



PORT INC.

Company Introduction

PORT INC. Securities Code: 7047

PURPOSE

Change the social debt into possibilities for the next generation.

Our society has always given priority to now.

Meanwhile, debts have been put off and handed off to the following generations.

Distortions in many different areas generate complex friction patterns and are becoming more serious.

Because of the complexity, however, the problem still has not been addressed.

We must address it now—not in the future.

Instead of putting off the debts for a century, we try to identify social issues ourselves and advance the process from proposal to implementation using people and technology.

We will implement things that are necessary for society, not things that are nice to have, but things that are necessary.

We will do this to eliminate as many social debts as possible and increase the potential of future generations of people.

Company name	PORT INC.
Established	April 18, 2011
Head office address	5th Floor, Shinjuku Front Tower, 2-21-1 Kitashinjuku, Shinjuku-ku, Tokyo
Share capital	2.4 Billion yen (as of Sep. 30, 2024)
Representative	Hirofumi Kasuga, Representative Director, President and CEO
Business	Contract support business
Number of employees	662 (as of Sep. 30, 2024; consolidated)
Average age of employees	Approx. 28 (as of Sep. 30, 2024)
Ratio of men to women	6 : 4
Securities code	7047 (TSE Growth; listed on December 21, 2018)
Major group companies	INE Inc. / Five Line Inc. Minshu, Inc.

History

FY 3/2012 (1st term)	●	Founding	<ul style="list-style-type: none"> •Kasuga, the founder, founds the Company immediately after graduating from university. •Establishes Social Recruiting Co., Ltd. at Shibuya, Shibuya-ku, Tokyo.
FY 3/2015 (4th term)	●	New product	<ul style="list-style-type: none"> •Starts the operation of Career Park!, a job hunting know-how site.
FY 3/2016 (5th term)	●	Changed the company name	<ul style="list-style-type: none"> •Changes the company name to PORT INC. •Head office relocated to Nishishinjuku, Shinjuku-ku, Tokyo. •Starts operation of Port Medical, a telemedicine platform.
FY 3/2017 (6th term)	●	Expanding into a region	<ul style="list-style-type: none"> •Establishes a satellite office in Nichinan, Miyazaki. •Launches Manet, a finance information site.
FY 3/2018 (8th term)	●	Listed	<ul style="list-style-type: none"> •Listed on Tokyo Stock Exchange Mothers and Fukuoka Stock Exchange Q-Board.
FY 3/2021 (10th term)	●	Announcement of a medium-term management plan and implementation of M&A	<ul style="list-style-type: none"> •Acquires Syukatsu Kaigi, a job hunting word-of-mouth website. •Acquires DOORS Inc., which operates Gaihekitoso-no-madoguchi, an outer wall painting site. •Announces a medium-term management plan.
FY 3/2022 (11th term)	●	Business alliances and M&A	<ul style="list-style-type: none"> •Accelerates business alliances in all domains, such as a capital and business alliance with Change, Inc., etc. •Enters the energy domain and acquires INE as a core business through M&A
FY 3/2023 (12th term)	●	Achievement of the medium-term management plan and launch of a new business	<ul style="list-style-type: none"> •Achieves the medium-term management plan and tops 10 billion yen in the Group's revenue •Begins full-scale operation of the Staffing Support Services for young people and establishes a new company, aiming to expend the services



**President, CEO and
Representative Director
Hirofumi Kasuga**



**Executive Vice-President
Yusuke Maruyama**



**Outside Director / Audit &
Supervisory Committee Member
Kuniyoshi Mabuchi**



**Outside Director / Audit &
Supervisory Committee Member
Daigo Tomioka**



**Outside Director / Audit &
Supervisory Committee Member
Manami Ida**

Management strategy

Create possibilities for a society with a declining workforce.

We squarely confront the decrease in the working population, the largest social debt in Japan today, in pursuit of the creation of a sustainable society using people and technology.

Business model

Contract support business

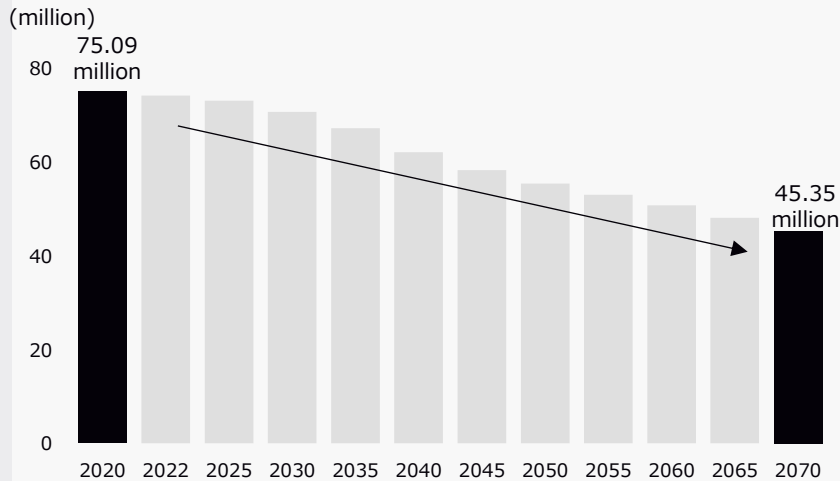
Combining web marketing and sales, the contract support business solves corporate management issues leveraging a pay-for-performance business model.



Declining working population (working-age population)

The working-age population of Japan will decrease due to the declining birthrate and aging population.*1

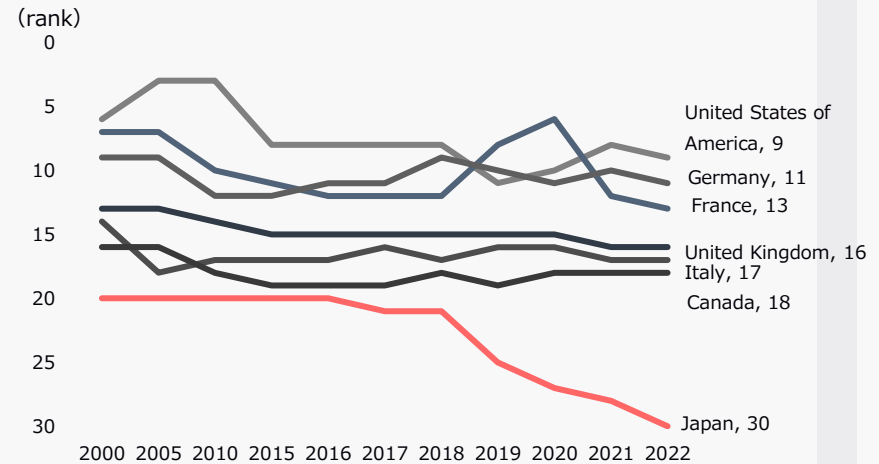
Forecast changes in working-age population (15 to 64 years old)



Low labor productivity

The labor productivity of Japan was ranked 30th among 38 OECD countries in 2022, falling in rank in recent years.*2

Evolution of Hourly Labor Productivity Rankings in Major Developed Countries



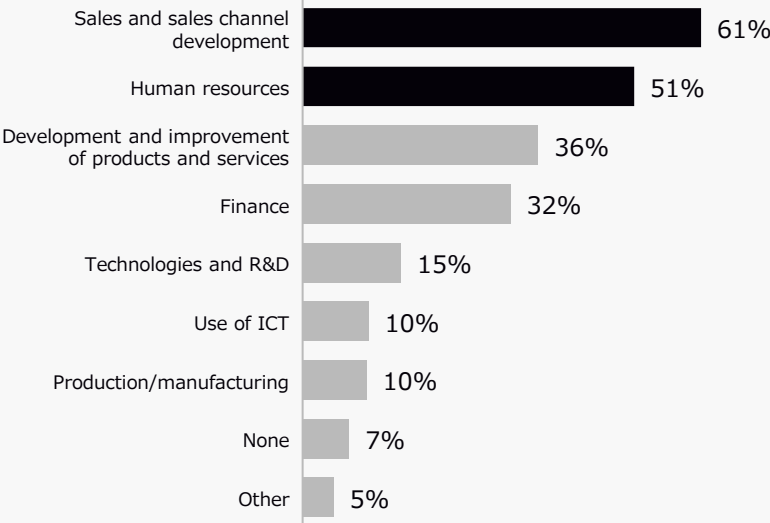
While the decrease in the working population will continue to accelerate, comparative labor productivity is also declining. The sustainability of today's social system as a whole is threatened.

1 White Paper on Aging Society 2023, Cabinet Office, Government of Japan
 2 Japan Productivity Center, "International Comparison of Labor Productivity 2023," December 22, 2023.
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Themes of issues to solve

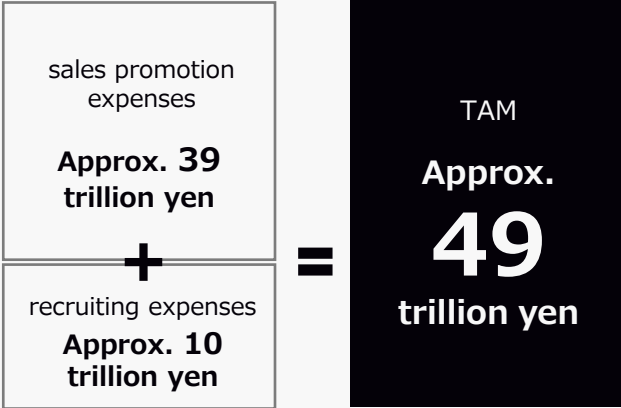
Management issue of company is sales activities

Management issues for companies, which constitute 90% of all Japanese companies*1, are sales promotion and human resources*2. In other words, they are issues related to sales activities.



Huge market potential

"Sales Promotion" and "Human Resource" are the two most important management issues for companies. huge market with a large impact when solved.



Promotion expenses = Advertising market*1 + Personnel expenses for salespeople (population x average reward/year)*2

Recruitment expenses = Recruitment advertising market*3 + job placement market*3 + temporary staffing market*3 + personnel expenses for general affairs and personnel affairs (population x average reward/year)*3

Solving big corporate management issues and providing the most supported service is a big profit opportunity for the company.

*1 <https://www.chusho.meti.go.jp/koukai/chousa/chushoKigyousentai9wari.pdf>

*2 From "Questionnaire on Small and Medium Business Management (March 2021)," Nomura Research Institute, Ltd.

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*3 <https://www.dentsu.co.jp/news/release/2022/0224-010496.html>

*4 Estimated by us based on the Ministry of Health, Labor and Welfare's "Labor Force Survey" and "Statistics on Japan: Average Age, Length of Service, Actual Hours Worked and Monthly Salary by Major Occupations". *5 https://j-hr.or.jp/wp/wp-content/uploads/JHR_JHR_2030_report_20210125.pdf

Today, we focus on the areas of human resources and energy in the contract support business. The increase of our market share in different areas is smoothly progressing, and there continues to be room to expand.

Contract Support Business

Human Resources Domain

More than 75% of new graduate users have used our products

Sales ratio

Approx. **32%**



Recruitment and business support services for companies hiring new graduates

Alliance Services for Human Resources Companies

Energy Domain

Largest number of contracts in Japan (500,000 per year) for electric power, gas, etc.

Sales ratio

Approx. **40%**

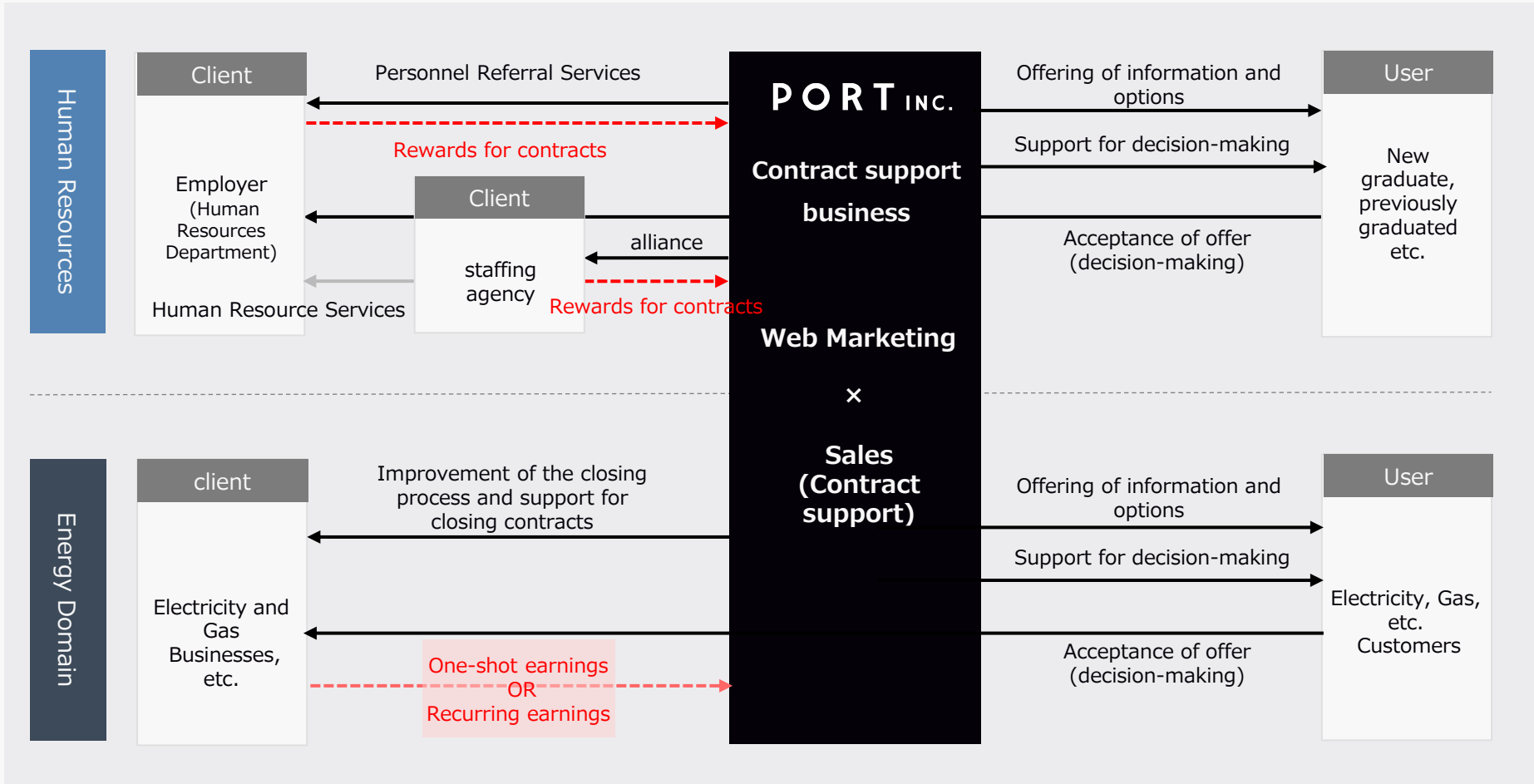


Sales promotion support services for electric and gas utilities

Business Support Services

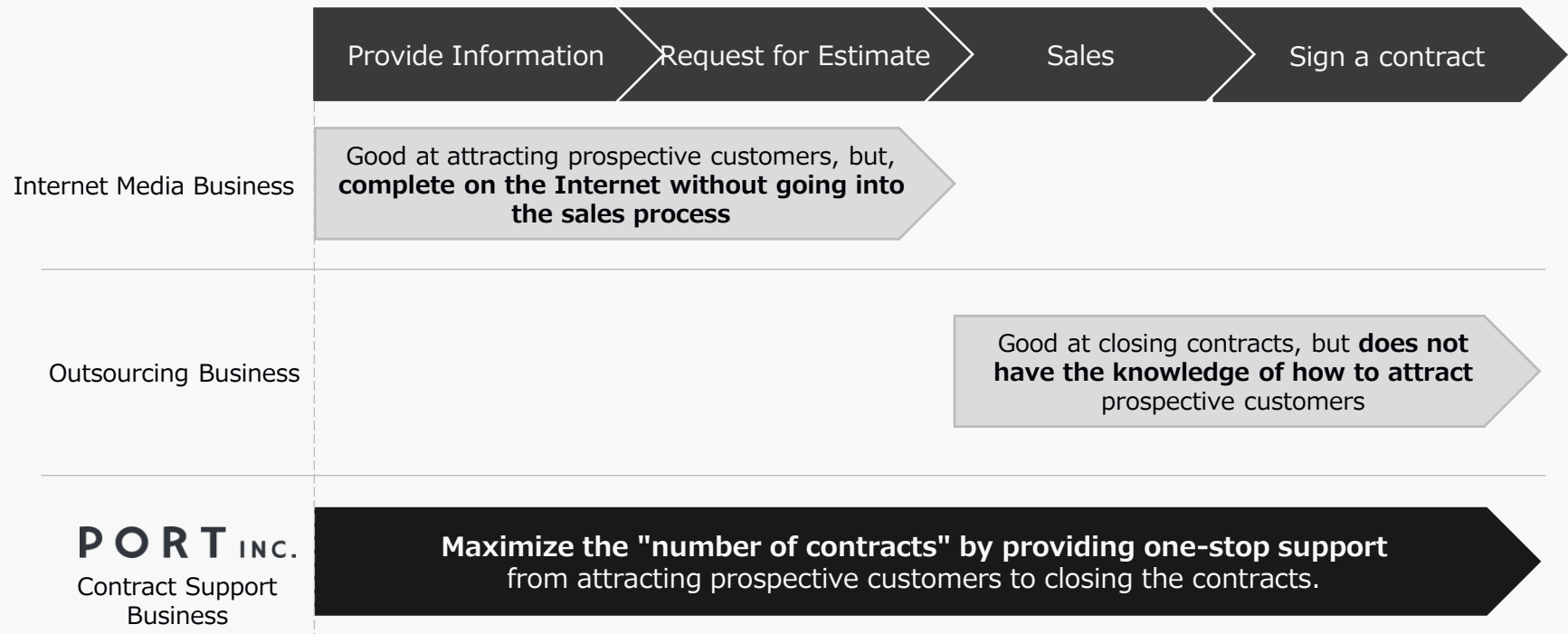
Contract Support Business Common Business Model

With a combination of web marketing and sales, we chose a common one-stop user assistance business model encompassing the entire process from attracting customers to signing contracts. The users are our clients' potential customers.



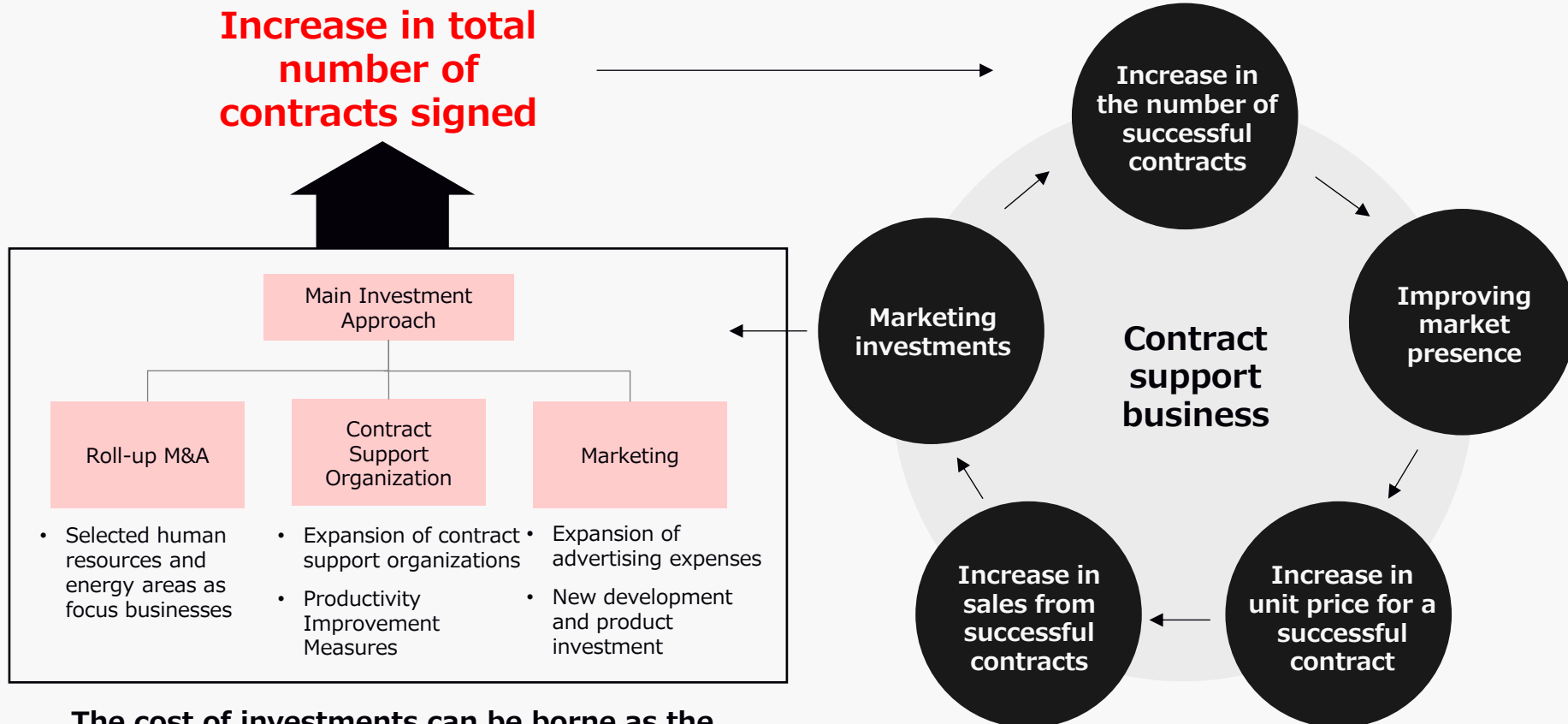
Contract support business Highly unique business model

The unique business model provides one-stop assistance up to the successful signing of a contract on a contingency fee basis without the risk of wasting clients' money, which inevitably increases support.



Contract support business: Growth mechanism making sustained growth possible

Since in the business domain we chose, the successful contract unit rate rises in accordance with the number of successful signings of contracts, it is important to maximize the number of successful contract signings. A growth cycle is realized through organic growth and roll-up M&A activities.

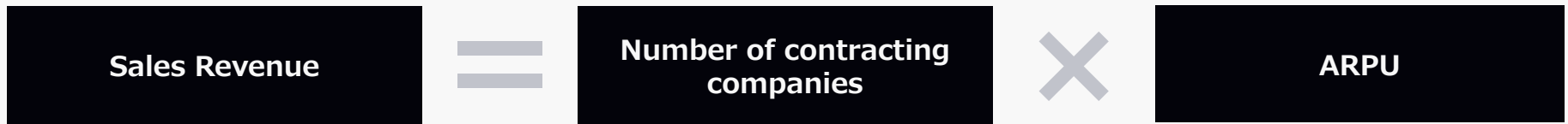


The cost of investments can be borne as the scale of our business grows, as the business is expanding in the areas with high successful contract unit rates.

Contract Support Business: Important KPIs

Total sales are calculated by multiplying the number of contracting companies by the average revenue per user (ARPU).

To increase the above indicator, we position the capability of winning contracts, sales capability, and capability of attracting users as important factors.



Important factors

Number of users

- Providing useful information and options based on the user-first principle
- Continuing to attract users through the stock of data

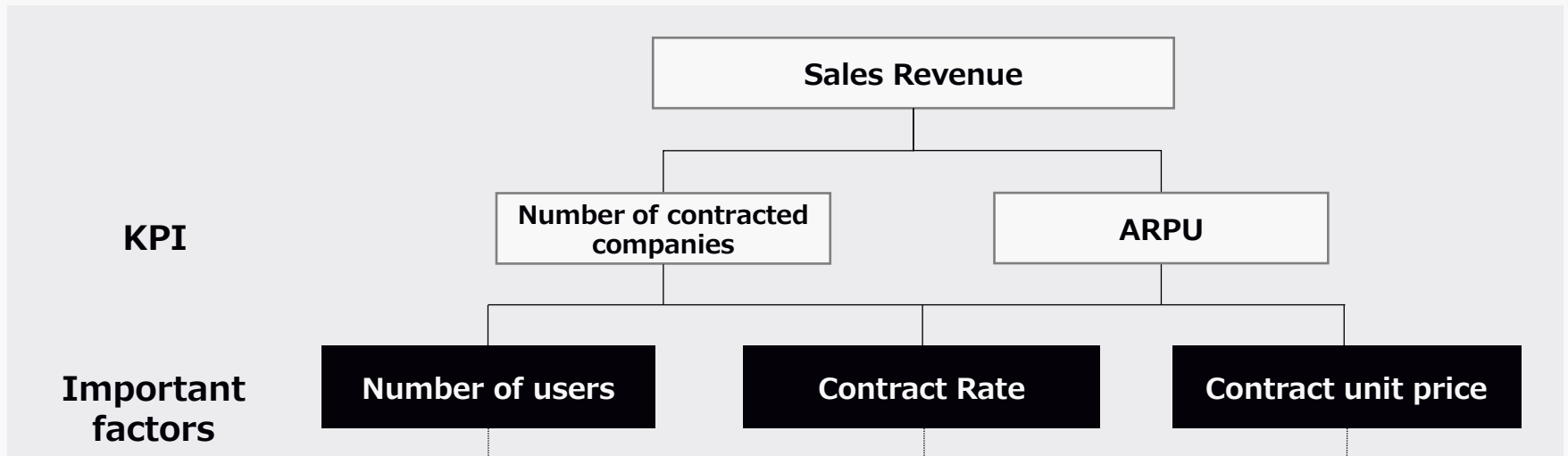
Contract Rate

- Finding new clients to maximize the number of options
- Increasing rewards for contracts based on successful contracts achieved actually

Contract unit price

- Concluding contracts which are optimal for both clients and users
- Increasing the number of successful contracts through cross-selling

We maintain three advantages serving as a source of competitiveness in terms of the ability to attract customers, ability to close on contracts and sales capabilities, each necessary to expand our KPIs, specifically the number of companies we have signed up and ARPU.



Competitive Advantage

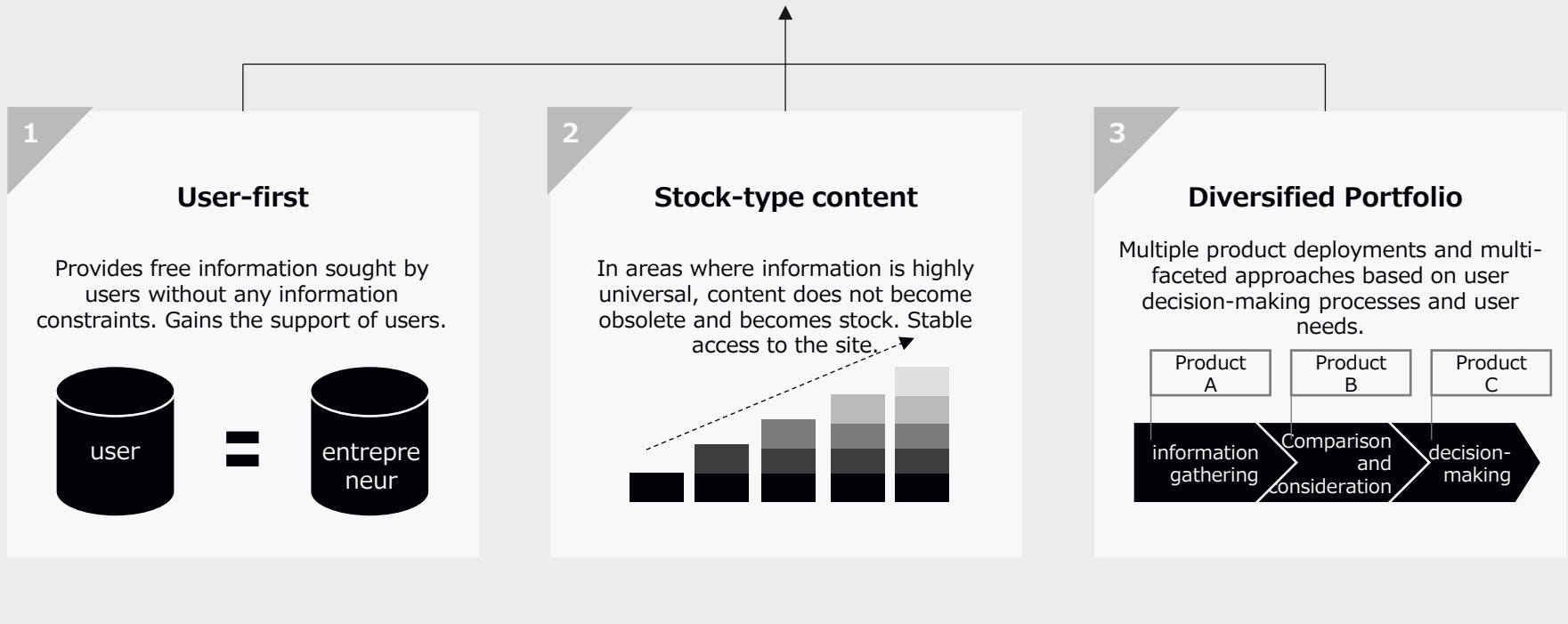
(i)
Web Marketing



(ii) Sales (Contract support organization)

The Company maintains a high customer attraction capacity that enables it to attract an overwhelming number of potential customers through its strength in web marketing. These are achieved mainly through three approaches.

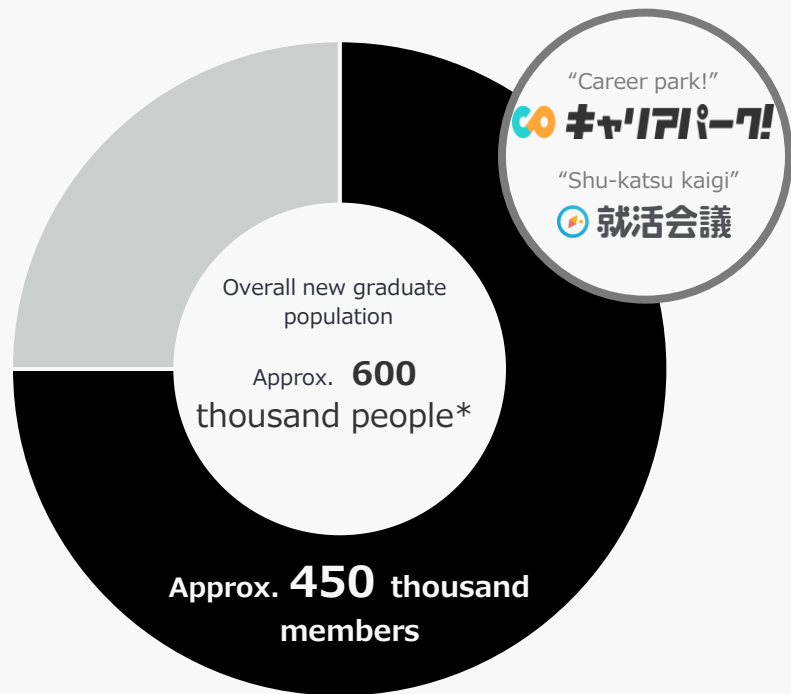
Sophisticated web marketing techniques



We have continually converted over 75% of new graduate users into members, building a solid user base.

Total Unique Members a Fiscal Year in Staffing Support Services

(Number of new graduate members graduated in March 31, 2023)



Ratio of our group members among all new graduates

New Graduate User Usage Rate

75% and over

※https://www.mext.go.jp/content/20221221-mxt_chousa01-000024177_001.pdf

A sophisticated contract support organization supports users attracted through web marketing in their decision making, thereby achieving a high successful contract signing rate. Expand the organization while seeking a structure that does not compromise productivity per person.

Build a contract support organization to achieve a high successful contract signing rate

1

Improving productivity by using technologies

- Utilize an enormous amount of accumulated behavioral data and contract data during business negotiations
- Efficiently use it to successfully sign contracts (receipt of orders and approval) and to enhance productivity.



2

Enhancing organizational strength through the reinforcement of the recruitment system

- Recruitment activities with careful selection based on a very high competitive ratio (the competitive ratio in the selection of new graduates, for example, is about 2%)
- Implement a PDCA cycle in relation to target human resources in accordance with subsequent outcomes.



3

Keep the successful contract signing rate at the current level or increase it with our original education system

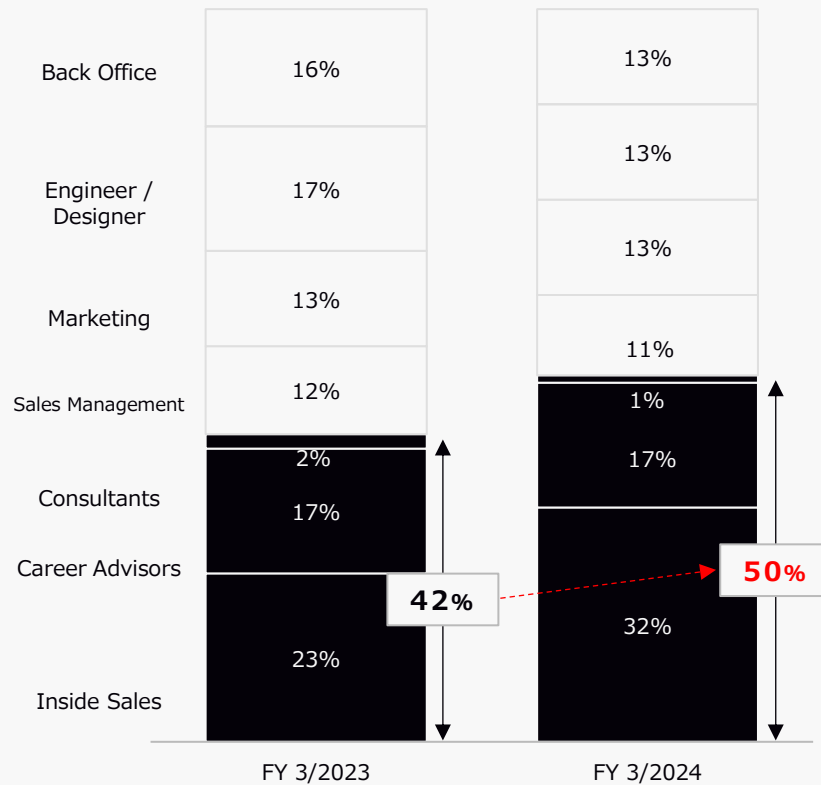
- Share manuals and knowledge about video content, etc. and develop a risk management system with thorough rules
- Form a small team of skilled experts to strengthen our management system and retain or increase the high successful contract signing rate.



Competitive Advantage (ii) Sales (Contract support organization) **PORT INC.**

Contract support organizations account for more than 50% of the whole, and these are expected to increase more.

Percentage of staff by profession



Ratio of contract support staff (March 31, 2024)

50% and over

Number of employees (consolidated)	375	→	521
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Human resources Domain; Market Size

Our main target is the market of services supporting new graduate recruitment. As new graduates are the young part of the workforce, we will gradually expand into the youth market to enable cross-selling to enlarge the market.



1 Yano Research Institute Ltd. "Research on New Graduate Recruitment Support Service Market (2024)" (released on April 26, 2024), FY2024 forecast based on service provider sales.
 2 The size of the job ad market + job placement market is 1 trillion yen, multiplied by the ratio of job changers aged 15-34 from the Ministry of Health, Labor and Welfare's Labor Force Survey, and the ratio of inexperienced job seekers is assumed to be 35% from https://www.recruit.co.jp/newsroom/pressrelease/2021/0805_9201.html. Calculated by the Company based on the assumption that the ratio of inexperienced job seekers is 35%.
 3 https://j-hr.or.jp/wp/wp-content/uploads/JHR_JHR_2030_report_20210125.pdf
 4 Estimated by us based on "Labor Force Survey" by the Ministry of Health, Labor and Welfare/"Average Age, Length of Service, Actual Hours Worked and Monthly Salary by Major Occupations" in Japan.

Human resources Domain; Market Environment (new graduate support market)

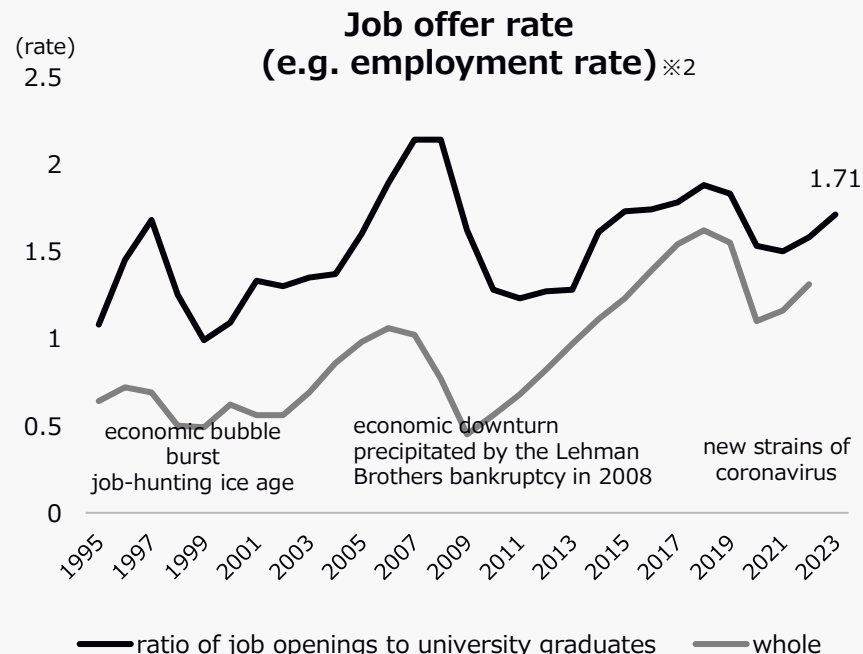
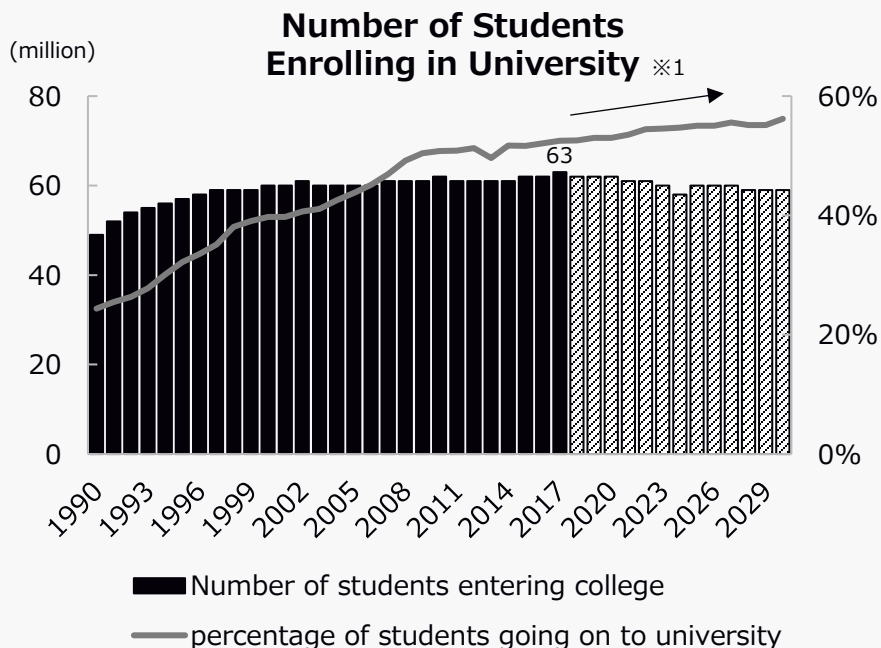
The ratio of job openings to university graduates has significantly recovered to the pre-covid level as the recruitment demand generated by companies recovers. The number of students who go on to university, our target population, is expected to remain unchanged for the time being, with an increase in the university enrollment rate offsetting the impact of the population decrease.

The population of new graduates is expected to remain unchanged for the time being

The ratio of job openings to university graduates is rising and the impact of economic fluctuations has been relatively limited

The increase in the university enrollment rate offsets the impact of the decrease in the youth population. The number of new graduates is projected to remain unchanged or slightly decrease until around 2030.

Following the recovery of the economy after the COVID-19 pandemic, the ratio of job openings to university graduates has been increasing in parallel with the recovery of the motivation to recruit employees.



※1 厚生労働省「大学進学者数等の将来推計について」、文部科学省「学校基本調査 高等教育機関卒業後の状況調査」

※2 リクルートワークス研究所「第40回ワークス大卒求人倍率調査（2024年卒）」

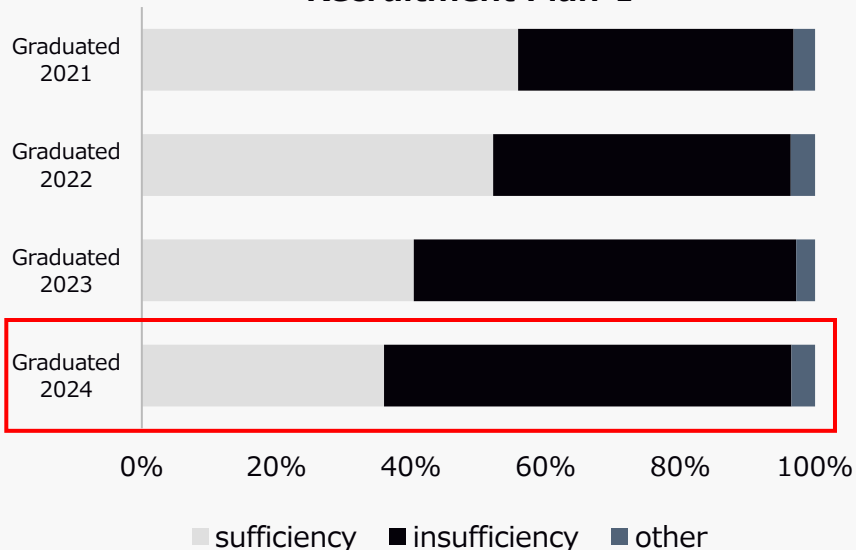
Human resources Domain; Market Environment (new graduate support market)

The talent acquisition market is expected to continue to become more competitive and the increase of recruitment unit rates is inevitable. So that we have the wind at our back in terms of alliances for staffing companies and the personnel referral service for companies offering jobs.

Satisfactory new graduate recruitment is getting more difficult

As the sellers' market strengthens, the number of students looking for jobs is decreasing and more companies are struggling to recruit new graduates and secure human resources.*1

Satisfactory of New Graduate Recruitment Plan*2



Rise of new graduate recruitment unit rates

Competition to recruit new graduates is intensifying and the market is favoring the students who are on the sell side. For this and other reasons, new graduate recruitment unit rates are expected to continue to rise.

- The intensification of the competition in new graduate recruitment and the increase in the number of companies starting to recruit new graduates
- Increase of costs borne by staffing companies to attract job seekers in a seller's market
- Increase of personnel expenses (starting salaries) aimed at increasing recruitment competitiveness

▼
The recruitment unit rate is expected to continue to increase.

※1 リクルート 就職みらい研究所「就職白書2024」

※2 リクルート 就職みらい研究所「就職白書2024」「就活白書2023」より作成。「充足（計）」は「計画よりかなり多い」「計画より若干多い」「計画通り」の合計、「未充足（計）」は「計画より若干少ない」「計画よりかなり少ない」の合計、「その他」は「選考中につき未定」「採用数について計画を立てていない」「その他」の合計。

※ 株式会社矢野経済研究所「新卒採用支援市場の現状と展望2024年度版」

Human resources Domain; Market Environment (Young human support market)

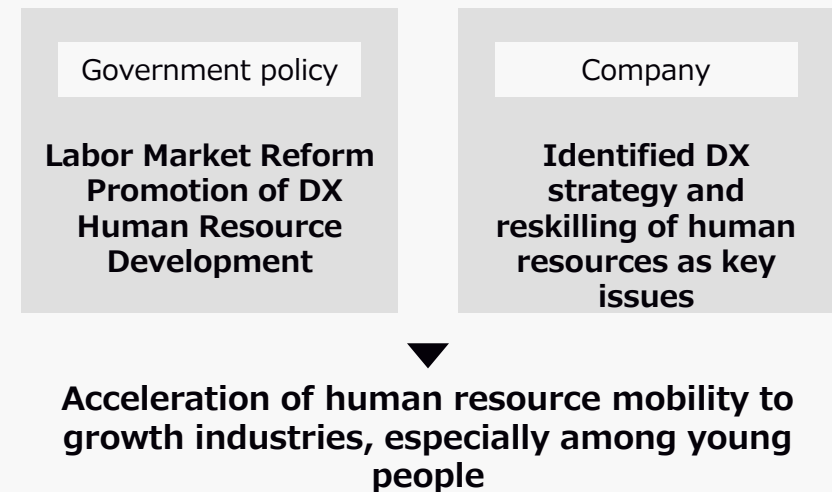
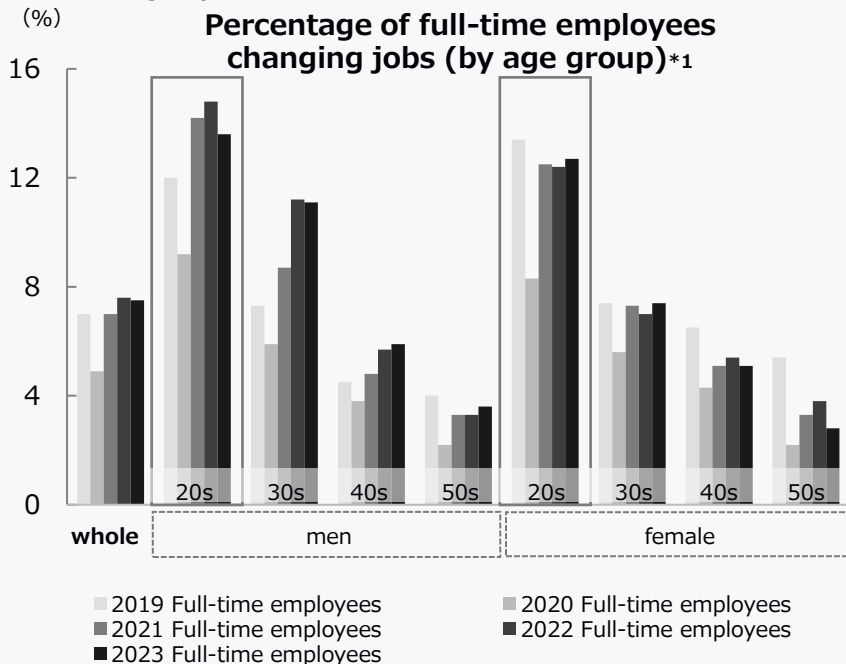
Starting with the new graduate recruitment support market, we are increasing the number of markets we are entering to support young people. The young employee turnover rate is rising*1 and it is projected that the need to recruit inexperienced young people will increase.

The turnover rate is increasing, and the young employee turnover rate is increasing the most

The recruitment of inexperienced human resources, mainly young people, is increasing

Companies' motivation to recruit employees has been recovering since 2022. The overall turnover rate in 2023 was 7.5% and this remains high. More than 12% of full-time employees in their 20s have changed jobs at least once.

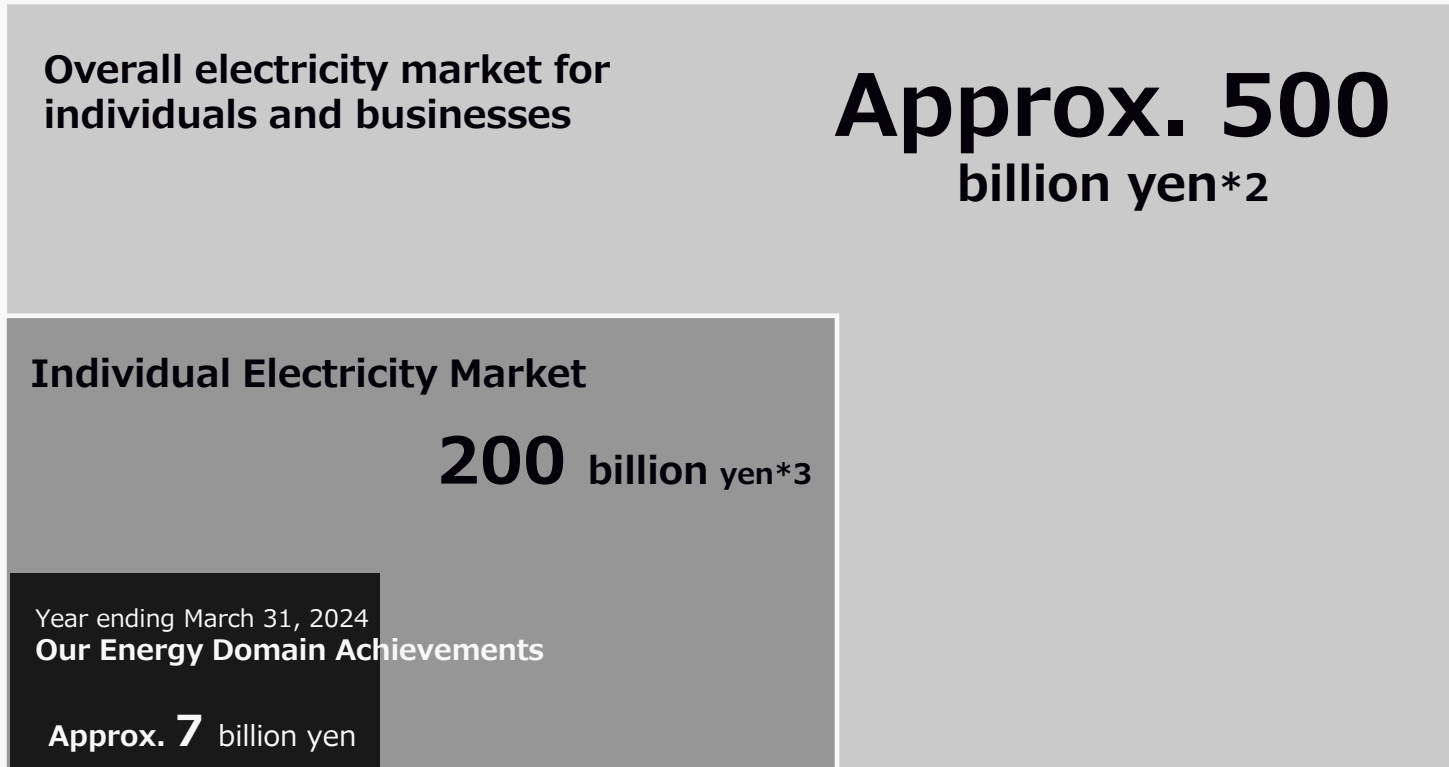
It is expected that the mobility of employment of young human resources will continue to increase in combination with government efforts to direct human resources to growing areas and companies' need for DX specialists.



1 Based on "Job Change Trend Survey 2024 (2023 Results)," Mynavi Corporation, released March 12, 2024.
 2 https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou_roudou/koyou/tp120903-1_00001.html
 3 <https://www.mofa.go.jp/mofaj/files/100396551.pdf>, https://www.kantei.go.jp/jp/101_kishida/statement/2022/1003shoshinhyomei.html

Energy Domain; Market Size

Our main target is the market of services supporting individuals signing new contracts for power, gas, etc. or services supporting contracts for switching between service providers. The expansion into the market of services supporting corporate customers' contracts enlarges the target markets.



1 https://www.meti.go.jp/shingikai/enecho/denryoku_gas/denryoku_gas/pdf/20230210_1.pdf

2 Calculated by multiplying total electricity sales of 18 trillion yen in 2023 (compiled by the Electricity and Gas Transactions Monitoring Commission) by the actual stock margin ratio of 3%.

3 Calculated by multiplying total low-voltage electricity sales of 7 trillion yen out of total electricity sales of 18 trillion yen in 2023 (compiled by the Electricity and Gas Transactions Monitoring Committee) by the actual stock margin ratio of 3%.

Energy Domain; Market Environment

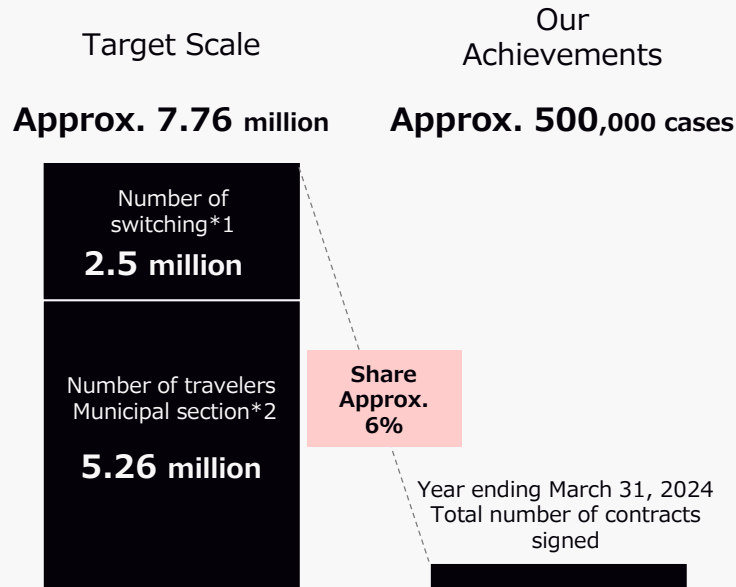
The electricity liberalization in 2016 is speeding up the competition among power and gas companies for acquiring users. Our target is about 7 million contracts annually and we have an enormous room for enlarging a share.

Room to enlarge market share

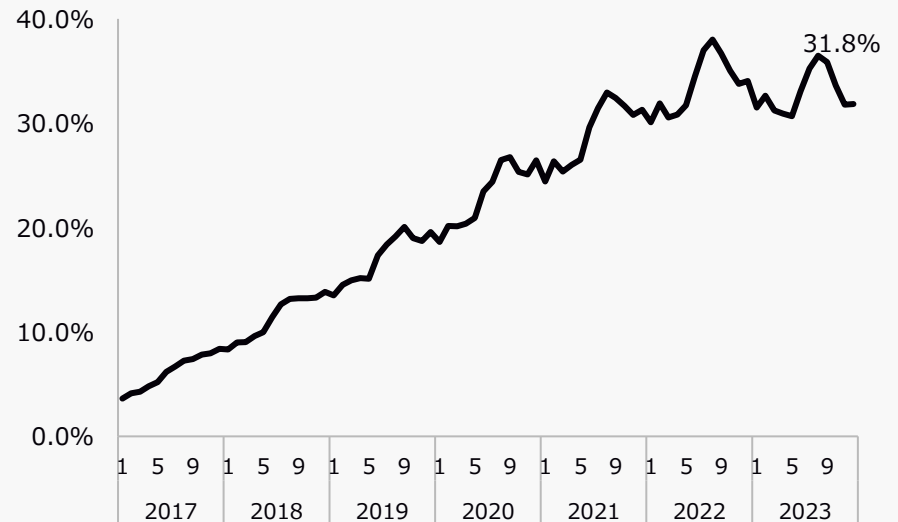
Annually, more than 7 million users request new contracts or switch contracts for power, gas, etc.*3 Meanwhile, our market share is about 6%. There is enormous room for us to enlarge our market share.

Acceleration of the deregulation of the electricity market and competition to acquire users

As of the end of 2023, power producers and suppliers had about a 17% share of the total market. Low voltage household electric power is approximately 32% of this market. It is believed that the competition to acquire users will increase.



Trends in new electric power market share in low-voltage*1



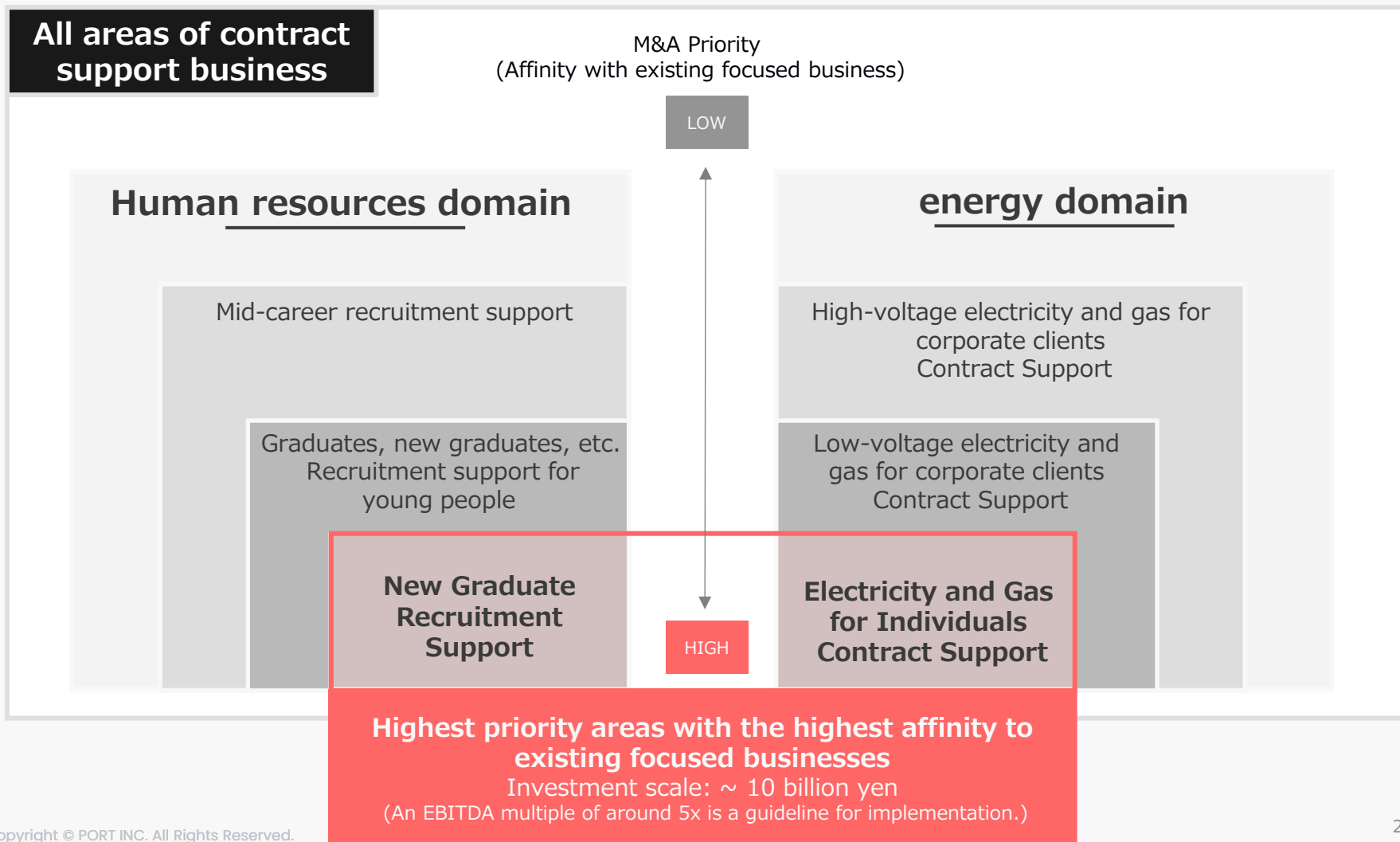
1 Electricity and Gas Transactions Monitoring Committee

2 Basic Resident Ledger Population Movement Report 2023 (2023), Statistics Bureau, Ministry of Internal Affairs and Communications

3 (*1 + *2)

4 Data calculated from "New Electricity Net" by Energy Information Center, Inc. Source: Electricity and Gas Transactions Monitoring Committee
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During the current period of Medium-term Management Plan, our top priority is roll-up M&A activities aimed at enlarging the existing contract support businesses that we are focusing on. The aim is to achieve non-continuous, inorganic growth through active M&A activities while remaining aware of selection and concentration.



Clarify the investment and withdrawal criteria for different areas of business and ensure disciplined business operations and optimal resource allocation with the aim of achieving continuously high growth. The following three quantitative requirements will be considered as important during the current Medium-term Management Plan period.

Example criteria for making decisions regarding investments
and the withdrawal from them

Growth requirement

Revenue CAGR
30% or more

Contribution requirement

Contribution to Group
performance
10% or more
(Revenue and profit basis)

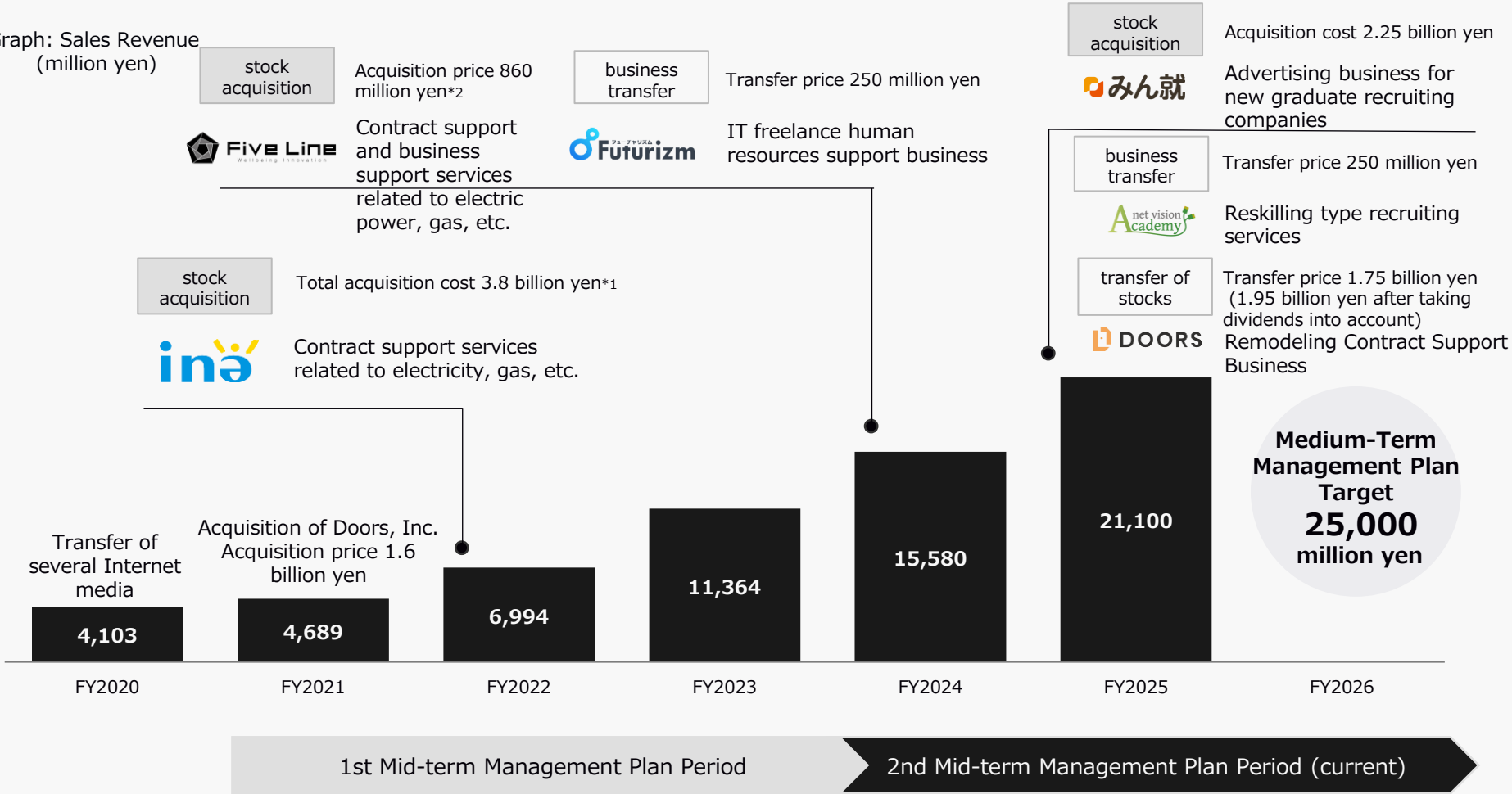
Size requirement

Single Business Sales
Looking at **10 billion**
yen or more
(Future potential in terms of both market size and
business potential)

Inorganic Investment; M&A Transition

Implement roll-up M&A activities with a focus on the areas of human resources and energy and achieve non-continuous growth. (The consolidation of Minshu, Inc. began in the first quarter of the fiscal year ending March 2025)

Graph: Sales Revenue (million yen)



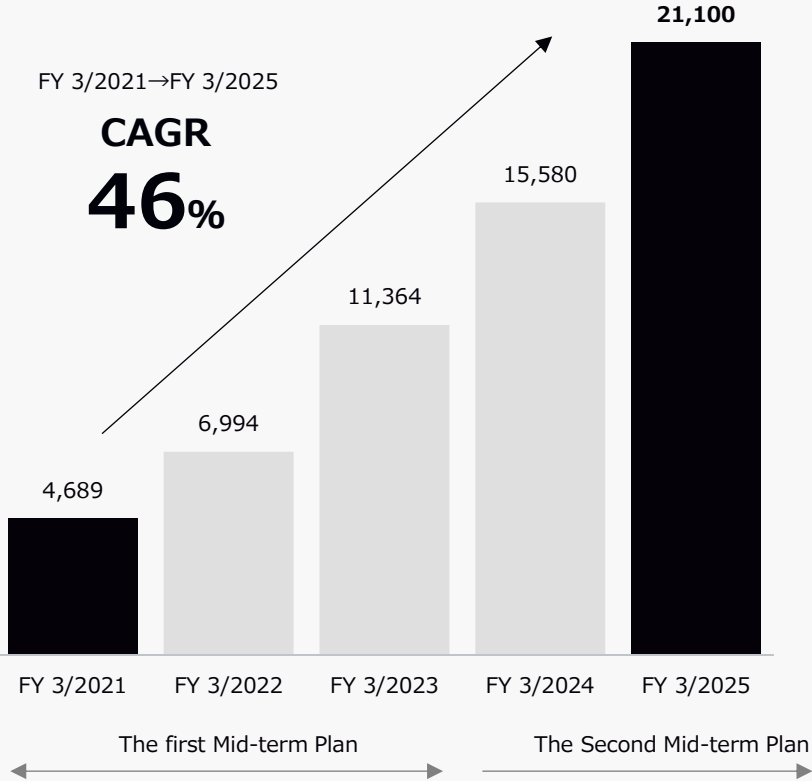
1 INE Corporation: Acquired 50.9% of outstanding shares for 2,036 million yen in January 2022 and the remaining shares for 1,816 million yen in June 2023.
 2 Five Line Co., Ltd. acquired 69% of outstanding shares for 570 million yen in July 2023 and the remaining shares for 295 million yen in January 2024.
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Sustained High Growth in performance

As in the first Mid-term Plan, high growth rates were maintained in the second Mid-term Plan through organic and inorganic growth and the selection of and concentration on key businesses in the human resources and energy domains. The probability of growth in profits also increased due to the expansion of recurring earnings.

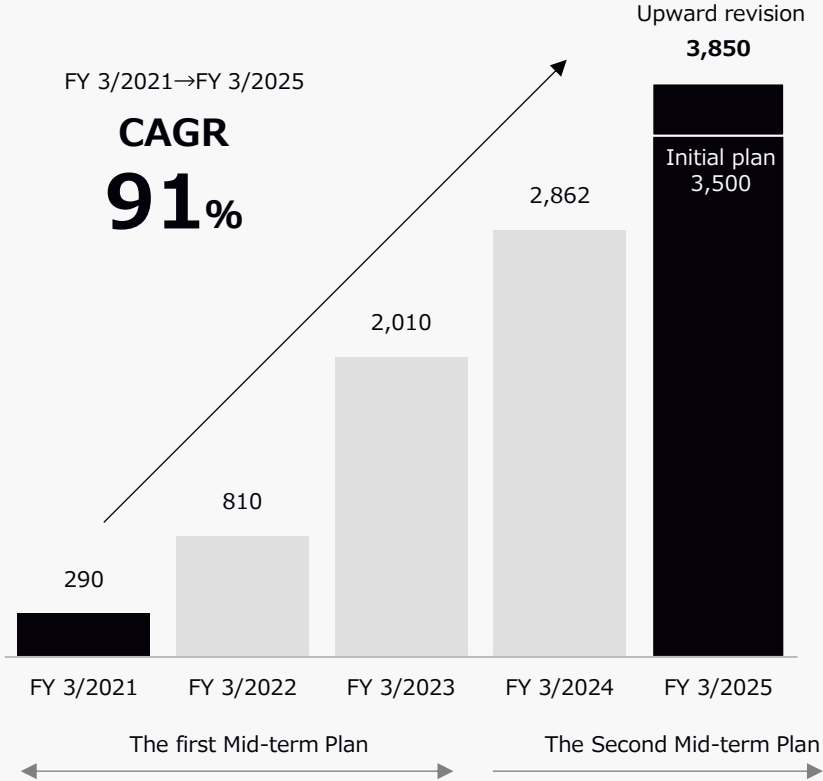
Sales Revenue

(million yen)



EBITDA

(million yen)



* The results for the fiscal year ended March 31, 2024 are after the reclassification of the results of DOORS Inc. as discontinued operations due to the sale of the shares of the company
 * The initial forecast for the fiscal year ending March 31, 2025 was announced on May 12, 2024, and the revised forecast was announced on November 13, 2024. Details are provided in the "Notice of Revision of Full-Year Financial Forecasts for the Fiscal Year Ending March 31, 2025".

Note on forward-looking statements

- The materials and information provided in this presentation include so-called forward-looking statements.
- These statements are based on assumptions associated with current expectations, forecasts and risks, and include uncertainties that could cause actual results to differ substantially from them.
- These risk and uncertainties include regular economic conditions in Japan and overseas, including regular industry and market conditions, interest rates and currency fluctuations.
- The Company does not assume any obligations to update or revise the forward-looking statements contained in this presentation even in response to new information or future events.

PORT INC.

社会的負債を、次世代の可能性に。