



Medium-Term Management Plan
(Business Plan and Growth Potential Explanatory Material)

The Last One Mile, Inc.

(TSE Growth: 9252)

November 28, 2024

Management Philosophy

Continue to be a group in which all employees can make decisions that are ultimately economically rational

An economically rational decision is one that is based on the question, "Which will produce long-term operating profits?" is the criterion for making a decision.

Business Policy

**We will consider sales methods that do not yet exist in the world for all kinds of products, regardless of industry or business type.
Build a new market (blue ocean) and sell exclusively**

The Company has made significant changes to its executive structure to enhance and strengthen its management team at the General Meeting of Shareholders on November 28, 2024.



Makoto Watanabe

Chairman and CEO

As the CEO of the entire group, he continues to lead the entire group with his strong leadership and extensive management experience. Appointed Chairman and CEO for sustainable growth and further enhancement of corporate value.



Koichi Matsunaga

President and COO

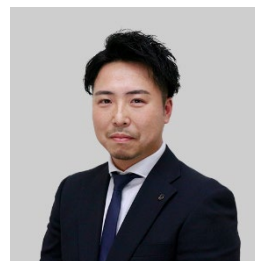
In November 2023, he was appointed Managing Director and General Manager of the Sales Division. As President and COO, he will be engaged in strengthening not only the sales aspect but also the governance aspect of the company, based on his extensive knowledge and experience accumulated through his career as the head of the corporate planning and administrative divisions of listed companies.



Kohei Ichikawa

Director, Executive Officer, General Manager of Finance & Accounting Dept.

As the head of the IPO project, he was involved in the establishment of governance and management, and made a significant contribution to the Company's IPO in 2021.



Takuya Yanagida

Director, Executive Officer, General Manager of 1st Sales Dept.

He has been involved in sales since the company's early days. He has held positions such as Representative Director of the subsidiary Marutto Change Co., Ltd. (*1), and was appointed to the Board of Directors based on his track record. He is in charge of the alliance business, which is one of the company's core businesses.



Tadachika Kisen

Director, Executive Officer, General Manager of Sales Division 2, Business Headquarters

He laid the foundation for the free Internet service for multi-dwelling units, one of the company's core businesses, and contributed greatly to the expansion of this business as the representative director of Japan General Information & Telecommunications Co. (*2), where he contributed greatly to the expansion of the business. He also oversaw the planning and operation of the company's own service, "Marutto Series.



Shikari Kukimiya

Director, Executive Officer, General Manager of CC Business Division and Business Management Department at Business Headquarters

He is in charge of the contact center business, one of the core businesses of the company. Based on his experience and knowledge at Call & System (*3) Co., Ltd. he has made a significant contribution to the expansion of operating profit by promoting IT and improving operational efficiency.

*1: Merged into LOM in 2022

2: Merged with Best Effort Inc. in 2018 (now LOM)

3: Best effort Co., Ltd. (currently LOM) became a consolidated subsidiary in 2018 through a share exchange, and Marutto Change Co.

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Miwa Kukimiya

Director, Executive Officer, General Manager of President's Office

As General Manager of the President's Office, she assists CEO Makoto Watanabe in group management and serves on the board of directors of subsidiaries Career and HS. She also oversees administrative divisions such as legal, human resources, and general affairs.



Higeaki Nagano

Board member

He will play a part in strengthening the governance of the Company by utilizing his extensive knowledge and experience as a representative director of Premium Water Holdings, Inc. where he played an important role in planning and deciding measures to deal with management issues.



Takafumi Yano

Board member

While a graduate student at Kyoto University, he started his own business, sold that business to a publicly traded company, and founded RUTILEA, Inc. in 2018, which operates an AI business. He has been instrumental in promoting the shift to DX and AI in each of the Group's businesses.



Hiroya Tanaka

External Director (Audit and Supervisory Committee Member)

He has professional knowledge and experience as a U.S. certified public accountant and administrative scrivener, and his diverse work experience in internal audit, corporate planning, investor relations, etc. at a listed company led him to be appointed as a member of the Audit and Supervisory Committee of the Company.



Mitsuru Ozaki

External Director (Audit and Supervisory Committee Member)

He has professional knowledge and experience as a certified public accountant and tax accountant, as well as extensive and wide-ranging knowledge as a corporate manager, and concurrently serves as a corporate auditor at a listed company.



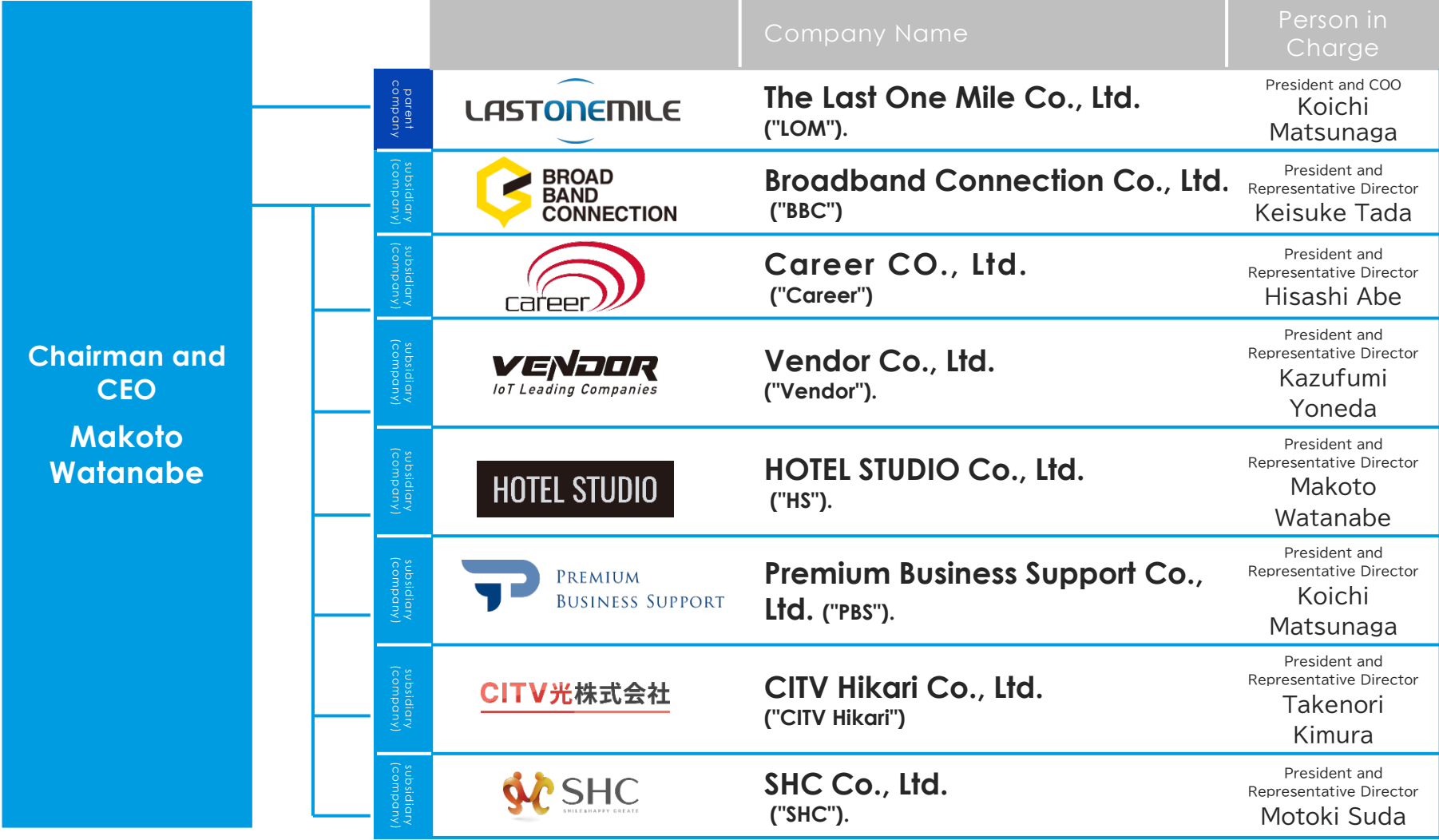
Rintaro Ishigami

External Director (Audit and Supervisory Committee Member)

In addition to his diverse work experience as a lawyer, including as a lecturer at Meiji University, a trustee of Seijo Gakuen Educational Corporation and a corporate lawyer for a listed company, and a corporate auditor for a company preparing to go public, he has a wealth of experience based on a broad perspective.

Group Management Structure

Koichi Matsunaga was appointed President and COO to strengthen the business and governance of Last One Mile Co., Ltd. In addition, Makoto Watanabe was appointed Chairman and CEO, responsible for the expansion of the group's overall business.





In my view, an important process for increasing corporate value is to continue to generate operating income and maximize earnings per share.

Our management philosophy is to "continue to be a group in which all employees can make decisions that are ultimately economically rational. Economically rational decision making means choosing actions that lead to long-term profits, not short-term ones.

We believe that by pursuing this approach, we will be able to enhance our corporate value.

For this reason, we issue stock options with exercise conditions tied to increases in operating income and market capitalization, and I, as well as all of our directors and employees, are constantly aware of these conditions and are engaged in daily business activities to achieve the exercise conditions.

While there are various indicators of general corporate valuation, such as sales and operating margin, and stock prices fluctuate constantly, we believe that maximizing operating income is the most important factor, and we are confident that we can increase our corporate value and realize returns to our shareholders. We look forward to your continued support.

Makoto Watanabe, Chairman and CEO

Stock options tied to market capitalization

Item	Date of resolution to issue	Exercise conditions (until January 31, 2028)		Result	Achievement to Period	Stock compensation expense
		Setup. market capitalization	Exercisable Percentage			
Subscription warrants (Paid-in stock options)	January 13, 2023	10 billion yen	42%.	Achieved June 2023	5 months	11,495 thousand yen
		20 billion yen	83%.	-	-	-
		30 billion yen	100%.	-	-	-

Stock options tied to operating income

Item	Date of resolution to issue	Exercise conditions (through August 31, 2028)		Result	Achievement to Period	Stock compensation expense
		Setup. Operating income	Exercisable Percentage			
Issuance of the 9th series of stock acquisition rights through third-party allotment in conjunction with the introduction of trust-type stock options	June 29, 2023	1,000 million yen	two fifths	Achieved August 2024	1 year and 2 months	64,165 thousand yen
		2,000 million yen	four-fifths	-	-	-
		3,000 million yen	five-fifths	-	-	-

Most recent results (FY2024.8
results)

The main factors behind the increase in revenue for the period ending August 2024 were: (1) significant growth in existing alliance businesses, (2) the success of cross-selling measures, and (3) the contribution of profits from the five companies that became subsidiaries in the period ending August 2024.

(Unit: thousand yen)	FY2024 Total track record	FY2023 Total track record	Increase/Decrease	Percentage change
Sales revenue	11,771,378	9,350,231	2,421,147	25.9%
Cost of sales	4,008,032	3,590,088	417,944	11.6%
Selling, general and administrative expenses	6,892,835	5,544,397	1,348,437	24.3%
Other revenues	73,319	42,141	31,178	74.0%
Other Expenses	3,179	-	3,179	-
Operating income	940,651	257,887	682,764	264.8%
Income before income taxes	902,567	245,947	656,620	267.0%
Net income	825,430	318,754	506,676	159.0%

Large increase in profit

Considering the performance trends of the subsidiary that became a consolidated subsidiary on March 1, 2024, the Company announced revisions to its earnings forecasts on April 12, 2024. However, the Company's performance exceeded its earnings forecasts due to the significant growth of existing alliance businesses as a measure for the busy third quarter, the success of cross-selling measures, and the contribution of the five companies that became subsidiaries in the fiscal year ending August 2024, and the results were as follows.

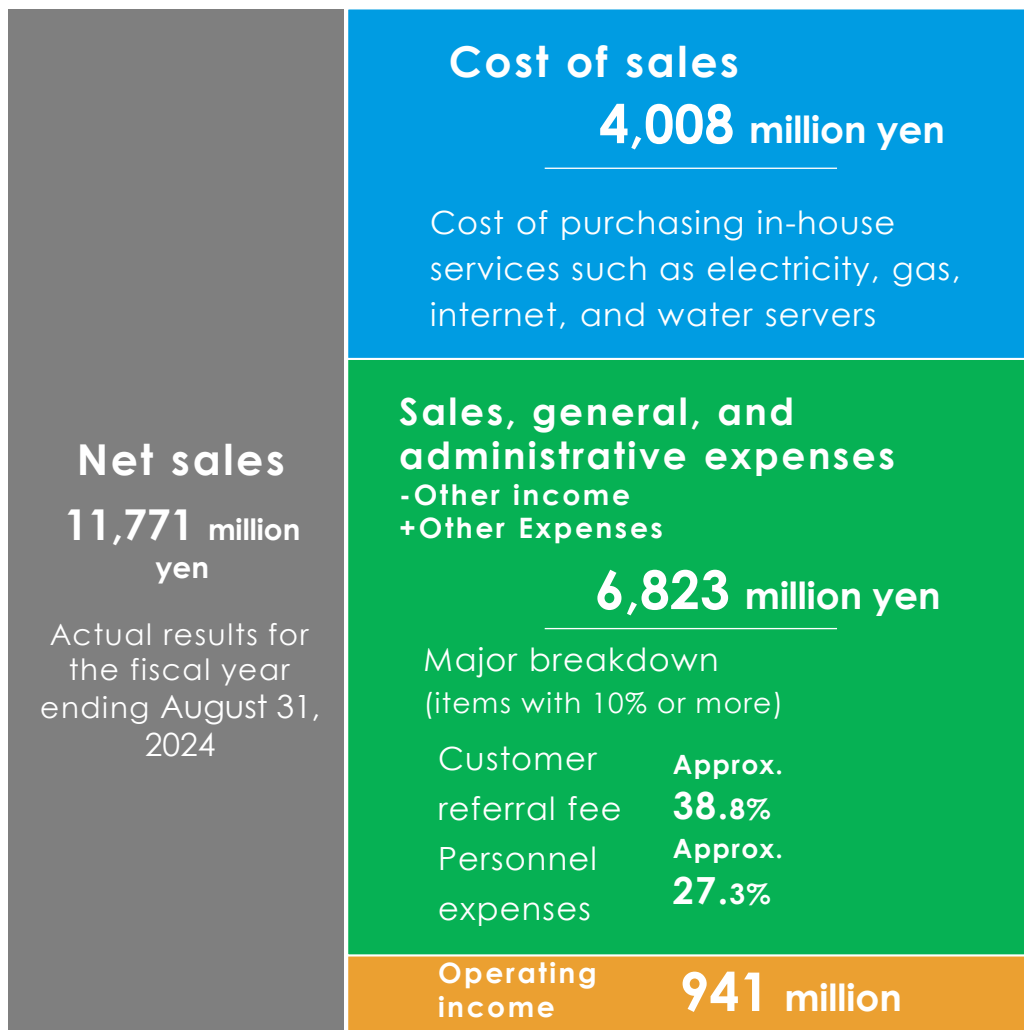
(Millions of yen)	Sales revenue	Operating income	Income before income taxes	Net income	Net income attributable to owners of the parent company	Basic net income per share
Announced Forecast on Jan. 12, 2024	10,100	450	440	289	289	106.44 yen
Announced Forecasts on Apr. 12, 2024 (A)	10,950	850	850	559	559	190.96 yen
Actual (B)	11,771	941	903	825	825	291.24 yen
Change (B-A)	821	91	53	266	266	-
Percentage change (%)	7.5	10.7	6.2	47.5	47.5	-
(Reference) Results for the previous period (FY August 2023)	9,350	258	246	319	317	117.95 yen

Consolidated Financial Results for the Fiscal Year Ending August 31, 2024 and Forecast for the Fiscal Year Ending August 31, 2025

Due to special circumstances, net income for the period ending August 2024 is higher than usual. The reasons for this are as follows: (1) CITV, which was made into a subsidiary, split up, and sold in June, resulted in a loss on transfer for tax purposes only(2) the subsidiary Career had a loss carried forward deduction, and (3) the subsidiary BBC had a loss carried forward deduction, resulting in an increase in net income and net income attributable to owners of the parent company of approximately 264 million yen in total.

	Sales revenue	Operating income	Income before income taxes	Net income	Net income attributable to owners of the parent	Basic net income per share
FY 2024.8 R e s u l t	11,771	941	903	825	825	291.24 yen
FY 2025.8 E a r n i n g s F o r e c a s t	14,000	1,100	1,100	723	723	245.40 yen
P e r c e n t a g e c h a n g e	18.9%	16.9%	21.9%	△ 12.4%	△ 12.4	-

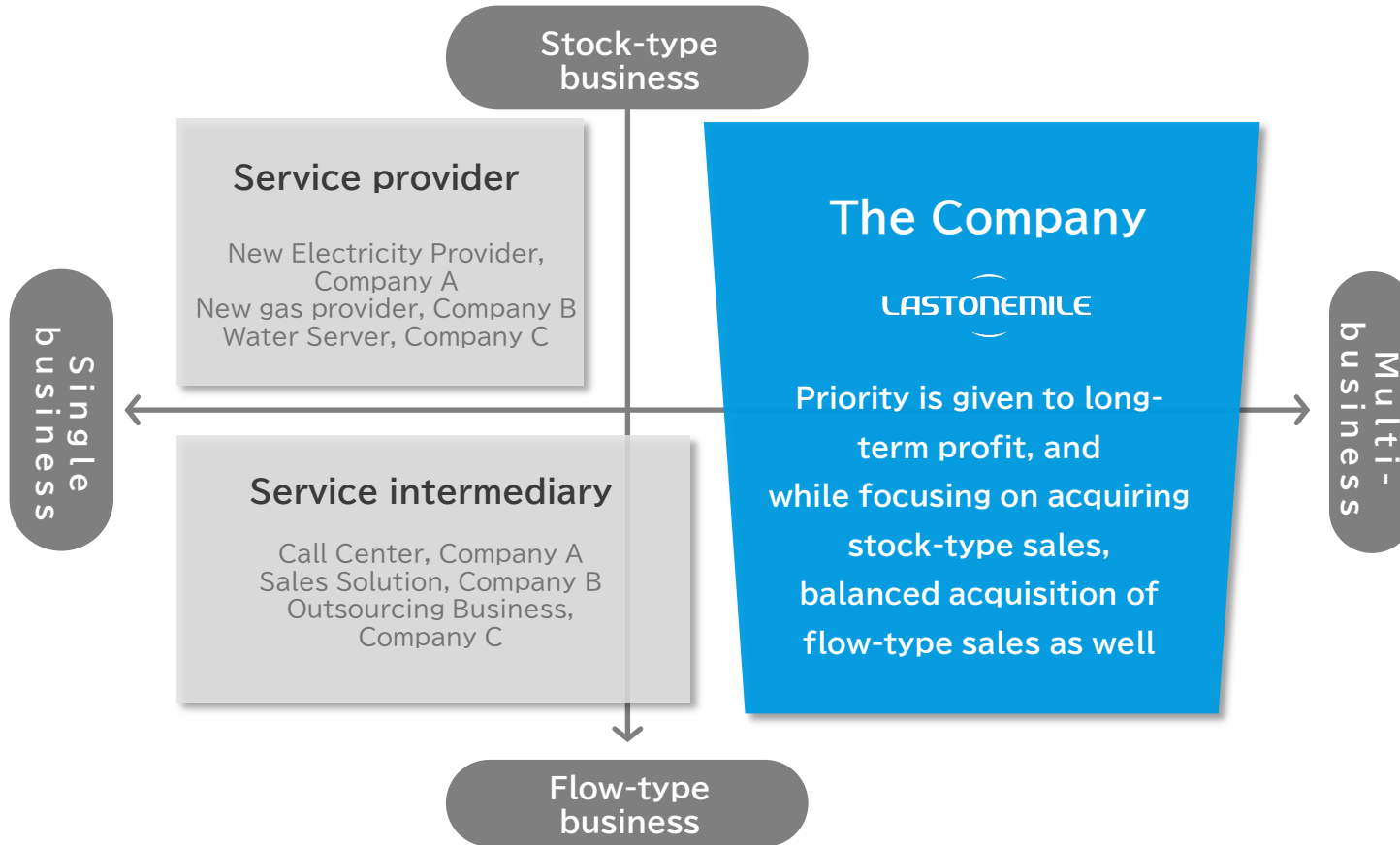
In the absence of special circumstances, net income for the period ending August 2024 is expected to be approximately 561 million yen, so in effect, net income for the period ending August 2025 is expected to increase.



Characteristics and Policies of the profit structure

- ① In terms of cost ratio, it is variable due to factors such as the impact of subsidiary cost ratio due to M&As and soaring fuel costs in the electricity market. The Company does not focus on the cost ratio and places the highest priority on operating income.
- ② Continued to reduce SG&A expenses by implementing variable selling costs based on sales, such as customer referral fees.
- ③ IT-enabling call centers to increase revenues while reducing labor costs.

Regardless of industry or business type, we are thinking of new sales methods for all kinds of products that do not yet exist in the world, and we are building new markets (blue oceans) and selling them exclusively. In addition, in order to obtain long-term profits in the future, we will focus on obtaining stock-type sales.



Our Strengths

1. Marketing power

We are a one-of-a-kind marketing company that combines widely recognized marketing frameworks, LOM's own accumulated know-how, and marketing expertise absorbed from group subsidiaries.

2. Promotion of organized management

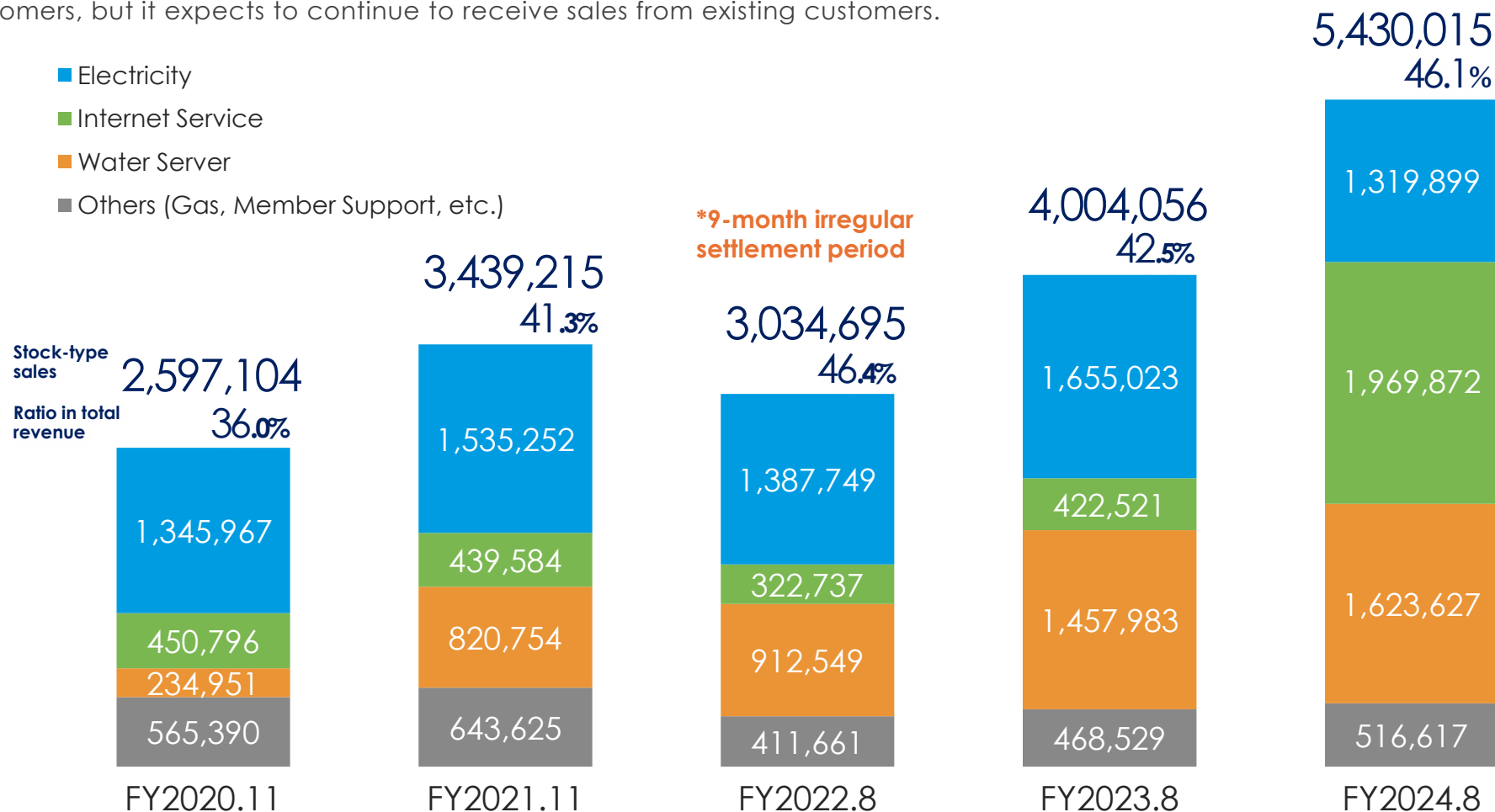
By instilling in all employees "economically rational decision-making criteria" for achieving objectives without being bound by common sense or convention, we have built a system that enables various decisions, business process improvements, etc. to be made at the management level as well as at the front-line level.

3. Ability to create markets

We generate new profits by creating new markets (blue oceans) for all kinds of products, regardless of industry or business category, by considering sales methods that do not yet exist in the world, and by selling exclusively in these new markets.

Key KPI: Trends in stock-type sales (Unit: thousands of yen)

Internet service (including free internet services for apartment buildings) is benefiting from growth in existing businesses and the monetization of subsidiaries through M&A. The company will continue to focus on acquiring new customers. Regarding electricity, there are many factors that are difficult to predict, such as rising fuel costs, so the company is not actively pursuing new customers, but it expects to continue to receive sales from existing customers.



*The revenue acquisition image by sales model on page 11 of the “Business Plan and Matters Related to Growth Potential” disclosed on November 30, 2023, was a general explanation of stock flow, and was not an explanation of the Company’s individual sales revenue, etc. In addition, as the term “stock flow” has become more widely recognized, we have determined that there is no need to explain it and have deleted it from the document as it does not affect investment decisions in the Company.

Growth through M&A

Since becoming a subsidiary of the BBC in 2022, our company has carried out seven M&A deals. To express the contribution to our business performance made by M&A, we have defined existing companies and new companies as follows.

- Existing company** — Companies included in the 12-month financial statements in the previous period
- New Company** — Companies that do not meet the above definition of an existing company

	FY 2022.8		FY2023.8				FY2024.8				FY2025.8				FY2026.8			
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
BBC		M&A * July	New Company Period				Existing company											
Career							M&A Sep.	New Company Period			Existing company							
Vendor									M&A Mar.	New Company Period				Existing company				
HS									M&A Mar.	New Company Period				Existing company				
PBS									M&A Mar.	New Company Period				Existing company				
CITV Hikari										M&A Jun.	New Company Period				Existing company			
SHC											M&A Sep.	New Company Period			Existing company			

*M&A = Effective date

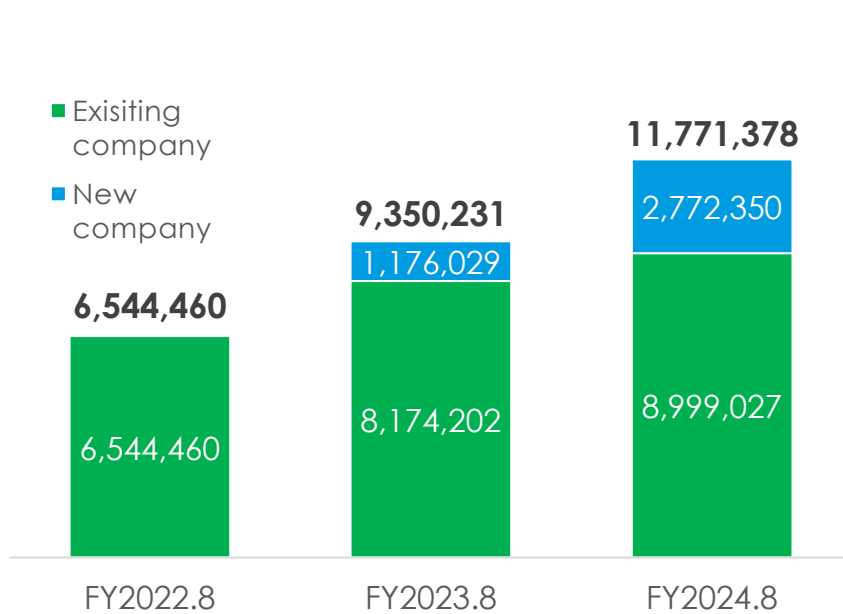
Contribution from M&A

From July 2022 to September 2024, the Company invested approximately 2.5 billion yen, including share buybacks and share exchanges, to acquire seven M&A companies. As a result of these investments and growth in core businesses, the Company posted sales revenue of 11,771 million yen (up 25.9% YoY) and operating profit of 941 million yen (up 264.8% YoY) for the fiscal year ending August 31, 2024. The contributions of existing companies and new companies (companies that became subsidiaries) to sales and profit growth in FY2024.8 are as follows.

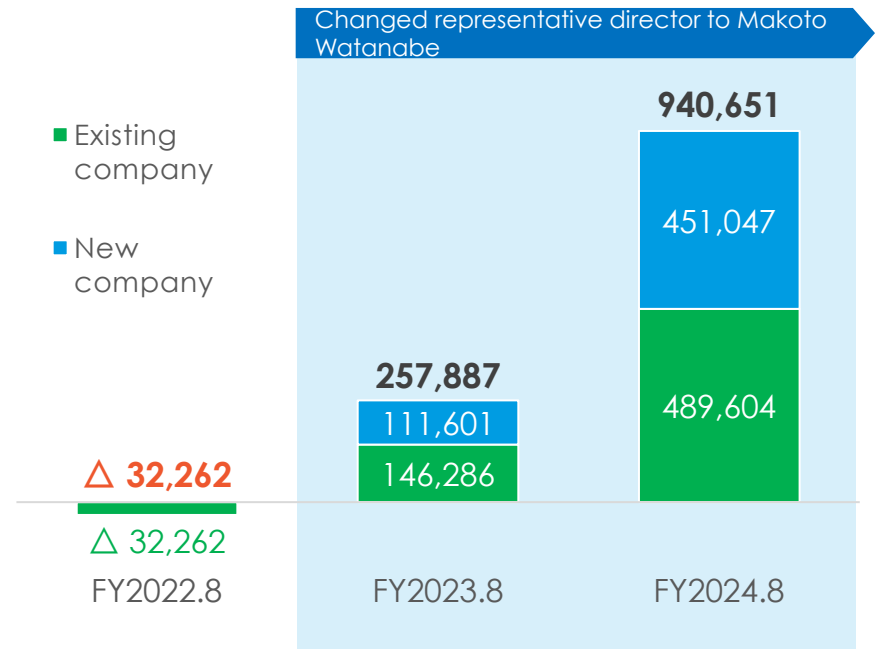
	FY 2022.8	FY2023.8	FY2024.8
Existing company	LOM	LOM	LOM, BBC
New Company	-	BBC	Career, Vendor, HS, PBS, CITV Hikari

Net sales

Operating income



10 billion yen in the fiscal year ending August 2024.8

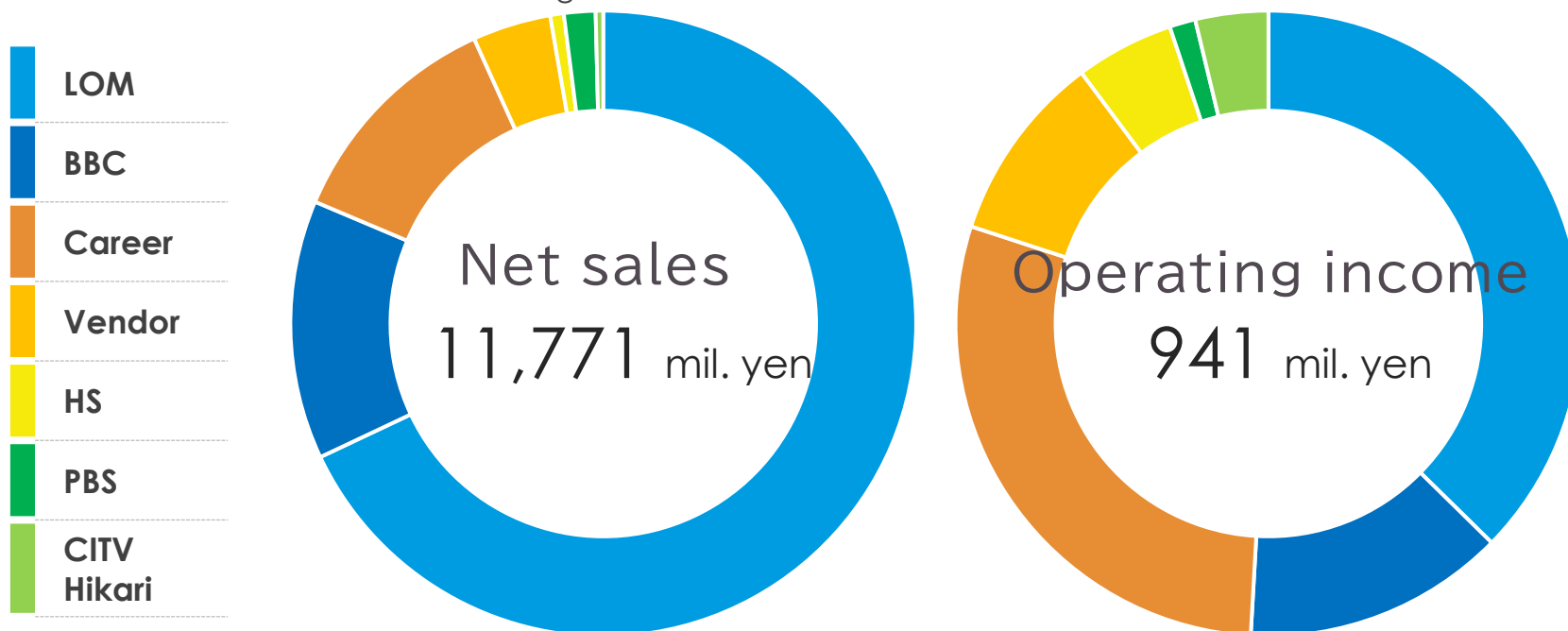


Record profits for consecutive years

Operating income for FY2022.8 is based on Japanese GAAP; operating income for FY2023.8 and FY2024.8 is based on IFRS.

Growth in core businesses and synergistic effects from M&As **will lead to record-high earnings in FY2024.8**

- In FY2024.8, LOM and BBC will contribute approximately 43% to revenue growth and 38% to profit growth.
- The five companies that became subsidiaries in FY2024.8 contributed approximately 57% to revenue growth and 62% to profit growth.
- Listing-related expenses and stock-based compensation expenses of subsidiaries are recorded by the parent company, LOM.
- SHC will contribute to earnings from FY2025.8.



Growth strategy

Result

1. Expansion of existing business

- (i) Establishing a blue ocean through new sales techniques

In the alliance business, while other companies were facing rampant price competition for customer referral fees, we were able to expand significantly without being exposed to price competition by providing value-added services.

- (2) Establish an IT-enabled call center that is chosen as an outsourcing partner not only by the rental industry but also by other companies in the same industry.

Utilization and structuring of the call center management system led to an increase in orders from other companies in the industry.

2. Entry into new business

- (i) Establish businesses with high synergy effects with existing businesses (e.g., businesses using call centers or that can reuse customer data)

Acquired HOTEL STUDIO and entered the hotel management business, and through the M&A of Premium Business Support Co., Ltd., entered the BPO business for administrative departments, contributing to profits from the first year.

- (2) A business that can use web, media, and listings even in different industries

Although we were unable to establish use in different industries, we were able to improve customer flow lines and other aspects of the landing page, leading to cross-selling of existing merchandise.

3. Challenging M&A

- (i) Proactively invest in businesses and companies that can be expected to generate synergies with existing businesses

All five M&A companies contributed to profit.

- (2) Invest in items with high return potential, even if there is some risk, by setting a maximum investment amount and disclosing the risk.

N/A for FY2024.8 and will continue to take on challenges in FY2025.8 and beyond without missing any opportunities.

Results of Test Marketing in FY2024.8 and Future Direction

No	Test Marketing Business Name	Implementation Results and Future Directions	
1	Housing Equipment EC Business (Selling products related to faucets, hoses, and other home equipment on Amazon)	Results of implementation Test marketing ended because it was established as a business.	Future direction -
2	Listing and Media Business	Results of implementation Test marketing ended because it was established as a business.	Future direction -
3	Life insurance agency business	Results of implementation Test marketing was terminated because the test marketing results showed that introducing customers to other agencies was more profitable than conducting the insurance agency business on the company's own.	Future direction The Company will not launch it as a business, but will introduce clients as one of the ancillary services of the alliance business to earn revenue.
4	Negative Pressure Exhaust/Air Purifier Units for sale (Transient sales due to grant coverage)	Results of implementation Test marketing was completed as grant projects were acquired and a profitable system was established.	Future direction Currently not planned, but will be implemented based on the grant budget situation.
5	Joint venture with Rakuten Communications, Inc.	Results of implementation Although some results of contracts were achieved, more Wi-Fi devices were lost than expected. Test marketing ended after it was determined that there was no optimal solution to the terminal collection issue that was profitable.	Future direction -

*As of November 28, 2024, there are no plans to continue or conduct new test marketing after the fiscal year ending August 31, 2025, so in the future, only new test marketing will be disclosed.

Medium-Term Management Plan
and Growth Strategy
(FY2025.8 – FY2027.8)

Our group has a sales policy of “creating new markets (blue oceans) by thinking up sales methods for all kinds of products, regardless of industry or business type, and selling them exclusively”, and we have a policy of focusing our capital on growing businesses that we judge will be able to generate long-term operating profits. From the August 2025 period, we have designated the following five businesses as our main businesses, with operating profits of at least 100 million yen. In addition, the order of the list has been changed to reflect the size of the profits.

1: Alliance Business

2: Free internet business for multi-dwelling units

3: Contact Center Business

4: Hotel management contract business

5: Listing and Media Business

*Other businesses with operating income of approximately 100 million yen or less will be referred to as "other businesses" and omitted from this explanation.

*E-commerce site business is included in the "Other" segment from the fiscal year ending August 2025.

Business name	Sales type	Main Products	Company in charge
1: Alliance Business	stock	Electricity, gas, WTS (*), Internet	
	flow	Electricity, gas, WTS, Internet	
2: Free internet business for multi-dwelling unit	stock	Monthly Fee	
	flow	Initial construction cost for apartment	
3: Contact Center Business	stock	trouble-shooting Member Services	
	flow	Various reception duties	
4: Hotel management contract business	flow	Hotel operation consignment fee	
5: Listing and Media Business	stock	Electricity, gas, WTS, Internet	
	flow	Electricity, gas, WTS, Internet	
Other Businesses	flow	BPO contract services Housing equipment (EC site)	

WTS - Abbreviation for water server.

Long-term Management Policy

Earn long-term operating income, maximize earnings per share, and return profits to shareholders.

Medium-Term Management Policy FY2025.8-2027.8

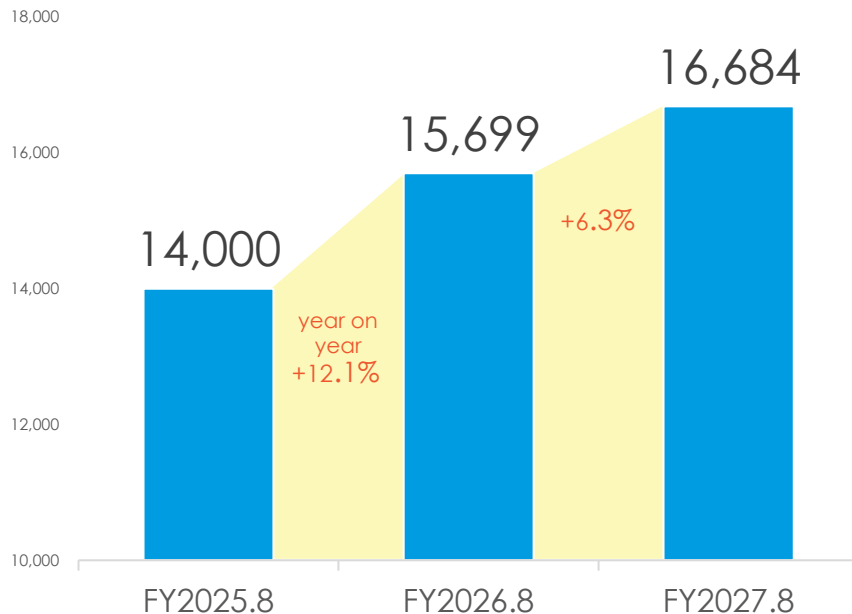
- While organizing the work between groups and strengthening collaboration, we will try to consolidate our business by investing management resources mainly in expanding our core business.
- By sharing the sales know-how possessed by each group company, we will work to standardize it and strengthen the group's sales capabilities.
- M&A will be actively pursued based on the decision criteria described on p. 31, in light of past results (see p. 16 and 17).
- Shareholder returns will be made by considering the company's financial position, business performance, cash flow, and other factors, as well as the company's past investment performance.

Medium-Term Sales and Operating Income Forecast

In FY2024.8, the Company achieved significant growth through M&A. In FY2025.8-2027.8, the Company will seek to solidify its business by investing management resources mainly in the expansion of its core businesses, while organizing and strengthening cooperation among group operations. The current medium-term revenue and operating income forecasts below are calculated based on the main business forecasts for existing and new companies, taking into account the actual results of previous years. New M&As are not included due to uncertainties, but we will also conduct new M&As in accordance with the basic M&A policy described on p. 31, aiming for positive growth.

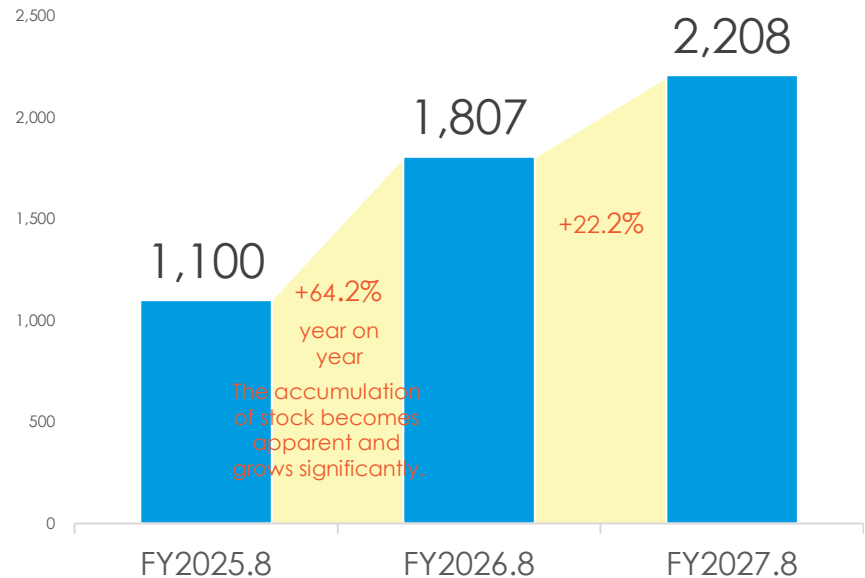
Sales revenue (Millions of yen)

The growth rate of sales revenue is expected to slow down as the company focuses on stock-based revenues in order to earn long-term operating income.



Operating income (Millions of yen)

The Company intends to curb the increase in SG&A expenses by reducing indirect man-hours through consolidation of operations among group companies, integration of operations, unification of systems, and other measures. In addition, the Company expects a significant increase in profit from FY2026.8 onward due to the accumulation of stock-type earnings.



Main Businesses

Businesses that currently have operating income of approximately 100 million yen or more

- Growth Strategy (1) Expansion of each core business
- Growth strategy (2) Expand scale through M&A

New Business

Businesses that can expect operating income of approximately 100 million yen or more in the future

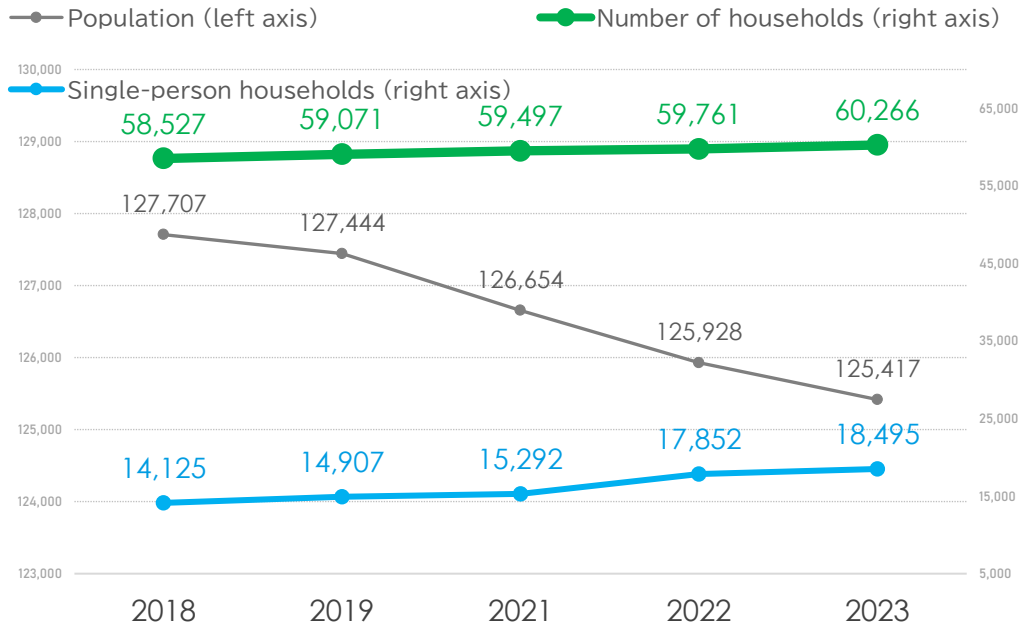
- Growth strategy 1) Enter new areas through M&A



Market scale

In the alliance business, prospective customers flow in from property management companies, brokerage firms, and other companies that have customers as alliance partners, and the size of the market is the number of households nationwide times the number of services provided. By increasing the number of prospective clients through expansion of alliance partners, and by increasing the number of services offered per household, the market size can be created as large as possible.

Population and Households in Japan (Unit: thousands of people, thousands of households)



Source: Population and number of households → e-Stat (<https://www.e-stat.go.jp/>) "Survey of Population, Vital Statistics and Households Based on the Basic Resident Registers"; Single-headed households → e-Stat "National Survey of Basic Living Standards" *Since the survey will not be conducted in 2020, these figures are omitted. The survey has been omitted because it will not be conducted in 2020.

Our Strengths and Competitive Advantages

- Strong relationships with affiliated alliance companies
- By providing thorough management through system construction, etc., and value-added services such as visualization of sales quality, the company will not be caught in the wave of commission price competition with other companies.

Growth strategy

Profit-increasing method

Number of households (number of alliance companies) x Number of services provided

(1) Expand alliance partners and strengthen alliances

Currently, most of them are real estate, moving, and management companies, but by partnering with companies in other industries that have prospective customers, we will develop a new market that is different from the new life.

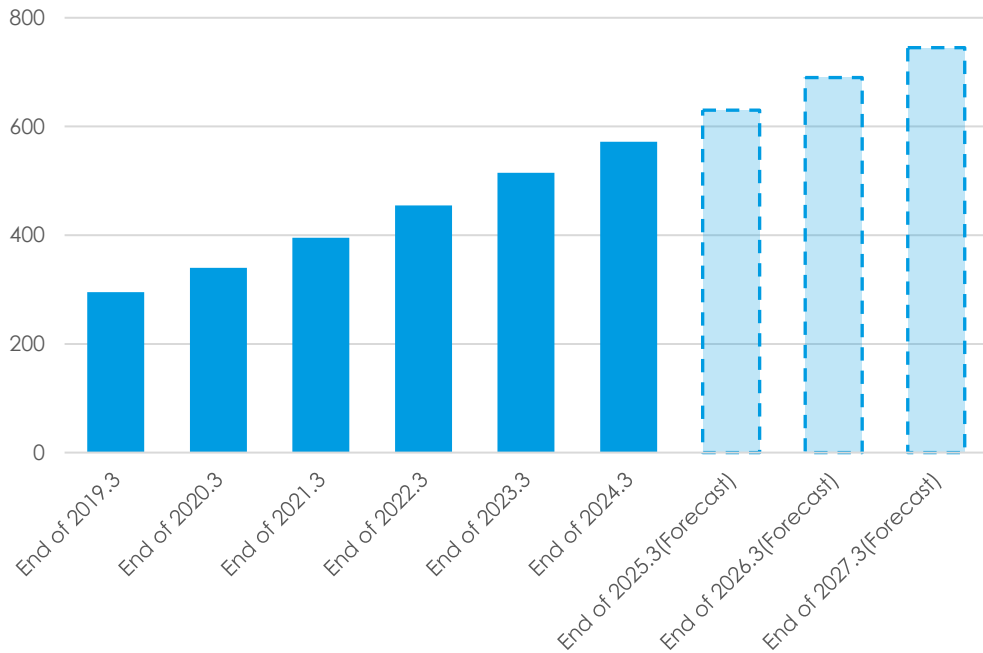
(2) Expansion of the number of services provided

In line with (1), cross-selling will be conducted to match new market customer segments and increase the number of services offered per household, thereby increasing the unit cost per customer.

Market scale

The importance of communication quality is growing as telecommuting and online classes become more prevalent, in addition to entertainment use such as watching videos and playing online games. With the aim of upgrading the digital environment of apartment complexes, the Council for Digital Upgrading of Apartment Complexes was established in November 2023, and condominium ISP operators, telecommunications carriers, and VNEs (virtual network operators) are participating to work on improving communication quality and revitalizing this market.

Number of units serviced by all-unit lump-sum condominium ISPs
(Unit: 10,000 houses)



*Source: 2024 MM Research Institute, Ltd.

Our Strengths and Competitive Advantages

The increase in the number of locations due to M&A has strengthened the Company's approach to major cities. Vendor is expanding in the Kyushu and Kansai regions, CDTV Hikari is further strengthening the Tokyo metropolitan area, which is LOM's base, and SHC is focusing on the Chubu region.



Growth strategy

Profit-increasing method

Number of contracted units x (main service + optional service)

(1) Expand market share through synergies with alliance businesses

Stable expansion is expected, as new acquisitions are made every month through referrals from management companies that have partnered with the company in the alliance business.

(2) Expansion of new partners

Strengthening partnerships with developers is expected to increase the speed of expansion.

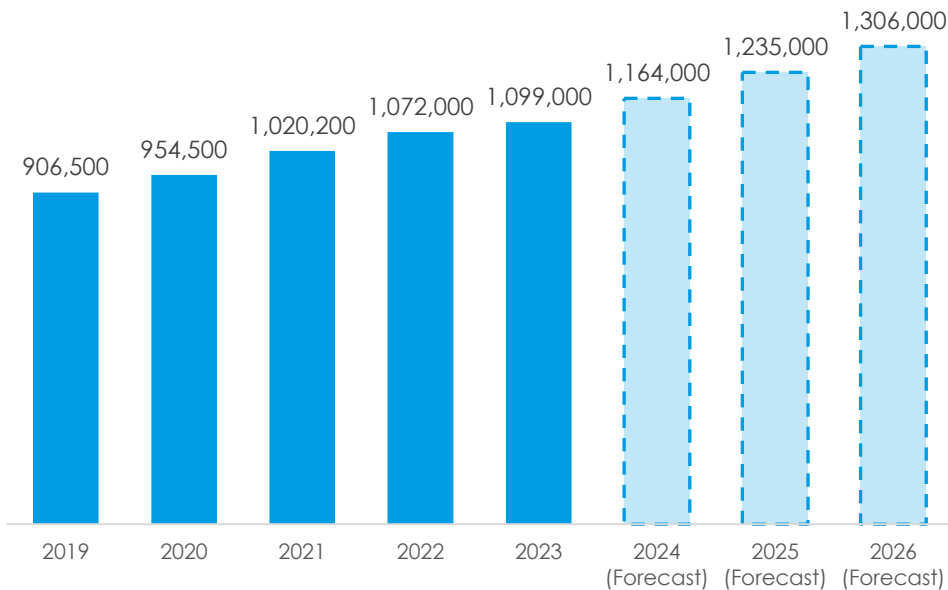
(3) Expansion of number of locations

The Company intends to expand its locations through M&A and acquire mainly major urban areas over the medium term.

Market scale

In the call center industry market, of which the contact center business is a part, the overall market is maturing, but against the backdrop of chronic labor shortages, increasingly complex customer service, and the spread of BCP measures, there is a growing need for comprehensive and advanced contact center services that utilize Web inquiries, e-mail, chat, and other channels, in addition to customer service through call center operations. Therefore, contact center operators are also required to enhance IT, systems, and response quality in order to respond to diversifying needs.

Contact Center (Outsourcing + Temporary Staffing) Market Trends (Unit: million yen)



*Source: Deloitte Tohmatsu MIC Research Institute Total BPO Market Status and Outlook 2023 Contact Center & Fulfillment Services

Our Strengths and Competitive Advantages

- Realization of an in-house contact center that is available 24 hours a day, 365 days a year through thorough promotion of IT and streamlining of operations based on proprietary know-how. We have received orders from other companies in the same industry in the contact center market for the business part that they are unable to handle themselves.
- Our unique educational programs and real-time information linkage system with our clients allow us to differentiate ourselves from our competitors and meet the comprehensive needs of our clients.

Growth strategy

Profit-increasing method

A : Cost per call x number of calls (number of clients the client has)

B : Increase in the number of members owned by the membership service

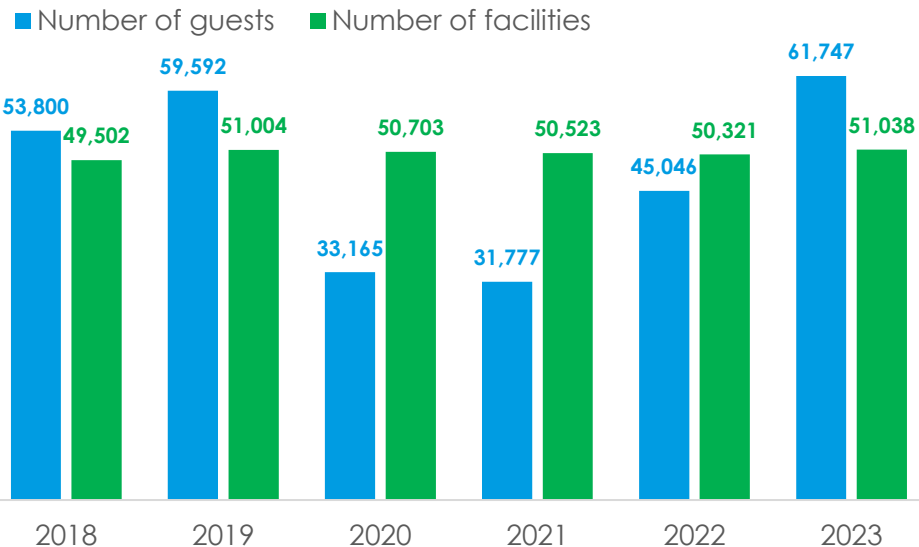
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Stable expansion is expected, as new acquisitions are made every month through referrals from management companies that have partnered with the Company in the alliance business.
- (2) Expansion of new partners
Expand partnerships with companies that hold many members other than (1).
- (3) Quality improvement
Numerically manage response capabilities by visualizing the quality of client response through the promotion of thorough IT. Continuously improving response quality leads to client satisfaction and strengthens client relationships.

Market scale

In the hotel market, where the hotel management contract business belongs, there is also the risk of reduced business due to exchange rate trends, natural disasters such as typhoons and earthquakes, and infectious diseases. On the other hand, the recovery trend from the coronavirus crisis is continuing, and there is an increase in domestic and international travel demand. In particular, the increase in inbound travel is particularly noticeable, and this is leading to the revitalization of the hotel market. It is said that foreign national tourism demand will be important from 2024 onwards, and while the Japan Tourism Agency is also accelerating its efforts to recover inbound demand, the number of hotels and ryokans (Japanese-style inns) in operation, excluding simple lodgings and boarding houses, has been on a slight downward trend in recent years since the coronavirus crisis, and it is a seller's market.

Total number of overnight guests and number of inns and hotels operating

(Unit: total number of overnight guests ⇒ 10,000 person-nights, number of inns/hotel operating facilities ⇒ facilities)



Source: Total number of overnight guests and inns ⇒ [Japan Tourism Agency, Lodging and Travel Statistics Survey](#), Number of hotel business facilities ⇒ [Summary of fiscal 2023 health administration reports](#)

Our Strengths and Competitive Advantages

- The company has expertise in converting housing complexes into hotels, and can also capture rental demand (demand for monthly condominiums), resulting in stable earnings.
- Few competing businesses have expertise in condominium-type and unmanned operations.
- Since the company operates unmanned, a lack of human resources does not impede growth.
- With offices in Sapporo, Fukuoka, and Okinawa, the company is able to take on projects in a wide range of locations.

Growth strategy

Profit-increasing method

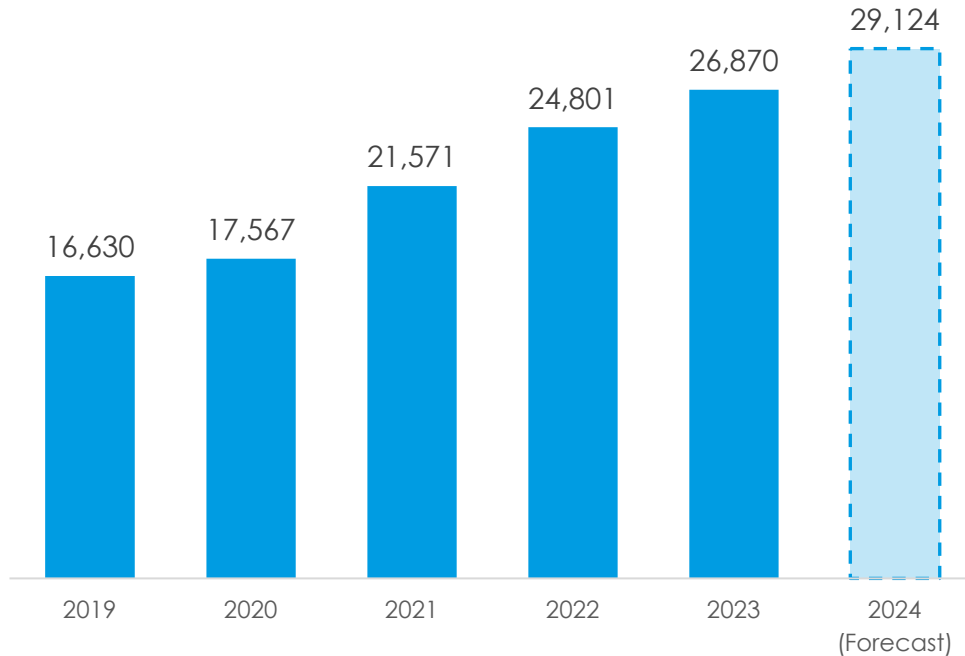
Number of rooms x unit price x occupancy rate

- (1) Expansion of areas and number of locations
Expanding the current base of operations with a focus on the Tokyo metropolitan area, the Kansai region, and the Chubu region.
- (2) Expansion of new partners
From the current fiscal year, the company has been pursuing alliances with real estate development developers and undertaking stable new hotel management contracts by proposing revenue and expenditure plans for properties to be constructed.
- (3) Expand market share through synergies with free Internet service for multi-dwelling units
In the private accommodations business, where the installation of Internet facilities is a must, existing real estate transaction owners will be able to make a new proposal for the operation of a lodging business, and expansion can be expected.

Market scale

The Internet advertising market, to which the Listing Media business belongs, continues to grow moderately every year against the backdrop of connected TVs (TV terminals connected to the Internet), the spread of smartphones, and video distribution services. A wide range of products and services, both tangible and intangible, are being traded electronically via the Internet, and the volume of transactions is increasing every year.

Trends in Total Internet Advertising Media Spending (Forecast) (Unit: Billion yen)



Source: Dentsu Inc. "2023 Advertising Expenditures in Japan: A Detailed Analysis of Internet Advertising Media Expenditures".

Our Strengths and Competitive Advantages

- The mainstay of this business is the use of web-based procedures, and the know-how accumulated in other core businesses can be used to solve the hassle customers face in this area, leading to a high closing rate.
- Although the flow of customers is through the Web, the use of all communication methods, regardless of the IT literacy of the customer, can attract customers who would otherwise leave other companies.

Growth strategy

Profit-increasing method

Number of sites x number of inflows x closing rate

(1) Increase in the number of sites by enhancing services handled

Increase the number of sites by offering a full range of services, even services and goods that are difficult for other companies to sell, because by leveraging our strengths, we can sell them without being restricted to any industry or type of business.

(2) Obtain advertising operation consulting fees from other companies

Currently, sales commissions from service providers are the main source of revenue, but in the future the company will be commissioned by other companies to manage advertisements and earn revenue from management consulting fees.

M&A Basic Policy

- Investment decisions are made on the basic premise that the Company contributes to "maximizing earnings per share."
- Companies/businesses with expected operating income of approximately 100 million yen or more are eligible.
- The payback period is expected to be approximately 5 years.
- Not only the business model, but also the compatibility with the president and employees and the corporate culture are important factors in the decision-making process.

M&A strategy for core businesses

- In addition to revenue growth, the Company also aims to diversify risks by expanding the number of offices as part of BCP measures.
- The company aims to expand its domain by making approaches to other companies in the industry.
- Approach property management companies and other companies with high synergy effects and the potential to increase revenues through know-how that they do not have.

M&A strategies for new businesses

- Aim to diversify risks through business diversification.
- For investments that have the potential to bring in a lot of returns, even if there is a certain amount of risk involved, the Company sets a maximum amount and invest after disclosing the risks.

For past M&A results, see pages 16 and 17.

Appendix

Company Name

Last One Mile Co., Ltd.

Location

3F OWL tower, 4-21-1 Higashi-Ikebukuro,
Toshima-ku, Tokyo

Management
Philosophy

We will continue to be a group in which all
employees can make decisions that are
ultimately economically rational.

Subsidiaries

Broadband Connection Co., Ltd.
Career Co., Ltd.
Vendor Co., Ltd.
HOTEL STUDIO Co., Ltd.
Premium Business Support Co., Ltd.
CITY Hikari Co., Ltd.
SHC Co., Ltd.

Establishment

June 4, 2012

Capital

423,616,400 yen*

Number of employees

224 persons*

*As of October 31, 2024

2012 Established Best Effort Co., Ltd.

2016 Launched own service "Best Hikari (now Marutto Hikari)".

2018 Launched "Last One Mile Business"

Started offering "Nationwide Residential Electricity (now called "Marutto Denki")"

Call & System Co., Ltd. becomes a wholly owned subsidiary through a share exchange.

Best Effort Co., Ltd. merges with Japan General Information & Telecommunications Co., Ltd. Company name changed to Last One Mile Co., Ltd.

2019 Unified own services into "Marutto Series"

Started providing "Marutto WATER" and "Marutto Gas"

2021 Listed on the Tokyo Stock Exchange Mothers Market (currently Growth Market) (Securities Code: 9252)

2022 Broadband Connection Co., Ltd. becomes a wholly owned subsidiary.

Capital and business alliance with Premium Water Holdings Co., Ltd.

Absorption-type merger with Marutto Change Co., Ltd. and IT Support Co., Ltd.

Makoto Watanabe is appointed President and Representative Director

2023 Issuance of Paid-in SO with Exercise Conditions to Makoto Watanabe

Premium Water Holdings Co., Ltd. to conduct a tender offer for the Company's shares

Introduction of trust-type stock options

Career Co., Ltd. becomes a wholly-owned subsidiary.

Application of International Financial Reporting Standards (IFRS)

Introduction of stock compensation plan

Issuance of new shares as restricted stock compensation

2024 Vendor Co., Ltd. becomes a wholly owned subsidiary.

HOTEL STUDIO Co., Ltd. becomes a wholly owned subsidiary.

Premium Business Support Co., Ltd. becomes a wholly owned subsidiary.

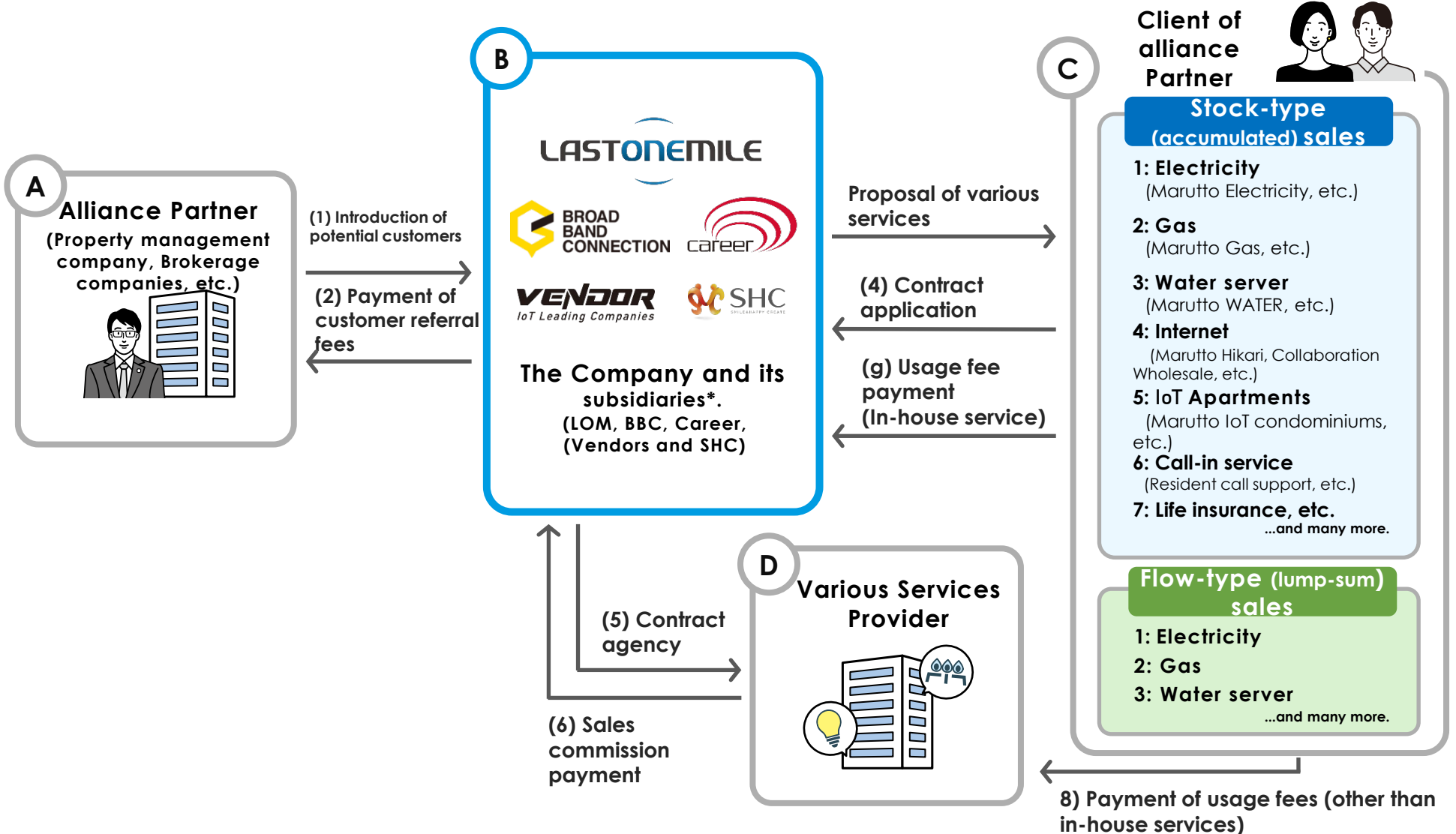
CITV Hikari Co., Ltd. becomes a wholly owned subsidiary.

SHC Co., Ltd. becomes a wholly owned subsidiary.

Makoto Watanabe is appointed Chairman and CEO.

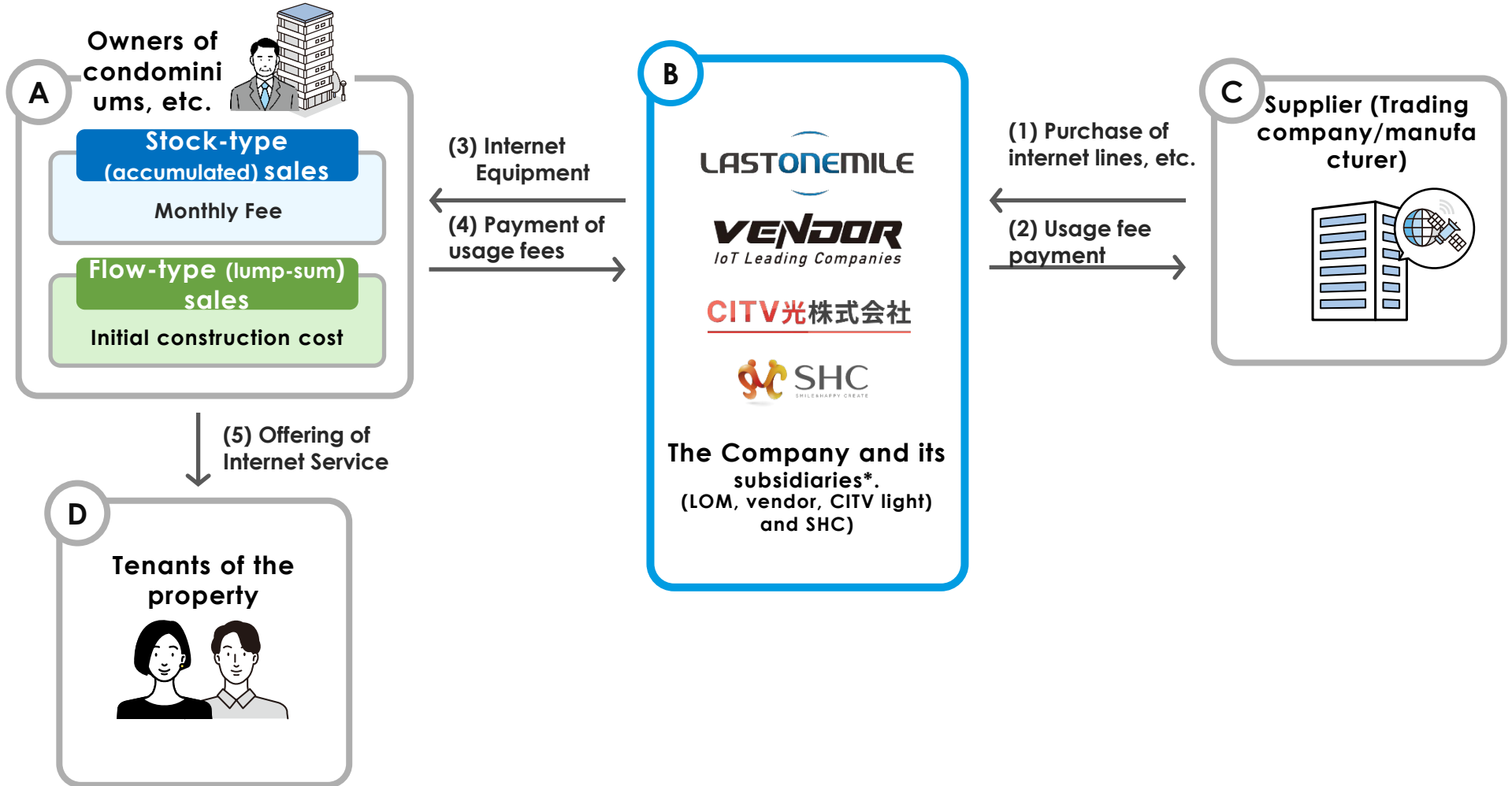
Koichi Matsunaga is appointed President and COO

Alliance business involves real estate management companies and other companies with customers introducing prospective customers who are interested in the Company's services, and we propose and sell our own services and the services of service providers to prospective customers.



Business Chart 2 -Free Internet Service for Apartment Complexes

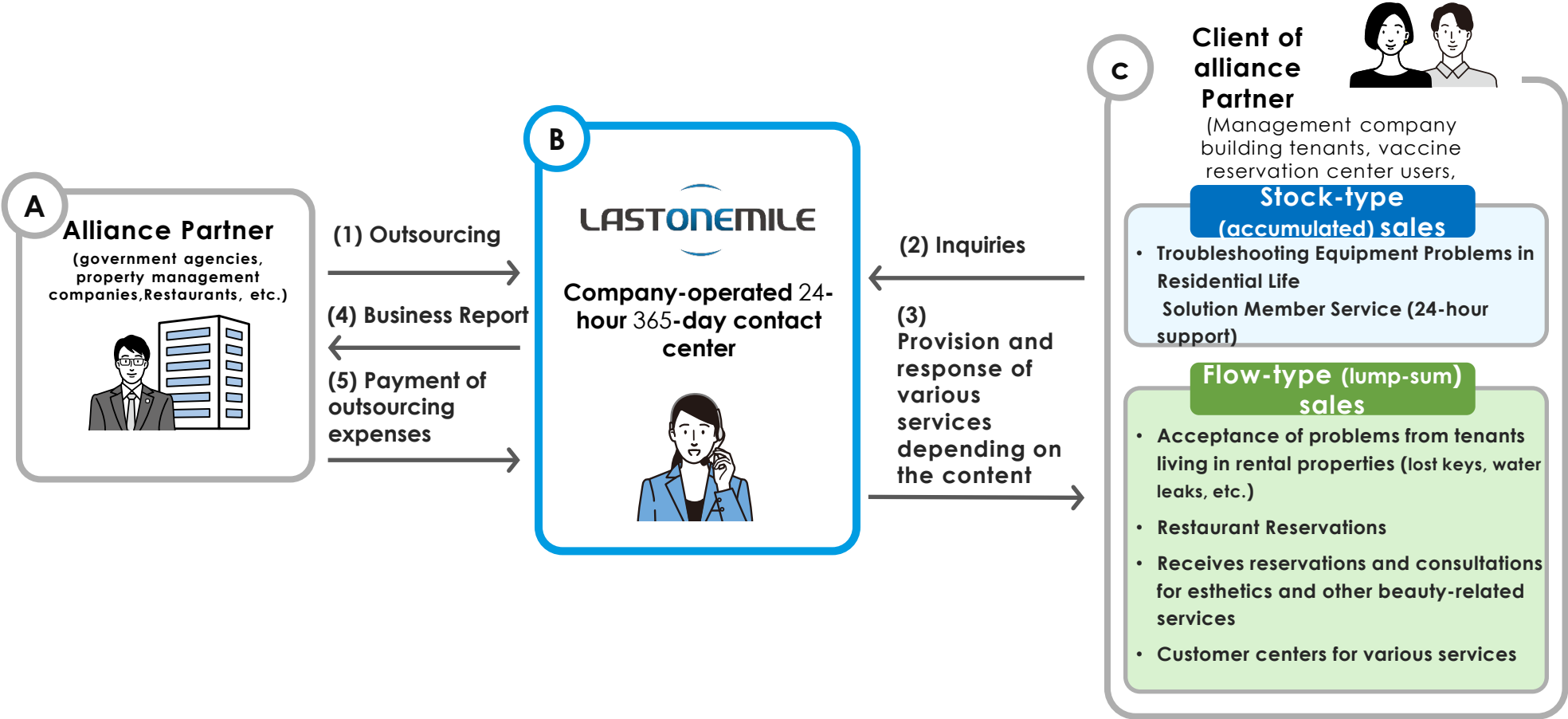
The free internet service for apartment buildings is a service that allows residents to use the internet for free by installing internet equipment at apartment buildings and other apartment complexes at the expense of the owner of the apartment building.



Business Chart 3 - Contact Center Business

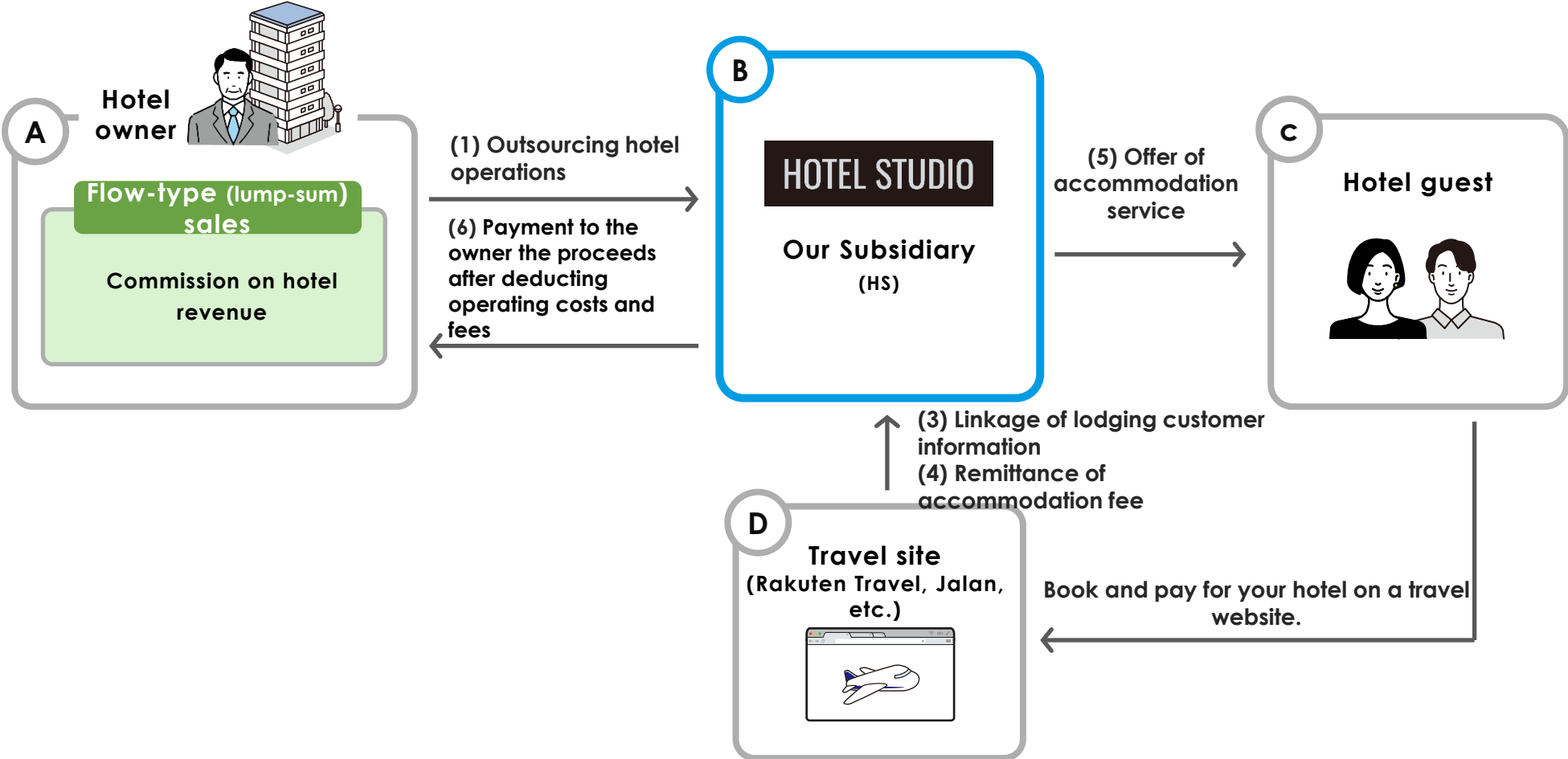
The contact center business provides customer support services on behalf of government agencies, real estate management companies, restaurants, etc.

We provide a contact center for various types of reception and inquiries, such as responding to inquiries from tenants of managed properties.

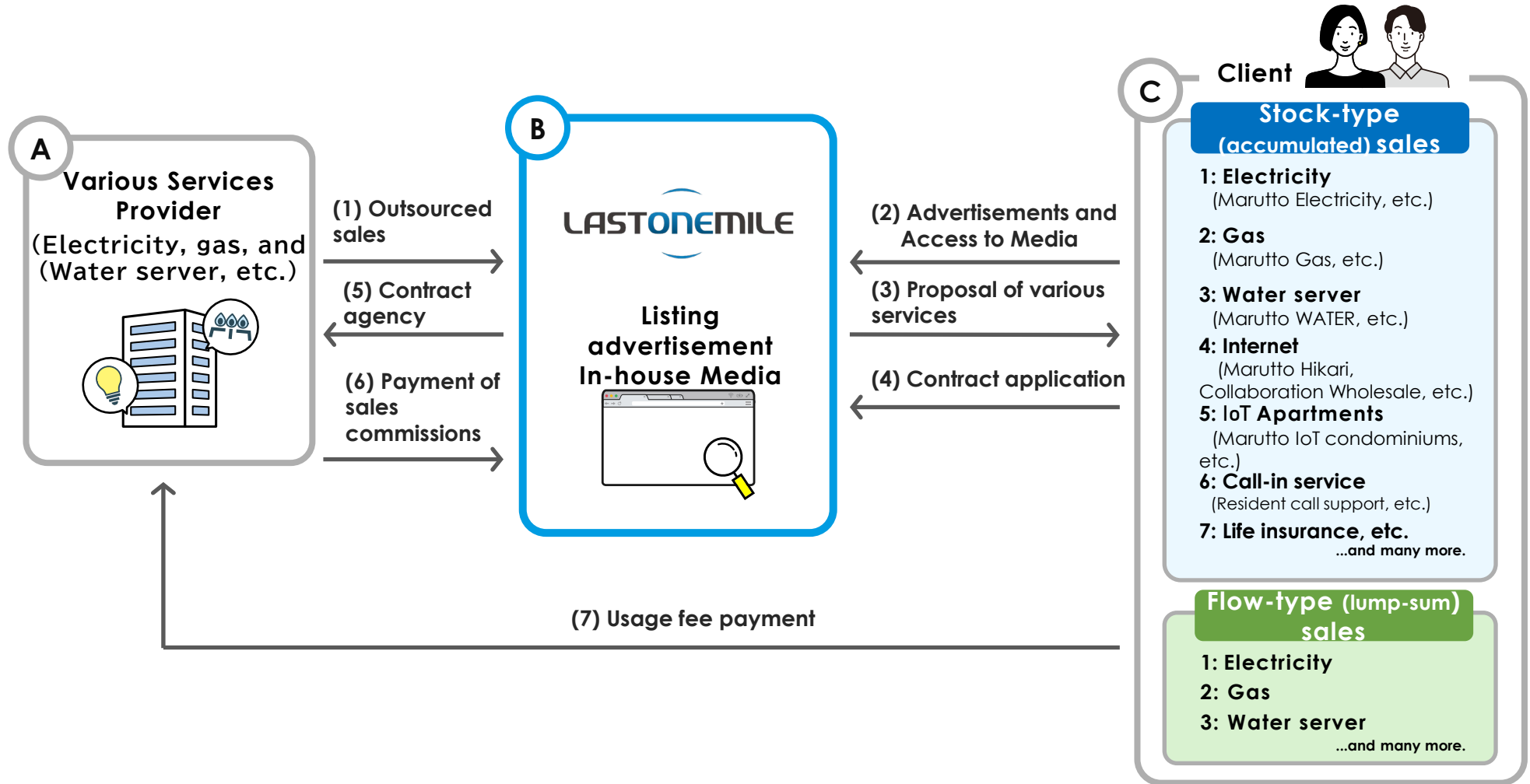


Business Chart 4 - Hotel Management Contract Business

Hotel operation outsourcing business is a business in which hotel owners outsource operations such as attracting guests and cleaning for a performance fee.



Listing media business is a business that utilizes the company's own marketing know-how, This business operates listing ads and landing pages to obtain direct inflows from customers.



List of main services

種別	№	対象		自社サービス	サービス名	種別	№	対象		自社サービス	サービス名	種別	№	対象		自社サービス	サービス名
		個人	法人					個人	法人					個人	法人		
電気	1	○			まるっとでんき	回線	9	○			auひかり	その他	7		○		オートロック(集合玄関)
電気	2	○			東京ガスでんき	回線	10	○			NTTSOHO	その他	8		○		スマートロック(玄関キー)
電気	3	○			関西電力	回線	11		○		光コラボレーション卸事業	その他	9		○		ランドリール(室内物干し)
電気	4	○			たのしいでんき	Wi-Fi	1	○			Softbank Air	その他	10		○		地デジ/BS・CSアンテナ
電気	5	○			くらしエナジー	Wi-Fi	2	○			hi-ho Let's Wi-Fi	その他	11		○		複合機
電気	6	○			オクトパスエナジー	CC	1		○		24時間365日コールセンター	その他	12		○		BizMoネット
電気	7	○			九州電力	CC	2		○		不動産管理会社向けコールセンター	その他	13		○		ITサポート&セキュリティ
電気	8	○			楽々でんき	CC	3		○		官公庁向けコールセンター	その他	14		○		ギガらくWi-Fi
電気	9	○			Loopでんき	CC	4		○		美容系サポートセンター	その他	15		○		ギガらくカメラ
ガス	1	○			まるっとガス	CC	5		○		住宅設備修理受付	その他	16		○		ビジネスホン
ガス	2	○			東京ガス	CC	6		○		秘書代行	その他	17		○		UTM(統合脅威管理)
ガス	3	○			東京ガス電気セット	CC	7		○		各サービス休眠顧客掘り起こし業務受託	その他	18		○		RPA(自動化ロボット)
ガス	4	○			関西電力ガスセット	CC	8		○		各サービス顧客に向けたフォローコール受託	その他	19		○		業務用エアコン
ガス	5	○			九州電力ガスセット	CC	9		○		BtoB向けサービス契約に向けたアポイント獲得コール受託	その他	20		○		業務用冷蔵庫
ガス	6	○			東邦ガス	CC	10		○		BtoC向けサービス契約に向けた営業代行	その他	21		○		プロバイダ
ガス	7	○			ガスワン	CC	11		○		市場調査・アンケートコール受託	その他	22		○		24時間出張修理オプション
WTS	1	○	○		まるっとWATER	CC	12		○		入居者向け会員制駆けつけサービスの運営	その他	23		○		ITSS(ITスキル標準)
WTS	2	○	○		プレミアムウォーター	CC	13		○		駆けつけサービス会員数を増やすスキームの提供	その他	24		○		エアコン
WTS	3	○	○		Locca	CC	14		○		投げる消火器ファイテック販売	その他	25		○		業務用Wi-Fi
WTS	4	○	○		さくっとウォーター	CC	15		○		事務代行業務(リスト作成、リスト精査、パンチング、封入・封緘・発送など)	その他	26		○		ワークストレージ
回線	1	○			まるっとひかり	CC	16		○		DTPデザイン(チラシ、パンフレット、名刺など)	その他	27		○		サポートパック
回線	2	○	○		NTTフレッツ光	CC	17		○		モラルクレーム解決コールセンター「住生活110」	その他	28		○		カラオケレンタル(DAM)
回線	3	○			Softbank光	その他	1	○	○		まるっとIoTマンション	その他	29		○		カラオケレンタル(JOYSOUND)
回線	4	○			SO-net光	その他	2	○			まもりんぐ	その他	30		○		おまかせサイバーみまもり
回線	5	○			ドコモ光	その他	3		○		クラウドボックス(宅配トランクルーム・クラウドストレージ)	その他	31		○		防犯カメラ
回線	6	○			BIGLOBE光	その他	4		○		インターネット無料マンション	その他	32		○		弱電工事
回線	7	○			OCN光	その他	5		○		宅配BOX	その他	33	○			家族信託(株)ファミトラ提供)
回線	8	○			J:COM NET	その他	6		○		集合ポスト	その他	34	○			生命保険・損害保険

WTS - Abbreviation for water server, circuit - Abbreviation for internet connection, CC - Abbreviation for contact center.

	Major Risks	Possibility of manifestation	Time	Degree of influence	Countermeasure
Internal Control System	<p>The Group recognizes that effective corporate governance is essential for future business operations and expansion, and will ensure the appropriateness of operations, reliability of financial reporting, and compliance with internal regulations and laws and regulations. We intend to enhance and strengthen our internal control system in line with business expansion. However, delays in establishing an internal control system appropriate for the scale of our business may affect our group's operating results.</p>	<p>Low</p>	<p>No specific time period</p>	<p>Large</p>	<p>The Company Group has been working on internal controls related to financial reporting, recognizing their importance, but in the current fiscal year, it was discovered that some expenses had not been recorded and that there had been incorrect processing in the process of preparing consolidated financial statements. As a result, we determined that there were material deficiencies in some of the expense and financial reporting processes, and that internal controls were not functioning effectively. This was due to the fact that the Company did not have a comprehensive monitoring function for the recording procedures related to expenses, and did not have sufficient personnel with the expertise necessary for proper accounting operations, which resulted in a large amount of audit adjustments to the financial statement closing process. The Company intends to review its organizational structure and further improve its internal controls to ensure their effectiveness in the future.</p>
Personal information	<p>The Group holds various types of personal information, including customer information for its own services. In managing this personal information, the Group is working to prevent the leakage of personal information by strengthening security on the Group's systems as needed and by ensuring that all executives and employees strictly adhere to the "Personal Information Protection Regulations" under a thorough management system. Specifically, access to databases that store personal information is restricted so that employees not involved in business operations are not allowed to access personal information. In addition, the Company has been certified under the "Privacy Mark System (Note 1)," and has taken appropriate measures to protect personal information in accordance with this system. However, in the event that personal information is leaked and misused by an outside intruder, a person related to our group, or a subcontractor, our group will be held responsible and our credibility will be damaged, which may seriously affect our group's business development and operating results.</p>	<p>High</p>	<p>Mid-term</p>	<p>Large</p>	<p>The Group uses a dedicated system to manage access to its internal network. In addition, the Group is actively working to protect personal information by establishing and adhering to a privacy policy and personal information protection regulations, conducting thorough internal training for all employees, and conducting checks through internal audits.</p>

*Selected major risks affecting the realization of growth and the execution of the business plan from those listed in the "Business and Other Risks" section of the Annual Securities Report. For other risks, please refer to "Business and Other Risks" in the Annual Securities Report.

*1: The Privacy Mark System is a system run by the Japan Information Processing Development Corporation (JIPDEC) that certifies businesses that have established systems to take appropriate measures to protect personal information in compliance with the Japanese Industrial Standard "JIS Q 15001 Personal Information Protection Management Systems - Requirements". Certified businesses are allowed to use the Privacy Mark (P Mark).

	Major Risks	Possibility of manifestation	Time	Degree of influence	Countermeasure
Impact of Competitors	<p>The services handled by our group are lifestyle-related services centered on electricity, gas, water servers, Internet access, etc., and there are several competing companies offering similar services. Taking advantage of its position as both a service provider and a service seller focusing on the new life market, the Company group will provide one-stop services for lifestyle infrastructure services such as electricity, gas, and Internet that customers need to start a new life, and will strive to improve its brand power to become the one and only company that can reduce customer hassles. However, the Group's business development and operating results may be affected by declining profitability due to intensifying competition from competitors, including new entrants from other industries, and increased advertising expenses.</p>	Low	Short term	Mid.	<p>Although there are several competitors offering similar services when viewed on a single service basis, the Group is able to conduct highly efficient sales by not only selling services, but also by conducting sales through alliances with business partners (alliance business). We will continue to build a system for more efficient and stable sales by strengthening cooperation among our businesses.</p>
Dependence on specific business partners	<p>12.6% of the Group's sales revenue for the fiscal year ending August 2024 is attributable to Premium Water Co., Ltd., and 11.7% is attributable to Life In 24 Co., Ltd. In order to reduce the degree of dependence on specific business partners, etc., the Group is working to develop new customers and introduce new services, etc., but if this does not progress as planned and the degree of dependence on specific business partners, etc., continues to be high, there is a possibility that changes in transaction terms, etc., could affect the Group's business performance.</p>	Low	Mid-term	Small	<p>For our main services (electricity, gas, water servers, Internet access, Wi-Fi, etc.), we are not dependent on any particular business partner, but always maintain good relationships with potential alternative business partners, and have built a system that allows us to continue providing services to our customers without affecting them in the event that the current contract with our main business partner is terminated for some reason.</p>

*Selected major risks affecting the realization of growth and the execution of the business plan from those described in the "Business and Other Risks" section of the Annual Securities Report. For other risks, please refer to "Business and Other Risks" in the Annual Securities Report.



Disclaimer The next disclosure of "Business Plan and Matters Relating to Growth Potential" is scheduled for November 2025.

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