



TEMAIRAZU

Financial Results
for the Fiscal Year 2022
(July 2021 – June 2022)



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1 Summary of the Results

1 Summary of the Result for FY 2022

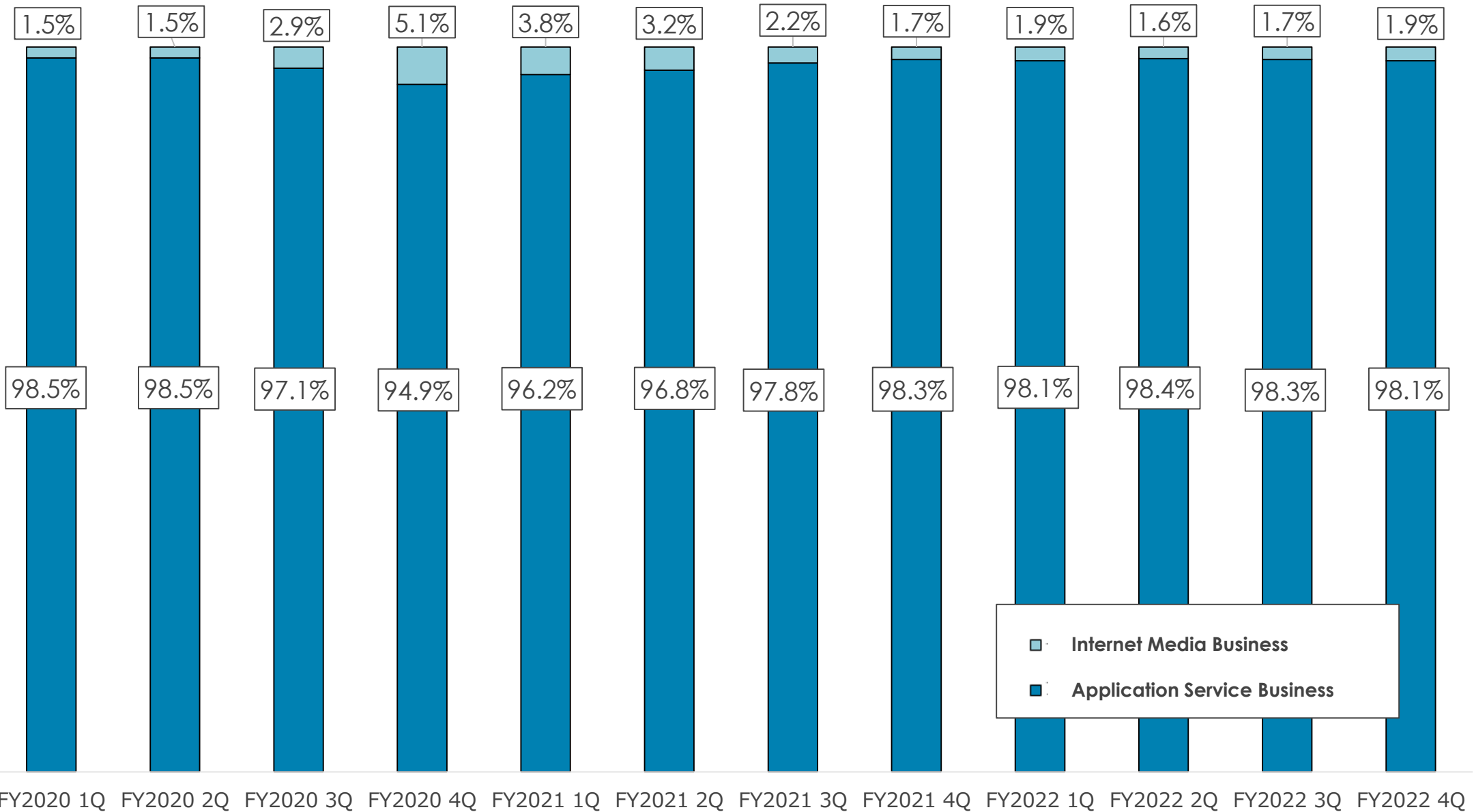
1 Outline of the financial results

Net Sales : **1.3% increase YoY** Operating Income : **2.1% increase YoY**

	FY 2022 total		Result of same period last year	Difference (amount)	Difference (percentage)
	Results	Profit margin on sales			
Net Sales	JPY 1,631,008 K	—	JPY 1,610,382 K	JPY 20,626 K	1.3%
Operating Income	JPY 1,168,218 K	71.6%	JPY 1,144,273 K	JPY 23,944 K	2.1%
Ordinary Income	JPY 1,179,352 K	72.3%	JPY 1,147,529 K	JPY 31,823 K	2.8%
Net Income	JPY 782,582 K	48.0%	JPY 758,413 K	JPY 24,169 K	3.2%
Net earnings per share	JPY 120.78	—	JPY 117.06	—	—

1 Summary of the Result for FY 2022

2 Sales composition ratio



1 Summary of the Result for FY 2022

3 Sales and profit per segment

Application Service Segment:

sales and profits slightly increased and profit margin after cost allocation was 71.6%

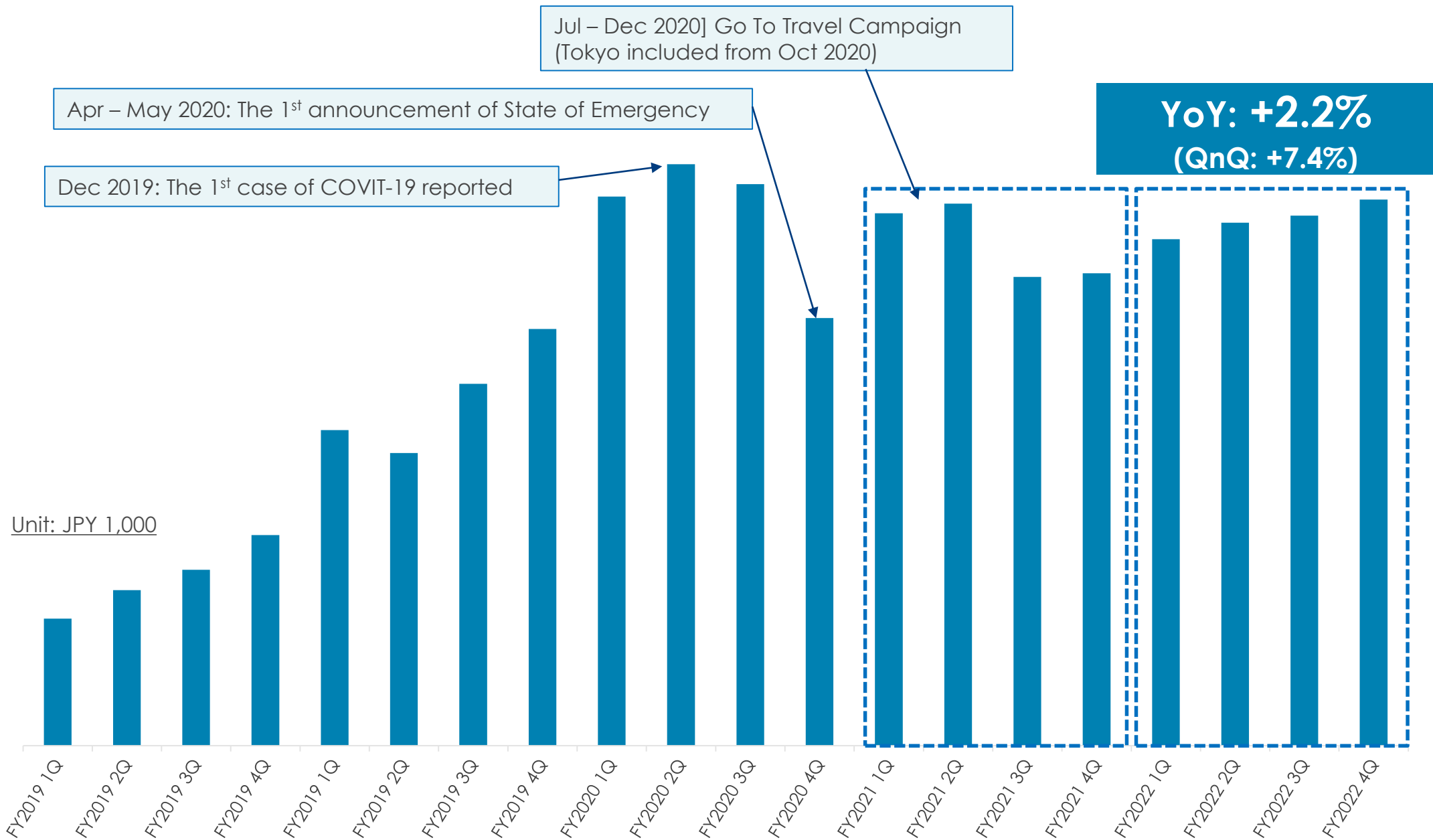
Internet Media Segment:

sales and profits declined and profit margin margin after cost allocation was 48.1%

	Segment Sales	Segment Profit (After cost allocation)	Profit margin on sales (After cost allocation)
Application Service	JPY 1,600,126 K	JPY 1,284,097 K (JPY 1,153,365 K)	80.2% (72.1%)
Hikaku.com	JPY 30,881 K	JPY 17,319 K (JPY 14,852 K)	56.1% (48.1%)
Internet Media	-	-JPY 133,199 K	-
TOTAL	JPY 1,631,008 K	JPY 1,168,218 K	71.6%

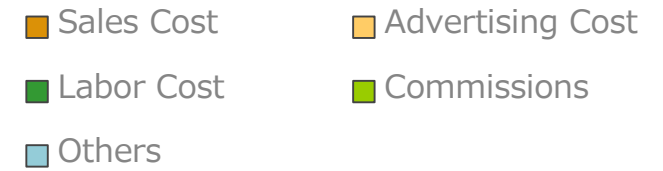
1 Summary of the Result for FY 2022

4 Sales trend of Application Service segment (Temairazu)



1 Summary of the Result for FY 2022

5 Breakdown of sales cost and SG&A



Including cost for market change (about JPY 15 million.)

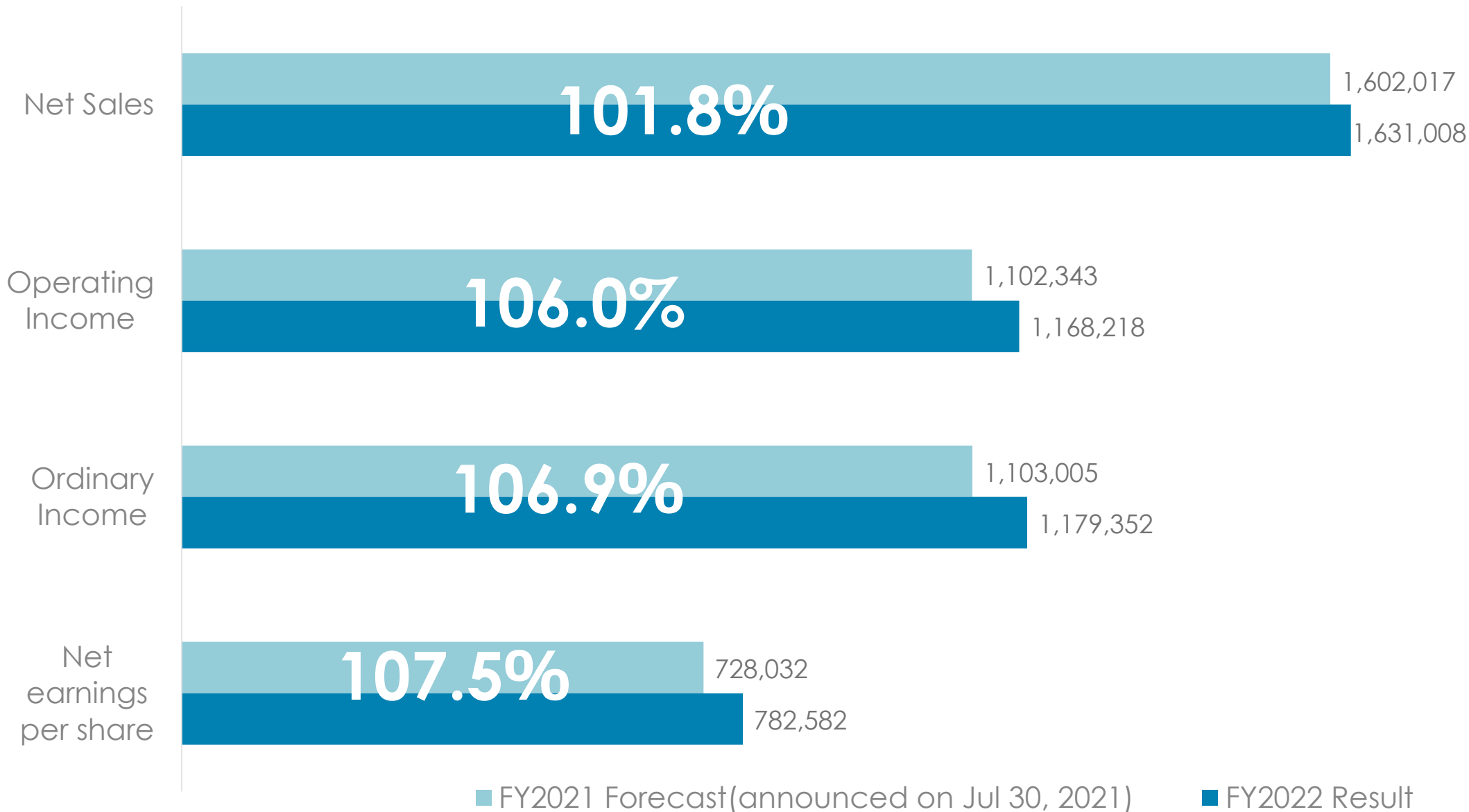
Unit : JPY 1000



1 Summary of the Result for FY 2022

6 Progress rate against full-year forecast

Unit: JPY1,000



1 Summary of the Result for FY 2022

7 Balance Sheet

	End of FY 2021	End of FY 2022	Key factors of change	
Cash	JPY 4,484,099 K	JPY 5,047,336 K		+ JPY 563,237 K
Other current assets	JPY 253,184 K	JPY 275,309 K	Accounts receivable	+ JPY 25,399 K
Fixed assets	JPY 61,211 K	JPY 55,674 K	Deferred tax assets	- JPY 4,980 K
Total Assets	JPY 4,798,494 K	JPY 5,378,320 K		-
Liabilities	JPY 316,632 K	JPY 289,120 K	Income taxes payable	- JPY 12,450 K
Capital stock	JPY 4,481,862 K	JPY 5,089,200 K	Net Income Dividend of surplus	+ JPY 782,582 K - JPY 168,461 K
Total liabilities / net assets	JPY 4,798,494 K	JPY 5,378,320 K		-
Equity ratio	93.4%	94.6%		-
ROE	18.1%	16.4%		
ROA	25.3%	23.2%		

1 Summary of the Result for FY 2022

8 Statements of Cash Flows

	End of FY 2022	Variable Factors	
Operating CF	JPY 730,587 K	Net income before income tax Income taxes payment	JPY 1,179,352 K - JPY 405,171 K
Investing CF	JPY 1,258 K	Collection of security deposits	+ JPY 1,258 K
Financial CF	- JPY 168,608 K	Dividend payments	- JPY 168,187 K
Changes in CF	JPY 563,237 K		-
CF balance at beginning of FY	JPY 4,484,099 K		-
CF balance at end of FY	JPY 5,047,336 K		-
Free Cash Flow	JPY 731,845 K		-

*Free Cash Flow is calculated by adding Operating CF and Investing CF

2 Business report

- 2 Business report
- 1 Business Summary of each segment

Application Service Business



TEMAIRAZU

Development & provision of channel manger “TEMAIRAZU” series

Develop and offer “Temairazu”, the channel manager system to accommodation properties in Japan, enabling them to manage their distribution channels centrally.

Internet Media Business



Operation of meta search site “Hikaku.com”

Customer derivation service

Direct users to the advertiser's website and earn commission income according to the number of contracts.

Information provision service

Earn fee income according to the number of quotation and materials requested for insurances and moving etc.

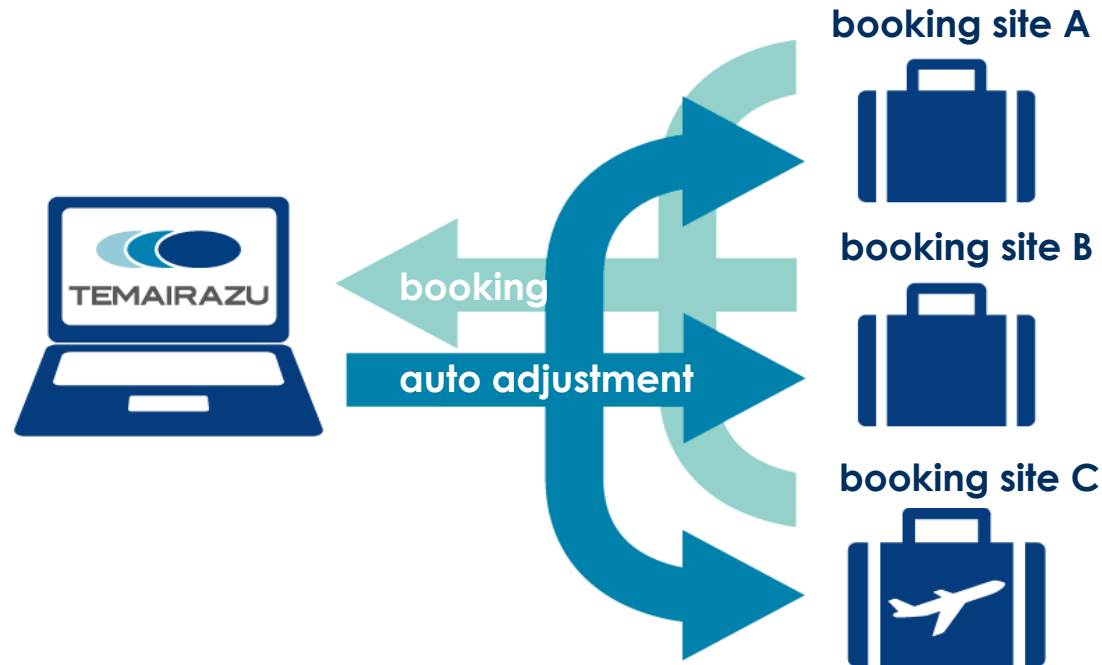
Ads

Sell advertisements such as banner, text, article content etc.

2 Business report

2-1 Application Service Business (Temairazu)

Our Channel Manager is a system for accommodation properties to manage their distribution channels in effective and efficient way, resulting in increasing the sales ability and reducing the operation cost.



Manage multiple channels easily with only one operation

Manage rate & inventory at once and be free from troublesome operation tasks. Reducing operation cost by simplifying channel management workflow.

Avoid overbooking by fast & auto update

Short interval between acquiring bookings and able to adjust the inventory quickly. Possible to close the sale on each channel all at once even if many bookings comes in suddenly.

Accessible from anywhere with internet connection

Access Temairazu from the any places where internet connection is available. Same account can be used from different computers as data is stored in dedicated server.

2 Business report

2-2 Application Service Business (Temairazu)

Beginning of "TEMAIRAZU" service

予約サイトコントローラ
手間いらず!



New model channel manager
"TEMAIRAZU.NET"

新型予約サイトコントローラ
手間いらず.NET
ドットネット
T E M A I R A Z U



"TEMAIRAZU",
advanced and will keep advancing

TEMAIRAZU **手間いらず.NET 2**
ドットネット
T E M A I R A Z U

TEMAIRAZU
YIELD **手間いらずmini**

Soon after online hotel booking sites appeared and people started to make bookings online, installed application "TEMAIRAZU!", the channel manager was born. This system enabling centralized management of multiple distribution channels have been used by many accommodation properties.

In 2010, new ASP model channel manager "TEMAIRAZU.NET" was launched. The ability to be used anywhere by connecting to internet had much improved convenience and efficiency of this system. Connected to not only domestic channels but also overseas/global channels and travel agents. Also, became able to connect with CRS, being efficient system for getting bookings of inbound travelers.

With valuable feedbacks from users, new "TEMAIRAZU" with various additional features was launched in 2015. In July 2016, advanced version "TEMAIRAZU YIELD" was launched. And in Mar 2020, new version "TEMAIRAZU mini" was launched. We will always listen to voices of customers and "TEMAIRAZU" will keep advancing.

2 Business report

2-3 Application Service Business (Temairazu)

Numbers of foreign visitors to Japan (announced by JNTO)



2 Business report

2-4 Application Service Business (Temairazu)

Impact of COVID-19

Composition of Sales in Application Services Business:

- Fixed Monthly Income (Basic monthly charges and option charges)
- Monthly variable income (Communication charges according to the number of reservations)

Impact :

- Fixed Monthly Income
→ Although the number is decreasing, the cancellations mainly of small-scale properties are still occurring.
- Monthly variable income
→ There has been a slight recovery in the number of reservations but far from full recovery of the demand for accommodation industry.

Result in FY2022 :

■ Fixed Monthly Income:	JPY1,357 million	84.8%
■ Monthly variable Income :	JPY 207 million	13.0%
■ Other Income :	JPY 35 million	2.2%

Strengthening the connectivity with domestic distribution channels: Expanding sales opportunities for properties

“goodroom HOTEL PASS”, hotel-residing subscription service
by goodroom co., ltd.

“NOWROOM”, rental platform for furnished condominiums, hotels, and share
houses by NOW ROOM, Inc

“atta”, a travel search and booking service that uses big data and AI to “forecast
good deals“ operated by atta Inc.

“Web Direct system”, the booking system for 2 brands, “Web Collection Plus” and
“My Yado Online” operated by Nippon Travel Agency Co., Ltd.

“e-entry system”, the reservation management system of JALPAK Co., Ltd..

Booking site for accommodation and dynamic packaging,
operated by H.I.S. Co., Ltd.

New system connectivity for improving operational efficiency and transition to contactless solutions

“talkappi”, AI powered ChatBot provided by ActiValues, Inc.

“tuna”, the cloud system based on CRM function provided by 7garden inc.

“Smart Hotel Manager“, an AI hotel reception management system based on facial recognition provided by SMART HOTEL SOLUTIONS Co., Ltd.

“Tabiq”, SaaS type check-in system provided by Reqrea, inc.

Enhancement of Temairazu functions

Release of Renewed Booking Engine system

“TEMANASHI NEXT”, the fully renewed version of Booking Engine system “TEMANASHI” was launched as an optional function of TEMAIRAZU.

Making “Plan Batch Management” function of Temairazu available for Booking.com

“Plan Batch Management” is a convenient function that property staffs can create and edit the plans on TEMAIRAZU and register to multiple booking sites at once. This function is made available for Booking.com also.

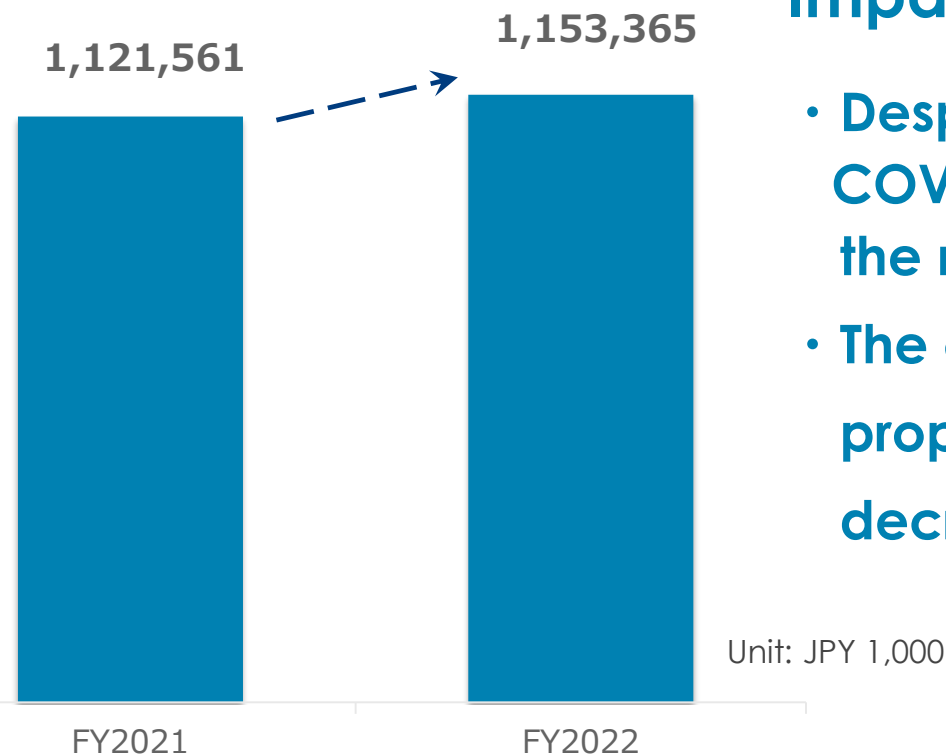
Release of new optional function “No-show Settlement”

“No-show Settlement”, an optional function which properties can use to collect the cancellation fees when “no-show” or cancellation subject to cancellation fee has occurred.

Segment profit (after cost allocation)



YoY +2.8%



Impact of COVIT-19

- Despite the impact of the prolonged spread of COVIT-19, there has been a slight recovery in the number of reservations.
- The cancellations mainly of small-scale properties are still occurring, but the number is decreasing.

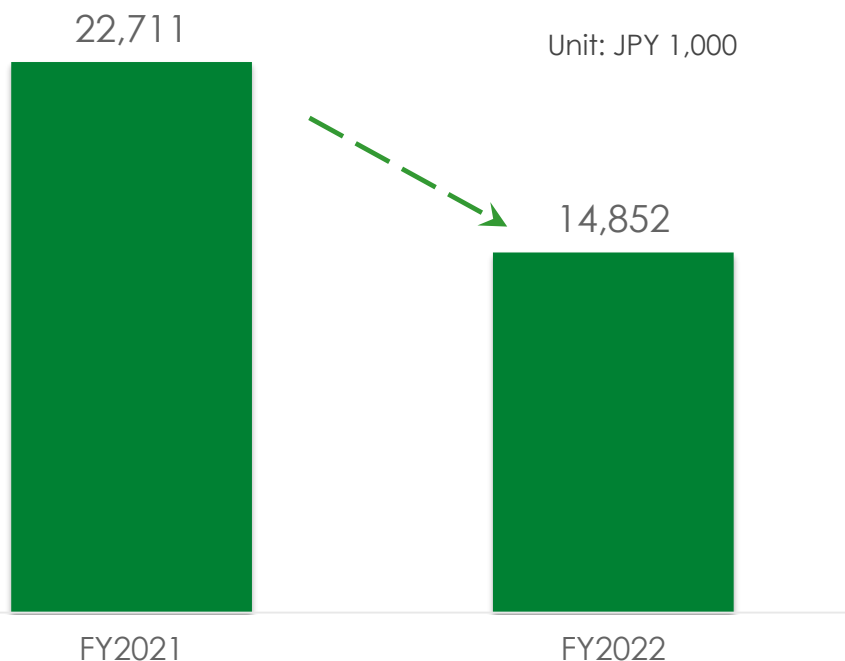
2 Business report

3 Report on Internet Media Business (Hikaku.com)

Segment profit (after cost allocation)



YoY -34.6%



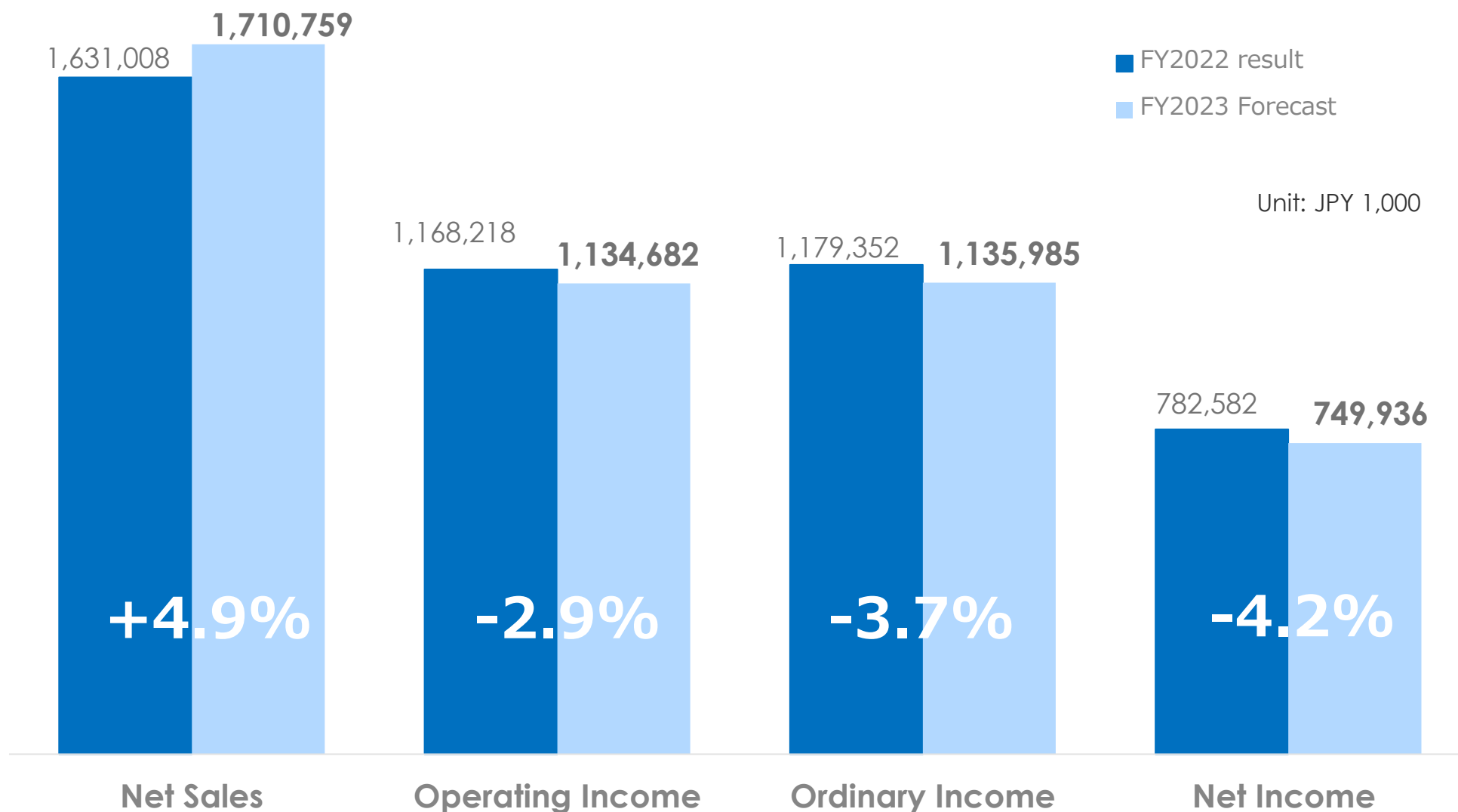
- Traffic decreased as demand for online shopping due to staying at home decreased
- Continuous implementation of the following measures
 - Review of ads placement
 - Search Engine Optimization
 - User interface improvements
 - Mobile usability improvements
 - Expansion of contents

3

Forecast and future business development

- 3 FY2023 Forecast and future business development
- 1 Business Forecast

Forecasts taking into account the impact of COVID-19



3 FY2023 Forecast and future business development

2-1 Business Forecast for Application Service Segment

Impact of COVID-19

We expect the full recovery to the pre-COVID-19 level of the inbound demands for accommodation industry will be after spring of 2025 due to various factors such as below:

- Travel restrictions to Japan are being eased, but not completely lifted.
- Restrictions (in some cases lockdown) have not been lifted in some countries or regions.
- In July 2022, the seventh wave of the outbreak occurring (Japan recorded the highest number of new cases in the world).
- In addition to COVID-19, the situation in Russia and Ukraine has caused a sharp rise in resource prices.

For the fiscal year ending June 30, 2023, the revitalization of accommodation industry will be mainly by the returning demand from domestic travel.

Net sales and operating income are projected based on this assumption.

3 FY2023 Forecast and future business development

2-2 Future business development of Application Service Business (Temairazu)

- Responding to returning demand of accommodation which had been low due to the COVID-19.
- Aiming for products that will contribute to further sales expansion and operational efficiency, which will help secure the revenues of accommodation properties

Connecting with sales channels

Connecting with various systems

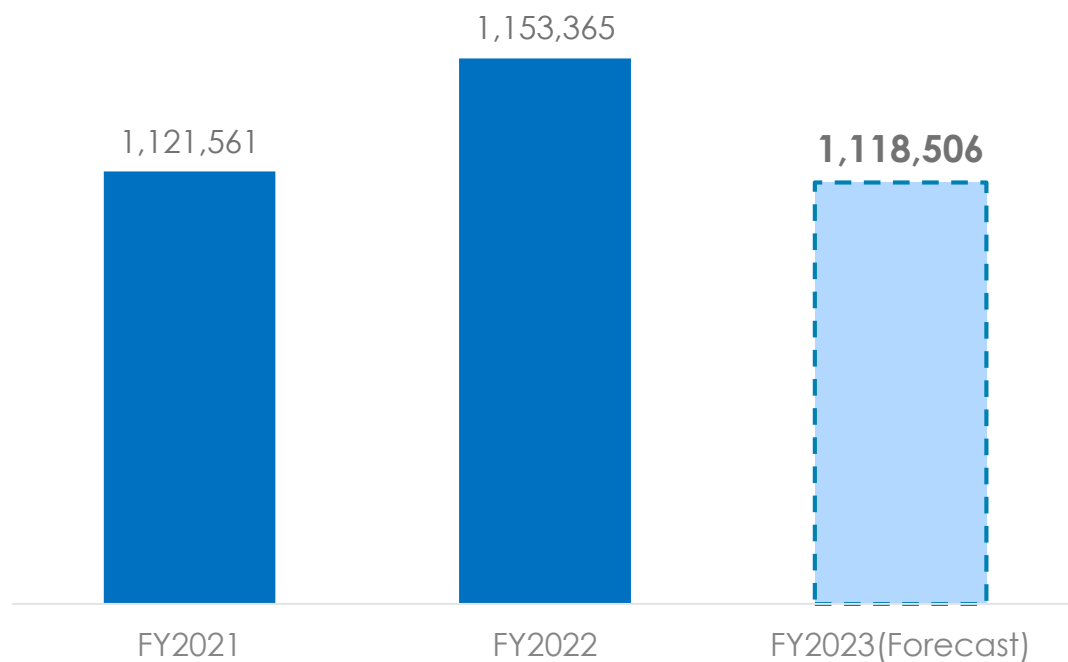
Strengthening sales and development capabilities

Strengthening TEMAIRAZU functions

3 FY2023 Forecast and future business development

2-3 Profit forecast on Application Service Business (Temairazu)

Segment profit (after cost allocation)



**Predicting
3.0% decline YoY**

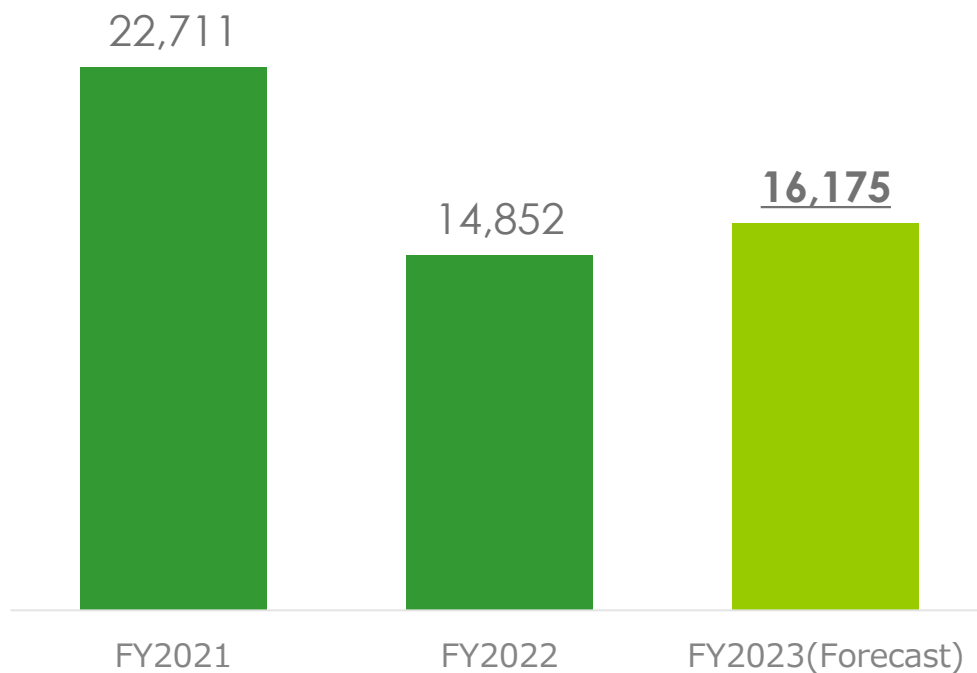
Unit: JPY 1000

3 FY2023 Forecast and future business development

3 Profit forecast on Internet Media Business(Hikaku.com)

Segment profit (after cost allocation)

**Predicting
8.9% increase YoY**



Unit: JPY 1000

- Search Engine Optimization
- User interface improvements
- Improve mobile usability
- Expansion of contents

3 FY2023 Forecast and future business development

4 Key Investment Areas

Returning Demand

- Responding to the returning demand for accommodation which had declined due to COVID-19 (Application Service Business)
Increase sales and development personnel to strengthen organizational structure.
Help our customers to take in the returning demands.
 - acquire new contracts and provide solid support to customers
 - preparing for recovery in accommodation demand by strengthening our systems(inc. infrastructure)
 - strengthen product capabilities by developing new functions and improving usability through enhancements

Something New

- New initiatives (new services, new businesses) for mid- to long-term growth
Establish TEMAIRAZU incubation team
→ A team to work on new and interesting things by utilizing our strength of centralized information management

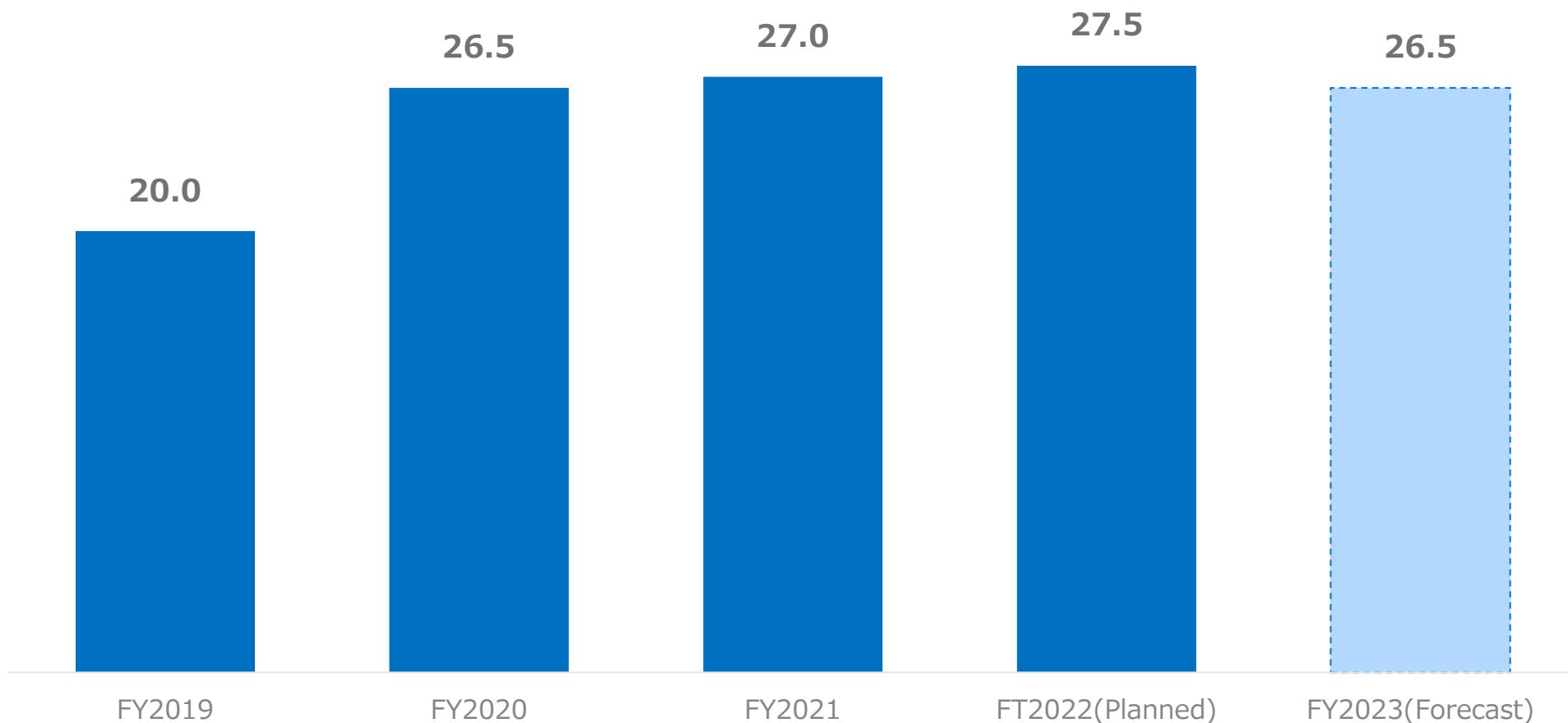
★ Investment in these two areas will begin in the fiscal year ending June 30, 2023.

We plan to invest more than 10% of profits in those two areas over the next 2~3 years.

- 3 FY2023 Forecast and future business development
- 5 Dividend (forecast)

Continued target of 22.5% dividend payout ratio
Annual dividend for the year ending June 2023
is expected to be total JPY 26.5

Trend of dividend per ordinary share (Unit: JPY)



Company Profile

Trade Name	Temairazu, Inc.	
Establishment	August 4, 2003	
Account closing month	June	
Capital fund	JPY 717,041,935 (As of Jun 30, 2022)	
Number of shares issued	6,479,834 (As of Jun 30, 2022)	
Share trading unit	100 (As of Jun 30, 2022)	
Address	7F Ebisu NR Bld, 1-21-3 Ebisu, Shibuya-ku, Tokyo JAPAN	
Securities code	2477 (Prime Market of the Tokyo Stock Exchange)	
Auditing firm	Deloitte Touche Tohmatsu LLC	
Websites	“TEMAIRAZU” “Hikaku.com”	https://www.temairazu.com/ https://www.hikaku.com/

Notes on this Financial Result document

This material is intended to provide information on the performance of the financial results of the fiscal year ending June 2022. In no way is the information intended to solicit an investment in securities issued by the Company. The information is prepared based on data as of the end of June 2022.

Accordingly, the opinions or forecasts on this presentation are dependent on the judgment of the Company at the time of the preparation, and do not guarantee nor pledge accuracy or integrity of the information. In addition, such opinions or forecasts may be changed without notice.

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