



FY2023.Q2 Financial Results Briefing Materials

November 9th, 2023

**Revenue was 3.76 billion yen, up to 23.7% year on year.
We achieved top-class growth rate compared to other companies in the same industry.**

-
- ▶ In the advertising business segment, while improving existing performance, we also develop and enhance new video area.
 - ▶ In the marketing SaaS business segment, the SFA/CRM business made progress in cultivating the enterprise segment, generating additional deals and cross-sales.
 - ▶ In the Overseas business segment, Zelto's PMI system was conducted mainly by Geniee. As a result, the amount of earn-out payments has been partially reduced.
 - ▶ Announced the revision of earnings forecast. In the revised earnings forecast, Geniee aims to be No. 1 in the advertising industry.
-

Revision of Earnings Forecast

Although we are showing the competitive growth in the market, but there is the slowdown in the growth rate of the advertising market in Japan and overseas.

We have revised the year earning forecast downward due to the deviation from the initial plan in terms of revenue and gross profit. The management team will continue to consider additional measures from today onwards in order to achieve the No. 1 growth rate in the advertising market and increase sales and profits, excluding one-time profits, and achieve the initial plan - operating income of 2 billion yen.

	FY2023 (Plan) Initial	FY2023 (Plan) Revised	Difference	YoY (Result of the Previous Fiscal Year)
Revenue	96 billion yen	84 billion yen	▲12 billion yen	+30.1%
Gross profit	78 billion yen	66 billion yen	▲12 billion yen	+28.4%
Operating Profit	20 billion yen	18 billion yen	▲2 billion yen	—
Net Income attributable to the parent company	15 billion yen	13 billion yen	▲2 billion yen	—

*Due to the gain on the acquisition of Zelto in FY2022, the following figures about operating income and net income are omitted.

Comparison with competitors in the same industry

Geniee has achieved top-class growth rate while other companies in the same industry that operate the Ad Technology and SaaS business have seen slight increasing or decreasing.

The revenue growth rates of Q3 and Q4 in the revised plan are expected to be 33.5% and 41.3%, respectively.

We are operating business with a competitive edge in the market.

	Revenue growth rate (YoY change in the previous quarter)	Gross profit growth rate (YoY change in the previous quarter)
Geniee	25.0%	19.7%
Company A (Ad Tech)	35.4%	36.3%
Company B (SaaS)	22.7%	18.0%
Company C (SaaS)	13.2%	19.3%
Company D (Advertising Agent)	5.7%	7.6%
Company E (Advertising Agent)	5.1%	-6.9%
Company F (Advertising Agent)	-0.2%	-4.9%
Company G (Ad Tech)	-9.3%	-11.5%
Company H (Ad Tech)	0.0%	18.0%

- 1. Business Overview**
2. FY2023.Q2 Results
3. Advertising Platform Business
4. Marketing SaaS Business
5. Overseas Business
6. Medium-term and Long-term policy



Business Purpose

The worldview realized by Geniee products and services

Creating a world where everyone can succeed in marketing

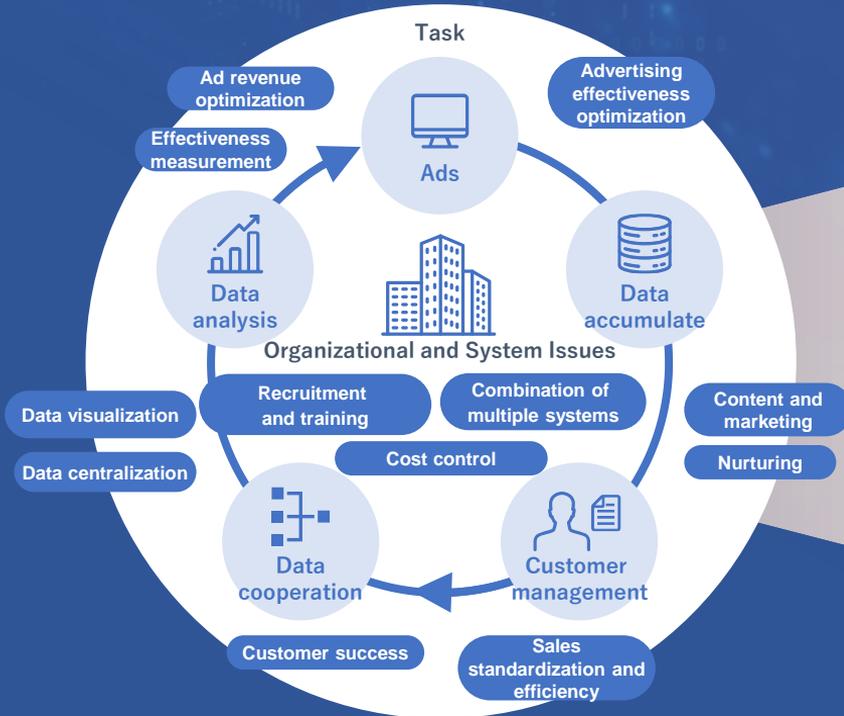
Corporate Purpose

Long-term goals and purpose of Geniee

**Becoming a global technology originating from Japan
and contributing to Japan and Asia**

• GENIEE Group aims to be...

- GENIEE Group provides comprehensive support for solving increasingly complex and sophisticated marketing challenges.
- Aiming for creating a world where marketing hurdles are lowered, and companies can spread high value-added products and services to society more smoothly.



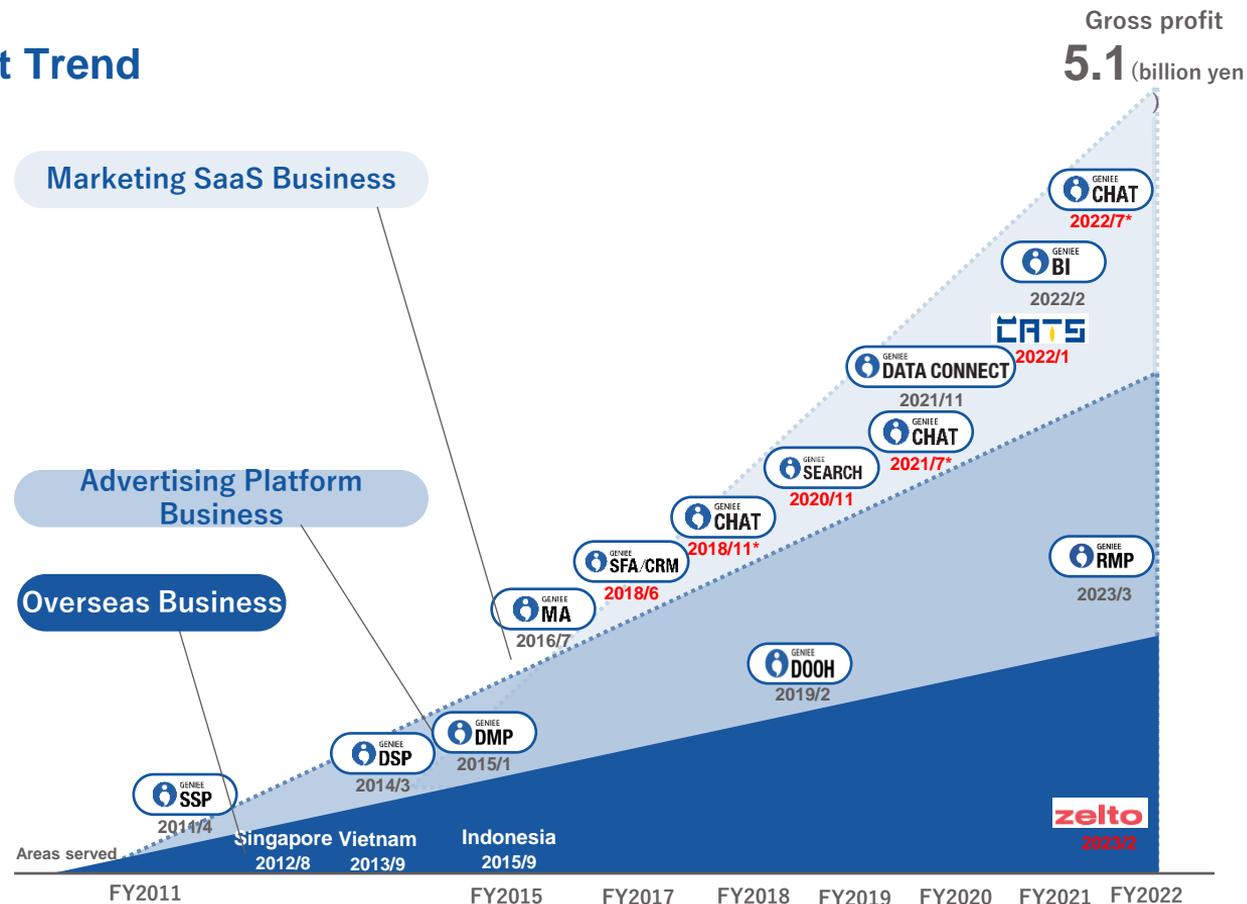
- One-stop platform
- Diverse Products Domains

A world where everyone can succeed in marketing

- High cost-performance
- Automation and streamlining of operations

Business Portfolio and Consolidated Gross Profit Trend

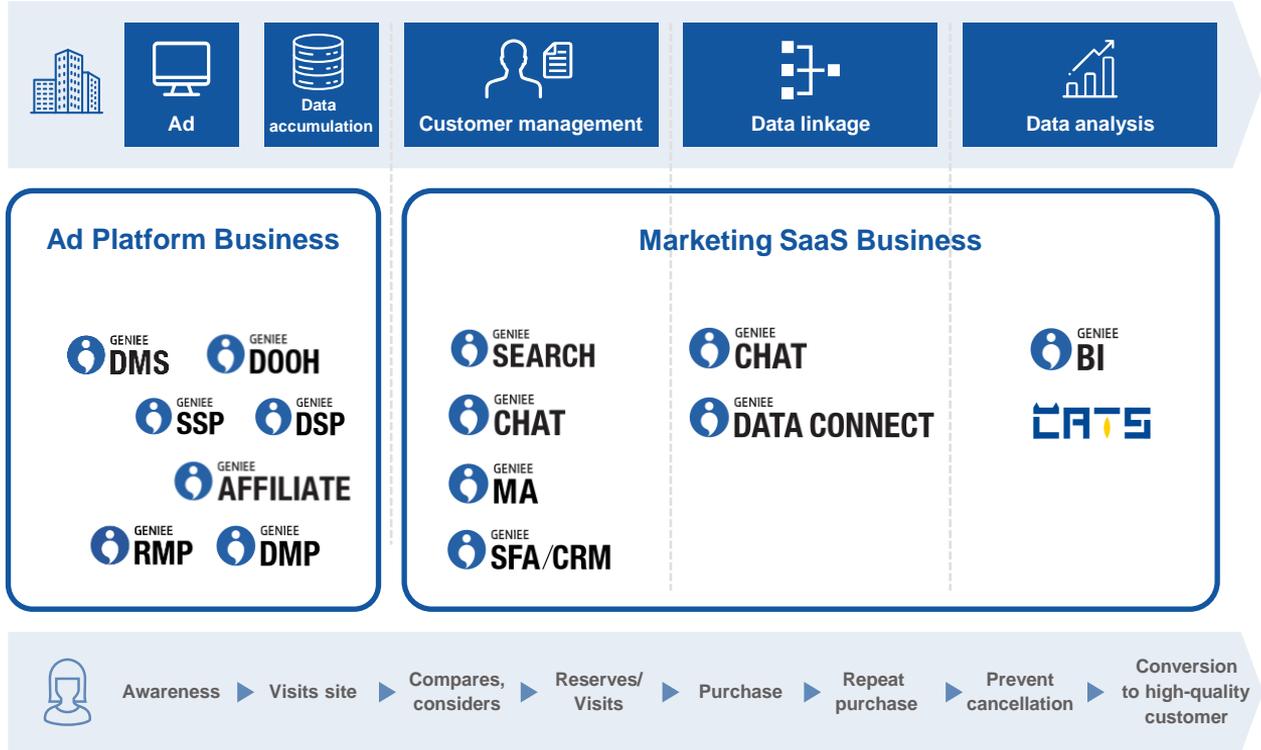
In FY2016, the main business “GENIEE SSP” became one of the biggest business in Japan. In 2016, Geniee began offering SaaS products and expanding its business with mergers and acquisitions. Overseas operations have been expanding since 2012, and the acquisition of ZELTO in 2023 is expected to significantly increase the ratio of overseas sales to total sales.



※Those in red were acquired through M&A. Currently, GENIEE CHAT has integrated the brands of the old Chamo, the old Engagebot, and the old HyperSonic.

Business Areas

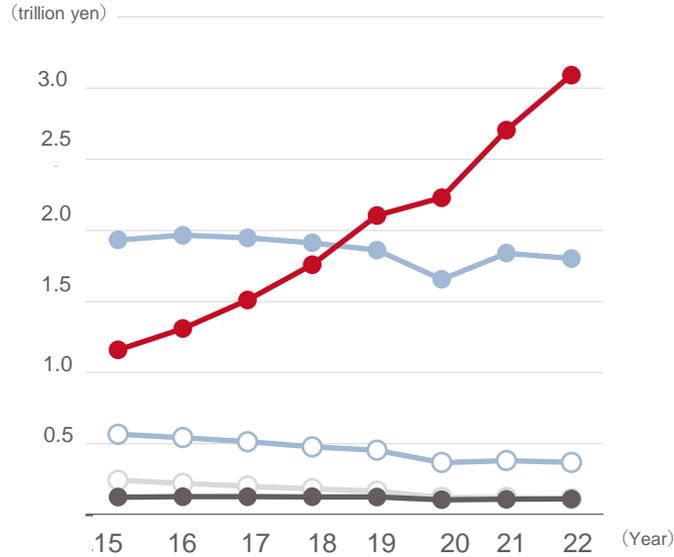
We provide companies with highly convenient, cost-effective marketing solutions and deliver accurate to users.



Market Size

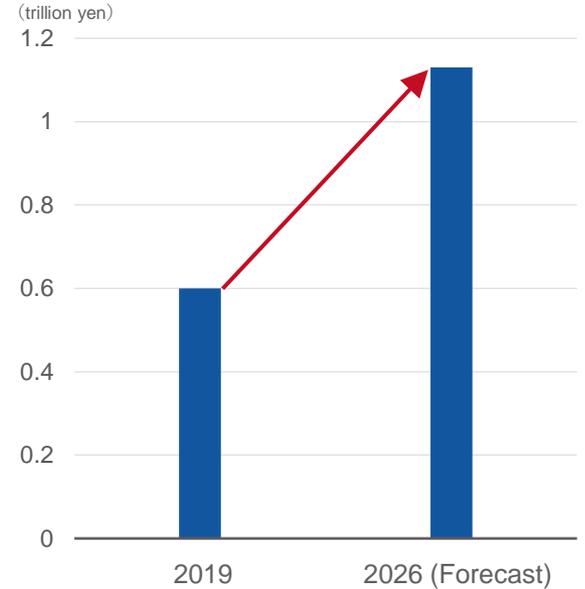
The marketing technology industry (Online Advertising Market and SaaS market) in which Geniee operates is growing rapidly due to the improvement of the Internet and the expansion of the digital transformation.

Online Advertising Market Trend



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

SaaS Market Trend



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

Market Size

The target market that our services can provide is approximately 3 trillion yen, and the potential market is estimated to be approximately 5 trillion yen.

※1 Total of advertising platform business, marketing SaaS business and overseas business (SSP). It means the maximum market size assumed by Geniee and is not calculated for the purpose of showing an objective market size for the businesses operated by Geniee in FY2023. (Refer to the search advertising market, SNS advertising market, display advertising market, affiliate advertising market, DOOH ad serving platform market, and other peripheral markets in the "2020 Japanese Advertising Expenditures: Detailed Analysis of Internet Advertising Media Expenditures" survey conducted by Dentsu Inc. (See the search advertising market, SNS advertising market, display advertising market, affiliate advertising market, DOOH ad serving platform market, and other peripheral areas in "Detailed Analysis of Internet Advertising Media Expenditures in Japan 2020" by D2C Research Institute, Inc. (Cross-sectional tabulation).

※2 Total of advertising platform business, marketing SaaS business, and overseas business (SSP). The potential market size of the advertising platform business is the sum of the market share that could be obtained from the respective market sizes in search advertising, SNS advertising, display advertising, affiliate advertising, DOOH advertising, and other peripheral domains, taking into account the industries and characteristics of target customers for each service domain provided. (Prepared by Geniee based on "2020 Japanese Advertising Expenditures" by Dentsu Inc., Dentsu Digital Inc. and Cyber Communications, Inc. and D2C Research, and "Martech Market Status and Outlook FY2019" by MIC Economic Research Institute.

The potential market size of the marketing SaaS business is the total annual spending money by all potential customers if each SaaS product is introduced at all potential customers of the Group in Japan. All potential customers are classified into the largest, large, medium, small, and micro businesses according to the size of the number of employees. The number of potential customers was calculated by assuming the percentage of companies using the service and the number of employees using the service for each business size. Prepared by Geniee based on the 2016 Economic Census - Activity Survey: Summary of Enterprises, etc., Cross-sectional Industry Data.

TAM: 5.2 trillion yen

(Total for Ad Platform Business, Marketing SaaS Business and Overseas Business)

The size of the market where Geniee operate business ※1

SAM: 2.9 trillion yen

(Total for Ad Platform Business, Marketing SaaS Business, and Overseas Business)

The size of the market where Geniee can offer our services※2

SFA, CRM, MA, Chat, Site
Search
SSP, DSP, DMP, DOOH

Obtainable markets in near future

Markets that can be obtained by strengthening and extending current products and services

Potential markets

1. Business Overview
- 2. FY2023.Q2 Results**
3. Advertising Platform Business
4. Marketing SaaS Business
5. Overseas Business
6. Medium-term and Long-term policy



FY2023 Financial Summary

Revenue increased 23.7% compared to same quarter last year.

As a result of the reduction in the amount of earn-out payments due to the review of Zelto's management structure, other income increased and contributed to operating income.

(millions of yen)

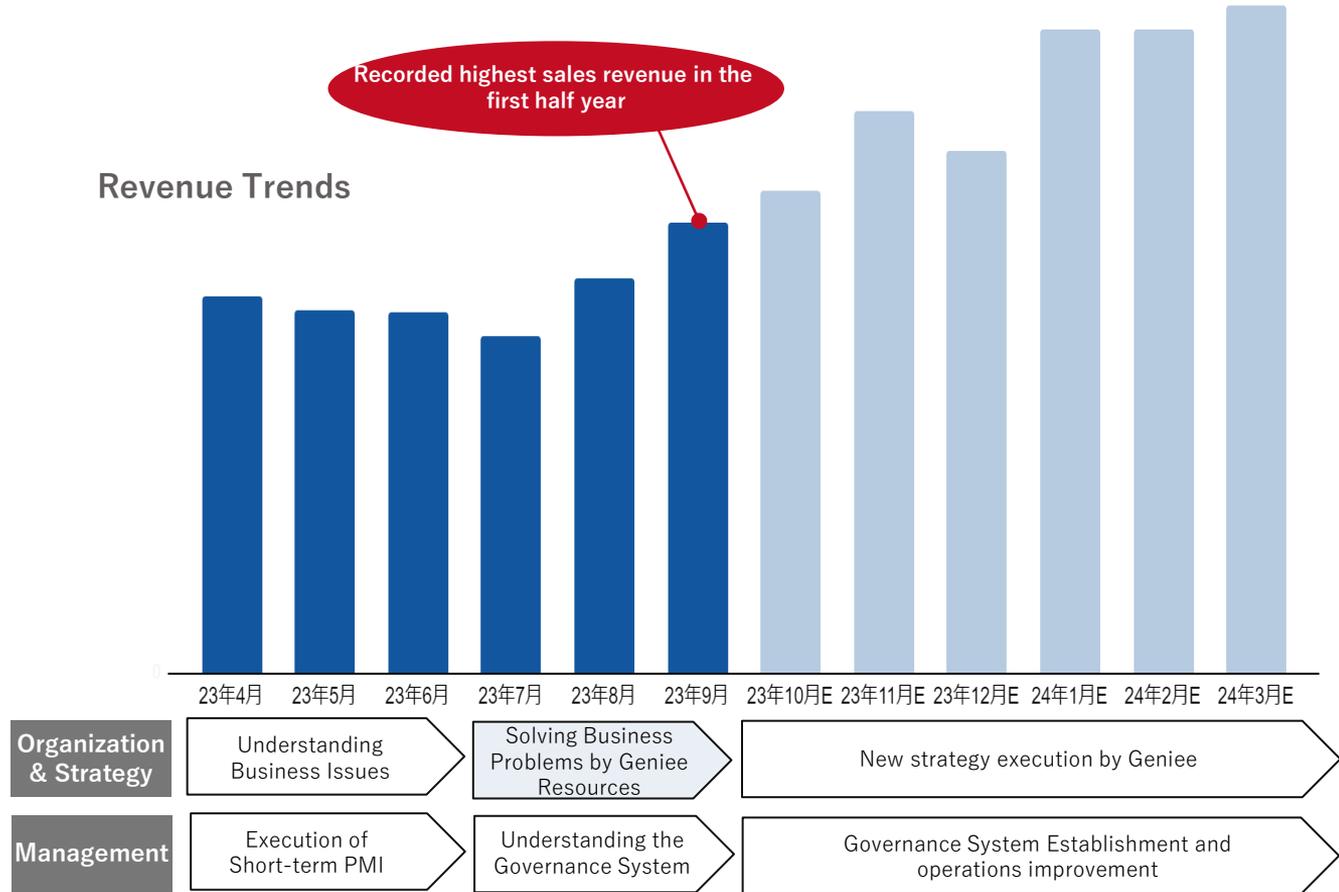
	FY2022 2Q(a)	FY2023 2Q(b)	Inc/Dec(b-a)		FY2023 (Plan) Initial	FY2023 (Plan) Revised
			Amounts	%		
Revenue	3,038	3,758	720	+23.7%	9,600	8,400
Gross profit	2,425	2,873	448	+18.5%	7,800	6,600
Operating Profit	440	880	440	+99.9%	2,000	1,800
Income before Tax	467	690	223	+47.7%	1,900	1,500
Net income	322	635	313	+97.4%	1,500	1,300
Net Income attributable to owners of parent	327	632	305	+92.9%	1,500	1,300

Overseas Business Zelto PMI Progress

The newly established CEO team is taking the lead in promoting PMI under the leadership of Geniee.

In the second half year, we are integrating the existing overseas business and Zelto organizationally and implementing a new strategy (sales, marketing, and product strategies) under the new organization.

Revenue Trends



*Revenue from October 23 onwards is an image.

About Earn-Out

Due to the continued increase in the percentage of commitment of the CEO team in Zelto's PMI process, Ankit's involvement in Zelto's performance has decreased relatively, and the contract has been revised to reduce compensation payable without changing the performance achievement criteria.

As a result, the balance of payables payable in the future was reduced to 580 million, resulting in the recording of 550 million in other revenue.

In addition, a financial expense of 130 million yen related to earn-out was recorded due to the revision of the present value of the payable as of the end of September 2023 and the end-of-period conversion.

(millions of USD)

	Before	After	Difference
Maximum payable compensation (to be paid in June 2026)	10.0	5.0	▲5.0
Weighted Average Cash Outflow	9.0	4.5	▲4.5
Balance of payable related to earn-out as of the end of March 2023	7.6	-	-
Discounted present value of payables as of the end of September 2023	7.8	3.9	▲3.9

Recorded as payable
580 million (=CR*149.58 yen × USD3.9M)

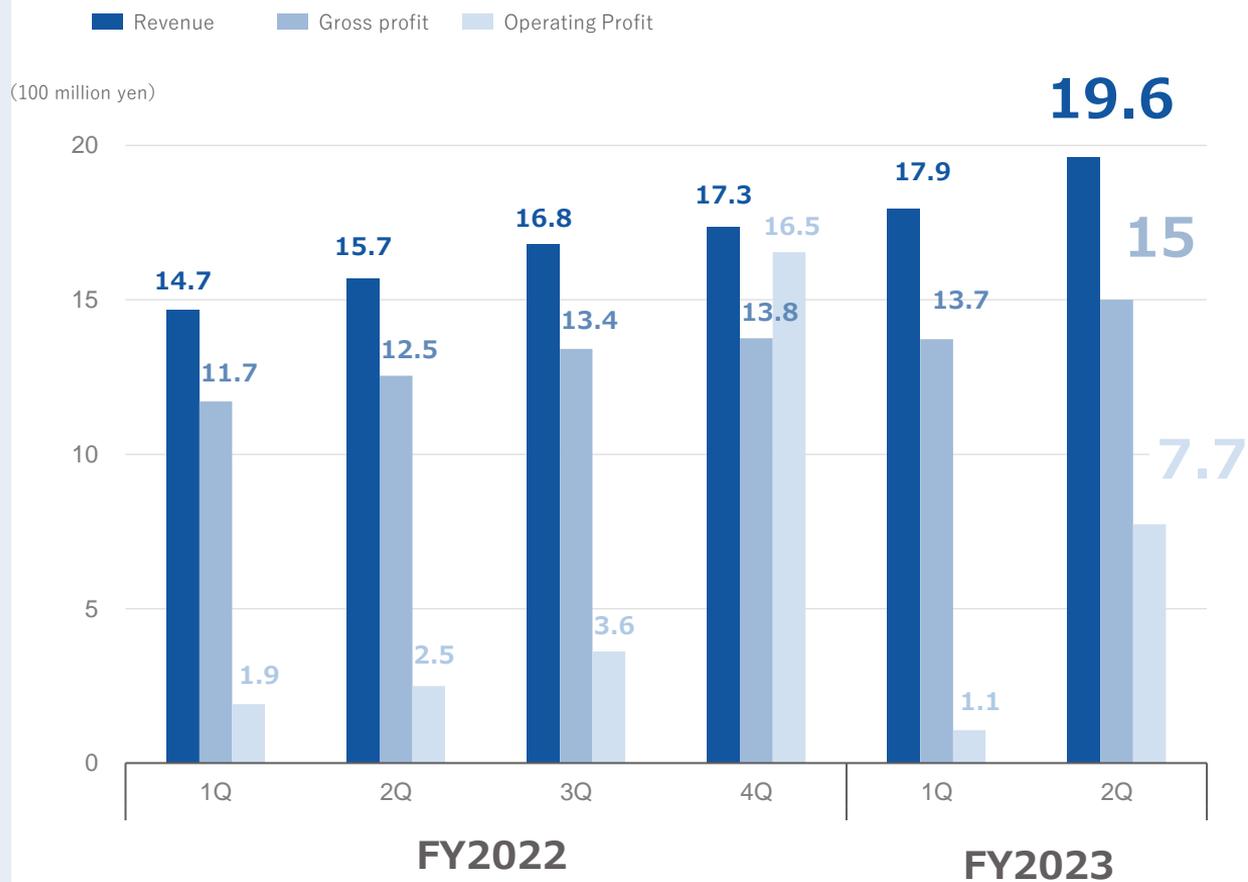
Recorded as other revenue
550 million (=AR*141.06 yen × USD3.9M)

*CR is an abbreviation for the closing date rate, and AR is an abbreviation for the average rate during the period. CR is applied to the year-end evaluation of BS items (financial liabilities), and AR is applied to PL items.

FY2023 Quarterly Results

Both revenue and gross profit reached record highs.

Revenue increased 25% year-on-year.



By Segment Highlights

(100 million yen)

Ad Platforms
business

Revenue

19.8

Segment Profit

9.7

Ref. Operating Profit 5.3

- On the supply side, we succeeded in developing an untapped video field.
- Demand side further enhances the performance domain.
- PMI completed for KANADE after business succession.

Marketing
SaaS Business

Revenue

12.8

Segment Profit

1.1

Ref. Operating Loss 2.8

- Even after receiving a large order for SFA/CRM, additional development and cross-selling to other services such as CHAT increased.
- Maintain a low churn rate and contribute to increasing MRR.

Overseas Business

Revenue

6.1

Segment Profit

1.2

Ref. Operating Profit 0.7

- Zelto's PMI system establishes a new CEO team and solves management issues under the leadership of Geniee.

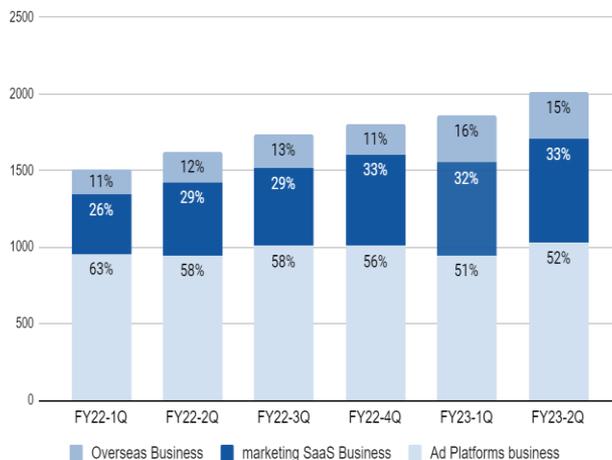
By Segment Performance Ratio

Although the advertising platform business is the main business, the proportion of marketing SaaS business and overseas business which has a high market size and market growth rate is also gradually increasing.

In addition, the SFA/CRM of the marketing SaaS business orders for large-scale enterprises have increased, and segment profit (gross profit minus SG&A expenses) has been in the black since the fourth quarter of FY2022.

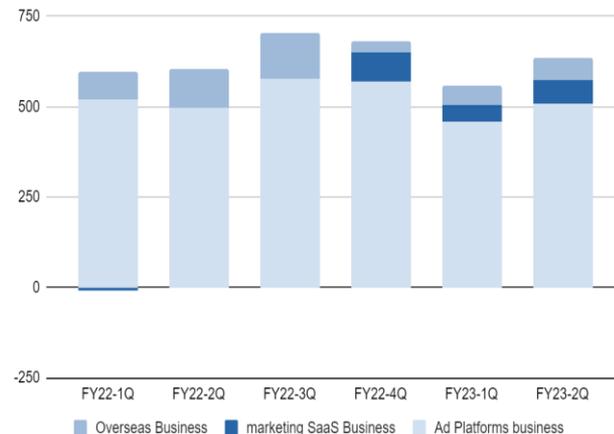
Revenue

(millions of yen)



Segment Profit

(millions of yen)



Topic

About JAPAN AI

JAPAN AI, a subsidiary engaged in AI-related businesses, signed a capital and business alliance agreement with REGAL CORE Co., Ltd. in October.

Company Profile

Name	REGAL CORE Inc.
representative	Representative Director Hayato Tanoue
head office	1-7-4 Shibuya, Shibuya-ku, Tokyo Aoyama Kobayashi Building 2F
Establishment	April 2021
Paid-in Capital	16,010,000 yen
Description of Business	Legal Check Business

JAPAN AI Services

In-house AI assistant service
「JAPAN AI Chat^(TM)」

Providing AI to companies consulting

GPT/Large Language Models
Leveraged product development

Powered by AI
New products and features
(Continued release)

Capital and business alliance with REGAL CORE

Background

In October of this year, the Consumer Affairs Agency's Act on Unjustifiable Premiums and Misleading Representations was partially revised, and regulations on stealth marketing began
→ the need for continuous legal checks in the operation of advertising creatives is increasing.



JAPAN AI partially automates the legal check service of REGAL CORE for advertising creatives based on the Pharmaceutical and Medical Devices Act and the Act on Premiums and Representations, etc. and supports the provision of services more quickly.

1. Business Overview
2. FY2023.Q2 Results
- 3. Advertising Platform Business**
4. Marketing SaaS Business
5. Overseas Business
6. Medium-term and Long-term policy

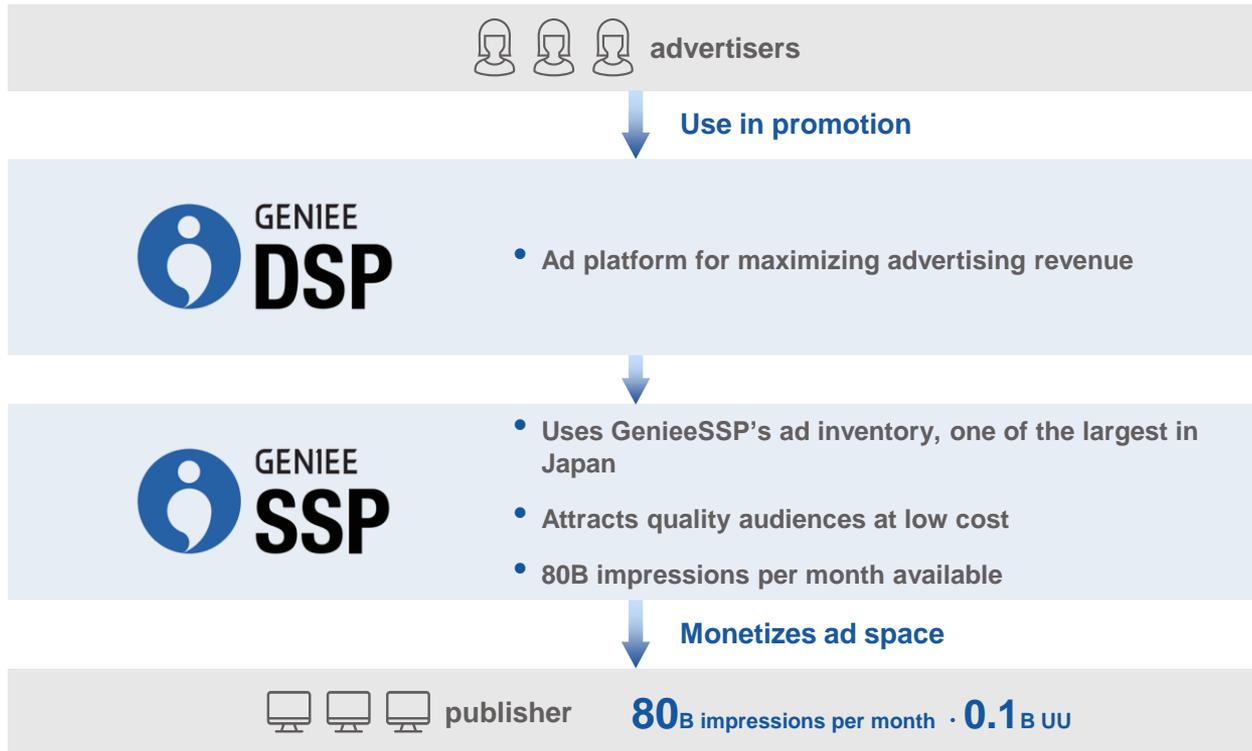


Ad Platform Business



Ads Platform

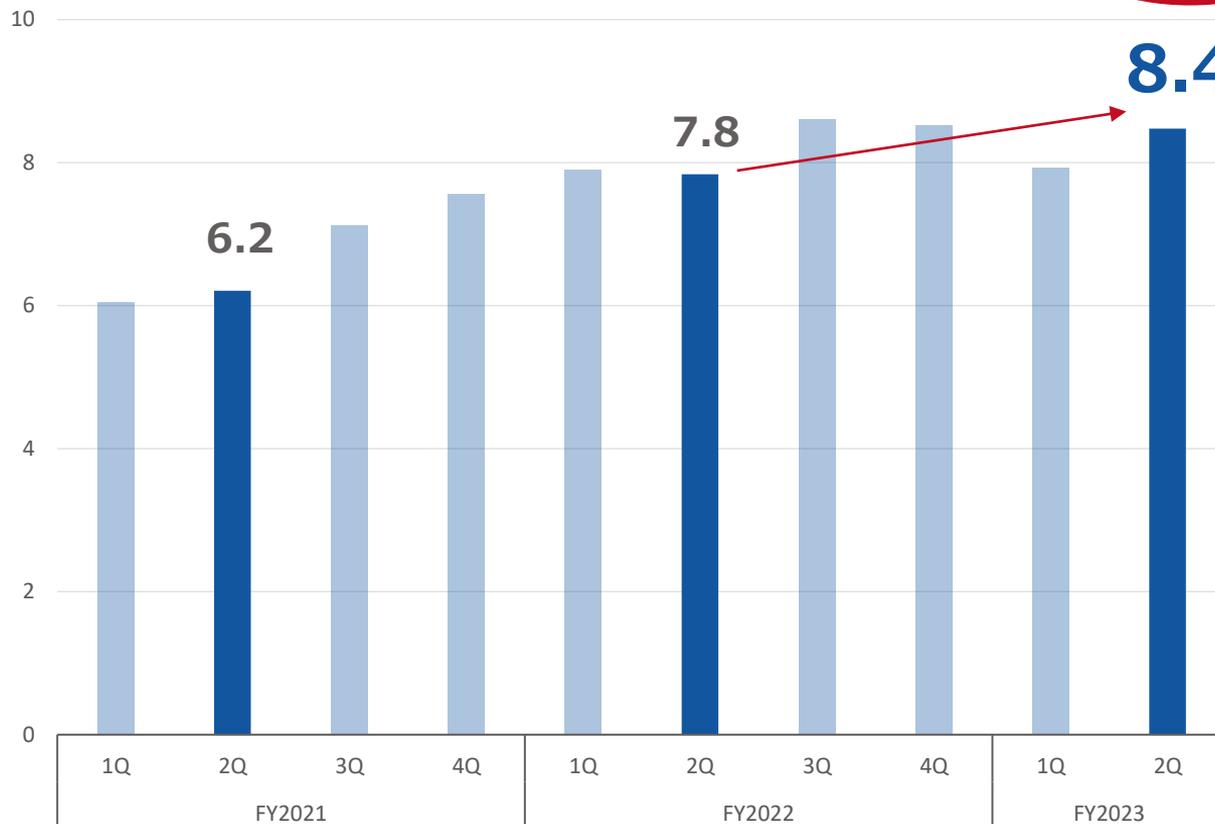
Technology that displays personalized ads
Provides high profitability for media and high cost-effectiveness for advertisers



Ad Platform Business Gross profit transition

Gross profit is up 8.1% year-on-year. On the supply side, we have pioneered the untapped video field, and on the demand side, in addition to the strong performance in the VOD field, the DOOH domain has also recovered due to the convergence of the coronavirus. From the quarter third onward, we will aim to increase sales in our new business, GENIEE RMP, and further increase in Geniee Dynamic (KANADE DSP), which we took over the business.

(100 million yen)



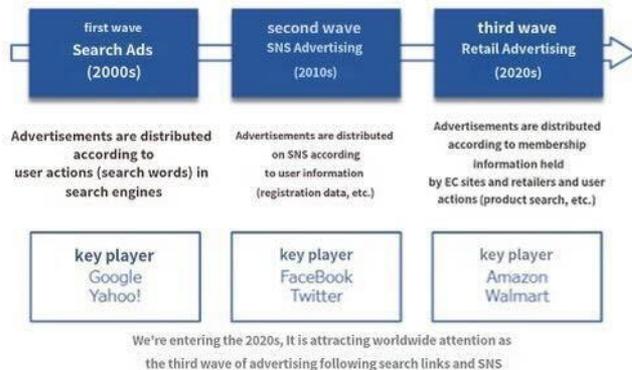
Topic

「GENIEE RMP」

The retail media market is expanding mainly in the United States as a new marketing measure in the cookieless era and against the backdrop of the shift in purchasing behavior to online due to Corona (2023 is said to be the first year of retail in Japan).

Targeting media such as e-commerce sites and store signage operated by distribution/retail companies, GENIEE RMP aims to be the No. 1 retail media service in Japan.

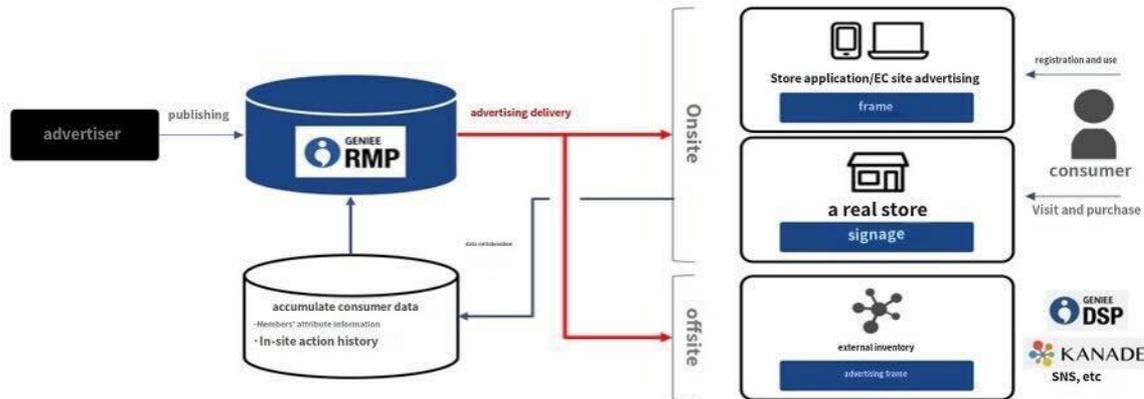
Background to Market Expansion



Why Retail Advertising is attracting attention



GENIEE RMP Business Overview

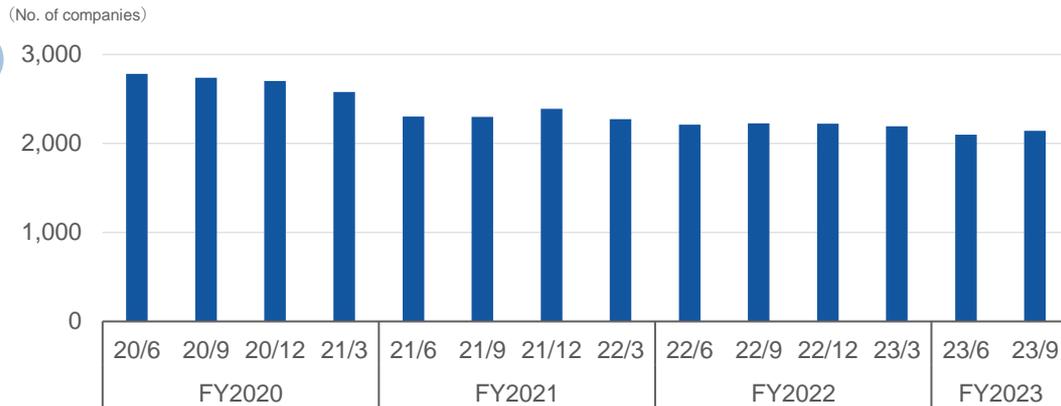


Advertising Platforms Business KPIs

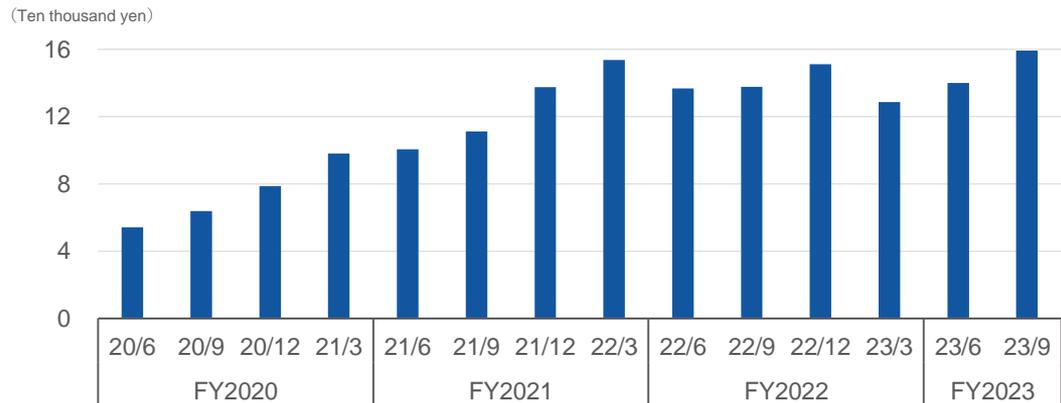
We will continue to improve the added value of our products and aim to increase the number of companies and companies.

In addition, we took over KANADE DSP in July this year, and as a result of maintaining and increasing the number of companies, the number of companies increased by 42.

Number of Companies^(*)



Average revenue per company^(*)



*1 Calculated based on net figures. In addition, from this fiscal year, the advertising management agency and DOOH figures are calculated by adding information including information compared to previous years.

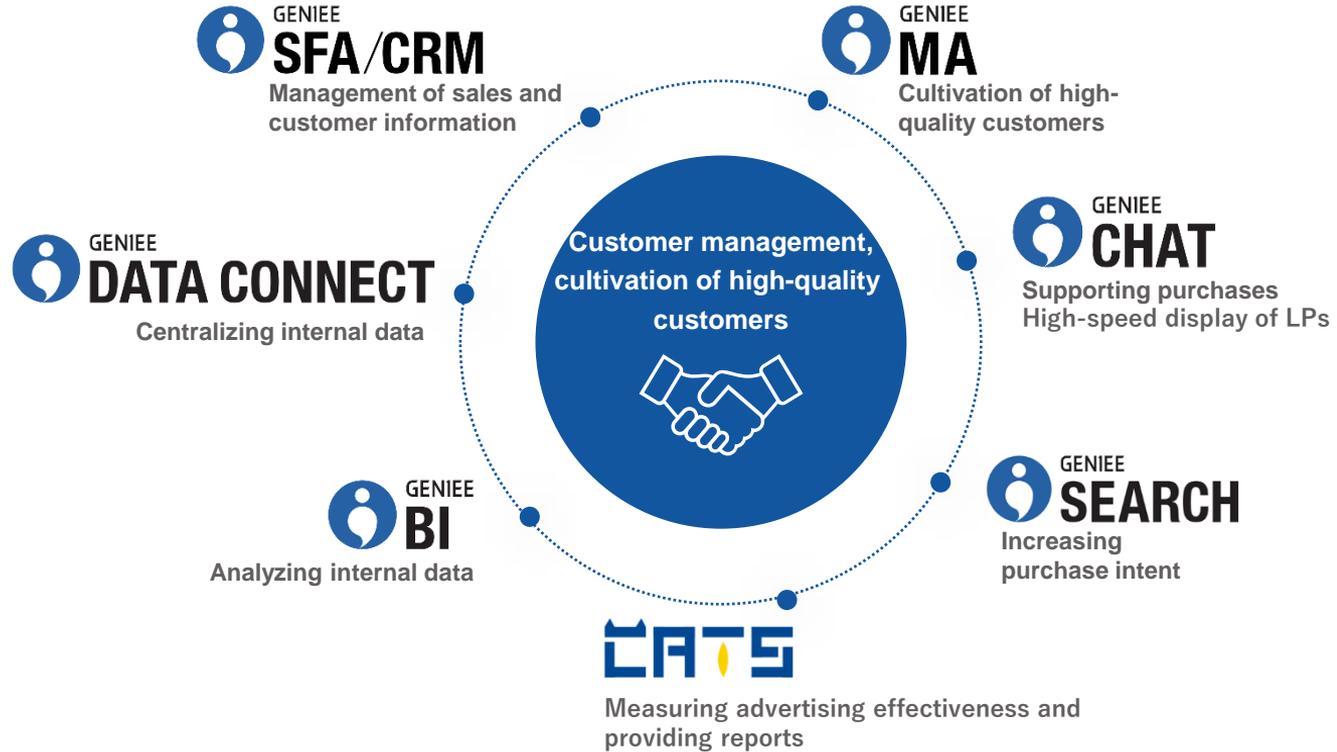
1. Business Overview
2. FY2023.Q2 Results
3. Advertising Platform Business
- 4. Marketing SaaS Business**
5. Overseas Business
6. Medium-term and Long-term policy



Marketing SaaS Business

GENIEE Marketing Cloud

The only Japan-made sales and marketing platform that can execute and manage everything from attracting customers to receiving promotional orders.



Marketing SaaS Business Highlights

Revenue and ARR grew significantly compared to the same period last year.

Revenue/ YoY growth

1,276 Million Yen / **+47.3%**

Recurring ratio (*1) /YoY growth

82.9 % / **+7.7**ポイント

Gross profit rate

74.5%

ARR/ YoY growth

2,128 Million Yen / **+37.4%**

Segment Profit

109 Million Yen

ARPA/YoY growth

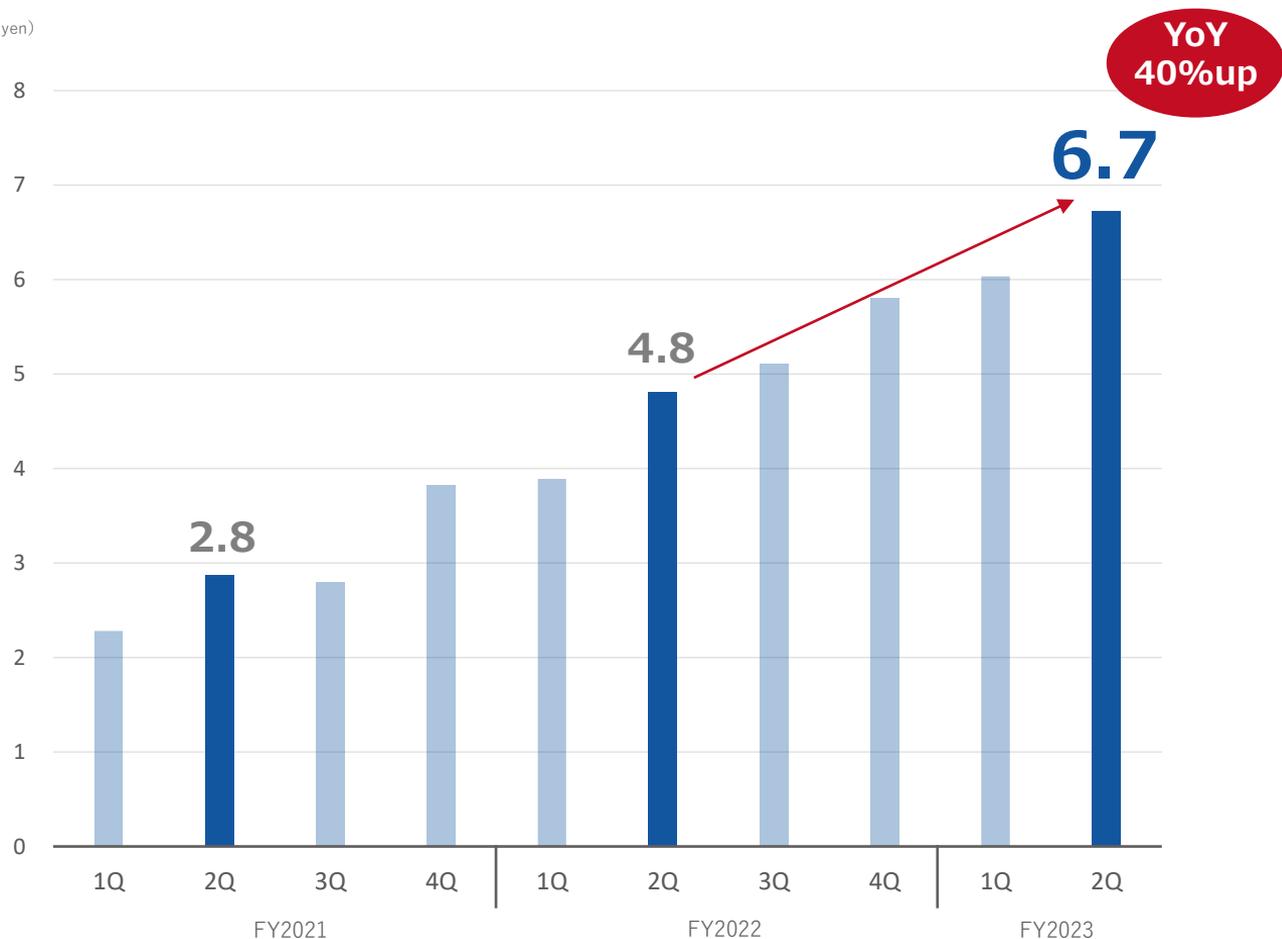
15,818 yen / **+3.6%**

*1 Calculated based on 12 months backward from the end of the fiscal year.

Marketing SaaS Business Revenue

Revenue increased 40% year-on-year. On a quarterly basis, it also reached a new record high. SFA/CRM has led to the development of the enterprise layer, and even after receiving orders, it has led to additional development requests and cross-selling to other services. While the customer base is shifting to the enterprise, the number of companies and the number of companies are on the rise. We expect to release updated functions sequentially from the third quarter onward, and when we complete the individual development for enterprises, which we have been conducting for some time, MRR is expected to increase at once.

(100 million yen)



YoY
40%up

6.7

4.8

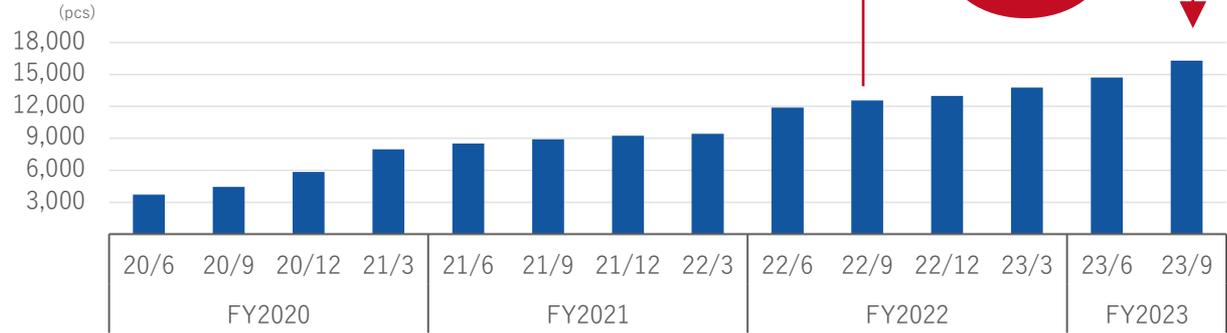
2.8

Marketing SaaS Business KPIs

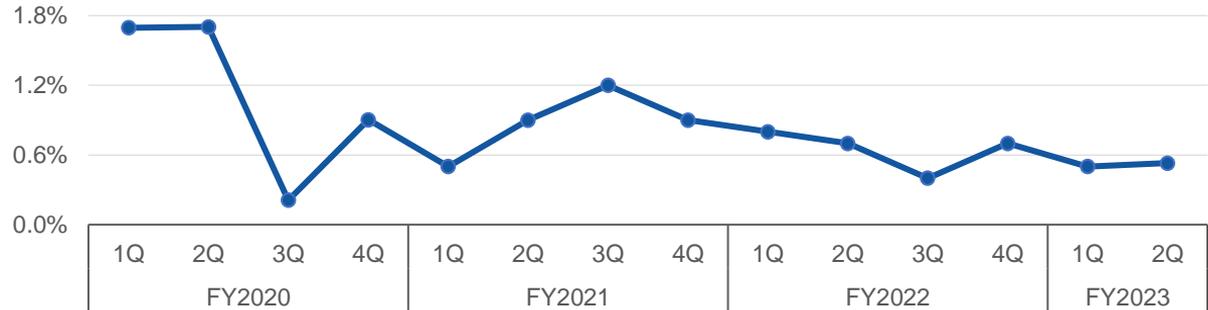
The number of accounts is progressing well.

Maintaining a low churn rate due to a high level of customer service also contributed to MRR.

Number of Paid Accounts



Churn rate



*Average 3-month churn rate for accounts

Marketing SaaS

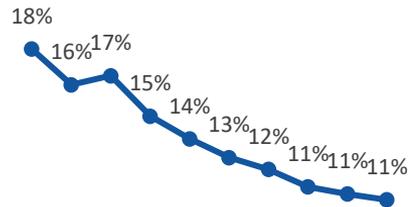
SG&A expenses in business as a percentage of sales

R&D is on a downward trend due to an increase in MRR and an increase in the ratio of software recording due to general-purpose development for enterprises.

Due to the increase in the number of members on the business side, the S&M ratio in FY2022 is on an upward trend.

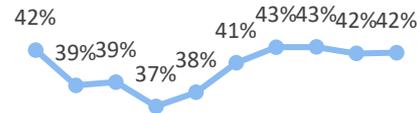
G&A is also on the rise due to the increase in corporate staff.

R&D(*1)(*2)



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
FY2021				FY2022				FY2023	

S&M(*1)(*3)



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
FY2021				FY2022				FY2023	

G&A(*1)(*4)



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
FY2021				FY2022				FY2023	

*1 Calculated 12 months backward from the end of the quarter.

(*2) Abbreviation for Research and Development. Total personnel costs and related expenses for engineers involved in research and development.

(*3) Abbreviation for Sales and Marketing. Total of advertising expenses, personnel expenses for sales personnel, related expenses, etc. related to sales promotion.

(*4) General and Administrative 課 abbreviation. The sum of personnel costs, related expenses, and common expenses of the corporate department to be borne by the marketing SaaS business.

1. Business Overview
2. FY2023.Q2 Results
3. Advertising Platform Business
4. Marketing SaaS Business
- 5. Overseas Business**
6. Medium-term and Long-term policy



Overseas Business

Started overseas expansion in 2012. Overseas development of a platform that maximizes advertising revenue and effectiveness for Internet media and advertisers, mainly in the fast-growing Asian region.

In February 2023, Zelto, Inc. will be made a wholly owned subsidiary, and Geniee will not only develop GENIEE SSP overseas, but also collaborate and expand functionality of Zelto product services.

Overseas locations



Business

- Developed business in Europe, the U.S., and the APAC region, and established a position as the market leader in the advertising revenue optimization domain in the APAC region.
- In addition to providing Google's reseller business and GENIEE SSP, Zelto offers Adpushup (ad revenue optimization solution) and Adrecover (ad inventory monetization solution) services.
- Zelto has been certified as a GCPP Premier Partner* by Google.

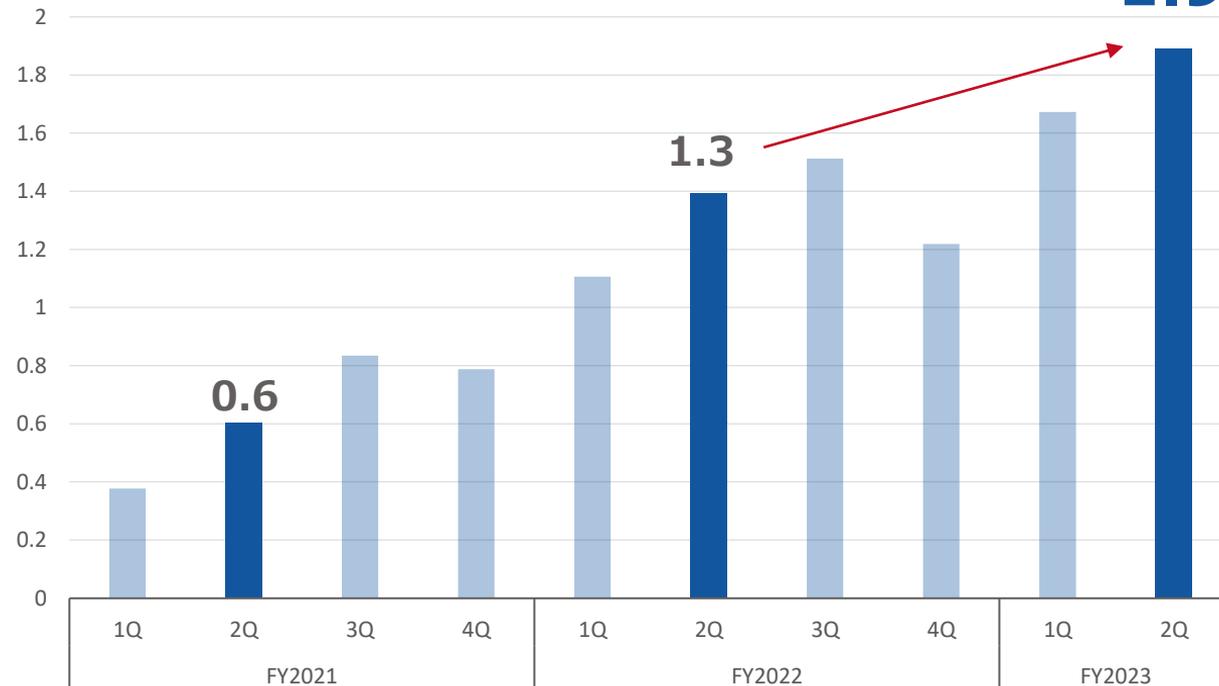
※ Only a select number of partners who have met strict criteria and have expertise and skills in Google Ad Manager/AdSense are certified.

Overseas business Gross profit goes on

Gross profit increased by 34.4% year-on-year. On a quarterly basis, it has also reached a record high. Zelto's PMI structure has been changed and management issues centered on the newly established CEO team. We have canceled and eased the minimum guarantee on existing contracts.

From the third quarter onward, we will unite the products and organizations of Geniee and Zelto and aim to capture overseas markets.

(100 million yen)



YoY
34.4% up

1.9

1. Business Overview
2. FY2023.Q2 Results
3. Advertising Platform Business
4. Marketing SaaS Business
5. Overseas Business
- 6. Medium-term and Long-term policy**



Planning Assumptions

In FY2023, Geniee will strengthen its profit structure through cost reductions against the backdrop of declining advertising revenues due to the recession in the U.S.

For FY2024 and beyond, which will be the recovery period, Geniee will resume investment in growth and, after the change of prime market, will aggressively pursue M&A with synergies with existing businesses.

External Environment



- In FY2023, we assume the impact of declining demand for advertising due to recession in major developed countries as a result of rising interest rates.
- In FY2024, the recession will return to the level of FY2022, and in FY2025, the recession will end as a result of lower interest rates in the U.S., and the economy will begin to recover.

Investment Philosophy



- Continue to invest in new technology areas that will become sources of competitiveness and in development necessary to secure competitive advantage
- On the other hand, until the timing of the prime market change, we will not conduct large-scale M&A that will have a significant impact on our group's management structure.

New Medium-Term Management Plan

Overall Policy

Although a short-term recession is expected, Geniee will provide innovative business for the next boom period by promoting operational efficiency and product improvement by expanding its market share in the enterprise domain and establishing an AI subsidiary, along with re-growing its ad technology business.



Medium-Term Management Plan Numerical Targets

In FY2023, we revised our full-year earnings forecast, but we assume the original plan for FY2025 on the premise that the recession will recover.

	FY2023 (plan) Initial	FY2023 (plan) Revised	FY2025 (plan)
Revenue	96 billion yen	84 billion yen	162 ~ 202 billion yen
Gross profit	78 billion yen	66 billion yen	132 ~ 164 billion yen
Operating Profit	20 billion yen	18 billion yen	45 ~ 55 billion yen
Attributable to the parent company	15 billion yen	13 billion yen	30 ~ 37 billion yen

The exchange rate is assumed to be 1\$ = 131.18 yen for FY2023 and 1\$ = 124.50 yen for FY2025.

FY2023

Full-year earnings forecast

(millions of yen)

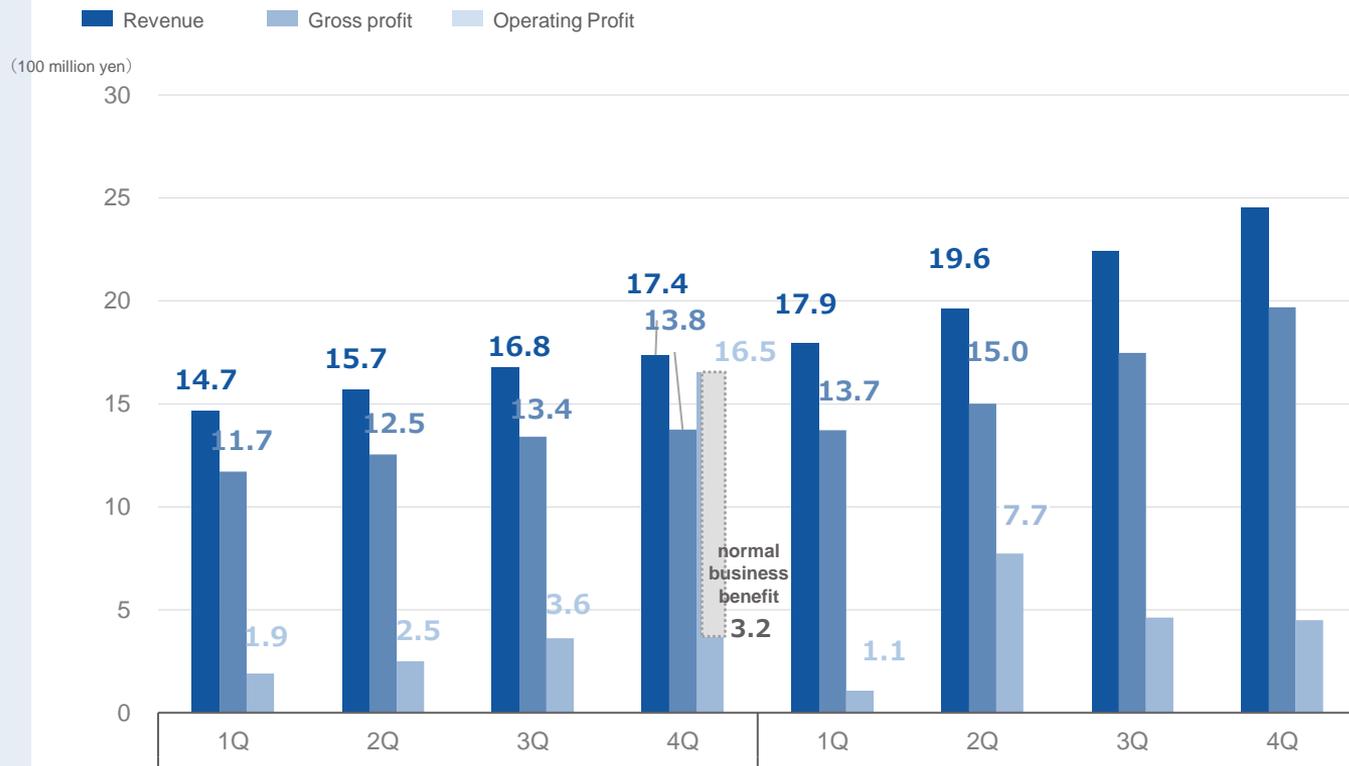
	FY2022 (achievements)	FY2023 (plan) Initial	FY2023 (plan) Revised
Revenue	6,455	9,661	8,400
Ad Platform Business	3,918	4,819	4,300
Marketing SaaS Business	1,976	3,173	2,900
Overseas Business	783	1,686	1,400
(Adjustment amount)	△223	△20	△200
Gross profit	5,142	7,804	6,600
Segment Profit	2,457	2,006	1,800
Ad Platform Business	2,163	2,683	2,200
Marketing SaaS Business	85	608	400
Overseas Business	338	700	300
(Whole company, elimination, etc.)	△131	△1,985	△1,100
Operating Profit	2,457	2,006	1,800
Ad Platform Business	1,417	1,697	1,300
Marketing SaaS Business	△545	△260	△400
Overseas Business	273	588	200
(Adjustment amount)	1,312	△18	700
Income before	2,279	1,912	1,500
Net income attributable to owners of the parent company	2,114	1,506	1,300

* FY2023 (Forecast) Net income ¥73.50 per share

FY2023

Quarterly Earnings Forecast

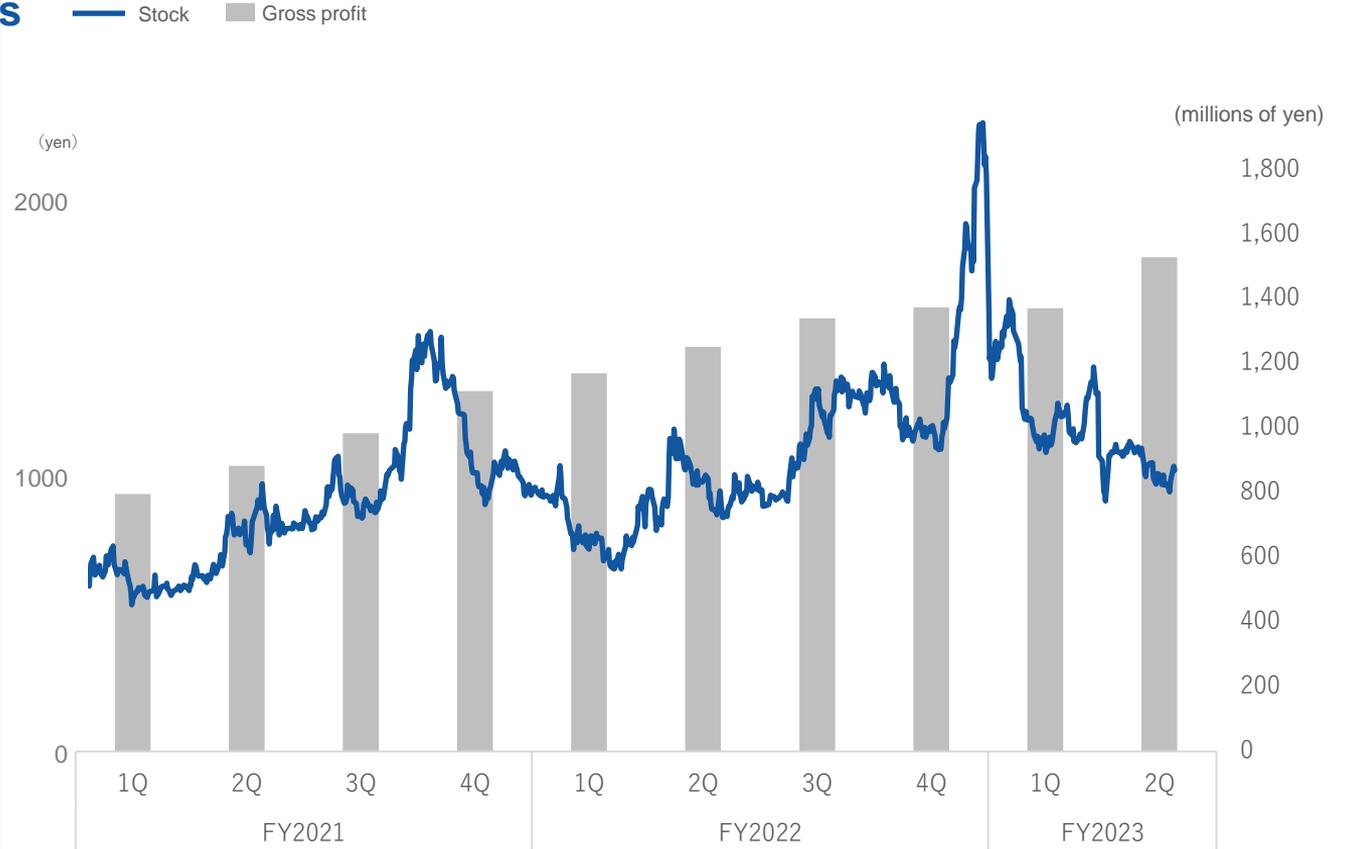
Revenue is increasing quarterly. In the advertising platform business, revenue is seasonal, and we plan to expand revenue in the third and fourth quarters, which are the busy seasons.



Trends in stock prices

Stock price: 1,025 yen as of November 8

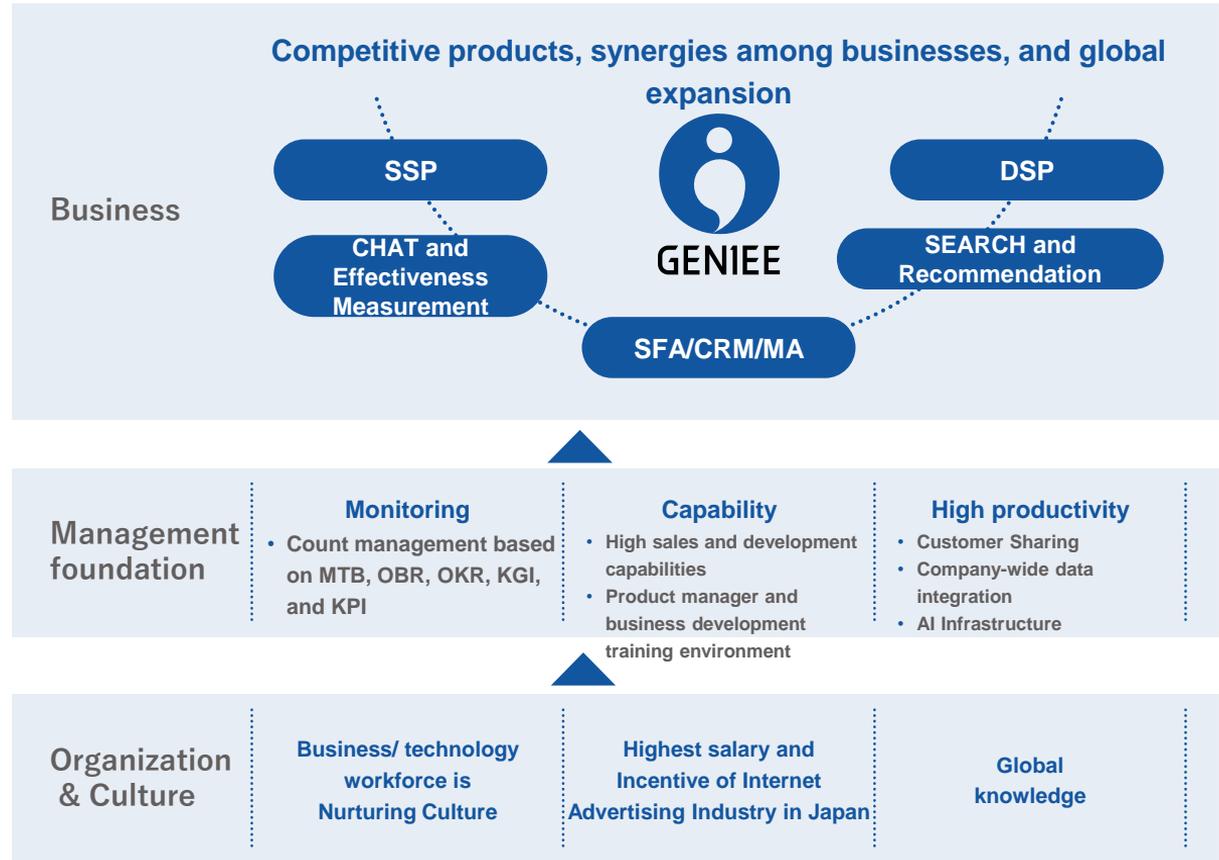
We will ensure the growth of Geniee in the short, medium and long term, strengthen IR, and lead to a rise in the stock price.



APPENDIX

Geniee's Competitive Advantage

With our organization, culture, and management foundation, we have built a system that enables us to develop additional functions at each business layer through competitive analysis of products, cross-sell products to homogeneous customer segments, and expand globally through group cooperation.



Positioning

We have created a unique positioning that sets us apart from major foreign companies, major online advertising companies, and single product companies.

Focus on cost-effectiveness for customers

Provide customers with maximum business results at low cost

Software & Professional Services

Total coverage from solution selection to product implementation and operation



Comprehensive Product company

Extensive product lineup that solves marketing issues single-handedly

Organic Growth x M&A

Aggressive execution of M&A to accelerate organic growth of existing businesses

Glocal Business Activities

Global development with regional considerations

Strong commitment to customer success

All products are developed in-house. We have a large team of customer success personnel who partner with customers to enable their success. We tailor our support to the challenges and applications of each company, from deployment to establishment and utilization.

Three reasons customers choose us

1



Japan-made marketing tools
that anyone can master

2



Easy management,
Aggregation and
analysis of customers
and sales

3



Robust support

Big Data/Technology

Big Data Processing Technology

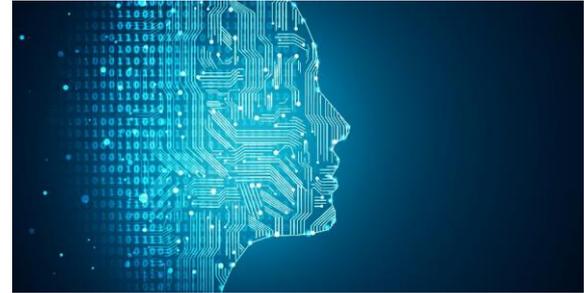
High-speed data processing technology capable of handling hundreds of thousands of requests per second



- 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

Knowledge of cutting-edge digital transformation and marketing

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.

Customer assets/data

Number of ad views per month

80B Impression

Active customers

3,000 companies

Blog / column

Useful tips on digital marketing



Investing in Continuous Growth

In FY2023, we expect an operating profit of 1.8 billion yen, and we expect operating cash flow to be our primary priority for the acquisition of Zelto.

While controlling funding costs, we mainly secure operating cash flow and secure a stable cash position.

On the other hand, in terms of investment, we will promote business investment and M&A while emphasizing organic growth.

Cash In

Cash Out

Operating Cash Flow

Securing operating cash flow through thorough business management

Interest-bearing debt

In accordance with Geniee's financial management discipline, working and investment capital is procured.

Equity Financing

Examination from a comprehensive perspective such as stock price level, market environment, financial position, and probability of transition to the prime market

Business Investments

Investments in organic growth in existing business recruitment, research, marketing, and product function development.

M&A

Acquisitions of businesses with high synergies, such as sharing technology, know-how, and customer base

Share buyback

Implemented flexibly in consideration of future investment capacity, stock price levels, market environment, financial outlook, etc.

Priority

1

2

3

Risks and Response Policy

In order to realize the Medium-Term Management Plan, we identified and assessed risks through global risk management activities and formulated a response policy. We will respond promptly and appropriately to the materialization of risks.

Key Risks	relation segment	Example Risk Scenarios	Main Response Policies
Internet Advertising Market Trends and Competitive Environment	Ad Platform Business, Overseas Business	Potential decline in revenue due to economic downturns, reduced advertising budgets, and lack of competitiveness	<ul style="list-style-type: none"> Approaching industries and industries that are less susceptible to influence Benchmark competitors and make continuous technology investments
Cookie Regulation	Ad Platform Business, Overseas Business	Potential loss of revenue due to targeting restrictions	<ul style="list-style-type: none"> Development of new technologies Technical Collaboration with Other Companies
Information Security and Management of Personal Information	Marketing SaaS Business	Outflow of information assets such as customer information of companies that have introduced SaaS products	<ul style="list-style-type: none"> Acquisition of Privacy Mark certification, continuous maintenance and improvement of standards regarding the management of personal information
innovation	All Businesses	Possibility of declining competitiveness, additional system development, and increased labor costs due to the development of new technologies and new services by competitors	<ul style="list-style-type: none"> Development of new technologies Analysis of Overseas Advanced Case Studies Technical Collaboration with Other Companies
Risks of Overseas Business	Overseas Business	Due to business practices and government regulations specific to each country, the Group may not be able to recover its investment, which may affect the Group's financial position and operating results.	<ul style="list-style-type: none"> Confirmation of regulatory changes by a local legal advisory firm Information Coordination between Overseas Subsidiaries and Headquarters
Entry into new service areas	All Businesses	Due to the timing of the upfront investment associated with entering a new market and the speed of market expansion and the scale of growth, we may not be able to achieve the results we originally envisioned, and we may incur losses due to service suspension or withdrawal.	<ul style="list-style-type: none"> Interviews with multiple experts Overseas Advanced Case Study Survey Deferred upfront investment until potential customers are monetized
Acquisitions and investments	All Businesses	Occurrence of contingent or unrecognized liabilities, fraudulent activities or compliance issues due to inadequacies in internal controls after the acquisition, and the possibility of significant losses	<ul style="list-style-type: none"> Implementation of due diligence by various internal and external experts Thorough utilization of M&A know-how and points to keep in mind accumulated in the past

Sustainability

Among ESG, we place particular emphasis on society and governance, and have adopted a wide range of systems to provide fair opportunities to employees, promote career motivation, and promote internal communication. In addition, we place importance on governance as a listed company, and have established a system to ensure that employees thoroughly implement a code of conduct to ensure that their duties are conducted lawfully and appropriately, and to enhance the reliability and transparency of financial reporting.

Environment

Examples of Initiatives and Results

- In order to make effective use of resources, reduce environmental impact, and improve operational efficiency, we request the conclusion of quotations and basic contracts with electronic signatures in principle.
- Introduced a cloud-based HR, attendance, accounting, and expense reimbursement system to achieve thorough paperless operation

SDGs Goals



Social

- There is a comfortable working environment such as refreshment leave, rent subsidy, book subsidy, and a working mom and dad support system, as well as support for career advancement such as an internship system, a job change system, and a global challenge system.
- In order to promote the active participation of female employees, we are actively hiring female employees and promoting them to managerial positions, and we will continue to promote the development of an environment where it is easy to work together regardless of gender.
- Assign appropriate human resources globally, such as assigning excellent overseas human resources to the head office and appointing head office personnel at overseas bases



Governance

- Hold regular meetings of the Compliance Committee and ensure that employees are fully aware of the sexual harassment and power harassment policies
- The ratio of outside directors is high, and checks and balances from outside directors function appropriately.
- As a company with an Audit and Supervisory Committee, we supervise and support internal audits and external audits to ensure the reliability and transparency of information related to financial reports.



Geniee platform, partnership with SoftBank Group

Overseas expansion since our third year. We have also implemented numerous business alliances and investment M&As. We will fully leverage these advantages through collaboration with the SoftBank Group.

Asia

80 billion

Impressions
Managed per month

+4

International
Offices (JP HQ)

10,000+

Active
Publishers globally

50,000+

Campaigns
managed per month
globally



Indonesia
No.1 Mobile Carrier

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

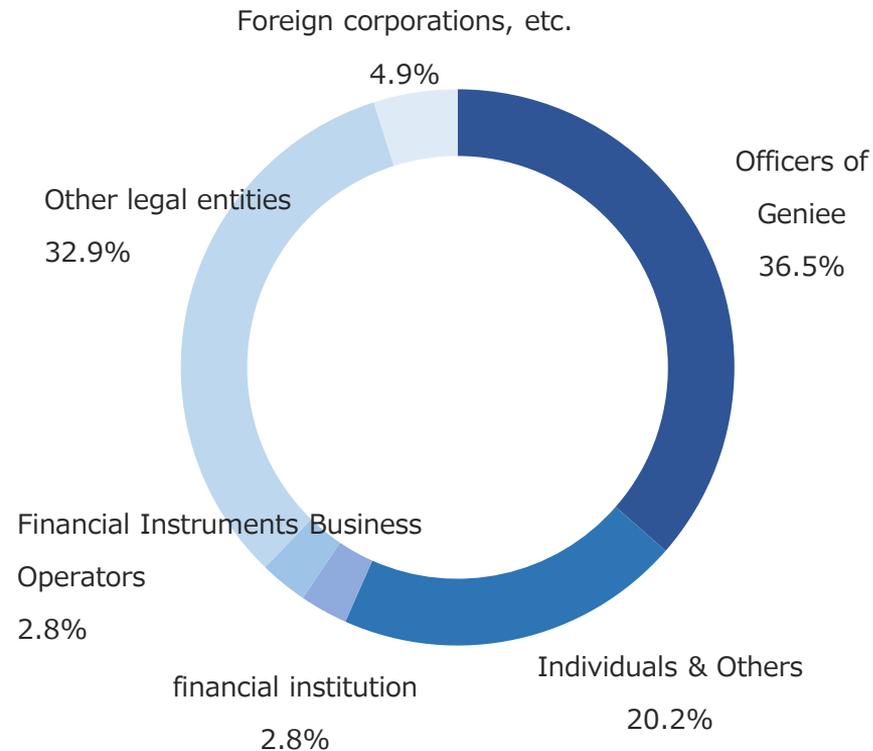
Company name	Geniee, Inc.	Employees	566 (Consolidated, as of March 31, 2023)
Business	Ad platform business Marketing SaaS business Overseas business	Establishment	April 14, 2010
Headquarters	Sumitomo Realty & Development Shinjuku Oak Tower 6th Floor, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo 163-6006	Capital	JPY 1,551 million
Representative	Tomoaki Kudo, President and CEO	End of fiscal year	March 31
Executive officers	Directors: 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 CATS Inc. JAPAN AI Inc. Zelto, Inc. Geniee International Pte., Ltd. Geniee Vietnam Co., Ltd. PT. Geniee Technology Indonesia PT. Adstars Media Pariwara

Status of Shareholders (as of the end of September 2023)

Status of Major Shareholders

Name of Shareholder	Number of shares held (share)	Shareholding ratio (%)
Tomoaki Kudo (President & CEO)	6,544,400	36.44
SoftBank Corp.	5,625,000	31.32
NICE SATISFY LIMITED	402,000	2.24
Custody Bank of Japan, Ltd. (Trust Account)	401,100	2.23
Takuya Yoshimura	358,300	1.99
Daisuke Gomi	250,000	1.39
Hiroshi Hirose	226,500	1.26
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	193,700	1.08
Ueda Yagi Tanshi Corporation	140,000	0.78
SBI Neotrade Securities Co., Ltd.	137,900	0.77

Shareholders



The consolidated management targets and other figures stated in this document are based on currently available information and contain many uncertain elements.
Actual results may differ due to changes in business conditions.

