

Commerce One Holdings Inc.

TSE Growth: 4496

FY3/2025 Q3

Financial Results

February 14, 2025



FY3/2025 Q3 Summary

Consolidated net sales

Consolidated operating profit

Consolidated operating margin

Profit attributable to owners of parent

JPY 2,752 mn

JPY 495 mn

18.0%

JPY 128 mn

YoY

+JPY 123 mn (+4.7%)



+JPY 48 mn (+11.0%)



+1.0pts

YoY

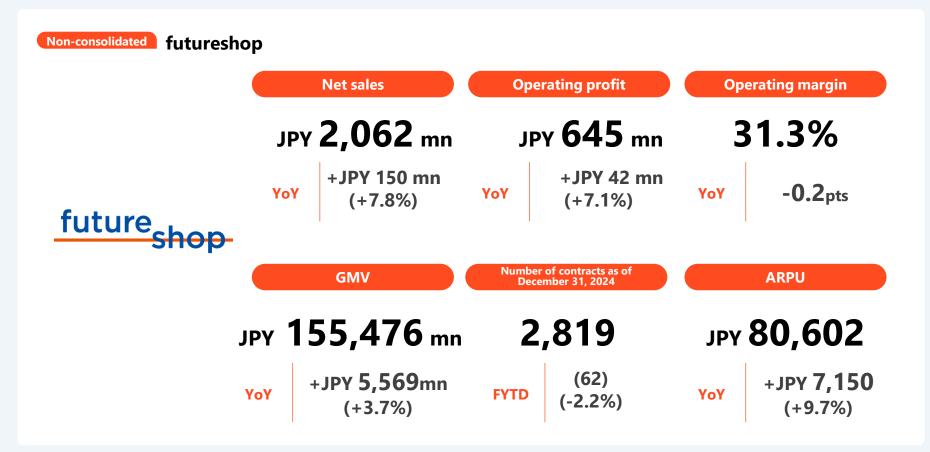
JPY (192) mn (-59.9%)

Financial summary

Future Shop recorded increases in both sales and profits due primarily to service enhancement and price revisions. SOFTEL recorded increased sales and decreased profits due to lower gross profit in some large projects and increase in SG&A expenses, and SOLAIRO saw a decline in sales due to ending sales of existing products. For the nine months ended December 31, 2024, profit attributable to owners of parent decreased as Enecycle, an equity-method affiliate, made upfront investment.



FY3/2025 Q3 Highlights of futureshop





Nine months

FY3/2025 Q3 Highlights of SOFTEL

Non-consolidated

SOFTEL (SAMURAI TECHNOLOGY combined)





^{*1} 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 to FY3/2025 Q3 and eliminating internal transactions.

d	evelopment sales	D	per customer		revenue	ratio of	f recurring venue
J	PY 204 mn	J	PY 1.4 mn	J	PY 284 mn	52	.5%
YoY	JPY (21.0) mn (- 9.3%)	YoY	+JPY 0.1 mn (+11.8 %)	YoY	+JPY 12.1 mn (+4.5%)	Compared to average for the past 7 years	+9.1pts

^{*2:} 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.



Today's	
Agenda	

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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

nmi-channel

Back-end products

Sales & inventory software

通販式蔵

Safe transactions

Symbol of trust and security



1. Company Overview- futureshop

Work in a friendly manner with E-Commerce Businesses and accompany them in their growth





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

27.2% on average

For FY3/2025 Q3:

Average YoY growth rate*1

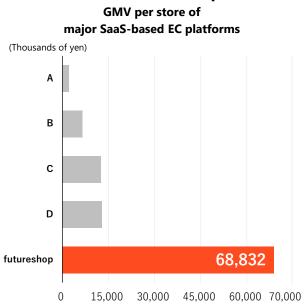
+ 27.2%

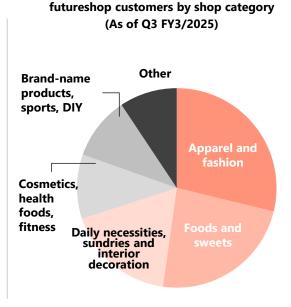
For FY3/2025 Q3: Overall average YoY growth rate

+21.2%

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.

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





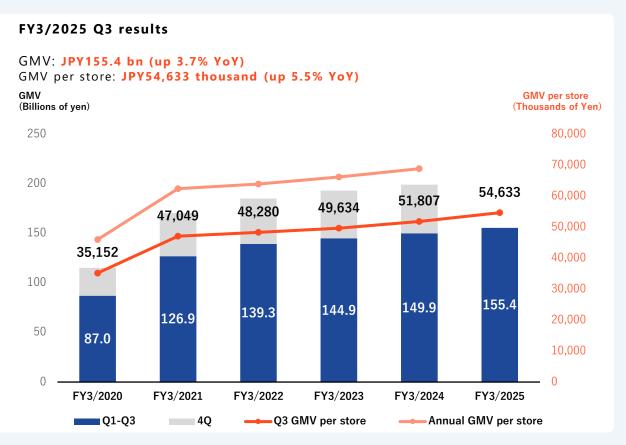
* The above graph is based on estimated GMV per store of major SaaS-based EC platforms in Japan in FY2023 researched by the Company (excluding industry/subscription commerce-specific and customized models)

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Commerce One

Changes in GMV



GMV for FY3/2025 Q3 totaled JPY155.4 billion, up 3.7% YoY

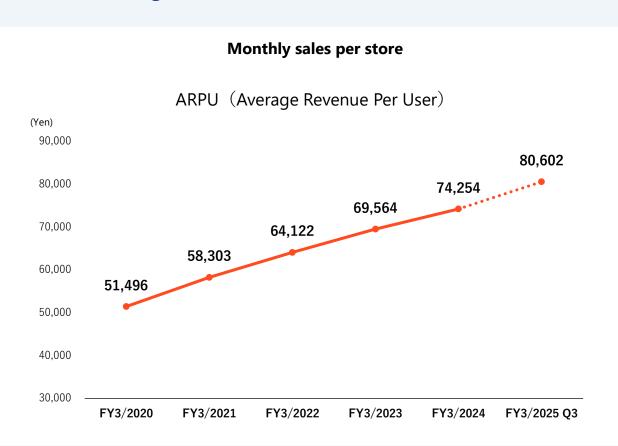
GMV per store increased by 5.5% YoY, showing robust customer growth, although acquiring new contracts with stores was still challenging.

The impact of the rate revision from June 2024 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.

Integration of shops accelerates in an advanced competitive environment.



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, alliance tie-up and marketing support services



Service Features – Customer Satisfaction and Brand Awareness of futureshop omni-channel



Received the "Leader" badge in the e-commerce site construction category at the ITreview Grid Award 2025

Winter for the **22nd** consecutive period (five consecutive years).



"Leader" Badge:

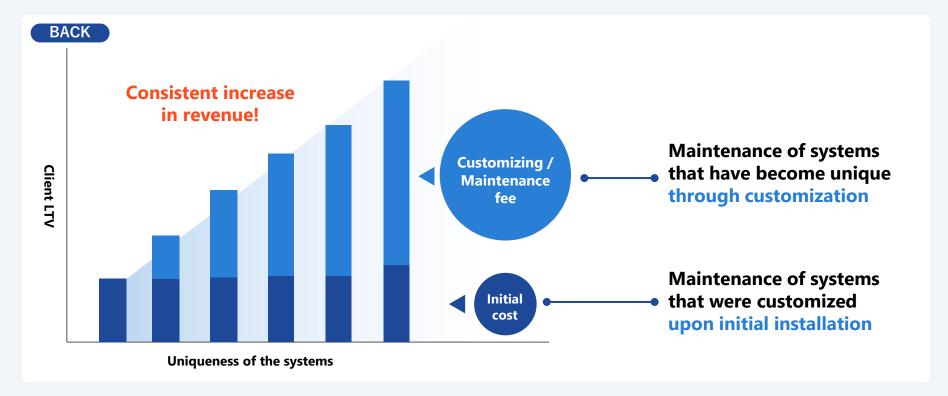
Indicates that our product is highly rated in both customer satisfaction and brand awareness on ITreview, a review site for business IT products and cloud services.





Work in a friendly manner with E-Commerce Businesses and accompany them in their growth SOFTEL







Support marketing strategies and advertising materials

Made KIDOKU inc. a Group Company





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 supporting growth responding to times

Generative Al

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

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.

^{*1} Commerce Connect:



Group Synergy: Support for Utilizing Multi-channel Data with futureshop \times Commerce Connect

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



Dashboard with at-a-glance views, allowing centralized monitoring and analysis

Marketing support

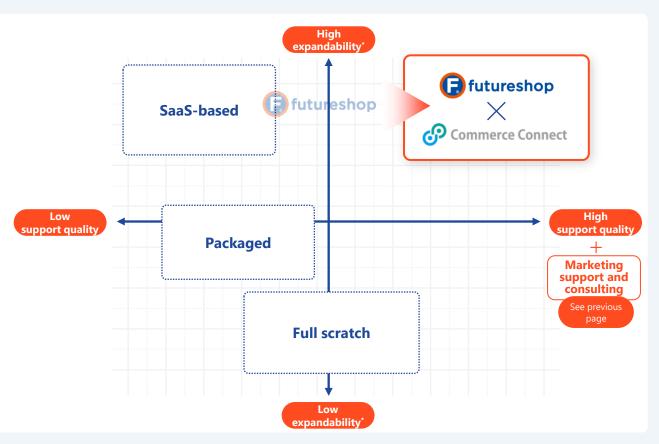
Strategic consulting

- 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









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

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



2 | | FY3/2025 Q3 Highlights



FY3/2025 Q3 Financial Highlights

Consolidated Commerce One Holdings

(Thousands of yen)

	FY3/2024 Q3	FY3/2025 Q3	QoQ Change	YoY
Net sales	2,628,607	2,752,305	+ 123,698	+ 4.7%
Operating profit	446,427	495,384	+ 48,957	+ 11.0%
Ordinary profit	497,349	333,301	(164,048)	(33.0%)
Profit before income taxes	521,496	334,967	(186,529)	(35.8%)
Profit attributable to owners of parent	320,769	128,567	(192,202)	(59.9%)



Achievement Against FY3/2025 Budget

Consolidated Commerce One Holdings

			(Thousands of yen)
	FY3/2025 Q3 Results	FY3/2025 Full- year Budget	Achievement vs. Budget
Net sales	2,752,305	3,815,446	72.1%
Operating profit	495,384	604,956	81.9%
Ordinary profit	333,301	683,343	48.8%
Profit attributable to owners of parent	128,567	454,730	28.3%

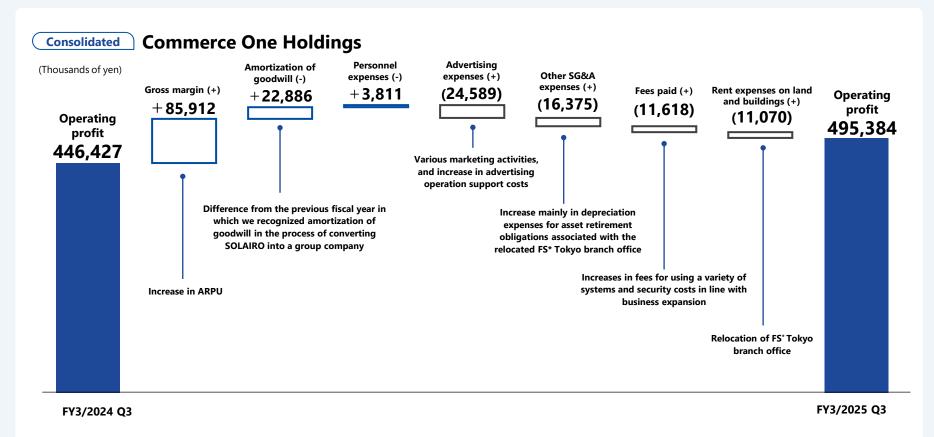
This is attributable mainly to the recognition of share of loss of Enecycle, an entity accounted for using equity method. As of the end of Q3, the investment was not yet profitable and was reflected in the consolidated figures as a loss.

(Thousands of you)

In Q4 and beyond, Enecycle is expected to expand its business and become profitable due to the progress of several projects, and our profit is also expected to improve.



Analysis of Change in Operating Profit: FY3/2025 Q3 vs. FY3/2024 Q3





FY3/2025 Q3 YoY Analysis of Operating Profit to Profit Before Income Taxes

Consolidated Commerce One Holdings

(T	housand	ls of	yen

	FY3/2024 Q3	FY3/2025 Q3	YoY Change
Operating profit	446,427	495,384	+48,957
Non-operating income	51,293	32,133	(19,160)
Non-operating expenses	370	194,216	+193,846
Ordinary profit	497,349	333,301	(164,048)
Extraordinary income	24,146	6,176	-
Extraordinary loss	_	4,511	_
Profit before income taxes	521,496	334,967	(186,529)
EBITDA*	559,665	589,687	+30,021

This is attributable mainly to the recognition of share of loss of Enecycle, an entity accounted for using equity method.

As of the end of Q3, the investment was not yet profitable and was reflected in the consolidated figures as a loss.

In Q4 and beyond, Enecycle is expected to expand its business and become profitable due to the progress of several projects, and our profit is also expected to improve.



Comparison of Q2 and Q3 in FY3/2025

Consolidated Commerce One Holdings

	FY3/2025 Q2	FY3/2025 Q3	QoQ Change	
Net sales	917,613	935,736	+18,123	
Operating profit	165,972	174,724	+8,752	
Ordinary profit	99,825	126,109	+26,284	Increased due to foreign exchange gain from yen's further depreciation, while foreign exchange losses
Operating margin	18.1%	18.7%	+0.6pts	incurred until Q2 due to Taiwan dollar exchange rate.
Profit attributable to owners of parent	37,052	50,916	+13,864 •	

(Thousands of yen)



FY3/2025 Q3 Balance Sheet: Flux Analysis Compared to March 31, 2024

Consolidated Commerce	e One Holdings		(Thousands of yen)	
	March 31, 2024	December 31, 2024	Change	
Current assets	2,305,885	2,257,058	(48,827)	
Cash and deposits	1,733,879	1,631,569	(102,310)	
Other	128,896	168,577	+39,681	This is attributable mainly to advance payments for receiving
:	:	:	:	discount on server usage fees.
Non-current assets	1,576,802	1,334,252	1,334,252 (242,550) This is attribu	This is attributable mainly to the purchase of furniture and fixtures
Property, plant and equipment	78,489	139,655	+61,166	for the Tokyo branch office of FS* which has been relocated.
Investment securities	1,002,854	656,374	(346,480)	Share of loss of Enecycle, an entity accounted for using equity method;
:	:	:	:	and a decline in the share price of a listed company that the Company has invested in.
Current liabilities	915,574	803,330	(112,244)	nas invested in.
Non-current liabilities	122,138	110,384	(11,754)	FY3/2024 income taxes paid
Net assets	2,844,974	2,677,595	(167,379)	•
Valuation difference on available-for-sale securities	379,180	274,661	(104,519)	A decline in the share price of a listed company that the Company has invested in.



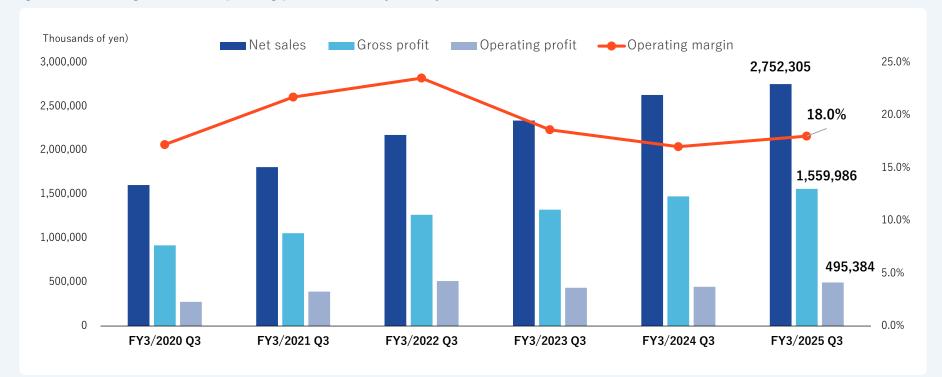
YoY Analysis of Cash Flows: FY3/2025 Q3 against FY3/2024 Q3

Consolidated Commerce One I	Holdings		(Thousands of yen)		
	FY3/2024 Q3	FY3/2025 Q3	YoY Change		
Cash flows from operating activities	424,320	249,039	(175,281)		
Profit before income taxes	521,496	334,967	(186,529)		Share of loss of Enecycle, an entity accounted for using equity
Share of profit (loss) of entities accounted for using equity method	-	193,050	193,050	•	method
Decrease (increase) in deposits paid	111,170	(33,700)	(144,870)	•	Share repurchase under a discretionary trading contract completed in the
:	:	:	:		previous fiscal year
Income taxes paid	(201,767)	(261,434)	(59,667)		
Cash flows from investing activities	(86,319)	(158,749)	(72,430)		Purchase of furniture and fixtures for
Purchase of property, plant and equipment	(1,881)	(48,326)	(46,445)	•—•	the Tokyo branch office of FS* which has been relocated.
Proceeds from sales of investment securities	32,739	8,828	(23,911)	•	
:	:	:	:		Difference in the number and price of shares upon sales of investment
Cash flows from financing activities	(300,601)	(195,679)	104,922		securities
Share repurchase	(109,797)	(41,782)	68,015	•—•	Difference in acquisition prices of shares repurchased
Dividends paid	(188,094)	(150,590)	37,504	•	
:	:	:	:		Difference in dividends paid
Net increase (decrease) in cash and cash equivalents	51,197	(102,310)	(153,507)		



Changes in Consolidated Operating Results for the Past 5 Years

During the first nine 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.

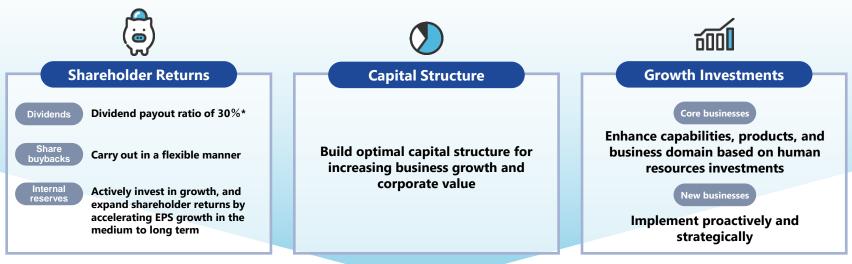




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Financial Strategy

Working to maximize corporate value



^{*} 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		

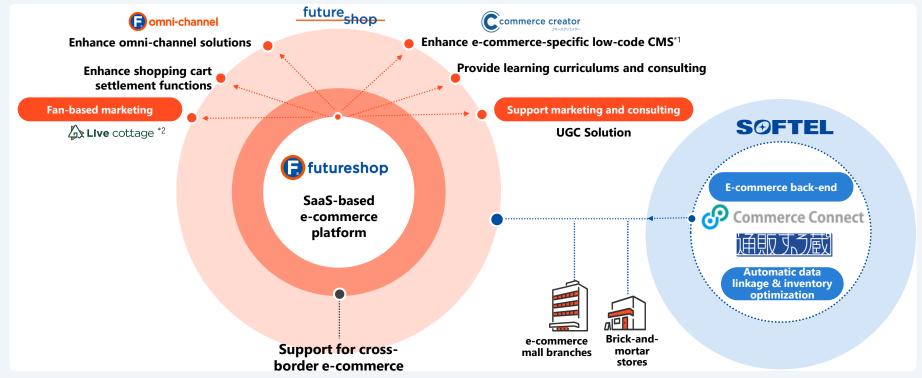


3 | | | Growth Strategy



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.

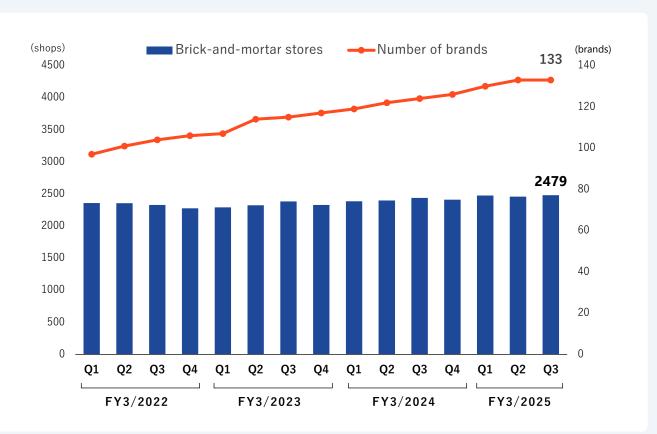


^{* 1} Low-code CMS: Content management system using the minimum necessary source code

^{* 2} 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

Omni-Channel Transition



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



STEL Policies for FY3/2025 Q4 and Beyond

future

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

- Improve a function for regular sale and sale through a buyer's club (subscription function)
- **Enhance site production support functions** (for production companies, especially by enhancing commerce creator functions)
- Improve UIs of the management screen
- **Strengthen Live Commerce products**
- Install integrated EC back-end functions
- **Enhance linkage with external systems** (API enhancement)

Customer success policy

Product development

policy

Improve GMV and LTV by expanding store support services

Sales and marketing policy

Improve brand awareness by strengthening sales promotions and advertising

SØFTEL

- Planning the development of "Commerce Connect"
- **Provision of options for Al-powered functions** (start providing generative Al solution "Al Creative One")
- Response to Rakuten Super Logistics (RSL)
- **Automatic invoice generation function**

- Strengthen sales and development base in the Kanto area
- Effectively use service introduction videos and customized case studies
- Hold Tsuhan-Suruzo seminars



4

Overview of Our Business

<u>future</u> shop

Future Shop Co., Ltd.



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



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.

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

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.



Business Overview

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.

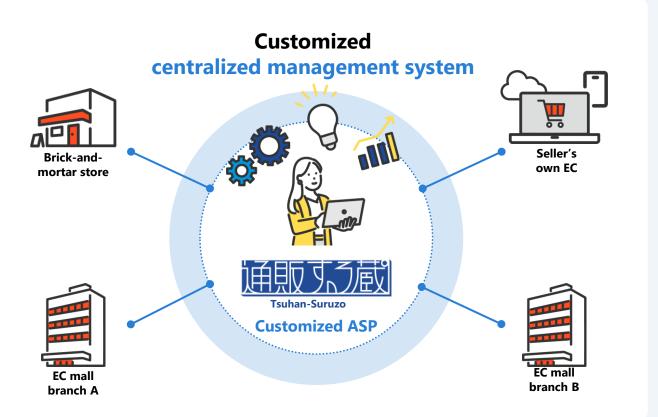




Softel Inc.

Commerce One

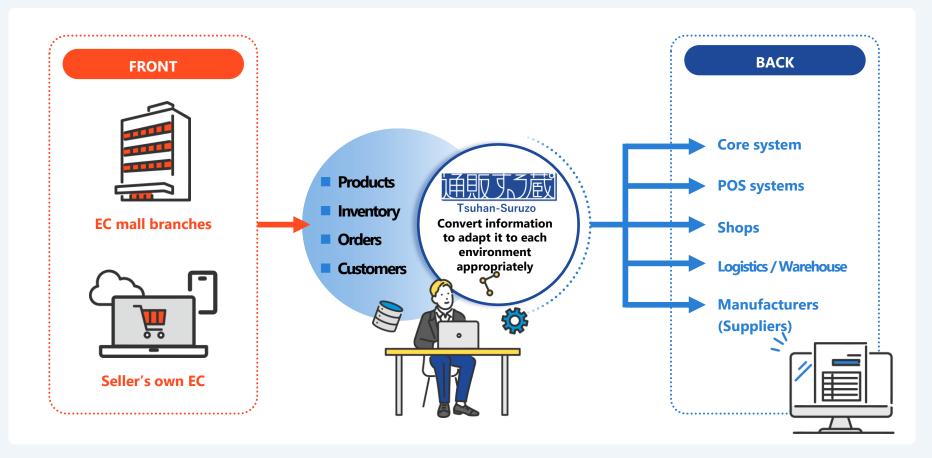
"Tsuhan-Suruzo" Concept



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.



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 19 years

(Started services in 2006)







Three key features of TradeSafe Trustmark



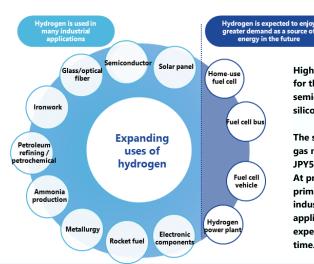
5 | | | | Group Companies



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.

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.

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.





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.

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