

**Fiscal Year Ending March 31, 2022  
1st Quarter Financial Results Briefing**

# **Financial Results Briefing**

**August 6, 2021**

**geechs inc.**

**TSE 1st Section : 7060**

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# Corporate Profile

# 1



**[ geek x tech ]**

Having technical groups as partners who have outstanding and deep knowledge in the IT and Internet fields.

Supporting the work styles of all those involved and providing various values through our technologies.

# Grand Vision

*Make the biggest impression  
in the 21st century*

Our Grand Vision is **“Make the biggest impression in the 21st century”.**

Regardless of changes in the business environment, always “challenge” difficult issues and “enjoy” the process, link it to “growth”, and by repeating these processes, we will create a lot of “impressions” to the world.

We will further accelerate the growth of our IT Freelance Matching Business, which is one of the Group’s strengths, and leverage our ability to respond to changes.

Through the creation and evolution our services, we will develop a portfolio management centered on the IT and Internet fields.

We are aiming to continuously increase our corporate value.

# Group Corporate Profile

Name geechs inc. (TSE 1st Section : 7060)

Management President & CEO Naruhito Sonehara

Foundation August, 2007

Location Shibuya-ku, Tokyo, Japan

Capital Stock 1,096 (in JPY MM)

Business Activities IT Freelance Matching Business  
Game Business  
x-Tech Business  
Seed Tech Business

Employee 375 (As of June, 2021)

Bases Tokyo Head Office  
Osaka Branch  
Fukuoka Branch  
Nagoya Satellite Office

## Our Group Companies



IT Freelance Matching Business x-Tech Business

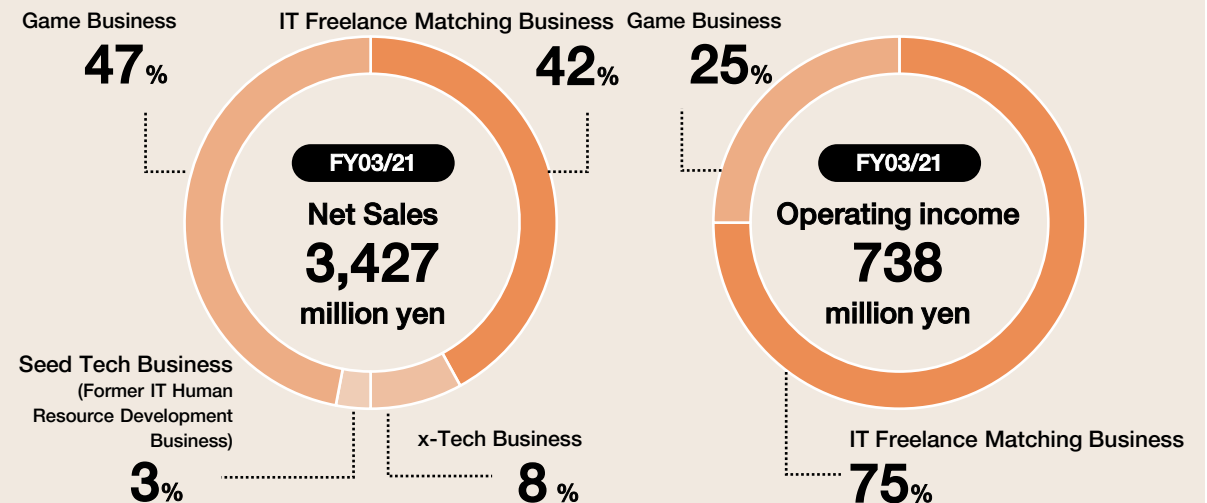


Game Business



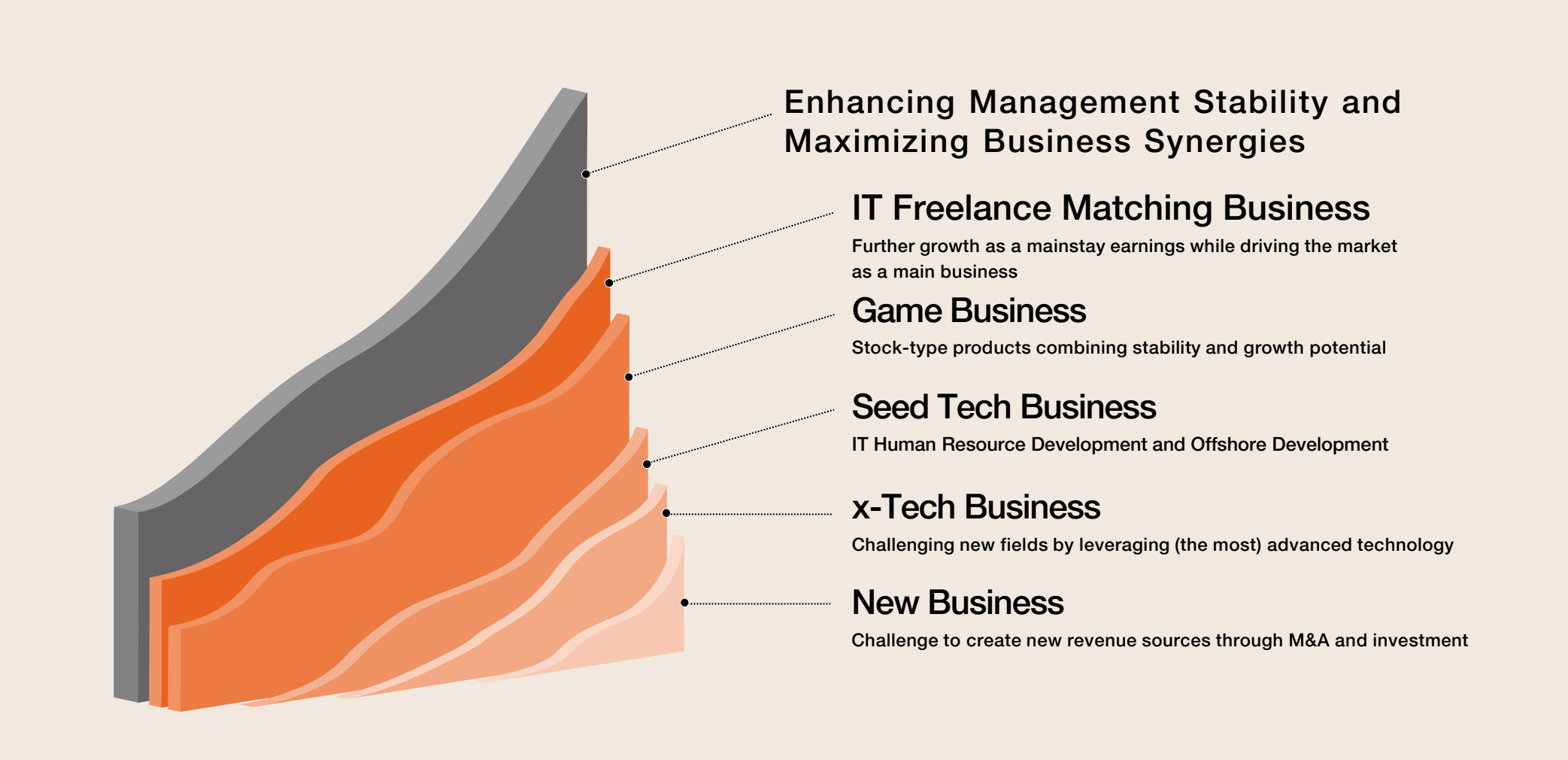
Seed Tech Business

## Segmentation



# geechs Group Advantage

## Portfolio Management to Enhance Growth and Stability



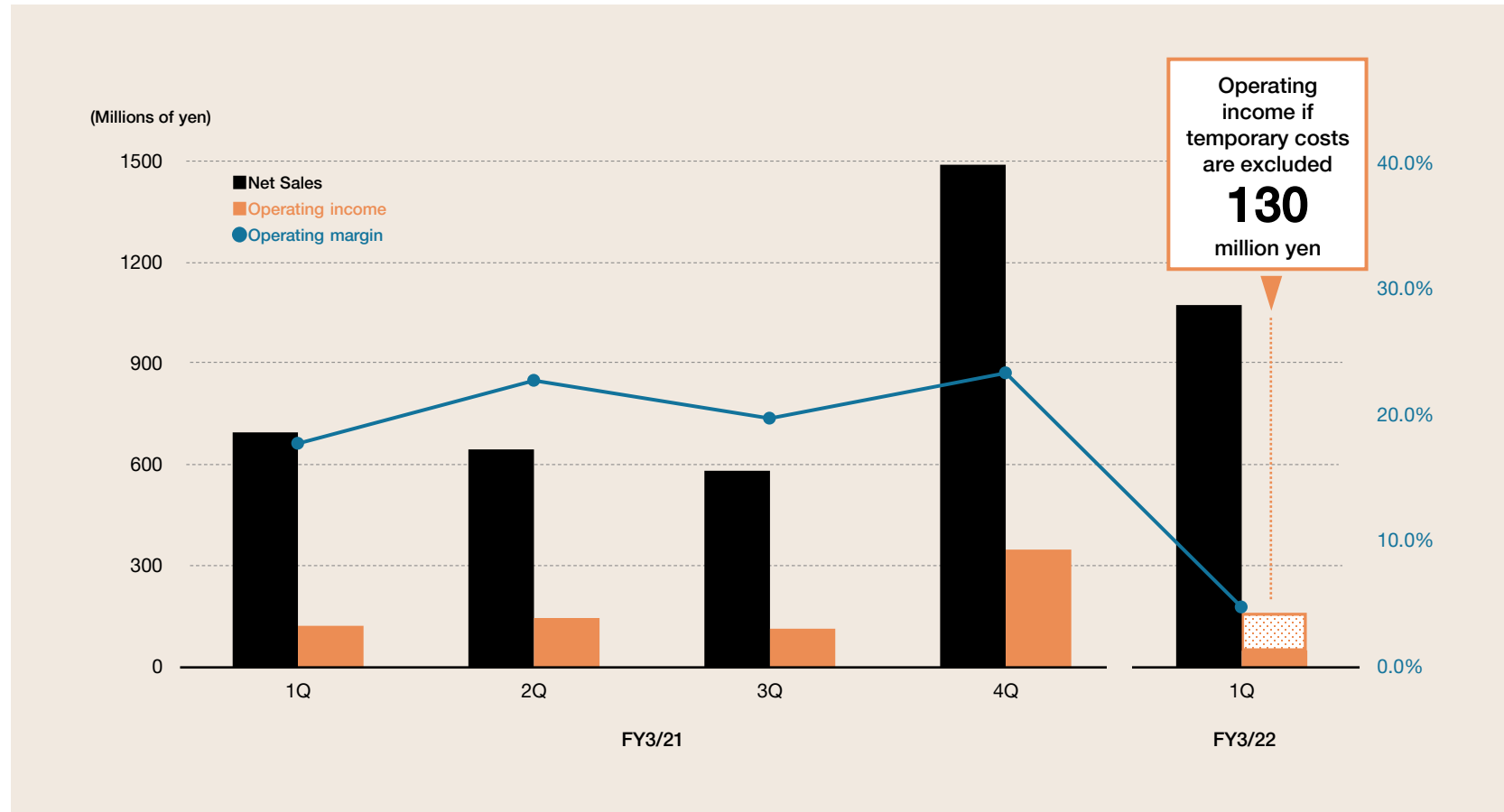
# Financial Results

# 2



# Executive Summary FY3 / 2022 1Q

- Sales up 54.1% YoY
- Operating income temporarily dropped due to increased costs associated with the relocation of the head office, but exceeded the plan (increased if one-time costs are excluded)



| 1Q               |              | (YoY)                |
|------------------|--------------|----------------------|
| Net Sales        | <b>1,077</b> | million yen (+54.1%) |
| Operating income | <b>51</b>    | million yen (-58.5%) |
| Ordinary income  | <b>54</b>    | million yen (-49.2%) |
| Net income       | <b>28</b>    | million yen (-52.3%) |

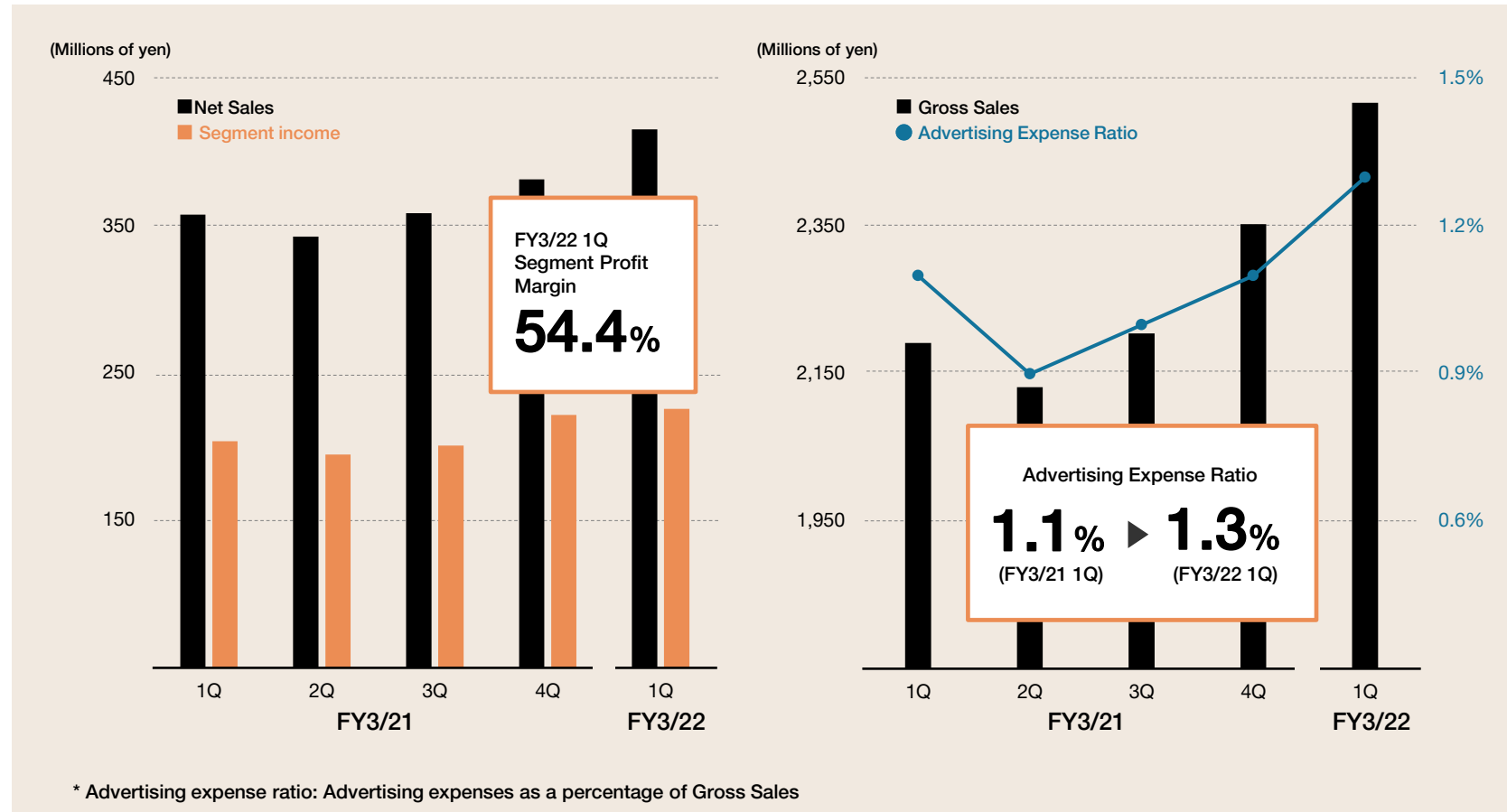
# Segment Information FY3 / 2022 1Q

- IT Freelance Matching Business : Sales and profits grew year on year due to increased demand from customers and the penetration of remote working.
- Game Business : Sales rose significantly YoY due to the launch of two titles and the recording of sales from titles under development. Losses were recorded as planned due to the impact of increased headquarters relocation expenses.
- x-Tech Business : Significant year-on-year increase in revenues and return to profitability due to contributions from digital marketing support for the golf industry, etc.
- Seed Tech Business : On-demand programming schools performed favorably, turning profitable
- Cost center : Expenses increased as planned due to headquarters relocation expenses and increase in back-office staff.

| (Millions of yen)     |                  | Results<br>1Q | Full-year forecast |               | YoY        |         |
|-----------------------|------------------|---------------|--------------------|---------------|------------|---------|
|                       |                  |               | Planned value      | Progress Rate | 1Q Results | YoY     |
| By Segment            |                  |               |                    |               |            |         |
| IT Freelance Matching | Sales            | 416           | 1,680              | 24.8%         | 358        | +16.3%  |
|                       | Profit           | 226           | 850                | 26.6%         | 204        | +10.6%  |
| Game                  | Sales            | 555           | 2,900              | 19.2%         | 256        | +116.9% |
|                       | Profit           | -59           | 625                | -             | 14         | -       |
| x-Tech                | Sales            | 71            | 300                | 23.9%         | 52         | +36.6%  |
|                       | Profit           | 1             | 0                  | -             | -8         | -       |
| Seed Tech             | Sales            | 33            | 120                | 28.2%         | 35         | -4.5%   |
|                       | Profit           | 3             | 0                  | -             | -2         | -       |
| Common expense        |                  | -121          | -475               | -             | -83        | -       |
| Consolidated          |                  |               |                    |               |            |         |
|                       | Net Sales        | 1,077         | 5,000              | 21.6%         | 699        | +54.1%  |
|                       | Operating income | 51            | 1,000              | 5.2%          | 124        | -58.5%  |

# IT Freelance Matching Business (1/2)

- Net Sales, Segment Income, and Gross Sales hit a record high
- Growth rate of net sales (YoY) is on an uptrend, and is expected to exceed 20% in 2nd Quarter, exceeding the pre-corona level
- The number of new clients increased (+62.5% YoY) due to investment in advertisements targeting companies as planned.



**1Q** (YoY)

Gross Sales **2,518** million yen (+14.9%)

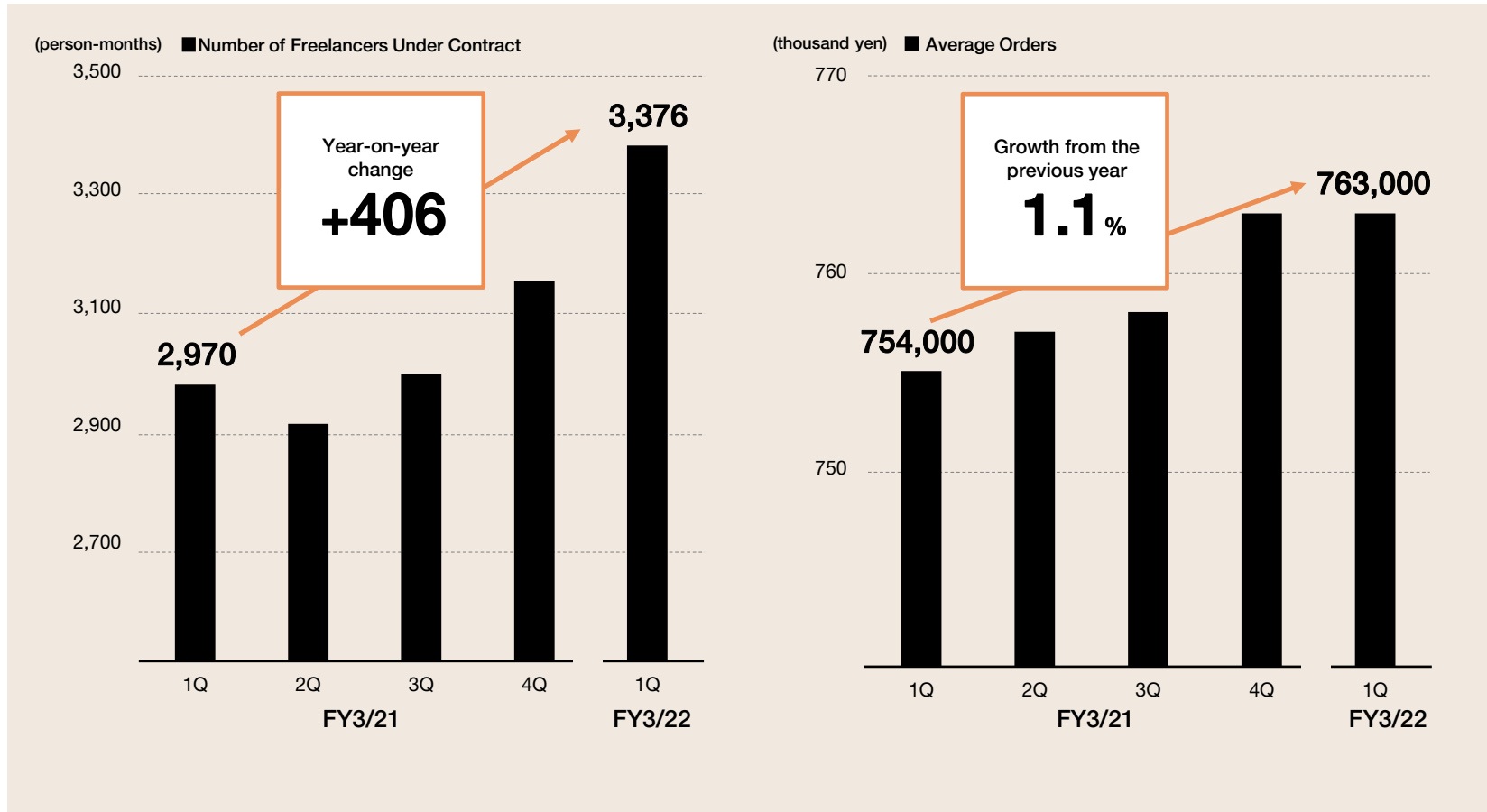
Net Sales **416** million yen (+16.3%)

Segment income **226** million yen (+10.6%)

Advertising Expense Ratio **1.3** %

# IT Freelance Matching Business (2/2)

- Record high monthly utilization rate due to high demand from customers and an increase in remote projects
- The unit price of orders has been on an uptrend due to high demand and has remained at a high level.
- The ratio of projects, which indicates the supply-demand balance in the IT Freelancers market, was 7.96 times (up 58.9% year-on-year) in 1st Quarter partly due to continued strong demand, and the number of transactions also increased significantly. This trend is expected to continue in the future.



**1Q** (YoY)

Number of Freelancers Under Contract

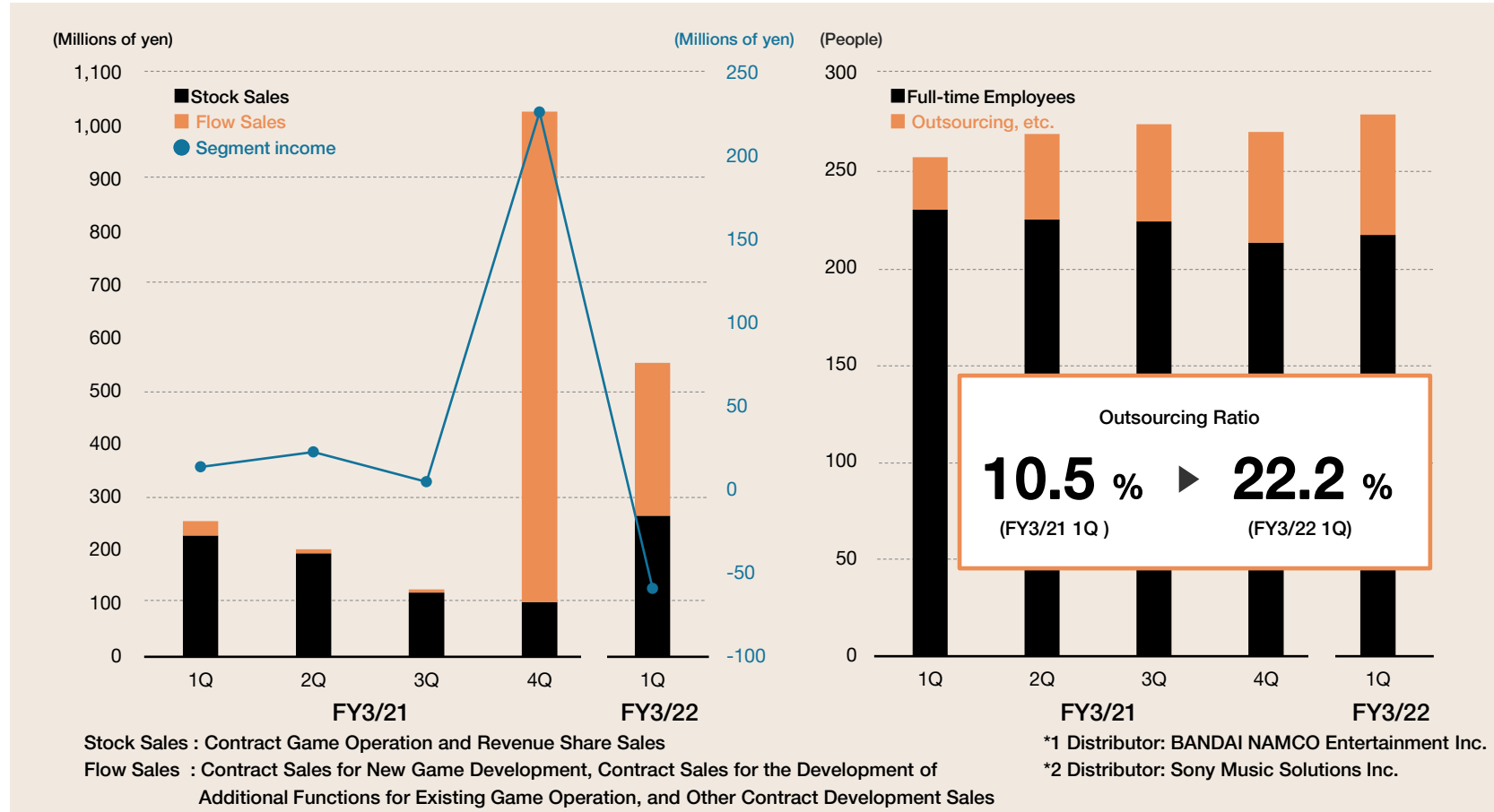
**3,376** person-months  
(+13.7%)

Unit price of order

**763,000** yen  
(+1.1%)

# Game Business

- "MY HERO ACADEMIA ULTRA IMPACT"\*1 and "SNOOPY Mogu-Mogu Restaurant"\*2 are launched
- Significant increases in both sales and profits are expected in 2nd Quarter due to the full contribution of recurring stock sales from 2 new titles.
- Started recording sales of titles under development (flow sales). Losses were as planned due to increased costs from the relocation of the head office.
- Scheduled delivery of 2 new titles during the current fiscal year



**1Q** (YoY)

Net Sales **555** million yen (+116.9%)

Segment income **-59** million yen

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Operating Game Titles **4** Titles

Under development **3** Titles

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Employee (End of 1Q) **279**  
 (217 full-time , 62outsourcing)

# Other Business

## Topics

### x-Tech Business

- Contributing to profits due to robust sales of media production support and marketing by golf-related companies and the rise of the golf market
- Launched a sales promotion support service utilizing YouTube to promote DX in the sports field
- The MAU of the Golf Media "Gridge" hit a record high of over 900,000

### Seed Tech Business

- On-demand programming service is steadily increasing student numbers, and sales are expected to grow in the future
- Increasing trend in inquiries for offshore development projects utilizing IT Human Resource Development
- Working with Kobe Shimbun Company to open an IT Human Resource Development Programming School at Anchor Kobe

1Q (YoY)

Net Sales **71** million yen  
(+36.6%)

Segment income **1** million yen

1Q (YoY)

Net Sales **33** million yen  
(-4.5%)

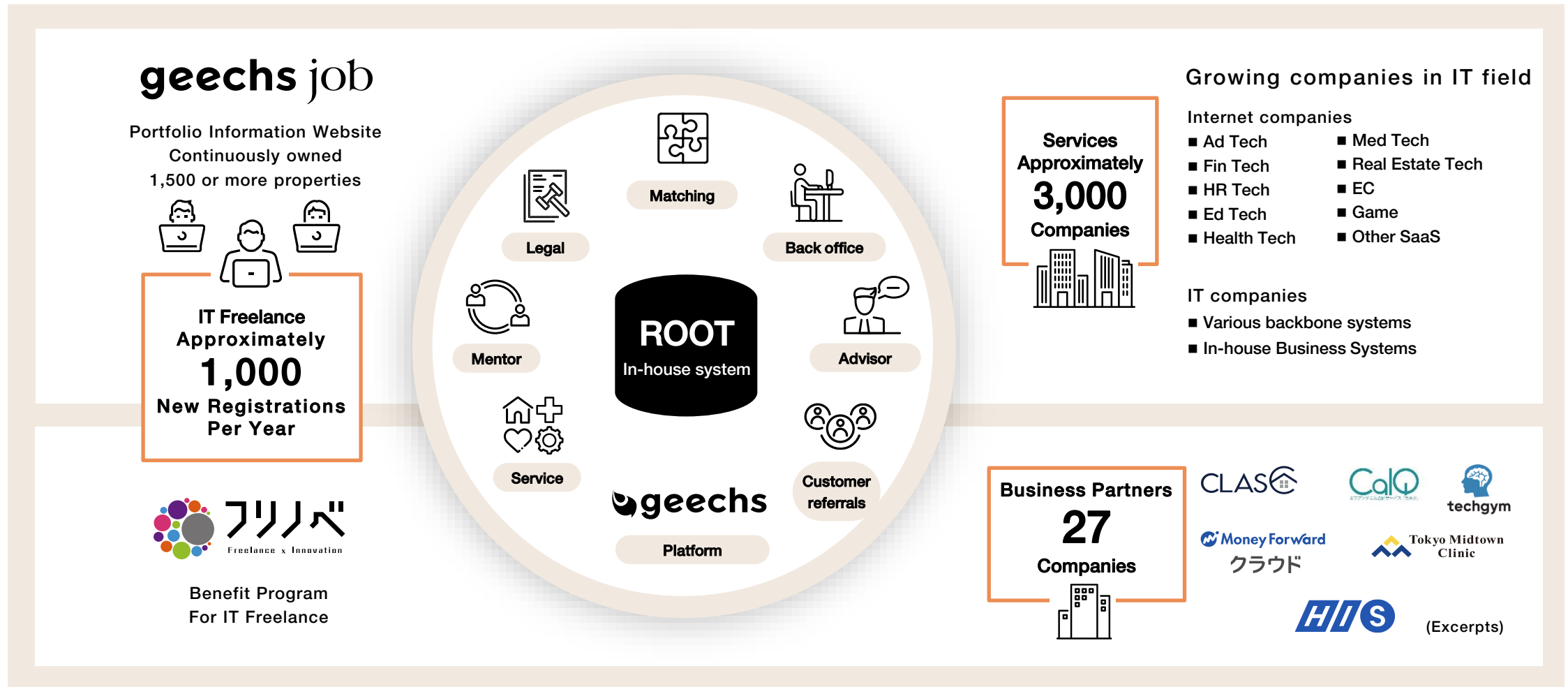
Segment income **3** million yen

# Appendix

# 3

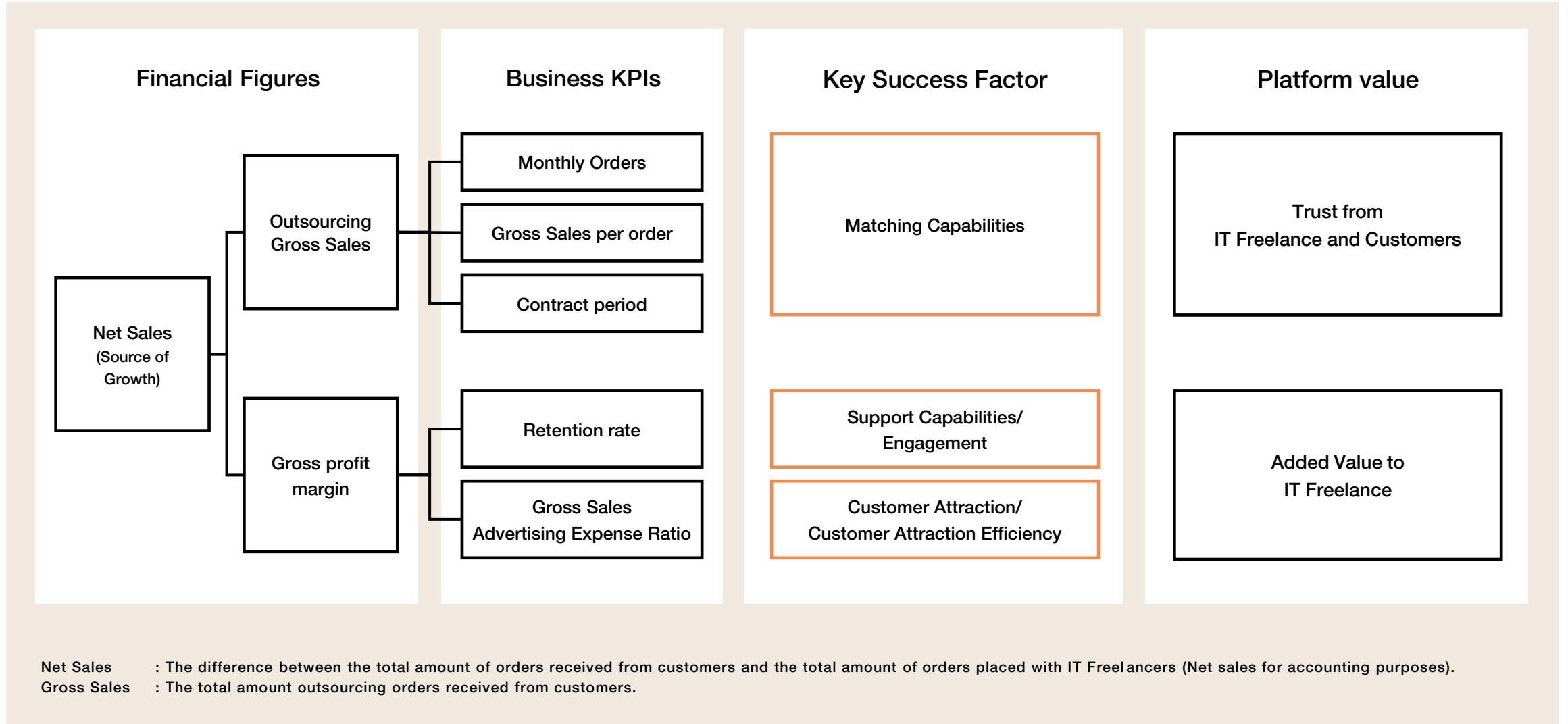
# IT Freelance Matching Business

## Technology Resource Sharing Platform

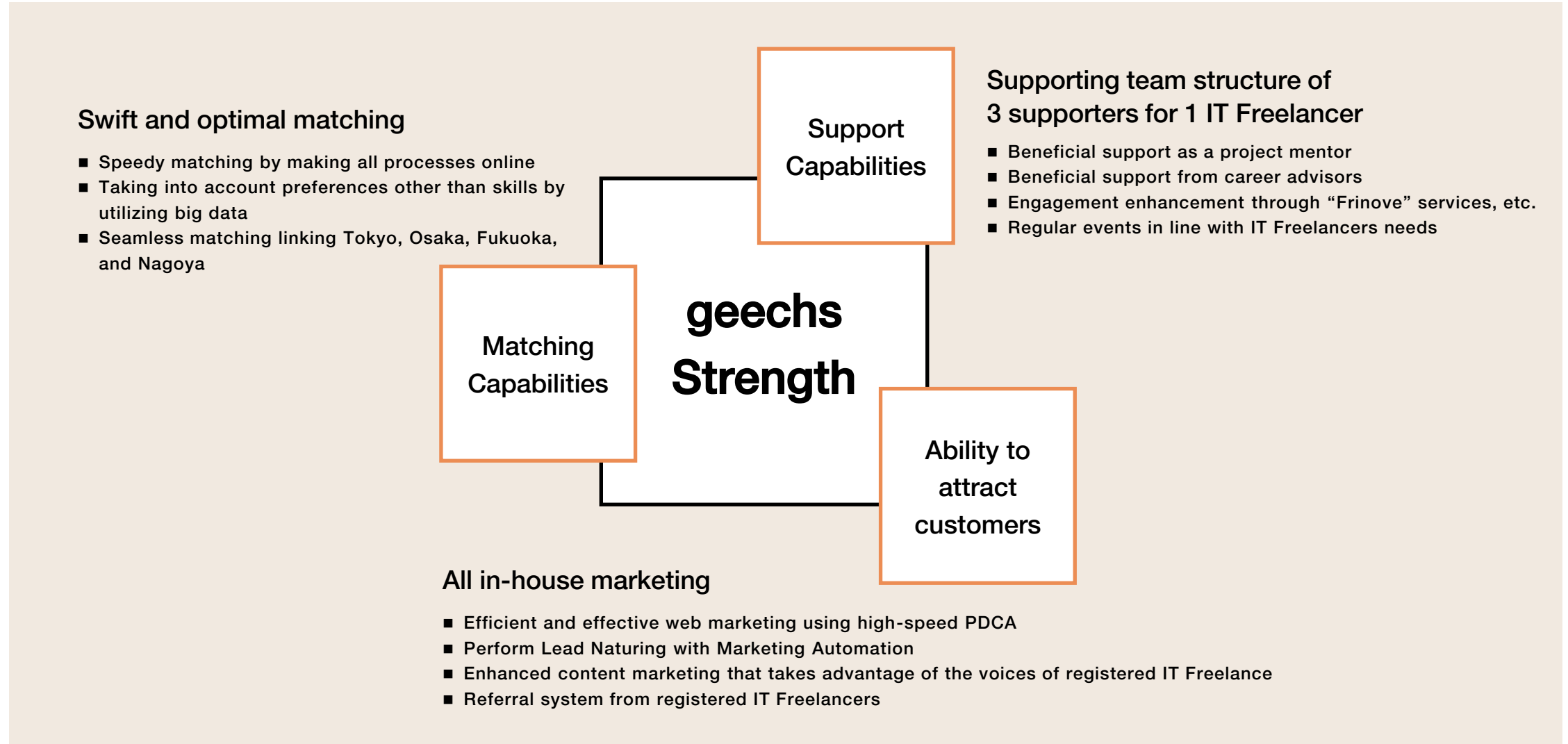




# Source of growth

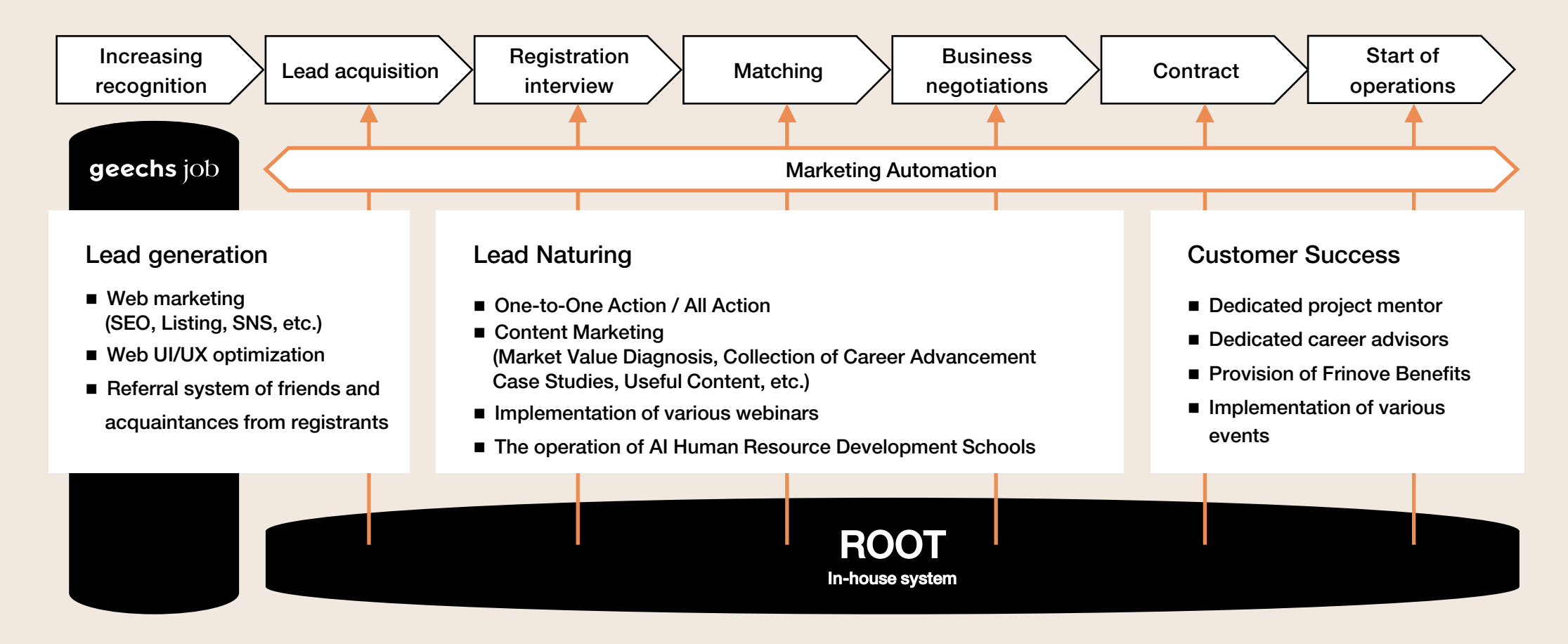


# geechs Strength



# Relationships with IT Freelance

## Engagement enhancement by maintaining effective long-term contact with IT Freelancers



# Differentiation from Similar Businesses

## Developing a platform specializing in mid- to high-spec core IT Freelance

|                           | <b>geechs</b>                | <b>Crowdsourcing</b>   | <b>IT technician dispatch</b>   |
|---------------------------|------------------------------|--|---|
| Registrant                | IT Freelance(Main Business)  | Freelancers<br>(Side Business/Main Business)                   | Dispatched worker   |
| Major Customers           | Internet Service companies   | Mid-tier and Major Enterprises                                 | Major System Integrator Companies   |
| Contract form             | Semi-Delegation Contract     | Service Contract   | Temporary staffing contracts  |
| Granularity of operations | Monthly person-hours         | Deliverables   | Time  |
| Contract Term             | 1.3.6 Months~                | Single time  | From 1 Month  |
| Major Business (Projects) | Internet service development | Design Production, etc.<br>Wide variety of low-priced projects | <ul style="list-style-type: none"> <li>• Legacy system operations</li> <li>• Business system development</li> </ul> |
| Employment Relationships  | None                         | None   | Job relationship with dispatching agency  |

# Engagement

## By enhancing our engagement with IT Freelance, Strengthening Continuous Partnerships to Maximize Business

We provide

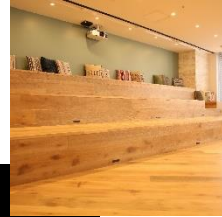
### **37** benefits for IT Freelance

to resolve the causes of uncertainty  
and can work with peace of mind for  
a long time.

- Conducting seminars on the Filing of Tax Returns
- Offering discounts on accounting software
- Support for various online learning services
- Provision of discounts for partial and full medical checkups
- Providing preferential treatment for English Study Abroad
- Providing benefits for weddings and other life events
- Provision of housing loan origination fee discounts
- Providing Affiliated Credit Cards and Incentives
- Providing AI Study Support Benefits etc



# Game Business



**G2 Studios**

G2 Studios Inc.

For smartphone-oriented ease  
apps planning, development,  
and operations

## 1. Specialize in Partner Strategy

Through contract development and operations with our solid technological capabilities centered on Unity and PHP Stabilize earnings base, winning revenue share for strong-performing titles.

## 2. Sales Ranking Top 3rd Game Operation

The Company has a wealth of experience in a wide range of genres, including women's games utilizing our in-house developed rhythm game engines and 3D Battle RPG games.

## 3. Securing Development Lines through Collaboration with the IT Freelance Matshing Business

Through intra-group collaboration, while utilizing our own IT Freelance, We have flexibly created development lines for each project.

## Asobi Creators.

G2 Studios Inc. one of the companies of the Group specializing in the Game Business, plans, develops, and operates native app games for smartphones based on Unity in partnership with major licensors and game manufacturers.

# 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" .

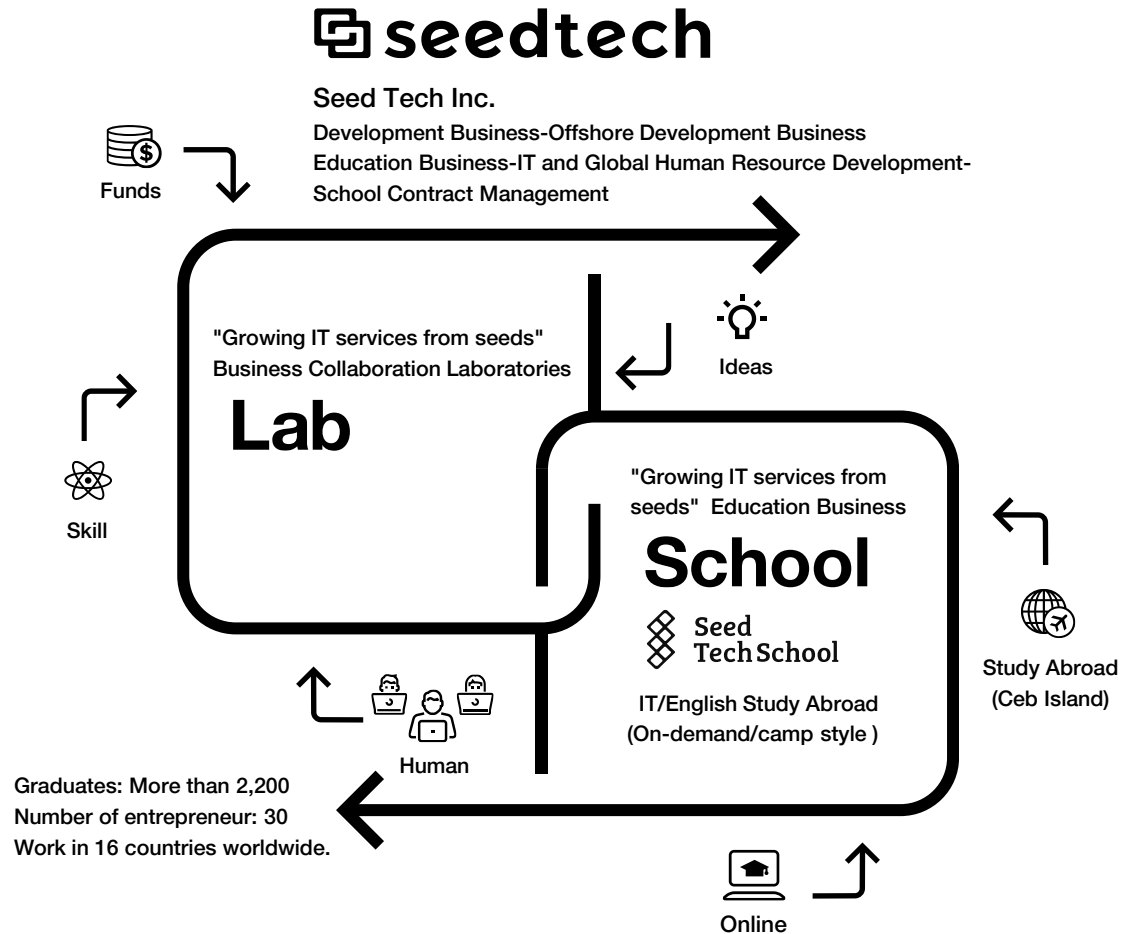
## Technology Partners for Business Model Transformation

Utilizing leading-edge technologies and methods to leverage "Technology x 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

# 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.

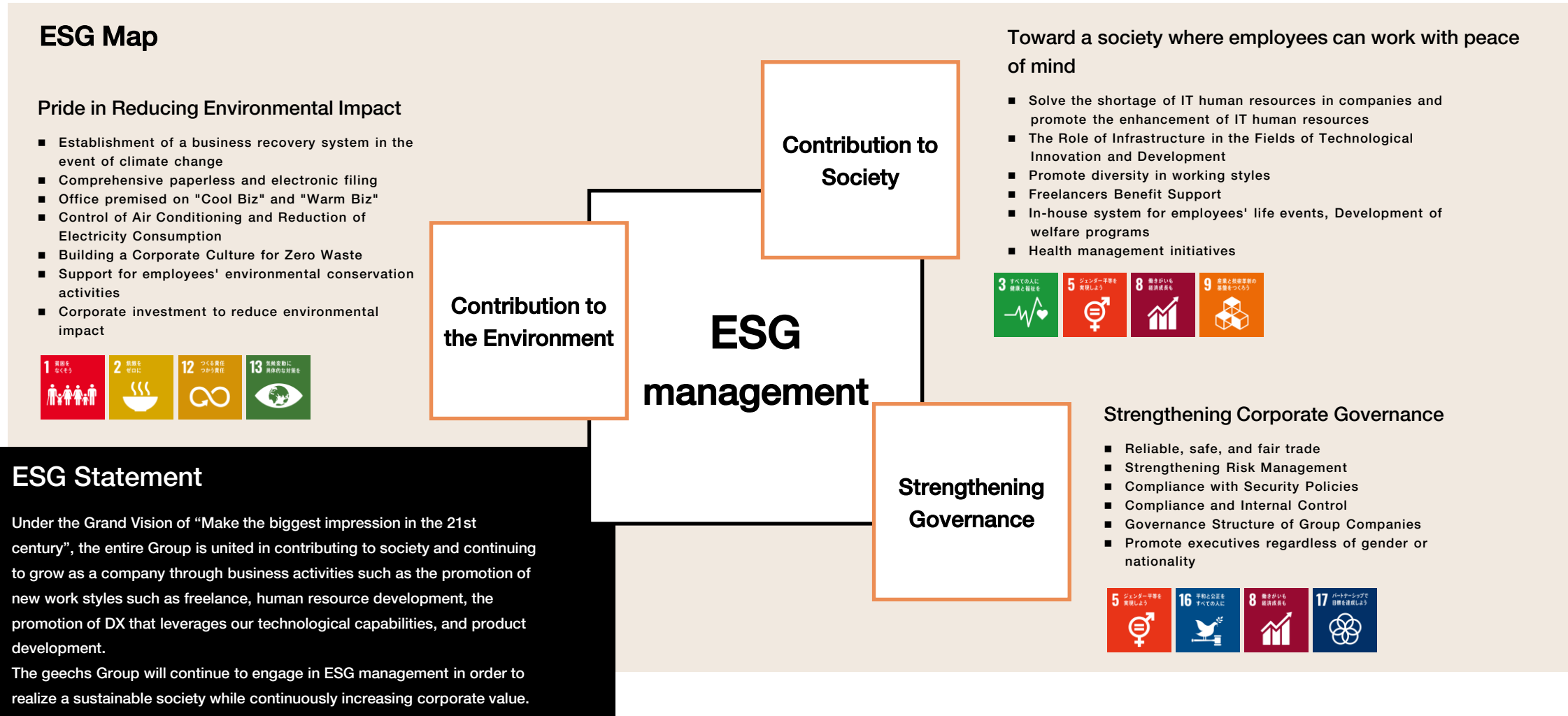
## Leveraging Technology to Advance the World

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



# ESG Statement & Map

## Under way based on the ESG Statement and the ESG Map



# Performance Highlights

| Fiscal Year-End                                     |                | FY3/19    | FY3/20    | FY3/21    | FY3/22 1Q |
|---|----------------|-----------|-----------|-----------|-----------|
| Net Sales   | (thousand yen) | 3,050,413 | 3,544,309 | 3,427,816 | 1,077,846 |
| Ordinary income                                     | (thousand yen) | 532,117   | 675,446   | 713,942   | 54,934    |
| Net income attributable to owners of parent         | (thousand yen) | 411,610   | 390,651   | 457,755   | 28,771    |
| Comprehensive income                                | (thousand yen) | 410,322   | 391,102   | 458,020   | 25,611    |
| Capital Stock                                       | (thousand yen) | 972,152   | 1,086,015 | 1,094,214 | 1,096,210 |
| Net assets  | (thousand yen) | 2,737,377 | 3,356,232 | 3,830,496 | 3,755,314 |
| Total assets  | (thousand yen) | 4,515,127 | 4,700,309 | 6,486,303 | 5,109,522 |
| Net income per share                                | (Yen)          | 47.96     | 37.78     | 43.83     | 2.75      |
| Equity Ratio  | (%)            | 60.6      | 71.4      | 59.1      | 73.5      |
| Return on Equity                                    | (%)            | 21.8      | 12.8      | 12.7      | -         |
| Net cash provided by (used in) operating activities | (thousand yen) | 191,429   | 39,949    | 661,718   | -         |
| Net cash provided by (used in) investing activities | (thousand yen) | 124,085   | -77,131   | -48,908   | -         |
| Net cash provided by (used in) financing activities | (thousand yen) | 1,058,611 | -20,049   | -22,588   | -         |
| Cash and cash equivalents at end of year            | (thousand yen) | 2,615,535 | 2,559,268 | 3,149,695 | -         |
| Employee  | (people)       | 308       | 391       | 357       | 375       |

*Make the biggest impression  
in the 21st century*



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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.