



MEMBERSHIP  
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Company	AnyMind Group Inc.
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### **Summary of Questions and Answers from the 5th Annual General Meeting of Shareholders**

Thank you very much for your ongoing interest in our company. We would like to disclose the summary of Questions and Answers received from shareholders at the 5th Annual General Meeting of Shareholders held on March 29, 2024 (Friday).

**Q1. There was a comment previously about aiming to become a company like Alibaba. Please provide insights on future business developments and directions.**

Our company was founded in Southeast Asia, and during the operation of our business there, we were attracted to the high growth potential of the Asian market. Recognizing that internet services were still underdeveloped in many aspects, we aimed to become a company that could contribute to the business infrastructure. Alibaba is a company that represents Asia and has become the kind of social infrastructure company that we aspire to be. Moving forward, we aim to continue growing in the expanding Asian markets, such as Southeast Asia and India, through the businesses we are currently engaged in, over the medium to long term.

**Q2. Is it correct to understand that product development becomes duplicated and expansion is difficult due to differences in social networking platforms and other factors in the Chinese market?**

As you correctly understand, there are hurdles in business expansion in the domestic Chinese market due to local regulations and differences in platforms. However, cross-border transactions, such as companies expanding their businesses from China to overseas or targeting the inbound and outbound demand of Chinese travelers, are in high demand and are the areas that our current solutions can address. We are already operating in the cross-border domain targeting China, and we anticipate further growth in this area in the future.

**Q3. Regarding the change in the management team, it appears that the current COO will be reassigned and served as a Senior Advisor. Will this change in position have any impact on the business operations?**

The role change for Rohit, who is currently the COO, has been under discussion for quite some time, and preparations have been made accordingly. Rubeena, the Country Manager with extensive experience in India and the Middle East, which Rohit was mainly in charge of, started the position in January 2023, allowing for a gradual handover of responsibilities over nearly a year of parallel operation with Rohit. Therefore, we believe there will be no impact on the business due to this role transition.

**Q4. How do you consider the growth rate and profit margin in the medium to long term for the business?**

While we haven't disclosed our medium-term management plan externally, it is anticipated that the Asian market will continue to grow at double-digit rates. To firmly capture and succeed in this Asian market, we are aiming for a top line target of 30% annual growth. Regarding operating profit, investments are also necessary to capture growth opportunities in the Asian market. However, we aim to achieve gradual improvements not only in the amount of operating profit each year but also in the operating profit margin.

**Q5. Are you also considering a shift towards the prime market?**

First and foremost, we prioritize focusing on business growth and establishing a solid business foundation in Asia. We will consider market changes based on the situation as we progress.

**Q6. Given your multiple overseas operations, strengthening corporate governance is essential. Could you please provide insights about your current internal audit framework and situation?**

Corporate governance is very important, and currently, we have dedicated full-time personnel in the internal audit department. We have ensured smooth information gathering across various Asian countries by employing trilingual members proficient in English, Chinese, and Japanese. We conduct internal audits utilizing both remote audits and on-site visits to each country, and we believe that our internal audit process is effective at this point. We aim to consider increasing the number of team members and the frequency of on-site visits in the future.

**Q7. If sales continue to expand steadily in the future, overseas institutional investors will become increasingly important. How do you plan to approach investor relations (IR) activities?**

We have been emphasizing IR activities since going public, but we recognize that investor awareness is not yet sufficient. Therefore, we aim to further strengthen our IR efforts in this area. We believe it is important to gain support from various types of investors, so we actively conduct IR meetings with institutional investors both domestically and internationally, not just with specific investor types.

**Q8. Are you considering shareholder return measures at this point? Wouldn't lack of dividends reduce investor interest?**

To maximize shareholder value, at the current stage where the Asian market and our business are experiencing high growth, investment in business growth takes precedence over shareholder return measures such as dividends. By establishing a track record of growth and business advancement in the capital market, we believe we can enhance shareholder value even further.

**Q9. Could you please tell me about the advantages of your in-house software and products compared to those of Western companies, as well as the status of engineering talent acquisition to maintain competitiveness?**

Regarding our AnyX platform for e-commerce data management, we have established data and API integrations with major e-commerce malls in various Asian countries. For influencer marketing with our AnyTag platform, we have accumulated local influencer and marketing data. Since our establishment, we have been expanding our business in the Asian market. Therefore, we believe that the accumulation and utilization of our data provides a competitive advantage compared to Western companies with limited presence in Asia. Our engineering teams are composed of international members based of our engineering hubs in Japan, Thailand, Vietnam, and India. We have created an open environment where engineers, regardless of nationality, can work from any country as long as they are proficient in English. We believe we have established a robust system for hiring excellent engineers globally.

**Q10. How are you considering funding for accelerating future M&A activities? Will you invest from operating cash flow, or is capital increase also anticipated?**

In the future, we anticipate that cash flow will expand alongside profit growth. From a funding perspective, although we haven't utilized bank loans yet, we have maintained good relationships with various banks since before going public. Considering our current balance sheet and profit situation, we believe that, in general, bank borrowing of around 3 to 4 billion yen is feasible.

Looking at our past M&A activities, rather than executing large-scale M&A, we tend to focus on pinpointing specific areas based on business or country axes, targeting relatively smaller-scale M&A deals that address essential points. Considering our current financial foundation and borrowing capacity, we don't foresee a need for capital increase at this point, even if we were to pursue M&A activities similar in scale to those in the past.

**Q11. What is the competitive landscape like in Asia?**

In Asia, the penetration of the Software-as-a-Service (SaaS) model, where companies provide software exclusively, is not as widespread. Therefore, there isn't a significant influx of IT companies from the United States and Europe. Local companies in Asia tend to focus more on operational support rather than making significant technology investments. While there are local companies in each country that compete by offering services in areas close to each business of our Company, they generally have lower competitiveness in terms of technology investment. We believe that by combining technology with local operations, we have a competitive advantage in the Asian market compared to Western companies.

**Q12. Do you compete with Japanese IT infrastructure companies that have a global presence?**

Many Japanese companies operating globally in the IT sector often have different business domains, so direct

competition is relatively rare. However, we believe there are ways to collaborate in the global market, so rather than competition, there is a higher likelihood of being able to collaborate as potential partners.

**Q13. Given the business domain and target market, we believe that there is significant potential. However, we still feel that the evaluation from the capital market is not sufficient. How does the management team view this situation?**

As a management team, we are not satisfied with the current state of our company. Regarding IR, we recognize the need to improve awareness and understanding of our business among investors. To ensure that institutional and retail investors understand our business and the potential of the Asian market, we are committed to enhancing disclosure and communication efforts in the future. We have been increasing communication with overseas investors since going public. Furthermore, beyond IR activities, we believe that building trust with the stock market and investors by delivering solid business performance that meet or exceed their expectations is crucial. We aim to firmly establish our business foundation in Asia.

**Q14. From next year onwards, while virtual shareholder meetings are appreciated, I would like to ensure that the question and answer session does not become shorter.**

We also consider the time for direct dialogue with our shareholders to be extremely valuable, so we would like to take that perspective into consideration as well.

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