

Medium-Term Management Plan

For Fiscal Year March 2026 to March 2028

Startia Holdings Inc.

TSE Prime

3393



Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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① Review of Previous Medium-Term Management Plan (2021/3 - 2025/3)

② Overview of New Medium-Term Management Plan

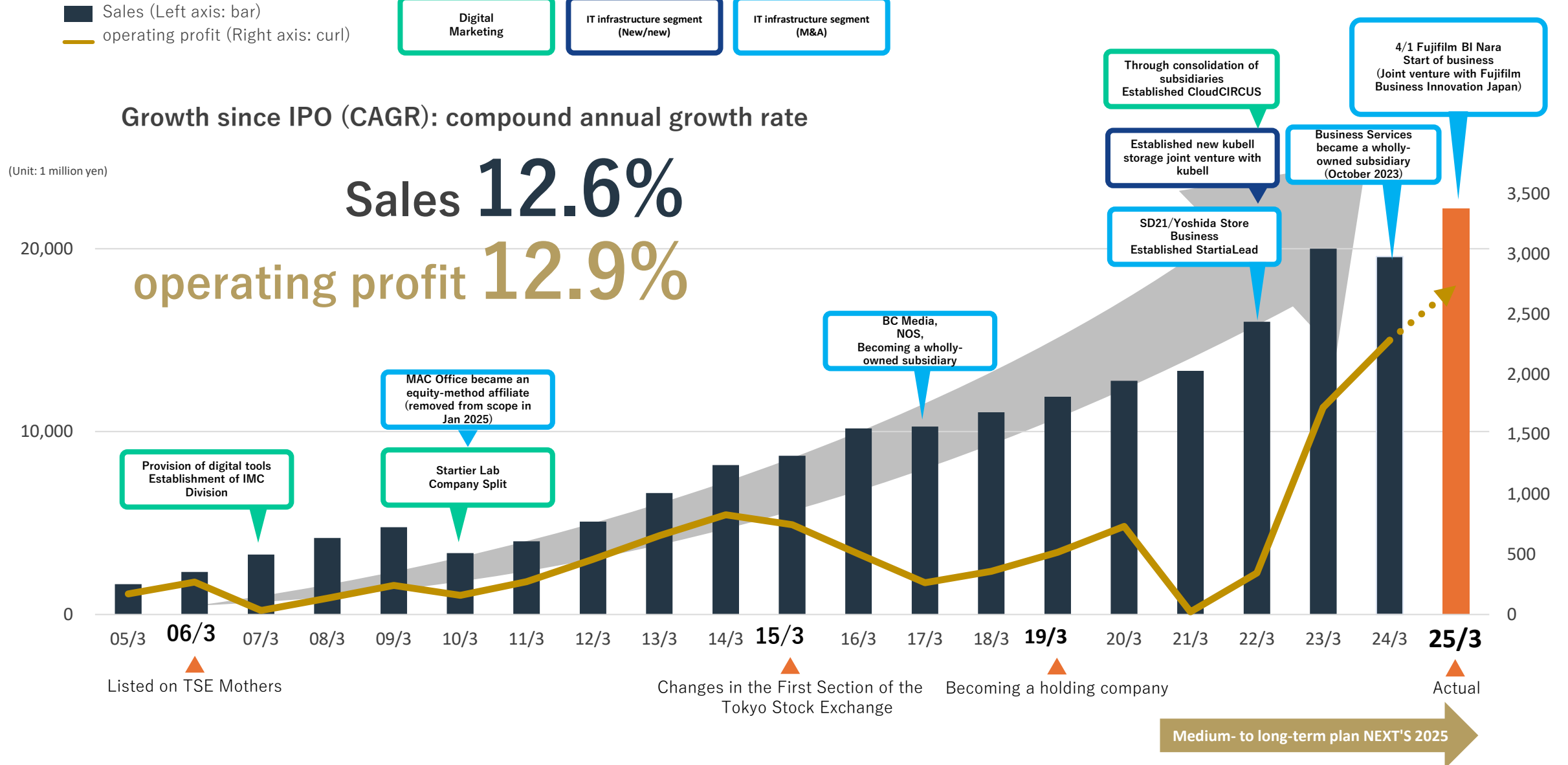
③ Segment Plans

④ Business Strategy (M & A)

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Track record of business development and growth



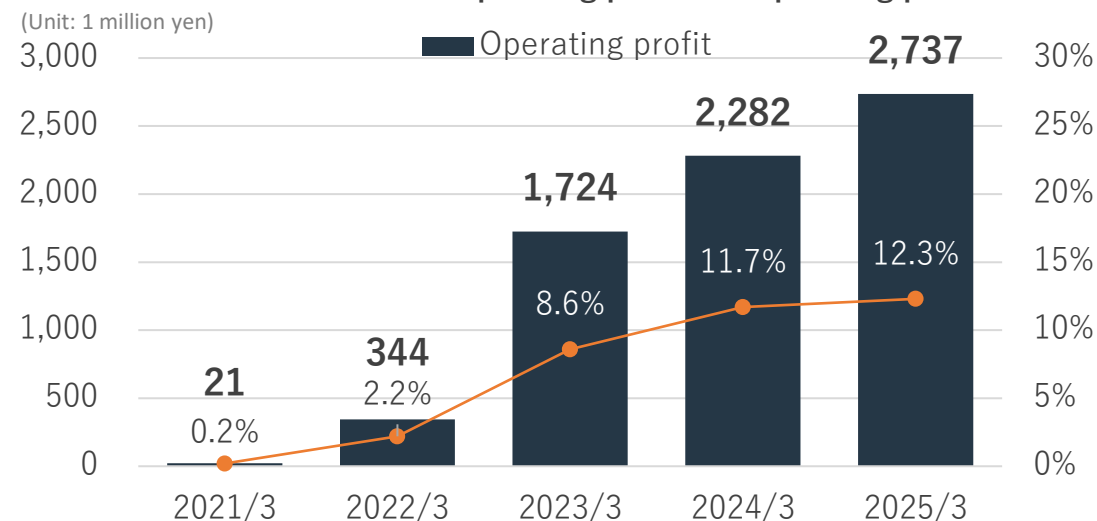
Summary of the Previous Medium-Term Management Plan (FY2021/3 to FY2025/3) – Numerical Targets

Profitability and capital efficiency improved significantly, but market capitalization did not keep up.

	Objective	Results	Reputation
operating profit Rate	10% or more	12.3%	Achieved
ROE	10% or more	27.3%	Substantially achieved
Market capitalization	50 billion yen or more	21.3 billion yen *	Not Acquired

※Closing price at the end of March 2025

Trends in operating profit and operating profit Rates



< Changes in Business Environment >

- Sales activities slowed in the first half due to the COVID-19 pandemic.
- Temporary suspension of power-related products due to soaring energy resource prices.
- Surging procurement costs due to inflation.

< Review >

- In addition to the expansion of the IT infrastructure business, the transition to a SaaS model and focused investment in the Digital Marketing business proved successful, becoming the second pillar of revenue.
- **The rapid improvement in business fundamentals has not been fully reflected in the stock market valuation.**

Fruit production

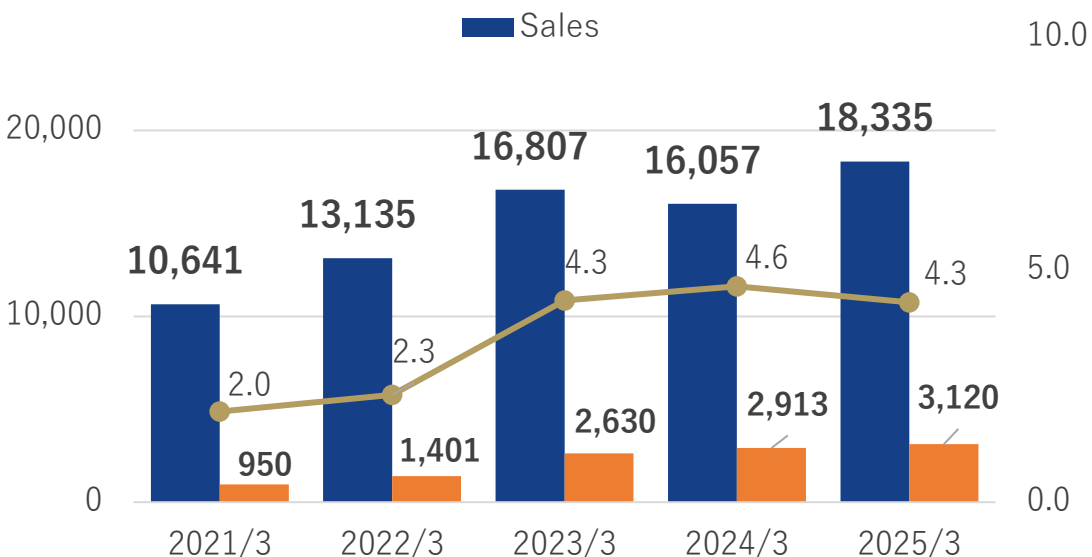
(JPY 1 million)

Operating profit was 950 million yen in the 1st year and grew to 3.12 billion yen by the 5th year of the mid-term plan.

- Both net sales and operating profit reached record highs (FY2025/3)
- operating profit CAGR of 34.6% from FY2021/3 to FY 2025/3
- operating profit JPY 2 million (2021/3) ⇒ JPY 4.3 million (2025/3) per employee

M & A Effect

- Started StartiaLead business (2021/11)
- Business Services became a wholly-owned subsidiary (Oct 2023)
- Fujifilm BI Nara established (Apr 2024)
※Joint venture established with Fujifilm Business Innovation Japan
Further strengthening of the sales base through enhanced partnerships



Title

- MFPs (Multifunction Printers): The market remained flat, and demand for simple printing/copying functions is declining.
- Business phones: Usage frequency of landline phones is decreasing (though some residual demand remains).
- Strengthening sales capabilities

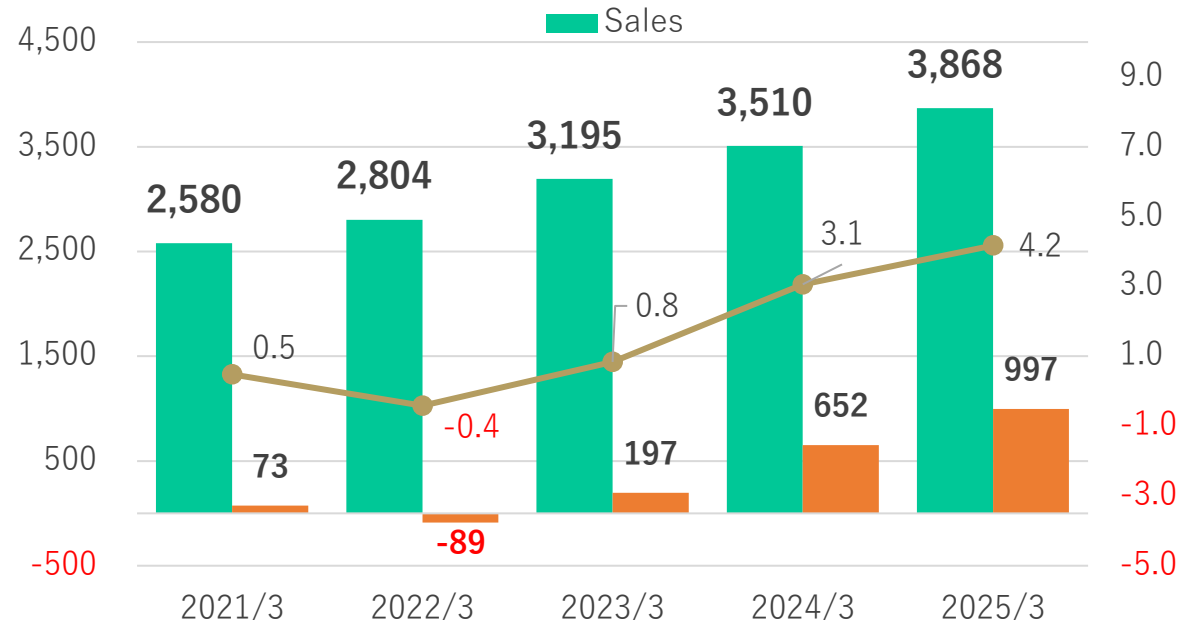
※operating profit before deducting headquarters expenses

Fruit production

operating profit in the 1st year JPY 70 million → operating profit in the 5th year JPY 990 million

- Net sales grew from JPY 2.58 billion to JPY 3.86 billion.
- Especially in Recurring revenue, sales grew significantly from JPY 1.6 billion to JPY 3.05 billion.
- First half of Mid-Term Plan (2021/3-2023/3) Establish the foundation for growth through active investment.
- Second half of Mid-Term Plan (2024/3-2025/3) Reorganized into a lean and efficient structure.
- Released several new products.
Fullstar, IZANAI and others grew into the current mainstay products.
- operating profit per employee (2021/3) ⇒ 4.2 million yen (2025/3)
- ARPU (Average Monthly Revenue per Customer) ¥ 40,000 yen (2021/3) → ¥ 66000 yen (2025/3)
- Number of companies using multiple products: 626 → 1,086

(1 million yen)



Title

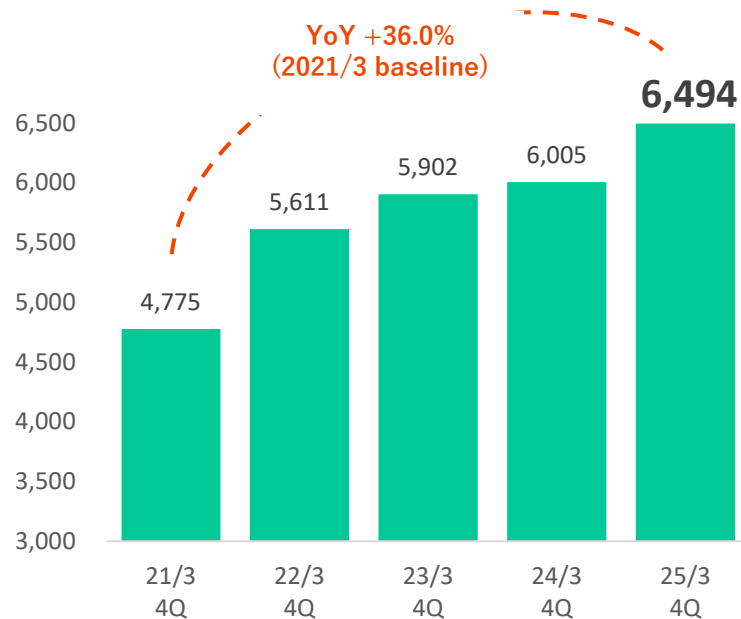
- Further enhancement of CloudCIRCUS tool
- Enhance sales force (absorb customer needs)
- Develop AI-related products

※operating profit each before deducting headquarters expenses

Cloud CIRCUS Licenses, ARPU, and Churn Rate

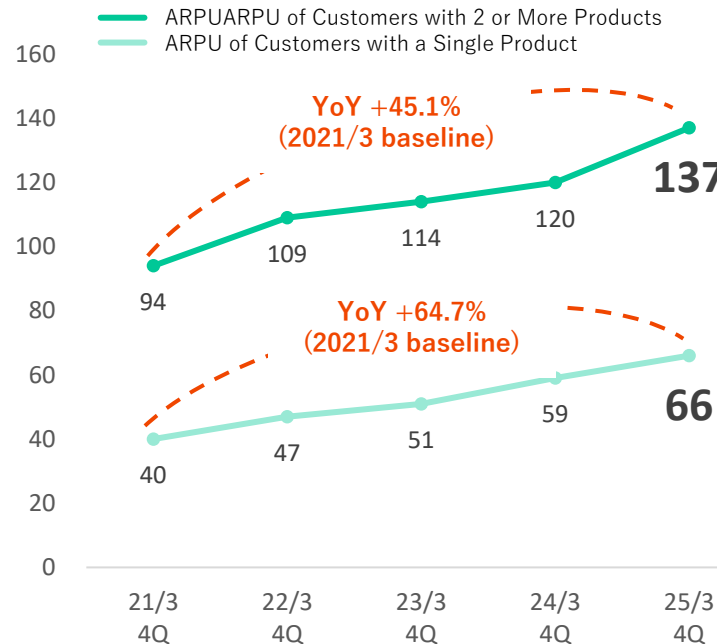
- ◆ From the end of March 2021 to the end of March 2025, ARPU (average monthly revenue per customer) was: 64.7% increase for single merchandise customers, 45.1% increase for customers with 2 or more merchandise.
- ◆ Churn rate improved after price hikes in December 2022 and March 2024, showing a stable trend.

Number of licenses *1



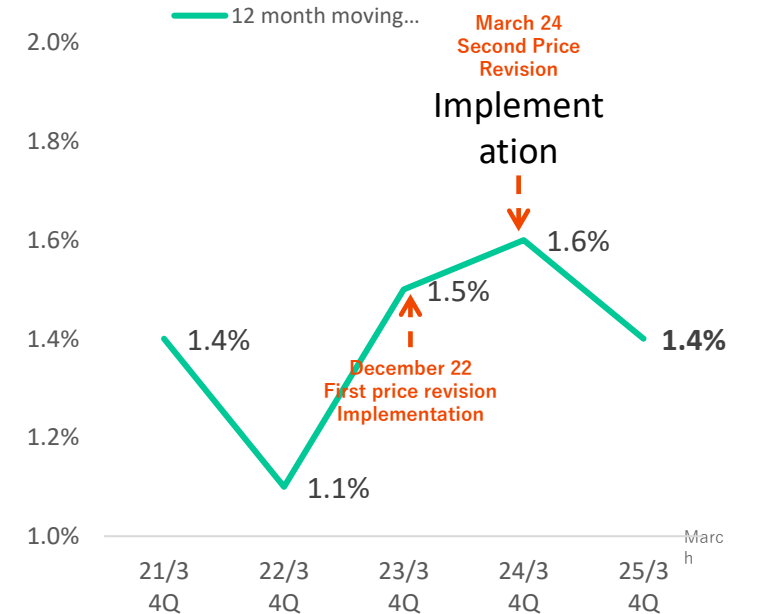
*1 The number of licenses is the number of paid licenses as of the end of each quarter.

ARPU (per customer) *2



*2 ARPU= MRR/number of subscribers as of the end of each quarter

Churn Rate (churn rate)



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Management Philosophy

**Recognizing the needs and markets of society, creating the future of people and companies,
Aiming to be a leading company that produces outstanding businesses and human
resources.**

Mission - Mission-

Creating Future Opportunities

We hope many people and companies will have a positive future.
By continuing to offer opportunities
to create a world full of challenges.

Our stakeholders - Customers -

challengers and companies

from small change to big evolution.
People and companies with healthy, positive challenges
(Customer Enterprises, Business Partners, partner to Employees)

Vision - Vision -

a world where everyone can challenge and perpetuate and evolve

As we transform ourselves, many people and companies
support the change of course

Value for customers - Value to the customer -

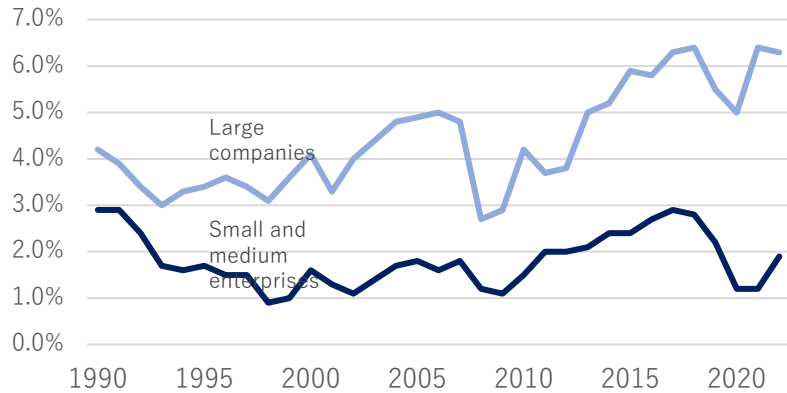
Change a half step further

For the future that I didn't realize before
Take me with a new proposal

The main social issues we think about

Profitability by company size

Trends in operating profit Rates



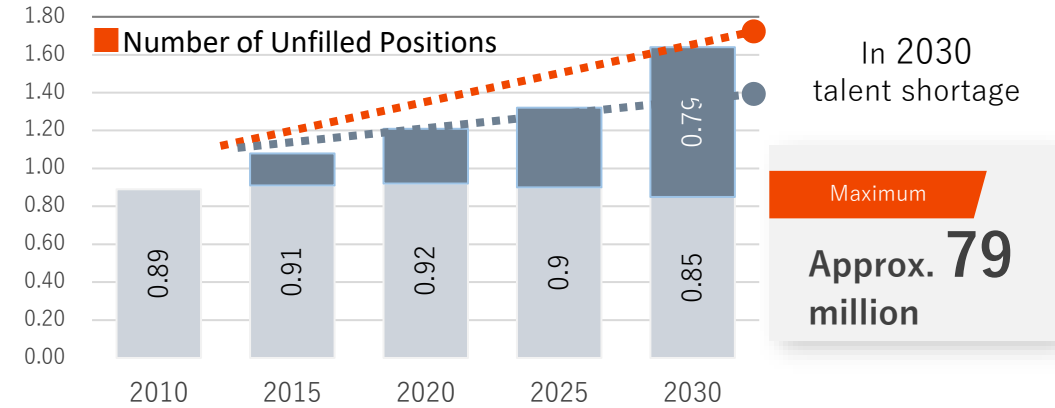
Profit margins of SMEs have barely improved.

Source: Small and Medium Enterprise Agency's White Paper on Small and Medium Enterprises: Trends in Net sales and operating profit Rates in the U.K. by Business Size

Growing IT talent shortage

Latest IT talent trends Future estimates

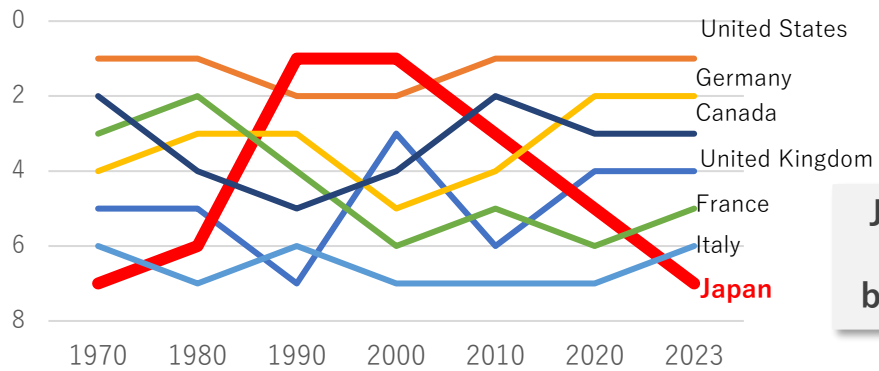
Unit: Millions of People



Source: Survey on the Latest Trends and Future Estimates of IT Human Resources, Ministry of Economy, Trade and Industry (Mizuho Information & Research Institute)

Seven OECD countries per capita

Changes in the ranking of GDP

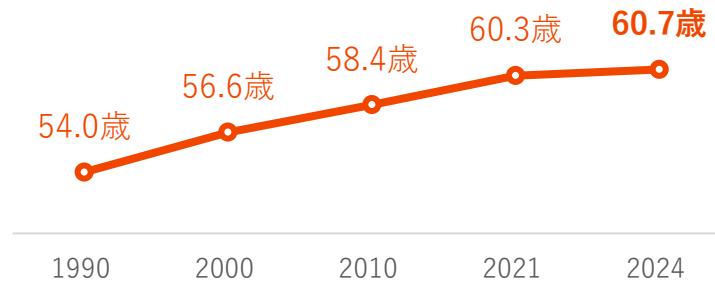


Japan's global ranking has been declining.

Source: World Bank per capita GDP data

Japanese managers

Average age



Average age tends to increase year by year

Source: Teikoku Databank

Value realized in the medium-term management plan

[Changes in the Environment Surrounding SMEs]

- Cost increases due to inflation
- Decrease in the working population due to declining birthrate and aging population
- Rapidly changing global supply chains
- Climate change and energy shift

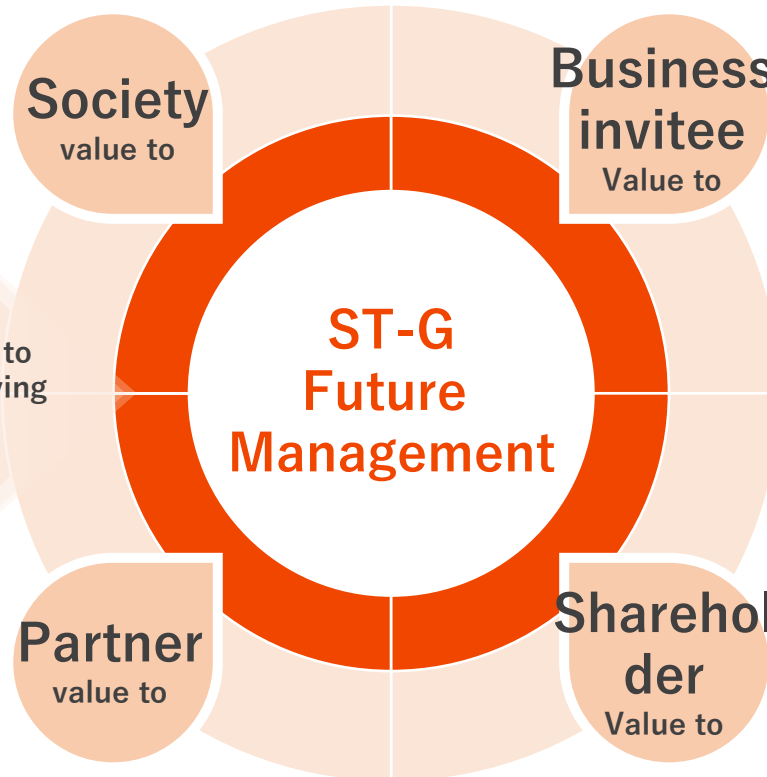
[Customer Issues]

- Decrease in the working population
Recruitment of SMEs
- The Wave of Productivity Improvement and the Impact of Technological Evolution
- security measures
- Cost reduction through DX
- Remote work retention

Lead the small business DX ecosystem
Contribute to the realization of a sustainable economy and society

small and medium businesses with "digital transformation"
Contribute to improving productivity per capita

What does it mean to
deliver value by solving
problems?



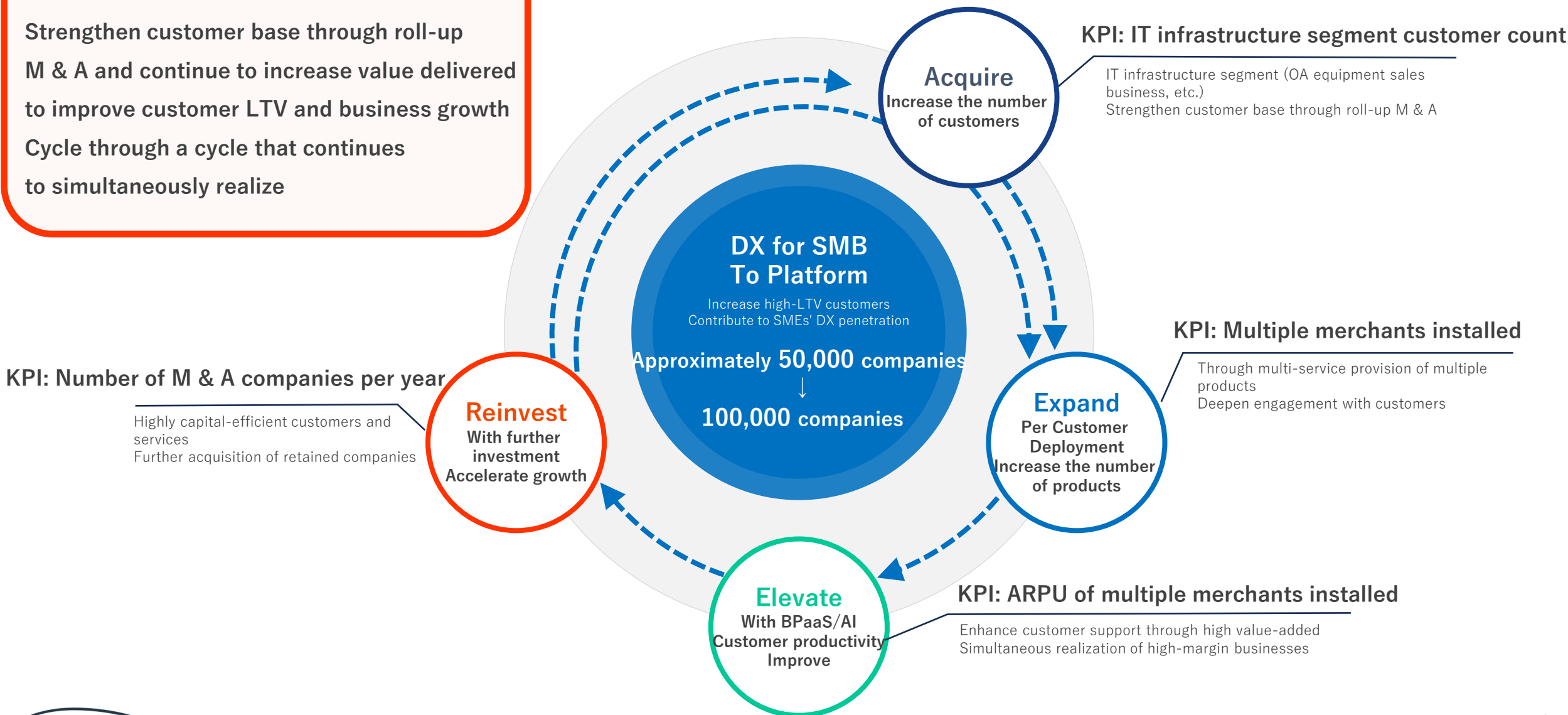
Combine human power and DX skills
support the growth of people who can contribute

Create economic growth and social impact
Provide sustainable and high returns

Corporate Strategy and Business Cycle under the Medium-Term Management Plan

Company-wide strategy

Strengthen customer base through roll-up
M & A and continue to increase value delivered
to improve customer LTV and business growth
Cycle through a cycle that continues
to simultaneously realize



To accelerate the growth of our customers' businesses and continue to increase the value we provide to our customers

Our advantage is that we can provide "BPaaS" for small and medium enterprises by utilizing four strengths.

The multiplication of customer base, sales, development and literacy is the source of competitiveness



Medium-Term Management Plan Goals

< Quantitative targets for FY 2027 (ending March 28) >

Sales

(Existing Businesses)
JPY 29 billion

+
(Target value by M & A+ synergy area)
8 billion yen

Operating profit

(Existing Business)
JPY 4.2 billion

+
(Target value by M & A+ synergy area)
JPY 800 million

ROE

20% or more
Maintain high level

Operating profit target for the final year of the plan (FY28/3):

JPY 4.2 billion

(existing business)

+

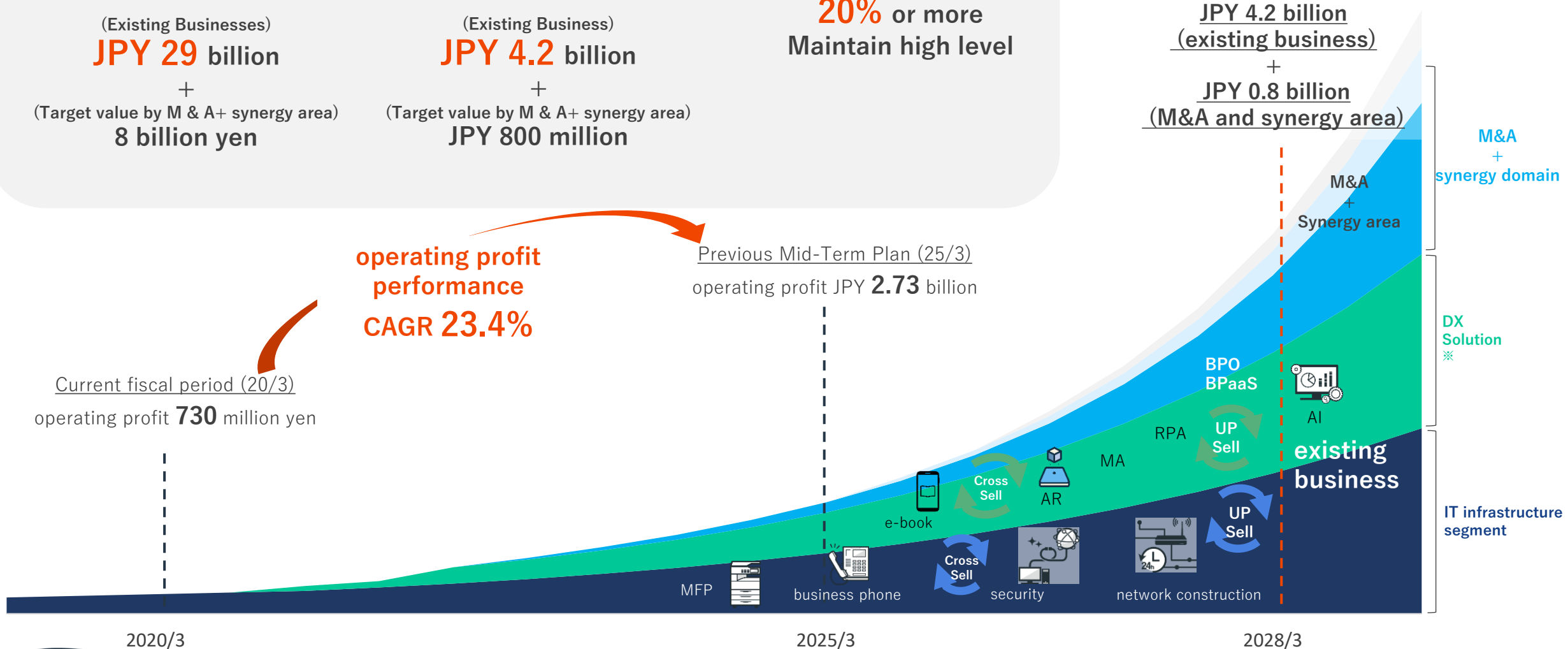
JPY 0.8 billion

(M&A and synergy area)

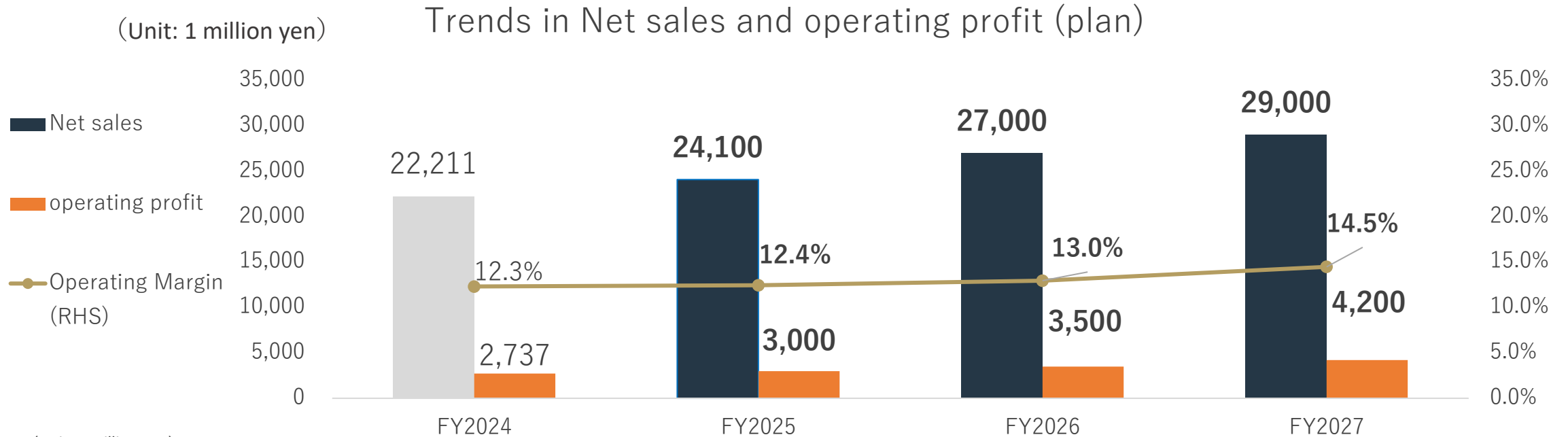
operating profit performance
CAGR 23.4%

Previous Mid-Term Plan (25/3)
operating profit JPY **2.73 billion**

Current fiscal period (20/3)
operating profit **730 million yen**



3-year plan (existing business)



(Unit: 1 million yen)

Sales	22,211	24,100	27,200	29,000
Operating profit	2,737	3,000	3,500	4,200
operating profit rate	12.3%	12.4%	13.0%	14.5%

As a measure to promote organic growth, we will expand the number of customers using multiple products in IT infrastructure segment. In DX Solutions * segment, we will expand ARPU by promoting cross-selling and upselling.

From FY2024 through FY2027, Net Sales CAGR: 9.3%, Operating Profit CAGR: 15.1%

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[Basic Policy]

Enhancing Customer Retention and Recurring Revenue

key strategy

1. Increase in the number of customers introducing multiple products
2. Strengthening sales capabilities

Segment Targets	Target 2026/3 (JPY 1 million)	Target 2027/3 (1 million yen)	Target 2028/3 (JPY 1 million)
Sales	19,300	21,000	22,600
Operating profit	3,200	3,600	4,000

※operating profit each before deducting headquarters expenses

Action Plan

1. Start of PC business
(to capture demand for Windows updates)
 2. Restart of acquisition activities.
 3. Creation of the next Recurring pillar
-
1. Increase sales staff through active hiring
 2. Become a sustainable sales organization

[Basic Policy]

To maintain high profit margins
To provide high value-added services

key strategy

1. Strengthening Organizational Capabilities
2. Developing high-value-added services
3. Selecting and focusing the product portfolio

Segment Objectives	Target 2026/3 (JPY 1 million)	Target 2027/3 (JPY 1 million)	Target 2028/3 (JPY 1 million)
Sales	4,800	5,550	6,350
Operating profit	1,340	1,660	2,175

※operating profit each before deducting headquarters expenses

Action Plan

1. Strengthening Customer Success (CS) and Sales
2. Developing and Securing Management Personnel
1. Full-scale operation and staffing of consulting BPaaS
1. Selection and concentration of development and personnel investment
2. KPI Management

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Basic Policy

- ❑ Acquisition of 100% ownership and consolidation of a company whose clients are small-scale businesses that can recover M&A funds in a short period.
- ❑ Capital and business alliances with large and medium-sized companies that are expected to generate medium- to long-term synergies
- ❑ Investment budget for M & A is about 10 billion yen for 3 years, and procurement is assumed to be indirect financing.
- ❑ In the initial phase, priority was given to "M & A to buy customers."
Began "M & A to buy services" after the second half of the mid-term plan

M & A target

Customer acquisition-focused M&A

- OA equipment sales business for offices (sales of multi-function machines, business phones, etc.)
- Office network, security, optical internet connection expenses/ISP, PC sales business
- Office electricity
- Website production business
- Office tool sales agency business such as Microsoft and Google

Service acquisition-focused M&A

- DX solutions (digital marketing tools, web production, advertising, consulting, BPaaS, etc.)
- AI-related businesses (including contracted development)
- Security

Our Company's Business Size, Management Succession Issues, etc.
Approximately 700 companies are subject to M & A

M & A target companies
**Approximately
700
companies**

Office equipment wholesale
business

**More than 3,000
companies**

M & A Implementation Mechanism (KPI/Review Process/Investment Criteria/PMI)

review process

System to enable high-speed and high-frequency decision making



Criteria and financial discipline

Formulate basic indicators

Existing businesses

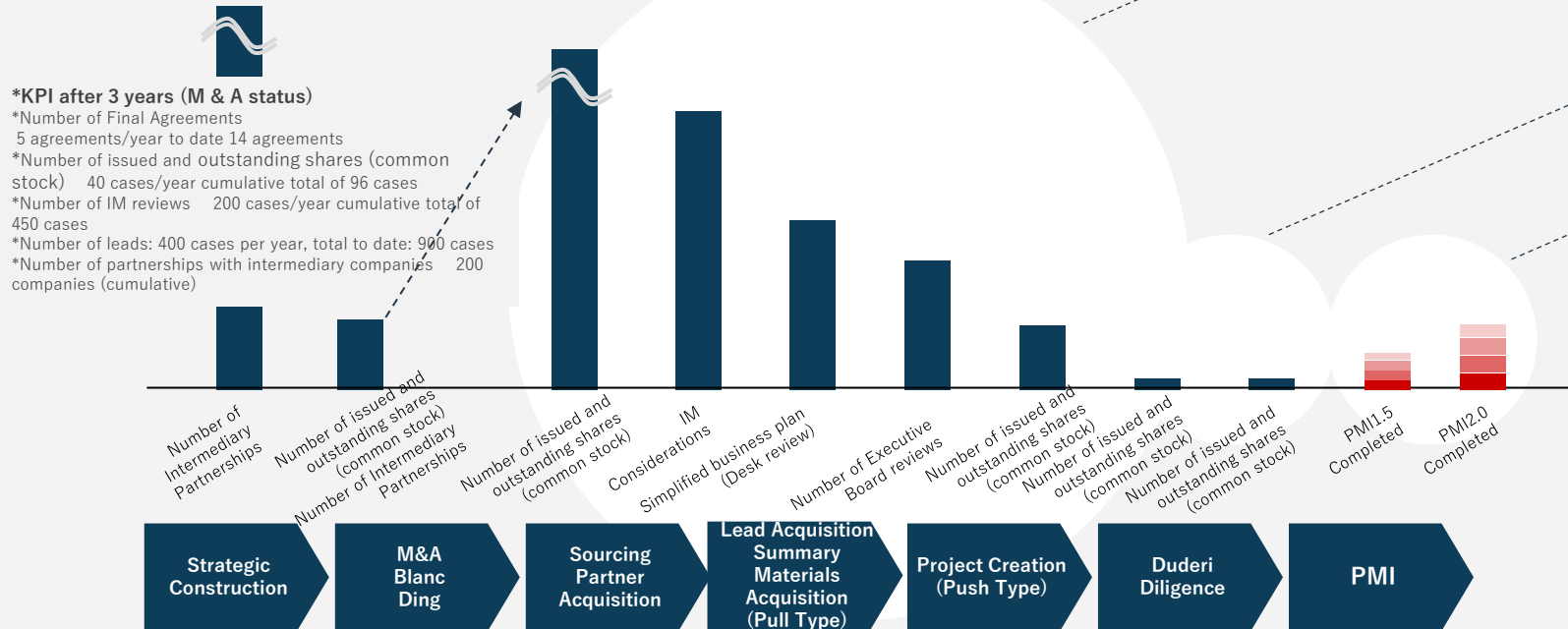
Recoverable in a relatively short period of time based on EBITDA
Selected Projects

Surrounding and New Areas

Measuring and determining synergies with existing businesses

execution process KPI

Decompose and manage execution processes



PMI and monitoring

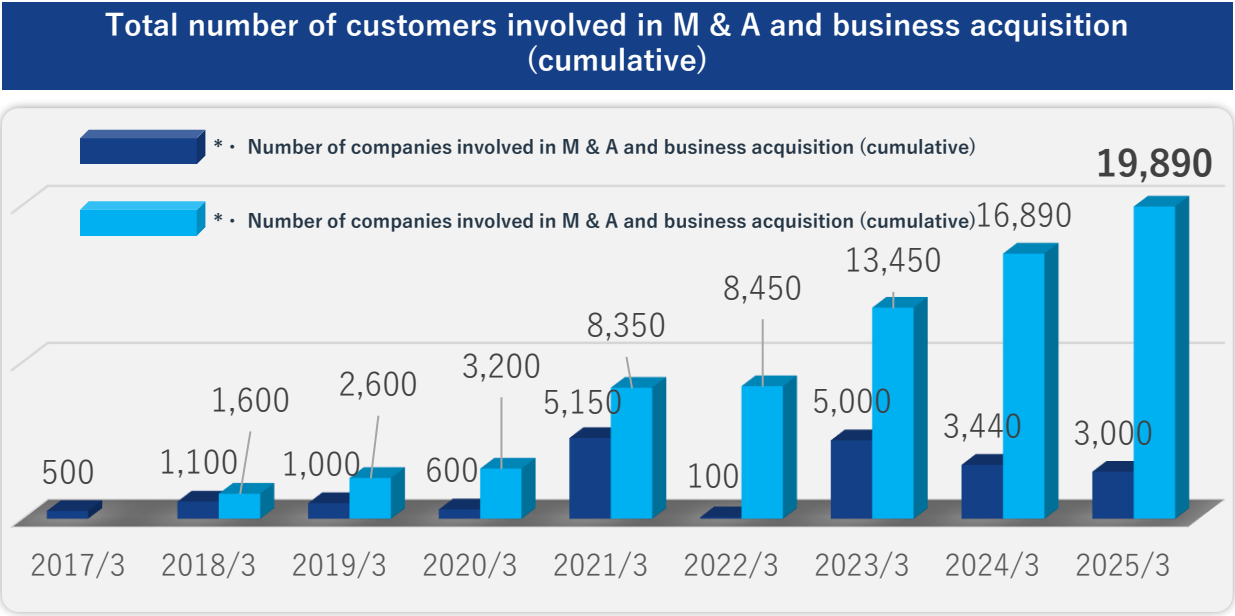
Structuring

Formatted by the PMI team
Managed as a project

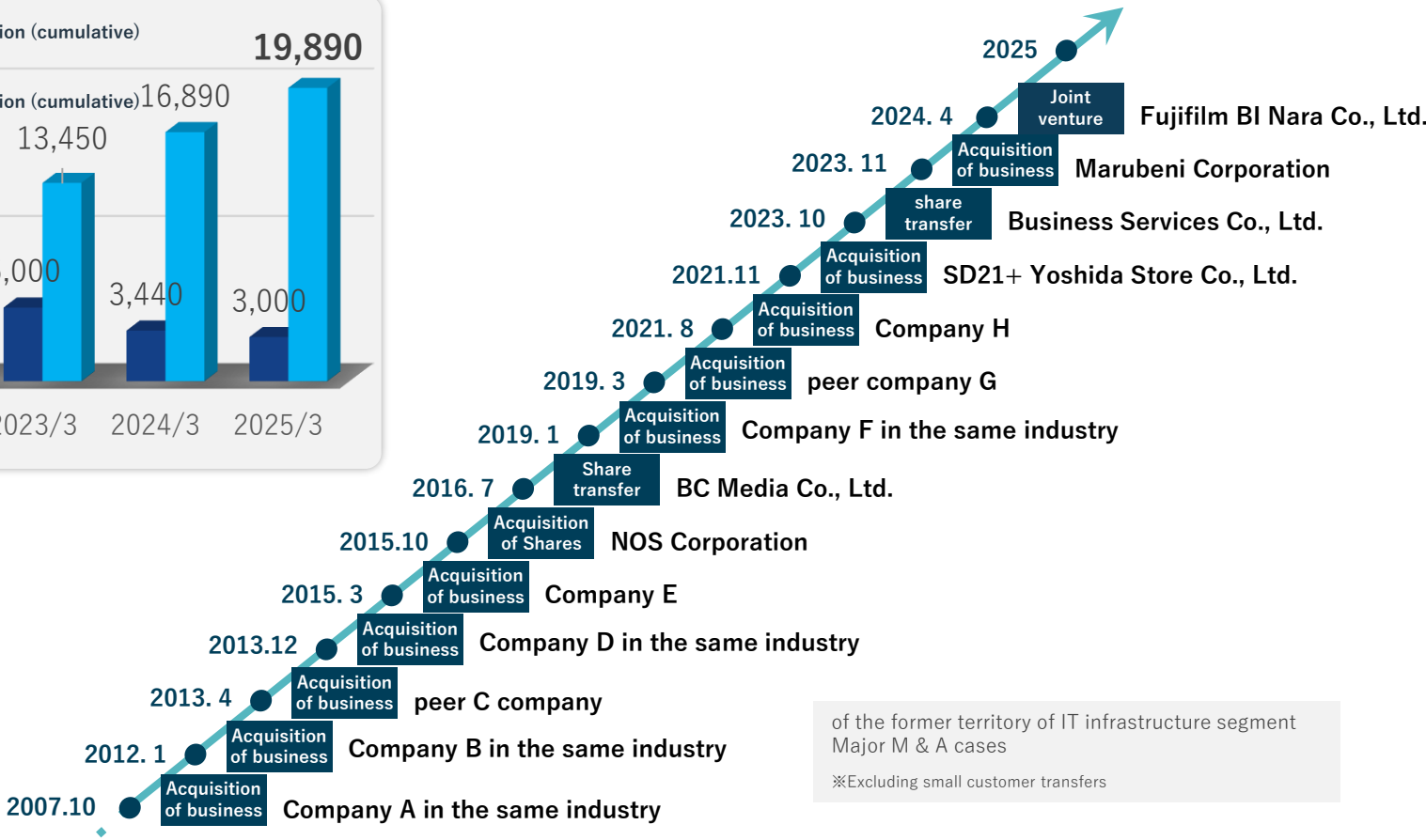
	PMI 0	PMI 1.0	PMI 1.5	PMI 2.0
	100日～	～100日	～1年	～2年 ～3年 ～4年
アクションプラン	失敗しない事業計画策定	組織・社員・業務・顧客等の統合 -100日プラン完成 -定常運営を最速かつ最低コストで目指す	コスト最適化と安定運営 -指導料を含めて費用最適化によるシナジーを生み出す -業務の安定化	クロスセルによる売上拡大 -STHD商材の1つ目の導入～5商材導入に向けた連携グループ会社からもアプローチができる状態にする
ベース	顧客維持戦略		→M&A前顧客維持	→解約が低減して安定化
売上	単価UP戦略			↑単価のUP
リポート	事前算定		↑顧客数次第で貢献	↑顧客数次第で貢献
クロスセル	顧客へのアプローチ時期と方法	→顧客データの統合	→顧客状態の完全把握	↑0商材から1、2、5商材へクロスセルによる売上拡大
費用	成功確度を高める費用シナジー戦略	↓費用の最適化	↓費用の最適化	↑必要に応じた戦略投資
人財	社員の定着と文化形成	→混乱を最終化	↑意識の統合化	↑エンゲージメント向上

Results: M&A cases focused on customer base acquisition

We have carried out a number of M & As and business acquisitions.
As of March 2025, about 20,000 IT infrastructure segment customers, or more than 40% of the company's total customers, have taken over.



History of M & A and business transfer for customers



of the former territory of IT infrastructure segment
Major M & A cases
※Excluding small customer transfers

The following two M & As were conducted through the acquisition of assessable shares (the others were business acquisitions)

(Note: Excluding StartiaLead that acquired business services less than one year after acquisition and failed businesses)

[M & A to buy customers] OA equipment, network solutions, Security measures	NOS Inc. Acquired in December 2016
	Acquired by BSC Media Co., Ltd., July 2016

Total financial performance of the two companies (Unit: 1 million yen)

Amount invested	Net assets	Goodwill	EBITDA (Average for the last three years)
173	59	114	90

The amount of investment
Latest EBITDA
Approx. 1.9 times

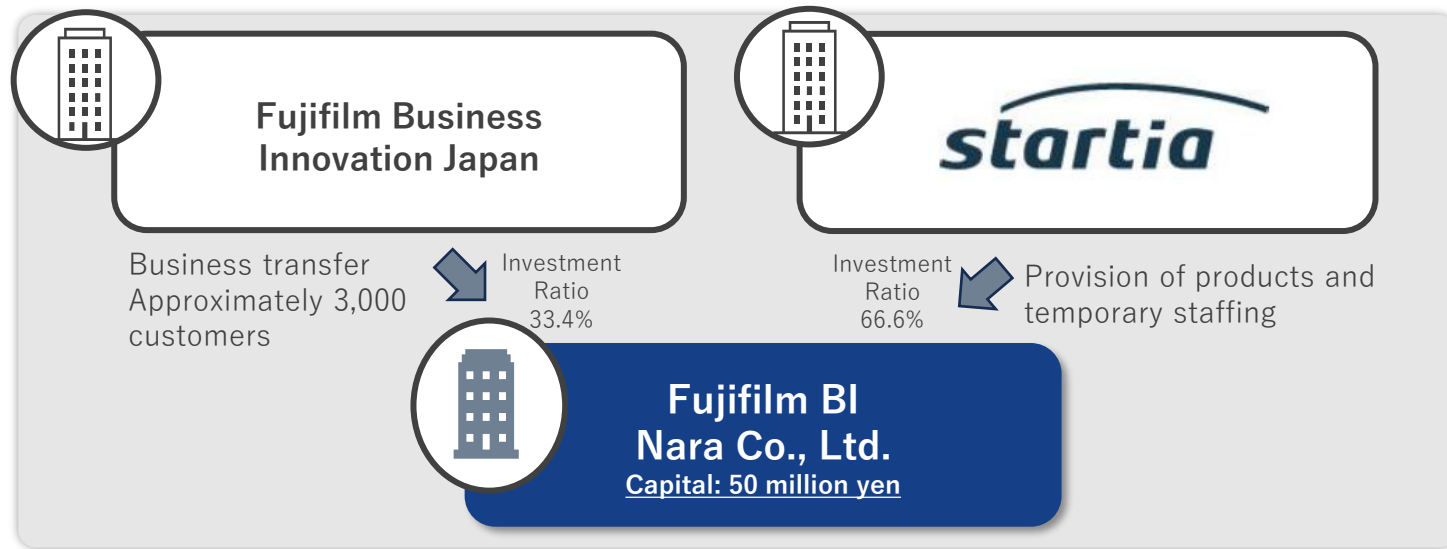
	Before acquisition		FY24/3	7 year CAGR
Sales	539		810	6.0%
Operating profit	12		85	32.4%
operating profit rate	2.2%		10.5%	

High Growth at
32.4% CAGR in
operating profit

< Integration benefits >

- Lower procurement costs
- Improve operating efficiency
- Startia Product No. Cross-Sell
- Human Resources Support and Recruitment

Formed JV with Fujifilm Business Innovation Japan Co., Ltd. (Fujifilm Business Innovation Japan)
(consolidated on April 1, 2024)



- Benefits:
 - ① Retain outstanding employees
 - ② Goodwill will not occur.
 - ③ Access to Fujifilm BI Nara's customer base in the Nara region.
- Incorporating Fujifilm BI Nara's regional business into a consolidated business
Developing Cross-Sell in Our Group's DX solutions business *

< First year performance >

(Overview of 2025/3)

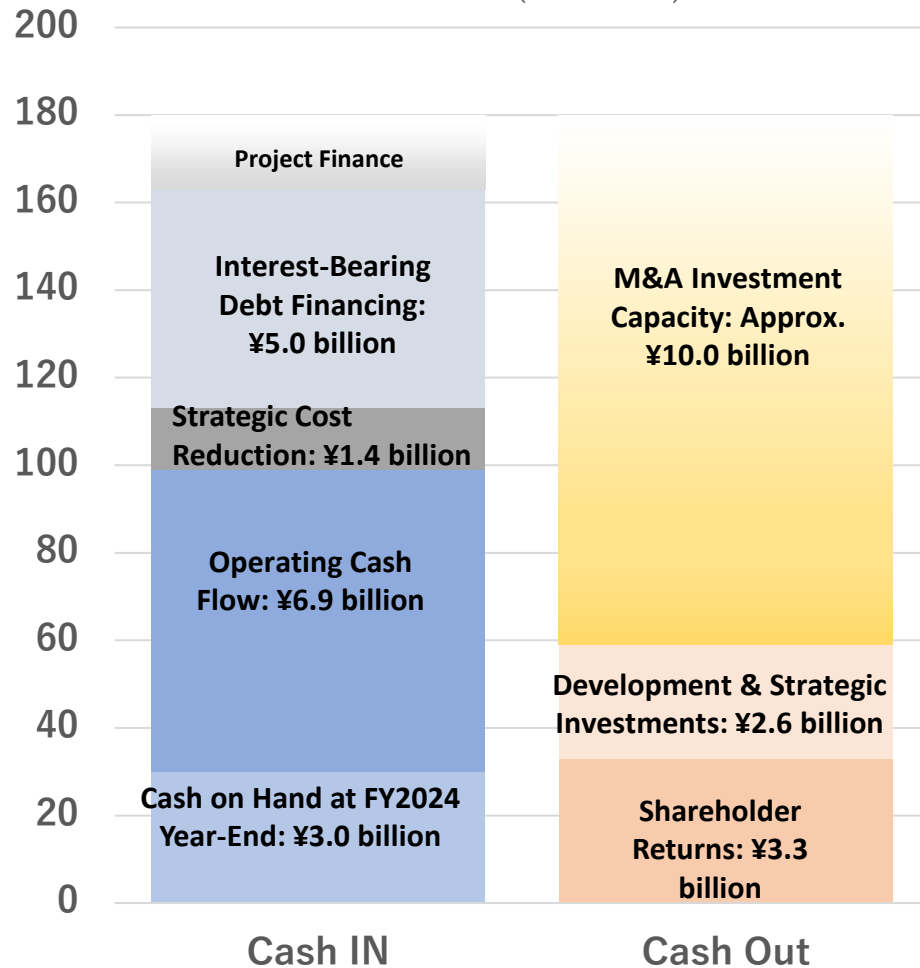
Sales	1 billion yen
Operating profit	JPY 100 million
operating profit rate	10%
operating profit's ratio is the ratio of IT infrastructure segment's almost equal to 10.4%	

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Financial and Capital Policies and Shareholder Return

(Billions of yen)

FY 2025 – FY 27 Cumulative Funds Allocation Plan (Estimated)



- To balance growth investments and shareholder returns while maintaining financial soundness, we are steadily working to enhance capital efficiency and improve the balance sheet.
- M & A funding prioritizes cash on hand and debt

Capital profitability

FY 2025 to FY 27

ROE

20% or more

Financial soundness

FY 2025 to FY 27

Capital adequacy ratio

Approx.
40~55%

shareholder return

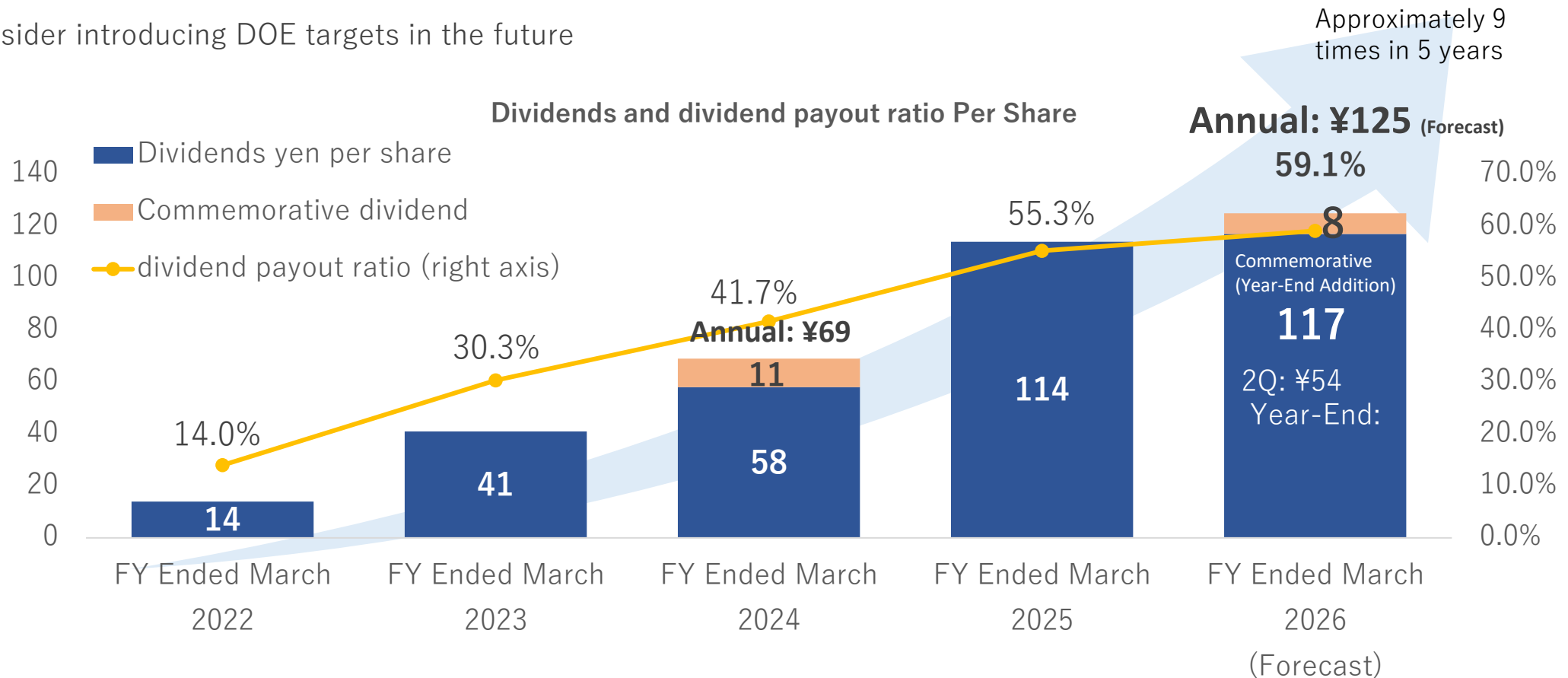
- Maintain our current return policy, balancing growth investments and optimal capital levels
(dividend payout ratio 55%+ Progressive Dividend Return Policy)

- Dividends per share for fiscal 2026

Including the 30 year anniversary dividend (8 yen), the annual dividend is expected to be 125 yen (2Q: 54 yen, ending 71 yen (63+8))

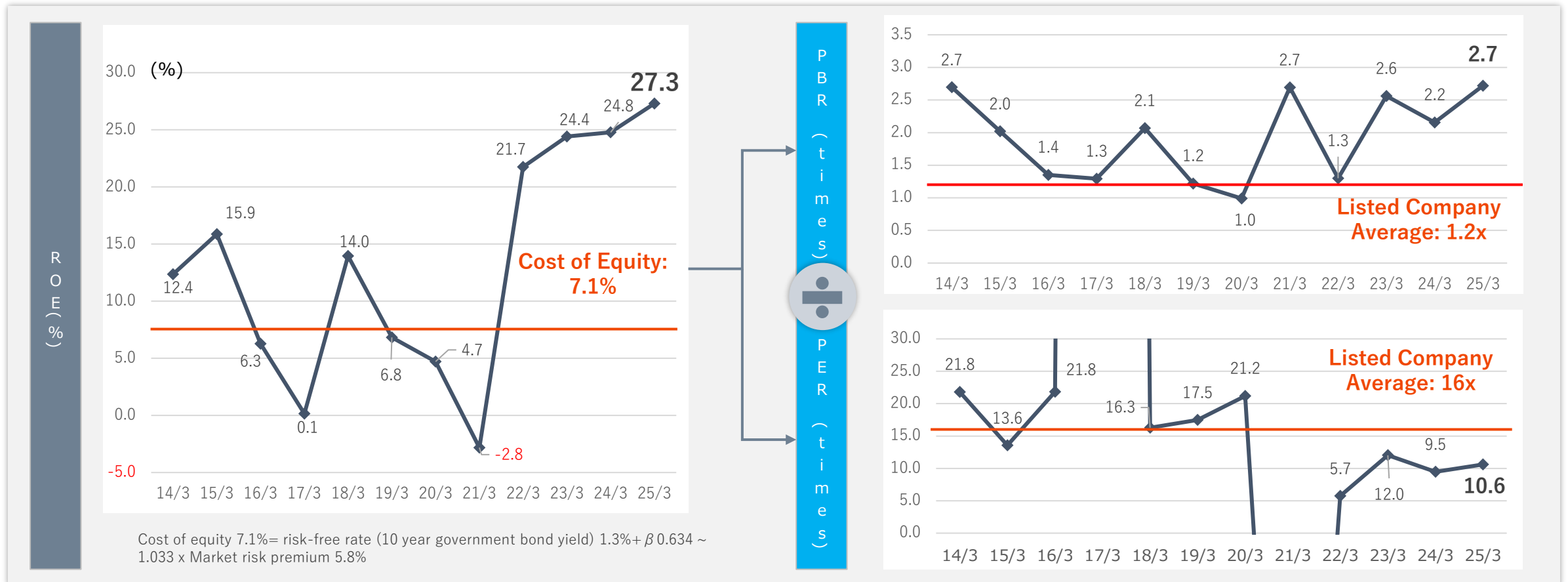
Note: The 8 yen anniversary dividend is not eligible for progressive dividends.

- Consider introducing DOE targets in the future



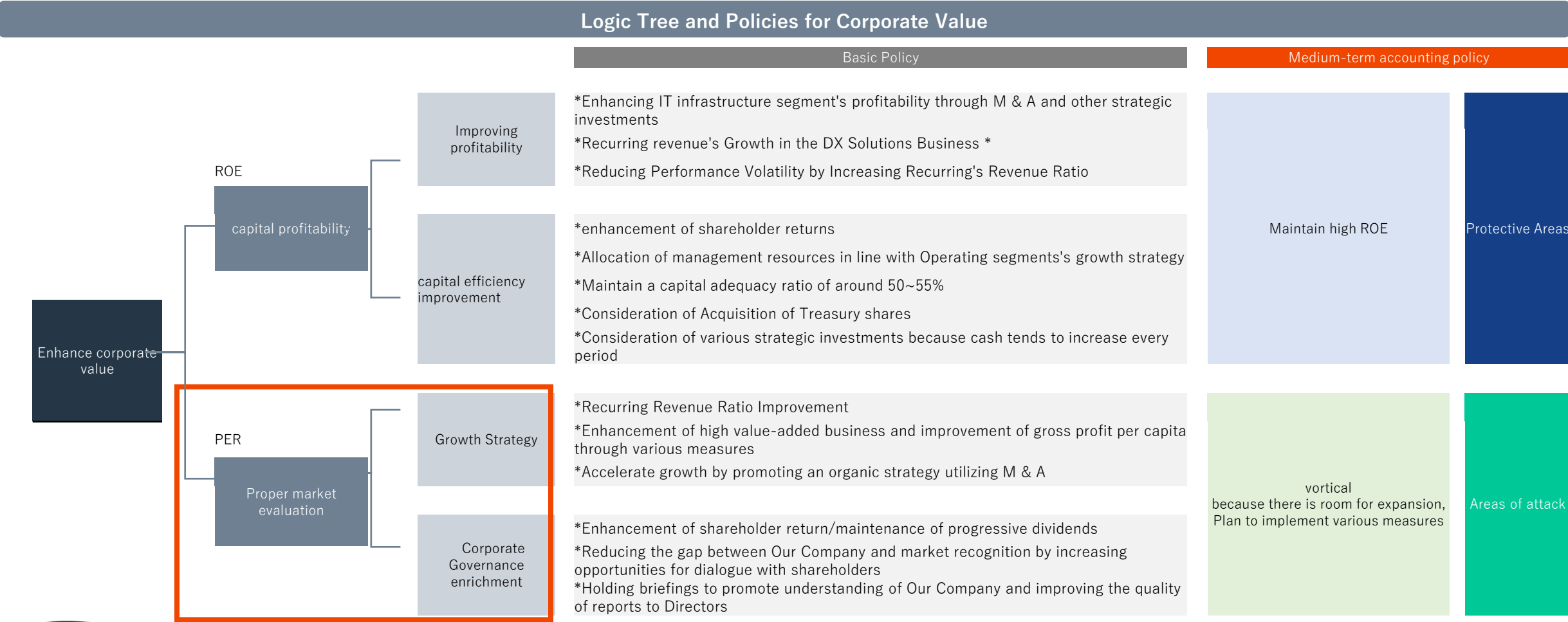
Capital Efficiency - Market Valuation

- ROE is well above Our Company's recognized cost of equity and contributed to over 1 times PBR
- 1. The P/E ratio is below the prime market average of 15 times, and raising the market valuation of P/E ratio remains a challenge.



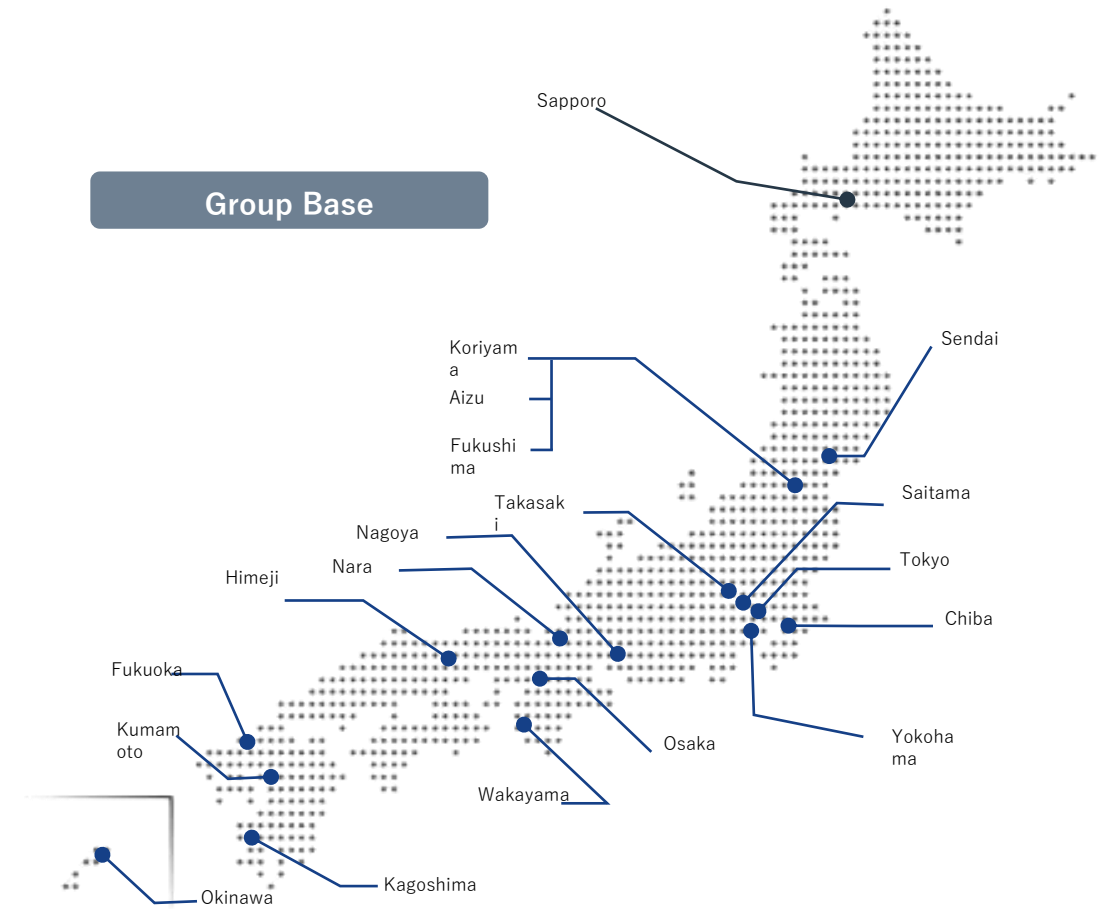
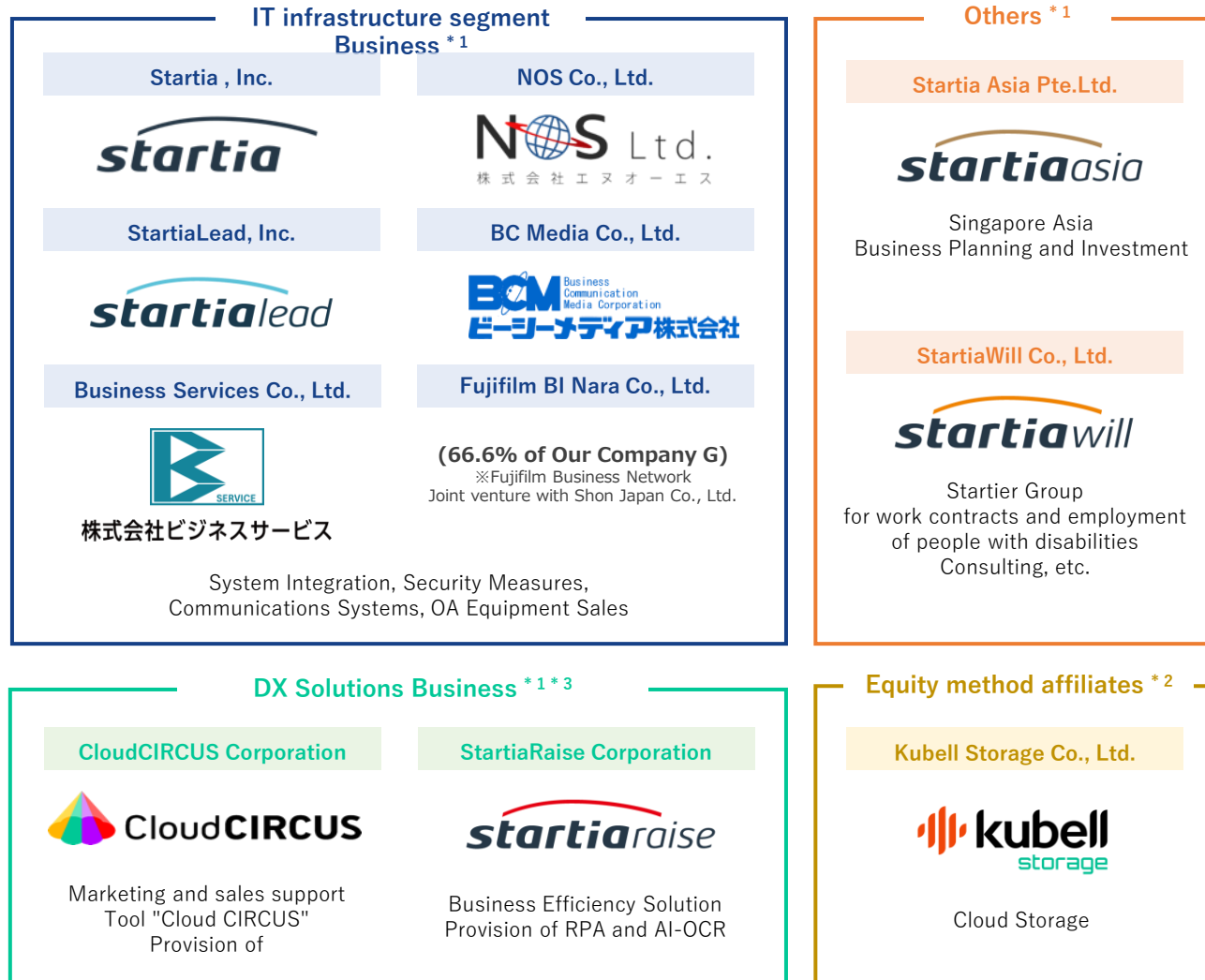
Future Initiatives: Basic Policy for Enhancing Corporate Value

- Our Company's ROE is at a high level of 27%, and we will continue to advance growth investments while maintaining a high level of equity spreads.
- On the other hand, Our Company's P/E ratio was 11 times at the end of 25/3, which is discounted against the average of 15 times of listed companies.
- To enhance corporate value, we will focus on improving fair market valuation (PER), which we believe has great room for improvement.



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About Our Group (10 consolidated subsidiaries and 1 equity-method affiliate)



※1. Consolidated Subsidiaries

※2: As of March 2025

※3. "Digital Marketing segment" is scheduled to be renamed from the fiscal year ending March 2026.

Company Profile

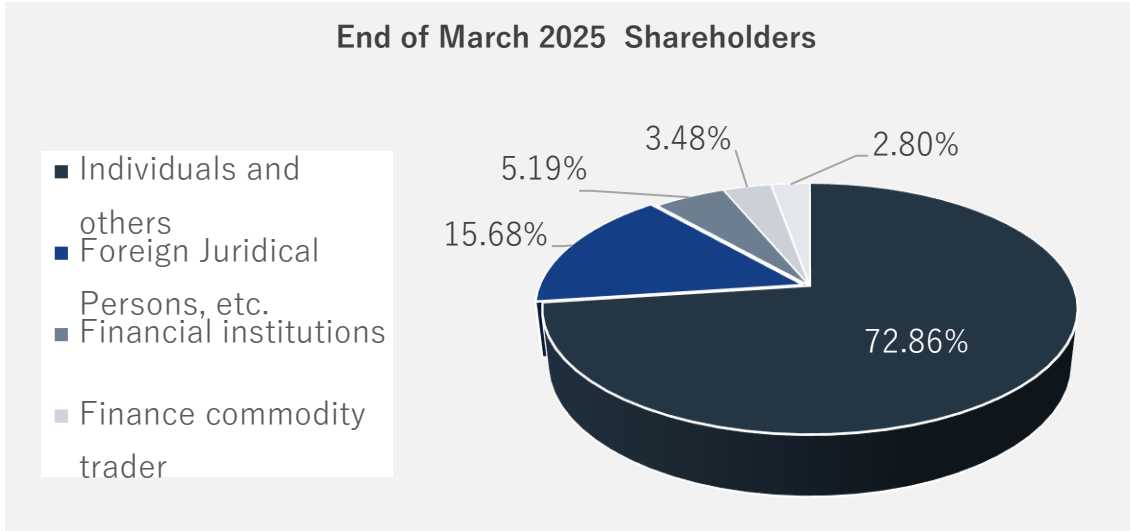
Company Name	Startia Holdings, Inc.
Address	Shinjuku Monolith 19th Floor, 2-3-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Establishment	February 1996
Go public	TSE Prime (April 4, 2022) TSE First Section (February 28, 2014) TSE Mothers (December 20, 2005)
Agent	Hideyuki Hongo
Group Companies	Consolidated subsidiaries: 10 Equity method affiliates: 1 company (as of March 31, 2025)
Employees	Consolidated: 1,053 (as of March 31, 2025) ※Excluding directors, auditors, temporary and part-time employees
Fiscal Year End	March 31
Capital Stock	824.31 million yen (as of March 31, 2025)
Number of shares issued	10,240,400 shares (as of March 31, 2025)
Number of Shareholders	4,703 (as of March 31, 2025) ※Total number of shareholders with voting rights



President and Representative Director

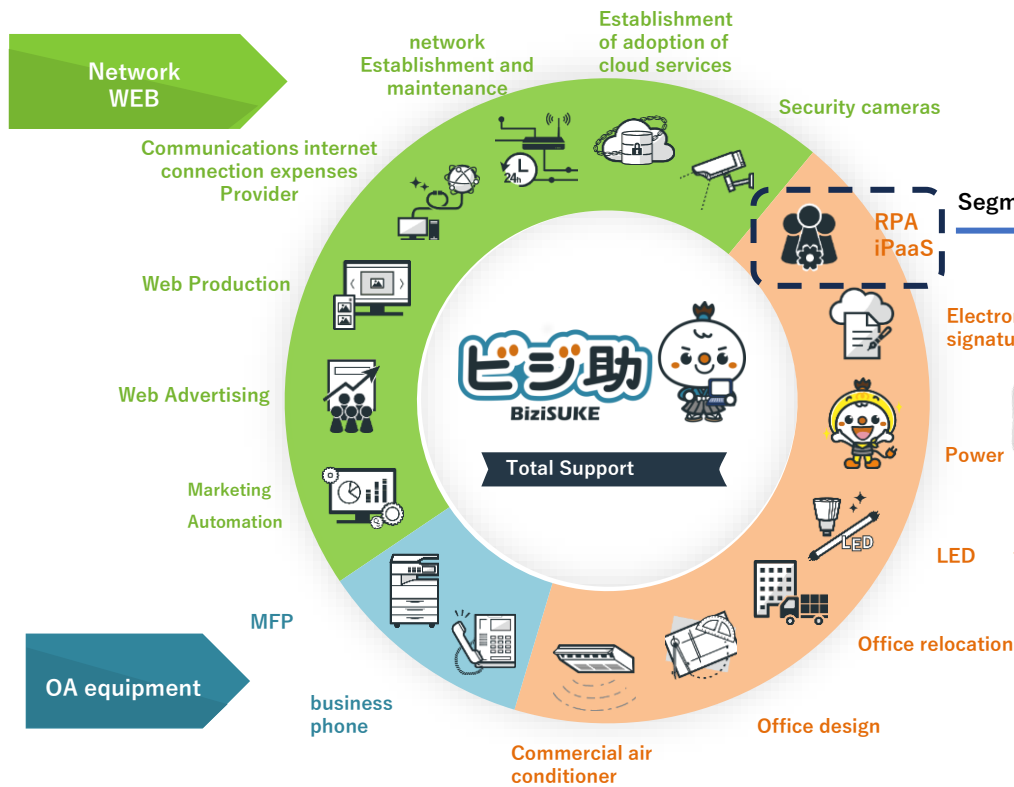
Hideyuki Hongo

May 1966
1996: Our Company established to the present day
(25.88% shareholding in Our Company)



Total solutions from IT infrastructure segment to DX to support the growth of SMEs

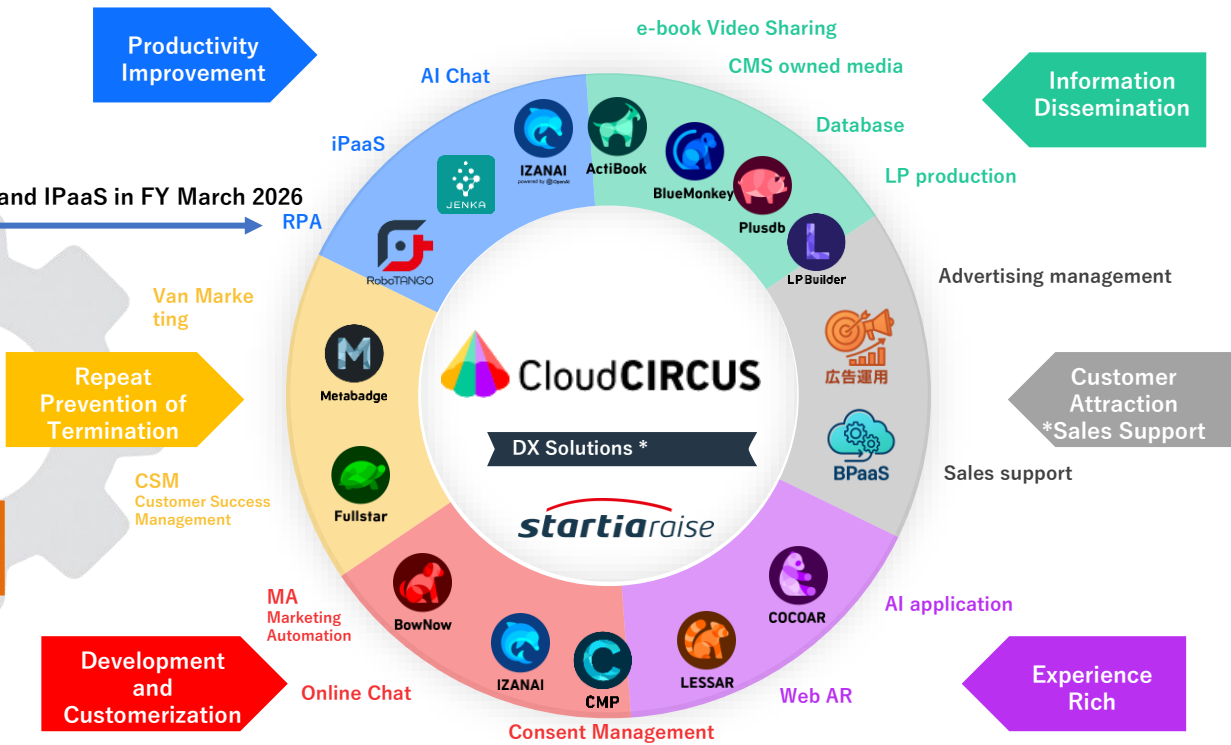
IT infrastructure segment



Segment changes for RPA and iPaaS in FY March 2026

DX Solutions business *

※From FY March 2026
To be renamed from Digital Marketing segment



The Company will move to a company with an Audit and Supervisory Committee * and will further strengthen the audit function of the execution of duties and corporate governance by having Audit and Supervisory Committee Members with voting rights join the Board of Directors.



Hideyuki Hongo, President and Representative Director

- Founded the Company in 1996 and has served as President and Representative Director since its inception (currently in office)
- Established the public interest incorporated foundation Hoshinowa in 2018 to provide non-repayable scholarships, and currently serves as its Representative Director
- Founded Kumamoto Innovation Base (formerly Kumamoto Regional Revitalization Entrepreneur Network) in 2018, and serves as its Representative Director. He has been actively engaged in the revitalization of his hometown Kumamoto following the 2016 earthquake, contributing to regional development initiatives.



Executive Officer, COO and General Manager of Business Strategy Division/Kitamura Kenichi

- Joined the Company in 2001
- Launched the web and digital book business in 2004
- Founded Startia Lab Inc. (now Cloud Circus Inc.) as an internal venture in 2009 and was appointed President and Representative Director
- Led the rebranding of the Company's various tools into the integrated digital marketing SaaS platform "CloudCIRCUS" starting in 2020
- Appointed Executive Officer & COO, and General Manager of Business Strategy Division in 2025 (currently in office)



Director/Mitsuru Kasai

- Joined the Company in 2002
- Launched the multifunction printer business in 2007 and has since led the expansion of the Group's customer base, focusing on dealer network growth and M&A activities
- Appointed President and Representative Director of Startia Inc. in 2018
- Appointed President and Representative Director of Startia Lead Inc. in 2021
- Appointed President and Representative Director of Startia Will Inc. in 2025 (currently in office)
- Appointed Chairman of the Board of Startia Inc. in 2025 (currently in office)



(Candidate) Director/Masakatsu Furukawa

- Participated in the Company's founding in 1996 and was appointed Director
- Launched the network and cloud business in 1998
- Appointed President and Representative Director of Startia Raise Inc. in 2018, which develops back-office DX solutions
- Appointed Director of kubell Storage Inc. (formerly Chatwork Storage Technologies Inc.), a joint venture established in 2021 with kubell Inc. (formerly Chatwork Inc.)

Outside director

Tetsuhiro Nakamoto /Yuko Furuichi

Executive Officer, CFO and General Manager, Corporate Division **Takao Uematsu**

Outside Director (candidate)

Hiroshi Kurihara

Executive Officer, Information Systems Division, CDO **Hirohisa Hinaga**

Outside Director (Full-time Audit and Supervisory Committee Member Candidates)

Makiko Mizuno

Human Resources & General Affairs Department Executive Officer CHRO

Shinpei Ishii

Outside Director (Audit and Supervisory Committee Members and Candidates)

Junko Gono /Kyota Matsunaga

Executive Officer, Legal Department

Koji Sugiyama

※The transition to a Company with Audit & Supervisory Committee will be resolved at Our Company Ordinary General Meeting of Shareholders to be held in June 2025.



Public Relations and Investor Relations Contact for Startiaholdings

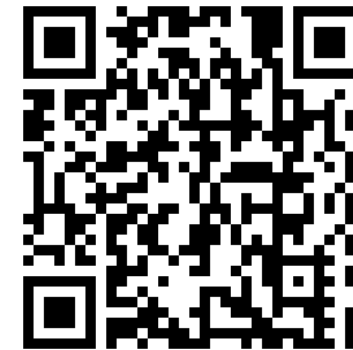
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TEL : 03-5339-2109 (weekdays 9:00 to 18:00)

MAIL:ir@startiaholdings.com

Investor Relations Website: <https://www.startiaholdings.com/ir.html>

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This document has been prepared by our company to provide you with an understanding of the current situation of our company. The information contained in this document is based on our internal knowledge and public information available to our company. our company does not guarantee the accuracy of such information. Actual results of our company may differ depending on a variety of factors going forward.