



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 25 years since our founding has allowed us to develop 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 advertising plans 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.

Responding flexibly to rapidly changing times Toward a more transformative organizational structure

In recent years, the environment surrounding the company is changing rapidly and drastically. In order to respond flexibly to changes in the environment and achieve sustainable growth, we have been actively pursuing M&A and new business development, diversifying the industries and business categories we cover, and reforming our organization.

To take on further challenges in the future, under the new management structure we will expand the rational structure developed in the advertising business to various fields, and work to challenge and develop new fields. We will continue to grow with more clients and support their business development.

June 2024

CEO Katsutoshi Oshima

Corporate Outline

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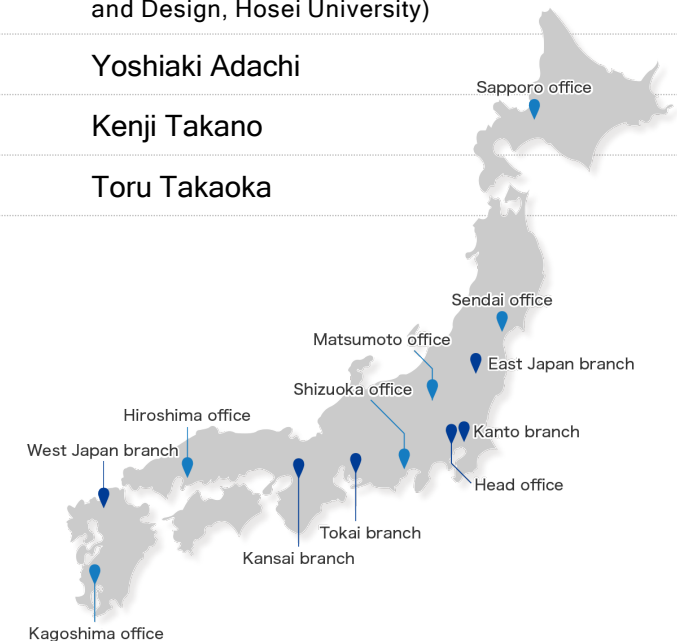
Corporate Outline

- 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. https://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	12,300,000 shares
Business activities	Planning and production of advertising and promotions
Consolidated subsidiaries	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) Land Support Inc. (Leasing of real estate and office brokerage) Arc Inc. (Research and development for new service and new business model)
Number of employees	Gendai Agency Group: 215; GENDAI AGENCY INC.: 143 *Data current as of March 31, 2024
Branch office locations	East Japan branch, Sendai office, Kanto branch, Sapporo office, Tokai branch, Matsumoto office, Shizuoka office, Kansai branch, West Japan branch, Hiroshima office, Kagoshima office (11 locations nationwide)

Directors and auditors	*Data current as of September 30, 2024	
Representative Director and CEO	Katsutoshi Oshima	
Representative Director and COO.CCO	Yuzuru Kamikawana	
Director and CFO	Shuichi Ko	
Director and General Manager of Accounting Dept.	Masato Morozumi	
Director	Masataka Yamamoto	
Outside Director	Masaki Tasaka (Chairperson, p-ban.com Corp.)	
Outside Director	Rihyei Kang (Professor, System Design, Faculty of Engineering and Design, Hosei University)	
Standing Auditor	Yoshiaki Adachi	
Auditor	Kenji Takano	
Auditor	Toru Takaoka	



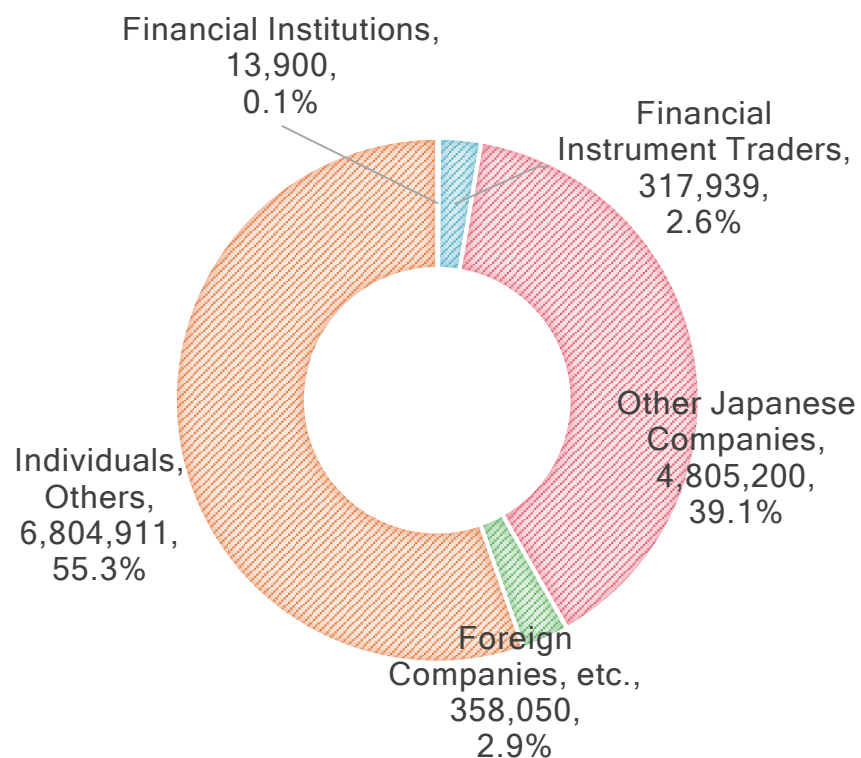
History

- 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 Office)
- 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

Total number of shares issued and outstanding	12,300,000
Number of shareholders	7,887

Share Distribution by Shareholder Type



Principal Shareholders

Shareholder	No. of Shares Held	%
GA Capital Inc.	4,524,000	36.78
Seigo Naito	368,900	3.00
Michiko Umeda	359,400	2.92
Toshisuzu Motoyama	310,000	2.52
Masataka Yamamoto	208,900	1.70
Yoshinari Kamakura	158,300	1.29
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	151,300	1.23
Iwao Mitsuoka	130,600	1.06
Yuzuru Kamikawana	118,000	0.96
Venice Sangyo Corp.	116,800	0.95

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

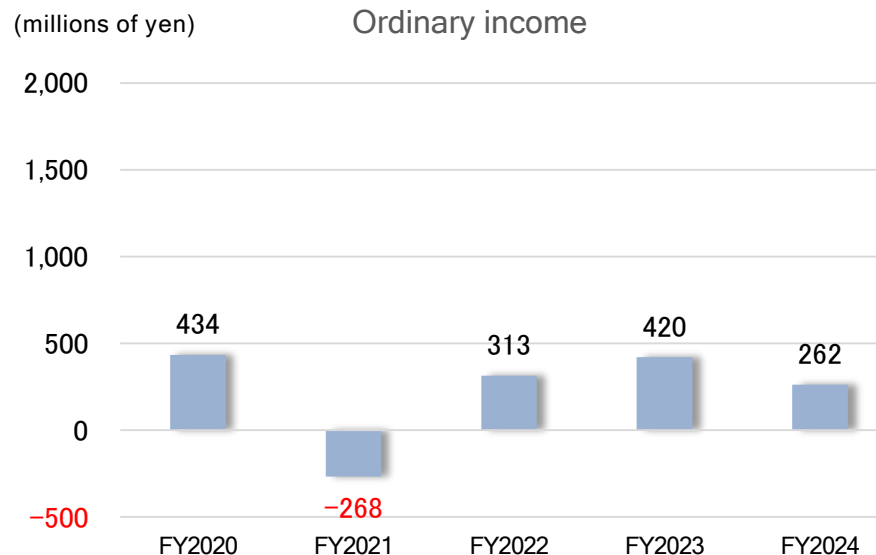
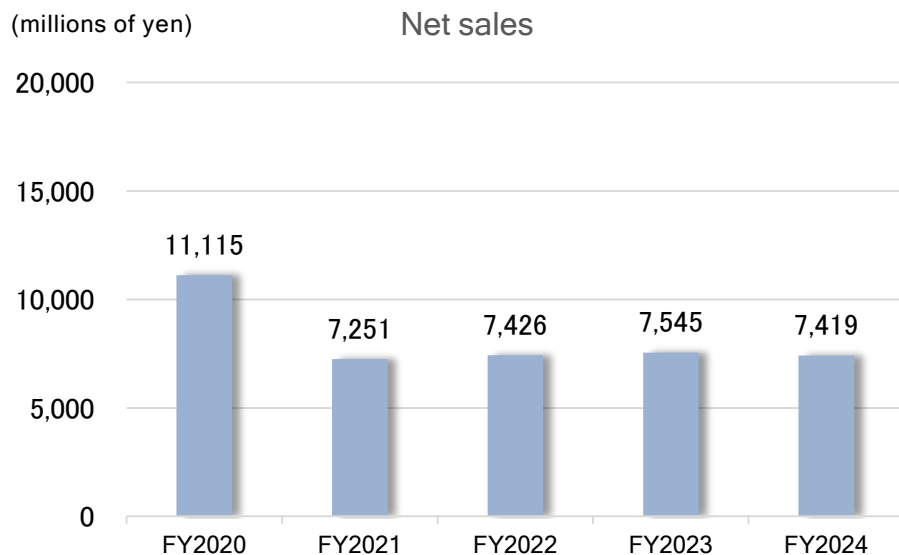
- | | | |
|---|-----------------------|---|
| 1 | Legal Compliance | As an integral member of society in the areas where we do business, we engage in business activities that are sound, highly transparent, and in strict compliance with the law. |
| 2 | Focus on Shareholders | Always with shareholder 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)

	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	11,115	7,251	7,426	7,545	7,419
Operating income	460	-290	296	401	249
Ordinary income	434	-268	313	420	262
Net income	31	-310	247	369	125

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



Advertising Business – Business Model and Strengths

- Our Business
- Service Overview
- Service Flow
- Branch Office Locations
- Operation Scheme
- Strengths and Characteristics

We provide optimal advertising services to support clients' strategies to attract customers.

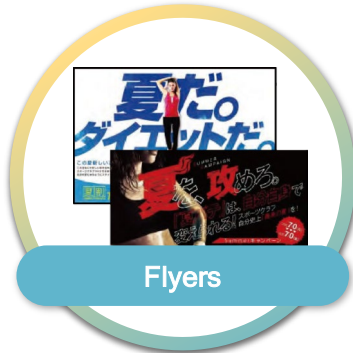
Elements needed to propose advertising plans to attract customers to various facilities

Based on our expertise in attracting customers to various facilities obtained through industry specialization and nationwide expansion, we offer a variety of advertising services with a high degree of mobility.

Fusion of digital and analog	Offer services that take advantage of both digital and analog features in order to attract more customers.
Know-how to attract customers to various facilities	For over 25 years since its founding, the company has specialized in offering support to attract customers to various facilities.
Nationwide business locations	Focus on area-based marketing, covering both national and local areas
High mobility	Provide one-stop service covering everything from planning to implementation by establishing a production and execution system within the Group.

Service Overview

In order to provide effective services to attract customers to various facilities, we are working to develop media utilizing both digital and analog features and enhance our lineup.



Flyers

A circular graphic containing images of various flyers and posters, including one with the text '夏だのダイアットだ'.



Online/mobile advertising

A circular graphic showing a laptop and a smartphone displaying news websites.



Location Ad
～ ロケアド ～

DSP advertising using proprietary big data

A circular graphic featuring the 'Location Ad' logo and the text '~ ロケアド ~'.



Internet media for pachinko parlors

A circular graphic showing the 'PACHISEVEN' logo, which includes a stylized '7' and 'PACHISEVEN' text.



TV/radio, broadcast media

A circular graphic showing a television set displaying a scenic landscape of mountains and a lake.



Interactive/VR

A circular graphic showing a person in a virtual reality environment, with a snowy landscape and a person in the background.



FIT Search

Internet media related to sports and fitness

A circular graphic featuring the 'FIT Search' logo, with 'FIT' in an orange box and 'Search' in black.



IDEAL

Marketing support media for fitness facilities

A circular graphic with the word 'IDEAL' in large, bold, black letters.



Promotional goods, campaigns

A circular graphic showing a promotional flyer for a 'Fall New Member Plan' with a price of 4,900 yen.



Business area analysis, area-based marketing

A circular graphic showing a map with various colored regions and labels, representing business area analysis.



IMAGE FREAK
GOOD MOVIE!!

Production service of online videos

A circular graphic featuring the 'IMAGE FREAK' logo and the text 'GOOD MOVIE!!'.



AdSELL

Media portal/matching site

A circular graphic with the word 'AdSELL' in large, blue, spaced-out letters.

By proposing advertising plans that accurately capture client needs, we build a relationship of trust with our clients and achieve stable transactions.



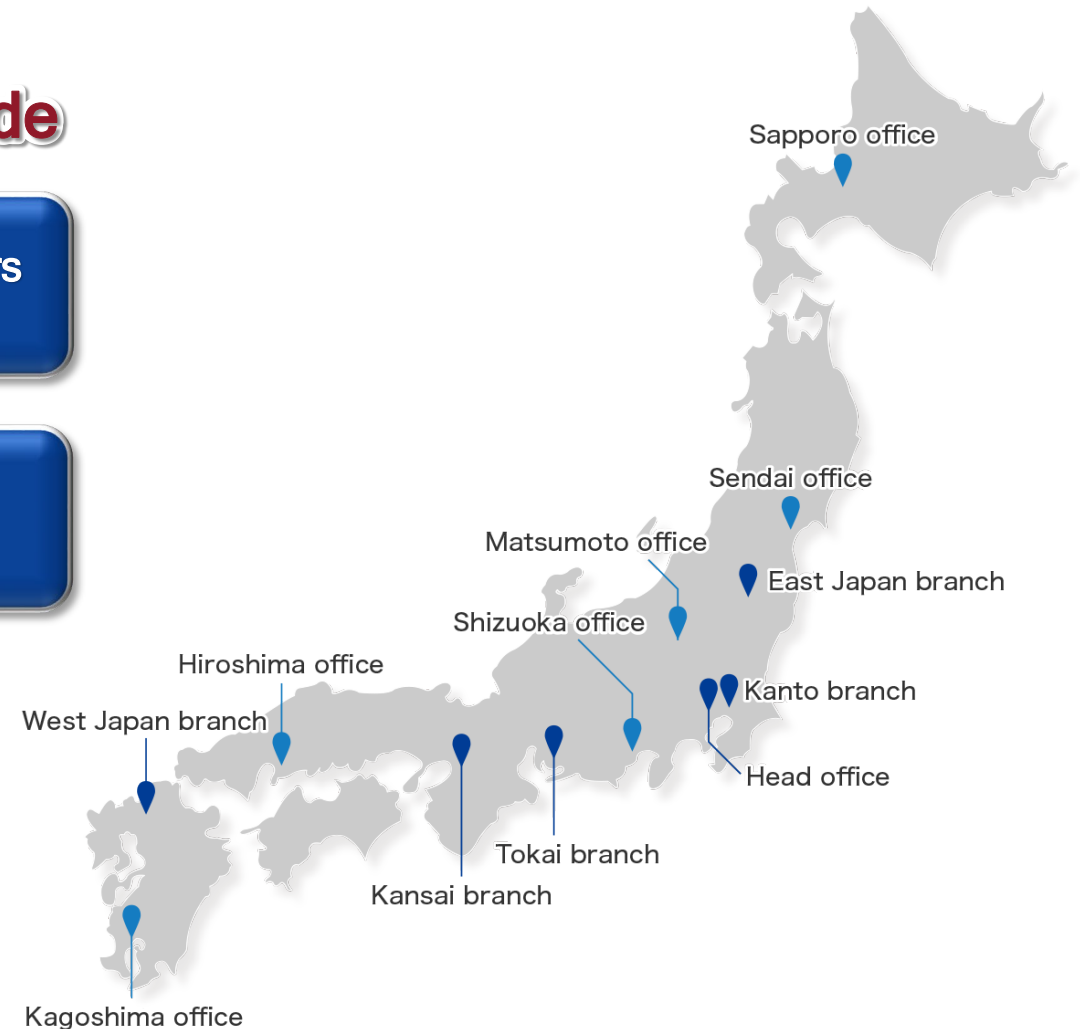
Branch Office Locations

We have established a system that enables us to propose advertising plans to attract customers to various facilities by utilizing our area-based marketing expertise accumulated nationwide.

Established a support system with business locations nationwide

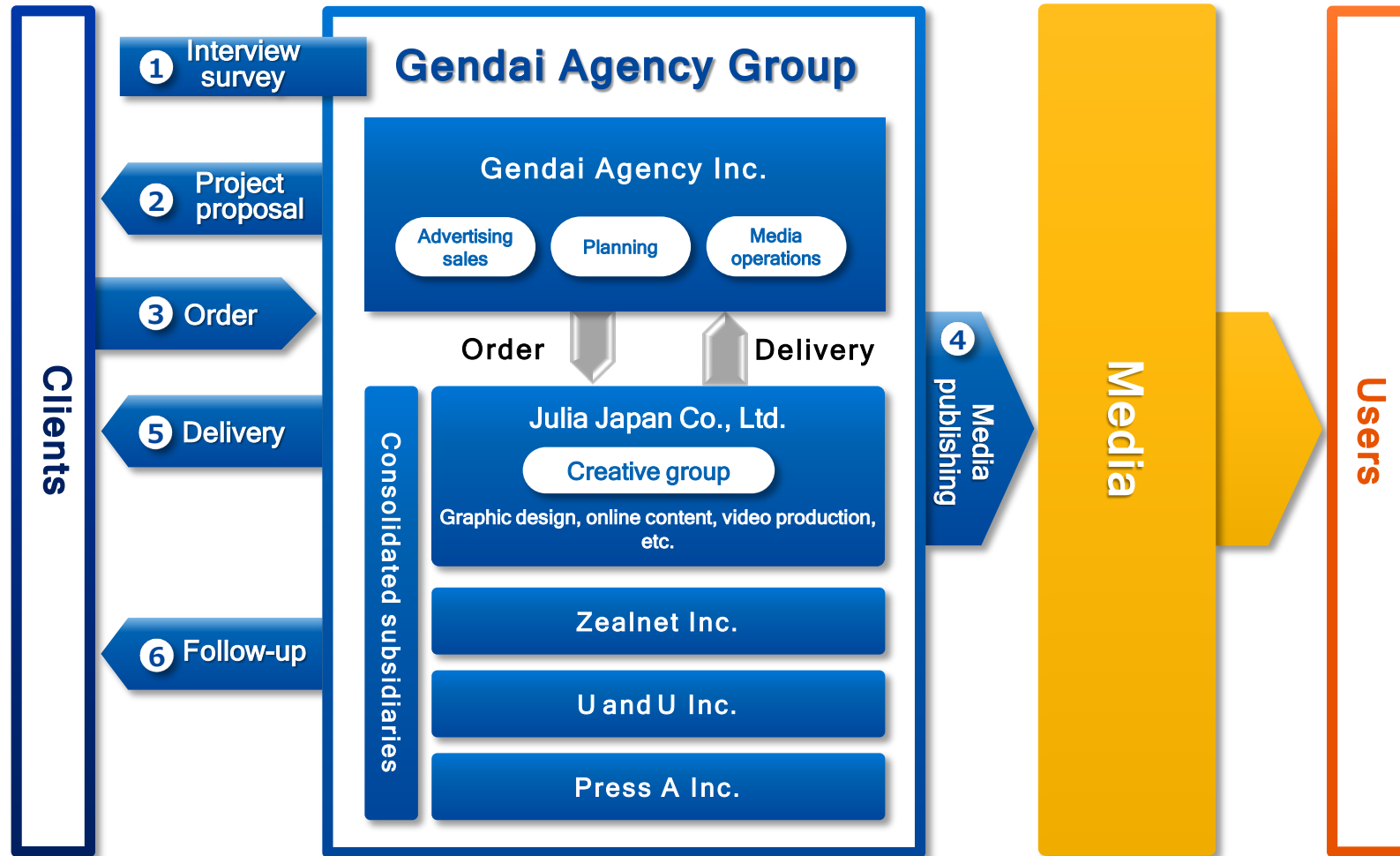
Support advertising that attracts customers
based on regional characteristics

Speedy response in any area of
the country



Operation Scheme

We provide a one-stop service for a wide range of advertising genres.

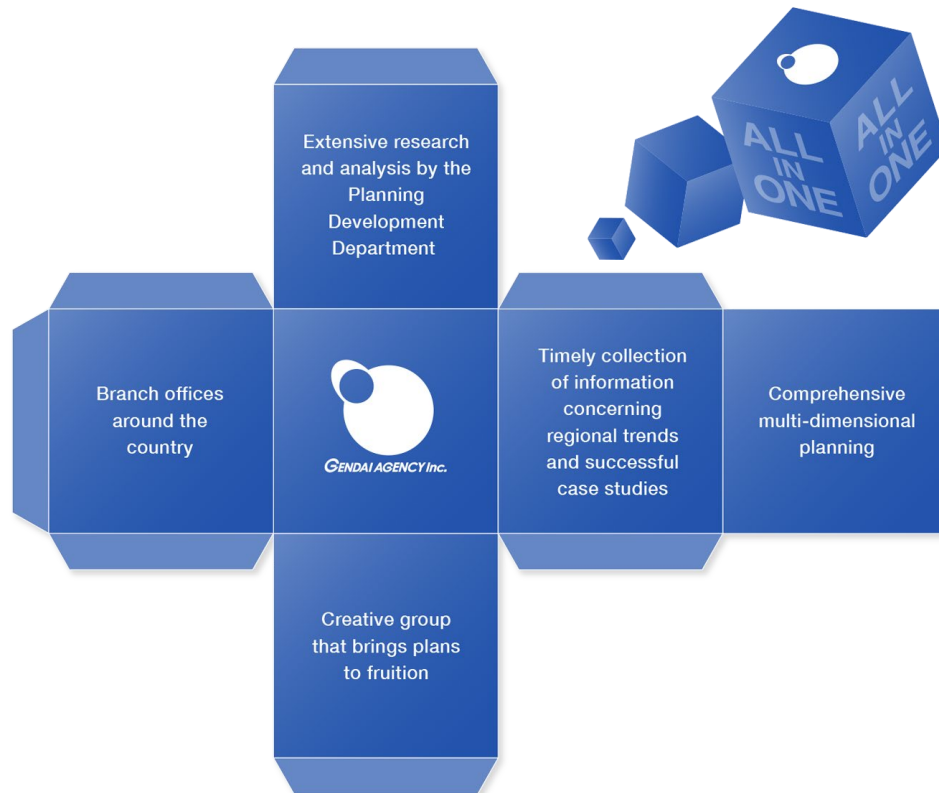


Strengths and Characteristics

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

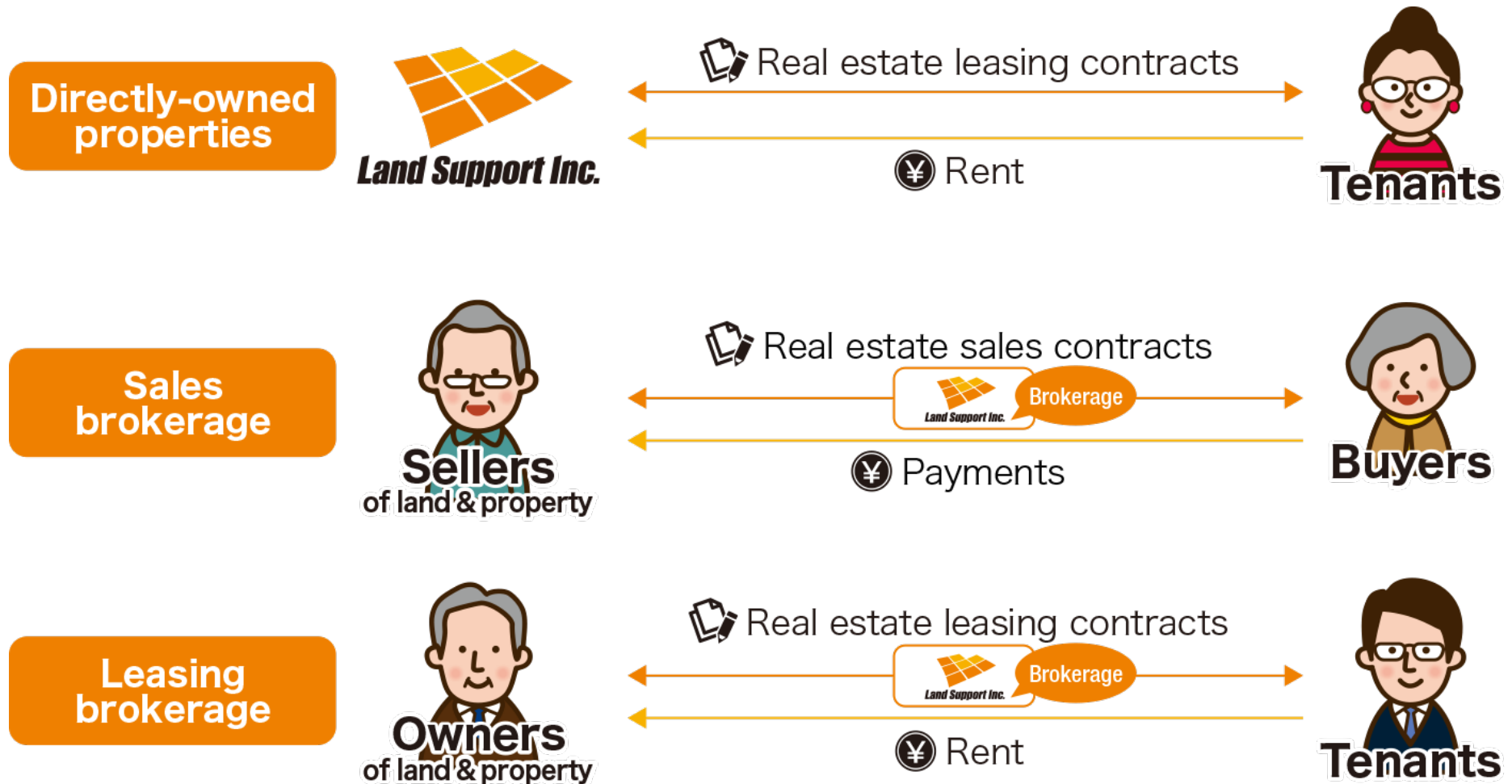
Along with expertise about the characteristics and effects of existing services from mass media services to sales promotion services, we are constantly and proactively introducing new services, while maintaining the flexibility to customize services to match the needs of a diverse range of clients and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

Overview of the Real Estate Business

- Overview of the Real Estate Business

Real Estate Business Overview

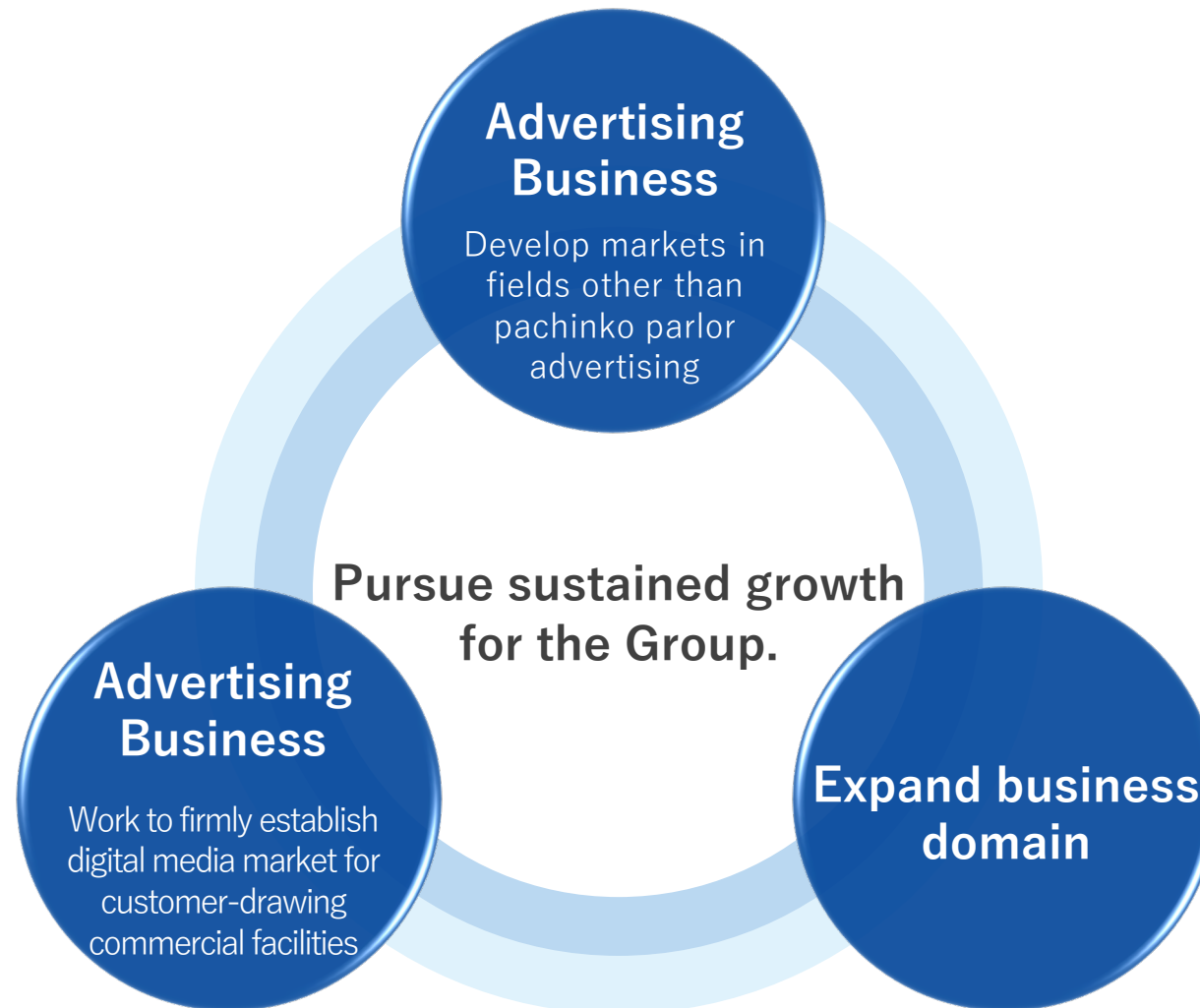
Land Support Inc. takes full advantage of its nation-wide network to swiftly connect property owners and people seeking properties, providing real estate leasing and brokerage services targeting pachinko halls and general commercial facilities.



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:

Improving the profitability of pachinko parlor advertising

- Develop and offer advertising and services that contribute to attracting customers, pursuant to the “Advertising and Promotion Guidelines Ver. 2”
- Create demand by reactivating dormant clients
- Consolidate sales bases and optimize costs with the aim of improving productivity

Pursuing the acquisition of clients in sectors with expected growth in demand

- Further expand sales for and deepen transactions with tutoring schools, secondhand shop businesses, public professional sports, etc., in addition to the mainstay fitness facility and housing-related fields

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

	FY2022	FY2023	FY2024
Operating margin	4.0%	5.3%	3.4%
EPS	16.90yen	27.85yen	10.17yen
ROE	5.4%	8.3%	3.0%
Total annual dividend (Of which, interim dividend)	7.00yen (3.00yen)	15.00yen (7.00yen)	18.00yen (9.00yen)
Consolidated dividend payout ratio (%)	41.4%	53.9%	177.0%

- 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.
- Based on the basic policy of maximizing shareholder value, we will pay dividends calculated as 6% DOE or 50% payout ratio, whichever is higher as a general guideline.
- 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

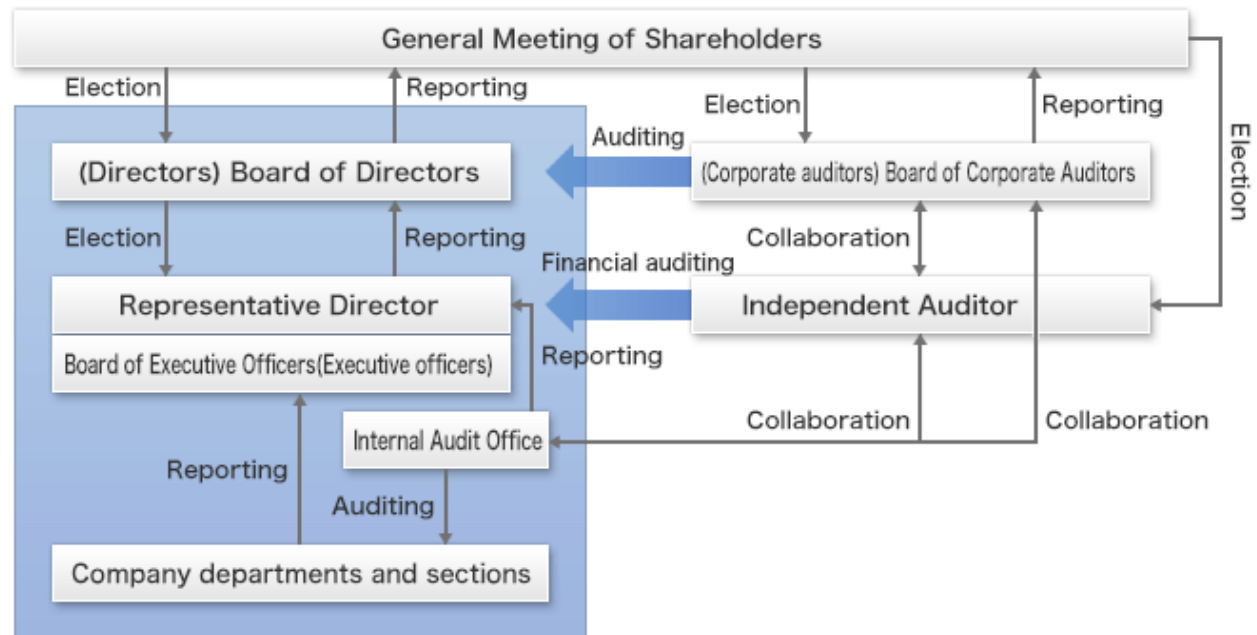
The Company's management considers sustained growth in shareholder value to be its most important responsibility and has a code of conduct that calls for the practice of corporate activities constantly focused on the interest of shareholders while ensuring management soundness (compliance) and transparency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

91.6% 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: 23]

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

Dividend calculation guideline of 6% DOE or 50% payout ratio, whichever is higher

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

Attendance of Outside Directors at Board of Directors Meetings Attendance of Outside Auditors at Board of Corporate Auditors Meetings

[Fiscal year ended March 2024]
Attendance ratio of Board of Directors Meeting: 100%
Board of Corporate Auditors Meeting: 100%

Investor relations contact:

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URL : <https://www.gendai-a.co.jp>

December .2024