



Second Quarter of 2025 Presentation of Financial Results

FAN Communications, Inc.
August 12, 2025

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Agenda

- 01 Executive Summary
- 02 Second Quarter of FY2025 Consolidated Results Overview
- 03 FY2025 Consolidated Performance Forecast Progress
- 04 Overview by Business
- 05 Company Information
- 06 Reference Material - Overview by Medium-Term Management Plan



01 ■ Executive Summary

- Second Quarter of 2025

Performance Highlights

Cumulative Q2 YoY changes

Transaction volume +6.4% Net sales +7.0% Operating income +50.7%

Business-related Information

- A8.net continued to improve its profitability. This was particularly the case as regards promoting systematization, visualization, workflow improvement, and DX to boost productivity
- WAND, an influencer marketing support service, entered the TikTok Shop support business. Accelerated investment starting in Q2
- Digital marketing optimization support “N-INE” created multiple successful use cases in the CRM field. Promoted the creation of services that are based on AI utilization
- Fan Marketing’s monthly transaction volume exceeded 30 million yen, a record since the Company’s establishment

Internal Investment

- Invested in AI and information management tools. Further adopted operational practices based on systematization and visualization
Plans from Q3 onward to invest in customer management infrastructure
- While we have exclusively hired new graduates for the past two years, we plan to resume mid-career hiring. Recruited more DX personnel

Capital Policy

- Established focus categories in capital business alliances and M&A Prioritized and executed initiatives in the influencer domain, e-commerce support domain, and AI use domain Invested in two companies in Q2

02 ■ Second Quarter of FY2025 Consolidated Results Overview

- P/L (Cumulative Q2)
- Operating Income Factor Analysis (Cumulative Q2)
- [Transaction Volume/Net Sales/Operating Income/Breakdown of Major Expense Items] (Quarterly Basis)
- B/S

Operating income significantly increased year on year.

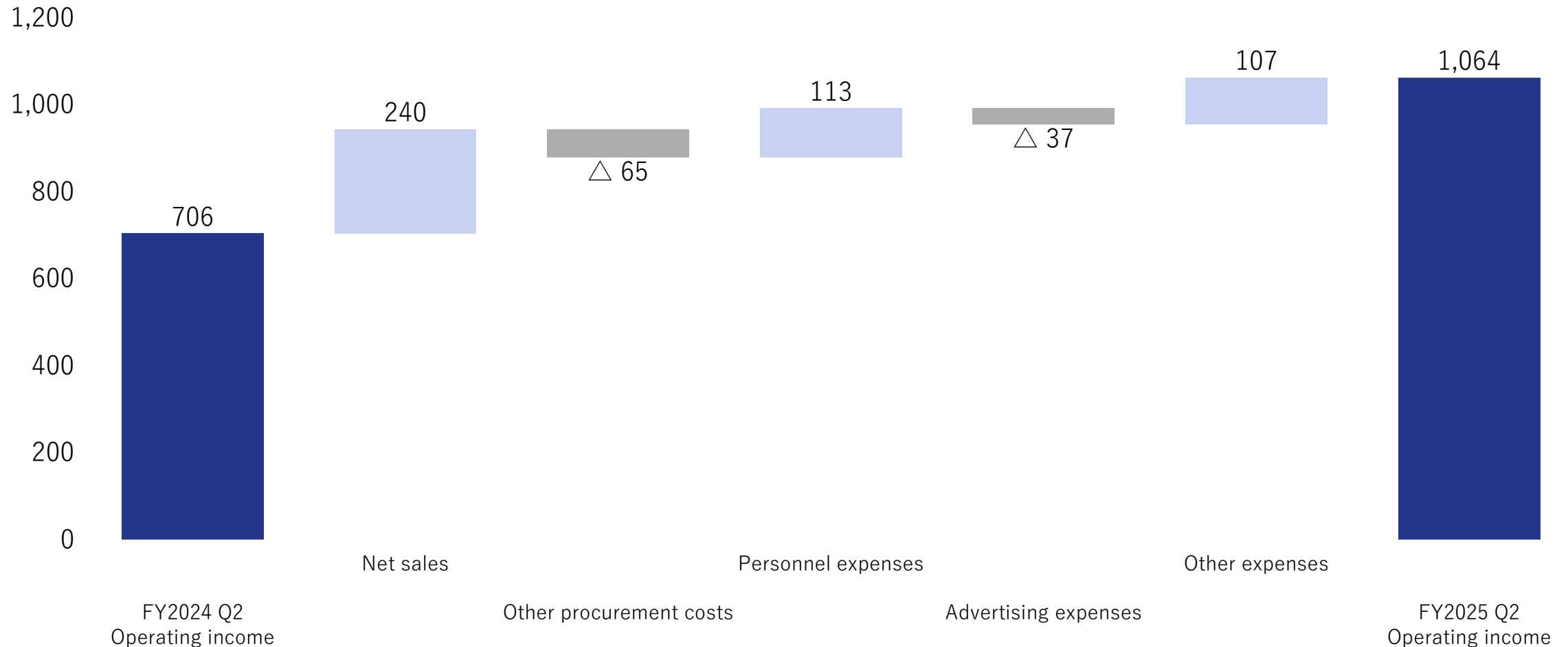
(Millions of yen)	2024 Q2	2025 Q2	YoY change	
			Change	Change (%)
Transaction volume	12,391	13,181	+789	+6.4%
Net sales	3,404	3,644	+239	+7.0%
Operating income	706	1,064	+358	+50.7%
(Operating income to transaction volume ratio)	5.7%	8.1%	—	—
Ordinary income	781	1,047	+266	+34.1%
Profit attributable to owners of parent	830	693	(136)	(16.4%)
(Profit to transaction volume ratio)	6.7%	5.3%	—	—

*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.

■ Analysis of Factors Affecting Changes in Operating Income (Q2 Cumulative)

The main factors were increased net sales and reduced costs due to business restructuring. The Company absorbed increased advertising expenses and procurement costs

(Millions of yen)



Second Quarter of FY2025 Consolidated Results Overview

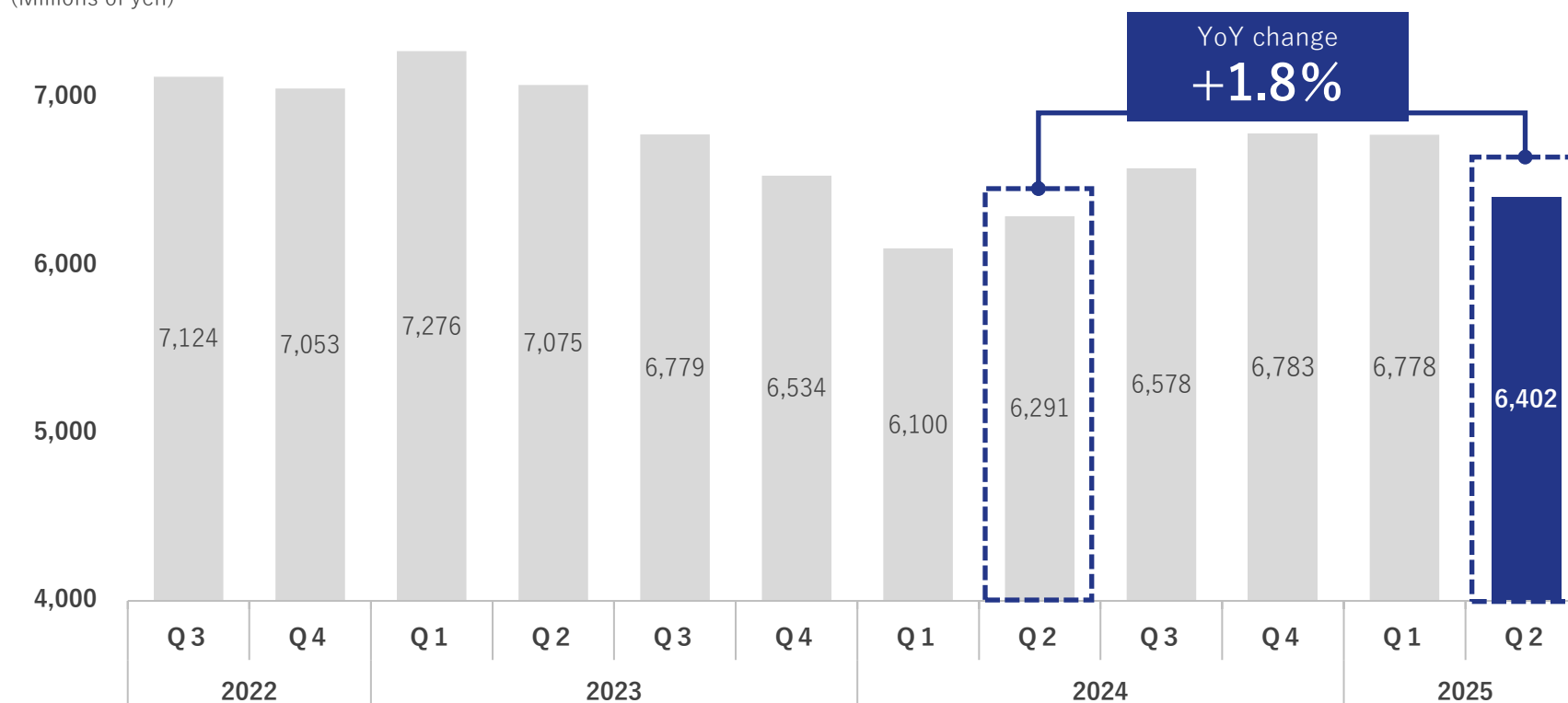
[Transaction Volume] (Quarterly Basis)

Transaction volume was up 1.8% YoY

Down 5.6% QoQ due to the decrease in the transaction volume of the CPA Solution Business

Transaction volume

(Millions of yen)



FY2025 Q2 results

Overall

¥ **6,402** million

YoY change +1.8%

QoQ change (5.6%)

*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.

■ Second Quarter of FY2025 Consolidated Results Overview

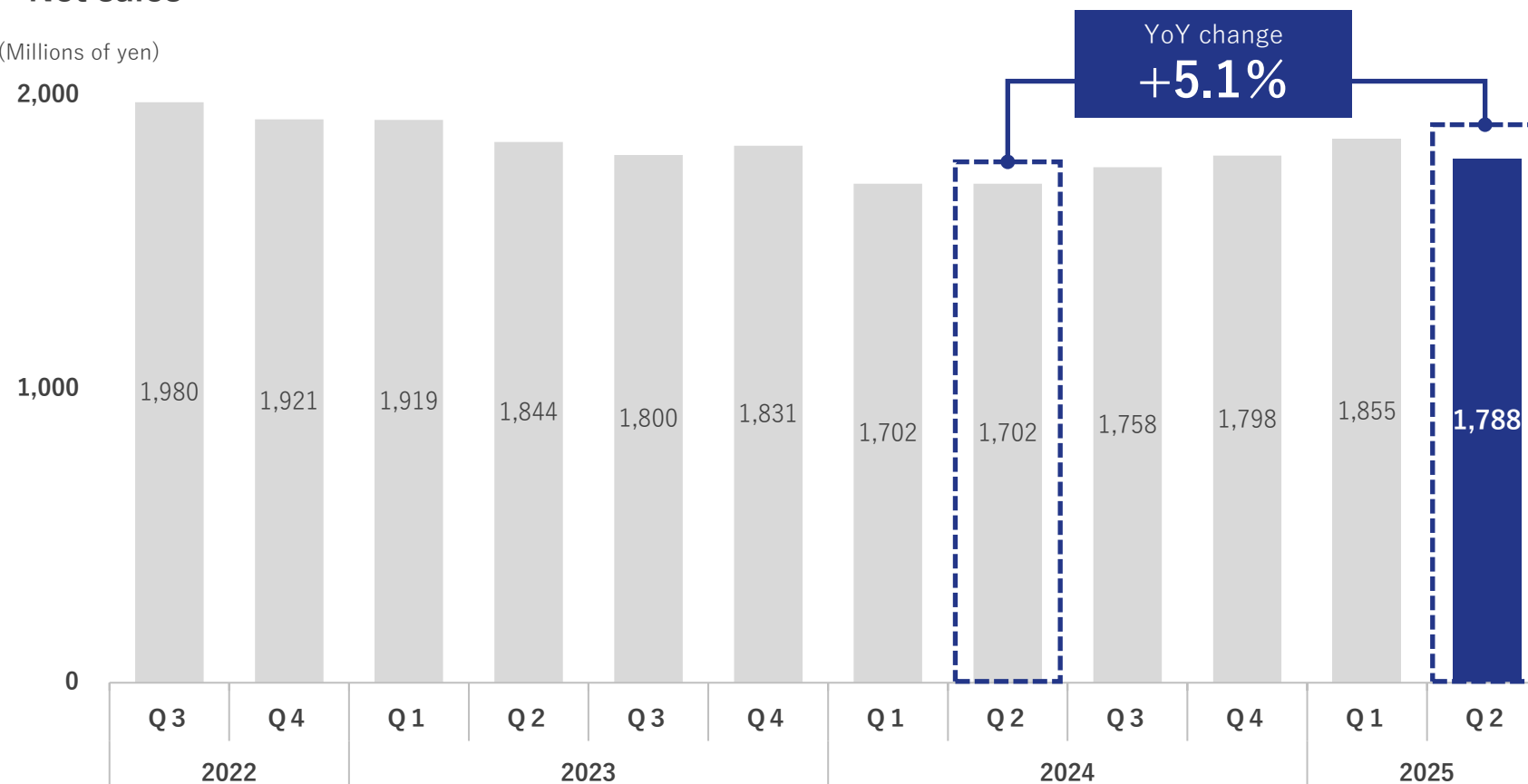
■ [Net Sales] (Quarterly Basis)

Net sales were up 5.1% YoY. They were down 3.6% QoQ

Net sales of strategic businesses are on the rise

■ Net sales

(Millions of yen)



■ FY2025 Q2 results

Overall

¥ **1,788** million

YoY change..... +5.1%

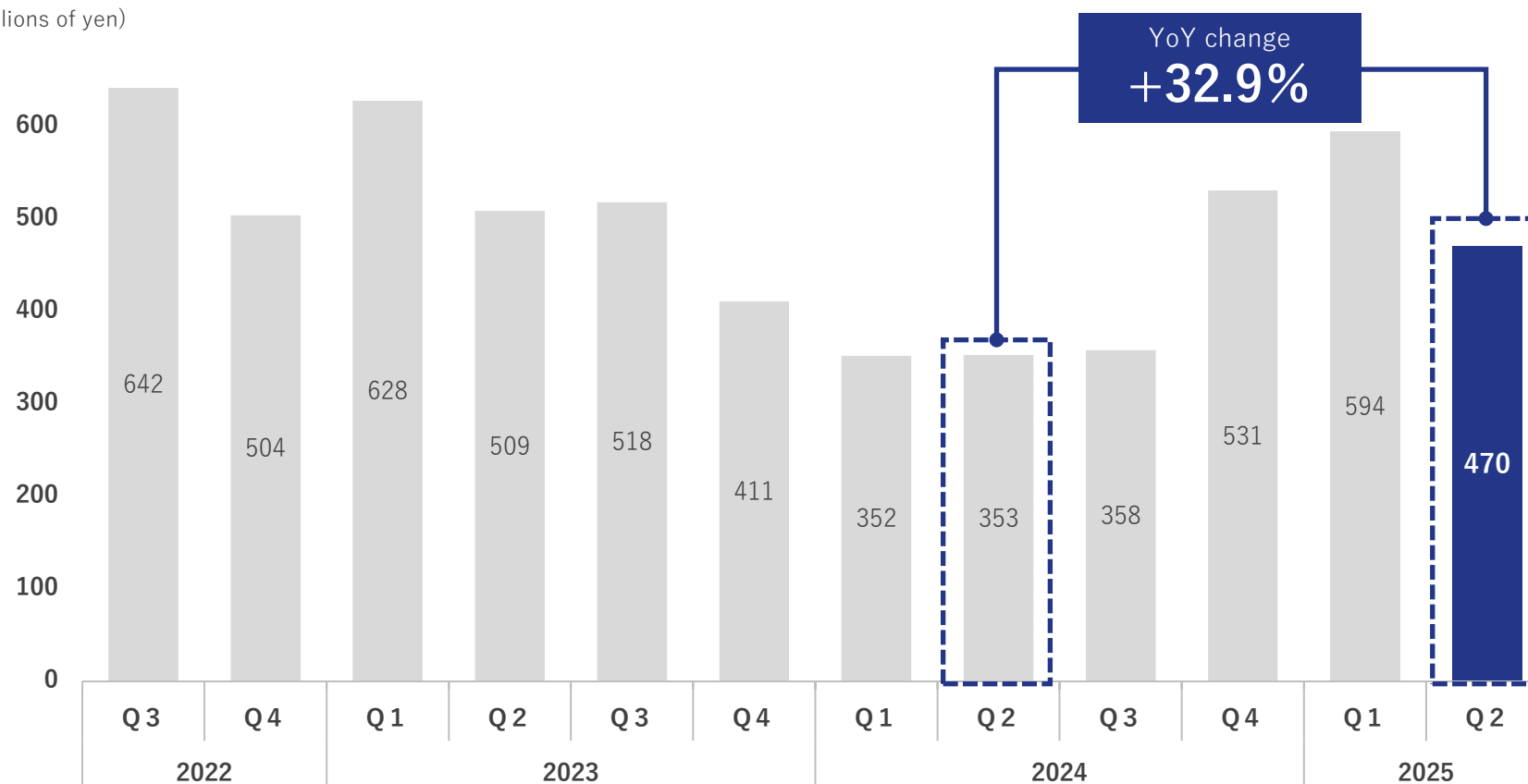
QoQ change..... (3.6%)

■ [Operating Income] (Quarterly Basis)

Operating income was up 32.9% YoY, a significant increase. It was down 20.8% QoQ due to seasonal factors negatively affecting the net sales of various businesses and increased advertising investment by our subsidiary, FANCOMI Global

■ Operating income

(Millions of yen)



■ FY2025 Q2 results

Overall

¥ **470** million

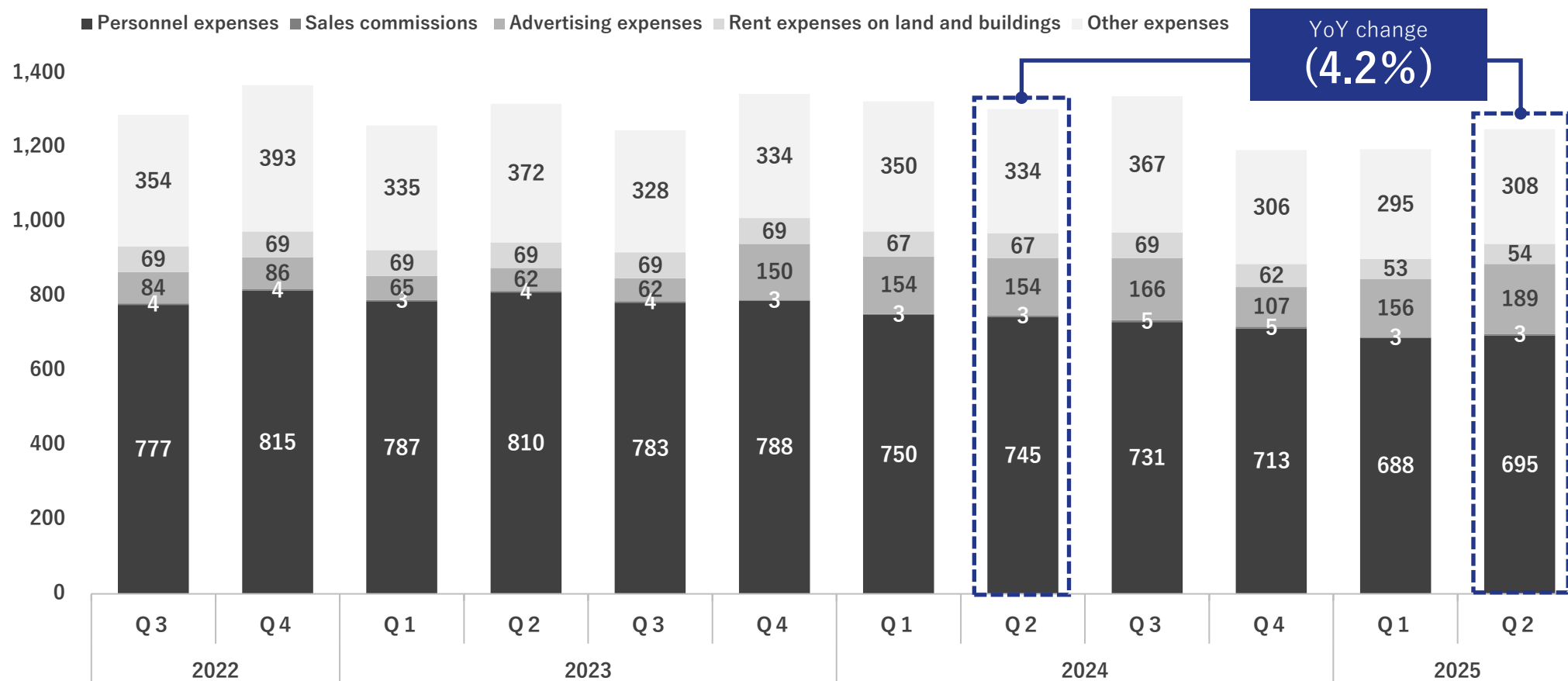
YoY change..... +32.9%

QoQ change..... (20.8%)

[Breakdown of Major Expense Items] (Quarterly Basis)

The expense ratio was down 4.2% YoY. It was up 4.4% QoQ. Influences included April salary increases, new graduates joining the company, and higher advertising expenses

(Millions of yen)



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

Cash and deposits decreased while investments and other assets increased due to the purchase of bonds.

(Millions of yen)		End of FY2024	End of Q2 FY2025	Vs. End of previous FY	
				Change	Change (%)
Assets	Current assets	20,785	17,646	(3,139)	(15.1%)
	Cash and deposits	16,917	14,394	(2,523)	(14.9%)
	Non-current assets	2,570	5,303	+ 2,732	+ 106.3%
	Property, plant and equipment	53	78	+25	+47.3%
	Intangible assets	1,016	998	(17)	(1.8%)
	Investments and other assets	1,500	4,225	+2,725	+181.6%
	Total	23,356	22,950	(406)	(1.7%)
Liabilities and net assets	Liabilities	5,297	5,497	+200	3.8%
	Net assets	18,059	17,452	(607)	(3.4%)
	Total	23,356	22,950	(406)	(1.7%)

03 ■ FY2025 Consolidated Performance Forecast Progress

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

Upwardly revised full-year performance forecast

The target of achieving over 20% YoY operating income growth, originally planned for 2026 onward in the Medium-Term Management Plan, has been brought forward

(Millions of yen)	FY2024 Result	FY2025 Previous forecast	FY2025 Revised forecast	YoY Change (%)
Net sales	6,961	7,200	7,440	6.9%
Operating income	1,595	1,810	1,950	22.2%
Ordinary income	1,670	1,820	1,940	16.2%
Profit attributable to owners of parent	1,419	1,180	1,280	(9.8%)
(Earnings per share)	21.43	17.81	19.32	(9.8%)

Progress vs. Performance Forecast

Progress versus revised full-year forecast. Plans are in place to invest in growth for the next fiscal year and beyond

Growth investment domains primarily refer to the influencer domain and AI use domain

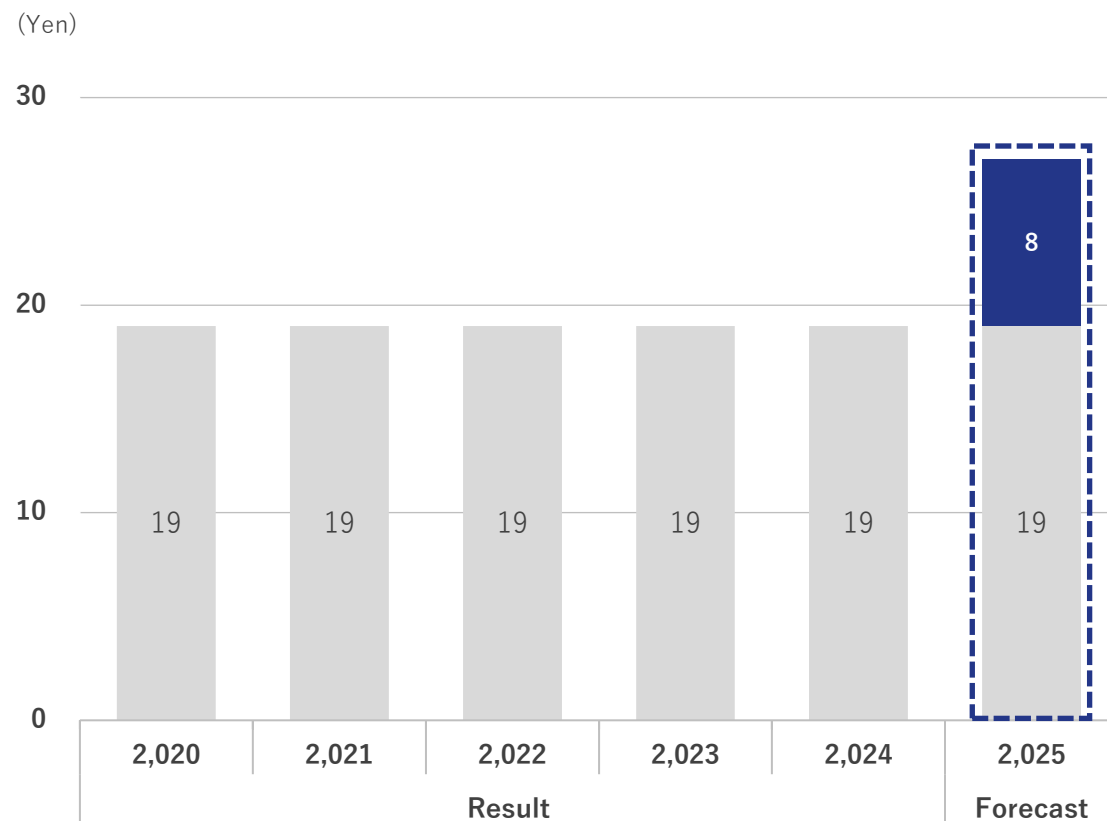
(Millions of yen)	FY2025 Full-year forecast (August 8, 2025 revision)	FY2025 Q2 Results	Progress rate
Net sales	7,440	3,644	49.0%
Operating income	1,950	1,064	54.6%
Ordinary income	1,940	1,047	54.0%
Profit attributable to owners of parent	1,280	693	54.2%
(Earnings per share)	19.32	10.47	54.2%

Dividend Amount and Payout Ratio (Trend)

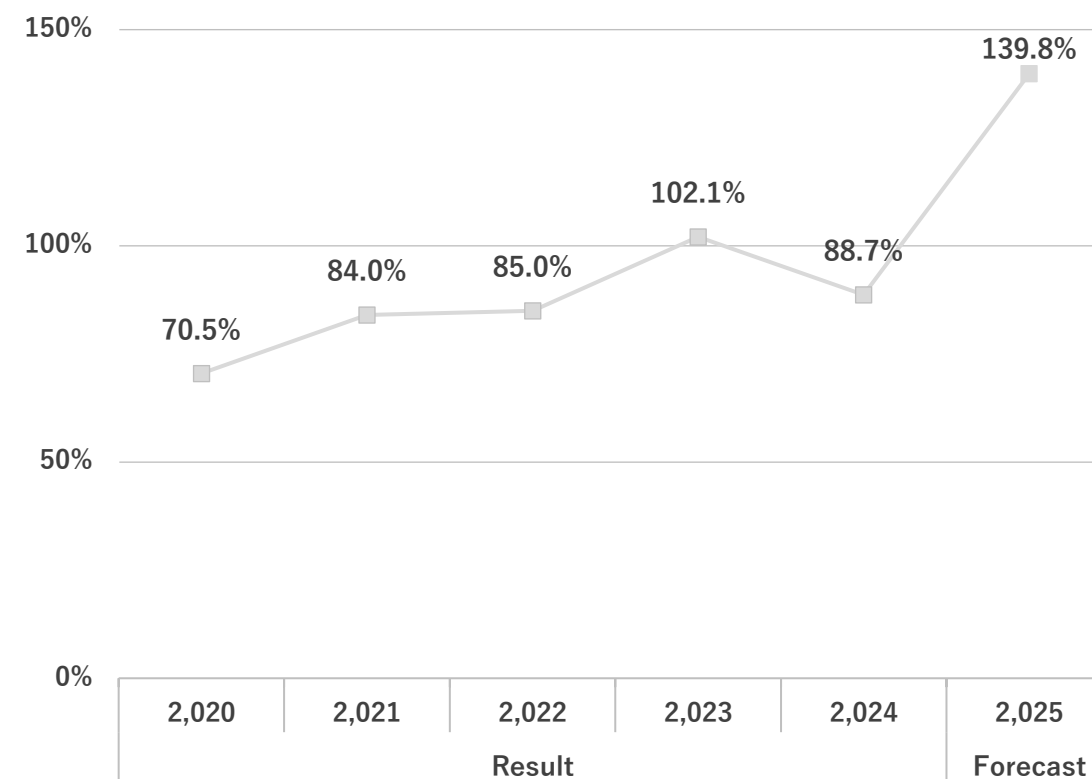
The year-end dividend will continue to remain at 19 yen. In addition, the Company plans to pay an interim commemorative dividend of 8 yen in FY2025, for a total of 27 yen.

(Dividend payout ratio after the performance forecast revisions on August 8, 2025)

Dividend per share



Dividend payout ratio

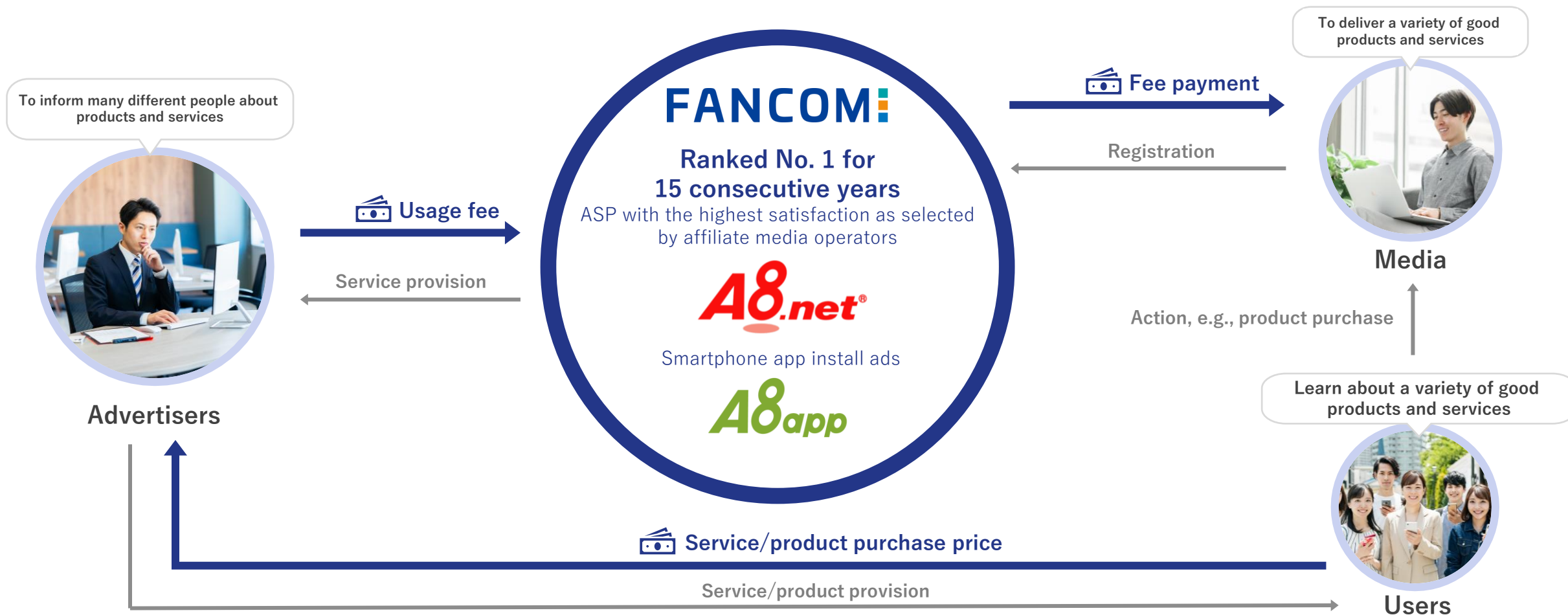


04 ■ Overview by Business and Key Indicators

- CPA Solution Business
- Strategic Businesses
- FY2025 Key Indicators
- 2H

Overview by CPA Solution Business

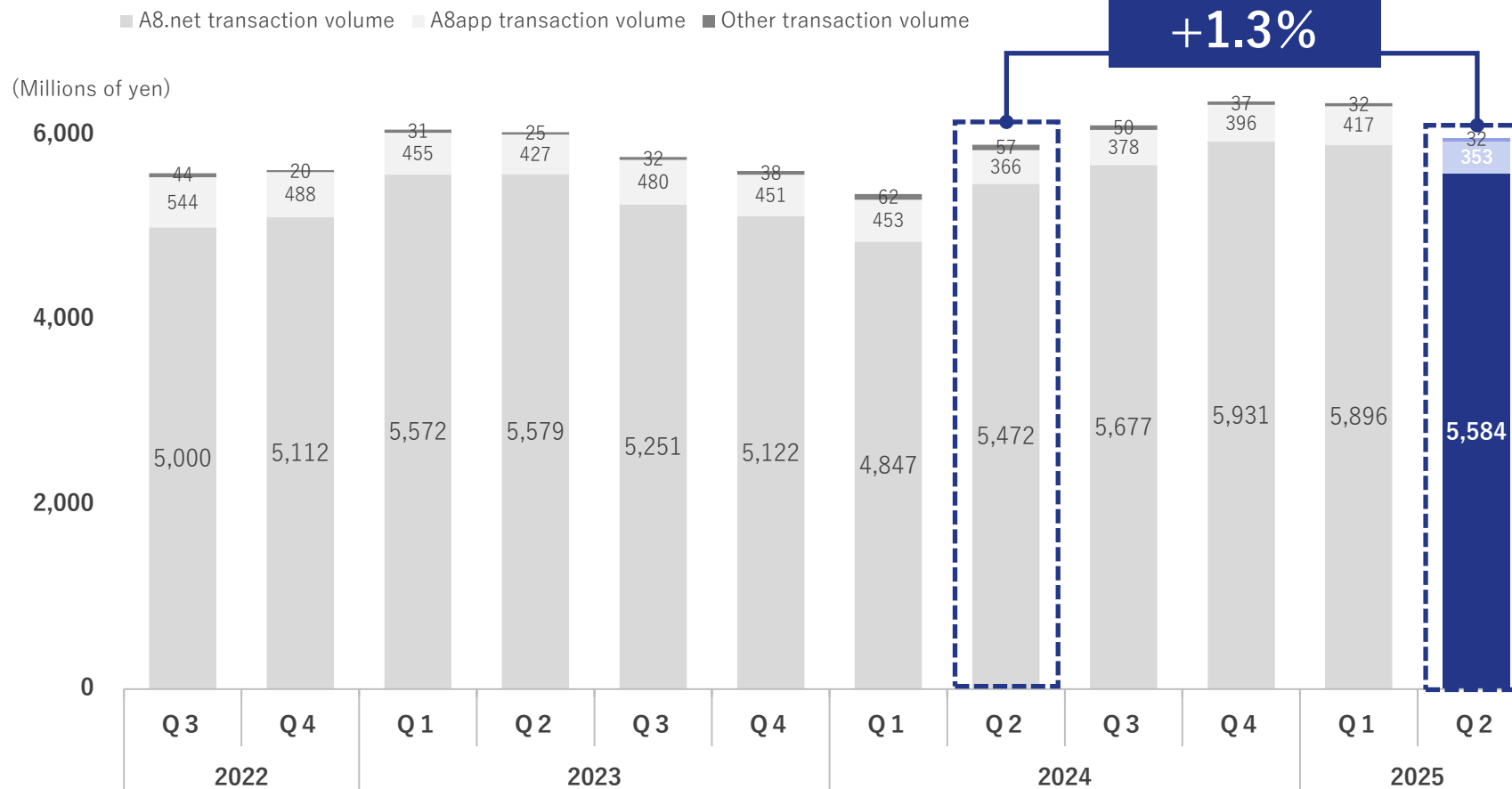
Build a strong customer base that leverages the great strength of our brand
Japan's largest affiliate network with roughly 3,500 advertisers and 3.5 million media outlets



CPA Solution Business: Transaction Volume (Quarterly Basis)

Transaction volume in the CPA Solution Business overall increased by +1.3% year on year, with A8.net seeing a +2.0% increase. There is a temporary pause in advertising momentum in the healthcare sector, which had remained strong for over a year. Trends in transaction volume have changed

Transaction volume



FY2025 Q2 results

Overall

¥ **5,970** million

YoY change..... **+1.3%**

A8.net

¥ **5,584** million

YoY change..... **+2.0%**

A8app

¥ **353** million

YoY change..... **(3.5%)**

CPA Solution Business: Net Sales (Quarterly Basis)

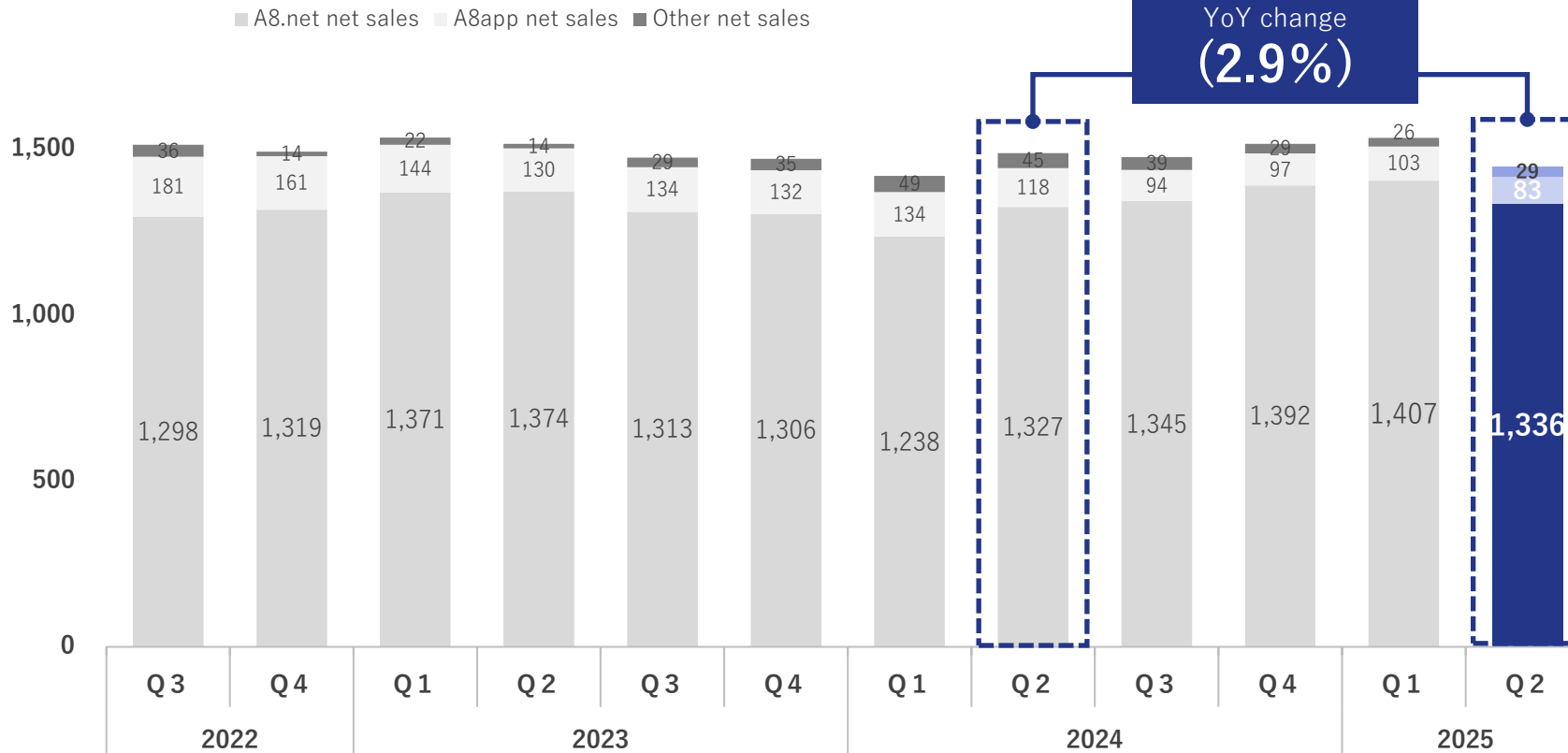
Net sales volume in the CPA Solution Business decreased overall by 2.9% YoY, with A8.net seeing a +0.6% increase

A8app's negative amount grew both YoY and QoQ

Net sales

(Millions of yen)

2,000



FY2025 Q2 results

Overall

¥ **1,448** million

YoY change..... **(2.9%)**

A8.net

¥ **1,336** million

YoY change..... **+0.6%**

A8app

¥ **83** million

YoY change..... **(30.0%)**

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

Q2 CPA Solution Business Topics

A new initiative involved selecting specific categories and forming project teams to strengthen efforts in everything from order-taking and media recruitment to operations

Gross profit margin (internal management figure)

24.0%

YoY change (1.0pt)

QoQ change (0.1pt)

Operating margin (internal management figure)

12.3%

YoY change +1.7pt

QoQ change (0.4pt)

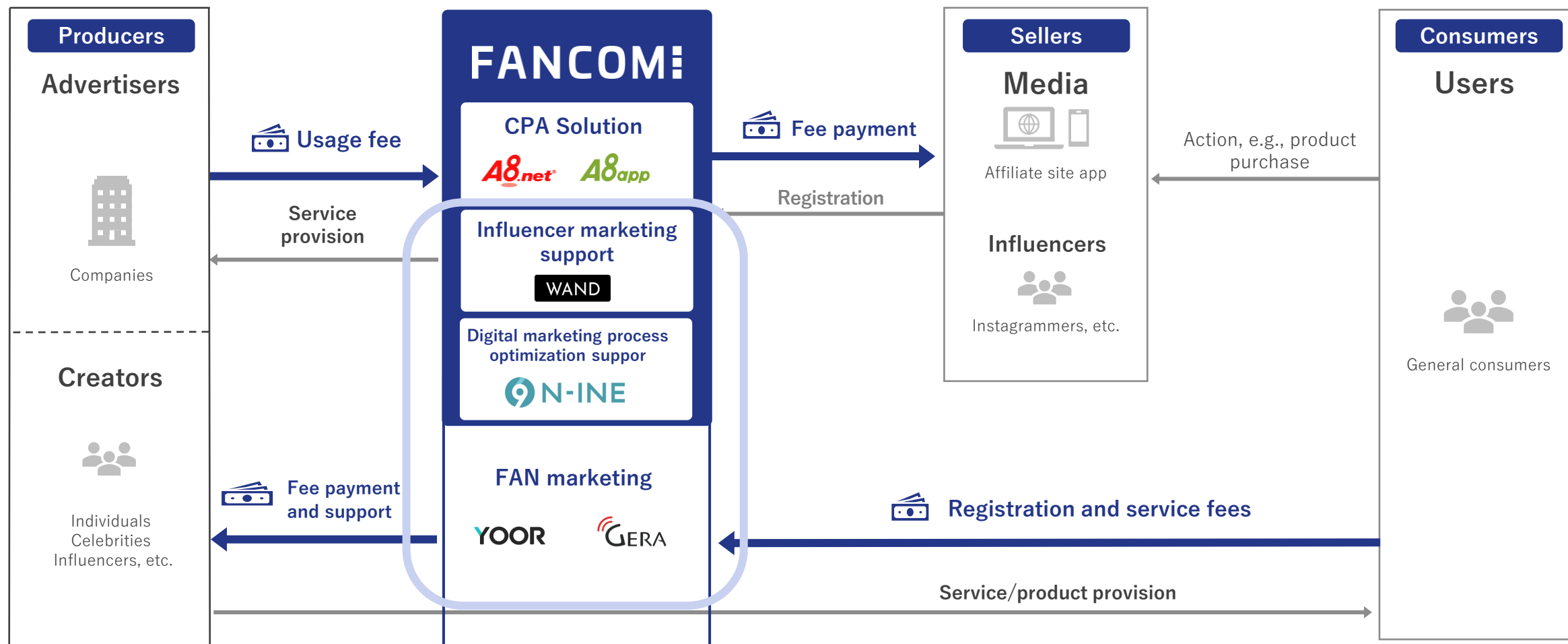
※The gross profit and operating margin shown to the left are unaudited preliminary figures for internal management purposes. The Company internally manages profits and losses separately for each service.

Q2 Topics

- Factors behind the year-on-year and quarter-on-quarter declines in transaction volume and gross profit margin of A8.net
 - The year-on-year decline in gross profit margin was due to higher transaction volume in top categories
 - Advertising in the healthcare domain stagnated, but the finance domain and others rose (low gross profit margin categories)
 - The quarter-on-quarter decline in transaction volume was due to a reactionary drop related to advertisers of New Year's holiday merchandise and new lifestyle support services (telecom, internet, moving services)
- Key points of new strategy for A8.net
 - Creating advertisers and media partners that consistently deliver results and expanding the scope of value provided
 - Increase the number of cross-selling instances through influencer marketing LUMOS and NOX and the digital marketing support tool N-INE
- **A8.net has been awarded Affiliates ASP Satisfaction Level 1 for 15 consecutive years** * Hosted by the Affiliate Marketing Association

Areas of Focus for Strategic Businesses

Based on a solid customer foundation of roughly 3,500 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



Q2 Strategic Businesses Topics

Key indicators have been set for each strategic business for FY2025. While these businesses are still highly volatile, we have started identifying specific areas in them that, with further strengthening, can lead to increased sales

Influencer marketing support

WAND

Transaction volume and net sales

Investment phase starting in Q2

Entered the TikTok Shop support business. Obtained early certification from ByteDance as an affiliate management support provider and creator agency for TikTok Shop. Began cross-selling to existing A8 customers

FAN marketing

YOOR
GERA

Recurring sales

Up 13% QoQ

Monthly transaction volume exceeded 30 million yen, a Company record. In addition to stable recurring revenue, we are starting to create further synergies by combining events and merchandise sales

Digital marketing process optimization support

9 N-INE

Increasing gross profit

Changing indicators, creating successful use cases

ID expansion is planned for next year and beyond. Among customers using our CRM service, we are starting to create successful use cases through improved conversion rates and increased site visit times. We are also currently investing in LINE Mini App, a new digital channel

FAN Communications Global

Decline in agency business

Q1: 42% → Q2: 28%

Diversification of transactions is being promoted. SHOGUN STUDIOS, an in-house studio for the casual gaming business, is performing well. Advertising expenses are being made to acquire users

■ [FY2025 Key Indicators] Overview

For FY2025, we have the following three key indicators of our growth and efficiency

	Details	Final Year of Medium-Term Management Plan FY2027 Target Figures
Net sales of strategic businesses	<p>This indicator measures the scale and growth rate of focus areas other than existing businesses in the FY2025-2027 Medium-Term Management Plan.</p> <ul style="list-style-type: none">• Influencer marketing “WAND”• Digital marketing process optimization support “N-INE”• FAN marketing “GERA”, “YOOR”• FAN Communications Global	Strategic businesses Roughly 40% of net sales mix
Operating margin	<p>This indicator shows progress of company-wide profitability.</p>	10%
Operating income per employee	<p>This indicator assesses productivity and resource allocation optimization.</p>	Approx. twice that of FY2024

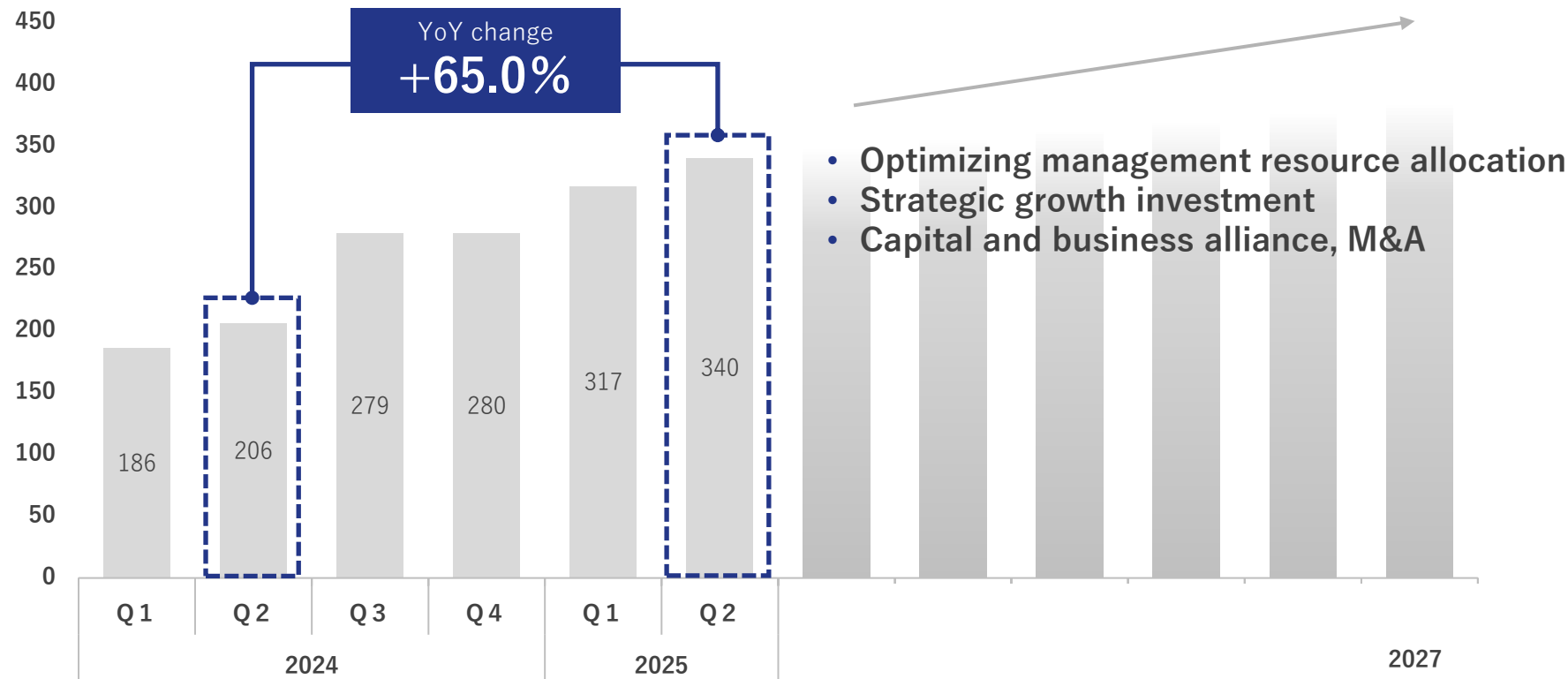
[FY2025 Key Indicators] Strategic Business Net Sales Trend (Quarterly Basis)

Strengthening strategic businesses, transforming our business portfolio

As strategic businesses often have high gross profit margins, rather than transaction volume, net sales are a key indicator

Net sales trend of strategic businesses

(Millions of yen)



FY2025 Q2 results

Overall

¥ **340** million

YoY change..... +65.0%

QoQ change..... +7.3%

Strategic business net sales mix

19%

YoY change..... +7pt

QoQ change..... +2pt

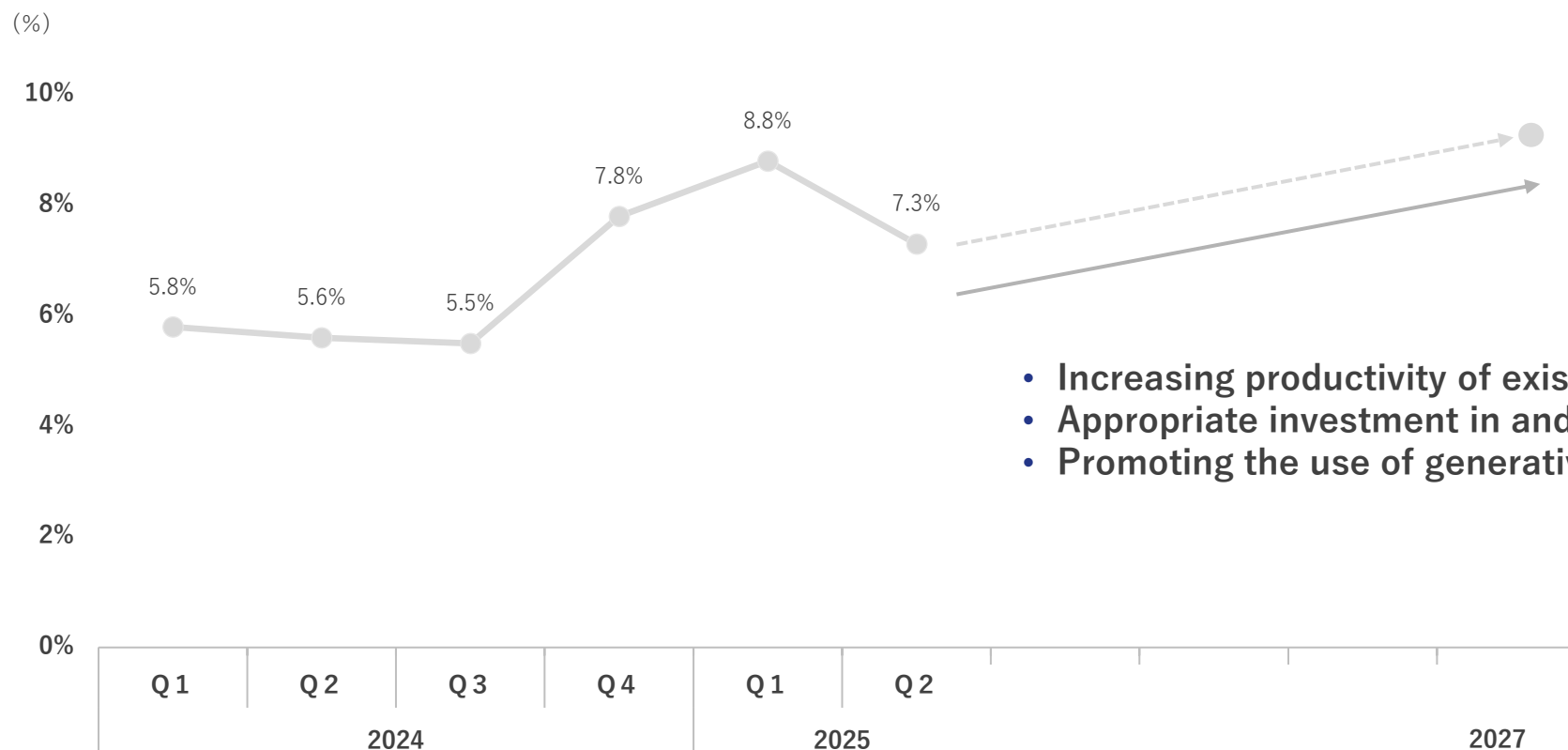
*Net sales of "nend" are excluded.

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

To boost profitability, we are increasing productivity in existing businesses through visualization and systematization, while also expanding the scale of our strategic businesses

We are also speeding up implementation of generative AI across the company, with the goal of achieving an operating income of 10% or more sooner than initially planned

Trend of operating income to transaction volume ratio



FY2025 Q2 results

Overall

7.3%

YoY change..... +1.7pt

QoQ change..... (1.5pt)

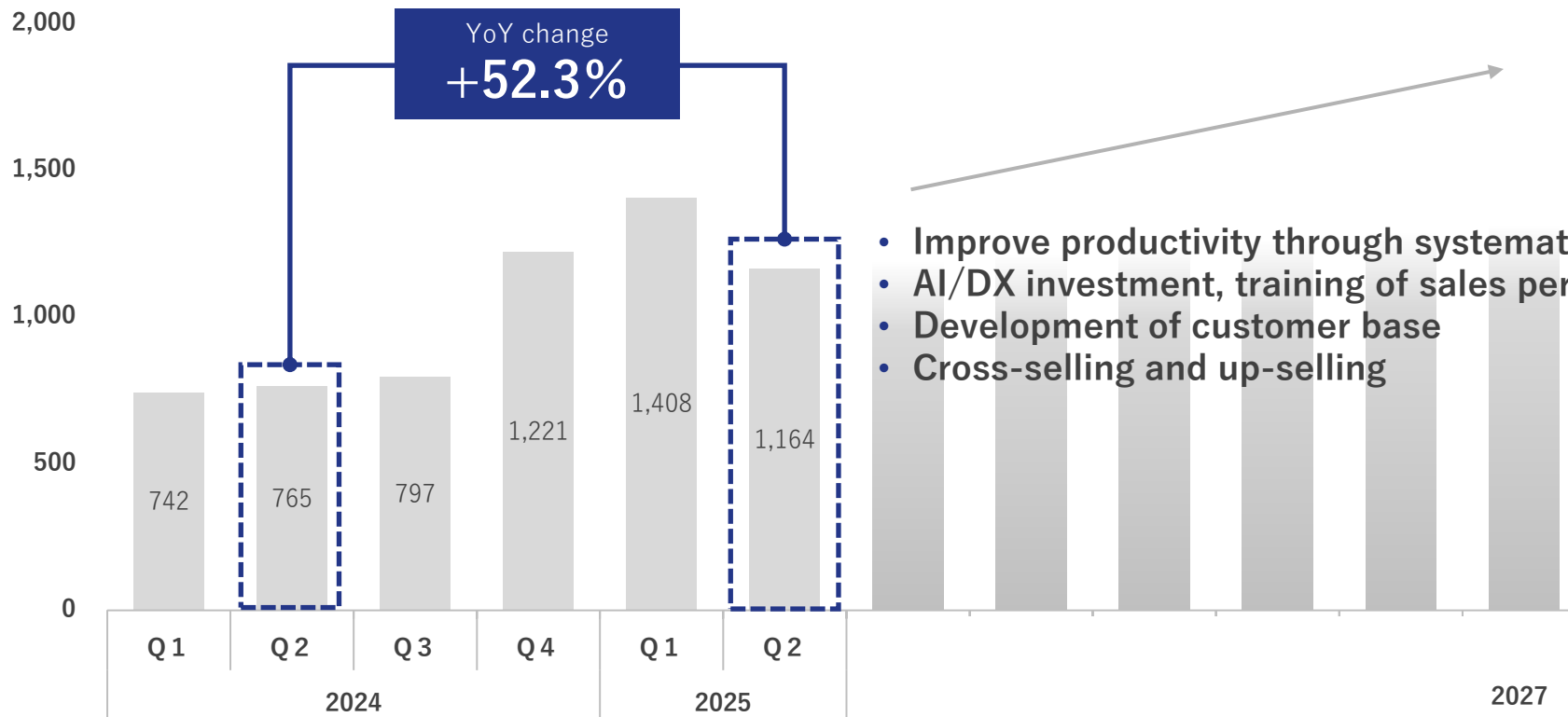
- Increasing productivity of existing businesses
- Appropriate investment in and expansion of strategic businesses
- Promoting the use of generative AI company wide

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

In FY2025, we will lay the foundation for improved productivity. In FY2026 and FY2027, we will increase per-person operating income by building a more robust customer management foundation, establishing a system for cross-selling and up-selling, and creating a sales structure that emphasizes gross profit

■ Trend of operating income per employee

(Thousands of yen)



■ FY2025 Q2 results

Overall
¥ **1,164** thousand

YoY change +52.3%

QoQ change (17.3%)

*Net sales of “nend” are excluded.



Focus Areas for 2H of FY2025

Overall

We plan to strengthen investments aimed at growing in the next year and beyond, continue improving the profitability of our CPA Solution business, and build the net sales of our strategic businesses.

Business-related Information

- Promoting A8.net's digital transformation and developing advertisers and media in categories covering seasonal trends
- Net sales of strategic businesses: Our internal target is to achieve 100% or more year on year in December
- Testing to expand our product features with AI-based technology while creating successful use cases

Investment areas

- Acquiring influencers
- Investing in building a track record and generating leads for TikTok Shop support services
- Resume recruiting of mid-career personnel
- Updating customer management system

AI use

- Supporting engineers using AI tools, introducing AI tools to all employees
- Implementing AI-based document management tools company-wide
- Launching projects utilizing AI. Start utilizing AI to improve workflows across the company
- Developing FANCOMI AI, an in-house tool

05 ■ Company Information

- Company Overview
- IR Information

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.**

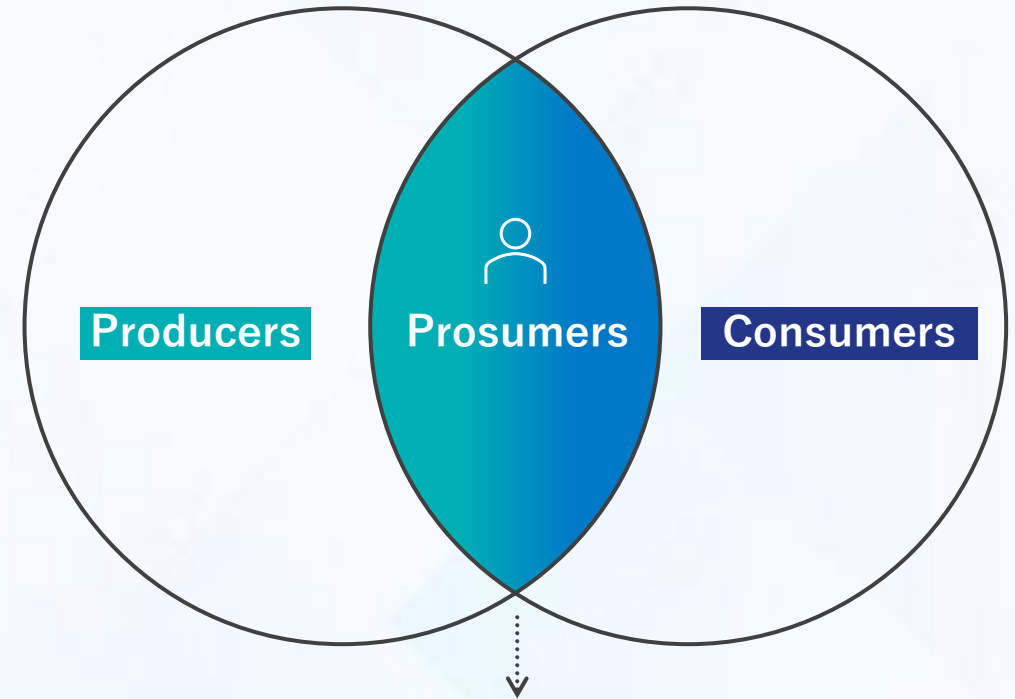
**Like the tortoise, not the hare.
Slowly and steadily step by step, steadily moving forward.**



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.

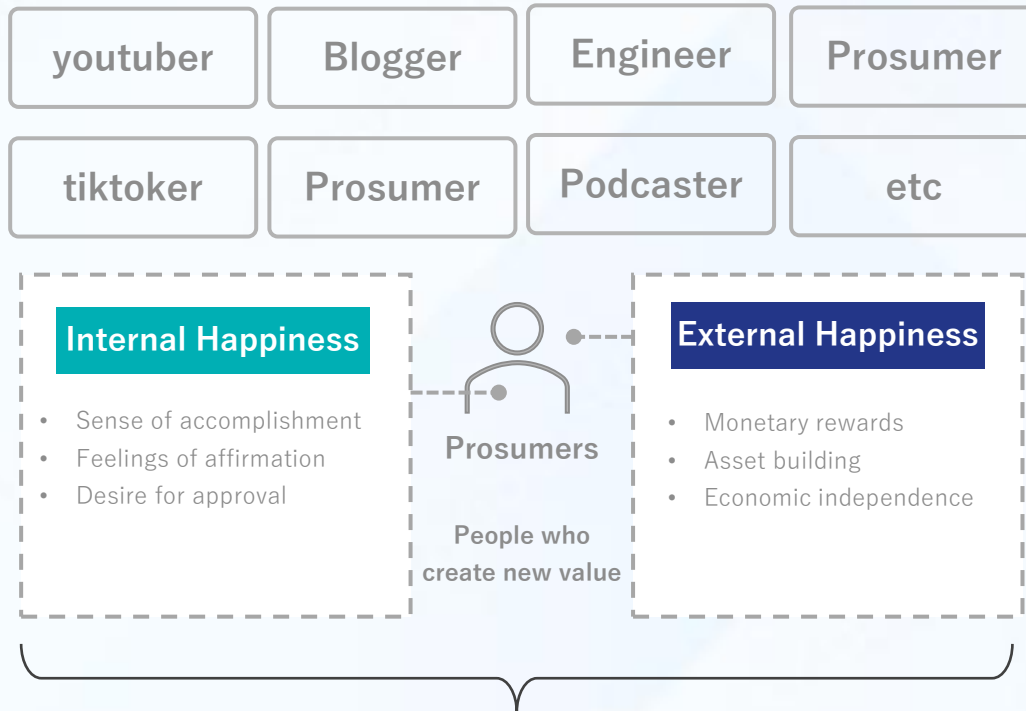
The Internet has greatly reduced the cost of advertising and disseminating information about the ideas, efforts, and works of individuals and small businesses to the world. By facilitating the creation of a new economic sphere on the Internet, we will create a mechanism to increase the number of prosumers 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 cocreate 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**.

We now have an official LINE account

FAN Communications IR News

Bringing you IR and PR information.
Be sure to sign up.



IR Activities

- Participating in multiple seminars for individual investors
- Exhibiting at the Nikkei-Tokyo Stock Exchange IR Fair on September 26th and 27th.

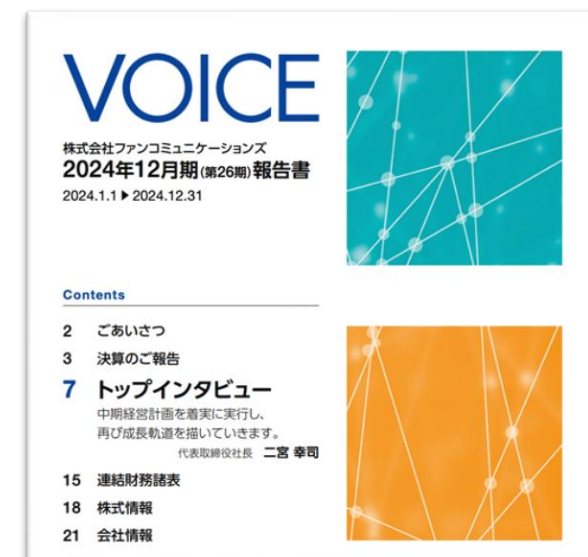
We will actively work to disseminate IR information.

FY2024 Financial Results Briefing Medium-Term Management Plan Explanation Materials

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

Notice Concerning the Formulation of the Medium-Term
Management Plan (IR Release)

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



[Link to VOICE](#)

Company Information

Company Overview

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 June 31, 2025)
President and Representative Director	Koji Ninomiya
Number of Employees	Non-consolidated : 366 Group total : 404 (As of June 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



06 ■ 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.**

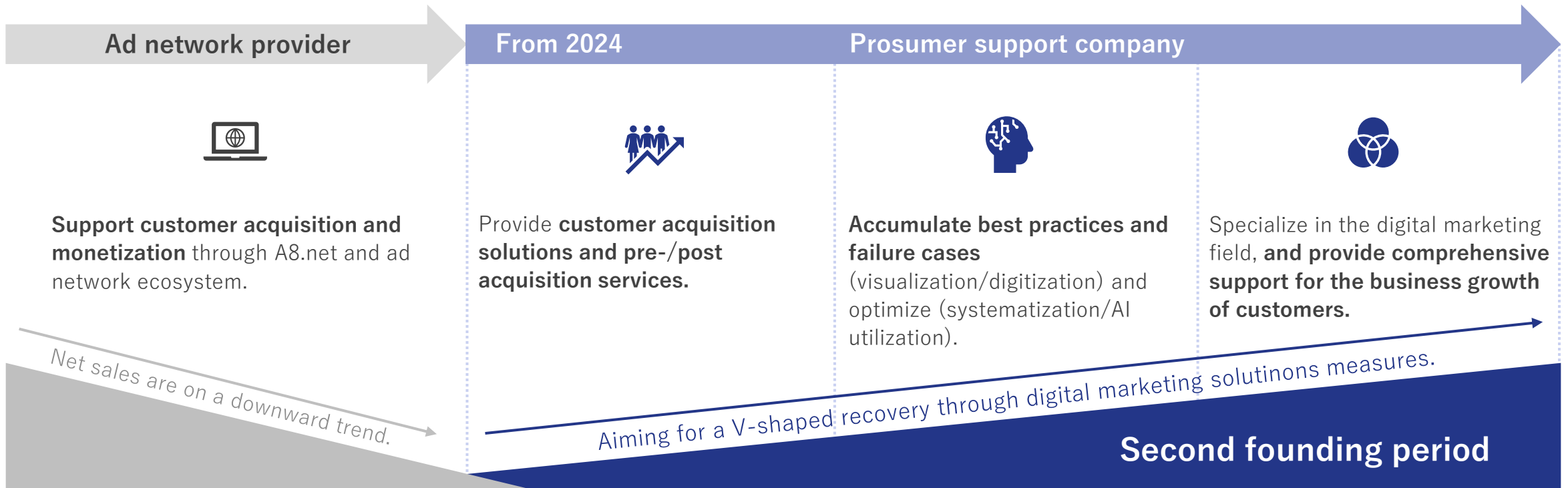
Vision

Prosumer happiness

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

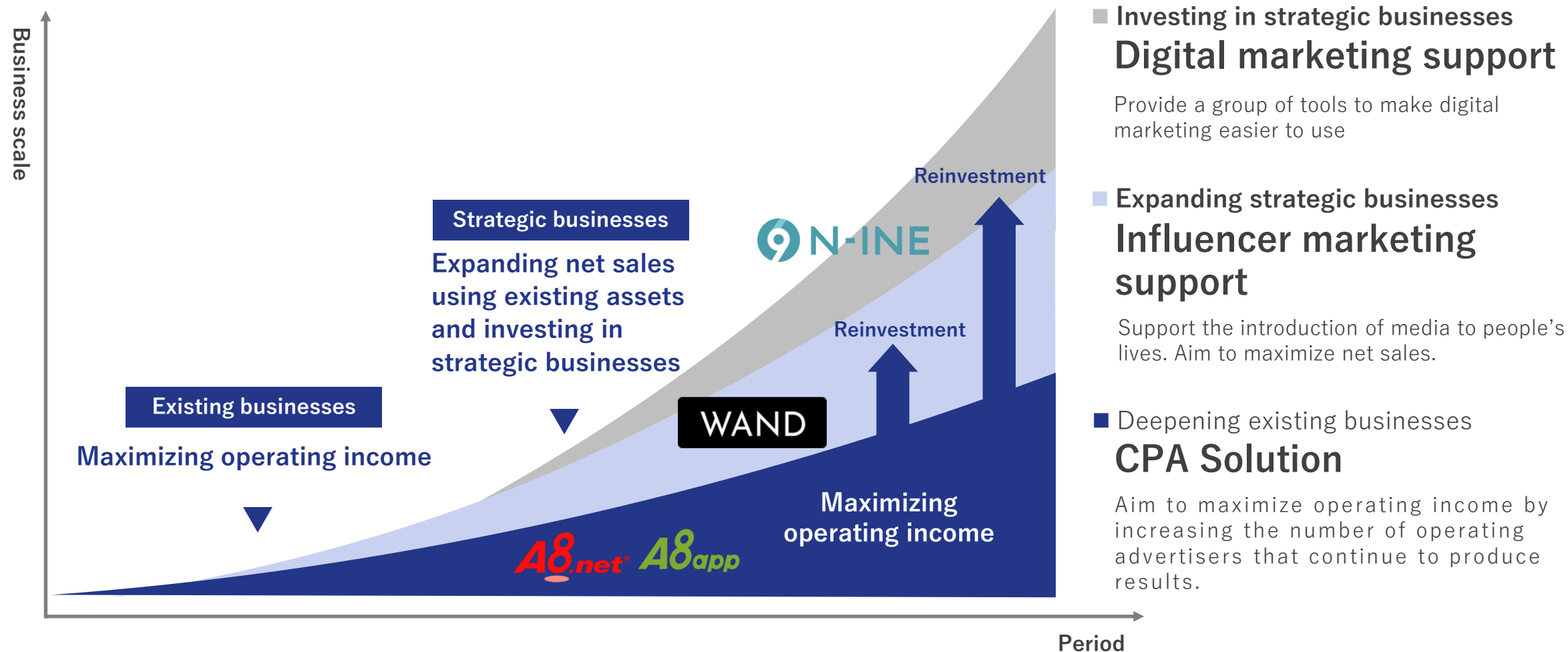
Basic policy

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 Medium-Term Management Plan

■ 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.**



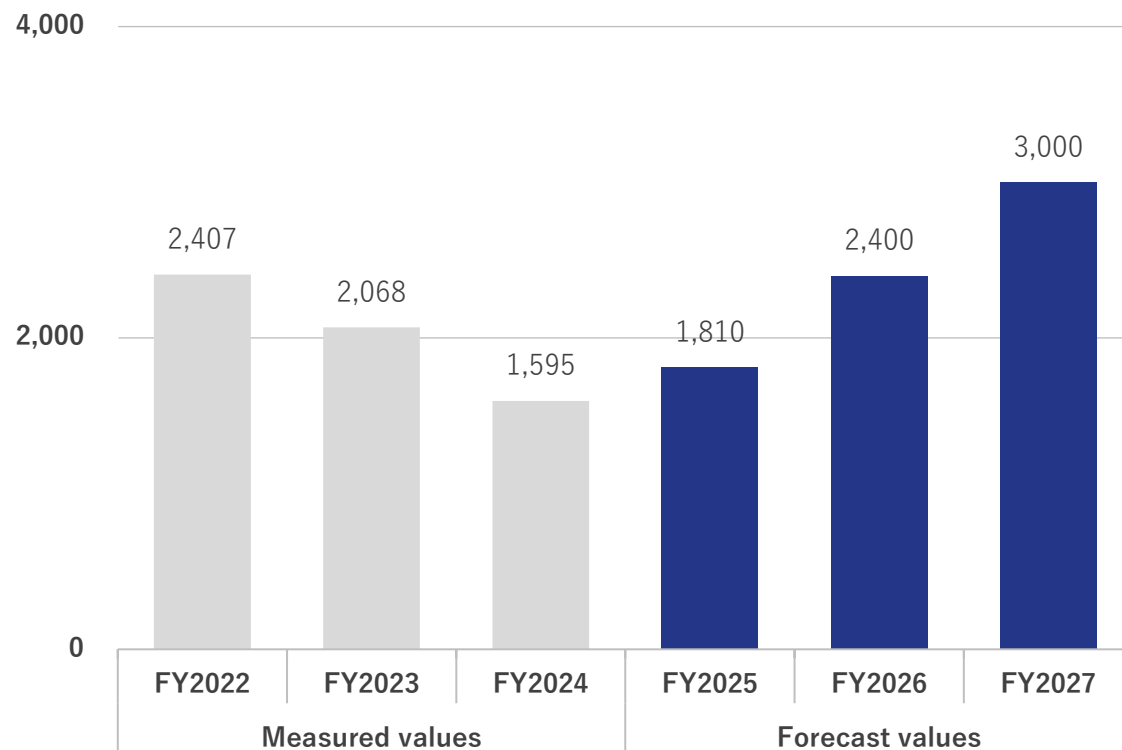
■ FY2025-2027 Medium-Term Management Plan Target Figures

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).

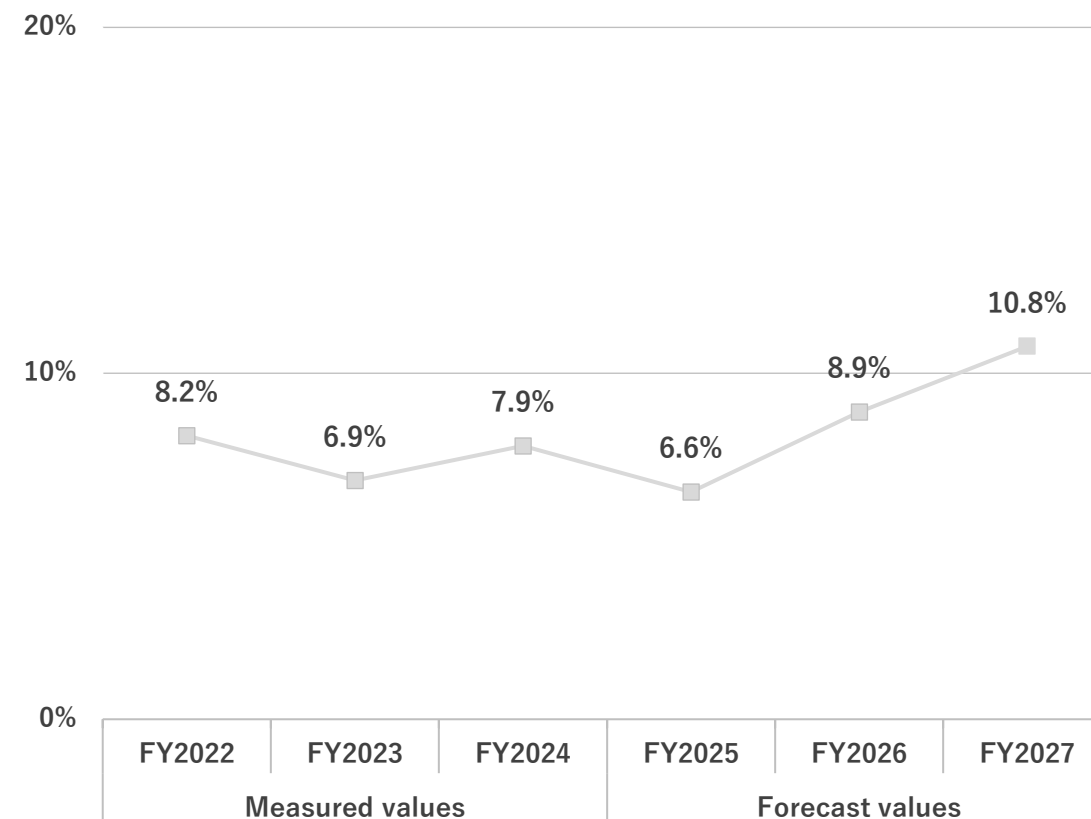
* On August 8, 2025, the FY2025 operating income forecast was revised upward; this document is from the time of formulation.

■ Operating income [quarterly basis] target

(Millions of yen)



■ Return on equity [ROE] target



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



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.

- 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.
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FAN Communications, Inc.

E-mail : ir-info@fancs.com