

# Gunosy

## **FY2026/5 Financial Results for Q3**

Gunosy Inc.  
TSE Prime (6047)

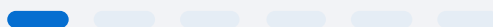


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# 1

## Overall Picture and FY2026/5 Q3 Summary



## FY2026/5 Q3 Results

		Full-Year Progress vs. Revised Plan	YoY
Net sales	<b>4,986</b> Million yen	<b>77.3%</b>	<b>107.7%</b>
Operating profit	<b>237</b> Million yen	<b>94.8%</b>	<b>-355</b> Million yen
EBITDA	<b>347</b> Million yen	<b>86.8%</b>	<b>-247</b> Million yen

## Summary

- **Our portfolio company slice continues to grow steadily, establishing a competitive advantage as a digital bank. Strong business momentum continues, including approval from the RBI (regulatory authority) for the appointment of the founder as CEO of the bank.**(See p.6)

Deposits are growing at approximately 2.3x annually. Solid Gross Profit growth in line with AUM expansion and an efficient cost structure with controlled cost growth are driving a transition to a stable profitability phase.

- **We maintain our core strategy of achieving EBITDA in FY2027. While the domestic media business is trending below expectations, we aim to achieve operating profit under the revised full-year forecast through cost control driven by digital transformation and growth in overseas media.**

In the Core Cash Area, active user numbers are trending weakly, impacted by the overall slowdown in the domestic media market. G Holdings (GH) is carefully assessing the timing of major title releases with a view to maximizing long-term profitability.

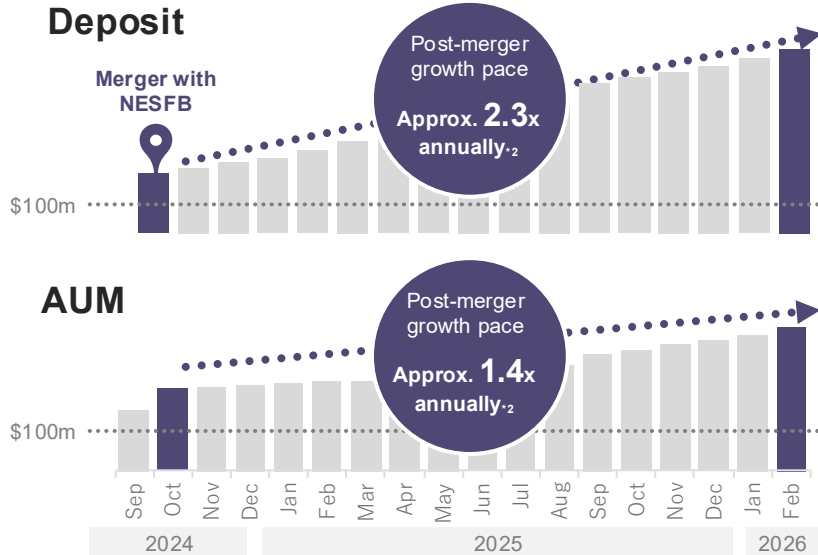
- **In the IR Hub business, product-market fit (PMF) has been established. The number of cumulative client companies continues to grow, and the product-driven growth cycle is now fully taking hold.**(See p.36)
- **In addition to the initially planned shareholder return based on a DOE of 4%, we plan to implement a special dividend equivalent to a DOE of 1%, supported by the strong growth of slice.**(See p.14)

As we work to achieve the revised full-year plan through cost control and to maintain and strengthen cash-flow generation capabilities, we will maintain the initially planned DOE-based dividend level of 4%.

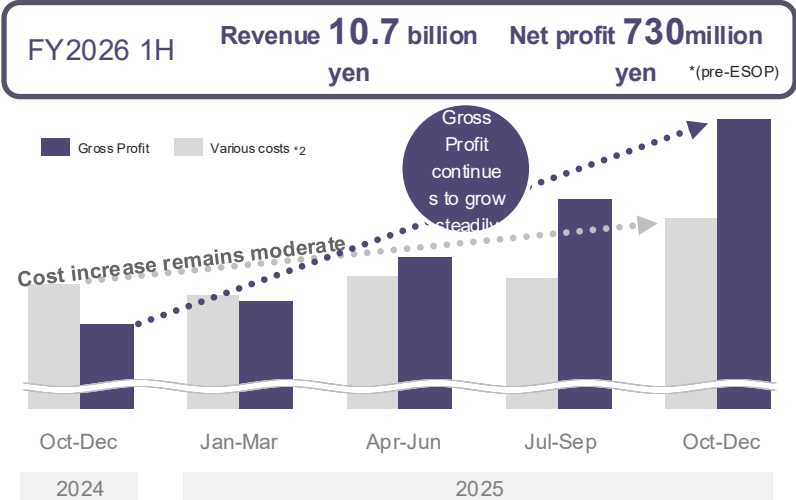
Regarding shareholder returns tied to the growth of slice, we intend to fund such returns through cash flows generated from selective exits of other investment holdings during this fiscal year, thereby ensuring compatibility with our FY2027 and longer-term growth trajectory.

As a digital bank with a deposits-led model, slice continues to expand its business. It has **established a distinctive position in the industry** by balancing innovation and discipline, and is making steady progress toward mid- to long-term corporate value enhancement.

## Deposit



## P&L Overview (See P32 and P63)



### Highlights

- 1 Business Scale Growth**  
Total assets have **reached approximately 100 billion yen**, with deposits **growing at an annualized pace of approximately 2.3x**, while AUM has continued to grow following the launch of the credit card service.
- 2 Improved Profitability**  
In FY2026 1H, **revenue reached 10.7 billion yen and net profit (pre-ESOP) turned positive at 730 million yen**. An efficient P&L structure continues to support Gross Profit growth while keeping cost increases controlled.
- 3 Growth Strategy**  
Through its digital-first strategy, **slice has established a competitive advantage as a digital bank. Its distinctive positioning in the industry continues**, as evidenced by milestones such as RBI approval for the founder's appointment as CEO.
- 4 Our Equity Ownership**  
On a fully diluted basis, **our equity ownership exceeds 12.65%**, maintaining our position as the **leading external shareholder**.

\*1: Figures converted from INR to JPY using an indicative FX rate of INR/JPY = 1.7

\*2 CMGR (Compound Monthly Growth Rate) calculated over the 16-month period from the end of October 2024 to February 2026, rounded to the second decimal place.

# Key Strategic Investment slice – Appointment of Founder Rajan Bajaj as CEO

slice has received approval from the RBI (regulatory authority) for the appointment of its founder, Rajan Bajaj, as Managing Director and CEO. This marks a significant milestone in the industry, demonstrating the company's ability to balance innovation and disciplined operations as a digital bank.

## Key Developments Following Merger Approval

- 2023 Sep No objection certificate from RBI obtained for merger with NESFB
- 2024 Oct Excluded from the equity method scope in September 2024 following the completion of the merger with NESFB
- 2025 May Renamed to slice Small Finance Bank
- 2026 Feb Approval from the RBI for the appointment of Founder Rajan Bajaj as Managing Director and CEO

新CEO

### Transforming the financial experience for billions of Indians



Managing Director and CEO & Founder of slice

**Rajan Bajaj**

#### Comment (Excerpt / Summary)

Today, more people in India need access to banking services than at any point in our country's history. Advances in technology now make it possible to offer every customer financial products that, until recently, were available only to a small number of wealthy individuals—at a fraction of the traditional cost. AI is now reaching a point where it can understand the needs of each customer at scale and simplify complex financial decisions. We are building our systems with that future in mind, and we believe we are still in the very early stages of what technology can enable in financial services.

#### Key Features

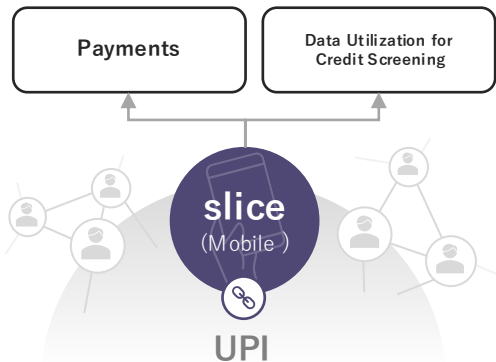
- Approval of a startup founder as the head of a bank is **extremely rare, even historically**.
- This reflects recognition of the company's ability to balance governance and business growth as a digital bank following the merger.

Progressing the transition to a digital bank through the introduction of a digital-led customer acquisition model and the renewal of core banking systems. Moving into a profitability phase that balances growth and profitability.

## Digitization of Customer Touchpoints

### Integration of UPI Products

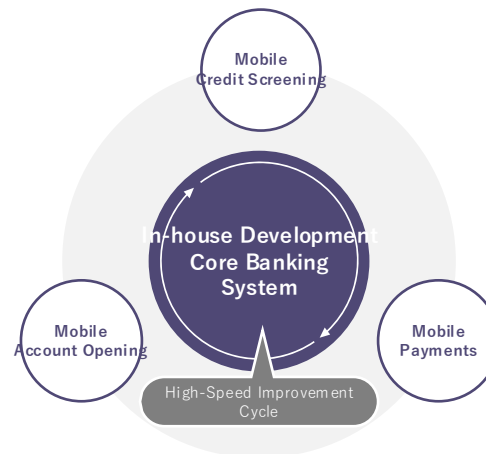
Connected our banking services to "UPI," a payment network used throughout India. **We can now digitally reach customers who do not visit branches or those without credit histories**, and transaction data is also being utilized for credit screening.



## Renewal of Banking Services

### Deployment of Digital-First Products

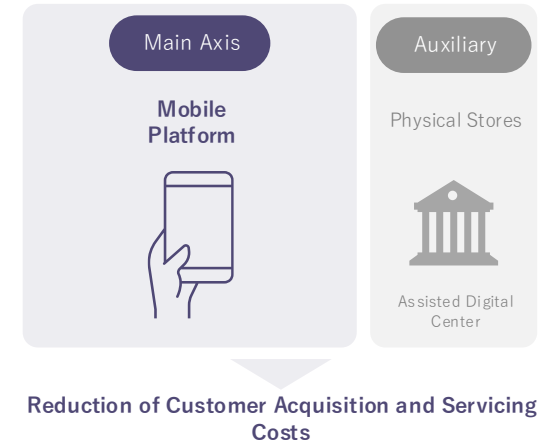
Developed our own core banking system to **complete account opening, payments, and credit applications on mobile**. Since we do not depend on external vendors, the product improvement cycle is also fast.



## Digitization of Operating Channels

### Digital-Specific Customer Acquisition and Experience

**Acquiring customers primarily through the mobile platform**, while physical stores are maintained as auxiliary assisted digital centers. This contributes to reducing customer acquisition and servicing costs.



### Key Features

Integration with slice's digital infrastructure has **shifted the bank's core from physical to digital**. Moving into a profitability phase that balances growth and profitability.

By blending fintech startup culture with banking business capabilities, slice has achieved a differentiated positioning relative to both fintech companies and banks as a digital bank.

## Comparison vs. Competitors

		Fintech	Bank	Unique positioning <b>slice</b>
Position		Provides selective financial services focused on digital-native demands	Provides comprehensive, offline-centric financial services	Provides comprehensive financial services for digital-native consumers
Differentiation Factors	1 Deposit Acceptance	Unable to take deposits; relies on external borrowing with higher funding costs	Deposit-taking represents the core banking advantage, enabling lower-cost and more stable funding compared to market borrowing	Shares the same advantages as banks: deposit-based, low-cost, and stable funding compared to market borrowing
	2 Service Scope	Cannot independently issue credit cards or directly integrate service offerings with UPI, and must rely on partner institutions.	Able to independently offer credit card issuance and UPI-linked services	Able to independently offer credit card issuance and UPI-linked services
	3 Cost Structure	Digital-based and highly scalable low-cost structure	Traditional cost structure reliant on paper and offline channels	Digital-based and highly scalable low-cost structure
	4 Brand Appeal	Strong appeal among the expanding digital-native generation	Appeals mainly to traditional customer segments through legacy brand strength	Strong appeal among the expanding digital-native generation

In response to the downside in the business environment, we aim to achieve the revised full-year forecast through cost control. In parallel with conducting asset management for slice, we will strengthen the overall business toward achieving EBITDA of 900 million yen in FY2027/5.

	FY2026/5   Targets	FY2026/5 Q3   Summary
<p>1</p> <p><b>Core Cash Area</b></p>	<ul style="list-style-type: none"> <li>Continue generating stable and predictable FCF</li> <li>Generate operating profit of <b>over 1.4 billion yen</b> from the Core Cash Area</li> </ul>	<ul style="list-style-type: none"> <li>In response to the downside in the business environment, we aim to maintain cash-flow generation capability through cost control and selective expansion in focused areas.</li> <li><b>Policies in Q4</b></li> <li><b>In response to the downside in the business environment, we aim to achieve the revised full-year forecast through cost control.</b></li> </ul>
<p>2</p> <p><b>Cash-Flow Accretive M&amp;A Area</b></p>	<ul style="list-style-type: none"> <li>Successfully complete GH's PMI and <b>achieve expansion of EBITDA and operating profit after goodwill amortization</b></li> <li>Based on prudent financial risk control, <b>promote further M&amp;A</b> to improve capital efficiency</li> </ul>	<ul style="list-style-type: none"> <li>GH is carefully assessing the timing of new title releases with a view to maximizing long-term profitability.</li> <li><b>Policies in Q4</b></li> <li><b>GH is expected to contribute to Group profits toward FY2027/5,</b></li> <li><b>Continuing initiatives to originate new M&amp;A opportunities.</b></li> </ul>
<p>3</p> <p><b>High-Growth Option Area</b></p>	<ul style="list-style-type: none"> <li><b>Support slice in achieving high growth as an advanced banking player in India</b></li> <li>Initiate the expansion of off-app payment GMV in the <b>SC business</b></li> <li>Create mid- to long-term growth potential in new businesses (e.g., IR Hub)</li> </ul>	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 20px;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">slice</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">SC business</div> <div style="border: 1px solid black; padding: 5px;">IR Hub</div> </div> <ul style="list-style-type: none"> <li>Following approval of the founder as CEO, governance has been further strengthened. Building on a model that balances growth and profitability, driving further expansion.</li> <li>Pipeline expanding, driven by regulatory changes.</li> <li>PMF established, with cumulative number of contracts steadily increasing. Product-led growth cycle is now fully underway.</li> </ul> </div>

# FY2026/5 Q3 Results — Net Sales and Operating Profit by Portfolio

The Core Cash Area was impacted by market conditions, with active user numbers trending soft. GH is carefully assessing title release timing to maximize future monetization potential.

## FY2026/5 Q3 Portfolio Details

(Million yen)

	Net sales			Operating profit			EBITDA		
	FY2026/5 Q3 results	YoY	FY2026/5 Progress rate (Revised plan)	FY2026/5 Q3 results	YoY	FY2026/5 Progress rate (Revised plan)	FY2026/5 Q3 results	YoY	FY2026/5 Progress rate (Revised plan)
Core Cash Area	4,211	91.3%	76.0%	926	80.0%	77.8%	928	80.0%	77.7%
Cash-Flow M&A Area (GH)	761	-	87.0%	(99)	-	-	9	-	-
High-Growth Option Area (SC Business/IR Hub excluding investment)	15	89.3%	43.2%	(160)	-	-	(160)	-	-
Other Adjustments (Common Costs, etc.)	(1)	-	-	(429)	-	-	(429)	-	-
Consolidated Total	4,986	107.7%	77.3%	237	40.0%	94.8%	347	58.4%	86.8%

# Core Cash Area | Response to Changes in the Business Environment

We recognize changes in search traffic dynamics as a structural shift that requires a mid- to long-term response. In response, we are advancing both offensive and defensive measures in parallel, while aiming to maintain stable cash-flow generation in existing businesses.

## Response to Changes in the Business Environment

External Risks	Business	Risk Level	Rationale
Changes in search traffic dynamics driven by AI	Game8 (Overseas)	Moderate	While risks are considered limited given the nature of game media, we aim to drive a positive transition by proactively addressing mid- to long-term changes driven by AI
	Game8 (Domestic)		
	Gunosy	High	Potentially impacted by changes in how users access information and spend their leisure time.

### Initiative 1 Technical Response to Changes in the Business Environment

- Offense** Implement technical improvements and business partnerships to enhance ad monetization.
- Defense** Invest in content areas with higher resilience to environmental changes, including user-generated content (UGC).

### Initiative 2 Promotion of Thorough Cost Control through Digital Transformation

- Offense** Thoroughly promote cost control through digital transformation leveraging AI.
- Defense** Allocate a portion of generated surplus resources to selective expansion in focused areas.

**POINT**

Proactively manage external risks, including AI-driven changes, while safeguarding stable cash-flow generation in existing businesses.

## The basic story for achieving EBITDA for FY2027/5 remains unchanged

The Domestic Media Business continues to underperform. We will maintain the company-wide profit level by offsetting this through cost control via DX initiatives and growth in the Overseas Media Business (Game8). For FY2027/5, the original target year, **our policy is to maintain the current target levels and firmly achieve them.**

### Medium-Term Financial Goals: As of FY2027/5

#### Business

**EBITDA**

**900** million yen

**ROIC**

(on invested capital for existing businesses)

**15%** and over

#### Investment

**IRR**

**30%**

# Efforts to Maintain Prime Market Listing

We will continue to drive performance improvement and enhance shareholder returns to meet the tradable share market capitalization requirement, while steadily preparing for a smooth transition to the Standard Market as a safety net.

## Compliance Status as of FY2025 Reference Date

	Prime Market Listing Standard	Our Status	Compliance Status
Number of Shareholders	800 or more	6,627	Compliant
Number of Tradable Shares	20,000 units or more	141,649 units	Compliant
Market Capitalization of Tradable Shares	10 billion yen or more	8.487 billion yen	Non-compliant
Tradable Share Ratio	35% or more	58.4%	Compliant

## Initiatives for Improvement

Enhancement	<p>(1) Performance</p> <ul style="list-style-type: none"> <li>Steadily achieve goals in each area under the mid-term plan to establish a <b>group-wide trend of revenue and profit growth</b>.</li> <li>Pursue <b>EBITDA expansion through Core Cash Area and M&amp;A</b>, while developing new businesses centered on SC to <b>create growth drivers</b>.</li> <li>Work to enhance IR initiatives to <b>foster appropriate market understanding of slice's growth potential</b>.</li> </ul>
Shareholder Returns	<p>(2) Strengthening</p> <ul style="list-style-type: none"> <li>Maintain a <b>profit level that ensures DOE of 3% or higher, with a long-term aim of achieving a DOE level of 5%</b>, enabling increased dividends.</li> <li>On the investment area, <b>more than 20% of realized gains will be returned to shareholders</b>. Dividends will be adjusted to reflect investment results as progress is made.</li> <li><b>We will also drive improvements in capital efficiency and EPS by appropriately combining share buybacks</b>.</li> </ul>

### Key Features

- We anticipate a transition to the Standard Market depending on the trend of market capitalization for tradable shares.
- Preparations for the transition to the Standard Market are progressing smoothly, and the risk of delisting is limited.

In addition to implementing a shareholder return of 4% of consolidated shareholders' equity, exceeding the base DOE policy of 3%, **we plan to increase dividends by adding a special dividend equivalent to 1% DOE**, backed by slice's strong growth. The dividend forecast per share is 22 yen.

## Dividend Policy for FY2026/5

We plan to implement **a shareholder return of 4%** of consolidated shareholders' equity, exceeding the base policy of 3% DOE, and **add a special dividend equivalent to 1%** funded by investment returns.



The Group portfolio is divided into three areas to realize shareholder value creation through both stability and growth.

## Gunosy

Divided into three portfolios to **ensure both the strengthening of stable cash flow and growth over the medium to long term.**

1

### Core Cash Area

Businesses that generate stable foundational cash flow

Features

- Robust business foundation providing stable and predictable FCF
- Serves as a funding source for the entire group

Target Businesses

- Media business
- G8 media business

2

### Cash-Flow Accretive M&A Area

M&A of profitable companies expected to achieve ROIC > WACC

Features

- Execute M&A transactions that contribute to FCF while delivering ROIC above WACC
- Leverage our group's resources and apply our proven expertise—through multifaceted support including digital transformation, recruitment, and corporate functions—to replicate our success and enhance the value of acquired companies.

Target Businesses

- G Holdings
- Others (M&A planned in the future)

3

### High-Growth Option Area

Businesses with significant mid-to long-term growth potential

Features

- Currently FCF generation is limited
- High uncertainty but potential for substantial long-term returns

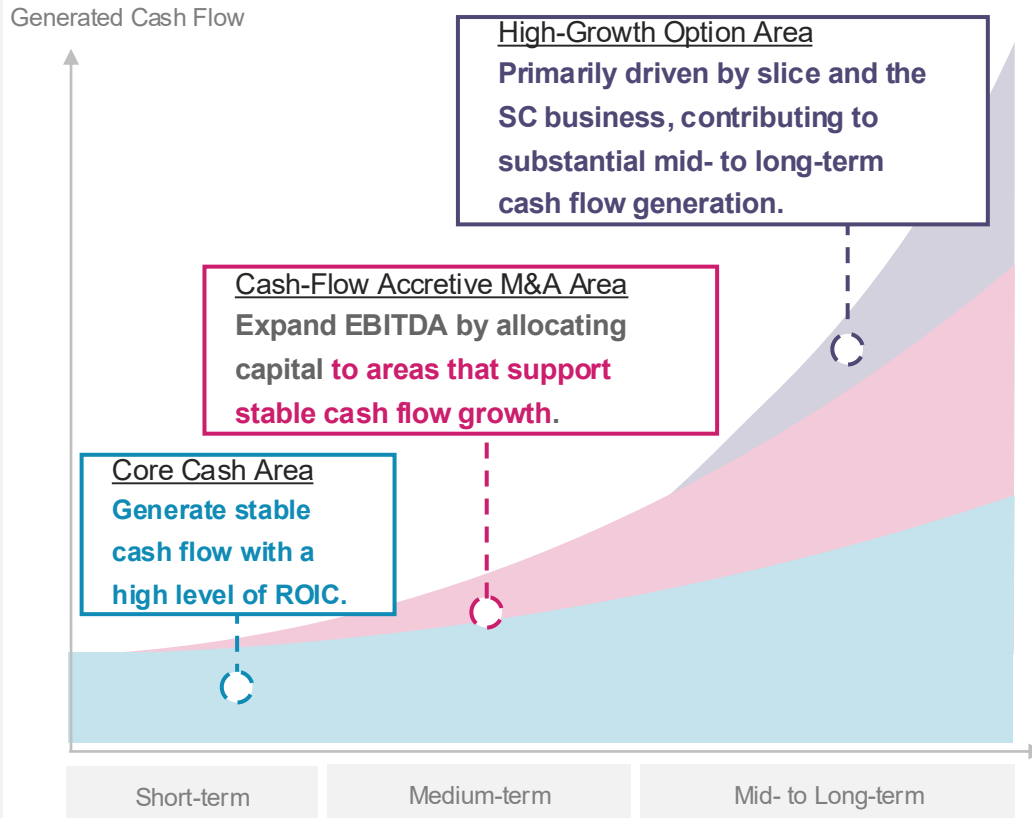
Target Businesses

- slice
- G8 (SC business)
- IR Hub

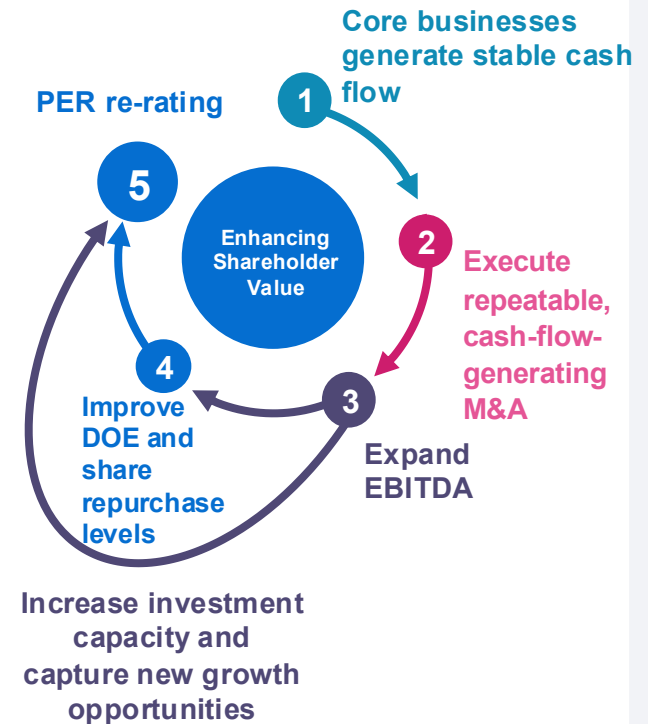
# Future Cash Flow Projections by Portfolio and Concept for Enhancing Shareholder Value

Enhance shareholder value by **expanding EBITDA** through the Core Cash Area and M&A, while **strengthening new growth drivers and shareholder returns**.

## Future Cash Flow Projections by Portfolio



## Flywheel for Enhancing Shareholder Value



# Capital Allocation and Shareholder Return Policy by Portfolio

We set targets for expected outcomes and capital efficiency for each portfolio and manage invested capital appropriately. **We have clarified our policy of reflecting the results in shareholder returns, aiming to enhance shareholder value.**

Business Category / Investment Amount		Capital Allocation Policy	Shareholder Return Policy
FY2025 Year-End Balance Sheet *1 <b>12.0</b> billion yen (net of current liabilities)	<b>High-Growth Option Area</b> approx. <b>5.5</b> billion yen	<b>Investment</b> Focus on asset management to achieve IRR above 30%; no additional capital allocation planned for the time being.	Return more than 20% of realized profits to shareholders Reflect progress and outcomes in dividend levels
	<b>Cash-Flow Accretive M&amp;A Area</b> 4.5-5.0 <sup>*2</sup> billion yen	<b>Business</b> Make individual decisions considering mid- to long-term growth (currently up to 0.5 billion yen) Initially, execute M&A deals expected to deliver ROIC above WACC two years post-acquisition	Maintain stable dividends at DOE of 3% or higher; for FY2026, plan to maintain DOE at 4%, consistent with FY2025 levels Aim to raise dividends to a DOE level of 5% over the long term
	<b>Core Cash Area</b> 1.5-2.0 billion yen	Maintain current high ROIC levels	Consider share buybacks at an appropriate time, taking into account valuation, in order to improve capital efficiency and EPS

\*1 To align with the concept of working capital, current liabilities are deducted from current assets. Invested capital for existing businesses includes operating fixed assets and cash.

\*2 Includes 3.0 billion yen in investable cash and GH assets \*3 ROIC = (EBITDA × (1 - Corporate Tax Rate) / Invested Capital); WACC determined internally at a reasonable level

# 2

## Business Overview by Portfolio

**Core Cash Area**

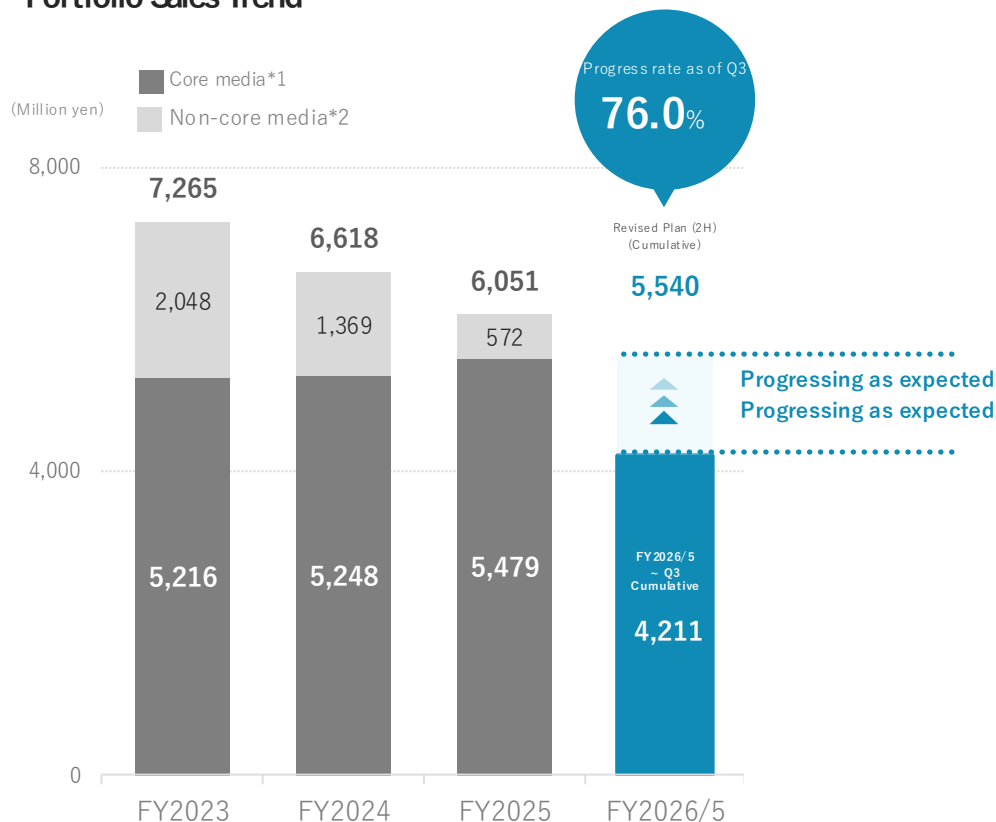
Cash-Flow Accretive M&A  
Area

High-Growth Option Area

Performance has trended in a downside scenario due to a soft domestic media market environment, which was factored into the Revised Plan (2H).

To maintain and strengthen C/F generation capability over the medium to long term, we are implementing measures such as expanding the service scope.

## Portfolio Sales Trend



## Highlights (FY2026/5 Q3)



### Revenue from Core Media

## Progressing as expected against the Revised Plan (2H)

### Gunosy Business

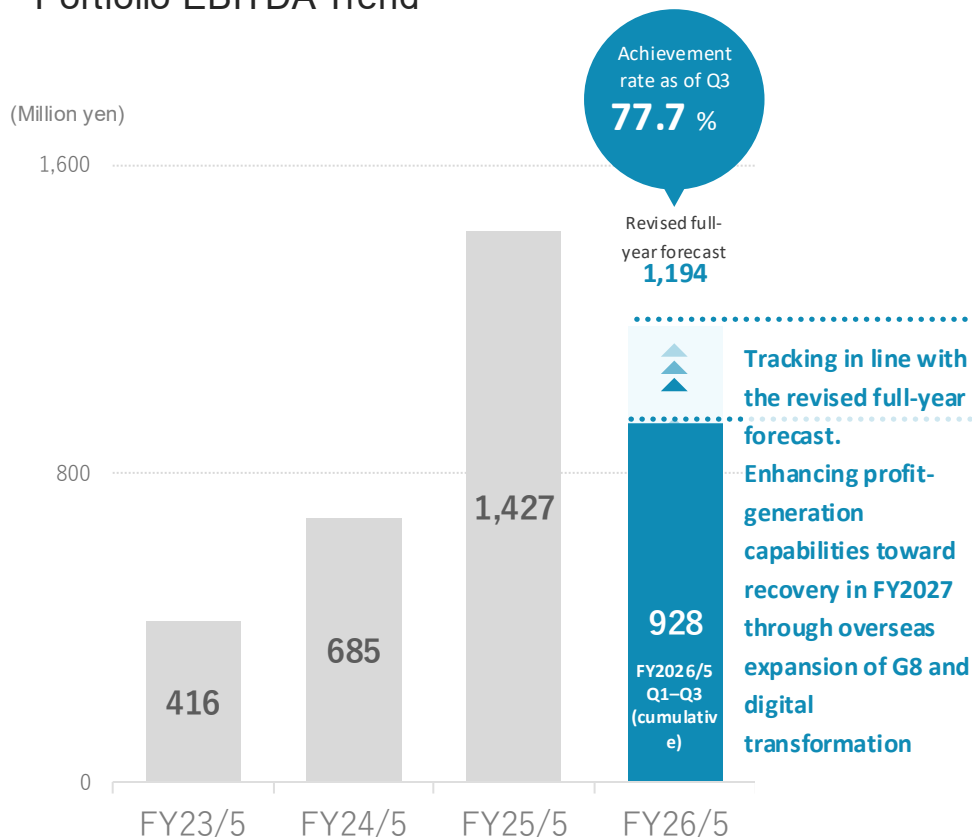
- The business environment has trended in a downside scenario factored into the Revised Plan (2H)
- Impacted by the soft trend in the number of active users across the entire news app media market
- Core services, Gunosy and au Service Today, experienced a slight decline in revenue

### Game8 Media Business

- Overseas media continued to perform well and drove this area
- Domestic media underperformed due to the market environment  
Implemented various measures to ensure profitability

Core Cash Area generated 928 million yen in EBITDA in FY2026/5 Q3. Looking toward FY2027/5, we will maintain and strengthen profit-generation capabilities through overseas expansion of G8 and cost optimization driven by digital transformation.

## Portfolio EBITDA Trend\*



## Highlights (FY2026/5 Q3)

### EBITDA from the Core Cash Area

**928** million<sup>\*</sup> yen

#### Gunosy Business

- Business environment tracked a downside scenario reflected in the revised full-year forecast
- Strengthening operations through AI utilization and digital transformation
- Continued comprehensive cost control

#### G8 Media Business

- Implementing various measures to secure profitability amid a shrinking domestic market environment
- Growth of overseas media
- Strengthening operations through the utilization of AI and digital transformation

\* EBITDA for the Core Cash Area is roughly equivalent to operating profit.

# 2

Business Overview by Portfolio

## Business Overview by Portfolio

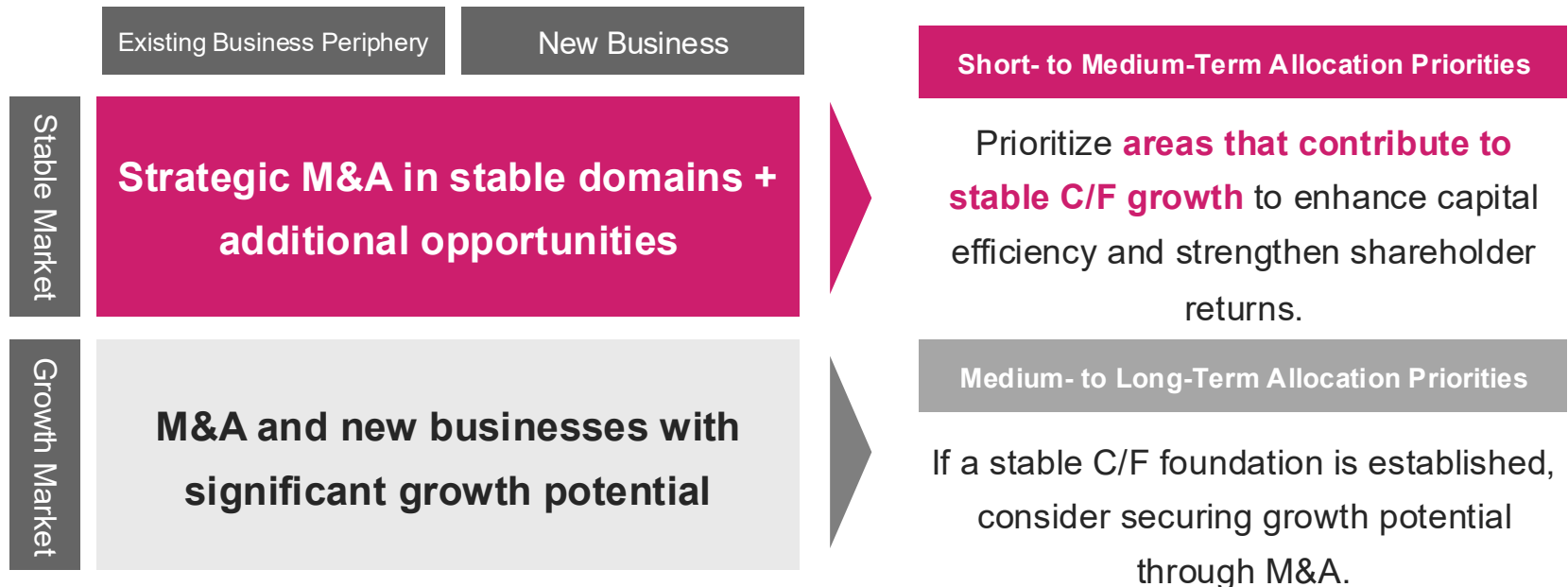
Core Cash Area

Cash-Flow Accretive M&A  
Area

High-Growth Option Area

Our fundamental policy is to pursue M&A that strengthens our value chain in areas expected to generate stable cash flow.

## Areas for Allocating Available Cash for Investment



### Key Features

- For the time being, **prioritize investments that build a stable C/F foundation over growth potential.**
- Position M&A aimed at strengthening the value chain as a core strategy.

To promote M&A, **we have established financial guidelines to prevent excessive risk-taking**. By adhering to these guidelines, we aim to execute M&A that balances improved capital efficiency with financial stability.

Cash-Flow  
Accretive  
M&A Area

## Guidelines on Financial Risk

### (1) Investment Cap

The maximum investment amount during the remaining two years of the medium-term plan is limited to **within the scope of currently available surplus cash (approximately 3.0 billion yen)**.

\*Excludes the 1.1 billion yen already invested in G Holdings.

\*Excludes funds raised through borrowing.

### (2) Profitability of Deals

For the time being, we will only execute **deals where projected ROIC exceeds WACC two years after the M&A**.

\*Assumed ROIC = (EBITDA × (1 - Corporate Tax Rate) / Invested Capital)

\*WACC is determined internally at a reasonable level.

### (3) Financial Leverage Limit

In principle, **Net Debt/EBITDA on a consolidated basis will be limited to 3x or less**.

If it exceeds 2x, we will assess financial soundness thoroughly before proceeding.

#### Key Features

- Prioritize **deals that directly contribute to the Group's EBITDA growth**.
- Establish clear guidelines to avoid excessive financial risk while **balancing improved capital efficiency and financial stability**.

Highly evaluated for its repeatable business model that delivers **stable cash flow and strong capital efficiency**. Through M&A, Gunosy achieved both stable cash flow generation across the Group and entry into growth areas such as anime and manga IP.

## Acquisition Overview and Business Model

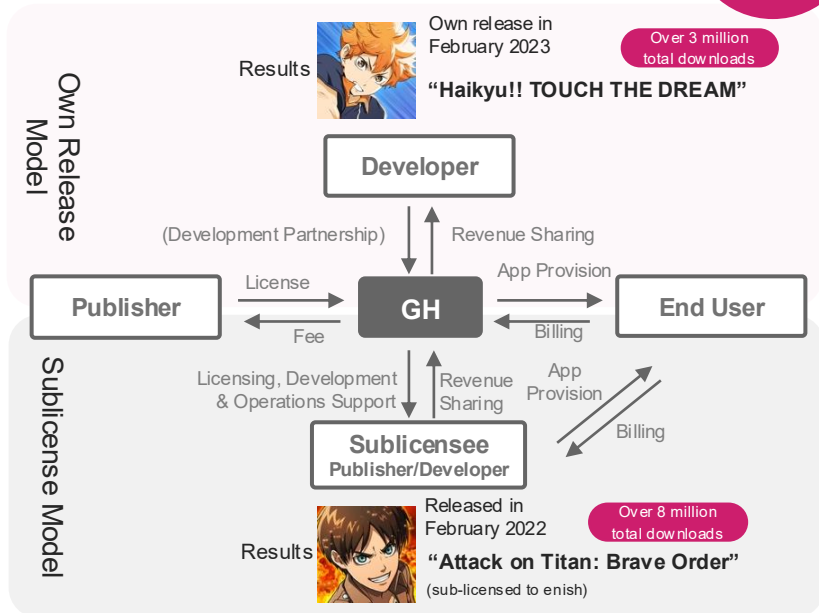


G Holdings Co., Ltd.

### Business Description

Planning and production of smartphone games

Acquired in May 2025



## Alignment with Investment Policy

- **This is the first deal aligned with the M&A policy stated in our IR:** “Strengthen our value chain in areas expected to deliver stable earnings.”

## Expected Benefits from GH Integration

- **An opportunity to enter a growth segment** of strategic importance, leveraging the global demand for Japanese anime and manga IP, with a focus on global expansion of Japan-originated IP.
- **Expected synergies with Game8**, including off-app payment solutions in collaboration with the SC business.

### Key Features

- **Strong experience in planning and operating multiple major IP titles**, consistently creating added value
- Delivers **stable cash flow and high capital efficiency** by rigorously controlling risk and return

Advancing development toward maximizing long-term revenue, while carefully assessing optimal release timing for each title. Development of new titles and upfront investment in advertising and promotion are impacting results, with profit contribution projected from the next fiscal year onward.

## Titles Scheduled for Future Release (Announced Titles)

Scheduled for Release in 2026



In-house publishing model

### Haikyuu!! TOUCH AND CONNECT

©古舘春一（集英社）／「ハイキュー!!」製作委員会  
©G Holdings Co., Ltd.

POINT

- Q1–Q3 results recorded an operating loss, partly due to upfront advertising and promotional investment for new releases.
- Progressing toward maximizing long-term revenue, while carefully assessing release timing.



Scheduled for Release in 2026



Sublicense model

### Yowamushi Pedal Resonance

©渡辺航（週刊少年チャンピオン）／弱虫ペダル05製作委員会  
©G Holdings Co., Ltd.  
©enish.inc.

Development for each title is underway, **with earnings contribution expected mainly from the next fiscal year onward.**

Scheduled for Release in 2026



Sublicense model

### Crimson Inferno (Togen Anki)

©漆原侑来（秋田書店）／桃源暗鬼製作委員会  
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+ 1–2 additional new titles in development

# 2

Business Overview by Portfolio

## Business Overview by Portfolio

Core Cash Area

Cash-Flow Accretive M&A  
Area

High-Growth Option Area

Strategically and flexibly allocate capital to areas with strong mid- to long-term growth potential. Capital investments are made in slice, SC (store & commerce) business, IR Hub, and others, based on timing and growth potential.

## High-Growth Option Area

Capital Allocation (Based on B/S amounts at the end of FY2025/5)	
Total	Investment
	slice
	Others
	SC business
IR Hub business	

Capital Allocation (Based on B/S amounts at the end of FY2025/5)

Investment

slice

Approx. **3.5** billion yen

Others

Approx. **1.7** billion yen

SC business

Approx. **200-300** million yen

IR Hub business

\* Cumulative investment: Approx. 500 million yen

## Business Overview / Timeline and Potential

### slice: The most critical strategic investment in the High-Growth Option Area

- Relunched as a digital-first bank in India, with key KPIs showing steady growth
- Actively introducing new banking services and products, indicating extremely strong mid- to long-term growth potential
- **Aiming for an IPO in 3–4 years after achieving significant growth**

Other Investments:  
While certain investments recorded impairment, the overall portfolio has been performing solidly. We expect certain cash inflows from the investment side and plan to return capital to shareholders based on defined criteria.

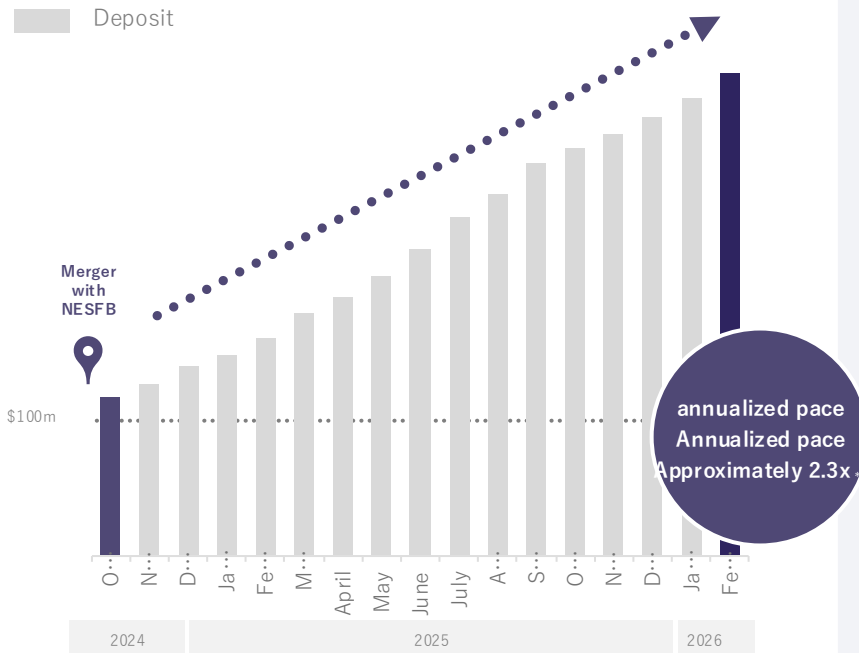
With the enforcement of the Act on Promotion of Competition for Specified Smartphone Software, we have begun full-scale entry into a newly opened market exceeding 2 trillion yen. **Expect significant growth over the next 2–3 years in the short to medium term.**

Established a product-led growth model in which a continuous cycle of “customer issues → product improvement → proposals” drives growth. Ongoing feature enhancements continue to increase user value, with cumulative contracts reaching several dozen companies and churn rate remaining low. Currently in a Seed to Pre-Series A stage of growth.

The monthly number of new account openings has been maintained at approximately 400,000, **to or exceeding the net customer additions of HDFC, India's largest private bank. Accordingly, the deposit balance (Deposit) has continued to grow at an annualized pace of approximately 2.3x** following the merger.

## Deposit

Deposit balance has steadily increased since the merger  
**Growing at an annualized pace of approximately 2.3x**



## About Deposit Services

- Providing **digital accounts that can be opened and used entirely within the app**
- New bank account openings have **grown to approximately 400,000 accounts per month**  
**Net customer additions are comparable to or exceeding HDFC, India's largest private bank\*2**

## HDFC Bank



HDFC Bank commenced its operations as a commercial bank in 1995. Headquartered in Mumbai, it serves over 93 million customers. Known as the largest private sector bank in India, it offers a comprehensive range of financial services.

### Market capitalization <sup>\*3</sup>

**Approximately 20 trillion yen**

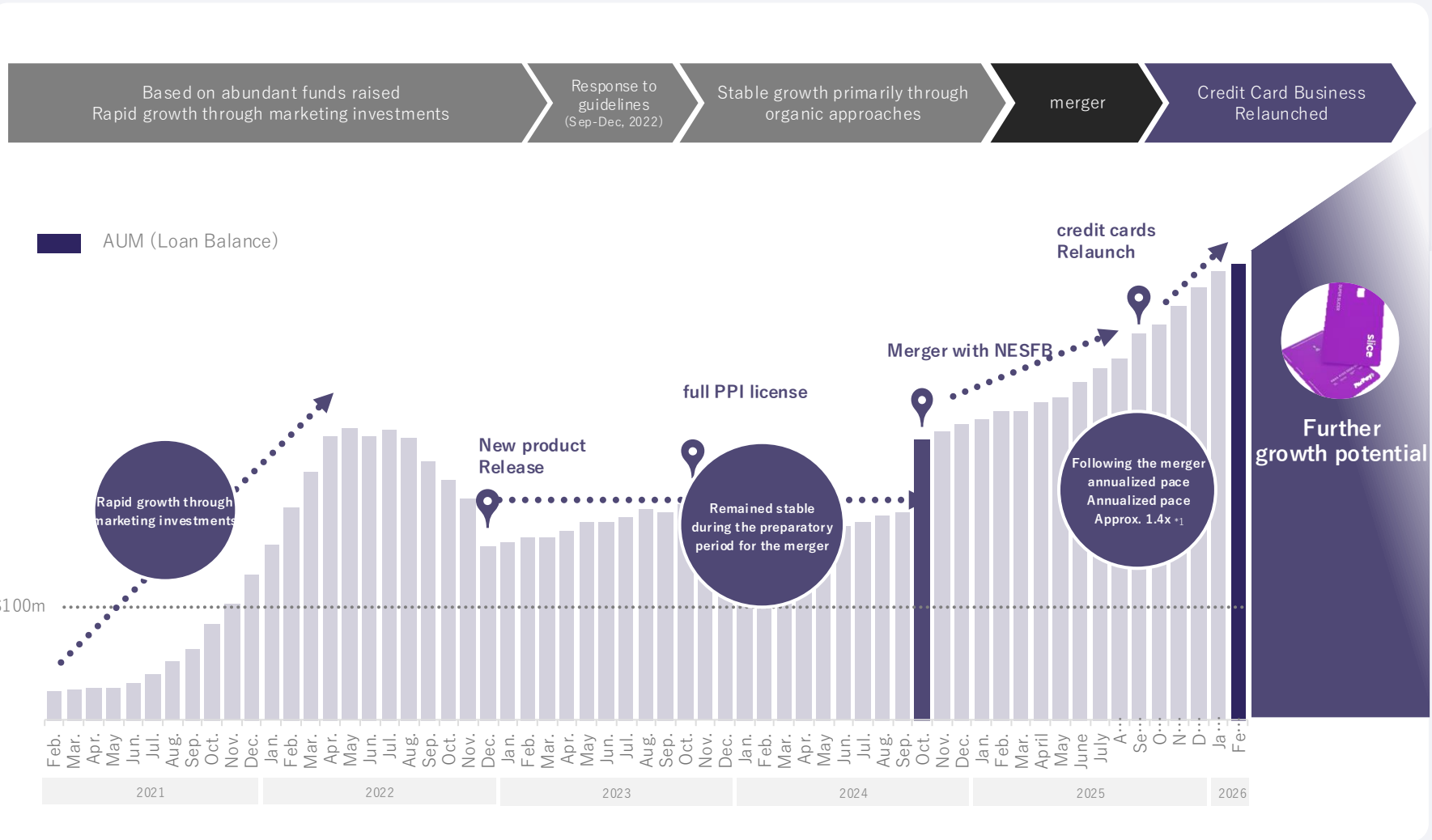
The highest market capitalization among Private Sector Banks

\*1 CMGR (Compound Monthly Growth Rate) calculated over the 16-month period from the end of October 2024 to February 2026, rounded to the second decimal place. For convenience, a fixed FX rate of INR/USD 0.012 is uniformly applied.

\*2 HDFC Bank net customer additions: Monthly figures estimated based on annual increases in the Customer Base disclosed in HDFC Bank's Q3 FY2026 Earnings Presentation.

# slice | Business Scale Expansion – AUM Growth

Following the public release of credit cards, stable growth has continued, and **AUM growth is expected to continue within the scope of financial safety.**



For convenience, a fixed exchange rate of INR/USD 0.012 is uniformly applied.

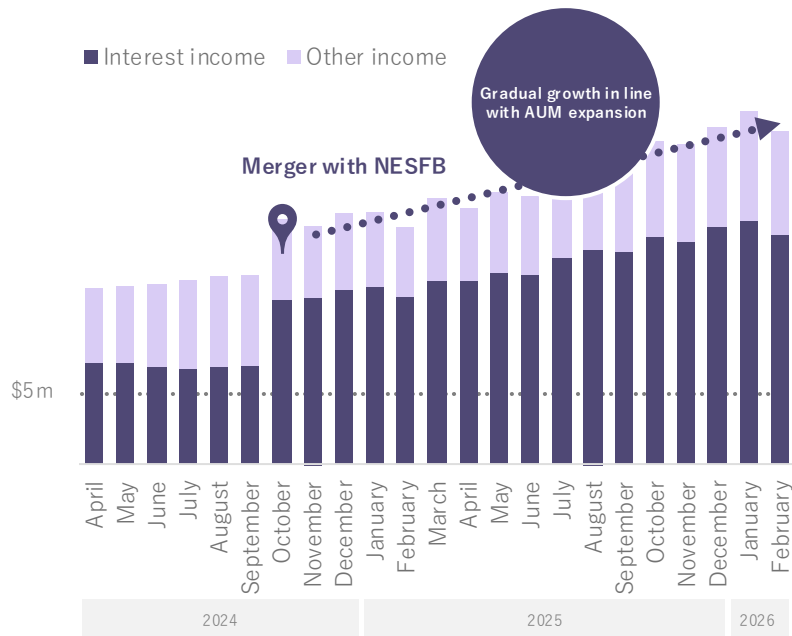
\*1 CMGR (Compound Monthly Growth Rate): Calculated over the 16-month period from the end of October 2024 to February 2026, rounded to the second decimal place.

# slice | Profitability Status — Gross Revenue and Revenue Efficiency

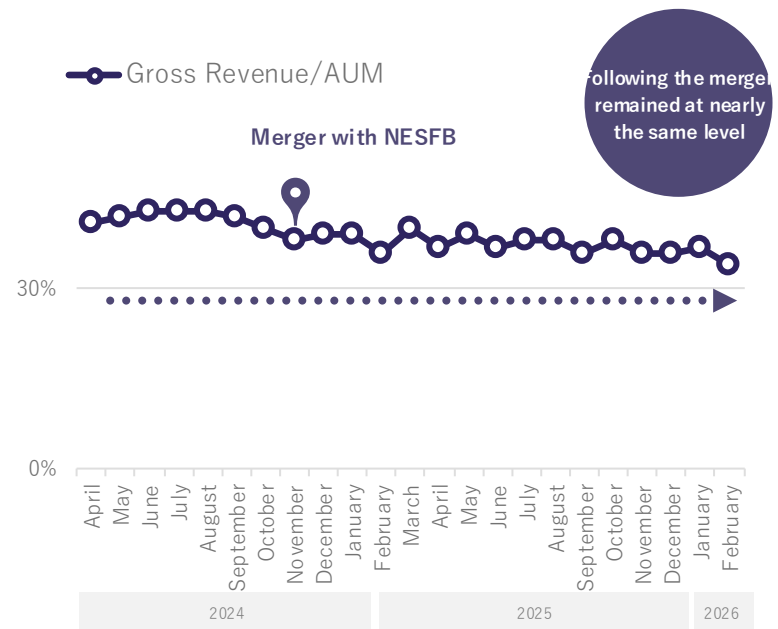
Following the merger, **profitability per AUM** has been largely maintained.

Gross Revenue is expected to continue growing in line with the growth in AUM, which serves as a leading indicator.

## Gross Revenue (Total Income)



## Revenue Efficiency per AUM\*



### Key Features

- Upon the merger, **Gross Revenue** increased significantly.
  - The revenue efficiency remained at nearly the same level after the merger.
- Growth is expected to follow the increase in AUM, which serves as a leading indicator, with a certain time lag.

For convenience, a fixed exchange rate of INR/USD 0.012 is uniformly applied.

\* Gross Revenue/AUM: An indicator of revenue efficiency per AUM. Calculated as monthly Gross Revenue/AUM\*12.

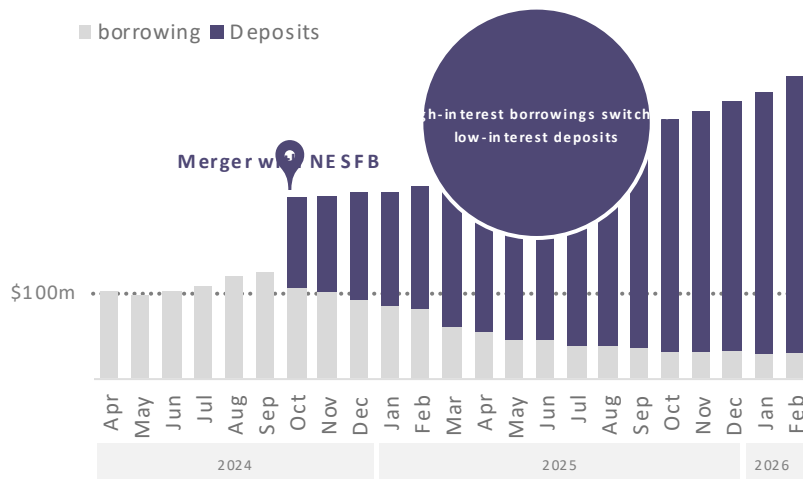
# slice | Profitability Status: Debt Profile and Cost of Funds

As deposits increased following the merger, the funding structure has been shifting from high-interest borrowings to lower-cost deposits.

As a result, **the overall cost of funds has declined as expected.**

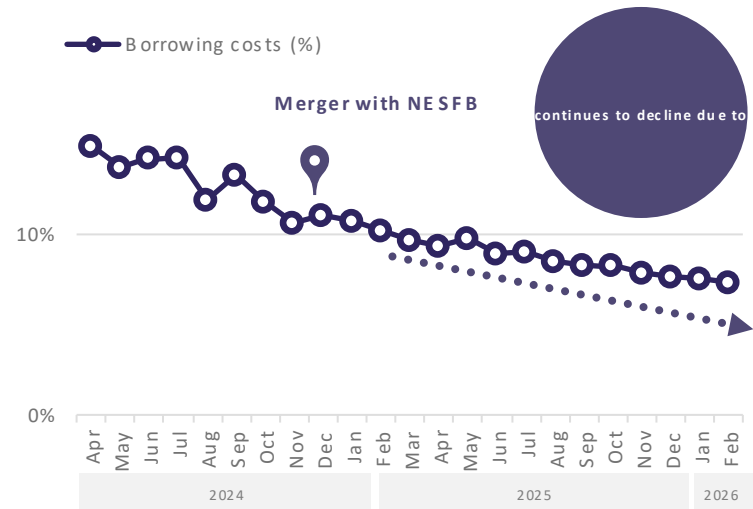
## Debt Profile

Repayment of high-interest borrowings from external financial institutions is progressing, with a **shift toward lower-interest deposit-based funding.**



## borrowing costs

As borrowings gradually shift to deposits, the overall cost of funds continues to decline.



### Key Features

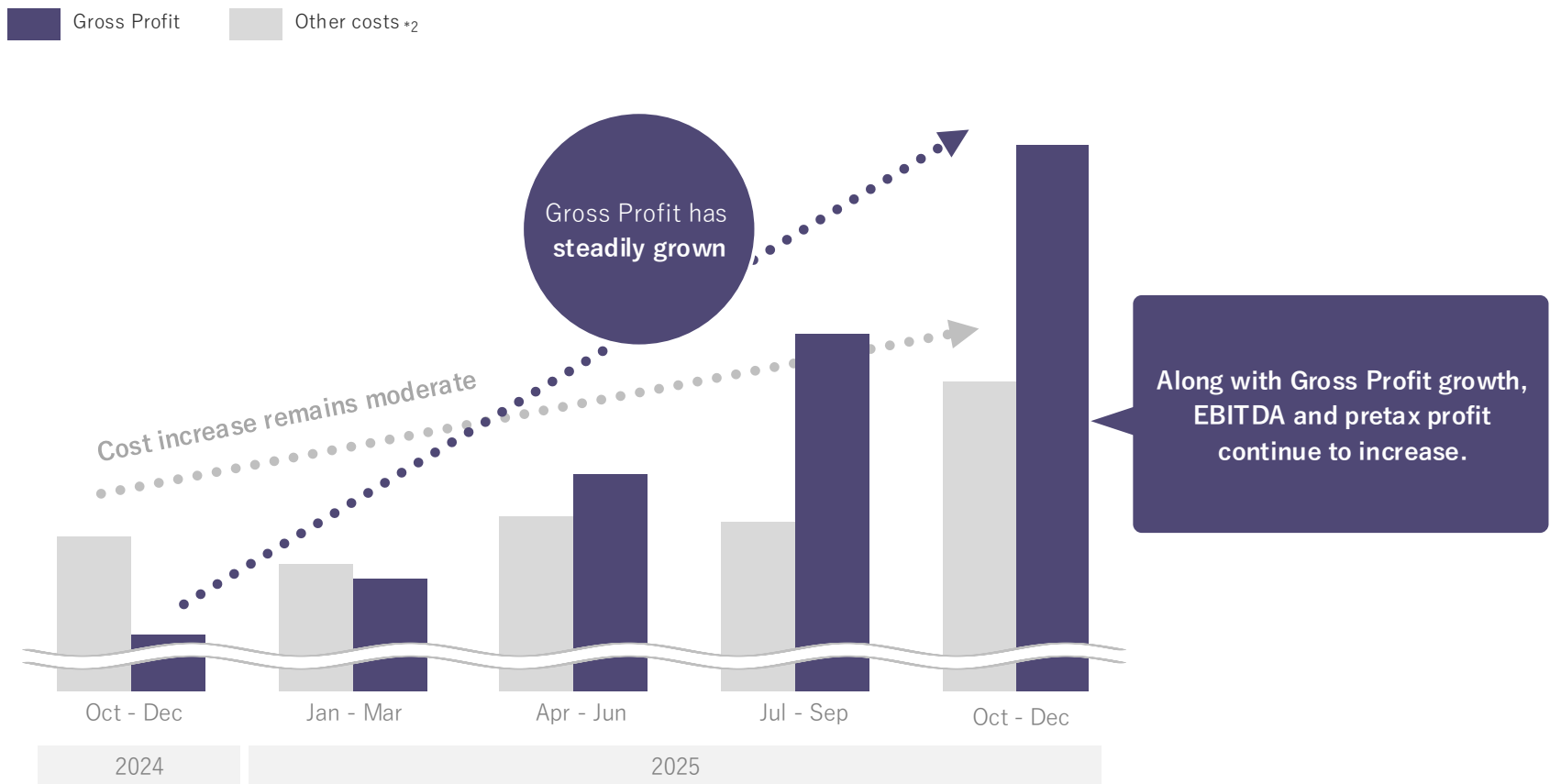
- The India Repo Rate, which serves as the benchmark interest rate, declined from 6.50% as of December 2024 to 5.25% as of February 2026.
- There remains room for further reduction in the cost of funds through deposits, depending on future trends in the India Repo Rate.

For convenience, a fixed exchange rate of INR/USD 0.012 is uniformly applied.

\* Cost of Funds = Interest Expense / ((Short Borrowing + Deposit + External Loanbook) × (Days in month / 365))

Supported by improved Revenue Efficiency and AUM expansion, Gross Profit has shown steady **efficient P&L structure that effectively controls cost increases has been established**, resulting in continued increases in EBITDA (\*1) and pretax profit.

Relationship between Gross Profit Trend and Other Costs\*2 (Conceptual Illustration)



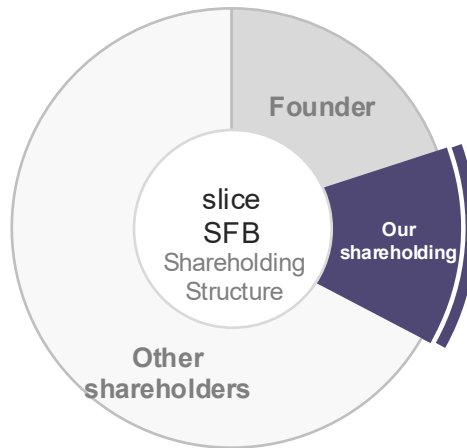
\*1: EBITDA = Earnings Before Taxes, Depreciation and Amortization As a bank, profits including interest are positioned as a key performance indicator.

\*2: Other costs = Various costs up to pretax operating profit = Opex + Marketing cost + Fixed cost + Depreciation

Even after the merger, Gunosy has maintained a shareholding of over 12.65% on a fully diluted basis.

**As the key external shareholder**, we continue to support slice's mid- to long-term growth and maintain a strong relationship.

## Our shareholdings



Maintaining status as the leading external shareholder

Shareholding ratio on a fully diluted basis\*

Over **12.65%**

### About the Shareholding Ratio

- Under the equity method, the shareholding was disclosed at **17.7%** on a non-diluted basis, in accordance with accounting requirements.
- Going forward, disclosure will be made on a **fully diluted basis**, due to the following factors:
  - Dilution resulting from the merger and the exclusion from the equity method following the discontinuation of board representation.
  - Potential impact of outstanding convertible shares.
- As some convertible shares may vary depending on performance and capital raising, the minimum ratio of **12.65%** at maximum dilution will be used as the disclosure benchmark.

## Asset Management Structure

**As the leading external shareholder, we will continue to maintain a strong relationship.**

- With the transition to the banking business, we have aimed to **establish an optimal management structure that balances business growth and operational efficiency**. As a result of discontinuing the dispatch of directors, the company is no longer subject to the equity method of accounting.
- **As the leading external shareholder, we will maintain a strong relationship to ensure appropriate monitoring is maintained.**
- Going forward, **our Chief Investment Officer, Maniwa, will remain responsible for asset management.**

By operating both game media and payment services in-house, **we enable seamless integration that preserves the user experience**. We expect strong potential for future expansion of the payment business, **leveraging a unique positioning that remains rare even in Japan**.

## User Acquisition (Game Media)



- **Previously ranked No.1 in domestic traffic** (FY25 Q2 report)
- **A leading game media platform with strong user acquisition capabilities**

## User Traffic (Payment Functionality)

**Business 1** **S8 Shops**

ゲーム公式サイト内にてアイテムショップを展開

購入したゲーム内通貨がゲームに反映

The diagram shows a four-step process on mobile devices: 1. Game8 website with an item shop. 2. Payment screen showing '¥2,800'. 3. Confirmation screen showing '¥2,800'. 4. Game interface showing '12,345' in-game currency.

**Payment #**  
③&④

One-stop service for building and managing external payment websites (off-app platforms)

**Business 2** **Game8 Store**

Game8のゲーム課金の決済手段で直接課金できる方式

Game8のSC ゲーム内通貨が一括で課金販売方式

購入したゲーム内通貨がゲームに反映

The diagram shows a four-step process on mobile devices: 1. Game8 website with a store. 2. Game8 SC payment screen. 3. Confirmation screen. 4. Game interface showing '12,345' in-game currency.

**Payment #**  
⑤

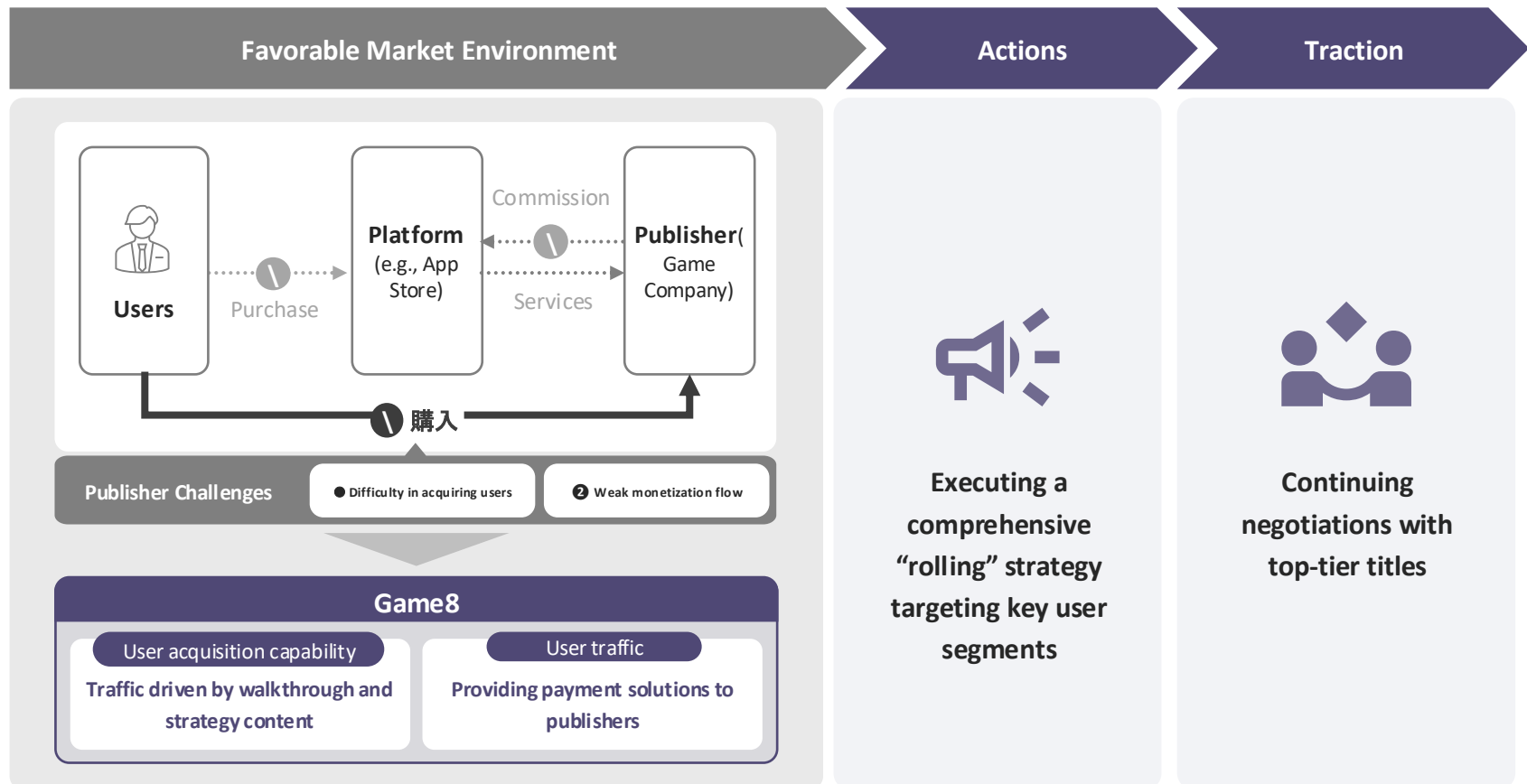
An e-commerce service within Game8 that enables the sale of in-game items and game download keys

### Key Features

**By combining strong user acquisition and user traffic capabilities, we have enabled seamless integration that preserves the user experience, securing a rare positioning in the Japanese market.**

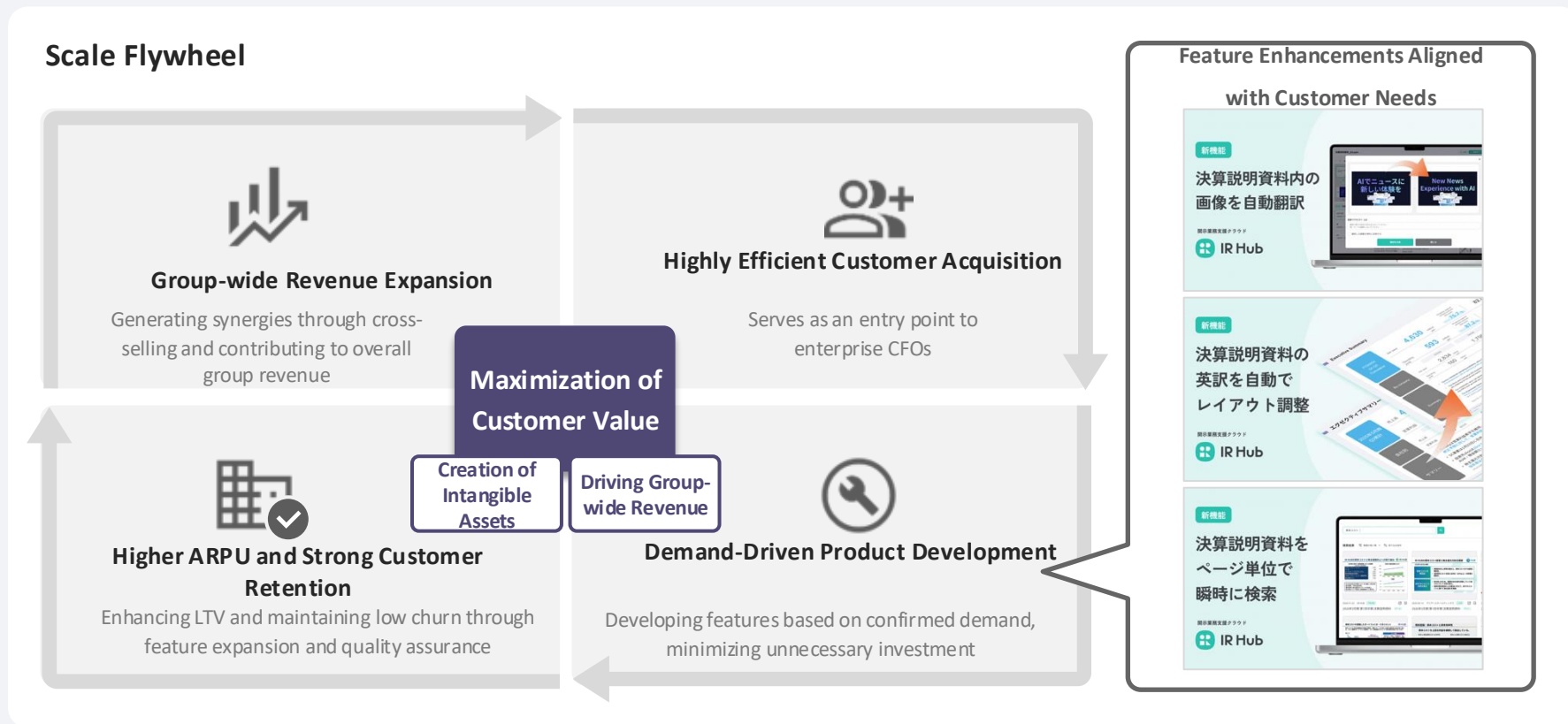
Following the enforcement of the “Act on Promotion of Competition for Specified Smartphone Software (the “Smartphone Competition Promotion Act”), our unique positioning in Japan is gaining renewed recognition. We are making steady progress in engaging with major titles through sales efforts while building a solid pipeline of large-scale opportunities to support mid- to long-term growth.

## Progress Following the Enforcement of the Smartphone Competition Promotion Act



\*1: Based on information as of December 18, 2025.

Established a product-led growth model in which a continuous cycle of “customer issues → product improvement → proposals” drives growth. Ongoing feature enhancements continue to increase user value, with cumulative contracts reaching several dozen companies and churn rate remaining low.



**IR Hub Client Companies**

Cumulative contracts\*

**Several dozen companies**

**Churn rate has remained low** since service launch

\* Based on information as of the end of February 2026.

# Digital Transformation Initiatives | Driving Competitiveness and Sustainable Growth

We are promoting corporate transformation through digital technologies, including the active use of LLMs, to **drive productivity improvements in existing businesses and create new business opportunities.**

Objective

**Promoting company-wide digital transformation to enhance productivity in existing businesses and create new business opportunities.**

FY2025 Results

**(1) Improve P/L and secure investment resources for growth opportunities by enhancing productivity**

Reduced workload by more than **3,000** man-hours annually



Improved P/L by **25** million yen



**(2) Creating new business opportunities through digital transformation initiatives in various operations**

IR operations → **Launched IR Hub**



**Automated ad review and business processes**



Going Forward

**Further improving productivity** (e.g., maximizing efficiency in existing operations by increasing AI task automation in core processes)

**Turning internal digital transformation initiatives that improve productivity into new businesses.**

# 3

FY2026/5 Full-Year Forecast and Mid-Term Financial Policy

## FY2026 Full-Year Forecast and Mid-Term Financial Goals



The basic story for achieving EBITDA for FY2027/5 remains unchanged

The Domestic Media Business continues to underperform. We will maintain the company-wide profit level by offsetting this through cost control via DX initiatives and growth in the Overseas Media Business (Game8). For FY2027/5, the original target year, **our policy is to maintain the current target levels and firmly achieve them.**

Medium-Term Financial Goals: As of FY2027/5

Business

EBITDA

**900** million yen

ROIC

(on invested capital for existing businesses)

**15%** and over

Investment

IRR

**30%**

# Shareholder Return Policy

Reflecting the earnings outlook and the growth potential of slice, we determined that a balance between stable shareholder returns and business growth can be achieved. **We aim to maintain a stable dividend with a DOE of 3% or higher, while targeting a DOE of 5% over the long term.**

## Reasons for the Policy Change (March 2025)

Based on the following two factors, it has been concluded that it can balance **stable shareholder returns with continued business growth**:

### (1) Earnings Outlook of Existing Businesses

With Gunosy achieving profitability on a standalone basis and Game8 continuing to grow steadily, **the probability of stable profit generation on a consolidated basis has increased.**

### (2) Growth of slice

slice has **evolved into India's first fintech-origin bank**, significantly increasing its future growth potential.

## Details of the Policy Change

Previous Policy

Dividend payout to commence when stable profit generation is expected. Shareholder returns equivalent to 20% of realized gains from investments.

Revised Policy

### Base Policy

Stable dividend with a **DOE of 3% or higher**, plus shareholder returns equivalent to 20% of realized gains from investments.

+

Additional share buybacks based on overall business conditions.

↓

### Future Target

Achieving a **DOE of 5%\***

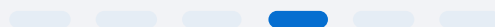
### Key Feature

- DOE (Dividend on Equity) is calculated as: Annual Dividend Amount / Consolidated Shareholders' Equity.
- The existing businesses are considered capable of generating sufficient profits to stably provide dividends with a DOE of 3% or higher, even while making certain growth investments.
- Cash and deposits available for investment will primarily be allocated to promising investment opportunities, including M&A that generate stable cash flows. The future goal is to reach a profit level that enables maintaining dividends with a DOE of 5%.

# 4

ESG Initiatives

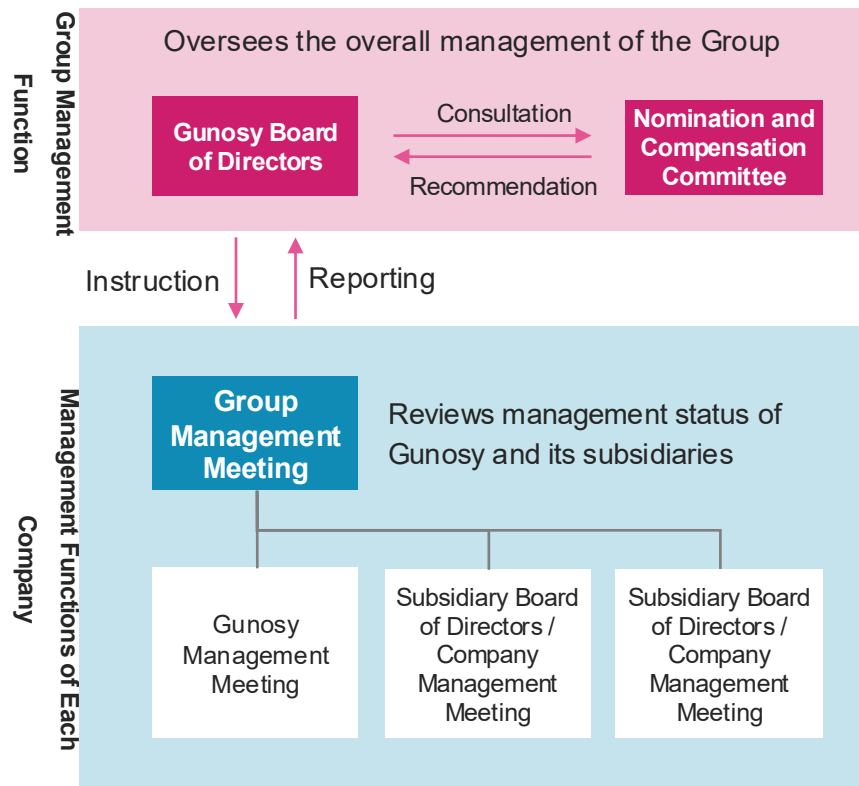
## ESG Initiatives



- 1 Designing appropriate governance with a focus on group management**
- 2 Designing and operating board agendas to enhance management precision**
- 3 Operating media with a commitment to providing a safe advertising experience**

Establishing an organizational management framework capable of supporting full-scale group management. We will continue to update our governance framework through constructive dialogue with capital markets.

## Key Committees in Group Management



## Board Composition

(See P47)

Breakdown of Board Members	Number
Number of Directors	9
Outside Directors	4
Independent Directors	4
Number of Female Directors	1

## Nomination and Compensation Committee

A voluntary Nomination and Compensation Committee chaired by an independent outside director, with a majority of independent outside directors, has been established.



Ensures **objectivity and transparency** in **director appointments, dismissals, and compensation** through consultation and recommendations to the Board.

To enhance board effectiveness, **we ensure that key management agendas are discussed regularly.**

Each fiscal year, we conduct evaluations of board effectiveness and review the operational efficiency of the board.

### Board Meeting Schedule

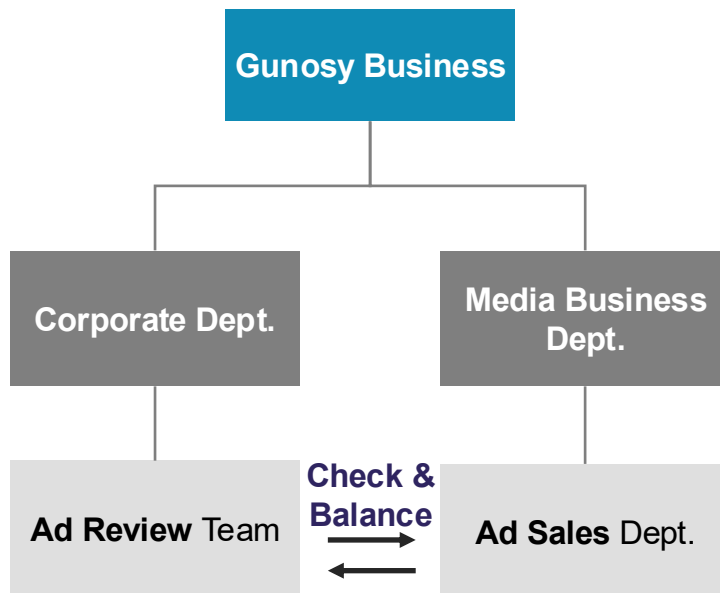
Examples of Board Agendas	Frequency	Number of Sessions (per Year)
Discussion on Business Plans and Management Strategies	<b>Semi-annual</b>	<b>2 times</b>
Discussion on Progress of Strategic and Business Plan Implementation	<b>Annual</b>	<b>1 time</b>
Deliberation on Management Risks	<b>Semi-annual</b>	<b>2 times</b>
Review and Discussion of Business Operational Framework	<b>Semi-annual</b>	<b>2 times</b>
Planning and Discussion on Organizational Strategy and Talent Structure	<b>Semi-annual</b>	<b>2 times</b>
Monitoring Progress of Business Strategies and Performance	<b>Monthly</b>	<b>12 times</b>

By **appropriately setting board agendas and reviewing and improving operational effectiveness through annual evaluations of board effectiveness**, we aim to achieve high-quality governance and enhance shareholder value.

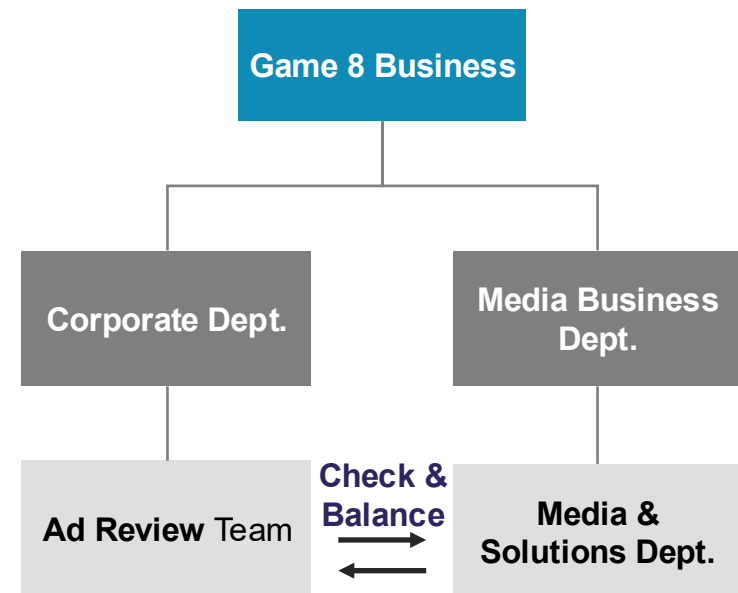
## Media Management Designed to Ensure a Safe Advertising Experience

By establishing an ad review framework that **ensures checks and balances between ad sales and ad review functions**, we aim to implement governance that provides a safe advertising experience.

### Gunosy Business



### Game8 Company



#### Key Feature

By **separating the supervisory departments** of the ad sales team, which is incentivized by revenue growth from ad acquisition, and the ad review team, which ensures quality, we have established a structure that creates **mutual checks and balances**.

Game8 has launched “Game8 for Kids” to **enhance advertising quality and provide game walkthrough information that minors can use safely and with confidence.**

## Examples of Game8 for Kids Initiatives

### Revising difficult kanji and expressions

このWikiは、ひらがな変換やルビ付きの漢字など、子ども向けにコンテンツを調整しています。

Game8 for Kidsはトライアル版です。無料でご利用いただけます。是非フィードバックをお寄せください。

マイクラ（マイクラフト）のこうりやくウィキです。それぞれのブロックのにゅうしゅほうほうや、こうりやくにやくだつきじなどをのせています。マイクラのこうりやくはGame8におまかせください！

もくじ		
アップデート	しょんしゃこうりやく	アイテム
じどうそうち	けんちくぶつ	トラップ
村人	ポーション	こうせき
バイオーム	モブ	ぼうぐ
こうそうぶつ	おやくだち	けいじばん

### Adding furigana (phonetic guides) to kanji



村人の職業ブロックいちらんとむすびつけるほうほうについてのせています。

#### ≡ もくじ

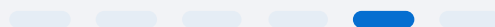
- 村人の職業ブロックいちらん
- 村人の職業ブロックのつくりかた
- 職業ブロックのつかいかた
- こうえきできないよういちらん
- 村人にかんするおやくだちほうほうまとめ
- かんれんきじ

### Quality control of advertising delivery to minors

5

Company Profile

# Company Profile





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

## Management Team

The management structure for FY2026/5 is as follows.



Representative 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

**Ryuichiro  
Hayashi**



Director (Outside)

**Suguru  
Tomizuka**



Director (Outside)

**Junichi  
Shiroshita**



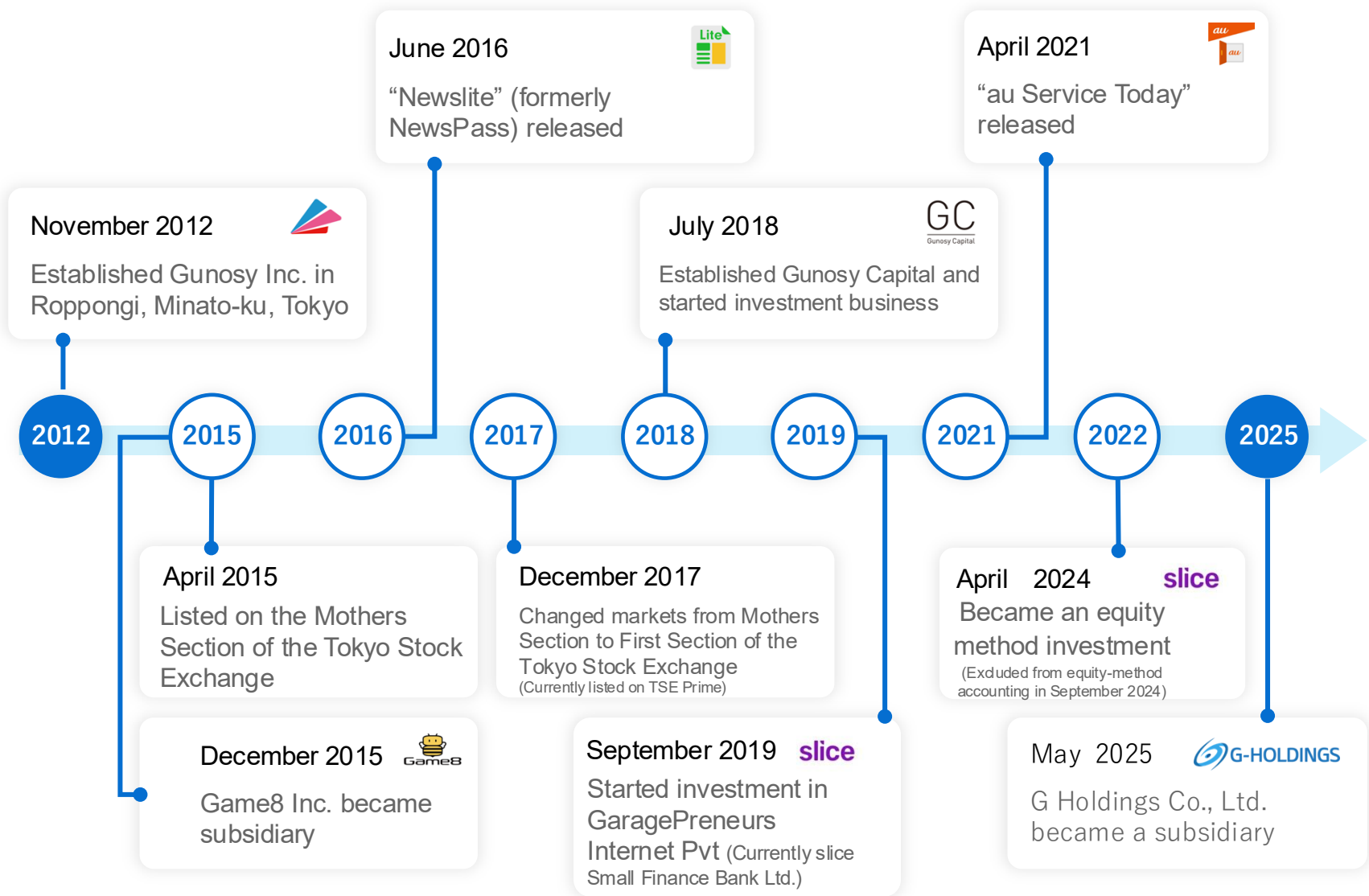
Director (Outside)

**Akihito  
Moriya**



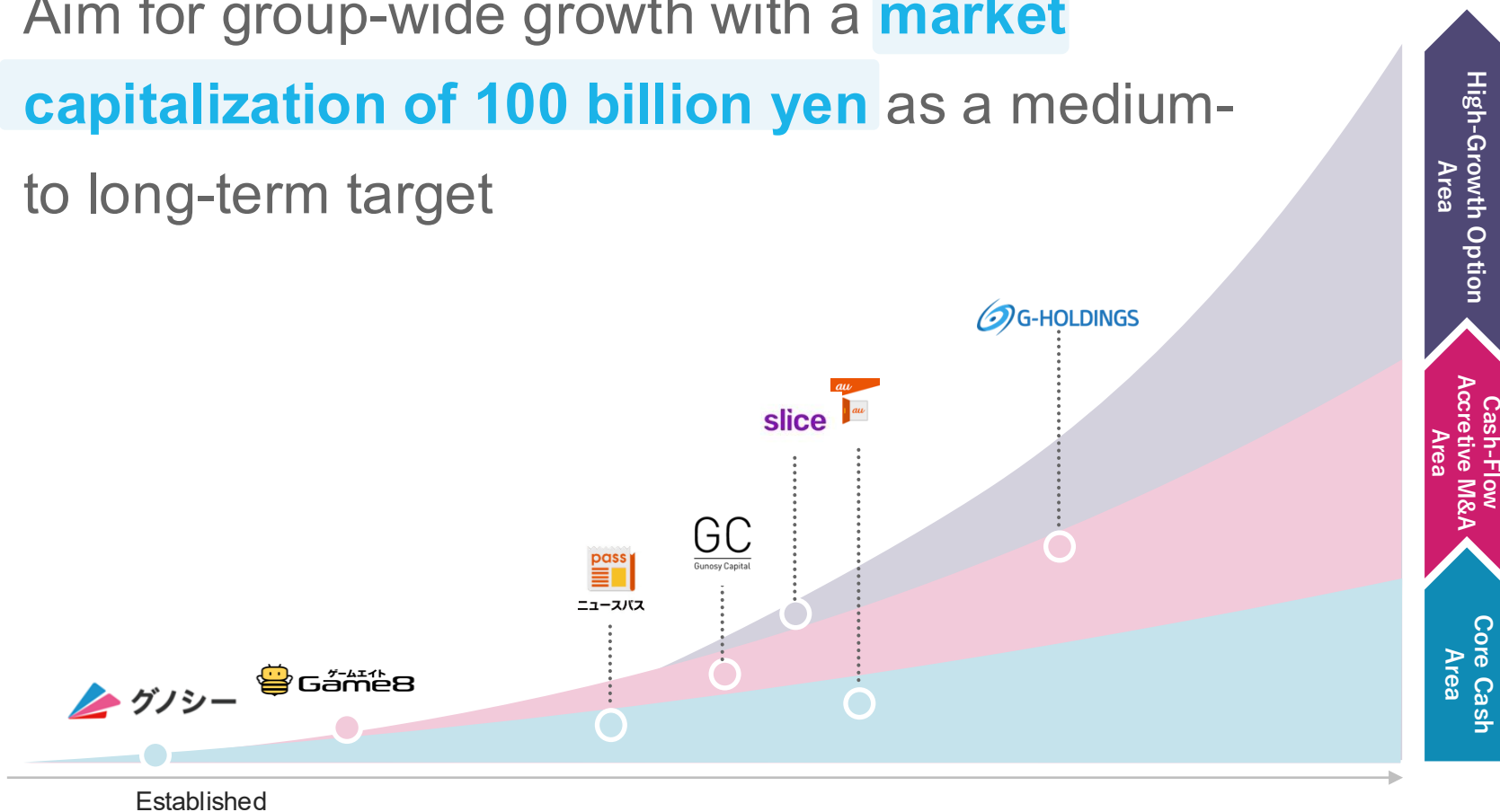
Director (Outside)

**Hitomi Iba**



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.	Officers:	Representative Director and Chairman, Group Chief Executive Officer (CEO), Shinji Kimura
Representative:	Shinji Kimura Kentaro Nishio		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 November 2025)		Director, Ryuichiro Hayashi
Stock Code:	6047 (TSE Prime)		Director (Outside), Suguru Tomizuka
Audit corporation:	Ernst & Young ShinNihon LLC		Director (Outside), Junichi Shiroshita
Number of employees:	199 (as of the end of February 2026, on a consolidate 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

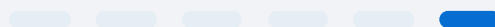
We do not stop working until we feel that this is the best we can do, rather than thinking that this is good enough. We will face the work in front of us with sincerity and honesty, seeking quality that will endure for a hundred years.

## 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.

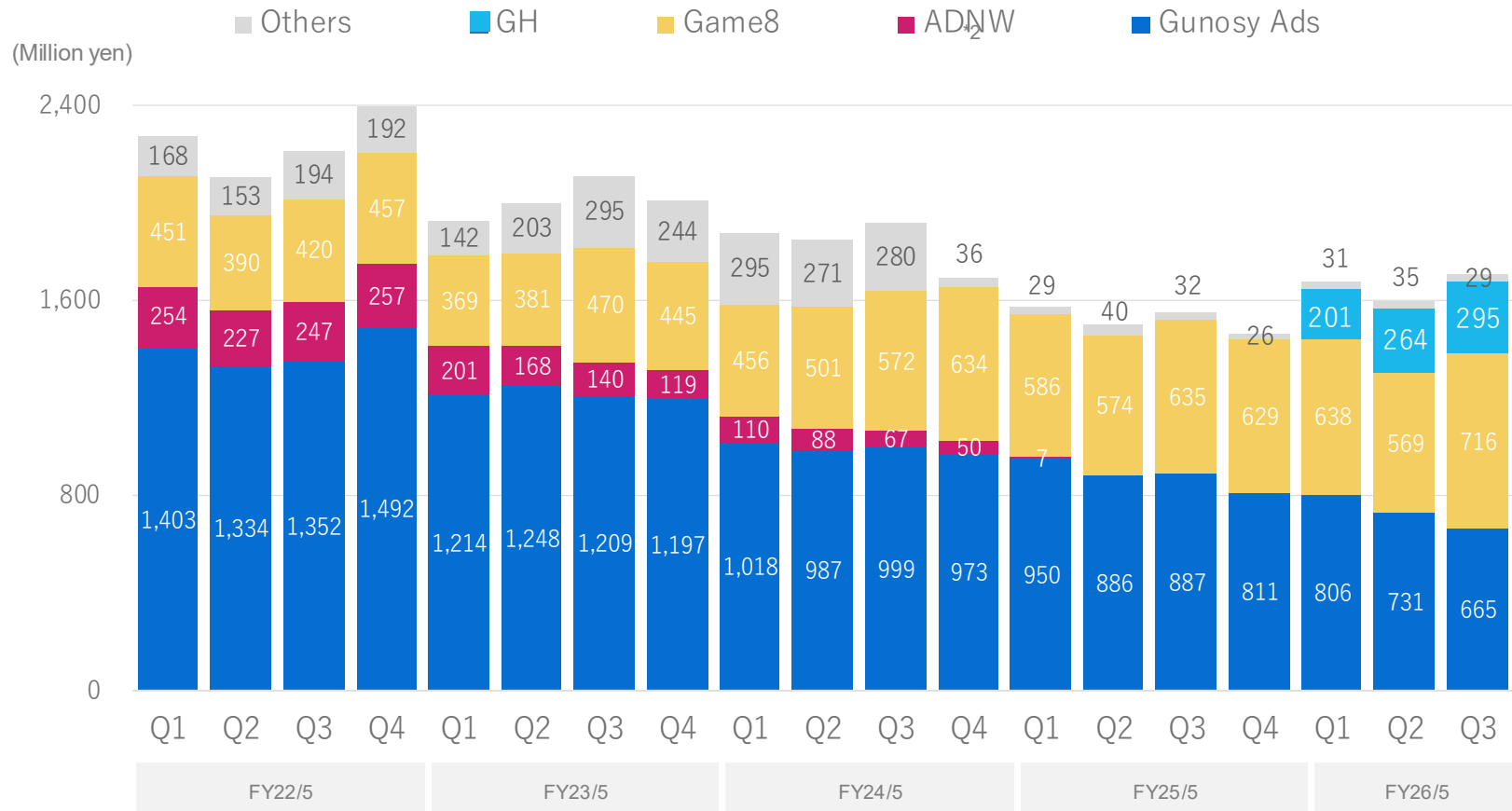
# 6

## Business Segments Overview



# Breakdown of Net Sales \*1

Group-wide net sales remained flat quarter-on-quarter.



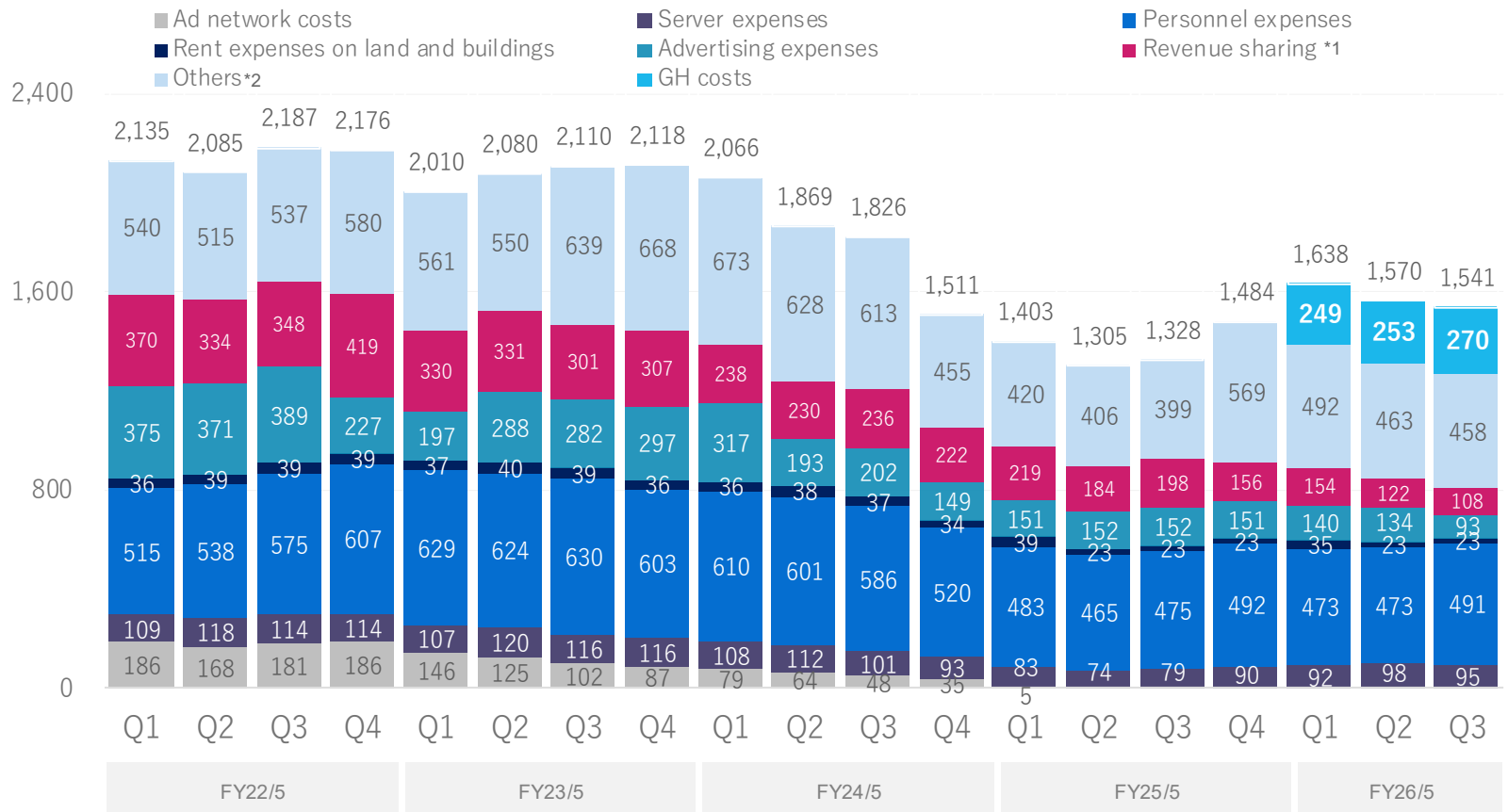
\*1: Sales of Gunosy Ads, ADNW and Game8 are presented on a nonconsolidated basis. Internal trade adjustments are included in Others

\*2: Sales of Gunosy Ads are the total of "Gunosy," "NewsLite (formerly NewsPass)," "au Service Today," and "LUCRA" (Service ended in February 2023).

# Cost Structure

We will continue our cost control policy to ensure efficient business operations across the Group.

(Million yen)

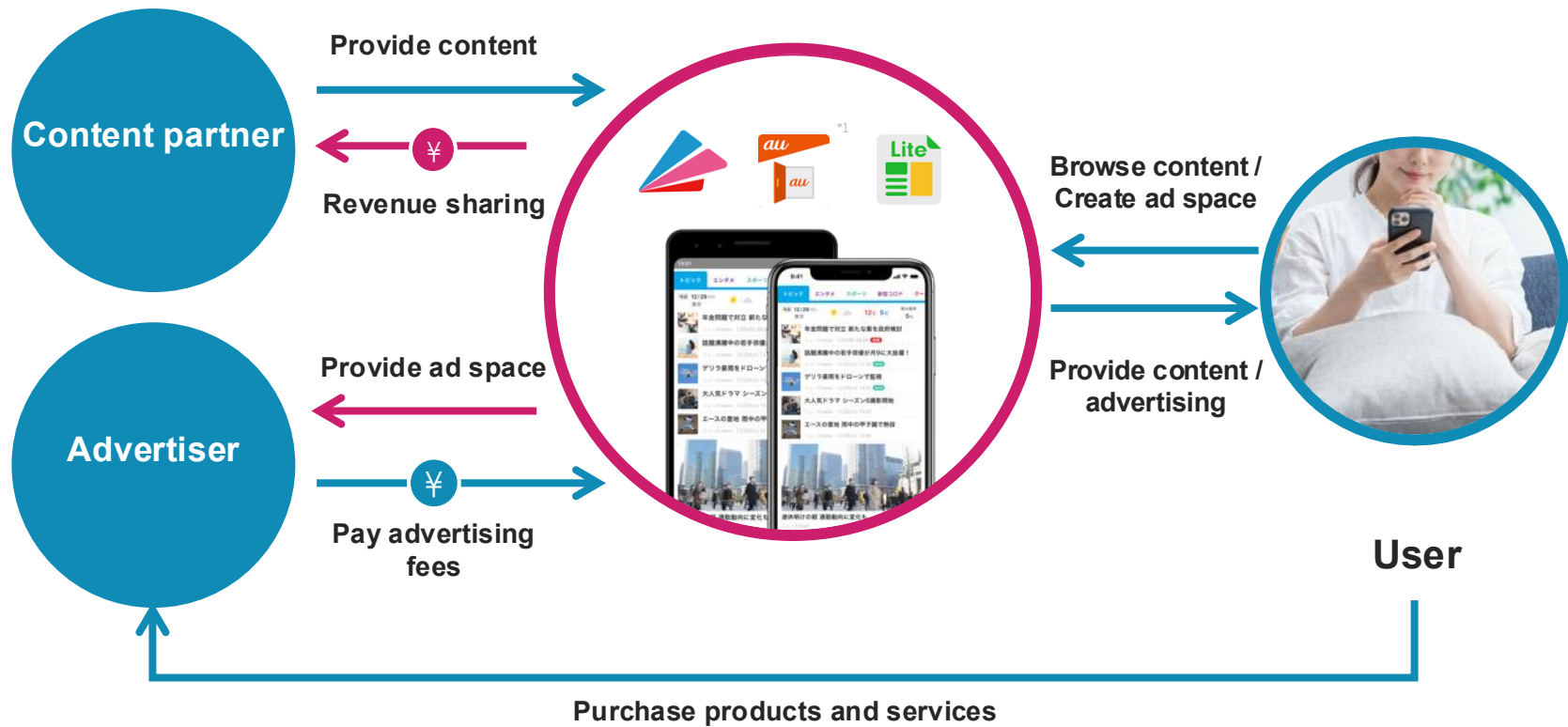


\*1: "Revenue sharing" included in "Others" in FY2021 and earlier, but separated from "Others" from FY2022 Q1. "Live video production expenses" is included in "Others" from FY2022 Q1(c) Gunosy Inc. All Rights Reserved.

\*2: "Others" temporarily increased in FY2025 Q4 due to M&A-related expense.

# Business Model of Our Media Business

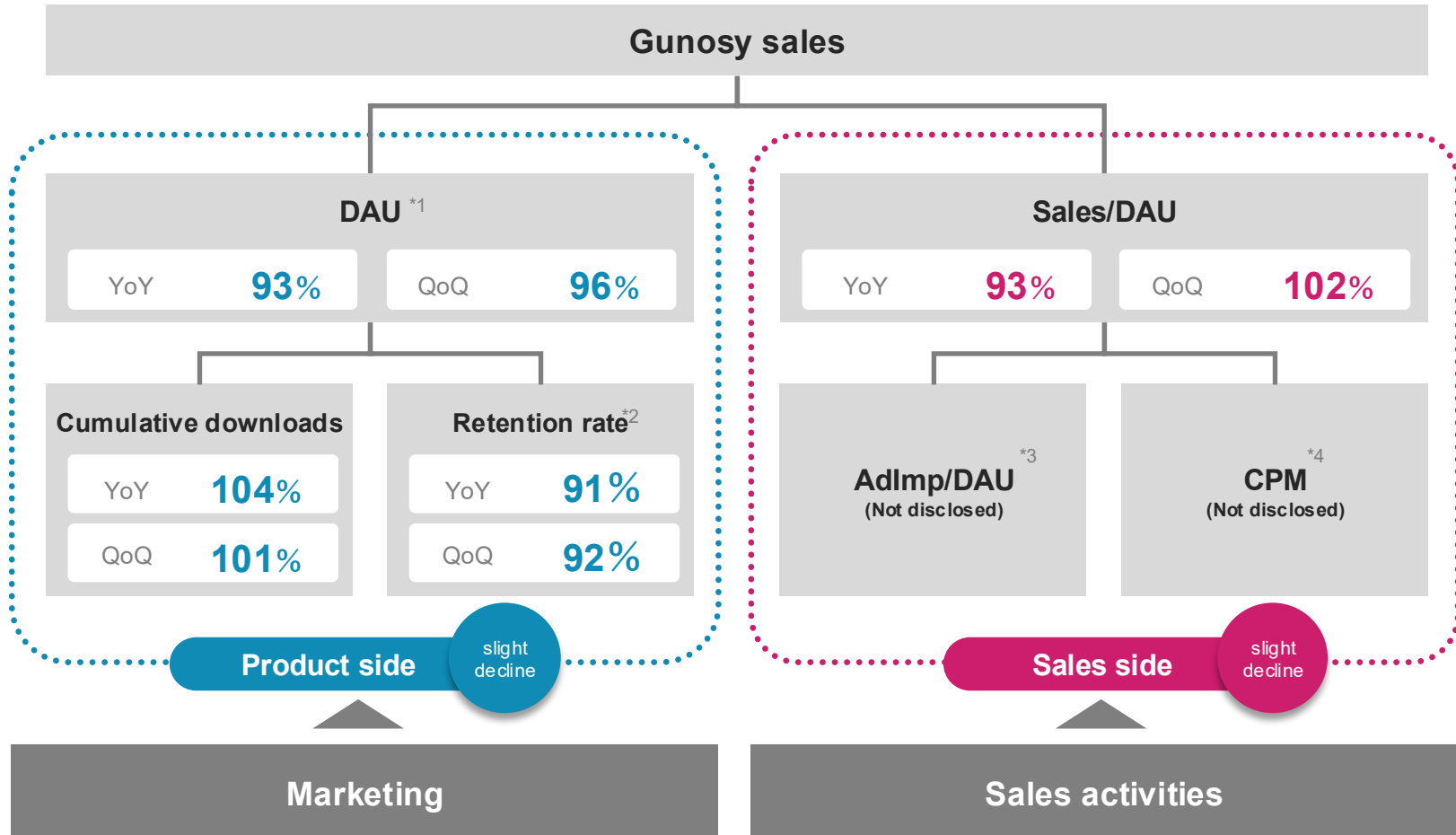
We source content from external media (“content partners”) and provide services to users free of charge. Revenue is generated from advertisers through the sale of advertising space used to deliver ads to users.



\*1: Since the advertising space in au Service Today is provided jointly with KDDI, part of the sales and costs are shared by both companies.

# Media Business | Progress Summary of Gunosy's Key KPIs

Sales/DAU has recovered from the previous quarter's temporary dip, which remained within normal volatility ranges. While the advertising market continues to trend downward, **despite a slight decline in DAUs, we believe the service's underlying cash-flow generation remains intact.**



\*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.

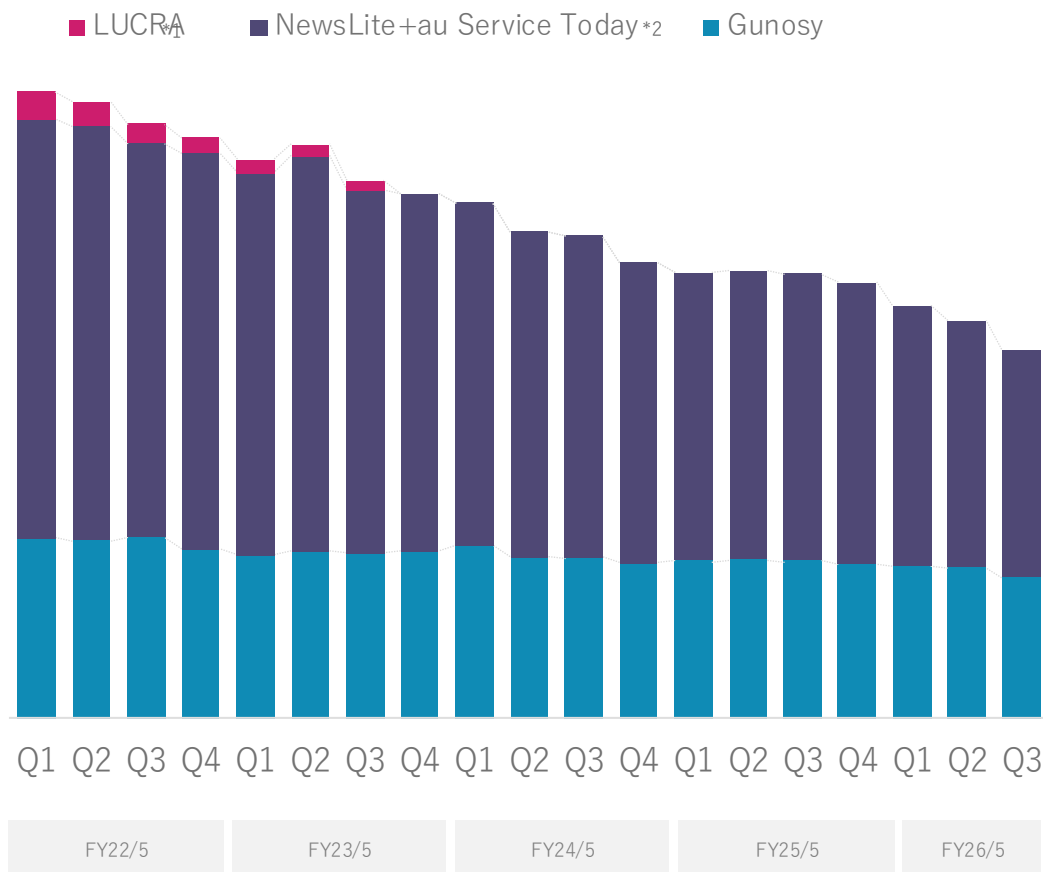
\*3: Number of ads served per daily active user

\*4: Cost Per Mille

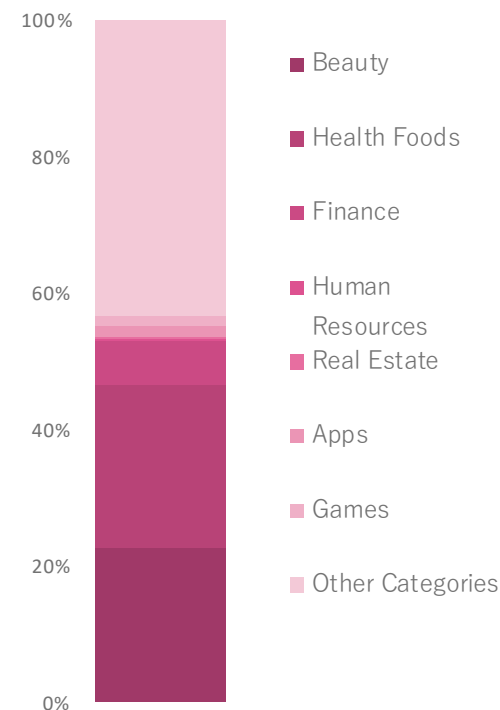
# Gunosy Total Number of Active Users (MAU) and Advertising Industry Breakdown

In addition to continued control of advertising expenses, the downsizing of NewsLite also contributed to a decrease in MAU. Advertising clients remained diversified across multiple segments, continuing to support stable business operations.

## Media Business: Total Number of Active Users (MAU)

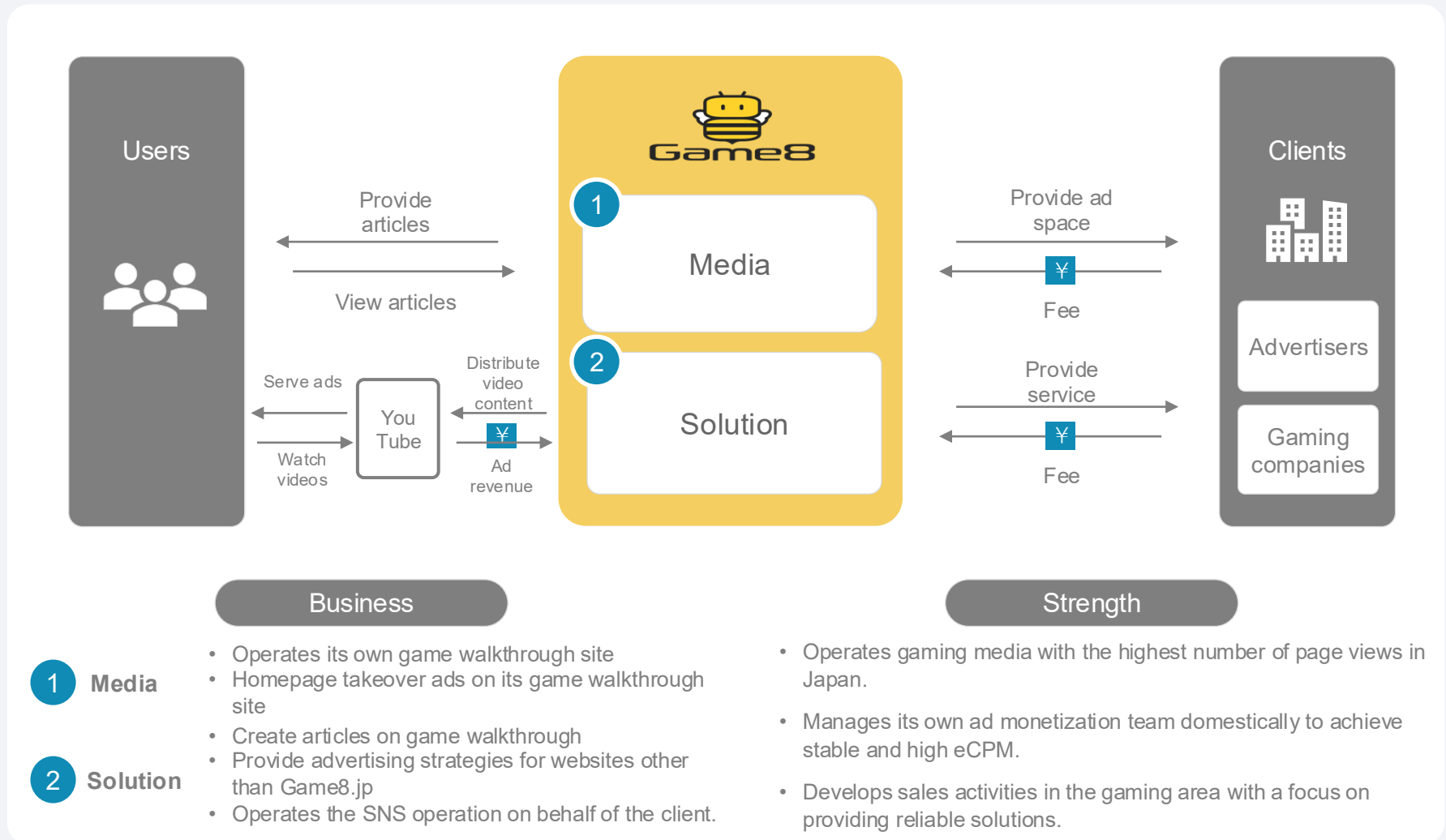


## Distribution of Advertising Categories



\*1: LUCRA ended its service in February 2023.  
 \*2: NewsPass was renamed NewsLite in April 2025.

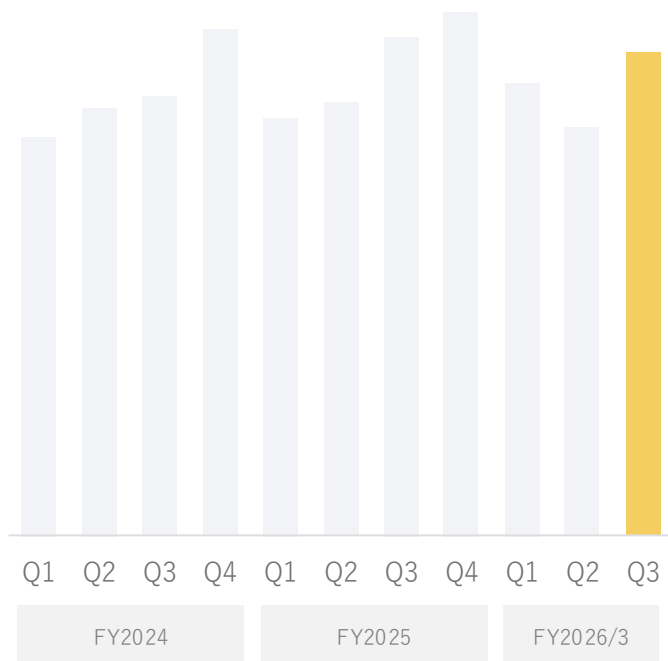
Gate8 Inc. develops its business around monetizing advertising revenue through game walkthrough media services. The company provides a wide range of marketing solutions by employing diverse advertising strategies, including writing game walkthrough articles.



Strong performance of overseas media offset the deteriorating market environment for domestic media. KPIs remained steady, although there was some volatility depending on the status of game titles.

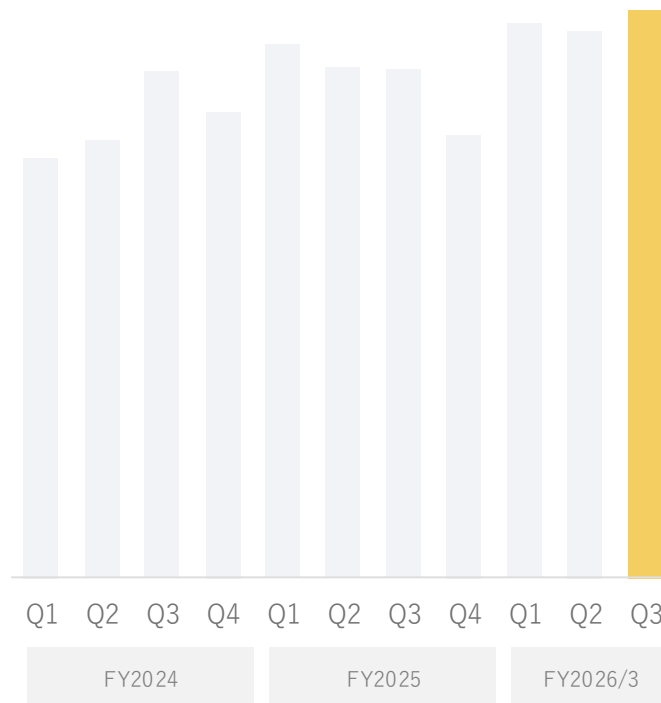
## page views

Remained steady, although there was some volatility depending on the status of game titles



## RPM

Maintained high profitability, driven by the strong performance of overseas media



A financial services business based in India, known for its intuitive, digital-first design that has gained strong support among younger users. Following the merger with NESFB, the company has expanded its range of financial services, including the acceptance of deposits as a licensed bank.



## Business Overview

## Strengths

- 1 **Deposit Services**
- 2 **Lending**
- 3 **Other Financial Services**

All services are delivered through a digital-first platform that operates entirely within the app. With a lending model centered on individuals and corporations and funded by customer deposits, the business provides a broader suite of financial services.

- India's first digital-first bank.
- As a licensed bank, slice holds competitive advantages over other fintech startups:
  - **Lower cost of funding** through the acceptance of deposits
  - Greater flexibility in offering a **wide range of financial services**

# slice: Business Metrics as of End-September 2025 - Highlights

As of the end of September 2025, slice's **total assets** reached **94.6 billion yen**.

**Half-year revenue** totaled **10.7 billion yen**, with **net profit** turning positive at **730 million yen**, reflecting sustained strong growth momentum.

## Total Asset Trend (FY2026 1H)

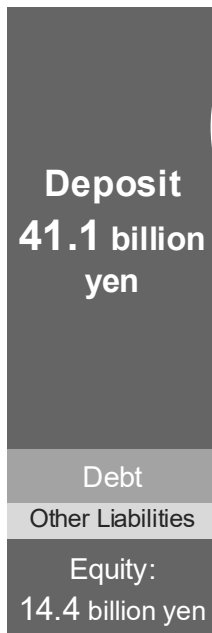
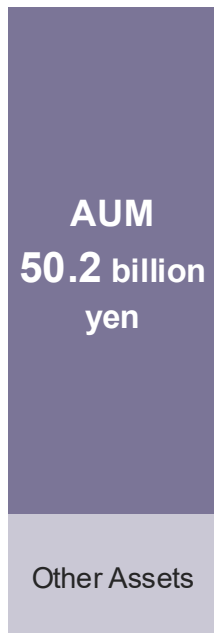
FY2026 1H Financial Snapshot  
(as of End-September 2025)

End of Sep 2025

**Total Assets: 94.6 billion yen**

End of Mar 2025

**Total Assets: 73.6 billion yen**



**Total Asset Growth: approx. 1.3 x in six months**



**FY2026 1H Revenue:**

**10.7 billion yen**

**Net Profit:**

**730 million yen**

**\* pre-ESOP**

· Source: Crisil Ratings, Rating Rationale (November 7, 2025) | Mumbai slice Small Finance Bank Limited  
· Figures converted from INR to JPY using an indicative FX rate of INR/JPY = 1.7

Achieving well-balanced operations across profitability, liquidity, and capital soundness.

## Key KPI Status (as of Sep 2025)

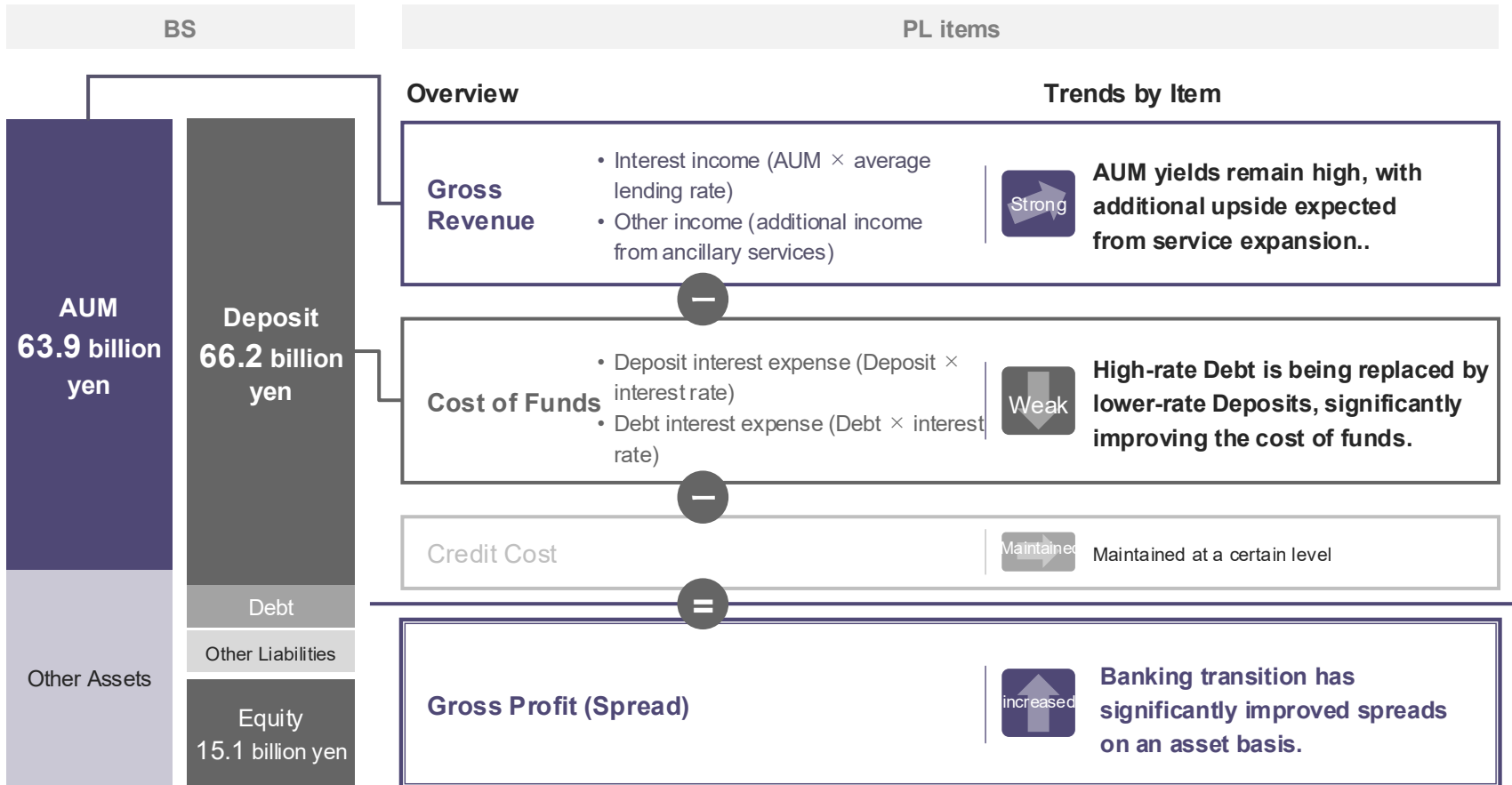
	KPI Status	KPI Overview and Assessment
<b>Deposit</b> <small>(See P27)</small>	<b>66.2 billion yen</b> Annualized growth approx. <b>2.5x</b>	<ul style="list-style-type: none"> <li>Total deposits; indicator of funding capacity and business stability.</li> <li>Expanded to a level sufficient to support loan growth, with limited funding constraints.</li> </ul>
<b>AUM</b> <small>(See P28)</small>	<b>63.9 billion yen</b> Annualized growth approx. <b>1.4x</b>	<ul style="list-style-type: none"> <li>Total loans and financial assets; indicator of business scale and growth.</li> <li>Rapid deposit growth has removed funding constraints, although from a financial soundness perspective, <b>capital strengthening will be key to supporting further rapid growth.</b></li> </ul>
<b>純利益</b> <small>** (pre-ESOP)</small>	<b>730 million yen (1H)</b>	<ul style="list-style-type: none"> <li>Profitability indicator excluding one-off items such as stock-based compensation.</li> <li>Achieved profitability while continuing to invest in growth, indicating that <b>the monetization model has been validated.</b></li> </ul>
<b>LDR</b> <small>(Loan to Deposit Ratio)</small>	<b>Approx. 96%</b>	<ul style="list-style-type: none"> <li>Indicator of the balance between loans and deposits, reflecting asset efficiency and liquidity balance.</li> <li>High asset efficiency with adequate liquidity buffer, representing a well-balanced level.</li> </ul>
<b>LCR</b> <small>(Liquidity Coverage Ratio)</small>	<b>253%</b>	<ul style="list-style-type: none"> <li>Indicator of liquidity soundness against short-term funding needs.</li> <li>Significantly above regulatory thresholds, indicating sufficient resilience to short-term growth and volatility.</li> </ul>
<b>CAR</b> <small>(Capital Adequacy Ratio)</small>	<b>18.1%</b>	<ul style="list-style-type: none"> <li>Indicator of capital sufficiency against risk-weighted assets and bank financial soundness.</li> <li>Adequate at this stage, indicating that <b>the financial balance is sound.</b></li> </ul>

### Key Features

- In the Indian market, slice is growing while maintaining a healthy balance across key banking KPIs.

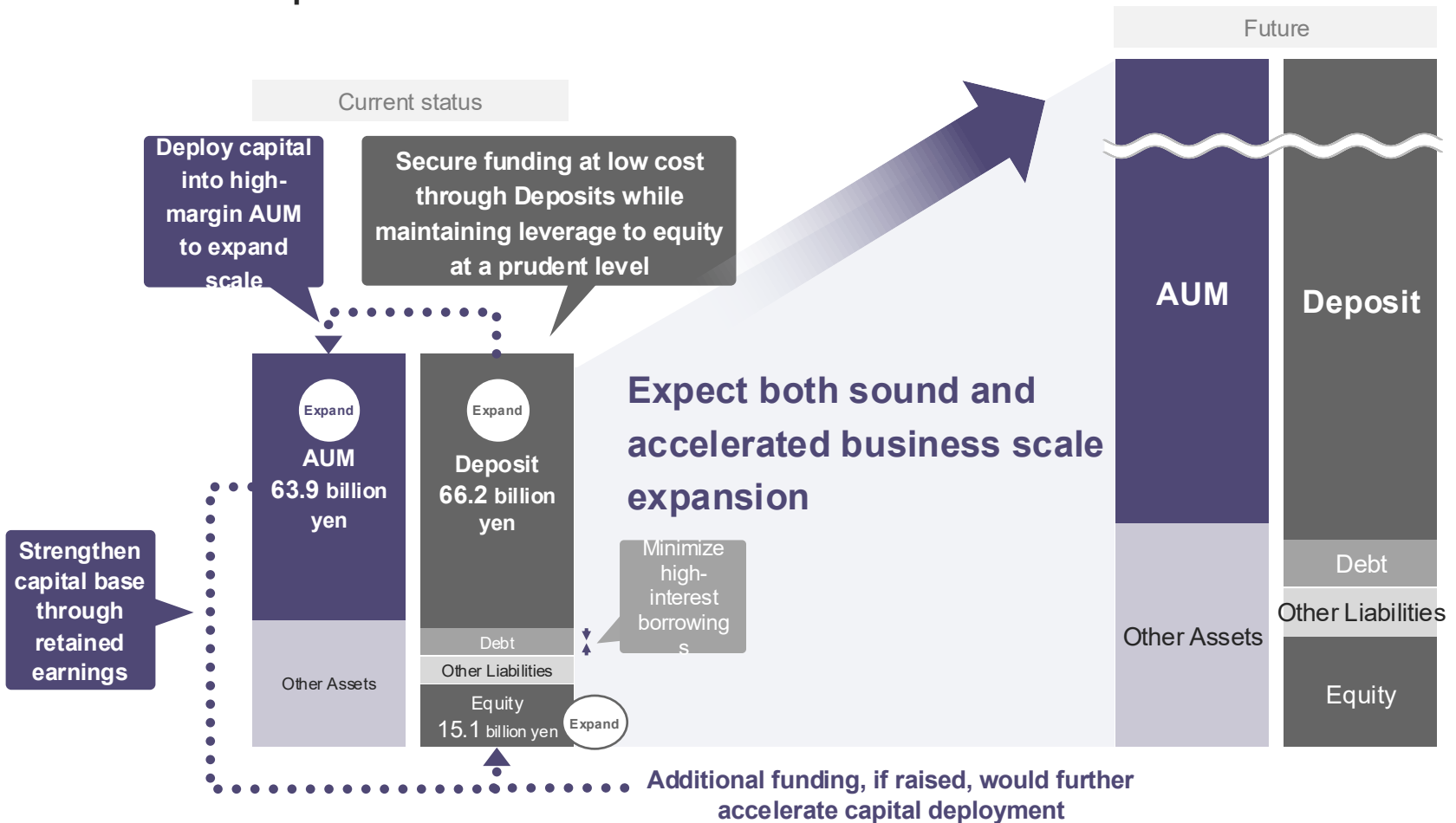
Following the transition to a banking institution, the business model has shifted from an AUM-driven model to a dual-driver model of AUM growth × yield enhancement. The expansion of low-cost Deposits is improving spreads, **resulting in a significant increase in underlying profitability.**

## Summary of Banking BS/PL Structure



With continued accumulation of profits and additional funding to strengthen the capital base, maintaining the current unique positioning is expected to support both sound and rapid business scale expansion.

## Future Growth Expectations



\*1: EBITDA = Earnings Before Taxes, Depreciation and Amortization As a financial institution, profits including interest are positioned as a key performance indicator.

\*2: Other costs = Various costs up to pretax operating profit = Opex + Marketing cost + Fixed cost + Depreciation

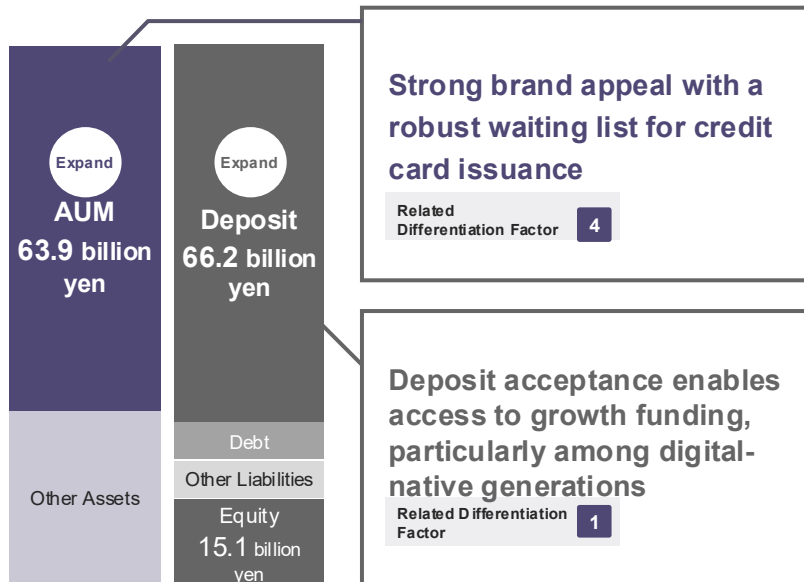
By blending fintech startup culture with banking business capabilities, slice has achieved a **differentiated positioning** relative to both fintech companies and traditional banks.

## Comparison vs. Competitors

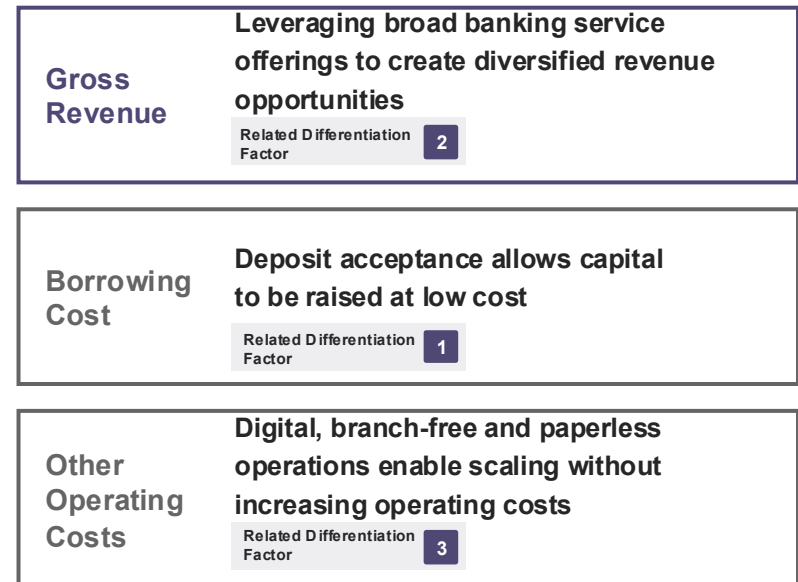
		Fintech	Bank	Unique positioning <b>slice</b>
Position		Provides selective financial services focused on digital-native demands	Provides comprehensive, offline-centric financial services	Provides comprehensive financial services for digital-native consumers
Differentiation Factors	1 Deposit Acceptance	Unable to take deposits; relies on external borrowing with higher funding costs	Deposit-taking represents the core banking advantage, enabling lower-cost and more stable funding compared to market borrowing	Shares the same advantages as banks: deposit-based, low-cost, and stable funding compared to market borrowing
	2 Service Scope	Cannot independently issue credit cards or directly integrate service offerings with UPI, and must rely on partner institutions.	Able to independently offer credit card issuance and UPI-linked services	Able to independently offer credit card issuance and UPI-linked services
	3 Cost Structure	Digital-based and highly scalable low-cost structure	Traditional cost structure reliant on paper and offline channels	Digital-based and highly scalable low-cost structure
	4 Brand Appeal	Strong appeal among the expanding digital-native generation	Appeals mainly to traditional customer segments through legacy brand strength	Strong appeal among the expanding digital-native generation

slice's unique positioning as a digital bank has significantly contributed to improvements in key business metrics.

## Impact on BS Items



## Impact on PL Items

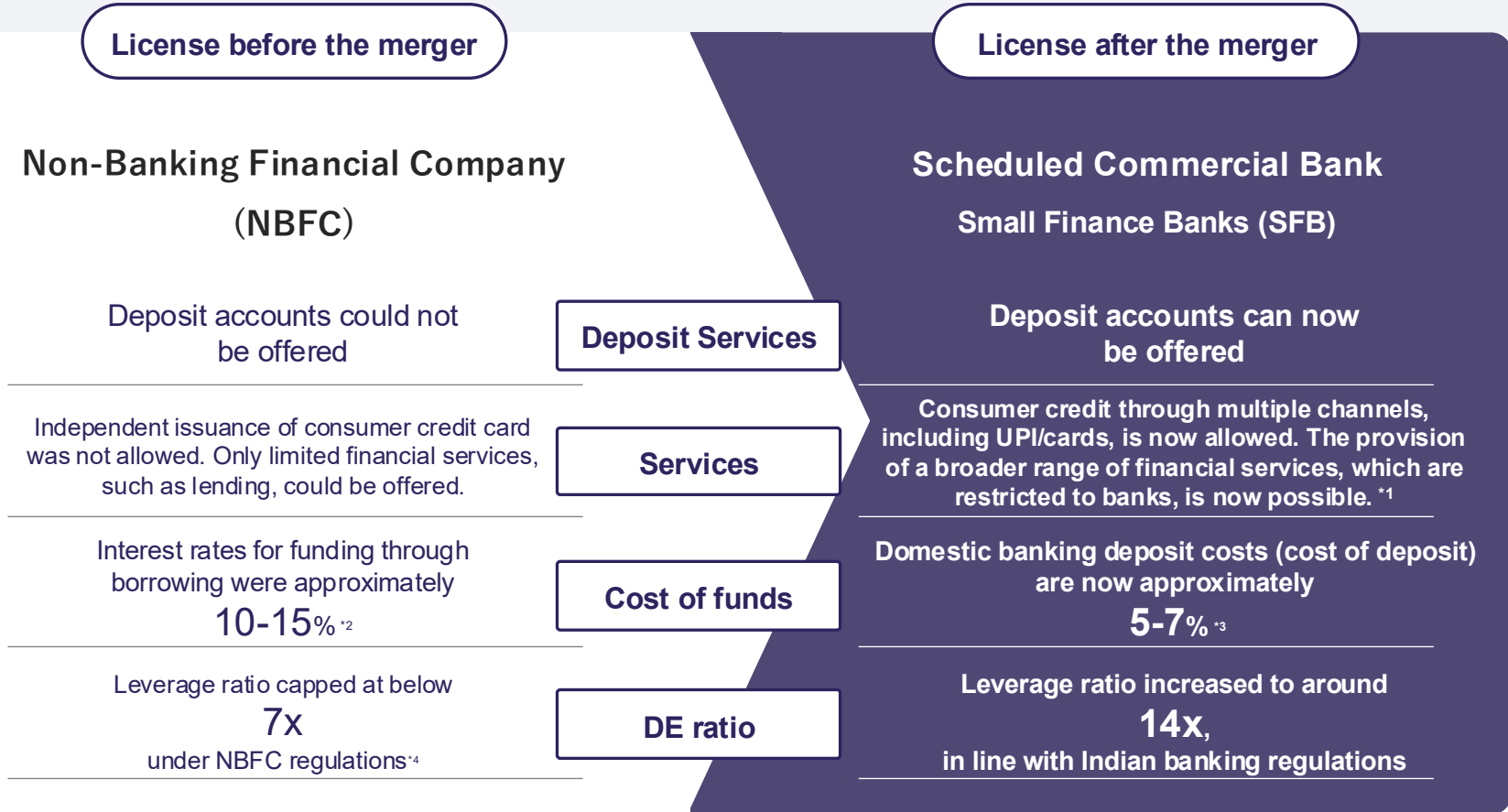


### Key Features

In India, where long-term market growth is expected, slice has established a business model that combines strong growth potential with high profitability.

# slice | Positive Business Impact from License Changes

Following the merger, slice is now able to offer a wider array of financial services, including **deposit accounts and credit cards**. At the same time, the merger is **expected to contribute to improved capital efficiency** through lower borrowing costs and enhanced financial leverage.



\*1: The scope of business generally permitted under regulations. In practice, individual approval from regulatory authorities may also be required to commence operations.

\*2: Quoted from the credit rating documents of slice NBFC Quadrillion Finance Private Limited prior to the merger. CARE Ratings Ltd. Quadrillion Finance Private Limited September 23, 2024 Annexure-1: Details of instruments/facilities, Nonconvertible Debentures, Coupon Rate (%) Source: [https://www.careratings.com/upload/CompanyFiles/PR/202409130935\\_Quadrillion\\_Finance\\_Private\\_Limited.pdf](https://www.careratings.com/upload/CompanyFiles/PR/202409130935_Quadrillion_Finance_Private_Limited.pdf) CARE Ratings Ltd. Quadrillion Finance Private Limited November 29, 2023 Annexure-1: Details of instruments/facilities, Nonconvertible Debentures, Coupon Rate (%) [https://www.careratings.com/upload/CompanyFiles/PR/202311131127\\_Quadrillion\\_Finance\\_Private\\_Limited.pdf](https://www.careratings.com/upload/CompanyFiles/PR/202311131127_Quadrillion_Finance_Private_Limited.pdf)

\*3: Axis Bank Ltd Investor Presentation Quarterly Results Q2FY25P7 Cost of Deposit Source: <https://www.axisbank.com/docs/default-source/investor-presentations/investor-presentation-q2fy25.pdf> AU Small Finance Bank Ltd Integrated Annual Report 2023-24 P313 Cost of Deposit Source: <https://objectstorage.ap-mumbai-1.oraclecloud.com/n/aubank2/b/Marketing/o/Annual-Report-FY24-Updated.pdf>

\*4: Master Direction – Reserve Bank of India (NBFC– Scale Based Regulation) Directions, 2023 Chapter IV Prudential Regulation 9.1 Leverage Ratio Source: [https://mfirindia.org/assets/upload\\_image/pdf/Master%20Direction%20\(Scale%20Based%20Regulation\)%20October%2019,%202023.PDF](https://mfirindia.org/assets/upload_image/pdf/Master%20Direction%20(Scale%20Based%20Regulation)%20October%2019,%202023.PDF)

\*5: Based on the financial statements of private sector banks available as of December 2024, this represents the highest debt-to-equity ratio identified in our review.