



First Quarter of 2025 Presentation of Financial Results

FAN Communications, Inc.
May 12, 2025

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Agenda

- 01 Executive Summary
- 02 First Quarter of FY2025 Consolidated Results Overview
- 03 FY2025 Consolidated Performance Forecast Progress
- 04 Overview by Segment
- 05 Reference Material
- 06 Company Information

01 ■ Executive Summary

- First Quarter of 2025

Q1

Operating income was up 68.7% year on year, a significant increase. Operating income is on a recovery trend due to maintenance of A8.net's growth trend, narrowing of losses in strategic businesses, and other factors.

Business-related Information

- A8.net saw a 21.6% year on year increase in transaction volume in specific categories due to seasonal and trend factors. Resources were optimized in line with the sales strategy change.
- WAND, a subsidiary of our influencer marketing business, achieved a record monthly transaction volume in March. PMI is proceeding steadily.
- N-INE, our digital marketing process optimization support service, launched beta versions of several new series, including landing page creation support.

Internal Investment

- We made investments to improve productivity throughout the Company. We adopted tools to facilitate the DX of internal operations on a company-wide basis. We plan to actively adopt AI services for developers, among other services.

Capital Policy

- On March 14, the Company retired treasury shares not used for share buybacks.
- An interim commemorative dividend for A8.net's 25th anniversary was approved at the Board of Directors meeting held on April 21.

02 ■ First Quarter of FY2025 Consolidated Results Overview

- P/L
- [Transaction Volume/Net Sales/Operating Income/
Breakdown of Major Expense Items/Number of Staff] (Quarterly Basis)
- B/S
- FY2025 Key Indicators (Quarterly Basis)

Operating income significantly increased year on year. Profit decreased in reaction to the previous utilization of carried-forward losses from the absorbed subsidiary.

(Millions of yen)	2024 Q1	2025 Q4	YoY change	
			Change	Change (%)
Transaction volume	6,100	6,778	+678	+11.1%
Net sales	1,702	1,855	+153	+9.0%
Operating income	352	594	+241	+68.7%
(Operating income to transaction volume ratio)	5.8%	8.8%	—	—
Ordinary income	355	565	+210	+59.4%
Profit attributable to owners of parent	515	389	(125)	(24.4%)
(Profit to transaction volume ratio)	8.5%	5.7%	—	—

*The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) from the beginning of FY2022.

*Transaction volumes for fiscal years prior to FY2022 have been calculated internally to enable comparison with said figures for FY2022 and earlier. Until the end of FY2021, transaction volume was disclosed as net sales.

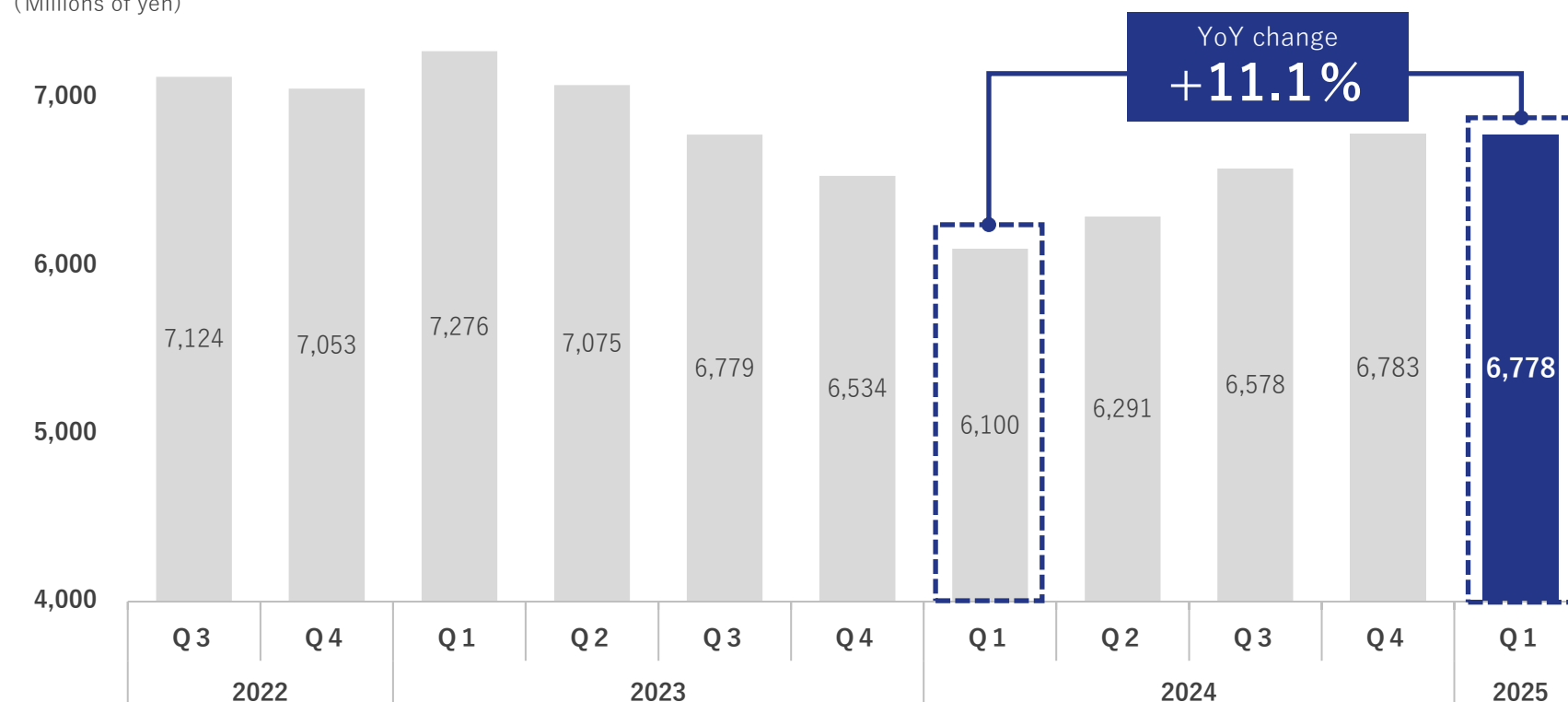
[Transaction Volume] (Quarterly Basis)

Transaction volume was flat (down 0.1%) quarter on quarter, but trended towards recovery on a year on year basis, increasing by 11.1%.

The increase in transaction volume in the CPA Solution Business contributed to this.

Transaction volume

(Millions of yen)



FY2025 Q1 results

Overall

¥6,778 million

YoY change..... +11.1%

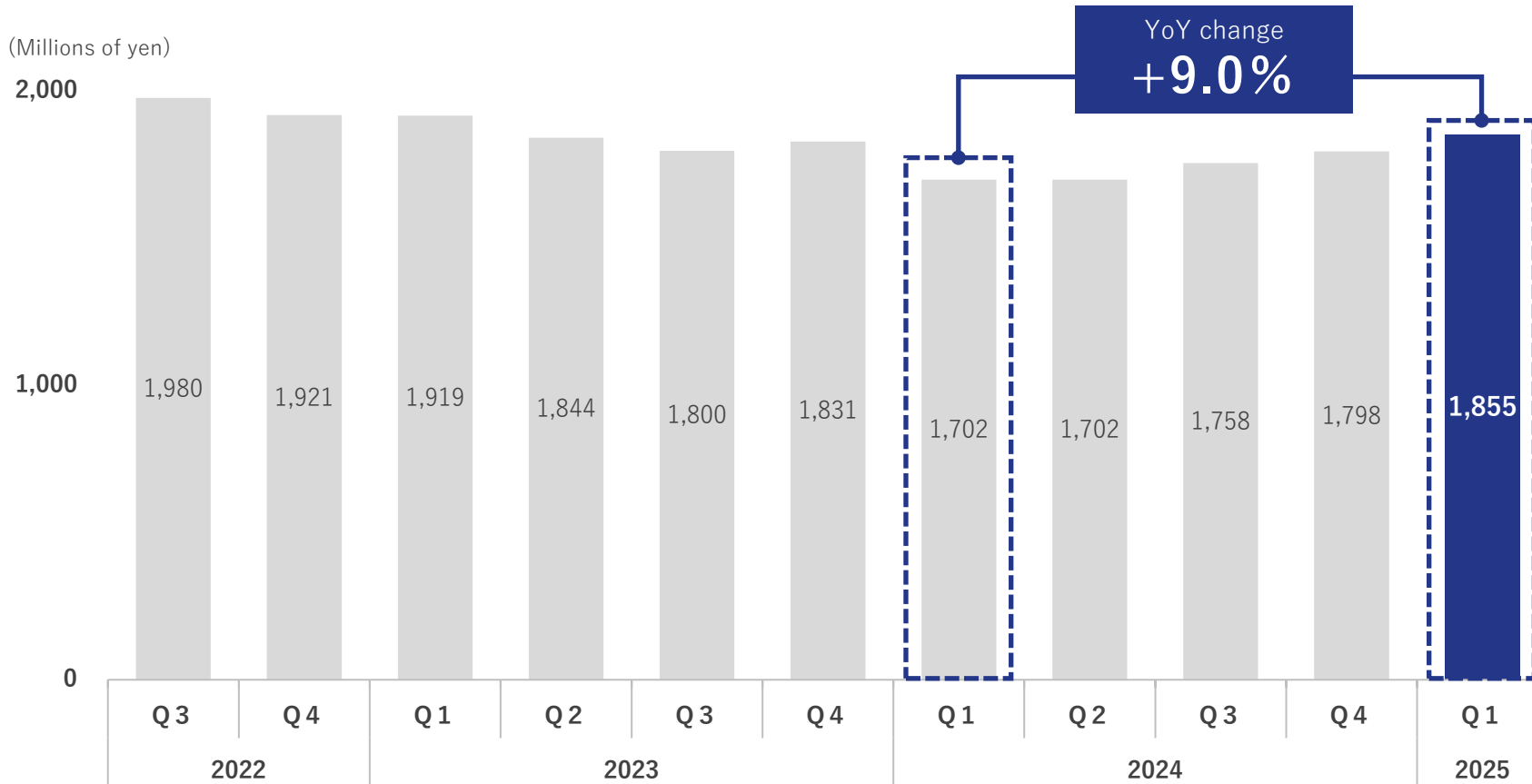
QoQ change..... (0.1%)

*The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) from the beginning of FY2022.
 *Transaction volumes for fiscal years prior to FY2022 have been calculated internally to enable comparison with said figures for FY2022 and earlier. Until the end of FY2021, transaction volume was disclosed as net sales.

Net sales were up 9.0% year on year and up 3.2% quarter on quarter, also showing a recovery trend.

Net sales

(Millions of yen)



FY2025 Q1 results

Overall

¥**1,855** million

YoY change..... +9.0%

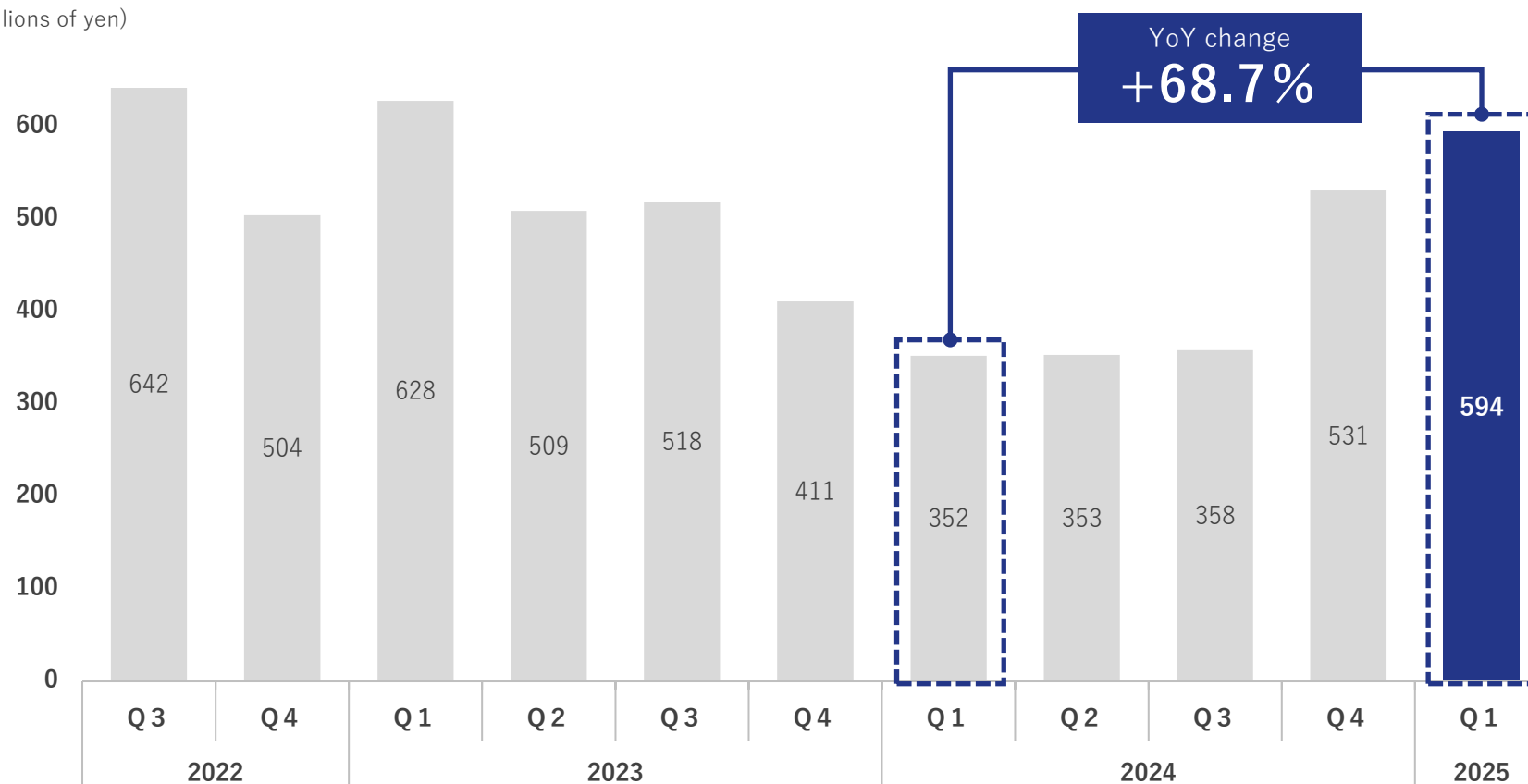
QoQ change..... +3.2%

[Operating Income] (Quarterly Basis)

Operating income was up 68.7% year on year, and up 11.9% quarter on quarter, a significant increase. Net sales increased, while costs fell.

Operating income

(Millions of yen)



FY2025 Q1 results

Overall

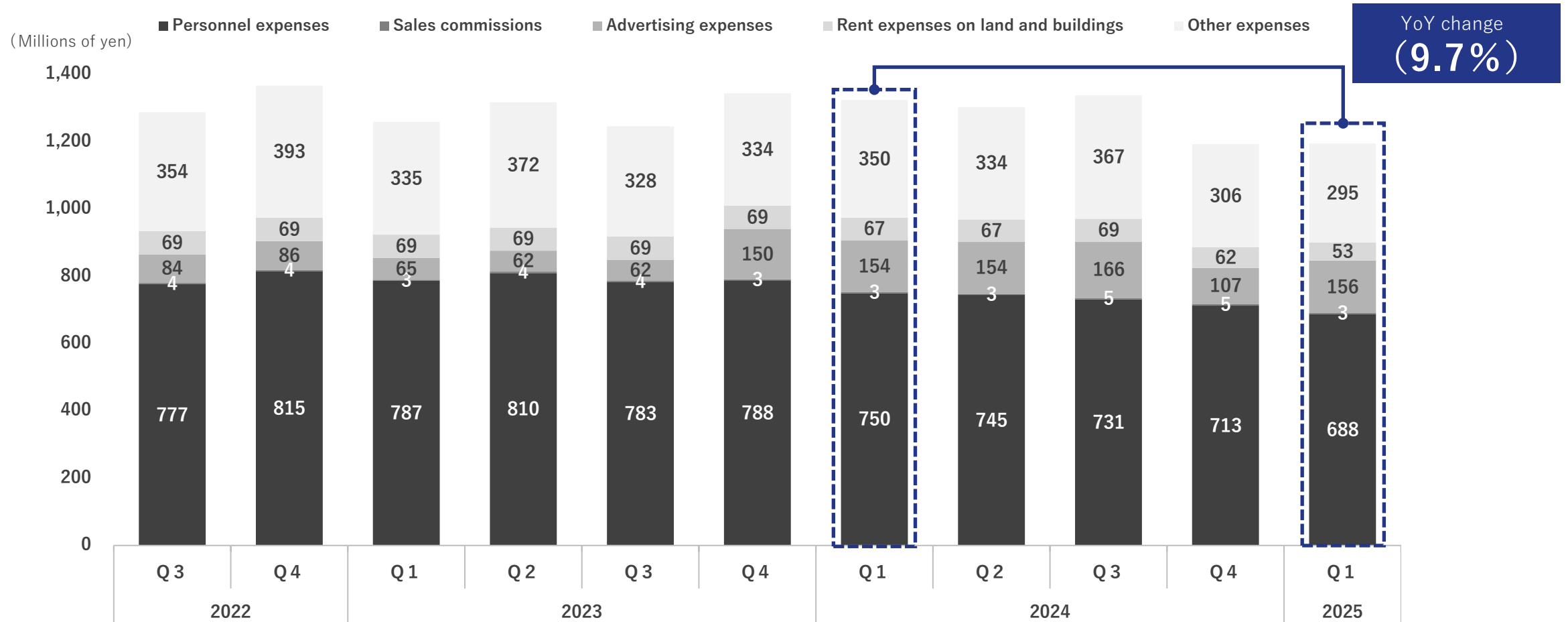
¥**594** million

YoY change..... +68.7%

QoQ change..... +11.9%

[Breakdown of Major Expense Items] (Quarterly Basis)

Expenses fell by around 10% year on year due to cost reductions from the closure of nend and productivity improvement measures.



*Other expenses include outsourcing expenses, commission expenses, data center costs, etc.

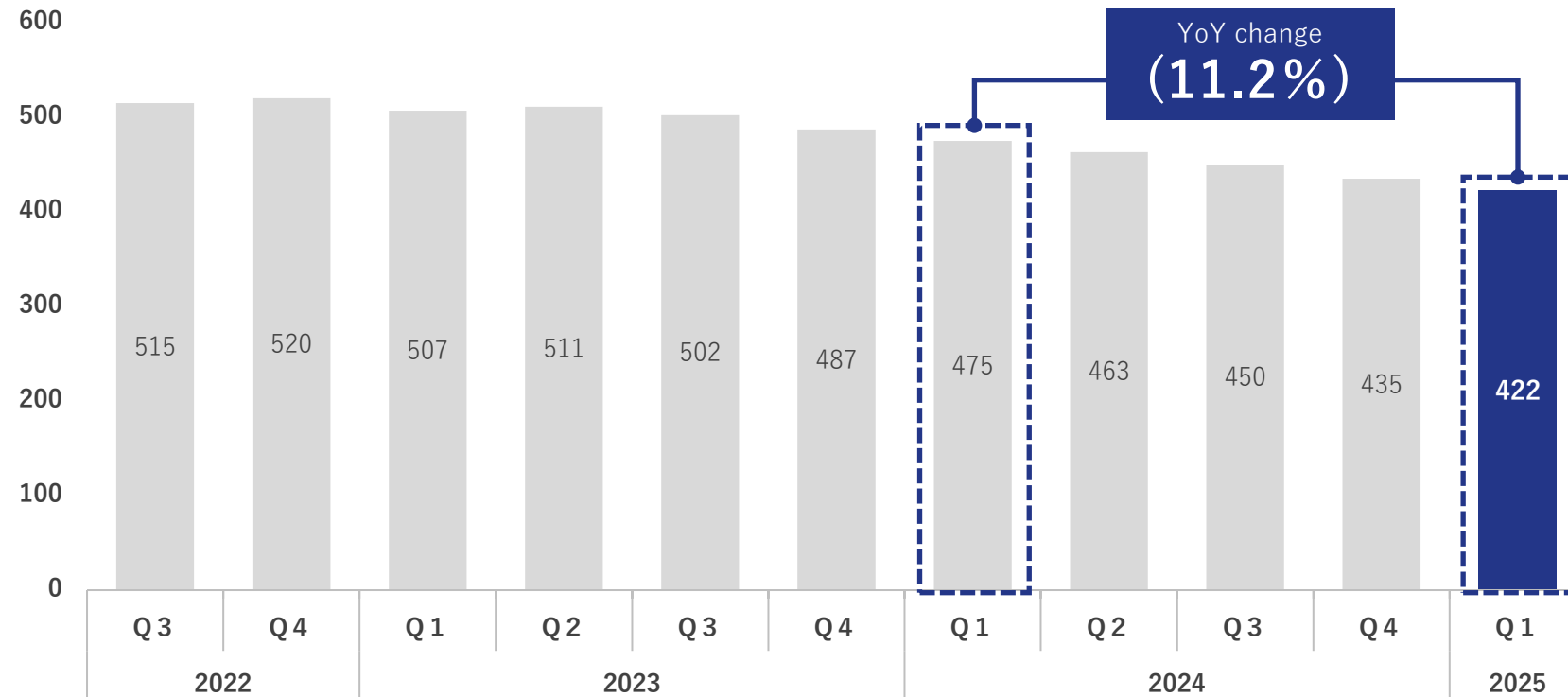
■ First Quarter of FY2025 Consolidated Results Overview

■ [Number of Staff] (Quarterly Basis)

Recruitment activities emphasized the hiring of new graduates. We revised our personnel composition through internal transfers, etc., in line with the sales strategy change.

■ Trend of consolidated group staff numbers

(People)



■ FY2025 Q1 results

Overall

422

YoY change..... (11.2)

QoQ change..... (3.0%)

Cash and deposits decreased while investments and other assets increased due to the purchase of bonds. Despite the recording of profit attributable to owners of parent, net assets decreased due to the payment of dividends.

(Millions of yen)		End of FY2024	End of Q1 FY2025	Vs. End of previous FY	
				Change	Change (%)
Assets	Current assets	20,785	18,402	(2,383)	(11.5%)
	Cash and deposits	16,917	14,672	(2,245)	(13.3%)
	Non-current assets	2,570	4,479	+ 1,908	+ 74.3%
	Property, plant and equipment	53	69	+16	+30.2%
	Intangible assets	1,016	1,010	(6)	(0.6%)
	Investments and other assets	1,500	3,400	+1,899	+126.6%
	Total	23,356	22,882	(474)	(2.0%)
Liabilities and net assets	Liabilities	5,297	5,713	+416	7.9%
	Net assets	18,059	17,168	(890)	(4.9%)
	Total	23,356	22,882	(474)	(2.0%)

We are monitoring the following three key indicators of our growth and efficiency.

Net sales of strategic businesses

This indicator measures the scale and growth rate of focus areas other than existing businesses in the FY2025-2027 Medium-Term Management Plan.

- Influencer marketing “WAND”
- Digital marketing process optimization support “N-INE”
- FAN marketing “GERA”, “YOOR”
- FAN Communications Global

Operating margin

This indicator shows progress of company-wide profitability.

Operating income per employee

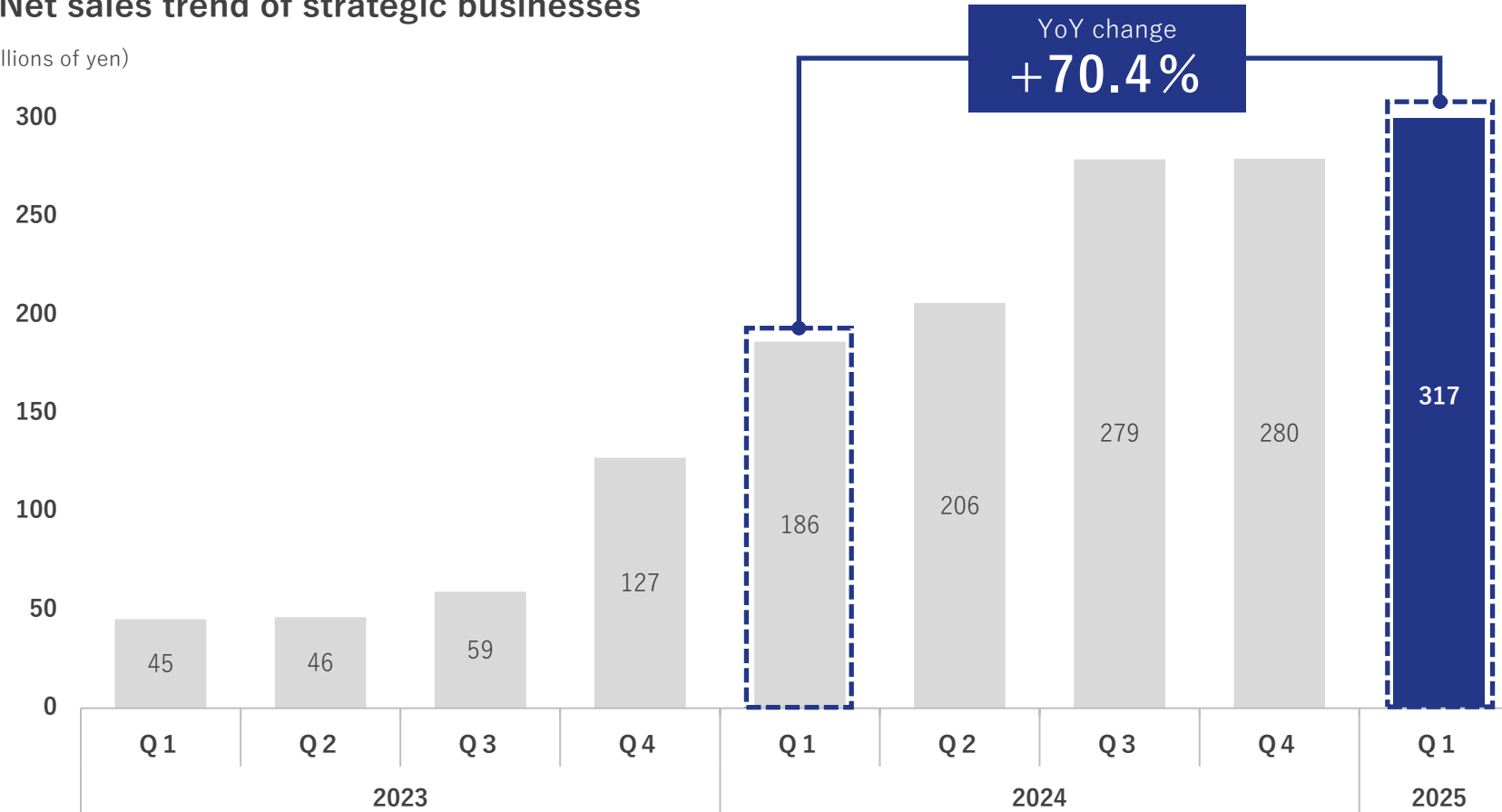
This indicator assesses productivity and resource allocation optimization.

■ [FY2025 Key Indicators] Strategic Business Net Sales Trend (Quarterly Basis)

Net sales growth rate: We aim for 100%+ year on year growth.

■ Net sales trend of strategic businesses

(Millions of yen)



■ FY2025 Q1 results

Overall

¥**317** million

YoY change..... +70.4%

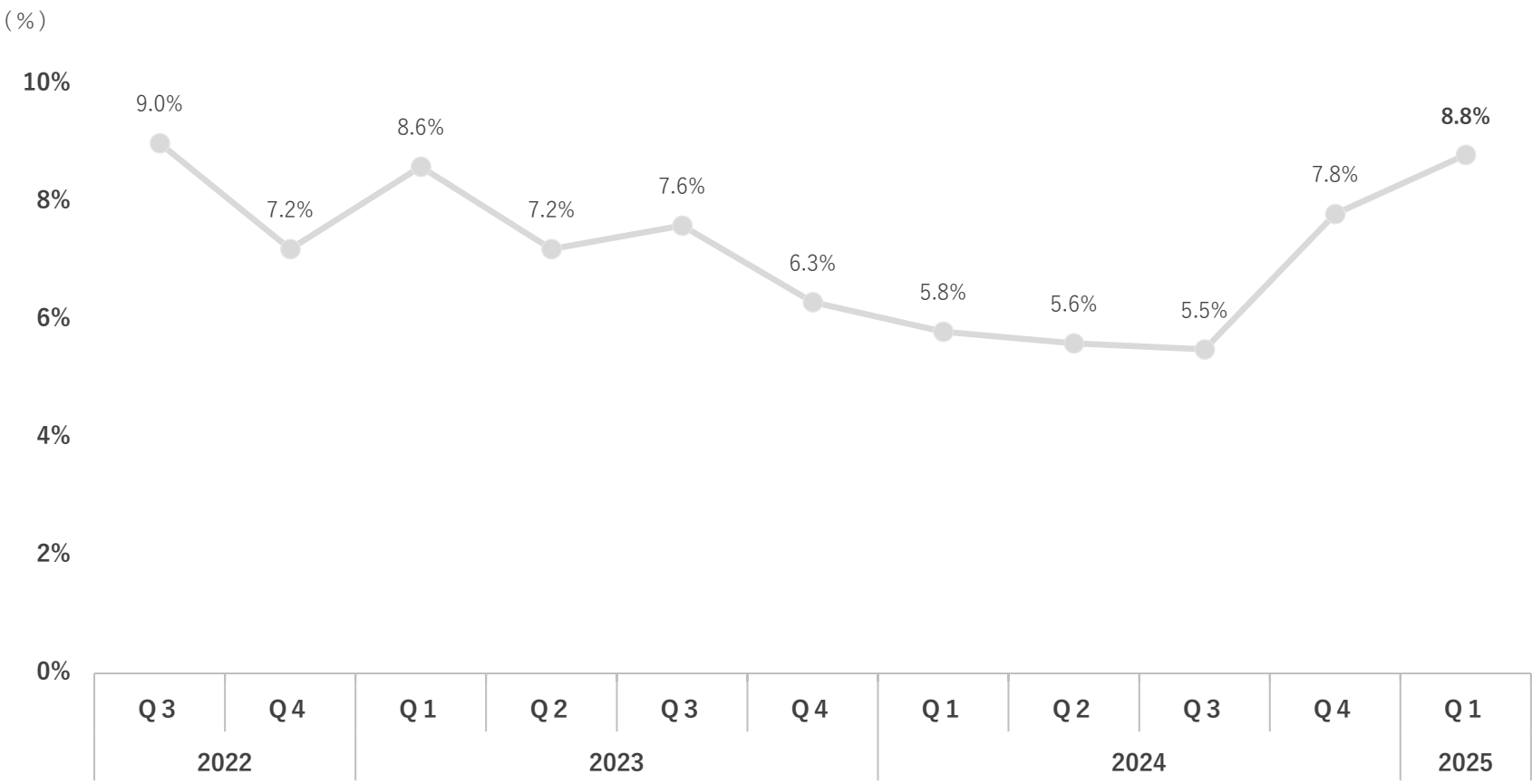
QoQ change..... +13.2%

*Net sales of “nend” are excluded.

■ [FY2025 Key Indicators] Operating Margin Trend (Quarterly Basis)

We are seeing a recovery trend. We promoted strategies and systems to quickly achieve an operating income to transaction volume ratio of 10% or more (the target value for FY2027 in the Medium-Term Management Plan).

■ Trend of operating income to transaction volume ratio



■ FY2025 Q1 results

Overall

8.8%

YoY change..... +3.0pt

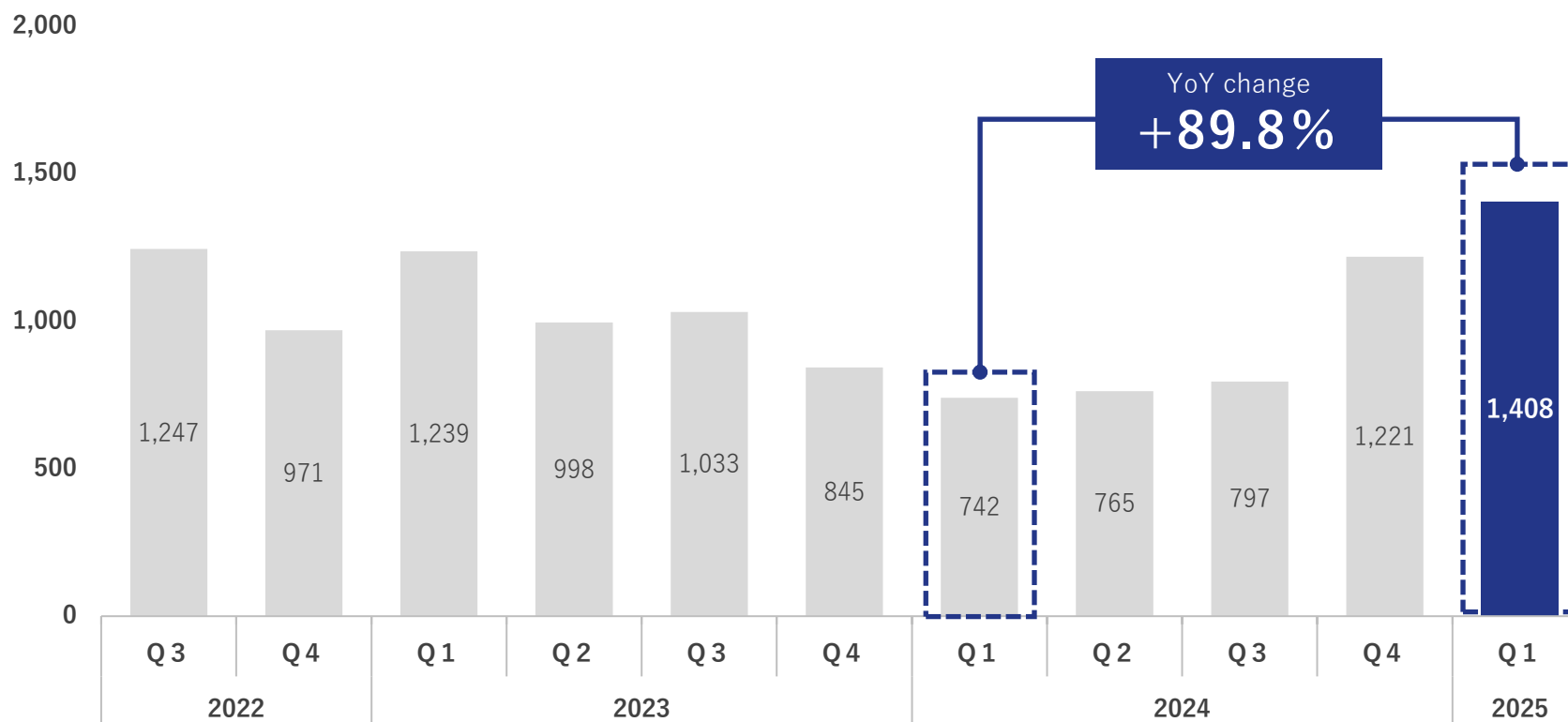
QoQ change..... +1.0pt

[FY2025 Key Indicators] Operating Income Per Employee (Quarterly Basis)

We are seeing a rapid recovery. Sales resources for A8.net were allocated to strategic businesses. In the medium to long term, we aim to improve productivity by building a cross-selling and up-selling system and promoting the DX of internal operations.

Trend of operating income per employee

(Thousands of yen)



FY2025 Q1 results

Overall

¥1,408 thousand

YoY change: +89.8%

QoQ change: +15.3%

03 ■ FY2025 Consolidated Performance Forecast Progress

- Progress vs. Performance Forecast
- Dividend Amount and Payout Ratio Trend

Progress vs. Performance Forecast

As of Q1, the consolidated net sales progress rate was 25.8%, in line with the plan. On the other hand, the rate of progress in profit exceeded the plan.

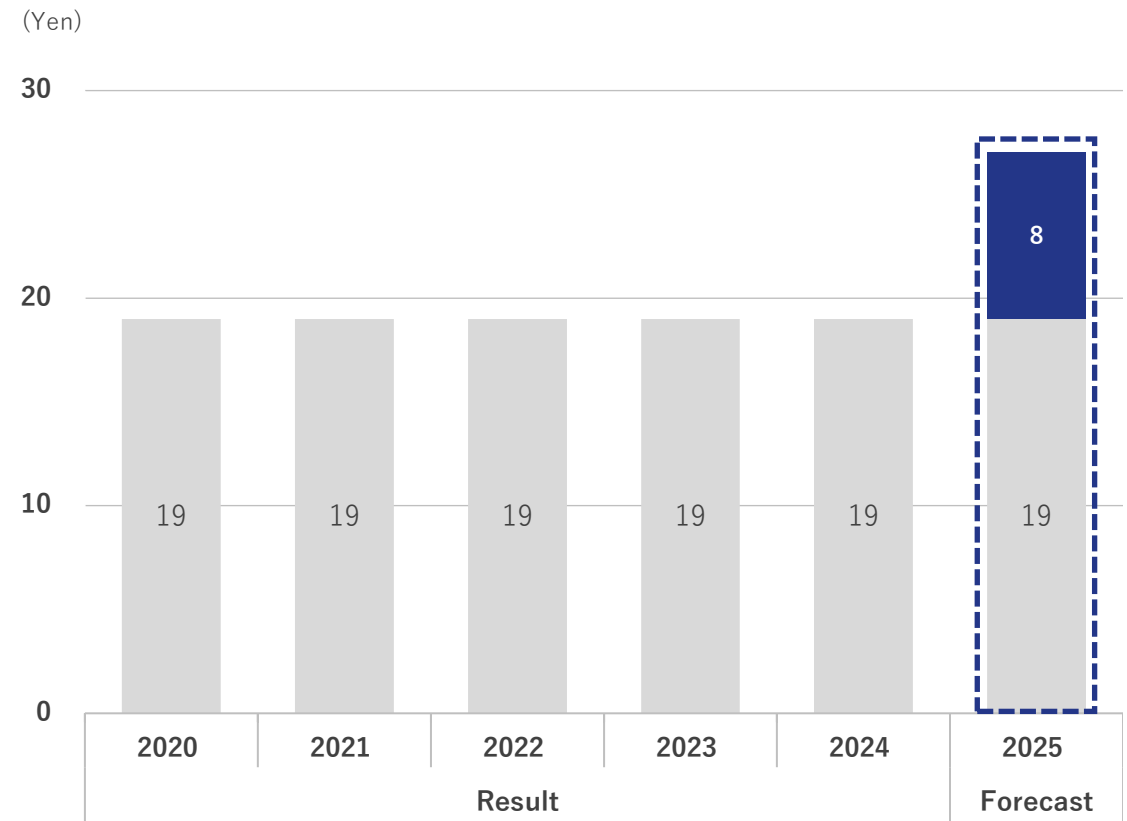
(Millions of yen)	FY2025 Full-year forecast	FY2025 Q1 Results	Progress rate
Net sales	7,200	1,855	25.8%
Operating income	1,810	594	32.8%
Ordinary income	1,820	565	31.0%
Profit attributable to owners of parent	1,180	389	33.0%
(Earnings per share)	17.81	5.88	33.0%

*No revisions have been made to the performance forecast announced on February 2, 2025.

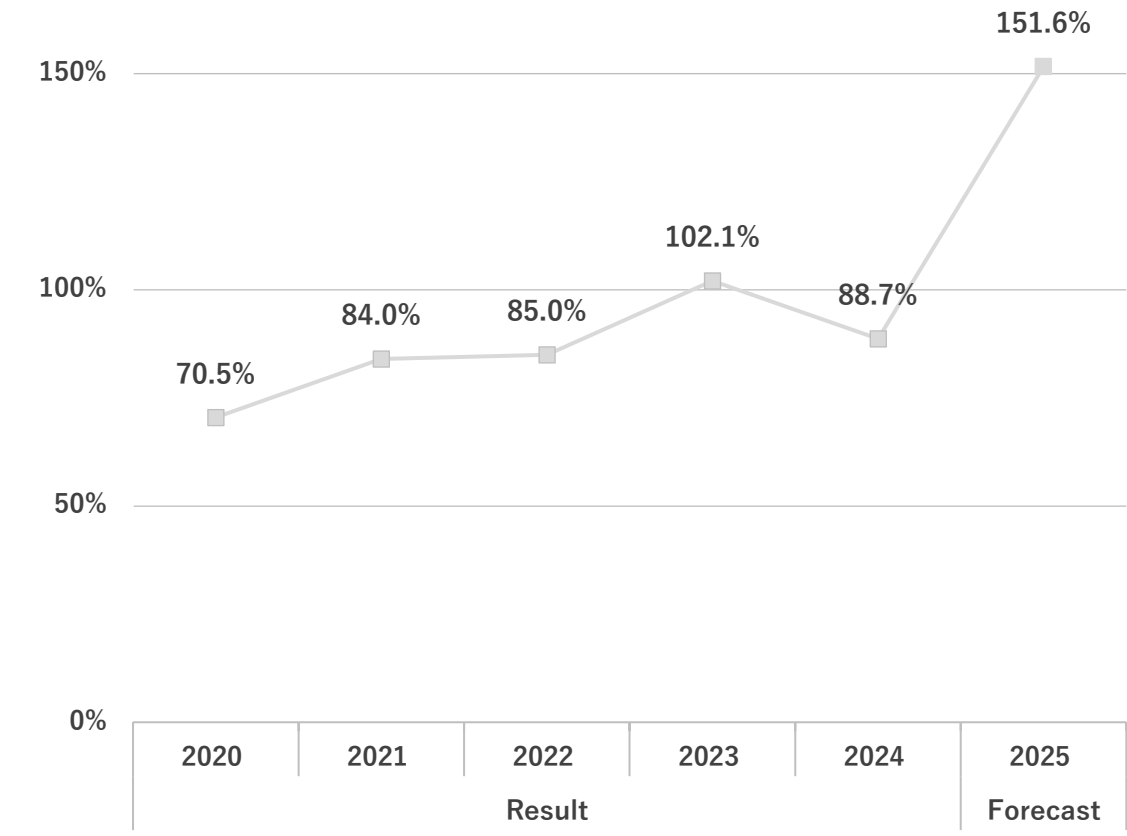
Dividend Amount and Payout Ratio (Trend)

The year-end dividend will continue to remain at 19 yen. In addition, the Company plans to pay an interim commemorative dividend of 8 yen in FY2025, for a total of 27 yen.

Dividend per share



Dividend payout ratio



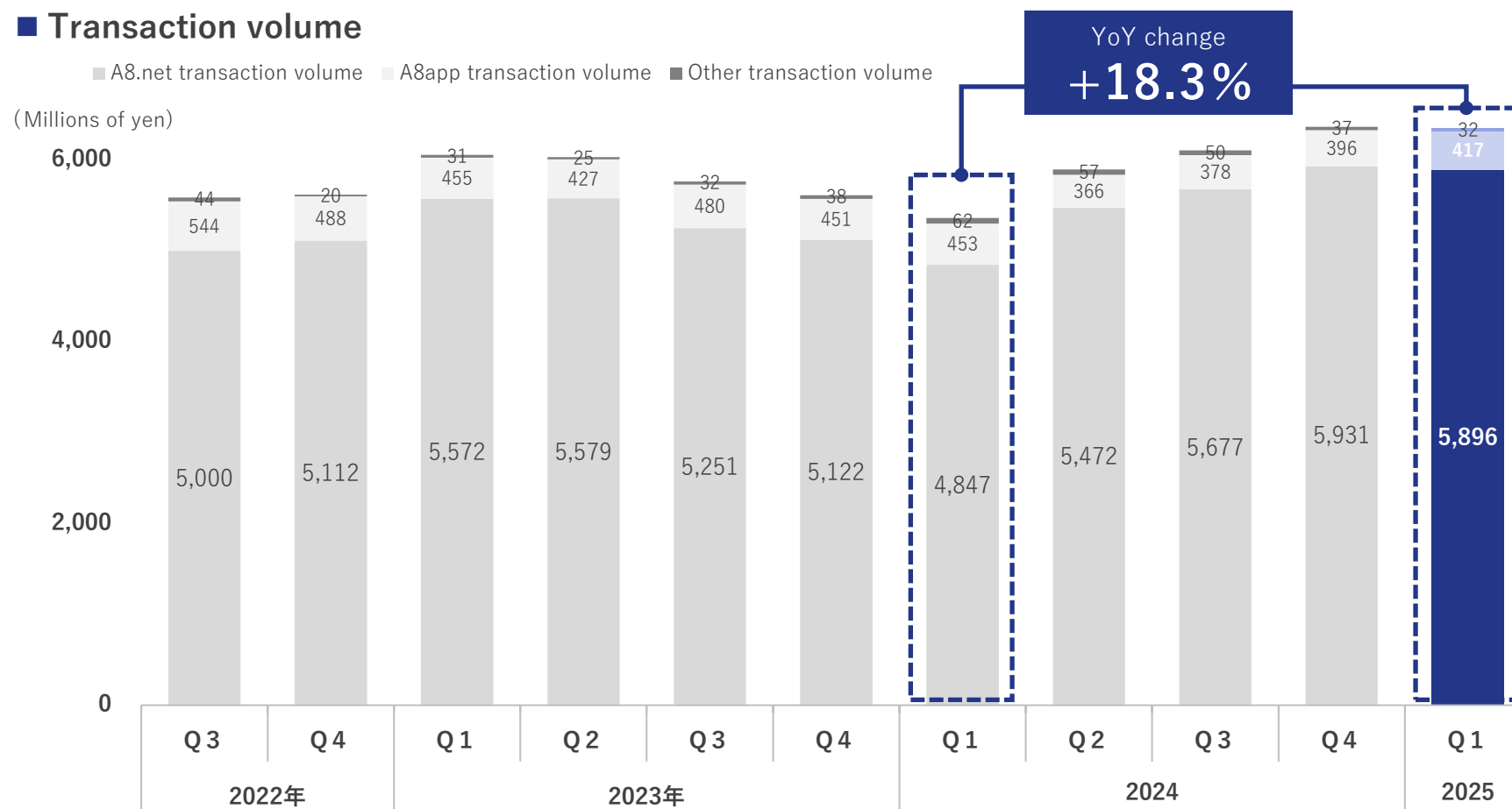
04 ■ Overview by Segment

- CPA Solution Business
- Strategic Businesses

CPA Solution Business: Transaction Volume (Quarterly Basis)

Transaction volume in the CPA Solution Business overall increased by +18.3% year on year, with A8.net seeing a +21.6% increase. Transaction volume increased in the Internet/lifestyle category and the finance category due to seasonal demand from people starting new chapters of their lives (e.g., starting new schools/careers).

Transaction volume



FY2025 Q1 results

Overall
¥**6,346** million
YoY change +18.3%

A8.net
¥**5,896** million
YoY change +21.6%

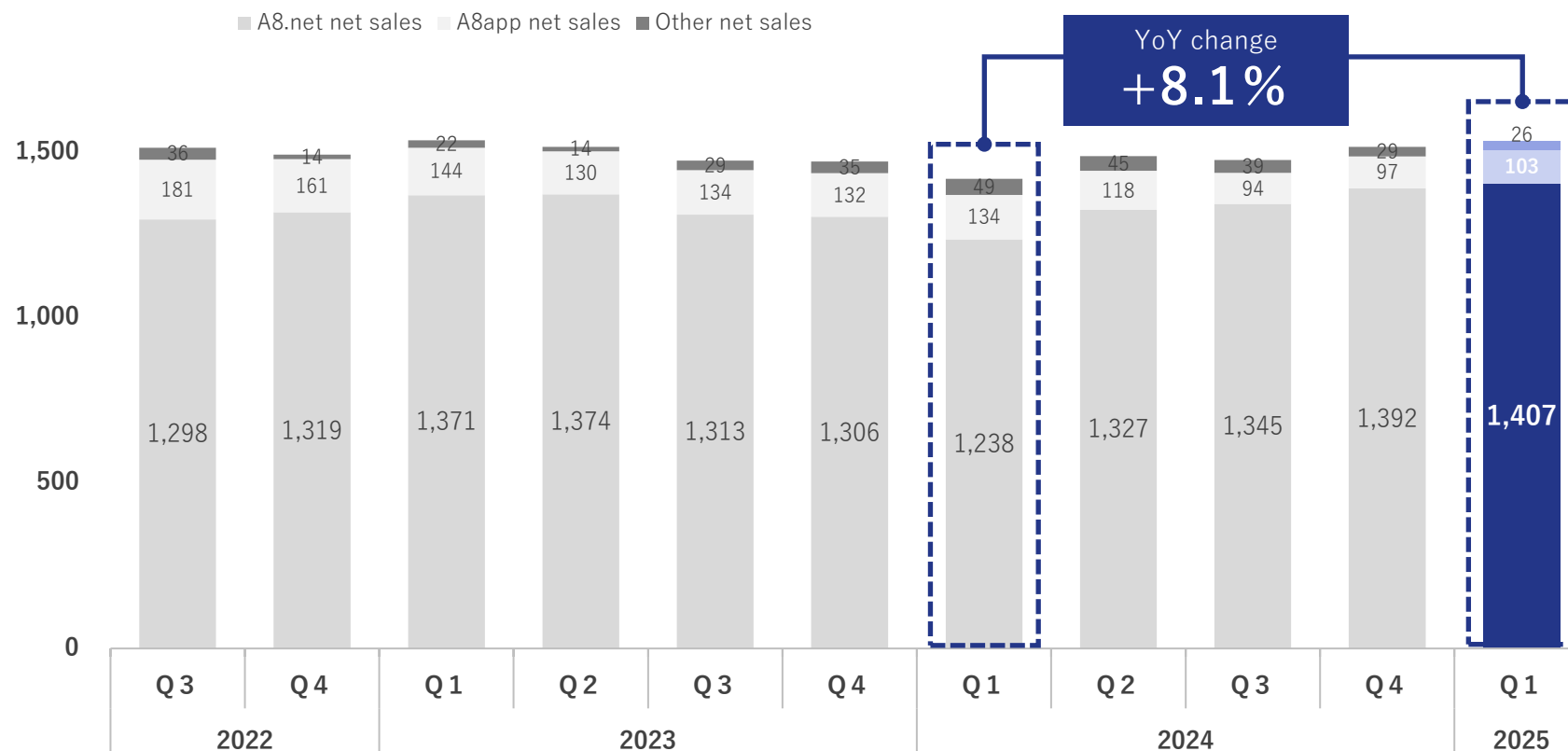
A8app
¥**417** million
YoY change (8.1%)

CPA Solution Business: Net Sales (Quarterly Basis)

Net sales in the CPA Solution Business overall increased by +8.1% year on year, with A8.net increasing by +13.7%, while A8app declined by 22.9%. We plan to promote measures to improve our gross profit to transaction volume ratio.

Net sales

(Millions of yen)
2,000



FY2025 Q1 results

Overall
¥**1,538** million
YoY change..... **+8.1%**

A8.net
¥**1,407** million
YoY change..... **+13.7%**

A8app
¥**103** million
YoY change..... **(22.9%)**

*Other net sales includes contracted development and sales from the now-defunct Seesaa.

Q1 CPA Solution Business Topics

We changed main goal to maximizing operating income. We strengthened value provision to our core customer segments through A8.net's strength in branding. We are currently changing our sales strategies in line with the Medium-Term Management Plan.

Gross profit margin (internal management figure)

24.1%

YoY change (2.5pt)

QoQ change +0.4pt

Operating margin (internal management figure)

12.7%

YoY change +3.8pt

QoQ change +1.2pt

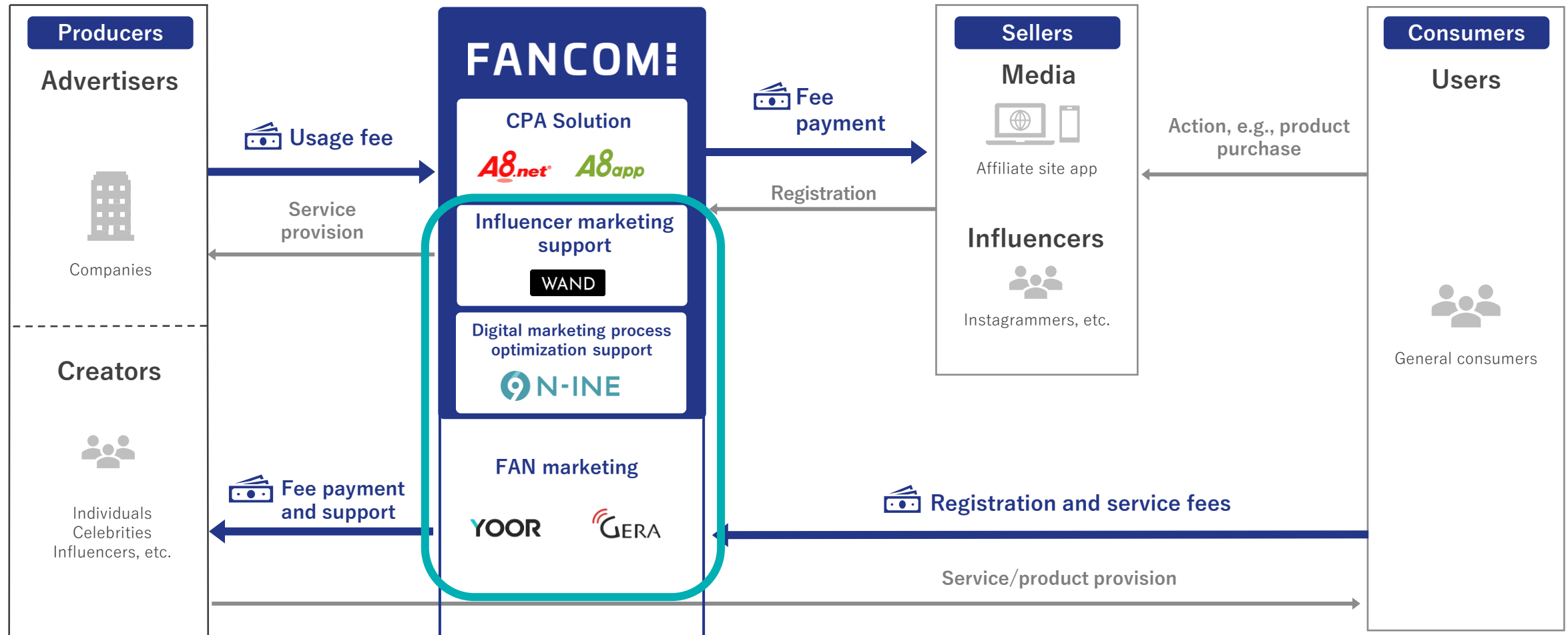
*The gross profit and operating margin shown to the left are unaudited preliminary figures for internal management purposes. The Company internally manages profits and losses separately for each service.

Q1 Topics

- Launched dedicated sales organization for enterprise customers.
- Changed new customer acquisition strategy.
 - We aggressively sold to customers that are somewhat ready for digital marketing. Those which are not were turned to N-INE.
 - We plan to make the number of active advertisers and active media a company-wide key indicator for all services in 2026 or later.
- Sales resources were allocated to strategic businesses. Improved operating margin in the CPA Solutions Business.
- A8.net's slight quarter on quarter decline in transaction volume was due to lower transaction volume in the healthcare area.
- We strengthened our value provision to core (middle-range) customers as a measure to increase gross profit.
- Started A8app and A8.net sales collaboration.

Areas of Focus for Strategic Businesses

We are investing in the influencer marketing support, digital marketing process optimization support, and FAN marketing businesses as **strategic businesses** with high compatibility to the core CPA Solution Business.

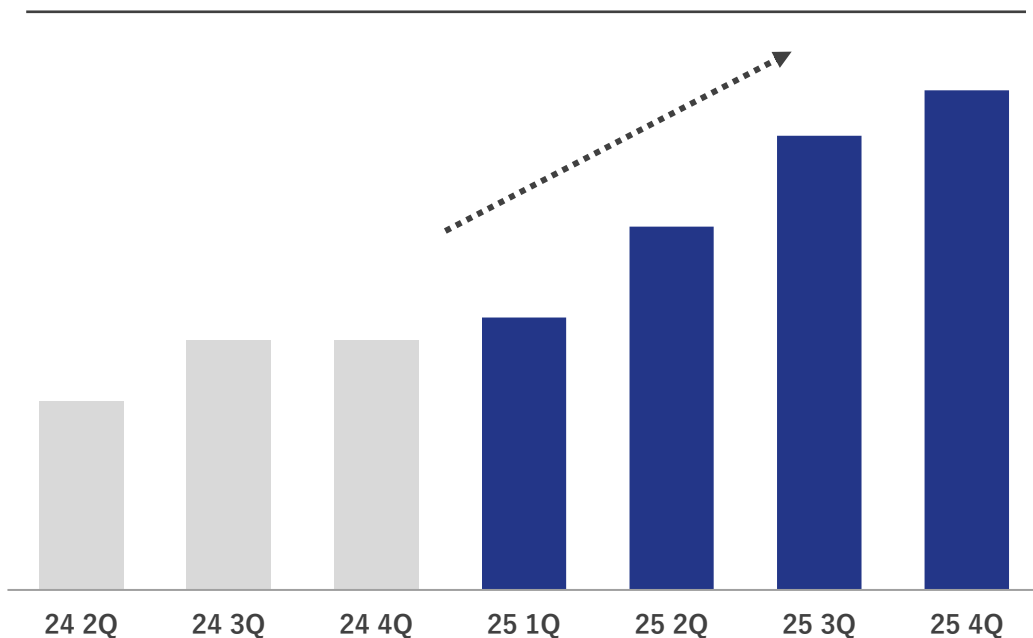


Overview by Segment

FY2025 Plan for Strategic Businesses

From FY2025, the segment name has been changed from New Business to **Strategic Business**. Newly planned businesses also focuses on the digital marketing domain. Business expansion is accelerating.

Net sales plan



*Because nend sales are included until Q1 of FY2024, they are stated from Q2.

Influencer marketing support

WAND

Expand transaction volume and net sales.

Digital marketing process optimization support

N-INE

Increase ID and MRR (monthly recurring revenue).

FAN marketing

YOOR GERA

Increase stock sales. (Subscriptions)

FAN Communications Global

Expand business other than advertising agency business.

Net sales has been set as a key indicator for strategic businesses.

Net sales

¥317 million

YoY change..... +70.4%

QoQ change..... +13.2%

*Net sales of nend are excluded.

Influencer marketing support

WAND

Monthly transaction volume exceeded 30 million, a record since the Company's establishment. Growth momentum is continuing. We are strengthening investment in 2025. **Released NOX, a performance-based influencer marketing service.** We are strengthening synergies with A8.net.

Digital marketing process optimization support

N-INE

We released beta versions of landing page creation support and market research support tools, as well as a package capable of operating a new channel (LINE MINI App). Since the official release in December 2024, it has **57 active IDs (as of the end of March).**

FAN marketing

YOOR GERA

GERA and YOOR recurring sales: **+22.8% QoQ**
A GERA 5th Anniversary Event was held in April.

FAN Communications Global

Ratio of transaction volume from the advertising agency business: 70% → 42% Diversification of transactions is being promoted. We established an in-house studio, "SHOGUN STUDIOS," in the casual game business.

05 ■ Reference Material

- Overview of Medium-Term Management Plan

Story that begins with the second founding

FANCOMI is evolving **from an ad network provider to a prosumer support business.**

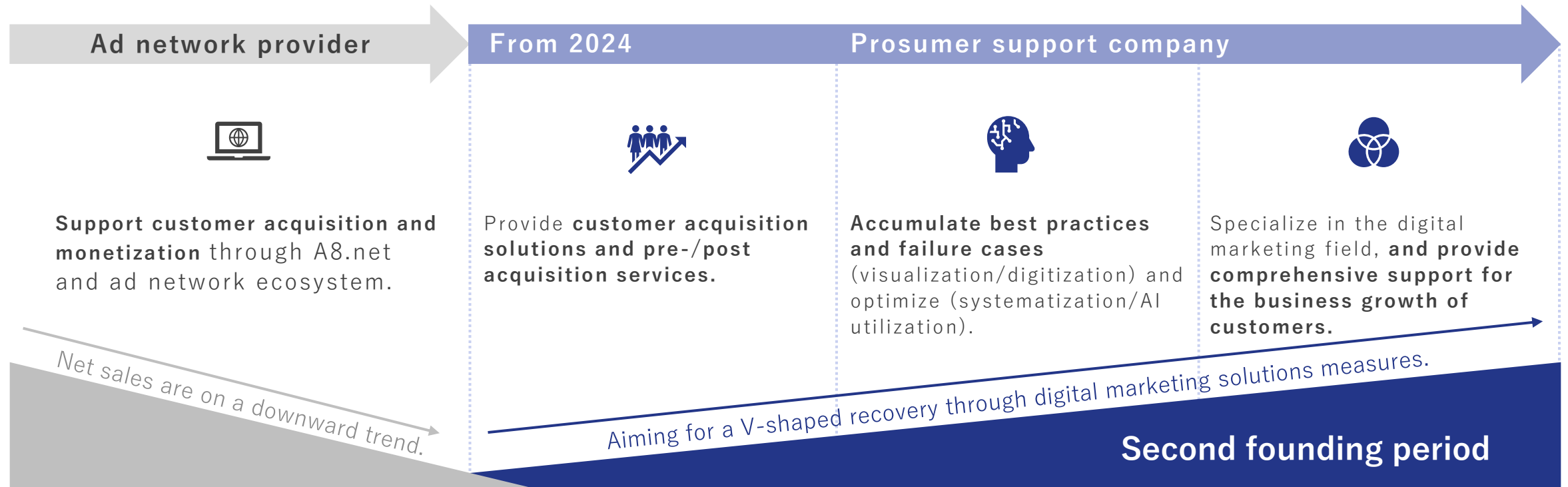
Vision

Prosumer happiness

Achieving a balance between external happiness (physical needs) and internal happiness (spiritual needs)

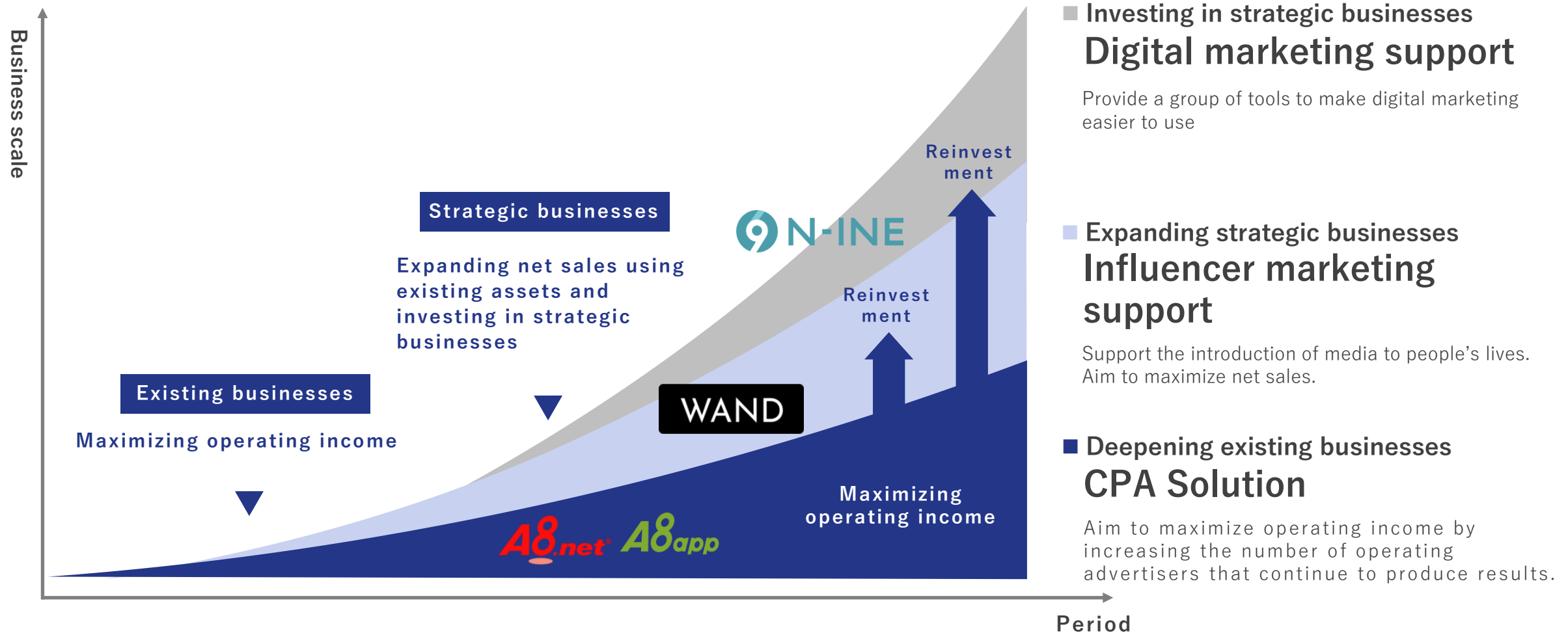
Basic policy

Expand customer IDs across services to generate network effects.



■ 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.**



Overview of FY2025 -FY2027 Growth Strategy

We will offer comprehensive digital marketing support for SMBs. We will provide customers with improved business matching quality through the expansion of our customer network, and improved cost efficiency through the use of proprietary data and BPO utilizing AI.

FANCOMI's strategy [main target: SMEs]*The following three markets have the largest TAM.

Monthly use fee + performance-based fee

BPO utilizing AI

Contracted operation of marketing tools
before and after customer attraction

Market size in 2027
IT-related BPO market **3.2 trillion** Digital
marketing BPO market
400 billion *Our estimate

×

Marketing tools before and after customer acquisition

N-INE, Fan marketing

Market size in 2027 Digital marketing
market **500 billion**
(Analysis and CRM market)

×

Customer acquisition solutions affiliate advertising

A8.net · A8app · LUMOS

Market size in 2027
Affiliate market **580 billion**
Influencer marketing market **130 billion**

Competitors

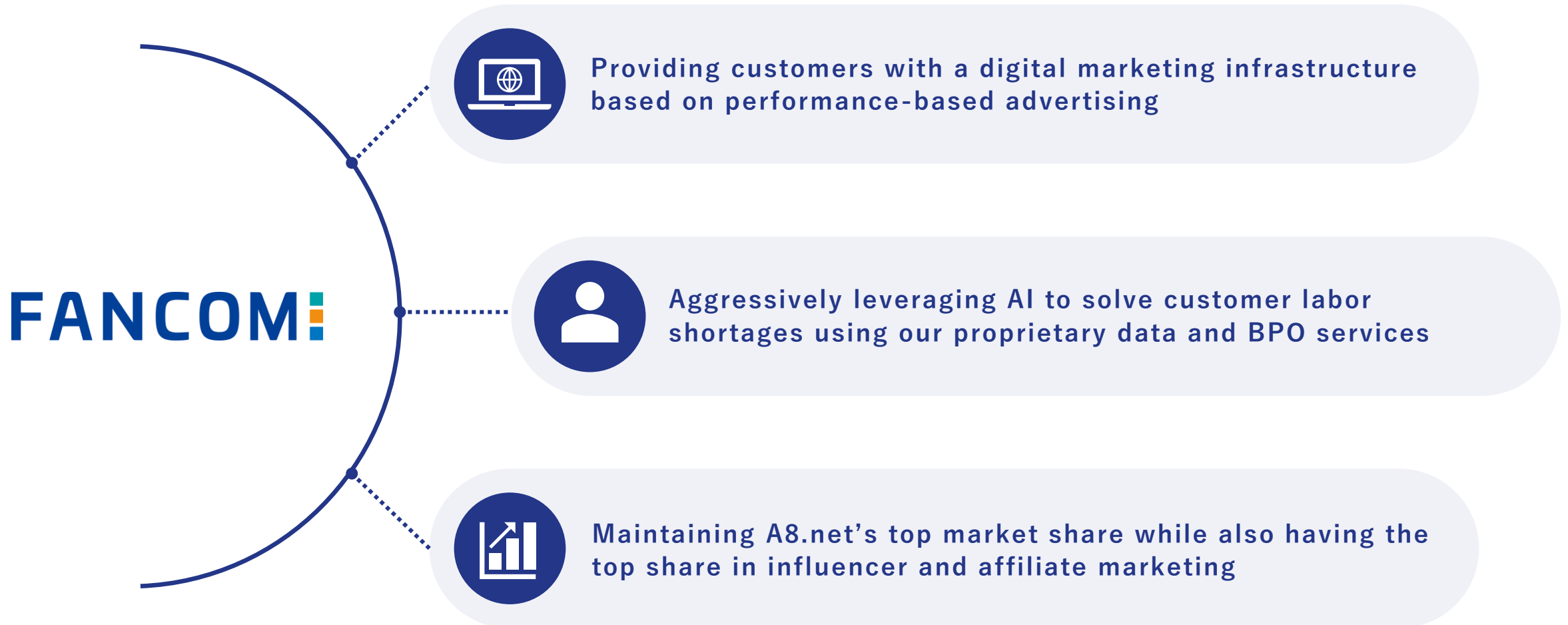
Advertising agencies
Consultants
(Mainly large companies)

Marketing
Vertical SaaS
(Mainly enterprises)

Affiliate
ASP
(Mainly large budgets)

■ Our Vision for the Next Three Years

As a stepping stone to becoming a company that supports prosumers, **we will become a new market leader in the field of digital marketing solutions for SMBs.**

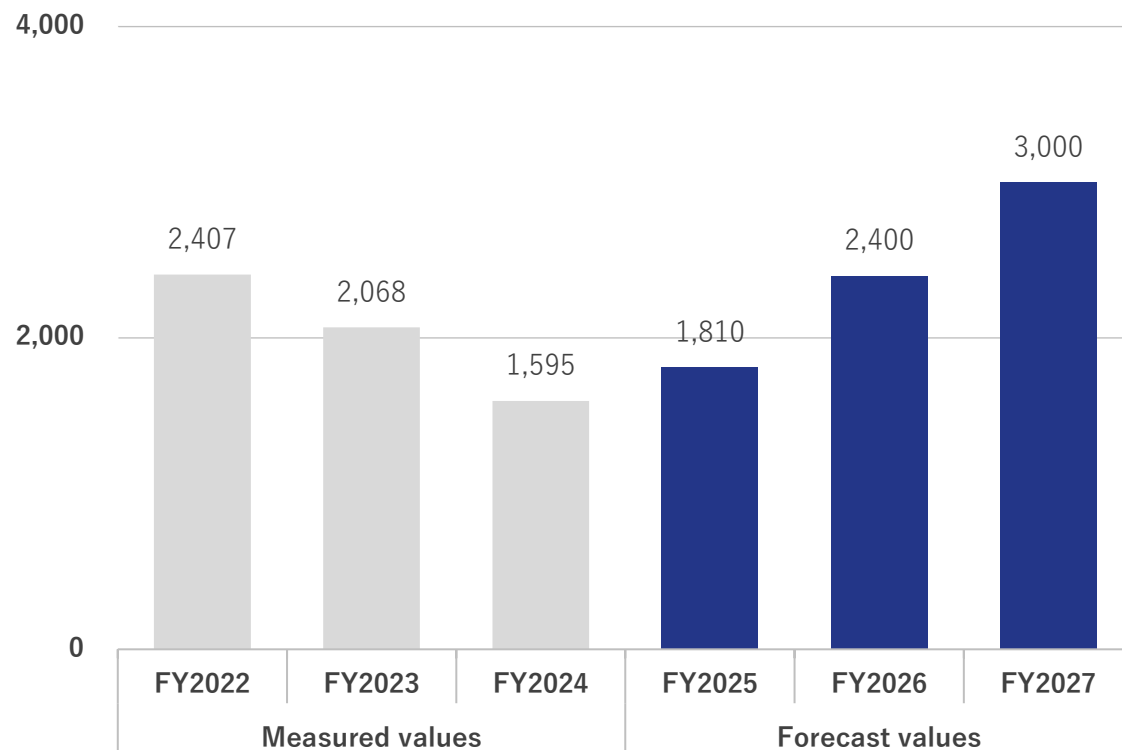


■ FY2025-2027 Medium-Term Management Plan Target Figures

We aim to **increase operating income by 88% (compared to FY2024)** and return on equity (ROE) by **10% or more in the three years** between now and FY2027 (if a dividend of 19 yen is maintained).

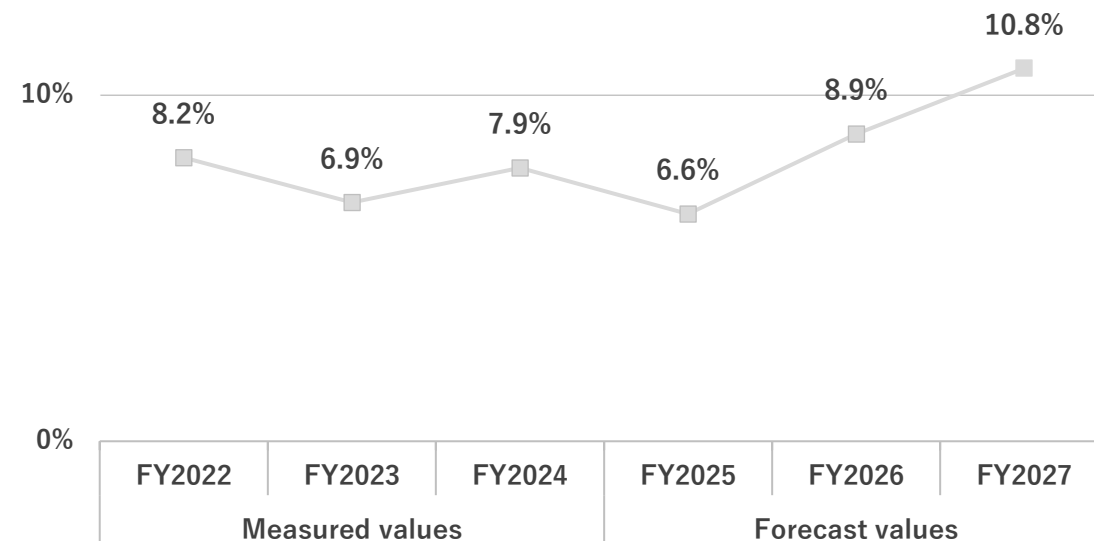
■ Operating income [quarterly basis] target

(Millions of yen)



■ Return on equity [ROE] target

20%



Basic policy: Always consider capital policy with ROE in mind.

ROE Improvement
Measures



Consideration of Shareholder Returns

Cost Structure Optimization

Capital and Business Alliance
/Acquisition Consideration

Business Portfolio Optimization

We will concentrate
investment in areas
peripheral to our core
business and in the use of AI.

We will aim for ROE over 10%
by FY2027, and **15%** in
the long term.

06 ■ Company Information

- Corporate Philosophy/Vision
- Company Overview
- IR Information
- Disclaimers

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.

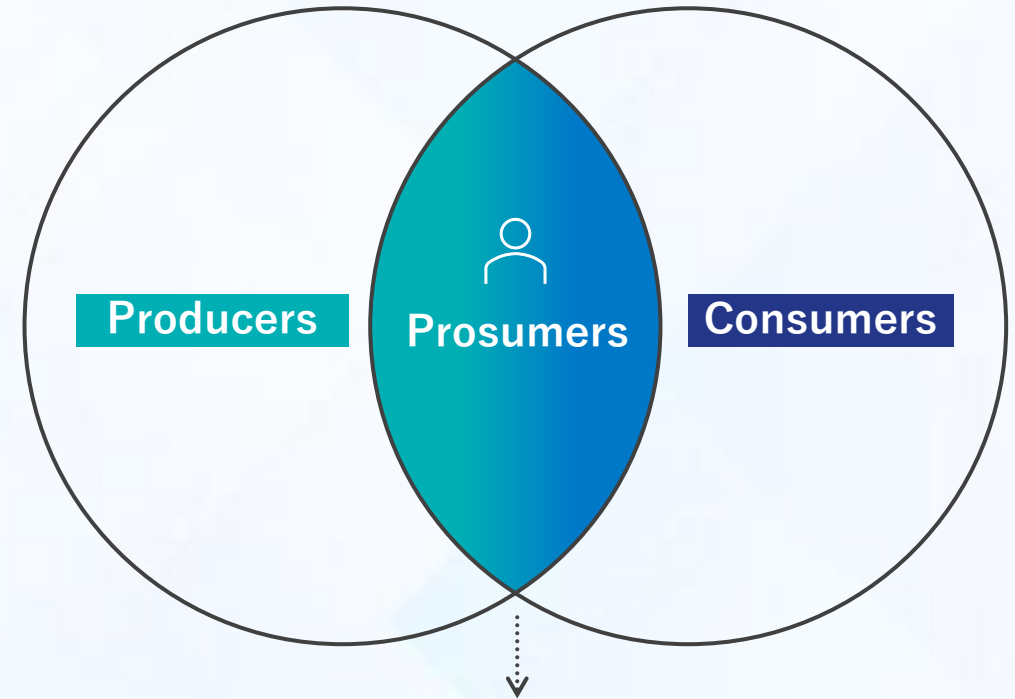
Slowly and steadily step by step, steadily moving forward.



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.

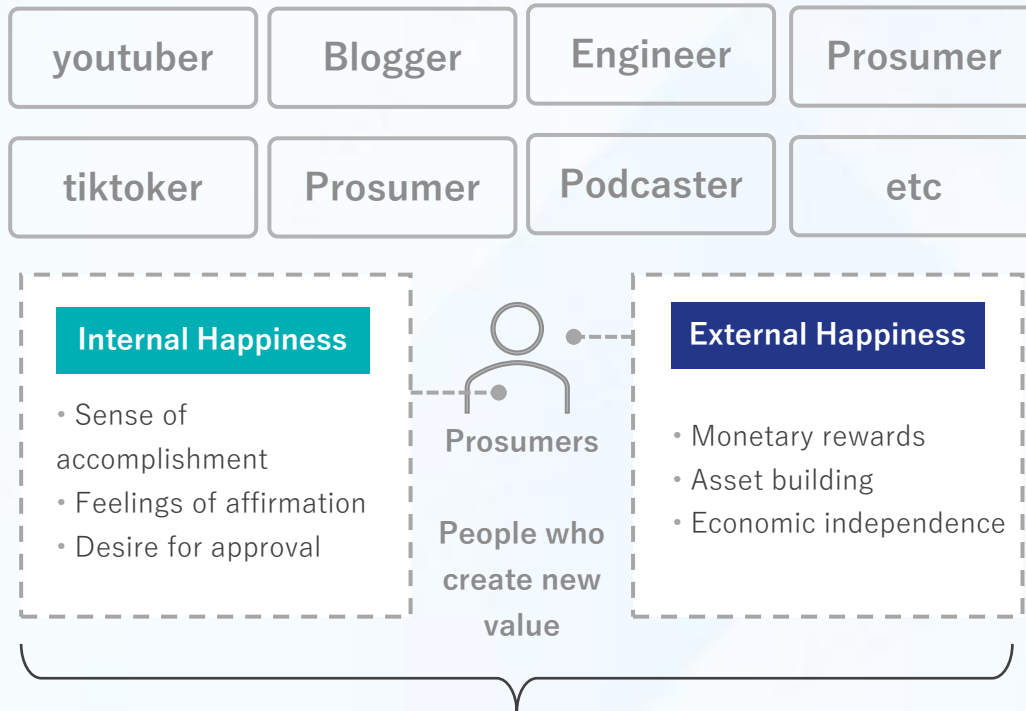
The Internet has greatly reduced the cost of advertising and disseminating information about the ideas, efforts, and works of individuals and small businesses to the world. By facilitating the creation of a new economic sphere on the Internet, we will create a mechanism to increase the number of prosumers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



Prosumer happiness

= The “vision” we are working toward

We will support the coexistence of two forms of happiness and co-create them with prosumers.



Maximizing the Two Forms of Happiness

= This is how we define "happiness."

FANCOMI has worked to create **new value** on the Internet and support prosumers who create **new value**.

In the three decades since the dawn of the Internet, the world has become increasingly complex and diverse.

In order for prosumers to create and **expand** new value, the use of **digital marketing** is essential.

FANCOMI aims to **realize a more affluent society** by facilitating an environment that makes digital marketing easier and **co-creating with prosumers**.

Company Information

Company Overview

FANCOM

Company Name	FAN Communications, Inc
Securities Code	2461 (Tokyo Stock Exchange, Prime Market)
Fiscal Year-End	December
Established	October 1, 1999
Capital	¥1,173.67 million (As of May 31, 2025)
President and Representative Director	Koji Ninomiya
Number of Employees	Non-consolidated: 384 Group total: 422(As of May 31, 2025; includes part-time and temp staff)
Headquarters	Aoyama Diamond Building, 1-1-8, Shibuya, Shibuya-ku, Tokyo 150-0002, Japan
TEL	03-5766-3530(IR)
FAX	03-5766-3782



VOICE

株式会社ファンコミュニケーションズ
2024年12月期(第26期)報告書
2024.1.1 ▶ 2024.12.31

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中期経営計画を着実に実行し、
再び成長軌道を描いていきます。
代表取締役社長 二宮 幸司
- 15 連結財務諸表
- 18 株式情報
- 21 会社情報

▼ トップインタビュー

Q 最後に株主、投資家の皆様にメッセージをお願いします。
過去に達成してきた実績を再び実現できると確信しています。

中期経営計画の目標であるROE10%の達成に向けて、さまざまな施策を検討していきます。また、東証プライム市場の上場維持基準である株式の出来高や流動性についても、適切な対応を講じてまいります。

2025年度はIR活動の強化をテーマとし、今回の中期経営計画は、株主・投資家の皆様に「3年後の私たちの姿」を示すIRツールとして活用します。皆様との対話の機会を増やし、私たち自身も新たな気づきを得ながら成長を続けていきたいと考えています。

経営とは成果を出し、その再現性を高めながら、新しい価値を生み出し続けることであると考えています。過去に私たちが達成してきた事業の成長、株式価値の向上、ROEの実績——これらは再び実現できると確信しています。株主の皆様にも、ぜひご期待いただきたいと思います。



● ROEの推移

	2020年 12月期	2021年 12月期	2022年 12月期	2023年 12月期	2024年 12月期
ROE(%)	9.6	8.2	8.2	6.9	7.9

[Link to VOICE](#)

FY2024 Financial Results Briefing
Medium-Term Management Plan Explanation Video

Links

[Q1 Financial Results Presentation Material for FY2025](#)
[FY2024 Financial Results Briefing \(Video\)](#)

中期経営計画策定に関するお知らせ (IRリリース)

Links

[The PDF can be found here.](#)

Future IR Activities

- Renewal of our IR page
- Conducting individual investor briefings
- Opening an official LINE account for IR etc

We will actively work to disseminate IR information.

- 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.
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