



3Q FY2017 Financial Results

(9 months ended December 31, 2017)

Geniee Inc.

(TSE-M : 6562)

February 13, 2018

Agenda

1. Our Business
2. 3Q FY2017 Financial Results
3. FY2017 Plan
4. Reference Materials

1. Our Business



1-1. Our History & Sales Trend

- Established in April 2010. Has since expanded business domains and serviced regions to steadily increase net sales.
- In FY2015 (2016.3), mainstay product GenieeSSP captures top class market share.

〈Sales Trend〉

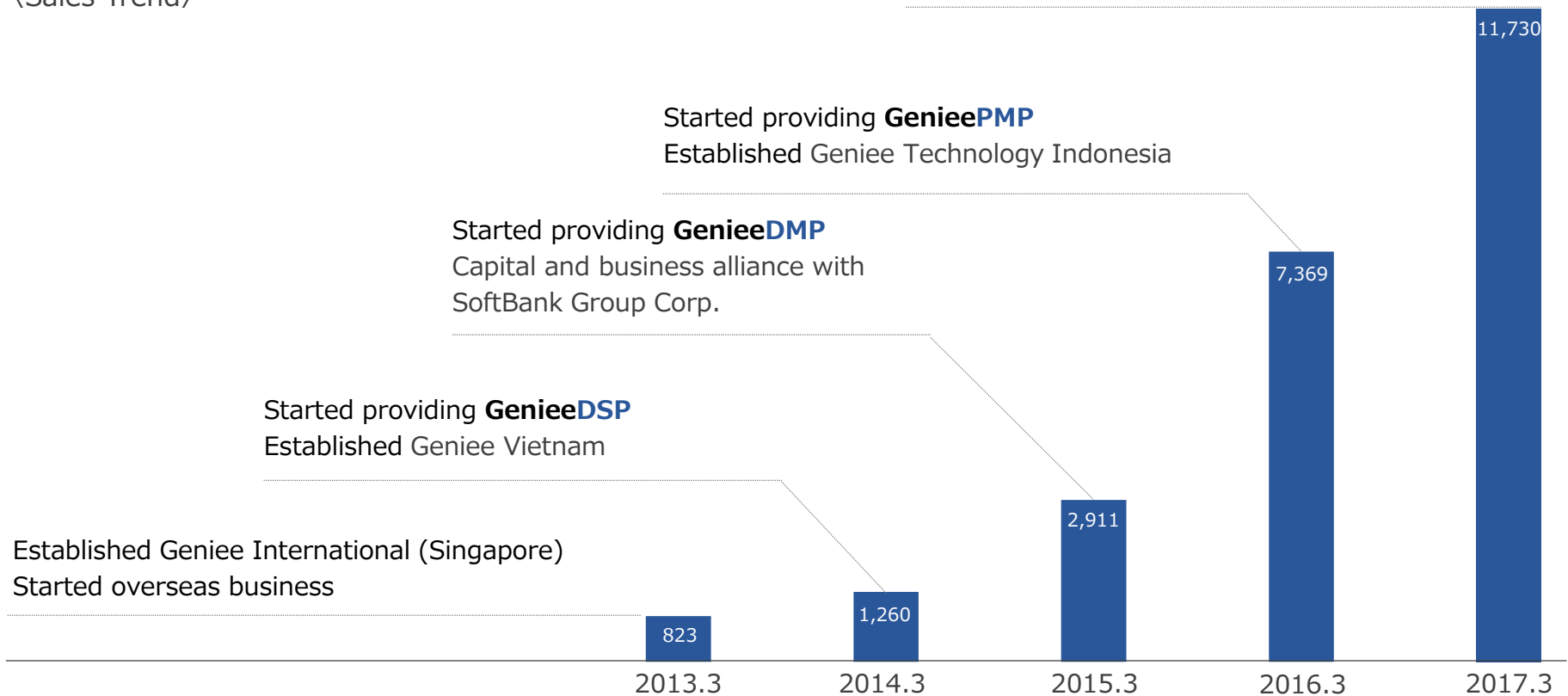
Started providing **MAJIN**

Started providing **GenieePMP**
Established Geniee Technology Indonesia

Started providing **GenieeDMP**
Capital and business alliance with
SoftBank Group Corp.

Started providing **GenieeDSP**
Established Geniee Vietnam

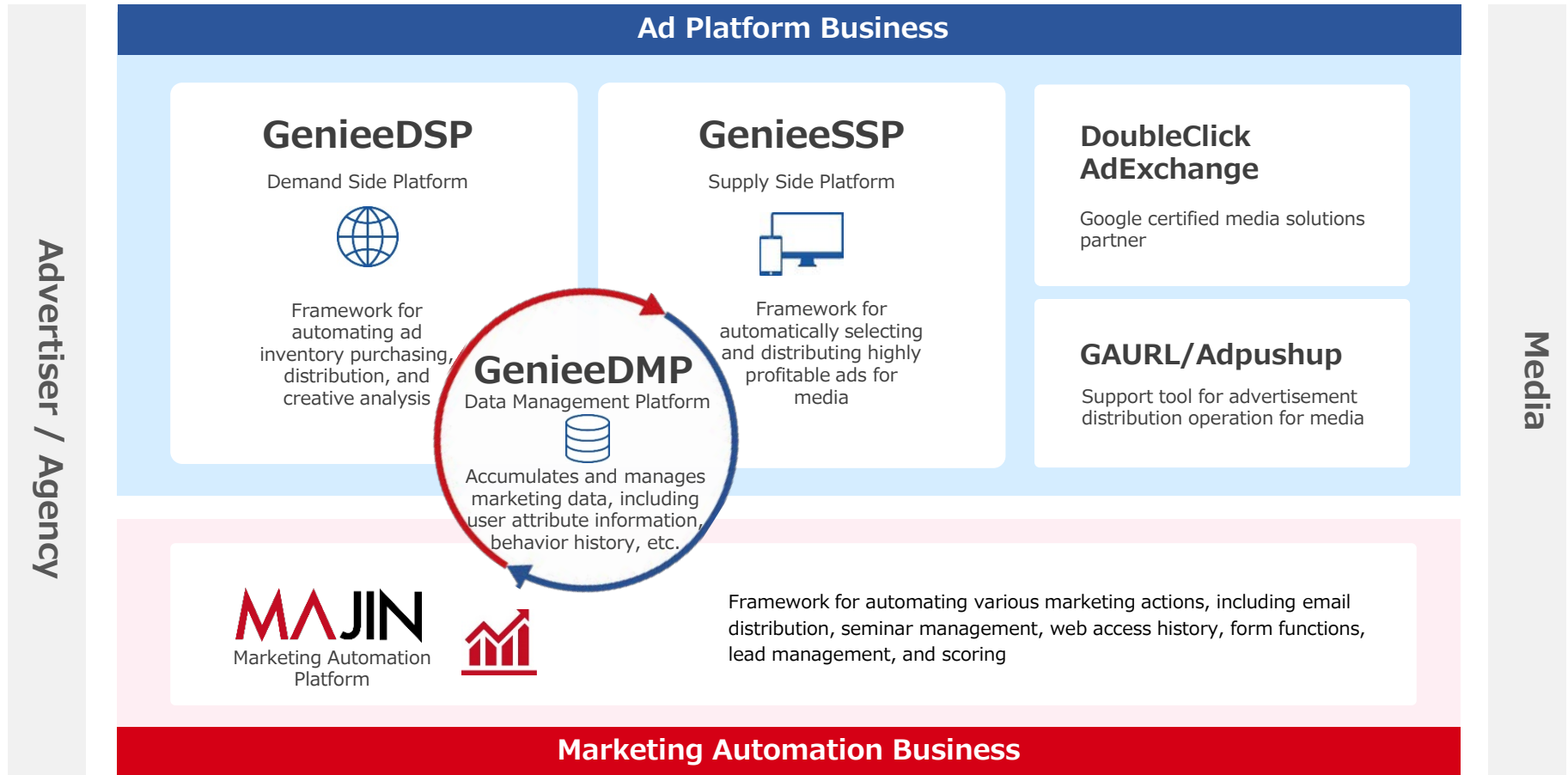
Established Geniee International (Singapore)
Started overseas business



※ 2013.3 to 2015.3 are unit sales, 2016.3 to 2017.3 are consolidated sales figures. Unit : JPY million

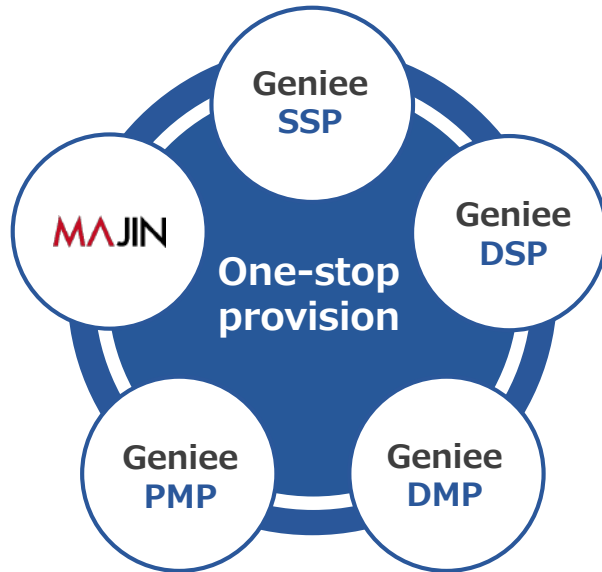
1-2. Our Business

- Ad platform business offering automated media ad inventory transactions.
- Marketing automation business offering AI/automated marketing services.



1-2. Our Business

- OEM distribution of proprietary products to domestic and overseas companies.



- Used by industry competitors, advertisers, ad agencies, media companies, mobile carriers, and numerous other companies in Japan and overseas
- Able to use own data, customer assets, ad budget, and ad inventory to conduct business similar to Geniee
- Only Geniee and one other company worldwide capable of OEM provision of SSP/DSP/DMP services

 SoftBank

Major domestic mobile carrier

 TELKOMSEL

Indonesia's No. 1 mobile carrier



Indonesia's No. 3 mobile carrier

ADSTARS 

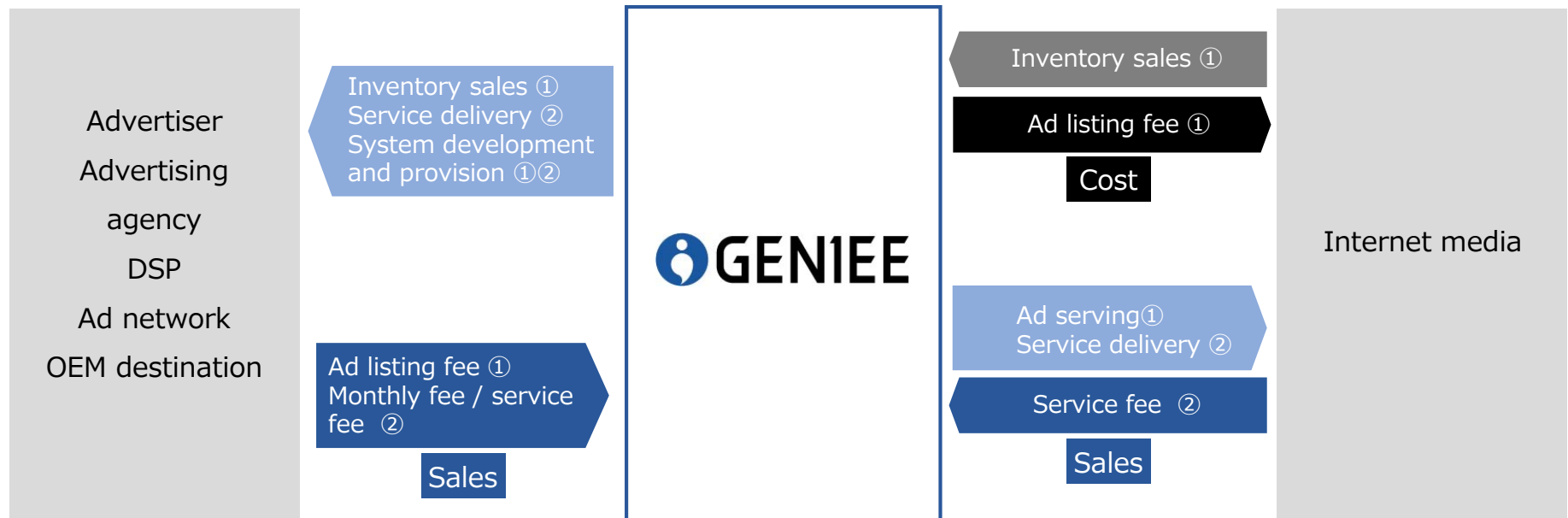
Indonesian ad network company

adskom

Indonesian local SSP

1-3. Business Model

- Two types of major revenue streams, ad listing fees and system usage fees.
- GenieeSSP, MAJIN, and OEM business models promote continued use.



(1) Ad listing fees received from advertisers based on number of ad impressions when ads are distributed via GenieeSSP and GenieeDSP.

(2) Monthly fees and service fees received from companies using GenieeDMP and MAJIN.

2. 3Q FY2017 Financial Results



2-1. 3Q FY2017 Highlights

Overview

- **Consolidated earnings largely on par with targets. No change in full-year forecast.**
3Q Cumulative :
Net sales ¥ 1,070 million (up 21.9% YoY, 68.4% relative to full-year targets)
Operating income ¥ 370 million (up 165.3% YoY, 67.4% relative to full-year targets)
- **Newly listed on TSE Mothers on December 18, 2017. Procured approx. 1.3 billion yen towards business expansion.**

Ad Platform Business

- **GenieeSSP incurred negative factors due to the impact of ad fraud measures but sales continued to grow thanks to large-scale orders and increased OEM contracts.**
- **GenieeDSP also grew thanks to aggressive new business development.**

Marketing Automation Business

- **MAJIN added new proprietary functions and functions based on partner collaborations.**
- **New business development, event participation, and seminars pushed total accounts above 650 companies.**

2-2. Results for the 3Q FY2017 (Apr. 2017 - Dec. 2017)

- Achieved strong earnings growth year on year, profitability also improved.
- Assuming seasonality, earnings progress largely on par with full-year targets.

(unit : JPY Thousand)

| | 3Q FY2016 | 3Q FY2017 | YoY | FY2017 (forecast) | Progress Rate |
|--|--------------|--------------|--------|----------------------|------------------|
| Net Sales | 8,262,433 | 10,073,014 | 21.9% | 14,731,810 | 68.4% |
| Gross Margin | 1,181,477 | 1,787,465 | 51.3% | 2,552,108 | 70.0% |
| SG&A Expenses | 1,042,263 | 1,418,099 | 36.1% | 2,004,068 | 70.8% |
| Operating Income | 139,214 | 369,365 | 165.3% | 548,040 | 67.4% |
| Ordinary Income | 102,213 | 328,525 | 221.4% | 522,280 | 62.9% |
| Profit attributable to owners of parent | △ 20,409 | △ 73,904 | — | 47,120 | — |

2-2. Results for the 3Q FY2017 (Oct. 2017 - Dec. 2017)

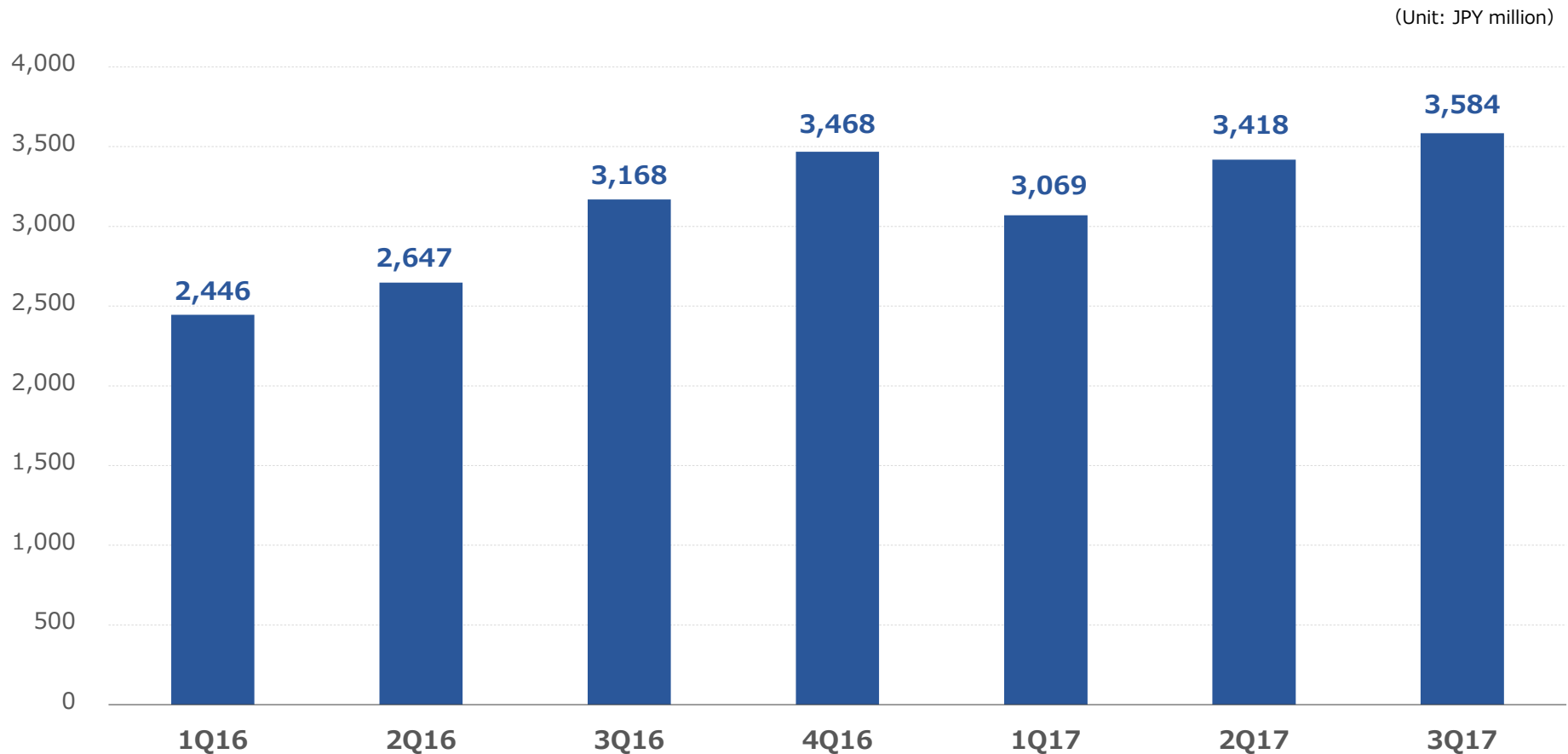
- Sales represent a record high for the quarter. Achieved double-digit increases in sales and gross profit.
- SG&A increased due to increase human resource expenses incidental to business expansion, and increased marketing and promotion expenses.

(unit : JPY Thousand)

| | 3Q FY2016 | 3Q FY2017 | YoY |
|---|--------------|--------------|---------|
| Net Sales | 3,168,689 | 3,584,631 | 13.1% |
| Gross Margin | 496,347 | 630,909 | 27.1% |
| SG&A Expenses | 371,745 | 507,259 | 36.5% |
| Operating Income | 124,601 | 123,650 | △ 0.8% |
| Ordinary Income | 120,118 | 91,099 | △ 24.2% |
| Profit attributable to owners of parent | 70,670 | 58,948 | △ 16.6% |

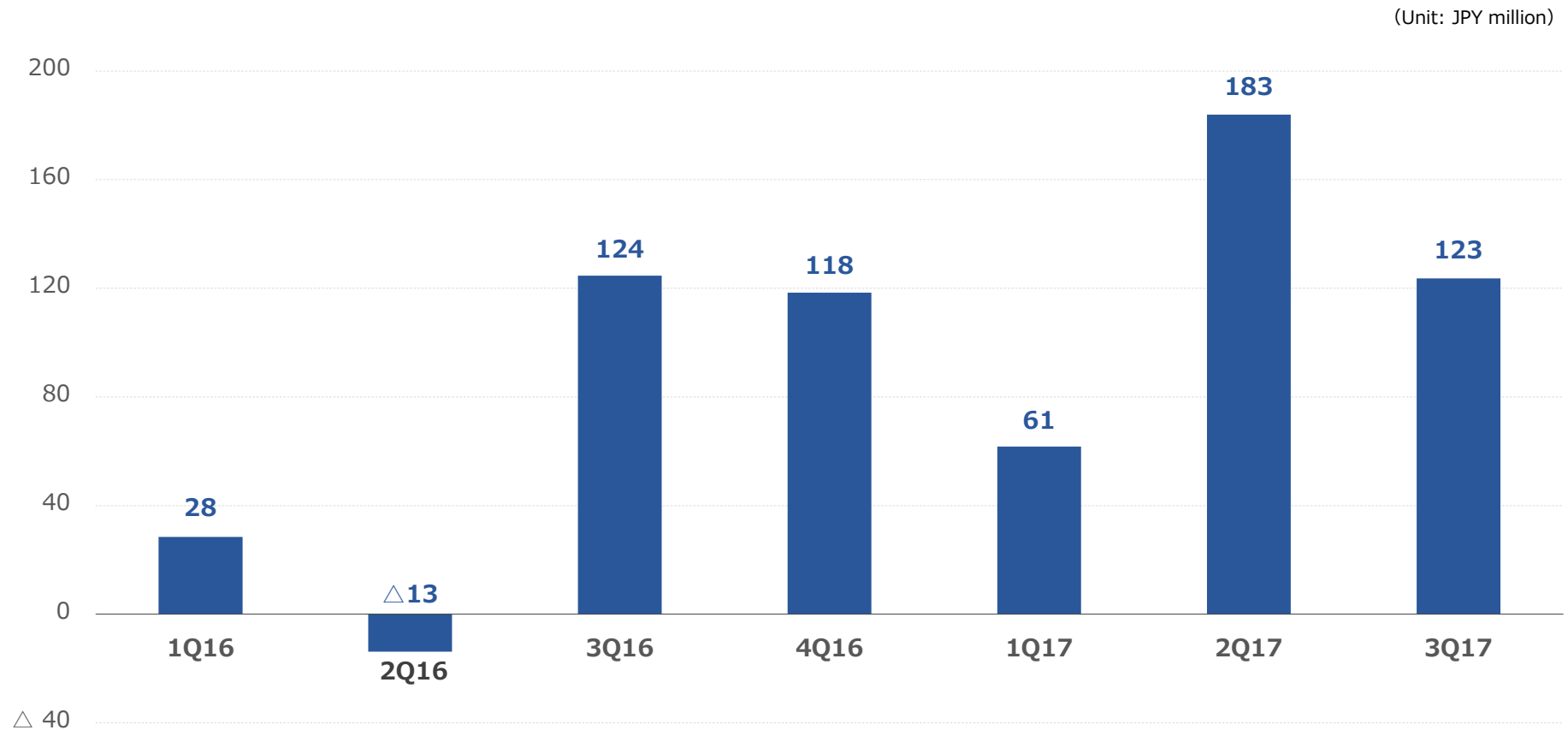
2-3. Trends of consolidated sales

- Sales represent record high for a quarter.
- In addition to GenieeSSP, GenieeDSP and MAJIN also contributed.



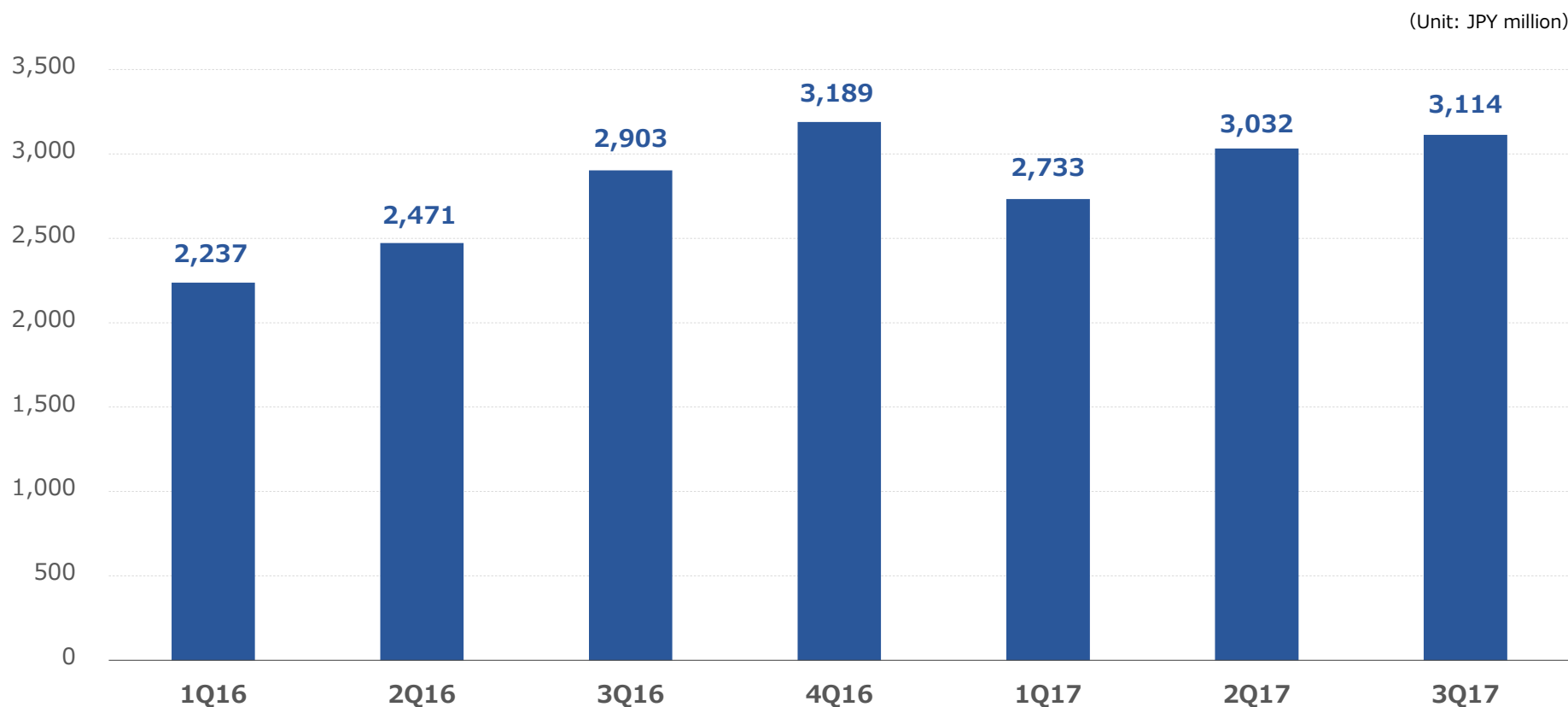
2-4. Trends of consolidated operating income

- 3Q17 income decreased YoY due to increased SG&A.
- Weighted towards second half because ad industry busy season concentrated on end of year and end of fiscal year.



2-5. Trends in Sales by Business - Ad Technology Business -

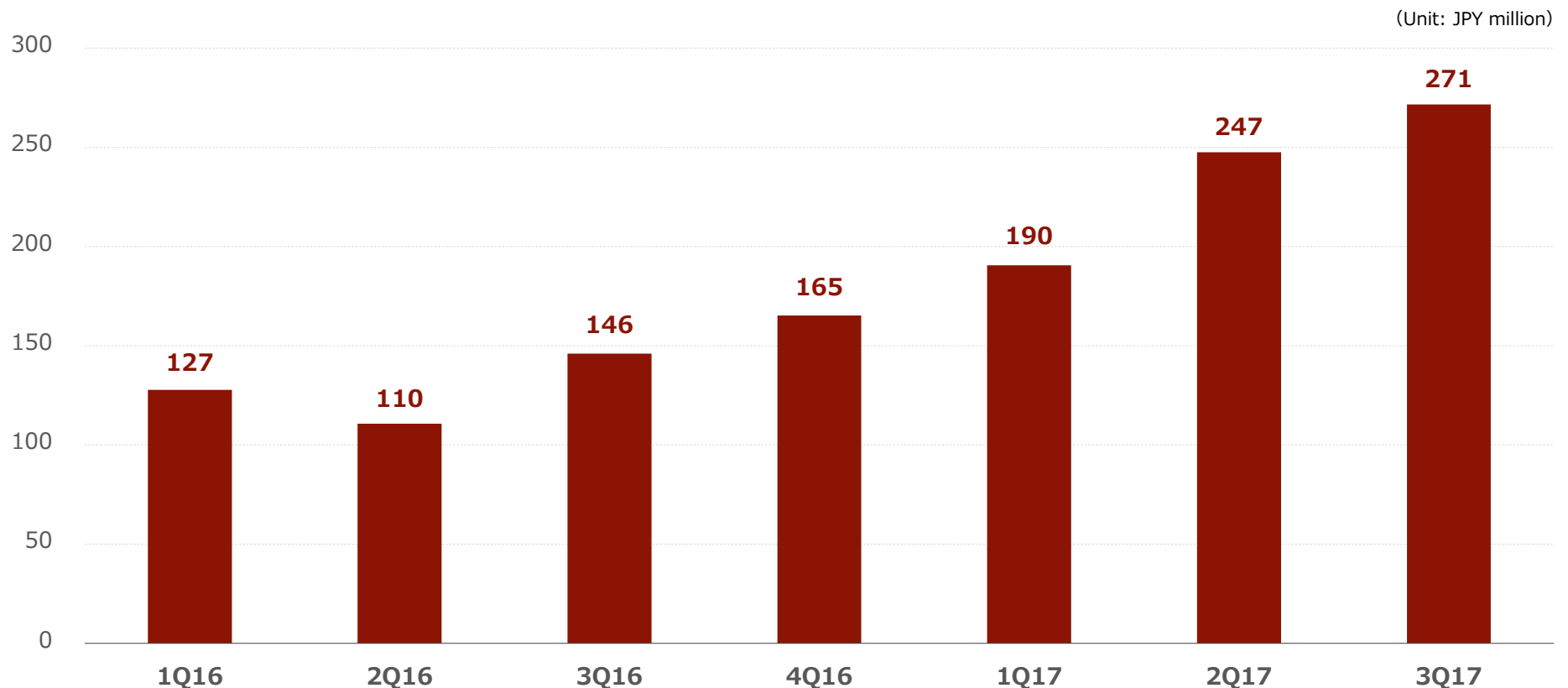
- GenieeSSP sales continued to expand to approximately 3 billion yen despite negative factors due to the impact of ad fraud measures. The sales continued to grow thanks to large-scale orders and increased OEM contracts.
- GenieeDSP also grew thanks to aggressive new business development.



※ Sales by business are figures before adjustment for cross-business transactions.

2-6. Trends in Sales by Business - Marketing Automation Business -

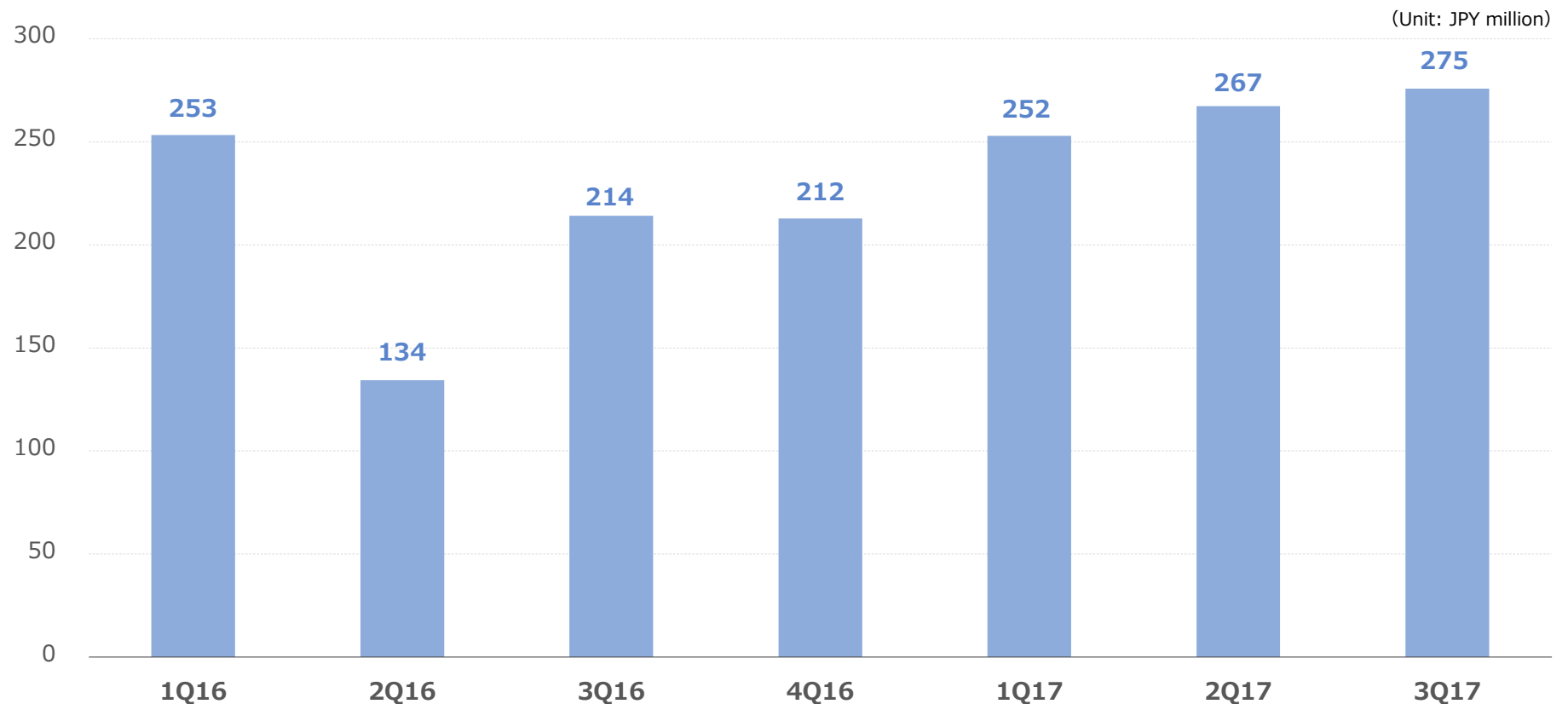
- User companies increased approx. by 130 companies YoY and sales increased by 86.0%.
- MAJIN added new proprietary functions and functions based on partner collaborations.



※ Sales by business are figures before adjustment for cross-business transactions.

2-7. Trends in Sales by Business - Overseas Business -

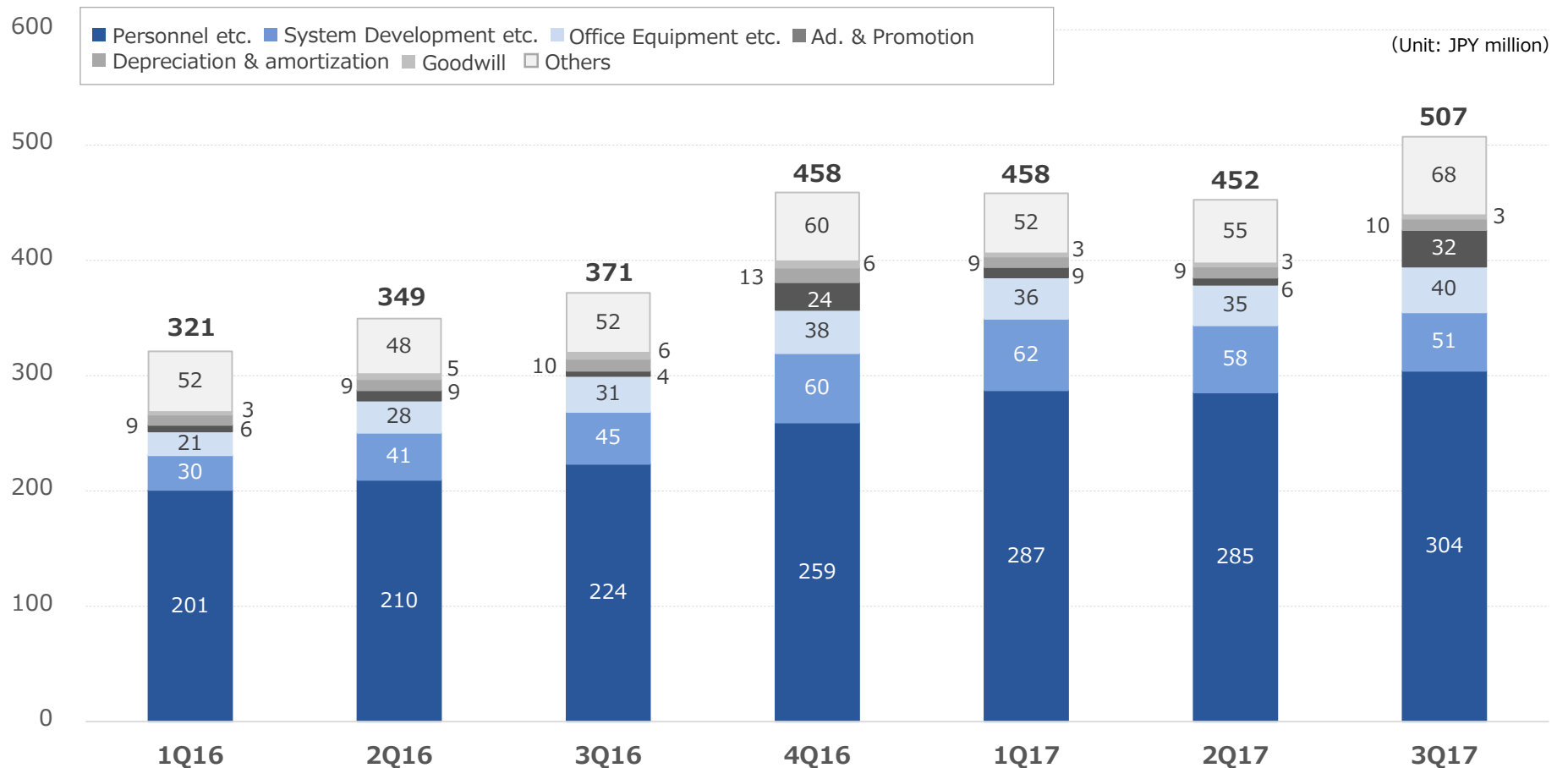
- Sales increased 28.8% YoY thanks to large-scale contracts and seasonality.
- Enhanced organizational structure at major overseas offices, including Vietnam and Indonesia.



※ Sales by business are figures before adjustment for cross-business transactions.

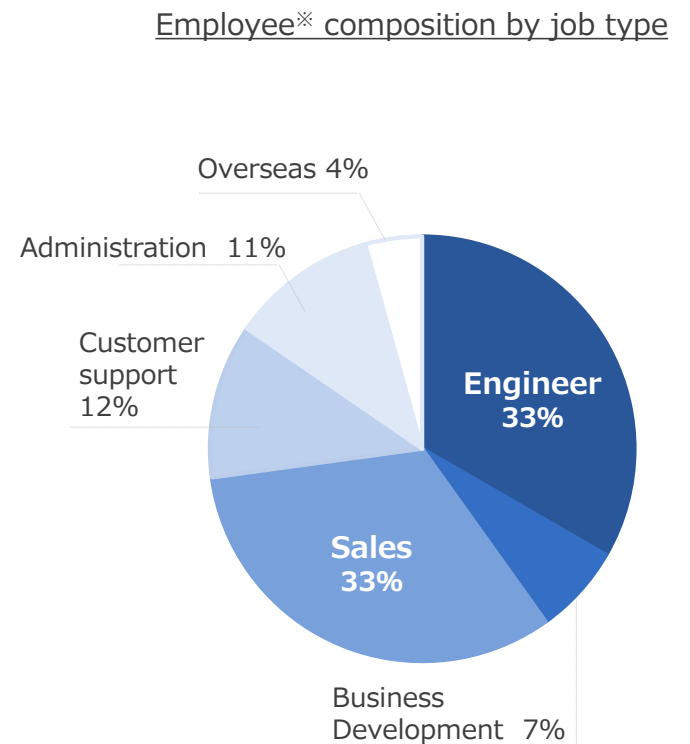
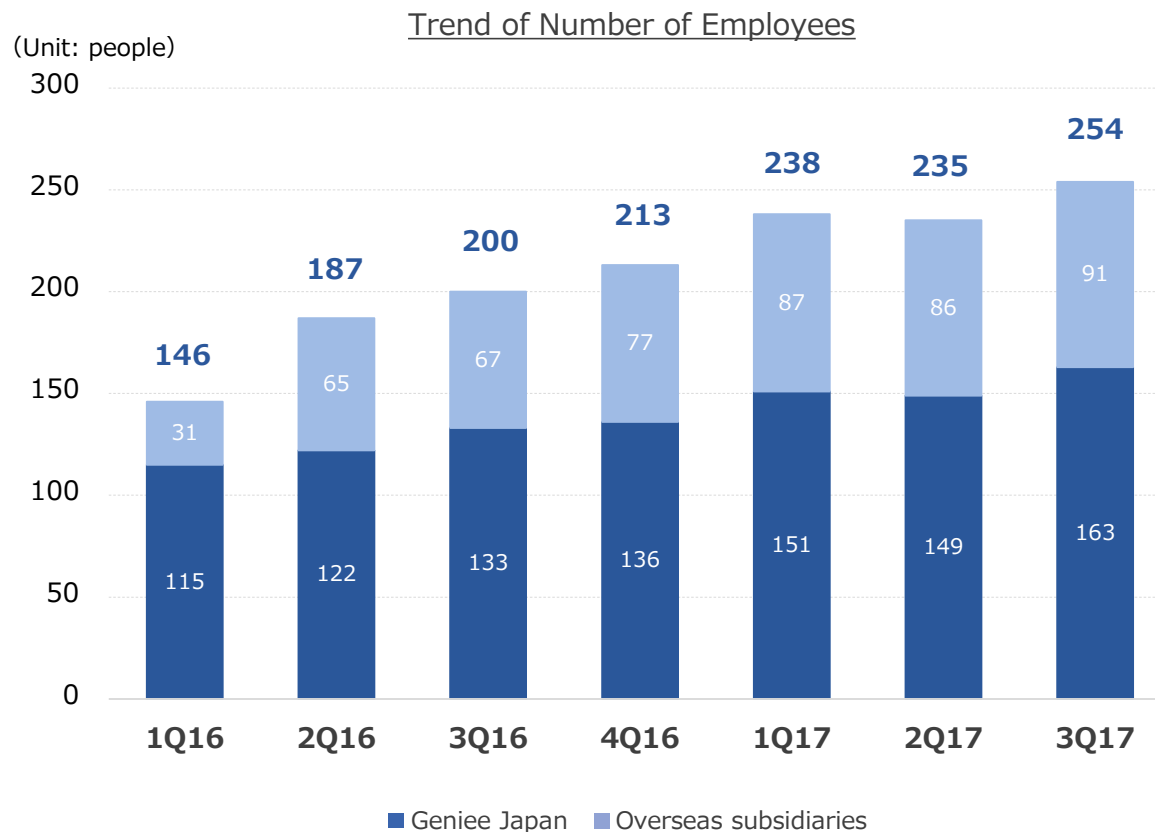
2-8. Trends in SG & A expenses

- Employee numbers increased due to business expansion (increased by 54 YoY).
- SG&A increased due to higher marketing expenses and expenses related to business expansion.



2-9. Trend of Number of Employees

- Organization growing steadily in Japan and overseas.
- 50-50 ratio of engineers and sales staff, smoothly reflecting customer needs and new technology in product development.



* As of the end of December 2017, Geniee Japan only

3. FY2017 Plan



3-1. FY2017 Plan

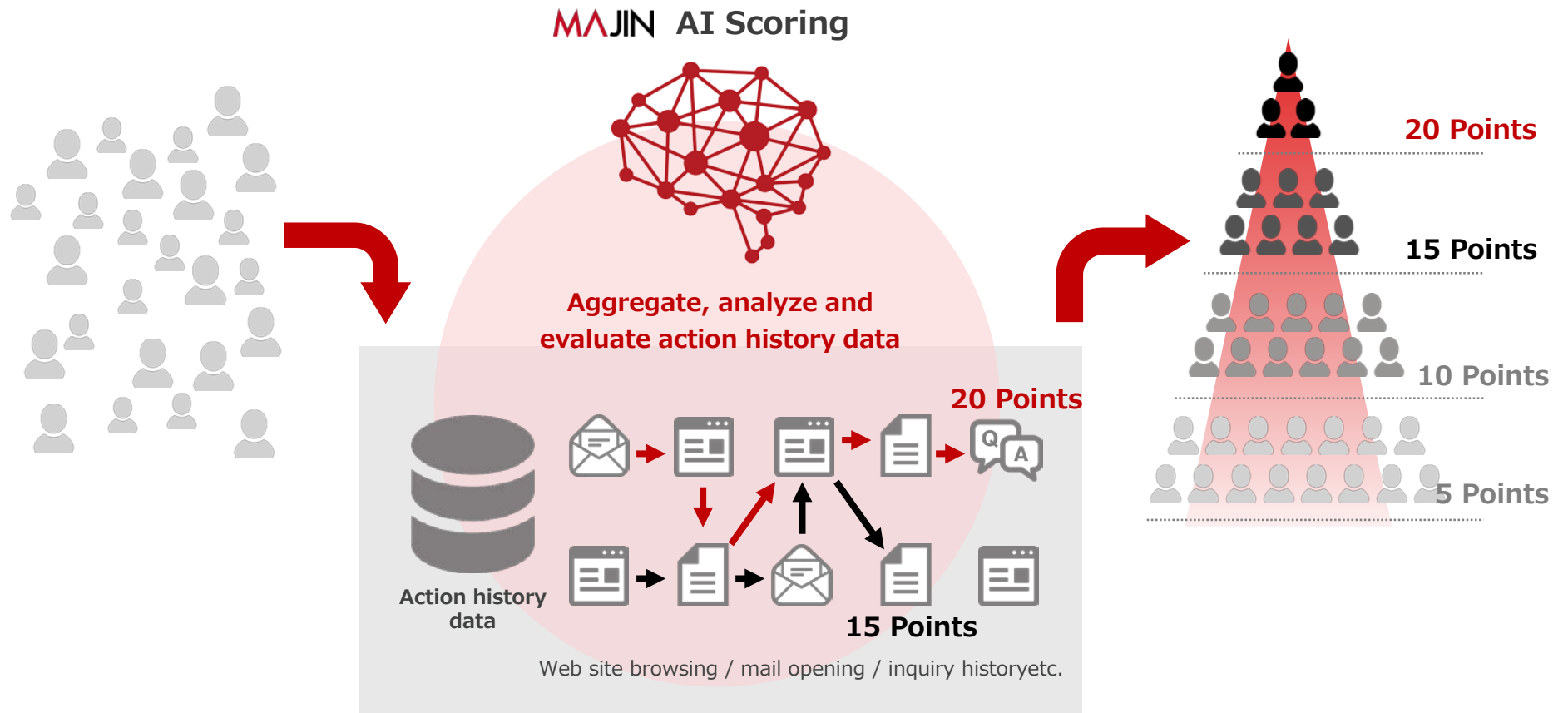
- Anticipating major increase in revenues and income from business expansion.
- No change in earnings forecast for current fiscal year.
- Recorded investment securities valuation losses and impairment losses during H2/2016 and H1/2017.

(unit : JPY Thousand)

| | FY2015 | FY2016 | FY2017 (Plan) | YoY |
|--|-----------|------------|-------------------|---------------|
| Net Sales | 7,369,233 | 11,730,899 | 14,731,810 | 25.6% |
| Gross Margin | 1,153,573 | 1,758,826 | 2,552,108 | 45.1% |
| SG&A Expenses | 1,023,612 | 1,501,215 | 2,004,068 | 33.5% |
| Operating Income | 129,960 | 257,610 | 548,040 | 112.7% |
| Ordinary Income | 106,513 | 194,590 | 522,280 | 168.4% |
| Profit attributable to owners of parent | 52,323 | △ 14,754 | 47,120 | — |

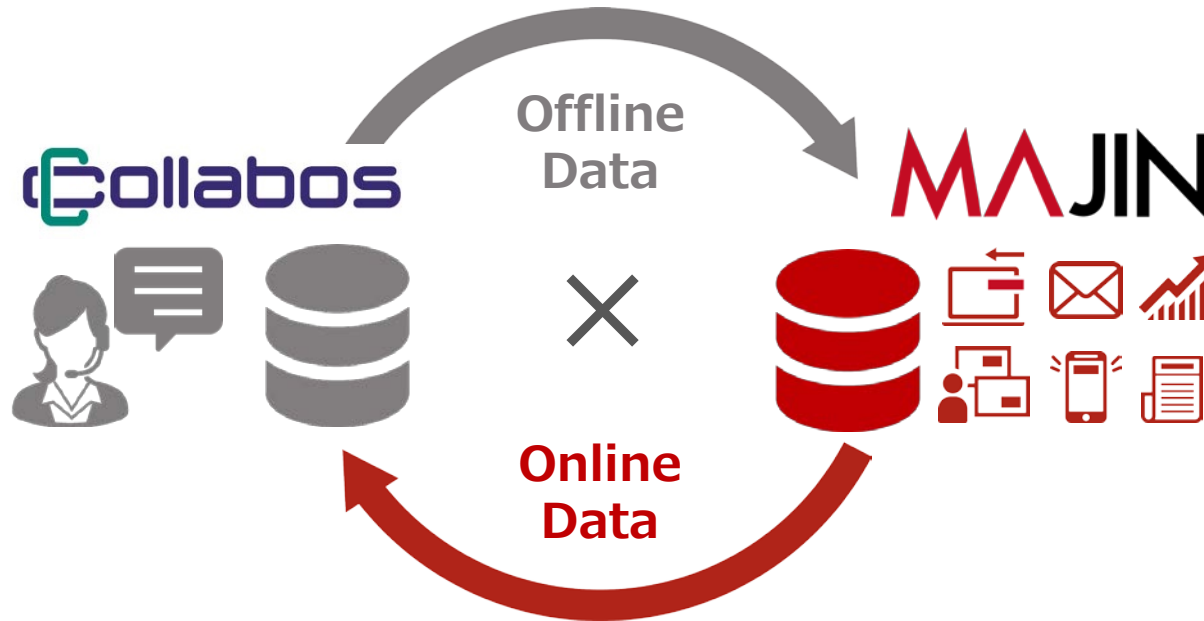
3-2. Recent Activities

- Added new AI scoring function to the MAJIN marketing automation tool.



3-2. Recent Activities

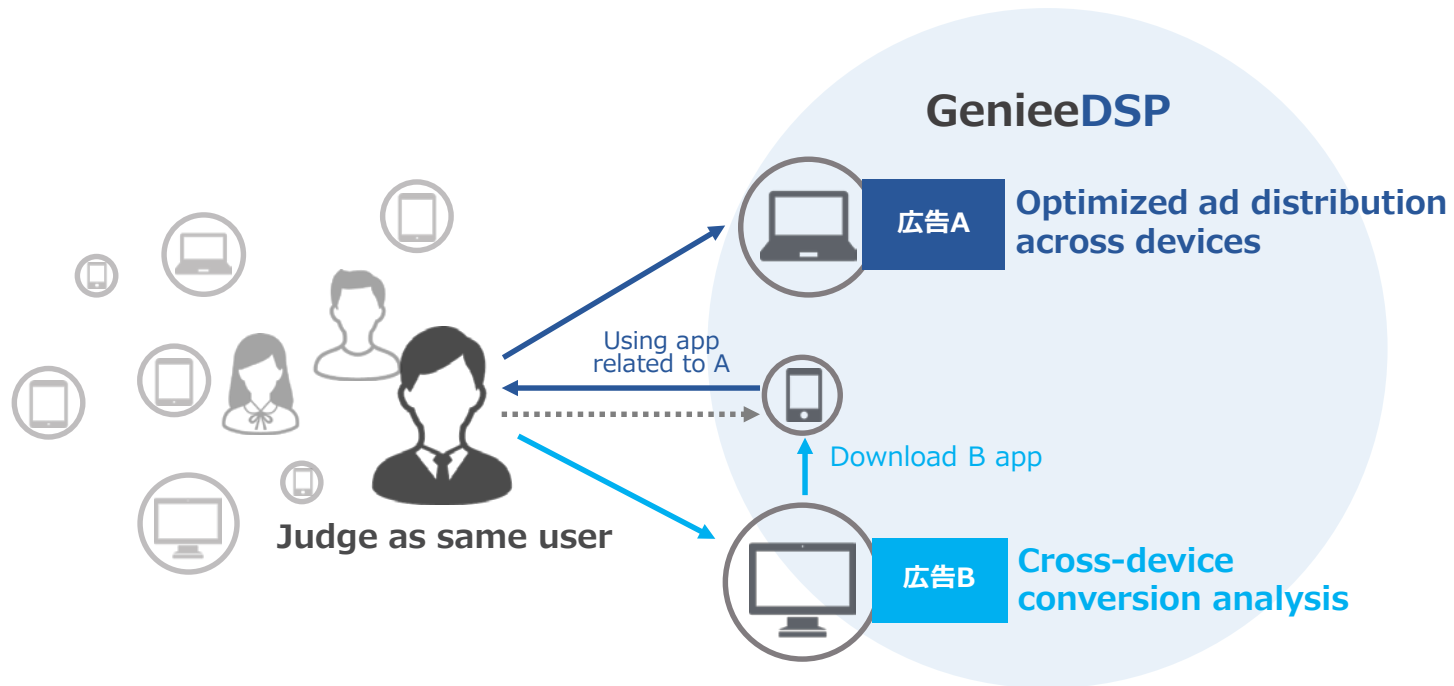
- Formed business alliance with Collabos, a provider of call center cloud services, to combine with the MAJIN marketing automation tool.



3-2. Recent Activities

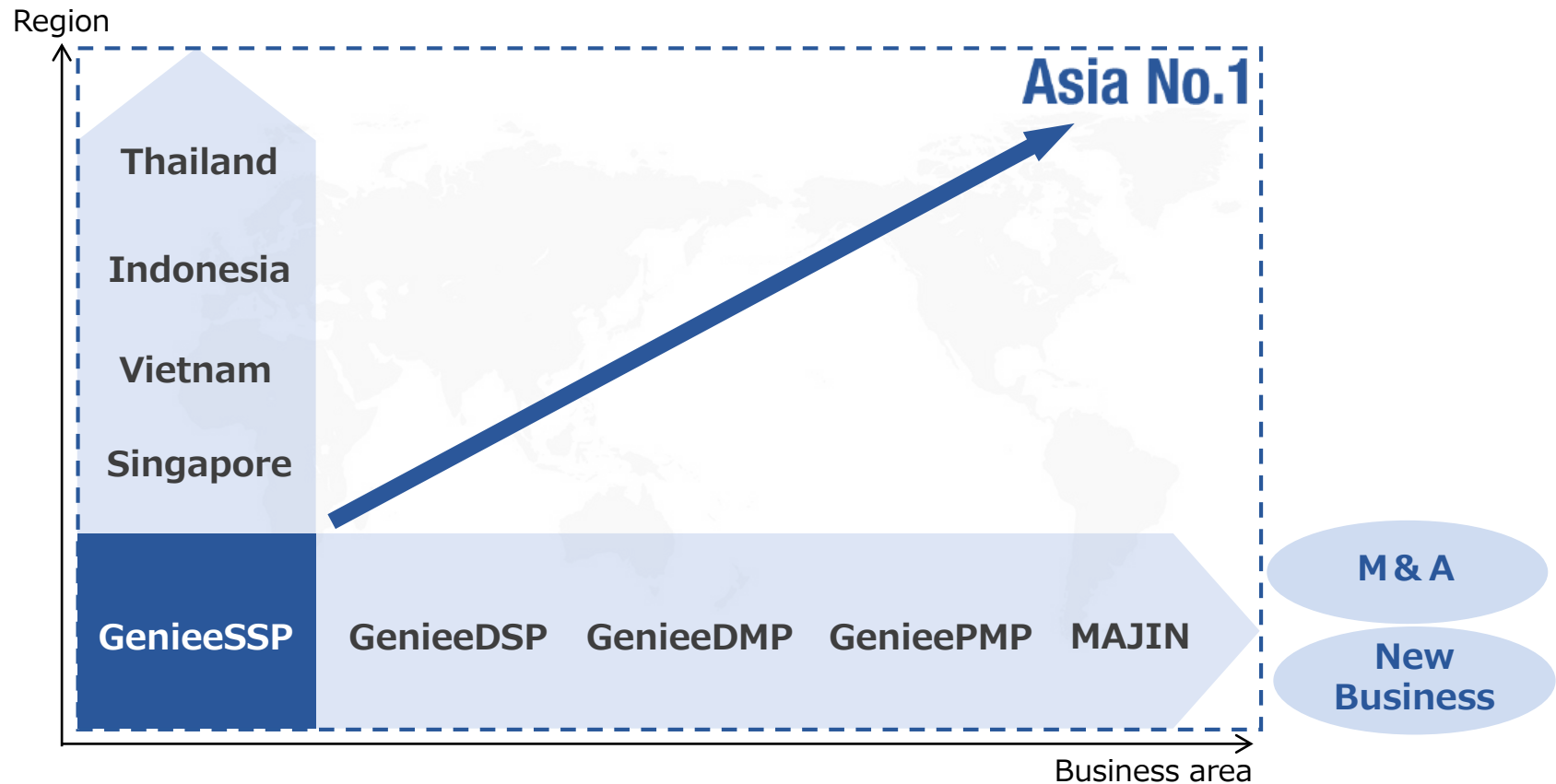
- Integrated GenieeDSP distribution platform for advertisers with the cross-device matching technology provided by Mitsui Bussan partner Drawbridge.

drawbridge × GENIEE



3-3. Our Growth Strategy

- Use of user data and customer assets of GenieeSSP, the No. 1 platform for market share.
- Will continue using advanced technology to launch new businesses and engage in new domains to continue achieving firm annual growth and attain status of No. 1 in Asia.



4. Reference Materials



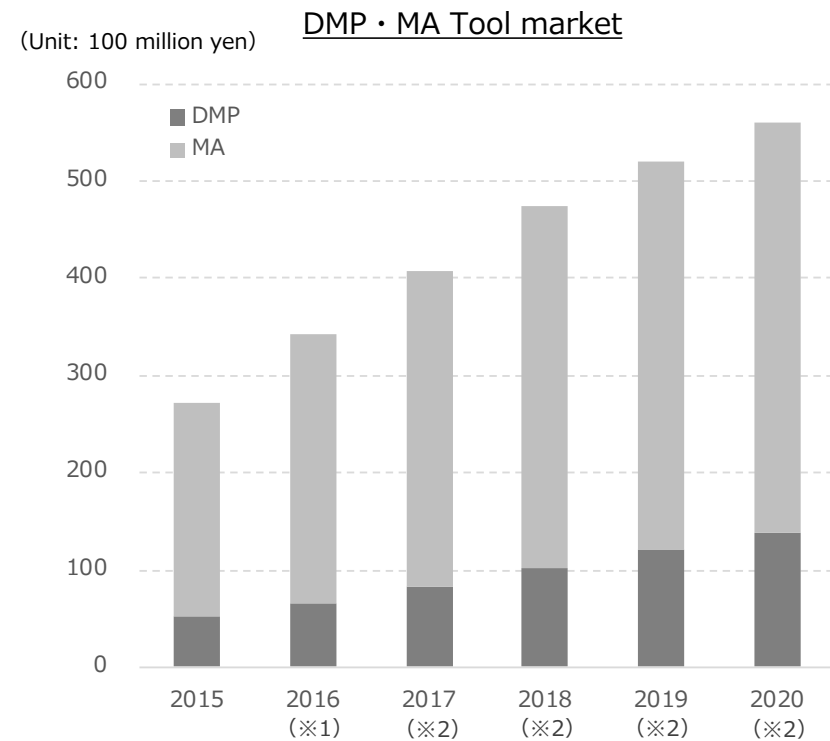
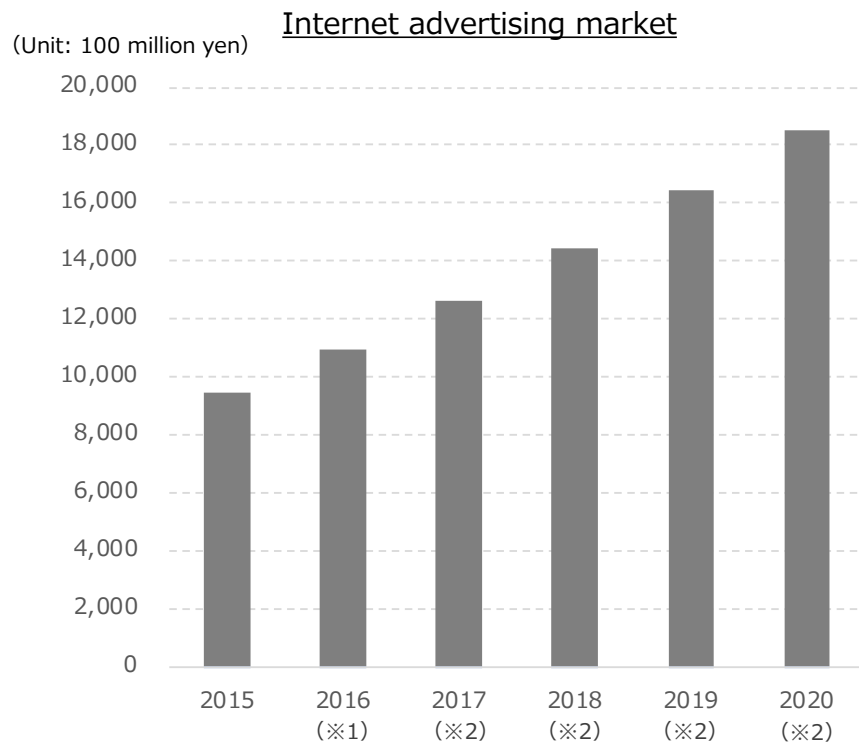
Balance Sheet

(unit : JPY Thousand)

| | FY2016 (Mar. 31, 2017) | 3Q17 (Dec. 31, 2017) | YoY |
|-----------------------------|---|---------------------------------------|------------|
| Current assets | 3,026,684 | 4,272,009 | 41.1% |
| Fixed assets | 1,170,466 | 1,039,474 | △ 11.2% |
| Total assets | 4,197,150 | 5,311,484 | 26.5% |
| Current liabilities | 2,158,013 | 1,988,662 | △ 7.8% |
| Fixed liabilities | 426,069 | 505,556 | 18.7% |
| Total liabilities | 2,584,082 | 2,494,219 | △ 3.5% |
| Shareholders' Equity | 1,606,083 | 2,804,349 | 74.6% |
| Capital | 766,769 | 1,388,571 | 81.1% |
| Total net assets | 1,613,067 | 2,817,265 | 74.7% |

Japanese Market Environment

- Maintaining annual growth rate of 10-20% on domestic market.
- As of 2017, internet ad market scale was 1.26 trillion yen and the digital marketing tool market was 40.8 billion yen.



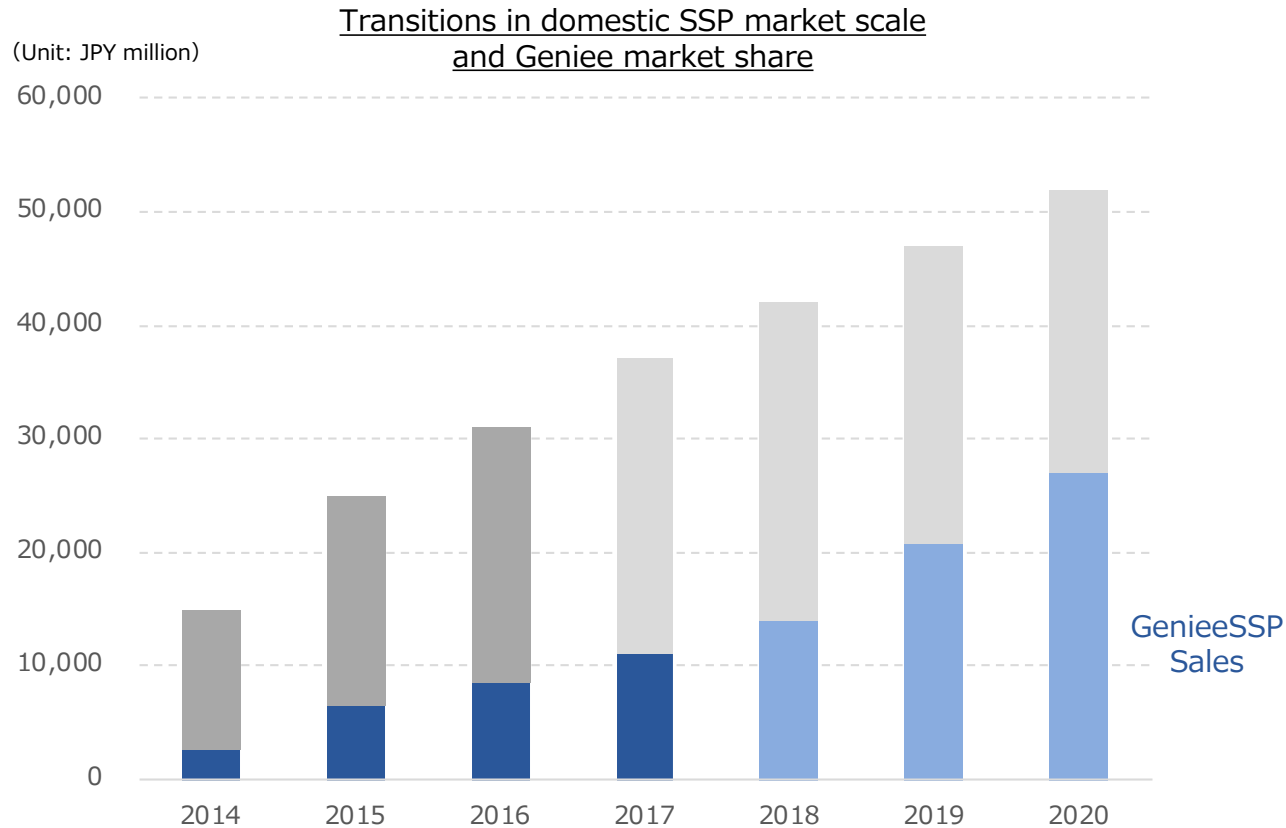
(Source: Yano Research Institute "Online Advertisement Market in Japan: Key Research Findings 2017")

(Source: Yano Research Institute "DMP/MA Market 2015")

(※1 Prospect, ※2 Estimation)

Japanese Market Environment

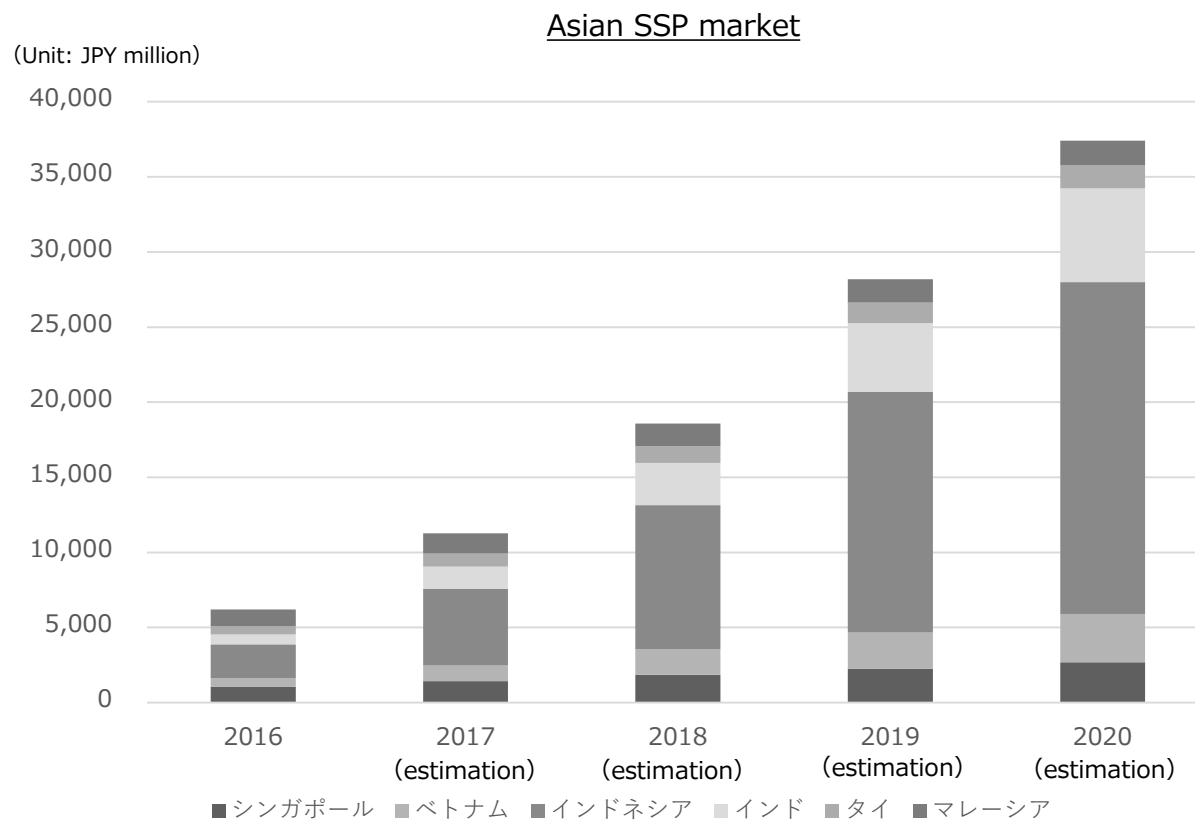
- **GenieeSSP steadily increasing market share.**
- **Captured near 30% share of domestic SSP market in 2016, No. 1 share in Japan.**



- Domestic SSP market data source: MIC Research Institute "Internet Advertisement Market 2016"
- GenieeSSP sales data: 2014-2017 = actual, 2018- = Geniee targets

Overseas Market Environment

- Market in Southeast Asia and India grew significantly by more than 40%, mainly Indonesia and India.
- 11.3 billion yen as of 2017, projected to grow to 37.4 billion yen by 2020.



※Geniee estimates based on Magna Global data

Company Profile

| | | | | |
|--------------------|--|--|--------------------|--|
| Company Name | Geniee, Inc. | | Employees* | 254 (Consolidated, As of the end of December 2017) Geniee Japan : 163, Overseas subsidiaries : 91 |
| Business | Ad Technology Business Marketing Automation Business | | | |
| Headquarter | Sumitomofudosan Nishishinjuku Bldg. 25F 7-20-1 Nishishinjuku Shinjuku-ku Tokyo, Japan | | | |
| Establishment | April 14, 2010 | | | |
| Representative | President and CEO | Tomoaki Kudo | Capital | ¥1,510 million (As of January 16, 2018) |
| Executive Officers | Directors | Hiroshi Hirose Masahiro Endo Michimasa Naka (Outside) Daisuke Fujihira (Outside) | End of Fiscal Year | March 31 |
| | Auditors | Katsuyuki Toritani (Full-time) Rie Aoki (Full-time) Fumiaki Goto (Outside) Nao Yoshizawa (Outside) Sachio Todoroki (Outside) | Group company | Geniee International Pte., Ltd. (Singapore) Geniee Vietnam Co., Ltd. (Vietnam) PT. Geniee Technology Indonesia (Indonesia) Geniee Adtechnology (Thailand) Co., Ltd. (Thailand) PT. Adstars Media Pariwara (Indonesia) |

* Temporary staff and outsourced workers are not included in the number of employees.

- **News topics released since October 2017**

| Date | News & Topics |
|------------|--|
| 2018.02.06 | Integrated GenieeDSP distribution platform for advertisers with the cross-device matching technology provided by Mitsui Bussan partner Drawbridge. |
| 2018.01.31 | Release concerning main office relocation (Headquarters will be relocated in September 2018) |
| 2018.01.17 | Marketing automation tool MAJIN demonstrated at Advertising EXPO |
| 2018.01.16 | Marketing automation tool MAJIN sponsors BtoB company MA x Content Marketing seminar |
| 2018.01.10 | Collabos and Geniee conclude basic agreement towards business alliance |
| 2018.01.09 | Notice concerning results of third-party allocation of new shares |
| 2017.12.18 | Listed on the Tokyo Stock Exchange Mothers market |
| 2017.12.07 | Notice concerning setting of offer price, sale price, and number of shares sold due to over-allotment |
| 2017.12.05 | GenieeDSP compatibility for new Safari browser tracking prevention function (ITP) |
| 2017.11.28 | Notice concerning stock offering payment amount and provisional finalization of terms for book-building |
| 2017.11.14 | Marketing automation tool MAJIN and MA x Inside Sales seminar |
| 2017.11.13 | Notice concerning approval for listing on TSE Mothers index |
| 2017.11.07 | Integration of AI scoring function in marketing automation tool MAJIN |
| 2017.10.30 | Marketing automation tool MAJIN sponsors BtoC company MA x Line seminar |
| 2017.10.27 | Marketing automation tool MAJIN demonstrated at Autumn Web & Digital Marketing EXPO |
| 2017.10.19 | Geniee ranked No. 6 on the Technology Fast 50 Japan 2017 (ranking growth rate for technology companies) |
| 2017.10.05 | Geniee forms alliance with Landscape LBC, Japan's largest corporate database, for GenieeDMP and MAJIN |
| 2017.10.03 | Marketing automation tool MAJIN and MA x Inside Sales seminar |

Major published articles to the mass media

• Major articles featuring Geniee from October to December 2017

| Date | Media & Subject |
|------------|---|
| 2017.12.26 | Searchina: Geniee's GenieeSSP boasts top class share in Japan, achieving rapid growth through alliances with powerful business partners |
| 2017.12.22 | Nikkei Sangyo Shimbun: Ad tech wizards, Geniee emerges in Asia, CEO Kudo |
| 2017.12.19 | Sankei Shimbun: IPO information |
| 2017.12.19 | Nikkei Online: Geniee posts profit |
| 2017.12.19 | Nikkei Shimbun: IPO information |
| 2017.12.19 | Nikkei CNBC Afternoon Express: Live broadcast featuring CEO |
| 2017.12.18 | Stockvoice: Live broadcast featuring CEO |
| 2017.12.18 | Nikkei Online: Geniee CEO Kudo "Increasing presence on Asian ad market" |
| 2017.12.8 | Nikkei Online: Geniee CEO Tomoaki Kudo "Increasing share in Japan and overseas" |
| 2017.12.8 | Nikkei Shimbun: Perspective on new public offering |
| 2017.12.6 | RTB Square: Geniee's GenieeDSP compatibility for new Safari browser tracking prevention function (ITP) |
| 2017.11.30 | Kabushiki Shimbun: IPO company profile, strength is in rapid response made possible through proprietary technology |
| 2017.11.23 | Nikkei Shimbun: IPO information |
| 2017.11.21 | Nihon Securities Journal: New IPO profile / providing system for online media to maximize ad revenue |
| 2017.11.20 | Nikkei Shimbun: NEXT 108 Unicorn companies |
| 2017.11.19 | Nikkei Veritas: IPO Information |
| 2017.11.14 | Venture Times: Geniee Co., Ltd. (6562) to be listed on Mothers |
| 2017.11.13 | RTB Square: Geniee approved for listing on TSE Mothers |
| 2017.11.8 | MarkeZine: AI scoring function added to marketing automation tool MAJIN |
| 2017.11.7 | RTB Square: Geniee's marketing automation tool MAJIN adds AI scoring function |
| 2017.11.7 | ITmedia Marketing: AI scoring function added to Geniee's marketing automation tool MAJIN |
| 2017.10.5 | Venture Times: Geniee forms alliance with Landscape LBC, Japan's largest corporate database, for GenieeDMP and MAJIN |
| 2017.10.5 | RTB Square: Geniee forms alliance with Landscape corporate database LBC for use with GenieeDMP and MAJIN |



Note concerning forward-looking statements

The materials and information provided in this release include forward-looking statements. These forward-looking statements are based on assumptions that reflect present forecasts, predictions, and risks, and include uncertainties that could lead to results that differ from these statements.

These risks and uncertainties include industry and market conditions, fluctuations in interest rates and currency markets, and other economic conditions in Japan and internationally.

Even in the event of new information or future circumstances, our Company bears no liability to update or revise the forward-looking statements contained in this release.