



**Financial results for the 2nd Quarter
Of Fiscal Year Ending May 31,2022
(Our Business plan and Growth Potential)**

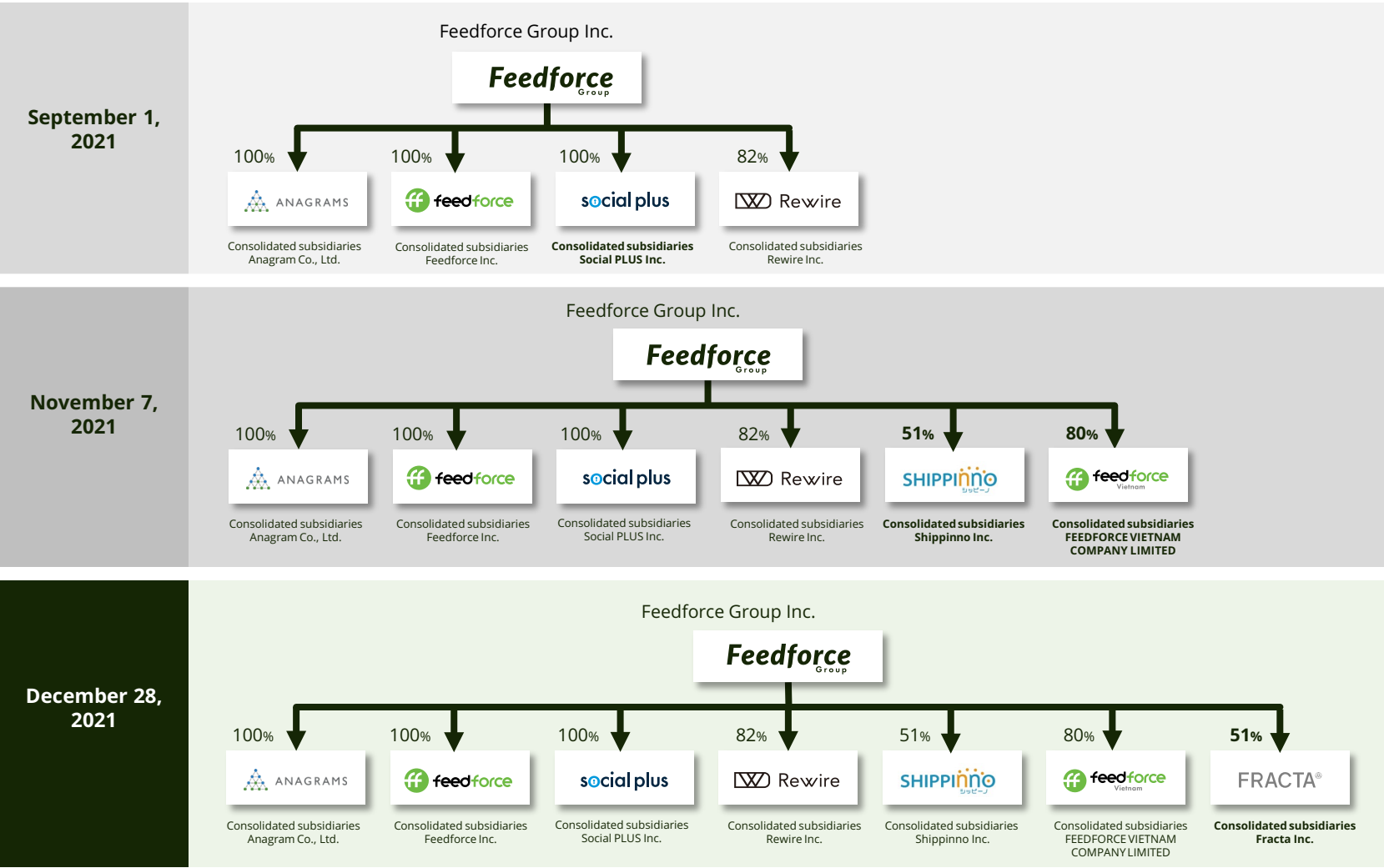
January 7, 2022

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Chart of major Group companies



Transition to a holding company structure from September 2021

Shippinno and Fracta have joined the Group, and with the establishment of a local subsidiary in Vietnam

7 operating companies

FY2022 Q2 Summary of Results

(Millions of yen)

	2021/5 2Q Consolidated cumulative	2022/5 2Q Consolidated cumulative	YoY	2021/5 2Q Consolidated	3Q Consolidated	4Q Consolidated	2022/5 1Q Consolidated	2Q Consolidated	QoQ
Transaction Amount	4,550	5,806	+27.6%	2,361	3,107	3,363	2,868	2,938	+2.5%
Net Sales (After retroactive Accounting Standard for Revenue Recognition in FY2021/5)	1,092	1,372	+25.7%	568	680	727	672	700	+4.1%
EBITDA ※	399	591	+48.3%	229	325	334	293	298	+2.0%
Operating income	315	507	+60.7%	187	282	291	250	256	+2.3%
Profit before income taxes	305	498	+63.1%	185	279	289	242	256	+5.9%
Profit attributable to owners of parent	138	311	+124.6%	110	173	160	154	156	+1.6%

Consolidated Results

Net sales and profits significant increase in YoY

QoQ also steadily increase Net sales and profits

※ EBITDA = Operating Income + Depreciation + Amortization

FY2022 Q2 Summary of Segment Results

(Millions of yen)

	2021/5 2Q Consolidated cumulative	2022/5 2Q Consolidated cumulative	YoY	2021/5 2Q Consolidated	3Q Consolidated	4Q Consolidated	2022/5 1Q Consolidated	2Q Consolidated	QoQ
PS									
Net Sales (After retroactive Accounting Standard for Revenue Recognition in FY2021/5)	808	1,023	+26.6%	424	523	562	503	519	+3.2%
Operating income	268	461	+71.8%	160	250	272	227	233	+2.6%
SaaS									
Net Sales	283	342	+20.6%	144	157	160	166	175	+5.3%
Operating income	63	130	+105.9%	37	50	41	62	67	+8.8%
DX									
Net Sales	—	7	—	—	0	4	2	5	+107.5%
Operating income	△15	△ 84	—	△10	△17	△22	△39	△ 44	—

PS

**Both YoY and QoQ both
increased sales and profits**

SaaS

**Both YoY and QoQ both
increased sales and profits**

DX

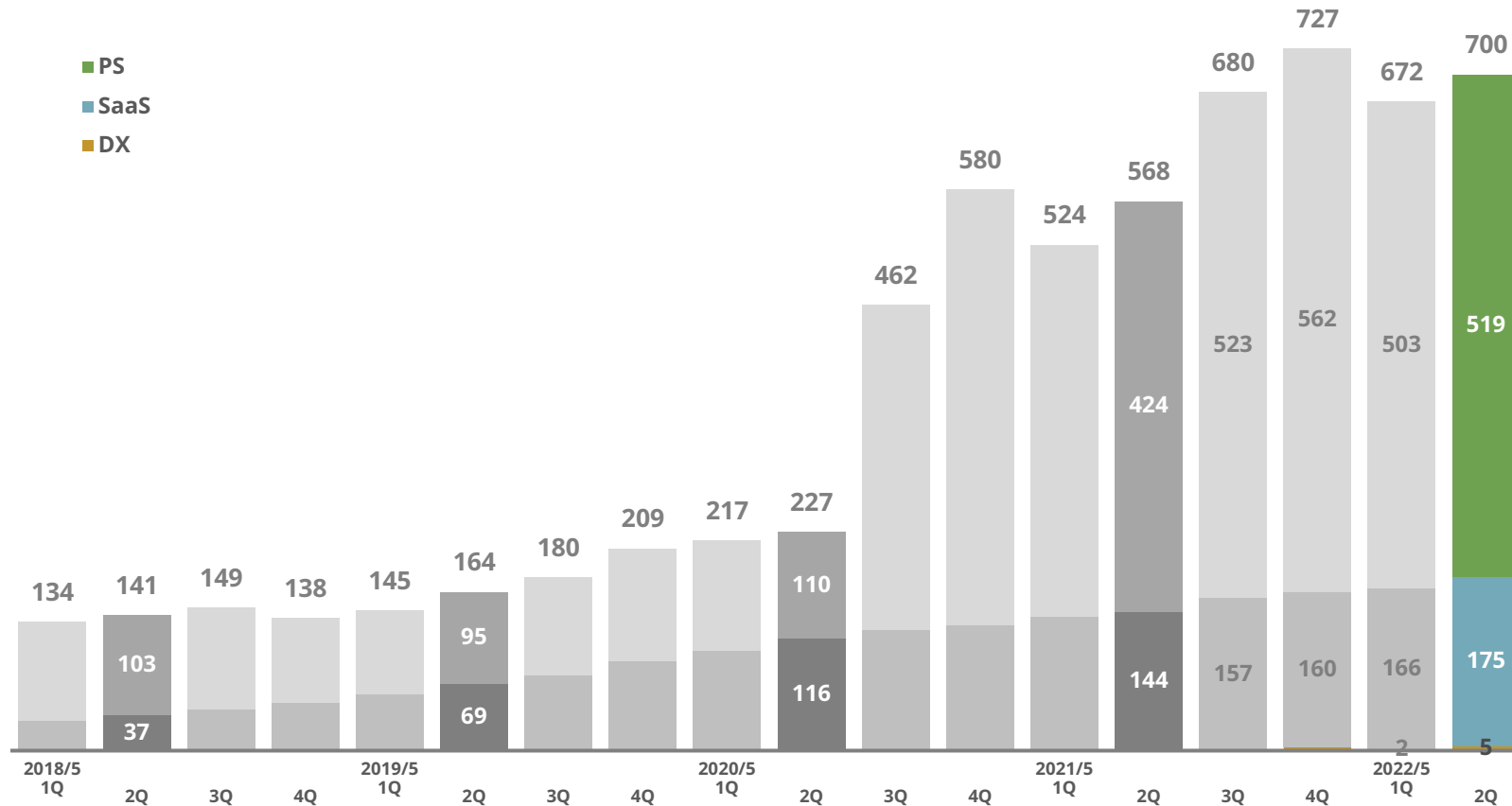
**Increased sales through
Shopify apps, etc.
Increase in operating loss**

※ PS stands for Professional Services Business

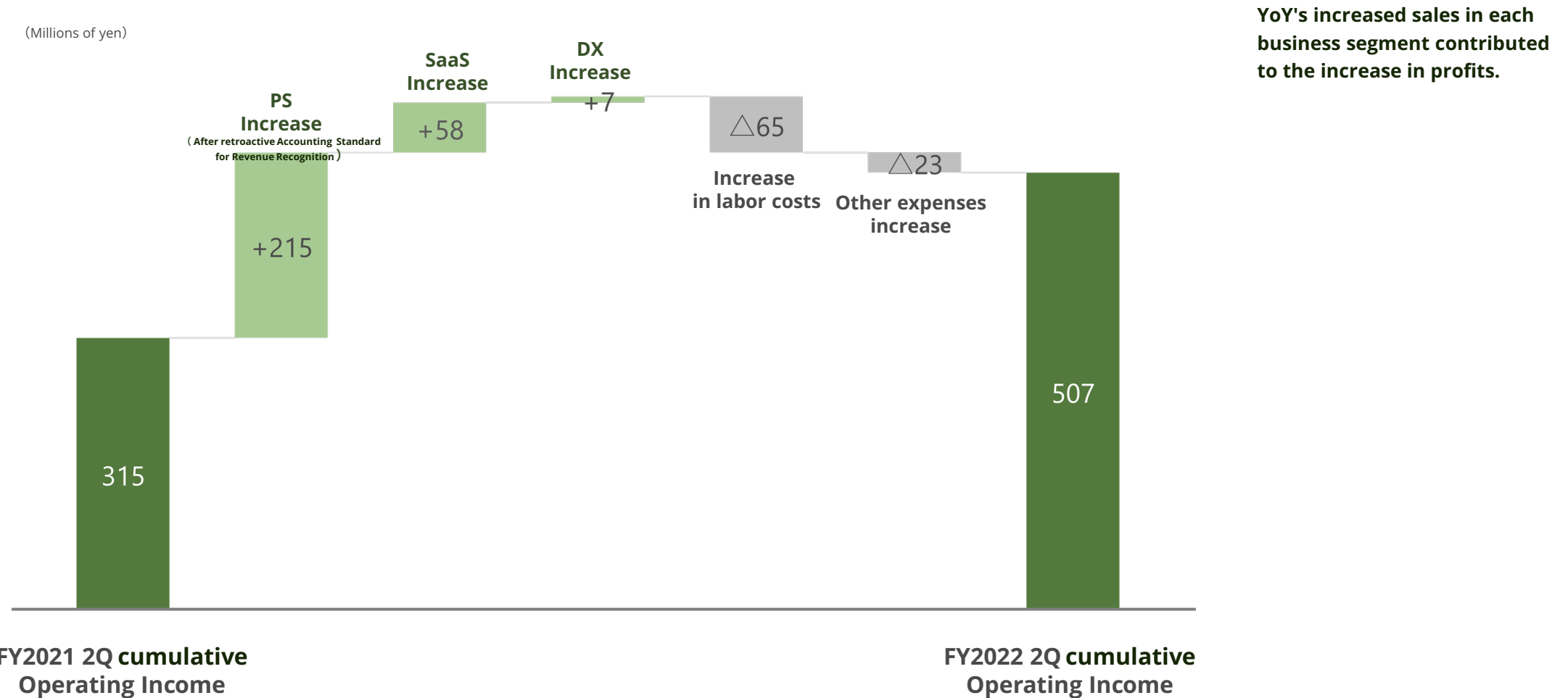
Quarterly Net Sales Trends (After retroactive Accounting Standard for Revenue Recognition)

(Millions of yen)

Continued sales growth trend
in SaaS business



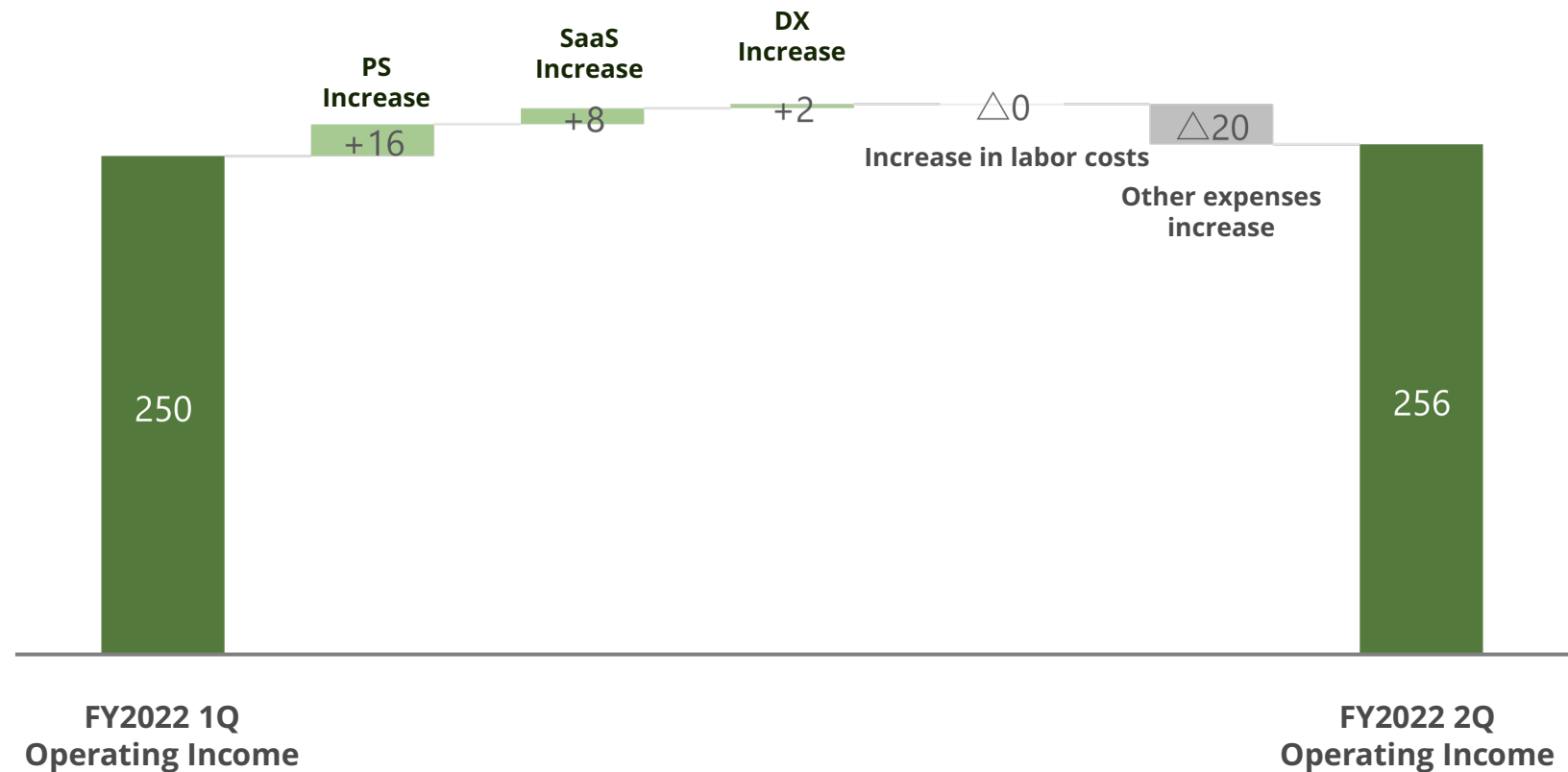
FY2022 Q2 Increase/Decrease in Operating Income(YoY)



FY2022 Q2 Increase/Decrease in Operating Income(QoQ)

(Millions of yen)

In QoQ, sales and profits in each business segment contributed to the increase in profits.



Sales by Service

(Millions of yen)

	2021/5 2Q Consolidated cumulative	2022/5 2Q Consolidated cumulative	YoY	2021/5 2Q Consolidated	3Q Consolidated	4Q Consolidated	2022/5 1Q Consolidated	2Q Consolidated	QoQ
PS (After retroactive Accounting Standard for Revenue Recognition FY2021)	808	1,023	+26.6%	424	523	562	503	519	+3.2%
Anagrams	592	774	+30.7%	311	389	431	372	401	+7.8%
Feedmatic	128	160	+25.1%	67	86	81	84	76	△9.8%
DF PLUS	75	85	+13.3%	38	44	46	43	41	△4.2%
Other	12	4	△63.5%	6	3	2	2	1	△20.0%
SaaS	283	342	+20.6%	144	157	160	166	175	+5.3%
EC Booster	32	27	△13.9%	13	15	13	13	14	+3.7%
dfplus.io	79	105	+33.5%	41	46	48	50	54	+8.1%
Social PLUS	172	209	+21.3%	89	95	98	102	106	+4.5%
DX	—	7	—	—	0	4	2	5	+107.5%

PS

In QoQ, Anagrams sales increased, but Feedmatic sales decreased

SaaS

QoQ increased sales of each service

Operating expenses

(Millions of yen)

	2021/5 2Q Consolidated cumulative	2022/5 2Q Consolidated cumulative	YoY	2021/5 2Q Consolidated	3Q Consolidated	4Q Consolidated	2022/5 1Q Consolidated	2Q Consolidated	QoQ
Operating Expenses (After retroactive Accounting Standard for Revenue Recognition FY2021))	791	864	+9.2%	388	404	444	421	443	+5.2%
Cost of Sales	369	396	+7.3%	185	213	182	192	204	+6.0%
Labor Costs	291	322		146	150	148	163	159	
Expenses	78	74		39	37	43	29	44	
SG&A expenses	422	468	+11.0%	203	217	253	229	239	+4.5%
Personnel Costs	214	248		104	113	128	122	126	
Expenses	208	220		98	104	124	107	113	
R&D	13	6		7	10	14	5	1	
Recruitment training	11	11		5	5	11	3	7	
Advertising	6	10		1	4	5	5	5	
Depreciation	59	60		29	30	30	30	30	
Amortization goodwill	23	23		11	11	11	11	11	
Other	93	108		42	42	51	51	56	

Labor costs remained flat in QoQ

Financial position

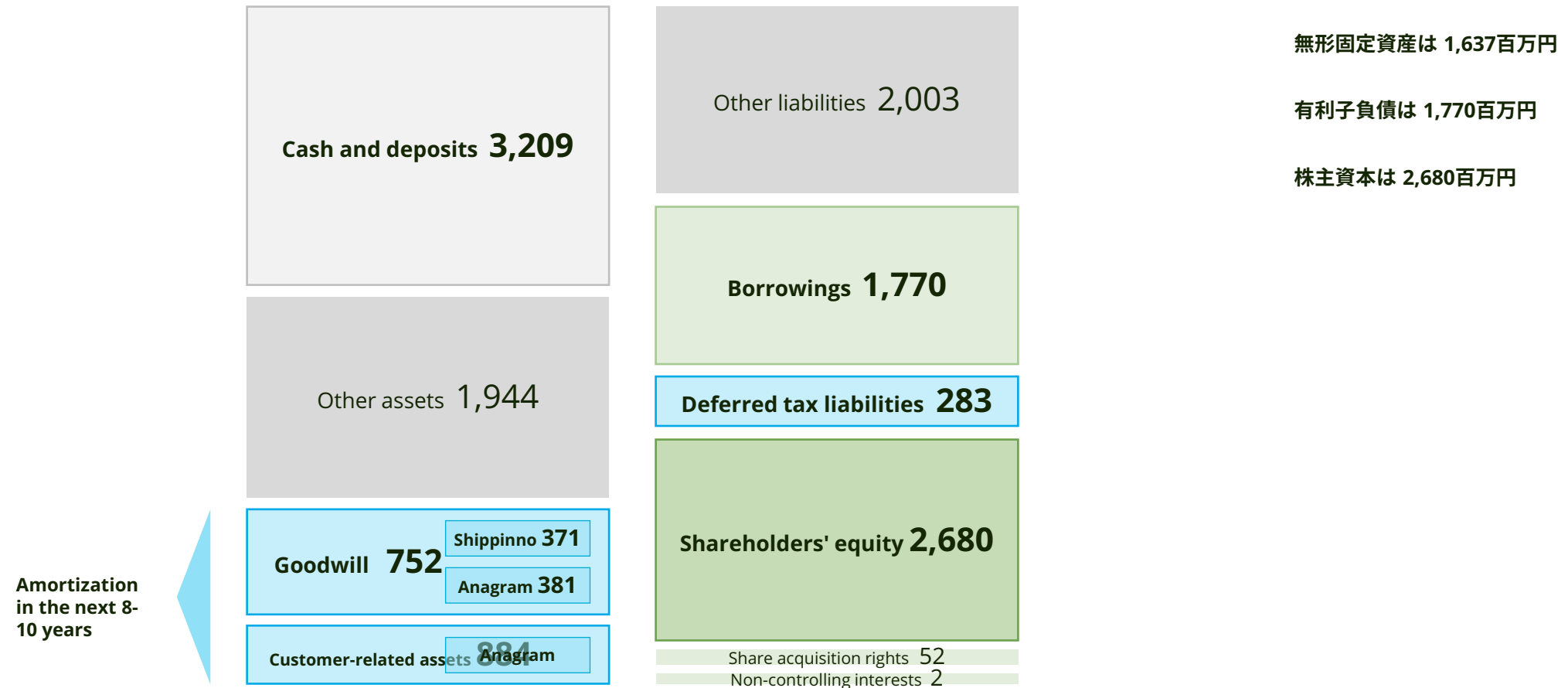
(Millions of yen)

	FY2017 Non- Consolidated	FY2018 Non- Consolidated	FY2019 Non- Consolidated	FY2020 Consoli dated	FY2021 Consoli Dated	FY2022 Q1 Consoli Dated	FY2022 Q2 Consoli Dated	YoY	QoQ
Current assets	394	320	426	3,528	4,915	4,597	4,824	△90	+227
Non-current assets	28	25	44	1,690	1,552	1,606	1,965	+413	+359
Total assets	422	345	470	5,219	6,467	6,203	6,790	+322	+587
Current liabilities	205	192	322	1,370	2,255	1,902	2,200	△54	+298
Non-current liabilities	134	99	50	2,018	1,810	1,731	1,853	+42	+122
Total liabilities	339	291	373	3,389	4,065	3,634	4,054	△11	+420
Shareholders' equity	83	54	97	957	2,366	2,523	2,680	+313	+157
Share acquisition rights	—	—	—	—	32	44	52	+20	+8
Non-controlling interests	—	—	—	872	2	1	2	+0	+1
Total net assets	83	54	97	1,829	2,401	2,568	2,735	+334	+167

Due to the recording of goodwill due to the acquisition of Goodwill as a subsidiary of Shippinno, Non-current assets increased

Consolidated Balance Sheet Breakdown As of November 30, 2021

(Millions of yen)



Outlook for the Ratio of Shares In Circulation



We aim to achieve circulating share ratio of 35% or more by around May 2024

* Shares In Circulation : Number of shares listed, excluding "number of shares owned by shareholders who own 10% or more of listed shares", "number of shares held by officers", "number of treasury shares", "number of shares owned by special stakeholders other than officers", "number of shares held by special stakeholders other than officers", "number of shares deemed to be fixed" and "number of other shares deemed fixed"

02














事業計画及び成長可能性に関する事項

Our Business Plan and Growth Potential

ビジネスモデル

Business Model

(1) Business Description List of key services and pricing

Fee structure	PS	SaaS	DX
Constant rate of advertising volume	<p>Rate of charge on customer promotional expenses (advertising expenses)</p> <p>Operation-based advertising agency for listings, SNS, etc.  ANAGRAMS</p> <p>Data Feed advertising operations  feedmatic</p>	<p>Google Shopping Ads Auto  ecbooster</p>	<p>Rate of charge on customer sales (shipment value)</p> <p>Automation of e-commerce shipments and orders  SHIPPInno</p> <p>Subscription Feature Shopify App  定期購買</p>
Fixed monthly	<p>Data Feed Operations Outsourcing  DF PLUS</p>	<p>Data Feed Management Tool  dfplus.io</p> <p>Social Login & Message Delivery  social plus</p> <p>LINE-based CRM infrastructure Shopify app  CRM PLUS on LINE</p>	<p>EC-specific no-code tool  TéP</p> <p>Shopify apps related to store payments  Omni Hub <small>Powered by Feedforce Inc.</small></p> <p>Shopify app related to point grant feature  どこポイ</p>
Unit price per person per month			<p>Support for brand strategy design and EC construction  FRACTA</p>

Consists of a revenue model of rate, fixed monthly, and per-month unit price on transaction volume



What we want to achieve is **to unearth the hidden charms of a company that even the clients themselves are not aware of and make their business successful.**

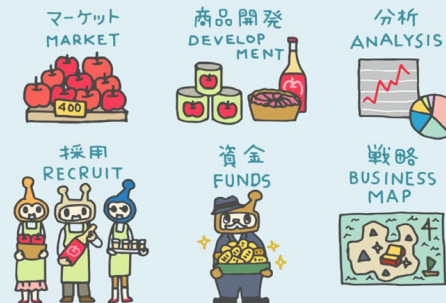
We want to be a partner that supports our clients in every way possible to help them succeed in their business, not just in the operation of managed advertising.

— Anagram Features and Strengths —

Marketers are overwhelmingly strong in operational advertising.



Able to consult with the entire business and the entire market.



An integrated system that does not separate sales and operations.



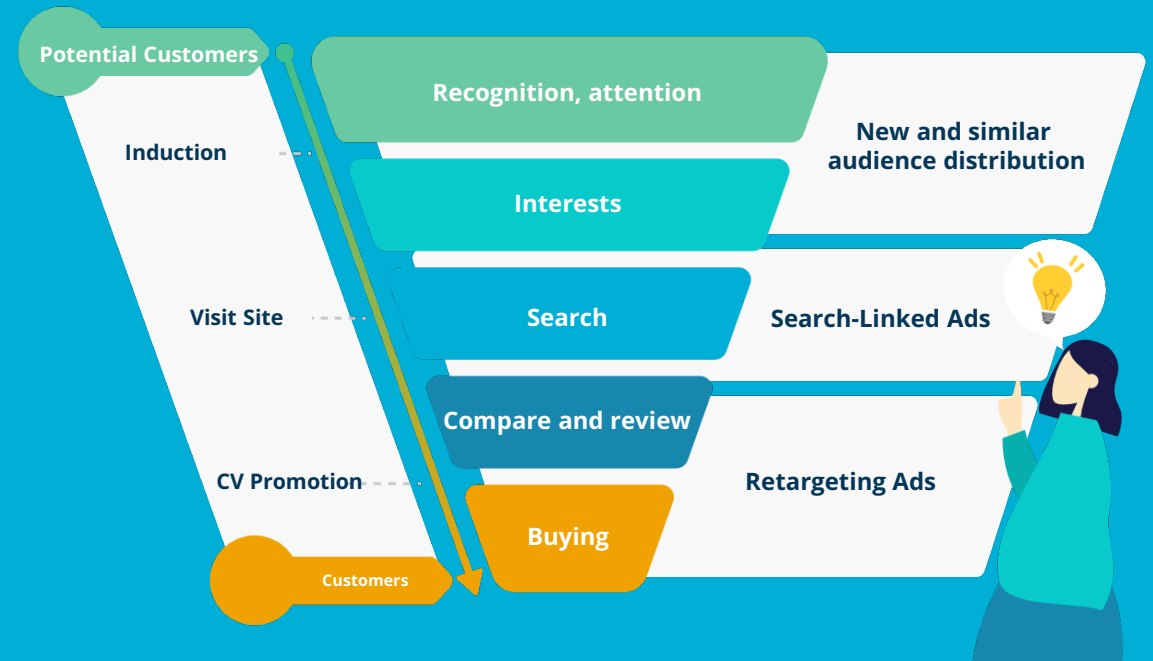
•|| feedmatic

Utilizing Feedforce's expertise in Data Feed, we are particularly good at digital marketing utilizing digital assets in EC, retail, human resources, and real estate.

Feed & Tag Optimization

- Feed Building
- Tag building
- Using APIs
- Etc.

Campaign Optimization



Feedmatic proposes the optimal media, distribution design, and overall funnel strategy to match your KPIs by combining a wide range of advertising, including listing advertising, static advertising, and the latest advertising menus, with a focus on Data Feed advertising.

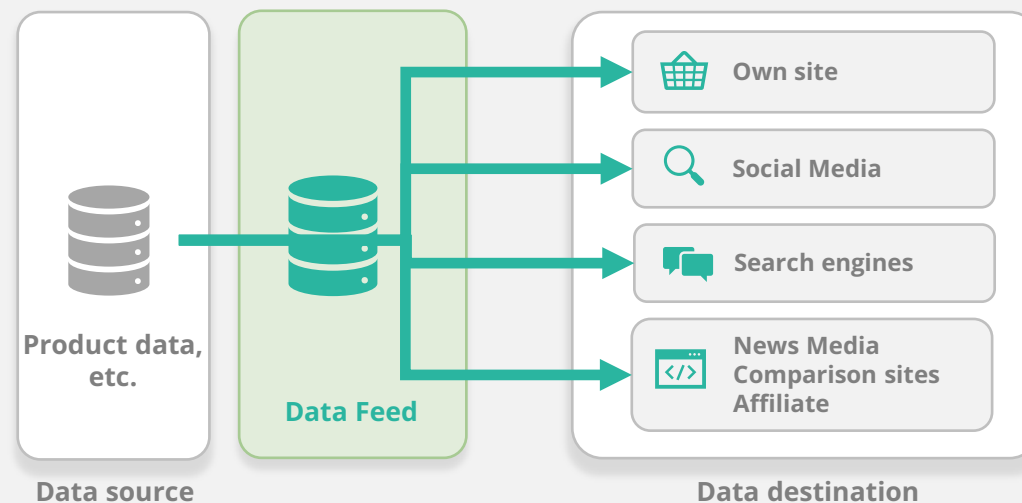
DF PLUS

Outsourced services for Data Feed operations

The company provides a dedicated feed distribution system and feed creation services and support, which are costly to develop in-house.

What is a Data Feed?

A system for periodically sending and receiving updated data such as product data from the sender (Advertiser, etc.) to the receiver (Advertising media, etc.) on the Internet.



Example of Data Feed Advertising

Google Shopping Ads



Facebook Dynamic Ads



Criteo Dynamic Retargeting Ads



ecbooster

Get your products listed on Google in as little as five minutes, completely free of charge.

What is EC Booster?

"EC Booster" is a service that automates the process of attracting customers, targeting small and medium-sized E-Commerce businesses. Currently, we are automating the posting and operation of "Google Free Listings" and "Google Shopping Ads". EC businesses can easily post their special products in the prime Google search locations.

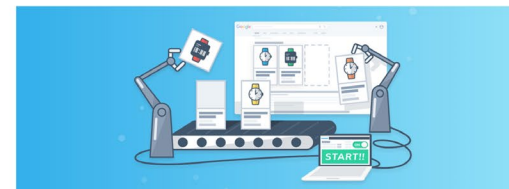


Easy submission and automatic operation functions



With as little as five minutes of initial setup, you can automatically submit advertisements from your E-commerce site. There is no need for operational effort. Fully automated handling of difficult screening and other tasks. Daily operations are also fully automated, so you can rest assured.

Submission status notification



It will automatically notify you if there are any products that are not listed on Google. If your ad is disapproved by Google, we'll show you how to deal with it, so you can make improvements in the system right away and minimize lost opportunities!

Improvement card function



This function provides "advice on improving product data" based on EC Booster's vast experience in ad serving and product placement. We provide successful Know-how on how to improve product information that can improve usability, as successful e-commerce sites always do.





Make product data
top-selling
with Data Feed.

"dfplus.io", a Data Feed Management Tool with a **98.0%** Usage Retention Rate

"dfplus.io" is a Data Feed Management Tool for utilizing EC product data, human resource job posting data, real estate property data, etc. for marketing.
In addition to data feed ads such as Google Shopping Ads, Criteo, Facebook, Indeed, etc., we also provide recommendations, data linkage with partner sites, and social commerce, realizing an operational environment where even a small number of people can easily achieve results.



You can complete the process at hand.

The creation and management of Data Feeds can be completed at hand, greatly reducing communication costs. Rapid implementation of measures is possible.



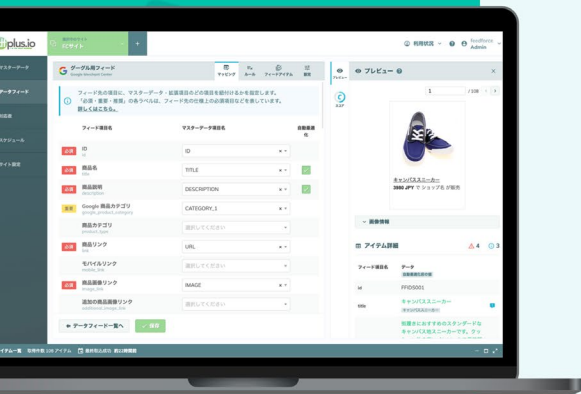
Powerful features

We have improved its functions more than 100 times in a year, including automatic optimization, automatic creation of feeds, and avoidance of human errors. Standard support for all major media.



Beginners are welcome

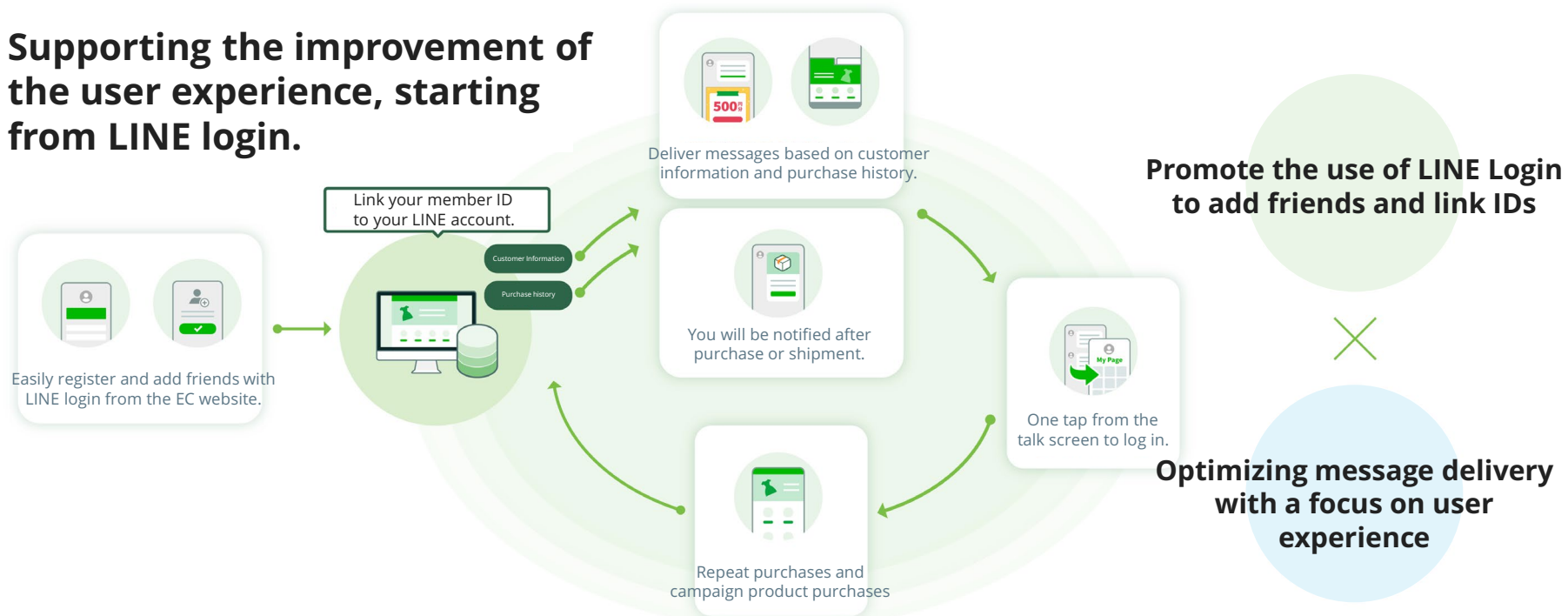
With a user interface that is easy to understand, even for beginners in data feeds, it realizes an operation system that does not depend on a single person. Support is also available.



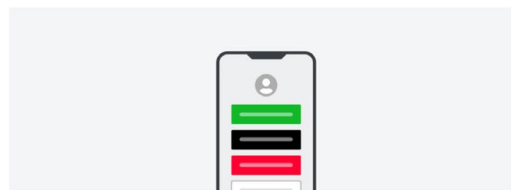
social plus

Make it easier to implement Social Login.

Supporting the improvement of the user experience, starting from LINE login.

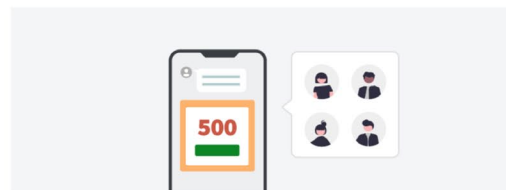


Optimization of member registration and purchase flow



It makes membership registration very easy because it automatically fills in the membership registration form with personal information obtained through Social Login. By linking the member ID to the SNS account, users can easily log in with their familiar SNS account.

CRM using the official LINE account



It is possible to promote the linkage of friend additions and IDs through LINE login, as well as optimize message delivery. We will support you in improving user experience and sales based on our technical capabilities and know-how as a certified LINE Corporation Technology Partner and SMB Sales Partner.

Linking Shopify and LINE



Easily implement social login and CRM policies that integrate Shopify and LINE. We also support segmented delivery based on Shopify customer information and purchase history, as well as automatic delivery of LINE notification messages after purchase completion and shipping completion.



Launch of Omni-Channel Member information linkage App



Member information linkage



You can add your Shopify membership information as your **SUMAREJI** membership information.

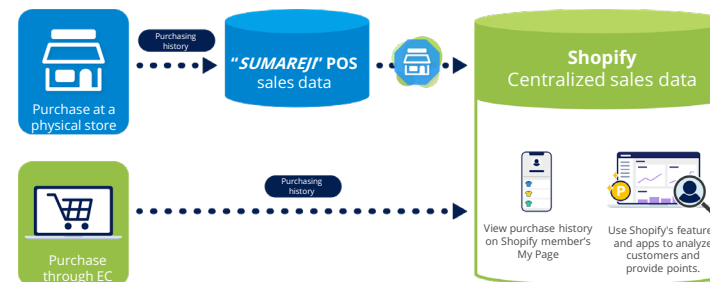
Display member barcodes on the EC site!



Sales information linkage



Unify online and offline purchase status.
Realize cross-channel analysis and CRM!

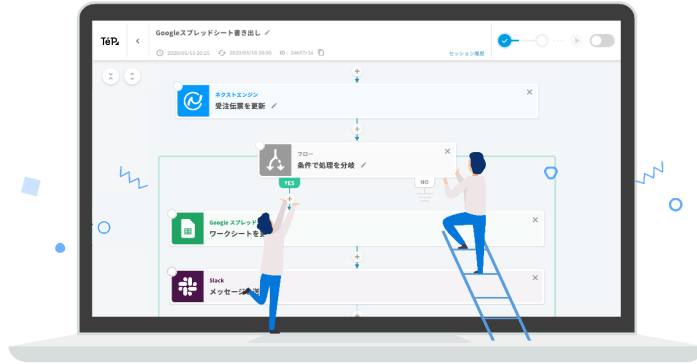


TēPs

TēPs

Create the tools
you need yourself.

No-Code tools specialized for EC



With TēPs, you can connect various systems and services via APIs and freely use them by combining their countless functions and data like a puzzle, according to what you want to achieve.
The flexibility of this combination allows us to create tools that fill areas that cannot be covered by existing services alone.

TēPs has been providing some functions as "Tetra" since March 2021, mainly to users of the cloud (SaaS) EC platform "Next Engine".

Currently, the system has been installed in over 100 businesses and executes over 20,000 flows daily.

<https://teps.io/>

Flexibility of
combinations

Runs every 15 minutes.

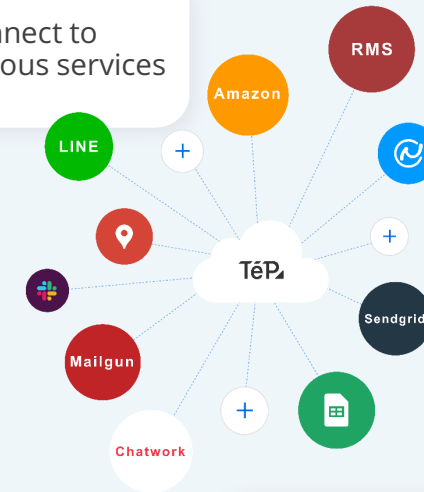
Get report

Repeat for each line

Update Google Spreadsheet

Notify you of products that are out of stock

Connect to
various services



A wide variety of templates
based on actual business
operations



SHIPPINNO



SHIPPINNO processes orders automatically 24 hours a day, from order receipt to shipping requests, inventory synchronization, and sending emails to buyers.

It is a service that automates data linkage related to shipping and dispatch between any mall and logistics warehouse.



Non-stop, fully automated processing from order to shipment

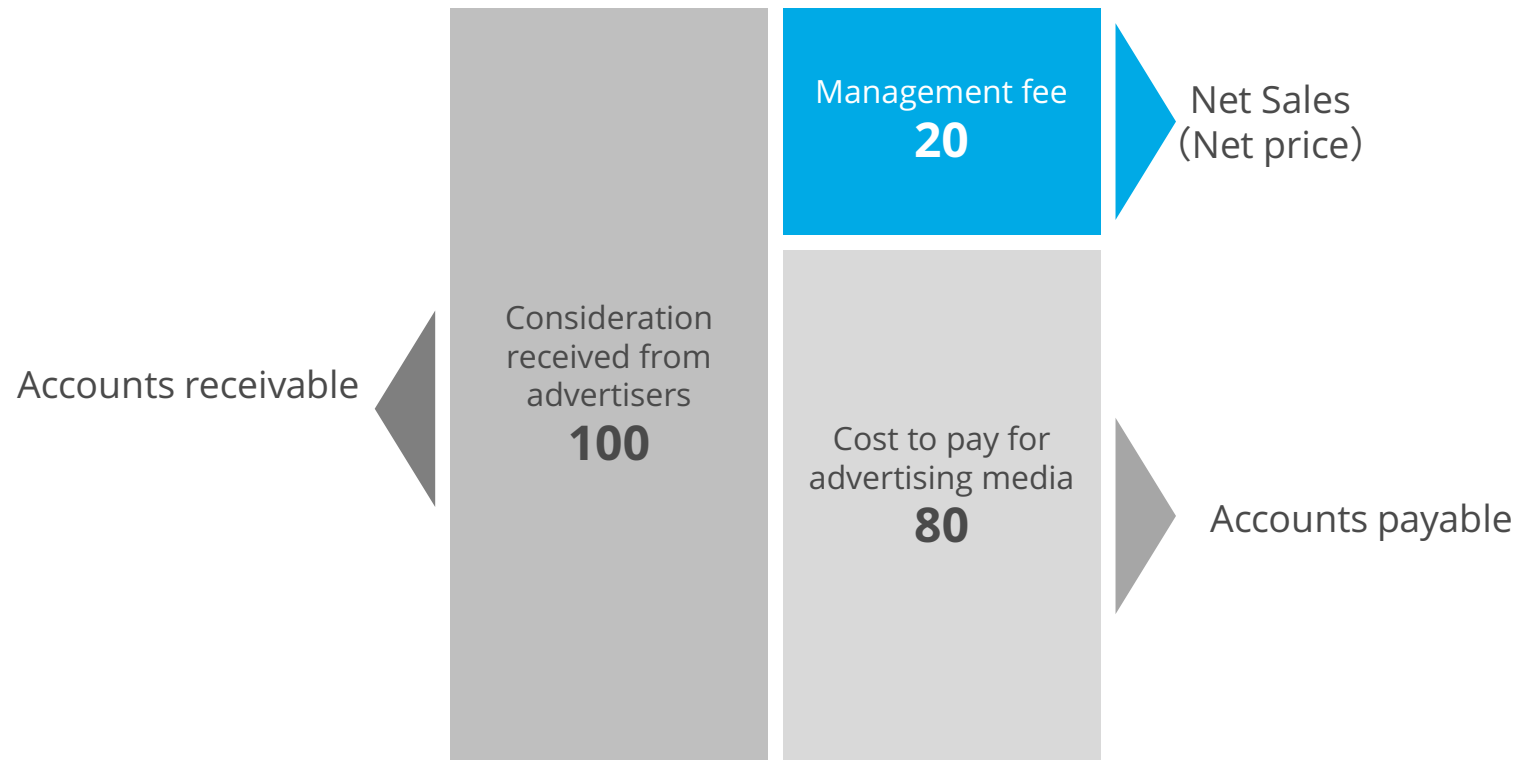
- Reflecting incoming data
- Confirmation of order information
- Sending Thank You Email
- Check inventory
- Request shipment to warehouse
- Packing and shipping at warehouse
- Send shipment completion email
- Register shipping information
- Synchronize inventory

<https://www.shippinno.net/>



(2) Business Revenue Structure

Revenue Structure and Revenue Accounting Method for Advertising Management Services



Anagrams , Feedmatic and EC Booster reports net sales.

Companies and services that apply









ANAGRAMS

feedmatic

ecbooster

(2) Business Revenue Structure Fee Plan of Main Services

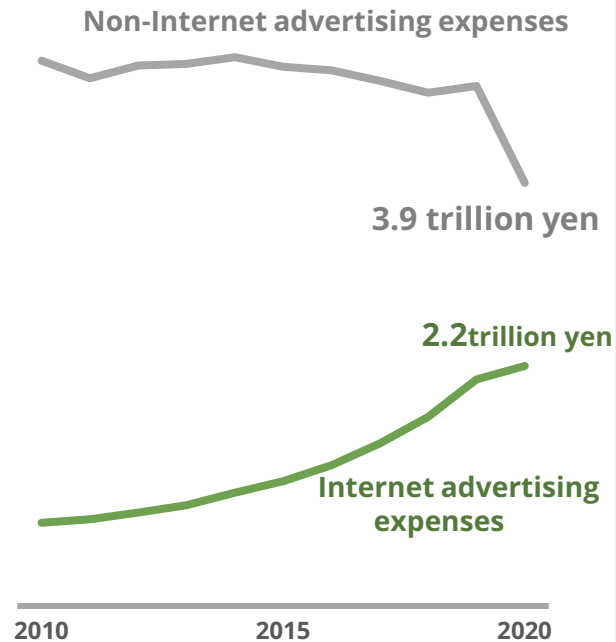
	PS		SaaS		
Service					
Fee structure	Certain percentage of advertising value	Monthly Fixed	Certain percentage of advertising value (1,000yen/day~)	Monthly Fixed	Monthly Fixed
Pricing Details	 <p>Public Notice Delivery Fee</p> <p>A separate fee will be charged for data feed operation.</p>	<p>1st delivery</p> <p>From 50,000 yen/month. Initial cost starts at 100,000 yen.</p>	<p>Service fee</p> <p>There are no initial or monthly fees. There is a 30% fee for each ad.</p>	<div> <p>エントリー 月額料金</p> <p>¥ 30,000</p> <p>2 フィード アイテム数 10,000 管理サイト数 1 メールサポート</p> </div> <div> <p>スタンダード 月額料金</p> <p>¥ 50,000</p> <p>3 フィード アイテム数 30,000 管理サイト数 2 メールサポート イメージエディタ 利用可</p> </div> <div> <p>プロフェッショナル 月額料金</p> <p>¥ 75,000</p> <p>5 フィード アイテム数 50,000 管理サイト数 3 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +15,000円 1万アイテム追加: +50,000円 1サイト追加: +5,000円</p> </div> <div> <p>エージェンシー 月額料金</p> <p>¥ 100,000</p> <p>5 フィード アイテム数 100,000 管理サイト数 無制限 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +12,000円 1万アイテム追加: +2,500円 1サイト追加: 0円</p> </div>	<p>Social PLUS</p> <p>From 50,000 yen/month.</p> <p>初期費用 ¥50,000 ユーザー数1万人以降、月額費用プラス ¥10,000円/1万人 ボリュームディスカウントあり</p> <p>Social PLUS + LINE login option</p> <p>From 80,000 yen/month.</p> <p>初期費用80,000円 ユーザー数1万人以降、月額費用プラス ¥10,000円/1万人 ボリュームディスカウントあり ・ LINE@でビジネスコネクタ利用可 メッセージマネージャー利用可 ➤LINEログインオプションについて</p>

市場環境

Market Environment

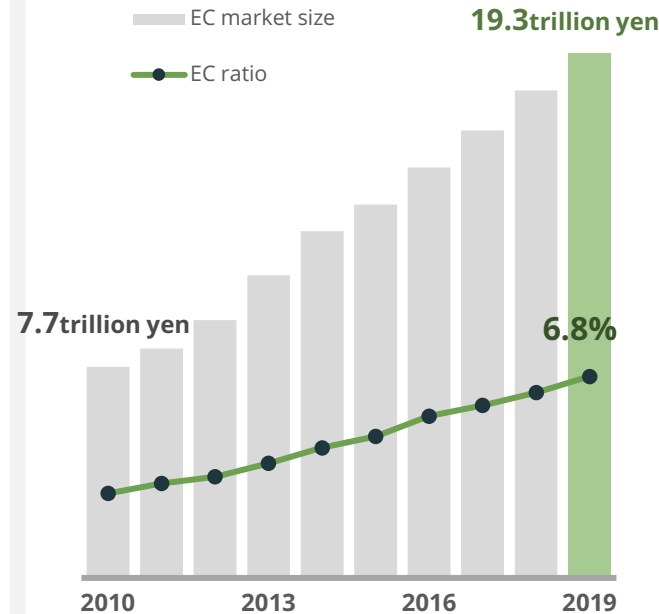
(1) Market size

Internet Ads Market



Source : DENTSU INC. 「2020 Advertising Expenditures in Japan」
(February 2021)

Japanese E-Commerce Market



Source : METI 「Market research on E-commerce」
(July 2020)

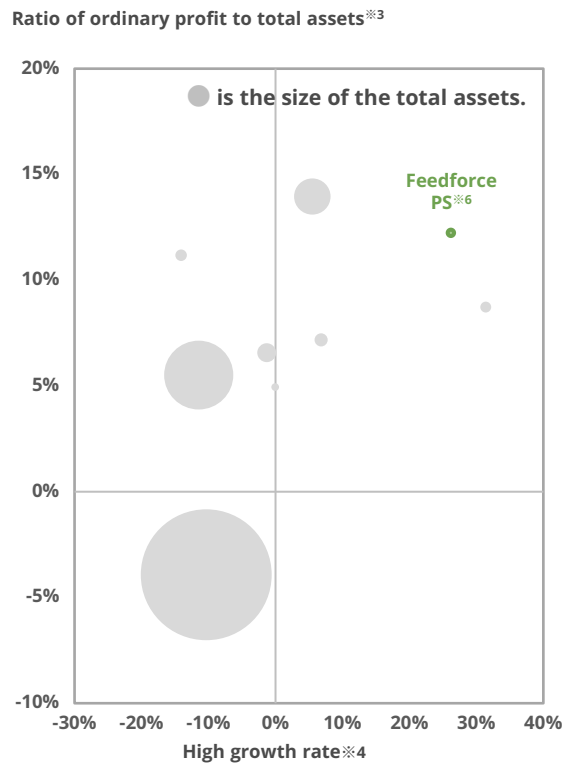
Internet advertising expenditures will continue to grow positively in 2020.

The EC transaction market will see a large drop in 2020 in the service sector (travel, restaurants, tickets, etc.), but will expand in the product sales sector.

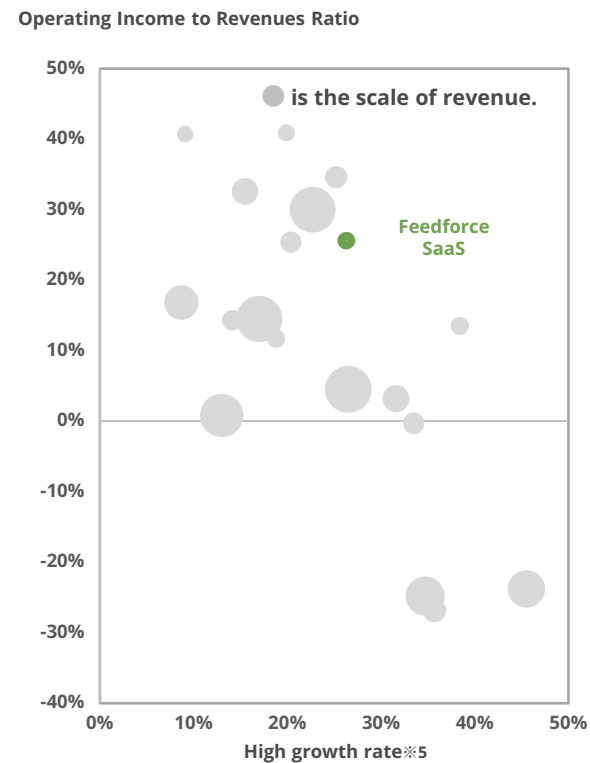
(2) Market Environment

Comparison with major domestic advertising agencies and SaaS companies

Growth rate and profit margin of domestic advertising agency business※1



Growth rate and profit margin of domestic SaaS companies※2



In comparison with major domestic advertising agencies and SaaS companies, the company is inferior in terms of asset size and sales scale, but it has maintained high growth and high profitability.

1 Calculated based on the most recent financial results of major companies listed in Japan that are mainly engaged in the advertising agency business.

2 Calculated based on the most recent financial results of major companies listed in Japan that are mainly engaged in the SaaS business.

3 IFRS results are calculated based on the ratio of pre-tax income to total assets.

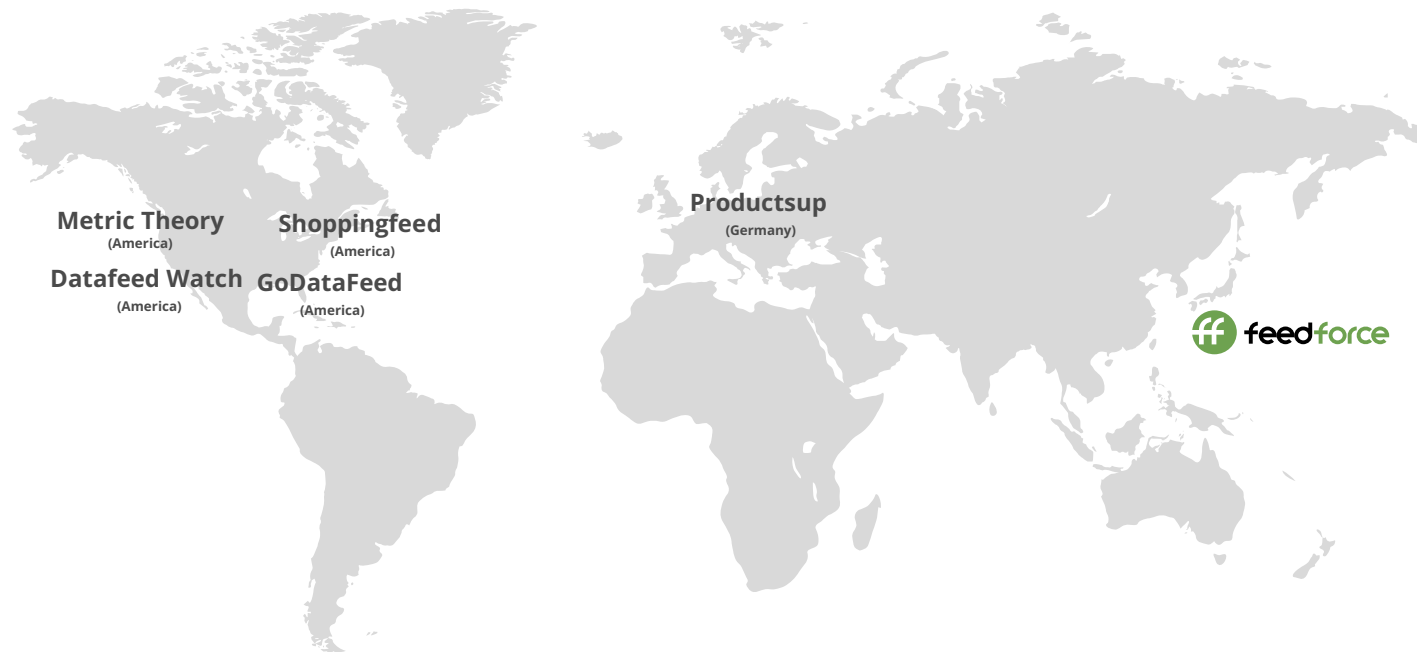
4 Calculated based on actual net sales.

5 Calculated based on company forecast sales.

6 The sales growth rate of the Feedforce PS business is calculated including the sales before the business combination in the anagram for the fiscal year ending May 2020. Translated with www.DeepL.com/Translator (free version)

(2) Market Environment Major companies that provide Data Feed services

There are several major companies overseas, but none of them are listed.



(2) Market Environment Major companies that provide social login services

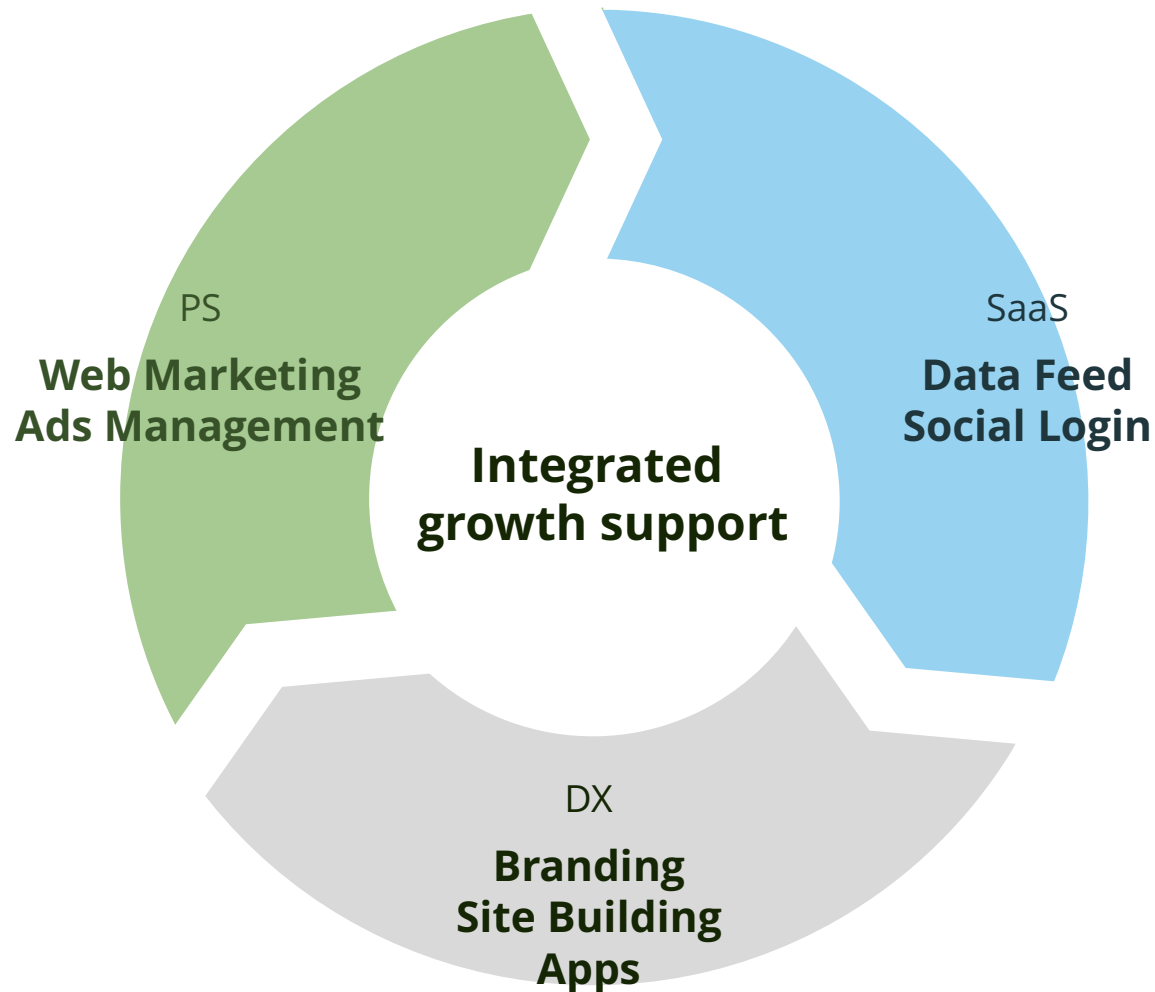
In overseas, Auth0, a subsidiary of Okta (listed on NASDAQ), is developing a service similar to Social PLUS.



競争力の源泉

Source of competitiveness

(1) Management resources and Competitive advantage Business segment synergies



Sales Promotions (PS)
Tool Provision (SaaS)
Branding, Site construction and linkage (DX)

Through these, we will support the growth of E-commerce and Web service providers.

(1) Management resources and Competitive advantage

Management Members

President & CEO

Koji Tsukada



Graduated from the Faculty of Engineering, Kyoto University in 1992. After working at Yasuda Trust and Banking, he established Root Communications Inc. in 1996. In March 2006, he founded Feedforce Inc.

Director, Anagrams President & CEO

Keji Abe



Graduated from Bunka Fashion College in March 2001. After graduating, she worked as a freelancer for the apparel and e-commerce businesses. Established Anagrams in April 2010 and became president (current position)

Outside Director (Standing Auditor)

Tameaki Sato

Graduated from the Faculty of Commerce, Chuo University in 1978. After working at Deloitte Touche Tohmatsu LLC and other companies, he was appointed as an auditor in August 2017 and as a member of the audit committee in August 2018. CPA.

Director, Chief Business Management Officer

Kosuke Kita



Graduated from Tokai University in 2002. Japan System Development Co.(now NSD Corporation) and Daiwa Securities, before joining the company in September 2006.

Director, New Business Manager

Yoshihiro Okada



Graduated from the Faculty of Arts and Letters, Seijo University in 2001. He has worked at M.K. Soft Services, Aun Consulting, Google, and Atala LLC before being appointed to the Audit Committee in August 2018.

Outside Director (Audit Committee)

Katsunori Ura

Graduated from Hitotsubashi University, Faculty of Law in 2002. Joined Blakemore Law Office. He was appointed as an auditor in August 2017 and as a member of the Audit Committee in August 2018. Lawyer.

Director, Chief Business Administrative Officer

Shingo Nishiyama



Graduated from the Faculty of Engineering, Kyoto University in 2000. The Ministry of Construction(now MLIT) and Nikko Citigroup Securities Co.(now SMBC Nikko Securities Inc.),before joining the company in January 2017.

Outside Director (Standing Auditor)

Yasuo Sato

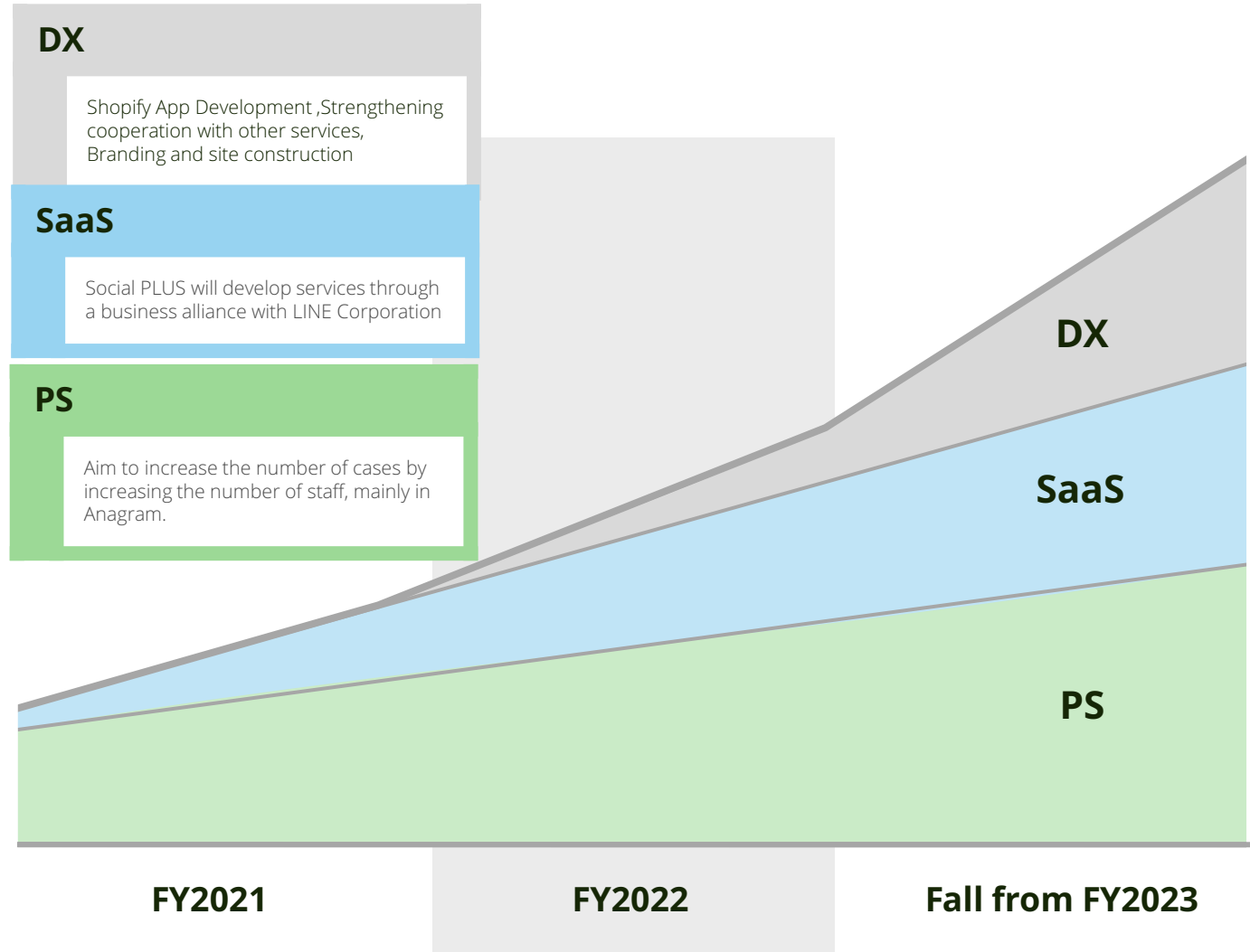
After graduating from university, he worked for ADK Holdings Inc. , Digital Garage, Inc. , Infoseek , Google , ATARA, LLC Chairman(current position). He was appointed as a member of the Audit Committee in August 2020.

事業計画

Our Business Plan

(1) Growth Strategies

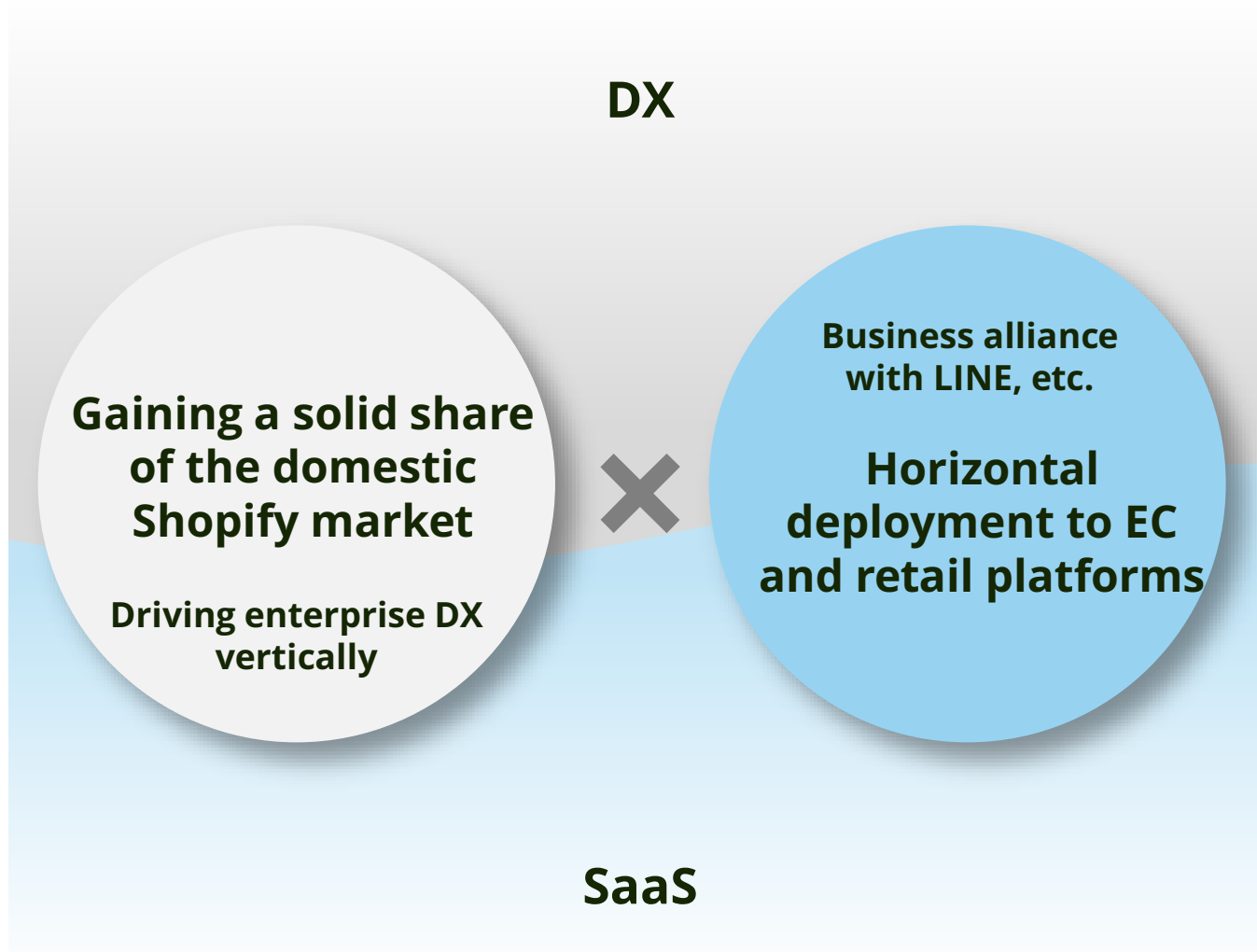
Medium-term business development strategy for growth



Accelerate the development of the DX and SaaS with a view to long-term growth.

(1) Growth Strategies

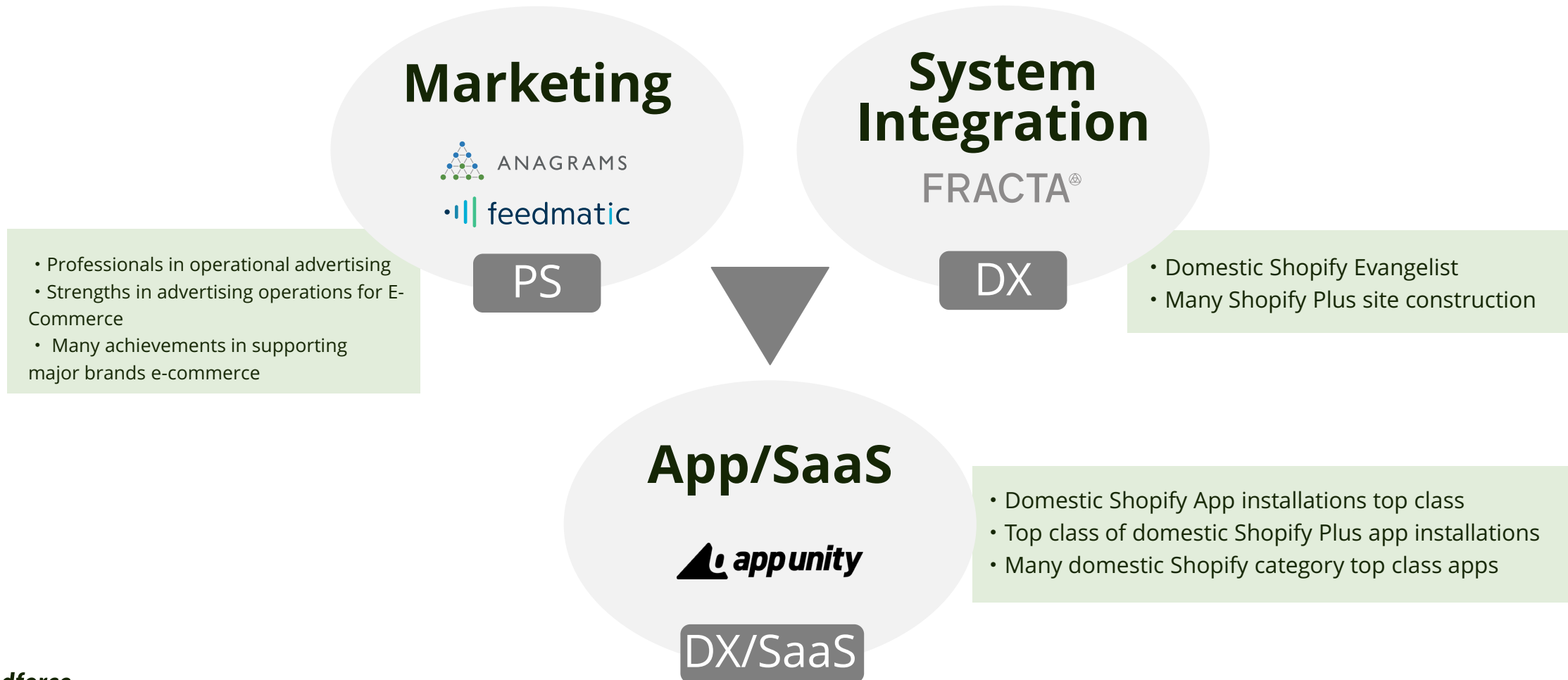
Direction of approach to growth



Utilizing the platforms of Shopify and LINE, the company aims to grow by pursuing synergies between its DX and SaaS businesses.








(1) Growth Strategies **Feedforce Group×Shopify** Aiming to be the No. 1 in Japan's Shopify Market

FRACTA's acquisition enables full support for site building, apps, and marketing
Feedforce Group has top-class players



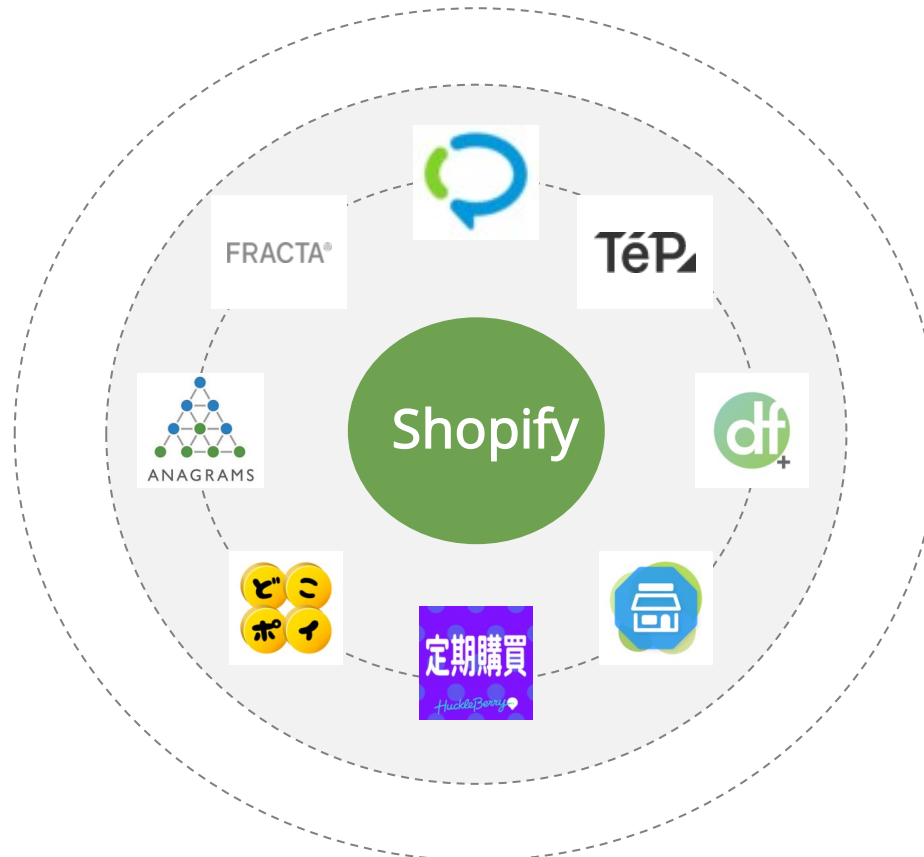
(1) Growth Strategies Feedforce Group's lineup of commerce services

We provide a number of retail and Shopify services that conform to Japanese business practices, and there is strong cooperation between them.

	CRM PLUS on LINE	Message CRM using LINE
	TēPs	EC Business Automation No Code Tool
	dfplus io EC Booster	Construction of sales channels for SNS collaboration
	Omni-hub	OMO tool to link EC and stores
	TEIKI-KOUBAI	Subscription Assistance App
	DOKO POI	Loyalty Program Support App
	SHIPPINNO	Automatic shipment
	FRACTA	E-commerce construction, branding strategy planning and execution
	Anagrams/Feedmatic	Planning and execution of marketing strategies

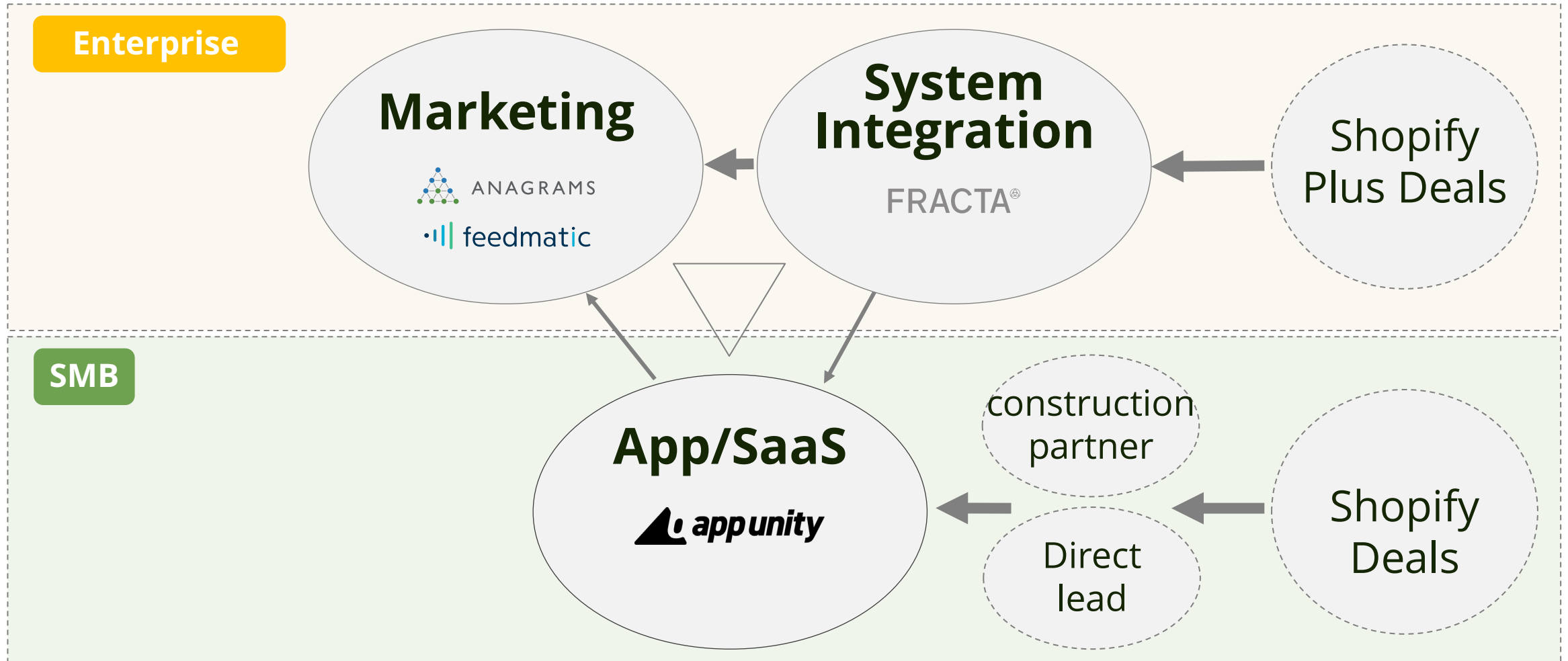
(1) Growth Strategies We update our domestic commerce system with the Shopify ecosystem

- Build a vertical value chain with Feedforce Group
- Function provided by Shopify app. PDCA with excellent customer experience and measures can be turned at high speed
- Supporting many local production companies as shop building channels
- Create a commerce ecosystem by involving peripheral solution partners



(1) Growth Strategies Build a value chain that is customer-sized

Build and provide a value chain that fits enterprise and SMB



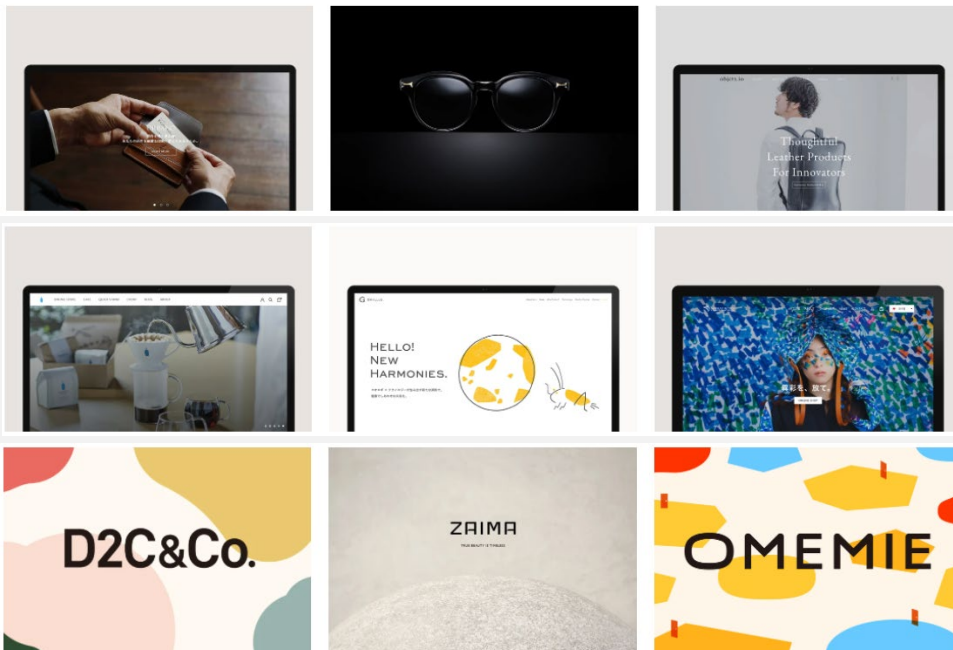
(1) Growth Strategies Value Chain for Enterprise Customer

Enterprise

One-stop support from building, branding, apps to advertising operations, and sales improvement based on Shopify Plus

FRACTA®

BRANDING



×



ANAGRAMS



feedmatic

PERFORMANCE

Certified Partner for Japan's Leading Advertising Platform



AD
SALES
PARTNER
LINE

FACEBOOK
BUSINESS PARTNER
YAHOO! JAPAN Marketing Solutions
Sales Partner

PREMIER Google
Partner
Specialized in:
Search ads Display ads Shopping ads

(1) Growth Strategies

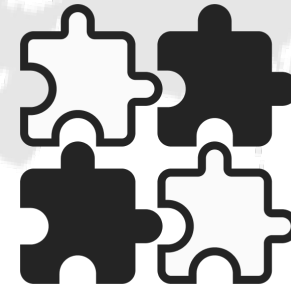
Value Chain for SMB Customers

SMB

Supported by App Unity apps and the commerce ecosystem from production companies across the country

What is App Unity?

- A network of Shopify apps specialized in domestic business practices
- Network app companies and e-commerce construction support companies throughout Japan
- Community hub and active information provision



(1) Growth Strategies

SaaS business: Service development through business alliance with LINE

For e-commerce operators
LINE Login Package



For store operators
Membership Card Package







Business alliance with LINE in May 2021

In December 2021, the service name was "CRM PLUS on LINE" and business development started.

(1) Growth Strategies

DX Business: Capital and Business Alliance and Establishment of a New Company

Month/Year		Company name	Objective	
August 2021	Capital alliance (Business alliance in May 2021)	 Huckleberry Inc.	Shopify in App Unity Strengthen application development and collaboration	Capital alliance with Huckleberry Inc. in August 2021 with the aim of further strengthening cooperation with App Unity In October 2021, Shippinno Inc. which provides an automatic shipping system for e-commerce operators "SHIPPINNO" and "TēPs", a no-code tool specialized in e-commerce, became a consolidated subsidiary
October 2021	Acquired Shippinno Inc.	 Shippinno Inc.	Expansion of SaaS for E-Commerce Operators	
November 2021	Established a local subsidiary in Vietnam.	 FEEDFORCE VIETNAM COMPANY LIMITED	Offshore development, etc.	Established a corporation in Vietnam for the purpose of offshore development in November 2021 and started business
December 2021	Acquired Fracta Inc.	 Fracta Inc.	Business Branding E-commerce site construction support	In December 2021, Fracta Inc. which has strengths in branding and construction consulting at Shopify Plus, became a consolidated subsidiary

(2) Management Index Financial Index

	FY2017 Non-Consolidated	FY2018 Non-Consolidated	FY2019 Non-Consolidated	FY2020 Consolidated	FY2021 Consolidated	FY2022 Q2 Consolidated cumulative
Growth in Net Sales	+46.2%	+15.6%	+24.5%	+118.0%	+69.5%	+25.7%
PS	—	+1.8%	△0.3%	+162.6%	+88.7%	+26.6%
SaaS	—	+74.4%	+86.3%	+58.6%	+26.4%	+20.6%
Operating margin on net sales	△5.9%	△4.6%	6.6%	27.2%	34.4%	36.9%
PS	32.0%	34.6%	28.0%	35.5%	40.0%	45.1%
SaaS	△157.2%	△94.6%	△19.5%	8.6%	24.4%	38.0%
ROA	—	—	11.2%	14.6%	15.2%	n.a.
ROE	—	—	57.2%	31.0%	28.5%	n.a.
Share holders' Equity ratio	19.7%	15.7%	20.7%	18.3%	36.6%	39.5%
D/E ratio	2.1x	2.6x	1.6x	1.1x	0.7x	0.6x

SaaS growth in Net Sales rate is 20%,

operating margin on net sales is 38%

(2) Management Index

Sales-related data: Number of use projects by service

(Number of accounts)

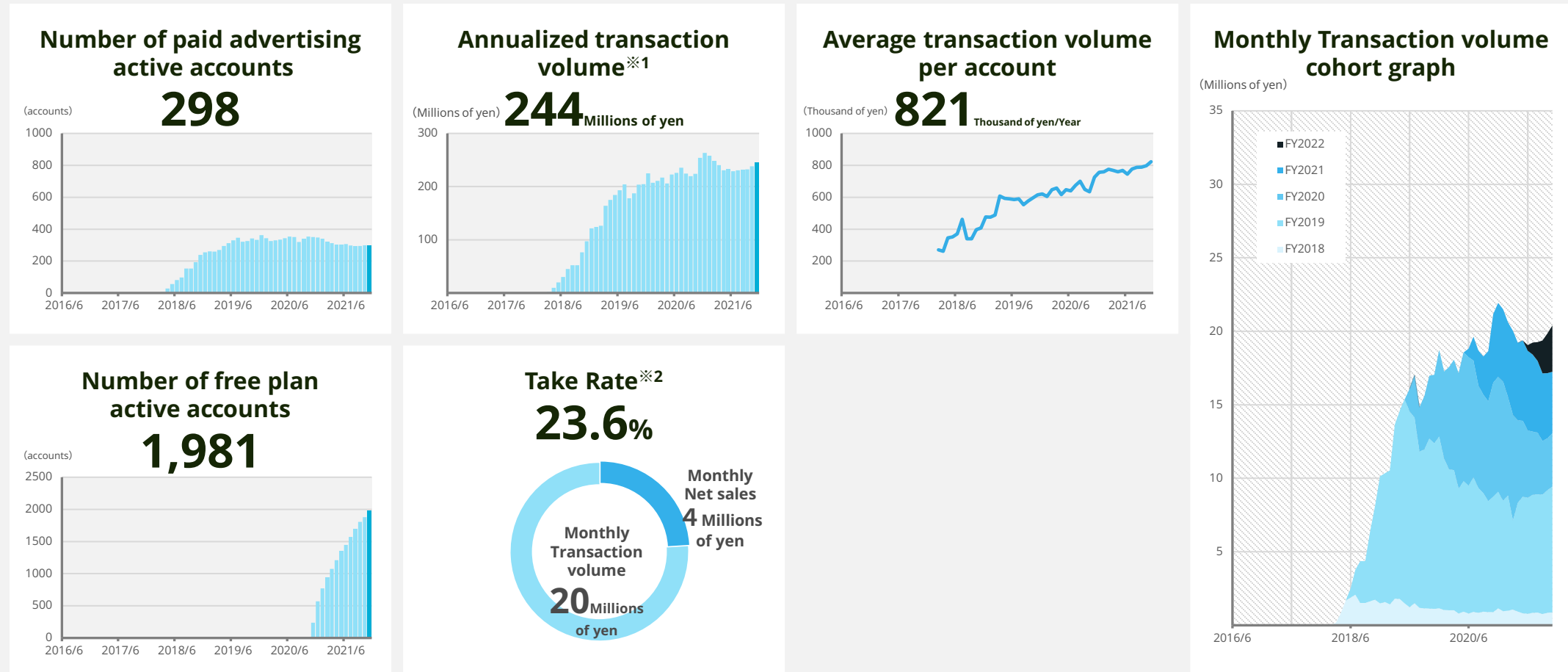
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Q1	FY2022 Q2	YoY	QoQ
PS	123	112	136	225	242	242	252	+10	+10
Anagrams	—	—	—	96	115	116	124	+9	+8
Feedmatic	24	23	45	48	45	46	50	+5	+4
DF PLUS	88	82	85	76	79	77	75	△4	△2
Other	11	7	6	5	3	3	3	—	—
SaaS	140	293	648	755	787	801	833	+46	+32
EC Booster※1	—	57	313	344	303	294	298	△5	+4
dfplus.io	7	48	98	139	175	185	204	+29	+19
Social PLUS	133	188	237	272	309	322	331	+22	+9
DX※2	—	—	—	—	3	166	273	+270	+107
Total	263	405	784	980	1,032	1,209	1,358	+326	+149

Continued increase in SaaS business as a whole, although the number of use decreased in EC Booster

Shopify app active account number in DX business increases significantly

※1 EC Booster free plan account not included
 ※2 Total number of site construction projects and active accounts of DX business provision apps

(2) Management Index Sales Related Data SaaS Performance Indicators



※1 Calculated by multiplying each monthly transaction volume by 12

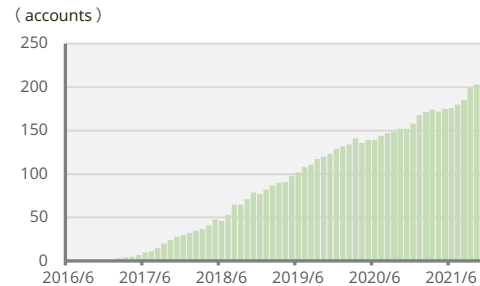
※2 Ratio of net sales to transaction volume. Sales are calculated by deducting media advertising expenses, referral fees to partners, etc. from the transaction volume.

(2) Management Index Sales Related Data SaaS Performance Indicators



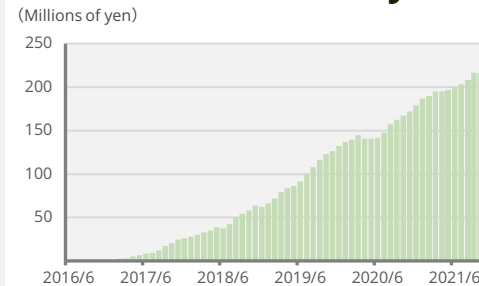
Number of accounts

204



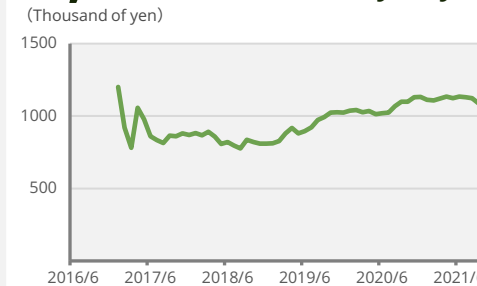
ARR^{※2}

224 Millions of yen



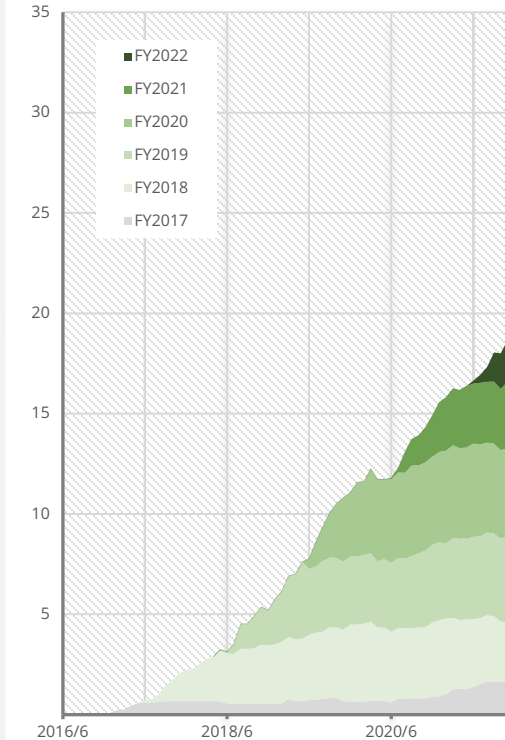
ARPA^{※3}

1,098 Thousand of yen/year



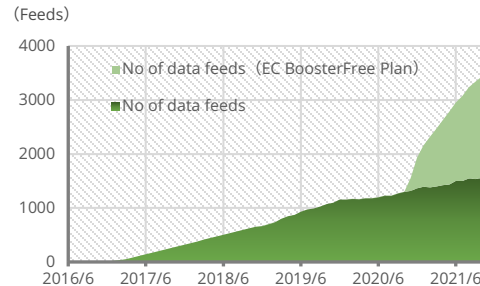
Monthly Sales Cohort Chart

(Millions of yen)



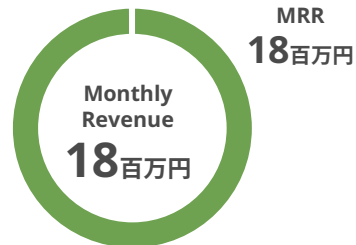
Number of data feeds^{※1}
(ECBooster Excluding free plan)

1,589



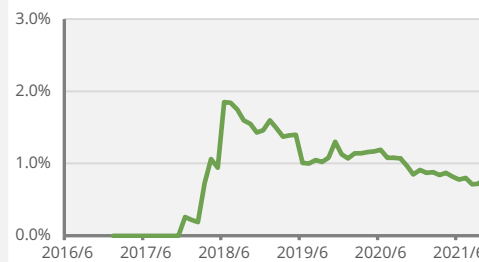
Recurring Revenue ratio

100.0%



Churn rate^{※4}

0.86%



※1 Sum of the number of media to which data is sent to each account

※2 Calculated by multiplying each monthly recurring revenue (continuous fixed revenue) by 12

※3 Average ARR per account

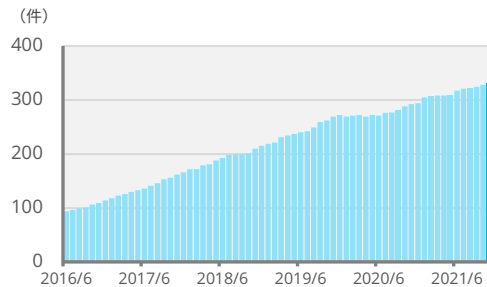
※4 The weighted average of monthly cancellation amounts for monthly recurring revenue for the last 12 months is described.

(2) Management Index Sales Related Data SaaS Performance Indicators

social plus

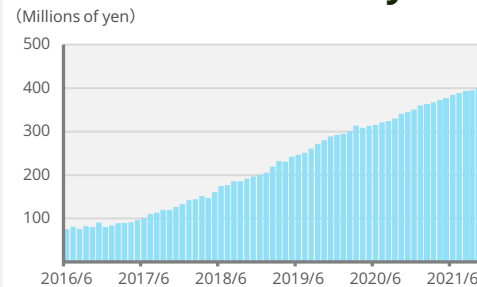
Number of accounts

331



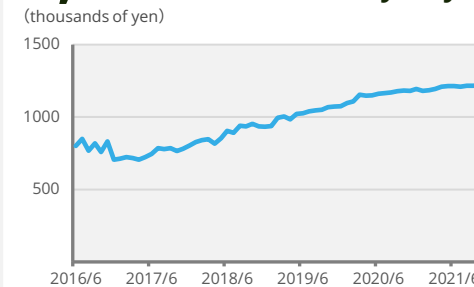
ARR^{※2}

405 Millions of yen



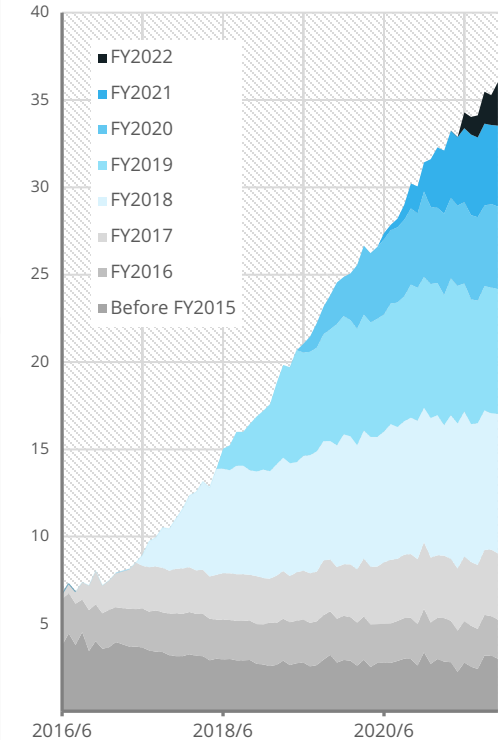
ARPA^{※3}

1,223 Thousands of yen/year



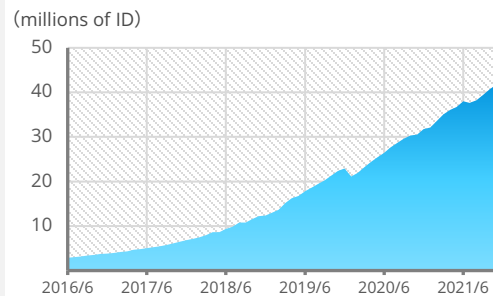
Monthly Sales Cohort Chart

(Millions of yen)



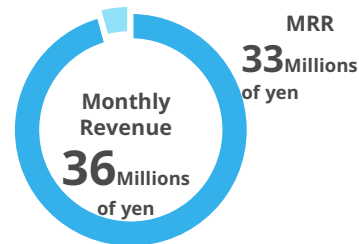
Number of registered user IDs^{※1}

41 millions of ID



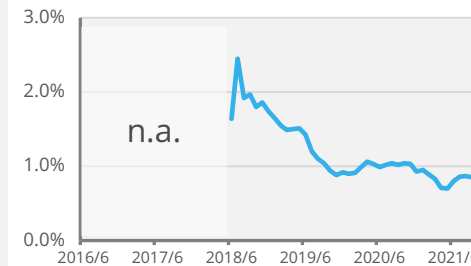
Recurring revenue ratio

93.6%



Churn rate^{※4}

0.88%



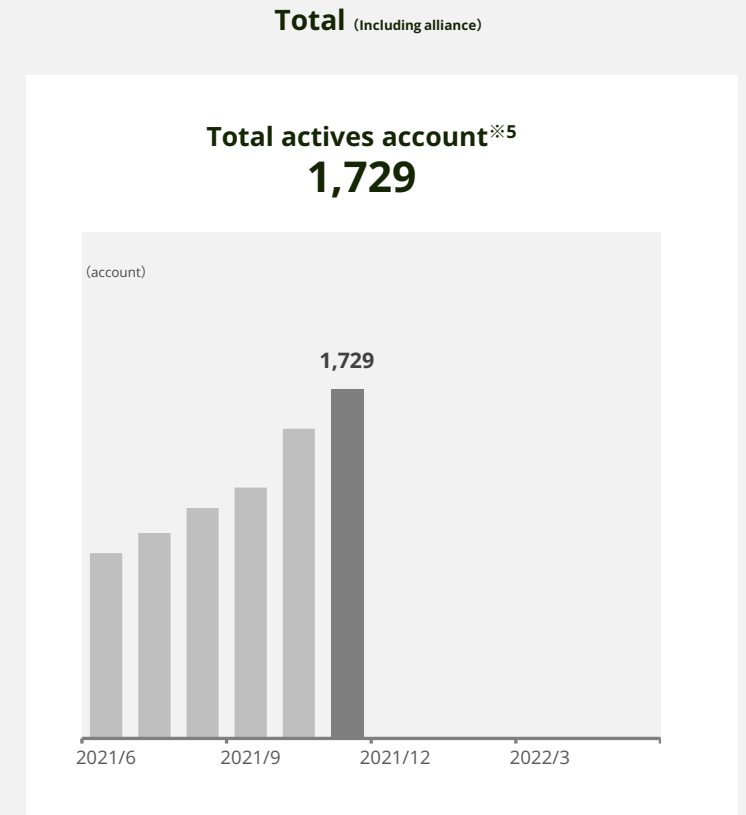
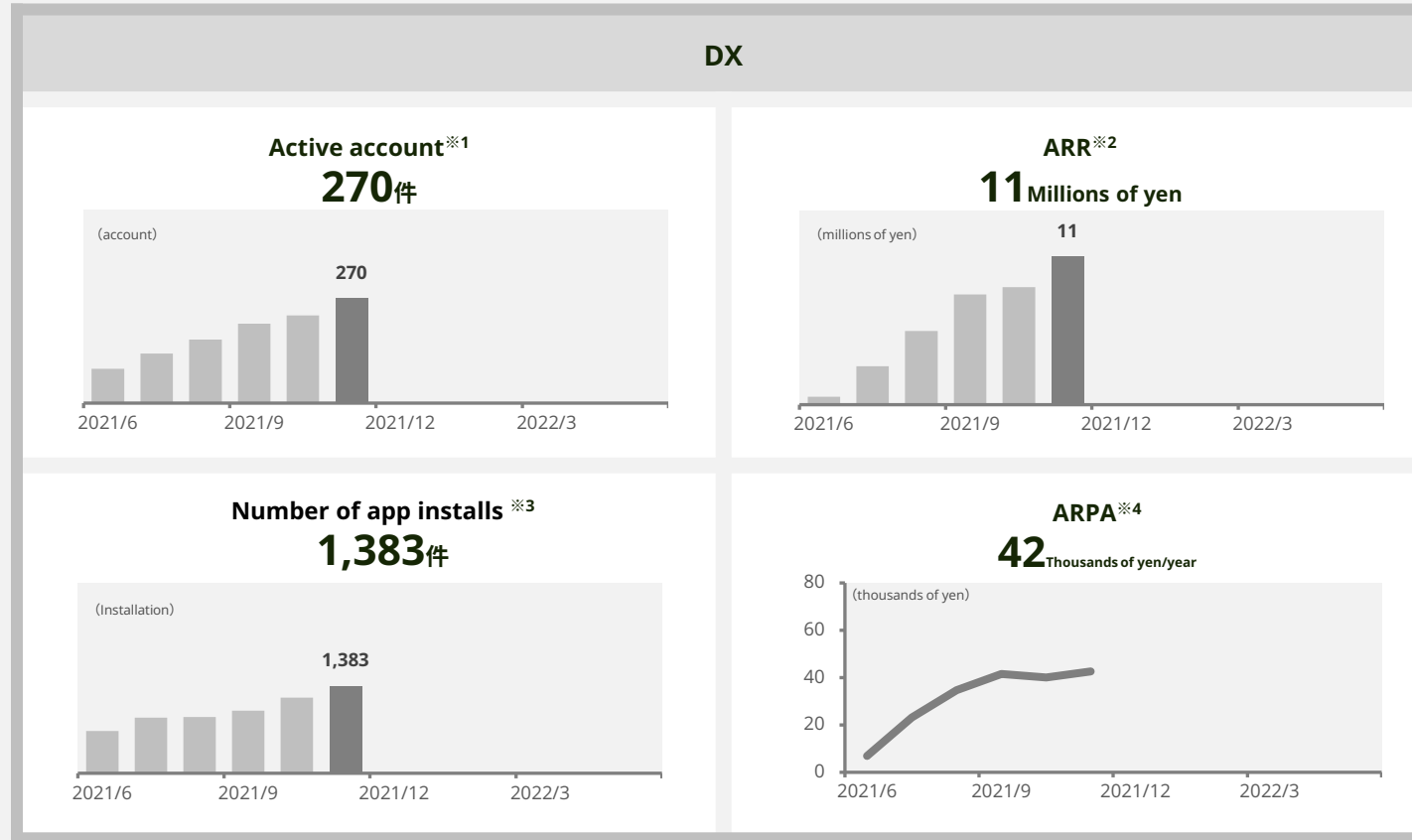
※1 Total number of user IDs registered through the Social PLUS service

※2 Calculated by multiplying each monthly recurring revenue (continuous fixed revenue) by 12

※3 Average ARR per account

※4 The weighted average of monthly cancellation amounts for monthly recurring revenue for the last 12 months is described.

(2) Management Index Sales Related Data DX Performance Indicators



^{※1} Only the number of paid plan actives is included
^{※2} Calculated by multiplying each monthly recurring revenue (continuous fixed revenue) by 12. In the joint venture development app, only the company's revenue is recorded
^{※3} Accrual after deducting uninstalls from the total number of installations
^{※4} Average ARR per account
^{※5} Includes free plan actives

(2) Management Index Sales Related Data DX Performance Indicators

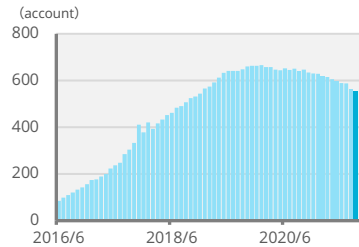


(The most recent monthly is September 2021)

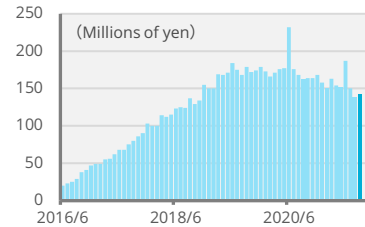


(The most recent monthly is September 2021)

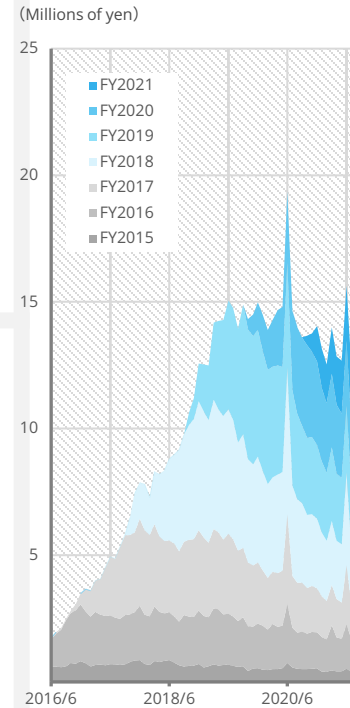
Number of accounts
534



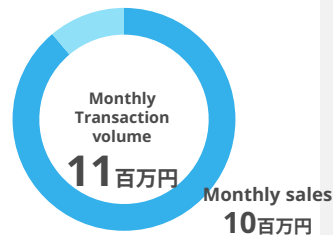
Annualized transaction volume^{※1}
142 Millions of yen/year



Monthly volume cohort graph

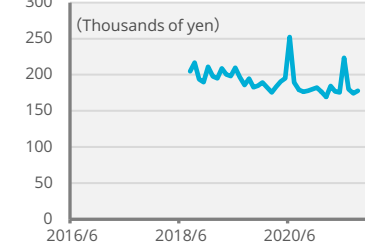


Take Rate^{※2}
88.9%

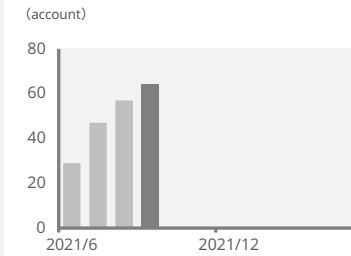


Average transaction volume per account

178 Thousands of yen/year

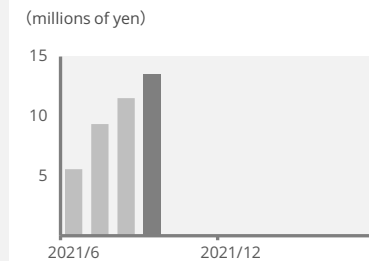


Number of accounts
64



ARR^{※1}

14 Millions of yen

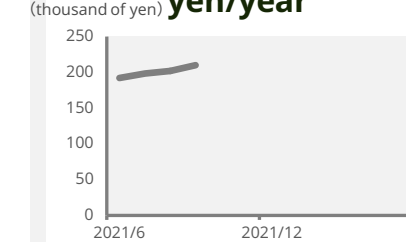


Recurring revenue ratio
100.0%



ARPA^{※2}

210 thousands of yen/year



※1 Calculated by multiplying each monthly transaction volume by 12.

※2 Ratio of net sales to transaction volume. Sales are calculated by deducting the payment fee to the partner from the transaction volume.

※1 Calculated by multiplying each monthly recurring revenue (continuous fixed revenue) by 12.

※2 Average ARR per account

(2) Management Index

[Cost-related data] Number of group employees (full-time employees only)

	(Number of employees)								
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Q1	FY2022 Q2	YoY	QoQ
Number of employees	64	64	73	122	138	138	158	+20	+20
PS	n.a.	23	24	66	76	80	82	+6	+2
Anagram	—	—	—	41	52	55	56	+4	+1
Feedforce	n.a.	23	24	25	24	25	26	+2	+1
SaaS	n.a.	29	33	35	37	38	37	—	△1
DX	—	—	—	—	4	9	30	+26	+21
Shippinno	—	—	—	—	—	—	19	+19	+19
other	—	—	—	—	4	9	11	+7	+2
Corporate (common) ※	n.a.	12	16	21	21	11	9	△12	△2

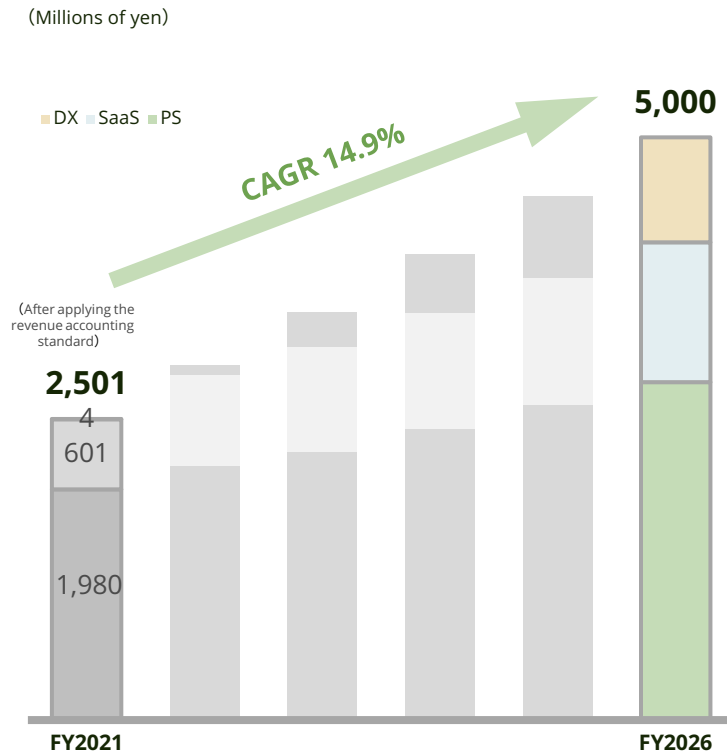
The number of group employees (full-time employees only)
158

※ Changed from the conventional number of executives and employees (officers and full-time employees only) to the disclosure of the number of employees (full-time employees only) (including the end of the previous fiscal year)

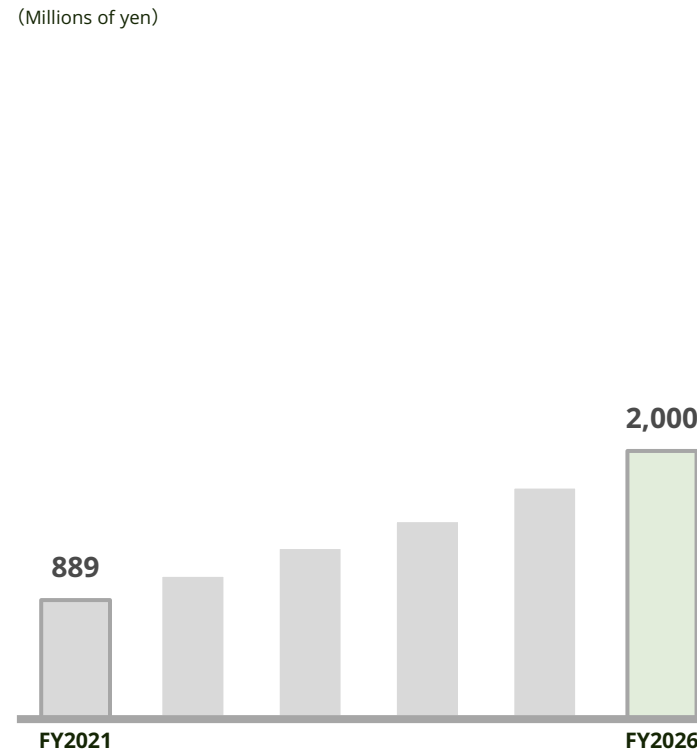
(3) Profit plans and assumptions

Medium-term targets for FY2026

Sales Medium-term targets



Operating income Medium-term targets



By FY2026

- sales 5 billion yen
- operating income 2 billion yen

Fy2026's SaaS and DX businesses are expected to account for about 40% of sales

Specific Growth Drivers

SaaS: Social PLUS(Including joint services with LINE Corporation)

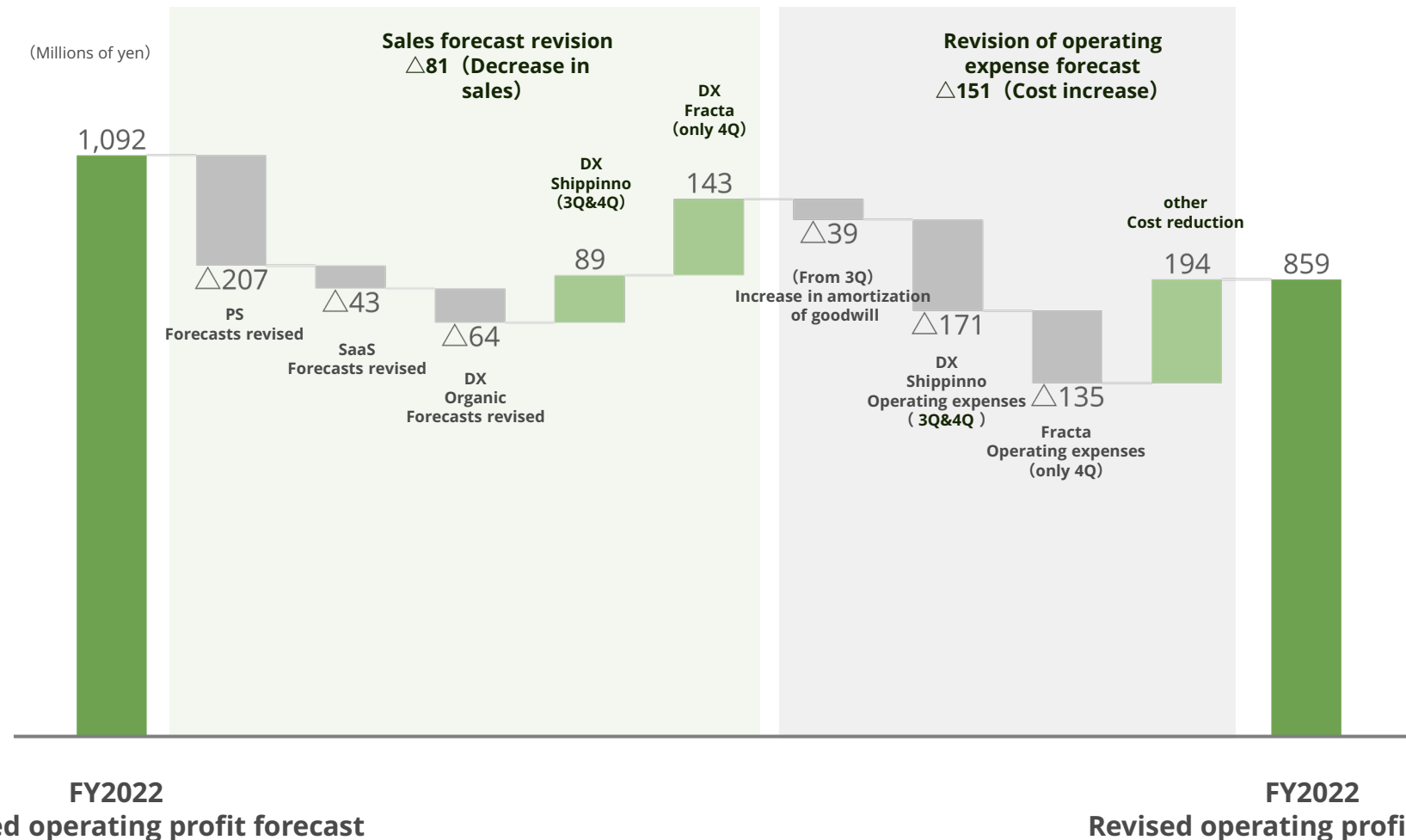
DX: System construction and app development using Shopify

(3) Profit plans and assumptions Revision of earnings forecasts for FY2022

	FY2021 Actual (A)	FY2022 Pre-revision forecasts (B)	FY2022 Revised forecasts (C)	Compared to the previous fiscal year (C) / (A) - 100%	Compared to pre-revised forecasts (C) / (B) - 100%
Net Sales (FY2021 Revenue Recognition Accounting Standard Retroactively)	2,501	3,047	2,966	+18.6%	△2.7%
EBITDA	1,058	1,266	1,093	+3.3%	△13.7%
Operating income	889	1,092	859	△3.4%	△21.4%
Ordinary income	874	1,083	853	△2.5%	△21.3%
Profit attributable to owners of parent	472	675	517	+9.5%	△23.3%
Basic earnings per share	18.88円	25.98円	19.95円	+5.5%	△23.2%

Revised earnings forecasts based on downward revisions in sales in the PS business, an increase in amortization of goodwill, etc., and the outlook for operating loss at Shippinno, which became a consolidated subsidiary.

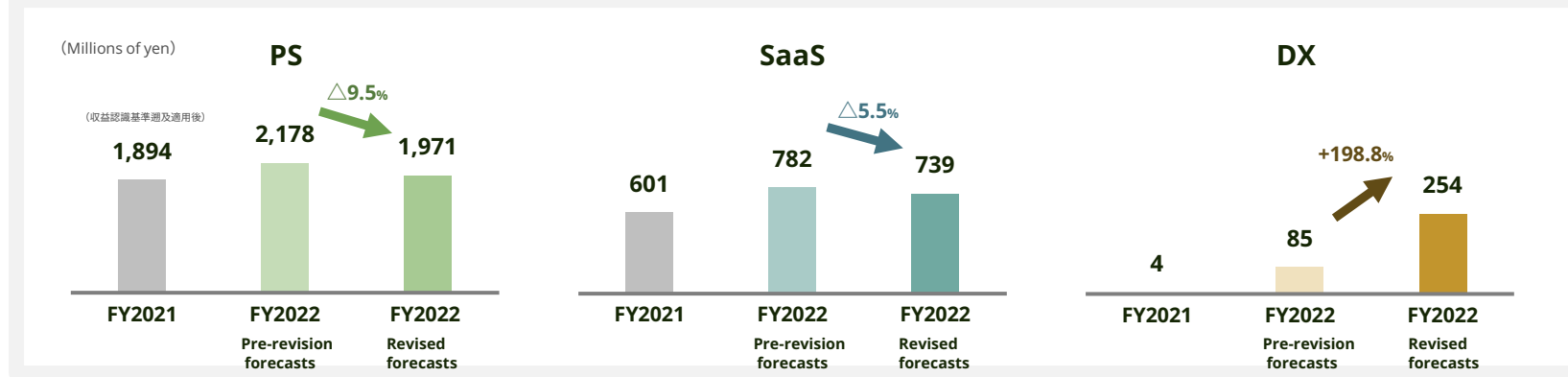
(3) Profit plans and assumptions FY2022 Factors For Changes before or After Revision of Earnings Forecast



Although the two consolidated subsidiaries are expected to contribute to sales, sales of -81 million yen and operating expenses (-151 million yen) were revised compared to the initial forecast.

(3) Profit plans and assumptions FY2022 Revised Earnings Forecasts by Segment

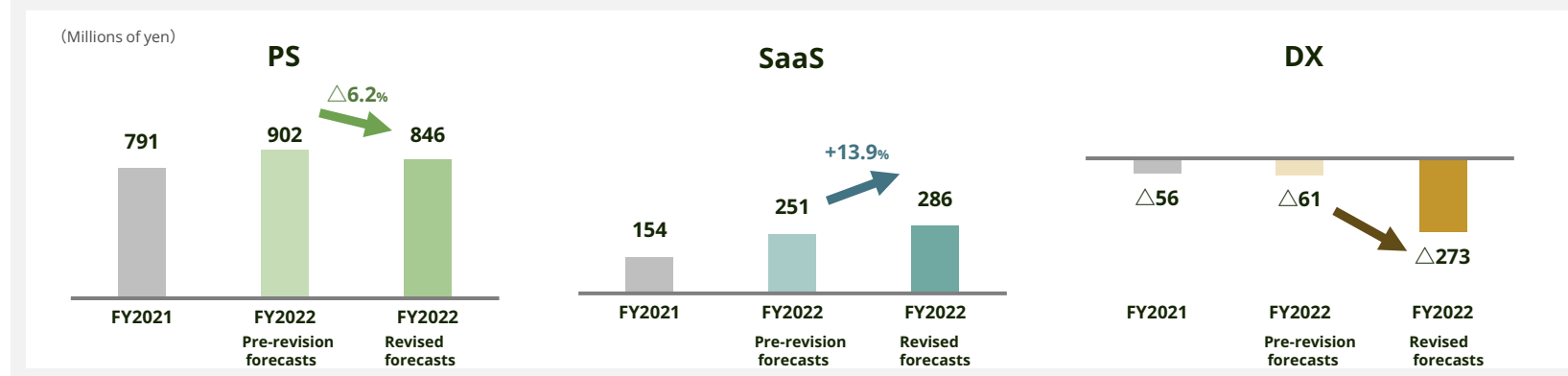
FY2022 Sales forecasts Breakdown by Segment



Revised down the second half outlook for the PS business

The DX business is expected to increase sales by the two consolidated subsidiaries, but also the loss will increase due to an increase in labor costs and other development costs in the DX business.

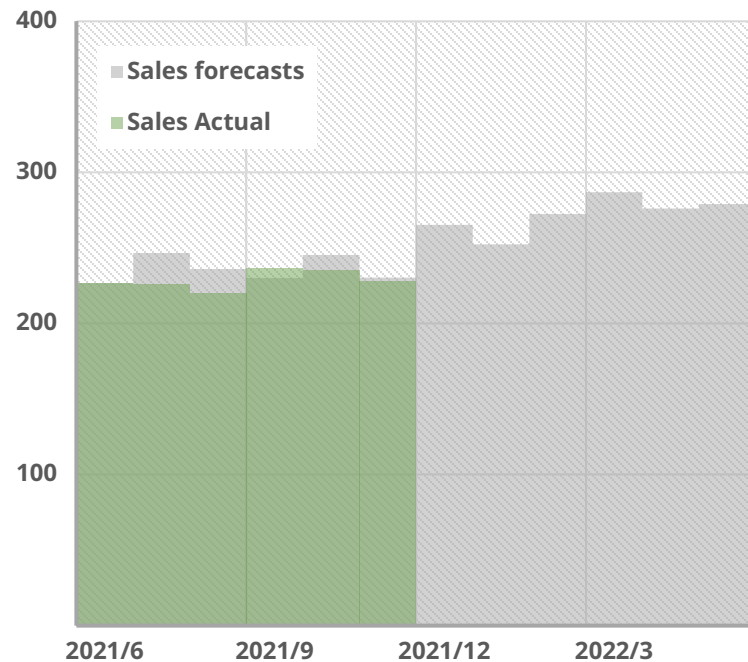
FY2022年Operating Profit forecasts Profit plans and assumptions



(4) Progress Monthly progress of FY2022 earnings forecast (before revision)

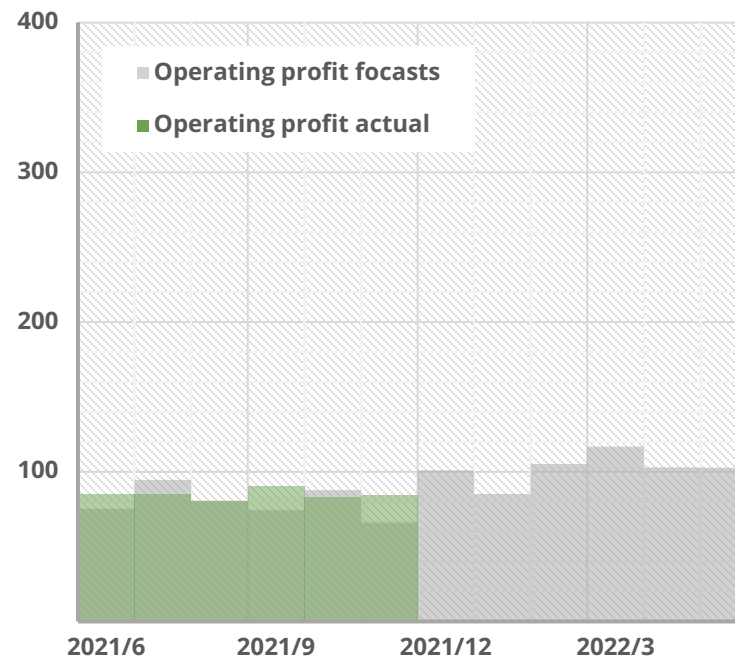
2Q progress to plan
Net sales **97.0%**

(Millions of yen)



2Q progress to plan
Operating Profit **105.9%**

(百万円)

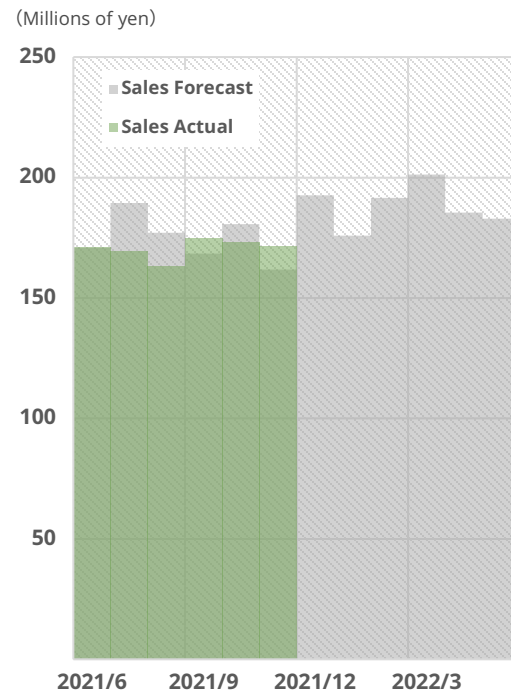


Sales remain at 97% compared to the plan, but operating income exceeds 100%.

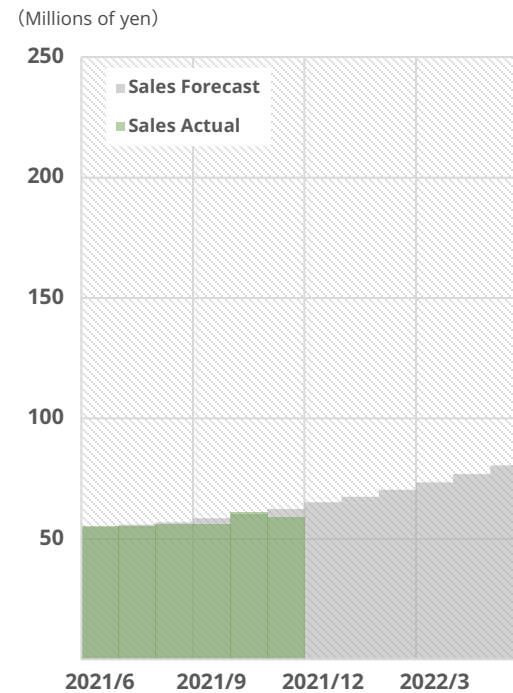
We plan to update "Our Business Plan and Growth Potential " on a quarterly basis and disclose progress. (The next meeting is scheduled for March 2022)

(4) Progress Monthly progress by segment of FY2022 earnings forecast (before revision)

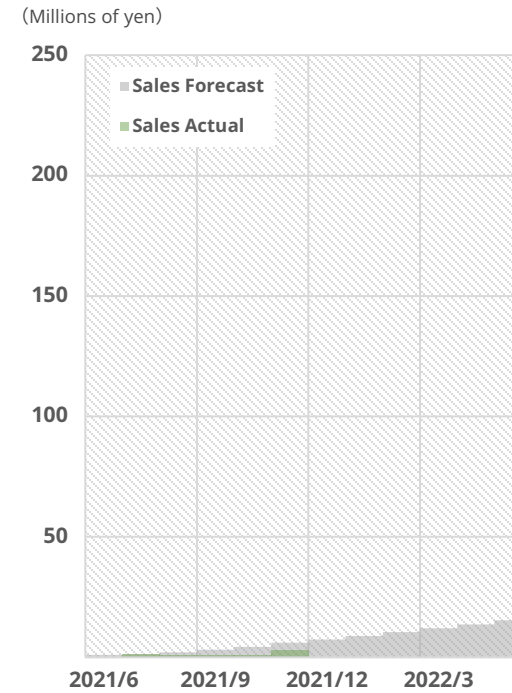
PS
2Q Progress to plan
Sales 97.6%



SaaS
2Q Progress to plan
Sales 98.1%



DX
2Q Progress to plan
Sales 41.8%



Well below DX results have not reached pre-revision plan

リスク情報

Risk Information

(1) Perceived Risks

Business Risks and external environment	
Risk	Contents
COVID-19 Short-term	<p>The domestic economy is stagnant due to the long-lasting effects of the new coronavirus infection.</p> <p>If it becomes apparent, the growth of existing businesses in particular may stagnate.</p>
Internet Ads Market Short~ Long-term	<p>The impact of economic fluctuations and changes in corporate advertising strategies will have a significant impact.</p> <p>If it becomes apparent, the performance of the PS could be sluggish.</p>
Technology Innovation Long-term	<p>Delays in responding to new technologies will cause the services and technologies provided to become obsolete.</p> <p>If this becomes apparent, there will be an increase in cancellations and existing services, mainly in the SaaS business, may not be able to continue.</p>
Regulation of Law Long-term	<p>Possibility of regulation of sales promotion methods using personal purchasing and browsing history on the Internet.</p> <p>If this becomes apparent, the performance of the PS could be sluggish.</p>

Business Risks and internal environment	
Risk	Contents
Concentration on a specific medium Long-term	<p>Dependence on the services of a particular digital platformer.</p> <p>If this becomes apparent, policy changes may prevent the service from being provided as planned.</p>
Concentration on specific customers Short~ Long-term	<p>In the advertising management service, the percentage of sales to specific customers is large.</p> <p>If this becomes apparent, the performance of the PS could be sluggish.</p>
Information Security Short~ Long-term	<p>Possibility of information leakage due to unauthorized access from outside.</p> <p>If this were to become apparent, the SaaS could suffer a downturn in performance due to the suspension of operations.</p>

Financial Risks	
Risk	Contents
Recovery of investment in new businesses Long-term	<p>Inability to generate earnings as initially expected.</p> <p>If this becomes apparent, we may not be able to invest flexibly.</p>
Impairment of goodwill, etc. Long-term	<p>Large amount of goodwill and customer-related assets recorded due to M&A.</p> <p>If it becomes apparent, the company may not be able to invest flexibly due to deteriorating financial conditions.</p>

The "major risks" that will have a significant impact on the realization of growth and execution of the business plan are shown on the left.

If any of these risks were to materialize, it would have a significant impact on the realization of growth and the execution of the business plan.

※ For "Major Risks" other than the above, please refer to the Annual Securities Report.

(2) Risk Management

Business Risks and external environment	
Risk	Countermeasures
COVID-19	Continued online interviews and remote work Focus on E-commerce
Internet Ads Market	Diversification of risk through increase in number of projects and diversification of client industries
Technology Innovation	Continuous service improvement and engineering recruitment
Regulation of Law	Approaches to ID marketing

Business Risks and internal environment	
Risk	Countermeasures
Concentration on a specific medium	Strengthen ties with Shopify, LINE, and other non-GAFA partners
Concentration on specific customers	Diversification of the number of projects and industries Strengthen ability to propose to new customers
Information Security	Limited access rights Periodic vulnerability checks, etc.

Financial Risks	
Risk	Countermeasures
Recovery of investment in new businesses	Initial cost reduction by lean start-up method
Impairment of goodwill, etc.	Straight-line depreciation over 10 years or less

Take action even before the risk becomes apparent.

Group Mission

「働く」を豊かにする。

Feed a force for good and change