



Company Presentation for New Investors

FAN Communications, Inc.

March 2026

©FAN Communications, Inc. All Rights Reserved



Agenda

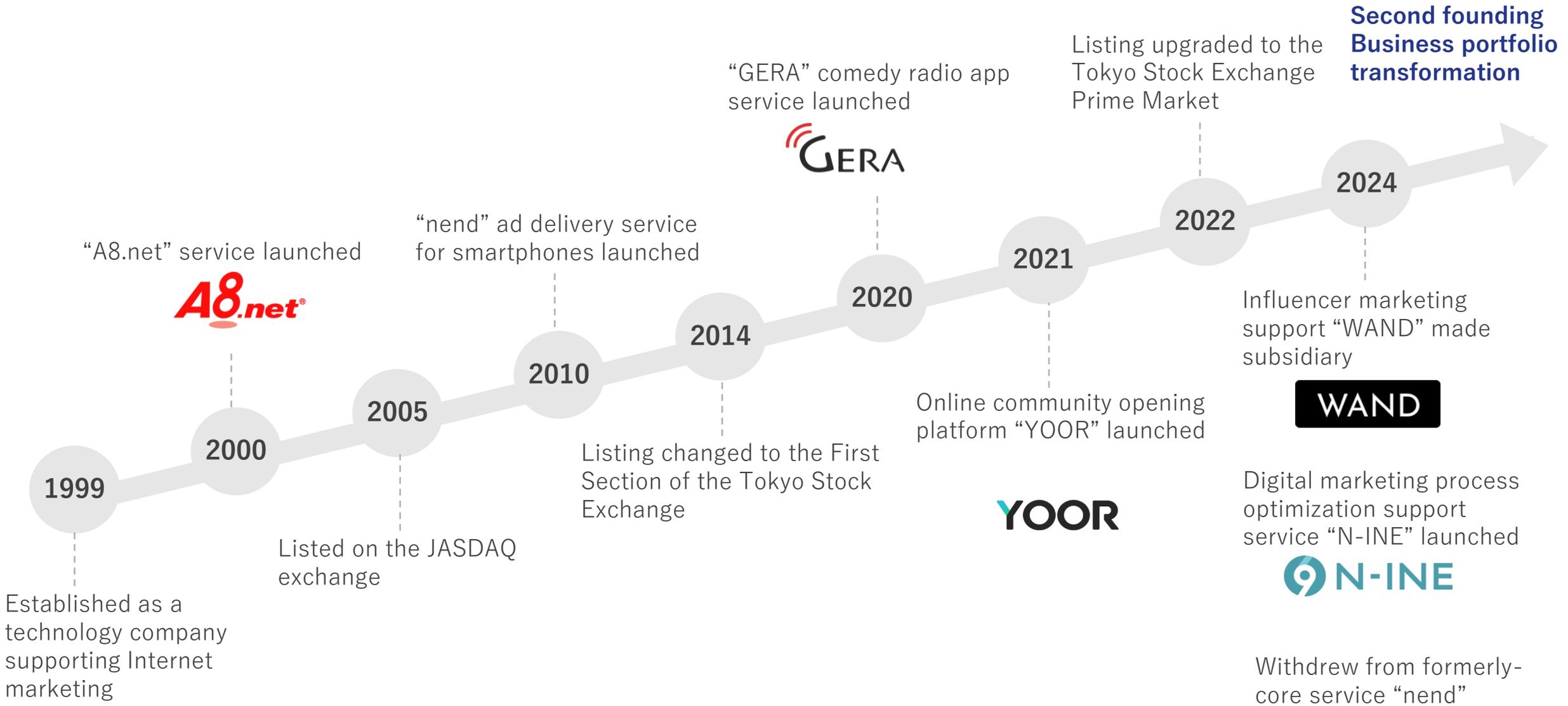
- 01** Company Information
- 02** Business Information
- 03** Competitive Advantage
- 04** Growth Strategy
- 05** Capital Policy and Shareholder Returns
- 06** Concluding Remarks
- 07** Appendix

01 ■ Company Information

- Company Overview
- History
- Corporate Philosophy
- Vision

Company Name	FAN Communications, Inc
Securities Code	2461 (Tokyo Stock Exchange, Prime Market)
Fiscal Year-End	December
Established	October 1, 1999
Capital	¥1,189.56 million (As of September 31, 2025)
President and Representative Director	Koji Ninomiya
Number of Employees	Non-consolidated : 333 Group total : 373 (As of September 31, 2025; includes part-time and temp staff)
Headquarters	Aoyama Diamond Building, 1-1-8, Shibuya, Shibuya-ku, Tokyo 150-0002, Japan
Telephone	+81-3-5766-3530 (IR)
Fax	+81-3-5766-3782





Our corporate philosophy is our DNA that lies within us.

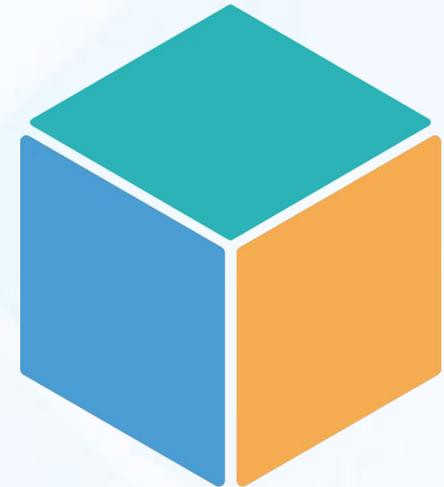
Create

Believe

Slowly and steadily

**Create new value. Believe in that potential.
We will never give up, even if it is not something
immediately accepted by society.**

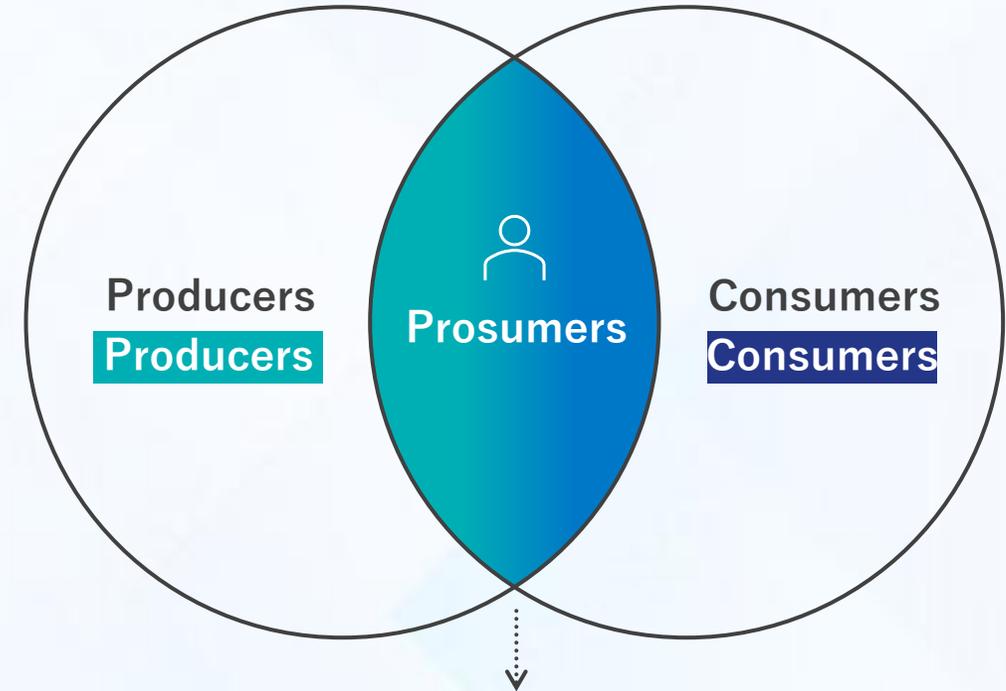
**Like the tortoise, not the hare.
Slowly and steadily step by step, steadily moving forward.**



From an ad network provider to a prosumer support business

The market mechanism created by the era of mass production and mass consumption is coming to an end. A time is coming in which the line between production and consumption is blurred, and the world has been filled with “**prosumers**” who resemble both sides.

The Internet has greatly reduced the cost of advertising and disseminating information about the ideas, efforts, and works of individuals and small businesses to the world. By facilitating the creation of a new economic sphere on the Internet, we will create a mechanism to increase the number of prosumers who are involved not only in consumption but also in production.

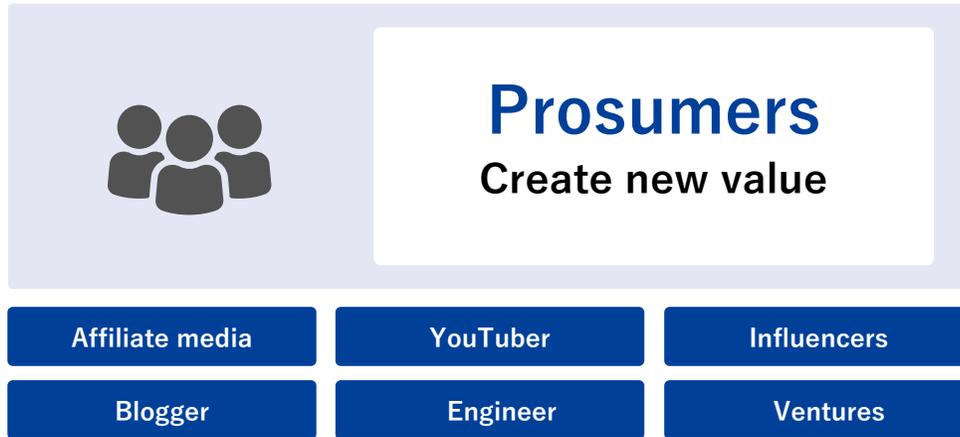


Prosumer happiness

= The “vision” we are working toward

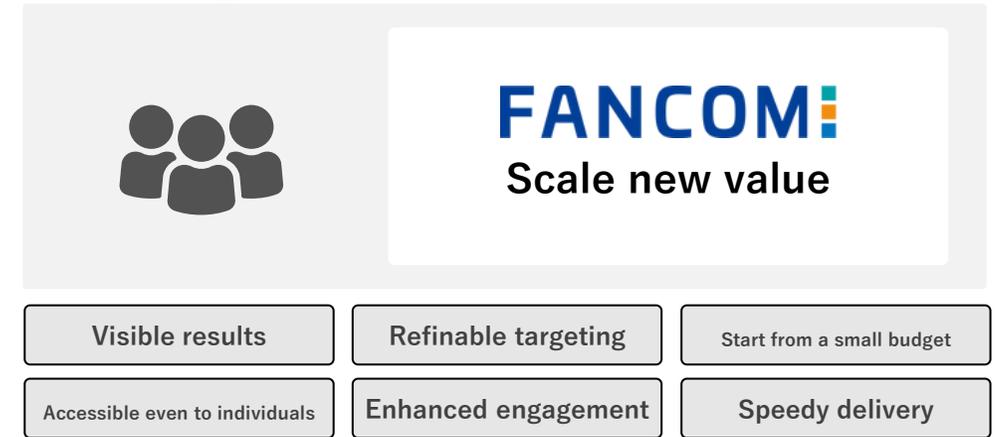
Address challenges in production and consumption behavior through digital marketing.
Aim to achieve a prosperous society where new value is created in abundance and shared worldwide.

Create value using the Internet



+

Support for scaling value through digital marketing



Achieving a prosperous society through co-creation with prosumers ✨

02 ■ Business Information

- Business Overview
- Revenue Structure

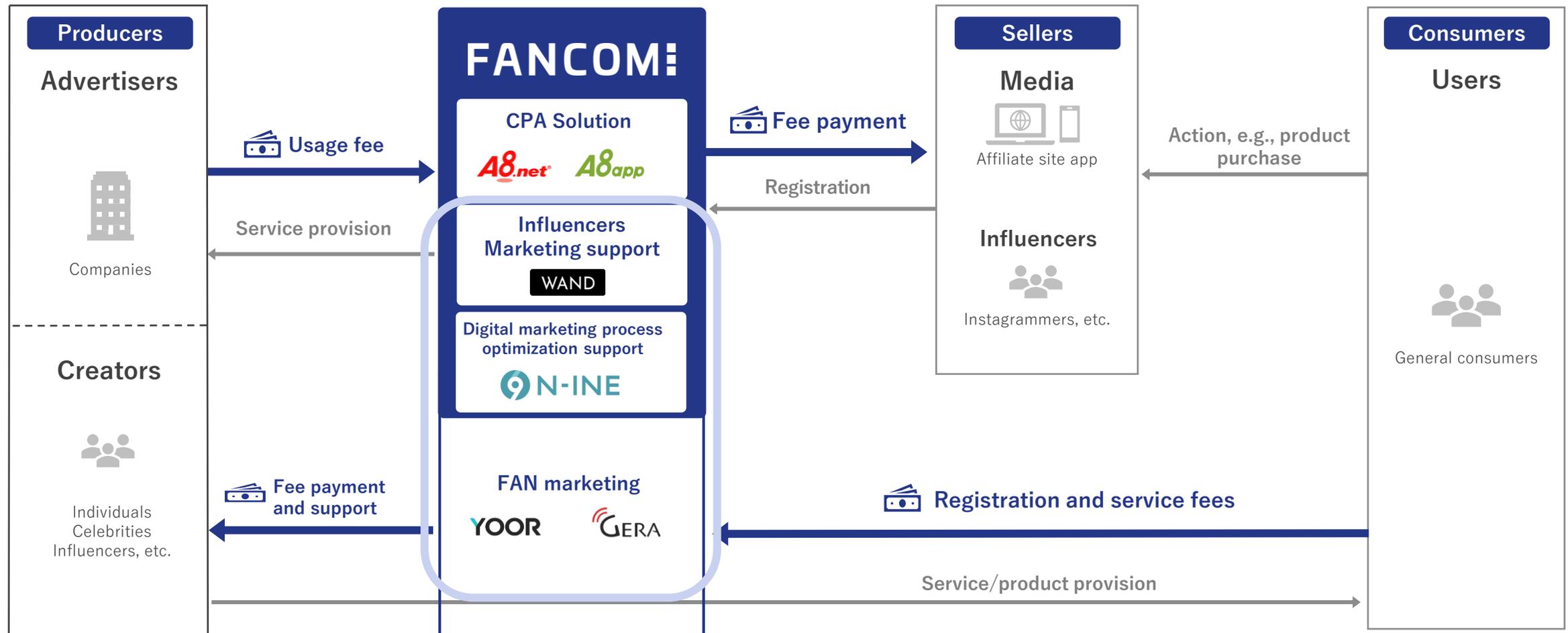
Provide a range of services that address the diverse needs of clients in their digital marketing activities

CPA Solution Business		Affiliate ads	<ul style="list-style-type: none"> • One of Japan's largest affiliate service providers (ASP), connecting advertisers and publishers • Ranked first in user satisfaction for*15 years running
		Smartphone app install ads	<ul style="list-style-type: none"> • CPI ad services for smartphones • Can be installed and operated within a promotion for multiple result points such as application launch and billing, right from installation of the application
Strategic Businesses		Influencer marketing	<ul style="list-style-type: none"> • Social media marketing support focusing on TikTok • Strong presence in the music industry
		Digital marketing process optimization support	<ul style="list-style-type: none"> • Optimizes all business processes in digital marketing and offers a suite of services that support customer growth
		FAN marketing	<ul style="list-style-type: none"> • "GERA" app allows users to listen to comedy radio from entertainers. • "YOOR" service allows anyone to open an online community for free.
		Marketing support for overseas ads	<ul style="list-style-type: none"> • Marketing support for overseas companies entering, expanding into, or otherwise engaging the Japanese market • Support for mobile game developers

*1 "2025 Awareness Survey on Affiliate Service Platform," Affiliate Marketing Association (1,374 valid responses; covering 23 major ASPs in Japan)

Areas of Focus for Strategic Businesses

Based on a solid customer foundation of roughly 3,000 advertisers and 3.5 million media outlets, we are expanding business and investing in adjacent domains, including support for influencer marketing tailored to customer needs



List of Key Clients for A8.net

One of the largest scales in Japan in both advertiser and publisher counts, with its greatest strength being campaign offerings across a wide range of industries

Vast accumulations of matching data serves as an asset supporting highly precise advertising operations

List of advertisers



List of publishers



*Not presented in any particular order
*We also support enterprises in a diverse array of other industries.

03 ■ Competitive Advantage

- Dominant Scale in Advertiser and Publisher Counts
- High Profitability Underpinned by a Strong Customer Base

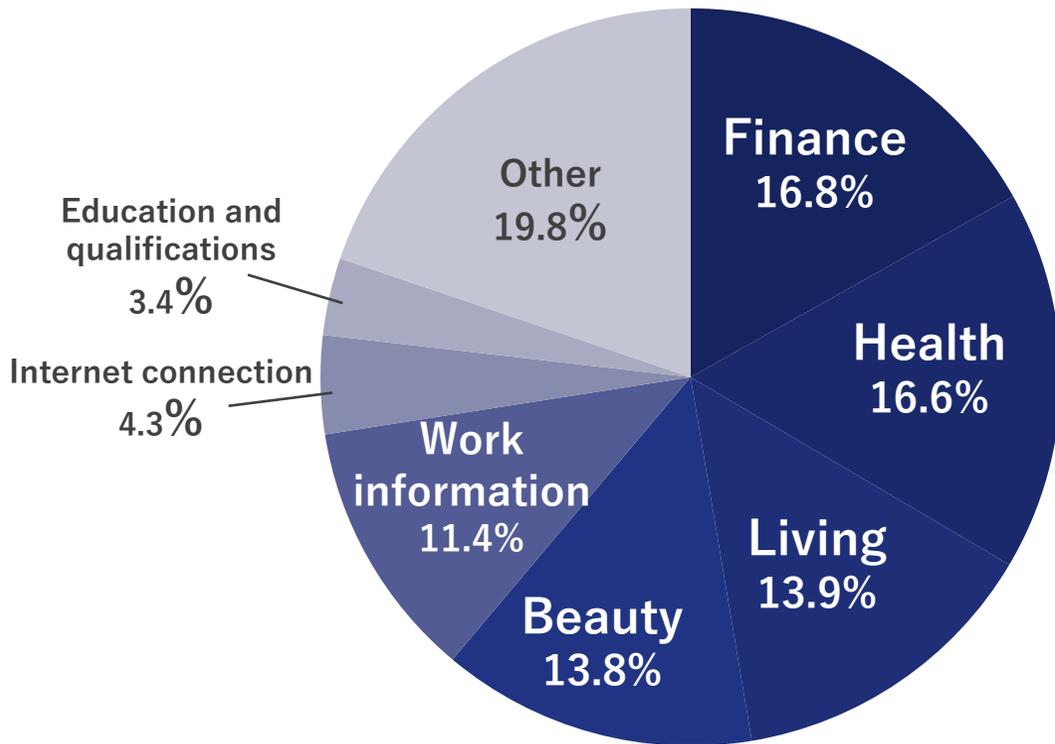
Dominant Scale in Advertiser and Publisher Counts

A8.net boasts the largest advertiser and publisher counts in the industry, and has built a stable business foundation by covering a wide range of genres.

*1

ASP with the highest satisfaction as selected by affiliate media operators Ranked No. 1 for 15 consecutive years

■ A8.net category composition ratio (single-month data for 2025)



■ Number of operating advertiser IDs

Approx. **3,000** companies

■ Number of registered media sites

Approx. **3.5 million** sites

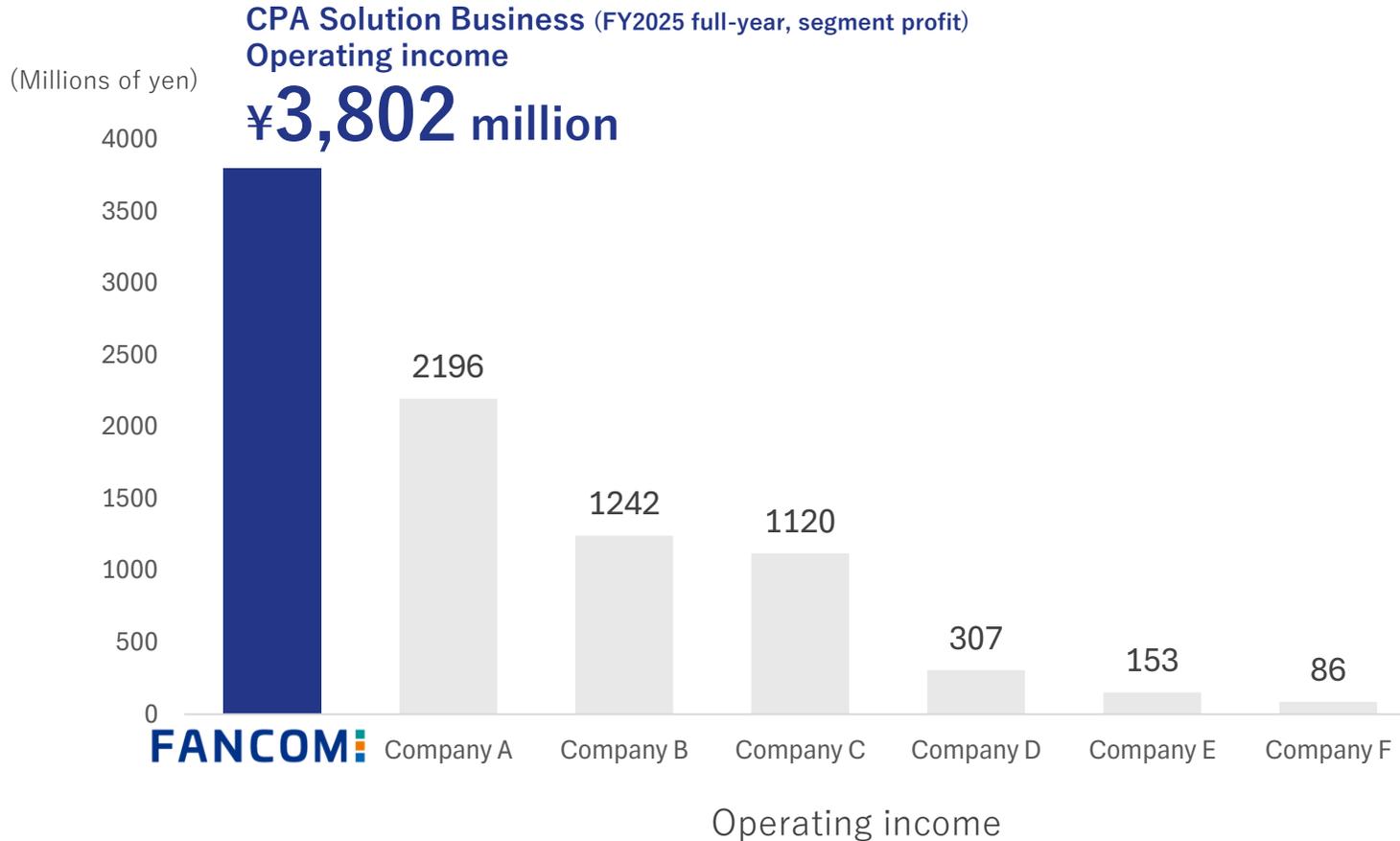
The power of scale in a performance-based advertising network

- An advertising format resilient to economic downturns
- Even if one category is in a downward trend, other categories may be ascendant.
- A treasure trove of information (data) on media and advertisers that changes with the trends of the times
- Makes it easier to generate network effects in a platform business (in terms of data, matching, and pricing)

*1 "2025 Awareness Survey on Affiliate Service Platform," Affiliate Marketing Association (1,374 valid responses; covering 23 major ASPs in Japan)

High Profitability Underpinned by a Strong Customer Base

The CPA Solution Business achieves significantly higher profitability than competitors thanks to our dominant brand recognition and stable customer base. Strong relationships with loyal customers built over many years support the revenue base.



Why the business is so profitable

- Not dependent on any specific category
- Monthly fixed-fee model (Rare among our competitors)
- Once results are achieved, clients have little reason to terminate the service — especially in the e-commerce category.
- Behind-the-scenes operational excellence (which can be further accelerated with AI)
- Dominant brand equity enables low-cost customer acquisition.

Note: Prepared based on operating income figures from the previous full-year's financial results of each listed ASP company. Prepared using segment-level figures for the ASP businesses, rather than company-wide results.

04 ■ Growth Strategy

- Strengthening Competitiveness by Utilizing AI
- Comprehensive Support for Digital Marketing
- FY2025 - FY2027 Business Expansion Image
- Management Goals

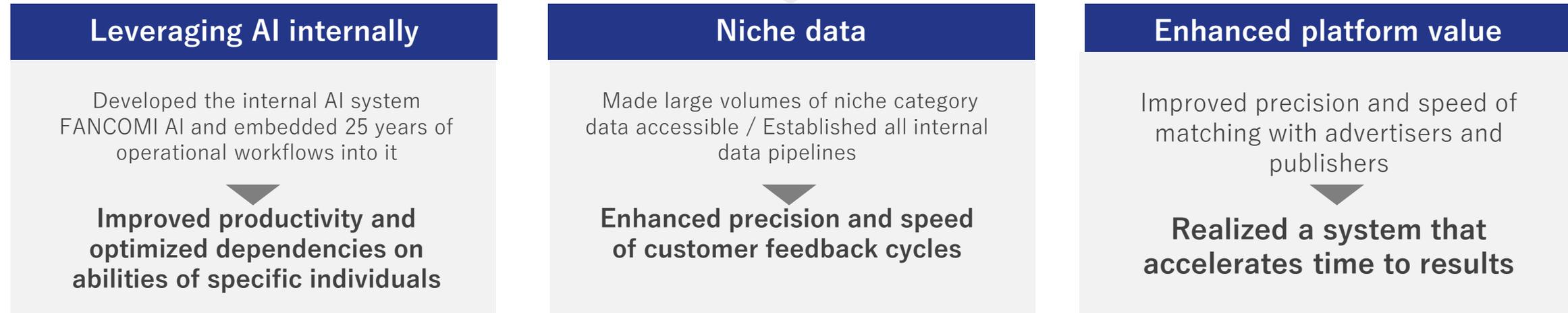
Strengthening Competitiveness by Utilizing AI

Our accumulated experience in demanding affiliate marketing operations is the source of our sustained growth. Rebuild an overwhelming competitive advantage through the fusion of 25 years of proprietary data and AI

Affiliate history —Why have we grown continuously for 25 years?—

- The reasons why overseas big tech companies did not enter the ASP market are that technology is difficult to leverage effectively, the business is harder to scale compared with others, and the cost-to-revenue profile is unattractive due to uncertain returns.
- The affiliate business depends heavily on the capabilities of specific individuals across all operational workflows.
- As a performance-based model, continuity is ensured by maintaining a constant win-win balance. However, maintaining that balance in advertising transactions is no mean feat; it requires meticulous operational coordination.

Leveraging AI to Unlock Further Evolution



Comprehensive Support for Digital Marketing

We leverage the strong foundation provided by A8.net’s stable customer base to offer comprehensive services before and after customer acquisition, dramatically expanding the value we provide. This results in maximized customer engagement and rapidly accelerated business growth.

Expanding

Channel selection and operation

- Development and operation of proprietary-domain e-commerce sites
- Rakuten/Amazon mall operation
- Social media mini apps
- Creation of landing pages
- Cross-border e-commerce

Digital marketing process optimization



Strengths

Customer attraction and acquisition

- Display ads
- Listing (Google) ads
- In-mall marketing
- Social media advertising
- Influencer marketing
- Affiliate ads

One of Japan’s largest affiliate advertising platforms



Influencer marketing support



Expanding

Customer retention and loyalty building

- FAN marketing
- CRM marketing
- LTV marketing

Production of audio radio programs and distribution through an app



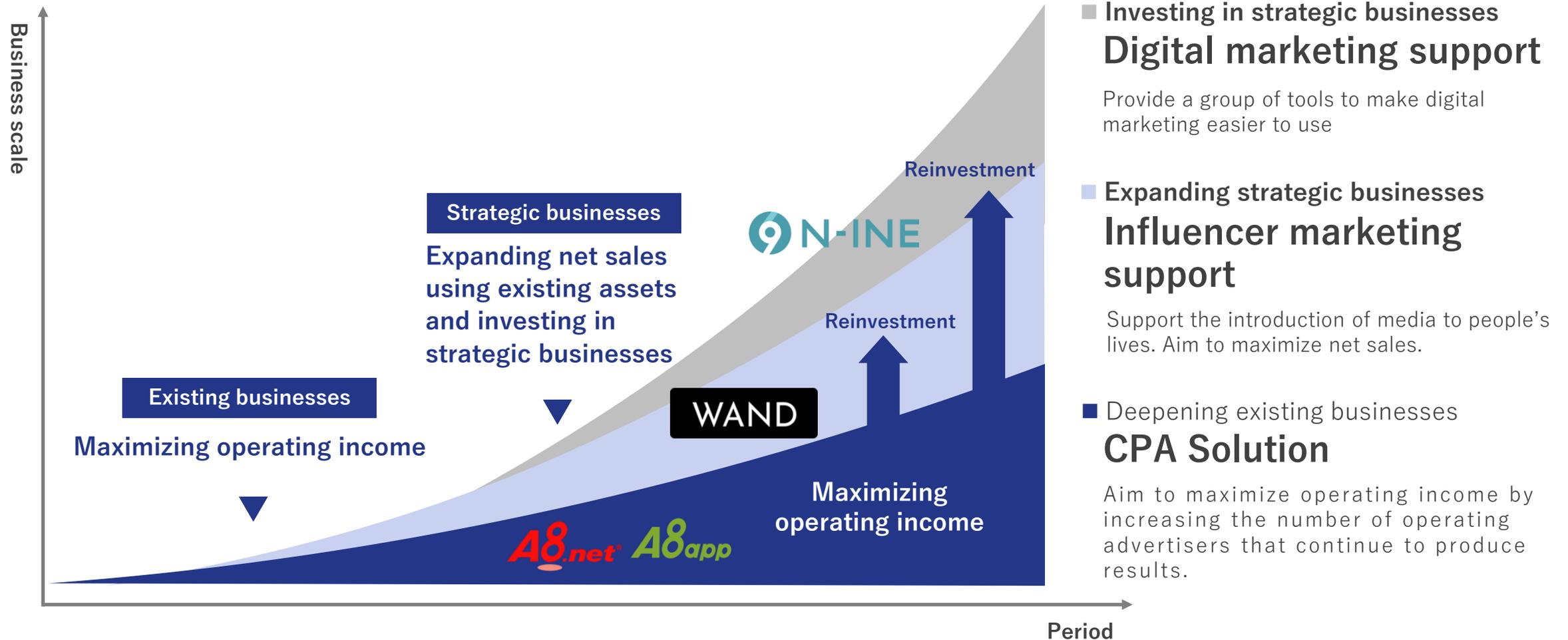
Online community platforms



Big data accumulation and leveraging / AI leveraging

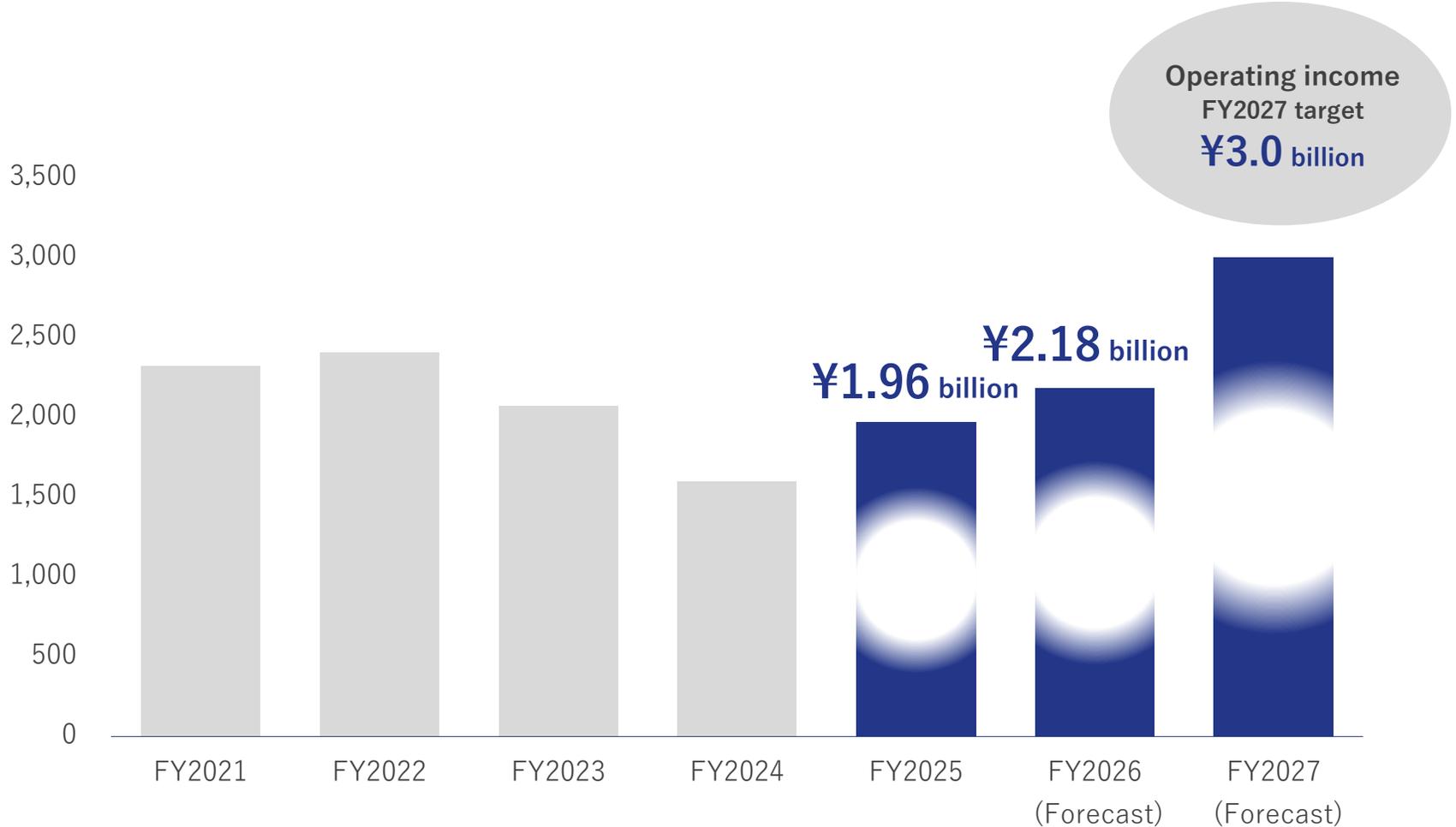
FY2025 - FY2027 Business Expansion Image

From FY2025: Aim to maximize operating income and add value to existing businesses, and **expand and invest in strategic businesses and target new business opportunities** .



Management Goals

We will accelerate investment toward sustainable growth and aim to increase operating profit to ¥3.0 billion over the three-year period through FY2027 (an 88% increase on FY2024), while targeting ROE of at least 10% through optimization of capital policy, thereby further enhancing corporate value.



Operating income
FY2027 target
¥3.0 billion

To realize the Medium-Term Management Plan, we are currently investing **¥700-800 million** annually in Strategic Businesses.

ROE
FY2027 target
At least 10%

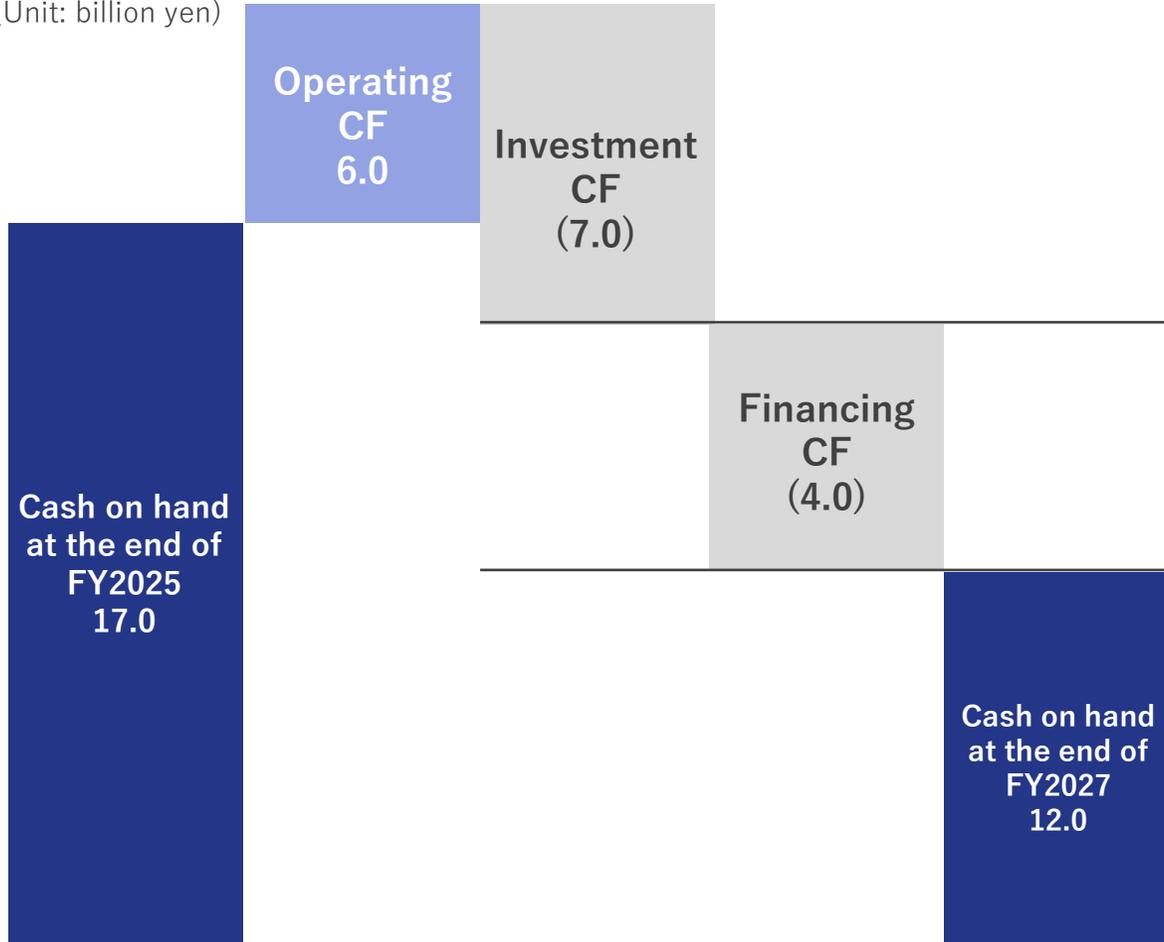
See page 25 for capital policy details.

05 ■ Capital Policy and Shareholder Returns

- Capital Allocation
- M&A Strategy Centered on Existing Assets
- Changes to Dividend Policy / Amount of Dividend

To achieve an ROE of 10% or higher in FY2027, we plan to execute the following in a balanced manner: investments to maximize the profits of our existing businesses; concrete growth investments focused on M&A; and stable shareholder returns.

(Unit: billion yen)



■ **Actively invest to transform our business structure**

- **Investment in AI utilization + internal businesses (1 billion yen)**
 - Investment in DX (AI tools, etc.)
 - Investment in AI utilization for A8.net and strategic businesses
- **M&A investment (6 billion yen)**
 - Actively invest in targets that will generate returns exceeding their capital costs
 - If unable to find an investment target, set the funds aside as strategic cash reserves

■ **Expand shareholder returns and pursue capital efficiency**

- **Maintain a baseline DOE of approx. 8% till FY2027**
- **Repurchase shares to implement the RS plan**
- **Consider opportunistic share repurchases**

■ **Secure robust financial liquidity to sustain growth**

- **Business working capital (4 billion yen)**
 - Maintain a robust financial foundation and credit, ensuring continued customer trust
 - Maintain reserves equivalent to 2 months of payments, factoring in the diversification of payment cycles for media partners
- **Strategic cash reserves (8 billion yen)**
 - Cash reserved to conduct opportunistic M&A and respond to unexpected situations
 - Efficiently manage surplus funds to ensure safety and liquidity

■ M&A Strategy Centered on Existing Assets

We will target domains where we can maximize synergies with our existing base of 3,000 corporate clients, our key asset. We will expand the range of value propositions for customers, thereby driving sustainable medium-to-long-term growth.

■ M&A policy

Basic policy

- Carefully select investees (in the digital marketing domain) that will accelerate value delivery to our customers and targets
- Selectively target investees that are likely to improve the ROE

Investment discipline

- Make investment decisions based on the expected rate of return (IRR), which reflects the capital cost, risks of individual deals, and business characteristics
- The target IRR varies depending on the category and business phase. However, we have established a 15% IRR as the hurdle rate for investment decisions, provided they contribute to improving ROE.

■ Specific direction

Investment theme	Specific targets	Expected synergies
Strengthen and deepen existing businesses	<ul style="list-style-type: none"> • Companies in the affiliate sector • Influencer marketing companies • Membership-based media companies 	<ul style="list-style-type: none"> • Expand customer base • Maximize revenue through upselling and cross-selling
Expand the digital marketing domain	<ul style="list-style-type: none"> • Online marketplace management agencies • Marketing tools companies • AI-related companies 	<ul style="list-style-type: none"> • Maximize revenue through upselling and cross-selling • Expand the range of value propositions by enhancing digital marketing support • Drive operational efficiency and advancement by utilizing AI

Changes to Dividend Policy / Amount of Dividend

From FY2026, the shareholder return policy will be revised, with a dividend on equity (DOE) ratio of 8% to be introduced as an indicator.

We aim to both stabilize dividends so they are not affected by earnings fluctuations and to improve capital efficiency.

Change dividend policy

Former Policy

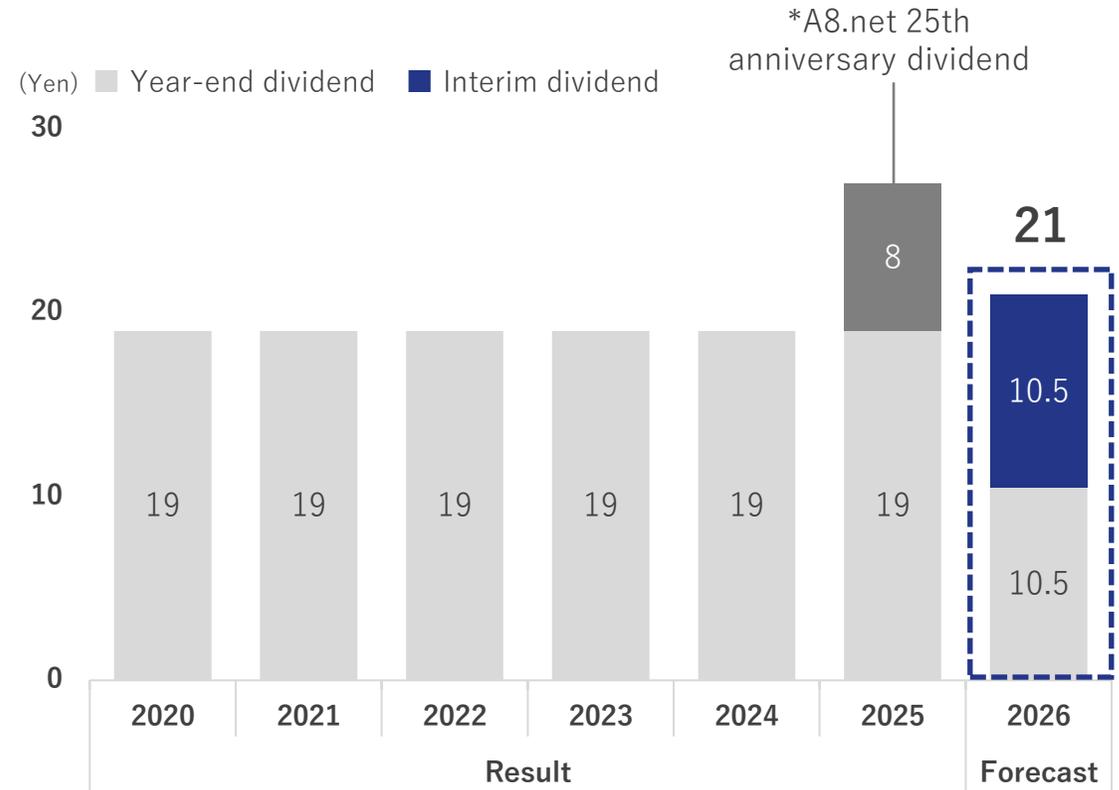
- The consolidated dividend payout ratio of approximately 50% as the benchmark

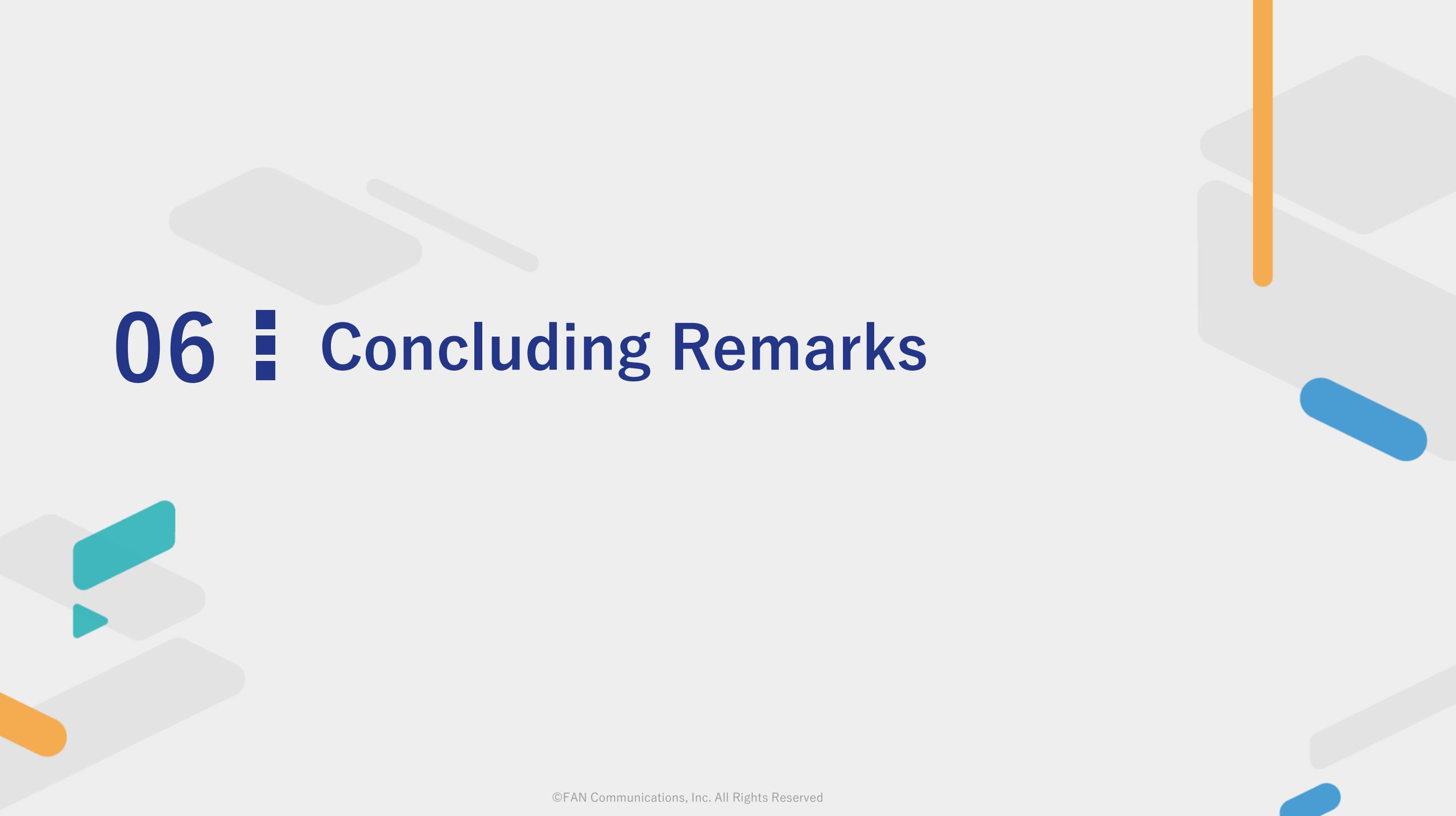


New Policy

- Introduce DOE as dividend benchmark
- Introduce interim dividend

Dividend per share





06 ■ Concluding Remarks

Points We'd Like You to Remember

1. What is FANCOMI?
2. Competitive Advantage
3. Growth Strategy



Follow our official LINE account to receive monthly sales figures!



1 Our vision: Prosumer happiness
A company that solves problems in production and consumption behavior

2 Affiliate advertising is a format that is resilient to economic downturns
Key strengths: An unbeatable customer base and high profitability

3 Leveraging AI is essential to our growth strategy
Transforming all operational processes with AI



07 Appendix

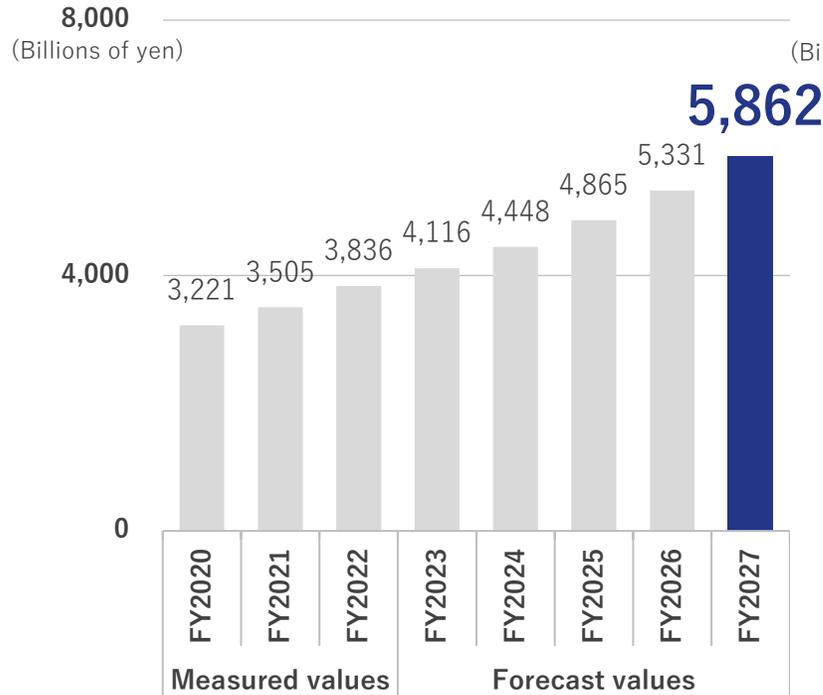


Our Surrounding Business Environment

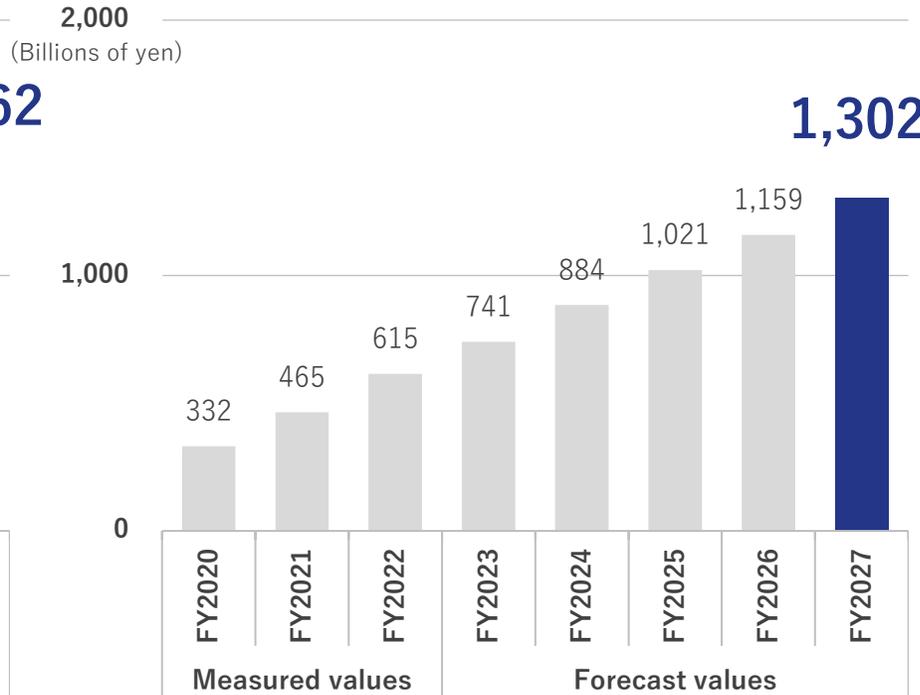
The market size of influencer marketing and digital marketing support tools continues to grow by at least 10% year on year. We expect to see synergies between these and the affiliate market we are developing.

(Size trends and forecasts for each market)

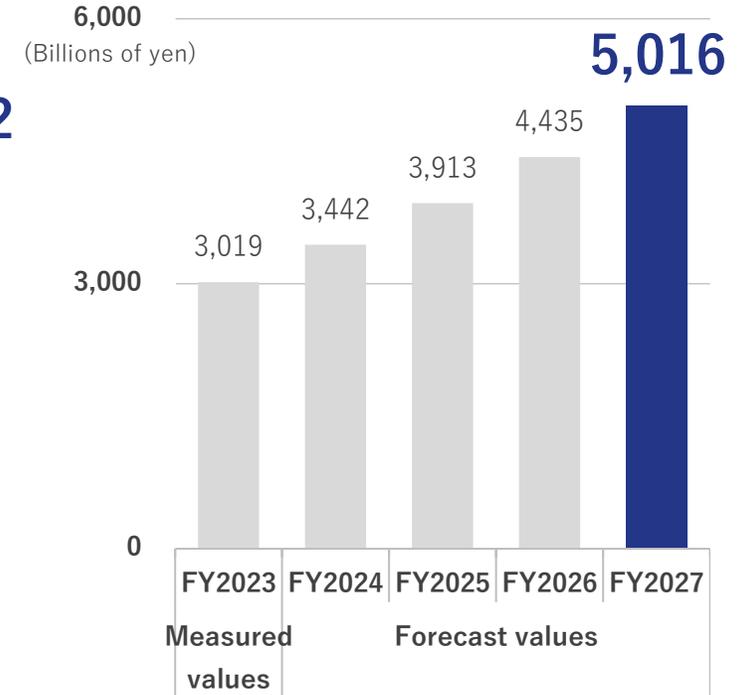
Affiliates in Japan



Influencer marketing in Japan



Digital marketing in Japan (analysis, CRM, etc.)



*1: Source: From "Research on the Affiliate Market (2024)" by Yano Research Institute Ltd. https://www.yano.co.jp/press-release/show/press_id/3523

*2: Source: CyberBuzz/Digital Infact Research <https://prtimes.jp/main/html/rd/p/000000053.000013256.html>

*3: Source: From "Research on the Digital Marketing Market (2024)" by Yano Research Institute Ltd. https://www.yano.co.jp/press-release/show/press_id/3604



President and Representative Director
Koji Ninomiya

Joined the Company as a new graduate in 2004 and grew the ad network business “nend” into one of the largest such services in Japan. Succeeded founder Mr. Yanagisawa as President in March 2024. Currently focusing on reorganizing our existing businesses and creating new ones. Leading efforts to further enhance corporate value and realize prosumer happiness.



Outside Director
Satoshi Hoyano

Joined Fuji Xerox Co., Ltd. in 1984 and, in 2000, took on a management role at Livin’ on the EDGE Co., Ltd. as Executive Senior Vice President. Later continued to lead many companies in the IT and web marketing industries to success. Assumed his current position as Representative Director of Horn Inc. in November 2014.



Director and Vice President
Takashi Yoshinaga

Joined the Company in February 2005. Led the sales and operations divisions of the mainstay business “A8.net” for many years, building it into its rock-solid position as one of the largest such services in Japan. Appointed Director and Vice President in March 2025.



Outside Director
Kazusuke Obi

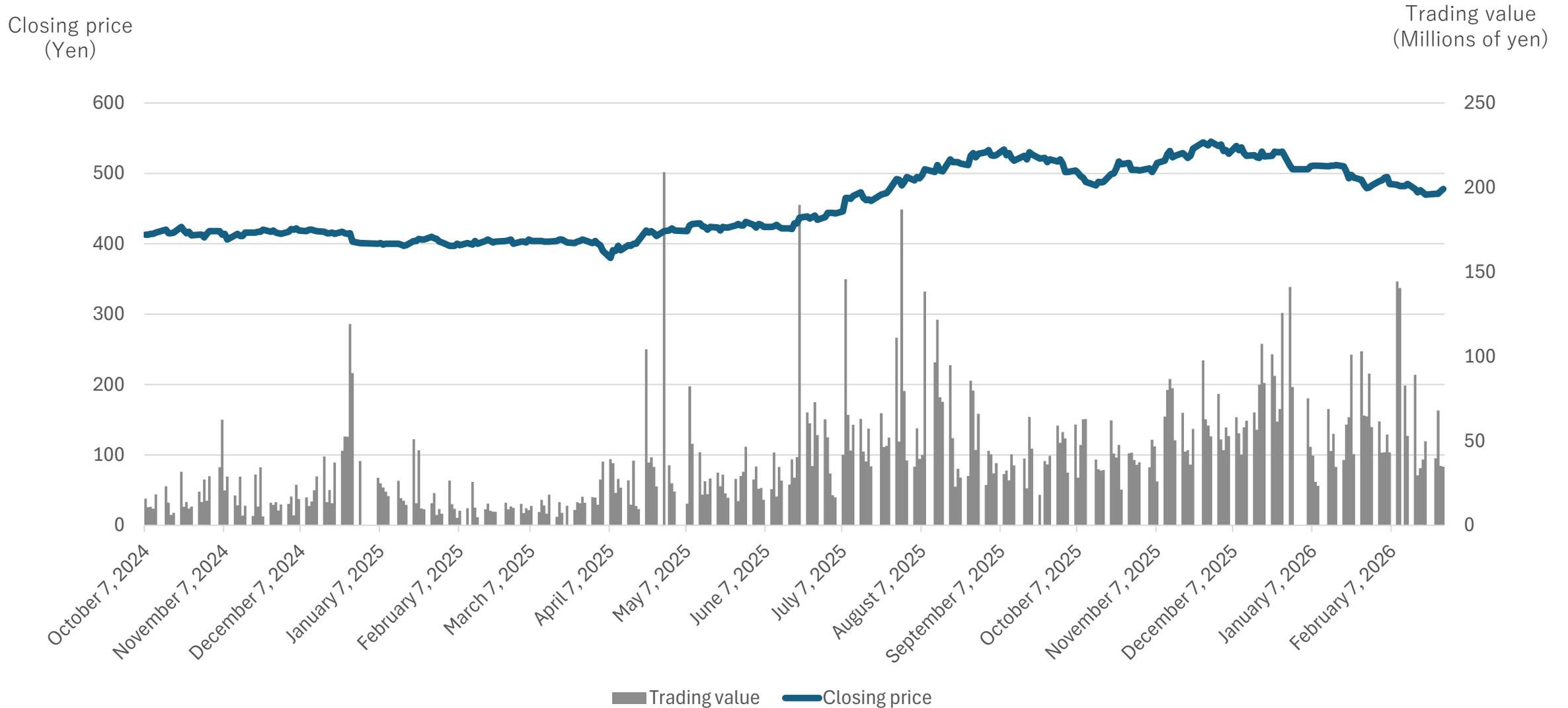
Joined Alfa Records Inc. in 1977 and, in 2002, as a Director of Digital Garage, Inc., he helped develop and incubate businesses such as Kakaku.com and Twitter. He has driven the development of diverse content and services since the dawning days of the Internet, and in 2018 assumed his current position as Representative Director of Cross Locations Inc.



Director
Masato Kato

Joined the Company in February 2009. Appointed Operating Officer in 2022 after serving successively as General Manager of the ADN Business and the nex8 Business. Appointed Director in March 2025 after serving as Head of the Corporate Division responsible for core management functions such as public relations and human resources.

Appendix
Stock Price Chart



(Unit: Thousands of yen)

	2022	2023	2024	2025
Transaction volume	28,153,862	27,665,970	25,753,793	25,131,142
Net sales	7,737,529	7,396,661	6,961,663	7,096,657
Cost of sales	1,638,975	1,462,481	1,074,151	933,045
Gross profit	6,098,553	5,934,179	5,887,512	6,163,612
Gross profit margin on transaction volume	21.7%	21.4%	22.9%	24.5%
Selling, general and administrative expenses	3,691,368	3,866,131	4,291,689	4,198,588
Personnel expenses	2,443,842	2,499,279	2,484,253	2,250,464
Sales commissions	19,611	16,403	18,341	13,524
Advertising expenses	310,728	339,272	582,885	644,049
Rent expenses on land and buildings	222,505	229,188	229,699	187,352
Other expenses	694,680	781,986	976,509	1,103,197
Operating income	2,407,185	2,068,048	1,595,822	1,965,023
Operating income margin on transaction volume	8.6%	7.5%	6.2%	7.8%

▼ We have prepared a financial fact sheet with more detailed information. Please access it from this link.
<https://www.fancom.com/en/ir/finance/fact-sheets/>

- Forward-looking statements such as the performance forecasts and other predictions of future events and strategies published in this document are based on the Company's judgment within the scope of events foreseeable under normal conditions using data that were reasonably available at the time of preparation.
- However, there is a risk that actual results may differ from the Company's published performance forecasts due to reasons including special events or outcomes that are unforeseeable under normal conditions.
- The Company works to proactively disclose information that it considers important for investors. However, we strongly advise that you not rely solely on the performance forecasts in this document in making decisions.
- The Company makes every effort to ensure the accuracy of published content, but takes no responsibility for errors in the information or damage caused by downloading the data.
- These materials may not be reproduced or retransmitted for any purpose without the consent of the Company.

■ Contact

FAN Communications, Inc.

E-mail : ir-info@fancom.com