FANCOM

Third Quarter of 2025
Presentation of Financial Results

FAN Communications, Inc.
November 11, 2025

Agenda

01 Executive Summary

- Third Quarter of 2025
- Progress vs. Performance Forecast
- Dividend Amount and Payout Ratio Trend

Third Quarter of 2025

FANCOM

Performance Highlights

Cumulative Q3 YoY changes

Transaction volume ＋6.4%　Net sales ＋5.0%　Operating income ＋40.3%

Business-related Information

- The CPA Solution Business was down YoY and QoQ due to seasonal variation factors, budget reductions of specific types, and in-housing of specific advertisers. We aim to build a system that can support customers' response to change by conducting planning and verifying based on the assumption that AI tech will evolve.
- WAND, an influencer marketing support, hit a quarterly new record high for transaction volume. We officially released our performance-based service NOX. We will aim for further growth by securing high-quality exclusive deals and by strengthening partnership with our A8.net and A8app services.
- N-INE, our digital marketing optimization support service is accelerating the expansion of its operation due to the horizontal deployment of success stories. Monthly net sales hit a new record high. Orders for the LINE Mini App are performing well.

Internal Investment

- We made investments in customer management infrastructure systems. As part of the most important sales strategy for FY2026 for the purposes of the Medium-Term Management Plan, we are introducing systems and building workflows for the overall customer management process.

Capital Policy

- We made strategic investments in IR activities (resulting in a one-time expense increase in Q3). In order to maximize corporate value, we invested with an aim of increasing stock trading volume, raising awareness of our company, and promoting understanding of the Medium-Term Management Plan.

Progress vs. Performance Forecast

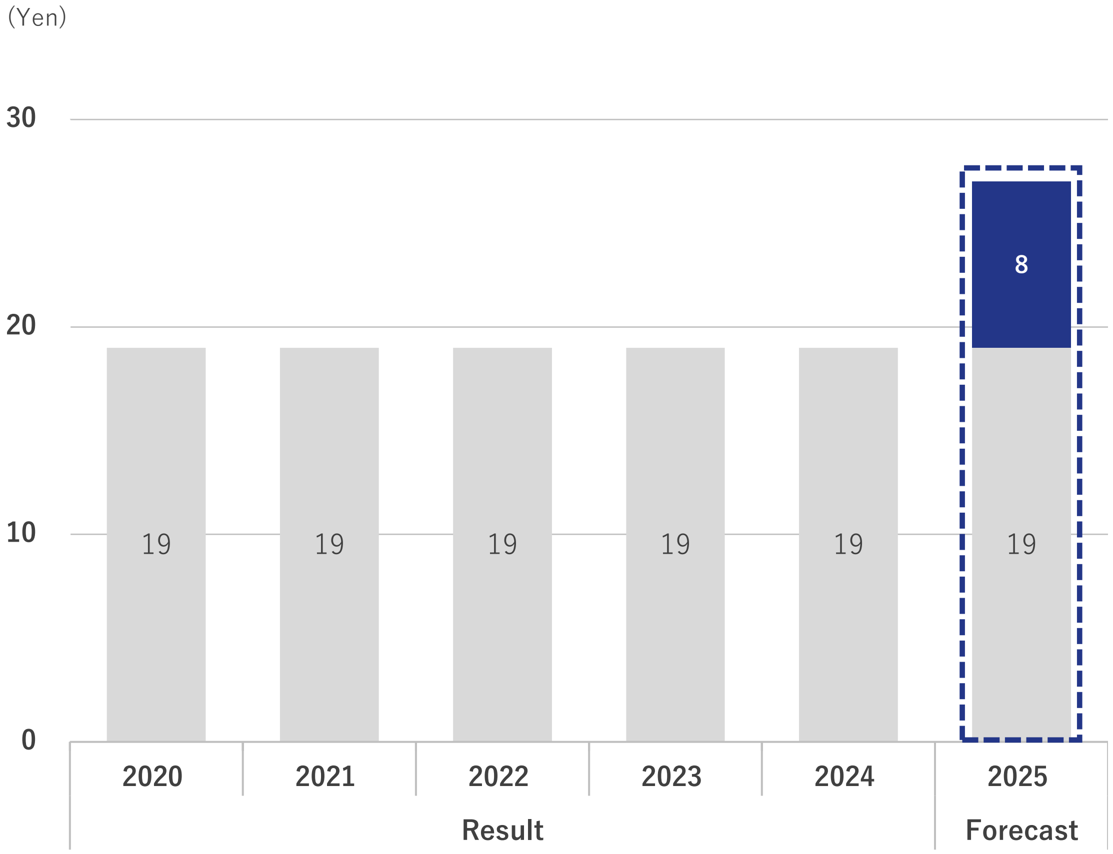
Progress is being made as planned upward achieving the full-year forecast revised upward on August 8.

(Millions of yen)	FY2025 Full-year forecast (August 8, 2025 revision)	FY2025 Q3 Results	Progress rate
Net sales	7,440	5,421	72.9%
Operating income	1,950	1,494	76.6%
Ordinary income	1,940	1,509	77.8%
Profit attributable to owners of parent	1,280	1,009	78.8%
(Earnings per share)	19.32	15.23	78.8%

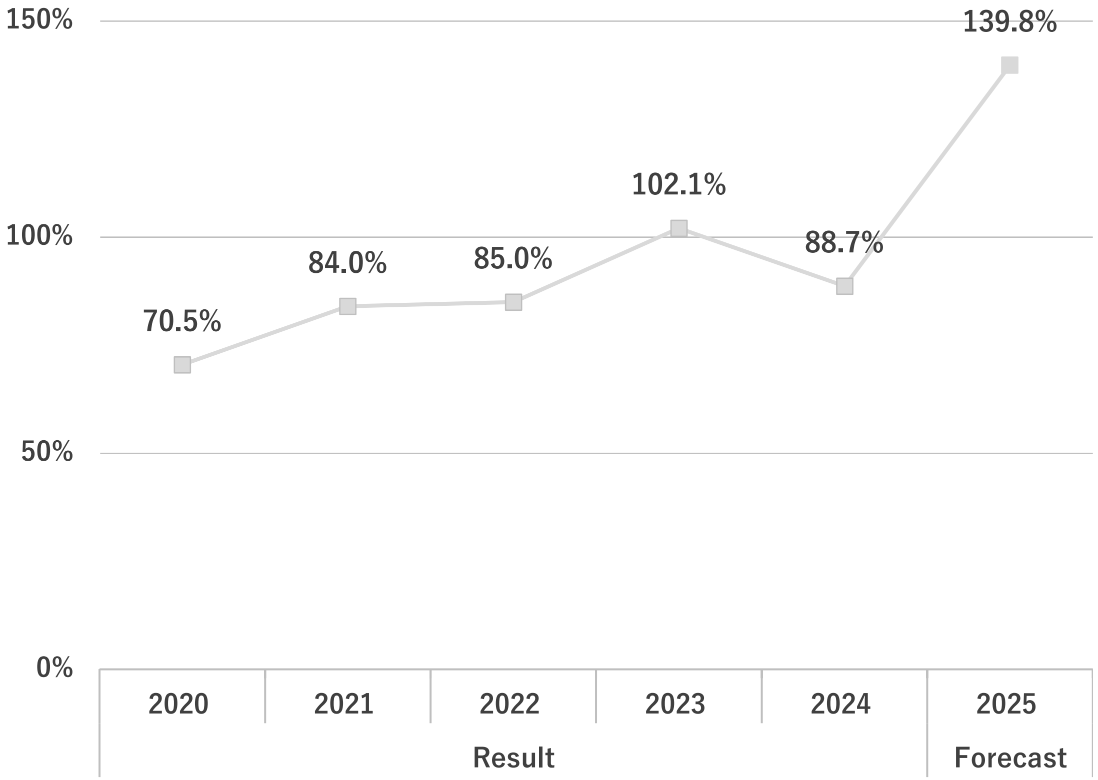
Dividend Amount and Payout Ratio (Trend)

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



02 Third Quarter of 2025 Consolidated Results Overview

- P/L (Cumulative Q3)
- Analysis of Factors Affecting Changes in Operating Income (Q3 Cumulative)
- [Transaction Volume/Net Sales/Operating Income/Breakdown of Major Expense Items] (Quarterly Basis)
- B/S （ Q3 Cumulative ）

P/L (Cumulative Q3)

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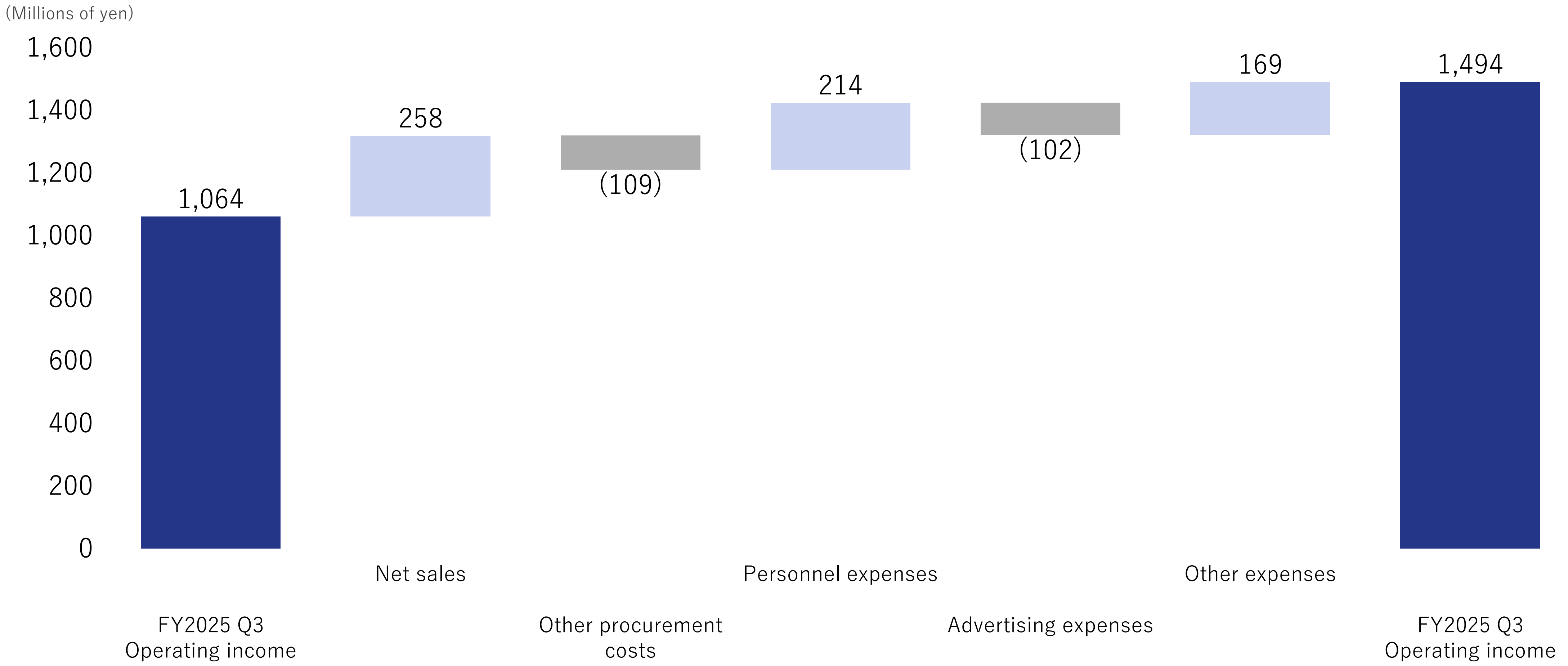
We restructured our business portfolio and made product investments and internal DX investments aimed at establishing a future stable revenue.
The strategic businesses we are investing in are mostly services with high gross profit margins.

(Millions of yen)	2024 Q3	2025 Q3	YoY change	
			Change	Change (%)
Transaction volume	18,970	19,212	+241	+1.3%
Net sales	5,163	5,421	+258	+5.0%
Operating income	1,064	1,494	+429	+40.3%
(Operating income to transaction volume ratio)	5.6%	7.8%	-	-
Ordinary income	1,073	1,509	+436	+40.6%
Profit attributable to owners of parent	995	1,009	+13	+1.3%
(Profit to transaction volume ratio)	5.2%	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 (Q3 Cumulative)

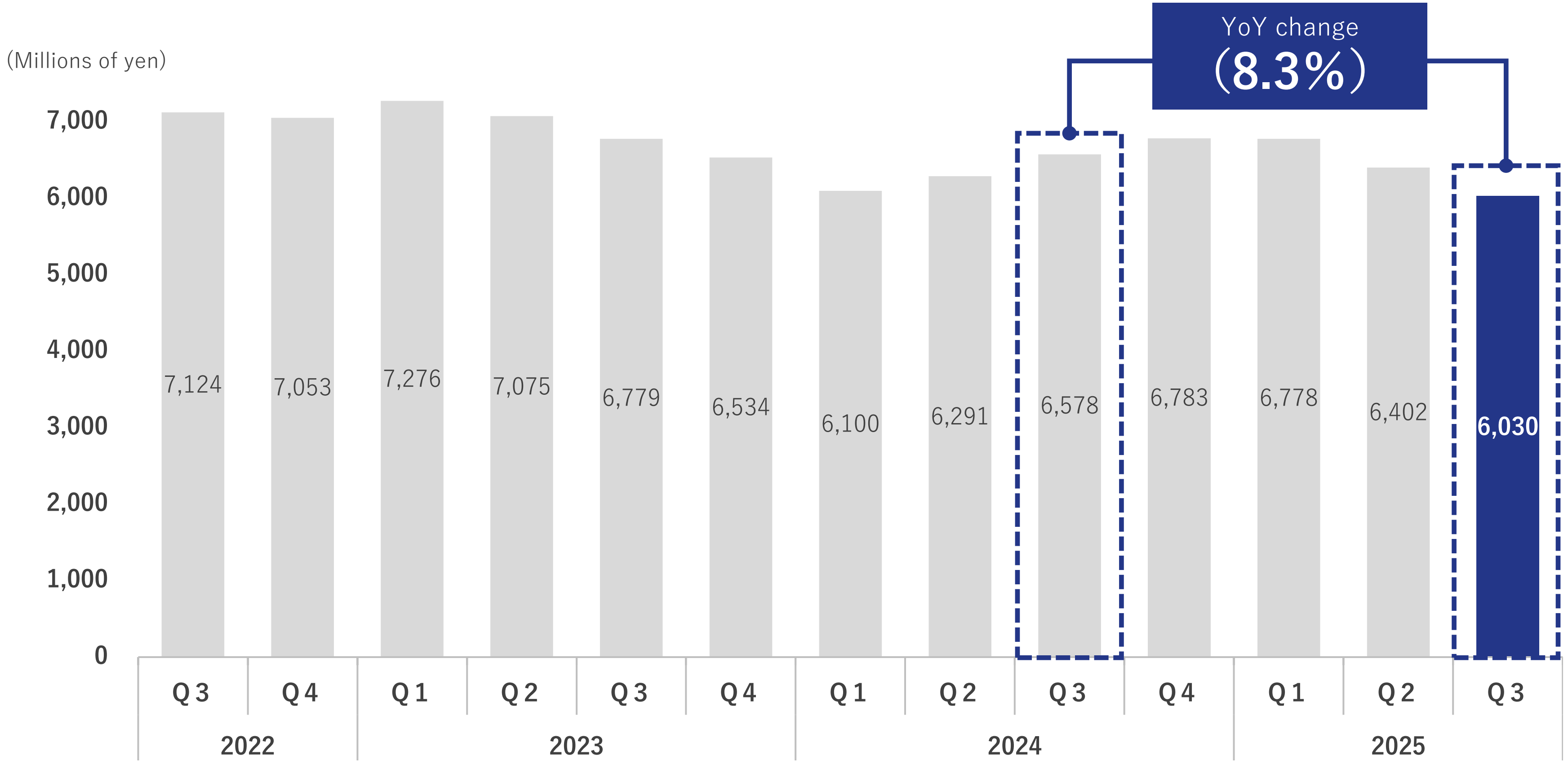
While there was an increase in advance investment in advertising expenses and an increase in procurement costs due to business growth, this was absorbed by increased net sales and efficient control of Selling, General and Administrative Expenses. As a result, we have maintained the trend of operating income increasing YoY.



[Transaction Volume] (Quarterly Basis)

Transaction volume was down 8.3% YoY and down 5.8% QoQ.

■ Transaction volume



■ FY2025 Q3 results

Overall

¥**6,030** million

YoY change (8.3%)

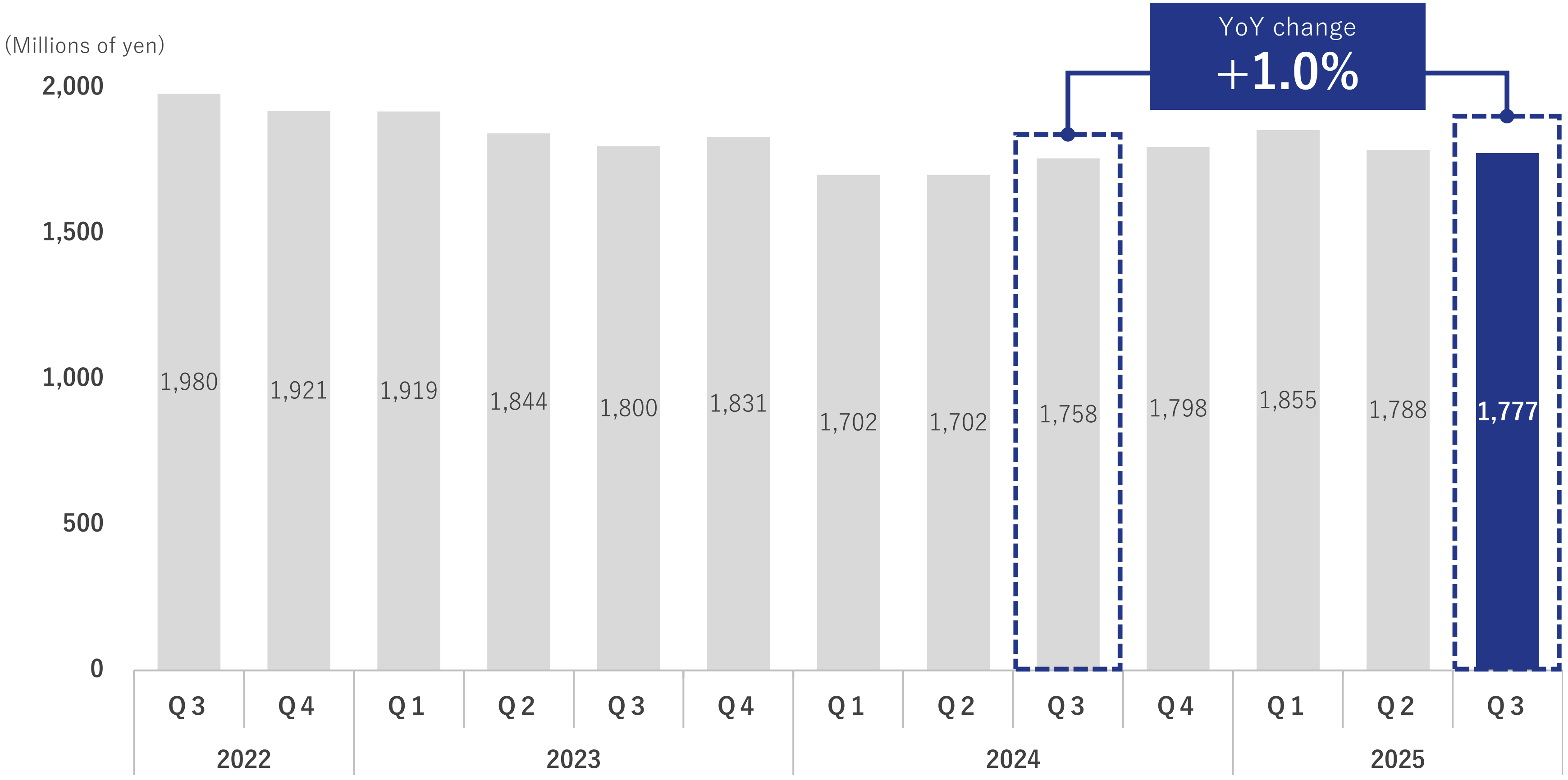
QoQ change (5.8%)

*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] (Quarterly Basis)

Net sales were up 1.0% YoY and down 0.6% QoQ. While transaction volume decreased YoY, net sales were on par with the previous year thanks to the increased ratio of strategic businesses with high gross profit margins.

■ Net sales



■ FY2025 Q3 results

Overall

¥ **1,777** million

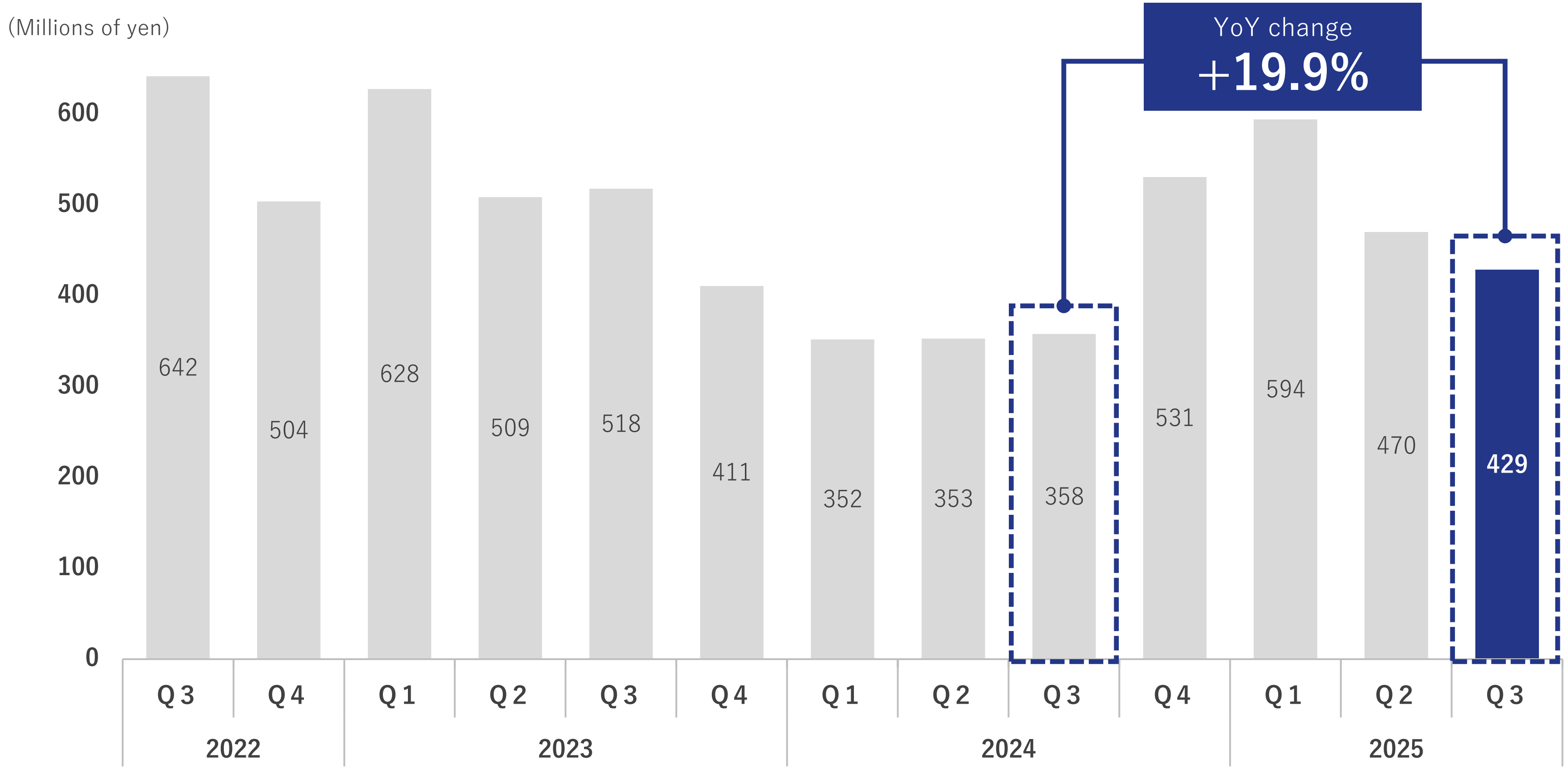
YoY change ········ +1.0%

QoQ change ········ (0.6%)

[Operating Income] (Quarterly Basis)

Operating income was up 19.9% YoY and down 8.6% QoQ. As in Q2, the main factors were advanced investment (increased advertising expenses) for FANCOMI Global.

■ Operating income



■ FY2025 Q3 results

Overall

¥ **429** million

YoY change ········ +19.9%

QoQ change ········ (8.6%)

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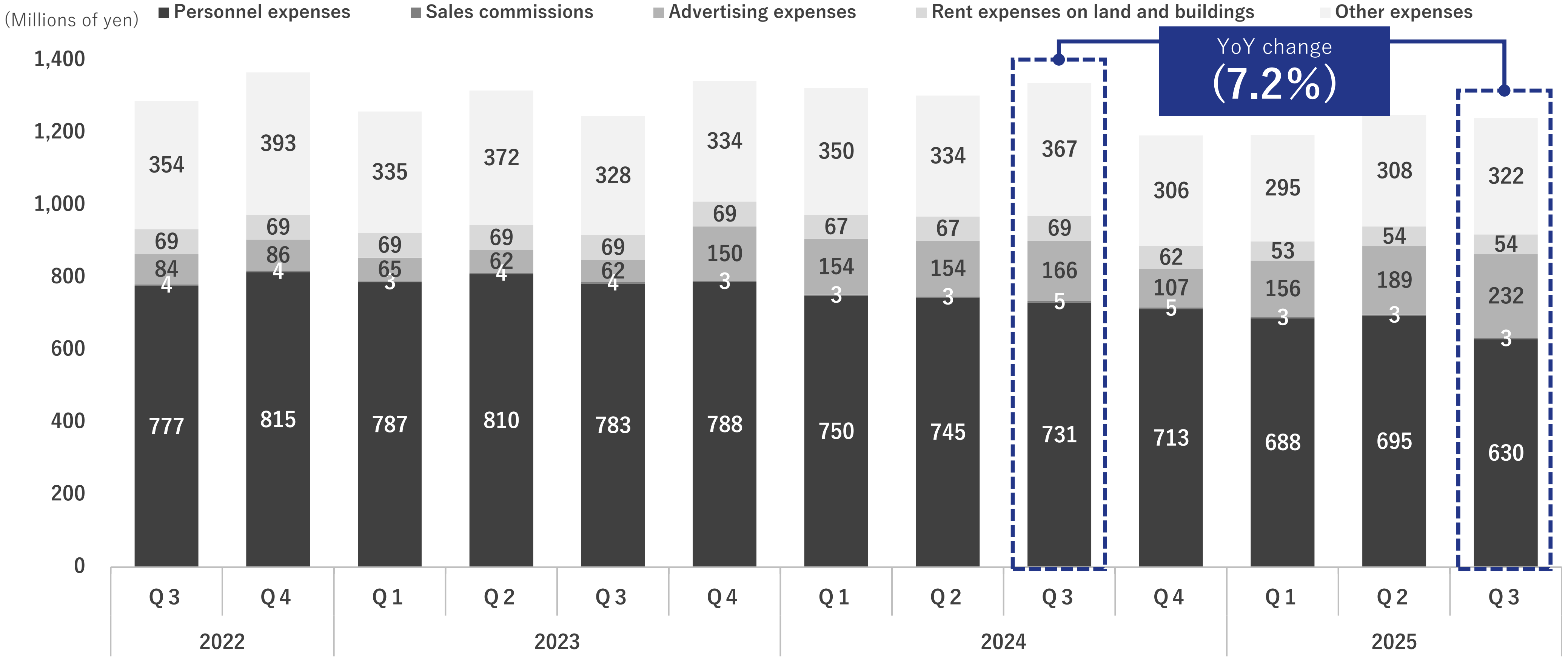
[Breakdown of Major Expense Items] (Quarterly Basis)

Expenses were down 7.2% YoY and down 0.6% QoQ. While there was an increase in strategic IR and advertising expenses, the trend of lower personnel expenses due to the pause of mid-career hiring continued (mid-career hiring resumed in Q3).



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

[B/S]

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In accordance with our capital policy, we paid an interim commemorative dividend this fiscal year.
The decrease in cash and deposits was due to the impact of dividends and the purchase of bonds, etc.

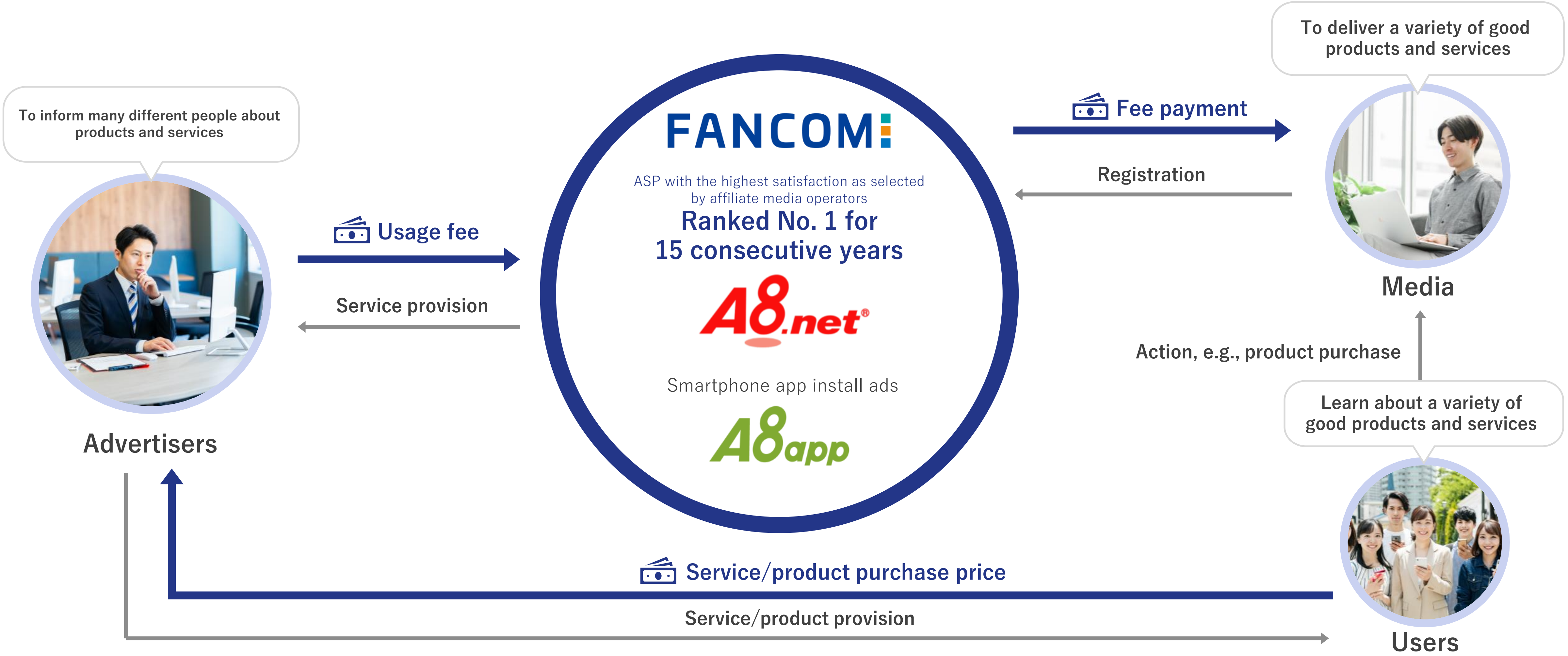
(Millions of yen)		End of FY2024	End of Q3 FY2025	Vs. End of previous FY	
				Change	Change (%)
Assets	Current assets	20,785	17,219	(3,566)	(17.2%)
	Cash and deposits	16,917	14,055	(2,862)	(16.9%)
	Non-current assets	2,570	5,329	+2,758	+107.3%
	Property, plant and equipment	53	76	+22	+42.2%
	Intangible assets	1,016	982	(34)	(3.4%)
	Investments and other assets	1,500	4,271	+2,770	+184.6%
	Total	23,356	22,549	(807)	(3.5%)
Liabilities and net assets	Liabilities	5,297	5,318	+21	0.4%
	Net assets	18,059	17,230	(828)	(4.6%)
	Total	23,356	22,549	(807)	(3.5%)

04 Overview by Business and Key Indicators

- CPA Solution Business
- Strategic Businesses
- FY2025 Key Indicators
- Focus Areas for 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

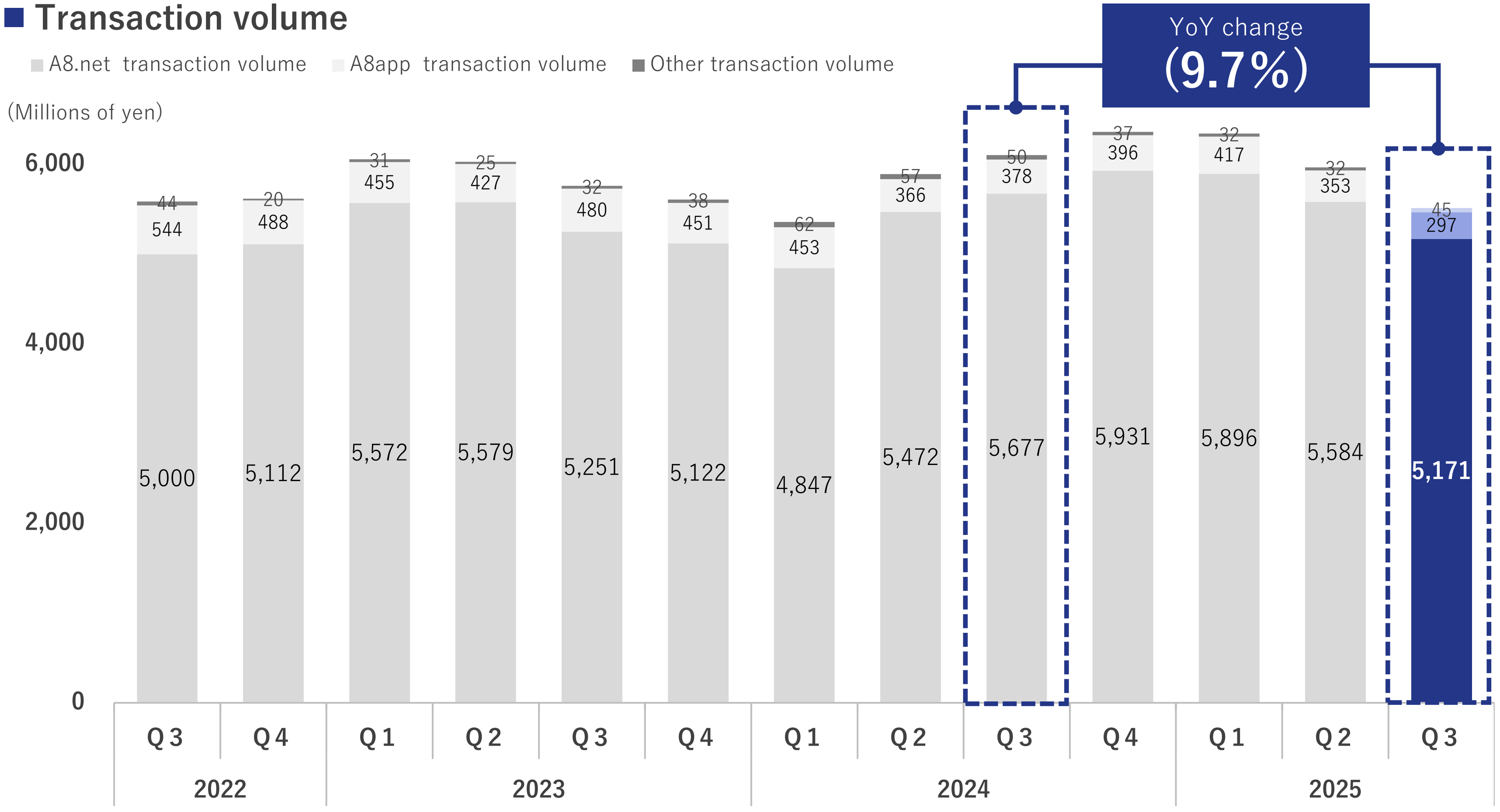


*Affiliate marketing association
"2025 Affiliate Program Awareness Survey"

CPA Solution Business: Transaction Volume (Quarterly Basis)

A8.net transaction volume was down 8.9% YoY. Due to revisions of advertising budgets by specific types, the quarterly sales trend is reverting to the previous seasonal variation trends (FY2024 was an irregular year).

Transaction volume



FY2025 Q3 results

Overall

¥**5,514** million

YoY change (9.7%)

A8.net

¥**5,171** million

YoY change (8.9%)

A8app

¥**297** million

YoY change (21.5%)

Q3 CPA Solution Business Topics

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The decline in A8.net's gross profit margin is a sign of a market structure change. As a new opportunity, we planned and verified a forward-looking initiative focused on changes in customers' business environments due to AI with an aim at fundamentally strengthening the profit structure.

■ Gross profit margin (internal management figure)

23.7%

YoY change	(0.4pt)
QoQ change	(0.3pt)

■ Operating margin (internal management figure)

12.0%

YoY change	+1.0 pt
QoQ change	(0.3pt)

※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.

Q3 Topics

[Key Points in Q3]

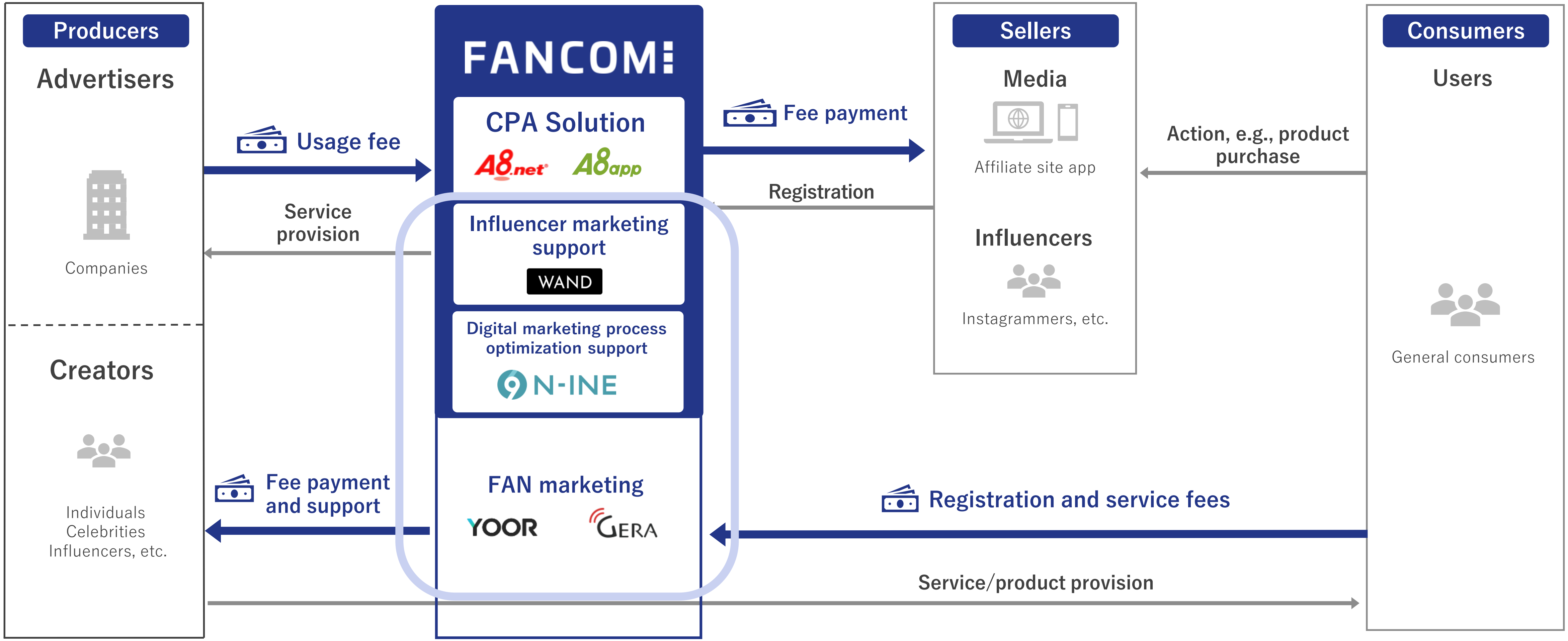
- A8.net: The new initiative started in 2Q involving selecting specific categories and forming project teams to strengthen efforts in various areas has had some positive results.
- A8.net: We promoted development of new categories (e.g., AI-related businesses) by leveraging our strength in the diverse range of advertisers and media.

[Key Points for Q4 and Beyond]

- Improvement of net sales per advertiser: We will generate continuous revenue by cross-selling with our strategic businesses. We will utilize AI to support improving results.
- Raising the number of operating advertisers: We will redesign the onboarding process from new orders to operate and strengthen the use of AI.

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

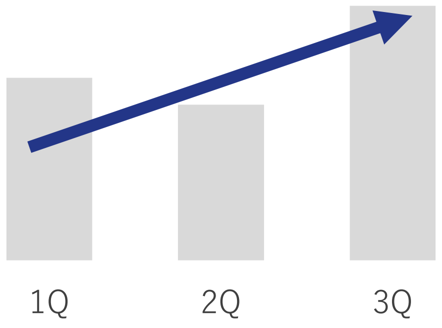


Q3 Major KPIs for Strategic Businesses

[WAND] The transaction volume hit a new record quarterly high. We are establishing a platform for growth into a comprehensive social media advertising agency.
[GERA/YOOR] Both businesses saw steady growth in recurring sales. The churn rate is also stable at a low level.

[WAND] Influencer marketing support

Transaction volume



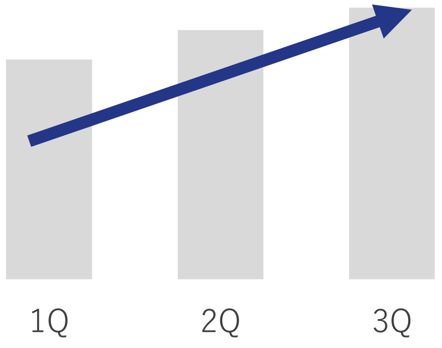
Steady progress has been made since fully-owned subsidiary in 2024

(FY2025 results)

- LUMOS acquired new advertisers and successfully made a major cross-sale with A8.
- NOX, our performance-based service, was officially released in August.
- It has a challenge of a highly volatile sales mix with more one-off sales than recurring sales.

[GERA/YOOR] FAN marketing support

Recurring sales



+9.0% QoQ in Q3

(FY2025 GERA/YOOR combined results)

- GERA maintained the number of subscriber even after approx. 20% membership price rise in August. The launch of new programs offset the negative impact of the termination of popular programs.
- YOOR continued its upward trend in the number of salon owners and registered users. It also achieved up-selling.

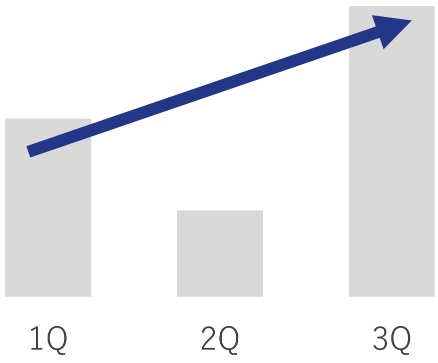
*The recurring sales figures shown above are unaudited preliminary figures for internal management purposes. We internally manages profits and losses separately for each service.

Q3 Major KPIs for Strategic Businesses

[N-INE] To accelerate expansion of the business, we focused on the continuous creation of success stories and their horizontal deployment.
[FANCOMI Global] The game publishing business is growing sales.

[N-INE] Digital marketing process optimization support

Gross profit



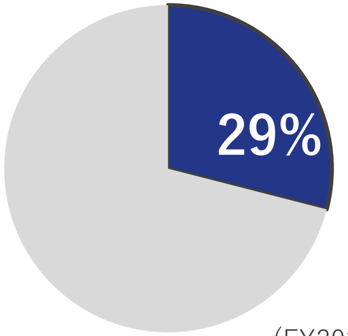
(FY2025 results)

Steady launch has been made since its release in December 2024.

- Alliance cases with diverse clients have increased. Leveraging these results in sales activities increased the number of new clients.
- The LINE Mini App and BPO is especially performing well.
- The business has problems with a highly volatile sales mix with almost no recurring sales.

[FANCOMI Global]

Agency business composition



(FY2025 Q3 cumulative result)

The business portfolio is being restructured.
The ratio of the agency's business is declining.
Composition ratio trend:
Q1: 42% → Q3: 29%
(13 pt)

- The game publishing business had around 20 releases. With the aim of reducing development costs and increasing release speed through the use of AI, the target net sales growth was achieved.
- We aim to recover the advance investment in Q4.

*The agency business composition ratios shown above are unaudited preliminary figures for internal management purposes. We internally manages profits and losses separately for each service.

[FY2025 Key Indicators] Overview

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

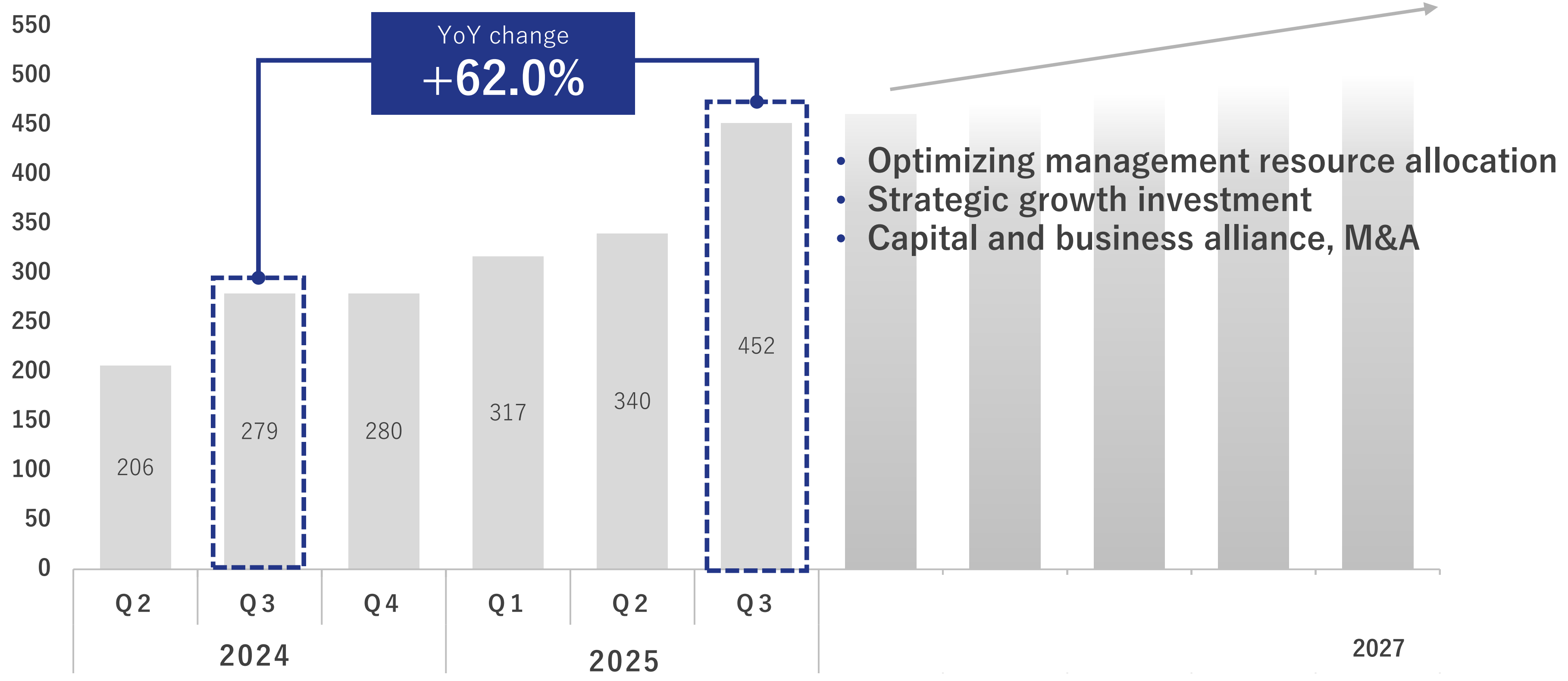
	Details	Final Year of Medium-Term Management Plan FY2027 Target Figures
Net sales of strategic businesses	**This indicator measures the scale and growth rate of focus areas other than existing businesses in the FY2025-2027 Medium-Term Management Plan.** • Influencer marketing "WAND" • Digital marketing process optimization support "N-INE" • FAN marketing "GERA", "YOOR" • FAN Communications Global	Strategic businesses Roughly 40% of net sales mix
Operating margin	This indicator shows progress of company-wide profitability.	10%
Operating income per employee	This indicator assesses productivity and resource allocation optimization.	Approx. twice that of FY2024

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

We will strengthen strategic businesses and transform 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)



*Net sales of "nend" are excluded.

FY2025 Q3 results

Overall

¥452 million

YoY change +62.0%

QoQ change +32.9%

Strategic business net sales mix

25%

YoY change +9 pt

QoQ change +6 pt

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

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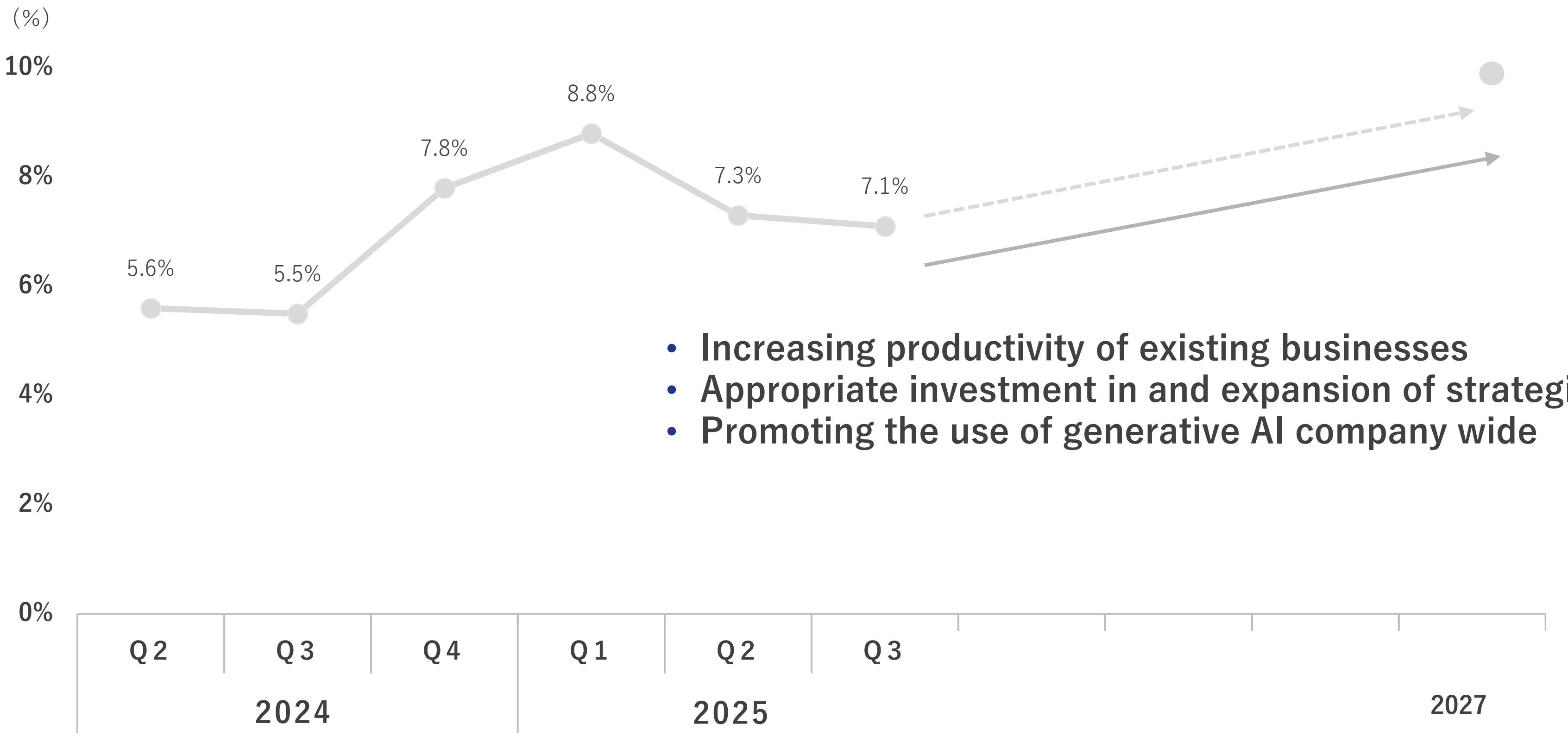
To boost profitability, we are increasing productivity in existing businesses through visualization and systematization, while also expanding the scale of our strategic businesses
We are also speeding up implementation of generative AI across the company, with the goal of achieving an operating income of 10% or more sooner than initially planned

■ Trend of operating income to transaction volume ratio



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

■ FY2025 Q3 results

Overall

7.1%

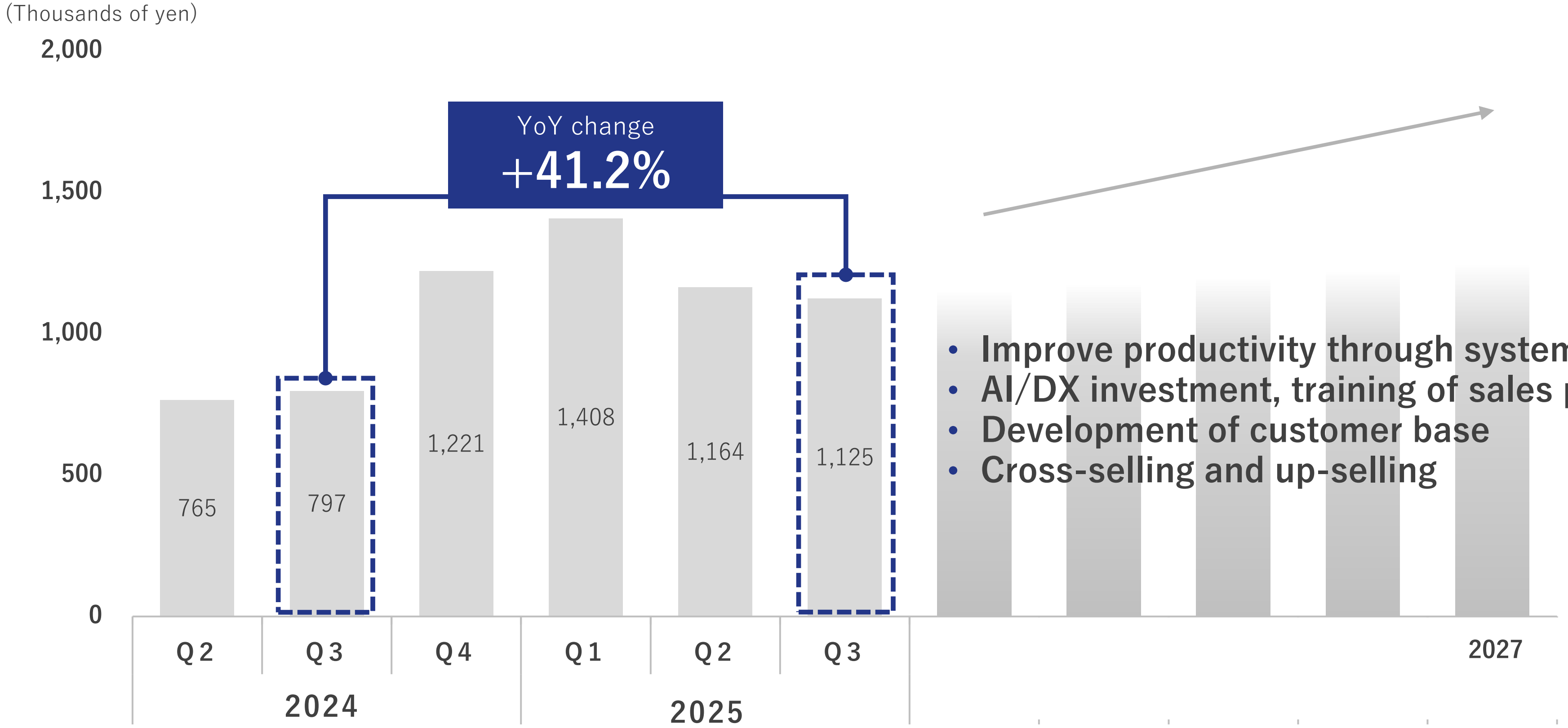
YoY change: +1.6 pt

QoQ change: (0.2 pt)

[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



- Improve productivity through systematization and visualization
- AI/DX investment, training of sales personnel
- Development of customer base
- Cross-selling and up-selling

■ FY2025 Q3 results

Overall

¥**1,125** thousand

YoY change .... +41.2%

QoQ change .... (3.3%)

*Net sales of “nend” are excluded.

(Reprint) Focus Areas for 2H of FY2025

FANCOMI

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~~[Update] Investment pending • [NEW] We are planning and verifying customer support based on the assumption that AI will change customers' business environments • 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

Corporate Philosophy

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

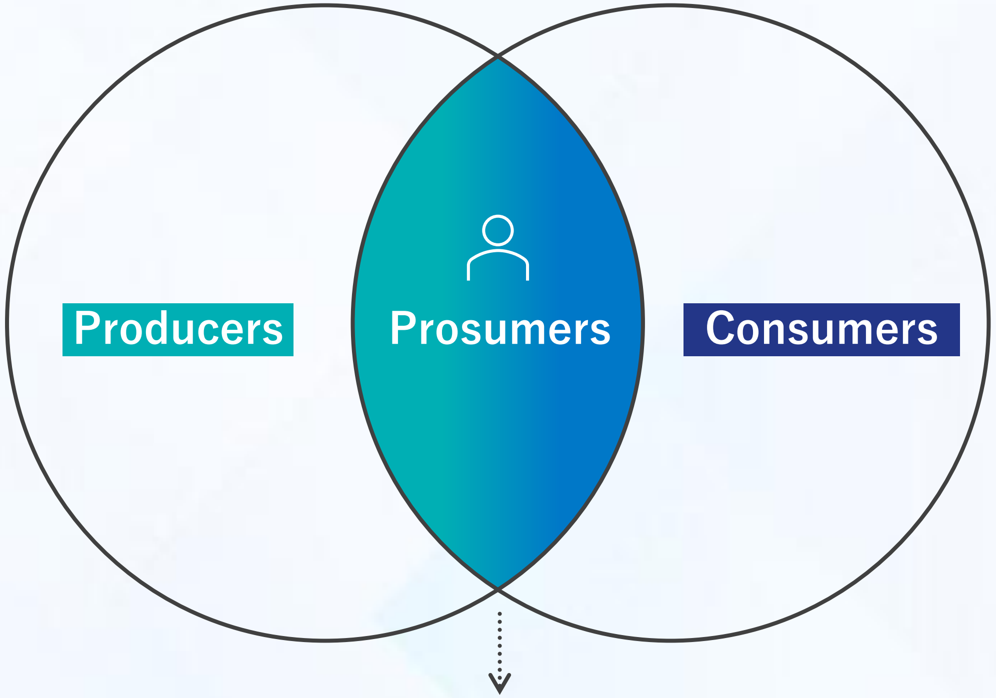
Vision

FANCOM

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

Vision

FANCOMI

We will support the coexistence of two forms of happiness and cocreate them with prosumers.

youtuber	Blogger	Engineer	Prosumer
tiktoker	Prosumer	Podcaster	etc

Internal Happiness

- Sense of accomplishment
- Feelings of affirmation
- Desire for approval

Prosumers

People who create new value

External Happiness

- Monetary rewards
- Asset building
- Economic independence

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.**

IR Information

We now have an official LINE

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.

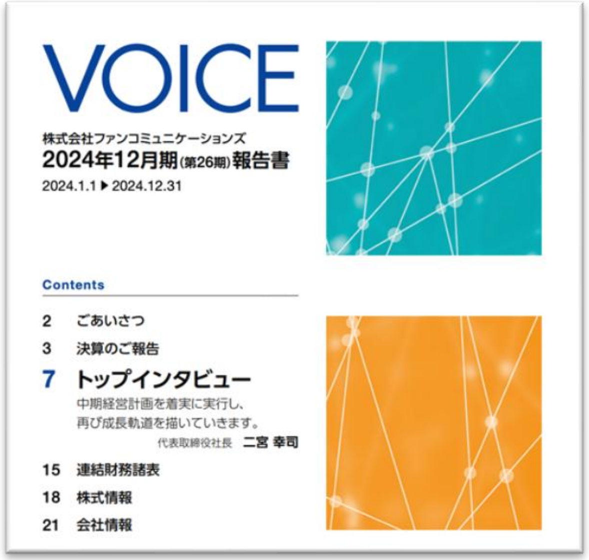
We will actively work to disseminate IR information.

FY2024 Financial Results Briefing Medium-Term Management Plan Explanation Materials

Presentation Material for Full Year FY2024 (PDF)FY2024 Financial Results Briefing (Video)

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

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 September 31, 2025)
President and Representative Director	Koji Ninomiya
Number of Employees	Non-consolidated：338 Group total：382 (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

06 Reference Material

- Overview of Medium-Term Management Plan

Story that begins with the second founding

FANCOMI

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.

Ad network provider → **From 2024** **Prosumer support company**

Ad network provider	From 2024		
Support customer acquisition and monetization through A8.net and ad network ecosystem.	Provide **customer acquisition solutions and pre-/post acquisition services.**	**Accumulate best practices and failure cases** (visualization/digitization) and optimize (systematization/AI utilization).	Specialize in the digital marketing field, **and provide comprehensive support for the business growth of customers.**

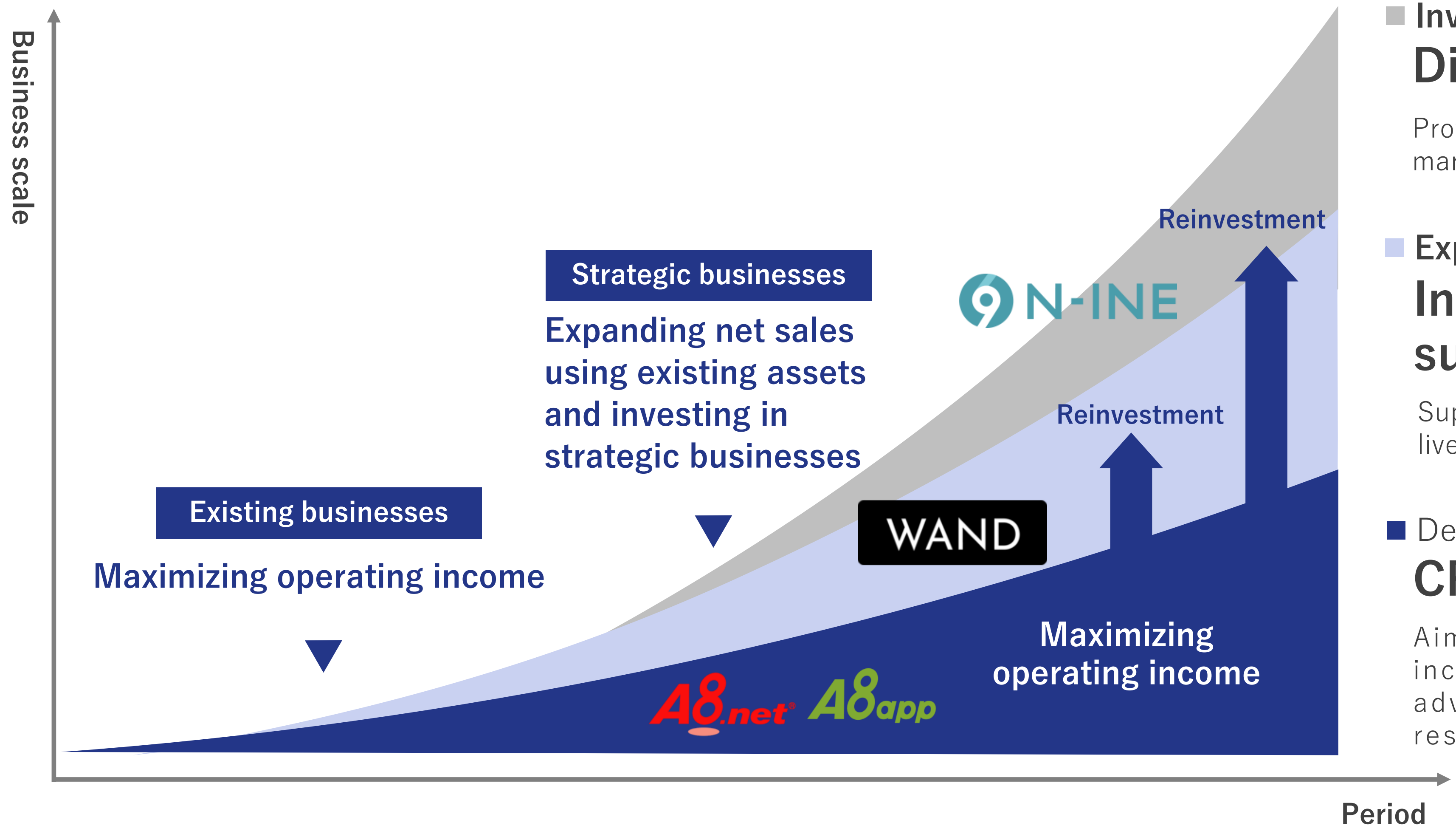
Net sales are on a downward trend.

Aiming for a V-shaped recovery through digital marketing solutinons measures.

Second founding period

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 .**



Investing in strategic businesses

Digital marketing support

Provide a group of tools to make digital marketing easier to use

Expanding strategic businesses

Influencer marketing support

Support the introduction of media to people's lives. Aim to maximize net sales.

Deepening existing businesses

CPA Solution

Aim to maximize operating income by increasing the number of operating advertisers that continue to produce results.

Overview of FY2025 -FY2027 Growth Strategy

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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.**

FANCOM

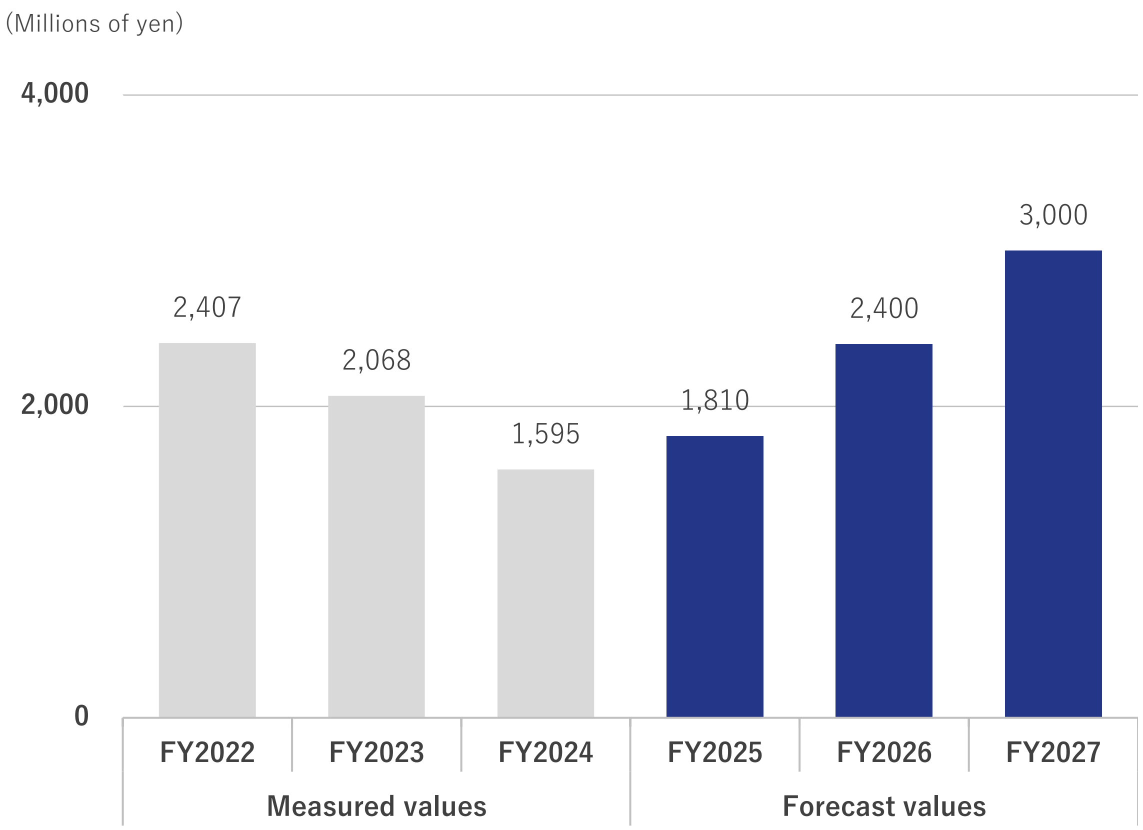
- **Providing customers with a digital marketing infrastructure based on performance-based advertising**
- **Aggressively leveraging AI to solve customer labor shortages using our proprietary data and BPO services**
- **Maintaining A8.net's top market share while also having the top share in influencer and affiliate marketing**

FY2025-2027 Medium-Term Management Plan Target Figures

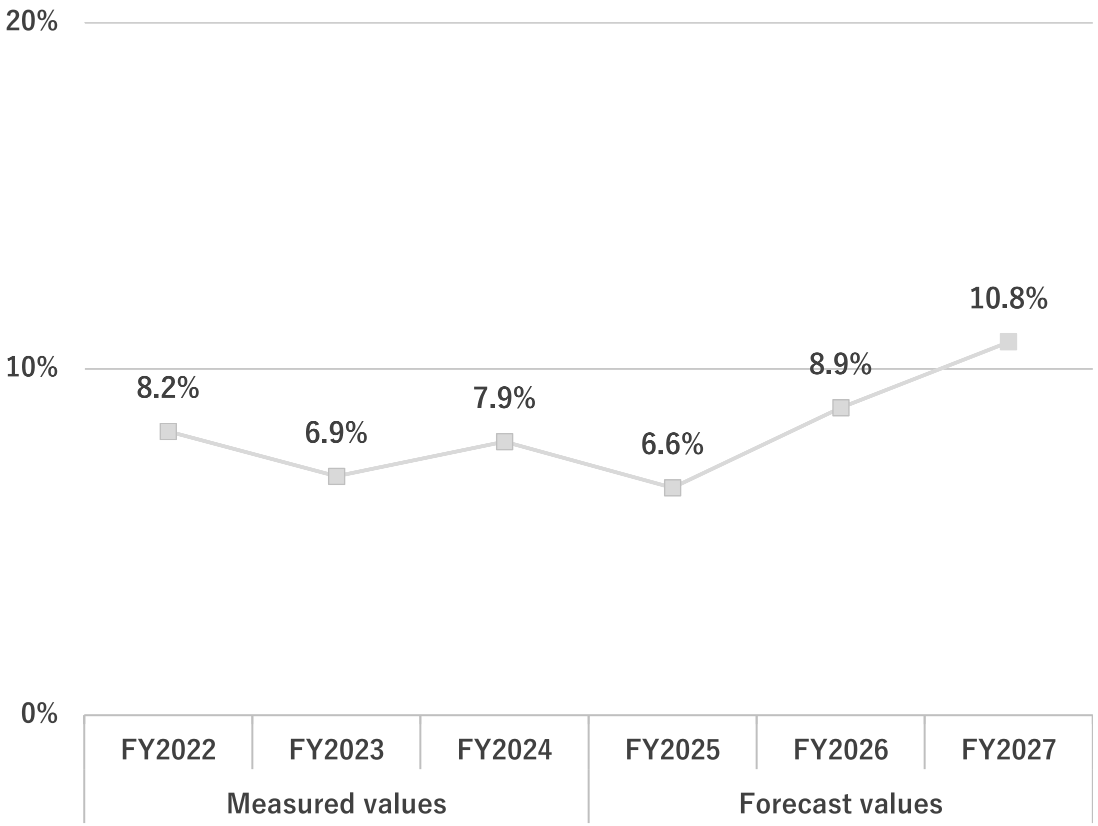
We aim to increase operating income by 88% (compared to FY2024) and return on equity **(ROE) by 10% or more in the three years** between now and FY2027 (if a dividend of 19 yen is maintained).

* 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



■ Return on equity [ROE] target



Capital Policy

FANCOM

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%**

Disclaimer

FANCOM

- 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.
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