

Financial Results Briefing

The Fiscal Year Ending March 31, 2024
Full-year

May 10, 2024

GEECHS Inc.

TSE Standard Market: 7060

Contents

1. Financial Highlights	2
2. Results by Segment	7
3. Medium-term Growth Strategy	17
4. Forecast for FY3/2025	21
5. Appendix	25

Financial Highlights

**Financial Highlights
for FY3/2024**

1

FY3/24 Full-year : Financial Highlights

Full-year consolidated sales exceeded 23 billion yen, 48.4% YoY growth.

- While consolidated sales slightly fell short of the revised forecast, the operating profit achieved it and was revised upwardly. However, net income amounted to -1,473 million yen due to impairment losses on goodwill, etc.
- IT freelance matching business (Japan) continued to perform well in 4Q, with organizational restructuring efforts implemented throughout the year.
- Due to the delayed contribution of MSP projects, IT freelance matching business (Overseas) fell short of the revised forecast.
- G2 Studios business executed a stock transfer on March 29, 2024, and will be excluded from consolidation starting from the FY3/25.

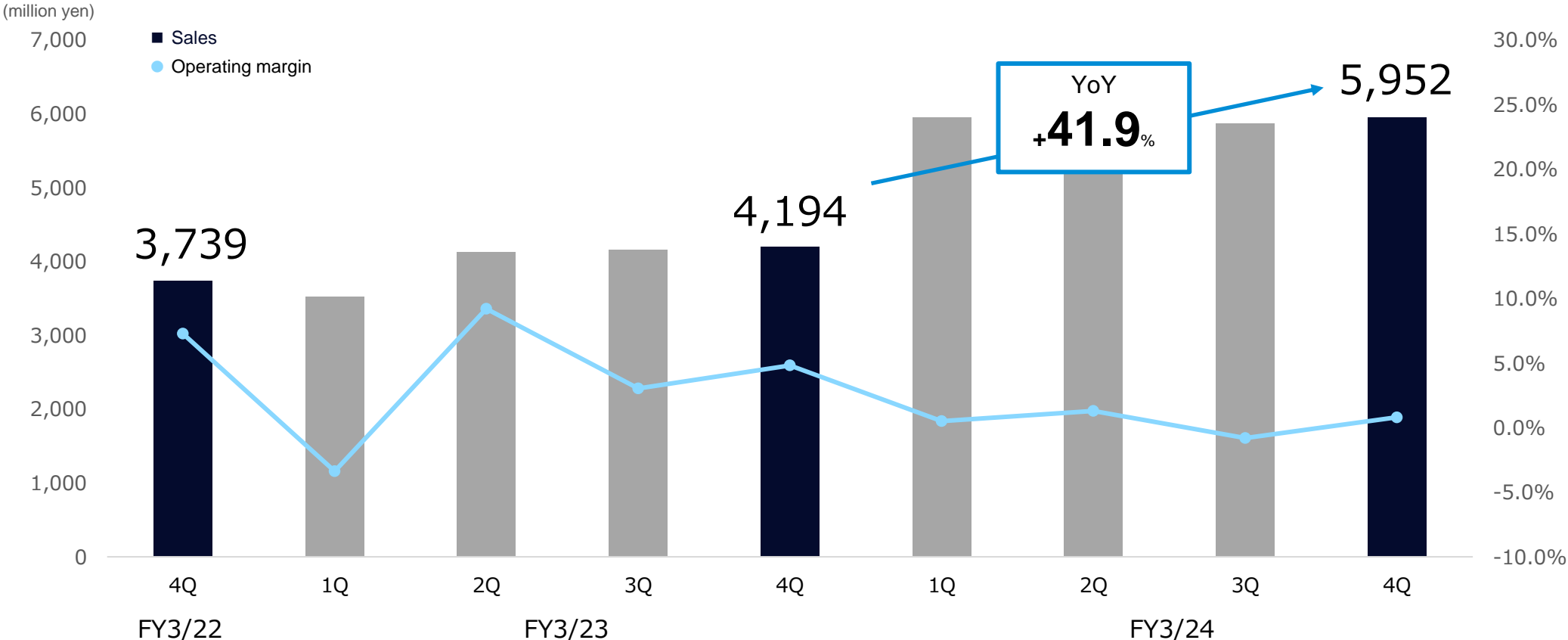
(JPY)

	Sales	EBITDA	Operating Income	Net Income*
4Q	5,952M	98M	33M	-1,369M
YoY	(+ 41.9%)	(-)	(- 83.7%)	(-)
Full-year	23,739M	362M	90M	-1,473M
YoY	(+ 48.4%)	(-)	(- 84.6%)	(-)

*Net income attributable to owners of parent

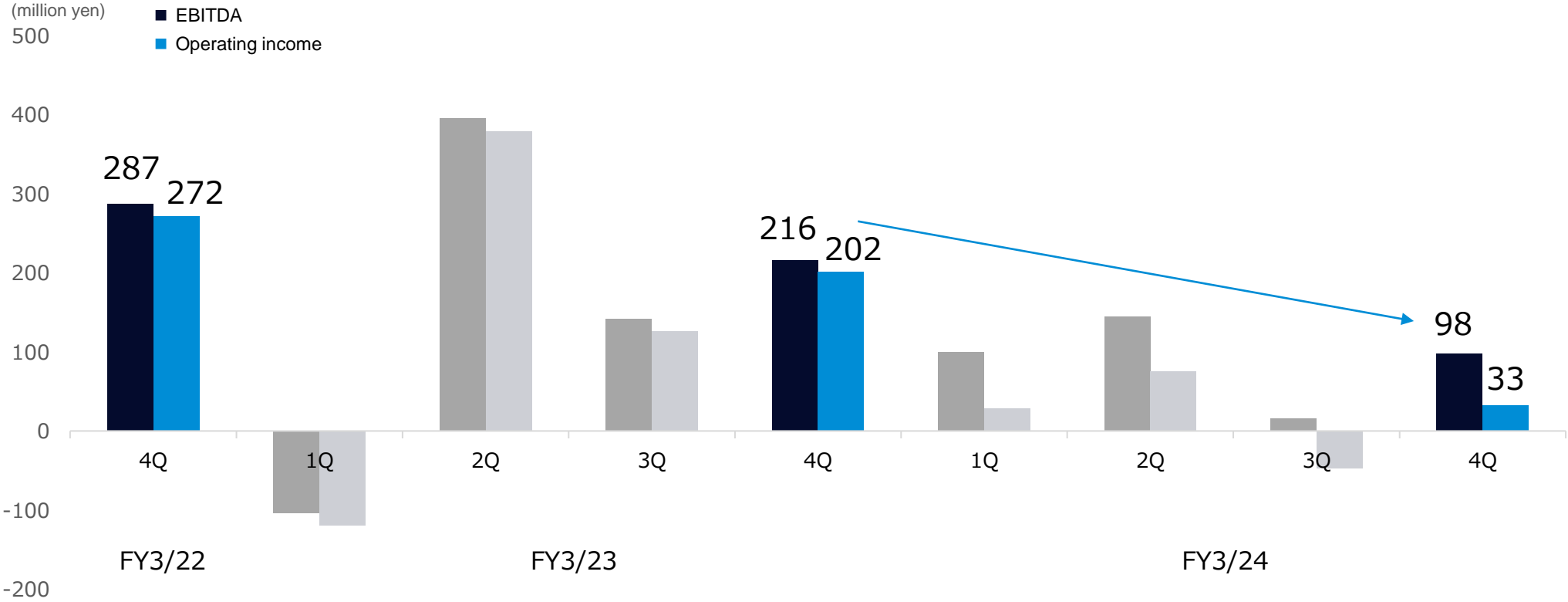
FY3/24 Full-year: Financial Highlights (Gross Sales, Operating Margin)

- IT freelance matching business (Japan) performed well, with 4Q sales reached 5.9 billion yen.
- Sales increased by 83 million yen compared to the previous quarter, 41.9% YoY growth.



FY3/24 Full-year: Financial Highlights (EBITDA, Operating Profit)

- Operating profit for 4Q amounted to 33 million yen, showing an improvement from the previous quarter.
- Full-year operating profit exceeded the revised forecast of 50 million yen, reached 90 million yen, resulting in the upward revision.



FY3/24 Full-year: Financial Highlights by Segment

- IT Freelance Matching Business (Japan) : Full-year sales exceeded 14 billion yen, achieving a record high. Full-year segment profit amounted to 1.1 billion yen, marking a robust YoY growth of 7.3%.
- IT Freelance Matching Business (Overseas) : The shortfall in full-year sales was influenced by global economic factors and the delayed contribution of MSP project.
- Seed Tech Business : Full-year sales of 281 million yen (59.9% YoY) was driven by the growth in offshore development sales.
- G2 Studios Business : The positive trend in revenue share sales and various cost reductions resulted in a decrease in segment profit loss compared to the revised forecast.

(million yen)		FY3/24 Full-year	FY3/24 Full-year	FY3/24 4Q	YoY Full-year	Revised Full-year Forecast	
						Forecast	Achievement rate
IT Freelance Matching Business (Japan)	Sales	12,762	14,089	3,662	+10.4%	14,250	98.9%
	Income	1,060	1,143	330	+7.9%	1,140	100.3%
IT Freelance Matching Business (Overseas)	Sales	-	7,162	1,706	-	7,700	93.0%
	Income	-	-135	-53	-	-130	-
Seed Tech Business	Sales	176	281	84	+59.9%	300	93.8%
	Income	-31	-23	-2	-	-15	-
G2 Business	Sales	2,896	2,111	486	-27.1%	2,000	105.6%
	Income	121	-356	-107	-	-410	-
Other	Sales	183	128	20	-29.9%	-150	85.6%
	Income	39	4	-4	-88.9%	15	29.3%
Group-wide Expenses and Adjustment Costs		-600	-542	-128	-	550	-

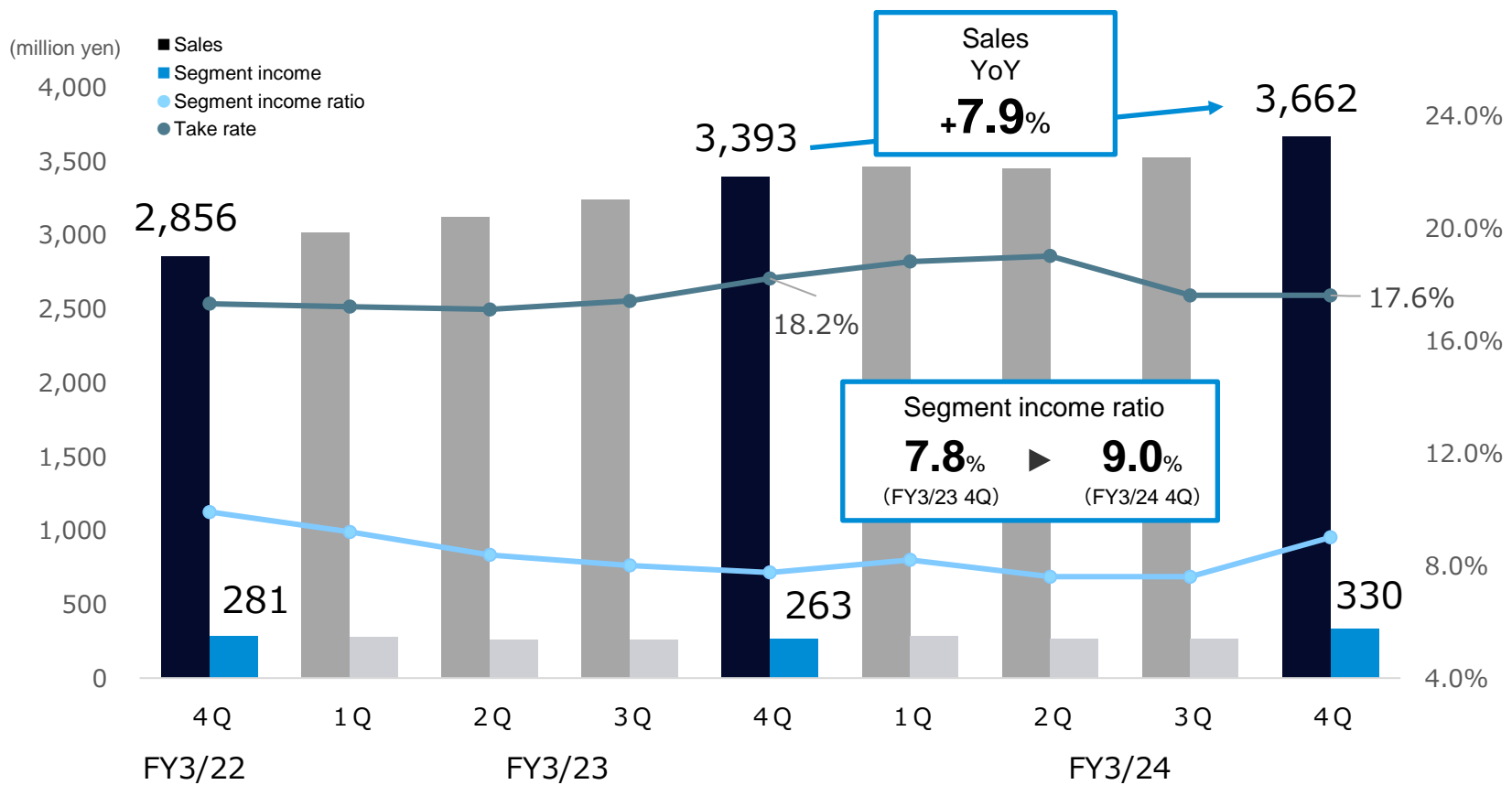
Results by Segment

**Financial Results
for FY3/2024**

2

IT Freelance Matching Business (Japan) (Sales, Segment Income and Advertising Expense Ratio)

- 4Q sales and segment income achieved a record high. Restraint in advertising expenses, resulting in an increase in segment profit margin.
- Take rate* is 17.6%, maintaining the same level to the previous quarter. (17.6% in 3Q)



4Q (YoY)

Sales **3,662** million yen (+7.9%)

Segment Income **330** million yen (+25.4%)

Advertising Expense Ratio **1.4** %

Full-year (YoY)

Sales **14,089** million yen (+10.4%)

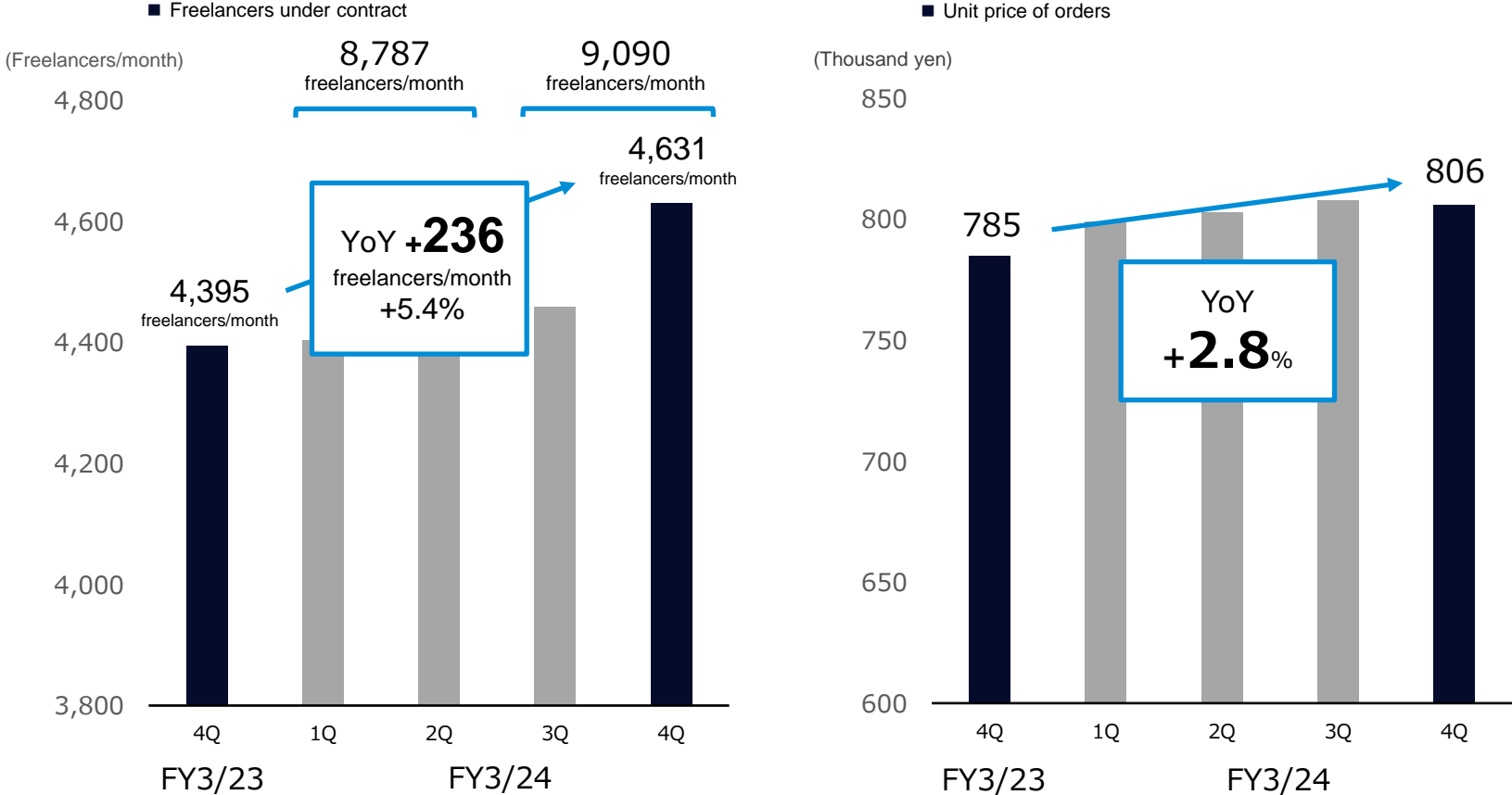
Segment Income **1,143** million yen (+7.9%)

Advertising Expense Ratio **2.3** %

* Take rate is calculated by deducting the compensation paid to IT freelancers from the gross sales profit, and then dividing it by the total transaction volume.

IT Freelance Matching Business (Japan) (Freelancers Under Contract, Unit Price of Orders)

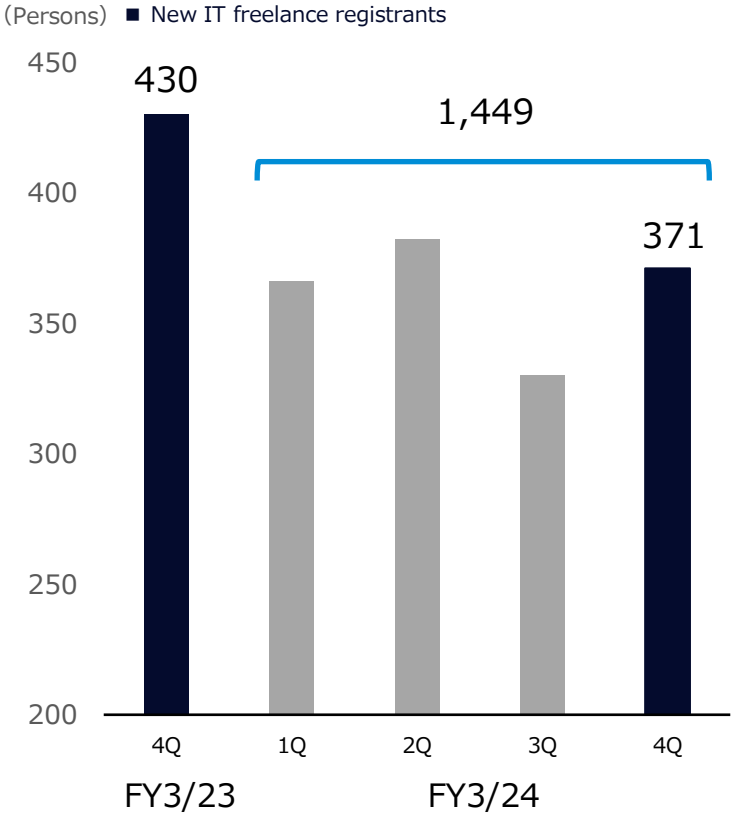
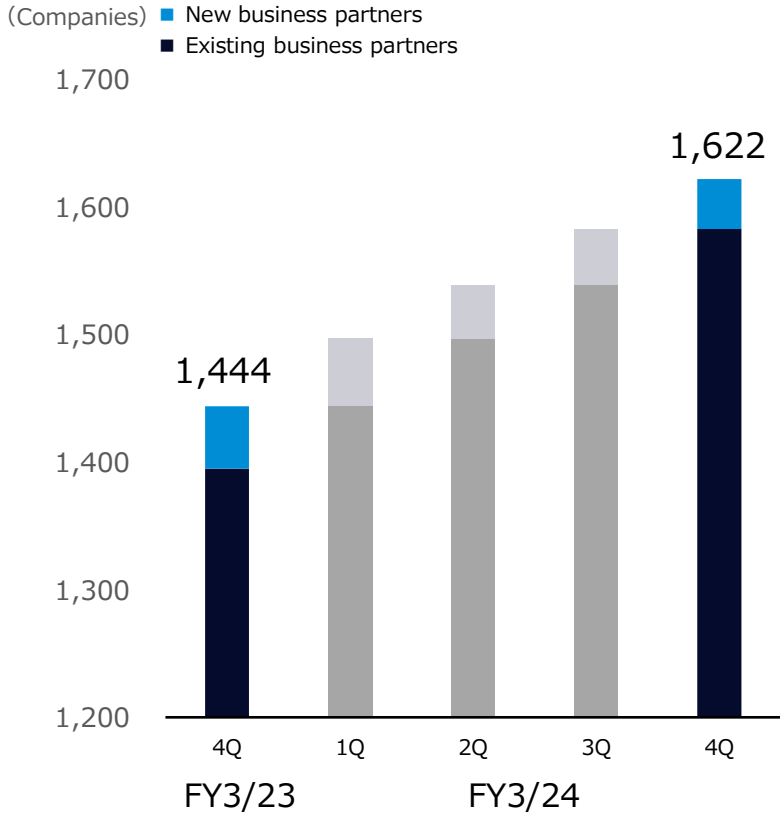
- The number of man-months worked was 8,787, facing challenges in the first half of the year due to the economic normalization after Covid-19. However, in the second half, it significantly improved to 9,090 man-months, resulting in a total of 17,877 man-months for the full-year. (6.6% YoY)
- The demand for IT talent remains strong, with an average order unit price in the 800 thousand yen range for the full -year, marking a 3.8% increase compared to the previous year.



4Q	(YoY)
Freelancers Under Contract	4,631 freelancers/month (+5.4%)
Unit Price of Orders	806 thousand yen (+2.8%)
Full-year	(YoY)
Freelancers Under Contract	17,877 freelancers/month (+6.6%)
Unit Price of Orders	804 thousand yen (+3.8%)

IT Freelance Matching Business (Japan) (New Business Partners, New Registrants)

- The full-year number of new business partners increased by 178 companies, bringing the total number of business partners to 1,622.
- The full-year number of new registrations for IT freelancers exceeded the previous year, reached 1,449 (1,325 registrations in the previous year). This growth was achieved by reduction in advertising investment in the second half, and successful referral program.



4Q	Number of Business Partners	39
	Number of New Registrants	371
Full-year	Number of Business Partners	178
	Number of New Registrants	1,449

IT Freelance Matching Business (Japan) (Profitability)

- Despite an increase in CAC due to the strengthen of the marketing team, the LTV has grown, resulting in a rise in unit economics from 2.3 to 2.4 compared to the previous year.
- This improvement is not only attributed to the robust market demand but also to the successful engagement with IT freelancers, leading to the longest average engagement period on record.

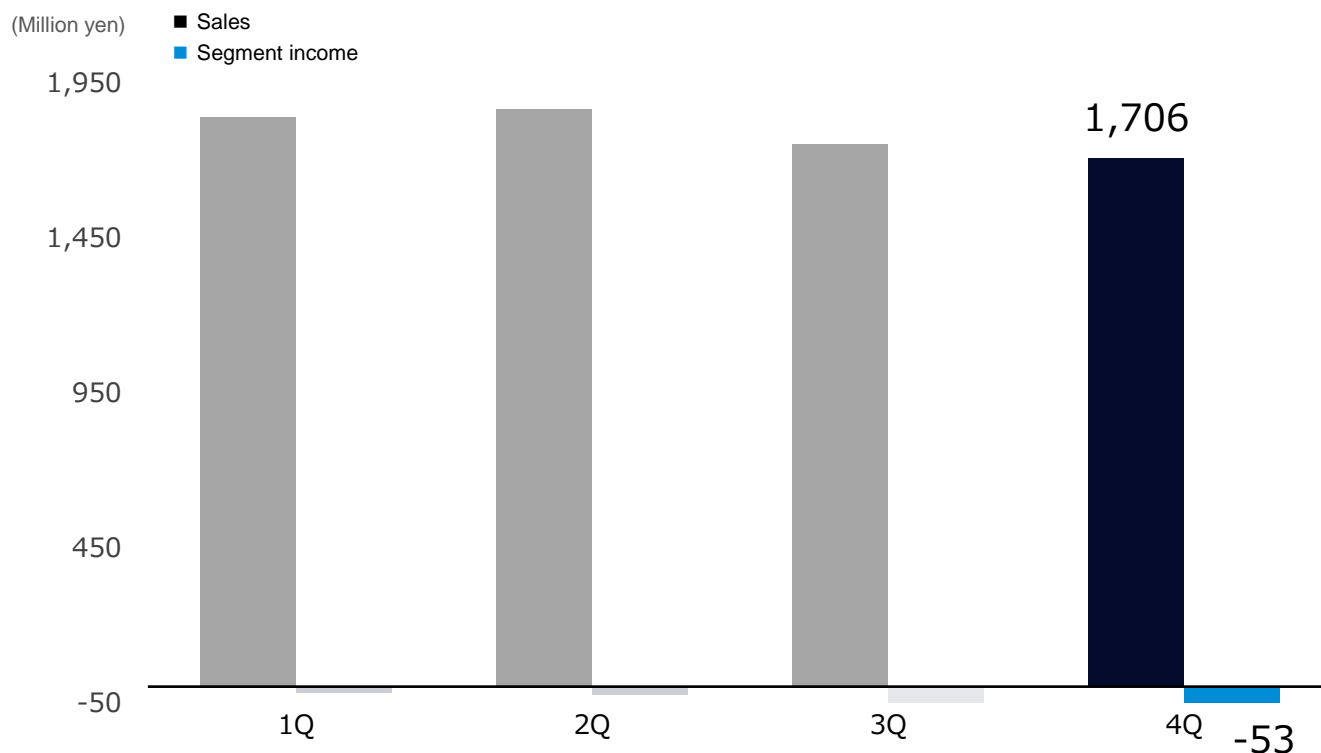
KPI	Definition	FY3/23 Full-year	FY3/24 Full-year
Unit Economics* ¹	Return on IT freelancer acquisition cost (= LTV / CAC)	2.3	2.4
LTV (thousand yen)* ¹	Average gross profit generated by one IT freelancer during their engagement (= ARPU x Average engagement duration)	2,249	2,510
ARPU (thousand yen)	Average monthly unit price (gross profit) per IT freelancer	130	141
Average engagement duration (months)	Average duration of engagement for an IT freelancer* ²	17.3	17.8
CAC (thousand yen)	Average acquisition cost per IT freelancer	998	1,036

*1 Until the previous year, each KPI was calculated based on the period average, but from the FY3/24, calculations are based on ARPU, average duration, and CAC. In line with this change, the above figures for FY3/2023 also reflect the new calculation method.

*2 Average total engagement duration including project changes

IT Freelance Matching Business (Overseas) (Sales, EBITDA and Segment Income)

- The full-year sales fell short the revised forecast, reaching 7.1 billion yen, due to the delayed contribution of MSP projects.
- Due to the performance falling below from the acquisition plan, impairment losses of 1,556 million yen were recognized on goodwill etc.
- From April 2024, we reorganize the local management structure to drive future growth. We will reach out to Japanese companies in Australia, aiming to expand our customer channels going forward.



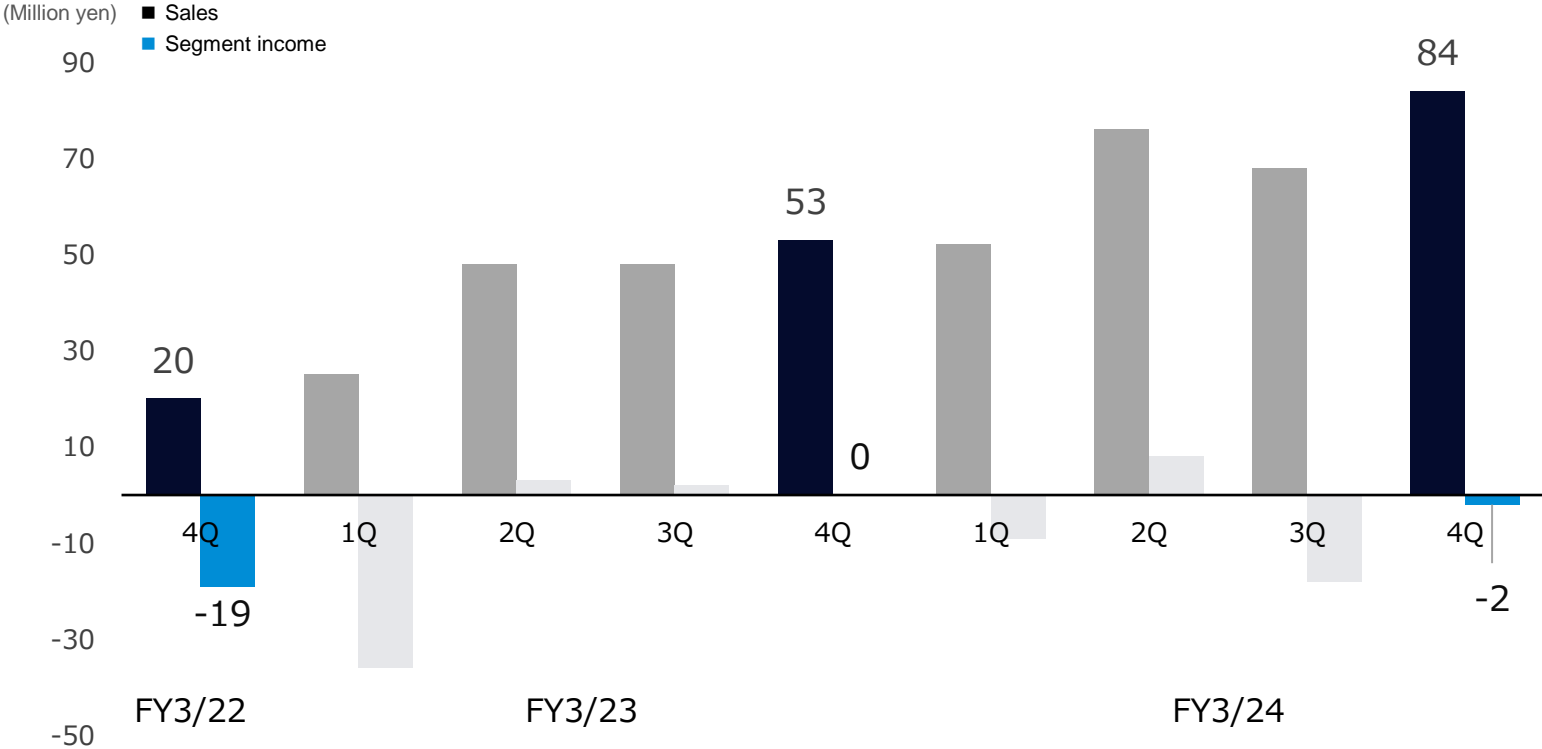
4Q		
Sales*2	1,706	million yen
EBITDA	2	million yen
Segment Income	-53	million yen

Full-year		
Sales	7,162	million yen
EBITDA	83	million yen
Segment Income	-135	million yen

* The consolidation accounting period for Launch is from January to December. Performance is converted into JPY at the average rate of JPY 93.35 to AUD 1. The assumed initial exchange rate is JPY 85 to AUD 1.

Seed Tech (Sales, Segment Income)

- 4Q sales reached a record high of 84 million yen, marking 58.1% YoY increase.
- Although the full-year sales slightly behind the revised forecast, offshore development performing strongly, resulting in 59.9% YoY significant growth.
- With the normalization post COVID-19, there is an increasing trend in IT study abroad programs for corporate clients.
- Full-year segment profit landed as per the revised forecast, We aim for profitability for the next year.

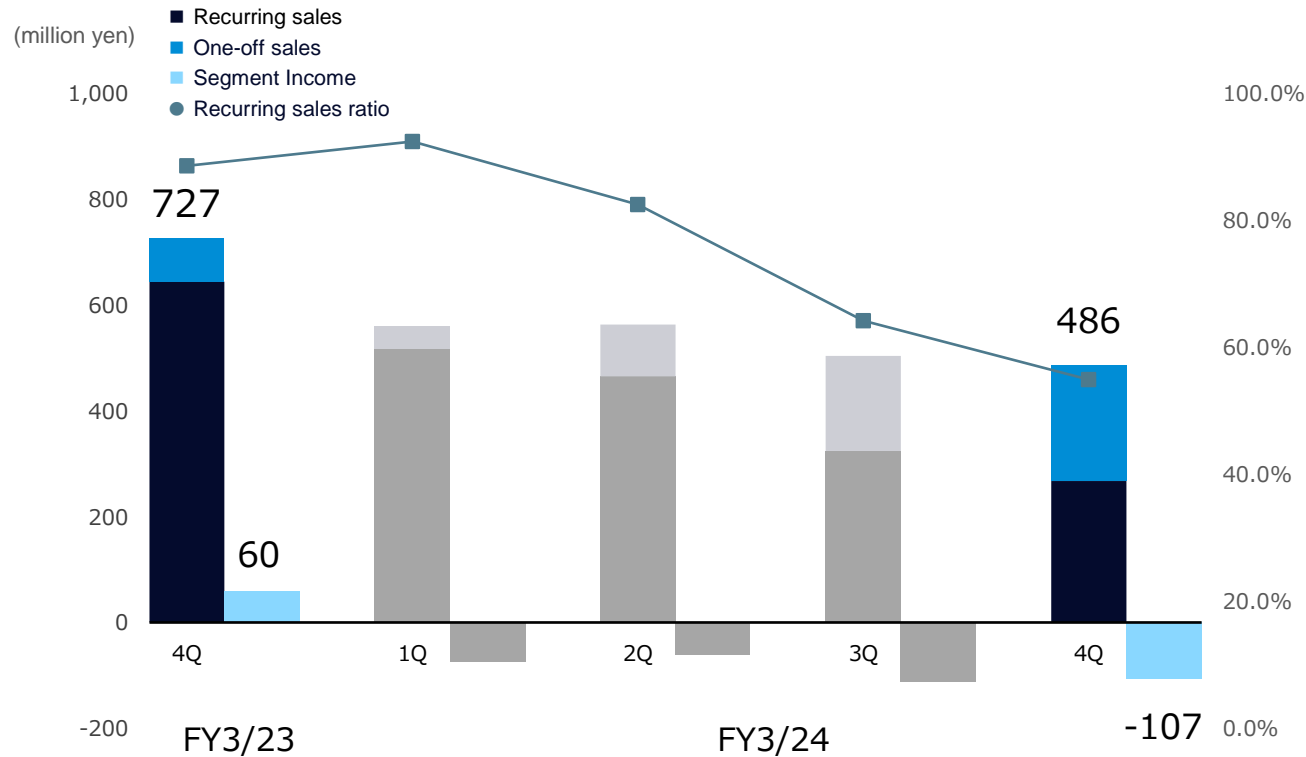


4Q	(YoY)
Sales	84 million yen (+58.1%)
Segment Income	-2 million yen (-)

Full-year	(YoY)
Sales	281 million yen (+59.9%)
Segment Income	-23 million yen (-)

G2 Studios (Sales, Segment Income)

- On account of revenues share from the high-performing titles, full-year sales exceeded the revised forecast.
- In the second half due to cost control measures, segment losses also decreased compared to the revised forecast.
- On March 25, 2024, we announced the “Notice of Change in Consolidated Subsidiaries (by Share Transfer)”. G2 Studios will be excluded from consolidation starting from FY3/2025.



4Q	(YoY)
Sales	486 million yen (-33.1%)
Segment Income	-107 million yen (-)

Full-year	(YoY)
Sales	2,111 million yen (-27.1%)
Segment Income	-356 million yen (-)

Recurring sales: Sales from game operation commissions and revenue sharing

One-off sales: Sales from developing new games, developing additional functions for existing games, and other types of development work

Consolidated Balance Sheet & Cash Flow Statement

- The balance sheet reflects a full impairment of goodwill and reduction of customer-related assets to 507 million yen due to the recognition of impairment losses for Launch. As a result, net assets decreased to 3,070 million yen.
- In the cash flow statement, the significant loss from G2 Studios resulted in negative operating cash flow.

Balance Sheet

(million yen)	FY3/23	FY3/24	Change
Current asset	6,409	6,301	-108
Cash and deposits	3,755	3,749	-5
Accounts receivable and contract assets	2,475	2,319	-155
Fixed assets	2,590	872	-1,717
Goodwill	944	0	-944
Customer-related assets	1,182	507	-675
Total assets	8,999	7,174	1,825
Liabilities	4,311	4,103	-208
Accounts payable	1,139	1,149	9
Debt	1,676	1,504	-172
Net assets	4,687	3,070	-1,616
Total liabilities and net assets	8,999	7,174	-1,825

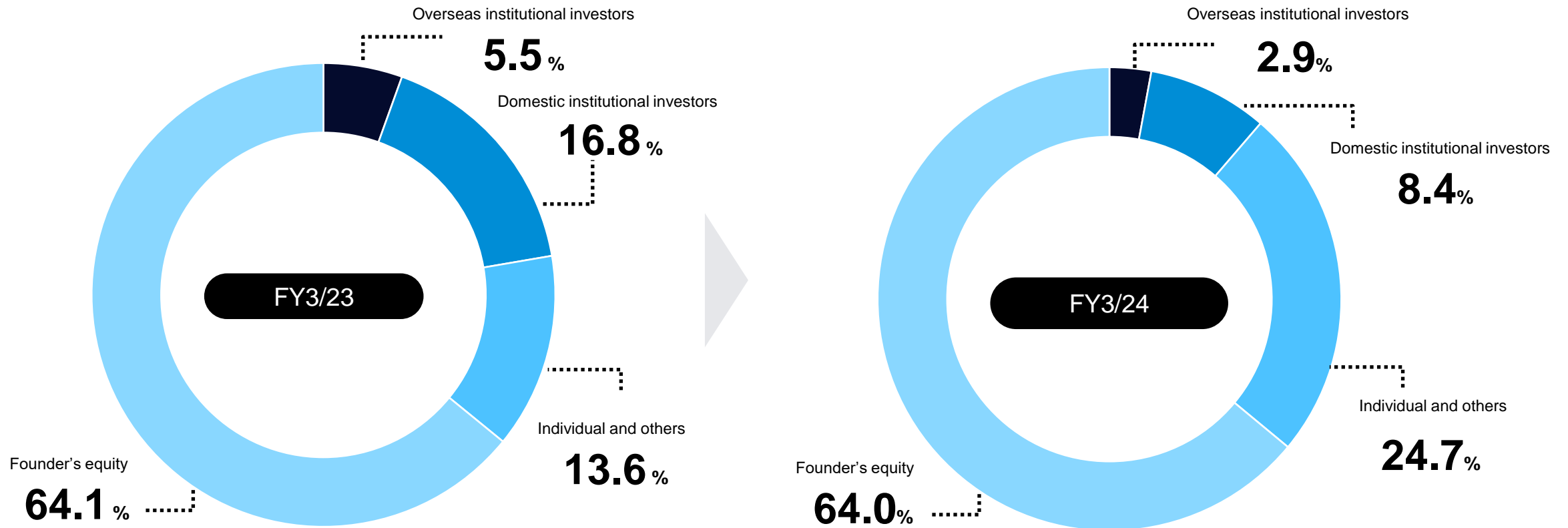
Cash Flow

(million yen)	FY3/23	FY3/24	Change
Operating cash flow	688	-3	-691
Net income before tax adjustments	507	-1,467	-1,975
Depreciation expenses (including goodwill amortization)	17	237	219
Impairment loss	0	1,556	1,556
Increase/decrease in accounts receivable and contract assets	60	-207	-267
Amount of corporate tax paid	-193	-234	-40
Investing cash flow	-1,560	317	1,878
Proceeds from sale of subsidiaries	0	336	336
FCF	-872	313	1,186
Financing cash flow	1,274	-330	-1,604
Proceeds from borrowing	1,720	0	-1,720
Repayment of borrowings	-43	-172	-129

*Divide the increase or decrease amount calculated in 1 yen by one million and truncate the decimal places beyond the first digit.

Shareholder Composition

- The ratio of institutional investors decreased from 22.3% in the previous year to 11.3%, while the ratio of individual investors increased.



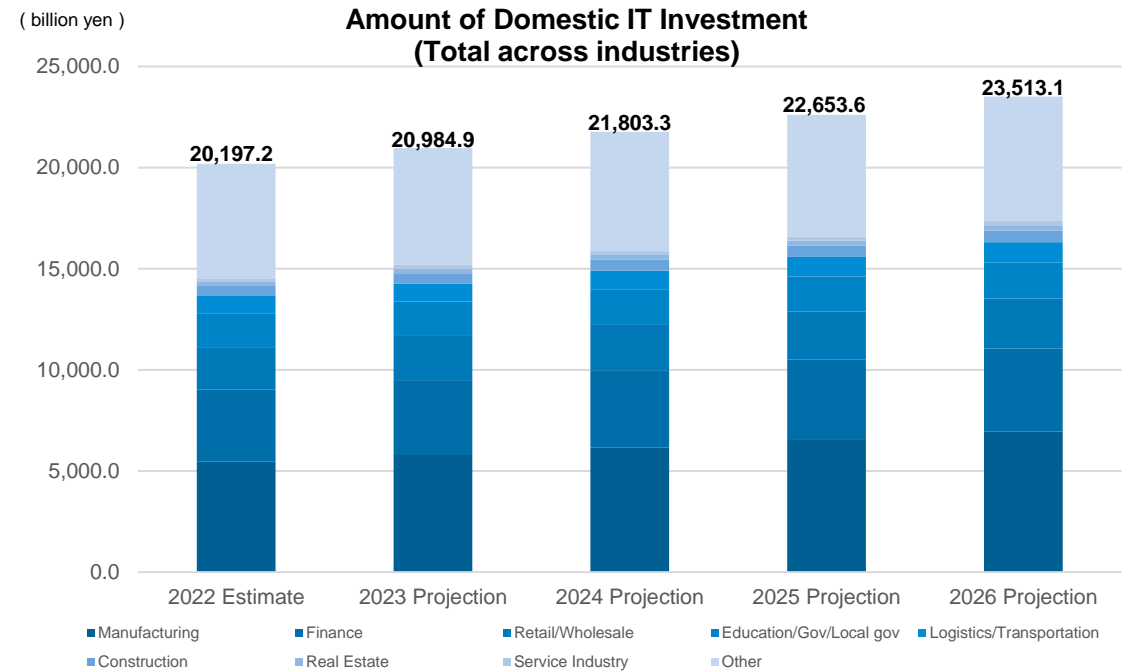
Medium-Term Growth Strategy

3

GEECHS Group's Future Growth Strategy

We have been operating businesses in IT freelance sharing agent, offshore IT human resources utilization, and IT human resources development since establishment. As a result, we have acquired over 3,500 clients from IT and internet service providers, and our IT freelance matching business (Japan) has grown into a company with sales exceeding 14 billion yen.

Moving forward, as the domestic IT market continues to expand, we will actively pursue a strategy of mergers and acquisitions (M&A) and expand our business scope into areas such as DX/IT human resources and organization consulting, IT consulting, PMO, and system development. This will enable us to participate in upstream processes of corporate DX/IT promotion projects. In the development phase, we aim to utilize IT freelancers and offshore IT human resources that we have cultivated, with the goal of becoming a group that provides comprehensive IT solution services.



Domains of Expansion

**DX/IT Human Resources and
Organization Consulting**

**IT Consulting,
PMO**

System Development

New Domain of Expansion



Group Image Through Strategic M&A

Aiming to achieve a one-stop solution provision as a company that solve the shortage of IT human resources.

GEECHS

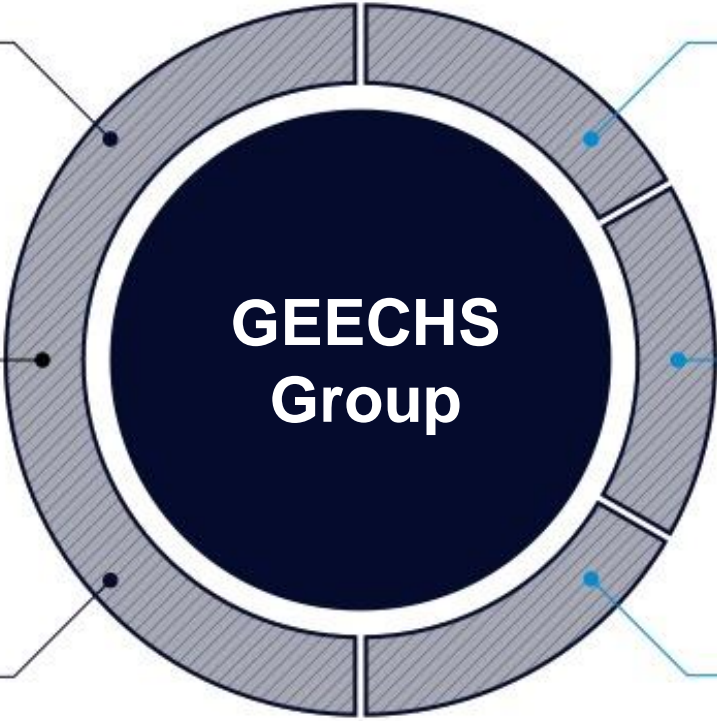
IT Freelance
Technical Resource Sharing (JPN)

seedtech

Offshore IT Human Resource
IT HR Development & Lab operation (PHL)

launch

IT Staffing & Recruitment
IT talent-focused services (AUS)



DX/IT Human Resources & Organization Consulting
Supporting from HR development to organizational building.

IT Consulting
Solving business challenges by power of IT.

System Development
A group with cutting-edge technological capabilities

**Forecast
for FY3/2025**

4

FY3/2025 : Forecast

- For the entire group, we anticipate an increase in sales of 2.5 billion yen (10.8% YoY increase) due to further growth in IT freelance matching business (Japan) and recovery of IT freelance matching business (Overseas).
- We plan to allocate new investment expenses of 150 million yen for the new medium-term growth strategy. Despite this, we forecast an increase in EBITDA of 307 million yen compared to the previous year, and operating profit is also expected to increase of 459 million yen.

(million yen)	FY3/24	FY3/25	Change	YoY
Sales	23,739	26,300	2,560	+10.8%
EBITDA	362	670	307	+85.0%
Operating Income	90	550	459	+505.3%
Ordinary Income	82	545	462	+560.7%
Net Income*	-1,473	336	1,809	-

*Net income attributable to owners of parent

FY3/2025 : Forecast by Segment

- IT Freelance Matching Business (Japan) : We will continue to focus on strengthening organization. We anticipate sales increase of 12.1% compared to the previous year and segment profit increase of 11.9%.
- IT Freelance Matching Business (Overseas) : Starting from this fiscal year, we are restructuring our organizational structure with the aim of recovering to the initial sales target of 10 billion yen set in the previous year.
- Seed Tech Business : We anticipate expanding sales in offshore development as the main growth driver and achieving sales growth as well as turning segment profit to profitability.
- New Investment : We will allocate new investment expenses of 150 million yen for the new medium-term strategy.
- Other : Various license fees are increasing due to personnel expansion. While outsourcing fee is decreasing as subsidiary is no longer consolidated.

(Million yen)		FY3/24	FY3/25	Change	YoY
IT Freelance Matching Business (Japan)	Sales	14,089	15,800	1,710	+12.1%
	Income	1,143	1,280	136	+11.9%
IT Freelance Matching Business (Overseas)*	Sales	7,162	10,000	2,837	+39.6%
	Income	-135	0	135	-
Seed Tech Business	Sales	281	400	118	+42.1%
	Income	-23	50	73	-
Other	Sales	128	100	-28	-22.1%
	Income	4	0	-4	-
New Investment		-	-150	-150	-
Group-wide Expenses and Adjustment Costs		-542	-630	-88	-

*Launch's Performance is converted into JPY at the assumed exchange rate of JPY 99 to AUD 1.

Dividend Policy

- Our basic dividend policy is to prioritize growth investments that lead to sustainable profit growth and increased corporate value, while also providing shareholders with stable and continuous dividends. We plan to implement dividends for FY3/2025 at the same amount as the previous year.

Dividend Trend

	FY3/24	FY3/25
Dividend	10 Yen	10 Yen
Total Dividends	103 Million yen	103 Million yen
Payout Ratio	-	30.7 %

Appendix

5

Solving the Shortage of IT Human Resources in Japan

IT Resource Crisis Is Our Business *Make the biggest impression
in the 21st century*

GEECHS **supports the work styles of IT freelancers**,
sharing their skills and experiences with companies that face a shortage of IT human resources.
GEECHS also continues to provide **globally-oriented businesses** by utilizing **foreign IT freelancers** overseas,
develops IT freelancers from scratch regardless of whether they work for a corporation or for themselves,
creating IT human resources from within organizations through **reskilling**, and provides an environment
that will increase the number of people who wish to build a career as an IT freelancer in Japan.
In such way, **GEECHS contributes greatly to the future of Japanese society.**

Group Corporate Profile

Company name	GEECHS Inc. (TSE Standard Market: 7060)
President and CEO	Naruhito Sonehara
Established	August 23, 2007
Head office	Shibuya Scramble Square, 2-24-12 Shibuya, Shibuya-ku, Tokyo, JAPAN
Capital	1,112 million yen (as of March 31, 2024)
Business description	IT Freelance Matching Business (Japan) IT Freelance Matching Business (Overseas) Seed Tech Business
Sales volume	JPY 23,739 million (as of March 31, 2024)
Employees	268 (as of March 31, 2023)
Offices	Tokyo Head Office, Osaka Branch, Fukuoka Branch, Nagoya Satellite Office Australia, Philippines

Group companies

GEECHS

IT Freelance Matching Business (Japan)

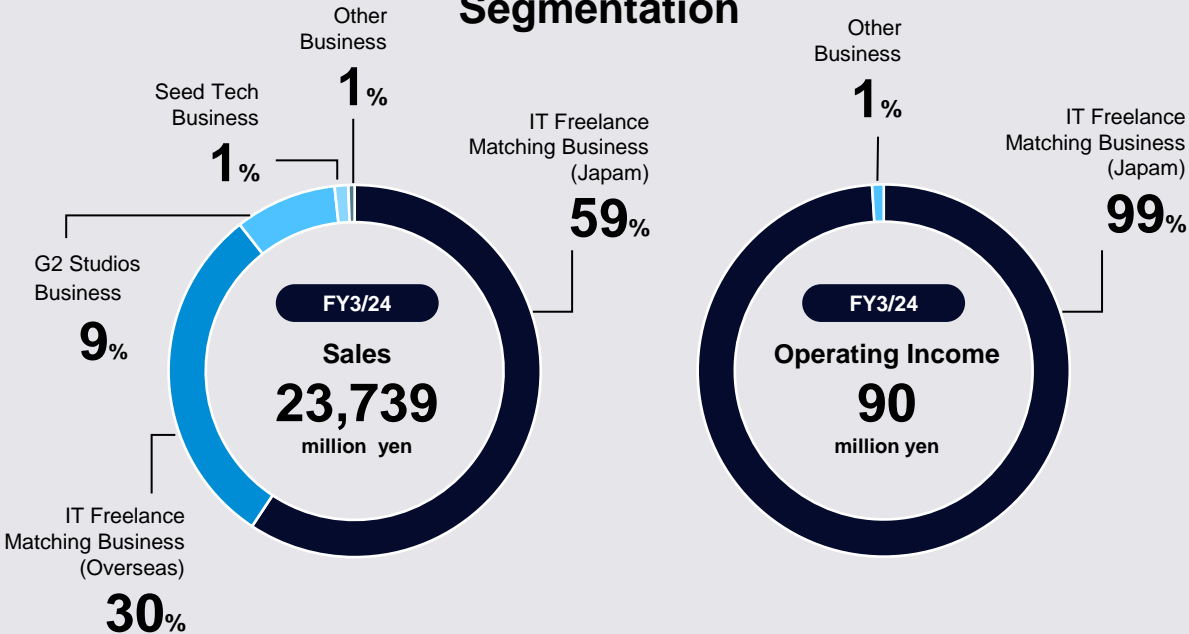
launch

IT Freelance Matching Business (Overseas)

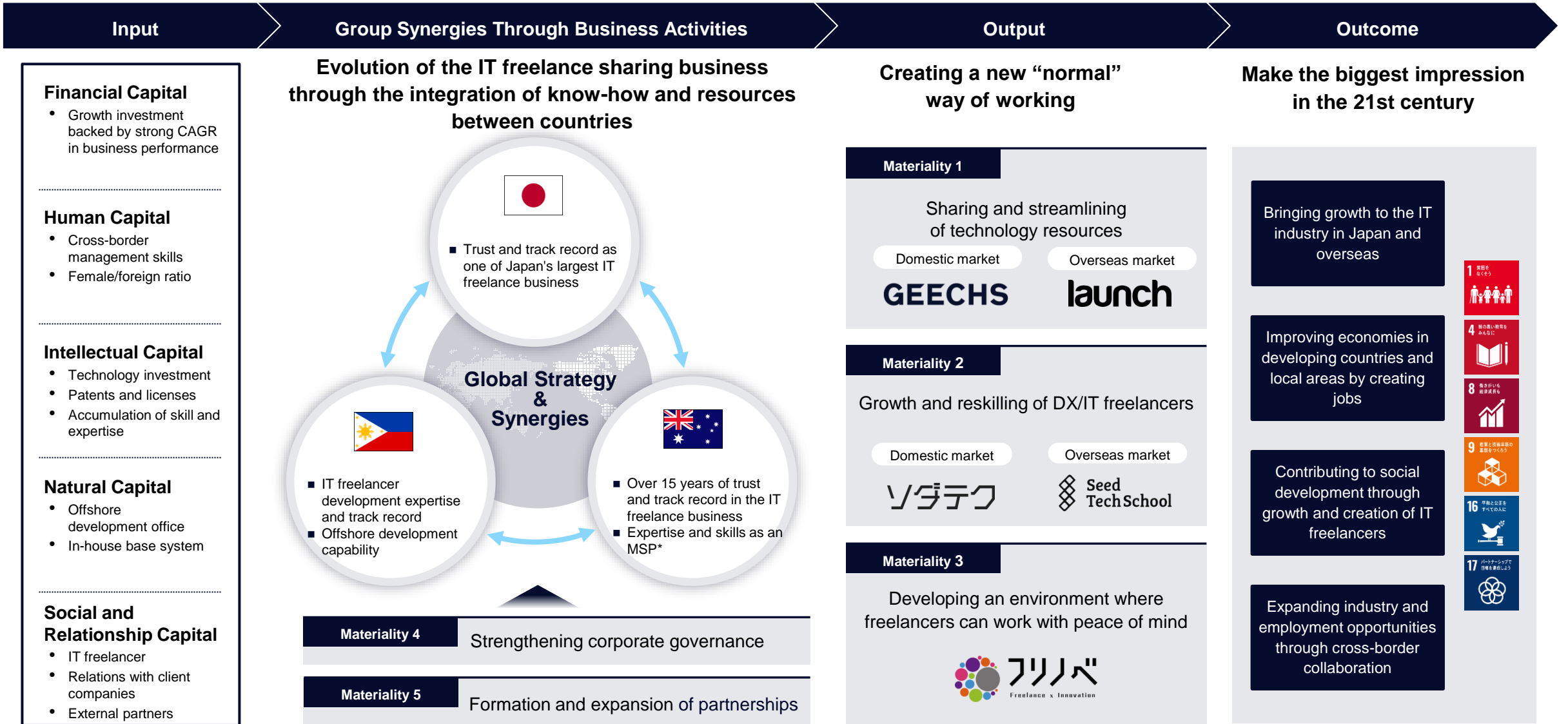
seedtech

Seed Tech Business

Segmentation



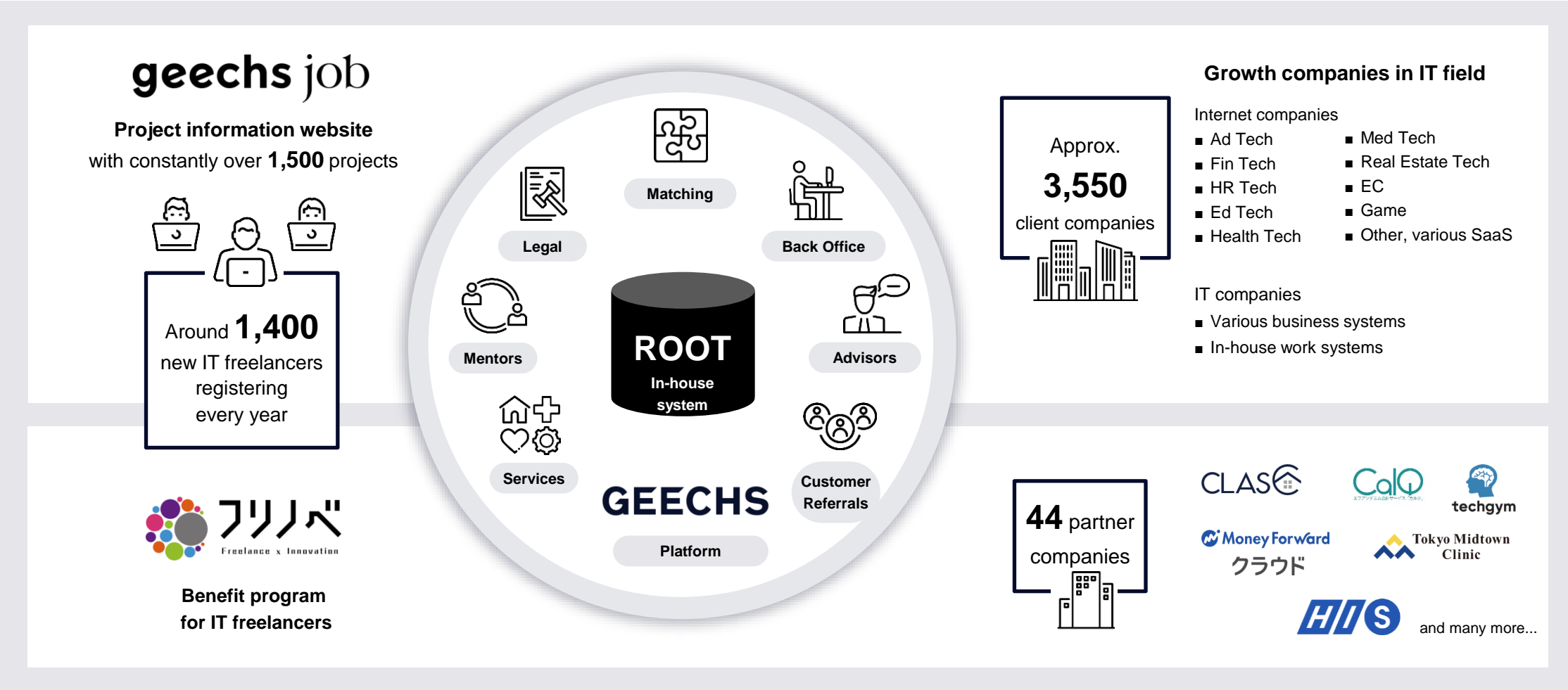
GEECHS Social Impact Flow



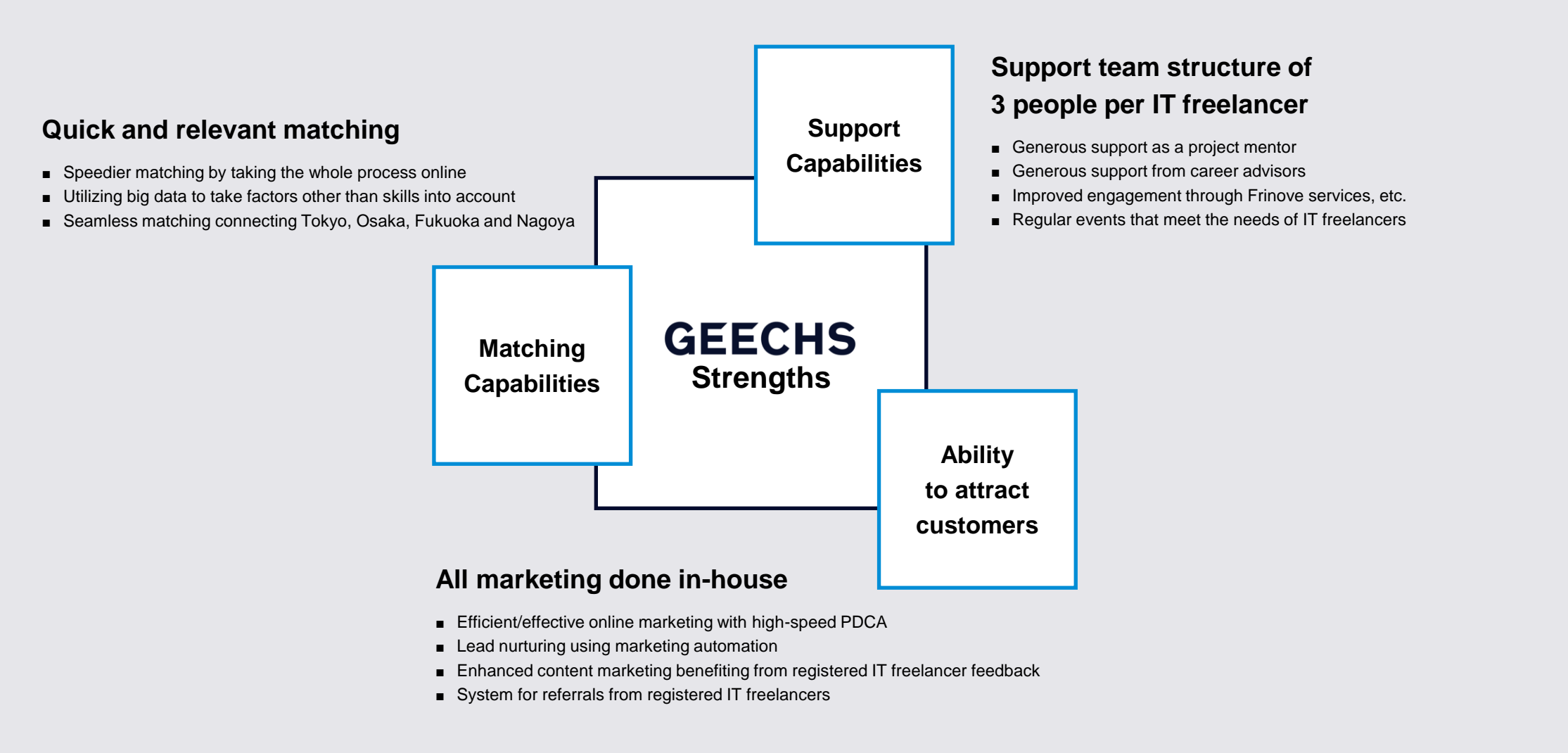
*Owning a proprietary Vendor Management System as a Managed Service Provider (MSP)

IT Freelance Matching Business, Japan

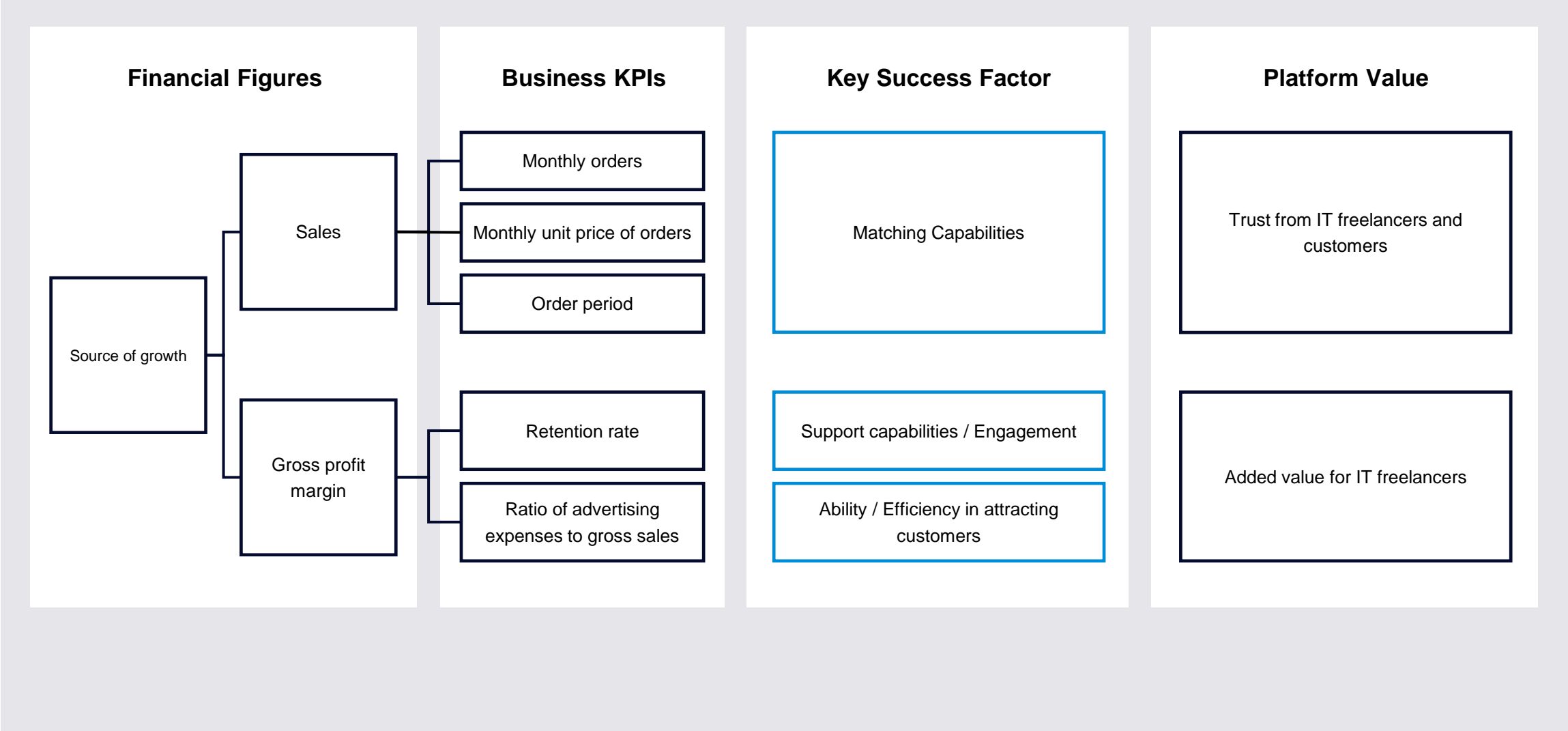
Technology Resource Sharing Platform



GEECHS Strengths

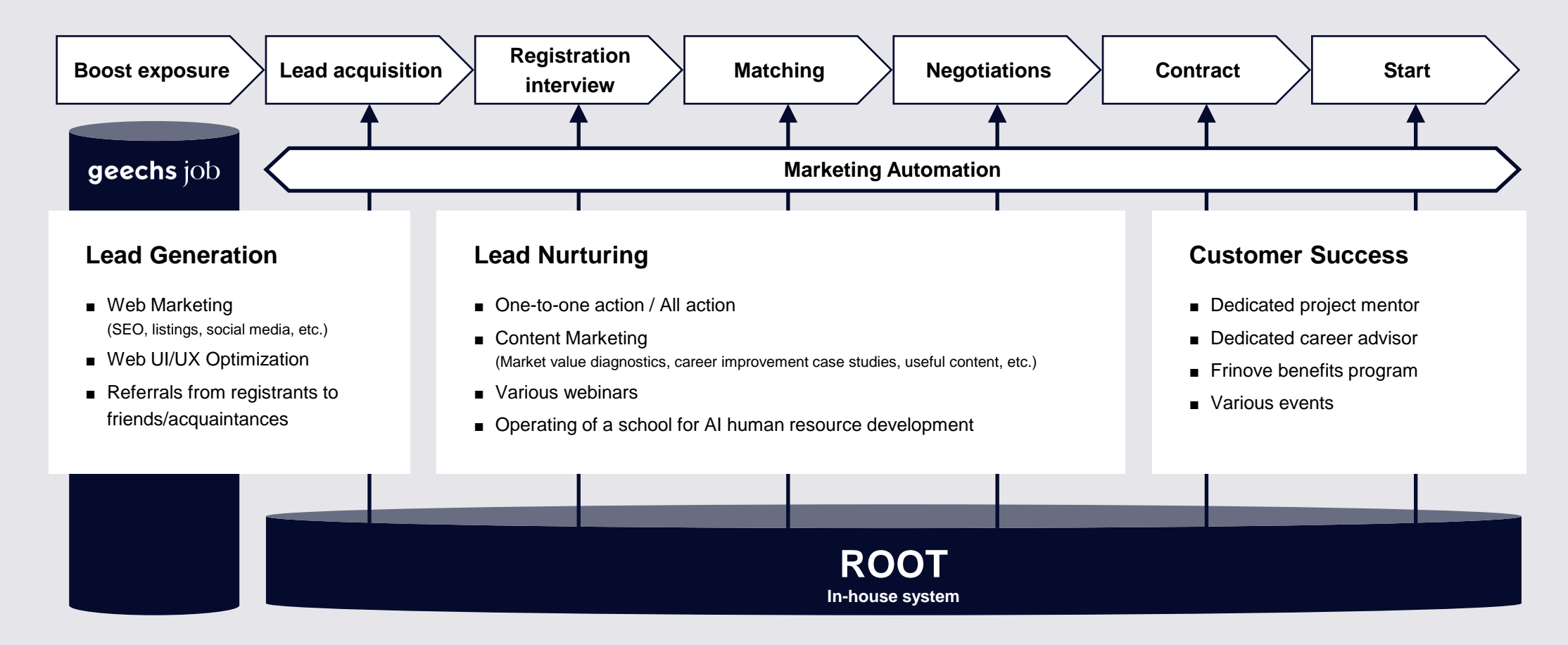


Source of Growth



Connect with IT Freelancers

Improve engagement by having effective contact with IT freelancers over the long term



Differences from Similar Businesses

Developing a platform specifically for mid- to high-spec, professional IT freelancers

	GEECHS	Crowdsourcing	IT Engineers Dispatch
Registrant	IT freelancers (main job)	Freelancers (side/main job), and others	Dispatched workers
Main clients	Growth companies in IT field	Medium-sized and large companies	Major system integration companies
Type of contract	Quasi contract	Service contract	Worker dispatch contract
Pay basis	Per hours worked/month	Per deliverables	Per hour
Contract term	From 1, 3 or 6 months and longer	Based on project	From one month
Main type of work (projects)	Internet service development	Wide variety of low-cost projects, such as design production	<ul style="list-style-type: none"> • Managing legacy systems • Developing work systems
Employment relationship	None	None	Employment relationship with temping agency

Engagement

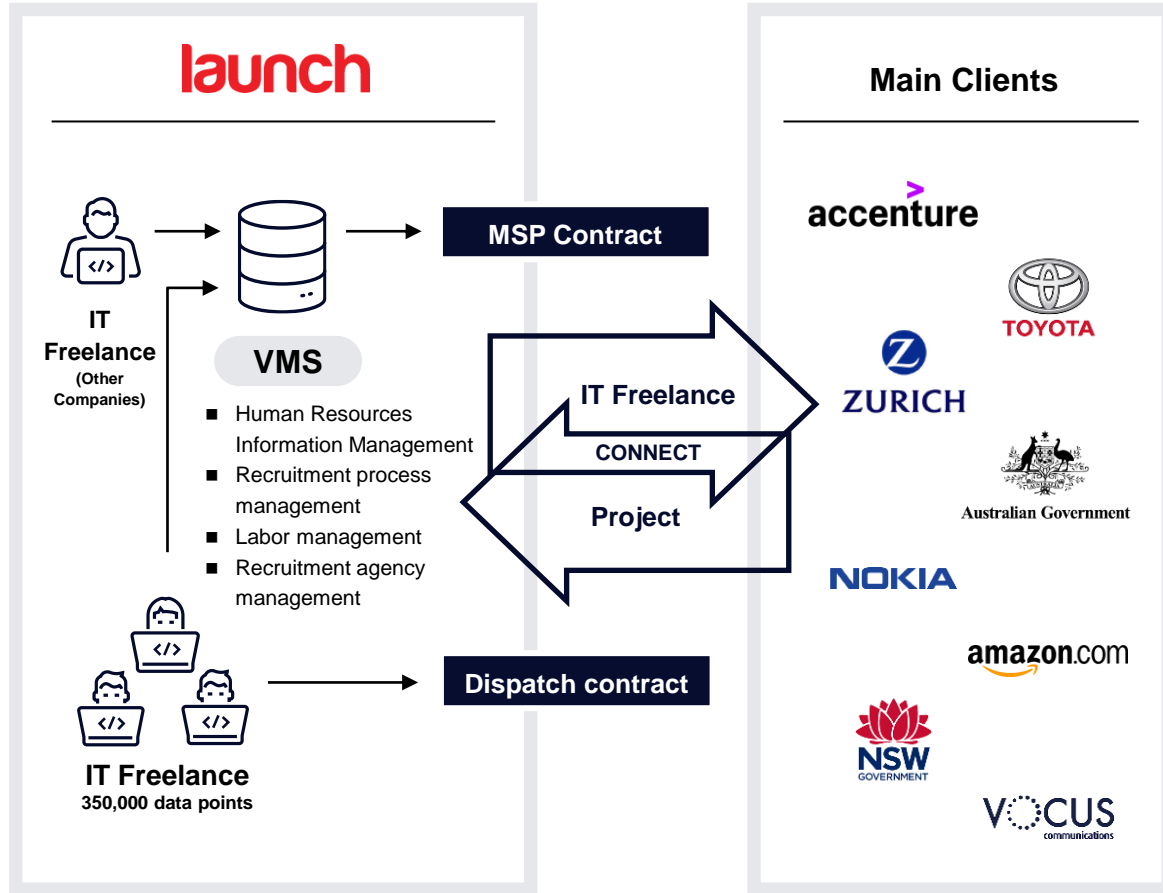
Strengthening ongoing partnerships to maximize business by increasing engagement with IT freelancers

Offering **54** services which enable our IT freelancers to work for extended periods without the undue stress of instability

- Seminars on how to file a tax returns
- Discounts on accounting software
- Support via various online learning services
- Discounts for medical checkups and health screenings
- Special offers on English study abroad programs
- Special benefits for marriage and other life events
- Discounts on mortgage administration fees
- Affiliated credit cards and other benefits
- Benefits to support learning of AI technology etc.



IT Freelance Matching Business, Overseas (Launch Group)



1. Australian IT freelance service pioneer

Established in 2006, Launch has earned trust and a track record as a venture company in the IT staffing service industry. Launch has been doing business continuously with more than 50% of its customers for more than five years.

2. Extensive IT freelancer database

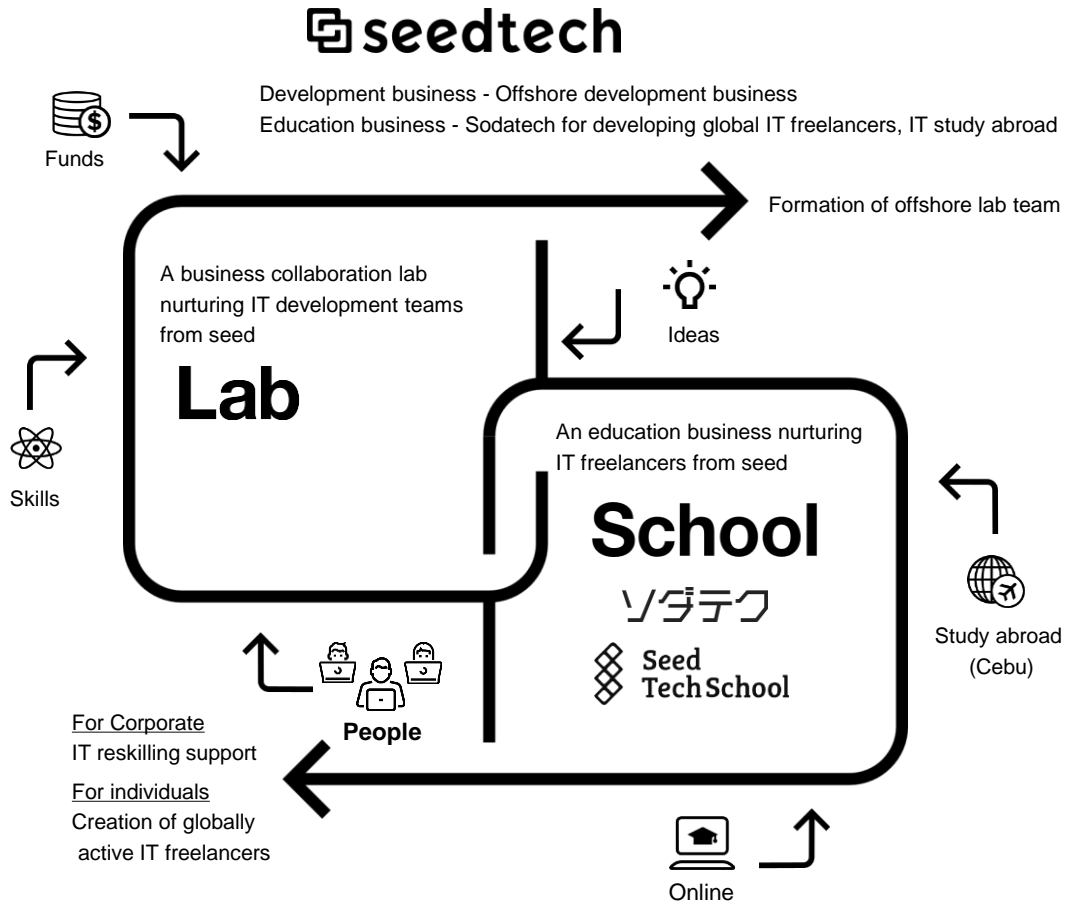
Launch has its own IT freelancer database of over 350,000 people and over 7,500 freelancers/month are under contract.

3. MSP and VMS

The Managed Services Provider (MSP) market is expanding worldwide. Launch's MSP business is expected to grow steadily by integrating customers' entire human resource procurement process from marketing to contracting to build a solid customer base. It also has developed a proprietary Vendor Management System (VMS) which solves all sorts of the human resource management issues in casual employment.

*VMS: Vendor Management System is a human resource management solution that integrates the customers' entire human resource procurement process from marketing to contracting.

Seed Tech



1. Providing “Sodatech”, a DX/IT human resource development service for companies

Providing a SaaS-type DX/IT human resource development platform for corporations and individuals.

An expansive curriculum containing more than 400 tutorial videos with a total learning time of more than 400 hours to aid the reskilling of non-engineers

2. A global standard business collaboration lab for offshore development

Providing comprehensive support on the island of Cebu in the Philippines which secures, trains, and manages IT freelancers in order to lead to success in generating new business, digital transformation, and product development. It is ideal for forming a long term successful development team.

The lab is also involved in the development of one of the world’s largest e-commerce platforms, Shopify.

3. Programming school

A residential style programming and English school overseas.

Students can learn practical and advanced skills, since the school is run by a company with a proven track record in the offshore development business.

The programming school supports those wanting a career change or looking for a side job, giving them the tools they need to become engineers anywhere around the world.

Taking the world forward with the power of technology

Nurturing IT development teams and IT freelancers from seed by focusing on development and education.

Performance Highlights

Fiscal Year-End		FY3/21	FY3/22	FY3/23	FY3/24
Sales	(Thousand yen)	3,427,816	14,340,774	15,997,838	23,739,835
EBITDA	(Thousand yen)	815,495	1,226,900	651,393	362,120
Operating income	(Thousand yen)	738,479	1,133,696	589,410	90,859
Ordinary income	(Thousand yen)	713,942	1,135,706	567,920	82,483
Profit attributable to owners of parent	(Thousand yen)	457,755	705,194	244,215	-1,473,379
Comprehensive income	(Thousand yen)	458,020	703,843	239,743	-1,516,051
Capital	(Thousand yen)	1,094,214	1,101,531	1,109,972	1,112,183
Net assets	(Thousand yen)	3,830,496	4,470,860	4,687,486	3,070,641
Total assets	(Thousand yen)	6,486,303	5,874,294	8,999,379	7,174,136
Net asset per share	(Yen)	365.74	422.26	441.05	272.1
Net income per share	(Yen)	43.83	67.18	23.2	-142.8
Capital adequacy ratio	(%)	59.1	75.7	47.7	39.2
Return on equity	(%)	12.7	17.0	5.6	-41.5
Cash flow from operating activities	(Thousand yen)	661,718	369,207	688,038	-3,827
Cash flow from investing activities	(Thousand yen)	-48,908	-68,653	-1,560,893	317,149
Cash flow from financing activities	(Thousand yen)	-22,588	-91,339	1,274,450	-330,211
Cash and cash equivalents at end of period	(Thousand yen)	3,149,695	3,357,198	3,755,033	3,749,726
Employees	(Persons)	357	384	444	268

*For FY3/2021, sales before the revision of revenue recognition are shown.

Supplemental Data (IT Freelance Matching Business, Japan)

Fiscal Year-End	FY3/23					FY3/24				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Sales (Thousand yen)	3,014,968	3,117,730	3,236,528	3,393,625	12,762,853	3,447,652	3,447,026	3,519,688	3,662,106	14,089,473
Advertising expense* (Thousand yen)	43,435	70,656	90,096	119,050	323,238	106,986	108,202	63,917	50,774	329,879
Advertising expense ratio (%)	1.4%	2.3%	2.8%	3.5%	2.5%	3.1%	3.1%	1.8%	1.4%	2.3%
Operating income (Thousand yen)	277,694	261,941	257,325	263,494	1,060,457	282,780	263,527	267,060	330,370	1,143,739
Operating income ratio (%)	9.2%	8.4%	8.0%	7.8%	8.3%	8.2%	7.6%	7.6%	9.0%	8.1%
Take rate (%)	17.2%	17.1%	17.4%	18.2%	17.5%	18.8%	19.0%	17.6%	17.6%	18.0%
Freelancers under contract (Freelancers/month)	3,990	4,121	4,271	4,395	16,777	4,405	4,382	4,459	4,631	17,877
Unit price of orders (Thousand yen)	769	772	774	785	775	799	803	808	806	804
New business partners (Companies)	40	41	45	49	175	53	42	44	39	178
Newly registered IT freelancers (Persons)	270	342	283	430	1,325	366	382	330	371	1,449

*Total amount of advertising expenses for companies and for attracting freelance engineers

*Make the biggest impression
in the 21st century*

Disclaimer

The financial information contained herein is unaudited.

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 are not under any obligation to update or revise the forward-looking statements in this report even if new information or events come to light in the future.

GEECHS

geechs.com