

Supplementary Materials on Financial Results FY03/2023 (full-term)



From the Stations

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May 10, 2023

EKITAN&Co., Ltd.

TSE Growth: 3646



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Section 1

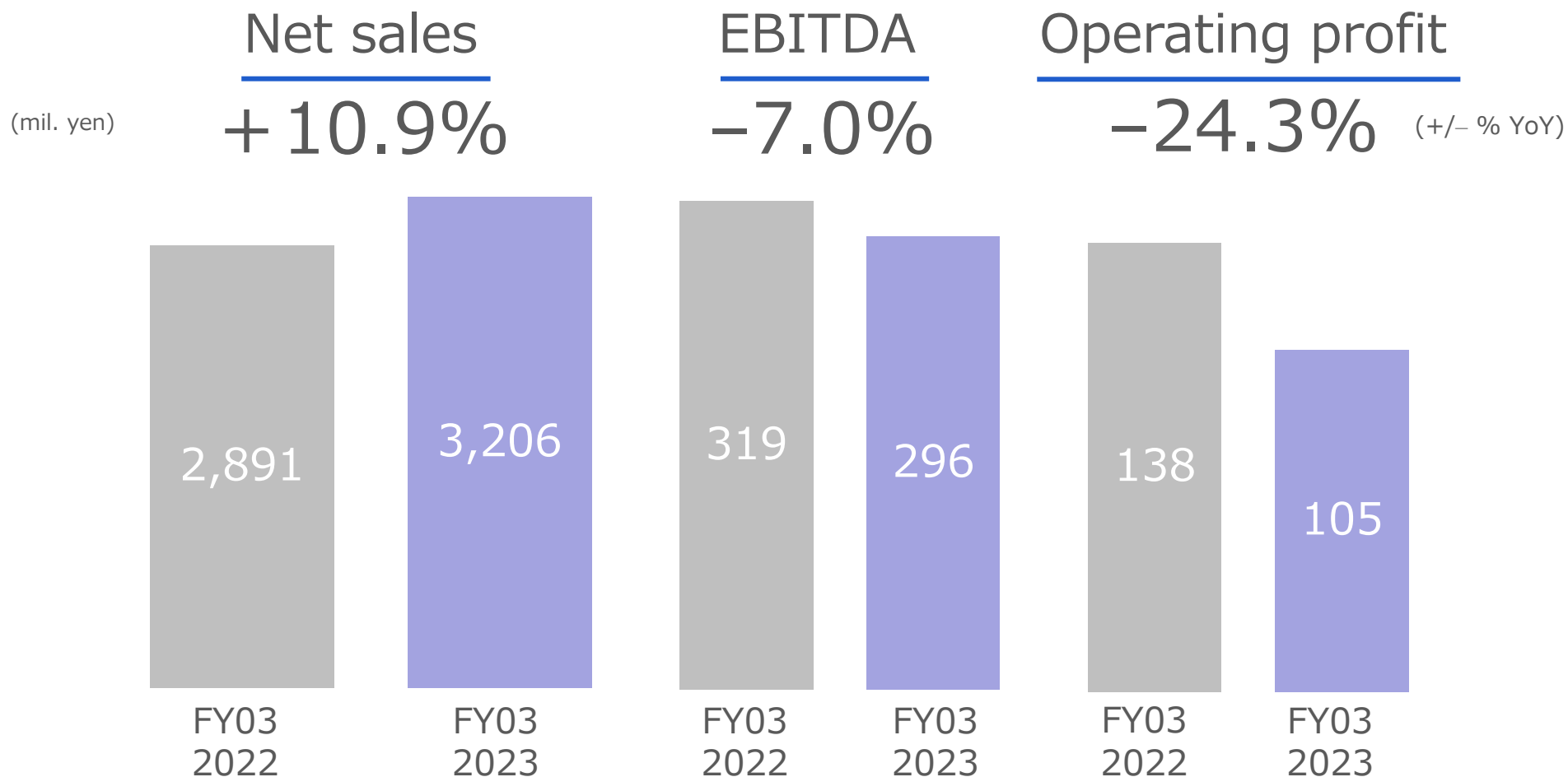
FY03/2023 (full-term)
Financial results overview
(company-wide)



Highlights

FY03/2023 (full-term)

Higher revenues / Lower earnings





Highlights

FY03/2023 (full-term)

Higher revenues / Lower earnings

(YoY)

Net sales	3,206 mil. yen	+/- %	+10.9%	+/- amount	+314 mil. yen	FY2022	2,891 mil. yen
EBITDA	296 mil. yen	+/- %	-7.0%	+/- amount	-22 mil. yen	FY2022	319 mil. yen
Operating profit	105 mil. yen	+/- %	-24.3%	+/- amount	-33 mil. yen	FY2022	138 mil. yen

Factors of higher revenues

Mobility Support Business

Increased advertising revenues due to more access to Ekitan media such as Transfer Information site and associated apps; as well as order-taking for services for corporations such as MaaS

Improved profitability of "Cirqua" (advertisement platform)

Despite substantial decrease in earnings affected by the PMD Act revised in August 2021, profitability status could improve by successfully applying new criteria for posting advertisings in response to that Act

Advertisement Platform Business: Proud Engine Inc.

Newly joined as a consolidated subsidiary from the last third quarter consolidated fiscal period

Factors of lower revenues

Decreased sales of services for paid subscribers

Continuously decreased paid subscribers affected by such as market environment including commoditization

Operating profit

Decreased services for paid subscribers and increased cost for BTOOnline

Partly increased sales was not enough to cover decrease in net sales of services for paid subscribers which provided high profit rate
Increased cost for renovating "BTOOnline" (a service for arrangement of ticketless business trip)



Consolidated Profit and Loss Statement

FY03/2023 (full-term)

Consolidated Profit and Loss Statement

(mil. yen)	(YoY)					
	FY03 2022	Proportion	FY03 2023	Proportion	+/- %	+/- amount
Net sales	2,891	100.0%	3,206	100.0%	+10.9%	+314
Cost of sales	1,910	66.0%	2,259	70.5%	+18.2%	+348
Gross profit	980	33.9%	946	29.5%	-3.4%	-33
SG&A expenses	841	29.1%	841	26.2%	-0.0%	-0
Operating profit	138	4.8%	105	3.3%	-24.3%	-33
Ordinary profit	140	4.9%	104	3.3%	-25.8%	-36
Net profit attributable to owners of parent	80	2.8%	89	2.8%	+12.0%	+9
EBITDA	319	11.0%	296	9.3%	-7.0%	-22



Consolidated Balance Sheet

FY03/2023 (full-term)

Consolidated Balance Sheet

(mil. yen)	FY03 2022	FY03 2023	+/- amount
Total current assets	2,422	1,868	-554
Property, plant and equipment	70	60	-9
Intangible assets	958	1,139	181
Investments and other assets	89	83	-6
Total non-current assets	1,118	1,284	165
Total assets	3,541	3,152	-388

(mil. yen)	FY03 2022	FY03 2023	+/- amount
Total current liabilities	403	438	34
Total non-current liabilities	298	226	-72
Total liabilities	702	664	-37
Capital stock	291	291	-
Retained earnings	2,926	2,498	-428
Treasury stock	-673	-595	77
Total shareholders' equity	2,838	2,487	-350
Total net assets	2,838	2,487	-350
Total liabilities and net assets	3,541	3,152	-388



Cash Flow Statement

FY03/2023 (full-term)

Cash Flow Statement

(mil. yen)	FY03 2022	FY03 2023	+/- amount (YoY)
Cash flows from operating activities	345	63	-282
Cash flows from investing activities	-772	-265	506
Cash flows from financing activities	-77	-452	-374
Increase (decrease) in cash and cash equivalents	-504	-654	-149
Cash and cash equivalents at beginning of period	2,584	2,079	-504
Cash and cash equivalents at end of period	2,079	1,424	-654



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Section 2

FY03/2023 (full-term)
Financial results overview
(by segment)



Proportions by segment

FY03/2023 (full-term)

Proportions of Advertisement Platform Business

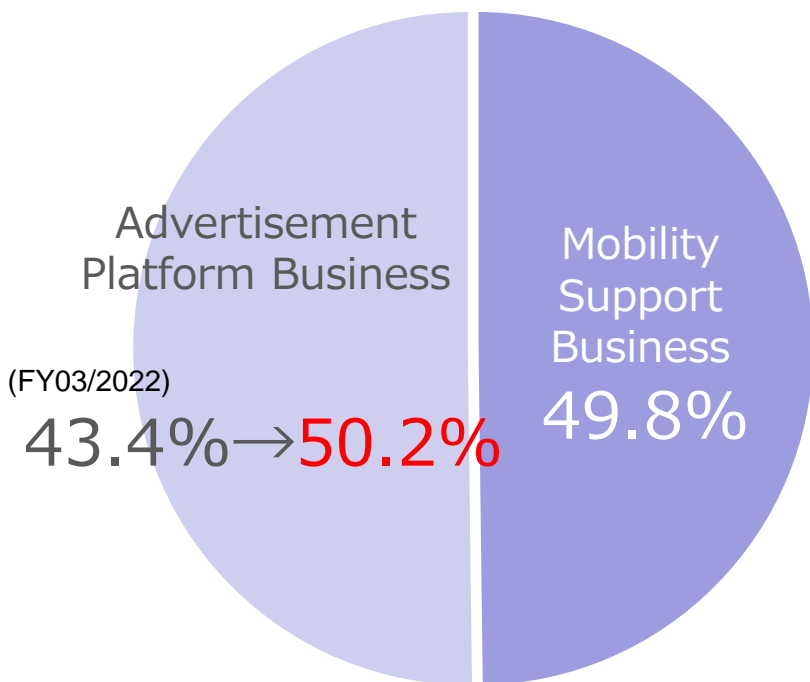
Gradually breaking away from the business structure which has relied on Mobility Support (Transfer Information service)

Advertisement Platform

Net sales share increased by 6.8 points from 43.4% to 50.2%, exceeding half EBITDA share increased by 8.5 points from 3.0% to 11.5%, meaning greater contribution to profit

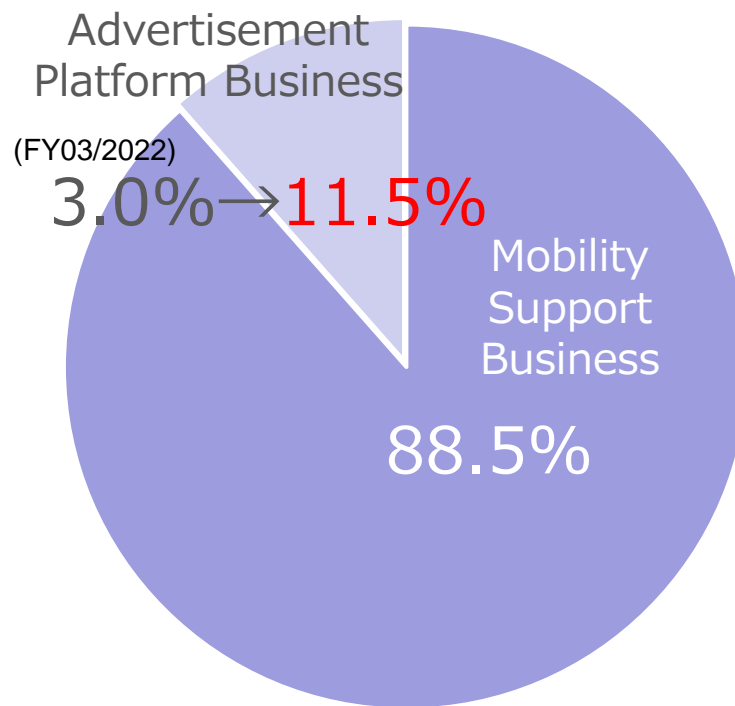
Net sales

(FY03/2023)



EBITDA

(FY03/2023)





Mobility Support Business

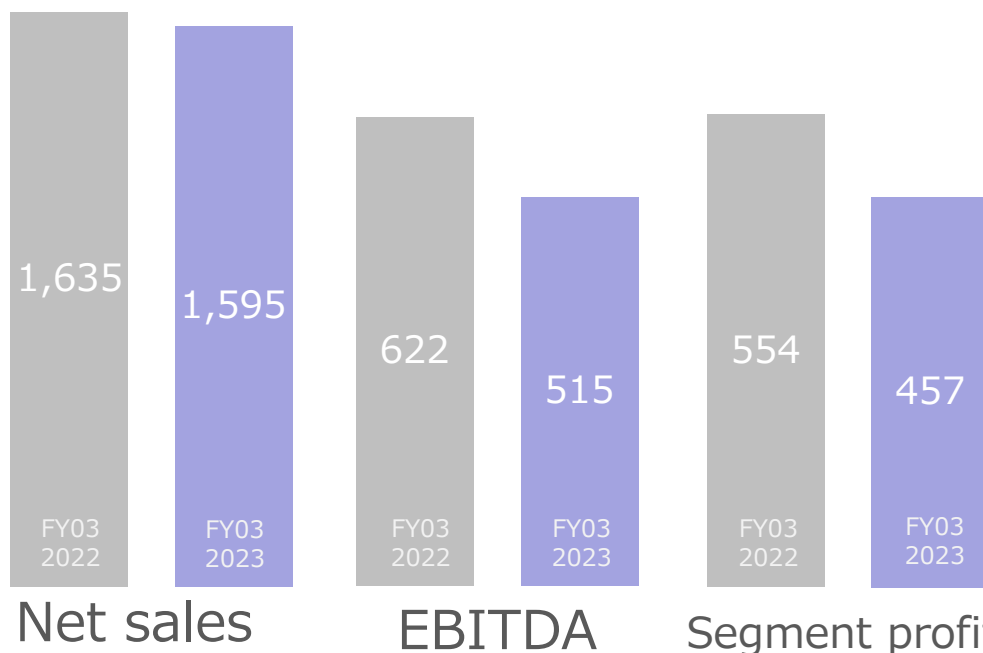
FY03/2023 (full-term)

Revenues/earnings are as planned, but lower than FY2022

(YoY)

		+/- %		+/- amount			
Net sales	1,595 mil. yen	-2.4%		-39 mil. yen		FY2022	1,635 mil. yen
EBITDA	515 mil. yen	-17.2%		-106 mil. yen		FY2022	622 mil. yen
Segment profit	457 mil. yen	-17.5%		-97 mil. yen		FY2022	554 mil. yen

(mil. yen)



Factor 1: Lower revenues

This segment experienced downward trend because of continuously decreasing number of paid subscribers due to commoditization of Transfer Information service

Factor 2: Lower earnings

Increased advertising revenues due to more access to Ekitan media such as transfer information site and associated apps, as well as order-taking for services for corporations such as demonstration experiments of MaaS, contributed to growth of this segment. But such growth was not enough to supplement decrease in net sales of services for paid subscribers which provided high profit rate, and additionally renovation cost for "BTOonline" (a service for arrangement of ticketless business trip) increased.



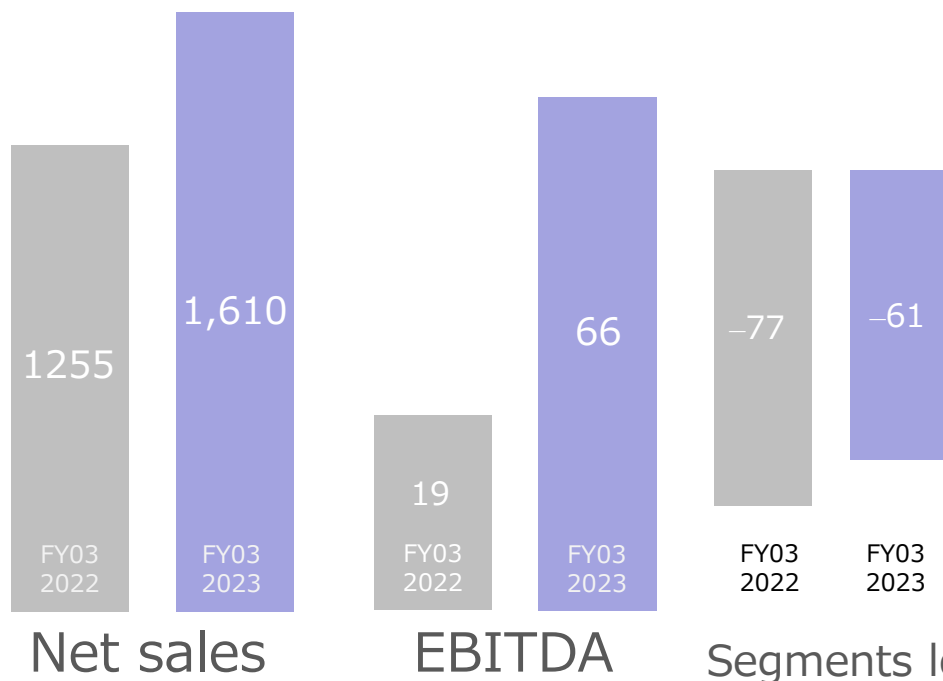
Advertisement Platform Business

FY03/2023 (full-term)

Higher revenues and EBITDA; Less segment loss

							(YoY)
Net sales	1,610 mil. yen	+/- %	+28.3%	+/- amount	354 mil. yen	FY2022	1,255 mil. yen
EBITDA	66 mil. yen	+/- %	+245.1%	+/- amount	47 mil. yen	FY2022	19 mil. yen
Segment profit	-61 mil. yen	+/- %	-	+/- amount	15 mil. yen	FY2022	-77 mil. yen

(mil. yen)



Factor 1: Higher revenues

Advertisement service is continuously in the course of recovery

Operations based on new criteria for posting advertisements in accordance with the PMD Act revised in August 2021 have brought about smooth recovery trend since December 2021

Factor 2: Higher revenues

Proud Engine Inc.

Newly joined to this segment since the last 3Q

Factor 3: Segments loss

Amortization of goodwill

Net sales at a break-even level could not be reached, including amortization of goodwill, etc. of Cirqua Inc.

Up-front investment

Up-front investment, such as website construction in the vertical media "Ekitan PICKS" which has been in operation since the previous consolidated FY, resulted in segment loss.



Current progress in primary measures (FY03/2023)

Framework

Regional Marketing Platform Framework

Strategies	Measures	Progress
1) Hybrid type vertical media deployment	Adding more service categories such as real estate, food service	Following Ekitan PICKS, services of Ekitan LOCAL and Ekitan Odekake-Lab started
2) Cirqua's adnet business deployment	Expanding advertisement spaces by means of media exploitation under the new criteria in response to the revised PMD Act	Media expansion for recommend-widget framework. Expansion of commercial materials other than those for women.
3) MaaS business deployment	Development of MaaS packages and deployment of them to further more regions	Demonstration experiments of "Esasi MaaS" and "Mirai Univ. AI MaaS" (Hakodate City) were completed Took part in demonstration experiments of digital boarding ticket by Tokyo Metro
4) Regional targeting business deployment	Building up a system for regional targeting by data incorporation, transfer information and Cirqua's technologies	"MaaS-type advertising" started, a joint campaign for transit advertisement with Tokyo Monorail.
5) M&A/alliance strategy	To collect information and promote M&A/alliance in accordance with the Company's policies and in partnership with financial institutions and intermediary companies	Proud Engine Inc. which has an Internet advertising agency functionality became a consolidated subsidiary. Established a joint venture with ITLHD, to strengthen investment/incubation business



Hybrid type vertical media deployment

EkitanPICKS Convenient services can be found from the stations

Centered on specific genres such as real estate, restaurants, beauty salons, dental clinics, and personal gyms, information about visit-type shops and various services based at “stations” is collected, on which local residents may compare/consider what they would like to use.

<Dehairing>



駅探 PICKS 脱毛

あなたにピッタリの脱毛サービス

キーワードから検索

地域から探す

脱毛クリニック			脱毛サロン			メンズ脱毛		
鎌倉駅	新宿駅	渋谷駅	池袋駅	秋葉原駅				
青森駅	盛岡駅	仙台駅	郡山(福島)駅	いわき駅	水戸駅	宇都宮駅		
高崎駅	川越駅	千葉駅	船橋駅	柏駅	上野駅	錦糸町駅		
吉祥寺駅	立川駅	町田駅	八王子駅	自由が丘駅	川崎駅	新横浜駅		
金沢駅	長野駅	静岡駅	浜松駅	栄(名古屋)駅	金山(愛知)駅	烏丸駅		
東横駅	心斎橋駅	天王寺駅	三宮駅	姫路駅	和歌山駅	岡山駅		
徳島駅	松山(愛媛)駅	天神駅	小倉(福岡)駅	通町筋駅	大分駅	おちろまち駅		

<Fitness>



駅探 PICKS フィットネス

あなたにピッタリのパーソナルトレーニングジム

キーワードから検索

地域から探す

新宿駅	名古屋駅	梅田駅	札幌駅	恵比寿駅	
横浜駅	仙台駅	大宮(埼玉)駅	渋谷駅	池袋駅	
鎌倉駅	金沢駅	川崎駅	千葉駅	吉祥寺駅	
町田駅	心斎橋駅	立川駅	博多駅	藤沢駅	

<AGA>



駅探 PICKS AGA

あなたにピッタリのAGAクリニック

キーワードから検索

地域から探す

新宿駅	大塚駅	名古屋駅	横浜駅	仙台駅	
渋谷駅	札幌駅	千葉駅	池袋駅	天神駅	
秋葉原駅	宇都宮駅				
藤沢駅	新横浜駅	大宮(埼玉)駅	鎌倉駅	川崎駅	烏丸駅
上野駅	心斎橋駅	岡山駅前駅	船橋駅	恵比寿駅	新横浜駅
柏駅	静岡駅	栄(名古屋)駅	浜松駅	金沢駅	船橋駅
品川駅	川口駅	京橋(大阪)駅	博多駅	表参道駅	難波駅
三宮駅	天王寺駅	三軒茶屋駅			京都河原町駅

Expanded profitability is sought by obtaining more inbound links and editorial supervisors, and by adding wider variety of contents



Hybrid type vertical media deployment

Ekitan LOCAL

My town as usual may be more convenient and interesting

Regional media which provide information useful for housing/living around local information about outing and events

Upon selecting a region such as station, municipality or prefecture, useful real-time information is provided including various local information as well as weather information, real estate information and transfer information



In conjunction with strengthening relationship with municipalities / railway companies, reinforcement and enhancement of regional information are sought



駅探 おでかけ ラボ

A website that gathers events information and distributes regional information

Areas surrounding a station are analyzed using our own data and transfer information technologies
Regional information is provided, such as recommended events and outing spots



Regional recommended information interpreted from data

Research results are converted to contents by making use of transfer information functions and accumulated user data, which can be realized exclusively by “EKITAN” being the transfer information company having the largest number of users in Japan.

It is strongly recommended to not only those interested in how their local stations are utilized but also those who want to know outing spots on their way home from work or on weekends.



MaaS business deployment

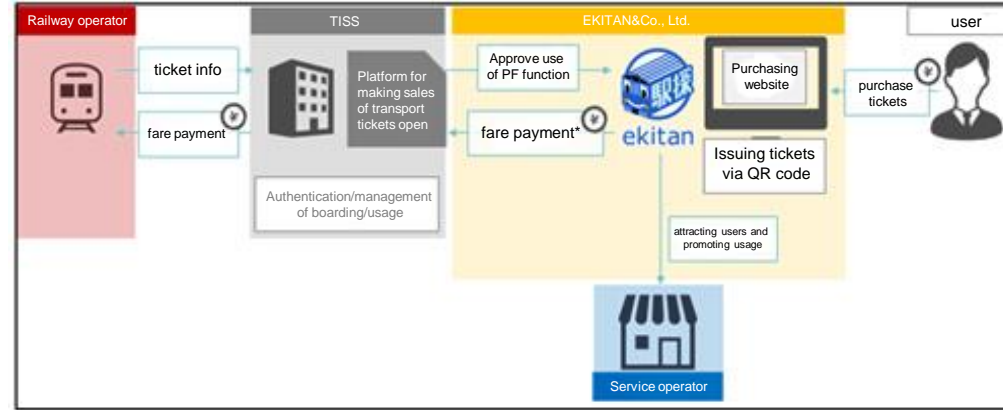
Took part in demonstration experiments of “digital boarding tickets + service usage” conducted by Tokyo Metro at every station of Marunouchi Line

Purpose To make sales of tickets open and to realize external ticket sales by entities other than railway companies
 Demonstration experiments to examine how “service usage + movement” are facilitated

■ Role of each participating company

Name	Role overview
Tokyo Metro	As a railway company to provide experimental fields
Toshiba Infrastructure Systems & Solutions	To provide digital boarding ticket system
EKITAN	To provide, with via-at, UI for purchasing boarding tickets and substitute settlement services
via-at	To provide services for co-working spaces

■ Diagram of service provision



■ Overview of the demonstration experiments

Period

April 25 - June 25, 2023 * This period is subject to change.

Relevant stations: Marunouchi Line of Tokyo Metro (5 stations as shown below)

Shinjuku / Yotsuya 3-chome / Awaji-cho / Ochanomizu / Ikebukuro (east gate of central passage only)

Relevant services

via-at, Marunouchi Line

Eligible user

users of the above relevant services

This demonstration experiment will lead to enhancement of the following services of EKITAN

- Integration of Transfer Information site run by EKITAN with other contents sites which support from sales to issuance of boarding tickets
- Obtaining new paid subscribers from contents additional to existing services for paid subscribers of Transfer Information
- Adding functions of EKITAN's own MaaS packages



M&A/alliance strategy

Established **EKITAN I&I Co., Ltd.**

Joint venture established with ITL Holdings

(a group company affiliated to Bold Investment which is a top shareholder of EKITAN)

to strengthen investment/incubation business



fellow subsidiary of Bold Investment which is a top shareholder of EKITAN

Purposes

Purpose 1: Accelerating M&A/alliance strategy

By making use of ITLHD's own insights into and know-hows of investment/incubation

Purpose 2: Measures to convert affiliated companies to subsidiaries (under a joint venture) for expanded profitability

By ensuring stable profitability of Bold and its affiliated companies, and convert several companies which would realize synergies with the Group to subsidiaries of the joint venture, improvement in the Group's profitability should be sought.

(Stage 1) Three companies of GC, CYB and ITJ became subsidiaries of the joint venture (sub-subsidiaries of EKITAN)

These companies have abundant track records and know-hows of dispatching engineers to multiple fields, system-engineering, and software systems development

Corporate profile of EKITAN I&I Co., Ltd.

Name:	EKITAN I&I Co., Ltd.
Address:	5-4, Kojimachi, Chiyoda Ward, Tokyo
Established:	April 25, 2023
Business activities:	Overall management control over the Group's subsidiaries, etc. and any other contingent business operations
Capital stock:	160 mil. yen
Fiscal year end:	March 31
Capital contribution ratio:	90.0% by EKITAN 10.0% by ITL Holdings



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Section 3

Performance forecasts
FY03/2024



Performance forecasts (FY03/2024)

Higher revenues / Lower earnings (forecasts)

Advertisement Platform Business

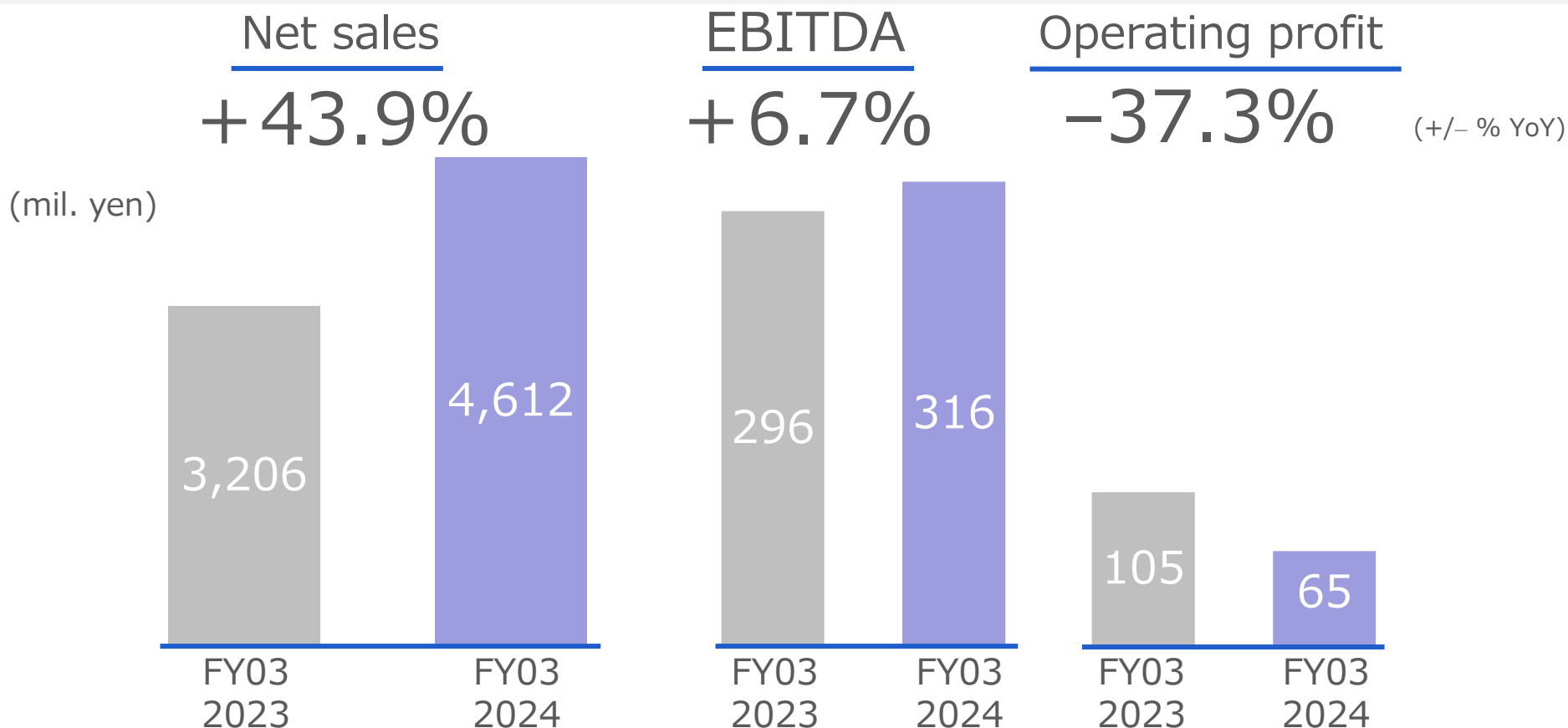
For growth of the next mainstay business in FY03/2025 and onward, various measures and investment should be carried out so that business foundation could be built up

Mobility Support Business

There will be temporary cost increase influenced by renovation of "BTOOnline" (a service for arrangement of ticketless business trip)

Investment/Incubation Business

There will be some amount of temporary cost associated with establishment and share acquisition of EKITAN I&I Co., Ltd., but this company is projected to contribute to the Group's overall earnings





Strategies (FY03/2024 and onward)

Strategy 1) RMP (Regional Marketing Platform) strategy

To create new sources of earnings by using EKITAN's business assets namely media clients such as transfer information technologies and EKITAN.com. It is an effort to "connect business entities and users around a regional axis".

Media business	<p>Facilitating the RMP framework Based on existing EKITAN.com, new media (Ekitan PICKS, Ekitan LOCAL, and Ekitan Odekake-Lab) should be reinforced in line with the RMP framework. Enhancement of regional information/contents, and even higher ranking in searching "regional XX" should be sought. By becoming a regionally powerful site attracting more users, visitors to the media should be increased and profitability of adnet/affiliate advertisement should be expanded.</p>
Advertisement business	<p>Sales expansion by advertisement media Expansion of Proud Engine and Cirqua (matching of advertisers and media) → Applying both companies' own technologies relating to advertisement and other elements to the RMP framework will lead to profitability expansion.</p>
Solutions business	<p>By deploying current services related to transfer information for corporations in line with the RMP framework and then applying them to municipalities and railway companies, solution services which would contribute to marketing activities such as attracting customers should be deployed around a regional axis. Provision of existing services such as MaaS packages and novel solution services should contribute to regional revitalization.</p>

Strategy 2) M&A/alliance strategy

Promotion of the new Investment/Incubation Business should be accelerated around newly established EKITAN I&I.

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