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FY2024 Second Quarter Results

(FY2024 First Half)

Highlights (consolidated)

- Increased in sales and profit YoY.
 - Sales were driven by the growth of Solutions Business, while the restructuring of E-commerce Business contributed to profitability.

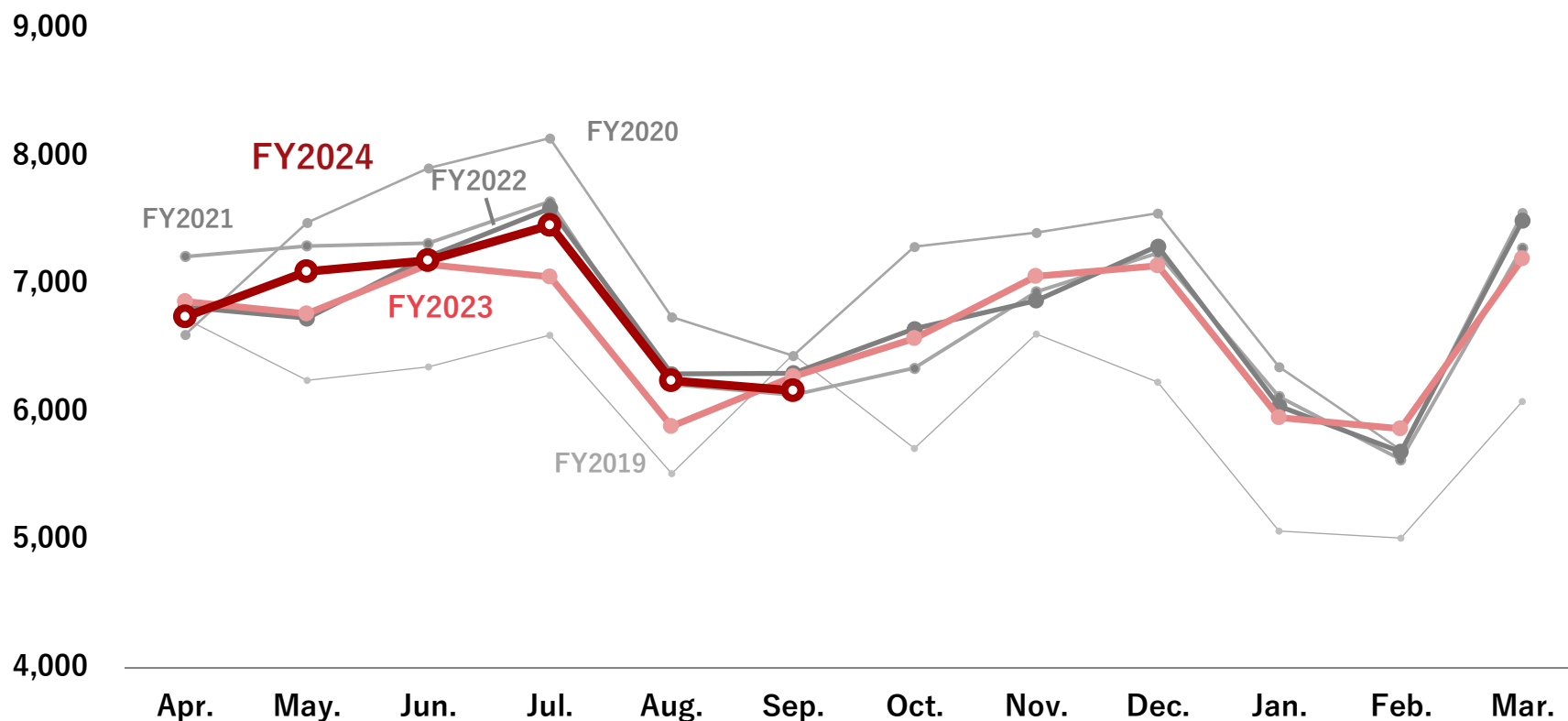
(Millions of yen)	H1 FY2023	H1 FY2024	YoY changes	
	Actual	Actual	Amount	Rate
Net sales	40,016	40,914	+897	+2.2%
Operating profit (Operating profit / net sales)	3,374 (8.4%)	3,841 (9.4%)	+466	+13.8%
Ordinary profit (Ordinary profit / net sales)	3,438 (8.6%)	4,075 (10.0%)	+637	+18.5%
Profit attributable to owners of parent	2,346	2,764	+418	+17.8%
Earnings per share	¥67.15	¥80.54	+¥13.39	—

* Yen(¥) denotes Japanese yen. The same notation is used on all pages below.

Monthly sales (consolidated)

- Monthly sales in second quarter were almost the same level as the previous year.

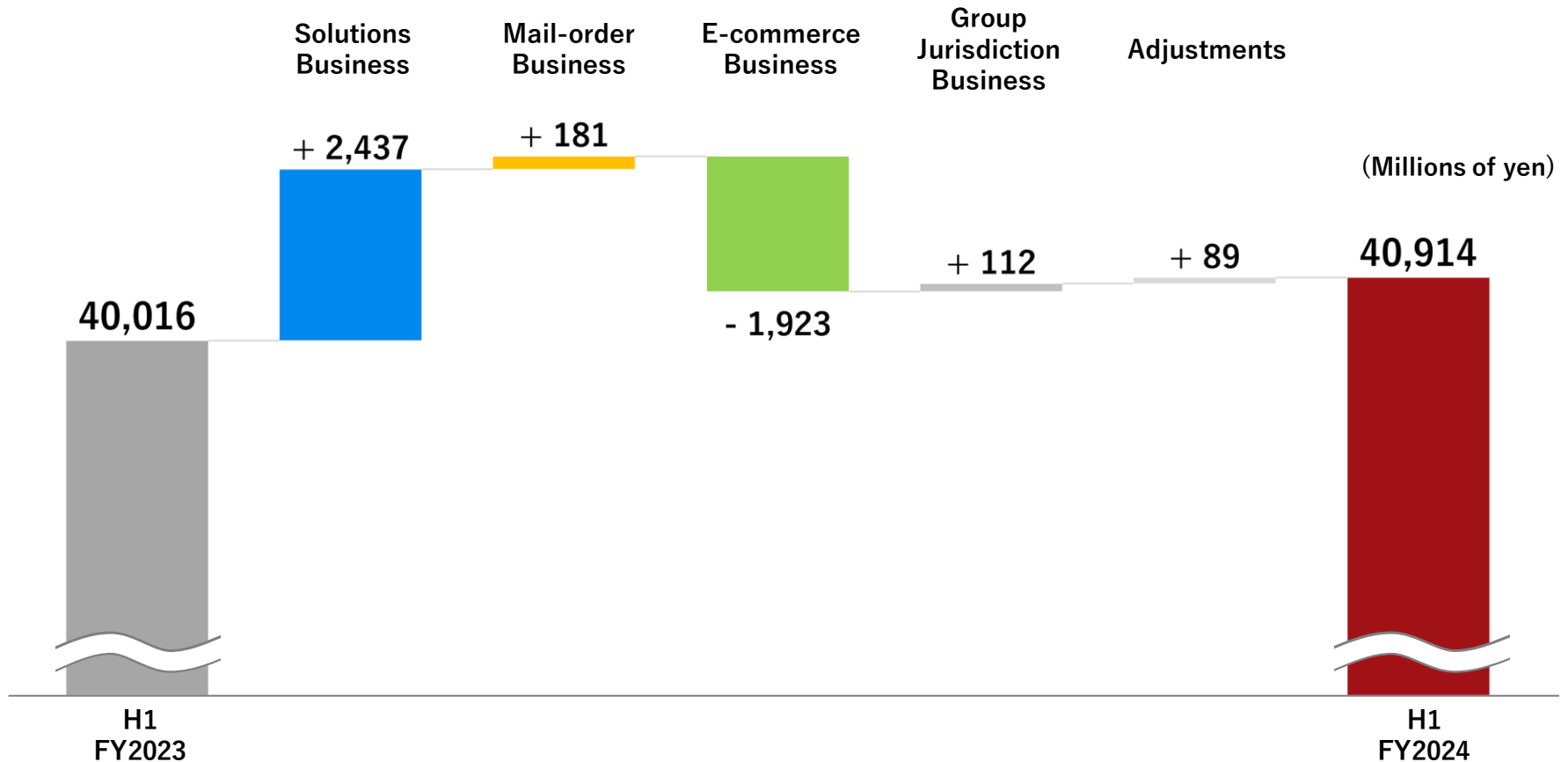
(Millions of yen)



* Figures for FY2019 and FY2020 on this page are figures before the application of the Accounting Standard for Revenue Recognition, etc. It is displayed for reference.

Analysis of sales increase/decrease (consolidated)

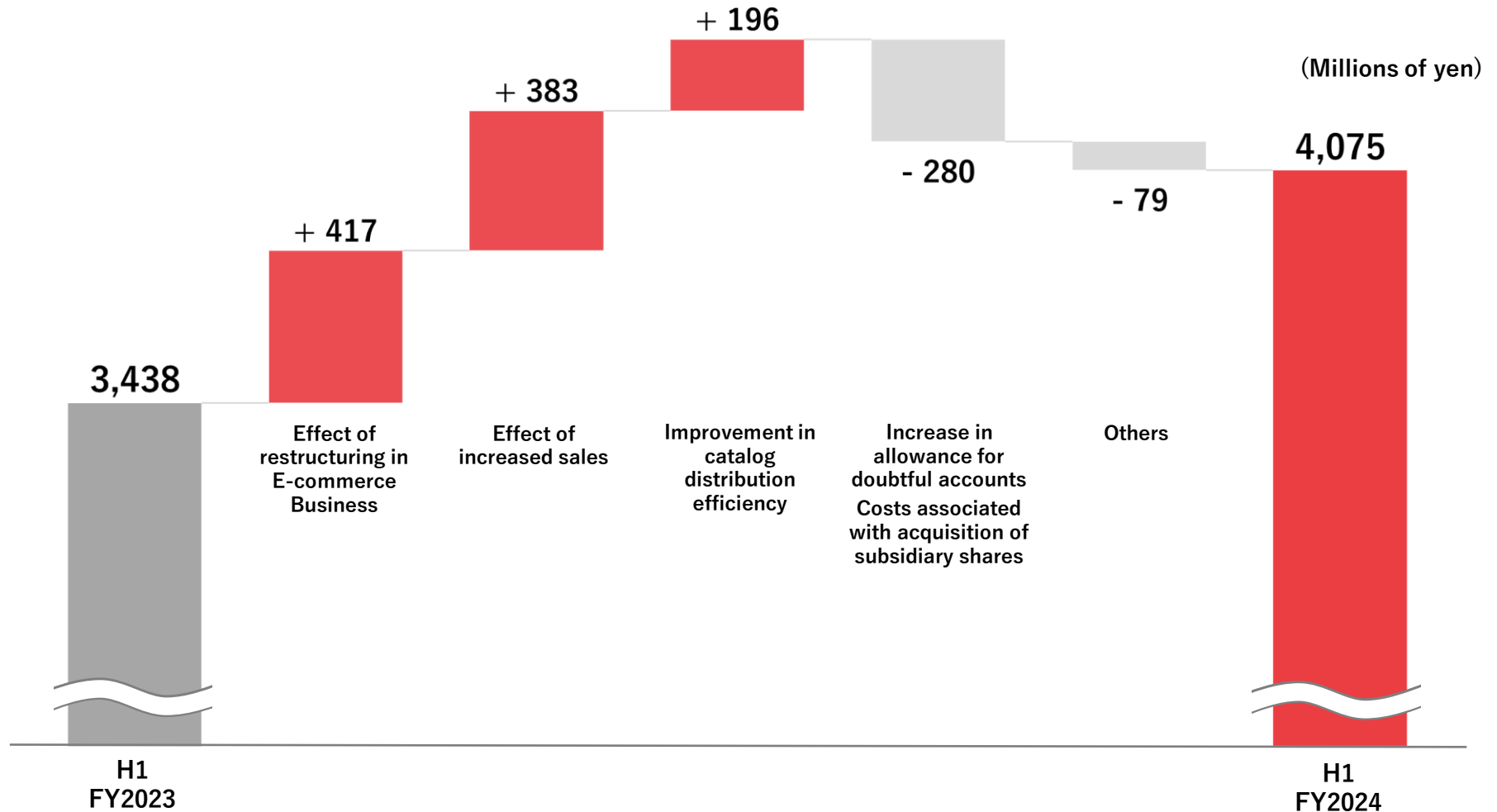
- Solutions Business continues to grow, and Mail-order Business remains stable.
- E-commerce Business decreased sales due to restructuring efforts, but overall increased sales.



* We have changed the reporting segments from FY2024. (E-commerce Business include the former HBT Business)
For the comparison with the previous period, we have adjusted the figures from the previous year to reflect the new reporting segments.

Analysis of ordinary profit increase/decrease (consolidated)

- Increased in profit through effect of restructuring in E-commerce Business, increased sales, and improvement in catalog distribution efficiency.
- Recorded expenses associated with the business expansion of Solutions Business.



Segment Performance 【H1 FY2024 Actual】

Net sales

Segment profit

(Millions of yen)

Solutions
Business13,929
(+21.2%)375
(-6.2%)Increased in sales but
decreased in profitAs a growth driver, increased in sales.
Due to the recognition of provisions
associated with the expansion of
payment processing, decreased in profit.Mail-order
Business20,748
(+0.9%)3,521
(+5.5%)

Increased in sales and profit

Orders for summer and peak summer
products have remained stable, and cost
control measures have been effective.E-commerce
Business7,013
(-21.5%)41
(-376 in H1 FY2023)Decreased in sales but
increased in profitDue to business restructuring, the scale
has been reduced. The profit and loss
for the period has returned to profit.

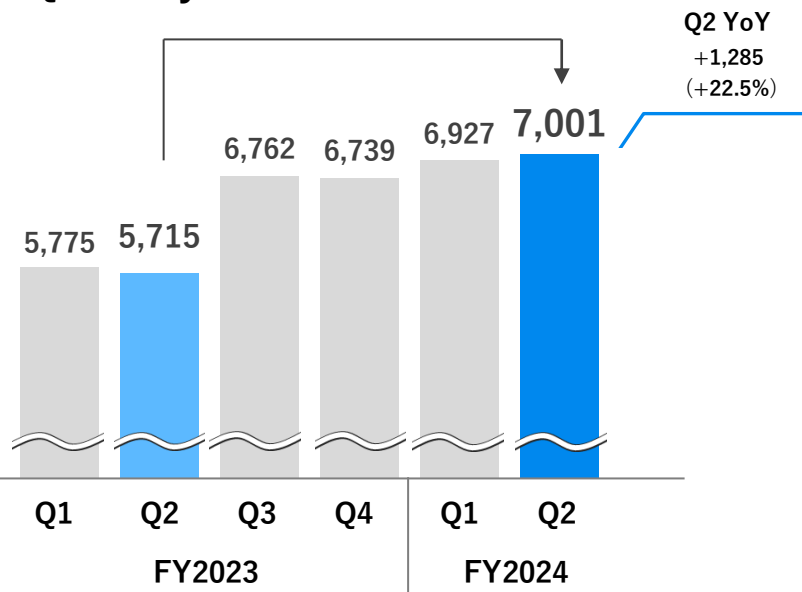
* We have changed the reporting segments from FY2024. (E-commerce Business include the former HBT Business)
For the comparison with the previous period, we have adjusted the figures from the previous year to reflect the new reporting segments.

Solutions Business Segment

- Increased in sales driven by expansion in various services. Decreased in profit due to the recognition of provisions associated with the expansion of payment processing.

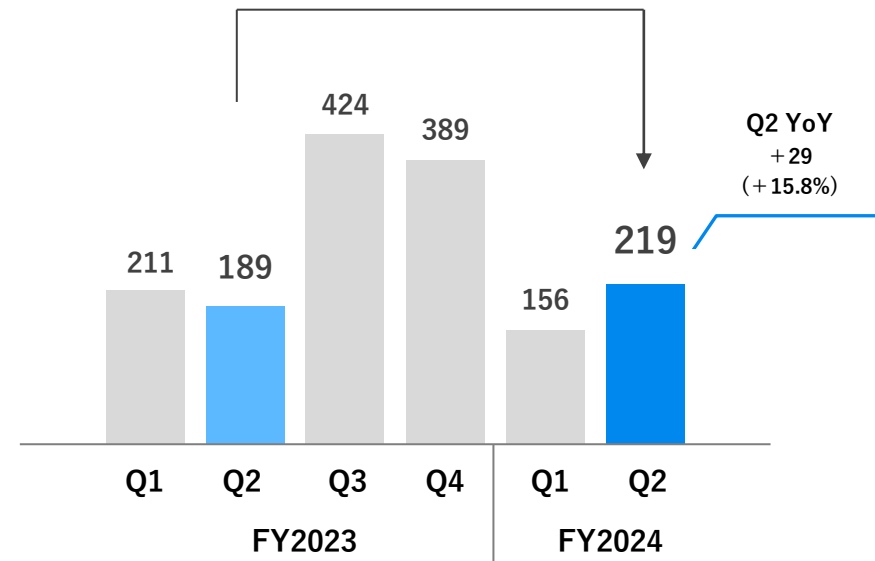
H1 FY2024	Net sales :	¥13,929 million	(YoY +21.2%)
	Segment profit :	¥375 million	(YoY -6.2%)

Quarterly sales



Quarterly segment profit

(Millions of yen)

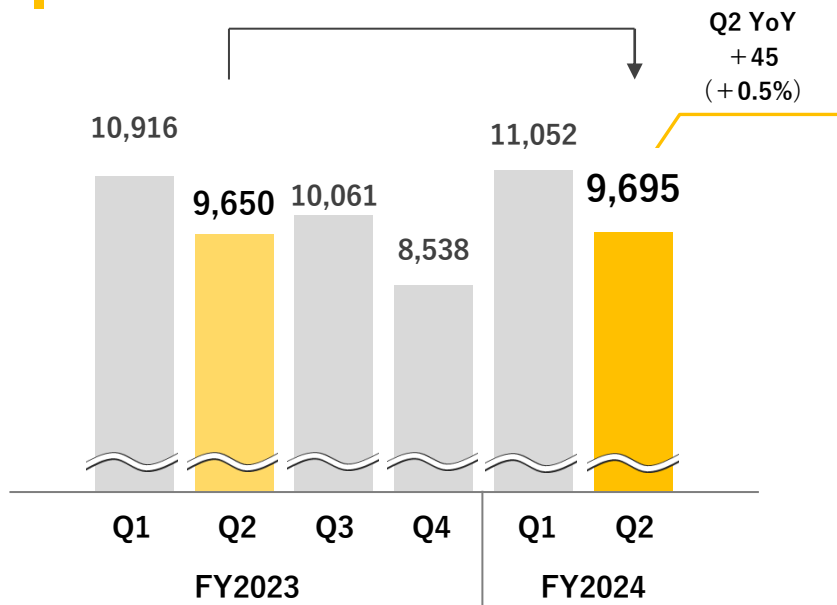


Mail-order Business Segment

- Despite higher currency and procurement costs, steady orders for summer and peak summer products helped maintain its profitability.

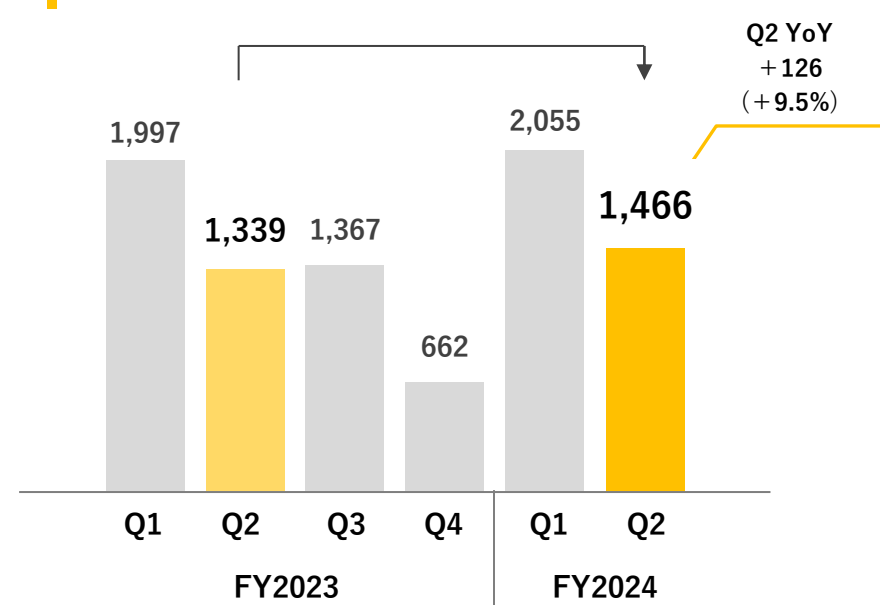
H1 FY2024	Net sales :	¥20,748 million	(YoY + 0.9%)
	Segment profit :	¥3,521 million	(YoY + 5.5%)

Quarterly sales



Quarterly segment profit

(Millions of yen)

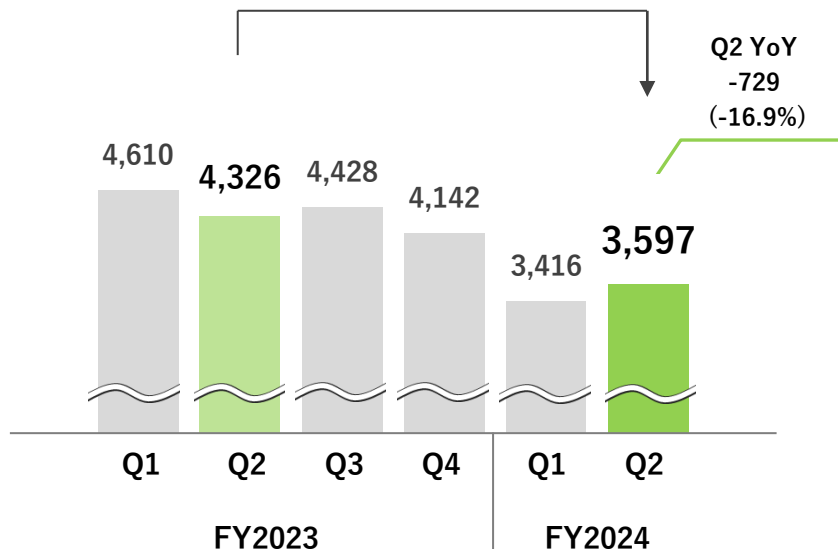


E-commerce Business Segment

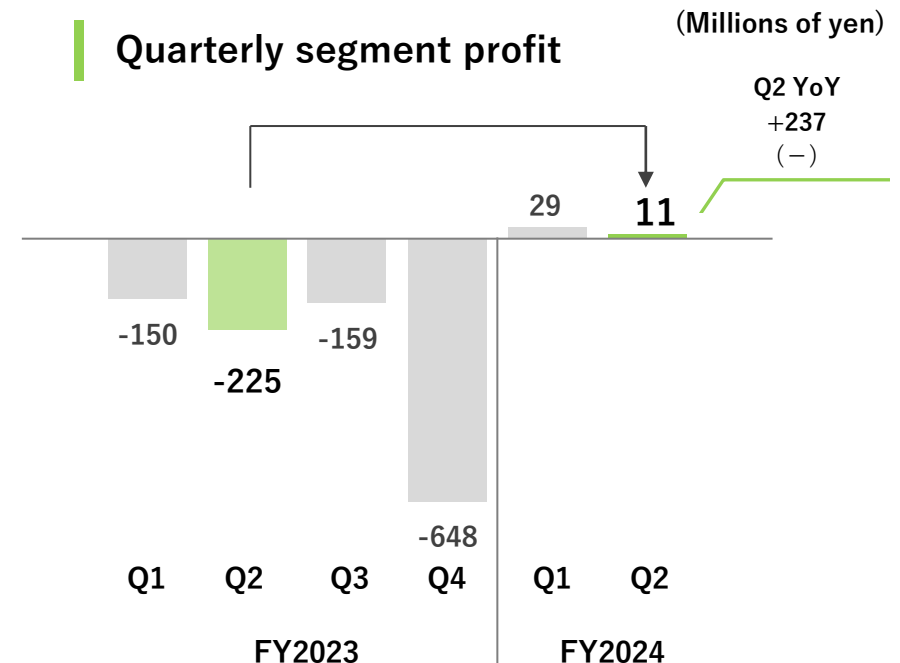
- Business restructuring led to a reduction in scale, and the compression of operating costs through reorganization resulted in a profit for the period.

H1 FY2024	Net sales :	¥7,013 million	(YoY -21.5%)
	Segment profit :	¥41 million	(-376 in H1 FY2023)

Quarterly sales



Quarterly segment profit



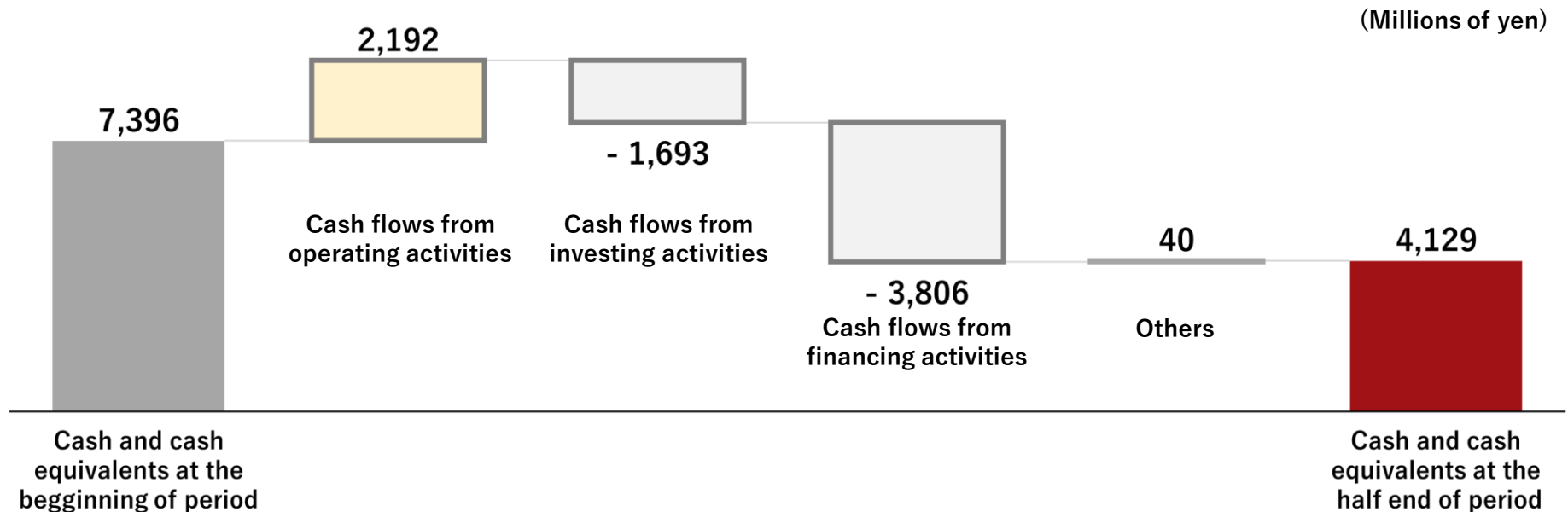
Balance sheet statement (consolidated)

- Maintaining a healthy financial position through the recognition of net profit.

(Millions of yen)		March 31,2024	September 30,2024	Changes amount	< Main factors of increase/decrease >
	Current assets	36,212	35,578	-633	
	Non-current assets	17,046	17,114	+ 67	
Total assets		53,258	52,693	-565	Cash and deposits -2,267 Accounts receivable – trade -814 Accounts receivable – other +1,431 Inventories +1,360
	Current liabilities	18,195	15,611	-2,583	
	Non-current liabilities	1,679	1,738	+ 59	
Total liabilities		19,874	17,350	-2,523	Borrowings -3,000
Total net assets		33,383	35,342	+ 1,958	Dividends payment -615 Net profit +2,764
Total liabilities and net assets		53,258	52,693	-565	
Equity ratio		62.7%	67.1%	+4.4P	

Cash flows statement (consolidated)

- Cash and cash equivalents at the half end of period is ¥4,129 million (¥3,267 million decreased compared to the end of the previous consolidated fiscal year).



< Main factors of increase/decrease >

Cash flows from operating activities

Net profit before income taxes	+4,075
Increase in other current assets	-1,386
Increase in inventories	-1,360

Cash flows from investing activities

Acquisition of consolidated subsidiary shares	-672
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Cash flows from financing activities

Repayments of long-term borrowings	-3,165
Cash dividends paid	-615

Progress of the Medium-term Management Plan “Marketing Solution 2026”

Marketing Solution 2026

~From 'DMSC' to 'MSC'~

Two major policies for FY2024

Return to growth trajectory
~Revision of business portfolio~

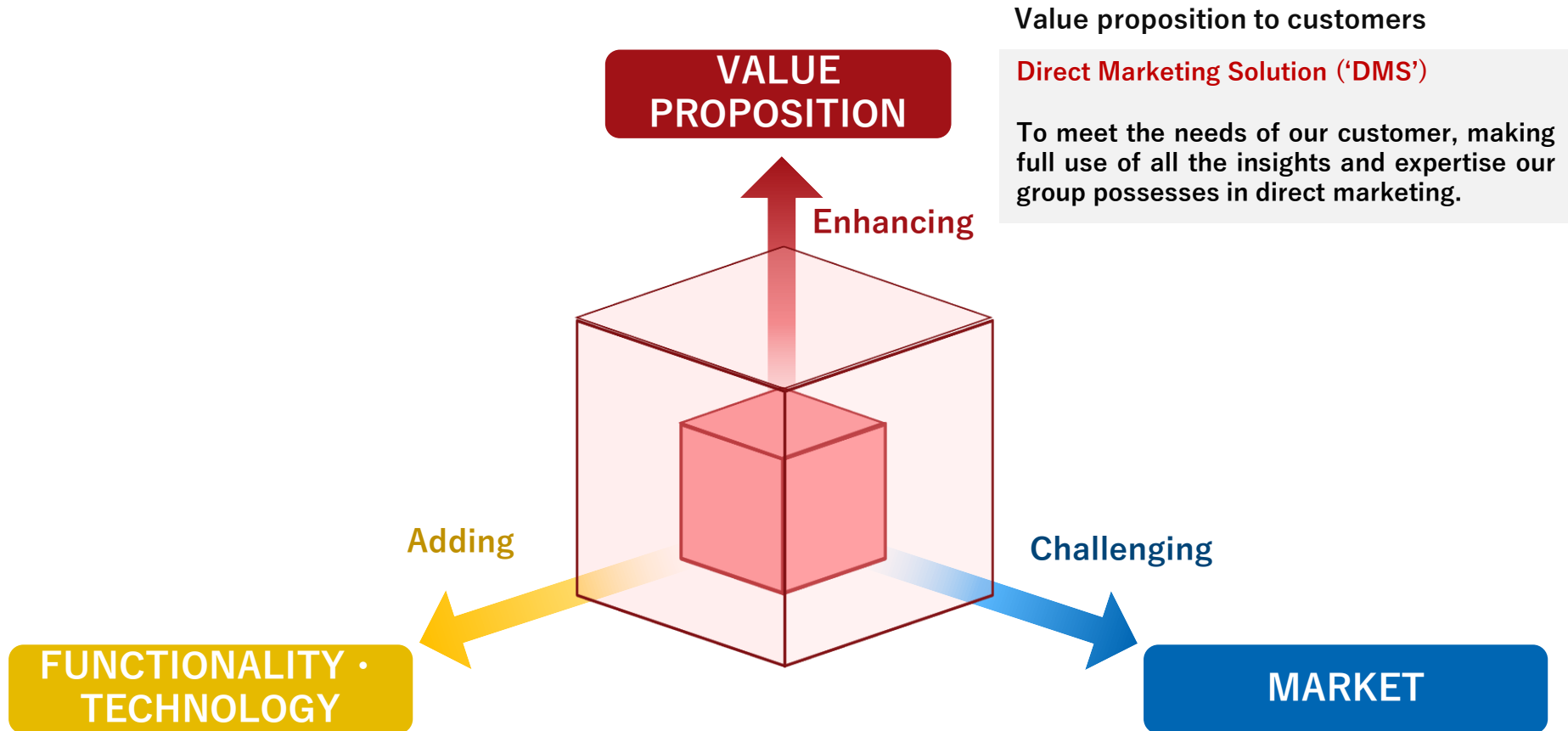
Promotion of effective
'responsibility' management

Quantitative Targets

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
(Millions of yen)	Actual	Actual	Actual	Target	Target	Target
Net sales	81,391	81,018	79,826	80,000	85,000	90,000
Growth rate YoY	-4.5%	-0.5%	-1.5%	+0.2%	+6.3%	+5.9%
Ordinary profit	7,096	6,191	5,512	6,200	7,000	8,000
(Ordinary profit / net sales)	8.7%	7.6%	6.9%	7.8%	8.2%	8.9%
Profit attributable to owners of parent	5,585	4,170	3,649	4,200	4,800	5,400
Return on equity	19.7%	13.4%	11.2%	12.1%	12.7%	13.2%

The vision our group strives for ~'MSC'~

- By challenging market expansion, adding functionality and technology, and enhancing the value proposition, we aim to break through existing barriers and evolve into a new corporate entity.



Market expansion

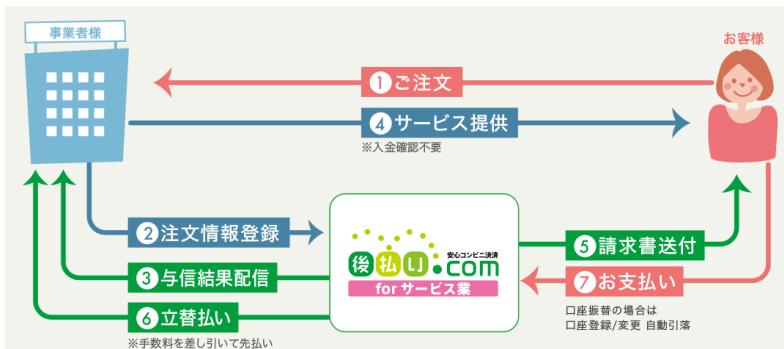
Entering markets outside of e-commerce and mail-order

- We are challenging ourselves to expand our market scope by not limiting our services to the direct marketing(e-commerce and mail-order) market.

Post-payment processing service

Solutions are provided for all business vendors facing challenges with collection operations and convenience store payment processing.

Providing collection agency services available for various industries.



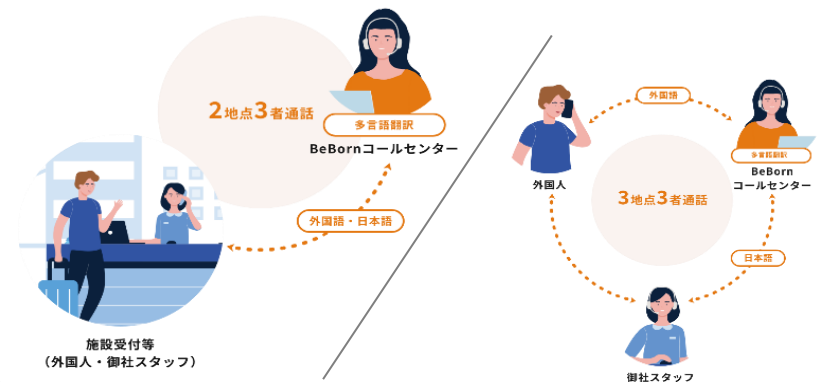
New market

**Infrastructure(gas and electricity),
Delivery(water and milk)**

BPO/Call center service

Acquired BeBorn co.,Ltd., a call center specializing in multilingual simultaneous interpretation.

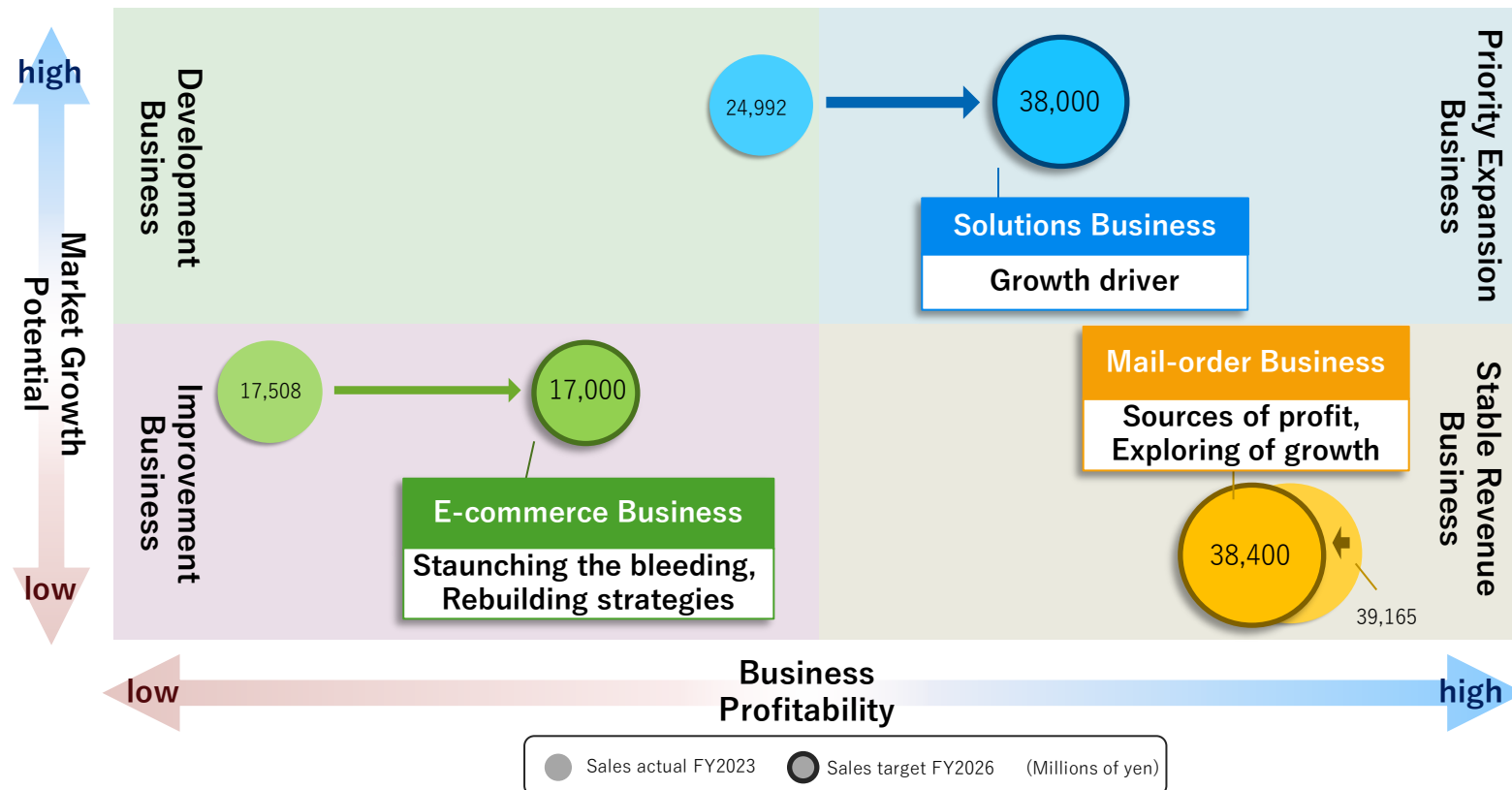
Providing telephone simultaneous interpretation services.



**Public offices, Local government,
Private companies**

Return to growth trajectory Revision of business portfolio

- Solutions Business will continue to be nurtured as a growth driver.
- Mail-order Business is maintaining its profitability while sowing the seeds for new ventures.
- E-commerce Business aims to improve profit and loss by reorganizing the organization and restructuring its operations.



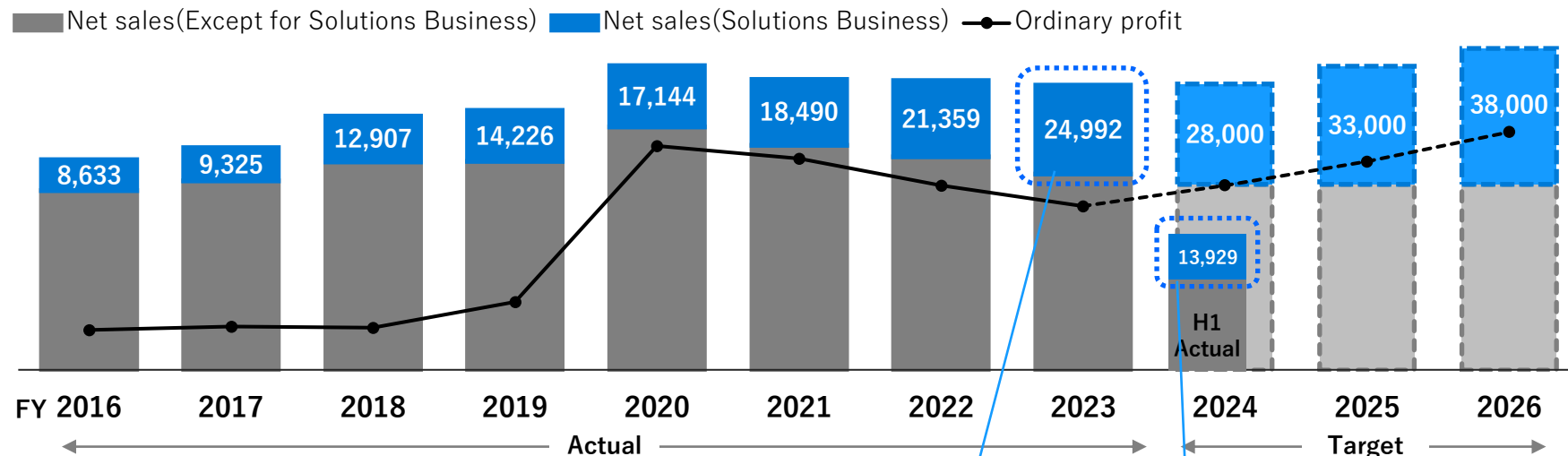
* FY2023 actual figures for E-commerce Business include the figures from the former HBT Business.

Return to growth trajectory Growth of Solutions Business

- Solutions Business is driving our group's growth.
- In terms of service breakdown, marketing support and payment processing are experiencing growth.

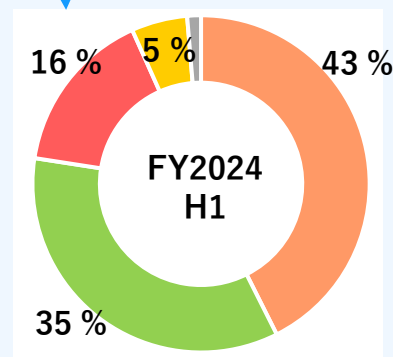
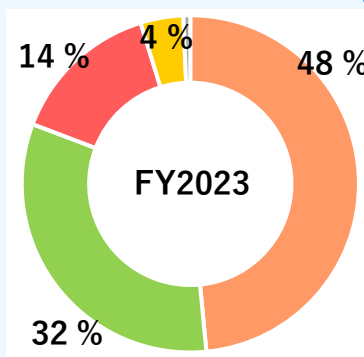
Sales trend FY2016-FY2026(Target)

(Millions of yen)



Solutions Business Sales composition ratio FY2023, FY2024(H1)

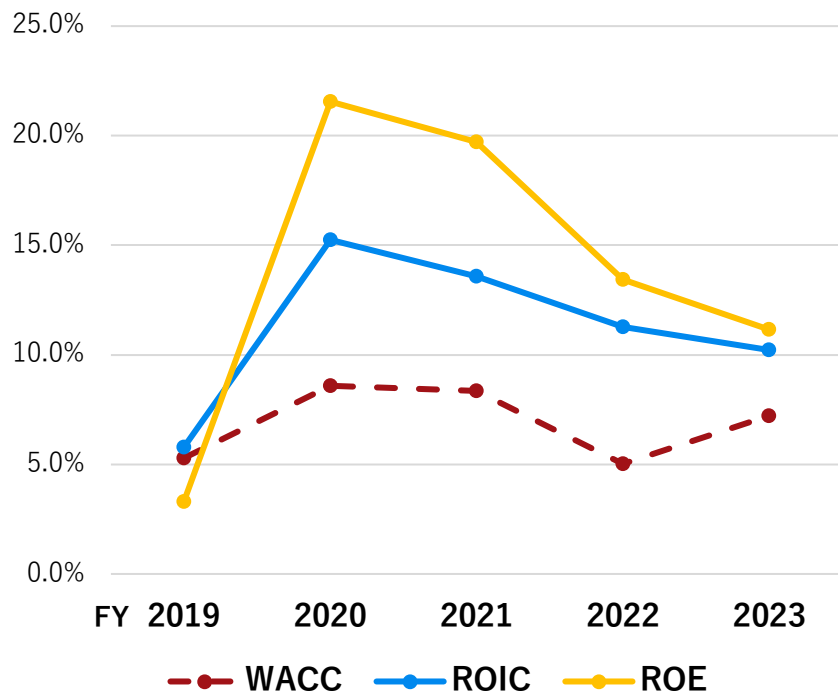
- Logistics Outsourcing
- Marketing Support
- Payment Processing
- BPO/Order Processing



Management initiatives, taking capital costs and stock prices into consideration

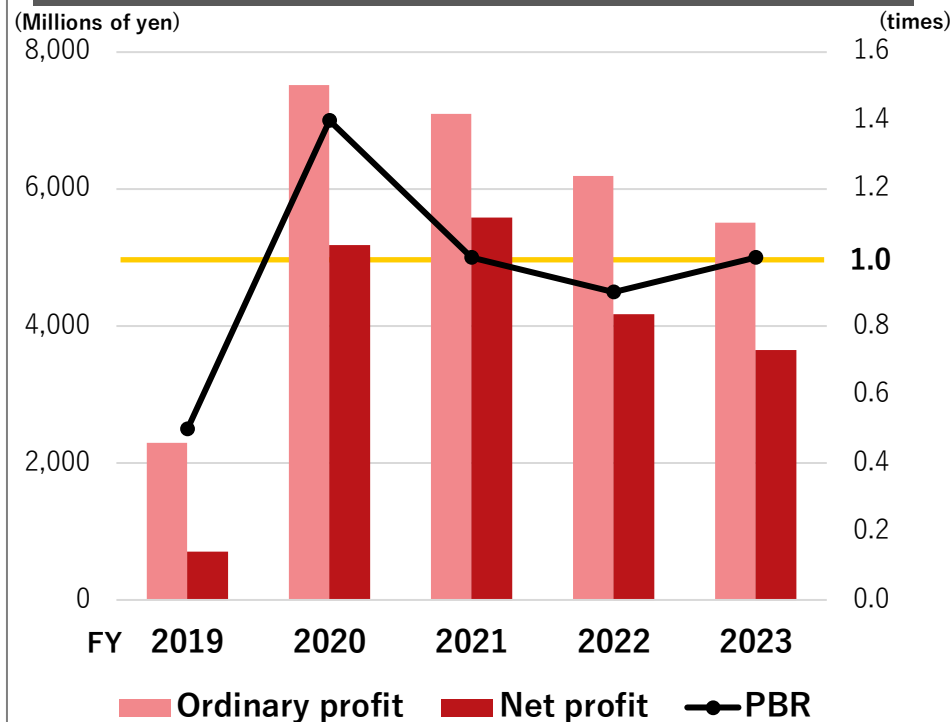
- Although we achieved capital profitability exceeding capital costs, the stock market undervalues it.

Annually capital costs and capital efficiency



Due to the stay-at-home demand during the COVID-19 pandemic and the impact of the business structural reforms primarily promoted in Mail-order Business, we achieved capital profitability exceeding capital costs and have since maintained a high level.

Business profit and PBR



Since the record-high business profit driven by the COVID-19-related demand boom, we have been unable to escape a gradual downward trend. We recognize that the stock market is giving us a low evaluation as being “unable to expect future growth or sustainability”.

Management initiatives, taking capital costs and stock prices into consideration

- We aim to return to growth trajectory driven by Solutions Business and improve our market evaluation.
- Under our basic policy, shareholder return is maintained with a consolidated dividend payout ratio of 40%.

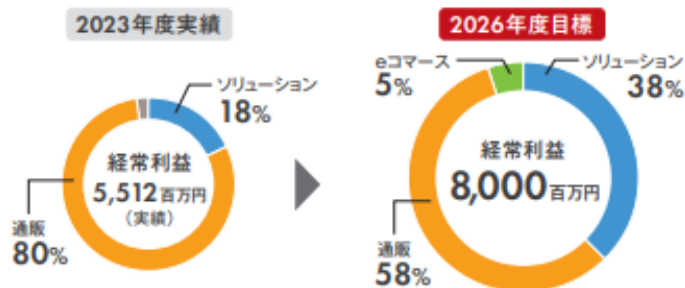
The Medium-term Management Plan 「Marketing Solution 2026」

Two major policies for FY2024

Return to growth trajectory
~Revision of business portfolio~

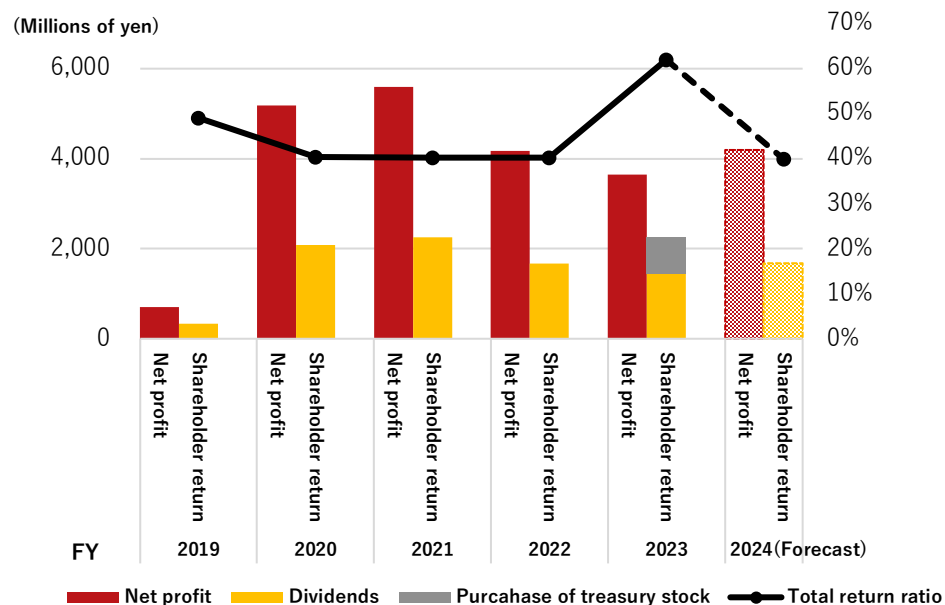
Promotion of effective
'responsibility' management

マーケティングソリューションカンパニーへの進化



By promoting “Marketing Solution 2026”, with “Return to growth trajectory” and “Promotion of effective ‘responsibility’ management” as the two major policies, a business foundation capable of sustainable growth will be established, enhancing the evaluation from the stock market.

Annually shareholder return



Regarding dividends, our basic target is to implement with a consolidated dividend payout ratio of 40% while setting a minimum dividend on equity ratio (DOE) of 4%. After conducting growth investments and stable profit distribution, any surplus funds retained for a longer term will be flexibly utilized for acquisition of treasury stock and other measures to return value to shareholders.

Full-year Forecast for FY2024

Full-year forecast for FY2024 (consolidated)

- There are no changes to the full-year business forecast figures previously announced (May 9, 2024).

(Millions of yen)	FY2023 (Actual)	FY2024 (Forecast)	YoY Changes	
			Amount	Rate
Net Sales	79,826	80,000	+173	+0.2%
Operating profit (Operating profit / net sales)	5,313 (6.7%)	6,000 (7.5%)	+686	+12.9%
Ordinary profit (Ordinary profit / net sales)	5,512 (6.9%)	6,200 (7.8%)	+687	+12.5%
Profit attributable to owners of parent	3,649	4,200	+550	+15.1%
Return on equity	11.2%	12.1%	+0.9P	—

About shareholder return

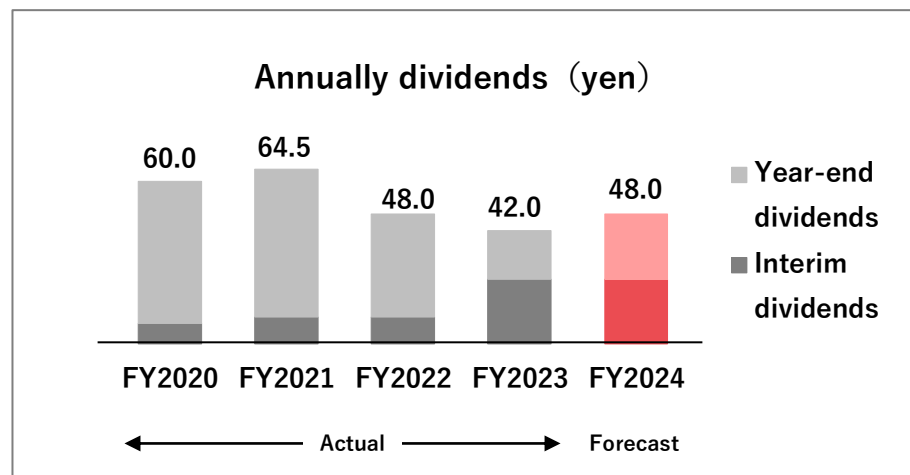
■ Basic policy on shareholder return

- We promote ROE-oriented management, aiming to maximize direct profit returns and shareholder value over the medium to long term.
- Regarding dividends, our basic target is to implement with a consolidated dividend payout ratio of 40% while setting a minimum dividend on equity ratio (DOE) of 4%.
- Retained earnings will be returned to shareholders by conducting growth investments and stable profit distribution with the aim of maximizing corporate value, and by flexibly utilized for acquisition of treasury stock and other measures with any surplus funds retained for a longer term.

■ FY2024 Dividends per share (Forecast)

- Dividends forecast for FY2024 is as follows :

Interim dividends	¥24.0
<u>Year-end dividends</u>	<u>¥24.0 (Forecast)</u>
Annual dividends	¥48.0 (Forecast)



Appendix

Company profile

/ Business segments introduction

/ Sustainability promotion activities

Company profile

Scroll Corporation

- Headquarters : 2-24-1 Sato, Chuo-ku, Hamamatsu-shi, Shizuoka
President and CEO : Tomohisa Tsurumi
Established : October 1, 1943
Stock code : 8005 (TSE prime market)
Capital : ¥6,116 million (as of September 30, 2024)
Main business activities : Solutions Business for e-commerce and mail-order business vendors, as well as E-commerce and Mail-order Business of apparel, general merchandise, etc.



Business segments introduction

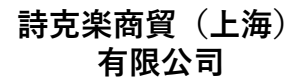
Solutions Business

We offer a "One-Stop Solution Service" to support e-commerce and mail-order business vendors 360-degree.



Mail-order Business

We primarily offer mail-order sales (catalog and some online) targeting members of cooperative home delivery services.



E-commerce Business

We mainly conduct internet sales of specialized products through our own website and online shopping malls.



Group Jurisdiction Business

We manage logistics centers at various locations nationwide, utilize real estate effectively, and oversee product production management through overseas local subsidiaries.



Sustainability promotion activities

- Continuing the promotion of effective responsibility management

Continuous efforts towards environmental conservation and a decarbonized society

■ Reduction of plastic materials in packaging materials

– By FY2030, **65%** reduction (Compared to FY2021)

⇒ **Initiated the transition to environmentally friendly material "STONE-SHEET®"**

To achieve the goal of reducing plastic material usage, starting from July 2024, we are gradually transitioning product packaging bags from conventional plastic to materials that limit **plastic usage to less than 50%**.



Conventional packaging bag



Packaging bag made by STONE-SHEET®

Packaging bag made by STONE-SHEET®

Promotion of task diversity management

■ Promotion of women's participation and advancement

– By FY2025, **30%** or more female managerial ratio both consolidated and non-consolidated.

⇒ September 30, 2024 Female managerial ratio Actual

Non-consolidated 31.7% Consolidated 26.5%

通販まるごとソリューション



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★Caution regarding forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ from the forecast figures due to various factors going forward.