

Supplementary Materials on Financial Results

First Quarter of FY03/2025



From the Stations

駅から始めよう

August 13, 2024

EKITAN & Co., Ltd.

TSE Growth: 3646



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FY03/2025, 1Q

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From the Stations

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Section 1

Highlights
(1Q of FY03/2025)

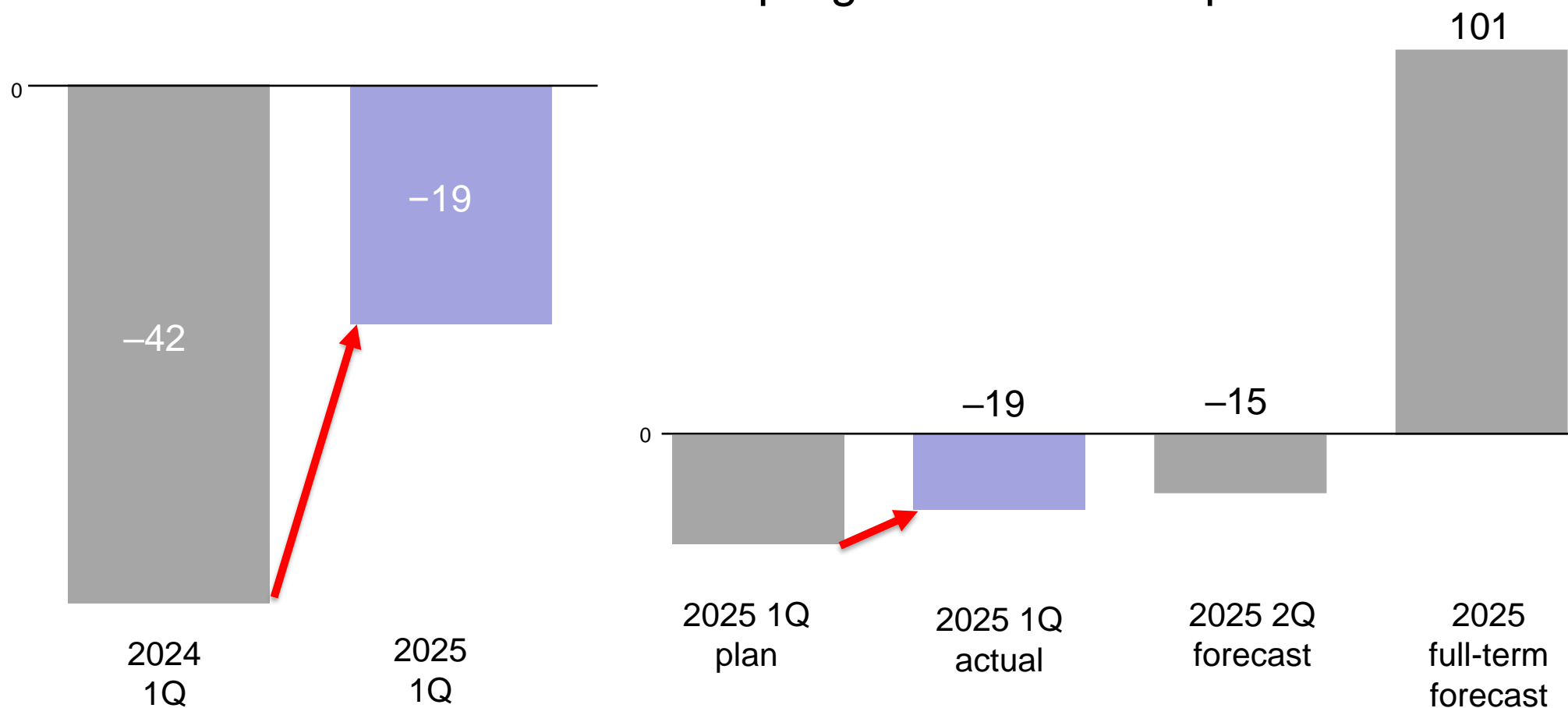


Operating profit/loss

Substantially improved YoY

1Q has seen faster progress than initial plan

(mil. yen)





Highlights: Current progress in primary measures (1Q of FY03/2025)

FY03/2025, 1Q RMP (Regional Marketing Platform) framework has steadily advanced

Framework		
Regional Marketing Platform framework		
Strategies	Measures	Progress
Media reinforcement	Enhancing regional contents	May 13, 2024: About 980,000 pieces of information were added in four categories of Sightseeing/outing, Hotel, Eating/drinking, and Real-estate Jun. 24, 2024: 770,000 pieces of information about facilities closely related to living were added Linking with shop information of “LINE Mini Apps”
	Reinforcing CRM tool named “LineON”	Synergies by linking “LINE Mini Apps” and “LineON”
Solutions deployment	Expanding MaaS solutions	<ul style="list-style-type: none">• In operation: 1 project (Esashi MaaS)• Order received: 4 projects• Informally consented: 1 project• Under consideration: 7 projects



Highlights: Current progress in primary measures (Media reinforcement)

FY03/2025, 1Q

Enhancing regional contents ①

Four categories of Sightseeing/outing, Hotel, Eating/drinking, and Real-estate were added to “EKITAN.com”

～Next actions after movement of residents are supported based on stations (regions) where they are～

About 980,000 pieces of information in **4 categories**

Quantity & quality of regional contents are substantially enhanced

① Sightseeing/outing

駅探 LOCAL

いつもの街を、もっと便利におもしろく

横浜市の観光・お出かけスポット

すべて | 水族館 | 動物園 | 遊園地 | 公園 | 博物館・美術館 | タワー・展望施設

ジャンル/こだわり条件等を指定して検索できます。 [条件を変更](#)

1～20件 / 376件

スカイス/YOKOHAMA
JR横浜駅東口→徒歩3分
室内 | 駅から近い

China Town 80
みなとみらい線(横浜高速鉄道)元町・中華街駅2・3番出口→徒歩すぐ、またはJR...
室内 | 駅から近い

② Hotel

駅探 LOCAL

いつもの街を、もっと便利におもしろく

横浜駅の宿泊

すべて | ホテル | ペンション・その他

施設タイプ/設備情報等を指定して検索できます。 [条件を変更](#)

1～12件 / 12件

並び替え | 口コミ評価が高い順

ヒルトン横浜
2023年9月24日、遂に開業！
新高島駅4番出口から徒歩約5分、横浜駅東口から徒歩約11分！
★★★★☆
4.47 | 最安料金：8,228円～
新高島駅 4番出口から徒歩約5分、横浜駅 東口より徒歩約11分。羽田空港からは車で約23分。
[ホテル](#) | [レストラン](#) | [駐車場](#)

③ Eating/drinking

駅探 LOCAL

いつもの街を、もっと便利におもしろく

みなとみらい駅のランチ

すべて | ランチ | ラーメン | 居酒屋 | 焼肉 | 中華 | 寿司 | 回転寿司 | イタリアン | ファミレス | モーニング | カレー | 和食

ジャンル/予算/こだわり条件等を指定して検索できます。 [条件を変更](#)

1～20件 / 45件

並び替え | 平均予算の安い順

福壽園 MARK IS みなとみらい店
中華街フードフェスティバル標準グランプリを頂いた横浜中華街福壽園がみなとみらいマークイズに出店！
¥1,000円

④ Real-estate

駅探 LOCAL

いつもの街を、もっと便利におもしろく

関内駅の賃貸物件

すべて | マンション | アパート | 戸建て

建物タイプ/詳細条件を指定して検索できます。 [条件を変更](#)

1～20件 / 67件

並び替え | 築年数の新しい順

ラクレیس横浜山下町
築年数 築1年
総階数 12階建
山下町160-2
JR京浜東北・根岸線 石川町 徒歩7分
みなとみらい線 元町・中華街 徒歩7分
[マンション](#) | [駅近](#) | [都市ガス](#)
[バス・トイレ別](#) | [エアコン](#) | [室内洗濯機置場](#)

* Screenshots are just images



Highlights: Current progress in primary measures (Media reinforcement)

FY03/2025, 1Q

Enhancing regional contents ②

Information about facilities closely related to living were added to “EKITAN.com”

～How to search for and visit facilities (shops) closely related to living are supported based on stations (regions) where you are～

About 770,000 pieces of information in **17 categories**

Much greater convenience for users to find information about living on a regional basis



* Screenshots are just images



Highlights: Current progress in primary measures (Media reinforcement / Solutions deployment)

FY03/2025, 1Q

“EKITAN.com” links with “LINE Mini Apps” provided by LY Corp.

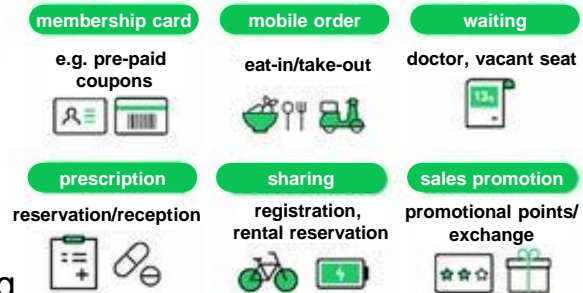
By establishing linkage with LINE Mini Apps that promote DX in wide variety of businesses all over Japan such as restaurants, beauty salons, retailers, and clinics, services provided by increasing number of entities and needs of residents can be connected optimally, and hence we anticipate reinforcement of the “Regional Marketing Platform” and improvement in values provided to our customers

Synergies created by linking shop information to EKITAN.com and Ekitan LOCAL, plus LineON



Information on shops
using LINE Mini Apps

LINE Mini Apps



Pathway to launching
LINE Mini Apps

Expected effects are:
more contents and greater convenience
synergies with LineON (LINE CRM)

Expected effects are:
more usage, higher platform value



Highlights: Topics

FY03/2025, 1Q

Contract with RSP MICHINOEKI CO., LTD. for business tie-up

~Strongly promotes business domains for regional revitalization such as building up Michinoeki (roadside station) portals and efforts targeting inbound tourists~



From the
Stations

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RSP
MICHINOEKI
CO.,LTD.

【Objectives of the business tie-up】

RSP MICHINOEKI CO., LTD. has set its management philosophy as “Envision dreams, and go forward positively for brilliant future!”, and regularly publishes “Free Paper Michinoeki” and in addition, promotes regional revitalization such as dispatching information about regional tourism, leisure, food, and living through operating its Website and SNS.

Both companies have their missions as contributing to “regional revitalization” through providing services to their customers such as municipalities, transportation operators, travel agencies, and local businesses/residents nationwide. And this time they have determined that by fusing their resources together it would be possible to accelerate realization of their missions and thus entered into the contract for business tie-up.

【Content of the business tie-up】

Both companies intend to consider and carry out business tie-up with respect mainly to the matters as listed below.

Please note that details such as specific contents/conditions thereof and time to implement them are to be set out separately upon mutual consultation, and in the event of any material influences expected in the future, those will be promptly publicly informed.

- (1) To post information held by RSP about Michinoeki stations on Ekitan's media and to create Michinoeki portal services
- (2) To jointly develop multi-language applications for inbound tourists by utilizing both companies' business assets
- (3) To collaborate in any other businesses operated by both

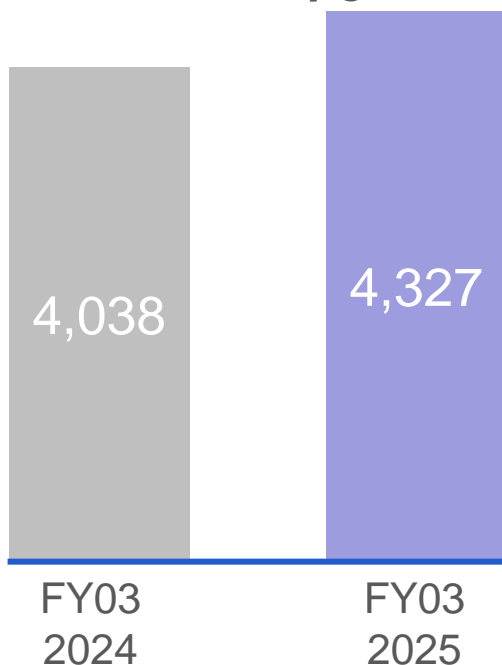


Operating profit is expected to **increase substantially!**

- Increase in sales of ads on EKITAN.com apps and sales of various solutions, by promoting RMP
- Completion of renovation work of BTOline since FY2023
- Further enhancement of business portfolio through M&A
- Reduction in depreciation by recording impairment loss
- Cost reduction by such as improvement in productivity through utilizing offshore development, generative AI, and RPA

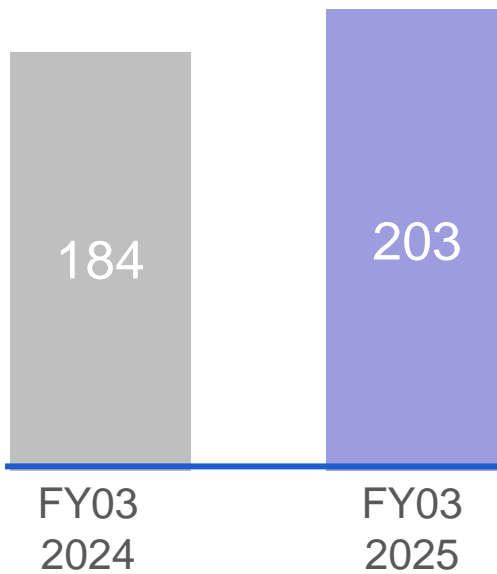
Net sales

+ 7.2%



EBITDA

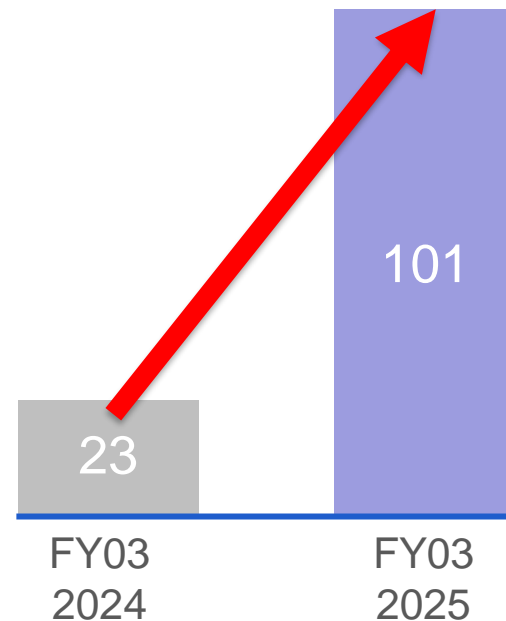
+ 10.5%



Operating profit

(+/- % YoY)

+ 328.4%





From the Stations

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Section 2

Financial results details
(1Q of FY03/2025)



Financial results details: Consolidated Profit and Loss Statement

FY03/2025, 1Q

Consolidated Profit and Loss Statement

(YoY)						
(mil. yen)	2024 1Q	ratio to sales	2025 1Q	ratio to sales	+/-%	+/- amount
Net sales	999	100%	859	100%	-14.0%	-139
Cost of sales	725	72.6%	598	69.6%	-17.5%	-127
Gross profit	273	27.4%	261	30.4%	-4.6%	-12
SG&A expenses	316	31.6%	280	32.7%	-11.2%	-35
Operating profit	-42	-4.3%	-19	-2.3%	N/A	+ 22
Ordinary profit	-41	-4.2%	-12	-1.5%	N/A	+ 29
Net profit attributable to owners of parent	-41	-4.1%	-18	-2.1%	N/A	+ 23
EBITDA	12	1.2%	-2	-0.3%	-118.9%	-14



Financial results details: Consolidated Balance Sheet

FY03/2025, 1Q

Consolidated Balance Sheet

(mil. yen)	2024 1Q	2025 1Q	+/- amount	(mil. yen)	2024 1Q	2025 1Q	+/- amount
Total current assets	1,985	1,911	-73	Total current liabilities	616	613	-3
Property, plant and equipment	66	75	8	Total non-current liabilities	484	331	-152
Intangible assets	1,209	330	-878	Total liabilities	1,100	944	-155
Investments and other assets	255	222	-32	Capital stock	291	291	N/A
Total non-current assets	1,531	628	-902	Capital surplus	296	312	15
Total assets	3,516	2,540	-976	Retained earnings	2,389	1,608	-781
				Treasury stock	-595	-621	-25
				Total shareholders' equity	2,382	1,591	-790
				Total net assets	2,416	1,595	-820
				Total liabilities and net assets	3,516	2,540	-976



Financial results details: Consolidated performance overview

FY03/2025, 1Q

Lower revenues but Higher earnings

(YoY)

Net sales	859 mil. yen	-14.0%	-139 mil. yen	FY2023	999 mil. yen
EBITDA	-2 mil. yen	-118.9%	-14 mil. yen	FY2023	12 mil. yen
Operating profit	-19 mil. yen	N/A	+ 22 mil. yen	FY2023	-42 mil. yen

Factors of higher revenues

Mobility Support Business: Novel monetization measures based on RMP framework such as selling Shinkansen (bullet train) tickets have gradually contributed to revenues

Advertisement Platform Business: Proud Engine Inc. expanded revenues by staff augmentation

Factors of lower revenues

Decreased sales of services for paid subscribers
Continuously decreased paid subscribers affected by such as market environment including commoditization

Cirqua Inc.: Sales was not enough for recovery
Reduction in major commodities and major media

Factors regarding Operating profit

Advertisement Platform Business

Reduction in depreciation by recording impairment loss of intangible assets such as goodwill

Investment/Incubation Business

Temporary costs in relation to establishment and share acquisition of EKITAN I&I were not incurred

Decrease in services for paid subscribers



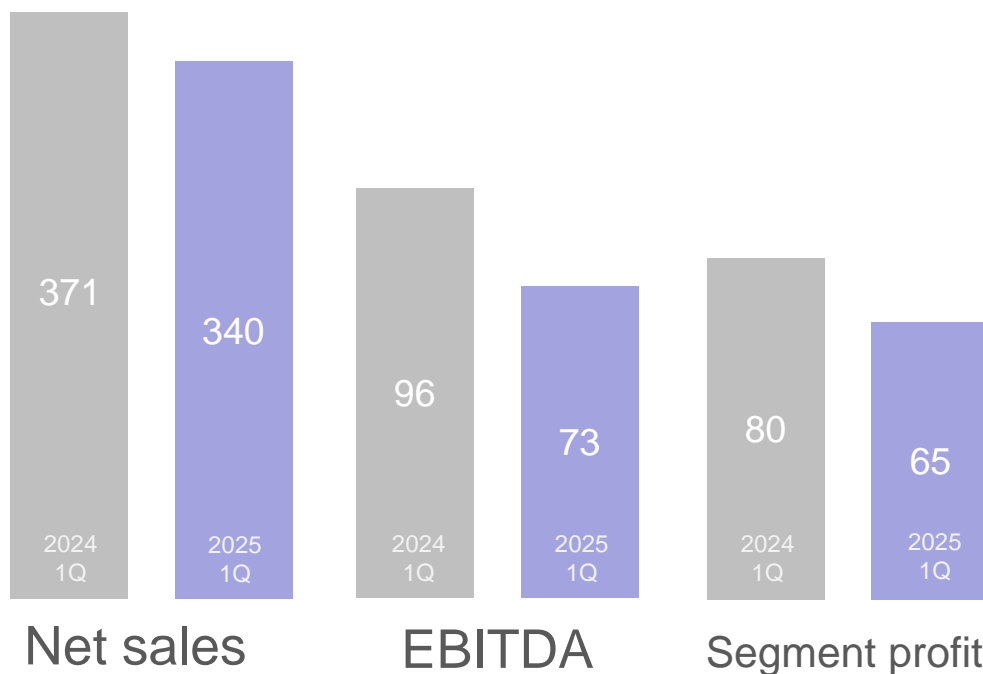
Financial results details: Mobility Support Business

FY03/2025, 1Q

Lower revenues / Lower earnings

					(YoY)
Net sales	340 mil. yen	−8.5%	−31 mil. yen	FY2023	371 mil. yen
EBITDA	73 mil. yen	−24.1%	−23 mil. yen	FY2023	96 mil. yen
Segment profit	65 mil. yen	−18.6%	−15 mil. yen	FY2023	80 mil. yen

(mil. yen)



Factors

- Paid subscribers continuously decreased due to commoditization of Transfer Information
- Novel monetization measures based on RMP framework such as selling Shinkansen tickets have gradually contributed to revenues

Others

- **EKITAN.com**
Quantity & quality of regional contents are substantially enhanced
→ Much greater convenience for users to find information about living on a regional basis



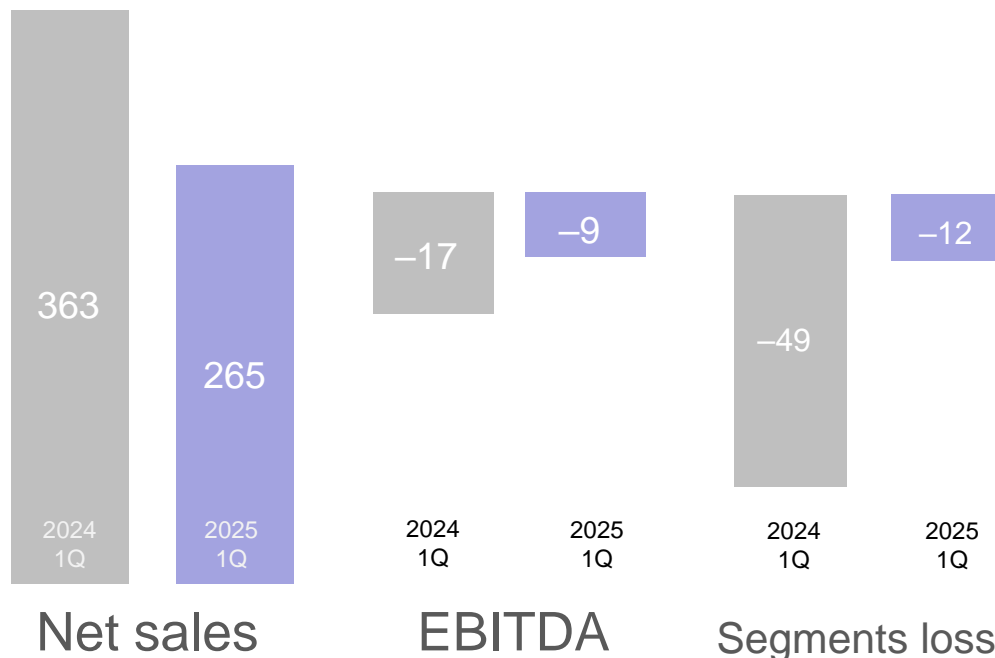
Financial results details: Advertisement Platform Business

FY03/2025, 1Q

Lower revenues but Higher earnings

					(YoY)
Net sales	265 mil. yen	-27.1%	-98 mil. yen	FY2023	363 mil. yen
EBITDA	-9 mil. yen	N/A	+ 7 mil. yen	FY2023	-17 mil. yen
Segments loss	-12 mil. yen	N/A	+ 37 mil. yen	FY2023	-49 mil. yen

(mil. yen)



Factors

- **Cirqua, Inc.**
 - Market shrinkage because of worsened external environment
 - Cost reduction done by reexamination of business structure and curtailing expenses
- **Proud Engine Inc.**
 - Revenues expanded by staff augmentation
- **Profit increased by cost reduction**
 - Reduction in depreciation by recording impairment loss of intangible assets such as goodwill



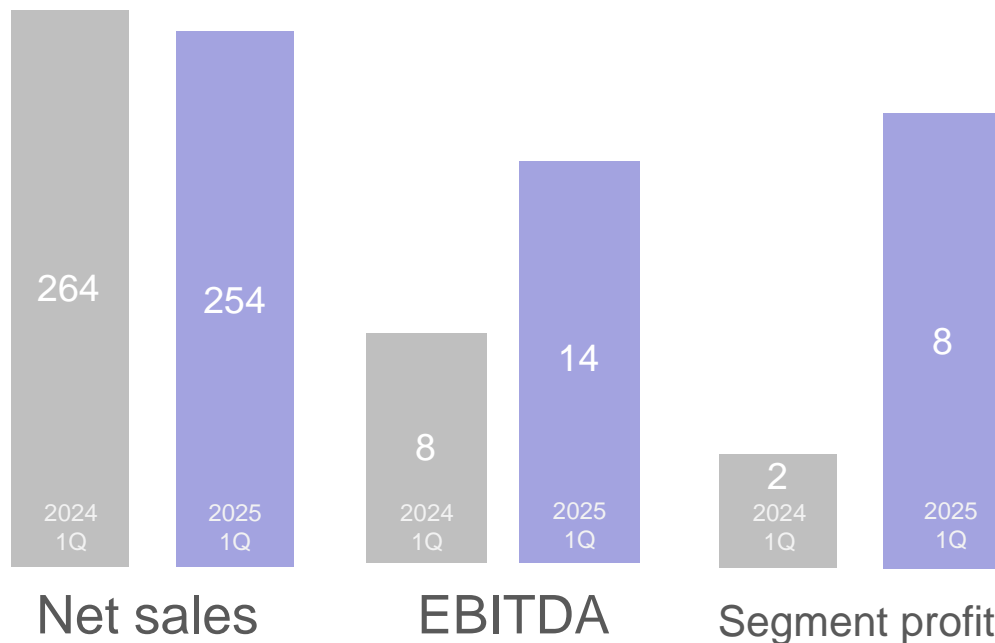
Financial results details: Investment/Incubation Business

FY03/2025, 1Q

Lower revenues but Higher earnings

Net sales	254 mil. yen	-3.7%	-9 mil. yen	FY2023	264 mil. yen
EBITDA	14 mil. yen	+80.6%	+ 6 mil. yen	FY2023	8 mil. yen
Segment profit	8 mil. yen	+214.4%	+ 6 mil. yen	FY2023	2 mil. yen

(mil. yen)



Factors

- **Growth and Communications Co., Ltd.**
Revenues expanded by staff augmentation
- **Information Technology Japan Co., Ltd.**
No large project has come as did in the previous term
- **Segment profit: increased**
Temporary costs in relation to establishment and share acquisition of EKITAN I&I were not incurred



**From the
Stations**

駅から始めよう

appendix

Management policies /
Business strategies



Growth scenario

* RMP: Regional Marketing Platform

1. To utilize EKITAN's business assets namely media clients such as transfer information technologies and EKITAN.com, thereby materializing RMP framework and expanding revenues
2. To add new business entities and resources with novel skills and services through M&A, thereby enhancing business portfolio
3. To maintain and expand profit of existing businesses by realizing cost reduction and higher efficiency

* At present, no M&A project has been specifically determined



Realizing growth



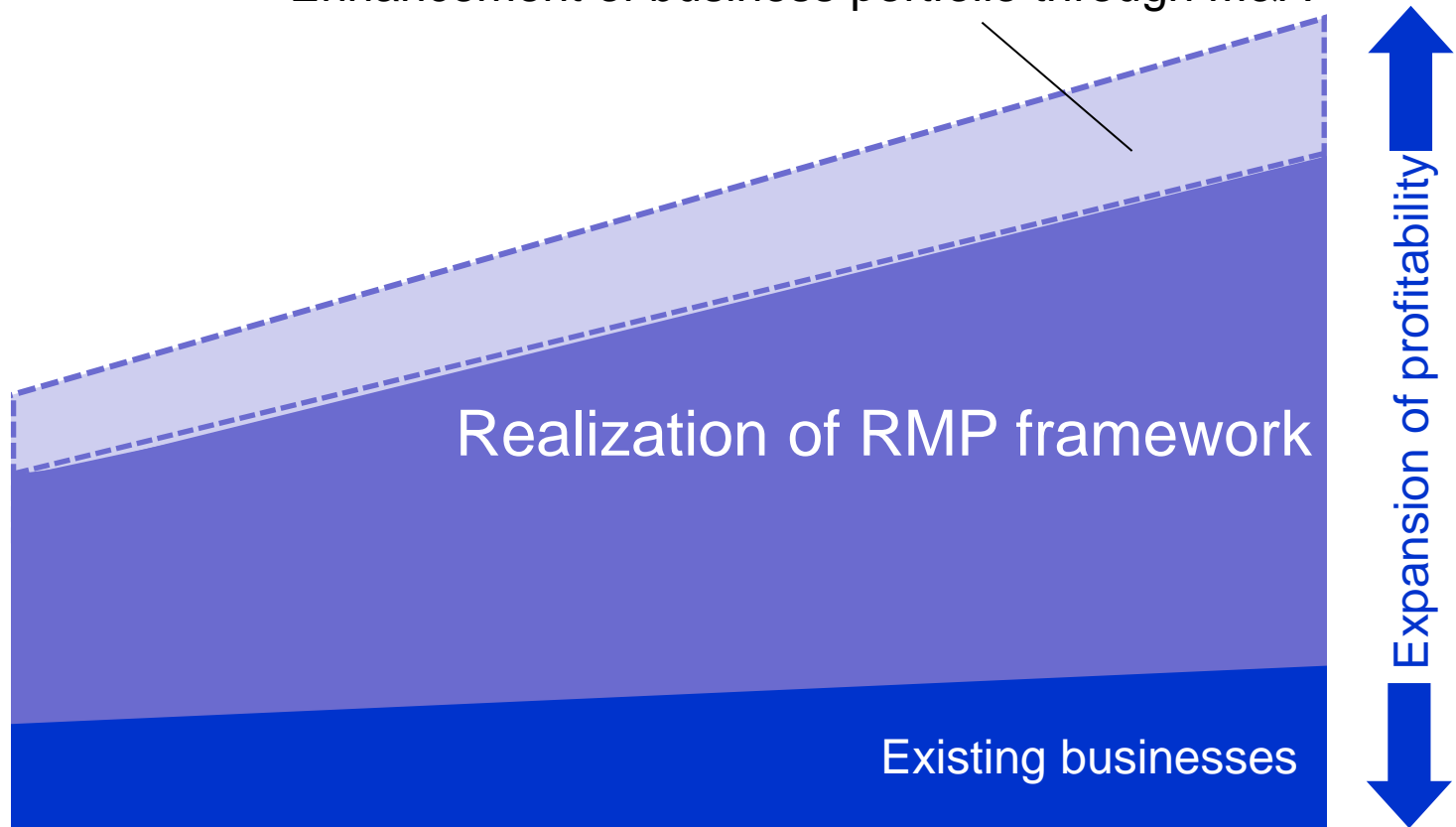
Image of business growth

Image of business growth

In addition to realizing RMP framework,
enhancing business portfolio through M&A should lead to our growth

* RMP: Regional Marketing Platform

Enhancement of business portfolio through M&A





Growth scenario & how it can be realized: Business framework

RMP framework that plays a core role in our growth

* RMP: Regional Marketing Platform

Realizing RMP framework that connects users with services on regional basis

~ From the Stations ~

By utilizing Ekitan Group's business assets, and based on "stations" where many people gather, business entities (services) and local people (users) are connected.



Aspired orientation

By utilizing transfer information technologies and advertisement technologies, business entities and users are "connected"

incorporate

connect

Incorporating information on users and business entities

This is analyzed/organized around a "station" by utilizing EKITAN Group's business assets

Connecting business entities and users

Users are provided with beneficial information

and their explorations around the station are supported

New ways of monetization are realized

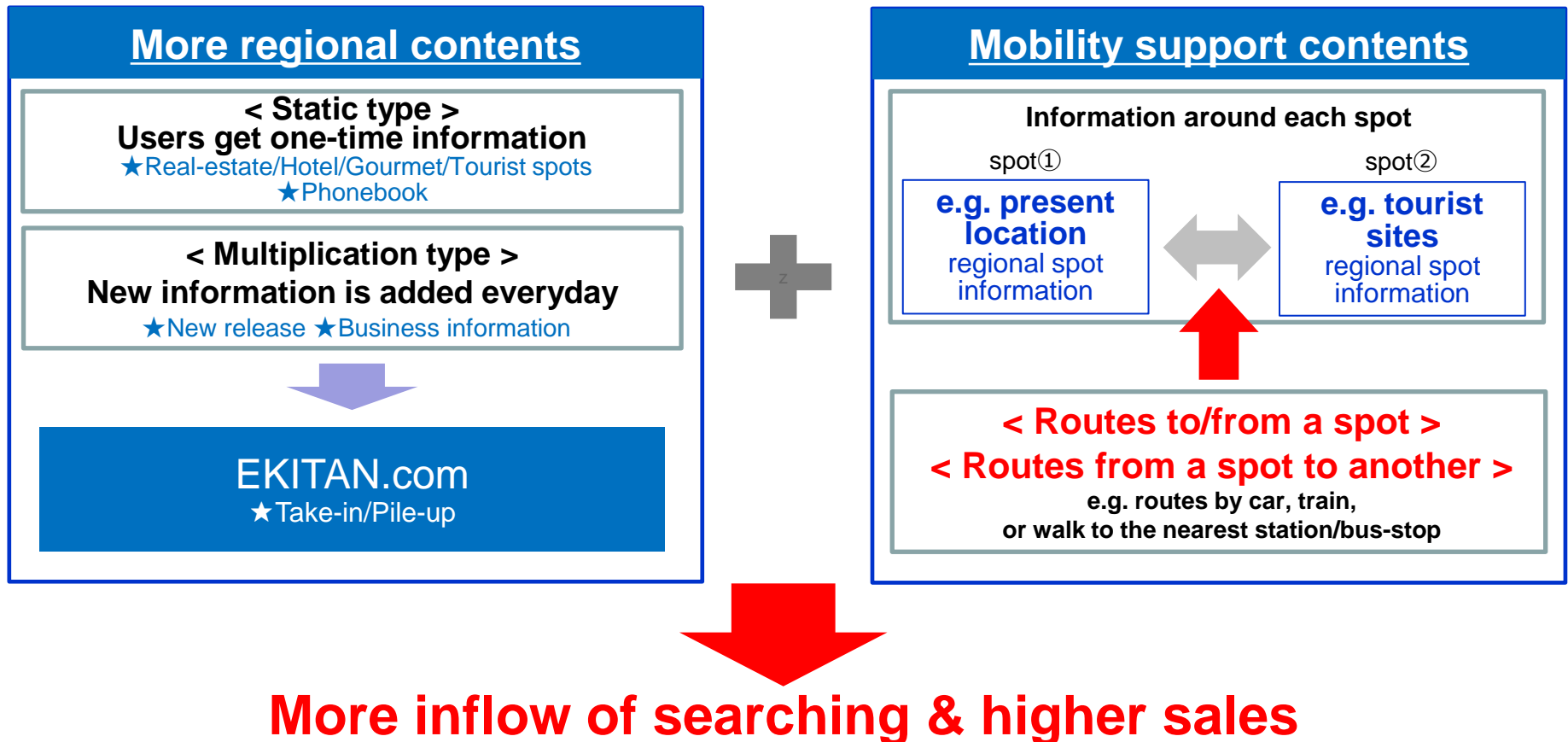
<Revenues from various media, enhanced services for corporations, etc.>

Sales from media & solutions will be expanded by leveraging RMP



RMP: Media deployment

EKITAN.com & apps will be augmented/enhanced with **regional contents** and **mobility support contents**, aiming at becoming the top regional media in Japan by which users can not only check routes to their destinations but also make their activities after arriving more meaningful

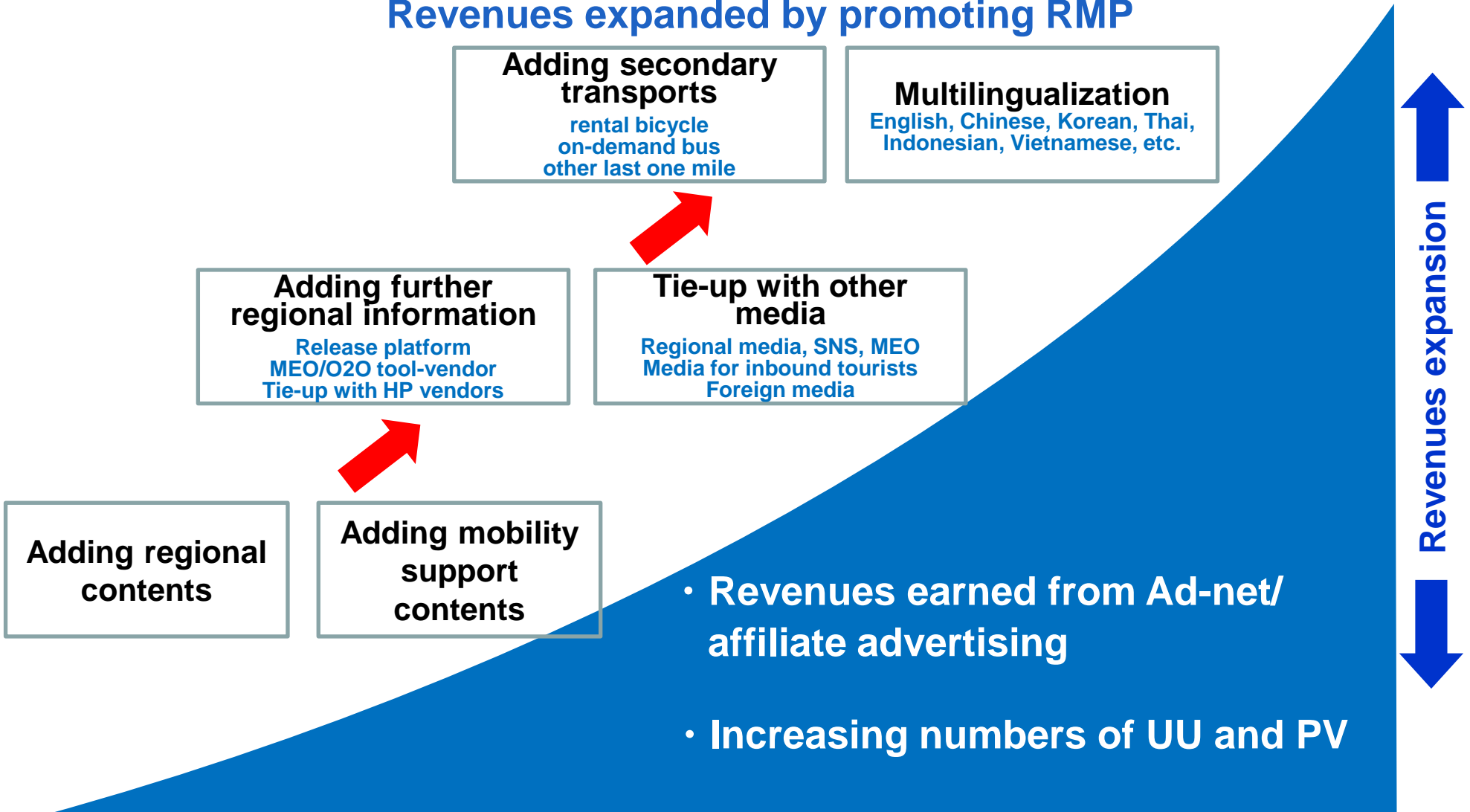




Growth scenario & how it can be realized: Strategies

RMP: Media deployment

Revenues expanded by promoting RMP



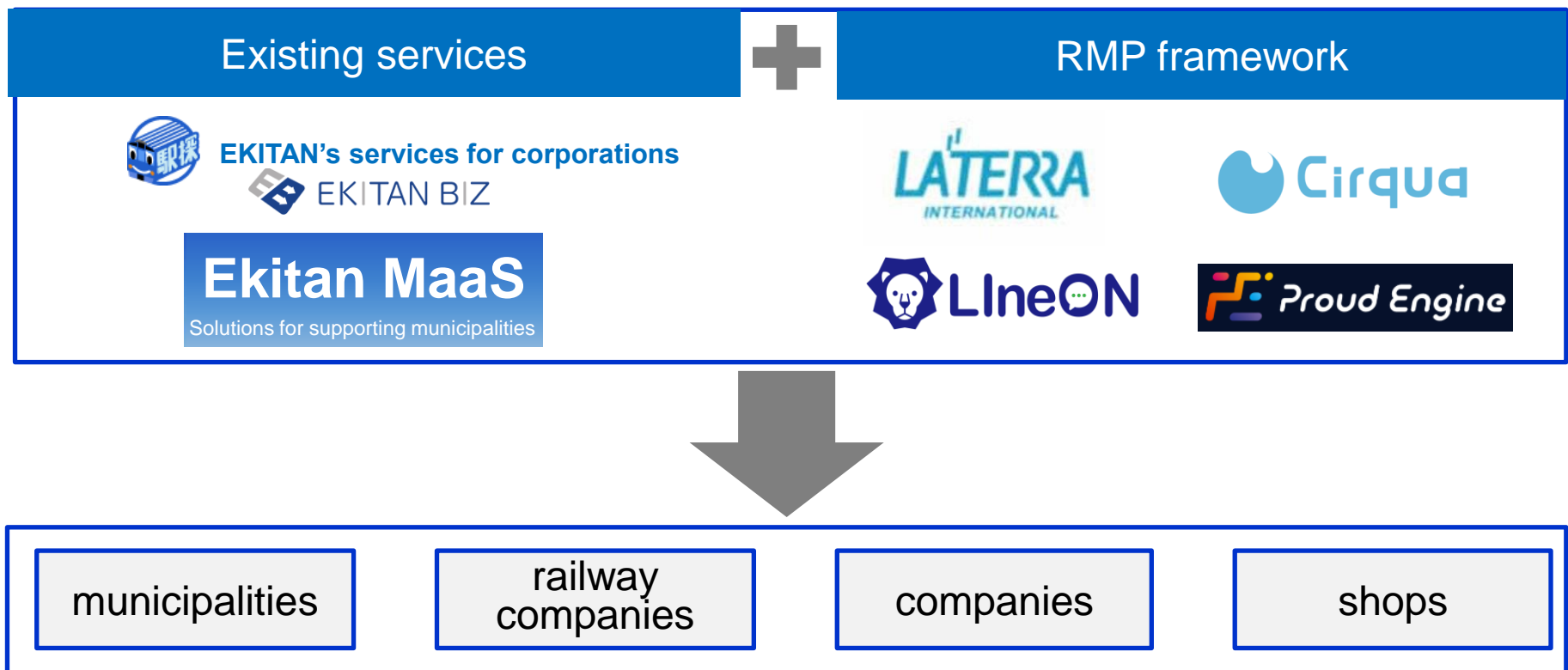


Growth scenario & how it can be realized: Strategies

RMP: Services/solutions deployment

By giving enterprises and municipalities that engage in area marketing opportunities for appearing on EKITAN media, existing services related to transfer information and other various services will be provided to expand revenues

* RMP: Regional Marketing Platform





Growth scenario & how it can be realized: Strategies

Enhancement of business portfolio through M&A / various tie-up

- (targets)
- Business entities that will contribute to embodiment of RMP framework and become new pillars
 - Business entities that generate stable revenues and become cash cows
 - Business entities that have novel skills to contribute to revenue expansion

(actual achievement) Business entities which had already been acquired through M&A also began to contribute to revenues during the 2nd half of FY03/2024, and will grow further during the current term



Cirqua, Inc.

Provides in-feed ad system for smartphones

Actual sales in FY03/2024: 800 mil. yen



Proud Engine Inc.

Digital marketing . Internet ads

Actual sales in FY03/2024: 680 mil. yen



Cybernet Co., Ltd.

Commissioned system development

Actual sales in FY03/2024: 380 mil. yen



**GROWTH &
COMMUNICATIONS**

Growth and Communications Co., Ltd.

System engineering services

Actual sales in FY03/2024: 480 mil. yen



Information Technology Japan Co., Ltd.

Package sales

Actual sales in FY03/2024: 230 mil. yen

to grow further

Further promotion of M&A / various tie-up



Growth scenario & how it can be realized: Strategies

To maintain and expand existing businesses
by realizing cost reduction and higher efficiency

① To obtain new paid subscribers

Regarding our priority services for paid subscribers holding “**Ekitan Member PASS**”, features of EKITAN.com with specialty on “Searching for region-specific information” will be utilized in order for obtaining new subscribers

② To realize higher efficiency and cost reduction by utilizing generative AI and RPA

By utilizing AI with huge potential, improvement in productivity and creation of values added to services are anticipated, so that internal foundation for utilizing AI would be built

③ Cost reduction by utilizing offshore development

Regarding present scheme of outsourcing, efforts to reduce cost are pushed forward by switching to offshore development (at another company in Vietnam)

~ From the Stations ~



【Contact for IR】

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URL <https://ekitan.co.jp/>

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Forecasts and plans presented in these materials have been created based on currently available information. Actual business performance to be achieved in the future may differ from such forecasts and/or plans due to various factors including overall economic situations.