



# TEMAIRAZU

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**Financial Results  
for the Fiscal Year 2023  
(July 2022 – June 2023)**

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# 1 Summary of the Results

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# 1 Summary of the Result for FY 2023

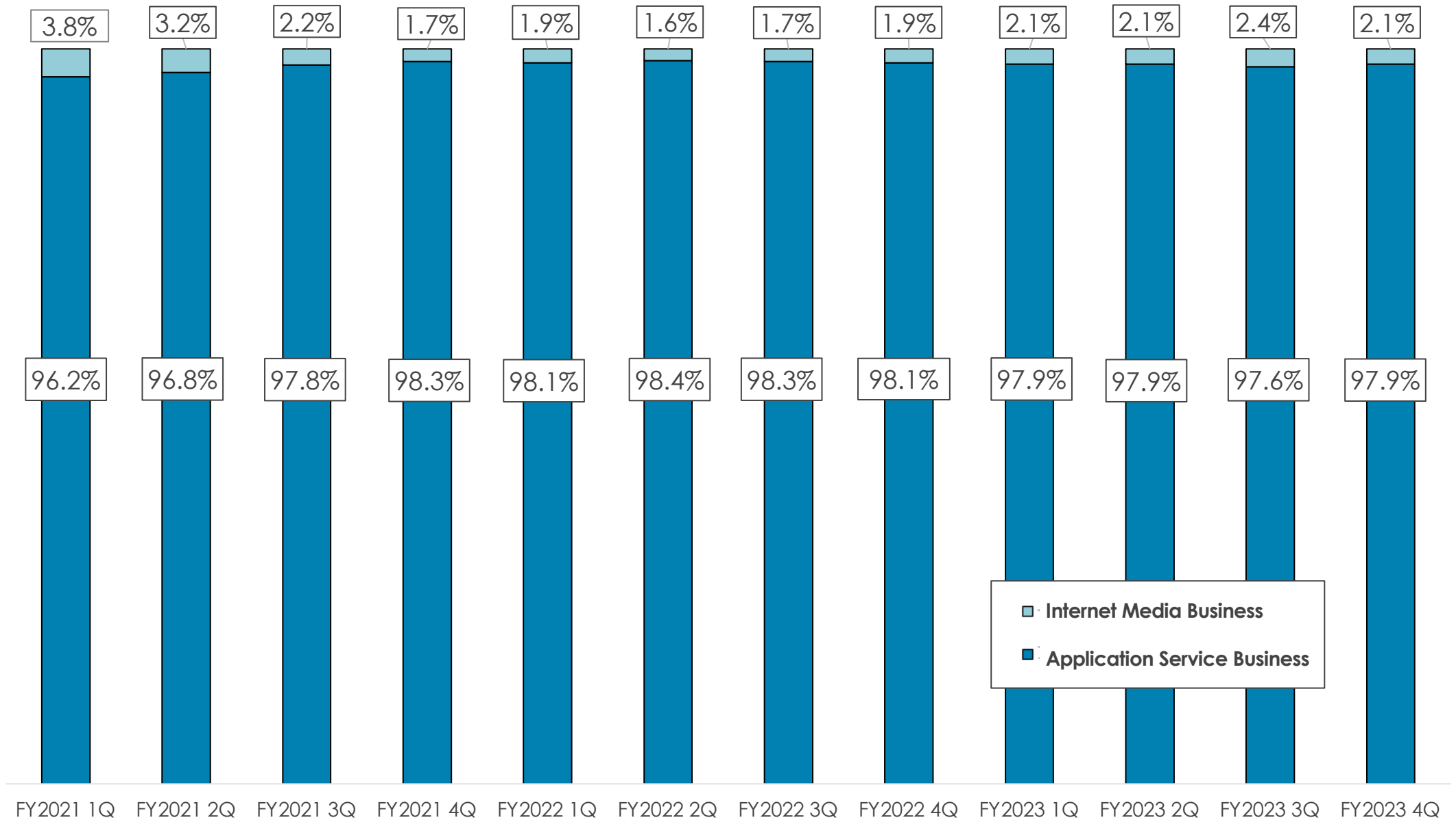
## 1 Outline of the financial results

Net Sales: **10.9% increase YoY**    Operating Income: **14.0% increase YoY**

|                        | FY 2023 total   |                        | Result of same period last year | Difference (amount) | Difference (percentage) |
|------------------------|-----------------|------------------------|---------------------------------|---------------------|-------------------------|
|                        | Results         | Profit margin on sales |                                 |                     |                         |
| Net Sales              | JPY 1,809,499 K | —                      | JPY 1,631,008 K                 | JPY 178,490 K       | <b>10.9%</b>            |
| Operating Income       | JPY 1,331,929 K | <b>73.6%</b>           | JPY 1,168,218 K                 | JPY 163,711 K       | <b>14.0%</b>            |
| Ordinary Income        | JPY 1,333,546 K | <b>73.7%</b>           | JPY 1,179,352 K                 | JPY 154,193 K       | <b>13.1%</b>            |
| Net Income             | JPY 873,814 K   | <b>48.3%</b>           | JPY 782,582 K                   | JPY 91,232 K        | <b>11.7%</b>            |
| Net earnings per share | JPY 134.86      | —                      | JPY 120.78                      | —                   | —                       |

# 1 Summary of the Result for FY 2023

## 2 Sales composition ratio



- 1 Summary of the Result for FY 2023
- 3 Sales and profit per segment

#### Application Service Segment:

Sales and profits increased and profit margin after cost allocation was 73.8%

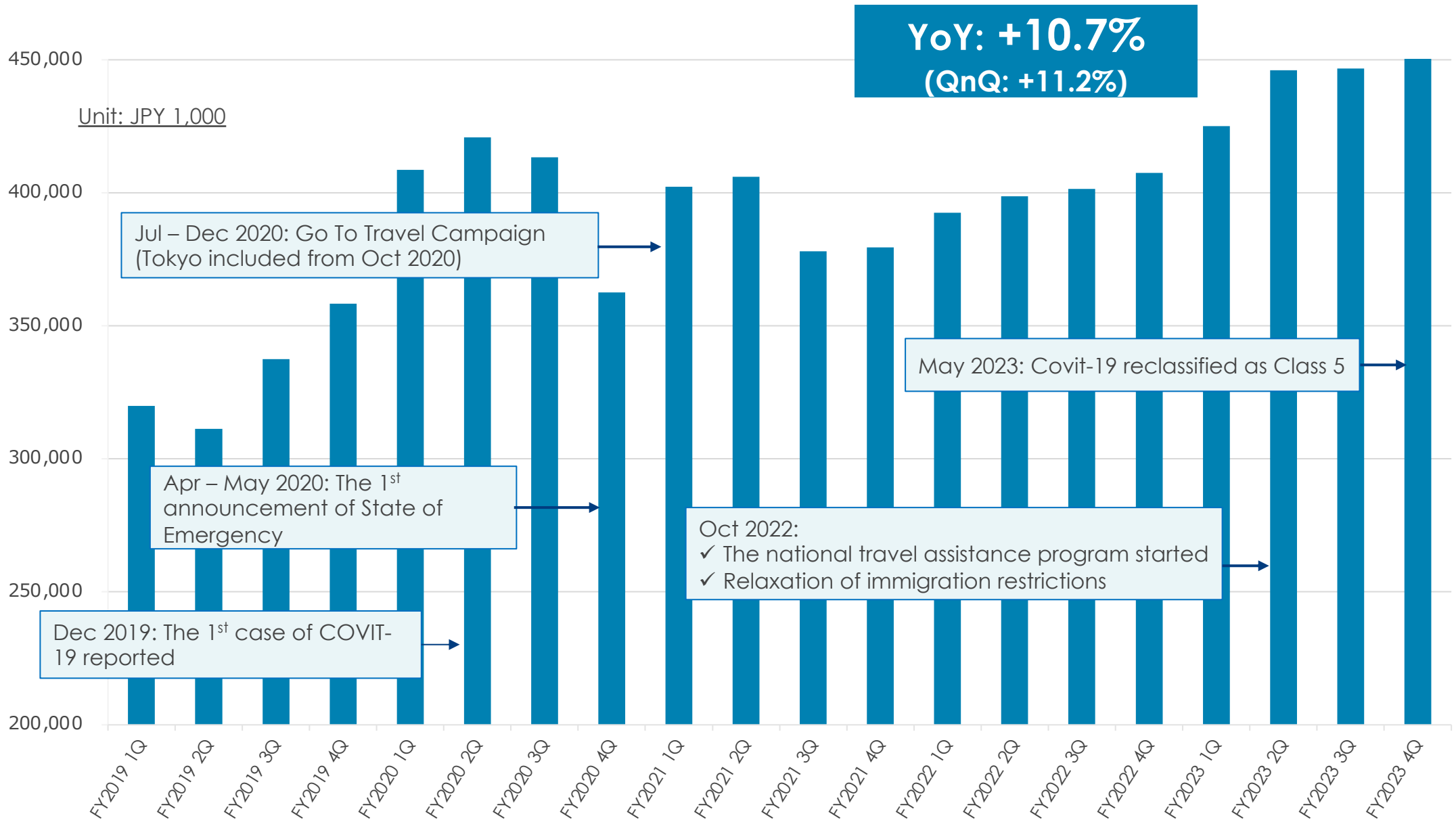
#### Internet Media Segment:

Sales and profits increased and profit margin after cost allocation was 66.7%

|                     | Segment Sales          | Segment Profit<br>(After cost allocation) | Profit margin on sales<br>(After cost allocation) |
|---------------------|------------------------|---|---|
| Application Service | JPY 1,771,152 K        | JPY 1,452,842 K<br>(JPY 1,306,344 K)      | 80.2%<br>(73.8%)                                  |
| Hikaku.com          | JPY 38,346 K           | JPY 27,771 K<br>(JPY 25,584 K)            | 72.4%<br>(66.7%)                                  |
| Adjustment          | -                      | -JPY 148,683 K                            | -   |
| <b>TOTAL</b>        | <b>JPY 1,809,499 K</b> | <b>JPY 1,331,929 K</b>                    | <b>73.6%</b>                                      |

# 1 Summary of the Result for FY 2023

## 4 Sales trend of Application Service segment(Temairazu)

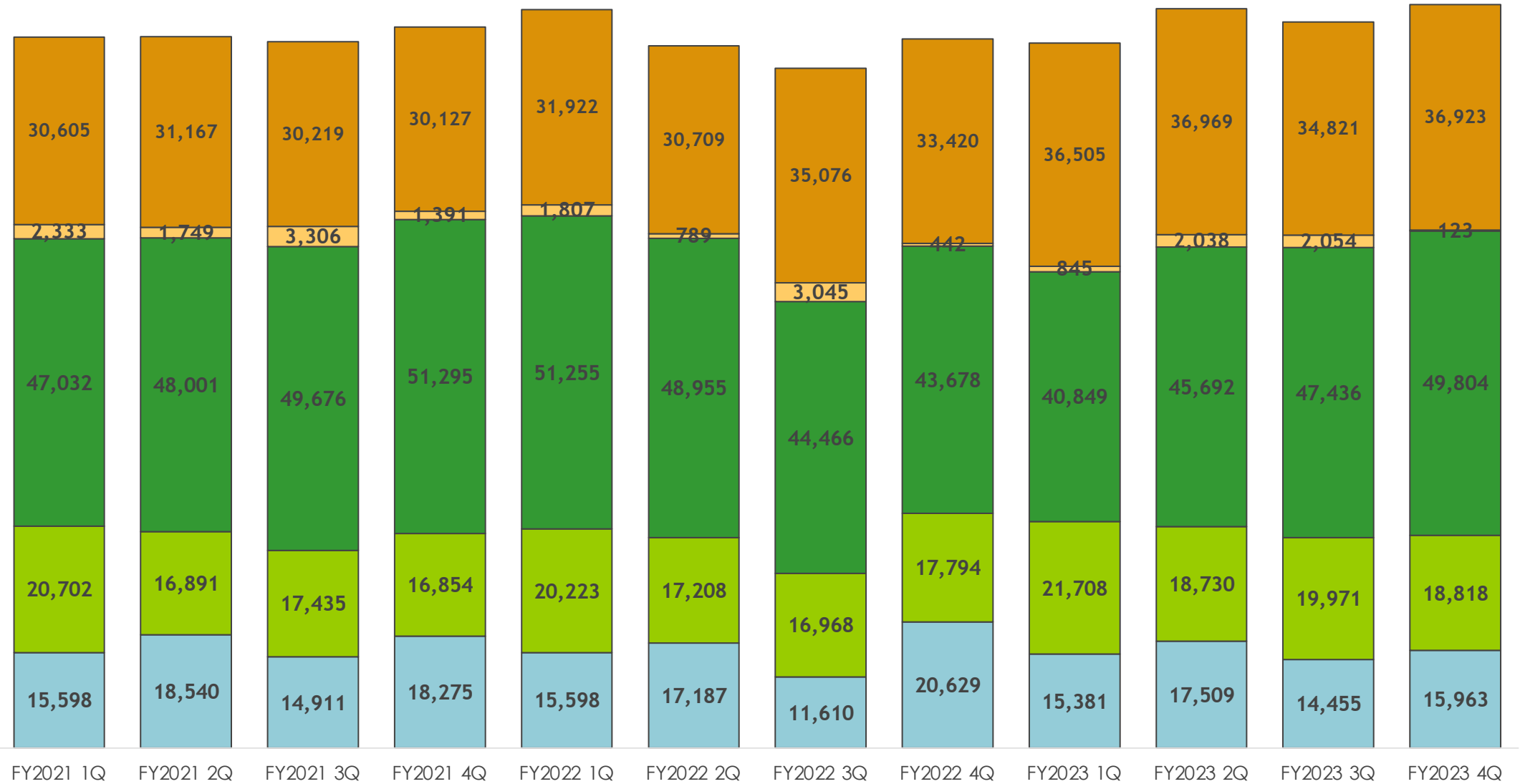


# 1 Summary of the Result for FY 2023

## 5 Breakdown of sales cost and SG&A



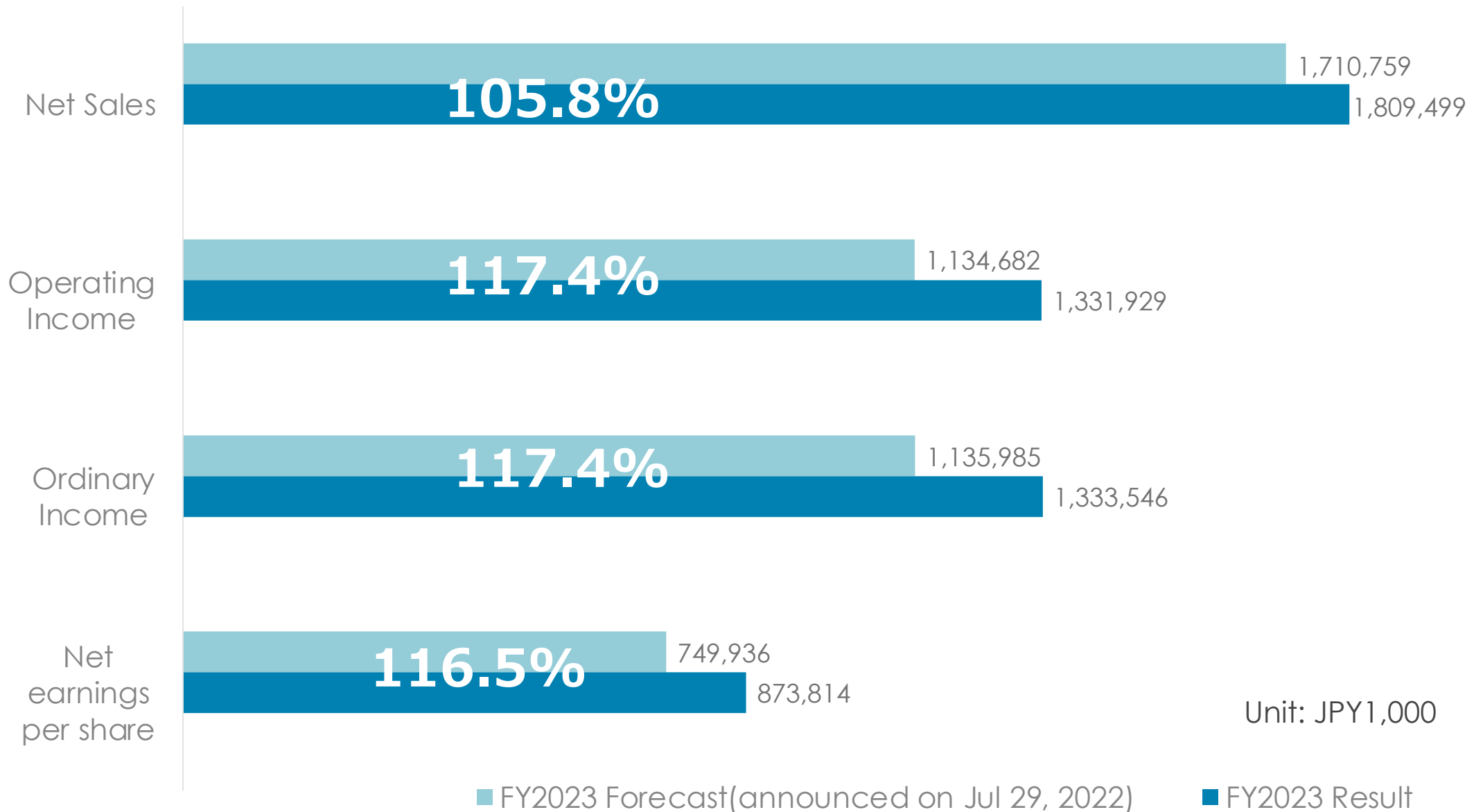
Unit : JPY 1000





1 Summary of the Result for FY 2023

6 Progress rate against full-year forecast



# 1 Summary of the Result for FY 2023

## 7 Balance Sheet

|                                       | End of FY 2022         | End of FY 2023         | Key factors of change             |                                    |
|---------------------------------------|------------------------|------------------------|-----------------------------------|------------------------------------|
| Cash                                  | JPY 5,047,336 K        | JPY 5,826,084 K        |                                   | + JPY 778,747 K                    |
| Other current assets                  | JPY 275,309 K          | JPY 290,803 K          | Accounts receivable               | + JPY 8,954 K                      |
| Fixed assets                          | JPY 55,674 K           | JPY 64,621 K           | Deferred tax assets               | + JPY 3,217 K                      |
| <b>Total Assets</b>                   | <b>JPY 5,378,320 K</b> | <b>JPY 6,181,509 K</b> |                                   | -                                  |
| Liabilities                           | JPY 289,120 K          | JPY 397,108 K          | Income taxes payable              | + JPY 71,198 K                     |
| Capital stock                         | JPY 5,089,200 K        | JPY 5,784,400 K        | Net Income<br>Dividend of surplus | + JPY 873,814 K<br>- JPY 181,417 K |
| <b>Total liabilities / net assets</b> | <b>JPY 5,378,320 K</b> | <b>JPY 6,181,509 K</b> |                                   | -                                  |
| Equity ratio                          | 94.6%                  | 93.6%                  |                                   | -                                  |
| ROE                                   | 16.4%                  | 16.1%                  |                                   |                                    |
| ROA                                   | 23.2%                  | 23.1%                  |                                   |                                    |

# 1 Summary of the Result for FY 2023

## 8 Statements of Cash Flows

End of FY 2023

Variable Factors

|                               |                      |  |                                    |
|-------------------------------|----------------------|--|------------------------------------|
| Operating CF                  | JPY 964,778 K        | Net income before income tax<br>Income taxes payment | JPY 1,333,546 K<br>- JPY 394,013 K |
| Investing CF                  | - JPY 4,473 K        | Acquisition of fixed assets                          | - JPY 4,612 K                      |
| Financial CF                  | - JPY 181,557 K      | Dividend payments                                    | - JPY 181,159 K                    |
| <b>Changes in CF</b>          | <b>JPY 778,747 K</b> |  | -                                  |
| CF balance at beginning of FY | JPY 5,047,336 K      |  | -                                  |
| CF balance at end of FY       | JPY 5,826,084 K      |  | -                                  |
| <b>Free Cash Flow</b>         | <b>JPY 960,304 K</b> |  | -                                  |

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

# 2 Business report

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## 2 Business report

### 1 Business Summary of each segment

#### Application Service Business



**TEMAIRAZU**

#### Development & provision of channel manager “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.

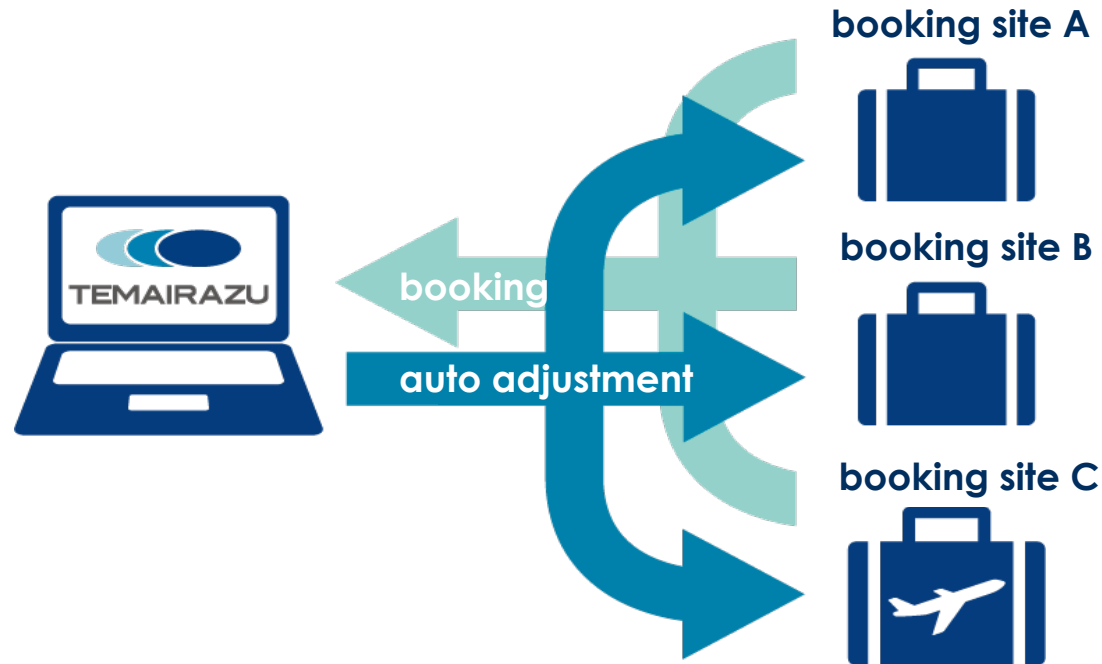
##### Ads

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  
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.

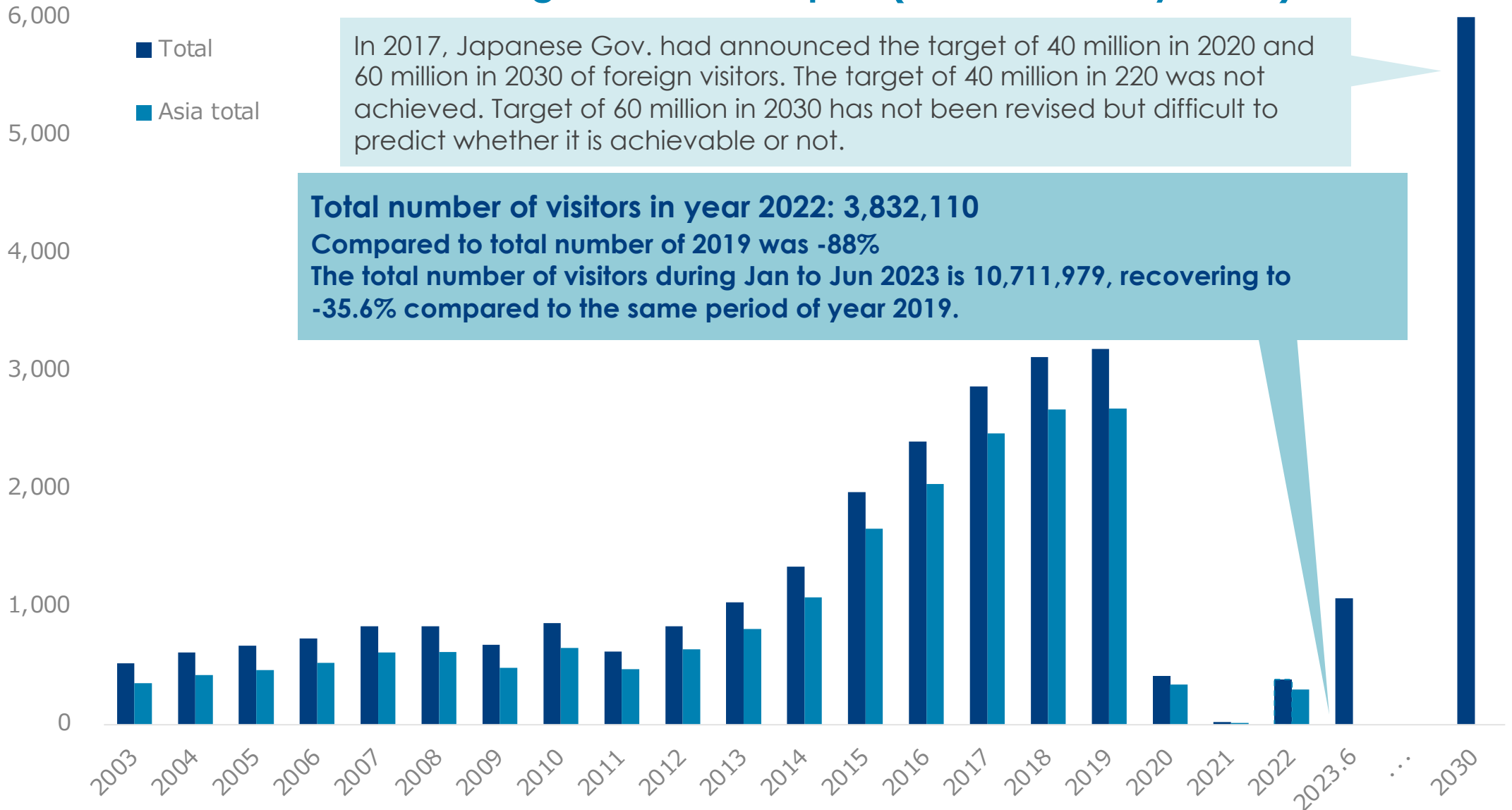
In 2010, new ASP model channel manager “TEMAIRAZU.NET” was launched. The ability to be used anywhere by connecting to internet had much improved convenience and efficiency of this system. Connected to not only domestic channels but also overseas/global channels and travel agents. Also, became able to 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)



Unit: 10K



## 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 there was a certain number of cancellations mainly of small-scale accommodations due to closure etc., the churn rate is on decreasing trend.
  - ✓ New inquiries are on increase.
- Monthly variable income
  - ✓ The variable income is on increase due to increasing demand for accommodation industry.

Result in FY2023 :

|                             |                  |       |
|-----------------------------|------------------|-------|
| ■ Fixed Monthly Income:     | JPY1,405 million | 79.3% |
| ■ Monthly Variable Income : | JPY 336 million  | 19.0% |
| ■ Other Income :            | JPY 30 million   | 1.7%  |

## 2 Business report

### 2-6 Application Service Business (Temairazu)

## **New system connectivity for improving operational efficiency and convenience**

**“RemoteLOCK”, smart lock provided by KOZO KEIKAKU ENGINEERING Inc.**

**” STAYNAVI”, a website specializing in direct booking for accommodations operated by PEERTO Co., Ltd.**

**(reducing the time and effort required to register and issue coupons)**

**“suitebook booking engine”, a new feature of cloud based accommodation operation system “suitebook” provided by SQUEEZE Inc.**

**“b→dash”, a data marketing solution provided by dataX Inc.**

**“Payn”, a solution which digitalize the cancelation fee charge and collection tasks provided by Payn, Inc.**

## 2 Business report

### 2-5 Application Service Business (Temairazu)

## Expanding sales opportunities for accommodations : Strengthening the connectivity with distribution channels

**“Chii-Pla”, a regional-specific booking system platform provided by NYANGO Co., Ltd.**

**“HafH”, a travel subscription platform operated by KabuK Style Inc**

**“VHSHUB”, a booking system provided by Hong Kong-based Harvest Elite International Ltd.**

## Increasing direct booking for accommodations: new connectivity with booking engines etc.

**“TabiChat engine”, a booking engine helping accommodations to increase direct bookings provided by NinNin, Inc.**

**“Free Booking links” of Google**

## Enhancement of Temairazu functions

### Increasing the convenience of Booking Engine system

Connecting “TEMANASHI NEXT”, the Booking Engine provided as an optional function of TEMAIRAZU, with “JTB Book&Pay”, a booking system with settlement function provided by JTB BUSINESS INNOVATORS Corp. , to increase the convenience on payment

### UI Design Renewal for Temairazu

To increase the convenience of the operability, completely renewed the user interface design of Temairazu

### Implementation of Plan-Group function

To increase the convenience of rate management, implemented a new function “Plan-Group” that helps the rate management which the operation is different from accommodation to accommodation.

## Segment profit (after cost allocation)



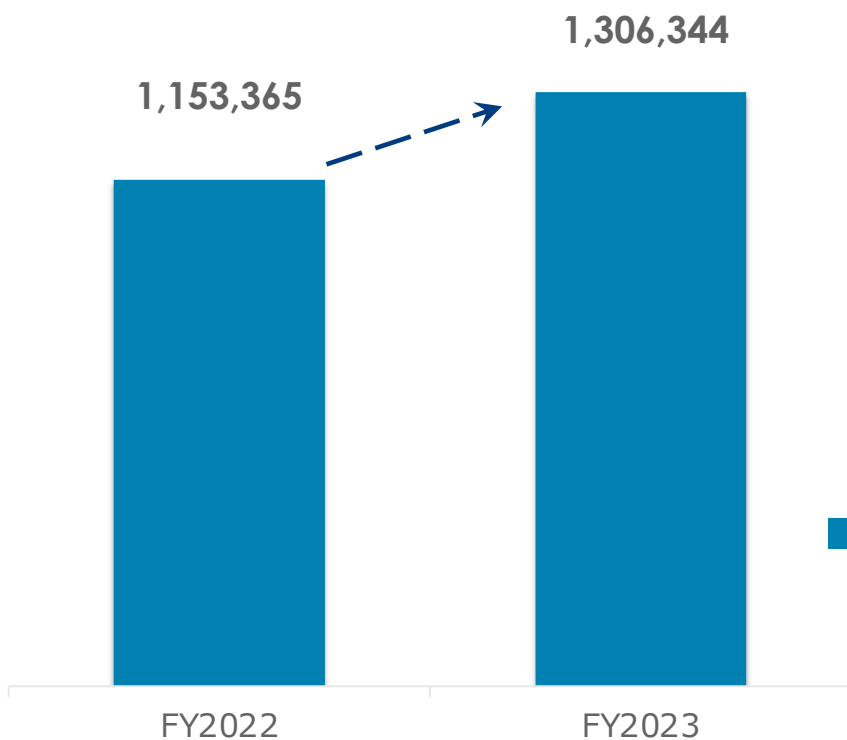
TEMAIRAZU

YoY +13.3%

### < Topics >

- Increase in number of accommodation bookings
  - ✓ Increase of domestic travelers due to ease of behavioral restrictions and the government's national travel assistance program
  - ✓ Increase of inbound travelers due to relaxation of immigration restrictions and termination of border control measures
- Although there was a certain number of cancellations mainly of small-scale accommodations due to closure etc., the churn rate is on decreasing trend.

Unit: JPY 1,000



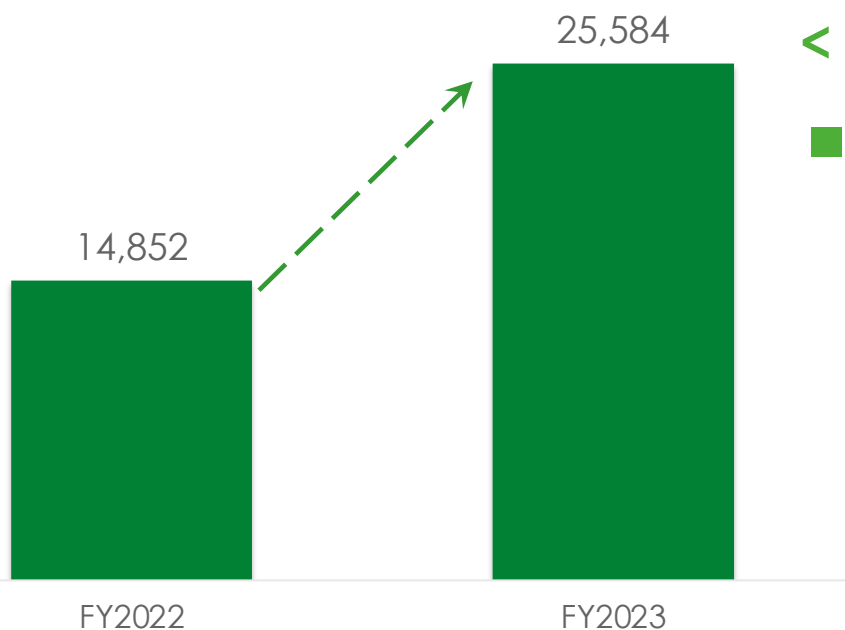
2 Business report

3 Report on Internet Media Business (Hikaku.com)

## Segment profit (after cost allocation)



YoY +72.3%



### < Topics >

- Continuous implementation of the following measures
  - Review of ads placement
  - Search Engine Optimization
  - User interface improvements
  - Mobile usability improvements
  - Expansion of contents

# 3

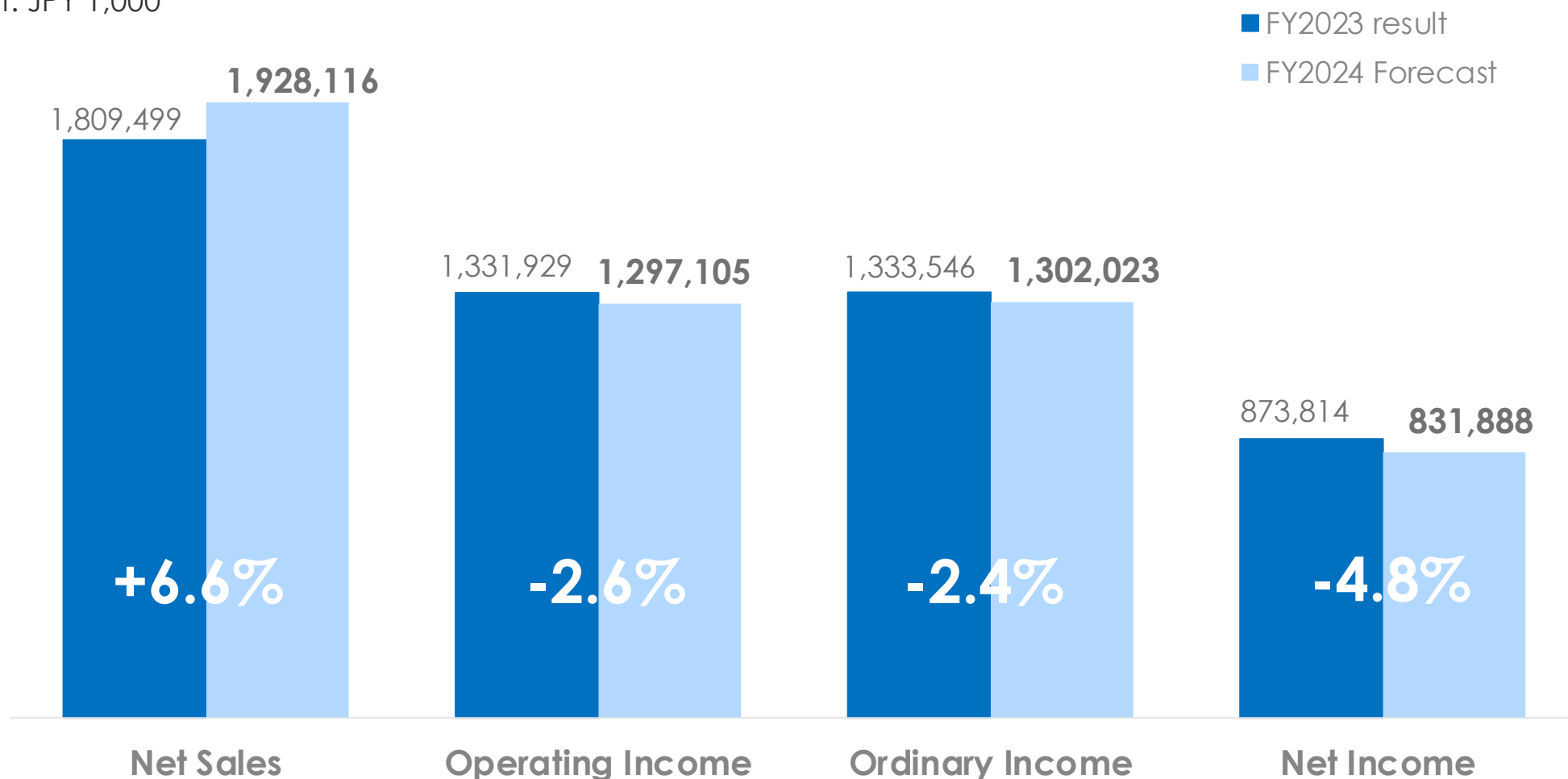
## Forecast and future business development

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- 3 FY2024 Forecast and future business development
- 1 Business Forecast

## Forecasts taking into account the impact of COVID-19

Unit: JPY 1,000





### 3 FY2024 Forecast and future business development

## 2-1 Business Forecast for Application Service Segment

### The assumptions used in forecast

- ❑ Impact of Spread of COVID-19 is mitigated.
- ❑ Downside risks due to energy and cost-of-living etc price hike.
- ❑ Uncertain outlook for Chinese travelers, which had accounted for much of the inbound business.
  - ✓ Re-expansion of COVID-19
  - ✓ Slowing economic growth prospects
- ❑ Slow recovery in accommodation demand for business use.
- ❑ Plans for new accommodation properties, including small properties, remain at a certain level.

Due to various factors, inbound demand is not expected to return to pre-COVID-19 levels until spring 2025 at the earliest, and in FY2024, the accommodation industry is expected to continue to be revitalized by the return of accommodation demand.

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

### 3 FY2024 Forecast and future business development

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

- Responding to returning demand.
- 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**

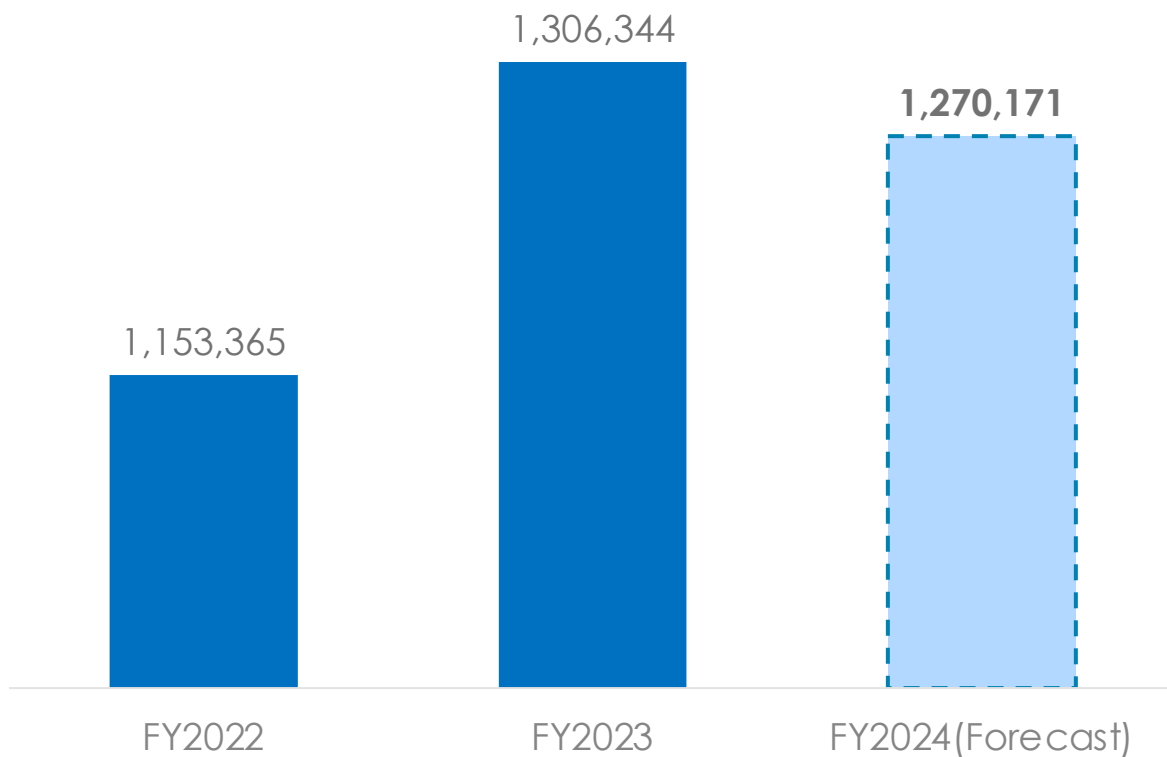
**Strengthening sales and development capabilities**

**Strengthening Temairazu functions**

### 3 FY2024 Forecast and future business development

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

# Segment profit (after cost allocation)



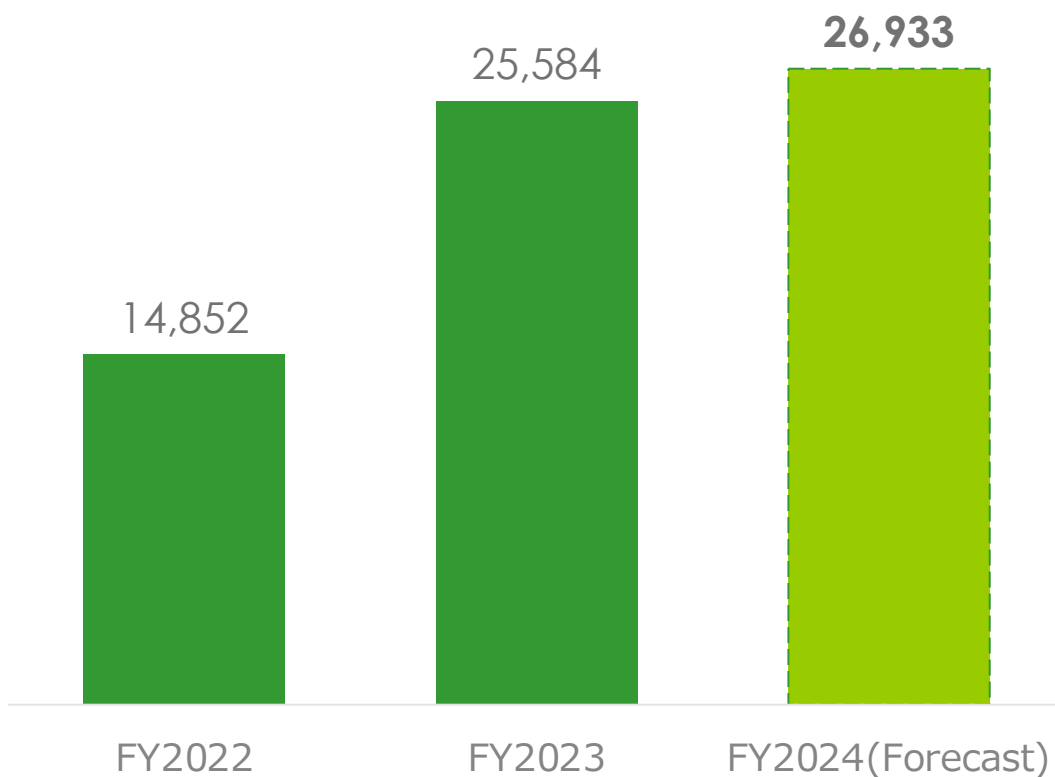
**Predicting  
-2.8% decline YoY**

Unit: JPY 1000

3 FY2024 Forecast and future business development

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

## Segment profit (after cost allocation)



Unit: JPY 1000

### Predicting 5.3% increase YoY

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

### 3 FY2024 Forecast and future business development

## 4 Key Investment Areas

### Returning Demand

- Responding to the returning demand for accommodation (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
  - System enhancements in anticipation of an increase in the number of accommodation reservations
  - strengthen product capabilities by developing new functions and improving usability through enhancements (value-added improvement of products)

### Something New

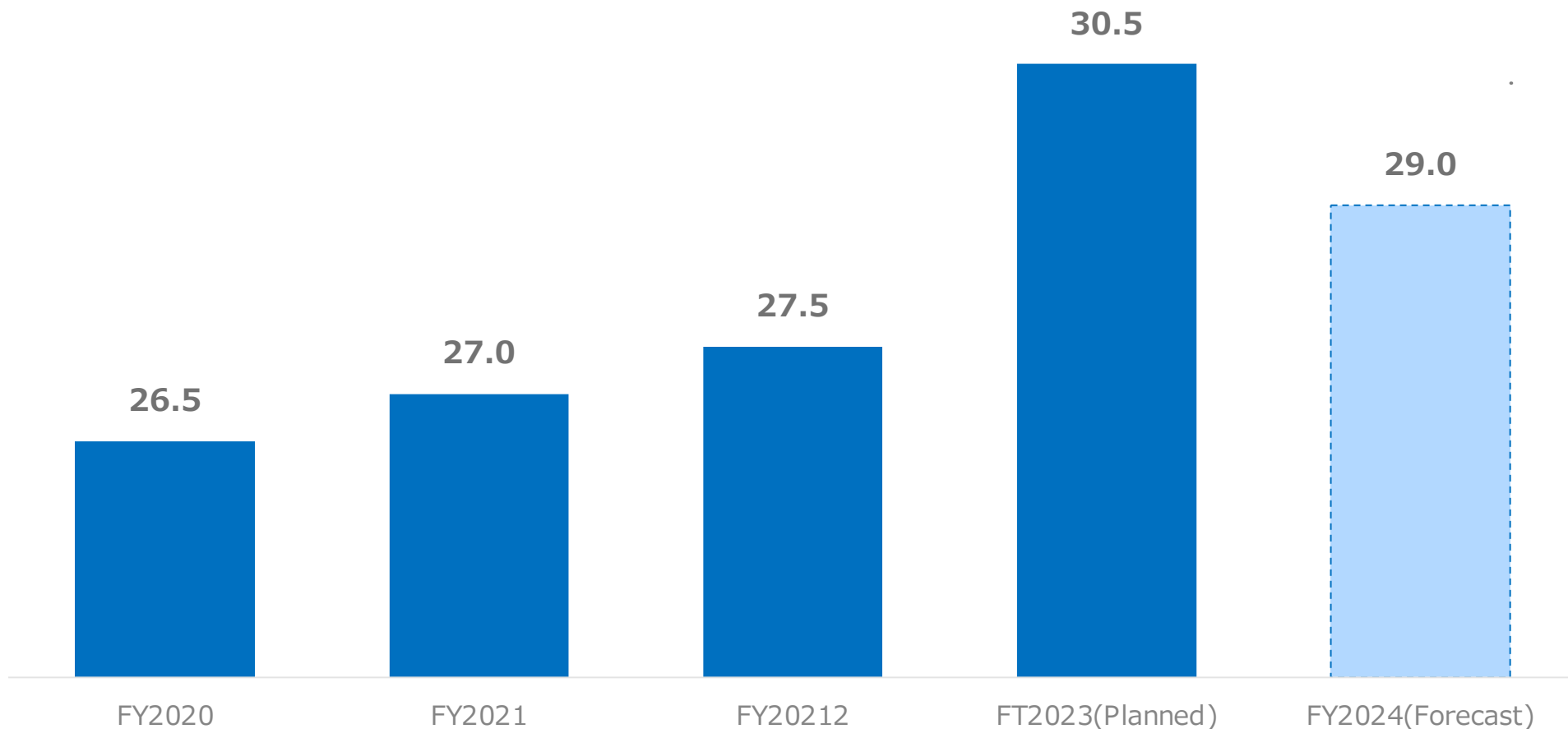
- New initiatives (new services, new businesses) for mid- to long-term growth
  - Utilize our strength of "centralized information management" and engage in new and interesting things
  - Create a new business portfolio

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

- 3 FY2024 Forecast and future business development
- 5 Dividend (forecast)

**Continued target of 22.5% dividend payout ratio**  
**Annual dividend for the year ending June 2024**  
**is expected to be total JPY 29.0**

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, 2023)                   |   |
| Number of shares issued | 6,479,834 (As of Jun 30, 2023)                         |   |
| Share trading unit      | 100 (As of Jun 30, 2023)                               |   |
| 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                | “HP”<br>“TEMAIRAZU”<br>“Hikaku.com”                    | <a href="https://www.temairazu.co.jp/">https://www.temairazu.co.jp/</a><br><a href="https://www.temairazu.com/">https://www.temairazu.com/</a><br><a href="https://www.hikaku.com/">https://www.hikaku.com/</a> |

# 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 2023. 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 2023. 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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## IR Information

<https://www.temairazu.co.jp/ir/news>

## Press Release

<https://www.temairazu.co.jp/press>