
August 8, 2025

**FY 2025/9
Q3 Financial
Results
Highlights**

RECOMM Co., Ltd.

TSE Standard (3323)

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FY 2025/9

Q3 financial results

summary

[Summary]

- ◆ Sales revenue and profit before tax reached **record highs**.
- ◆ Sales and profit in overseas solutions businesses **were up sharply**.
- ◆ As of the third quarter, operating profit, profit before tax, net income, and EBITDA **were up sharply**, already exceeding the full-year results of the previous fiscal year.

FY 2025/9 Q3 financial results summary



Sales up for fourth consecutive period

Record high for the first time in 18 years

Sales revenue			
9,907 million yen			
Same period the previous year	8,210 million yen	Change (YoY)	+1.697 million yen (120.7%)

Operating profit			
284 million yen			
Unadjusted Same period the previous year	150 million yen	Change (YoY)	+134 million yen (189.4%)
Adjusted *1 Same period the previous year	(50) million yen	Change	+334 million yen

Profit before tax			
330 million yen			
Unadjusted Same period the previous year	171 million yen	Change (YoY)	+159 million yen (192.8%)
Adjusted Same period the previous year	(29) million yen	Change	+359 million yen

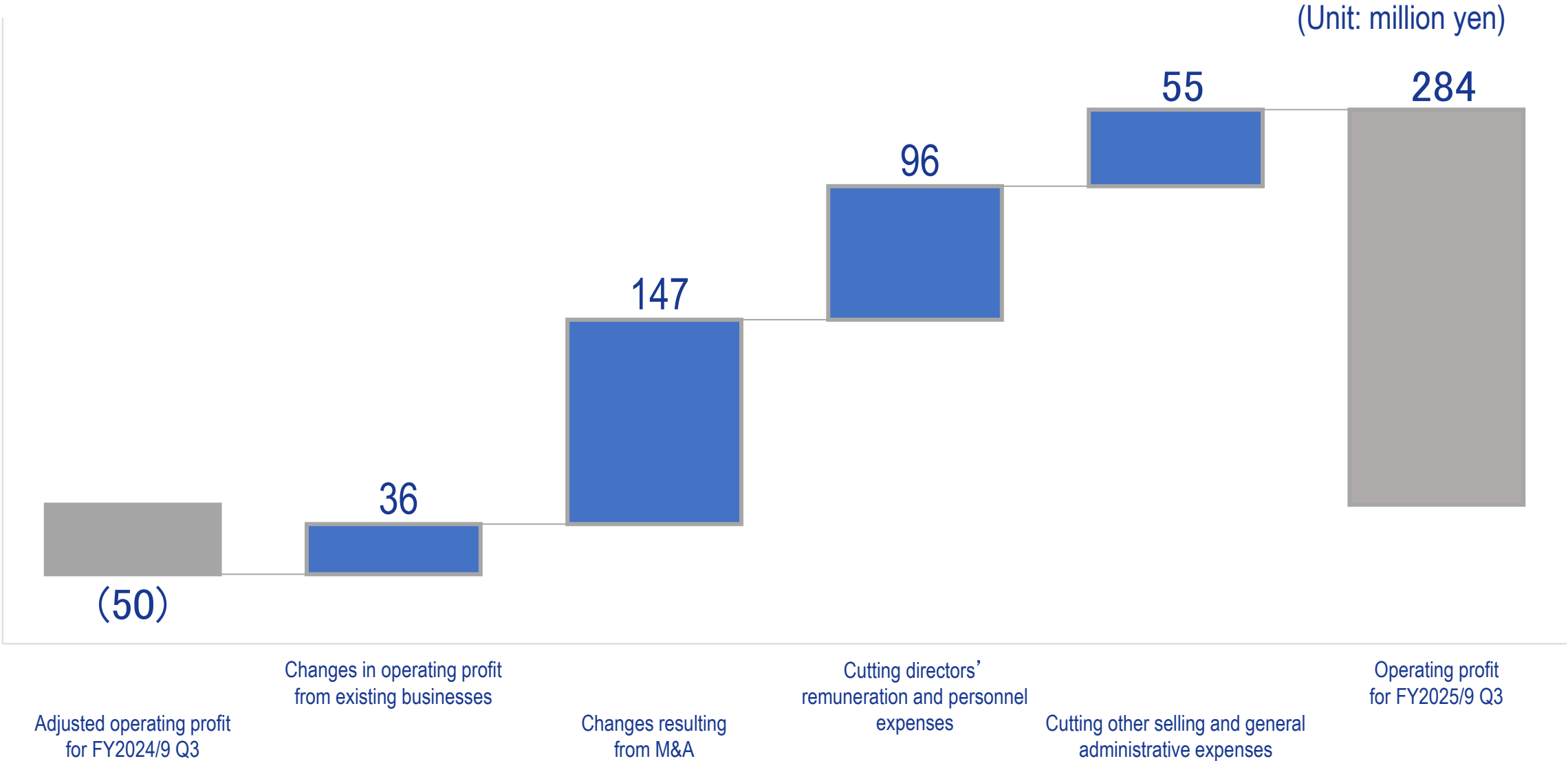
Net income attributable to owners of the parent			
195 million yen			
Unadjusted Same period the previous year	85 million yen	Change (YoY)	+110 million yen (228.8%)
Adjusted Same period the previous year	(116) million yen	Change	+311 million yen

EBITDA *2			
428 million yen			
Unadjusted Same period the previous year	277 million yen	Change (YoY)	+151 million yen (154.6%)
Adjusted Same period the previous year	77 million yen	Change	+351 million yen

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

*2 EBITDA: operating profit + depreciation and amortization

Main causes of changes in adjusted operating profit



FY 2025/9 Q3 financial results summary (results by segment)



(Unit: million yen)

	FY 2024/9 Q3	FY 2025/9 Q3	Change	YoY
Sales revenue	8,210	9,907	+1,697	120.7%
Overseas solutions businesses	4,580	6,480	+1,900	141.5%
Domestic solutions businesses	3,194	2,981	(213)	93.3%
BPR business	435	445	+10	102.3%
Segment profit	150	284	+134	189.3%
(Adjusted segment profit)	(50)	284	+334	-
Overseas solutions businesses	171	392	+221	229.2%
(Unadjusted domestic solutions businesses)	267	63	(204)	23.6%
(Adjusted domestic solutions businesses)	67	63	(4)	94.0%
BPR business	23	10	(13)	43.5%
Adjustments	(312)	(181)	+131	58.0%

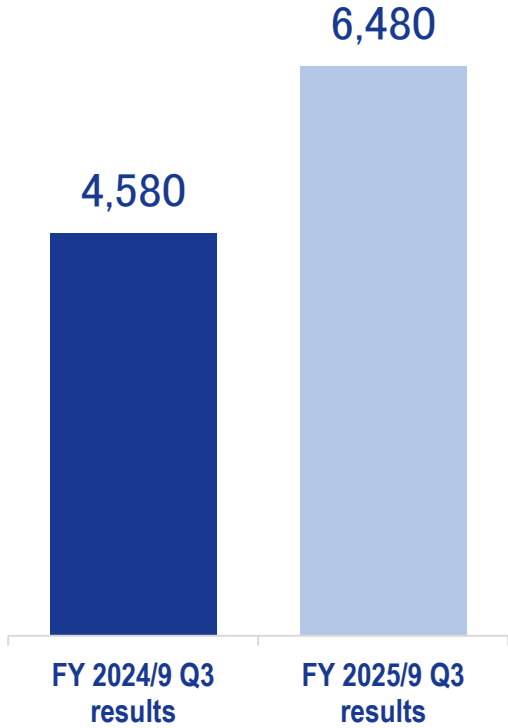
FY 2025/9 Q3 financial results (overseas solutions business)



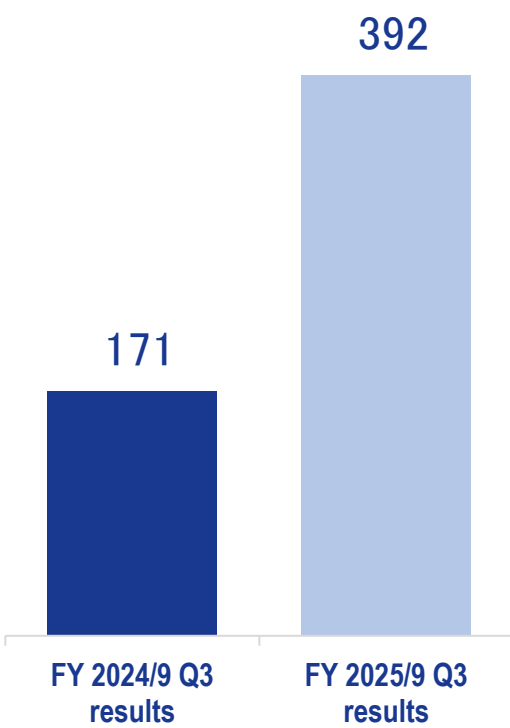
(Unit: million yen)

	FY 2024/9 Q3	FY 2025/9 Q3	Change	YoY
Sales revenue	4,580	6,480	+1,900	141.5%
Segment profit	171	392	+221	229.2%

Sales revenue



Segment profit



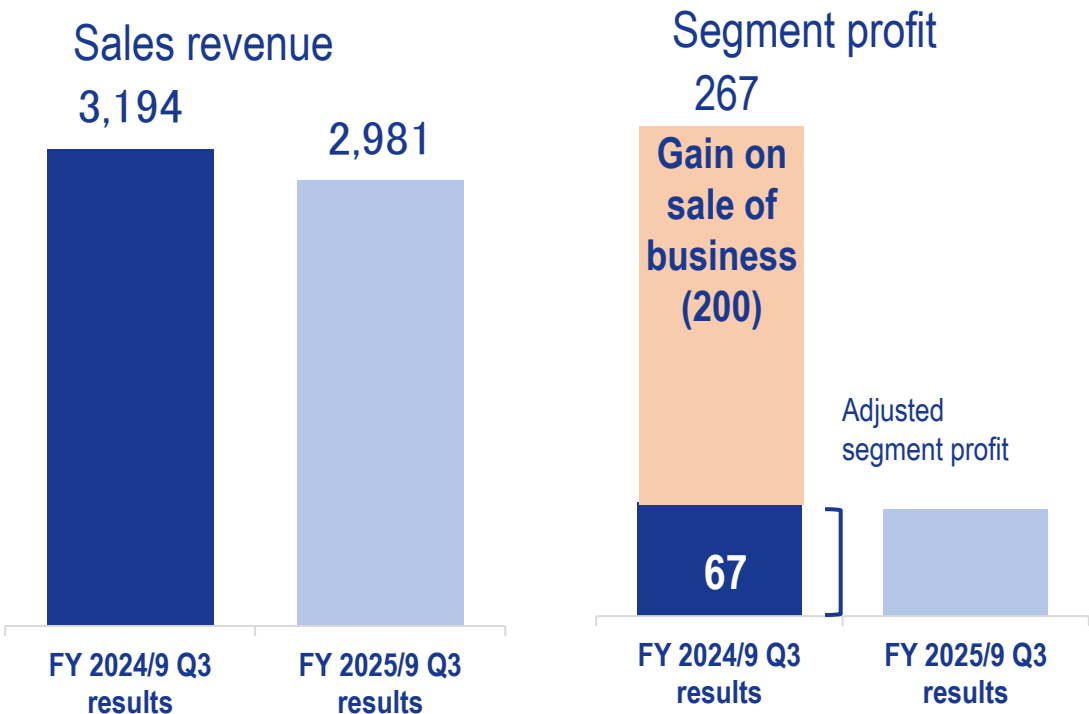
- The effects of adding a Singapore subsidiary to the consolidation contributed substantially to sales and segment income.
- Segment income was up sharply from the effects of reduced selling, general, and administrative expenses through restructuring of the sales structure in the direct-sales channel.

FY 2025/9 Q3 financial results (domestic solutions business)



(Unit: million yen)

	FY 2024/9 Q3	FY 2025/9 Q3	Change	YoY
Sales revenue	3,194	2,981	(213)	93.3%
Segment profit	267	63	(204)	23.6%
Adjusted segment profit	67	63	(4)	94.0%



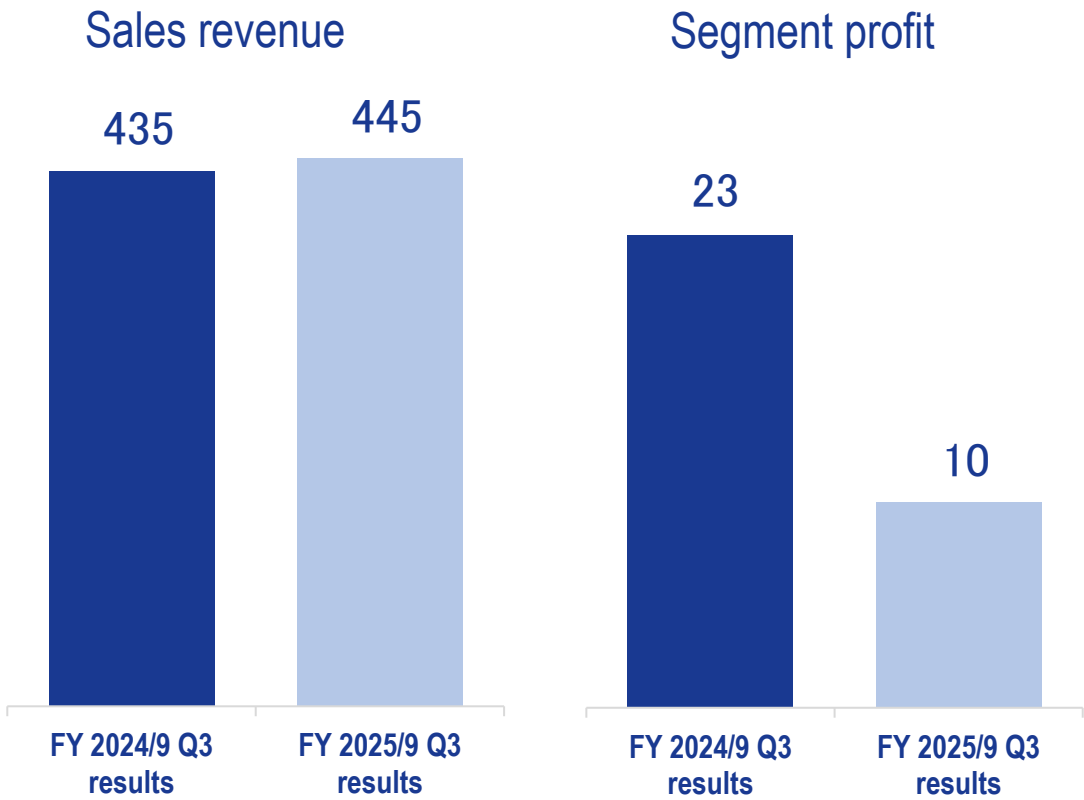
- Sales revenue was down while adjusted segment profit remained almost flat.
- Stock revenue, which mainly comes from fixed-price maintenance, was up in the direct-sales channel.
- However, sales revenue and profit were down in the wholesale channel because the effect of weak sales in major agents was not offset by other sales revenue.

FY 2025/9 Q3 financial results (BPR business)



(Unit: million yen)

	FY 2024/9 Q3	FY 2025/9 Q3	Change	YoY
Sales revenue	435	445	+10	102.3%
Segment profit	23	10	(13)	43.5%



- Sales revenue remained almost flat because efforts for acquiring new transactions failed to generate results in industries with strong demand, such as real estate and accounting firms.
- Profit was down because an increase in retirees caused by the start of the military service system in Myanmar deteriorated profitability, and the results of cutting sales and administration expenses was limited.

(Unit: million yen)

	Previous consolidated fiscal year September 30, 2024	Current interim consolidated accounting period June 30, 2025	Change
Current assets	8,364	8,260	(104)
Non-current assets	4,281	4,393	+112
Total assets	12,645	12,653	+7
Current liabilities	5,012	5,438	+425
Noncurrent liabilities	2,337	1,992	(345)
Total liabilities	7,350	7,431	+80
Equity attributable to owners of the Parent	4,963	4,877	(85)
Non-controlling interests	331	344	+13
Total equity	5,294	5,222	(72)
Total liabilities and equity	12,645	12,653	+7

Total assets: 12,653 million yen Up 7 million yen

Other financial assets were up 120 million yen because of putting overseas idle funds into term deposits. Cash equivalents were down 390 million yen because of group finance. Trade receivables were down 93 million yen while inventories were up 166 million yen because of the expansion of the overseas business.

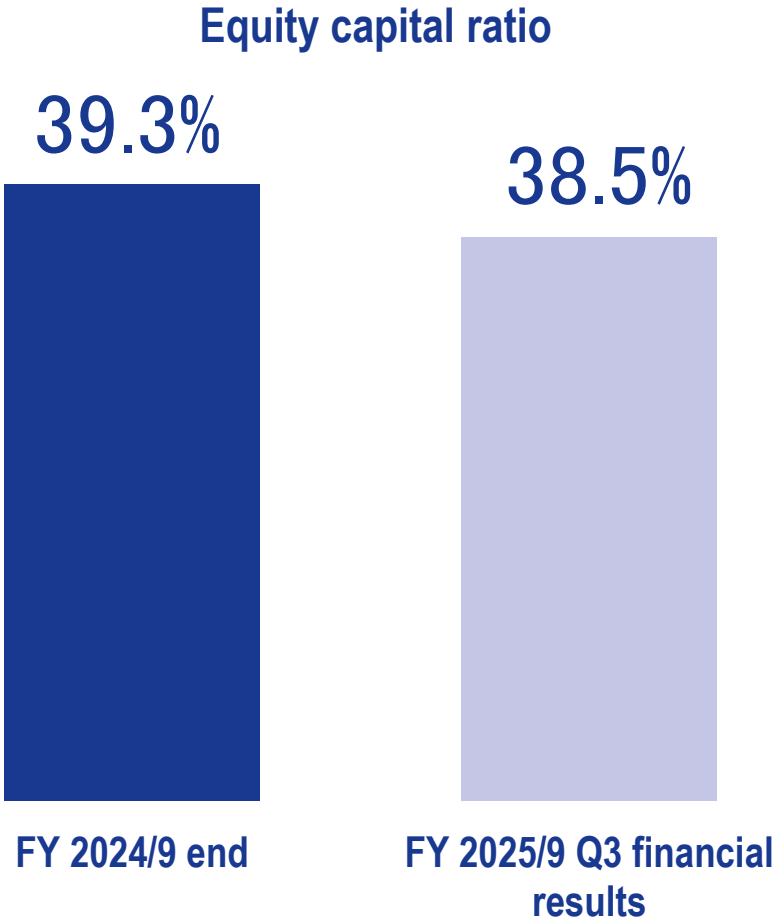
Total liabilities: 7,431 million yen Up 80 million yen

Loan payable was up 281 million yen while other current liabilities were down 140 million yen.

Total equity: 5,222 million yen Down 72 million yen

Net income became positive while other components of equity were down 115 million yen mainly because of the effect of the yen appreciation.

Equity ratio: 38.5%



Operating cash flow became negative as a result of 330 million yen in profit before tax, an increase of 191 million yen in inventories, a decrease of 174 million yen in other current assets, and the payment of 160 million yen in corporate income tax.

	Previous interim consolidated accounting period From October 1, 2023 June 30, 2024	Current interim consolidated fiscal year From October 1, 2024 June 30, 2025	Change
Cash flow from/used in operating activities	645	(122)	(768)
Cash flow from/used in investing activities	(63)	(260)	(196)
Cash flow from/used in financing activities	(333)	9	342
Change in cash and cash equivalents	328	(390)	(718)
Ending balance of cash and cash equivalents	2,954	2,585	-



Topics (2025.4.1 to 2025.6.30)

*The following describes actual results before FY 2024 and figures in the FY 2025 plan.

Enhancement of HR development

- Annual completion rate of a 100-hour training per employee: 95% (FY 2025 plan: 100%)
- AI skills trainees: 183 (FY 2025 plan: 192)

Global human resource development

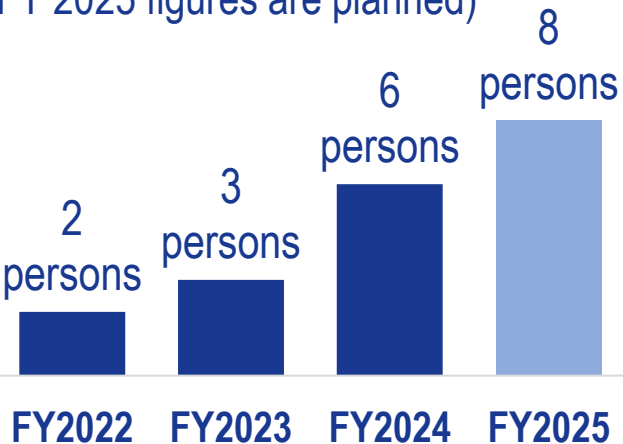
- Number of younger employees seconded overseas: 6 (FY 2025 plan: 8)

Improving employee satisfaction

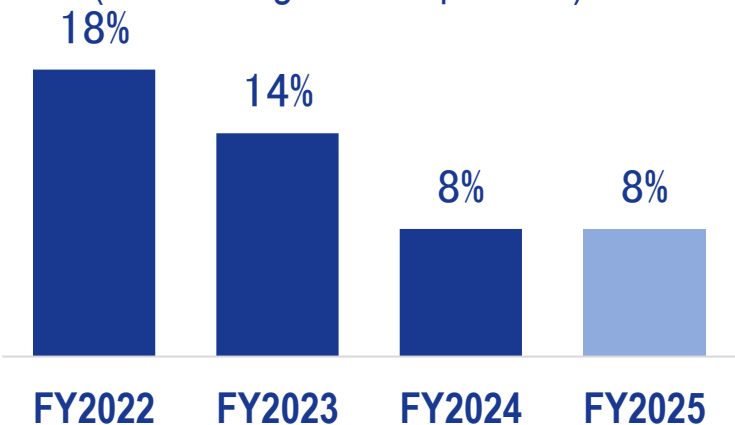
- Employee turnover rate: 8% (significantly improved from 14% in FY 2023)
- Mentor interviews rate: 100% for both new graduates and midcareer hires

Improving global competitive strength and realizing sustainable growth by 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)

New graduate employees joining the company on April 1, 2025, took three months' training, and then eight employees were assigned to domestic sales while two employees were assigned to overseas sales.

Early development of new graduate employees at their assigned workplaces



Goal

- Quarterly goal setting
- Solving challenges at one-on-one meeting
- Creation and feedback of the schedule through the end of trial period

Skill-up

- On-site experience through accompanying superiors on their sales activities and OJT
- Telephone appointment
- Using CRM for increasing the productivity

Increase in knowledge

- Training at manufacturers for gaining knowledge of products
- Semiweekly role-play training
- Monthly operation training
- Training by job grade



45th sales contest entered
by all sales staff of the entire group

RECOMM Champions Cup

- Increasing sales motivation
- Development of top sales staff
- Increase in sales revenue
- Enforcement of sales capabilities of the entire group

Awarding ceremony to be held for recipients
after the end of period

* The left-hand character is our mascot RECOMMIN.
It is in the motif of a cheetah as a symbol of speedy management.
It is adopted as a cheering character for the champion.



FY 2025/9

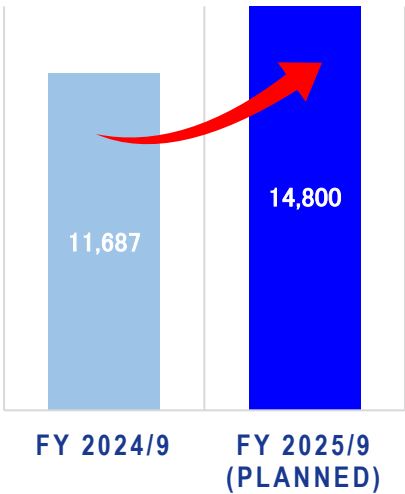
Full-year plans and dividend forecasts

New record highs on all indicators

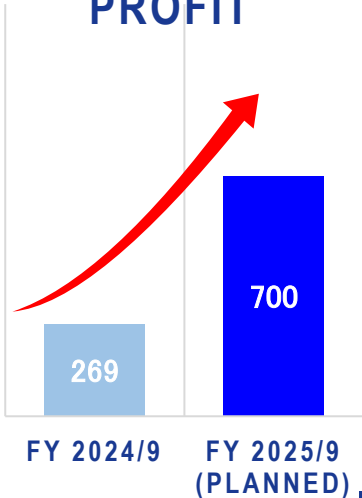
(Unit: million yen)

	FY 2024/9 (Q3 Actual)	FY 2025/9 (Q3 Actual)	YoY	FY 2024/9 (Full year actual)	FY 2025/9 (full-year plans)	YoY
Sales revenue	8,210	9,907	120.7%	11,687	14,800	126.6%
Operating profit	150	284	189.4%	269	700	259.8%
Profit before tax	171	330	192.8%	307	700	227.9%
Net income attributable to owners of the parent	85	195	228.8%	83	430	518.1%
EBITDA	277	428	154.6%	445	831	186.7%

SALES REVENUE



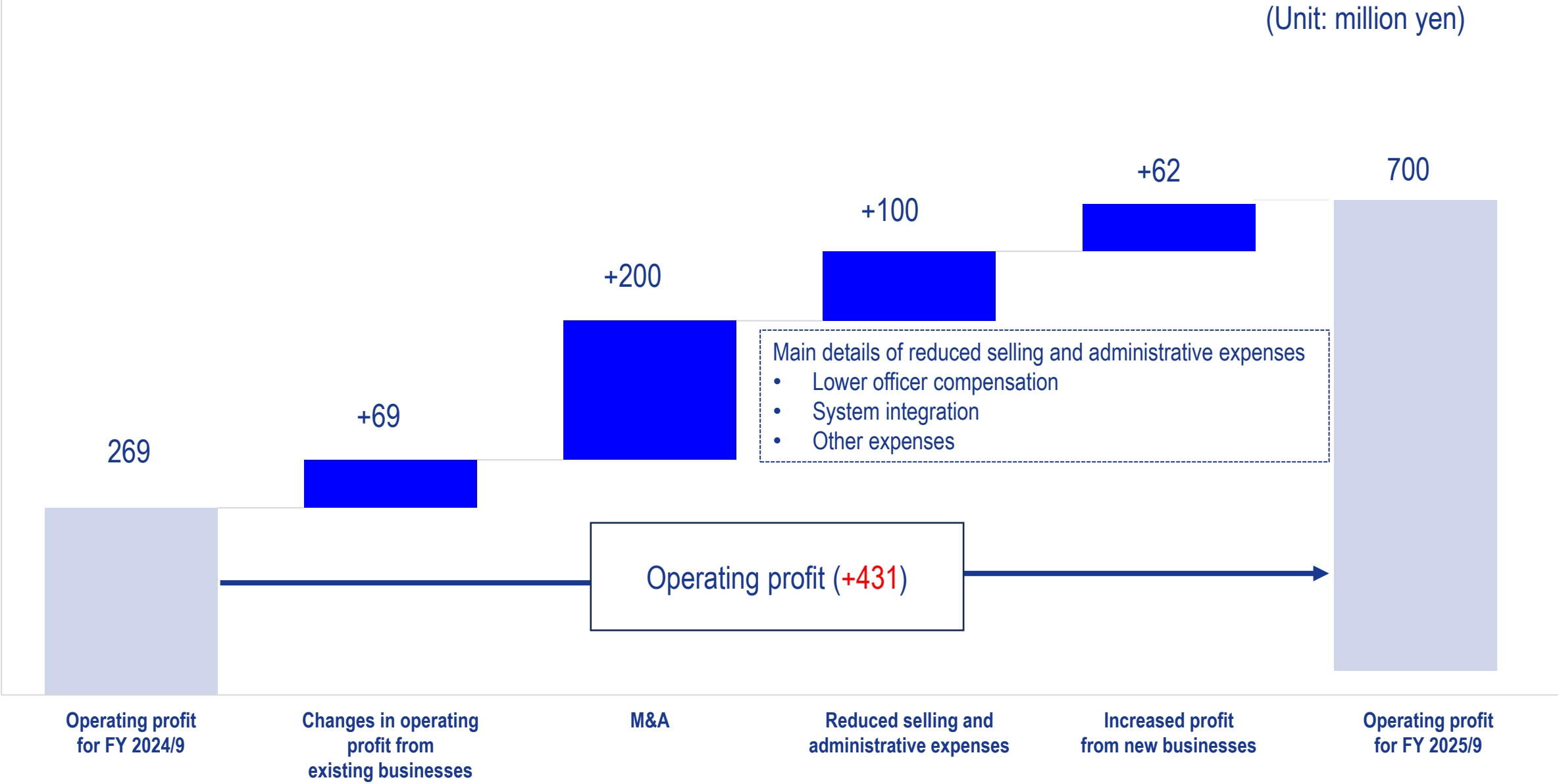
OPERATING PROFIT



No change in full-year plans

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

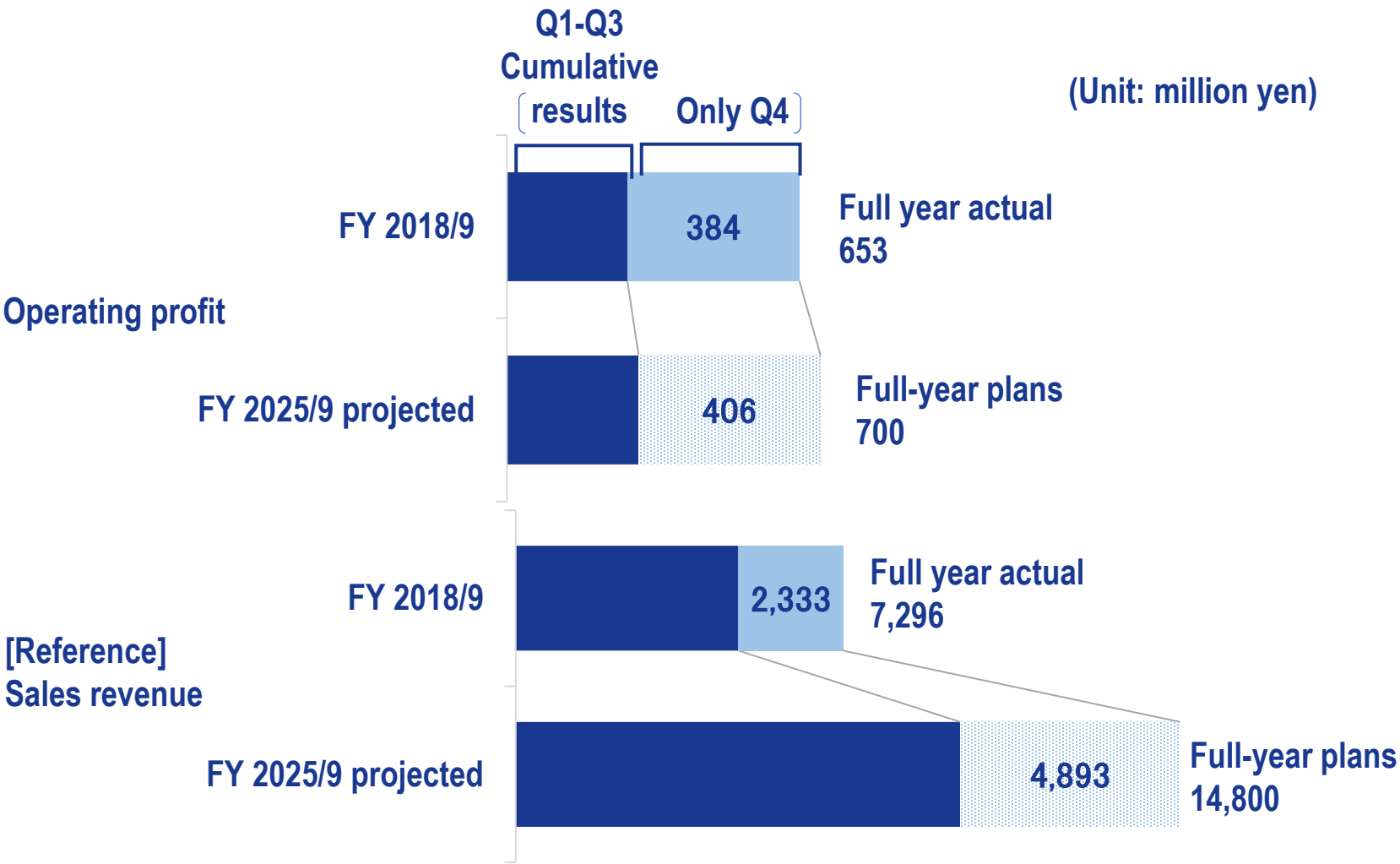
(Unit: million yen)



Prospect for achieving FY 2025/9 plans



The company achieved a record operating profit of 384 million yen for FY 2018/9 Q4.
Therefore, the company expects that it is highly likely to achieve operating profit of 406 million yen for FY 2025/9 Q4.



In FY 2018/9, the company operated businesses in three countries: China, Vietnam, and Malaysia, and a domestic subsidiary acquired by M&A transaction (one controlled subsidiary) contributed to business results.



In FY 2025/9, the company plans to operate businesses in nine countries and receive a contribution from overseas subsidiaries acquired by M&A transactions (two companies in Malaysia and one company in Singapore).

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

- Increasing operating P/H* by expanding the SPACECOOL product lineup and strengthening the quantity of sales activities
- Expanding the sales network through the 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 the time spent on non-sales discussion activities

3. Promoting use of AI (reducing sales expenses)

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

* P/H: Per head

FY 2025/9 plans (by segment)



(Unit: million yen)

	FY 2024/9 (Q3 Actual)	FY 2025/9 (Q3 Actual)	YoY	FY 2024/9 (Full year actual)	FY 2025/9 (full-year plans)	YoY
Sales revenue	8,210	9,907	120.7%	11,687	14,800	126.6%
Overseas solutions businesses	4,580	6,480	141.5%	6,618	9,000	136.0%
Domestic solutions businesses	3,194	2,981	93.3%	4,471	5,000	111.8%
BPR business	435	445	102.3%	599	800	133.6%
Segment profit	Adjusted (50)	284	-	269	700	259.8%
Overseas solutions businesses	171	392	229.2%	342	625	182.7%
Domestic solutions businesses	Adjusted 67	63	94.0%	423	295	69.7%
BPR business	23	10	43.5%	30	70	233.3%
Adjustments	(312)	(181)	58.0%	(526)	(289)	54.9%

FY 2025/9 plans (overseas solutions business)



(Unit: million yen)

	FY 2024/9 (Q3 Actual)	FY 2025/9 (Q3 Actual)	YoY	FY 2024/9 (Full year actual)	FY 2025/9 (full-year plans)	YoY
Sales revenue	4,580	6,480	141.5%	6,618	9,000	136.0%
Segment profit	171	392	229.2%	342	625	182.7%

<Measures for achieving full-year plans>

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

* P/H: Per head

FY 2025/9 plans (domestic solutions business)



(Unit: million yen)

	FY 2024/9 (Q3 Actual)	FY 2025/9 (Q3 Actual)	YoY	FY 2024/9 (Full year actual)	FY 2025/9 (full-year plans)	YoY
Sales revenue	3,194	2,981	93.3%	4,471	5,000	111.8%
Segment profit	Adjusted 67	63	94.0%	423	295	69.7%

<Measures for achieving full-year plans>

- 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

* P/H: Per head

FY 2025/9 plans (BPR business)



(Unit: million yen)

	FY 2024/9 (Q3 Actual)	FY 2025/9 (Q3 Actual)	YoY	FY 2024/9 (Full year actual)	FY 2025/9 (full-year plans)	YoY
Sales revenue	435	445	102.3%	599	800	133.6%
Segment profit	23	10	43.5%	30	70	233.3%

<Measures for achieving full-year plans>

- Growing customer P/H* through enhanced cooperation in business sections

-> Progress: Promoting enhanced cooperation in business sections and increasing the numbers of sales discussions with customers

Continuing
- Reducing selling and administrative expenses through internal digital transformation

-> Progress: Selling, general, and administrative expenses down 6.5% YoY, while progress toward the automation time target, a DX promotion goal, is at 22%

Continuing
- Improving earnings of domestic centers

-> Progress: Internal DX promotion and review of domestic center functions

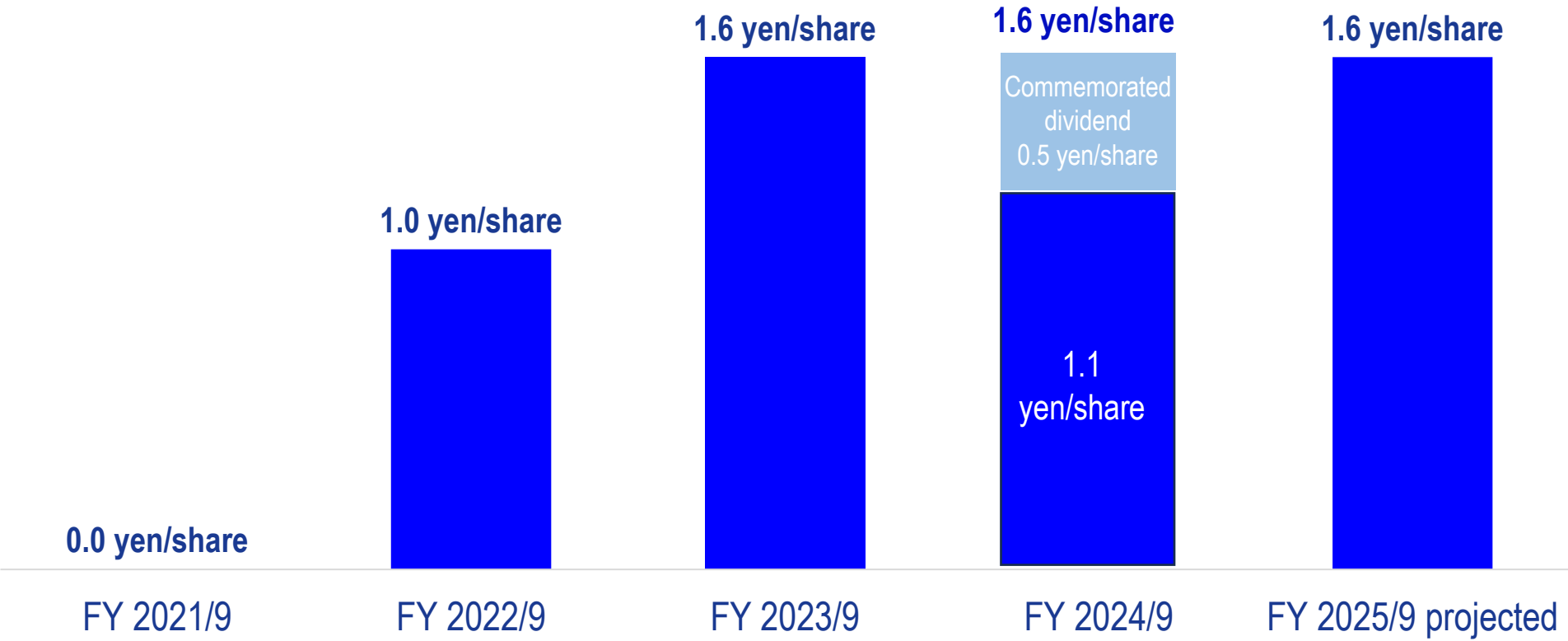
Continuing
- Strengthening new customer acquisition through the promotion of bundled sales of Robo Worker and BPO services

-> Progress: Also, beginning sales of fixed-price services to expand the product lineup

Addition

* P/H: Per head

Dividend: 1.6 yen

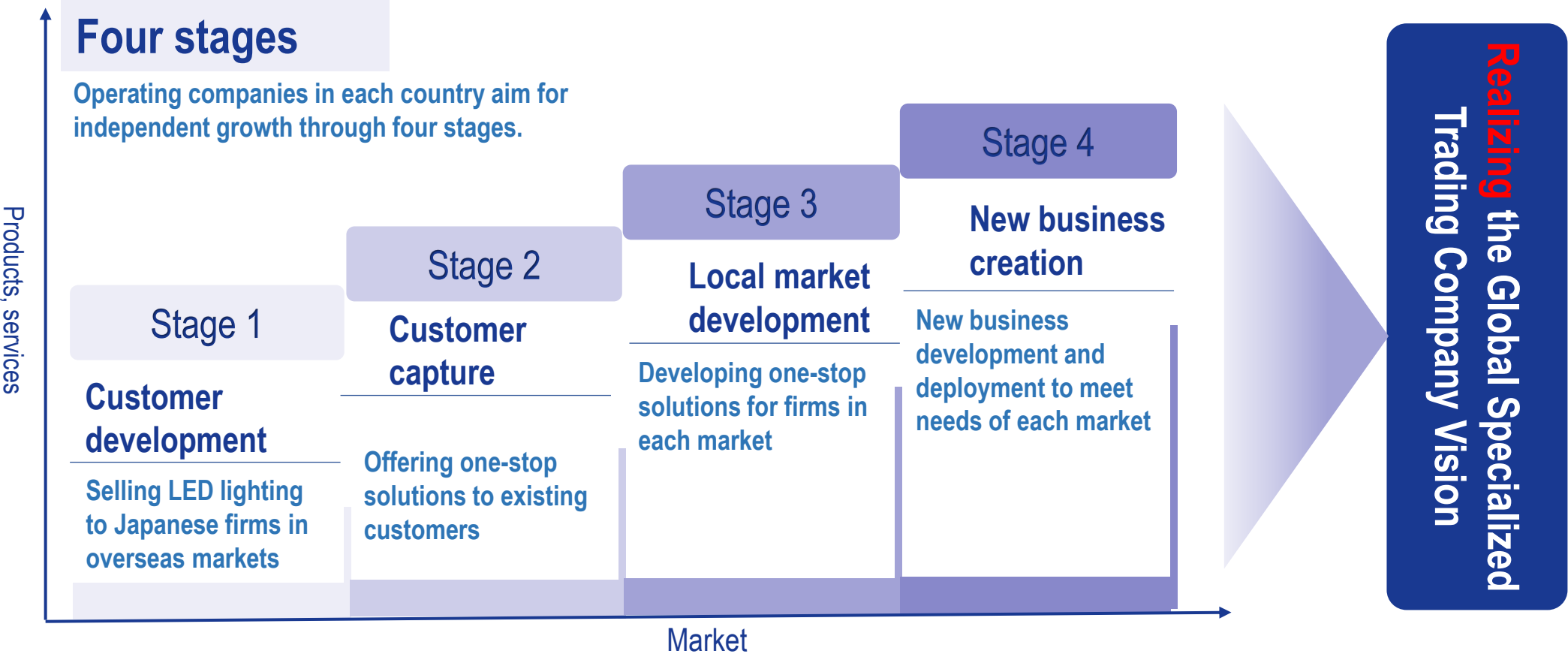




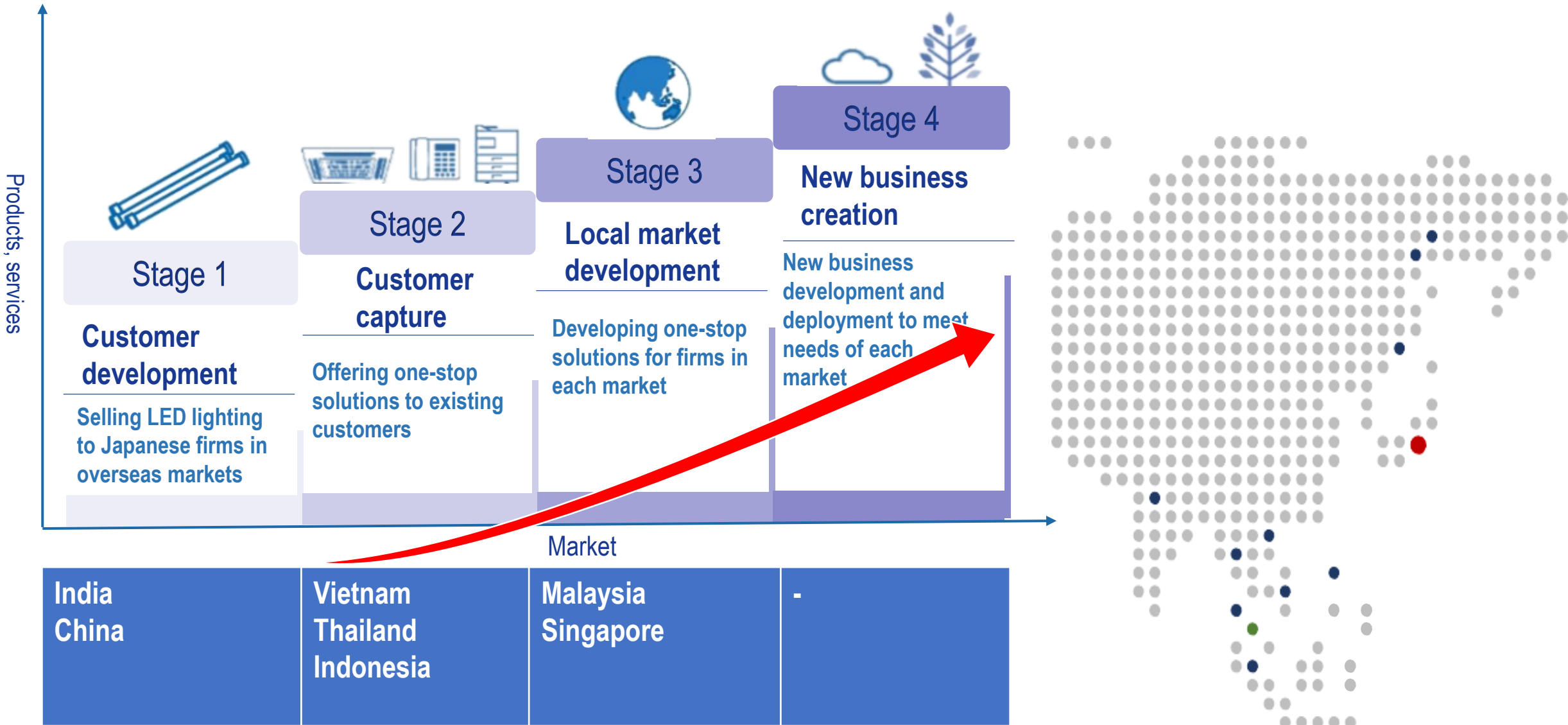
Growth strategy

Basic strategy: Global specialized trading company vision

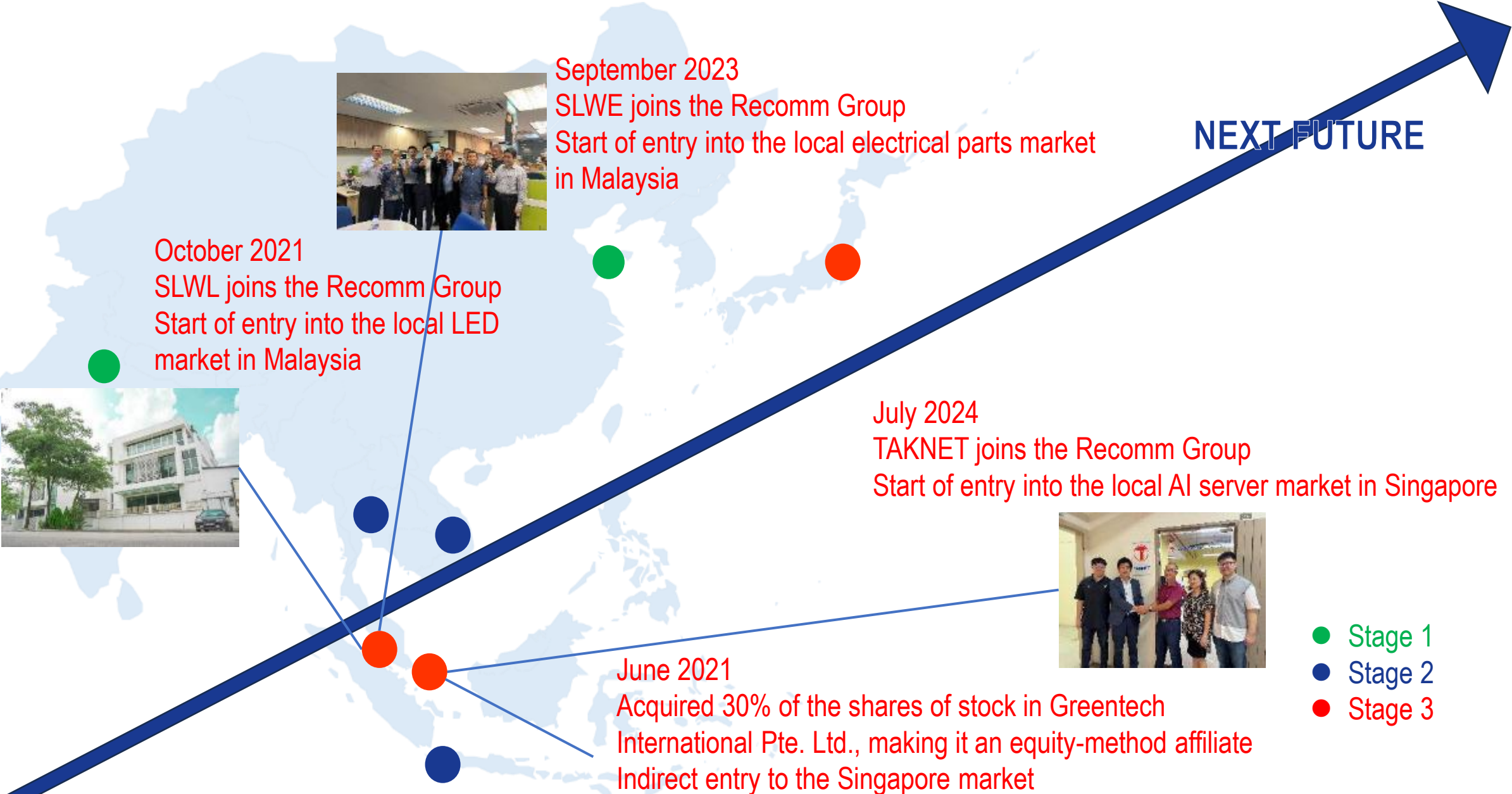
Global Specialized Trading Company Vision: Accelerating global business growth by proposing solutions to global customers based on state-of-the-art products and services appropriate for the times and our strengths in direct marketing



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



Global specialized trading company vision: Status of advancement to stage 3 by country



2020

Air purifiers ReSPR
Acquired exclusive
sales rights in eight
overseas markets



2024

Radiative cooling
material SPACECOOL
Launch of domestic
and overseas sales



Began exclusive sales of the Japanese edition of
Robo Worker (AI-RPA) in 2023



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

20%
or higher

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 1H

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)

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 1H

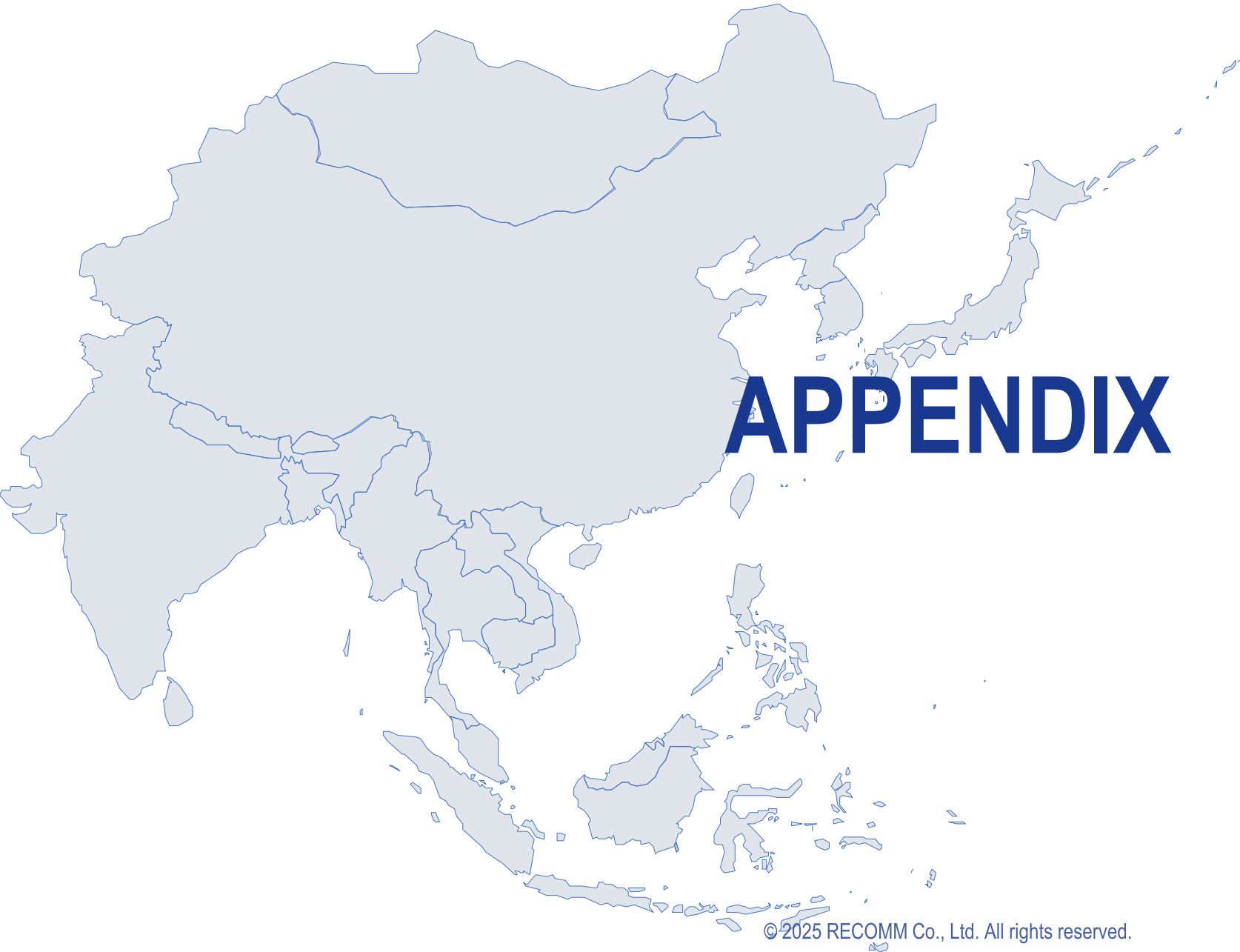
Studying reforms to remuneration systems for national staff in overseas markets
Studying cross-selling of products of M&A subsidiaries in overseas markets

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 industries
Preparing to release fixed-price services for SMEs



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



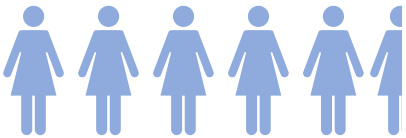
Company name	RECOMM Co., Ltd. (RECOMM CO., LTD.)
Established	September 30, 1994
Shares listed	May 26, 2004 TSE Standard: Securities code 3323
Address	25-3 Yoyogi 3-chome, Shibuya-ku, Tokyo
Representative	Hidehiro Ito, President and Group CEO
Lines of business	Overseas solutions businesses, domestic solutions businesses, BPR business
Total shares issued and outstanding	82,630,255 shares (as of June 30, 2025)
Shareholders	18,984 (as of March 31, 2025)
Share capital	2,447 million yen (as of June 30, 2025)
Number of employees	497 (consolidated, as of June 30, 2025)

Characteristics of employees

As of June 30, 2025

Gender

Female **53%**



Male **47%**



Ratio of nationalities

Foreign nationalities **60%**



Japanese **40%**



Operating companies in individual businesses



The Group consists of seven operating companies in Japan and 16 overseas companies in three businesses (as of June 30, 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)

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

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

Kinki region:
Osaka Branch
Green Innovation Osaka Branch | Chugoku-Shikoku region:
Matsue Branch
Shunan Branch

Kyushu region:
Kitakyushu Branch
Kurume Branch
Oita Sales Office
Yatsushiro Sales Office

Okinawa region:
Okinawa Branch
Naha Branch |
|---|---|---|

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 the 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



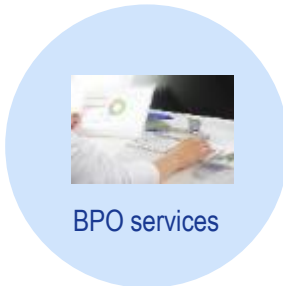
Carbon-neutral solutions

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

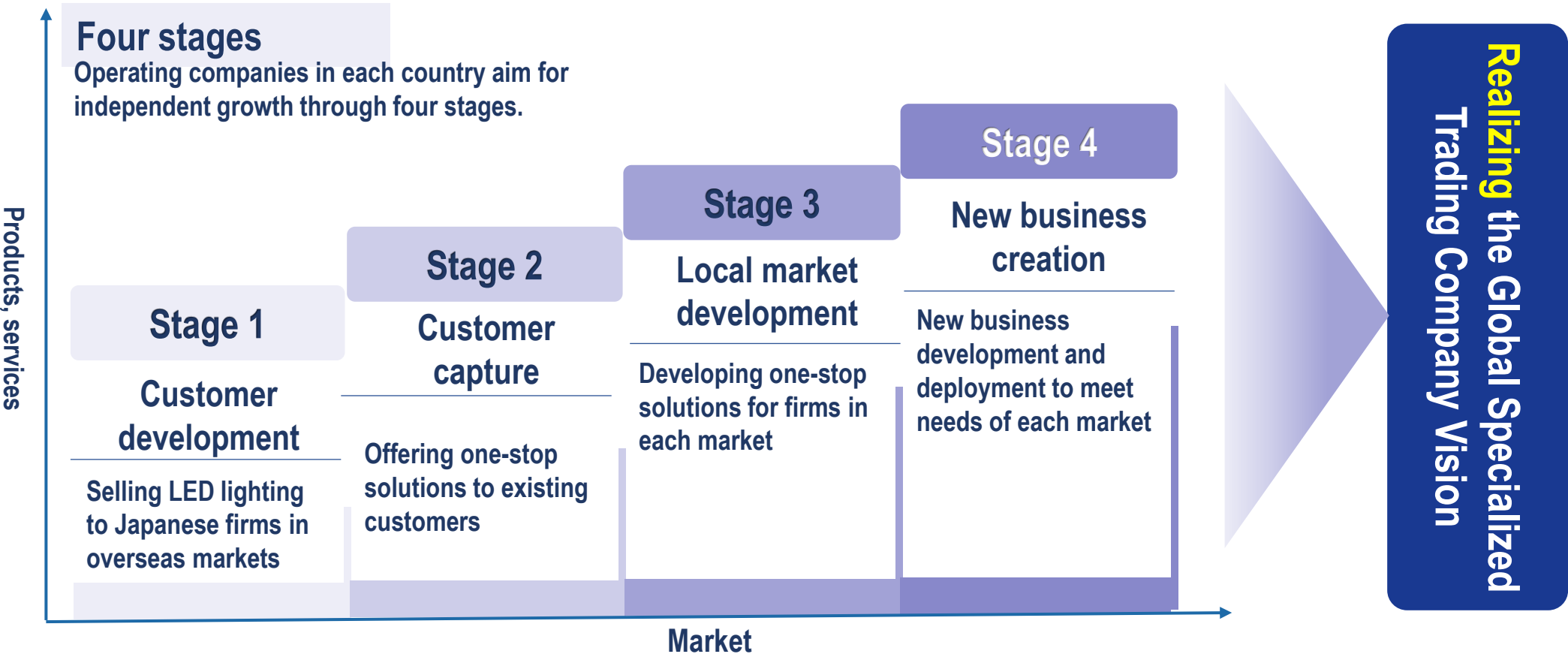
Proposing optimal solutions

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 products and services appropriate for the times 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



Ratio of operating
profit to sales
revenue



ROE



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, which was 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

Product and service development	Overseas	Enhancing current stage and moving to next stage (Building up sales to LED customers)	△
	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	×
	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	○
	DX	BPR business development in China	×

Issues

- ✓**Difficulty of balancing new customer acquisition and new product development**
Impossible to make time available for development without increasing productivity
- ✓**Low productivity per salesperson**
Inability to generate results exceeding labor input in labor-intensive sales activities
- ✓**Difficulty of hiring salespersons**
Not easy to fill vacancies due to external environmental conditions
- ✓**(Overseas) Not enough brands targeting local firms**
Brand-building activities are essential, but it is hard enough just to devote time to sales

Future policies

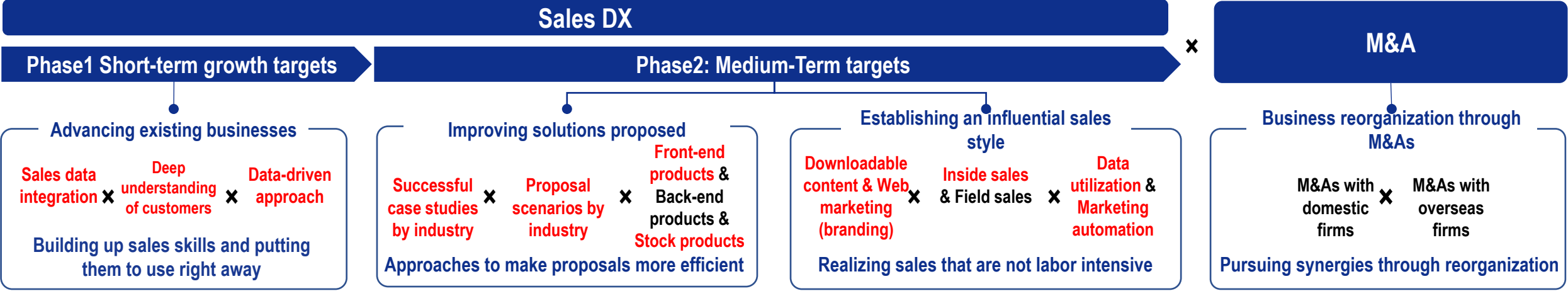
Vision:
Sales DX × M&A

- ✓ 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.)

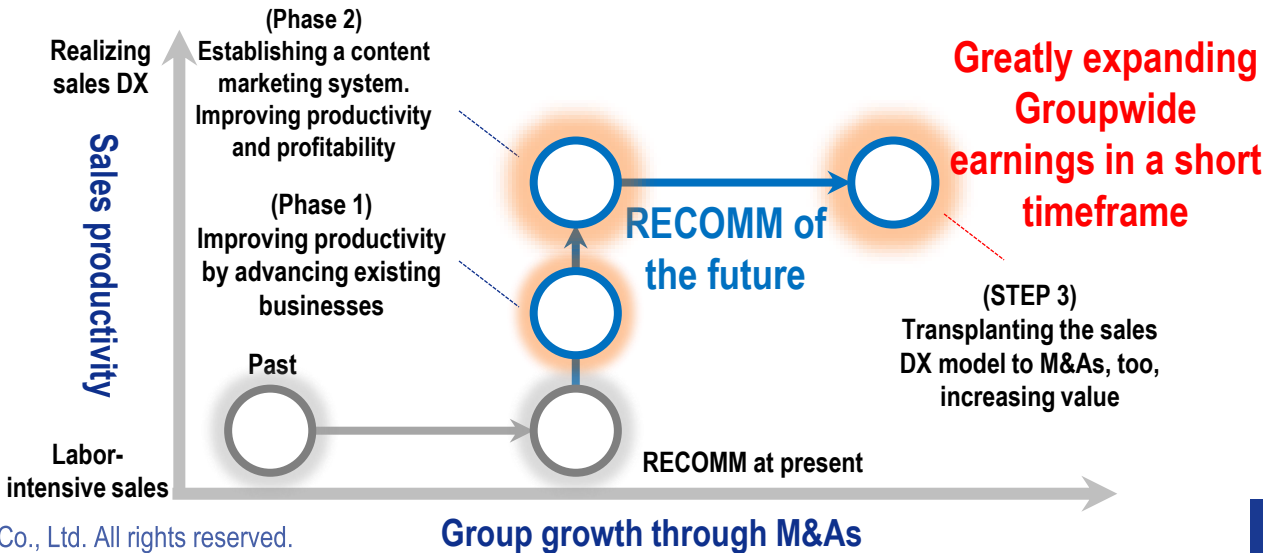
► Vision for sustained business growth (*Business growth by fusing sales DX and M&As) *Items in red are not yet final or involve issues



► 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

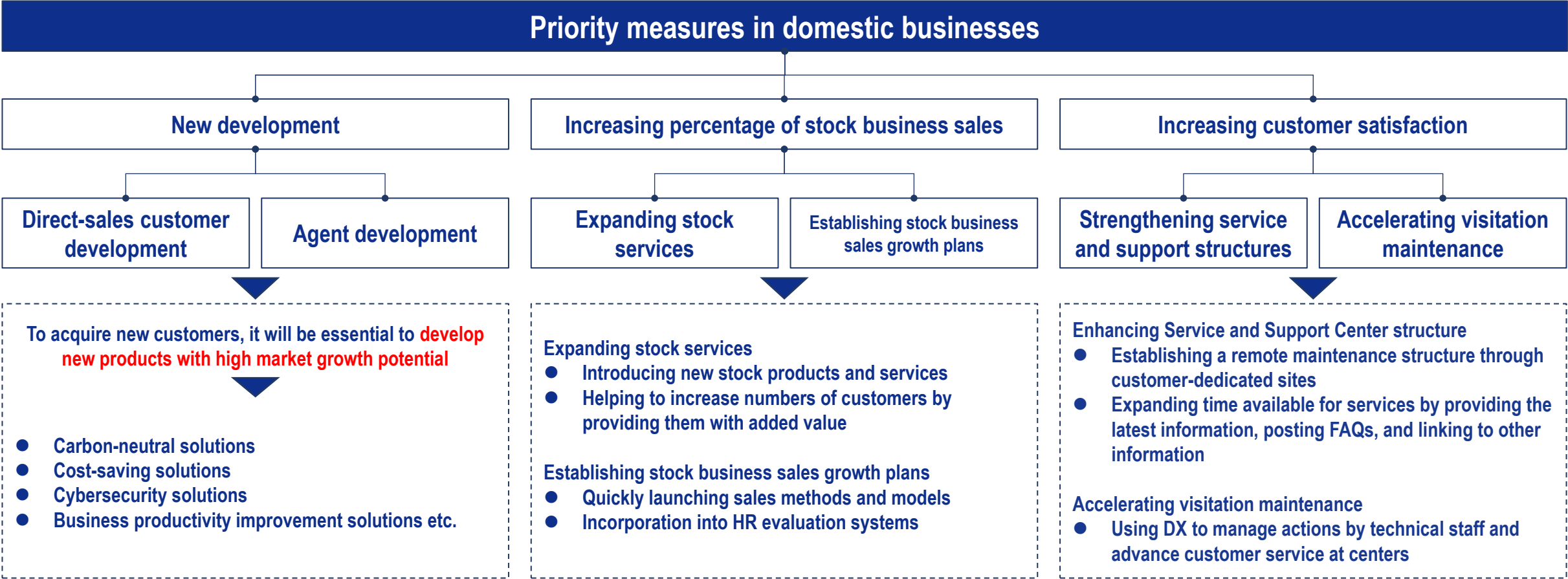
- We will link data to the CRM system in a short timeframe and thoroughly implement sales based on the system.
- The aim is to improve all three aspects of sales, human resource development, and product development through sales activities based on customer information.

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.



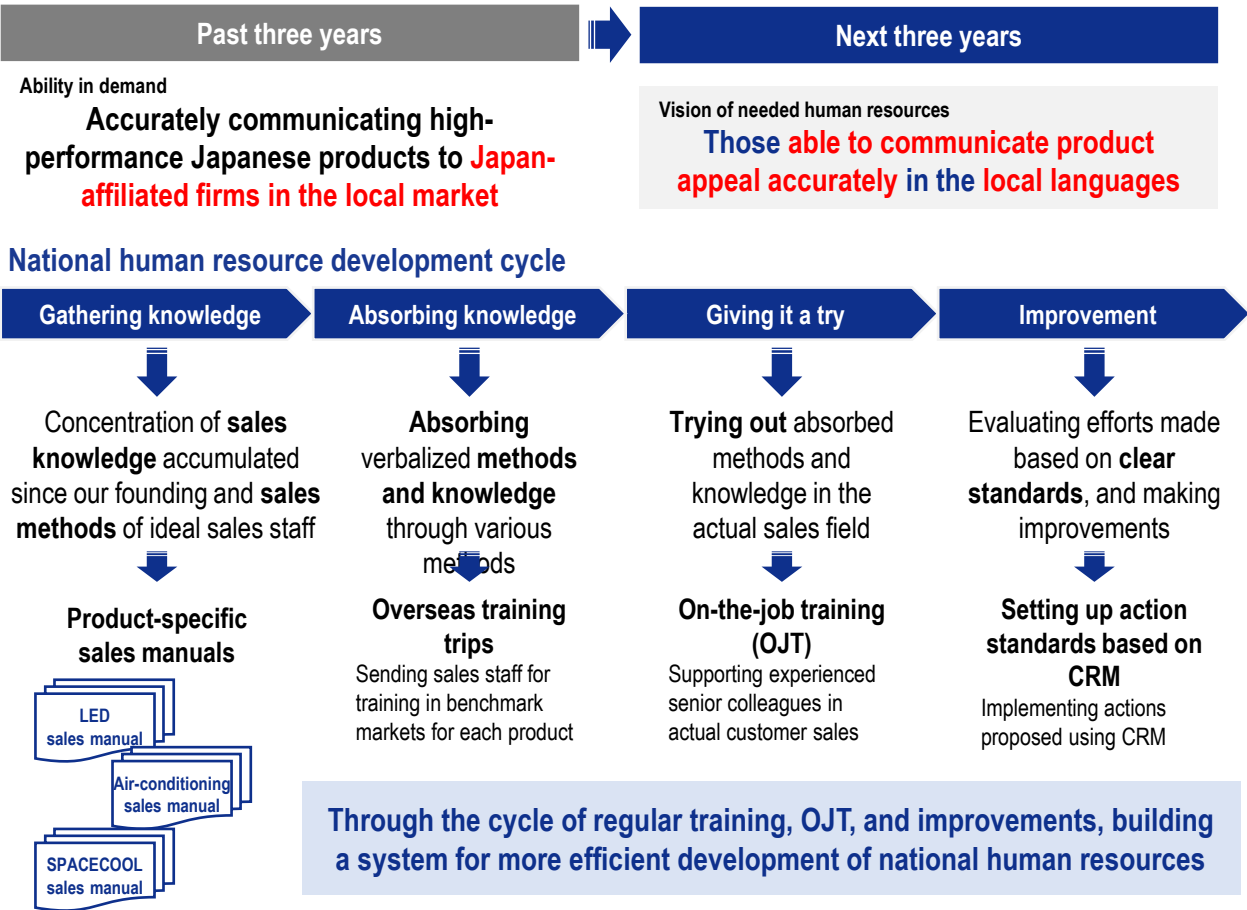
Main policy on domestic businesses

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

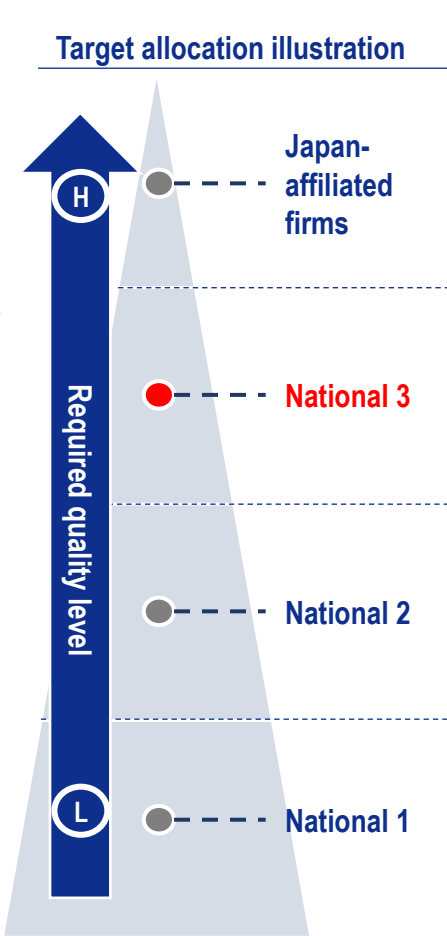
Priority measures in overseas businesses

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

National human resource development



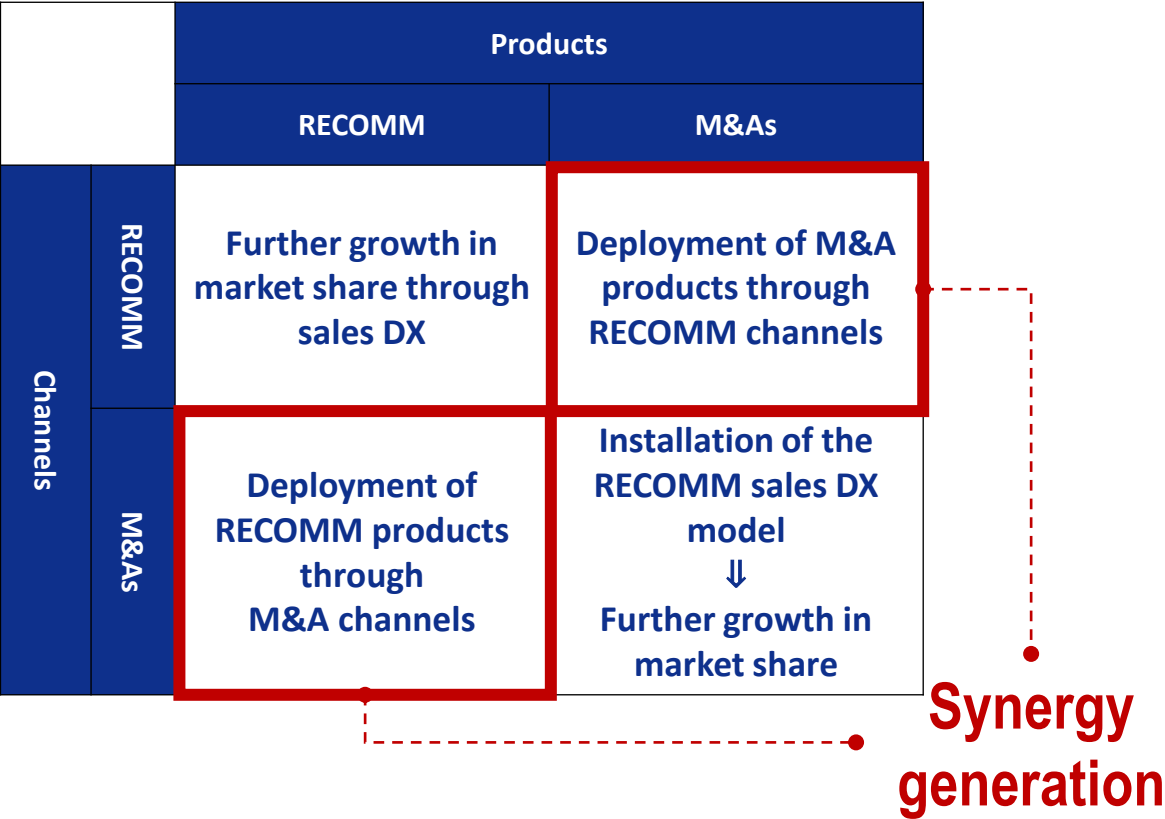
More precise targeting of firms in each market

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

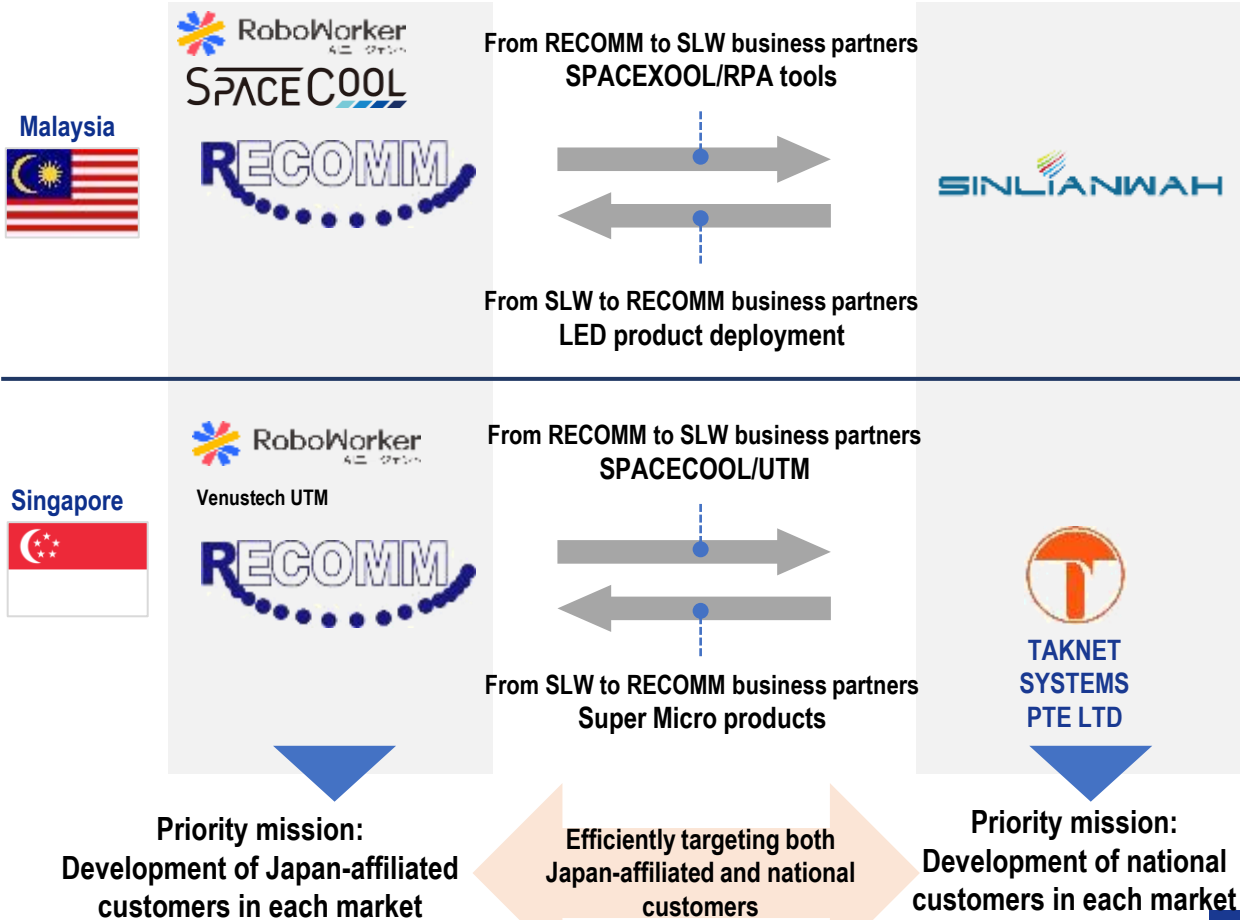
Priority measures at overseas M&As

- We will aim to improve business results further through synergies leveraging the advantages of M&As and RECOMM.
- The RECOMM Group will promote the 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 by combining both BPO and RPA.

Main strategic policies

RPA

Proposal scenarios for major firms

Replacement proposals & adoption service proposals

Proposal scenarios for second-tier firms and SMEs

Bundle development & proposal scenarios by industry

Bundle content

AI agent

Products for each industry

BPO

Targeting policy

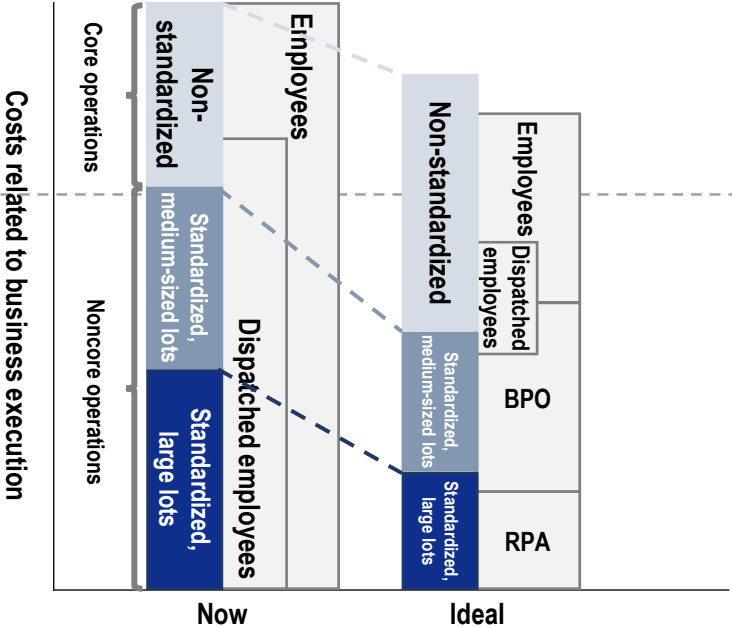
- Industries with chronic labor shortages (small-scale, disorted industries)
- Industries in which business systems have been adopted with large shares
- Analog industries still using paper in many operations
- Industries whose market growth potential continues to increase
- Industries with points of contact with RECOMM

Target industries:
(i) Healthcare and welfare domain
(ii) Residential real-estate domain (including remodeling)

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.)



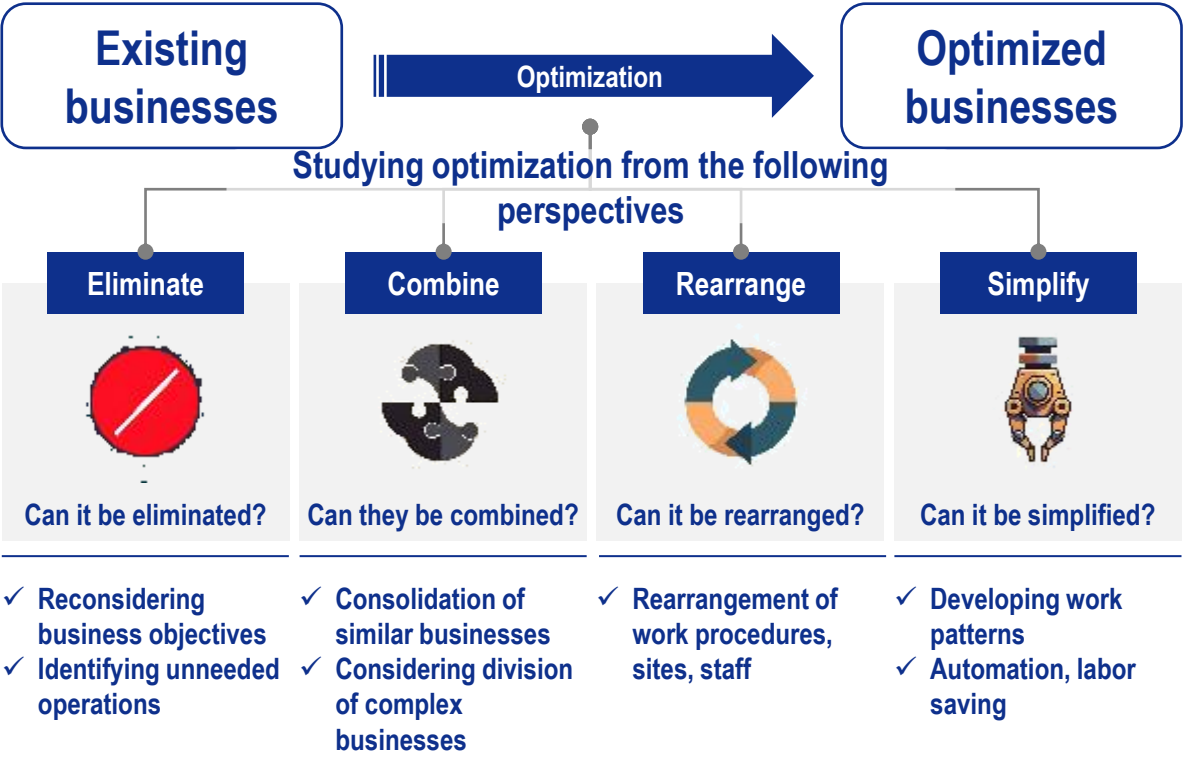
Differentiation from the competition

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

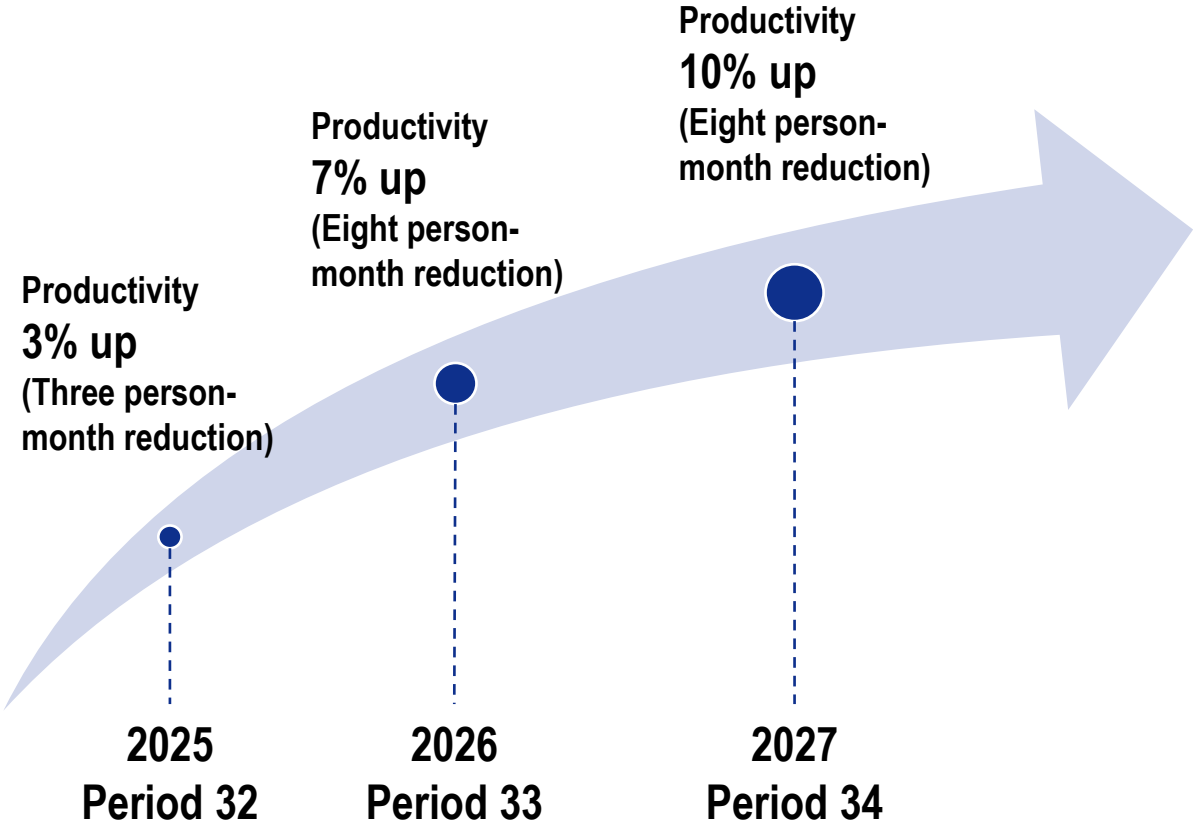
- We will improve productivity by revising the workflows in existing businesses and eliminating waste in operations.
- We will shift toward administrative sections that generate profits by promoting management through optimized operations and staff numbers.

Formulating improvement plans for existing businesses

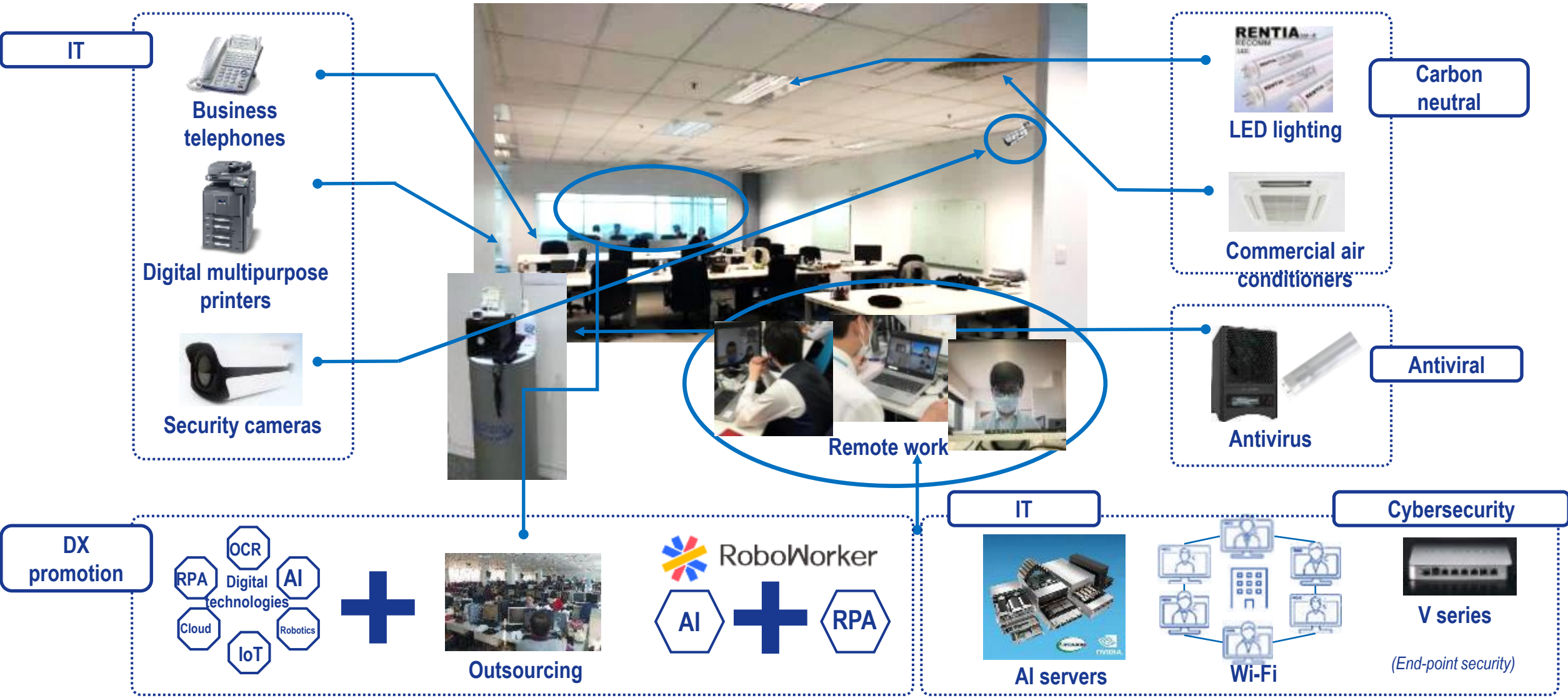


Formulating improvement plans to sort out existing businesses and optimize each

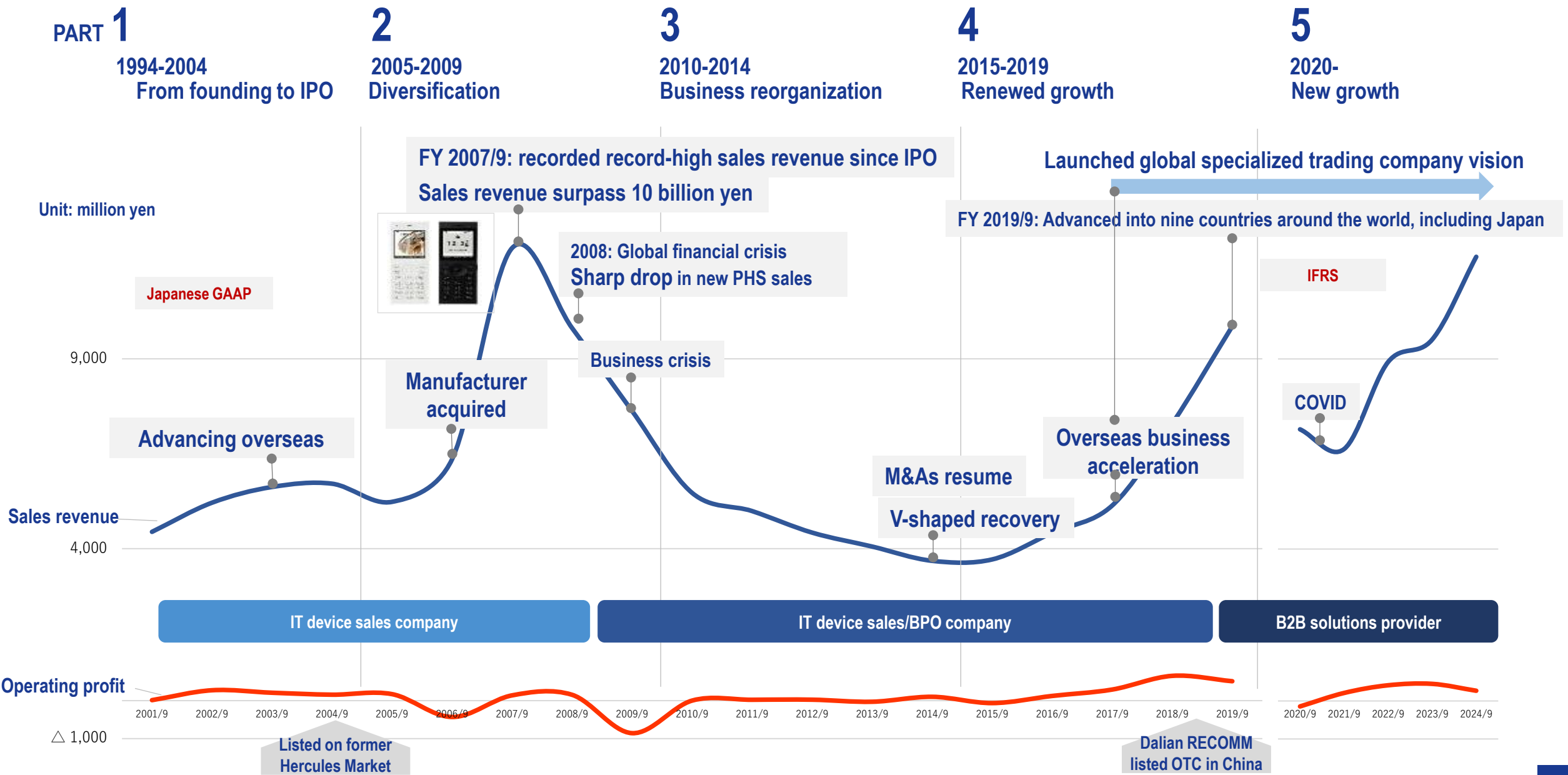
Improvement targets



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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