



FY2021 2Q Results Briefing Materials

Nov. 12, 2021

Steady progress both in existing and new businesses

Ad Platform Business grew market share; gross profit up 39% YoY

Marketing SaaS Business increased its number of accounts; sales growth of 120% YoY

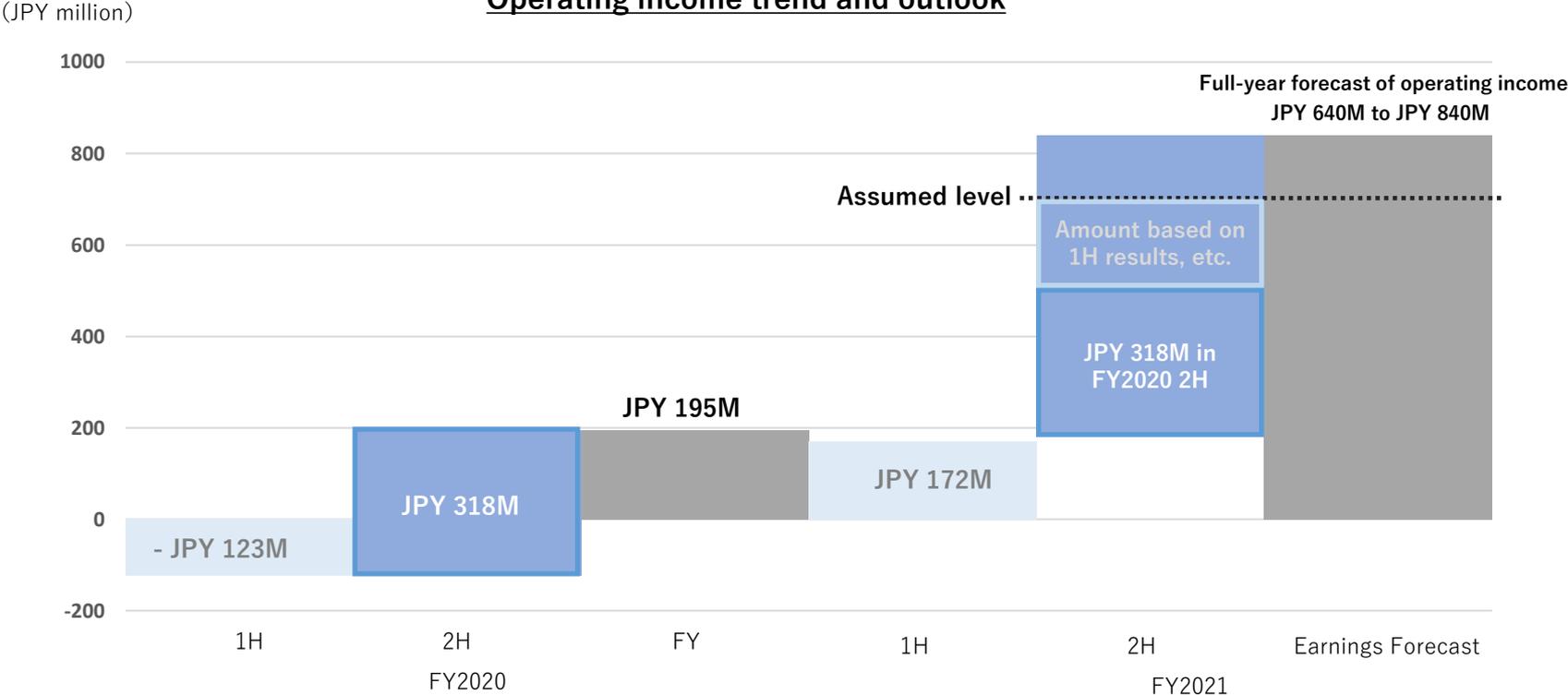
In 1H, operating income was JPY 172 million—a significant advance toward our full-year target

Ordinary income and net income have already exceeded FY2020 full-year figures

Key messages

Operating income grew to the level of the FY2020 full-year amount. The probability of achieving our earnings forecast has increased, since our earnings structure is heavily weighted toward the 2H.

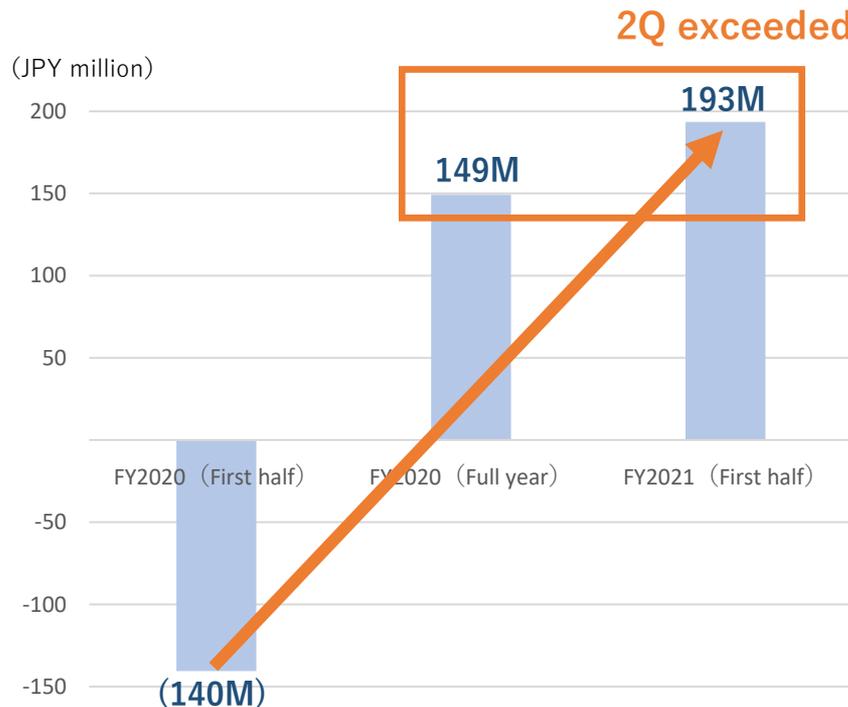
Operating income trend and outlook



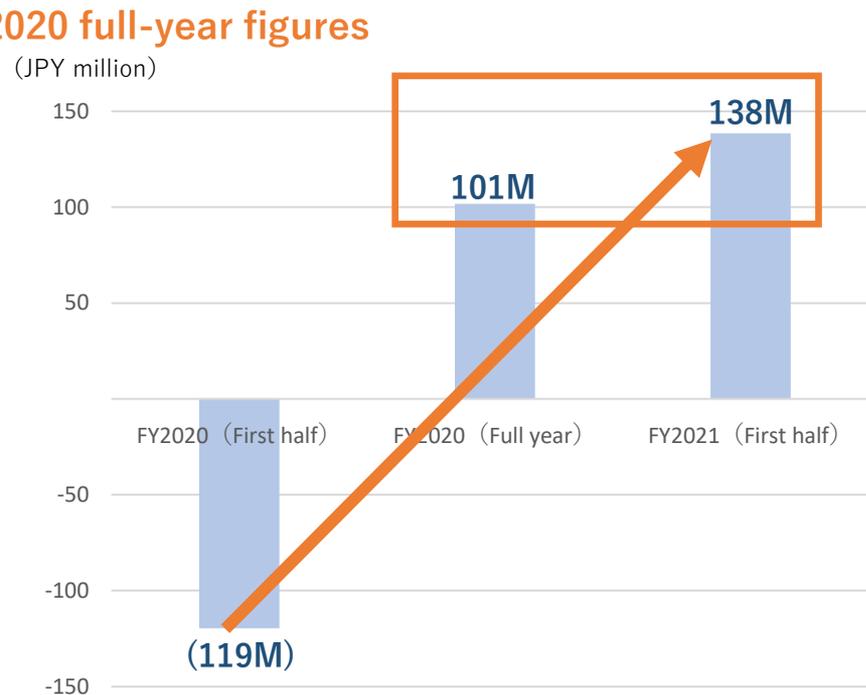
Key messages

Ordinary income and net income rose sharply, exceeding previous full-year levels.

Ordinary income



Net income



Update on share buyback program

■ Resolution of Board of Directors concerning share buyback program (Announced on August 13, 2021)

- (1) Type of shares to be acquired: Common stock of the Company
- (2) Total number of shares to be acquired: Up to 350,000 shares
(1.94% of total shares outstanding (excluding treasury stock))
- (3) Total amount to be paid for acquisition: Up to JPY 350 million
- (4) Period of acquisition: August 16, 2021 to August 15, 2022
- (5) Method of acquisition: Market purchase (including off-hours trading)

■ Cumulative number of shares acquired as of October 31, 2021, pursuant to above resolution of Board of Directors

- (1) Total number of shares acquired: 47,900 shares
- (2) Total amount paid for acquisition: 46,654,600 yen

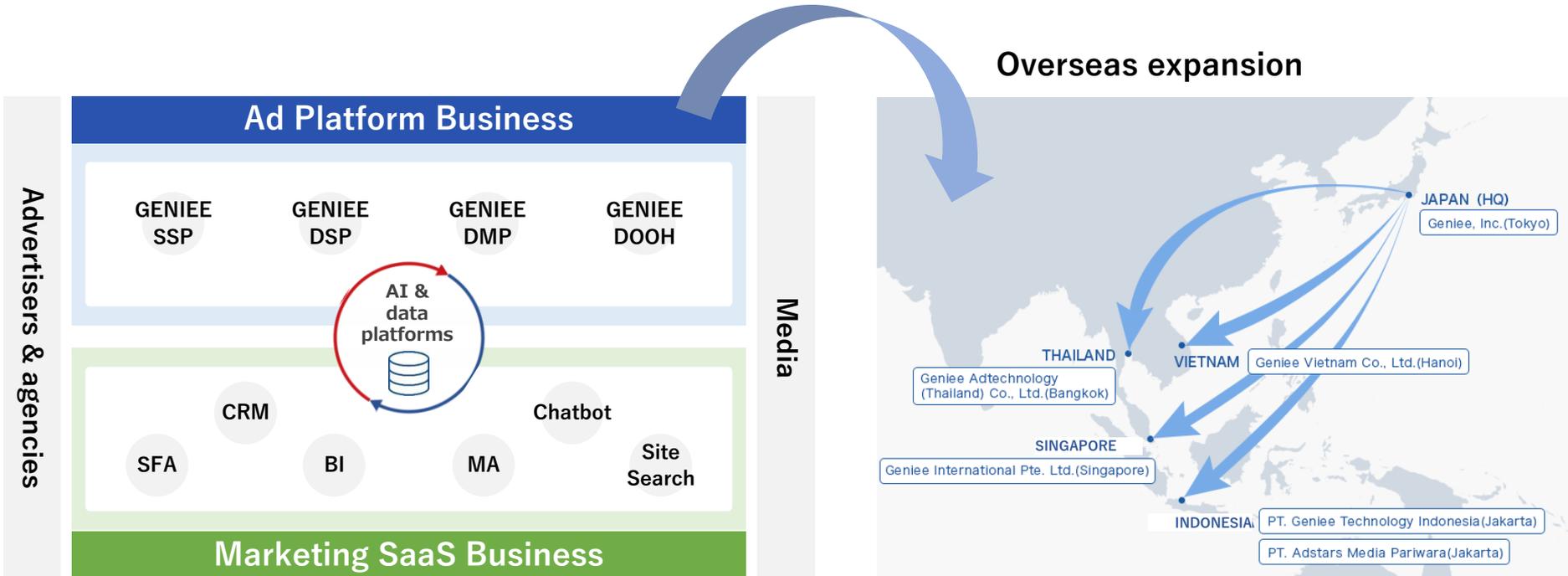
No stock purchases were carried out in September or October 2021 due to a conservative judgment that there were matters that could have constituted undisclosed material facts under insider trading regulations. However, there has been no change to the policy announced on August 13, 2021.

01

Business Overview

Business Overview

Geniee operates an Ad Platform Business, which focuses on online advertising, and a Marketing SaaS Business, which provides marketing optimization software. We also offer our products overseas, mainly in Southeast Asia.



Supply Side Platform

GENIEE SSP

Ad platform for maximizing advertising revenue

Full support for media ad operations, backed by Geniee technology and impression volumes that are among the highest in Japan

Transactions with 20,000 publishers
Top share in Japan
Annual sales of JPY 7B

Demand Side Platform

GENIEE DSP

Uses GenieeSSP's ad inventory, one of the largest in Japan

Attracts quality audiences at low cost

~80B impressions per month available

500 advertisers
Largest data set in Japan

SFA/CRM



- Simple design tailored to customer contact and opportunity management
- Sales management and customer management system with 99% retention rate

Marketing automation



- Automates various marketing actions
- Largest number of ad-serving channels in Japan
- Enables easy, real-time monitoring of customer behavior online

Chatbot



- Maximizes customer acquisition and customer satisfaction
- Improves customer success and conversion

Site search



- Proprietary technology enables rapid, accurate search
- Includes search assist dictionaries as standard; supports multi-language search

Development and sales of marketing software

Installed by more than 10,000 companies in Japan; 120% growth YoY

Overseas Business

Through our eighth year of overseas expansion and our structural transformation in FY2020, we have achieved our largest-ever quarterly operating income. We have also implemented numerous business alliances and investment M&As. Yuki Isobe (Director, Geniee International) spoke at an industry conference in Asia.



INTERNATIONAL

International offices
Overseas expansion since
our third year

- Singapore
- Indonesia
- Thailand
- Vietnam

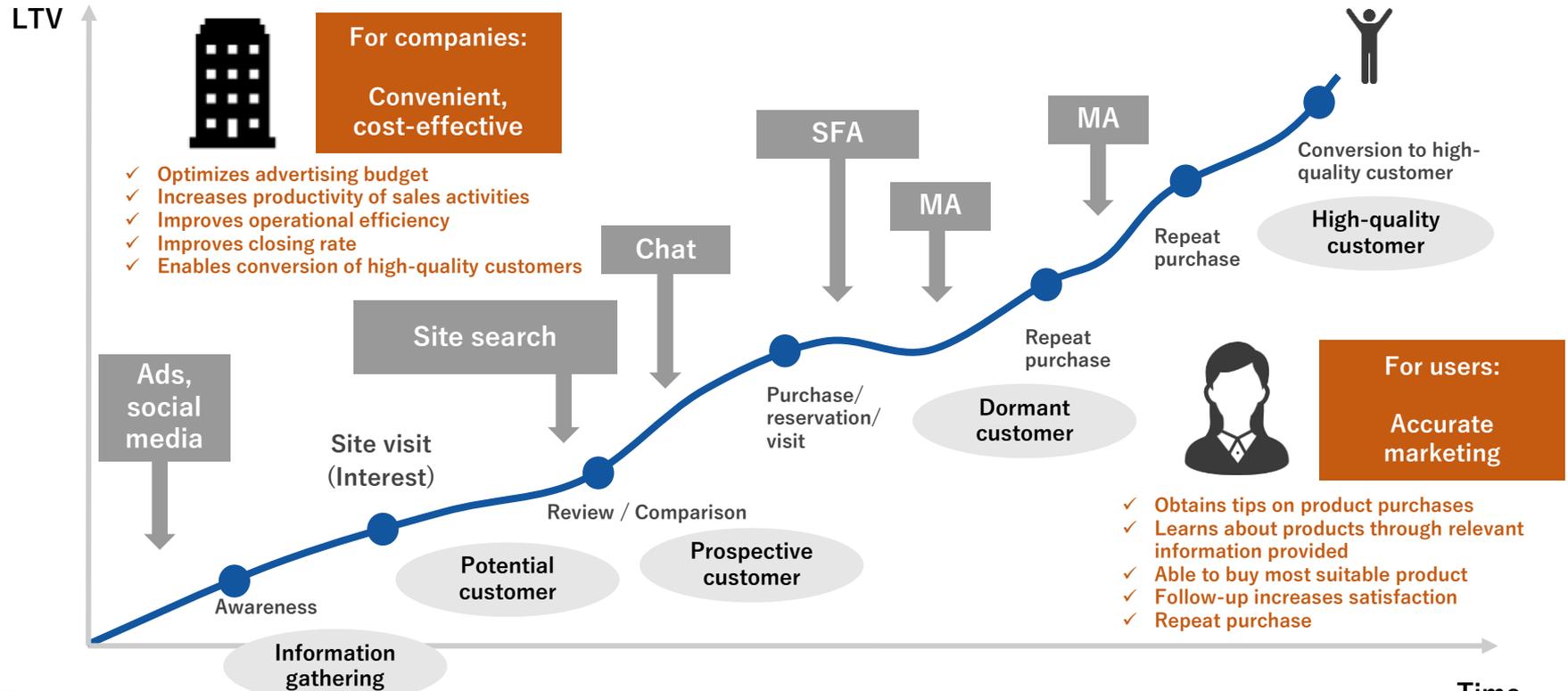
Coverage

- In addition to our offices in Japan, we have extensive coverage of the Asian and North American markets.

The value Geniee provides: Comprehensive marketing solutions

We provide companies with convenient, cost-effective marketing solutions.

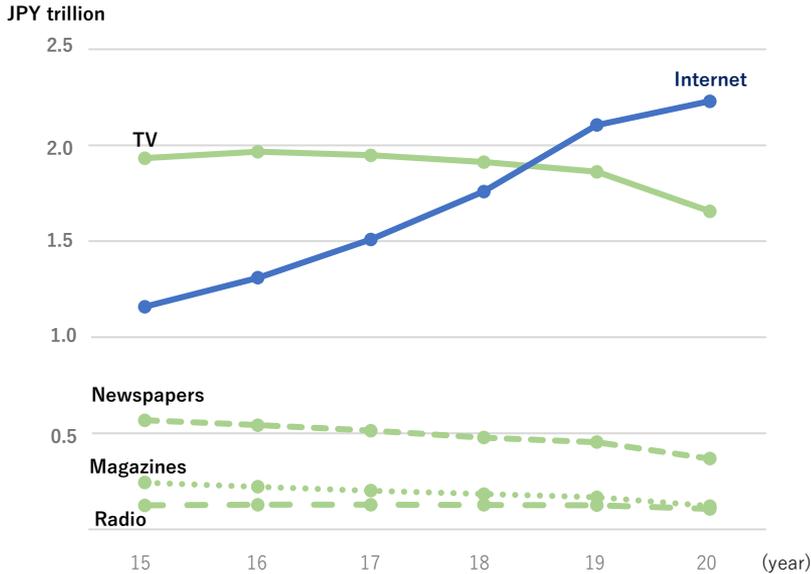
Through the companies we serve, we deliver accurate marketing that is relevant to users.



Market size

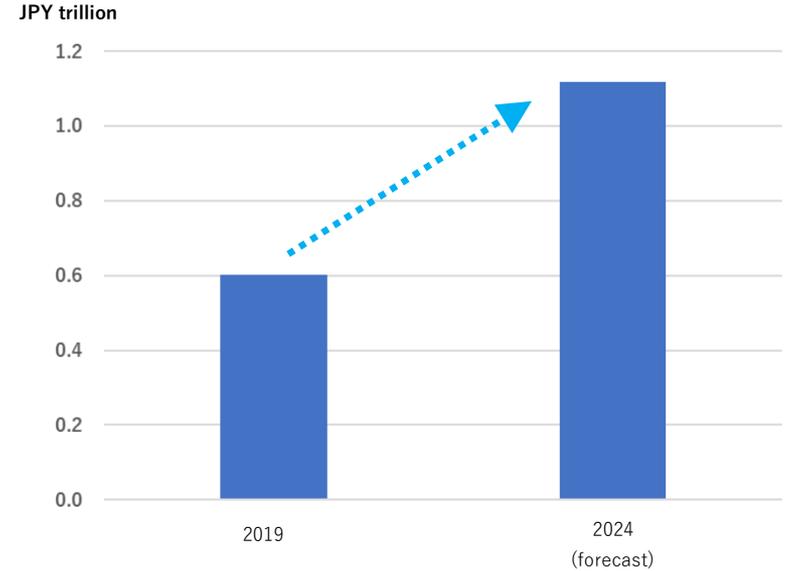
The marketing technology industry in which we operate (online ad market and SaaS market) is growing rapidly due to the prominence of online media and advances in digital transformation.

Online ad market growth



Source: Dentsu Inc., "Advertising Expenditures in Japan"

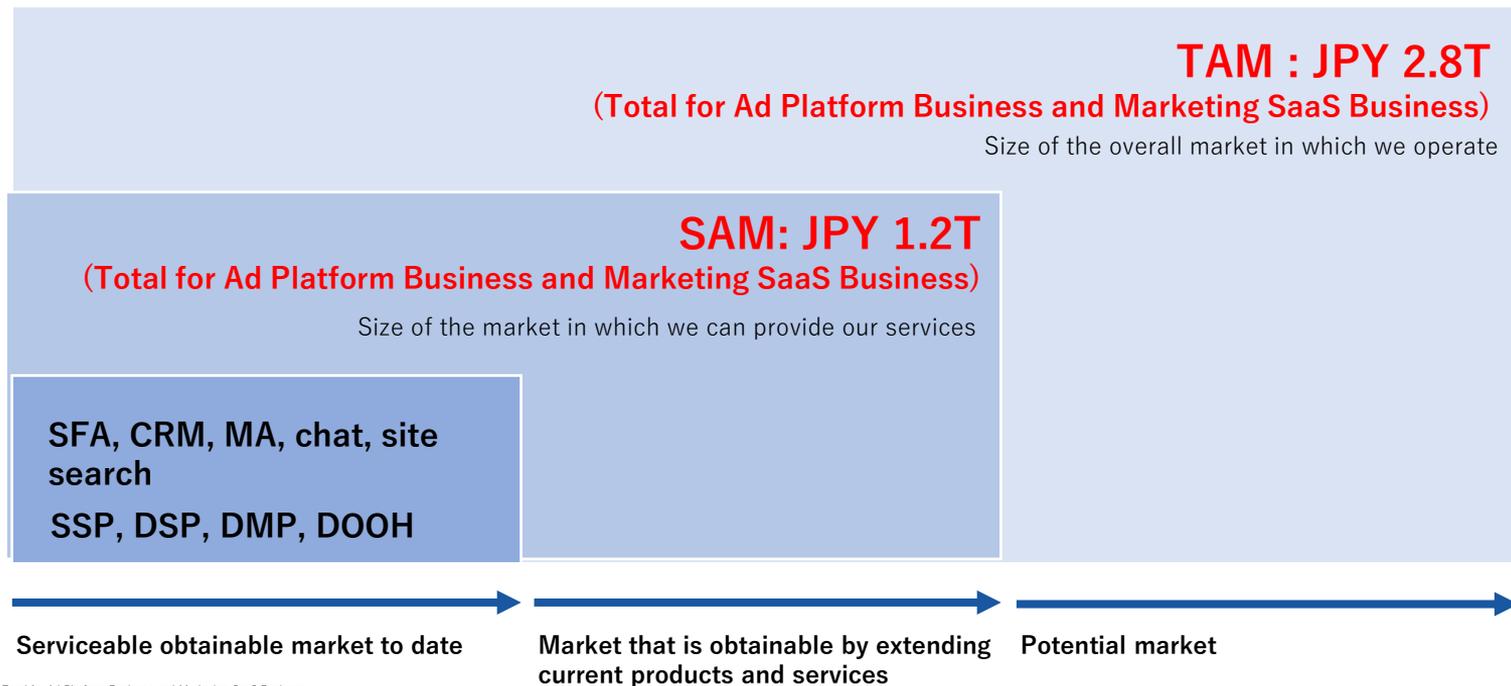
SaaS market growth



Source: Fuji Chimera Research Institute, "Software Business New Market 2020 Edition"

Target market

We estimate the serviceable addressable market for our services to be more than JPY 1 trillion, with a total addressable market of nearly JPY 3 trillion.



*1. Total for Ad Platform Business and Marketing SaaS Business.

This indicates the maximum market size assumed by Geniee. It is not intended as an indication of an objective market size for the businesses operated by Geniee in FY2020. (Prepared by Geniee based on: data on search advertising market, social media advertising market, display advertising market, affiliate advertising market, DOOH advertising delivery market, and other peripheral areas in "Detailed Analysis of 2020 Japanese Advertising Expenditures and Internet Advertising Media Expenditures" by Dentsu Inc., Dentsu Digital Inc., Cyber Communications Inc., and D2C Inc.; data on the advertising and promotion market in "MarTech Market Status and Outlook: FY2019 Edition" by MIC Research Institute; and the "2016 Economic Census for Business Activity - Tabulations across Industries.")

*2. Total for Ad Platform Business and Marketing SaaS Business.

The size of the potential market for the Ad Platform Business is calculated as the sum of obtainable market shares in search advertising, social media advertising, display advertising, affiliate advertising, DOOH advertising, and other peripheral areas, based on the size of each market and considering the industry and characteristics of the target customers for each service area provided. (Prepared by Geniee based on: "Detailed Analysis of 2020 Japanese Advertising Expenditures and Internet Advertising Media Expenditures" by Dentsu Inc., Dentsu Digital Inc., Cyber Communications Inc., and D2C Inc.; and MarTech Market Status and Outlook: FY2019 Edition" by MIC Research Institute.)

The size of the potential market for the Marketing SaaS business is the total annual amount that would be paid by all potential customers of the Group in Japan if all potential customers installed each SaaS product. All potential customers is categorized into the largest, large, medium, small, and micro businesses, based on the size of the workforce. The number of potential customers is calculated based on the ratio of the business size to usage by companies and on the number of customers.

02

FY2021 2Q Results

FY2021 2Q results summary

Gross profit increased substantially, up 61.4% YoY. Operating income grew sharply to level of FY2020 full-year amount. Ordinary income and net income surpassed FY2020 full-year amounts.

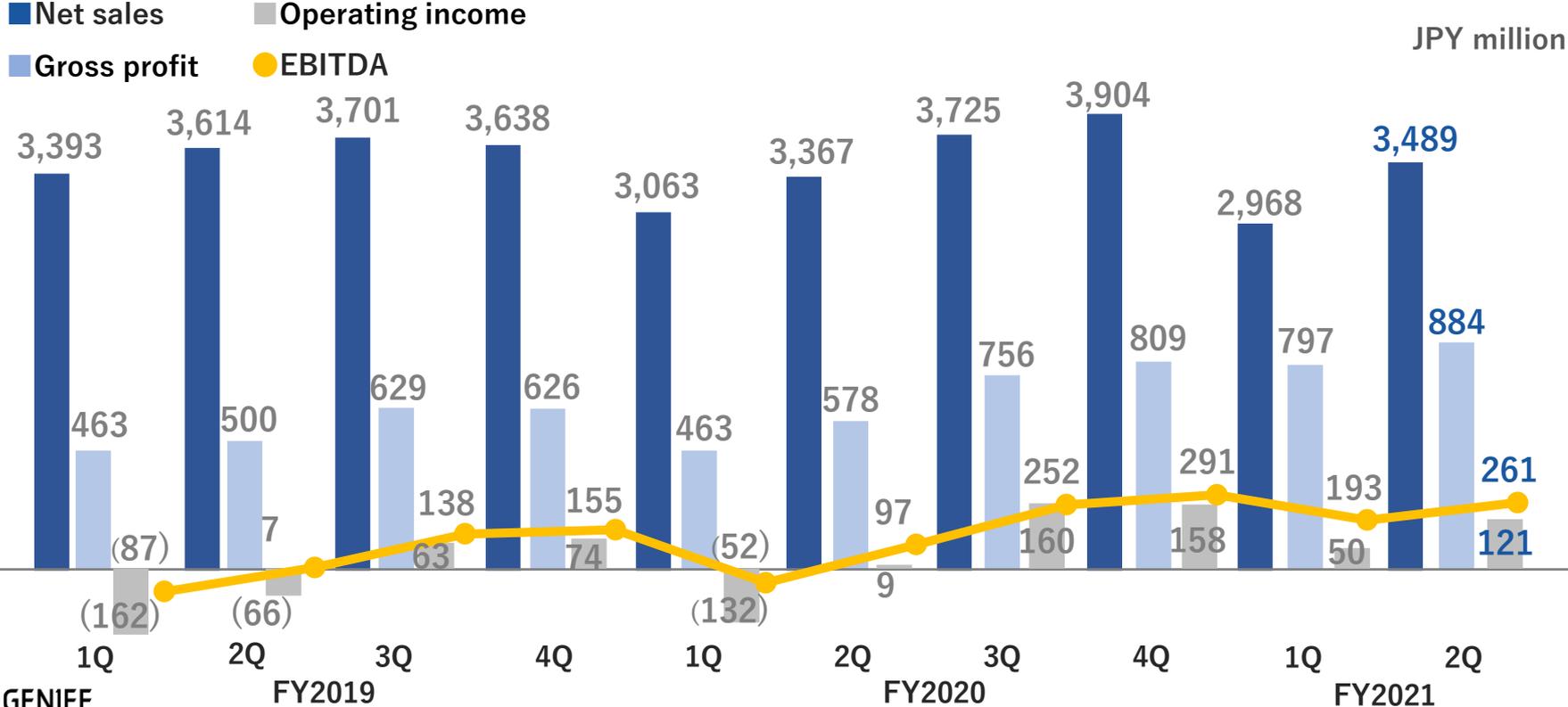
(JPY million)

	FY2020 2Q	FY2021 2Q (Actual)	Inc/Dec		FY2021 2Q (Budget)
			Amounts	%	
Net sales	6,430	6,458	— *1	— *1	5,720
(Reference) Estimated impact of change in accounting standard for net sales	-	731	—	—	—
(Reference) Excluding impact of change in accounting standard for net sales	6,430	7,189	758	+11.8%	—
Cost of sales	1,042	1,681	639	+61.4%	1,576
Operating income (loss)	(123)	172	295	—	(77)
Ordinary income (loss)	(140)	193	334	—	(87)
Profit (loss) attributable to owners of parent	(119)	138	258	—	(86)
EBITDA	47	455	407	+863.3%	220

The Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ending March 31, 2022. As a result, certain portions of the net sales of the Ad Platform Business and Overseas Business have been changed to net amounts. For this reason, comparisons of consolidated net sales with the same period of the previous fiscal year are not provided.

FY2021 Quarterly Results

Net sales increased YoY despite a change in revenue recognition standards (a negative impact of approx. JPY 325 million). Profit at each stage reached a record high in 2Q.



Highlights by segment

Ad Platform Business

Net sales : JPY 5,257M
Segment income : 750M
(Ref) Operating income : 427M

Began providing the rewarded video ad format and also launched an ad delivery system for ads on the Japan Meteorological Agency website. Expanded demand-side business, particularly around e-commerce sites and online services, which have been growing due to the coronavirus pandemic.

Started ad delivery verification in conjunction with IM-UID, a universal ID solution that does not rely on 3rd party cookies.

Marketing SaaS Business

Net sales : JPY 515M
Segment income : 13M
(Ref) Operating loss : 216M

Targeted growth in product sales through initiatives such as holding online seminars and participating in online exhibitions. Enhanced features of SaaS products. Formed a business alliance with SS Technologies, a provider of SaaS-type services specializing in the real estate business; aim to co-develop a system to enable digital transformation for real estate companies.

Converted REACT Corporation into a wholly owned subsidiary through M&A. This will enable us to expand the functionality of Chamo.

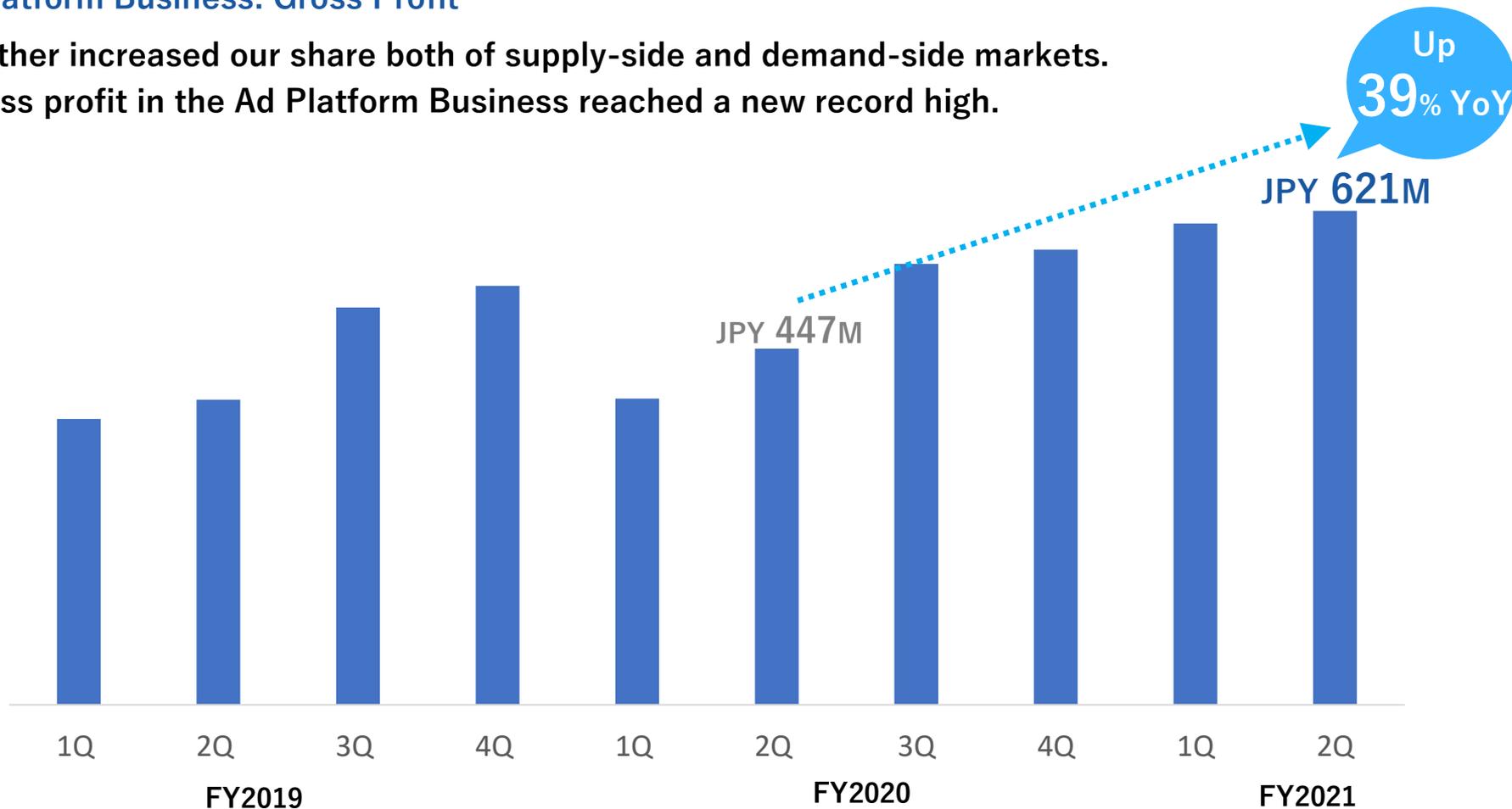
Overseas Business

Net sales : JPY 726M
Segment income : 57M
(Ref) Operating income : 34M

Supply side business grew, due to promoting the strengthening of reseller and partnership businesses.

Ad Platform Business: Gross Profit

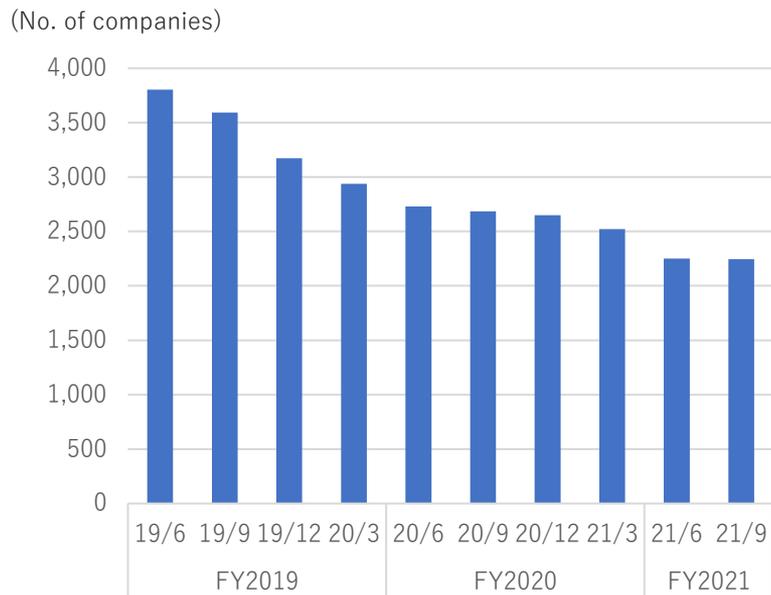
Further increased our share both of supply-side and demand-side markets.
Gross profit in the Ad Platform Business reached a new record high.



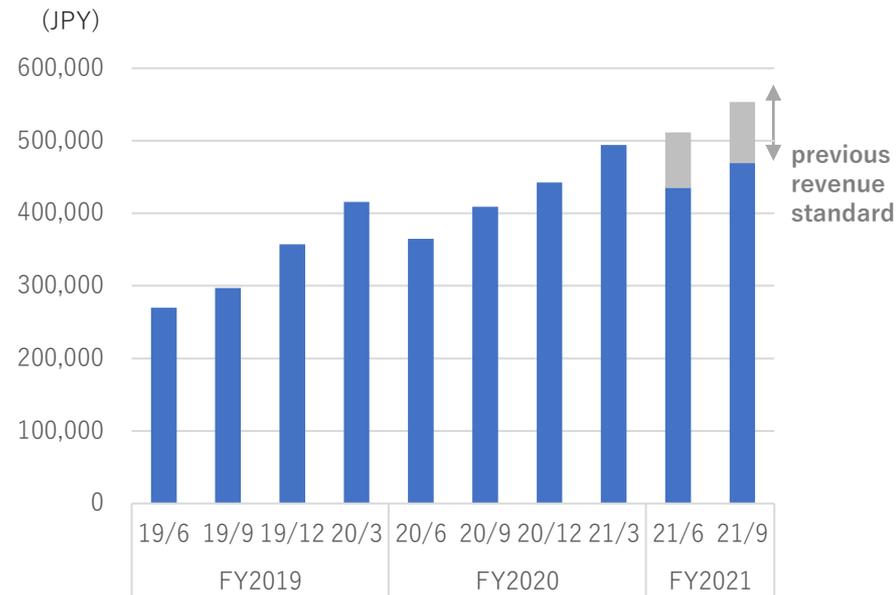
Ad Platform Business: KPI

In the Ad Platform Business, we will continue working to improve profits and target further growth in average revenue per customer.

Customers



Average revenue per customer



Ad Platform Business: Topics

Cookieless support and the impact of IDFA

Cookieless support

- (1) Support through in-house development
Development of After Cookie technology and universal data infrastructure by Technology Strategy Office.
Started verification of ID developed in-house.
- (2) Support through collaboration with other companies
Started ad delivery verification in conjunction with IM-UID, a universal ID solution that does not rely on 3rd party cookies.

Impact of IDFA

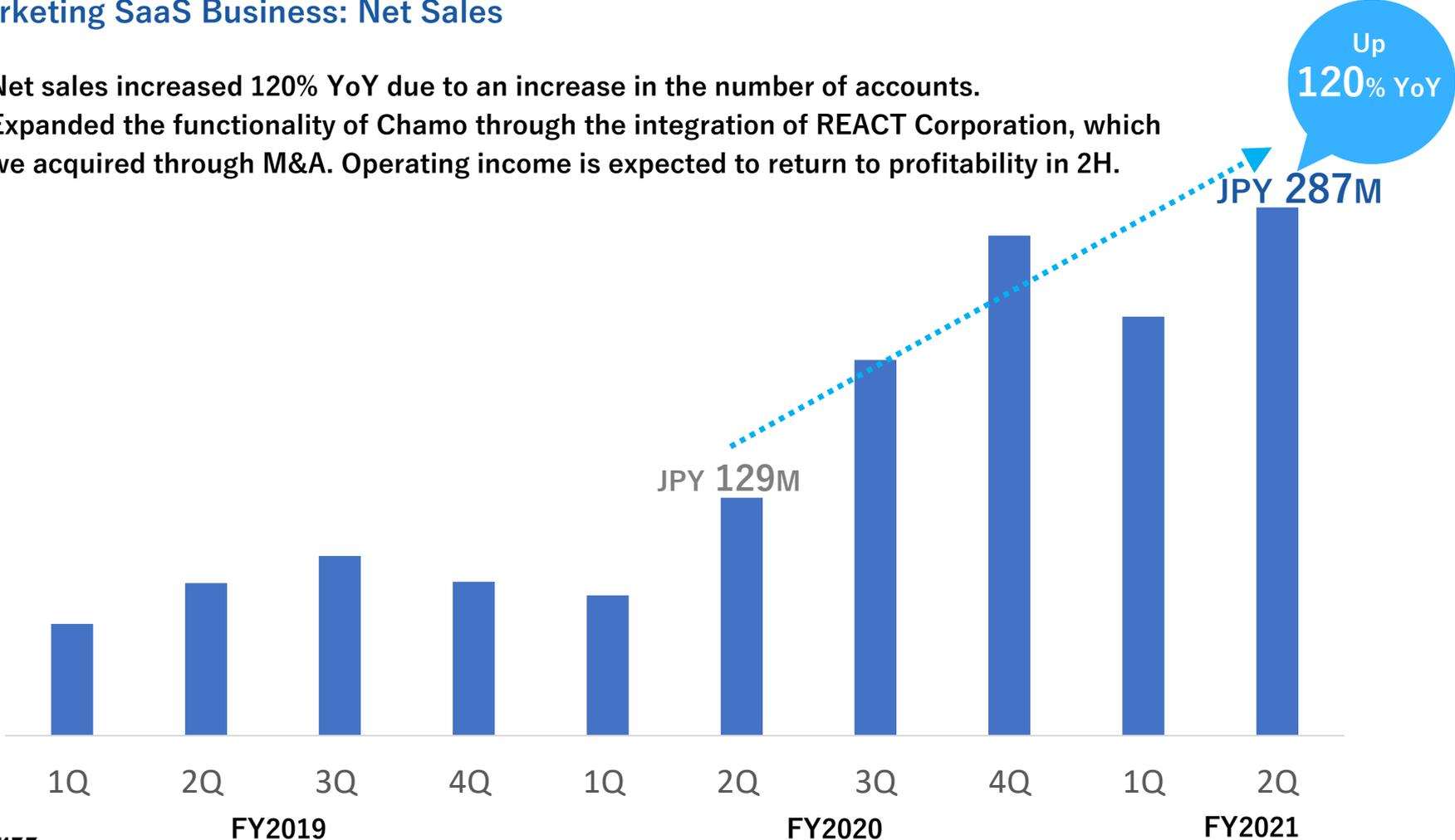
Almost no impact, since ad distribution for apps is not a primary focus of our business.



Aim to ensure continuity in services and earnings by providing support through in-house-developed IDs and collaboration with other companies

Marketing SaaS Business: Net Sales

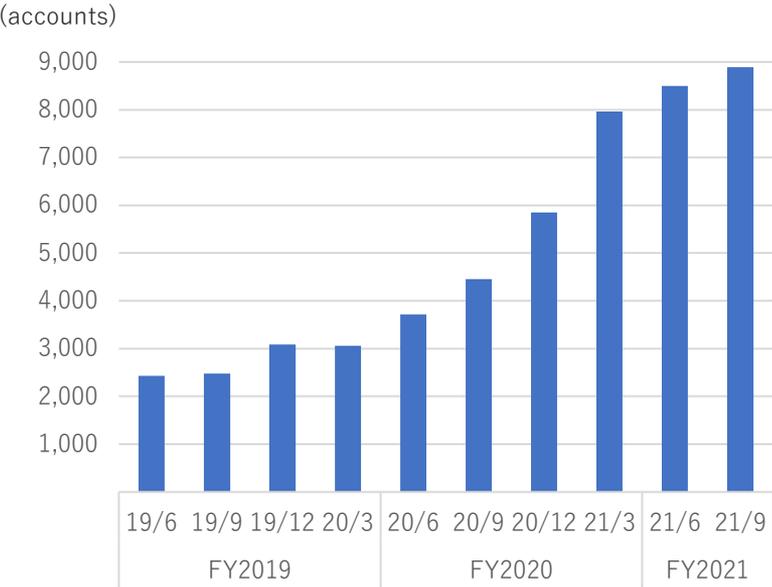
Net sales increased 120% YoY due to an increase in the number of accounts. Expanded the functionality of Chamo through the integration of REACT Corporation, which we acquired through M&A. Operating income is expected to return to profitability in 2H.



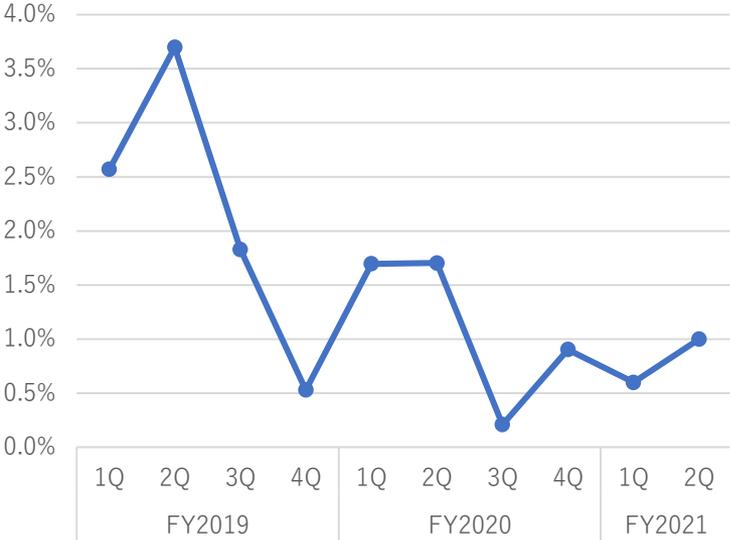
Marketing SaaS Business: KPI

We aim to expand our market share and increase the number of paid accounts by enhancing the functionality of each SaaS product and strengthening our sales channels. We also aim to further reduce the churn rate by enhancing our products and customer success.

Number of paid accounts



Churn rate



Note: 3-month average churn rate for accounts

Marketing SaaS Business: Topics

Converted REACT Corporation into a wholly owned subsidiary through M&A.
This will enable us to expand the functionality of Chamo.



Chamo: Essential chat tools for friendly customer service on websites, such as FAQ bots, human-operated chats, and chat EFO.



Provides, as a SaaS-type service, Engagebot, a highly acclaimed LINE/Facebook bot designed for acquisition of new customers and management of existing customers



Expanding revenue opportunities by expanding and enhancing the functions of the chat-type web customer service platform Chamo

M&A case study: Business expansion and monetization of SFA/CRM service Chikyu

One by one, we have increased the value of each product that we have acquired.

Increase in product value after M&A



Features of Geniee M&A

1. Enhancing product value using advanced development capabilities

- Inexpensive and has a large number of accounts, but with minimal features
- Add tens of features in two years to increase ARPA
- Shift toward competing with global products that have multiple features and high performance

2. Thorough PMI for business integration

- Create and implement a 100-day plan
- Integrate business by appointing and collaborating with the right talent for management, administration, work environment and operations

03

**FY2021 Earnings
Forecast**

FY2021 Full-year Earnings Forecast

Our 2Q results were above forecasts. However, given the uncertain economic environment, our FY2021 full-year earnings forecast is unchanged from the forecast announced on May 14, 2021.

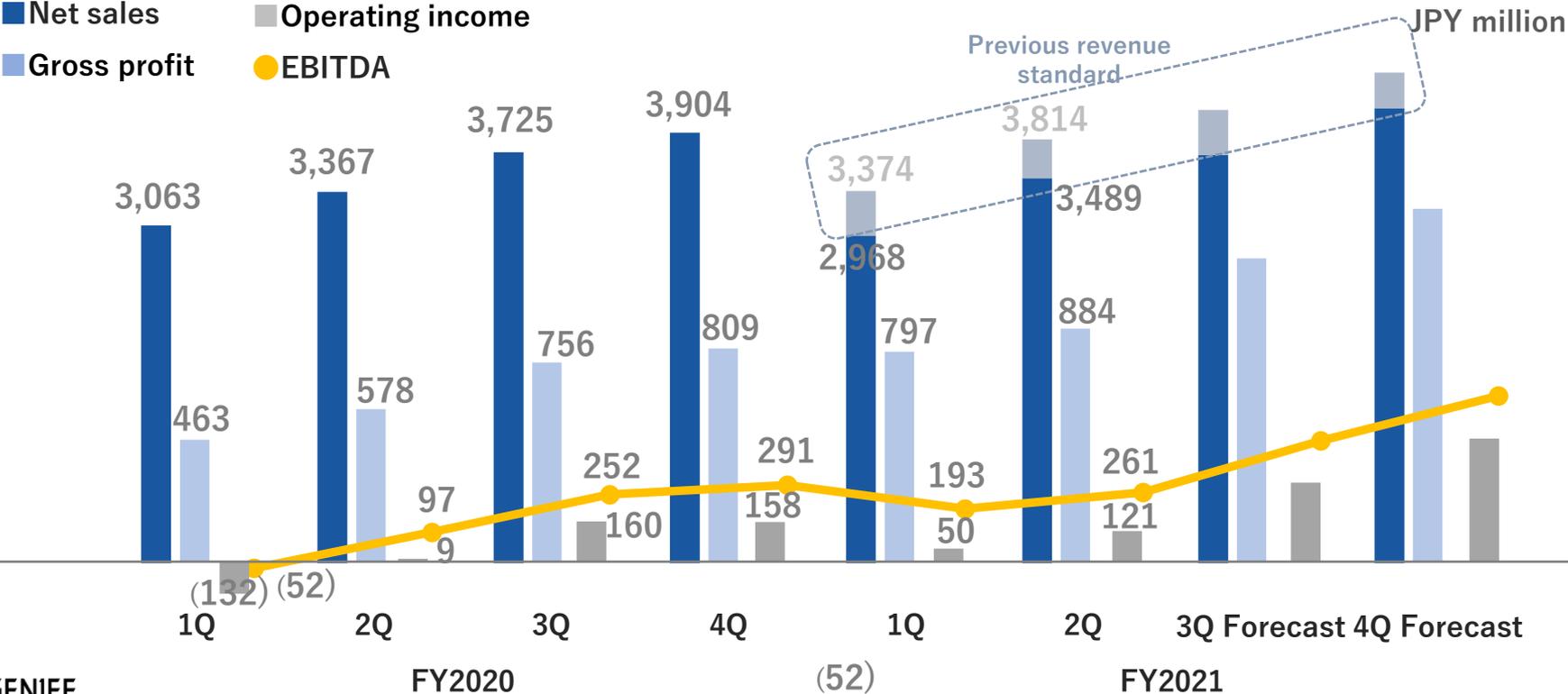
	FY2020	FY2021	JPY million		
			Amount	YoY Change	%
Net sales	14,061	13,425~13,739	- *1		- *1
Gross profit	2,608	3,968~4,168	1,359~1,559	+52.1% ~	+52.1%
Operating income	195	640~840	444~644	+227.1% ~	+329.3%
Ordinary income	149	620~820	470~670	+315.5% ~	+449.5%
Profit attributable to owners of parent	101	526~655	424~563	+417.1% ~	+553.8%
EBITDA	587	1,259~1,459	671~871	+114.3% ~	+148.3%
Ref : Net sales under previous revenue standard	14,061	15,049~15,363	987~1,301	+7.0% ~	+9.3%

	JPY billion	
	FY2020	FY2021 forecast
Net sales	14.00	13.4-13.7
Ad Platform Business	11.90	10.1-10.3
Marketing SaaS Business	0.70	1.5-1.6
Overseas Business	1.50	1.2
Segment income	0.19	0.64-0.84
Ad Platform Business	1.10	1.5-1.6
Marketing SaaS Business	(0.05)	0.3-0.4
Overseas Business	0.09	0.09
(Adjusted amounts)	(0.96)	(1.25)
(Ref.) Operating income	0.19	0.64-0.84
Ad Platform Business	0.60	0.87 - 0.97
Marketing SaaS Business	(0.34)	(0.1) - 0.0
Overseas Business	0.04	0.03
(Adjusted amounts)	(0.10)	(0.16)

1. The Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ending March 31, 2022. As a result, certain portions of the net sales of the Ad Platform Business and Overseas Business have been changed to net amounts. For this reason, comparisons of consolidated net sales with the same period of the previous fiscal year are not provided.

FY2021 Quarterly Earnings Forecast

We expect further significant increases in gross profit and operating income this fiscal year. We expect full-year operating income to reach a new record high of JPY 640 million to JPY 840 million.



04

Medium- to long-term policy

Long-term policy

Direction to 2030

Provide a comprehensive marketing platform
for businesses in Japan and Asia.

Geniee SSP

Geniee DSP

Geniee DMP

Geniee DOOH

😊) ちきゅう

▶ Chamo

probo

ポップリンク

MAJIN

ポップファインド

Medium-term policy

- ✓ **Geniee will pursue rapid growth in the marketing SaaS business while also expanding its Ad Platform Business to become a leading company in marketing technology.**
- ✓ **With the goal of listing on the prime market, we will aim to meet the necessary criteria for liquidity, governance, management performance, and financial condition.**
- ✓ **For accounting standards, we will consider applying IFRS.**

FY2023 Numerical Targets

Numerical targets for FY2023 (IFRS basis)

Net sales	JPY 25B	—	JPY 30B
Gross profit	JPY 8B	—	JPY 9B
Operating income	JPY 2B	—	JPY 2.5B
EBITDA	JPY 2.7B	—	JPY 3.2B

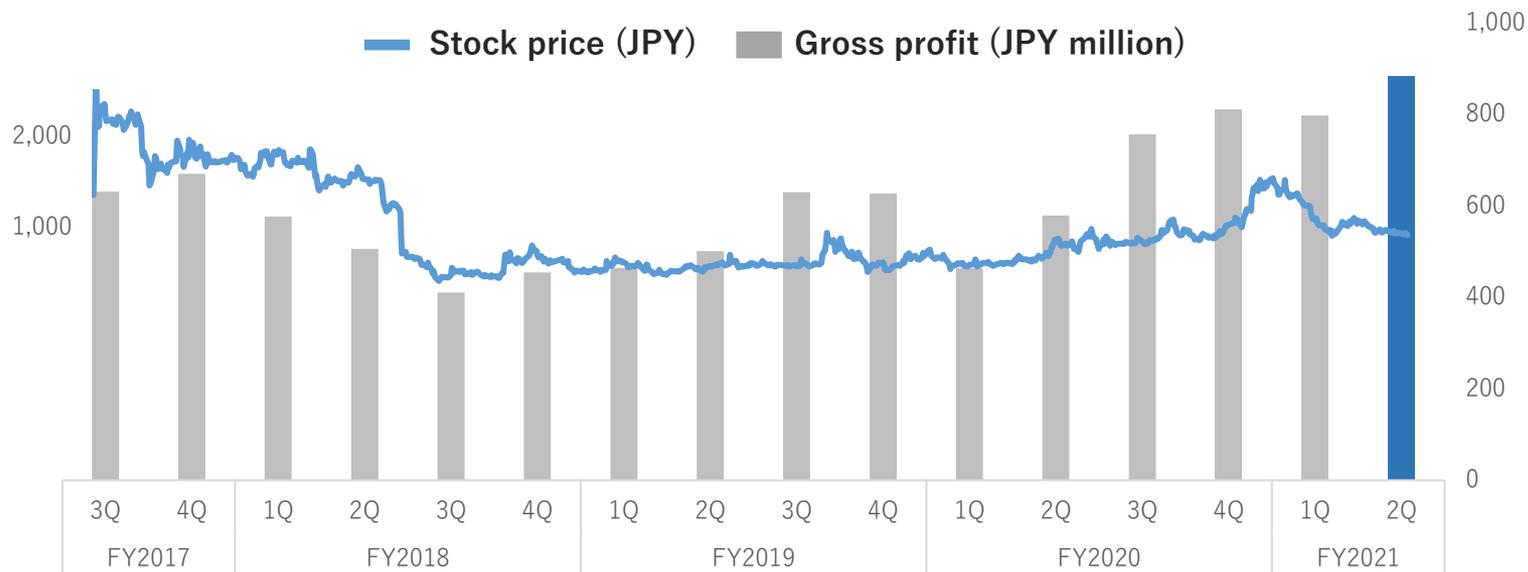
(Ref.) Japanese GAAP

Net sales: JPY 25B – JPY 30B, Gross profit: JPY 8B – JPY 9B, Operating income: JPY 1.8B – JPY 2.3B, EBITDA: JPY 2.7B – JPY 3.2B

Share price

Share price: JPY 901, as of November 11, 2021.

While pursuing solid growth in the short, medium, and long term, we will enhance our IR activities to support an increase in our share price.



Reference Materials

Our Strengths: Three Competitive Advantages

Corporate culture

Developing in-house entrepreneurs who can manage technology businesses

Expanding sales of innovative products in Asia



Technology

~140-strong engineering team that creates innovative products

Geniee platform, partnership with SoftBank Group

Leverage our vast number of customer contacts in the marketing domain through collaboration with the Softbank Group

Big Data Processing Technology

High-speed data processing technology capable of handling hundreds of thousands of requests per second



- Approx. 15 terabytes of data processed daily—among the top in Japan
- Custom-built distribution system infrastructure with on-premise servers
- Data center in Singapore also used to support overseas distribution

Use of AI

DSP equipped with AI-based automatic bidding function



- Automatic control of bids (unit price) and delivery volume maximizes conversions while fulfilling target CPA
- AI-powered machine learning algorithm trains with vast amounts of data to accurately predict conversion rates with a contextual understanding of users and auctions

Company Culture: Young Leaders Driving Rapid Growth in our Technology Businesses

Marketing SaaS Business

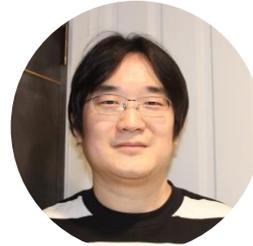


Hirotaka Ohashi

Executive Officer (CPO); General Manager, Product Management Dept., R&D Division

After graduating from Hokkaido University, went freelance and then joined an online ad agency. Hired by Geniee in 2016. Experience with supply side business planning and product management. After supervising the Product Management Department, including Geniee DSP's general ad technology, appointed Executive Officer of Product Management in April 2019. Appointed CPO in April 2021.

Technology Strategy Office



Shoryo Mo

Executive Officer; General Manager, Technology Strategy Office, R&D Division

backend development for social network games, curation media development, affiliate ad development, and DSP development, hired by Geniee in 2018. Started up the Science Team to strengthen data-driven, AI-powered prediction and automated control functions. Currently directing product feature enhancement and optimized development efficiency in the marketing technology domain.

Ad Platform Business (Supply Side Business)



Shunsuke Kawasaki

Executive Officer; Supply Side Business Division CEO

Hired by Mitsui & Co., Ltd. after graduating from Hitotsubashi University. Hired by Geniee in 2015. Started his career here in new product development as a product planner for our core product, Geniee SSP. Experience as a general product manager for Geniee SSP and in the Overseas Business. Appointed the company's youngest ever executive officer in April 2019.

Ad Platform Business (Demand Side Business)



Sayaka Kobayashi

Manager, Product Management Dept.; Acting General Manager, Business Development Dept., Demand Side Business Division

Hired upon graduating from college in 2016. Worked in sales for ad platforms Geniee SSP and Geniee DSP. Appointed the company's first female product manager in April 2019. Appointed Acting General Manager of the Demand Side Business Division in April 2021 to carry the business forward.

Geniee platform customer assets/data: Collaboration with SoftBank Group

By using the vast data of our customer companies, we add value to our products and improve the quality of our services. Promoting the cross-selling of products in turn leads to an increase in average revenue per customer. We will fully leverage these advantages through collaboration with the SoftBank Group.

Customer assets/data

Number of ad views per month
60B impressions

Active customers
3,000 companies

The number of customers includes companies with a certain level of transaction volume. The criteria for transaction volume has been changed from previously announced figures (the criteria have been increased).

Collaboration with the SoftBank Group

- ✓ Ad distribution service using jointly developed advertising platform
- ✓ Cross-border ad distribution service to attract customers for inbound and cross-border EC
- ✓ Formulation and assessment of plans for joint projects in Southeast Asia

Company Profile

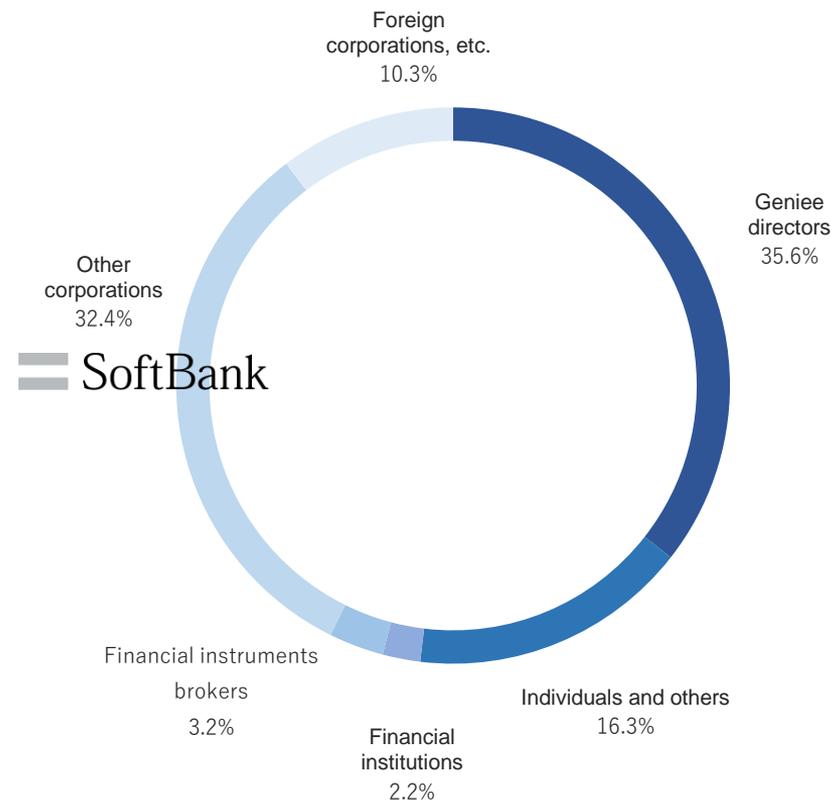
Company name	Geniee, Inc.	Employees	307 (Consolidated, as of March 31, 2021)
Business	Marketing technology business	Establishment	April 14, 2010
Headquarters	Sumitomo Realty & Development Shinjuku Oak Tower 6th Floor, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo 163-6006	Capital	JPY 1,549 million
Representative	Tomoaki Kudo, President and CEO	End of fiscal year	March 31
Executive officers	Directors: Michimasa Naka (Outside) Koichi Machida (Outside) Director and Audit & Supervisory Committee Members: Katsuyuki Toritani (Full-time, Outside) Yukio Todoroki (Outside) Yoshitaka Sasaki (Outside)	Group companies	Business Search Technologies Corporation REACT, Inc. Geniee International Pte., Ltd. Geniee Vietnam Co., Ltd. PT. Geniee Technology Indonesia Geniee Adtechnology (Thailand) Co., Ltd. PT. Adstars Media Pariwara

Shareholder Composition (as of September 30, 2021)

Major shareholders

Name	Shares Owned	(%)
Tomoaki Kudo (President & CEO)	6,541,400	36.24
SoftBank Corp.	5,625,000	31.16
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN	762,100	4.22
Hiroshi Hirose	670,000	3.71
Takuya Yoshimura	594,900	3.29
NICE SATISFY LIMITED	402,000	2.22
Custody Bank of Japan, Ltd.	241,800	1.33
Okasan Online Securities Co.,Ltd.	175,800	0.97
BNY GCM CLIENT ACCOUNT JPRD AC ISG	175,500	0.97
J.P.Morgan Securities plc	170,300	0.94

Breakdown of shares by type of shareholder



Earnings forecasts and other forward-looking statements indicated in these materials are based on information available and certain assumptions deemed reasonable at the time. Statements in these materials do not constitute any guarantee of actual performance. Actual business results may differ substantially due to various factors.

