

Fiscal Year Ending March 31, 2022
3rd Quarter

Financial Results Briefing

February 10, 2022
geechs inc.
1st Section of TSE: 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 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 of 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

Our Group Companies



IT Freelance Matching Business x-Tech Business



Game Business



Seed Tech Business

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

Management President & CEO Naruhito Sonehara

Foundation August, 2007

Location Shibuya-ku, Tokyo, Japan

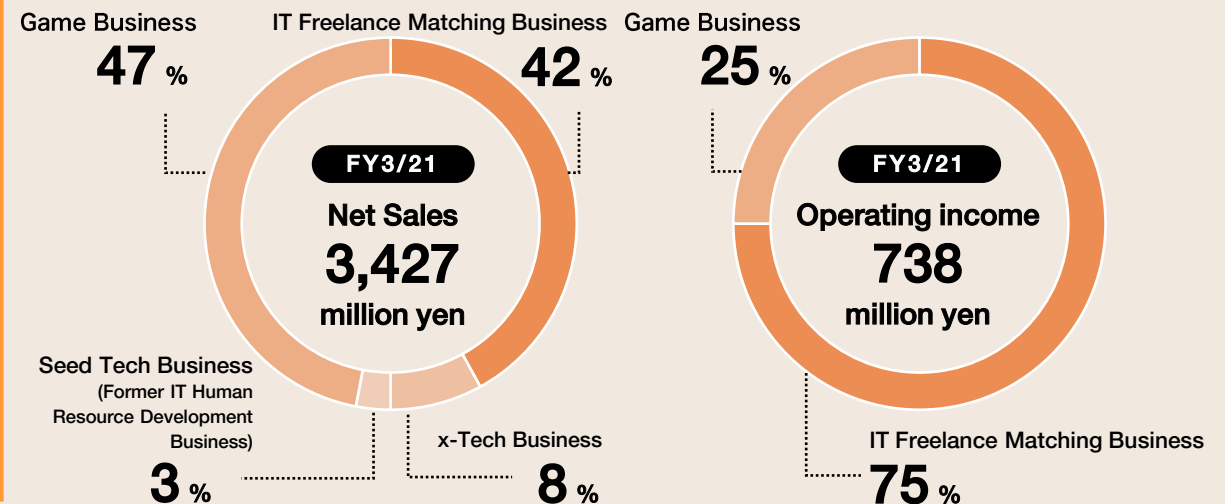
Capital Stock 1,101 (in JPY MM)

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

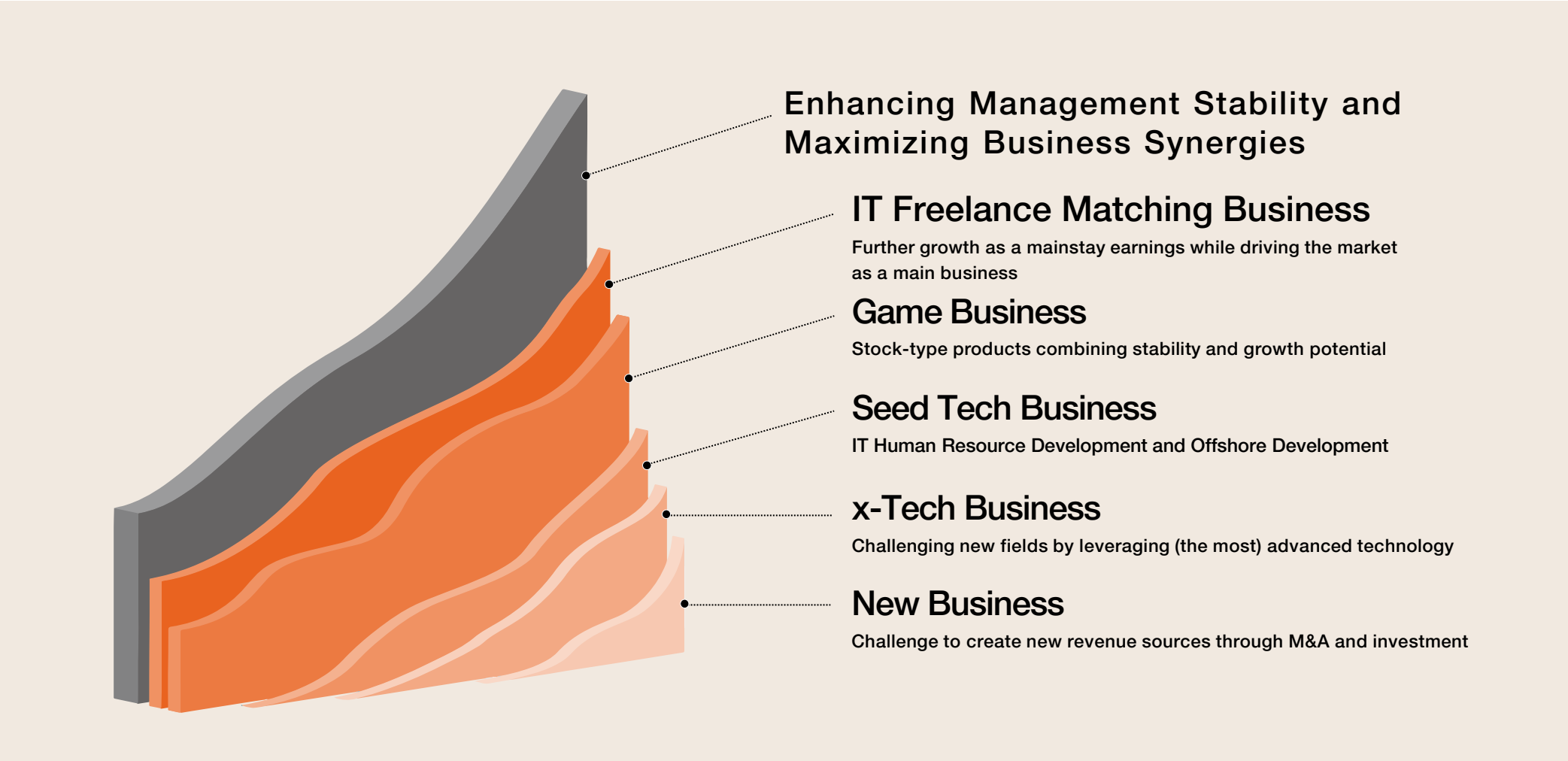
Employee 386 (As of December, 2021)

Bases Tokyo Head Office
Osaka Branch
Fukuoka Branch
Nagoya Satellite Office

Segmentation



Portfolio Management to Enhance Growth and Stability



Financial Results

2

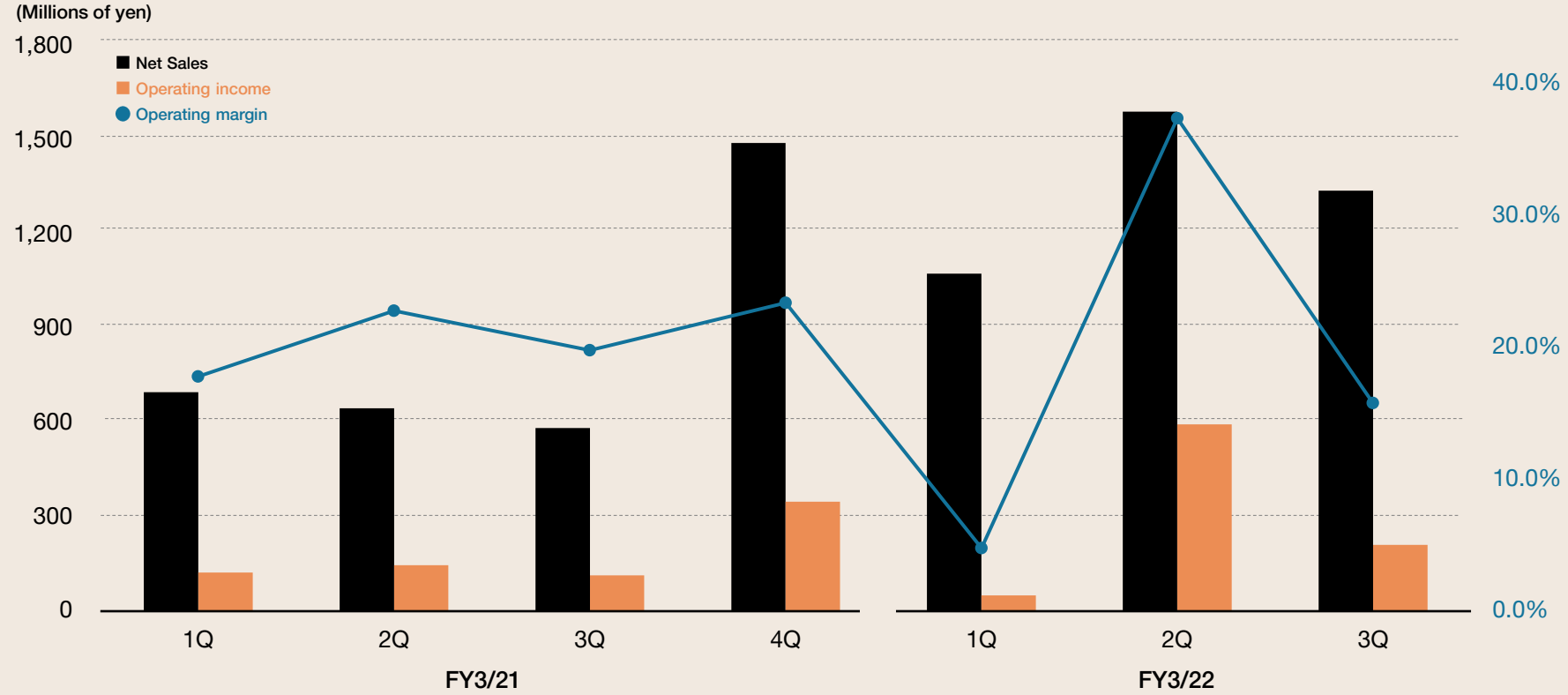
Executive Summary FY3 / 2022 3Q

Increase year-on-year in cumulative
3rd Quarter Record-high Results

	Net Sales	Operating income	Ordinary income	Net income
3Q (YoY)	1,342 million yen (+129.4%)	212 million yen (+83.7%)	209 million yen (+83.9%)	114 million yen (+30.9%)
3Q Cumulative (YoY)	4,015 million yen (+107.7%)	861 million yen (+121.9%)	862 million yen (+135.5%)	533 million yen (+141.5%)

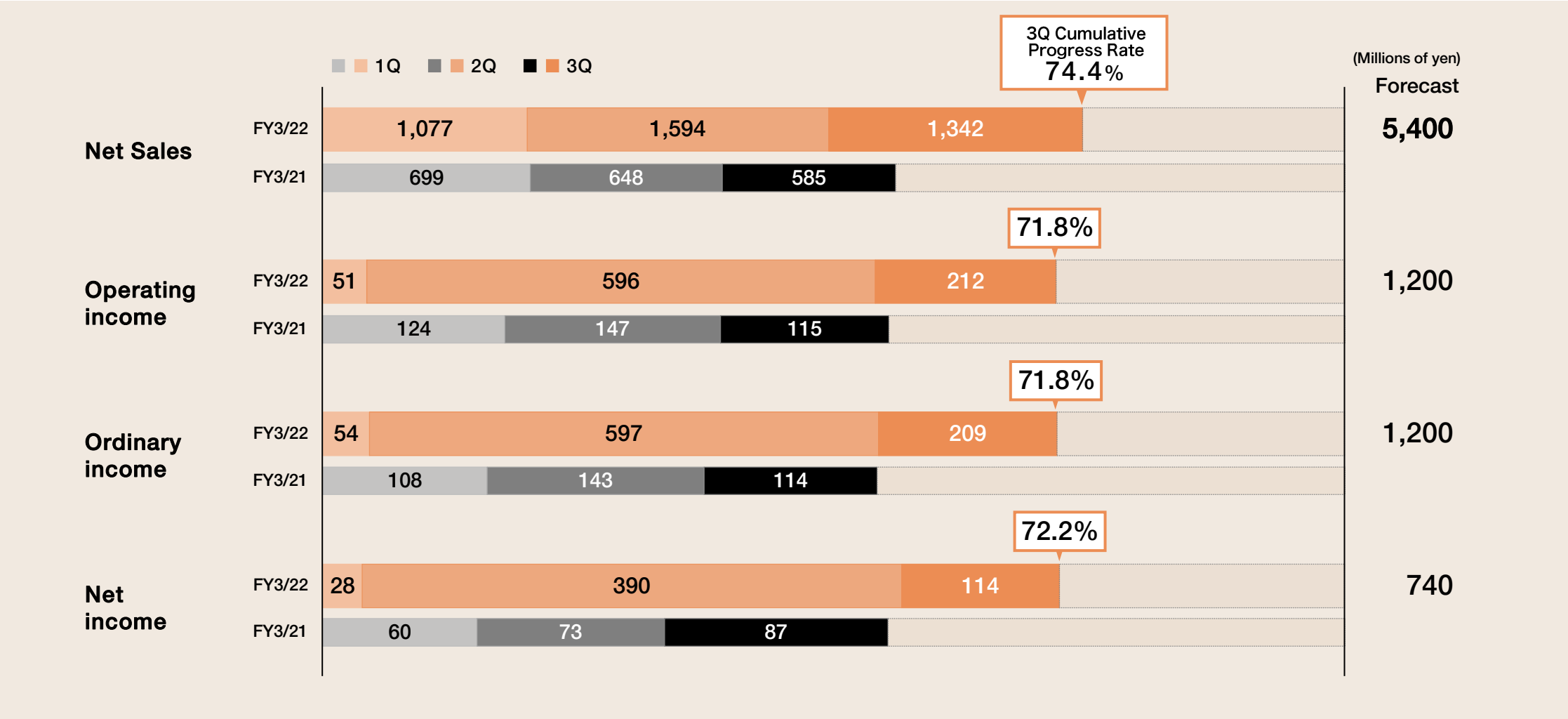
Gross Sales and Operating Profit

- Net sales increased 107% year on year and operating income rose 121% year on year in the cumulative 3rd Quarter due to strong performance in the main IT Freelance Matching Business.
- In the Game Business, while revenues and profit decreased from the previous quarter, there is a significant increase compared to the previous year.



Progress of Full-year Performance Forecast

- Continuing from the previous quarter, all indicators greatly exceeded the same period of the previous year, and the progress of the full-year plan also progressed steadily.



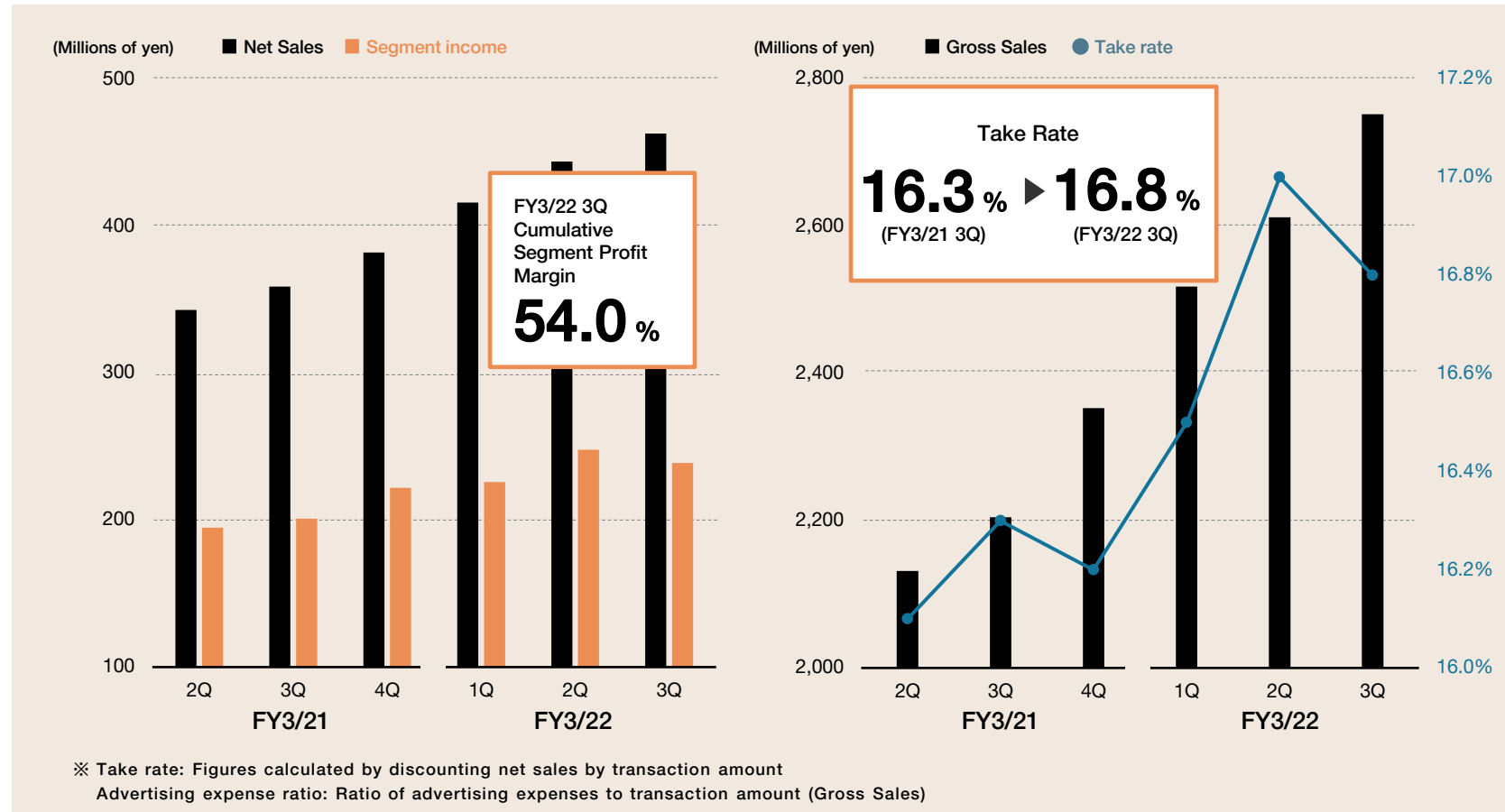
Segment Information FY3 / 2022 3Q

- IT Freelance Matching Business : Both net sales and income achieved record highs due to strong demand from clients and other factors.
- Game Business : Recurring sales declined temporarily, partly due to the pause in the number of titles managed that had remained strong, but i increased 300% year on year, partly due to the recording of one-time sales.
- x-Tech Business : In addition to marketing support for golf-related companies, sales of the amateur golf tournament "Gridge Cup" also grew significantly, and both sales and profits achieved record highs.
- Seed Tech Business : Sales increased 19% year on year, despite a slight slowdown compared with the previous quarter, partly due to the impact of intensifying competition in the programming school industry.
- Common Expenses : The ¥89mn increase compared to the previous fiscal year was affected by information security investment expenses, relocation-related expenses, personnel expenses, stock compensation expenses, etc.

(Millions of yen)		Results		Full-year Plan		Previous fiscal year	
		3Q Cumulative	3Q	Plan value	Progress Rate	3Q Cumulative	YoY
By Segment							
IT Freelance Matching	Sales	1,324	463	1,755	75.5%	1,061	+24.8%
	Profit	714	239	935	76.4%	601	+18.9%
Game	Sales	2,351	753	3,215	73.2%	587	+300.4%
	Profit	472	90	790	59.8%	42	+1000.9%
x-Tech	Sales	243	101	300	81.1%	207	+17.6%
	Profit	11	11	0	-	-6	-
Seed Tech	Sales	95	24	130	73.7%	80	+19.0%
	Profit	-7	-15	-50	-	-9	-
Common expense		-328	-112	-475	69.2%	-239	-
Consolidated							
	Net Sales	4,015	1,342	5,400	74.4%	1,933	+107.7%
	Operating income	861	212	1,200	71.8%	388	+121.9%

IT Freelance Matching Business (1/3)

- Record highs for Gross Sales and Net Sales
- 3rd Quarter Cumulative Sales Growth Rate Exceeded Previous Growth Rate +24.8%
- Segment profit margin remained at a high level, although it declined slightly due to the impact of corporate advertising investment.



3Q (YoY)

Gross Sales **2,752** million yen (+24.8%)

Net Sales **463** million yen (+28.9%)

Segment income **239** million yen (+18.8%)

Advertising Expense Ratio **2.1** %

3Q Cumulative (YoY)

Gross Sales **7,883** million yen (+20.7%)

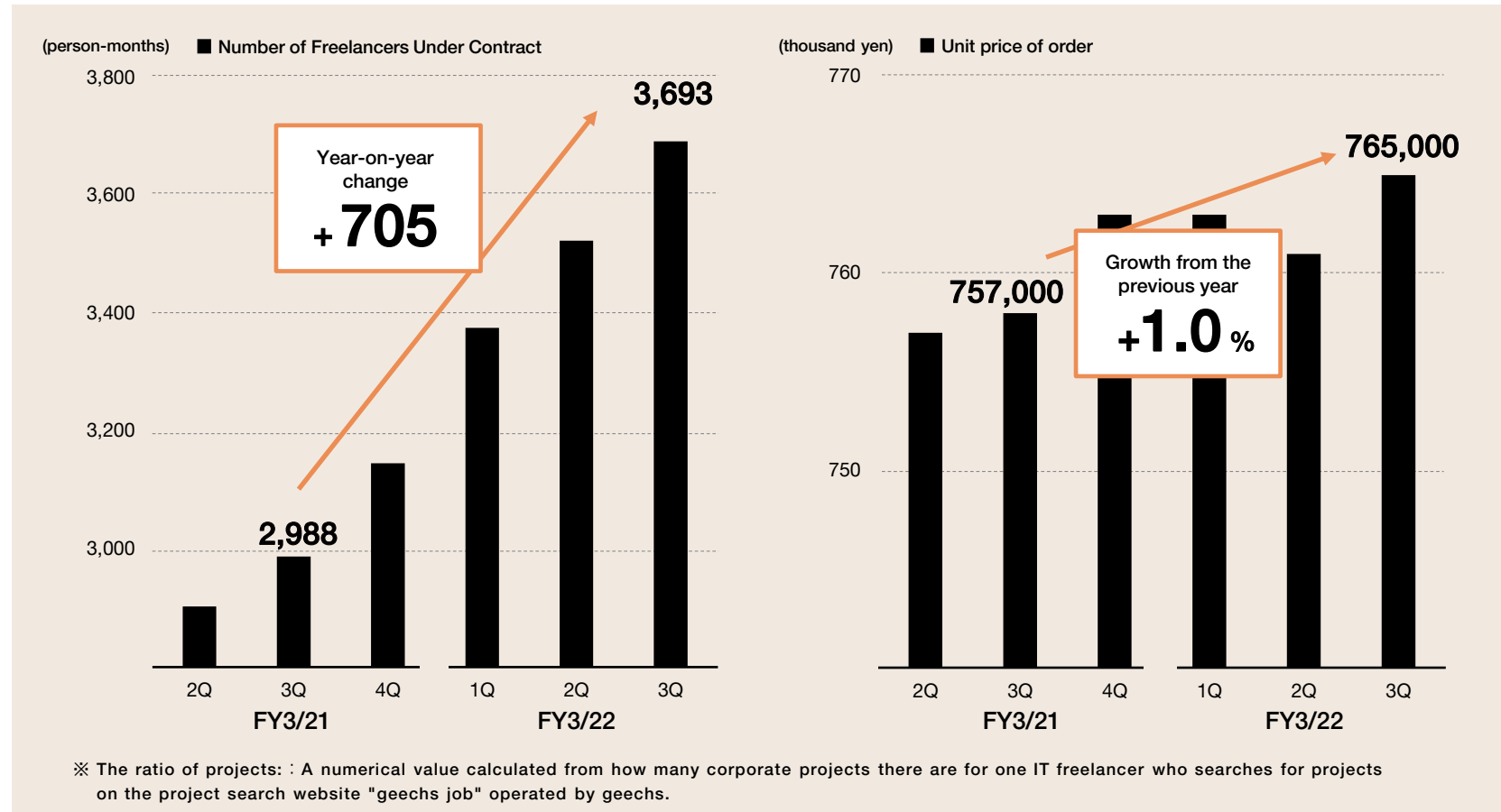
Net Sales **1,324** million yen (+24.8%)

Segment income **714** million yen (+18.9%)

Advertising Expense Ratio **1.6** %

IT Freelance Matching Business (2/3)

- Frequency of IT Freelancers Under Contract: Record high for both Actual and Growth Rates; Matching of Metropolitan Area and Local Bases Increasing due to the Establishment of Remote Work
- The cumulative number of IT Freelancers Under Contract in 3rd Quarter exceeded 10,000 person-months, and the unit price per order continued to rise, setting a record high
- The project ratio, which represents the supply-demand balance in the IT Freelance Market, increased substantially to 10.91 times in 3rd Quarter and increased 32.7% year-on-year due to continued strong demand.



3Q (YoY)

Number of Freelancers Under Contract

3,693 person-months (+23.6%)

Unit price of order

765,000 yen (+1.0%)

3Q Cumulative (YoY)

Number of Freelancers Under Contract

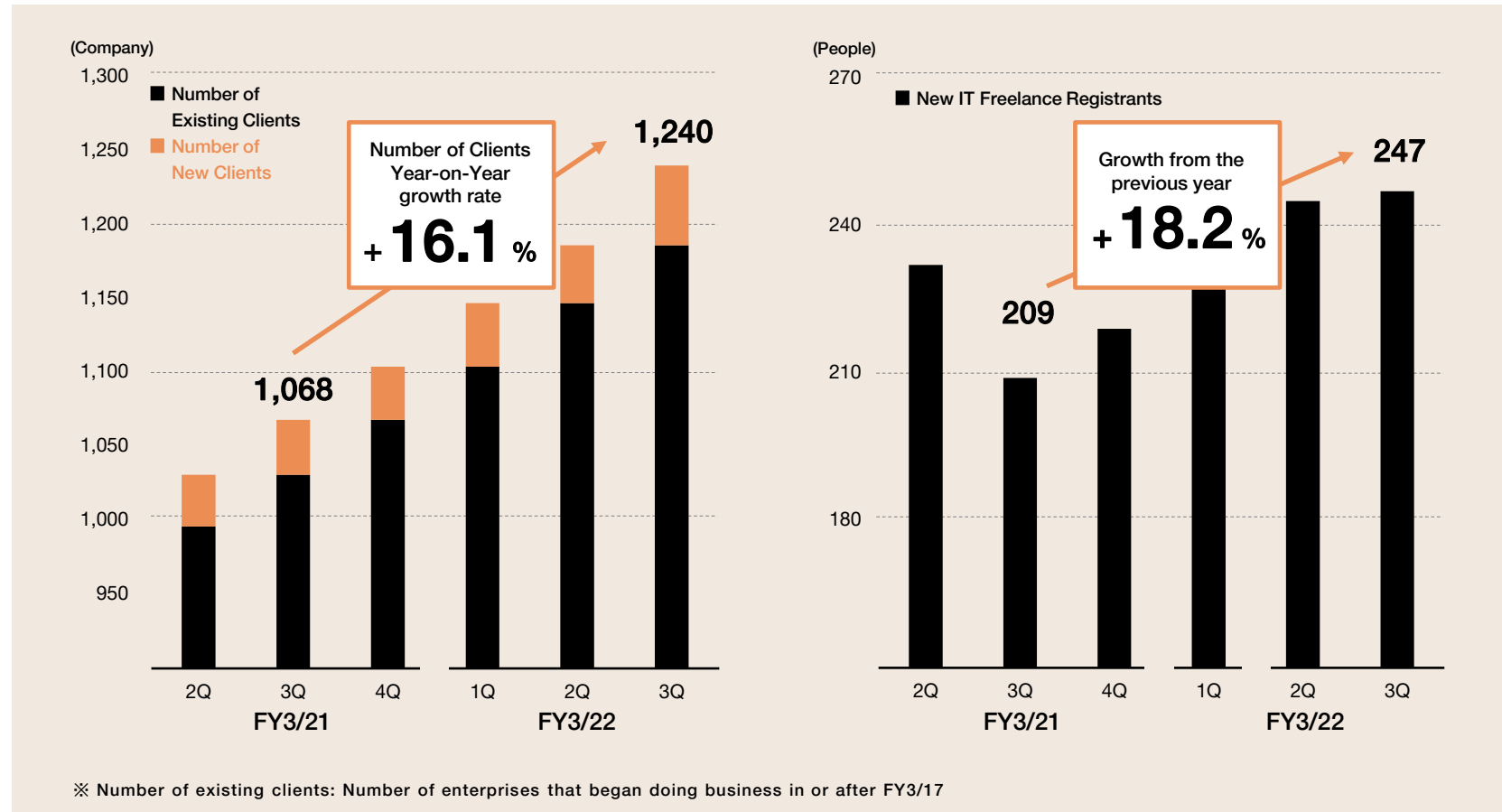
10,593 person-months (+19.5%)

Unit price of order

763,000 yen (+0.9%)

IT Freelance Matching Business (3/3)

- The number of new clients has been on an uptrend (+45.9% YoY) due to success in expanding corporate advertising investment and strengthening sales enablement.
- The number of new IT Freelance registrants is steadily increasing and is expected to be around 1,000 a year, as usual.



3Q (YoY)

Number of New Clients
54 companies (+45.9%)

Number of New Registrants
247 person (+18.2%)

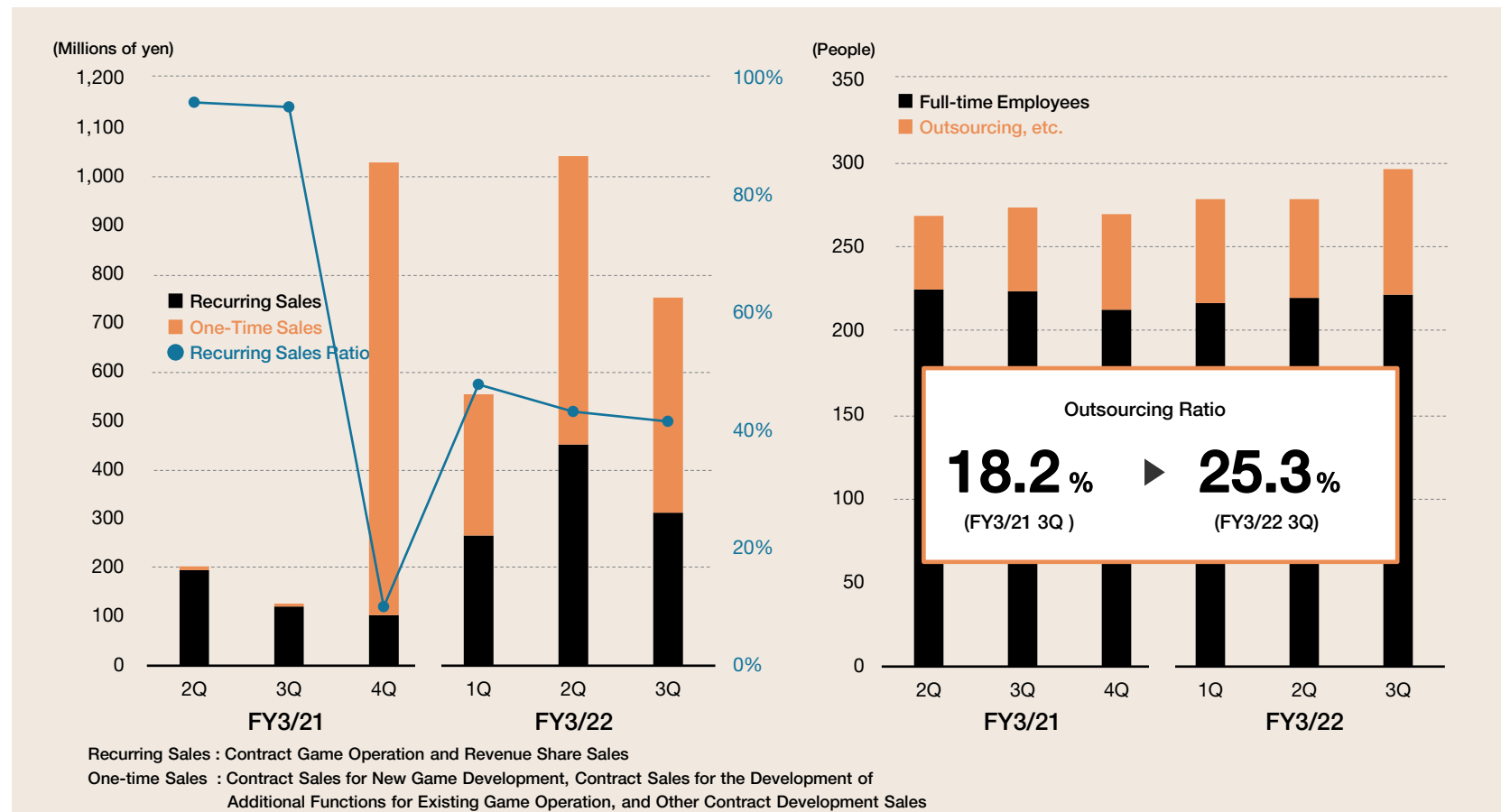
3Q Cumulative (YoY)

Number of New Clients
136 companies (+23.6%)

Number of New Registrants
753 person (+5.2%)

Game Business

- Significant year-on-year growth in both net sales and segment income, partly due to delivery of one new title
- Recurring sales temporarily declined due to the impact of a decline in revenue share sales caused by a slump in titles under management.
- From 4th Quarter onward, in addition to the 3rd Quarter delivery titles, the overseas version of existing titles will also be launched, and recurring sales are expected to once again expand
- Received orders for new titles in 3rd Quarter, and steadily accumulated 9 titles in pipeline



3Q	(YoY)
Net Sales	753 million yen (+491.0%)
Segment income	90 million yen (+1643.1%)
3Q Cumulative (YoY)	
Net Sales	2,351 million yen (+300.4%)
Segment income	472 million yen (+1000.9%)
Operating Game Titles	5 Titles
Under development	4 Titles
Employee (End of 3Q)	297 (222 full-time , 75 outsourcing)

Other Business

Topics

x-Tech Business

- Growth in media production and SNS operations, YouTube Agent business, EC site development, etc. fueled by rising demand for marketing support from related companies in response to the booming and expanding golf market
- "Gridge Cup," an amateur golf tournament, marked a record high with a total of 1,774 participants.
- In the Video Production Business, the number of consigned production and development projects steadily increased, and it continued to perform strongly

Seed Tech Business

- On-demand programming learning service struggled for individuals, but orders for offshore development were robust
- Segment loss as planned due to upfront investment in new service "sodatech" (Detailed next page onward)
- Support for the Presentation Award [Startup Jr Award 2021] for elementary and junior high school students. Online classes on programming were held on January 12.

x-Tech Business

3Q	(YoY)
Net Sales	101 million yen (+33.1%)
Segment income	11 million yen

Seed Tech Business

3Q	(YoY)
Net Sales	24 million yen (+8.6%)
Segment income	-15 million yen

3Q Cumulative	(YoY)
Net Sales	243 million yen (+17.6%)
Segment income	11 million yen

3Q Cumulative	(YoY)
Net Sales	95 million yen (+19.0%)
Segment income	-7 million yen

About New Service

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SaaS type DX / IT Human Resources Development Service "sodatech"

SaaS-type DX/IT Human Resource Development Service for Corporate Clients "sodatech" to launch in April 2022
More than 300 materials and more than 400 hours of total learning

sodatech

Lack of IT human resource
In-house production of system development
Soaring hiring cost

In an era when DX / IT Human Resources are nurtured in-house

Service started in April 2022

30,000 yen per month



What is sodatech?

= Develop + Technological Human Resource

New services to resolve the social problem of IT personnel shortage

Develop DX and IT Human Resources in-house

The best tool for Reskling

- SaaS-type, inexpensive pricing structure
- All educational materials are provided in easy-to-understand videos
- Curriculum that even inexperienced people can learn from scratch
- Learning materials covers major languages and technologies, which gradually expands to other topics
- A Reliable Support System to cater the user's concern.
- Visualizing Learning with Administrator Reporting Features

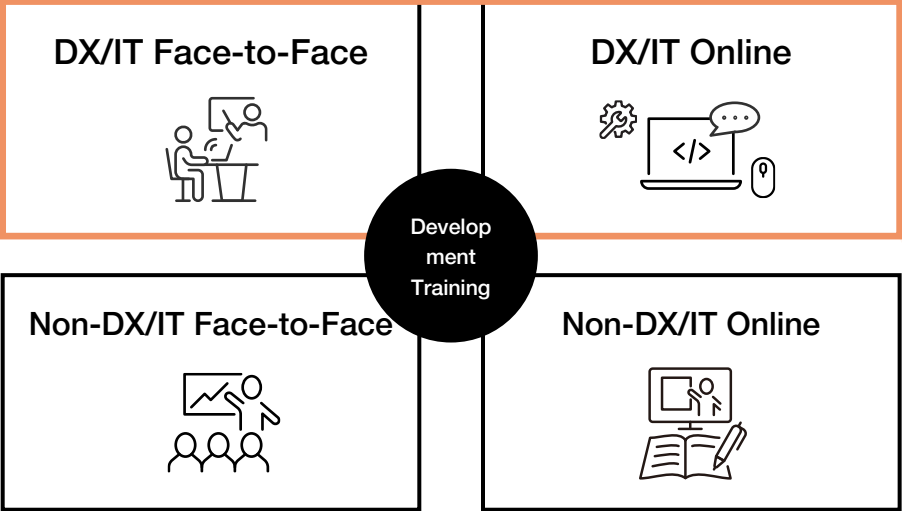
Market Size and Growth Potential

- In the corporate training services market, although it temporarily declined in 2020 due to the impact of Corona, it is expected to once again secure a growth trajectory in 2021 due to strong demand for new employee training, etc.
- Amid a growing shortage of DX/IT personnel, particularly among large enterprises, the importance of reskilling is rising, and there is a growing trend for enterprises to shift from outsourcing to conventional system development companies to in-house production

Corporate Training Services Market

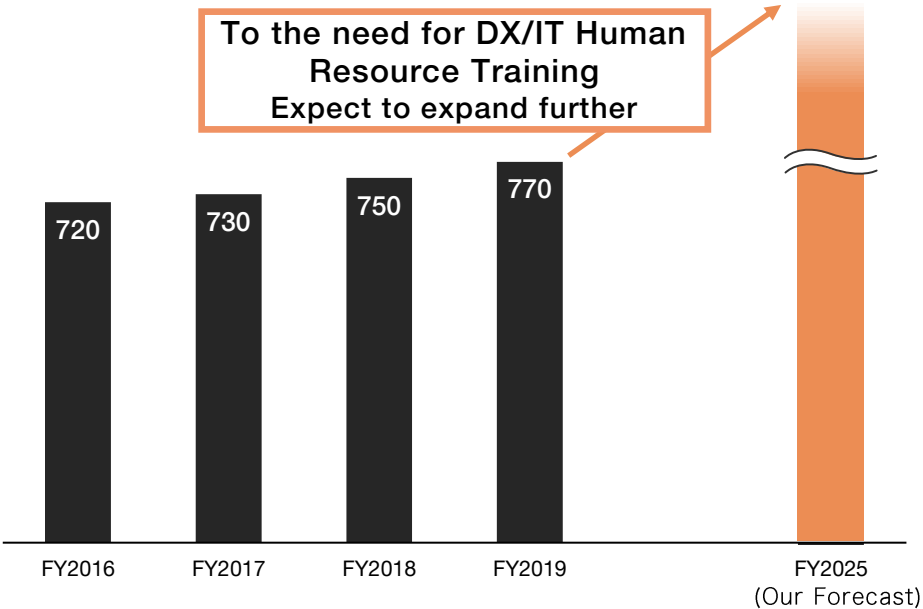
FY2021 Market Size Forecast* **525** billion yen

Our scope market



(Source) Yano Research Institute (2021 Current State and Outlook of the Business Training Service Market)

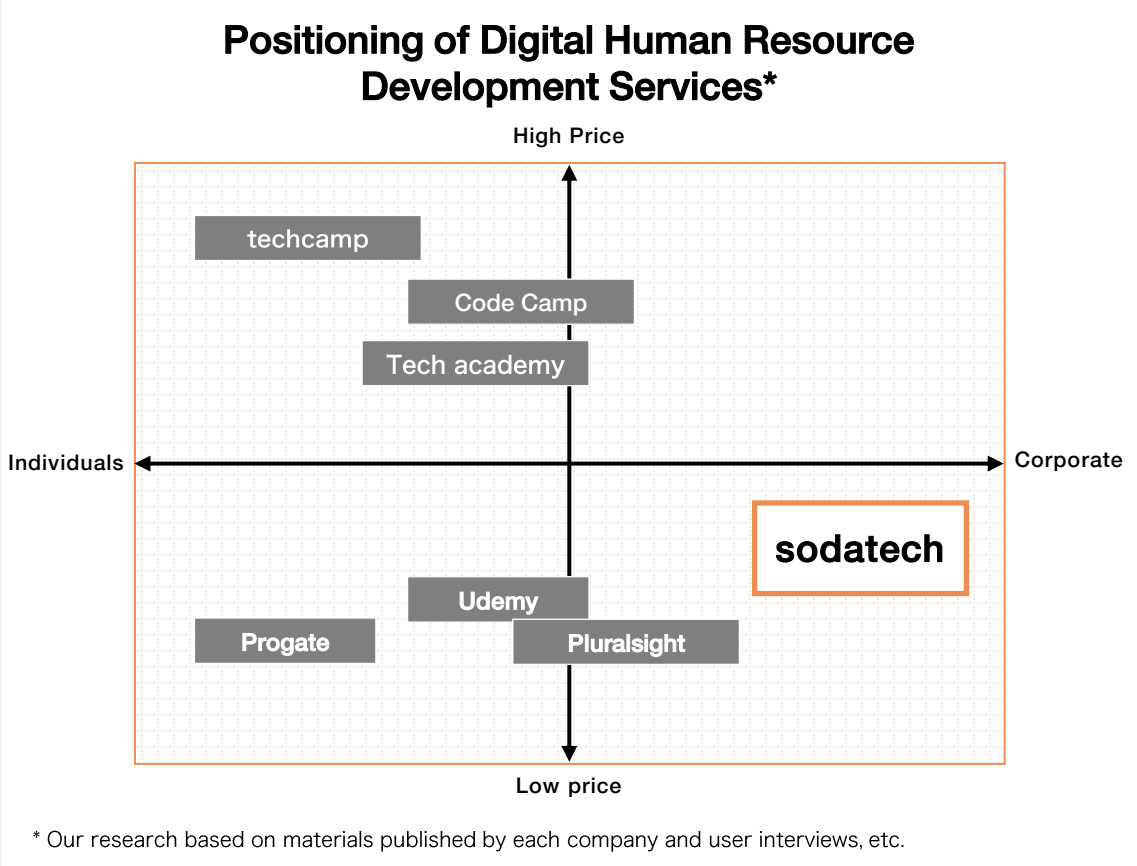
Digital Human Resource Development and Training Service Market Scale*



Source: Yano Research Institute (2021 Digital Human Resource Services Market and Outlook Training Service/Temporary Staffing/Placement/Recruiting)
 Quoted from FY2016 to FY2019

Positioning Map

**Allow users to attain goals and take advantage for a long time without relinquishing learning
A recurring-type service specializing in DX/IT professionals with enhanced support structure**



Differences from Similar Services

**Aiming to quickly launch a business by leveraging a strong customer base
In the IT Freelance Matching Business and its wealth of know-how
based on its nine-year training program**

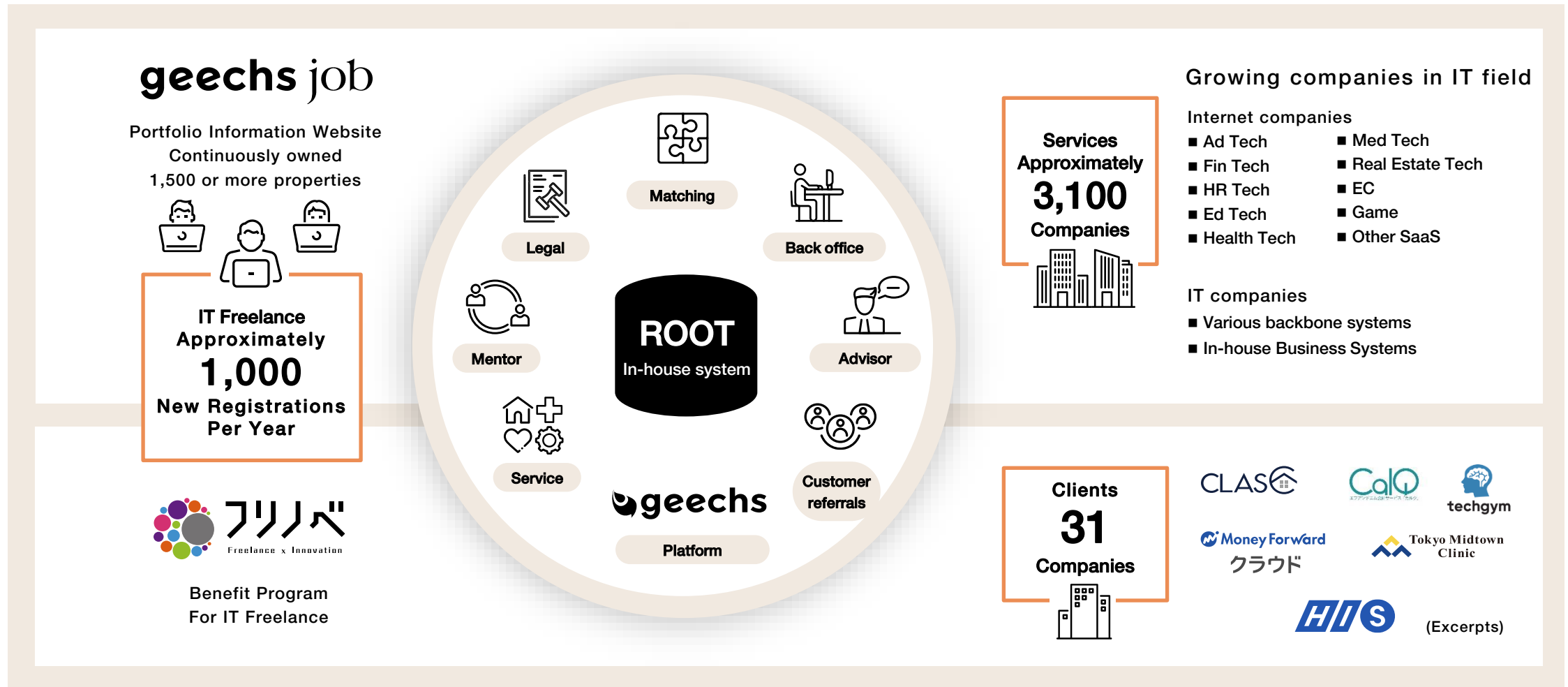
	sodatech (Our service)	General training services	Programming School
Customer	<ul style="list-style-type: none"> ■ IT-related companies that want to improve the skills of their engineers ■ A non-IT company that wants to train DX/IT personnel 	<ul style="list-style-type: none"> ■ From SMEs to large enterprises ■ Business skills are the main focus, and few companies are strong in the DX domain 	<ul style="list-style-type: none"> ■ Main target: Individuals ■ Aiming to Change or Work as an Engineer from a non-Engineer
LTV	<ul style="list-style-type: none"> ■ High ■ DX Human Resource Development Needs Growing Going Forward ■ Low-priced IDs recurring model 	<ul style="list-style-type: none"> ■ Medium ■ Although there are repeat orders, they are susceptible to the impact of the economic slowdown. ■ Mainly One-time-Revenue Including New Employee Training 	<ul style="list-style-type: none"> ■ Low ■ One-time-fee Business with 2-3 Months of Spot Usage ■ Relatively high price range
CPA	<ul style="list-style-type: none"> ■ Low cost for business-to-business ■ Cross-selling to the IT Freelance Matching Business Customer Base 	<ul style="list-style-type: none"> ■ Medium cost ■ Require traditional sales activities 	<ul style="list-style-type: none"> ■ High cost for To C ■ High cost centered on web marketing

Appendix

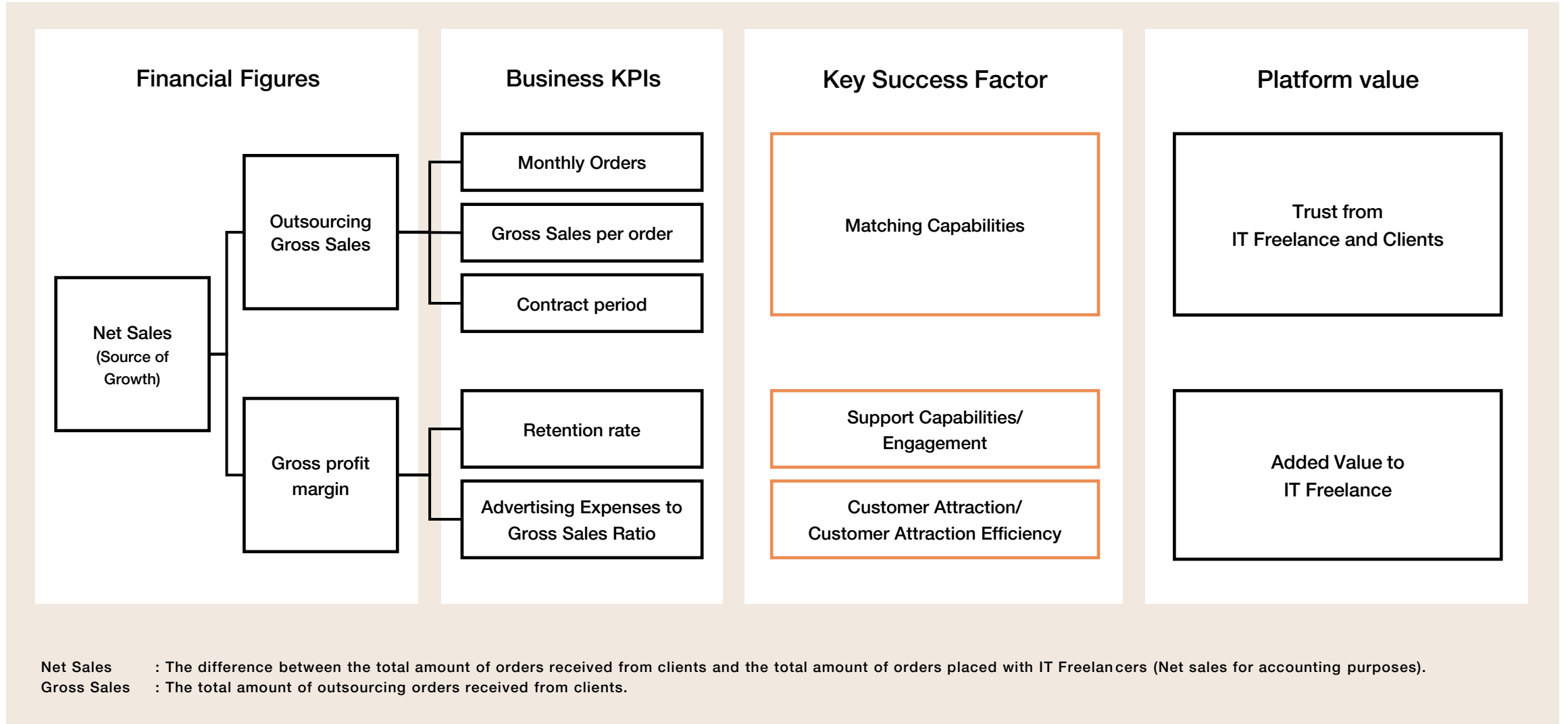
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IT Freelance Matching Business

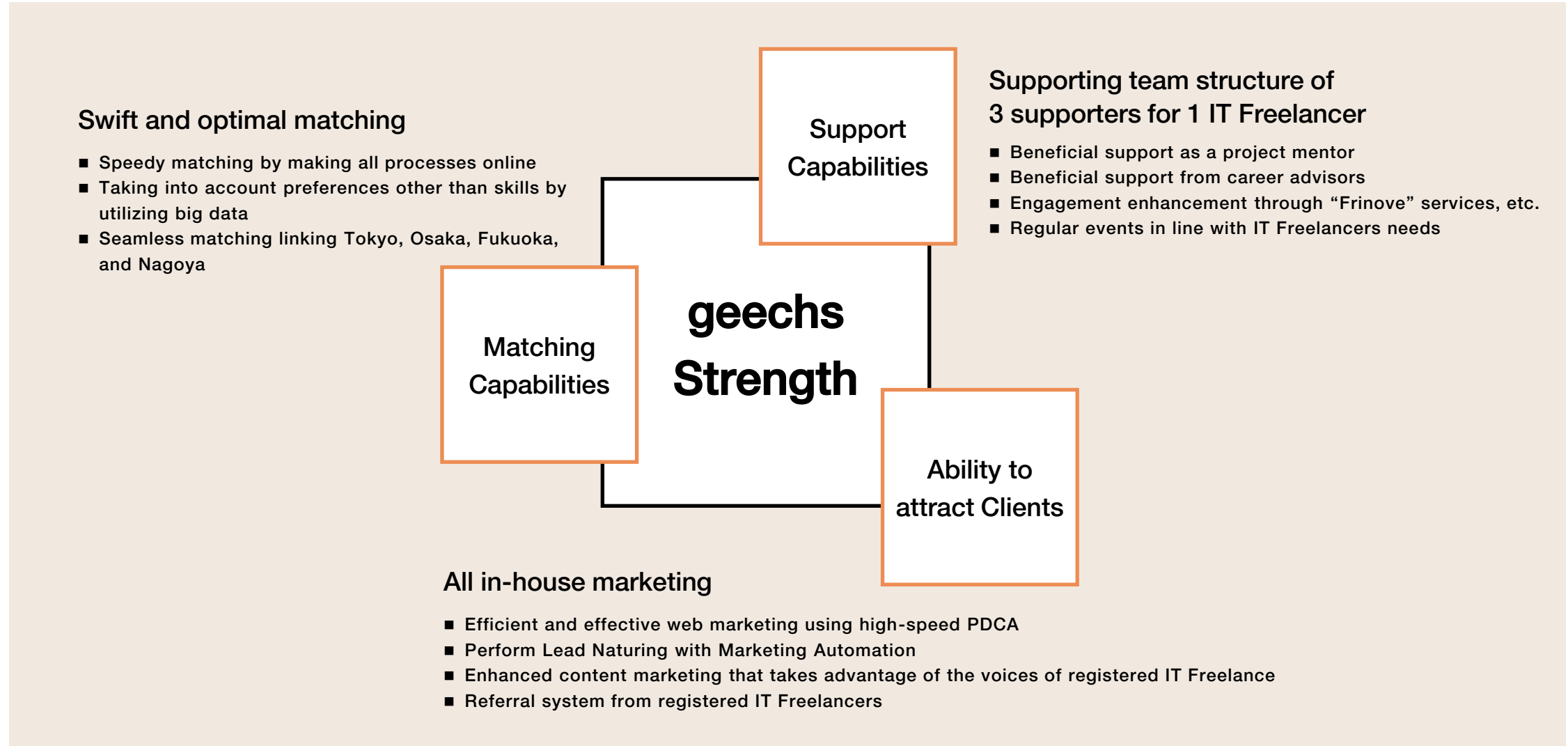
Technology Resource Sharing Platform



Source of growth

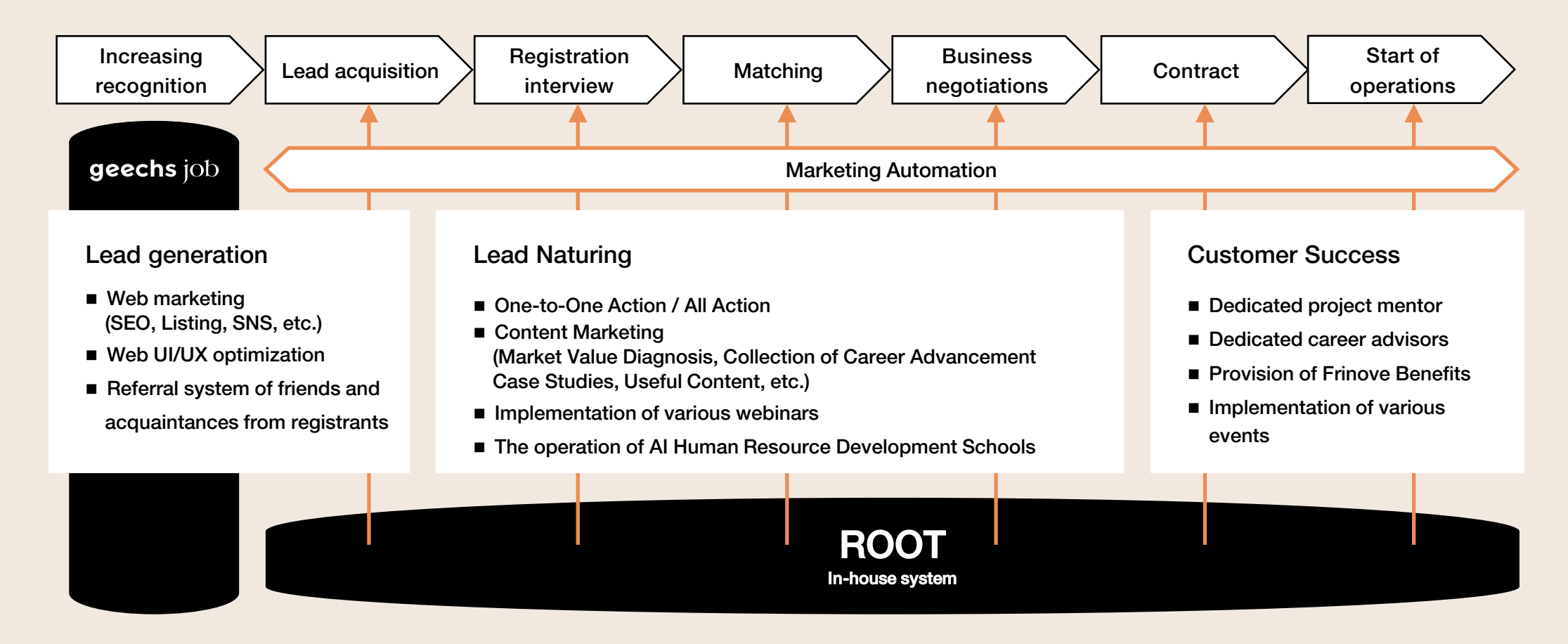


geechs Strength



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

	geechs	Crowdsourcing	IT technician dispatch
Registrant	IT Freelance(Main Business)	Freelancers (Side Business/Main Business)	Dispatched worker
Major Clients	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. Wide variety of low-priced projects	<ul style="list-style-type: none"> • Legacy system operations • Business system development
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

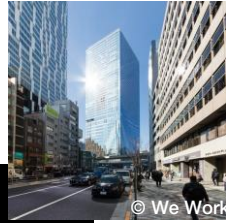
41 benefits for IT Freelance

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 -on 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



G2Studios

G2 Studios Inc.
For smartphone-oriented ease
apps planning, development,
and operations

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.

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. In the future, we will also focus on research and development, such as utilizing know-how in the metaverse field.

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

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

Differences between Developer and Publisher

**As for the future strategy of the Game Business
Aiming to be a developer of global distribution titles**

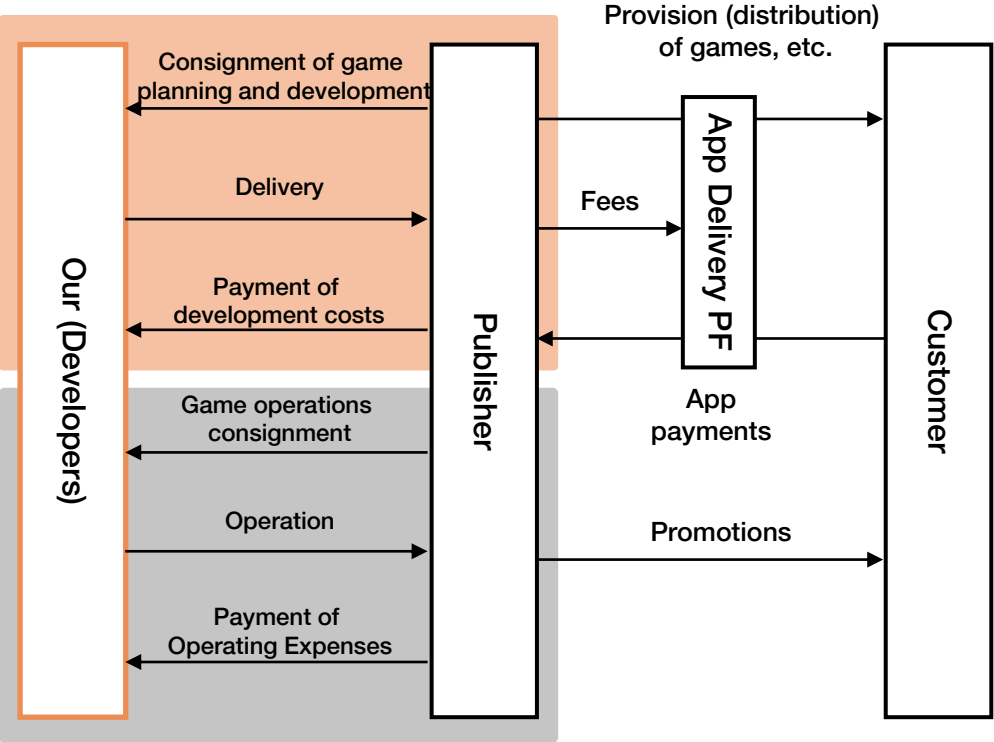
	Developers (Our company)	Publisher
Main Roles	planning, development, and operation of titles	planning, distribution and promotion of titles
Revenue Model	<ul style="list-style-type: none"> ● Planning and Development Sales from Publishers (One-Time Sales) ● Publisher Sales (Recurring Sales, Fixed) ● RS*¹ Sales Based on Billing for Titles (Recurring Sales, Variable*²) 	<ul style="list-style-type: none"> ● In-app billing ● Advertising App
Risk/Return	Low Risk, Middle to High Return	High-risk, High-return
Business Characteristics	<ul style="list-style-type: none"> ● Fixed and stable revenues, regardless of whether a title is a hit or not ● The Upside is limited, but the return on a hit is large ● Low-volatility recurring-fee business model 	<ul style="list-style-type: none"> ● If a title is a hit, there are high expectations for the Upside ● If it doesn't, a business model that is difficult to recover costs and risky and has high volatility

*1 Revenue share *2 Determined according to the contract for each title

Game Business -Business and Revenue Image-

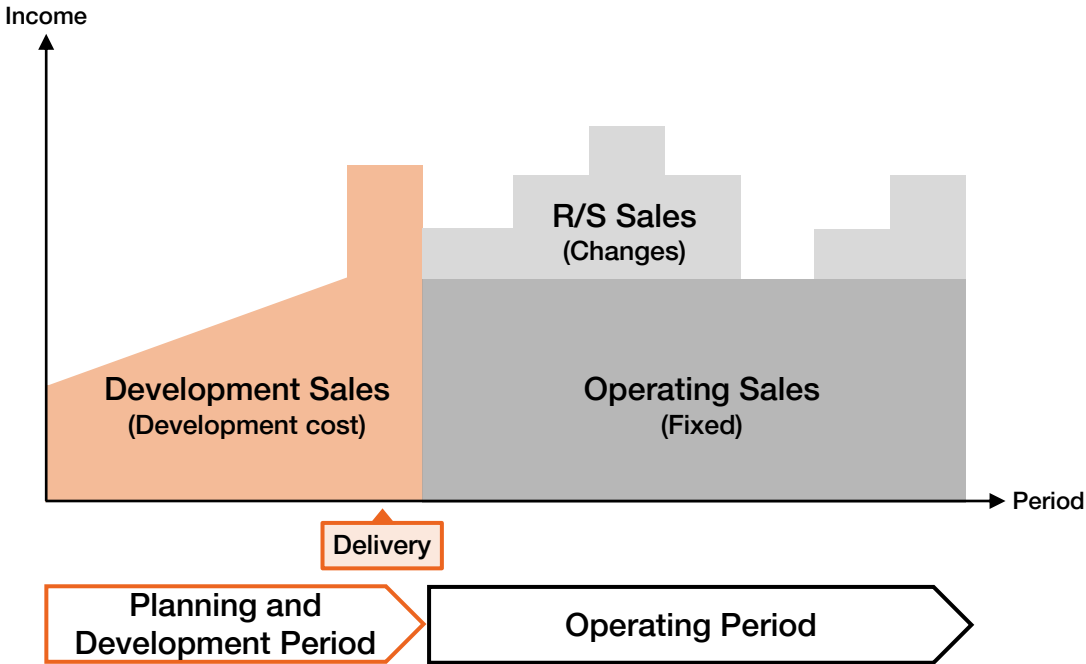
Business Model

- We are a developer exclusively entrusted with the planning, development, and operation of games from a major publisher



Revenue Image

- In the planning and development period, from FY3/22, the same amount of development costs were recorded as sales.
- For the operating period, in addition to fixed-rate management sales, R/S sales are recorded based on the fee-based sales of titles*



*: Set according to the contract for the title, etc.

x-Tech Business



1. Cultivating the Future with New Technology "xR"

Through the in-house developed AR app "Fantasy Lens," we will provide new added value and experience to a variety of products already in the market, thereby creating an upcycle.

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" .

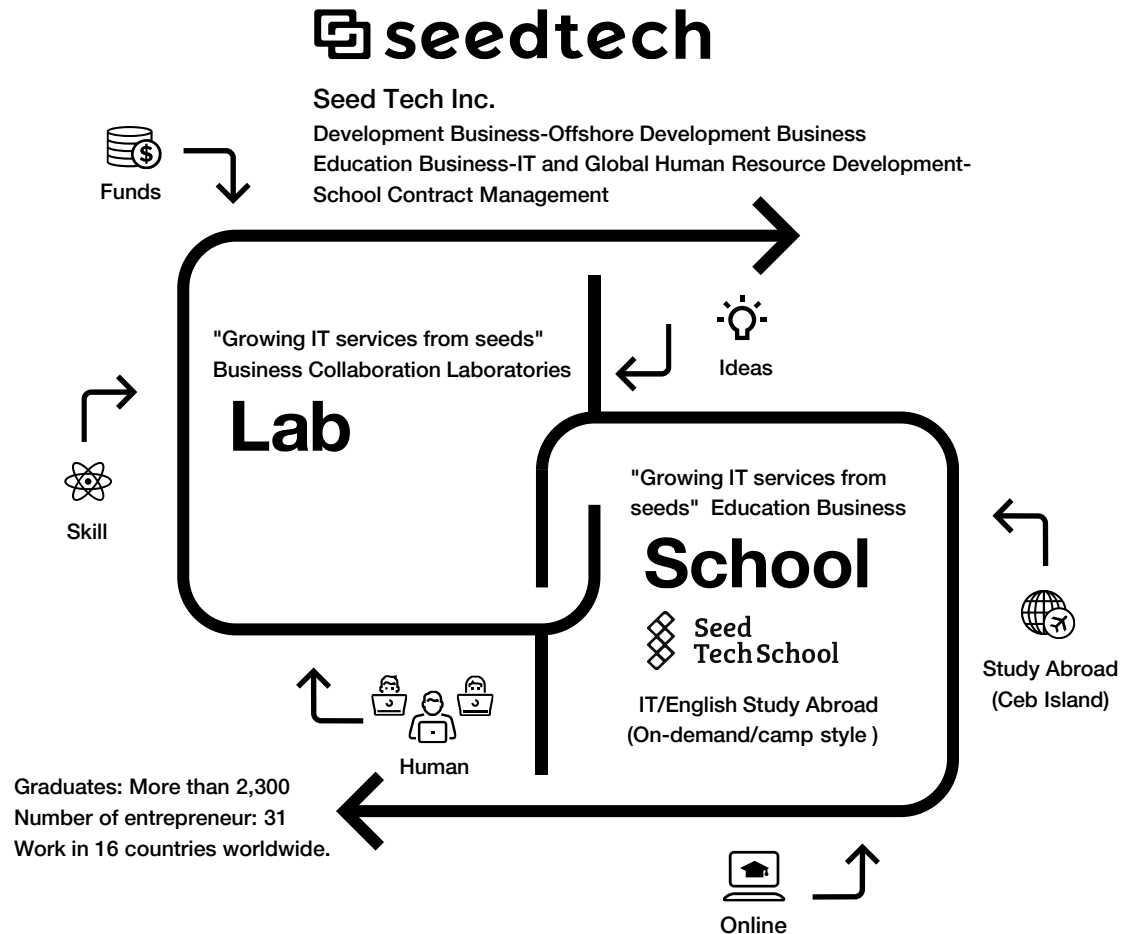
Technology Partners for Business Model Transformation

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. Operating the Programming School

Operates an on-demand programming school. Offshore development Because it is a programming school run by a firm with a track record of doing so, It is possible to learn practical and high-level technologies. We provide support for career changes and sideline, Develop engineers who can play an active role globally.

II. Worldwide Standard Business Collaboration Laboratory-Type Offshore Development

To ensure the success of new businesses and DX product development, A dedicated design and business team provides comprehensive support over the long term [Successful services] Optimized for development. It also develops [Shopify]: The World's Largest EC Platform.

3. Investment in SaaS-type IT Human Resource Development Platform

DX/IT Human Resource Development Curriculum Based on Video Curriculum for Businesses Scheduled for launch in April. Expansion of the DX/IT Human Resource Skills Domain and support for non-engineer reskilling.

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

ESG Map

Pride in Reducing Environmental Impact

- Establishment of a business recovery system in the event of climate change
- Comprehensive paperless and electronic filing
- Office premised on "Cool Biz" and "Warm Biz"
- Control of Air Conditioning and Reduction of Electricity Consumption
- Building a Corporate Culture for Zero Waste
- Support for employees' environmental conservation activities
- Corporate investment to reduce environmental impact



Toward a society where employees can work with peace of mind

- Solve the shortage of IT human resources in companies and promote the enhancement of IT human resources
- The Role of Infrastructure in the Fields of Technological Innovation and Development
- Promote diversity in working styles
- Freelancers Benefit Support
- In-house system for employees' life events, Development of welfare programs
- Health management initiatives



ESG management

Contribution to the Environment

Contribution to Society

Strengthening Governance

Strengthening Corporate Governance

- Reliable, safe, and fair trade
- Strengthening Risk Management
- Compliance with Security Policies
- Compliance and Internal Control
- Governance Structure of Group Companies
- Promote executives regardless of gender or nationality



ESG Statement

Under the Grand Vision of "Make the biggest impression in the 21st century", the entire Group is united in contributing to society and continuing to grow as a company through business activities such as the promotion of new work styles such as freelance, human resource development, the promotion of DX that leverages our technological capabilities, and product development.

The geechs Group will continue to engage in ESG management in order to realize a sustainable society while continuously increasing corporate value.

Performance Highlights

Fiscal Year-End		FY3/19	FY3/20	FY3/21	FY3/22 3Q
Net Sales	(thousand yen)	3,050,413	3,544,309	3,427,816	4,015,547
Ordinary income	(thousand yen)	532,117	675,446	713,942	862,047
Net income attributable to owners of parent	(thousand yen)	411,610	390,651	457,755	533,962
Comprehensive income	(thousand yen)	410,322	391,102	458,020	533,092
Capital Stock	(thousand yen)	972,152	1,086,015	1,094,214	1,101,255
Net assets	(thousand yen)	2,737,377	3,356,232	3,830,496	4,289,463
Total assets	(thousand yen)	4,515,127	4,700,309	6,486,303	5,717,264
Net income per share	(Yen)	47.96	37.78	43.83	50.91
Equity Ratio	(%)	60.6	71.4	59.1	74.7
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	386

*Make the biggest impression
in the 21st century*



www.geechs.com

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.