

Financial Results

for the First Quarter of the Fiscal Year Ending
December 31, 2024

ProjectHoldings, Inc. [TSE Growth: 9246]

(Company name changed from ProjectCompany, Inc. in January 2024)

May 15, 2024



Executive Summary

Q1 FY2024 Financial Results

Net Sales	Operating Profit	EBITDA*1	EBITDA Margin
¥1,439 million (-3.7% YoY)	¥-22 million (- YoY)	¥33 million (-87.8% YoY)	2.3% (-15.9 pts YoY)

- Net sales decreased QoQ mainly due to the resignation of 15 Digital transformation business employees at the end of December 2023. However, mid-career recruitment generally progressed smoothly and **net sales exceeded the initial plan** at ¥1,439 million,.
- **Operating profit decreased QoQ** due to a decrease in gross profit margin in Digital transformation business, an increase in personnel expenses and outsourcing expenses as a result of personnel system reforms and measures to strengthen personnel development. **Exceeded the target except for the impact (¥-44 million) of the change in the accounting method for rent expenses from the time of budgeting.**

Major Numerical Information*2

Net Sales per Client	Net Sales per Employee
¥15.5 million/Q1 (+26.0% YoY)	¥3.35 million /person/month (+4.4% QoQ)

- **Turning existing customers into large-scale customers progressed well**, and net sales per client rose 26.0% YoY in Q1.
- Acquisition of projects continued to be strong, with net sales per employee increasing slightly YoY at ¥3.35 million/person/month.

Organizational Situation for the Digital Transformation Business

- The resignation of a former executive vice president in September 2023 has led to a high attrition rate. Although the number of employees resigning is on a declining trend, we will continue to exert efforts to control the number.
- Mid-career recruitment, including those with experience, is generally progressing smoothly.

Revision of Financial Results Forecast for FY2024

Net sales: ¥5,750 million	Operating profit: ¥ -190 million
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- The financial results forecast for FY2024 has been revised downward mainly due to the change in the accounting method for office rents (p.24) and the transfer of ProjectHRsolutions, Inc. based on the recent business situation (p.25).
- The forecast for FY2025 and beyond remains unchanged.

*1 EBITDA represents operating profit plus depreciation, amortization of leasehold deposits and share based payment expenses.

*2 Figures compiled for the Digital transformation business

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1. Overview of ProjectHoldings, Inc.

Group Management Philosophy

Mission

Creating a Project-based Society

Vision

Our vision is to foster and develop a large number of professionals who will lead the next generation and provide a variety of solutions that transform companies. By doing so, we aim to guide each of our client companies to become enterprises that represent the next generation and contribute to the revitalization of Japanese society.

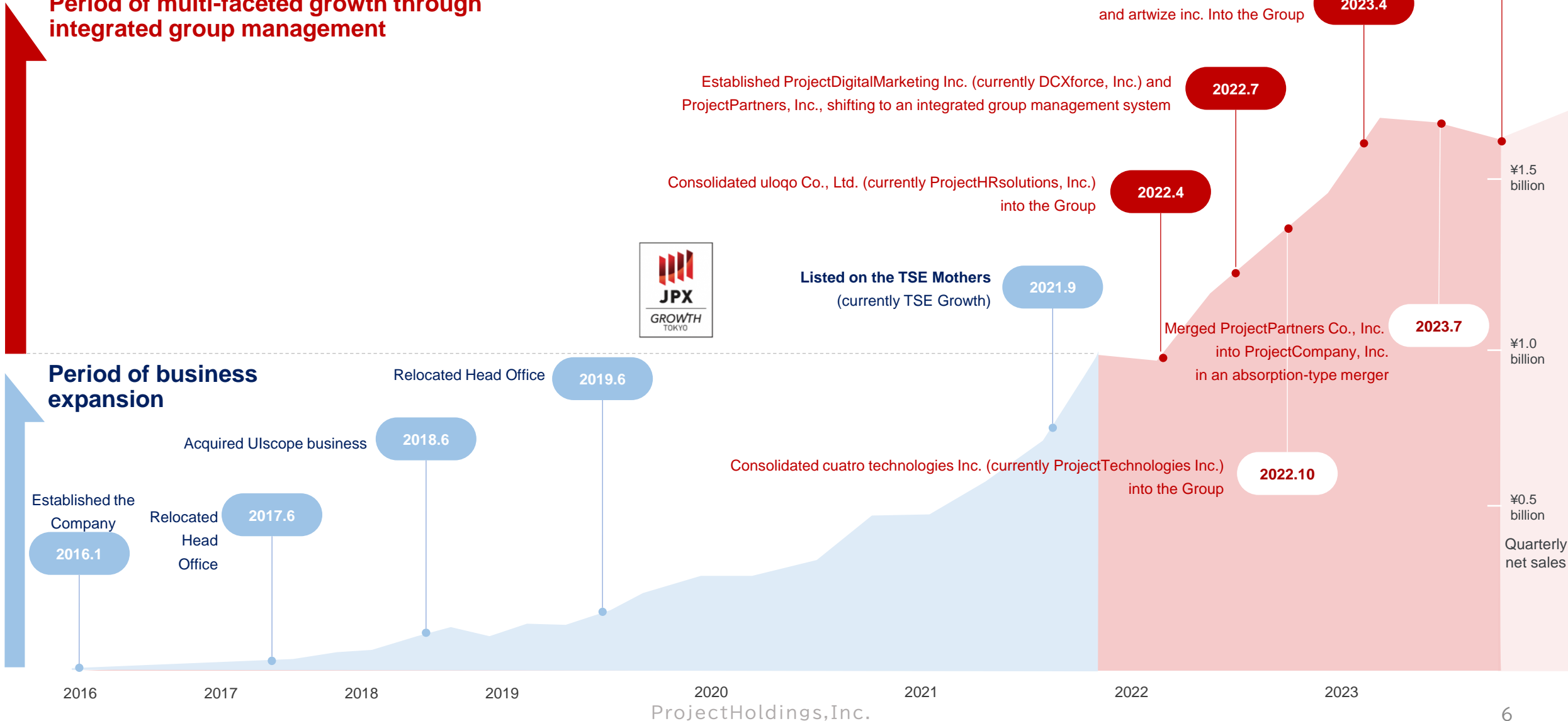
Company History



Transition to a pure holding company structure and office relocation

Period of multi-faceted growth through integrated group management

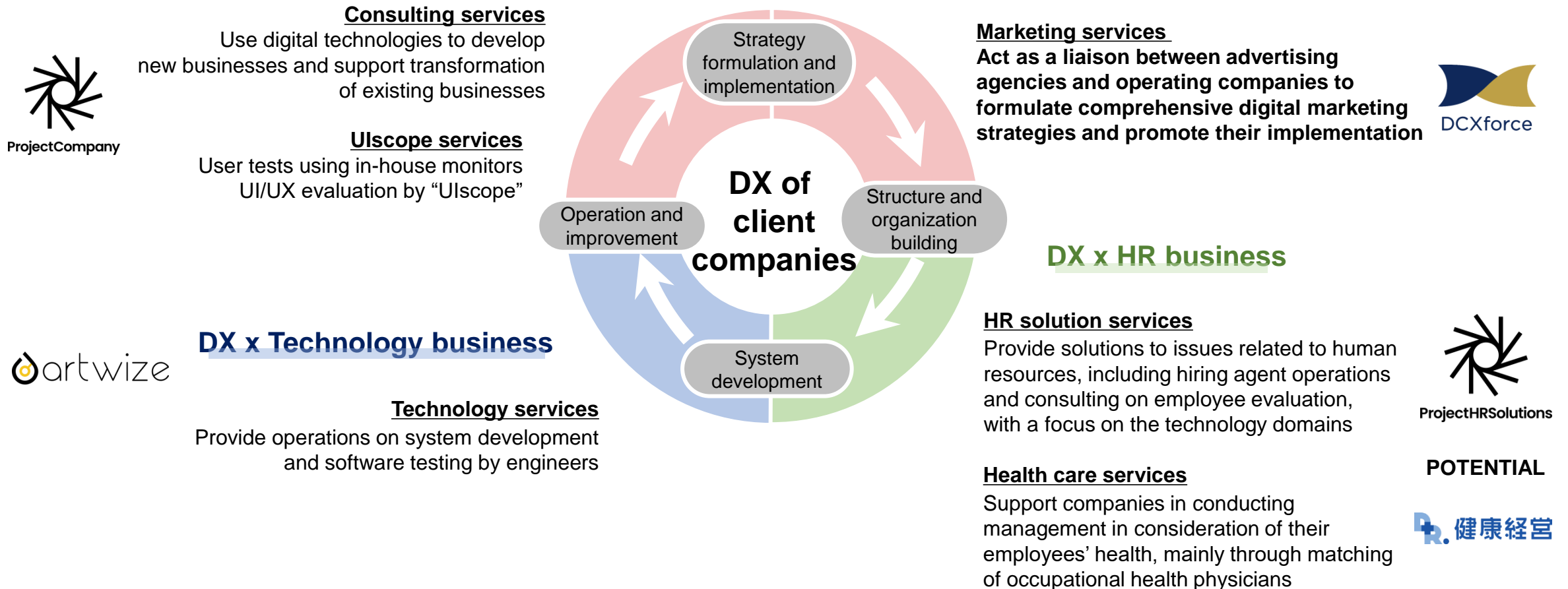
Period of business expansion



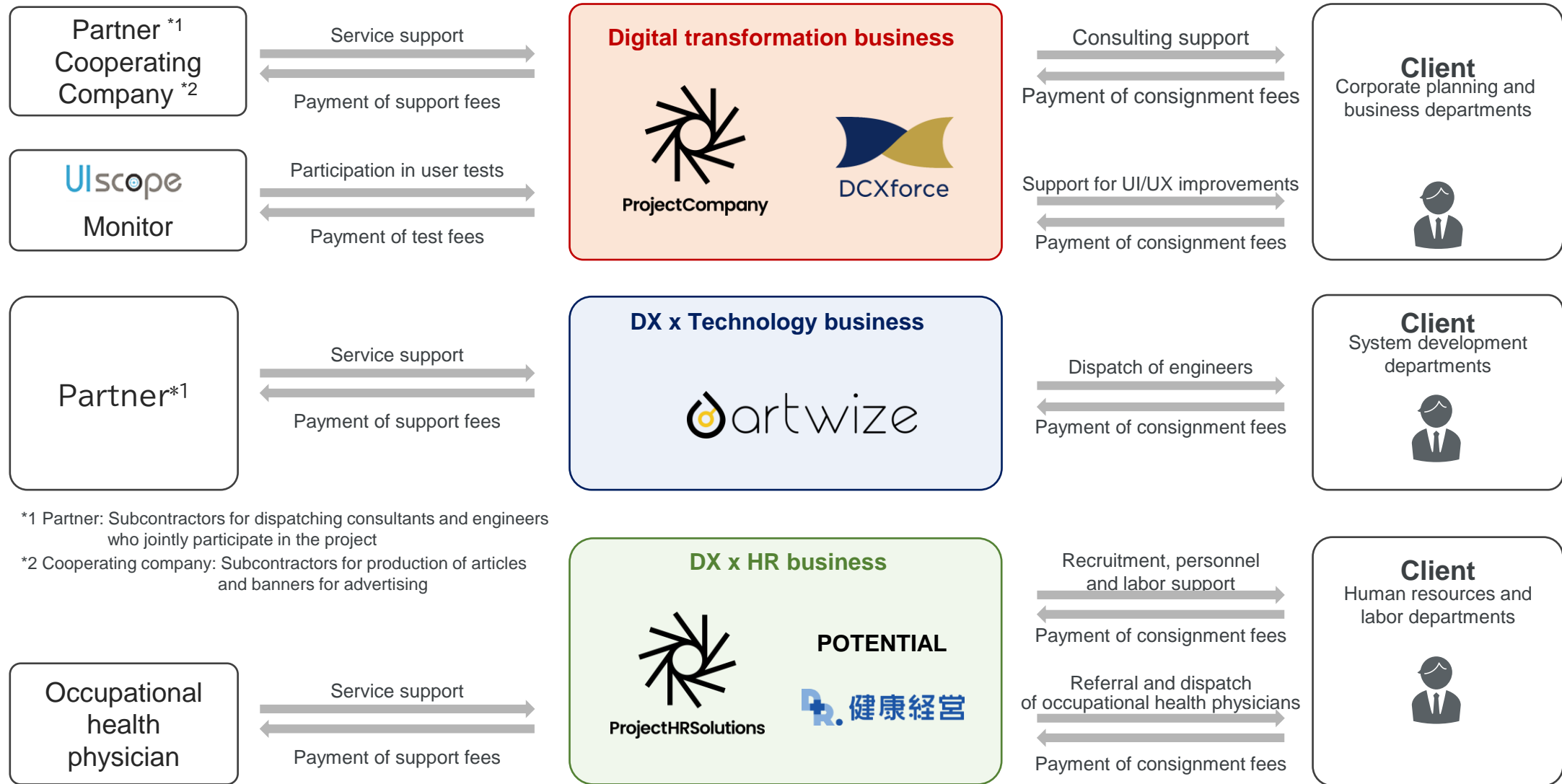
Business Domains of the Group

- We define “digital transformation” (DX) as the expansion of businesses at operating companies through the use of digital technologies to develop new businesses and improve operations. With this understanding, we provide one-stop support for our client companies’ DX strategies, from planning to implementation and improvement.

Digital transformation business



Business Structure Diagram



Case Studies

SBI NEOMOBILE SECURITIES



Support for launching a stock purchase service using T-points

- ▶ Supported a project to launch a new service that enables transactions through smartphones to attract young people and investment beginners. Acquired around 300,000 accounts in one year after launching the service.
- ▶ Launched a joint venture and reviewed a service design utilizing such technologies as robo advisors and chatbots.
- ▶ Developed and implemented digital marketing strategies to demonstrate the services.
- ▶ Utilized user tests (UIScope) to produce a service LP.

Area of support **Consulting (new business development), marketing (marketing consultation), UI/UX**

Shimane Bank



Support for setting up a smartphone branch

- ▶ The project called for establishing a "Smartphone Branch," a virtual branch with no passbook, no cash card, and no seal.
- ▶ Supported the release of the service symbolizing the bank's DX, where account opening and use are conducted with smartphones only, allowing the bank to acquire over 5 billion in deposits in four months since release.
- ▶ Worked on a wide range of activities, including identification of various discussion points and implementation of measures before release, as well as producing a service LP and establishing promotion strategies in cooperation with external business operators.
- ▶ After release, supported study of additional measures and establishment of customer management.

Area of support **Consulting (new business development), marketing (marketing consultation)**

transcosmos

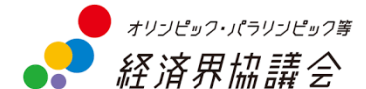


Joint DX support by combining know-how of both companies

- ▶ Supporting more than 600 DX projects a year, transcosmos provides cross-channel one-stop services for CX improvement, with special strengths in building e-commerce/call centers.
- ▶ Jointly provide wide-ranging support for clients' digital marketing and business transformation by combining the areas of expertise of both companies.
- ▶ Have supported multiple projects, including concept studies of global CRM systems and review and implementation of one-to-one marketing strategies.

Area of support **Consulting (transformation of existing businesses and operational improvement)**

Olympic and Paralympic Games Business Council



2020 Tokyo Games momentum building project

- ▶ A major project for the business circle to support momentum building for 2020 Tokyo Games in cooperation with IOC, the government and local governments.
- ▶ Held more than 1,000 events in regional cities by the end of February 2020, utilizing corporate assets across Japan, with more than 650 companies participating and 430 local governments cooperating.
- ▶ Supported a wide range of branding and public relations activities for the project by utilizing digital channels.

Area of support **Marketing (social media operation and marketing consultation)**

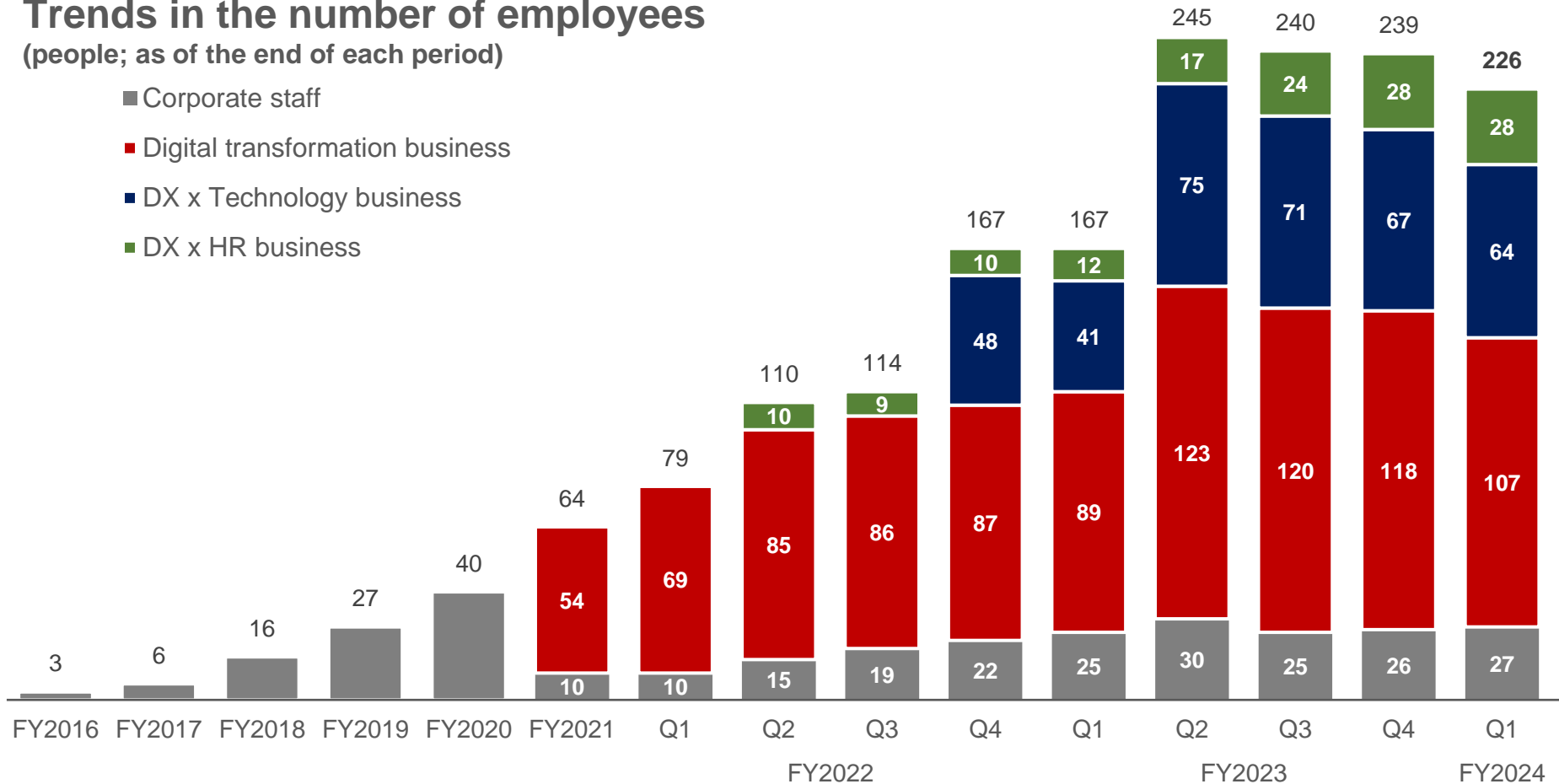
Situation of Employees

- The number of employees on a consolidated basis decreased to 226 as of March 31, 2024, mainly due to the resignation of 15 employees in the Digital transformation business at the end of the previous quarter.
- In April 2024, 40 new graduates and 13 mid-career employees joined the Company, and the Company plans to expand the scale of its organization.

Trends in the number of employees

(people; as of the end of each period)

- Corporate staff
- Digital transformation business
- DX x Technology business
- DX x HR business



In April 2024, 40 new graduates and 13 mid-career employees joined the Company, and the Company plans to expand the scale of its organization.

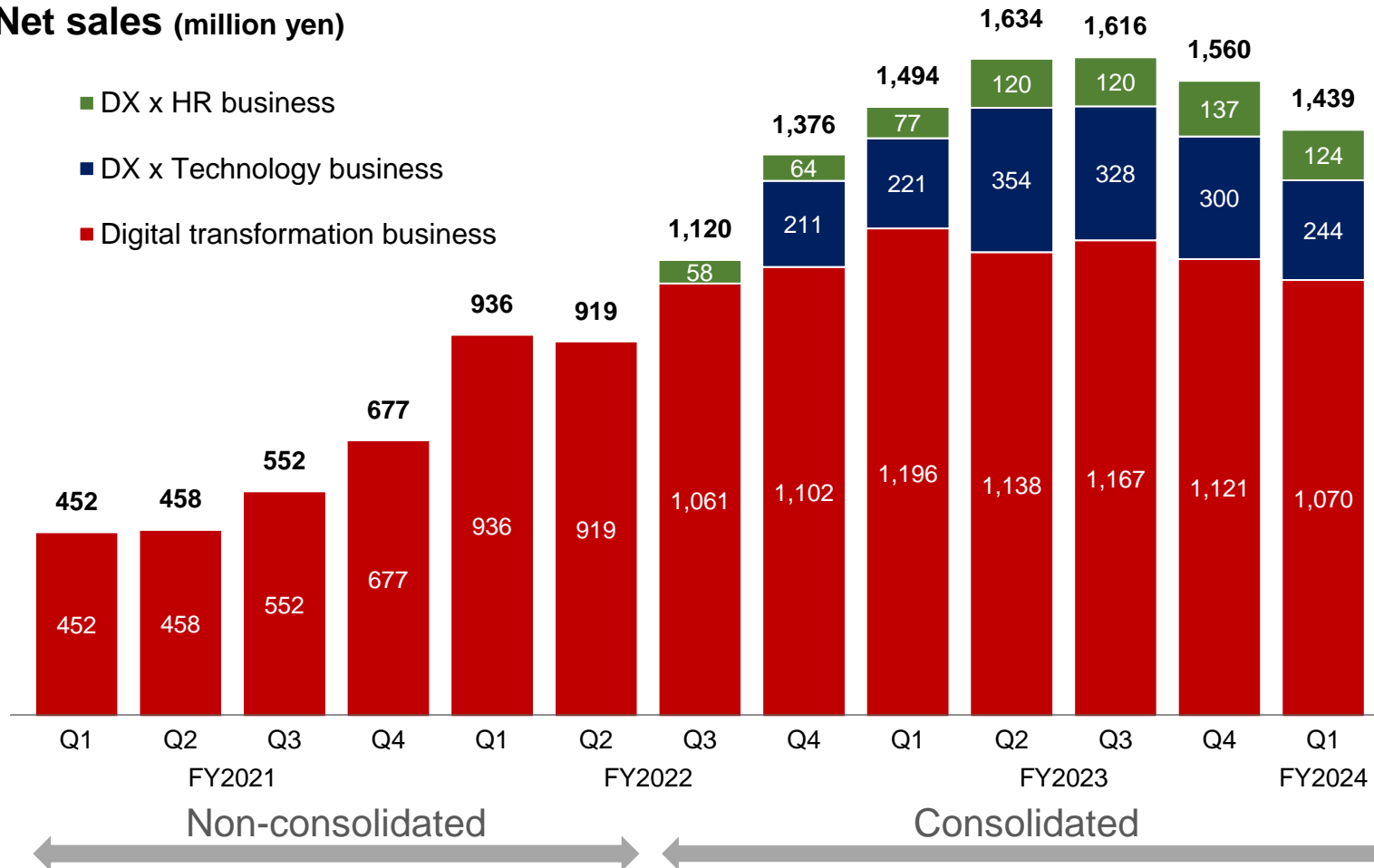


2. Q1 FY2024 Financial Results

Financial Results - Net Sales

- Achieved net sales of **¥1,439 million** in Q1 FY2024, **down 7.8% QoQ** and **down 3.7% YoY**.
- Net sales of the Digital transformation business totaled **¥1,070 million**, **down 4.5% QoQ** and **down 10.5% YoY**.

Net sales (million yen)



DX x HR business

ProjectHRsolutions Inc. will be sold based on recent business conditions and the state of synergies within the Group (p.25).

DX x Technology business

Sales continued to decline due to the departure of sales staff at ProjectTechnologies Inc.

The attrition has been settled at present as progress has been made in coordinating with artwize inc., which excels in creating a comfortable working environment for engineers.

Aim to expand business scale by focusing on recruitment, which is progressing smoothly, to increase the number of qualified engineers.

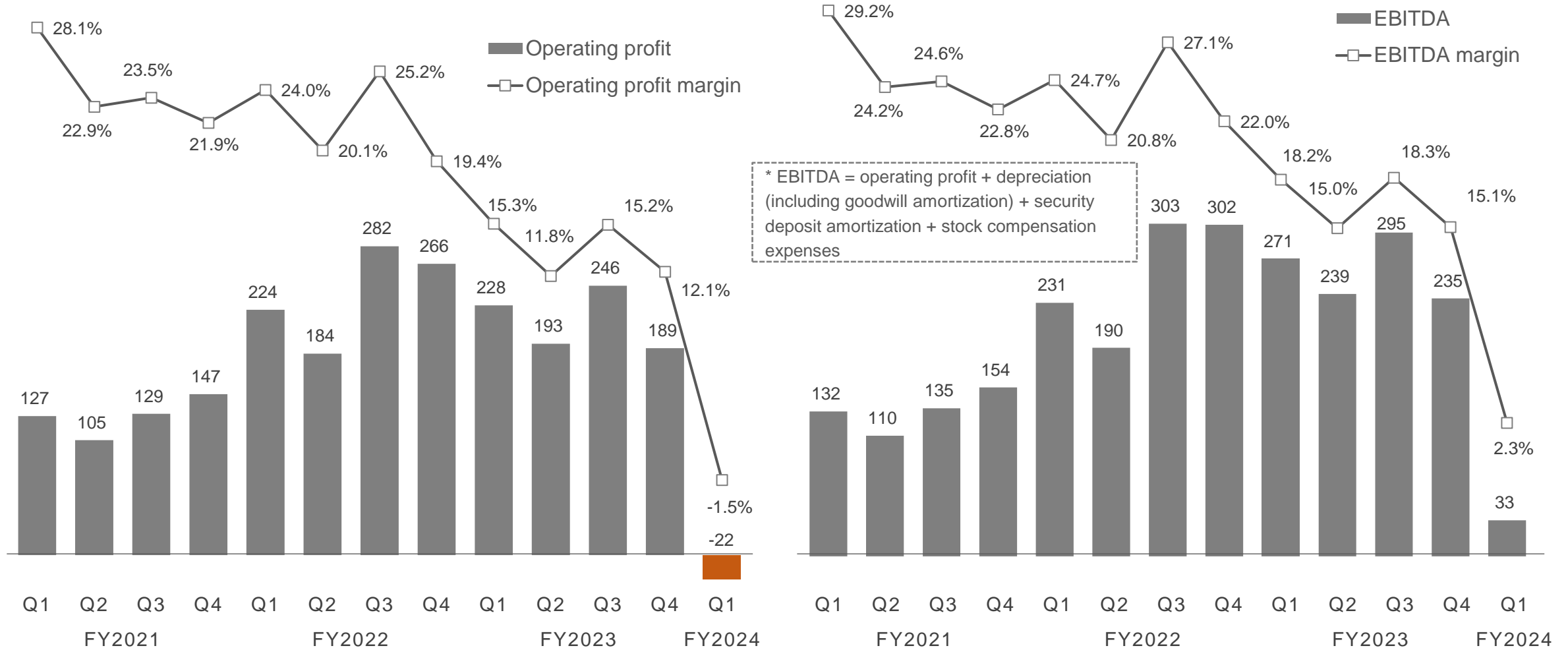
Digital transformation business

Net sales decreased due to the resignation of 15 employees at the end of December 2023 (as previously disclosed).

Although the employee attrition rate remained high in Q1, it was on a decreasing trend, and due to the strong progress in recruitment, the result was better than the plan.

Financial Results - Operating Profit and EBITDA

■ Amid a decrease in revenue, operating profit and EBITDA decreased QoQ due to increases in personnel expenses and outsourcing expenses from personnel system reforms and measures to strengthen human resources development, as well as a change in the accounting method for office rents (p.24).

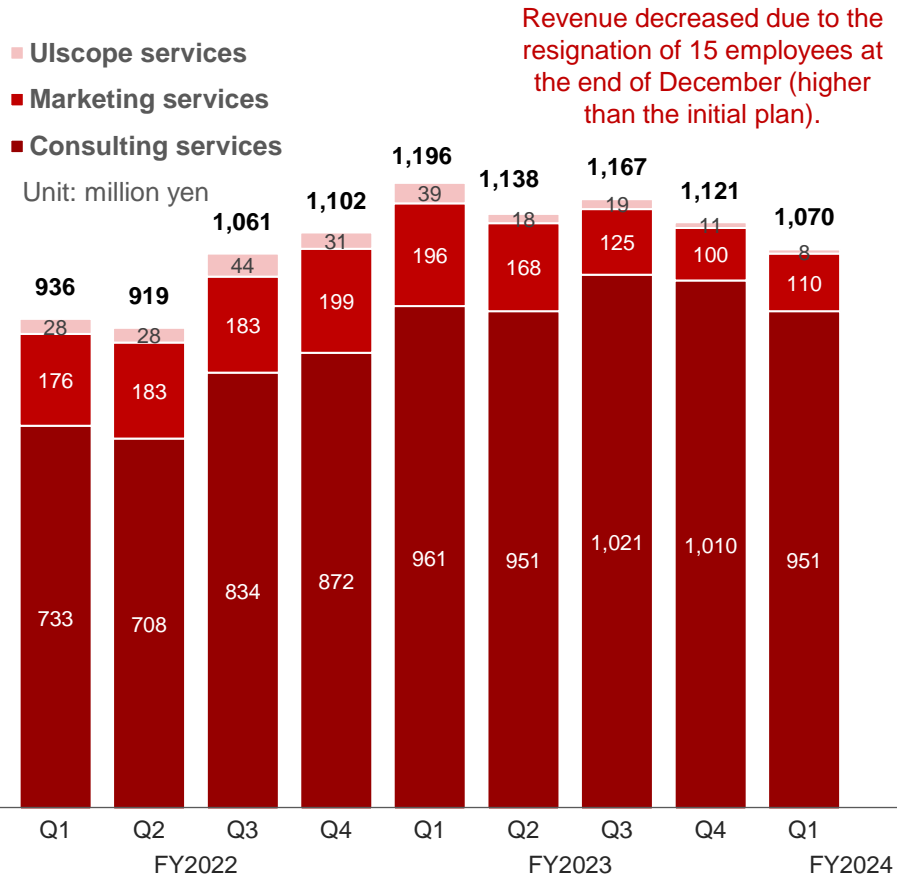


Results by Segment - Net Sales

■ Net sales by segment are as follows.

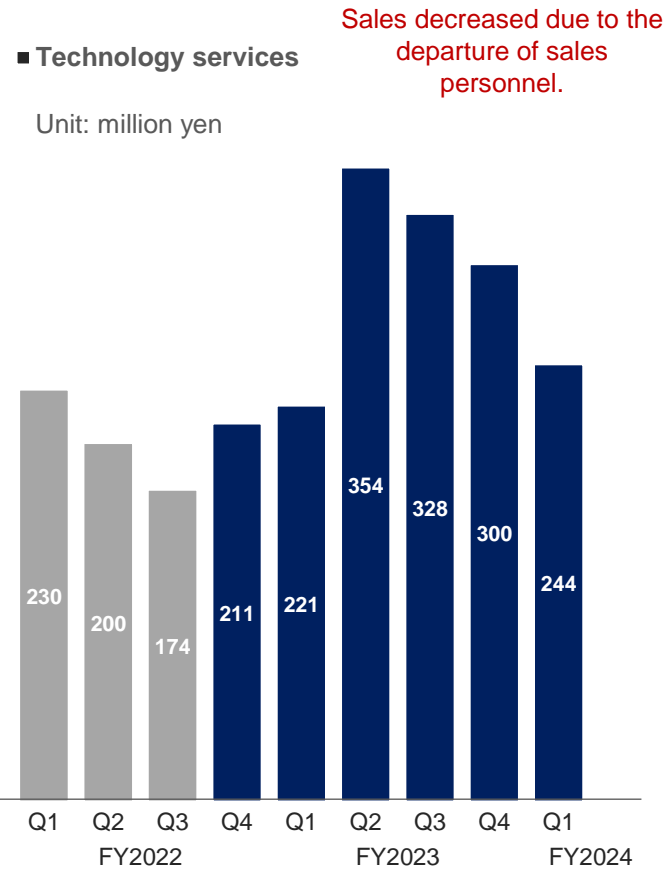
Digital transformation business

*The aggregation standards for marketing services were partially changed in FY2023, and projects involving many consulting aspects were transferred to consulting services.
 *Starting with the FY2023 disclosures, the Ulscope service counts Ulscope projects only. Accordingly, the figures have been recalculated retroactively through FY2021.



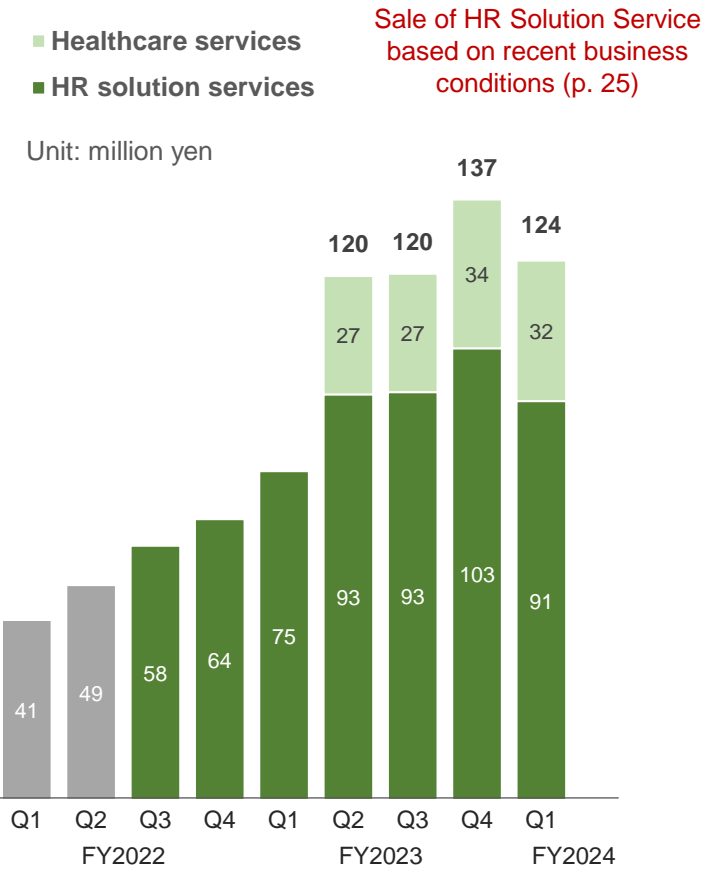
DX x Technology business

*The business was consolidated in Q4 FY2022. Previous figures are shown for reference, indicating net sales of the relevant business of cuatro pistas Ltd. from which the business was transferred.



DX x HR business

*The business was consolidated in Q3 FY2022. Previous figures are shown for reference, indicating the financial results of uloqo Co., Ltd.



Results by Segment - Cost of Sales & Gross Profit

- Q1 operating profit was ¥-22 million due to a decrease in gross profit margin in the Digital transformation business (p.21), a decrease in gross profit from decreased sales in the DX x Technology business, and an increase in SG&A expenses (p.16).

	Digital transformation business		DX x Technology business		DX x HR business	
	Results [million yen]	QoQ	Results [million yen]	QoQ	Results [million yen]	QoQ
Net sales	1,070	-4.5%	244	-18.7%	124	-9.5%
Personnel expenses (cost of sales)	184	-1.1%	64	-5.9%	28	-3.4%
Outsourcing expenses (cost of sales)	476	+5.8%	122	-20.8%	9	-25.0%
Other costs	2	-0%	0	-	0	-
Gross profit *	406	-15.6%	56	-25.3%	85	-9.6%
Gross profit margin	37.9%	-5.0 pt	23.0%	-2.0 pt	68.5%	-0.1 pt
SG&A expenses			571			+23.3% QoQ
Operating profit			-22		N/A QoQ	
Operating profit margin			-1.5%		-13.6 pt QoQ	

*The figures are before allocation of SG&A expenses such as rent expenses to cost of sales, and accordingly do not correspond to gross profit as stated in the summary of financial results.

Breakdown of SG&A Expenses

- To reform the personnel system and strengthen human resource development, external human resources were utilized. Therefore, personnel and outsourcing expenses increased.
- Basically in line with the initial plan, except for the increase in office rents due to recording them in advance (p. 24).

	Results [million yen]	SGA expenses to net sales	QonQ	Description
Personnel expenses (SG&A expenses)	117	8.1%	+17.0%	Salaries for back-office employees, etc.
Outsourcing expenses (SG&A expenses)	70	4.9%	+118.8%	Use of external human resources and training costs, etc. for strengthening development
Hiring expenses	52	3.6%	+10.6%	Agent fees and event expenses, etc.
Rent expenses	180	12.5%	+37.4%	Office rent, etc. (change in Accounting Method; p. 24)
Depreciation etc. (including amortization of goodwill)	56	3.9%	+21.7%	Amortization of goodwill and depreciation of other non-current assets etc.
Other SG&A expenses	94	6.5%	-11.3%	
Total SG&A expenses	571	39.7%	+23.3%	



3. Situation of the Digital Transformation Business

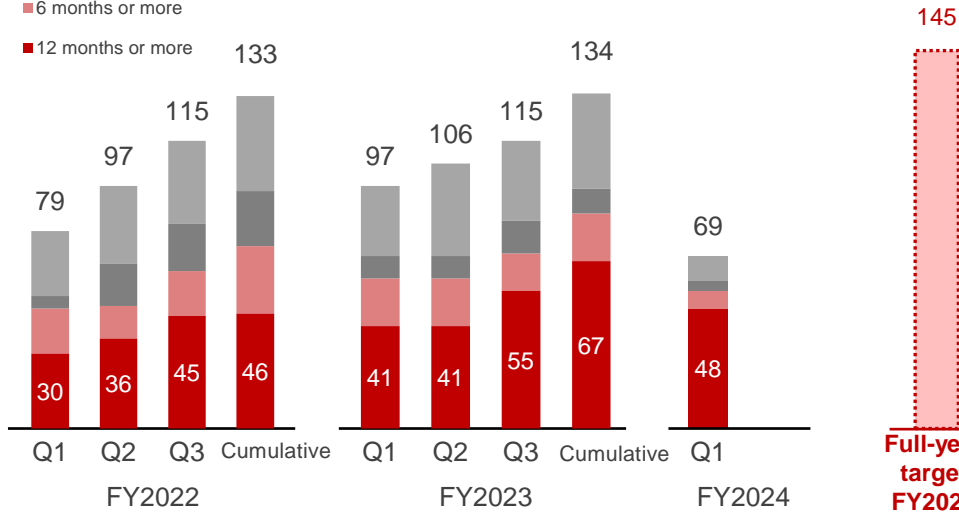
Business KPI Trends | Number of Clients & Net Sales per Client

- The number of Ulscope projects and number of clients remained weak as priority was placed on organizational restructuring, but net sales per client of existing customers continued to be favorable.

Number of clients (by period of continued orders)

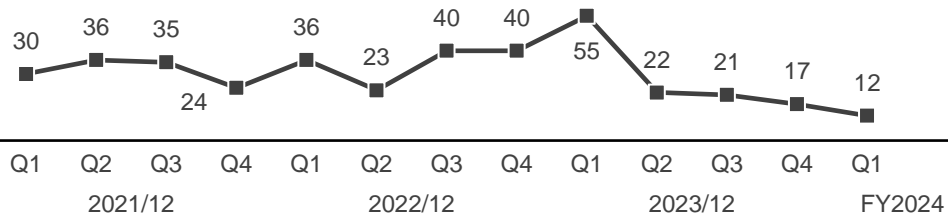
*Figures indicate the number of clients with which the Company had transactions in the fiscal year, compiled at the end of each period.

- 3 months or more
- 6 months or more
- 12 months or more



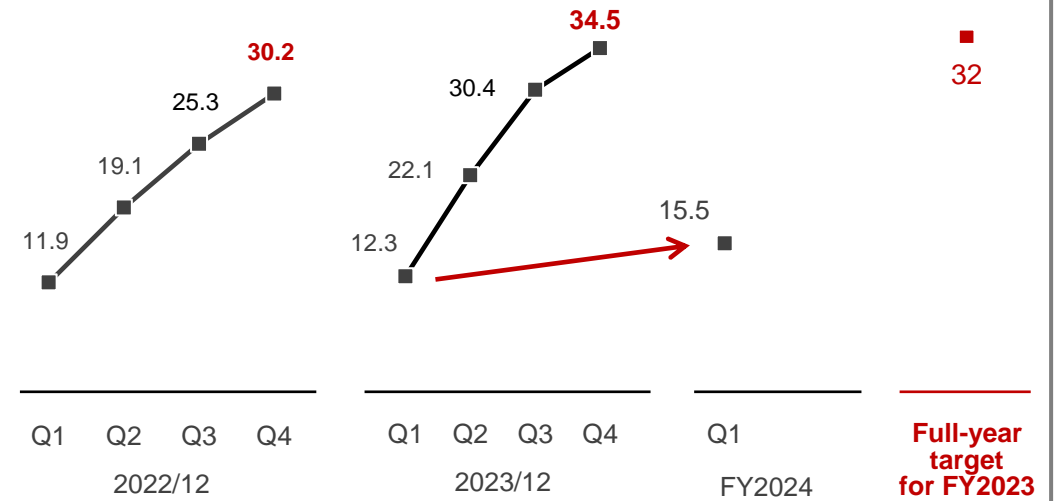
From the second half of FY2023, we prioritized the restructuring of the organization and the acquisition of new customers through Ulscope, etc. was reduced.

Number of Ulscope projects



Net sales per client (million yen)

*Figures indicate the number of clients with which the Company had transactions in the fiscal year, compiled at the end of each period.



Number of clients by net sales (full year) per client

Deepening relationships with existing clients to turn them into large-scale customers

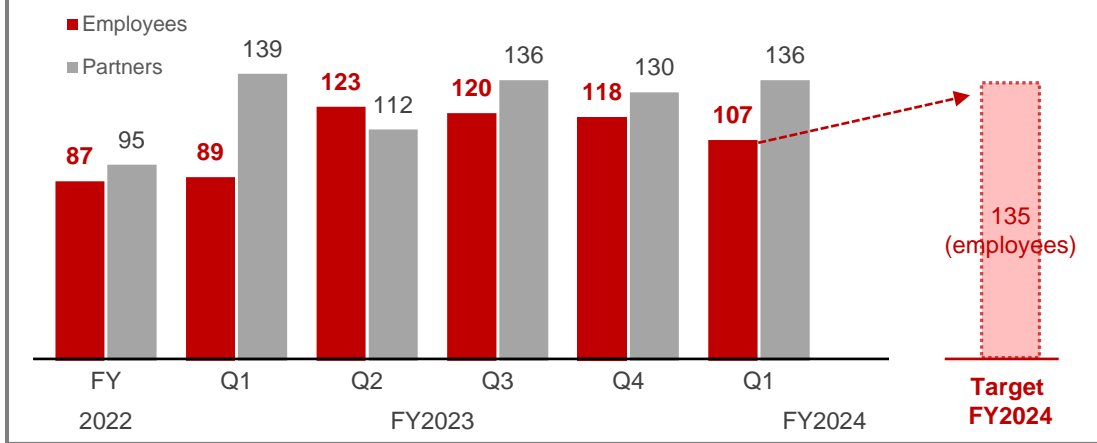
	Up to ¥30 million	Up to ¥100 million	Up to ¥300 million	Over ¥300 million
2020/12	98 companies	8 companies	2 companies	0 companies
2021/12	103 companies	11 companies	2 companies	1 company
2022/12	103 companies	23 companies	5 companies	2 companies
2023/12	101 companies	22 companies	9 companies	2 companies

Business KPI Trends | Number of Employees & Net Sales per Employee

■ Although the attrition rate continues to be high, the number of resignations is decreasing due to the effects of measures such as the reinforcement of HR functions from January. (p. 20)

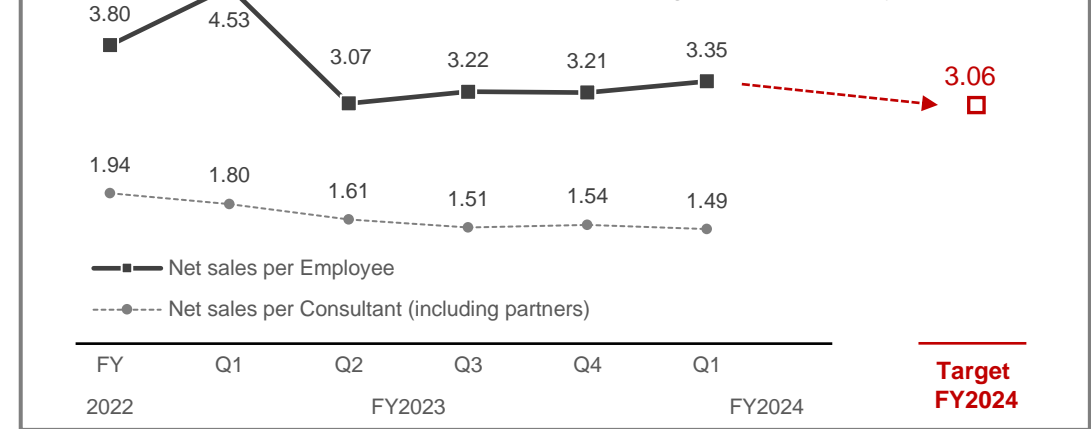
Average number of employees during period (people)

*Figures include employees in the Digital transformation business.



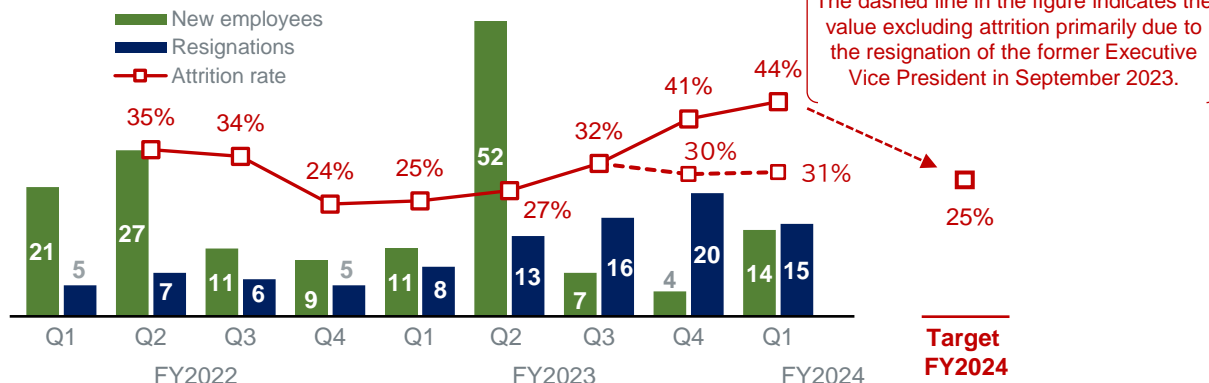
Net sales per employee (million yen/month)

Calculated by dividing the net sales of Digital transformation business by its average number of employees/consultants



Number of new employees/resignations and attrition rate (Digital transformation business only)

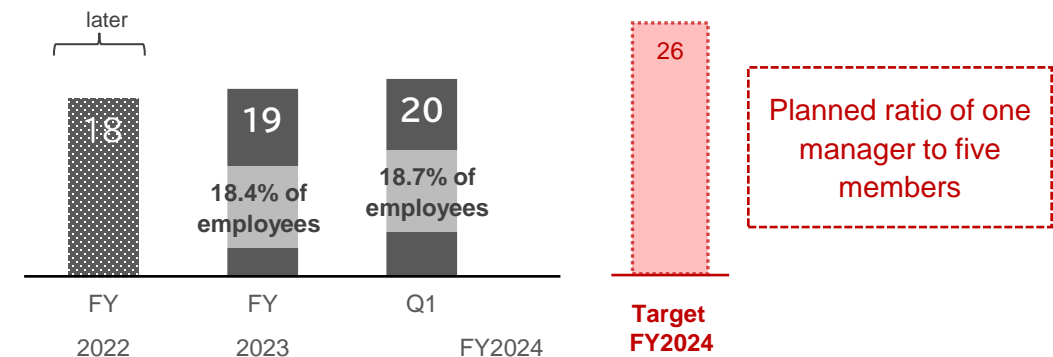
*The attrition rate is calculated by dividing the number of resignations during a year through the end of each period by the average number of employees during the same period.



Number of managers at the end of the period

Values are for reference due to different standards from FY2023 and later

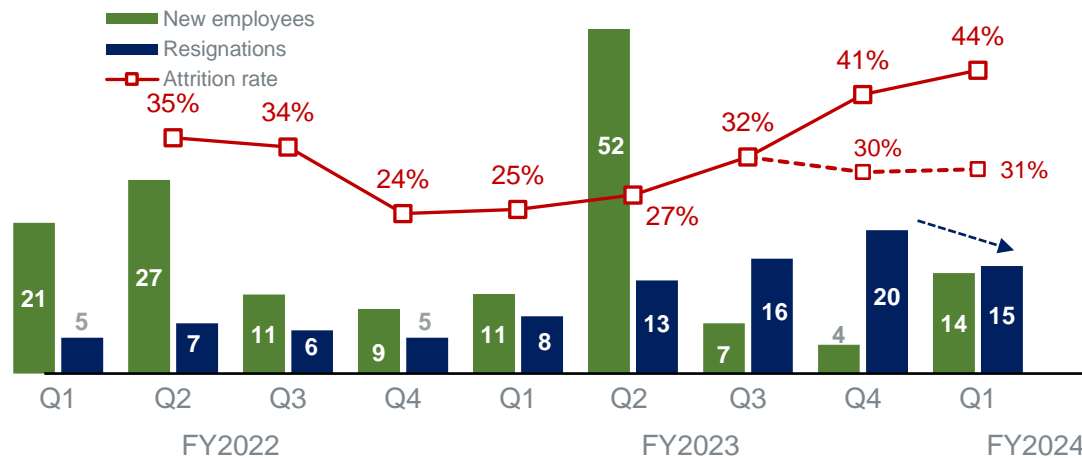
The attrition rate is calculated by dividing the number of resignations during a year through the end of each period by the average number of employees during the same period.



Topics | 1 | Employee Attrition Rate

- As of the end of March 2024, approximately 20 employees had left the company, mainly due to the circumstances that led to the resignation of the former Executive Vice President in September 2023.
- It is recognized that the number of employees who left the Company due to this reason has largely run its course, and follow up will occur on the effects of the personnel system reform and governance strengthening measures implemented from January.

Number of new employees/resignations and attrition rate (Digital transformation business only)



*The attrition rate is calculated by dividing the number of resignations during a year through the end of each period by the average number of employees during the same period.

The dashed line in the figure indicates the value excluding attrition primarily due to the resignation of the former Executive Vice President in September 2023.

Although the attrition rate remains high, the number of resignations is decreasing, and it was recognized that the number of resignations mainly due to the circumstances leading to the resignation of the former Executive Vice President in September 2023 had largely run its course.

(The breakdown of Q1 resignations was 10 people in January, 1 in February and 4 in March.)

Status of initiatives for the future

Response to the resignation of the former Executive Vice President in September 2023

- Reformed the personnel system (completely reviewed the evaluation system, salary table, internal system, etc.) and implemented measures to strengthen governance.
- Started monthly employee surveys to follow up on the effects of the above measures and to detect organizational problems at an early stage.

Continued focus on mid-career recruitment

- Based on the fact that mid-career recruitment, including experienced personnel, has been performing relatively well since January, continue to strengthen focus to achieve the recruitment and development plan for this fiscal year.

Topics | 2 | Factors behind Declining Profit Margins

- The decrease in gross profit margin in Digital transformation business was mainly due to an increase in personnel expenses per employee as a result of personnel system reforms and an increase in the number of partners because external partners were utilized to handle some of the projects acquired.

	FY2023 Q4	FY2024 Q1	QoQ
Net sales [million yen]	1,121	1,070	-4.5%
Personnel expenses (cost of sales)* [million yen]	186	184	-1.1%
Average number of employees[people]	116.7	106.7	-8.6%
Personnel expenses per employee per month (cost of sales) [thousand yen / person, month]	533	576	+8.1%
Outsourcing expenses (cost of sales) [million yen]	450	476	+5.8%
Average number of partners [people]	126.0	133.0	+5.6%
Outsourcing expenses per partner per month (cost of sales) [thousand yen / person, month]	1,191	1,195	+0.3%
Other costs [million yen]	2	2	-0.0%
Gross profit [million yen]	481	406	-15.6%
(Gross profit margin)	(42.9%)	(37.9%)	(-5.0 pt)

*Personnel expenses (cost of sales) are total of salaries, allowances, bonuses, and legal welfare expenses

Personnel expenses (cost of sales) per employee per month increased due to base salary increase in the personnel system reform implemented in January 2024.



Average number of partners increased as partners handled some of the projects acquired while the number of employees decreased, due to taking priority in training, especially for new employees.



4. Supplementary Explanation of Financial Results Forecast Revision

Summary of Changes

- Forecast of FY2024 has been revised downward mainly due to (1) the change of accounting method for rent expenses from the assumption made at the time of budgeting (p. 24), and (2) the decision to transfer the shares of ProjectHRsolutions, Inc., a subsidiary, based on the recent business situation (p. 25).
- The forecast also incorporates the impact of revisions of some recorded accounts from the previous forecast, and the increased ratio of external partners in the Digital transformation Business as a result of enhanced employee training (p. 21).

Unit: million yen	Previous forecast (announced on 2/14)	Revised forecast (announced on 5/14)	Total changes	=	Factor (1) Rent expenses	+	Factor (2) Deconsolidation	+	Share transfer Gain on sale of shares	+	Other factors Correction of recorded accounts	Others*
Net sales	6,100	5,750	-350				-250					-100
Digital transformation Business	4,390	4,390	0		-		-				-	0
Other Businesses	1,710	1,360	-350				-250					-100
Operating profit (Operating profit margin)	250 (4.1%)	-190 (-%)	-440		-180		-80					-180
Ordinary profit (Ordinary profit margin)	300 (4.9%)	-220 (-%)	-520		-180		-80				-80	-180
Profit (Profit margin)	200 (3.3%)	-120 (-%)	-320		-180		-80		+50		-	-110

* "Others" includes shareholder special benefit expenses, stock-based compensation expenses, etc.

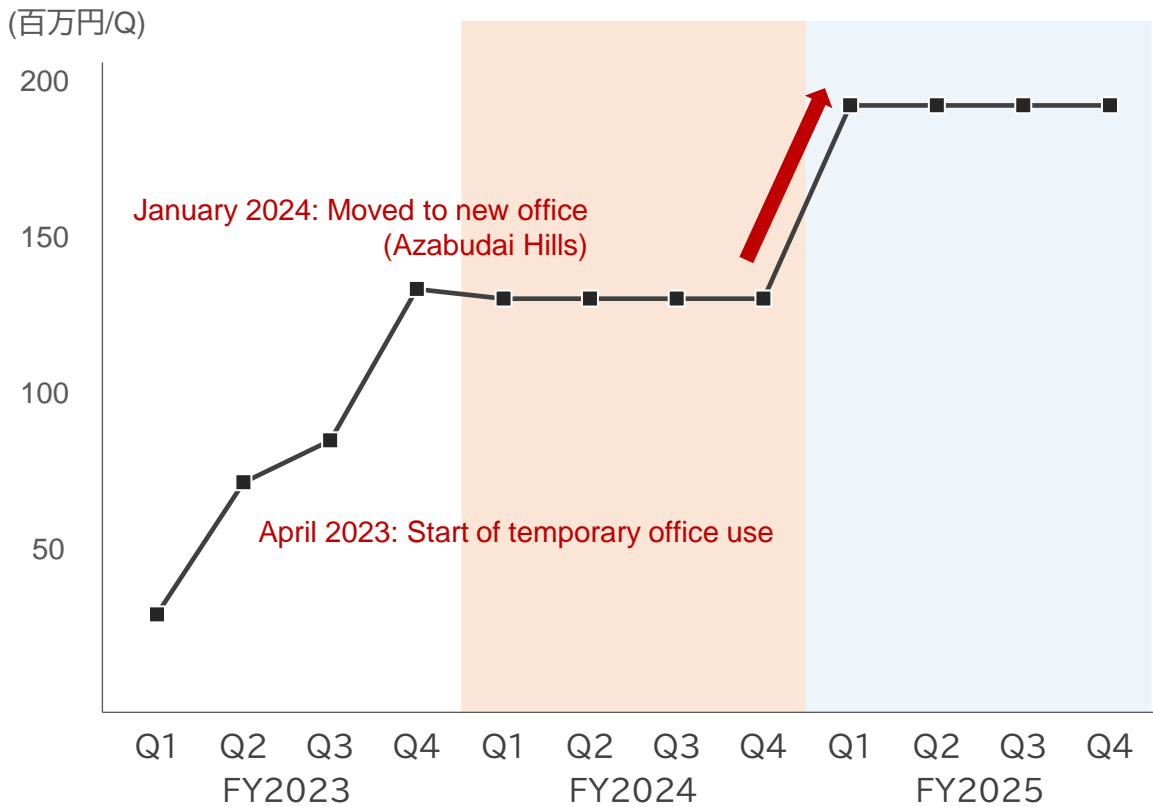
p.24

p.25

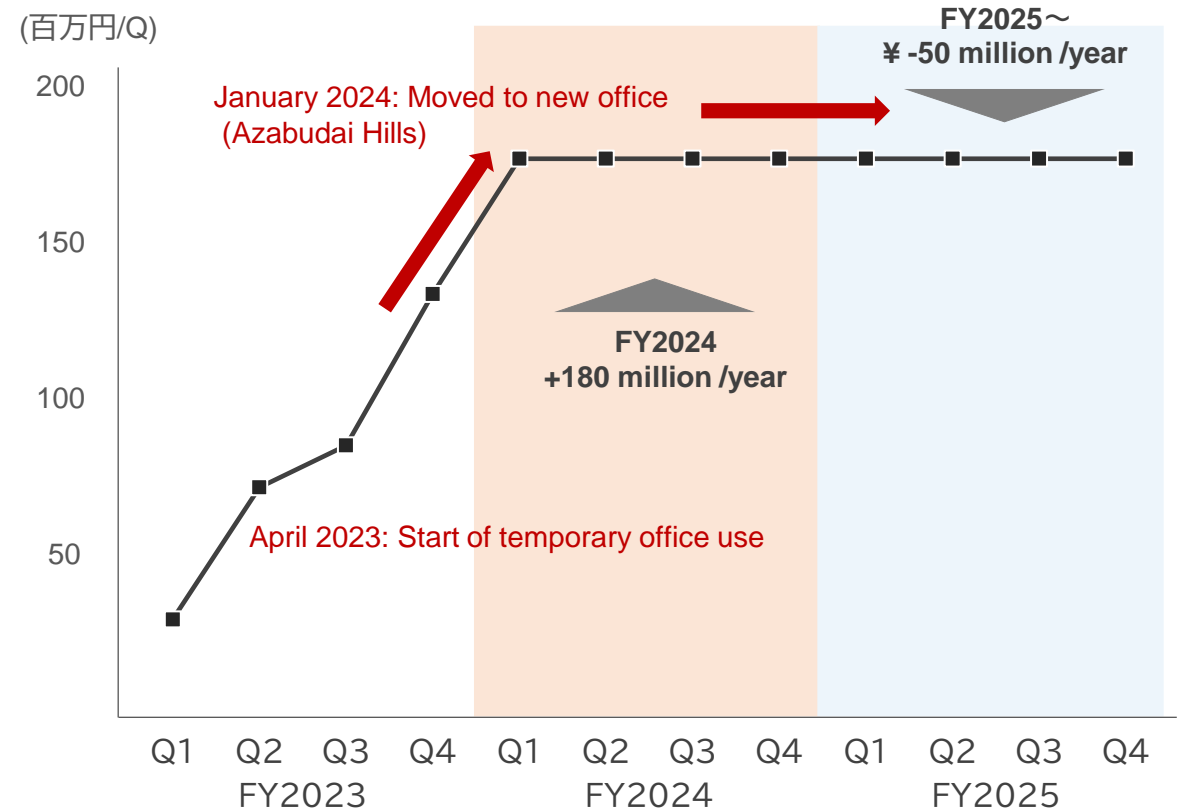
1. Change in Accounting Method for Rent Expenses

- For the accounting method for rent expenses, we plan to record expenses from January 2024 on a pro-rata basis over the term of the contract.
- As expenses will increase more than expected at the time of budgeting, it will be a factor of downward revision of forecast for FY2024.
- Due to this accounting method, rent expenses from FY2025 onward will be lower than initially expected.

Assumptions when developing the budget



Actual recording method



2. Sale of ProjectHRsolutions, Inc.

- We will transfer all shares of ProjectHRsolutions Inc. owned by the Company and withdraw from HR solution services, based on recent business conditions, the state of synergies, and the perspective of concentrating management resources on key businesses.
- The deconsolidation due to the transfer of shares will be a factor in the decrease of net sales and operating profit for the current fiscal year, while the gain on sale of shares is expected to be recorded as extraordinary income.

Overview

Company Name	ProjectHRsolutions, Inc.
Representative	Kensuke Sekigawa
Bussiness	Recruitment agency, personnel evaluation system consulting, etc.
Most recent business results	Net sales: 398 million yen (for the fiscal year ending December 31, 2023)
Transfer amount	¥ 200 million
Resolution date	May 15, 2024
Date of agreement	May 15, 2024
Execution date (planned)	May 31, 2024

Impact on consolidated P/L in FY2024 (estimated)

Decrease of net sales and operating profit due to the deconsolidation	Net sales	:	¥ -250 million

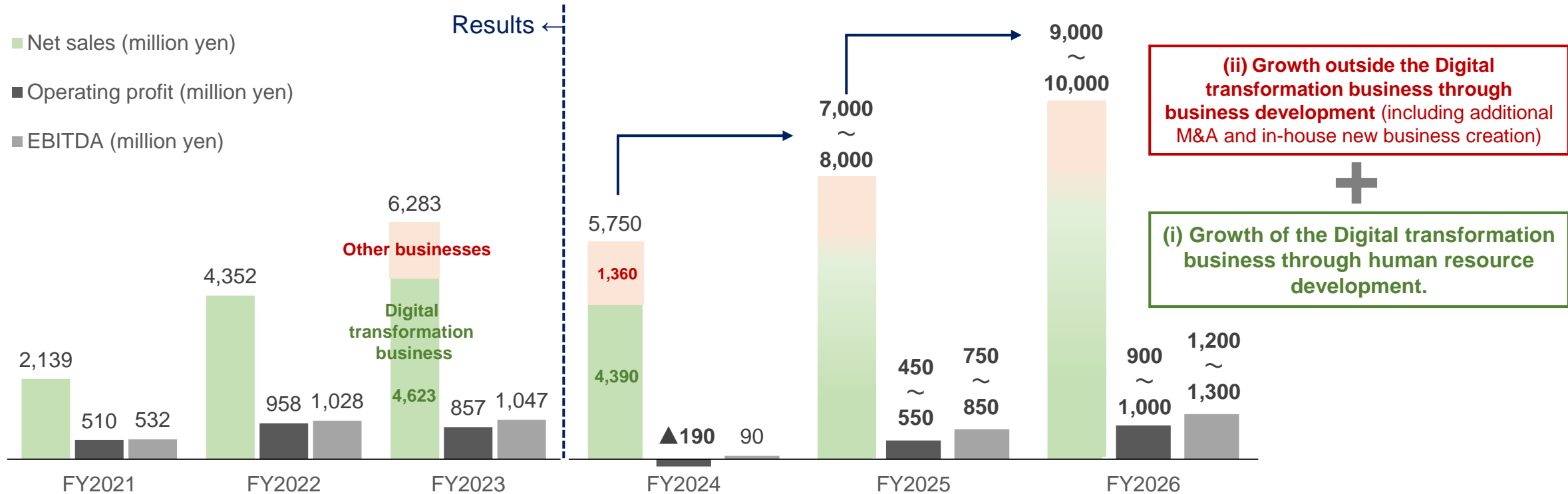
	Operating profit	:	¥ -100 million
	Goodwill amortization	:	¥ + 20 million
	Consolidated operating profit:		¥ - 80 million
Recording extraordinary income of the gain on sale of shares	Gain on sale of shares	:	¥ +200 million
	Goodwill balance	:	¥ -100 million
	Retained earnings	:	¥ - 30 million
	Capital stock	:	¥ - 20 million
	Extraordinary income	:	¥ + 50 million

* Estimated as the consolidated period in FY2024 from January to May

Three-Year Performance Targets (FY2024-FY2026)

- Performance targets for FY2025 and beyond are unchanged from those announced in March 2024.
- The impact on the next fiscal year and beyond is being scrutinized, and a new three-year forecast will be announced at the end of the fiscal year based on the business situation.

**Focus on restructuring and preparations in FY2024,
and return to a growth path from FY2025**



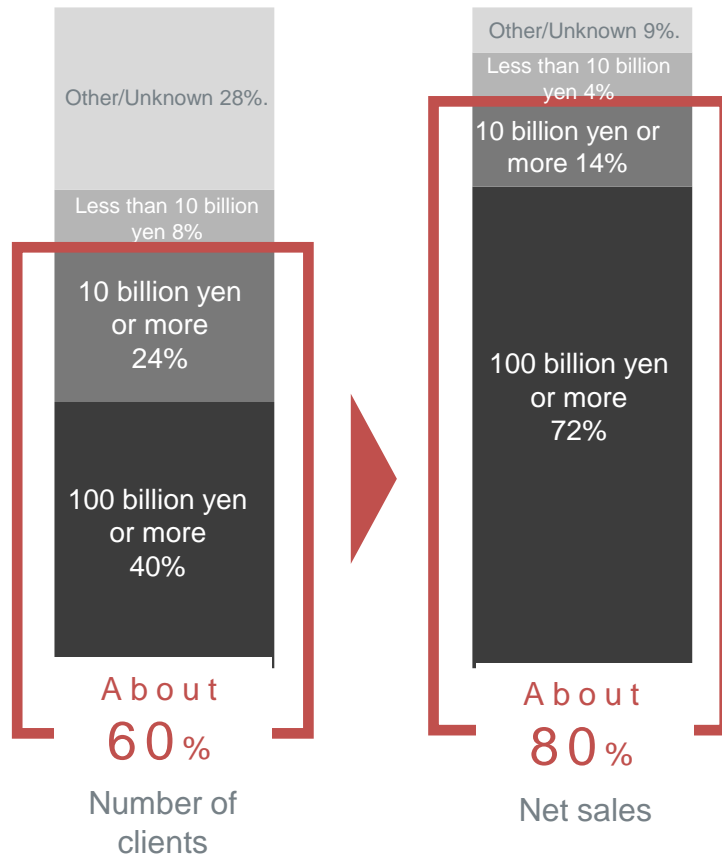


Appendix (i) Overview of Digital Transformation Business

Feature | 1) Strong Customer Base Centered on Major Companies

- About 60% of all clients are large companies with sales of 100 billion yen or more accounting for about 80% of our total net sales.
- We do business with a wide range of major companies in IT, communications, finance and other industries.

Customer sales breakdown by size (FY2023 results)



Trading performance

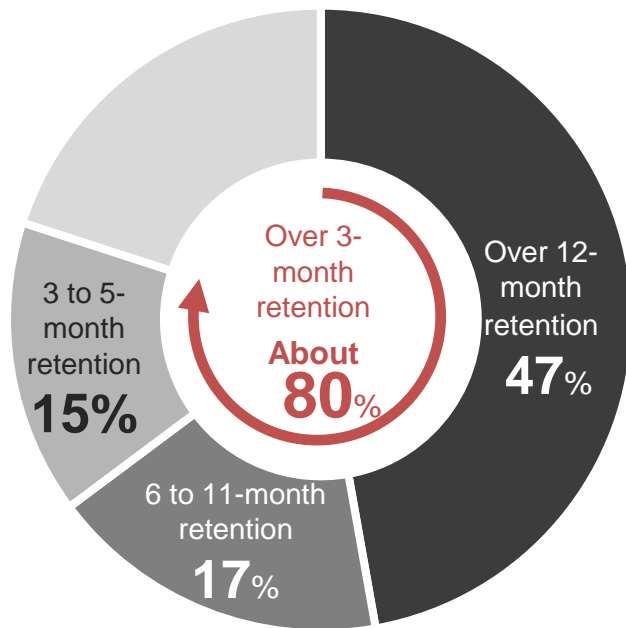


Feature | 2) Accumulation of Long-term Customers through Recurring-type Business Model

- We recognize that consulting companies generally have a sales structure that emphasizes spot and flow projects.
- We have bolstered net sales by building a recurring-type business model that is predicated on continued support backed by integrated services. The recurring sales ratio for Q4 FY2023 was approx. 94% (total for Digital transformation business).

Order retention ratio* (%)

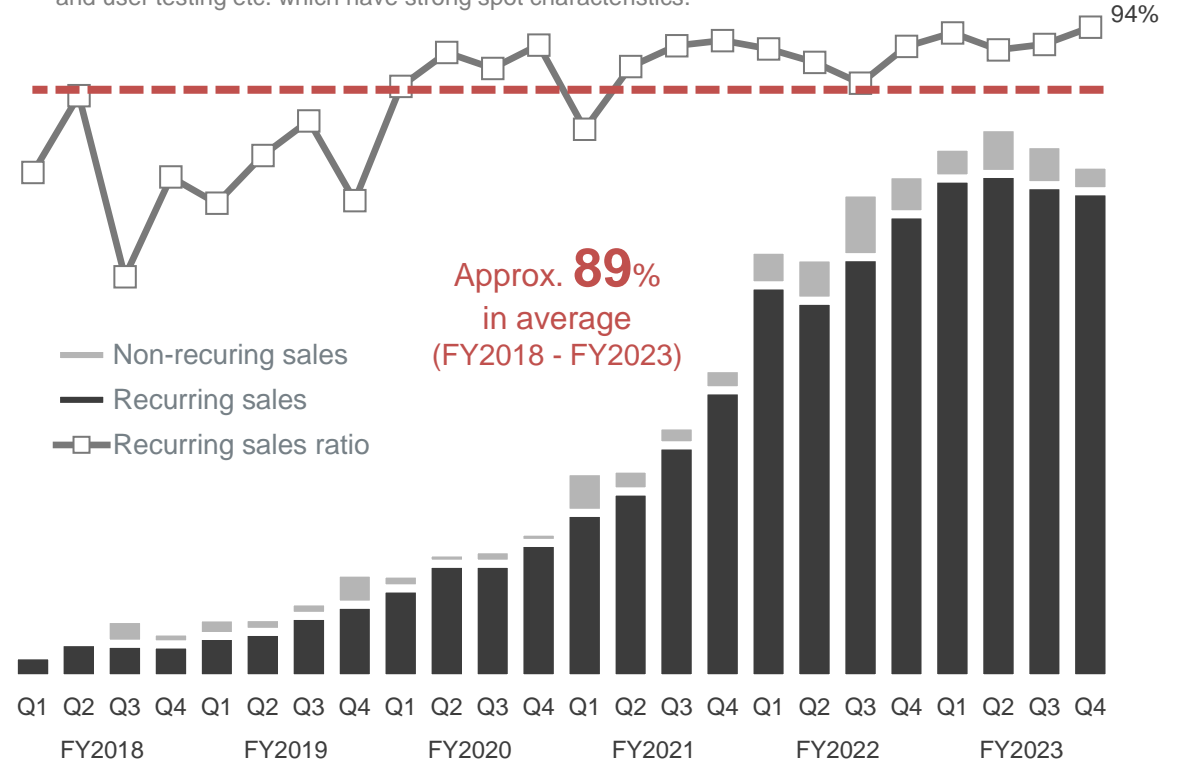
*Percentage of clients with sales of 10 billion yen or more who signed contracts over multiple months between January 2018 and December 2023



*Figures are only for digital transformation business and exclude Ulscope spot project clients.

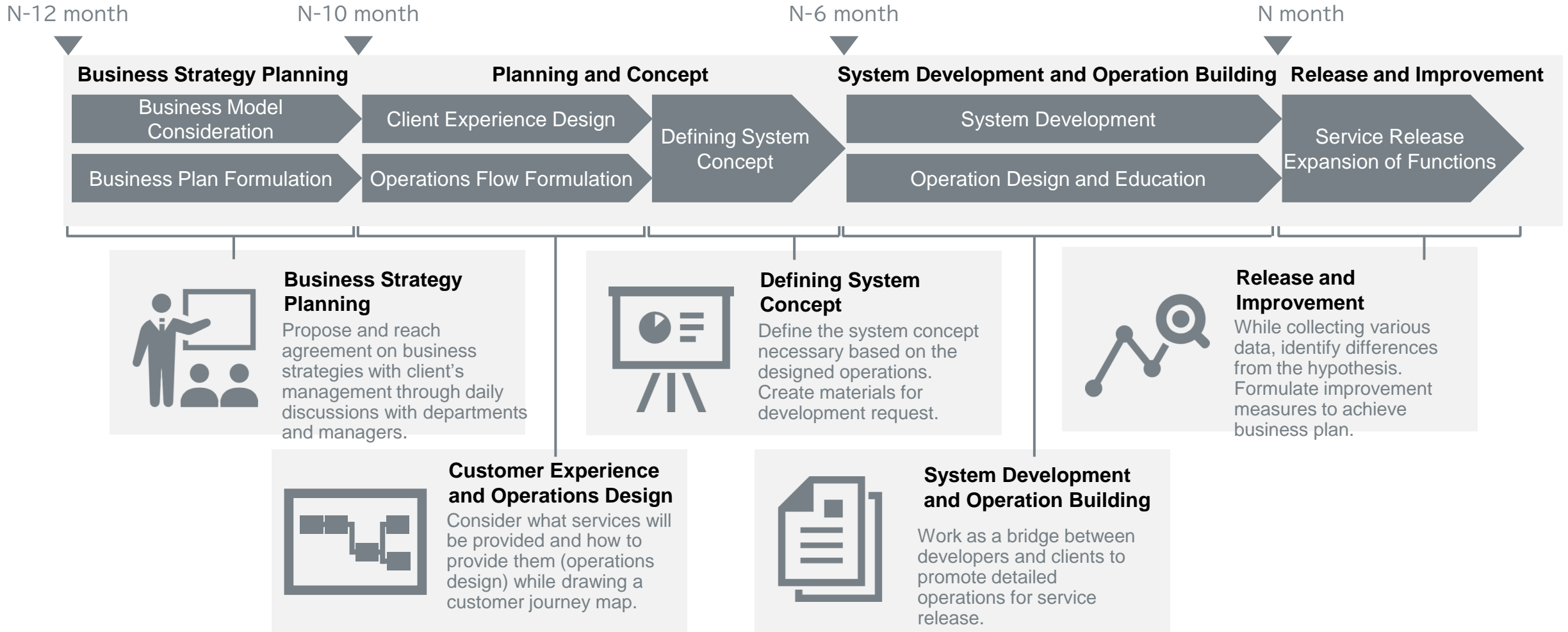
Recurring sales* ratio

* Recurring sales: Sales from clients with an order retention of over 6 months, excluding ad placement and user testing etc. which have strong spot characteristics.



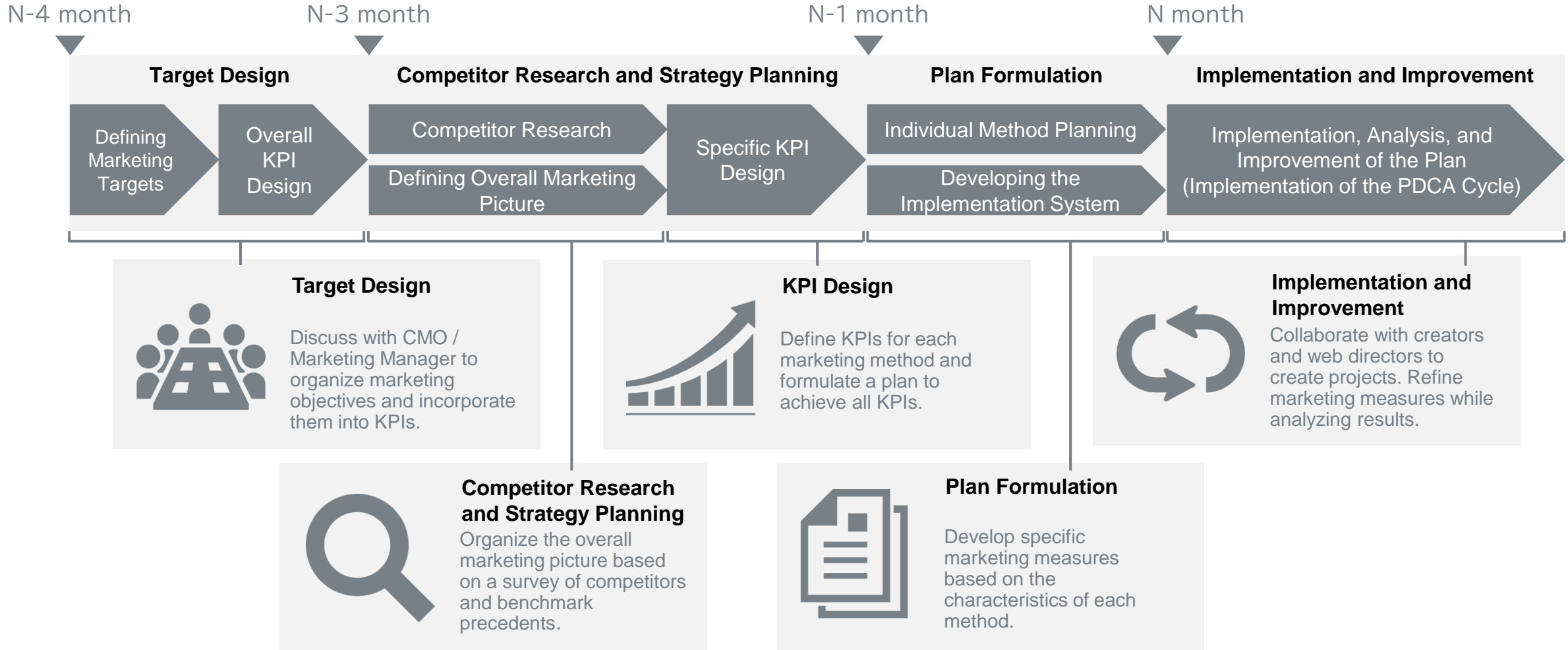
Case Introduction | Consulting Services (New Business Development)

- Business Strategy Planning provides support for new business development projects, such as considering business models and formulating business plans.
- We develop and manage the overall schedule until the service release and take charge, leading problem solving and meeting facilitation.



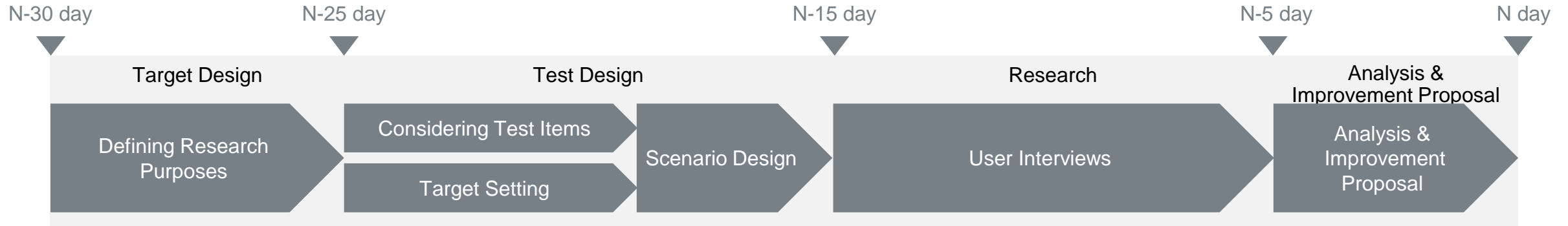
Case Introduction | Marketing Services (Marketing Strategy Planning to Implementation Support)

- In planning a marketing strategy, it is important to clarify the purpose of marketing by defining specific targets.
- Furthermore, the value of our marketing support is not only in strategy planning but also in achieving tangible results through repeated PDCA cycles.



Case Introduction | Ulscope Services

- In UI research, we collect unfiltered opinions from target users regarding the usability of applications and websites.
- By identifying bottlenecks that cannot be fully understood through quantitative data alone, we develop effective proposals for improvement.



Hand movement



In-house monitors capture screen transitions and finger movements from the start of service use to CVs.



Voice (muttering)



Record the experiences users obtained, including complaints and questions they felt and had during user tests, as voices (mutterings).



Realize improvement proposals from the user's perspective by qualitatively understanding the reasons for users' actions and disengagement, which cannot be noticed only with quantitative data such as traffic data.



Appendix (ii) Other Reference Information

Company Overview

Company Name	ProjectHoldings, Inc.			
Head Office Location	Azabudai Hills Mori JP Tower 24F, 1-3-1 Azabudai, Minato-ku, Tokyo			
Establishment	January 2016			
Share Capital	1,029,016 thousand yen (as of March 31, 2024)			
Board Composition	Representative Director, President and CEO	Doi, Yunosuke	Director and Audit & Supervisory Board Members	Yuki, Aiko
	Managing Director and CFO	Matsumura, Ryo		Hashiguchi, Akiko
	Outside Directors	Matsumoto, Yuki		Momosaki, Yuji
		Yanagisawa, Kazumasa		Kawazoe, Jo
Business Description	Digital transformation business (consulting services, marketing services, UI/UX services) DX x Technology business (technology services) DX x HR business (HR solutions services, healthcare services)			
Affiliated Companies	DCXforce, Inc., artwize inc., ProjectHRsolutions Inc., Dr.KENKO KEIEI Inc., and Potential Inc. (all wholly owned by ProjectHoldings, Inc.)			
Employees	Non-consolidated: 28 Consolidated: 226 (as of March 31, 2024)			

Financial Data

Fiscal period		1st period	2nd period	3rd period	4th period	5th period	6th period	7th period	8th period	9th period
Fiscal year end		December 2016	December 2017	December 2018	December 2017	December 2020	December 2021	December 2022	December 2023	Q1 FY2024
Net sales	(thousand yen)	40,533	132,676	391,446	664,066	1,104,923	2,139,581	4,352,418	6,283,785	1,439,296
Ordinary profit	(thousand yen)	10,072	15,161	24,374	31,380	170,405	502,223	948,727	836,879	-27,783
Profit (attributable to owners of the parent)	(thousand yen)	7,495	10,299	16,224	19,645	113,998	359,744	676,809	587,853	-24,277
Share capital	(thousand yen)	900	16,500	98,000	150,700	311,950	945,522	970,984	1,029,016	1,029,016
Total number of issued shares	(shares)	401,000	411,350	445,390	461,590	504,590	5,637,150	5,736,950	5,872,450	5,872,450
Net assets	(thousand yen)	8,895	34,795	135,619	203,865	479,114	2,088,220	2,805,803	2,652,532	2,630,821
Total assets	(thousand yen)	36,210	86,799	380,343	555,776	1,061,676	2,784,773	4,285,852	5,638,206	5,882,242
Net assets per share	(yen)	22.18	84.59	304.63	44.19	94.99	370.44	489.08	489.21	-
Basic earnings per share	(yen)	18.73	25.33	38.07	4.35	23.96	69.58	119.17	102.15	-4.48
Equity ratio	(%)	24.6	40.1	35.7	36.7	45.1	75.0	65.1	46.9	44.6
Return on equity	(%)	161.3	47.1	19.0	11.6	33.4	28.0	27.8	21.6	-
Cash flows from operating activities	(thousand yen)	-	-	-	17,231	155,620	428,698	782,657	452,530	-
Cash flows from investing activities	(thousand yen)	-	-	-	-36,658	-83,170	-26,564	-1,218,189	-706,682	-
Cash flows from financing activities	(thousand yen)	-	-	-	85,239	307,264	1,135,506	407,808	730,526	-
Cash and cash equivalents at end of period	(thousand yen)	-	-	-	330,693	710,407	2,248,013	2,220,324	2,772,342	2,707,375
Number of employees	(people)	3	6	16	27	40	64	167	239	226

Initiatives Related to Environmental, Social and Governance Issues



Environment

Initiatives related to environmental issues

Relocation to a new environmentally friendly office

- ✓ Relocated head office to Azabudai Hills, which boasts about 2.4ha of greenery.
- ✓ Moved into the office building that supplies 100% renewable energy power to meet RE100 (Renewable Energy 100%) requirements and has received a preliminary platinum rank certification under the green building certification program "LEED."

Social

Initiatives related to social issues

Regional Revitalization (i) Partnership with Shimane Bank, Ltd.

- ✓ Utilizing Shimane Bank's network in the San'in region to develop our expertise in digital transformation (DX).

Regional Revitalization (ii) Joint venture established as part of Osaka Prefecture and Osaka City's plan to become an International Financial City

- ✓ Established SBI Digital Hub Co., Ltd. in Osaka in partnership with SBI Holdings, Inc.
- ✓ Promoting local economic activities through Web3 related projects.

Governance

Initiatives related to corporate governance

Election of outside directors and organizational design

- ✓ Six of the eight directors (including two women) are outside directors (outside director ratio of 75%).
- ✓ Transitioned to a company with an audit and supervisory committee in which audit and supervisory committee members with voting rights perform the audit and supervisory functions.

Establishment of a voluntary Nominating and Compensation Committee

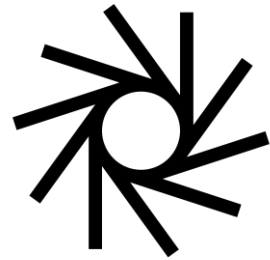
- ✓ Established a voluntary Nominating and Compensation Committee with a majority of the members comprising outside directors.

Introduction of performance-linked executive compensation

- ✓ Clarified the link between the remuneration received by management and the Company's performance and stock value.

Points to Note

- Information in this document other than information on the Company is derived from publicly available information, and the Company makes no representations or warranties regarding its authenticity, accuracy or completeness.
- This document also refers to the future prospects of the Company's industry trends and business contents based on current plans, estimates, prospects or forecasts. There are various risks and uncertainties inherent in these forward-looking statements.
Known or unknown risks and uncertainties or other factors may cause results to differ from those contained in the forward-looking statements.
- The Company's actual future business and performance may differ from the forward-looking statements contained in this document.
- This document has been translated from a part of 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.



ProjectHoldings