

Gunosy

Sharing the Company's Mid- to Long-term Vision



Gunosy Inc.

First Section of The Tokyo Stock Exchange
(Stock Code: 6047)

January 15, 2019

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1

Introduction

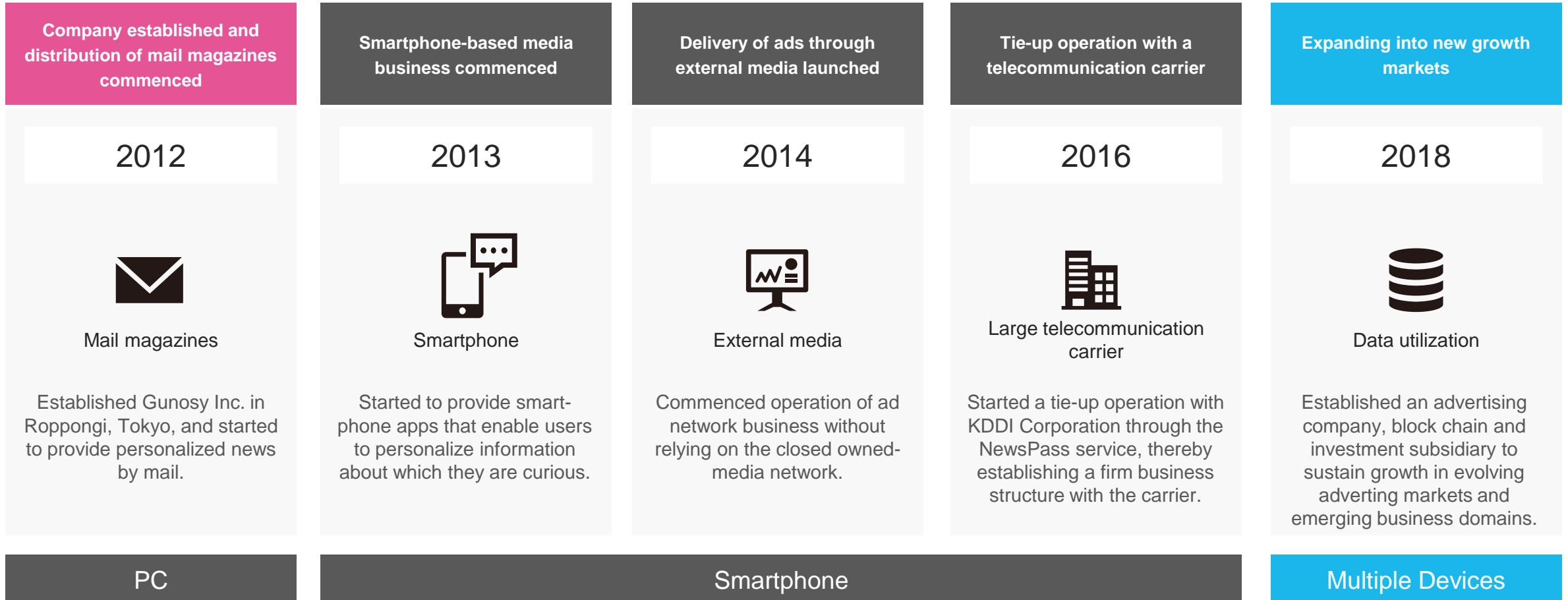
Our Mission

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



Our History

Originally founded as a service for distributing news through mail magazines, we are expanding into new growth markets beyond the smartphone-based media business, ads business through the external media, and existing media business.

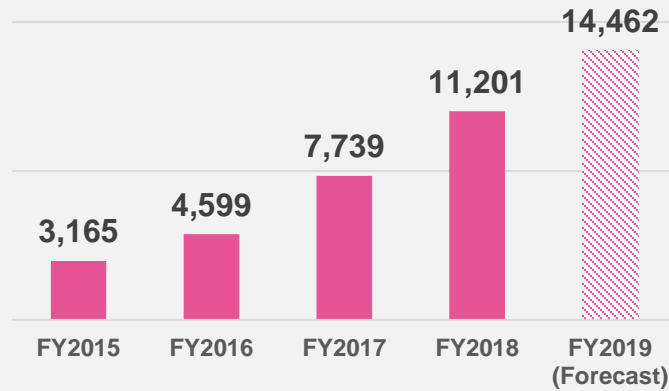


Trends in Financial Results

Sales

Net sales for FY2019 are

14,462 million yen
(Forecast)



* Non-consolidated sales in FY2015

Media owned by the Company

Operates

5 owned media



Cumulative number of downloads

The cumulative number of downloads is

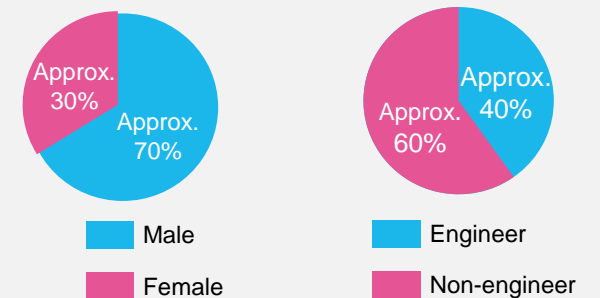
approx. **40 million**



Number of employees

The number of employees is

170

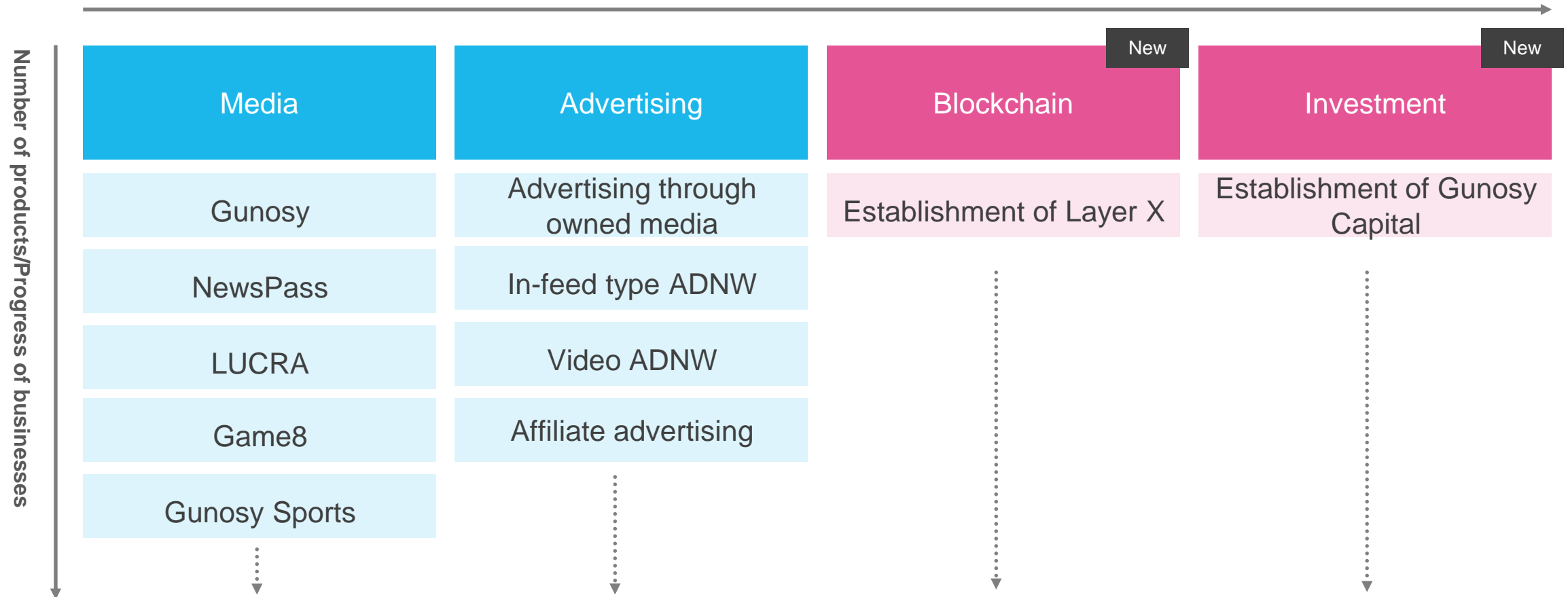


* The number of employees is presented on a consolidated basis as of November 30, 2018.

Expansion in Business Domains

We developed business with a focus on the **media and advertising businesses** established in 2014. In 2018, we launched **blockchain and investment businesses** to expand into emerging markets.

Enhancement of business domains

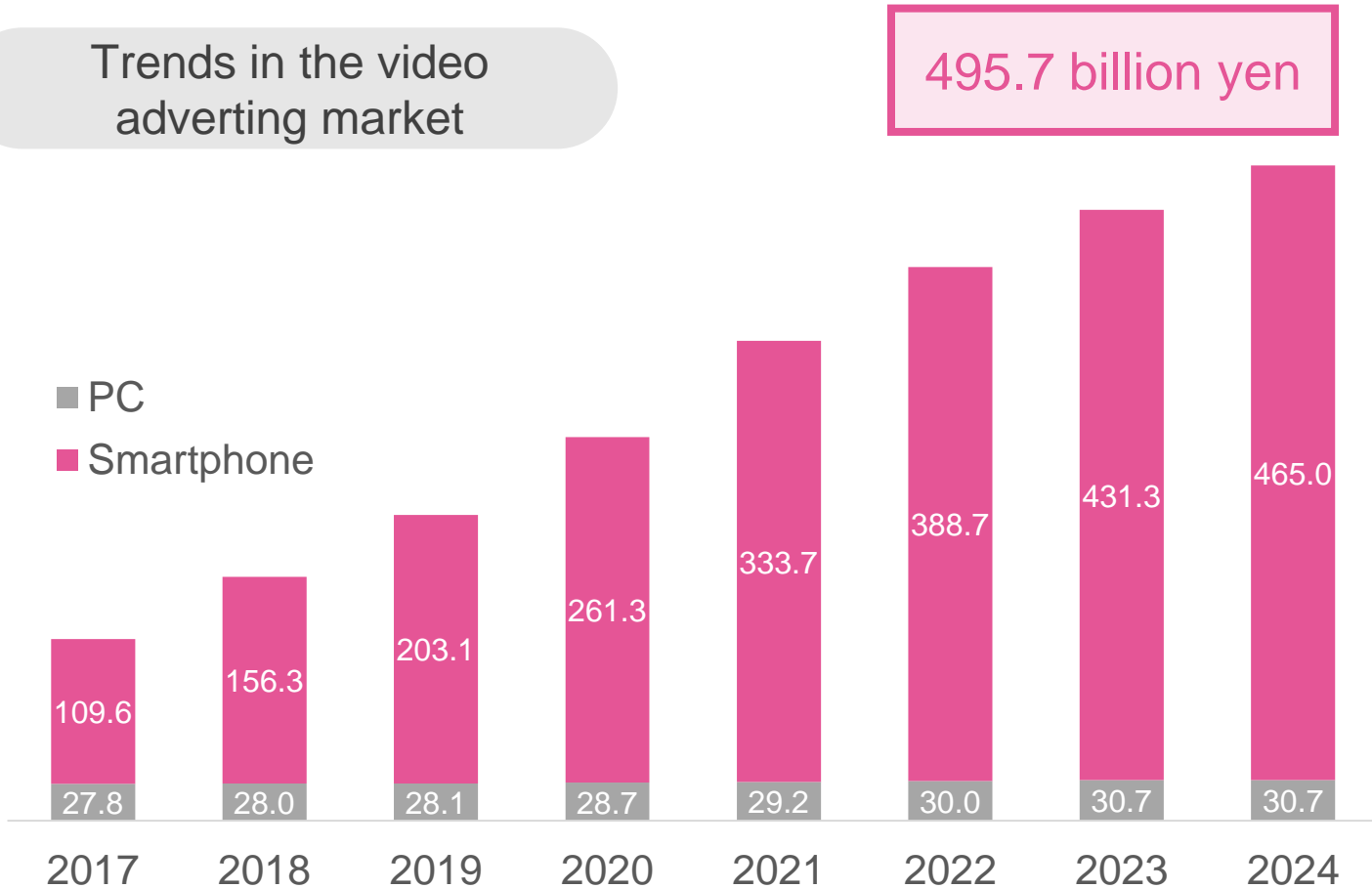


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Projection for the Next 10 Years

Continuation of Growth in Video Advertising

Trends in the video advertising market



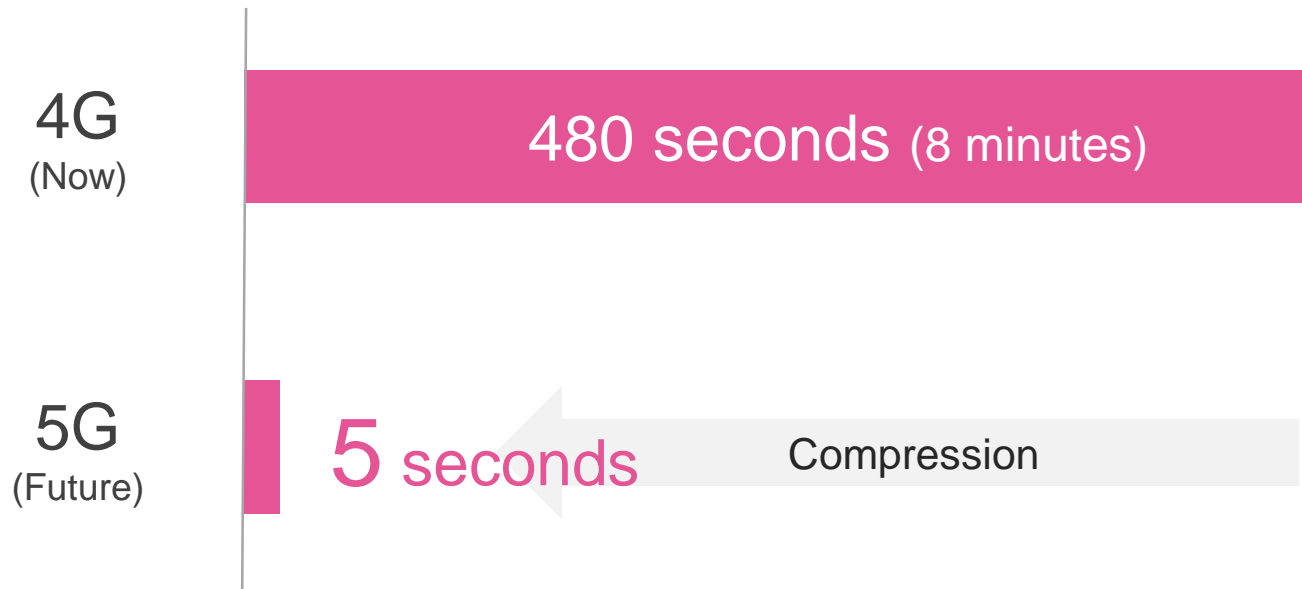
Demand for smartphone video ads is expected to increase on a mid- to long-term basis, reaching **495.7 billion yen** in 2024.

Source: Survey by Online Video Soken/Digital InFact

Changes in the Transmission Speed with the Advent of 5G

The introduction of 5G is expected to improve the transmission speed of 4G by more than 100 times. For example, for the downloading time of movies, **it will take 5 seconds or less to download one movie, while it takes more than 8 minutes today.**

Time required to download one movie

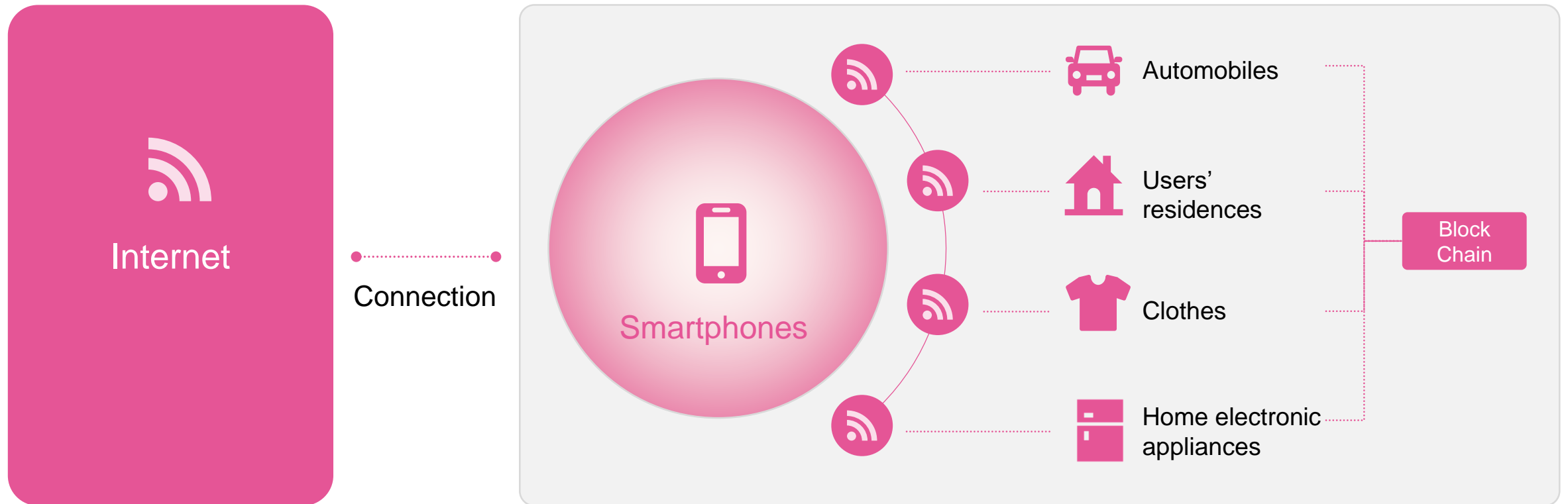


Time required to download one movie will be reduced from more than 8 minutes today to **5 seconds or less.**

Source: The Gendai Business Premium by Kodansha Ltd.

Establishment of a Transmission Environment Connected to All Types of Devices

In the 5G era, with a variety of devices connected to telecommunications networks, **a range of information accessed by users through their smartphones will be exchanged between places and devices without the users being conscious of the exchange.**



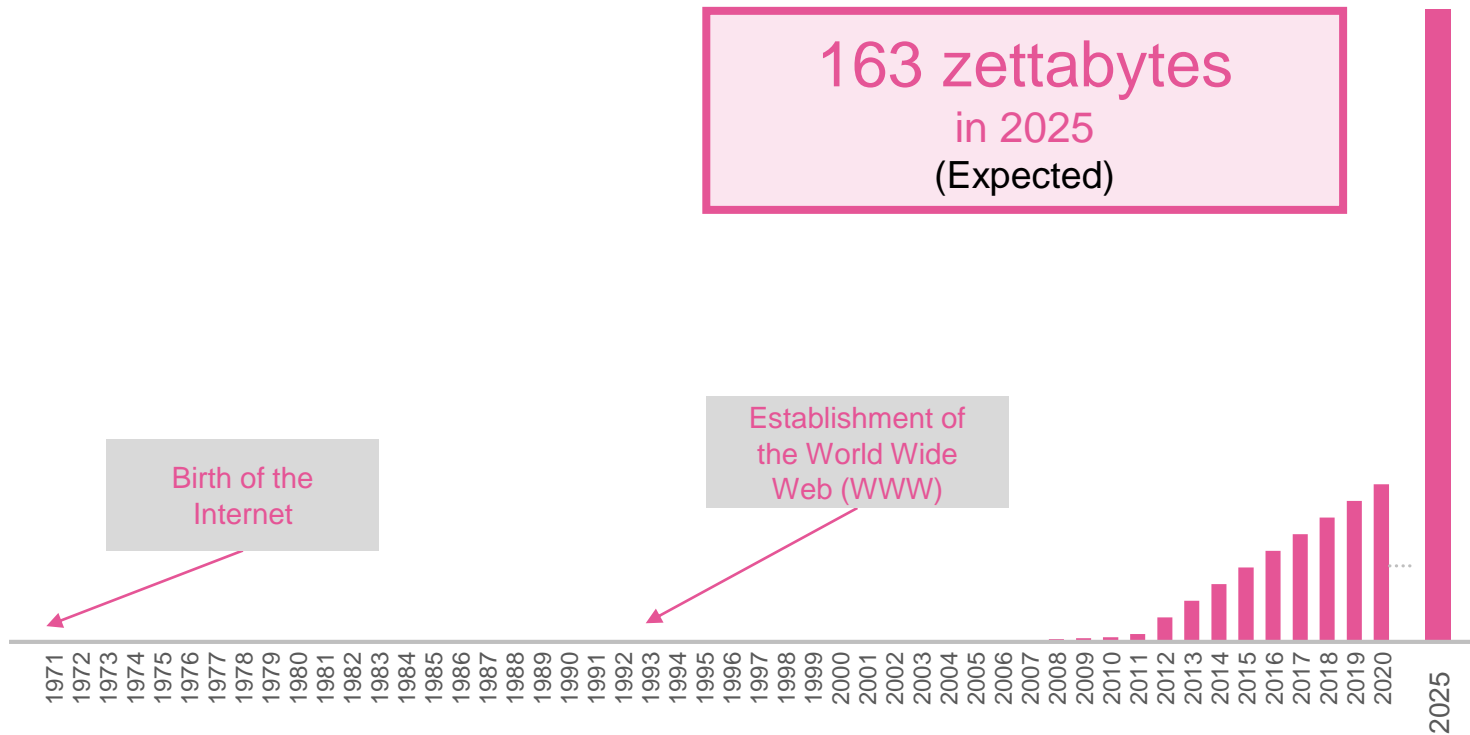
Source: TIME & SPACE, an IT & culture-oriented magazine distributed by KDDI (partially adjusted by the Company)

Increase in the Amount of Data

The amount of acquirable information will increase 10 times during the period from 2016 to 2025.

The amount of user generated content (UGC) has been increasing explosively due to the popularization of social media, further accelerating an increase in the amount of information.

Trends in the amount of global digital information



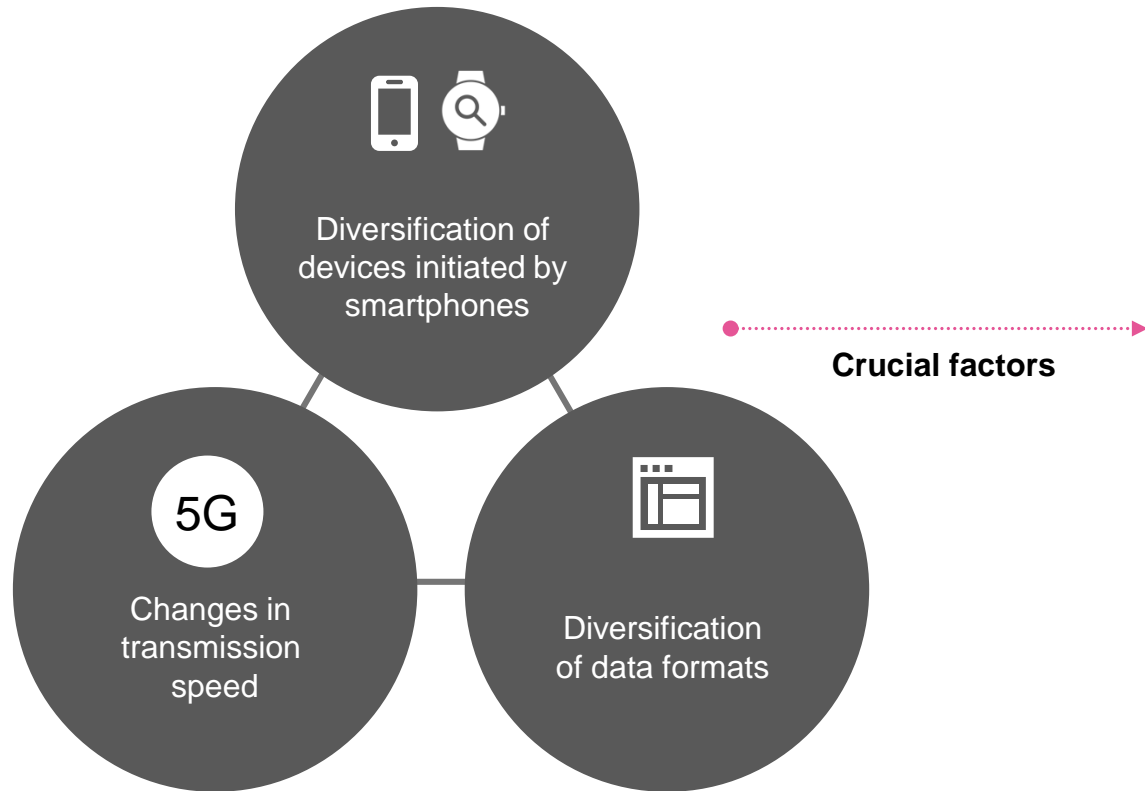
With the amount of user generated content (UGC) increasing explosively due to the popularization of social media, the amount of information is expected to increase to **163 zettabytes** by 2025.

Source: Data partially processed and compiled by the Company based on a 2016 report of the Ministry of Internal Affairs and Communications on [discussions for examining ICT services](#) and a survey by IDC Japan.

Summary of Changes that May Occur

With data and content further diversifying, we will enter **an era in which data, algorithms and methods of use are more important than individual media.**

Summary of changes that may occur



Data integration between different content formats, and different devices



Device A

Device B

Collaboration with offline services/devices through the utilization of online data



Online

Offline

Significance of data security



Data

Security

Our Mid- to Long-term Vision

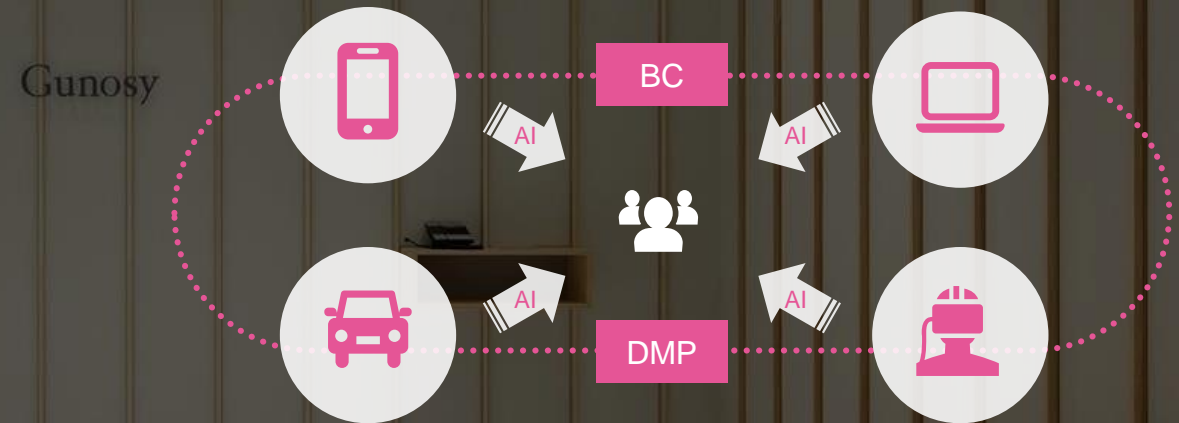
Gunosy, instead of operating as an ordinary smartphone media company, seeks to create an environment in which optimized information is received by people in appropriate situations.

People take action to obtain information
(Now)



People attempt to obtain information through PCs and smartphones.

Information optimized through AI is delivered to people in appropriate situations
(Future)



Information required by people will be optimized and received by them in appropriate situations.

Worldview Expected to Be Created in the Future (i): At Home

**It's expected to rain in the evening.
I should bring an umbrella.**

When you wake up, you receive today's weather and other news that you wish to know.

While getting ready for work, you listen to categorized news that interests you through smart speakers.

Worldview Expected to Be Created in the Future (ii): On the Go

This is the continuation of the content that I saw at home.

A user, who is automatically recognized while on the go in a self-driving taxi, is presented with content and advertisements that address their needs.

With their credit records and credit card information referred to, the user gets out of the taxi without following payment procedures.

Worldview Expected to Be Created in the Future (iii): Shopping

Looks like organic vegetable are cheap today.

Stores anticipate customers' visiting hours and purchases, and undertake procurement operations based on purchase records and data accessible by content and advertisements.

Based on this, stores post information on recommended products when customers visit.

3

Crucial Factors for the Next 10 Years

Optimization of Information in Society, where an Information Explosion is Taking Place

A crucial factor that should be addressed is the exhaustive nature of the information that we manage.

We will acquire and manage data through a variety of touchpoints such as media, IoT devices and advertising networks, as well as offline services/products.

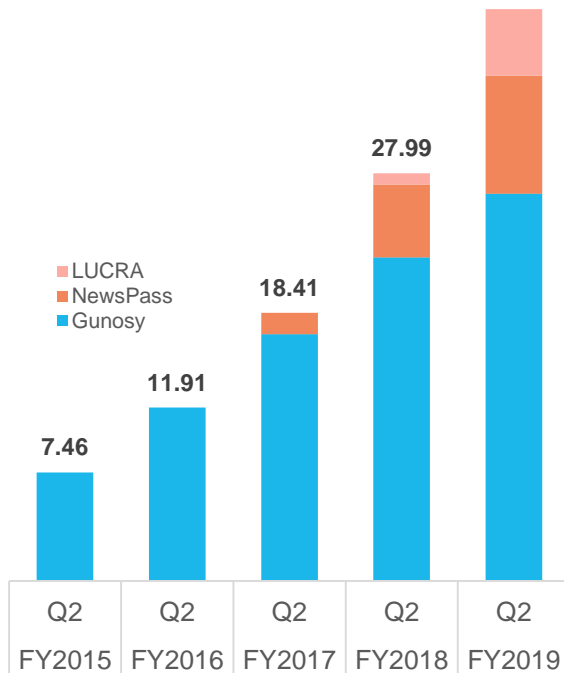
Then we will provide this information in an optimal way that meets the needs at the time.

Data Owned by Gunosy

Downloads reached **39.26 million** for mainstay media, including Gunosy App. We own data concerning media grouped based on genres and users classified according to their interests.

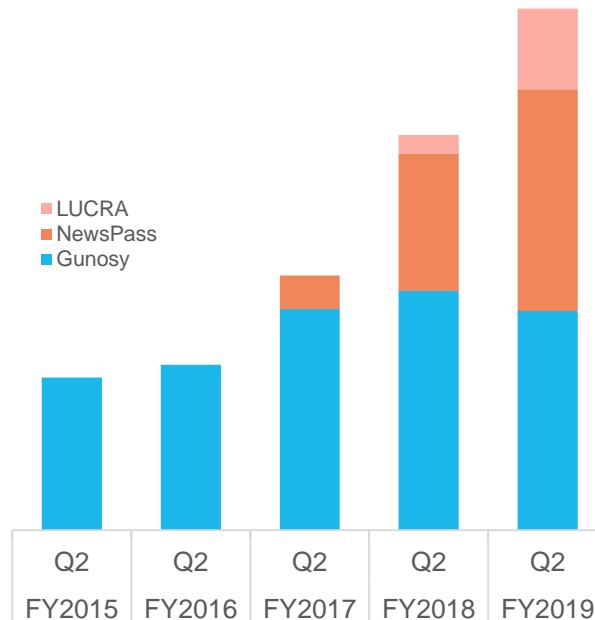
Downloads (Cumulative)

39.26 million DLs



MAU

Up 32.0% year on year



1

User types

- Users who like entertainment: Approx. 26.5 million
- Users who like news: Approx. 8 million
- Users who like fashion: Approx. 4.5 million

2

User data owned by the Company

- Gender/Age
 - Location information
 - Interests
- And others

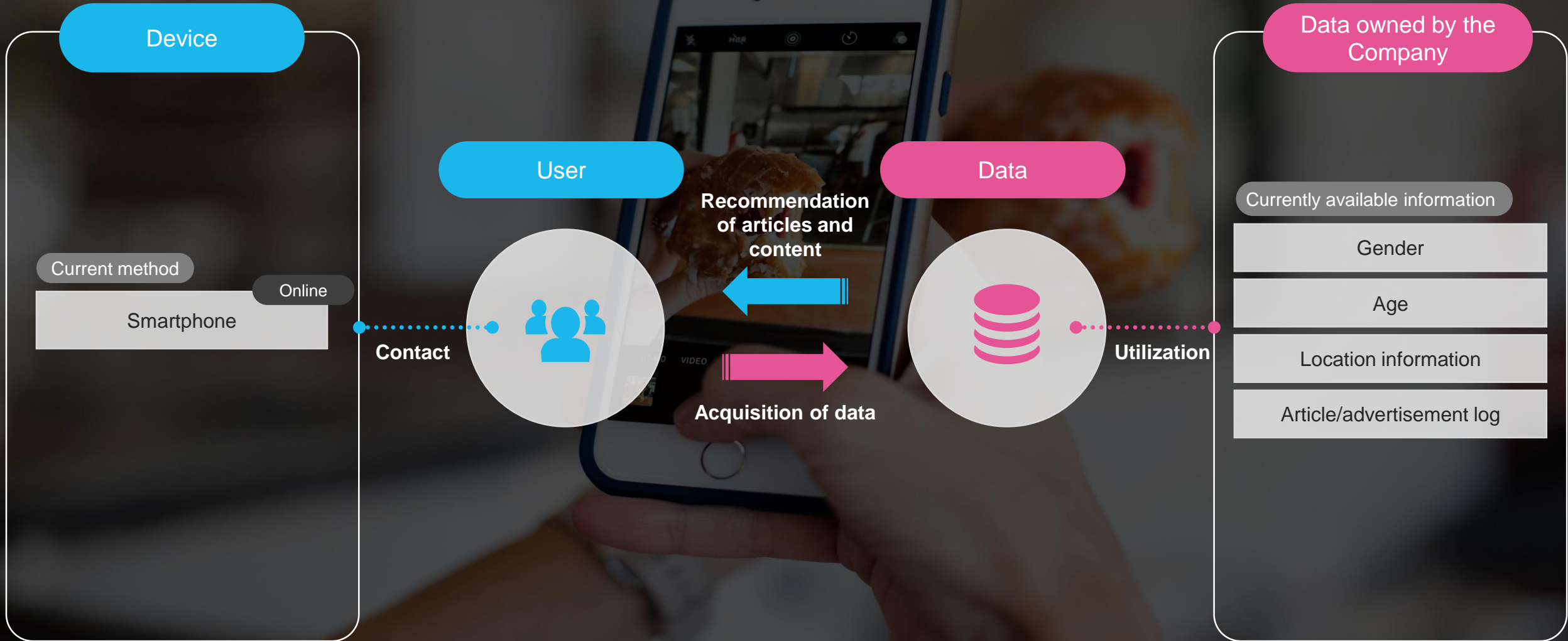
3

Article data

- Approx. 800 media
- Approx. 10,000 articles/day

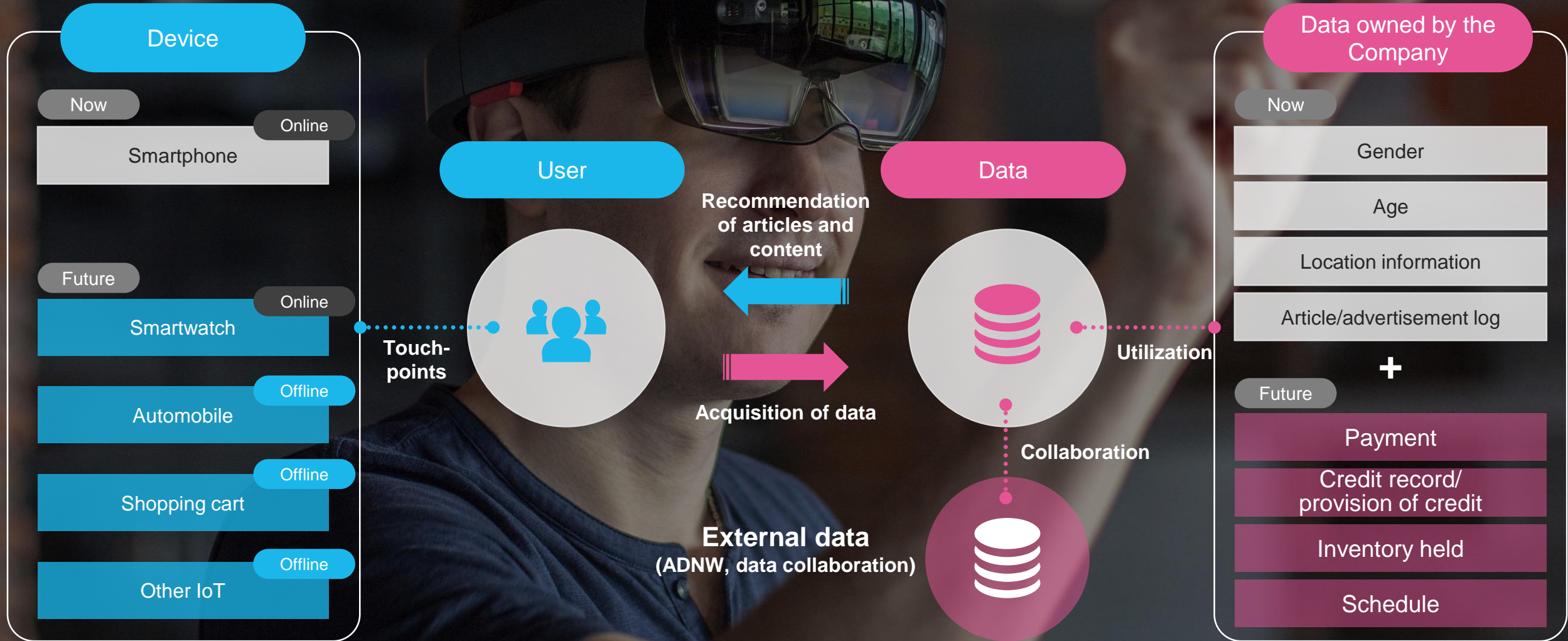
Current Data Acquisition/Methods of Use

We acquire basic information such as gender and age through smartphone apps and recommend content mainly through articles.



Future Data Acquisition/Methods of Use

We will acquire data necessary for the detailed personalization of a range of information, including payment information and credit information, and recommend varieties of content through diverse devices.



4

What to Do with the Data

Examples of Data Use in Mobility-Related Situations



A user or a driver is recognized and content (news, music and so on) that match the driver's interest will be provided.

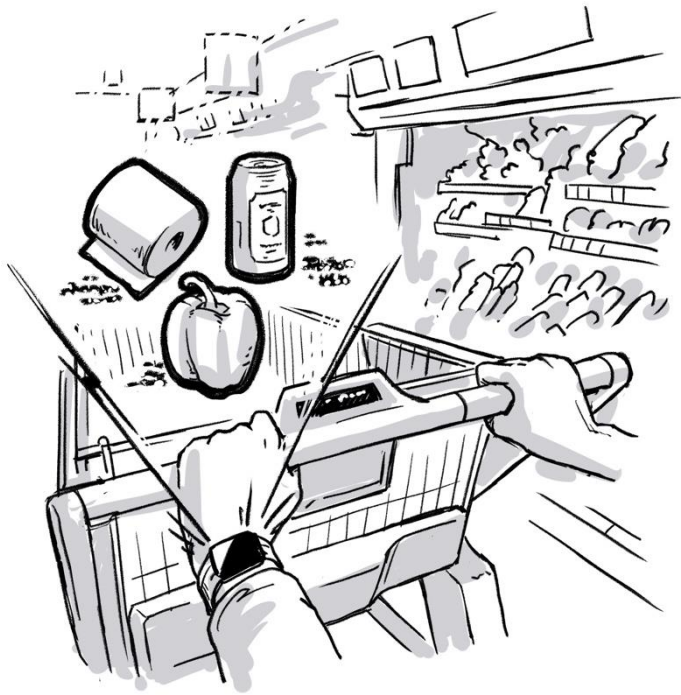


Content and advertisements that respond to an individual passenger's needs are recommended in a taxi.



Security is guaranteed for devices, such as a key for car sharing.

Example of Data Use in Shopping-Related Situations



Recommended items are proposed based on information from previous store visits.



User information is referenced and payments are made automatically based on credit information.



Items are automatically delivered based on information on items stocked in the refrigerator, previous purchases and other data (e-commerce).



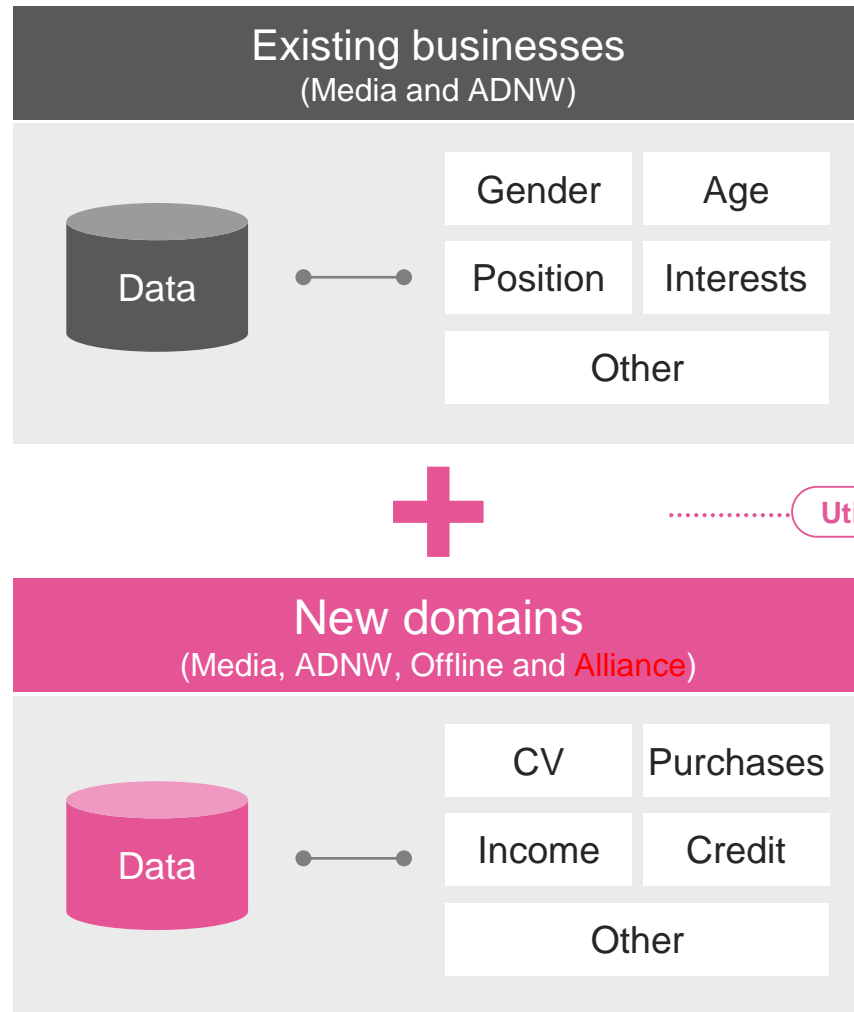
We will recommend information in a variety of situations, and through such services, strengthen platforms and enhance profitability.

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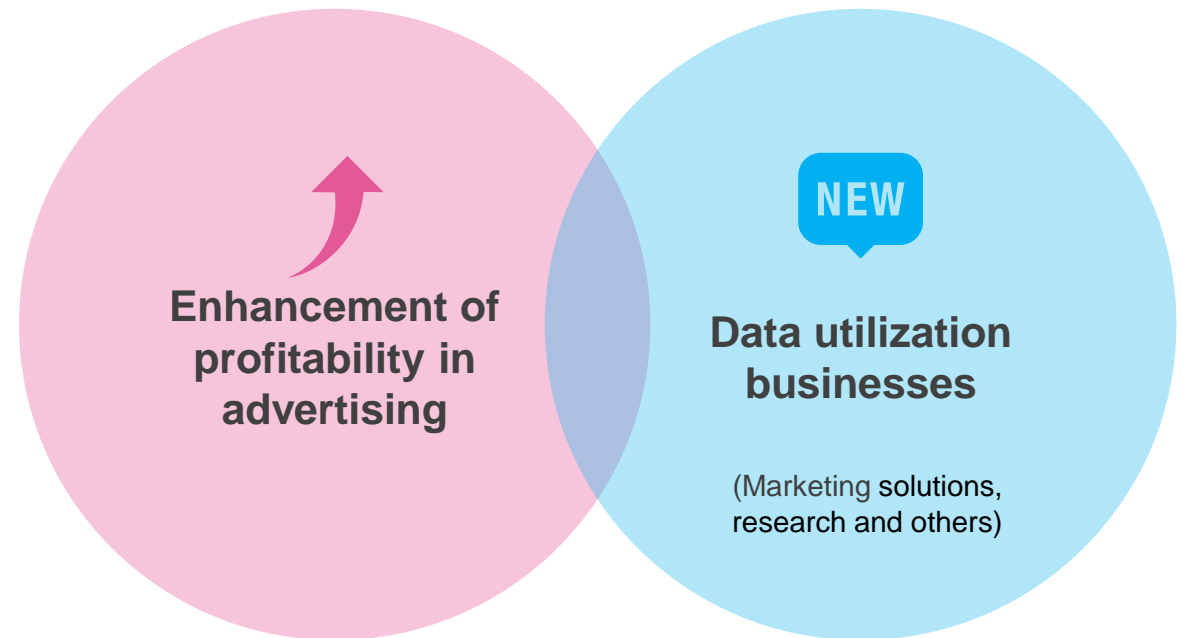
Important Indictors in FY2022

Policy for Mid-Term Business Expansion

We will acquire data that have not been obtained through expansion into new business domains.
We will increase advertising revenue by utilizing such acquired data, effectively.



What will be achieved through the utilization of data in the medium term



Main Targeted Indicators for FY2022

To further develop our company in rapidly changing market conditions, we have set the following indicators as targets to be achieved over the next three years and will expand accordingly.

MAU

Annual growth of **20%**

An increase in MAU due to an increase in the amount of data acquired

Total stay-time

Annual growth of **25%**

An increase in stay-time, reflecting an enhancement in profitability due to an increase in the amount of data

Group-wide sales

Annual growth of **30%**

Enhancements in profitability are factored in for all businesses including the media business

Overseas development

We will raise profitability in overseas through business tie-ups and other measures

Acquisition of new data

We will strengthen DMP and facilitate data collaboration externally

Our Mission

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



Disclaimer

Forward-looking statements contained in these materials are prepared from judgments and assumptions based on information available at the time of preparing the materials, and do not guarantee their accuracy.

Please note that actual results may differ materially from the forecasts due to various uncertainties included in these judgments and assumptions and changes in risk factors and the economic environment.

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