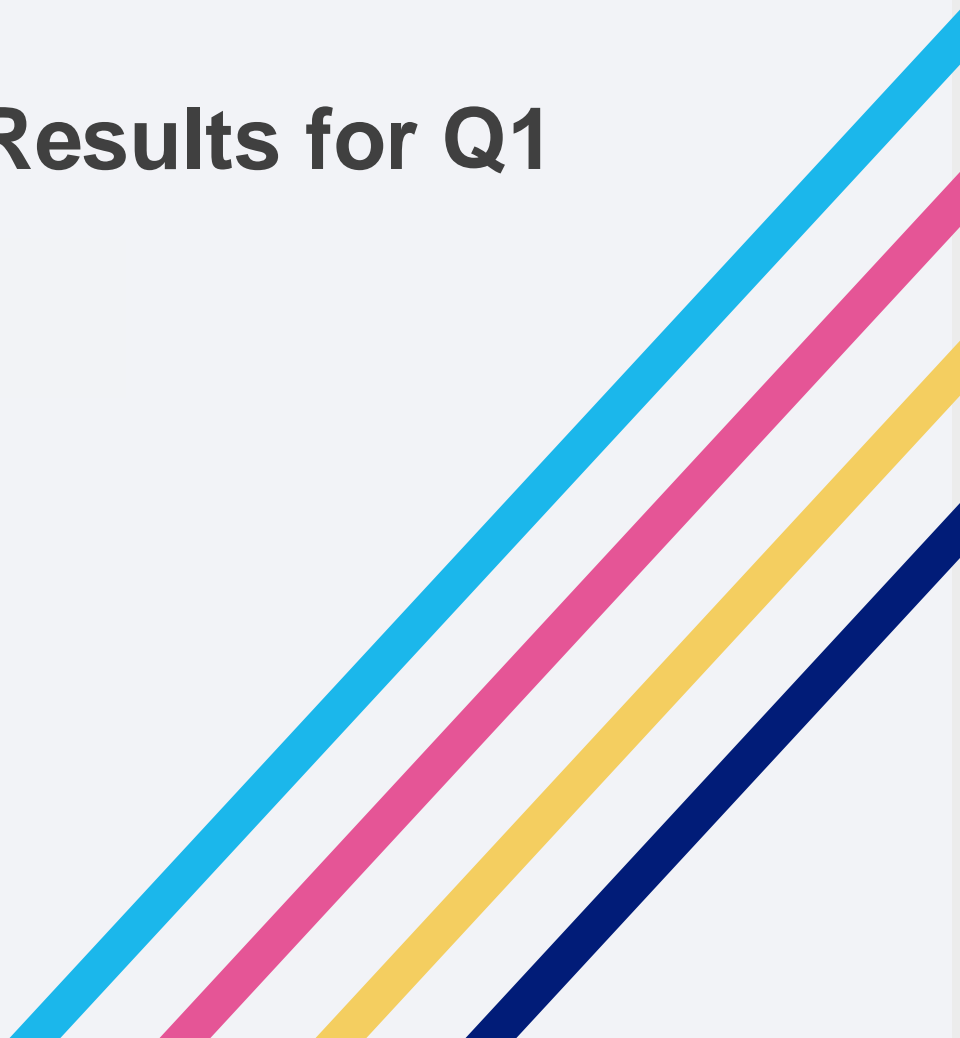


Gunosy

FY2025/5 Financial Results for Q1

Gunosy Inc.
TSE Prime (6047)



INDEX

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| 5. | Reference Material: Company Profile | P 29 |
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1

Executive Summary



FY2025/5 Q1

| | | | | |
|-----------|-------------------|--|-----|--------------|
| Net sales | 1,573 million yen | Progress against FY2025/5 forecast 25.0% | YoY | 83.7% |
| | | | QoQ | 92.8% |

| | | | | |
|------------------|-----------------|--|-----|--------------|
| Operating profit | 170 million yen | Progress against FY2025/5 forecast 37.9% | YoY | - |
| | | | QoQ | 93.0% |

By company

| | Gunosy | Game8 | Others |
|------------------|-----------------|-----------------|------------------|
| Net sales | 987 million yen | 586 million yen | 0 million yen |
| Operating profit | 36 million yen | 152 million yen | - 19 million yen |

Summary

With Gunosy's operating profit turning positive and the continued strong performance of the Game8 business, **consolidated operating profit progressed steadily, reaching 37.9% of the full-year forecast.**

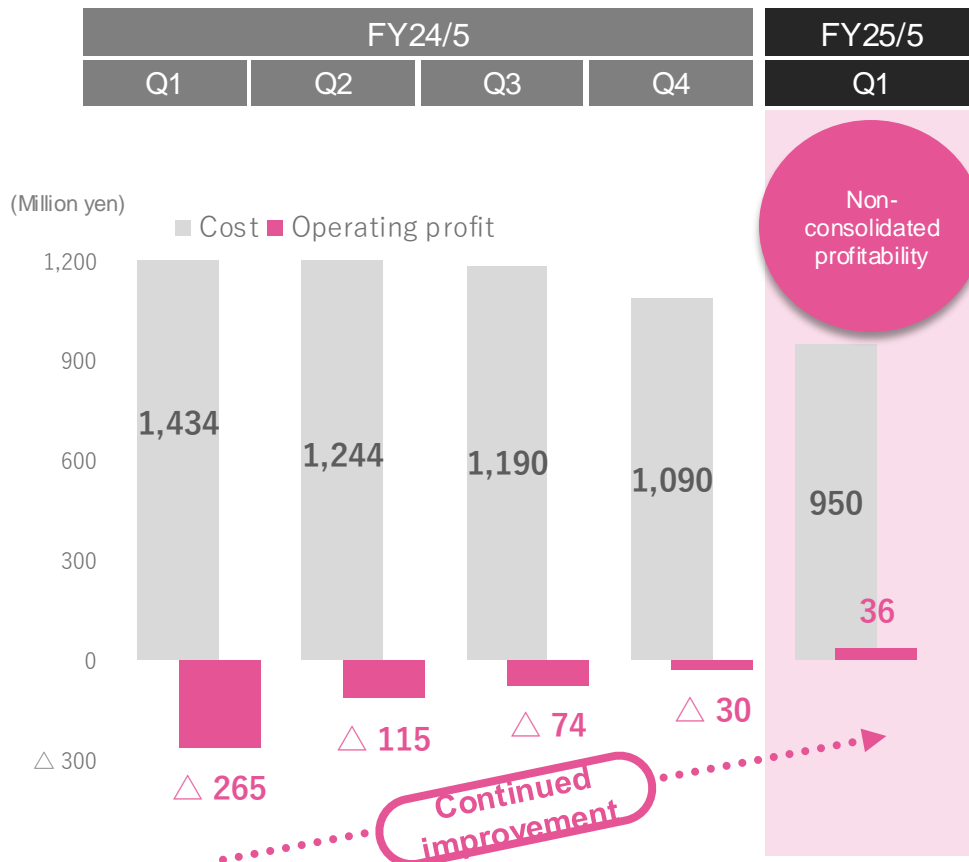
Game8's new **Store and Commerce (SC) business** is progressing smoothly following the signing of a basic agreement for **collaboration with Sony Payment Services.**

Regarding the progress of the merger between our investment "slice" and NESFB, with the approval obtained from the National Company Law Tribunal (NCLT), **the final administrative procedures are currently in progress.**

Gunosy Achieves Non-consolidated Operating Profit

Through portfolio restructuring and continuous improvement of operational costs, Gunosy achieved **operating profit on a non-consolidated basis in Q1**.

Business Cost Improvements



Gunosy achieved non-consolidated operating profit

- Improvement of business costs
- Restructuring of business portfolio

Restructuring of business portfolio

ADNW

YOU IN

End date: June 2024

End date: April 2024

Cost reduction: approx. 54 million yen / quarter

Performance remains strong, with **sales up 128.5% YoY** and **operating profit up 166.9% YoY**. The Store and Commerce (SC) business is progressing well after **signing a basic agreement for collaboration with Sony Payment Services**.

FY2025/3 Q1

(Million yen)

Sales

586

YoY: 128.5%

Operating profit

152

YoY: 166.9%

Both sales and operating profit continue to remain at high levels.

FY2024/3 (full year)

(Million yen)

2,164

YoY: 129.9%

622

YoY: 216.5%

Signed a basic agreement for collaboration with Sony Payment Services.

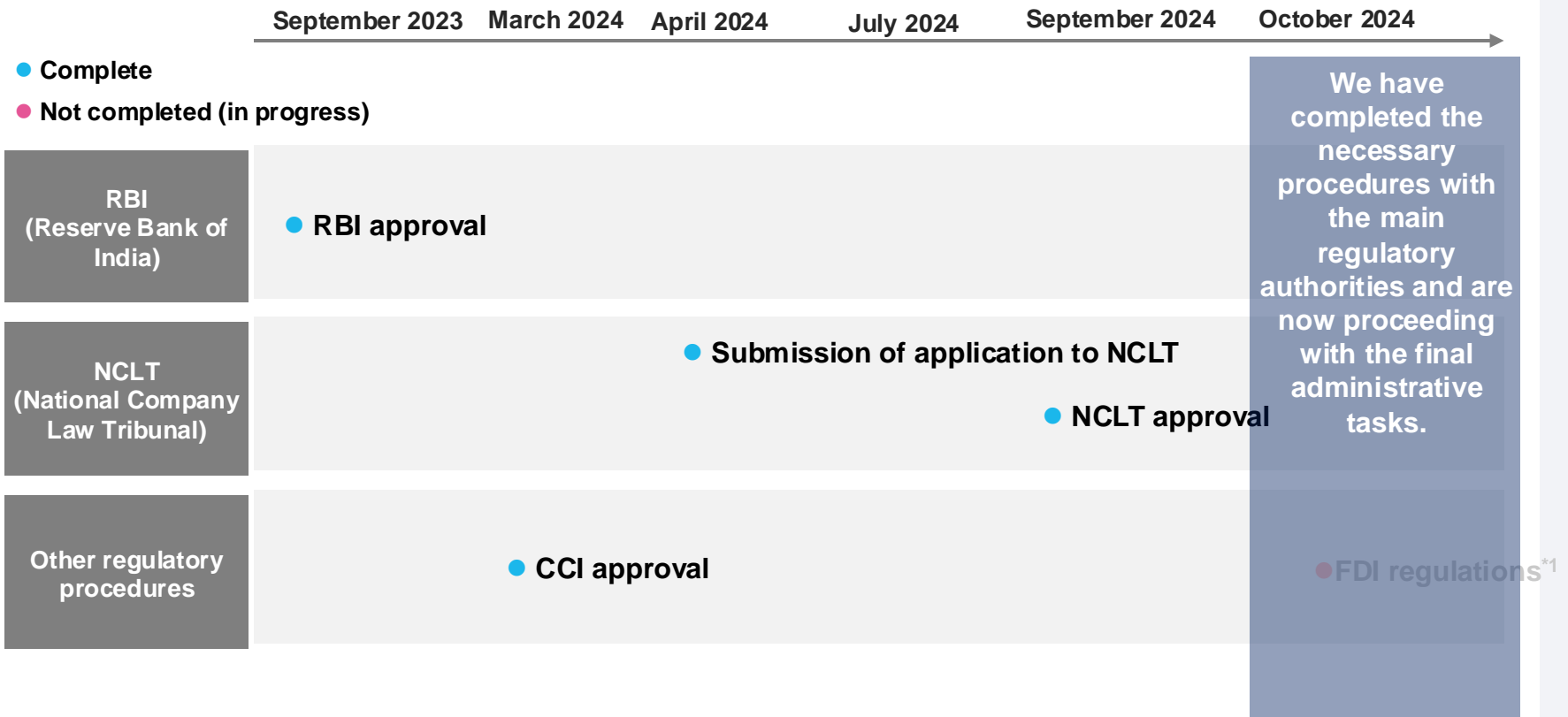


Game8 has established an internally operated service store within its owned media platform.

Allow game users to make payments at the appropriate timing.

Use purchased in-game currency within the game.

With approval obtained from the National Company Law Tribunal (NCLT), the final administrative process is now underway.



*1: Foreign Direct Investment

To maximize growth after the merger, we plan to cease sending directors from our company and transition to a **structure that can flexibly support slice's growth**. After the merger, we aim to accelerate growth **by providing an inclusive digital financial experience and reforming the banking business model**.

Establishing a Flexible Support System for Long-term Retention Post-Merger

- Prior to the merger, we aimed to establish a structure where **governance and investee growth could coexist**, leading to the cessation of director dispatch, and as a result, slice was excluded from equity method accounting.
- Going forward, our **CIO, Maniwa, will continue to oversee asset management**, ensuring appropriate monitoring.

Providing flexible support to maximize corporate value, with the premise of long-term retention

Impact of the Merger on Business

- **Provision of a wide range of financial products** leveraging technology and **improvement of banking operations**
- Additionally, aim to further accelerate growth by **reducing funding costs**

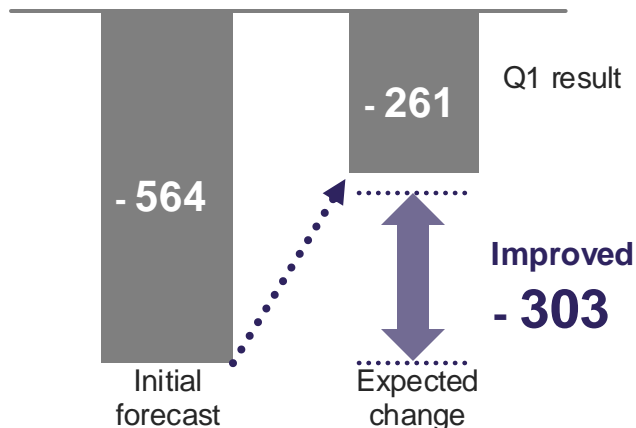
Aiming to accelerate growth through the integration of digital technology and banking platforms.

Accounting Treatment due to Exclusion from Equity Method Investee

Since the share of loss from entities accounted for using the equity method will no longer be recognized in the profit and loss statement from Q2 onwards, **the equity method loss is expected to improve by 303 million yen compared to the initial forecast**. There will be no direct impact on profit and loss due to the exclusion from the equity method. In Q2, investment securities and net assets are expected to increase by 786 million yen.

Impact on Full-Year Forecast

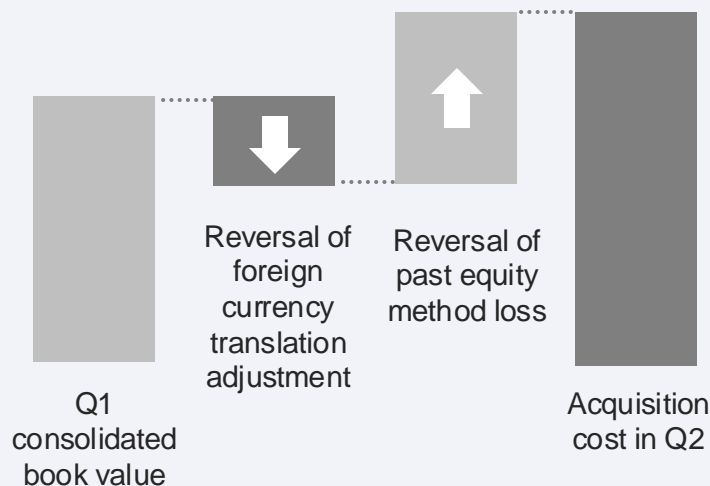
Profit improvement from reduced equity method loss (Million yen)



As a result of the 303 million yen improvement in equity method loss compared to the initial forecast, ordinary profit is expected to turn positive for the full year.

→ For more details on the FY forecast, see page 28.

Accounting treatment on the B/S



An accounting adjustment is planned to revert past equity method losses to acquisition cost through retained earnings.

2

Financial Results for FY2025/5 Q1



FY2025/5 Consolidated Results for Q1

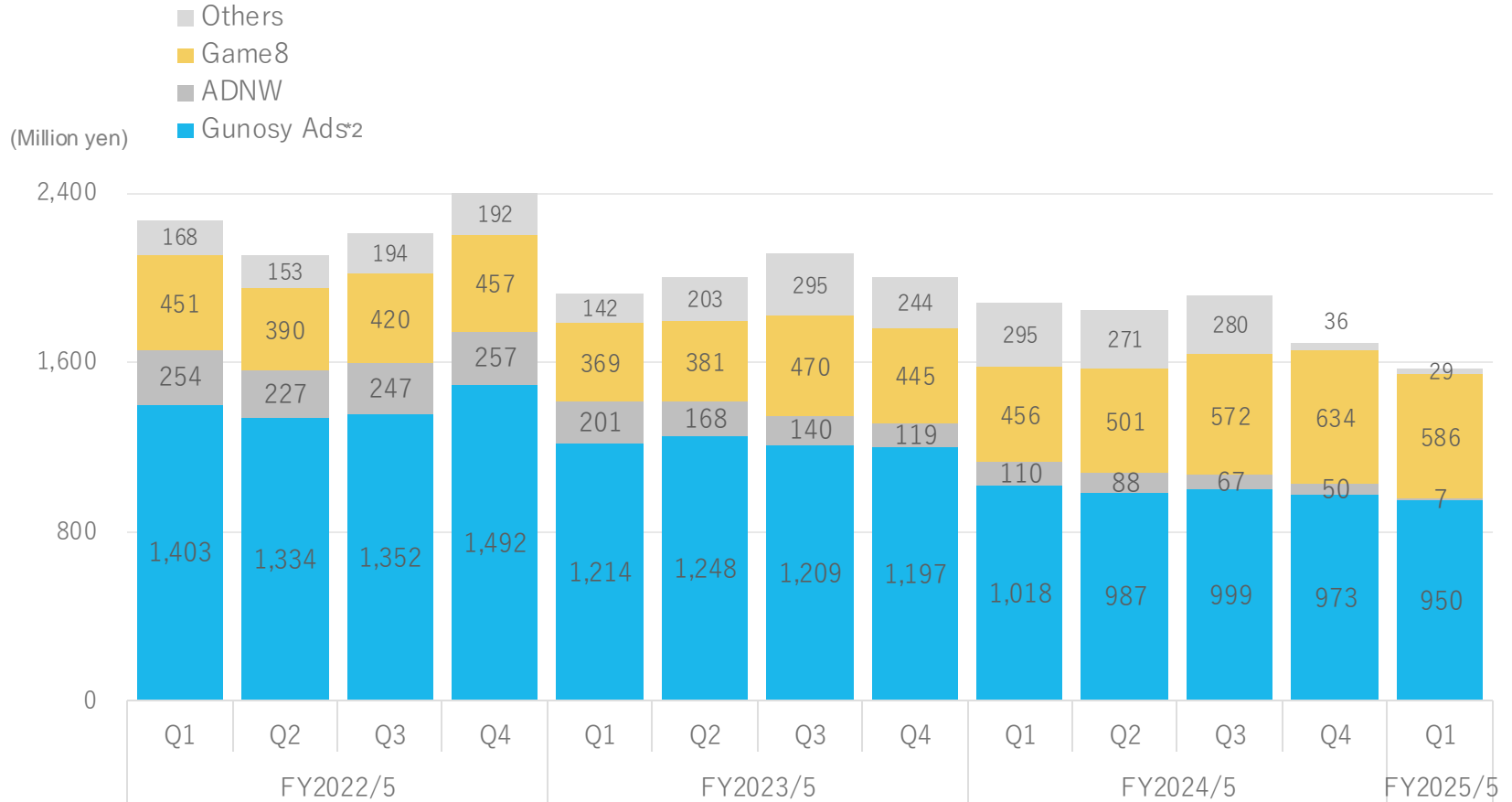
The consolidated operating profit has achieved a **progress rate of 37.9%**, maintaining **positive operating profit for three consecutive quarters** and continuing strong performance.

(Million yen)

| | FY2025/5 Q1 | QoQ comparison | | YoY comparison | |
|---|-------------|----------------|-------|----------------|-------|
| | | FY2024/5 Q4 | QoQ | FY2024/5 Q1 | YoY |
| Net sales | 1,573 | 1,694 | 92.8% | 1,880 | 83.7% |
| Operating profit | 170 | 183 | 93.0% | - 185 | - |
| Operating margin | 10.8% | 10.8% | - | - | - |
| Ordinary profit | - 64 | 30 | - | - 525 | - |
| Profit attributable to owners of parent | - 222 | - 272 | - | - 714 | - |

Breakdown of Net Sales ^{*1}

Despite a QoQ decline, **Game8 maintained a high level of net sales**. The media business saw a slight QoQ decrease in net sales.

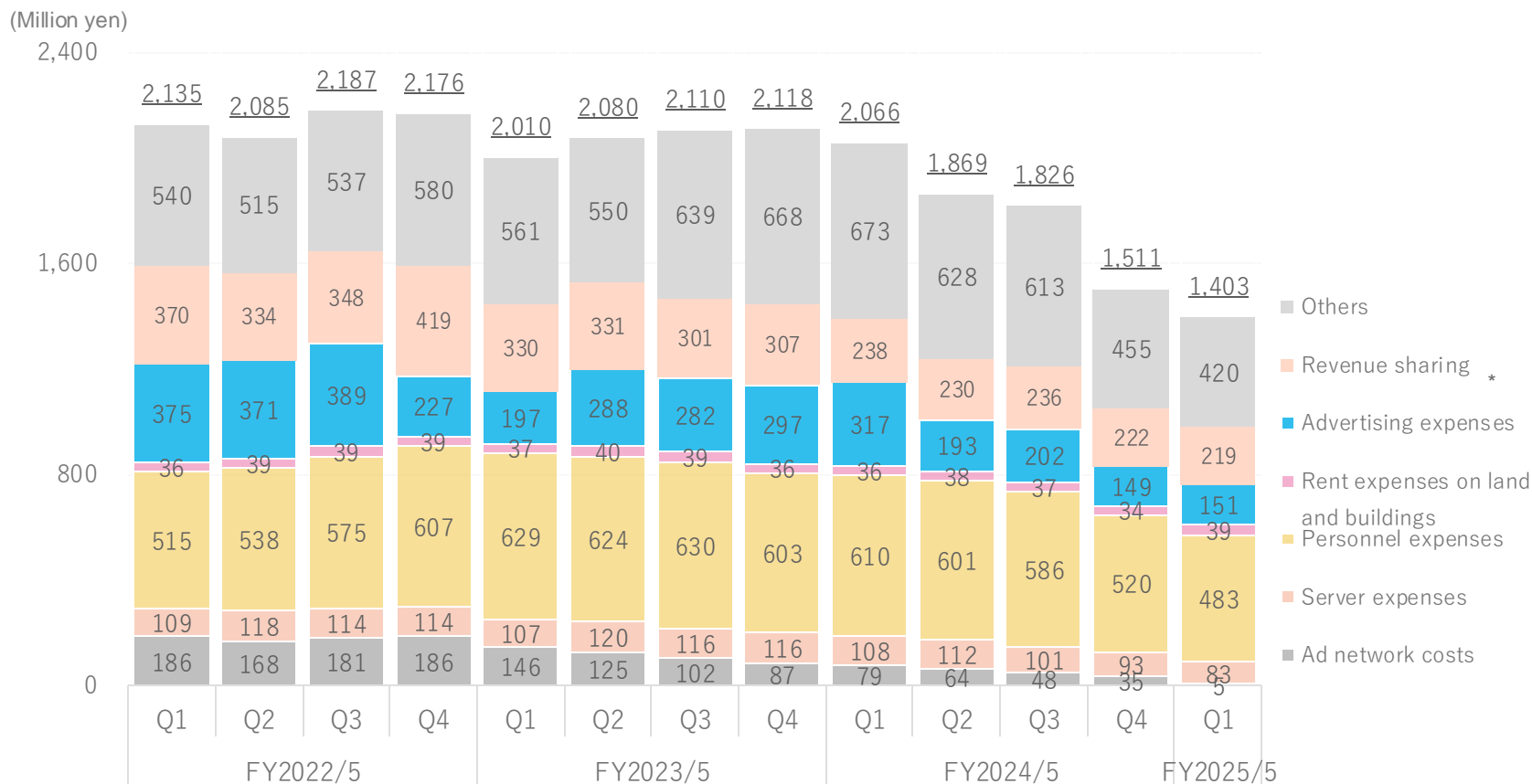


*1: Sales of Gunosy Ads, ADNW and Game8 are presented on a nonconsolidated basis. Internal trade adjustments are included in Others

*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

We are focusing on streamlining our business portfolio and emphasizing cost control in our operations, resulting in **continued cost reductions on a consolidated basis**.



* "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.

3

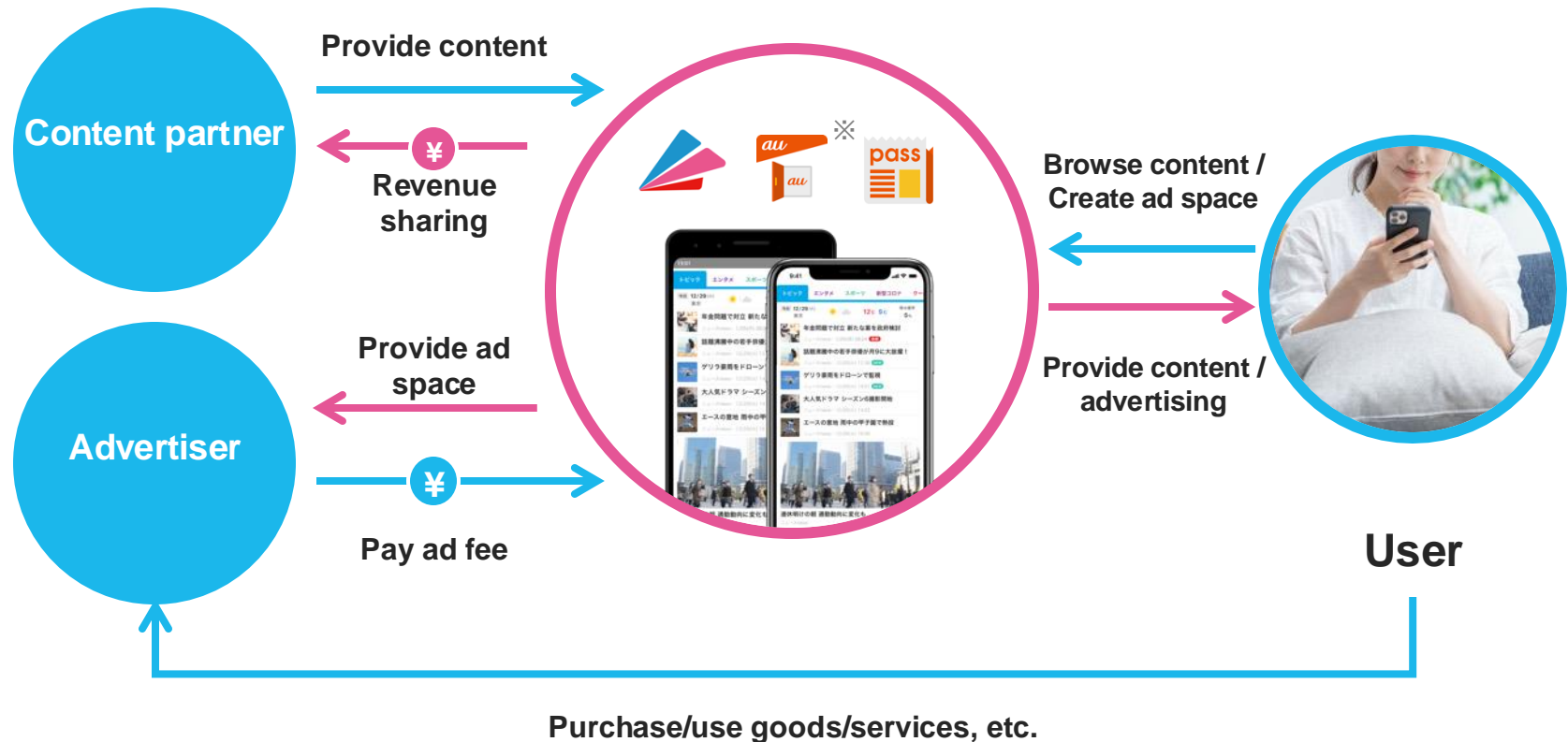
Business Overview by Division

Media Business

Game8

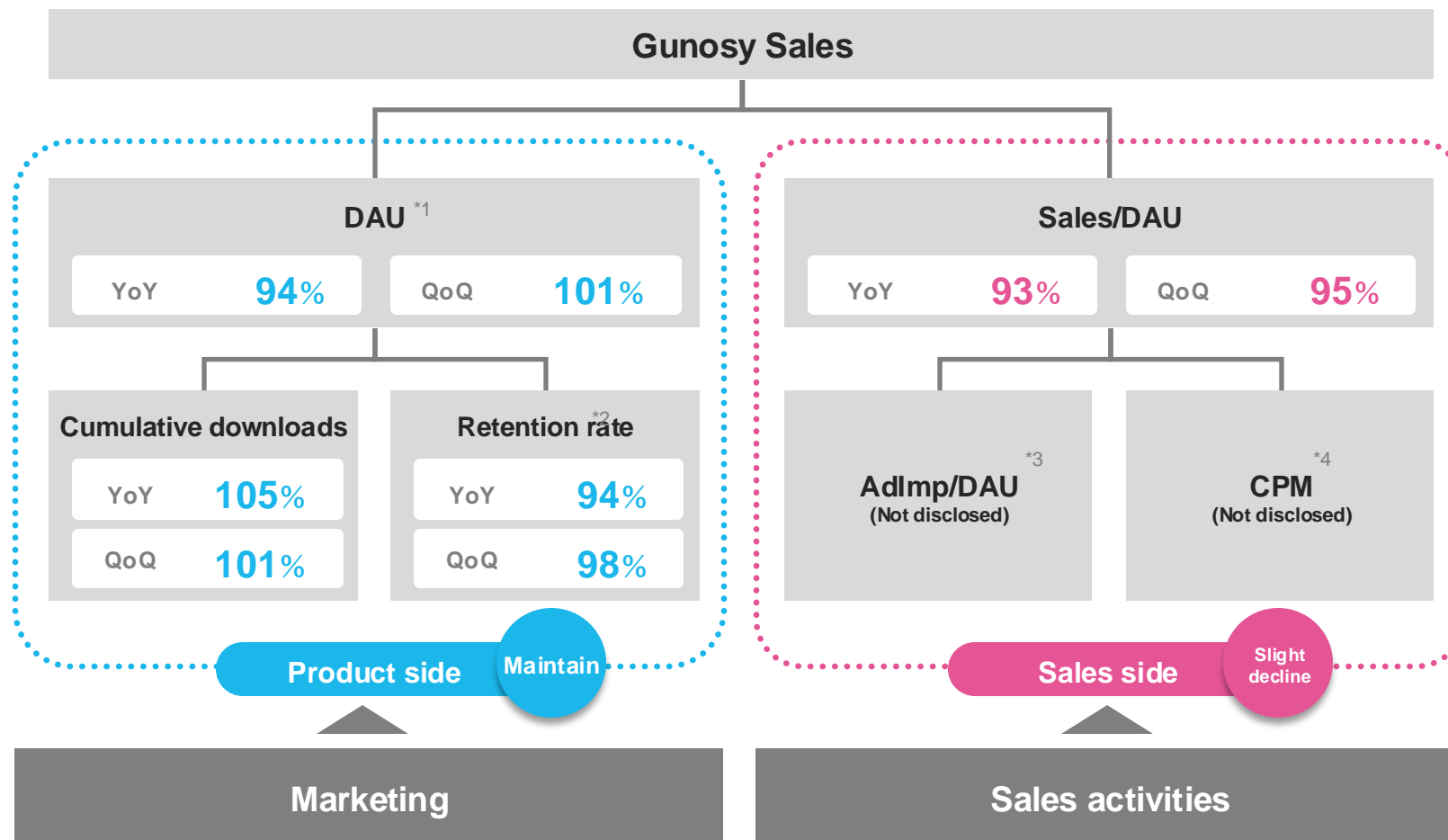
**Investment
(slice)**

We obtain content from external media (“content partners”) and offer the service to users free of charge. We provide advertising space to advertisers to serve ads to users, and we receive revenue from advertisers.



Since the advertising space in NewsPass and au Service Today is provided jointly with KDDI, part of the sales and costs are shared by both companies.

DAU remained stable at 101% QoQ. Although Sales/DAU declined QoQ, net sales are progressing as planned.



*1: Daily Active Users

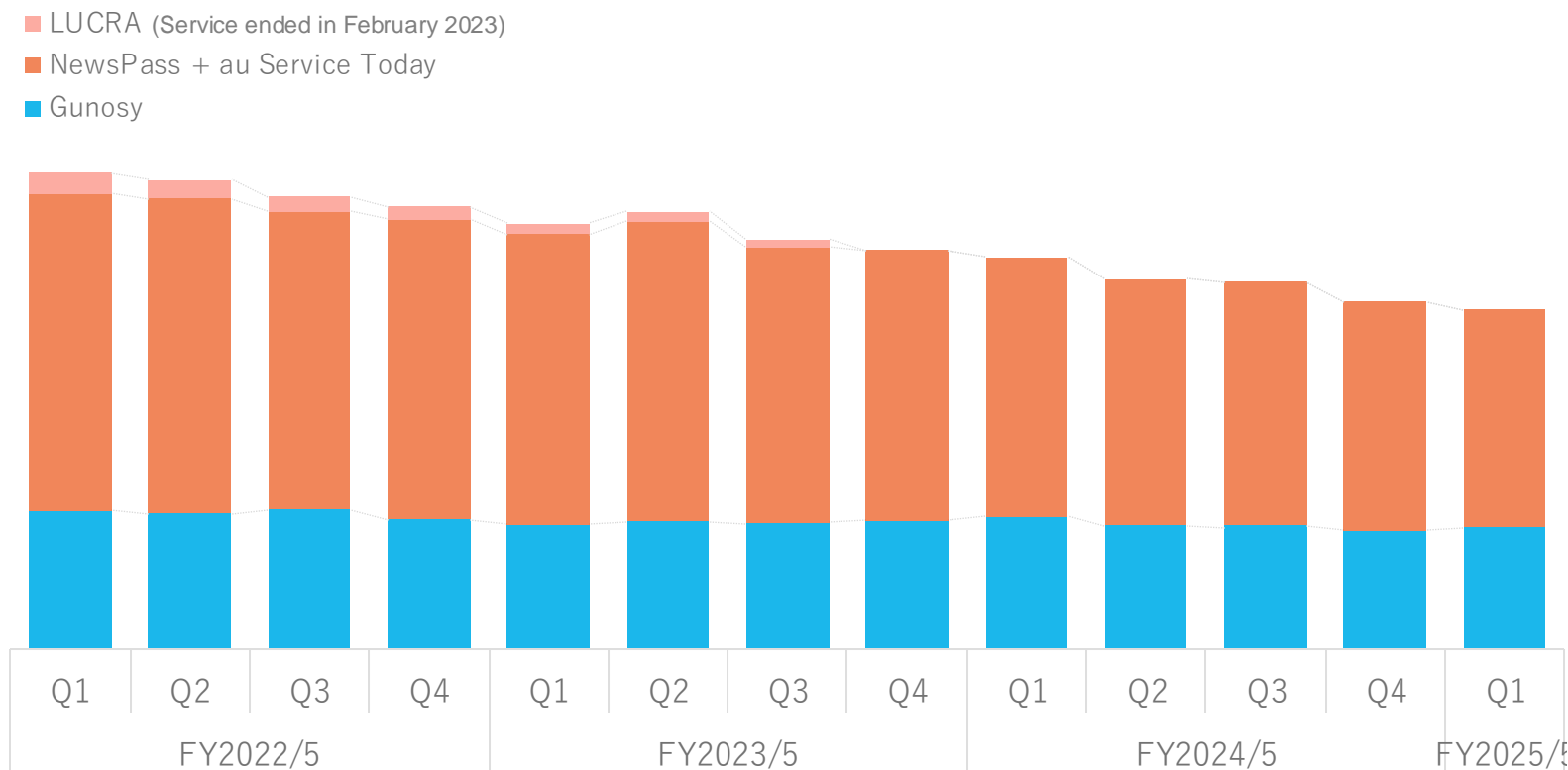
*2: The app retention rate refers to the percentage of new users who activate the app after a certain period of time.

*3: Number of ads served per daily active user

*4: Cost Per Mille

Total Number of Active Users (MAU)

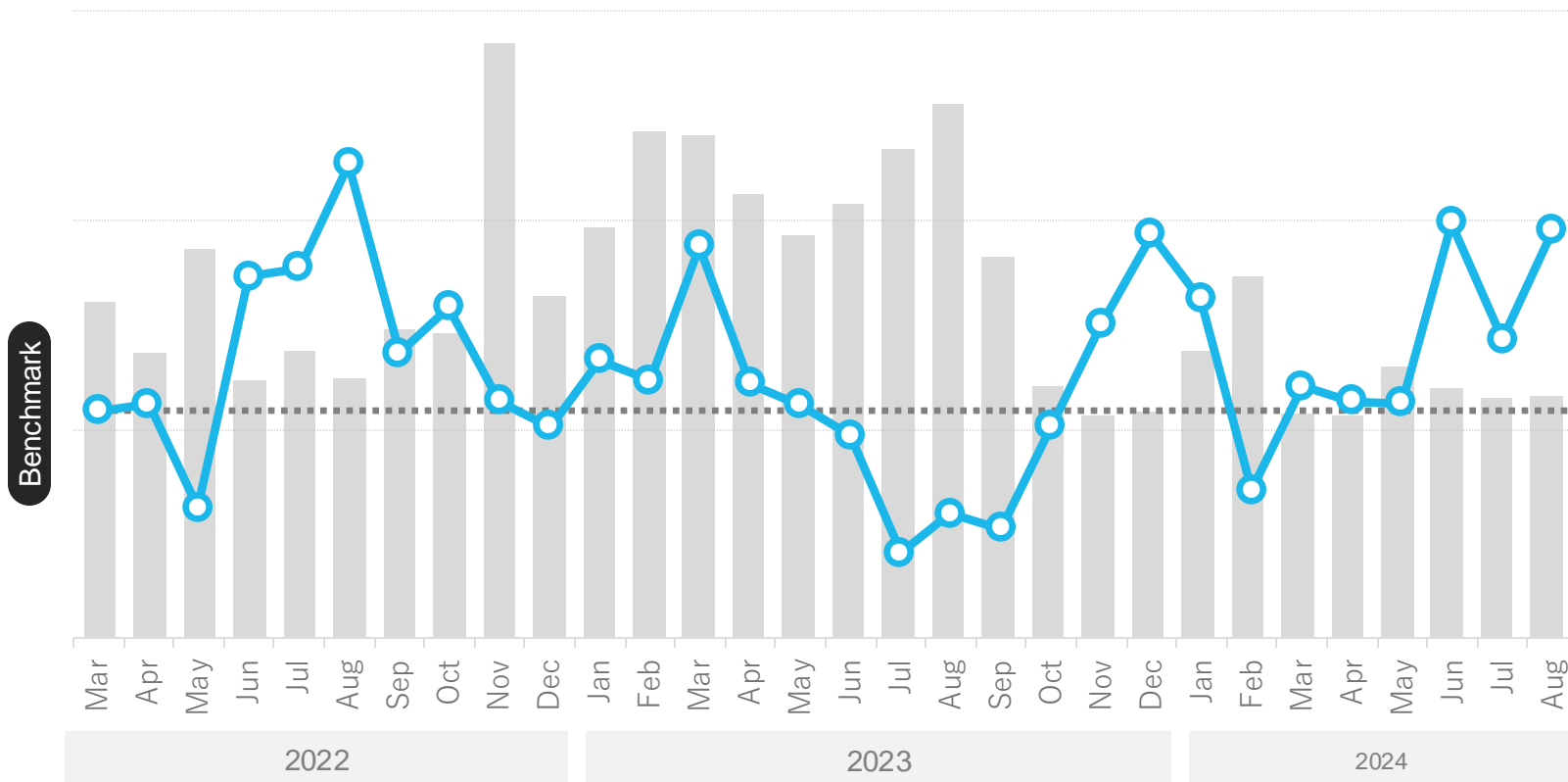
In Q1, while advertising investment was controlled, **Gunosy's MAU slightly increased**, but the overall media business saw a slight QoQ decline.



We continue to operate the business while controlling advertising investment. **Q1 IRR significantly exceeded the benchmark.**

Estimated IRR and advertising expenses

- Advertising expenses (actual)
- Estimated IRR
(Three-year IRR estimated from acquisition costs (CPI) and estimated marginal profit per user)



3

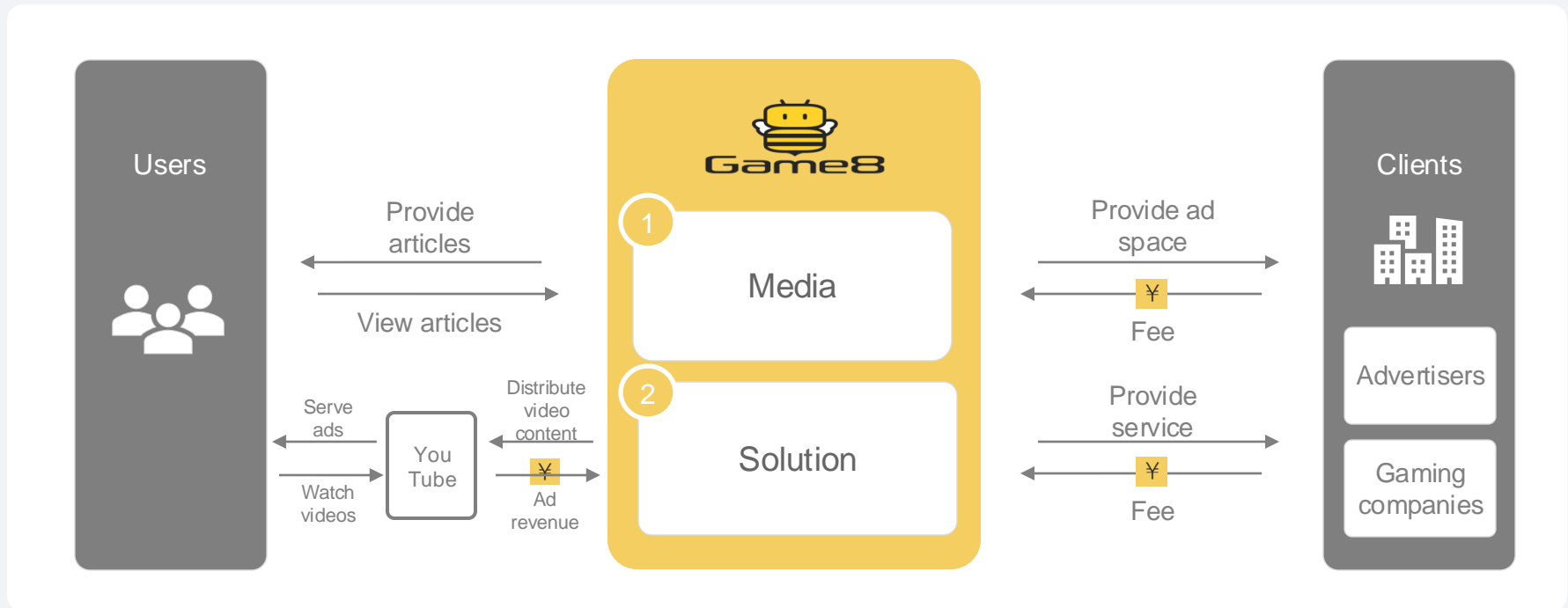
Business Overview by Division

Media Business

Game8

Investment
(slice)

Gate8 Inc. is engaged in the business of monetizing through advertising revenue from game walkthrough media. The company provides a wide range of marketing solutions by offering a variety of advertising strategies, including writing game walkthrough articles for game walkthrough media.



事業概要

1 Media

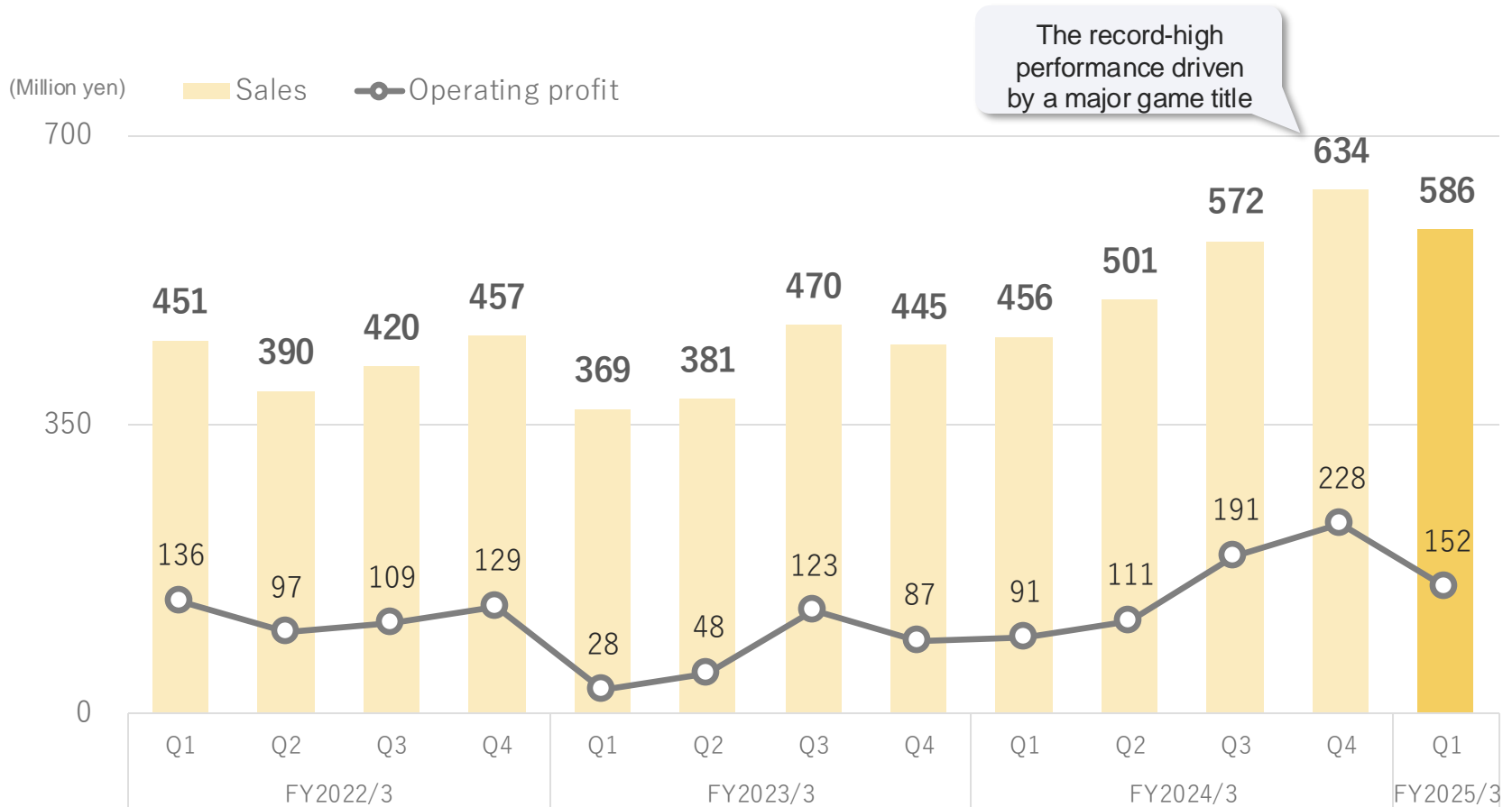
- Operates its own game walkthrough site
- Homepage takeover ads on a game walkthrough site
- Create articles on game walkthrough
- Provide advertising strategies for websites other than Game8.jp
- Operates the SNS operation on behalf of the client.

2 Solution

強み

- Operates gaming media with the highest number of page views in Japan.
- Manages its own ad monetization team domestically to achieve stable and high eCPM.
- Develops sales activities in the gaming area with a focus on providing reliable solutions.

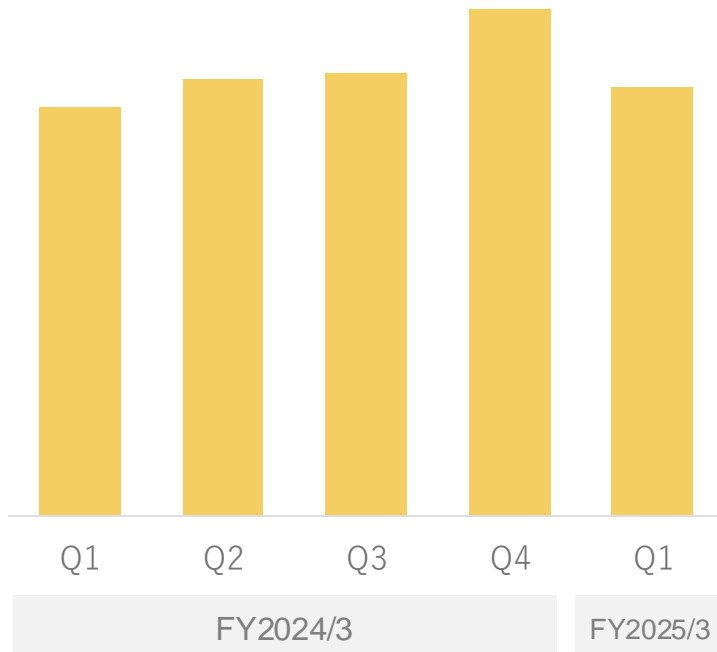
This quarter, despite the rebound effect from the previous quarter's record-high sales and operating profit, **sales and operating profit have continued to show strong YoY growth**. Similar levels are expected to be maintained in Q2.



Despite the absence of major hit game titles, PV (page views) remained strong both domestically and internationally. The benefits of the weaker yen continued, **helping to maintain high profitability** in overseas media.

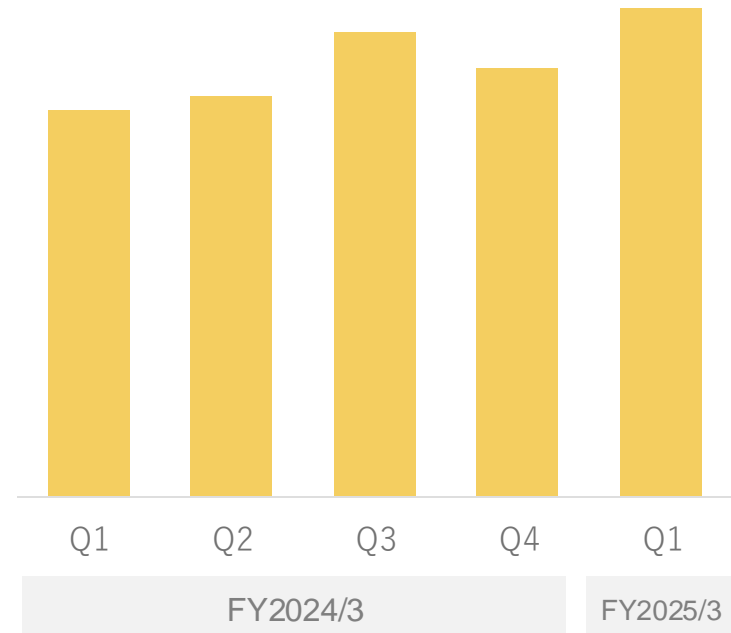
PVs

Despite some volatility depending on game title sales, page views remained strong.

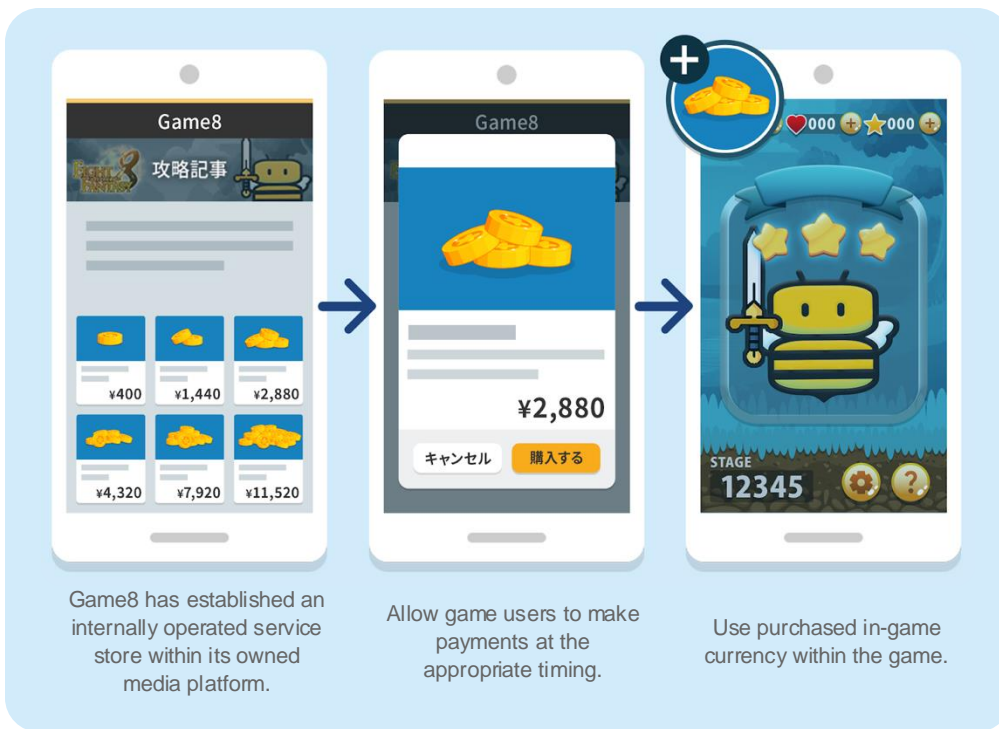


RPM

Maintained high profitability supported by overseas media due to yen depreciation.



We signed a basic agreement with **Sony Payment Service** to collaborate on offering payment-related services in the entertainment sector, including games.



Planned Services

Out-of-app payments within Game8 articles

Out-of-app payments via publisher websites

Sale of game download keys

3

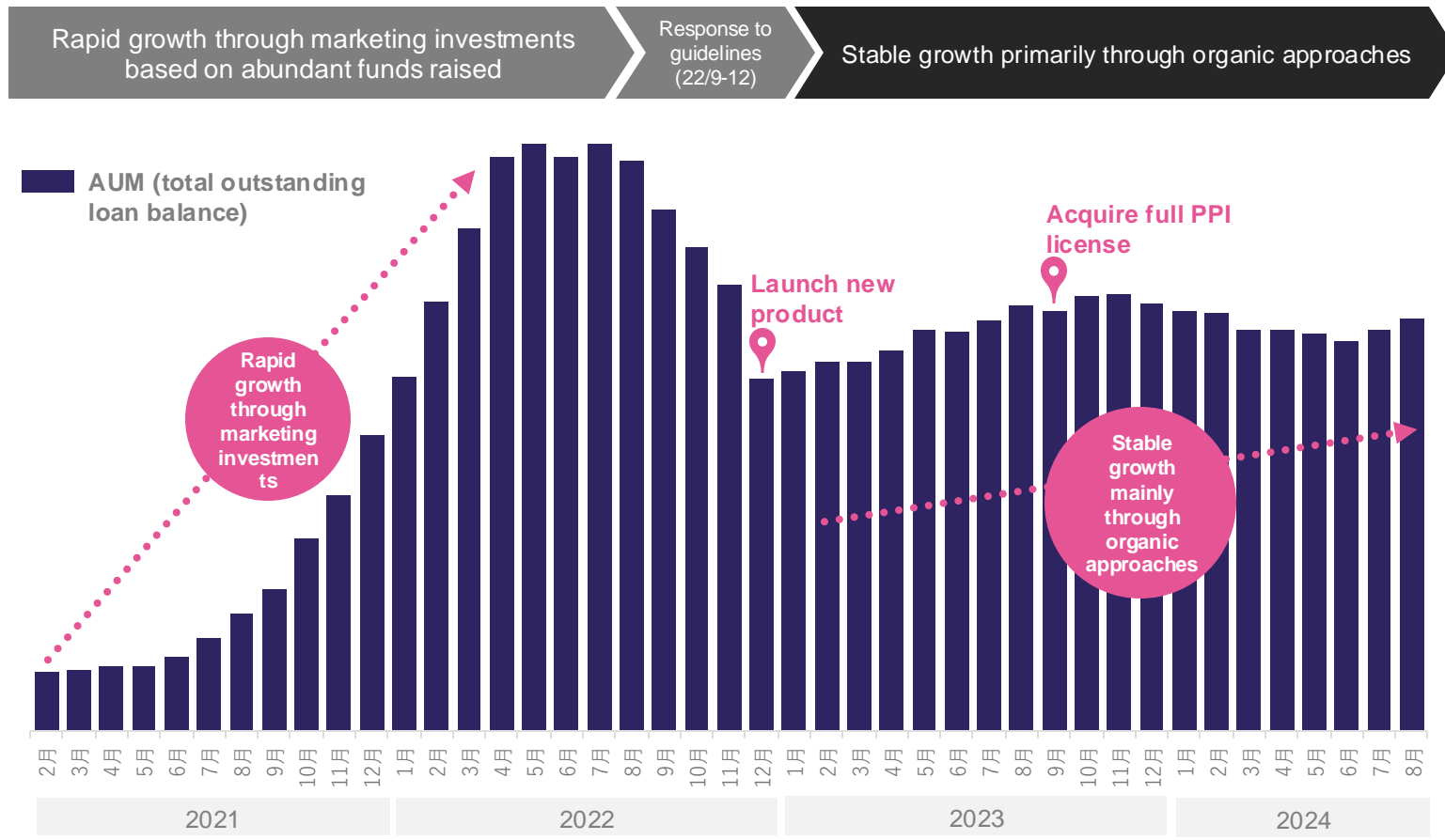
Business Overview by Division

Media Business

Game8

**Investment
(slice)**

The customer base expanded significantly through marketing investments until the first half of 2022. After the launch of the new product in December 2022, **the burn rate was effectively controlled** by focusing on organic customer acquisition, resulting in a recent upward trend in AUM.



4

FY2024/5 Outlook



As of FY2027/5

Business

Operating
profit/EBITDA

900 million yen

ROIC^{*}

(on existing business capital)

15% and over

Investment

IRR

30%

* Cash and deposits available for investment are comprehensively evaluated according to the intended use of the funds, using metrics such as EBITDA after tax/invested capital.

FY 2025/5 Full-Year Outlook (Consolidated)

As a result of incorporating the impact of the exclusion of slice from equity method affiliates (details on P9), **the forecast for ordinary profit has been revised from a loss to a profit.**

(Million yen)

| | FY2025/5 Q1 (result) | Initial forecast (full-year) | FY2025/5 Revised forecast (full-year) | Progression rate |
|--|-------------------------|---------------------------------|---|------------------|
| Net sales | 1,573 | 6,300 | 6,300 | 25.0% |
| Operating profit | 170 | 450 | 450 | 37.9% |
| Operating margin | 10.8% | 7.1% | 7.1% | - |
| Ordinary profit | - 64 | - 101 | 202 | - |
| Profit attributable to owners of parent | - 222 | - 308 | - 110 | - |

5

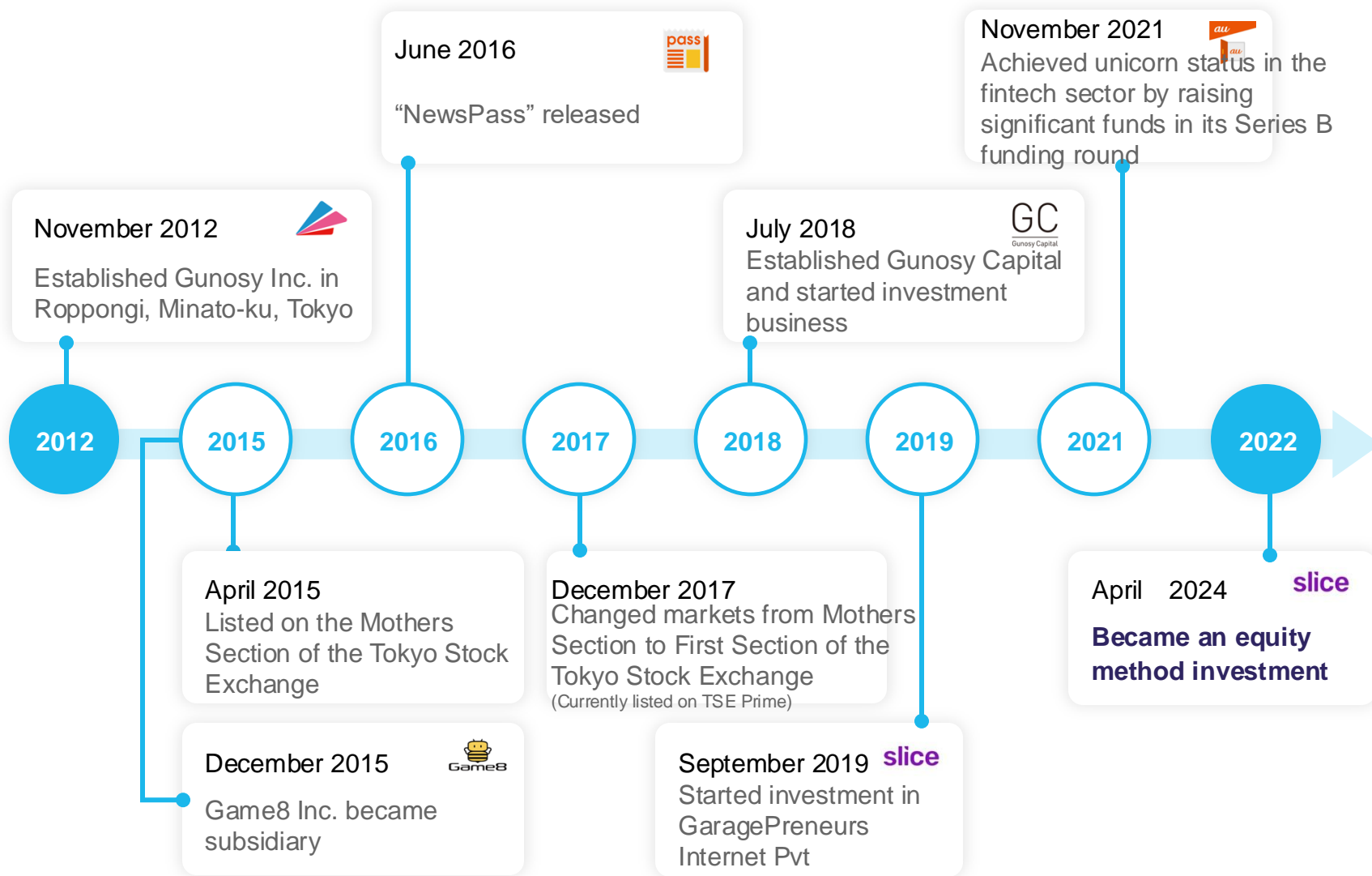
Reference Material

Company Profile



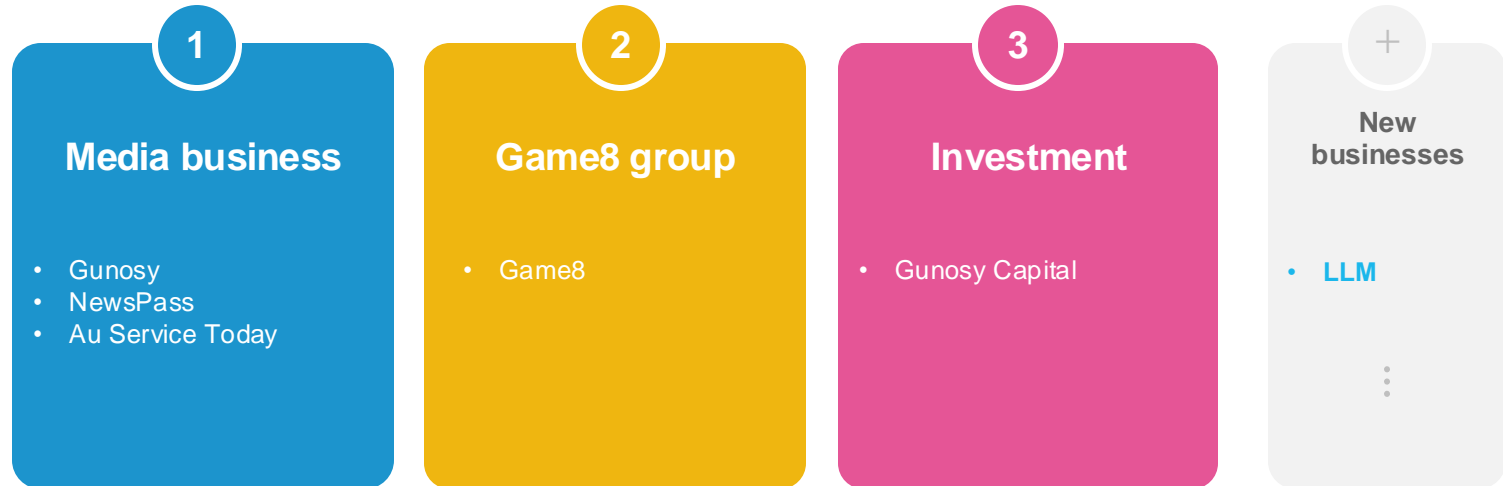


• • • • • • • • • •
Optimally deliver
information to people
around the world



Gunosy

Medium- to long-term growth driven by three businesses

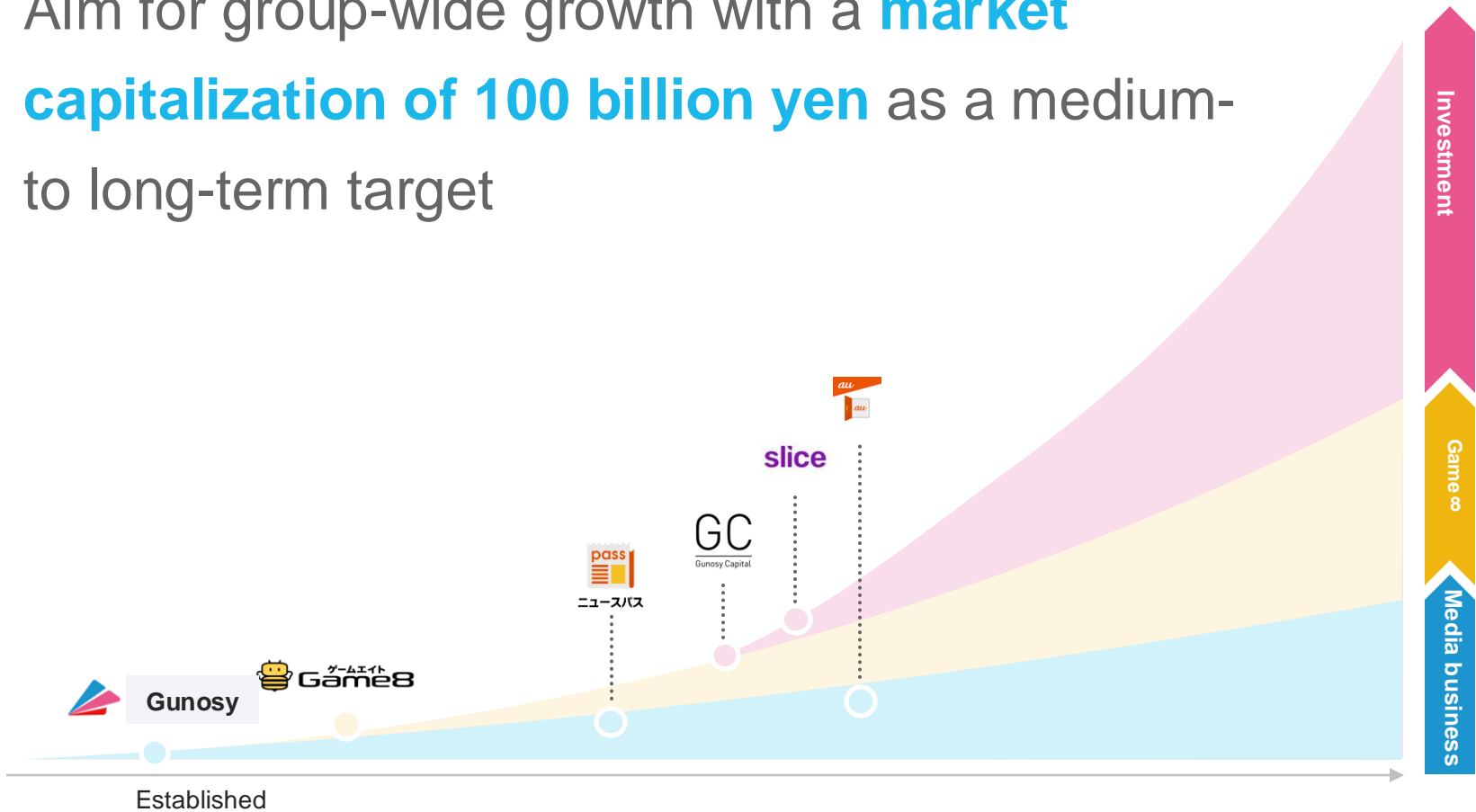


DATA

- Data accumulated since the inception of the company
- Knowledge of algorithms
- Media and advertising expertise, etc.

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



New Management Team

The management structure for FY2023/5 is as follows.



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

**Shinji
Kimura**



Representative
Director and
President

**Kentaro
Nishio**



Director and Chief
Operating Officer (COO)

**Shunsuke
Sawamura**



Director and Chief
Financial Officer (CFO)

**Tatsuyuki
Iwase**



Director

**Masaaki
Nose**



Director (Outside)

**Suguru
Tomizuka**



Director (Outside)

**Junichi
Shiroshita**



Director (Outside)

**Akihito
Moriya**



Director (Outside)

Hitomi Iba

Basic Information

| | | | |
|-------------------------|--|-----------|--|
| Company name: | Gunosy Inc. | Officers: | Representative Director and Chairman, Group Chief Executive Officer (CEO), Shinji Kimura |
| Representative: | Shinji Kimura Yuya Taketani | | Representative Director and President, Kentaro Nishio |
| Established: | November 14, 2012 | | Director and Chief Operating Officer (COO), Shunsuke Sawamura |
| Fiscal year end: | May | | Director and Chief Financial Officer (CFO), Tatsuyuki Iwase |
| Capital: | 4,099 million yen (as of the end of August 2024) | | Director, Masaaki Nose |
| Stock Code: | 6047 (TSE Prime) | | Director (Outside), Suguru Tomizuka |
| Audit corporation: | Ernst & Young ShinNihon LLC | | Director (Outside), Junichi Shiroshita |
| Number of employees: | 197 (as of the end of August 2024, on a consolidated basis) | | Director (Outside), Akihito Moriya |
| Head office: | 2-24-12 Shibuya, Shibuya-ku, Tokyo | | Director (Outside), Hitomi Iba |
| Business: | Development and operation of information curation service and other media | | 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.

1

Provide information in a way that is socially beneficial as a media outlet (eliminate echo chambers and filter bubbles, provide a quality game walkthrough wiki, etc.)

2

Ad review initiatives to provide a safe advertising experience

3

Encourage diverse work styles that combine in-office and remote work options

4

Develop human resources with digital transformation expertise by promoting digital transformation within the company

5

Strengthen appropriate governance through the work of the Nomination and Compensation Committee and evaluation of the effectiveness of the Board of Directors

6

Reference Material

slice



"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

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 2019, we have invested a cumulative total of more than 3 billion yen in slice. In April 2022, it became our equity affiliate.

- **2015** Jun GaragePreneurs Internet Pvt Ltd., which operates "slice" established
- **2019** Sept Initial investment
- **2020** Jun Second investment
- **2021** Jun Third investment
- **2022** Feb Fourth investment
- **2022** Apr **Became an equity method investee of Gunosy**
- **2022** Sep Digital Lending Guidelines issued by RBI
- **2022** Dec New products released in compliance with Digital Lending Guidelines (December 1-)
- **2023** Sep **RBI approval obtained for merger with NESFB**
- **2024** Mar CCI approval obtained for merger with NESFB

About slice

Transforming the financial experience for billions of Indians



CEO
Rajan Bajaj

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.

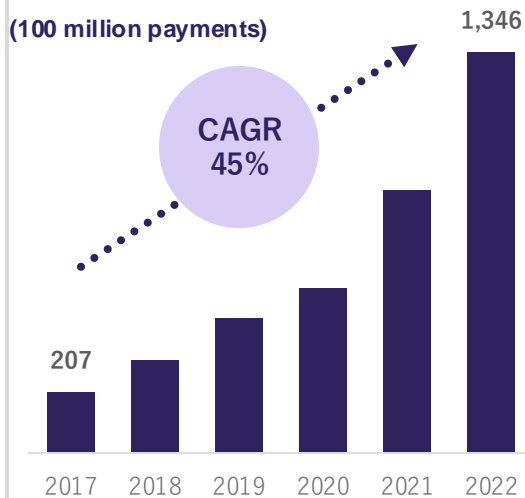
*1: For more information on regulations governing personal credit, see

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/GUIDELINESDIGITALLENDINGD5C35A71D8124A0E92AFB940A7D25BB3.PDF>

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

Digital payment transactions volume in India

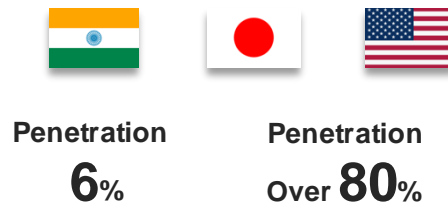
Number of digital payments **growing rapidly**



Source: The Press Information Bureau of India

Credit card penetration

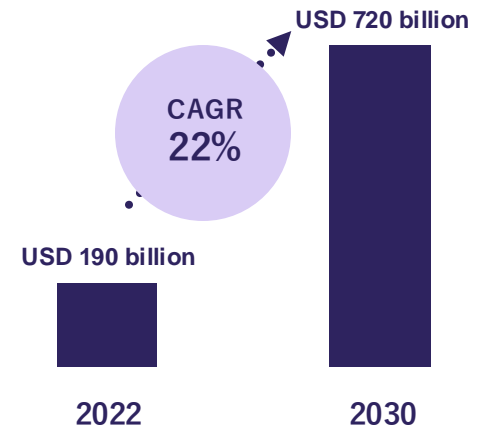
Credit card penetration is **only around 6% of the population**^{*1}



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**.

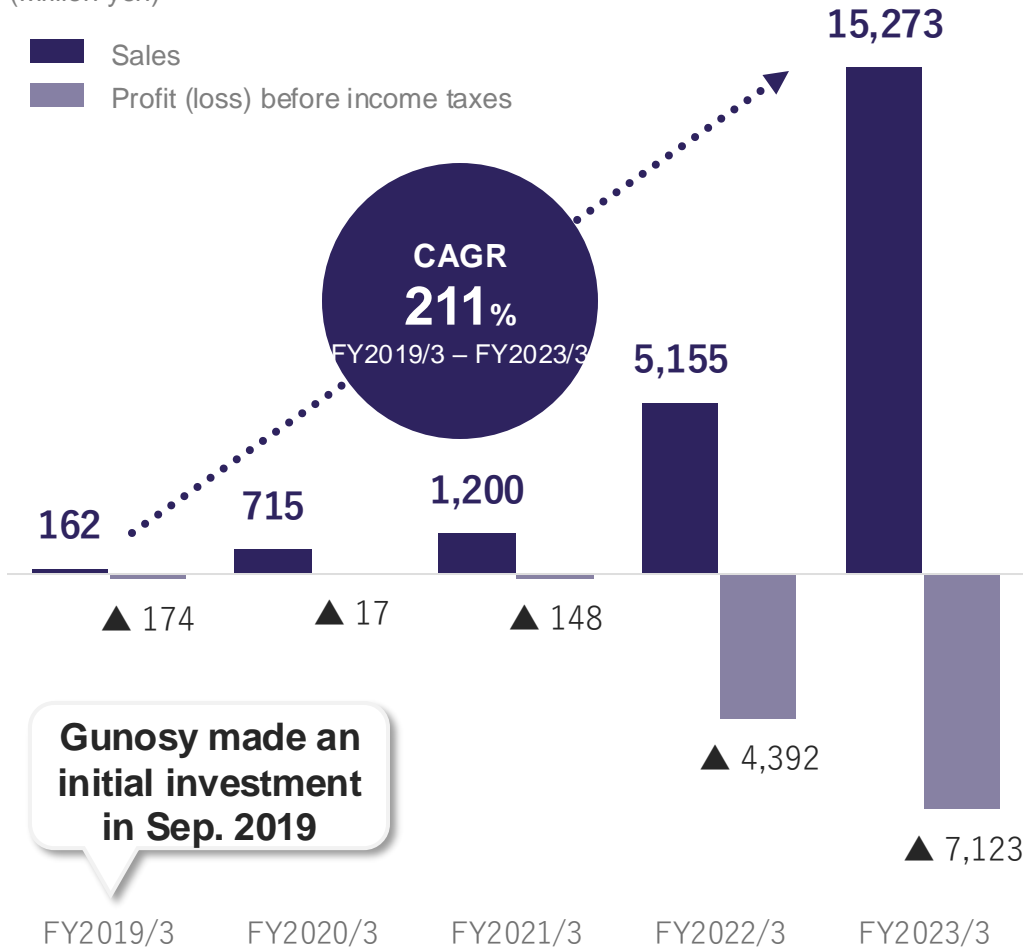
3

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**.

slice P&L: Sales and Profit /Loss before Income Taxes Gunosy

(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)

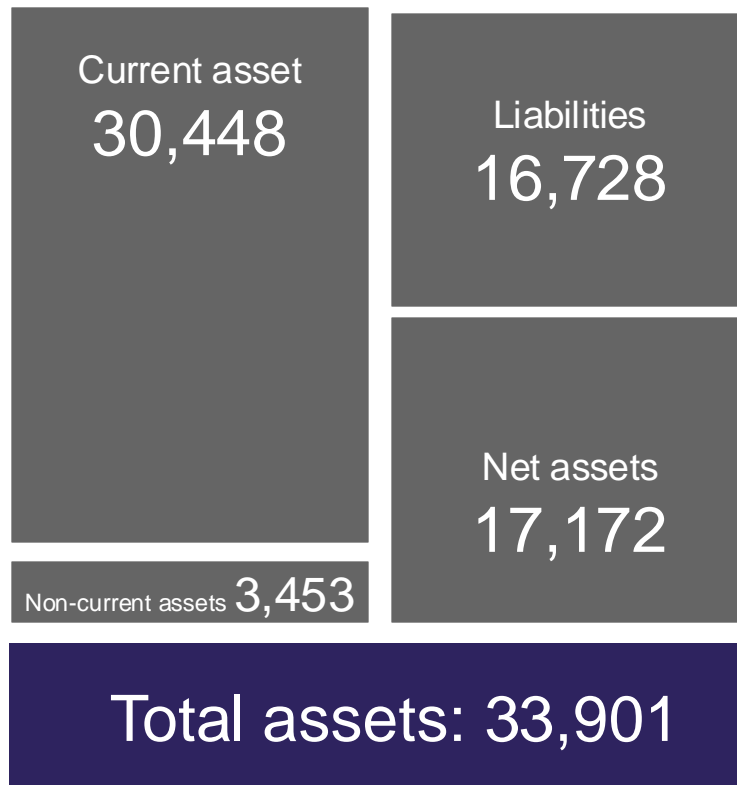
211%

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/>