
May 15, 2025

FY 2025/9
Q2 Financial
Results

RECOMM Co., Ltd.

TSE Standard (3323)

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FY 2025/9 Q2 financial results summary

Sales revenue			
<div>Record high</div> <div>6,617 million yen</div>			
Same period of previous year	5,501 million yen	Change (Rate of change)	+1,116 million yen (+20.3%)

Operating profit			
193 million yen			
Unadjusted Same period of previous year	178 million yen	Change (Rate of change)	+15 million yen (+8.3%)
Adjusted * Same period of previous year	(22) million yen	Change	+215 million yen

Profit before tax			
255 million yen			
Unadjusted Same period of previous year	212 million yen	Change (Rate of change)	+43 million yen (+20.3%)
Adjusted Same period of previous year	12 million yen	Change	+243 million yen

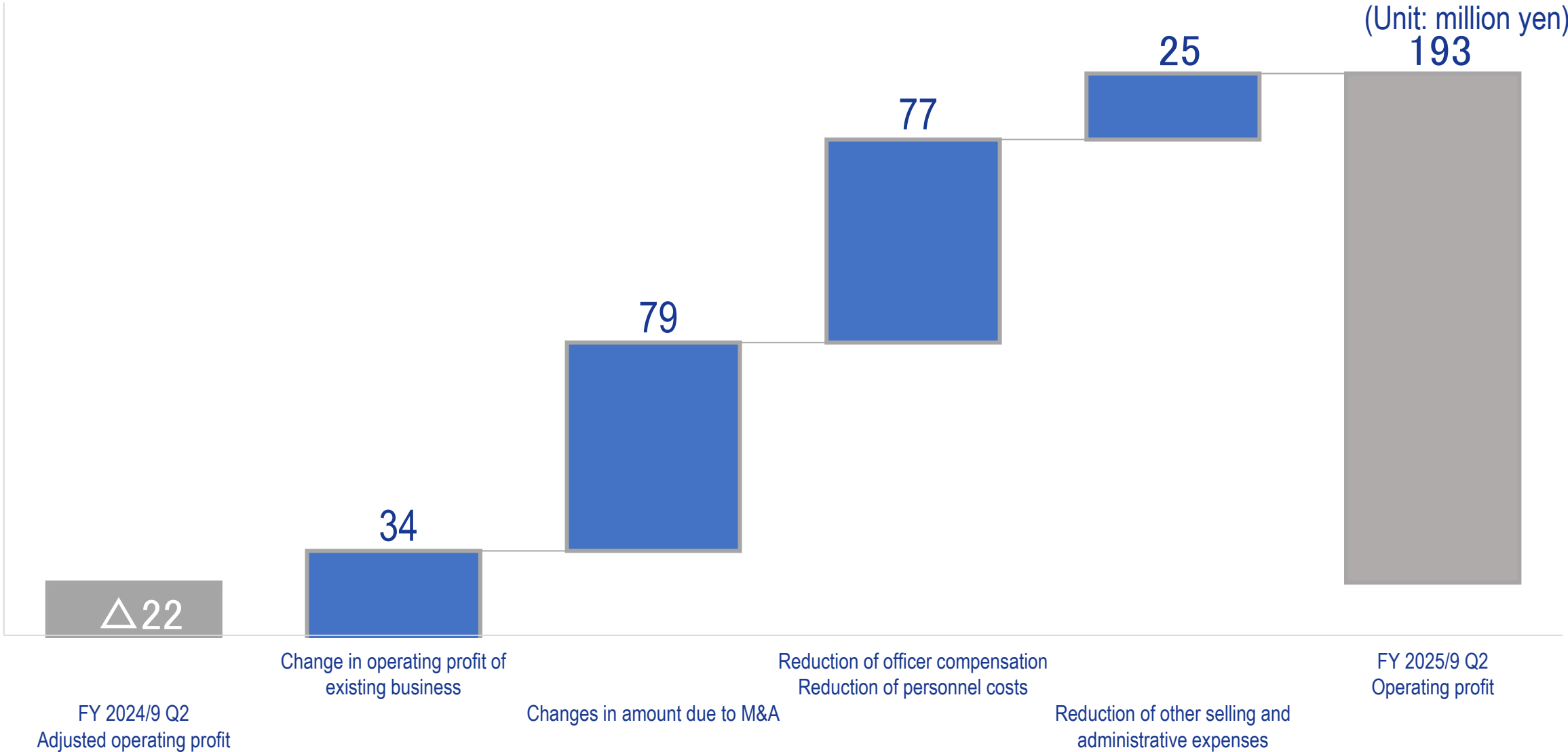
Net income attributable to owners of the parent			
154 million yen			
Unadjusted Same period of previous year	128 million yen	Change (Rate of change)	+26 million yen (+20.8%)
Adjusted Same period of previous year	-71 million yen	Change	+226 million yen

EBITDA*			
289 million yen			
Unadjusted Same period of previous year	261 million yen	Change (Rate of change)	+28 million yen (+10.7%)
Adjusted Same period of previous year	61 million yen	Change	+228 million yen

* Adjusted: Amount adjusted to exclude gains on sale of a franchise business

* EBITDA: operating profit + depreciation and amortization

Main causes of changes in adjusted operating profit



FY 2025/9 Q2 financial results summary (results by segment)



(Unit: million yen)

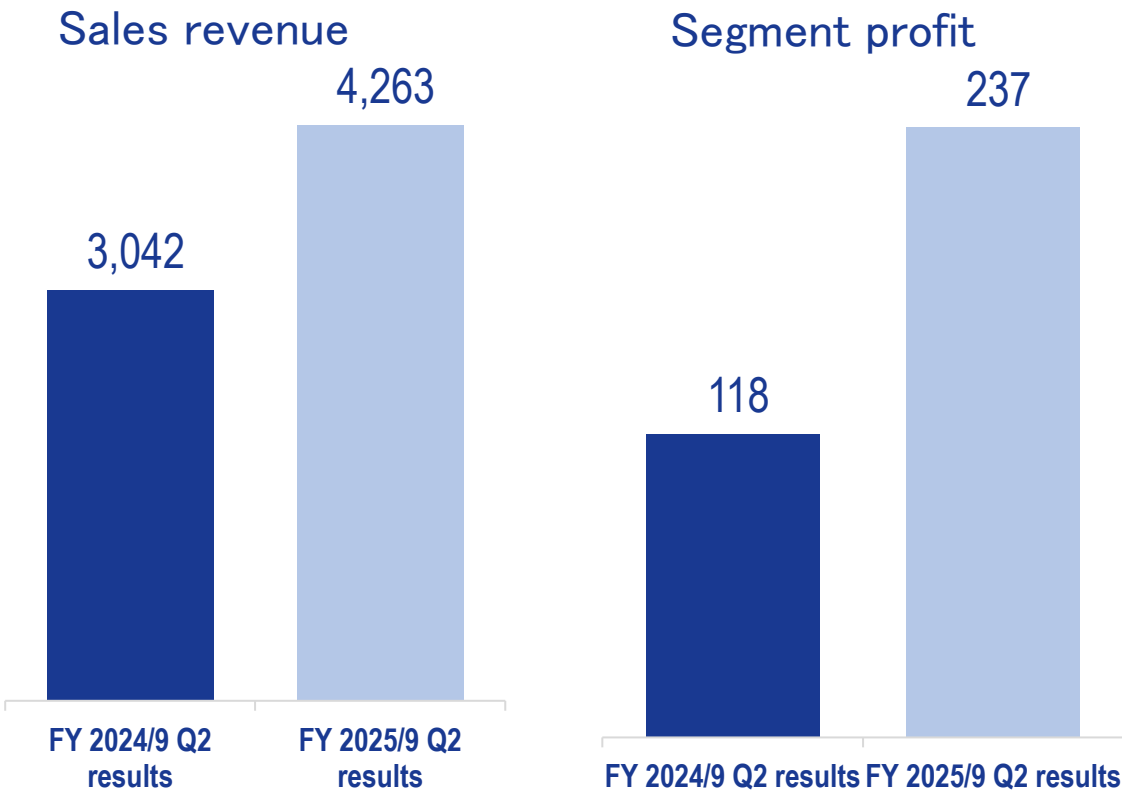
	FY 2024/9 Q2	FY 2025/9 Q2	Change	YoY
Sales revenue	5,501	6,617	+1.116	120.3%
Overseas solutions businesses	3,042	4,263	+1,221	140.1%
Domestic solutions businesses	2,169	2,035	(134)	93.8%
BPR business	289	319	+29	110.2%
Segment profit	178	193	+15	108.4%
(Adjusted segment profit)	(22)	193	+215	-
Overseas solutions businesses	118	237	+119	199.9%
(Unadjusted domestic solutions businesses)	240	43	(197)	18.0%
(Adjusted domestic solutions businesses)	40	43	+3	107.2%
BPR business	25	14	(11)	57.2%
Adjustments	(205)	(101)	+104	49.3%

FY 2025/9 Q2 financial results (overseas solutions business)



(Unit: million yen)

	FY 2024/9 Q2	FY 2025/9 Q2	Change	YoY
Sales revenue	3,042	4,263	+1,221	140.1%
Segment profit	118	237	+119	199.9%



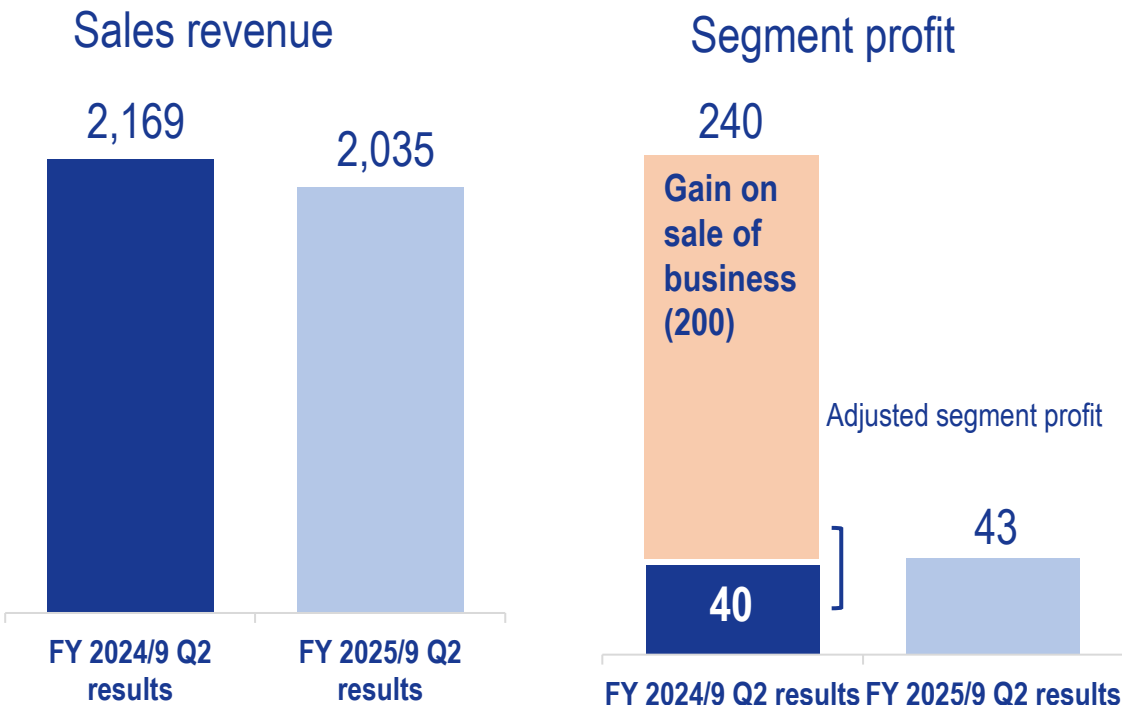
- The effects of adding a Singapore subsidiary to the consolidation contributed substantially to sales and segment income
- Segment income was up sharply due to the effects of reduced selling, general, and administrative expenses through restructuring of the sales structure in the direct-sales channel

FY 2025/9 Q2 financial results (domestic solutions business)



(Unit: million yen)

	FY 2024/9 Q2	FY 2025/9 Q2	Change	YoY
Sales revenue	2,169	2,035	(134)	93.8%
Segment profit	240	43	(197)	18.0%
Adjusted segment profit	40	43	+3	107.2%



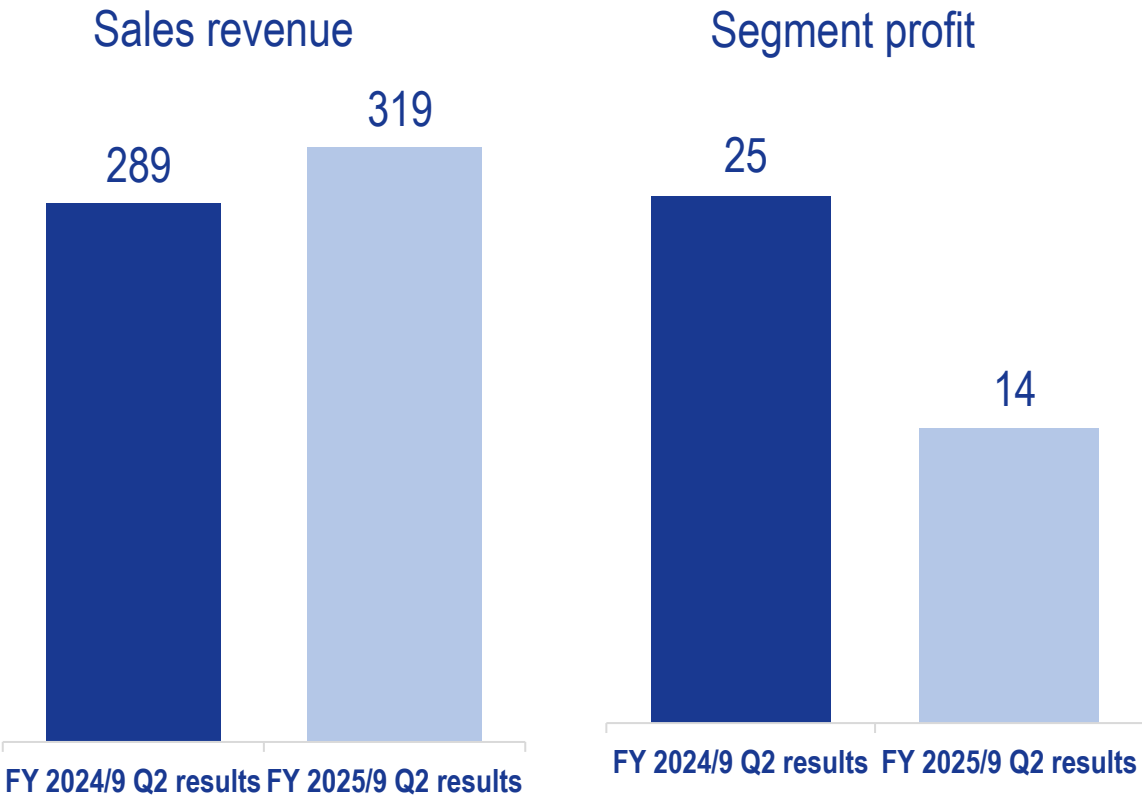
- Results in the wholesale channel were down 6.2% from the previous period as direct sales and other sales were unable to make up for a slump in sales to large agents, which had been strong in the same period of the previous year.
- While sales in the direct-sales channel were largely unchanged YoY, real profit increased thanks to the effects of reduced selling, general, and administrative expenses as a result of restructuring of the sales structure.

FY 2025/9 Q2 financial results (BPR business)



(Unit: million yen)

	FY 2024/9 Q2	FY 2025/9 Q2	Change	YoY
Sales revenue	289	319	+30	110.2%
Segment profit	25	14	(11)	57.2%



- While revenues increased due to additional orders and major spot transactions from existing customers in the domestic center business, the gross profit margin decreased by 4% due to higher subcontracting costs.
- Despite higher sales, income was down due to a lower gross profit margin and higher selling, general, and administrative expenses, such as personnel costs for core management personnel.

(Unit: million yen)

	Previous consolidated fiscal year September 30, 2024	Current interim consolidated accounting period March 31, 2025	Change
Current assets	8,364	8,257	(107)
Non-current assets	4,281	4,230	(51)
Total assets	12,645	12,487	(158)
Current liabilities	5,012	5,175	+163
Noncurrent liabilities	2,337	2,164	(173)
Total liabilities	7,350	7,339	(11)
Equity attributable to owners of the Parent	4,963	4,777	(186)
Non-controlling interests	331	370	+39
Total equity	5,294	5,148	(146)
Liabilities and equity Total	12,645	12,487	(158)

Total assets: 12,487 million yen Down 158 million yen

Assets were down 158 million yen from the end of the previous year to 12,487 million yen due to such factors as the efficient use of Group internal assets led to a reduction in cash and cash equivalents.

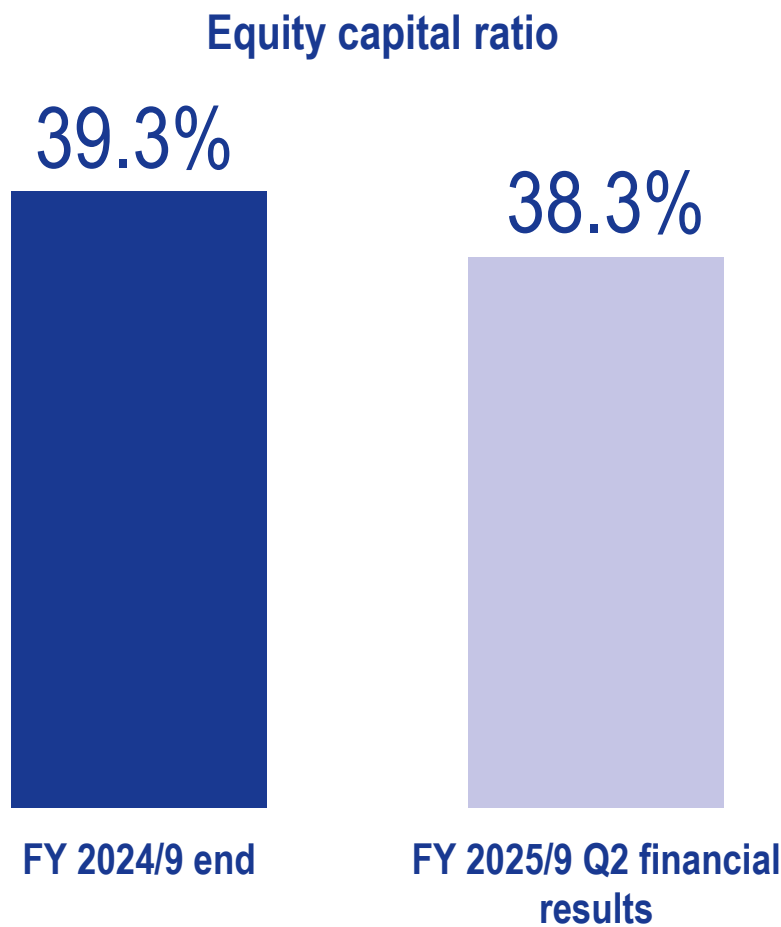
Total liabilities: 7,339 million yen Down 11 million yen

Liabilities were down 11 million yen from the end of the previous year to 7,339 million yen due to such factors as the reductions in income tax payable and contract liabilities, together with efforts to keep down the increase in loans payable through means that included more efficient use of Group internal assets.

Total equity: 5,148 million yen Down 146 million yen

Capital was down 146 million yen from the end of the previous year to 5,148 million yen due to such factors as a decrease of 175 million yen in other components of capital.

Equity ratio: 38.3%



Cash of 138 million yen was used in operating activities due to such factors as an increase in accounts receivable - trade associated with higher sales in March. Cash of 151 million yen was used in financing activities that included payment of dividends and purchase of treasury stock.

	Previous interim consolidated accounting period From October 1, 2023 to March 31, 2024	Current interim consolidated accounting period From October 1, 2024 to March 31, 2025	Change
Cash flow from/used in operating activities	456	(138)	(595)
Cash flow from/used in investing activities	(17)	(236)	(219)
Cash flow from/used in financing activities	(409)	(151)	258
Change in cash and cash equivalents	42	(535)	(578)
Ending balance of cash and cash equivalents	2,668	2,439	-



Topics (2024.10.1 to 2025.3.31)

Overview of TAKNET and its financial results

- TAKNET SYSTEMS PTE LTD, an AI server sales firm in Singapore, became a subsidiary in July 2024.
- Results: FY 2024 sales revenue of approximately 2.0 billion yen and operating profit of approximately 200 million yen

Impact on full-year results

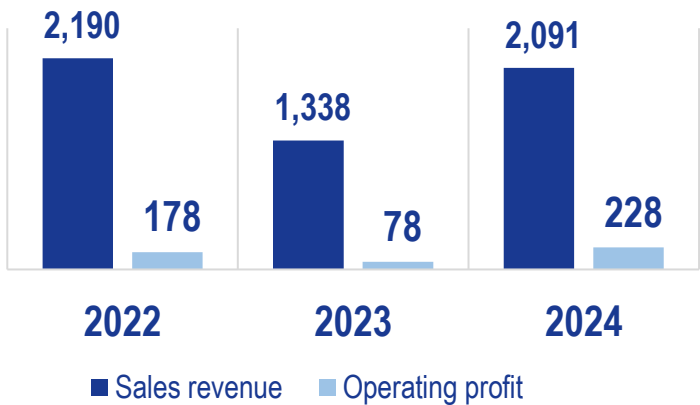
- Both consolidated sales revenue and consolidated profit are expected to increase significantly.

*Consolidated only in Q4 of FY 2024

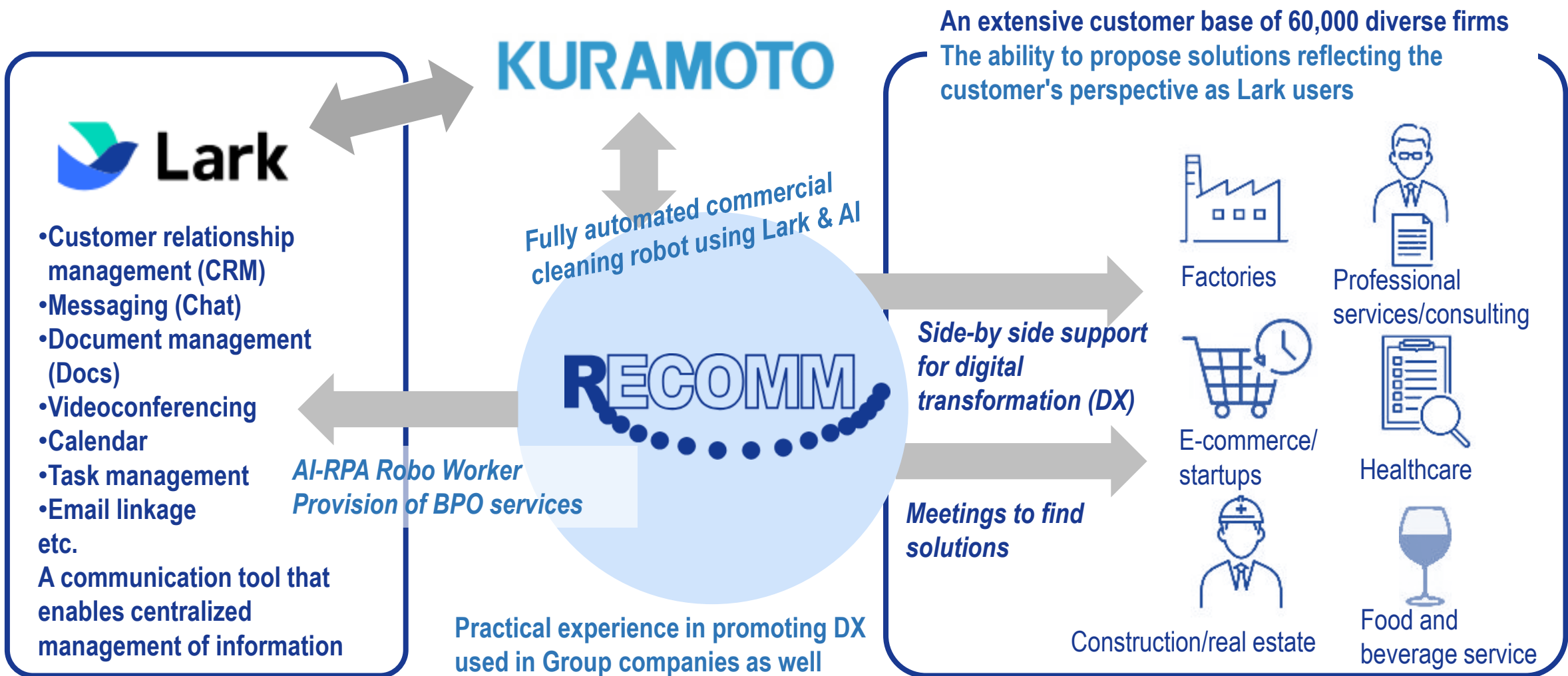
Future outlook

- Entering the Singapore market through TAKNET SYSTEMS PTE LTD
- Growing sales of ICT devices centered on AI servers overseas
- Further growth through continuation of the global M&A strategy

Past fiscal years' results
(Unit: million yen)



About the Lark integrated multifunctional collaboration tool



We purchased treasury stock under the following December 2, 2024, resolution of the Board of Directors

Details of acquisition (December 3, 2024, news release)

Item	Details
Number of shares to be acquired	Up to 1,500,000 shares (1.85% of total shares issued and outstanding)
Total acquisition price	Up to 100 million yen
Timing of acquisition	December 3, 2024 to March 31, 2025
Reasons for acquisition	To enhance returns to shareholders To improve equity efficiency To execute dynamic equity policies



A cumulative total of 528,300 shares of treasury stock was purchased (for a total purchase price of 35 million yen)

Process Recorder: Automated business-process recording tool

Enables automatic preparation of manuals by automatically recording business processes



Main features

- Automated manual preparation
- Voice input
- High-precision recording
- User friendly
- A wide range of export features

We aim to increase the number of new contracts by selling this solution bundled with Robo Worker, enabling the visualization of business processes and efficient manual preparation.



Enhanced linkage between existing DX solutions Robo Worker® and AI-Agent.

Enhancement of HR development

- Percentage completing 100 hours of training per employee: 95% (FY 2025 plan: 100%)
- AI skills trainees: 183 (FY 2025 plan: 192)

Global human-resource development

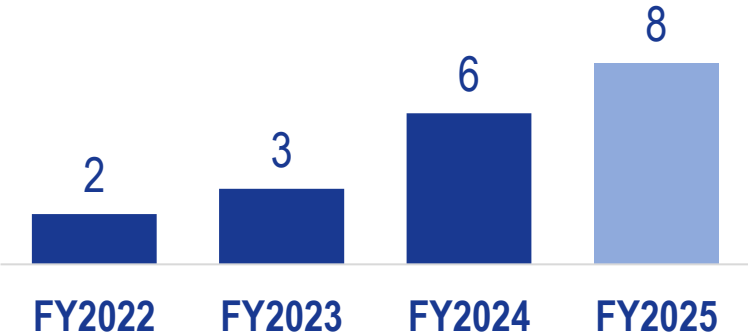
- Number of younger employees seconded overseas: 6 (FY 2025 plan: 8)

Improving employee satisfaction

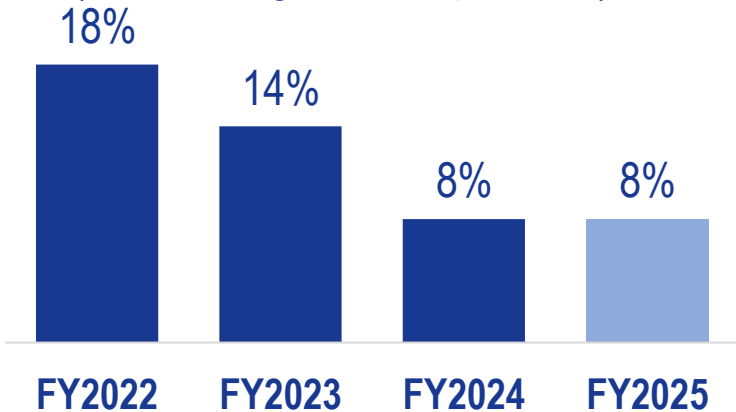
- Employee turnover rate: 8% (significantly improved from 14% in FY2023)
- Mentor interviews rate: 100% for both new graduates and midcareer hires

Improving global competitive strength and realizing sustainable growth through strengthening human capital management

Younger employees seconded overseas
(FY 2025 figures are planned)



Separation rate
(FY 2025 figures are planned)



(December 27, 2024, news release)

April 01, 2025
Ten new graduates joined the Company

- Professional training was conducted in April followed by measures that included role-playing and practical tele-appointment training and customer visits in May and June.
- NEW

 A new training program on global strategic products was added to enable the new hires to play effective roles right away in overseas sales
- Planned for assignment to individual sections beginning in July



Entrance ceremony

Entrance ceremony


10:00	10:10	10:20	10:30	10:40	10:50	11:00	11:10	11:20	11:30	11:40	11:50
12:00	12:10	12:20	12:30	12:40	12:50	13:00	13:10	13:20	13:30	13:40	13:50
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190:00	190:10	190:20	190:30	190:40	190:50	191:00	191:10	191:20	191:30	191:40	191:50
192:00	192:10	1									



Celebrating our 30th anniversary



A ceremony was held on April 19 to mark the 30th anniversary of the Company's founding, attended by longstanding business partners, long-term employees, and their families



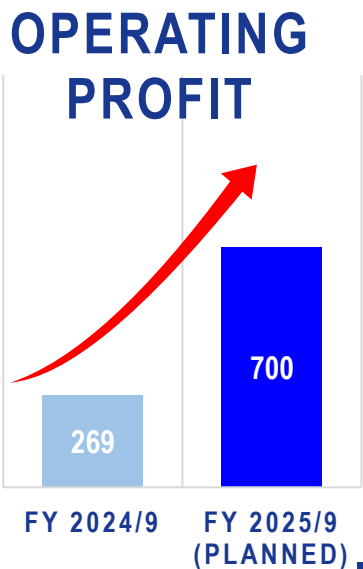
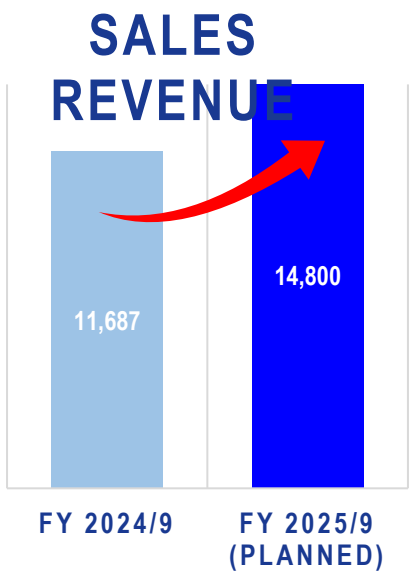
FY 2025/9

Full-year plans and dividends forecasts

New record highs on all indicators

(Unit: million yen)

	FY 2025/9 (1H plans)	FY 2025/9 (1H actual)	vs. Plans	FY 2025/9 (2H plans)	FY 2024/9 (results)	FY 2025/9 (full-year plans)	YoY
Sales revenue	6,800	6,617	97.3%	8,183	11,687	14,800	126.6%
Operating profit	220	193	87.7%	507	269	700	259.8%
Profit before tax	220	255	115.9%	445	307	700	227.9%
Net income attributable to owners of the parent	120	154	128.3%	276	83	430	518.1%
EBITDA	285	289	101.4%	542	445	831	186.7%

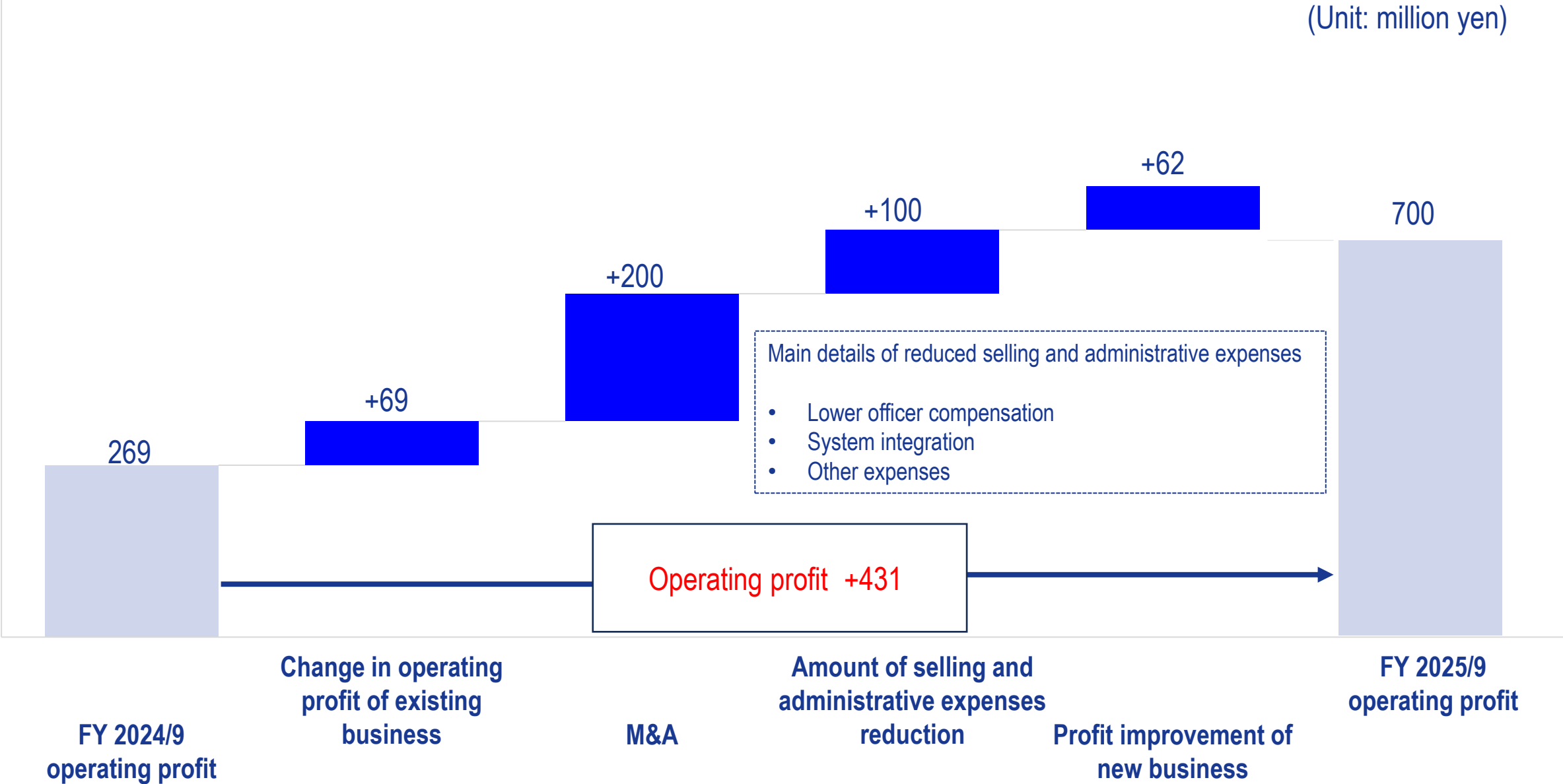


No change in full-year plans

FY 2025/9 plans (causes of changes in operating profit)



(Unit: million yen)



FY 2025/9 plans (by segment)



(Unit: million yen)

	FY 2025/9 (1H plans)	FY 2025/9 (1H actual)	vs. Plans	FY 2025/9 (2H plans)	FY 2025/9 (full-year plans)	YoY
Sales revenue	6,800	6,617	97.3%	8,183	14,800	126.6%
Overseas solutions businesses	4,000	4,263	106.6%	4,737	9,000	136.0%
Domestic solutions businesses	2,400	2,035	84.8%	2,965	5,000	111.8%
BPR business	400	319	79.8%	481	800	133.6%
Segment profit	220	193	87.7%	507	700	259.8%
Overseas solutions businesses	250	237	94.8%	388	625	182.7%
Domestic solutions businesses	107	43	40.2%	252	295	69.7%
BPR business	30	14	46.7%	56	70	233.3%
Adjustments	(167)	(101)	60.5%	(188)	(289)	54.9%

1. Enhancing sales of global strategic products worldwide (Robo Worker & SPACECOOL)

- Increasing operating P/H through expanding the SPACECOOL product lineup and strengthen the quantity of sales activities
- Expanding the sales network through development of SPACECOOL sales partners
- Strengthening cross-selling of Robo Worker with overseas facilities with the release of an English version -> Achieving monthly profitability by the end of the period

2. Sales DX promotion (Improving sales productivity)

- Increasing successful contract rates by developing databases of sales activity logs using Lark
- Increasing the quantity of sales discussions by developing and executing a program to reduce time spent on non-sales discussion activities

3. Promoting use of AI (reducing sales expenses)

- Improving productivity of administrative section personnel through full utilization of Lark
- Improving the rate of business automation through promoting internal use of Robo Worker
- Improving the precision of budget controls through use of AI analysis

FY 2025/9 plans (overseas solutions business)



(Unit: million yen)

	FY 2025/9 (1H plans)	FY 2025/9 (1H actual)	vs. Plans	FY 2025/9 (2H plans)	FY 2025/9 full-year plans	YoY
Sales revenue	4,000	4,263	106.6%	4,737	9,000	136.0%
Segment profit	250	237	94.8%	388	625	182.7%

<Second-half measures>

- Strengthening bundled sales of SPACECOOL and air conditioners
-> Progress: Using Lark (a multifunctional integrated collaboration tool) in cross border sharing of successful case studies and tools, and to standardize sales methods. **Continuing**
- Cutting cost rates through centralized Group-wide purchasing
-> Progress: Cost ratio of global strategic products down 14% YoY **Continuing**
- Improving earnings through cross-border M&As
-> Progress: TAKNET is profitable **Continuing**
- Improving sales P/H through sales DX promotion **Addition**

FY 2025/9 plans (domestic solutions business)

(Unit: million yen)

	FY 2025/9 (1H plans)	FY 2025/9 (1H actual)	vs. Plans	FY 2025/9 (2H plans)	FY 2025/9 full-year plans	YoY
Sales revenue	2,400	2,035	84.8%	2,965	5,000	111.8%
Segment profit	107	43	40.3%	252	295	69.7%

<Second-half measures>

- Expanding sales through the direct-sales channel through enhancement of hiring abilities and sales DX promotion
-> Progress: Sales P/H 118%, sales personnel in 2H vs. 1H 118%
- Full-fledged utilization of outbound call center
-> Progress: Call center outsourcing costs down 5% YoY
- Expanding product lineup in the agent channel
-> Progress: New agent development using SPACECOOL and cleaning robots
- Strengthening sales of cybersecurity products
-> Progress: Using new products introduced since March to develop new and dormant agents

Continuing

Continuing

Addition

Addition

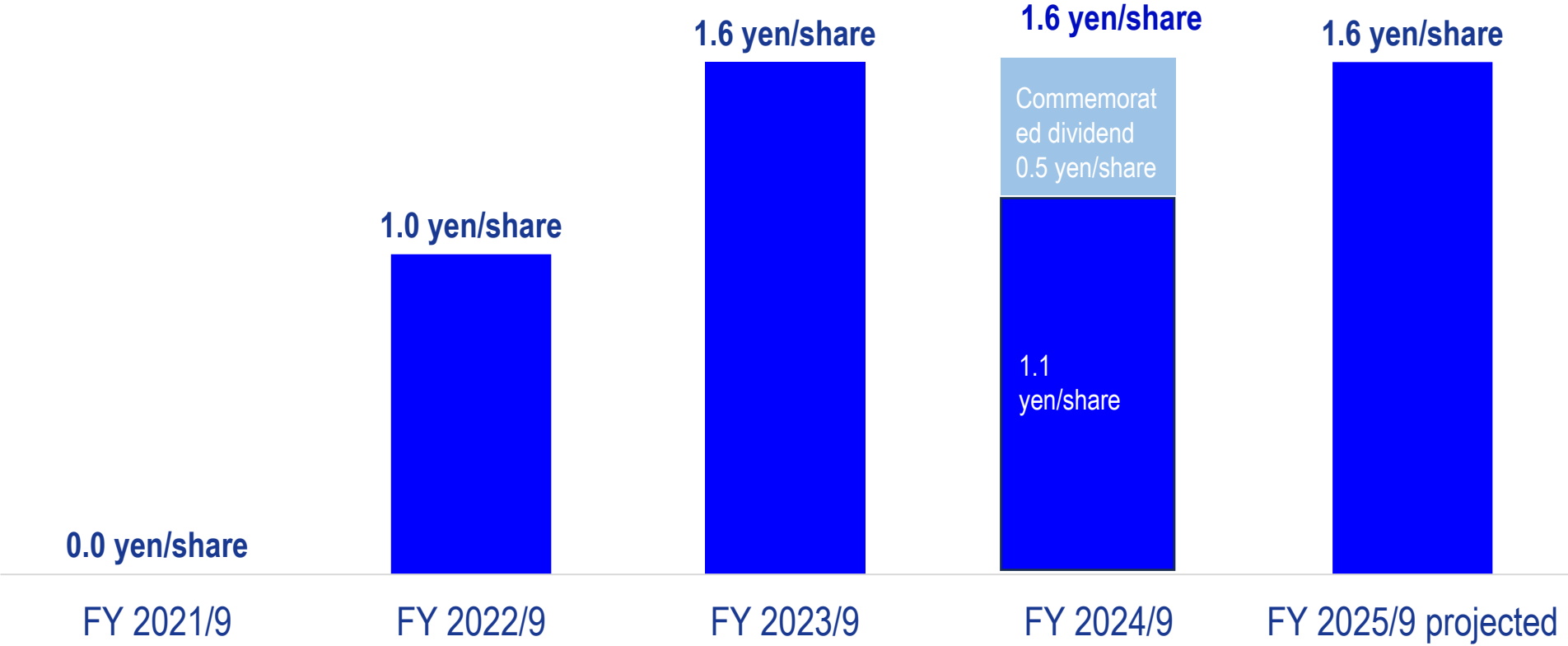
(Unit: million yen)

	FY 2025/9 (1H plans)	FY 2025/9 (1H actual)	vs. Plans	FY 2025/9 (2H plans)	FY 2025/9 full-year plans	YoY
Sales revenue	400	319	79.8%	481	800	133.8%
Segment profit	30	14	46.7%	56	70	233.3%

<Second-half measures>

- Growing customer P/H through enhanced cooperation in business sections **Continuing**
-> Progress: Promoting enhanced cooperation in business sections and increasing the numbers of sales discussions with customers
- Reducing selling and administrative expenses through internal digital transformation **Continuing**
-> Progress: Selling, general, and administrative expenses down 6.5% YoY, while progress toward the automation time target, a DX promotion goal, is at 22%
- Improving earnings of domestic centers **Continuing**
-> Progress: Internal DX promotion and review of domestic center functions
- Strengthening new customer acquisition through the promotion of bundled sales of Robo Worker and BPO services **Addition**
-> Progress: Also beginning sales of fixed-price services to expand the product lineup

Dividend: 1.6 yen

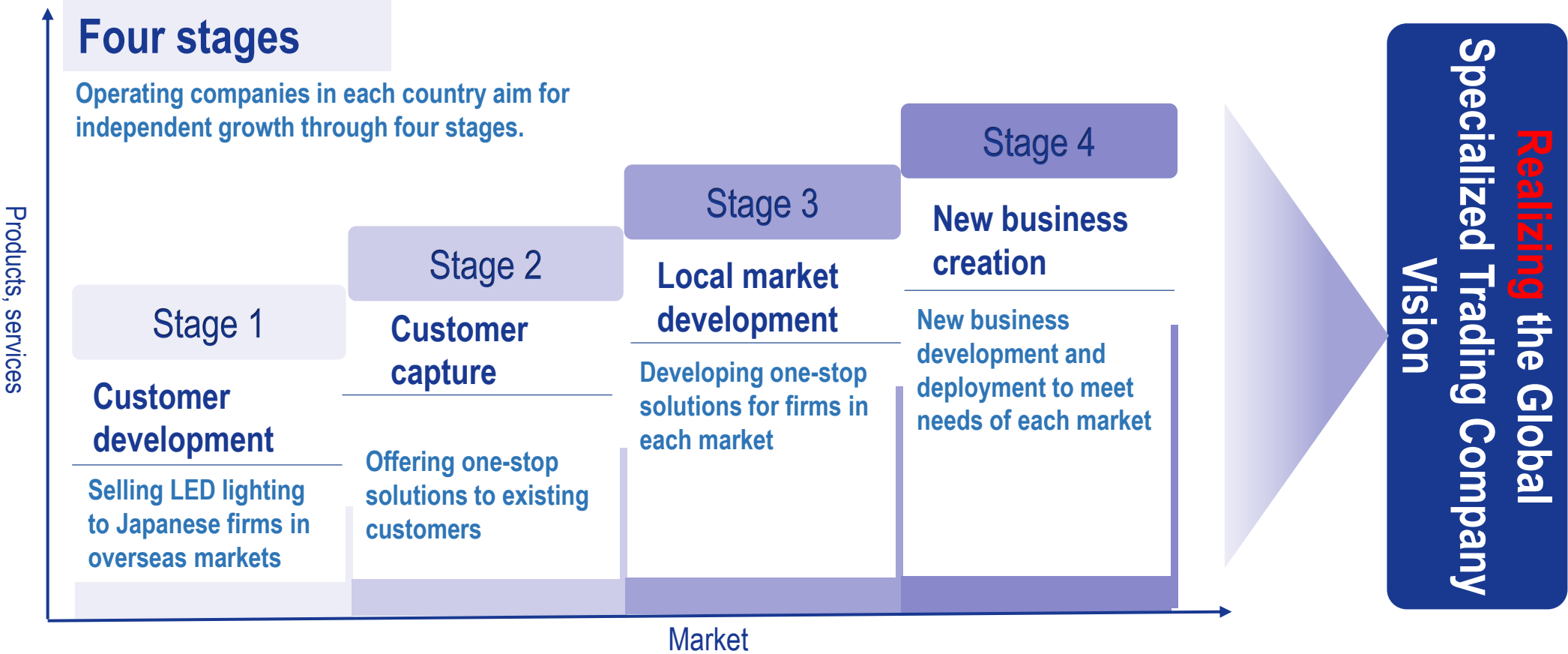




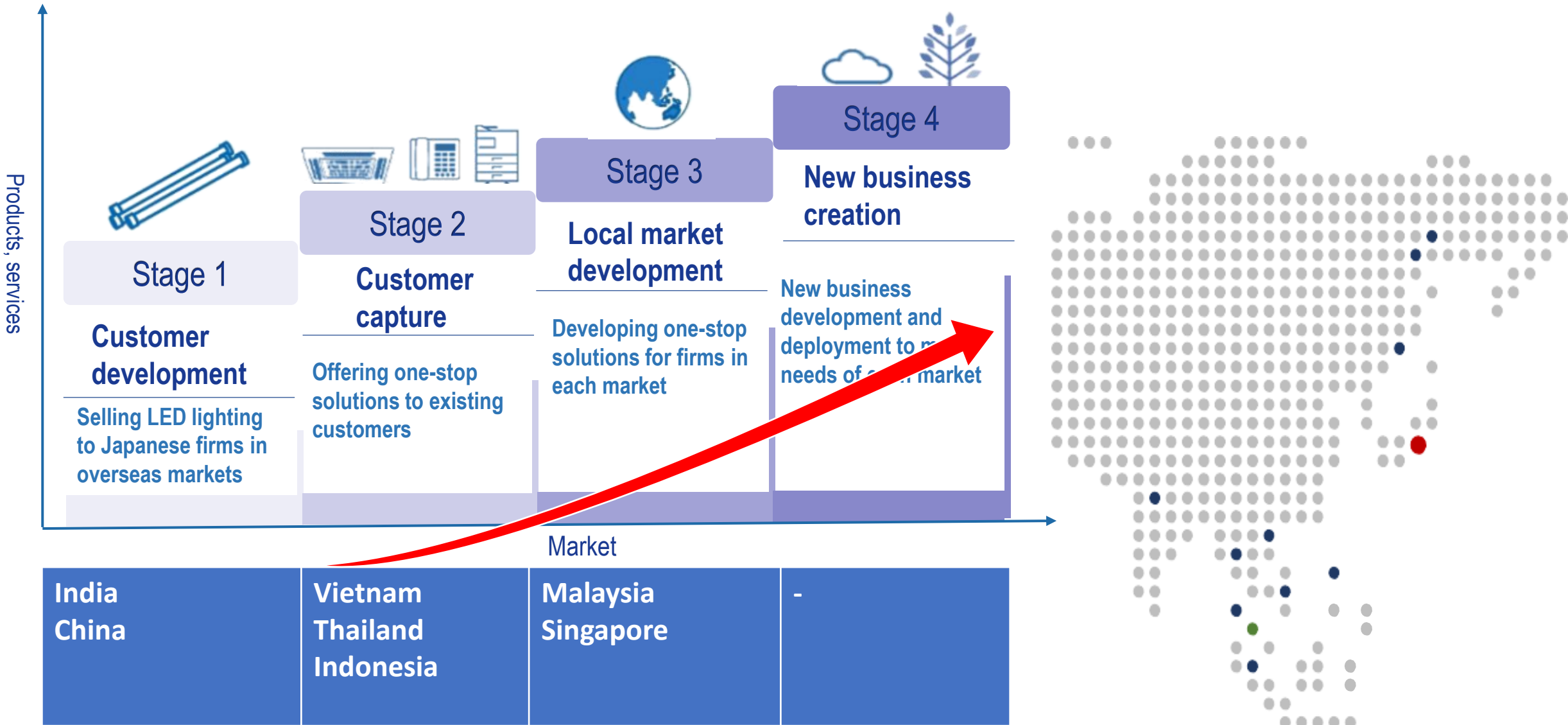
Growth strategy

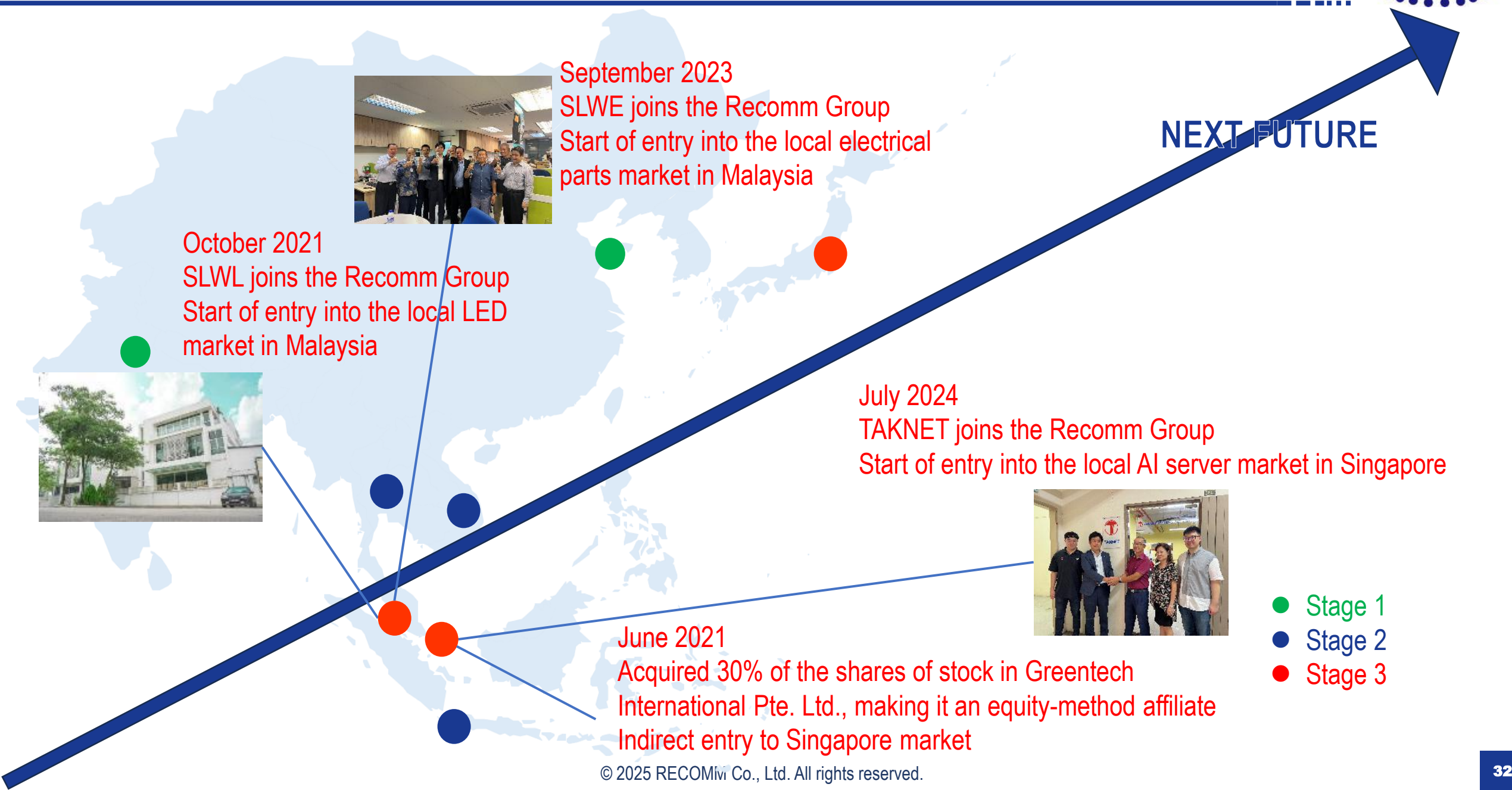
Basic strategy: Global specialized trading company vision

Global specialized trading company vision: Accelerating global business growth by proposing solutions to global customers based on state-of-the-art profits and services and our strengths in direct marketing



Accelerating global deployment by advancing to higher business stages in each country





2020

Air purifiers ReSPR
Acquired exclusive sales
rights in eight overseas
markets



2024

Radiative cooling
material SPACECOOL
Launch of domestic
and overseas sales



2023

Began exclusive sales of the Japanese
edition of Robo Worker (AI-RPA)



Joint venture established with
Intelligence Indeed of China

2024

Began handling Supermicro
products
AI servers



Made TAKNET of Singapore a
subsidiary



Summary of medium-term management plan and progress thereof (FY 2025/9 to FY 2027/9)

FY 2027/9 targets

Sales revenue
CAGR

20%
or higher

Ratio of operating
profit to sales revenue

10%
or higher

ROE
(Return On Equity)

20%
or higher

Vision: Progress of sales DX × M&A

Sales DX

Promoting digital transformation (DX) of sales through sales activities based on a customer relationship management (CRM) system



M&A subsidiaries

Transplanting sales DX to new Group firms added through M&As



Growing Groupwide earnings foundations



Progress in FY 2025/9 Q2

Promoting database development based on sales activity logs using Lark's CRM features

Launch of sales promotion to M&A subsidiaries for global strategic products

Operating profit margin 1.4% -> 2.9% (vs. previous period)

Priority initiatives by individual business

Overseas solutions businesses

- National human-resource development
- More precise targeting of customers of companies in each market
- Generating synergies with M&A subsidiaries in overseas markets



Domestic solutions businesses

- New development
- Increasing percentage of stock (fixed-price) business sales
- Increasing customer satisfaction



BPR business

- Establishment of new development sales methods specializing in specific industries
- Offering comprehensive solutions combining RPA and BPO services



Progress in FY 2025/9 Q2

Studying reforms to remuneration systems for national staff in overseas markets
Studying cross-selling of products of M&A subsidiaries in overseas markets

Maintenance stock sales up 116.2% YoY
Preparing for introduction of Ret's Navi, a new service to increase customer satisfaction

Launch of test sales under new development sales specializing in specific businesses
Preparing to release fixed-price services for SMEs



**Becoming a global leading B2B solutions
provider group**



APPENDIX

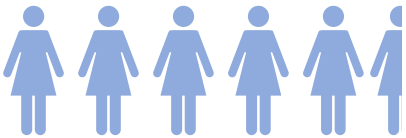
Company name	RECOMM Co., Ltd. (RECOMM CO., LTD.)
Established	September 30, 1994
Shares listed	May 26, 2004 TSE Standard: Securities code 3323
Address	25-3 Yoyogi 3-chome, Shibuya-ku, Tokyo
Representative	Hidehiro Ito, President and Group CEO
Lines of business	Overseas solutions businesses, domestic solutions businesses, BPR business
Total shares issued and outstanding	82,630,255 shares (as of March 31, 2025)
Shareholders	18,984 (as of March 31, 2025)
Share capital	2,447 million yen (as of March 31, 2025)
Number of employees	498 (consolidated, as of March 31, 2025)

Characteristics of employees

As of March 31, 2025

Gender

Female **55%**



Male **45%**



Ratio of nationalities

Foreign nationalities
62%



Japanese **38%**



Operating companies in individual businesses



The Group consists of seven operating companies in Japan and 16 overseas in three businesses (as of March 31, 2025)

Overseas: 16 facilities in nine countries

Overseas solutions businesses

- RECOMM Business Solutions (Dalian) *1
- RECOMM Business Solutions (Shanghai)
- FTG Philippines
- Vietnam RECOMM (Ho Chi Minh City, Hanoi)
- RECOMM Business Solutions (Asia) * Thailand
- RECOMM Business Solutions (Thailand)
- RECOMM Business Solutions (Malaysia)
- Sin Lian Wah Lighting Sdn. Bhd. (Malaysia)
- Sin Lian Wah Electric Sdn. Bhd. (Malaysia)
- RECOMM Business Solutions (Indonesia)
- RECOMM Business Solutions (India)
- Greentech International (Singapore) *2
- TAKNET SYSTEMS PTE LTD. (Singapore)

BPR business

- RECOMM Business Solutions (Dalian) *1
- RECOMM Tengyuan Business Solutions (Dalian)
- RECOMM Business Solutions (Changchun)
- Myanmar RECOMM
- RECOMM BPO (Japan)

Domestic solutions businesses

- RECOMM Japan
- Venustech Japan
- OPUS
- RECOMM IE Partner
- Intelligence Indeed RECOMM *2
- RECOMM DX Solutions

Domestic: 19 branches, four sales offices

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Kanto region:
Tokyo Branch
Tochigi Branch
Gunma Branch
Saitama West Branch
Toshima Branch
Chiyoda Branch
Hachioji Branch | Chubu region:
Nagano Branch
Nagano South Branch
Shizuoka Branch
Nagoya Branch I
Nagoya Branch II
Nagoya East Sales Office | Chugoku-Shikoku region:
Matsue Branch
Shunan Branch |
| | Kinki region:
Osaka Branch
Green Innovation Osaka Branch | Kyushu region:
Kitakyushu Branch
Kurume Branch
Oita Sales Office
Yatsushiro Sales Office |
| | | Okinawa region:
Okinawa Branch
Naha Branch |

*1: RECOMM Business Solutions (Dalian) operates in both the overseas solutions and BPR businesses.
*2: Equity-method affiliate

Established year

1994

Began the first sales franchise business in the industry



Listing year

2004

Listed on the Osaka Securities Exchange Hercules Market



Year of listing by Chinese subsidiary

2018

Shares of subsidiary Dalian RECOMM listed on the OTC market in China



Actual result of M&As

23

domestic and overseas acquisitions and sales

Recent cross-border M&A results of overseas subsidiaries



Sales revenue

11.6 billion yen

FY 2024/9 consolidated settlement of accounts



Operating profit

270 million yen

FY 2024/9 consolidated settlement of accounts



Number of domestic facilities

7 companies, 19 branches, 4 sales offices

Supporting SMEs across Japan through a nationwide network of nineteen branches and four sales offices



Number of overseas facilities

8 countries, 16 companies

Overseas expansion in China, Southeast Asia, and India





1994

- Established to sell and maintain telecommunications devices and office equipment

1995

- Became the first in Japan to seek franchisees in the sales franchise business

1999

- Launched RET'S NET hosting services

Ret's Copy

2000

- Launched RET'S COPY fixed-price maintenance service for digital multifunction printers (MFPs)



2003

- First entry to China market** with establishment of a call center in Dalian



2004

- Shares listed on the Hercules Market of the Osaka Securities Exchange (now the Standard Market of the Tokyo Stock Exchange)

2005

- Opened a document management center and began office automation device sales in Dalian, China

2009

- Accepted BPO service contracts in Dalian, China

"Full-fledged launch of BPO business"

2012

- BPO center opened in Changchun, China

2013

- BPO sales began in Japan



2014

- Launched Rentia, our brand of LED lighting
- BPO center opened in Myanmar



2015

- Company established in Japan to develop and sell security products as a joint venture with Venustech of China

2016

- Began the sales of LED lighting and etc. in Shanghai, China.

"Full-fledged launch of overseas corporate sales"

- Launched the PPS power distribution business

2017

- Began the sales of LED lighting, commercial air conditioners, etc. in Vietnam



2018

- Began the sales of LED lighting, commercial air conditioners, etc. in Malaysia
- Began the sales of LED lighting, commercial air conditioners, etc. in Myanmar
- Began the sales of LED lighting, commercial air conditioners, etc. in India



2018

- Shares of Chinese subsidiary listed on the OTC market in China
"The Group's second IPO"



2019

- Shares in subsidiaries in Thailand, Indonesia, and the Philippines acquired from FT Group Co., Ltd.
- New global headquarters established in Malaysia



ReSPR
TECHNOLOGIES

2020

- Began sales of ReSPR antiviral equipment (acquired exclusive sales rights in seven overseas markets)



2021

- Acquired shares in Sin Lian Wah Lighting of Malaysia
"Full-fledged launch of businesses in local markets overseas"



2023

- Intelligence Indeed RECOMM Co., Ltd., established as a Japanese joint venture with Intelligence Indeed of China; wholly owned subsidiary RECOMM DX Solutions Co., Ltd. established as a sales company
- Began the sales of Robo Worker (AI-RPA)
- Acquired 100% of the shares of stock in Sin Lian Wah Electric Sdn Bhd of Malaysia, making it a subsidiary

2024

- Acquired 65% of the shares of stock in TAKNET SYSTEMS PTE. LTD., an AI server company in Singapore, making it a subsidiary

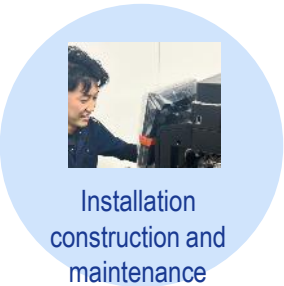
A comprehensive producer of **optimal office environments**

We offer the following product lineup as a B2B solutions provider.

IT solutions

Provision of **IT devices** and **cybersecurity** services
for corporate users

Installation construction and maintenance contracting



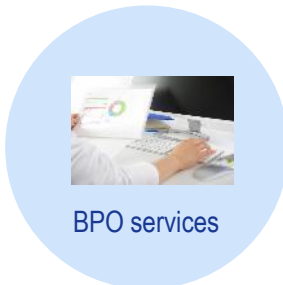
Carbon-neutral solutions

Helping corporate customers to achieve carbon
neutrality and cut costs, by providing **highly
energy-efficient products and services**



BPR*

Promoting corporate **digital transformation (DX)** and
providing **business restructuring solutions** through such
means as BPO centers and business automation tools



*Business process reengineering, a means of thoroughly reviewing and redesigning an organization's existing business processes to improve business efficiency and productivity and organizational flexibility

Comfortable working environments, cost savings

More efficient office work

Global one-stop solutions



- Advancing into eight countries overseas
- Offering consistent products and services in every country
- BPO contracting also available in addition to IT devices and eco products

Direct sales abilities



- Deploying direct sales overseas as well as in Japan

A corporate culture that continues to adapt to the changing times



- The first sales franchise business in the industry
- First in the industry to sell copiers with fixed-rate maintenance services
- First in Japan to open an outbound offshore call center
- First in Japan to open a BPO center in Myanmar
- The only non-manufacturer company in Japan to list parent and subsidiary shares in Japan and China
- The world's first RPA service with embedded generative AI

Deepening relations of trust with customers and building long-lasting partnerships through direct transactions

Sensitive to customer needs

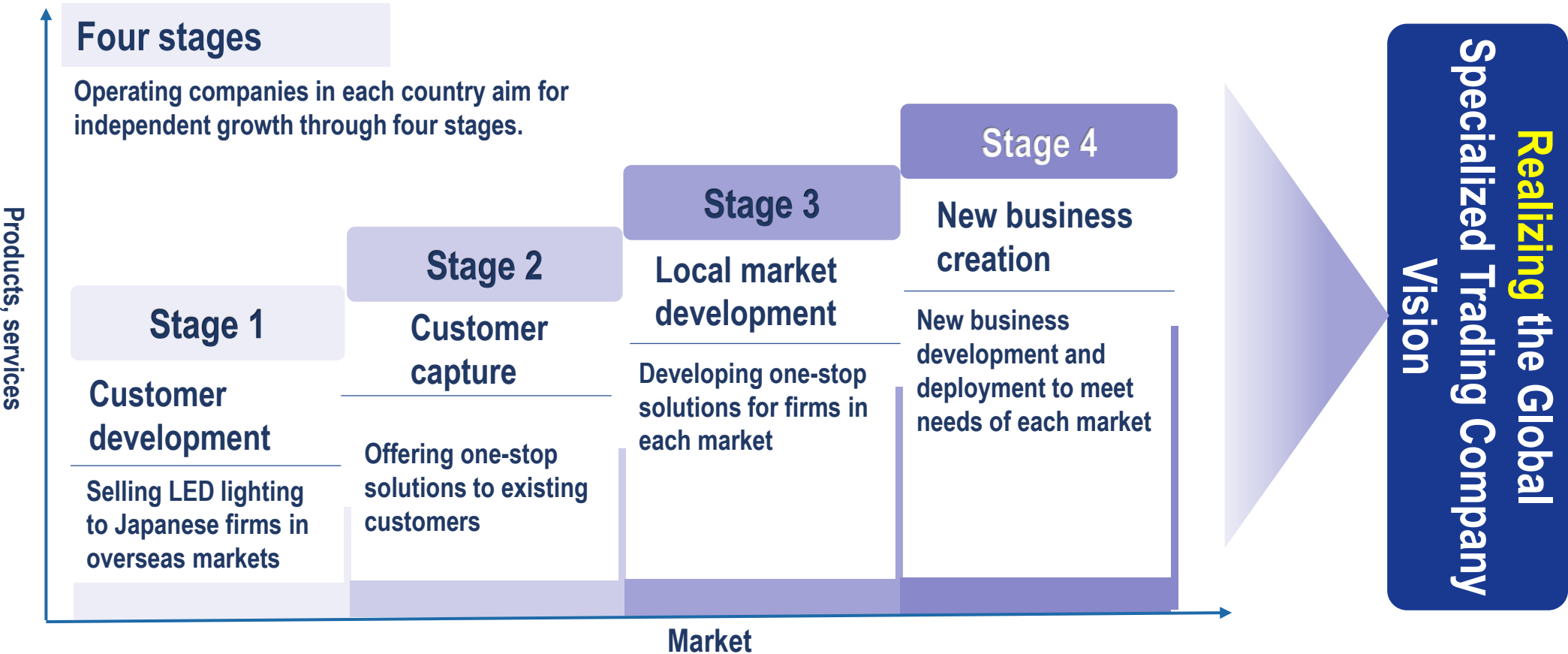
Proposing optimal solutions

2025-2027 Medium-Term Management Plan

Basic strategy

Basic strategy: Global specialized trading company vision

Global specialized trading company vision: Accelerating global business growth by proposing solutions to global customers based on state-of-the-art profits and services and our strengths in direct marketing



Goals

- We will do business aiming to achieve the following three targets by FY 2027/9.

**Sales revenue
CAGR**

20%
or higher

**Ratio of operating
profit to sales revenue**

10%
or higher

**ROE
(Return On Equity)**

20%
or higher

Issues and policies in working to formulate the new Medium-Term Management Plan targets

- We will address delays in product and service development and customer development, the main reasons we failed to achieve the previous Medium-Term Management Plan's target sales revenue CAGR of 31.3%, by accelerating growth based on establishment of systems not dependent on human resources (digital transformation of sales).

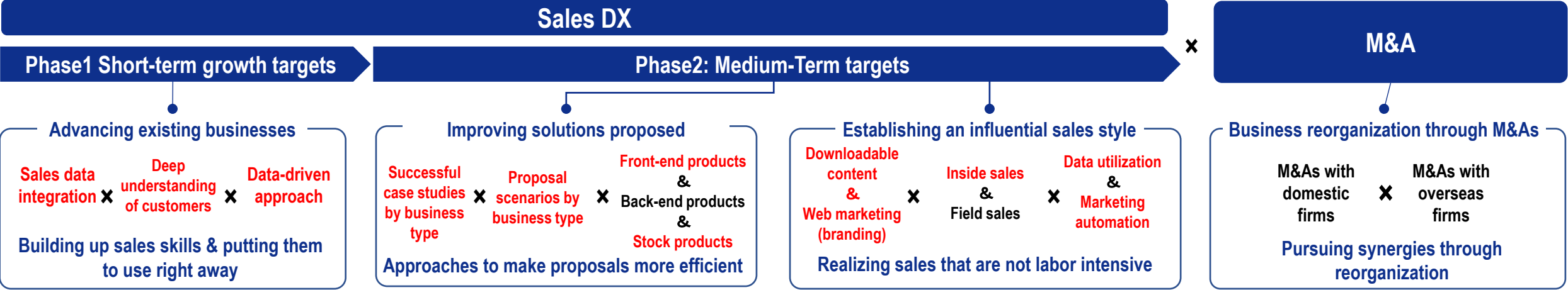
Assessment of results of priority strategies				Issues	Future policies
Product and service development	Overseas	Enhancing current stage and moving to next stage (Building up sales to LED customers)	△	✓ Difficulty of balancing new customer acquisition and new product development Impossible to make time available for development without increasing productivity	➡
	Overseas	Enhancing current stage and moving to next stage (Local firm development)	×		
	Stock	Creating new maintenance services and subscription models through establishment of a stock business promotion section	△		
Customer development	Overseas	Development of global strategic products	×	✓ Low productivity per salesperson Inability to generate results exceeding the labor input in labor-intensive sales activities	➡
	DX promotion	DX promotion support using BPR analysis	△		
	DX promotion	Advancement of BPR business operations through DX	△		
	Decarbonization	Introducing high-performance energy-saving products under our own Rentia brand of LED lighting	○		
	Decarbonization	Expanding the lineup of products to promote decarbonization	△		
Partner development (including M&As), facility development	Overseas	Growing strategic partnerships	○	✓ (Overseas) Not enough brands targeting local firms Brand-building activities are essential, but it is hard enough just to devote time to sales	➡
	DX	BPR business development in China	×		

Vision:
Sales DX × M&A

- ✓ Executing data-driven approaches by improving existing sales to build a base of customer data
- ✓ Aiming to realize sales much more efficient than traditional sales, through sales DX
- ✓ Also increasing value of new Group firms added through M&As, by transplanting sales DX to them
- ✓ Realizing sustained growth through both improving RECOMM itself and accelerating M&As

Issues and policies in working to formulate the new Medium-Term Management Plan targets

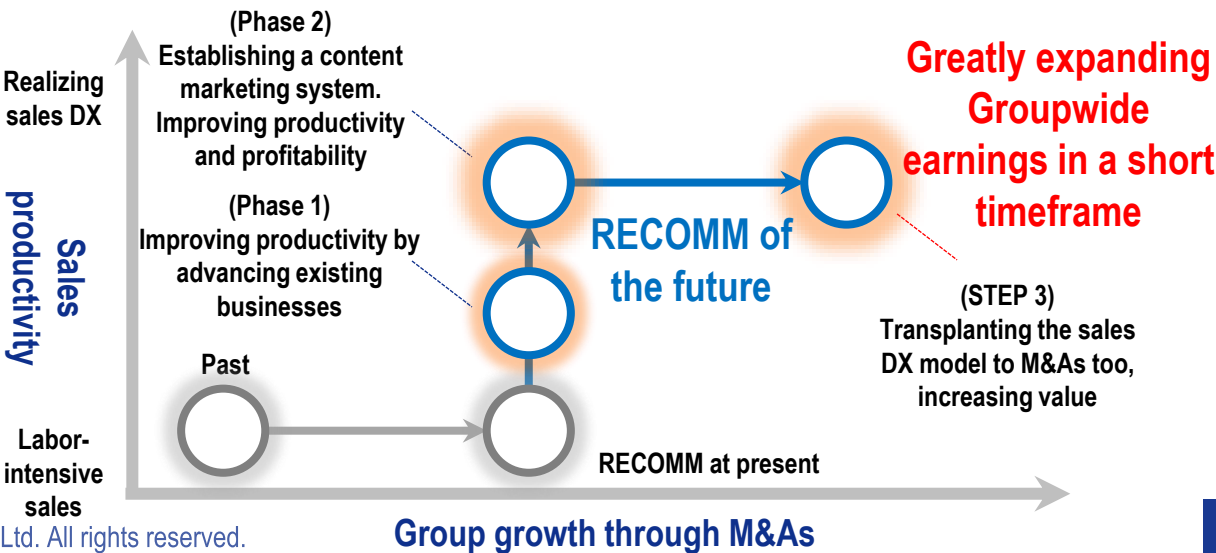
- We will build a structure able to achieve efficient sales activities even with limited staff, through sales DX. We also will transplant this system to M&As to increase their value. (* The aim is to achieve massive business growth in a short time using both sales DX and M&As.)
 - ▶ Vision for sustained business growth (* Business growth by fusing sales DX and M&As)
- * Items in red are not yet final or involve issues



▶ Scenarios for business growth through DX × M&A

- Realizing sales DX within RECOMM (improving productivity and profitability)
- Increasing value of M&As (transplanting sales DX model to M&As too)
- Growing Groupwide earnings foundations (as sources of further M&As and partnership development)

Toward sustained growth of more than 20%/year



Sales DX overview

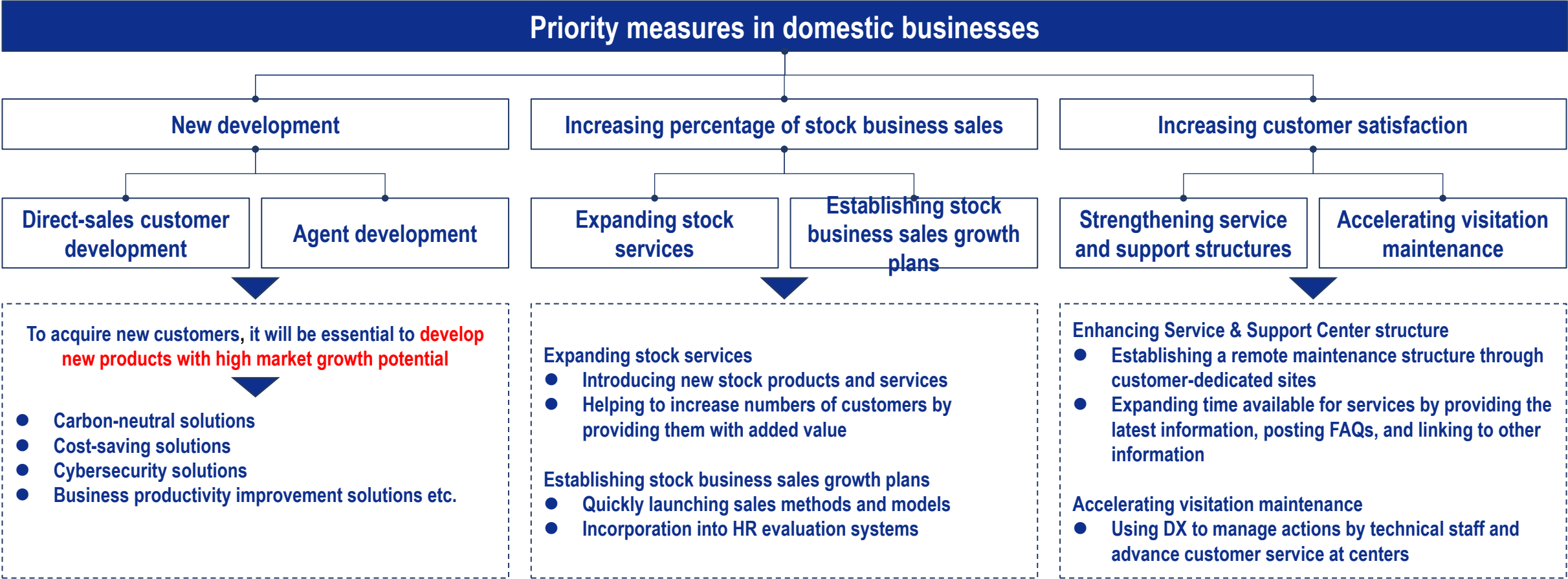
- We will link data to the CRM system in a short timeframe and thoroughly implement sales based on the system.
- The aim is to improve all three aspects of sales, human-resource development, and product development through sales activities based on customer information.

Overview of Companywide sales DX promotion based on the CRM system



Priority measures in domestic businesses

- In domestic businesses, we will develop new businesses, increase the percentage of stock business sales, and increase customer satisfaction.
- We will establish target sales for each measure and shift toward business models with more solid revenue bases.



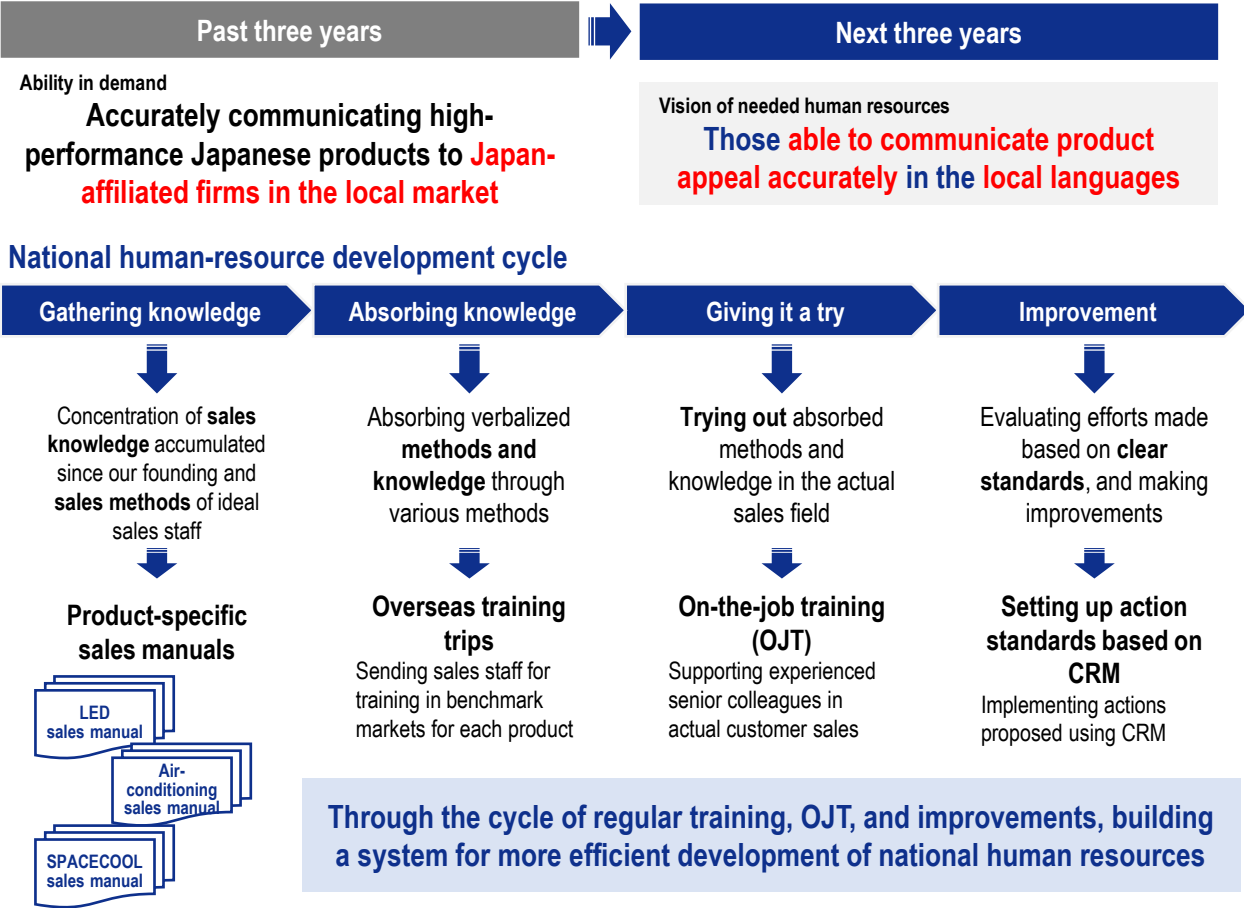
Main policy on domestic businesses

Shifting toward stock-based business models with more solid revenue bases
⇒ **Deploying measures to secure new customers and increase customer satisfaction**

Priority measures in overseas businesses

- We will target firms in each market through development of national human resources and more precise marketing.
- We will accelerate strategies through developing human resources capable of communicating the high quality of RECOMM product brands to local firms, and through refining local target selection.

National human-resource development



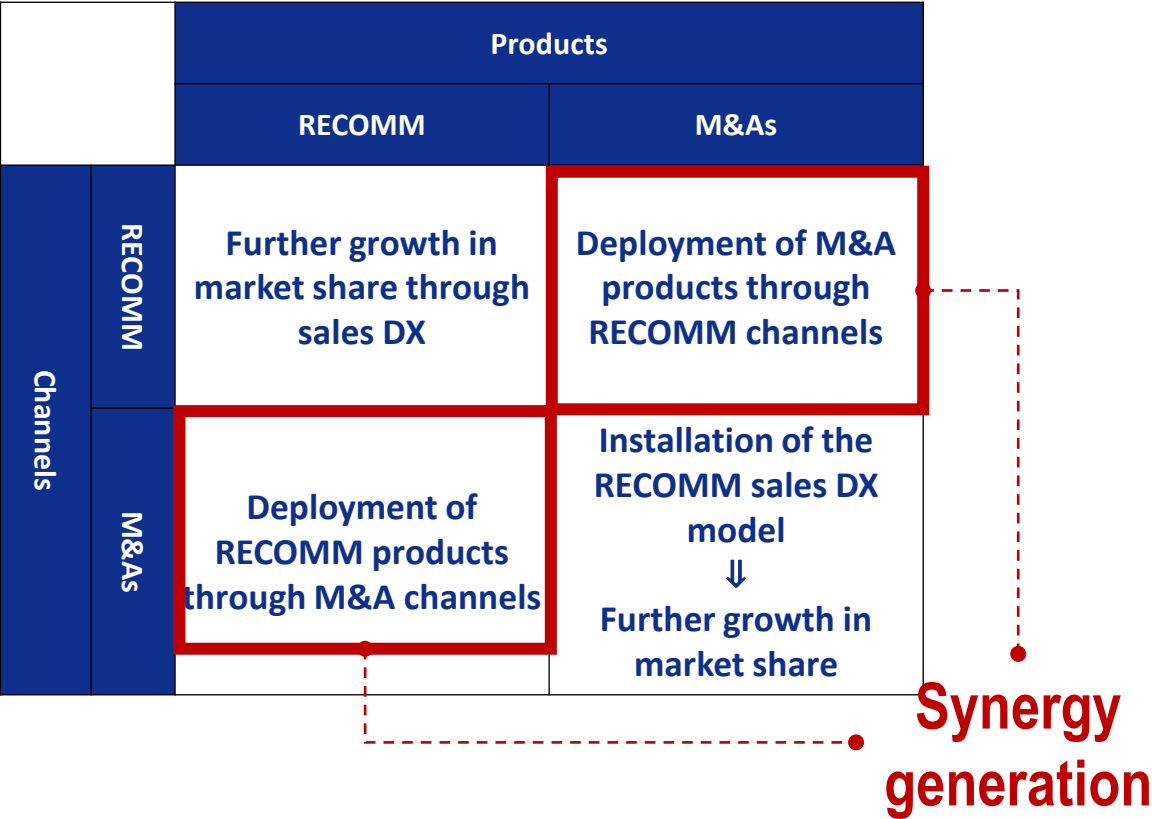
More precise targeting of firms in each market

Target allocation illustration	Target customers	Target priority
	Japan-affiliated firms	○ ▶ Sales will continue
	Leading firms trading with Japan-affiliated firms	○ ▶ Sales will be promoted to build up case studies on priority targets
	National firms more sensitive to quality	△ ▶ Active development will be promoted based on the above case studies
	National firms looking for low-priced products above all	x ▶ Not targeted

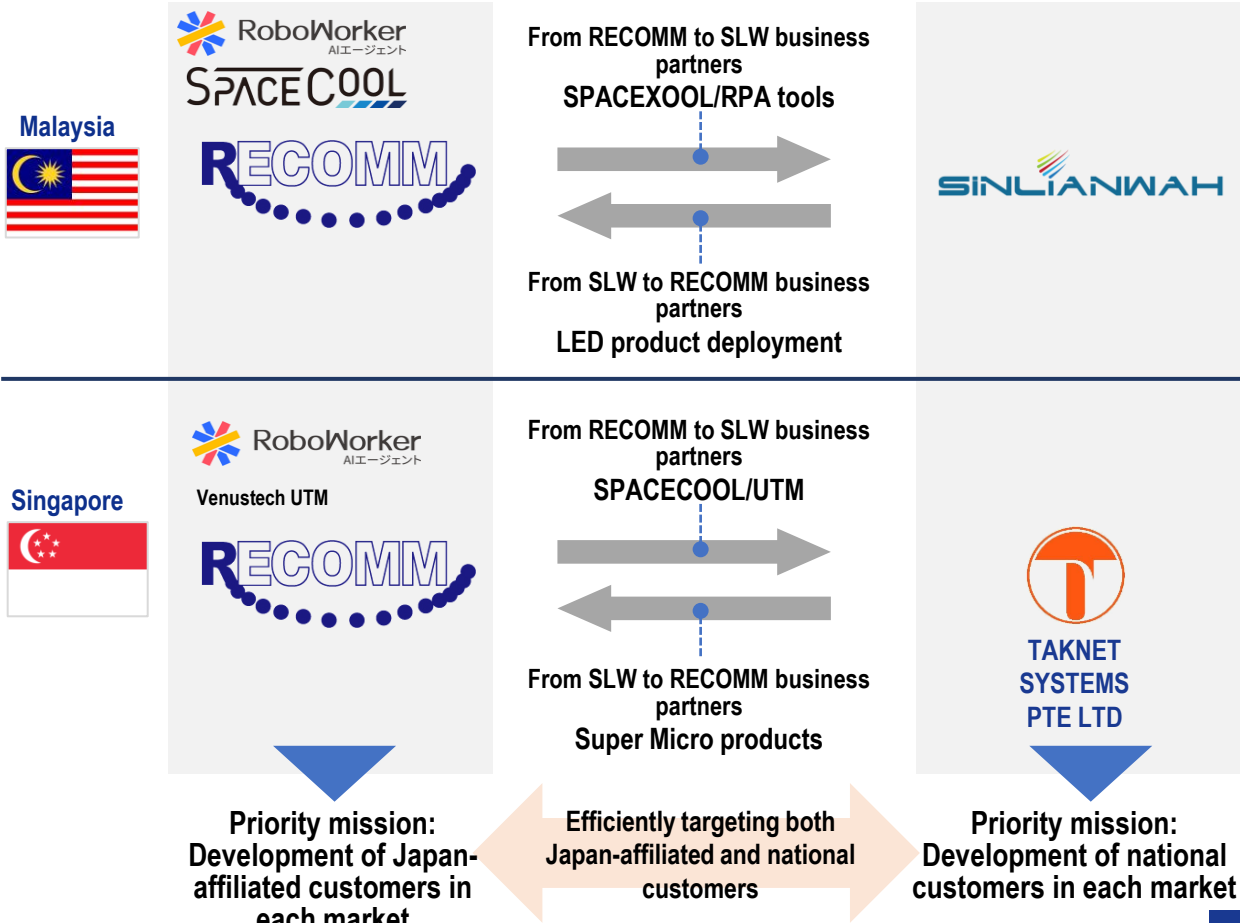
Priority measures at overseas M&As

- We will aim to improve business results further through synergies leveraging the advantages of M&As and RECOMM.
- The RECOMM Group will promote development of customer firms in each market via local Japan-affiliated firms and M&As.

Illustration of generating synergies through our businesses and M&As



Strategic synergy generation scenarios (exs.)



Priority measures in the DX business (RPA)

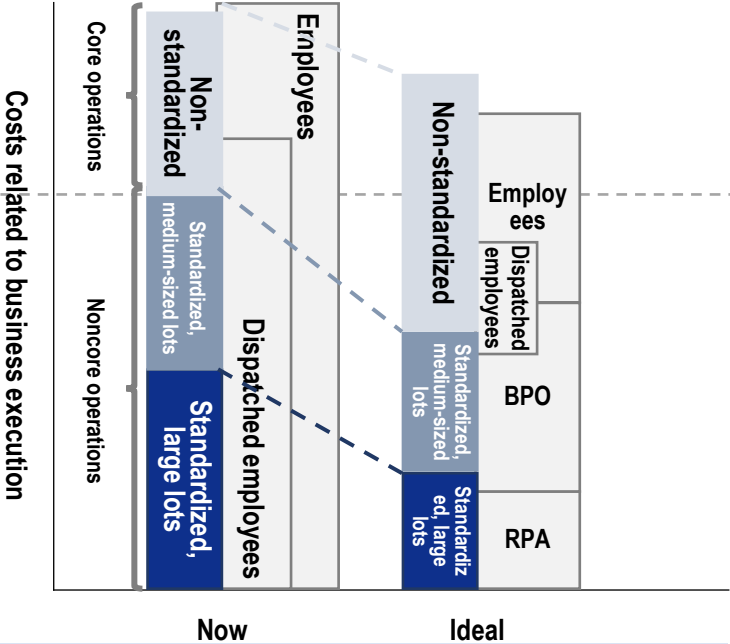
- We will promote solutions matched to industry needs through both RPA and BPO based on more precise targeting.
- We also will promote market development leveraging BPR proposals combining both BPO and RPA.



Illustration of service provision combining RPA and BPO

Accelerating BPR proposals combining RPA and BPO

Cutting total costs
Developing an environment for concentrating on core operations (development, sales, planning, etc.)



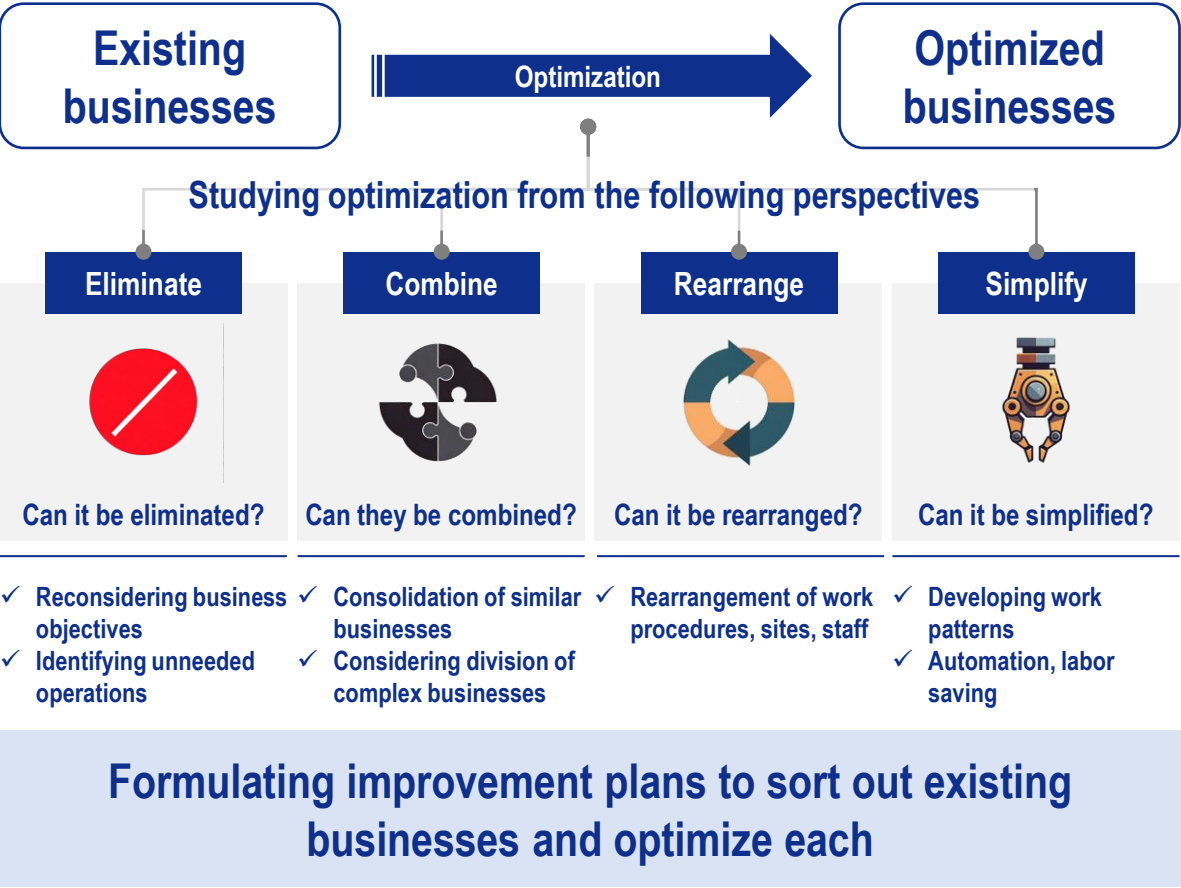
Differentiation from the competition

Creating successful case studies in individual industries through comprehensive proposals of BPO and RPA solutions ⇒ Deploying successful case studies horizontally in market development

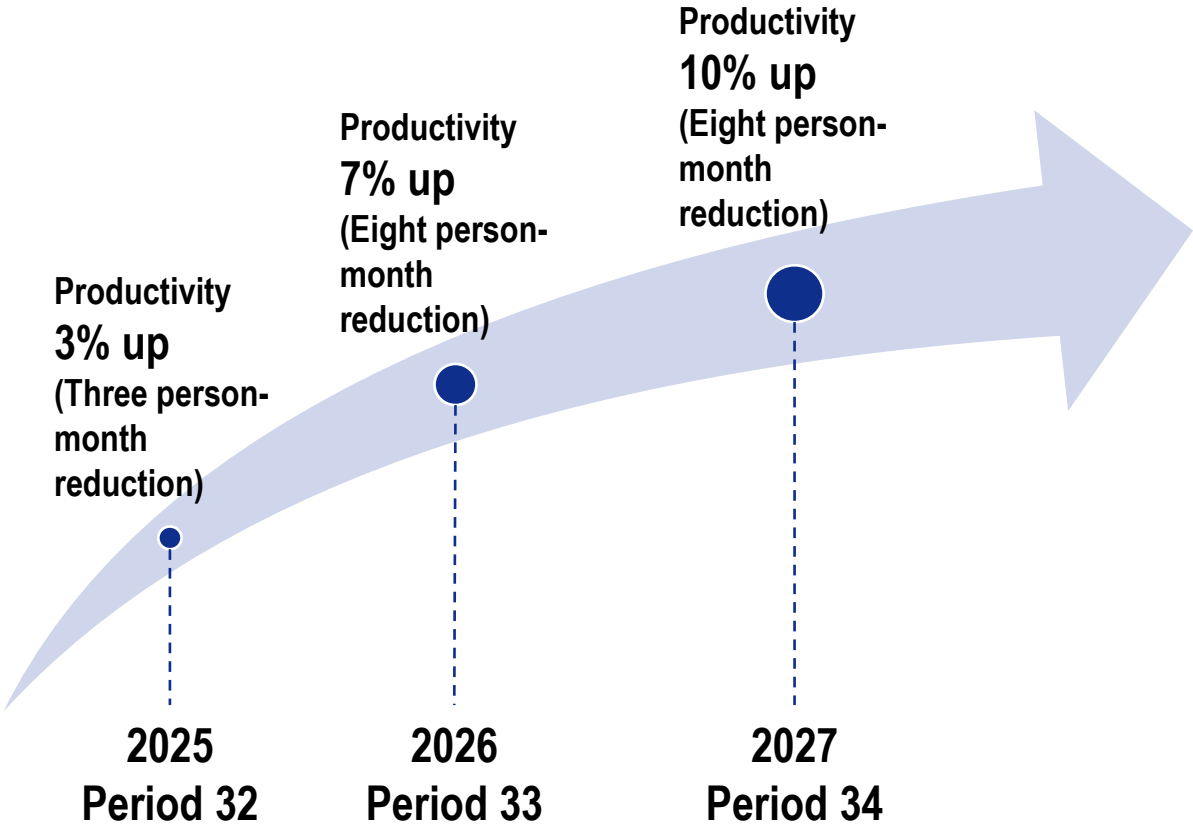
Priority measures in administrative sections

- We will improve productivity by revising workflows in existing businesses and eliminating waste in operations.
- We will shift toward administrative sections that generate profits by promoting management through optimized operations and staff numbers.

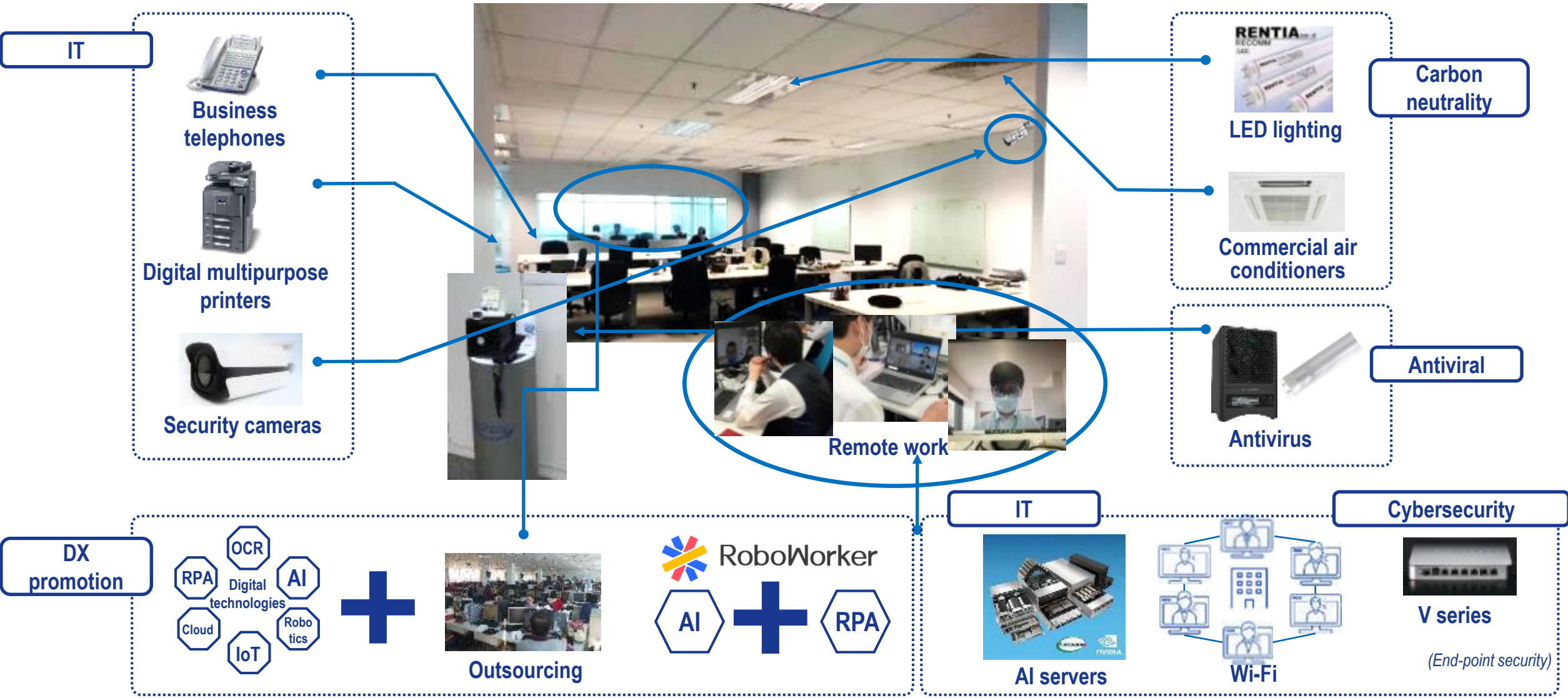
Formulating improvement plans for existing businesses



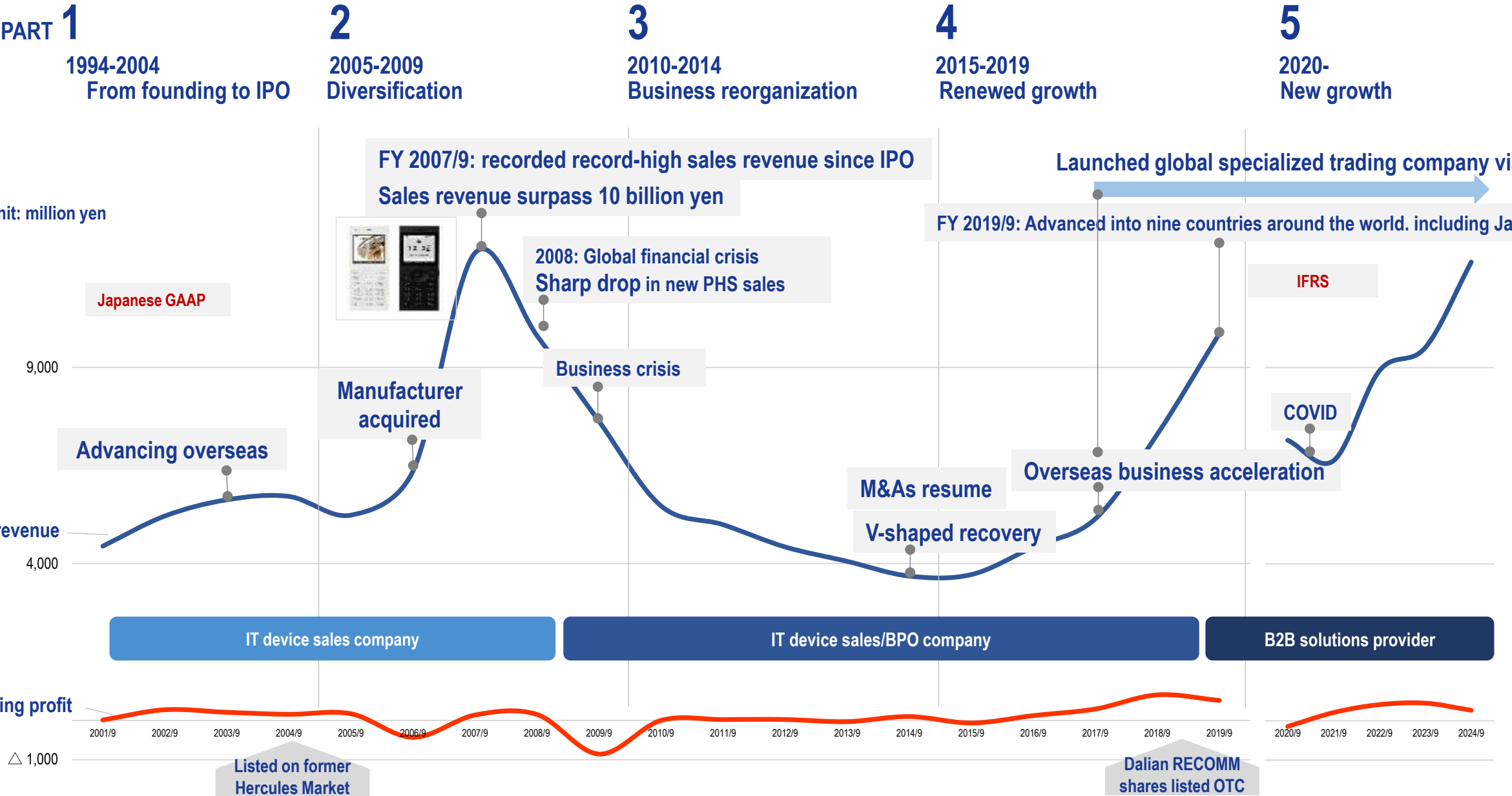
Improvement targets



Business model: One-stop provider of five solutions from IT to carbon neutrality, DX, security, and anti-infection



Evolution from a sales company to a B2B solutions provider



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