

Marketing Technology & AI Company



FY2025 Full-Year
Financial Results Briefing Materials

Revenue reached 11.3 billion yen, **a 41.3% increase year-on-year**

While revenue and gross profit fell slightly short of targets, **operating profit exceeded 2.5 billion yen, achieving the plan.**

In the FY25 plan, normalized profit excluding one-time factors is projected to increase by 53.8%.



Advertising Platform business revenue reached 4.7B yen (+11% YoY) from enterprise customer growth, while Overseas business revenue hit 1.3B yen (+11% YoY) through group cross-selling.



Following Supply's global integration, "Overseas Business" merged into "Advertising Platform Business" in FY25, **with Zelto's goodwill now evaluated on Supply's overall cash flow.**



Marketing SaaS business reached 3.7B yen revenue (+39% YoY), achieved H2 profitability, with 3.4B yen ARR, driven by SFA, CHAT, and ANALYTICS.



Digital PR business generated 2.1B yen revenue and 170M yen operating profit since Q2, boosted by Q3 influencer projects.



JAPAN AI continues enhancing transcription accuracy, RAG technology, and releasing new AGENT features.

Company-wide Performance Trends

Revenue and gross profit recorded the highest growth rate in the past four years. Even excluding one-time gains and losses, growth was 82%, showing steady growth in the core business except for FY2023, which was affected by the overseas recession.

	(million yen)			
	FY2021	FY2022	FY2023	FY2024
Revenue	4,820	6,450 ^{33%}	8,010 ^{24%}	11,321 ^{41%}
Gross profit	3,740	5,140 ^{37%}	6,130 ^{19%}	8,807 ^{44%}
Operating profit	580	2,450	1,530	2,520
[Extraordinary Gains and Losses]	[-200]	[1330]	[660]	[920]
[Adjusted Operating Profit]	[790]	[1110] ^{41%}	[870] ^{▲22%}	[1593] ^{82%}
Profit attributable to owners of parent	500	2,110	1,030	1,954

*Revenue for the Advertising Platform business up to FY2021 was reported on a gross basis, but has been adjusted to net basis to align with FY2022.

Financial Summary

While the Advertising Platform business and Overseas business fell short of targets, the Marketing SaaS business and Digital PR business achieved their plans. As a result, both revenue and gross profit grew by more than 40%, though slightly below the projected figures. On the other hand, despite the impact of one-time gains and losses*¹, operating profit achieved its target due to cost reductions in the Overseas business and the second-half profitability of the Marketing SaaS business.

(million yen)

	FY2023 full year (a)	FY2024 full year(b)	Change (b – a)		FY2024 Projection
			Amount	%	
Revenue	8,012	11,321	3,309	41.3	12,000
Gross profit	6,138	8,807	2,669	43.5	9,100
Operating profit	1,538	2,520	982	63.8	2,500
[Normalized profit* ²]	[876]	[1593]	[717]	[81.8]	—
Profit before tax	1,277	2,267	990	77.5	2,400
Profit	1,035	2,048	1,013	97.9	1,800
Profit attributable to owners of parent	1,031	1,954	923	89.4	1,800

*¹In Q1, a profit of 640 million yen was generated due to a reduction in earn-out payments. In Q2, a profit of 320 million yen was recorded due to the transition from a consolidated subsidiary to an affiliated company following JAPAN AI's fundraising. Additionally, a gain of 70 million yen was generated from the sale related to the liquidation of Social Wire's shared office business. In Q4, a loss of 130 million yen was recorded from the retirement of software.

*²This refers to operating profit minus one-time gains and losses.

By Segment | Percentage of Earnings

The Advertising Platform business, which holds a top-class share in the domestic market, drove revenue. The Marketing SaaS business expanded rapidly due to growth in the enterprise sector. Established the Digital PR business, with Social Wire becoming a consolidated subsidiary from July 2024.

(million yen)

Overseas Business

Revenue

1,389

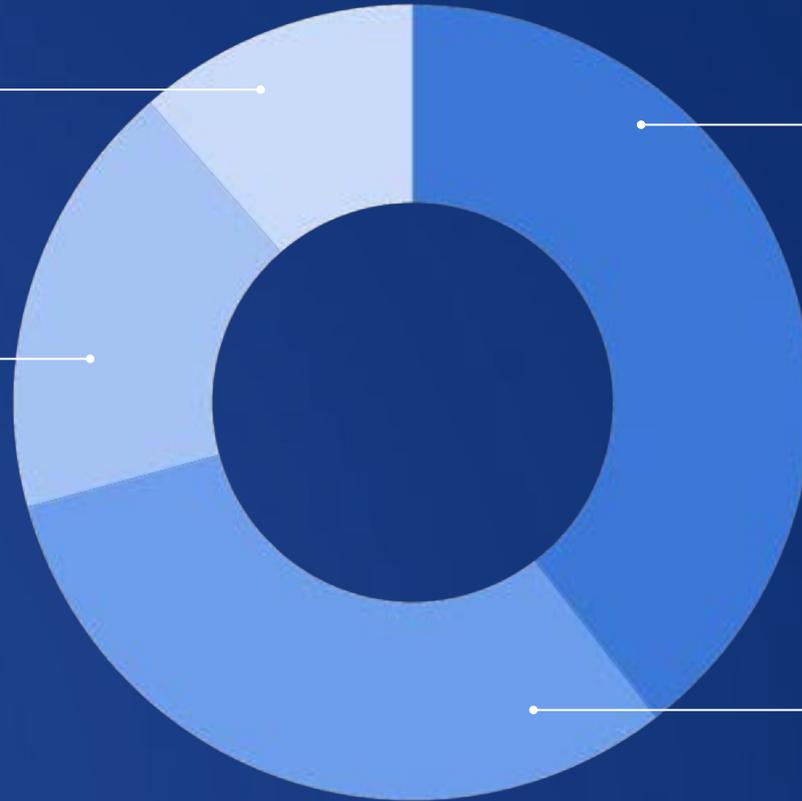
(Reference) Segment profit 403
Operating profit 273

Digital PR Business

Revenue

2,150

(Reference) Segment profit 428
Operating profit 178



Advertising Platform Business

Revenue

4,776

(Reference) Segment profit 2,223
Operating profit 1352

Marketing SaaS Business

Revenue

3,770

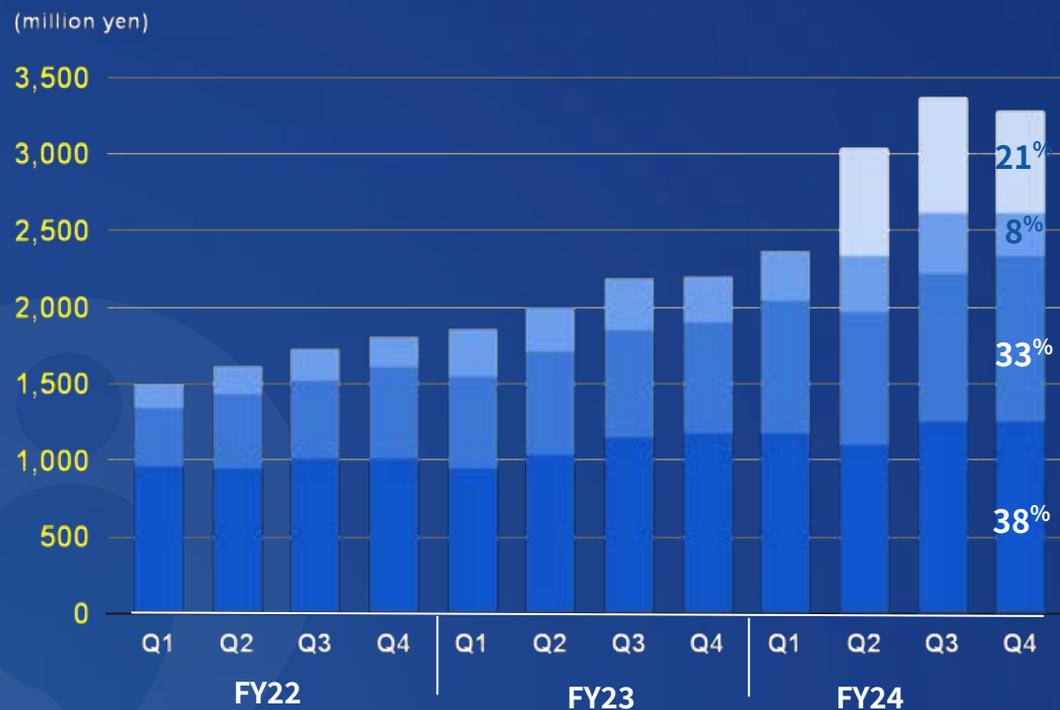
(Reference) Segment profit 668
Operating loss 255

By Segment | Percentage of Earnings Trends

The high-growth Marketing SaaS business with large market potential is rapidly expanding. Enterprise orders in SFA/CRM and chat areas continued, achieving operating profitability in H2 FY2024. JAPAN AI became an equity-method affiliate in July 2024 after financing, excluding it from revenue since Q2.

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

Revenue

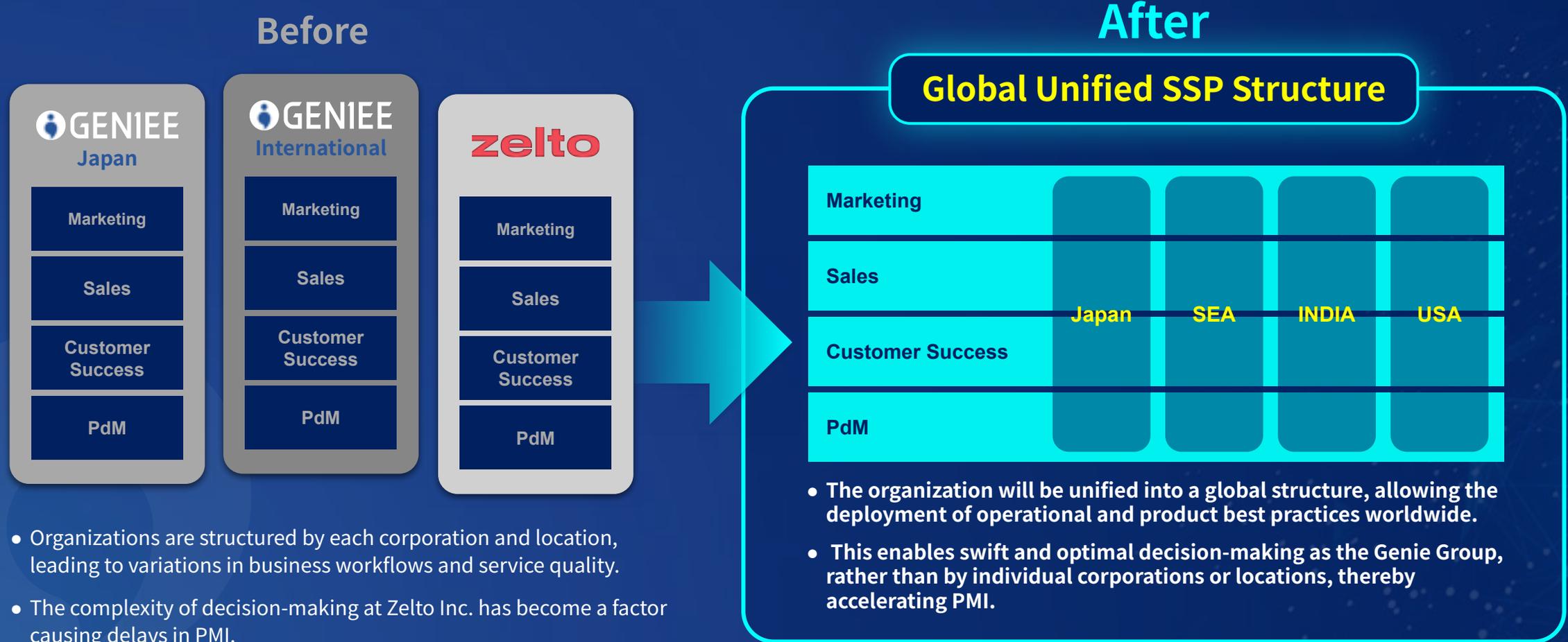


Segment profit



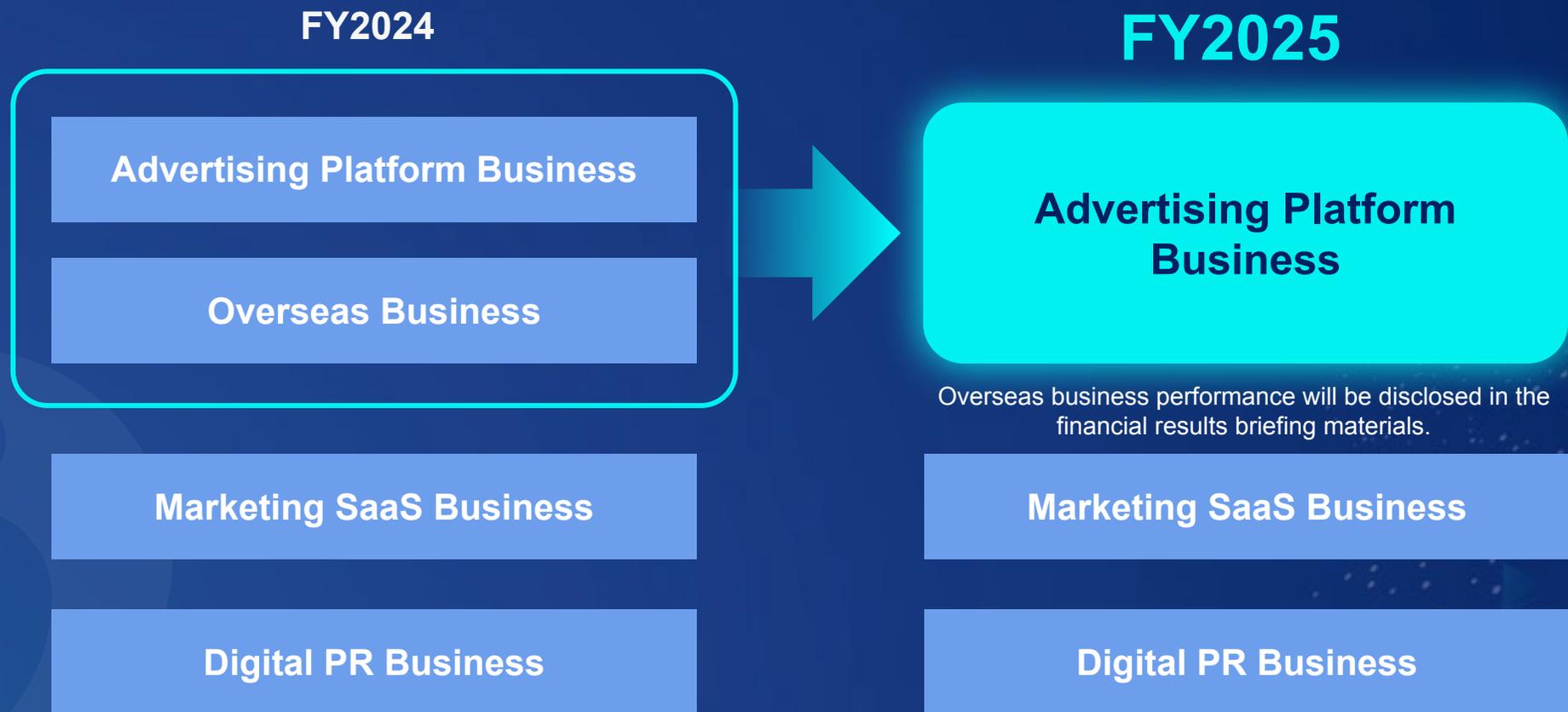
Progress on PMI at Zelto, Inc.

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.



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. Previous Overseas business performance will continue to be disclosed in financial reports.



TOPICS Regarding 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 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



JAPAN AI continues to improve core service performance while regularly releasing high-demand Agent features based on customer needs.



Accuracy Improvement

1

**Japanese
Transcription**

JAPAN AI SPEECH

Improvements

- Achieved 99% transcription accuracy for audio containing technical terms and internal terminology
- Improved word recognition capability with new technology that prevents overfitting

Expected Role

- Elimination of misrecognition of special words (technical terms, internal terminology, etc.)

2

**RAG Technology
Building**

RAG Framework

Improvements

Achieved 83.7% search accuracy (industry's highest level)
High-precision information retrieval and answer generation

Expected Role

- Suppression of hallucinations (incorrect answers)



Continuously Releasing New Features

1	Data Analysis Concierge	Overview	• Automatically suggests analysis ideas, creates graphs, and performs future predictions from data such as Excel
		Role	• Resolves challenges related to analysis methods and prediction approaches
2	AI Agent Creation Function	Overview	• Provides an environment where AI agents can be created under field leadership
		Role	• Achieves operational efficiency by flexibly adapting to each company's business processes
3	Task Scheduling Function	Overview	• Automatically executes tasks at specified times
		Role	• Responds to labor shortages and work style reforms, enabling business continuity even when users are absent
4	Advertising Report Agent	Overview	• Automatically analyzes CSV data from advertising platforms, generating PowerPoint reports with graphs and insights
		Role	• Automates routine tasks, providing an environment where users can focus on strategy planning and customer response

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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

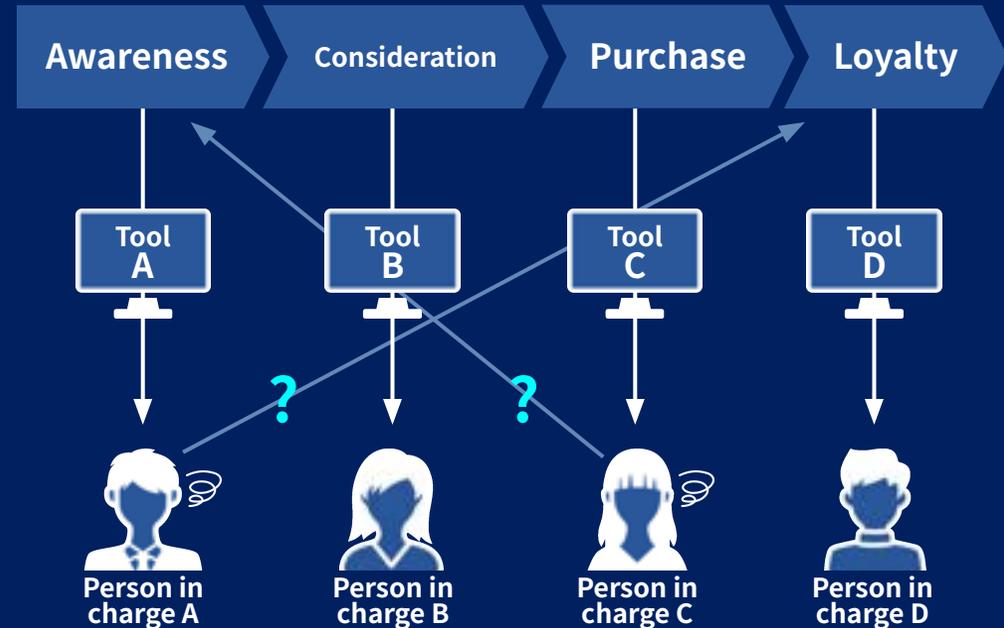
- Labor-intensive tasks for implementing breakouts arising (manual ad operation, data integration/analysis, etc.)
- Inefficiency of using complex marketing tools

Costs

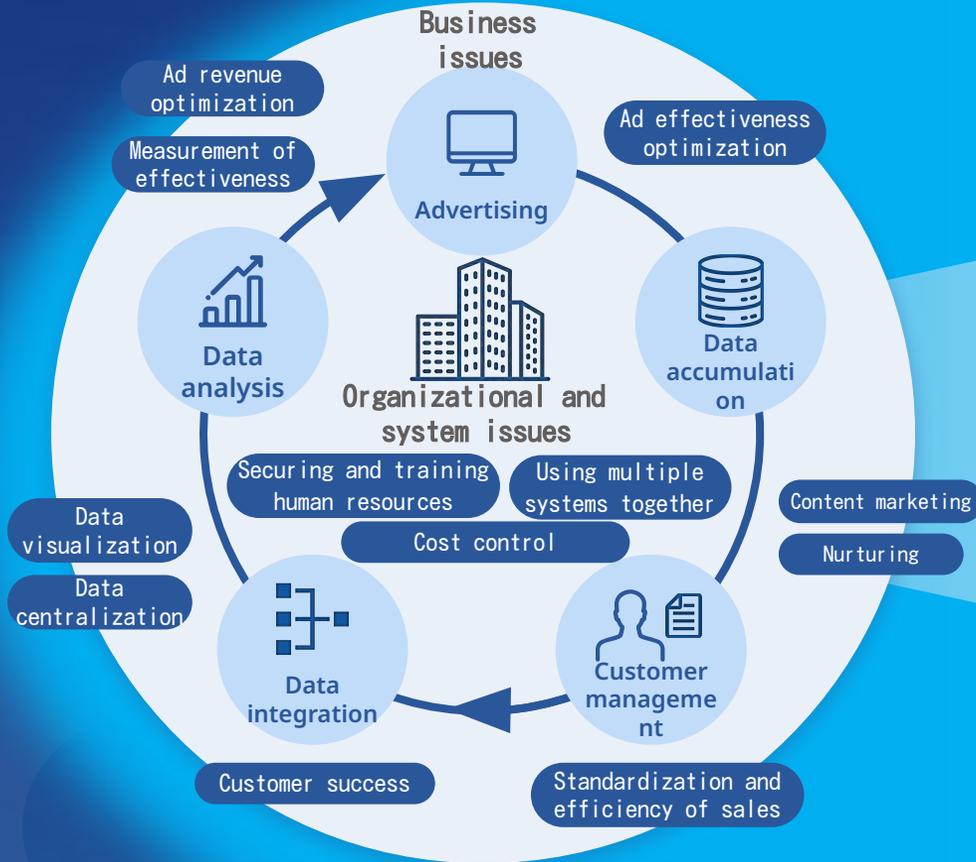
- Since multiple operators are used, commission expenses, communication costs, and development costs are incurred
- High hurdles, such as knowledge acquisition and in-house training, to utilize individual products

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

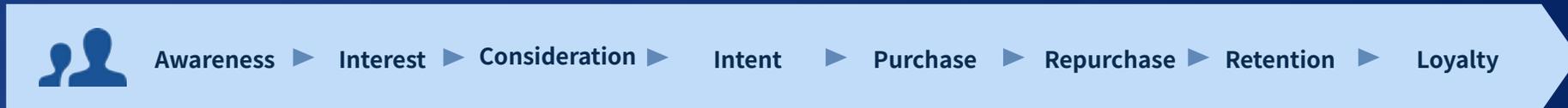
Automating and streamlining operations

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 15th fiscal year (FY2024) is a total of 970 billion yen, indicating significant room for expansion. In the 17th fiscal year (FY2026), the goal is to capture a market worth 21 billion yen. Our group company, JAPAN AI, is rapidly growing in the domestic generative AI market, which is expected to become a considerably large market in the future.



● Target market size for FY2024 (the market we are currently expanding into)

● The market we are aiming to acquire by FY2026



*(Source) Japan Electronics and Information Technology Industries Association (JEITA)
"JEITA Announces Global Demand Forecast for the Generative AI Market"
<https://www.jeita.or.jp/japanese/topics/2023/1221-2.pdf>

(Unit: billion yen)

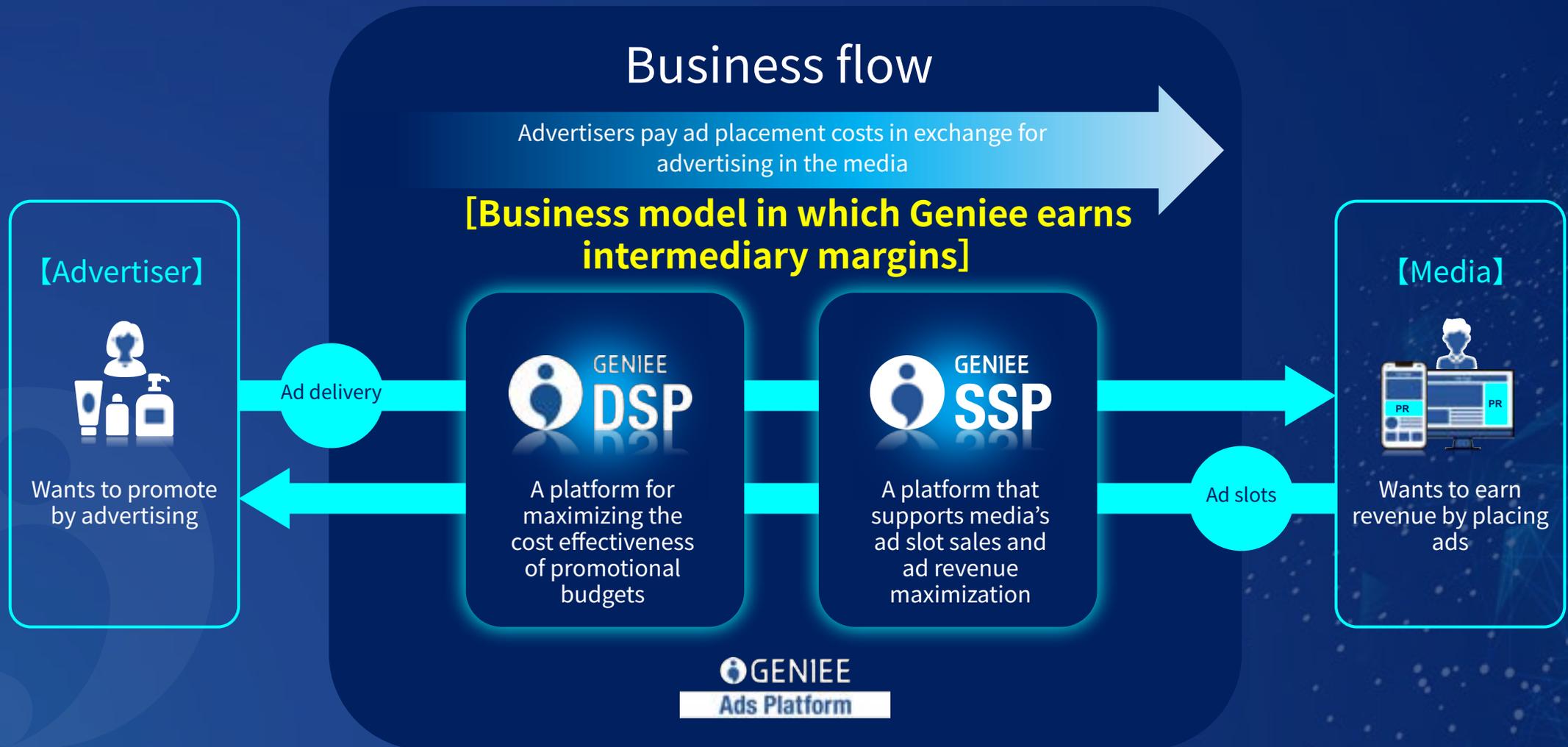
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Areas of the Advertising Platform Business



Advertising Platform Business | GENIEE SSP / GENIEE DSP

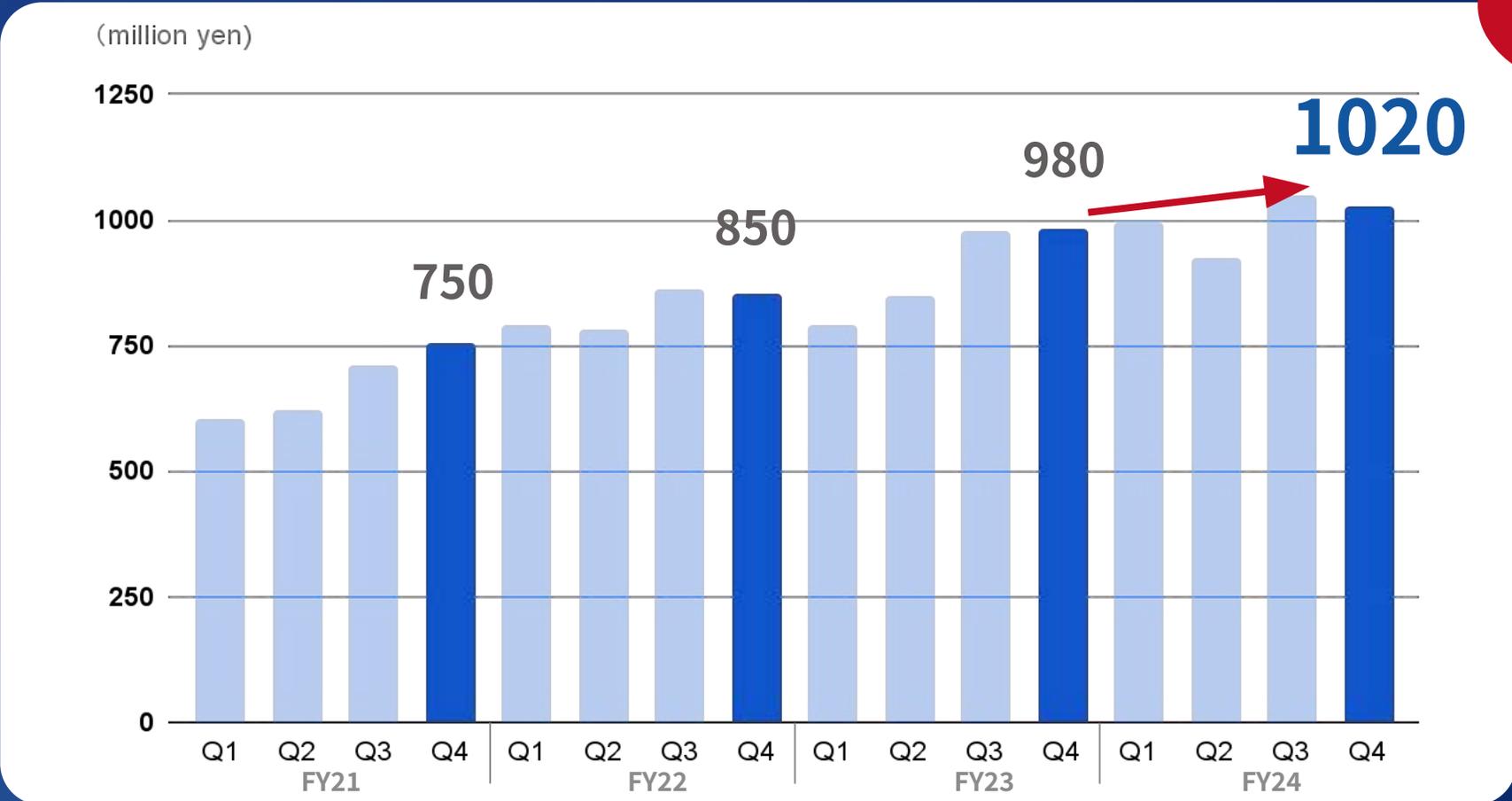
Technology that displays personalized ads, providing **high revenue for media** and **high return on ad spend for advertisers**.



Advertising Platform Business | Gross Profit Trends

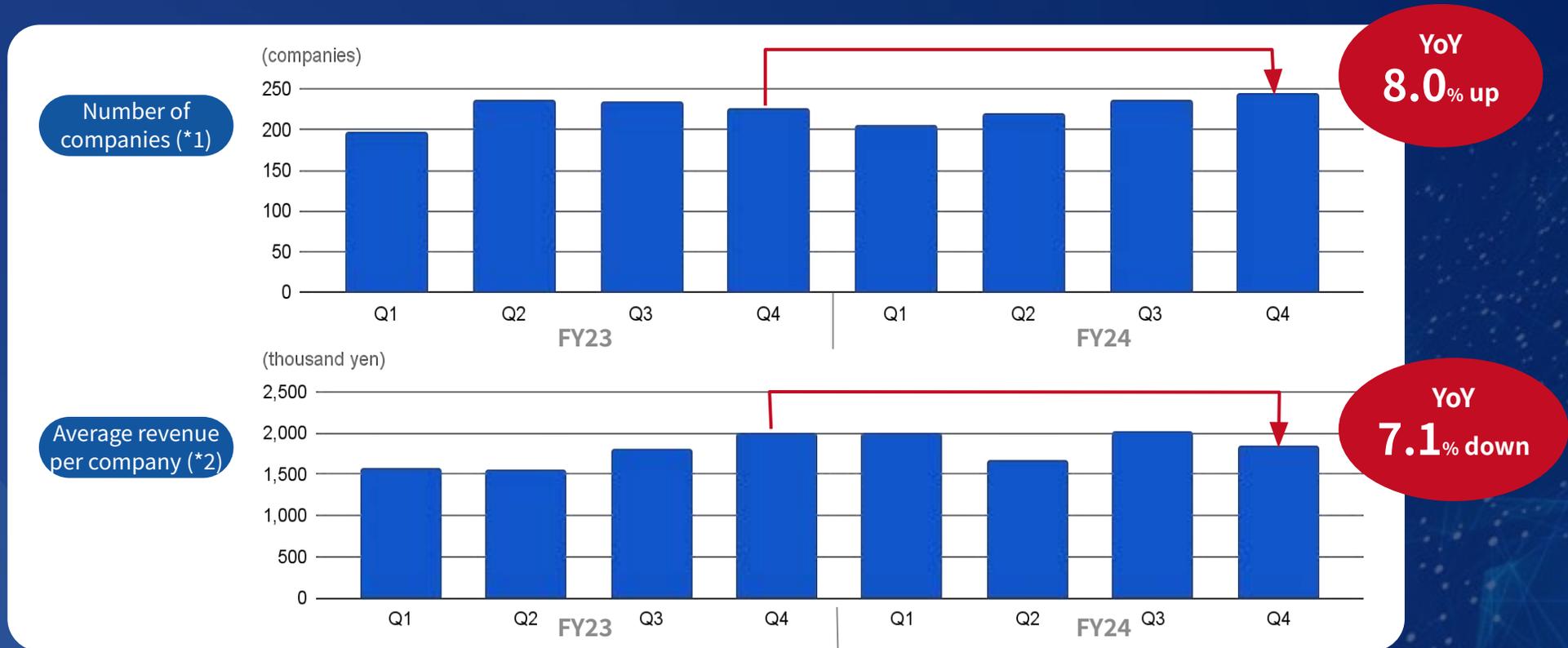
Gross profit of 1.02 billion yen, up 4.7% YoY despite slightly decreased revenue per unit, driven by enterprise customer growth. SSP CPM declined from December 2024 to March 2025, causing existing business to decrease compared to Q3, but new Bidder business grew and is expected to continue as a focus area in FY25. DSP (including DOOH) saw a slight decrease following large Q3 orders, with more large projects expected in FY25.

YoY
4.7% up



Advertising Platform Business | KPIs

While existing business performance slightly declined in March compared to December levels, the number of enterprise customers—a key focus from the beginning—increased, resulting in both QoQ and YoY improvements.



*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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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 **Zelto, Inc. was made a wholly owned subsidiary.** Implemented integration and function enhancements between Zelto products and domestic businesses.

Overseas bases

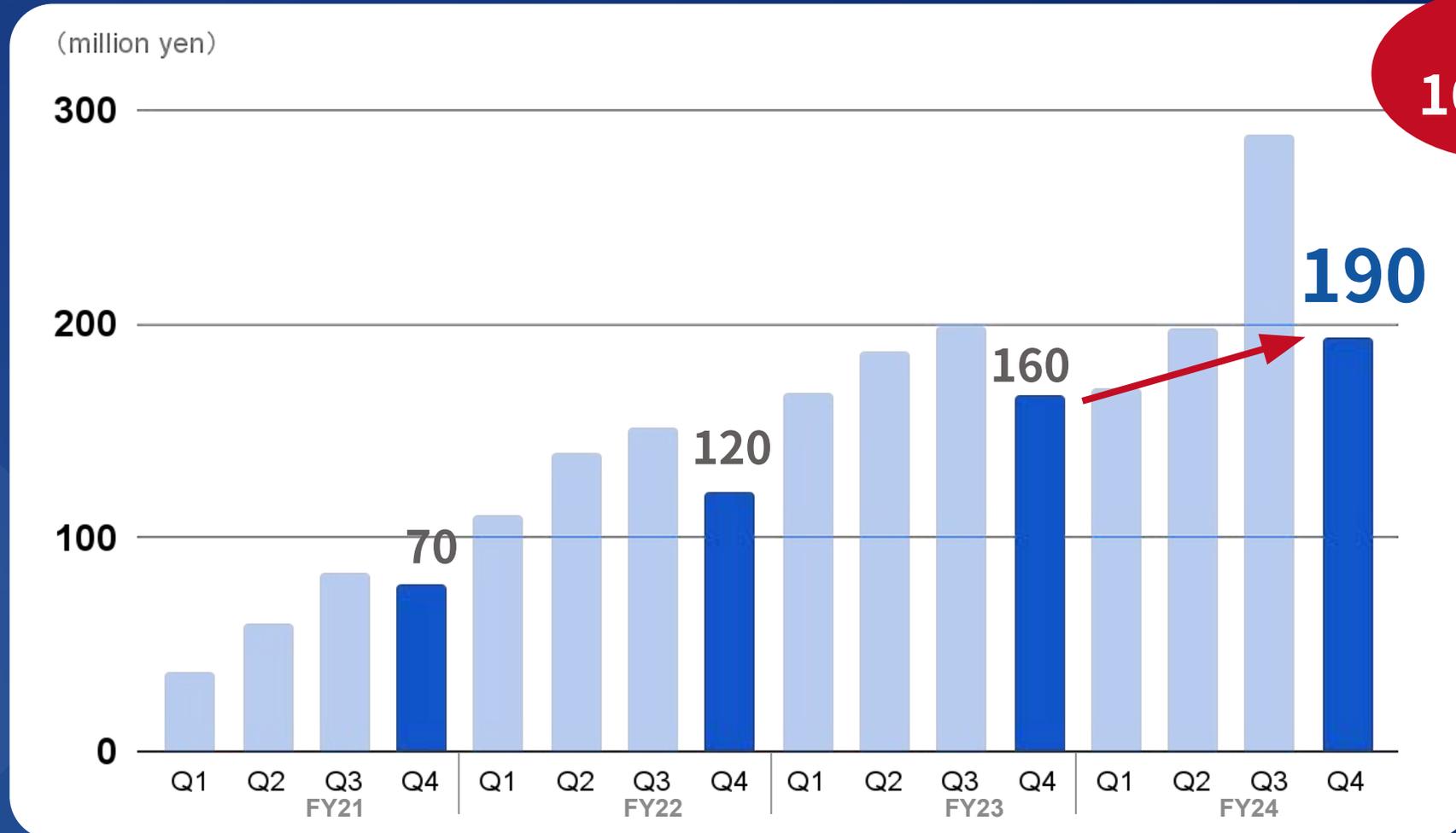


Business description

- 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

Overseas Business | Gross Profit Trends

Gross profit of 190 million yen, up 16.1% YoY. Revenue increased due to accelerated supply business "one platform" integration within the GENIEE Group and successful video cross-selling to domestic customers. Gross profit improved through cost reduction measures including server replacements.



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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 Social Wire Inc. This aims to complement the value chain in the marketing domain and accelerate the establishment of a comprehensive one-platform solution.

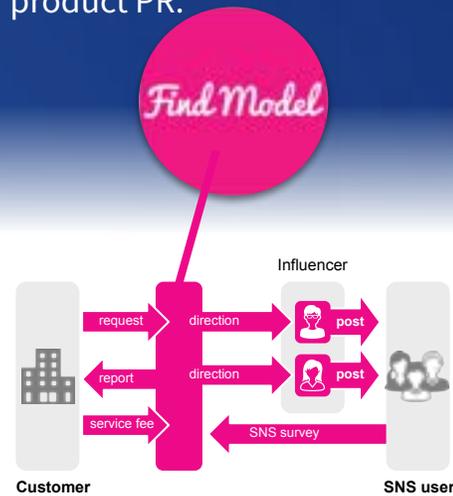
News wire Business

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



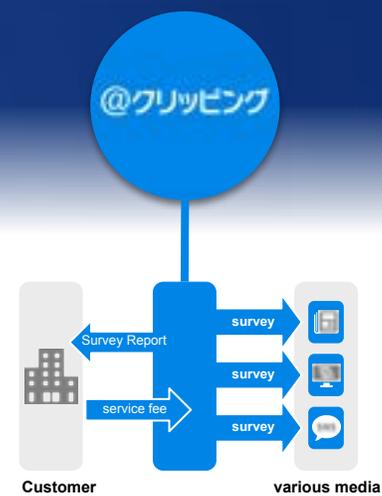
Influencer PR Business

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



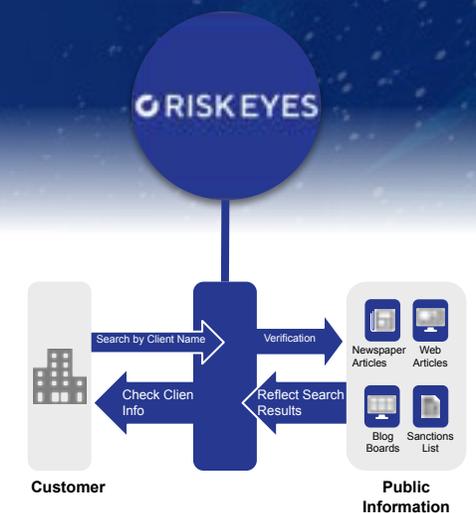
Clipping Business

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.

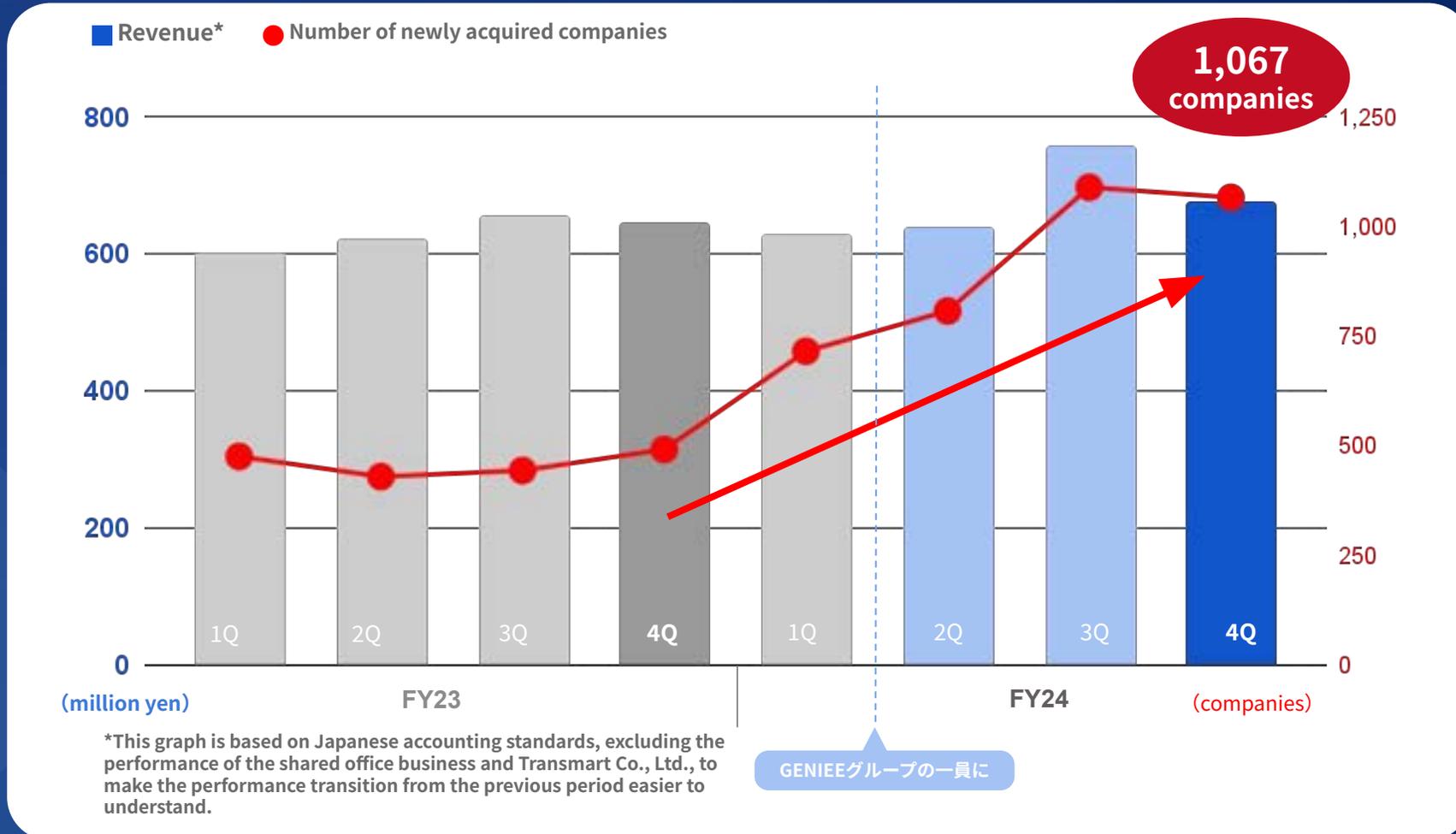


Digital PR Business | Revenue Trends

Revenue of 680 million yen.

Q4 saw a slight decline following the reaction to large influencer PR projects in Q3.

Meanwhile, we continue to execute ongoing functional enhancements to our product offerings.



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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.

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



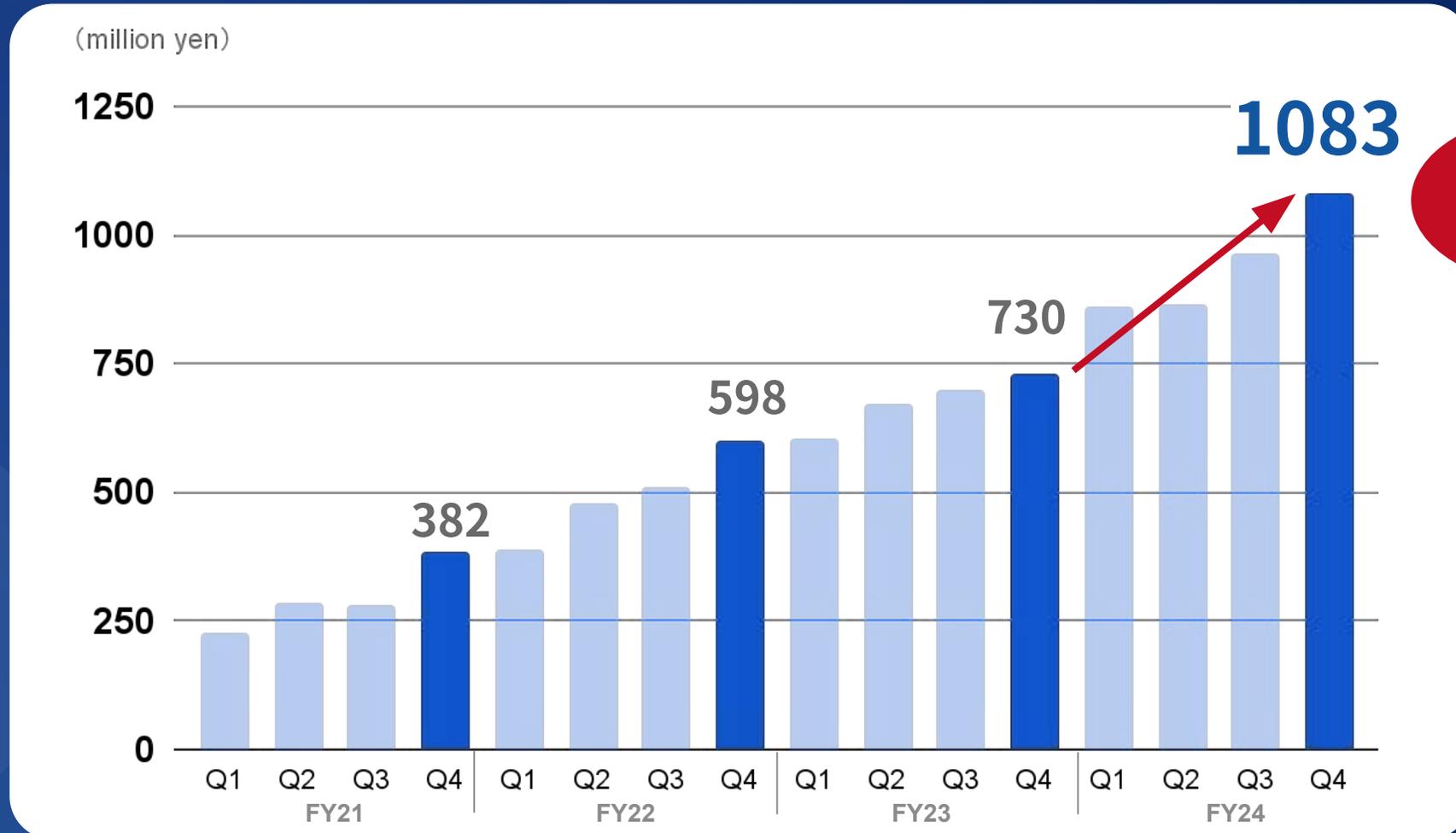
80% of overall revenue are monthly charges

$$\begin{matrix} \text{Development costs} \\ \text{One-time revenue} \end{matrix} + \left(\begin{matrix} \text{Monthly fee} \\ \text{Monthly fee} \\ \text{Monthly fee} \dots \end{matrix} \right) = \text{Subscriptions}$$

GENIEE revenue

Marketing SaaS Business | Revenue Trends

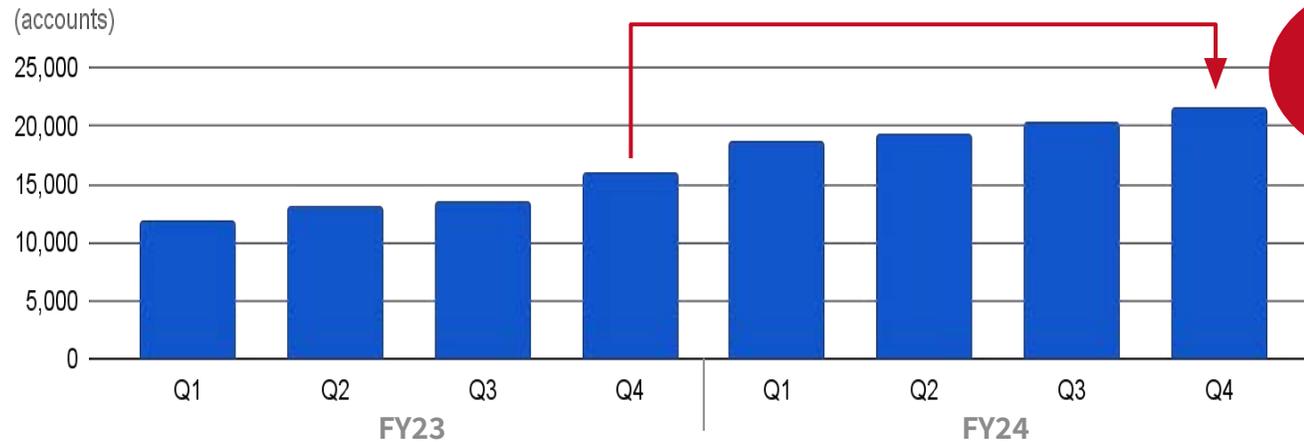
Revenue of 1.08 billion yen, up 48.3% YoY despite JAPAN AI no longer being consolidated since Q2. SFA, CHAT, and ANALYTICS drove performance, achieving the long-targeted goal of positive operating profit in the second half.



YoY
48.3% up

Paid account numbers continue to grow as SFA/CRM secures large contracts. Churn rate temporarily increased in July with an upward trend throughout Q2, but returned to previous low levels from August, again falling below 0.5%—significantly lower than the industry average of 2-7%.

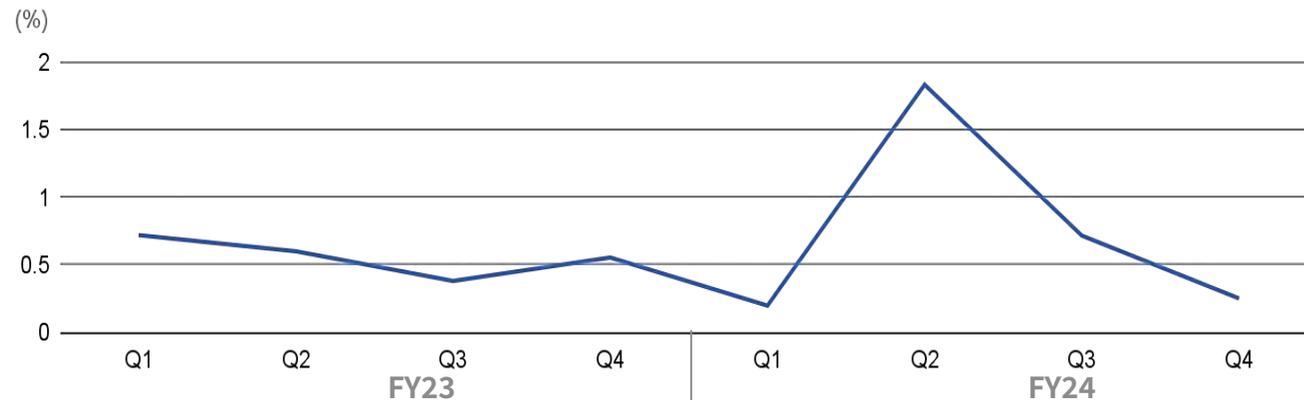
Number of paid accounts



YoY
35.8% up

Churn rate*

*Average 3-month churn rate for accounts



MRR is increasing across all products, with ARR growth rate exceeding 40% and showing strong performance. Notably, approximately 50% of total MRR comes from enterprise customers with ARR of over 10 million yen.

ARR / YoY Growth Rate

3,471million yen / **+43.8%**

ARPA / YoY Growth Rate

18,777yen / **+27.5%**

Gross Profit Margin

74.7%

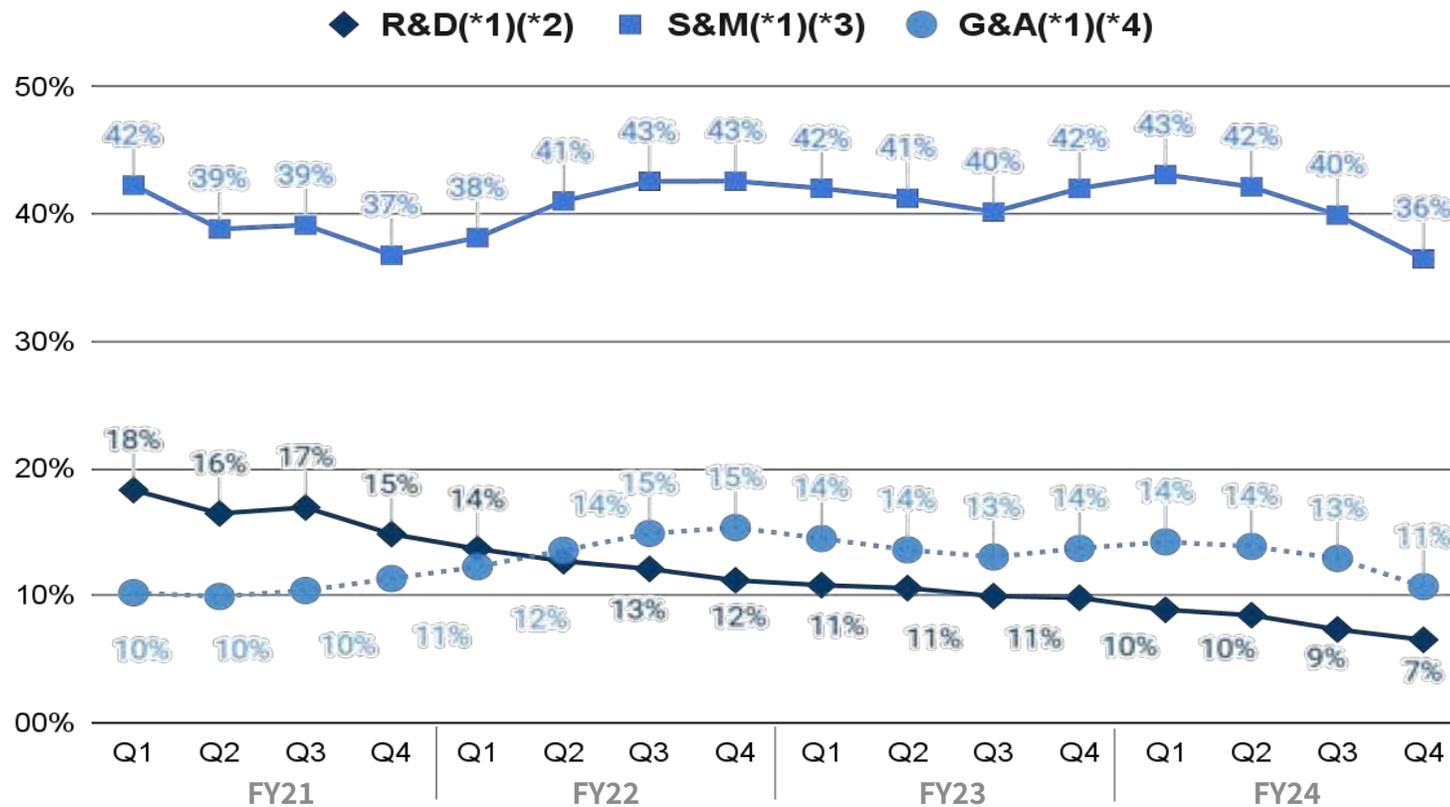
Recurring Revenue Ratio*¹ / YoY Change

80.3% / **▲1.4**ポイント

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

Ratio of SG&A Expenses to Revenue

Overall, MRR growth has led to a downward trend. While S&M costs increased after FY23-Q4 due to JAPAN AI staff expansion, they began trending downward from FY24-Q2 when JAPAN AI transitioned 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.

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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 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)

(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

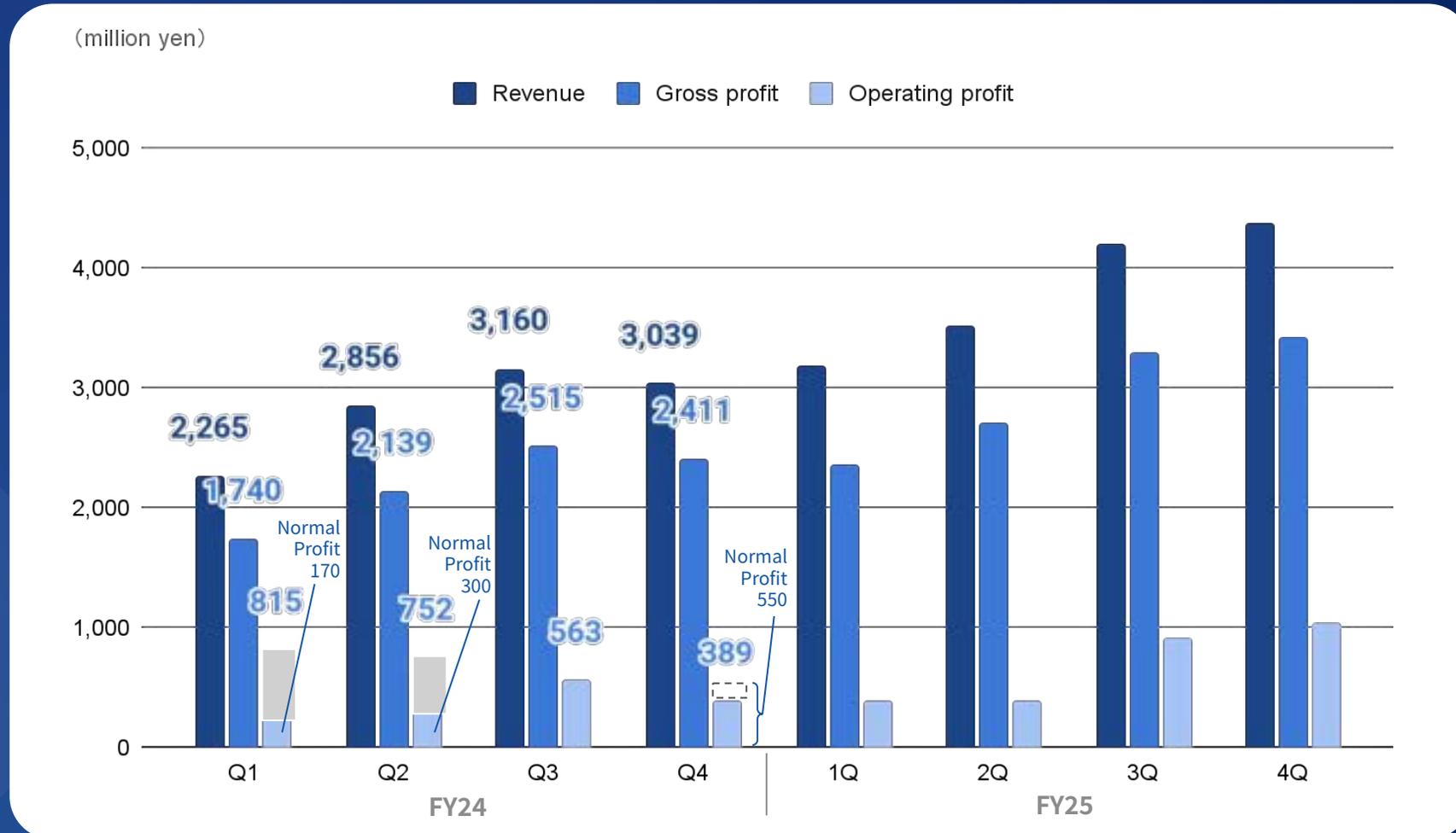
Advertising Platform business has completed investment phase, moving to AI-driven efficiency phase.
Marketing SaaS business will improve efficiency and profitability while expanding market share, except in areas still under investment.
Digital PR business aims to expand share through product enhancements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



Quarterly Earnings Forecast

Revenue is expected to grow each quarter.

The Advertising Platform Business has seasonality in its earnings, with plans for revenue expansion during the busier second half of the fiscal year.



Normal Profit: Actual profit excluding one-time gains/losses and other extraordinary items

Investing in Continuous Growth

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.



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- 7** Q&A

Q&A related to the Advertising platform business

What is the status of the Advertising Platform Business in FY24?

On the supply side, the video sector, which was a growth market, expanded significantly, greatly increasing gross profit. We also advanced our enterprise strategy, securing sustainable results such as acquiring new major media partners that will continue into future fiscal years. On the demand side, we expanded our share in the performance area, and successfully acquired enterprise projects through major advertising agencies in both branding and dynamic areas during this period. We believe this will lead to continued growth in the coming fiscal years.

How are you responding to cookie regulations?

While Google announced plans to eliminate all third-party cookies in Chrome browser, they later withdrew this policy following opposition from the UK Competition and Markets Authority (CMA) and the advertising industry. However, our company recognizes that cookie deprecation continues to progress in Safari browser, and considering the potential future risks of cookie regulations, we plan to continue developing and implementing alternative technologies to cookies.

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

We believe the impact of tariffs is currently limited as few of our clients (trading companies, manufacturers, etc.) are directly affected by tariffs. However, we recognize that companies concerned about economic slowdown may potentially reduce their advertising investments.

Is there any impact on performance due to Google's antitrust violations?

Currently, we do not anticipate significant short-term performance impacts as the web advertising ecosystem is built around GAM (Google Ad Manager). However, depending on future developments, there is a possibility that we could gain a position as an alternative to GAM since we provide SSP with ad server functionality. On the other hand, if bidding to GAM from Google's demand sources like Google Ads and DV360 decreases, there is a risk that advertising rates via Google could decline.

What is the background for unifying segments?

Following the global management integration of the supply side from FY24-2Q, we integrated the advertising platform business and overseas business into a single "Advertising Platform Business." After global integration, cross-selling between domestic and international advertising platform businesses has become active, and the business is now managed as a unified operation. We plan to continue disclosing the performance of the previous overseas business separately in our financial briefing materials.

Q&A related to the Marketing SaaS Business

What is the background of the Marketing SaaS business growth?	The business expansion was driven by an increase in the number of accounts due to enterprise-level expansion centered on SFA/CRM, and maintaining a low cancellation rate through highly satisfactory customer success. In the CHAT area, we continue to grow by implementing our products for major clients in collaboration with large agencies, as our products demonstrate high performance compared to competing products.
When is the Marketing SaaS business expected to become profitable?	We achieved profitability for the entire Marketing SaaS business in the second half of FY24. For FY25, although we plan to make significant development investments and marketing expenditures in the CDP area, we expect to maintain profitability for the full fiscal year.
What percentage of total MRR comes from enterprise-tier customers, and which products are most common?	Defining enterprise-tier customers as those using our services with ARR of 10 million yen or more, approximately 50% of our total MRR comes from these customers. By product, the majority are SFA/CRM, CHAT, and SEARCH customers.
What are your competitive advantages or differentiators in the SFA/CRM area where enterprise deals are expanding?	For enterprise customer layers, many already have established internal systems, and implementation often requires certain development work. At this stage, products lacking development capabilities or unable to accommodate development needs are screened out. Our company has an advantage because we possess the development capabilities to implement client requirements into our products, along with a structure that can consistently handle everything from requirements definition to maintenance in a one-stop manner. Additionally, common across all our products, we emphasize cost performance, offering proposals at half to two-thirds the price of major foreign players with equivalent functionality, which is another competitive advantage.
Why did the cancellation rate increase in FY24-2Q?	In July 2024, we had a cancellation from one major client. There was a misalignment in understanding regarding product implementation policy between the department manager and the executive in charge, which unfortunately led to the cancellation. This increased our cancellation rate to 1.8%. However, we consider this to be a client-specific incident, and in fact, our cancellation rate in FY24-4Q fell below 0.5%.

Q&A related to the Overseas Business

How do you view the risk of goodwill impairment due to changes in CGU for Zelto?

Following the global management integration of the supply side in October 2024, there were changes in the decision-making bodies for product development and sales, organizational structure, and brand attribution. From FY25, the impairment assessment for Zelto's goodwill will change from being based on "Zelto alone" to being based on the future operating cash flows of the "entire global supply side." This means that the recoverability of goodwill will be judged considering the future cash flows of the entire Geniee Group's supply side, not just Zelto. Therefore, we believe the probability of impairment has decreased.

What is the current status of advertising revenue unit prices in overseas business?

Publisher revenue unit prices have been increasing since January 2024, and we believe FY24 shows a recovery trend. While we need to continue monitoring advertising demand trends due to concerns about inflation resulting from reciprocal tariff issues and immigration policies under the Trump administration, we can say that CPM is on an upward trend as of May 2025.

Q&A related to Acquisition of Treasury Shares from SoftBank Corp. (reposting)

Why is it necessary to issue class shares?	The acquisition of treasury stock (4.95 billion yen) results in a decrease in net assets. To maintain net assets, we need to increase them, but issuing common shares would significantly lower the stock price. Therefore, we need to issue class shares with capital 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, they are likely to continue receiving preferred dividends. In case of deteriorating performance, the pace of accumulating internal reserves will also slow down. We will maximize the accumulation of internal reserves, including dividends from subsidiaries, to build up resources for repurchase after two years and implement the buyback.
When would conversion to common shares occur?	Basically, financial institutions do not anticipate exercising their right to convert to common shares, and the main scenario is repurchase after two years. Deviating from this main scenario, conversion to common shares might occur if, after three years from acquisition, the stock price exceeds 933 yen creating a capital gain opportunity, and our company is unable to repurchase for some reason.
How much disposal do you anticipate when changing to the Prime Market?	Considering the current liquidity of about 30% and the need to secure funds for future M&A, we believe a minimum disposal of about 5-10% would be sufficient. Our company intends to leverage treasury shares for shareholder returns and active investments as much as possible, and we wish to limit disposal to the minimum necessary.
What will be the future relationship with SoftBank?	While the capital alliance relationship will be dissolved through this treasury stock acquisition, the business alliance will continue, and transactions with LY Corporation (part of the SoftBank Group) in the advertising platform business are expected to continue.
How will you use the treasury shares acquired from SoftBank?	We anticipate utilizing the treasury shares acquired this time for the following purposes: <ol style="list-style-type: none">1. Transfer to business partners2. M&A through share exchanges, etc.3. Disposal when changing to the Prime Market4. Cancellation using profits
What kind of partners do you envision for the transfer to business partners?	While we primarily focus on partners with business synergies with our company, we are broadly considering partners who can provide benefits for increasing our market capitalization. In all cases, we are assuming partners capable of long-term investment.

Q&A related to M&A (reposting)

Will you continue to actively pursue M&A?

We have set high growth targets and while growing organically, we actively pursue M&As necessary to achieve our purpose. Although we will refrain from large-scale M&As in preparation for changing to the Prime Market, we may still implement M&As that do not significantly alter our internal controls or management systems.

Regarding the acquisition of Social Wire, why can it be a subsidiary with only 49% ownership, and how will sales and profits be recorded?

We adopt IFRS and prepare consolidated financial statements based on IFRS. Therefore, we determine whether a company is a consolidated subsidiary based on the IFRS perspective of whether we have substantive control. In this case, we have a prerequisite condition of consent from the majority of directors, allowing us to substantively control management decision-making, so we plan to make it a consolidated subsidiary. We will consolidate 100% of the figures up to net income, but only record 49% of the net income attributable to the parent company.

What is the status of the DSP business (Deqwas, KANADE) acquired from Scigineer?

We have functionally integrated it into our GENIEE DSP and successfully developed several major online agencies. We expect growth this period through enhanced initiatives with each company and coordination with our SSP.

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

We have already been promoting product integration, sales activities utilizing mutual customer bases, and creating business synergies in product planning and development. We decided to merge both companies to consolidate management resources, improve operational efficiency, and accelerate decision-making.

<p>What specific IR activities will you be pursuing actively in the future?</p>	<p>1.Enhancing financial presentation materials. There are areas where the resolution of the connection between KPIs for the advertising business and our strategy is difficult to understand, so we want to make this connection clearer and quantitatively show long-term challenges to demonstrate our future strategy. Additionally, we will more clearly describe points related to our competitive advantages.</p> <p>2.We will actively provide information to help understand our business resolution through media exposure and notes.</p>
<p>How will the business portfolio evolve in the future?</p>	<p>With the acquisition of Social Wire, a new Digital PR business has been established, forming a significant business portfolio. We expect the high-growth Marketing SaaS business to reach a level comparable to the advertising platform's sales. Currently, the advertising platform business accounts for approximately 37%, SaaS for about 28%, Digital PR for about 23%, and overseas business for about 12%.</p>
<p>Regarding JAPAN AI, what is the background of it becoming an equity-method affiliate, and what will be its position in the Geniee Group going forward?</p>	<p>JAPAN AI has the purpose of "creating a sustainable future society with AI" and is an organization working to solve challenges in all areas, not limited to marketing, in the field of generative AI. To realize these solutions faster than competitors, we needed to secure engineers and business talent and rapidly build the organization, so we executed equity financing from external VCs at the end of July 2024. As a result, it became an equity-method affiliate, but our representative Kudo continues as the representative of JAPAN AI, and we still own over 70% including potential shares. It will maintain its core position in our group's DX initiatives.</p>
<p>How do you view the positioning of the business alliance with PIALA INC.?</p>	<p>PIALA INC. was originally our customer, and we believe there is high potential for collaboration especially with CHAT, ANALYTICS, and newly launched CDP, SFA/CRM, and JAPAN AI. We decided to form a business alliance as we believe business collaboration with our group would benefit both companies' performance.</p>
<p>Why did you form a capital alliance with PIALA INC.?</p>	<p>We place great importance on confirming the possibility of continuous maintenance of net assets to ensure the medium to long-term effectiveness of business alliances. PIALA INC.'s performance has been improving quarterly, and by utilizing our tools, they are achieving operational efficiency and reducing SG&A expenses. Therefore, we determined there is a high possibility of maintaining net assets, and it is reasonable to participate in equity financing within a range where investment recovery can be expected. In fact, in the fourth quarter of 2024, they achieved sales of 4,123 million yen, operating profit of 63 million yen, and quarterly net profit of 68 million yen, improving their net assets.</p>

Reference Material



FY2025 | Full-Year Financial Results Briefing Materials

Name	GENIEE, Inc.
Business Description	Advertising Platform Business, Marketing SaaS Business, Overseas 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 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.

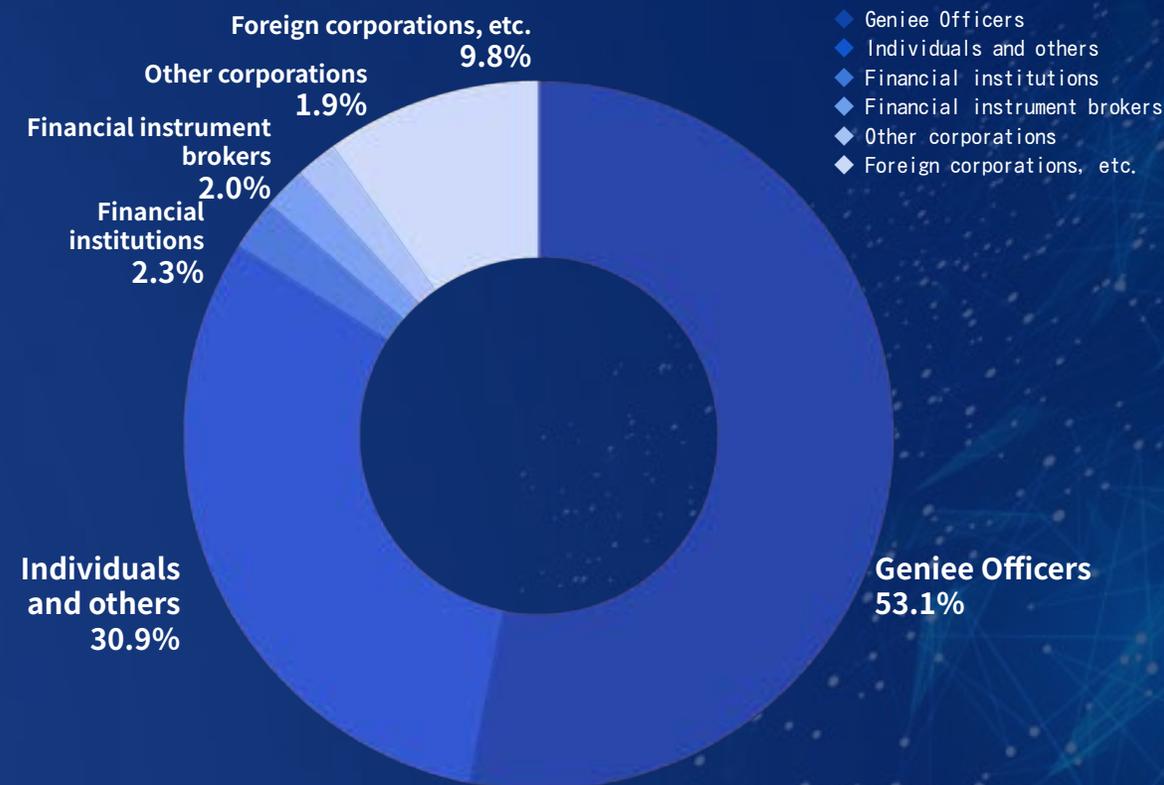
In April 2010, he founded Geniee, Inc. and became president and representative director. In April 2023, he established JAPAN AI, Inc.

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

Status of Major Shareholders

株主名	所有株式数 (株)	持株比率 (%)
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.

Business Purpose

A world view realized by Geniee's products and services

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

Corporate Purpose

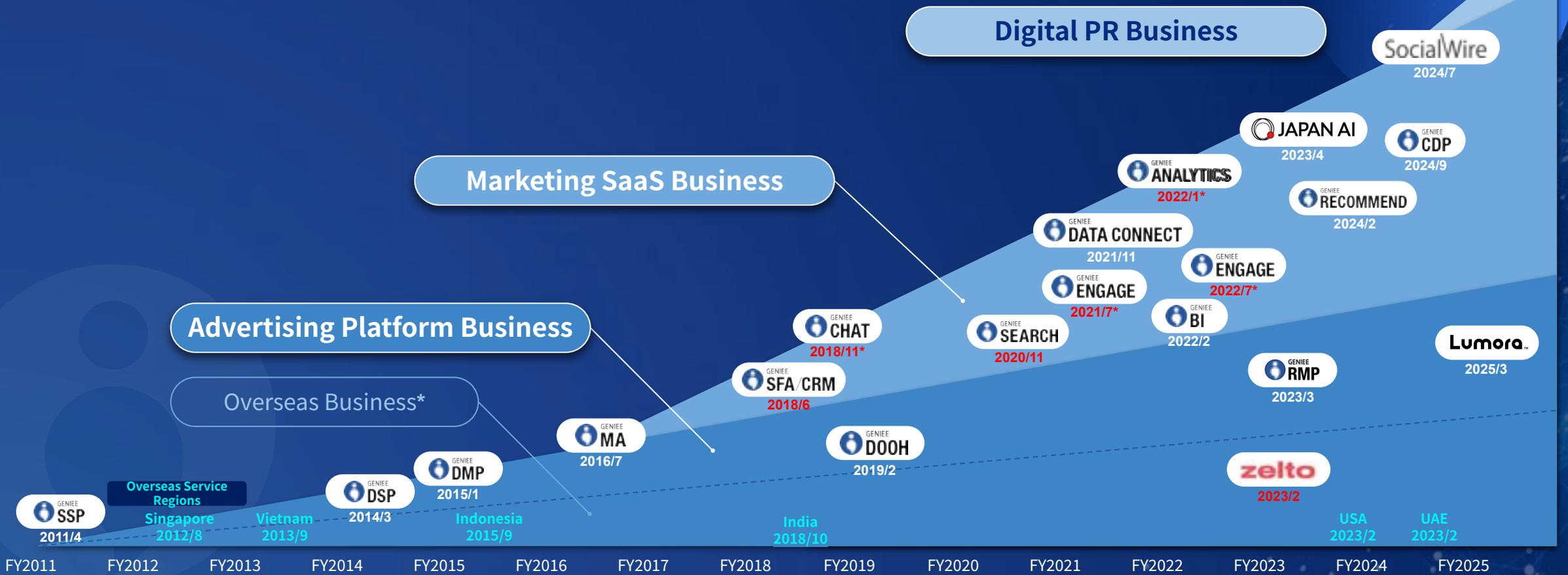
Long-term goals of the organization • Existential significance

**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 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.

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

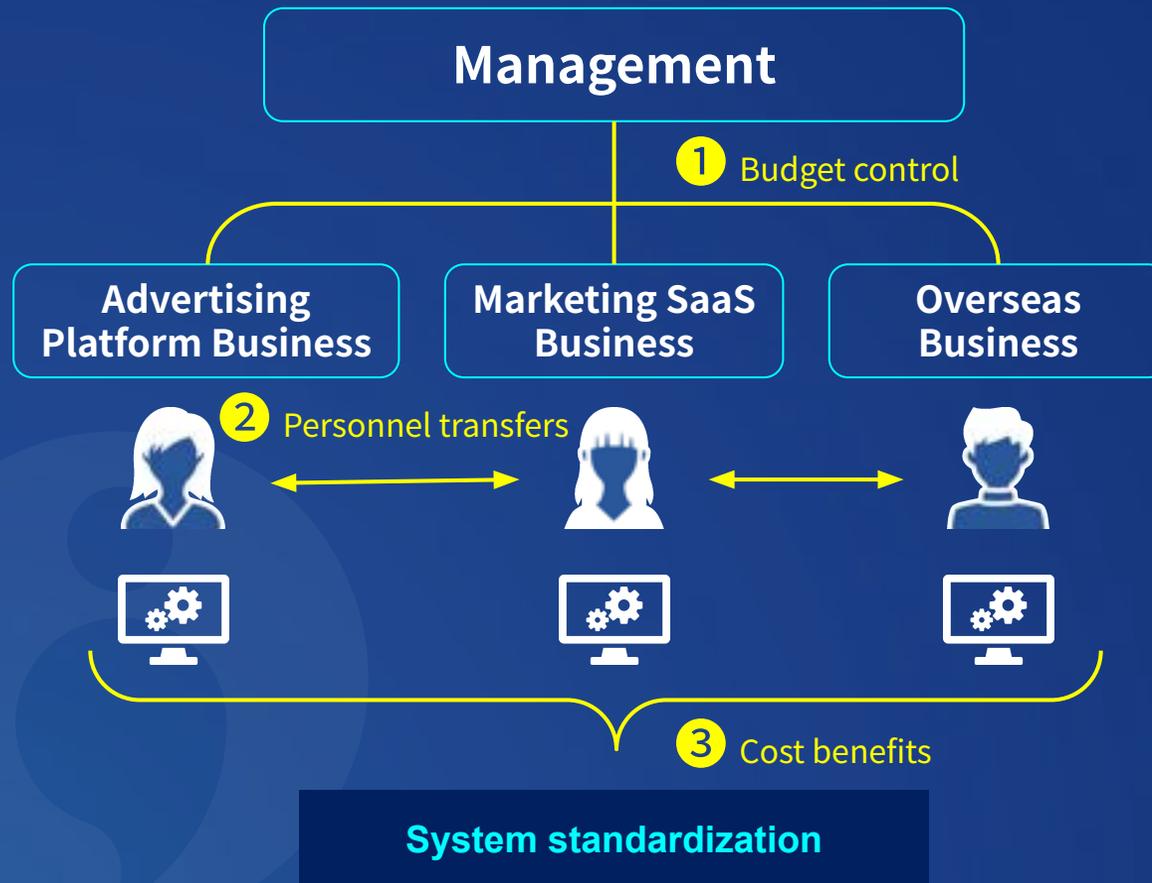
Establishing a system to enhance internal organizational capabilities, and realizing efficient business operations and operational excellence

- 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.

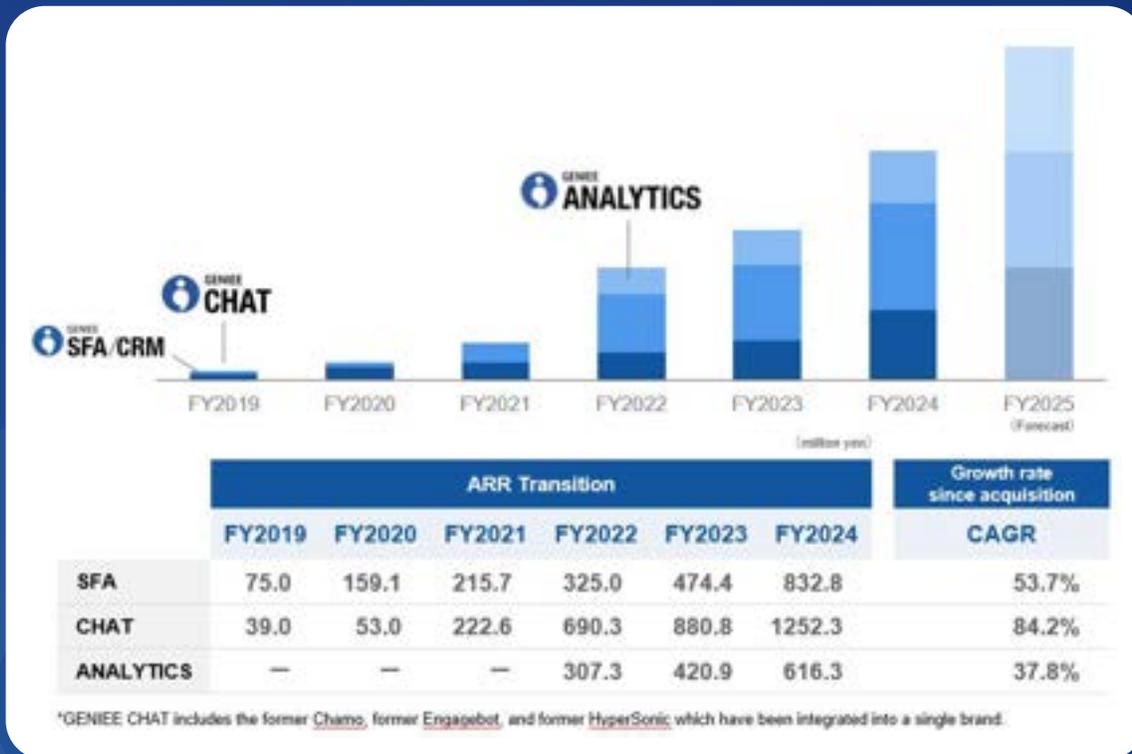
Recruiting capabilities

- 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

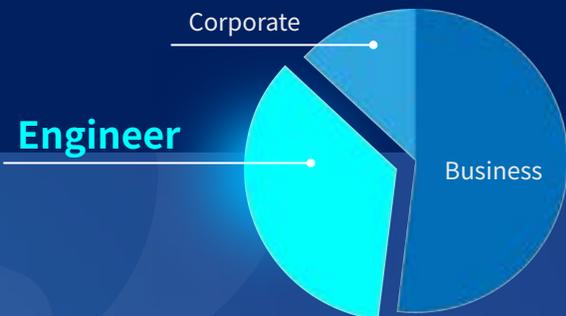
- Actively supporting the establishment of a system to increase sales of services while integrating management and development policies and establishing a business management system
- Setting up incentive plans for the management teams and members of acquired businesses

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.



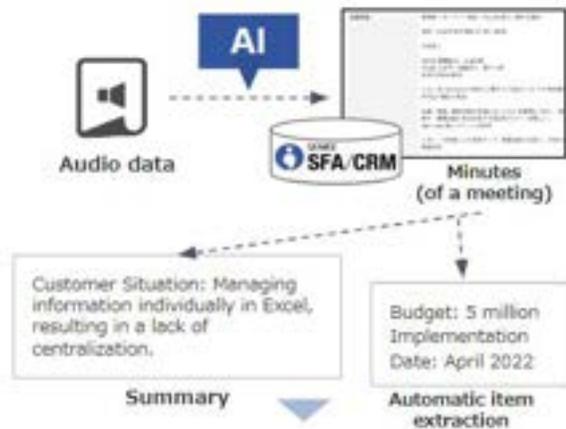
Advantages in Technology | AI Development

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.

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.

[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.

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.

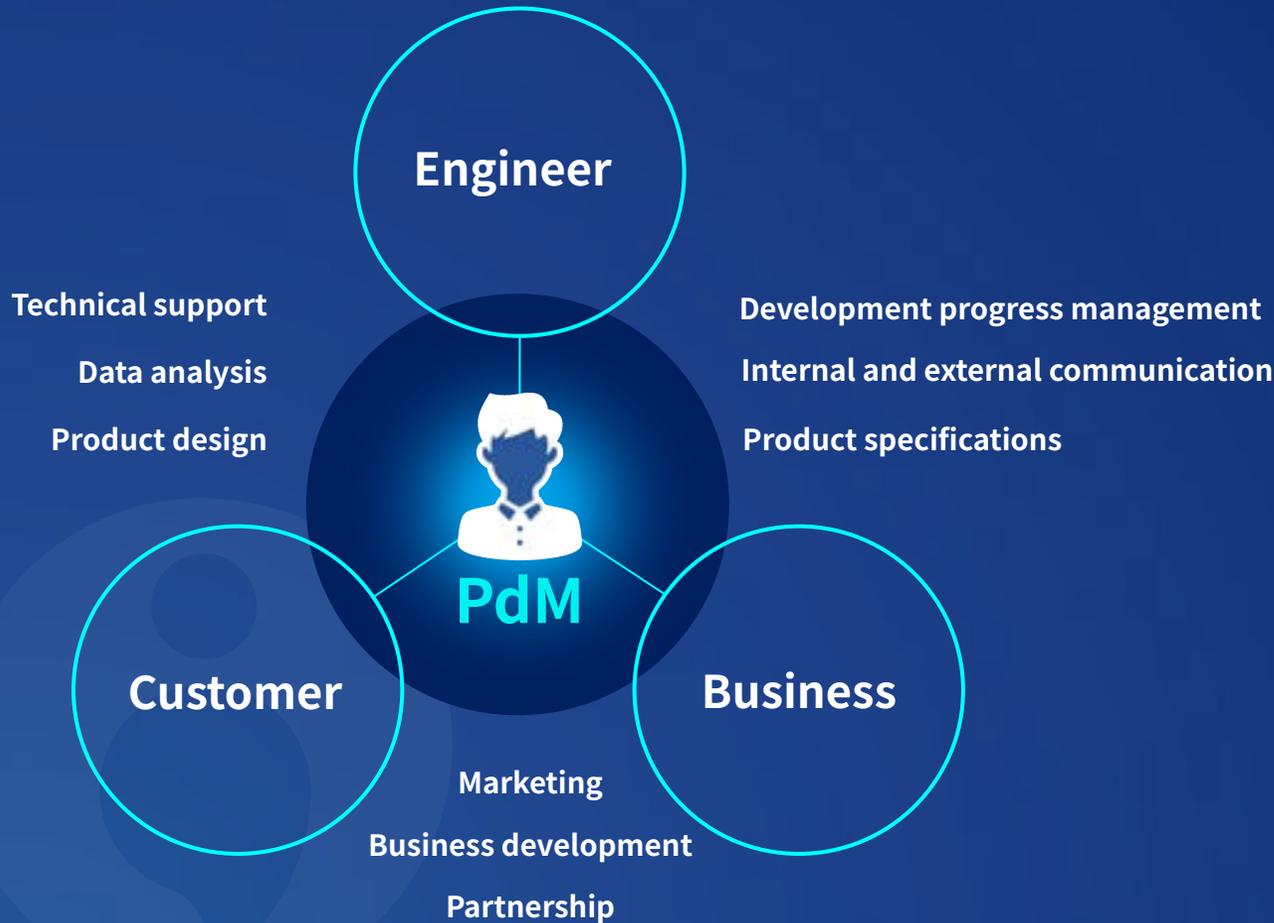
- Sales-oriented corporate research AGENT, engineering support, product requirement definition, etc.

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.

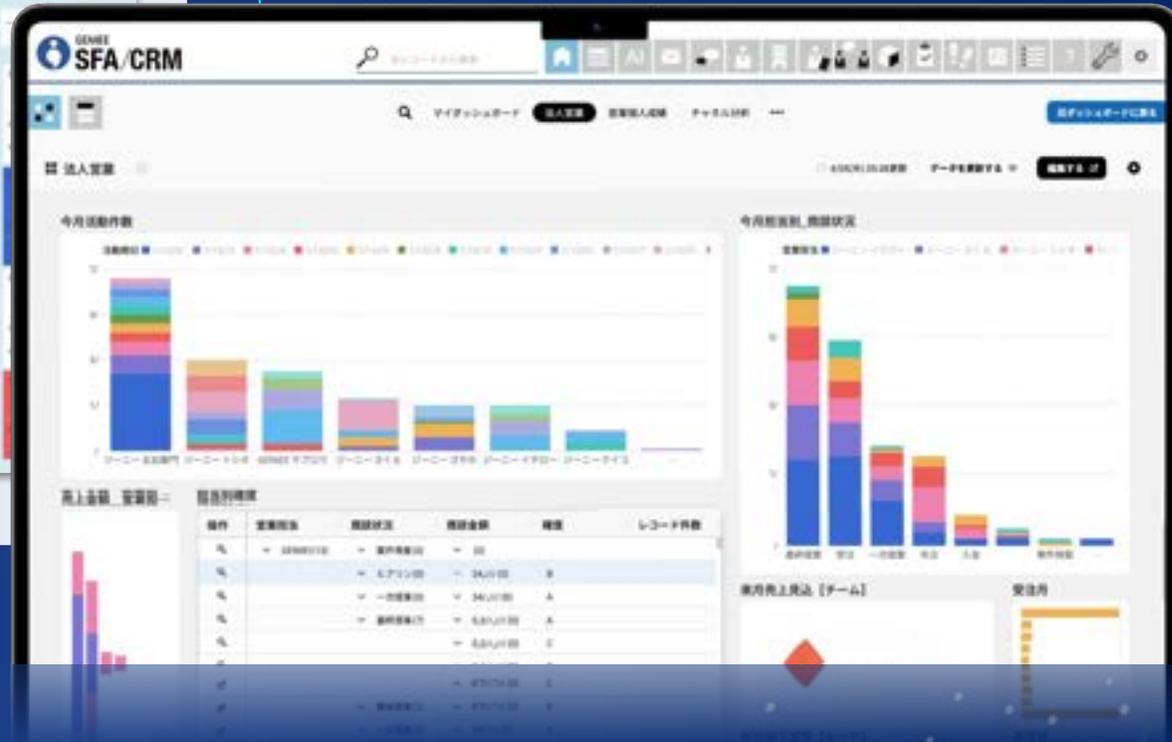
Advantages in Business | Sales

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

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 and Overseas 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.
Cookie regulations	Advertising Platform Business and Overseas Business	Possible decline in revenue due to regulations on targeted advertising.	<ul style="list-style-type: none"> • Develop new technologies. • Cooperate technically with other companies.
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 Overseas Business	Overseas 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
Environment	<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. 	
Social	<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. 	   
Governance	<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.