

Gunosy

FY2024/5 Financial Results for Q2

Gunosy Inc.
TSE Prime (6047)



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1

New Management Structure



Shinji Kimura will continue to lead the entire Group. Kentaro Nishio will be responsible for all of the Group's non-investment businesses.



Shinji Kimura

Representative Director and Chairman, Group Chief Executive Officer (CEO)

He graduated from the Department of Physics, Faculty of Science, The University of Tokyo. After joining DREAM INCUBATOR Inc., he founded Atlantis Co., Ltd. (now Glossom, Inc.) in March 2007 and sold it to GREE Inc. in 2011. He assumed the position of Representative Director of Gunosy Inc. in 2013 and resigned in 2014. In June 2016, he founded AnyPay Inc. and became Director in May 2018. After assuming the position of Director of Gunosy in August 2017, he was appointed Representative Director and Chairman, Group Chief Executive Officer (CEO) in June 2020.

Primary Role

Make decisions for the continued growth of the entire Group

Allocate management resources with an awareness of the Group's overall business portfolio and grow investment businesses



Kentaro Nishio

Representative Director and President

He graduated from the Faculty of Systems Design, Tokyo Metropolitan University. He co-founded Labit Inc. while still a student and became Representative Director in 2013. After transferring the business to a subsidiary of Recruit Holdings, he founded Game8 Inc. and currently serves as Representative Director and Chairman. He joined Gunosy Inc. in 2015 after Game8 became a subsidiary of Gunosy. In December 2023, he assumed the position of Representative Director and President of Gunosy Inc. after serving as Corporate Officer since September 2018 and Director since August 2020.

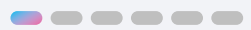
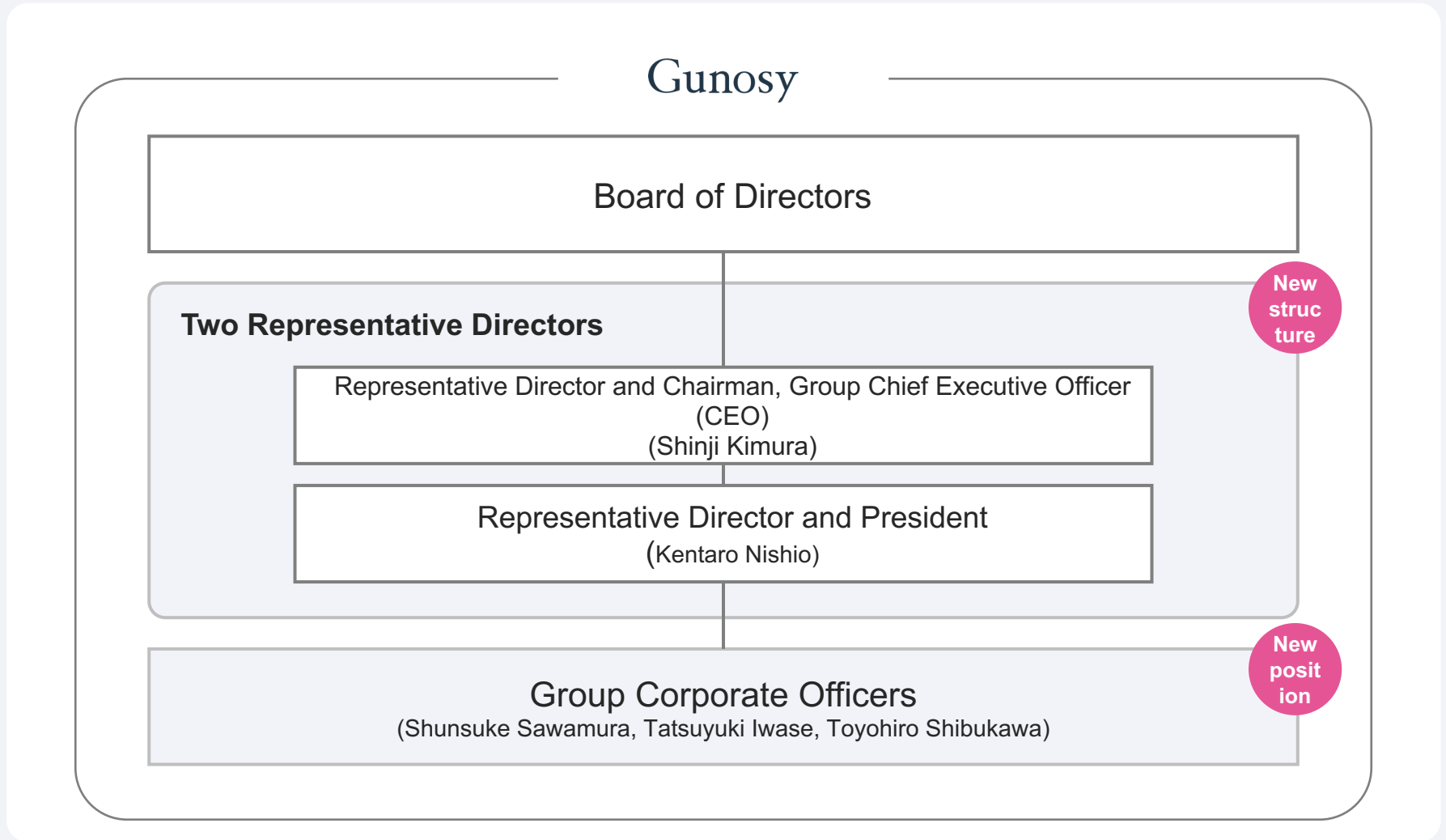
Primary Role

Drive growth in media, Game8 and new businesses

Expand and launch non-investment businesses

Overview of the New Management Structure

Effective December 1, we implemented a new management structure. Given the significant changes in the business environment in the 11 years since our founding, we are creating a structure that will enable us to manage multiple business portfolios and achieve Group-wide growth.



Our Management Team

The management structure as of December 1, 2023 is as follows.

(*) N&C (Nomination and Compensation Committee)



Representative Director and
Chairman, Group Chief Executive
Officer (CEO)

**Shinji
Kimura**



Representative
Director and
President

**Kentaro
Nishio**



Director and Chief
Investment Officer (CIO)

**Yuki
Maniwa**



Director

**Yuya
Taketani**



Director

**Masaaki
Nose**



Director (Outside)

**Suguru
Tomizuka**



Director (Outside)

**Junichi
Shiroshita**



Director (Outside)

**Hirokazu
Mashita**



Director (Outside)

**Lei-Isabelle
Nakao**

New Corporate Officers of the Group

Three new Corporate Officers have been appointed to accelerate the execution of the Group's business.



Corporate Officer of the Group (Group Chief Operating Officer)

Shunsuke Sawamura

He graduated from the School of Business Administration, Kwasei Gakuin University and joined Game8 Inc. in September 2018. After serving as COO and Director and COO, he assumed the position of President and CEO of Game8 Inc. in June 2022. In December 2023, he joined Gunosy Inc. as Corporate Officer and COO.



Corporate Officer of the Group (Group Chief Financial Officer)

Tatsuyuki Iwase

He graduated from the Faculty of Business and Commerce, Keio University. He joined Gunosy Inc. after working at Bank of Tokyo-Mitsubishi UFJ (currently MUFG Bank), Deloitte Tohmatsu Consulting LLC. and PricewaterhouseCoopers Arata LLC. In June 2021, he was appointed Corporate Officer. In August 2022, he assumed the position of CFO.



Corporate Officer of the Group (Head of Technology Division)

Toyohiro Shibukawa

He started his career as an engineer and became CTO of Genequest Inc. before joining RPA Holdings Inc. as CXO. He was also involved in organizational design, new business launches and DX promotion at several other companies before joining Gunosy Inc. as Corporate Officer in April 2022.

2

Financial Highlights



Overall
business

Consolidated operating loss decreased significantly QoQ due to the recovery of the profitability of programmatic advertising in the Media business and the sales growth in Game8. Full-year consolidated **operating profit forecast has been raised**.

Media
business

Profitability has recovered since the second half of October and continues to improve across the Media business.

Game8
business

At Game8, as previously announced, **overseas eCPM continues to be strong**, contributing significantly to the upward revision of the full year results.

Investment

At slice, our subsidiary, AUM is growing steadily, resulting in a **significant improvement** in the share of losses accounted for using the equity method.

Q2 (Sep-Nov 2023)

Net sales **1,849** million yen YoY **92.4%**

Operating profit **-20** million yen YoY **---**%

(Million yen)

| | Net sales | Operating profit |
|--------|-----------|------------------|
| Gunosy | 1,129 | -115 |
| Game8 | 501 | 111 |
| Others | 218 | -16 |

Q1-2 (Jun – Nov 2023)

Net sales **3,729** million yen YoY **94.9%**

Operating profit **-205** million yen YoY **---**%

(Million yen)

| | Net sales | Operating profit |
|--------|-----------|------------------|
| Gunosy | 2,298 | -381 |
| Game8 | 957 | 203 |
| Others | 473 | -28 |

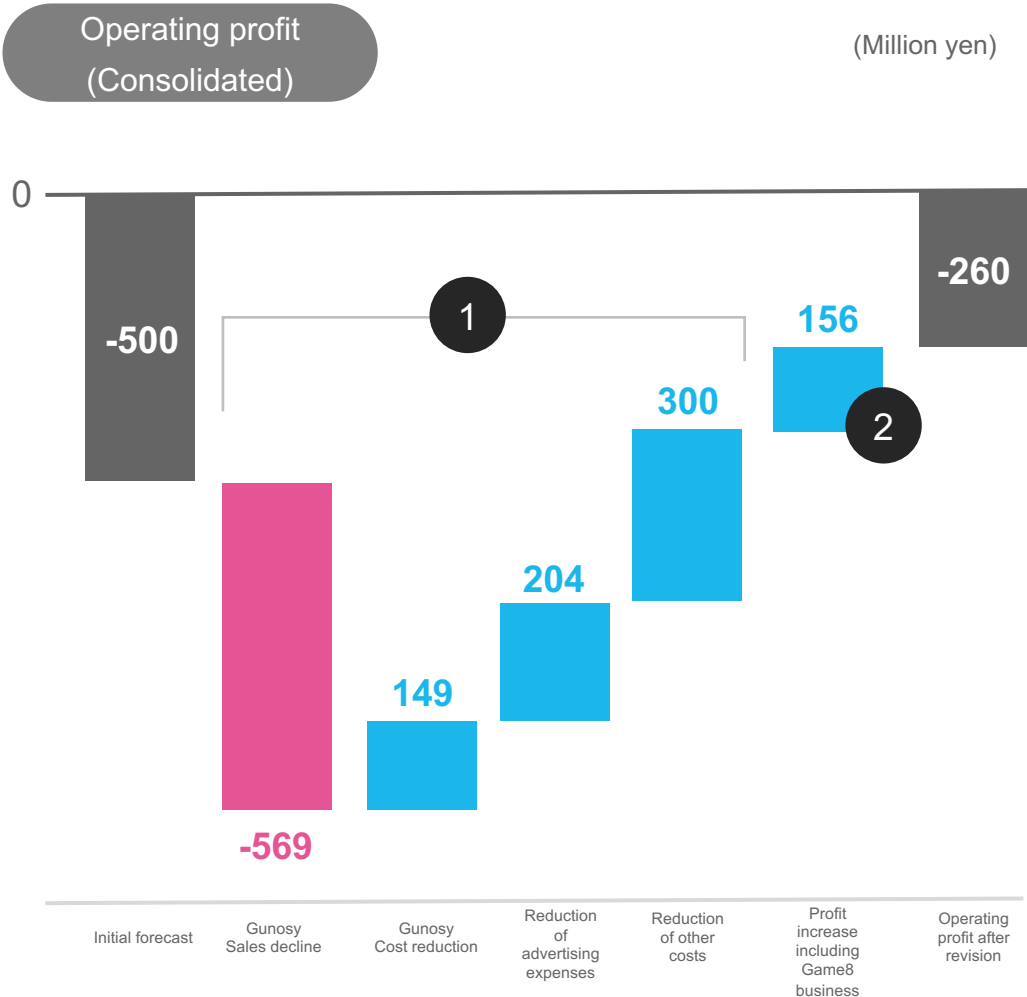
Revision of FY2024/5 Results Forecast (Consolidated)

Regarding the forecast for consolidated results for the full year, **operating profit was revised upward from -0.5 billion yen in the original forecast to -0.26 billion yen**, taking into account the consolidated results for the second quarter. On the other hand, the amount of loss for ordinary profit and profit increased from the original forecast due to an increase in the share of losses of entities accounted for using the equity method (see page 13 for details).

(Million yen)

| | FY2024/5 1Q-2Q (Jun – Nov 2023) | Initial forecast (full-year) | Revised forecast (full-year) | Increase / decrease | Progression rate |
|---|---------------------------------------|---------------------------------|------------------------------------|------------------------|---------------------|
| Net sales | 3,729 | 7,880 | 7,200 | -8.6% | 51.8% |
| Operating profit | -205 | -500 | -260 | - | - |
| Operating margin | - | - | - | - | - |
| Ordinary profit | -751 | -999 | -1,304 | - | - |
| Profit attributable to owners of parent | -1,018 | -1,070 | -1,648 | - | - |

Background of Revision of Results Forecasts: Operating Profit (Consolidated)



POINT

- Non-consolidated operating profit of Gunosy exceeds forecasts

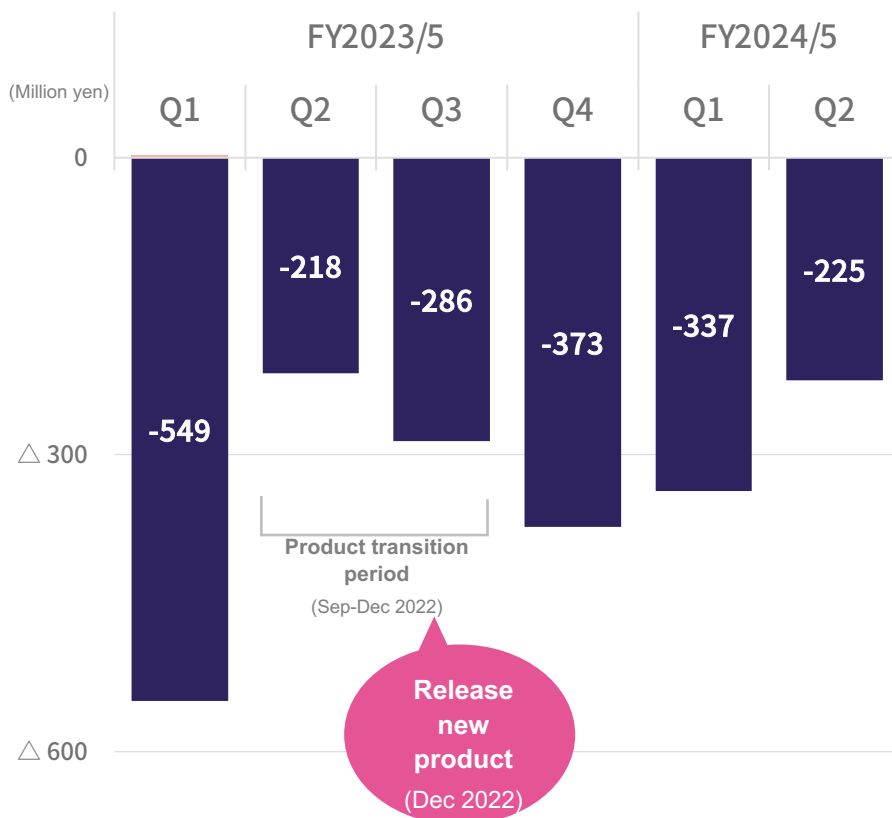
 - Sales were lower than forecast due to tough advertising market environment and lower profitability from Q1 to mid-Q2.
 - On the other hand, **Gunosy's non-consolidated operating profit exceeded the initial forecast by 84 million yen** due to successful control of advertising investments and flexible cost reductions.
- Performance of Group companies, including Game8, exceeded forecasts.

 - Game8 **sales exceeded forecasts** and were the largest contributor.

Equity Method Investment Gains/Losses of slice

The organic growth of the business continues with appropriately controlled marketing investments, resulting in a decrease in the amount of losses. Equity method investment losses are also on a declining trend. (See pages 20-31 for details of slice business).

Equity method investment gains/losses of slice



Factors behind the increase in equity method investment losses compared to the forecast at the beginning of the fiscal year

Increase in ESOP-related expenses on a non-cash basis, etc.

Progress towards Achieving Operating Profitability (Consolidated and Non-consolidated) in FY2025/5

1

After the transition to the new management structure, we will continue to pursue our basic policy of **returning to profitability on a consolidated and non-consolidated basis in FY2025/5.**

2

We are making steady progress toward achieving profitability on a consolidated basis, with the **operating loss narrowing to -20 million yen in Q2**, driven by the growth of Game8.

3

We have changed our original plan to achieve operating profitability of Gunosy Inc. on a non-consolidated basis by expanding the scale of sales through advertising investment. Going forward, we aim to **return to profitability by improving productivity** while implementing measures to improve profitability with advertising investments appropriately controlled within the IRR threshold.

4

We will announce our business policy in July 2024 when we release our financial results for FY2024/5.

3

Financial Results for FY2024/5 Q2



FY2024/5 Consolidated Results for 2Q

In addition to the **strong sales of Game8**, advertising investments in the Gunosy app were reduced. As a result, the **loss in Q2 was significantly reduced**.

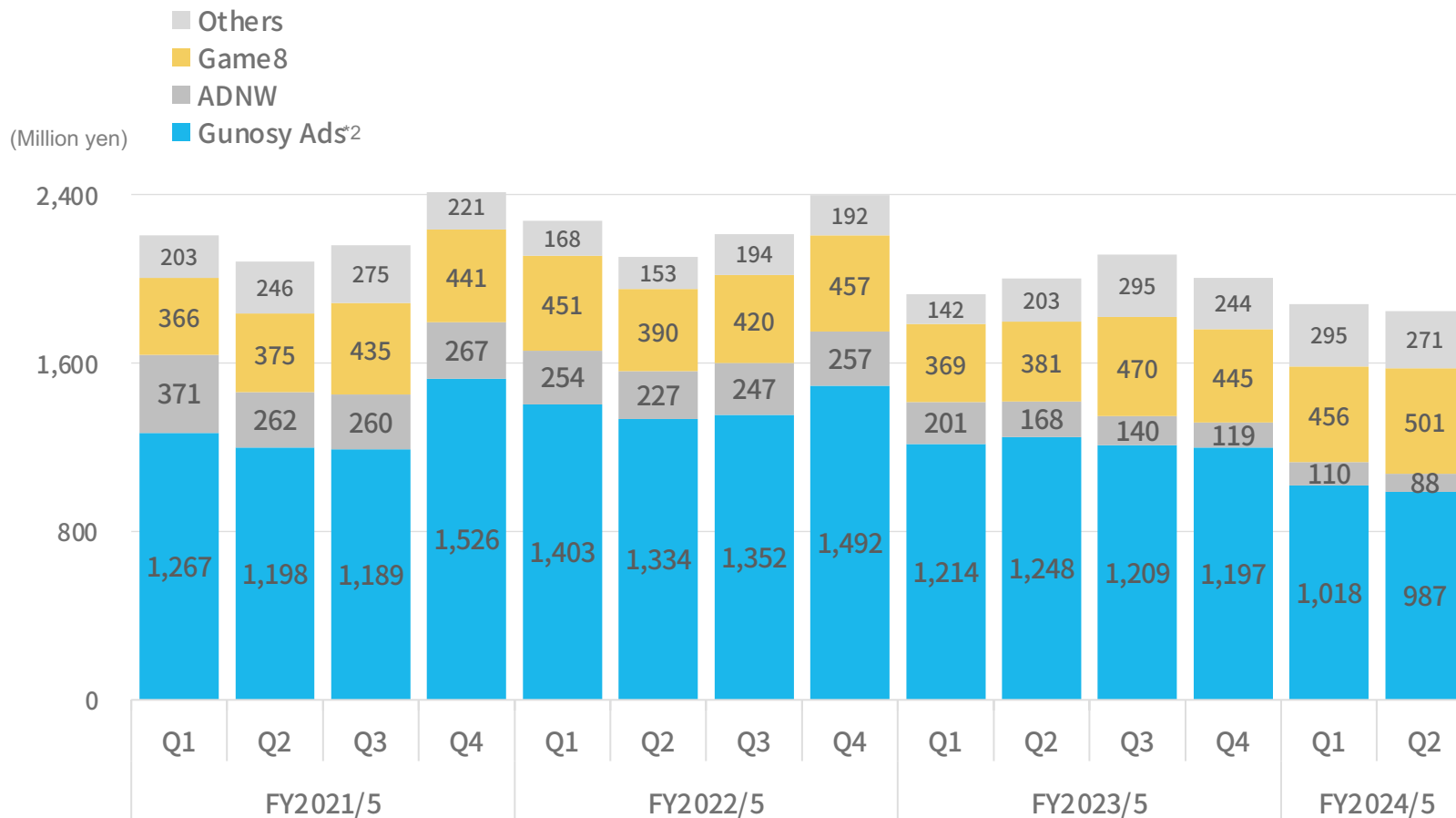
(Million yen)

| | QoQ | | | YoY | | |
|---|---------------------------------|-------------|-------|------------------------------------|------------------------------------|-------|
| | FY2024/5 2Q (Sep – Nov 2023) | FY2024/5 1Q | QoQ | FY2024/5 1Q-2Q (Jun – Nov 2023) | FY2023/5 1Q-2Q (Jun – Nov 2022) | YoY |
| Net sales | 1,849 | 1,880 | 98.3% | 3,729 | 3,928 | 94.9% |
| Operating profit | -20 | △185 | - | -205 | -162 | - |
| Operating margin | - | - | - | - | - | - |
| Ordinary profit | -226 | △525 | - | -751 | -929 | - |
| Profit attributable to owners of parent | -304 | △714 | - | -1,018 | -160 | - |

Breakdown of Net Sales ^{*1}

Game8 sales **increased both YoY and QoQ**.

In Gunosy Ads, the profitability of programmatic advertising bottomed out and started to increase in mid-October, but not in time to avoid QoQ sales decline. We expect Gunosy Ads to maintain its post-recovery profitability levels from 3Q onwards.

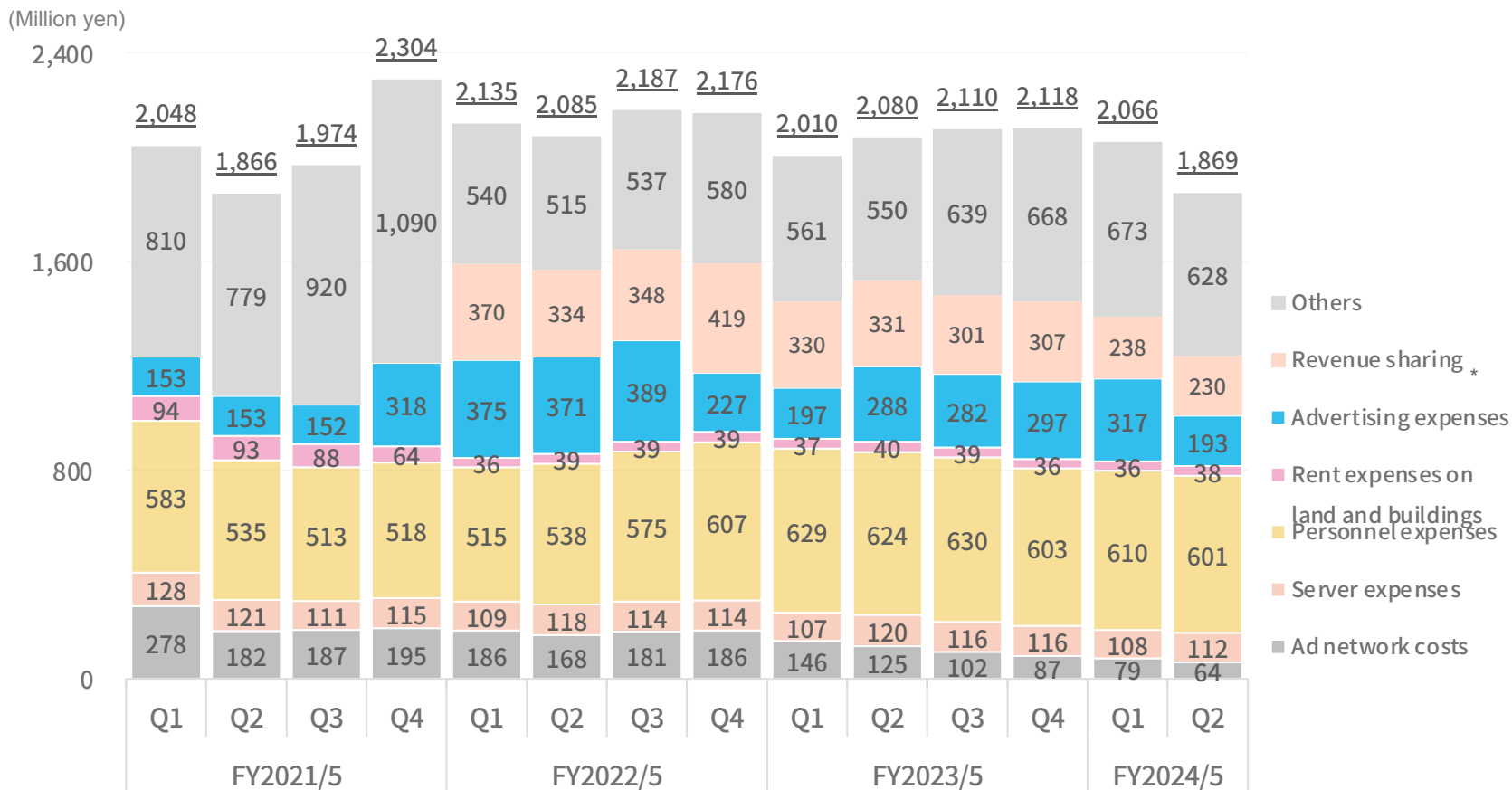


*1: Sales of Gunosy Ads, ADNW and Game8 are presented on a nonconsolidated basis. Internal trade adjustments are included in Others

*2: Sales of Gunosy Ads are the total of "Gunosy", "NewsPass", "au Service Today" and "LUCRA" (Service ended in February(C) Gunosy Inc. All Rights Reserved. 2023).

Cost Structure

Advertising expenses decreased QoQ as they were restrained in view of Gunosy's profitability. Other costs were tightly controlled and did not change significantly.



* "Revenue sharing" included in "Others" in FY2021/5 and earlier, but separated from "Others" from FY2022/5 Q1.
 "Live video production expenses" is included in "Others" from FY2022/5 Q1.

4

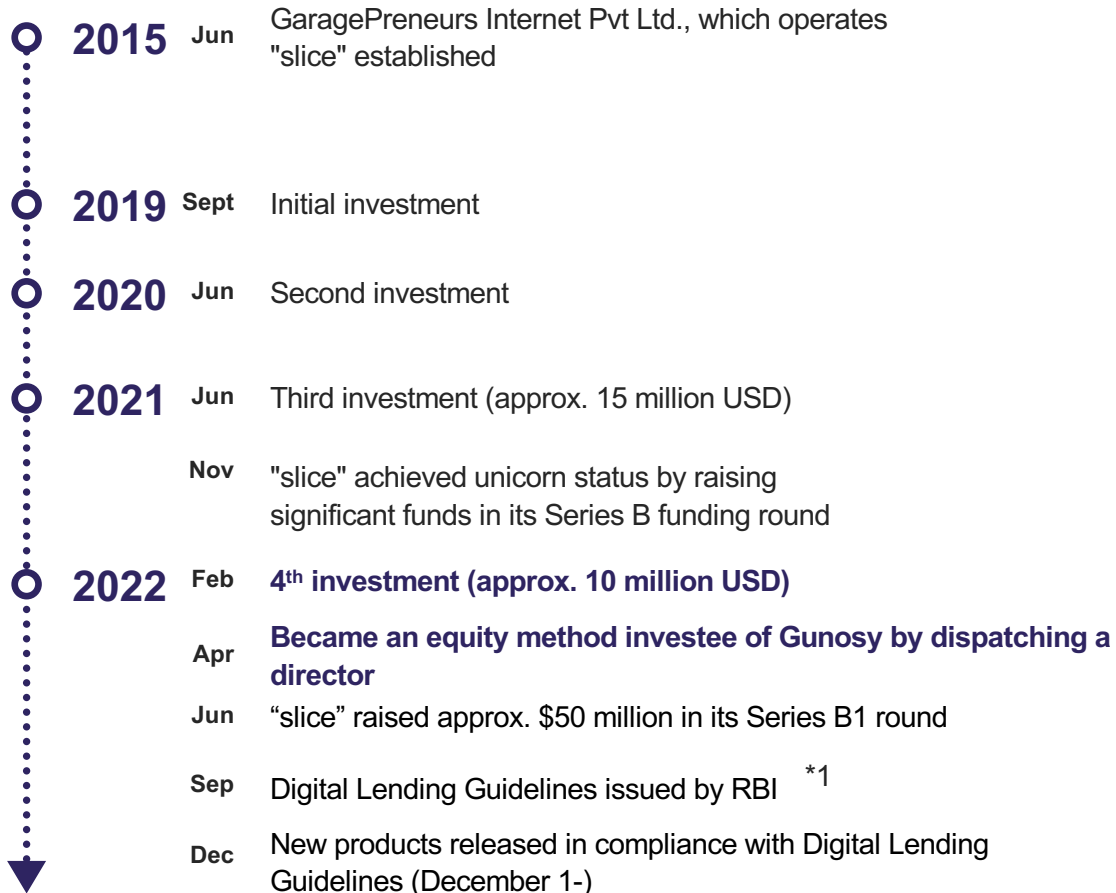
Business Overview by Division

**Investment
(slice)**

Media Business

Game8

Since 2019, we have invested a cumulative total of over 3 billion yen in slice. In April 2022, we dispatched a director, making it an equity-method affiliate.



Percentage of ownership by the Gunosy Group

approx. **17%**

Enterprise value exceeds **\$1.5 billion** in Series B1 round

Became our affiliate
Our CIO was dispatched as a director.



Director and Chief Investment Officer (CIO)

Yuki Maniwa

To strengthening the collaboration between the two companies, "slice" became an equity-method affiliate of the Gunosy Group.

*1: For more information on regulations governing personal credit, see:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/GUIDELINESDIGITALLENDINGD5C35A71D8124A0E92AEB940A7D25BB3.PDF>

Foundation

2015

Amount raised to date

Approx. **\$290 million**

(Cumulative amount)

主な株主



Gunosy

TIGER
GLOBALINSIGHT
PARTNERSMost recent financial statements
(P/L and B/S) (FY2023/3)

Sales

15.2 billion
yen

(YoY 296%)

Profit (loss)
before income
taxes-7.1 billion
yenTotal assets **33.9 billion yen**

Number of employees

Over 1,500

Founded in 2015, “slice” expanded its digital payments business by focusing on BNPL (Buy Now Pay Later), which was not widely used in India at the time. Since then, slice has grown dramatically and finally became a unicorn in December 2021.



CEO

Rajan Bajaj

Transforming the financial experience for billions of Indians

Before founding slice, Rajan launched Mesh, a furniture startup that allowed customers to rent items for a small monthly fee and buy them whenever they wished. Later, he joined the product team at Flipkart, the Indian e-commerce giant now owned by Walmart, where he helped launch the Marketplace, the company's fastest-growing major business at the time. Through these experiences, Rajan came to understand the importance of credit cards as a financial tool, which led him to found "slice" to help highly motivated young people like himself.

An alumnus of IIT Kharagpur, Rajan was named to the Forbes Asia 30 under 30 list for 2021 and the Forbes India 30 under 30 list for 2022. In his personal life, he is a basketball enthusiast and a passionate fan of the NBA's Los Angeles Lakers.

Founding phase

Started rental business of gaming consoles, cameras and bicycles, etc.

Pivot phase

Integrate buy-now-pay-later (BNPL) into existing rental services to give customers BNPL experience.

Expansion phase

Company's valuation exceeded \$1 billion and became a unicorn.

Current state

In December 2022, new product was released in compliance with RBI's Digital Lending Guidelines. In October 2023, RBI approval was obtained to merge with a local bank.

"slice" is India's leading fintech company providing payment services. It offers intuitive and easy digital payments and is highly supported by Millennials and Gen Z, the largest segment of the population. With more than 15 million users, slice is the market leader and growing its business.

slice

slice account

An interoperable account for all payment



Service overview

slice account

- Add money to your slice account and pay by card or UPI
- Get instant and valuable rewards on all transactions
- Pay bills, set up subscriptions and view details of your spending

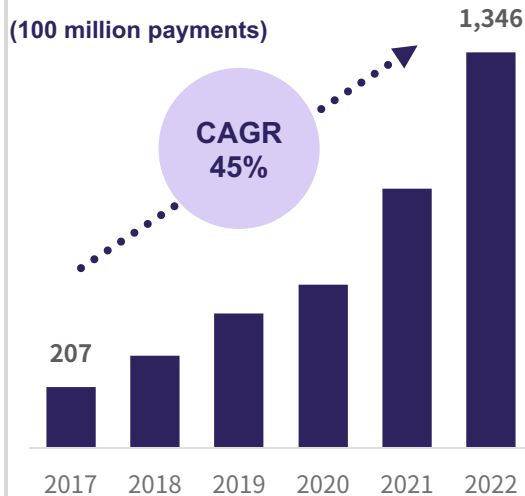
slice borrow

- Complete the application process online and the loan will be processed
- No interest if repaid within one month
- Borrow up to 1 million rupees (approximately 1.8 million yen), repayable in 36 months
- Flexible repayment options. Repay early, which can help you save interest

In India, **credit card penetration is low compared to other countries, leaving significant room for market growth.**

Digital payment transactions volume in India

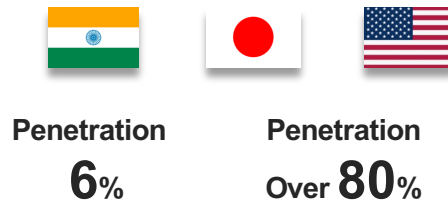
Number of digital payments **growing rapidly**



Source: The Press Information Bureau of India

Credit card penetration

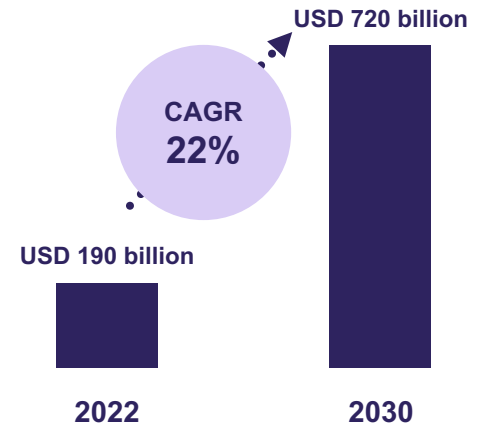
Credit card penetration is **only around 6% of the population**^{*1}



Source: Mynavi and GAO

Digital consumer lending

Total digital consumer lending **expected to triple by 2030**



Source: nc42

*1 : Total Population of India in 2022: Ministry of Foreign Affairs
 Number of credit cards issued: Statistical figures released by Reserve Bank of India in December
 Number of credit cards issued (81,186,874) / Total population of India (1,417.17 million)

"slice" boasts a strong brand image that is **highly supported by the Millennial Generation Z**, the volume segment of the population. Low default rate is achieved through **its unique credit expertise**.

1

Appeal to the younger generation, the volume segment of the population, with the **strength of its brand** through its unique and superior products.

2

Extend credit with low default rates to those who have been unable to obtain credit cards in the past **through its unique credit underwriting expertise**.

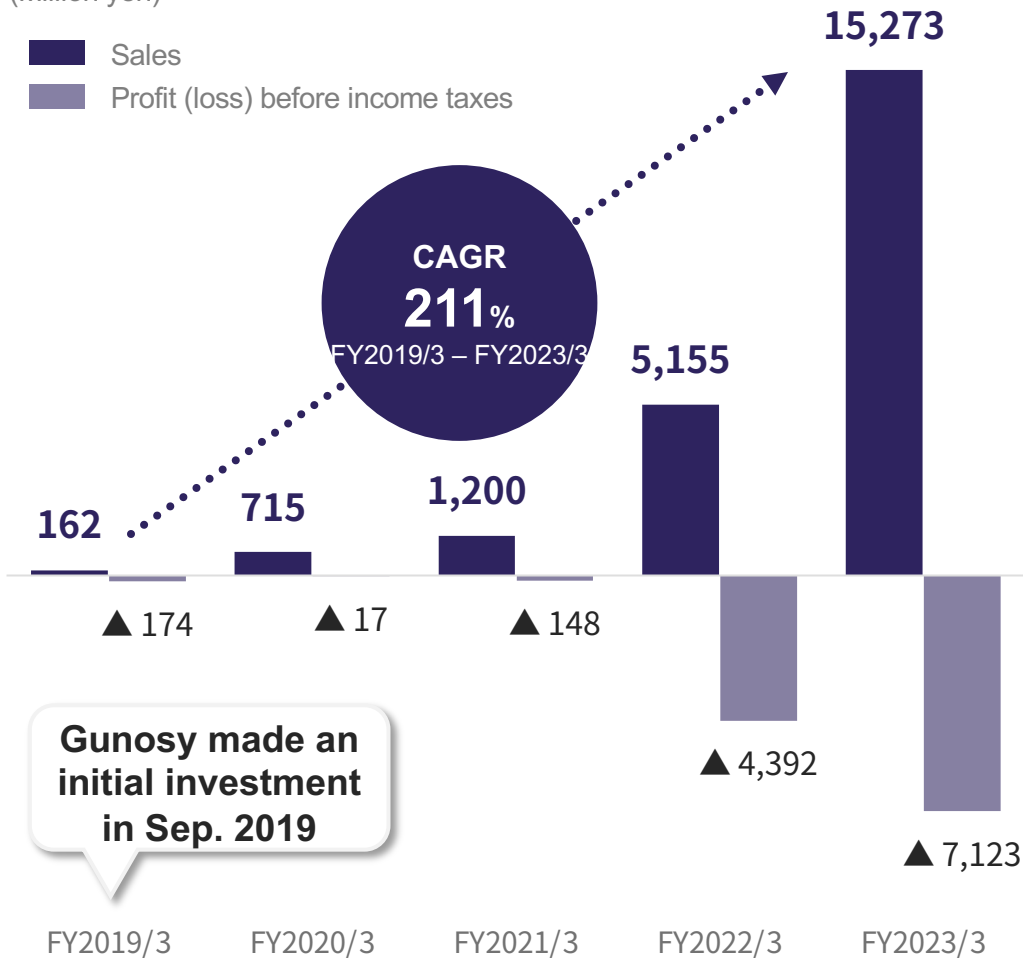
3

A **management team** that includes professionals who have held key positions at major global companies and are **capable of delivering high performance on both offense and defense**.

(Million yen)

■ Sales

■ Profit (loss) before income taxes



FY2023/3 highlights

Sales

15,273

Million yen

YoY

296%

Profit (loss) before income taxes

-7,123

Million yen

YoY

— %

CAGR (FY2019/3 – FY2023/3)

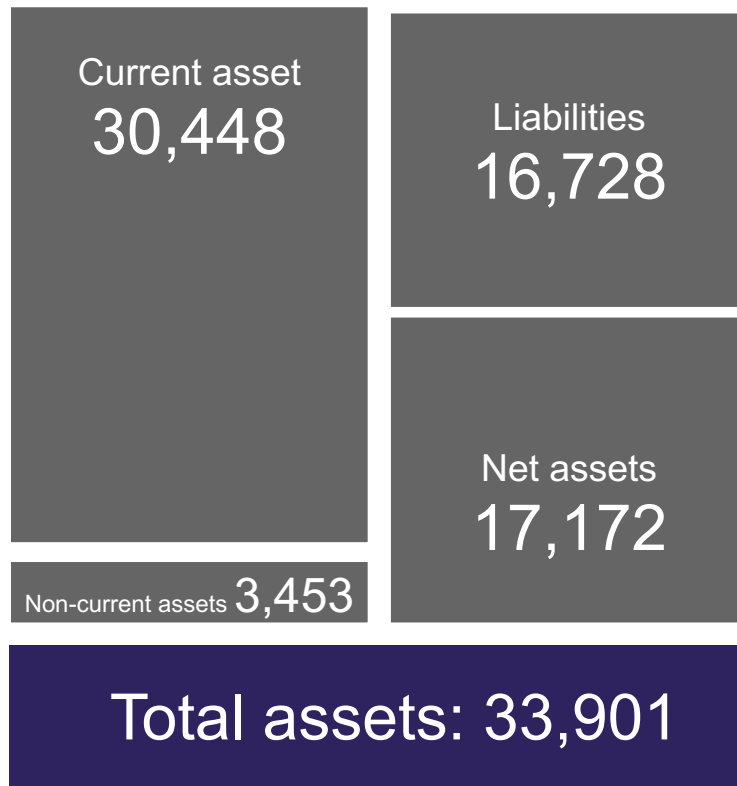
211%

For simplicity, exchange rates as of November 30, 2023 are applied across the board.

Source: <https://www.mca.gov.in/mcafoportal/getCertifiedCopies.do> <https://www.sliceit.com/corporate-governance/>

Total assets as of March 31, 2023 were 33.9 billion yen. The company is in sound financial condition, with an equity ratio of more than 50%.

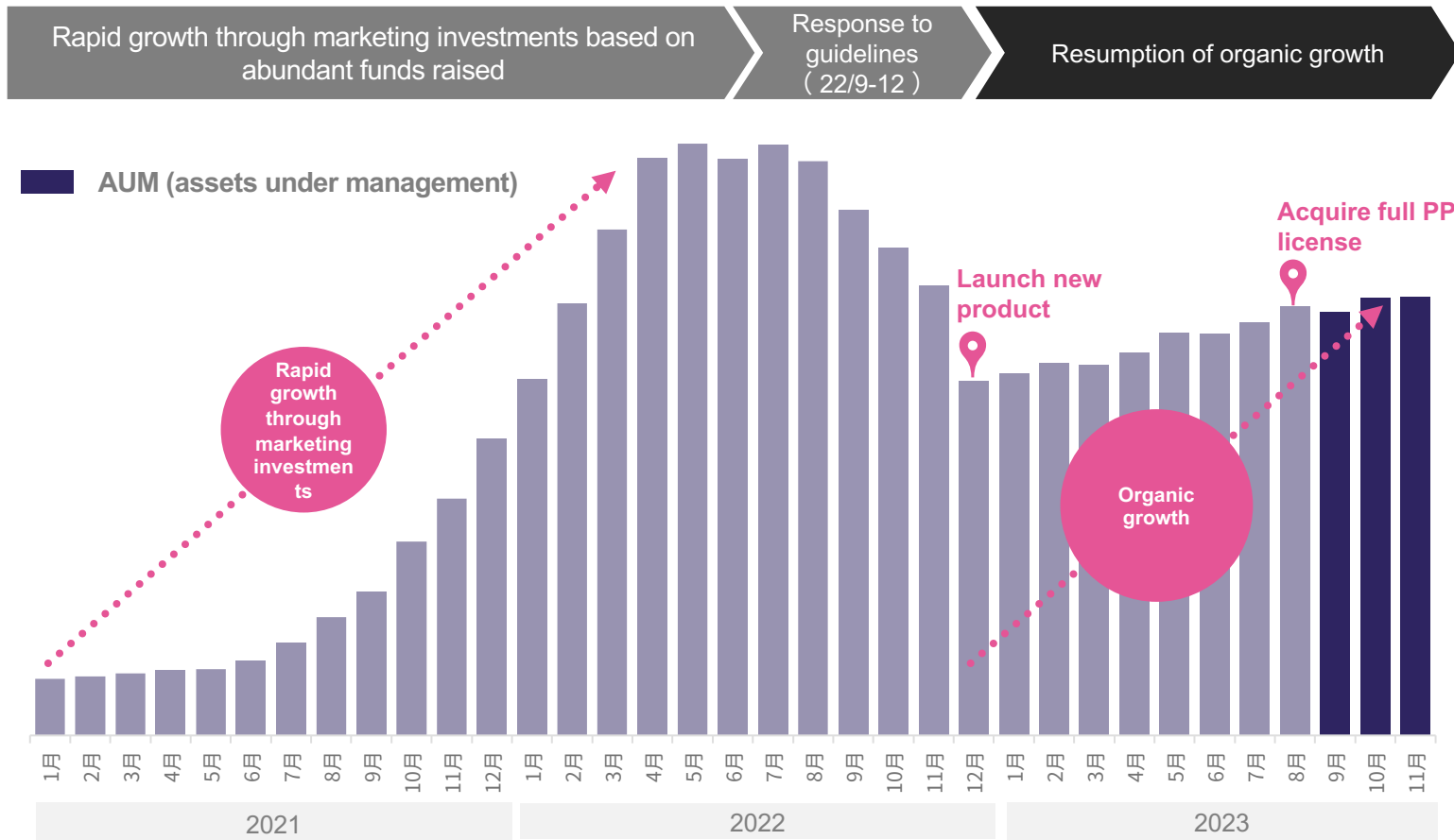
As of March 31, 2023
(Million yen)



Total assets: 33.9 billion yen
Equity ratio: Over 50%

For simplicity, exchange rates as of November 30, 2023 are applied across the board.
Source: <https://www.mca.gov.in/mcafoportal/getCertifiedCopies.do> <https://www.sliceit.com/corporate-governance/>

The customer base was significantly expanded through marketing investments until the first half of 2022. Since the launch of a product compliant with the Digital Lending Guidelines in December 2023, organic growth has continued while keeping burn rates under strict control.



We aim to achieve significant growth by providing customers with a comprehensive digital financial experience through the merger with NESFB, while continuing to steadily increase AUM through organic growth.

Continue organic growth

1

Aim to achieve operating profitability on a monthly basis

The merger with NESFB allows us to operate "slice" under a banking license

2

We are ready to expand our financial products under the banking license

This merger is an extremely important step in **increasing slice's growth potential**. Gunosy will continue to support slice as a corporate shareholder after the merger.

NESFB

Small finance bank operating primarily in northeastern India

| | |
|----------------|--|
| Company name | North East Small Finance Bank Ltd. |
| Head office | 1st & 3rd Floor, Fortune Central , Basisthapur, Bye lane 3, Beltola Guwahati, Assam 781028,India |
| Representative | Rupali Kalita (Managing Director & CEO) |
| Business | Banking service |
| Capital | 3,468 million Indian rupees (as of June 26, 2023) |

- Founded in July 2016, with revenues of INR 3,352 million and total assets of INR 27,104 million in FY2023/3.
- Small Finance Banks are a specific type of financial institution created by the RBI in 2014 with the objective of providing financial services to small businesses and others in the underserved and unbanked areas of India in an inclusive manner.



Comment

Director and Chief Investment Officer (CIO)

Yuki Maniwa

The digitization of the business will enable the delivery of a high level of "user experience" services to users across India. It will also enable advanced risk management using data science technology. As a result, we expect to be able to leverage the strengths of both companies **to create an unparalleled position in India**.

Overview of the merger

Merger will deliver a more comprehensive digital financial experience

1. Prior to this RBI approval, we had acquired a 10% stake in NESFB to strengthen our relationship.
2. RBI approval acquired for the merger.
3. The merger will become effective only after obtaining the approval of the National Company Law Tribunal (NCLT) and the shareholders as required under the Indian Companies Act. Upon completion of these processes, the merger will be consummated.
4. The merger will enable "slice" to operate under a banking license, which is expected to significantly enhance its growth potential in the medium to long term. **(e.g. issuance of credit cards under its own brand, management of deposit accounts, etc. will become possible).**
5. Gunosy will also acquire shares in the post-merger company. Dilution of shares as a result of the merger is expected to be limited.

Changes were made to ensure that the product experience was compliant with the Reserve Bank of India's (RBI) Digital Lending Guidelines, and the new product was released on time. The transition to the went smoothly with no major issues.

September 2, 2022

Digital Lending Guidelines issued



November 30, 2022

Deadline for updates to adhere to the Guidelines



**From December 1,
2022**

New product experience launched that complies with the Digital Lending Guidelines

4

Business Overview by Division

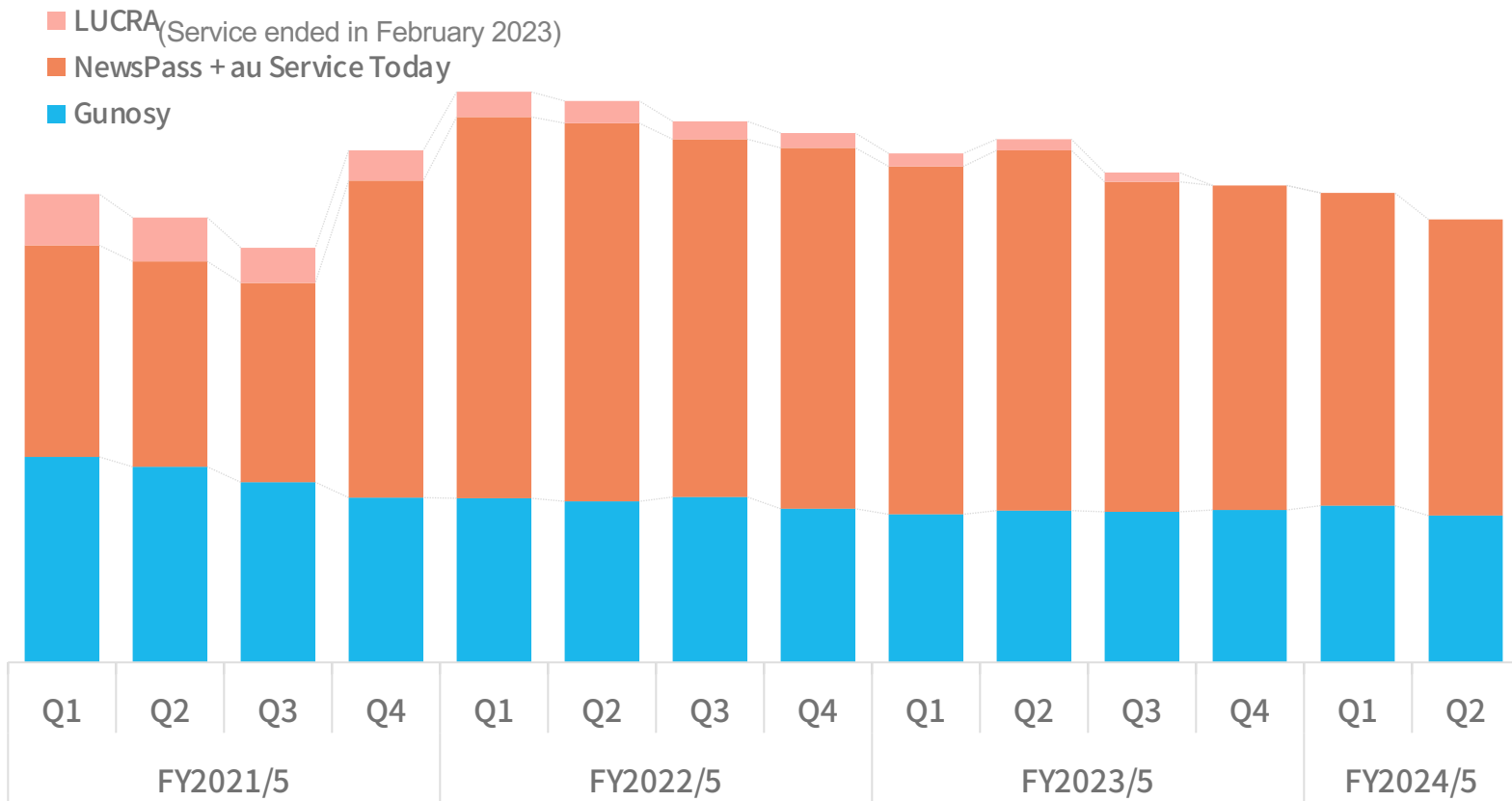
Investment
(slice)

Media Business

Game8

Total Number of Active Users* (MAUs)

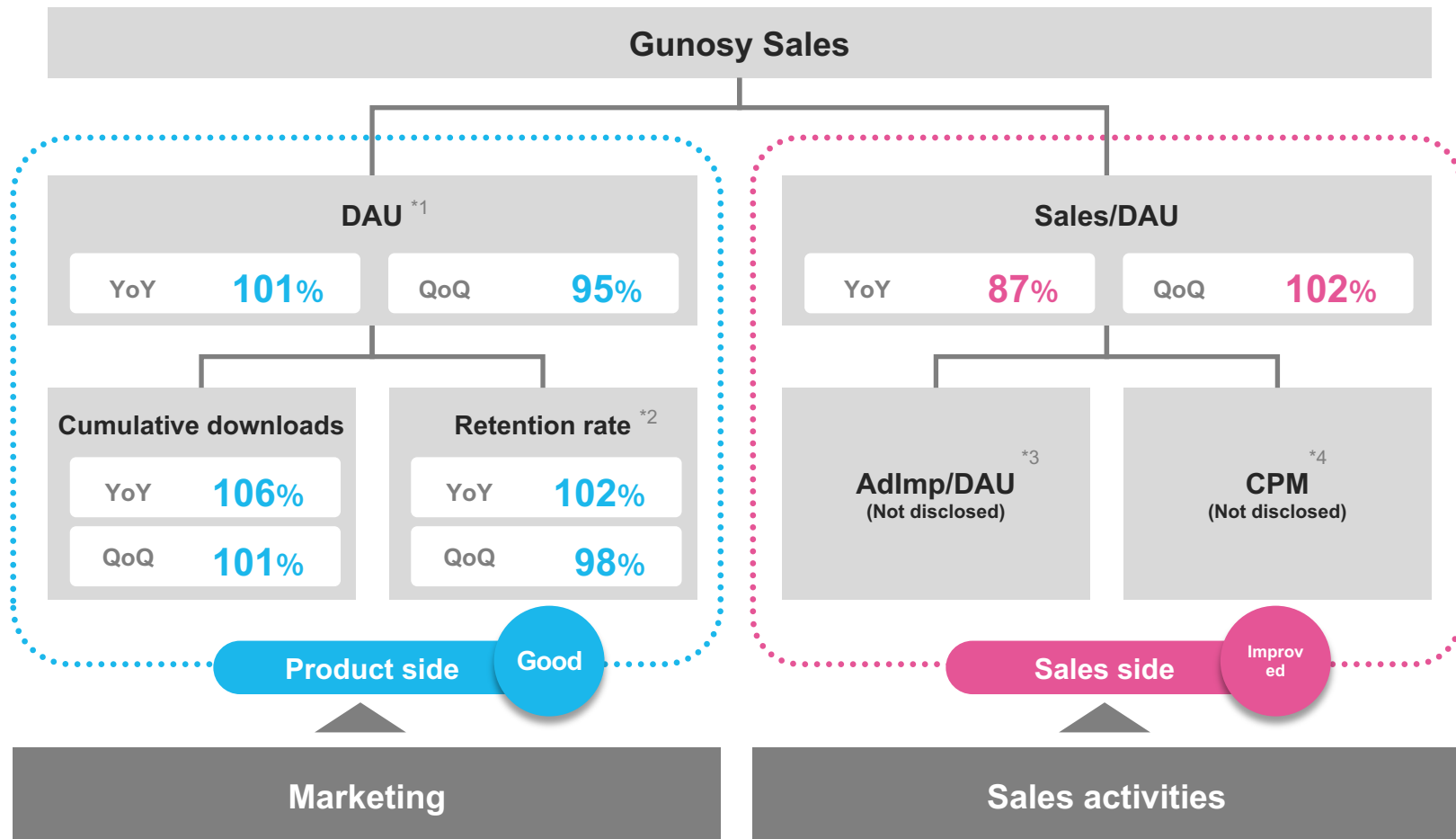
In Q2, MAUs declined QoQ due to a lack of high-impact news stories that attracted broad user interest, as well as restrained advertising investment in the Gunosy app.



*Average for each quarter of MAUs (monthly active users) of "Gunosy", "NewsPass", "au Service Today" and "LUCRA".

Sales per DAU increased QoQ as DAU started to recover from mid-October 2023 due to successful algorithm improvements.

DAU increased YoY as retention rate remained high, but declined slightly QoQ due to reduction in advertising expenses.



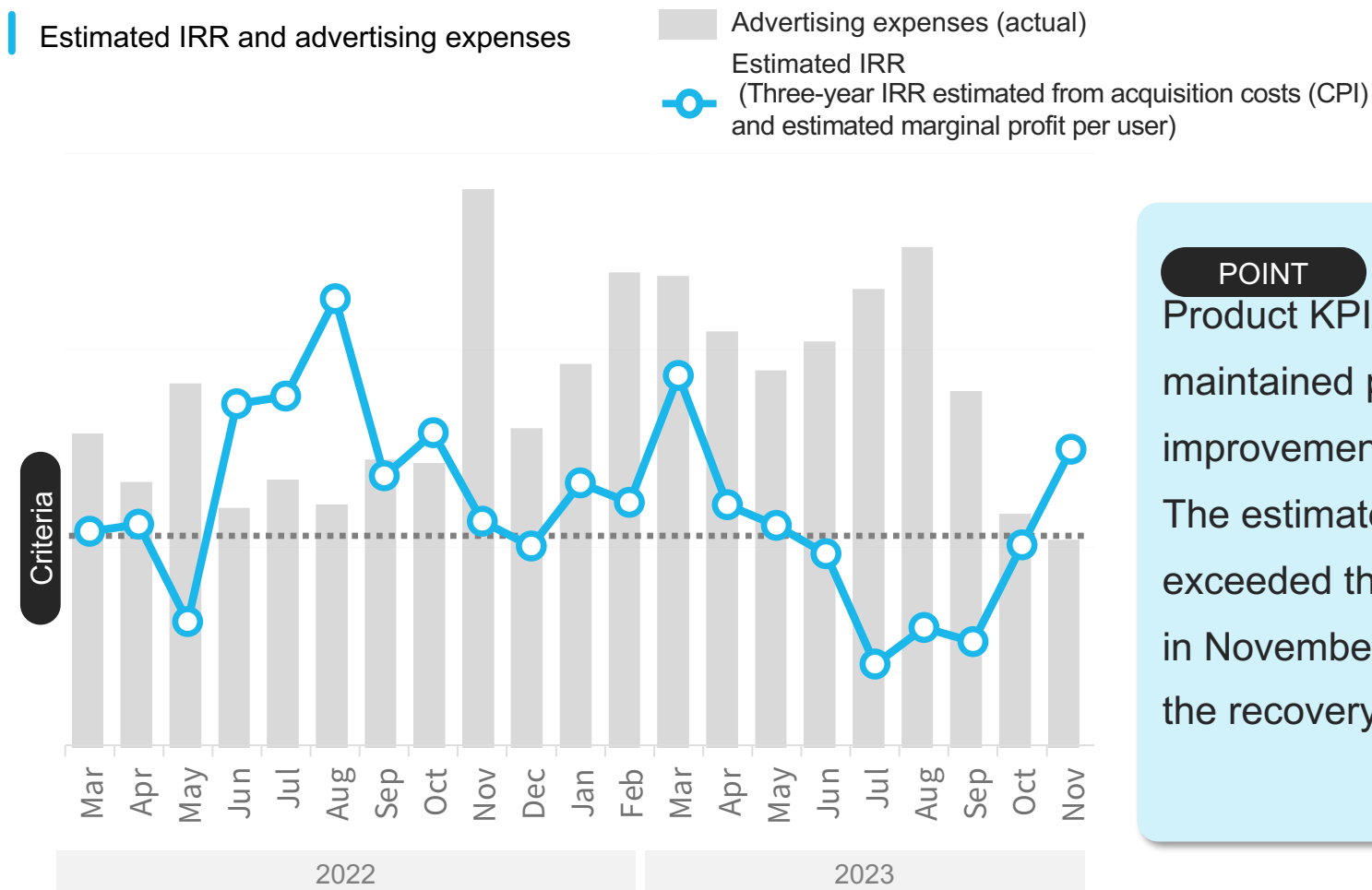
*1: Daily Active Users

*2: The app retention rate refers to the percentage of new users who activate the app after a certain period of time.

*3: Number of ads served per daily active user

*4: Cost Per Mille

While product KPIs remained stable, estimated IRR remained below criteria through September due to lower profitability. Profitability began to improve in October due to reduced advertising investment and algorithm improvements, and **exceeded IRR criteria in November**.



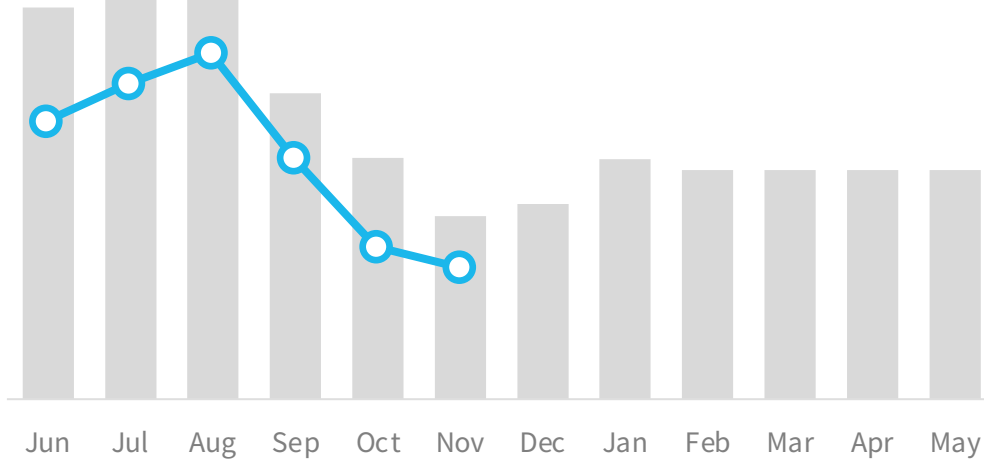
POINT

Product KPIs maintained post-improvement levels. The estimated IRR exceeded the criteria in November due to the recovery of S/D.

Profitability has improved steadily since mid-October and the IRR on advertising investment has improved. **We intend to keep our advertising investments within the IRR criteria from Q3 onwards and at the same level as in October.**

Advertising expenses

■ Plan
● Results



From FY2025 onwards

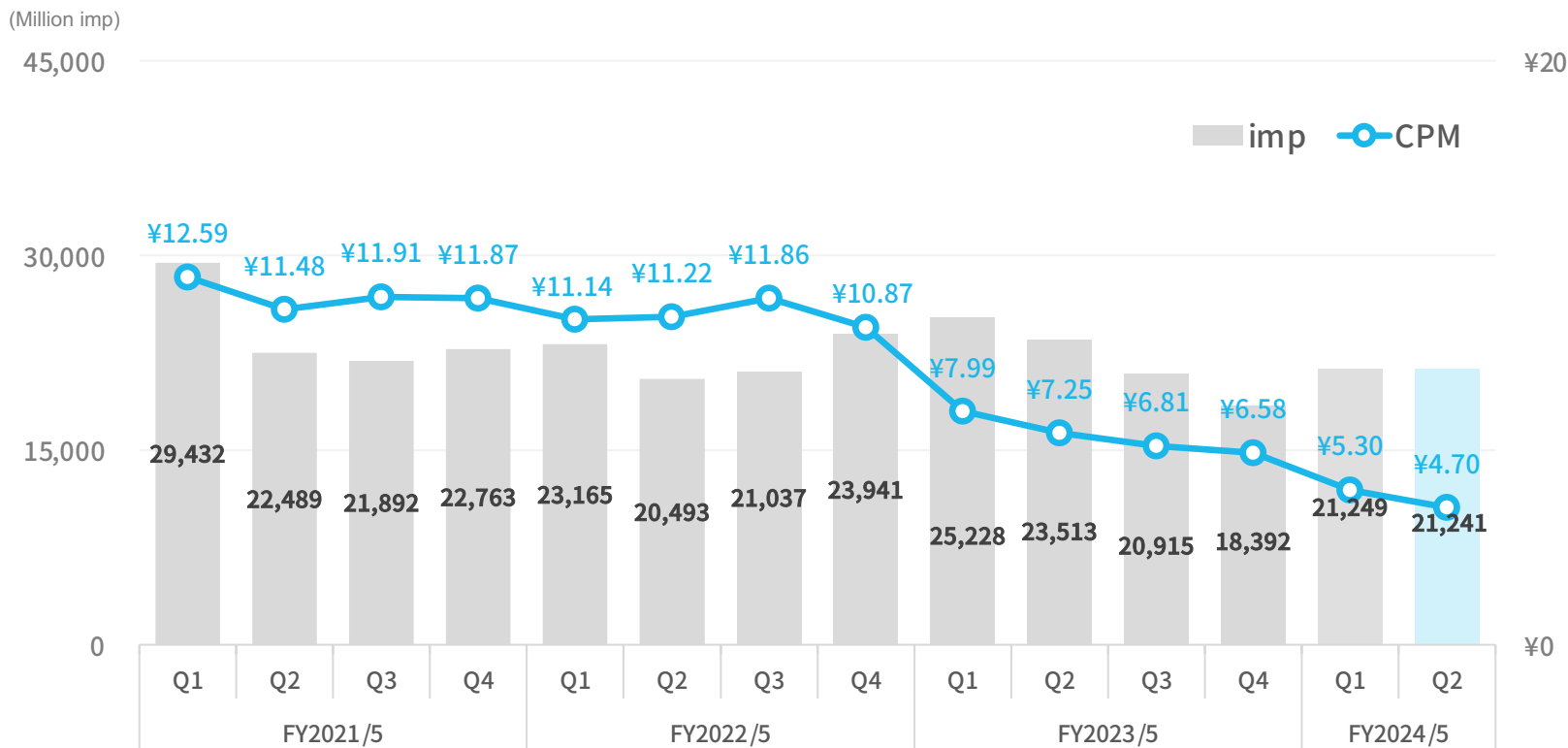
The investment amount is determined based on the assumption that operating profit will be achieved on a consolidated and non-consolidated basis.
(To be determined based on a comprehensive consideration of profitability, profit/loss status and IRR)

| | FY2023 | FY2024 Q1 | FY2024 Q2 | FY2024 Q3 and beyond |
|-----------------|--------|--|---|--|
| Status of media | | <p>Policy</p> <p>Advertising investments were made as product KPIs and acquisition efficiency remained positive, in addition to the expected future improvement in profitability.</p> | <p>Policy</p> <p>Raise IRR criteria and curb investments</p> | <p>IRR improved due to improved profitability. Taking profit and loss into account, we invest within the IRR criteria.</p> |
| Measures | | | | |



Impressions remained unchanged QoQ, while cost per mille (CPM) remained weak.

Number of Impressions and CPM



* CPM (cost per mille): Price per 1,000 impressions of advertisement

4

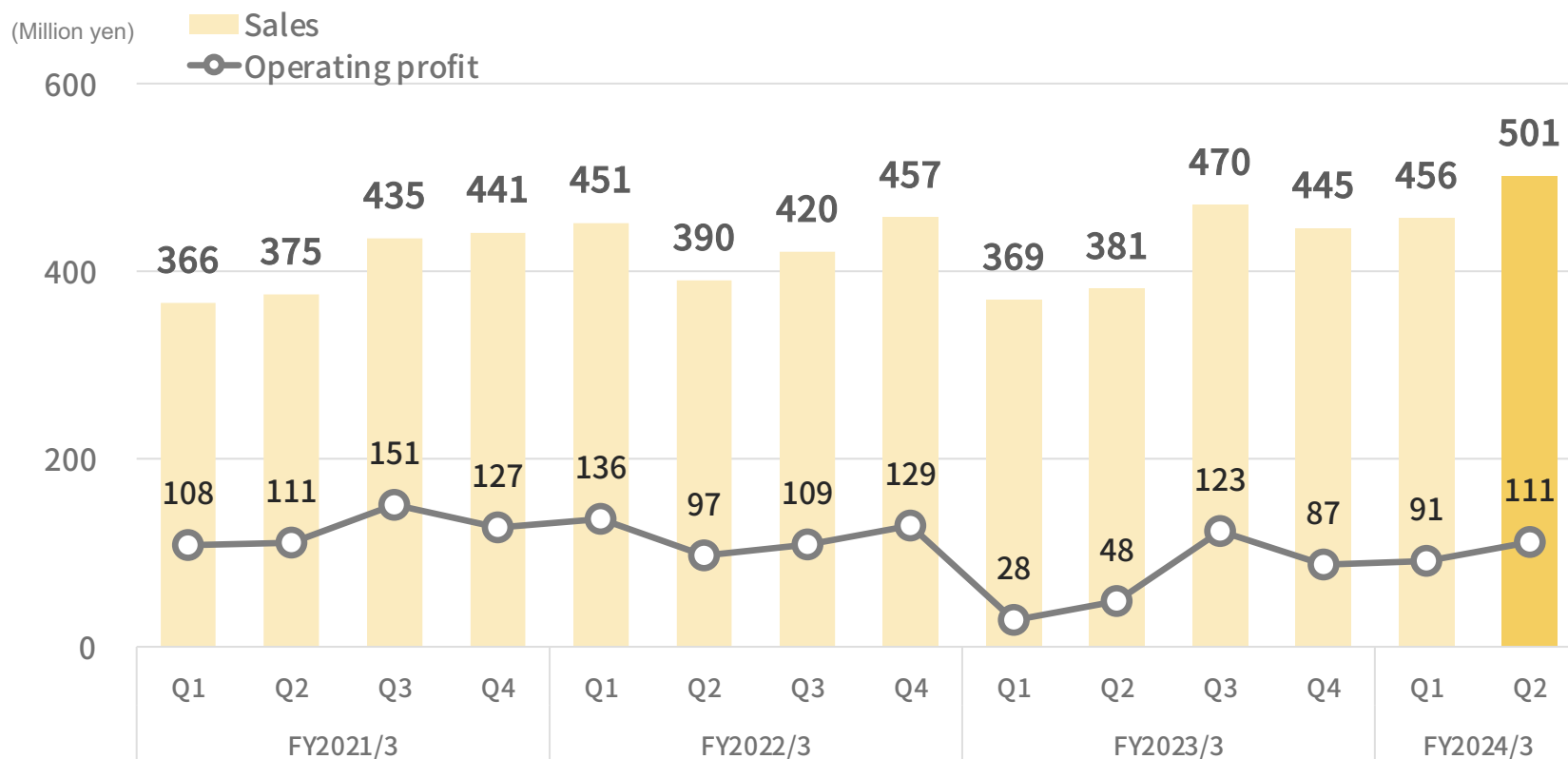
Business Overview by Division

Investment
(slice)

Media Business

Game8

Sales in the domestic media solutions business remained strong as in the first quarter, and profitability in the overseas media business also improved. **As a result, Game8 posted record sales.**

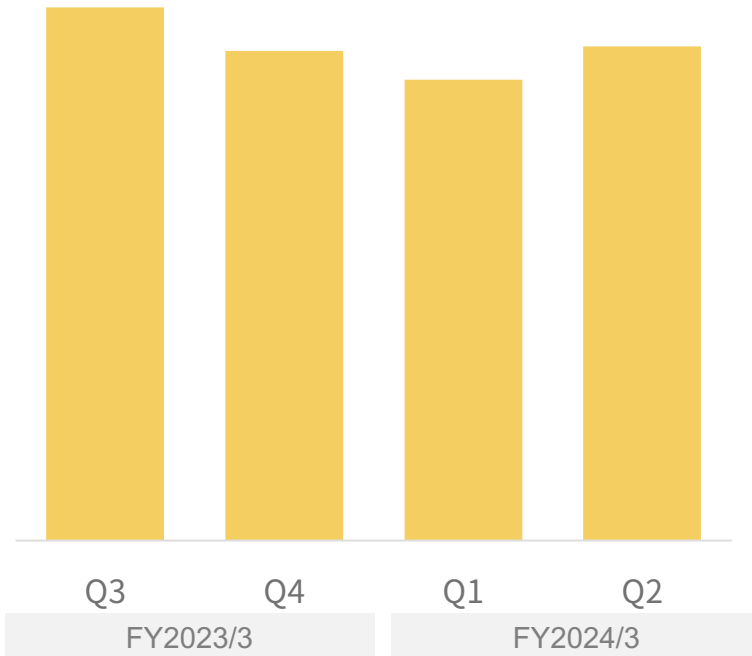


* Nonconsolidated results (before consolidated adjustment). Results of Smarprise, our subsidiary is not included.
 FY2024 Q1 results are for the period from April to June 2023 due to a gap with the parent company's consolidated accounting period.

Both PVs and RPMs, key KPIs, remained strong.

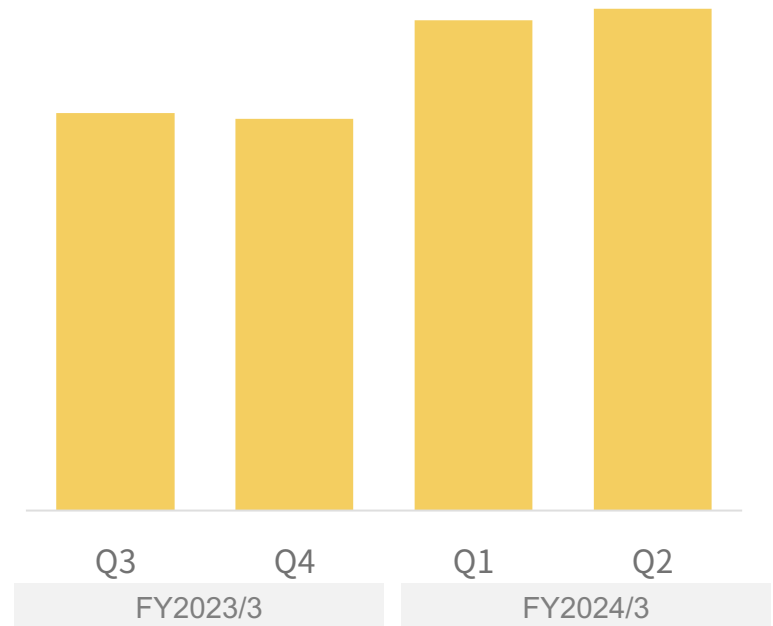
PVs

Although there was some volatility depending on game title sales, page views remained strong.



RPM

RPM remained strong, partly due to improved profitability in overseas media business.



5

Other Topics



As previously announced, "Udekiki" was officially released in November 2023. In addition to using GunosyAI to enhance the product, we will continue to improve the product based on customer feedback and aim to achieve PMF.

The screenshot displays the Udekiki web interface. On the left, a blue sidebar features the Udekiki logo (an orange octopus) and the text "業務支援特化・生成AIサービス" (Business Support Specialized · Generative AI Service) and "Powered by ChatGPT API". The main content area is titled "ウデキキ" and includes a "目的のスキルをお選びください" (Please select your target skill) section. Below this, there are six skill cards, each with an icon and a brief description:

- 汎用型生成AI** (General-purpose generative AI): 通常のChatGPT同様、フリーテキストで一般的な質問や情報を見つける手助けをします。 (Like standard ChatGPT, it helps find general questions and information with free text.)
- アイデアブレスト** (Idea brainstorming): 様々な視点を持った課題について、AIペルソナを複数招待し、プレストやインタビュー、壁打ちを行います。 (For various topics with different perspectives, we invite multiple AI personas for brainstorming, interviews, and wall-of-ideas.)
- エクセルの作成サポート** (Excel creation support): 目的に応じてエクセルやスプレッドシートやマクロを提案したり、数値を入力します。 (We propose spreadsheets or macros based on your purpose and input numerical data.)
- 文章校正** (Text correction): 誤字脱字の修正や、文体統一などの校正を行います。より伝わりやすい文章を提案します。 (We correct typos and unify the style. We propose more understandable text.)
- ビジネスメールの作成** (Business email creation): 要件に基づき、送信相手との関係性に合わせた文脈で、ビジネスメールを作成します。 (Based on requirements, we create business emails with context appropriate to the relationship with the recipient.)
- 目標設定** (Goal setting): あなたの業務や役割をもとに作成するサポートを行います。 (We provide support to create goals based on your business and role.)

At the bottom of the interface, there is a dark blue banner with the text "Use AI as your powerful assistant!".

Topics in Q2

- Over 20 new skills introduced to support business operations
- Dedicated development team established to provide services using generative AI
- An internal text-based response feature will be released

"**MOOD PAIRING BATH awai**", a bath additive, was released for users who want to enjoy a "mood pairing experience" in various scenes. In addition, our mood pairing tea "**LOVE YOUR BODY**" was **certified as a maternity food**.

"MOOD PAIRING BATH awai" (bath additive) released



MOOD PAIRING BATH awai

Powdery bath additive with fluffy fine bubbles

Wellness initiatives



What is the Maternity Food Certification Mark?



It is a mark indicating that the food or menu is recommended for people in the maternity period (expectant mothers, pregnant women, and nursing mothers).

The Maternity Food Mark is granted by the Japan Maternity Food Association based on the Dietary Reference Intakes for the Pregnancy Period developed by the Japanese Ministry of Health, Labor and Welfare and the standards established under the supervision of registered dietitians.



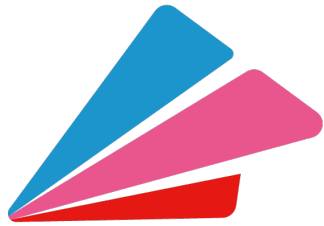
LOVE YOUR BODY

A light, caffeine-free blend of rose hip and rooibos teas

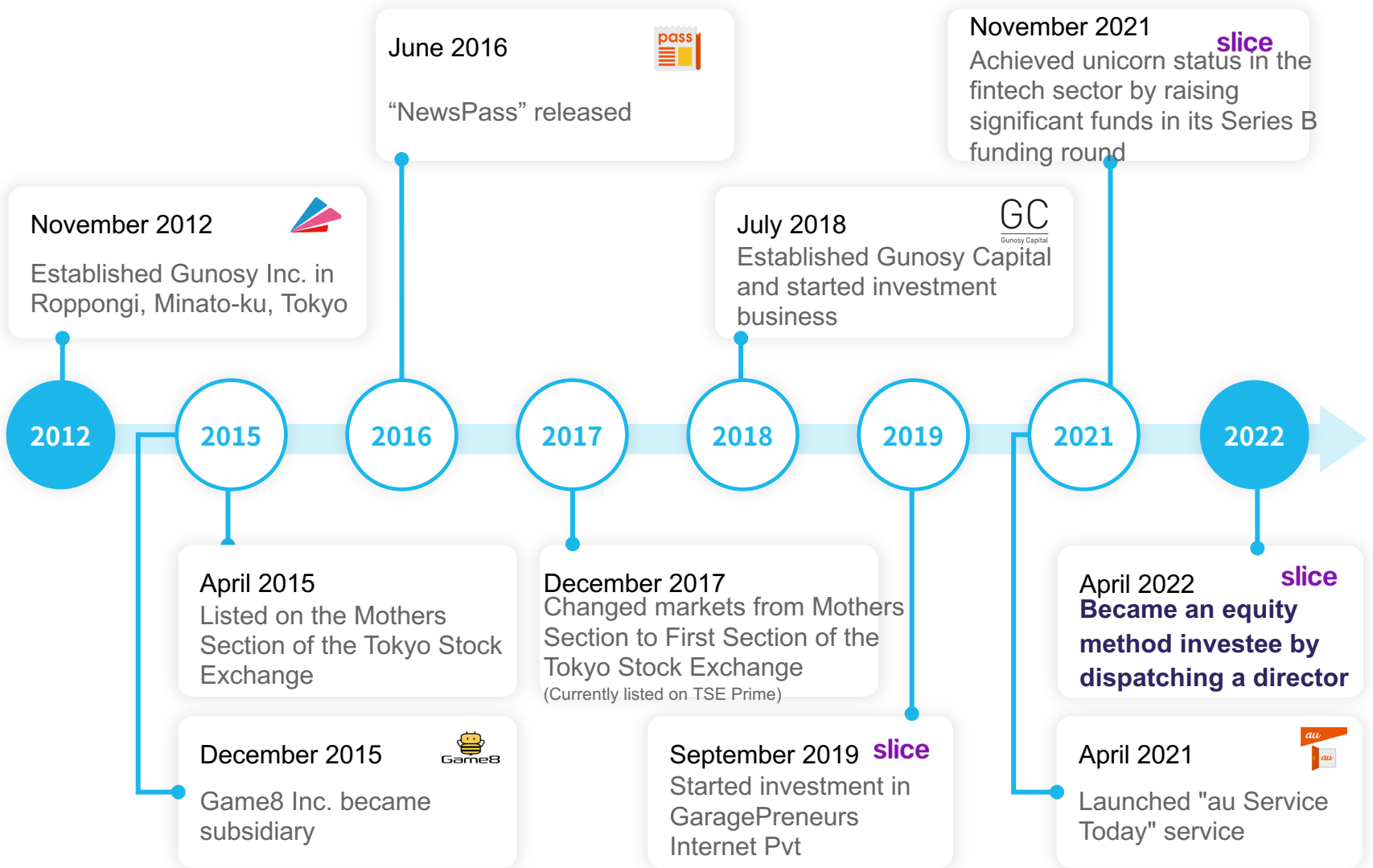
6

Reference Materials



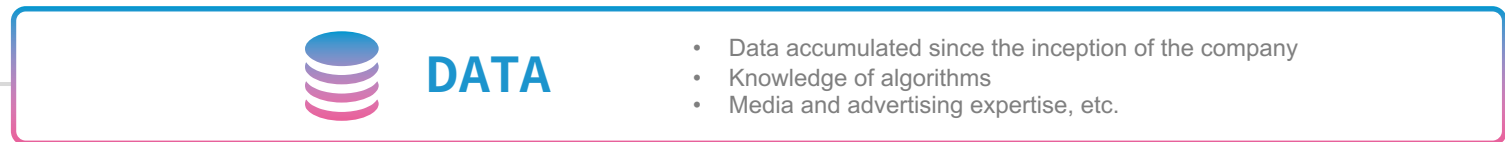
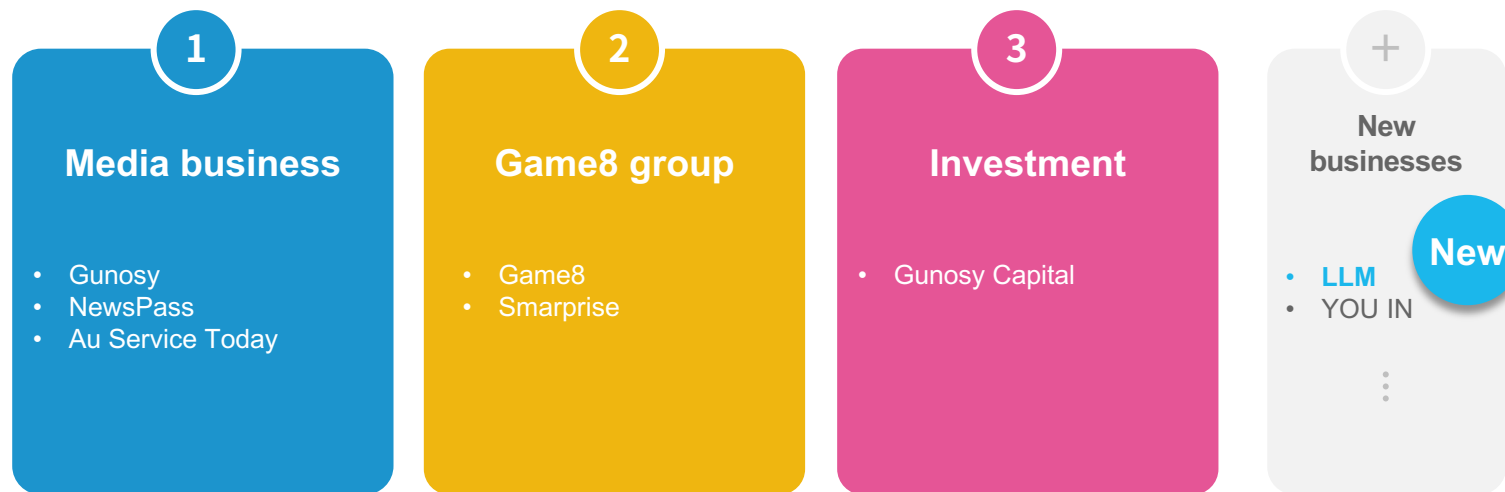


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**Optimally deliver
information to people
around the world**



Gunosy

Medium- to long-term growth driven by three businesses



Increase corporate value through growth of existing businesses and development of new businesses

Aim for group-wide growth with a **market capitalization of 100 billion yen** as a medium- to long-term target



Basic Information

| | |
|----------------------|---|
| Company name: | Gunosy Inc. |
| Representative: | Shinji Kimura Yuya Taketani |
| Established: | November 14, 2012 |
| Fiscal year end: | May |
| Capital: | 4,099 million yen (as of the end of November 2023) |
| Stock Code: | 6047 (TSE Prime) |
| Audit corporation: | Ernst & Young ShinNihon LLC |
| Number of employees: | 244 (as of the end of November 2023, on a consolidated basis) |
| Head office: | 2-24-12 Shibuya, Shibuya-ku, Tokyo |
| Business: | Development and operation of information curation service and other media |

Officers: Representative Director and Chairman,
Group Chief Executive Officer (CEO),
Shinji Kimura

Representative Director and President,
Kentaro Nishio

Director and Chief Investment Officer (CIO),
Yuki Maniwa

Director, Yuya Taketani

Director, Masaaki Nose

Director (Outside), Suguru Tomizuka

Director (Outside), Junichi Shiroshita

Director (Outside), Hirokazu Mashita

Director (Outside), Lei-Isabelle Nakao

Corporate Auditor, Masakazu Ishibashi

Corporate Auditor (Outside), Kenji Shimizu

Corporate Auditor (Outside), Kengo Wada

From “Gunosy Way” to “Gunosy Pride”

The concept of "Gunosy Way", which had been defined as a milestone for Gunosy to follow, was **redesigned as "Gunosy Pride"**, which inherits the original thoughts and concepts.

Gunosy

1 “Triple win” philosophy

Benefit the customer, the user, and the world. Benefit yourself, others, and your fellow employees. We will continue to create a cycle of goodness not only outside the company and society, but within our company as well.

2 Creating opportunities with science

We will use data and technology to accelerate innovation with facts. We will also use science to solve social issues.

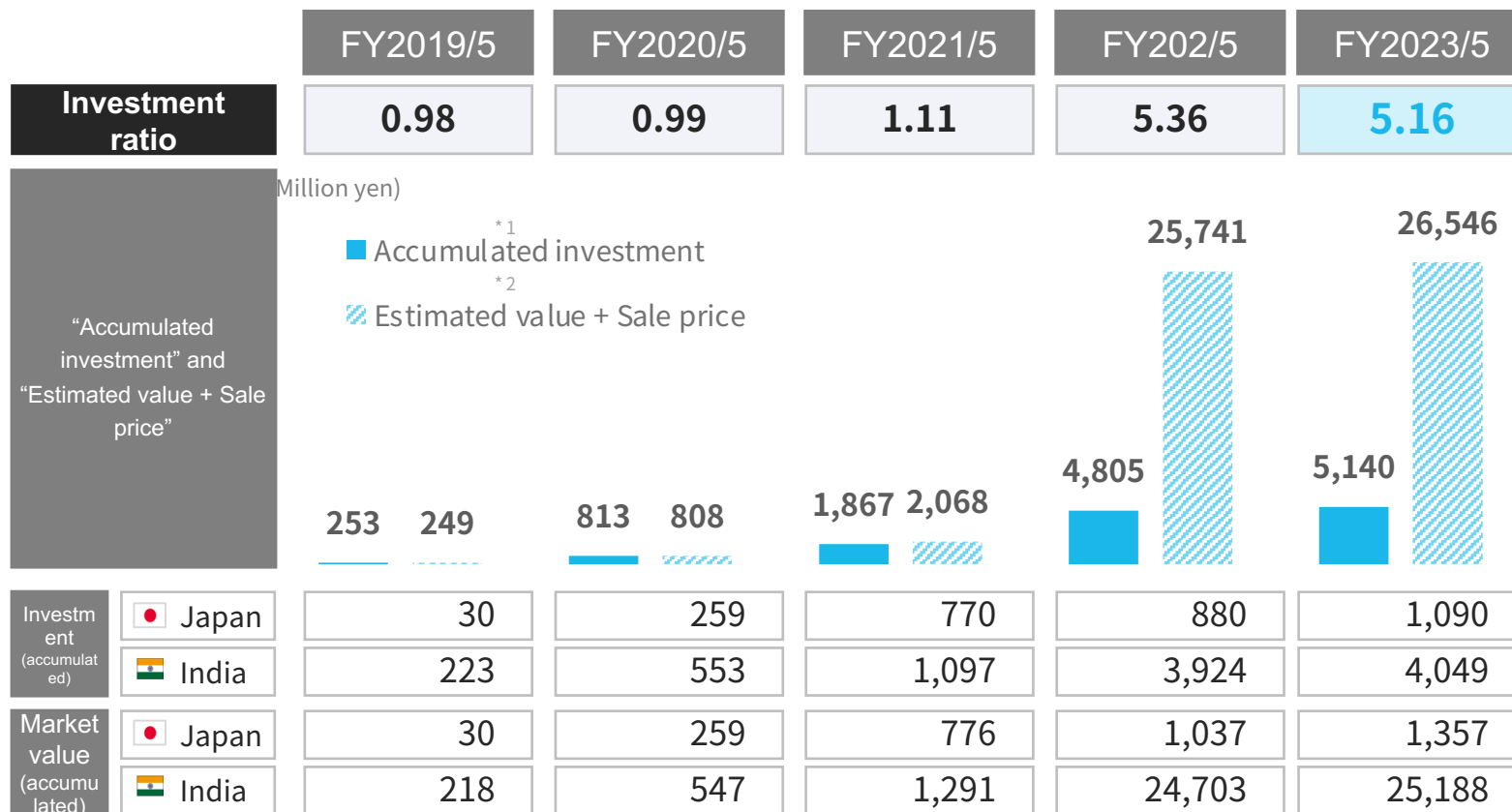
3 Centennial quality

We do not stop working until we feel that this is the best we can do, rather than thinking that this is good enough. We will face the work in front of us with sincerity and honesty, seeking quality that will endure for a hundred years.

4 Respond to adversity in a positive way

There are as many adversities as there are challenges. However, we believe that it is the adversity that brings us the opportunity for growth. We will not run away from the obstacles in front of us, but rather we will aggressively pursue our business in adversity.

Status of the Estimated Value of the Investment Portfolio (Disclosed on July 14, 2023)



*1. Accumulated investment: Calculated in yen at the exchange rate at the time of investment. Includes investments in issues already sold.

*2. Estimated value: Value that we estimated as the price at which shares, etc. would be transferred in an arm's-length transaction, based on the following method. Note that such estimated value is generally not based on the results of a valuation report by an external third party or an audit by an accounting auditor, but is calculated by us at our own discretion.

- (1) Issues that raised funds in a recent funding round: The estimated valuation is the valuation at the time of the relevant round, with a 20.7% illiquidity discount applied.
- (2) Issues for which an external third-party valuation was previously obtained: The estimated valuation is based on such valuation.
- (3) Other issues: Valued at book value at the time of investment. For those acquired in foreign currency, the value is converted at the most recent exchange rate.