



**Financial Results
for the Fiscal Year ended May 31, 2022**

(Our Business Plan and Growth Potential)

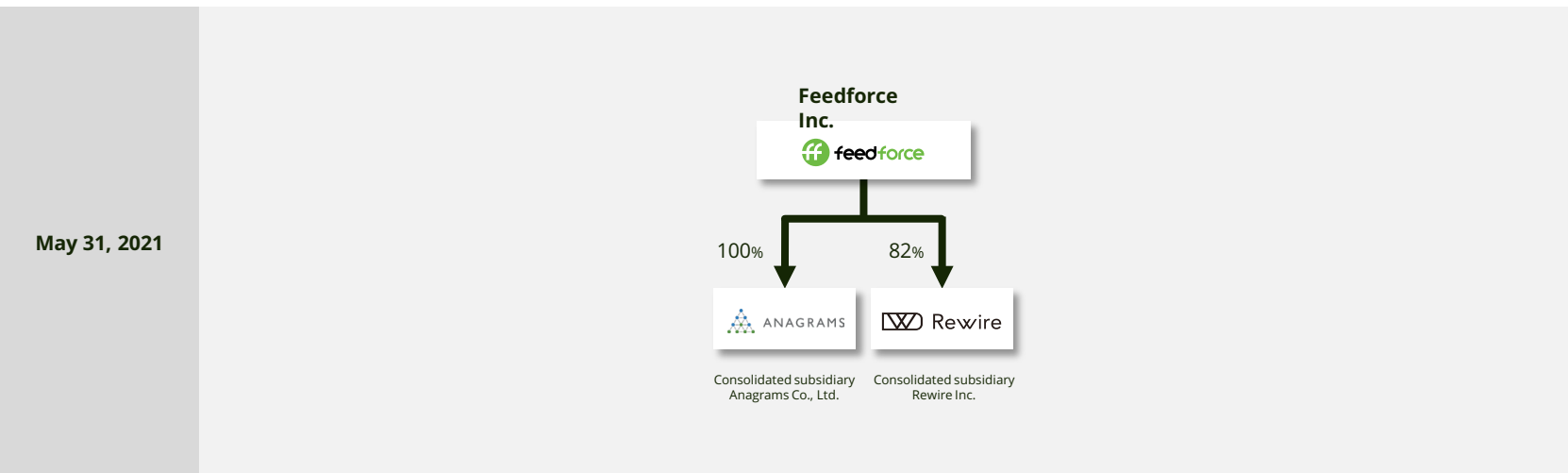
June 30, 2022

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.

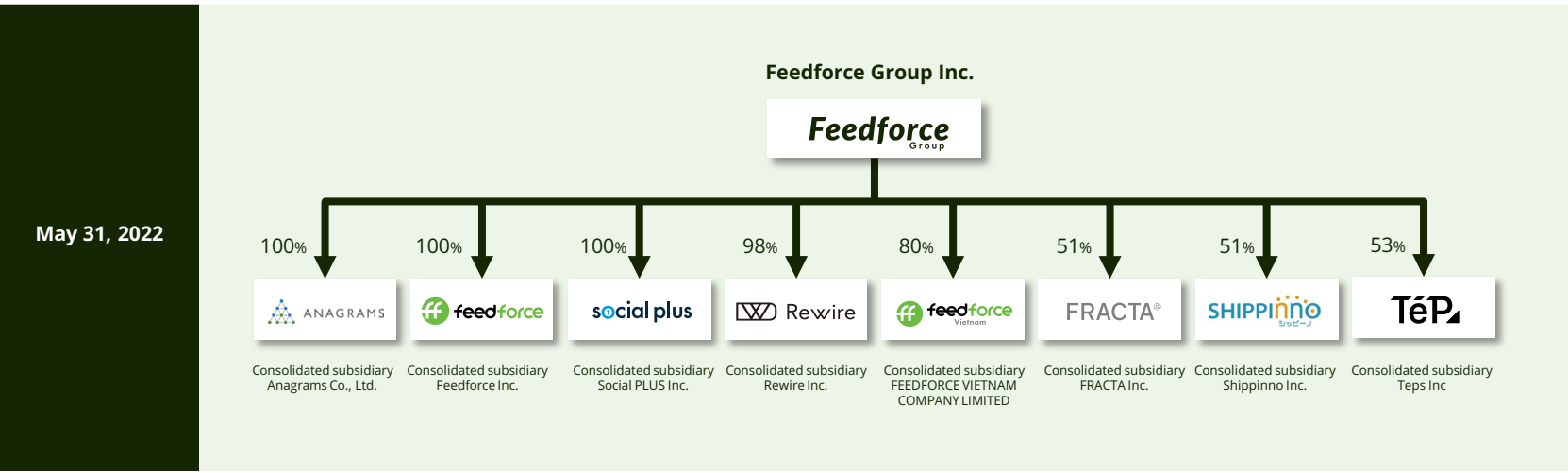
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Our Group



As of May 31, 2022, the number of group companies has increased to include 9 companies.



FY2022 Consolidated Financial Results Overview

(Million yen)

	FY2021 Annual Consolidated	FY2022 Annual Consolidated	YoY	FY2021 4Q Consolidated	FY2022 1Q Consolidated	2Q Consolidated	3Q Consolidated	4Q Consolidated	QoQ
Transaction amount	11,021	11,946	+8.4%	3,363	2,868	2,938	2,889	3,249	+12.5%
Sales (After revenue recognition retrospective application FY2021)	2,501	3,005	+20.1%	727	672	700	739	892	+20.7%
EBITDA ※	1,058	1,137	+7.5%	334	293	298	259	286	+10.3%
Operating income	889	930	+4.5%	291	250	256	205	217	+5.4%
Profit before income taxes	874	918	+5.0%	289	242	256	192	227	+18.1%
Profit attributable to owners of parent	472	602	+27.4%	160	154	156	121	169	+39.1%

Consolidated results:

Sales and profit increased YoY

Acquisition of FRACTA contributed to a significant increase in sales QoQ.

※ EBITDA = Operating income + Depreciation + Goodwill amortization

FY2022 Consolidated Business Segment Results Overview

(Million yen)

	FY2021 Annual Consolidated	FY2022 Annual Consolidated	YoY	FY2021 4Q Consolidated	FY2022 1Q Consolidated	2Q Consolidated	3Q Consolidated	4Q Consolidated	QoQ
PS business※									
Sales (After revenue recognition retrospective application FY2021)	1,894	2,010	+6.1%	562	503	519	496	491	△1.1%
Segment profit	791	878	+11.0%	272	227	233	210	207	△1.6%
SaaS business									
Sales	601	733	+21.9%	160	166	175	191	199	+4.1%
Segment profit	154	300	+94.3%	41	62	67	75	95	+25.6%
DX business									
Sales	4	261	—	4	2	5	51	202	+296.4%
Segment profit	△56	△ 249	—	△22	△39	△44	△80	△ 85	—

PS business:

**Sales and profit increased YoY,
sales and profit decreased
QoQ**

SaaS business:

**Sales and profit increased YoY
and QoQ**

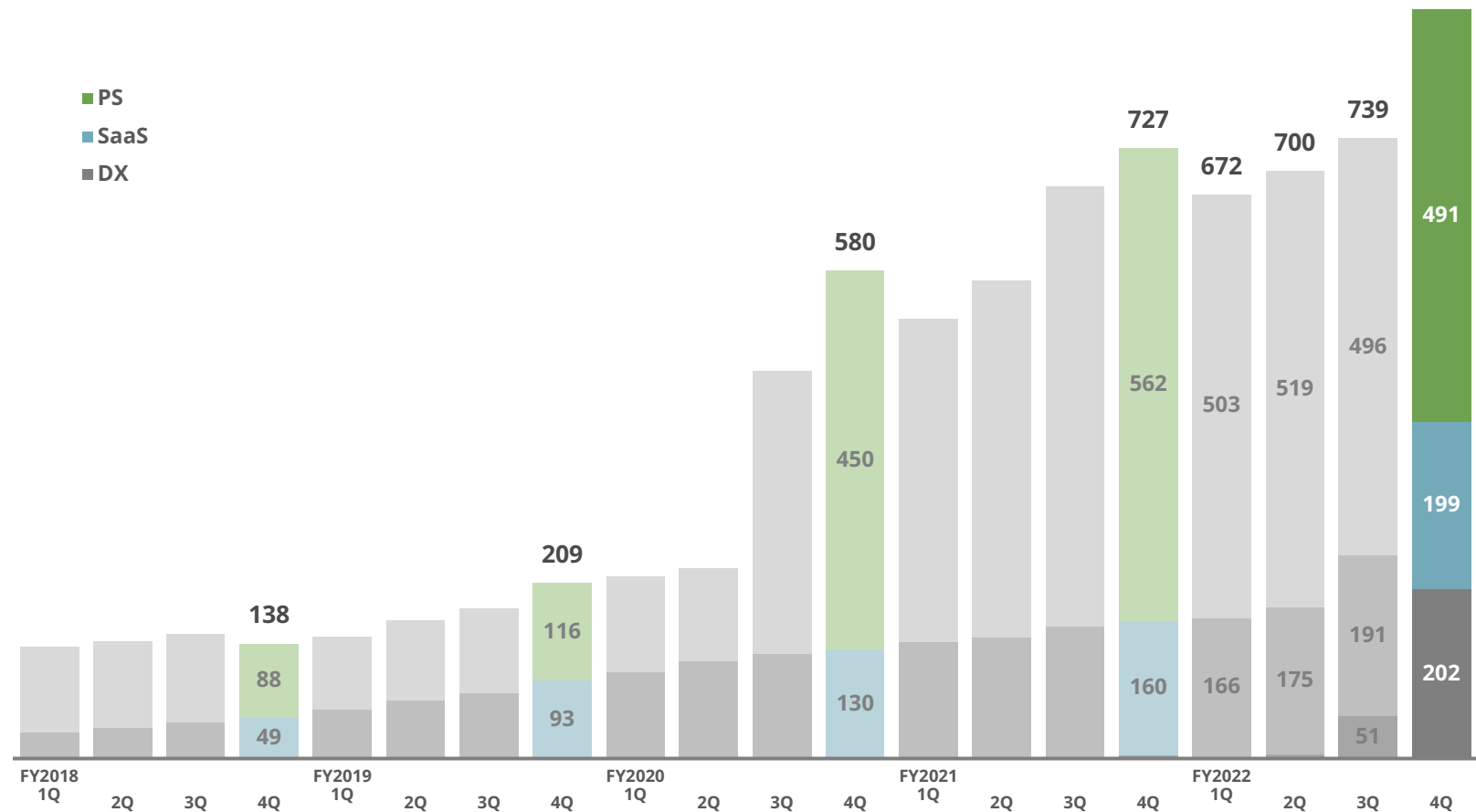
DX business:

**Acquisition of FRACTA
contributed to a significant
increase in sales**

※ PS stands for Professional Services

Quarterly Sales (After revenue recognition retrospective application)

(Million yen)



Sales decreased in PS business while constantly increased in SaaS business

In DX business 202 million JPY was included in 4Q sales from the acquisition of FRACTA

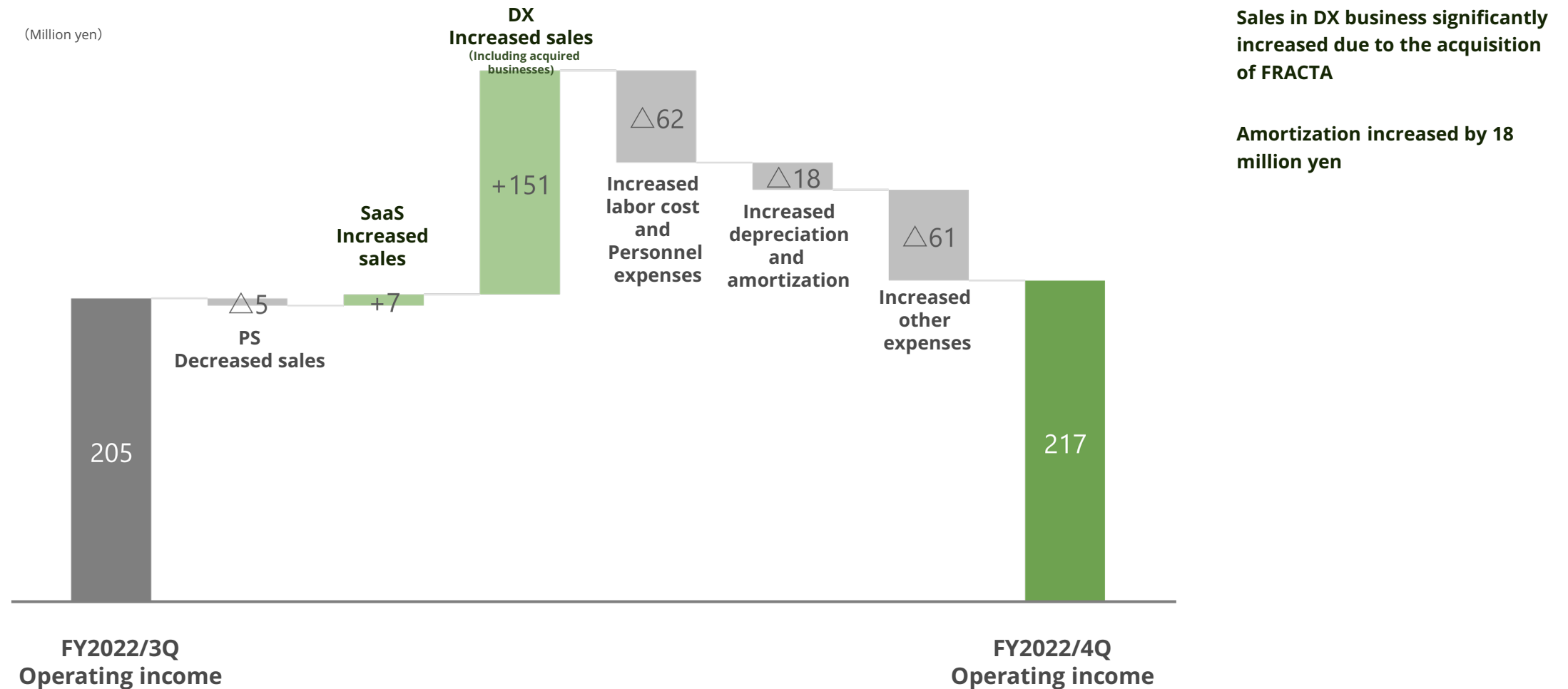
FY2022 Factors for Changes in Operating Income YoY



Sales in DX business significantly increased due to the acquisition of Shippinno and FRACTA

Amortization increased by 40 million yen

FY2022/4Q Factors for Changes in Operating Income QoQ



Sales by Service

(Million yen)

	FY2021 Annual Consolidated	FY2022 Annual Consolidated	YoY	FY2021 4Q Consolidated	FY2022 1Q Consolidated	2Q Consolidated	3Q Consolidated	4Q Consolidated	QoQ
PS (After revenue recognition retrospective application FY2021)	1,894	2,010	+6.1%	562	503	519	496	492	△0.8%
Anagrams	1,413	1,504	+6.4%	431	372	401	371	360	△2.9%
Feedmatic	295	328	+11.1%	81	84	76	79	89	+12.6%
DF PLUS	166	170	+2.1%	46	43	41	42	44	+4.7%
Other	18	6	△63.8%	2	2	1	1	0	△59.9%
SaaS	601	733	+21.9%	160	166	175	191	201	+5.2%
EC Booster	61	55	△9.8%	13	13	14	14	14	△0.1%
dfplus.io	173	226	+30.6%	48	50	54	58	64	+10.3%
Social PLUS	366	451	+23.2%	98	102	106	119	124	+4.2%
DX	4	261	—	4	2	5	51	203	+298.0%
FRACTA	—	143	—	—	—	—	—	143	—
Shippinno • TePs	—	92	—	—	—	—	45	47	+3.9%
Other	4	25	+332.1%	4	2	5	5	13	+160.0%

PS business:

Anagrams sales decreased QoQ

SaaS business:

dfplus.io and Social PLUS sales increased QoQ

DX business:

Acquisition of FRACTA contributed to a significant increase in sales

Operating Expenses

(Million yen)

	FY2021 Annual Consolidated	FY2022 Annual Consolidated	YoY	FY2021 4Q Consolidated	FY2022 1Q Consolidated	2Q Consolidated	3Q Consolidated	4Q Consolidated	QoQ
Operating expenses (After revenue recognition retrospective application FY2021)	1,611	2,075	+28.8%	444	421	443	533	675	+26.7%
Cost of sales	718	904	+25.9%	182	192	204	221	285	+28.9%
Labor cost	590	686		148	163	159	169	194	
Expenses	128	219		43	29	44	52	91	
SG&A	893	1,170	+31.0%	253	229	239	311	389	+25.1%
Personnel expenses	456	627		128	122	126	170	208	
Expenses	437	543		124	107	113	140	181	
R&D	38	12		14	5	1	3	3	
Recruitment/training	27	35		11	3	7	11	12	
Advertising	16	32		5	5	5	8	13	
Depreciation	119	127		30	30	30	31	35	
Amortization	47	80		11	11	11	21	35	
その他	187	255		51	51	56	65	81	

Operating expenses increased due to the acquisition of FRACTA

Amortization of goodwill increased by 14 million yen QoQ

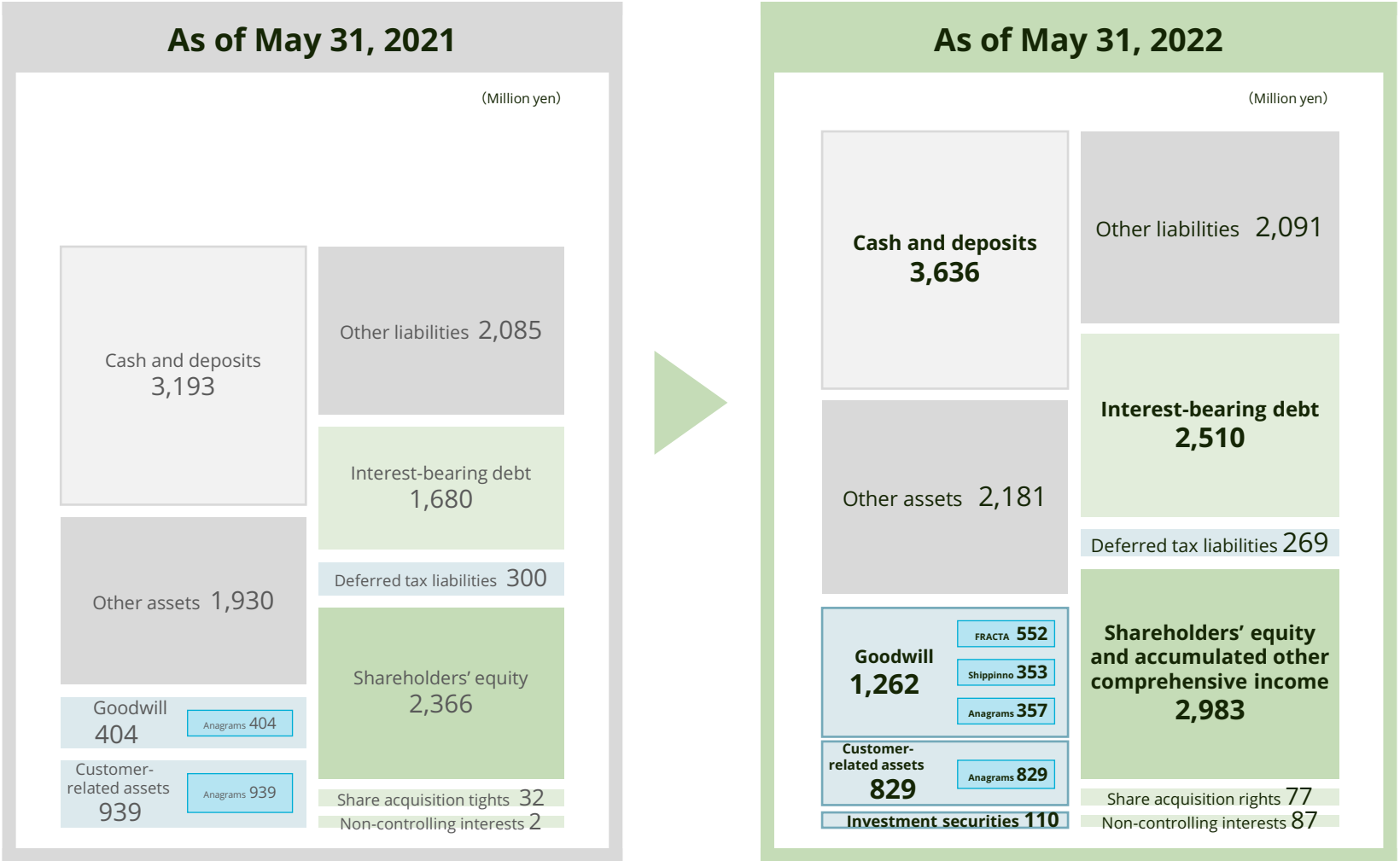
Financial Position

(Million yen)

	FY2017 Unconsolidated	FY2018 Unconsolidated	FY2019 Unconsolidated	FY2020 Consolidated	FY2021 Consolidated	FY2022 3Q Consolidated	4Q Consolidated	YoY	QoQ
Current assets	394	320	426	3,528	4,915	5,259	5,503	+588	+243
Non-current assets	28	25	44	1,690	1,552	2,528	2,515	+963	△12
Total assets	422	345	470	5,219	6,467	7,788	8,019	+1,552	+231
Current liabilities	205	192	322	1,370	2,255	2,717	2,861	+606	+143
Non-current liabilities	134	99	50	2,018	1,810	2,165	2,009	+198	△155
Total liabilities	339	291	373	3,389	4,065	4,882	4,870	+804	△12
Shareholders' equity	83	54	97	957	2,366	2,805	2,983	+617	+177
Accumulated other comprehensive income	—	—	—	—	—	△0	△0	△0	+0
Share acquisition rights	—	—	—	—	32	66	77	+45	+11
Non-controlling interests	—	—	—	872	2	32	87	+84	+54
Total net assets	83	54	97	1,829	2,401	2,905	3,148	+747	+243






Non-current assets increased at the end of 3Q due to the recognition of goodwill of Shippinno and FRACTA

Breakdown of Consolidated Balance Sheet



Goodwill increased 858 million yen YoY, interest-bearing debt increased 830 million yen YoY.

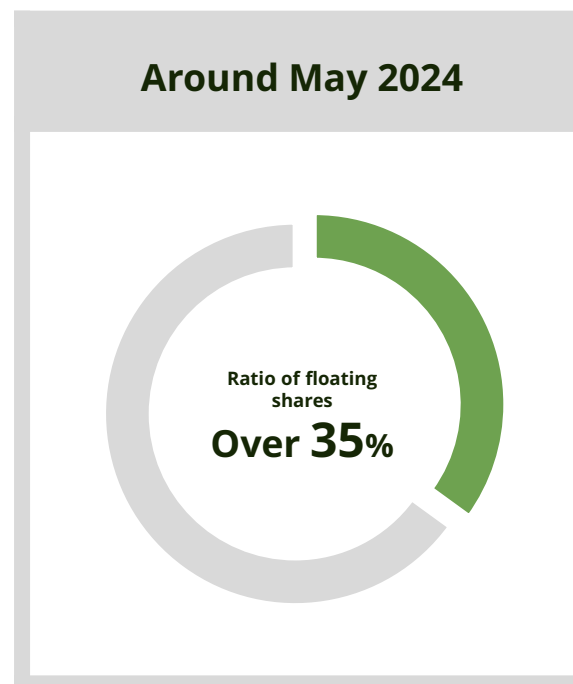
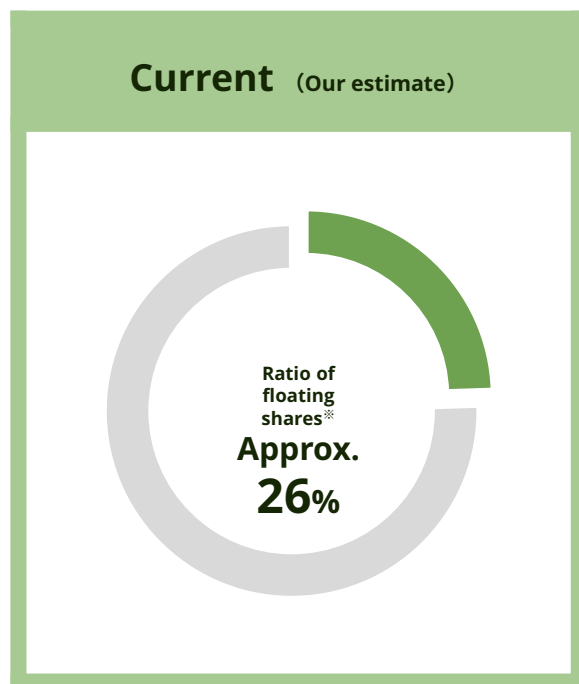
Proactive investment and action in DX business

Timing		Outline	Investment amount	Objective
Aug 2021		Capital alliance with Huckleberry Inc. (Business alliance May 2021)	105 million yen	Development of apps and reinforcement of cooperation for Shopify on App Unity
Oct 2021		Acquisition of Shippinno Inc. to become a consolidated subsidiary	377 million yen	Enhancement of SaaS for EC businesses
Nov 2021		Incorporated a local subsidiary in Vietnam (FEEDFORCE VIETNAM COMPANY LIMITED)	4 million yen	Development of Shopify App and offshore development
Dec 2021		Acquisition of FRACTA Inc. to become a consolidated subsidiary	619 million yen	Strong support for business branding and EC site building
Apr 2022		Incorporated Teps Inc. by incorporation-type company split	—	E-commerce-specific no-code tools

Proactive investment and corporate action in DX business segment

In FY2022, investments exceeded 1 billion yen (acquisition of shares)

Outlook for the ratio of floating shares



**Aim to achieve over 35%
around May 2024**









※ Ratio of floating shares : the ratio of floating shares to the outstanding shares where the floating shares are the number of shares outstanding, excluding the following: "the number of shares held by the shareholders who own 10% or more of the outstanding shares", "the number of shares held by officers", "the number of treasury shares", "the number of shares owned by special related parties other than officers", "the number of shares held by domestic commercial banks, insurance companies and other corporations", and "the number of shares deemed to be fixed."

02

Matters related to Business
Plan and Growth Potential

Business Model

(1) Business Overview Business segments and business areas of subsidiaries

		PS	SaaS	DX
Outline		<ul style="list-style-type: none"> Internet-oriented advertising agency Data feed creation agency service 	<ul style="list-style-type: none"> LINE CRM and social login service that connects users with ID Data feed management tools Shopping ads automatic seconding tool 	<ul style="list-style-type: none"> Shopify branding and EC building support service Shopify App and EC business automation support tool
Business areas of each company	 feedforce	✓	✓	✓
	 ANAGRAMS	✓		
	 social plus		✓	
	 FRACTA®			✓
	 SHIPPINNO			✓
	 TéP			✓
	 Rewire			✓
	 feedforce Vietnam			✓

The core companies are
Anagrams in PS business,
Social PLUS in SaaS business,
and **FRACTA** in DX business



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

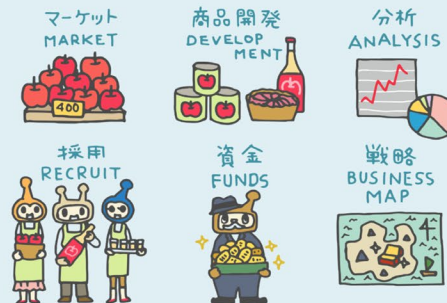
We want to be a partner that supports our clients in every way possible to help them succeed in their business, not just in the operation of managed advertising.

—Anagrams Features and Strengths —

Marketers are overwhelmingly strong in operational advertising.



Able to ask about the entire business and the entire market.



An integrated system that does not separate sales and operations.



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.

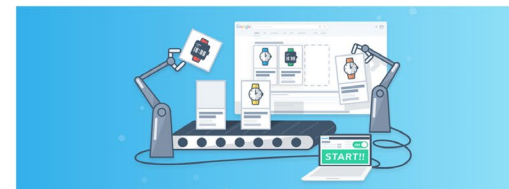


Easy submission and automatic operation functions



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

"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.



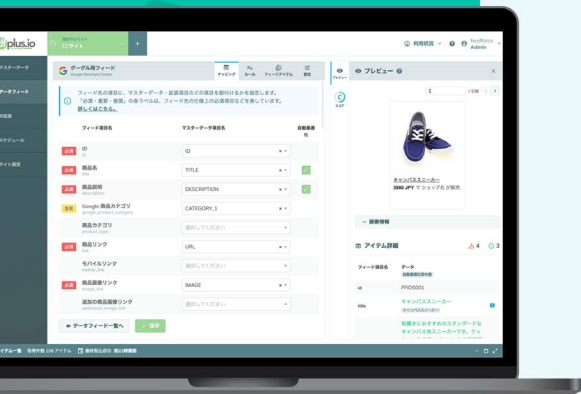
Powerful features

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

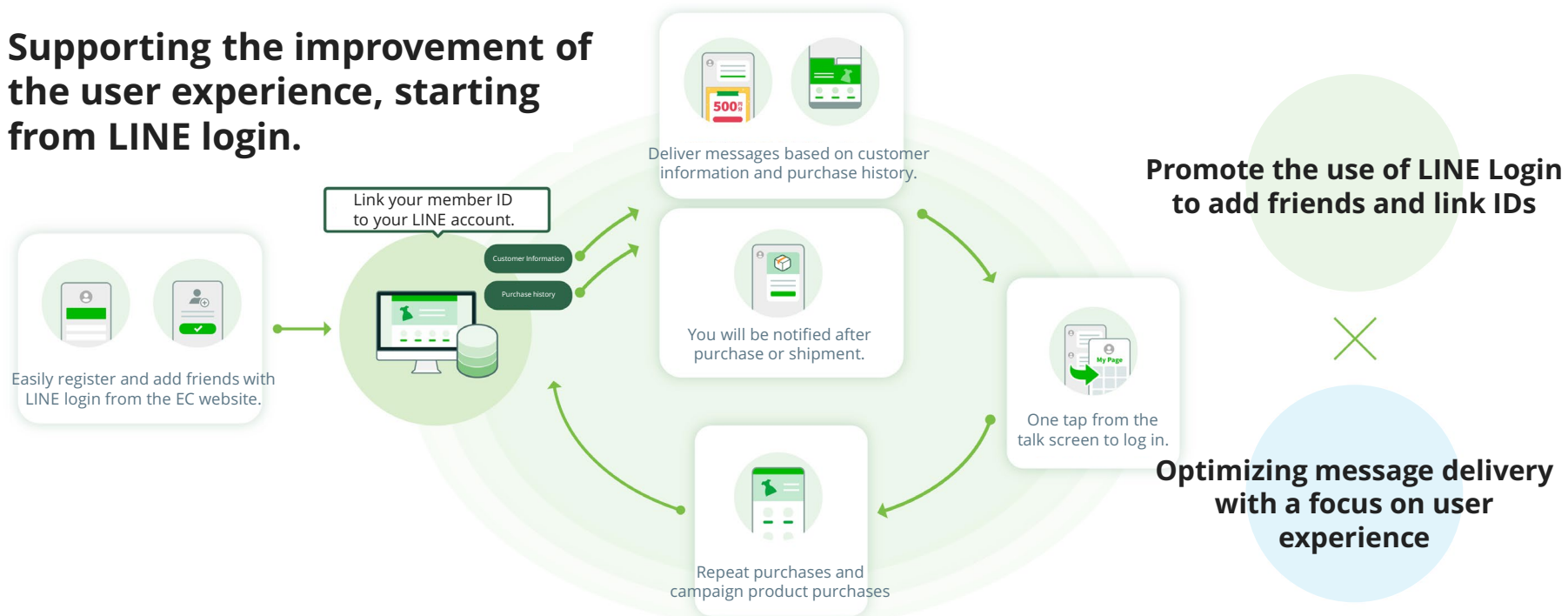
With a user interface that is easy to understand, even for beginners in data feeds, it realizes an operation system that does not depend on a single person. Support is also available.



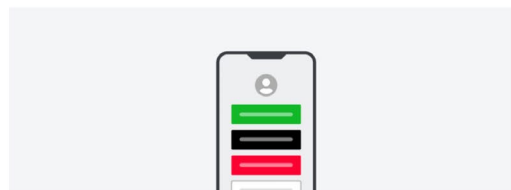
social plus

Make it easier to implement Social Login.

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

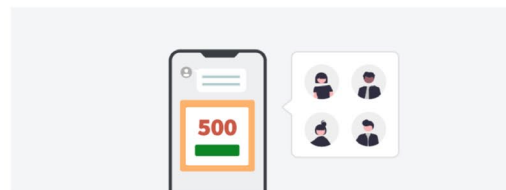


Optimization of member registration and purchase flow



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.

FRACTA[®]

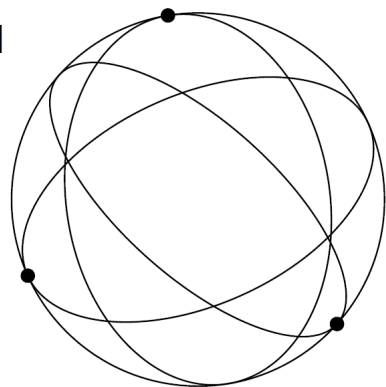
TOTAL BRANDING PARTNER

FRACTA is a total branding partner that implements brand brilliance in society.

With the power of branding and marketing as well as technology and design, we will rediscover the core of existing brands in addition to new business development and implement them in society.

Three services provided by FRACTA

01

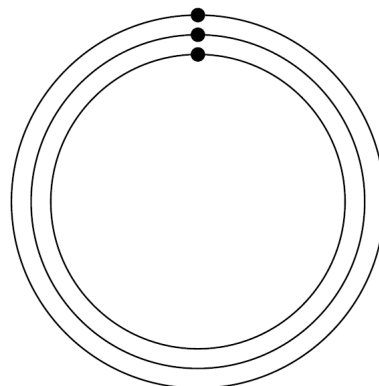


One by One

Brand Consulting Services

Build a dedicated brand team and accompany the brand to progress the project

02

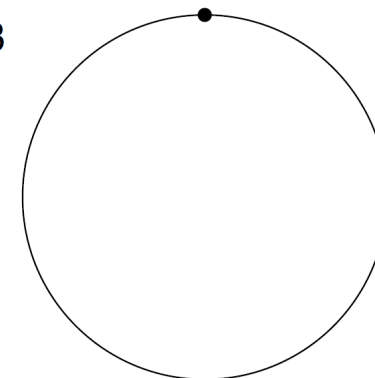


Star Tracker

Branding Online Service

Promote brand self-propelled driving by providing centralized tools and know-how related to brand management

03



Branding Camp

Branding and Commerce Education Services

Promote revitalization through knowledge education on branding and e-commerce

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/>





Creating necessary tools on your own

EC-specific no-code tool



TéP allows you to connect various systems and services using API and to use uncountable functions and data by freely assembling them like a puzzle to your specific needs.

Because of this flexibility in assembly, it's possible to make tools that any existing service alone cannot fulfill.

Tép stated providing services mainly to users of Cloud (SaaS) type EC platform "Next Engine" as "Tetra" from March 2021. Over 100 companies have adopted so far and over 20,000 flows are processed daily.

<https://teps.io/>

Flexible assembly

Batch every 15 min.

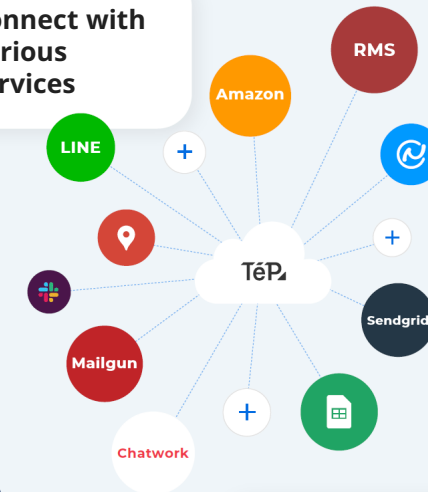
Get report

フロー・ループ
Repeat every other line

ワークシートを更新
Update Google spreadsheet

在庫不足レポートを生成
Report short inventory

Connect with various services



Full of templates based on real practices





Launch of Omni-Channel Member information linkage App



Member information linkage



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

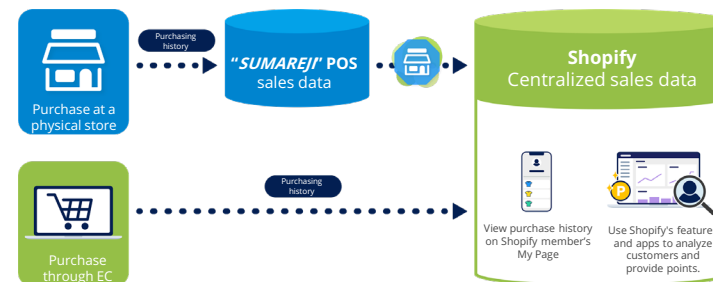
Display member barcodes on the EC site!
















Sales information linkage



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



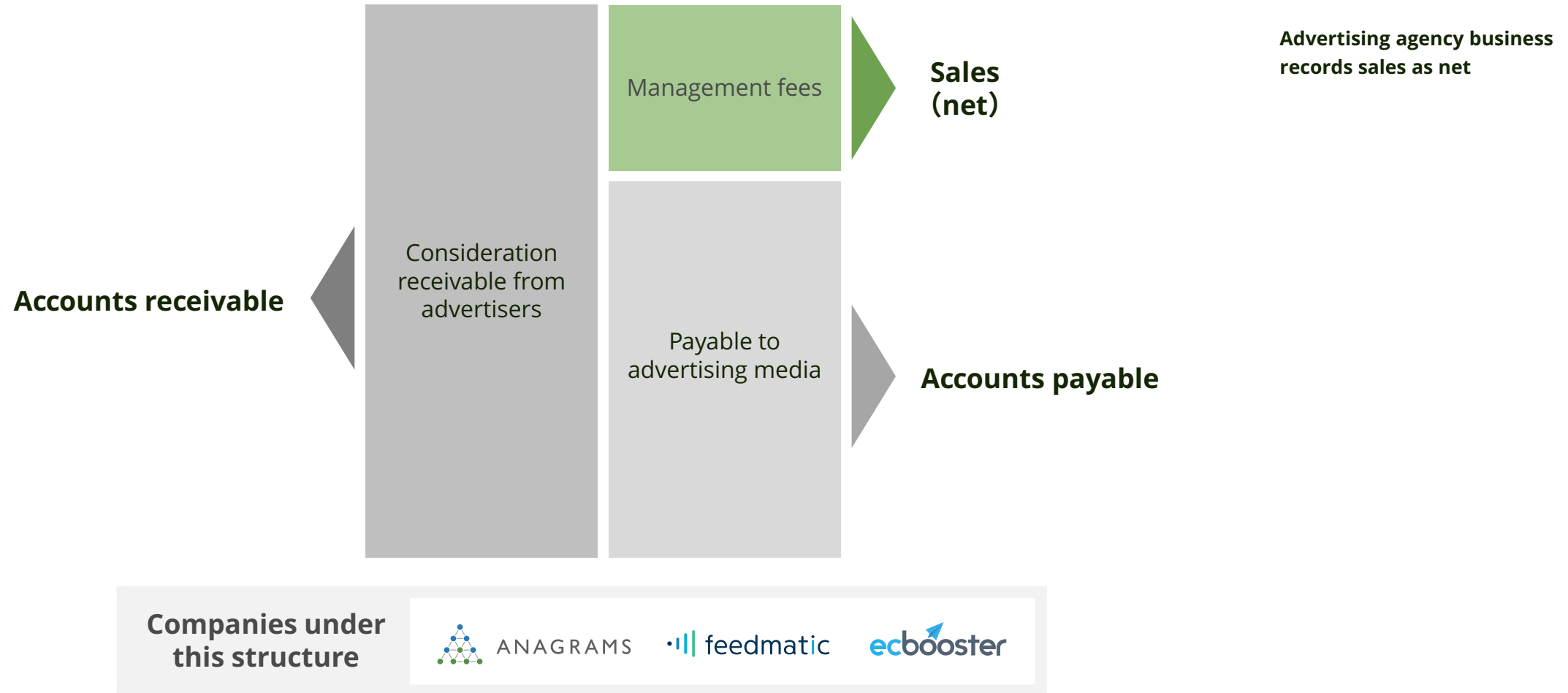
(2) Revenue Structure List of key services and fee structures

Fee structure	PS	SaaS	DX
Variable rate per billing	Rate of customer promotion (advertising) expenses		Rate of customer sales (shipment amount)
	Internet-oriented advertising agency  ANAGRAMS	Google shopping ads automatic operation tool  ecbooster	Automation of e-commerce shipments and orders  SHIPPInno Subscription feather Shopify App  定期購買
Fixed by month	Data feed advertising operations  DF PLUS	Data feed management tool  dipplus.io	EC-specific no-code tool  TéP
		Social login & message delivery  social plus	Shopify App-related to store payments  Omni Hub <small>Powered by Feedforce Inc.</small>
		LINE-based CRM infrastructure Shopify App  CRM PLUS on LINE	Shopify App related to point features  どこポイ
			Branding online service  Star Tracker
Per person per month			Brand strategy, EC setup support  FRACTA®

Based on revenue models of rate per billing, fixed monthly fee and per person per month

(2) Revenue Structure

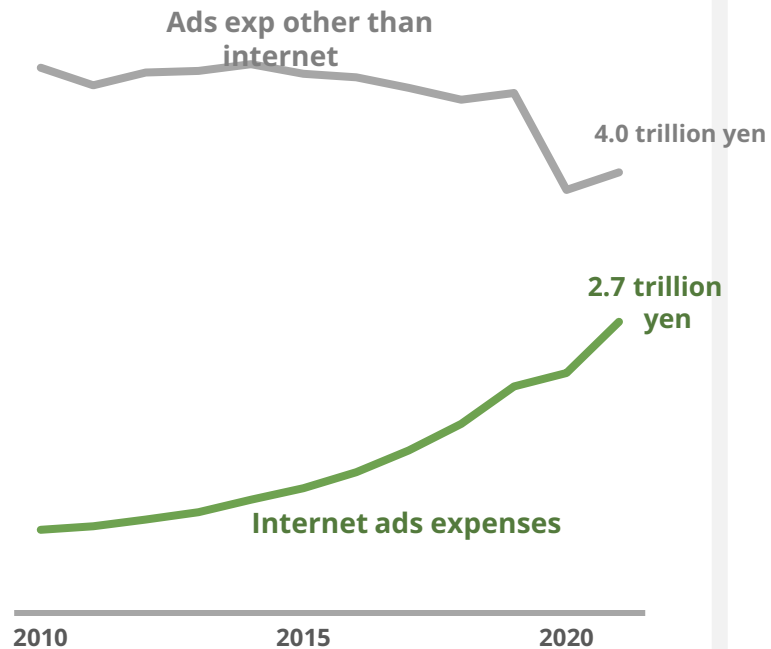
Revenue structure and sales recognition for advertising management services



Market Environment

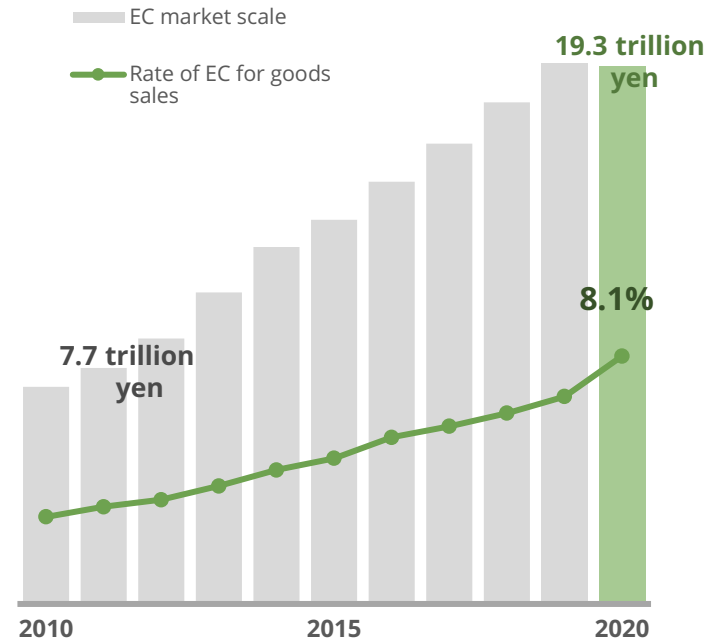
(1) Market Size Internet advertising and EC markets

Domestic internet advertising market



Source: Dentsu Inc. "Advertising costs in Japan 2021" (Feb 2022)

Domestic e-commerce market



Source: METI "Market Research on e-commerce 2020" (July 2021)

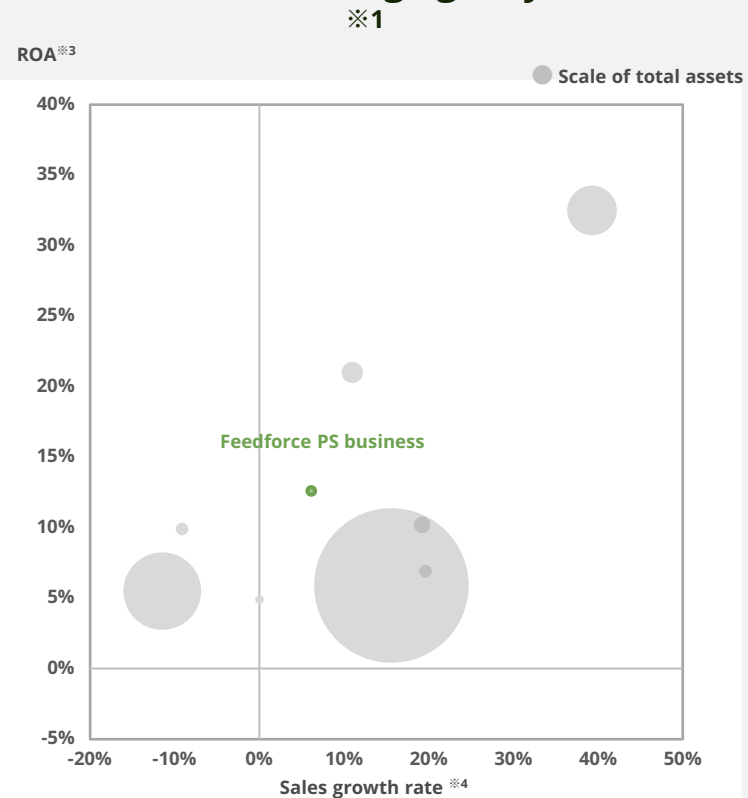
Internet advertising expenses grew 21.4% in 2021.

E-commerce in 2020 dropped for services (travel, restaurants, tickets, etc.) but grew for goods sales.

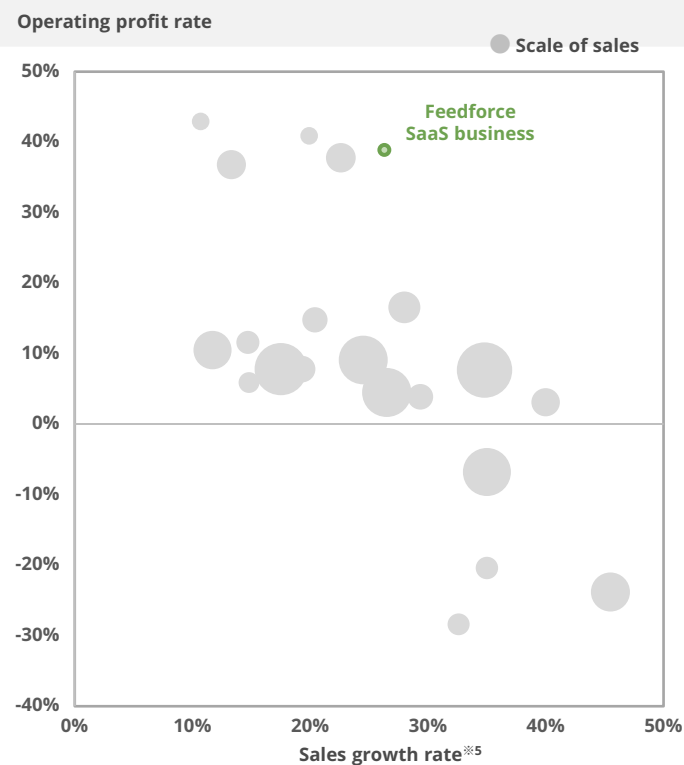
(2) Competitive Environment

Comparison with domestic major advertising agencies and SaaS business

Growth and profit rates of major domestic advertising agency business ※1



Growth and profit rates of major domestic SaaS business ※2



In comparison with major domestic competitors, we keep the high profit rates even though our scale of total assets and sales are small

※1 Calculated based on the latest financial results of major companies listed in Japanese stock markets whose main business is advertising

※2 Calculated based on the latest financial results of major companies listed in Japanese stock markets whose main business is SaaS

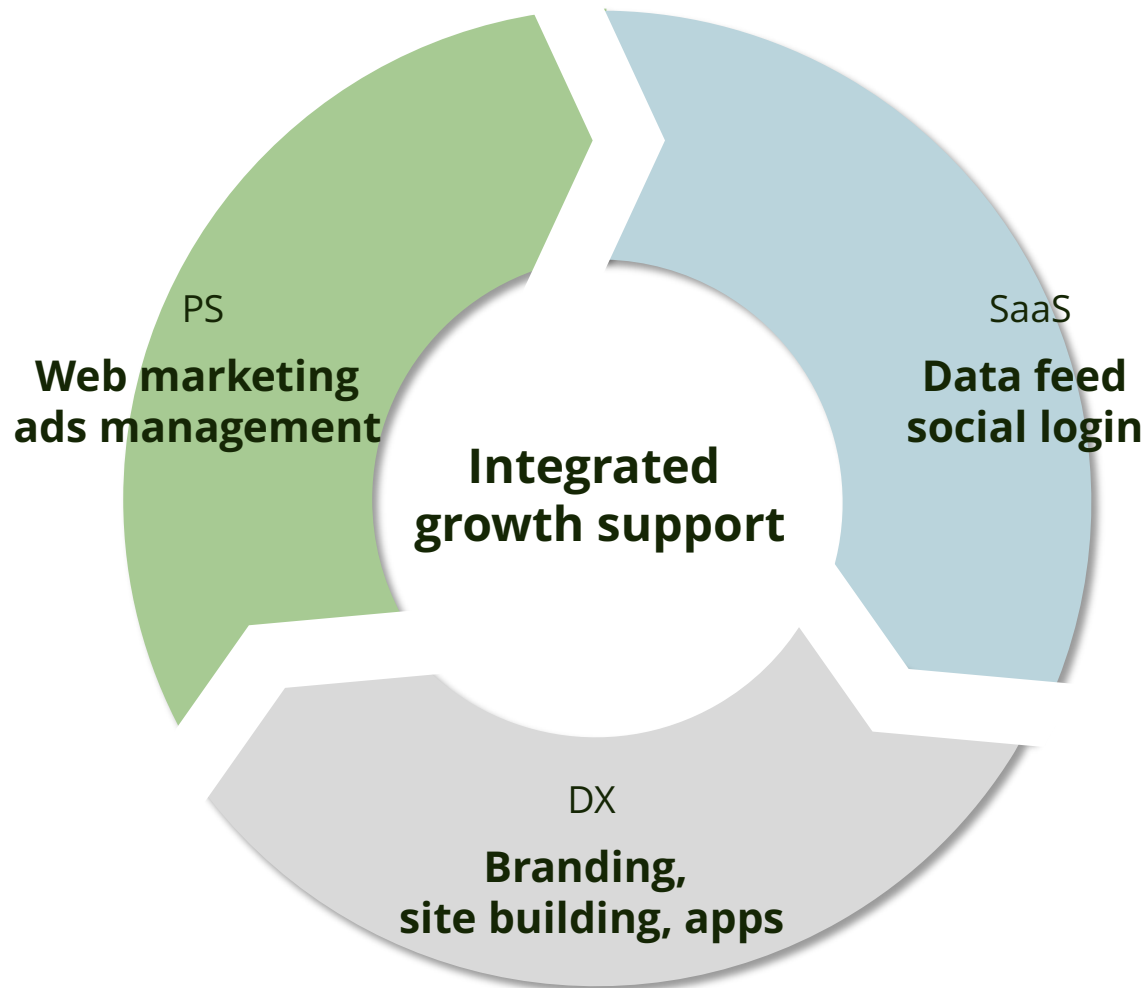
※3 Calculated using the profit rate before tax for IFRS financial results

※4 Calculated based on actual sales

※5 Calculated based on forecast sales

Source of competitiveness

(1) Management Resources and Competitive Advantage Business segment synergies




- Sales promotion (PS)
- Providing tools (SaaS)
- Branding, site construction and linkage (DX)

Through these businesses, we will support the growth of e-commerce and Web service providers

(1) Management Resources and Competitive Advantage

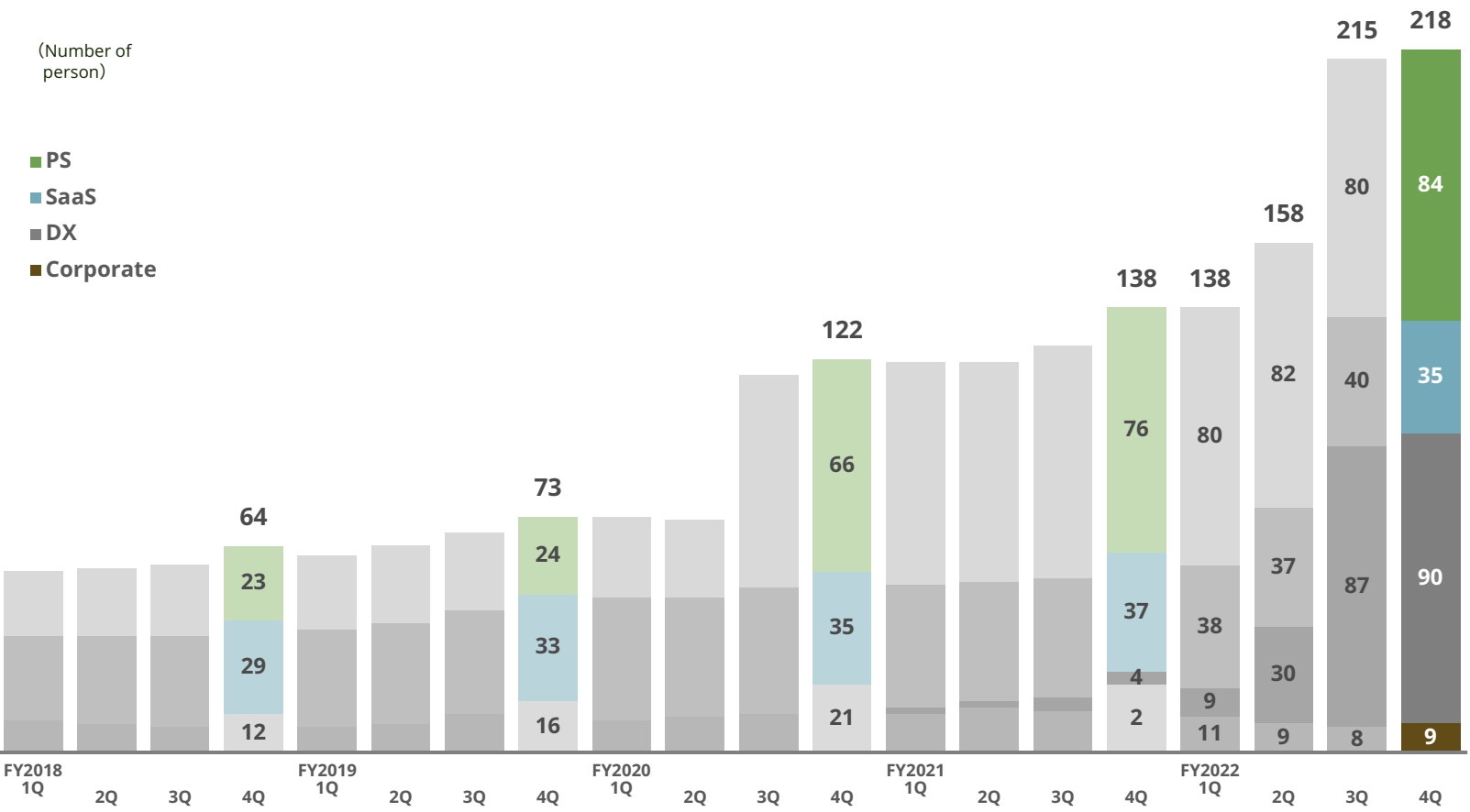
Segment size, growth rate, profitability and stability

	PS	SaaS	DX
Source of competitiveness	<ul style="list-style-type: none"> ❑ Consulting-style advertising agency model. Keep high sales and profitability 	<ul style="list-style-type: none"> ❑ High marginal profit rate and achieved sales level as high as the PS business in FY2022 ❑ Few competitors in Japan in social login and data feed tools 	<ul style="list-style-type: none"> ❑ With Shippinno and FRACTA as consolidated subsidiaries, EC support structure from website building to backyard jobs is complete ❑ Shopify App aims for growth while keeping the high marginal profit rate
Sales	FY 2022 2,010 million yen	FY 2022 733 million yen	FY2022 261 million yen
Personnel	Number of staff (Full-time only) 84	Number of staff (Full-time only) 35	Number of staff (Full-time only) 90
Growth potential			Sales trend 4 million yen (FY2021)  261 million yen (FY2022)
Profitability	Operating profit rate (FY2022) 43.2%	Operating profit rate (FY2022) 38.9%	
Stability		Since segment disclosure (FY2017) Increased sales and profit for 5 consecutive terms	

Since each segment has different characteristics, it is possible to continue growth investments while expanding profits.

(1) Management Resources and Competitive Advantage Expanding human resources

Changes in Number of employees (Full-time only)



The number of Group employees (full-time only) is 218, increased by 80 from the end of previous year

(1) Management Resources and Competitive Advantage Management members

Koji Tsukada
President & CEO
Feedforce Inc.



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

Keji Abe
Director
Anagrams
President & CEO



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

Tameaki Sato
Independent
Director
(Supervisory
Committee)

Graduated from Chuo University, the Faculty of Commerce, 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

Kosuke Kita
Director



Graduated from Tokai University in 2002. After graduating, he worked for Japan System Development Co. (Now NSD Corporation) and Daiwa Securities, before joining the company in September 2006.

Yoshihiro Okada
Director



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

Katsunori Ura
Independent
Director
(Supervisory
Committee)

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

Shingo Nishiyama
Director



Graduated from Kyoto University, the Faculty of Engineering in 2002. After graduating, he worked for the Ministry of Construction (now MLIT) and Nikko Citigroup Securities Co. (now SMBC Nikko Securities Inc.) before joining the company in January 2017.

Yasuo Sato
Independent
Director
(Supervisory
Committee)

After graduating from the 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.

Kazuhaya Okada
President & CEO
Social PLUS Inc.



Graduated from Tokai University, the Faculty of Engineering in 2000. After graduating, he was self-employed, worked for TMJ Inc., Cocom Inc. and other companies and joined Feedforce Inc. in October 2015 where he served as Head Manager for SaaS business and executive officer. Appointed as President and CEO of Social PLUS Inc. in June 2021.

Takanobu Kono
President & CEO
FRACTA Inc.



Worked as a freelance CG creator, composer and designer since 2000. Before joining Feedforce Group Inc. in December 2021, he was a digital strategy director at Tsuchiya Kaban, Inc. Japan's first Shopify evangelist.

Business Plan

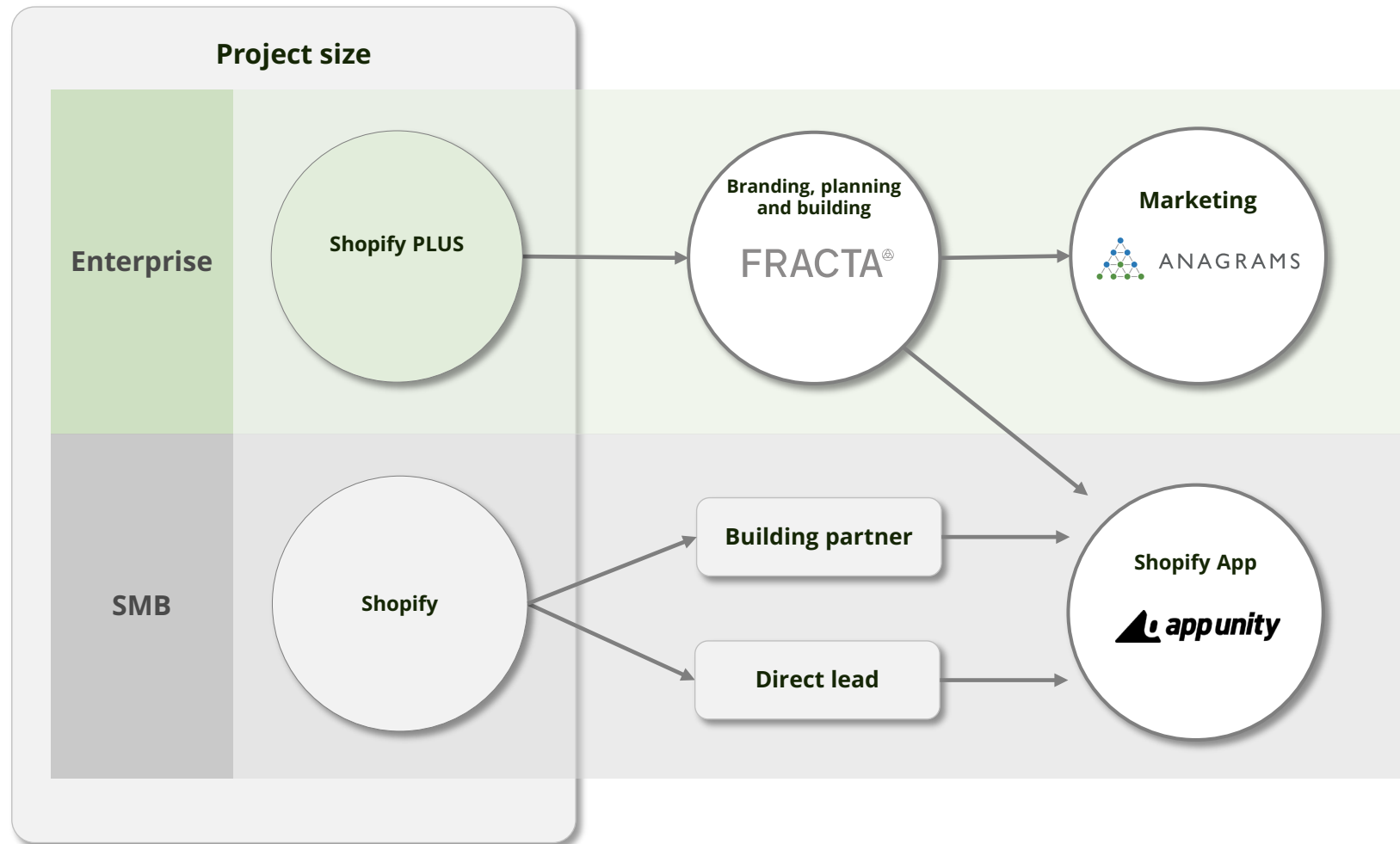
Business Plan Summary

Business plan summary for FY2023	□ Invest in expanding organization (mainly staff) for future growth while maintaining the profit level	PS	□ Increase Anagrams staff to more than 100
		SaaS	□ Keep increasing sales and profit while expanding functions
		DX	□ Increase FRACTA staff, increase sales of App Unity

In FY2023, we will prioritize expanding our organization while keeping the profit level. After FY2024, we expect a significant profit expansion.

Goals after FY2024	<ul style="list-style-type: none">□ Big leap in sales and profit for all segments□ Move forward the mid-term goal (5 billion yen sales, 2 billion operating profit) for more than 1 year (to be reached by FY2025)□ Along with the profit expansion, keep more than 20% ROE for capital efficiency
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(1) Growth Strategy Seek for group synergy

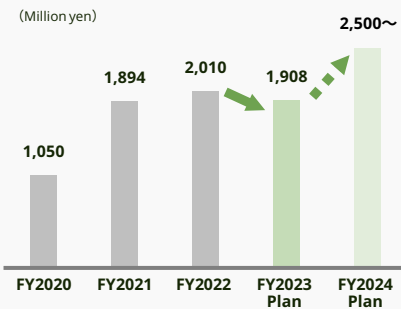


Build and provide value chains that suit the needs from Enterprise to SMB

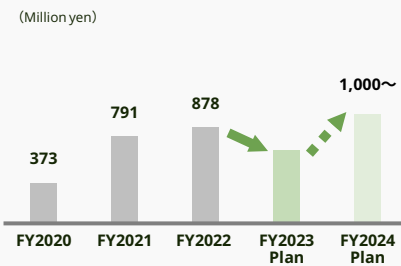
(1) Growth Strategy Growth strategy for PS business

PS results

Sales



Segment profit

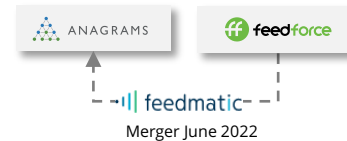


Initiatives for FY2023

- Expect decrease in sales and profit due to impact from cancelation in later part of FY2022 and reinforcing organization



- Along with the business succession of Feedmatic, shift to integrated internet advertising agency, including data feed



- For reinforcing organization, hire more staff at Anagrams and for stronger consulting skills, training will be the priority



Growth strategy after FY2024

- Target for FY2024:
Sales 2.5 billion yen
Segment profit 1.0 billion yen

Forecast for FY2023

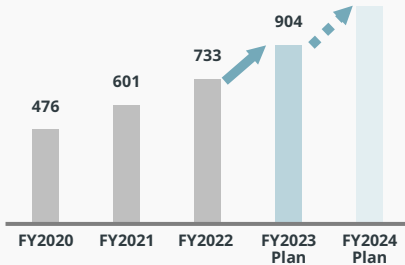
Decline in Sales and Segment profit because of Priority on increasing staff and training

(1) Growth Strategy Growth strategy for SaaS business

SaaS results

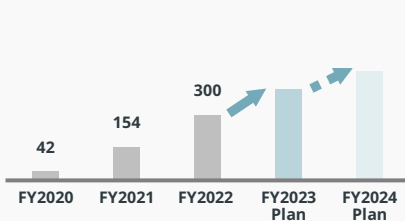
Sales

(Million yen)



Segment profit

(Million yen)



Initiatives for FY2023

- Maintain more than 20% growth and increased profit



- Expand mainly for enterprise and also extend to medium and small businesses
- Apply English and expand overseas



- Hire more engineers, develop mainly message functions
- Aim for top market share in Japan for both login and message functions



- Secure an absolute position as data feed SaaS
- Extend function to new media, use coordinating data, link with movie generating services

Growth strategy after FY2024

- Constant rise in sales and profit, maintain high growth

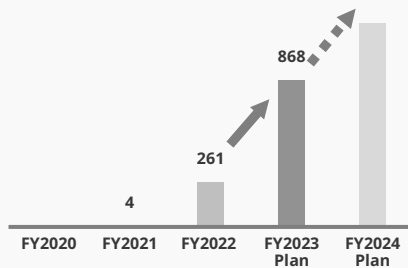
Realize extending functions for each service and keep rise in sales and profit

(1) Growth Strategy Growth strategy for DX business

DX results

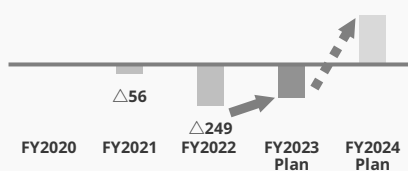
Sales

(Million yen)



Segment profit

(Million yen)



Initiatives for FY2023

- In FY2023, aim to make a segment profit for monthly result

Growth strategy after FY2024

- Segment profit for FY2024
- Expect significant growth from reinforced organization, building Unity economic zone, and group synergy

Expand organization early and aim for making profit in FY2024.

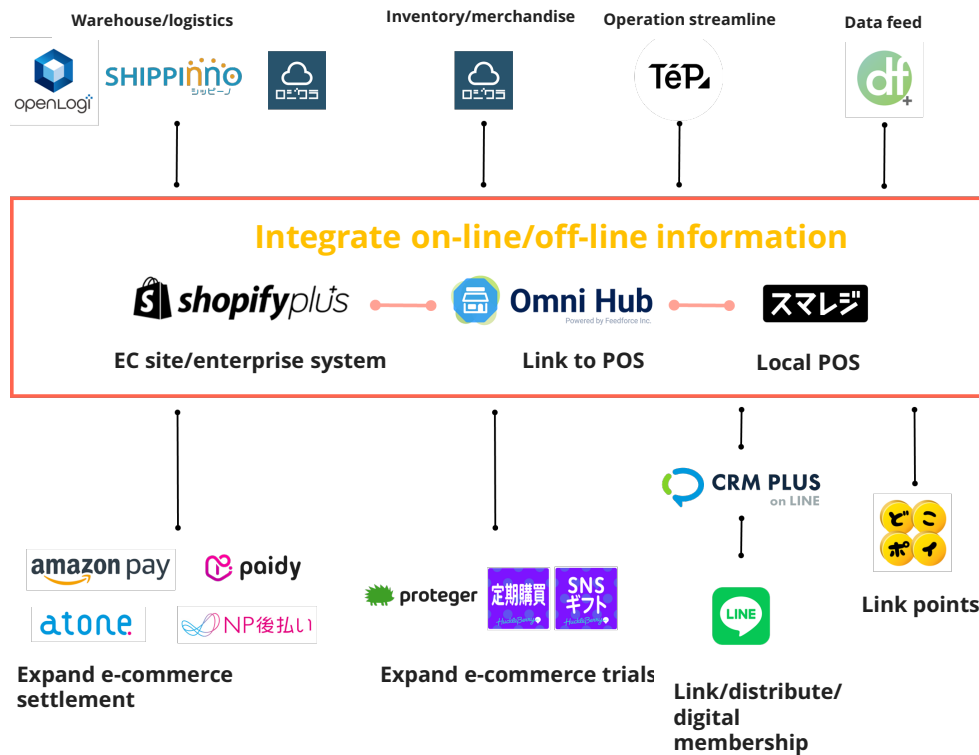
FRACTA®

- In previous year sales and profit increased, for further accelerated growth, reinforce organization
- We will focus on increasing staff and expect making a loss in 1H, but we will rapidly grow from 2H

appunity

- Reinforce sales structure by packaging
 - Next Plus
 - Subscription PLUS, other
- Collaboration with Mynavi
 - Establish App Unity economic zone
 - Steady lead creation
 - Reinforce ARR for member apps
- Stronger synergy as a group App Unity Commune&Knowledge

Next⁺plus

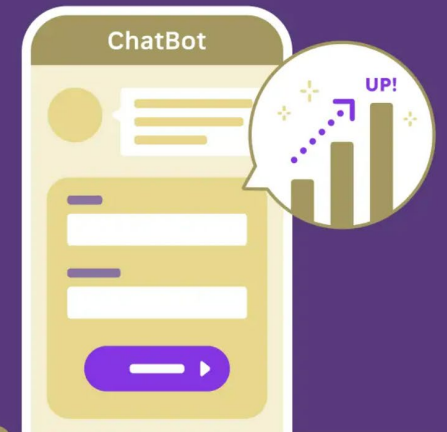


Started business alliance with Mynavi Corporation in EC support



Form-integrated LP by Shopify!

Double CVR
サブスクPLUS



New!

First in Shopify

New!

New service



About Us

We are enterprise alliance providing Shopify apps compatible with domestic environment.

We develop new apps compatible with domestic EC environment and specific solution package, standardize support structure for Shopify apps, investigate and solve conflicts with other apps and themes, and actively provide information to the Shopify community; all of which will contribute to the domestic environment surrounding Shopify.



Domestic compatibility



Solution package



Conflicts with apps/themes



Provide information

Achievements



Partner companies

45

companies

Apps review total points

4.9

Out of 5



Books published

3

Articles rewired

100

(2) Management Indicators

Sales-related data: Number of use projects by service

(Number of use)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 3Q	4Q	YoY	QoQ
PS									
Anagrams	—	—	—	96	115	118	116	+1	△2
Feedmatic	24	23	45	48	45	51	49	+4	△2
DF PLUS	88	82	85	76	79	76	72	△7	△4
Other	11	7	6	5	3	2	—	△3	△2
SaaS									
EC Booster※1	—	57	313	344	303	284	283	△20	△1
dfplus.io	7	48	98	139	175	216	235	+60	+19
Social PLUS	133	188	237	272	309	345	361	+52	+16
DX									
FRACTA	—	—	—	—	—	—	53	+53	+53
Shippinno	—	—	—	—	—	528	495	+495	△33
Teps	—	—	—	—	—	85	123	+123	+38
Shopify App※2	—	—	—	—	—	415	532	+532	+117

The number of use constantly increased for the whole SaaS business

The number of Shopify App active account in DX significantly increased

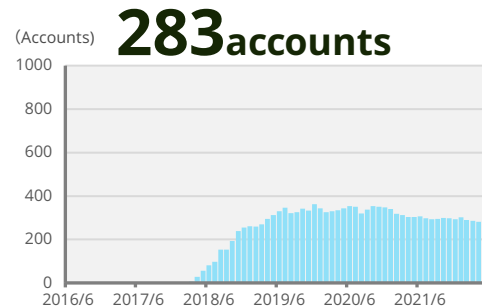
※1 EC Booster free plan accounts are not included.

※2 The number of paid active accounts of Shopify-providing apps

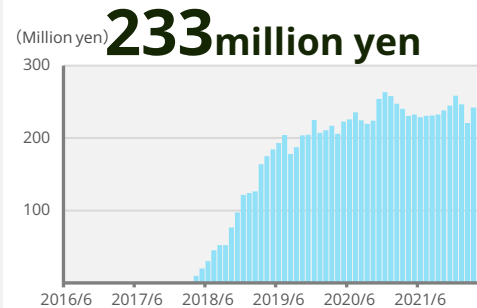
(2) Management Indicators Sales-related data: SaaS performance indicators



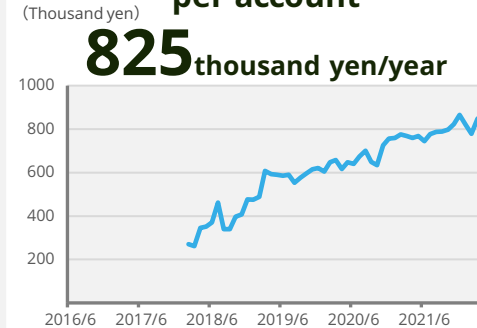
Number of paid advertising active accounts



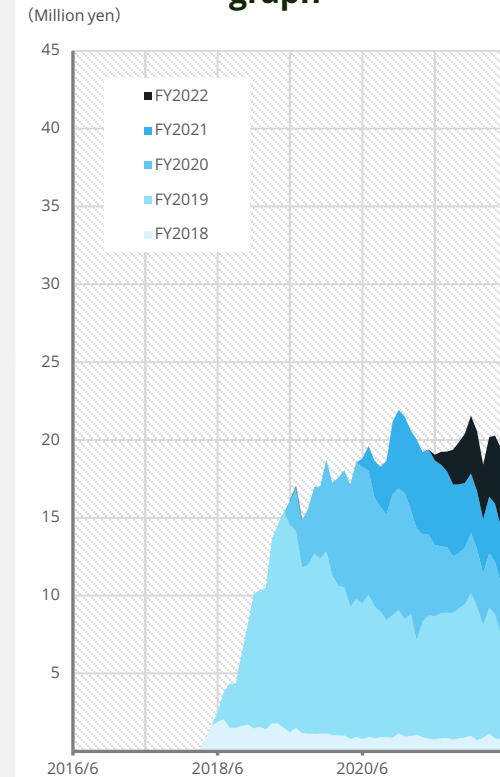
Annualized transaction volume ※1



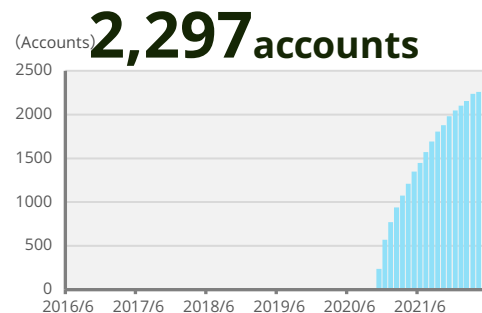
Average transaction volume per account



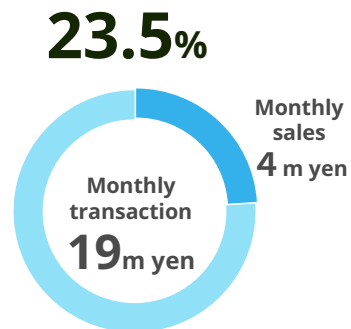
Monthly transaction cohort graph



Number of free plan active accounts



Take rate ※2



※1 Calculated by multiplying 12 to each monthly transaction amount.

※2 Ratio of sales to transaction amount. Sales are calculated by deducting media advertising cost and partner commissions from the transaction volume.

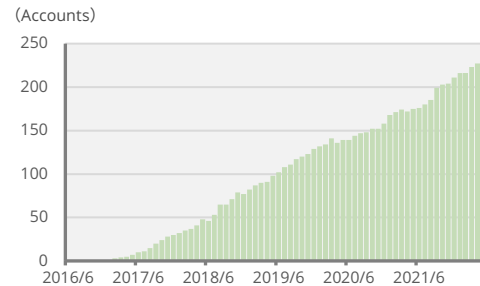
(2) Management Indicators

Sales-related data: SaaS performance indicators



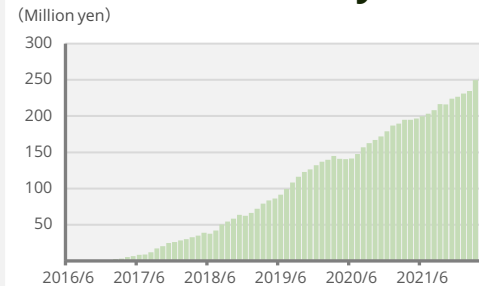
Number of accounts

235accounts



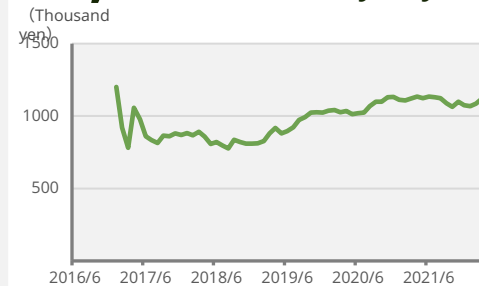
ARR^{※2}

259million yen



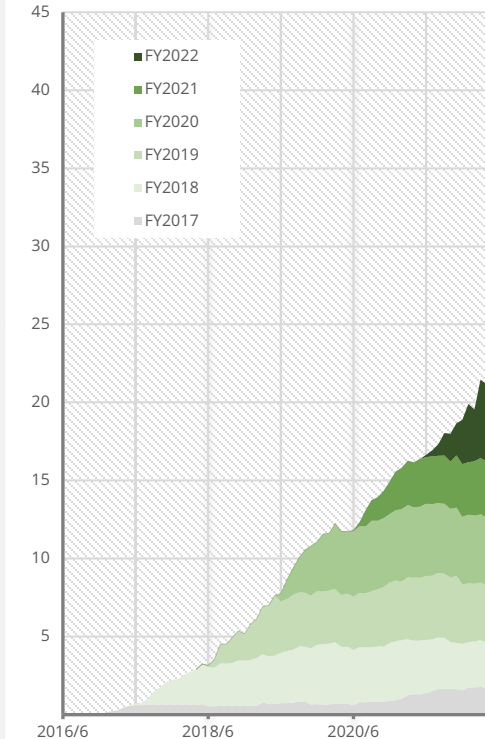
ARPA^{※3}

1,105thousand yen/year



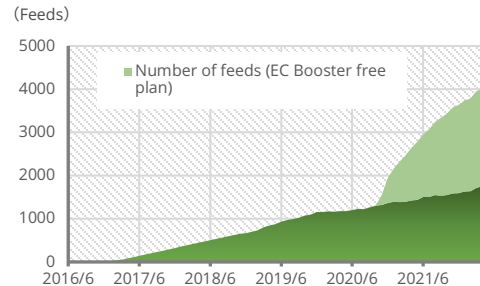
Monthly sales cohort graph

(Million yen)



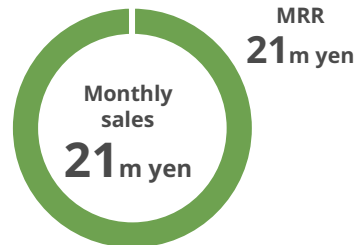
Number of datafeeds^{※1}
(Excluding ECBooster free plan)

1,781feeds



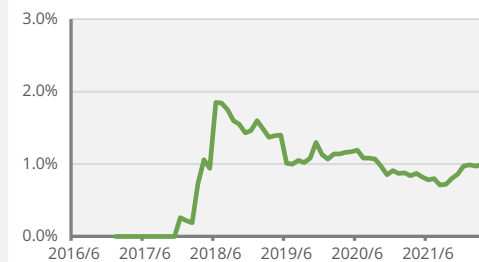
Recurring revenue ratio

100.0%



Churn Rate^{※4}

0.87%



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

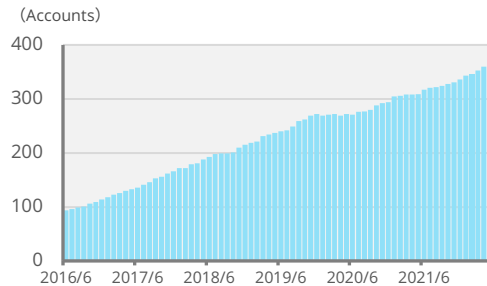
※4 The weighted average of monthly cancellation amounts for the monthly recurring revenue for the last 12 months

(2) Management Indicators Sales-related data: SaaS performance indicators

social plus

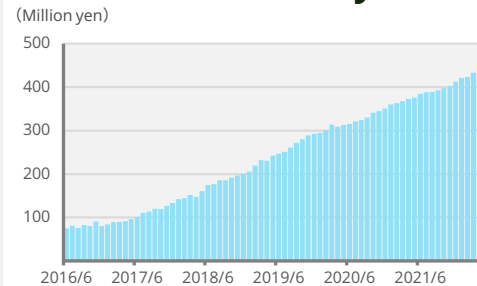
Number of accounts

361accounts



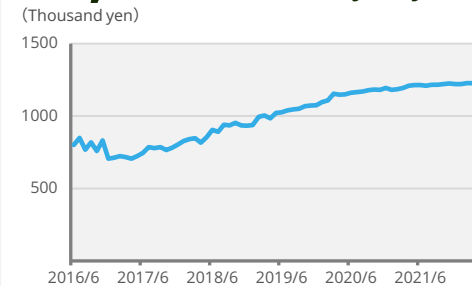
ARR^{※2}

450million yen



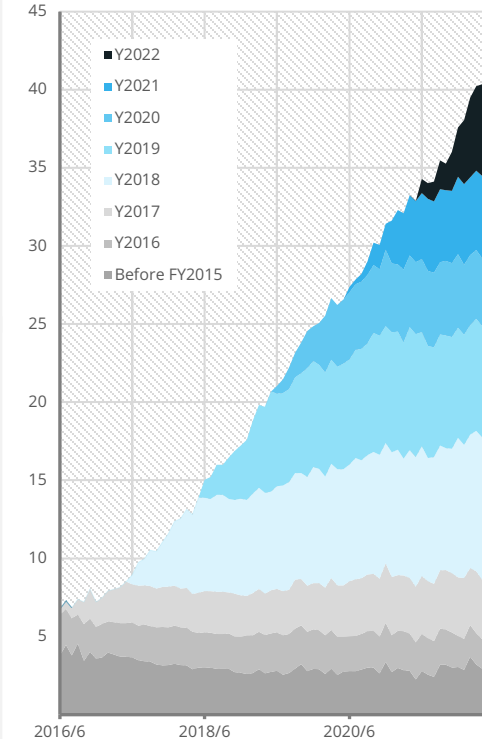
ARPA^{※3}

1,248thousand yen/year



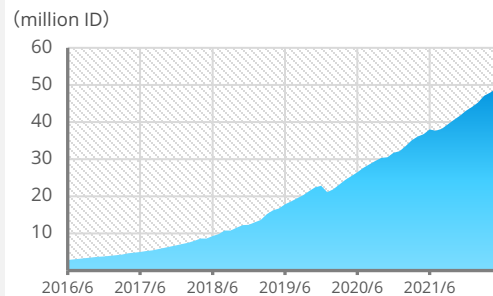
Monthly sales cohort graph

(Million yen)



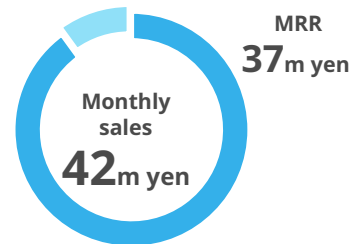
Number of user ID^{※1}

48million ID



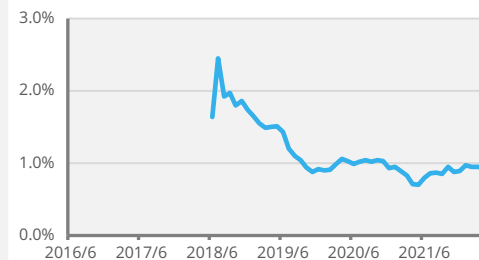
Recurring revenue ratio

88.9%



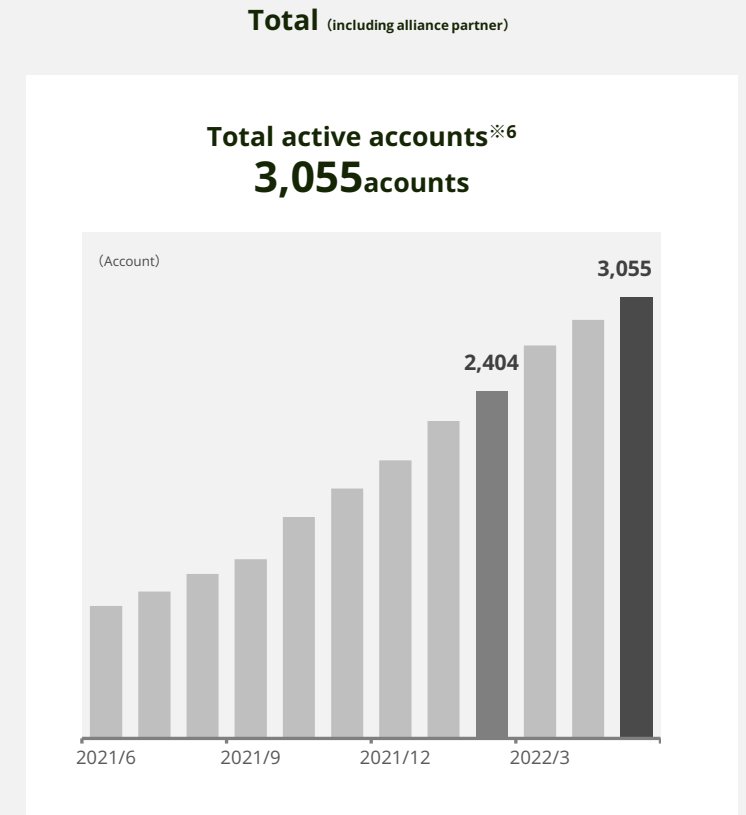
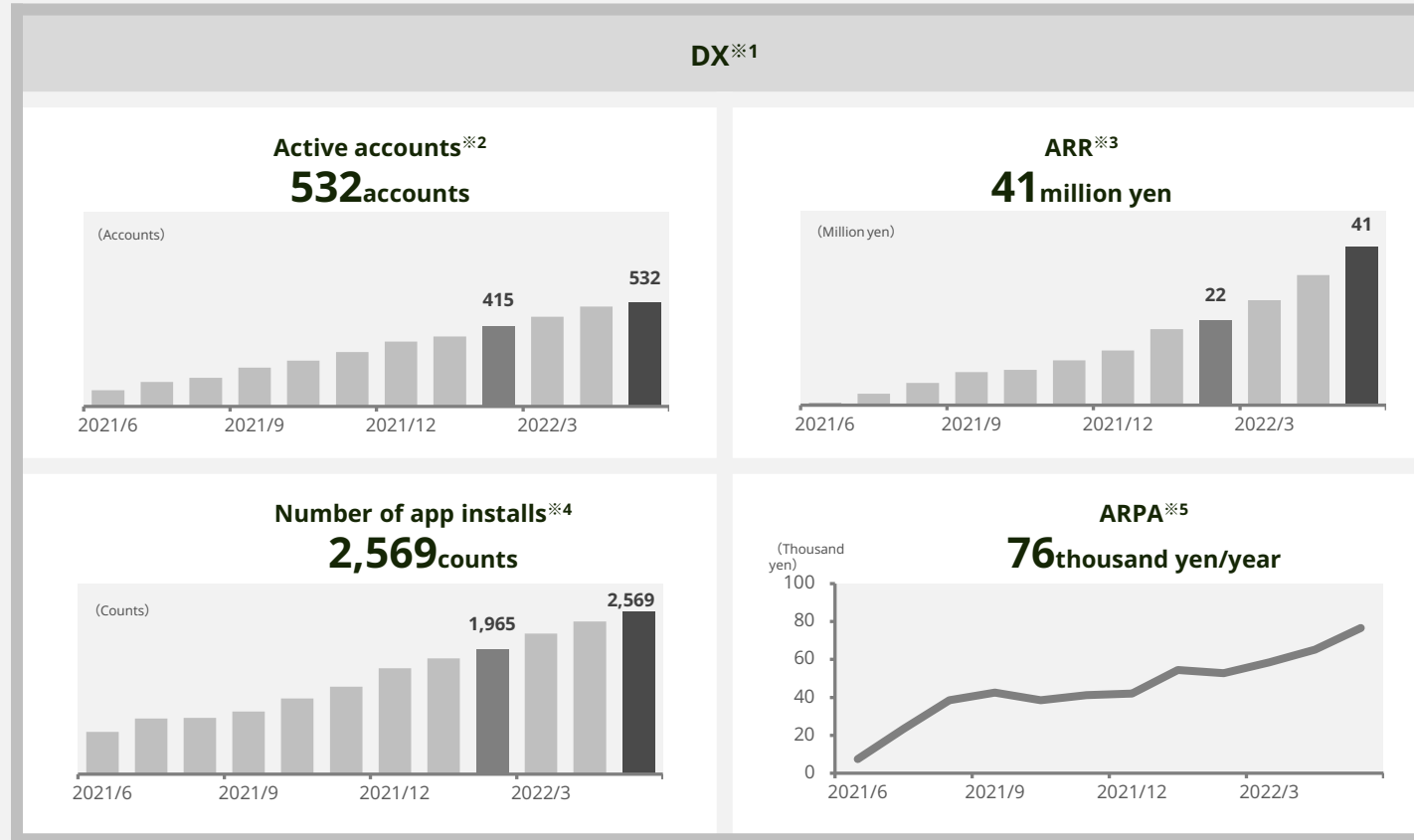
Churn Rate^{※4}

0.95%



※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 ARR per account
 ※4 The weighted average of monthly cancellation amounts for the monthly recurring revenue for the last 12 months

(2) Management Indicators Sales-related data: DX performance indicators

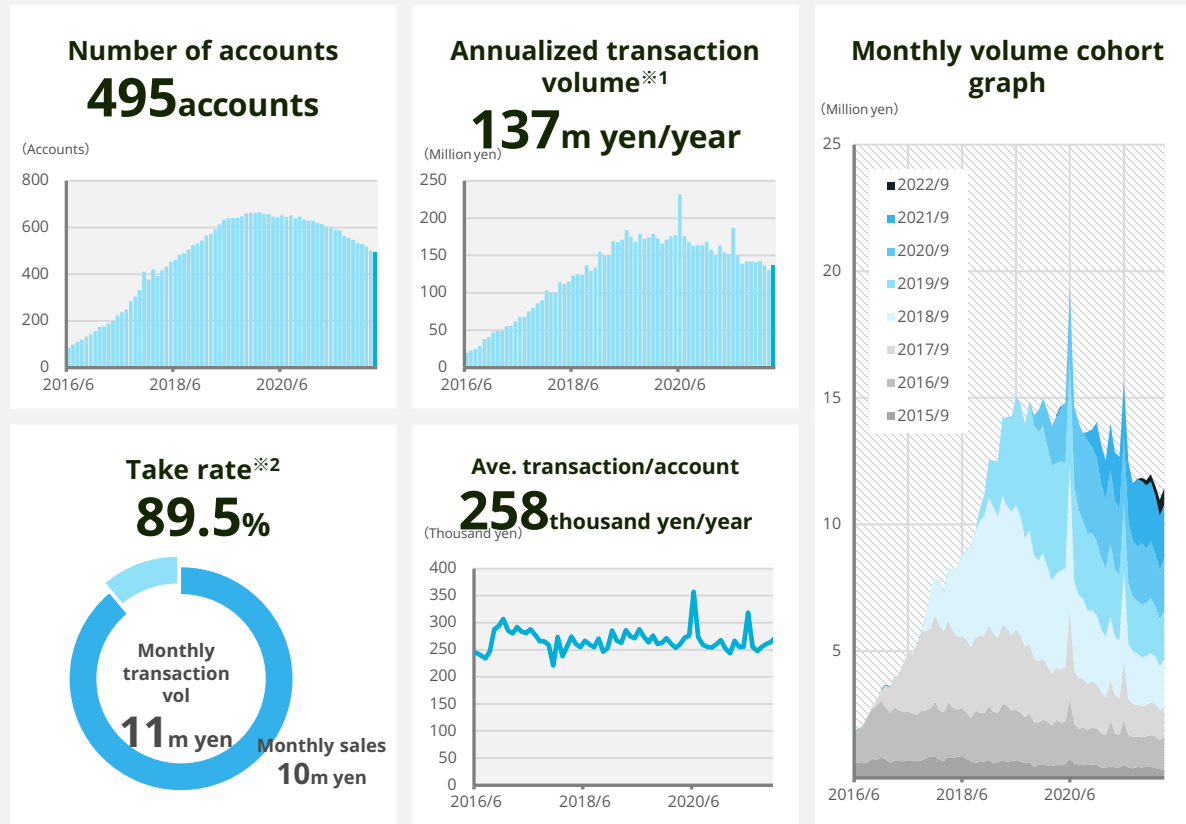


※1 Total of Shopify apps "Subscription", "Omni-hub" and "Dokopoi" belonging to DX business
 ※2 Only the number of paid plan actives is included
 ※3 Calculated by multiplying each monthly recurring revenue (continuous fixed revenue) by 12. In the joint venture development app, only the company's revenue is recorded
 ※4 Accrual after deducting uninstalls from the total number of installations
 ※5 Average ARR per account
 ※6 Includes free plan actives

(2) Management Indicators Sales-related data: DX performance indicators



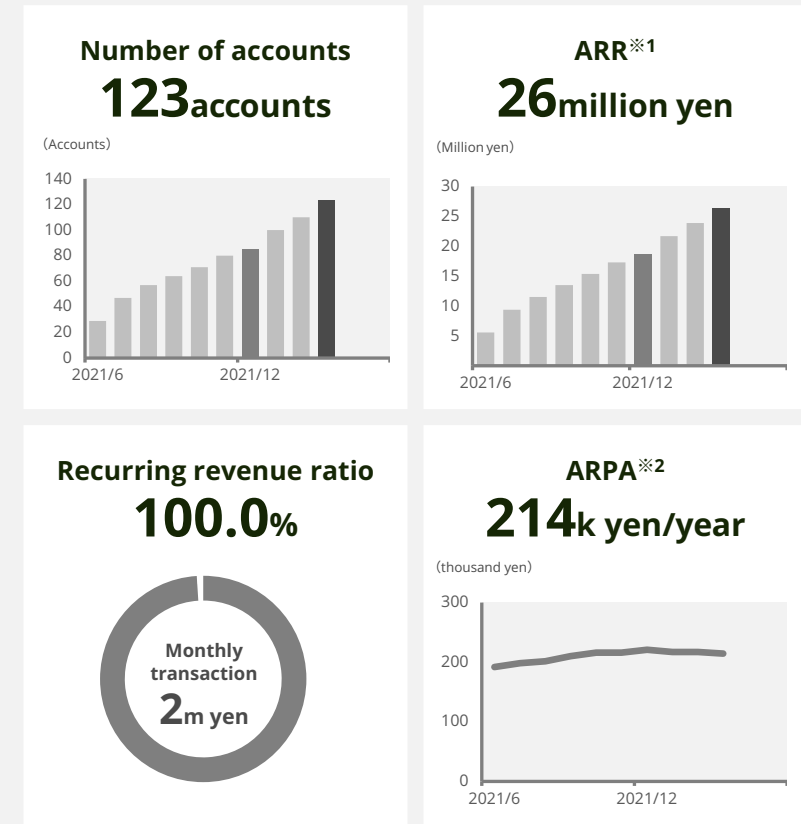
(The latest month is March 2022)



※1 Calculated by multiplying 12 to each monthly transaction amount
※2 Ratio of sales to transaction volume. Sales are calculated by deducting the payment fee to the partner from the transaction volume.



(The latest month is March 2022)



※1 Calculated by multiplying each monthly recurring revenue (continuous fixed revenue) by 12
※2 Average ARR per account

(2) Management Indicators Financial indicators

	FY2017 Unconsolidated	FY2018 Unconsolidated	FY2019 Unconsolidated	FY2020 Consolidated	FY2021 Consolidated	FY2022 Consolidated
Sales growth rate	+46.2%	+15.6%	+24.5%	+118.0%	+69.5%	+20.7%
PS	—	+1.8%	△0.3%	+162.6%	+88.7%	+6.1%
SaaS	—	+74.4%	+86.3%	+58.6%	+26.4%	+21.9%
Operating profit	△5.9%	△4.6%	6.6%	27.2%	34.4%	31.0%
PS	32.0%	34.6%	28.0%	35.5%	40.0%	43.2%
SaaS	△157.2%	△94.6%	△19.5%	8.6%	24.4%	38.9%
ROA※1,※2	—	—	11.2%	14.6%	15.2%	12.8%
ROE※2,※3	—	—	57.2%	31.0%	28.5%	22.5%
Shareholders' equity ratio ※4	19.7%	15.7%	20.7%	18.3%	36.6%	37.2%
D/E ratio ※5	2.1x	2.6x	1.6x	1.1x	0.7x	0.8x

In SaaS business, sales growth rate is about 21%, operating profit margin is about 38%

ROE exceeded 20%.

※1 ROA : operating income / {(total assets at beginning + total assets at end)/2}

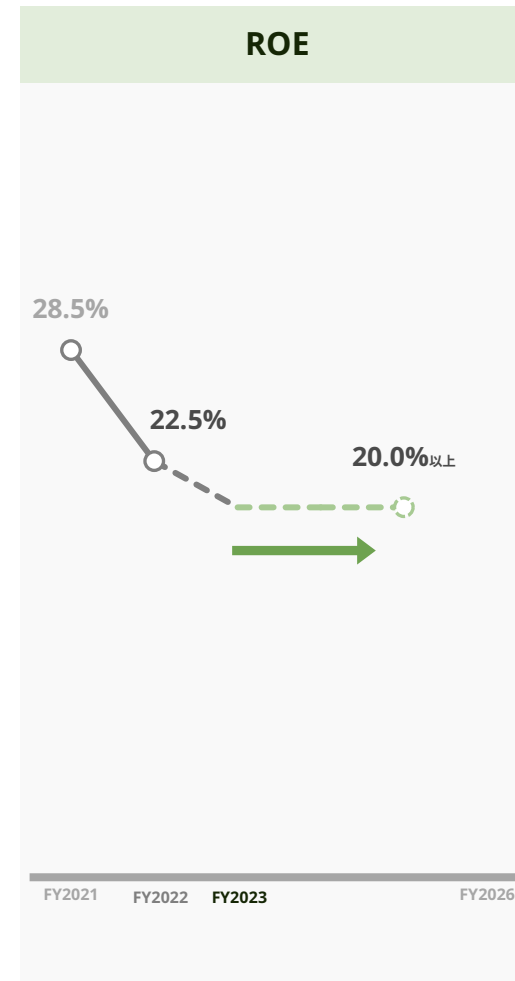
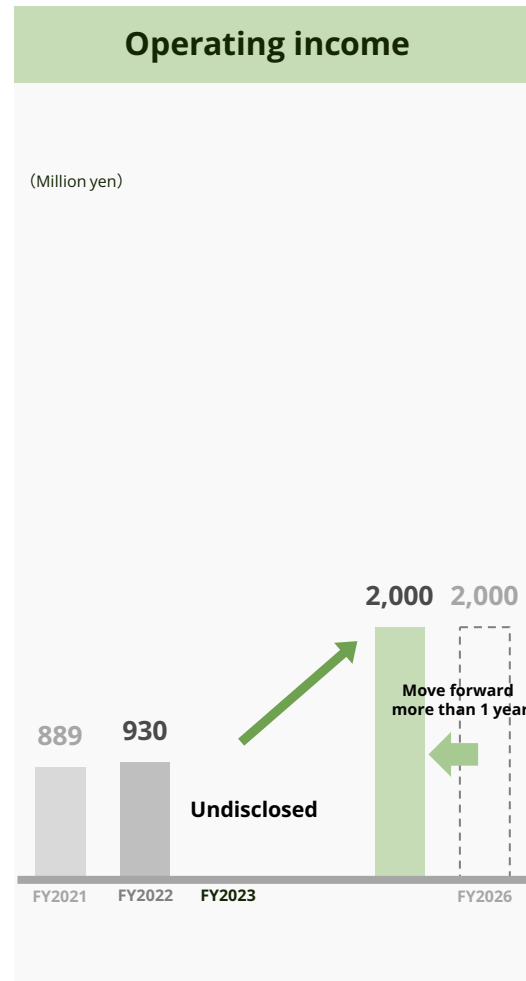
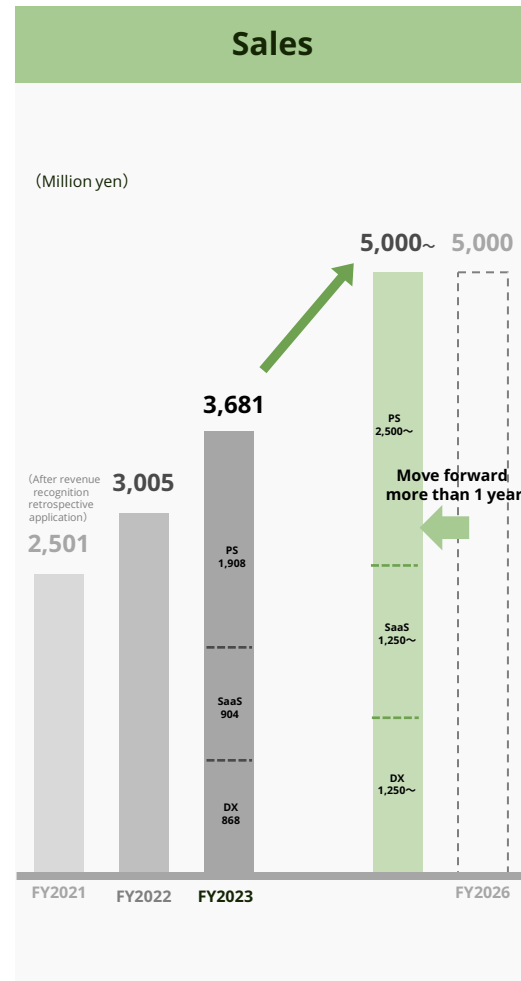
※2 Presented as 「△」 for negative figures.

※3 ROE : profit attributable to owners of parent+ {(total shareholders' equity at beginning+ total shareholders' equity at end)/2}

※4 Shareholders' equity ratio : (shareholders' equity+ accumulated other comprehensive income) + total assets

※5 D/E ratio : interest-bearing debt+ total assets

(3) Profit Plan and Assumptions Our Business Plan targets



Our Business Plan target sets to achieve by FY2026:

- Sales 5.0 billion yen
- Operating income 2.0 billion yen

Sales and operating income targets are set to be reached more than 1 year earlier than planned

Maintain more than 20% ROE, while focusing on profit expansion and capital efficiency

(3) Profit Plan and Assumptions FY 2023 forecast

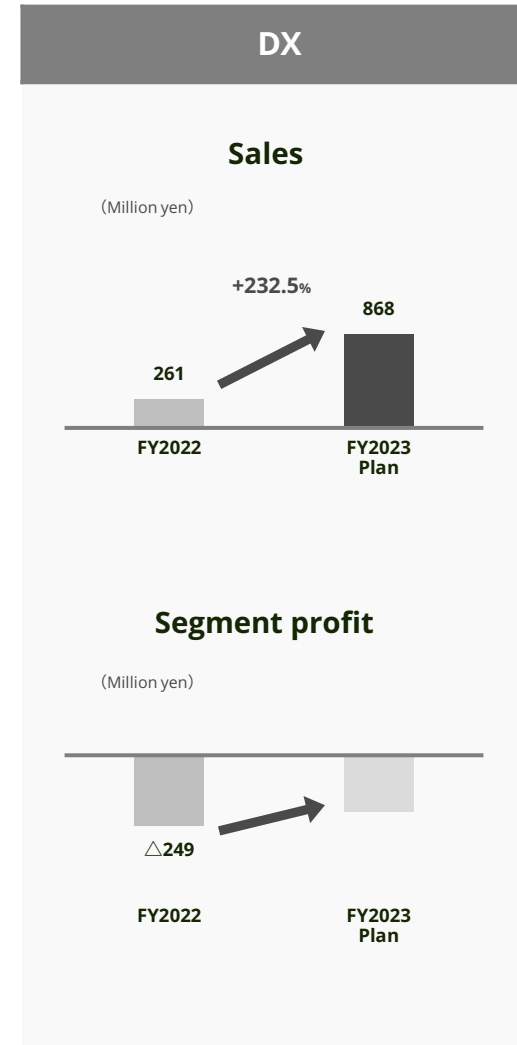
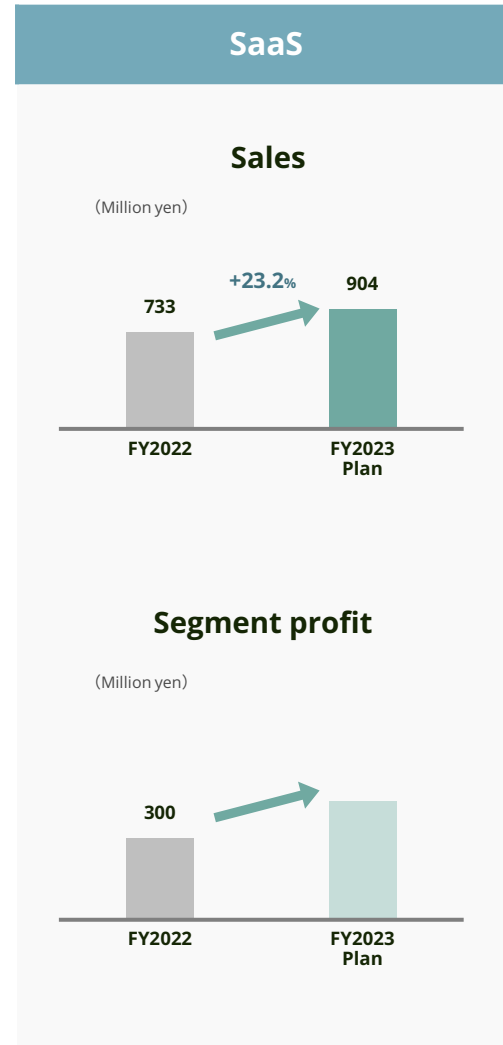
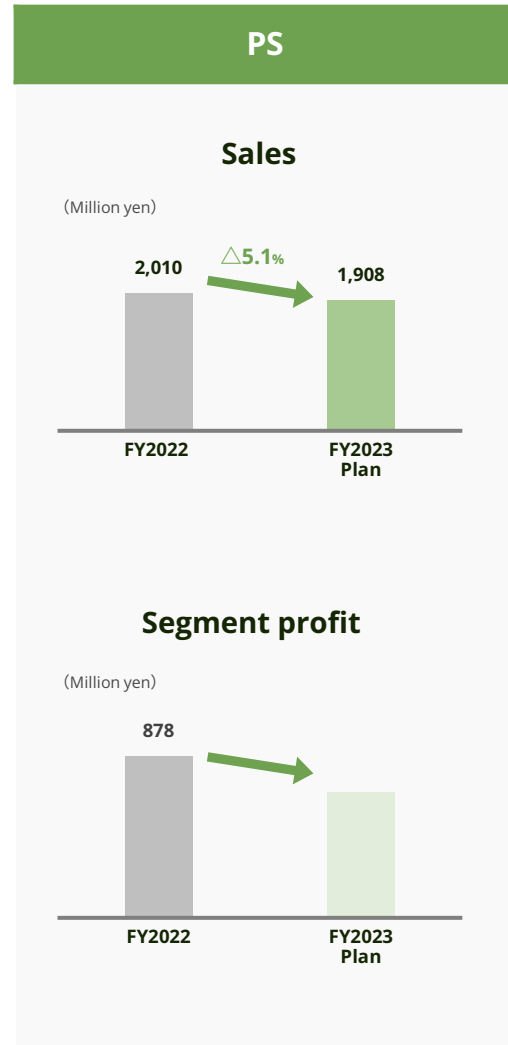
	FY2021 Actual	FY2022 Actual (A)	FY2023 Forecast (B)	Variance (B) / (A) -100%
Sales (After revenue recognition retrospective application FY2021)	2,501	3,005	3,681	+22.5%
EBITDA	1,058	1,137	—	—
Operating income	889	930	—	—
Profit before income taxes	874	912	—	—
Profit attributable to owners of parent	472	602	—	—
EPS	18.88円	23.20円	—	—

We expect the sales growth rate to exceed 20% for FY2023.

The forecast profit is undisclosed as we are currently under negotiation whose result may change our scope of consolidation. It will be disclosed, as soon as the deal is settled.

(3) Profit Plan and Assumptions

FY2023 Forecast by segment



PS segment sales and profit will decrease.

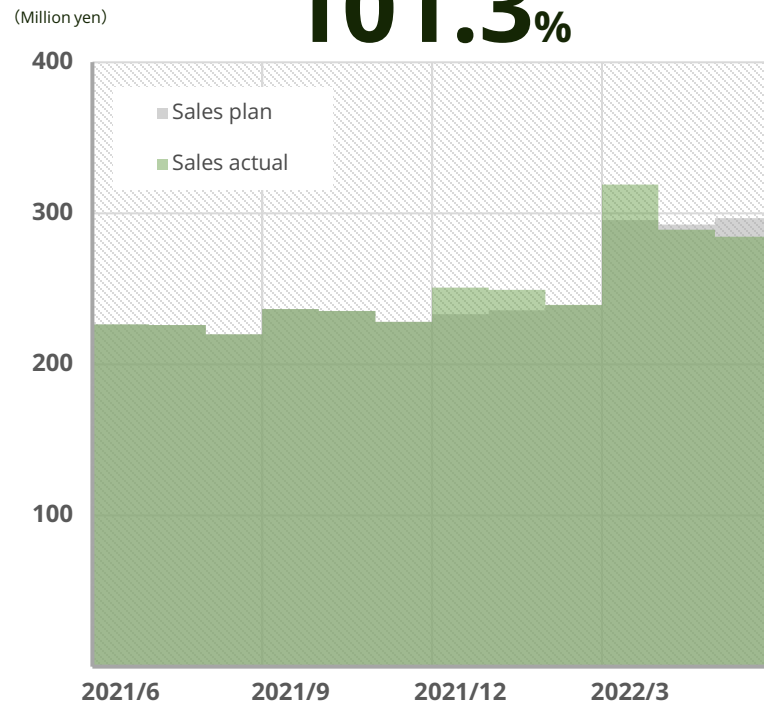
SaaS segment sales and profit will increase.

DX segment sales will increase but will continue to run at a loss.

(4) Progress Progress in the FY2022 forecast (Amended December 28, 2021)

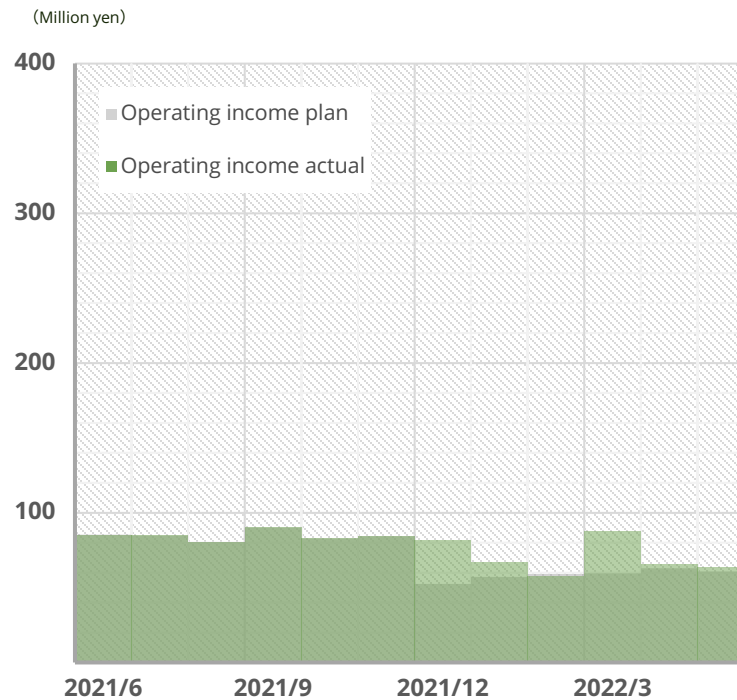
Annual Progress rate to plan
Sales

101.3%



Annual Progress rate to plan
Operating income

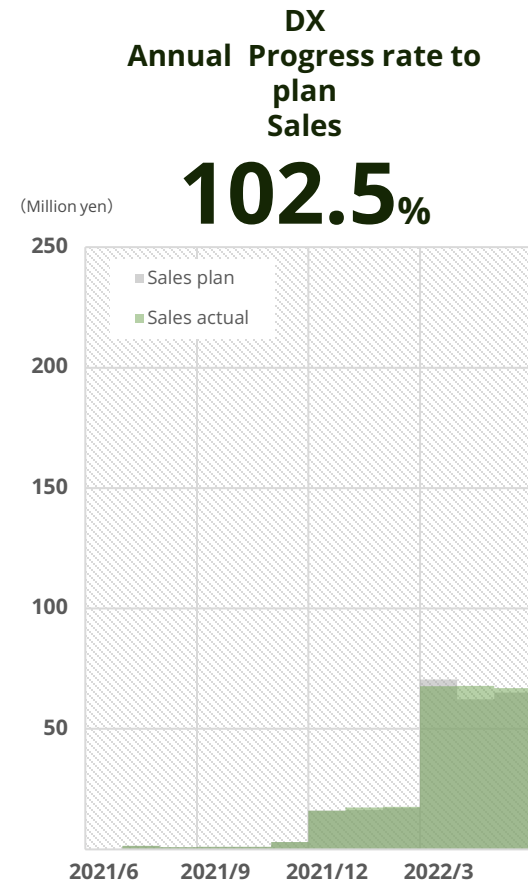
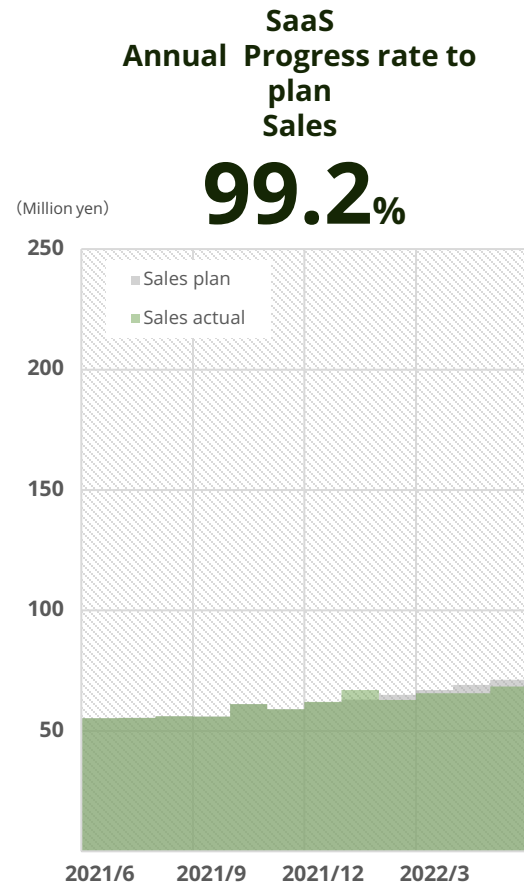
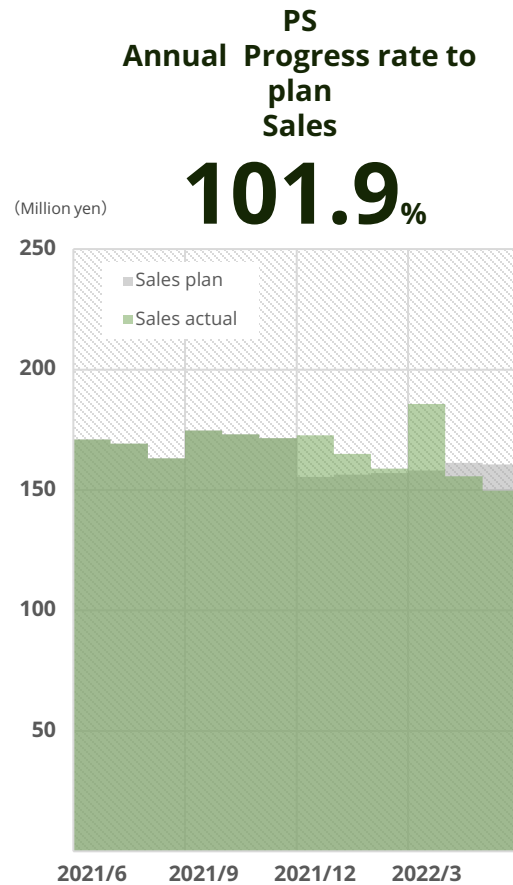
108.2%



Progress rates for both sales and operating income higher than the plan.

We will update *Our Business Plan and Growth Potential* every quarter and disclose. (Next update will be September 2022)

(4) Progress Progress by segment in FY2022 Forecast (Amended on December 28, 2021)



PS and DX segments exceeded the plan.

Risk Information

(1) Perceived Risks

Business risks and external environment

Risks Timing and probability	Contents
COVID-19 Timing : Short-term Probability: High	<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 Timing : Short-term Probability: High	<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>
Technological Innovation Timing : Long-term Probability: Medium	<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>
Regulations Timing : Long-term Probability: High	<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

Risks Timing and probability	Contents
Concentration on a specific medium Timing : Long-term Probability: Medium	<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 Timing : Short-term Probability: High	<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 Timing : Long-term Probability: Medium	<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

Risks Timing and probability	Contents
Recovery of investment in new businesses Timing : Long-term Probability: High	<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. Timing : Long-term Probability: Medium	<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.

※ Please refer to "Major risks" in annual securities report for other risks not listed here.

(2) Risk Management

Business Risks and external environment	
Risks	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
Technological Innovation	Continuous service improvement and engineer recruitment
Regulations	Approaches to ID marketing

Business Risks and internal environment	
Risks	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 attract new customers
Information Security	Limited access rights Periodic vulnerability checks, etc.

Financial Risks	
Risks	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 before the risks become apparent.

Group Mission

「働く」を豊かにする。

Feed a force for good and change