

Share Acquisition of
Launch Group Holdings Pty Ltd

Mergers and Acquisitions

November 10, 2022

GEECHS Inc.

TSE Prime Market: 7060

Key Points of M&A

Highlights

- **Acquired Launch Group Holdings Pty Ltd, a fast-growing IT staffing business in Australia**
- **Launch has sales of around ¥10bn and a database of more than 350,000 IT freelancers.**
- **GEECHS and Launch have a combined gross sales of over ¥20bn.**
- **Expansion expected for cross-border IT staffing business in Japan, the Philippines, and Australia**
- **Aiming to expand business within APAC region**

GEECHS Overseas Strategy

Aiming to become one of the largest IT freelancer sharing platforms in the growing APAC market

Significance

- Acquiring a company in Australia, one of the world's five largest markets for recruitment services and the largest market in the APAC region, will serve as a foothold for business expansion in the Asia-Pacific region.
- We can take our IT freelancer segment further onto the global stage

The Australian Macro Environment

- Australia is a country with a stable economy with strong growth in diverse industries, a healthy demographic with population growth due to immigration and natural increase, and a significant surge in net employment in the current period.

Key Australian market data

Key data



Population

25.75 million

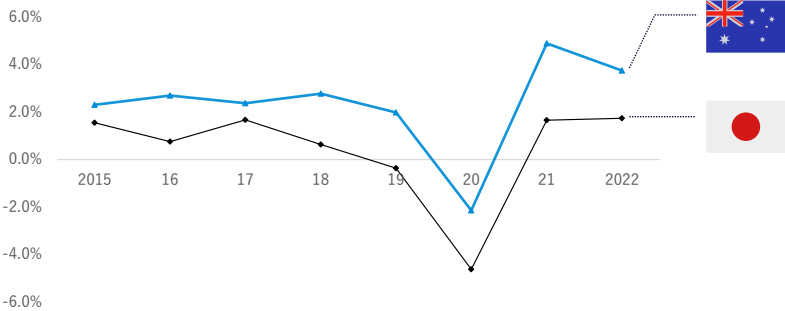
125.07 million

No. of IT engineers and ratio*

265,000 (1.03%)

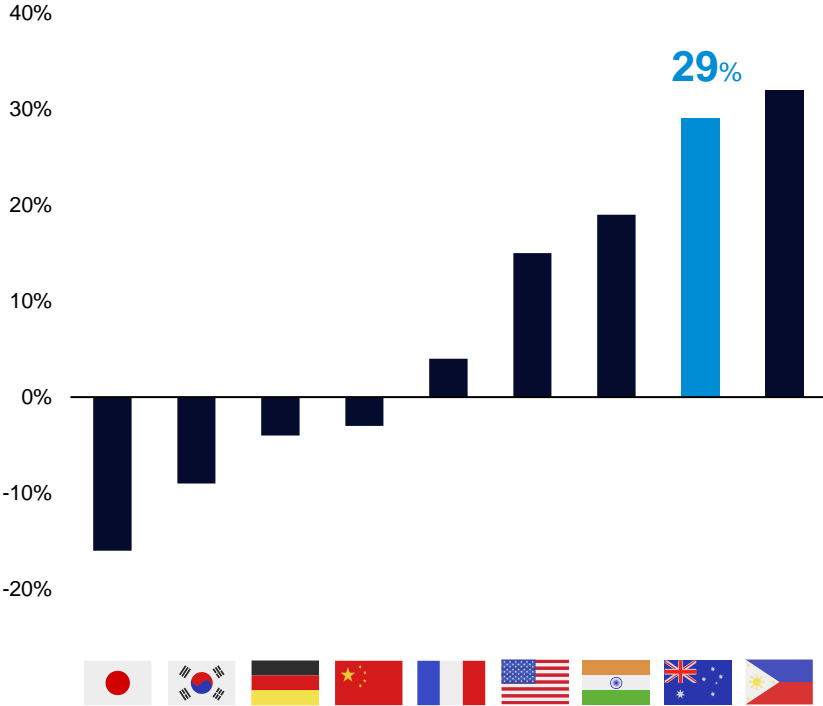
1,253,000 (1.00%)

Real GDP growth rate



Sources: Ministry of Foreign Affairs, Statistics Bureau of Japan (Ministry of Internal Affairs and Communications), IMF - World Economic Outlook Databases, Human Resocia
 * Figures calculated independently based on data from each source

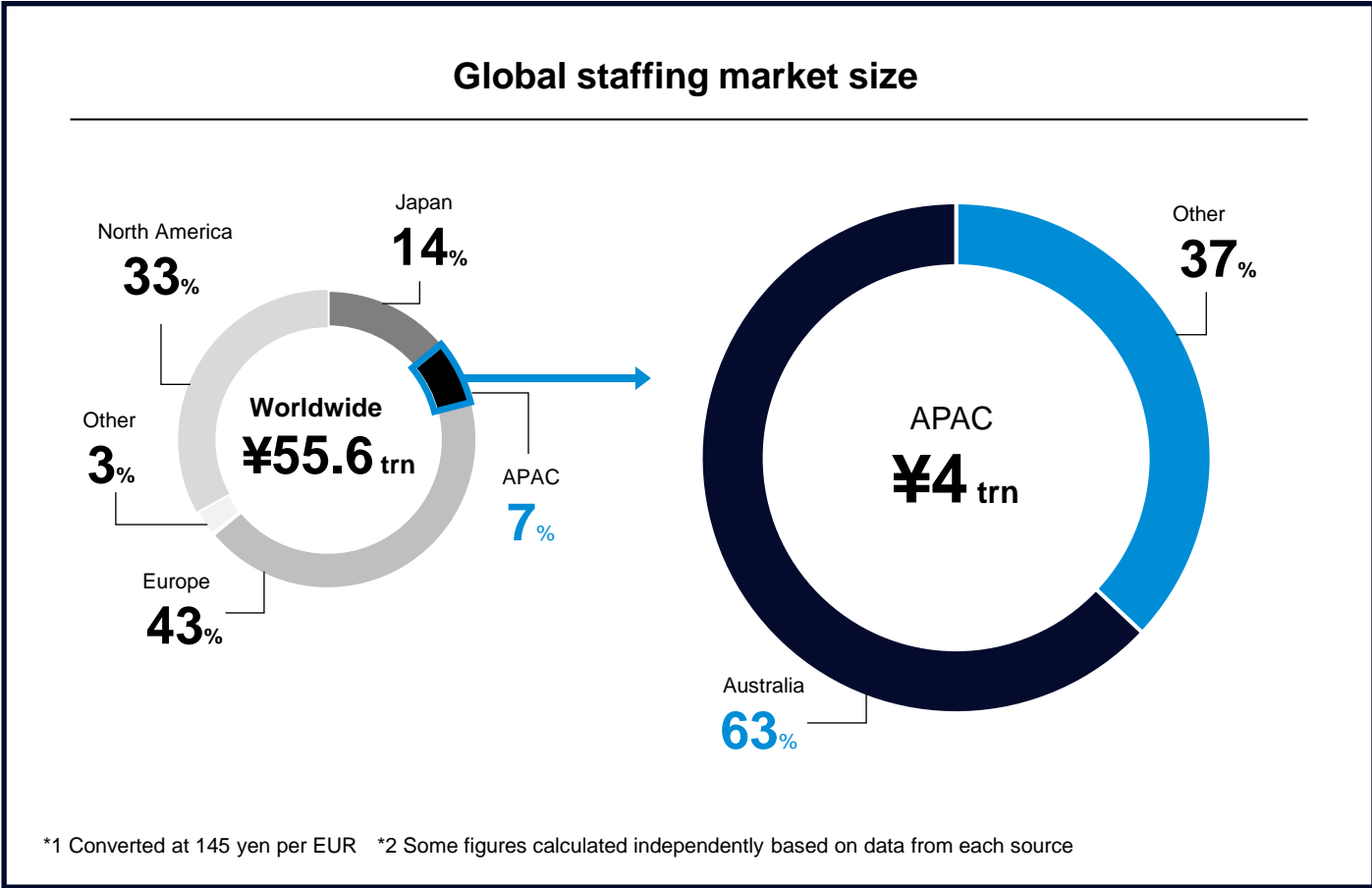
Comparison of forecasted population growth rates of countries around the world (2020–2050)



Source: World Population Prospects, 2019, United Nations

The Australian Recruitment Services Market

- Australia is one of the top 5 markets, accounting for 64% of the global recruitment services market, and the largest market in the APAC region
- Staffing market size: Australia = ¥2.5trn, Japan = ¥7.6trn



**Recruitment services market*
Top 5 largest markets (sales)**

¥45.8 trn (2019)



Total staffing, recruitment, MSP, RPO, and career management
Source: Economic Report, World Employment Confederation

Launch Group Holdings Pty Ltd



Company name: Launch Group Holdings Pty Ltd

Representative: Rebecca Jane Wallace

Established: 2006

Business description: IT staffing business, MSP business, and recruitment services business utilizing freelance and casual employment

Group company: Launch Recruitment Pty Ltd

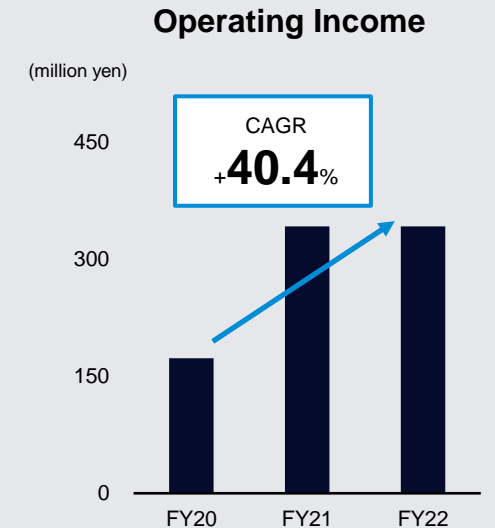
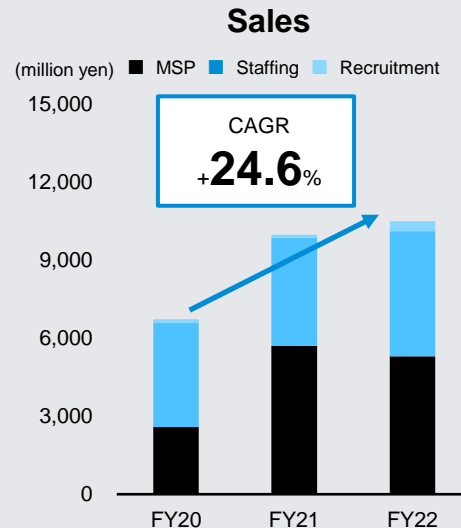
Head office: Sydney, New South Wales, Australia

Offices



Financials*

(million yen)	FY20	FY21	FY22
Sales	6,717	9,959	10,436
Gross profit on sales	789	928	1,186
Operating Income	173	342	342
EBITDA	183	354	358



* Converted at 95 yen per AUD

Launch's Strengths (1/2)

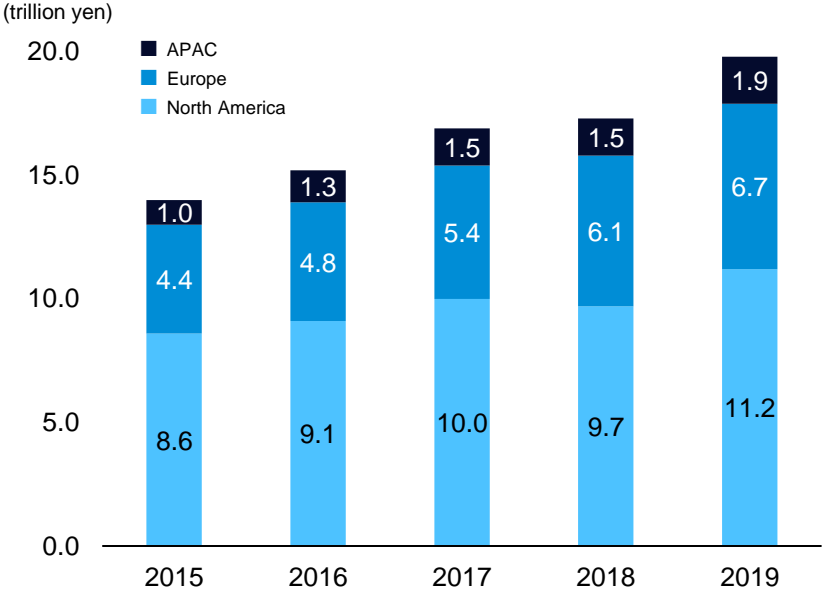
- Managed Services Providers (MSP) is expanding worldwide, and Launch's MSP is also expected to grow steadily, built on a solid customer base by comprehensively implementing a series of processes related to customer procurement from marketing to contracts
- Provides the Vendor Management System, an in-house developed system, which solves all human resource management issues in casual employment

Vendor Management System

Human Resources Information Management	Information management of human resource data, such as skills, in the cloud. Customer companies also have access to database.
Recruitment process	Centralized management of job listings, interview arrangements, contracts, etc.
Labor management	Centralized management of work hours and expenses for personnel under contract
Recruitment agency management	Comprehensive and centralized management of multiple recruitment agencies that customers deal with



Global MSP market size



Source: Economic Report, World Employment Confederation
 * Converted at 145 yen per EUR

Launch's Strengths (2/2)

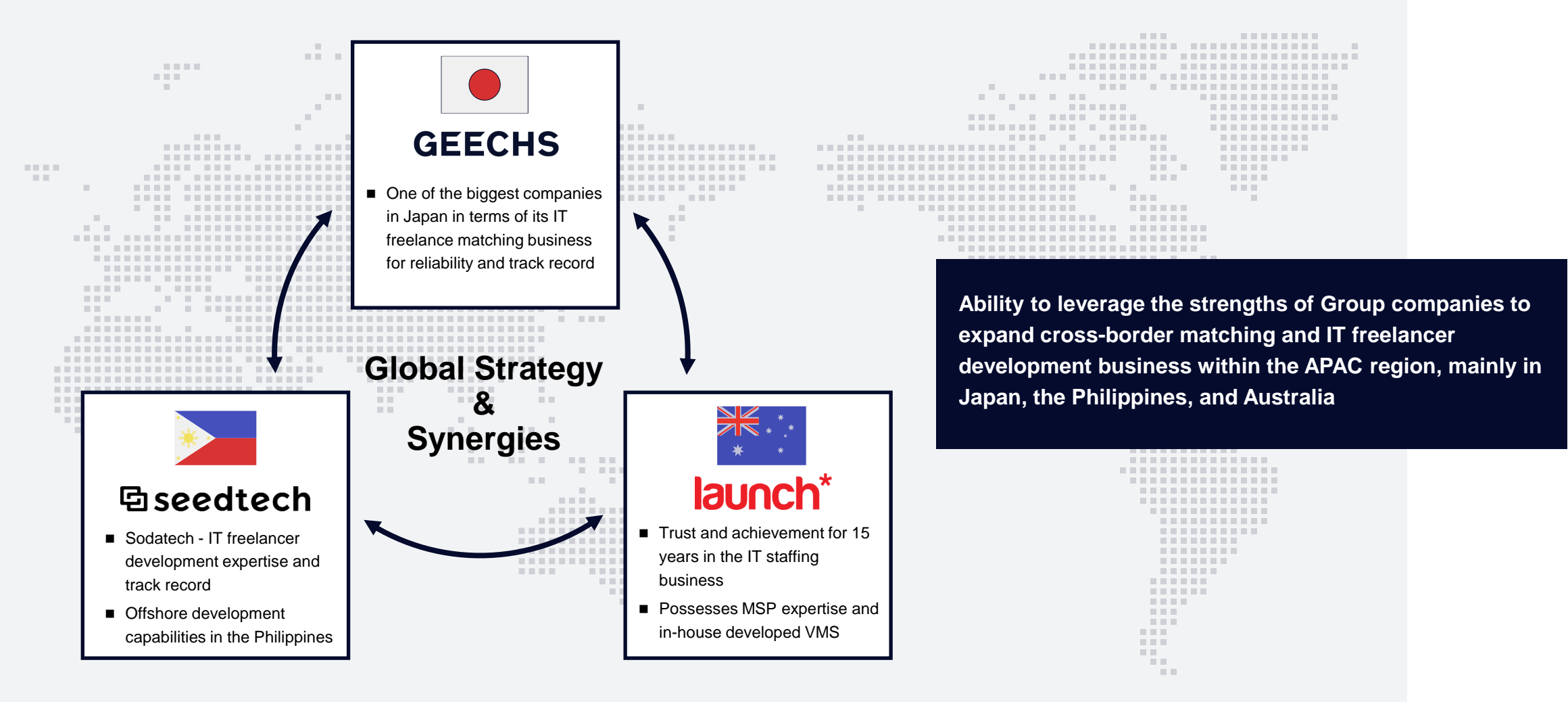
- Since its establishment in 2006, Launch has earned trust and a track record as a pioneer start-up company in the IT staffing service industry. Launch has been doing business continuously with more than 50% of its customers for more than 5 years.
- Launch has its own IT staffing registration database of over 350,000 people with about 7,000 person-months in year.

Main clients



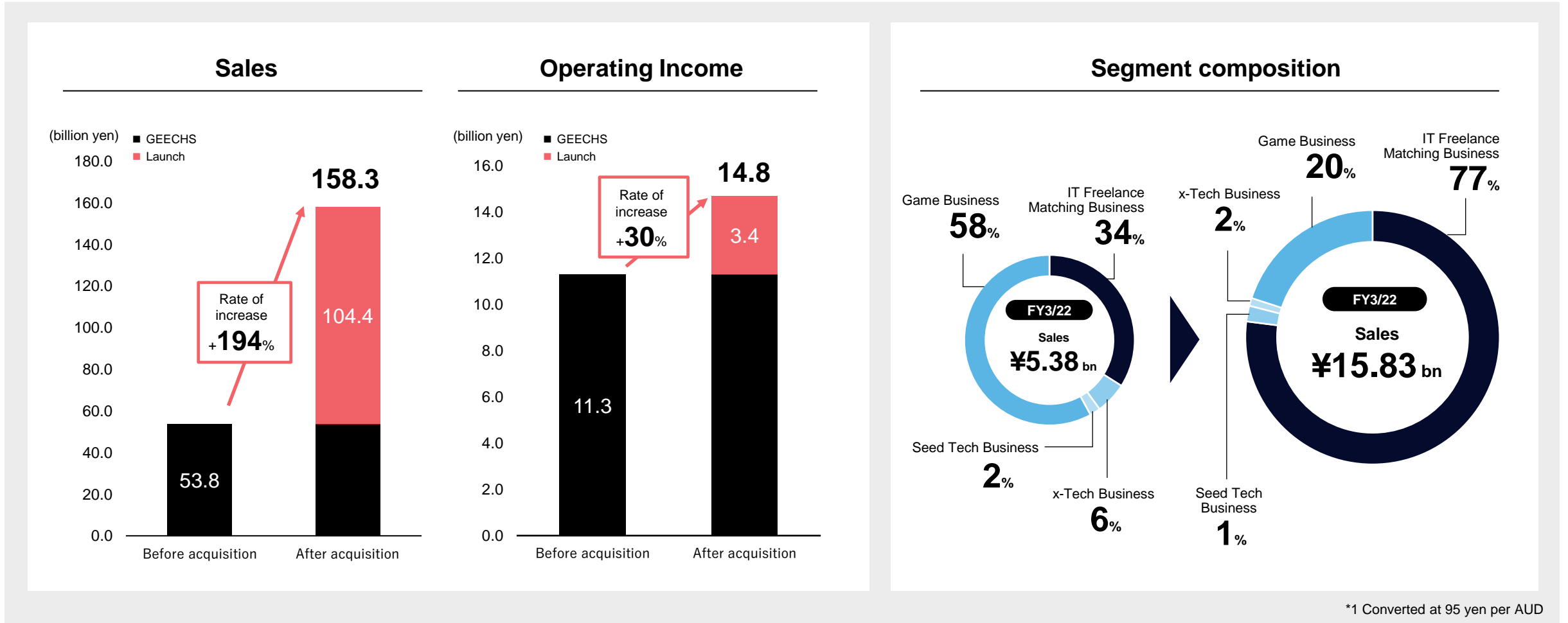
GEECHS Global Strategy and Synergies

Evolving into a global platform for sharing IT freelancers



Results Impact Image (GEECHS + Launch Simple Aggregation)

- Greater sales to a scale that will achieve the G100 medium-term management plan ahead of schedule
- By making Launch the overseas division of the IT Freelance segment, **sales in the segment will increase significantly, becoming the largest segment in terms of both sales and profit.**
- The graphs below show simple aggregated results for FY3/22 for GEECHS and for FY6/22 for Launch



Share Acquisition

Acquisition amount

¥1.79bn (AUD 18,887k, 70% stake)

*1 Converted at 95 yen per AUD *2 Funds for acquisition to be borrowed from bank

Date of share acquisition

January 2023 (planned)

Results impact

Little impact on consolidated results for this fiscal year

- Balance sheet consolidated from the fiscal year ending March 31, 2023, and income statement to be consolidated from the fiscal year ending March 31, 2024
- Various costs related to the acquisition have already been reflected in the revised full-year forecast.

*Make the biggest impression
in the 21st century*

Notes regarding Results Impact

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.

GEECHS

www.geechs.com