

Startia Holdings (3393)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2018		11,058	358	376	613	60.74	12.00	478.21
FY03/2019		11,907	517	573	323	32.15	9.00	473.95
FY03/2020CoE		12,822	506	504	290	28.32	9.00	-
FY03/2019	YoY	7.7%	44.4%	52.3%	(47.3%)	-	-	-
FY03/2020CoE	YoY	7.7%	(2.2%)	(12.1%)	(10.3%)	-	-	-
Consolidated Quarter (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY03/2019		2,782	37	49	62	-	-	-
Q2 FY03/2019		2,948	257	281	166	-	-	-
Q3 FY03/2019		2,893	83	84	36	-	-	-
Q4 FY03/2019		3,283	139	158	58	-	-	-
Q1 FY03/2020		2,873	(2)	(12)	(31)	-	-	-
Q1 FY03/2020	YoY	3.3%	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (15 October 2019)


Information to Make Money

Startia Holdings, currently focusing on digital marketing, plans to continue growing over the long term by expanding sales through the introduction of marketing automation tool BowNow. Although there is a possibility that major frontloaded investments could be made in light of the opportunity, the Company is aiming to achieve operating profit of ¥1,000m in FY03/2022 on the condition that unexpected expenses will not be incurred as a result. Thus, the Company is trying to achieve CAGR of 24.5% for earnings over the three-year period by FY03/2022. The marketing automation tool BowNow, which aims to realize "information to make money" by efficiently utilizing information obtained through digital contents created by self-developed tools, has been already adopted by more than 3,000 companies to date, when those of freemium plan included. The Company is now ranked second in Japan (market share of 13.65%). Looking forward, the use of pay service is gradually progressing and sales of various tools developed by the Company, which are needed to make use of BowNow, will inevitably continue to expand. The Company calls this scheme Cloud Circus initiative. By means of acquiring contracts on a subscription basis for this integrated digital marketing service, the Company aims to consistently accumulate a stock that generates stable earnings over the long term.

IR Representative: Takao Uematsu, director (+81 3 5339 2109 / tk.uematsu@startiaholdings.com)

2.0 Company Profile

IT Infrastructure to Digital Marketing

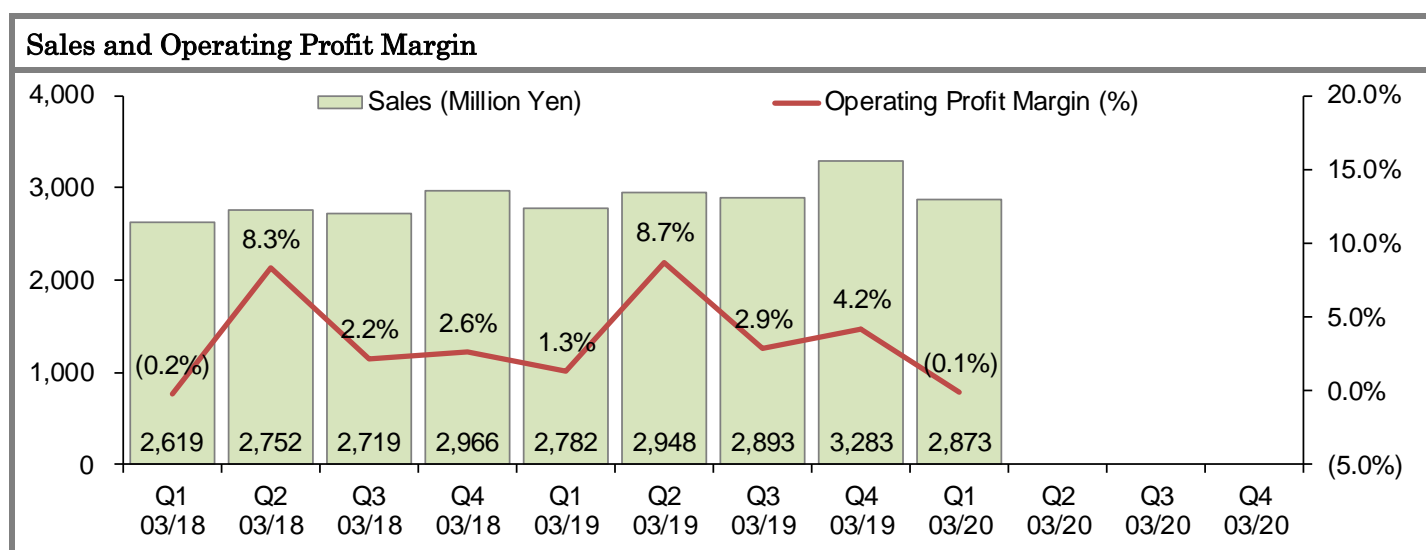
Company Name	Startia Holdings, Inc. Company Website (machine translation) IR Information (ditto) Share Price (Japanese)	
Established	21 February 1996	
Listing	28 February 2014: Tokyo Stock Exchange 1st section (ticker: 3393) 20 December 2005: Tokyo Stock Exchange Mothers section	
Capital	¥824m (as of the end of June 2019)	
No. of Shares	10,240,400 shares, including 456,711 treasury shares (as of the end of June 2019)	
Main Features	<ul style="list-style-type: none"> ● Focus on digital marketing to see high growth and high profitability ● Freemium plan to drive opportunities in the future ● Steady growth for IT infrastructure for smaller business 	
Businesses	I . Digital Marketing Business II . IT Infrastructure Business III. CVC Business IV. Overseas Business	
Top Management	President and Group CEO: Hideyuki Hongo	
Shareholders	Hideyuki Hongo 40.3%, Hikari Tsushin 6.6%, Akira Saiga 4.8% (as of the end of March 2019)	
Headquarters	Shinjuku-ku, Tokyo, JAPAN	
No. of Employees	Consolidated: 623, Unconsolidated: 51 (as of the end of March 2019)	

Source: Company Data

3.0 Recent Trading and Prospects

Q1 FY03/2020 Results

In Q1 FY03/2020, sales came in at ¥2,873m (up 3.3% YoY), operating profit minus ¥2m (versus ¥37m during the same period of the previous year), recurring profit minus ¥12m (¥49m), and profit attributable to owners of parent minus ¥31m (¥62m). Meanwhile, gross profit came in at ¥1,232m (up 2.7%) and SG&A expenses ¥1,235m (up 6.3%), implying gross profit margin of 42.9% (down 0.2% points) and sales to SG&A expenses ratio of 43.0% (up 1.2% points). As a result, operating profit margin came in at minus 0.1% (down 1.4% points). Although sales and gross profit increased over the same period of the previous year, the impact of the rise in SG&A expenses was larger, having resulted in decreased operating profit and thus operating profit margin.

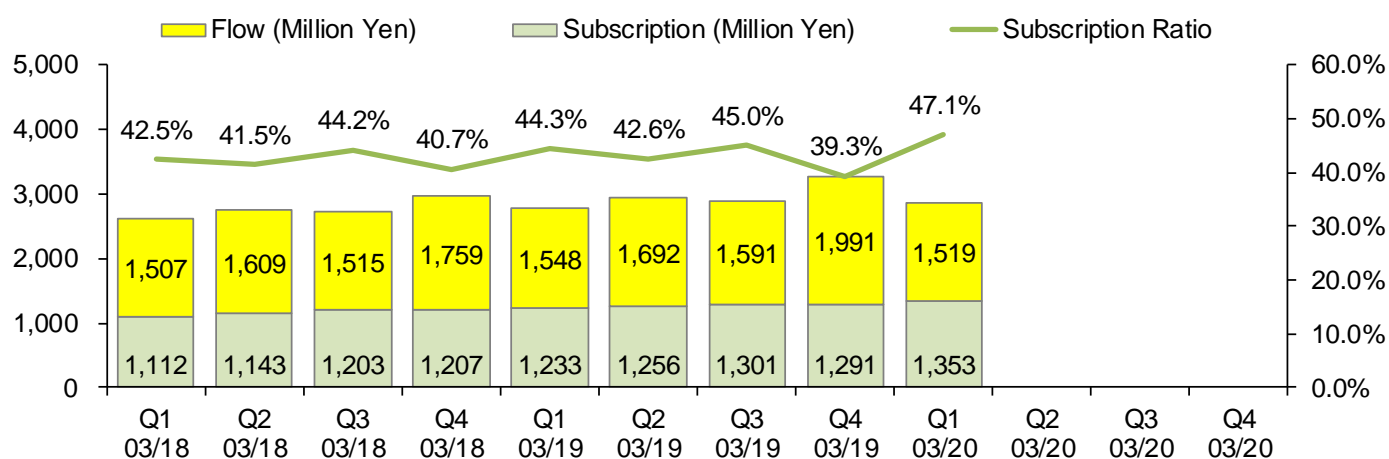


Source: Company Data, WRJ Calculation

In the first place, sales are small in Q1 every year due to seasonal factors, while it is a period of training for new graduates just hired, resulting in low operating profit margin, i.e., minus 0.2% in FY03/2018, 1.3% in FY03/2019 and minus 0.1% in FY03/2020. With respect to Q1 FY03/2020, it appears that operating profit margin came down over the same period of the previous year due to increased investments in developments on the Digital Marketing Business side both in-house and outsourced. As is taken for granted, in order to strengthen in-house developments, it is necessary to strengthen hiring of human resources, which is mentioned as a factor for increased burden from frontloaded investments. Meanwhile, the Company is keen on hiring new graduates on the IT Infrastructure Business side with an objective to acquire talented personnel in charge of future sales promotions, which was another factor of increased burden from frontloaded investments.

Meanwhile, the Company suggests that sales were almost in line with assumptions of initial Company forecasts, having fallen short of by ¥19m (0.7%), while operating profit better by ¥102m due to shortfall of expenses. As above-mentioned, the Company is keen on hiring, but it has failed to make progress as much as initially planned for engineers in particular, having resulted in shortfall of expenses to this extent.

Sales on a Flow basis and Sales on a Subscription basis

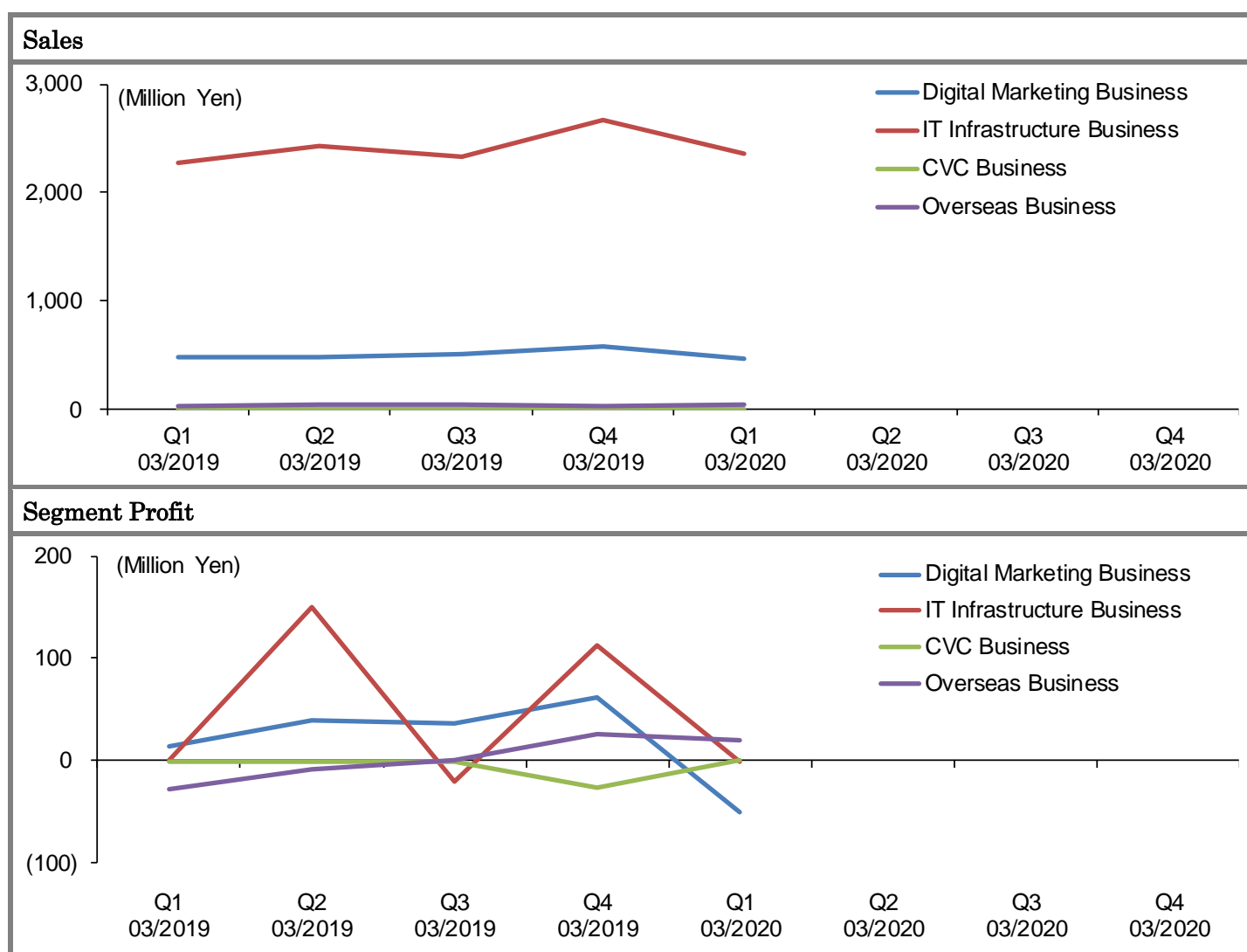


Source: Company Data, WRJ Calculation

Sales on a flow basis came in at ¥1,519m (down 1.9%) and sales on a subscription basis ¥1,353m (up 9.7%), while the latter accounted for 47.1% (up 2.8% points) of total. Particularly, on the Digital Marketing side, the Company focuses on shifting from flow to subscription, having resulted in increased exposure to sales on a subscription basis as a whole for the Company. On the IT Infrastructure Business side, sales on a flow basis include those of some merchandises carrying high profit margin and thus the Company is inclined to focus on sales promotions of all those merchandises, while enhancing sales on a subscription basis at the same time.

By business segment, Digital Marketing Business saw sales of ¥465m (down 3.5%), segment profit of minus ¥50m (¥14m), while IT Infrastructure Business sales of ¥2,356m (up 3.7%) and segment profit of minus ¥1m (minus ¥0m). The Company sees sales and operating profit both small in Q1 every year due to seasonal factors and thus it is too hard to grasp the overall picture of business in terms of composition ratio, profit margin, etc., when based on the Q1 results, while FY03/2019 full-year results make it possible as follows: Digital Marketing Business accounted for 17.3% of sales as a whole for the Company and 41.6% of segment profit with segment profit margin of 7.5%, while IT Infrastructure Business 81.5% of sales and 64.9% of segment profit with segment profit margin of 2.5%. Collectively, the two business segments accounted for 98.8% of sales as a whole for the Company and 106.4% of segment profit, implying the Company's business performance heavily hinged on them.

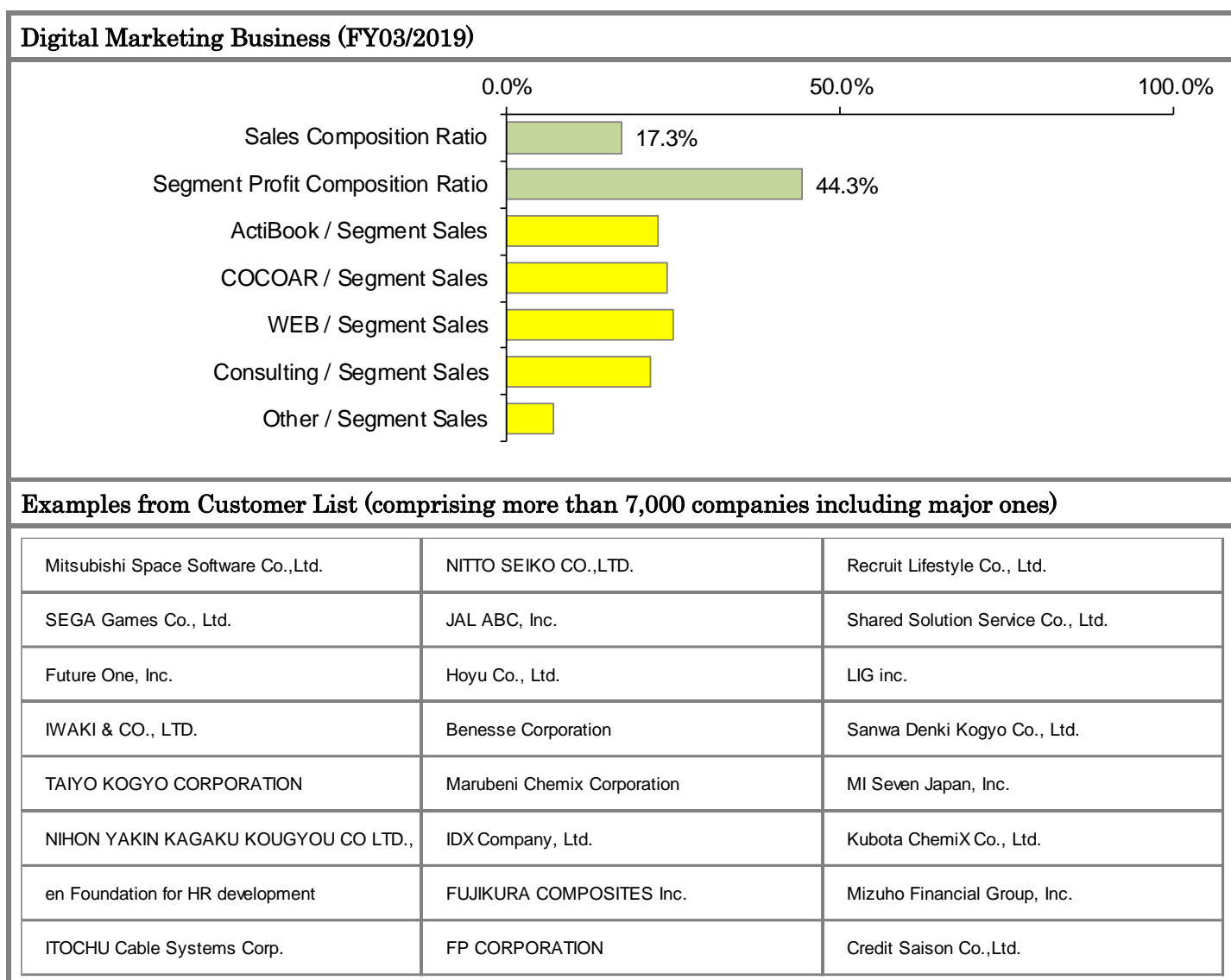
Segment profit margin of 7.5% on the Digital Marketing Business side is far higher than segment profit margin of 2.5% on the IT Infrastructure Business side. On top of this, the gap is even larger, when the allocated amount of head office expenses, mainly comprising management guidance fees, is deducted, according to the Company. For example, in Q1 FY03/2020 results, the allocated amount equated to 13.9% of sales on the Digital Marketing Business side versus 9.4% on the IT Infrastructure Business side. In other words, as a percentage of sales, more head office expenses are allocated on the Digital Marketing Business side and thus profit margin prior to this is relatively even higher to this extent, according to the Company. By the way, the above data are all after retroactive adjustments stemming from change of segmentation implemented from the beginning of FY03/2020. Specifically, the Company has reclassified Business Application Business, which had been a separate business segment, as part of IT Infrastructure Business.



Source: Company Data, WRJ Calculation

On the Digital Marketing Business side, sales on a flow basis came in at ¥133m (down 30.0%), sales on a subscription basis ¥332m (up 13.7%), while the latter accounted for 71.4% (up 10.8% points) of total. Meanwhile, as far as we could see, sales associated with ActiBook, COCOAR, WEB and Consulting are the mainstay constituents, respectively accounting for 20% to 25% of sales on the Digital Marketing Business side as a whole. On top of this, this business segment has exposure to sales categorized as Other.

In Q1, sales on a subscription basis increased fast. There once was a time that the Company focused on sales associated with ActiBook, COCOAR, etc. as standalone on a flow basis. To date, however, the Company has shifted to sales strategy to promote sales on a subscription basis, which is successful. On top of this, the Company has introduced free-to-use freemium plan as “strategy to take on new fronts”, having driven the number of users adopting the Company’s digital marketing tools. In other words, the Company suggests the potential for booking sales in the future is also rising. Meanwhile, sales on a flow basis came down, largely attributable to a temporary factor. According to the Company, the number of projects to create websites on a spot basis are temporarily coming down, negatively affecting sales associated with WEB.

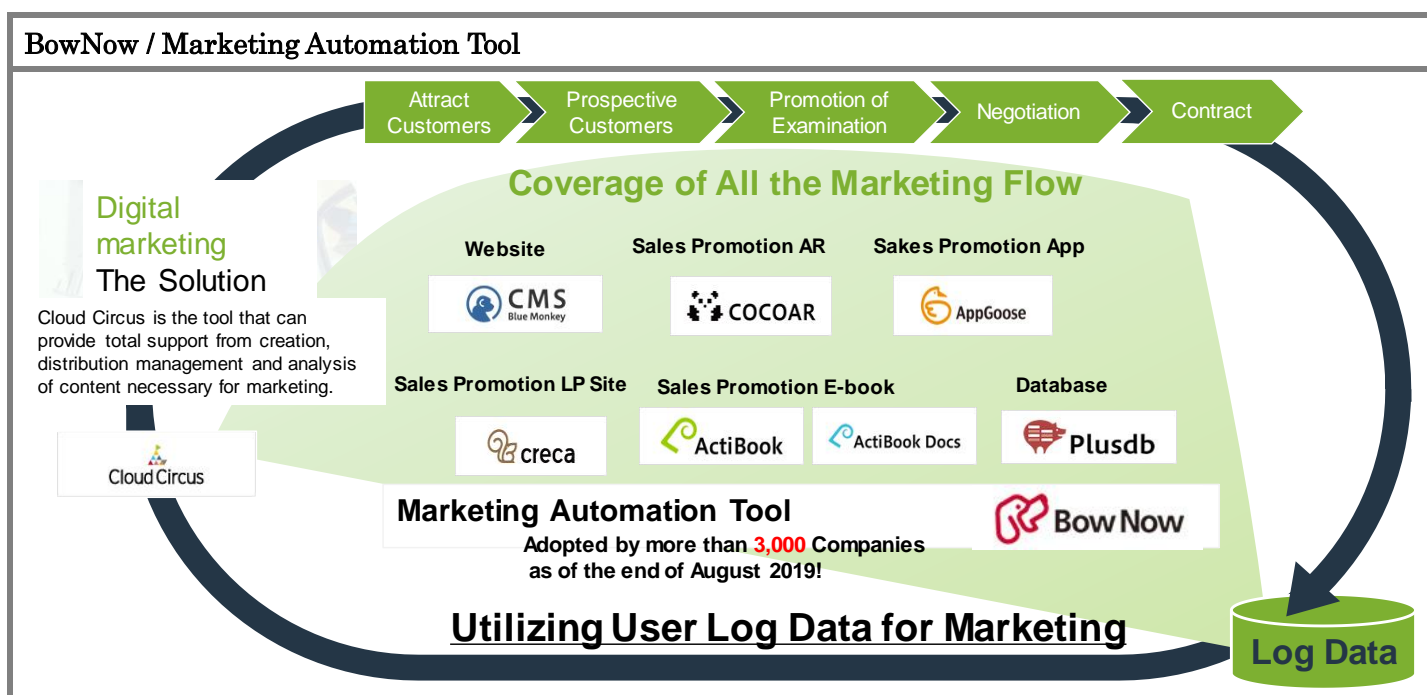


Source: Company Data, WRJ Calculation

On the Digital Marketing Business side, the Company is currently preparing for the developments of Cloud Circus or integrated digital marketing service. Meanwhile, in addition to planning, development and sales of web applications, mainly comprising those of ActiBook (software to create e-book), ActiBook AR COCOAR (software to apply the ease of ActiBook to the world of Augmented Reality or computer technology to augment realistic environments perceived by human beings), CMS Blue Monkey (tool to create websites) and Plusdb (software to create product database), the Company provides customers with total solutions in regards to web applications to drive sales and efficiency of operations, represented by creation of websites and consulting to increase access as well as contracted developments and customizations for systems.

All those digital marketing software and tools of the Company have been adopted by more than 7,000 companies, including major ones, to date. For example, in November 2018, the Company's ActiBook AR COCOAR was adopted by “Nikkei AR” or AR app for smartphones offered by Nikkei Inc. Using “Nikkei AR”, the AR content can be displayed by reading a designated "marker" posted on a page. The Company suggests that it is possible to view explanatory video that is more detailed than the content of the posted article. In addition to Startia Lab, Inc., Mtime, Inc., Startia Taiwan and STARTIASOFT INC. are in charge of the operations on the Digital Marketing Business side in the Company’s group.

Startia Lab Inc., the key operator on the Digital Marketing Business side, was established in 2009 as a spin-off from the Company. Since its startup, this group company has continued to develop above-mentioned software, tools and services. That is to say, this group company has supported the creation of diverse digital contents by customers through all those initiatives and recently it has particularly focused on providing services that promote the efficient use of information obtained through the contents, i.e., log data such as identification of viewers on specific contents, etc. In other words, the Company is trying to get at realization of "information to make money" for customers, which is encouraged by marketing automation tool BowNow.

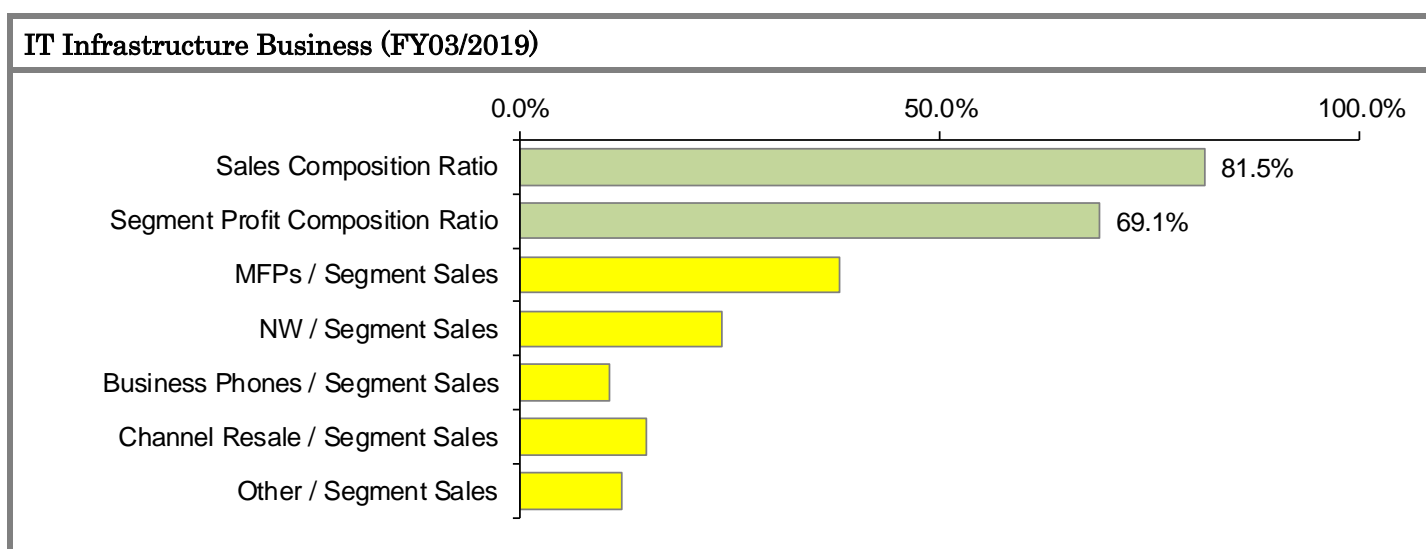


Source: Company Data

Although the Company is a late entrant in this domain, BowNow has been adopted by more than 3,000 companies (as of the end of August 2019, including freemium plan). According to the ["DataSign Web Services Survey Report August 2019"](#) by DataSign Inc., BowNow is the second largest with market share of 13.65%, when the market is assumed to comprise collective 34 equivalents available in Japan, while Pardot by salesforce.com Co., Ltd. is the largest with market share of 21.59%. BowNow was launched in February 2016 and has been marketed mainly to smaller business. In July 2017, the Company introduced freemium plan with limited functions, which was followed by startup of offering the "AMB Template" or a new function that uses templates for "Scoring" and "Scenario Design" in November 2018. As a result, BowNow has been adopted by more than 3,000 companies for about three and a half years since its launch.

The marketing automation tools of salesforce.com Co. Ltd. and other peers are basically for large companies and they are expected to start operation after about a year and half from the beginning. On top of this, unit price to pay as a tool at the initial stage is high and considerable expenditures are required for consulting on design and other services. On the other hand, in the Company's BowNow, it takes only about a month to install tracking codes and create forms in order to launch the system, as the Company is promoting the use of templates as above-mentioned. In addition, the contribution of the costs required for the introduction is extremely low by an order of magnitude. The Company expects BowNow to continue to increase the number of companies using the system.

Meanwhile, on the IT Infrastructure Business side, sales on a flow basis came in at ¥1,365m (up 1.9%) and sales on a subscription basis ¥991m (up 6.3%), while the latter accounted for 42.1% (up 1.1% points) of total. As far as we could see, sales mainly comprise those associated with MFPs, NW, Business Phones and Channel Resale. In particular, the Company has a high exposure to sales associated with MFPs, presumably almost 40% of sales in this business segment.



Source: Company Data, WRJ Calculation

In Q1, sales of hardware, installation and maintenance for network equipment included in sales associated with NW (Network) as well as provision of system integration services saw consistently steady increases, having driven sales on the IT Infrastructure as a whole, according to the Company. In addition, the Company is steadily introducing "BisiSuke" which provides a wide variety of services for a fixed fee based on the theme of "useful for business".

On the IT Infrastructure Business side, the Company provides comprehensive network integration, system integration services represented by those of cloud-based and other services that meet the needs and growth of more than 25,000 customers mainly comprising smaller business (subscription-type customers: 17,949 as of the end of Q1 FY03/2020). In other words, the Company provides total solutions that combine network equipment and peripheral services. On top of this, the Company is heavily exposed to sales associated with Business Phones, MPFs (Multifunctional Peripherals) and counter services. MFPs are office equipment that combines the functions of copiers, printers, image scanners, facsimiles, etc. and counter services are of maintenance contracts for MFPs in which repair and toners are free while the use fees for the number of sheets printed are charged instead. Meanwhile, the Company has been also making proposals for office layouts that utilize communication environments such as LAN by making use of own long-standing know-how in sales of ICT equipment and ISP services. In addition, the Company also provides incentive revenue services for telecom carriers through telephone line arrangements and other subscription agency services.

By group company, Startia, Inc., BCMEDIA Co., Ltd., NOS Ltd., MAC OFFICE INC. and Urban Plan Inc. have been in charge of operations on the IT Infrastructure side. Meanwhile, Business Application Business which is in charge of by Startia Raise, Inc. has been included as part of IT Infrastructure Business since Q1 FY03/2020. Operations here are represented by provision of “Secure SAMBA” or cloud storage services and the introduction and consulting of “Robo-Pat” or RPA tool to provide solutions with automating of office work.

Income Statement (Cumulative, Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1 to Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	03/2020	Net Chg.
Sales	2,782	5,731	8,624	11,907	2,873	-	-	-	-	+91
CoGS	1,582	3,145	4,760	6,582	1,641	-	-	-	-	+58
Gross Profit	1,199	2,585	3,864	5,325	1,232	-	-	-	-	+32
SG&A Expenses	1,162	2,290	3,485	4,807	1,235	-	-	-	-	+72
Operating Profit	37	294	378	517	(2)	-	-	-	-	(40)
Non Operating Balance	12	35	36	55	(9)	-	-	-	-	(21)
Recurring Profit	49	330	415	573	(12)	-	-	-	-	(61)
Extraordinary Balance	18	23	23	25	-	-	-	-	-	(18)
Profit before Income Taxes	67	353	438	598	(12)	-	-	-	-	(79)
Total Income Taxes	13	135	186	289	20	-	-	-	-	+6
NP Belonging to Non-Controlling SHs	(8)	(9)	(12)	(13)	(1)	-	-	-	-	+6
Profit Attributable to Owners of Parent	62	228	264	323	(31)	-	-	-	-	(93)
Sales YoY	+6.2%	+6.7%	+6.6%	+7.7%	+3.3%	-	-	-	-	-
Operating Profit YoY	-	+33.0%	+34.7%	+44.4%	-	-	-	-	-	-
Recurring Profit YoY	-	+40.6%	+41.6%	+52.3%	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	+52.8%	+8.6%	(45.1%)	(47.3%)	-	-	-	-	-	-
Gross Profit Margin	43.1%	45.1%	44.8%	44.7%	42.9%	-	-	-	-	(0.2%)
Sales to SG&A Expenses Ratio	41.8%	40.0%	40.4%	40.4%	43.0%	-	-	-	-	+1.2%
Operating Profit Margin	1.3%	5.1%	4.4%	4.3%	(0.1%)	-	-	-	-	(1.4%)
Recurring Profit Margin	1.8%	5.8%	4.8%	4.8%	(0.4%)	-	-	-	-	(2.2%)
Profit Attributable to Owners of Parent Margin	2.2%	4.0%	3.1%	2.7%	(1.1%)	-	-	-	-	(3.3%)
Total Income Taxes / Profit before Income Taxes	20.3%	38.2%	42.6%	48.3%	(166.6%)	-	-	-	-	(186.8%)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	03/2020	Net Chg.
Sales	2,782	2,948	2,893	3,283	2,873	-	-	-	-	+91
CoGS	1,582	1,562	1,614	1,821	1,641	-	-	-	-	+58
Gross Profit	1,199	1,385	1,278	1,461	1,232	-	-	-	-	+32
SG&A Expenses	1,162	1,128	1,195	1,321	1,235	-	-	-	-	+72
Operating Profit	37	257	83	139	(2)	-	-	-	-	(40)
Non Operating Balance	12	23	1	19	(9)	-	-	-	-	(21)
Recurring Profit	49	281	84	158	(12)	-	-	-	-	(61)
Extraordinary Balance	18	5	-	1	-	-	-	-	-	(18)
Profit before Income Taxes	67	286	84	160	(12)	-	-	-	-	(79)
Total Income Taxes	13	121	51	102	20	-	-	-	-	+6
NP Belonging to Non-Controlling SHs	(8)	(1)	(3)	(0)	(1)	-	-	-	-	+6
Profit Attributable to Owners of Parent	62	166	36	58	(31)	-	-	-	-	(93)
Sales YoY	+6.2%	+7.1%	+6.4%	+10.7%	+3.3%	-	-	-	-	-
Operating Profit YoY	-	+13.0%	+41.2%	+79.2%	-	-	-	-	-	-
Recurring Profit YoY	-	+18.7%	+45.7%	+89.6%	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	+52.8%	(2.0%)	(86.6%)	(55.3%)	-	-	-	-	-	-
Gross Profit Margin	43.1%	47.0%	44.2%	44.5%	42.9%	-	-	-	-	(0.2%)
Sales to SG&A Expenses Ratio	41.8%	38.3%	41.3%	40.3%	43.0%	-	-	-	-	+1.2%
Operating Profit Margin	1.3%	8.7%	2.9%	4.2%	(0.1%)	-	-	-	-	(1.4%)
Recurring Profit Margin	1.8%	9.5%	2.9%	4.8%	(0.4%)	-	-	-	-	(2.2%)
Profit Attributable to Owners of Parent Margin	2.2%	5.6%	1.3%	1.8%	(1.1%)	-	-	-	-	(3.3%)
Total Income Taxes / Profit before Income Taxes	20.3%	42.5%	60.7%	63.9%	(166.6%)	-	-	-	-	(186.8%)

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative, Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2019	Q1 to Q2 03/2019	Q1 to Q3 03/2019	Q1 to Q4 03/2019	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020		
Digital Marketing Business	482	967	1,482	2,054	465	-	-	-	-	(16)
IT Infrastructure Business	2,273	4,700	7,032	9,709	2,356	-	-	-	-	+83
CVC Business	-	-	-	-	-	-	-	-	-	-
Overseas Business	26	62	107	141	48	-	-	-	-	+22
Other	-	0	0	1	2	-	-	-	-	+2
Adjustments	0	0	0	-	-	-	-	-	-	-
Sales	2,782	5,731	8,624	11,907	2,873	-	-	-	-	+91
Digital Marketing Business	14	54	92	154	(50)	-	-	-	-	(65)
IT Infrastructure Business	(0)	150	129	241	(1)	-	-	-	-	(1)
CVC Business	(1)	(2)	(3)	(30)	(0)	-	-	-	-	-
Overseas Business	(28)	(38)	(38)	(11)	20	-	-	-	-	+49
Other	(1)	(3)	(4)	(4)	(7)	-	-	-	-	(5)
Segment Profit	(16)	161	176	350	(39)	-	-	-	-	(22)
Elimination	53	133	202	167	36	-	-	-	-	(17)
Operating Profit	37	294	378	517	(2)	-	-	-	-	(40)
Digital Marketing Business	3.1%	5.7%	6.3%	7.5%	(10.9%)	-	-	-	-	(14.0%)
IT Infrastructure Business	(0.0%)	3.2%	1.8%	2.5%	(0.0%)	-	-	-	-	(0.0%)
CVC Business	-	-	-	-	-	-	-	-	-	-
Overseas Business	(110.6%)	(61.6%)	(35.3%)	(8.2%)	41.6%	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Elimination	1.9%	2.3%	2.3%	1.4%	1.3%	-	-	-	-	(0.7%)
Operating Profit Margin	1.3%	5.1%	4.4%	4.3%	(0.1%)	-	-	-	-	(1.4%)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2019	Q2 03/2019	Q3 03/2019	Q4 03/2019	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020		
Digital Marketing Business	482	484	515	572	465	-	-	-	-	(16)
IT Infrastructure Business	2,273	2,427	2,331	2,676	2,356	-	-	-	-	+83
CVC Business	-	-	-	-	-	-	-	-	-	-
Overseas Business	26	36	45	33	48	-	-	-	-	+22
Other	-	0	0	0	2	-	-	-	-	+2
Adjustments	0	0	0	(0)	-	-	-	-	-	-
Sales	2,782	2,948	2,893	3,283	2,873	-	-	-	-	+91
Digital Marketing Business	14	40	37	62	(50)	-	-	-	-	(65)
IT Infrastructure Business	(0)	150	(21)	112	(1)	-	-	-	-	(1)
CVC Business	(1)	(1)	(1)	(27)	(0)	-	-	-	-	-
Overseas Business	(28)	(9)	0	26	20	-	-	-	-	+49
Other	(1)	(1)	(0)	(0)	(7)	-	-	-	-	(5)
Segment Profit	(16)	178	15	173	(39)	-	-	-	-	(22)
Elimination	53	79	68	(34)	36	-	-	-	-	(17)
Operating Profit	37	257	83	139	(2)	-	-	-	-	(40)
Digital Marketing Business	3.1%	8.3%	7.3%	10.9%	(10.9%)	-	-	-	-	(14.0%)
IT Infrastructure Business	(0.0%)	6.2%	(0.9%)	4.2%	(0.0%)	-	-	-	-	(0.0%)
CVC Business	-	-	-	-	-	-	-	-	-	-
Overseas Business	(110.6%)	(26.7%)	0.9%	78.8%	41.6%	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Elimination	1.9%	2.7%	2.4%	(1.1%)	1.3%	-	-	-	-	(0.7%)
Operating Profit Margin	1.3%	8.7%	2.9%	4.2%	(0.1%)	-	-	-	-	(1.4%)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2019	Q2 03/2019	Q3 03/2019	Q4 03/2019	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020		
Cash & Deposit	3,164	3,117	3,395	3,293	2,983	-	-	-	-	(180)
Accounts Receivables	1,523	1,605	1,517	1,918	1,615	-	-	-	-	+92
Inventory	134	131	118	106	131	-	-	-	-	(2)
Other	370	480	598	801	487	-	-	-	-	+117
Current Assets	5,192	5,334	5,629	6,119	5,218	-	-	-	-	+26
Tangible Assets	101	133	124	116	124	-	-	-	-	+22
Intangible Assets	388	400	424	499	476	-	-	-	-	+87
Investments and Other Assets	1,384	1,276	1,394	1,482	1,437	-	-	-	-	+53
Fixed Assets	1,874	1,810	1,942	2,098	2,038	-	-	-	-	+163
Total Assets	7,066	7,145	7,572	8,218	7,256	-	-	-	-	+189
Accounts Payables	672	669	618	810	685	-	-	-	-	+13
Short Term Debt	316	233	466	466	466	-	-	-	-	+150
Other	740	872	916	1,465	879	-	-	-	-	+139
Current Liabilities	1,729	1,775	2,002	2,742	2,031	-	-	-	-	+302
Long Term Debt	408	350	879	751	626	-	-	-	-	+218
Other	131	78	71	93	70	-	-	-	-	-
Fixed Liabilities	539	428	950	845	697	-	-	-	-	+158
Total Liabilities	2,268	2,203	2,953	3,588	2,728	-	-	-	-	+460
Shareholders' Equity	4,408	4,670	4,428	4,431	4,354	-	-	-	-	(54)
Other	389	270	191	198	173	-	-	-	-	(215)
Net Assets	4,798	4,941	4,619	4,629	4,528	-	-	-	-	(270)
Total Liabilities & Net Assets	7,066	7,145	7,572	8,218	7,256	-	-	-	-	+189
Equity Capital	4,768	4,913	4,595	4,628	4,528	-	-	-	-	(240)
Interest Bearing Debt	725	583	1,346	1,218	1,093	-	-	-	-	+368
Net Debt	(2,439)	(2,534)	(2,048)	(2,075)	(1,889)	-	-	-	-	+549
Equity Ratio	67.5%	68.8%	60.7%	56.3%	62.4%	-	-	-	-	(5.1%)
Net Debt Equity Ratio	(51.2%)	(51.6%)	(44.6%)	(44.8%)	(41.7%)	-	-	-	-	+9.4%
ROE (12 months)	14.6%	14.0%	8.5%	6.8%	5.0%	-	-	-	-	(9.7%)
ROA (12 months)	6.8%	7.1%	7.0%	7.2%	7.1%	-	-	-	-	+0.4%
Quick Ratio	271%	266%	245%	190%	226%	-	-	-	-	-
Current Ratio	300%	300%	281%	223%	257%	-	-	-	-	-

Source: Company Data, WRJ Calculation

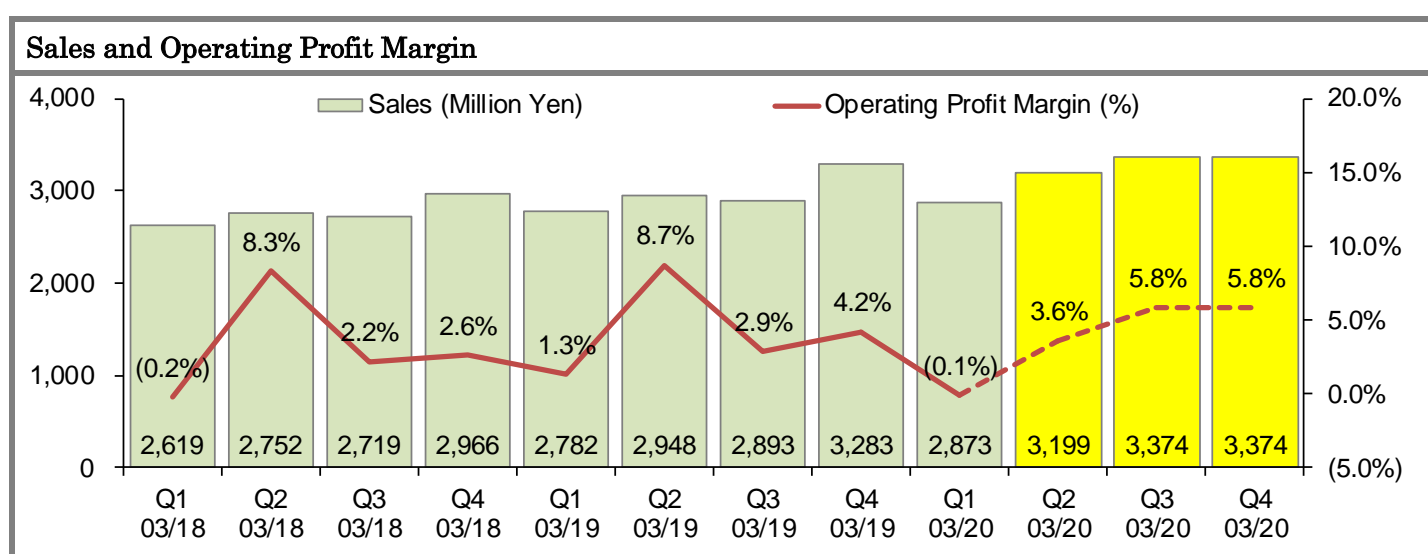
Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2019	Q1 to Q2 03/2019	Q1 to Q3 03/2019	Q1 to Q4 03/2019	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020		
Operating Cash Flow	-	(108)	-	194	-	-	-	-	-	-
Investing Cash Flow	-	(113)	-	(537)	-	-	-	-	-	-
Operating CF and Investing CF	-	(222)	-	(343)	-	-	-	-	-	-
Financing Cash Flow	-	(372)	-	(73)	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

FY03/2020 Company Forecasts

FY03/2020 initial Company forecasts have remained unchanged, going for prospective sales of ¥12,822m (up 7.7% YoY), operating profit of ¥506m (down 2.2%), recurring profit of ¥504m (down 12.1%) and profit attributable to owners of parent of ¥290m (down 10.3%), while operating profit margin of 3.9% (down 0.4% points). By business segment, Company forecasts assume sales of ¥2,387m (up 16.2%) on the Digital Marketing Business side and sales of ¥10,294m (up 6.0%) on the IT Infrastructure Business side. At the same time, Company forecasts have remained also unchanged for prospective annual dividend, going for ¥9.00 per share, implying payout ratio of 32.0%. Compared with ¥9.00 per share, implying payout ratio of 28.0%, in FY03/2019, the dividend amount remains unchanged, while payout ratio increases slightly. The Company is keen on returning earnings to shareholders, but currently disclosing and implementing a policy of paying stable dividend over the long term as a phase of investments to drive long-term growth may persist.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2020: H2 Company forecasts, pro rata)

In terms of the net changes in absolute amounts, net increases of prospective sales are ¥914m and net decreases of operating profit are ¥11m. Therefore, net increases of ¥925m for operating expenses are assumed. Meanwhile, the Company suggests that operating expenses are on the rise as the burden of investing in internal systems to handle Cloud Circus and making freemium plans paid for is increasing as well as that of hiring personnel to expand the business. Collectively, they are to bring net increases of some ¥200m for operating expenses over the previous year. Thus, the Company places more importance on frontloaded investments aimed at long-term earnings growth rather than on achieving short-term earnings growth and it appears inevitable that operating profit will stagnate in the short term.

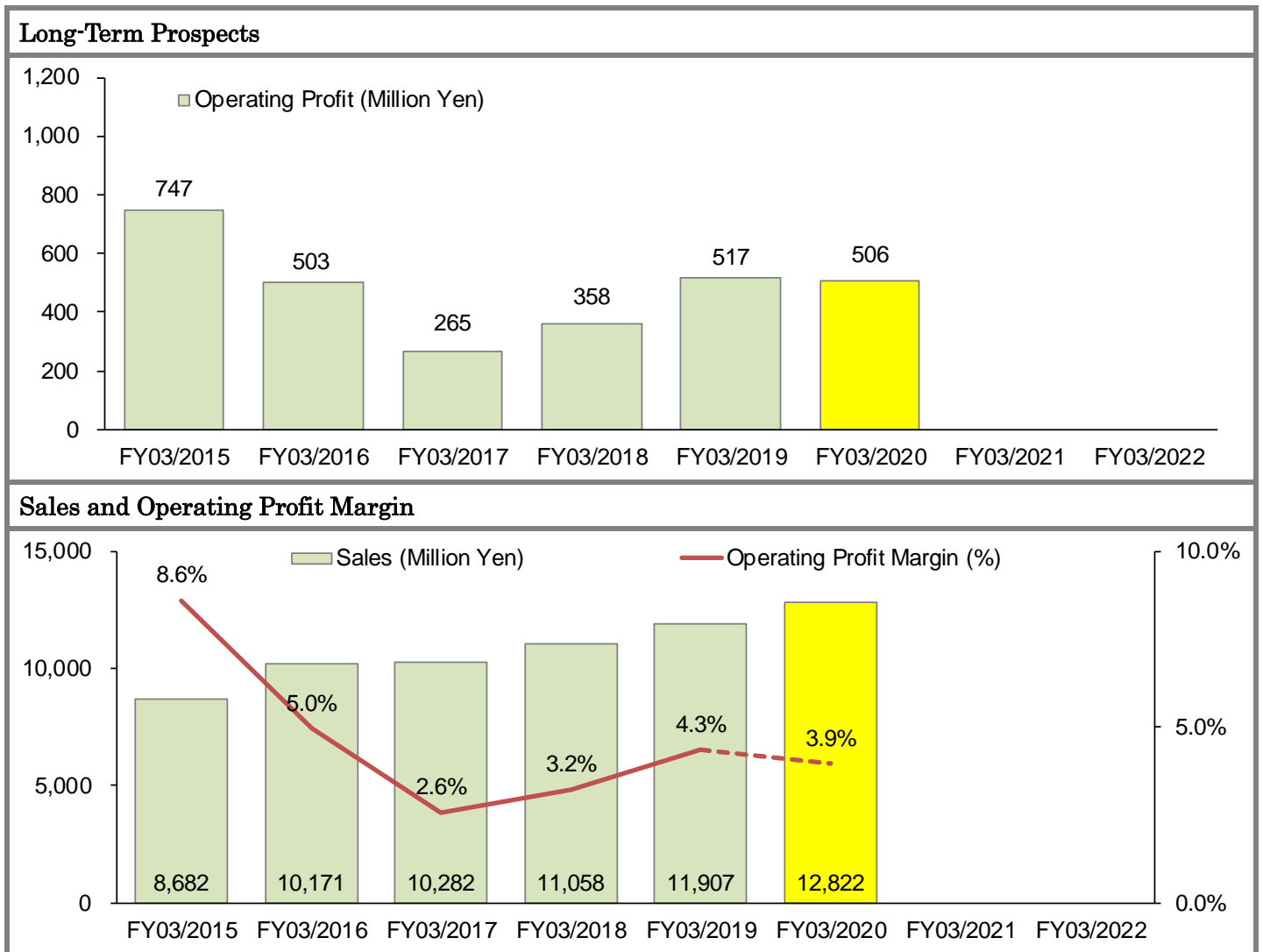
FY03/2020 Company Forecasts

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY03/2020CoE	15-May-19	Q4 Results	12,822	506	504	290
FY03/2020CoE	09-Aug-19	Q1 Results	12,822	506	504	290
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY03/2020CoE	15-May-19	Q4 Results	12,822	506	504	290
FY03/2020CoE	09-Aug-19	Q1 Results	12,822	506	504	290
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY03/2020CoE	15-May-19	Q4 Results	6,073	112	110	63
Q1 to Q2 FY03/2020CoE	09-Aug-19	Q1 Results	6,073	112	110	63
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q1 to Q2 FY03/2020CoE	15-May-19	Q4 Results	6,073	112	110	63
Q1 to Q2 FY03/2020CoE	09-Aug-19	Q1 Results	6,073	112	110	63
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY03/2020CoE	15-May-19	Q4 Results	6,749	394	394	227
Q3 to Q4 FY03/2020CoE	09-Aug-19	Q1 Results	6,749	394	394	227
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q3 to Q4 FY03/2020CoE	15-May-19	Q4 Results	6,749	394	394	227
Q3 to Q4 FY03/2020CoE	09-Aug-19	Q1 Results	6,749	394	394	227
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%

Source: Company Data, WRJ Calculation

Long-Term Prospects

On 21 May 2019, the Company held its financial results briefing for FY03/2019 and announced that it was aiming to achieve operating profit of ¥1,000m in FY03/2022 as its midterm business performance target. However, the Company also noted that the timing of achieving operating profit of ¥1,000m should be postponed, if the investment phase to face significant increases of expenses aimed at maximizing long-term growth potential continues. On top of this, the Company has also spotted that the Company may prioritize measures to acquire market shares for operations on the Digital Marketing Business side. If those measures are implemented, the timing of achieving operating profit of ¥1,000m should be postponed in the same way.



Source: Company Data, WRJ Calculation

Over the past 5 years, the Company saw operating profit of ¥747m and high operating profit margin of 8.6% in FY03/2015, but this was followed by lower levels for operating profit and operating profit margin in the next four years. In FY03/2015, when the Company saw operating profit of almost the same level as the record high, sales associated with ActiBook were buoyant, which were basically of outright sales (sales on a flow basis) of ActiBook or software to create e-book as standalone packaged software. In other words, sales presumably carrying fairly high marginal profit ratio performed favorably, having resulted in high level of operating profit margin as a whole for the Company, as far as we could see. However, as a result of outright sales (sales on a flow basis) of software used over several years, it appears that the Company saw sales and earnings frontloaded in a sense.

In view of this, the Company began shifting its focus from outright sales (sales on a flow basis) to subscription-type sales with respect to operations represented by ActiBook or those corresponding to current operations on the Digital Marketing Business side, which was true of those on the IT Infrastructure Business side at the same time. As a result, the timing of booking sales and earnings were delayed compared with the previous situations. Nevertheless, it is obvious that sales and earnings should continue to trend steadily upward at the stage after critical point that occurs at a certain point in the future. Subscription-type sales are those generated based on subscription contracts that are renewed every fixed term. As long as it is assumed that the renewal of existing contracts will continue while new contracts will continue to kick in, the Company should accumulate a stock that generates stable earnings over the long term.

According to the Company, the arrival of critical point is approaching. As far as assuming that there are no significant increases in frontloaded investment burden pointed out above, it appears that the Company will exceed critical point in FY03/2021. Here, it appears that the Company is supposed to benefit from positive impacts stemming from introduction of freemium plan. To date, BowNow's market share has continued to increase as a result of this, while it is expected going forward that subscription-type sales are to consistently increase in line with gradually increased shift to pay service. On top of this, it appears that the Cloud Circus concept of providing various services as a single "ecosystem" is starting to get incorporated.

Meanwhile, FY03/2020 Company forecasts are going for prospective sales of ¥12,822m (up 7.7% YoY), operating profit of ¥506m (down 2.2%) and operating profit margin of 3.9% (down 0.4% points). When assuming that FY03/2020 Company forecasts are to be met and that operating profit of ¥1,000m being achieved in FY03/2022, it is suggested that the Company sees CAGR of 40.6% for earnings through FY03/2021 to FY03/2022, while CAGR of 24.5% for earnings over the three-year period through FY03/2020 to FY03/2022.

As far as we could see, the following assumptions are in place for FY03/2021 and FY03/2022 to achieve operating profit of ¥1,000m in FY03/2022. While sales remain buoyant, operating profit margin continues to improve due to benefits from increased sales. Thus, the Company will see the rate of increases higher with earnings than sales. This is of the Company as a whole and is true of operations both on the Digital Marketing Business side and on the IT Infrastructure Business side. In particular, those of the former are to see high rate of increases for sales and earnings.

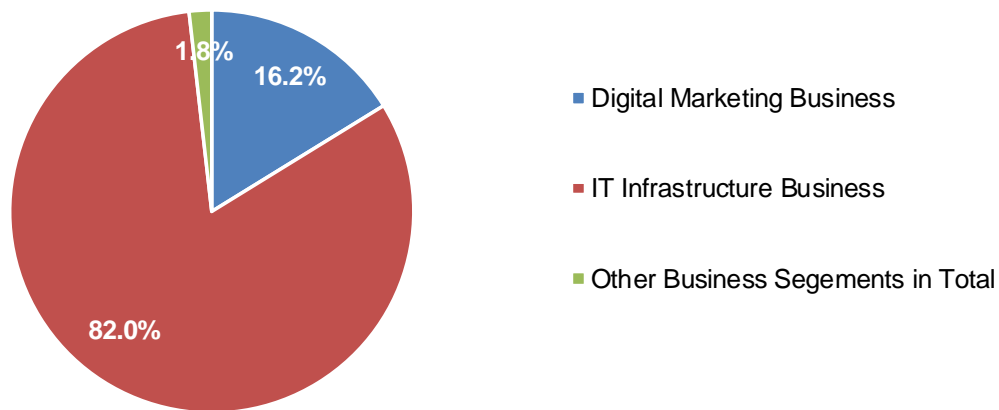
Meanwhile, given that the rate of increases of sales on the Digital Marketing Business side carrying high profit margin in the first place is to exceed that of sales on the IT Infrastructure Business side, the Company benefits from improved sales mix. At the end of the day, the combined increases of earnings in both business segments account for almost 90% of those as a whole for the Company. From the perspective of the size of the increases in earnings, those on the IT Infrastructure Business side, which has a large share in segment profit, is higher than those on the Digital Marketing Business side. Therefore, in terms of absolute value, segment profit on the Digital Marketing Business side remains rather lower than segment profit on the IT Infrastructure Business side by FY03/2022. However, it appears that this trend will reverse in FY03/2023 and thereafter.

4.0 Business Model

IT Infrastructure to Digital Marketing

The Company has invested earnings from its operations on the traditional IT Infrastructure Business side to develop its operations on the Digital Marketing Businesses side in order to pursue own long-term growth potential. In Q1 FY03/2020 results, sales on the traditional IT Infrastructure Business side accounted for 82.0% of sales as a whole for the Company and 16.2% for those on the Digital Marketing Business side on which the Company has been focusing for years. The Company has revealed its intention to continue to raise operations on the Digital Marketing Business side by investing earnings obtained from operations on the IT Infrastructure Business side, going for the establishment of business model primarily based on operations on the Digital Marketing Business side.

Sales Breakdown (Q1 FY03/2020)



Source: Company Data, WRJ Calculation

It was 23 year ago today that the Company was established in 1996. In those days, the Company used to specialize in operations corresponding to those on the IT Infrastructure Business side. Particularly, it appears that the Company was heavily involved with sales associated with MFPs and Business Phones for customers mainly comprising smaller business just like now. In other words, the Company well coped with needs of own customers in those days. At the same time, the Company has been making investments and developments for operations corresponding to those on the Digital Marketing Business side since then, having had seen through upcoming advent of Internet as the key theme of customer needs in the future. As above-mentioned, sales on the Digital Marketing Business side have risen up to 16.2% of sales as a whole for the Company to date, while prospects are becoming clearer than before. Given situations like this, the Company now intends to disclose information more actively than ever before.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 03/2015	FY 03/2016	FY 03/2017	FY 03/2018	FY 03/2019	FY 03/2020	YoY Net Chg.
Sales	8,682	10,171	10,282	11,058	11,907	12,822	+914
CoGS	4,325	5,561	5,745	6,144	6,582	-	-
Gross Profit	4,356	4,609	4,536	4,914	5,325	-	-
SG&A Expenses	3,609	4,106	4,271	4,555	4,807	-	-
Operating Profit	747	503	265	358	517	506	(11)
Non Operating Balance	131	41	20	18	55	(2)	(57)
Recurring Profit	878	544	285	376	573	504	(69)
Extraordinary Balance	78	(33)	(103)	389	25	-	-
Profit before Income Taxes	956	510	182	766	598	-	-
Total Income Taxes	364	261	174	169	289	-	-
NP Belonging to Non-Controlling SHs	-	(3)	2	(16)	(13)	-	-
Profit Attributable to Owners of Parent	592	253	5	613	323	290	(33)
Sales YoY	+6.3%	+17.1%	+1.1%	+7.5%	+7.7%	+7.7%	-
Operating Profit YoY	(10.0%)	(32.6%)	(47.3%)	+35.1%	+44.4%	(2.2%)	-
Recurring Profit YoY	+2.6%	(38.0%)	(47.6%)	+31.9%	+52.3%	(12.1%)	-
Profit Attributable to Owners of Parent YoY	+37.2%	(57.3%)	(97.7%)	-	(47.3%)	(10.3%)	-
Gross Profit Margin	50.2%	45.3%	44.1%	44.4%	44.7%	-	-
Sales to SG&A Expenses Ratio	41.6%	40.4%	41.5%	41.2%	40.4%	-	-
Operating Profit Margin	8.6%	5.0%	2.6%	3.2%	4.3%	3.9%	(0.4%)
Recurring Profit Margin	10.1%	5.4%	2.8%	3.4%	4.8%	3.9%	(0.9%)
Profit Attributable to Owners of Parent Margin	6.8%	2.5%	0.1%	5.5%	2.7%	2.3%	(0.5%)
Total Income Taxes / Profit before Income Taxes	38.1%	51.2%	95.5%	22.1%	48.3%	-	-

Source: Company Data, WRJ Calculation

Segmented Information

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 03/2015	FY 03/2016	FY 03/2017	FY 03/2018	FY 03/2019	FY 03/2020	YoY Net Chg.
Digital Marketing Business	-	-	-	1,828	2,054	2,387	+332
IT Infrastructure Business	-	-	-	9,096	9,709	10,294	+584
CVC Business	-	-	-	1	-	-	-
Overseas Business	-	-	-	132	141	-	-
Other	-	-	-	-	1	-	-
Adjustments	-	-	-	-	-	-	-
Sales	8,682	10,171	10,282	11,058	11,907	12,822	+914
Digital Marketing Business	-	-	-	127	154	-	-
IT Infrastructure Business	-	-	-	428	241	-	-
CVC Business	-	-	-	(45)	(30)	-	-
Overseas Business	-	-	-	14	(11)	-	-
Other	-	-	-	-	(4)	-	-
Segment Profit	-	-	-	524	350	-	-
Elimination	-	-	-	(165)	167	-	-
Operating Profit	747	503	265	358	517	506	(11)
Digital Marketing Business	-	-	-	7.0%	7.5%	-	-
IT Infrastructure Business	-	-	-	4.7%	2.5%	-	-
CVC Business	-	-	-	-	-	-	-
Overseas Business	-	-	-	10.8%	(8.2%)	-	-
Other	-	-	-	-	-	-	-
Elimination	-	-	-	(1.5%)	1.4%	-	-
Operating Profit Margin	8.6%	5.0%	2.6%	3.2%	4.3%	3.9%	(0.4%)

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2015	03/2016	03/2017	03/2018	03/2019	03/2020	Net Chg.
Cash & Deposit	2,335	2,638	2,221	3,718	3,293	-	-
Accounts Receivables	1,319	1,597	1,772	1,684	1,918	-	-
Inventory	76	66	89	104	106	-	-
Other	325	398	416	420	801	-	-
Current Assets	4,057	4,700	4,498	5,927	6,119	-	-
Tangible Assets	150	172	108	99	116	-	-
Intangible Assets	811	927	531	398	499	-	-
Investments and Other Assets	642	728	756	1,320	1,482	-	-
Fixed Assets	1,604	1,828	1,396	1,819	2,098	-	-
Total Assets	5,662	6,529	5,894	7,747	8,218	-	-
Accounts Payables	565	640	681	766	810	-	-
Short Term Debt	-	333	346	400	466	-	-
Other	1,119	904	684	1,222	1,465	-	-
Current Liabilities	1,684	1,878	1,712	2,388	2,742	-	-
Long Term Debt	-	559	200	466	751	-	-
Other	-	1	11	26	93	-	-
Fixed Liabilities	-	561	211	493	845	-	-
Total Liabilities	1,684	2,440	1,923	2,881	3,588	-	-
Shareholders' Equity	3,960	4,095	3,932	4,455	4,431	-	-
Other	17	(7)	38	409	198	-	-
Net Assets	3,977	4,088	3,970	4,865	4,629	-	-
Total Liabilities & Net Assets	5,662	6,529	5,894	7,747	8,218	-	-
Equity Capital	3,975	4,084	3,970	4,830	4,628	-	-
Interest Bearing Debt	-	893	546	866	1,218	-	-
Net Debt	(2,335)	(1,745)	(1,674)	(2,852)	(2,075)	-	-
Equity Ratio	70.2%	62.6%	67.3%	62.3%	56.3%	-	-
Net Debt Equity Ratio	(58.7%)	(42.7%)	(42.2%)	(59.1%)	(44.8%)	-	-
ROE (12 months)	15.9%	6.3%	0.1%	13.9%	6.8%	-	-
ROA (12 months)	16.2%	8.9%	4.6%	5.5%	7.2%	-	-
Quick Ratio	217%	225%	233%	226%	190%	-	-
Current Ratio	241%	250%	263%	248%	223%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2015	03/2016	03/2017	03/2018	03/2019	03/2020	Net Chg.
Operating Cash Flow	768	366	155	846	194	-	-
Investing Cash Flow	(595)	(762)	(165)	401	(537)	-	-
Operating CF and Investing CF	172	(396)	(10)	1,248	(343)	-	-
Financing Cash Flow	(82)	705	(403)	276	(73)	-	-

Source: Company Data, WRJ Calculation

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2015	03/2016	03/2017	03/2018	03/2019	03/2020	Net Chg.
No. of Shares FY End (thousand shares)	10,240	10,240	10,240	10,240	10,240	-	-
Earnings / EPS (thousand shares)	10,203	10,195	10,193	10,101	10,060	-	-
Treasury Shares FY End (thousand shares)	44	44	139	139	475	-	-
Earnings per Share	58.09	24.82	0.58	60.74	32.15	28.32	-
Earnings per Share (fully diluted)	56.37	24.41	-	-	-	-	-
Book Value per Share	389.90	400.57	393.04	478.21	473.95	-	-
Dividend per Share	10.00	9.00	9.00	12.00	9.00	9.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
FY	FY	FY	FY	FY	FY	FY	YoY
03/2015	03/2016	03/2017	03/2018	03/2019	03/2020	Net Chg.	
Share Split Factor	1	1	1	1	1	-	-
Earnings per Share	58.09	24.82	0.58	60.74	32.15	28.32	-
Book Value per Share	389.90	400.57	393.04	478.21	473.95	-	-
Dividend per Share	10.00	9.00	9.00	12.00	9.00	9.00	-
Payout Ratio	17.2%	36.3%	1,551.7%	19.8%	28.0%	31.8%	-

Source: Company Data, WRJ Calculation

6.0 Other Information

“Humanly Coping with Cutting-edge Technologies”

On 21 February 1996, Hideyuki Hongo, current President and Group CEO, established the Company. Meanwhile, on 1 April 2018, the Company changed its identification from “Startia, Inc.” to “Startia Holdings, Inc.”, following the transition to holding company structure. Since its establishment, the Company has been providing customers with a diverse range of IT solutions to enhance corporate productivity. According to the Company, any superior technologies or ideas are not meaningful, if people do not use them. Under the group-style of "humanly coping with cutting-edge technologies", the Company supports corporate customers by providing IT technologies and services that are superficially difficult to understand in the way of easy-to-understand and of human-like, which is the key characteristics with the Company. Meanwhile, the transition to holding company structure mentioned above is carried out with the aim of promptly making decisions in each business and promoting management with agility.

At this transition to holding company structure, the Company places the utmost emphasis on fostering operations on the Digital Marketing Business side as the primary earnings pillar with the Company in the future versus the secondary at the moment. According to the Company, the digital marketing domain is a fast-growing market worth about ¥5.0 trillion, while the Company has solid track records of products and services and they are highly appreciated by customers. In addition, the Company has continued to expand its market shares with the introduction of freemium plan.

Meanwhile, in the domain of IT Infrastructure Business or stable-growth business since the Company's establishment, it is spotted that there are many mergers and acquisitions amongst OA equipment sales operators due mainly to the business succession problems currently prevailing in Japan. Now, the Company plans to expand its business here by acquiring those companies falling into the said category, those with good relationships with customers in particular. In other words, while continuing to focus on Digital Marketing Business, the Company aims to achieve sustainable growth and maximize corporate value by optimizing the business portfolio on a group basis. At the same time, it is also aimed to solve various social problems and contribute to society through the utilization of IT technologies. The Company's vision is to “become an IT global company that is loved by customers, contributing to society and continuing to evolve on its own”, while all the Company's personnel are well united in their efforts to promote this, according to the Company.

Company History

Date	Contents of Transitions
February 1996	Established TelecomNet, Inc. (3-2, Yamaguchi, Tokorozawa-city, Saitama-prefecture)
October 1996	Identified as ND Telecom Co., Ltd.
August 2003	Relocated headquarters office to Shinjuku, Tokyo
February 2004	Identified as Startia, Inc.
December 2005	Listed on the Mothers section of the Tokyo Stock Exchange
June 2006	Launched “Digit@Link ActiBook” or software to create e-book
February 2008	Launched “Secure SAMBA” or cloud storage service for corporations
April 2009	Established Startia Lab, Inc. (currently consolidated subsidiary)
May 2009	Acquired shares in MAC OFFICE INC. (currently equity-accounted affiliate)
October 2011	Established STARTIASOFT INC. (currently equity-accounted affiliate) or joint company with 西安世維軟件有限公司
January 2012	Acquired shares of Urban Plan Inc. (currently equity-accounted affiliate)
September 2012	Launched NetResQ or in-house IT network maintenance services
November 2012	Started offering ”ActiBook AR COCOAR” or service to create AR contents
February 2014	Listed on the 1st section of Tokyo Stock Exchange
October 2015	Acquired shares of NOS Ltd. (currently consolidated subsidiary)
July 2016	Acquired shares of BCMEDIA Co., Ltd. (currently consolidated subsidiary)
February 2017	Converted NOS Ltd. (currently consolidated subsidiary) into a wholly owned subsidiary through additional acquisition of shares
July 2017	Established Startia Will, Inc. (currently consolidated subsidiary)
November 2017	Established Startia Split Preparation, Inc. (currently consolidated subsidiary, Startia, Inc.)
Ditto	Established Startia Raise, Inc. (currently consolidated subsidiary)
Ditto	Established Startia Asia Pte. Ltd. (currently consolidated subsidiary)
Ditto	Established Mtame, Inc. (currently consolidated subsidiary)
March 2018	Established Startia Taiwan (currently consolidated subsidiary)
April 2018	Acquired Startia Split Preparation, Inc. and Startia Raise, Inc. through absorption-type company split and transitioned to holding company structure.
Ditto	The Company changed its identification to Startia Holdings, Inc. and Startia Split Preparation, Inc. to Startia, Inc.
Ditto	Established Worktus, Inc. (currently consolidated subsidiary)

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage etc.

Company name: Walden Research Japan Incorporated

Head office: 4F Hulic Ginza 1-chome Building, 1-13-1 Ginza, Chuo-city, Tokyo 104-0061 JAPAN

URL: www.walden.co.jp

E-mail: info@walden.co.jp

Phone : +81 3 3553 3769
