

Supplementary Materials on Financial Results

Second Quarter of FY03/2025



**From the
Stations**

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November 12, 2024

EKITAN & Co., Ltd.

TSE Growth: 3646



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FY03/2025, 1-2Q

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Section 1

Highlights
(1Q of FY03/2025)



Executive summary

FY03/2025, 1-2Q

- **Performance summary**

Net sales: 1,764 mil. yen (−9.1% YoY)

Operating profit: −10 mil. yen (+64 mil. yen YoY)

- **Highlights of cumulative results in 1-2Q of FY03/2025**

Operating profit substantially improved YoY, also exceeded forecast, presenting favorable progress towards achieving full-term forecast

- **RMP (Regional Marketing Platform) framework has steadily advanced**

- **RMP promotion has effect on smooth increase in both numbers of PV and UU**

Monthly income from advertising increased YoY

- **Higher revenues/earnings, especially much increase in Operating profit is expected for the full-term of FY03/2025**

Net sales: : 4,327 mil. yen (+7.2% YoY)

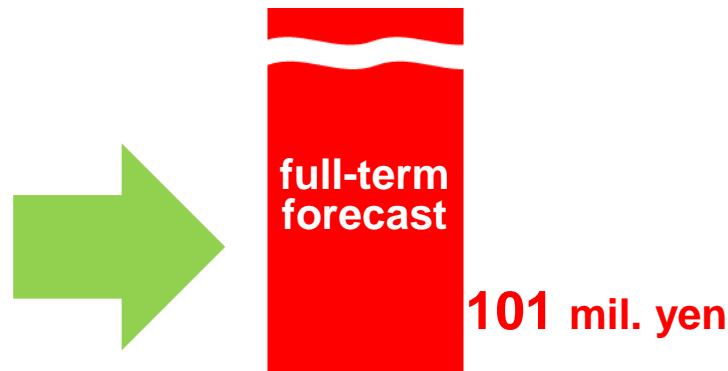
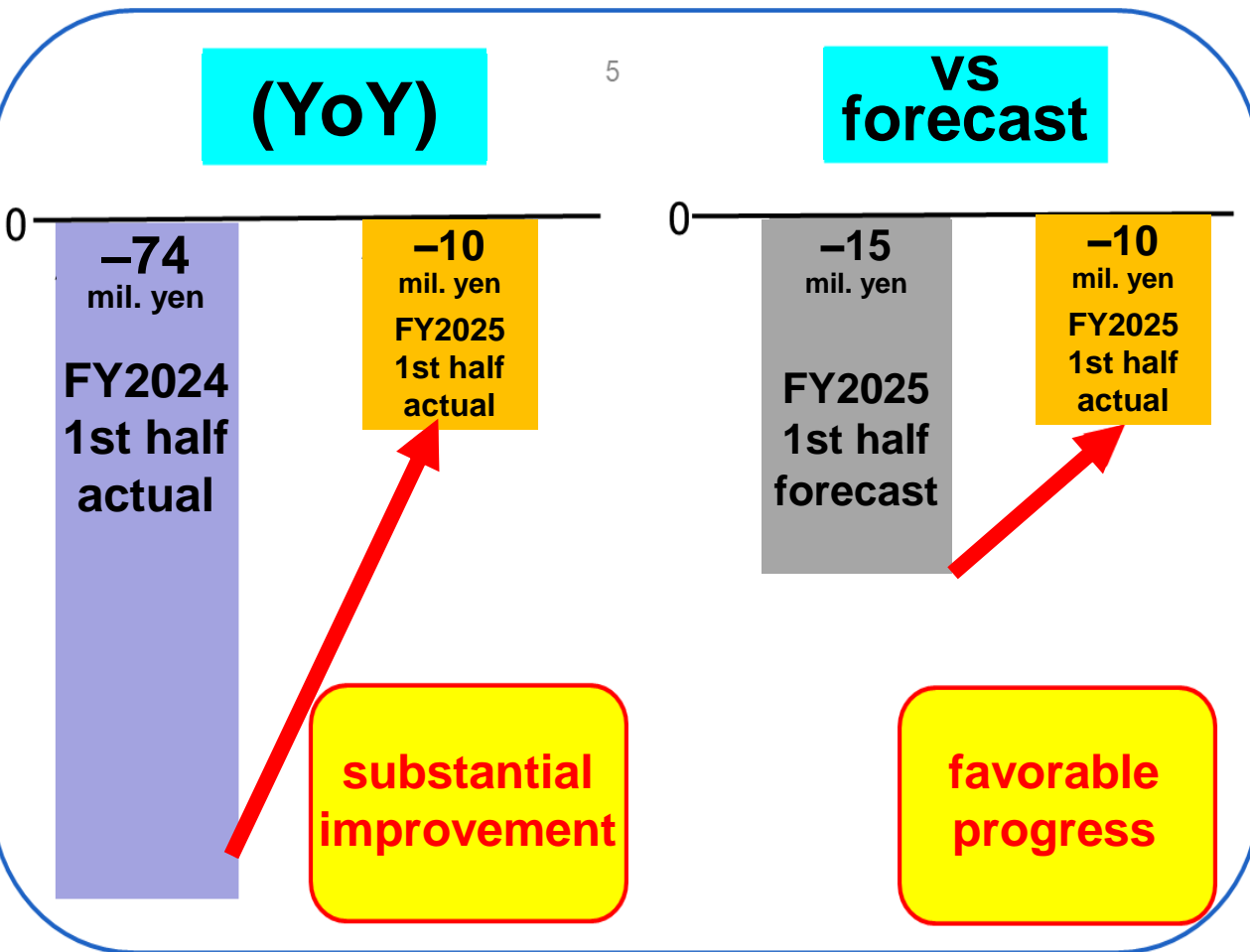
Operating profit: 101 mil. yen (+328.4% YoY)



Operating profit, etc.

FY03/2025, 1-2Q

Operating profit in the 1st half of FY2025 **substantially improved YoY, also exceeded forecast, presenting favorable progress towards achieving full-term forecast (101 mil. yen)**



FY2024 2nd half actual 97 mil. yen
FY2025 2nd half forecast 111 mil. yen

Particular factors about results in 2nd half
 Sales in 2nd half is expected to much increase from 1,764 mil. yen in 1st half, due to concentration of advertisement business and commissioned development projects in 2nd half
Thus, Operating profit in 2nd half will increase



Current progress in primary measures (1-2Q of FY03/2025)

RMP (Regional Marketing Platform) framework has steadily advanced

Regional Marketing Platform framework

Strategies	Measures	Progress
Media reinforcement	Enhancing regional contents	<ul style="list-style-type: none"> • About 980,000 pieces of information were added in four categories of Sightseeing/outing, Hotel, Eating/drinking, and Real-estate • 770,000 pieces of information about facilities closely related to living were added • Section-style timetable (train/bus) service was added, where a section between departure and arrival could be specified • Contract with RSP MICHINOEKI CO., LTD. for business tie-up was executed, to facilitate creation of a portal site for information about Michinoeki (roadside station)
	Renewal of apps and websites	<p>Apps will be renewed in March 2025</p> <p>Our websites are in their process of renewal from the current term up to the next term</p>
Solutions deployment	Expanding MaaS solutions	<ul style="list-style-type: none"> • “MaaS Standard by Ekitan & SAVS” started • Participation in “at-YOKOHAMA” renewal project • Participation in “Suko-Bus” project for co-creation of Hidaka Town & MaaS demonstration
	Enhancement of “Regional Marketing Platform” solution	<ul style="list-style-type: none"> • Acquisition of the entire shares of Neo Inc. to start provision of its own SNS campaign tool named “Atatter” • Business tie-up with RSP MICHINOEKI CO., LTD. to enhance expanded sales of MaaS packages



Current progress in primary measures (Media deployment)

Enhancing regional contents

① Four categories of Sightseeing/outing, Hotel, Eating/drinking, and Real-estate were added to “EKITAN.com”

② Information about facilities closely related to living were added to “EKITAN.com”

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

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

Quantity & quality of regional contents are substantially enhanced

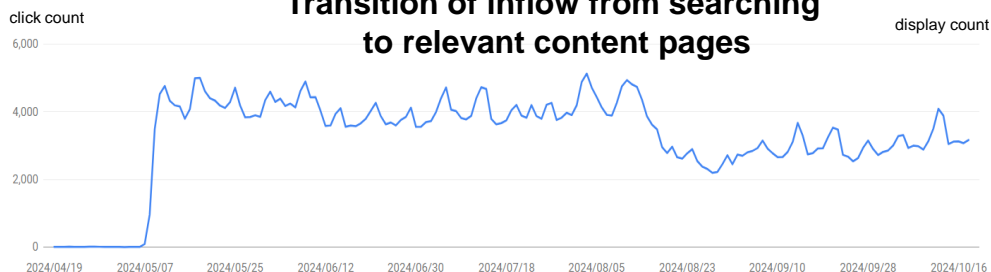
Much greater convenience for users to find information about living on a regional basis



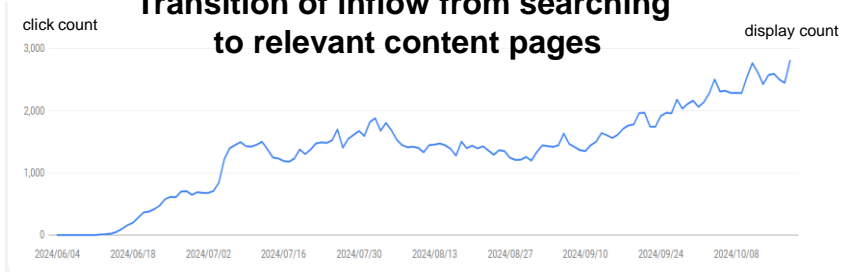
* Screenshots are just images

* Screenshots are just images

Transition of inflow from searching to relevant content pages



Transition of inflow from searching to relevant content pages





Current progress in primary measures (Media deployment)

Enhancing regional contents

Section-style timetable (train/bus) service was added,
where a section between departure and arrival could be specified
~Routine traveling by those who use train/bus such as commuters is supported~

Users can compare multiple routes available in a same section together,
so it is more convenient for them when commuting

▼ Result page of a section-style timetable (train)

出発	到着	(所要時間)	路線・列車種別	行き先	乗車券	料金	乗換回数
19:34	→ 20:05	(31分)	J R上野東京ライン 普通	品川	9番線	436円	乗換1回 経路詳細
19:43	→ 20:13	(30分)	J R上野東京ライン 快速	品川	9番線	436円	乗換1回 経路詳細
19:52	→ 20:17	(25分)	J R上野東京ライン 快速	品川	9番線	436円	乗換1回 経路詳細
19:53	→ 20:28	(35分)	J R京浜東北・根岸線 普通	品川	9番線	436円	乗換1回 経路詳細
19:54	→ 20:27	(33分)	J R上野東京ライン 普通	沼津	7番線	436円	乗換1回 経路詳細
20:01	→ 20:34	(33分)	J R上野東京ライン 普通	品川	9番線	436円	乗換1回 経路詳細
20:05	→ 20:37	(32分)	J R上野東京ライン 普通	小田原	7番線	436円	乗換1回 経路詳細
20:09	→ 20:45	(36分)	J R山手線(外回り)	東京方面	3番線	436円	乗換1回 経路詳細
			J R上野東京ライン 普通	熱海	7番線	436円	乗換1回 経路詳細

Transition of inflow from searching to timetable of each bus route section



Transition of inflow from searching to timetable of each train route section





Current progress in primary measures (Media deployment)

Apps renewal to expand revenues

Along with enhancement of regional contents and mobility support contents on various websites, apps will be renewed (to be released in March 2025)

Migration rates of current EKITAN apps are 10 times higher than other websites

Ads via adnet increase

Free-member for the app via a website

Sales from subscription is added

Free-member becomes paid-subscriber



App's unique functions will be made available one after another

Audio guidance

Audio ad

More functional transfer information

AR information

AI dialogue

Tie-up

Many other services will be added

Site renewal is also planned from the current FY up to the next



Current progress in primary measures (Solutions deployment)

Ekitan MaaS × Mirai Share SAVS

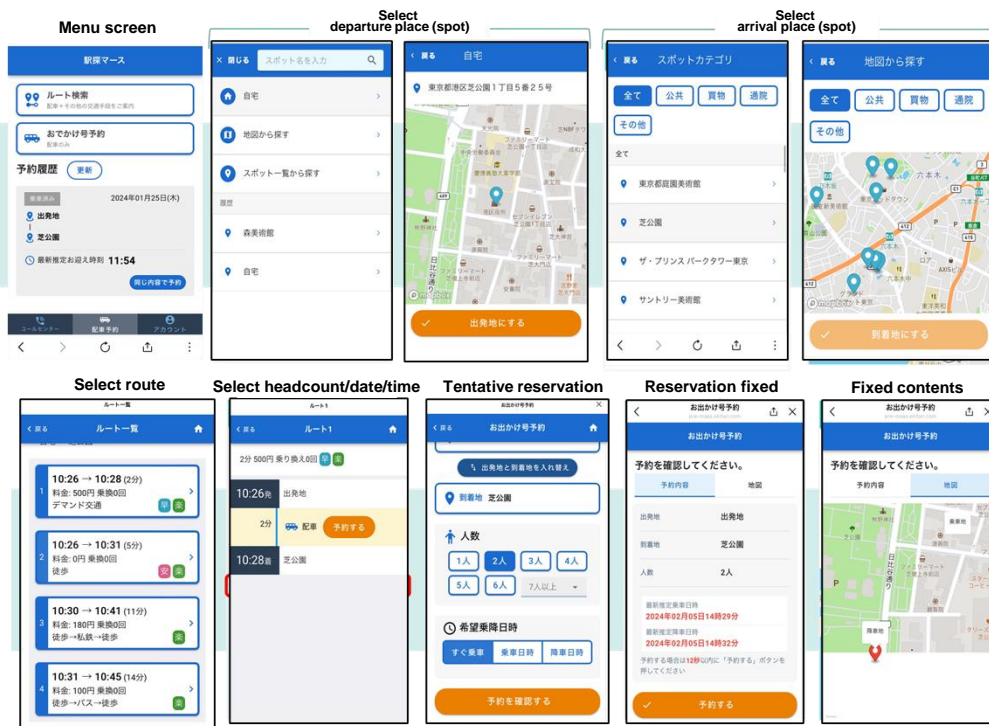
New service called “MaaS Standard by Ekitan & SAVS” started, that integrates MaaS solution with “SAVS (Smart Access Vehicle Service)” provided by Mirai Share Co., Ltd.

～To become a standard service of MaaS domain～

Main contents of the package

By integrating Ekitan MaaS solution with the cloud service “SAVS” in which AI fully automatically computes vehicle assignment for pick-up, more convenience for users is pursued using functions provided by Ekitan for route-search, wide variety of UI (those available on LINE official accounts, WebUI, and those for stationary devices) and for automated auditory reservation.

Service images



Reservation screen

Ride on



Current progress in primary measures (Solutions deployment)

Participation in renewal project for “at-YOKOHAMA” a Website specialized in sightseeing Kanagawa Pref. and Yokohama City

~MaaS functions are provided, including new service of “Combined route search” and Webpage for route search~

【Images of “at-YOKOHAMA” Website】



【Image of a route search page】



at-YOKOHAMA Co., Ltd.
Mainly partnering with shopping malls, municipalities, companies and universities/vocational colleges around coastal areas in Yokohama City, introduces spot information about various events, etc. and disseminates wide variety of attractiveness of Kanagawa Pref. and Yokohama City from viewpoints of local business.



News release:
<https://ssl4.eir-parts.net/doc/3646/tdnet/2515194/00.pdf>
(Japanese)



Current progress in primary measures (Solutions deployment)

Participation in “Suko-Bus” project for co-creation of Hidaka Town & MaaS demonstration

～In Hidaka Town (Hokkaido Pref.), preliminary operation of “Suko-Bus” started, a new on-demand transportation～

令和6年度 日高町共創・MaaS実証プロジェクトによる「試験運行」と「利用者登録」のご案内

いきいき、スイスイ
すこバス

「新しいデマンド交通(すこバス)」の試験運行を行います。
※今年度は富川、宇平舘、宇富浜、宇都満、宇緑町、門別本町及び宇厚賀町が運行区域となります。

運行期間 10月1日(火)～12月30日(月) 10月31日(木)までは無料、11月1日(金)からは有料となります

《ご注意》「すこバス」のご利用は、「高齢者バス乗車証」の適用外となります。

《《新しいデマンド交通(すこバス)》とは》》
「ご自宅」と「連絡施設」の間、「連絡施設」間を完全予約制で運行します。 [平日]と[土曜]8時～16時
※日曜・祝日は運行
※乗り合わない場合も運行します。

出発地・到着地をAIが学習して、その都度の最短経路を導き出します。

【Overview】

In this operation, using vehicles incorporating SAVS (a service provided by Mirai Share Co., Ltd. in which AI computes vehicle assignment), it becomes possible to travel between “home” and “associated facility” or between “associated facilities” on a full reservation basis. Consequently, in a recent situation where users decrease due to such as population decline and aging society with declining birthrate, we provide a reservation system available on LINE official account that is today an infrastructure of living in order to pursue higher convenience that is easier for vulnerable road users such as children and elderly people, so that we can contribute to revitalization and reconstruction of sustainable regional public transportation systems.

News release:

<https://ssl4.eir-parts.net/doc/3646/tdnet/2493601/00.pdf>

(Japanese)



Current progress in primary measures (Solutions reinforcement)

**Acquired 100% shares Neo Inc.
To reinforce “Regional Marketing Platform” solutions
by providing the instant win service of “Atatter”**

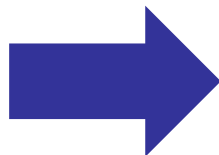
Purpose

Neo provides IT solutions for system development and maintenance/operation, and has rolled out its original tool named “Atatter” with which SNS campaigns can be easily set up in order for drawing customers into such as Twitter, LINE, and Instagram.

The Company considered that by joining Neo to Ekitan Group, “Atatter” possessed by Neo would lead to reinforcement of our solutions deployment as one of business strategies of our “Regional Marketing Platform”, targeting municipalities, regional business entities and shops where guests actually visit, and hence decided to acquire the entire shares of Neo to be its subsidiary.

It Solution Company

neo



joined



**From the
Stations**

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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~

Purpose

RSP 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

- (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



**From the
Stations**
駅から始めよう



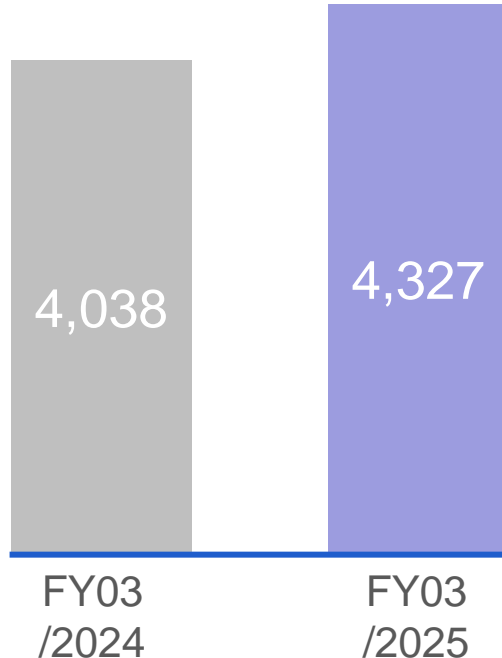


Operating profit is expected to **increase substantially!**

- 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

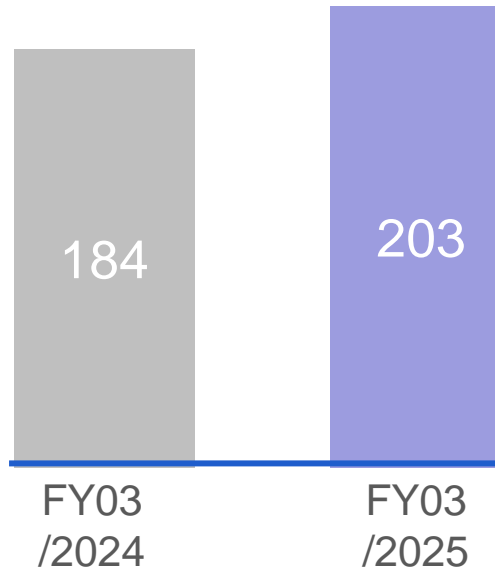
Net sales

+ 7.2%



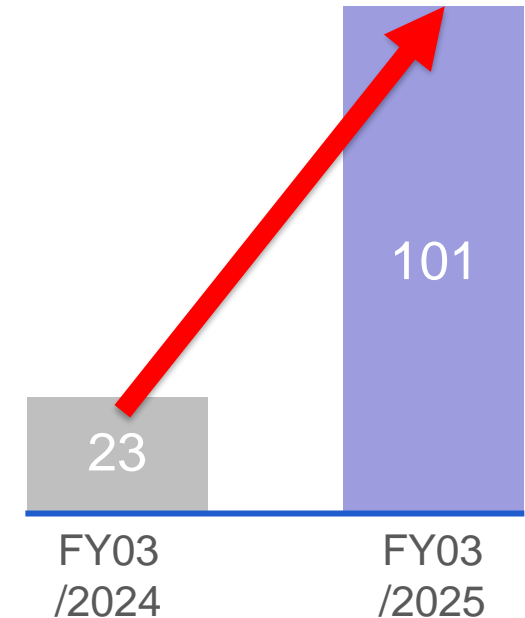
EBITDA

+ 10.5%



Operating profit (+/- % YoY)

+ 328.4%





From the Stations

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Section 2

Financial results details
(1-2Q of FY03/2025)



Consolidated Profit and Loss Statement

FY03/2025, 1-2Q

Consolidated Profit and Loss Statement

(YoY)

(mil. yen)	2024 2Q	ratio to sales	2025 2Q	ratio to sales	+/-%	+/- amount
Net sales	1,941	100%	1,764	100%	-9.1%	-176
Cost of sales	1,400	72.2%	1,224	69.4%	-12.6%	-176
Gross profit	540	27.8%	540	30.6%	+0.0%	+0
SG&A expenses	614	31.7%	550	31.2%	-10.4%	-64
Operating profit	-74	-3.8%	-10	-0.6%	N/A	+64
Ordinary profit	-71	-3.7%	-3	-0.2%	N/A	+67
Net profit attributable to owners of parent	-794	-40.9%	-15	-0.9%	N/A	+778
EBITDA	37	1.9%	25	1.4%	-32.0%	-11



Consolidated Balance Sheet

FY03/2025, 1-2Q

Consolidated Balance Sheet

(mil. yen)	2024 2Q	2025 2Q	+/- amount	(mil. yen)	2024 2Q	2025 2Q	+/- amount
Total current assets	1,994	1,846	-147	Total current liabilities	622	585	-37
Property, plant and equipment	70	68	-1	Total non-current liabilities	355	313	-41
Intangible assets	384	345	-39	Total liabilities	978	898	-79
Investments and other assets	197	231	34	Capital stock	291	291	N/A
Total non-current assets	650	643	-6	Capital surplus	302	315	13
Total assets	2,644	2,490	-153	Retained earnings	1,636	1,610	-25
				Treasury stock	-598	-628	-30
				Total shareholders' equity	1,632	1,589	-42
				Total net assets	1,666	1,592	-74
				Total liabilities and net assets	2,644	2,490	-153



Highlights

FY03/2025, 1-2Q

Lower revenues but Higher earnings

Operating loss substantially improved YoY

(YoY)

Net sales	1,764 mil. yen	-9.1%	-176 mil. yen	FY2024	1,941 mil. yen
EBITDA	25 mil. yen	-32.0%	-11 mil. yen	FY2024	37 mil. yen
Operating loss	-10 mil. yen	N/A	+64 mil. yen	FY2024	-74 mil. yen

Factors of higher revenues

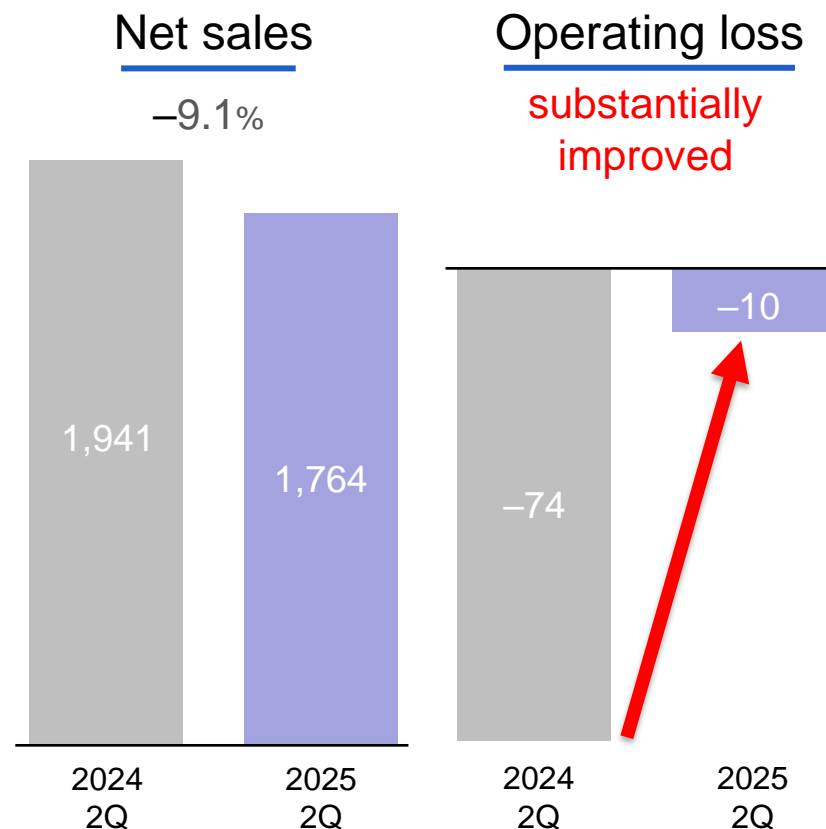
- **Mobility Support Business: Novel monetization measures based on RMP**
Higher revenues by adding sales of Shinkansen tickets and by increase in PV/UU from adding more contents
- **Advertisement Platform Business: Proud Engine Inc.**
Revenues expanded by such as staff augmentation

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**
Trend of 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**
There was no temporary costs as had been incurred in FY2024 in relation to establishment and share acquisition of EKITAN I&I
- **Decrease in services for paid subscribers**





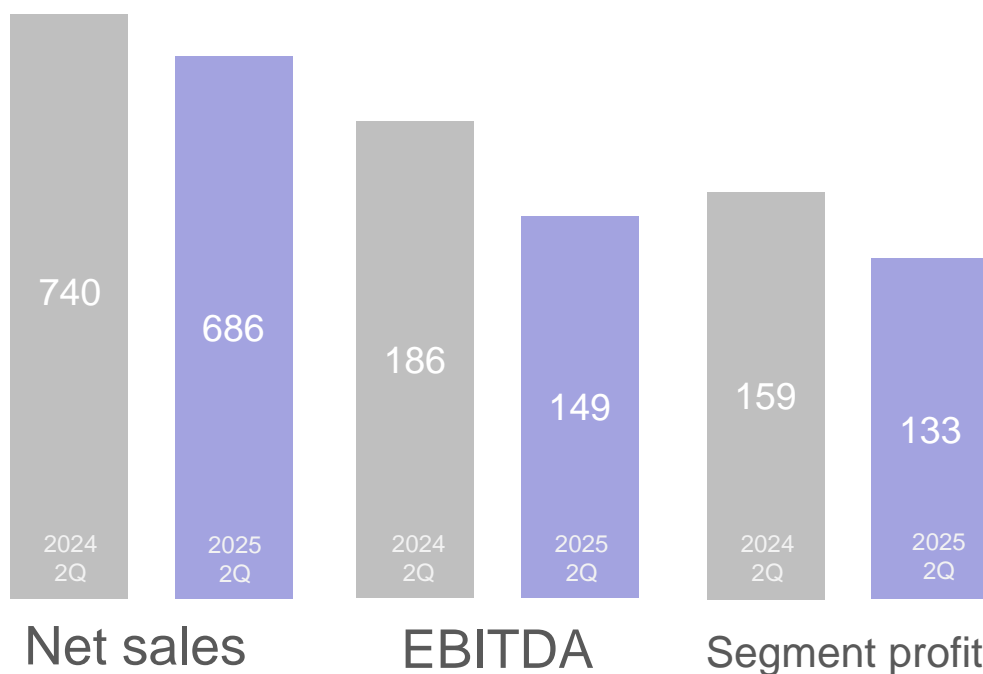
Mobility Support Business

FY03/2025, 1-2Q

Lower revenues / Lower earnings

					(YoY)
Net sales	686 mil. yen	-7.3%	-54 mil. yen	FY2024	740 mil. yen
EBITDA	149 mil. yen	-19.7%	-36 mil. yen	FY2024	186 mil. yen
Segment profit	133 mil. yen	-16.3%	-26 mil. yen	FY2024	159 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 and those for supporting transportation are substantially enhanced
→ Much greater convenience for users to find information about living on a regional basis



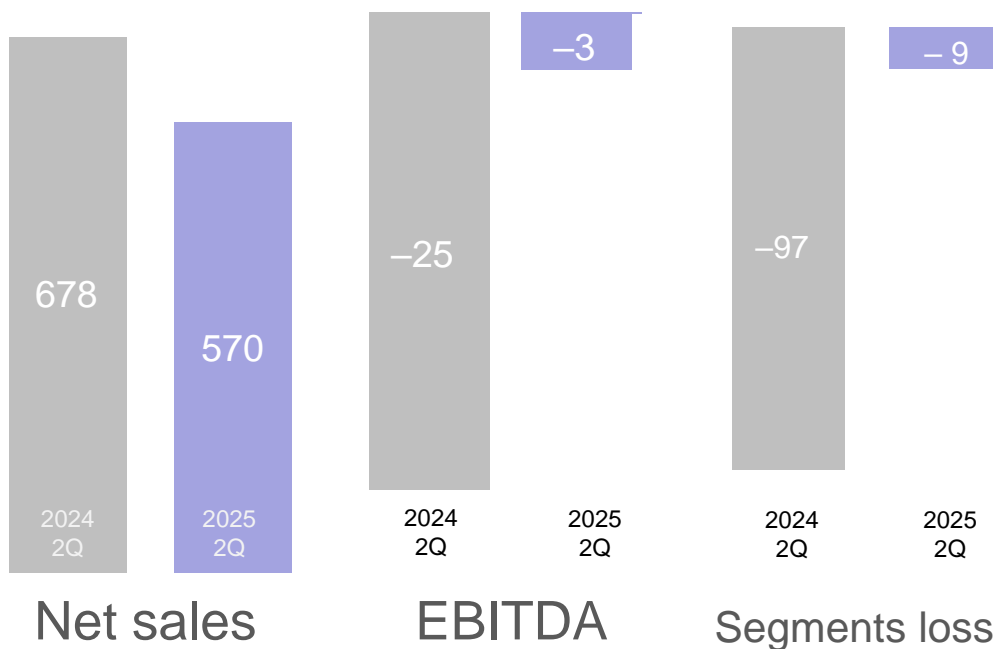
Advertisement Platform Business

FY03/2025, 1-2Q

Lower revenues but Higher earnings

					(YoY)
Net sales	570 mil. yen	-15.9%	-108 mil. yen	FY2024	678 mil. yen
EBITDA	-3 mil. yen	N/A	+ 22 mil. yen	FY2024	-25 mil. yen
Segments loss	-9 mil. yen	N/A	+ 88 mil. yen	FY2024	-97 mil. yen

(mil. yen)



Factors

- **Cirqua, Inc.**
 - Decrease in sales
Trend of reduction in major commodities and major media, affected by external environment
 - Cost reduction
Cost reduction done by reexamination of business structure and curtailing expenses
- **Proud Engine Inc.**
 - Higher revenues/earnings due to staff augmentation



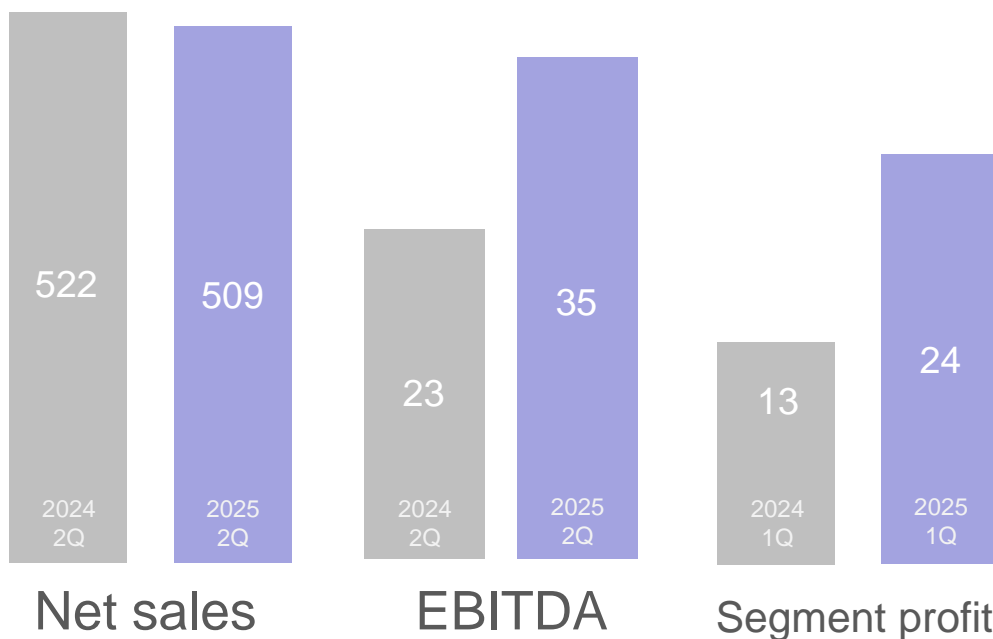
Investment/Incubation Business

FY03/2025, 1-2Q

Lower revenues but Higher earnings

Net sales	509 mil. yen	-2.6%	-13 mil. yen	FY2024	522 mil. yen
EBITDA	35 mil. yen	+52.1%	+12 mil. yen	FY2024	23 mil. yen
Segment profit	24 mil. yen	+88.0%	+11 mil. yen	FY2024	13 mil. yen

(mil. yen)



Factors

- Although large-scale commissioned projects decreased YoY, such decrease could be covered by increase in SES sales
- There was no temporary costs as had been incurred in FY2024 in relation to establishment and share acquisition of EKITAN I&I, and such cost reduction resulted in higher earnings



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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

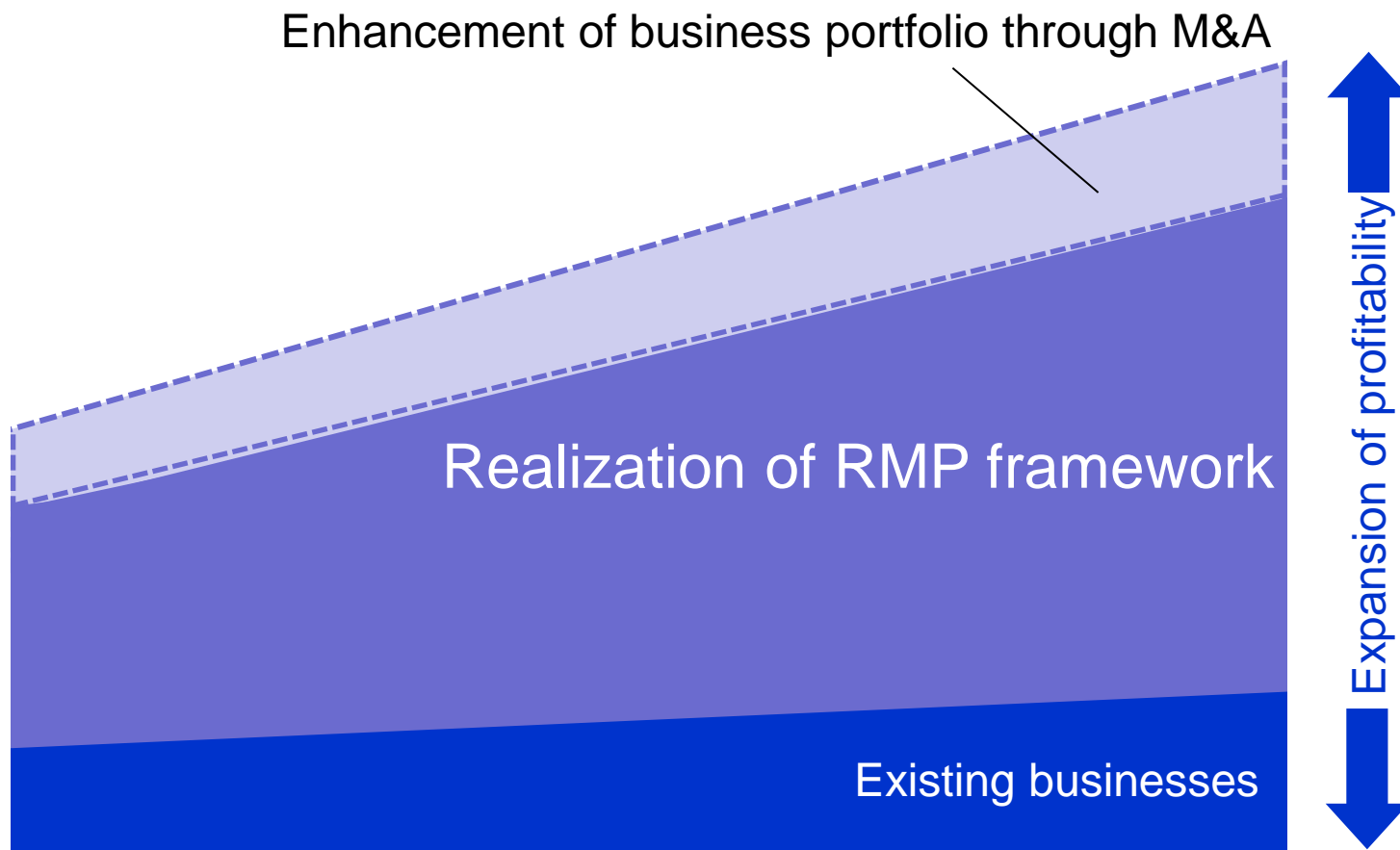


Image of business growth

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





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

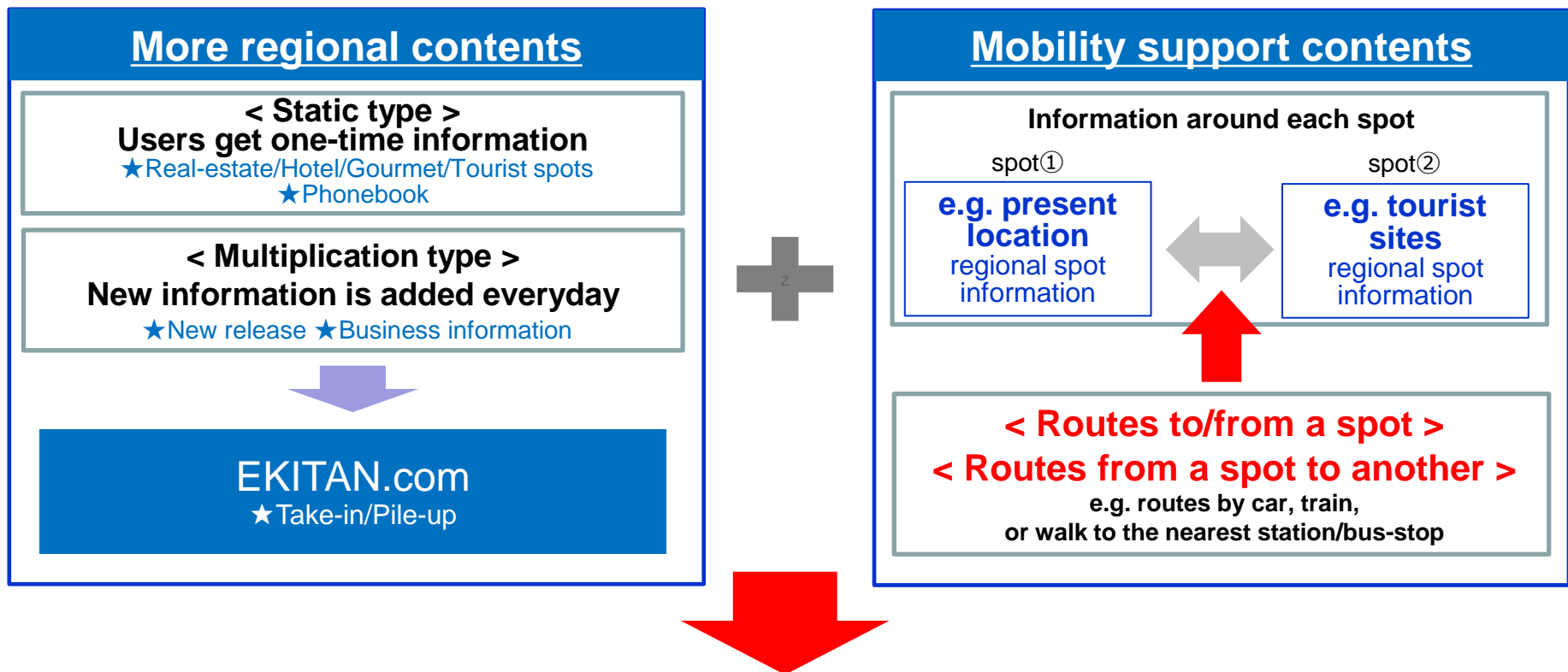
<Revenues from various media, enhanced services for corporations, etc.>

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



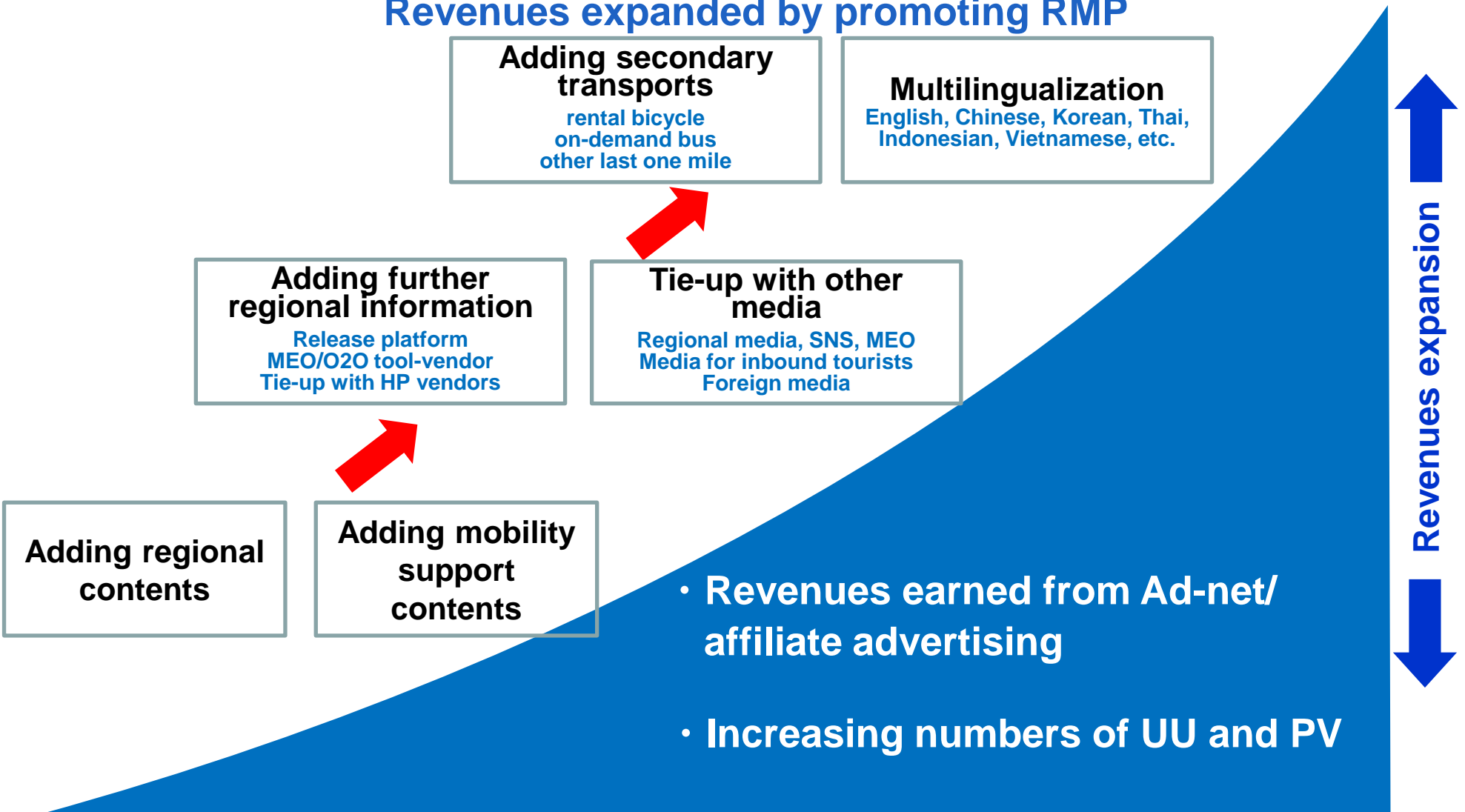
More inflow of searching & higher sales



Growth scenario & how it can be realized: Strategies

RMP: Media deployment

Revenues expanded by promoting RMP



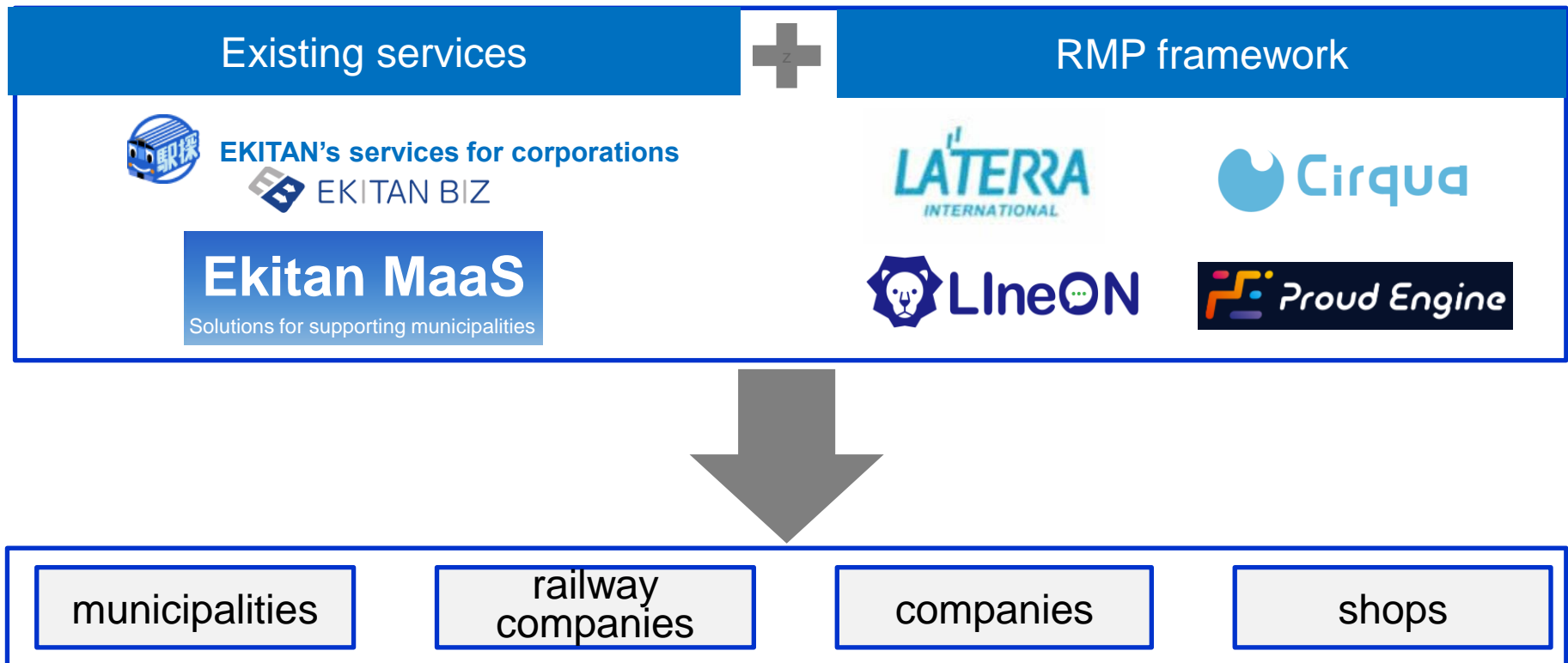


Growth scenario & how it can be realized: Strategies

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





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



株式会社 アイティジェイ
Information Technology Japan

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



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 ~



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【Contact for IR】

EKITAN Co., Ltd. IR staff E-mail ir@ekitan.co.jp

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

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