



Company Overview

An advertising agency sensitive to the specific needs of the amusement industry

Our role is to contribute to the growth and development of our clients

Gendai Agency Inc. was founded in April 1995 as an agency specializing in amusement industry advertising. Ever since, as trailblazers in the industry, we have strived as a team toward our goal of building the company into an entirely unique presence in the field.

Ever since listing our shares on the Tokyo Stock Exchange in September 2004, we have defined our business domain as “contribution to clients’ business development and enhancement through the provision of support to bolster performance and assistance in the implementation of strategies to attract customers.”

Our services do not only involve the provision of simple one-off advertisements in a certain media category—we provide comprehensive proposals developed based on strategies to attract customers. Our proposals take the form of consumer communications strategies created from optimal mixes of online and mass media advertising, newspaper flyers, sales promotions, and so on, all tailored to clients’ circumstances, the regions they operate in, and their particular business category. To ensure successful implementation of communications strategies that feature a high degree of originality, we provide a one-stop service with full oversight covering everything from planning and production to execution.

Achieving greater efficiency through concentration of business resources

We aim to become a driving force behind the creation of next-generation business models and services

Our sustained focus on a single field over the more than 20 years since our founding has allowed us to develop concepts and mechanisms that facilitate a high level of efficiency, and our speed, precision, creativity, and superior capabilities in the fields of planning and production are largely a result of these.

Over the years, we have worked to further polish and enhance our systems to enable us to deliver customer attraction strategies that exceed clients’ expectations in terms of both speed and quality .

Now we are leveraging this foundation of expertise we have built up to develop a large number of new business models and tools to meet the needs of clients operating in a diverse range of industries.

We see this area of change as an opportunity for us to break into new fields

In recent years we have seen far-reaching changes in our business environment. To respond flexibly to these changes and achieve sustainable growth we have proactively pushed forward with structural reorganization, pursuing M&A and the development of new business, and working proactively to diversify the range of industries and business categories we cover.

While maintaining our focus on advertising, we will continue to work on tackling new fields, expanding into a diverse range of new industries leveraging the concepts and mechanisms that enable us to achieve superior levels of efficiency. We are now aiming to grow in tandem with an expanding roster of clients, helping them to achieve ever-better results.

April 2022

CEO Masataka Yamamoto

Corporate Outline

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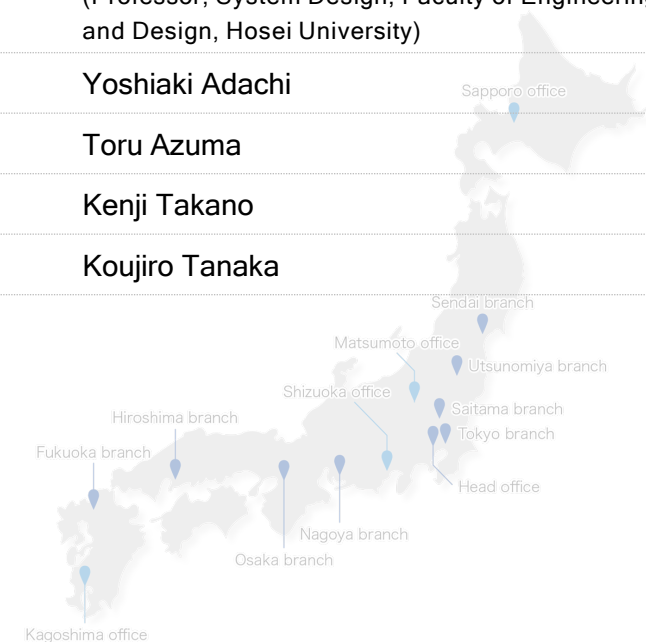
Corporate Outline

- Company Profile
- History
- Stock-related Information
- Overview of the Gendai Agency Group
- Corporate Philosophy and Vision
- Financial Highlights (Consolidated)

Company Profile

Company name	GENDAI AGENCY INC. http://www.gendai-a.co.jp
Location of head offices	29 Fl., Tokyo Opera City Bldg., 3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1429 Japan
Established	April 1995
Capital	¥100 million
Shares issued & outstanding	15,050,000 shares
Business activities	Planning and production of advertising and promotions
Consolidated subsidiaries	Land Support Inc. (Leasing of real estate and office brokerage) U and U Inc. (Advertisement planning, media slot sales) Julia Japan Inc. (Video and Web contents production) Zealnet Inc. (Planning and production of ads, etc.) Press A Inc. (Operation of customer referral support media) Arc Inc. (Research and development for new service and new business model)
Number of employees	Gendai Agency Group: 226; GENDAI AGENCY INC.: 139 *Data current as of March 31, 2022
Branch office locations	Sapporo, Sendai, Utsunomiya, Saitama, Tokyo, Matsumoto, Nagoya, Shizuoka, Osaka, Hiroshima, Fukuoka, Kagoshima (12 locations nationwide) *Data current as of April 1st, 2022

Directors and auditors	*Data current as of June 24, 2022	
Representative Director and CEO	Masataka Yamamoto	
Representative Director and COO.CCO	Yuzuru Kamikawana	
Director and CFO	Shuichi Ko	
Director and CIO	Tomoharu Kitou	
Director and Sales Planning Development Department General Manager	Katsutoshi Oshima	
Outside Director	Masaki Tasaka (Representative Director, p-ban.com Corp.)	
Outside Director	Rihyei Kang (Professor, System Design, Faculty of Engineering and Design, Hosei University)	
Standing Auditor	Yoshiaki Adachi	
Auditor	Toru Azuma	
Auditor	Kenji Takano	
Auditor	Koujiro Tanaka	



History

- Feb.1994. Launched advertisement business with a private company named Gendai koukokusha. (founded by Masataka Yamamoto)
- Apr.1995. Established an advertisement firm, Gendai koukokusha, with capital of 10 million yen and opened an office at Hachioji cit., Tokyo.
- Mar.1997. Began establishing business bases in major cities nationwide starting with establishment of the Tohoku Branch (now called Sendai Branch)
- Aug.2003. Changed the trade name to GENDAI AGENCY INC.
- Sep.2004. Listed on JASDAQ (Currently listed on Standard Market of Tokyo Stock Exchange)
- Feb.2006. Established Land Support Inc. to offer a support service for clients' seeking to acquire land to open pachinko parlor sites.
- Jul.2010. Acquired 100% of issued shares of Julia Japan Inc. and made it a subsidiary company.
- Jan.2012. Established Zealnet Inc. (currently a consolidated subsidiary) to plan and develop ad systems, etc.
- Mar.2014. Acquired all the shares issued and outstanding of U and U Inc. (currently a consolidated subsidiary) to make it a wholly owned subsidiary with the aim of offering advertising services in the health food mail order industry, etc.
- Oct.2016. The head office was relocated to Shinjuku-ku, Tokyo (3-20-2, Nishi-Shinjuku, Shinjuku-ku), from Hachioji, Tokyo (Azumacho 9-8, Hachioji).
- Nov.2016. Established Arc Inc. (currently a consolidated subsidiary).
- Mar.2021. Acquired all the shares issued and outstanding of Press A Inc. and made it a subsidiary company (currently a consolidated subsidiary)

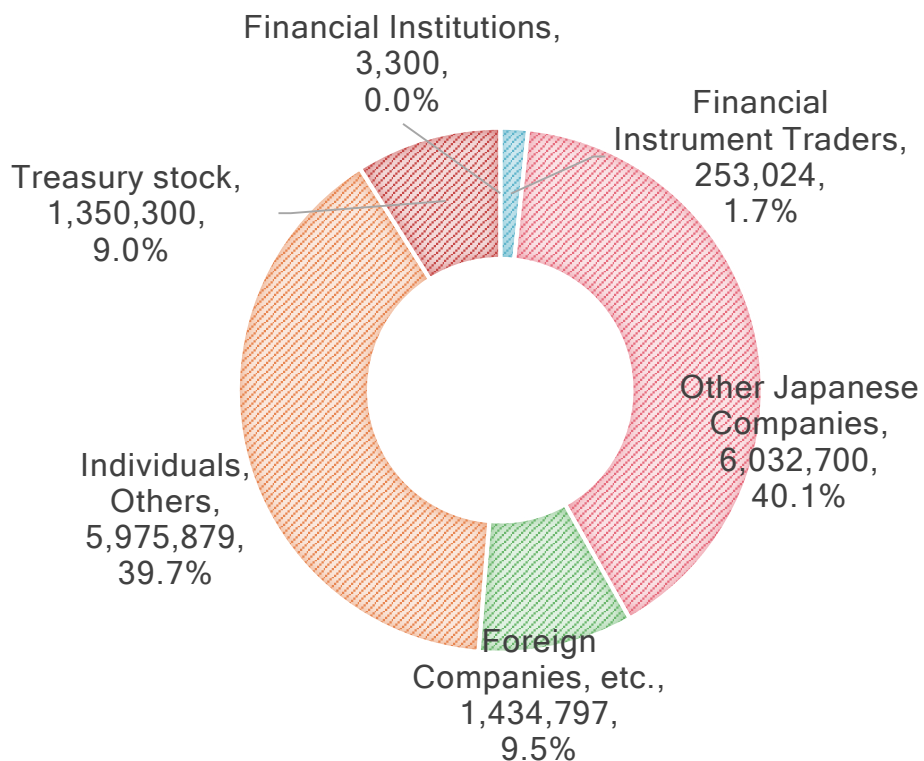
Stock-related Information

As of March 31, 2022

Stock-related Information

Total number of shares issued and outstanding	15,050,000
Number of shareholders	5,548

Share Distribution by Shareholder Type



Principal Shareholders

Shareholder	No. of Shares Held	%
GA Capital Inc.	5,244,000	38.28
Bbh For Fidelity Puritan Trust: Fidelity Series Intrinsic Opportunities Fund Standing Proxy: The Bank of Mitsubishi UFJ, Ltd.	850,000	6.20
Japan Print Co., Ltd.	480,000	3.50
Michiko Umeda	359,400	2.62
State Street Bank and Trust Company 505224 Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.	330,000	2.41
Seigo Naito	328,800	2.40
Masataka Yamamoto	322,400	2.35
Toshisuzu Motoyama	320,000	2.34
Iwao Mitsuoka	150,000	1.09
Venice Sangyo Corp.	116,800	0.85

Notes: 1. The Group owns 1,350,300 in treasury stock, which is excluded from the above major shareholders.
2. Treasury stock is excluded from the calculation of shareholding ratio.
3. Asset Management Advisors Inc. changed its trade name to GA Capital Inc. on September 24, 2021.

Overview of the Gendai Agency Group

Advertising business

Planning and production of advertising and promotions



Gendai Agency Inc.

Video and Web contents production



Julia Japan Inc.

(Consolidated subsidiary;
Equity ownership 100%)

Planning and production of ads, etc.



Zealnet Inc.

(Consolidated subsidiary;
Equity ownership 100%)

Advertisement planning, media slot sales



U and U Inc.

(Consolidated subsidiary;
Equity ownership 100%)

Operation of customer referral support media



Press A Inc.

(Consolidated subsidiary;
Equity ownership 100%)

Real estate business

Leasing of real estate and office brokerage



Land Support Inc.

(Consolidated subsidiary;
Equity ownership 100%)

Other

Research and development for new service and new business model



Arc Inc.

(Consolidated subsidiary;
Equity ownership 100%)

Basic Philosophy

We engage in activities aimed at supporting the earnings growth and advancement of our client companies through innovation and imagination, through which we hope to contribute to the creation of a richer, fuller society.

Group Management Principles

- 1 We aim to become a company that client companies can rely on as a partner who helps them to realize their communication strategies.
- 2 We will continue to take on the challenge of developing new business models and tools that go beyond the bounds of the advertising business.
- 3 We will always strive to offer optimal services with sincerity and passion.

Code of Conduct

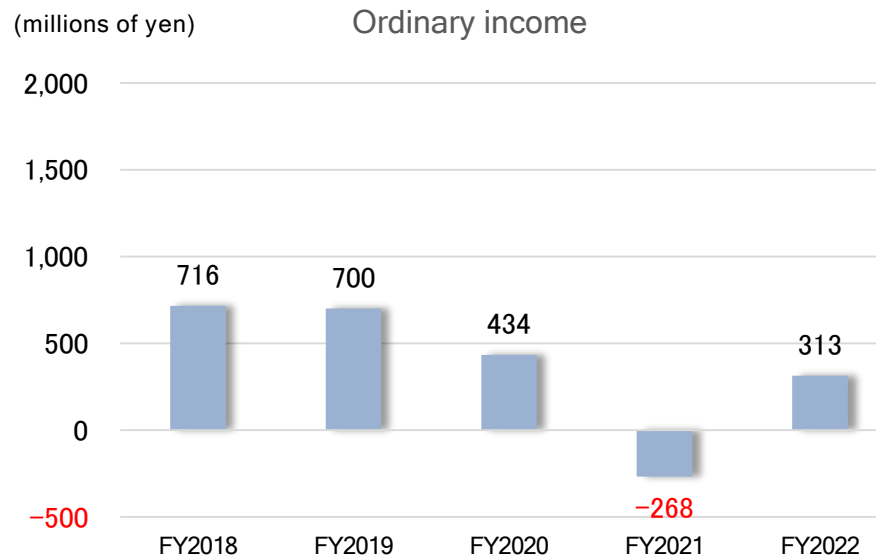
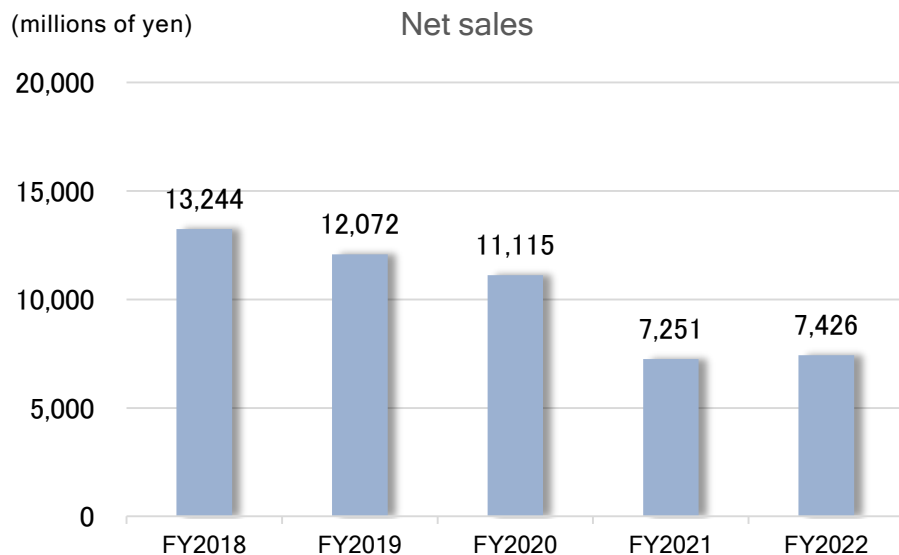
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|---|-----------------------|---|
| 1 | Legal Compliance | As an integral member of society in the areas where we do business, we engage in business activities that are sound, highly transparent, and in strict compliance with the law. |
| 2 | Focus on Shareholders | Always with shareholder interest in mind, we pursue management policies aimed at raising the enterprise value of our company, and furthering the interests of our shareholders. |
| 3 | Customer Satisfaction | To gain the satisfaction and trust of our clients, we devote ourselves to constant efforts to devise new, high-grade services. |
| 4 | Respect for Employees | We value the ambitions and capabilities of every one of our employees, and we strive to provide fair working conditions and an environment conducive to doing good work. |

Financial Highlights (Consolidated)

(millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	13,244	12,072	11,115	7,251	7,426
Operating income	743	704	460	-290	296
Ordinary income	716	700	434	-268	313
Net income	504	434	31	-310	247

*Adopted the Accounting Standards for Revenue Recognition since March 2022.

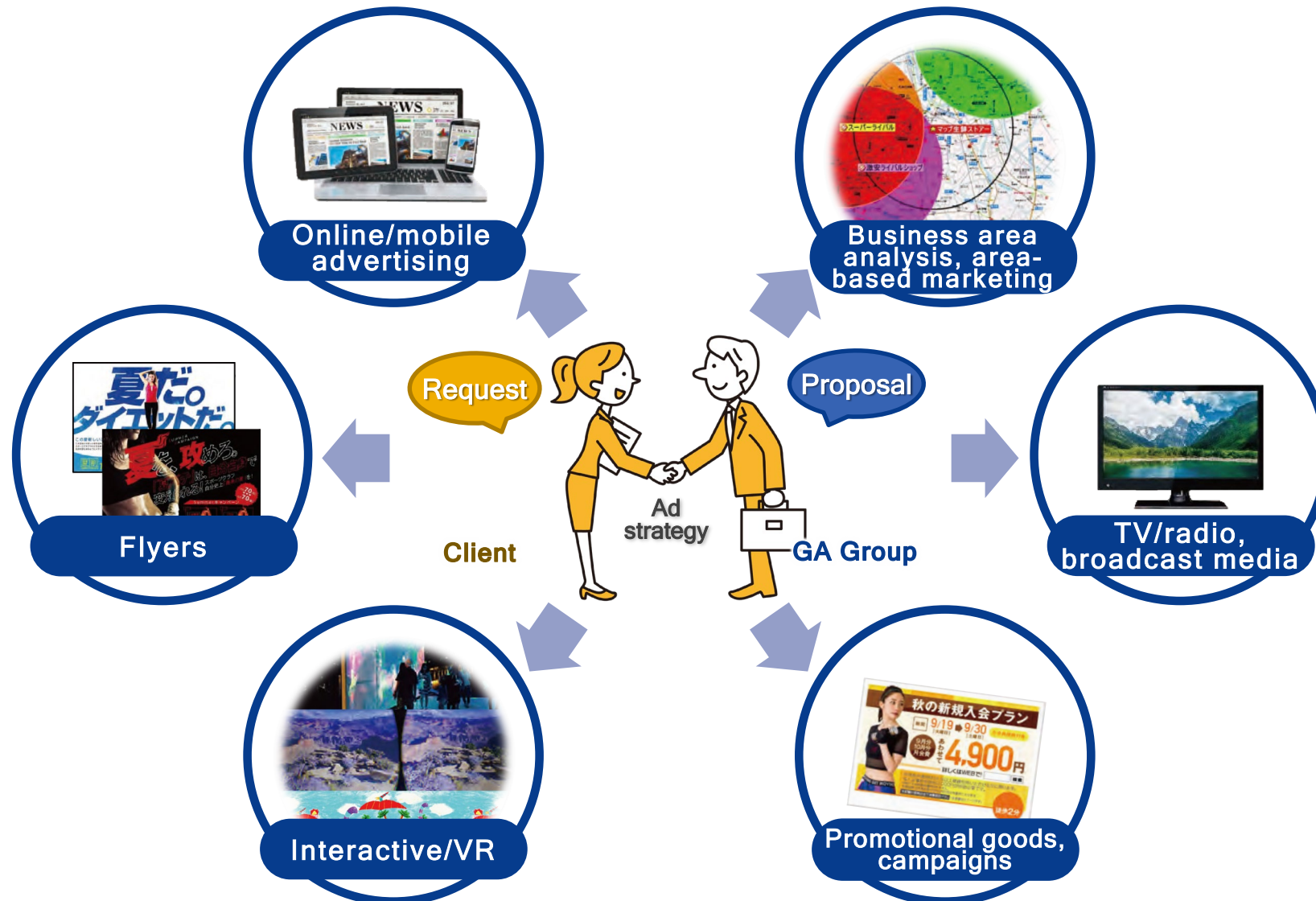


Advertising Business – Business Model and Strengths

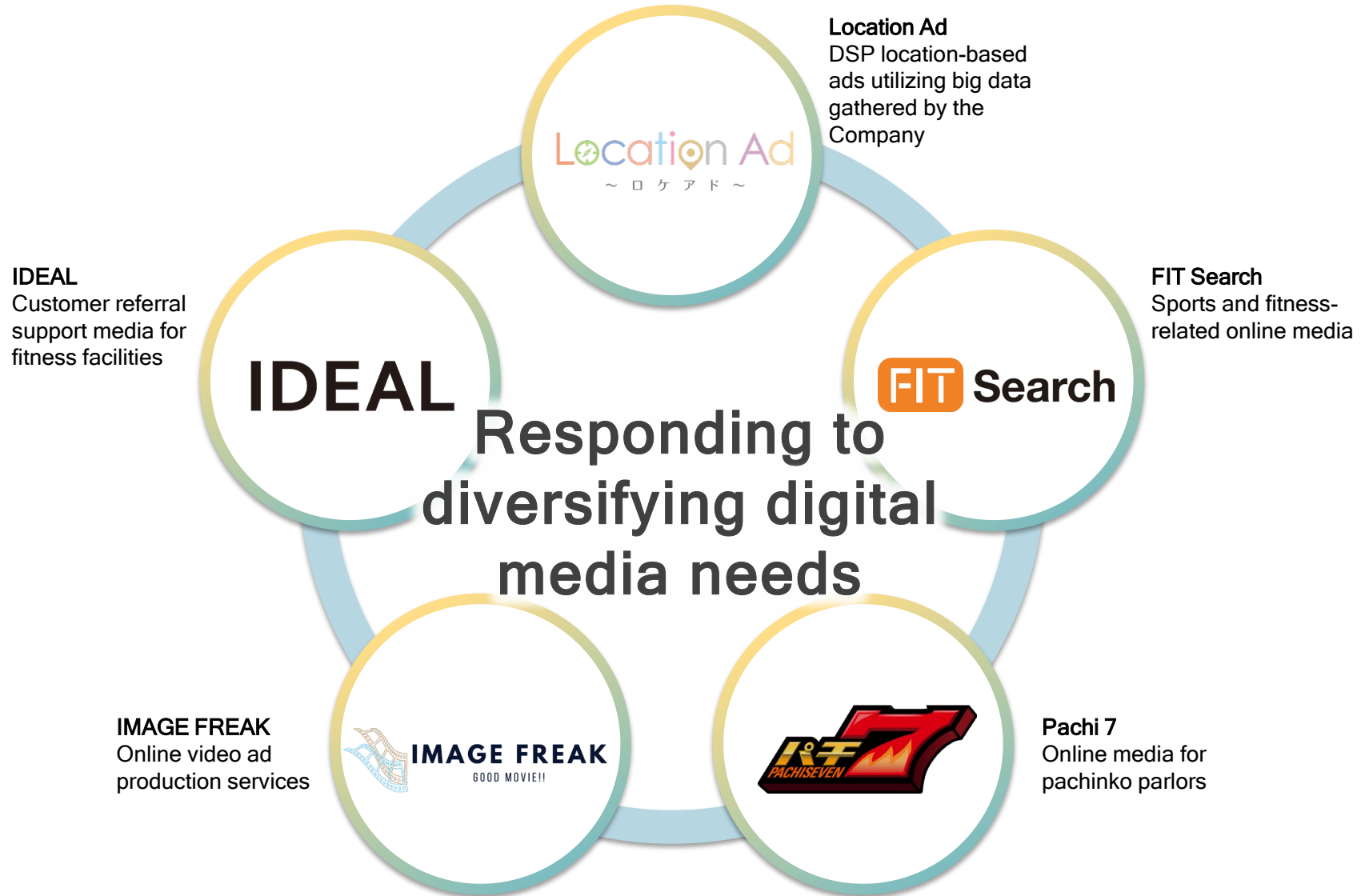
- Our Business
- Current Activities
- Business Model
- Branch Office Locations
- Work Flow
- Strengths and Characteristics

Our Business

We offer optimal ad strategies tailored to each client's needs.



To meet client needs amid rapidly progressing digitalization of ad media and contents, we are working to expand and enhance our services with particular focus on mobile and online ad services.

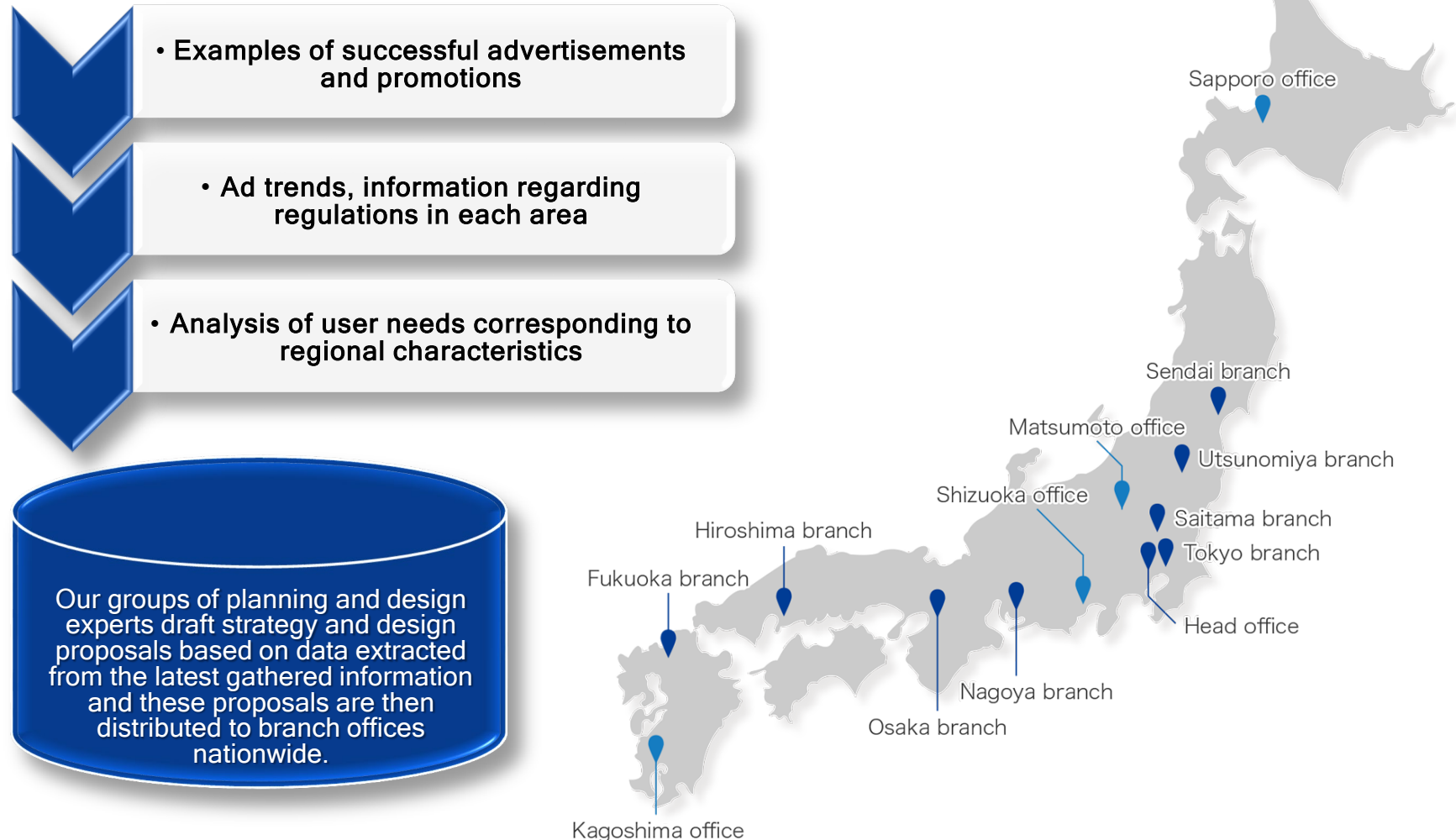


By proposing ad strategies designed to attract greater numbers of customers based on an accurate grasp of user needs, we earn the trust of clients and thereby ensure stable trading relationships.



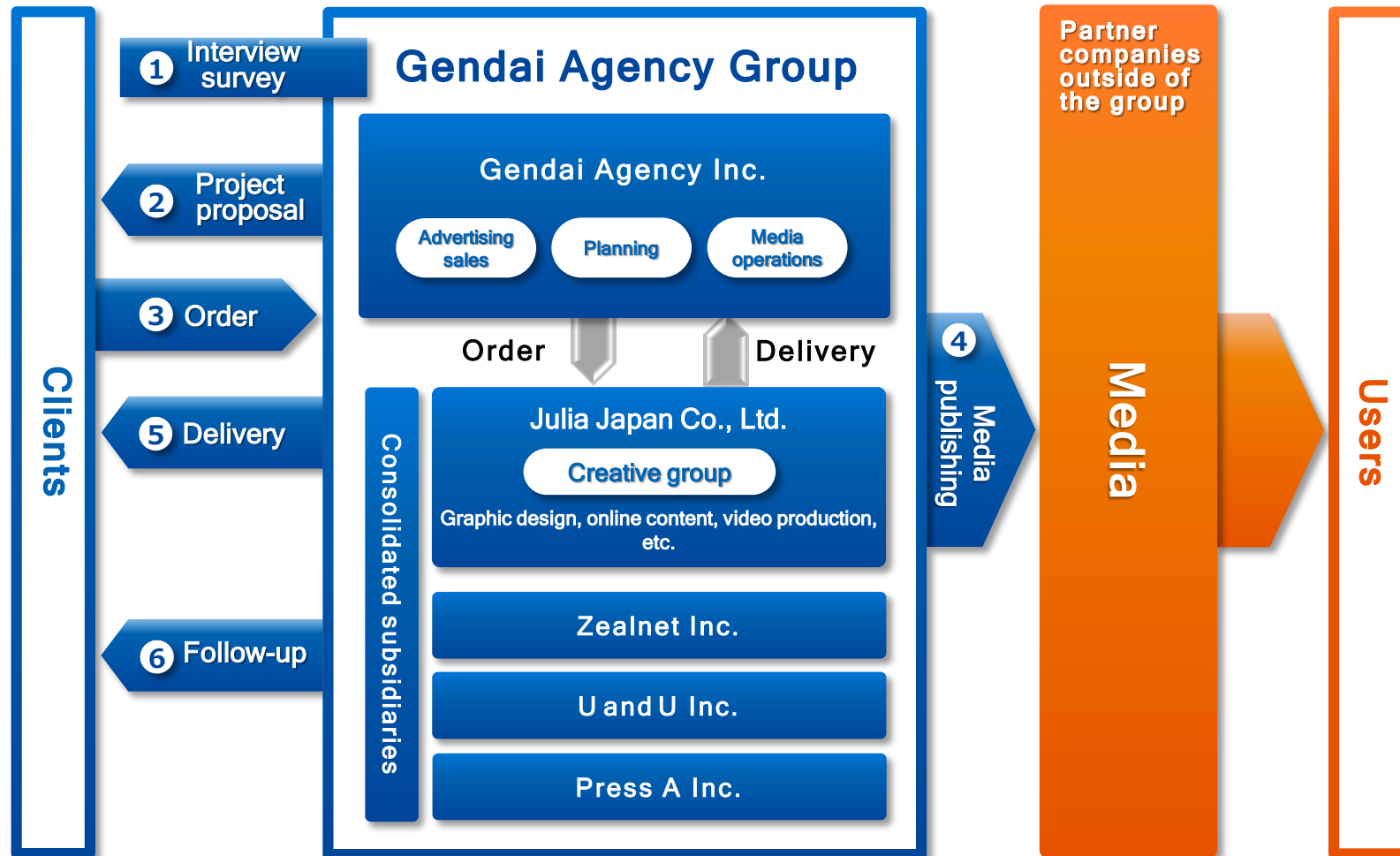
Branch Office Locations

We have built a framework that enables us to propose ad strategies based on information necessary for attracting customers through gathering and analyzing the latest data at our branch offices around Japan.



Work Flow

We cooperate with partner companies to offer one-stop supply of advertising materials in wide-ranging genres.

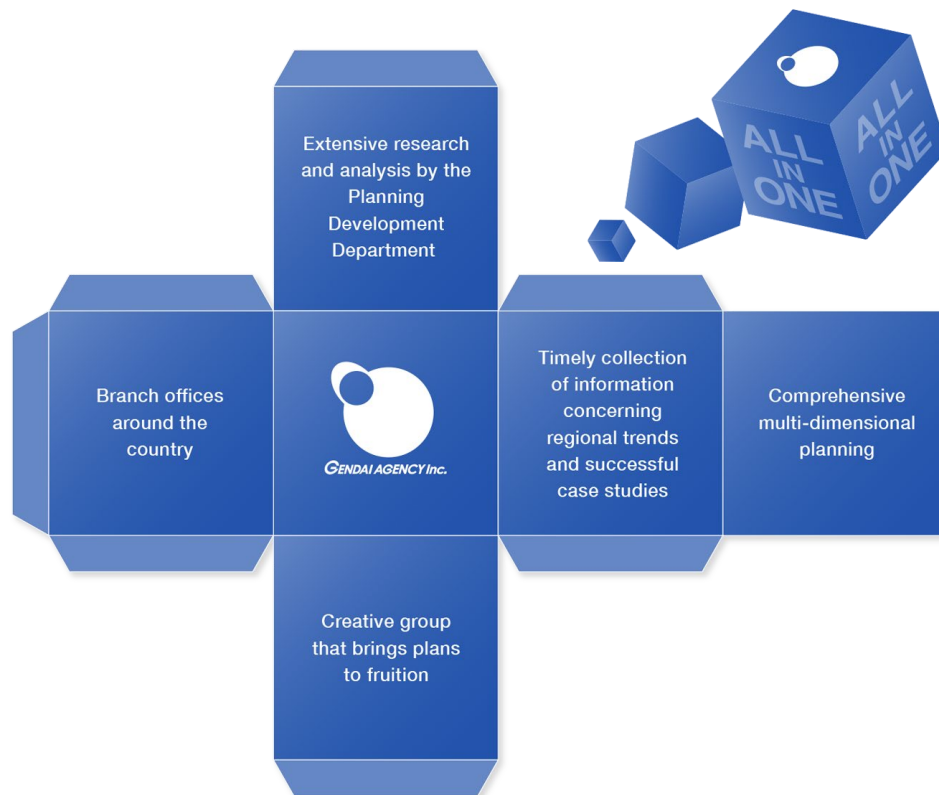


Strengths and Characteristics

The Gendai Agency Group moves rapidly to provide added value services to support clients' strategies to attract customers.

To offer the optimum service to the client

Building communication for making people happy



Realize strategy to attract customers through “All in one”

We propose comprehensive, multi-dimensional plans from one-on-one to mass media marketing. From identifying needs through exhaustive interview surveys, to proposal drafting, targeting, implementation, and impact verification backed by marketing activities and vast volumes of data, we assist clients in making their next moves.

Consolidation and Diffusion

- Branch offices nationwide: Grasp latest trends and characteristics, and gather information on successful cases by working closely with the local communities
- Planning Development Dept.: Research, analysis, and launch of new services and products
- Creative group: Team of directors and creators with in-depth, wide-ranging knowledge about media and design

In addition to compiling these diverse information and material as database in a timely manner, we will offer the latest and optimum service at all times by building an in-house network system that can be accessed in real time from anywhere in Japan.

Flexible stance

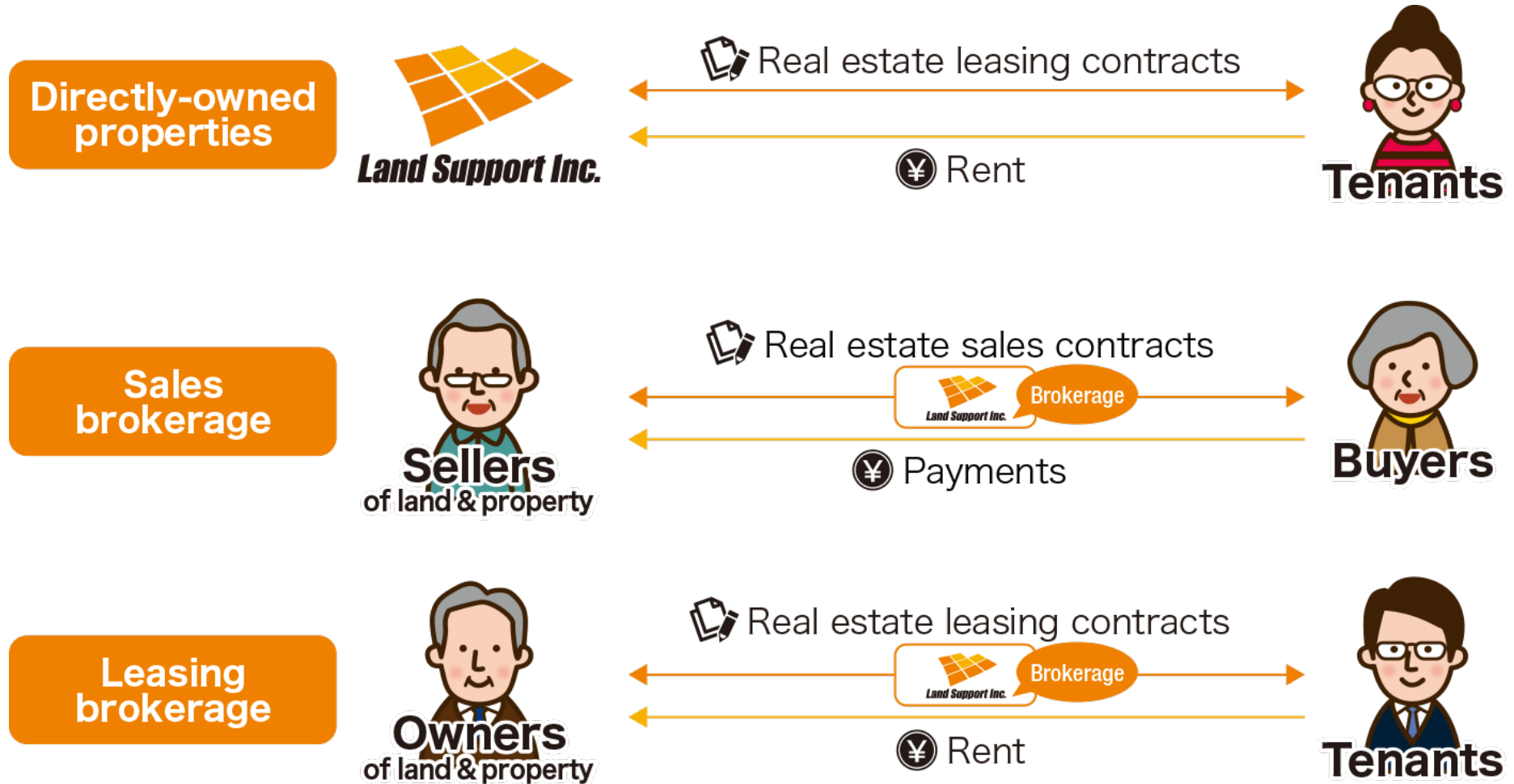
Along with expertise about the characteristics and effects of existing services from mass media services to sales promotion services, we are constantly and proactively introducing new services, while maintaining the flexibility to customize services to match the needs of a diverse range of clients and striving to maximize added value.

Overview of the Real Estate Business

- Overview of the Real Estate Business

Real Estate Business Overview

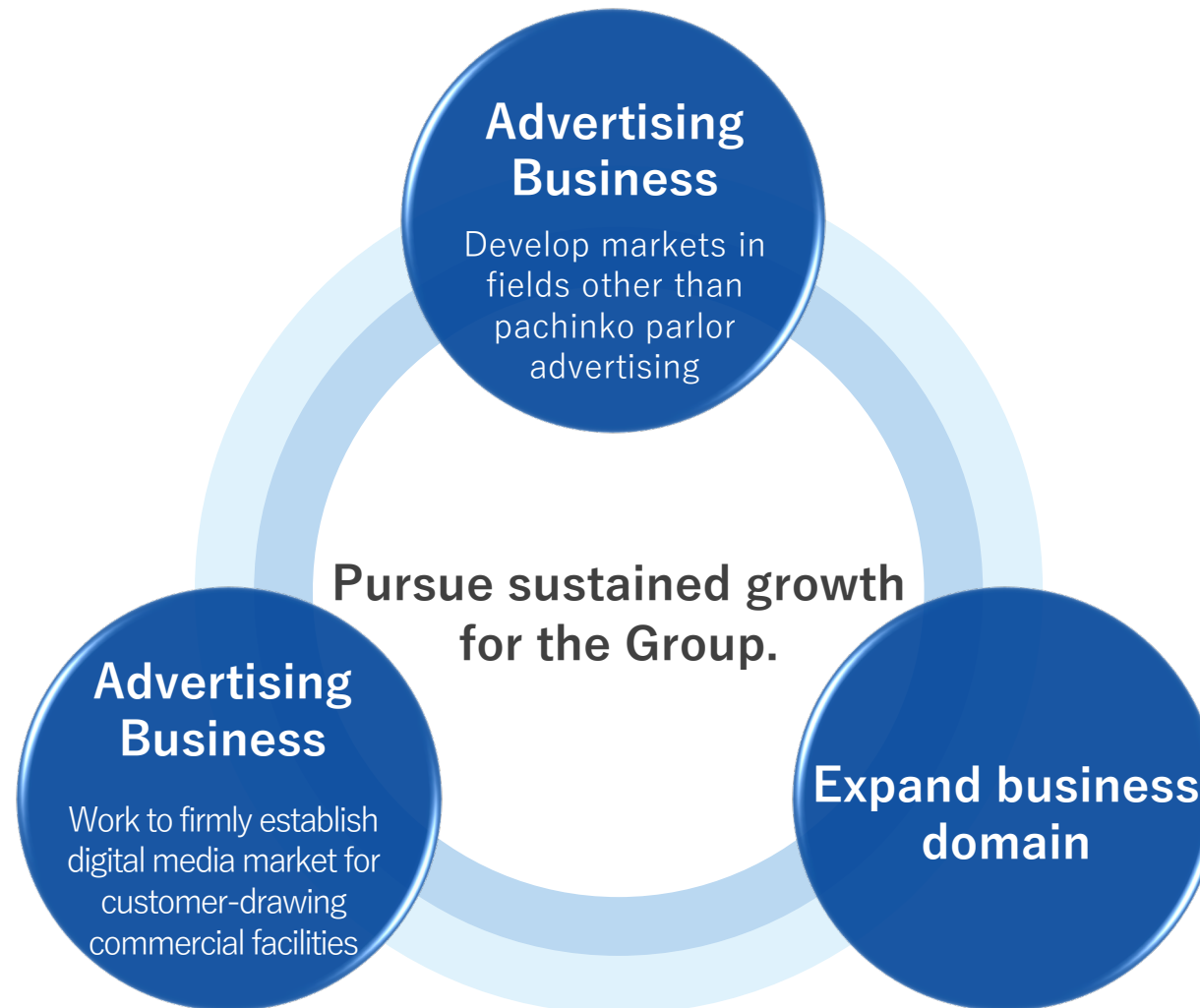
Land Support Inc. takes full advantage of its nation-wide network to swiftly connect property owners and people seeking properties, providing real estate leasing and brokerage services targeting pachinko halls and general commercial facilities.



Future Activities

- Medium- to Long-Term Business Strategy
- Challenges Ahead
- Performance Indicators and Basic Policy on Profit Distribution

To ensure the sustained growth of the Group, we will ceaselessly pursue increased productivity and enhanced added value for our advertising services, and offer services optimized to match clients' strategies to attract customers. We will also constantly investigate and identify new business opportunities and engage in proactive business development.



The Group will implement the following measures for realizing its management strategies:

Acquiring new customers in sectors other than the mainstay pachinko parlor and fitness-related advertising

- Pursue collaborative projects with partner firms such as community-rooted agencies
- Develop markets in various franchise fields by leveraging the Group's knowhow relating to marketing support for client facilities

Enhancing service lineup in the digital advertising field

- Further develop the various internet services that have been introduced thus far
- Develop advertising services that are responsive to rapid technological advances

Promoting personnel training and utilization aimed at ensuring sustained growth

- Establish nurturing work environments to maximize the potential of employees
- Create work environments that are conducive to innovation and proactively appoint personnel who will go on to underpin the Group's future

We will make steady progress toward achievement of the target performance indicators.

	FY2020	FY2021	FY2022 [※]
Operating margin	4.1%	-4.0%	4.0%
EPS	2.06yen	-20.63yen	16.90yen
ROE	0.6%	-6.2%	5.4%
Total annual dividend (Of which, interim dividend)	25.00yen (12.00yen)	—	7.00yen (3.00yen)
Consolidated dividend payout ratio (%)	1,213.3%	—	41.4%

*With the Group turning profitable in the fiscal year ended March 2022, operating margin, EPS, and ROE improved significantly.

- We will engage in management that emphasizes productivity, added value, and capital efficiency to achieve an operating margin of 10% or higher and ROE of 10% or higher.
- We will maintain a target dividend payout ratio of 50% under a basic policy of maximizing shareholder value.
- We will emphasize capital efficiency improvement and purchase treasury stock when the timing is appropriate.

**Corporate
Governance,
Sustainability**

- Corporate Governance
- Sustainability Initiatives

Corporate Governance

Basic Policy

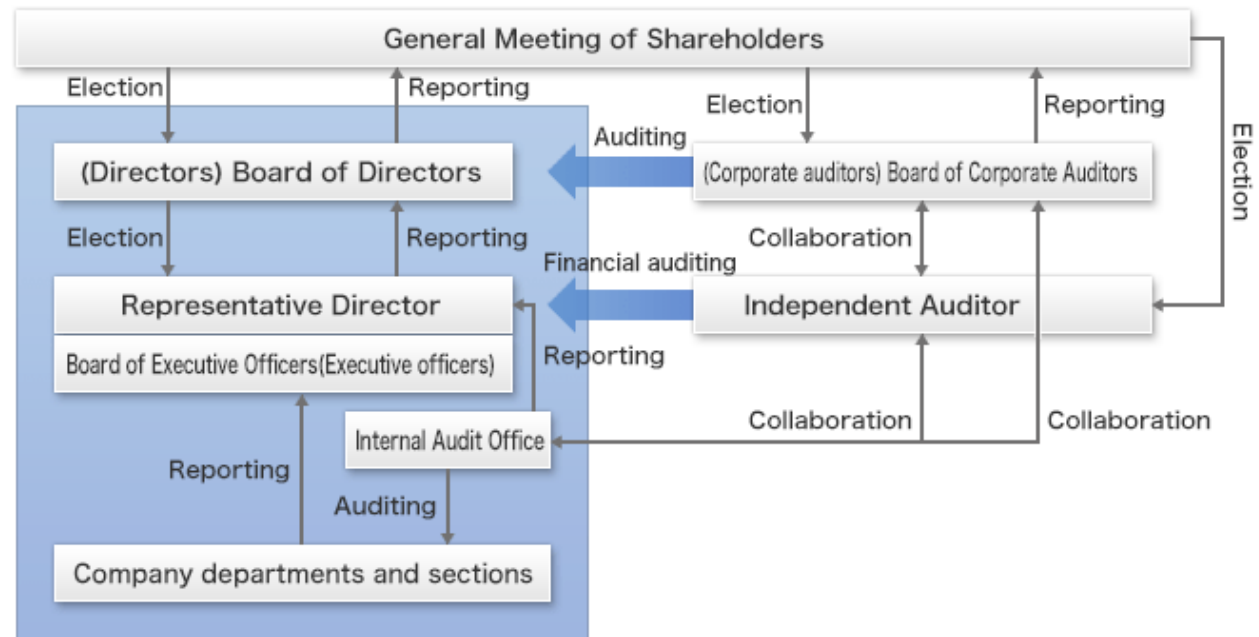
The Company's management considers sustained growth in shareholder value to be its most important responsibility and has a code of conduct that calls for the practice of corporate activities constantly focused on the interest of shareholders while ensuring management soundness (compliance) and transparency (disclosure).

Board of Directors

The Company decides matters prescribed in laws and regulations and the Articles of Incorporation and important matters of company management prescribed in the Board of Directors Regulations at meetings of the Board of Directors held at least once a month. Since the Company has a small number of full-time directors, routine, frequent communication is possible, and the Company believes the management system makes possible checks and effective oversight of business execution by means of the election of outside directors. The Company has introduced an executive officer system for the purpose of segregating decision making and management oversight from business execution and clearly defining responsibilities. The Board of Executive Officers, consisting of executive officers elected by the Board of Directors, engages in rigorous deliberations and realizes agile business execution.

Board of Corporate Auditors

The corporate auditors regularly attend meetings of the Board of Directors, actively participate in meetings of the Board of Executive Officers and other important internal meetings, and focus on conducting audits to detect violations of the law or the Articles of Incorporation or matters that infringe the interest of shareholders. The Board of Corporate Auditors meets periodically to discuss important matters concerning auditing.



Sustainability Initiatives

GENDAI AGENCY INC. will endeavor to implement initiatives to promote a sustainable society and economic development, taking into consideration the environment, social responsibility, and corporate governance.

Environmental

We will strive to preserve the global environment and contribute to the development of the society through business activities.

Shift to paper-less

We are promoting the shift from paper media to digital through digitalization of various documents.

Energy-savings

We are working on improving office efficiency by wearing business-casual clothing during summer, and introducing teleworking and a free-desk workspace.

Promotion of eco-friendly cars

82.4% of company-owned vehicles are eco-friendly.

Social

We will carry out various activities so as to develop together with a large number of stakeholders.

Customers

- Propose cutting-edge, high-quality services
- Community-based business activities
[Number of consolidated bases: 26]

Employees

- Support employee capability improvement
- Improve the workplace environment
- Enhance welfare systems

Local community

We are supporting Clean Fighters Yamanashi, a regional rugby football team as an official sponsor.

Shareholders and investors

- Practice management that improves corporate value

Target management indexes [medium-term goal value]

Operating margin 10.0% or more
(Improvement of productivity and added value)

ROE 10.0% or more
(Improvement of capital efficiency)

Dividend policy

Current consolidated dividend payout ratio
target: Approximately 50%

Governance

As a sustainable and trusted company, we will comply with the laws and regulations and conduct sound and highly transparent corporate activities.

Internal control system development

- Compliance system - Risk management system
- Information control system - Internal auditing
- Whistle-blower system

Outside officers' attendance of Board of Directors Meetings and Board of Corporate Auditors Meetings

[Fiscal year ended March 2022]

Attendance ratio of Board of Directors Meeting: 98.4%
Board of Corporate Auditors Meeting: 100%

Investor relations contact:

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July.2022