



2Q FY2020 Results Briefing Materials

Nov. 12, 2020

Achieving Profitability and Growth

- ✓ Moved operating income into black in 2Q
- ✓ Profit increased in advertising business
- ✓ Converted SaaS company into subsidiary and accelerated growth

Introduction to Business

Developing Ad Platform Business related to online ads and Marketing Solutions Business related to digital transformation.

Also rolling out Japanese products overseas, primarily in Southeast Asia.

Ad Platform Business

Provide platform for buying and selling online ads



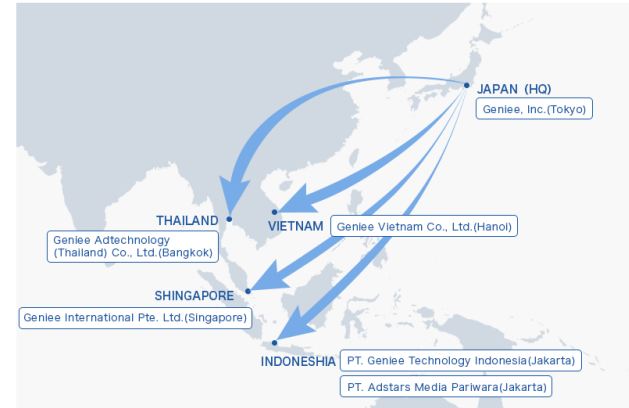
Marketing Solutions Business

Provide software for streamlining corporate marketing activities



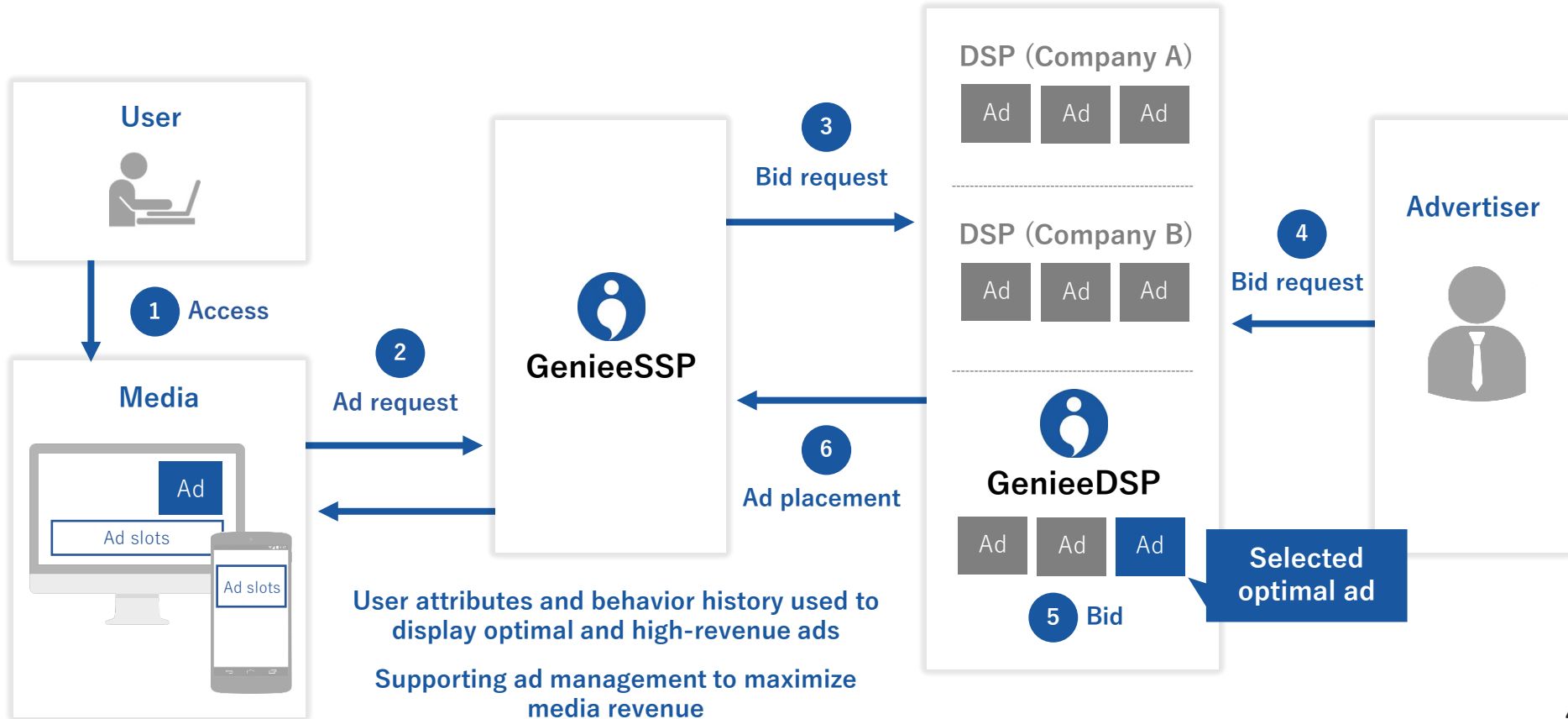
Overseas Business

Roll out Japanese products overseas



What is the Ad Platform Business?

Develop Ad Platform Business providing SSP, DSP, etc. in online ad market.



Developing SaaS-type business providing applications on the cloud



ちきゅう

Centralized CRM/SFA, from customer/negotiation management to analysis



MAJIN

Marketing automation tool providing uniform management & implementation, from marketing to sales promotion



Chamo

No. 1 chat tool in Japan adopted by 4,500 companies

Launched overseas development in third year after founding. Collaborated with overseas companies and carried out many investments and acquisitions. Also have deep connections to top IT companies in Asia.

Japan
Headquarters

+4
International
Offices (JP HQ)

80 billion
impressions
managed per
month

10,000+
Active
Publishers
worked globally

50,000+
Campaigns
managed per
month globally



Vietnam



Indonesia

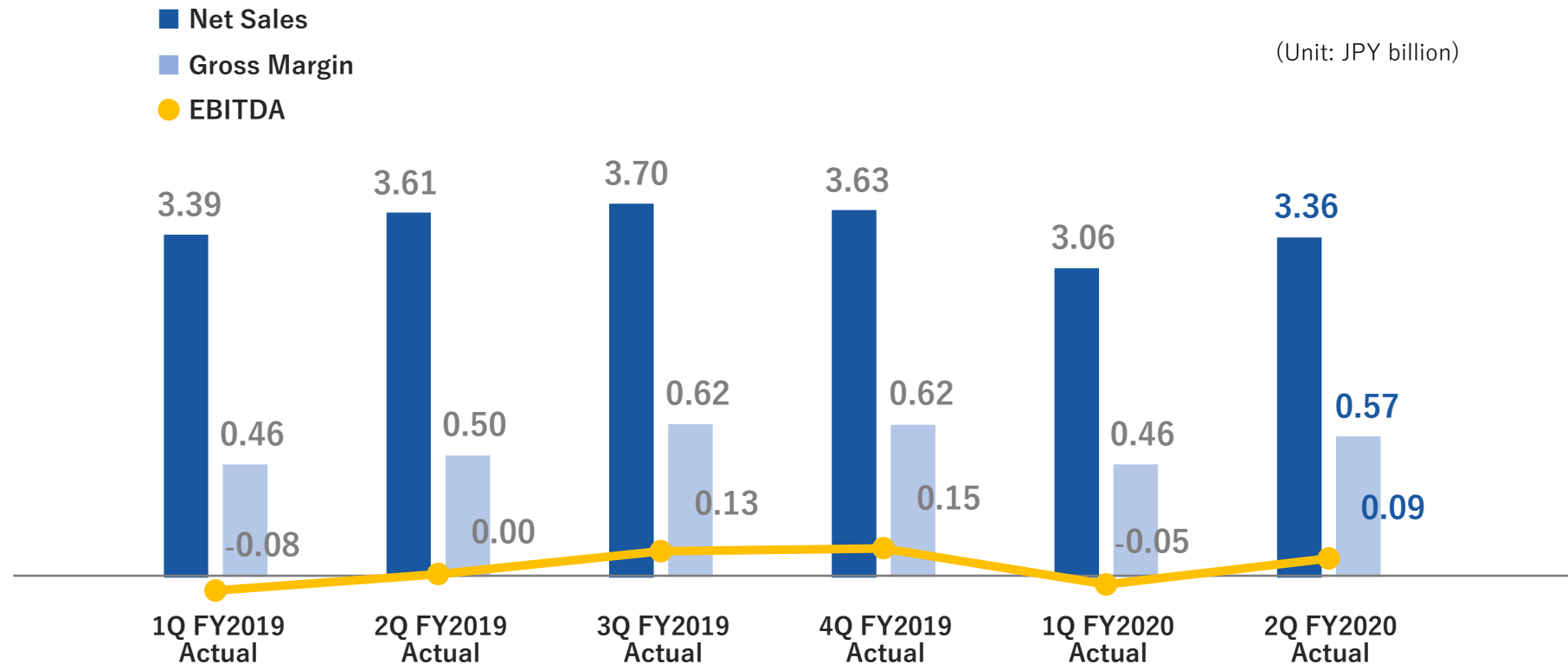
2Q FY2020 Financial Results Overview

Moved operating income into black in 2Q (9.34 million yen). Gross margin, ordinary income, and EBITDA also up year on year. Net sales down year on year due to work on improving profitability.

(Unit: JPY billion)

Consolidated earnings	2Q FY2019	2Q FY2020	YoY	1H FY2019	1H FY2020	YoY
Net Sales	3.61	3.36	-0.25	7.0	6.43	-0.57
Gross Margin	0.50	0.57	+0.07	0.96	1.04	+0.08
Operating Income	-0.06	0.00	+0.06	-0.22	-0.12	+0.10
Ordinary Income	-0.07	-0.01	+0.06	-0.24	-0.14	+0.10
EBITDA	0.00	0.09	+0.09	-0.07	0.04	+0.11

Income recovered as anticipated. Gross margin was at same level as previous year in 1Q but exceeded previous year in 2Q.



Ad Platform Business

Increased income in the main supply-side businesses by promoting sales expansion and increased efficiency of services. As for demand-side business, we expanded business in the online business domain, including e-commerce. In the digital OOH domain, we partnered with major billboard media, developed new ad products, and conducted experiments on visualization of ad value, etc.



Marketing Solutions Business

Strengthened functions of Chikyu and other products. Also overhauled Chamo. Continued to participate in online and other events and expanded sales of each product. At the same time, the ad management business was impacted by a reduction in ad placements due to COVID-19, resulting in significantly lower performance compared to the previous year.

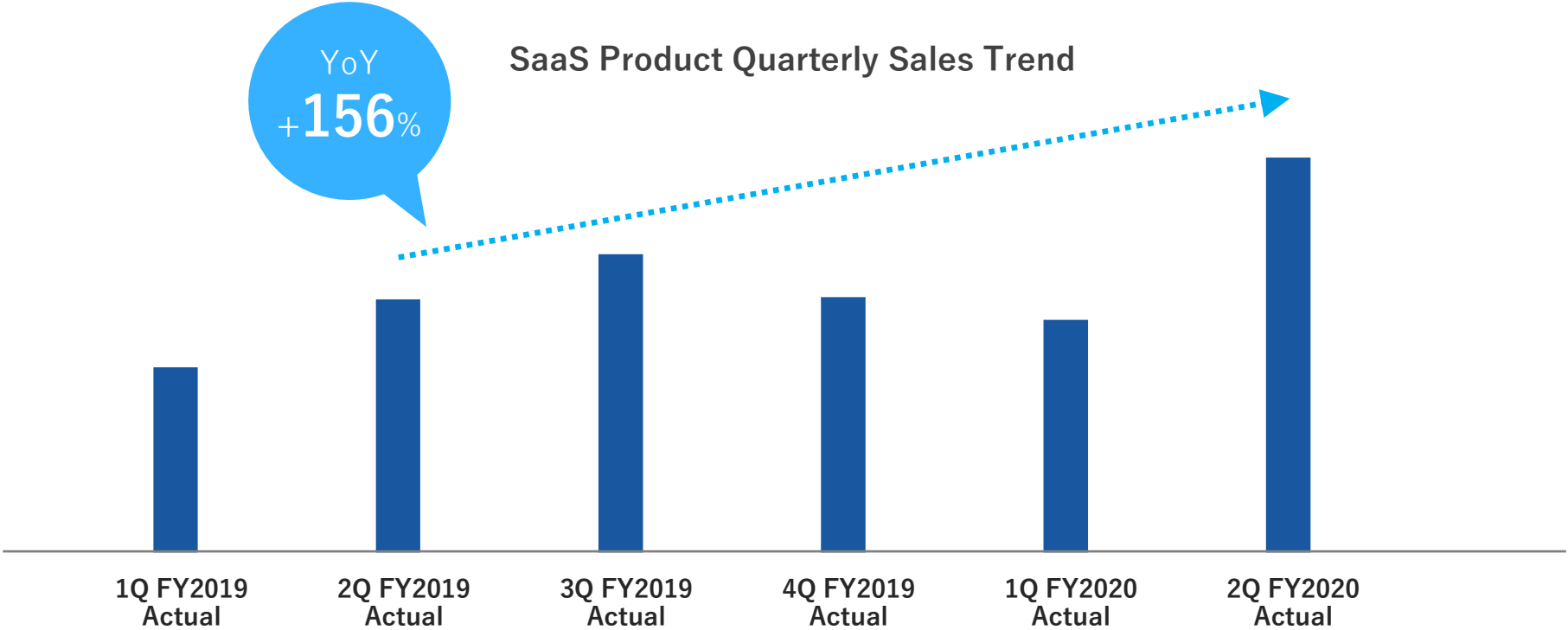


Overseas Business

We worked on strengthening the supply side reseller business. At the same time, efforts that we carried out the previous year, such as shrinking unprofitable businesses, bore fruit and brought significant improvement to our profit structure.



4Q FY2019 and 1Q FY2020 impacted by COVID-19, but net sales recovered significantly in 2Q.



In the DOOH business, we continued to develop new services and work on ad distribution while coordinating with major business operators.

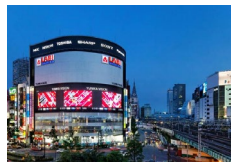
Partnering with Keio Agency, Inc.

Launched experiments on visualization of ad value



Partnering with Yunika Corp.

Developed YUNIKA VISION DOOH, an ad distribution service for DOOH



Collaborative DOOH project between Geniee and HIT CO., LTD.

Released online DOOH platform HIT-DSP



Partnering with Japan Automatic Door Co., Ltd. /Ymix

Implemented digital signage ad distribution at fufu, a hair color specialty store with total of 1.5 million users



We overhauled our proprietary chat bot, Chamo.

In addition to updating the UI/UX, we added a customer management function to store customer data, a scenario function for creating chat bots using intuitive operations in canvas format, and an EFO function for effectively improving CVR. We also updated the product logo.



Customer management function

Enables customized management of client information, referencing of chat histories by customer, and automatic tagging/labeling of customers based on usage trends.

Scenario function

Creates advanced customer support scenarios, including branching and loops, with intuitive operations. Enables automatic execution of optimal one-to-one marketing.

EFO function

Comes with function to assist customers with entering information on material request/purchase forms. Reduces percentage of abandoned forms.

Launched provision of automatic bidding function in GENIEE DSP utilizing AI.

New automatic bidding function

This function automatically controls bids (unit price) and delivery volume, maximizing conversions while achieving the target CPA, simply by having the advertiser set the target CPA for their promotion.

A machine learning model based on various data, such as ad/delivery media and user characteristics, is used to determine bids (unit price).

Delivery pacing is handled automatically to maximize performance within the budget based on the determined bidding price.



CPA improved 36%, CVR 75%, and conversions 45% compared to manual bidding in validation tests

-
- 11/11 Geniee launches provision of automatic bidding function utilizing AI in GENIEE DSP
-
- 11/10 GENIEE SSP, one of the largest services of its kind in Japan with 20,000 domestic and overseas users, partners with Israeli DSP Persona.ly
-
- 11/09 Geniee partners with Hoikushi Club operator Asuka to launch new advertising plan for agencies
-
- 10/27 Geniee, Japan Automatic Door Co., Ltd., and Ymix partner for DOOH business
-
- 10/26 Geniee makes Business Search Technologies Corporation, a developer and provider of a high speed, high accuracy search engine, a wholly owned subsidiary
-
- 9/29 Geniee and HIT CO., LTD. commemorate the release of online DOOH platform HIT-DSP, their collaborative DOOH project Ad slots on leading large outdoor screens in Japan essentially free for limited time only!
-
- 9/08 Chamo, the Japanese chat bot adopted by over 4,500 companies, undergoes overhaul
-
- 8/19 New function available in cloud-based sales support system Chikyu: Easily and cost-efficiently convert large volumes of business cards into digital data in-house!
-
- 7/29 Yunika Corp. and Geniee partner to develop YUNIKA VISION DOOH, ad distribution service for DOOH
-
- 7/09 Keio Agency, Inc. and Geniee partner to begin experimenting on visualization of ad value
-
- 7/02 Geniee and Tokyo Verdy Club sign marketing partnership agreement
-

FY2020 Full-Year Business Outlook

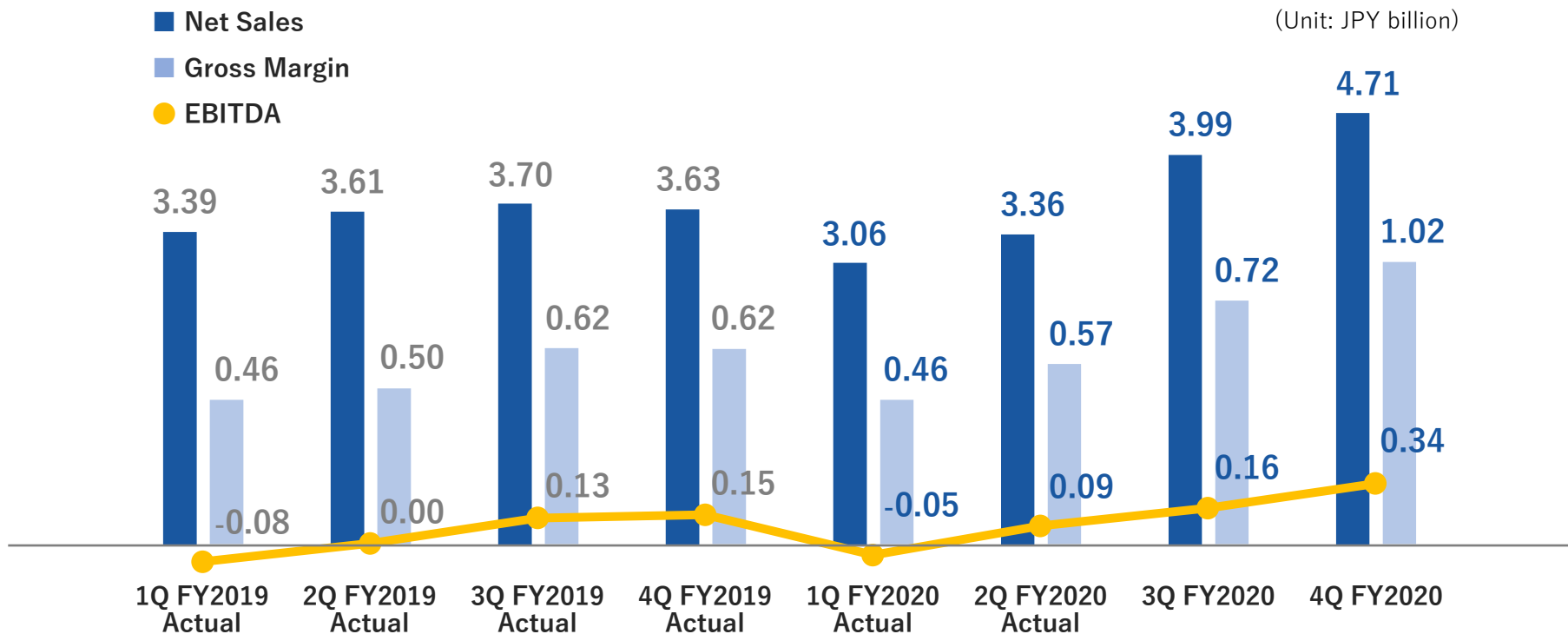
As previously announced, full-year business outlook calls for 25% growth in gross margin. Plan is to generate 180 million yen in operating income.

(Unit: JPY billion)

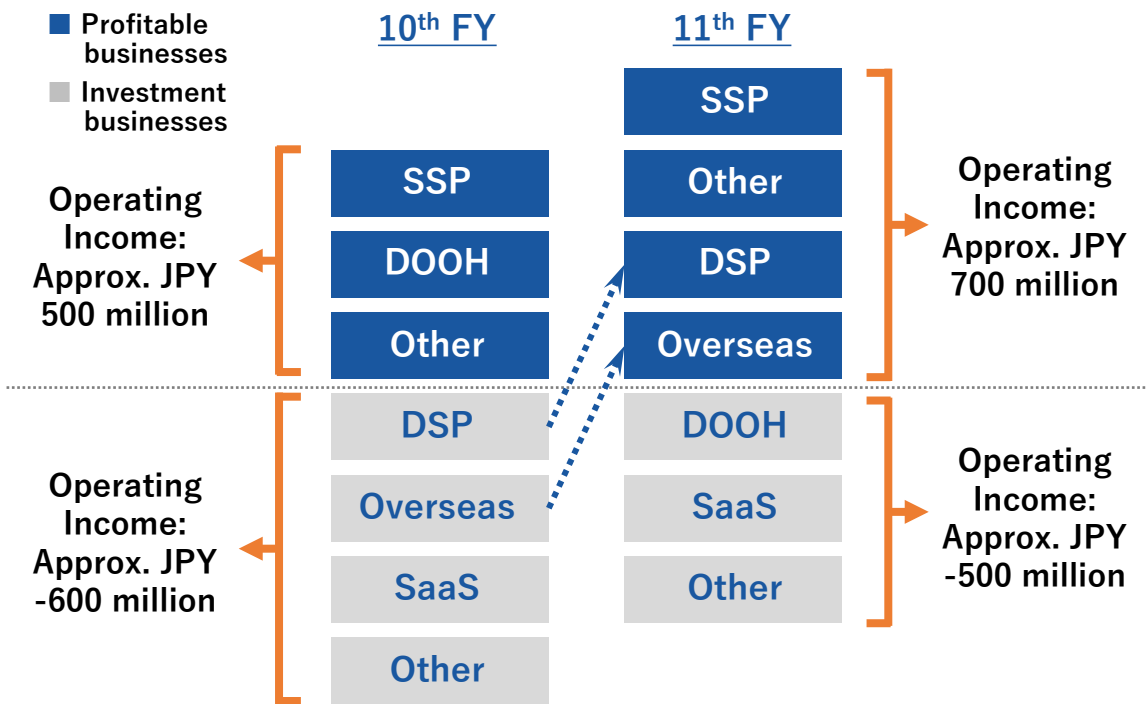
	FY2019 (Actual)	FY2020 (Forecast)	YoY
Net Sales	14.34	15.58	+8.6%
Gross Margin	2.22	2.78	+25.5%
Operating Income	-0.09	0.18	- %
Ordinary Income	-0.14	0.17	- %
EBITDA	0.21	0.54	+156.1%

Operating income moved into black in 2Q according to plan.

Continuing to aim to achieve the highest gross margin since listing in 4Q.



DSP and overseas business profitable and beginning to contribute to income.
Will continue to invest in DOOH and SaaS business, prioritizing expansion of market share.



Rapidly growing industries

Leading SaaS companies

RAKUS Co., Ltd.
Market cap: JPY 396.3 bil
Previous year's net sales: JPY 11.6 bil

freee K.K.
Market cap: JPY 381.9 bil
Previous year's net sales: JPY 6.8 bil

Money Forward, Inc.
Market cap: JPY 218.9 bil
Previous year's net sales: JPY 7.1 bil

Sansan, Inc.
Market cap: JPY 206.1 bil
Previous year's net sales: JPY 13.3 bil

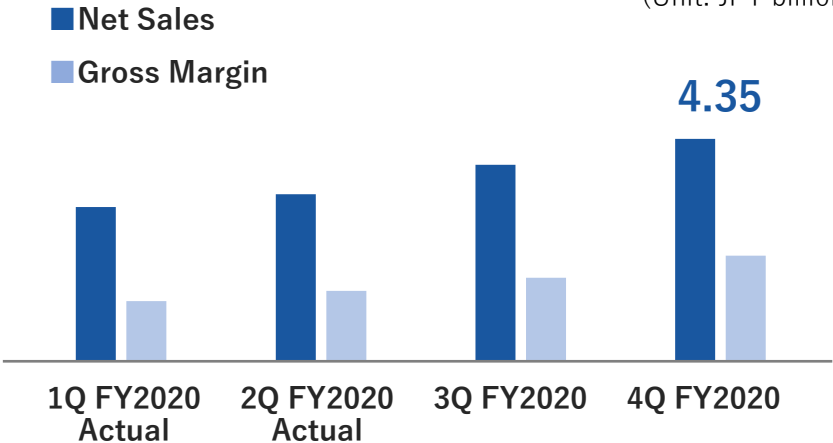
Chatwork, Inc.
Market cap: JPY 73.4 bil
Previous year's net sales: JPY 1.8 bil

*Market cap is as of November 11, 2020

Advertising-related business to generate increased profits. Heavy investment in SaaS business will end this year, and next year, we will aim for single year profit and net sales at the same level as other listed SaaS companies.

<Advertising-related Business>

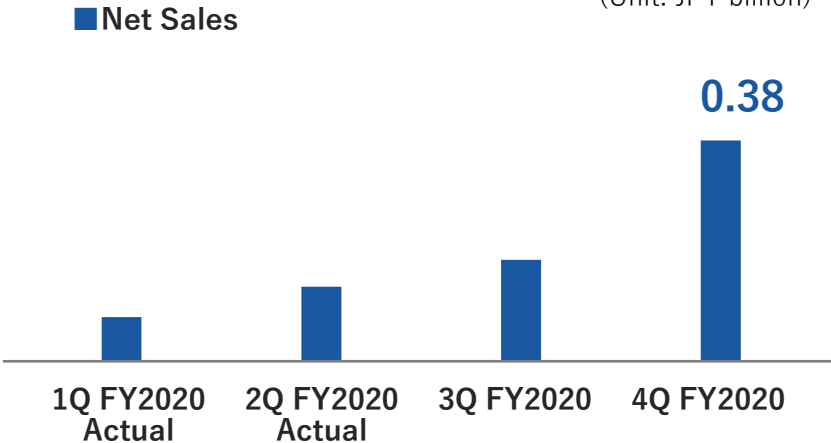
(Unit: JPY billion)



*Advertising-related business: SSP/DSP/DOOH/
ad management / overseas /other

<SaaS Business>

(Unit: JPY billion)



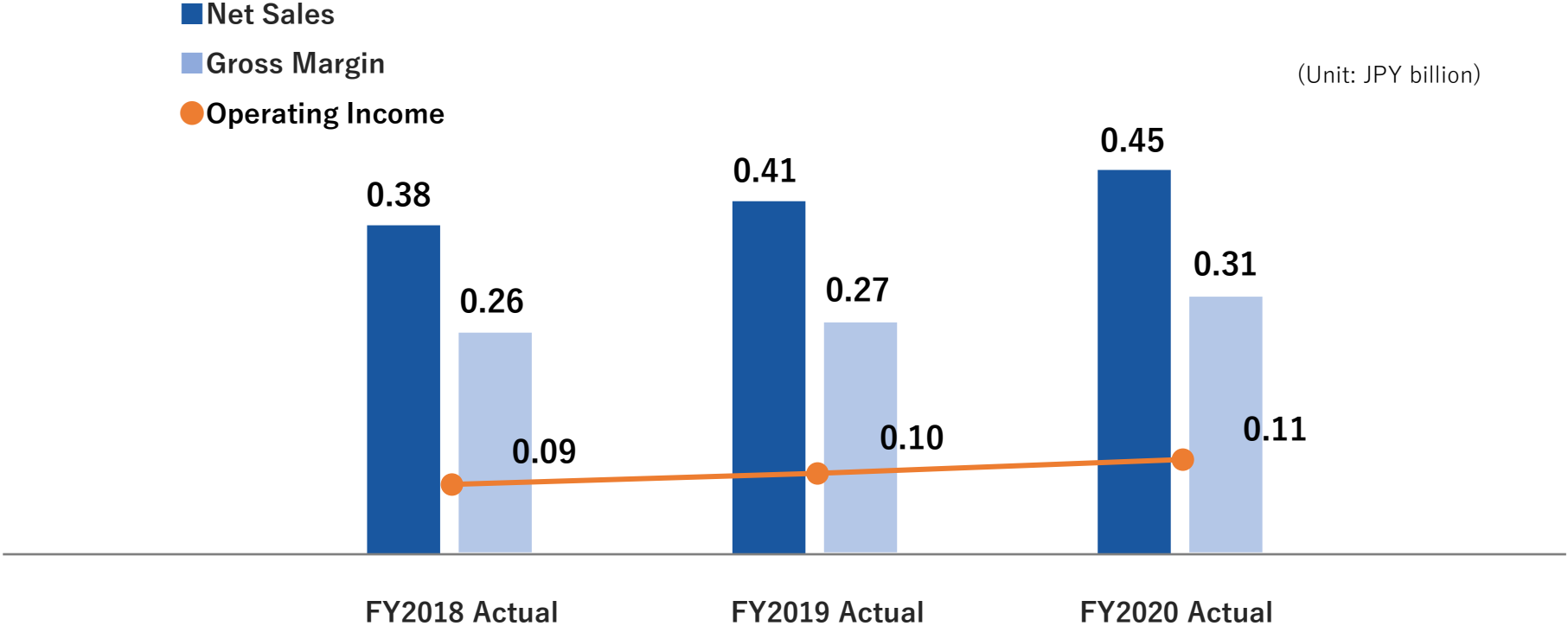
*SaaS business: Chikyu /Chamo/MAJIN/ Business Search Technologies
Business Search Technologies included in scope of consolidation as of 4Q

Business Search Technologies, rated highly for its high speed, high accuracy search technology, made a wholly owned subsidiary. (Share transfer agreement signed on Oct. 26, closing to take place on Nov. 30)

Service Lineup

Web/Company Sites Site search/navigation	EC/Portal Sites Product and EC search/navigation	Information Gathering/Communication Web scraping service
Documents PDF search/browsing	Search Assist Function Search assist with images	API/Consulting API/Consulting service

Net sales of 450 million yen and operating income of 110 million yen last year.
Continuing to grow steadily.



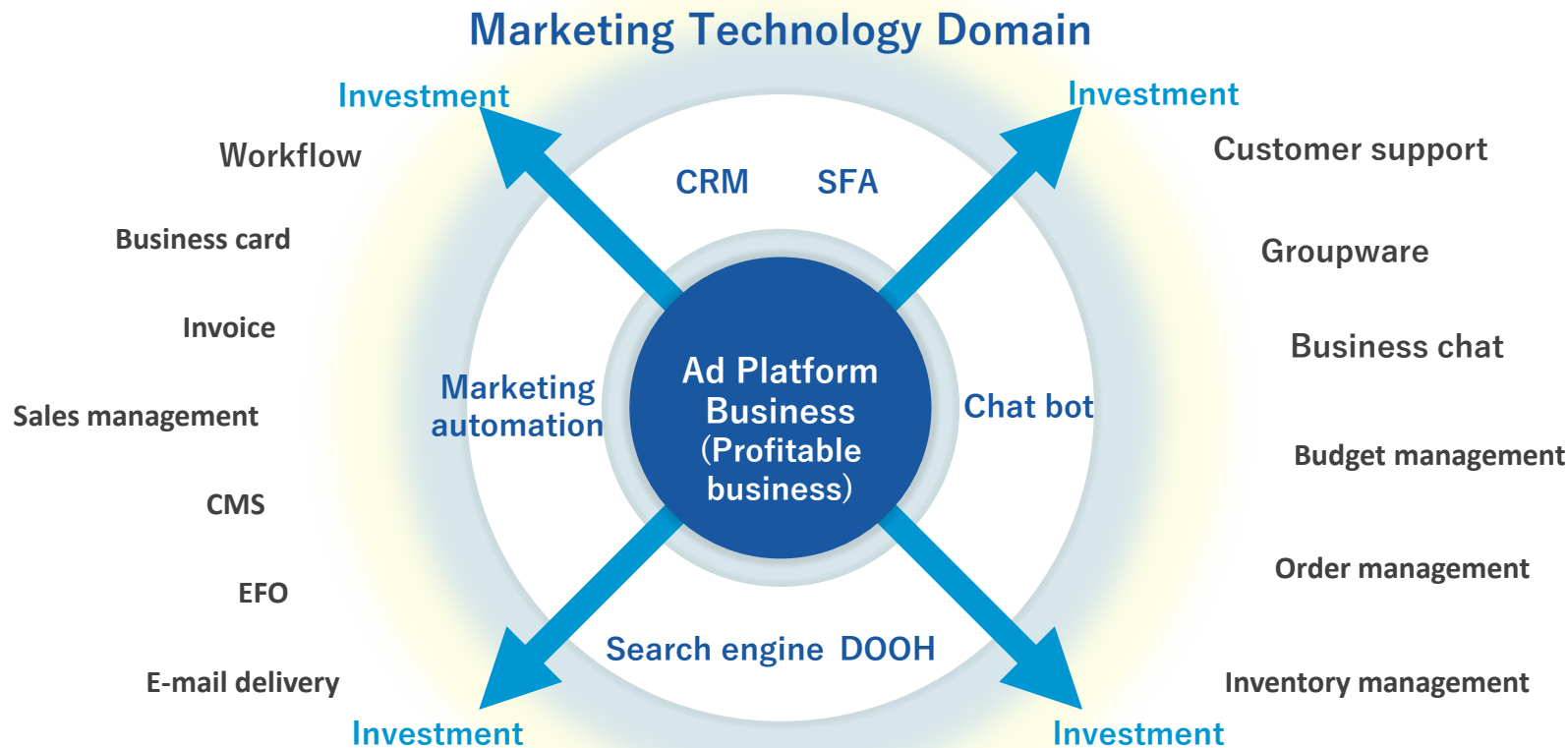
Track record of implementation at a total of more than 800 companies, from major corporations to small and medium-sized enterprises.



- **Cross-selling of search engine services to our more than 5,000 trading partners/media partners**
- **Cross-selling of our products to Business Search Technologies customers**
- **Enhancement of marketing support functions by storing and utilizing data on site search behavior**

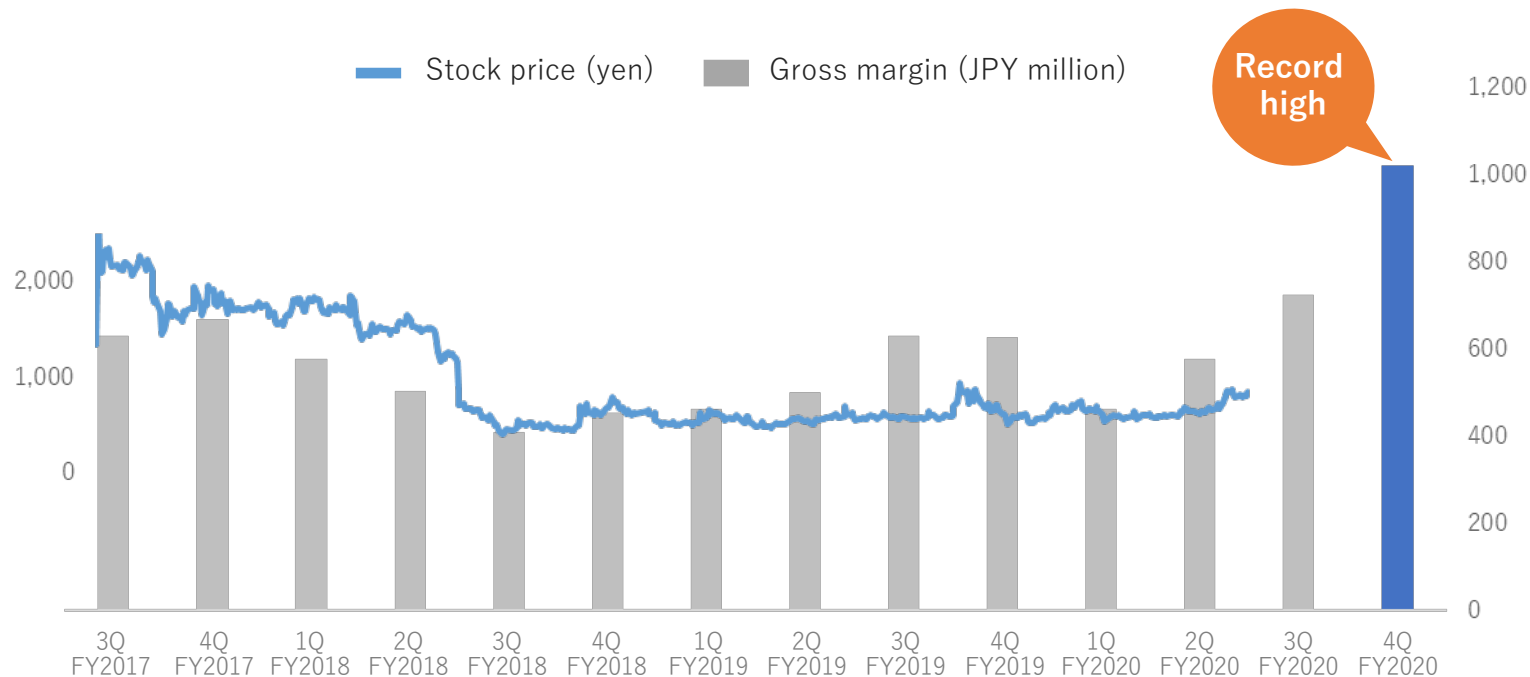
...and more

We will continue to invest profits from the ad platform business in growth domains to become a leading company in the marketing technology domain.



Stock Price: JPY 846 as of November 11

Steadily grow company in short, medium, and long term, enhance IR, and tie that into increasing stock price.



Reference Materials

The Geniee spirit and mission

Founding Spirit

To create a global technology company founded in Japan.

Mission

Use technology to create new value and work together with clients to build success

We believe in the possibilities of technology.

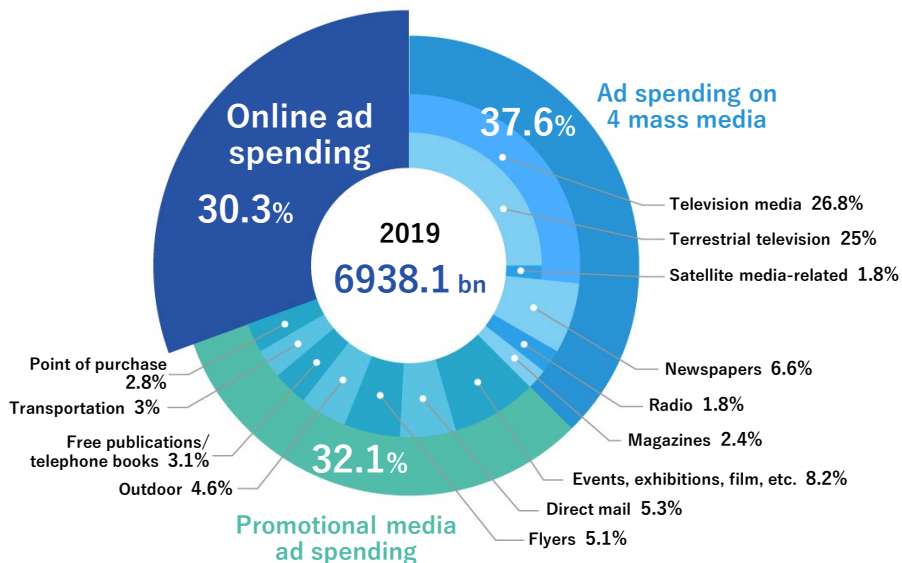
We bring new value to corporate marketing activities to create products that promote innovation.

As a Japanese technology company, we have a deep understanding of business in Asia.
We reflect this understanding in our products and services to achieve new success for Asian companies.

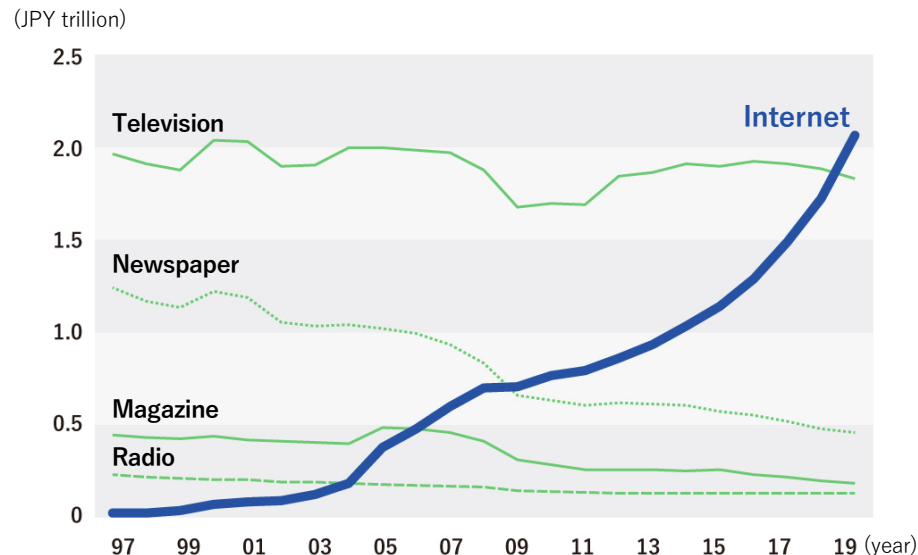
The ad market is roughly JPY 6.9 trillion. Online ads account for around 30% of it.

The online ad market is growing every year and is projected to approach JPY 3 trillion by FY2023.

Composition by media



Trend in online ad market



Examples of Media in the Ad Platform Business

東洋経済 ONLINE

お知らせ 2021年4月入社 新卒者を募集中です(3/5まで)
2月19日(水) 週刊東洋経済プラス | 四季報オンライン | ストア | セミナー

無料会員

トップ ビジネス 政治・経済 マーケット キャリア・教育 ライフ 鉄道 自動車

Life on LINE

新型肺炎がもたらす「最悪のシナリオ」とは何か
松本 英毅：NY在住コメディティレーター 3

LINE、スマホ決済と広告事業に見えた構造変化
長瀬 菜摘：東洋経済 記者 2

東京メトロ社長が明かす「遅延を減らす秘策」
大坂 直樹：東洋経済 記者 2

「ジープ」の販売台数が10年で13倍も増えた理由
鈴木 ケンイチ：モータージャーナリスト 3

「職業の選択」を間違わないためにやるべき事
安井 元康 5

ブックオフと赤いぎつね「CM」刷新と不変の価値
我妻 弘崇 1

「自動化」で躍進！名古屋港の存在感が増すワケ
会員限定

疫病都市

「インフル特効薬」急落で塩野義が

小学6年までに「英検準2級」を取る

TOYOKEIZAI ONLINE

Walker

イベント スポット ニュース ランキング 行き先を探す イベントを探す 施設を探す ニュース記事を探す

Google カスタム検索

北海道 札幌市 東北 仙台市 関東 東京都 横浜市 甲信越 東海 名古屋市 北陸 関西 大阪府 京都府 神戸市 中国 広島県 四国 九州 福岡県 その他

イベント・おでかけ情報ウォーカープラス

開催予定のイベントが延期、中止になっている場合があります。おでかけの際は、事前にご確認ください。

何がする? 今が旬のおでかけ特集

ベリーベリーミニー ピクサーブレイタイム

紹介! 2020. 1.10>3.19

LINEカーナビでGO!

実力はいかに? LINEカーナビを使っ

Walker+

All About

知りたいことを検索

あなたの明日が動き出す

サイトマップ メルマガ 公式SNS一覧 ガイドを探す

急上昇 新着 住宅 マネー 健康 ビューティ デジタル 暮らし 恋愛・結婚 ビジネス・学習 メンズスタイル 旅行 趣味 ファッション クルメ 車・バイク

住宅・不動産
CHELSEA CHELSEA

住宅・不動産
ピッコロ

ビジネス・学習

パッケージも魅力! ロングセラーの定番お菓子13選
喜入 時生

100歳超えも? ロングセラーの定番お菓子12選
喜入 時生

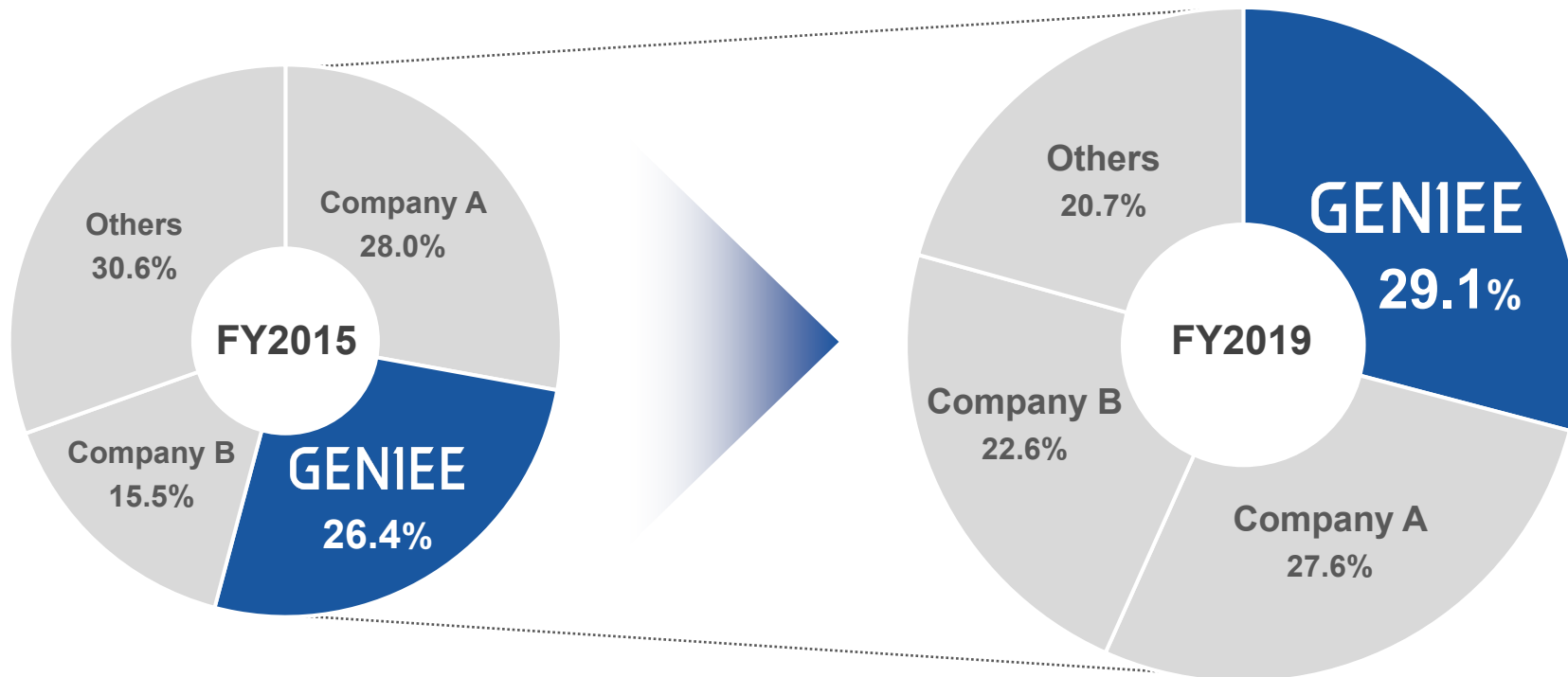
韓国語で尊敬語を学ぼう! まずは名詞から
植野 景

2020年の家計防衛・第3回「もっとお金が貯まる保険の

医療費控除の明細書とは? 医療費控除に必要な書類が変わった!

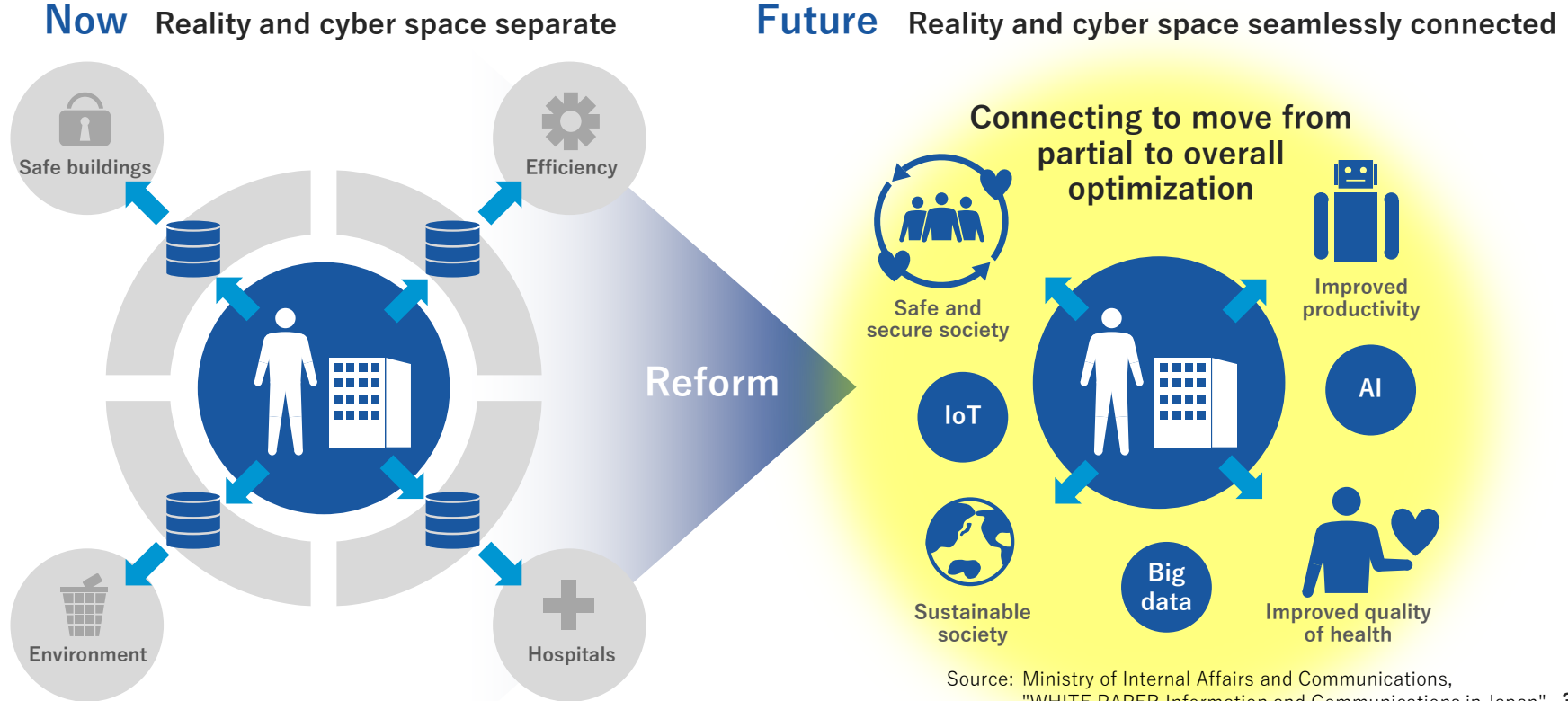
All About

Captured top share of SSP market in FY2016 and have maintained it since



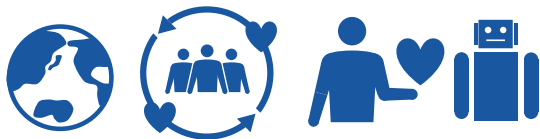
Digital transformation (DX) refers to transforming business models using ICT.

Existing traditional industries are being replaced by new digital services one after another.



Expand scale in aim of reforming business model and creating new businesses

Will grow to more than 2.3 trillion yen by 2030 owing in part to work style reform

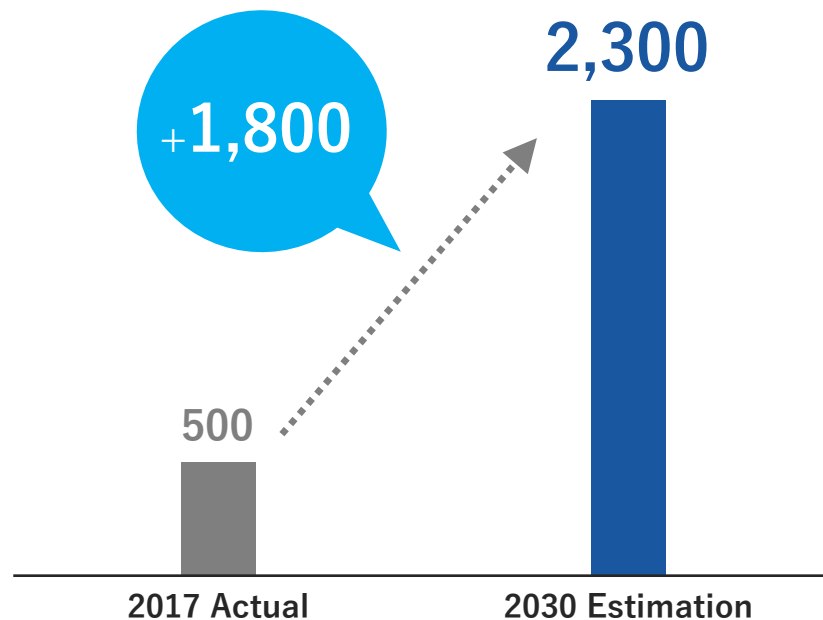


Digital transformation market

2030

¥2,300 bn

(Unit: JPY billion)



Business development capabilities

Entrepreneurial spirit and will to face difficulties

Sell innovative products in Asia



GENIEE

3 competitive advantages

Technology

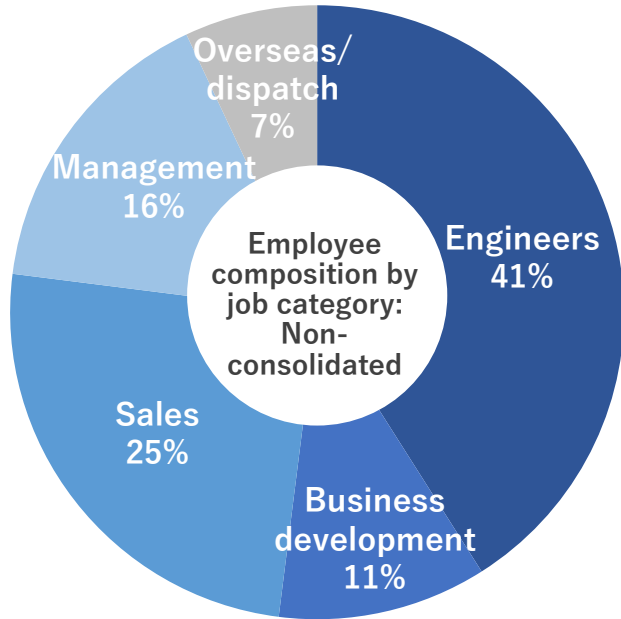
An organization of nearly 100 engineers creating innovative products

Nearly half have a Ph.D. in information engineering

SoftBank Corp. Company

Business alliances offering numerous business merits

Development personnel account for roughly half of all personnel and develop revolutionary products and businesses



(As of September 30, 2020)

Data processing technology enabling several hundred thousands of requests (ad distribution orders) per second



- Around 15 terabytes of data processed daily, among the top in Japan
- Distribution system infrastructure fully handmade using on-premise* servers
- Data center in Singapore allows overseas delivery as well

* Independent management and operations in which we install and implement information system hardware in our data centers and other facilities ourselves

Developing a solid structure of collaboration since start of capital and business alliance in 2014

Major Shareholders

Name	Shares Owned	%
Tomoaki Kudo (Representative Director and President)	6,541,400	36.36
SoftBank Corp.	5,625,000	31.27
Hiroshi Hirose (Director)	657,800	3.65
Trans Cosmos Co., Ltd.	495,000	2.75
SBI SECURITIES Co., Ltd.	403,180	2.24

Management from long-term perspective possible thanks to stable shareholders composition

Strengthen and expand cross-border services offered in collaboration with Softbank.

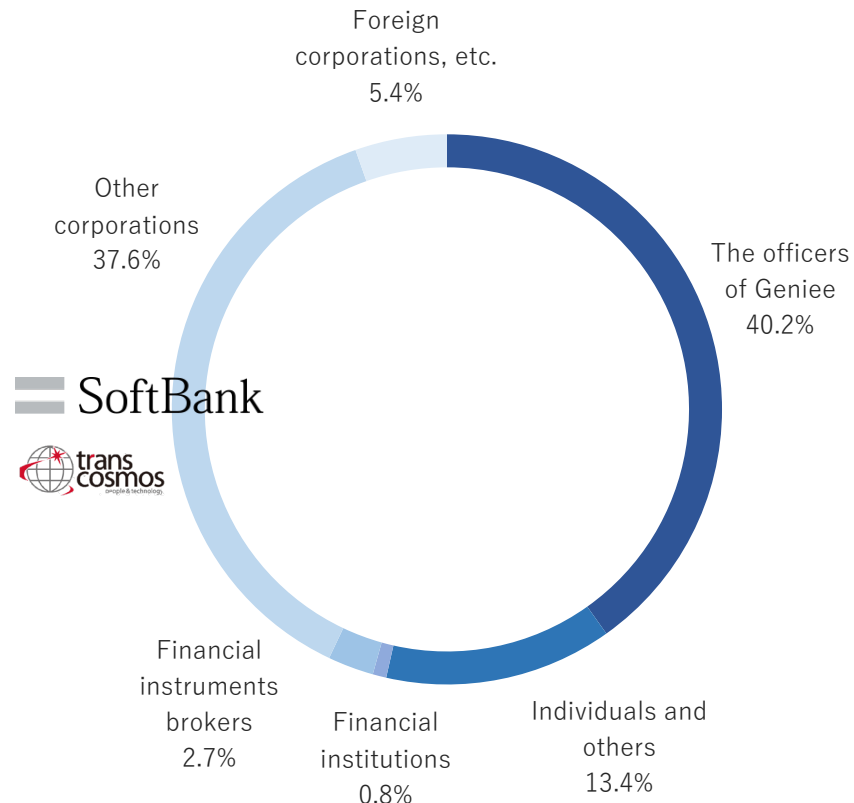


Company Name	Geniee, Inc.		Employee	273 (Consolidated, As of the end of September 2020)
Business	Marketing Technology Business		Establishment	April 14, 2010
Headquarters	Sumitomo Realty & Development Shinjuku Oak Tower 6th Floor, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo 163-6006		Capital	¥1,546 million
Representative	President and CEO Tomoaki Kudo		End of Fiscal Year	March 31
Executive Officers	Director	Hiroshi Hirose Michimasa Naka (Outside) Koichi Machida (Outside)	Group company	Geniee International Pte., Ltd. Geniee Vietnam Co., Ltd. PT. Geniee Technology Indonesia Geniee Adtechnology (Thailand) Co., Ltd. PT. Adstars Media Pariwara
	Director and Audit & Supervisory Committee Member	Katsuyuki Toritani (Full-time, Outside) Yukio Todoroki (Outside) Katsumasa Niki (Outside)		

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Trans Cosmos Co., Ltd.	495,000	2.75
SBI SECURITIES Co., Ltd.	403,180	2.24
NICE SATISFY LIMITED	402,000	2.23
Takuya Yoshimura	357,500	1.98
AT- I Investment Limited Partnership	330,900	1.83
Fenox Venture Company IX, L.P.	258,000	1.43
Anchor Advisors TMT3 Investment Limited Partnership	204,900	1.13

Shareholder Composition by Owner



The consolidated earnings goals and other figures indicated in these materials reflect judgments based on information available at the time of creation and contain elements of uncertainty.

Actual performance may differ from actual results due to various factors.

