



MEMBERSHIP
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Company	AnyMind Group Inc.
Representative	Kosuke Sogo, Representative Director and CEO (Stock code: 5027 TSE-Growth)
Contact	Keizo Okawa, Director and CFO ir@anymindgroup.com

Answers to Frequently Asked Questions (Questions received in FY2024 Q1)

Thank you very much for your ongoing interest in our company. We would like to disclose the main questions received from investors from the announcement of the fourth quarter and full-year financial results of 2023 to date, and their respective answers.

This disclosure is carried out with the aim of enhancing communication with investors and ensuring fair disclosure. Similar disclosures are planned around the end of each quarter. Please note that there might be slight discrepancies due to timing, but we have provided answers based on our most recent company policies.

Q1. How do you evaluate your performance for the period ending December 2023 by business segment?

The gross profit, which is designated as the most important performance indicator for the Company, grew by 37% compared to the previous period of the fiscal year ending December 31, 2023, exceeding the target of 30% growth in gross profit set at the beginning of the period. When viewed by business segment, the marketing business increased by 31%, the D2C/EC business by 53%, and the Partner Growth business by 41% year-on-year.

All segments are progressing smoothly, with the influencer marketing platform "AnyTag" driving steady growth in the marketing business due to increased customer demand across all regions. In the D2C/EC business, we have actively expanded our enterprise e-commerce support services domestically and internationally, achieving high growth as anticipated.

The Partner Growth business significantly exceeded performance expectations set at the beginning of the fiscal year. Support for publishers through "AnyManager" continues to experience stable growth as planned. For creators, support through "AnyCreator" has been strengthened, focusing on acquiring and supporting creators mainly engaged in short-form videos on platforms such as YouTube Shorts and TikTok. The significant growth surpassing expectations is attributed to a global increase in new creators entering into contracts.

Q2. Why is the marketing business continuing to grow even though the industry trends are not favorable?

The momentum of the overall marketing market may not be very favorable at the moment, but influencer marketing, which is an advanced marketing method, is expected to grow globally, with similar trends expected in Asia. As a reference, according to "The State of Influencer Marketing 2024" published by Influencer Marketing Hub, the global

influencer marketing market size is expected to grow from \$16.4 billion in 2022 to \$24 billion in 2024, at an average annual growth rate of 21%.

Our marketing business is largely driven by revenue from the influencer marketing platform "AnyTag". Its strength lies in its ability to conduct campaigns utilizing a network and data of 630,000 influencers spread across Asia. We select the optimal influencers based on follower analysis data, and provide consistent support from strategy design to casting proposals and reporting. Additionally, by analyzing trends and users on social media, and measuring user reactions to posts and the effectiveness of influencer marketing initiatives, we accelerate the PDCA cycle, maximizing the effectiveness of marketing strategies.

Furthermore, we have strengthened our collaboration with major e-commerce marketplaces. Since June 2023, we have been able to conduct performance-based marketing on Lazada and Shopee, the largest e-commerce marketplaces in Southeast Asia, through collaboration. There is a high demand for influencer marketing execution support utilizing data in Asia, and we have achieved stable growth due to an increasing number of enterprises clients utilizing our services and an expansion in unit prices of projects.

Q3. Is it expected that performance seasonality will continue in the fiscal year ending December 31, 2024 period as well?

Our business exhibits seasonality, with the first quarter (January to March) being the low season and the fourth quarter (October to December) being the high season. We anticipate that this trend will continue in the future.

Regarding seasonality, as previously explained, the first quarter typically experiences fewer business days and operational days due to factors such as New Year's holidays and Lunar New Year holidays, compared to other quarters. Additionally, in overseas markets, many companies have December fiscal year-end and tend to concentrate their marketing investments towards the end of the fiscal year, resulting in a lower volume of marketing activities in January and February. As a result, revenue from our marketing business and partner growth business tends to remain at lower levels compared to the previous quarter. The fourth quarter (October to December) is the high season for all our businesses. Factors contributing to this include the Diwali festival, the largest festival in India, which happens in October-November, increased marketing activities and e-commerce sales leading up to Christmas in December, and the trend of companies with December fiscal year-end concentrating their marketing investments at the end of the fiscal year overseas.

However, areas where we expect growth in the fiscal year ending 31 December, 2024, such as enterprise e-commerce support business, support for creators ("AnyCreator"), and our newly launched business in Korea in the fourth quarter of last year, typically experiences relatively smaller declines in the first quarter. Therefore, compared to previous years, we anticipate that the seasonality effect in the December 2024 period will be smaller. We expect the first quarter to be relatively strong compared to the trend of the low season. In addition, we expect to achieve operating profitability in the first quarter of the fiscal year ending 31 December, 2024, as we had an operating loss of 60 million yen in the first quarter of the fiscal year ended 31 December, 2023..

Q4. You recently announced an agreement to acquire Arche Digital. How much is the expected revenue and profit impact for the current fiscal year?

Regarding the acquisition of Arche Digital, a Malaysian e-commerce enabler company, which was announced on March 21, 2024, Arche Digital's full-year performance for the fiscal year ending January 2024 amounted to approximately 152 million yen in revenue and approximately 10 million yen in operating profit, and is expected to have limited impact on our consolidated performance. Furthermore, since the acquisition of shares is scheduled for the second quarter, we anticipate that the M&A transaction will have a relatively small revenue and profit impact on our consolidated performance for this fiscal year.

On the other hand, as disclosed in the fourth quarter financial results presentation material for the fiscal year ending

December 2023 (page 38~), our e-commerce support business not only leverages technology but also provides operational support in Asia, enhancing collaboration with regional brands and strengthening cross-border e-commerce support based on support in multiple Asian countries. Within this framework, we believe that strengthening local networks and operations in the growing Malaysian e-commerce market will be effective for the growth of our e-commerce business.

Q5. Please tell us about the medium to long-term growth prospects and objectives.

Asia is a market that continues to experience high growth, and we expect it to become the most important market within the global market across multiple industries in the long term. While there are no plans to disclose mid-term plans at present, we anticipate that the Asian market, in the areas where our business operates, will continue to grow by over 10%. In this market environment, we aim to maintain a target top-line growth rate of 30% annually. Additionally, we aim to improve operating profit margins each year by continuing to enhance productivity.

Q6. Are measures to improve stock liquidity being considered?

After conducting the secondary offering of stock announced last September, the liquidity of our company's stocks has relatively improved, and we have more shareholders holding our stocks. Therefore, we believe that the increase in the floating stock ratio due to the offering has had a certain effect, but we still have not reached the desired level of liquidity. This is not only due to the floating stock ratio but also because we need to improve the recognition of our company and awareness of our business among investors. Therefore, we do not have any plans for stock offerings at this time, and we want to focus on enhancing the recognition of our company for the time being.

In order to ensure that institutional and individual investors fully understand the potential and attractiveness of our business and the Asian market, we are committed to strengthening disclosure and maintaining ongoing communication. We believe it is crucial to build trust from the stock market by demonstrating progress in performance in line with investors' expectations, including achieving disclosed performance forecasts. Therefore, we will continue to strive in our business endeavors, solidifying our business foundation in Asia.

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