Fiscal Year Ending March 2025

Business Strategy

- Final Year of the Mid-term Business Plan 'NEXT'S 2025'-

Startia Holdings Co., Ltd.

TSE Prime Market

Stock Code: 3393



section

01

- Current Year Business Plan
 - Mid-term Business Plan Final Year -
- **02** Business Strategy
 - (1) Group Consolidation
 - (2) IT Infrastructure Business
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- **03** Supplementary Information
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1. Current Plan

—Final Year of Medium-Term Management Plan



Final Year of the Mid-Term Business Plan - Strategic Overview

- Accelerate internal DX and build a highly productive organizational structure
- Achieve double-digit ROE by achieving segment profitability in the digital marketing business and improving operating profit ratio under the portfolio strategy
- Achieve the above two goals and aim to increase corporate value

Operating Profit Ratio of 10% or More

IT infrastructure business Stable revenue base Achieving segment profit in the digital marketing business Improved operating profit ratio

ROE of 10% or More

Accelerate internal DX In a highly productive organizational structure Strive to achieve stable ROE of 10% or more

Market Capitalization: ¥50 billion

Increase corporate value Aim for a market capitalization of 50 billion yen

As of the end of March 2024

Operating Profit Ratio: 11.7%

Achieved

ROE 24.8%

Achieved

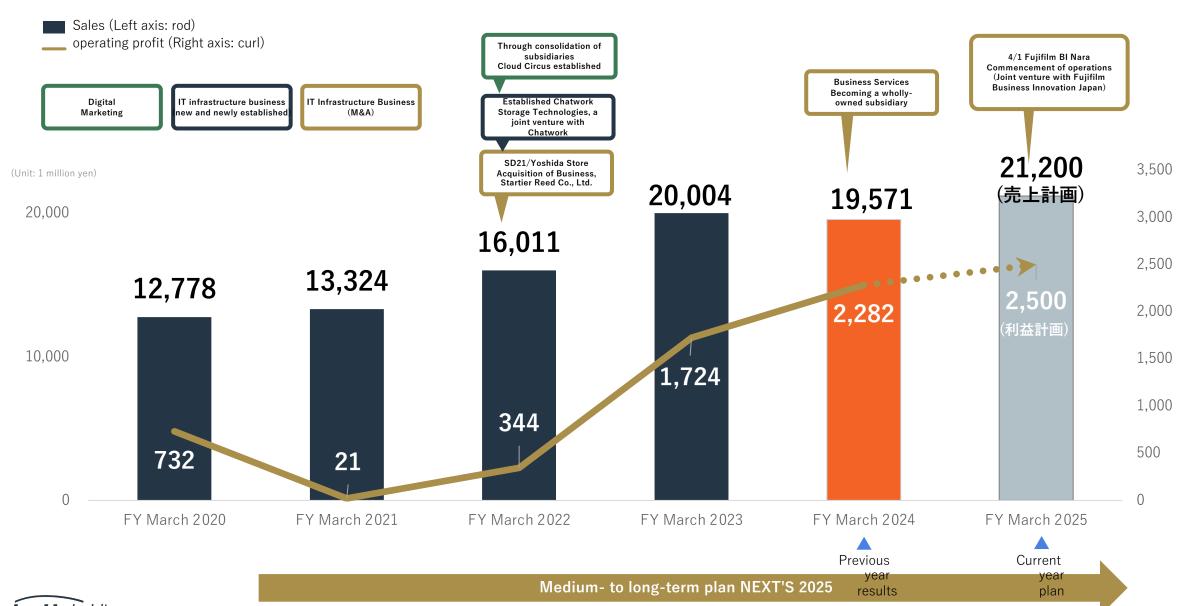
Market Capitalization:

¥15.9 billion

Not achieved yet

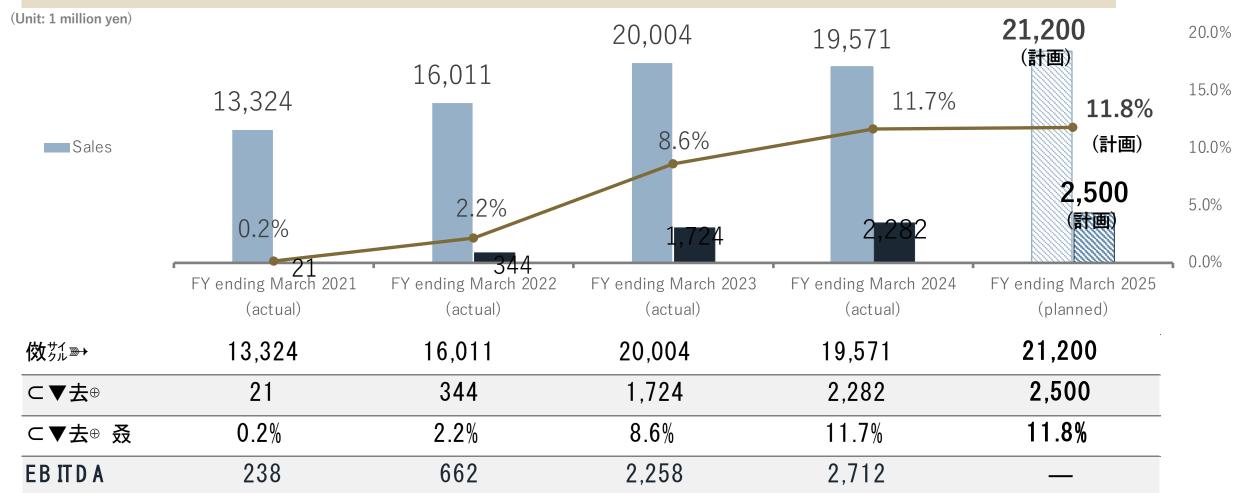


Sales and Operating Income Trends



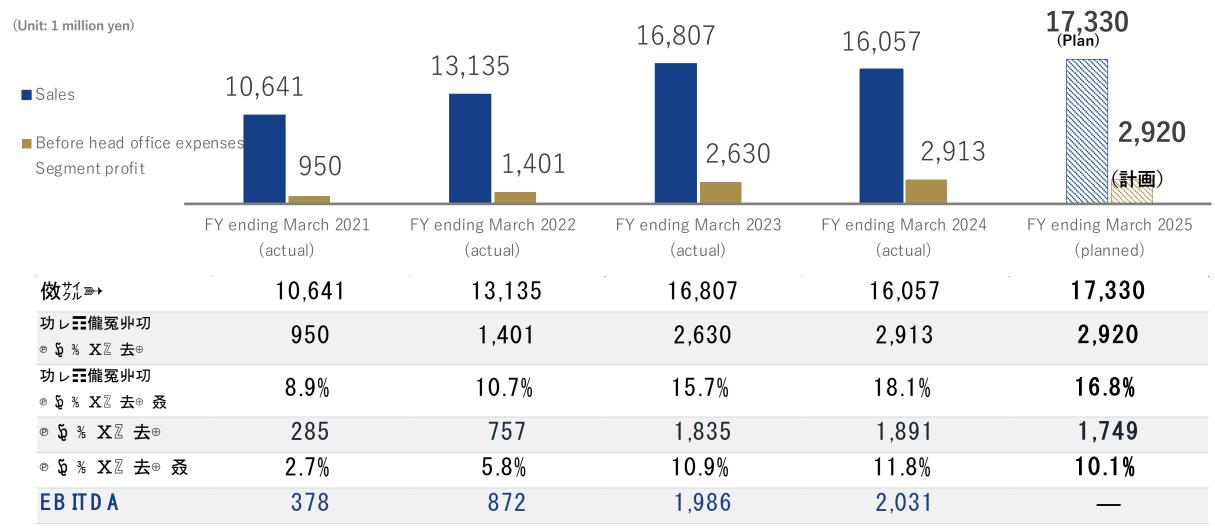
Group Consolidation Strategy

In the previous fiscal year, we achieved a record high operating profit. In the final year of the mid-term plan (FY March 2025), we aim to set a new profit record.



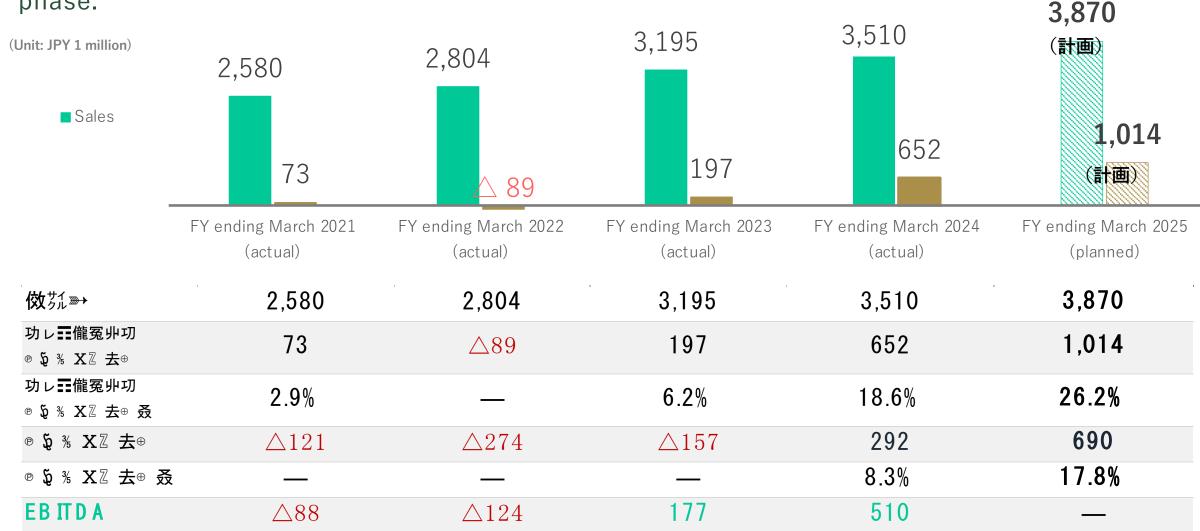
IT Infrastructure Business Strategic Plan

Strengthen recurring services essential for stable growth and build a stronger customer base.



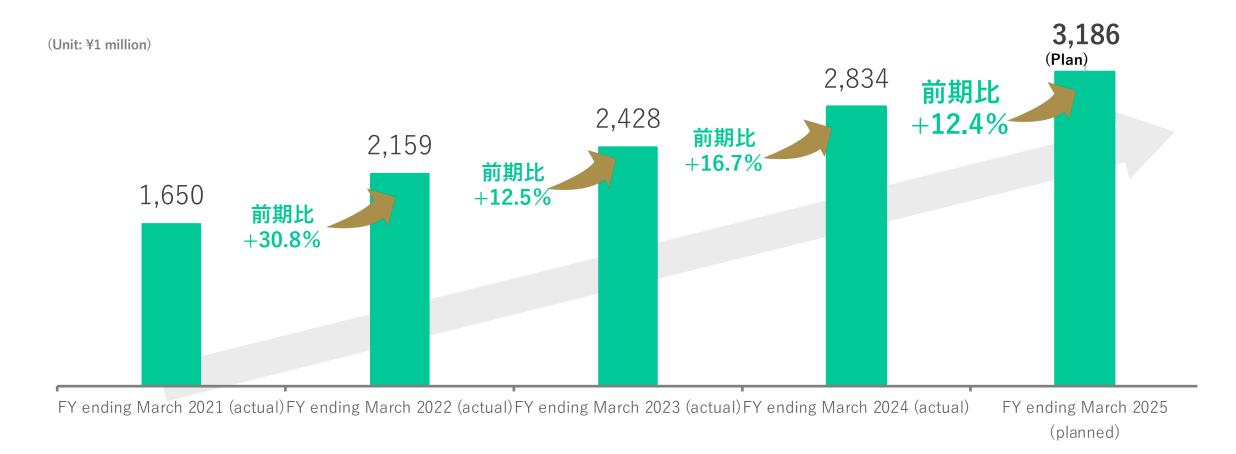
Digital Marketing Business Strategic Plan

Segment profit turned positive, entering a full-scale monetization phase.



Digital Marketing Business: ARR Strategy

Enhanced support and customer success initiatives for existing and multi-contract customers. By providing these services, ARPU (Average Revenue Per User) improved, and churn rate decreased. → Increased focus on cross-selling to boost ARPU.





section

02

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2. Business Strategy



TSE Prime

3393



2. Business Strategy

(1) Group Consolidated

Surrounding Circumstances

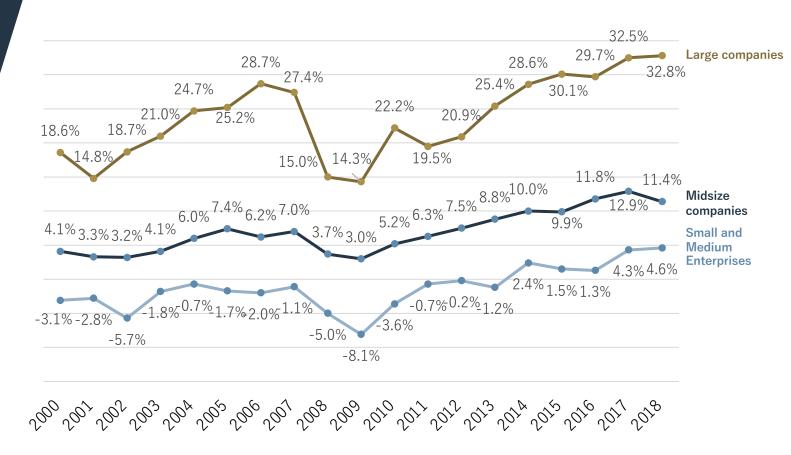
Key Statistics

the current situation of declining productivity in Japan

*Productivity of large companies is rising.

*Since 2000, the growth of small businesses has been minimal, widening the gap with large companies.

Corporate Labor Productivity in Japan Changes in the Ratio of Operating Net Income to Value Added



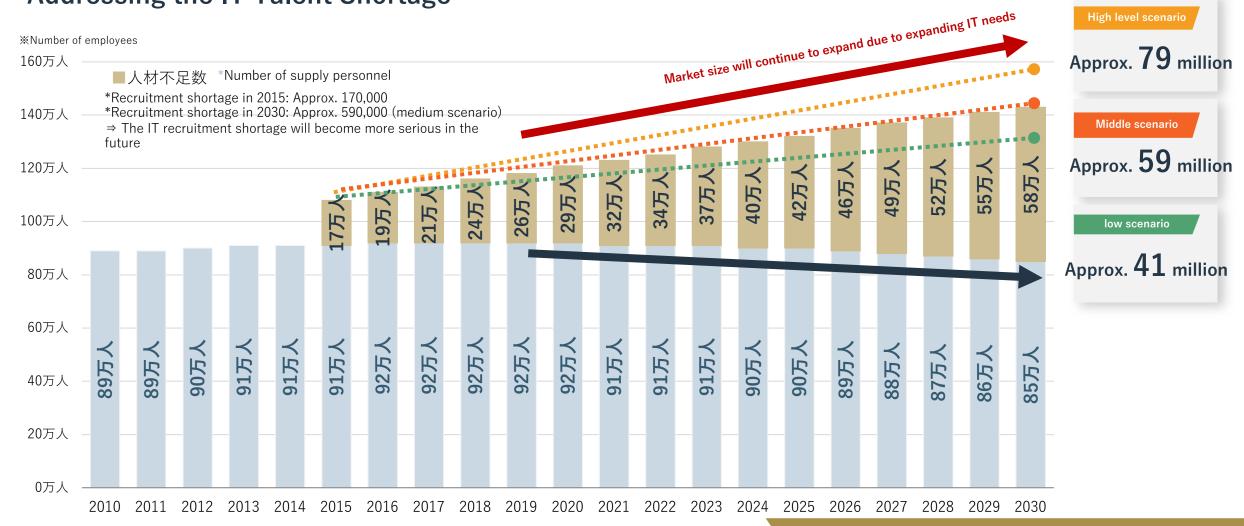
(Note) Value added = operating net profit (operating profit - interest expense, etc.) + personnel expenses (executive salaries + executive bonuses + employee salaries + employee bonuses + welfare expenses) + interest expenses Source: Ministry of Finance, Annual Report of the Corporate Statistics Survey



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Number of recruitment shortages in 2030

Addressing the IT Talent Shortage



590,000 IT talent shortage in 2030

(Mizuho Information & Research Institute)

Source: Survey on the Latest Trends and Future Estimates of IT Human Resources, Ministry of Economy, Trade and Industry

Startier Group Growth Strategy

Growth via Relationship Building and Solution Expansion

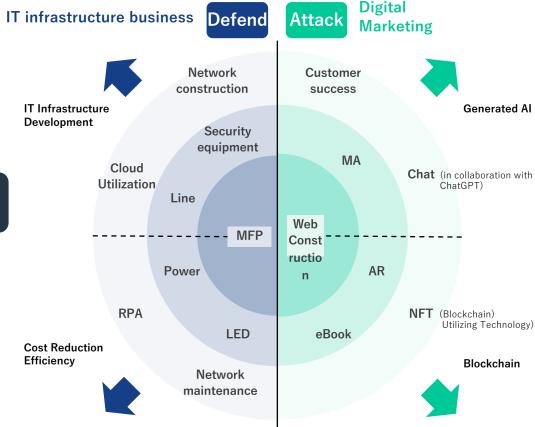
Relationship Building Cycle Closely with SMEs

A business model that can grow through cross-selling by staying close to managers who have problems and concerns about IT utilization as the last mile.

Success by Person Experienc support and е running UP **Improvement** Relationshi of labor and M&A profit Deepening environment **Employees Business** invitee **Employee** Cross-sell-up **Training** cell **Follow**

Solution Expansion Half a Step Ahead of the Times

Focus on Stock Type Solutions.



Startier Group Growth Strategy



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2. Business Strategy

(2)IT Infrastructure Business

Key Topics for the Year

- *Full-scale operation of business services (consolidated subsidiary since October 2023)
- *Fujifilm BI Nara commenced operations on April 1, 2024

Commencement of Operations at Fujifilm BI Nara on April 1, 2024¥nJoint venture with Fujifilm Business Innovation Japan Co., Ltd.

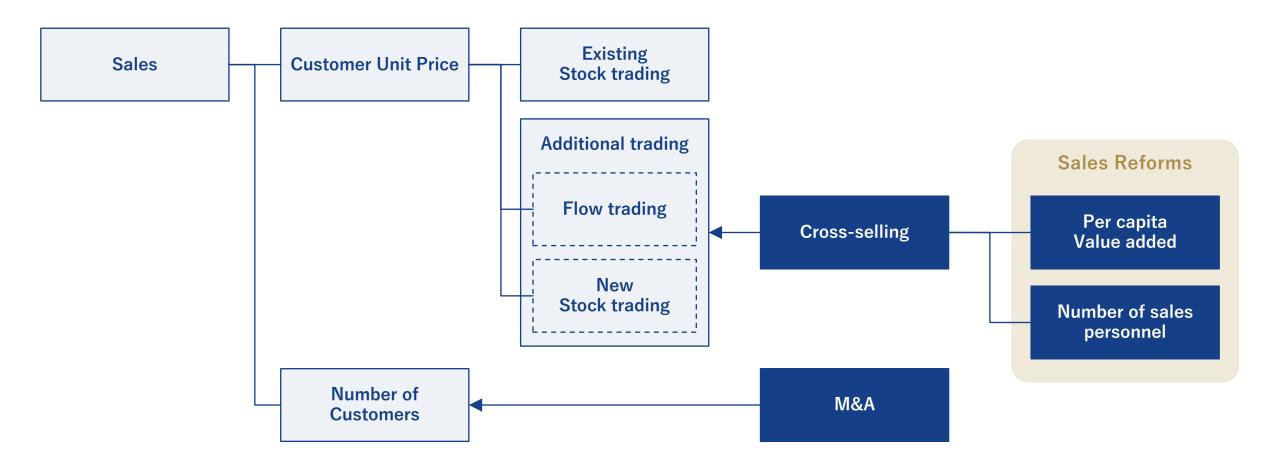
- *Strengthening recurring revenue products
- *Continuing active M&A activities
- *Developing a system to increase sales personnel

Aggressively strengthening mid-career recruitment and raising salaries for young talent (up to the third year)

Increasing wages and developing human resources for future growth

Continuing focus on strengthening customer base through M&A

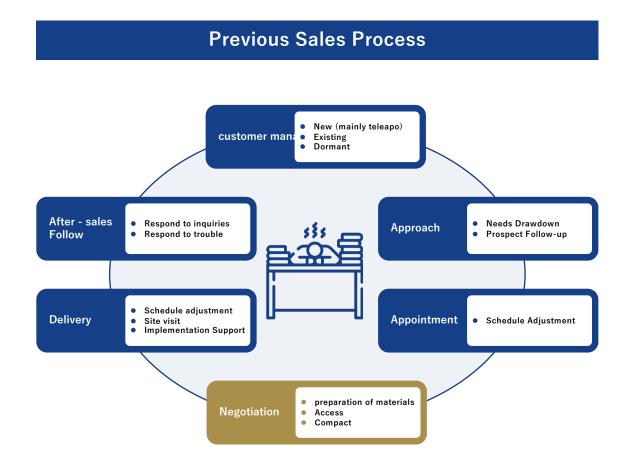
Strategy to Increase Customer Base through Cross-Selling and M&A



Value Added per Sales Representative: A Key Performance Indicator for the IT Infrastructure Business
Previously, all processes were handled by a single salesperson, leading to issues with total business meeting time and productivity

Per capita Value added Total business hours Productivity

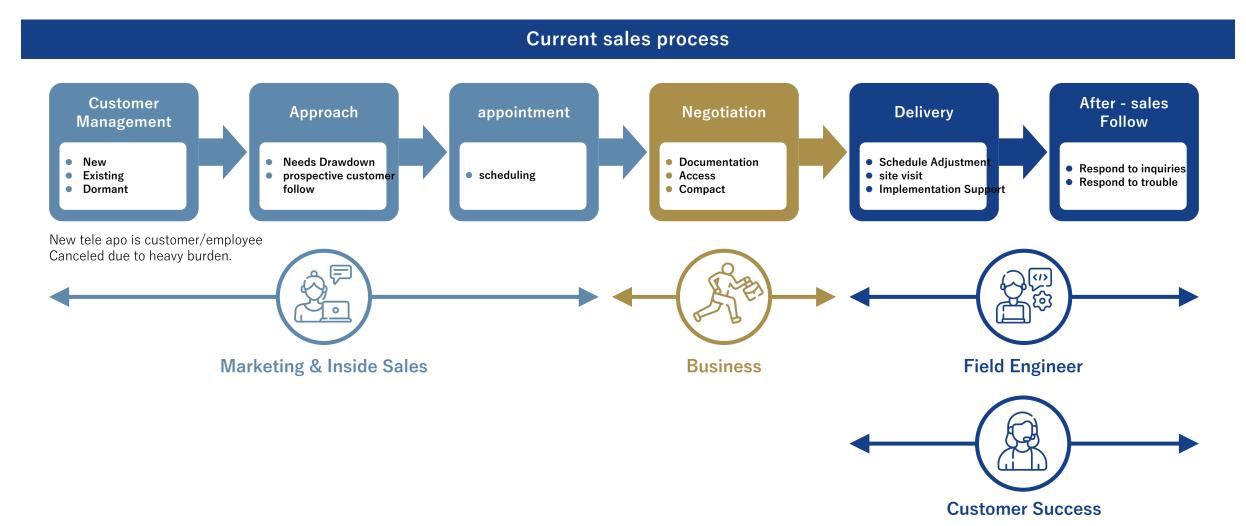
- Productivity = Number of Business Opportunities * Contract Rate * LTV/Total Business Hours.
- LTV increased both contract price and transaction duration (reciprocal of cancellation rate)
 by increasing the contract price.



IT Infrastructure Business Marketing Reforms - Part 2

Since April 2022, full-scale implementation of a new sales process based on division of labor following the completion of new IT infrastructure implementation

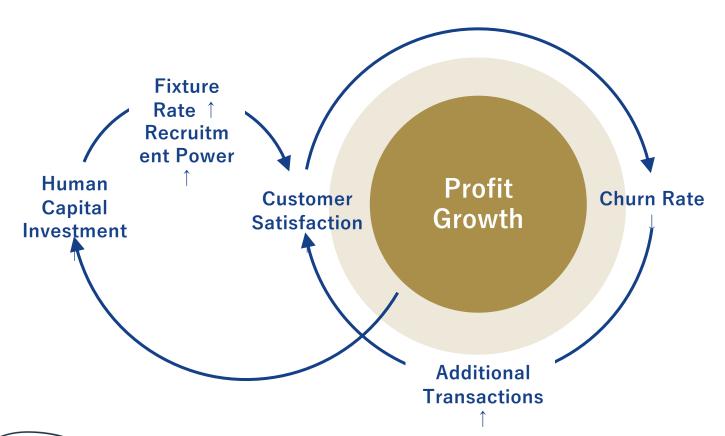
Achieved improvements in both total business hours and productivity. Increased per capita value added, driving profit growth since last year



IT Infrastructure Business: Realizing a Virtuous Cycle Through Increased Human Capital Investment and Customer Satisfaction

Investment in improvement of treatment, education, and training to further enhance customer satisfaction Achieve a virtuous cycle by increasing added value per employee and increasing personnel

Aiming for a Virtuous Cycle of Human Capital Investment and Customer Satisfaction



Examples of Specific Measures

Improve customer satisfaction through sales reform

- Enable division of labor to provide services that are more responsive to customer needs
- Expect a decrease in the churn rate and an increase in additional transactions

Increase motivation of young employees

- Plan to raise salaries for the current fiscal year and next fiscal year
- Mission penetration

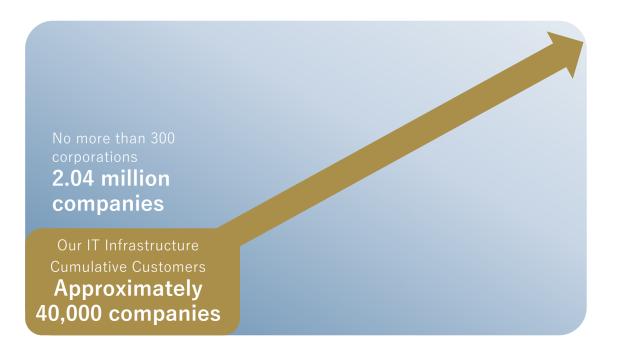
Enhancement of education and training

- Acquisition of knowledge through a wide range of WEB training programs, and training programs for different levels
- New graduates are assigned to specialized education departments, and the educational curriculum is implemented for six months.
- Develop IT specialists, such as generative Al Launch of Digital 30 curriculum

IT Infrastructure Business Environment (Demand Side)

Potential customers are huge compared to Our Company's cumulative customer base It is necessary to cater to managers who want to promote IT utilization but are hesitant or anxious in order to develop demand

Market size *1



Conflicts among small business owners

- Lack of manpower ...
- Need to increase productivity ...
- Want to expand sales channels
- IT utilization is essential
- Change the way we used to do things I'm worried ...
- IT talent shortage ...



hesitation and anxiety





^{*1} Source: 2021 Economic Census

IT Infrastructure Business Environment (Supply Side)

Numerous Small, Unlisted Peer Companies Nationwide. Increased M&A Opportunities Expected Due to Recruitment Difficulties and Business Succession Challenges.

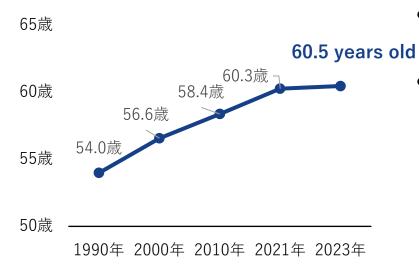
Large number of small businesses

Office equipment wholesale *1

number of enterprises	766 enterprises	
Number of offices	2,522	
Number of employees	67,067	
Annual merchandise sales	275.3 billion yen	
There are more companies	than above than than above than	
3,000 companies) including companies that operate		
as employees.		

Facing business succession

Average age of managers *2



Existence of economy of scale

Rebate payments by manufacturers

- Rebates are available for purchases of multifunction devices and certain telecommunications equipment.
 - Rebates are calculated based on the number of units sold and other conditions, making it easy for a company expanding its size to increase profitability.

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^{*1} Source: Economic Census 2021. The number of enterprises is the sum of the number of sole proprietorships and head offices.

^{*}Source: Teikoku Databank

IT Infrastructure Business: Key Characteristics and Competitive Advantages

Our Company's Greatest Strength: Direct Customer Contact Through Wide-Area Store Development Due to Our Focus on Customer Relationships and Recurring Revenue, Our Customer Base Size and Stock Revenue Ratio Exceed Those of Competitors

Mainly expand operations in government-designated cities Direct visits and support are provided to customers within one and a half hours of the sales office. Hokkaido Area SME DX **Last Mile** in charge of. Tohoku Area Kansai Area Kanto Area 9 State Area **Central Area**



^{*1.} Company A, Company B, and Company C are listed similar companies. Data are based on financial results for fiscal 2022 of each company.

Calculated based on sales of products and number of customers.

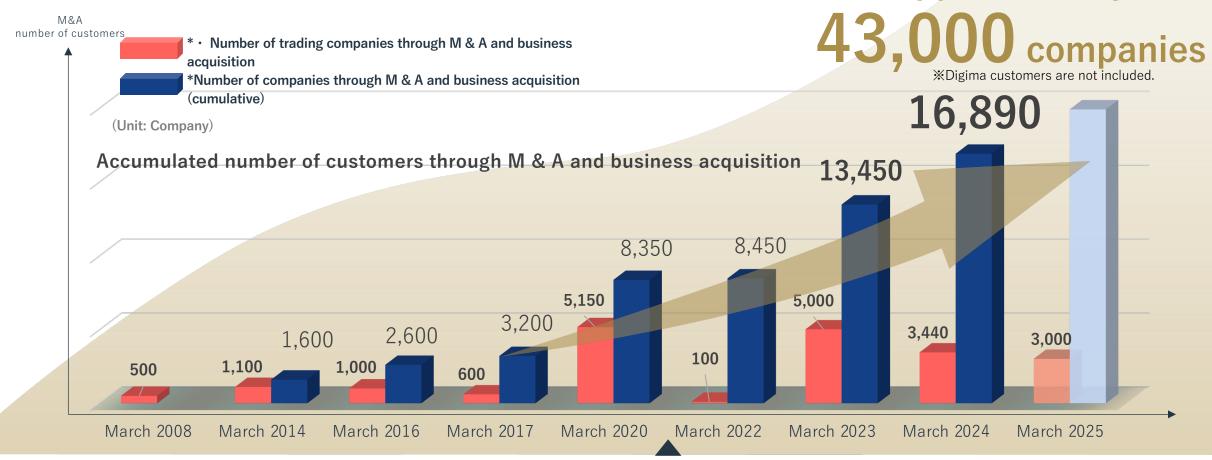
As the ratio of stock sales and the number of customers are not disclosed for Company A, the disclosed stock type

IT Infrastructure M&A Results

We Have Executed Business Succession and M&A in the IT Infrastructure Sector.

As of March 2024, IT Infrastructure Customers Acquired Through Business Succession and M&A

Constitute Over 30% of Our Total IT Infrastructure Customers, Significantly Contributing to Sales and Revenue.



Cumulative IT

infrastructure customers

Approximately

Our Company is Approaching a List of Potential M&A Targets¥nOur Past M&As Have Consistently Contributed to Business Growth

Potential M & A Targets as Recognized by Our Company

Condition 1: Number of customers held

Condition 2: Number of Employees Condition 3: Age of the Owner

M & A target companies

Approximatel
y 700

companies

Wholesale of Office Machinery and Equipment

More than 3,000 companies

Value Enhancement through M & A

The investment returns of the four previous M & A deals are as follows: More than **20%** on average *1 (Excluding the effects of item 3 below)

- 1 Improvement of profitability by business improvement
 Introduction of Our Company management know-how to reduce costs and improve productivity
- 2 Increase customer unit price through cross-selling

 M & A customers are mainly in the single item business, and increase customer unit price by handling multiple products
- 3 Benefit from scale across the group

Improving transaction conditions across the group by using Startier as the purchasing window (recognized in the PL of Startier alone)



^{*(1)} Acquisition of shares of NOS Inc., (2) Acquisition of shares of BSC Media Corporation, (3) Acquisition of a part of business of Sagas Co., Ltd., and (4) Acquisition of a part of business of Sharp Document 21yoshida Co., Ltd. and Yoshida Store Co., Ltd.

The return on investment is calculated by dividing operating profit amount before goodwill for the third year by the acquisition amount, taking the fiscal year in which the Company became consolidated for the full year as the first year in (1) to (4). (4) The return on investment is calculated by dividing operating profit amount before goodwill for the fiscal year ended March 2023 by the acquisition amount.



2. Business Strategy

(3) Digital Marketing Business

Topics for the Current Period

*Streamline new sales resources and invest resources in customer sales

Maintain new acquisitions by increasing productivity while investing available resources in existing acquisitions Aiming to improve up-sell cross-sell and prevent cancellations through synergistic effects

*partner sales to be mainstay sales channel from FY 25 onward

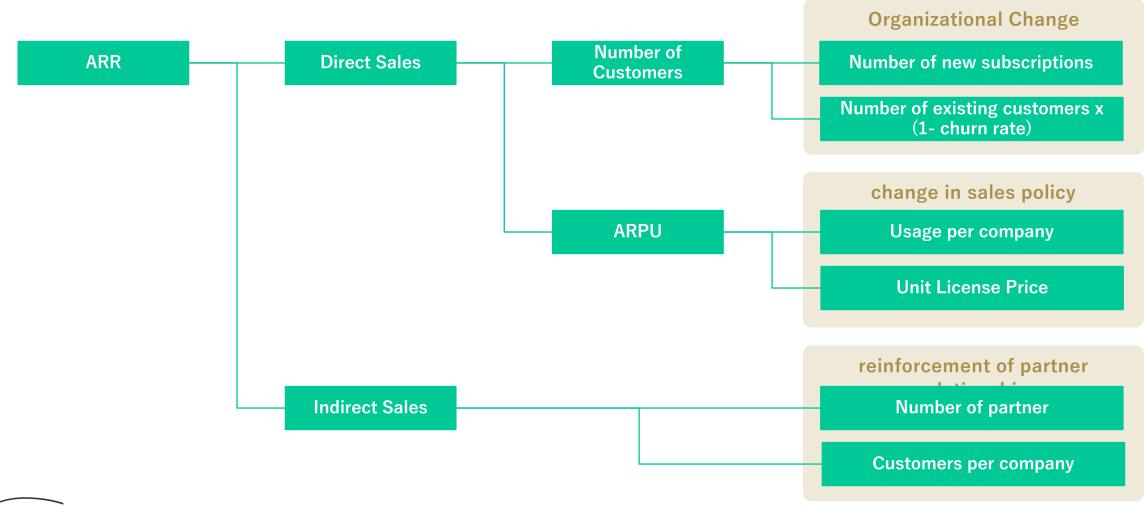
To the phase of maximizing results by strengthening support from major distributors

*Visualize earned gross margin and link it with evaluation and targets to pursue more profit.

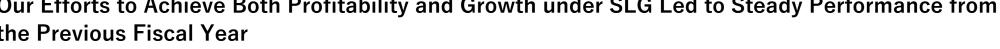
Expand Sales Network and Improve Productivity
Key Initiatives to Drive Operating Income Growth and Margin
Expansion

Growth Drivers for the Digital Marketing Business

Direct Sales: Aim for High Growth with New Organizational Structure and Sales Policy Indirect Sales: Build Strong Partner Relationships to Develop Potential Customers Nationwide



Our Efforts to Achieve Both Profitability and Growth under SLG Led to Steady Performance from the Previous Fiscal Year



Growth Policy

Matter

Effect



2023/3

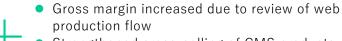
- Decided to focus on improving profitability as the external environment changes and the view of upfront investment becomes stricter
- Introduced PLG as a path for growth that is not proportional to marketing expenses and manpower input

- Achievements that lead to the future such as establishing low-cost lead acquisition methods
- We could not achieve sufficient results due to issues such as distribution of internal resources and affinity with the customer base, and growth has reached a plateau.

2024/3 and 2025/3 (current fiscal year)



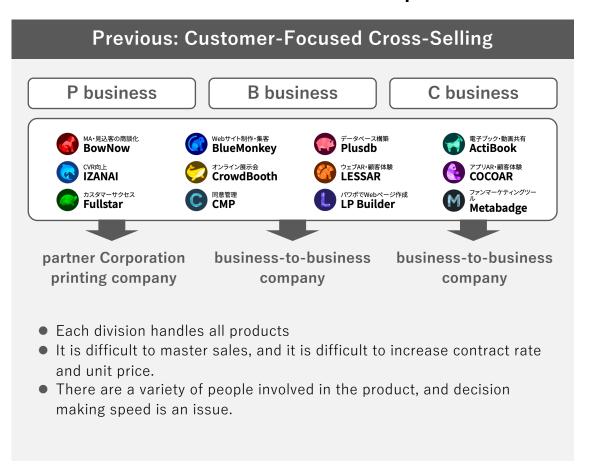
- Change to the SLG-centered structure
- Implementation of the following measures to improve profitability and continue/accelerate growth under SLG
 - 1 Changes in Organizational Structure
 - 2 Modification of Sales Strategy
 - **③** Focus on partner Sales

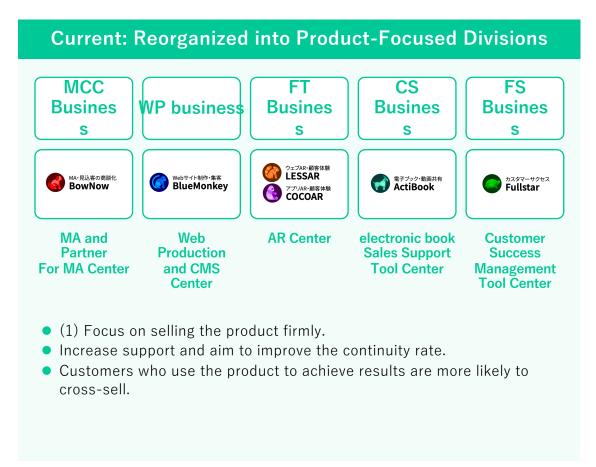


- Strengthened cross-selling of CMS products with low churn to existing customers
- Strengthened cross-selling between products

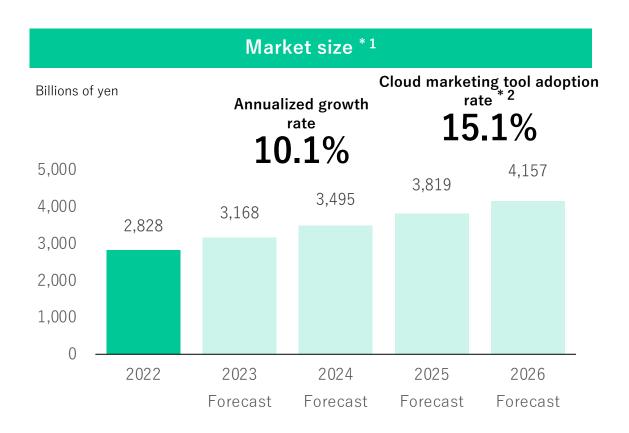
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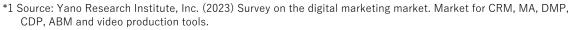
Previous Fiscal Year Initiatives Contributed to Improvements in the Number of New and Multi-Product Customers and Customer Acquisition Costs



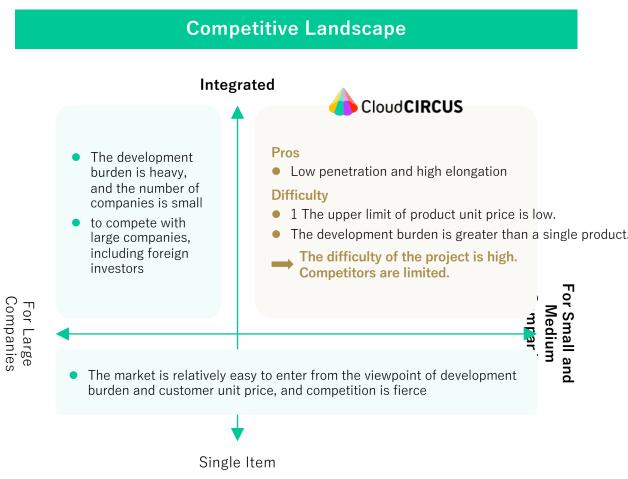


The Adoption Rate of Digital Marketing Tools is Still Low, with Double-Digit Growth Expected¥nCloud Circus Has a Unique Position with an Integrated Product for Small Businesses





^{*2} Source: Our Company Survey (March 2023).



User-Friendly Products, Generous Support, and Pricing Structure Enable Users to Implement Digital Marketing for the **First Time Without Anxiety**

Easy-to-use products and support systems

Simple setup and easy operation products that anyone can easily understand



Providing customer success based on know-how and examples



Easy-to-use pricing

 Providing full functionality at a significantly lower price than other products

(See "3. Digital Marketing Business Sales Strategy" for details.)

 Providing freemium plans to meet the needs of full-scale introduction after gaining experience



Continuous use

When you start using it and get results, it becomes part of your work and is used continuously.



• When multiple products are used, customer unit price and continuity are further increased.



Initiatives from the Previous Fiscal Year Contributed to Increases in the Number of New and Multi-Product Customers, Customer Unit Price, and Reduction in Acquisition Costs There is Still Significant Room to Adjust Pricing to Match the Value Provided

Sales Strategy

Conventional: Focus on ease of starting

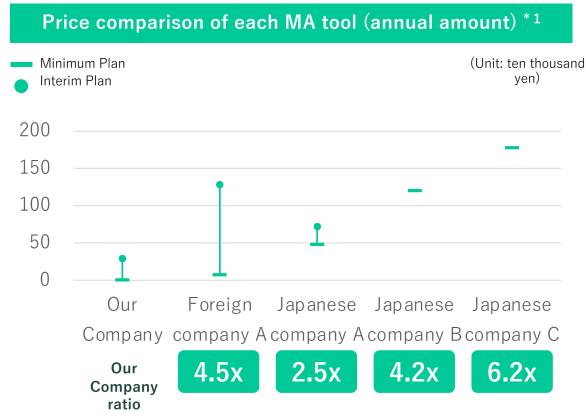
• First, focus on getting people to use it, and actively sell low-cost plans

Current: Focus more on achieving customer results and improving customer unit prices

- Stop selling low-cost plans.
- Focus on selling with premium support (Contributing to Realization and Consolidation of Customer Results and Improvement of Unit Price)
- Began to sell packages of related products appropriate to customer attributes



Increased unit prices for new and multi-product contracts



^{*1} Source: Our Company research. Regarding the ratio of prices to Our Company, if there is an interim plan, the interim plan is compared with the other interim plan, and if there is only a minimum plan, the interim plan and the minimum plan of Our Company are compared.



Establish strong relationships with major distributors while incorporating local kings nationwide Leverage the potential needs of local communities and develop them into new growth engines for the digital marketing business

partner Sales Strategy

SMEs across the country use digital marketing to boost productivity and make work easier

- While many SMEs have a potential need for digital marketing, some psychological factors such as difficulty and hassle are still emerging
- realizing latent demand, which is difficult to achieve through direct sales, together with partner

- Products that are designed to be easy to use for small and medium-sized enterprises
- Obtained through IT infrastructure business
 - Understanding of companies operating locally
 - Relationship with major distributors

partnership performance

Examples of major distributors





2023/2/17 SB C & S and Distributors Agreed



2023/9/20

a general trading company based in Kagoshima Prefecture, concluded a customer referral agency contract with Nankoku Shokusan

Reference: Example of leading partner sales of SaaS for SMEs

Cvbords

Cloud sales: 18.6 billion yen (including 61.6% in partner) *1

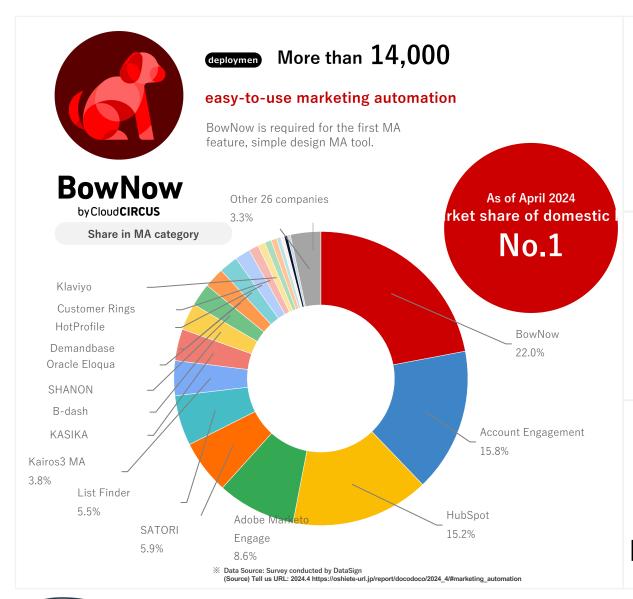
Work Mobile Japan (LINE WORKS (business chat service) operation) ARR JPY 10 billion + (2022/9) * 2



^{*1} Source: Financial Results and Business Briefing Materials for the Fiscal Year Ended December 2022

^{*2} Source: Official Note

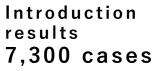
Performance Highlights of Key Digital Marketing Services





LESSAR

results 8,200 cases



AR app downloads topped 440 million. VPS, rich 3D, etc. create high customer by telling the attraction and story of products and services

Introduction from your phone's camera without an app. It's easy



ActiBook by Cloud CIRCUS

Achievements: 18,000 or more

it can be created and delivered in three steps Electronic book creation tool

From e-books to videos. a tool that makes it easy to make electronic content.



Achievements: 2,300 or more

CMS that enables the acquisition of business **opportunities from the website**Not only "Easy to use," but also strategy, construction and tool support

for B-to-B companies to create business opportunities from the website

Domestic CMS provided

BlueMonkey by Cloud CIRCUS

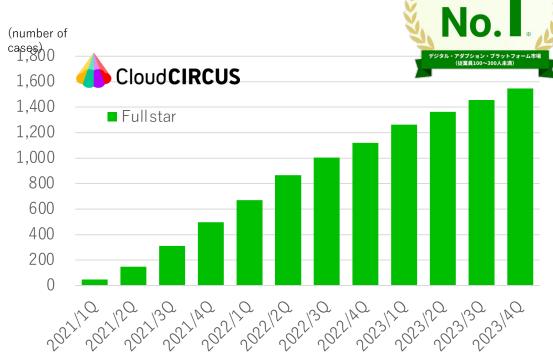
Highlight of Key Service in Digital Marketing: Fullstar

1,500 or more

No. 1 in market share in FY 2023 sales forecast *

In the Digital Adaptation Platform Market - Less than 100~300 Employees: Revenue Trend and Share by Vendor (FY 2023) Forecast), we ranked first in market share.

Fullstar



100~300 Employees: Revenue Share by Vendor (FY 2023 Forecast)

What is Fullstar?

Fullstar makes it easier for users to use cloud services by displaying the "User's Guide" or by "visualizing the places where the service stumbles"

This is a customer success tool that leads to resolution.



Reduce creation time to 1/10 of conventional ones!

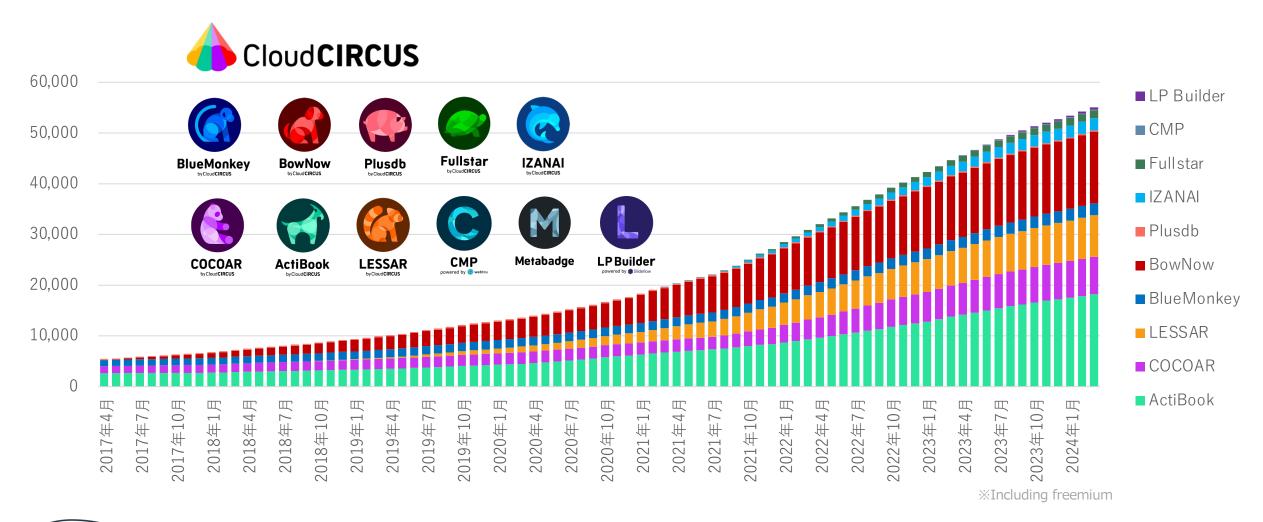


Visualize user usage and cancel service Pick up more likely customers.



Analyze the user's stumbling points and causes of departure. Improve UX of Web services

As of March 24, a total of 55 thousand products * were introduced.



section

03

- **01** Current Year Business Plan
 - Medium-Term Management Plan Final Year -
- **02** business strategy
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 - (2) IT Infrastructure Business
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- **03** Appendix

(1) Company Profile

3. Appendix

(1) Company Profile







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Recognizing the needs and markets of society and creating the future of people and companies

Aiming to be a leading company that produces outstanding businesses and human resources



Vision

"A world where everyone can challenge and perpetuate evolution"

A group that supports changes that many people and companies take for granted while transforming themselves

Mission

Creating Future Opportunities

We will continue to provide opportunities for many people and companies to achieve a positive future, creating a world full of challenges.

Corporate Profile

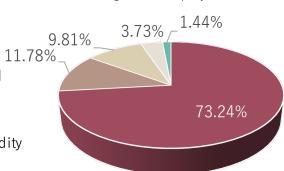
Company Name	Startier Holdings Co., Ltd.	
Place of abode	Shinjuku Monolith 19th Floor, 2-3-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	"Editor
Incorporation	February 1996	CO
Listing	TSE Prime (April 4, 2022) TSE First Section (February 28, 2014) TSE Mothers (December 20, 2005)	
Representative Director	Hideyuki Hongo) v
Group Companies	Consolidated subsidiaries: 11, equity method affiliates: 2	Pre
Employees	Consolidated: 908 (as of March 31, 2024) **Excluding directors, auditors, temporary and part-time employees	May 1996 press
Financial results	March 31	— (29.2
Amount of Capital	024.31 million yen (as of March 31, 2024)	luals and 11.7
Number of issued and outstanding shares	10.740.400 snares (as of March 31.70/4)	n Juridical
Number of shareholders	4 190 (as of March 21, 2024)	tions ce commodity



President and Chief Executive Officer Hideyuki Hongo

May 1966 1996: Our Company established to the present day (29.28% shareholding in Our Company)

trader



key member



Hideyuki Hongo, President and CEO of Startier HD

*1996 Established Our Company, appointed as President and CEO (to present)

*2018 as an organization providing non-repayable scholarships

Established the public interest incorporated foundation Hoshinowa and assumed the position of Representative (corporated positive) and M & A

*2018 General Incorporated Association Kumamoto Innovation Base

He worked on the reconstruction of his hometown Kumamoto, which was hit by the earth



*2002 Joined Our Company

*2007 Established Multi-function Machinery Business

Continue to expand Our Group's customer base

(formerly Kumamoto Sosei Entrepreneurs Network) and assumed the position of Representative Director (2013) Assembly the Director (2013) Assembly the Director of STARTHIA, the axis of IT infrast

in 2016, aft20 âls Appointed the refreiche grand Reuptreltzattorive Director of STARTHIA LEAD



Director of Startier HD/Takao Uematsu

*2004 Joined Our Company

Since joining Our Company, I have mainly been engaged in finance and accounting. I have been in charge of various corporate divisions, including finance and accounting

*Appointed to the Board of Directors in 2018 (to present).

Also engaged in public relations and IR as CFO of Our Group



Representative Director and CEO of Cloud Circus/Kenichi Kitamura

*2001 Joined Our Company

2004 Launched web and e-book business

*2009: STARTIALABO as an in-house venture

Established (currently Crowdcircus) and assumed the position of Representative Director

*Integrated digital marketing for sales of various tools since 2020

Rebranded as SaaS tool CloudCIRCUS



President of Startier Reyes/Yukio Furukawa

*1996 Joined Our Company as a founding member and became a director

*1998 Launched Network Cloud Business

*2018 Launched Back Office DX Business

Appointed President and Representative Director of Star Tier Reyes (to present)

*Joined Chatwork Corporation in 2021

Appointed Director of Chatwork Storage Technologies (to present)

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About Our Group (11 consolidated subsidiaries and 2 equity-method affiliates)

NOS Înc.

BC Media Co., Ltd.

Fujifilm BI Nara Co., Ltd.

(66.6% of Our Company G)

XJoint venture with Fujifilm Business

Innovation Japan Co., Ltd.

X1. Consolidated Subsidiaries

IT infrastructure-related business * 1



Startier Co., Ltd.



Startier Reed Co., Ltd.



株式会社ビジネスサービス

Business Services Co., Ltd.

System Integration, Security Measures, Communications Systems, OA Equipment Sales

Back Office DX Business * 1



Star Tier Reyes Co., Ltd.

Business Efficiency Solutions Provision of RPA and AI-OCR



C-Desgin Co., Ltd.

Electronic signature service and business support

Operation of platform service "cocrea"

Digital Marketing * 1



Cloud Circus Co., Ltd.

Provision of marketing and sales support tool Cloud CIRCUS

Others * 1



Startia Asia Pte.Ltd.

Singapore Business Planning and Investment Business in Asia Region



Star Tiwill Co., Ltd.

Consulting for work contracts and employment of people with disabilities in the Star Tiwill Group

Equity method affiliates



Chatwork Storage Technologies Co., Ltd.

Cloud Storage

MAC OFFICE

MAC Office, Inc.

Office Facilities Office Relocation/Design

Nara

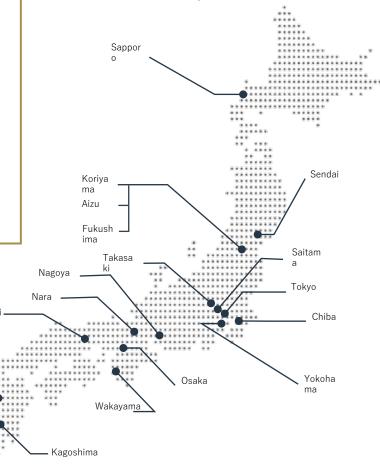
.......

Himeji

Fukuok

Kuman

Group sites





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Protective DX

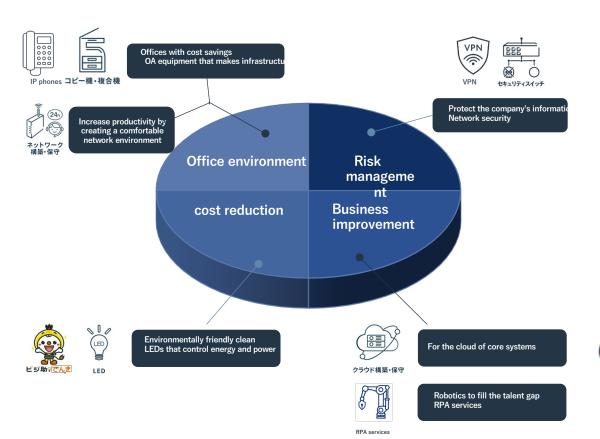
IT infrastructure business

Offensive DX

Digital marketing business

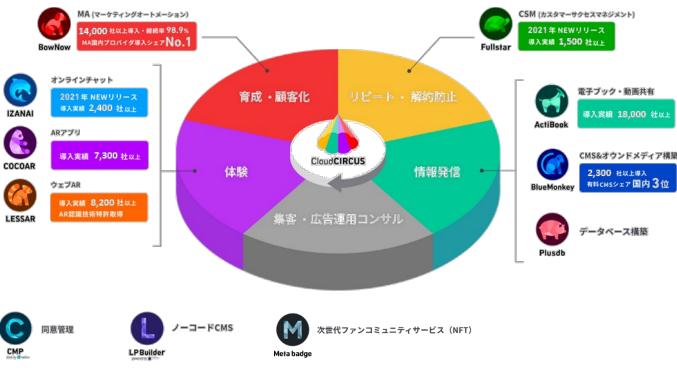
Cloud CIRCUS tool to change marketing and sales outcomes

Customer acquisition and sales growth



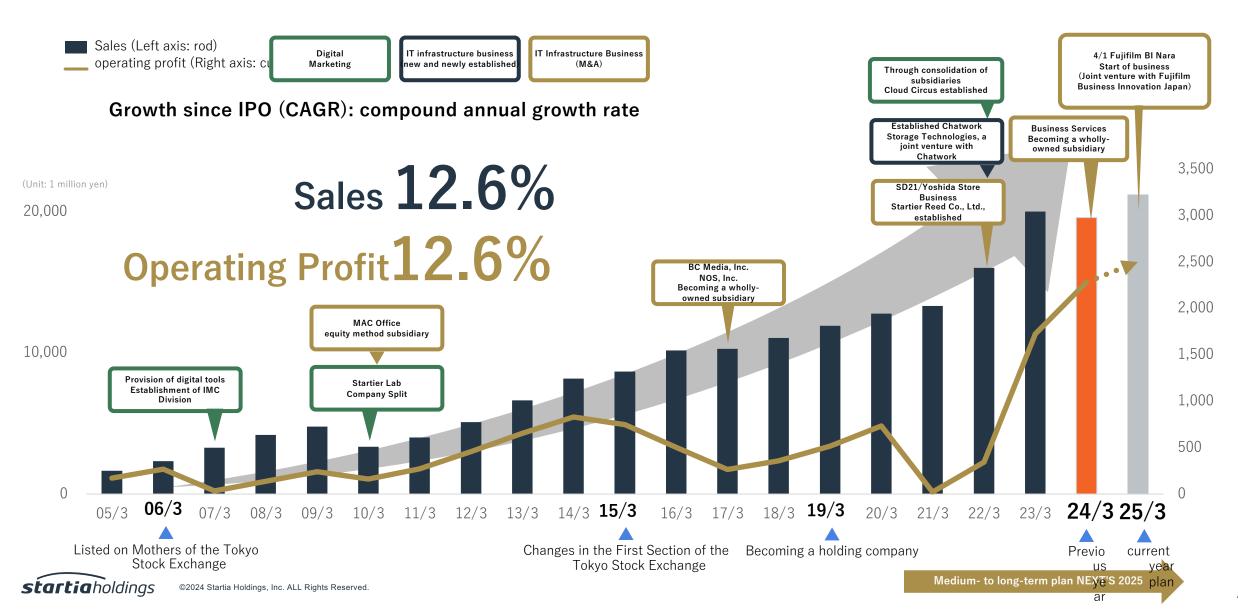
Solving IT issues and providing one-stop DX solutions, especially for SMEs

Cost reduction, operational efficiency and productivity improvement



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Trends in Sales and operating profit





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