



Regarding Arche Digital Sdn. Bhd. Joining AnyMind Group

AnyMind Group | March 21, 2024

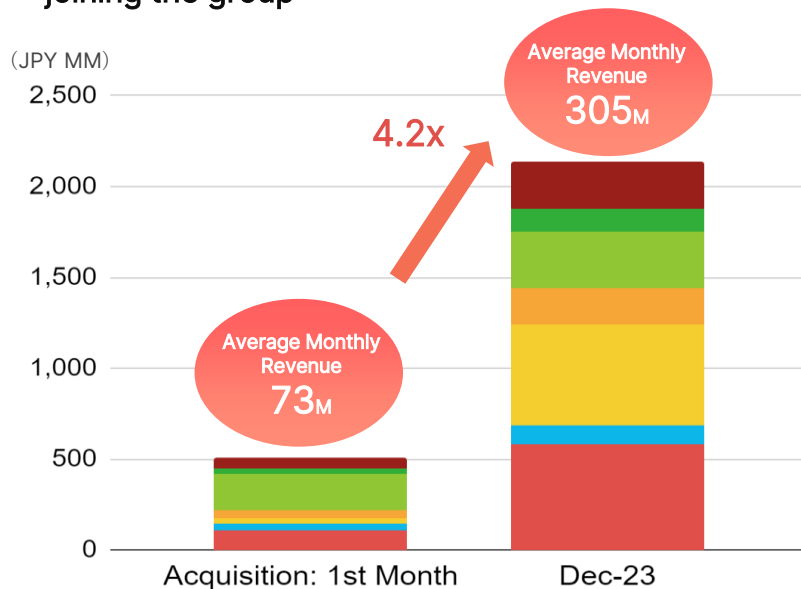
Past M&A and PMI Track Record

We have conducted eight M&A transactions with the aim of strengthening our organizational structure since our founding. Following each M&A, we have pursued full business integration, including organizational and product integration, to generate synergy, thereby achieving significant growth in the acquired businesses.

8 M&A transactions since our establishment

		Japan	SEA	Greater China	India
Marketing		ENGAWA Building Shared Perspectives			POKKT MOBILE ADS
	D2C / EC	LYFT			
Partner Growth	Publisher Growth	FourM™		ACQUA™	
	Creator Growth	#GROVE	INDY		

Revenue growth of the acquired companies after joining the group ⁽¹⁾



(1) PT Digital Distribusi Indonesia, which was acquired in September 2023 is not included, as the M&A completion was conducted recently.

(2) The revenue for December 2023 is on a per unit of accounting cash generation basis and includes revenue from new businesses started by the acquired companies after joining the group. "Acquisition: The 1st month" means FourM Oct 2017, Acqua Oct 2018, Moindy Apr 2019, Grove Jan 2020, POKKT and LYFT March 2020, Engawa Feb 2021.

Pursing Synergy from M&A

When we conduct M&A, it is based on the premise of targeting companies where synergistic effects are anticipated. In this regard, the synergies expected to be created are as follows:

Synergy through the acquisition of management talent

The evolution of our company group management and specific businesses through the addition of experienced management teams

Synergy through the utilization of our proprietary technology

Improvement in growth potential and profitability through the utilization of our company's products and technology within the acquired companies

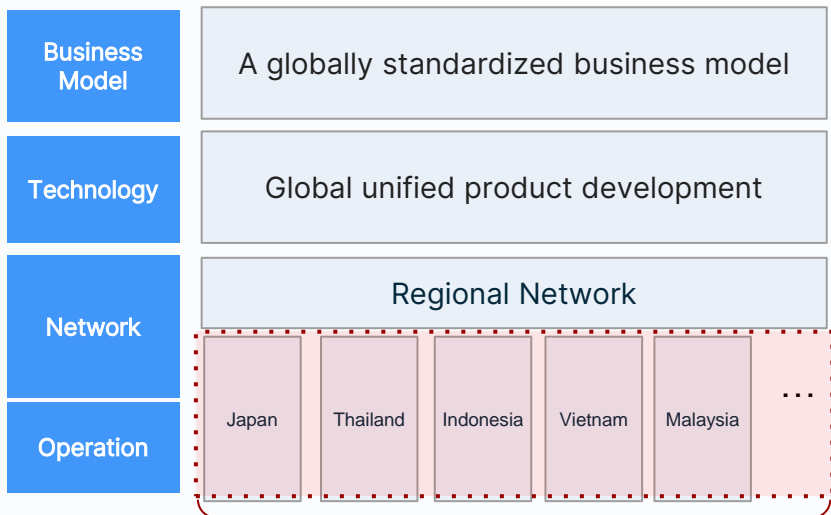
Synergy through strengthening global operations

Pursuit of cross-selling opportunities leveraging existing client networks, and enhancement of appeal to global and regional clients via strengthening our group's service infrastructure

Examples of M&A utilization in our company

In order to simultaneously expand our business globally, we utilize both organic growth and M&A to achieve operational excellence and acquire management talent, accelerating business advancement across the entire group. Particularly, the consolidation model, involving M&A of the same business across multiple countries, has consistently produced significant results with scalability, including through the PMI process.

Utilization pattern of M&A in our company : Global Business Consolidation



Strengthening business foundation through the combination of organic growth and M&A

(Activating synergies through post-M&A business integration)

Global Business Consolidation Case Study

Growth Support for Publishers	 FourM™ Japan (October, 2017)	 ACQUA™ Hong Kong, Taiwan (October, 2018)
Growth Support for Creators	 INDY Thailand (March, 2019)	 #GROVE Japan (December, 2019)
E-commerce Support for Enterprises	 DD Indonesia (September, 2023)	 ARCHE DIGITAL Malaysia (Scheduled in June, 2024)

Continued Focus Area for M&A

Acquisition of All Shares of Arche Digital Sdn Bhd in Malaysia and Make it a Subsidiary

Overview of the Transaction

Data of Share Acquisition	Scheduled in June 2024
Share Acquisition Cost	1.5 million USD
Share Acquisition Ratio	100%
Acquisition Method	Transfer of shares with cash
Impact on consolidated financial results	Scheduled to contribute to consolidated earnings from 3Q FY12/2024

Purpose of the transaction

- 1. Strengthen the BPaaS Model in Southeast Asia:**
Strengthening BPaaS solutions in the e-commerce/marketing domain, which we are enhancing in Asia
- 2. Local Team and Networks:**
A robust network comprising talented local members led by an excellent management team and distinguished brand principals
- 3. Growth and Stability of the Business:**
Business potential for stable growth and profit generation in the Malaysian e-commerce market, which is growing at more than 10% annually
- 4. A clear complementary relationship between both companies:**
The complementary relationship between Arche Digital's local operations and track record, and our company's technology and global network

Overview of Arche Digital

Company Overview



Company name	Arche Digital Sdn. Bhd. (Arche Digital)
Location	Selangor, Malaysia
Establishment	September, 2015
Business Overview	An e-commerce enabler that provides integrated support from developing sales strategies, building and operating e-commerce, managing inventory logistics, to providing customer support
Latest Results (FY01/2024)	Revenue: 4,817 thousand MYR (152 million yen) Gross Profit: 2,552 thousand MYR (80 million yen) Operating Profit: 322 thousand MYR (10 million yen)

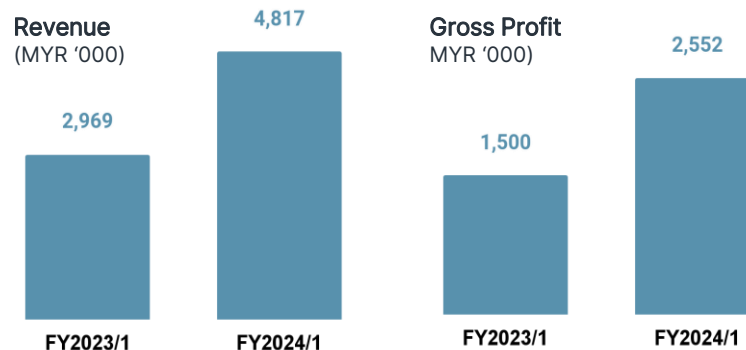
Portfolio of the Representative



Steven Tan JinHui
Managing Director

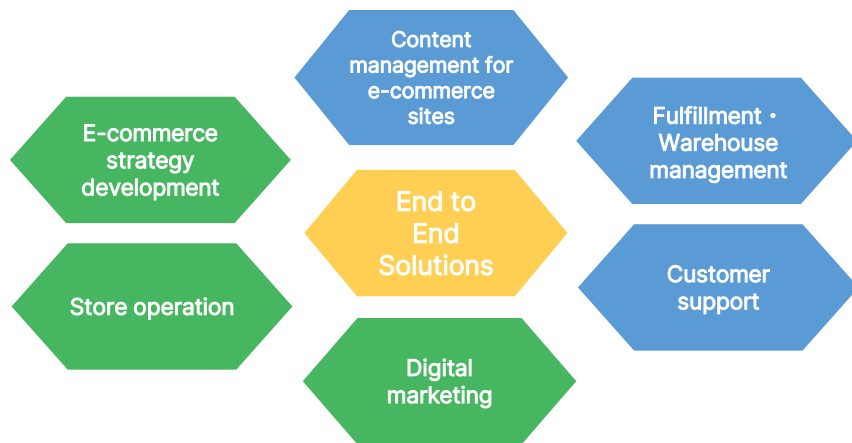
- Ph.D. in Electrical Engineering from the State University of New York
 - Founder of Kainos Tech and Arche Group.
 - nearly 10 years of experience in the e-commerce sector in Malaysia
- * Steven will assume a management position within AnyMind Group after the deal

Financial Results of Arche Digital ⁽¹⁾



Services Provided by Arche Digital

Arche Digital offers services that comprehensively support the e-commerce value chain, focusing on optimizing product inventory, digital marketing, fulfillment, warehouse and logistics management, and store operations.



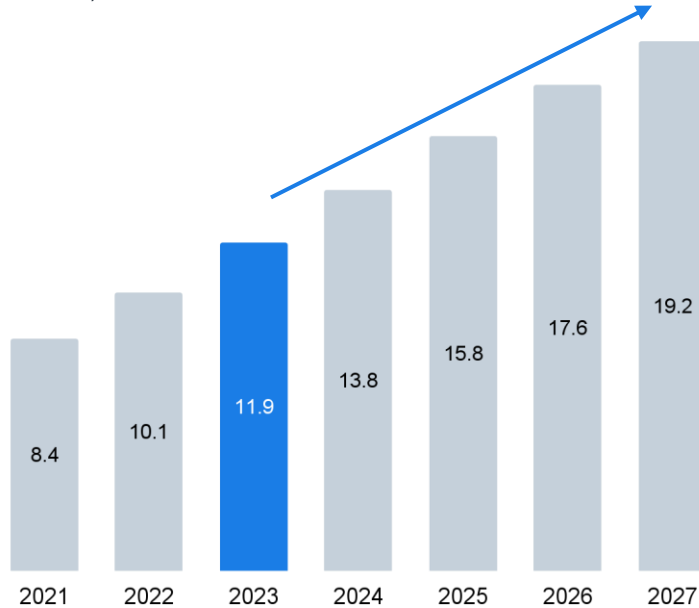
- Providing one-stop support for various e-commerce-related services, including strategy development for e-commerce expansion, operational support, warehouse and logistics management, store management, marketing, and customer service.
- Specializing in the support of premium brands and possess expertise in assisting numerous brands, including global skincare brands.



High Growth Potential in the E-Commerce Market x Stable Economic Growth in Malaysia

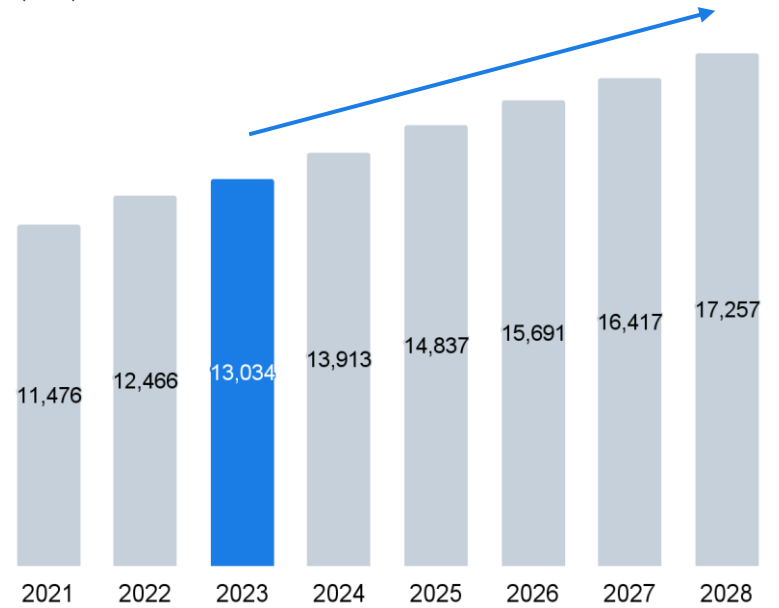
E-Commerce Market Size in Malaysia ⁽¹⁾

(Billion USD)



Malaysia GDP Per Capita ⁽²⁾

(USD)



(1) Source: Worldwide Ecommerce Forecast Update, eMarketer (Dec. 2023)

(2) Source: World Economic Outlook (to 2028), IMF (Oct.2023)

APPENDIX

Unique Position of Combining Technology and Operations in the Asian Market

BPaaS (Business-Process-as-a-Service) is a business model that provides software and operational support. In Asia, we believe that the BPaaS model, which supports operations in addition to providing software, has an advantage due to the market environment and other factors.

Understanding the Market Environment in Asia

SaaS (software-centric)

- In Asia, successful examples based on the SaaS model, which provides only software, are limited.
- There are cases where the value of software cannot be obtained due to being unable to master complex functions and products.

For Western technology players, Asia is a market with barriers in terms of organizational and operational structure.

BPaaS (software + operations)

- **By covering operations, it is possible to maximize the use of product functions, regardless of the client's internal system.**
- **Flexible updates are possible for operational DX and AI utilization.**
- **Using products, clients can monitor activities with a high level of visibility.**

AnyMind has established a unique position by possessing technology, local organizations and operations, and local networks.

BPO (operations-centric)

- Focusing on outsourcing business processes, its ability to improve operational efficiency through utilization of technology and to improve data usage is limited.
- The visibility of outsourced processes is limited at the client, which could lead to a decrease in quality control capabilities.

Local players have limited resources to invest in technology and related fields.

Expansion of E-Commerce Solutions: Promoting BPaaS in Asia

- In the e-commerce area, we will promote a model that offers business processes (allowing control of the entire process) as BPaaS, with the assumption that proprietary technology will be used.
- In the Southeast Asia market, where there are Industry-wide significant barriers to the penetration of SaaS solutions, this business model is expected to be suitable for promoting technology utilization, DX innovations, and AI usage.
- Compared to normal outsourcing, it enables pursuing maximization of brand growth via automation of systems and data usage.

