F-CODE

Financial Results for the Third Quarter of the Fiscal Year Ending December 31,2024

f-code Inc. | TSE Growth Market：9211

November 14, 2024

Highlights | Summary of Financial Results FY12/2024 3Q

Sales Revenue: 3.07 billion yen (approx. 1.9x YoY),
Operating income: 1.01 billion yen (approx. 2.4x YoY)
Continuous high growth in both revenue and profit

FY12/2024 3Q Results

(Unit：millions of yen)	FY12/2023 3Q ※1	FY12/2024 3Q	前年同期比
Sales revenue	1,580	3,077	194.7%
Operating income	415	1,016	244.6%
Income before income taxes	390	939	240.9%
Net income attributable to owners of the parent	281	593	210.3%

※1 ：The provisional accounting treatment for business combinations was finalised in the third quarter of the year ending 31 December 2023 and the first quarter of the year ending 31 December 2024, and the figures for the second quarter of the year ended 31 December 2023 reflect the finalised provisional accounting treatment.

Review of the most recent fundraising and M&A

1 May 2024: Public offering of new shares, raising approximately 2.4 billion yen

Strengthen the financial base to enable swift execution of deals amid increasing M&A opportunities.
Plan to allocate a total of approximately 5 billion yen- for immediate M&A investments.

2 November 2024: SpinFlow Inc. consolidated as a subsidiary

Offering consulting, business improvement, and reskilling programs based on generative AI.
Acquisition price: approximately 170 million yen (acquisition ratio: 50.1%), with projected annual operating profit of 60-80 million yen-.

3 November 2024: BUZZ Inc. consolidated as a subsidiary (acquired by SAKIYOMI)

Operating 'Buzz College,' a skill-building school primarily on Instagram.
Acquisition price: approximately 667 million yen, with projected annual operating profit of 160 million yen-.

M&A Summary | SpinFlow Inc. November 5, 2024

1

Providing **consulting, business improvement, and reskilling training based on generative AI.**

Supporting the use of generative AI to enhance business efficiency across industries, sectors, and company sizes.

2

With the momentum of next-generation skill education, **over 2,000 people** enrolled and participated in training programs **within approximately six months**.

Following the “Reskilling Revolution”(re-learning) proposed at the Davos Conference in 2020, there have been global efforts to educate and apply next-generation skills. There have been many applications from companies, and more than 200 people are currently enrolled in the program every month.

3

Continuing to offer a wide range of services while also developing **support tailored to specific job roles and industries**.

We will also be developing specialized services that can contribute to productivity improvements in Japan, such as those for sales and marketing, which are common occupations, and for the food and beverage, retail, and medical and welfare industries, which are common types of business.

M&A Summary | BUZZ Inc. November 28, 2024(scheduled)

1

Buzz College, a skills-up school centered around Instagram, is being developed.

Provides over 100 course contents and personalized consulting services based on a systematic approach to Instagram management.

2

In response to the expanding SNS market and freelance/side business market, over 12,000 Clients have enrolled in the past three years.

Service launched in 2022 and currently provides courses to several hundred participants each month. Total follower count of all course participants exceeds 10 million.

3

Through synergies between BUZZ Inc. and SAKIYOMI Inc., business expansion is achieved for both corporate and individual clients.

High-performing students in BUZZ Inc.'s SNS School are introduced to client projects from SAKIYOMI Inc., further expanding SNS support for clients under the SAKIYOMI Group. The increase in project volume also enhances the appeal of the school.

AGENDA

01 Company and Business Overview

02 Financial Summary

03 Summary of our finance and M&A investments

04 Market Environment and Future Outlook

05 Appendix

01 Company and Business Overview

About Us

Name of company	f-code Inc.
Name of Repressive	Tsutomu Kudo, President and representative Director
Date of Establishment	March 15, 2006
Head Office Location	2F Kagurazaka Sotoboridori Building, 1-1 Kagurazaka, Shinjuku-ku, Tokyo
Capital stock	1,241,049 thousand yen (September 30, 2024)

Executive Composition

■ CEO	Tsutomu Kudo	■ Director (Outside・Audit Committee Member)	Genta Imamura
■ Director	Yuki Arai	■ Director (Outside・Audit Committee Member)	Reona Amemiya
■ Director	Shinichi Yamazaki	■ Director (Outside・Audit Committee Member)	Fumiko Kato
■ Director	Takahito Hirai		

Consolidated Total Assets	17,628,957 thousand yen (September 30, 2024)



History

2006	Mar.	F-Code Inc. was founded as a company providing web consulting services.
2013	Feb.	Entry form optimization tool "f-traEFO" released, SaaS business launched.
2018	Jul.	Released CODE Marketing Cloud, a CX Improvement SaaS
2021	Dec.	Listed on the Tokyo Stock Exchange Mothers market
2022	Feb.	Acquisition of "EFO-CUBE" and other businesses of Comix Corporation
	Apr.	Listed on the Growth Market in accordance with the TSE's market reorganization.
	Sep.	Acquisition of "GORILLA EFO" business of BruceClay Japan Inc.
	Nov.	Acquisition of the "sinclo" business of Media Link Co.
	Dec.	Acquisition of "hachidori" business of hachidori Inc.
2023	Jan.	Public offering through the issue of new shares Acquisition of "KaiU" business of Subscription Factory Inc.
	May.	Acquisition of "SAKIYOMI" business Radix Corporation (formerly SAKIYOMI Inc.) (Acquisition of shares of newly established company)
	Aug.	CRAFT Inc. became a consolidated subsidiary TEORY Inc.'s newly established spin-off company (JITT Inc.) becomes a consolidated Subsidiary Microwave Corporation's newly established spin-off company (Microwave Creative Inc.) becomes a consolidated subsidiary
2024	Jan.	BINKS Inc. , which operates LTV Science business, becomes a consolidated subsidiary
	Apr.	RAGNA ROCK Inc., which operates Growth engineering business, becomes a consolidated subsidiary
	May.	Public offering through the issue of new shares
	Nov.	Partial acquisition of shares in SpinFlow Inc., which providing consulting services and training programs for generative AI utilization, to make it a consolidated subsidiary. Planned acquisition of all shares in BUZZ Inc., which operating the SNS school "Buzz College," to establish it as a second-tier subsidiary.

Management Member (Board of Directors)



President and Representative Director

Tsutomu Kudo

Joined a management consulting firm while still a student at the University of Tokyo.
After assisting a startup business and working on projects for large corporations, joined the board of a driving school portal site company. Founded F-Code Inc. in 2006.



Director, General Manager of Business Headquarters

Yuki Arai

Joined a management consulting firm while still in college. Primarily responsible for the sales and marketing areas.
Experienced at establishing a business from the start-up phase. Joined f-code Inc. in 2007 and now hold the current position.



Director, General Manager of Corporate Planning

Takahito Hirai

Joined the Japan Finance Corporation.
After working for a new finance venture, managed a start-up business and then joined Hakuhodo DY Distal Inc. Took a role in marketing a major e-commerce company,
etc. Joined F-Code Inc. in 2020 and was promoted to the current position in 2021.



Director, General Manager of Business Administration Division

Shinichi Yamazaki

Previously worked as General Affairs and Human Resources Manager for Recruit Staffing Co., Ltd., Director and Administration Head for EN Japan Inc., and Director and Managing Executive Officer for ThreePro Group Inc. Joined F-Code Inc. in 2018 and become a board member in 2021.

Audit & Supervisory Committee Member



Outside Director

Genta Imamura

Certified Public Accountant /Tax accountant
2006 Appointed Director of Harukiya Sohonten Co.
2010 Joined Deloitte Touche Tohmatsu LLC.
2017 assumed current position. 2018 Established Genta Imamura Certified Public Accountant and Tax Accountant Office. 2022 Appointed Auditor of Information Strategy and Technology Co. (Listed on the Tokyo Stock Exchange Growth Market in 2024)



Outside Director

Reona Amemiya

After working for Hikari Tsushin, Inc., joined the Recruit Group and served as representative director and executive officer within the group. In 2014, became president and representative director of I.A.M. & Interworks, Inc. (now Interworks Confidence Inc.) and went public during the tenure. After stepping down, established Smart Agency Inc. and assumed the current position in 2018.



Outside Director

Fumiko Kato

Certified Public Accountant /Tax accountant
2011 Joined BDO Sanyu & Co.. 2013 Joined Deloitte Touche Tohmatsu LLC. 2017 Joined Tokyo Tatemono Co.. 2020 Joined Ernst & Young ShinNihon LLC. 2023 Established KATO CONSULTING Co. and became its representative director, Founder and director of Fumiko Kato Certified Public Accountant Office, and Fumiko Kato Certified Public Tax Accountant Office (current position)

f-code Group Summary

Business Performance

	Previous fiscal year FY2023 (Results) ※1	Current fiscal year FY2024 (Forecast | Compared to last year)
Sales Revenue	¥2.48bn	¥4.63bn | 1.9times
EBITDA	¥0.71bn ※2	¥1.59bn ※2 | 2.2times
Operating income	¥0.64bn	¥1.35bn | 2.1times

EPS

Previous fiscal year (Results)	Current fiscal year (Forecast)
46.47yen	66.82yen

1.4times

Business・Organization

The entire group

Total 9 companies ※3

Executives・Employees

approx.170 persons ※3

Established

19th term

※1 The provisional accounting treatment for business combinations was finalized in the first and third quarters of the fiscal year ending December 2023 and the first quarter of the fiscal year ending December 2024. The figures for the fiscal years ending December 2022 and December 2023 reflect the finalization of the provisional accounting treatment.
※2 The amount of EBITDA is calculated by adding the amount of depreciation and amortization to operating income.
※3 This information is current as of November 2024 (including BUZZ Inc., which will be acquired at the end of November).

Mission

Create the better world with Marketing Technology.

Continuously evolving digital technology and marketing know-how In the digital age, the use of digital technology at the core of management can make the difference between the rise and fall of a company. Nevertheless, the degree of DX implementation still varies among many companies, and this difference has a significant impact on their competitiveness. f-code is dedicated to promoting DX and fulfilling our mission by contributing to marketing innovation by adopting cuttingedge digital technology for organizations in Japan and around the world, regardless of location or industry.

Connect, Delight

F-Code Group Overview

We provide comprehensive services to clients who are aiming for DX and advanced digital marketing.



Engineering&Creative

Developing websites, systems, and applications to attract customers using the latest technology and expressions.

- Microwave CREATIVE Inc.
- JITT Inc.
- RAGNAROCK Inc.
- SpinFlow Inc.

Marketing

Increasing awareness and attract prospective customers through Social media, web advertising, and search engine optimization

- SAKIYOMI Inc.
- CRAFT Inc.
- BUZZ Inc.

Data science &Technology

Driving customer conversion with products that enhance convenience, and acquire loyalcustomers through machine learning.

- BINKS Inc.
- F-Code Co.

Overview of our group with the participation of BUZZ Inc.

A group of companies specializing in ."Creating" , "Attracting Customers", "Customerization and Monetization" have come together to provide consistent support as a group.

※SpinFlow joined on November 5, 2024, and BUZZ Inc. will join at the end of November.

F-CODE

Creating

Engineering

RAGNAROCK Inc.

Growth Engineering (New business and product development)

New!!

SpinFlow Inc.

Consulting using Generative AI, Reskilling Training

Creative

Microwave Creative Inc.

HP and system development for a major company

JITT Inc.

HP and system development for small and medium-sized stores

Attracting Customers

Marketing

SAKIYOMI Inc.

SNS Marketing Support

CRAFT Inc.

Advertisement management for D2C

Marketer Training, Matching

New!!

BUZZ (to be established)

BUZZ Inc.

SNS Marketer Training and Matching

Customerization and Monetization

Data science

BINKS Inc.

Data Science, LTV Marketing Support

Technology

f-code Inc.

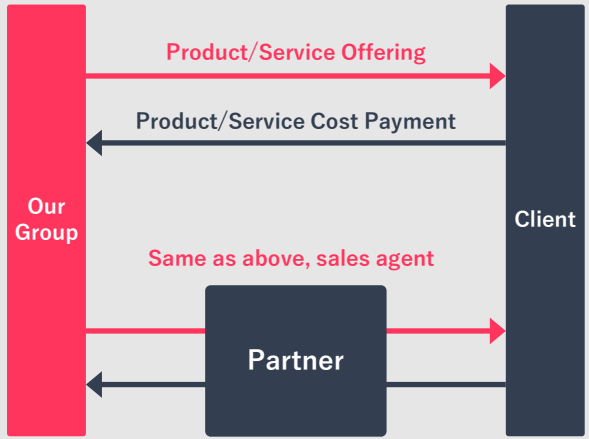
CX SaaS offerings (list below)

Business Model

Primarily offers recuring revenue services to corporations.
It is crucial to grow the number of client companies and the unit prices.

Business Categories and Services		Sales Type
Engineering	System Product development	One-off sales
	Support for utilizing AI, education and training	Recurring (continuous) sales
Creative	Web,System Development	One-off sales
	Operation and maintenance	Recurring (continuous) sales
Marketing	SNS marketing Training SNS marketers Digital marketing	Recurring (continuous) sales One-off sales
Data Science	Operation of LTV improvement measures	Recurring (continuous) sales
	Data Infrastructure Development	One-off sales
Technology	Product Offerings Chatbot,UX Improvement LINE Solutions, etc.	Recurring (continuous) sales

Business Model



Service

Developing various services that contribute to customers' marketing activities.

Business Categories and services Offered		Services Overview
Engineering	System Product development Support for utilizing AI, education and training	● Engineering support for clients' DX, business and product development ● DX and operational efficiency improvement of client operations using generative AI, generative AI educational support
Creative	Web,System Development Operation and maintenance	● Web site development and creative production for large and small companies and stores. CMS*1 and other system implementation ● Operation and maintenance of built websites (infrastructure, applications), update management, creative improvement
Marketing	SNS marketing Training SNS marketers Digital marketing	● SNS account building and management for Instagram, Tiktok, Facebook, X, etc., web advertising management and SEO (search engine optimization) for Google, Yahoo, Meta, etc. ● School operation to acquire skills for operating on social networking services
Data Science	Operation of LTV improvement measures Data Infrastructure Development	● Calculate pLTV*2 and operate LTV improvement measures (marketing, sales, merchandising, and other areas) ● Establish data analysis infrastructure for pLTV calculation
Technology	Product Offerings Chatbot,UX Improvement LINE Solutions, etc.	● Provide SaaS (tools) to make HP easier to use and support operations (Chatbots, LINE utilization, form improvement, web customer service, and other tools)

*1 CMS: Abbreviation for Contents Management System. A system that simplifies updating websites.
*2 pLTV: Abbreviation for predicted customer lifetime value. Predicted: predicted, LTV: Life Time Value, customer lifetime value

Out Customers *Some excerpts

Supporting more than 2,000 clients in diverse industries through ongoing transactions.



(Reposting of quarterly earnings materials) Growth steps for our group

**The three years following the IPO, up to 2024,
have been positioned as a preparatory period for further growth,
with a focus on refining the core digital business.**

STEP1

A company that supports the DX of some operations

In addition to the existing SaaS business and digital marketing support business, the scope of what can be done through M&A is being expanded.

STEP2

A company that is digitally reforming all of its operations

With a focus on generative AI, all operations related to business operations are being fundamentally improved.

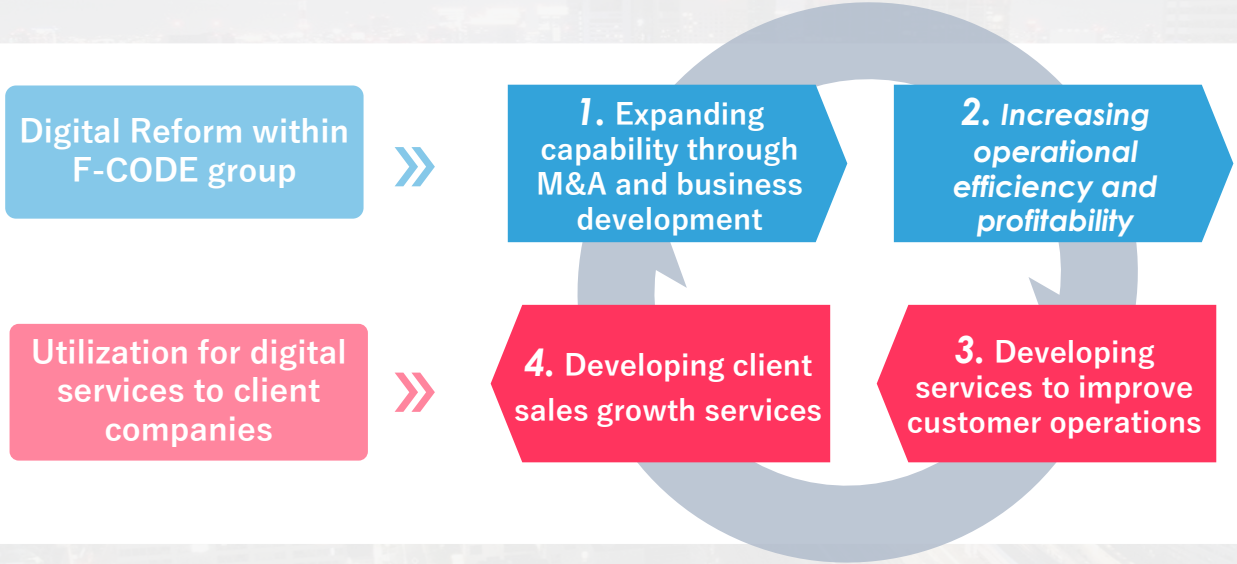
STEP3

A company that is spreading digital reform around the world

Based on our mission, we can also supporting customers in overseas areas. Expanding into APAC.

**Further acceleration
through SpinFlow Inc. and BUZZ Inc. 's participation in our group**

Continuously expanding our own capabilities and advancing business reform through the PMI process to enhance service offerings for our clients.



Already in F-CODE Grpup

- Create - R & D × - inform - Marketing × - sell - Sales × - deliver - Customer Success

Successfully increased operational efficiency by utilizing DX/AI in each business

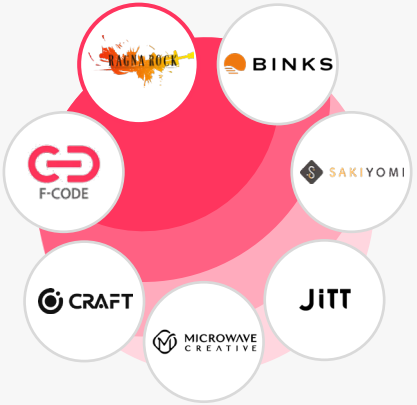
DX/AI Application Cases | Use of AI in Development

RAGNAROCK Inc., attracts the use of lead engineers, is strengthening its development system across groups and promoting the use of AI. Many of the development coding/reviews have been automated with AI, and a significant increase in development speed has been achieved.

Outline

Development specialist RAGNAROCK Inc. is leading the way in supporting the use of AI for coding and source reviews.

GitHub Copilot — Design of prompts for service development by each company



Results and Initiatives

Development speed per engineer increased by **140%**

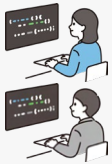
Monthly release count for the entire development team rose to **160%**



AI prompt development by highly skilled engineers



AI-based coding/code review



Increase in team coding accuracy/speed
Decrease in review burden

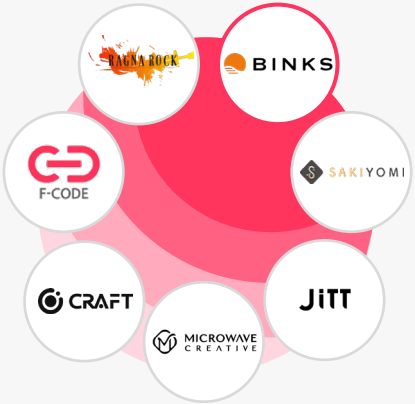
DX/AI Application Cases | Use of AI in Sales

By utilizing AI and data science, we analyze customer data across our group companies. This allows us to identify the expected lifetime value (LTV) for each customer and pinpoint high-demand areas. We then deliver data-driven cross-selling recommendations.

Outline

Data specialist BINKS Inc., conducts customer analysis and integrated sales and cross-selling to customers with high strategic expected LTV.

Integrated management of customers within a group



Results and Initiatives

Analyzed **2,000** client companies within the group and **100,000** potential leads.

Strategically selected **80 target companies** for continued proposals going forward.



Collecting group company customer data in a form that allows for matching



Big data analysis is used to calculate expected LTV and cross-selling potential.



Strategically identify customers and products with high cross-selling potential and focus on making proposals to them

Media and Event Appearances

Our executives appear in various media channels to present our company and growth strategies in an understandable manner.



Magazine name: “Zaikai”
Date：August 28, 2024
URL：https://www.zaikai.jp/magazines/detail/378



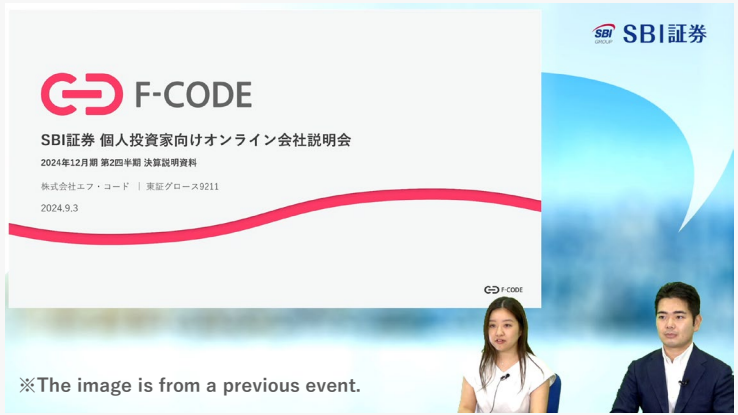
Online IR event for individual investors 「Growth IR Seminar」
Date：August 22, 2024
URL： https://www.youtube.com/watch?v=tNkJ45uUC7Q

Presentation of financial results 3Q FY12/2024

Briefing session and video presentation on financial results for the 3Q of FY12/2024 will be held or released as follows;



Financial Results Briefing for 3Q FY 12/2024
(held at the company's own facilities)
Date: Thursday, November 14, 2024, 18:30-



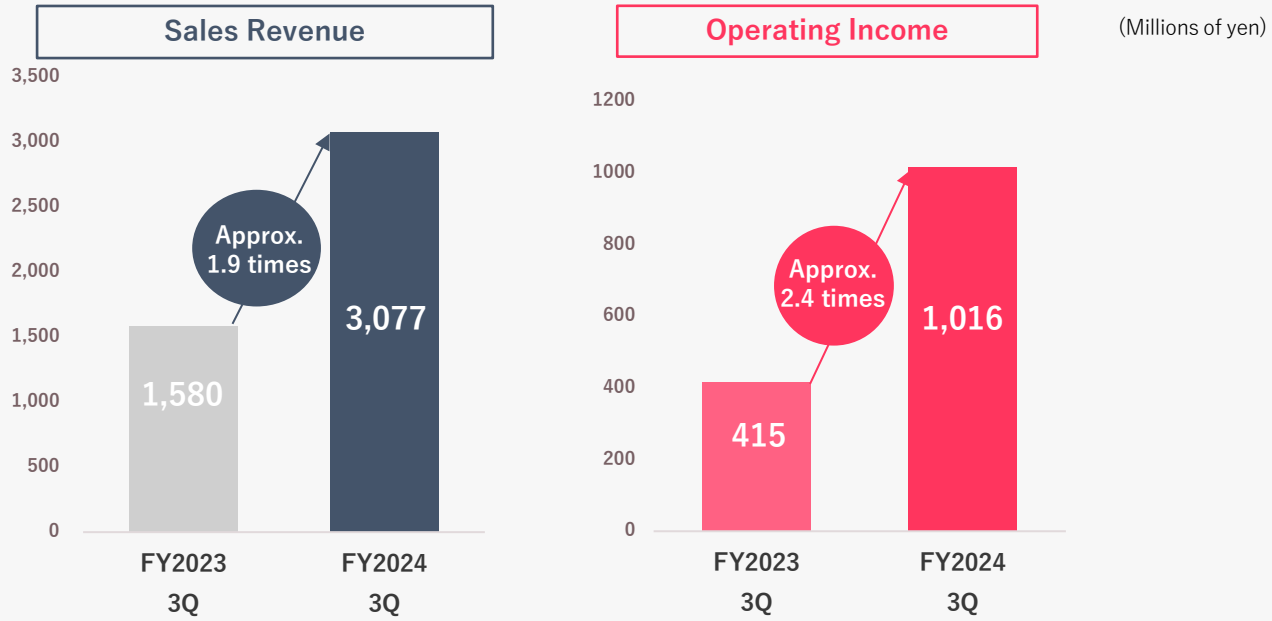
Financial Results Briefing for 3Q FY 12/2024 (SBI Securities)
Date: Thursday, November 21, 2024, 18:30-

02 Financial Summary

Summary of Consolidated Financial Results for 3Q FY12/2024

Sales revenue increased to 3.07 billion yen (approx. 1.9 times) / Operating income increased to 1.01 billion yen (approx. 2.4 times) compared with the same period of the previous year

Year-on-Year Comparison



※1 The provisional accounting treatment for business combinations was finalised in the first and third quarter of the year ending 31 December 2023 and the first quarter of the year ending 31 December 2024, and the figures for the year ended 31 December 2022and the the year ended 31 December 2023 reflect the finalised provisional accounting treatment.

Summary of Consolidated Financial Results for 2Q FY12/2024

Sales revenue increased to 3.07 billion yen (approx. 1.9 times YoY) / Operating income increased to 1.01 billion yen (approx. 2.4 times YoY)

Operating profit ratio improves due to improved operating efficiency, cost integration and reduction, etc.

(Millions of yen)	FY12/2023 3Q ※1	FY12/2024 3Q	Year-on-year comparison
Sales revenue	1,580	**3,077**	**194.7%**
Operating income	415	**1,016**	**244.6%**
Income before income taxes	390	**939**	**240.9%**
Net income attributable to owners of the parent	281	**593**	**210.3%**

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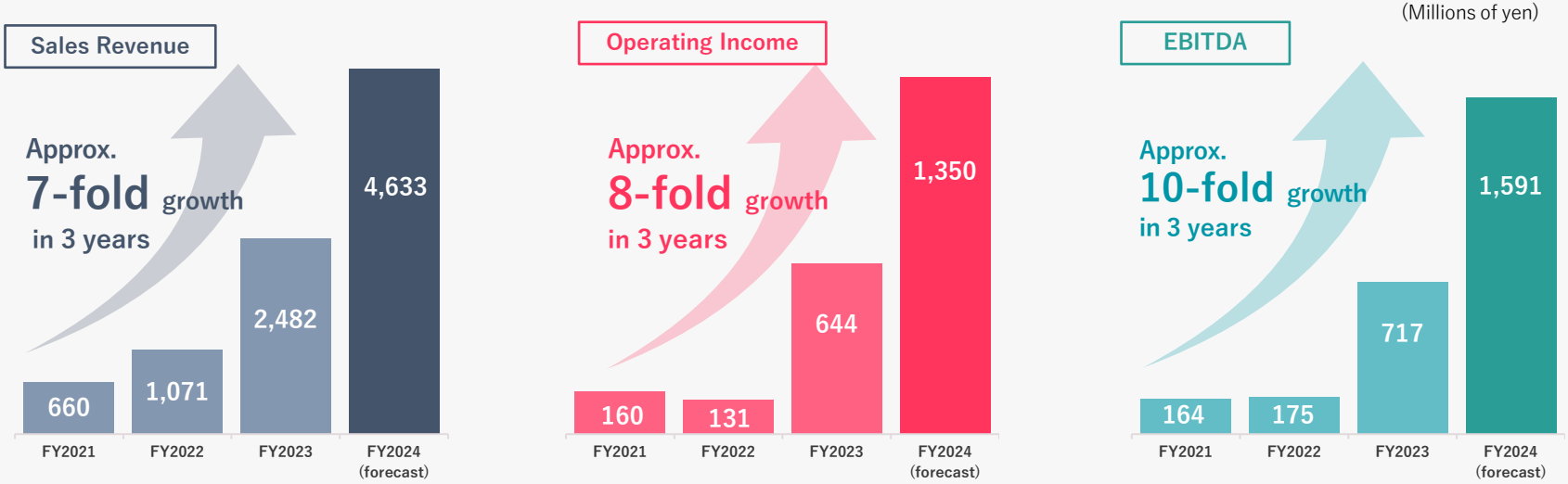
Business Performance | Sales Revenue, Operating Income and Profit

Approximately 7x sales growth, 8x operating income growth, and 10x EBITDA growth in the first 3 years after listing

Sales Revenues, Operating Income and EBITDA

(Millions of yen)



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※2 The respective figures for the year ending 31 December 2021 are based on Japanese GAAP.

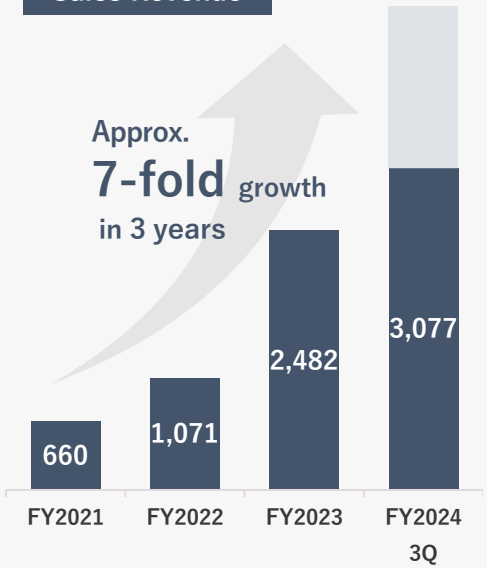
Business Performance | Sales Revenue and Profit

Sales and profits grew significantly over the previous year.
Gross profit margin generally hovered around 60%, and Operating profit ratio exceeded the previous year's level.

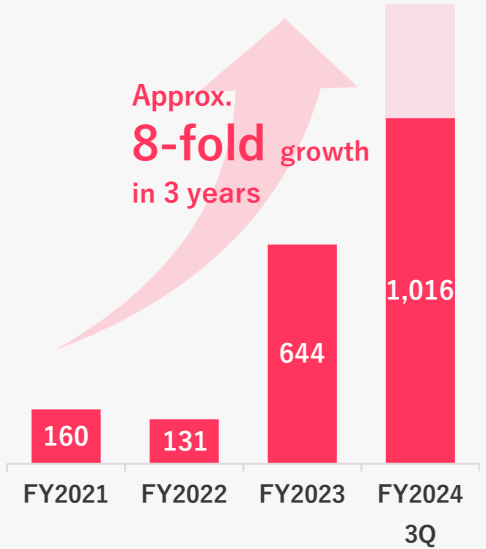
Sales Revenues and Operating Income

(Millions of yen)

Sales Revenue



Operating Income



FY12/2024 3Q

Gross profit margin

58.9%

Operating profit ratio

33.0%

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※2 The respective figures for the year ending 31 December 2021 are based on Japanese GAAP.

Comparison of 3Q results with full-year forecast for FY12/2024

Progress rate of 66.4% for Sales Revenue and 75.3% for Operating Income compared to the full-year forecast. Operating Income exceeded expectations due to a focus on high-profit margin projects during the PMI process at each group company.

(Unit：millions of yen)	Full-year forecast For FY12/2024	Actual results for 3Q FY12/2024	Progress rate as of 3Q
Sales Revenue	4,633	**3,077**	**66.4%**
Operating Income	1,350	**1,016**	**75.3%**
Income before Income taxes	1,274	**939**	**73.8%**
Net income attributable to owners of the parent	775	**593**	**76.5%**

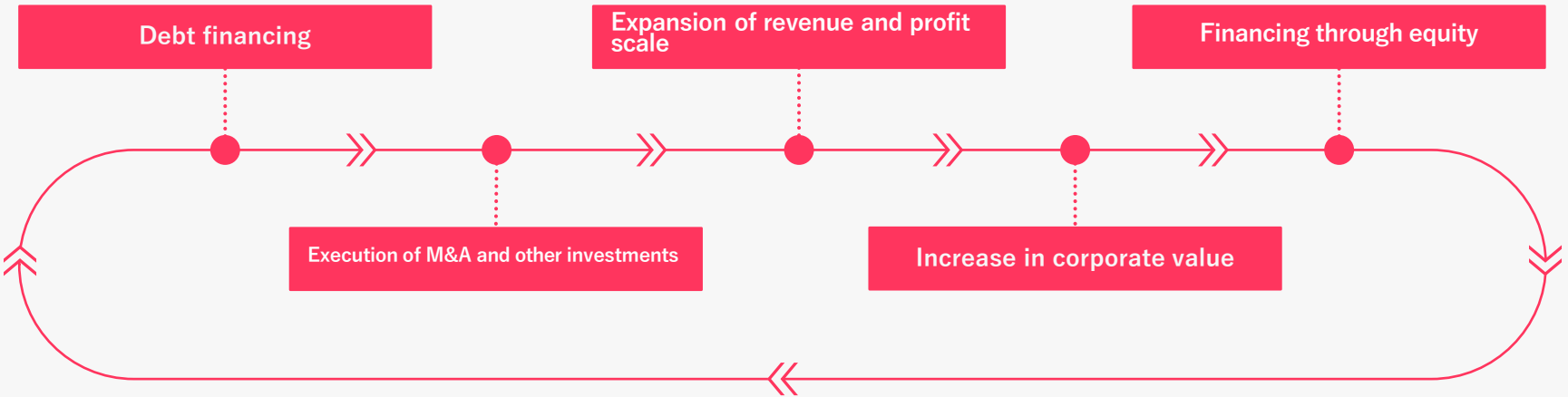
03 Summary of our finance and M&A investments

Our Debt/Equity Financing and Investment Strategy

Minimize the cost of capital by utilizing debt financing, while increasing revenue and profits through M&A to raise corporate value and efficiently increase equity.

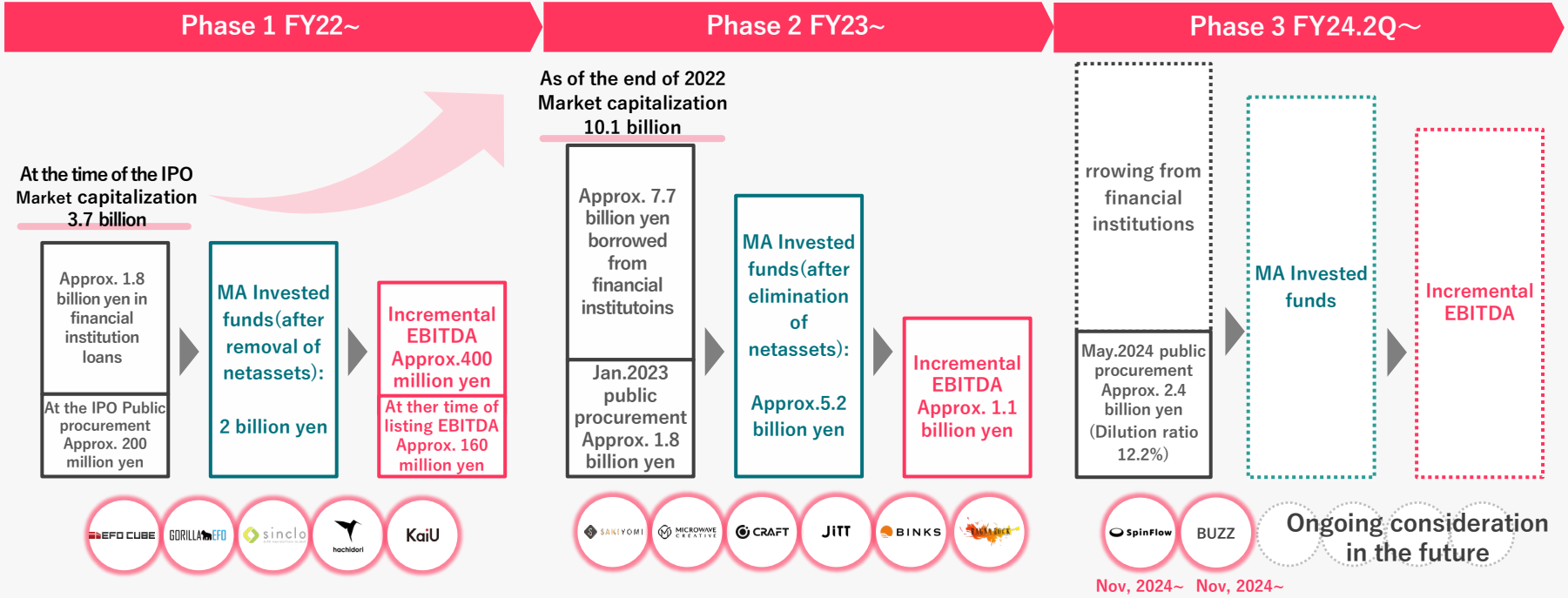
Enhance financial security to secure more debt financing and boost investment capabilities in anticipation of further acquisitions.

A series of procurement and investment cycles



M&A Review | Enhancing Profitability through Financing and Investment

Since listing in December 2021, the company has continuously strengthened its profitability through debt procurement and M&A. Meanwhile, it has secured financial safety and the ability to invest afterwards through equity procurement.
After the public offering in May 2024, we entered the third phase of the procurement and investment cycle.



Background of Previous Public Offering and Future Initiatives

Raised approximately 2.4 billion yen through a public offering in May 2024
Assuming a total of more than 5 billion yen- in M&A investment for the time being, taking into account borrowings from financial institutions.

Background of Public Offering

1 Increased M&A opportunities

- Pipeline and number of deals under consideration on the rise
- Secure a certain level of cash on hand for flexible M&A activities

2 Business Growth through M&A

- Expected to grow to 10x EBITDA in 3 years from 2021 when listed
- Contribution of M&A to business performance and a certain level of EPS improvement were demonstrated.

3 Strengthen financial base and increase debt financing capacity

- Equity ratio declined to less than 25% due to borrowings and M&A activities
- Strengthened financial base through fundraising and secured debt financing capacity

Policy for the future

- Accelerate execution while carefully selecting attractive deals from the growing number of M&A projects under consideration.
- In parallel, the company raised funds through debt financing backed by its strengthened financial base.
- Immediate milestone is to secure 5bn yen investment budget with debt financing equivalent to equity financing amount
- Aim to improve the theoretical share price by ensuring an increase in corporate value that exceeds dilution through disciplined investment execution targeting 5x EBITDA.
- Expand the Group's overall growth potential by rolling up in expanded business domains (SNS marketing domain, engineering domain, etc.)

M&A Review | SpinFlow Inc. announced November, 2024

Overview

Name	:	SpinFlow Inc.
Description of business	:	Generative AI consulting services and reskilling training programs
Scheduled transfer date	:	November 5, 2024
Scheme	:	share acquisition *1
Acquisition costs	:	Approx. 170 million yen (shareholding ratio 50.1%)

Forecast

Sales: approx. 250 million yen~ / Operating profit: approx. 60-80 million yen~*2
Net assets: approx. 100 million yen (at the time of acquisition)

*1 We are currently negotiating with financial institutions for the funds to purchase the shares. We plan to use our own funds at the time of the acquisition.
*2 These are the expected annual sales and operating income; we will review the business results recorded for the fiscal year ending December 31, 2024 in the future and consider disclosing them as necessary based on the degree of impact.

M&A Review | SpinFlow Inc. announced November, 2024 - Summary

1

Providing **consulting, business improvement, and reskilling training based on generative AI.**

Supporting the use of generative AI to enhance business efficiency across industries, sectors, and company sizes.

2

With the momentum of next-generation skill education, **over 2,000 people** enrolled and participated in training programs **within approximately six months**.

Following the “Reskilling Revolution”(re-learning) proposed at the Davos Conference in 2020, there have been global efforts to educate and apply next-generation skills. There have been many applications from companies, and more than 200 people are currently enrolled in the program every month.

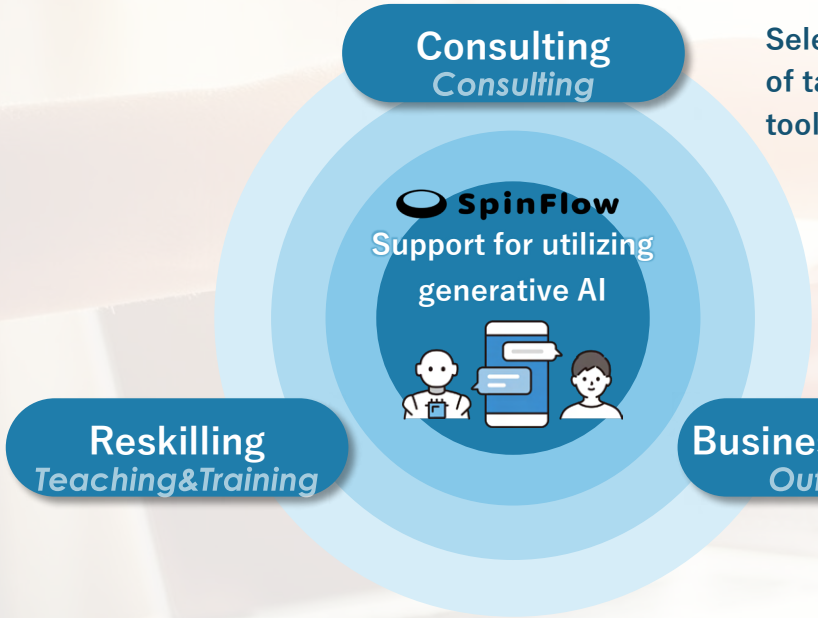
3

Continuing to offer a wide range of services while also developing **support tailored to specific job roles and industries**.

We will also be developing specialized services that can contribute to productivity improvements in Japan, such as those for sales and marketing, which are common occupations, and for the food and beverage, retail, and medical and welfare industries, which are common types of business.

M&A Review | SpinFlow Inc. announced November, 2024 - Service

In order to maximize the operational efficiency of companies, we provide a three-in-one service based on generated AI. We support companies in all industries to achieve sustainable growth by combining innovative solutions that make full use of AI technology with expertise in business improvement.



Selection of generative AI tools, extraction of tasks that can be used, consulting on tool use

Education on everything from basic knowledge of generative AI tools to practical methods

Improvement of client company tasks using generative AI tools

M&A Review | BUZZ Inc. announced November, 2024

Overview

Name	: BUZZ Inc.
Description of business	: SNS school and marketer matching business
Scheduled transfer date	: End of November 2024 (scheduled)
Assuming entity	: SAKIYOMI Inc. (f-code Inc. subsidiary)
Scheme	: SAKIYOMI Inc. acquires the shares of the new company（BUZZ Inc.）established through an incorporation-type demerger
Acquisition costs	: Approx. 667 million yen (100% acquisition ratio)

Forecast

Net sales: approx. 1.6 billion yen - /
Operating income: approx. 160 million yen - *1

*1：This is an estimate of annual sales and operating income. We will examine the results for the fiscal year ending December 31, 2024, and consider disclosing them as necessary, considering the degree of impact.

M&A Review | BUZZ Inc. announced November, 2024 - Summary

1

Buzz College, a skills-up school centered around Instagram, is being developed.

Provides over 100 course contents and personalized consulting services based on a systematic approach to Instagram management.

2

In response to the expanding SNS market and freelance/side business market, over 12,000 Clients have enrolled in the past three years.

Service launched in 2022 and currently provides courses to several hundred participants each month. Total follower count of all course participants exceeds 10 million.

3

Through synergies between BUZZ Inc. and SAKIYOMI Inc., business expansion is achieved for both corporate and individual clients.

High-performing students in BUZZ Inc.'s SNS School are introduced to client projects from SAKIYOMI Inc., further expanding SNS support for clients under the SAKIYOMI Group. The increase in project volume also enhances the appeal of the school.

M&A Review | BUZZ Inc. announced November, 2024 - Summary



What is Buzz College?

A school and consulting service specializing in monetizing social networking services, centered on Instagram.

Over 12,000 clients.
Total follower count exceeds 10 million.

We provide data and know-how based on these achievements to support the use of social networking services by individuals and corporations.

M&A Review | BUZZ Inc. announced November, 2024 - Synergy

We expect synergies between SAKIYOMI Inc.'s business of providing operational support and AI generation tools for corporations, and BUZZ Inc. 's business of providing schools and communities for individuals.

School graduates who achieve a certain level of results play an active role in our business for corporations. ▶ **Expansion of projects and sales volume**



Increase in school enrollments ◀ The school is becoming more attractive because there are many opportunities after graduating from the school.

M&A Review | Conventional Initiatives and the Future

M&A activities are divided in two phases, with specific plans established for each phase.
Based on the M&A and PMI knowledge gathered from 11 instances in two years,
Continue to drive M&A as a key strategy for maximising shareholder value.

Phase 1 | FY2022～

- Client expansion and technology enhancement
- Cost synergies through the standardization of operations such as sales, CS, RD, and management
- Fast/low-risk investment recovery

SaaS | Business transfer | Incorporation-type split

EFO CUBE, GORILLA EFO, sinclo, hachidori, KaiU

Phase 2 | FY2023～

- Increase per-customer spend and expand service capabilities
- Obtain managers/team and achieve sustainable growth for each company and the group

Adjacent business | Stock acquisition | Incorporation-type split

SAKIYOMI, MICROWAVE CREATIVE, CRAFT, JITT, BINKS, MAMA ZUCK

Phase 3 | FY2024.2Q～

Maximize business value though group management while building upon the concept outlined on the left

SaaS | Business transfer | Adjacent Business | Business transfer | Incorporation-type demerger

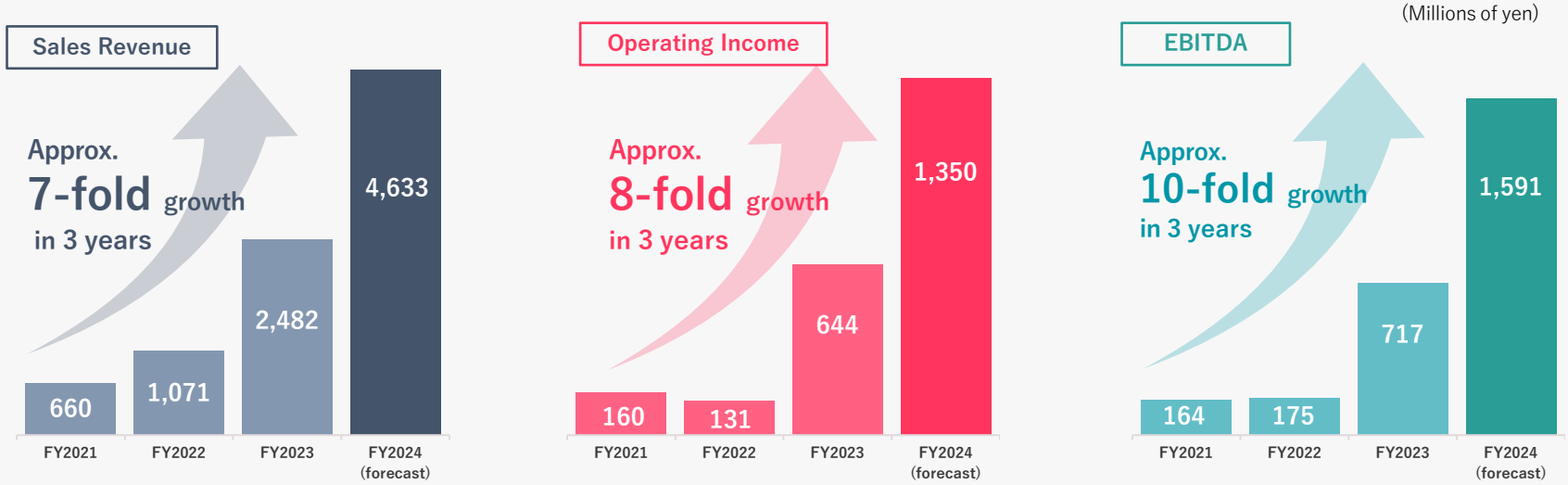
SpinFlow, BUZZ, Ongoing consideration in the future

【Reprint】 Business Performance | | Sales Revenue, Operating Income and EBITDA

Approximately 7x sales growth, 8x operating income growth, and 10x EBITDA growth in the first 3 years after listing

Sales Revenues, Operating Income and EBITDA

(Millions of yen)

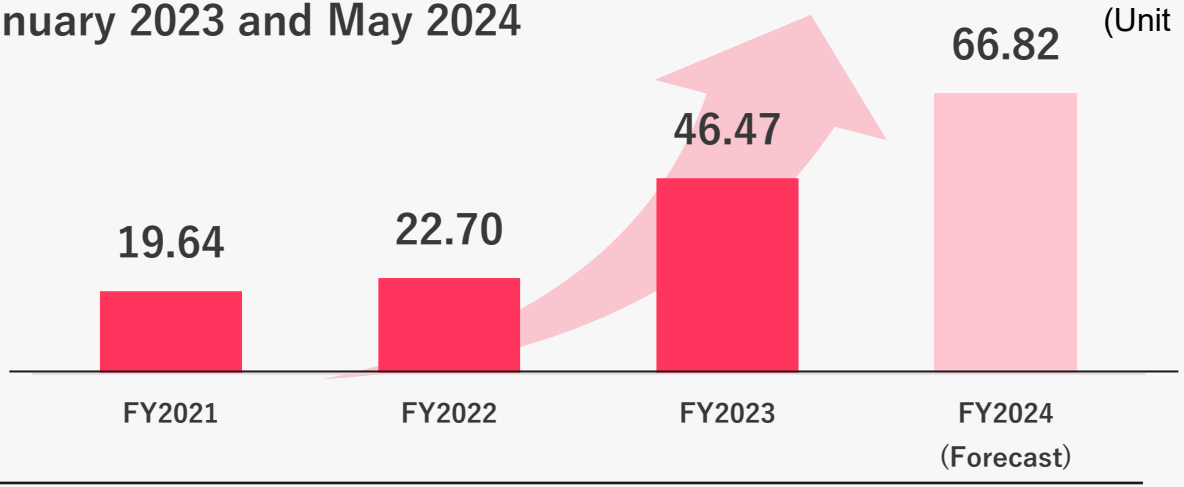


※1 The provisional accounting treatment for business combinations was finalised in the first and third quarter of the year ending 31 December 2023 and the first quarter of the year ending 31 December 2024, and the figures for the year ended 31 December 2022and the the year ended 31 December 2023 reflect the finalised provisional accounting treatment.

EPS Trends

Significant increase in net income due to business growth and M&A
EPS increases despite increase in total number of shares outstanding due to public offering in January 2023 and May 2024

(Unit : yen)



	FY2021	FY2022	FY2023	FY2024 (Forecast)
Net income attributes to owners of the parent (Billions of yen)	0.15	0.18	0.48	0.77
Number of shares (Thousand shares)	7,755	8,287	10,322	11,605

1 Provisional accounting procedures for business combinations were finalized in the first quarter of the fiscal year ended December 31, 2023 , the third quarter of the fiscal year ended December 31, 2023, and the first quarter of the fiscal year ended December 31, 2024. The respective figures for the fiscal year ended December 31, 2022 and 2023 reflect the finalized provisional accounting procedures.
2 EPS figures for the fiscal years ending December 31, 2021 and 2022 are based on Japanese GAAP.
3 EPS for the fiscal year ending December 31, 2024 is calculated by dividing the amount of net income attributable to shareholders of the parent company in the earnings forecast announced this time by the assumed average number of shares outstanding during the period.
4 The number of shares for each year has been calculated and stated on the assumption that the 2-for-1 share split effective 1 April 2024 has been retrospectively reflected.

Group synergies | Expansion of scope of support

M&A has enabled us to fill areas of business that we could not support on our own in the past, and to support clients more effectively.



Engineering&Creative

Create and build websites, systems, and applications to attract customers using the latest technology and expressions.

- Microwave creative Inc. New
- JITT Inc. New
- RAGNAROCK Inc. New
- SpinFlow Inc. New

Marketing

Increase awareness and attract prospective customers through SNS, web advertising, and search engine optimization

- SAKIYOMI Inc. New
- BUZZ Inc. New
- CRAFT Inc. New

Technology&Data science

Drive customer conversion with products that enhance convenience, and acquire quality customers through machine learning.

- BINKS Corporation New
- f-Code Inc.

Group synergies | Various Efforts

Aiming to create synergies in each of the following areas.

1 Product development

Accelerate the development and improvement of products within the group and strengthen the operation and maintenance system.

2 Service delivery system

Expand and strengthen the service delivery system for clients.

3 Sales and Marketing Activities

Mutual learning of each company's unique activities and measures for improvement.

4 M&A Sourcing

Increased M&A candidates through referrals, especially group company founders.

5 Recruitment

Promote referral recruiting and share recruiting know-how within the group.

6 IPO Support

Support for preparation of IPO-oriented group companies.

Group synergies | Examples of Various Efforts

The Group is working to create synergies in many areas, including reducing outsourcing costs for product-related development and operations, expanding service delivery systems within the Group, and M&A sourcing.

Service Provision

Utilizing Generative AI in various in-house operations

Contributed to improving business productivity by supporting the use of AI generated by SpinFlow Inc. (prompt creation and operation) and creating SNS posts using SAKIYOMI Inc.'s AI generation tool, etc.

Sales, Marketing operations

Contribution to improving sales for customers within the group

Identified potential customers for SaaS products developed by RAGNAROCK Inc. from within the group. Contributed to improving customer sales by utilizing group assets.

Recruitment

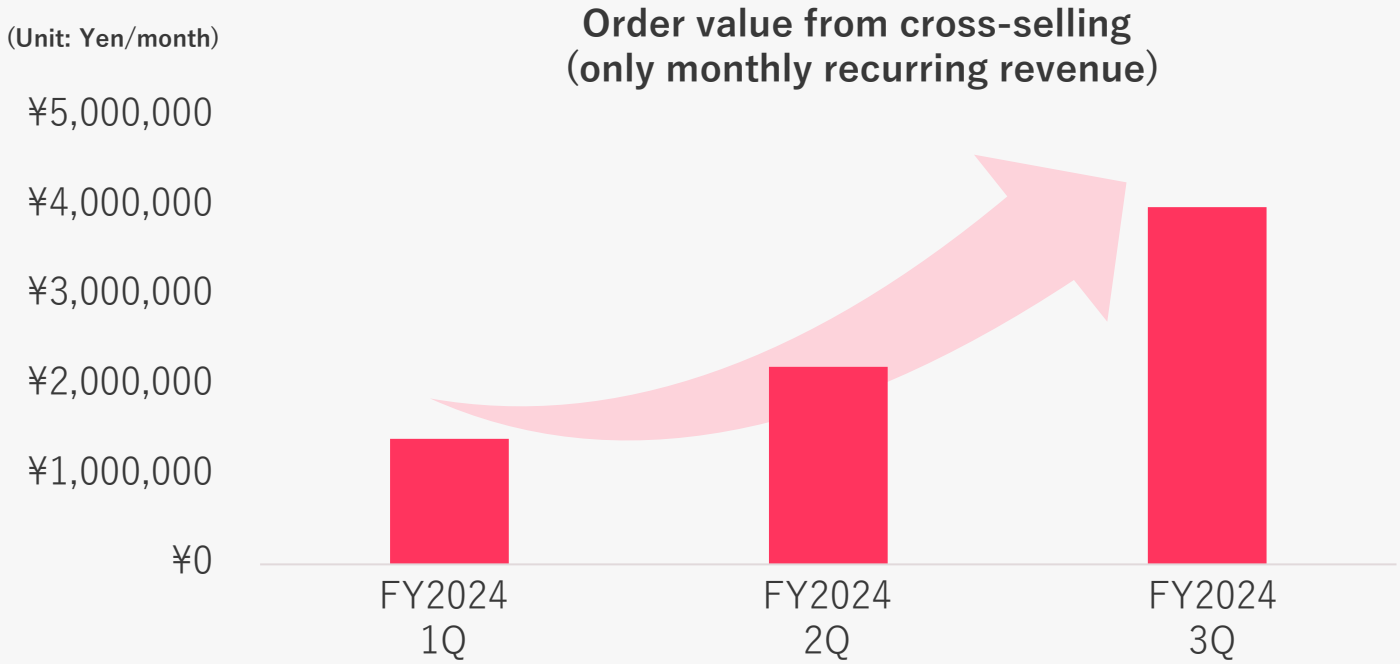
Promote referral recruitment within the group and share recruitment know-how

Share recruitment information within the group to promote referrals and provide guidance to applicants at each company. Contribute to improving the recruitment capabilities and productivity of the entire group.

Expanding the Value We Offer as a Group

Monthly recurring sales through cross-selling also increased

(by the 3Q, we had acquired monthly recurring sales of just under 50 million yen on an annualized basis)



Expanding the Value We Offer as a Group

SPORTS MARIO Corporation



CODE & hachidori

They had been using the web customer service tool “CODE Marketing Cloud”.
We proposed and introduced the LINE extension tool “hachidori” to further optimize the customer experience.

Retail | CODE | hachidori

Expanding the Value We Offer as a Group

Starmoving, Inc.



KaiU & CODE

They had previously been using the web customer service tool “KaiU”.In order to further optimize the customer experience, we proposed and introduced the web customer service tool “CODE Marketing Cloud”.

Service | KaiU | CODE

Expanding the Value We Offer as a Group

Nic,Inc.

株式会社 エヌ・アイ・シー



KaiU & hachidori

They had been using the web customer service tool “KaiU”. We proposed and introduced the LINE extension tool “hachidori” to further optimize the customer experience.

Trading company | KaiU | hachidori

Group synergies | Numerous founders and management team

Numerous founders and management team members joined the group through M&A. Promoting mutual learning among the group members on all aspects of management and business operations.



SAKIYOMI Co.
President and Representative Director
Tomofumi Yoshida



SAKIYOMI Co.
Chief Board Advisor
Yuki Ishikawa



CRAFT Co.
President and Representative Director
Ryota Tsujii



MICROWAVE CREATIVE Inc.
President and Representative Director
Shiro Takada



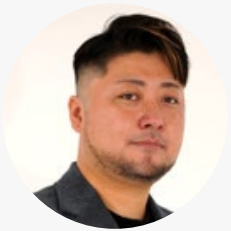
JITT Co.
President and Representative Director
Ryo Konuma



BINKS Inc.
President and Representative Director
Ryu Endo



RAGNAROCK Inc.
President and Representative Director
Makoto Nishimoto



SpinFlow Inc.
President and Representative Director
Tetsuya Hirashima



BUZZ Inc.
President and Representative Director
Yuya Mizoguchi

Growth Strategy | Our M&A Strategy

M&A of adjacent industries with synergies at reasonable EV / EBITDA multiples to grow EPS and enterprise value discontinuously.

M&A Concept

- ✓ Focus on existing business areas that have complementary elements and enhance related or adjacent areas
- ✓ Focus only on deals that contribute to corporate value/EPS growth in the mid-to long term
- ✓ M&A is conducted at a reasonable EV/EBITDA multiple (currently around 5x) after carefully examining the profitability of the company/business in terms of sustainability (duration of sales), growth potential (sales growth rate), and diversification (individual sales diversification)
- ✓ Utilize various financing strategies to minimize cost of capital and ensure financial stability
- ✓ In addition to management support and synergy pursuit, we promote the growth of acquired businesses though a variety of capital policies, including group incentive design and subsidiary listings

Three target areas

①Marketing SaaS

In our main business, M&A is the staring point for other services and a top priority area.

②Digital Marketing Sales

Maximize the effectiveness of marketing SaaS by strengthening marketing/sales strategy development and execution support.

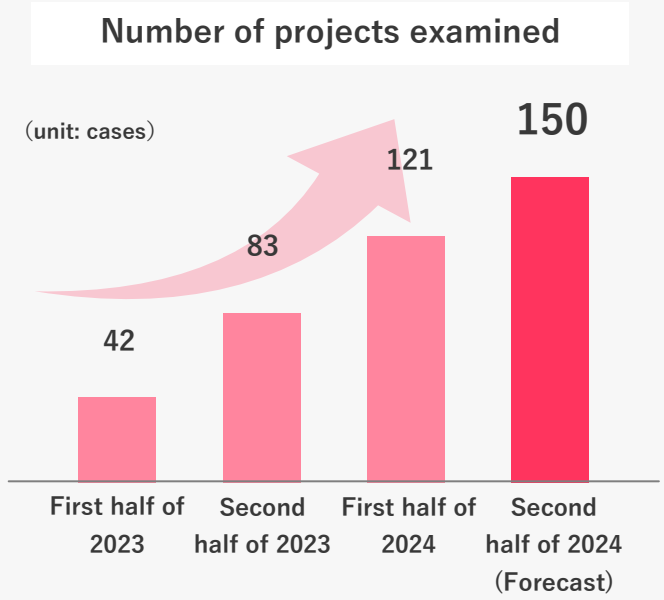
③ IT and Creative Domain

Maximize the effectiveness of marketing SaaS and digital marketing/sales by assisting companies in increasing customer LTV through IT and creative aspects.

Growth Strategy | Reproducibility of M&A

The knowledge of our experienced permanent M&A team is accumulating. The number of projects under consideration is steadily increasing.

- Our experienced permanent M&A team has handled all 13 deals to date (accumulating knowledge within the organization)
- In addition to our network of around 100 M&A advisors, the number of deals introduced through referrals is increasing rapidly
- We have standardized our execution and PMI processes, including DD and valuation
- The number of deals under consideration is steadily increasing (125 deals in FY2023, 121 deals in the first half of 2024 / expected 150 deals in the second half of the year)

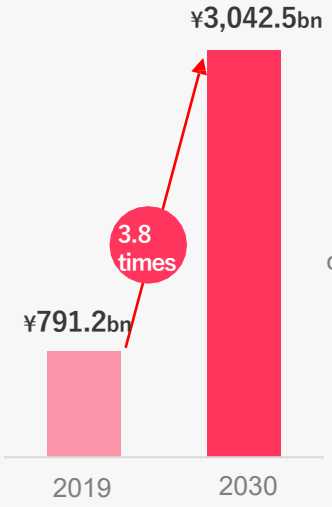


04 Market Environment and Future Outlook

Growth Potential of DX Market and Shortage of Human Resources

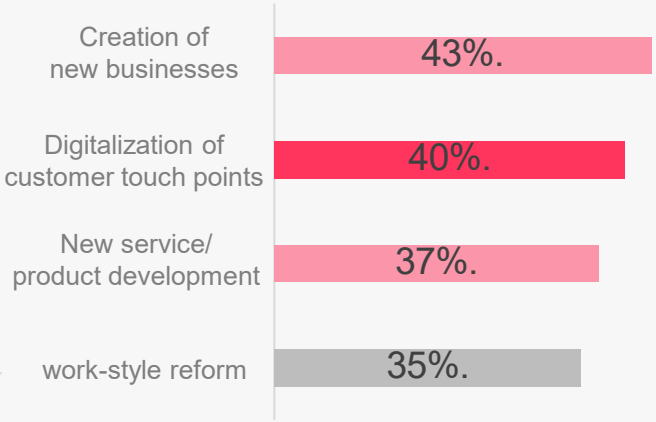
The DX market, especially the aggressive DX market, is growing significantly.
On the other hand, there is a chronic shortage of DX personnel, and our area of support is expanding.

Growth in market size

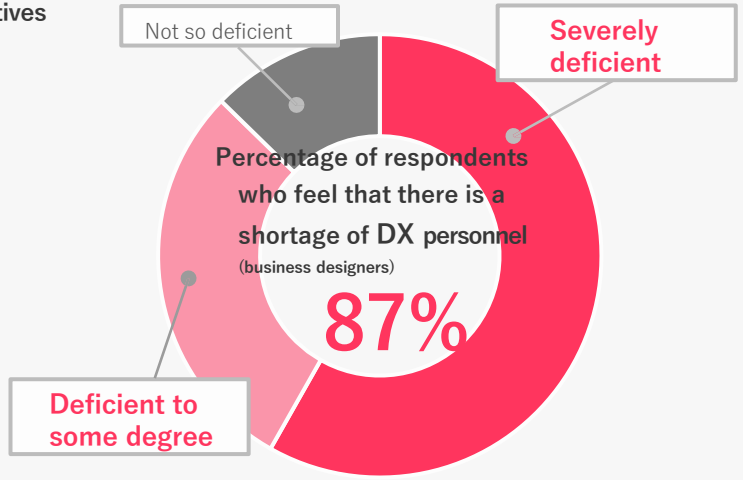


Themes for DX Initiatives

For Japanese companies, aggressive DX strategies that contributes to sales is important theme of DX initiatives



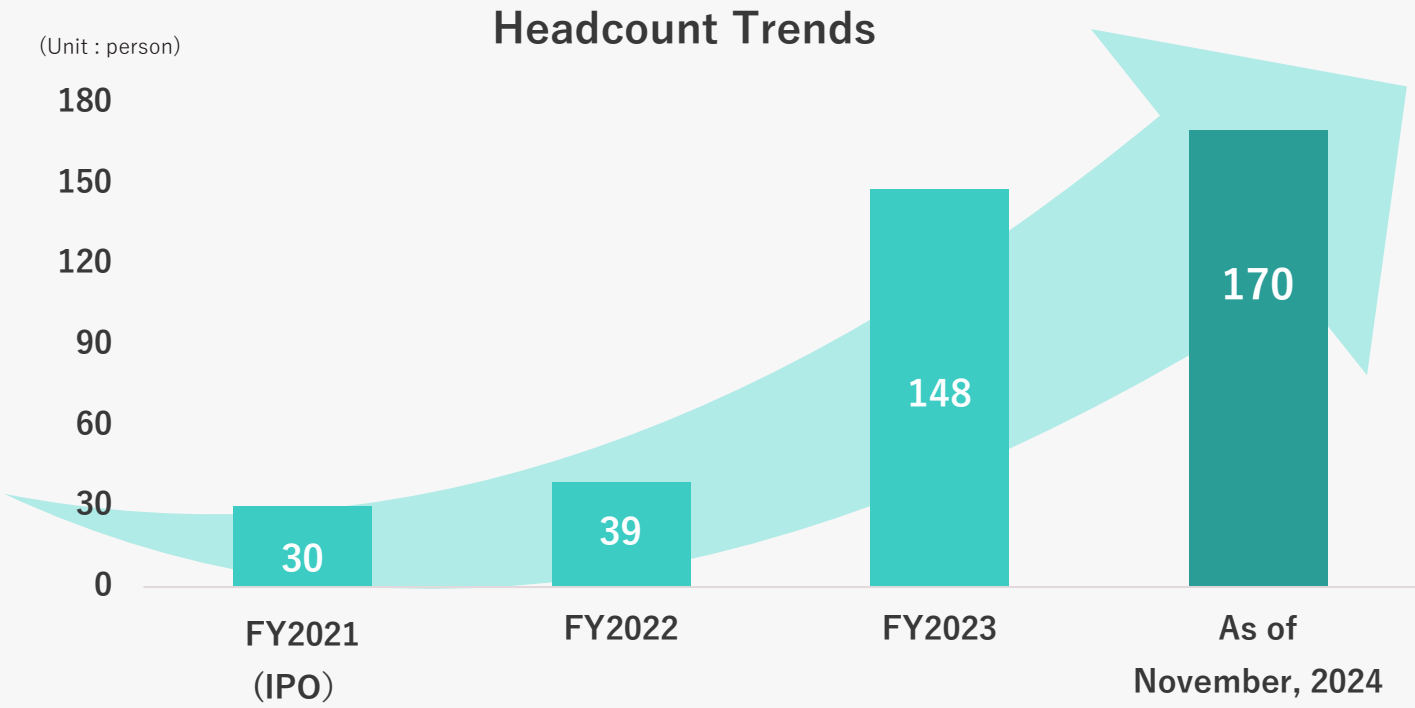
Sense of Shortage of DX Promotion Personnel



※1 Fuji Chimera Research Institute, "2020 Digital Transformation Market Outlook.
※ 2 Information-technology Promotion Agency, Japan (IPA) "Survey on Functions and Roles of Human Resources for Digital Transformation Promotion" conducted by Information-technology Promotion Agency, Japan (IPA)
※ 3 ABeam Consulting Ltd. "The Essence of DX for Japanese Companies"

f-code Group Strength 1: DX Human Resources

Steadily secured DX personnel and will continue to expand the organization.



Numerous Executive Resources

By leveraging our extensive workforce of experts in finance and marketing, we can execute corporate actions and provide marketing assistance.

PE/Consulting/M&A Intermediary background



Executive Officer M&A
Takuma Kadowaki



Alliance Promotion Manager
Haruya Momiyama

Major advertising background



Director, General Manager of Corporate Planning
Takahito Hirai



Sales manager
Yasutomo Toyofuku

From Accounting firms



Executive Officer CFO
Shingo Kinugasa



Director(Audit Committee Member)
Genta Imamura



Director(Audit Committee Member)
Fumiko Kato



Head of Marketing
Mizuo Sano

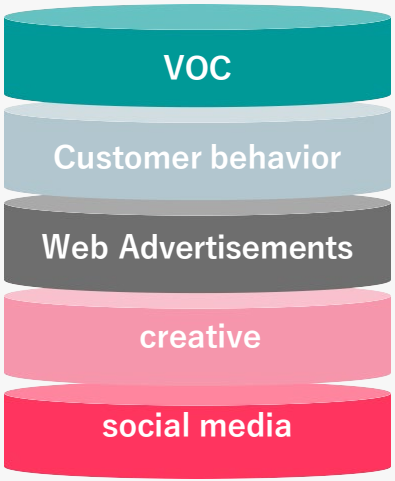


Business Planning Manager
Jun Adachi

f-code Group Strength 2. DX Data and Technology

Maintaining high profitability by supporting customers with data and technology.

Possess and utilize diverse marketing data

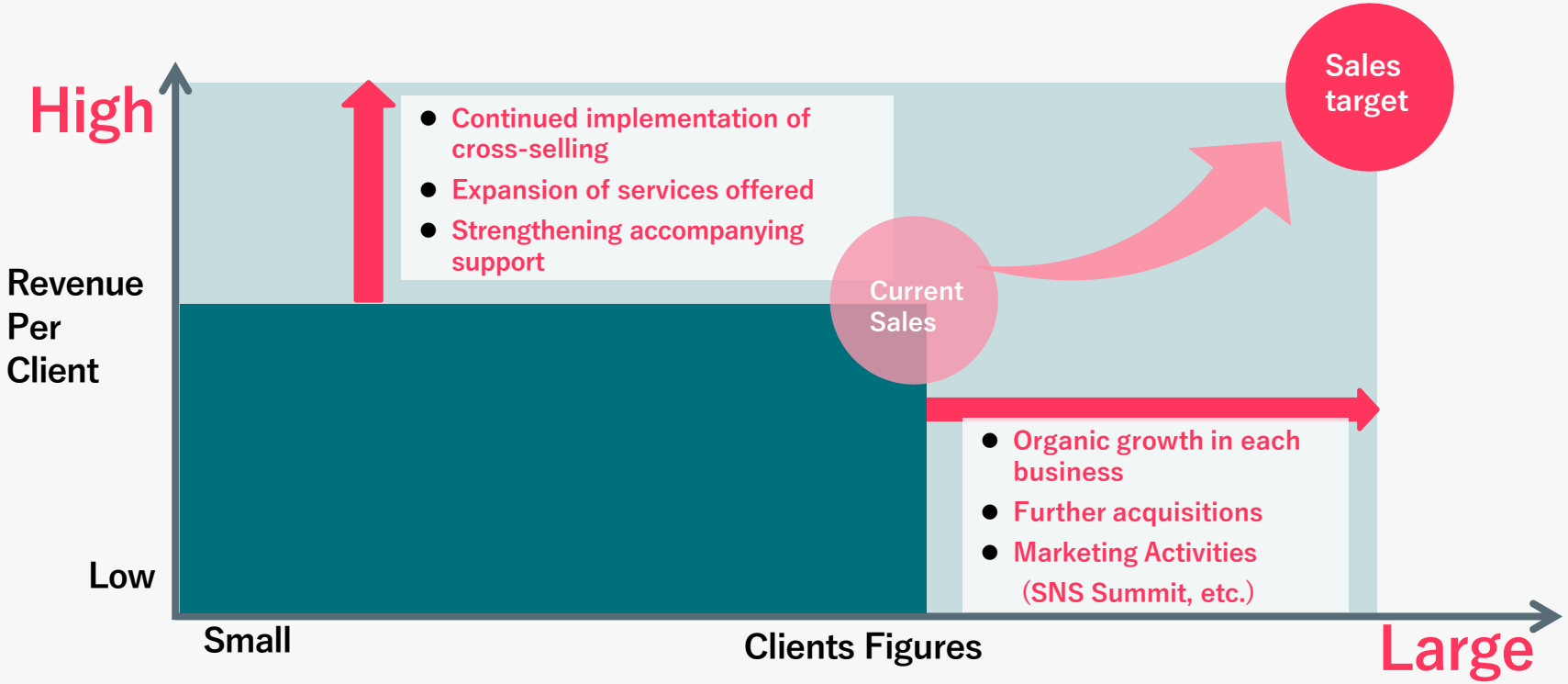


Own and utilize multiple SaaS/ Technology



Vision of Future Growth

Increase the clients' figures in each business and plan to raise the revenue per client through cross-selling, etc.



Seminar Presentations and Exhibition Participation

The results and knowledge gained from working on CX improvement and digital marketing support over many years were introduced at various seminars and exhibitions.











Examples of our solution implementation and improvement activities

Continue to release results of solution implementation and improvements to create opportunities

Usagi Online Co.,Ltd.

Web-based Customer service



インターネット通販事業「USAGI ONLINE」の EC サイト・店舗における販売事業を運営する株式会社ウサギオンライン、WEB接客及び離脱防止ツール「KaiU」を導入

株式会社エフ・コード　2024年8月29日 10時00分

株式会社エフ・コード（本社：東京都新宿区、代表取締役社長：工藤 勉、以下「当社」）は、ECサイト「USAGI ONLINE」を運営する株式会社ウサギオンライン（本社：東京都千代田区、代表取締役社長：遠藤 誠、以下「ウサギオンライン」）が、WEB接客及び離脱防止ツール「KaiU」をECサイト（https://usagi-online.com/）に導入したことをお知らせいたします。

USAGI ONLINE × F-CODE

■導入の背景
ウサギオンラインが運営するECサイトの購入率向上の施策の一環として、WEBサイトの離脱率、レイベント/キャンペーン認知、サイト回遊率等を課題にされており、サイト上の離脱防止、適切なタイミングでのイベント/キャンペーン促進や回遊促進を目的に、WEB接客及び離脱防止ツール「KaiU」の導入に至りました。

■「KaiU」について
WebサイトのCVRやROIの向上が見込めるツールです。「KaiU」を導入したWebサイトでは、来訪者の訪問回数や訪問ページ等の閲覧履歴や行動情報をもとにユーザー個々にWebサイト内の体験を最適化することが可能です。当社は「KaiU」の提供と運用の支援を行うことで、企業のマーケターの工数削減やROI向上にお役立ちできます。
「KaiU」サービスサイト：https://kaiu.jp/

■「ウサギオンライン」について
会社名：株式会社ウサギオンライン
所在地：〒102-0083 東京都千代田区麹町5-7-2 MFPR麹町ビル6F
代表者：代表取締役会長　近藤 広幸
　　代表取締役社長　遠藤 誠
設　立：2013年3月
事業内容：インターネット通販事業「USAGI ONLINE」の EC サイト・店舗における販売事業
URL：https://www.usagi-online.co.jp/

DNA Advanced Medical Co.

Web-based Customer service



国際的情報収集及び先進的情報解析能力を駆使したサービスを提供するDNA先端医療株式会社、WEB接客及び離脱防止ツール「KaiU」およびチャット型WEB接客ツール「sinclo」を導入

株式会社エフ・コード　2024年8月30日 10時00分

株式会社エフ・コード（本社：東京都新宿区、代表取締役社長：工藤 勉、以下「当社」）は、新型出生前診断NIPTを提供するDNA先端医療株式会社（本社：東京都渋谷区、代表取締役：栗原 慎一、以下「DNA先端医療」）が、WEB接客及び離脱防止ツール「KaiU」およびチャット型WEB接客ツール「sinclo」を「NIPT」総合窓口サイト（https://dna-am.co.jp/）に導入したことをお知らせいたします。

DNA先端医療株式会社 ～ NIPT総合窓口 ～ × F-CODE

■導入の背景
DNA先端医療が運営する総合窓口サイトの購入率向上の施策の一環として、WEBサイトの離脱率、サイト回遊率等を課題にされており、サイト上の離脱防止、適切なタイミングでの回遊促進、サイトからの相談数、お問合せ数向上を目的とし離脱防止ツール「KaiU」およびチャット型WEB接客ツール「sinclo」の導入に至りました。

■「KaiU」について
WebサイトのCVRやROIの向上が見込めるツールです。「KaiU」を導入したWebサイトでは、来訪者の訪問回数や訪問ページ等の閲覧履歴や行動情報をもとにユーザー個々にWebサイト内の体験を最適化することが可能です。当社は「KaiU」の提供と運用の支援を行うことで、企業のマーケターの工数削減やROI向上にお役立ちできます。
「KaiU」サービスサイト：https://kaiu.jp/

■「sinclo（シンクロ）」について
sincloはWebサイト上でお客様とチャットによるコミュニケーションを取れる、チャット型のWeb接客ツールです。Webサイトにおいて非対面でありながらまるで対面接客のような営業やサポートを実現します。
サービスサイト：https://chat.sinclo.jp/

Keio Corporation

Web Production



エフ・コード子会社のマイクロウェーブクリエイティブ、京王電鉄株式会社のコーポレートサイトをリニューアル

株式会社エフ・コード　2024年7月11日 10時00分

株式会社エフ・コード（本社：東京都新宿区、代表取締役社長：工藤 勉、証券コード：9211、以下「当社」）の連結子会社である株式会社マイクロウェーブクリエイティブ（本社：東京都千代田区、代表取締役：富田 志郎、以下「マイクロウェーブクリエイティブ」）は、京王電鉄株式会社（本社：東京都多摩市、代表取締役社長　社長執行役員：都村 智史）のコーポレートサイトリニューアルを行ったことを発表いたします。

京王電鉄株式会社/コーポレートサイト　https://www.keio.co.jp/

■プロジェクト 概要
京王電鉄株式会社のコーポレートサイトの改修を担当。
すべての人から信頼され選ばれ続けるためのコミュニケーションツールとして刷新。
プロジェクト実績詳細ページ
https://www.microwave-creative.co.jp/casestudy/keio/

Release of new services

Release new products and services to create additional opportunities

Website Analysis Service

MWC



エフ・コード子会社のマイクロウェーブクリエイティブ『Webサイト診断サービス』の提供を開始

素材をダウンロード

株式会社エフ・コード　2024年7月18日 10時00分

株式会社エフ・コード（本社：東京都新宿区、代表取締役社長：工藤 勉、証券コード：9211、以下「当社」）の連結子会社である株式会社マイクロウェーブクリエイティブ（本社：東京都千代田区、代表取締役：葛田 志郎、以下「マイクロウェーブクリエイティブ」）が「Webサイト診断サービス」の提供を開始しましたことをお知らせいたします。

■Webサイト無料診断サービスの特徴
最適化の基礎となる４つの観点からWebサイトを診断することで、現在の状態や問題点を可視にするサービスです。様々な企業のWebサイトを構築してきたマイクロウェーブクリエイティブが各専門視点から課題を可視化し、サイトパフォーマンス改善の第一歩に繋げます。

■Webサイト無料診断サービスの概要
下記の４つの観点から多角的にお客様のWebサイトの状態について調査します。

■このようなニーズをお持ちの企業の課題を解決

- 自然検索からの流入が少なく、対策と施策について検討を始めたい
- サイトの運用に悩んでおり、今後の改修ポイントについてのアドバイスが欲しい
- Webサイトの質を高めたいが、どこから手を付けたらよいのか分からない
- セキュリティやユーザビリティなどサイトの現在のステータスについて知りたい

▼サービスのお申込み
https://lp.microwave-creative.co.jp/forms/website-diagnostics/order/

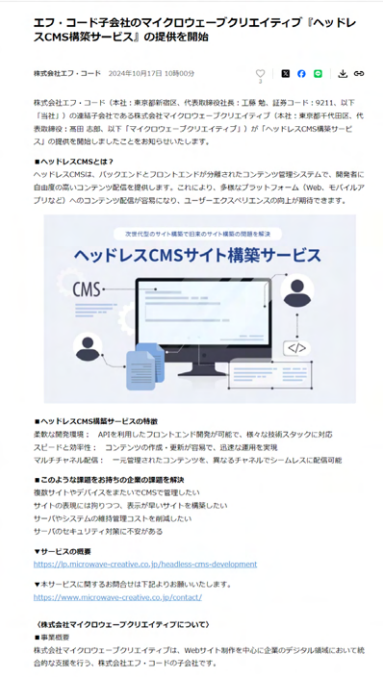
▼サービスの資料請求
https://lp.microwave-creative.co.jp/forms/website-diagnostics/request/

▼本サービスに関するお問合せは下記よりお願いいたします。
https://www.microwave-creative.co.jp/contact/

（株式会社マイクロウェーブクリエイティブについて）
■事業概要
株式会社マイクロウェーブクリエイティブは、Webサイト制作を中心に企業のデジタル領域において統合的な支援を行う、株式会社エフ・コードの子会社です。

Headless CMS Construction Service

MWC



エフ・コード子会社のマイクロウェーブクリエイティブ『ヘッドレスCMS構築サービス』の提供を開始

株式会社エフ・コード　2024年10月17日 10時00分

株式会社エフ・コード（本社：東京都新宿区、代表取締役社長：工藤 勉、証券コード：9211、以下「当社」）の連結子会社である株式会社マイクロウェーブクリエイティブ（本社：東京都千代田区、代表取締役：葛田 志郎、以下「マイクロウェーブクリエイティブ」）が「ヘッドレスCMS構築サービス」の提供を開始しましたことをお知らせいたします。

■ヘッドレスCMSとは？
ヘッドレスCMSは、バックエンドとフロントエンドが分離されたコンテンツ管理システムで、開発者に自由度の高いコンテンツ配信を提供します。これにより、多様なプラットフォーム（Web、モバイルアプリなど）へのコンテンツ配信が容易になり、ユーザーエクスペリエンスの向上が期待できます。

■ヘッドレスCMS構築サービスの特徴
柔軟な開発環境：　APIを利用したフロントエンド開発が可能で、様々な技術スタックに対応
スピードと効率性：　コンテンツの作成・更新が容易で、迅速な運用を実現
マルチチャネル配信：　一元管理されたコンテンツを、異なるチャネルでシームレスに配信可能

■このような課題をお持ちの企業の課題を解決
複数サイトやデバイスをまたいでCMSで管理したい
サイトの表現には向りつつ、表示が早いサイトを構築したい
サーバやシステムの維持管理コストを削減したい
サーバのセキュリティ対策に不安がある

▼サービスの概要
https://lp.microwave-creative.co.jp/headless-cms-development

▼本サービスに関するお問合せは下記よりお願いいたします。
https://www.microwave-creative.co.jp/contact/

（株式会社マイクロウェーブクリエイティブについて）
■事業概要
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05 Appendix

Consolidated Statement of Financial Position

(Millions of yen)	※1 End of previous period (End of Dec. 2023)	For the nine months (End of Sep. 2024)	Compared to previous period
Current assets	4,827	7,866	+63.0%
Cash and cash equivalents	4,039	7,020	+73.8%
Non-current assets	6,148	9,762	+58.8%
Total assets	10,975	17,628	+60.6%
Current liabilities	2,196	3,598	+63.8%
Non-Current Liabilities	5,458	8,205	+50.3%
Total equity	3,319	5,825	+75.5%

※1The provisional accounting treatment for business combinations was finalised in the third quarter of the year ending 31 December 2023 and the first quarter of the year ending 31 December 2024, and the f igures for the second quarter of the year ended 31 December 2023 and 2024 reflect the finalised provisional accounting treatment.

Consolidated Statements of Income

(Unit: Millions of yen)	FY 2023 3Q (Same period of the previous year) ※1	FY 2024 2Q (Previous quarter) ※1	FY2024 3Q (Current quarter)	Increase and decrease	
				YoY	QoQ
Sales revenue	**716**	**1,002**	**1,040**	**+324**	**+37**
Gross Profit	**423**	**566**	**611**	**+187**	**+44**
Gross profit margin ratio	59.2%	56.5%	58.8%	△0.4%	**2.2%**
Selling, general and administrative expenses	**236**	**331**	**298**	**+62**	**△32**
Percentage of net sales	33.0%	33.1%	28.7%	△4.3%	△4.3%
EBITDA	**208**	**328**	**393**	**+184**	**+65**
EBITA margin	29.2%	32.8%	37.8%	+8.7%	+5.1%
Operating income	**190**	**306**	**372**	**+181**	**+65**
Operating profit ratio	26.6%	30.6%	35.8%	+9.2%	**5.2%**
Financial revenue	**0**	**1**	**△0**	**△0**	**△2**
Financial cost	**11**	**28**	**27**	**+16**	**△0**
Income before income taxes	**179**	**279**	**344**	**+164**	**+64**
Net income attributable to owners of the parent	**144**	**176**	**220**	**+76**	**+43**

※1The provisional accounting treatment for business combinations was finalised in the third quarter of the year ending 31 December 2023 and the first quarter of the year ending 31 December 2024, and the f igures for the second quarter of the year ended 31 December 2023 and 2024 reflect the finalised provisional accounting treatment.

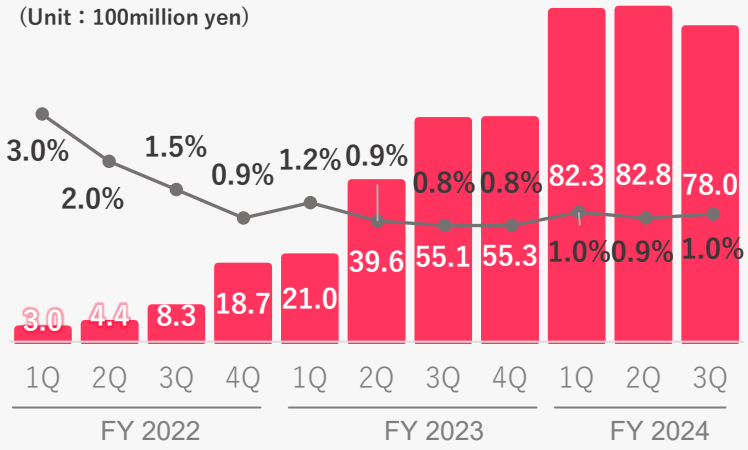
Glossary

DX	Abbreviation for Digital Transformation, the digitization of a company's business model and workflow to achieve discontinuous growth. Trans" in "Transformation" means "crossing" and is abbreviated to "DX" in English-speaking countries because the single letter "X" is used to represent crossing.
CX	Abbreviation for Customer Experience, all experiences related to products that consumers receive from companies, including websites and in-store experiences.
SaaS	Software as a Service, short for "Saas" or "Saas," a service that allows users to use software on a cloud server provided by a vendor via the Internet.
EFO	Abbreviation for Entry Form Optimization, activities and data to improve the usability of purchase and other forms.
VOC	Abbreviation for "voice of customer," the opinions, requests, and complaints that a company receives from its customers.
Web customer service data	Data collected in CODE Marketing Cloud, such as user behavior on the website and responses to web-based customer service
Site behavior data	User website behavior data collected on client company websites
Digital AD data	AD stands for advertising and is data on user views, clicks, conversions, etc., in response to the delivery of digital advertisements.
CRM	Abbreviation for Customer Relationship Management, translated as "customer relationship management" or "customer relationship management
LTV	Abbreviation of "Life Time Value," translated as "customer lifetime value.
Inside sales	Sales activities conducted non-personally to prospective customers by telephone, e-mail, web conferencing, etc. On the other hand, face-to-face sales activities are called field sales.
UX	Abbreviation for User Experience, translated as "customer experience. It refers to the experience that a user gets through a product or service.
UI	Abbreviation for User Interface, translated as "customer touch point," which in the case of a website refers to the design, layout, fonts, etc. displayed, and in the case of a product, the appearance, etc.

Financial Impact of Rising Interest Rates

Debt interest rates remain low relative to cost of equity and expected M&A returns.
Minimal financial impact from higher interest rates and continued acceleration of fundraising and investment.

Balance of interest-bearing debt and interest rate paid(*6)



Views on Rising Interest Rates

- Interest rate rise will have an impact because debt financing is mainly floating-rate borrowing.
- On the other hand, as disclosed on a timely basis (*1), the latest funding rate is below 1%.
- Interest-bearing debt at the end of the 3Q was 7.8bn yen, and the annual PL impact per 0.1% increase in interest rates was 8mm yenon a simple calculation.(*2)
- 20% return on investment for M&A execution assuming acquisition price at 5x annual EBITDA(*3)
- One standard cost of equity for listed companies is said to be around 8% (*4), and we calculated our cost of equity to be around 10-11% (*5) based on the CAPM.
- In comparison, the impact of interest rate hikes is considered to be negligible, and borrowing costs after the hikes are considered to be sufficiently low.

(*1)：Most recently, in the "Notice Concerning Borrowing of Funds" disclosed on June 24, 2024, we announced a borrowing at a floating interest rate of 0.73% from The East Japan Bank, Ltd. announced on January 15, 2024, the borrowing from Mizuho Bank, Ltd. at a base interest rate of +0.5%.
(*2)：In the most recent one-month period from 7/1/2024 to 8/1/2024, 1MONTH Tibor published by JBA rose by about 0.15%. Although this is an extremely conservative assumption, the impact of a 1% rise in interest rates, for example, would be 82 million yen (about 54 million yen after taking into account tax mitigation effects), which is considered an acceptable level compared to the disclosed operating income forecast (1.35 billion yen), etc.
(*3)：After tax deduction, it is about 13%. In the case of schemes where tax effects are generated by asset adjustment accounts, such as business transfers and stock transfers in spin-offs, the theoretical rate of return is 20% during the amortization period.
(*4)： In the Ito Report, a minimum ROE target of 8% above cost of shareholders' equity is indicated, which is one of the guidelines for cost of shareholders' equity for listed companies in Japan.
(*5)：Calculated based on stock price fluctuations of several companies in the same industry over the past five years.
(*6)：The balance of interest-bearing liabilities is the balance at the end of the quarter. The interest rate paid is the amount of interest paid during the quarterly accounting period divided by the average quarterly balance of interest-bearing liabilities (calculated as the average of the balances at the beginning and end of the quarter), multiplied by 4.

Overview of our group with the participation of BUZZ Inc.

A group of companies specializing in ."Creating" , "Attracting Customers", "Customerization and Monetization" have come together to provide consistent support as a group.

※SpinFlow joined on November 5, 2024, and BUZZ Inc. will join at the end of November.

F-CODE

Creating

Engineering

RAGNAROCK Inc.

Growth Engineering
(New business and product development)

New!!

SpinFlow Inc.

Consulting using Generative AI, Reskilling Training

Creative

Microwave Creative Inc.

HP and system development for a major company

JITT Inc.

HP and system development for small and medium-sized stores

Attracting Customers

Marketing

SAKIYOMI Inc.

SNS Marketing Support

CRAFT Inc.

Advertisement management for D2C

Marketer Training, Matching

New!!

BUZZ (to be established)

BUZZ Inc.

SNS Marketer Training and Matching

Customerization and Monetization

Data science

BINKS Inc.

Data Science,
LTV Marketing Support

Technology

f-code Inc.

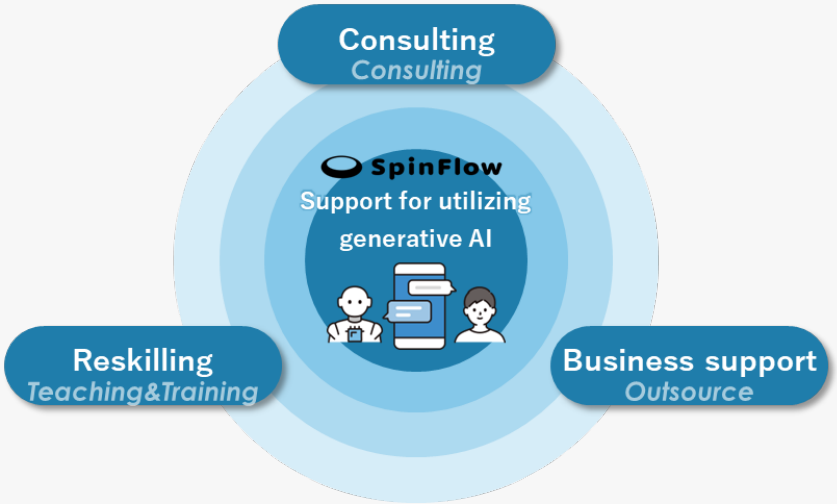
CX SaaS offerings (list below)

Consulting and training on the use of generative AI

SpinFlow

Average 30% reduction in man-hours through support for using generative AI, training and education for generative AI provided to over 2,000 clients

Within the scope of support



Support record (excerpt)

CRAFTRANS

40% reduction in man-hours in the sales phase.

ChatGPT is introduced into the work of sales staff.Support is provided for creating in-house GPTs such as quotation GPTs, and for automating proposal materials using Ganma.

Crewbit

23% reduction in requirements definition/test design man-hours.

Copilot was introduced in the requirements definition phase and test design phase. The work of directors and engineers that was previously required was replaced by AI, contributing to a reduction in man-hours.

Website Development/Creative Production for major companies

MICROWAVE CREATIVE

Website development/creative production for 100 major companies per year.

Details of Support



Website creation | Consulting | Marketing

Support Achievements (example)



Sunstar Inc.



JCB Co., Ltd.



SKYLARK GROUP



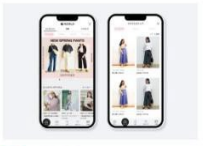
Ebara Foods Industry, Inc.



Morinaga & Co., Ltd.



UTENA Co., Ltd.



World Co., Ltd.



JAPAN ELECTRON OPTICS LABORATORY CO., LTD

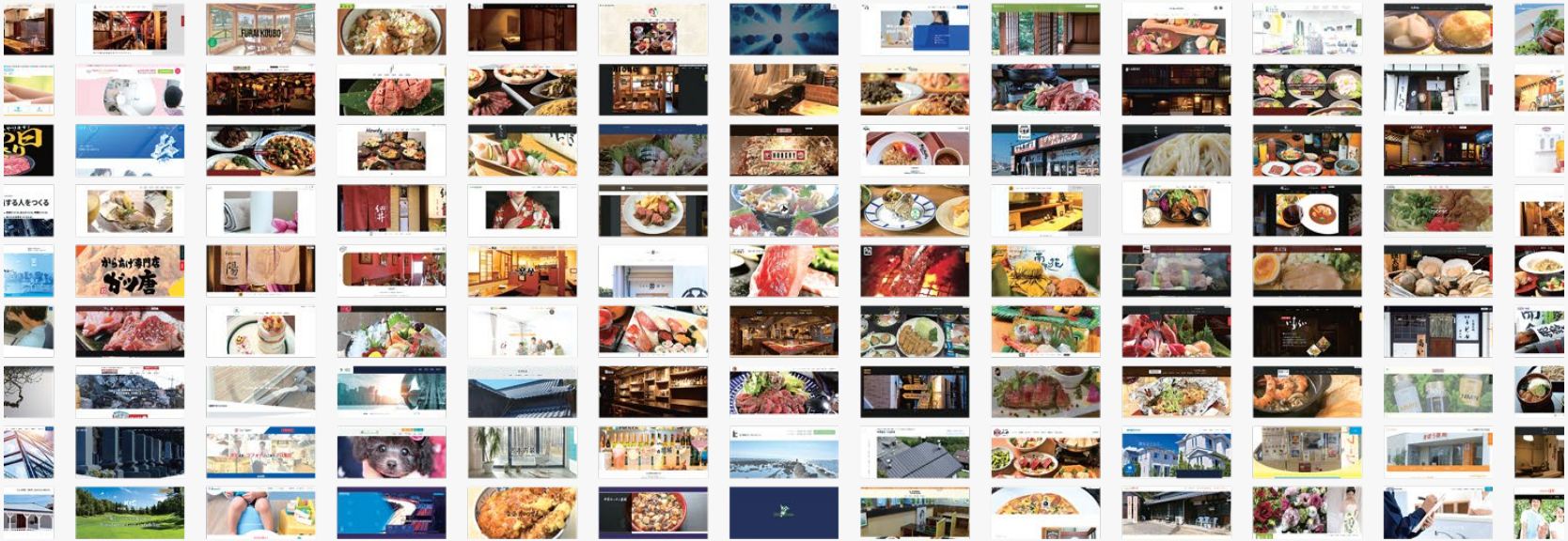


TOSOH CORPORATION

Website Development/Creative Production for Small and Medium-sized Businesses and Stores

JiTT

Builds over **3,000** websites per year



Support for product development and DXing of corporate activities

RAGNA ROCK

Growth engineering by a group of 11 top engineers with entrepreneurial experience, all of whom have experience as lead engineers.



Representative Director and CEO
Makoto Nishimoto

KONICA MINOLTA	朝日新聞社	Makuake
Technical Advisor and New Business Development	In-house development team	Design and development support
KONICA MINOLTA, INC.	The Asahi Shimbun Company	Makuake, Inc.
Project management and development of new product development. Business plan development for the entire smartphone to infrastructure.	Programming education for engineering teams and Support for selection of tools and frameworks for team management and start-up of development organization	Planning, design and development of web services A/B testing and data analysis for new features and design optimization

Examples of companies where members have belonged：Mercari, Inc., Merpay, Inc., Freee K.K., Coincheck Inc., Canon Inc., UUUM Co., Ltd., LINE Corporation, Ateam Inc., Monstarlab Holdings Inc., every, Inc., Kakaku.com,Inc., Excite Japan Co., Ltd., Apple Inc., KAYAC Inc. etc.

SNS Marketing Support

SAKIYOMI

We support more than 1,500 customers!

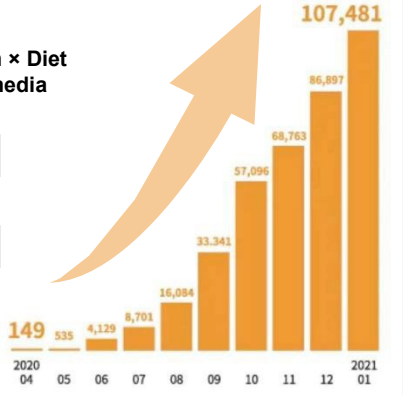
A group of professionals handle everything from strategy design to the implementation of measures on behalf of the client.

example



18mm monthly views Instagram × Diet with greater PV than owned media

Category
Diet/Training
Operation period
10 months
Number of followers
100.7k



There is a winning pattern in Instagram operations



Achieved an average of 10k followers in 4.2 months

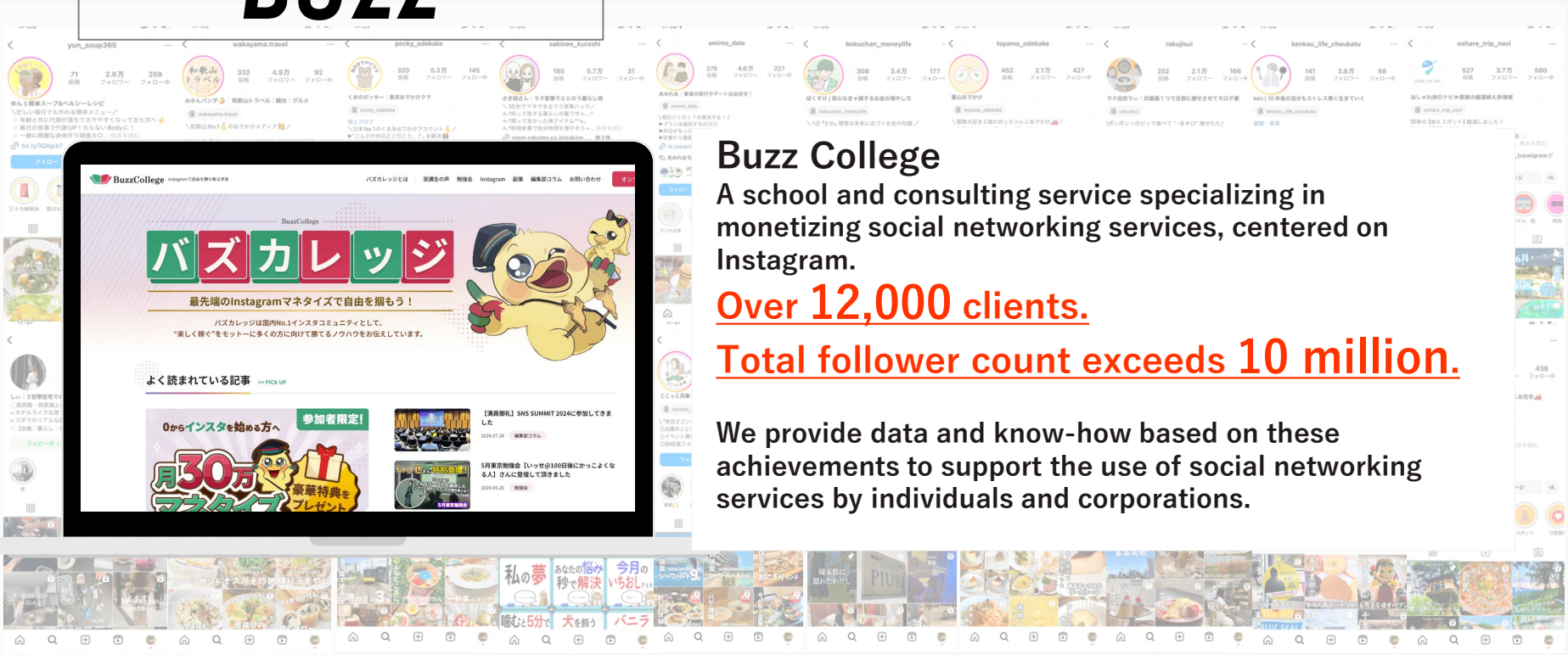
Hack the best operational approach by multiplying account operation results and data collection using tools



Operational result : 20K followers in 6 months , CV 100 in 3 months, CPA1/2
(As of Dec. 2021)

Training SNS Marketers

BUZZ



Buzz College

A school and consulting service specializing in monetizing social networking services, centered on Instagram.

Over 12,000 clients.

Total follower count exceeds 10 million.

We provide data and know-how based on these achievements to support the use of social networking services by individuals and corporations.

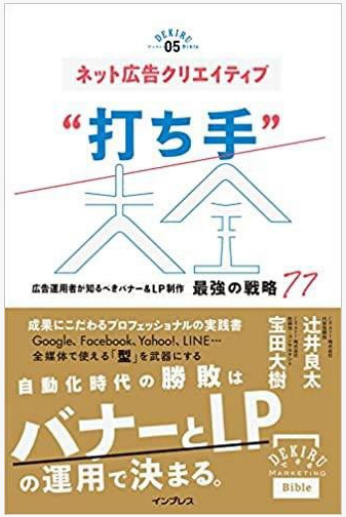
Advertising operations and digital marketing support

CRAFT

Maximize advertising results with technology & creative.

Book





Creative example













LINE Marketing SaaS “hachidori”

hachidori

Using LINE to acquire new and retain clients. Also contributing to the Tokyo Metropolitan Government and other government agencies with their DX.



Application examples (Real estate industry examples)

1 Notifications on LINE generated by free member registration and a reservation for private view



2 Add friend on LINE



3 Nurturing LINE



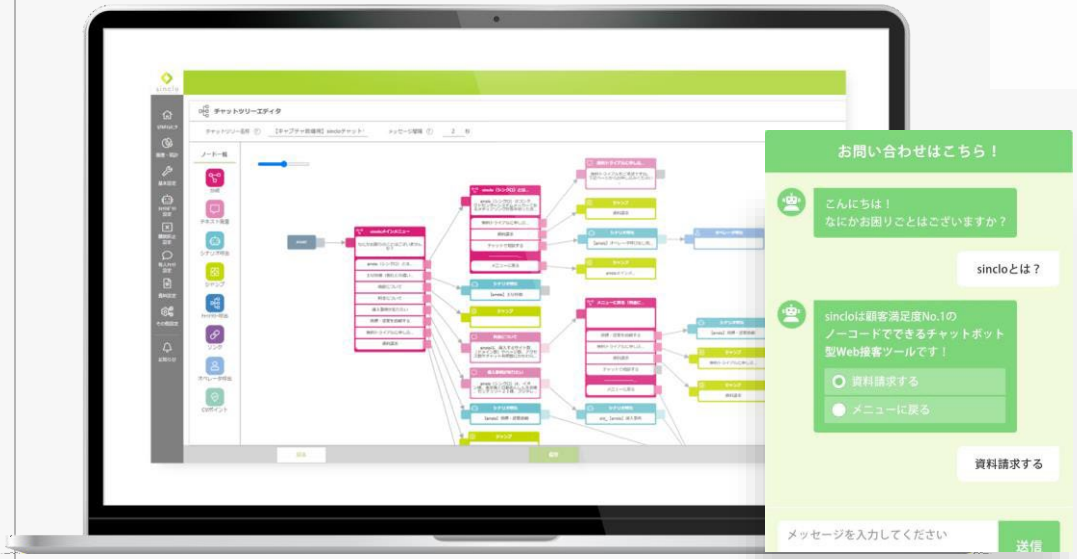
4 Contract completion



Web Chatbot SaaS “sinclo”

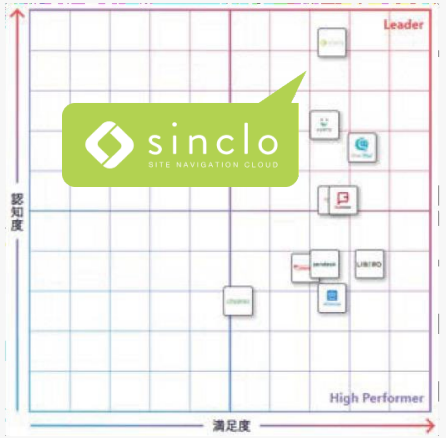
sinclo
SITE NAVIGATION CLOUD

Chatbot enhances Website Usability, Used by more than 800 Companies.



ITreview

IT product review site, web chat category 22 April 11, 2010



Technology

Web Customer Service SaaS CODE Marketing Cloud

CODE

Analyzes user behavior on the site to ensure highly quality customer service.

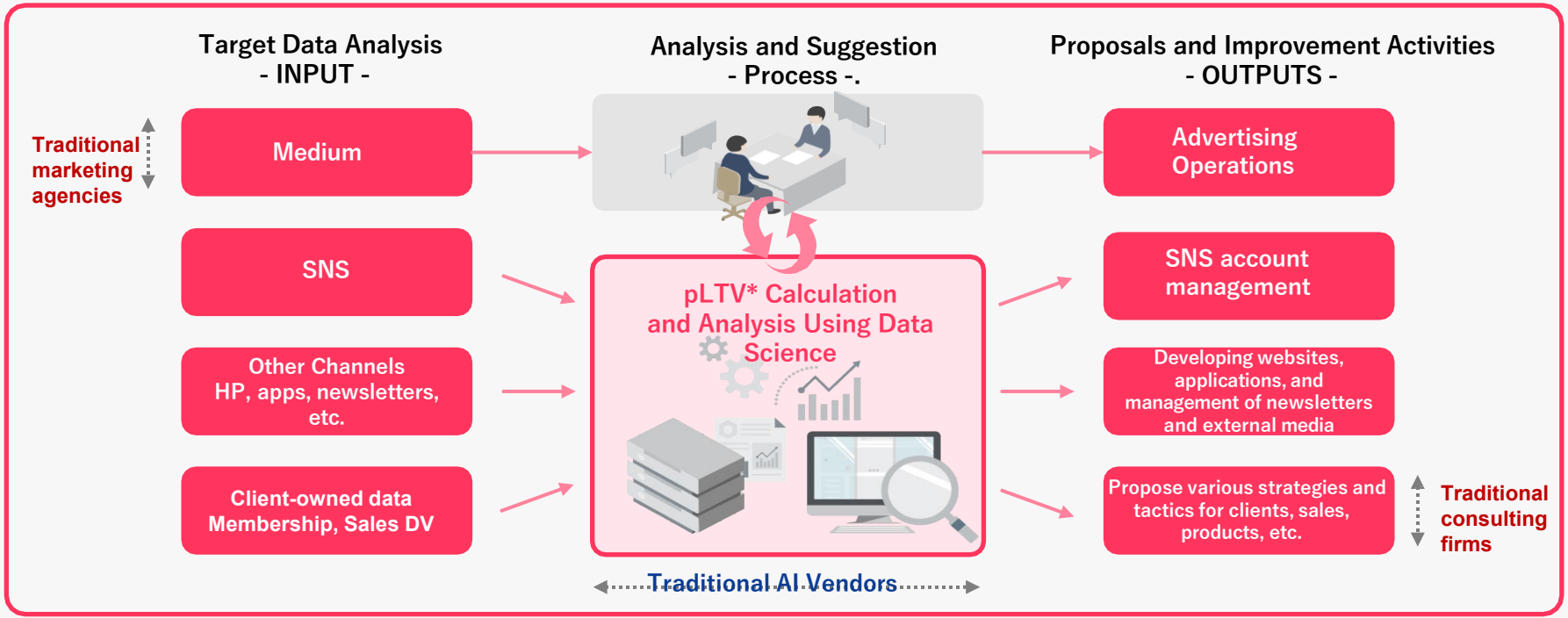
Customer service for each user on the website can now be optimized, with potential benefits including higher CVR and ROI.



Data Science & LTV Marketing Support

BINKS

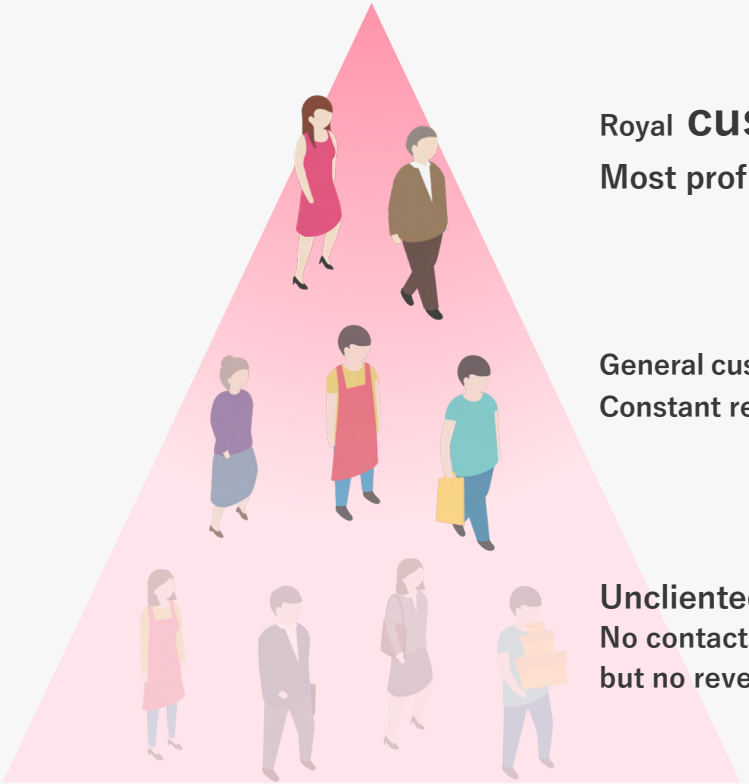
Helping clients maximize LTV through data science & LTV marketing.



*pLTV: Abbreviation for Predicted Life Time Value. Predicted: Predicted, LTV: Life Time Value, Customer Lifetime Value

Predicting and Focusing on "Quality Customers" with Data Science

LTV performance is machine-learned to forecast royal customers and their predict revenues.



Royal **customer**
Most profitable ★★★

General customer
Constant revenue. ★☆☆

Uncliented/non-cliented
No contacts or have contacts but no revenue

By using Data Science
The lifetime value of a customer can be predicted,
Specific measures focusing on royal customers can be implemented in marketing, sales, products, etc.

What is pLTV (projected customer lifetime value) based improvement?

Machine learning of LTV performance and calculation of LTV for uncustomers and existing customers (=pLTV, predicted customer lifetime value).

Customer targeting, measures, and costs can be further optimized based on the appropriate pLTV.

	Acquisition measures and costs		Projected customer lifetime value (pLTV)	
A	10,000 yen	Priority #1	20,000 yen	Priority #3
B	20,000 yen	Priority #2	40,000 yen	Priority #2
c	40,000 yen	Priority #3	120,000 yen	Priority #1

Optimization of measures and costs



Reflected in future activities
Examples:
Expansion of C-type customers
Reduction of A-type cost

Evaluation and operation of outdated measures

The LTV is taken into account and subjected to further analysis via machine learning to calculate pLTV.
Measures evaluation and operation in real time.

Handling of this document

This document contains forward-looking statements. These statements are based on information available as of the date of this document. The statements do not constitute guarantees of future results or performance. Such forward-looking statements necessarily involve known and unknown risks and uncertainties. As a result, actual future results and financial condition may differ materially from any future results or performance expressed or implied herein.

Factors that may cause results to differ materially from those described in these statements include, but are not limited to, changes in national and international economic conditions and trends in the industries in which the Company operates.

Information regarding subjects and organizations other than the company is based on publicly available information, and it does not guarantee its validity, accuracy or usefulness.

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