



FY2021 Presentation Material

LITALICO Inc.

[TSE Code : 7366]



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Consolidated Results

- Revenue: 19.73 JPY bn (YoY+22.3%)
- Operating Income 2.44JPY bn (YoY+44.6%)
- Net Income:1.07JPY bn (YoY+53.9%)
- Despite the impact of Covid-19, mainly in the 4Q, operating income increased 44.6% while investing in long term growth.

Topics

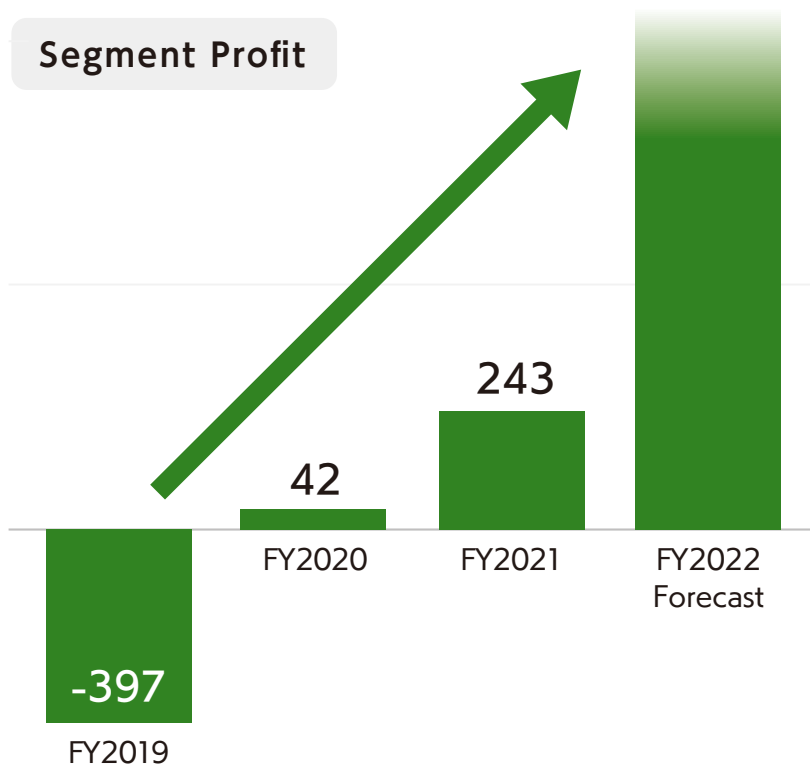
- Opened 31 locations in FY2021; Totaling 262 locations
 - 14 LITALICO Works,13 LITALICO Junior (Governmental Support),4 LITALICO Junior (Non Governmental Support)
- The platform business grew as the third pillar (see next page)
- All segments returned to profitability for the full year due to the steady performance of each new business.

Financial Forecasts

- Revenue 24.0JPY bn(YoY+21.6%) / Operating Income 3.1 JPY bn(YoY+26.8%) / Net Income 1.45JPY bn(YoY+34.5%)
- Continue to invest aggressively in platform businesses with high growth and profitability.

- Segment income increased approximately 5.7 times YoY due to the expansion of SaaS products for facilities.
- Accelerate growth further while continuing to invest in expansion and utilize M&A to broaden the scope of business.

Segment Profit



- Diversification of product lineups has improved sales efficiency and accelerated the pace of increase in the number of facilities using the service, surpassing 20,000 establishments.
- Hiring of engineers, PdMs, designers, etc. has progressed, and development capabilities have been greatly enhanced.
- The monthly churn rate is less than 1%
- Price increase of existing products along with functional improvement from April 2022.
- Plans to sequentially add high-value-added products.

2. Consolidated Financial Results

FY2021

- Despite the impact of Covid-19, mainly in the 4Q, revenue increased 22.3% and operating income increased 44.6% while investing in long term growth.

(JPY mn)

	FY2021	Sales Ratio	YoY %	FY2020	Sales Ratio
Revenue	19,737	—	+ 22.3%	16,133	—
Operating Income	2,444	(12.38%)	+ 44.6%	1,690	(10.48%)
Ordinary Income	2,241	(11.35%)	+ 56.9%	1,428	(8.85%)
Net Income	1,078	(5.46%)	+ 53.9%	700	(4.34%)

Profit and Loss Statement by Segment

- LITALICO Works business performed well in both existing and new stores
- Both sales and income increased in the LITALICO Junior Business due to steady progress in new store openings
- Both sales and profit increased in the platform business while making upfront investments in hiring and training of sales personnel, etc.
- In the Other segment, each new business performed well, and the segment returned to profitability in full year.

		FY2021	FY2020	YoY	YoY%	(JPY mn)
LITALICO Works	Revenue	8,556	7,693	862	11.2%	
	Segment Profit	3,370	2,873	496	17.3%	
LITALICO Junior	Revenue	6,730	5,638	1,092	19.4%	
	Segment Profit	1,322	1,087	234	21.6%	
LITALICO Platform business	Revenue	1,839	1,040	798	76.8%	
	Segment Profit	243	42	200	x5.7	
Others	Revenue	2,611	1,761	850	48.3%	
	Segment Profit	11	▲346	357	—	

3. Financial Forecasts

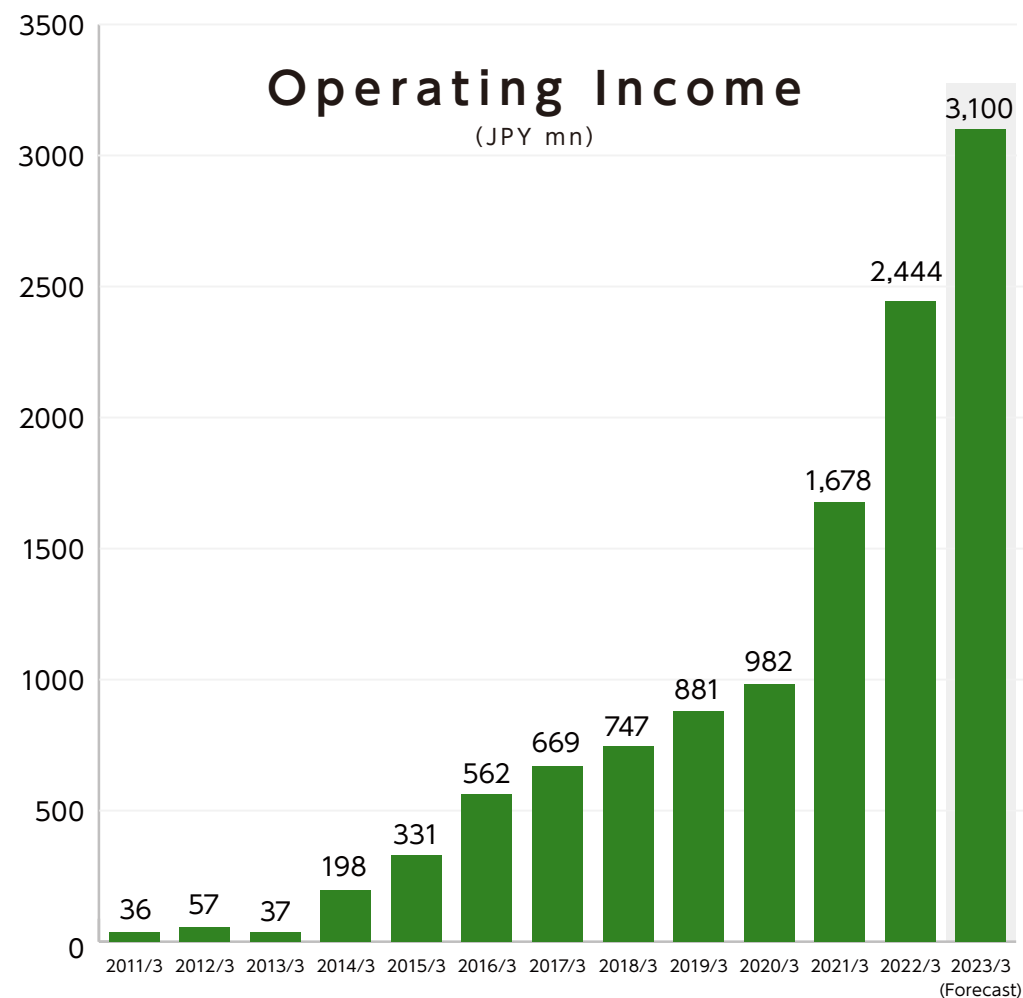
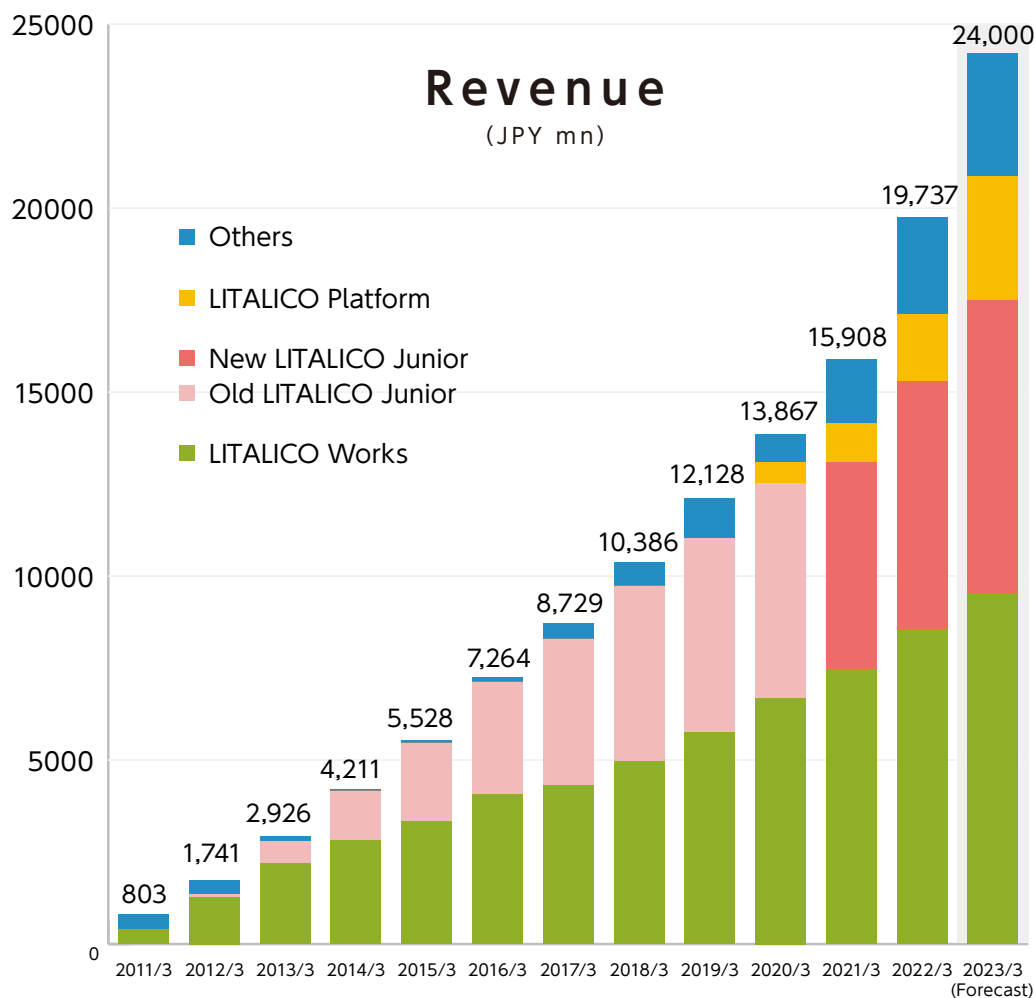
FY2022

- Revenue 24 JPY bn, Operating Income 3.1 JPY bn, and Net Income 1.45 JPY bn
- Continued aggressive investment in platform business while improving profitability
- The effect of price hikes at Welfare Soft and the acquisition of Plus One Solutions, amounting to approx. 800 million yen in net sales
- Plan to open 15 LITALICO Works locations and 16 LITALICO Junior locations, accelerating the pace of new openings
- LITALICO Wonder resumes store openings due to steady growth in student numbers.

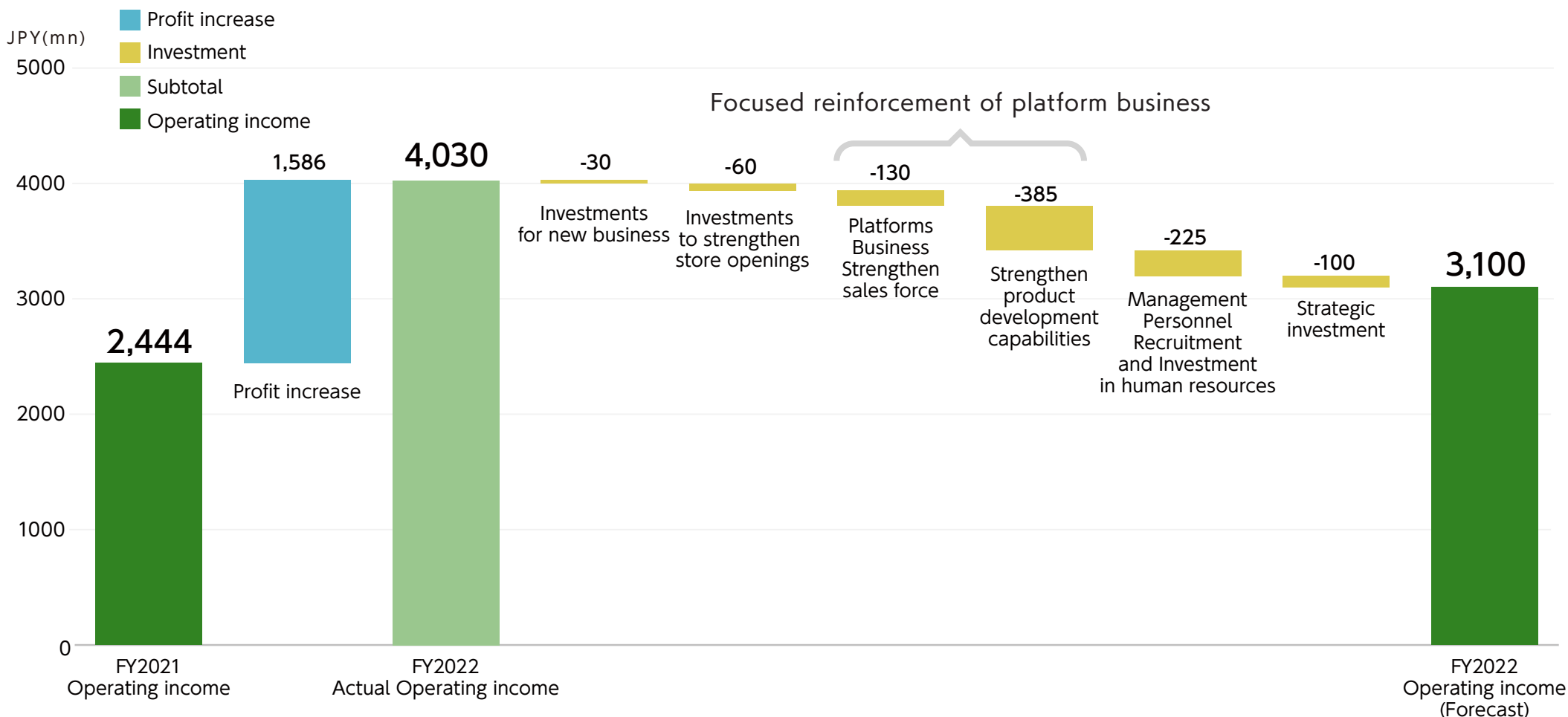
(JPY mn)

	FY2021 Forecasts	FY2020 Actual	YoY	YoY %
Revenue	24,000	19,737	+ 4,263	21.6%
Operating Income	3,100	2,444	+ 656	26.8%
Ordinary Income	2,850	2,241	+ 609	27.2%
Net Income	1,450	1,078	+ 372	34.5%

• Planning 10th consecutive year of revenue and profit growth



- Plans to increase operating income by about 27% while factoring in long-term investments of about 900 million yen.
- Focused investment in human resources to strengthen the platform business and management structure for the next five years



4. Growth Strategy



LITALICO's Vision



Creating a Society Without Barriers

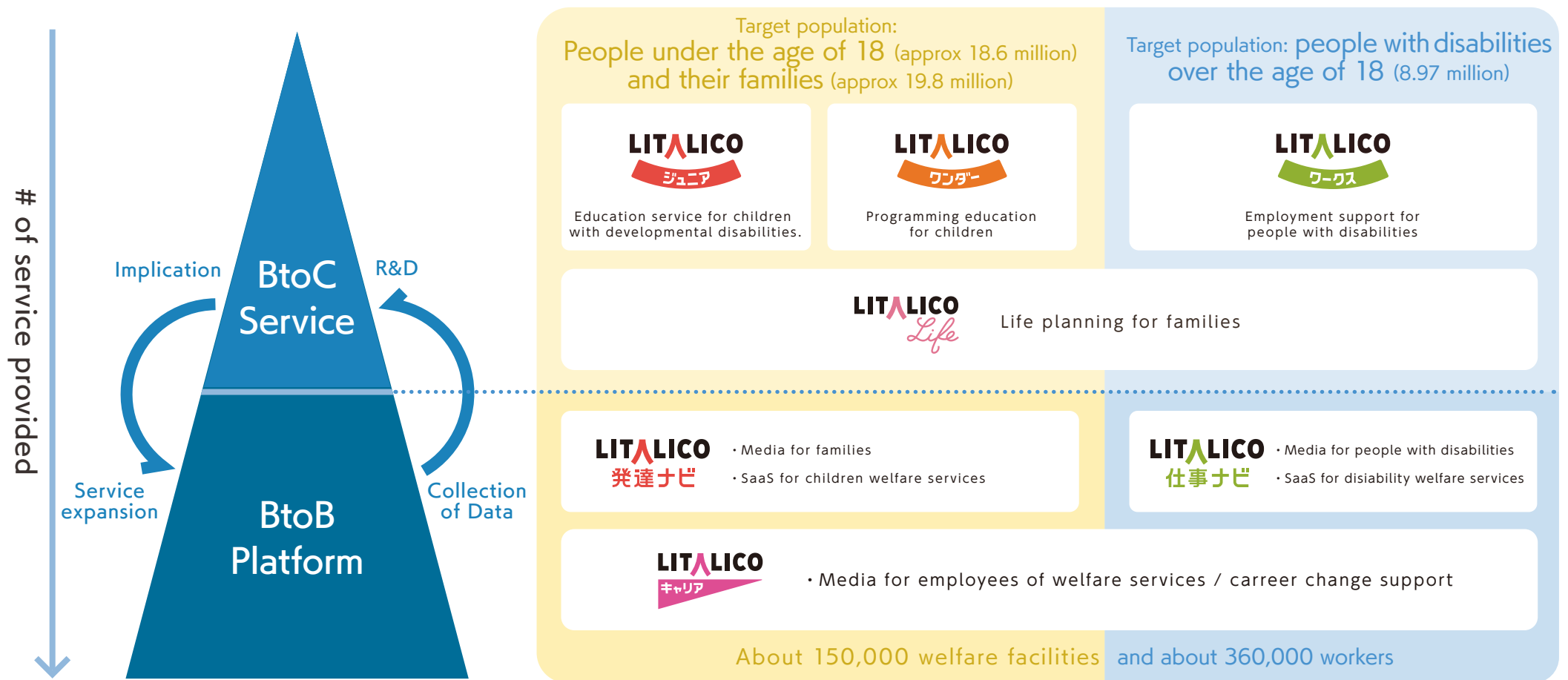


Disabilities exist not with people but with society.

By eliminating society's disabilities,
we will create a "people"-centric society where all can be happy



- BtoC: R&D and actual practice of top quality services
- BtoB: Collection of data and service expansion in multiple areas of the market
- Build competitiveness by combining a deep understanding the disability and welfare market with strong engineering.
- Become the number one technology company in terms of both quality and quantity by strengthening data analysis, product development, and marketing.



5.Results by Business



(employment support)

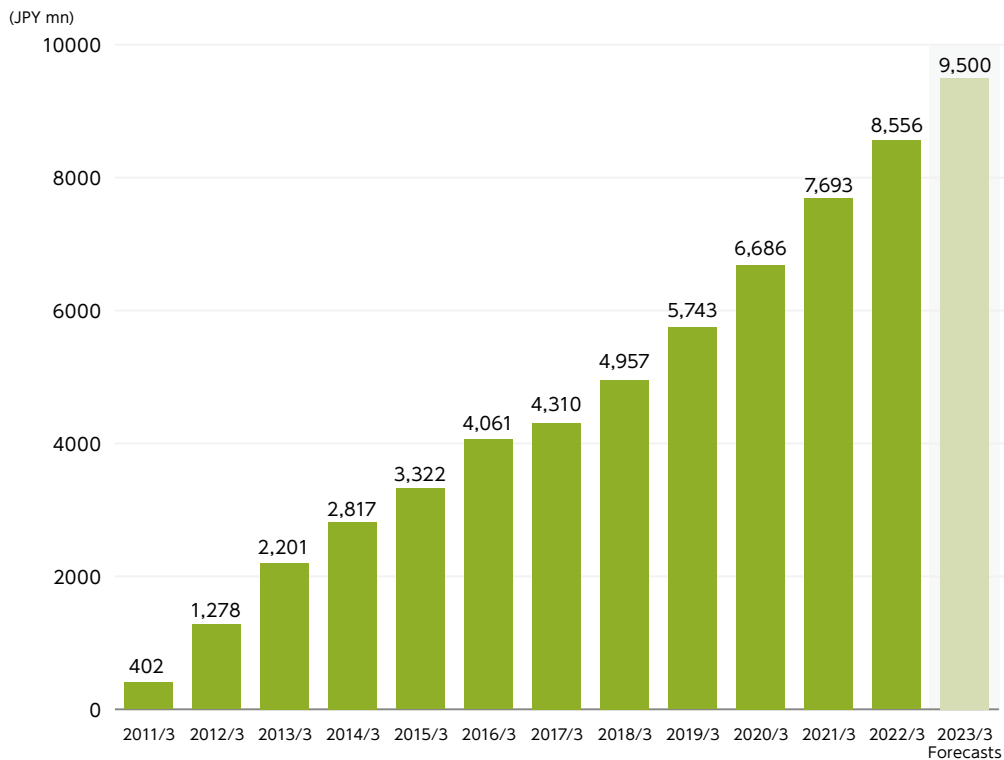


- 106 Locations (+14 FY 2020)

- Planned for +15 new locations in FY2022

- Strengthened internal structure to further increase the pace of new store openings

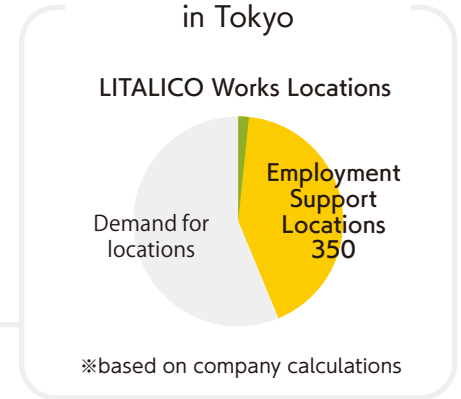
LITALICO Works Revenue



FY 2021 Locations



Demand for Locations in Tokyo





(employment support)

- Cumulative Number of Employed People 11,880/6 month retention rate 91.3%

- The number of job seekers increased significantly to 1,712 (+31.5% YoY), while the retention rate further improved.

- Utilizing technology such as VR in job training

Results FY2021

Number of employments supported

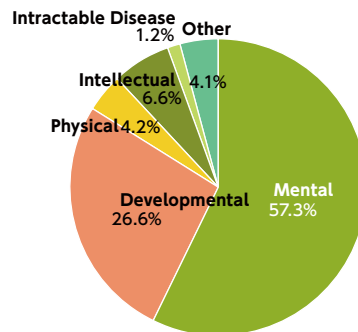
1,712 (YoY+410)

Accumulative 11,880

6 month retention rate

91.3%

Types of Disabilities



Implementation of Employment Support System



- Developed and implemented a system that recommends support plans based on past support data.
- Will grow into a data platform with improved algorithms and accuracy and better recommendations.





(Education service)

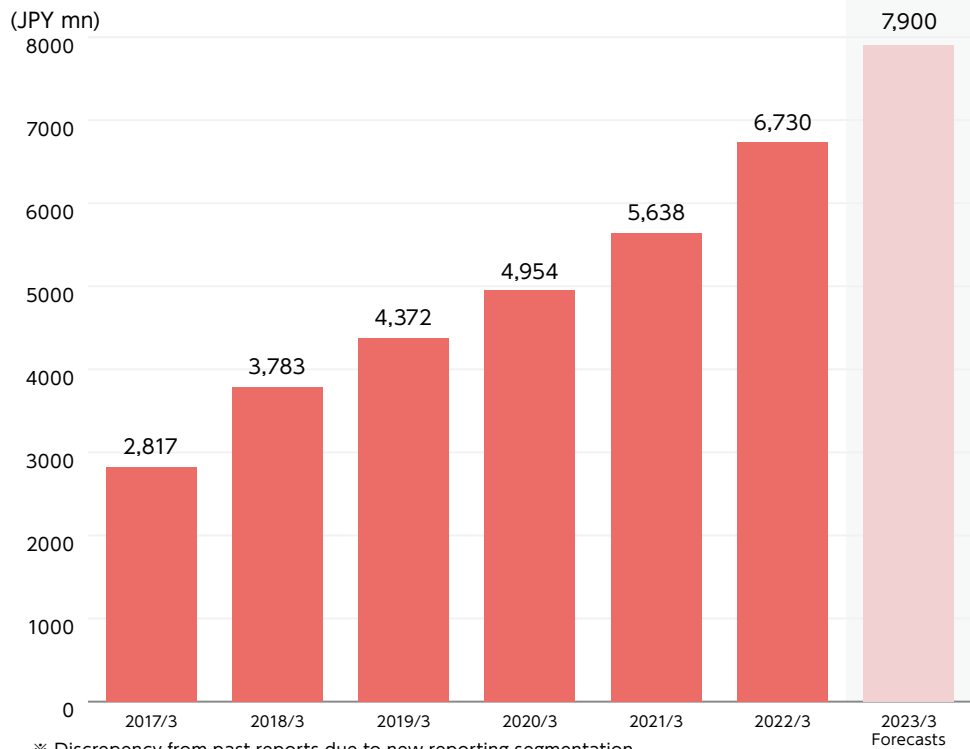


- 113 Locations (+13 FY2020)

- Both sales and profit increased due to steady progress in new store openings

- Plan to open 16 new locations in FY2022. We plan to increase the pace of new store openings.

LITALICO Junior Revenue

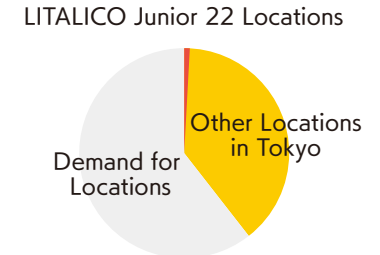


※ Discrepancy from past reports due to new reporting segmentation.

FY 2021 Locations



Demand for Locations in Tokyo

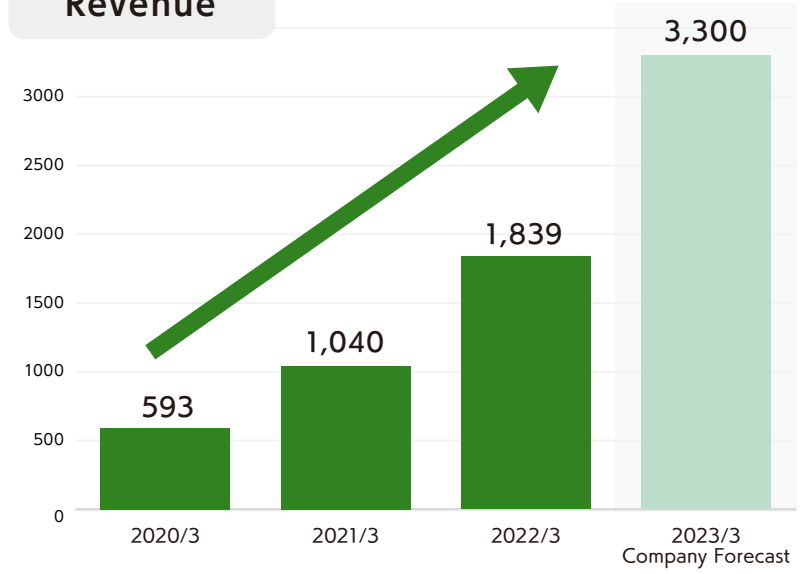


※based on company calculations

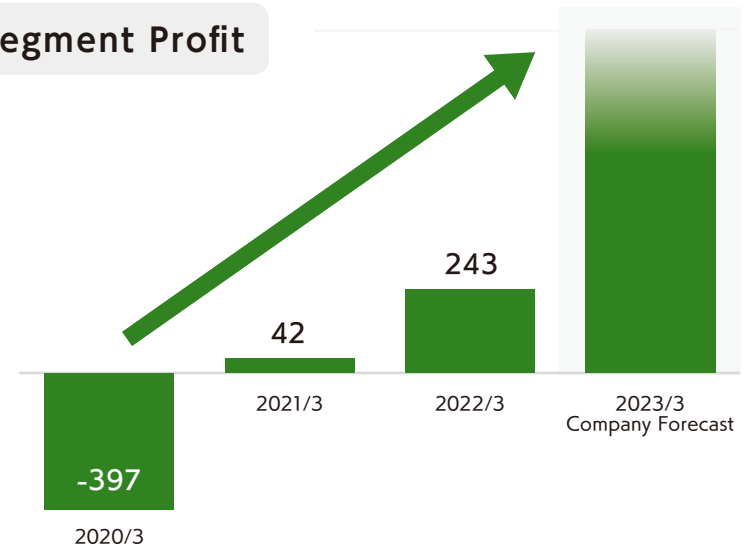
- 76.8% increase in sales compared to the same period last year
- Sales and profits increased while making upfront investments in hiring and training of sales and support personnel, and entered the phase of accelerated growth
- Developing matching media for users and workers and SaaS business for DX support for facilities



Revenue



Segment Profit



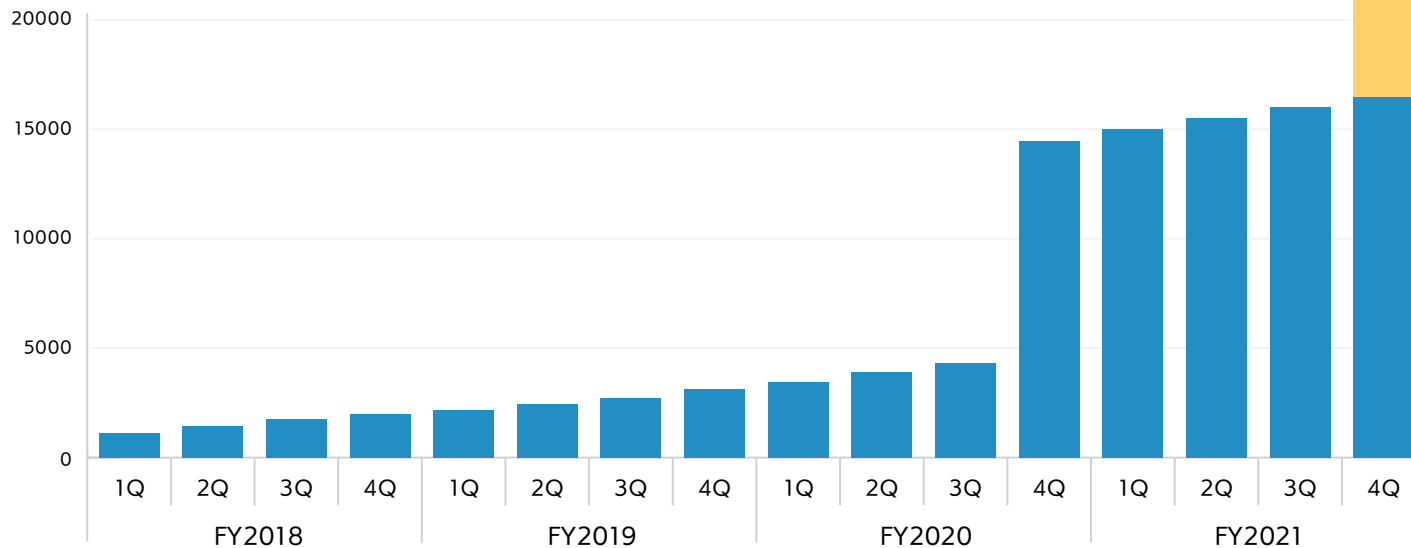


- Package selling the product of Fukushi-soft inc. increased the pace of gaining new accounts

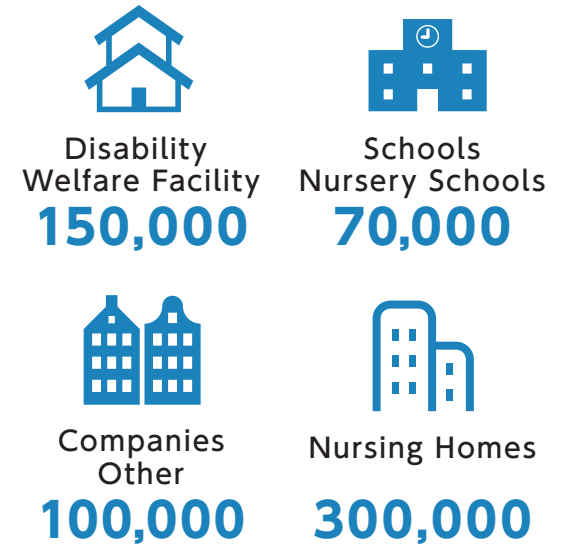
- LITALICO Career achieved 17,000 job offering posts on site

- Further strengthening of SaaS business in the nursing care domain by making Plus One Solutions a wholly owned subsidiary

LITALICO Platform's monthly subscribed accounts



Expanding customer base



※Acquired Fukushi-soft in Jan. 2021
 ※There are other accounts with incentive fee

- Full-scale entry into the nursing care field in close proximity to the disability welfare field

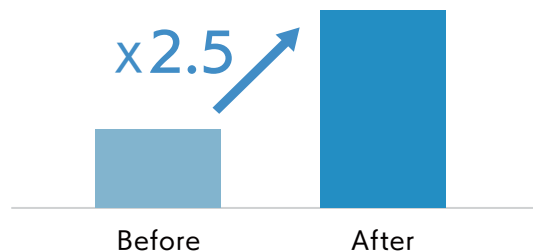


- Many SaaS products in the welfare and nursing care area
- Extensive experience in the nursing care industry Many members



- Over 4,500 offices have already installed our Cloud-based SaaS product for nursing care facilities Nursing Net Plus One

Before and After Previous M&A
Monthly New Contracts of
"Easy Nursing Care Software"
of Fukushi Soft, Inc.



- Enhancement of SaaS product lineup and quality of management support services
- Cross-selling by leveraging the sales resources, customer bases, brands, etc. of both companies (Many corporations that operate disability welfare enters also operate nursing care businesses)
- Expand earnings through management support, such as streamlining the cost structure of Plus One Solutions.

- Current services are focused on disability & welfare, education & nursing schools, and the nursing home market.
- Price increase of existing products along with functional improvement from April 2022.
- Planned to expand products and services with increased additional value
- Contribute to the growth of the entire market by gathering and utilizing data

Disability and Welfare



Billing and Operation Support



Training Support



Factoring



Marketing Support



Recruitment Support

Schools and Nursing Schools



Education material and Training support



Planning System

Nursing Homes



Billing and Operation Support

- To further accelerate the growth of the platform business, we will significantly strengthen our product development capabilities by hiring engineers, PdMs, and designers.
- Build a system to leverage LITALICO's strength in recruiting.
- Strengthening product development capabilities will also contribute to improving quality and efficiency in the BtoC direct service area.

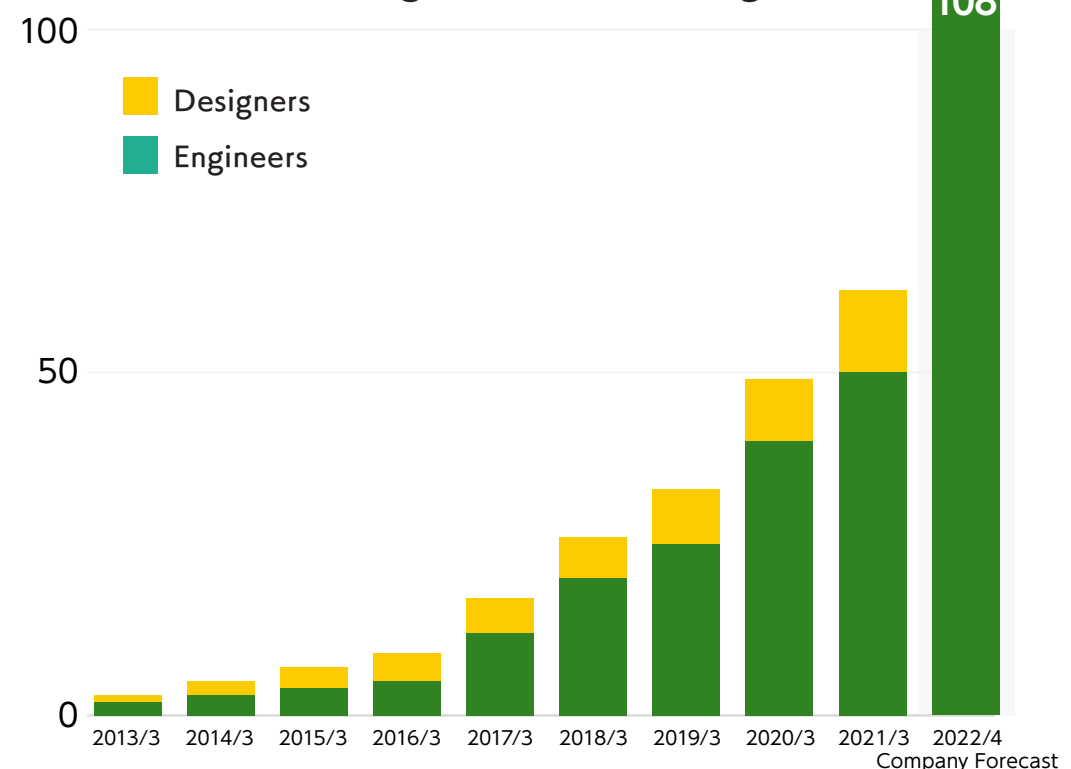
Company where the engineer/business leader is from

- | | | |
|----------------------|------------------|--------|
| • Recruit | • Bain & Company | • GREE |
| • M3 | • Deloitte | • IBM |
| • McKinsey & Company | • SanSan | • DeNA |
| • SMS | • CARTA | • IGPI |

Reason for joining

- It has been a distant field until now, but it is highly meaningful and a job that I can be proud of.
- The possibility of technological challenges such as store business and owning unique data.
- All the employees I met during the selection process were good people with good intentions, and I want to work with them.
- I want to contribute to this field because I have a child with disabilities.

Number of Engineers and Designers



Others LITALICO Junior (personal course), LITALICO Wonder, LITALICO Life

•48.3% increase in revenue compared to the same period last year, returned to profitability in full year.

100% Paid by Customer (non welfare business).
Able to provide services without dependency on government welfare policies

LITALICO Junior Personal Course

Education for children with developmental disabilities, able to use without the use of government supported welfare services. Service model is short term, high quality support.

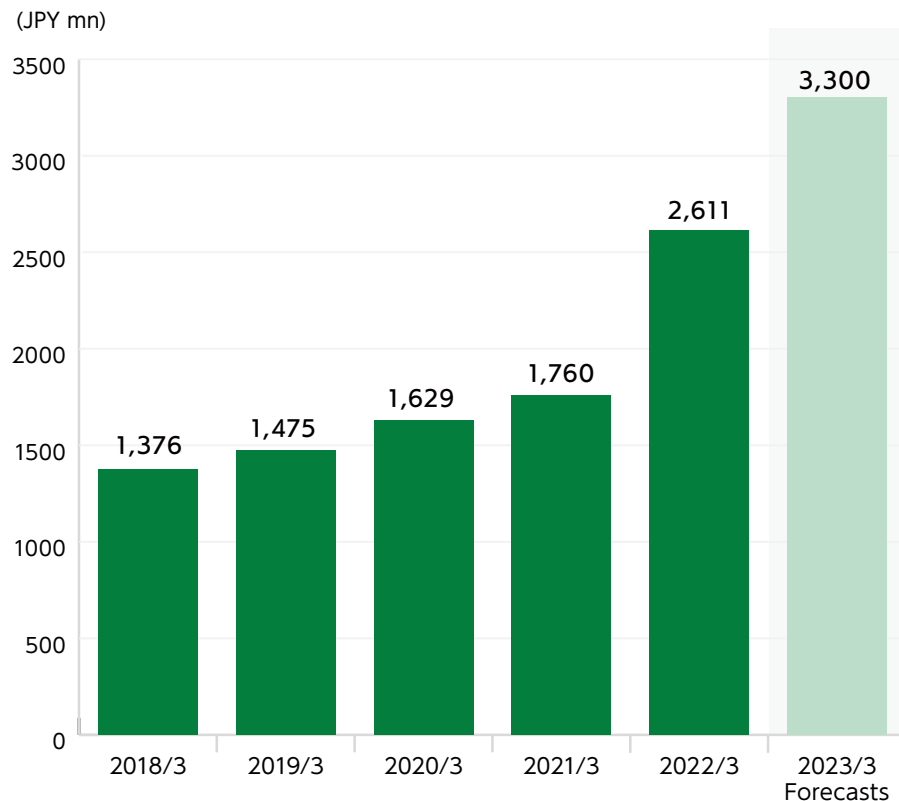
LITALICO Wonder

Aims to grow the creativity of children through programming and robot education. Currently providing both face to face and online services.

LITALICO Life

Life planning and informational support for families with differing concerns and needs. Currently expanding online seminars and support sessions.

Revenue





(パーソナルコース)



- short-term intensive model (personal course)

- Resumption of new store openings due to improved profitability, 26 locations (+4 FY2020)

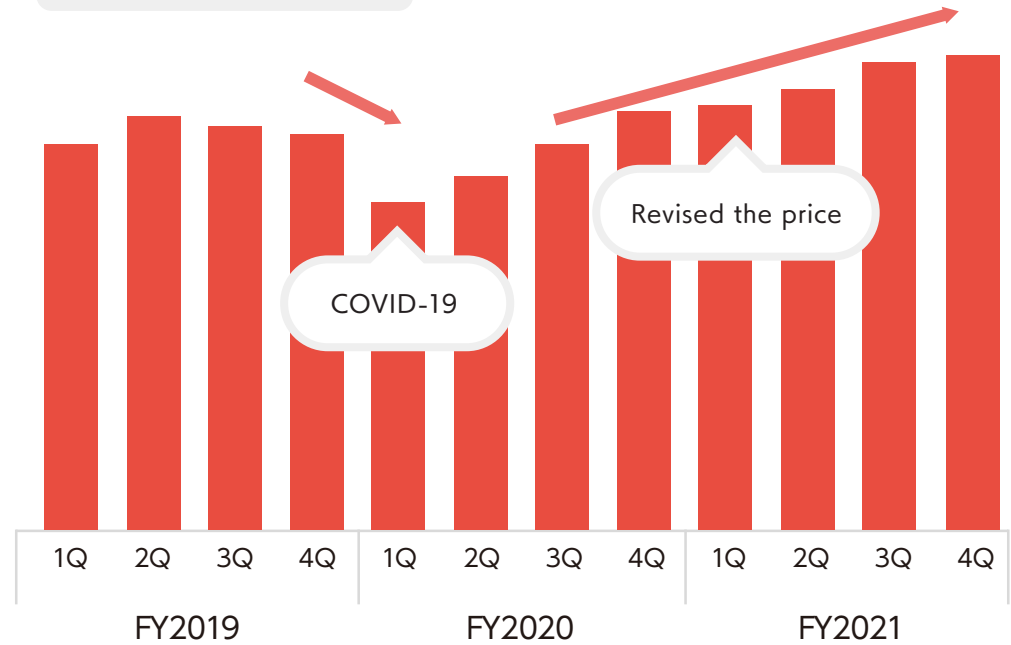
- In light of the impact of Covid-19, focus on strengthening the organizational structure, including recruitment, and training new staff.

Service Overview



- Main target is before school (4~8yrs) conducting 1 to 1 classes for 9 months
- Comes with initial assesment and 9 months education plan
- Also conducts parent training as well as planning for future education
- Also supports and advises home schooling

Quarterly sales





(Programming School)



- 17 Locations, Students: 4,507

- Temporary decline in classroom enrollment due to the impact of Covid-19, but growth potential accelerated with the launch of online courses.

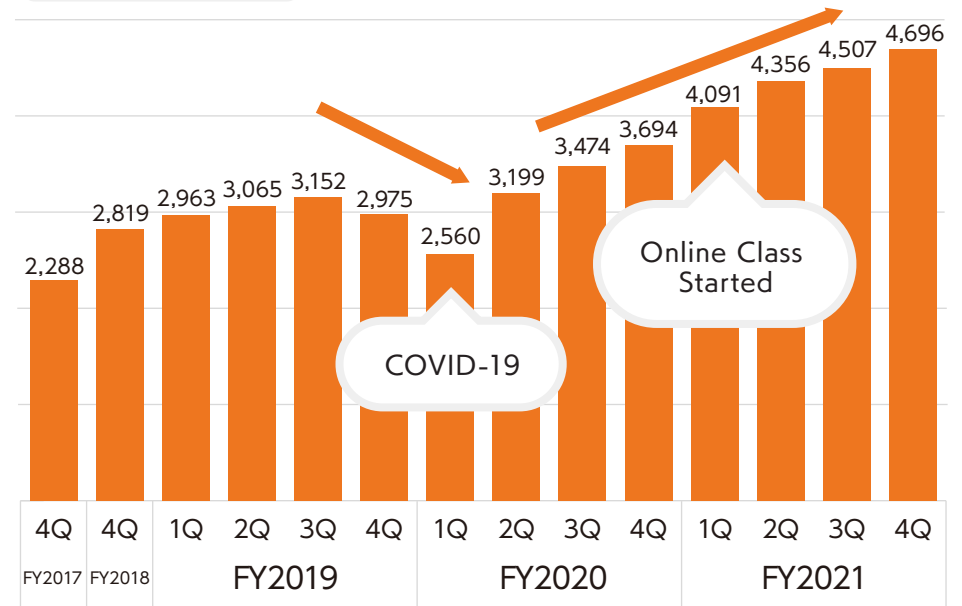
- Online courses are doing well and the number of students in classrooms is increasing. Profitability also improved in the Covid19

Started Online Classes



- 2 Courses: 1 basic, and 1 expert.
- 1 to 2 classes every week. Each class is 60minutes. Price is similar to normal classes' .

of Students





(Service for Families)



- Number of new contracts are steadily increasing

- Expanding specialized online seminars nation wide

Expanded Service Area

- Seminars with lecturers covering a variety of topics
- Individual consultations to address the various concerns of families

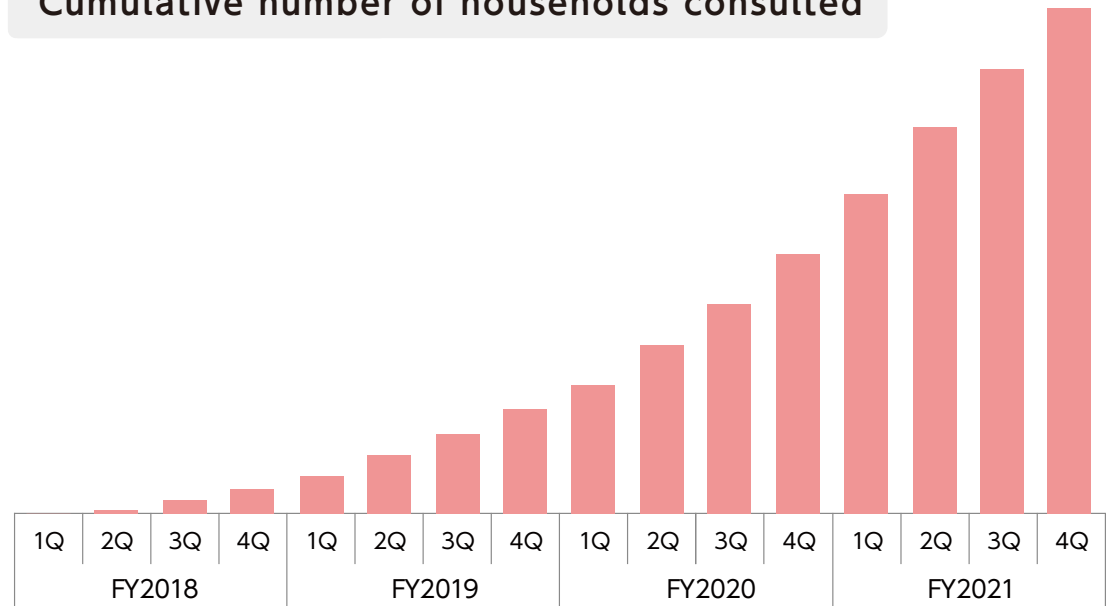
【オンライン開催】 中学・高校の選び方と今からできる準備 [東京版]
 ~発達に特性のある子に合った具体的な進路先の種類・特長を知る~

子どもの可能性を狭めず、将来を見通す
※本テーマは【オンライン開催】となります。ZOOMミーティングでのグループで行うテレビ会議形式の開催となります(参加人数制限あり)。小学校とその先の進路の選択時やそれ以外の時

中学・高校進学 高校受験 高専・通信制
 面白い！イマドキの通信制高校 自分らしさを育て、個性を伸ばす通信制という道路 [詳細を見る](#)

専系・STEAM グローバル 受験
 個性を伸ばす「中学・高校受験」 "好き"を軸に、未来を切り拓く能力がつく子の進路選び。 [詳細を見る](#)

Cumulative number of households consulted



• New directors to be proposed at the General Meeting of Shareholders to be held on June 29,2022



Candidate for Vice President and Representative Director Fumihiko Yamaguchi

Feb 2006	Joined Recruit Co.
Apr 2012	Executive Manager, IMC-C College Preparatory Business Division
Oct 2012	Executive Officer, Recruit Marketing Partners Co.
Apr 2015	Executive Officer of Recruit Holdings Co. President and Representative Director of Recruit Marketing Partners Co.
Apr 2018	Executive Officer, in charge of Education and Learning, Product Management Division, Recruit Co.
Apr 2022	Joined the Company, Executive Vice President (to present)



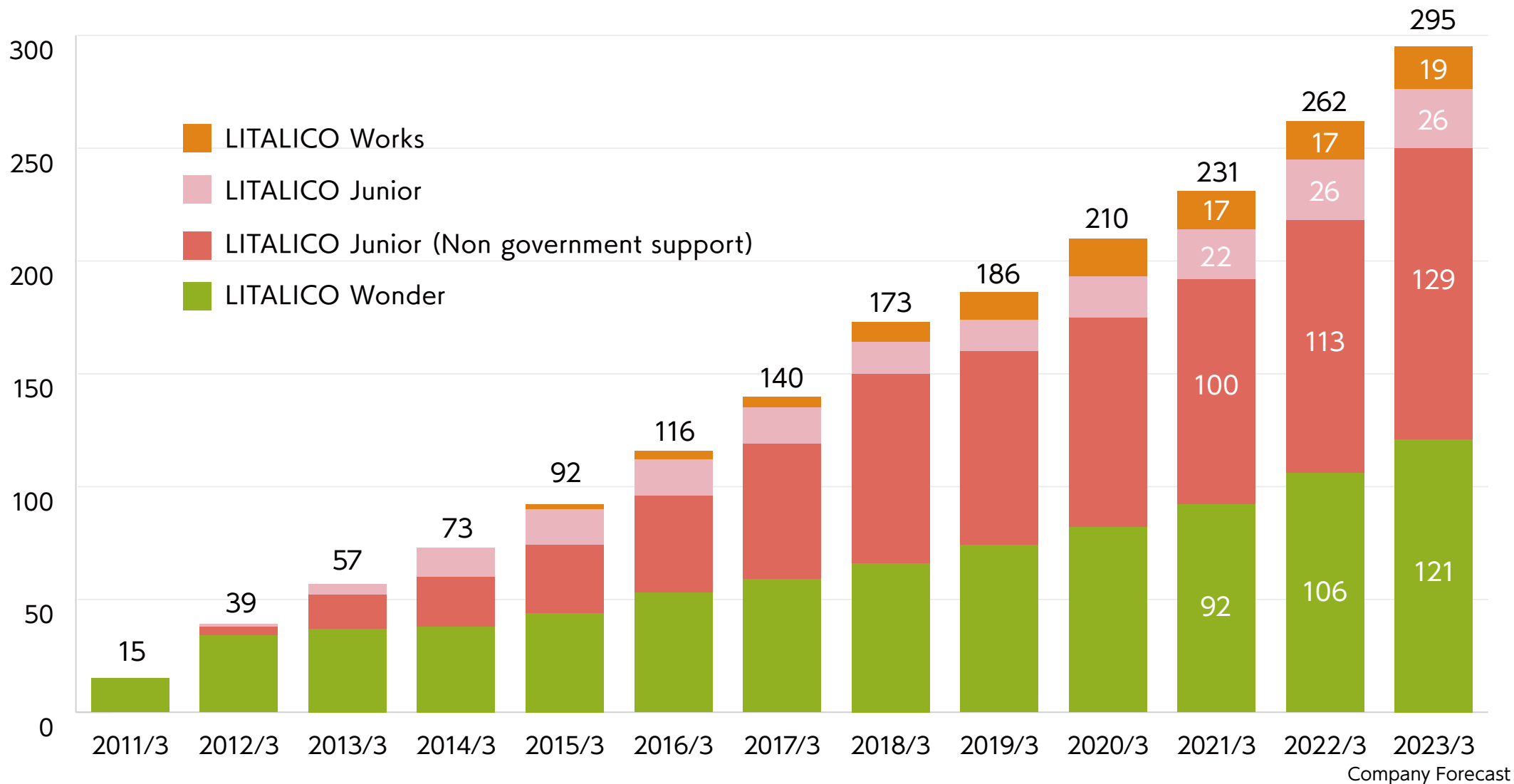
Candidate for Director (Audit Committee Member) Yoshie Komuro

Apr 1999	Joined Shiseido Co.
Jul 2006	President and Representative Director of Work-Life Balance Co.
Apr 2013	Member of Council on Child Care and Child Rearing, CAO
Sep 2014	Member of Industrial Competitiveness Council, CS (private member) Member of Industrial Structure Council, METI
Feb 2015	Member of the General Assembly of the Central Council for Education, MEXT
Sep 2020	Member of Expert Committee on Accelerating Workplace Reform, MOE
Feb 2021	Member of the Employment and Women's Support Project Team for the Corona Disaster, MHLW

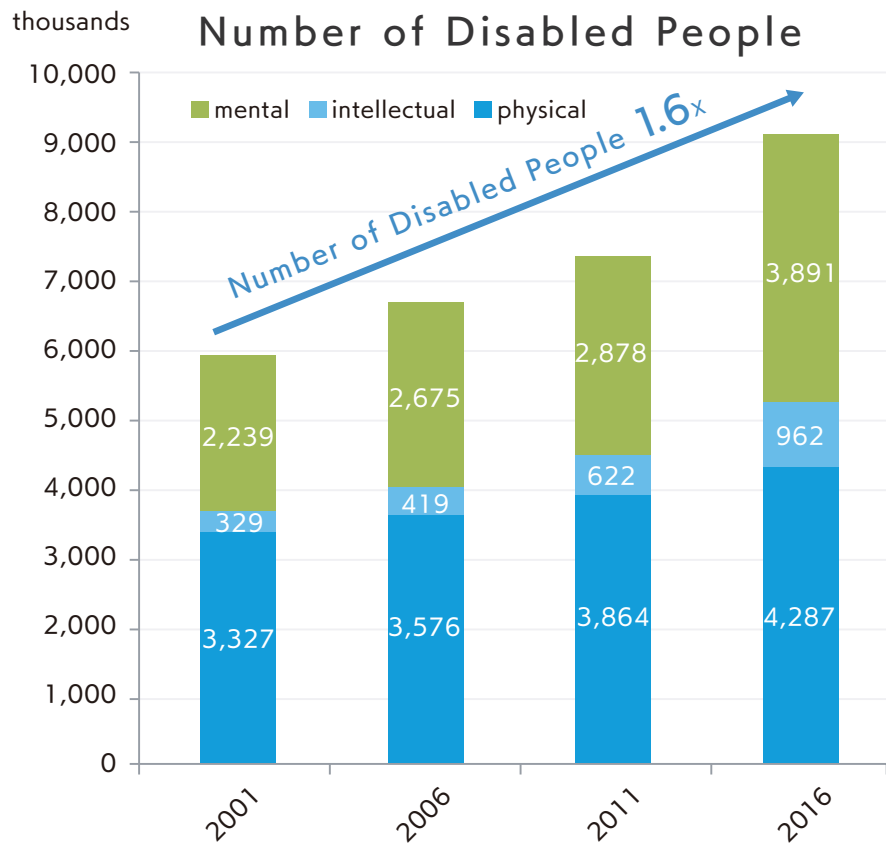
6. Appendix



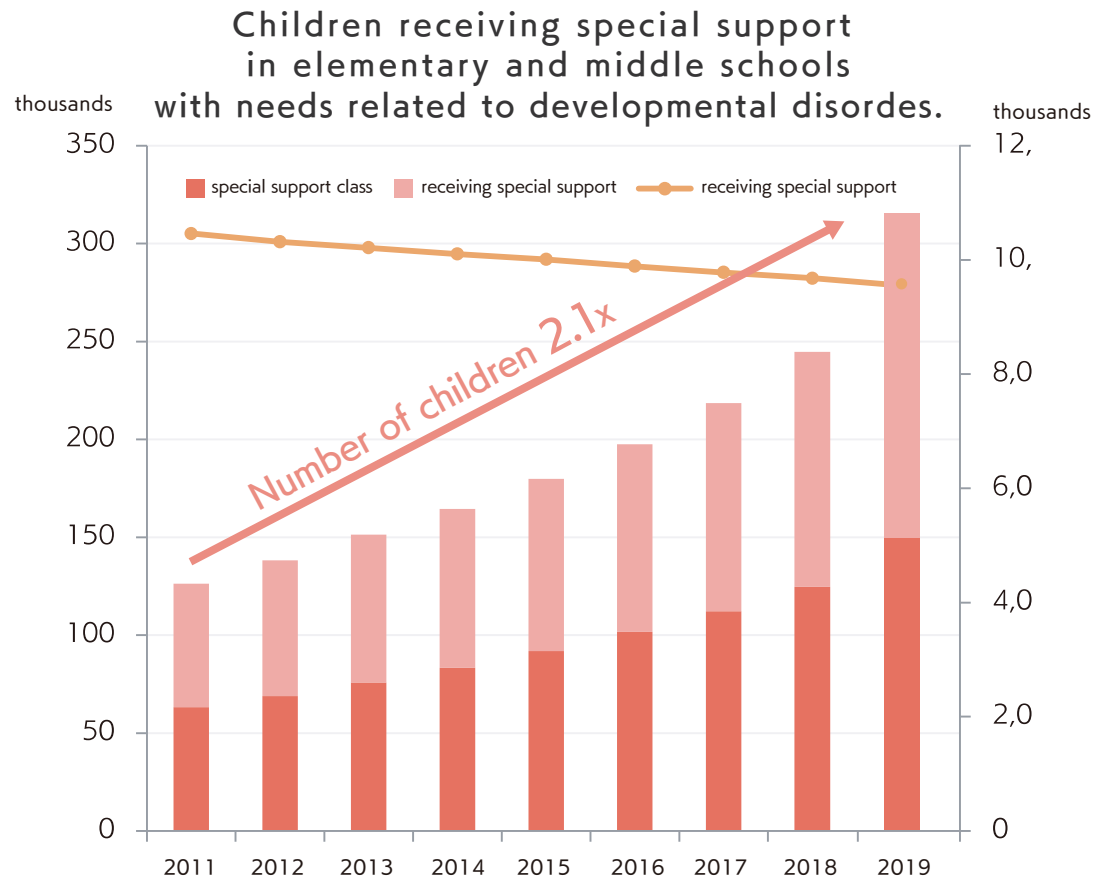
•Planned to reach a total of 295 Locations in FY 2022



- The number of disabled people, as well as children requiring special needs education are increasing.



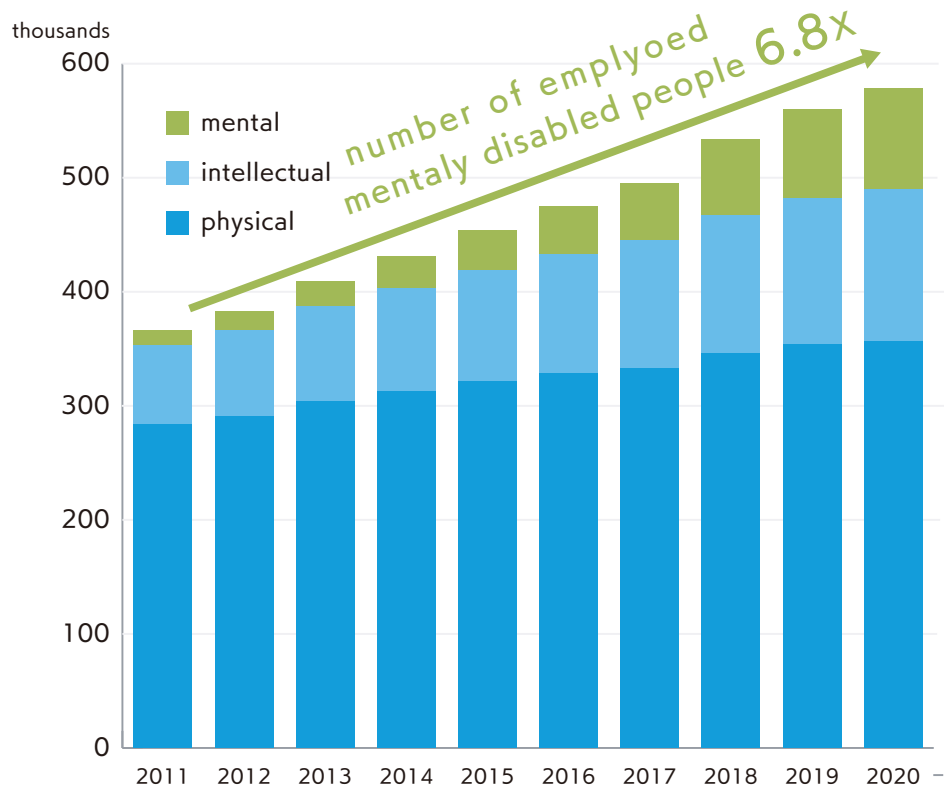
Source: Cabinet Office (Annual Report on Government Measures for Persons with Disabilities).



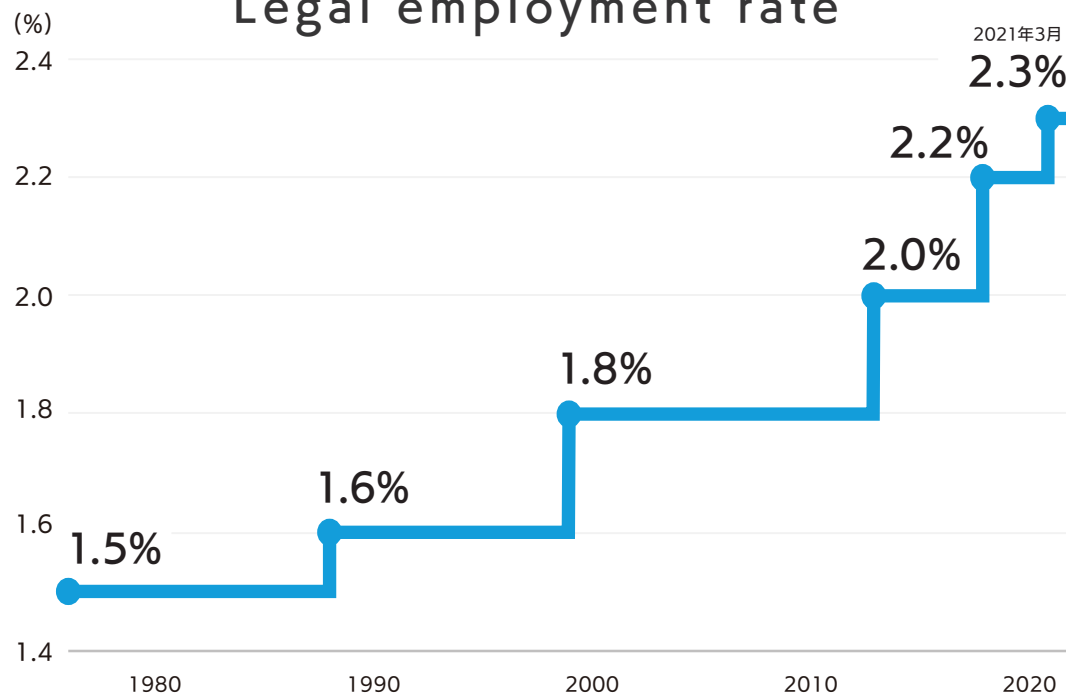
Ministry of Education, Culture, Sports, Science and Technology (MEXT) (Report on School Basic Survey)

• Number of employed disabled people are increasing. Legal employment rate increased to 2.3%

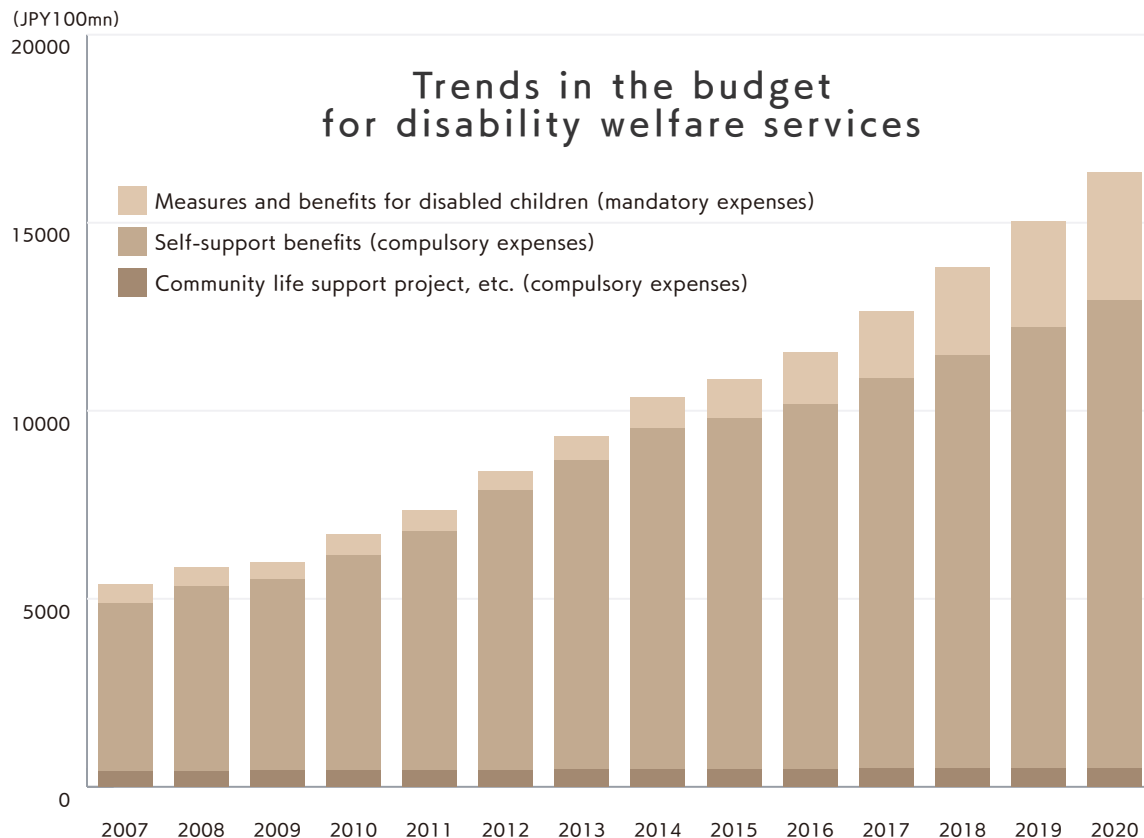
Number of employed disabled people



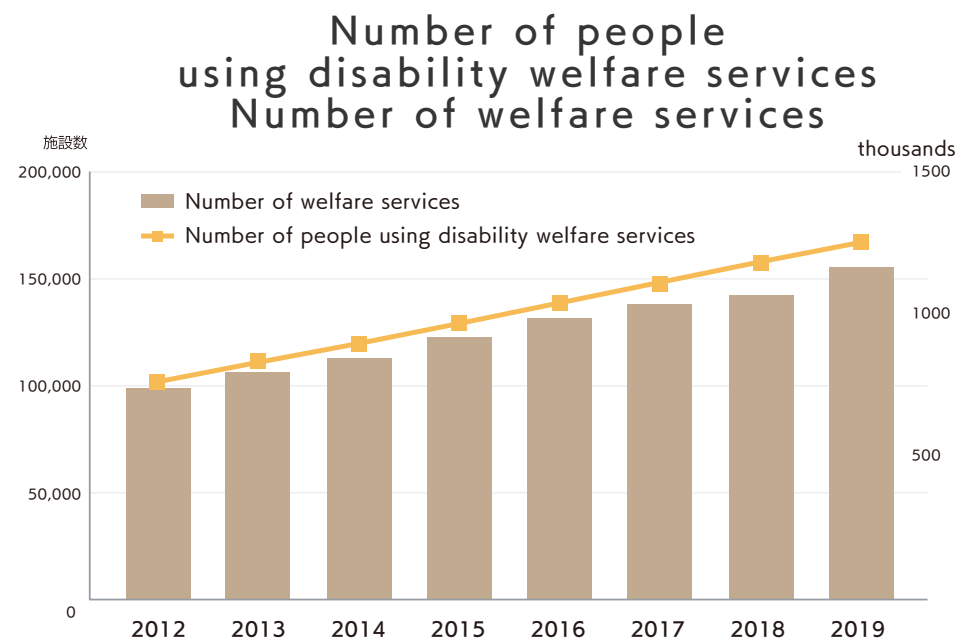
Legal employment rate



•Welfare facilities, as well as number of people working in welfare sector are increasing.

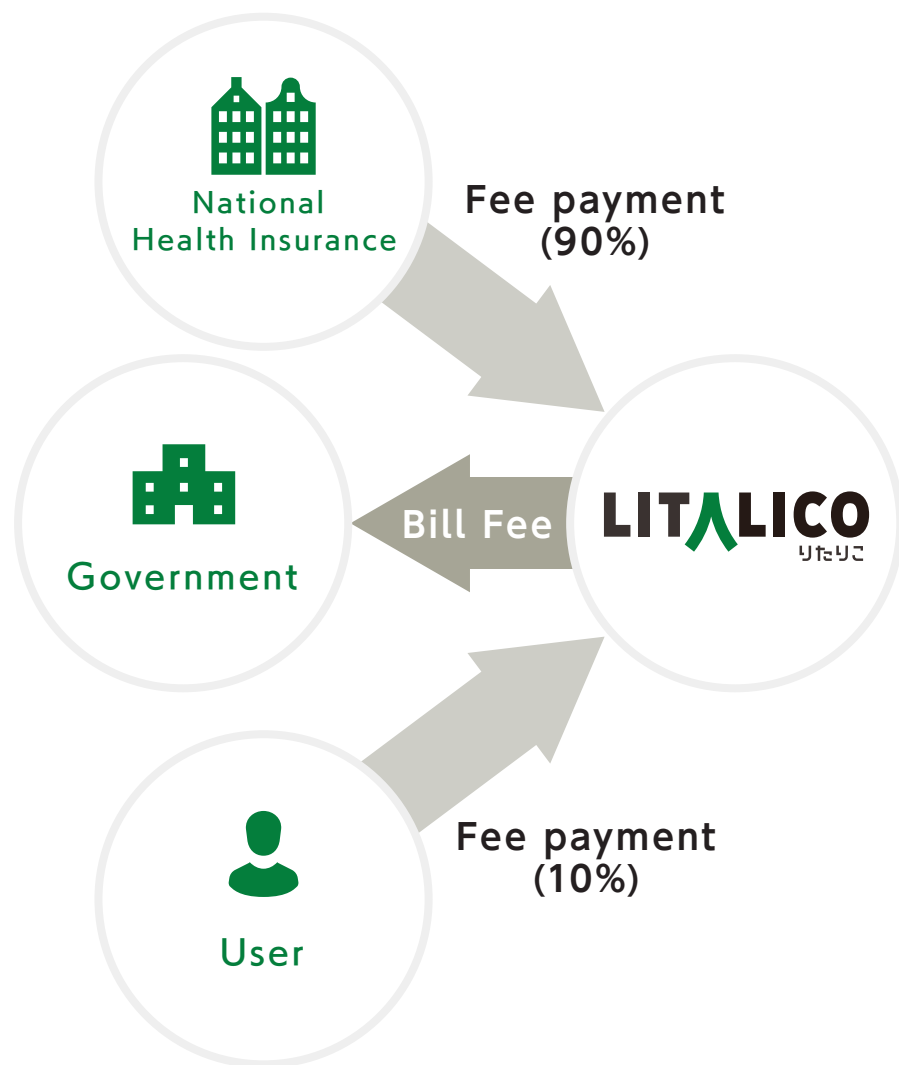


Ministry of Health, Labour and Welfare (Recent trends in the field of disability welfare)



Source: MHLW (Survey of social welfare facilities)

•The fee per service use is fixed: 10% is paid by the user and 90% is paid by the government.



LITALICO Works' Fee

Employment Support

Fee per user. Max 20 users.

1st year : ~8,100yen/use

2nd year : ~8,100 ~ 9,400yen/use

3rd year : ~11,000yen/use

※Fee changes annually based on after employment churn rate

After Employment Support

Fee per user. no limit to number of users.

~20,000 ~ 30,000yen/month

LITALICO Junior's Fee

0~6 yrs (before school)

Fee per user. Max 10 users.

~15,000 円 /use

※ Fee changes monthly based on team staff qualifications

6~18 yrs (after school)

Fee per user. Max 10 users.

Weekdays : ~9,800yen/use

Weekends : ~11,000yen/use

※ Fee changes monthly based on team staff qualifications

Visiting Nursing Schools

Fee per user. no limit to number of users.

~20,000yen/use

※ Fee changes monthly based on team staff qualifications

※For ease of understanding, numbers are approximate

Fee for Employment Support Services

Based on 6 month churn rate
of past year's successfully employed people

Churn	Base Fee
over 50%	1,128
40~49%	959
30~39%	820

Fee for Post Employment Support Services

Based on churn rate of successfully employed people

Churn	Base Fee
Over 95%	3,449
90~94%	3,285
80~89%	2,710
70~79%	2,176
50~69%	1,642

Fee Units for 0~6 yrs

Additional points by placing qualified employees
on the team.

Personal Support Additional Points(100~125)
Qualified support points (123~187)
Qualified instructor points (90~187)
Base Fee (885)

Reward Rate for 6~18 yrs

Additional points by placing qualified employees on the team.

Personal Support Additional Points(100~125)
Qualified support points(187)
Qualified instructor points(90~187)
Basic Reward (Weekdays 604, Weekends 721)

※1point=10JPY

People Employed through using LITALICO Works

- FY 2021 : 1,712
Cumulative 11,880
- Retention Rate after 6 months of being employed : 91.3%

LITALICO Junior users

- As of September 2021: 8,463

LITALICO Wonder users

- As of September 2021: 4,696

Female Employee Ratio

- Company : 64.7%
- Managerial Position : 51.2%
- New Graduate : 77.8%

Company training and skill up opportunities

To respect diversity, eliminated compensation for family or individual specific circumstance

Company compensates for some remote working expenses.

Evaluation by external organizations

Received an MSCI ESG rating of AA

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

As of 2021, LITALICO Inc. received an MSCI ESG Rating of AA.

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— Create a society without any barriers

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