

# Financial Results

for the Fiscal Year Ended December 31, 2023

ProjectHoldings, Inc. [TSE Growth: 9246]

(Company name changed from ProjectCompany, Inc. in January 2024)

February 14, 2024



# Executive Summary

## Q4 FY2023 Financial Results

Net Sales	Operating Profit	EBITDA*1	EBITDA Margin
<b>¥1,560 million</b> (+13.3% YoY)	<b>¥189 million</b> (-28.9% YoY)	<b>¥235 million</b> (-22.2% YoY)	<b>15.1%</b> (-6.9 pts YoY)
<ul style="list-style-type: none"> <li>Despite the YoY increase in net sales, the <b>Digital transformation business</b> grew only by 1.3% YoY due to the <b>focus on fostering existing employees</b>.</li> <li>Operating profit decreased mainly due to an <b>increase in SG&amp;A expenses such as rent expenses associated with office relocation and attorneys' fees</b>.</li> </ul>			

### Major Numerical Information\*2

Net Sales per Client	Net Sales per Employee
<b>¥34.5 million/year</b>	<b>¥2.77 million/person/month</b>
<ul style="list-style-type: none"> <li>Net sales per client for FY2023 rose 14.2% YoY, with generally <b>good progress made in turning existing clients into large-scale customers</b></li> <li>Net sales per employee fell 19.7% YoY, due to hiring approx. 40 new graduates in April 2023 (6 in 2022), among other factors.</li> </ul>	

### Issues and Countermeasures for the Digital Transformation Business

<ul style="list-style-type: none"> <li><b>Fostering existing employees</b> centered on new graduate employees, as focused on in 2H of FY2023, <b>made generally good progress</b>, but the year-end number of managers fell short of the target. Took measures such as <b>establishing a new organization with the mission of fostering employees</b>.</li> <li><b>Approx. 15 people left the Company, with the main reason being the way the former Executive Vice President resigned</b> in September 2023, keeping the attrition rate high. Measures are being taken, such as reinforcing HR functions.</li> </ul>
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### Performance Outlook for FY2024

<b>Net sales: ¥6,100 million    Operating profit: ¥250 million</b>
<ul style="list-style-type: none"> <li>In FY2024, focus on rebuilding the organization and structuring the fostering of people for the future, and plan to return to a growth path of 30% YoY in FY2025 and onward.</li> </ul>

\*1 EBITDA represents operating profit plus depreciation, amortization of leasehold deposits and share based payment expenses.

\*2 Figures compiled for the Digital transformation business

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# 1. Overview of ProjectHoldings, Inc.

## Group Management Philosophy

### Mission

Creating a Project-based Society

### Vision

Our vision is to foster and develop a large number of professionals who will lead the next generation and provide a variety of solutions that transform companies. By doing so, we aim to guide each of our client companies to become enterprises that represent the next generation and contribute to the revitalization of Japanese society.

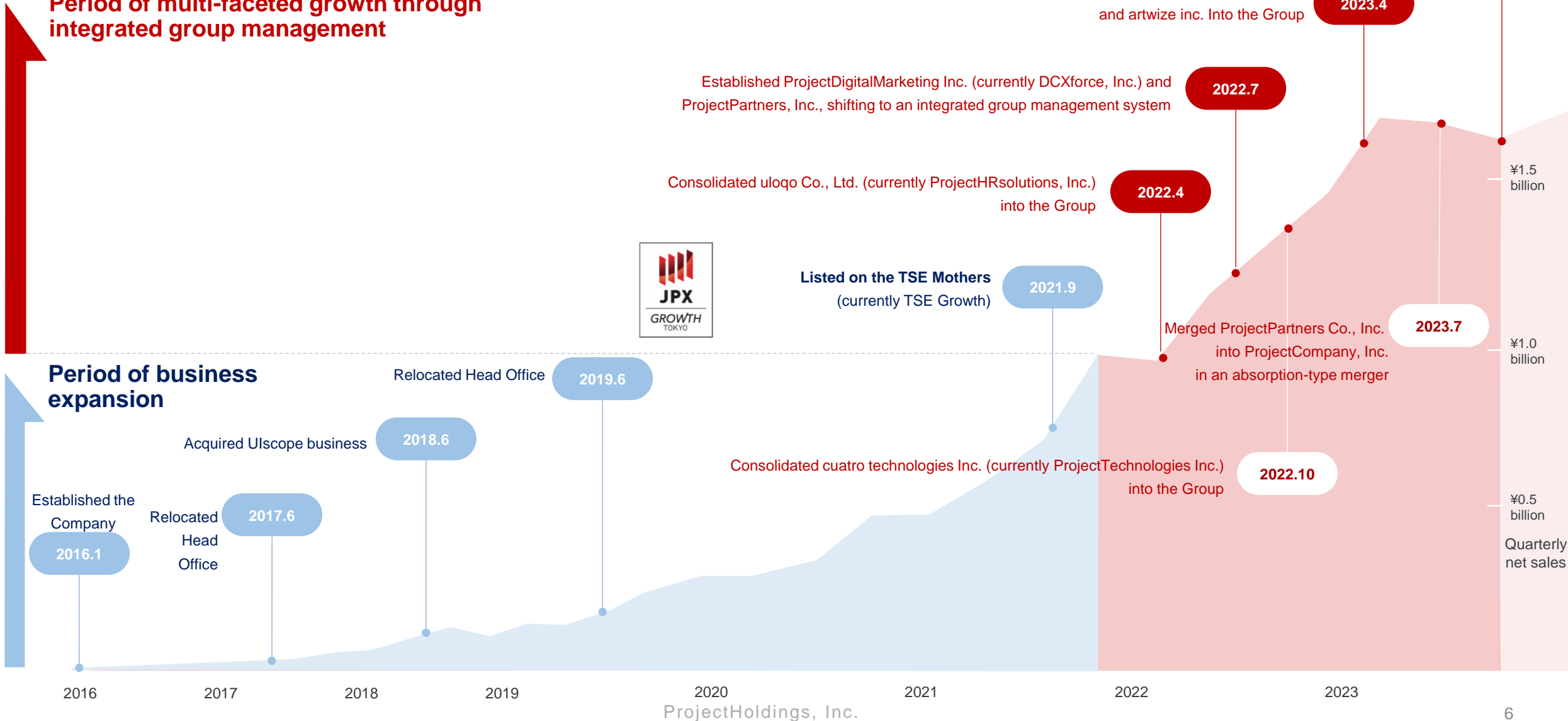
# Company History



Transition to a pure holding company structure and office relocation

Period of multi-faceted growth through integrated group management

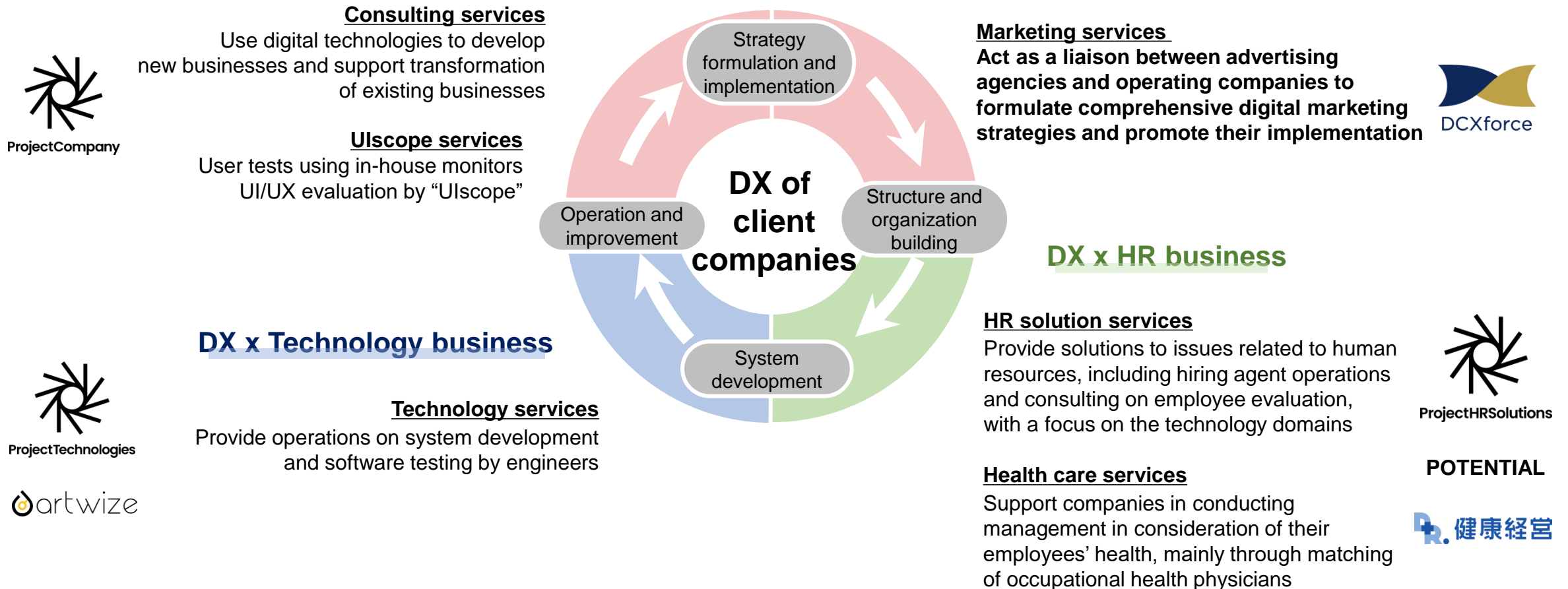
Period of business expansion



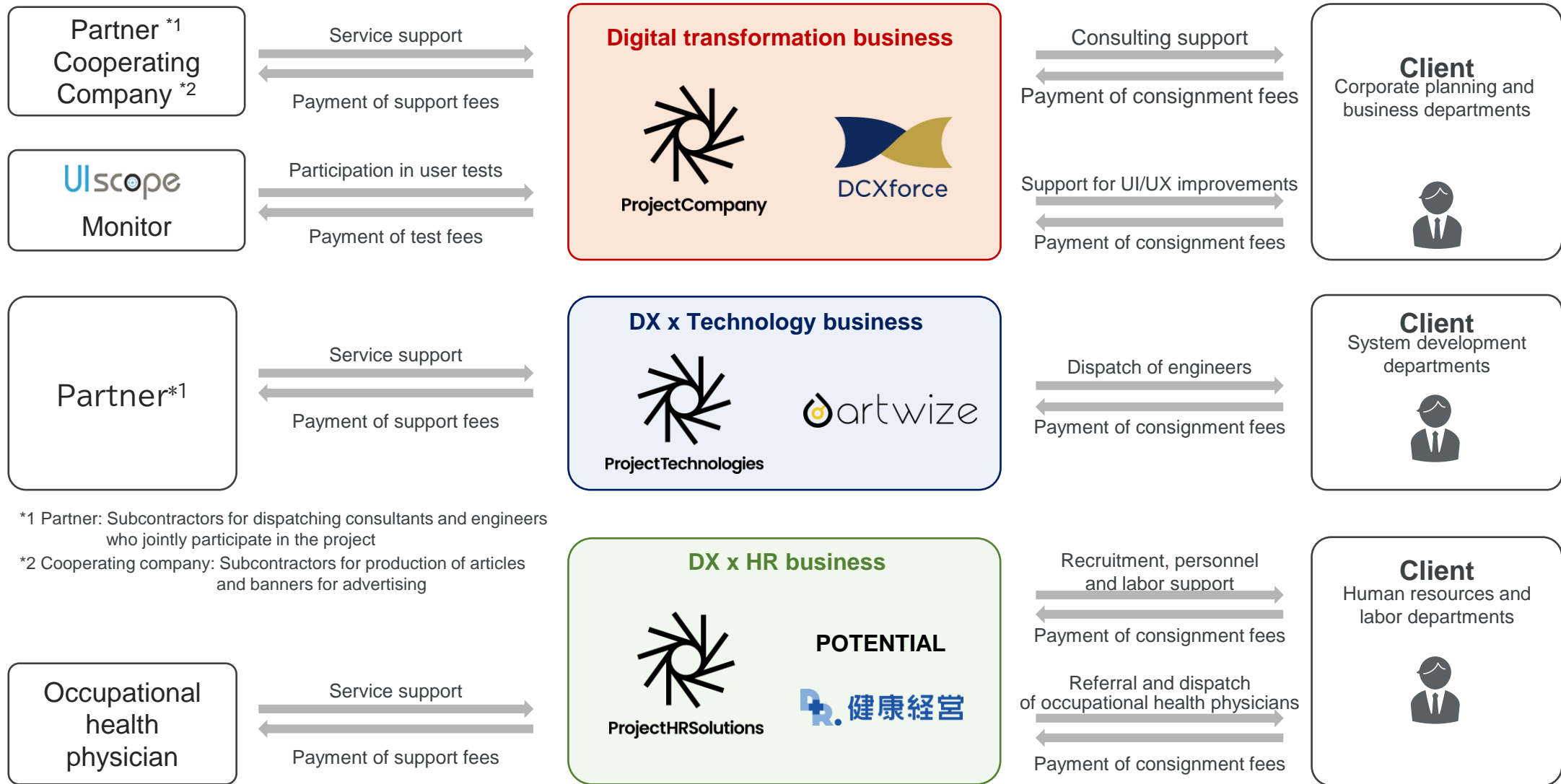
## Business Domains of the Group

- We define “digital transformation” (DX) as the expansion of businesses at operating companies through the use of digital technologies to develop new businesses and improve operations. With this understanding, we provide one-stop support for our client companies’ DX strategies, from planning to implementation and improvement.

### Digital transformation business



# Business Structure Diagram



\*1 Partner: Subcontractors for dispatching consultants and engineers who jointly participate in the project

\*2 Cooperating company: Subcontractors for production of articles and banners for advertising



## Case Studies

### SBI NEOMOBILE SECURITIES



#### Support for launching a stock purchase service using T-points

- ▶ Supported a project to launch a new service that enables transactions through smartphones to attract young people and investment beginners. Acquired around 300,000 accounts in one year after launching the service.
- ▶ Launched a joint venture and reviewed a service design utilizing such technologies as robo advisors and chatbots.
- ▶ Developed and implemented digital marketing strategies to demonstrate the services.
- ▶ Utilized user tests (UIScope) to produce a service LP.

Area of support

Consulting (new business development)  
marketing (marketing consultation), UI/UX

### Shimane Bank



#### Support for setting up a smartphone branch

- ▶ The project called for establishing a "Smartphone Branch," a virtual branch with no passbook, no cash card, and no seal.
- ▶ Supported the release of the service symbolizing the bank's DX, where account opening and use are conducted with smartphones only, allowing the bank to acquire over 5 billion in deposits in four months since release.
- ▶ Worked on a wide range of activities, including identification of various discussion points and implementation of measures before release, as well as producing a service LP and establishing promotion strategies in cooperation with external business operators.
- ▶ After release, supported study of additional measures and establishment of customer management.

Area of support

Consulting (new business development),  
marketing (marketing consultation)

### transcosmos



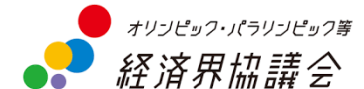
#### Joint DX support by combining know-how of both companies

- ▶ Supporting more than 600 DX projects a year, transcosmos provides cross-channel one-stop services for CX improvement, with special strengths in building e-commerce/call centers.
- ▶ Jointly provide wide-ranging support for clients' digital marketing and business transformation by combining the areas of expertise of both companies.
- ▶ Have supported multiple projects, including concept studies of global CRM systems and review and implementation of one-to-one marketing strategies.

Area of support

Consulting (transformation of existing businesses and operational improvement)

### Olympic and Paralympic Games Business Council



#### 2020 Tokyo Games momentum building project

- ▶ A major project for the business circle to support momentum building for 2020 Tokyo Games in cooperation with IOC, the government and local governments.
- ▶ Held more than 1,000 events in regional cities by the end of February 2020, utilizing corporate assets across Japan, with more than 650 companies participating and 430 local governments cooperating.
- ▶ Supported a wide range of branding and public relations activities for the project by utilizing digital channels.

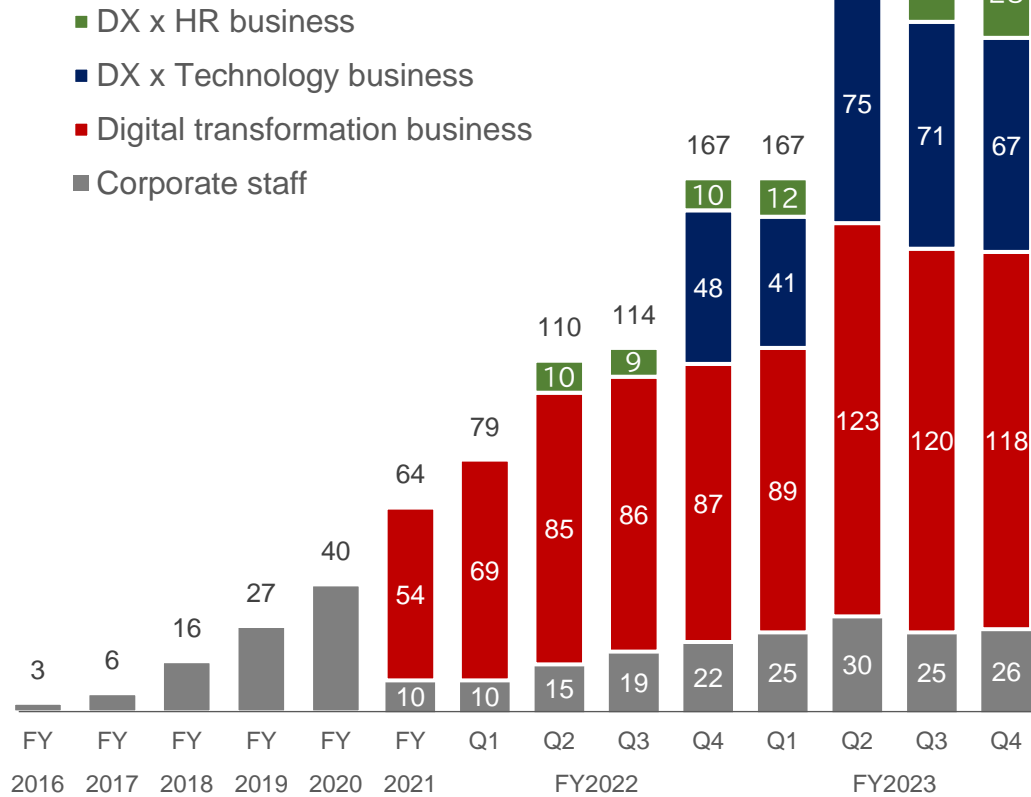
Area of support

Marketing (social media operation and marketing consultation)

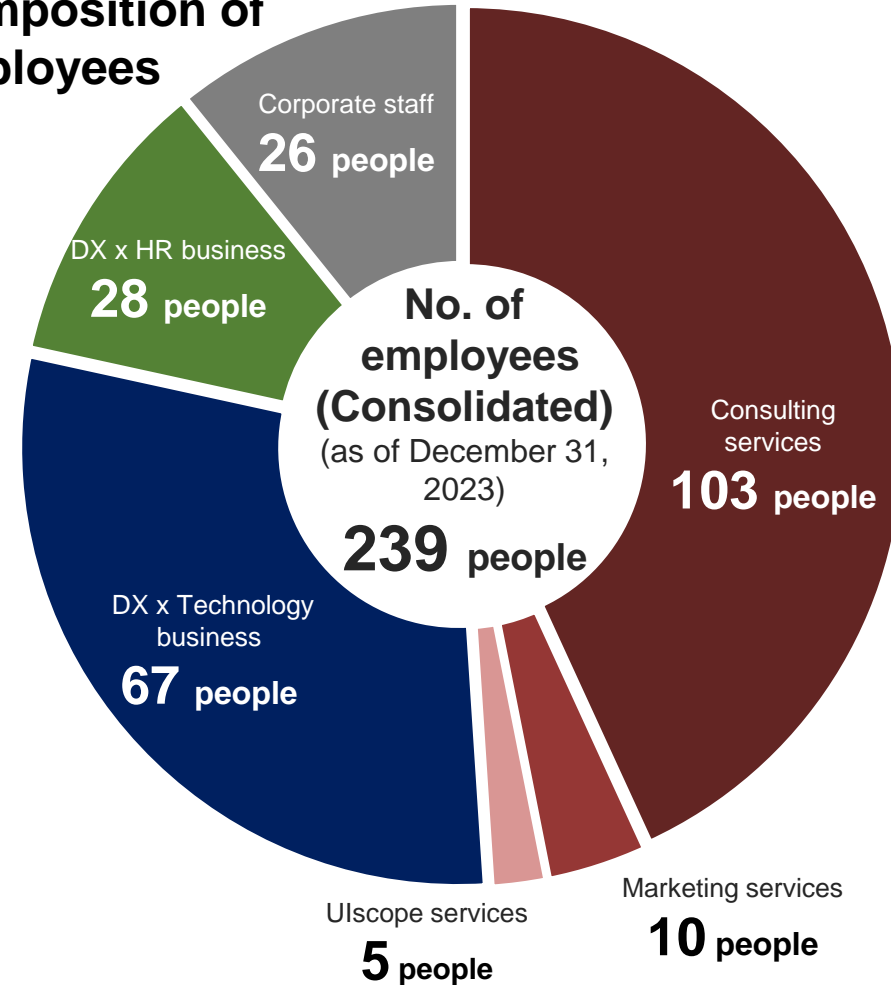
## Situation of Employees

- The number of employees was 239 as of December 31, 2023, **decreasing slightly from Q3**.
- The decrease was mainly due to curbs on mid-career hiring in the Digital transformation business and a high attrition rate (☞ p. 23).

### Trends in the number of employees (people; as of the end of each period)



### Composition of employees



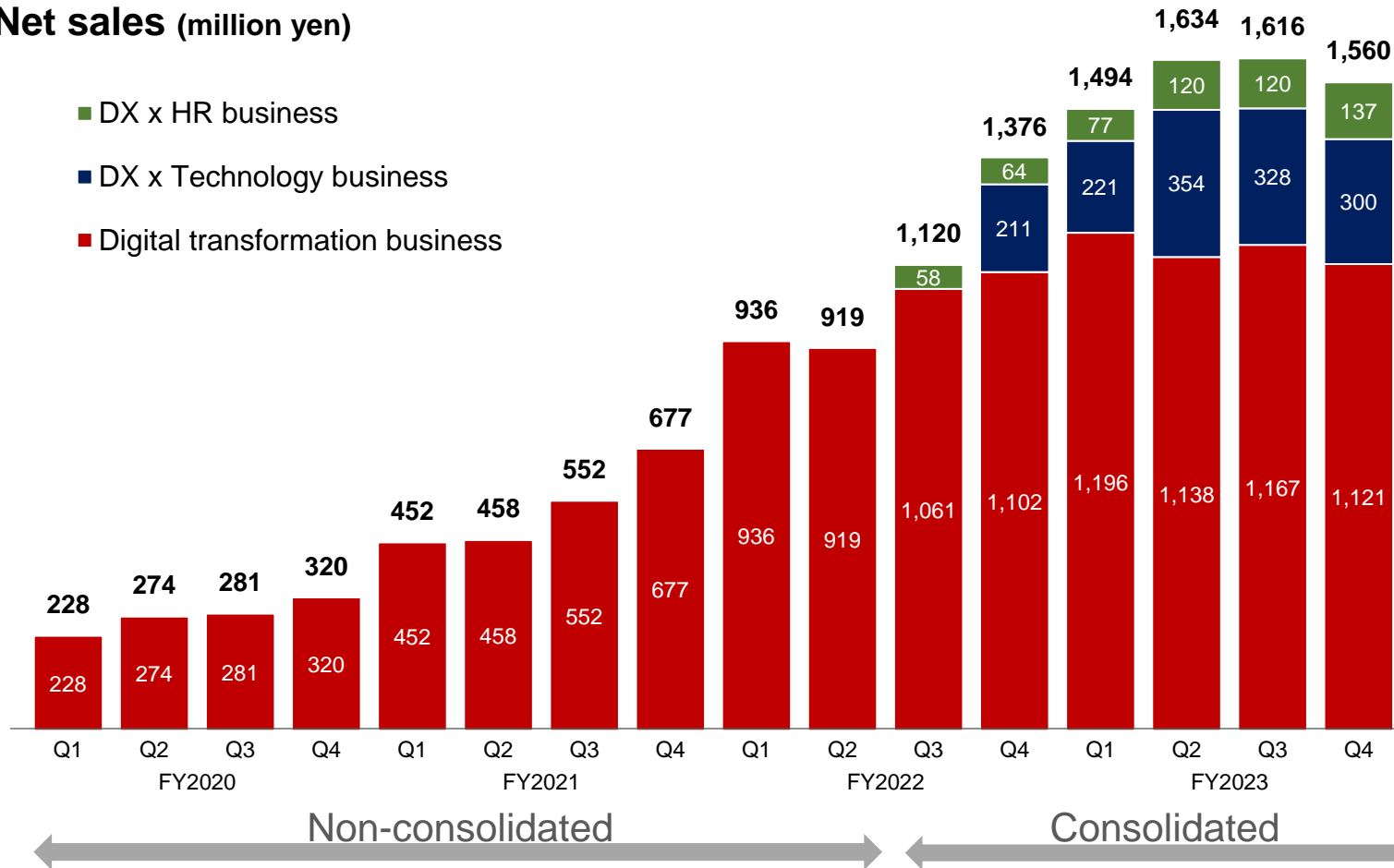


## **2. Q4 FY2023 and Full Year Financial Results**

## Quarterly | Financial Results - Net Sales

- Achieved net sales of **1,560 million** in Q4 FY2023, **down 3.5% QoQ** and **up 13.4% YoY**.
- Net sales of the Digital transformation business totaled **1,121 million**, **down 3.9% QoQ** and **up 1.7% YoY**.

### Net sales (million yen)



#### DX x HR business

Grew generally steadily in Q4, partly due to the focus on organizational building in Q3 proving effective.

#### DX x Technology business

Sales continued to decline due to the departure of sales staff at ProjectTechnologies Inc., among other factors.

The attrition has been settled at present as progress has been made in coordinating with artwize inc., which excels in creating a comfortable working environment for engineers.

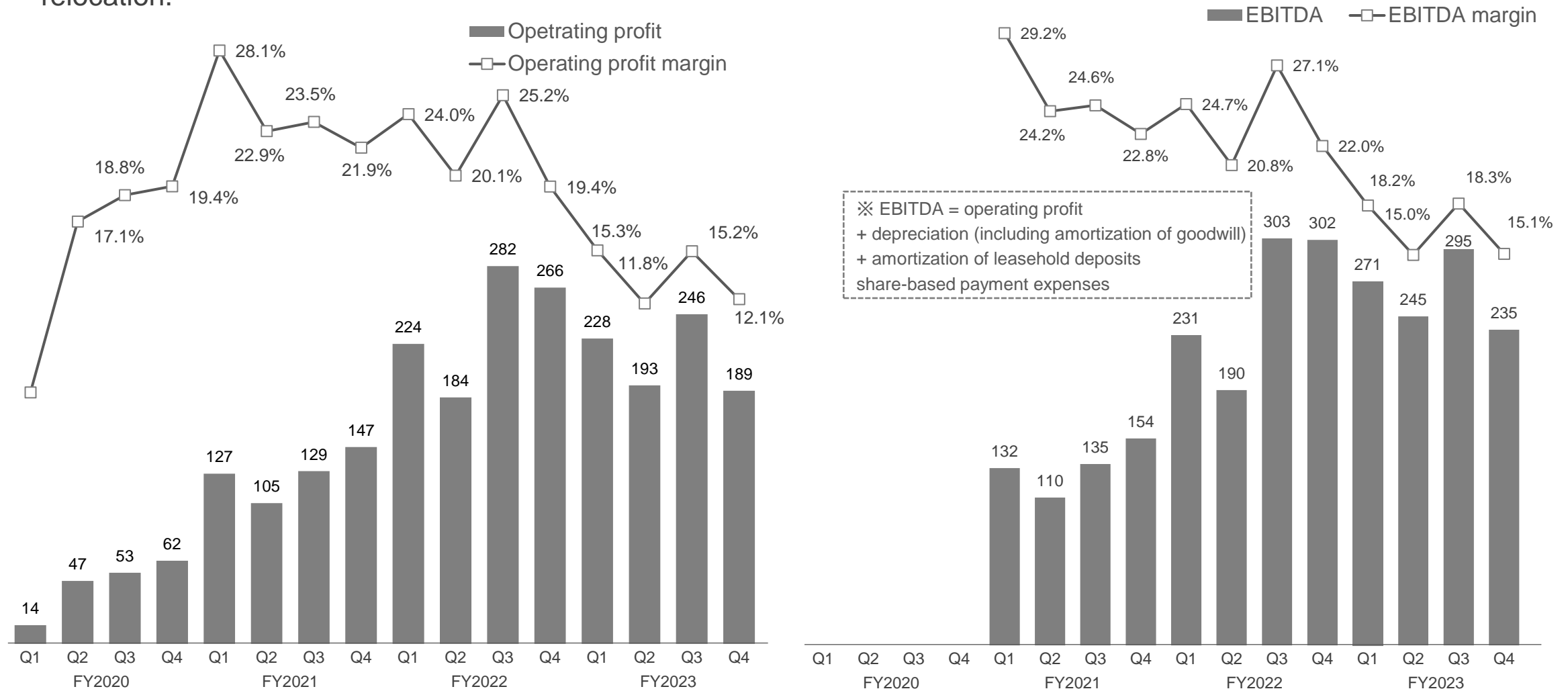
#### Digital transformation business

Sales grew only 1.7% YoY as focuses have been made on fostering existing employees since Q2 FY2023.

Fostering of new graduate employees joining the Company in April 2023 is assessed to have made generally good progress [📄 p. 22].

## Quarterly | Financial Results - Operating Profit & EBITDA

- Operating profit and EBITDA decreased QoQ, mainly due to an increase in rent expenses associated with the office relocation.



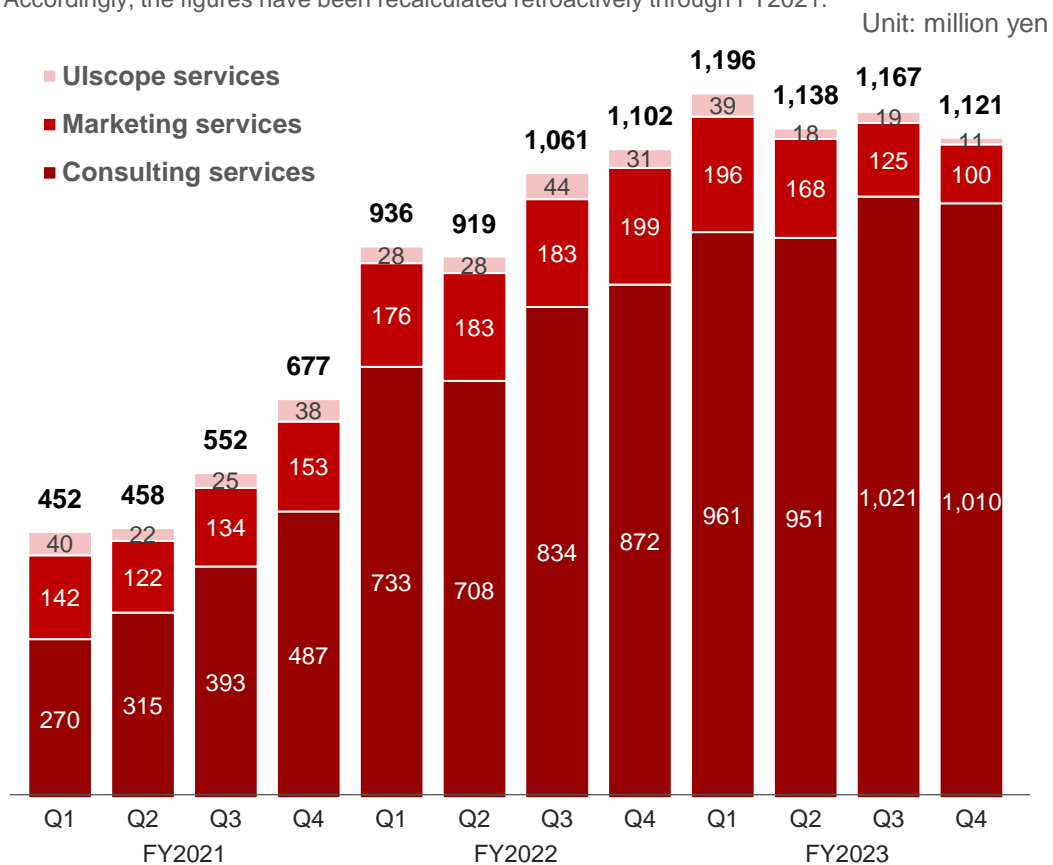
# Quarterly | Results by Segment - Net Sales

■ Net sales by segment are as follows.

## Digital transformation business

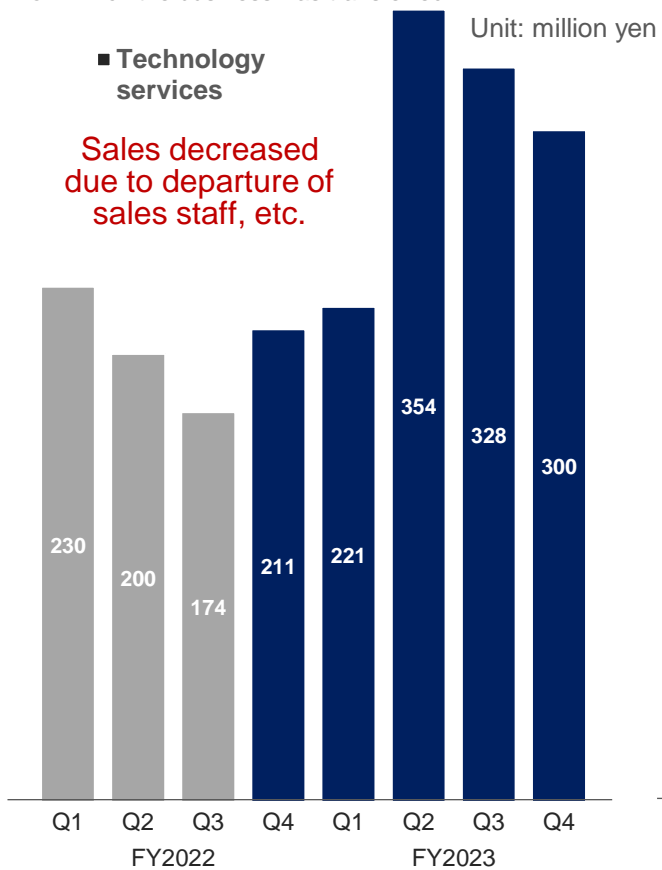
\*The aggregation standards for marketing services were partially changed in FY2023, and projects involving many consulting aspects were transferred to consulting services.

\*Starting with the FY2023 disclosures, the Ulscope service counts Ulscope projects only. Accordingly, the figures have been recalculated retroactively through FY2021.



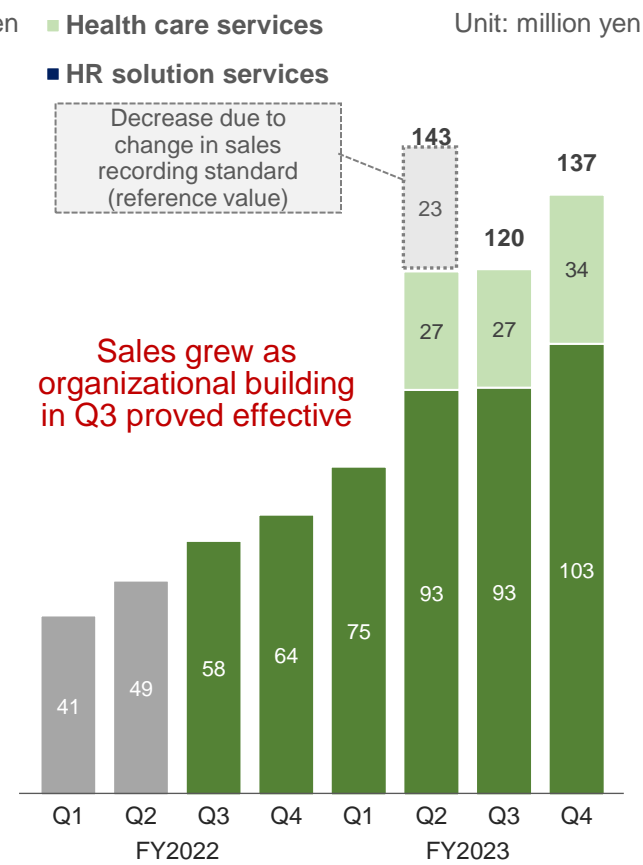
## DX x Technology business

\*The business was consolidated in Q4 FY2022. Previous figures are shown for reference, indicating net sales of the relevant business of cuatro pistas Ltd. from which the business was transferred.



## DX x HR business

\*The business was consolidated in Q3 FY2022. Previous figures are shown for reference, indicating the financial results of uloqo Co., Ltd.



## Quarterly | Results by Segment - Cost of Sales & Gross Profit



- In the Digital transformation business and DX x Technology business, although gross profit margin improved, the amount of gross profit decreased in association with the decrease in net sales.

	Digital transformation business		DX x Technology business		DX x HR business	
	Results [million yen]	QoQ	Results [million yen]	QoQ	Results [million yen]	QoQ
Net sales	1,121	-3.9%	300	-8.5%	137	+14.2%
Personnel expenses (cost of sales)	186	-0.5%	68	-2.9%	29	+45.0%
Outsourcing expenses (cost of sales)	450	-8.5%	154	-13.5%	12	+50.0%
Other costs	2	-33.3%	0	-	0	-
Gross profit*	481	-0.6%	75	-3.8%	94	+4.4%
Gross profit margin	42.9%	+1.4 pts	25.0%	+1.2 pts	68.6%	-6.4 pts
SG&A expenses			463			+13.8% QoQ
Operating profit			189			-23.2% QoQ
Operating profit margin			12.1%			-3.1 pts QoQ

\*The figures are before allocation of SG&A expenses such as rent expenses to cost of sales, and accordingly do not correspond to gross profit as stated in the summary of financial results.

## Quarterly | Breakdown of SG&A Expenses

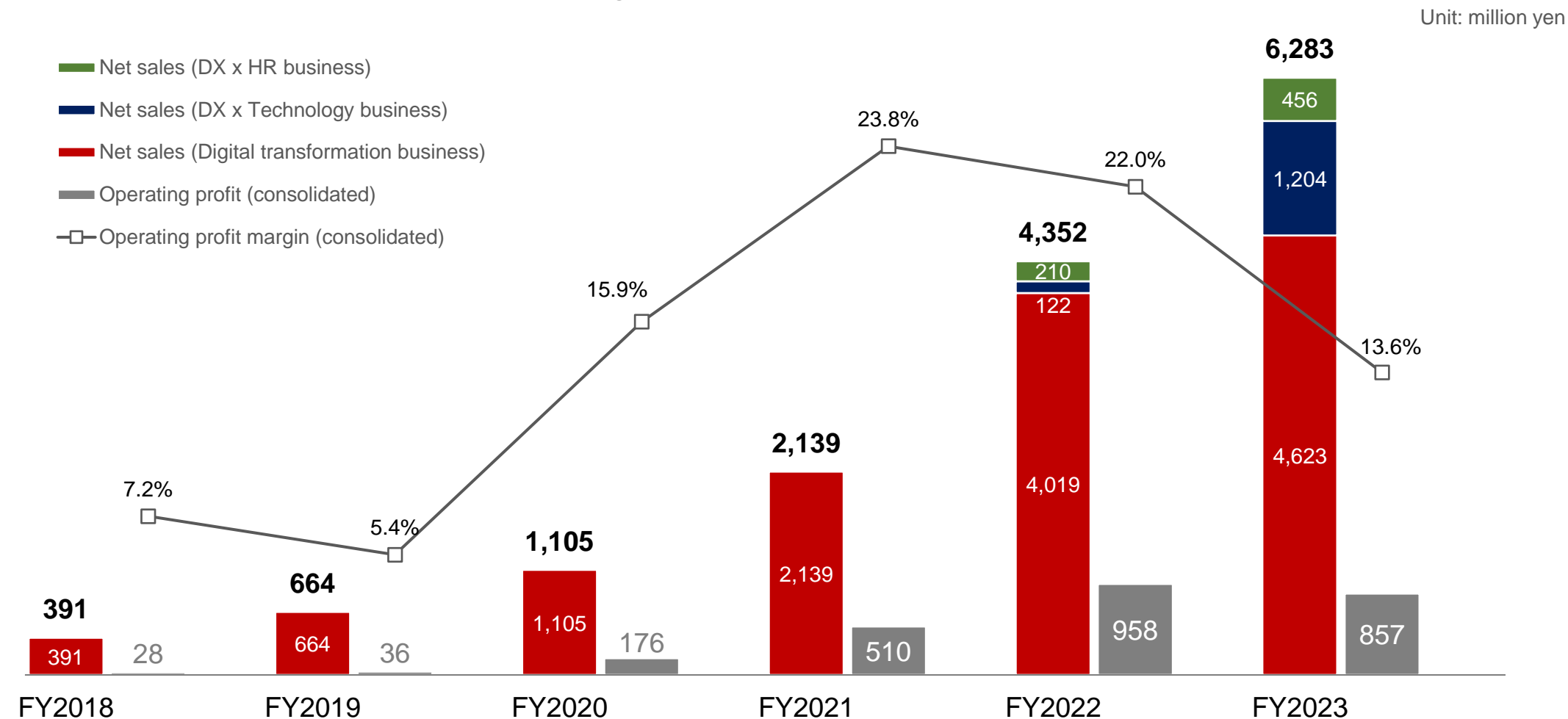
- SG&A expenses increased 13.8% QoQ due to an increase in rent expenses associated with the office relocation as well as an increase in attorneys' fees and entertainment expenses, etc.
- As part of the expenses were not spent, mainly in hiring expenses, SG&A expenses were lower than planned.

	Results [million yen]	SG&A expenses to net sales	QoQ	Description
Personnel expenses (SG&A expenses)	100	6.4%	-8.3%	Remuneration for directors and officers and salaries for back office employees, etc.
Outsourcing expenses (SG&A expenses)	32	2.1%	-11.1%	Expenses required cross-sectionally for projects
Hiring expenses	47	3.0%	-13.8%	Agent fees and event expenses, etc.
Rent expenses	85	8.4%	 +54.1%	Office rent, etc.
Depreciation, etc. (including amortization of goodwill)	46	2.9%	-6.1%	Amortization of goodwill, depreciation of other non-current assets and share-based payment expenses, etc.
Other SG&A expenses	106	6.8%	 +45.2%	Attorneys' fees and entertainment expenses, etc.
<b>Total SG&amp;A expenses</b>	<b>463</b>	<b>29.7%</b>	<b>+13.8%</b>	



## Full Year | Financial Results - Net Sales and Operating Profit

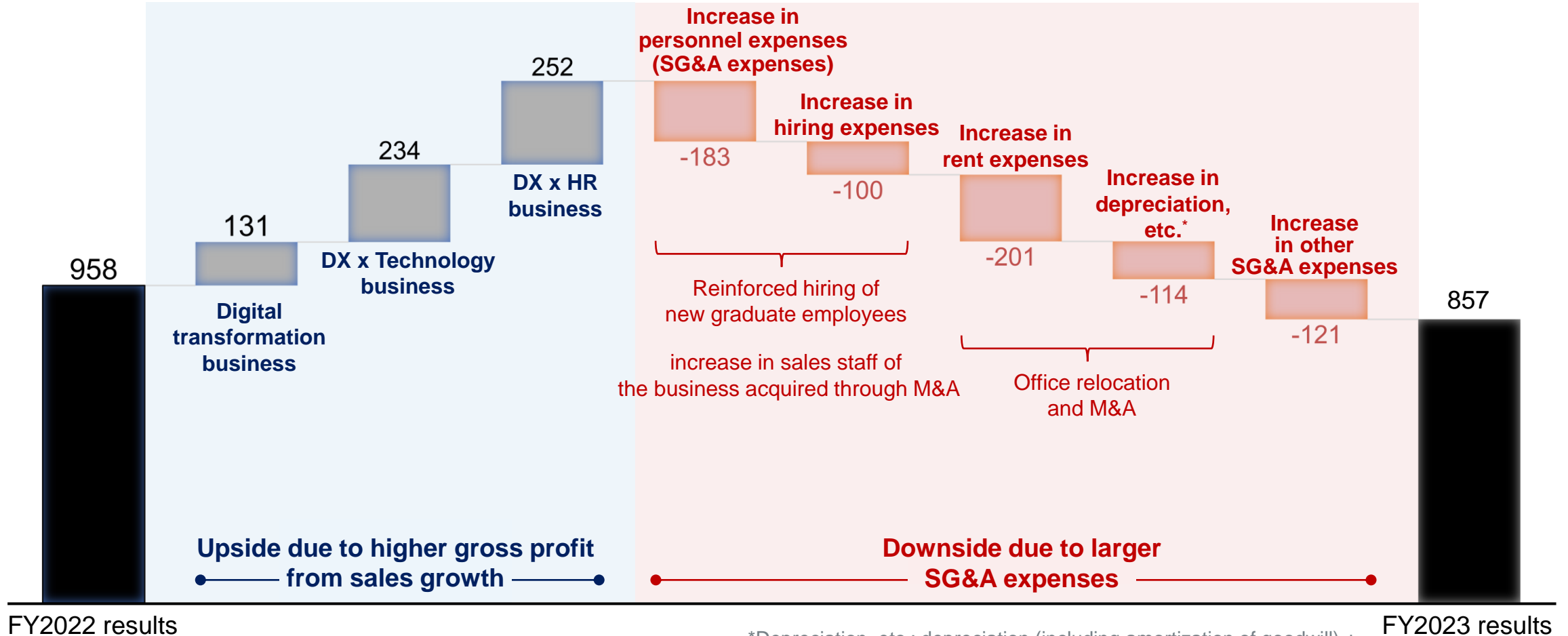
- For the full year of FY2023, net sales grew by 44.4% YoY to 6,283 million yen, while operating profit decreased by 10.5% YoY to 857 million yen mainly due to slower growth of the Digital transformation business and increases in hiring expenses, rent expenses and other costs (see the next page).



## Full Year | Financial Results - Change Factors in Operating Profit (Year-on-Year Comparison)

- Operating profit decreased in FY2023 mainly due to an increase in personnel expenses (SG&A expenses) and hiring expenses associated with reinforced hiring of new graduate employees and a rise in rent expenses associated with the office relocation.

### Operating profit (million yen)



\*Depreciation, etc.: depreciation (including amortization of goodwill) + amortization of leasehold deposits + share-based payment expenses



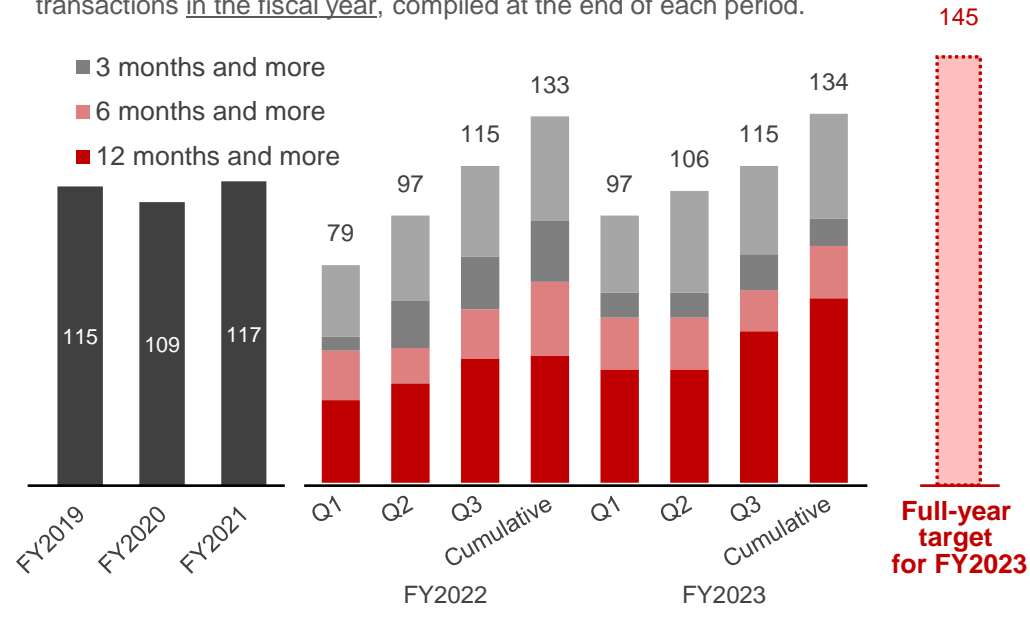
### **3. Situation of the Digital Transformation Business**

## Business KPI Trends | Number of Clients & Net Sales per Client

- The number of clients fell short of the target as priority was placed on organization strengthening, but net sales per client of existing clients grew generally steadily.

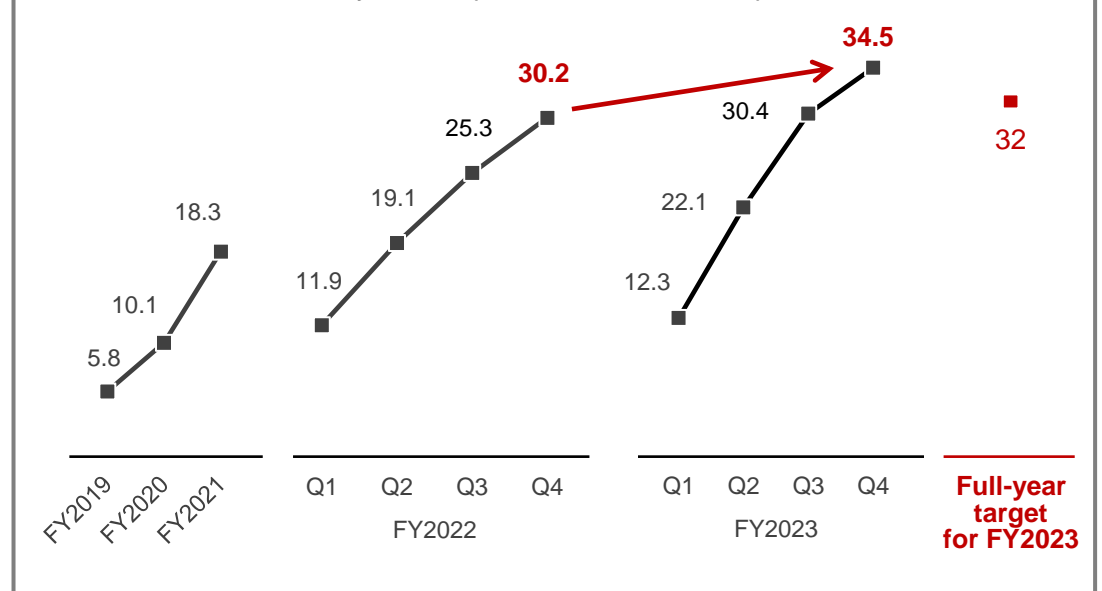
### Number of clients (by period of continued orders)

\*Figures indicate the number of clients with which the Company had transactions in the fiscal year, compiled at the end of each period.



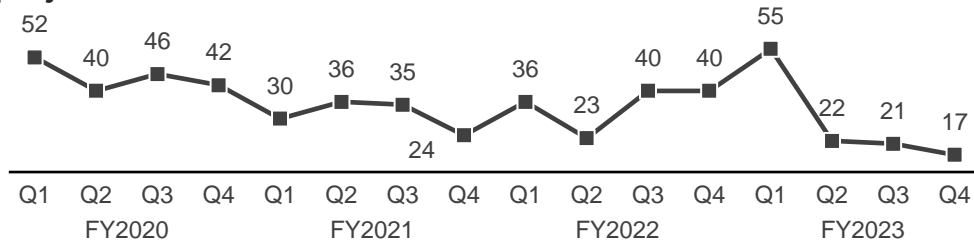
### Net sales per client (million yen)

\*Figures indicate the number of clients with which the Company had transactions in the fiscal year, compiled at the end of each period.



### Number of Uscope projects

Uscope helps attract new clients efficiently



### Number of clients by net sales (full year) per client

Deepening relationships with existing clients to turn them into large-scale customers

	Up to ¥30 million	Up to ¥100 million	Up to ¥300 million	Over ¥300 million
FY2020	98 companies	8 companies	2 companies	0 company
FY2021	103 companies	11 companies	2 companies	1 company
FY2022	103 companies	23 companies	5 companies	2 companies
FY2023	101 companies	22 companies	9 companies	2 companies

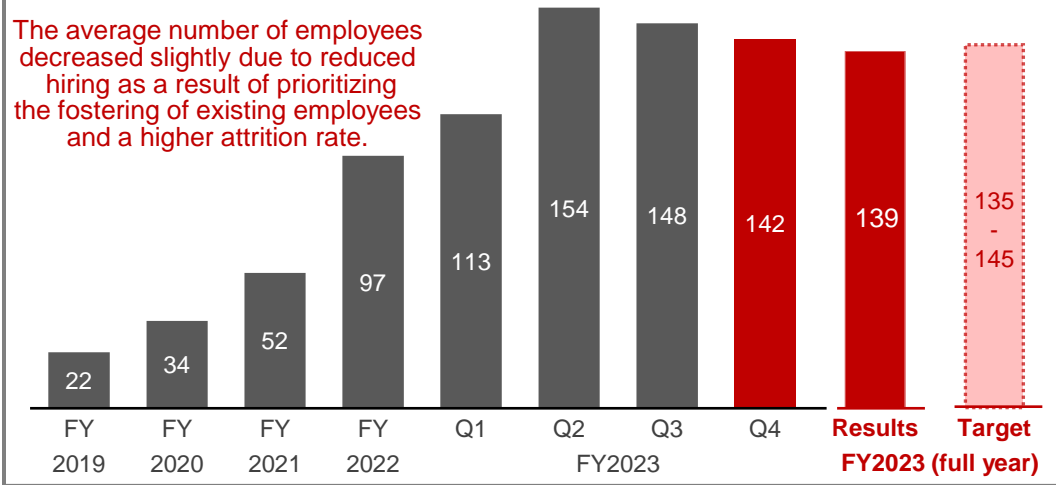
## Business KPI Trends | Number of Employees and Net Sales per Employee

- The attrition rate continued to stay at a high level, partly impacted by the resignation of the former Executive Vice President. Countermeasures have been taken by reinforcing the HR functions, etc. (P. 23)

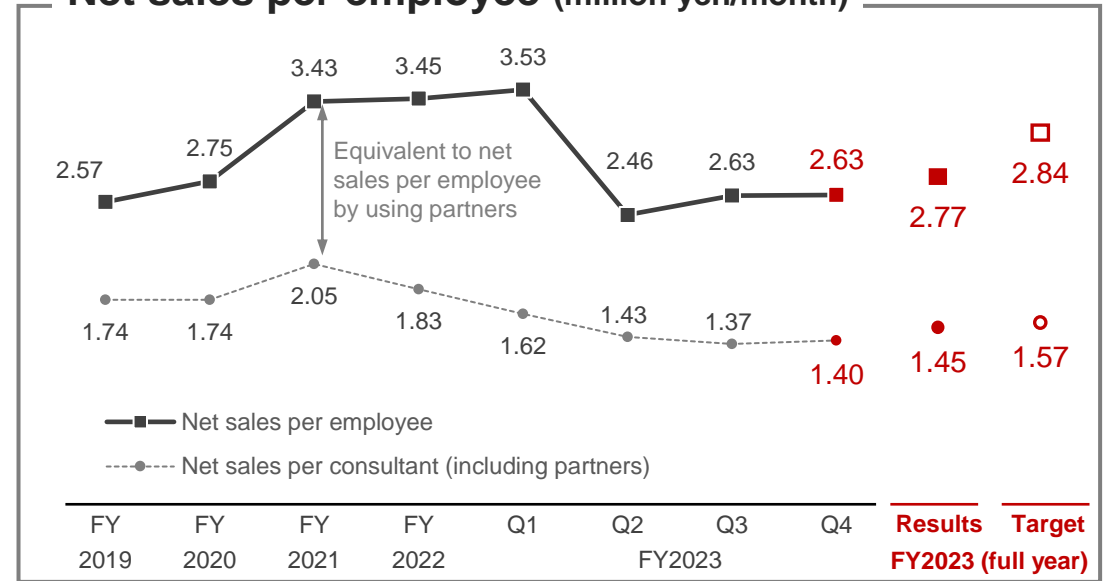
### Average number of employees during period (people)

\*Figures include employees in the Digital transformation business and the corporate staff.

The average number of employees decreased slightly due to reduced hiring as a result of prioritizing the fostering of existing employees and a higher attrition rate.



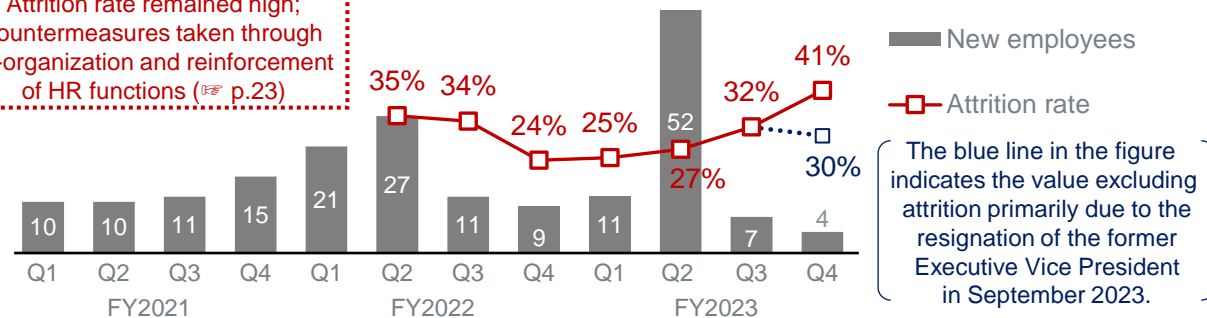
### Net sales per employee (million yen/month)



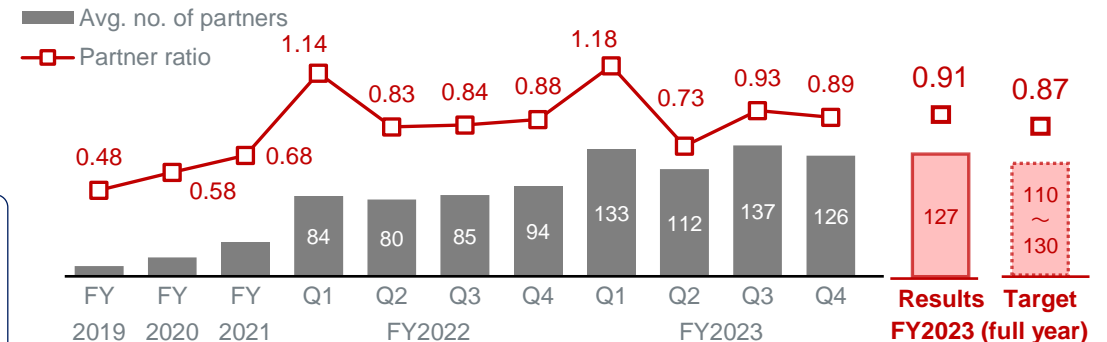
### Number of new employees and attrition rate (Digital transformation business only)

\*The attrition rate is calculated by dividing the number of retirees during a year through the end of each period by the average number of employees during the same period.

Attrition rate remained high; countermeasures taken through re-organization and reinforcement of HR functions (P. 23)



### Average number of partners & partner ratio during period

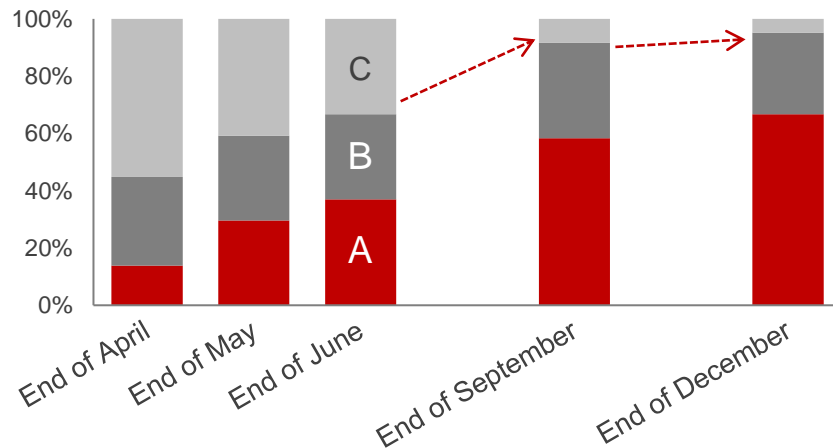


## Topics | 1 | Fostering Situation of New Graduate Employees Joining in April 2023 and Mangers/Candidates

- Almost all new graduate employees joining the Company in April 2023, on whom focus was placed to make them ready for work, reached the level of 50% or more of typical existing employees in terms of contribution to gross profit.
- Fostering managers and candidates failed to reach the target due to the resignation of some managers in December.

### Ratio of New Graduate Employees by Charge Rank

\*Compiled the graduate employees who joined the Company in April 2023 and were assigned to the Digital transformation business



C: Personnel other than A and B (as of December 31: 5%)

B: Personnel achieving 50% or more of the contribution to gross profit as typical employees (as of December 31: 29%)

A: Personnel achieving the same level of contribution to gross profit as typical employees (as of December 31: 67%)

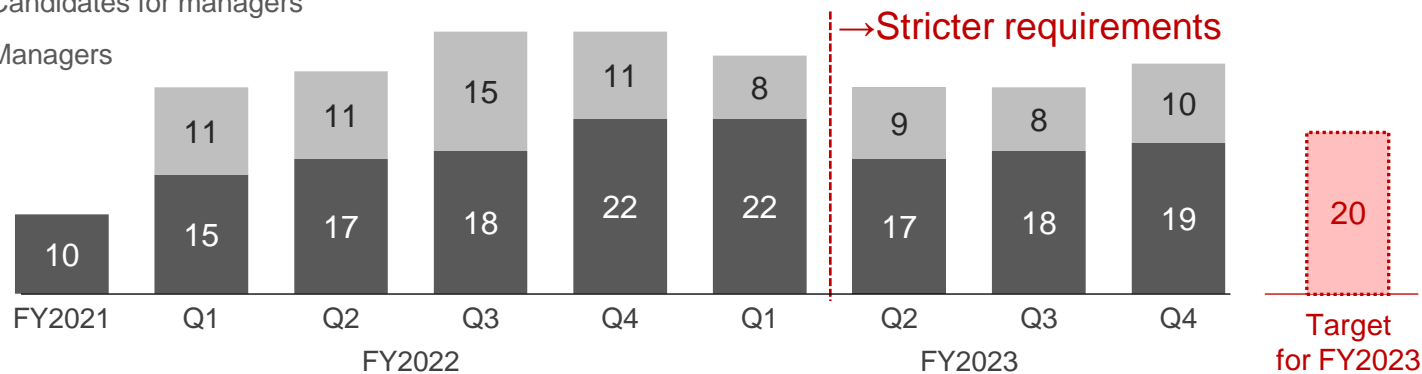
Assessed to have made generally good progress in our focus on fostering existing employees centered on new graduate employees in FY2023 2H.

Further streamlined the process of making inexperienced personnel centered on new employees ready for work and incorporated the upgraded fostering of managers and candidates into the organization and internal systems (p. 29).

### No. of managers

■ Candidates for managers

■ Managers



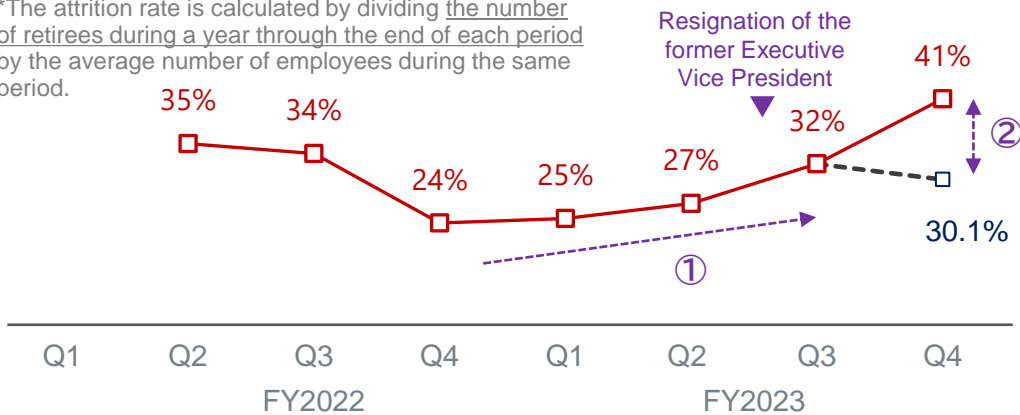
Failed to reach the target as some managers left the Company at the end of December partly due to the way the former Executive Vice President resigned.

## Topics | 2 | Situation of Employee Attrition Rate

- Approximately 15 employees left the Company by December 31, 2023, with the main reason being the way the former Executive Vice President resigned in September 2023.
- Initial countermeasures have been taken by 1) implementing measures to prevent recurrence based on the results of a third-party investigation into the circumstances (disclosed on December 22, 2023) and 2) reinforcing the HR functions through reforming the evaluation system and payroll tables and newly establishing an HR department with an experienced HR manager hired.

### Attrition rate (Digital transformation business only)

\*The attrition rate is calculated by dividing the number of retirees during a year through the end of each period by the average number of employees during the same period.



### Factor 1): Upward trend seen from around Q1 FY2023

A gradual rise in the attrition rate as workload was concentrated on some people, mainly due to the fostering of members amid the rapid expansion of the organization (the factor that has been disclosed earlier).

### Factor 2): Rise from the latter half of Q3 FY2023

The fact that **approx.15 employees** left the Company by December 31, with the main reason being the way the former Executive Vice President came to resign in September 2023.

\*The deemed attrition rate excluding the said leavers was 30.1%, down from Q3.

### Reinforcing governance

- Implemented measures to prevent recurrence as described in the [“Notice Concerning Results of Investigation into Resignation of Former Executive Vice President”](#) disclosed on December 22, 2023.

### Reinforcing HR (human resource) functions

- Fully revised the salary table (including pay rise) and internal systems by adding enhancement of one’s own capabilities and fostering of others to the evaluation system on top of the achievement of numerical targets.
- Strengthened support for employee growth and careers by newly hiring and appointing as head of the HR and planning department a person with experience as HR manager at an operating company.

## **4. Performance Outlook for FY2024 and Medium-Term Business Plan**



## Performance Outlook for FY2024 - Overview

	Unit: million yen	FY2023 (Results)	FY2024 (Forecast)	Change	Change rate (%)
<ul style="list-style-type: none"> <li>Net sales for FY2024 are projected to remain largely flat YoY.</li> </ul>	Net sales	6,283	6,100	-183	-2.9
<ul style="list-style-type: none"> <li>By segment, sales are expected to decline in the Digital transformation and DX x Technology businesses, which are seeing a certain level of attrition at the moment, while sales are anticipated to continue increasing in the DX x HR business.</li> </ul>	Digital transformation	4,623	4,390	-233	-5.0
	DX x Technology	1,204	1,140	-64	-5.3
	DX x HR	456	570	+114	+25.0
<ul style="list-style-type: none"> <li>Operating profit margin is forecast to decline significantly to 4.1% in FY2024, mainly due to an increase of rent expenses associated with the office relocation and higher depreciation costs.</li> </ul>	Gross profit <sup>*1</sup> (Gross profit margin)	2,558 (40.7%)	2,450 (40.2%)	-108	-4.2
	Digital transformation	1,945 (42.1%)	1,790 (40.8%)	-155	-8.0
	DX x Technology	278 (23.1%)	260 (22.8%)	-18	-6.5
<ul style="list-style-type: none"> <li>In particular, operating profit margin will drop markedly in 1H of FY2024, mainly due to a temporary increase in personnel expenses with new graduate employees joining the Company in April.</li> </ul>	DX x HR	335 (73.5%)	400 (70.2%)	+65	+19.4
	Operating profit (Operating profit margin)	857 (13.6%)	250 (4.1%)	-607	-70.8
	EBITDA <sup>*2</sup> (EBITDA Margin)	1,047 (16.7%)	550 (9.0%)	-497	-47.5

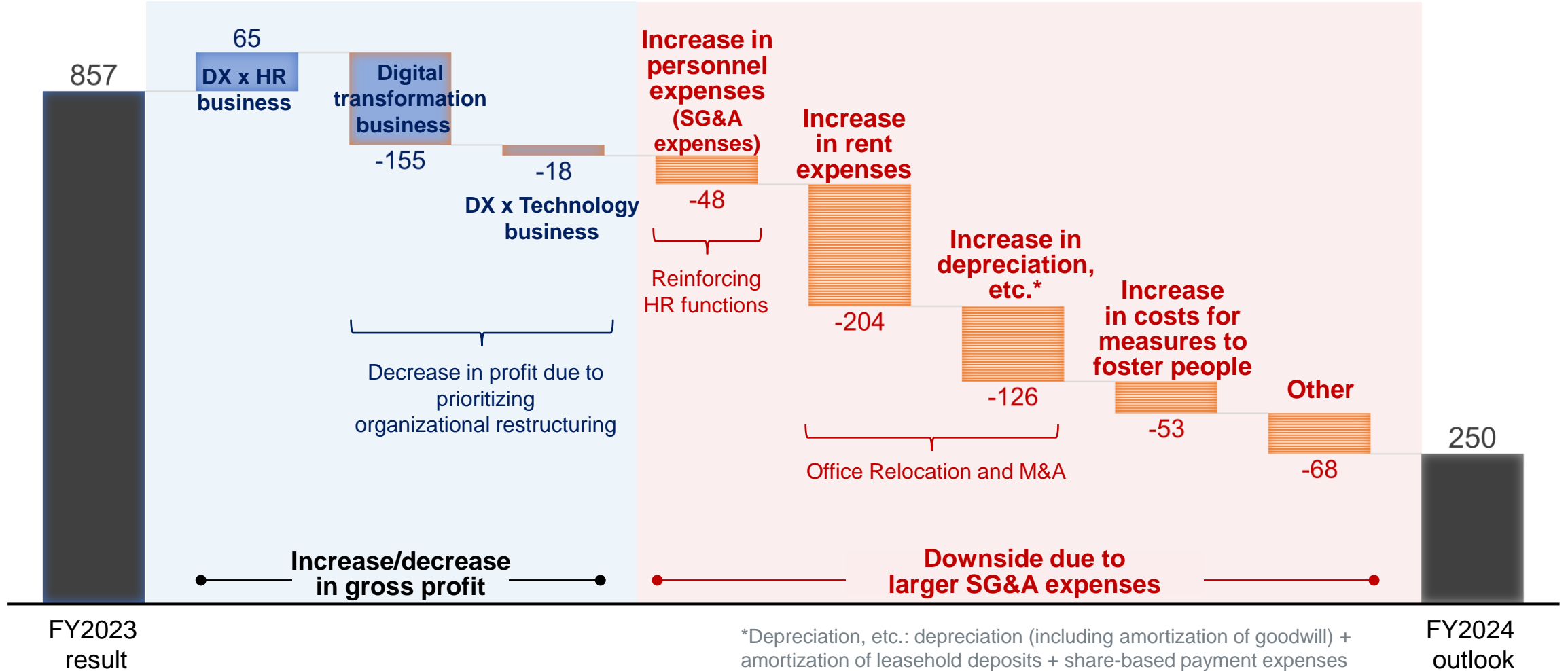
\*1 The figures are before allocation of SG&A expenses to cost of sales, and accordingly do not correspond to gross profit as stated in the consolidated financial statements.

\*2 EBITDA represents operating profit plus depreciation (including amortization of goodwill), amortization of leasehold deposits and share-based payment expenses.

## Performance Outlook for FY2024 - Factors for Increase/Decrease in Operating Profit

- Operating profit is projected to decline in FY2024, mainly due to a decrease in gross profit as a result of prioritizing organizational restructuring and an increase in rent expenses, depreciation, and costs for measures to foster people.

### Operating profit (million yen)

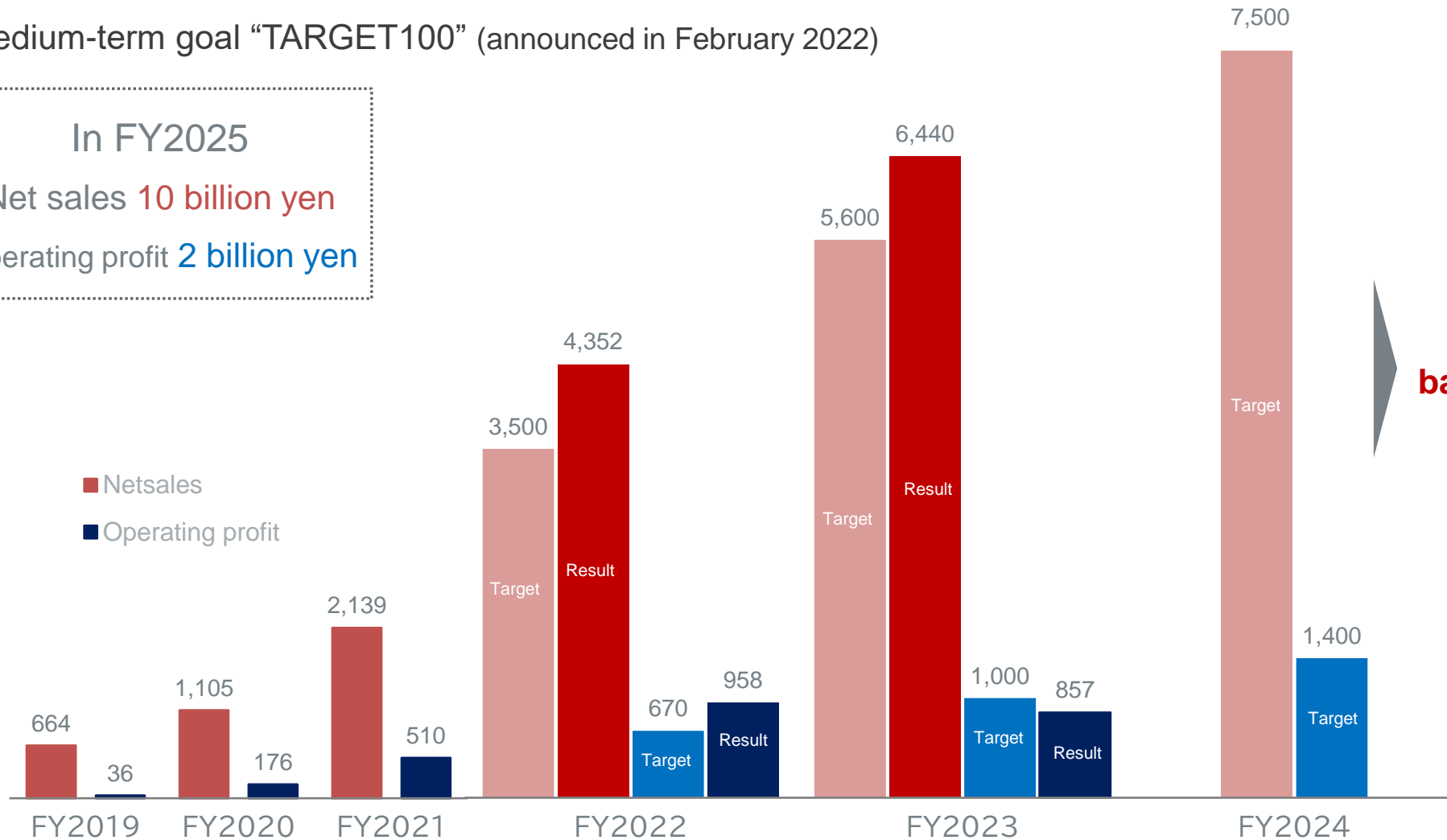


## Progress Towards the Medium-term Target “TARGET100”

- Fully revised “TARGET100,” the medium-term goal announced in February 2022, in light of the extremely high hurdles to achieving it.

Medium-term goal “TARGET100” (announced in February 2022)

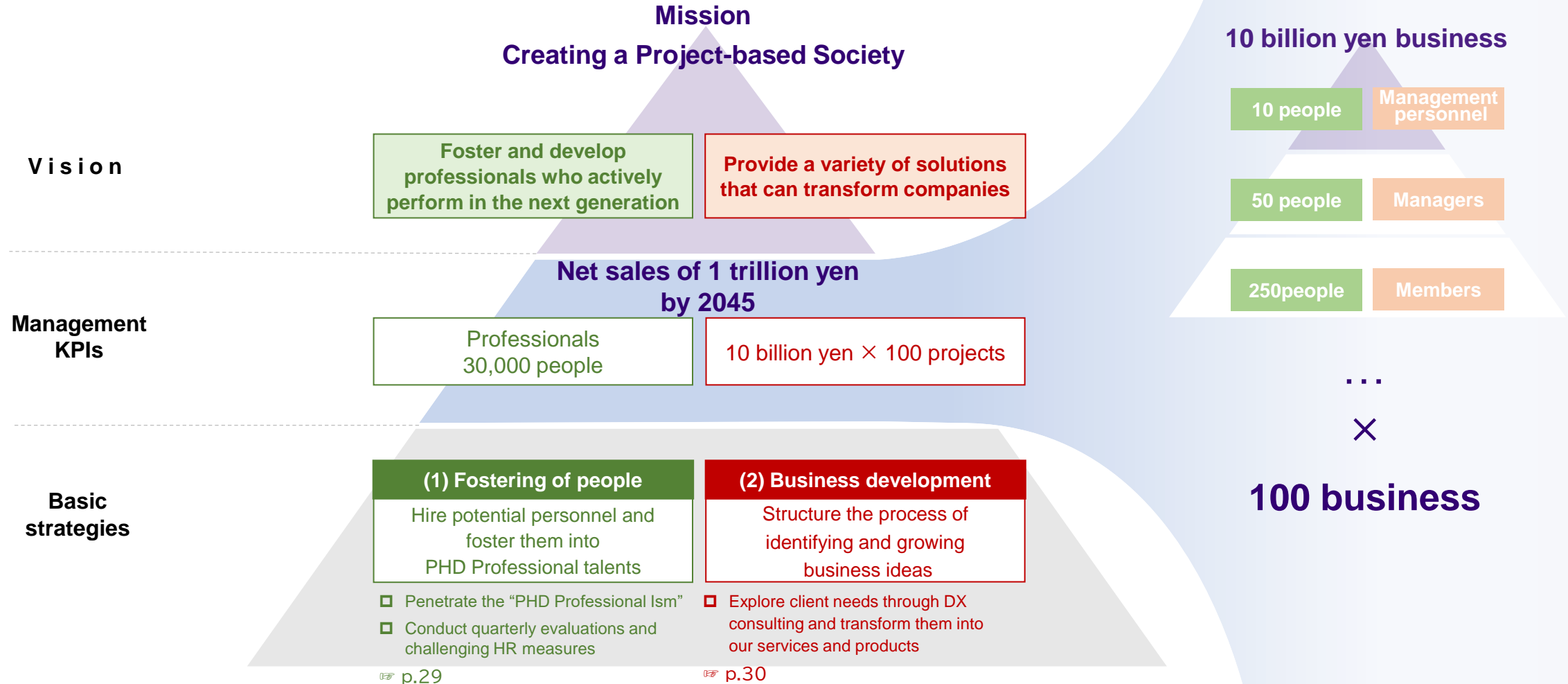
In FY2025  
 Net sales 10 billion yen  
 Operating profit 2 billion yen



**Newly prepared a mid-term plan for FY2024-2026 based on the performance of FY2023 and current conditions.**

# Growth Strategy - The Whole Picture

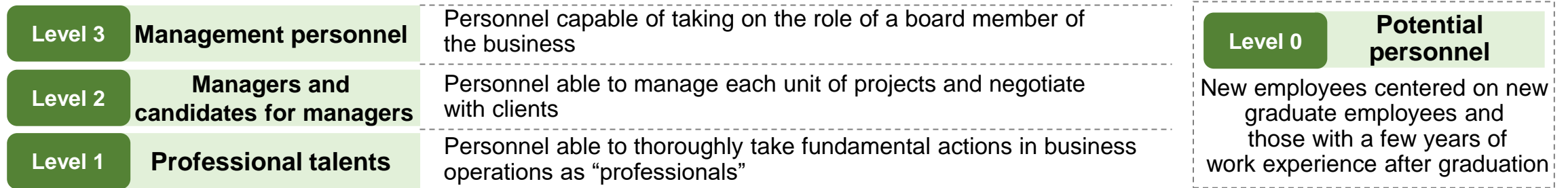
- Set “fostering of people” and “business development” as the basic strategies for realizing our mission.



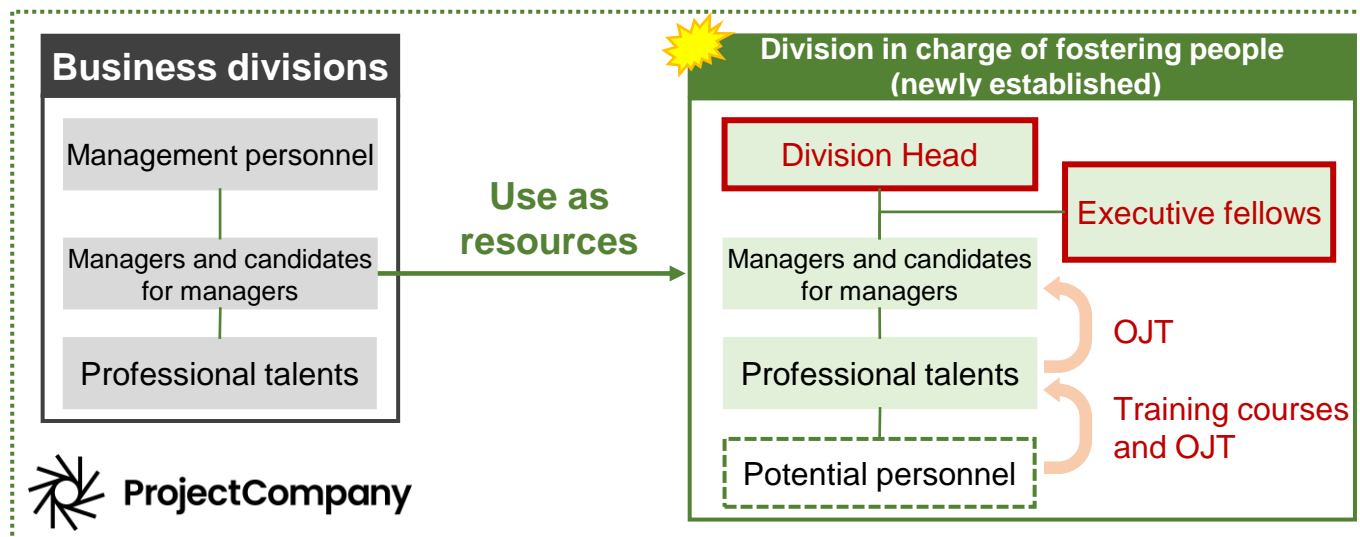
## Growth Strategies - (1) Fostering of People

- Establish “PHD Professional,” a new definition in light of the growth strategies shown on the previous page, and create a new organization with the mission of fostering “potential personnel,” centered on new graduate employees and those with a few years of work experience after graduation, into “managers and candidates for managers.”
- Promote the incorporation of past knowledge into the organization and systems by appointing personnel with extensive experience in training as general managers and executive fellows, etc.

### Overview of “PHD Professional Ism,” a new definition of human resources



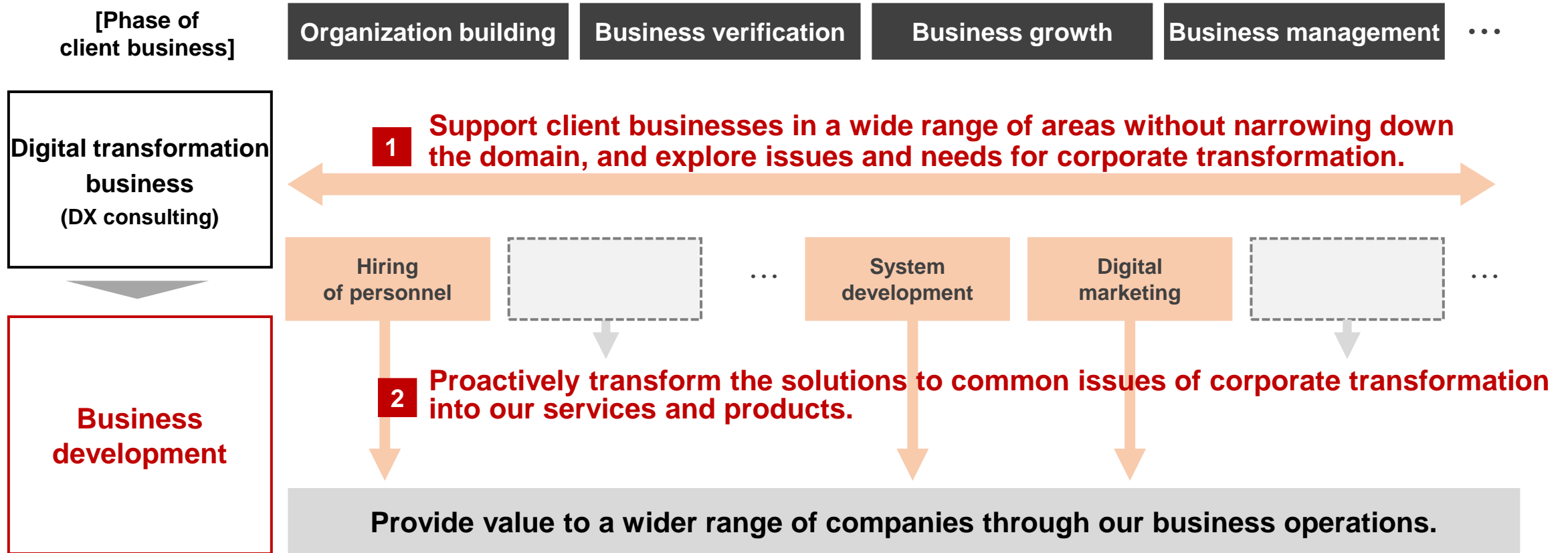
### Newly establish an organization in ProjectCompany, Inc. to take charge of fostering people as a common task for the Group



- The newly established division in charge of fostering people is responsible for making “potential personnel,” centered on unexperienced people including new graduate employees and those with a few years of work experience after graduation, ready for work, and foster “managers and candidate for managers.”
- Appointment of personnel with extensive experience in fostering people as head and executive fellows of the division.
- The system allows business divisions to utilize the personnel of the people-fostering division as business resources.

## Growth Strategies - (2) Business Development

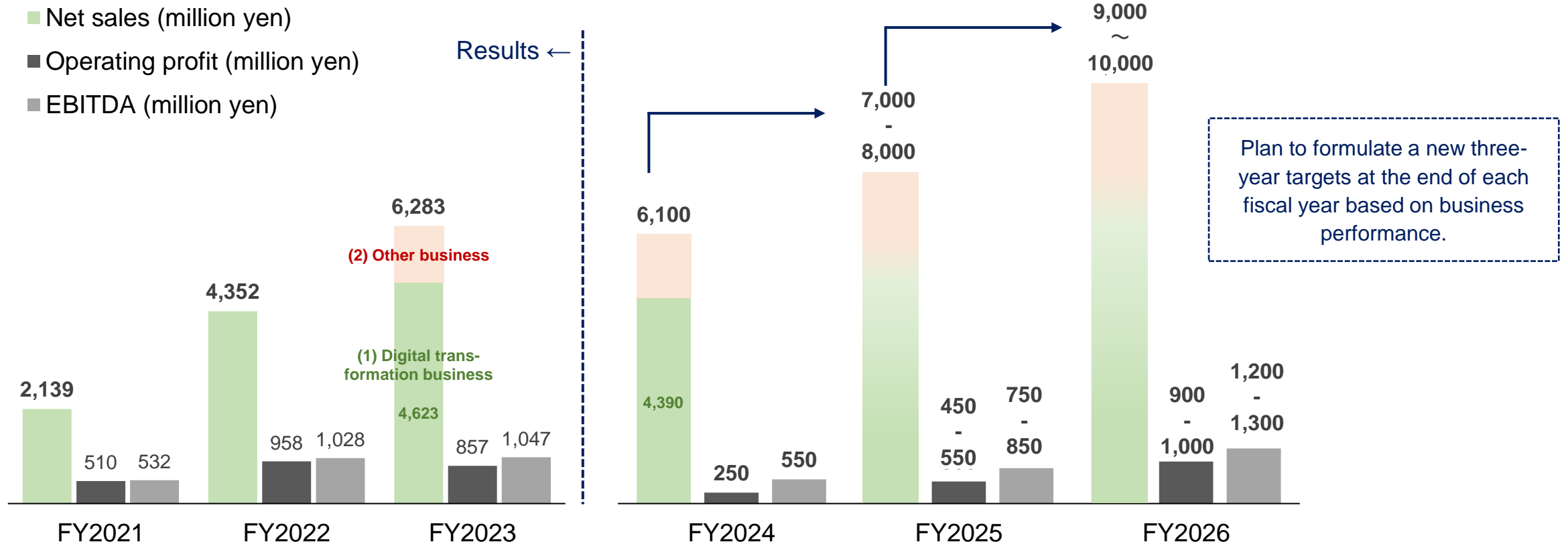
- Broaden the frontiers of DX consulting services and explore the issues and needs of corporate transformation through supporting clients' businesses.
- For the issues and needs that have many common aspects, proactively consider transforming them into our services and products.



## Three-year Performance Targets (FY2024-FY2026)

- Based on the growth strategies outlined in the previous pages, the mid-term business plan targets net sales of approx. 10 billion yen for FY2026, and it will be re-formulated at the end of each fiscal year based on business performance.
- Focus on restructuring and preparations in FY2024, and return to a growth path in FY2025 and beyond.

**Focus on restructuring and preparations in FY2024,  
and return to a growth path from FY2025**



## To Our Investors and Shareholders



To those of you who hold our shares as shareholders or are considering holding our shares, we always appreciate your warm support.

As a company in the venture phase, we have undeniably followed the path of expansion and growth, and our management awareness has been extremely focused on performance targets.

However, while performance targets are an important aspect of management, we need to renew our understanding that, for realizing our vision of “Creating a Project-based Society,” which we have held since our founding, we must firmly provide value to our many stakeholders, including shareholders, clients who use our services on a daily basis, employees, and business partners, and that the results are translated as our performance. We believe it is extremely important for us to quickly change our management structure and internal corporate culture to reflect this understanding.

We also believe that, in order for us to continue growing as a corporate group and transform Japanese society into a project-based one, it is very important to foster and develop a large number of “professionals” who will lead the next generation. Our new corporate logo represents this thinking. Internally, we are also promoting efforts such as summarizing the guidelines for professional behaviors as “PHD Professional Ism.”

Now, as a corporate group, we see ourselves standing at the turning point for a phase in which we aim for long-term, sustainable growth. While cherishing the assets we have built up to date, we will commit to business management with new aspirations.

We will do our utmost to repay our shareholders with a return in the form of enhanced corporate value, and we ask for your continued support in this endeavor.

Yunosuke Doi, President and CEO, ProjectHoldings, Inc.



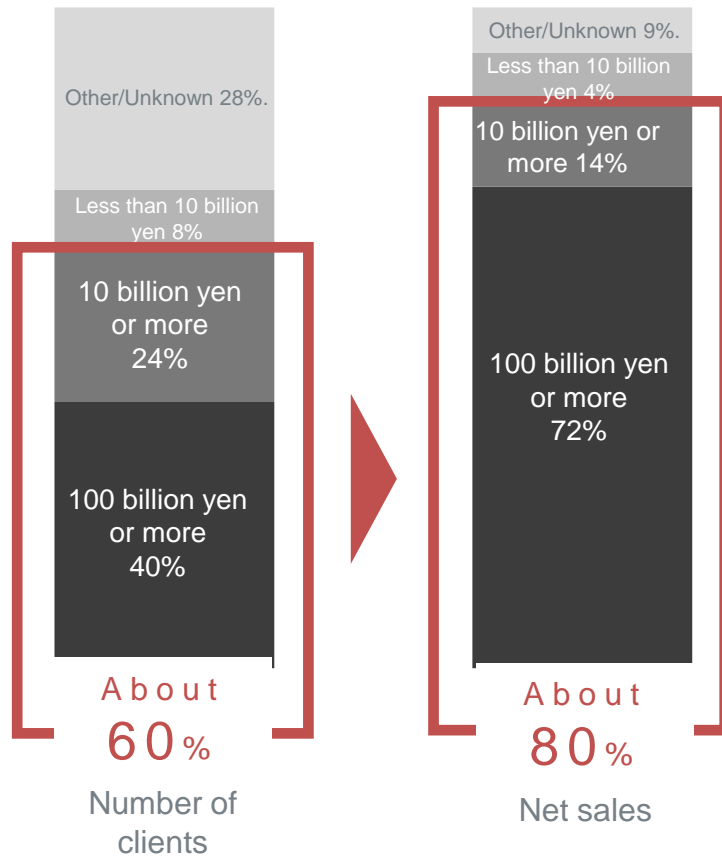


## **Appendix (i) Overview of Digital Transformation Business**

## Feature | 1) Strong Customer Base Centered on Major Companies

- About 60% of all clients are large companies with sales of 100 billion yen or more accounting for about 80% of our total net sales.
- We do business with a wide range of major companies in IT, communications, finance and other industries.

### Customer sales breakdown by size (FY2023 results)



### Trading performance

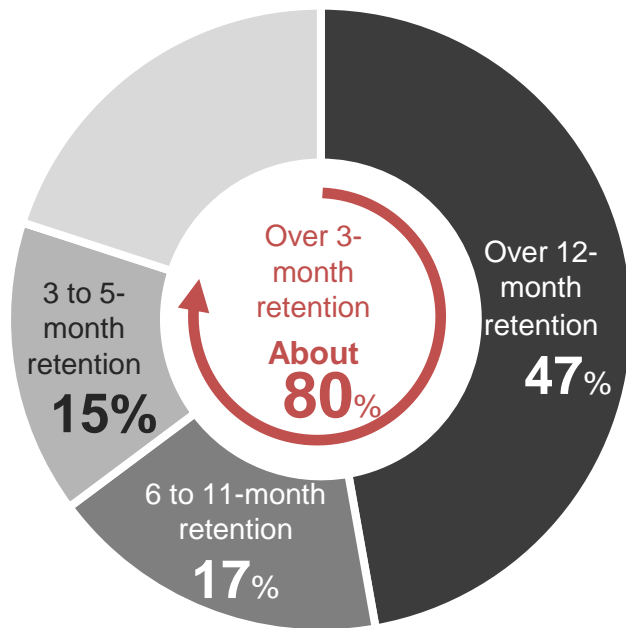


## Feature | 2) Accumulation of Long-term Customers through Recurring-type Business Model

- We recognize that consulting companies generally have a sales structure that emphasizes spot and flow projects.
- We have bolstered net sales by building a recurring-type business model that is predicated on continued support backed by integrated services. The recurring sales ratio for Q4 FY2023 was approx. 94% (total for Digital transformation business).

### Order retention ratio\* (%)

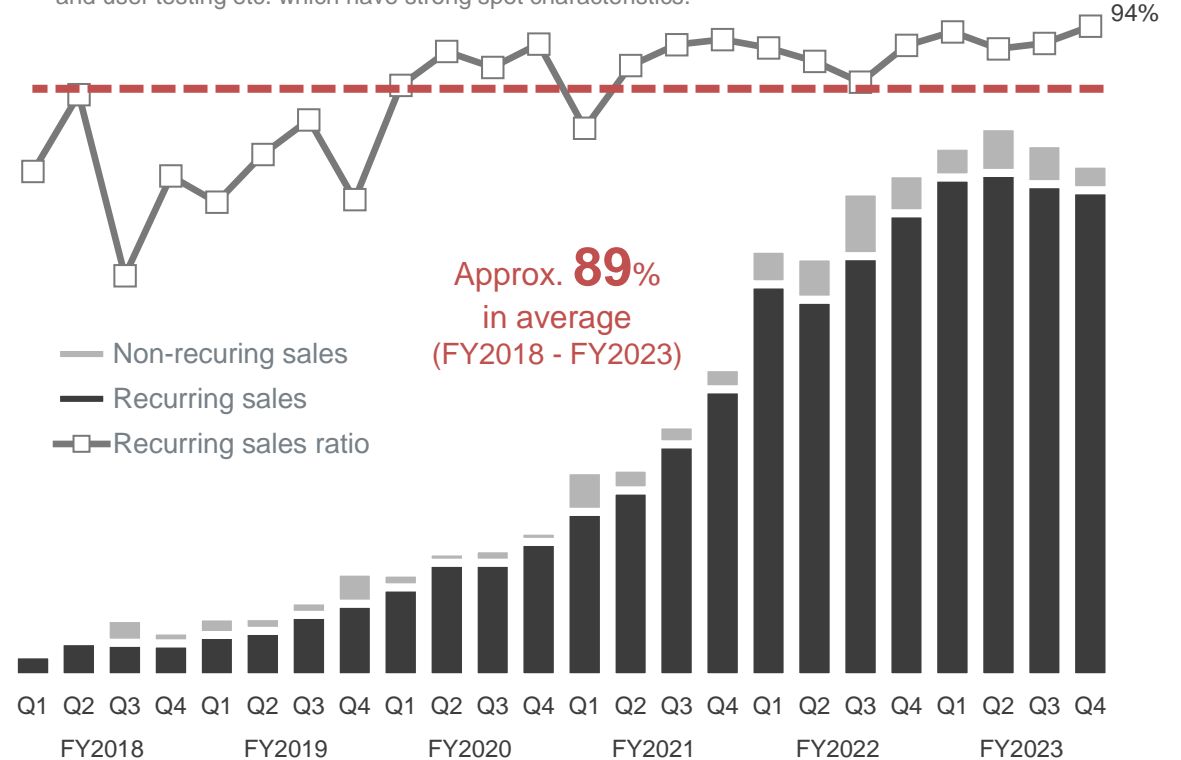
\*Percentage of clients with sales of 10 billion yen or more who signed contracts over multiple months between January 2018 and December 2023



\*Figures are only for digital transformation business and exclude Ulscope spot project clients.

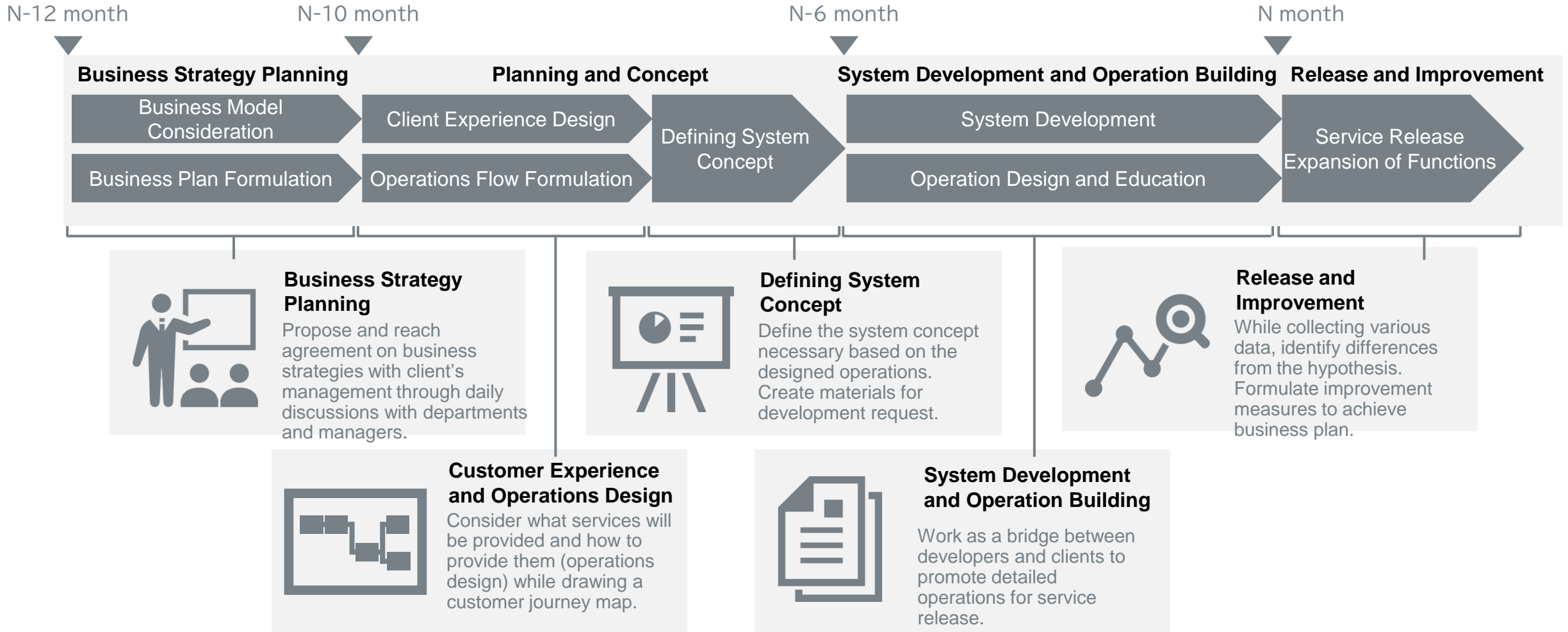
### Recurring sales\* ratio

\* Recurring sales: Sales from clients with an order retention of over 6 months, excluding ad placement and user testing etc. which have strong spot characteristics.



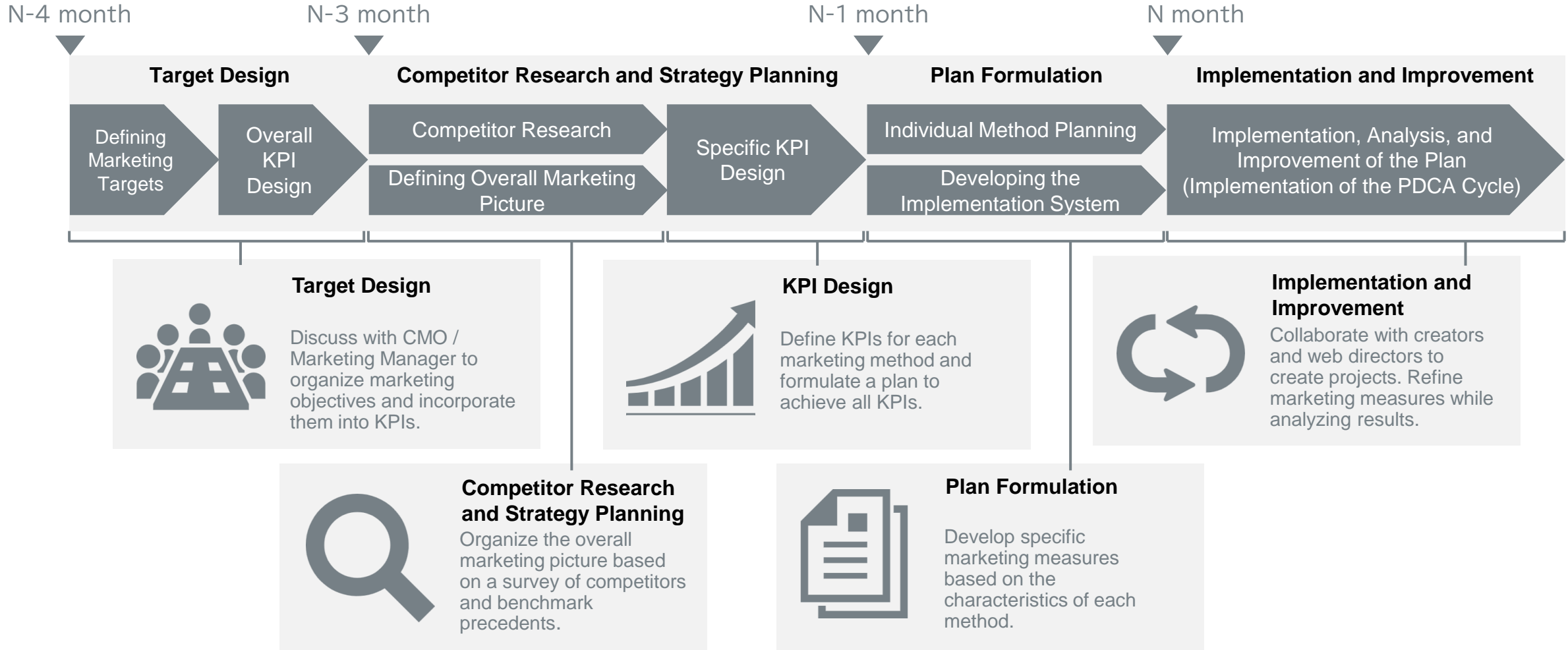
## Case Introduction | Consulting Services (New Business Development)

- Business Strategy Planning provides support for new business development projects, such as considering business models and formulating business plans.
- We develop and manage the overall schedule until the service release and take charge, leading problem solving and meeting facilitation.



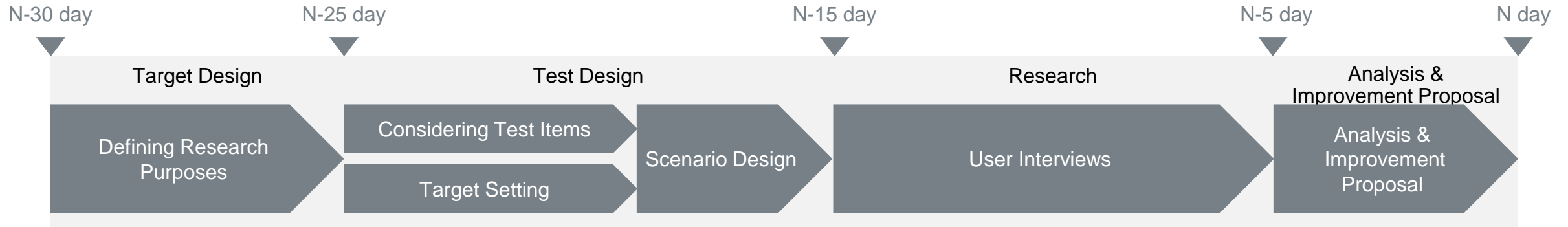
## Case Introduction | Marketing Services (Marketing Strategy Planning to Implementation Support)

- In planning a marketing strategy, it is important to clarify the purpose of marketing by defining specific targets.
- Furthermore, the value of our marketing support is not only in strategy planning but also in achieving tangible results through repeated PDCA cycles.

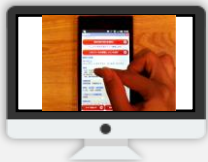


## Case Introduction | Ulscope Services

- In UI research, we collect unfiltered opinions from target users regarding the usability of applications and websites.
- By identifying bottlenecks that cannot be fully understood through quantitative data alone, we develop effective proposals for improvement.



### Hand movement



In-house monitors capture screen transitions and finger movements from the start of service use to CVs.



### Voice (muttering)



Record the experiences users obtained, including complaints and questions they felt and had during user tests, as voices (mutterings).



Realize improvement proposals from the user's perspective by qualitatively understanding the reasons for users' actions and disengagement, which cannot be noticed only with quantitative data such as traffic data.



## **Appendix (ii) Other Reference Information**

## Company Overview

Company Name	ProjectHoldings, Inc.			
Head Office Location	Azabudai Hills Mori JP Tower 24F, 1-3-1 Azabudai, Minato-ku, Tokyo			
Establishment	January 2016			
Share Capital	1,029,016 thousand yen (as of December 31, 2023)			
Board Composition	Representative Director, President and CEO	Doi, Yunosuke	Full-time Corporate Auditor	Yuki, Aiko
	Managing Director and CFO	Matsumura, Ryo	Auditor	Momosaki, Yuji
	Outside Director	Matsumoto, Yuki	Auditor	Kawazoe, Jo
	Outside Director	Yanagisawa, Kazumasa		
Business Description	Digital transformation business (consulting services, marketing services, UI/UX services) DX x Technology business (technology services) DX x HR business (HR solutions services, healthcare services)			
Affiliated Companies	DCXforce, Inc. ProjectTechnologies Inc., artwize inc., ProjectHRsolutions Inc., Dr.KENKO KEIEI Inc., and Potential Inc. (all wholly owned by ProjectHoldings, Inc.)			
Employees	Non-consolidated: 134 Consolidated: 239 (as of December 31, 2023)			



## Financial Data

Fiscal period		1st period	2nd period	3rd period	4th period	5th period	6th period	7th period	8th period
Fiscal year end		December 2016	December 2017	December 2018	December 2017	December 2020	December 2021	December 2022	December 2023
Net sales	(thousand yen)	40,533	132,676	391,446	664,066	1,104,923	2,139,581	4,352,418	6,283,785
Ordinary profit	(thousand yen)	10,072	15,161	24,374	31,380	170,405	502,223	948,727	836,879
Profit (attributable to owners of the parent)	(thousand yen)	7,495	10,299	16,224	19,645	113,998	359,744	676,809	587,853
Share capital	(thousand yen)	900	16,500	98,000	150,700	311,950	945,522	970,984	1,029,016
Total number of issued shares	(shares)	401,000	411,350	445,390	461,590	504,590	5,637,150	5,736,950	5,872,450
Net assets	(thousand yen)	8,895	34,795	135,619	203,865	479,114	2,088,220	2,805,803	2,652,532
Total assets	(thousand yen)	36,210	86,799	380,343	555,776	1,061,676	2,784,773	4,285,852	5,638,206
Net assets per share	(yen)	22.18	84.59	304.63	44.19	94.99	370.44	489.08	489.21
Basic earnings per share	(yen)	18.73	25.33	38.07	4.35	23.96	69.58	119.17	102.15
Equity ratio	(%)	24.6	40.1	35.7	36.7	45.1	75.0	65.1	46.9
Return on equity	(%)	161.3	47.1	19.0	11.6	33.4	28.0	27.8	21.6
Cash flows from operating activities	(thousand yen)	—	—	—	17,231	155,620	428,698	782,657	452,530
Cash flows from investing activities	(thousand yen)	—	—	—	-36,658	-83,170	-26,564	-1,218,189	-706,682
Cash flows from financing activities	(thousand yen)	—	—	—	85,239	307,264	1,135,506	407,808	730,526
Cash and cash equivalents at end of period	(thousand yen)	—	—	—	330,693	710,407	2,248,013	2,220,324	2,772,342
Number of employees	(people)	3	6	16	27	40	64	167	239

## Initiatives Related to Environmental, Social and Governance Issues



### **E**nvironment

Initiatives related to environmental issues

#### **Relocation to a new environmentally-friendly office**

- ✓ Relocated head office to Azabudai Hills, which boasts about 2.4ha of greenery.
- ✓ Moved into the office building that supplies 100% renewable energy power to meet RE100 (Renewable Energy 100%) requirements and has received a preliminary platinum rank certification under the green building certification program “LEED.”

### **S**ocial

Initiatives related to social issues

#### **Regional Revitalization (i) Partnership with Shimane Bank, Ltd.**

- ✓ Utilizing Shimane Bank's network in the San'in region to develop our expertise in digital transformation (DX).

#### **Regional Revitalization (ii) Joint venture established as part of Osaka Prefecture and Osaka City's plan to become an International Financial City**

- ✓ Established SBI Digital Hub Co., Ltd. in Osaka in partnership with SBI Holdings, Inc.
- ✓ Promoting local economic activities through Web3 related projects.

### **G**overnance

Initiatives related to corporate governance

#### **Election of outside directors**

- ✓ Two of the four directors are outside directors (outside director ratio of 50%).
- ✓ Considering a transition to the Company with an Audit and Supervisory Committee to further increase the ratio of outside directors.

#### **Establishment of a voluntary Nominating and Compensation Committee**

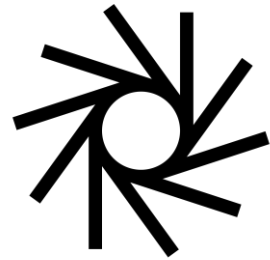
- ✓ Established a voluntary Nominating and Compensation Committee with a majority of the members comprising outside directors.

#### **Formulation of general business operator action plan based on “Act on the Promotion of Women's Active Engagement in Professional Life”**

- ✓ Creating an environment where women with a desire to work can work long-term.

## Points to Note

- Information in this document other than information on the Company is derived from publicly available information, and the Company makes no representations or warranties regarding its authenticity, accuracy or completeness.
- This document also refers to the future prospects of the Company's industry trends and business contents based on current plans, estimates, prospects or forecasts. There are various risks and uncertainties inherent in these forward-looking statements.  
Known or unknown risks and uncertainties or other factors may cause results to differ from those contained in the forward-looking statements.
- The Company's actual future business and performance may differ from the forward-looking statements contained in this document.



**ProjectHoldings**