Marketing Technology & AI Company

GENIEE

Fiscal Year Ending March 31, 2026 (FY2025) Q1 Financial Results Briefing Materials

Revenue for the first quarter exceeded 3 billion yen, representing a 35% increase compared to the same period last year, which is within expectations for achieving the full-year target.

Normal Profit*[1] increased by approximately 95%, supported by profit growth in the Marketing SaaS business and the consolidated effect of Social Wire.

- The Marketing SaaS business steadily increased its MRR, achieving sales revenue of 1.1 billion yen and approximately 30% year-over-year growth. This fiscal year, it aims to achieve profitability for the full year.
- JAPAN AI raised 1.9 billion yen in funding to strengthen talent recruitment and expand the scope of AI agent services.
- Following the unification of the organizational structure, the advertising platform business and overseas business have been integrated starting this fiscal year.

*[1] Refers to operating profit excluding one-time gains and losses.

Financial Summary

GENIEE

Sales revenue and gross profit achieved growth exceeding 35%.
Although operating profit appears to have declined year-over-year due to the impact of one-time gains and losses[1] recorded in the previous fiscal year,
the Marketing SaaS business's profit growth and the consolidated effect of Social Wire contributed to approximately 95% high growth in Normal Profit[2].

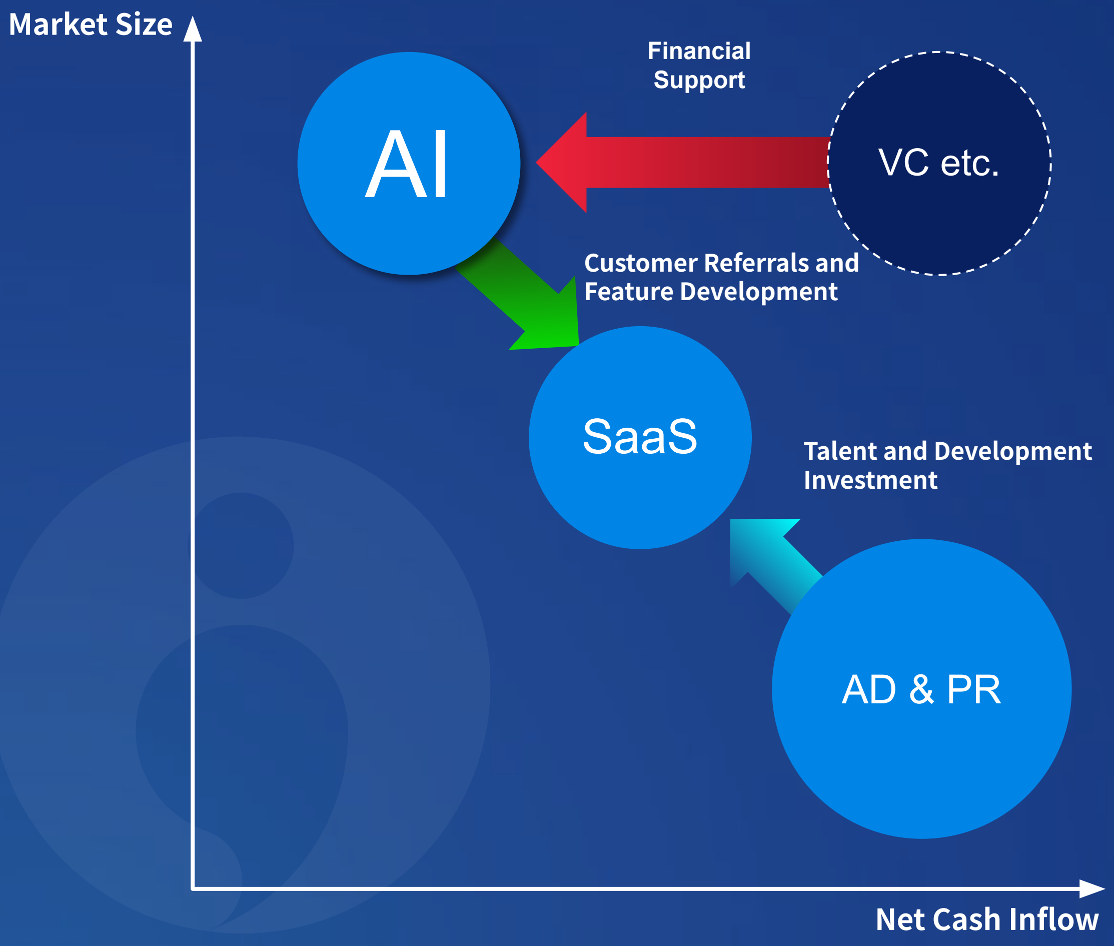
(million yen)

	FY2024 full year (a)	FY2025 full year(b)	Change (b – a)		FY2025 Projection
			Amount	%	
Revenue	2,265	3,061	796	35.1	15,300
Gross profit	1,740	2,362	622	35.7	11,800
Operating profit	815	333	-482	-59.1	2,750
[Normal Profit*2]	[170]	[333]	[163]	[95.4]	—
Profit before tax	748	231	-517	-69.1	2,600
Profit	670	162	-508	-75.8	2,010
Profit attributable to owners of parent	672	150	-522	-77.7	1,960

*1 In FY2023, out of the contingent consideration of $10 million (payment cap) for Zelto, Inc., $5 million was reduced by agreement with the former shareholders. However, since the former shareholders did not meet the continuous engagement requirement necessary to exercise the contingent consideration, the entire contingent consideration was reversed, resulting in a one-time loss of 640 million yen in FY2024 Q1.
*2 Refers to operating profit excluding one-time gains and losses.

Positioning of Each Business in the GENIEE Group

Funds acquired from the advertising platform business and digital PR business are allocated to additional development investments in the marketing SaaS business. Meanwhile, the core business of our group, JAPAN AI, is being promoted through third-party capital contributions. On the other hand, JAPAN AI is developing generative AI products particularly in the SaaS domain and, having already become one of the top runners in the generative AI field, is generating numerous cross-sell opportunities to marketing SaaS products.



Category	Strategy and Key Metrics
SaaS ＝ Marketing SaaS Business	【Position and Investment Policy】 ・Achieve a half-year profit in the second half of FY2024, aiming for a full-year profit in FY2025 ・Pursue further growth while building synergy with AI ・Plan to launch a new product in the data domain in Q2 【Key Metrics】 ・AR (Annual Recurring Revenue) ・Churn rate ・Top-line growth rate / Operating profit growth rate
AI ＝ JAPAN AI	【Position and Investment Policy】 ・One of the top domestic leaders ・M&A and development investments are necessary to secure competitive advantage ・Upgrade SaaS products and pursue cross-selling originating from JAPAN AI
AD & PR ＝ Advertising Platform Business Digital PR Business	【Position and Investment Policy】 ・Generate stable revenue led by GENIEE SSP, which holds the top domestic market share; significant growth potential exists in untapped domestic and overseas markets 【Key Metric】 ・Operating profit (source of cash generation for debt repayment and investment)

FY2025-Q1 | Segment-wise Financial Summary

GENIEE

Due to the consolidation effect of the digital PR subsidiary acquired from FY24 Q2 and the growth of the marketing SaaS business, revenue increased by over 35% year-on-year.
In the advertising platform business, although unit price declines and churn rate increases occurred in Q1 as expected at the time of planning, current unit prices and countermeasures have been implemented, enabling growth in Q2.

(million yen)

	FY2025 Q1	FY2024 Q4	FY2024 Q3	FY2024 Q2	FY2024 Q1
Revenue	**3,061**	3,039	3,160	2,856	2,265
Advertising Platform Business*	**1,258**	1,302	1,447	1,293	1,418
Marketing SaaS Business	**1,116**	1,083	963	864	859
Digital PR Business	**703**	680	761	707	―
(Adjustments)	**▲16**	▲27	▲11	▲10	▲11
Gross Profit	**2,362**	2,411	2,515	2,139	1,740
Segment Profit	**333**	389	563	752	815
Advertising Platform Business*	**538**	680	730	610	605
Marketing SaaS Business	**287**	256	260	126	25
Digital PR Business	**103**	78	150	202	―
(Company-wide / Eliminations)	**▲596**	▲626	▲577	▲187	184
Operating profit	**333**	389	563	752	815
Advertising Platform Business*	**283**	417	472	374	361
Marketing SaaS Business	**▲1**	8	21	▲91	▲193
Digital PR Business	**24**	4	65	108	―
(Adjustments)	**26**	▲40	3	361	647
Profit Before Tax	**231**	361	406	750	748
Profit Attributable to Owners of the Parent Company	**150**	267	347	666	672

*From FY2025, the overseas business will be integrated with the advertising platform business. The FY2024 figures are also presented based on the post-reorganization structure.

FY2025-Q1 | KPI Summary

GENIEE

In the marketing SaaS business, although some large clients canceled contracts in April 2025, temporarily increasing the churn rate, ARR has steadily grown quarter-on-quarter and year-on-year, exceeding 3.5 billion yen.
The advertising and digital PR sectors, which generate cash flow, experienced the anticipated unit price decline in the advertising platform business, but still produced approximately 300 million yen in operating profit in the first quarter.

	(Unit)	**FY2025 Q1**	FY2024 Q4	FY2024 Q3	FY2024 Q2	FY2024 Q1
Marketing SaaS Business						
Number of Paid Accounts	(accounts)	**22,651**	21,676	20,337	19,416	18,714
ARPA (Average Revenue Per Account)	(yen)	**20,620**	18,777	19,874	15,284	13,501
Churn Rate	(%)	**2.15**	0.30	0.72	1.83	0.20
ARR (Annual Recurring Revenue)	(million yen)	**3,539**	3,471	3,244	2,984	2,658
Gross Profit Margin	(%)	**78.6**	74.7	73.3	72.4	71.3
Recurring Revenue Ratio	(%)	**80.2**	80.3	82.1	81.2	80.5
Advertising Platform Business*						
Number of Clients	(companies)	**251**	293	287	267	247
Revenue per Client	(thousand yen)	**1,621**	1,703	1,921	1,588	1,871
Operating Profit Margin	(%)	**22.5**	32.1	32.7	28.9	25.5
Operating Profit	(million yen)	**283**	417	472	374	361
Digital PR Business						
Number of New Clients Acquired	(companies)	**831**	1,067	1,090	808	—
Operating Profit Margin	(%)	**3.6**	0.6	8.6	15.3	—
Operating Profit	(million yen)	**24**	4	65	108	—

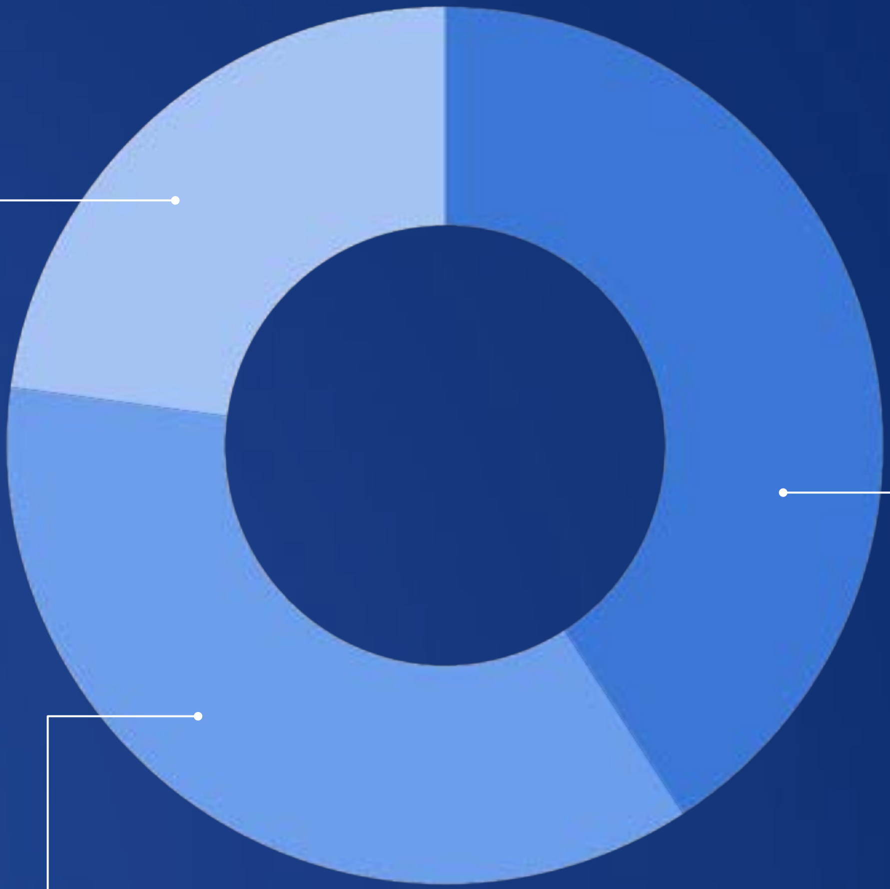
*The Advertising Platform Business is combined with the Overseas Business.

By Segment | Percentage of Earnings

GENIEE

The advertising platform business, which holds a top-class domestic market share, is driving revenue growth.
The Marketing SaaS business is rapidly expanding due to growth in the enterprise segment.
Established the Digital PR business and made Social Wire a consolidated subsidiary from July 2024.

(million yen)



Digital PR Business

Revenue

703

(Reference)	Segment profit	103
	Operating profit	24

Marketing SaaS Business

Revenue

1,116

(Reference)	Segment profit	287
	Operating loss	1

Advertising Platform Business (including overseas)

Revenue

1,258

(Reference)	Segment profit	538
	Operating profit	283

By Segment | Percentage of Earnings Trends

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The proportion of the Marketing SaaS business, which has a large market size and high market growth rate, is rapidly expanding.
In particular, orders for enterprise solutions continue in the SFA/CRM and chat domains, achieving a half-year operating profit in the second half of FY2024.
Additionally, JAPAN AI became an equity-method affiliate at the end of July 2024 due to the execution of equity financing, and therefore its revenue has been excluded from FY24 2Q onward.

Advertising Platform Business
Marketing SaaS Business
Digital PR Business

Revenue

Segment profit

TOPICS Fundraising by JAPAN AI

In July 2025, JAPAN AI completed a capital raise by issuing new shares (preferred stock) through a third-party allotment to three venture capital firms and one business company (total issuance amount: approximately 1.9 billion yen).
The Company continues to have significant influence over JAPAN AI and therefore accounts for it as an equity-method affiliate.

Background and Purpose

In recent years, corporate DX (digital transformation) needs have rapidly increased, with business innovation leveraging AI becoming a key to competitiveness. Based on its track record, JAPAN AI is advancing the development of advanced AI technologies, the deployment of diverse AI solutions, and strengthening its development talent as well as sales, marketing, and corporate structures. Through these efforts, it aims to contribute to the growth of various industries and enhance its presence in the market.

Use of Funds

By strengthening talent recruitment, expanding the scope and improving the quality of AI agents, and enhancing AI integration with Marketing SaaS, JAPAN AI aims to evolve its products and expand the market to support corporate DX and AX (AI transformation) initiatives.

Shareholding Ratio

As a result of this funding round, our shareholding ratio in JAPAN AI will be 5.8%. However, since we also hold JAPAN AI's stock acquisition rights, the shareholding ratio including potential shares will exceed 50%.

TOPICS MRR Growth at JAPAN AI

GENIEE

After the launch of AI AGENT in November 2024, usage frequency and sales dramatically increased, with MRR growing 15-fold year-over-year.

Continuous Release of AI Agents

JAPAN AI consistently releases high-demand agent functions from the customer's perspective.
As of June 2025, the number of official AI agents released has surpassed 100.

AI Agent for Sales Department "JAPAN AI SALES"

A sales support AI agent that automatically logs sales activities into the CRM system and analyzes meetings and emails to update relevant information.

Google Calendar Scheduling Agent

Automates checking multiple participants' availability, booking meeting rooms, and sending invitation emails to streamline scheduling tasks.

Video Transcription Agent

Analyzes and structures mp4 videos chronologically to automatically generate easy-to-read manuals with chapters and headings, including timestamps for key scenes and automatic explanations of technical terms.

Listing Ads Optimization Agent

Automates ad management previously done through multiple tools and manual work with a single AI agent, enabling operators to focus on strategy planning and data analysis.

TOPICS Group Synergy Between Our Company and JAPAN AI

Our marketing SaaS tools and JAPAN AI create a synergistic effect.

GENIEE × JAPAN AI

AIsmiley
"AI PRODUCTS AWARD 2025 SPRING"
Grand Prize Winner
in the AI Agent Category

・Selected based on inquiry and other data from media operations between January and March 2025
・Awarded the Grand Prize in the AI Agent category
・Recognized for specialized agent functions tailored to business and flexibility in updates

Four-Company Comprehensive Partnership

In May 2025, NEXYZ.Group, Lark Japan, JAPAN AI, and our company signed a comprehensive business partnership.
We held a joint event with Lark (Bytedance) and NEXYZ.Group to promote DX initiatives for companies in need.
We are also strengthening collaboration with the sales networks of Bytedance and NEXYZ.Group.

Integration with "GENIEE SFA/CRM"

In June 2025, we launched "JAPAN AI SALES," a sales-specialized AI agent for sales departments that automatically inputs daily activity records into the SFA/CRM system at the sales site.
This has generated cross-sell and bundled sales demand for SFA/CRM starting from JAPAN AI.

Integration of "GENIEE CDP" with AI

Many companies want to utilize AI but need to organize their data first. This issue is particularly apparent in legacy large enterprises such as manufacturing, food, and logistics industries. There is strong demand for proposals combining GENIEE's data platform services with JAPAN AI's AI agent technology.

TOPICS Regarding the Capital and Business Alliance between Our Group and FCE Inc.

GENIEE

In July 2025, a resolution was passed to enter into a capital and business alliance with FCE Corporation and to dispose of treasury shares to the company through a third-party allotment.
JAPAN AI also resolved to conclude an investment agreement and a business alliance agreement (together, the "Capital and Business Alliance") with FCE Corporation.
Through this alliance, JAPAN AI aims to build a new productivity improvement model integrating human capital and sales and marketing data, and to establish a new business foundation in the AI agent domain.

GENIEE ＼ JAPAN AI

[Business Alliance]

- Through joint marketing activities and other initiatives, both companies will work to discover and validate demand for creating new value by combining their respective strengths.
- Building on FCE's business platform for "FCE Prompt Gate," FCE will receive JAPAN AI's "JAPAN AI AGENT" through OEM provision. By implementing pilot projects and expanding to existing customers, the aim is to establish a new business foundation in the AI agent domain.

[Capital Alliance]
・Total payment amount to our company: 99 million yen
・Total payment amount to JAPAN AI: 99 million yen

[Capital Alliance]
・65,000 shares of our common stock
・Preferred shares of JAPAN AI

FCE

About FCE…

With the purpose of "Creating a future full of challenges," FCE is engaged in DX promotion and education/training businesses aimed at maximizing human capital. Since 2023, they have been providing the internal prompt management platform "FCE Prompt Gate," which utilizes generative AI, supporting AI adoption in companies and educational institutions.

In the future…

By integrating our offerings such as "GENIEE SFA/CRM" and "GENIEE MA" with FCE's education platform "Smart Boarding" and RPA implementation support services, we envision building a new productivity improvement model that combines human capital with sales and marketing data.
At the same time, by expanding and developing the business foundation of FCE's "FCE Prompt Gate," and introducing JAPAN AI's product "JAPAN AI AGENT" through OEM provision, we aim to establish a new business foundation in the AI agent domain by advancing pilot implementations and expanding to existing customers.

▼ Overview of the Counterparty

Name	**FCE Inc.**
Location	**10F, Shinjuku NS Building, 2-4-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo**
Representative	**Junetsu Ishikawa**
Business Description	**DX promotion business, education and training business, publishing business, etc.**

TOPICS Regarding the Capital and Business Alliance between JAPAN AI and Branding Technology Inc.

GENIEE

In July 2025, JAPAN AI resolved to enter into a capital and business alliance with Branding Technology Inc. and to subscribe to the disposal of treasury shares by third-party allotment conducted by the company.
Through this alliance, leveraging JAPAN AI's AI agent development technology, the aim is to promote DX in Branding Technology's consulting business and thereby enhance the corporate value of both companies.

JAPAN AI

- [Business Alliance]
- Consideration and promotion toward the development of a consulting-specialized AI platform, creation of new products, and realization of operational workload reduction.

[Capital Alliance]
・Common stock: 20,000 shares

[Capital Alliance]
・Total paid-in amount: 20 million yen

Branding Technology Inc.

About Branding Technology…

With the mission to drive the digital shift of mid-sized and small businesses through branding, the company supports their branding and digital marketing efforts. Aligned with the Ministry of Economy, Trade and Industry's initiative to promote sustainable growth of mid-sized enterprises, it actively advances PMI support for mid-sized companies and small businesses after business succession.

Through this alliance…

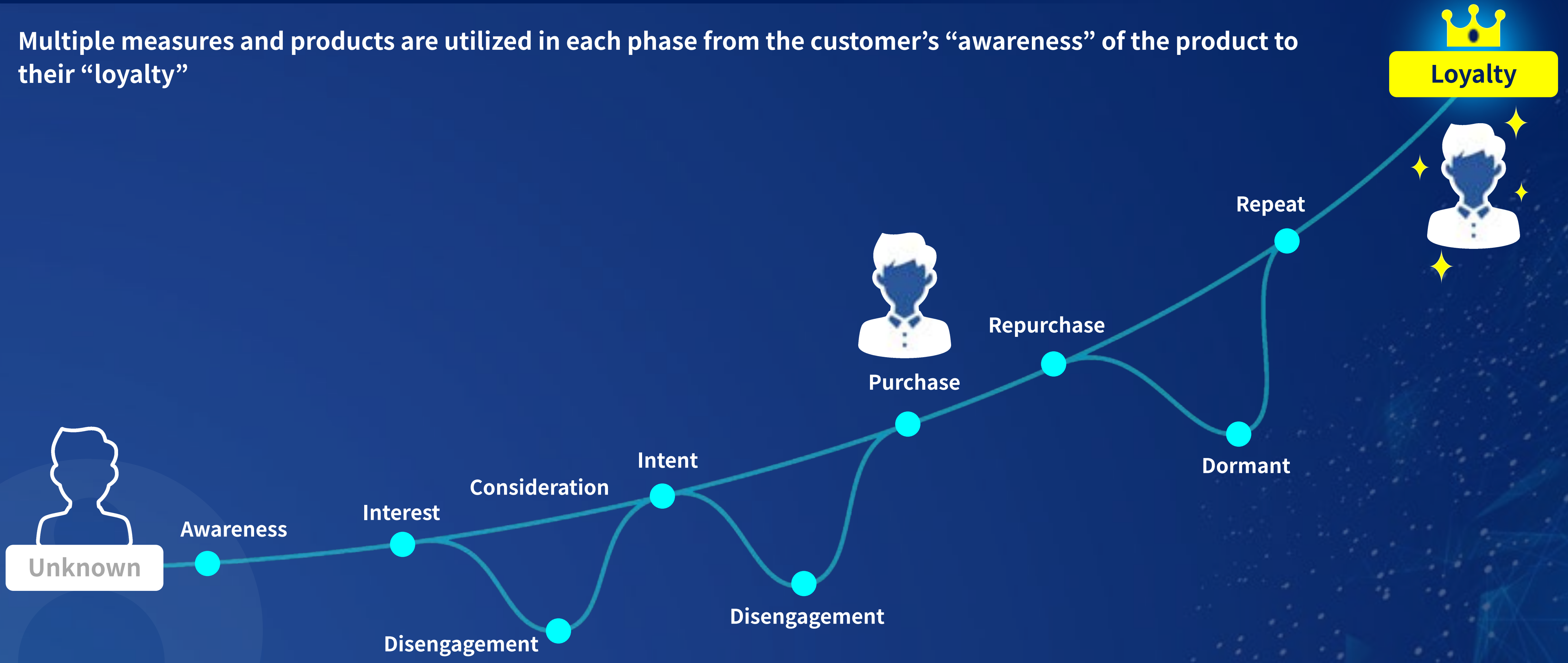
By leveraging JAPAN AI's AI agent development technology to promote DX in Branding Technology's consulting business, both companies aim to enhance their corporate value. Specifically, JAPAN AI will develop a consulting-specialized AI platform to create new products and reduce operational workload, supporting operational efficiency and new business creation. Furthermore, by integrating with "GENIEE CDP," which can unify diverse data sources in real time, the synergy with AI agents will pursue further evolution of consulting services.

▼相手先の概要

Name	**Branding Technology Inc.**
Location	**4F & 5F, Teito Shibuya Building, 15-13 Nanpeidaicho, Shibuya-ku, Tokyo**
Representative	**Yuuki Kimura**
Business Description	**Brand business, digital marketing business**

Big Picture of Digital Marketing

Multiple measures and products are utilized in each phase from the customer's "awareness" of the product to their "loyalty"



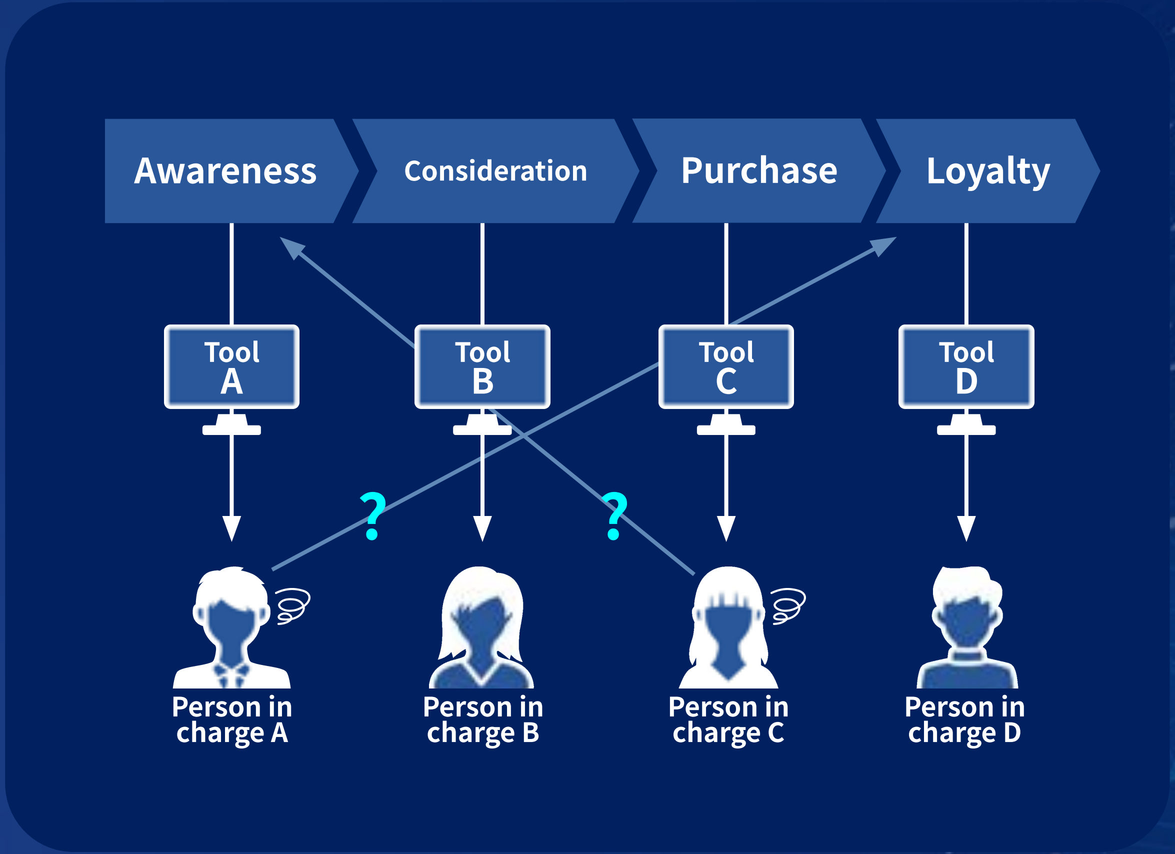
Examples of measures

- SEO
- Web advertising
- Flyer/DM
- UX improvement
- E-mail magazine
- Chat
- SMS notification
- Survey
- News delivery
- Churn prevention
- TV commercial
- Transit advertising
- Out-of-home advertising
- Web customer service
- Purchase promotion
- LINE registration
- Membership registration
- Coupon

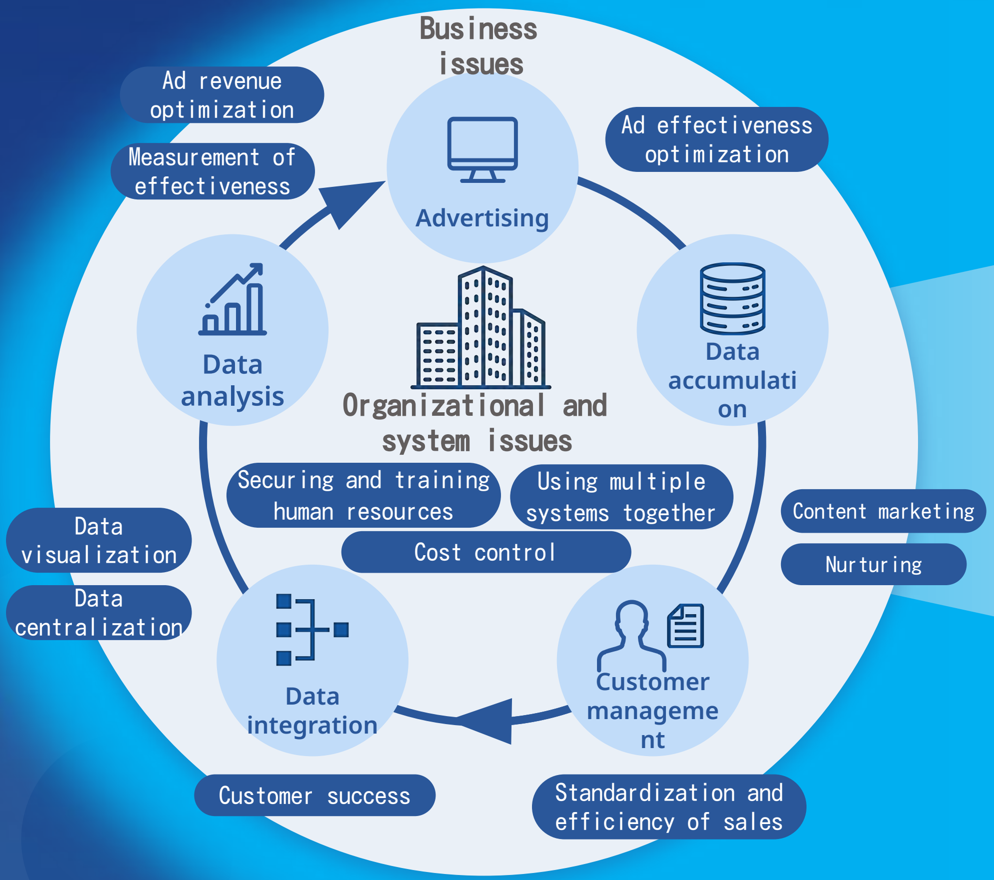
There is a need to use multiple different tools for each phase and the marketing industry is flooded with tools and operators
Corporate marketing activities are becoming more complicated and inefficient.

Common challenges

Business efficiency	• Labor-intensive tasks for implementing breakouts arising (manual ad operation, data integration/analysis, etc.) • Inefficiency of using complex marketing tools
Costs	• Since multiple operators are used, commission expenses, communication costs, and development costs are incurred • High hurdles, such as knowledge acquisition and in-house training, to utilize individual products
Effects of measures	• Failure to integrate marketing tools and internal systems prevents maximization of effectiveness • Persons in charge of measures differ for each phase, making measures only partially optimal (example: issues in the "awareness" area being overlooked by the person in charge of marketing measures in the "purchase" phase prevents the issues from being solved fundamentally)



What Geniee Is Aiming For



GENIEE

- One-stop platform
- Diverse product areas
- Utilization of the latest AI technology

Purpose

Creating a world where everyone can succeed in marketing

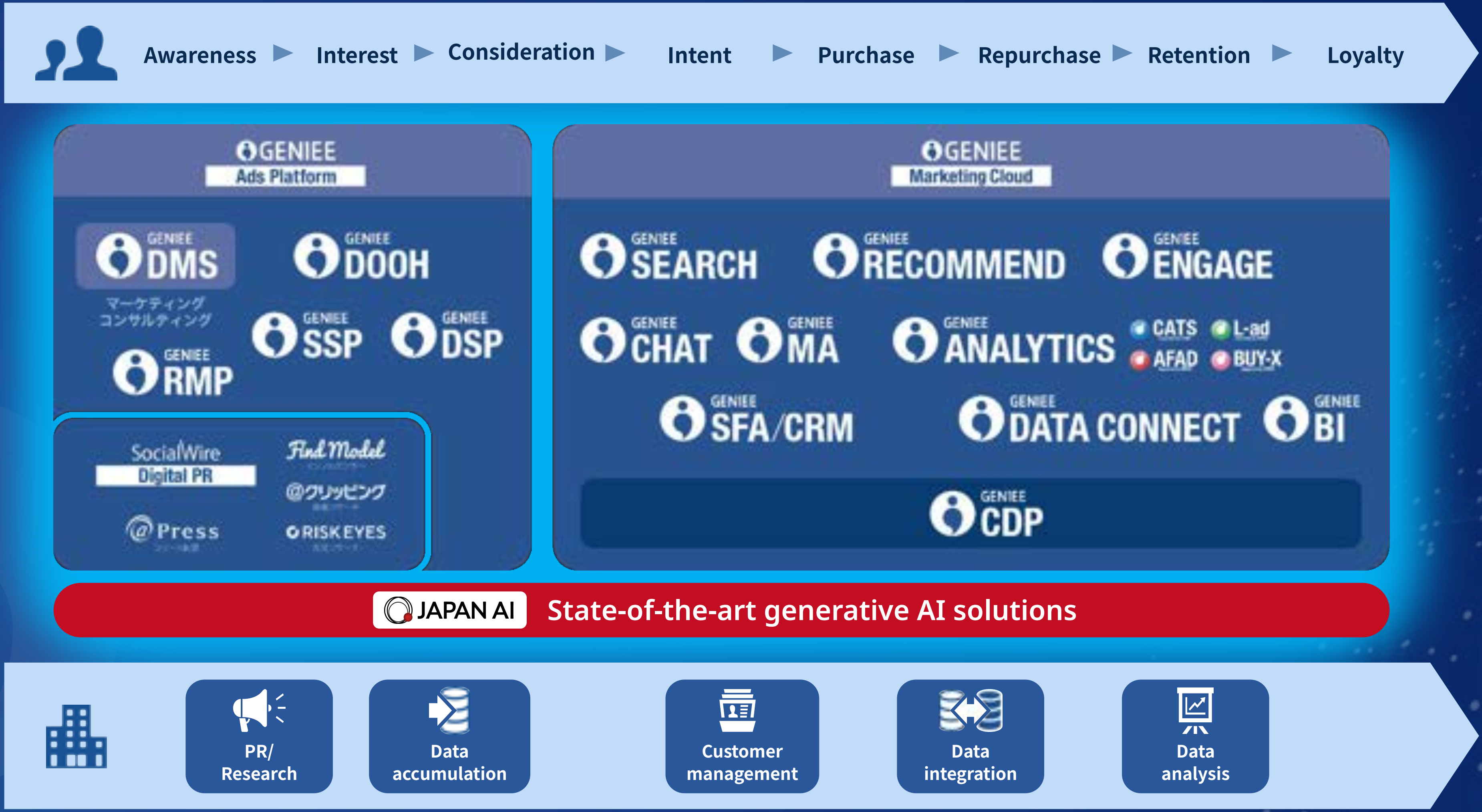
- High cost performance
- Automating and streamlining operations

State-of-the-art AI technology

Areas of Business

GENIEE

Providing highly cost-effective marketing solutions
State-of-the-art generative AI development improving the value of products to customers, moving forward to a world where everyone can succeed in marketing.



Summary of Advantages

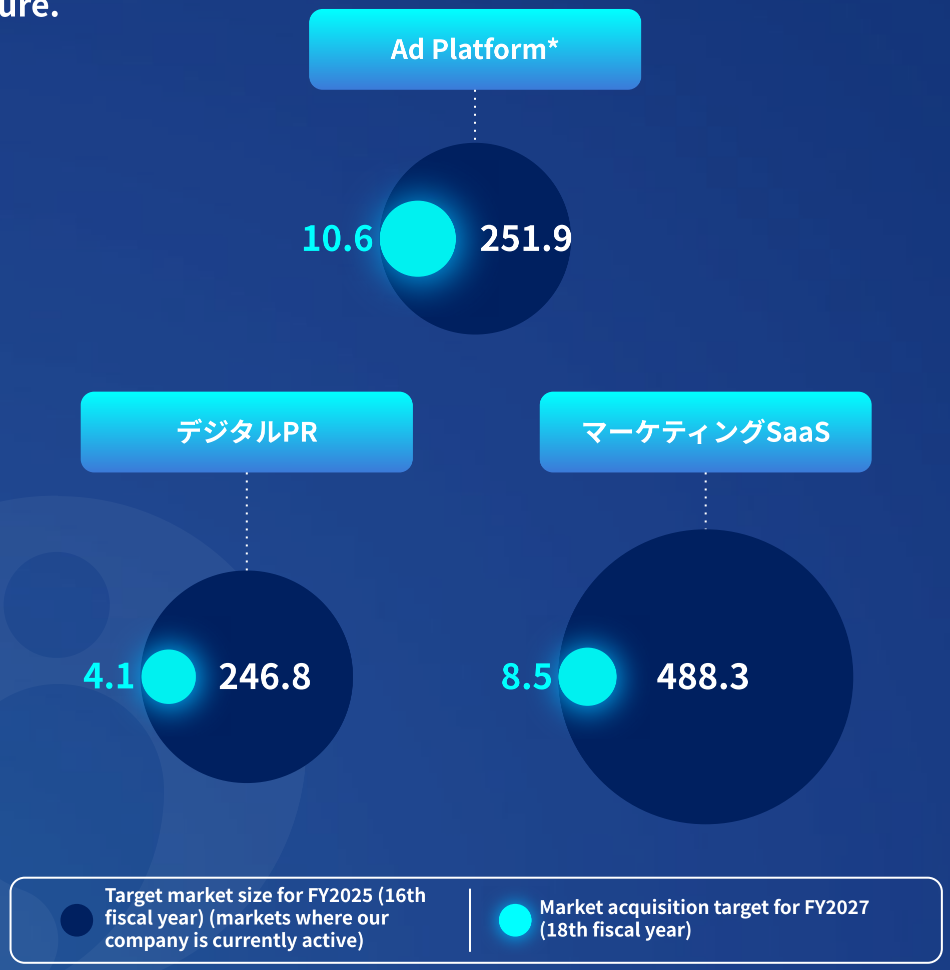
Overwhelmingly

highly cost-effective

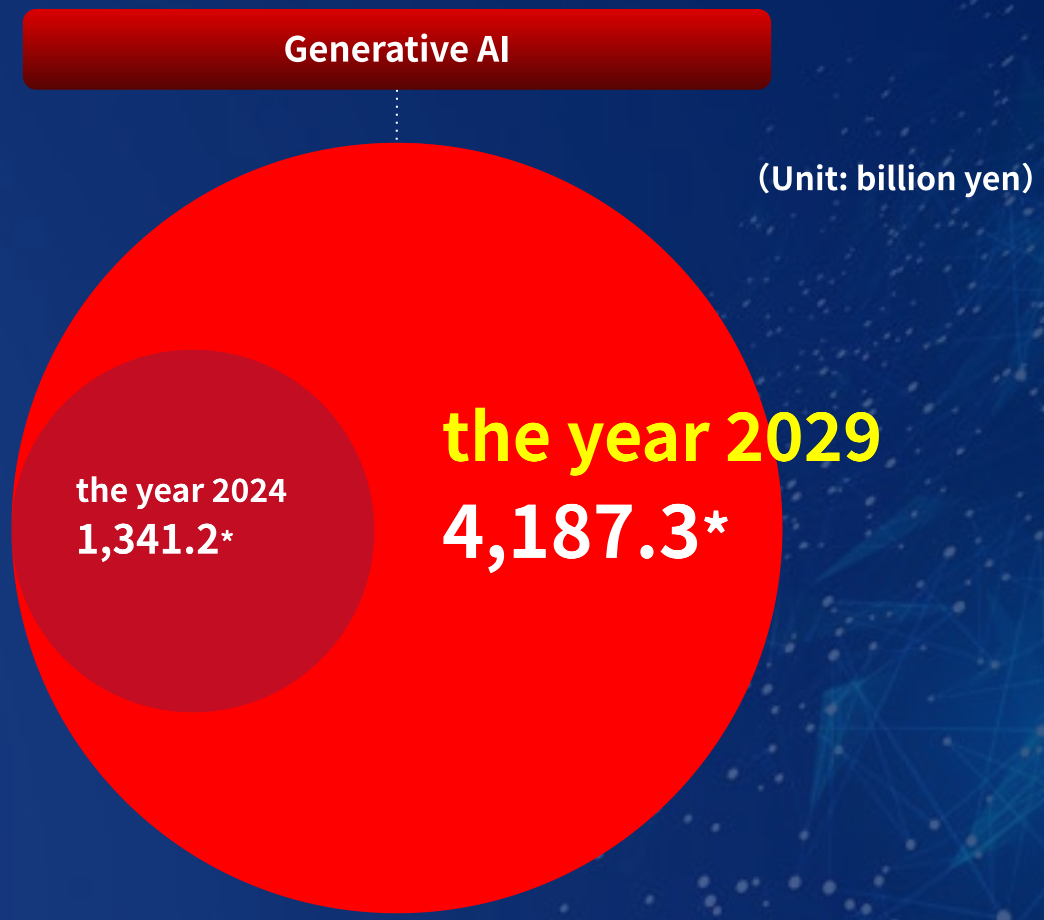
products

Market Size

The target market size for the 16th fiscal year (FY2025) is a vast total of 987 billion yen across the entire company, indicating significant room for development. By the 18th fiscal year (FY2027), we aim to capture a market worth 23.2 billion yen.
Our group company, JAPAN AI, is rapidly growing in the domestic generative AI market. It is expected to become a considerably large market in the future.



*From FY2025, overseas business will be integrated with the advertising platform business.



*Source: International Data Corporation (IDC) "Domestic AI System Market Forecast"
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Marketing SaaS Business | Highlights

GENIEE

In April 2025, there was a large customer cancellation, causing a short-term increase in churn rate, but it has since declined.
MRR is increasing across all products, with an **ARR growth rate exceeding 30%**, showing strong performance.
Approximately **50% of the total MRR comes from enterprise customers with ARR of 100 million yen or more.**

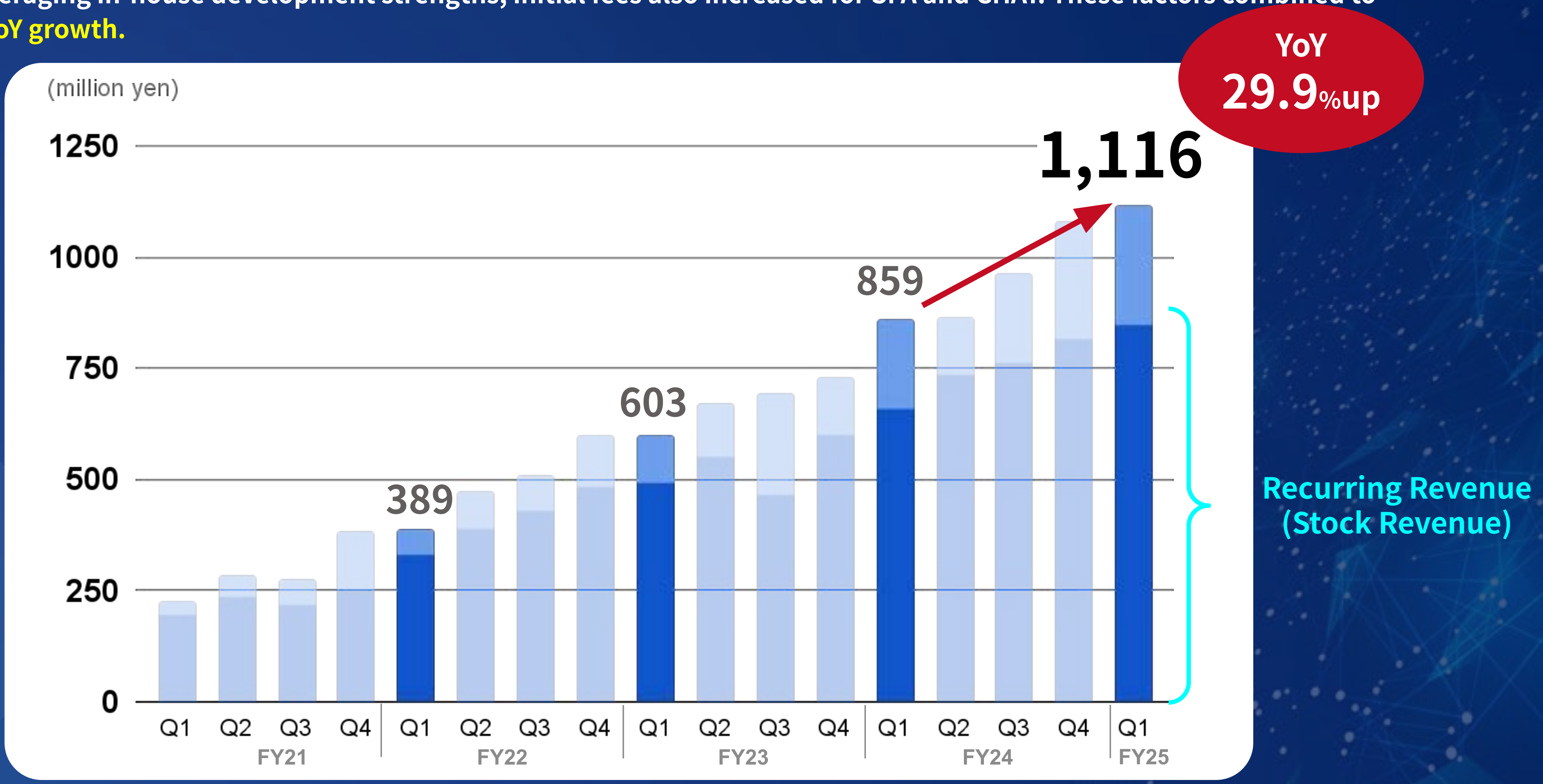
Number of Paid Accounts	22,651
ARPA / YoY Growth Rate	20,620yen ／ +52.7%
Churn Rate	2.15%
ARR / YoY Growth Rate	3,539million yen ／ +33.1%
Gross Profit Margin	78.6%
Recurring Revenue Ratio*[1] / YoY Change	80.2% ／ ▲0.3point

*[1] Calculated based on figures from the previous 12 months from the end of the period.

Marketing SaaS Business | Revenue Trend

GENIEE

Revenue reached 1.11 billion yen. The number of accounts grew steadily, with MRR increasing especially for SFA, CHAT, and ANALYTICS. Additionally, leveraging in-house development strengths, initial fees also increased for SFA and CHAT. These factors combined to achieve 29.9% YoY growth.

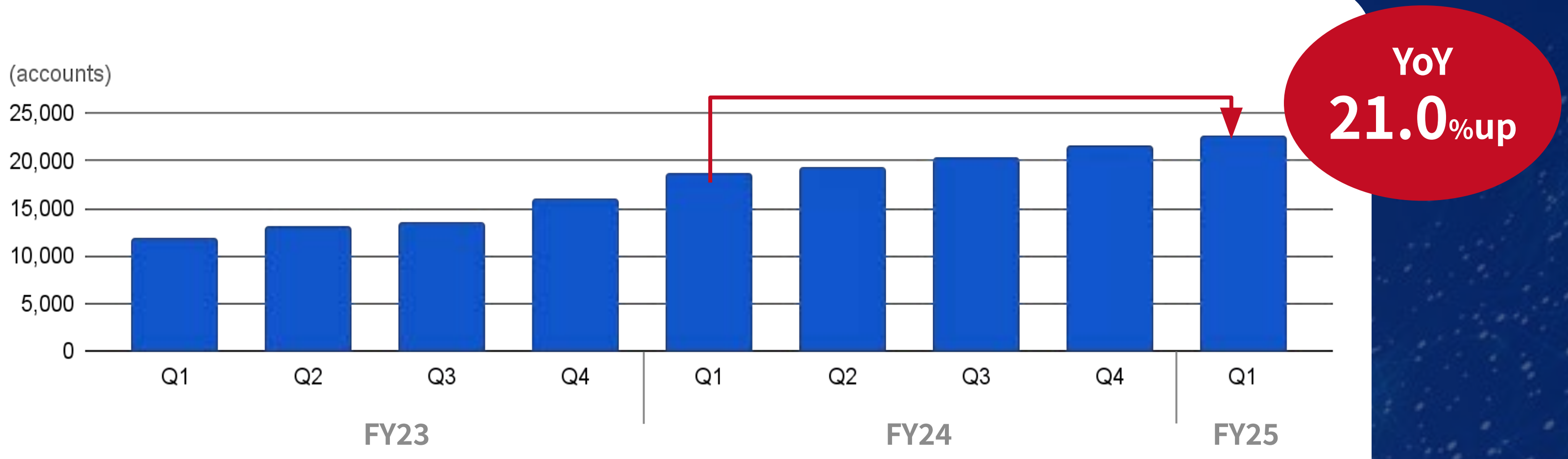


Marketing SaaS Business | KPI

GENIEE

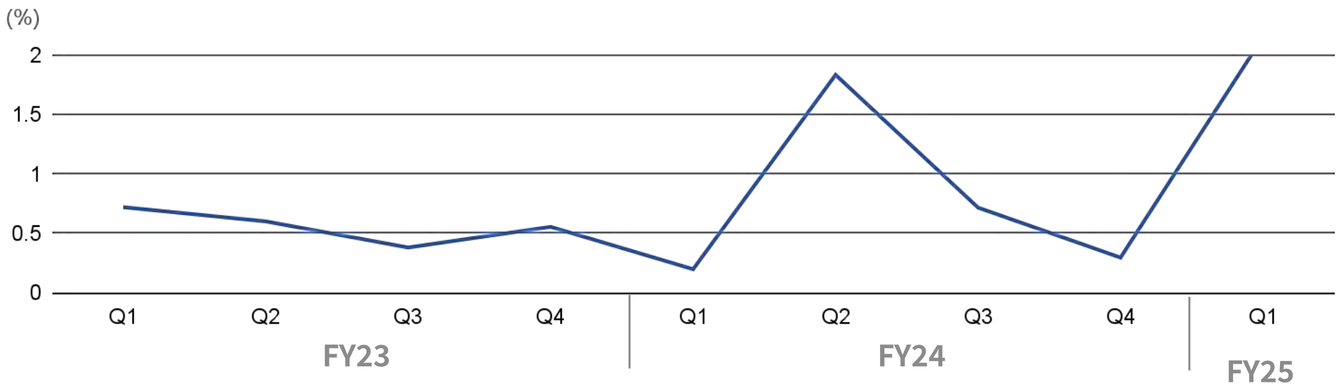
The number of paid accounts is increasing as SFA/CRM continues to secure large deals.
The churn rate temporarily increased in April due to the cancellation by a major client, causing a rise for the entire first quarter, but has been declining since May.

Number of paid accounts



Churn rate*

*Average 3-month churn rate for accounts



Ratio of SG&A Expenses to Revenue

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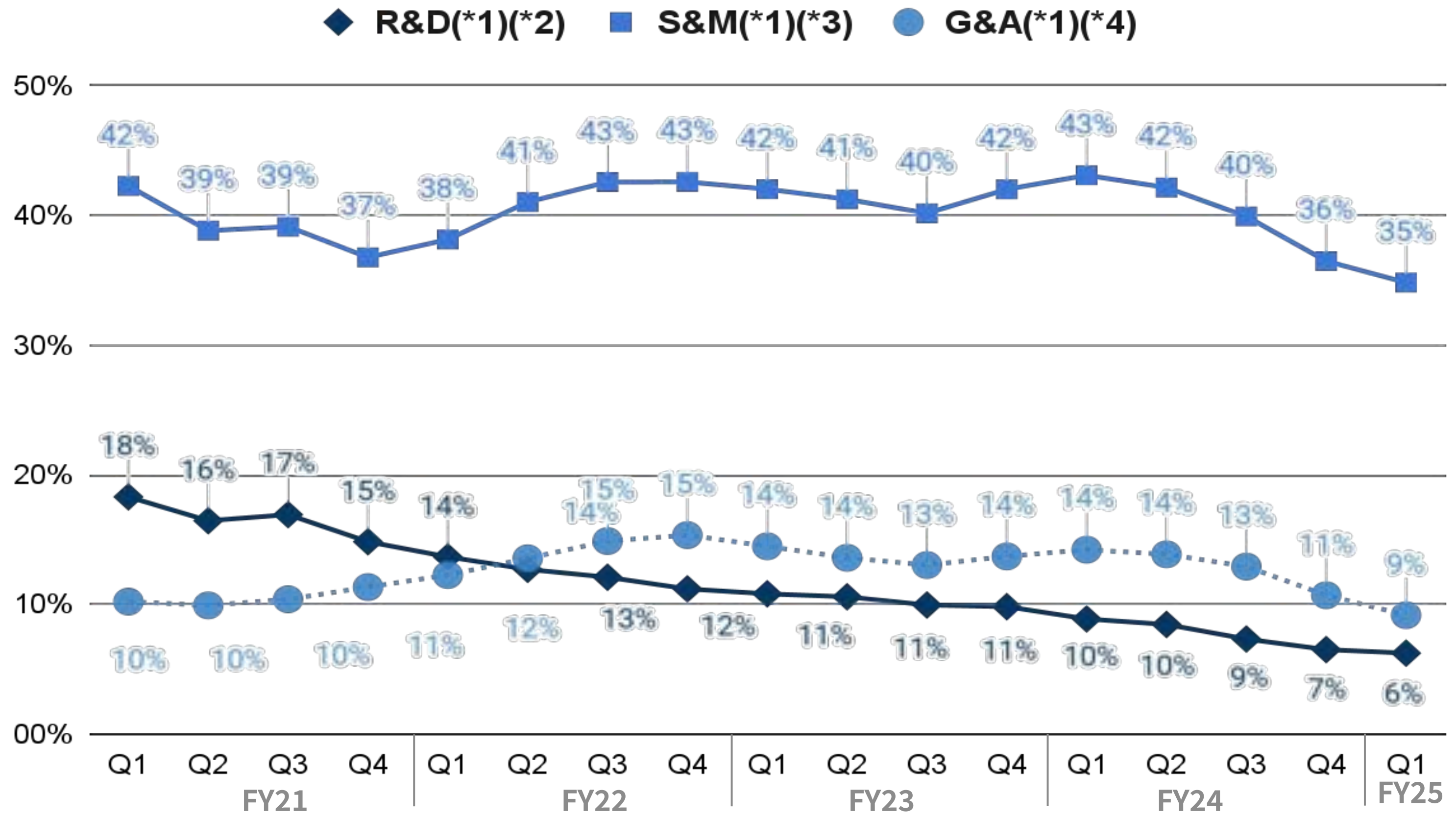
Overall, this ratio is trending downward due to the increase in MRR.
Although S&M expenses rose following the increase in JAPAN AI personnel from FY23 Q4 onward, they have been trending downward since FY24 Q2 due to the transition to an equity-method affiliate.



*1 Calculated based on figures from the past 12 months from the end of the quarter.
*2 R&D: Total personnel costs for engineers involved in research and development and related expenses.
*3 S&M: Total advertising expenses, sales personnel costs, and related expenses for sales promotion.
*4 G&A: Total personnel costs, related expenses, and common expenses for corporate departments that should be borne by the Marketing SaaS business.

Advantages in Business Management | M&A/PMI

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Many cases of acquired businesses registering high growth at an annual rate of 30% or more.
Utilizing the Geniee Group's technical capabilities and customer base to develop the industry's No. 1 product and make it a business with the No. 1 growth rate.

	ARR Transition						Growth rate since acquisition
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	CAGR
SFA	75.0	159.1	215.7	325.0	474.4	832.8	53.7%
CHAT	39.0	53.0	222.6	690.3	880.8	1252.3	84.2%
ANALYTICS	—	—	—	307.3	420.9	616.3	37.8%

*GENIEE CHAT includes the former Chamo, former Engagebot, and former HyperSonic which have been integrated into a single brand.

❶ Cross-selling to existing customers

- Rapidly growing by implementing cross-selling to Geniee's huge existing customer base
- There are cases where accounts have grown by hundreds of percent in three years

❷ Improving product value

- Assigning product development/engineer members from the initial stage of PMI
- Armed with high technical capabilities, benchmarking competitor products and implementing product updates and function enhancements

❸ Business management and PMI know-how

- Actively supporting the establishment of a system to increase sales of services while integrating management and development policies and establishing a business management system
- Setting up incentive plans for the management teams and members of acquired businesses

Advertising Platform Business | Gross Profit Trends

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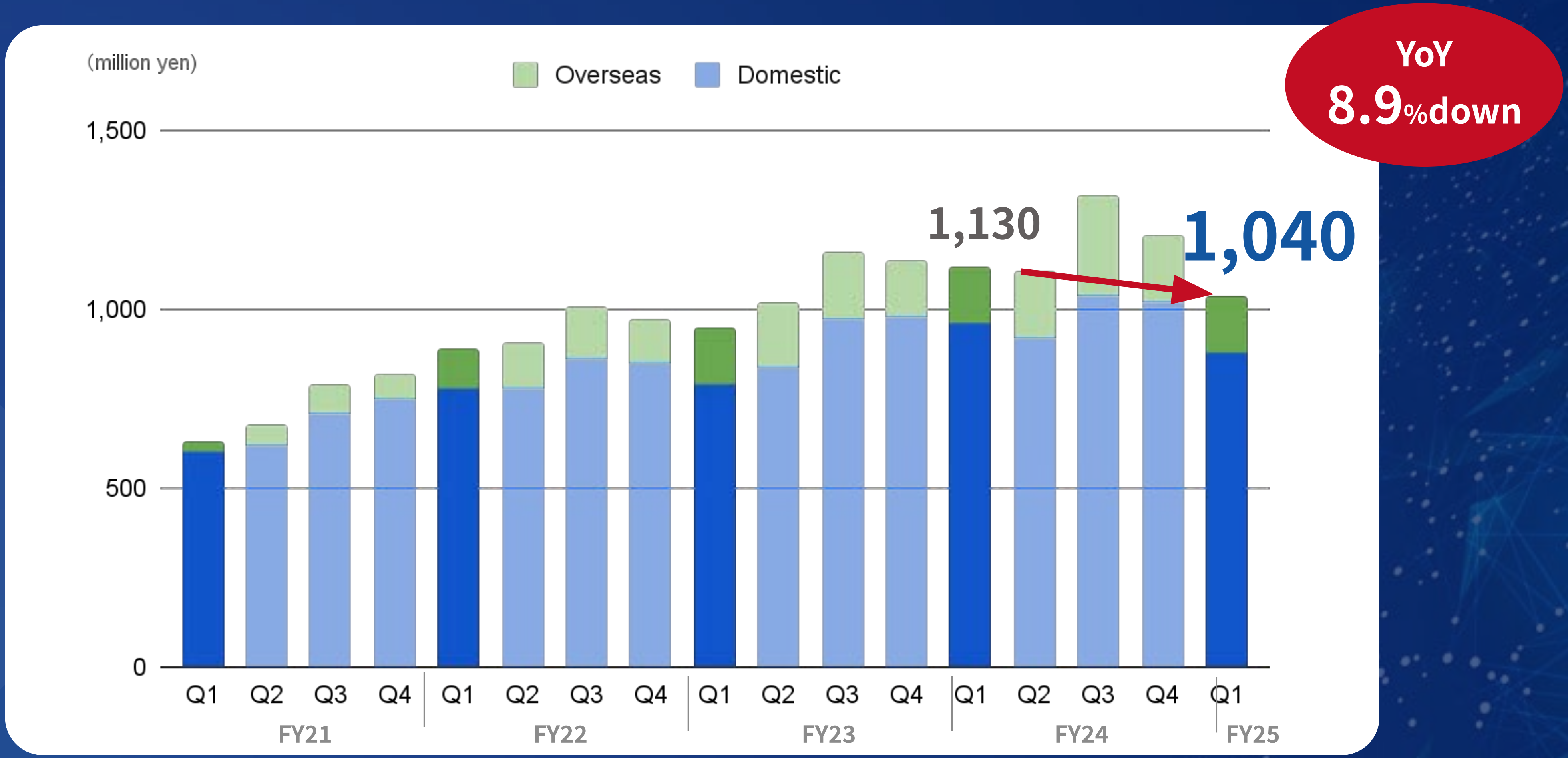
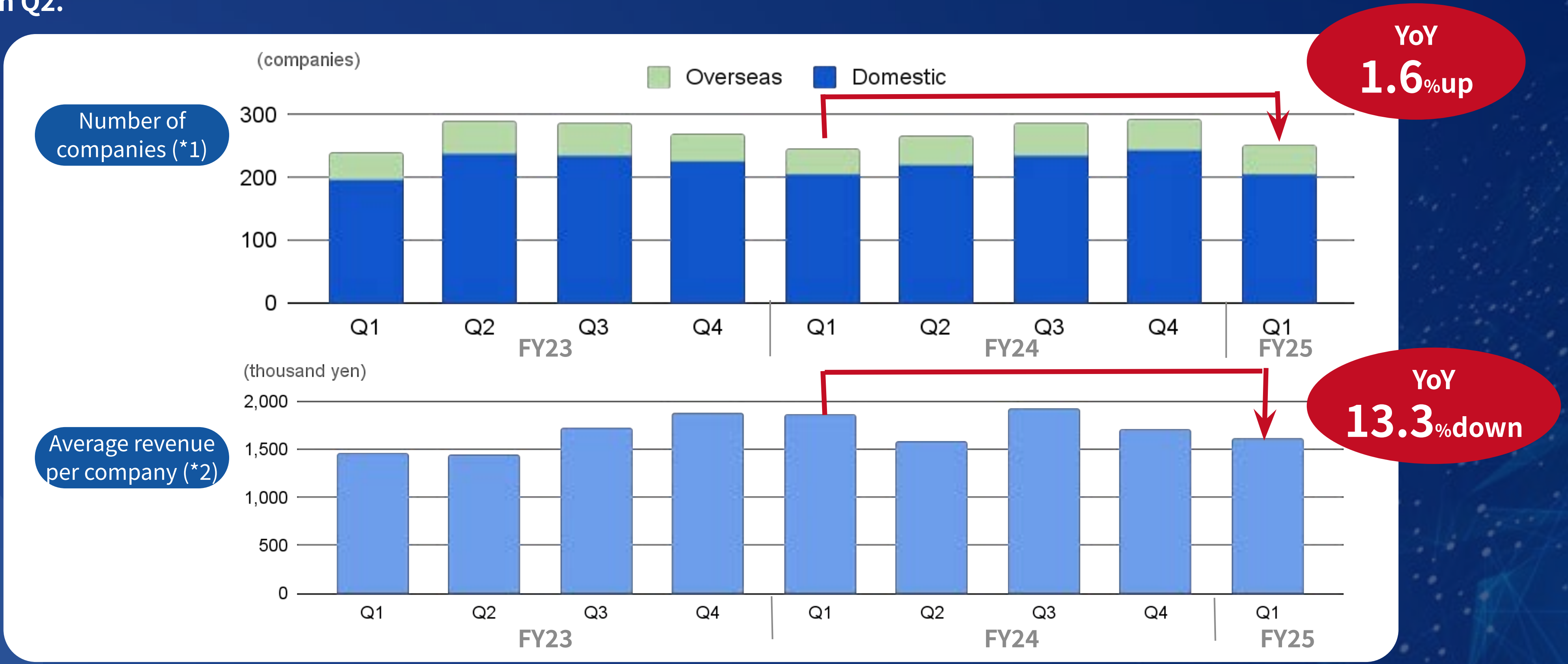
Gross profit was 1.04 billion yen. CPM slightly declined due to specific factors, resulting in an 8.9% year-on-year decrease. As initially expected, unit price fell in Q1 due to these factors; however, efforts to resolve them are underway, and unit price is steadily recovering, with year-on-year growth expected in Q2.



Advertising Platform Business | KPIs

**The number of companies increased not only in the domestic enterprise segment but also at Zelto compared to the same period last year.
Unit price declined in Q1 due to specific factors as expected, but efforts to resolve them are leading to steady recovery, with a return to expected levels anticipated in Q2.**



*1: Customer count includes advertisers and media that exceed a certain revenue threshold. (Previous disclosures counted all customers including small ones, causing significant fluctuations that didn't accurately reflect business reality. The new threshold approach better represents actual performance.)
*2: Revenue per customer = Revenue ÷ Number of customers (Revenue = Advertising fees paid by advertisers - GENIEE's payments to media)
The business model involves advertisers paying media for ad placement, with GENIEE earning an intermediary margin that constitutes its revenue.

FY2025 | Planning Assumptions

For FY2025, we anticipate continued yen weakness based on assumptions of ongoing high inflation and interest rates in the US.
From this fiscal year, the overseas segment has been integrated into the advertising platform segment due to the global integration of advertising platforms.
Total internet advertising media costs are estimated to grow by 9.7% in 2025, with the video sector specifically projected to increase by over 14.7%.*

*Source: "2024 Japan Advertising Expenditures: Detailed Analysis of Internet Advertising Media Costs"

External environment and planning assumptions

- The current weak yen level is expected to continue due to persistently high US interest rates.
- The internet advertising market is gradually recovering in Japan due to the weak yen and low interest rates, with expansion particularly in the video sector.
- The forecast includes considerations for the business plan of Social Wire, which has become a consolidated subsidiary.

Policies of each business segment

- Advertising Platform: Global integration improving efficiency, boosting cross-selling and enterprise media development.
- SaaS: Achieved profitability, pursuing growth and expanding in CDP through accelerated investment.
- Digital PR: Building high-PV media for releases and SMB platforms for influencer PR to expand market share.

FY2025 | Full-Year Performance Forecast

(53.8% increase in normalized profit expected through Ad Platform integration efficiencies and SaaS profitability)

GENIEE

(Unit: million yen)

	FY2024 (Forecast)	FY2024 (Actual)	**FY2025 (Plan)**
Revenue	12,000	11,321	+35% **15,300**
Advertising Platform business	4,960	4,776	**6,970**
Marketing SaaS Business	3,700	3,770	**5,280**
Overseas Business	1,500	1,389	**―**
Digital PR Business	2,040	2,150	**3,100**
(Adjustments)	▲200	▲765	**▲50**
Gross profit	9,100	8,807	+34% **11,800**
Segment Profit	2,500	2,520	**2,750**
Advertising Platform business	2,500	2,223	**3,370**
Marketing SaaS Business	800	668	**1,370**
Overseas Business	300	403	**―**
Digital PR Business	400	428	**460**
(Corporate/Eliminations)	▲1,500	▲1,203	**▲2,450**
Operating profit	2,500	2,520	+9% **2,750**
Advertising Platform business	1,500	1,352	**2,300**
Marketing SaaS Business	▲300	▲255	**40**
Overseas Business	200	273	**―**
Digital PR Business	170	178	**110**
(Adjustments)	930	972	**300**
Profit before tax	2,400	2,267	**2,600**
Profit attributable to owners of parent	1,800	1,954	**1,960**

Revenue

- The Advertising Platform business grew by 46% by absorbing the Overseas Business segment through global supply integration.
- The Marketing SaaS Business continued to grow by 40%, driven by growth in SFA/CRM, CHAT, and Analytics.
- Digital PR increased by 44% due to expansion in the influencer domain and the full-year consolidation effect including Q1.

Operating profit

- The Advertising Platform business increased by 70% through global supply integration, reducing costs and SG&A expenses through improved decision-making and operational efficiency.
- The Marketing SaaS Business plans active investment in the new CDP domain while aiming to achieve full-year profitability through growth in SFA/CRM, CHAT, and Analytics.
- Digital PR is expected to achieve 110 million yen in normalized profit in FY25, despite the absence of one-time gains of approximately 70 million yen from the sale of overseas shared offices in FY2024.
- Excluding one-time gains and losses* that occurred in FY2024, normalized profit is expected to increase by 53.8%.

Normalized Profit Excluding One-time Gains and Losses
(Unit: million yen)

FY24 1,593 → **FY25 2,450**

53.8% up

中長期目標水準について

GENIEE

Advertising Platform business has completed investment phase, moving to AI-driven efficiency phase.
Marketing SaaS business will improve efficiency and profitability while expanding market share, except in areas still under investment.
Digital PR business aims to expand share through product enhancements while leveraging generative AI for efficiency.
We'll continue pursuing strategic M&As to strengthen GENIEE Group's value chain.

Target CAGR* for Operating Profit in FY26-30

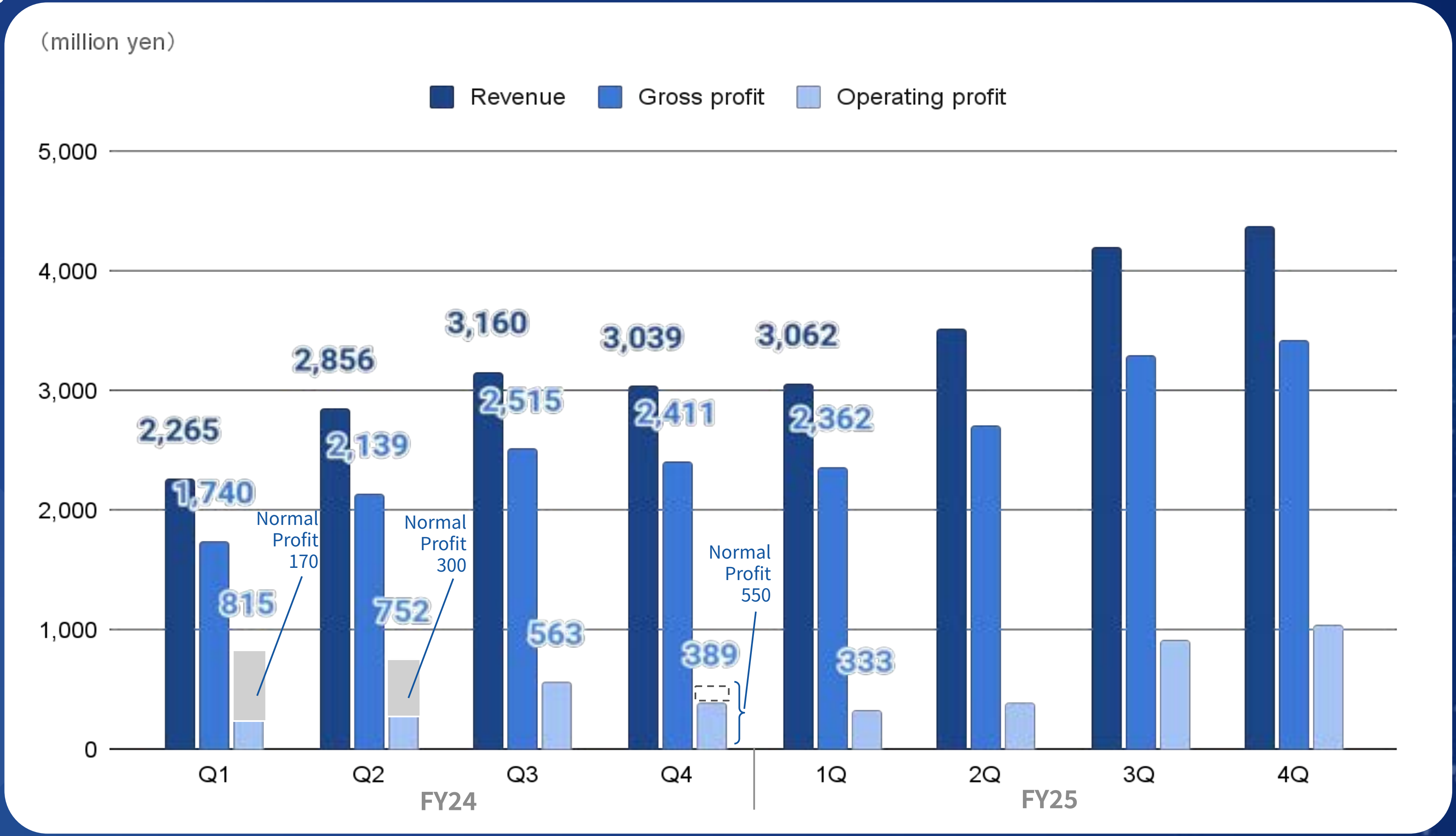
35～40%

*CAGR (Compound Annual Growth Rate) is a metric used to measure growth over a specific period. Note that the figures above do not include JAPAN AI.

Quarterly Earnings Forecast

GENIEE

Revenue grows quarter by quarter.
The advertising platform business has seasonal revenue patterns, with plans to expand revenue in the second half of the fiscal year, which is the busy season.



Normal Profit: The actual profit excluding one-time gains and losses.

Investing in Continuous Growth

GENIEE

For the borrowings relating to the acquisition of Zelto, assuming operating cash flows as the first priority source of funds for repayment while controlling financing costs, mainly secure operating cash flows to secure a stable cash position.
Treasury shares purchased back from SoftBank Corp. are planned to be disposed of or cancelled with earnings upon approval of the transfer to the Prime Market while considering the net assets balance.
On the other hand, in terms of investment, the plan is to promote business investments and M&A while placing emphasis on organic growth.

Cash In	Priority	Cash Out
Operating cash flows Secure operating cash flows through thorough business management.	1	**Business investments** Invest in existing businesses' personnel recruitment, research, marketing, product function development, etc. for organic growth.
Interest-bearing debt Procure working capital and investment capital in accordance with our financial management discipline.	2	**M&A** Acquire businesses with high synergy effects, such as sharing of technology, know-how, and customer base.
Equity financing Examine stock price levels, market environment, financial position, etc. from a comprehensive perspective. Note that treasury shares held are assumed to be disposed of or cancelled with earnings upon approval of the transfer to the Prime Market.	3	**Share buybacks** Implement in an agile manner, taking into account future investment capacity, stock price levels, market environment, financial outlook, etc.

1 Business Performance Overview

2 TOPICS

3 Business Overview

4 Financial Summary by Business Segment

5 Current Fiscal Year Plan

6 Q&A

Q&A Regarding the Advertising Platform Business

GENIEE

What is the impact of the unit price decline that occurred at the end of March 2025?	Since the end of the fiscal year March 2025, there has been a specific incident where the revenue unit price decreased with a particular client. The plan assumes that this impact will continue through the first quarter. However, as of the end of FY2025 Q1, the unit price per company has been steadily recovering on a monthly basis.
How are you responding to cookie regulations?	Although Google announced plans to eliminate all third-party cookies in its Chrome browser, this policy was withdrawn following opposition from the UK Competition and Markets Authority (CMA) and the advertising industry. However, at our company, cookie elimination continues on the Safari browser, and considering the potential future risks of cookie regulations, we will continue to develop and implement cookie alternative technologies.
How do you view the impact of the Trump administration on your business performance?	Since few of our clients are companies directly affected by tariffs (such as trading companies and manufacturers), we currently consider the impact of tariffs to be limited. However, we recognize that some companies concerned about economic slowdown may reduce their advertising investments.
Is there any impact on business performance due to Google's antitrust violations?	At present, since the web advertising ecosystem is built mainly around GAM (Google Ad Manager), we do not expect a significant short-term impact on business performance. However, depending on future developments, there is a possibility that we could gain a position to replace GAM, as we provide an SSP with ad server functionality. On the other hand, if bids from Google demand sources such as Google Ads and DV360 decrease for GAM, there is a risk that ad prices through Google could decline.
What is the background for unifying the segments?	Since FY24 Q2, following global management integration on the supply side, the advertising platform and overseas businesses were merged into a single "Advertising Platform Business." Post-integration, cross-selling between domestic and international operations has increased, with unified management. KPIs for overseas are combined with domestic figures and reported globally.
Regarding Zelto, how do you view the goodwill impairment risk due to the change in CGU?	Following the global management integration of the supply side in October 2024, decision-making authority related to product development and sales, product ownership rights, organizational structure, entity names, and brand ownership changed. From FY25, goodwill impairment related to the acquired Zelto will be assessed based on the future operating cash flows of the entire global supply side, rather than Zelto alone. Therefore, the recoverability of goodwill will be judged considering the future cash flows of the entire GENIEE Group supply side, and we believe the likelihood of impairment has decreased.
What is the current status of advertising revenue unit prices in the overseas business?	Since January 2024, media companies' revenue unit prices have been rising, and we believe FY24 shows a recovery trend. While there are inflation concerns due to issues such as reciprocal tariffs and immigration policies under the Trump administration, we consider it necessary to continue monitoring advertising demand trends. As of May 2025, CPM is also on an upward trend.

Q&A Regarding the Marketing SaaS Business

GENIEE

What is the background for the growth of the Marketing SaaS business?	The increase in the number of accounts due to the expansion of the enterprise segment centered on SFA/CRM, along with maintaining a low churn rate through highly satisfactory customer success, contributed to the business growth. Additionally, in the CHAT domain, we continue to grow by collaborating with major agencies and introducing our products to large clients, as our product performs better compared to competing products.
When is the Marketing SaaS business expected to become profitable?	The Marketing SaaS business as a whole achieved profitability in the second half of FY24. Although large-scale development investments and marketing costs are planned in the CDP domain in FY25, profitability for the full fiscal year is expected.
It is said that the proportion of the enterprise segment is increasing. What percentage of the total MRR comes from enterprise customers? Also, which products are most common?	If we define enterprise customers as those using our services with ARR of 10 million yen or more, about 50% of the total MRR comes from customers with ARR of 10 million yen or more. By product, the majority of these customers use SFA/CRM, CHAT, and SEARCH.
Regarding the expansion of enterprise projects in the SFA/CRM domain, how do you differentiate yourself from competitors?	In the enterprise customer layer, many companies already have internal systems built, and implementation often requires some development. Products without development capabilities or that cannot support development are screened out at this stage. Our advantage lies in having the development capability to realize client requests within the product and a system that can consistently provide one-stop support from requirements definition to maintenance. Also, common to all our products, we emphasize cost performance and can propose prices at half to two-thirds of those of large foreign competitors with similar functions, which is another competitive advantage.
What caused the increase in churn rate in FY24 Q2?	In July 2024, one major client canceled their contract. There was a discrepancy in understanding between the responsible department manager and the responsible executive regarding the product introduction policy, which unfortunately led to the cancellation. This caused the churn rate to increase to 1.8%. However, we consider this to be a client-specific issue, and the churn rate actually dropped below 0.5% in FY24 Q4.

Q&A Regarding SoftBank's Share Buyback

GENIEE

Why is it necessary to issue preferred shares?	Since the acquisition of treasury shares (4.95 billion yen) results in a decrease in net assets, it is necessary to increase net assets to maintain them. Issuing common shares would significantly lower the stock price, so it is necessary to issue preferred shares with equity characteristics different from common shares.
What happens if business performance deteriorates and the stock price falls further?	Mizuho Bank's conversion price is set at 933 yen, and since converting would result in a loss, it is expected they will continue to receive preferred dividends. If performance worsens, the pace of internal reserves accumulation will slow, so we will maximize internal reserves accumulation through dividends from subsidiaries and other means, build up funds for repurchase after two years, and proceed with repurchase.
Under what circumstances would conversion to common shares occur?	Basically, financial institutions do not expect to exercise the conversion rights to common shares; the main scenario is repurchase after two years. If the main scenario is deviated from, conversion to common shares may occur three years after acquisition or later, if the stock price exceeds 933 yen and capital gains can be realized, and if for some reason we are unable to repurchase.
How much disposal is expected at the time of the Prime Market transition?	Given the current liquidity of about 30% and considering future M&A funding needs, we believe disposal of at least 5-10% is possible. We intend to use leverage to utilize treasury shares as much as possible for shareholder returns and aggressive investment, and therefore want to limit disposal to the minimum necessary.
What will be the future relationship with SoftBank?	The capital alliance will be dissolved by this treasury share acquisition, but the business alliance will continue. Transactions with SoftBank Group's LINE Yahoo in the advertising platform business are expected to continue.
How will the treasury shares acquired from SoftBank be used?	The acquired treasury shares are expected to be used for the following purposes: ①Transfer to business partners ②M&A such as share exchanges ③Disposal at the time of the Prime Market transition ④Cancellation through profits
What kind of business partners are expected for the transfer?	While mainly partners with business synergies with us, we broadly consider partners that can contribute to increasing our market capitalization. In all cases, we assume partners capable of long-term investment.

Q&A Regarding M&A

GENIEE

Will you continue to actively pursue M&A in the future?	Our company aims for high growth and pursues organic growth while actively conducting M&A necessary to achieve our purpose. Although we will refrain from large-scale M&A for the time being to prepare for the transition to the Prime Market, we may still carry out M&A that do not require significant changes to internal controls or management systems.
Regarding the acquisition of Social Wire, you have acquired a 49% stake, so why can it be made a subsidiary? Also, how will sales and profits be recorded in that case?	Our company adopts IFRS and prepares consolidated financial statements based on IFRS. The determination of consolidated subsidiaries is based on whether there is substantive control under IFRS. In this case, the condition is that the majority of the board of directors agrees, so considering that we can effectively control management decisions, it is planned to be treated as a consolidated subsidiary. Sales and profits are consolidated on a 100% basis up to net income, but the net income attributable to the parent company's shareholders is recorded only for the 49% stake.
You have absorbed Hypersonic and BST (Business Search Technology) through mergers; what was the reason for absorbing both subsidiaries?	We have already been promoting business synergies such as product integration, joint sales activities leveraging each other's customer base, and product planning and development. This time, we decided to absorb both companies to consolidate management resources, improve operational efficiency, and accelerate decision-making.

Other Q&A

GENIEE

You mentioned that you will actively engage in IR going forward. Specifically, what will you do?	We plan to enhance our earnings presentation materials by incorporating investor feedback and quantifying the linkage between KPIs and our company strategy to improve clarity. Additionally, we will clearly describe the points regarding our competitive advantages. We will actively provide information through media exposure and platforms like note to help stakeholders better understand the business details.
What will the business portfolio look like going forward?	With the acquisition of Social Wire, a new Digital PR business was established, forming a larger business portfolio, and the overseas business was absorbed into the Advertising Platform business. As a result, while the Advertising Platform business remains the largest share, we expect the high-growth Marketing SaaS business to expand and eventually reach a sales level comparable to that of the Advertising Platform business.
Regarding JAPAN AI, what is the background for it becoming an equity-method affiliate, and what will its future position be within the GENIEE Group?	JAPAN AI has set its purpose as "creating a sustainable future society through AI" and is a company working to solve challenges across various fields, not limited to marketing, in the generative AI domain. To achieve these solutions faster than competitors, it was necessary to secure engineers and business talent and rapidly build the organization. Therefore, equity financing was conducted from external venture capitalists and others at the end of July 2024 and in August 2025. As a result, JAPAN AI became an equity-method affiliate in July 2024. Our CEO, Kudo, continues to serve as CEO of JAPAN AI, and as of August 2025, we still hold over 50% of the shares on a fully diluted basis, maintaining JAPAN AI’s core position within our group’s DX initiatives going forward.
How do you view the business alliance with Piara?	Piara was originally one of our customers, and we see high potential for collaboration especially in CHAT, ANALYTICS, and the newly launched CDP, SFA/CRM, and JAPAN AI. We believe that business collaboration between our groups will benefit both companies’ performance, which led to the business alliance.
Why did you enter into a capital alliance with Piara?	To ensure the medium- to long-term effectiveness of the business alliance, we place great importance on confirming the likelihood of sustained net asset maintenance. Piara’s performance has been improving quarterly, and by utilizing our tools, they have achieved operational efficiency and reduced SG&A expenses. Therefore, we judge that the possibility of maintaining their net assets is high, and responding to equity financing within a range where investment recovery is expected is reasonable. In fact, in Q4 of the fiscal year ending December 2024, Piara recorded sales of 4,123 million yen, operating profit of 63 million yen, and quarterly net profit of 68 million yen, showing improved net assets.
You have capital and business alliances with multiple companies such as FCE and Branding Technology. What is the aim?	We enter into capital and business alliances when there is potential for business collaboration with our group by providing products and services from our company and JAPAN AI. Specifically, we aim to strengthen cooperation so that partners use our group’s products, or we provide our products as OEM to partners who then introduce them to their customers.

Reference Material

Company Profile

GENIEE

Name	GENIEE, Inc.
Business Description	Advertising Platform Business, Marketing SaaS Business, and Digital PR Business
Location	Sumitomo Fudosan Shinjuku Oak Tower 6F, 6-8-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	President & CEO: Tomoaki Kudo
Officer	Director Yuichi Nishino Haruka Koshimizu(Outside) Director, Audit & Supervisory Committee member Katsuyuki Toritani (full-time, external) Yukio Todoroki (external) Yoshitaka Sasaki (external)
Number of Employees	877 (consolidated, as of March 31, 2025)
Date of Establishment	April 14, 2010
Share Capital	100 million yen (as of March 31, 2025)
Fiscal Year End	March

At Waseda University Graduate School of Science and Engineering, Kudo was affiliated with a research lab focused on AI and search engines.

Joined Recruit Co. Ltd. (now Recruit Holdings Co., Ltd.) and engaged in new business development.

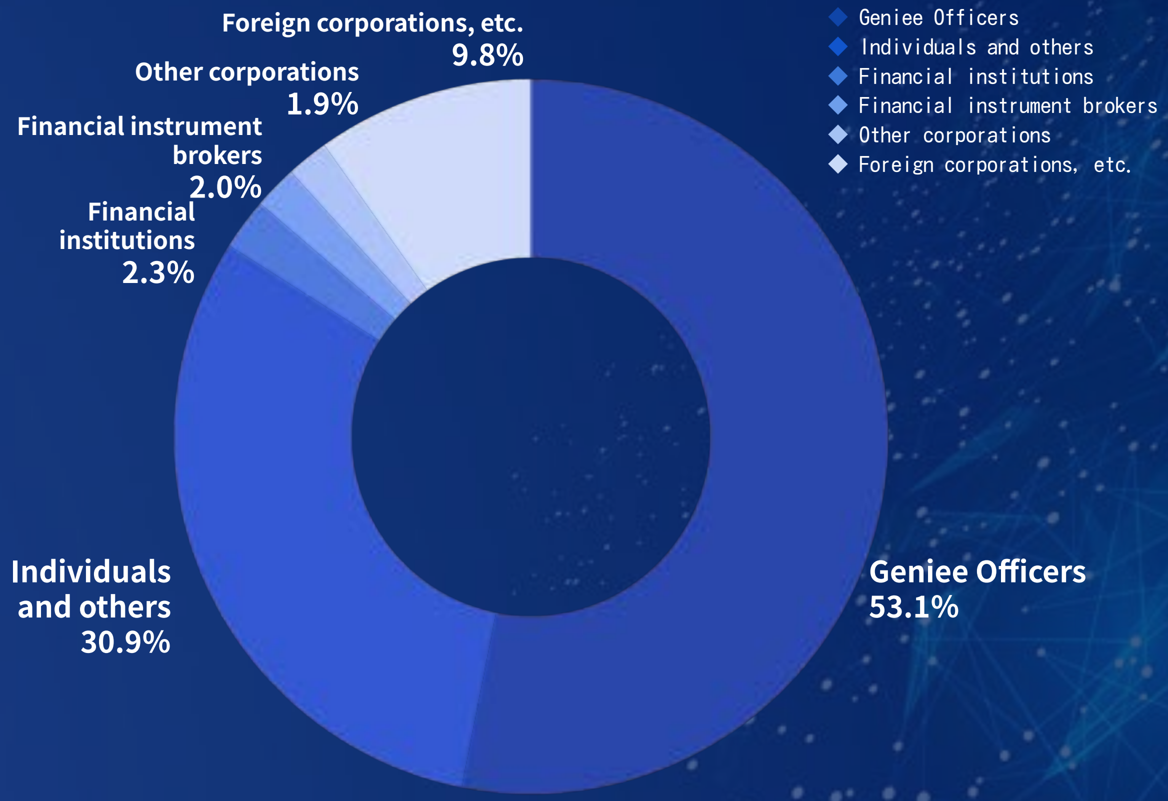
In April 2010, he founded Geniee, Inc. and became president and representative director.
In April 2023, he established JAPAN AI, Inc.

Status of Shareholders (as of the end of March 2025)

Status of Major Shareholders

Shareholder Name	Number of Shares Owned (shares)	Shareholding Ratio (%)
Tomoaki Kudo (President & CEO)	6,544,400	53.0
Daisuke Gomi	438,000	3.5
NICE SATISFY LIMITED	402,000	3.3
Takuya Yoshimura	362,600	2.9
Custody Bank of Japan, Ltd.	281,200	2.3
BNYM SA／NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	198,719	1.6
BNYM SA／NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	170,451	1.4
Ueda Yagi Tanshi Co., Ltd.	122,100	1.0
Hiroshi Hirose	105,500	0.9
THE BANK OF NEW YORK MELLON 140042	101,900	0.8

Shareholders



*1: Treasury shares are excluded from the above major shareholders.
*2: The top 10 shareholders are listed in descending order of the number of voting rights associated with owned shares. On July 31, 2024, 10,000,000 Class A preferred shares were issued to Mizuho Bank.

Purpose

Business Purpose

A world view realized by Geniee's products and services

Creating a world where everyone can succeed in marketing

Corporate Purpose

Long-term goals of the organization・Existential significance

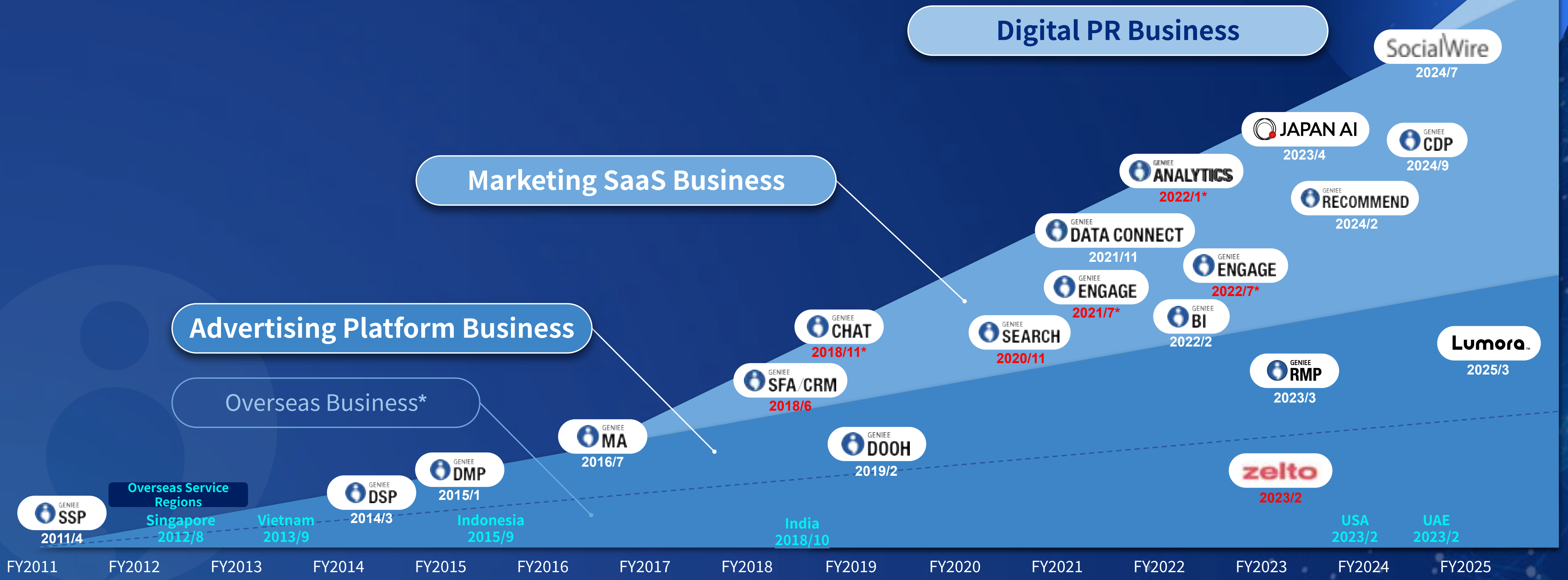
To become a global technology company from Japan, contributing to Japan and Asia

Business Trends

GENIEE

Started advertising platform business in 2010. Grew to top-tier scale in Japan by 2016.
Began offering marketing SaaS products from 2016, expanding business while conducting M&As.
Overseas business expansion started in 2012, with foreign revenue significantly increasing after acquiring Zelto in 2023.
In 2024, made Social Wire a subsidiary through third-party allotment, establishing a new Digital PR segment.

Gross profit(FY2024): **8.8 billion yen**



*Red text indicates acquisitions through M&A. Currently, former Chamo, former Engagebot, and former HyperSonic have been integrated into the GENIEE CHAT brand. Additionally, CATS Corporation's products have been integrated into the GENIEE ANALYTICS brand. As of FY25, overseas business has been integrated into the Advertising Platform.

TOPICS Regarding Zelto's Impairment Test Unit from FY25

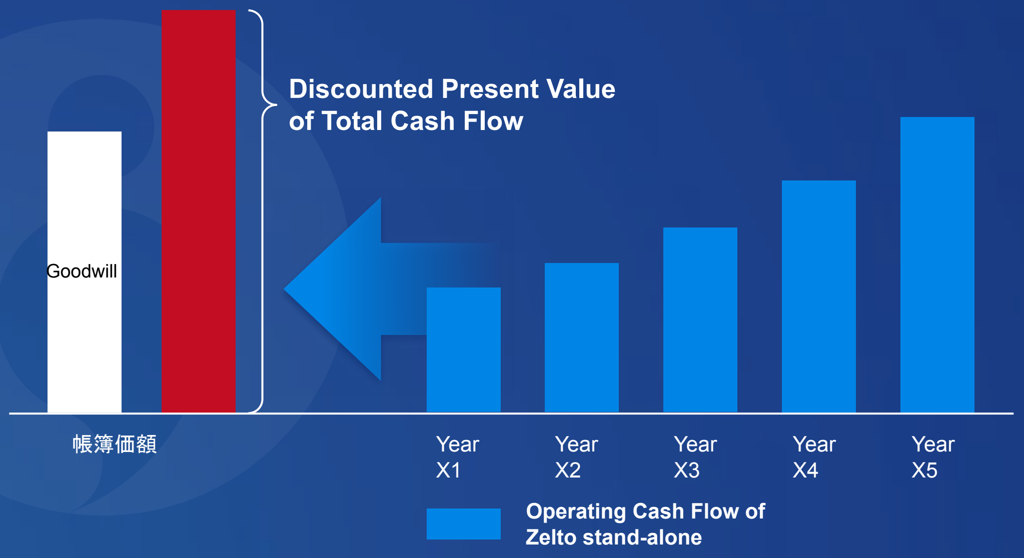
GENIEE

Goodwill and fixed assets are grouped into cash-generating units (CGUs) that produce independent cash flows, with recoverability determined by comparing goodwill to discounted future operating cash flows. Following global supply-side integration, decision-making, organizational structure, and brand attribution changed, shifting Zelto's CGU from "standalone" to "global supply as a whole," significantly reducing impairment risk for Zelto acquisition goodwill.

Determined on Zelto stand-alone basis

Before

FY2024



Determined on Global Supply overall basis

After

FY2025

Progress on PMI at Zelto,Inc.

GENIEE

Starting from September 2024, the domestic SSP business and the overseas SSP business (including Zelto) will integrate their organizational structure and operations. The business workflows of each function-based organization will be standardized at a global level to accelerate the progress of PMI. Additionally, product sales will be integrated, with the proactive launch of Zelto's highly competitive products in the domestic market.

Before

After

- Organizations are structured by each corporation and location, leading to variations in business workflows and service quality.
- The complexity of decision-making at Zelto Inc. has become a factor causing delays in PMI.

- **The organization will be unified into a global structure, allowing the deployment of operational and product best practices worldwide.**
- **This enables swift and optimal decision-making as the Genie Group, rather than by individual corporations or locations, thereby accelerating PMI.**

TOPICS Business Segment Changes

© GENIEE, Inc.

Following global supply-side integration from FY24-Q2, Advertising Platform and Overseas businesses merged into "Advertising Platform Business." Cross-selling between domestic and international operations has increased significantly since integration.

FY2024	FY2025
Advertising Platform Business Overseas Business	Advertising Platform Business
Marketing SaaS Business	Marketing SaaS Business
Digital PR Business	Digital PR Business

Competitive Advantage | Three Factors to Increase Cost Effectiveness

GENIEE

Our competitive advantage to maximize customer's **cost effectiveness (= ① Customer value proposition / ② Customer's consideration payment).**

Business management

Management style of a tech company that supports high growth by unifying and mutually using assets and brands from multiple businesses

- Multiple business divisions demonstrating synergies, implementing cost-effective business operations
- Instilling value management, and recruiting and developing a large number of management personnel and business development human resources
- Know-how to realize proactive M&A execution and PMI to grow at an early stage

In particular, functions to lower ②

Technology

Boasting one of the best technical capabilities in Japan, equipping marketing tools with generative AI solutions

- Boasting one of the best technical capabilities in Japan, developing many products with high customer value proposition in-house
- Integrating and utilizing company-wide data accumulated in multiple businesses and equipping each product with AI functions

In particular, functions to raise ①

Business

Establishing a system to enhance internal organizational capabilities, and realizing efficient business operations and operational excellence

- Recruiting and developing a large number of product managers
- Building a data-driven management system through company-wide adoption of sales management tools developed in-house
- Low churn rate through product retention support

Functions to both raise ① and lower ②

Advantages in Business Management | Inter-Business Synergies

Multiple business divisions demonstrating synergies, implementing cost-effective business operations
Reducing management costs, making provision of inexpensive products without adding prices to customers (reduction in customer's consideration payment) feasible.

❶Budget control

A management system that adjusts the budget optimally. Management centrally grasps the budget status and plan achievement status of each business division. There is a system in place for performing optimal and agile budget allocations and adjustments on a company-wide level according to the situation. Reducing company-wide costs through efficient management of SG&A expenses.

❷Flexible personnel transfers across departments

The transfer of human resources between departments is flexible and the replenishment of human resources is carried out in an agile manner. Reducing extra hiring costs through efficient staffing.

❸Cost benefits

Standardizing systems such as servers for each business, making volume discounts on system usage fees and purchase prices feasible. Creating cost benefits in managing multiple businesses.

Advantages in Business Management | Recruiting and Developing Human Resources

GENIEE

Instilling value management, and recruiting and developing a large number of management personnel and business development human resources.
Creating multiple high-growth businesses, serving as the source of income for creating highly cost-effective products.

Value management

- Instilling value (concept of values and culture). A corporate culture that allows speedy alignment based on a common concept of values even when businesses diversify and the organization size expands. Implementing instillation by reflecting it in the evaluation system.
- In particular, the commitment and ownership values of being particular about achieving performance are deeply rooted in the corporate culture.

Recruiting capabilities

- Setting the highest level of remuneration in the industry. Designing incentives to enhance corporate value.
- An environment where people are involved in multiple high-growth businesses with discretionary power and opportunities to come into contact with advanced technology, such as AI, serving as advantages in recruitment.
- Employing a large number of management and executive human resources of listed companies' C-suite level.

Development

- Developing management human resources capable of growing acquired businesses. Developing by way of OJT through assignments to acquired businesses and mutual sharing of knowledge through flexible transfers between business divisions.

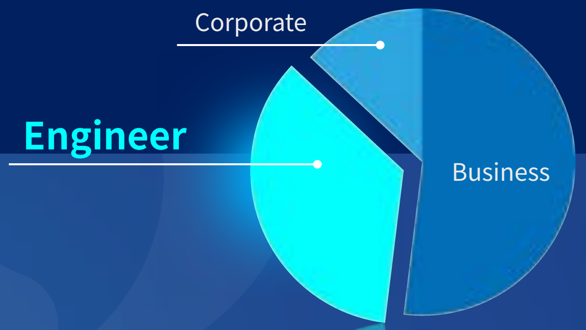
Advantages in Technology | Technical Capabilities

GENIEE

Boasting one of the best technical capabilities in Japan, developing many products with high customer value proposition in-house. Product value improving dramatically by equipping marketing tools with generative AI solutions (increase in customer value proposition).

Engineers with one of the best technical capabilities in Japan

- Approximately 35% of all employees are in engineer / product planning positions.
- Housing many engineers with master's or doctorate degrees in computer science.
- Housing numerous persons who worked at other companies such as Big Tech companies and as CTOs of ventures.



Equipped with vast big data and Japan's best AI technology

- In-house development of the ad delivery platform of the No. 1 scale in Japan. Massive data processing technology that can withstand delivery of hundreds of thousands of ads per second, and automation of ad operations utilizing machine learning.
- Research and development of globally top-class speech recognition / image generation technology. Dramatically boosting the productivity of marketing activities.

Strong alliances with the world's leading tech companies

- Certified as a Technology Partner that provides technical support for the marketing solutions of LY Corporation.
- Certified as Google Cloud Build Partner. Strengths in big data utilization and AI development.

※ Only a select group of partner companies that have demonstrated expertise and skills in ad solutions such as Google Ad Manager / AdSense and have met stringent criteria are certified

Advantages in Technology | AI Development

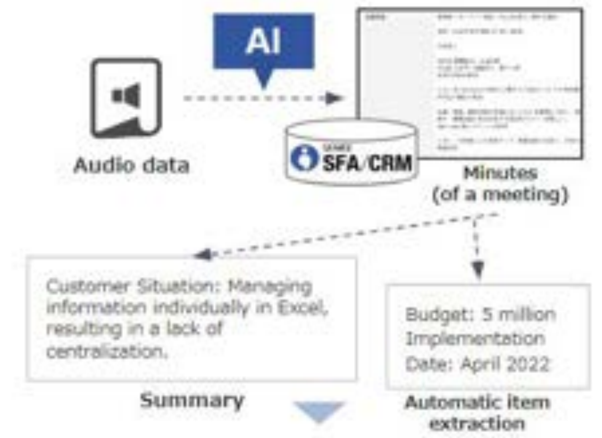
GENIEE

Capable of integrating and utilizing company-wide data accumulated in multiple businesses and equipping each product with AI functions.
Raising product performance with advanced AI technology (increase in customer value proposition).

JAPAN AI × GENIEE SFA/CRM

AI summarization / automatic extraction

Audio minutes → Summarized and itemized by AI, reducing input burden and minimizing the manager's review workload.



Sales representative

Transcribe audio data from online meetings and use AI to automatically extract information, registering it into SFA records. Create a system that allows sales representatives to focus on sales activities.

AI order prediction

Optimizing sales activities through AI-driven predictions.

Sales representative

Based on accumulated achievement data, AI independently predicts sales and customer behavior. Enables proactive planning of optimal sales strategies using future predictions.

Next action recommendations

Systematizing and automating the sales process with next action recommendations.

Sales representative

Automate the sales process as recommended actions and provide recommendations based on the status of negotiations, enabling a reduction in management workload.

Advantages in Technology | AI Development

GENIEE

JAPAN AI

Engaging in research and development as well as providing services for various generative AI products.

1 JAPAN AI CHAT

2 JAPAN AI SPEECH

3 JAPAN AI SALES & MARKETING

JAPAN AI CHAT	1	Corporate GPT
	2	Data Integration
	3	RAG
	4	Prompt Template
	5	Multi-LLM Support
JAPAN AI SPEECH	1	Meeting Transcription
	2	Minutes Taking
	3	Speaker Diarization
	4	Conference System Integration
	5	SFA Integration
JAPAN AI SALES & MARKETING	1	Persona Inference
	2	Image Generation
	3	Video Script Generation
	4	Social Media Post Generation
	5	Article Landing Page
	6	Legal Check

TOPICS About 'JAPAN AI AGENT'

GENIEE

ChatGPT was released in November 2022, and we are now entering the era of "AI Agents."

Announced by OpenAI: **[Evolution Levels Towards AGI]**

Level 1 Chatbots.
Conversational AI that understands the meaning of words and provides responses.
Traditional Chat-GPT and enterprise generative AI services.

Traditional Chat-GPT and enterprise generative AI services.

Level 2 Reasoners.
AI with human-level problem-solving abilities (e.g., o1 models).

Level 3 Agents.
Systems that can think for themselves and take action.

JAPAN AI AGENT

Level 4 Innovators.
AI that can assist in inventions.

Level 5 Organizational management.
AI that can perform organizational tasks.

Evolving from mere conversational AI to
"AI that thinks for itself and takes action."

▼What "JAPAN AI AGENT" can do at this point (for example, tasks like these)

Information gathering from the web → Processing into Excel data → Analysis tasks → Processing into PowerPoint → Sending emails

[Before] Progressing tasks while interacting with AI.

User: Please research about ○○ on the web.
Traditional AI: I have researched...
User: Please summarize this in a tabular format.
Traditional AI: I have summarized
User: Please analyze this and provide insights.
Traditional AI: I have analyzed
User: Process it into PowerPoint.
Create the email + attach the data.
Send.

JAPAN AI AGENT

[After] Most tasks are executed by the AI agent.

User: Research ○○ on the web and output the analysis results in PowerPoint.
Analysis Agent: I have researched, summarized, analyzed, and completed the PowerPoint data.
User: Check, OK. Please draft a message for ●● and send it.
Email Sending Agent: I have sent it.

GENIEE × JAPAN AI

①**Implement mutual cross-selling and product collaboration between the two companies to accelerate product expansion.**
・Propose cross-selling of JAPAN AI to existing customers of GENIEE SFA/CRM.
(Collaboration where AI automatically records/summarizes sales appointment minutes at a major security manufacturer and automatically logs them into GENIEE SFA/CRM.)
・Conduct cross-selling of GENIEE products to existing customers of JAPAN AI (pharmaceutical companies, recruitment agencies, etc.).

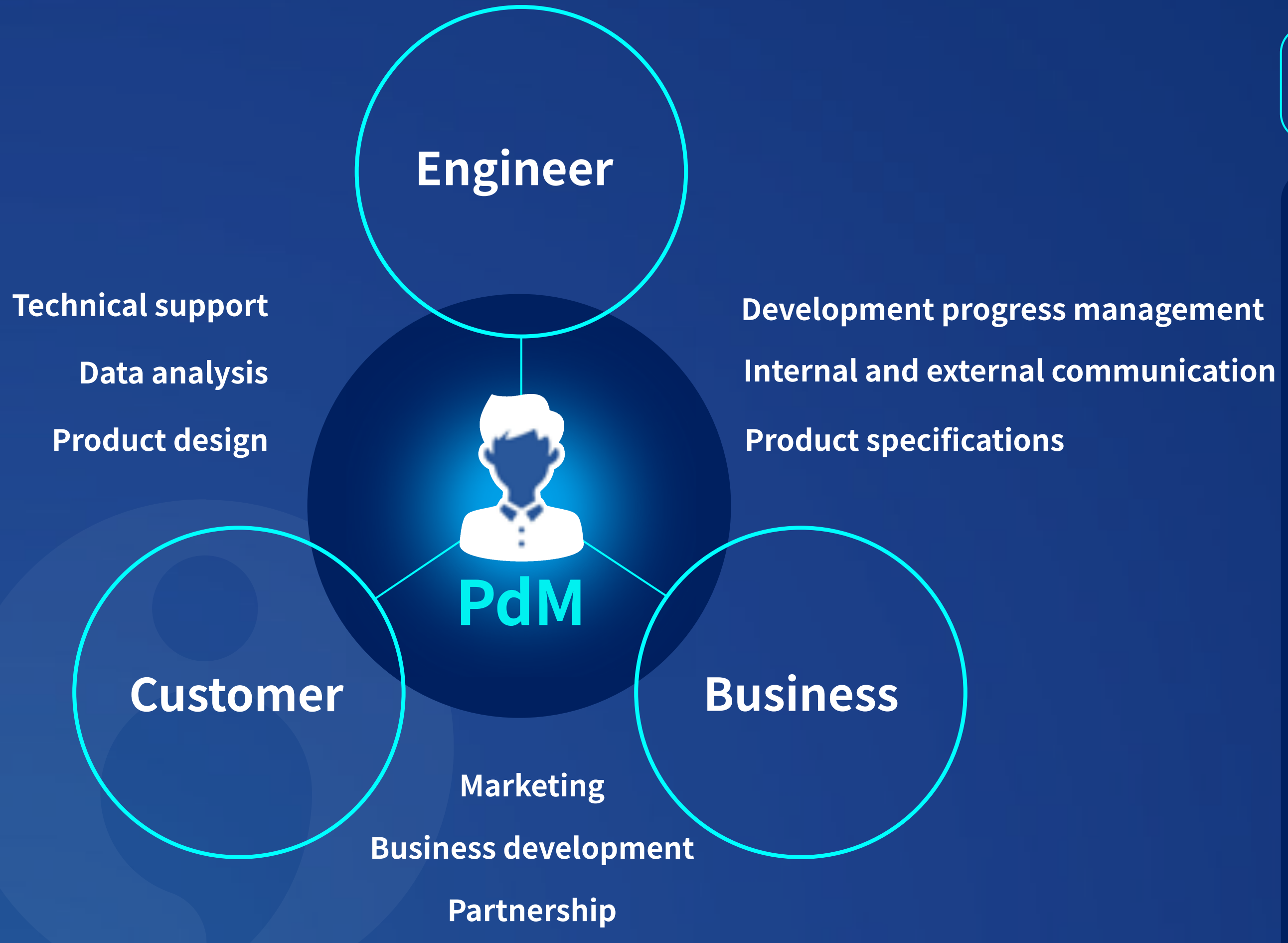
②**Introduce AI AGENT within our company to initiate the digital transformation (DX) of operations.**
・Sales-oriented corporate research AGENT, engineering support, product requirement definition, etc.

In the future...
Package advertising operations and SaaS-based operations in collaboration with the services we provide, allowing "JAPAN AI AGENT" to handle the tasks.
▶ **Reducing the workload of users.**

Advantages in Business | Product Planning

GENIEE

Recruiting and developing a large number of product managers (PdMs). A system of developing highly cost-effective products and building medium- to long-term competitive advantage.



About product manager (PdM)

What is PdM?

- An occupation responsible for improving the value of products. Stands between business, engineer, and customer, and plays a wide range of roles in all directions.
- It is an important job category at tech companies that focus on products, but there are only a few cases of such job category being in place at Japanese companies or such human resources in the market.

Status of Geniee

- A large number of PdMs have been employed/appointed and PdMs are assigned for each product. An organizational structure that continues to increase the cost effectiveness of products as a driver for business growth.
- Company-wide knowledge sharing and development through PdM study sessions, internal meetings specialized in product improvement, etc.

Advantages in Business | Sales

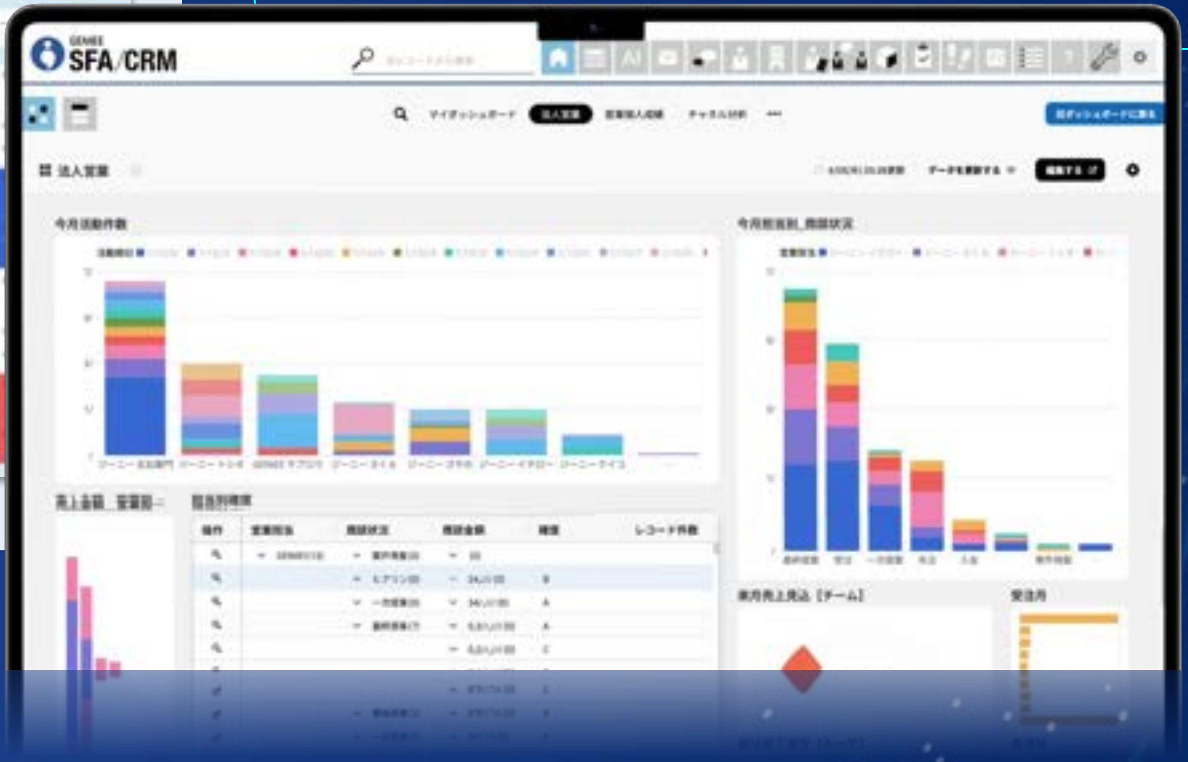
GENIEE

Adopting in-house sales management products (GENIEE SFA/CRM) company-wide.
Highly reproducible scientific business management system based on data.

Visualizes project progress and reliably leads to results

GENIEE SFA/CRM

Highly precise management system based on quantitative data



Advantages in Business | Customer Success and Operation

GENIEE

Building a generous service system for enterprise customers in-house to continually realize extremely low churn rates.
Possessing the advantage of having both an in-house product development system and a utilization/introduction support system.

Introduction period
(two to three months from start of operation)

Introduction support

- Support for organizing product requests, operation training, integration of GENIEE products and existing customer systems, etc.
- Since Geniee develops products in-house, there are no communication costs or unnecessary expenses upon introduction (in the case of other companies in general, the system provider and the introduction support company are separate, so there is overlapping communication).

Requirements definition | Initial setup | Advanced settings | Data migration | Holding of operation lecture sessions

Utilization period

Utilization support

- Customer requests can be reflected promptly in in-house products and functions can be improved speedily. Seamless integration with other GENIEE products to maximize marketing effectiveness.
- A system of generously following up until the product is entrenched (= customer success) rather than just finish with providing products. Products are developed in-house, meaning plenty of know-how to support entrenchment (in the case of other companies, utilization support after product introduction is outsourced).

Support for utilizing new features | Sharing of success stories | Proposals for use in strategies | Information on study sessions

Areas of the Marketing SaaS Business

GENIEE
© GENIEE, Inc.

Structure of the Marketing SaaS Business

GENIEE

Offering SaaS tools enabling execution/management of everything from customer attraction to sales promotion and order acceptance for marketing DX / sales DX.
Stable revenue model with monthly revenue accounting for 80% of overall revenue.

Companies that want to do efficient sales activities

「Campaign details and progress are in pieces. If only these can be checked all at once...」
「Want to find prospects more easily...」

Provision

Companies that want to increase revenue even more

「Even if they look at the website, they end up leaving」
「Even if they see the ad, they end up not buying」

Provision

GENIEE
Marketing Cloud
[Product development]

80% of overall revenue are monthly charges

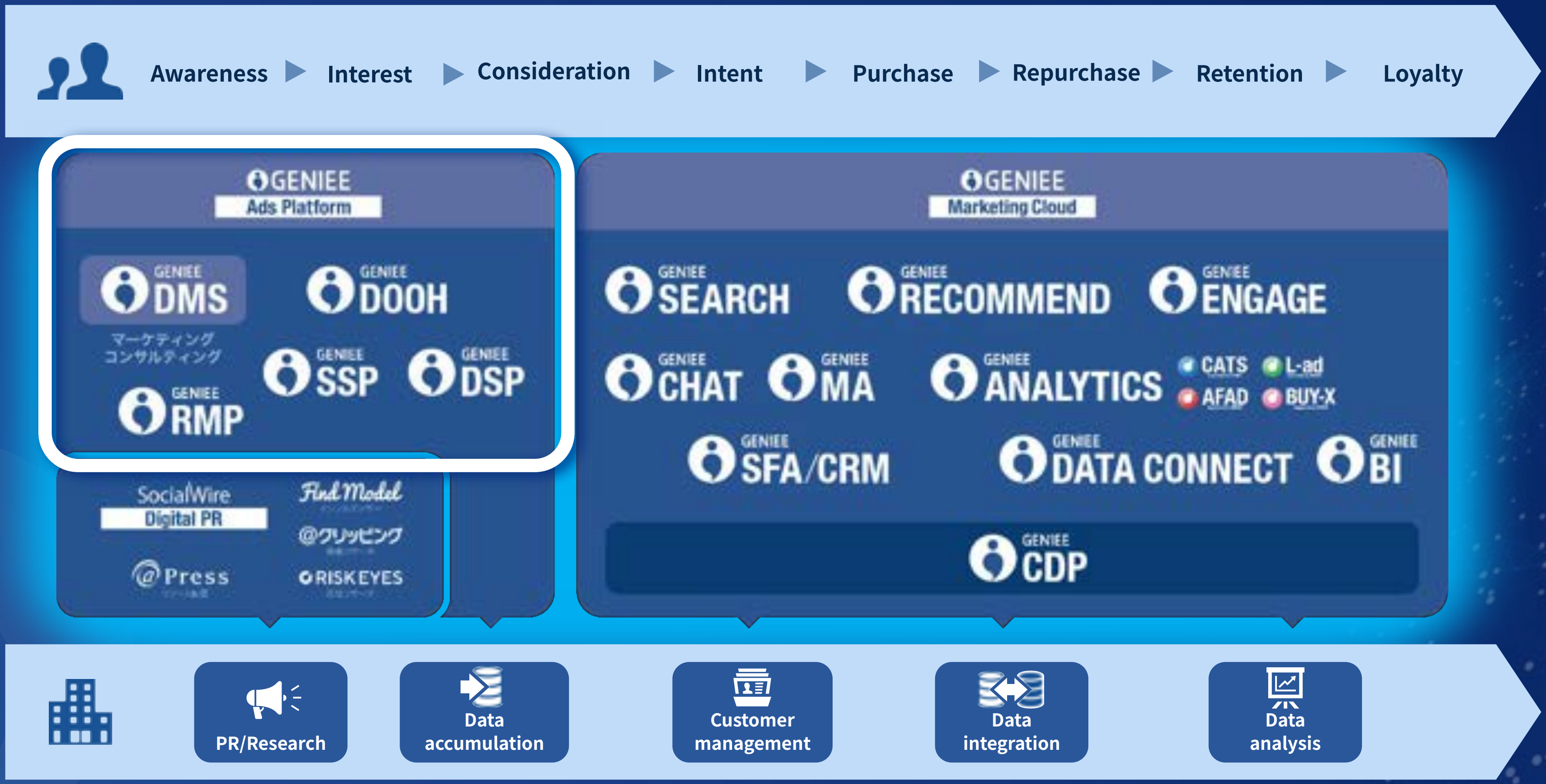
Development costs + (Monthly fee + Monthly fee + Monthly fee …) = **GENIEE revenue**

One-time revenue

Subscriptions

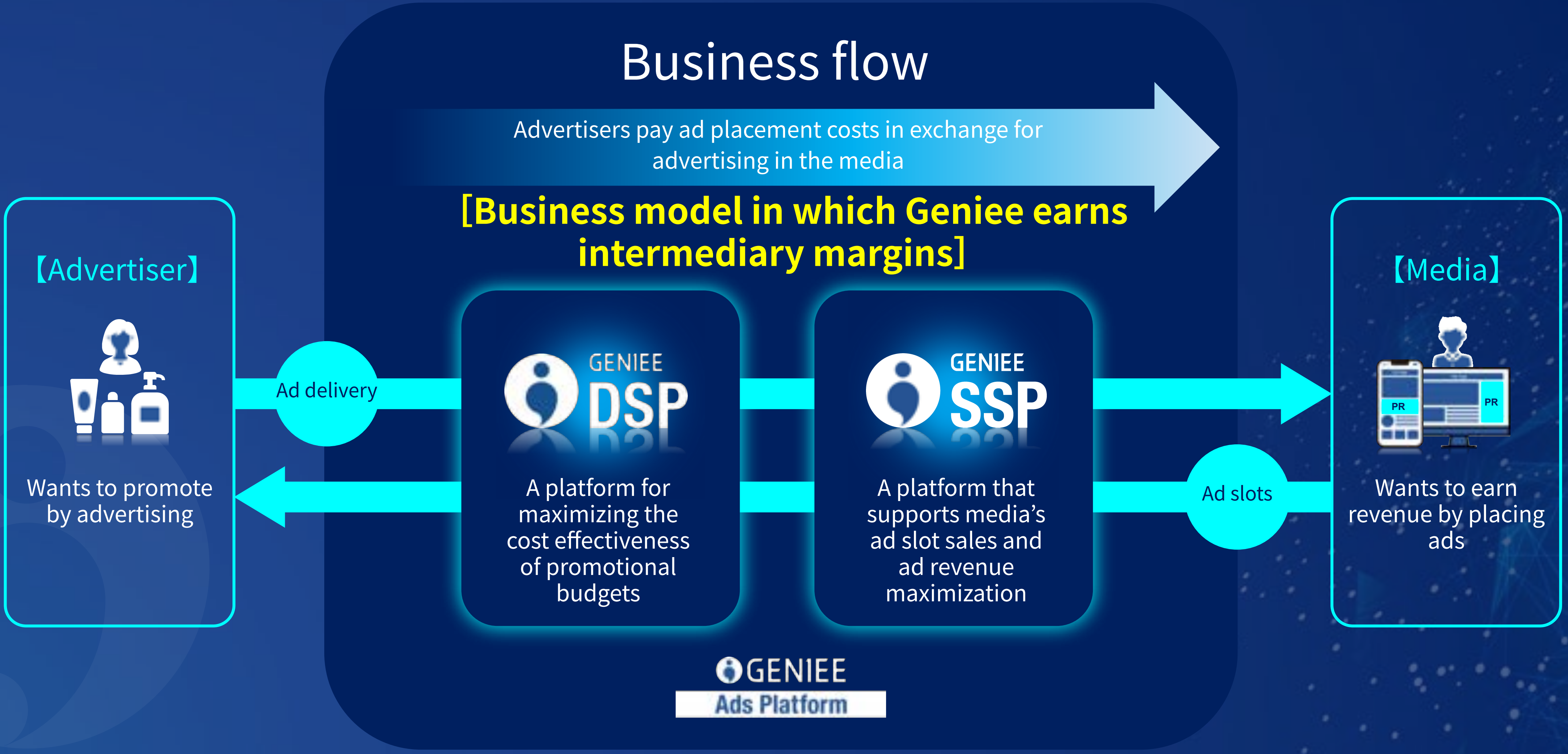
Areas of the Advertising Platform Business

GENIEE



Advertising Platform Business | GENIEE SSP / GENIEE DSP

Technology that displays personalized ads, providing high revenue for media and high return on ad spend for advertisers.



Overseas Business

GENIEE

We began our international expansion in 2012 and have since expanded our ad platforms mainly in the rapidly growing Asian region.
In February 2023, operator of ad platform businesses in Europe, the U.S., and the APAC region Zelto, Inc. was made a wholly owned subsidiary.
Implemented integration and function enhancements between Zelto products and domestic businesses.

Overseas bases

Business description

- Expanding business in Europe, the U.S., and the APAC region, while also establishing a market leader position in the area of ad revenue optimization in the APAC region
- In addition to being a Google reseller and providing GENIEE SSP, offers AdPushup (an ad revenue optimization solution) and AdRecover (a monetization solution for ad inventory) services

Areas of the Digital PR Business

GENIEE

Digital PR Business

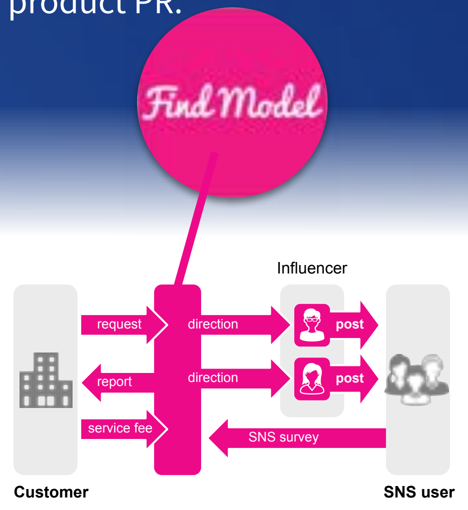
Starting from the second quarter of this fiscal year, a new structure has been established, referring to the following four businesses operated by Social Wire Inc. This aims to complement the value chain in the marketing domain and accelerate the establishment of a comprehensive one-platform solution.

Newswire Business

A press release distribution service supporting corporate communications, "@Press" is the industry's second-largest after PR TIMES.

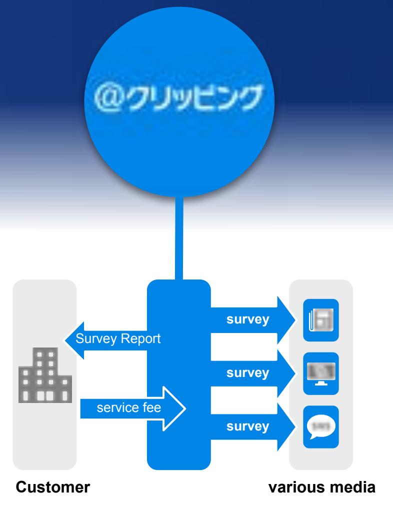
Influencer PR Business

A service that receives orders from advertising agencies and direct clients to cast influencers on social media, primarily Instagram, for product PR.



Clipping Business

A service that researches, selects, and reports (via mail) articles from media that customers need.



Risk Assessment Business

A service to verify a client's ties to anti-social forces, criminal activities, and scandals using public information like news articles.

Risks and Response Policies

GENIEE

In order to achieve the Medium-Term Management Plan, we identify and assess risks through global risk management activities and develop response policies.
When risks become apparent, we will respond quickly and appropriately.

Major Risks	Related Segment	Example Risk Scenarios	Main Response Policies
Internet advertising market trends and competitive environment	Advertising Platform Business	Possible decline in revenue due to economic downturn, reduction in advertising budgets, and a lack of competitiveness.	• Approach business sectors/industries that are less likely to be affected. • Benchmark competitors and continue investing in technology.
Information security and management of personal information	Marketing SaaS Business	Leakage of information assets such as customer information of companies that adopted SaaS products.	• Obtain Privacy Mark certification, maintain and improve the level of management of personal information on a continuous basis.
Technological Innovations	All businesses	Possible decline in competitiveness, additional system development, and increased labor costs due to competitors' development of new technologies and introduction of new services.	• Develop new technologies. • Analyze overseas advanced cases. • Cooperate technically with other companies.
Risks of the Advertising Platform Business at Overseas Locations	Advertising Platform Business	Possible impact on our Group's financial position and operating results from not being able to recover our investment due to country-specific business practices, government regulations, and other factors.	• Confirm regulatory changes with a local corporate legal firm. • Collaborate on information between overseas subsidiaries and the head office.
Entering new service areas	All businesses	Possible losses due to service suspension or withdrawal as a result of failure to achieve initially expected results due to timing discrepancies between upfront investment associated with entering a new market and the speed or scale of market expansion.	• Interview multiple experts. • Study overseas advanced cases. • Defer upfront investments until strategies to earn profit from potential customers are established.
Corporate acquisitions and investments	All businesses	Possible significant losses due to the occurrence of contingent or unrecognized liabilities after an acquisition, or potential fraud or compliance issues due to inadequate internal controls.	• Conducting due diligence with various internal and external experts. • Utilize M&A know-how and insights accumulated from the past.

Sustainability

GENIEE

Focusing particularly on social and governance aspects of ESG, we adopt a wide variety of systems to ensure fair opportunities for employees, enhance career motivation, and facilitate internal communication.
Furthermore, as a publicly listed company, we place importance on governance and have thoroughly implemented a code of conduct for employees to conduct business legally and appropriately. We have also established a system to enhance the reliability and transparency of our financial reporting.

	Examples of Initiatives and Results	SDGs Initiatives
Environment	• Requested quotations and basic contracts to be electronically signed in principle to reduce environmental impact, optimize resource use, and improve business efficiency. • Achieved complete paperless operations by adopting cloud-based systems for HR, attendance, accounting, and expense reimbursement.	13 CLIMATE ACTION
Social	• Created a comfortable working environment through programs such as refreshment leave, rent subsidies, book subsidies, and support for working parents. Additionally, supported career development with internship programs, job change programs, global challenge initiatives, and other opportunities. • Actively hiring and promoting female employees to management positions to support their success. We will continue to foster an environment where all employees can work comfortably, regardless of gender. • Assigned the right people to the right positions globally, including relocating talented overseas personnel to the head office and promoting head office staff to overseas positions.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Governance	• Held Compliance Committee meetings regularly and ensured that all employees are aware of the company's sexual harassment and power harassment policies. • With a high proportion of external directors, oversight and checks by these directors functioned effectively. • As a company with an audit and supervisory committee, we ensured the reliability and transparency of financial reporting by supervising and supporting both internal and external audits.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The figures for consolidated management targets and other data presented in this document are based on plans formulated using information currently available and include a number of uncertainties.
Actual results and performance may differ due to changes in business conditions and other factors.