

HEROZ

About Making Tifana.com Co., Ltd. a Group Company

March 19, 2024

HEROZ, Inc | 4382 |

Notice

This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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About Tifana.com Co., Ltd.

Corporate Visions

「Make the world smile, with the power of the Web and AI」

Company Name : Tifana.com Co., Ltd. (hereafter referred to as “Tifana.com”)

Founding : 1993 (Incorporation : May 2000)

Representative : President and Representative Director Ryo Fujii

Number of Employees : Approx. 50 employees

Capital Stock : 200 million yen

Address

Tokyo Head Office : 2-22-7 Ohashi, Meguro-ku, Tokyo

Osaka Sales Office : 1-4-4-4 Dojimahama, Kita-ku, Osaka-shi, Osaka

Business

AI business : Developing business with Sakura-San series including “AI Chatbot Sakura-San”

Web Production business : Wide range of services from web consulting, video/image production, SEO and SEM services

Homepage : <https://www.tifana.com/>



- AI business: developing "AI Sakura-San" series of DX solutions that can be used to meet a variety of issues and needs
- Web Production business: providing a wide range of support for web production, maintenance and operation, consulting, etc

AI business

- "AI Sakura-San" has been introduced and is in use at many major companies as well as train stations and commercial facilities

初めてのDX
**AIさくらさんに
相談してよかった**
(導入企業の98%が“満足”と回答※)
※2022年当社調べ

お問い合わせ

特許取得済

AI チャットボットさくらさん
社内問い合わせさくらさん
アバター接客さくらさん
業務決裁さくらさん
AI 予測さくらさん
Web 改善さくらさん
日程調整さくらさん
AI 電話対応さくらさん
面接サポートさくらさん
メンタルヘルスさくらさん
落とし物管理さくらさん
受付さくらさん

Web Production business

- 30 years of expertise in web consulting for consistent support

1. strategic planning
2. Planning/Information Design
3. Design production, system development
4. Web site operation

- "AI Sakura-San" series is a series of AI services including chatbots and avatar customer service.
- She is actively working as a customer service avatar at train stations and commercial facilities, and, used by many major companies and municipalities, supporting DX promotion from many angles.

"AI Sakura-San"



3 points of this service

1. Worked in many companies, including train stations, commercial facilities, and internal help desks.
2. AI that grows without effort due to self-learning.
3. Dedicated staff support from introduction to operation

WORKS

制作実績



Supreme Court of Japan



East Japan Railway Company (10 stations)



Haneda Airport Garden

- Familiar and useful AI-chatbot with easy-to-use design and design features
- Developing many "Sakura-San Series", in line with customer needs and promoted their use in business scenes
- Attractive in terms of ease of implementation and operation with staff support, and almost no operating costs

Easy-to-understand and friendly design

- "AI Sakura-San Series" features a design that is easy for anyone to understand and use, as well as a friendly design.

Already installed in many transportation systems, municipalities, and commercial facilities

- Click here for introduction results
<https://www.tifana.ai/works>

Support system for easy introduction and operation

- Supporting DX Promotion Teams with the Latest AI Technology
- Patented, international standard ISO quality assurance
- Unique customization to suit your business needs
- Registration and tuning are fully automated

Series development to meet your needs

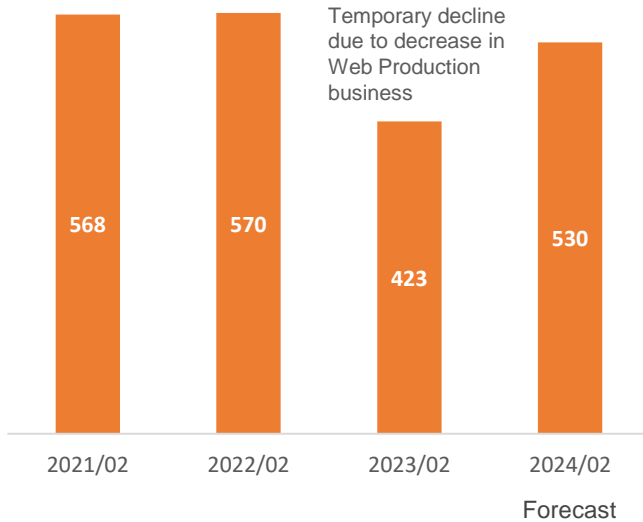
課題に合わせたAIサービスで大手企業のDX推進を着実に実現!

- AIさくらさんシリーズ サービス一覧
- AIチャットボットさくらさん 多くの大手企業が導入している最新のAIチャットボット
- 社内問い合わせさくらさん 自社従業員からの問い合わせ対応に特化したAIチャットボット
- アバター接客さくらさん 2016年から運用 国内導入実績No.1のアバター接客
- 業務決裁さくらさん すべての申請・承認ワークフローをオンライン化
- AI予測さくらさん AI予測で、誰でも簡単に需要予測やリスク回避
- Web改善さくらさん AIがWebサイトを自動で解析し最適化
- 日程調整さくらさん 商談・会議など参加者とのスケジュール調整をAIが代行
- AI電話対応さくらさん 様々な電話対応業務をAIが代行
- 面接サポートさくらさん AIが面接やオーディション、評価をサポート
- メンタルヘルスさくらさん AIが従業員の心をケアし離職率を低減
- 落とし物管理さくらさん AIが人に代わって落とし物問い合わせに対応
- 受付さくらさん AIが人に代わって受付対応を担当

Net Sales

- In FY2023, sales temporarily declined due to the shift in business focus to AI business.
- In FY2024, sales will increase due to progress in development and introduction of "AI Sakura-San" series tailored to customer needs.
- In the future, we will position AI business as the mainstay of the company's operations, and shrink Web Production business.
- AI business sales are recurring revenue, and we will pursue quality of sales.

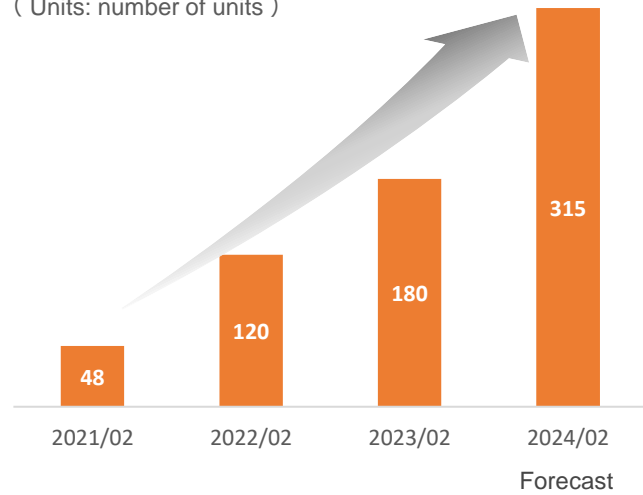
(Units: JPY millions)



AI Sakura-San cumulative number of units installed

- The cumulative number of AI Sakura-san installations steadily increased year after year on the back of strong demand.
- Most of this business is recurring sales, except for a small portion of installed sales, and thus constitutes high quality sales.
- In the future, we will shift personnel from the web development business to the AI business and shift our strategy to further increase the growth rate of the AI business (AI Sakura-san).
- By joining our group, we would like to accelerate our growth rate by pursuing synergies not only in sales but also in products.

(Units: number of units)

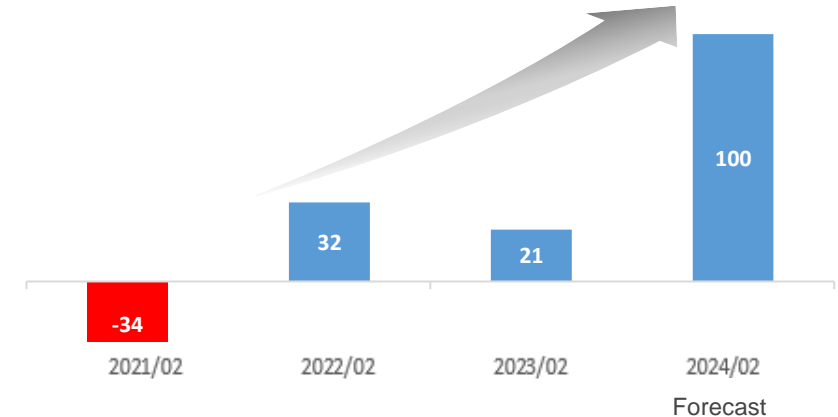


*the cumulative number of units installed.

Operating Profit

- Actual operating income related to business has remained in the black in recent years.
- We plan to actively shift personnel from web development business, with AI business as the main focus.
- We plan to aggressively increase marketing expenses and personnel in the next fiscal year and beyond in order to promote full-fledged SaaS business.
- For FY2023 and FY2024, actual profit/loss of the business to be transferred has been estimated and disclosed in the following revised figures. Figures for earlier periods have not been adjusted due to difficulty in determining the figures.

(Unit:JPY millions)



*FY2023 and FY2024 figures are "actual operating income related to business"

02

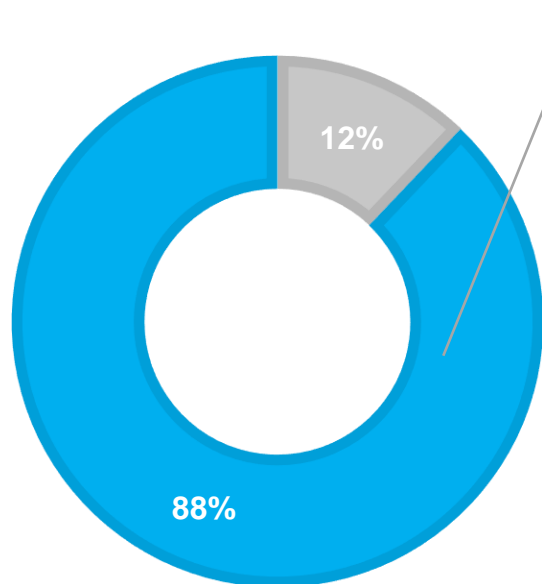
Aims And Synergies of This M&A

Aims of This M&A: ① LLM Penetration in Real Space

- Although ChatGPT has expanded tremendously, its usage in Japan is only 12%, with the majority not benefiting from Generative AI.
- Realizing UX to reach most of remaining users will build essential competitive advantage and accelerate “AIX” of Japanese society. We’ll create synergies between Tifana.com's realistic customer contacts and characters and HEROZ Group's comprehensive AI technology capabilities.

Status of ChatGPT of Usage

■ Utilized by ■ Not used



- Majority of the population not benefiting from Generative AI
- For many, the hurdle to start using it and the fact that they are limited to digital channels.

Promoting the use of Generative AI in real space

Assets of HEROZ Group

LLM x Search by “HEROZ ASK”

Speech Recognition in “Quick Summary”

Template type Q&A by “Quick Q&A”

Advantages of “AI Sakura-San”

Automation by Generative AI

Customer contact in real places

Humanistic friendliness



Supporting the real business of HEROZ Group's clientele

(Source: NRI) ChatGPT usage trends in Japan

Aims of This M&A: ② Synergies in Group Products

- HEROZ ASK as a platform for LLM, with various applications from group companies on top of it, enables us to reach out to a new customer base.
- Provide a more casual and easy-to-use environment for using Generative AI as an AI assistant that is not only high-performance but also friendly.
- Accelerate the realization of HEROZ Group's AI transformation by realizing synergies among group products.

