

Medium-Term Management Plan “G100”

May 14, 2021

geechs inc.

1st Section of TSE: 7060

Key Points of G100

1

Net Sales **10** billion yen,
Operating income **2.5** billion yen,
and CAGR **30** %
for the Fiscal Year Ending March 31, 2025

2

Aiming to be
the No.1 in Japan
for Technology Resource
Sharing Platforms

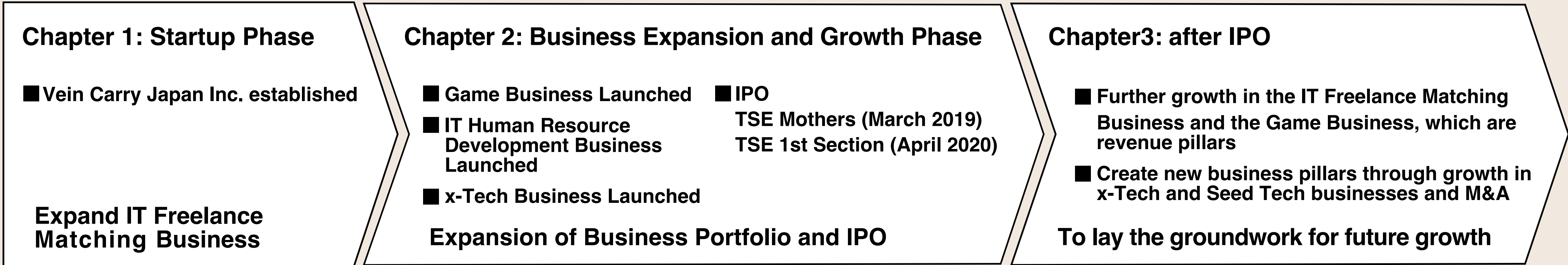
3

Stable and Steady Growth in the
Game Business by Increasing Pipelines

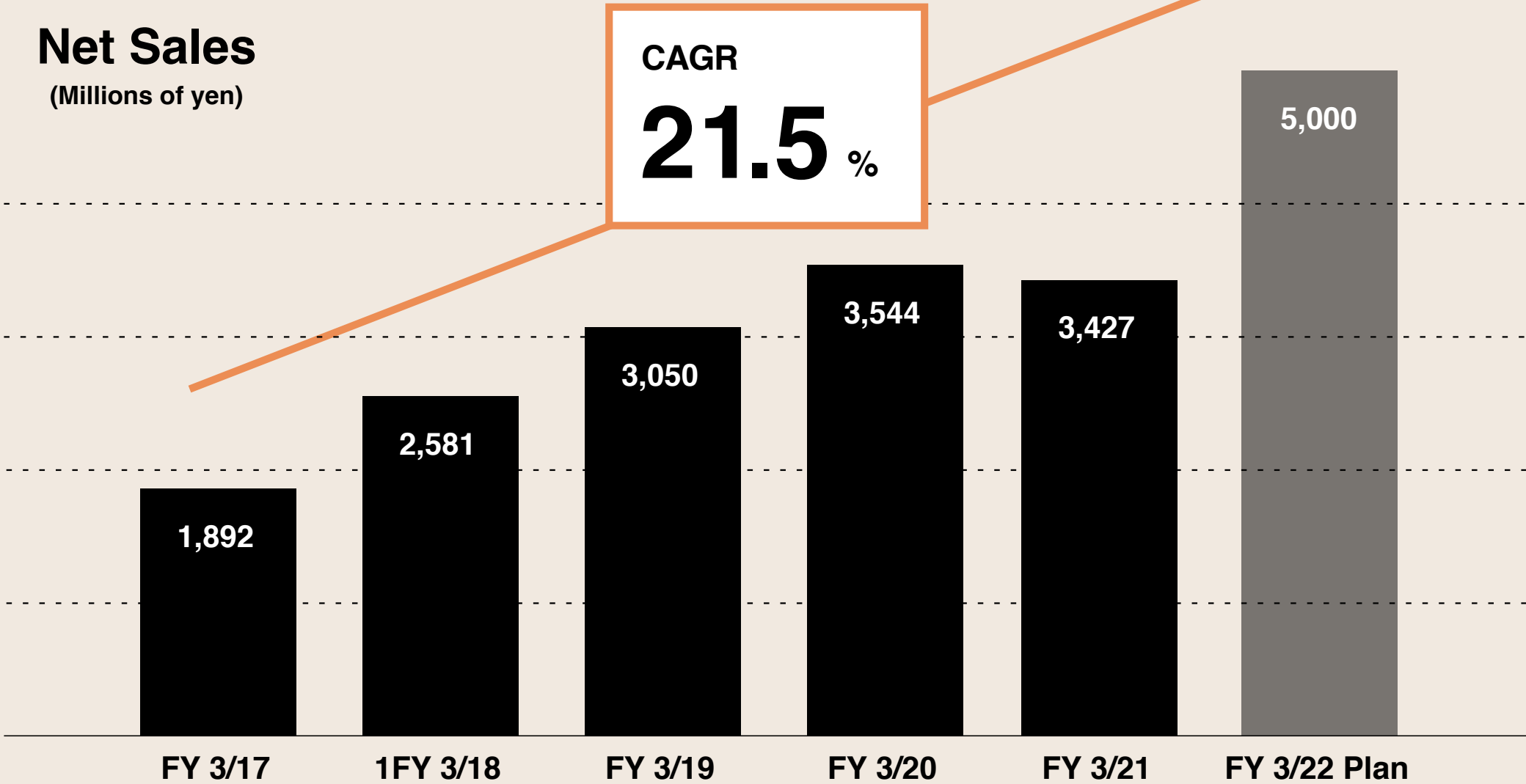
4

Create new business pillars through
x-Tech/Seed Tech business growth
and M&A

Growth Trajectory

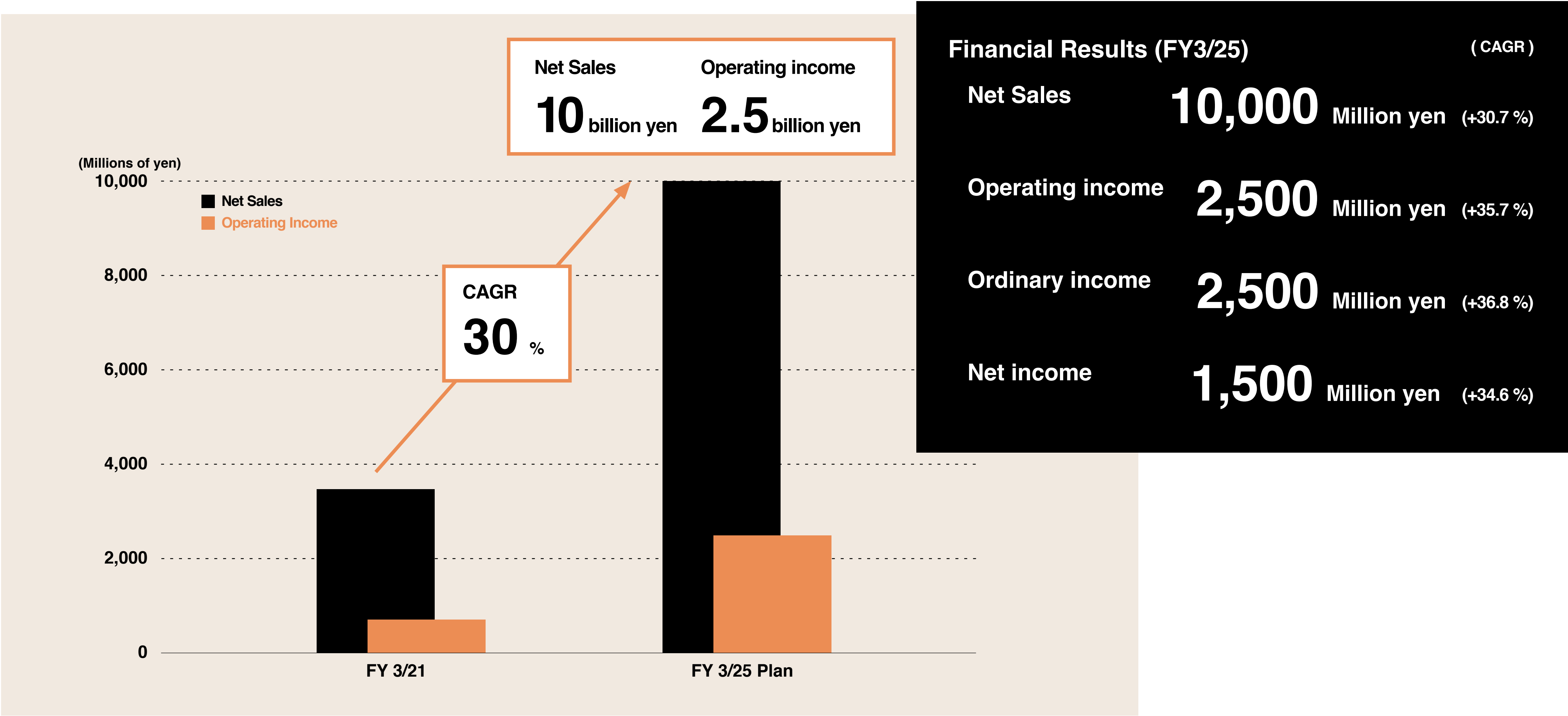


Net Sales
(Millions of yen)



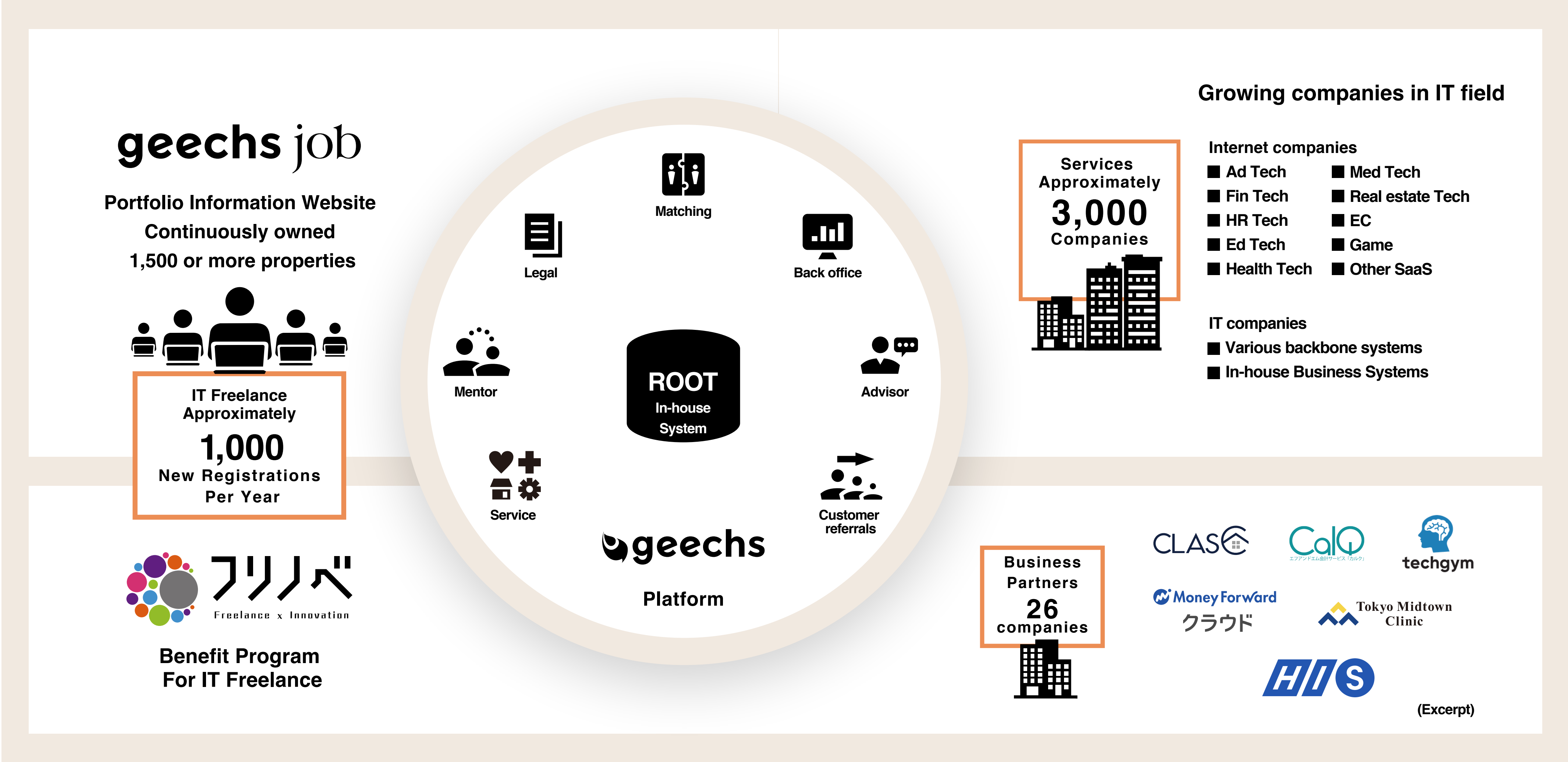
Medium-Term Management Plan Figures

Aiming to more than triple sales and profits by FY3/25



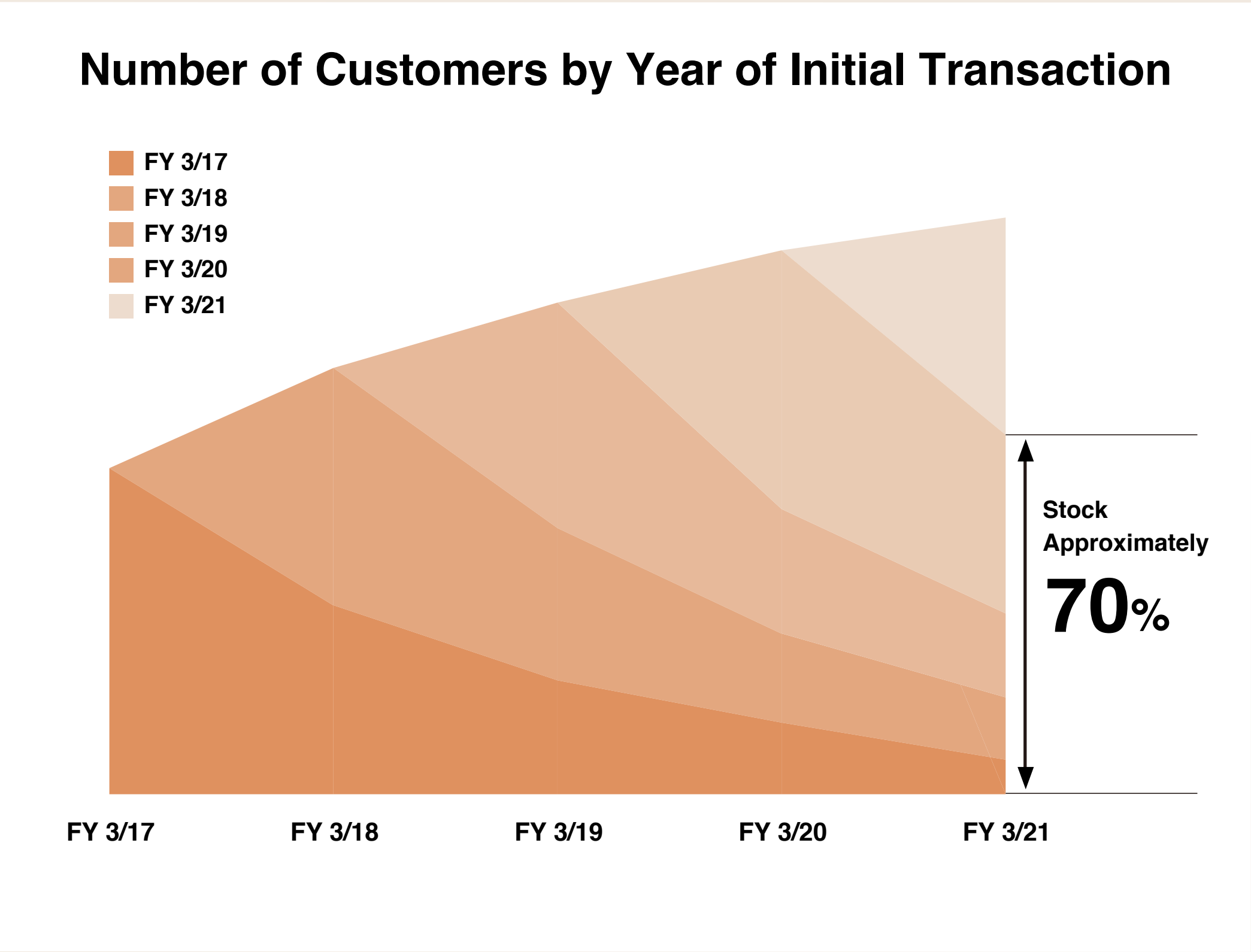
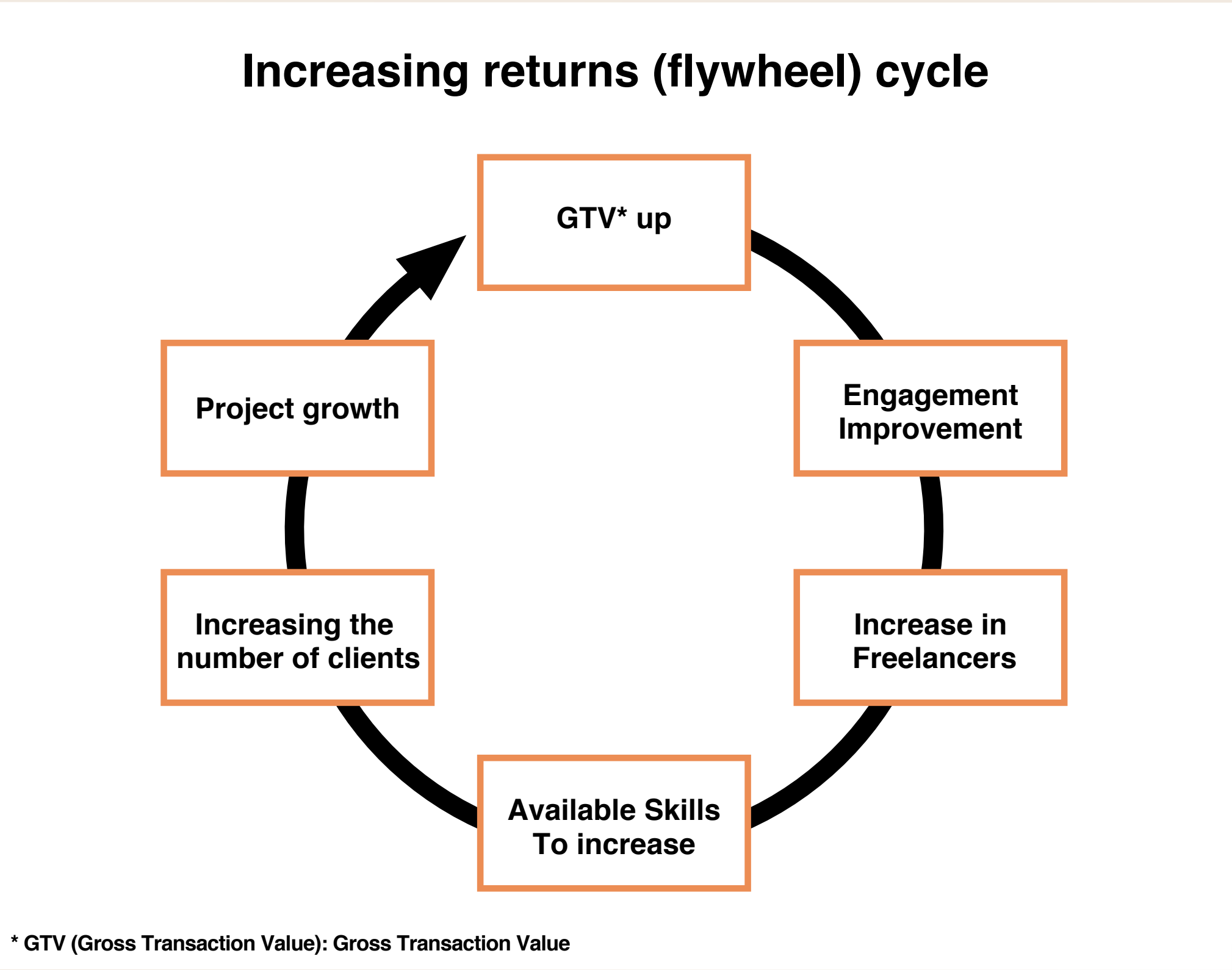
IT Freelance Matching Business

Technology Resource Sharing Platform



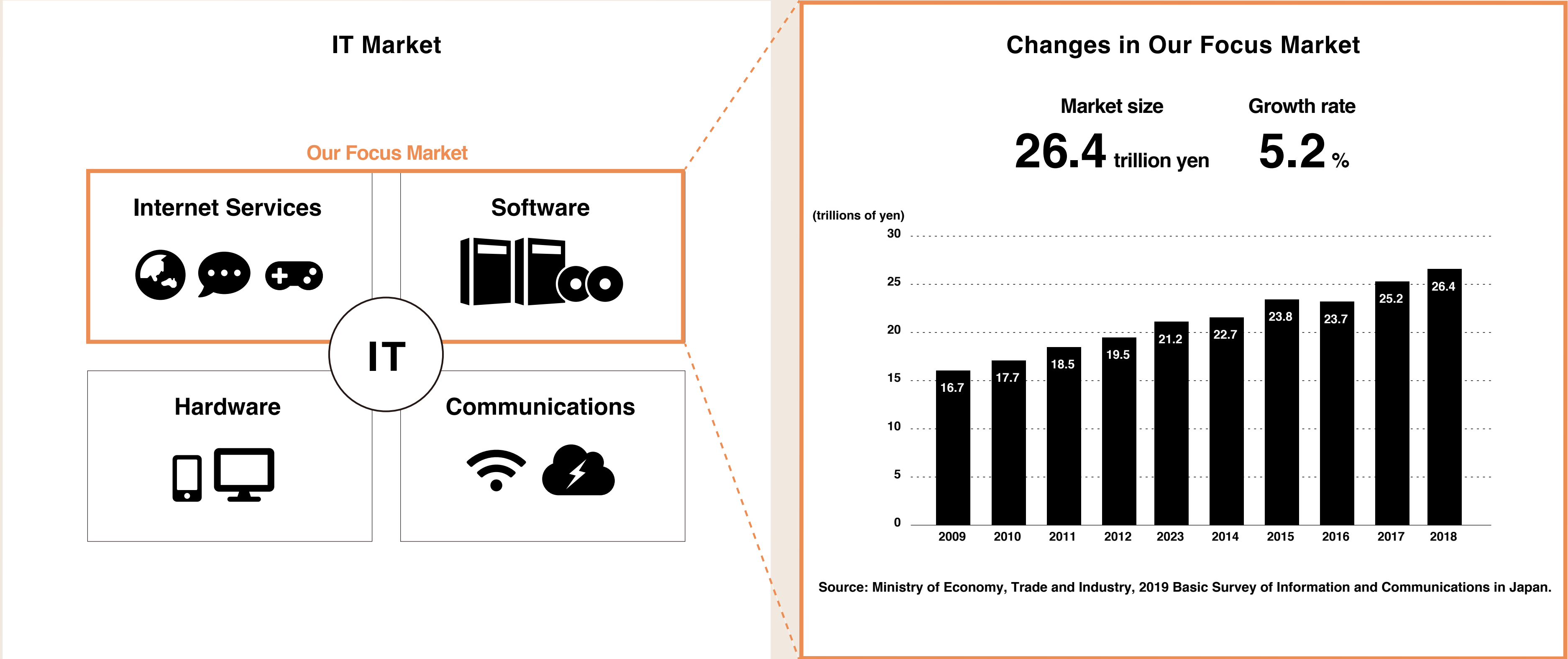
geechs Business Cycle

- A Model for Increasing Value that Leverages the Utilization of Excellent Freelancers and the Successful Experiences of Customer Support Leading to Increase in Projects
- A Business Foundation that Combines Stability and Growth Potential



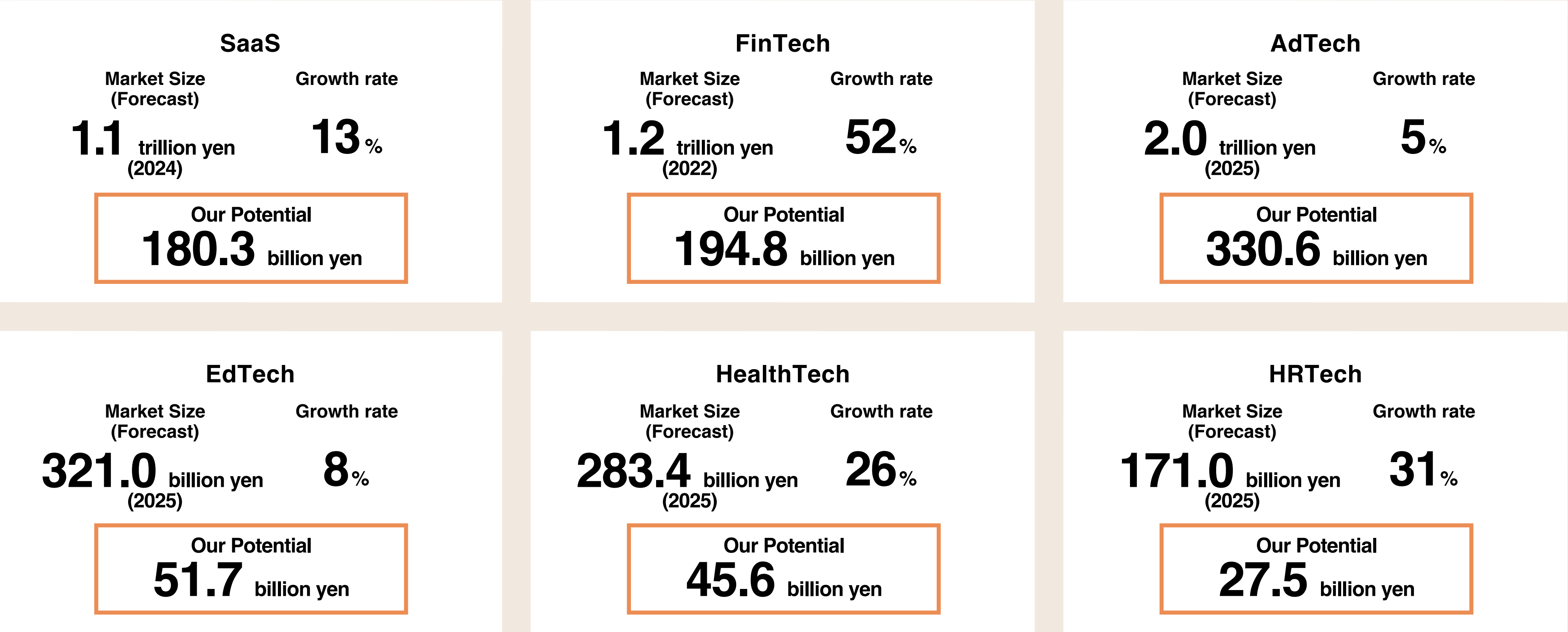
Market Size and Growth Potential

Investing the management resources in the Internet service and software industries, which are expected to grow particularly rapidly



Focus Market Representative Field

Significant Potential for Overall Focus Market Over 830 Billion yen



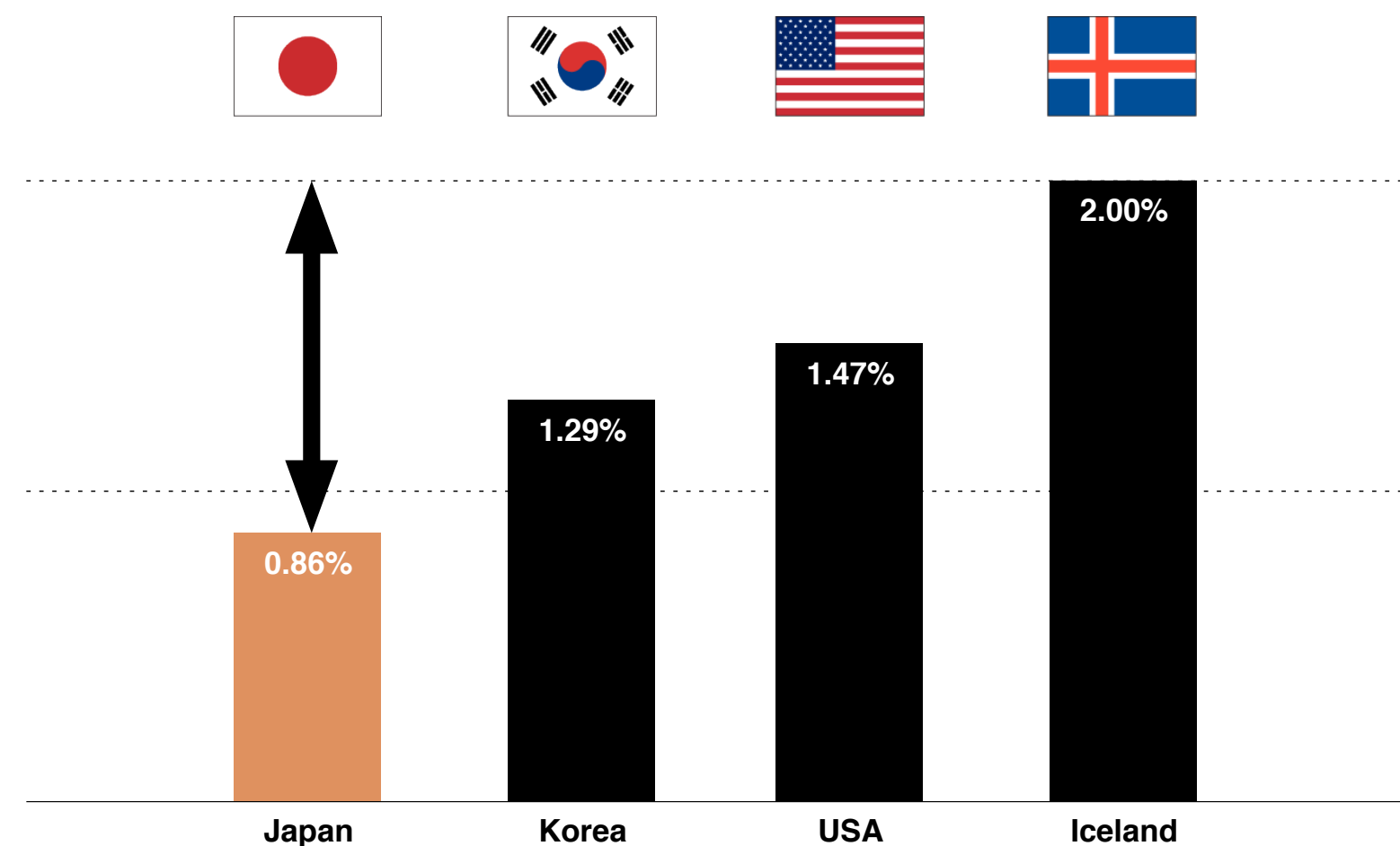
Our own estimates are based on the following information
Sources: Smart Camp SaaS Industry Report 2020; Yano Research Institute Japan FinTech Market Survey 2019; Nomura Research Institute Japan IT Navigator 2020
Deloitte Tohmatsu Mic Economic Research Institute, "HRTech Cloud Market State and Outlook: Fiscal 2020 Version," and Japan Information Service Industry Association, "Information Service Industry Basic Survey: 2019 Edition."

Potential of IT Freelance Market

The freelance ratio of Japan's 1.25 million IT engineers is only 5%, which is low compared to 35% in the US.

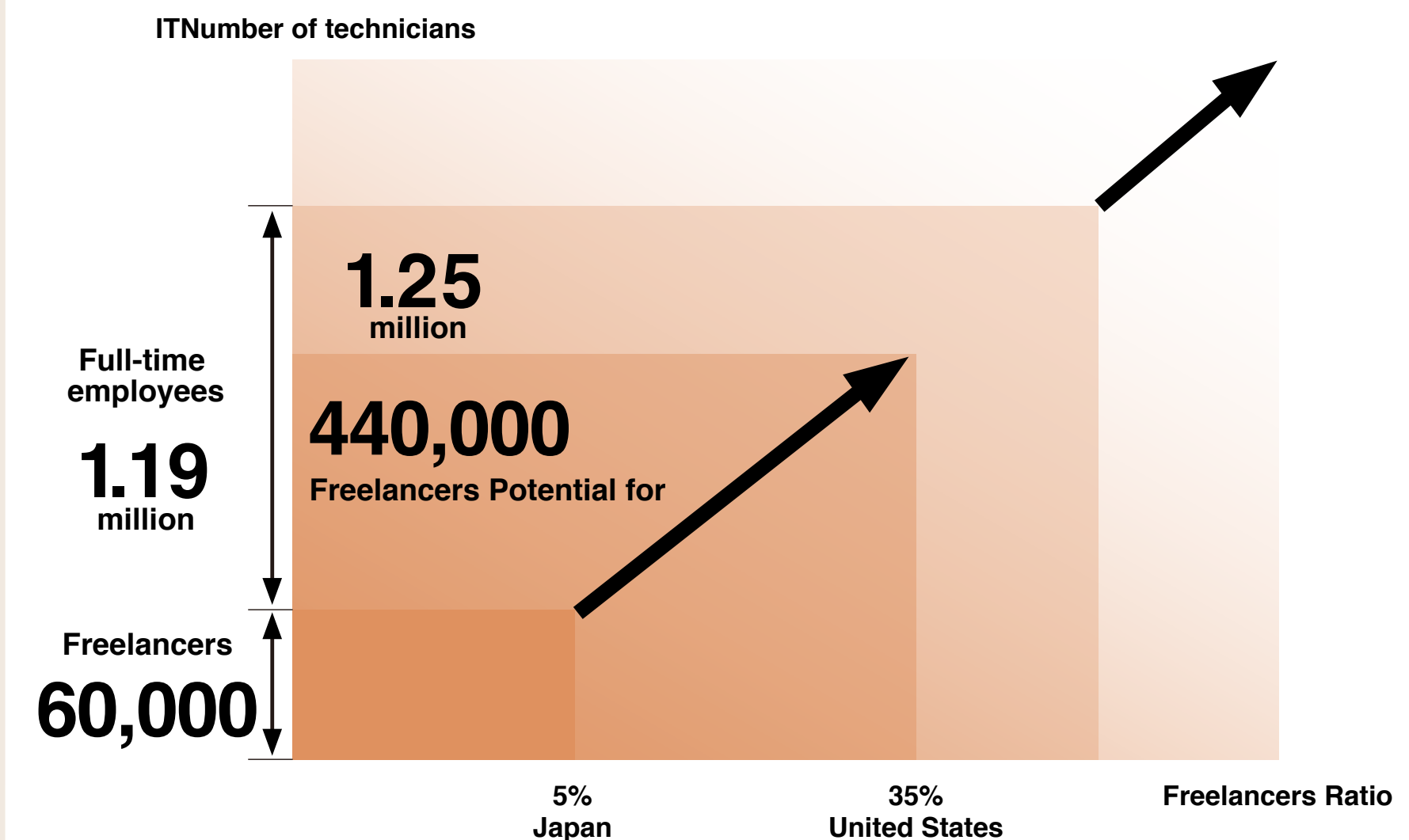
The Japanese freelance market is expected to expand in the future.

IT Technicians' Percentage of the Total Population^{*1}



^{*1} : Source: Human Resource "IT Engineer Report for 92 Countries: Vol.1"

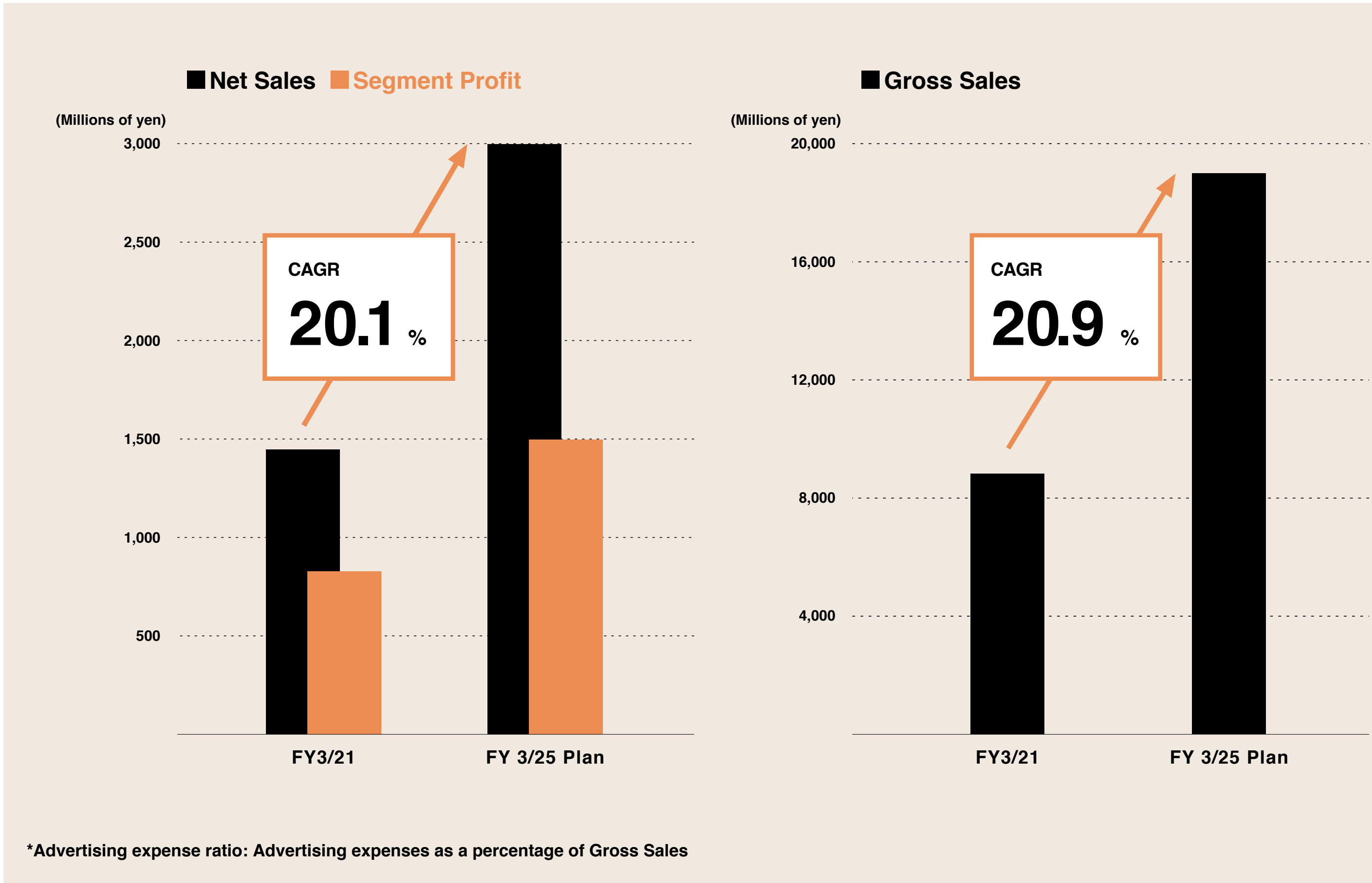
IT Freelance Market Potential^{*2}



^{*2} : Our own estimates are based on the following information
Source: Cabinet Office, "The 17th Freelancers in Japan: An Analysis of Their Size, Features, and State and Impact of Non-Competition Obligations" (July 24, 2019)
"IT Human Resource White Paper 2020" by the Information Processing Promotion Organization of Japan;
Statistics Bureau, Ministry of Internal Affairs and Communications,
"Labour Force Survey (Basic Data)"
2019 Average Results Lancers, Freelancers Survey 2019

Medium-Term Management Plan Figures: IT Freelance Matching Business

- Aiming to Double Net Sales, Segment Income, and Gross Sales by FY3/25
- In terms of KPIs, aim to more than double the number of occupancy months and achieve an order unit price of over 800,000 yen



Financial Results (FY3/25)			(CAGR)
Net Sales	3,000	Million yen	(+20.1 %)
Segment income	1,500	Million yen	(+16.2 %)
Profit margin	50.0	%	

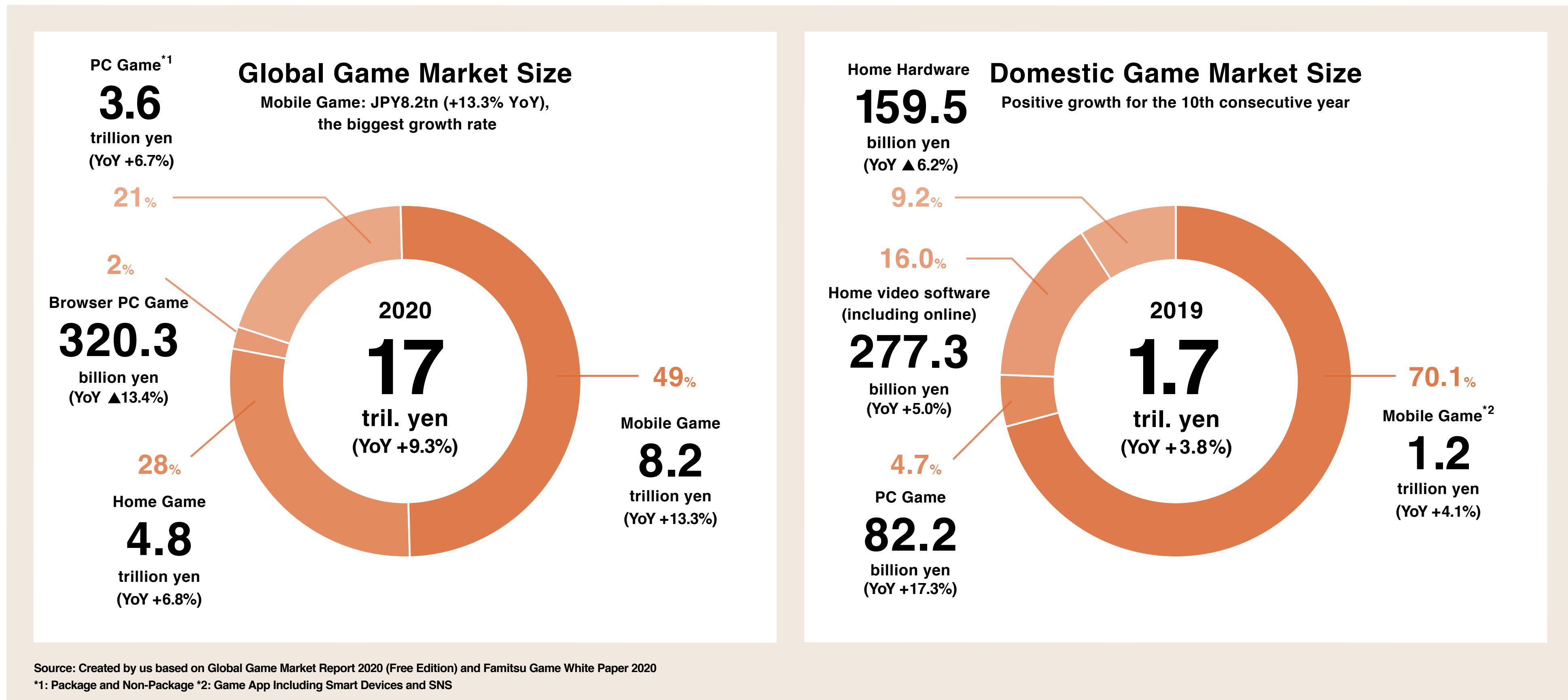
KPI (FY3/25)			(CAGR)
Gross Sales	19,000	Million yen	(+20.9 %)
Advertising Expense Ratio*	1.2	%	
Number of Freelancers Under Contract	24,500	person-months	(+19.5 %)
Unit price of order	812,000	yen	(+1.7 %)

Functional Strategy: IT Freelance Matching Business



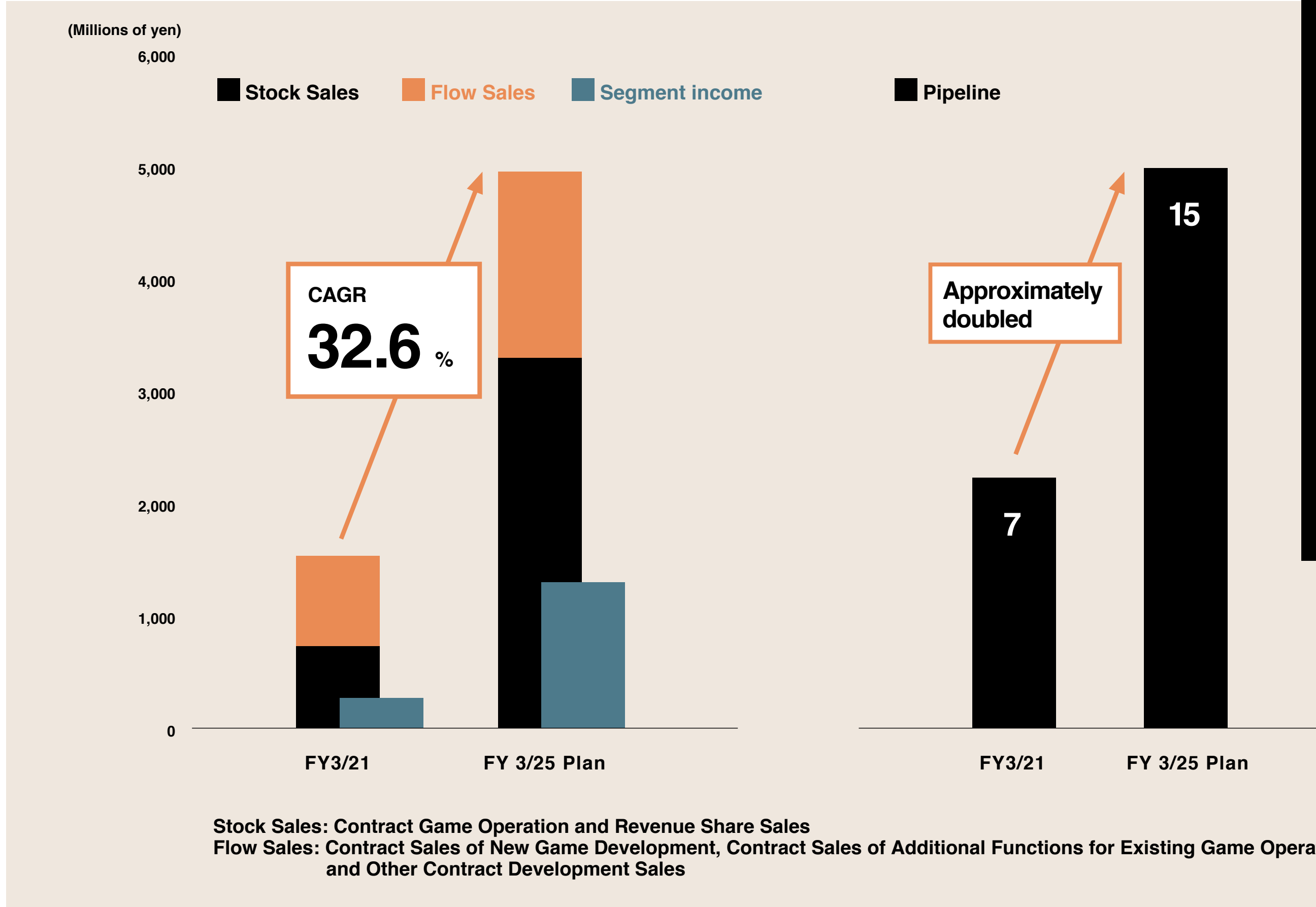
Domestic and Foreign Game Markets Size

- Achieved all-time high on positive growth in the market as a whole. Mobile Game Risk Aversion Trend Due to Lower Hit Rate and Surging Development Costs
- As a result, we expect that collaborative development will increase and that the importance of developers will increase.



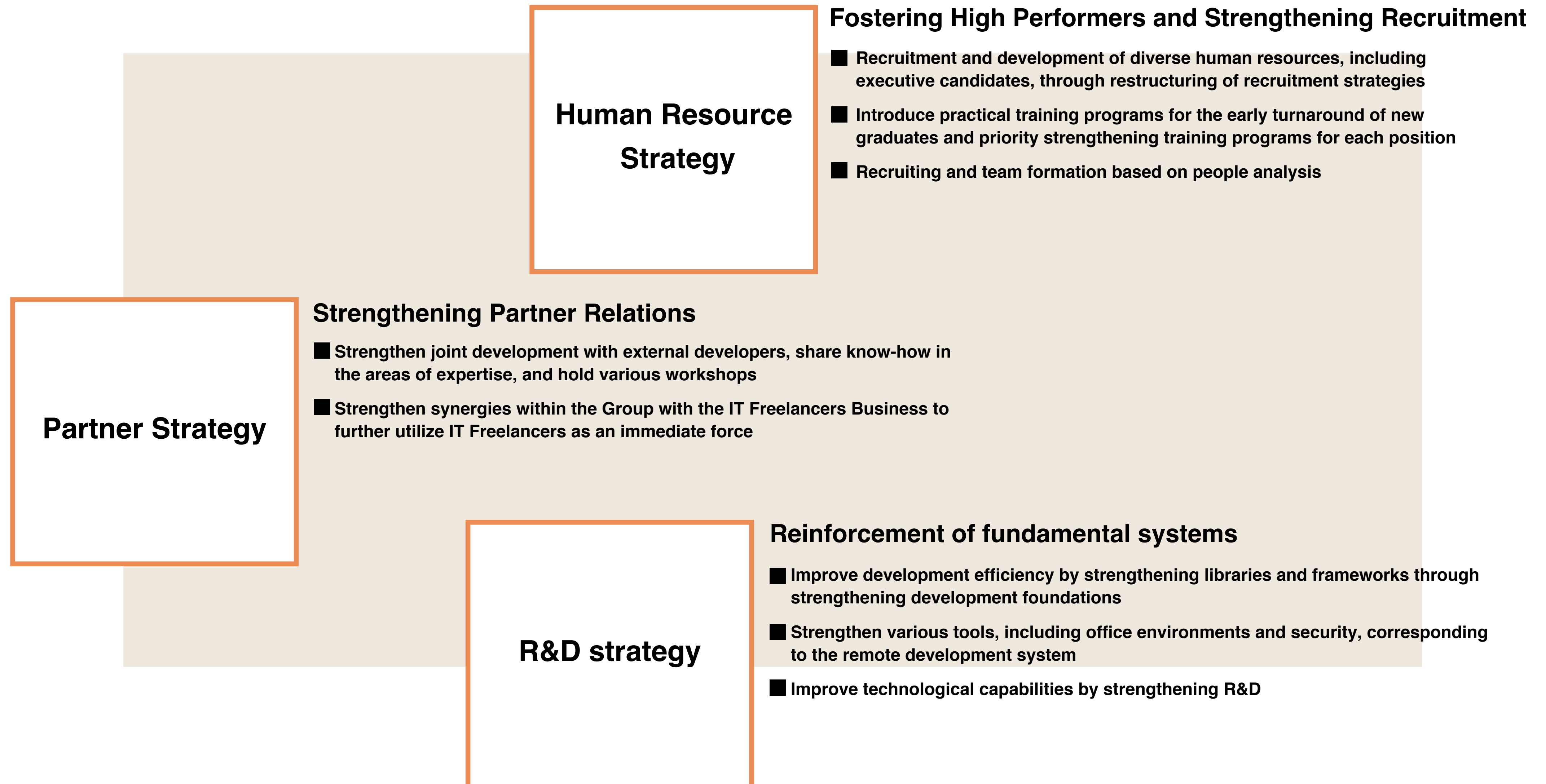
Medium-Term Management Plan Figures: Game Business

- By receiving 2-3 titles order annually and an increase in the pipeline resulting from stable operations, We Aim to 3x Sales and 5x Segment Profit
- Continue to implement appropriate resource controls tailored to development lines



FY3/25		(CAGR)
Net Sales	5,000	Million yen (+32.6 %)
Segment income	1,300	Million yen (+48.1 %)
Return on Sales	26.0	%
Pipeline	15	Titles
Number of Employees	400	(300 full-time employees, 100 outsourced)

Functional Strategy: Game Business



x-Tech Business



1. Cultivating the Future with New Technology "xR"

A variety of products already on the market through an AR app developed in-house
Creating an Up-Cycle by Providing New Added Value and Experience

2. Digital Marketing Support in the Sports Field

Mainly promoting golf and IT. Develop own media, build D2C,
Provision of SNS management agency, online, and offline marketing services

3. Abundant track record of production and management know-how

A golf-specific agent utilizing Youtubers and Instagramers.
Various video editing/production
Operation of the Youtube channel "Gridge Channel"
and one of Japan's largest golf media "Gridge" .

Technology Partners for Business Model Transformation

Utilizing leading-edge technologies and methods to leverage "Technology × Data" to create a business model

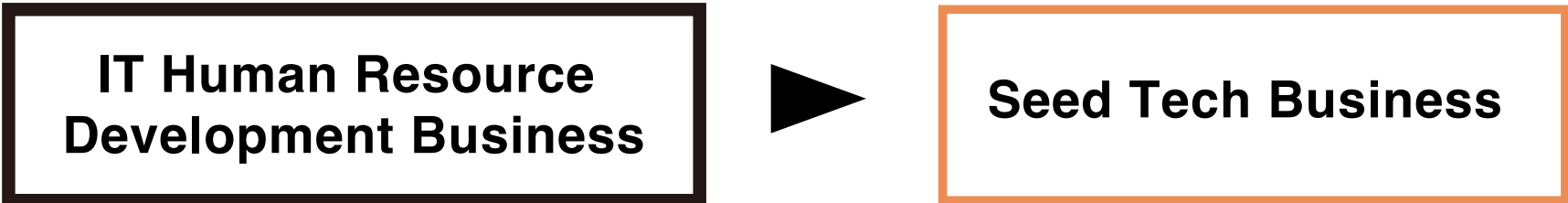
A technology partner for innovation, cultivating videos that utilize xR

Provide value by combining production technology and digital marketing and D2C support know-how in the sports field

Renaming IT Human Resource Development Business Segment

- Established seedtech Inc. specializing in offshore development and programming schools to strengthen business development in Japan
- The IT Human Resource Development Business segment was renamed Seed Tech Business.

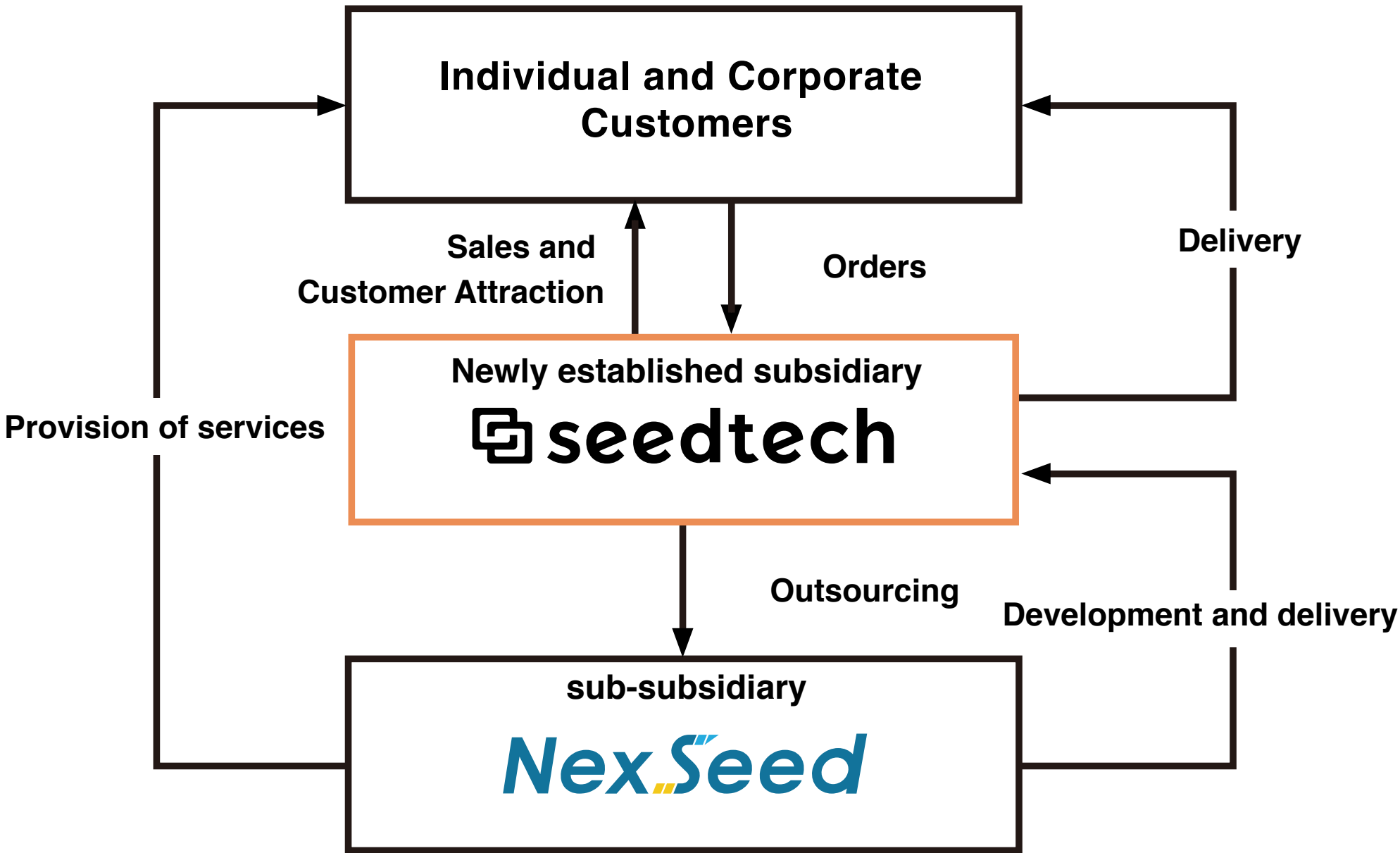
Change of Segment Name



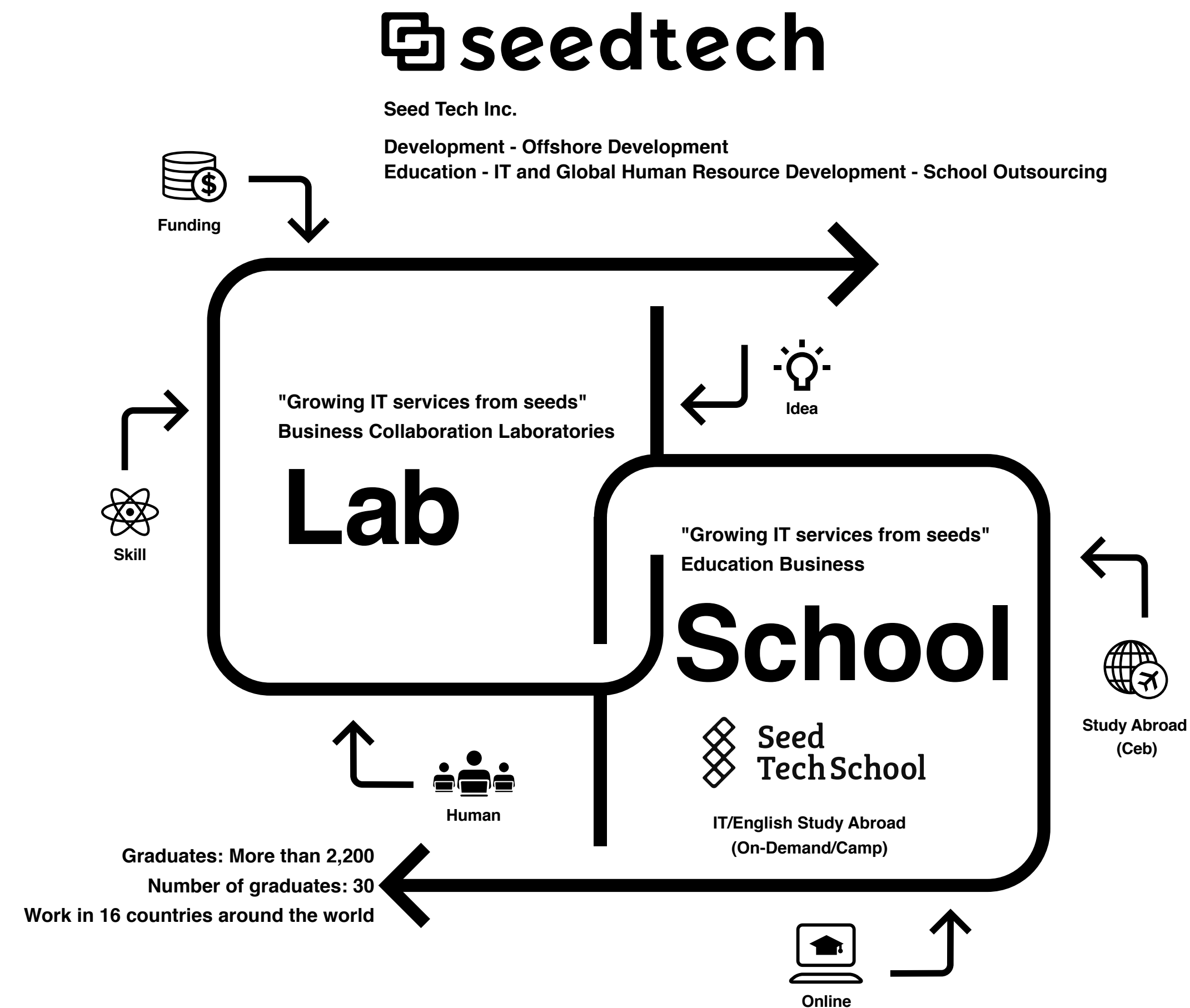
Overview of New Subsidiaries

Company Name	Seed Tech Inc.
Representative	Takahara Daisuke
Address	24-12, Shibuya 2-chome, Shibuya-ku, Tokyo
Hitachi	January 29, 2021 (commencement of operations: April 1, 2021)
Capital	50 million yen
Fiscal year end	March
Business	Education Business IT/Global Human Resource Development and School Contract Management
	Development Business
	In-house development and offshore development

Business management scheme



Seed Tech Business



1.Global Standard Business Collaboration Laboratories for Offshore Development

To ensure success in developing new businesses and DX products, Comprehensive support from dedicated design and business teams
Ideal for developing successful services.
It also develops Shopify, one of the world's largest e-commerce platforms.

2. Operation of a programming school

We operate an on-demand programming school.
Students can learn practical and advanced skills, since the school is run by a company with a proven track record in offshore development business.
Our programming school supports the students to change their jobs or to find their side jobs, and train them to become globally active engineers.

Leveraging Technology to Advance the World

From the two businesses of development and education, develop IT services and IT human resources from the seed stage.

Segment Policy and Positioning

- Maintain high growth and profitability and aim for further growth with the IT Freelance Matching Business and the Game Business as the mainstay of revenues
- Continue investment to make the x-Tech and Seed Tech businesses a third mainstay of earnings, and aim for dramatic business expansion through M&A

IT Freelance Matching Business

- Mainstay business that drives the Group as a whole
- Aiming for Further Business Expansion while Maintaining High Growth and Profitability

Game Business

- The second mainstay of earnings that is a stock-type business and combines stability and growth potential
- Grow by expanding pipeline, including overseas titles

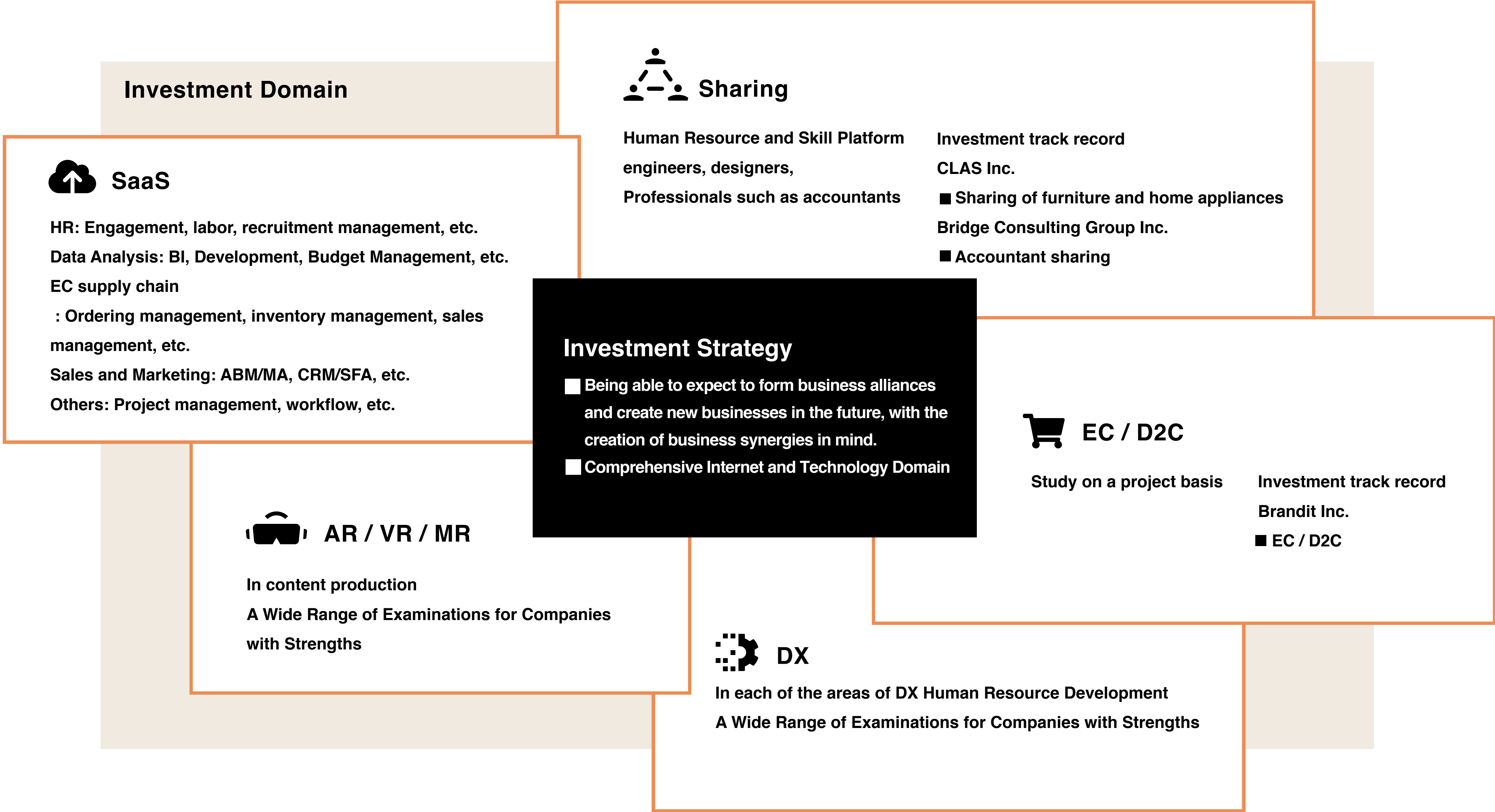
x-Tech Business

- Taking on the Challenge of New Services and New Fields by Leveraging Advanced Technologies
- Aim for early profitability while continuing investment

Seed Tech Business

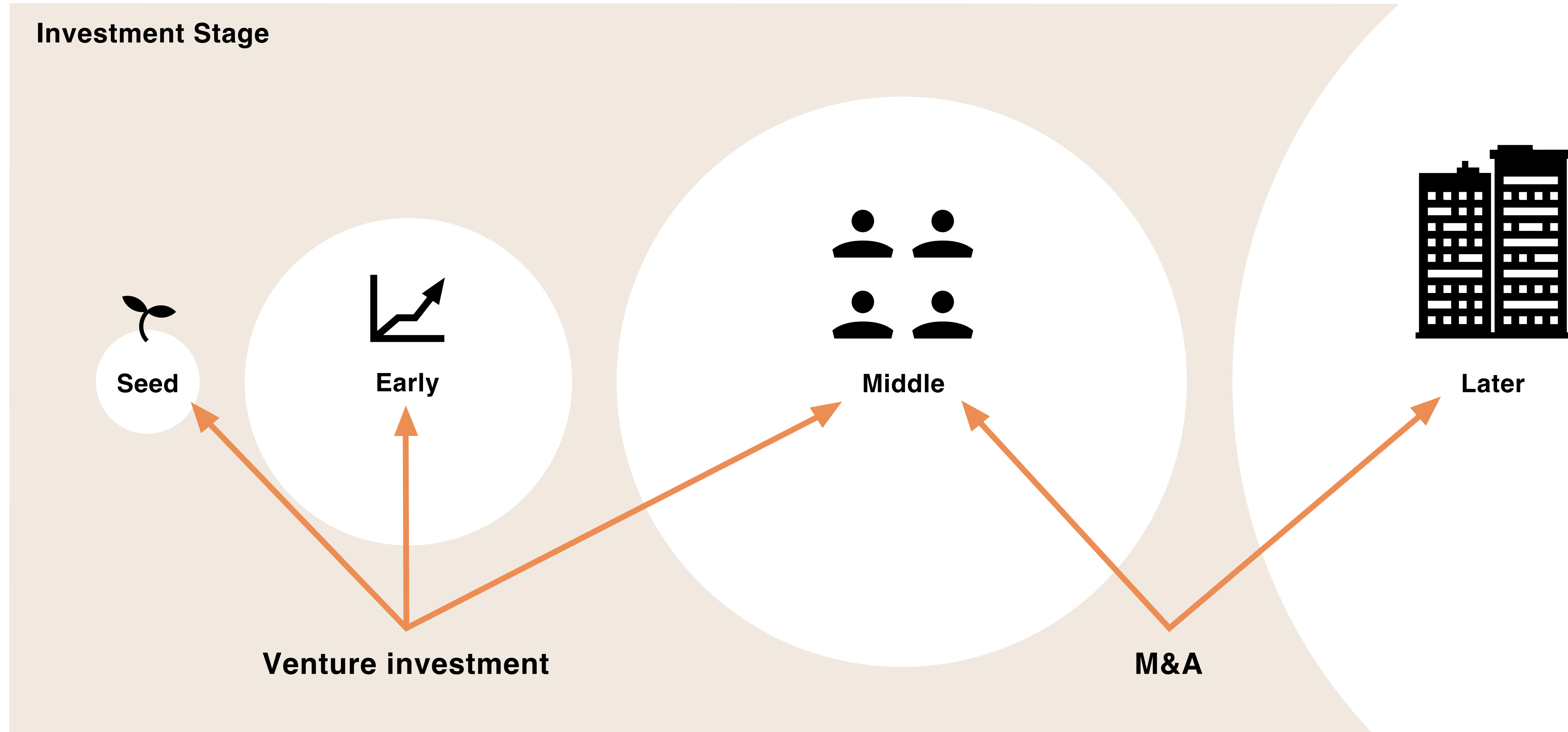
- Redefine the growth model due to the impact of corona, etc., and re-grow through offshore development and online Study Abroad
- Continuous investment policy with an eye on after-corona sales

Investment Strategy / Areas of Focus (1/2)



Investment Strategy / Areas of Focus (2/2)

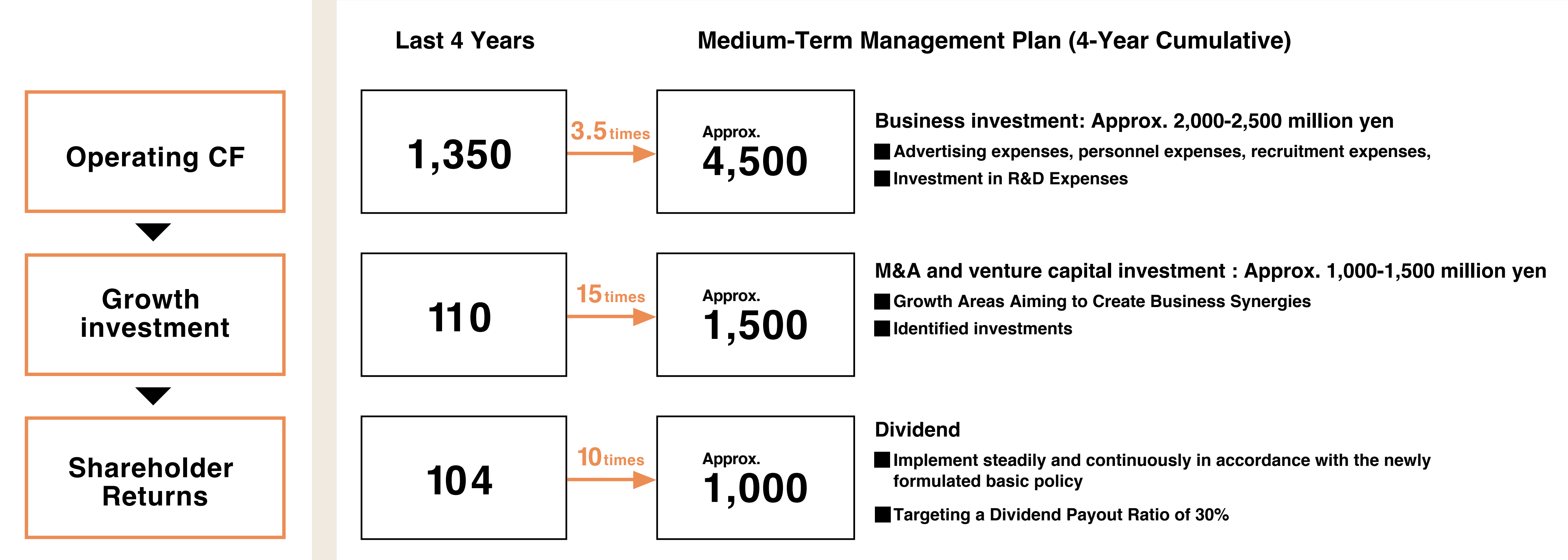
- The seed to early stages are primarily targeted for venture investments with a focus on creating new businesses in the future.
- In the Middle to Later stage, the main target for M&A is to generate business synergies to generate profits at an early stage.



Cash Allocation

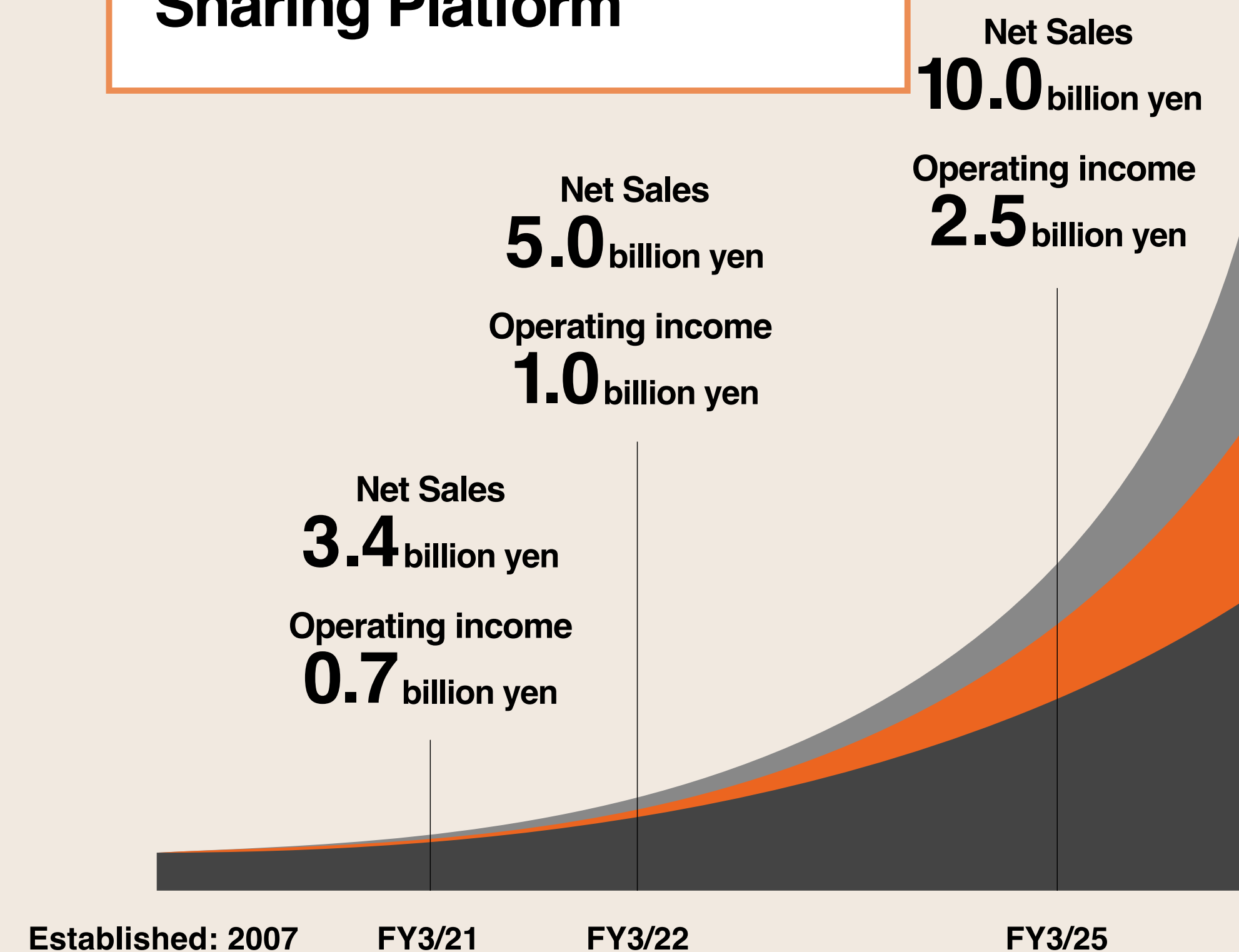
Aiming for a dividend payout ratio of 30%, while prioritizing business and growth investments for organic growth and further acceleration of growth

(Millions of yen)



Company-Wide Strategy

No.1 in Japan
for Technology Resource
Sharing Platform



Focus Theme

Growth through New Businesses and M&As
in Business Model Innovation Fields
Further Growth of New x-Tech Business
Deepen and expand business domains through aggressive M&A

Game Development and Operation Pipeline Growth
Build a multi-title management structure with more than 10 titles per year
by increasing the pipeline through long-term management of existing titles
and acquisition of 2-3 newly developed titles per year

Organic growth through synergy
IT engineer sharing, training and education, overseas resource utilization
(offshore development)
Further growth of existing businesses

Financial Goals

- Aiming for double growth rate and even higher operating income margin through growth strategy and M&A
- Our basic policy on shareholder returns is to pay stable and continuous dividends while prioritizing growth investments that will lead to sustainable profit growth and increase corporate value. Our goal is a dividend payout ratio of 30% in FY3/25.

		FY3/21		Medium-term Targets	
Growth Indicators	Growth rate of net sales	FY17/3~CAGR	16.0%	FY3/21~CAGR	30.7%
Profitability Indicators	Operating income margin		21.5%		25.0%
Efficiency Indicators	ROE		12.7%		20.0%
Shareholder Return Indicators	Dividend Payout Ratio		11.4%		30.0%

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Notes regarding Forward-Looking Statements

The information contained in this presentation is based on a number of assumptions. These statements are not intended to assure or guarantee the achievement of future numerical targets or measures. Please note that actual results may differ due to various factors. We do not have obligation to update or revise the forward-looking statements in this report even if there are new information or events in the future.