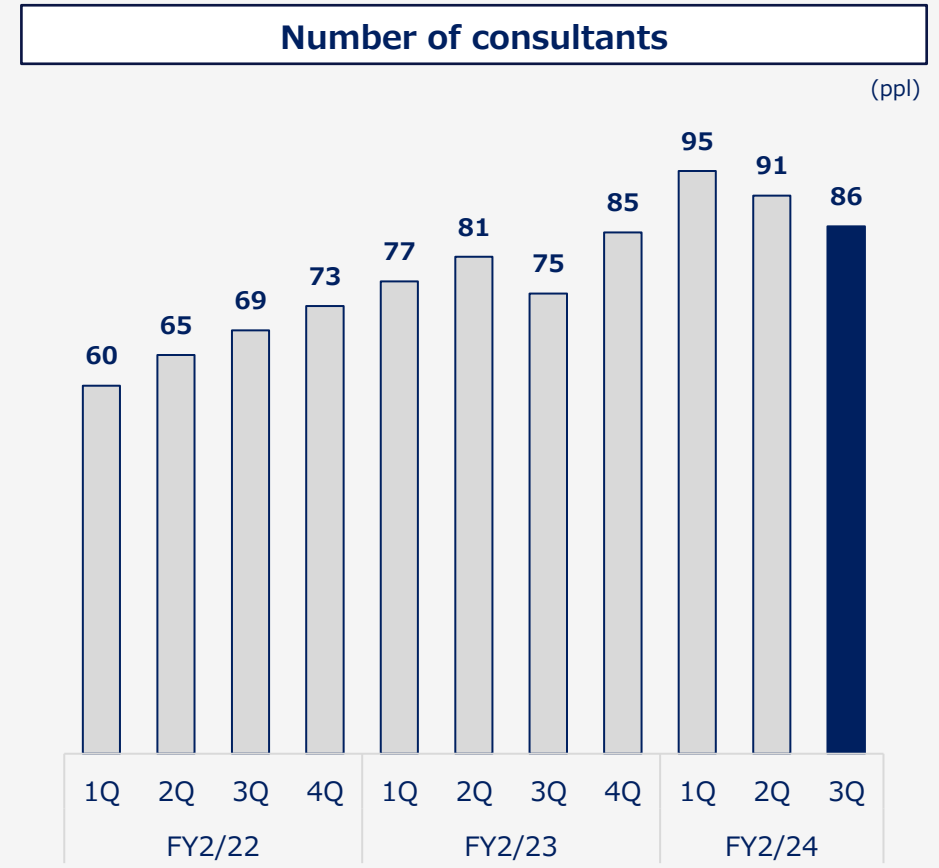
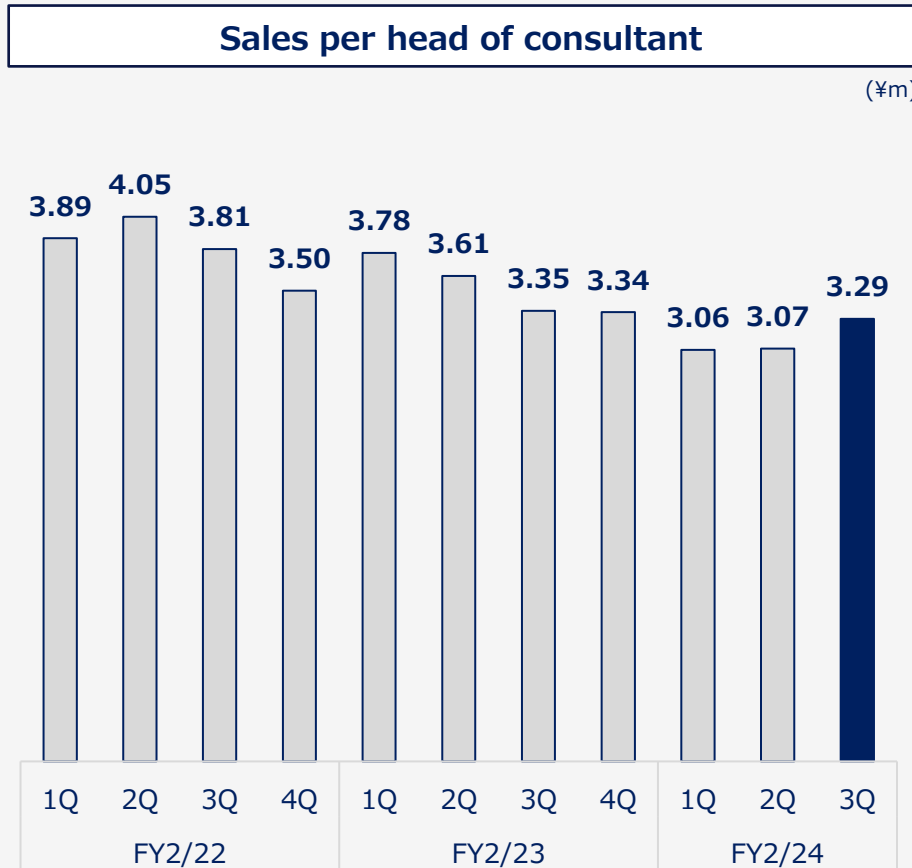
Segment	Summary	Comment
Consolidated	<p>Sales:¥3,548m (YoY+7.4%) Operating profit:¥-144m (last 9M:¥-97m)</p>	<p>3Q alone hit black-ink</p> <ul style="list-style-type: none"> Surge in order intake of Management Consulting Service (QoQ+9.7%) Increase of Shikigaku Basic Service (stock income) (668 companies as of 3Q, 2Q was 586) Reduction of HR and advertisement cost
Organizational Consulting	<p>Sales:¥3,142m (YoY+4.3%) Operating profit:¥-29m (YoY : ¥+87m) Sales per head of consultant: ¥3.29m/month (YoY-1.8%) Number of consultant as of 3Q end: 86 Order backlog:¥810m (YoY+17.2%)</p>	<ul style="list-style-type: none"> 3Q alone OP was ¥91m Increased bland-new clients, also low cancelation rate of 1-3% range Increased sales per head of consultant (QoQ+7.2%)
Sports Entertainment	<p>Sales:¥375m (YoY+35.4%) Operating profit:¥-85m (last 9M : ¥-133m)</p>	<ul style="list-style-type: none"> Target attendees is 2,000, about 2,300 attendees per game YtoD (Average game attendees last season was 1,567)
VC fund Hands-on fund	<p>New investment : 3 in 9M, none in 3Q</p>	<ul style="list-style-type: none"> One investment is done by Shikigaku fund #2 in December One investment is done by Shikigaku #2 and Shikigaku x Shinsei Fund in December

Result summary - Organizational Consulting

Target	FY2/24 3Q Policy	result	Details
Sales and Order intake	<ul style="list-style-type: none"> Mandatory to sell platform services (stock income) with management consulting services (flow income) Shortened a contract terms from 1 year to 3 month to increase order intake 	Yes	<ul style="list-style-type: none"> QoQ sales was increased by ¥45m in 3Q Sep:¥148m Oct :¥151m Nov:¥153m Dec:¥155m (preliminary) Jan:¥160m (preliminary)
Cost control Profitability	<ul style="list-style-type: none"> Cost reduction of advertisement, marketing and hiring to achieve operating cost (CoGS + SG&A) less than ¥336m per month 	Yes	<ul style="list-style-type: none"> 3Q alone operating cost was ¥330m Consolidated OP 3Q alone was black-ink

KPI (1/4)

Decreased number of consultant due to suspension of new-hiring and internal job-rotations

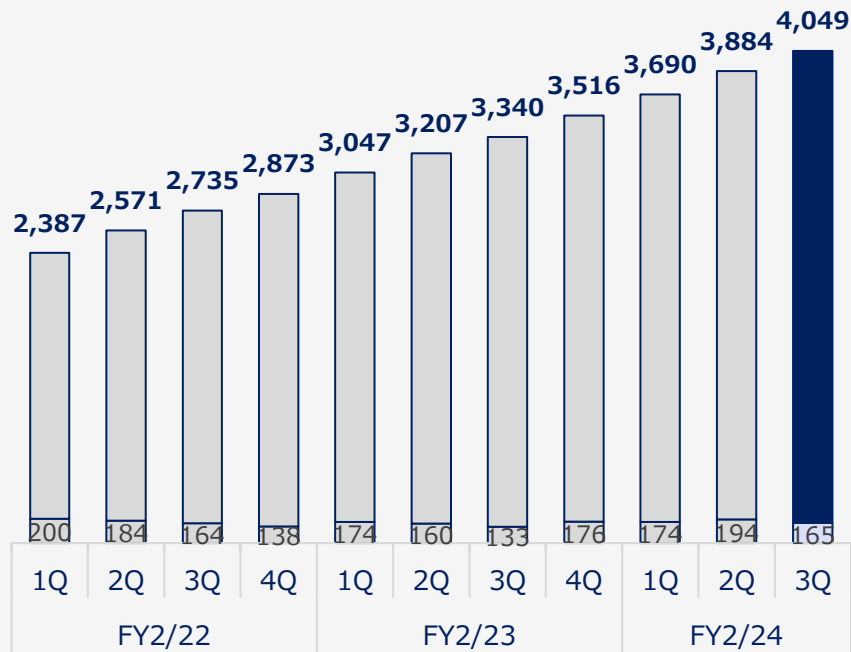


*Sales per person = (sales of management consulting services (excluding Shikigaku careers) + sales of platform services) ÷ number of consultants

KPI (2/4)

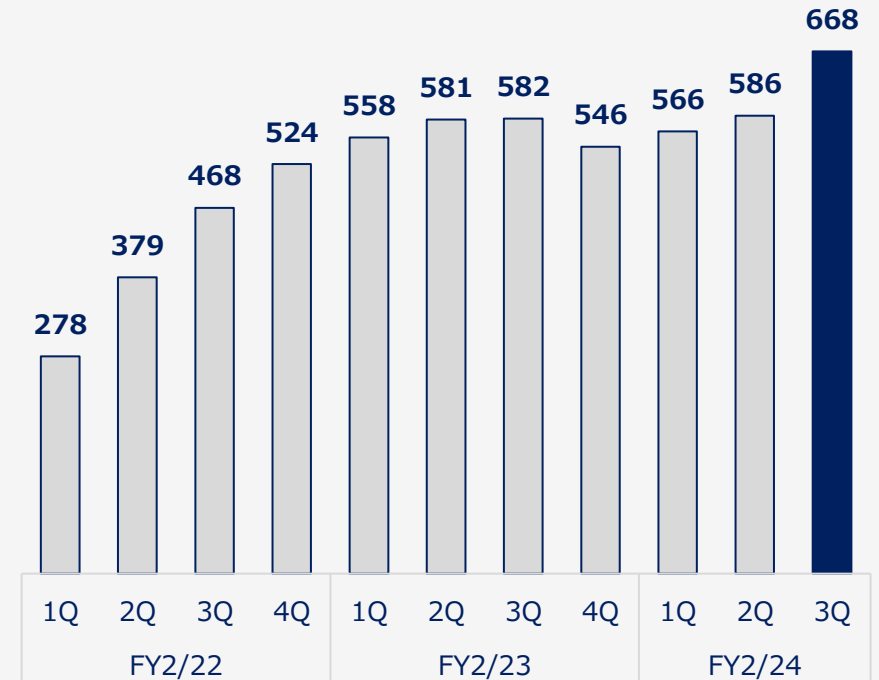
Accumulated contracts (management consulting services)

■ Accumulated ■ Brand-new (company)



Retained costumers (Shikigaku Basic Services)

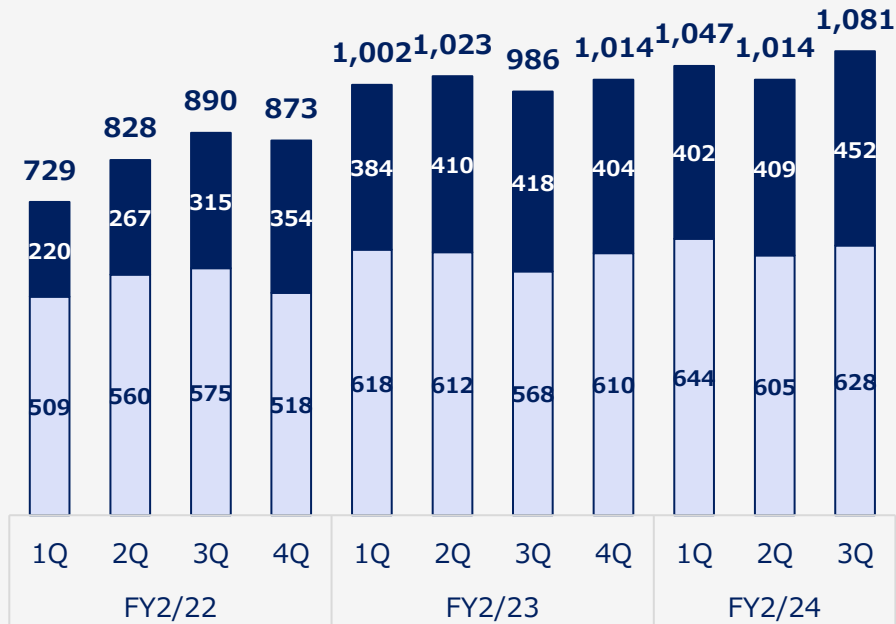
(company)



KPI (3/4)

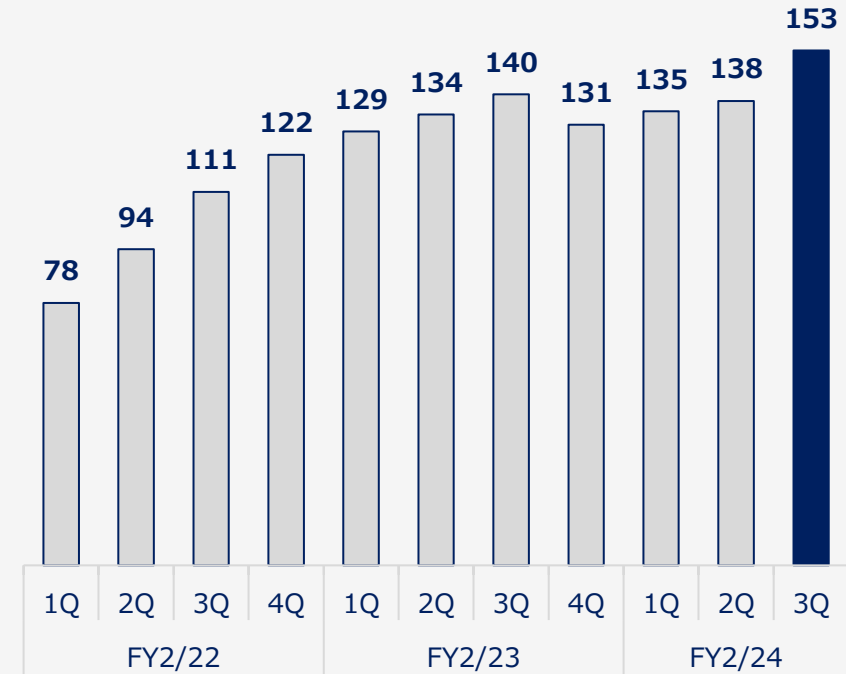
Sales – Management consulting

■ Platform services ■ Management consulting (¥m)



Platform services- monthly sales*

(¥m)

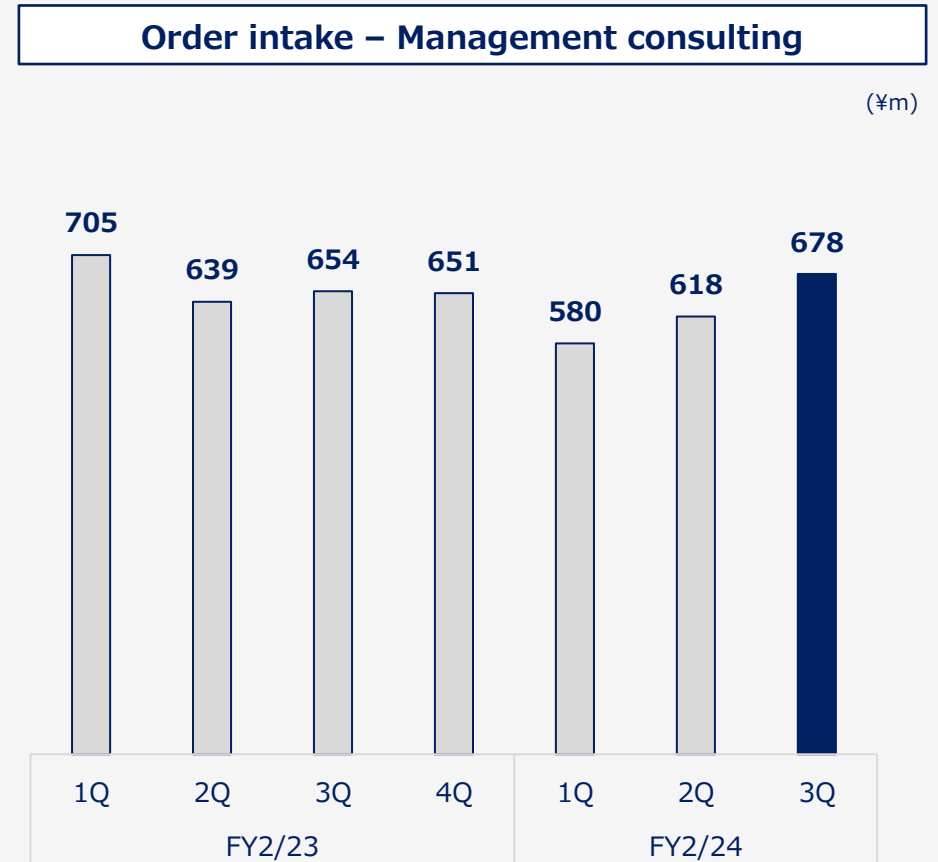
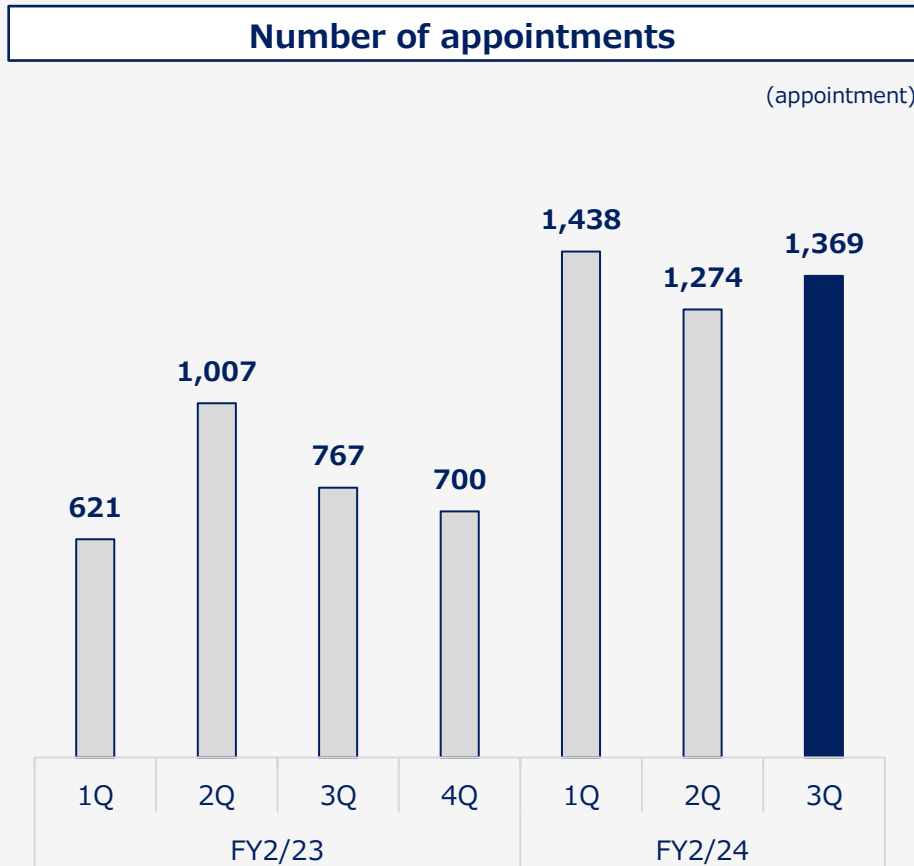


*Sales of platform services as of the end of the quarter

KPI (4/4)

Advertising and Marketing cost was ¥183m in 3Q FY2/24 (QoQ +4.0%)

Obtained 1,369 new appointments (QoQ +7.5%), target was 1,269, maintain cost-effectiveness

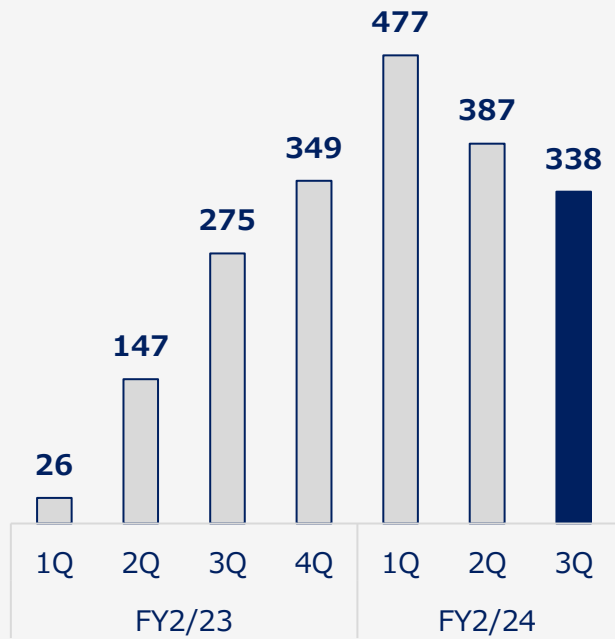


Large Company Order Intake

- Host seminars collaborated with TKP (3479JP, market cap ¥75bn)
- Hit a record high order intake of 42 companies in 3Q

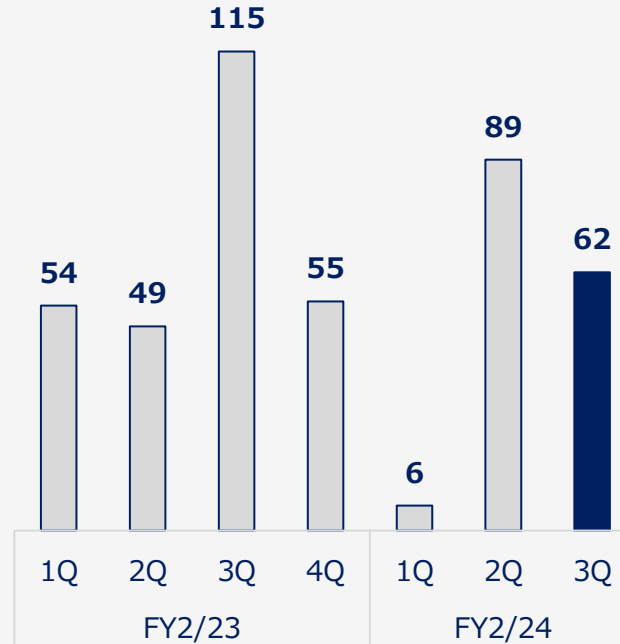
Number of appointments

(appointment)



Order intake

(¥m)



Large cap clients



*Large company: Companies with 500 or more employees or listed companies

Performance Highlights – VC Fund

Shikigaku Fund #1	Invested (¥m) (A)	Collected (¥m) (B)	Return rate (Collected + appraisal value)/Investment
Geocode (7357 JP)	29	101	339.3%
Aidoma HD (7373 JP)	35	250	696.5%
6 unlisted companies* ¹	181	—	—
Cash	93	—	—
Total	341	352	103.2%

*1 Surpass Co. Ltd., White Seed Co. Ltd., Itami Art Co. Ltd., and the total investment amount of three other companies

Shikigaku Fund #2	Invested (¥m) (A)	Collected (¥m) (B)	Return rate (Collected + appraisal value)/Investment
13 unlisted companies* ²	426	30	7.0%
Cash	284	—	—
Total	711	30	4.2%

*2 Garnet Co. Ltd., Guidable Co., Ltd., HIF Co., Ltd., Hadlas Holdings Co. Ltd., Retriever Co. Ltd., NanoBridge Semiconductor Co. Ltd., Petit Job Co. Ltd., and six other companies

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