

Consolidated Financial Results for the Second Quarter of 2025 (Six Months Ended June 30, 2025)

[Japanese GAAP]

August 14, 2025

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Stock code: 4019

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Listing: Tokyo Stock Exchange

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Preparation of supplementary materials for financial results:

Yes

Holding of financial results meeting:

Yes

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Six Months of 2025 (January 1 to June 30, 2025)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Jun. 30, 2025	1,713	39.3	108	1,149.7	112	1,097.2	72	-
Six months ended Jun. 30, 2024	1,230	41.7	8	(88.2)	9	(86.9)	(19)	-

Note: Comprehensive income (millions of yen)

Six months ended Jun. 30, 2025: 72 (-%)

Six months ended Jun. 30, 2024: (19) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Jun. 30, 2025	8.22	8.11
Six months ended Jun. 30, 2024	(2.30)	-

Note: Diluted net income per share for the six months ended June 30, 2024 is not presented because net loss was posted although there were outstanding dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2025	2,138	1,391	62.8
As of Dec. 31, 2024	2,165	1,345	60.1

Reference: Equity (millions of yen)

As of Jun. 30, 2025: 1,343

As of Dec. 31, 2024: 1,302

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2024	-	0.00	-	4.00	4.00
2025	-	0.00	-	-	-
2025 (forecast)	-	-	-	4.00	4.00

Note: Revisions to the most recently announced dividend forecast: Yes

The year-end dividend per share for 2025 that was not determined has been revised to 4 yen. For more information, please refer to the press release "Notice of Revision of Dividend Forecast" that was announced today (August 14, 2025, Japanese version only).

3. Consolidated Forecast for 2025 (January 1 to December 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,700	37.4	230	2.4	230	2.3	150	9.9	17.23

Note: Revisions to the most recently announced consolidated forecast: Yes

For more information, please refer to the press release "Notice of Upward Revision to Consolidated Forecast" that was announced today (August 4, 2025, Japanese version only).

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods for presenting interim consolidated financial statements: Yes

Note: Please refer to page 9 “2. Interim Consolidated Financial Statements and Notes, (4) Notes to Interim Consolidated Financial Statements, Application of Special Accounting Methods for Presenting Interim Consolidated Financial Statements” for details.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Jun. 30, 2025:	8,766,000 shares	As of Dec. 31, 2024:	8,745,000 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2025:	130 shares	As of Dec. 31, 2024:	110 shares
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3) Average number of shares during the period

Six months ended Jun. 30, 2025:	8,762,919 shares	Six months ended Jun. 30, 2024:	8,687,315 shares
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* The current semi-annual financial results are not subject to review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to Stmn’s management, but are not promises by Stmn regarding future performance. Actual results may differ materially from the forecasts for a number of reasons.

Contents of Attachments

1. Qualitative Information on Interim Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	4
2. Interim Consolidated Financial Statements and Notes	5
(1) Interim Consolidated Balance Sheet	5
(2) Interim Consolidated Statements of Income and Comprehensive Income	6
Interim Consolidated Statement of Income	6
Interim Consolidated Statement of Comprehensive Income	7
(3) Interim Consolidated Statement of Cash Flows	8
(4) Notes to Interim Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
Application of Special Accounting Methods for Presenting	
Interim Consolidated Financial Statements	9
Segment Information	9

1. Qualitative Information on Interim Consolidated Financial Performance

(1) Explanation of Results of Operations

Stmn is a provider of services that are based on the philosophy of “delivering inspiration and spreading happiness to as many people as possible” and that take full advantage of both human and organizational strengths and the possibilities of technology. Even during periods of rapid changes, we remain dedicated to playing an important role in society by taking on new challenges in many business domains without any fear about altering our operations. The company name is derived from the goal of giving people capabilities to enable “members to shine like a star.” By using activities that adhere to our clearly defined code of conduct that we call STAR WAY, we are determined to increase corporate value constantly while focusing on operations that produce results as well as new challenges, the ability to adapt to changes, the solidarity of our people, and other key attributes of Stmn.

There were many activities for growth during the first half that primarily involve the TUNAG engagement platform, which is our main business, and the FANTS online community platform. We used knowledge acquired by providing TUNAG, the first business when Stmn started operating, to establish in 2021 wholly owned subsidiary STAGE, Inc. This subsidiary started a new type of permanent job placement business that supports engagement-centric management from the standpoint of recruiting activities. To speed up decision-making, wholly owned subsidiary STADIUM, Inc. was established in January 2023 and is working on more progress and growth of the FANTS platform. In February 2023, we started the Watchy cloud security service.

The TUNAG employee engagement business and FANTS community engagement business are both in market sectors with excellent prospects for more growth. The market for TUNAG is characterized by constant technological progress and rapid changes in values concerning how people work. In this environment, the ability of businesses and companies to maintain long-term growth depends on human and organizational strengths. This is why we provide the TUNAG engagement platform as a service for creating companies with the high level of engagement required to maintain relationships based on mutual trust between companies and employees as well as among employees. As Japan’s working age population continues to decrease, companies will need to work even harder on employee retention and lowering attrition rates. There was information about engagement services at a recent HR Tech exhibition and the number of publications about engagement is increasing. In the market for the FANTS community engagement business, the online salon market is expanding as the growth of the SNS sector gives individuals more opportunities to provide information directly. A growing number of people are using SNS to follow well-known individuals who set up salons. Awareness of these salon operators is increasing, primarily among young people and network users. The Stmn Group is focusing on two engagement markets: engagement for companies and engagement for communities. By establishing positions in both categories, our goal is the growth of earnings backed by a broad array of activities that utilize our expertise.

Net sales increased 39.3% year on year to 1,713 million yen, operating profit increased 1,149.7% to 108 million yen, ordinary profit increased 1,097.2% to 112 million yen, and profit attributable to owners of parent was 72 million yen, compared with a loss of 19 million yen one year earlier.

No segment information is provided because the engagement platform business is the primary activity of the Stmn Group and other business activities are not significant. Consequently, results of operations in the first half are provided for business categories rather than segments.

Employee Engagement Business (TUNAG)

During the first half, this business strengthened web marketing activities and used web sales meetings for contacting companies and other new potential sources of demand for employee engagement services. Stmn is working to strengthen customer success by hosting online events and other activities for companies using the TUNAG engagement platform. In addition, the company is expanding sales channels and promoting business matching by participating in exhibitions and collaborating with financial institutions and a wide range of partner companies. Due to these activities, TUNAG sales continued to grow, the number of companies using this service increased by 307 from one year earlier to 1,195 at the end of June 2025, and the average MRR was up 5,000 yen from one year earlier to 200,000 yen.

Community Engagement Business (FANTS)

The many valuable functions of TUNAG for operating and energizing organizations were expanded and rebuilt for the launch in May 2020 of the FANTS online community management platform. The number of communities and sales are beginning to move up again because of an examination of the communities operated by this business and a revision in the strategy for this business. As a result, the number of online communities operated by FANTS increased by 263 from one year earlier to 414 at the end of June 2025 and the average MRR was down 32,000 yen from one year earlier to 53,000 yen.

Note: Average monthly recurring revenue (MRR) is monthly utilization fees received as of the end of a month divided by the number of user companies and operating communities. MRR does not include one-time sales. Previously, MRR reflected only platform-related revenue. However, with the increasing contribution from ancillary services, we have decided, from the second quarter of 2025, to report MRR inclusive of these revenues, with the change applied retroactively to past figures.

(2) Explanation of Financial Position

1) Analysis of Financial Position

Assets

Total assets decreased 26 million yen from the end of 2024 to 2,138 million yen at the end of the first half of 2025. This was mainly due to increases of 189 million yen in accounts receivable-trade and 20 million yen in other current assets, and a decrease of 226 million yen in cash and deposits.

Liabilities

Total liabilities decreased 72 million yen from the end of 2024 to 747 million yen. This was mainly due to an increase of 43 million yen in accounts payable-other, and decreases of 54 million yen in income taxes payable and 45 million yen in contract liabilities.

Net assets

Net assets increased 45 million yen from the end of 2024 to 1,391 million yen. This was mainly due to an increase of 37 million yen in retained earnings due to profit attributable to owners of parent of 72 million yen and dividend payments of 34 million yen, while there was an increase of 4 million yen in share acquisition rights.

2) Cash flows

Cash and cash equivalents (hereinafter referred to as “net cash”) decreased 176 million yen from the end of the previous fiscal year to 910 million yen at the end of the first half of 2025.

The cash flow components during the first half of 2025 and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash used in operating activities was 174 million yen, compared with net cash provided of 136 million yen one year earlier. This was mainly due to a 190 million yen increase in trade receivables, profit before income taxes of 113 million yen and income taxes paid of 96 million yen.

Cash flows from investing activities

Net cash provided by investing activities was 36 million yen, compared with net cash used of 33 million yen one year earlier. This was mainly due to proceeds from withdrawal of time deposits of 50 million yen and purchase of property, plant and equipment of 13 million yen.

Cash flows from financing activities

Net cash used in financing activities amounted to 39 million yen, compared with net cash used of 36 million yen one year earlier. This was mainly due to payments of dividends of 35 million yen, repayments of long-term borrowings of 8 million yen and proceeds from exercise of employee share options of 4 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Based on performance during the first half of 2025 and a subsequent review of our outlook, we now anticipate results to exceed our initial projections. Accordingly, Stmn has revised its full-year consolidated forecast. For more information, please refer to the press release “Notice of Upward Revision to Consolidated Forecast” that was announced on August 4, 2025 (Japanese version only).

2. Interim Consolidated Financial Statements and Notes**(1) Interim Consolidated Balance Sheet**

	(Thousands of yen)	
	2024 (As of Dec. 31, 2024)	Second quarter of 2025 (As of Jun. 30, 2025)
Assets		
Current assets		
Cash and deposits	1,137,780	910,980
Accounts receivable-trade	74,368	263,405
Merchandise	4,368	5,159
Other	106,784	126,805
Allowance for doubtful accounts	-	(3,826)
Total current assets	1,323,302	1,302,525
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,794	114,074
Other, net	33,800	37,885
Total property, plant and equipment	154,594	151,959
Intangible assets	13,080	11,117
Investments and other assets		
Long-term loans receivable from directors (and other officers)	550,000	550,000
Other	134,379	134,153
Allowance for doubtful accounts	(9,807)	(10,878)
Total investments and other assets	674,572	673,275
Total non-current assets	842,246	836,352
Total assets	2,165,549	2,138,877
Liabilities		
Current liabilities		
Accounts payable-other	107,272	151,070
Accrued expenses	150,055	146,891
Contract liabilities	334,699	288,895
Income taxes payable	95,524	40,597
Other	96,028	86,926
Total current liabilities	783,580	714,380
Non-current liabilities		
Long-term borrowings	6,680	3,350
Asset retirement obligations	27,914	27,950
Other	1,789	1,789
Total non-current liabilities	36,383	33,090
Total liabilities	819,964	747,471
Net assets		
Shareholders' equity		
Share capital	78,900	81,000
Capital surplus	1,008,359	1,010,459
Retained earnings	215,343	252,434
Treasury shares	(98)	(118)
Total shareholders' equity	1,302,504	1,343,775
Share acquisition rights	43,080	47,630
Total net assets	1,345,584	1,391,406
Total liabilities and net assets	2,165,549	2,138,877

(2) Interim Consolidated Statements of Income and Comprehensive Income**(Interim Consolidated Statement of Income)**

(Thousands of yen)

	First six months of 2024 (Jan. 1 – Jun. 30, 2024)	First six months of 2025 (Jan. 1 – Jun. 30, 2025)
Net sales	1,230,149	1,713,105
Cost of sales	285,396	428,781
Gross profit	944,752	1,284,323
Selling, general and administrative expenses	936,094	1,176,123
Operating profit	8,657	108,199
Non-operating income		
Interest income	5	2,220
Point return income	1,848	2,787
Other	717	780
Total non-operating income	2,571	5,788
Non-operating expenses		
Interest expenses	126	121
Loss on investments in investment partnerships	910	972
Cancellation penalty	662	-
Other	100	-
Total non-operating expenses	1,799	1,094
Ordinary profit	9,429	112,894
Extraordinary income		
Gain on reversal of share acquisition rights	-	269
Total extraordinary income	-	269
Profit before income taxes	9,429	113,163
Income taxes	29,412	41,093
Profit (loss)	(19,982)	72,070
Profit (loss) attributable to owners of parent	(19,982)	72,070

(Interim Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	First six months of 2024 (Jan. 1 – Jun. 30, 2024)	First six months of 2025 (Jan. 1 – Jun. 30, 2025)
Profit (loss)	(19,982)	72,070
Comprehensive income	(19,982)	72,070
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(19,982)	72,070

(3) Interim Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of 2024 (Jan. 1 – Jun. 30, 2024)	First six months of 2025 (Jan. 1 – Jun. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	9,429	113,163
Depreciation	14,648	18,075
Share-based payment expenses	9,512	4,550
Increase (decrease) in allowance for doubtful accounts	416	4,898
Increase (decrease) in provision for point card certificates	77	-
Interest income	(5)	(2,220)
Interest expenses	126	121
Loss on investments in investment partnerships	910	972
Decrease (increase) in trade receivables	(4,668)	(190,108)
Decrease (increase) in inventories	352	(791)
Increase (decrease) in accounts payable-other	12,589	47,366
Increase (decrease) in accrued expenses	23,985	(3,163)
Increase (decrease) in contract liabilities	44,083	(45,804)
Increase (decrease) in accrued consumption taxes	(30,596)	(6,454)
Other, net	47,202	(20,418)
Subtotal	128,065	(79,810)
Interest and dividends received	6	2,220
Interest paid	(126)	(113)
Income taxes refund (paid)	8,191	(96,387)
Net cash provided by (used in) operating activities	136,136	(174,091)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	50,000
Purchase of investment securities	(12,500)	-
Purchase of property, plant and equipment	(24,602)	(13,478)
Proceeds from refund of guarantee deposits	3,613	-
Net cash provided by (used in) investing activities	(33,488)	36,521
Cash flows from financing activities		
Repayments of long-term borrowings	(8,328)	(8,348)
Dividends paid	(31,855)	(35,061)
Proceeds from exercise of employee share options	3,600	4,200
Purchase of treasury shares	(23)	(19)
Net cash provided by (used in) financing activities	(36,607)	(39,229)
Net increase (decrease) in cash and cash equivalents	66,041	(176,799)
Cash and cash equivalents at beginning of period	1,043,677	1,087,780
Cash and cash equivalents at end of period	1,109,718	910,980

(4) Notes to Interim Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods for Presenting Interim Consolidated Financial Statements

Calculation of tax expense

The tax expenses are calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes for the fiscal year in which the quarter under review falls, and multiplying that rate by the profit before income taxes for the quarter under review. However, Stmn uses legally stipulated effective tax rates to calculate tax expenses when the use of estimated tax rates produces a clearly irrational result.

Segment Information

I. First six months of 2024 (Jan. 1 – Jun. 30, 2024)

There is no segment information because the engagement platform business is the main activity of the Stmn Group and other business activities are not significant.

II. First six months of 2025 (Jan. 1 – Jun. 30, 2025)

There is no segment information because the engagement platform business is the main activity of the Stmn Group and other business activities are not significant.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.