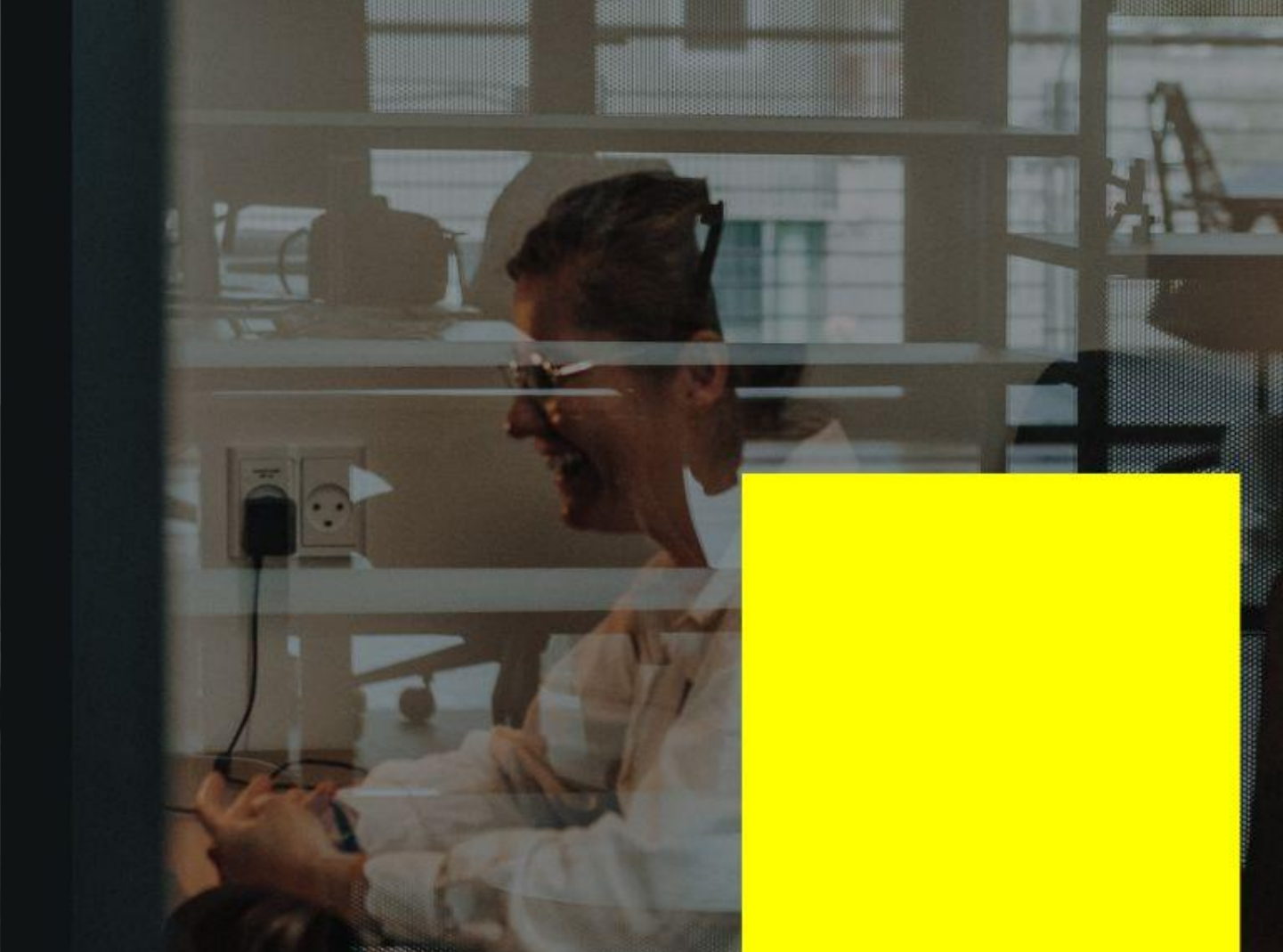**Monstarlab ∵**

FY2024 Q1 Investor Presentation Material

Monstarlab Holdings, Inc (Securities Code: 5255)

May 15, 2024

CONTENTS.

CONTENTS.

Future Growth Strategies: Driving **growth through three initiatives**

3
Strengthen competitiveness by leveraging investments and alliances
・Leverage investments/partnerships and enhance knowledge and technology to differentiate from competitors
・Reinforce sales capabilities by leveraging customer networks of invested/partnered companies

2
Strengthen support for building digital capabilities
・Assist clients in building their digital capability through recruitment support and building dedicated offshore teams. Provide medium- to long-term support in resolving clients' challenges.

1
Strengthen data/enterprise system domain
・Enhance ML's expertise with data that increase the value of SoE (e.g., location data, purchase behavior data including price sensitivity, etc.)
・Enhance enterprise system development domain in which ML has core strengths in the upstream

Revenue
13.3 B
JPY

2 Strengthen support for building digital capabilities

1 Strengthen data/enterprise system domain
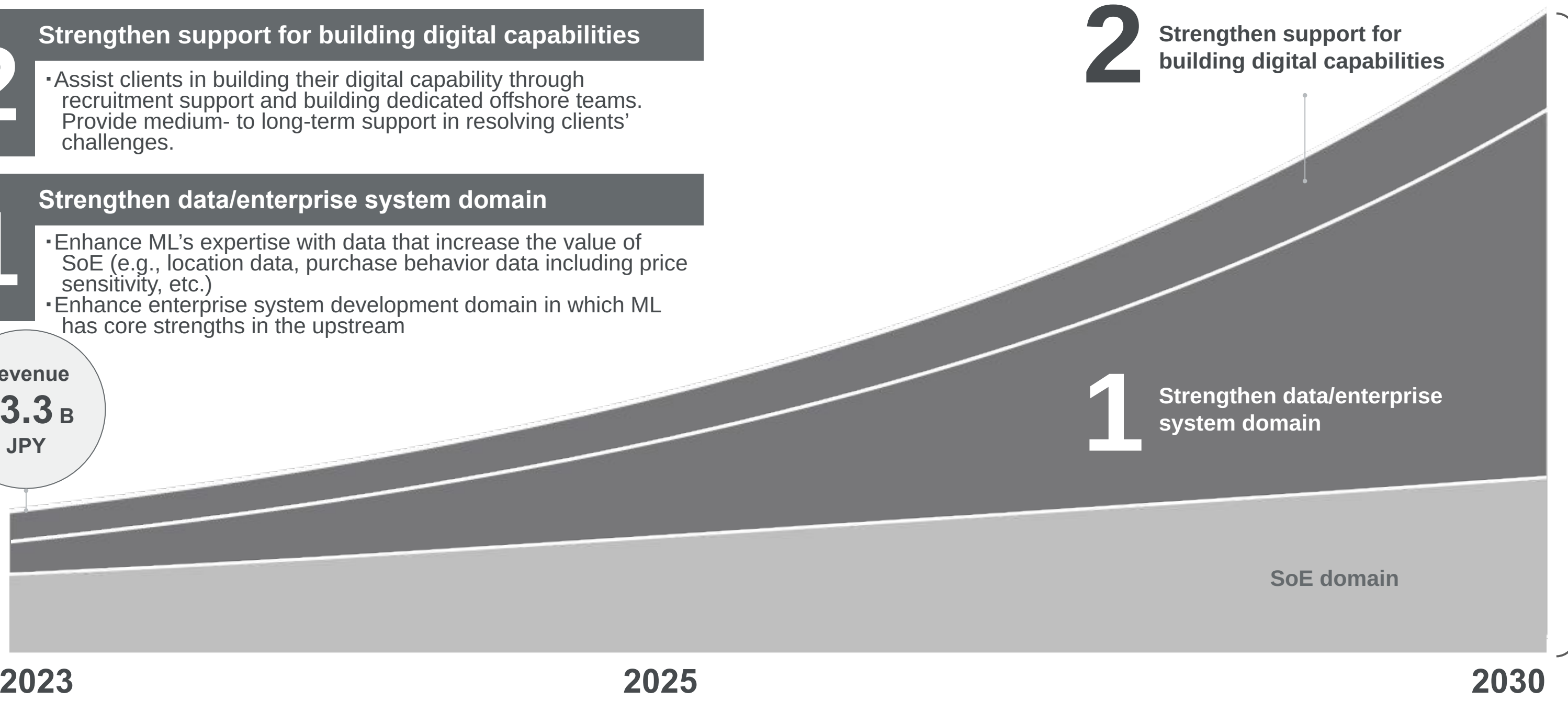
3 competitiveness by leveraging investments and alliances
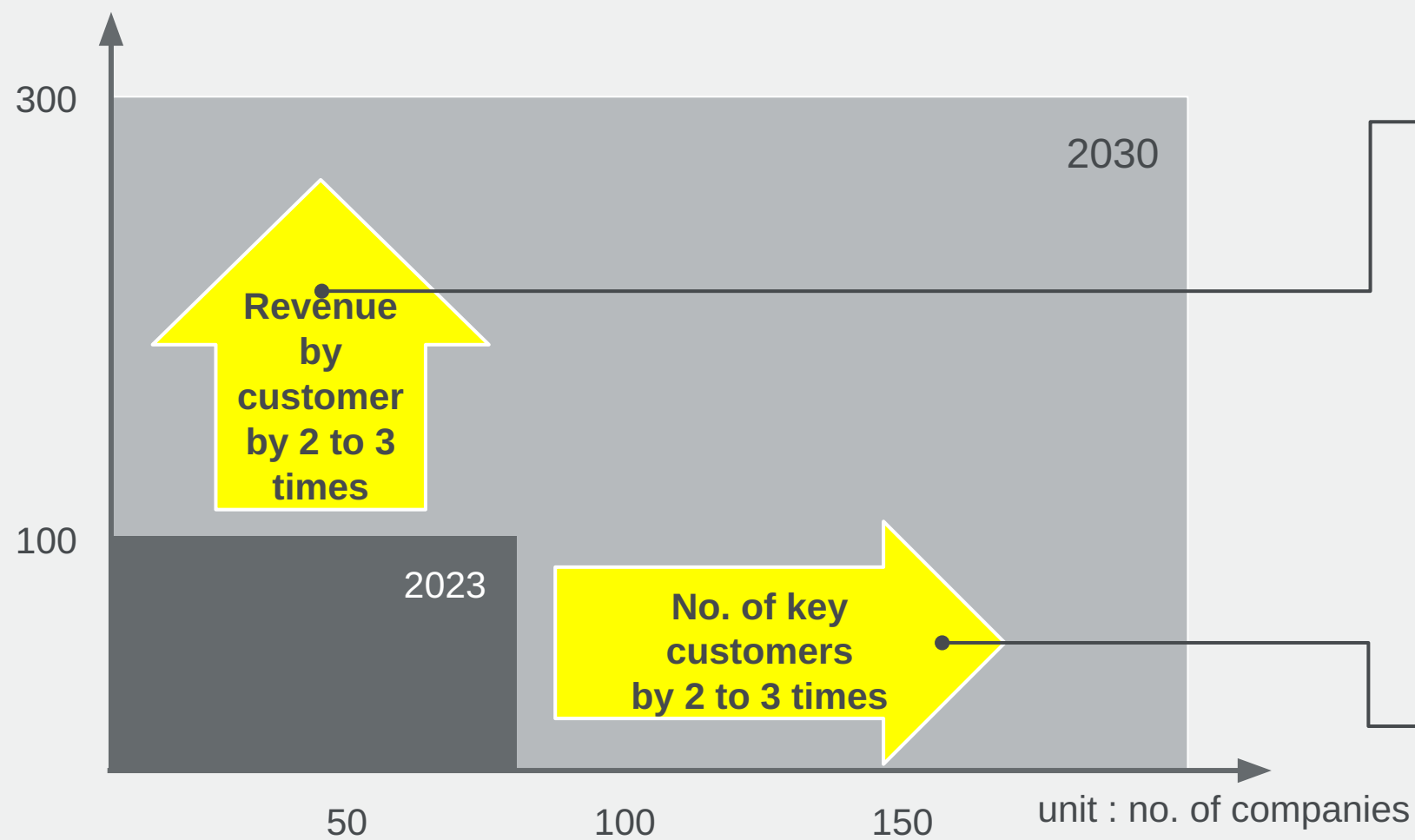
SoE domain

2023

2025

2030

SoE domain: System development areas tied to innovation and revenue growth

Aim to expand the number of key customers and average revenue per key customer by 2 to 3 times through the three growth initiatives.

Average Revenue per Key Client

unit : million yen

300

Revenue by customer by 2 to 3 times

2030

2023

100

No. of key customers by 2 to 3 times

50   100   150   unit : no. of companies

Number of key customers
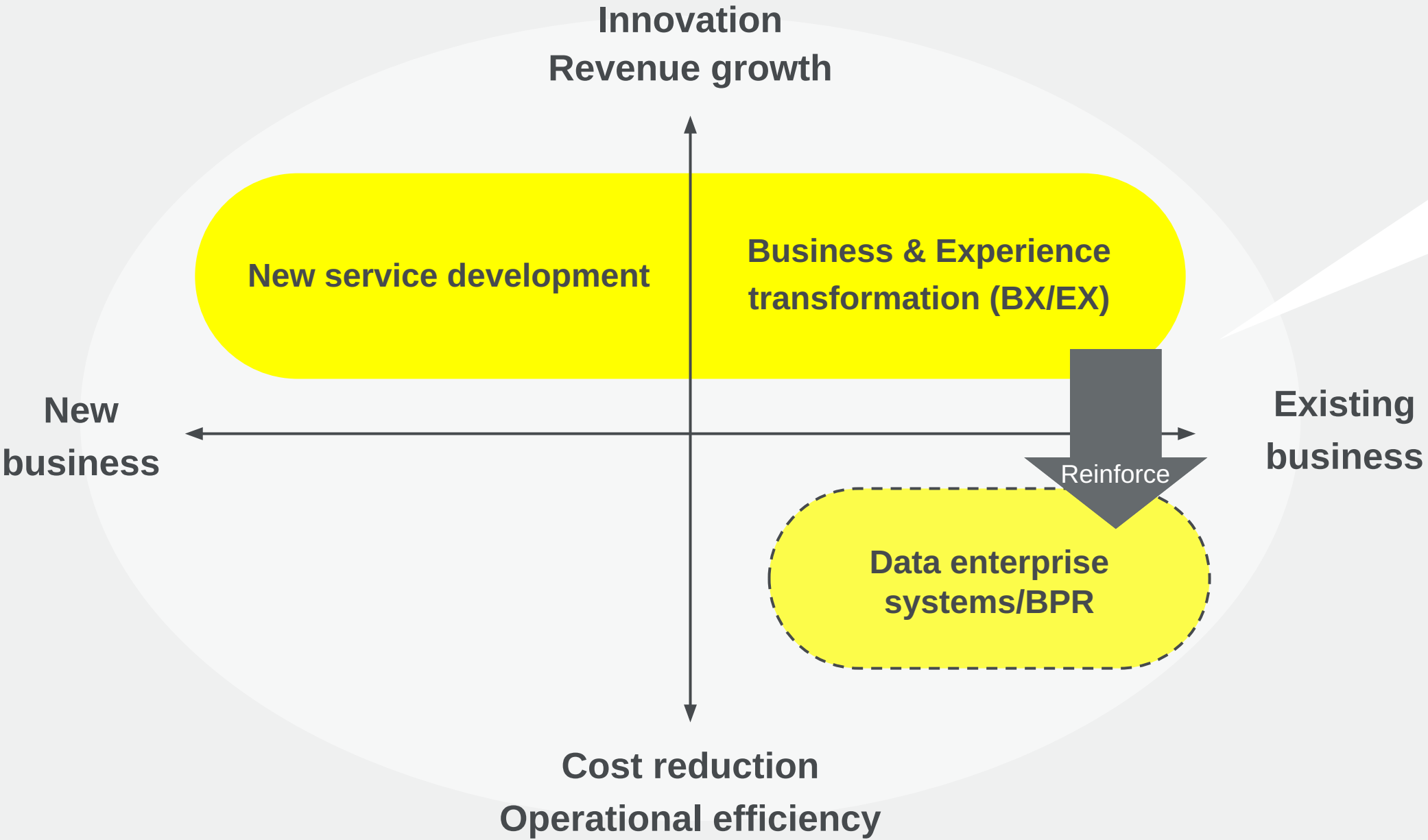(Clients with annual revenue of JPY 50M or above)

Increase revenue per customer by reinforcing new areas

· Development of unique solutions and securing in-house IT/DX (e.g., location-based information) to strengthen the data enterprise system domain, where demand for system renewal is expanding and the scale of projects is large.

· Enhancement of recruiting support and building dedicated offshore teams as a solution to the IT human resource shortage, which is expected to accelerate in the future.

Leveraging external collaboration to expand the number of key customers

· Strengthen client acquisition capabilities through capital and business alliances with companies possessing strong networks with major corporations and complementary relationships with ML's digital consulting services.

· Strengthen customer acquisition capabilities using proprietary location-based technology and recruitment support services as catalysts.

Strengthen data enterprise domain in addition to our core strengths in "innovation" and "revenue growth" (SoE domain)

Innovation
Revenue growth

New service development

Business & Experience transformation (BX/EX)

New business

Existing business

Reinforce

Data enterprise systems/BPR

Cost reduction
Operational efficiency

Reinforce Data Analytics (SoI)

- Reinforce areas that increase the value of ML's expertise in SoE (location data, purchase behavior data including price sensitivity, etc.)

## Reinforce Platforms for Enterprise (SoR)

- Customized systems connected directly to business
  - Production control and SCM for manufacturing
  - SCM for retail
- Modernization of legacy systems leveraging generative AI

Data/enterprise system domain has a significant market size and a great demand for legacy system renewal. The large project sizes has the potential for revenue growth in the future.
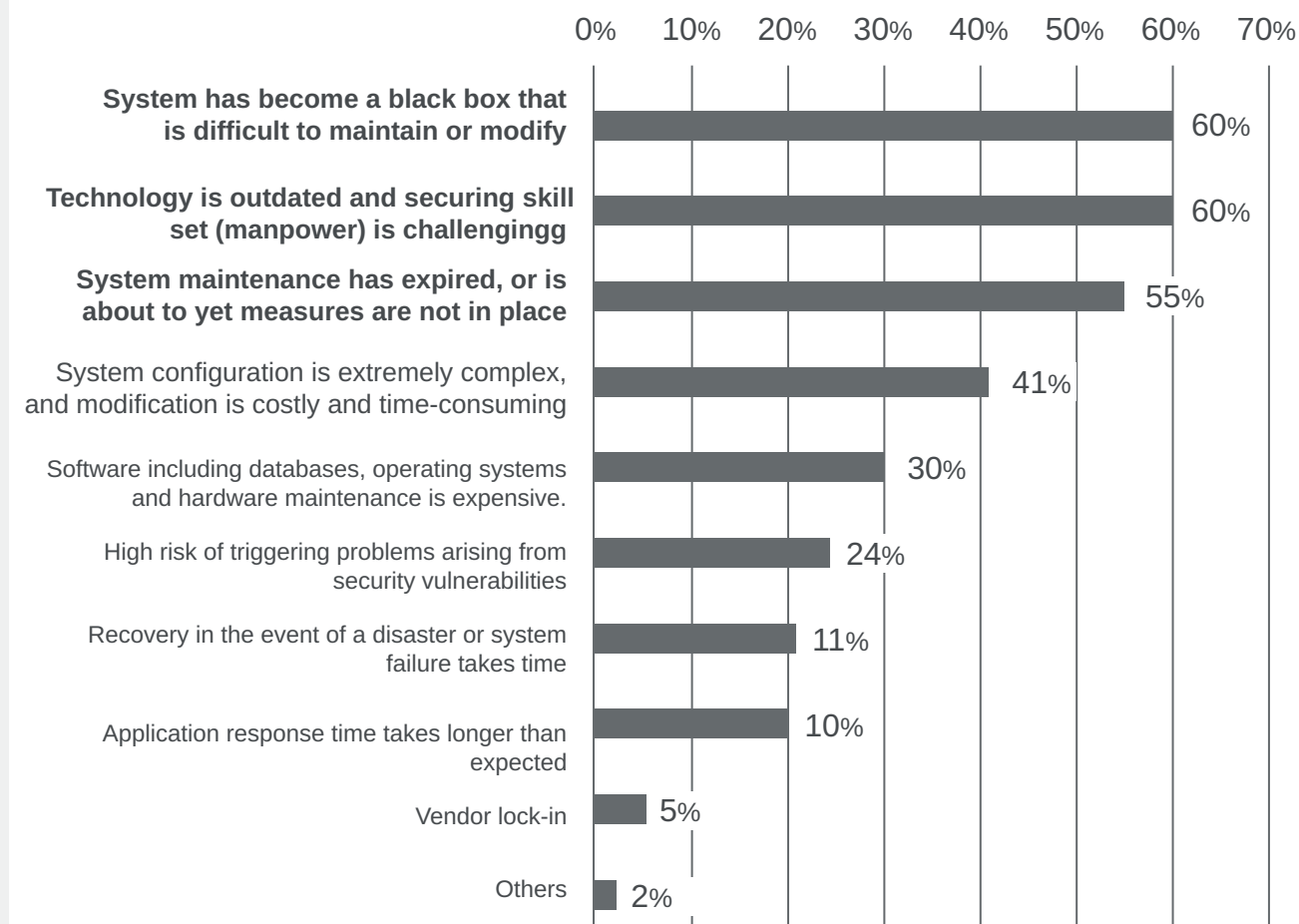
DX market size in the data/enterprise system domain is about twice as large[1] as in the SoE

DX market size (2023)

JPY 87 T

JPY 45 T

SoE   Data/Enterprise systems
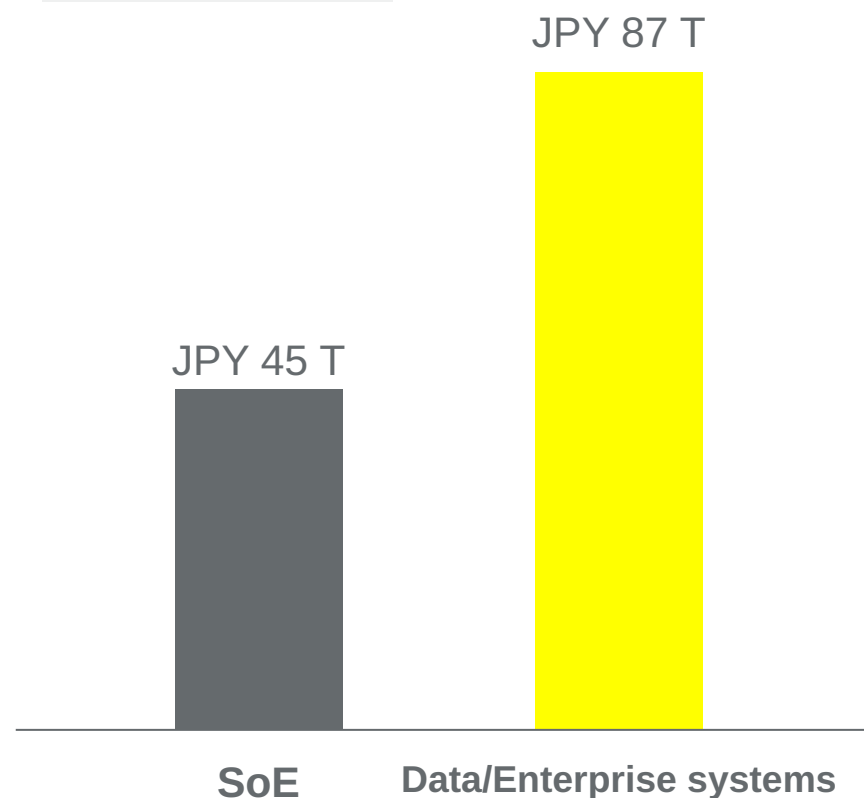
In the enterprise system area, the"2025 Digital Cliff[2]" issue has caused a great demand for system renewal
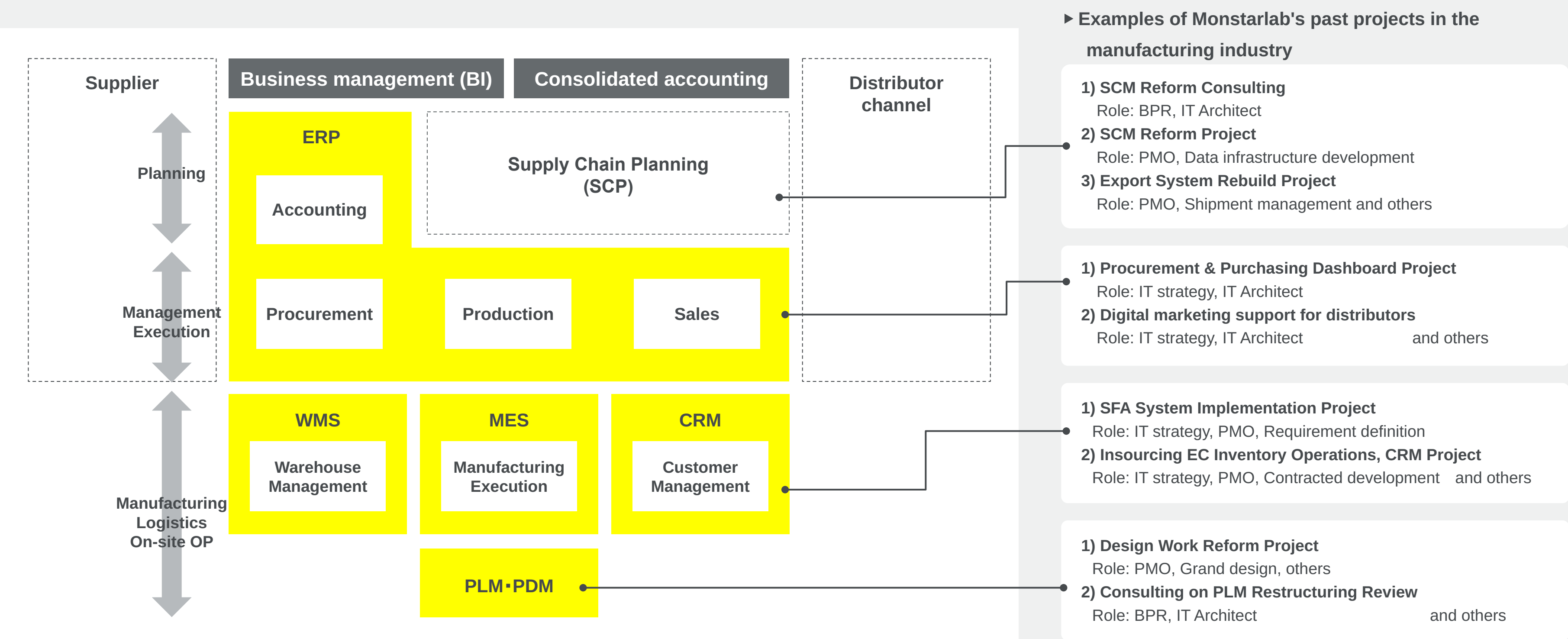
Challenges in mission-critical systems (top 3, n=524)[3]

	0%	10%	20%	30%	40%	50%	60%	70%	

System has become a black box that is difficult to maintain or modify — 60%

Technology is outdated and securing skill set (manpower) is challengingg — 60%

System maintenance has expired, or is about to yet measures are not in place — 55%

System configuration is extremely complex, and modification is costly and time-consuming — 41%

Software including databases, operating systems and hardware maintenance is expensive. — 30%

High risk of triggering problems arising from security vulnerabilities — 24%

Recovery in the event of a disaster or system failure takes time — 11%

Application response time takes longer than expected — 10%

Vendor lock-in — 5%

Others — 2%

he scale of projects in the enterprise system domain is about 15 times the SoE

Revenue scale of new ML projects (2023)[4]

JPY 730 M

JPY 50 M

SoE   Data/Enterprise systems
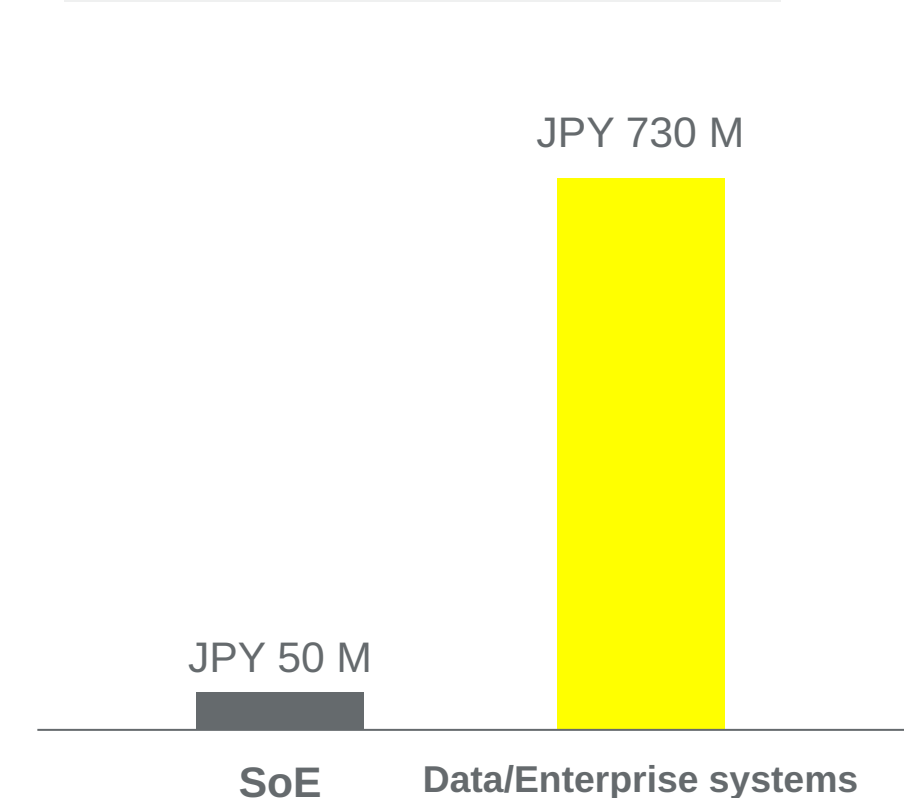
*1: Calculated by Monstarlab. (Based on the figures published in the "Corporate IT Trends Survey Report 2022" by the Japan Users Association of Information Systems, which states that the target ratio of the value-up budget is 34.4% of the IT budget, the size of the DX market for revenue enhancement is calculated as 34.4% of the DX market). *2: The issue of huge corporate losses after 2025, when black boxed systems will no longer be supported. Defined by METI's study group for digital transformation in 2018. *3: PwC Survey on modernization efforts 2022 (n=524)
*4: Average revenue size of new projects in 2023 (excludes small-scale SoE projects of less than 10 million yen. (The data/enterprise domain has many projects that span multiple years, resulting in large-scale projects.)

Monstarlab has a wealth of experience in data and enterprise system consulting. Leveraging these achievements and expertise, we aim to capture development areas moving forward.

Supplier

Planning

Management Execution

Manufacturing Logistics On-site OP

Business management (BI)

Consolidated accounting

Distributor channel

ERP

Accounting

Supply Chain Planning (SCP)

Procurement

Production

Sales

WMS

Warehouse Management

MES

Manufacturing Execution

CRM

Customer Management

PLM·PDM

▶ **Examples of Monstarlab's past projects in the manufacturing industry**

1) SCM Reform Consulting
    Role: BPR, IT Architect
2) SCM Reform Project
    Role: PMO, Data infrastructure development
3) Export System Rebuild Project
    Role: PMO, Shipment management and others

1) Procurement & Purchasing Dashboard Project
    Role: IT strategy, IT Architect
2) Digital marketing support for distributors
    Role: IT strategy, IT Architect   and others

1) SFA System Implementation Project
    Role: IT strategy, PMO, Requirement definition
2) Insourcing EC Inventory Operations, CRM Project
    Role: IT strategy, PMO, Contracted development   and others

1) Design Work Reform Project
    Role: PMO, Grand design, others
2) Consulting on PLM Restructuring Review
    Role: BPR, IT Architect   and others

In 2023, Monstarlab independently developed "Code Rebuild AI," which utilizes generative AI to achieve modernization in the enterprise domain. This technology has already contributed to the acquisition of projects and will be actively utilized in the future.

"As the "2025 Digital Cliff" approaches, demand to renew legacy system grows

1

System maintenance has expired, or is about to yet measures are not in place

2

Technology is outdated and securing skill set (manpower) is challenging

? Client

3

System configuration is extremely complex, and modification is costly and time-consuming

4

System has become a black box that is difficult to maintain or modify

**Development of "Code Rebuild AI"
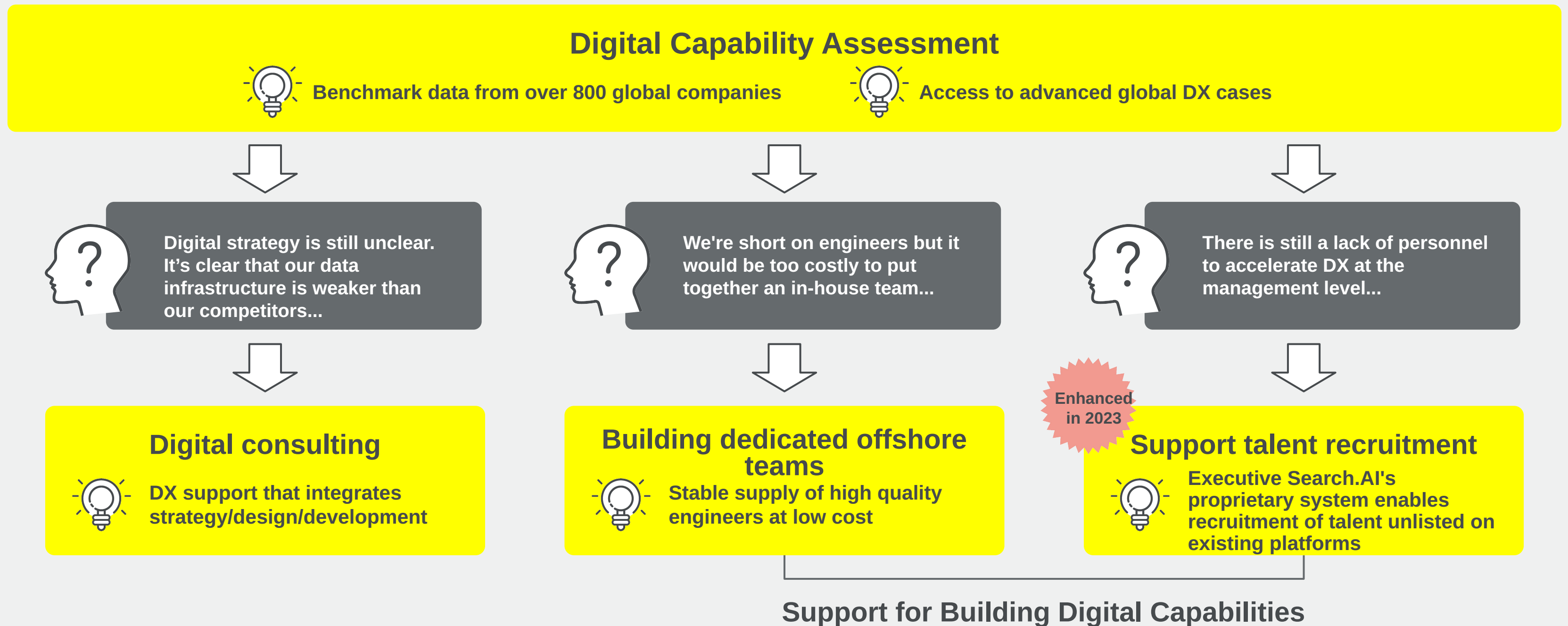a modernization tool utilizing generative AI**

COBOL、PL/I

Activity

State Machine

Sequence

Class

Java、C#

Extract typical items from actual "batches, screens, and forms" and test each before migration

Pattern that generates code based on design information while generating design information
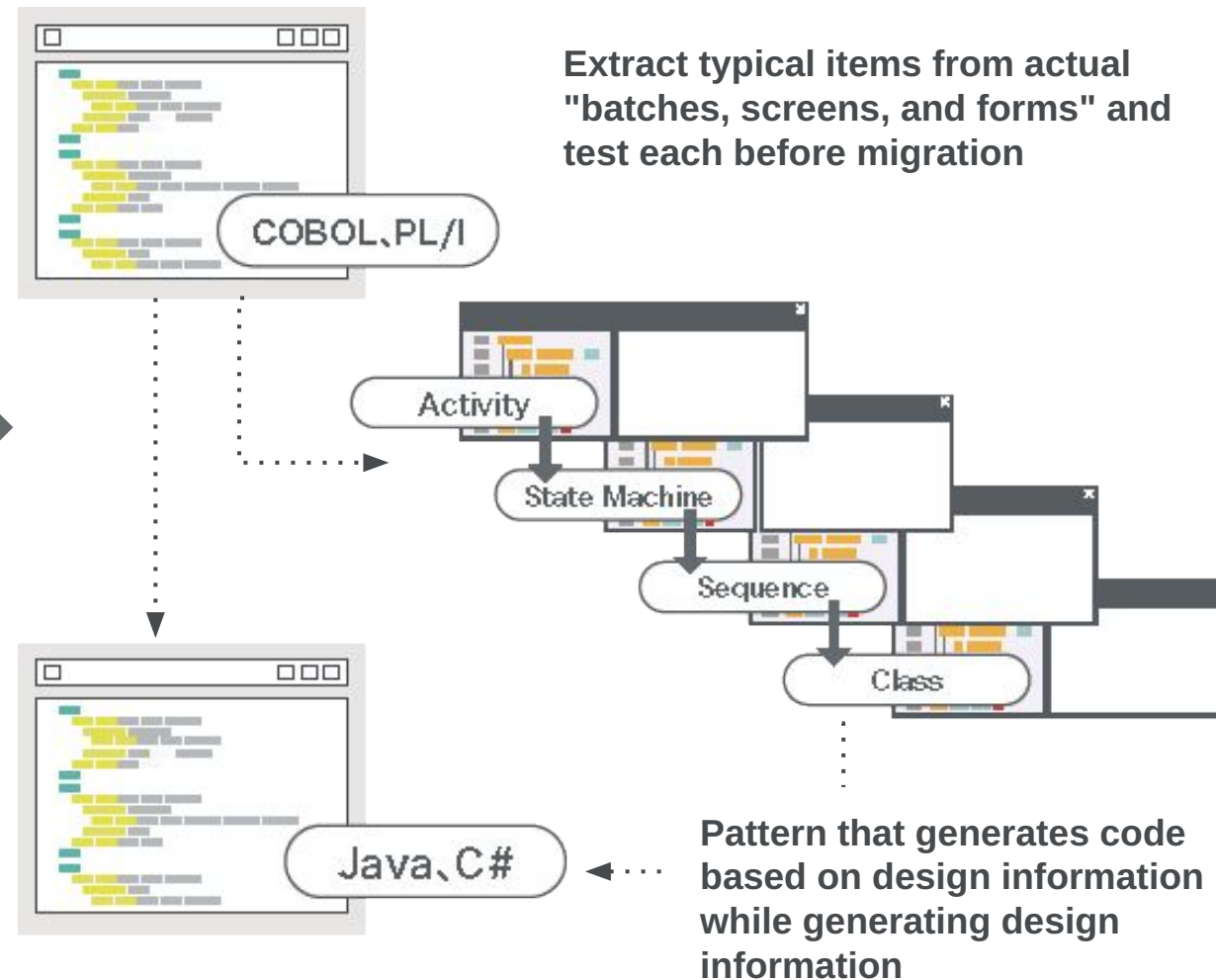
The feasibility of legacy system modernization can be verified in as little as two months.

To be used as a tool for subsequent development projects

Combining talent recruitment support enhanced in 2023, and our expertise in building dedicated offshore teams, we will provide comprehensive "support for building digital capabilities."

ML's service   ML's strength

Digital Capability Assessment

Benchmark data from over 800 global companies   Access to advanced global DX cases

Digital strategy is still unclear. It's clear that our data infrastructure is weaker than our competitors...

We're short on engineers but it would be too costly to put together an in-house team...

There is still a lack of personnel to accelerate DX at the management level...

Enhanced in 2023

Digital consulting

DX support that integrates strategy/design/development

Building dedicated offshore teams

Stable supply of high quality engineers at low cost

Support talent recruitment

Executive Search.AI's proprietary system enables recruitment of talent unlisted on existing platforms

Support for Building Digital Capabilities

The proprietary system of Executive Search AI, which became a subsidiary in October 2023, enables search for talent unfound on job search platforms. Supporting DX promotion from clients' recruiting perspectives.

General talent search firms

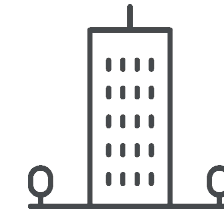Most often, recruiting platforms are used to search for talent

Agent
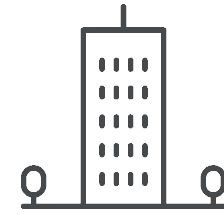
Client

Social media specialized in business

Recruiting sites for specialists and candidates with managerial experience

ExecutiveSearch.AI

Utilizing an independently developed direct recruiting system enables direct recruitment of candidates without using any recruiting platforms

ExecutiveSearch.AI

Client

Social media specialized in business

Recruiting sites for specialists and candidates with managerial experience

Low incentive for clients to utilize agents due to the use of the same platform

High appeal to clients due to the ability to reach talent outside search platforms

In May 2023, we invested in People Cloud, a recruitment firm for advanced IT professionals in Eastern Europe. We can now introduce overseas engineers to Japanese companies that are experiencing an accelerating shortage of IT personnel.

Japan's IT Talent Shortage Will Surge in the Future

Number of IT talent shortage in 2030

78.9 thousand

Shortage

36.9

17.1

2016　　　2020　　　2030
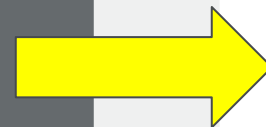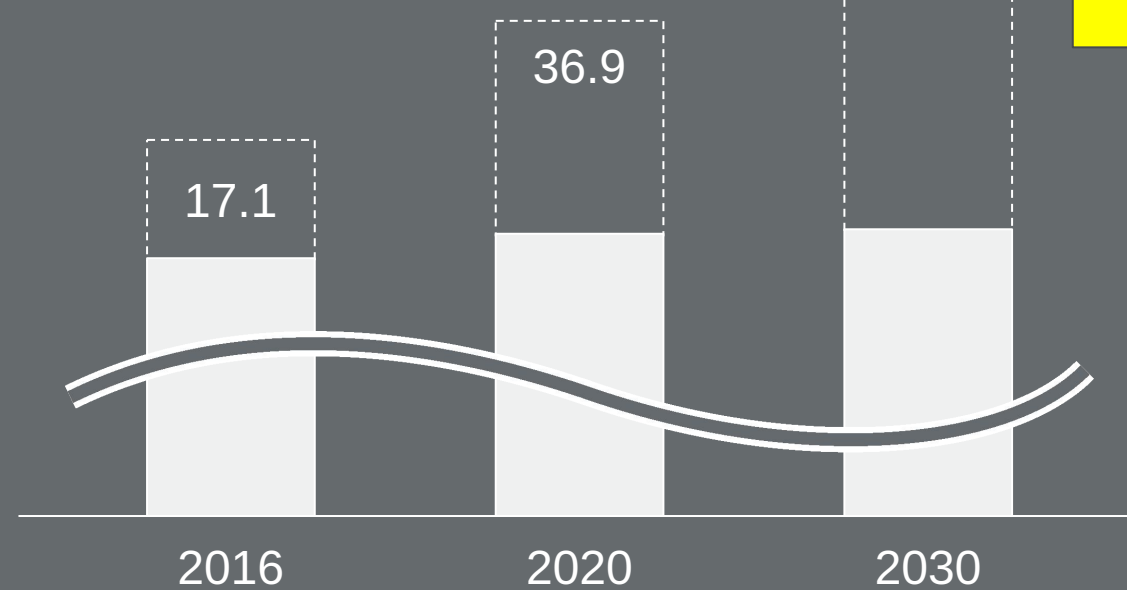
Recruit advanced IT engineers from Eastern Europe who wish to work in Japan, assist with relocation, and connect them with Japanese companies

People **Cloud**

Strengths of People cloud

Unique database of advanced Eastern European IT professionals

A unique database of engineers built through direct recruiting using social media and an Eastern European network.

Candidates competent in Japanese language and Japanese training

30% of applicants from Eastern Europe have experience studying Japanese. In addition, 6 months of online Japanese language program is offered.
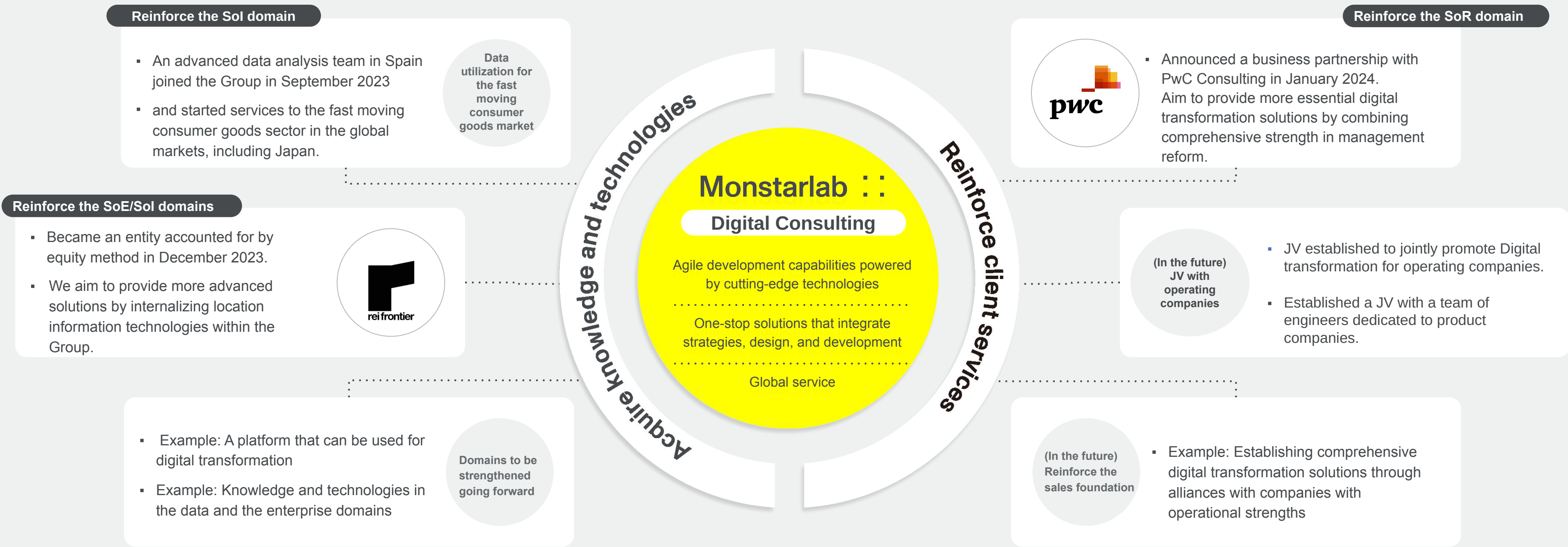
Mechanisms to increase foreign worker retention

Formed an Eastern European engineers' community in Izumo centered on SAMI. Collaborating to make Izumo the city of choice among engineers worldwide.

Source: METI Survey (March 2019)

From 2023 onwards, accelerate investments and partnerships to strengthen the knowledge, technology, and networks needed for building our competitive advantage

Reinforce the SoI domain

- An advanced data analysis team in Spain joined the Group in September 2023
- and started services to the fast moving consumer goods sector in the global markets, including Japan.

Data utilization for the fast moving consumer goods market

Reinforce the SoE/SoI domains

- Became an entity accounted for by equity method in December 2023.
- We aim to provide more advanced solutions by internalizing location information technologies within the Group.

rei frontier

- Example: A platform that can be used for digital transformation
- Example: Knowledge and technologies in the data and the enterprise domains

Domains to be strengthened going forward

Acquire knowledge and technologies

Monstarlab

Digital Consulting

Agile development capabilities powered by cutting-edge technologies

One-stop solutions that integrate strategies, design, and development

Global service

Reinforce client services

Reinforce the SoR domain

pwc

- Announced a business partnership with PwC Consulting in January 2024. Aim to provide more essential digital transformation solutions by combining comprehensive strength in management reform.

(In the future) JV with operating companies

- JV established to jointly promote Digital transformation for operating companies.
- Established a JV with a team of engineers dedicated to product companies.

(In the future) Reinforce the sales foundation

- Example: Establishing comprehensive digital transformation solutions through alliances with companies with operational strengths

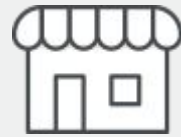Note: SoI means the data domain, and SoR means the enterprise system domain.

In December 2023, Rei Frontier joined Monstarlab group with their unique location-based technology. Strengthening data domain aligned with our growth strategy.

In December 2023, Monstarlab acquired shares of Ray Frontier, which provides services including AI location information analysis, system development, and consulting planning, and made it an equity-method affiliate. The company provides location information acquisition and analysis cultivated through the operation of its proprietary "SilentLog" activity recording application, which can be applied to a variety of use cases.

(Refer to the chart on the right)

▶**Examples of potential use cases**

Retail·Food	Transportation	Tourism	Healthcare	Others
Foot traffic measurement and persona analysis for commercial facilities	Utilize behavioral data to understand public transportation passenger demographics and dynamics	Visitor analysis of tourist facilities and store marketing in the surrounding area	Health management and promotion of exercise using mobility data	Office building demand assessment using human flow data
Push notifications tailored to visitor attributes and needs	Resolving traffic congestion using human flow data	Design efficient excursion routes using human flow data	Behavior management for medical and health conditions	Computing automobile insurance rates using mobility data
Evaluate store openings/closings using human flow data	Visualization of traffic accident hazards using location information	Promoting inbound consumption by utilizing human flow x purchase data	Visualize hospital congestion and establish an efficient consultation environment	Evacuation planning using human flow data
Segmented ad distribution based on consumer mobility information	Location based on-demand mobility services	Segmented ad distribution using persona analysis	Building infection control measures for the spread of viruses using human flow data	Provide location data to information banks
Ad distribution using behavioral information	Understand and manage vehicle operation information using mobility data	Improving efficiency of airport navigation using location data		Provide location-based technology for major urban development such as smart cities

Announced the business partnership with PwC Consulting, a comprehensive consulting firm in January 2024. Leveraging the strengths of both companies, we will reinforce our strategic complementary relationship to drive growth.

Monstarlab ∴

- Strengths in its **ability to design and develop** while incorporating the latest technologies with **agility**.

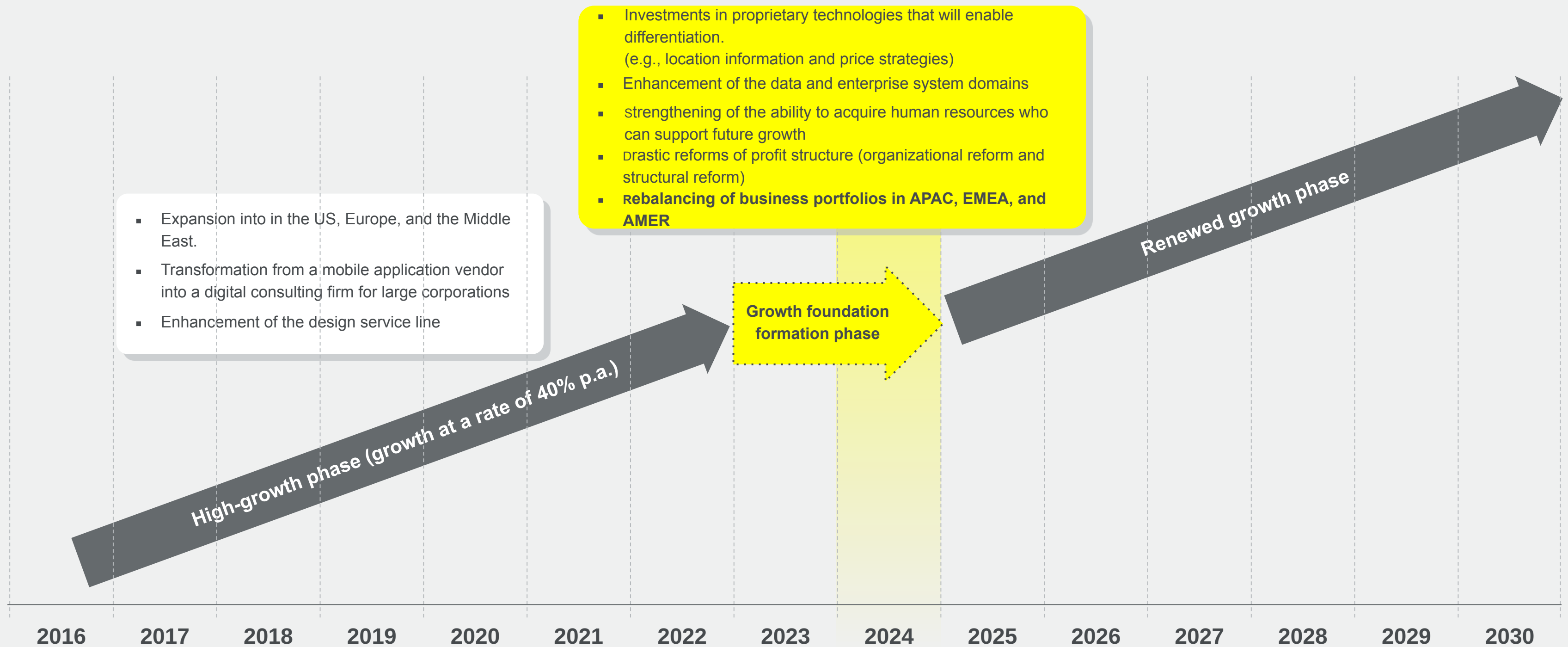- Platform that enables **global delivery and implementation** through a network of group firms located in 19 countries and regions worldwide.

pwc

- **Comprehensive strengths in management reform**, including knowledge and knowhow in deep areas of various industries and businesses and a wide range of solutions available for solving complex problems.
- Extensive **client network** including many major corporations.

Benefits for Monstarlab

Increased opportunities for deeper involvement in the enterprise-level DX of large corporations
> Expect larger-scale projects
Strengthen expertise in business transformation through active collaboration on projects and talent exchange
> Expect enhanced added value for our clients

In 2024, we aim to build a solid foundation for future growth.

Investments in proprietary technologies that will enable differentiation.
(e.g., location information and price strategies)
- Enhancement of the data and enterprise system domains
- Strengthening of the ability to acquire human resources who can support future growth
- Drastic reforms of profit structure (organizational reform and structural reform)
- **Rebalancing of business portfolios in APAC, EMEA, and AMER**

- Expansion into in the US, Europe, and the Middle East.
- Transformation from a mobile application vendor into a digital consulting firm for large corporations
- Enhancement of the design service line

High-growth phase (growth at a rate of 40% p.a.)

Growth foundation formation phase

Renewed growth phase

2016　2017　2018　2019　2020　2021　2022　2023　2024　2025　2026　2027　2028　2029　2030

* Excluding the effect of expenses related to structural reform

CONTENTS.

1. Growth Strategy

2. FY2024 Q1 Results

3. FY2024 Q1 Topics

4. Appendix

Executive Summary

FY2024 Policy	Aim to establish a foundation for growth starting from FY2025

Unit: million yen

Q1 Results
Revenue
3,179
YoY -12.6%
Operating income (loss)
-891
Profit (loss) attributable to owners of parent
-340

FY2024Q1 points

- In APAC, we successfully secured projects in the data and the enterprise system domains through collaboration with PwC Consulting (hereinafter, "PwC") and an approach that leverages generative AI. However, as they start with the requirements definition phase or the PoC phase, their contribution to revenue in Q1 was limited. As a result, revenue decreased 12% YoY as it was affected by the completion of some of the existing projects at the end of fiscal year.
  In EMEA, as we focused on acquiring large long-term projects through, for example, collaboration with NEOM/Tonomus, the sales pipeline expanded steadily. However, as it takes time to secure orders, revenue decreased 11% YoY. Due to the decrease in revenue in APAC and EMEA, consolidated revenue decreased 12% YoY.

- In APAC, profit improved YoY through cost control against the decrease in revenue while a more-than-expected decrease in revenue in EMEA significantly suppressed profit. With the additional effect of an increase in costs at APAC overseas locations due to the weaker yen and the expansion of losses in EMEA and AMER, we posted an operating loss of 891 million yen. On the other hand, the loss attributable to owners of parent for the quarter was limited to 340 million yen, helped by foreign exchange gains of 650 million yen arising from the weaker yen.

- Preparation for growth is going strong as we received orders for large strategic projects through collaboration, including orders for enterprise systems development projects, the domain that we intend to strategically reinforce through collaboration with PwC, and the business alliance with Tonomus, a subsidiary of NEOM, which is an operator of a large-scale city planning project in the government-led Saudi Vision 2030.

As we focus on growth foundation formation, revenue and operating income decreased although net profit improved, helped by the weaker yen.

Unit: mllion yen

	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Percentage change from the previous quarter QoQ	Percentage change YoY
Revenue	3,638	3,121	3,350	3,236	3,179	-1.8%	-12.6%
Cost of sales	2,553	2,293	2,618	2,540	2,507	-1.3%	-1.8%
Gross profit (Percentage)	1,084 (29.8%)	828 (26.5%)	731 (21.8%)	695 (22.1%)	671 (21.1%)	-3.5%	-38.1%
Selling, general, and administrative expenses	1,470	1,686	1,668	1,370	1,577	+15.1%	+7.3%
Other income	785	52	12	156	18	-88.5%	-97.7%
Other expenses	46	16	100	44	4	-90.9%	-91.3%
Operating profit (loss) (percentage)	353 (9.7%)	-822 (—)	-1,025 (—)	-562 (—)	-891 (—)	—	—
Operating profit excluding structural reform expenses	—	—	-398	-312	—	—	—
Profit (loss) before income tax (percentage)	251 (6.9%)	-128 (—)	-1,019 (—)	-1,260 (—)	-268 (—)	—	—
Profit (loss) attributable to owners of parent (percentage)	197 (5.4%)	-189 (—)	-1,098 (—)	-1,264 (—)	-340 (—)	—	—

APAC：While we made a steady progress in acquiring large long-term projects in enterprise systems, which is one of our focus domains, their contribution to revenue in Q1 was limited. Meanwhile, due to the effect of the completion of certain projects at the end of fiscal year, revenue decreased QoQ.
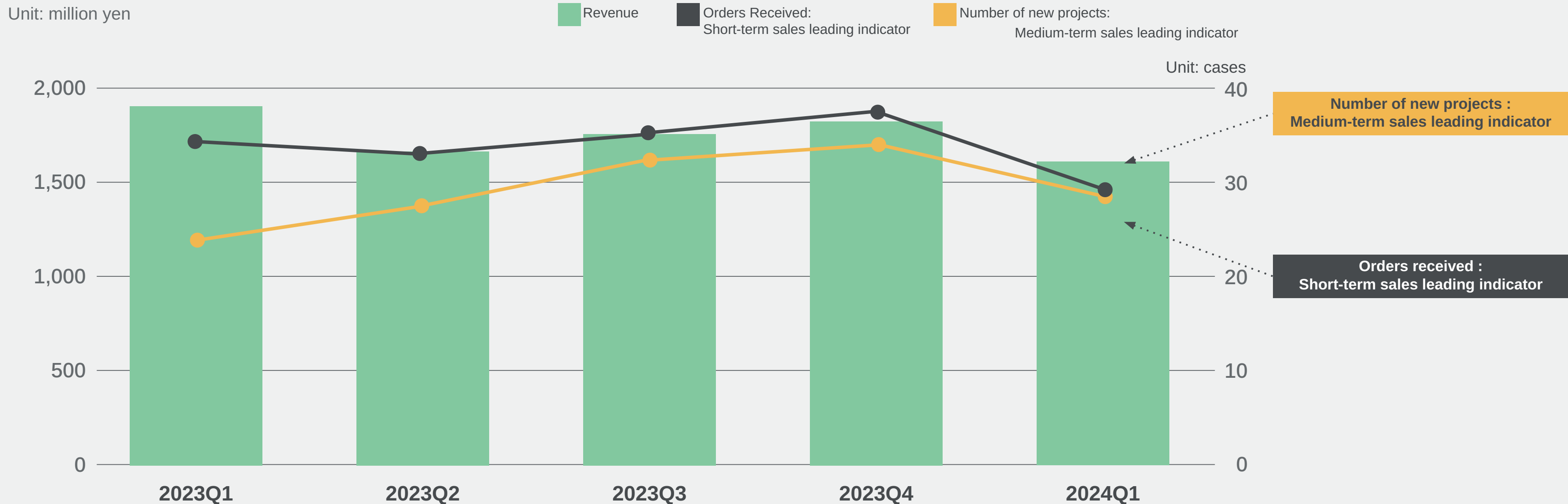
APAC
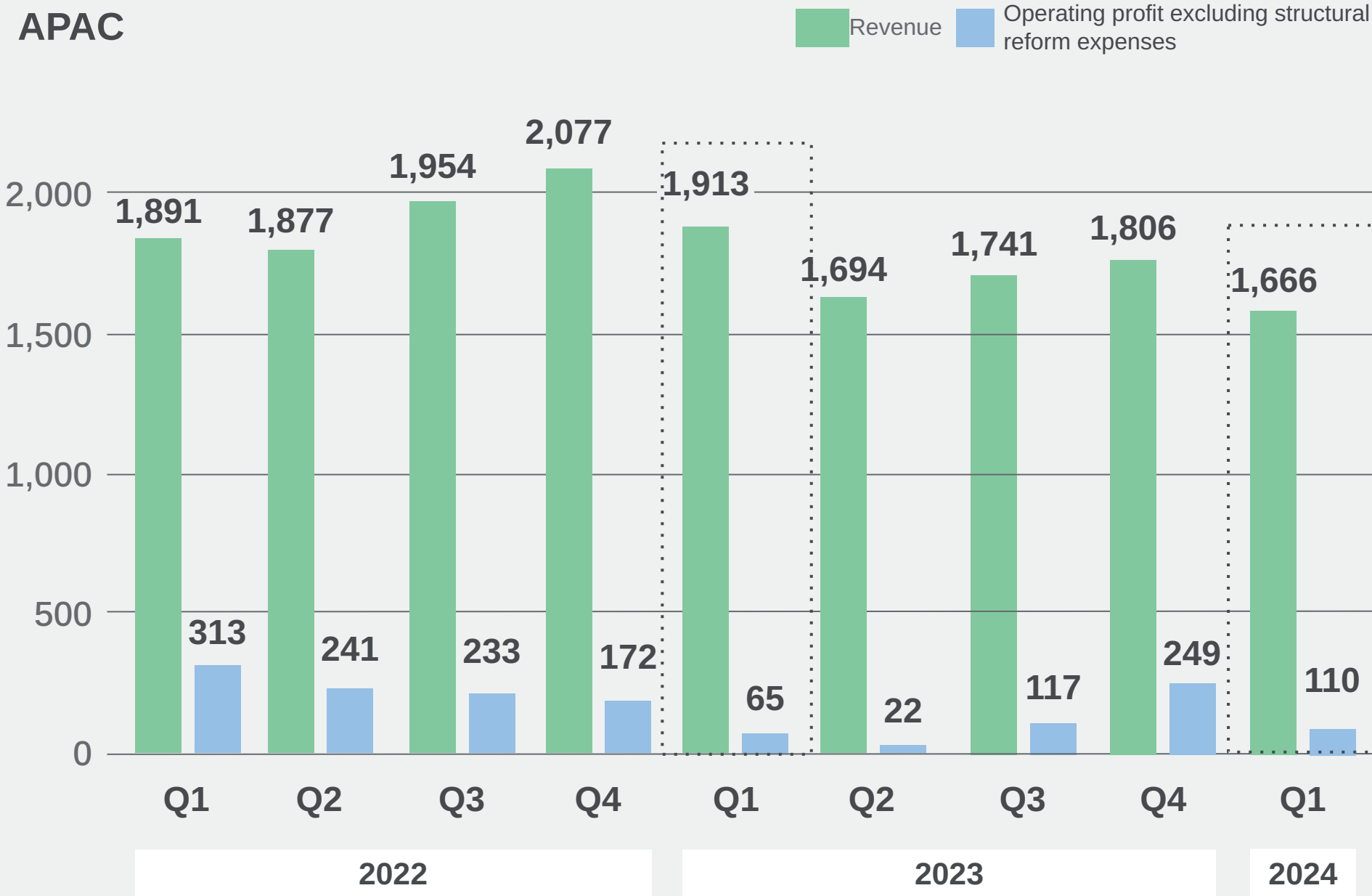
- We secured orders for projects in the data and the enterprise system domains that utilize advanced technologies, such as generative AI, which are our medium- to long-term growth strategy domains, and we also received orders through business alliances with PwC and others. However, as these projects start with the requirements definition phase or the PoC phase, their contribution to revenue in Q1 was limited. Revenue decreased due to the effect of the completion of certain projects at the end of the fiscal year.

- On the other hand, profit improved significantly YoY as we continued to implement thorough cost control, such as reducing outsourcing expenses.

- We expect both revenue and profit to improve in the medium term as the enterprise projects progress to the development phase. In the short term, we will work to improve revenue and profitability by raising the capacity utilization rate of delivery centers in Asia through, for example, our service to provide clients with a dedicated team, in addition to development projects.

APAC : Although we received orders for large enterprise system projects, orders received remain weak as new projects are still in the initial phase.

- There are 15 development projects among 26 new projects, representing an optimal balance with strategic projects.
- For large enterprise system projects, we conclude separate contracts of quasi-mandate for each phase, such as requirements definition and POC. For this reason, only part of the whole project is recognized as orders received in Q1.

Unit: million yen

Legend: Revenue | Orders Received: Short-term sales leading indicator | Number of new projects: Medium-term sales leading indicator

Unit: cases

Number of new projects : Medium-term sales leading indicator

Orders received : Short-term sales leading indicator

X-axis: 2023Q1, 2023Q2, 2023Q3, 2023Q4, 2024Q1

Received many orders in the data and the enterprise domains, making a steady progress in growth foundation formation.

- We received orders for multiple projects with potential to grow into a size of several hundred million yen or more in the data and the enterprise domains, whose market size and project size tend to be large.
- These orders are based on clients' appreciation of the capabilities of Monstarlab, including the use of new technologies, such as generative AI, and modern development systems, such as agile development.

▶**Examples of projects won in APAC in 1Q**

Sector	Project Summary
Automotive	From planning and design to development of sales and production management systems
Manufacturing	No code development of a client project management system
Technolgy	Modernization of enterprise system utilizing Code Rebuild AI
Automotive	Design and development of a system for internal data utilization
Consumer	Development of a digital product utilizing image recognition AI

EMEA : As it takes time to receive orders for large projects, revenue decreased.

EMEA

Revenue

Operating profit excluding structural reform expenses

Unit: million yen
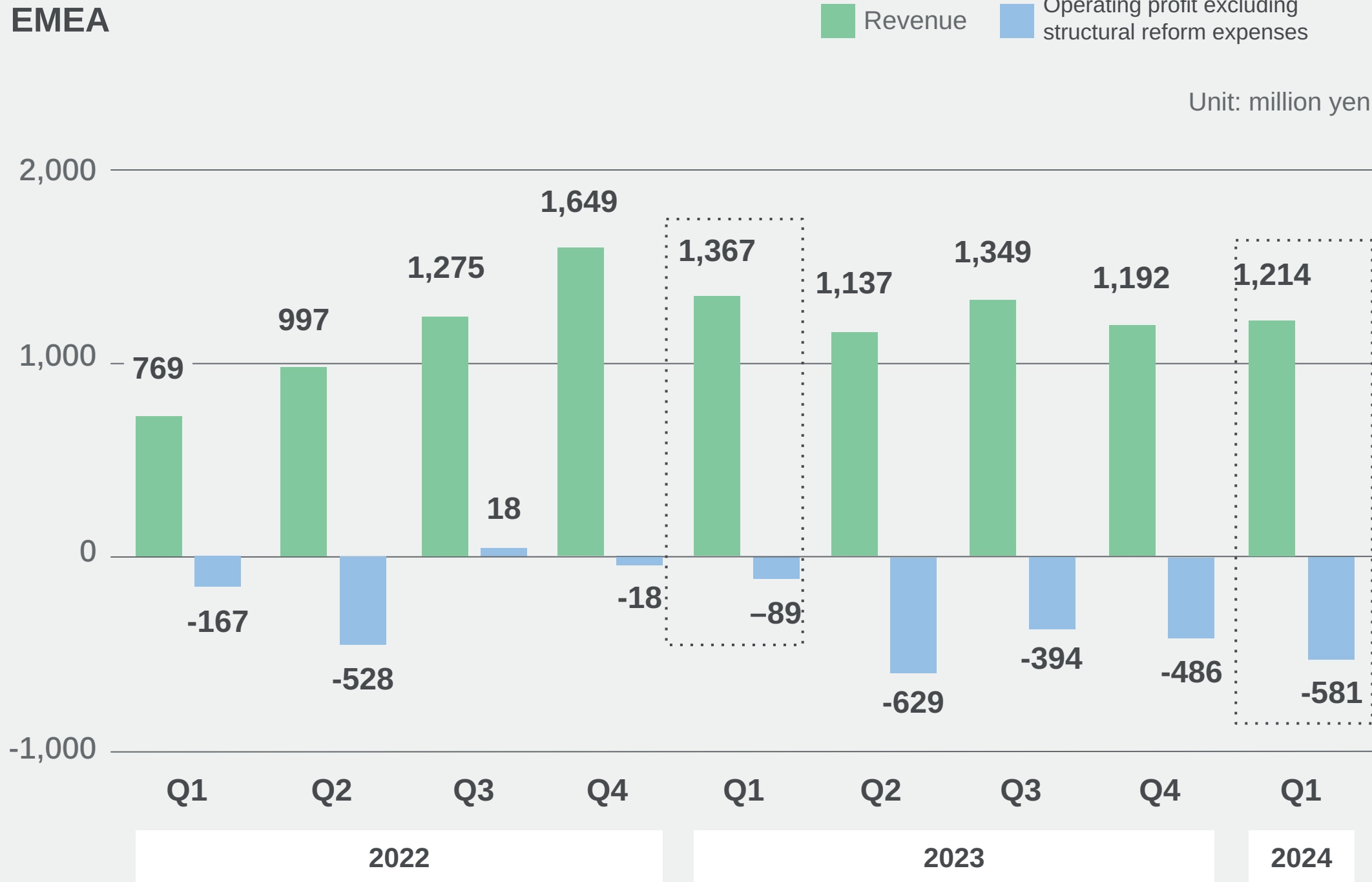
- Large existing projects drove revenue, particularly in life sciences in Europe and in the government domain in the Middle East.
  As for revenue from new clients, although the pipeline of large long-term projects is expanding partly helped by the collaboration with Tonomus, a subsidiary of NEOM, it is taking time for us to receive orders due to the large project size. As a result, revenue from the whole EMEA decreased 12% YoY although it improved from Q4.

- As for operating income, the size of operation loss increased slightly from Q4 due to the less-than-expected revenue growth and the weaker yen.
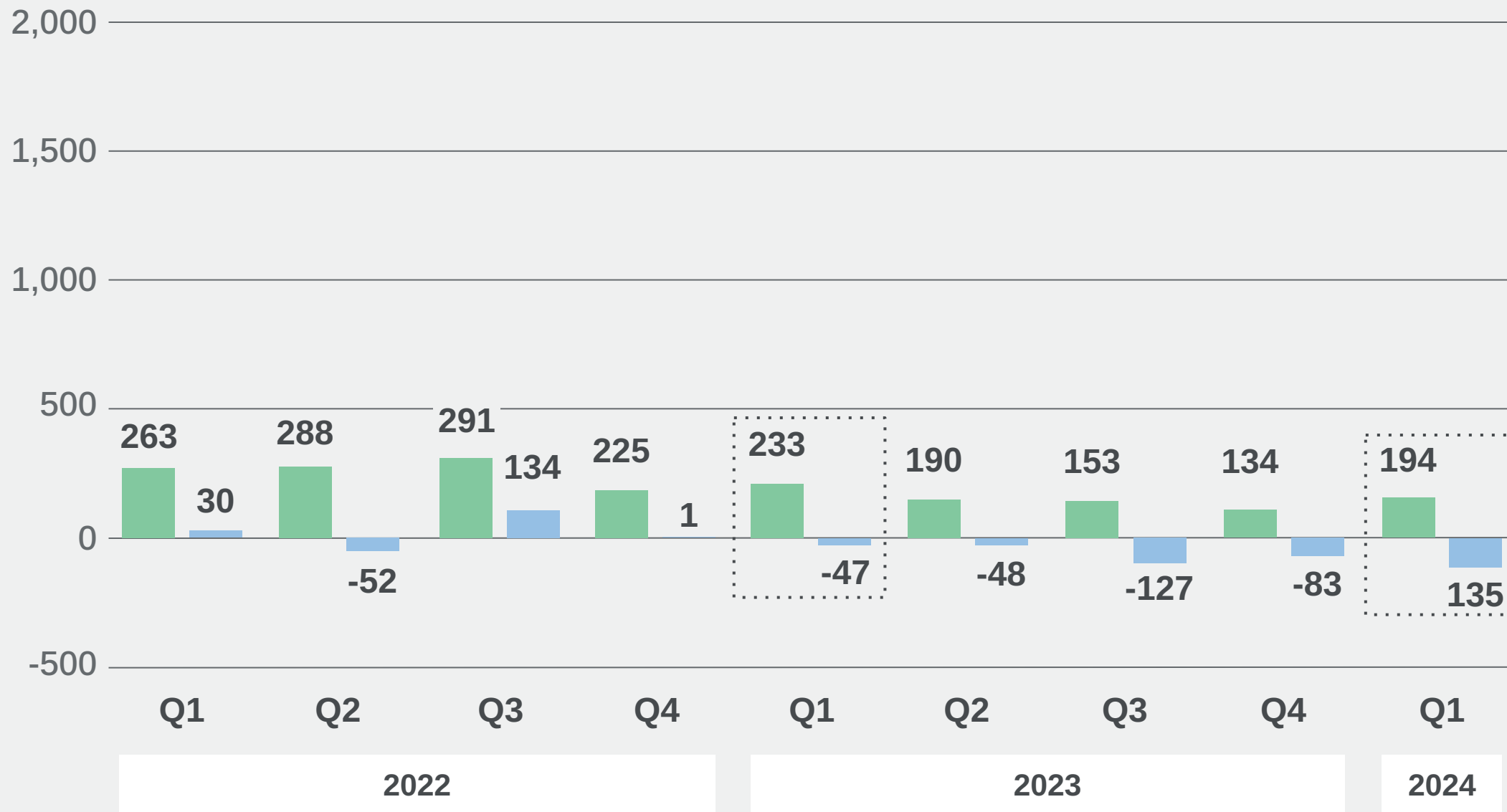
AMER : Revenue is on a recover trend due to project growth and new project acquisition in target domains.

AMER

■ Revenue ■ operating profit excluding structural reform expenses

Unit: million yen

- We achieved growth in projects in financial services, which is one of our target domains. Basic revenue from existing clients has become substantial. In addition, we have acquired new clients from which we can expect multiple large long-term projects. As a result, revenue shows a recovery trend more clearly than in Q4.

- Although strategic early-stage investment in acquiring new important clients mentioned above has suppressed profit in Q1, we expect the acquisitions of several projects and improvements in projects going forward. In addition, the weaker yen worked to increase the size of loss.
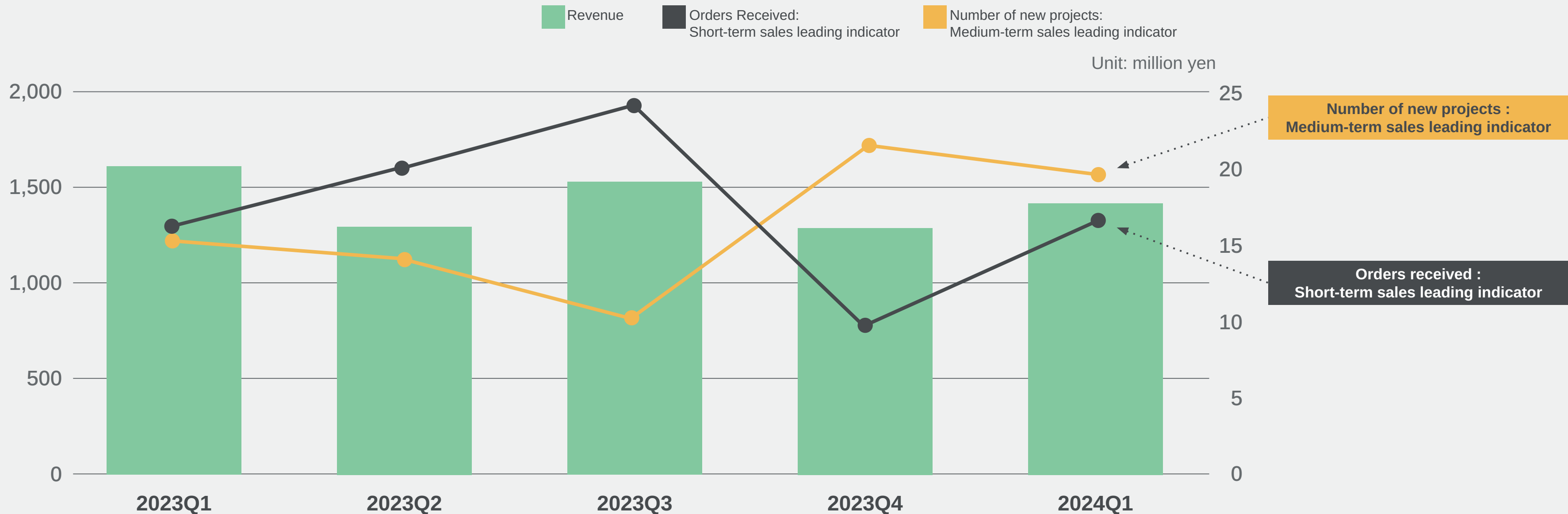
EMEA & AMER :

While we maintain a substantial sales pipeline, it takes time to win orders for large projects.

- Although the acquisition of projects has been delayed, the digital transformation (DX) market continues to be active particularly in the Middle East, and our pipeline has been expanding.

- In Europe and the US, orders from clients in life sciences, financial services, etc., were strong, and future sales growth is expected.

Legend:
- Revenue
- Orders Received: Short-term sales leading indicator
- Number of new projects: Medium-term sales leading indicator

Unit: million yen

Number of new projects : Medium-term sales leading indicator

Orders received : Short-term sales leading indicator

Categories: 2023Q1, 2023Q2, 2023Q3, 2023Q4, 2024Q1

We received orders for projects in our focus areas, such as life sciences, financial services, and governments.

- Our focus on life sciences, financial services, and certain other industries worked as leverage in client acquisition.
- We received orders for multiple projects that are expected to continue for a long term and grow into large projects, such as digitalization of operations or core businesses at large global companies.
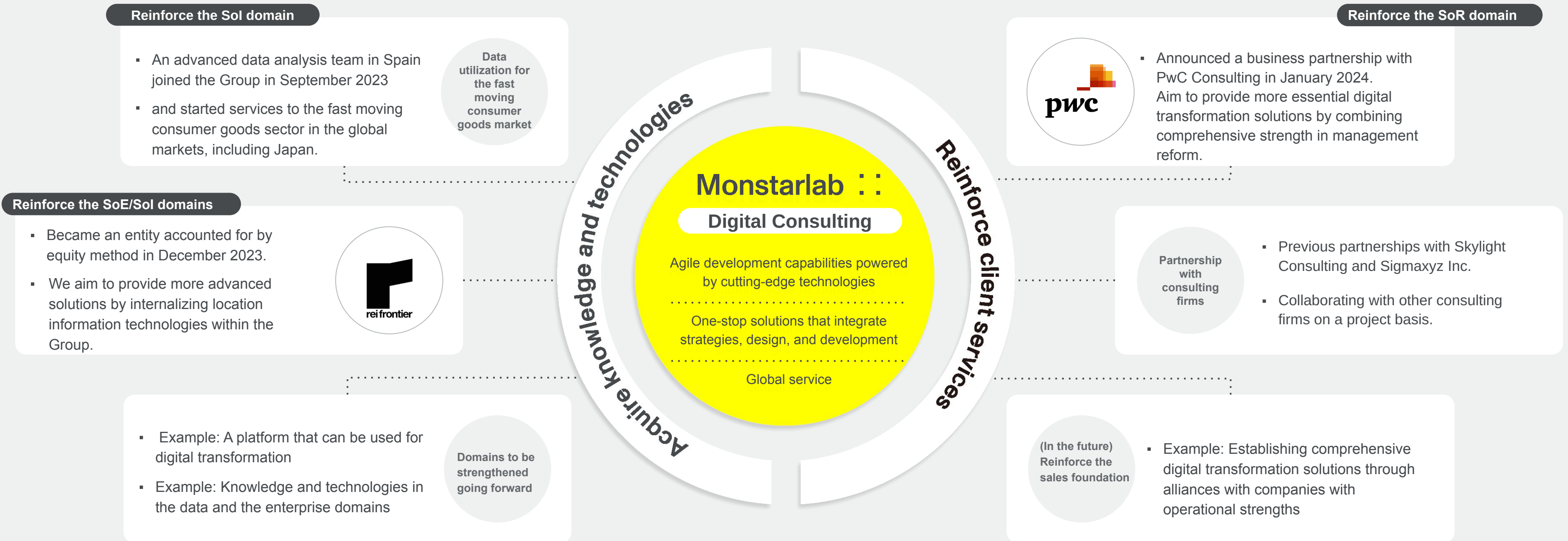
▶**Examples of new projects in 1Q**

Sector	Project Summary
Finance	Support for insurance product development using mobile apps at a global insurance company
Finance	Support for product localization in overseas markets at a large fin-tech company
Life sciences	Digitalization of operations at a pharmaceutical laboratory
Governments	Integration of digital customer touch points and formulation of customer experience strategies for a large government-affiliated commercial facility
Entertainment	Formulation of a medium- to long-term strategy and improvement in customer experience and operations at a large entertainment facility company
Entertainment	Upgrading of a mobile app for improved customer experience for a professional sports association

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FY2024Q1 Topics: Progress in strengthening competitiveness by leveraging capital contribution, alliance, etc.

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# As a pillar of our growth strategy, we will strengthen competitiveness by leveraging investments and alliances

Reinforce the SoI domain

- An advanced data analysis team in Spain joined the Group in September 2023
- and started services to the fast moving consumer goods sector in the global markets, including Japan.

Data utilization for the fast moving consumer goods market

Reinforce the SoR domain

- Announced a business partnership with PwC Consulting in January 2024.
  Aim to provide more essential digital transformation solutions by combining comprehensive strength in management reform.

Reinforce the SoE/SoI domains

- Became an entity accounted for by equity method in December 2023.
- We aim to provide more advanced solutions by internalizing location information technologies within the Group.

rei frontier

Acquire knowledge and technologies

Reinforce client services

Monstarlab

Digital Consulting

Agile development capabilities powered by cutting-edge technologies

One-stop solutions that integrate strategies, design, and development

Global service

Partnership with consulting firms

- Previous partnerships with Skylight Consulting and Sigmaxyz Inc.
- Collaborating with other consulting firms on a project basis.

- Example: A platform that can be used for digital transformation
- Example: Knowledge and technologies in the data and the enterprise domains

Domains to be strengthened going forward

(In the future) Reinforce the sales foundation

- Example: Establishing comprehensive digital transformation solutions through alliances with companies with operational strengths

Note: SoI means the data domain, and SoR means the enterprise system domain.

FY2024Q1 Topics: Progress in strengthening competitiveness by leveraging capital contribution, alliance, etc.

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Collaboration with PwC Consulting, with which we formed a business partnership in January 2024, is steadily moving forward, and has already led to some new projects.

A steady progress in collaboration planning in various domains globally.
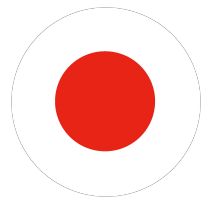
- Joint proposals to various large companies
- Solution development based on the strengths of both parties
- Joint conducted training for new employees

- Started planning toward joint proposals to local Japanese-affiliated companies.
- Provision of resources from ML

- On-site inspection and framework formulation toward joint proposals in the Middle East

Recently received an order for a project related to legacy systems at a large company.

Won a project to modernize an old system using generative AI at a local subsidiary in Thailand. While PwC design the overall architecture, ML uses a modernization tool powered by generative AI **to realize modernization.**

Strategic significance for ML

1 Acquired a project in the enterprise system domain, which is the domain that ML intends to reinforce strategically going forward.

**2** Approach to Modernize old systems with Generative AI was highly evaluated by the client.

3 The efficacy of the combination of consulting by PwC and implementation by ML has been proven.

4 ML's overseas office network was used effectively.

FY2024Q1 Topics: Progress in strengthening competitiveness by leveraging capital contribution, alliance, etc.

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In April 2024, we entered into a business alliance with Tonomus, a subsidiary of a mega smart city project led by the Saudi Arabian government.
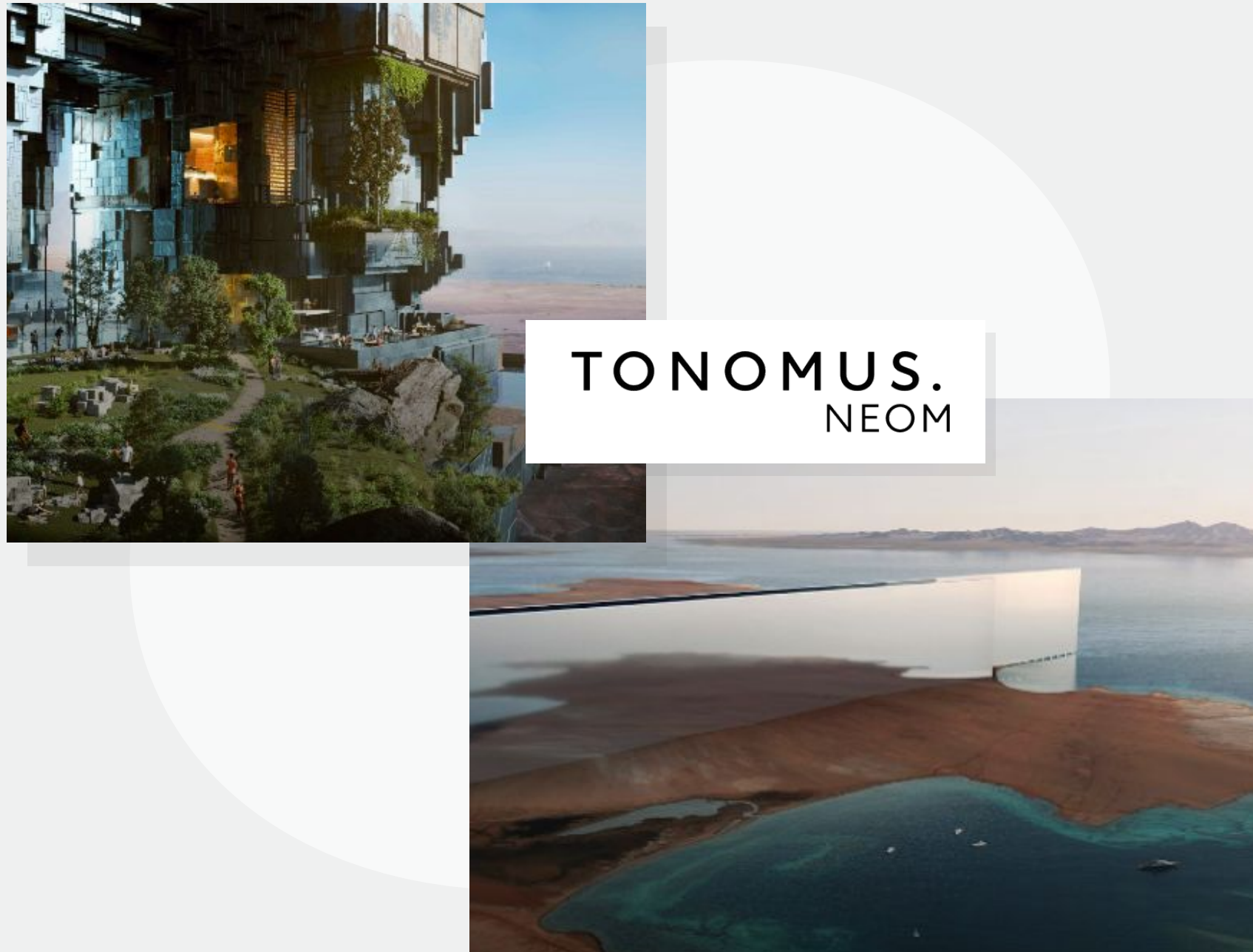
Outline of Tonomus

- A subsidiary of NEOM, which is an operator of a large-scale city planning project in the government-led Saudi Vision 2030.

- A technology company engaging in the development of cognitive technologies and promoting future living that uses them.

*A project in which the Saudi Arabian government plans to spend a budget of 500 billion dollars to develop a new smart city of the same size as Belgium
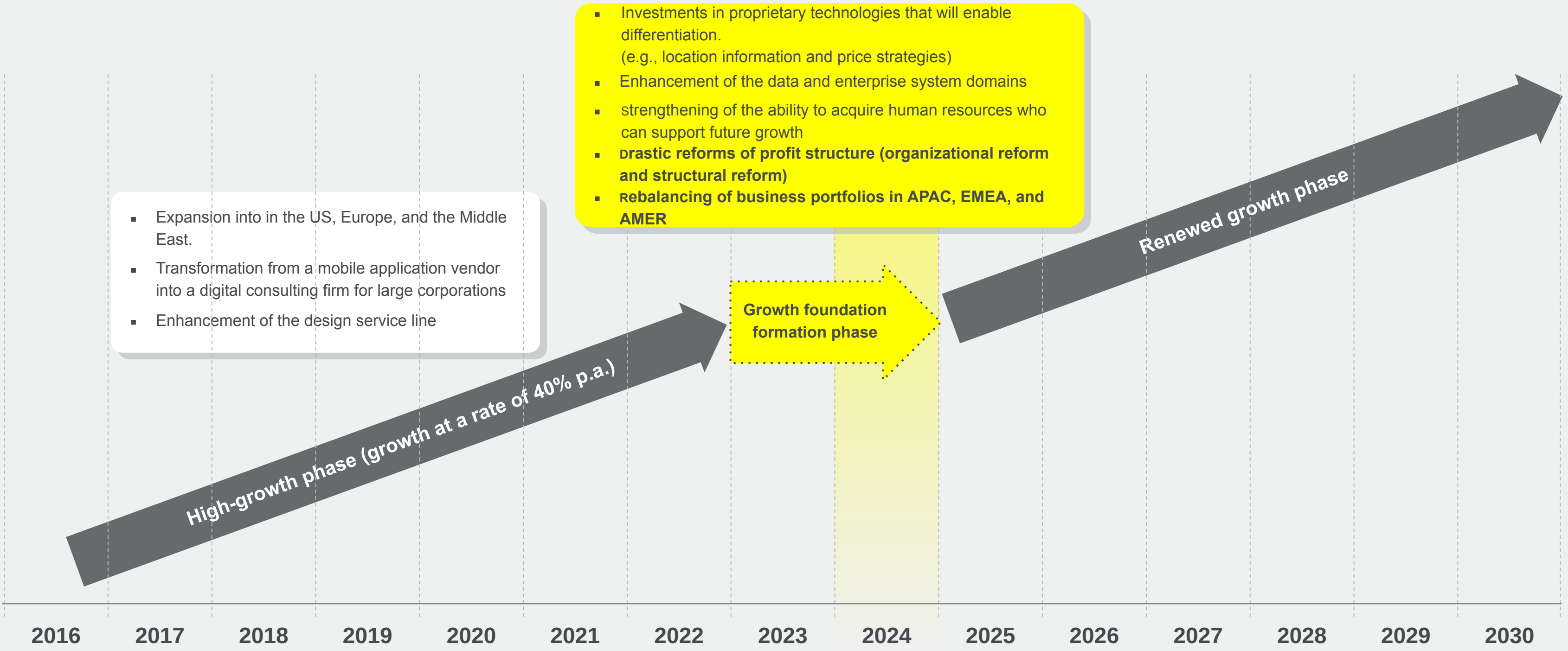
Monstarlab strategic goals in the alliance

- Seek opportunities for technological innovation, product development, and the provision of consulting services in collaboration with Monstarlab.

- Aim to provide professional services to NEOM and government-affiliated projects by leveraging Monstarlab's capabilities.

- Will work also on innovative solution development that provides added value to end users.

Partnerships also established with Bunzz in March 2024, and eVisit and Journee in May 2024

	BUNZZ	**eVisit**	**Journee**
Overview of partnering companies	▪ Leading company in web3 x LLM that operates the web3 development platform "Bunzz" and develops various web3 infrastructure and services ▪ Bunzz is currently being used by approximately 16,000 Web3 developers globally and is growing to become the largest development infrastructure in Asia.	▪ Leading partner in telemedicine solutions for innovative health systems and large, complex healthcare organizations. ▪ Trusted by several of the top 20 largest health system providers in the U.S., with extensive experience working with health systems.	▪ A world-class, award-winning leader in the field of immersive virtual worlds, with a clientele that includes government agencies and major corporations. ▪ Owns patented technologies related to spatial technology, creating immersive experiences on a variety of platforms.
Our strategic goals	▪ Increase revenues by acquiring Web3 projects offering comprehensive support from business strategy planning to focusing on products in the Web3 domain. ▪ Reinforce strategy, experience design, and development capabilities related to blockchain, the emerging technology, and engage in development from scratch to become the industry standard.	▪ Leverage the strengths of both companies in technology and healthcare to create a high-value digital experience that meets the needs of the healthcare industry. ▪ Pursue global expansion of telemedicine solutions by leveraging our extensive expertise in engineering and consulting.	▪ Leverage Journee's immersive technology expertise and Monstarlab's strengths in delivering innovative software solutions that strengthen client relationships and drive growth. ▪ Effective global market development and increase brand exposure.

In order to complete growth foundation formation by the end of 2024, we are considering a drastic structural reform at loss-making locations. We aim to set a realistic goal by Q3 and to achieve profit* in all regions in Q4.

- Investments in proprietary technologies that will enable differentiation.
  (e.g., location information and price strategies)
- Enhancement of the data and enterprise system domains
- Strengthening of the ability to acquire human resources who can support future growth
- **Drastic reforms of profit structure (organizational reform and structural reform)**
- **Rebalancing of business portfolios in APAC, EMEA, and AMER**

- Expansion into in the US, Europe, and the Middle East.
- Transformation from a mobile application vendor into a digital consulting firm for large corporations
- Enhancement of the design service line

High-growth phase (growth at a rate of 40% p.a.)

Growth foundation formation phase

Renewed growth phase

2016   2017   2018   2019   2020   2021   2022   2023   2024   2025   2026   2027   2028   2029   2030

* Excluding the effect of expenses related to structural reform

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We plan to secure funds necessary for the establishment of a business growth foundation from our main bank.

単位：百万円

|	2023 Q4	2024 Q1	Change	Percentage Change
Current assets	5,836	5,414	-422	-7.2%
Cash and cash equivalents	1,783	1,227	-556	-31.2%
Non-current assets	8,624	8,997	+373	+4.3%
Total assets	14,461	14,412	-49	-0.3%
Current liabilities	7,932	8,769	+837	+10.6%
Non-Current liabilities	2,822	2,403	-419	-14.8%
Equity	3,706	3,239	-467	-12.6%
Total liabilities and equity	14,461	14,412	-49	-0.3%

Revenue from existing clients represents over 70% of last year's revenue due to changes in clients.

Revenue Structure of Digital Consultancy Business

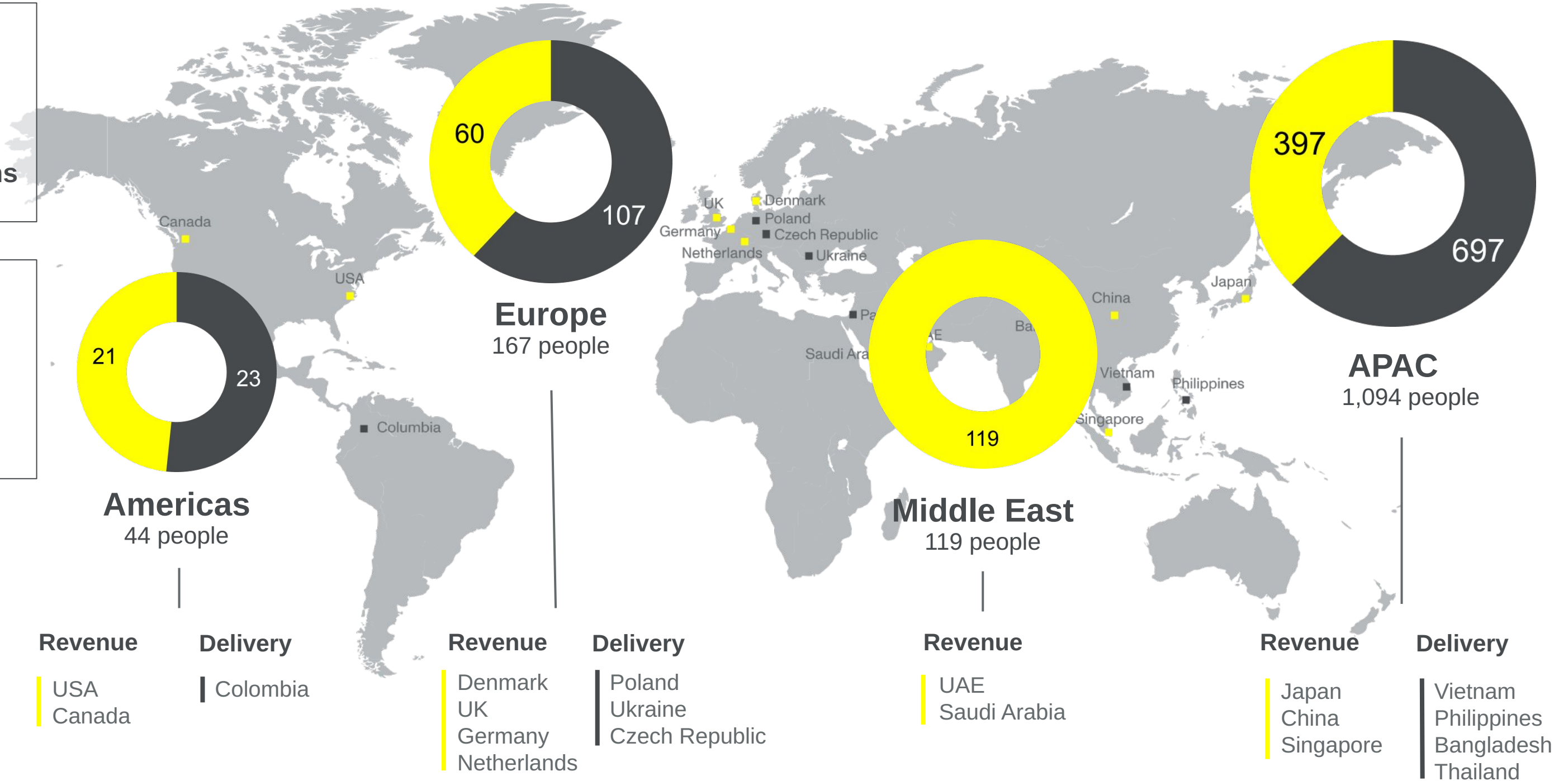■ Existing client revenue*2 ■ New client revenue

Unit : million yen
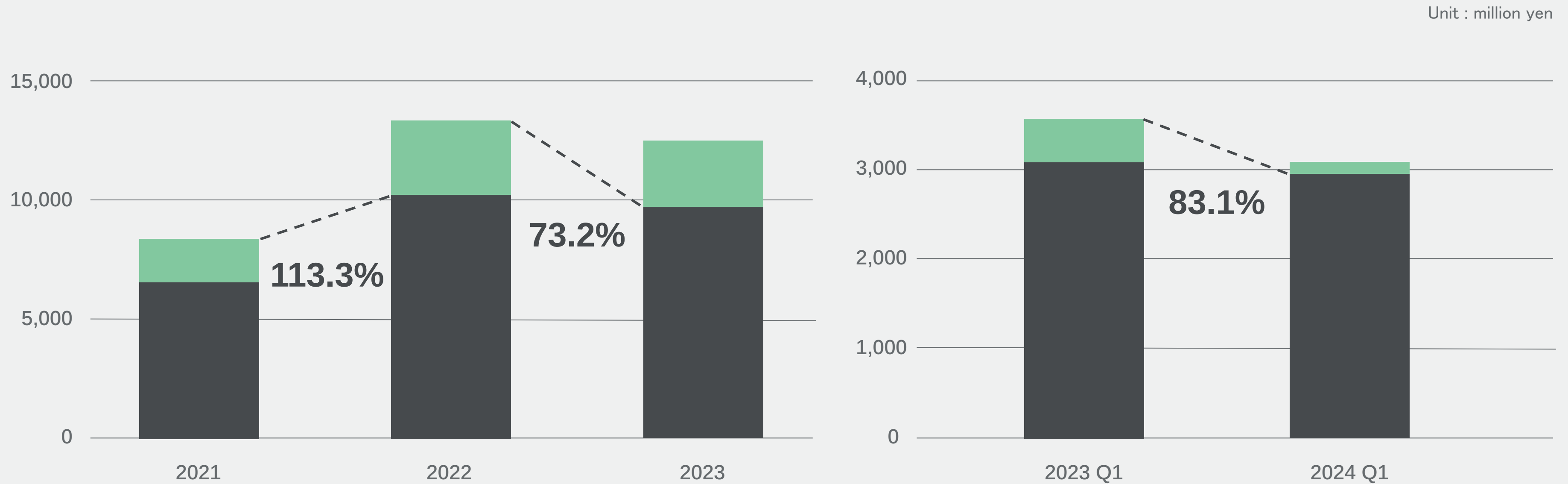
*1 Digital consultancy business revenue.

*2 Existing clients: Clients providing revenue from FY2020 until the beginning of the applicable fiscal year.

Our organization of **1,400 people globally** comprises **Revenue Centers** (mainly in Japan, W. Europe, and USA) and **Delivery Centers** (mainly in S.E. Asia, E. Europe, and S. America)

Areas of operation
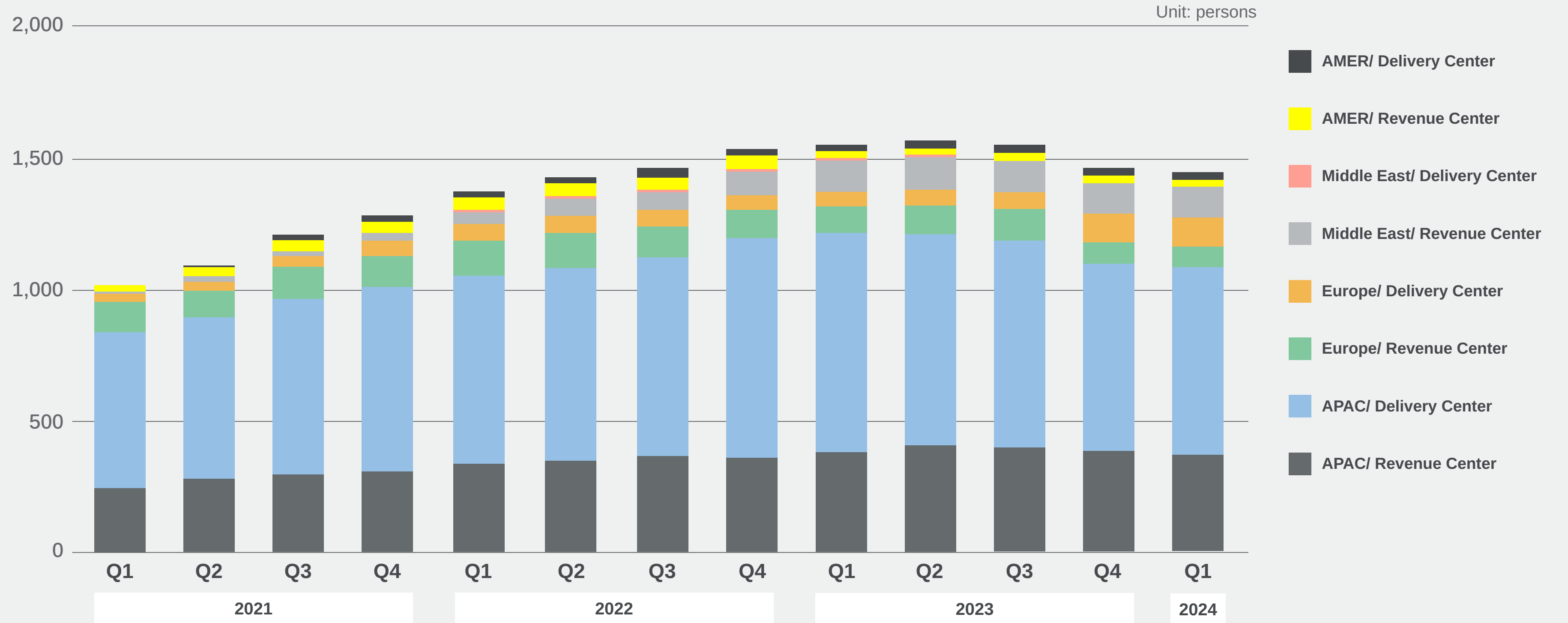
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Countries & Regions

Employees

About **1,400**
People worldwide

Americas
44 people

Revenue	**Delivery**
USA Canada	Colombia

Europe
167 people

Revenue	**Delivery**
Denmark UK Germany Netherlands	Poland Ukraine Czech Republic

Middle East
119 people

Revenue
UAE Saudi Arabia

APAC
1,094 people

Revenue	**Delivery**
Japan China Singapore	Vietnam Philippines Bangladesh Thailand

Map labels: Canada, USA, Columbia, UK, Denmark, Poland, Germany, Czech Republic, Netherlands, Ukraine, Saudi Ara…, UAE, Ba…, China, Japan, Vietnam, Philippines, Singapore

Donut chart values: Americas 21 / 23; Europe 60 / 107; Middle East 119; APAC 397 / 697

Notes:As of December 31, 2023. Locations include subsidiary offices. APAC = Asia Pacific

Slight reduction in personnel due to structural reform

Unit: persons

Legend:
- AMER/ Delivery Center
- AMER/ Revenue Center
- Middle East/ Delivery Center
- Middle East/ Revenue Center
- Europe/ Delivery Center
- Europe/ Revenue Center
- APAC/ Delivery Center
- APAC/ Revenue Center

Note : Due to a change in the aggregation method, the headcount figures in FY2022 Q4 for the APAC Revenue Center have been updated from those in the Q1 results presentation for the period under review.

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Contact : ir@monstar-lab.com

Monstarlab Holdings, Inc.(Securities Code: 5255)

Empower talent everywhere to engineer awesome products, services and ecosystems; building a brighter world for us all

Monstarlab ::

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