

# Consolidated Financial Results for the First Quarter of 2025 (Three Months Ended March 31, 2025)

[Japanese GAAP]

May 15, 2025

Company name: Stmn, Inc.

Listing: Tokyo Stock Exchange

Stock code: 4019

URL: <https://stmn.co.jp/>

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Scheduled date of payment of dividend: -

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 Three Months of 2025 (January 1 to March 31, 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	%
Three months ended Mar. 31, 2025	812	40.6	47	69.9	49	78.5	23	-
Three months ended Mar. 31, 2024	577	40.3	27	(43.2)	27	(43.4)	(1)	-

Note: Comprehensive income (millions of yen)

Three months ended Mar. 31, 2025: 23 (-%)

Three months ended Mar. 31, 2024: (1) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2025	2.65	2.61
Three months ended Mar. 31, 2024	(0.17)	-

Note: Diluted net income per share for the three months ended March 31, 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 Mar. 31, 2025	2,043	1,341	63.4
As of Dec. 31, 2024	2,165	1,345	60.1

Reference: Equity (millions of yen)

As of Mar. 31, 2025: 1,294

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	-				
2025 (forecast)		-	-	-	-

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. Stmn's Articles of Incorporation stipulate the end of the second quarter and the end of the fiscal year as the record dates for dividends. The dividend forecast for 2025 has not been determined at this point.

## 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
First half	1,617	31.4	30	246.5	30	218.1	19	(198.4)	2.25
Full year	3,515	30.5	100	(55.5)	100	(55.5)	58	(57.3)	6.71

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

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

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

Note: Please refer to page 7 “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Application of Special Accounting Methods for Presenting Quarterly 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 Mar. 31, 2025:	8,765,000 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 Mar. 31, 2025:	110 shares	As of Dec. 31, 2024:	110 shares
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3) Average number of shares during the period

Three months ended Mar. 31, 2025:	8,760,223 shares	Three months ended Mar. 31, 2024:	8,685,690 shares
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\* Review of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None

\* 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.

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## 1. Overview of Results of Operations

### (1) 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 quarter 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 40.6% year on year to 812 million yen, operating profit increased 69.9% to 47 million yen, ordinary profit increased 78.5% to 49 million yen, and profit attributable to owners of parent was 23 million yen, compared with a loss of 1 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 quarter are provided for business categories rather than segments.

### Employee Engagement Business (TUNAG)

During the first quarter, 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. Online events and other activities for companies using the TUNAG engagement platform were used to provide customer success support and taxi advertisements and other measures were used to raise awareness of this service. Due to these activities, TUNAG sales continued to grow, the number of companies using this service increased by 297 from one year earlier to 1,116 at the end of March 2025, and the average MRR was up 2,000 yen from one year earlier to 197,000 yen.

**Community Engagement Business (FANTS)**

The many valuable functions of TUNAG for operating and energizing organizations for expanding and rebuilding communities were used for the launch in May 2020 of the FANTS online community management platform. The number of communities briefly decreased because of an examination of the communities operated by this business and a revision in the strategy for this business. However, sales are beginning to move up again. As a result, the number of online communities operated by FANTS increased by 152 from one year earlier to 288 at the end of March 2025 and the average MRR was down 45,000 yen from one year earlier to 49,000 yen.

**Permanent Placement Business (STAGE)**

STAGE started operating in April 2022 as a new type of permanent job placement service for assisting companies with hiring the people they require. Support is provided from the standpoint of engagement management and recruiting. During the first quarter, Changes in market conditions and intense competition are holding down the profitability of this business. The reexamination of the business plan and organizational structure for STAGE that began in 2024 continued in the first quarter. Furthermore, expenditures for growth by targeting new market sectors and raising awareness of this placement service are continuing. The goal is to improve the sustainability of this business by redefining targeted markets and raising the efficiency of advertising activities for a stronger profit structure.

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.

**(2) Financial Position****Assets**

Total assets decreased 122 million yen from the end of 2024 to 2,043 million yen at the end of the first quarter of 2025. This was mainly due to decreases of 263 million yen in cash and deposits and 20 million yen in other current assets, and an increase of 166 million yen in accounts receivable-trade.

**Liabilities**

Total liabilities decreased 118 million yen from the end of 2024 to 701 million yen. This was mainly due to decreases of 86 million yen in contract liabilities and 69 million yen in income taxes payable, and an increase of 50 million yen in short-term borrowings.

**Net assets**

Net assets decreased 4 million yen from the end of 2024 to 1,341 million yen. This was mainly due to a decrease of 11 million yen in retained earnings due to profit attributable to owners of parent of 23 million yen and dividend payments of 34 million yen, while there was an increase of 3 million yen in share acquisition rights.

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

Stmn maintains its first-half and full-year consolidated forecasts that were announced in the “Consolidated Financial Results for 2024” (Japanese version only) on February 14, 2025.

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

	(Thousands of yen)	
	2024 (As of Dec. 31, 2024)	First quarter of 2025 (As of Mar. 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	1,137,780	873,885
Accounts receivable-trade	74,368	240,547
Merchandise	4,368	4,411
Other	106,784	86,620
Allowance for doubtful accounts	-	(2,977)
Total current assets	1,323,302	1,202,486
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,794	118,234
Other, net	33,800	36,671
Total property, plant and equipment	154,594	154,905
Intangible assets	13,080	12,101
Investments and other assets		
Long-term loans receivable from directors (and other officers)	550,000	550,000
Other	134,379	133,896
Allowance for doubtful accounts	(9,807)	(10,126)
Total investments and other assets	674,572	673,770
Total non-current assets	842,246	840,777
<b>Total assets</b>	<b>2,165,549</b>	<b>2,043,263</b>
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	-	50,000
Accounts payable-other	107,272	136,627
Accrued expenses	150,055	125,238
Contract liabilities	334,699	248,278
Income taxes payable	95,524	26,313
Other	96,028	80,625
Total current liabilities	783,580	667,083
Non-current liabilities		
Long-term borrowings	6,680	5,015
Asset retirement obligations	27,914	27,932
Other	1,789	1,789
Total non-current liabilities	36,383	34,737
<b>Total liabilities</b>	<b>819,964</b>	<b>701,820</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	78,900	80,900
Capital surplus	1,008,359	1,010,359
Retained earnings	215,343	203,557
Treasury shares	(98)	(98)
Total shareholders' equity	1,302,504	1,294,718
Share acquisition rights	43,080	46,724
<b>Total net assets</b>	<b>1,345,584</b>	<b>1,341,443</b>
<b>Total liabilities and net assets</b>	<b>2,165,549</b>	<b>2,043,263</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****(Quarterly Consolidated Statement of Income)****(For the Three-month Period)**

	(Thousands of yen)	
	First three months of 2024 (Jan. 1 – Mar. 31, 2024)	First three months of 2025 (Jan. 1 – Mar. 31, 2025)
Net sales	577,604	812,384
Cost of sales	130,064	210,618
Gross profit	447,539	601,765
Selling, general and administrative expenses	419,625	554,331
Operating profit	27,914	47,434
Non-operating income		
Interest income	5	1,393
Point return income	850	1,301
Other	82	670
Total non-operating income	938	3,365
Non-operating expenses		
Interest expenses	81	93
Loss on investments in investment partnerships	910	972
Total non-operating expenses	992	1,065
Ordinary profit	27,860	49,734
Extraordinary income		
Gain on reversal of share acquisition rights	-	269
Total extraordinary income	-	269
Profit before income taxes	27,860	50,003
Income taxes	29,347	26,809
Profit (loss)	(1,486)	23,194
Profit (loss) attributable to owners of parent	(1,486)	23,194

**(Quarterly Consolidated Statement of Comprehensive Income)**  
**(For the Three-month Period)**

	(Thousands of yen)	
	First three months of 2024 (Jan. 1 – Mar. 31, 2024)	First three months of 2025 (Jan. 1 – Mar. 31, 2025)
Profit (loss)	(1,486)	23,194
Comprehensive income	(1,486)	23,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,486)	23,194



**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Application of Special Accounting Methods for Presenting Quarterly 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**

First three months of 2024 (Jan. 1 – Mar. 31, 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.

First three months of 2025 (Jan. 1 – Mar. 31, 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.

**Quarterly Consolidated Statement of Cash Flows**

A quarterly consolidated statement of cash flows has not been prepared for the first three months of 2025. Depreciation (including amortization of intangible assets) for the first three months of 2024 and 2025 are as follows.

	(Thousands of yen)	
	First three months of 2024 (Jan. 1 – Mar. 31, 2024)	First three months of 2025 (Jan. 1 – Mar. 31, 2025)
Depreciation	6,820	8,672

*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.*