

Supplementary Materials on Financial Results

Third Quarter of FY03/2025



**From the
Stations**

EKITAN.com

February 12, 2025

EKITAN & Co., Ltd.

TSE Growth: 3646



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Section 1

Highlights

FY03/2025, 1-3Q



• FY03/2025, 1-3Q Performance highlights

Operating profit turned positive, and also exceeded initial plan, making favorable progress towards achieving full-term forecast

Net sales: 2,641 mil. yen (−13.2% YoY)

Operating profit: 33 mil. yen (+4.8 mil. yen YoY)

• Activity highlights

RMP (Regional Marketing Platform) framework has steadily advanced

RMP promotion had effects on smooth increase in both numbers of PV and UU, leading to **increase in advertising revenue to 129 mil. yen (+12.3% YoY)**

Sales of MaaS packaged increased by 22 mil. yen (+1,553.7% YoY)

• Full-term forecasts for FY03/2025

Operating profit is expected to increase substantially

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

Operating profit: 101 mil. yen (+77 mil. yen YoY)

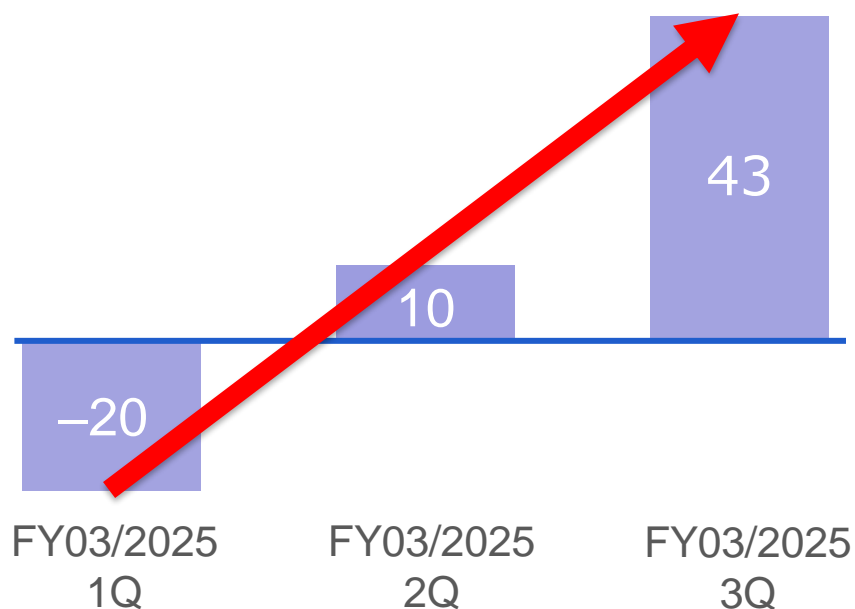


Operating profit **turned positive as early as at 3Q-end**

- RMP (Regional Marketing Platform) framework has steadily advanced
- Cost reduction by reexamination of business structure and curtailing expenses

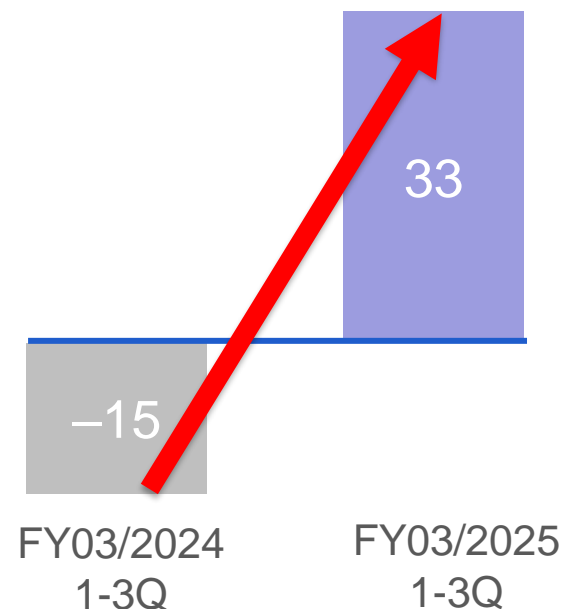
Operating profit
(QonQ)

(mil. yen)



Operating profit (YoY)

+ 48 mil. yen

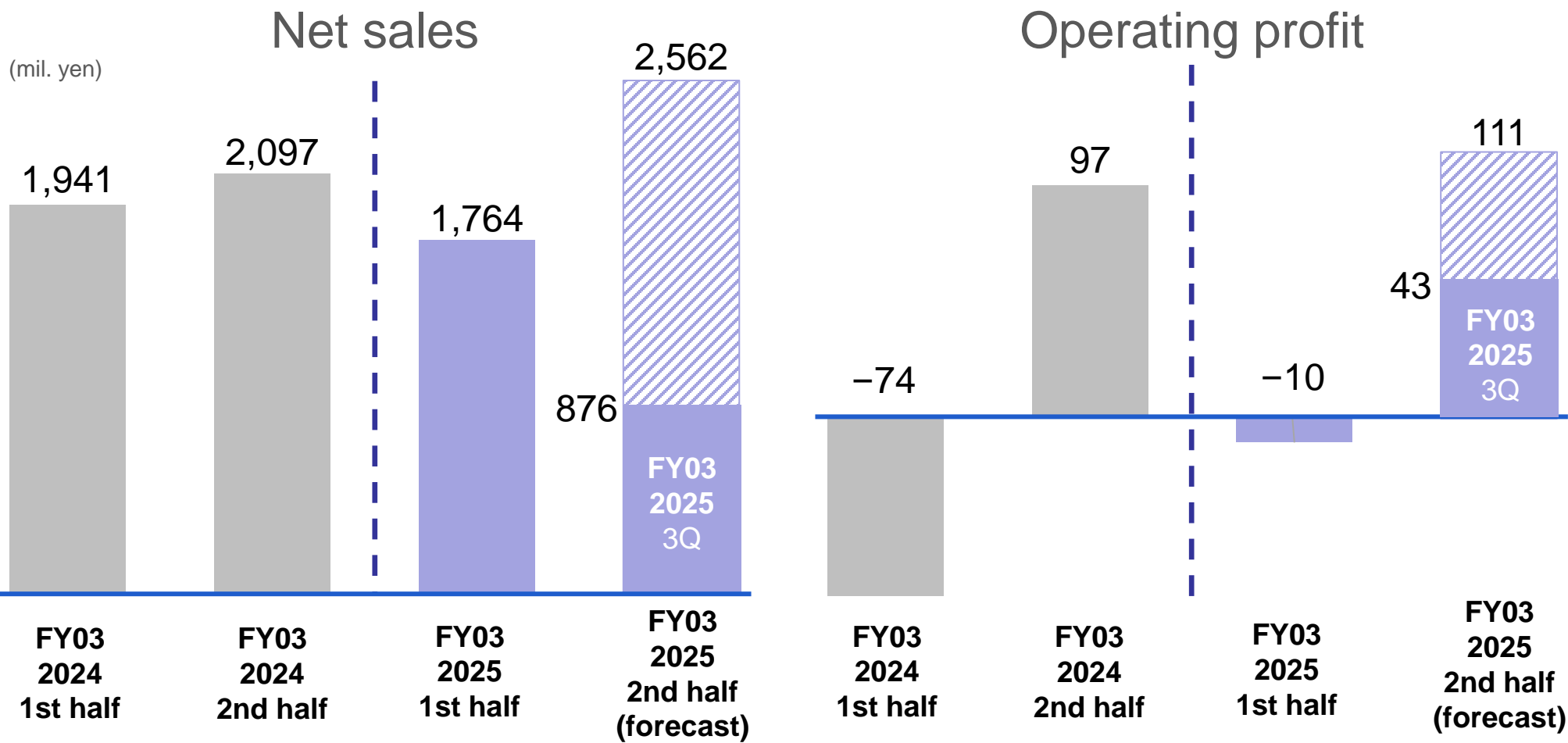




Favorable progress towards achieving full-term forecasts

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; **Consequently, Operating profit in 2nd half will also increase**





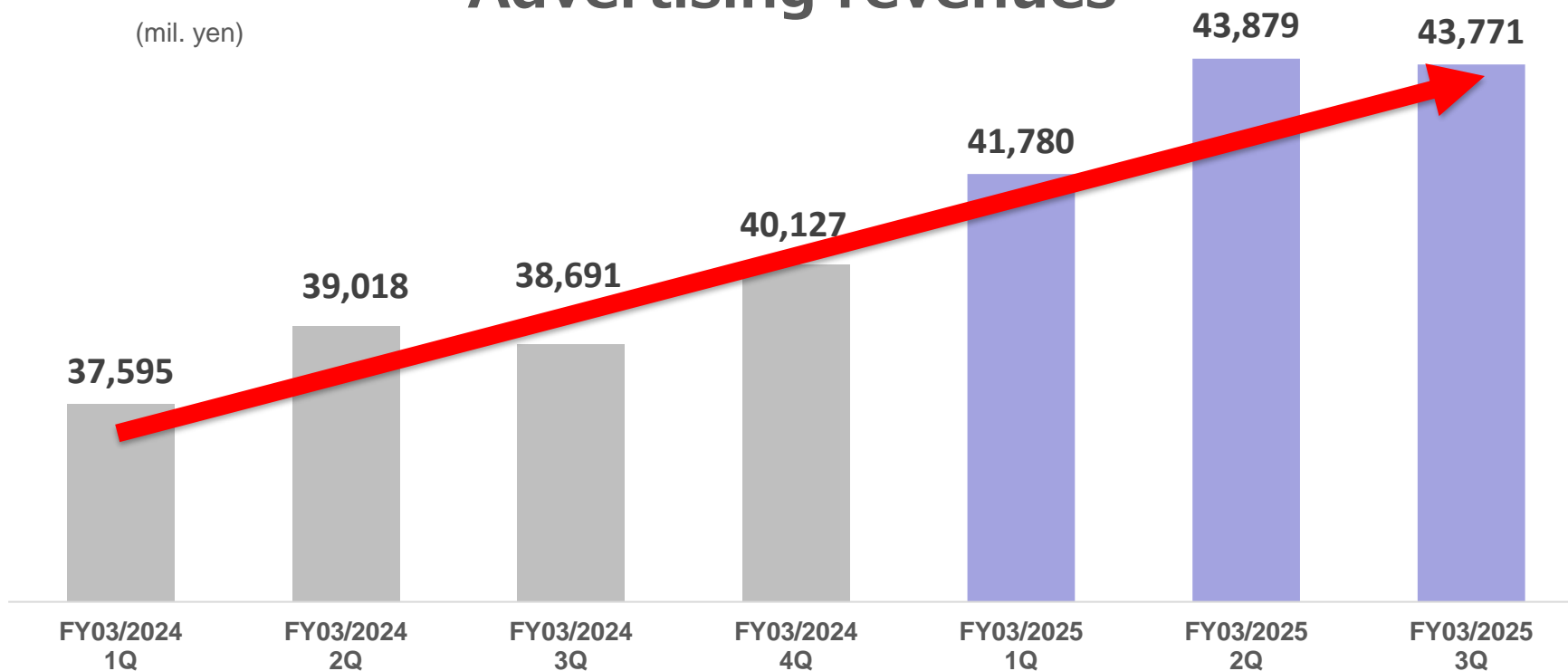
RMP promotion had effects on increase in advertising revenues

FY03/2024, 1-3Q: 115,305,000 yen

FY03/2025, 1-3Q: **129,432,000 yen** (+12.3% YoY)

Advertising revenues

(mil. yen)





Current progress in primary measures

RMP (Regional Marketing Platform) framework has steadily advanced

Regional Marketing Platform framework

Strategies	Measures	Progress
<p>Media reinforcement</p>	<p>Enhancing regional contents</p>	<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, Facilitating creation of a portal site for information about Michinoeki (roadside station) • Tie-up with AirTrip Corp. <ul style="list-style-type: none"> → Released international flight schedule table from which overseas air tickets/hotels can be booked • Contract with Chiikishinbunsha Co., Ltd. for business tie-up <ul style="list-style-type: none"> → RMP promotion
	<p>Renewal of apps and websites</p>	<p>Apps will be renewed in March 2025 Our websites are in their process of renewal from the current term up to the next term</p>
<p>Solutions deployment</p>	<p>Expanding MaaS solutions</p>	<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 • Bus-searching function was added to “TeamSpirit” website
	<p>Enhancement of “Regional Marketing Platform” solution</p>	<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



International flight schedules were added to “EKITAN.com” in which departure/arrival points can be specified

Overseas air tickets/hotels can be booked seamlessly from searching those schedules!



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International flight schedules

区間 羽田空港（東京国際空港）→ シンガポール 日付 2025年2月12日（水） 変更

東京/羽田空港（東京国際空港）→シンガポール 逆区間

航空会社	発時刻	経路	航空会社	機体	ticket	ticket+hotel
カントラス航空	00:10	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	カントラス航空	QF4026	ticket	ticket+hotel
アラスカ航空	00:10	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	アラスカ航空	AS7349	ticket	ticket+hotel
日本航空	00:10	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	日本航空	JL35	ticket	ticket+hotel
ハワイアン航空	00:10	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	ハワイアン航空	HA5006	ticket	ticket+hotel
アメリカン航空	00:10	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	アメリカン航空	AA8487	ticket	ticket+hotel
スリランカ航空	00:10	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	スリランカ航空	UL3335	ticket	ticket+hotel
エアカナダ	00:25	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	エアカナダ	AC6228	ticket	ticket+hotel
ユナイテッド航空	00:25	羽田空港 (東京国際空港) -HND → 直行便 → チャンギ国際空港-SIN	ユナイテッド航空	UA7991	ticket	ticket+hotel

Booking overseas air tickets/hotels 閉じる

出発日 2025年2月12日（水）

往路 出発地 羽田空港（東京国際空港） 到着地 チャンギ国際空港

現地出発日 2025年2月15日（土）

復路 出発地 チャンギ国際空港 到着地 羽田空港（東京国際空港）

人数 おとな（12歳以上）1名 こども（0～11歳）0名

Checking/booking vacancy

Users can book overseas air tickets/hotels from our conventional pages for transfer information and time table

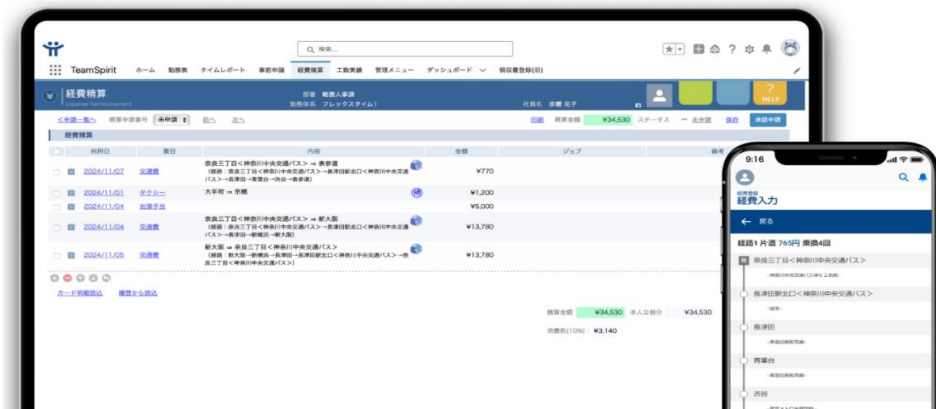
Their next actions are supported when they look into how to go & return



Bus-searching function was added to “TeamSpirit” website which supports corporate DX promotion and back-office functions

“Bus-searching” function

Train & bus fares can be filed together for expense accounting



New function for filing bus fares for business expense accounting was added to the cloud computing service “TeamSpirit Expense” provided by TeamSpirit Corp., utilizing our “Transfer Information API”. Users can also search for a bus line when looking into travel expense via “TeamSpirit Expense”. This made possible to file train & bus fares together for business expense accounting, thus realizing higher efficiency in daily processing of business travel expense applications.



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TeamSpirit



Contract with Chiikishinbunsha Co., Ltd. for business tie-up

Aiming at strongly promoting business domains for regional revitalization such as sales of solutions specialized for Chiba Pref. and efforts targeting inbound tourists

Chiikishinbunsha Co., Ltd.

Rolls out its business mainly in Chiba Pref. of information dispatch and general support for sales promotion by publishing “Chiiki Shinbun (regional newspaper)”, a kind of free newspaper posted weekly to 1.73 million families, and with local consumers encounter good information thereby generating a positive cycle where local companies in drinking/eating, product sales, and service sectors may grow up, promotes countryside/regional revitalization.

Issues for local business entities

It has become very difficult for them to draw attention of people to countryside, make many people know about valuable services/commodities existing in various regions and eventually have them visit those regions.◦

Purpose

Both companies pursue contribution to regional revitalization by bringing their know-hows and assets together to create synergies therefrom. In particular, it was believed that they would be able to make use of information network closely linked to Chiba Pref. that ChiikiShinbunsha had fostered thus far, make attractive local services/commodities widely known to public, and provide opportunities for even more people to visit, resulting in execution of this contract.

Content of the business tie-up

- (1) To provide opportunities for offering proposals using Ekitan’s solutions within the sales channels held by ChiikiShinbunsha**
- (2) To jointly develop services for inbound tourists by utilizing both companies’ business assets**
- (3) To collaborate in any other businesses operated by both**

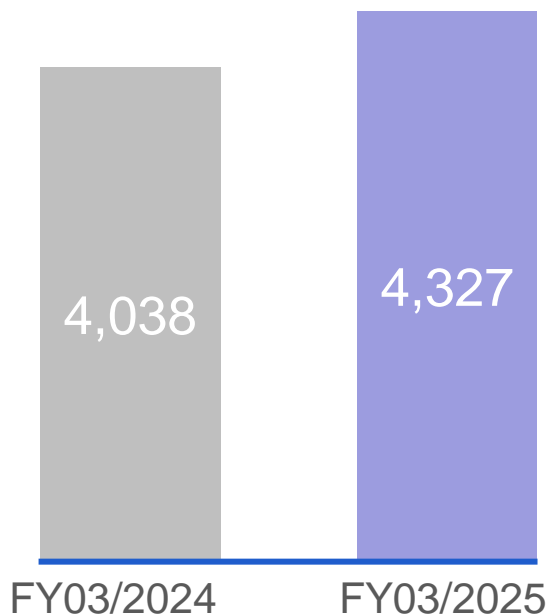


Operating profit is expected to **increase substantially!**

- Increase in sales of ads on EKITAN.com apps and sales of various solutions, by promoting RMP
- Completion of renovation work of BTOOnline 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

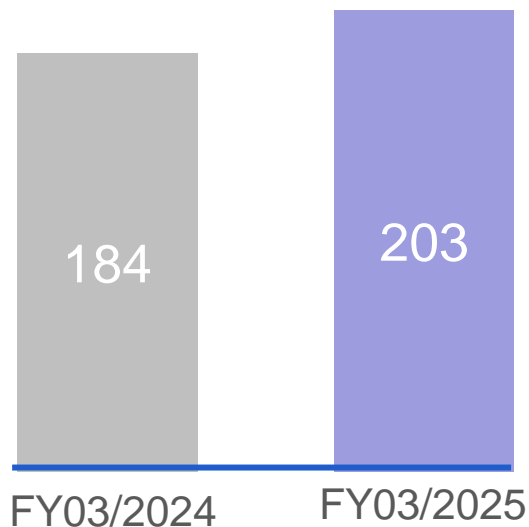
Net sales

+ 7.2%



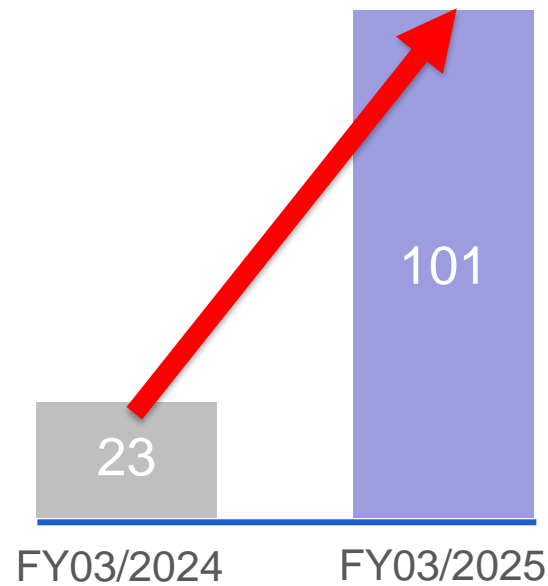
EBITDA

+ 10.5%



Operating profit

+ 328.4%





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Section 2

Financial results
details

FY03/2025, 1-3Q



Consolidated Profit and Loss Statement

(YoY)

(mil. yen)	2024 1-3Q	ratio to sales	2025 1-3Q	ratio to sales	+/-%	+/- amount
Net sales	3,044	100.0%	2,641	100%	-13.2%	-402
Cost of sales	2,180	71.6%	1,805	68.3%	-17.2%	-375
Gross profit	863	28.4%	836	31.7%	-3.1%	-27
SG&A expenses	878	28.9%	803	30.4%	-8.6%	-75
Operating profit	-15	-	33	1.3%	--	+ 48
Ordinary profit	-11	-	42	1.6%	--	+ 54
Net profit attributable to owners of parent	-743	-	12	0.5%	--	+ 756
EBITDA	119	3.9%	87	3.3%	-26.7%	-31



Consolidated Balance Sheet

(mil. yen)	2024 3Q	2025 3Q	+/- amount	(mil. yen)	2024 3Q	2025 3Q	+/- amount
Total current assets	2,009	1,747	-261	Total current liabilities	641	541	-100
Property, plant and equipment	77	62	-15	Total non-current liabilities	346	293	-53
Intangible assets	388	397	8	Total liabilities	988	834	-154
Investments and other assets	202	231	29	Capital stock	291	291	-
Total non-current assets	667	690	22	Capital surplus	306	318	12
Total assets	2,677	2,438	-238	Retained earnings	1,686	1,638	-47
				Treasury stock	-598	-648	-49
				Total shareholders' equity	1,686	1,601	-85
				Total net assets	1,689	1,604	-85
				Total liabilities and net assets	2,677	2,438	-238



Lower revenues but Higher earnings

Operating profit substantially improved YoY and turned positive

Net sales	2,641 mil. yen	-13.2%	-402 mil. yen	FY2024	3,044 mil. yen
EBITDA	87 mil. yen	-26.7%	-31 mil. yen	FY2024	119 mil. yen
Operating profit	33 mil. yen	--%	+ 48 mil. yen	FY2024	-15 mil. yen

Factors of higher revenue

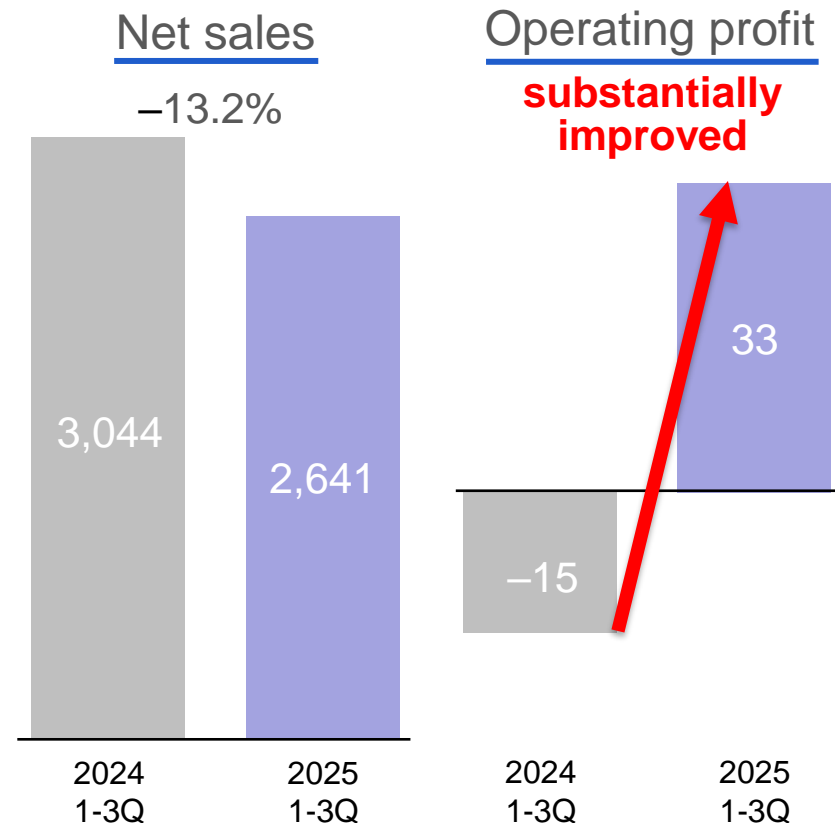
- **Mobility Support Business: Novel monetization measures based on RMP framework**
Higher revenues by adding sales of Shinkansen tickets and by increase in PV/UU from adding more contents
Sales related to RMP greatly increased, such as MaaS solutions for municipalities
- **Advertisement Platform Business: 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

Other factors of increase/decrease

- **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

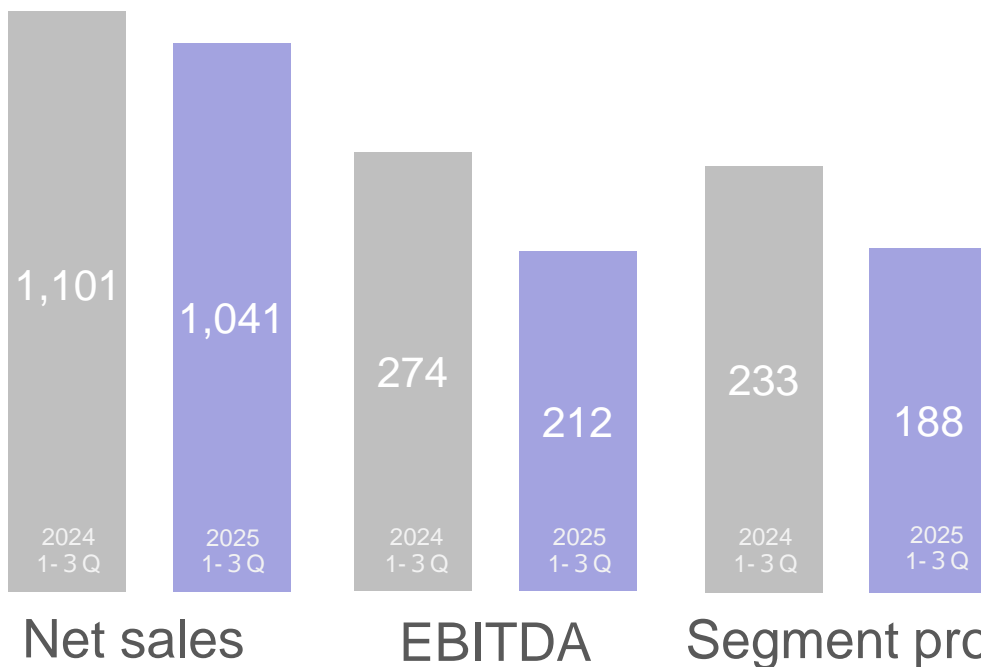




Lower revenues / Lower earnings

Net sales	1,041 mil. yen	-5.4%	-59 mil. yen	FY2024	1,101 mil. yen
EBITDA	212 mil. yen	-22.5%	-61 mil. yen	FY2024	274 mil. yen
Segment profit	188 mil. yen	-19.3%	-45 mil. yen	FY2024	233 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 and MaaS solutions for municipalities, have gradually contributed to revenues
- **Sales of MaaS packaged increased by 1,553.7% YoY**

Others

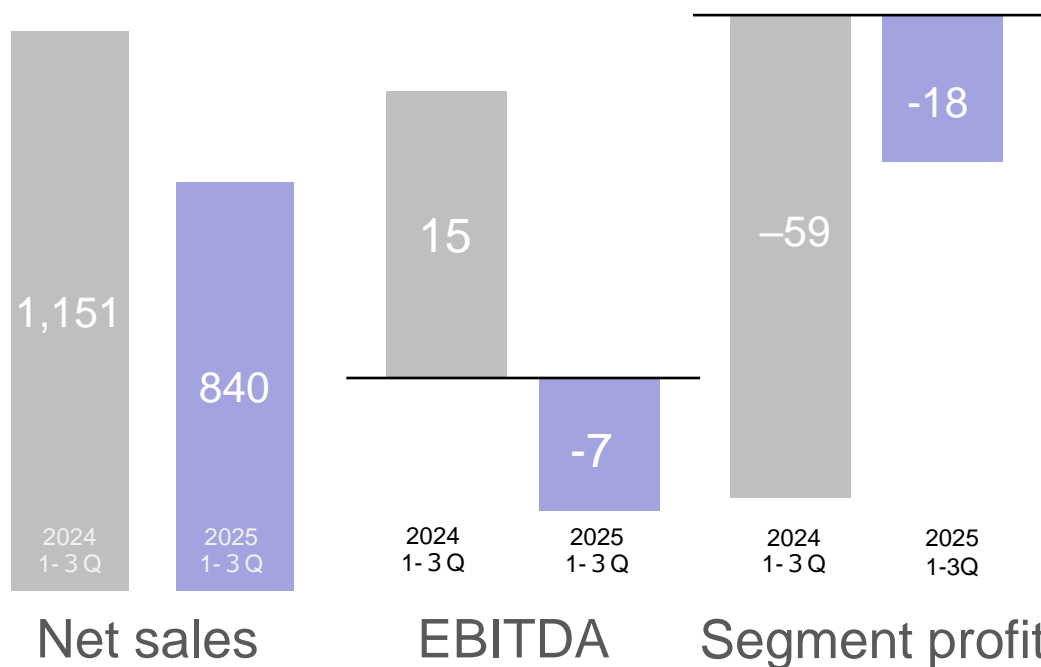
- **EKITAN.com**
Quantity & quality of regional contents and those for supporting transportation are substantially enhanced
 → Much greater convenience for users to find information about living on a regional basis



Lower revenues but Higher earnings

Net sales	840 mil. yen	-27.0%	-310 mil. yen	FY2024	1,151 mil. yen
EBITDA	-7 mil. yen	--	-22 mil. yen	FY2024	15 mil. yen
Segment profit	-18 mil. yen	--	+41 mil. yen	FY2024	-59 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

Decreased sales could be covered by such as reexamination of business structure, curtailing expenses, reduction in depreciation through recording impairment loss of intangible assets such as goodwill •

• Proud Engine Inc.

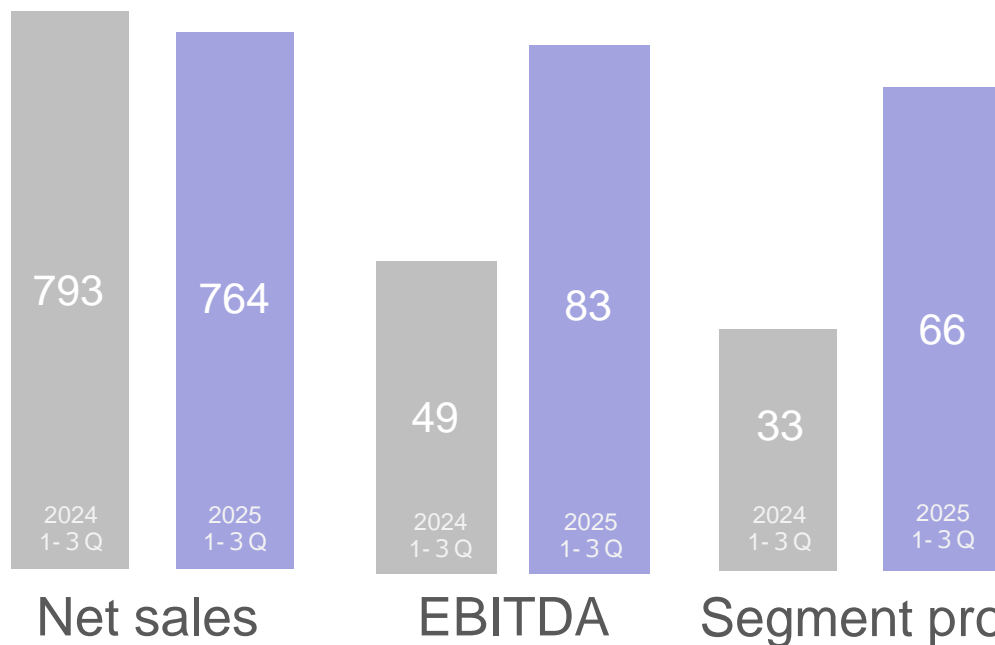
Higher revenues/earnings due to staff augmentation



Lower revenues but Higher earnings

Net sales	764 mil. yen	-3.7%	-29 mil. yen	FY2024	793 mil. yen
EBITDA	83 mil. yen	+69.4%	+34 mil. yen	FY2024	49 mil. yen
Segment profit	66 mil. yen	+99.9%	+33 mil. yen	FY2024	33 mil. yen

(mil. yen)



Factors

- Although large-scale commissioned projects decreased YoY, such decrease could be covered by increase in SES sales
- In addition to the fact that there was no transient cost as incurred during the previous FY for establishing EKITAN I&I Co., Ltd. and for acquiring shares of it, effects of cost reduction including institutional reconsiderations 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

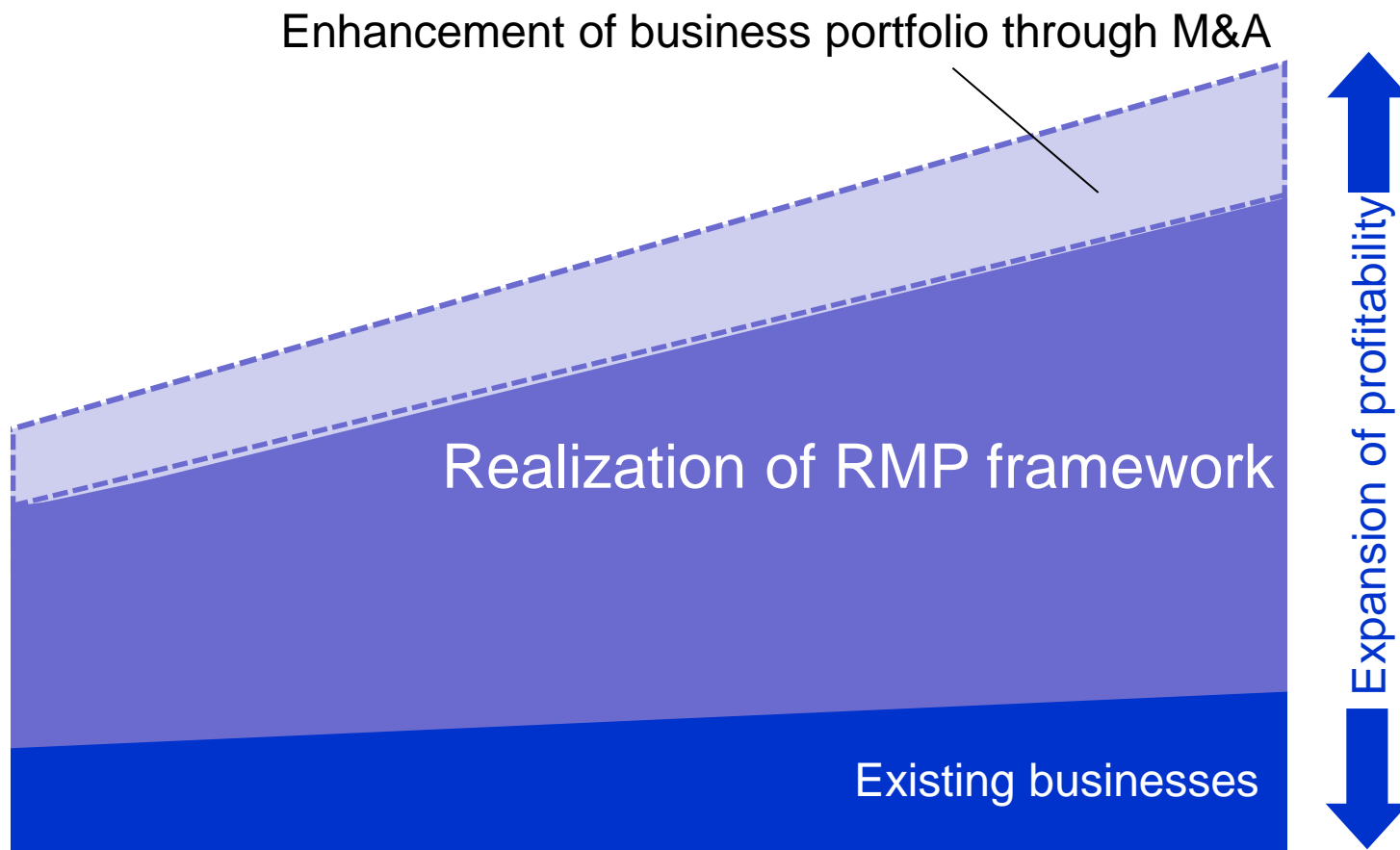


Image of business growth

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

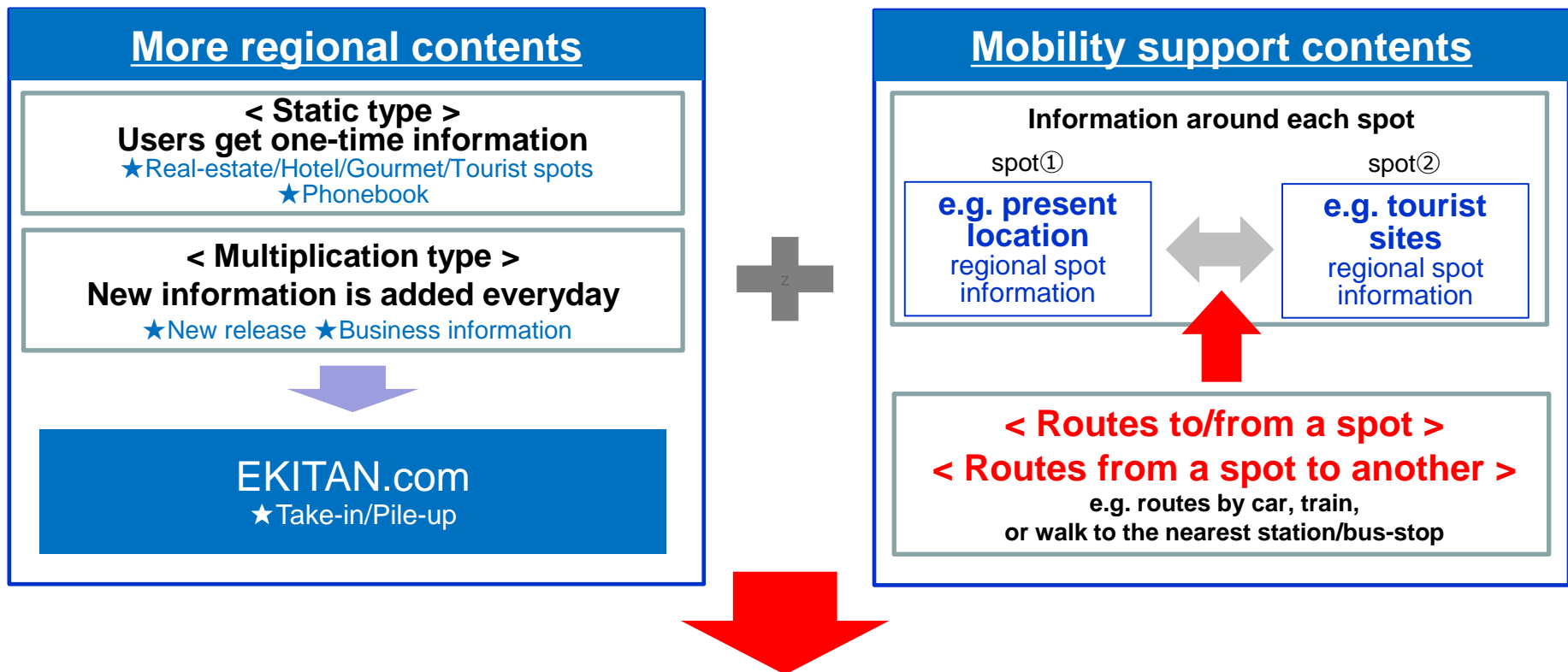
<Revenues from various media, enhanced services for corporations, etc.>

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



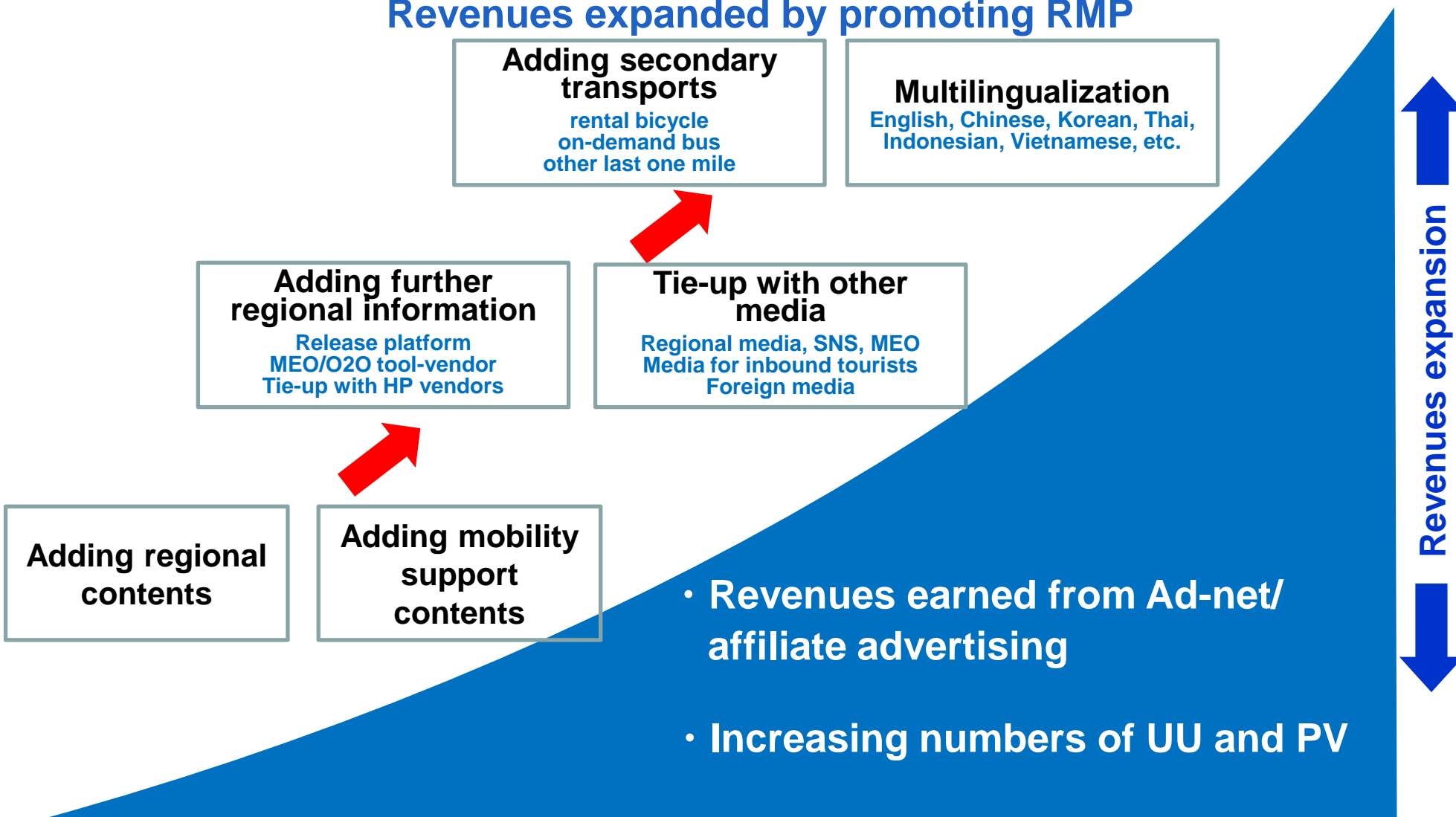
More inflow of searching & higher sales



Growth scenario & how it can be realized: Strategies

RMP: Media deployment

Revenues expanded by promoting RMP



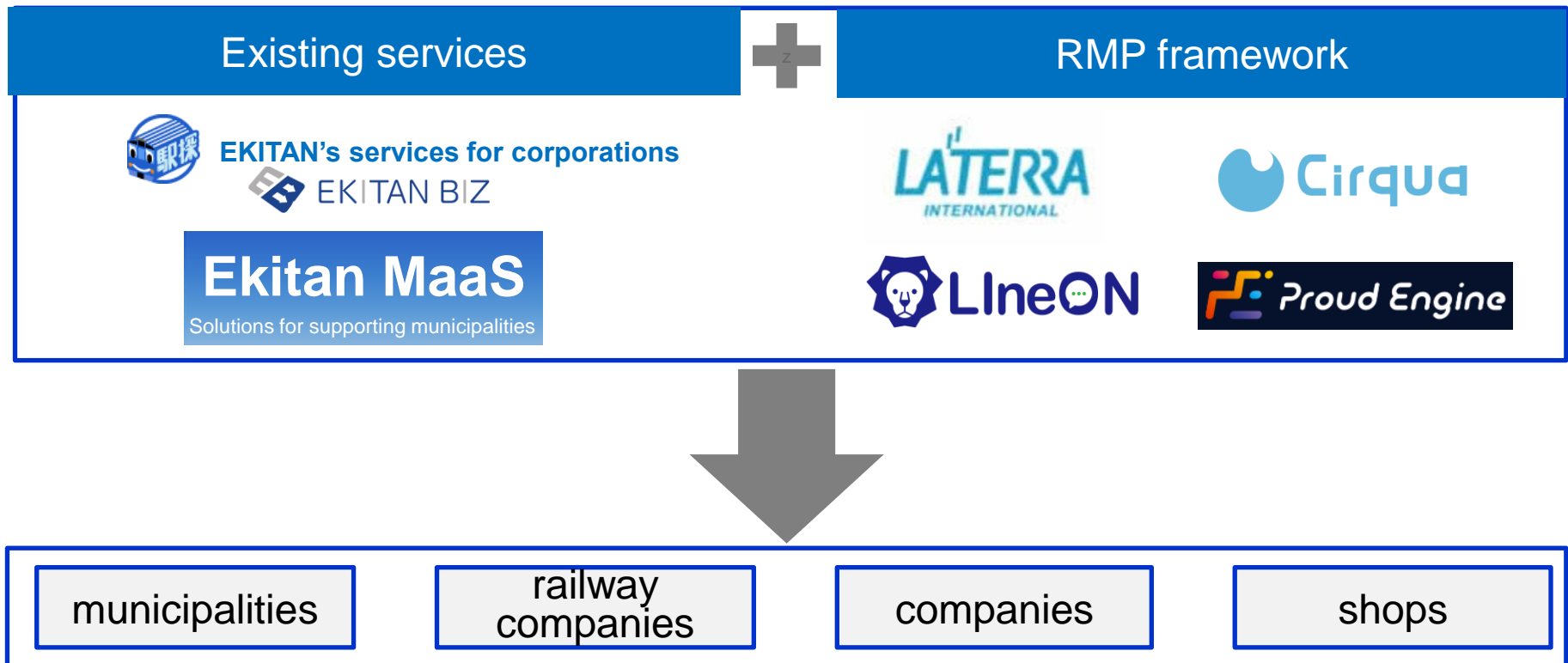


Growth scenario & how it can be realized: Strategies

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 ~



From the
Stations

EKITAN.com

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