

Marketing Technology & AI Company



Fiscal Year Ending March 31, 2026 (FY2025)
Q2 Financial Results Briefing Materials

H1 revenue and gross profit exceeded 20% YoY growth.
AI Business and SocialWire upgraded;
Marketing SaaS on track for FY profitability.
Advertising Platform revised down due to modest 6% YoY growth.



JAPAN AI: 603% YoY growth, surpassing plan with two guidance upgrades. Leveraging SaaS synergies; exercising stock options toward future subsidiary status.



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Ad Platform Division: 6% YoY growth (Q2), improving sequentially. Downgraded Geniee guidance due to operational strain from JAPAN AI's surge and internal issues, plus group priority review. Expected to maximize long-term group value.

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- 2 TOPICS
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First Half Financial Summary

Revenue & Gross Profit: 20%+ growth. Operating profit declined YoY due to prior-period one-time items¹, but normalized profit² grew 36%. Current one-time items: ¥79M from JAPAN AI fundraising equity valuation and ¥11M from SocialWire's MK1 Vietnam equity stake sale.

(million yen)

| | FY2024 full year (a) | FY2025 full year(b) | Change (b – a) | | FY2025 Projection |
|---|-------------------------|------------------------|----------------|--------|----------------------|
| | | | Amount | % | |
| Revenue | 5,121 | 6,301 | 1,180 | 23.0 | 15,300 |
| Gross profit | 3,880 | 4,745 | 865 | 22.3 | 11,800 |
| Operating profit | 1,567 | 744 | -823 | -52.5 | 2,750 |
| [Normal Profit* ²] | [478] | [654] | [176] | [36.7] | — |
| Profit before tax | 1,498 | 581 | -917 | -61.2 | 2,600 |
| Profit | 1,291 | 405 | -886 | -68.6 | 2,010 |
| Profit attributable to owners of parent | 1,240 | 346 | -894 | -72.0 | 1,960 |

*¹In FY2024-1Q, we recorded a one-time loss of ¥640 million for Geniee US (formerly Zelto)'s contingent consideration as former shareholders failed to meet the vesting requirement (initial cap of \$10 million, reduced by \$5 million in FY2023). In FY2024-2Q, JAPAN AI Inc.'s capital raise triggered its transition from consolidated subsidiary to equity method affiliate, generating a gain of ¥320 million. Additionally, ¥70 million gain was recognized from liquidating SocialWire Inc.'s shared office business.

*²Operating profit less one-time gains and losses.

FY2025-Q2 | Segment-wise Financial Summary

Ad Platform: Sequential growth; ¥700M operating profit in H1 (incl. Digital PR). Marketing SaaS: Enterprise project delays raised costs, but losses to narrow via JAPAN AI cross-sell and org consolidation.

(million yen)

| | FY2024 Q1 | FY2024 Q2 | FY2024 Q3 | FY2024 Q4 | FY2025 Q1 | FY2025 Q2 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 2,265 | 2,856 | 3,160 | 3,039 | 3,061 | 3,239 |
| Advertising Platform Business* | 1,418 | 1,293 | 1,447 | 1,302 | 1,258 | 1,371 |
| Marketing SaaS Business | 859 | 864 | 963 | 1,083 | 1,116 | 1,074 |
| Digital PR Business | — | 707 | 761 | 680 | 703 | 807 |
| (Adjustments) | ▲11 | ▲10 | ▲11 | ▲27 | ▲16 | ▲14 |
| Gross Profit | 1,740 | 2,139 | 2,515 | 2,411 | 2,362 | 2,383 |
| Segment Profit | 815 | 752 | 563 | 389 | 333 | 411 |
| Advertising Platform Business* | 605 | 610 | 730 | 680 | 538 | 611 |
| Marketing SaaS Business | 25 | 126 | 260 | 256 | 287 | 186 |
| Digital PR Business | — | 202 | 150 | 78 | 103 | 114 |
| (Company-wide / Eliminations) | 184 | ▲187 | ▲577 | ▲626 | ▲596 | ▲501 |
| Operating profit | 815 | 752 | 563 | 389 | 333 | 411 |
| Advertising Platform Business* | 361 | 374 | 472 | 417 | 283 | 380 |
| Marketing SaaS Business | ▲193 | ▲91 | 21 | 8 | ▲1 | ▲99 |
| Digital PR Business | — | 108 | 65 | 4 | 24 | 49 |
| (Adjustments) | 647 | 361 | 3 | ▲40 | 26 | 81 |
| Profit Before Tax | 748 | 750 | 406 | 361 | 231 | 350 |
| Profit Attributable to Owners of the Parent Company | 672 | 568 | 292 | 421 | 150 | 196 |

*FY2025 onwards: Overseas business consolidated into Ad Platform (FY2024 restated comparably).

**Digital PR: FY2024 Q2 had ¥70M Singapore sale gain; FY2025 Q2 had ¥20M iHack acquisition costs.

FY2025-Q2 | KPI Summary

Marketing SaaS: Q1 churn spike resolved; back to 1% range. Digital PR: Excluding prior-year Q2's ~¥80M sale gain, normalized profit grew YoY.

| | (Unit) | FY2024 Q1 | FY2024 Q2 | FY2024 Q3 | FY2024 Q4 | FY2025 Q1 | FY2025 2Q |
|---------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Marketing SaaS Business | | | | | | | |
| Number of Paid Accounts | (accounts) | 18,714 | 19,416 | 20,337 | 21,676 | 22,651 | 24,157 |
| ARPA (Average Revenue Per Account) | (yen) | 13,501 | 15,284 | 19,874 | 18,777 | 20,620 | 17,167 |
| Churn Rate | (%) | 0.20 | 1.83 | 0.72 | 0.30 | 2.15 | 1.17 |
| ARR (Annual Recurring Revenue) | (million yen) | 2,658 | 2,984 | 3,244 | 3,471 | 3,539 | 3,683 |
| Gross Profit Margin | (%) | 71.3 | 72.4 | 73.3 | 74.7 | 78.6 | 77.6 |
| Recurring Revenue Ratio | (%) | 80.5 | 81.2 | 82.1 | 80.3 | 80.2 | 79.8 |
| Advertising Platform Business* | | | | | | | |
| Number of Clients | (companies) | 247 | 267 | 287 | 293 | 251 | 259 |
| Revenue per Client | (thousand yen) | 2,012 | 1,636 | 2,120 | 1,439 | 1,859 | 1,826 |
| Operating Profit Margin | (%) | 25.5 | 28.9 | 32.7 | 32.1 | 22.5 | 27.7 |
| Operating Profit | (million yen) | 361 | 374 | 472 | 417 | 283 | 380 |
| Digital PR Business | | | | | | | |
| Number of New Clients Acquired | (companies) | — | 808 | 1,090 | 1,067 | 831 | 748 |
| Operating Profit Margin | (%) | — | 15.3 | 8.6 | 0.6 | 3.6 | 6.1 |
| Operating Profit | (million yen) | — | 108 | 65 | 4 | 24 | 49 |

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

H1 Segment Progress vs. Plan

Ad Platform missed plan due to multiple headwinds. Marketing SaaS fell short on revenue from major customer loss, though operating profit target met. Digital PR tracking ahead.

| (million yen) | | Initial Budget | H1 Actual Results | Variance | Variance Reason |
|---------------|------------------|----------------|-------------------|----------|---|
| Ad Platform | Revenue | 3,018 | 2,631 | -387 | Ad Platform: Missed Target Due to Multiple Internal/External Factors <ul style="list-style-type: none"> ●Marketing/Sales – New customer/deal acquisition shortfall (Domestic/Overseas) : ¥-130M ●Advertiser – Regulation changes, etc. (Domestic/Overseas) : ¥-70M ●Operations/CS – Transaction contraction (Domestic) : ¥-70M ●Media/Market – Media PV decline, ad rate compression, etc. (Domestic) : ¥-30M ●SG&A Reduction – Cost control initiatives (Domestic/Overseas) : ¥+190M |
| | Operating profit | 705 | 664 | -40 | |
| SaaS | Revenue | 2,303 | 2,191 | -113 | Marketing SaaS: Missed Revenue Target Due to Large Customer Churn; Operating Profit Achieved via Cost Reduction <ul style="list-style-type: none"> ●CHAT – Large account churn (CS-driven) : ¥-70M ●SFA – Extended enterprise deal implementation, higher outsourcing costs (Development-driven) : ¥-20M ●CDP – Marketing cost savings from cross-sell with SaaS/JAPAN AI : ¥+100M ●Overall – SG&A reduction from org consolidation and expense compression : ¥+120M |
| | Operating profit | -199 | -102 | 98 | |
| PR | Revenue | 1,424 | 1,511 | 87 | Digital PR: Plan Achieved Through Organic Growth and M&A <ul style="list-style-type: none"> ●Organic Growth – Influencer PR led expansion (YoY +57% vs. prior year same quarter) ●M&A – iHack acquisition consolidated into revenue and operating profit |
| | Operating profit | 10 | 74 | 64 | |

H2 Segment Outlook

Ad Platform and Marketing SaaS plans revised to conservative growth based on H1 results. Digital PR guidance raised to reflect M&A earnings contribution.

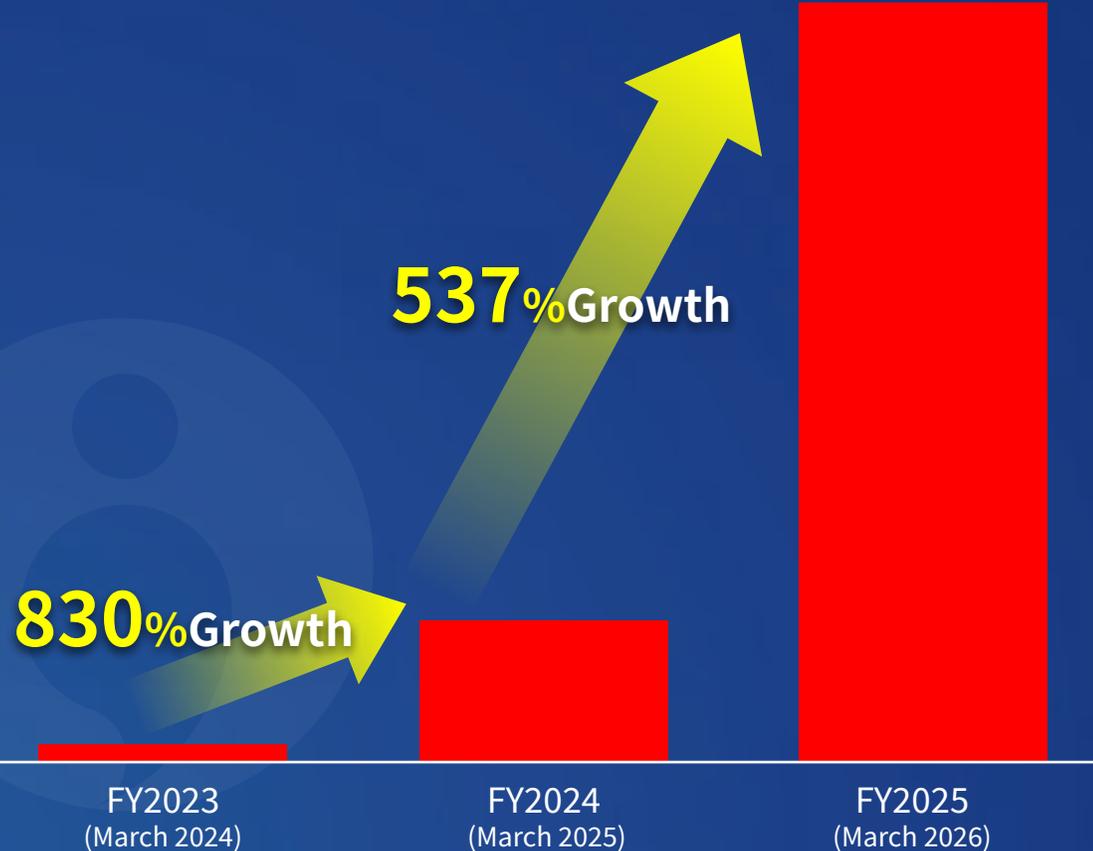
| (million yen) | | Initial Budget | H2 revised forecast | Variance | Revised full-year growth rate | H2 strategy/approach | Earnings outlook |
|---------------|------------------|----------------|---------------------|----------|-------------------------------|--|--|
| Ad Platform | Revenue | 3,952 | 3,219 | -733 | 7% | <ul style="list-style-type: none"> Advancing AI-driven operations and restructuring sales management. Under the new framework, prioritize cost reduction and issue resolution to enable growth resumption from next fiscal year onward. Operating profit growth to maintain prior-year level (YoY +8%) while sustaining cost initiatives. | <ul style="list-style-type: none"> Based on H1 results and accounting for regulatory tightening and market conditions, adopt conservative planning and execute structural reform. Implement aggressive cost reduction to mitigate operating profit impact from revenue shortfall (+¥130M). |
| | Operating profit | 1,595 | 1,094 | -501 | 8% | | |
| SaaS | Revenue | 2,976 | 2,714 | -262 | 30% | <ul style="list-style-type: none"> Sustain high growth by expanding JAPAN AI integration and cross-selling. Reorganize from product-centric to function-based structure to enhance capability and operational efficiency. SFA/CRM and CDP lead growth. Enterprise customer development issues to be resolved by Q3. | <ul style="list-style-type: none"> CHAT segment: Large customer churn impact in H1 (-¥100M). Revised to conservative growth line (-¥260M). Offset by cost reduction from development issue resolution and organizational integration (+¥150M). |
| | Operating profit | 239 | 141 | -98 | 黒字化 | | |
| PR | Revenue | 1,676 | 1,940 | 263 | 60% (27%*) | <ul style="list-style-type: none"> Accelerate growth through iHack synergy creation and H1 product renewal completion. | <ul style="list-style-type: none"> iHack acquisition performance drives upward revision: +¥30M. |
| | Operating profit | 100 | 131 | 30 | 15% | | |

*SocialWire consolidated as subsidiary from FY24 Q2. Full-year growth rate (excluding exited businesses): 27%.

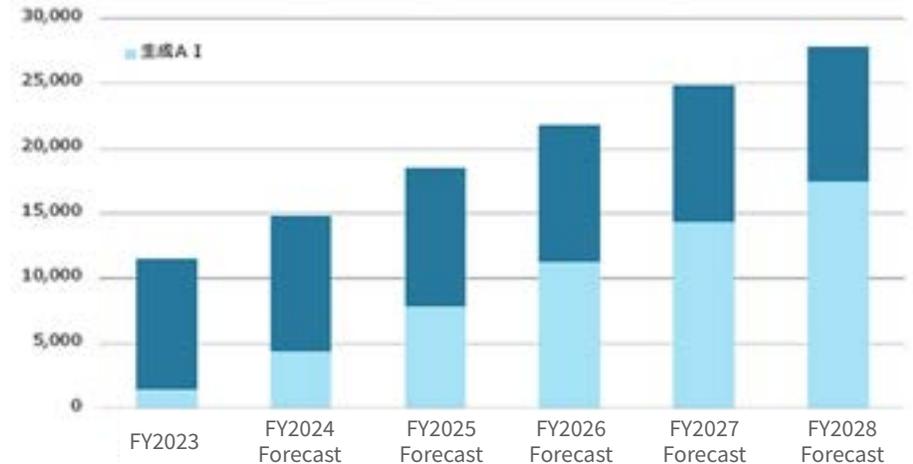
JAPAN AI: Growth Performance & Potential

JAPAN AI products/services performing strongly. FY2025 revenue projected at **~537% YoY growth (2 upward revisions)**. H1 FY2025 achieved **603% YoY growth**. Series B funding (July 2025) valued at **~¥9.0B** post-money. Future growth driven by enterprise product expansion (JAPAN AI STUDIO) and Marketing SaaS integration.

Revenue: **¥2.78B+**



Japan's Domestic AI Market (Including Generative AI)



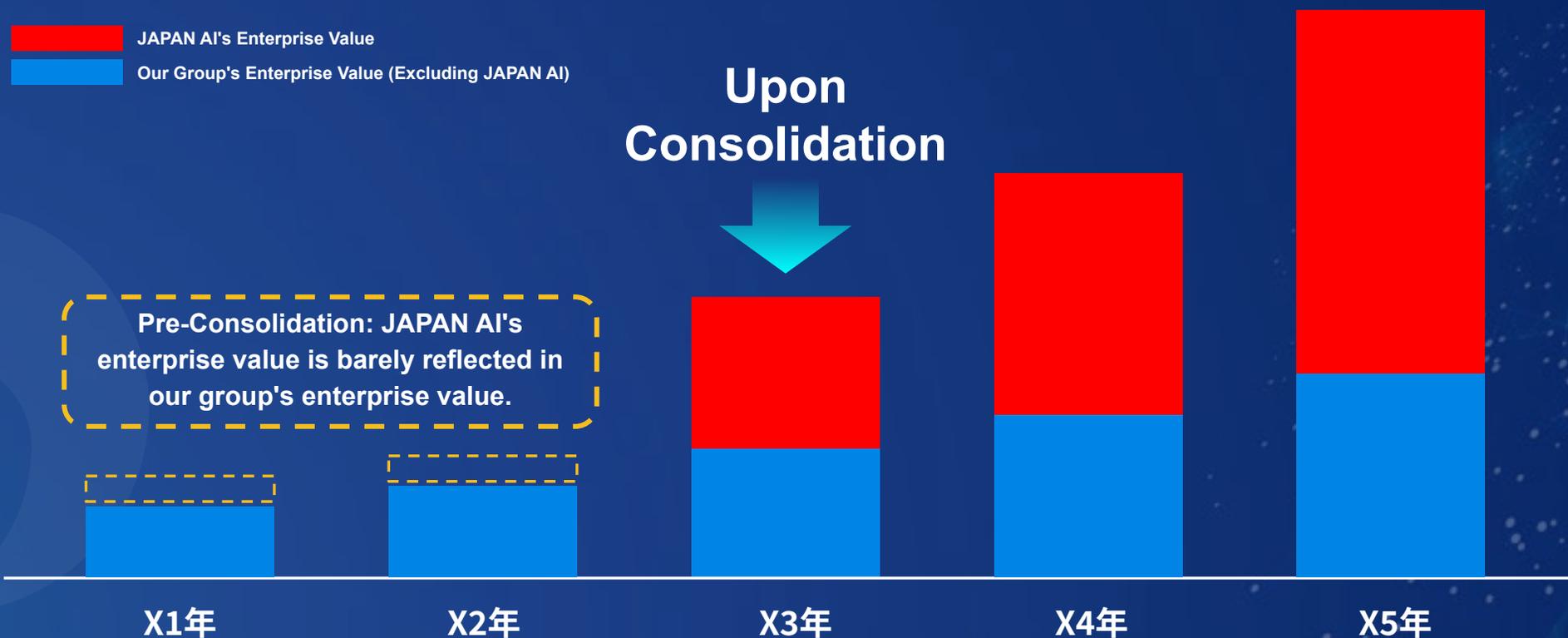
Fuji Chimera Research Institute "2025 Generative AI/LLM Market Research"
- AI Market Scale Survey

Impact of JAPAN AI on Our Company's Enterprise Value

As of end-September 2025, we hold 5.88% of JAPAN AI's equity. Under IFRS, we exercise significant influence over the company and apply the equity method. Therefore, our proportionate share of earnings is reflected in our consolidated results, with limited impact on our enterprise value prior to full consolidation.

However, as of end-September 2025, we hold over 50% of JAPAN AI's shares on a diluted basis and can exercise warrants under certain conditions. If we exercise warrants to increase our stake above 50% and consolidate the subsidiary, **100% of earnings would be included in consolidated results, increasing revenue, gross profit, operating income, and net income***. One-time gains/losses are expected upon consolidation. Currently, we believe both companies maximize enterprise value by operating independently, so we account for JAPAN AI as an equity method investee.

*Non-controlling interests are deducted from net income attributable to parent company shareholders.



Mutual Collaboration Between JAPAN AI and Geniee

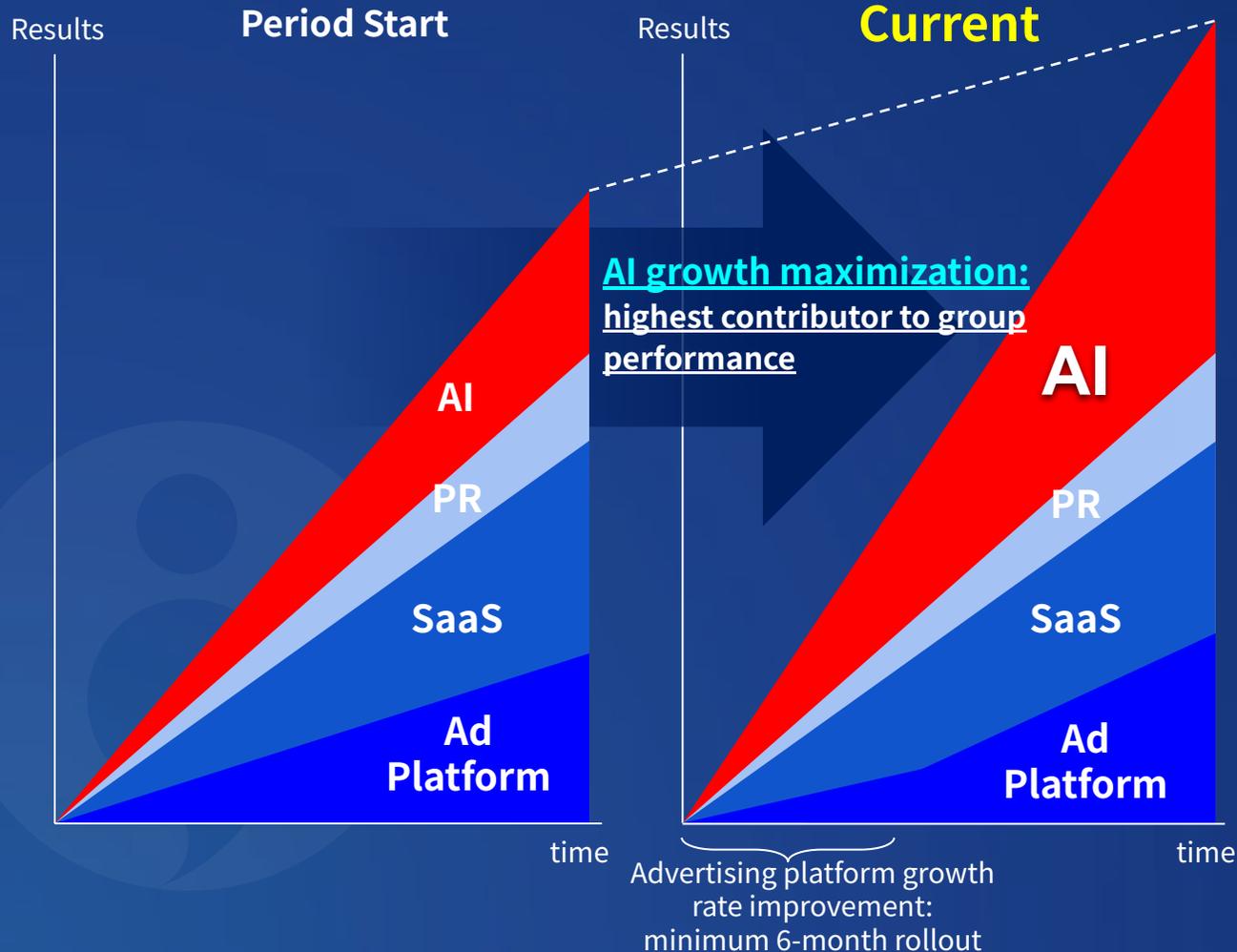
JAPAN AI significantly contributes to enhancing Geniee's enterprise value through collaboration in three dimensions: business operations, organizational structure, and IR/investor relations.

| | Details |
|------------------------|---|
| Business | <ul style="list-style-type: none"> ● JAPAN AI's 3rd fiscal period (Apr 1 – Nov 12, 2025): 44,593 total leads, including 9,667 enterprise leads (1,000+ employees). Leads surging alongside JAPAN AI's revenue growth. ● Geniee and JAPAN AI accelerating mutual cross-sell through product bundling: <ul style="list-style-type: none"> ○ GENIEE SFA/CRM + JAPAN AI SALES (e.g., major building operators, office design firms) ○ GENIEE CDP/ANALYTICS + JAPAN AI MARKETING (e.g., internet ad agencies, trading companies, consulting firms) ○ GENIEE CHAT + JAPAN AI CHAT (e.g., tourism, healthcare support) ○ AI SEARCH (Geniee corporate site search) ○ GENIEE × JAPAN AI bundled products to be promoted through JAPAN AI's reseller network. ● Unified marketing activities reducing combined budget: H1 FY2025 savings of ¥11.4M. Further synergies planned for H2, with increased savings expected. |
| Organization | <ul style="list-style-type: none"> ● Coordinated recruitment accelerated senior-level hiring (40 H1 hires, 2x YoY applications). ● Cross-organizational AX/DX initiative targeting 2x productivity gains using JAPAN AI AGENT as benchmark. |
| IR / Investment | <ul style="list-style-type: none"> ● Future JAPAN AI consolidation positions Geniee as an "AI stock" in the ~¥1.3 trillion market. ● Capital/business partnerships expanding: 4 alliances (3 with listed companies) as of Sep 2025. |

*2024 market size: ¥1,341.2 billion (Source: IDC Japan – Domestic AI System Market Forecast)

Priority review for this period based on Geniee Group performance

Group-wide performance growth vision



| Category | This Period's Priority | Projected Future Performance Due to Priority Shift | Description |
|---------------------|------------------------|--|---|
| Total/ Group | - | ↗ | Expand medium-to-long-term group performance by allocating management resources to high-impact AI and maximizing future enterprise value. |
| AI | ↗ | ↑ | Drive rapid expansion via 2x upward revisions this period, >5x YoY sales growth, and JAPAN AI STUDIO + SaaS integration. |
| SaaS | → | → | No priority change (maintain growth rate). |
| Digital PR | → | → | No priority change (maintain growth rate + upward revisions). |
| Ad Platform | ↘ | → | Continue current growth trajectory; target recovery via structural reform. |

Organizational Restructuring and Operational Reform for Next Growth Phase

Oct 2025 Reorganization: Consolidate into AD & SaaS divisions under CEO Kudo; deploy functional heads to strengthen execution and efficiency.

After



Challenge: Product-level expansion works, but PMF maturity reveals duplicate operations and customer data silos causing opportunity losses.

Solution: Unify customer data, integrate operations, bundle offerings; leverage JAPAN AI alignment, AI automation, and product value enhancement.

Increase leads by 20%+ through customer referrals from JAPAN AI and new organizational structure benefits

Reduce SaaS trade show promotional expenses by 50%+ through optimized co-exhibitions and streamlined processes

Improve CS quality and achieve ~20% headcount reduction through CS operation automation via AGENT

(All expected to be realized in H2 FY2025)

FY2025 | Full-year earnings forecast revision

(Revising sales growth to a steady growth trajectory and updating the full-year forecast. Normalized profit excluding one-time items expected to increase by 26% year over year.)

(million yen)

| | FY2024 (Actuals) | FY2025 (Initial Plan) | FY2025 (Revised Plan) |
|---|---------------------|--------------------------|--------------------------|
| Revenue | 11,321 | 15,300 | +25% 14,150 |
| Advertising Platform Business | 5,462 | 6,970 | 5,850 |
| Marketing SaaS Business | 3,770 | 5,280 | 4,905 |
| Digital PR Business | 2,150 | 3,100 | 3,450 |
| (Adjustment) | ▲60 | ▲50 | ▲57 |
| Gross profit | 8,807 | 11,800 | +22% 10,700 |
| Segment Profit | 2,520 | 2,750 | 2,200 |
| Advertising Platform Business | 2,627 | 3,370 | 2,796 |
| Marketing SaaS Business | 668 | 1,370 | 1,325 |
| Digital PR Business | 431 | 460 | 554 |
| (Corporate/Elimination, etc.) | ▲1,206 | ▲2,450 | ▲2,474 |
| Operating profit | 2,520 | 2,750 | 2,200 |
| Advertising Platform Business | 1,626 | 2,300 | 1,758 |
| Marketing SaaS Business | ▲256 | 40 | 40 |
| Digital PR Business | 178 | 110 | 205 |
| (Adjustment) | 972 | 300 | 198 |
| Profit before tax | 1,593 | 2,490 | +26% 2,000 |
| Profit attributable to owners of parent | 2,267 | 2,600 | 1,950 |

Revenue

Consolidated: Sustain high growth of +25% YoY

- Ad Platform: Revise growth rate to align with H1 trend during restructuring period. Expect +7% YoY
- Marketing SaaS: Despite CHAT churn from major customers, SFA/CRM and CDP drive overall growth. JAPAN AI integration and cross-sell initiatives sustain +30% YoY high growth in revised plan
- Digital PR: Upward revision reflecting organic growth in influencer PR plus iHack consolidation via M&A. Revised plan expects +27% YoY

*(Consolidated subsidiary from FY24 Q2 onwards; growth rate on full-year basis excluding exited businesses)

Operating profit

Normalized profit (excluding one-time items): +26% YoY

- Ad Platform: +8% YoY through SG&A reduction via organizational integration and operational efficiency
- Marketing SaaS: Revenue decline from development issues to be resolved by Q3. SG&A reduction through organizational integration; achieve profitability from Q4 onwards and full-year breakeven
- Digital PR: +15% YoY through iHack consolidation

Normalized
profit excluding
one-time items
(Unit: million yen)

FY24
1,593

FY25
2,000

26%
UP

By Segment | Percentage of Earnings

The ad platform business, which holds a top domestic market share, drives revenue growth.

The marketing SaaS business is rapidly expanding through growth in the enterprise segment, approaching the prominence of the core ad platform business.

The digital PR business, newly established in July 2024 following SocialWire's consolidation as a subsidiary, continues to grow, led by influencer PR services.

Digital PR Business

Revenue

1,510

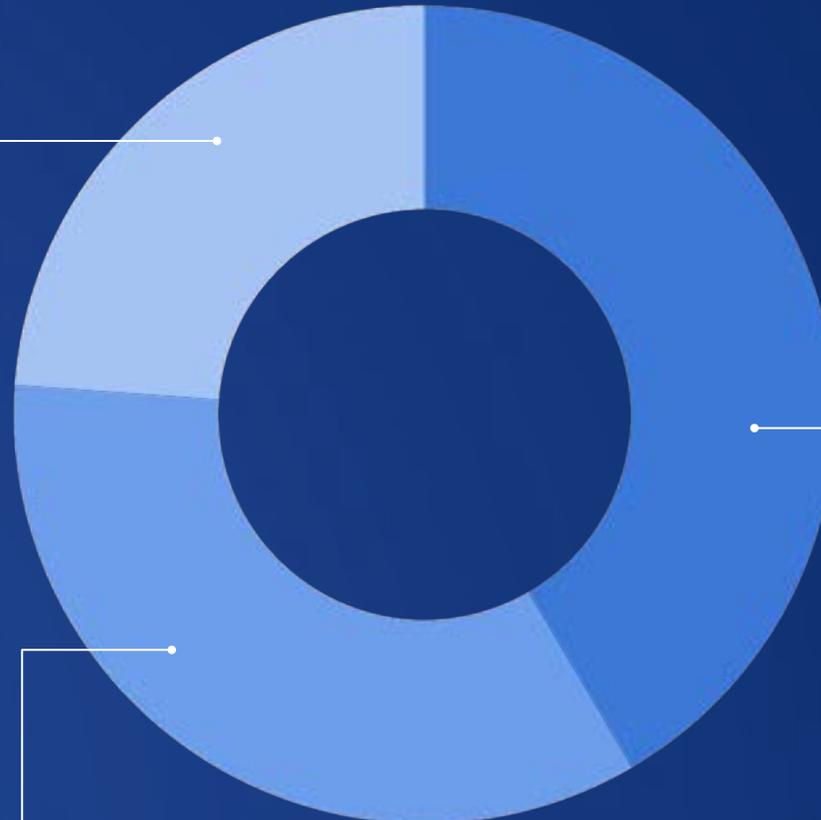
(Reference) Segment profit 218
Operating profit 74

Marketing SaaS Business

Revenue

2,190

(Reference) Segment profit 474
Operating loss 101



Advertising Platform Business (including overseas)

Revenue

2,630

(Reference) Segment profit 1,149
Operating profit 664

(million yen)

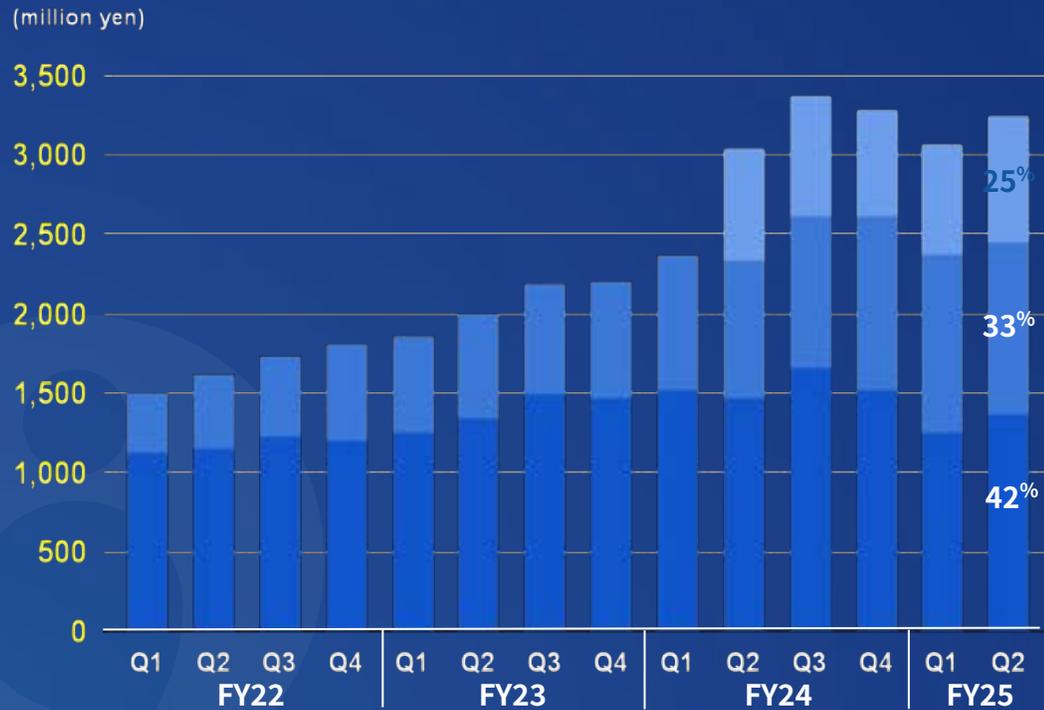
By Segment | Percentage of Earnings Trends

The proportion of the marketing SaaS business, which operates in a large market with high growth rates, is rapidly expanding. Particularly in the SFA/CRM and chat domains, enterprise customer orders continue, achieving operating profitability on a half-year basis in H2 FY2024.

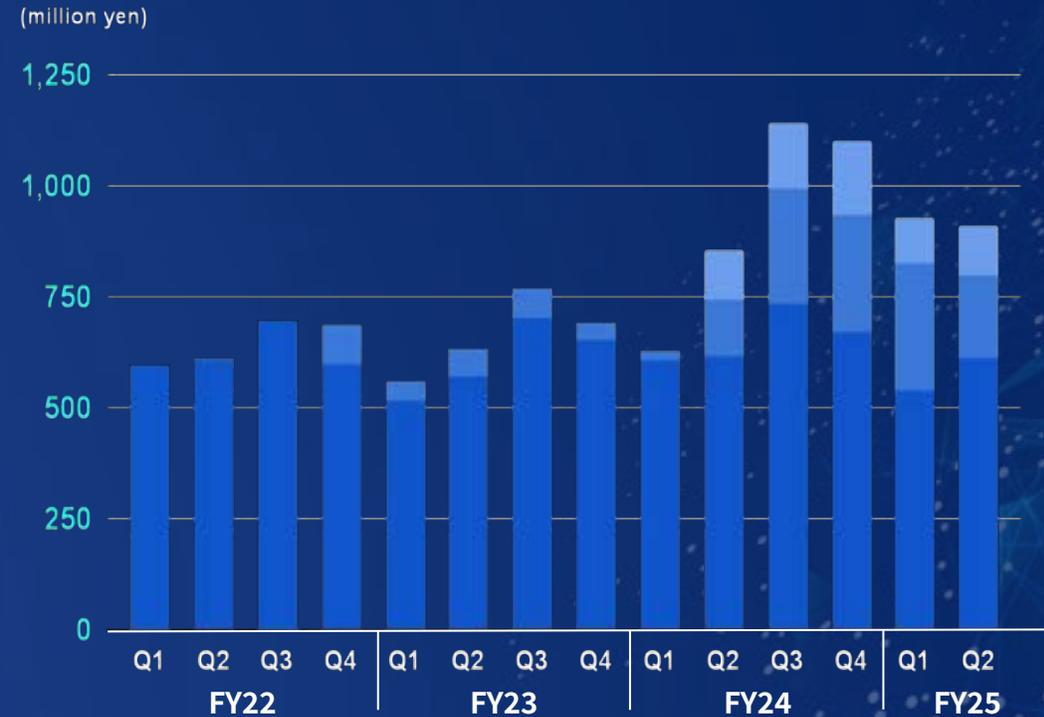
Note: JAPAN AI became an equity method affiliate as of end of July 2024 following the execution of equity financing, and has been excluded from revenue starting in FY2024-2Q.

- Advertising Platform Business
- Marketing SaaS Business
- Digital PR Business

Revenue



Segment profit



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TOPICS

Launched enterprise AI development and operations platform "JAPAN AI STUDIO."

[Development Background]

- While enterprise AI adoption advances, single-agent implementations create bottlenecks through data/workflow fragmentation and poor inter-agent connectivity, preventing company-wide optimization.
- Enterprises face cost, timeline, and flexibility challenges with traditional outsourced development, requiring an in-house platform that adapts quickly to environmental changes.

Product Overview

- AI-agent-first development and operations platform.
- Integrates data, knowledge, and workflows to maximize agent retrieval, generation, and execution capabilities.
- Promotes standardized development through reusable and customizable templates.

Key Features

- ① Secure foundation with enterprise-grade security and industry-leading AI technology.
- ② Business-specific templates auto-configure required agents and workflows.
- ③ No-code workflow development integrating legacy systems for rapid business process deployment.

Use Cases

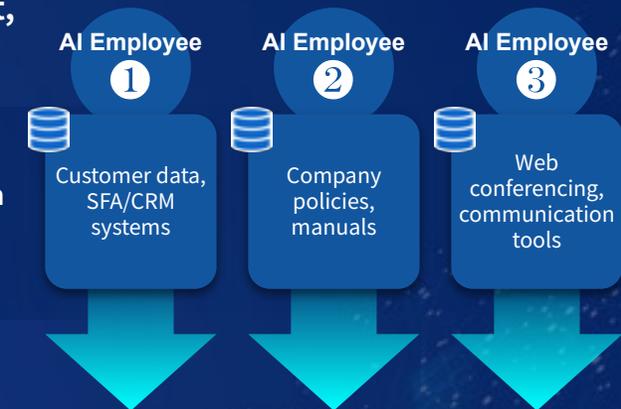
- Manufacturing: Integrated quality data analysis → early defect detection.
- Legal: Automated contract analysis and risk detection → drastically reduced review time.
- Development: Real-time status tracking and task management → improved development productivity.

Value Proposition

- Rapid no-code agent improvement → knowledge accumulation → continuous improvement cycle → competitive advantage.
- Shift from fragmented multi-SaaS workflows to unified AI-driven work completion through dialogue.

Typical AI Agents

Built independently in siloed, personalized configurations.



JAPAN AI STUDIO

Shared project data and tools create an open workplace environment.



TOPICS GENIEE CDP launches "AI Data Hub"

Key Challenges

- Enterprise data fragmentation hinders AI utilization.
- Difficult to ensure accuracy and security.

AI Data Hub (Overview)

Feature suite optimizing diverse enterprise data for AI utilization, streamlining search, analysis, and application.

Key Features

① AI-Ready Dataset:

Auto-converts documents, PDFs, Excel, images into AI-friendly formats for advanced search and analysis.

② RAG-Ready ETL:

Aggregates dispersed data and auto-extracts unstructured content (documents, PDFs, images, audio, video, chat logs) enabling efficient knowledge base retrieval.

③ RAG-Powered Search:

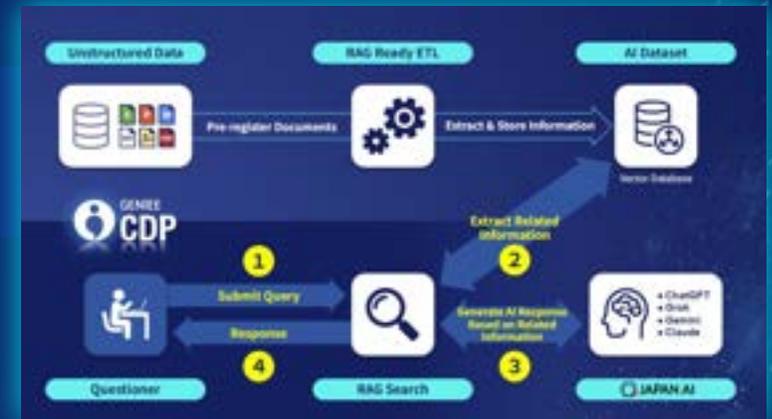
Natural language queries retrieve contextual answers from internal data with higher precision than keyword search.

Future Roadmap

Enhanced integration with major data management and business applications.
Expanded multi-language support and industry-specific templates.
Strengthened implementation and operational support for AI adoption.

About GENIEE CDP

Data platform integrating and managing dispersed enterprise data, enabling marketing utilization and AI-driven analysis and execution, accelerating corporate AI Transformation (AX).



TOPICS Strengthening Influencer PR Through Full Acquisition of iHack

August 2025: Subsidiary SocialWire acquires 100% of iHack shares, making it a wholly-owned subsidiary.

- Background**
- SocialWire acquired Find Model via M&A in 2018, growing ~6x by March 2025 to become core service.
 - iHack: Strong in beauty/cosmetics (influencer marketing, creator development), high-margin recurring revenue.

- Objectives**
- Full acquisition to establish complete subsidiary status.
 - Support mid-term targets: core business revenue 2x in 3 years, consolidated revenue ¥5B.

- Synergies & Expected Benefits**
- Significant expansion of influencer PR (Find Model × iHack collaboration).
 - Revenue growth through intensified beauty sector initiatives.
 - Integrated digital PR service delivery infrastructure.

- Implementation Strategy (Key Initiatives)**
- **Organizational strengthening:** Influencer/KOL production capability expansion.
 - **Cross-sell acceleration:** Leverage shared customer base, especially beauty sector.
 - **Operational integration:** Unified organizational capabilities for efficiency.



Company Name **iHack, inc.**

Location MIF Building 5F, 1-6-6 Uchikanda, Chiyoda-ku, Tokyo

Representative Masato Tomita

Business Marketing support services and influencer management.



TOPICS

Selected for JPX-Nikkei Mid and Small Cap Index for Third Consecutive Year



© GENIEE, Inc.

Our shares have been selected as a constituent of the "JPX-Nikkei Mid and Small Cap Index" (jointly calculated by JPX Institute and Nikkei Inc.) for FY2025 (August 29, 2025 – August 28, 2026).

This marks **the third consecutive year** of selection since FY2023.



JPX-NIKKEI Mid Small

[JPX-Nikkei Mid and Small Cap Index]

Stock price index comprising 200 companies with high investment appeal, demonstrating efficient capital utilization and investor-conscious management.

Growth:
9 companies

Standard:
22 companies

Prime:
196 companies

[Selection Criteria]

After screening by eligibility and liquidity, companies are scored and ranked using quantitative metrics (3-year average ROE, 3-year cumulative operating profit). Qualitative factors (independent external directors, female executives) are added as bonus points, with top 200 selected.

Rare Selection from Growth Market (as of September 30, 2025)

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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

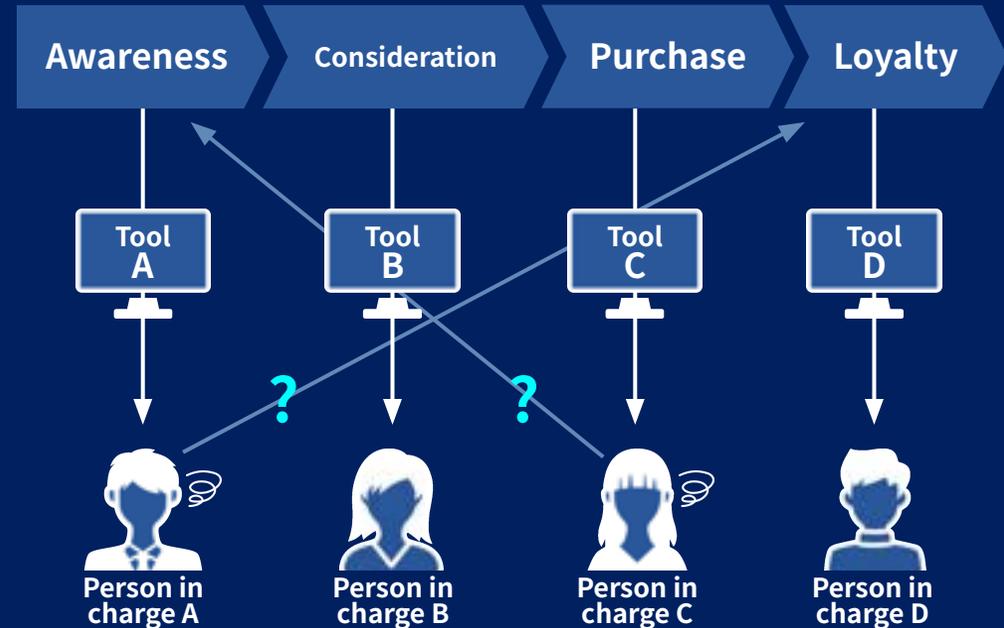
- Labor-intensive tasks for implementing breakouts arising (manual ad operation, data integration/analysis, etc.)
- Inefficiency of using complex marketing tools

Costs

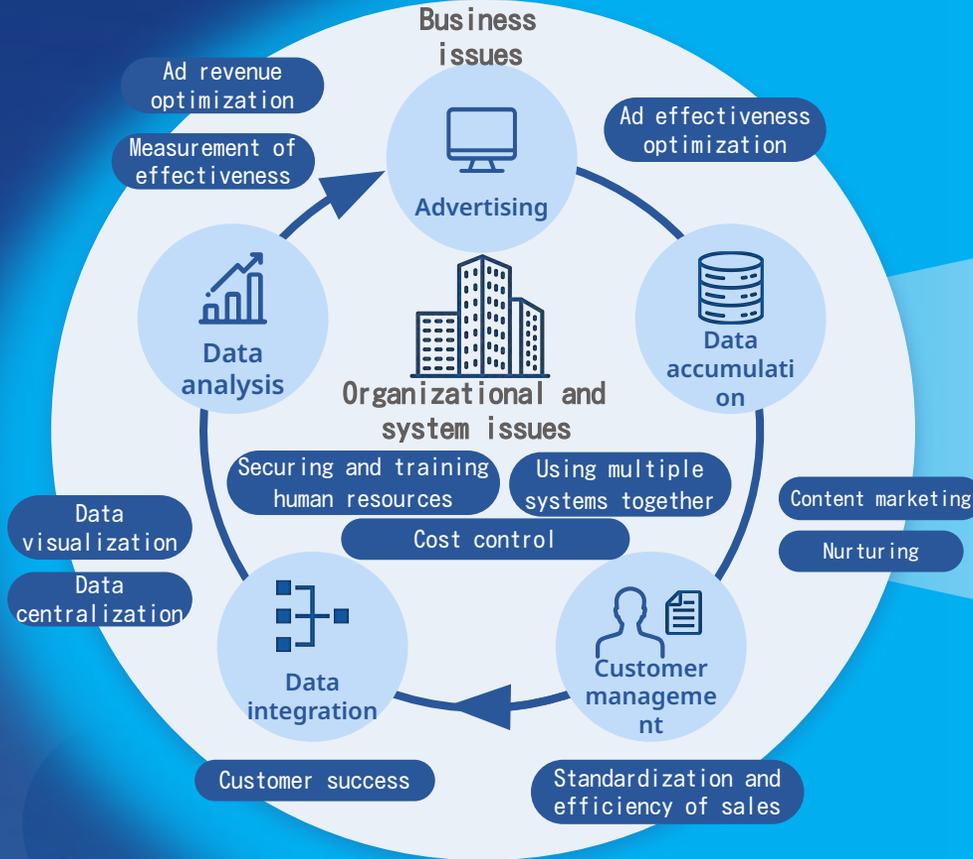
- Since multiple operators are used, commission expenses, communication costs, and development costs are incurred
- High hurdles, such as knowledge acquisition and in-house training, to utilize individual products

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

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.



GENIEE Ads Platform

- GENIEE DMS (Marketing Consulting)
- GENIEE DOOH
- GENIEE RMP
- GENIEE SSP
- GENIEE DSP

SocialWire Digital PR

- Find Model
- @クリッピング
- @Press
- RISKEYES

GENIEE Marketing Cloud

- GENIEE SEARCH
- GENIEE RECOMMEND
- GENIEE ENGAGE
- GENIEE CHAT
- GENIEE MA
- GENIEE ANALYTICS (CATS, L-ad, AFAD, BUY-X)
- GENIEE SFA/CRM
- GENIEE DATA CONNECT
- GENIEE BI
- GENIEE CDP

JAPAN AI State-of-the-art generative AI solutions





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.

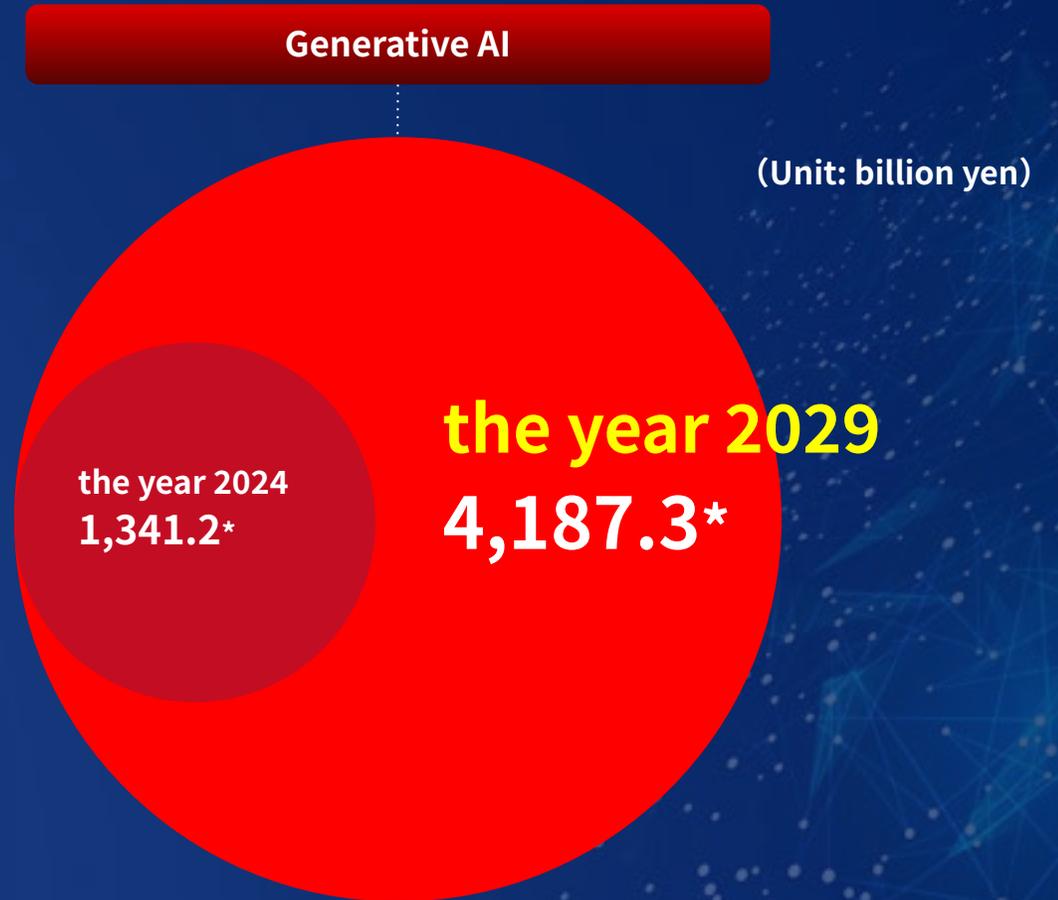
Our group company, JAPAN AI, is rapidly growing in the domestic generative AI market. It is expected to become a considerably large market in the future.



● Target market size for FY2025 (16th fiscal year) (markets where our company is currently active)

● Market acquisition target for FY2027 (18th fiscal year)

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



*Source: International Data Corporation (IDC) "Domestic AI System Market Forecast"
<https://my.idc.com/getdoc.jsp?containerId=prJPJ53362125>

- 1 Business Performance Overview
- 2 TOPICS
- 3 Business Overview
- 4 Financial Summary by Business Segment**
- 5 Current Fiscal Year Plan
- 6 Q&A



Marketing SaaS Business | Highlights

The number of paid accounts and ARR maintain a high growth trajectory, and gross profit margin continues to improve. The churn rate, which temporarily rose in Q1, shows an improving trend.

Number of Paid Accounts

24,157

ARPA / YoY Growth Rate

17,167円 / +12.3%

Churn Rate

1.17%

ARR / YoY Growth Rate

3,683百万円 / +23.4%

Gross Profit Margin

77.6%

Recurring Revenue Ratio*¹ / YoY Change

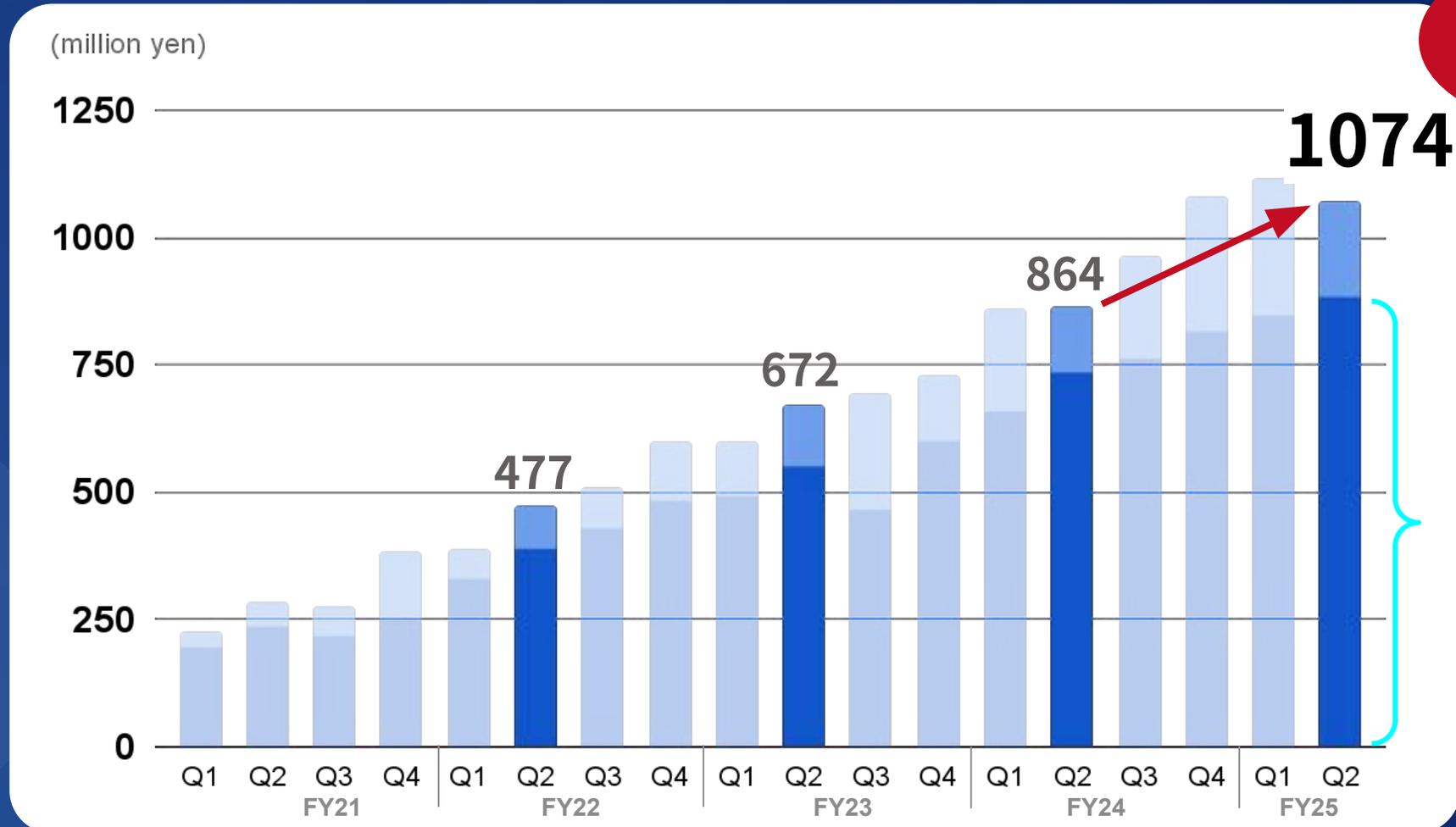
79.8% / ▲1.3ポイント

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

Marketing SaaS Business | Revenue Trend

Reliable buildup of recurring revenue led to sales of 1.07 billion yen, up 24% year over year.

In the second half, expand collaboration between JAPAN AI and each product and broaden cross-sell, sustaining high growth.

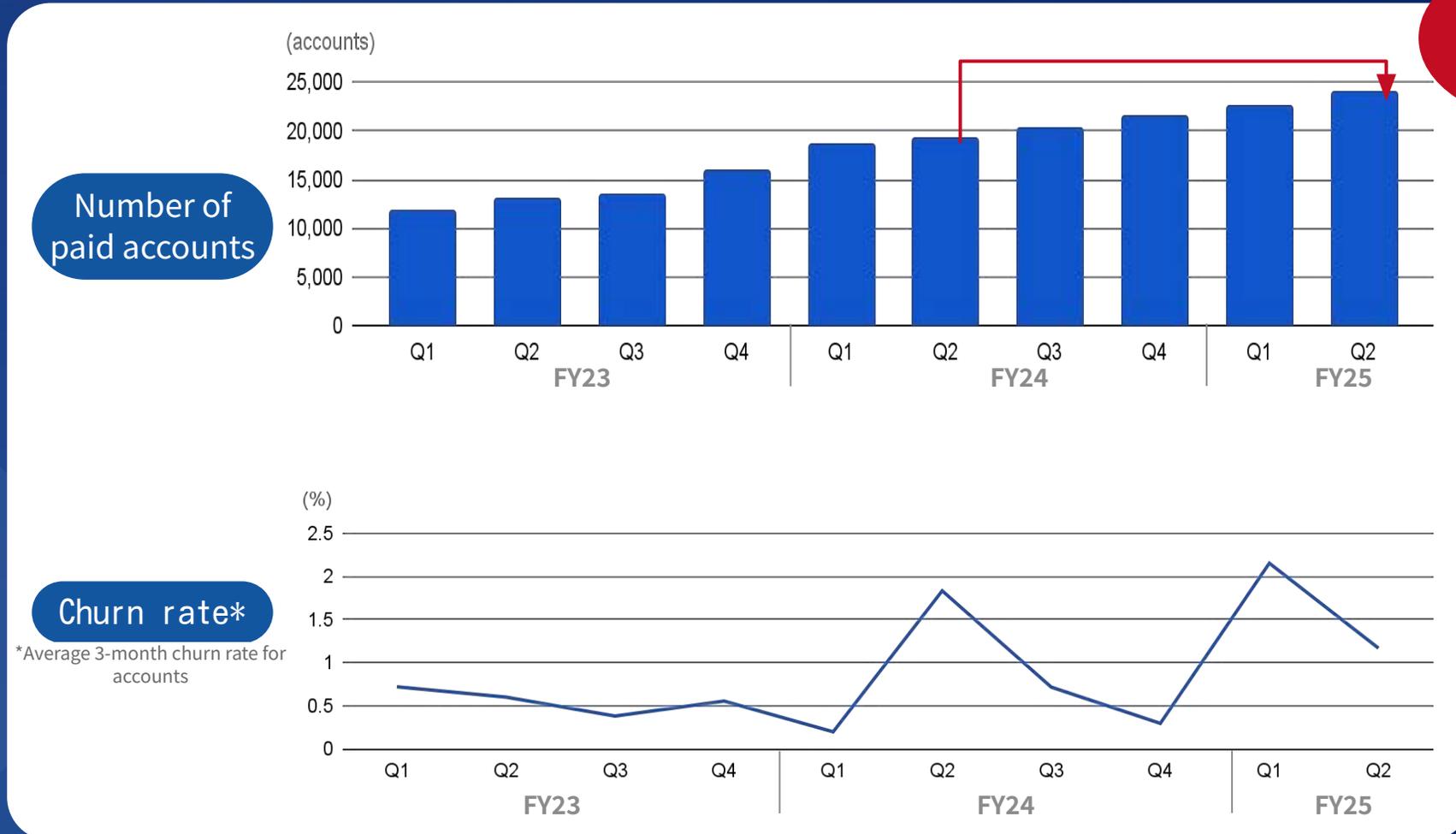


YoY
24.3% up

Recurring Revenue
(Stock Revenue)

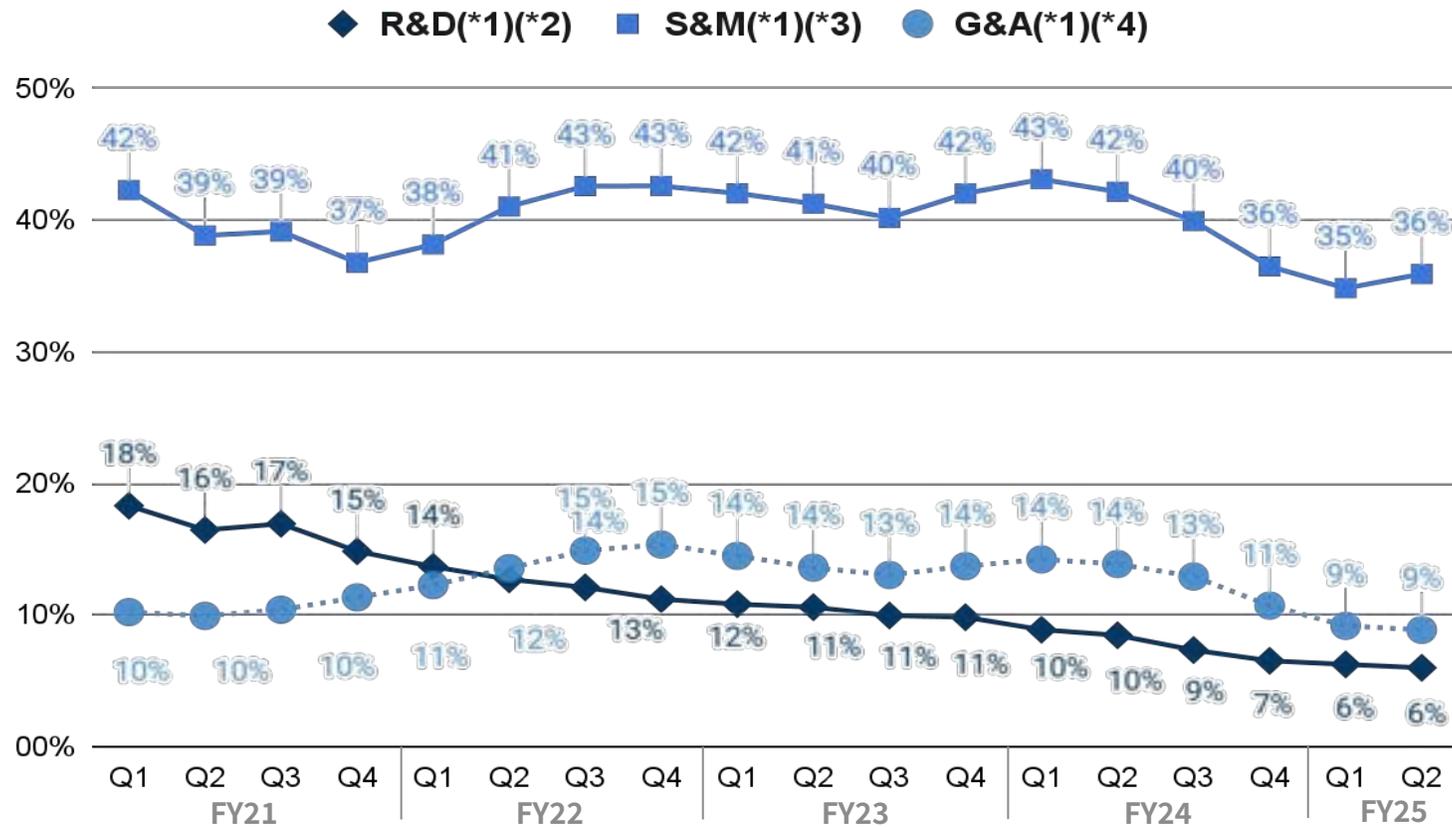
Marketing SaaS Business | KPI

The number of accounts grew 24% year over year, roughly doubling over the past two years. Churn rate temporarily spiked in Q1, but subsequently began to decline and improved to the 1% range again in Q2.



Ratio of SG&A Expenses to Revenue

Overall, while the trend continues to decline due to MRR growth, we are strengthening the organization to resolve project delays in enterprise deals, resulting in higher S&M costs.



*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.

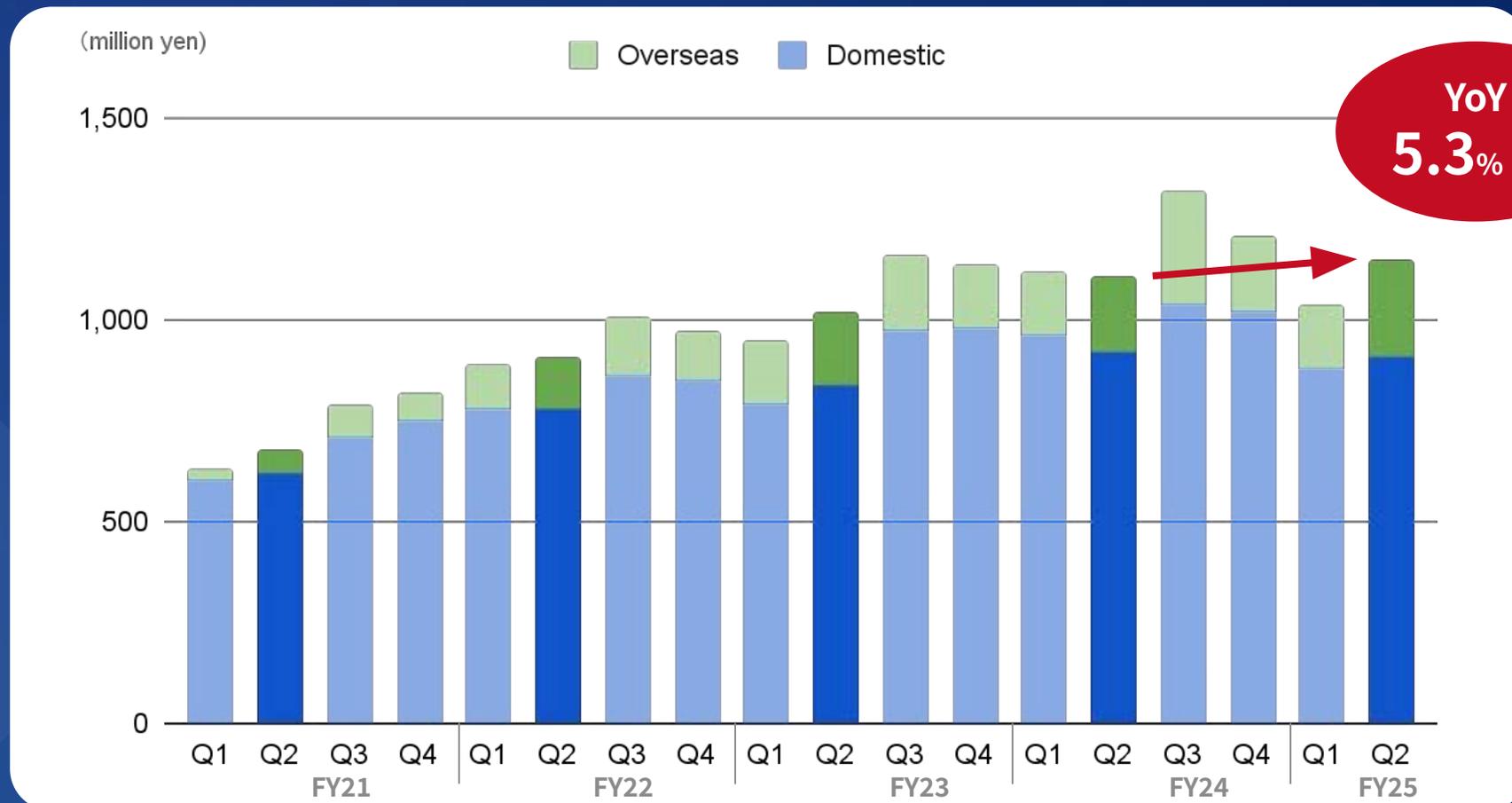
*3 S&M: Total advertising expenses, sales personnel costs, and related expenses for sales promotion.

*4 G&A: Total personnel costs, related expenses, and common expenses for corporate departments that should be borne by the Marketing SaaS business.

Advertising Platform Business | Gross Profit Trends

2Q gross profit increased 5.3% year over year, with gross profit recorded at 1.07 billion yen.

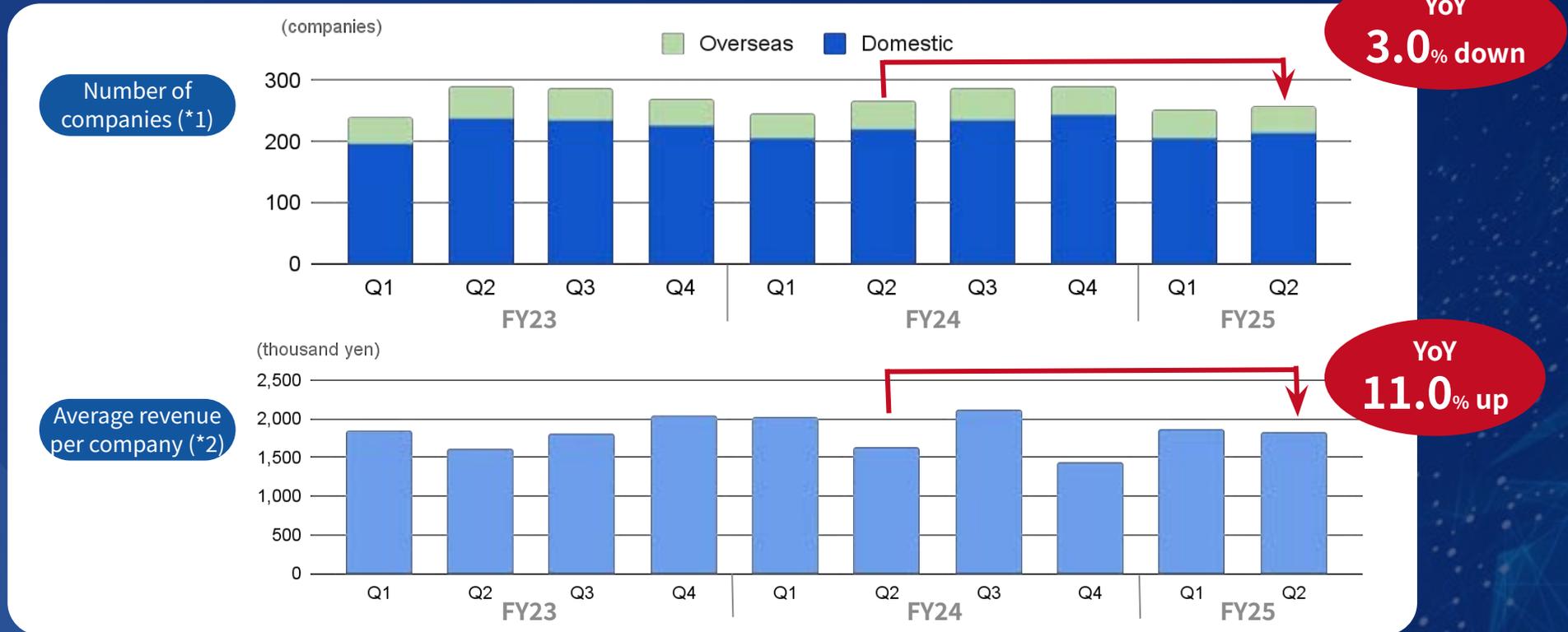
In the second half, we will unify the organization under the AD Business Headquarters and reorganize under CEO Kudo. We will further strengthen supply-demand coordination, governance, and cost management, and drive structural reforms to improve growth rate.



Advertising Platform Business | KPIs

Revenue per company increased 11.7% year over year. In Q1, there was a decline in unit price due to a specific incident, but we focused on resolving that incident and the trend has since recovered.

Number of companies: new customer acquisition slowed and remained flat.



*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.

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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 SocialWire, 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 earnings forecast revision

(Revising sales growth to a steady growth trajectory and updating the full-year forecast. Normalized profit excluding one-time items expected to increase by 26% year over year.)

(million yen)

| | FY2024 (Actuals) | FY2025 (Initial Plan) | FY2025 (Revised Plan) |
|---|---------------------|--------------------------|--------------------------|
| Revenue | 11,321 | 15,300 | +25% 14,150 |
| Advertising Platform Business | 5,462 | 6,970 | 5,850 |
| Marketing SaaS Business | 3,770 | 5,280 | 4,905 |
| Digital PR Business | 2,150 | 3,100 | 3,450 |
| (Adjustment) | ▲60 | ▲50 | ▲57 |
| Gross profit | 8,807 | 11,800 | +22% 10,700 |
| Segment Profit | 2,520 | 2,750 | 2,200 |
| Advertising Platform Business | 2,627 | 3,370 | 2,796 |
| Marketing SaaS Business | 668 | 1,370 | 1,325 |
| Digital PR Business | 431 | 460 | 554 |
| (Corporate/Elimination, etc.) | ▲1,206 | ▲2,450 | ▲2,474 |
| Operating profit | 2,520 | 2,750 | 2,200 |
| Advertising Platform Business | 1,626 | 2,300 | 1,758 |
| Marketing SaaS Business | ▲256 | 40 | 40 |
| Digital PR Business | 178 | 110 | 205 |
| (Adjustment) | 972 | 300 | 198 |
| Profit before tax | 1,593 | 2,490 | +26% 2,000 |
| Profit attributable to owners of parent | 2,267 | 2,600 | 1,950 |

Revenue

Consolidated: Sustain high growth of +25% YoY

- Ad Platform: Revise growth rate to align with H1 trend during restructuring period. Expect +7% YoY
- Marketing SaaS: Despite CHAT churn from major customers, SFA/CRM and CDP drive overall growth. JAPAN AI integration and cross-sell initiatives sustain +30% YoY high growth in revised plan
- Digital PR: Upward revision reflecting organic growth in influencer PR plus iHack consolidation via M&A. Revised plan expects +27% YoY

*(Consolidated subsidiary from FY24 Q2 onwards; growth rate on full-year basis excluding exited businesses)

Operating profit

Normalized profit (excluding one-time items): +26% YoY

- Ad Platform: +8% YoY through SG&A reduction via organizational integration and operational efficiency
- Marketing SaaS: Revenue decline from development issues to be resolved by Q3. SG&A reduction through organizational integration; achieve profitability from Q4 onwards and full-year breakeven
- Digital PR: +15% YoY through iHack consolidation

Normalized
profit excluding
one-time items
(Unit: million yen)

FY24
1,593

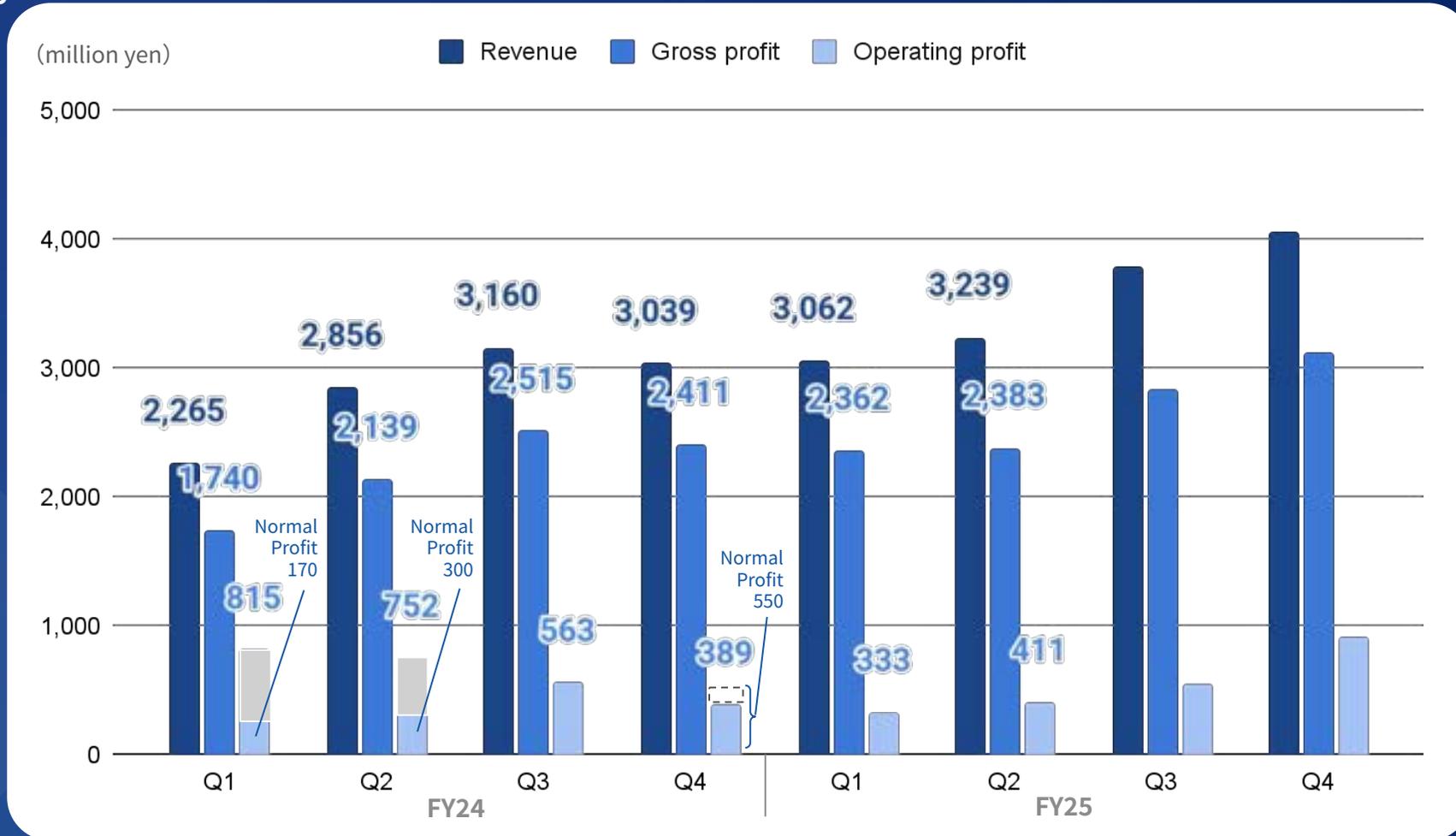
FY25
2,000

26%
UP

Quarterly Earnings Forecast

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.

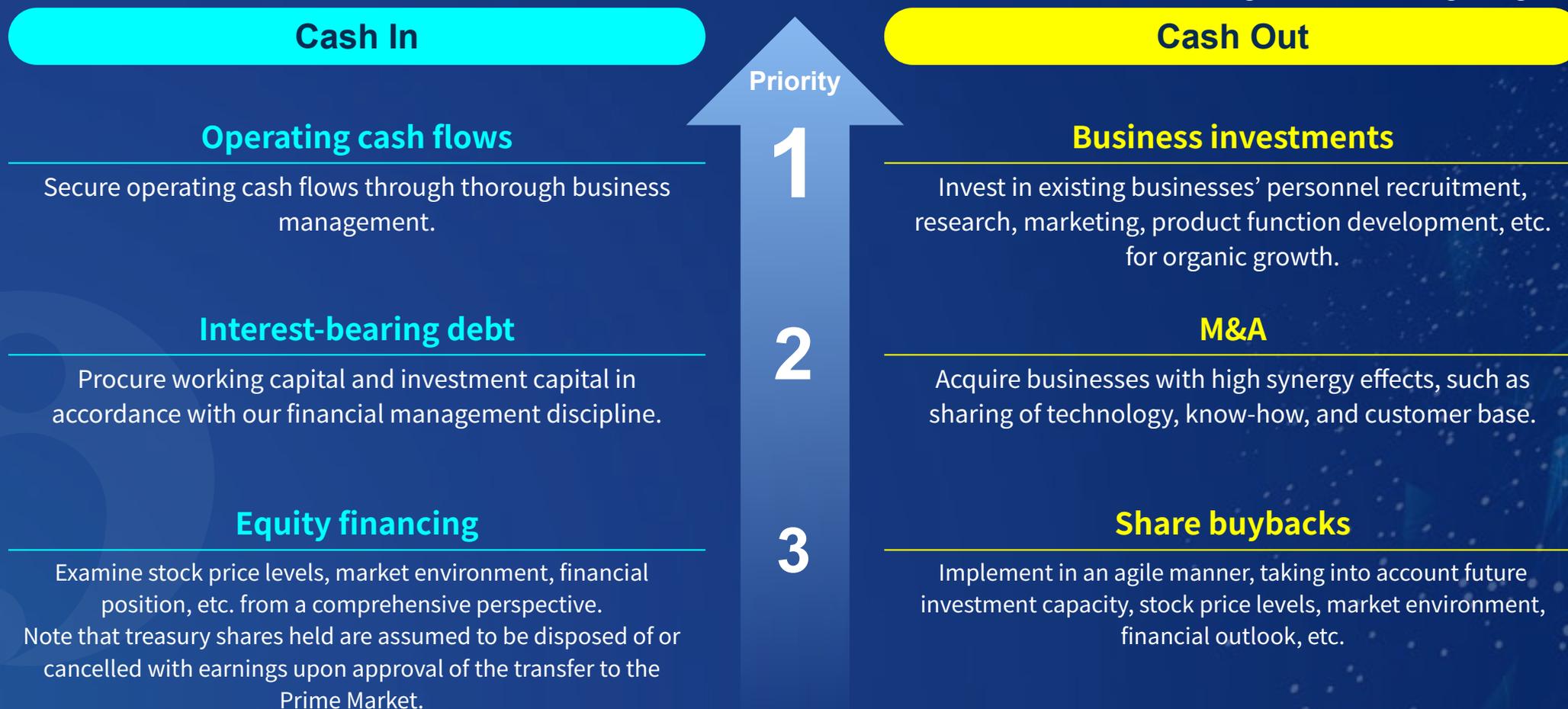
Investing in Continuous Growth

For the borrowings relating to the acquisition of Geniee US (formerly 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.



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QA on Advertising Platform Business

What is the impact of the unit price decline that occurred at the end of March 2025?

There is an isolated incident where the revenue per unit is decreasing for certain clients from the end of March 2025, and we have prepared plans assuming the impact will continue into 1Q of FY2025; as of the end of FY2025/1Q, the company-wide unit price has been steadily recovering on a monthly basis.

How are we addressing cookie regulations?

Google announced plans to phase out all third-party cookies in its Chrome browser, but due to pushback from the CMA (UK) and the advertising industry, the abolition plan was reversed. However, at our company, the phase-out of cookies continues on the Safari browser, and considering potential future cookie regulations, we will continue to develop and adopt cookie-alternative technologies.

How do you assess the impact of the Trump administration on our business performance?

Our customers are largely not those directly affected by tariffs (e.g., trading companies, manufacturers), so we consider tariff impact to be limited at present. However, we recognize that some companies may cut advertising investments due to concerns about an economic slowdown.

Do antitrust violations by Google have any impact on our performance?

At present, the web advertising ecosystem is centered on GAM (Google Ad Manager), so we do not anticipate a substantial short-term impact on our performance. However, depending on future developments, our SSP with ad-server capabilities could potentially capture a position alternative to GAM. On the other hand, if demand from Google Ads or DV360 decreases, bidding on GAM via Google could decline, which could risk lower ad prices through Google.

Background to unifying segments

Since the global consolidation of the supply-side operations in FY24-2Q, we unified the advertising platform business and overseas operations into a single “Advertising Platform Business.” Post-global integration, cross-selling between domestic and international advertising platform businesses has become active, and the operations are managed in a consolidated manner. Note that KPI for overseas business is consolidated with domestic advertising platform business by company count and revenue per company, and is displayed on a global basis.

How do you assess impairment risk of goodwill for Geniee US (formerly Zelto) due to CGU changes?

In October 2024, following the global consolidation of the supply-side, decision-making authority for product development and sales, ownership of products, organizational structure, entity names, and brand attribution were changed. From FY25, impairment testing for Geniee US (formerly Zelto) goodwill will be based on the future operating cash flows of the global supply chain as a whole rather than Geniee US (formerly Zelto) alone. As a result, the recovery of goodwill will consider the future cash flows of the entire Geniee Group’s supply-side, not just Geniee US, so we believe the likelihood of impairment has decreased.

What is the current trend in the advertising revenue per unit for overseas business?

Since January 2024, the revenue per unit for media companies has been rising, and we believe FY24 is showing a recovery trend. Additionally, given inflation concerns from policy factors such as tariff issues under the Trump administration and immigration measures, we think it is necessary to continue watching ad demand trends, though CPM is on an upward trajectory.

| | |
|---|---|
| What is driving the growth of the Marketing SaaS business? | Growth is driven by expanding the enterprise segment centered on SFA/CRM, increasing the number of accounts, and maintaining a low churn rate through high-satisfaction customer success, which has contributed to business expansion. Additionally, in the CHAT domain, we are collaborating with major agencies, and because our product performs well relative to competitors, we continue to drive growth by deploying it to large clients. |
| When is the Marketing SaaS business expected to become profitable? | Profitability was achieved in the latter half of FY24 for the Marketing SaaS business as a whole. In FY25, we plan to undertake substantial development investments in the CDP area and associated marketing costs, but we expect to maintain profitability on a full-year basis. |
| We are told that the enterprise segment share is increasing. What proportion of total MRR comes from enterprise customers, and which products are most common? | If we define enterprise customers as those using ARR of at least 10 million JPY, about 50% of total MRR comes from customers at ARR 10 million JPY or more, and by product the majority are in SFA/CRM, CHAT, and SEARCH. |
| In the SFA/CRM domain, enterprise deals are expanding. What are our differentiators vs. competitors? | Enterprise onboarding often involves development due to existing internal systems. Our advantage is strong development capability to realize client needs and a seamless, one-stop process from requirements to maintenance. Across products, we emphasize cost performance, offering roughly 50–66% of the price of comparable foreign incumbents, which is a competitive edge. |
| Why did churn rise in FY24-2Q? | In July 2024, one major client canceled due to misalignment between the line manager and executive on adoption plans, raising churn to 1.8%. We regard this as a client-specific incident; the FY24 Q4 churn rate was below 0.5%. |

| | |
|--|--|
| Is JAPAN AI aiming for an IPO? | Yes, JAPAN AI is seeking external VC funding and intends to go public. We will announce the IPO timeline once we have a clear target. At the IPO, we plan to realize the currently >50% beneficial ownership as treasury stock and reclassify as a consolidated subsidiary. |
| Why isn't JAPAN AI immediately a consolidated subsidiary? | Rapid changes in the generative AI space require early fundraising to aggressively invest in engineers, marketing, and M&A. Although revenue growth is strong (YoY growth well over 8x), the initial phase is expected to be loss-making on the P/L. For now, we keep JAPAN AI non-consolidated to manage group performance. |
| What synergies are expected between JAPAN AI and GENIEE? | GENIEE product updates, especially in AI×SaaS, show strong synergy (e.g., automating meeting notes to opportunities in SFA). JAPAN AI AGENT accelerates internal DX, reducing employee effort, and cross-sell opportunities with expanding enterprise SaaS customers. |
| What are JAPAN AI's strengths? | 1) Technology leadership with high RAG accuracy boosting AI work and response quality. 2) Strong startup coaching for clients adopting AI—guiding usage to reduce adoption friction. 3) A product lineup with high practical impact, notably since launching AI agents, boosting enterprise deployments. |
| Will JAPAN AI pursue further external funding? | Consideration for around March 2026. The previous round (July 2025, valuation 8.65 billion JPY) occurred during Q2 when visibility on full-year growth was unsure; yet results exceeded plan, so we expect a higher valuation this time. |
| What is JAPAN AI's hiring status? | In H1 FY2025, hiring ~40 people (including 10 senior engineers). The ability to contribute to real AI product development, not just research, is valued. We are also actively securing engineers via acquisitions from companies with AI imaging patents and similar capabilities. |

| | |
|---|--|
| 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: ① Transfer to business partners ② M&A such as share exchanges ③ Disposal at the time of the Prime Market transition ④ Cancellation 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. |

Will you continue to actively pursue M&A?

Yes. We pursue sustainable high growth with organic growth plus targeted M&A to achieve our purpose. Some transactions that don't require major changes to internal controls may be executed as appropriate.

Regarding the acquisition of SocialWire: you hold 49% stake; why can it be consolidated as a subsidiary, and how would revenue and profit be recognized?

Under IFRS, consolidation is based on control. Since we have board majority consent and effectively control strategic decisions, SocialWire is consolidated as a subsidiary. For the current period, we consolidate 100% of net income and recognize only 49% of the net income attributable to the parent.

Why did you merge Hypersonic and BST (Business Search Technology) as subsidiaries?

Beyond product integration and leveraging shared customer bases for sales, we are pursuing business synergies in product planning and development. The merger aims to consolidate resources, improve operational efficiency, and accelerate decision-making.

| | |
|--|---|
| <p>Going forward, we plan to actively pursue IR, but what exactly will we do?</p> | <p>Quantified plan for improving quarterly earnings materials and investor communications: ① Enhance quarterly materials by incorporating investor input and quantifying KPI–strategy alignment; also clarify our competitive advantages. ② Provide proactive information via media and notes to improve business clarity.</p> |
| <p>How will the business portfolio evolve?</p> | <p>The SocialWire acquisition created a larger digital PR portfolio, with overseas operations absorbed into the ads platform business. While the ads platform remains the largest segment, marketing SaaS is growing and is expected to reach a comparable scale in the future.</p> |
| <p>Background and future role of JAPAN AI within the Geniee Group as a equity-accounted investee?</p> | <p>JAPAN AI adopted equity accounting to accelerate growth with external funding, while maintaining leadership under our CEO. As of Aug 2025, we still hold over 50% effectively (including potential shares), and it remains a core DX driver for the group.</p> |
| <p>How do you view the collaboration with Piara?</p> | <p>Piara was already a customer, and its strengths in CHAT, ANALYTICS, new CDP, SFA/CRM, and potential integrations with JAPAN AI make a strategic fit. A business alliance is expected to benefit both parties.</p> |
| <p>Why did you pursue a capital partnership with Piara?</p> | <p>To secure medium-to-long-term value and asset protection, Piara’s quarterly improvements and efficiency gains from using our tools support sustained net asset base and ROI through equity financing.</p> |
| <p>Rationale for capital partnerships with FCE, Branding Technology, and others?</p> | <p>When collaboration can add higher value through our products/services, we pursue capital–business partnerships. Plans include deploying our products within partners or offering OEM versions to their clients to deepen collaboration.</p> |

Reference Material



FY2025 | Q2 Financial Results Briefing Materials

Company Profile

| | |
|------------------------------|---|
| 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.

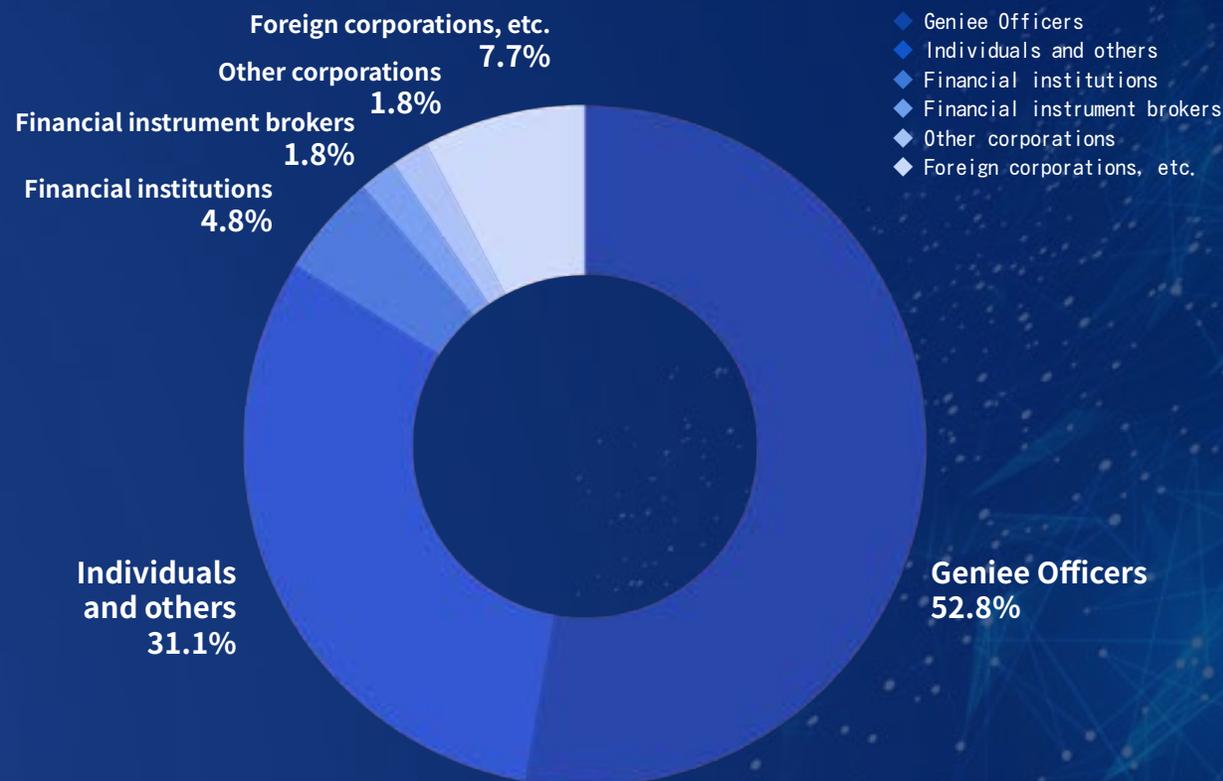
In April 2010, he founded Geniee, Inc. and became president and representative director. In April 2023, he established JAPAN AI, Inc.

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

Status of Major Shareholders

| Shareholder Name | Number of Shares Owned (shares) | Shareholding Ratio (%) |
|--|---------------------------------|------------------------|
| Tomoaki Kudo (President & CEO) | 6,544,400 | 52.7 |
| NICE SATISFY LIMITED | 402,000 | 3.2 |
| Takuya Yoshimura | 352,500 | 2.8 |
| Daisuke Gomi | 341,000 | 2.7 |
| Custody Bank of Japan, Ltd. (Trust Account) | 308,300 | 2.5 |
| JAPAN SECURITIES FINANCE CO., LTD. | 211,600 | 1.7 |
| NOMURA PB NOMINEES LIMITED OMNIBUS – MARGIN (CASHPB) | 158,300 | 1.3 |
| SBI SECURITIES Co.,Ltd. | 129,995 | 1.0 |
| THE BANK OF NEW YORK MELLON 140042 | 92,200 | 0.7 |
| Hiroshi Hirose | 89,200 | 0.7 |

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.

Business Purpose

A world view realized by Geniee's products and services

**Creating a world where everyone can
succeed in marketing**

Corporate Purpose

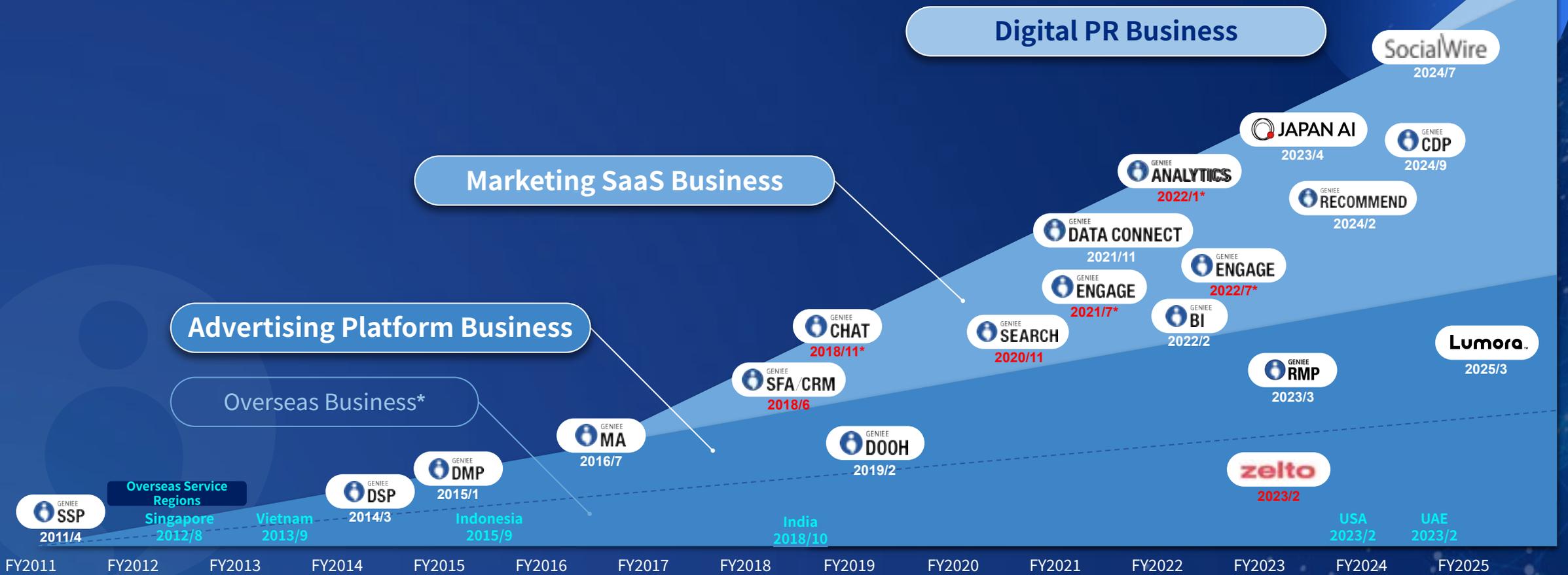
Long-term goals of the organization • Existential significance

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

Business Trends

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 Geniee US (formerly Zelto) in 2023.
 In 2024, made SocialWire 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 Geniee US (formerly Zelto)'s Impairment Test Unit from FY25

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 Geniee US (formerly Zelto)'s CGU from "standalone" to "global supply as a whole," significantly reducing impairment risk for Geniee US (formerly Zelto) acquisition goodwill.

Determined on Geniee US (formerly Zelto) stand-alone basis

Before
FY2024

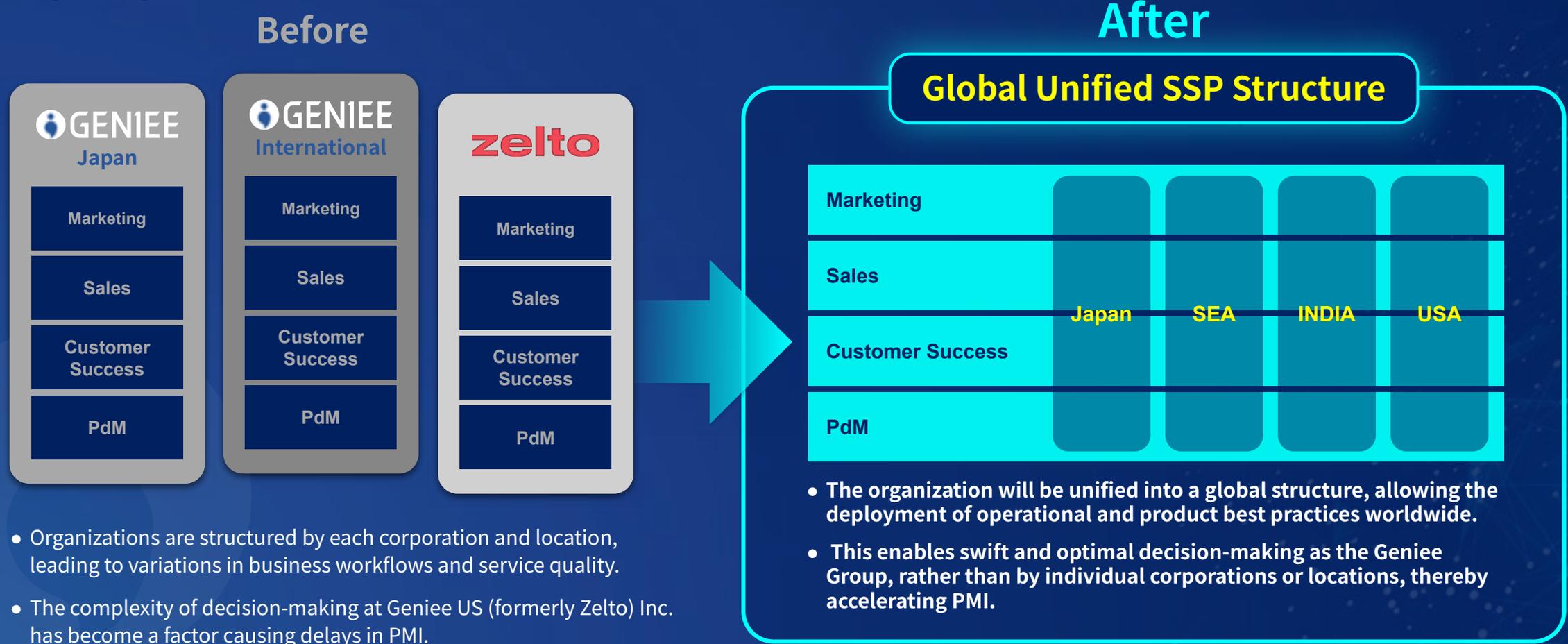
Determined on Global Supply overall basis

After
FY2025



Progress on PMI at Geniee US (formerly Zelto), Inc.

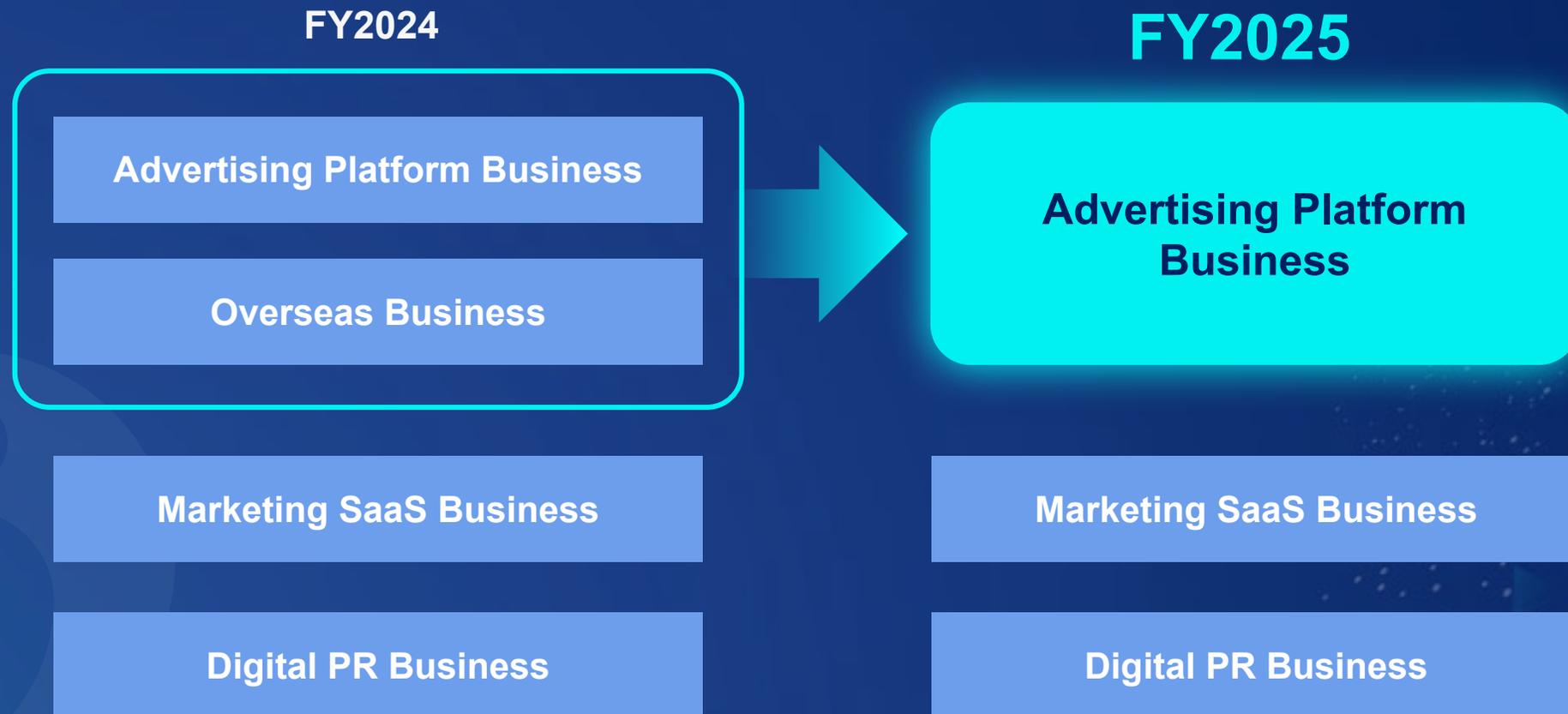
Starting from September 2024, the domestic SSP business and the overseas SSP business (including Geniee US (formerly Zelto)) will integrate their organizational structure and operations. The business workflows of each function-based organization will be standardized at a global level to accelerate the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



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

TOPICS Business Segment Changes

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.



Competitive Advantage | Three Factors to Increase Cost Effectiveness

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

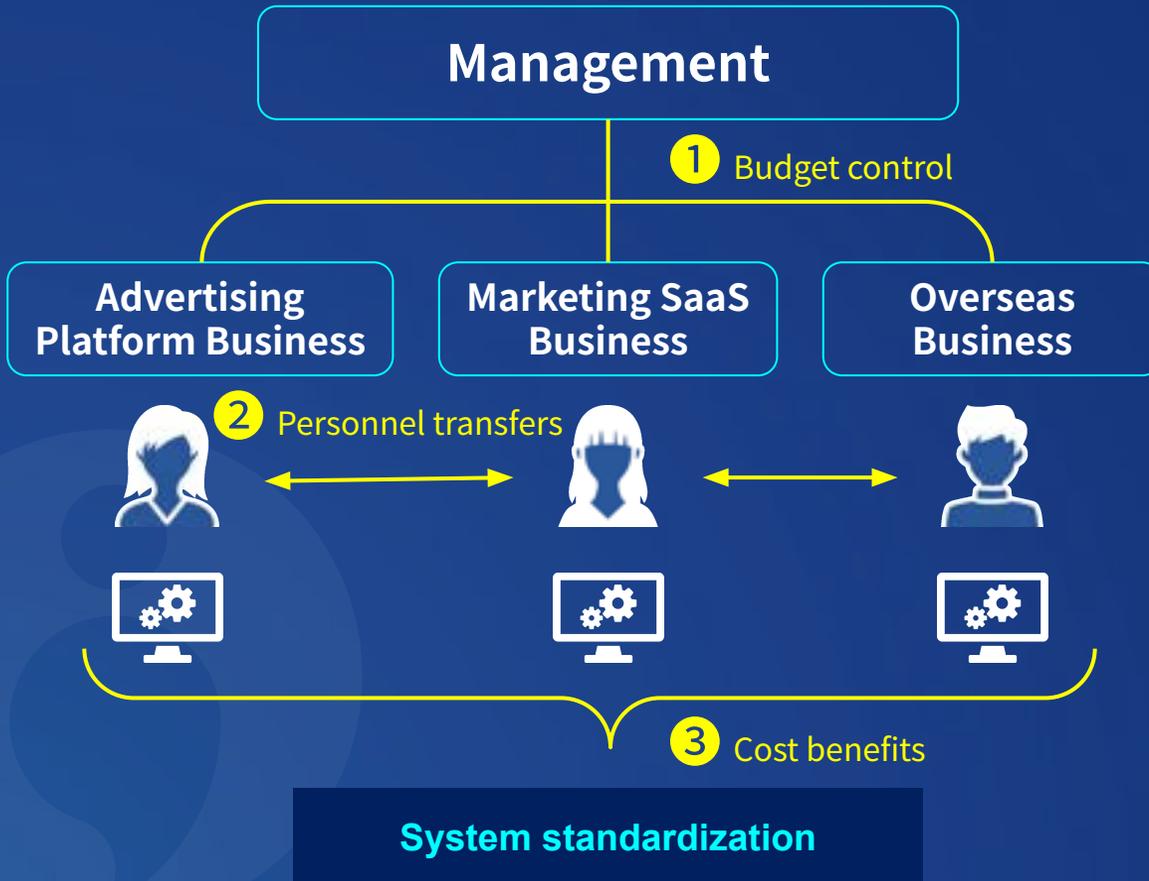
Establishing a system to enhance internal organizational capabilities, and realizing efficient business operations and operational excellence

- 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.



1 Budget 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.

2 Flexible 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.

3 Cost 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, Inc.

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.

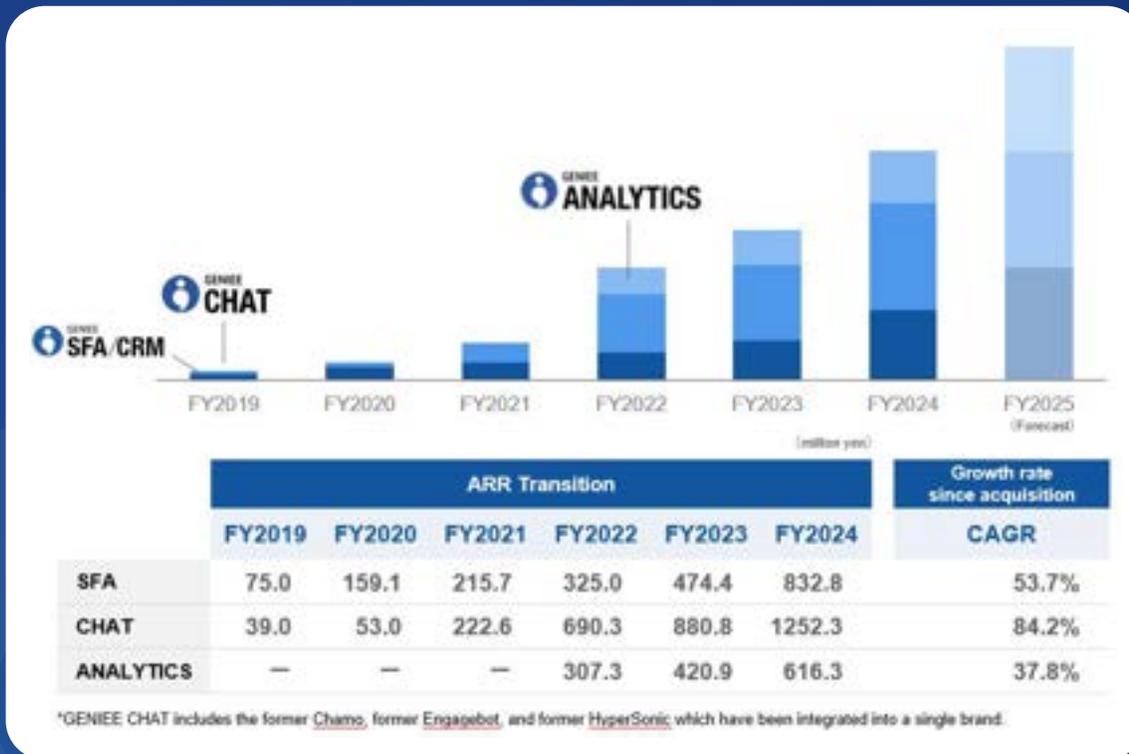
Recruiting capabilities

- 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.

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.



1 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

2 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

3 Business management and PMI know-how

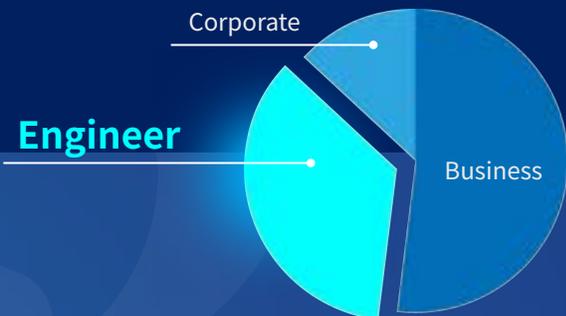
- Actively supporting the establishment of a system to increase sales of services while integrating management and development policies and establishing a business management system
- Setting up incentive plans for the management teams and members of acquired businesses

Advantages in Technology | Technical Capabilities

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.



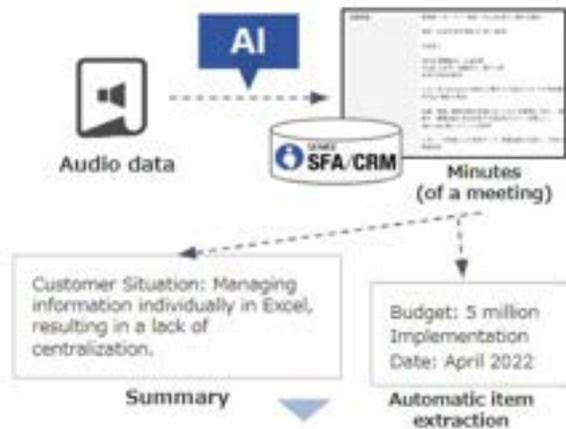
Advantages in Technology | AI Development

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).



AI summarization / automatic extraction

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



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.



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.



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

JAPAN AI

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

1 JAPAN AI CHAT



- 1 Corporate GPT
- 2 Data Integration
- 3 RAG
- 4 Prompt Template
- 5 Multi-LLM Support

2 JAPAN AI SPEECH



- 1 Meeting Transcription
- 2 Minutes Taking
- 3 Speaker Diarization
- 4 Conference System Integration
- 5 SFA Integration

3 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'

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.



Level 4

Innovators.

AI that can assist in inventions.

Level 5

Organizational management.

AI that can perform organizational tasks.

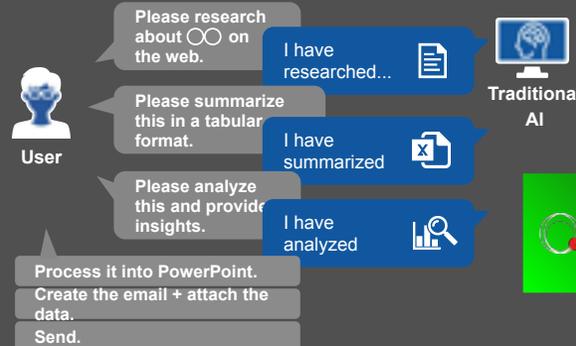
Evolving from mere conversational AI to "AI that thinks for itself and takes action."



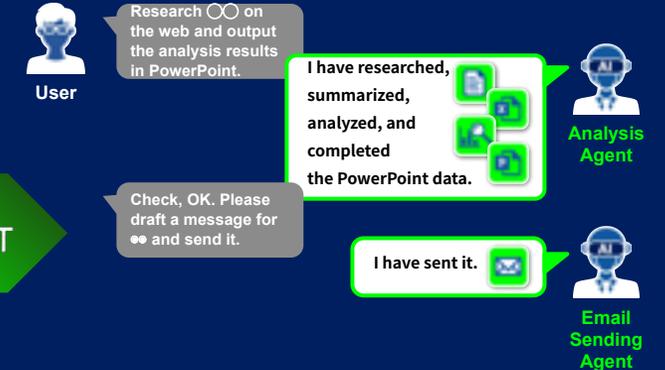
▼What "JAPAN AI AGENT" can do at this point (for example, tasks like these)



[Before] Progressing tasks while interacting with AI.



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



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.

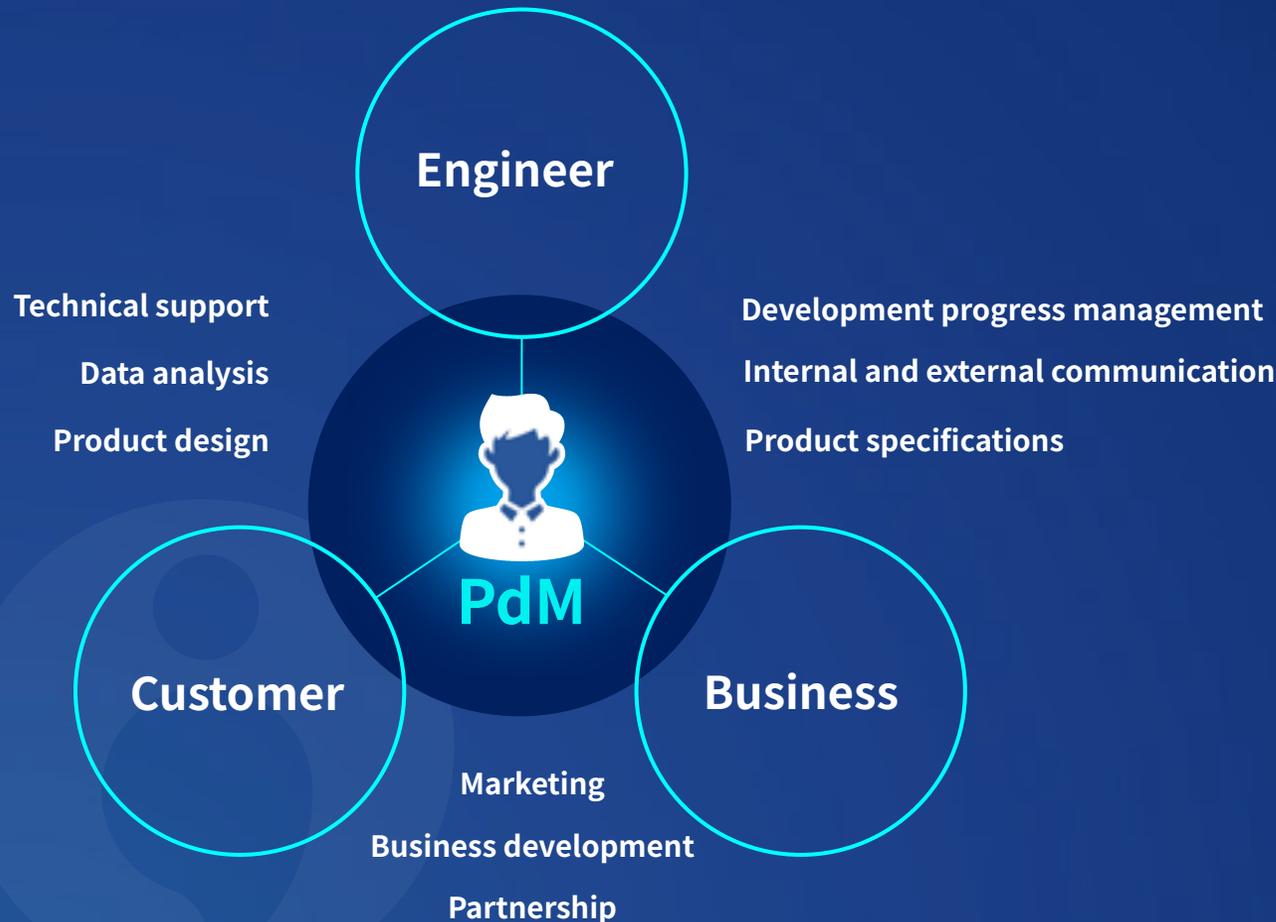
- Sales-oriented corporate research AGENT, engineering support, product requirement definition, etc.

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.

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.

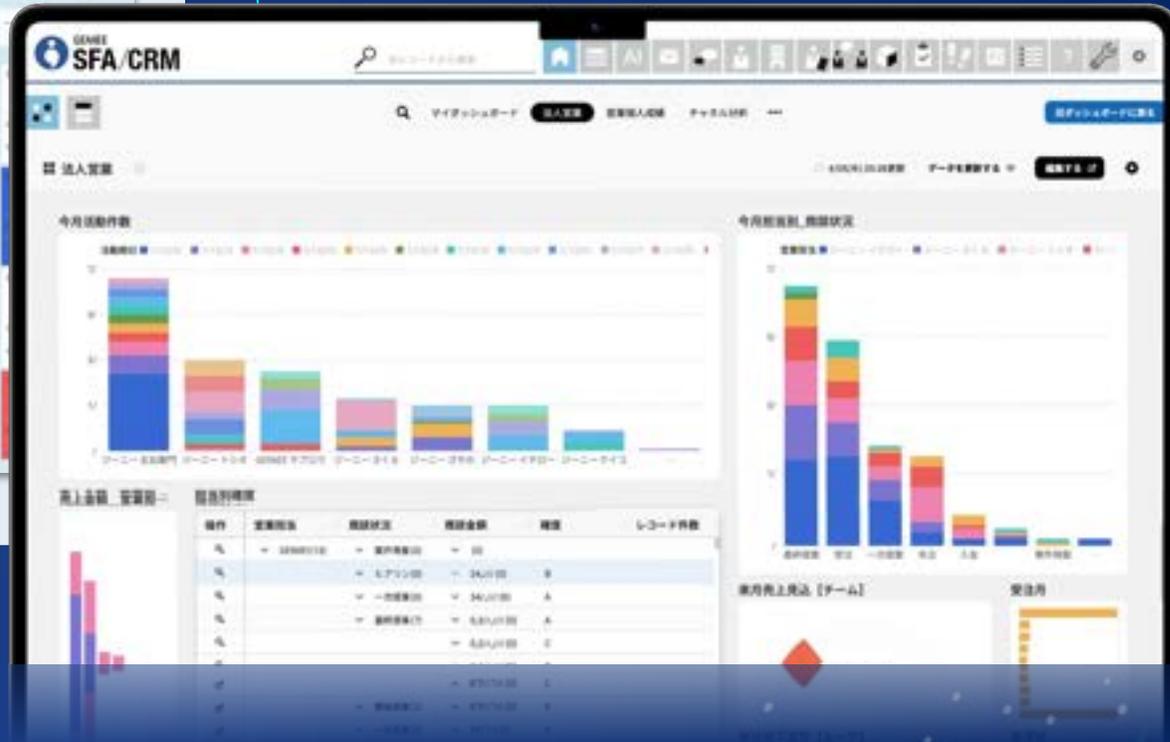
Advantages in Business | Sales

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



Highly precise management system based on quantitative data



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



Structure of the Marketing SaaS Business

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.

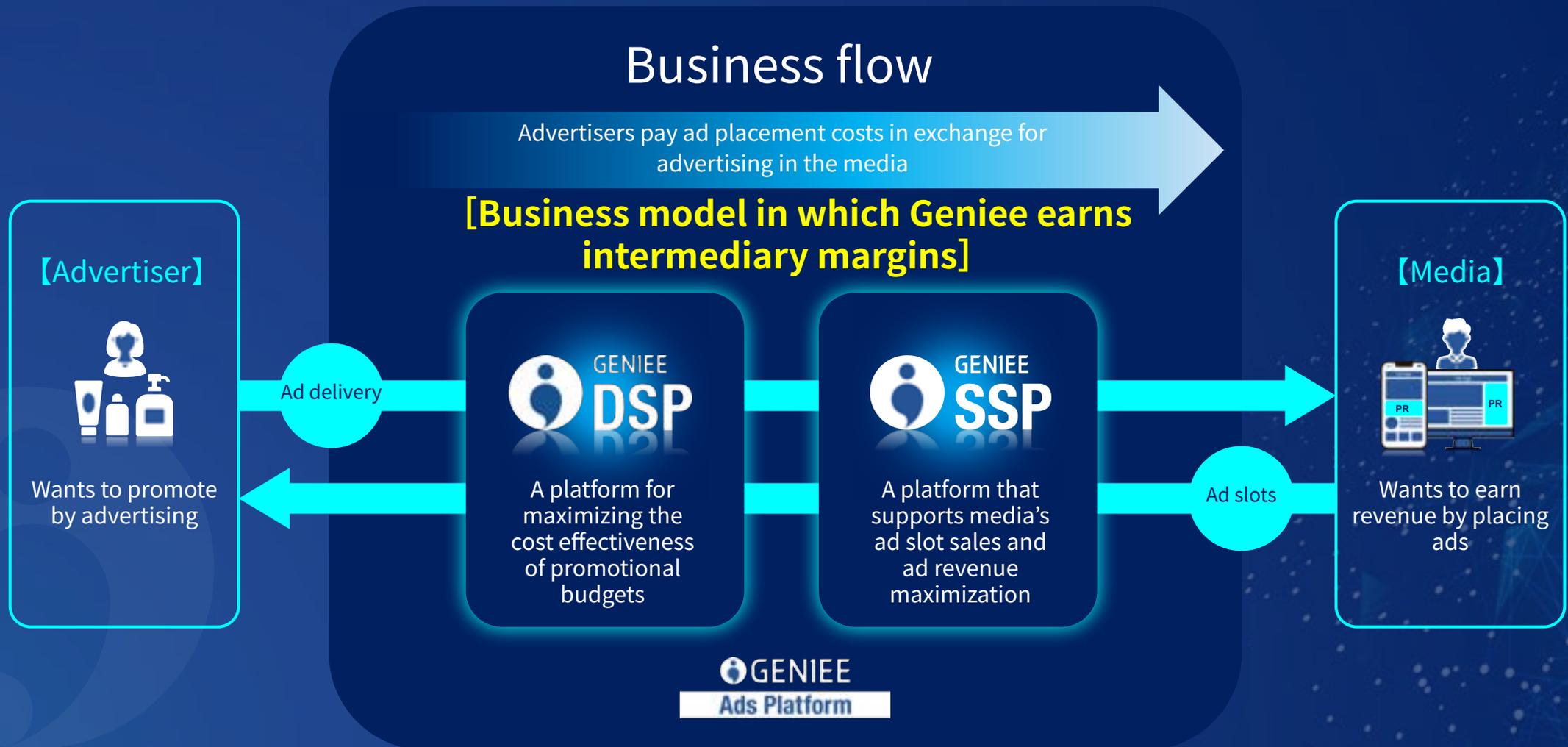


Areas of the Advertising Platform Business



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

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 **Geniee US (formerly Zelto)** was made a wholly owned subsidiary.

Implemented integration and function enhancements between Geniee US (formerly 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



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

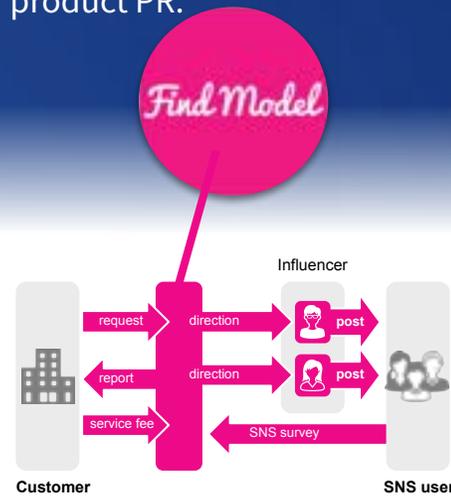
Newsire Business

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



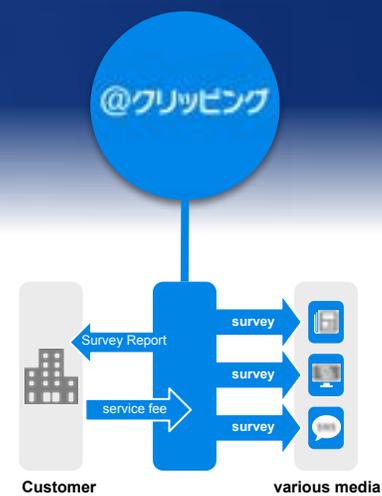
Influencer PR Business

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

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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Conducting due diligence with various internal and external experts. Utilize M&A know-how and insights accumulated from the past. |

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 |
|---------------------------|--|---|
| <p>Environment</p> | <ul style="list-style-type: none"> 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. |  |
| <p>Social</p> | <ul style="list-style-type: none"> 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. |     |
| <p>Governance</p> | <ul style="list-style-type: none"> 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. |  |

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.