

Branding Engineer Co., Ltd.

Financial Results

1st Quarter, FY August 2023

Disclaimer

The opinions and forecasts contained in this document are based on our judgment at the time the document was prepared. We do not guarantee the accuracy of such information. Please be aware that changes in various factors may cause actual performance or results to differ materially. In addition, information in this document concerning companies other than our company is quoted from publicly available information. We do not guarantee the accuracy of such information.

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1. Executive Summary

Executive Summary ①

Features for FY August 2023

Organizational Restructuring (creating a holding company)

Through the consolidation of a holding company, we will improve the mobility and flexibility of group management, and **accelerate growth of the entire group.**

Smooth transition to a holding company structure.

Transition to a holding company structure by June 1, 2023. Two subsidiaries were merged on January 1, 2023.

☆ Continued Investments (advertisements & human resources)

Continued investments to accelerate corporate growth

From 1Q, invest in advertising to acquire engineers and in human resources to boost mid-to long term growth of the company.

Following aggressive investments in 4Q, 1Q made record investments for growth, especially in hiring talent. Advertising expenses were similar to 4Q levels. But investments for hiring grew **132.8% YoY**, and the number of new hires increased by **184.6%**.

We chose to position FY Aug. 2023 as a period of strategic investment to boost our organization aiming for dramatic growth in the coming years.

M&A

To raise the growth curve, we plan to execute strategic M&A and look for **synergy effects and a one-off growth** in the engineering platform service business.

Acquisition of DeProp. Continued strategic acquisitions to be sought.

The impact of M&A has not been factored in our sales and profit forecasts. Therefore, it should have a positive impact on our future earnings.

Note: DeProp's sales and profits will be consolidated from 2Q.

Executive Summary ②

1st Quarter, FY Aug. 2023 Results

- 1Q sales were **JPY 2,241 million (+JPY 851 million YoY, or +61.2%)**
Sales and gross margin grew for the **9th consecutive quarter setting records.**
- **1Q saw record investments in hiring and advertising**
1Q investment in hiring was **+132.8% YoY.**
- Although SG&A increased by JPY 145 million (+36.4% YoY),
operating profit increased dramatically to JPY 49 million (+140% YoY).
- We plan to continue investing heavily in hiring in 2Q
By deploying personnel hired in the first half of the fiscal year, we hope to grow our business next year and beyond.

Executive Summary ③

Outlook for 2nd Quarter, FY Aug. 2023 and beyond

- Invest in all areas in 2Q and beyond for mid- to long-term growth.
- Position FY Aug. 2023 as a period of strategic investment to reinforce the organization for continued rapid growth and achieve a market capitalization of JPY 100 billion in the shortest possible time.
- Although we are in a period of investment, we see solid growth through recurring revenues generated by the rising number of engineers employed.
- M&A has not been factored in our sales and profit forecast for the current fiscal year. But we expect it to be a positive factor going forward. We will combine solid growth of our existing businesses with a one-off growth through M&A to achieve rapid growth and maximize corporate value.



2. Financial Results

1st Quarter, FY August 2023

Financials - YoY comparisons

Quarterly sales were **+61.2% YoY**, gross margins were **+41.4% YoY**.

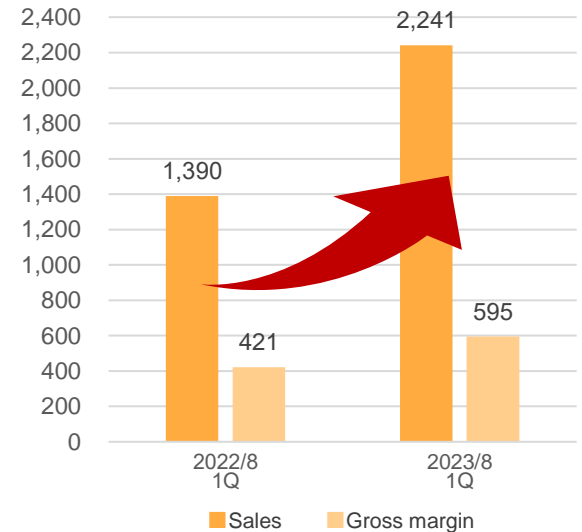
Operating profit and net profit also saw dramatic increases.

Net profit grew **+324.3% YoY**.

	FY 8/2023 1Q	FY 8/2022 1Q	
	Actual	Actual	Change
Sales	2,241	1,390	+61.2%
Gross margin	595	421	+41.4%
Operating profit	49	20	+140.0%
Net profit	29	6	+324.3%

Unit: JPY million

Quarterly sales and gross margin growth (YoY)



Financials - YoY comparisons (Adjusted operating profits)

Although 1Q SG&A increased by JPY 145 million,

rapid growth in business led to an EBITDA increase of **+152.8%**.

	FY 8/2023 1Q	FY 8/2022 1Q	
	Actual	Actual	Change
Operating profit	49	20	+140.0%
Depreciation, amortization of goodwill	17	5	+198.5%
EBITDA	66	26	+152.8%
Office relocation expenses	—	18	—
M&A expenses	—	1	—
Adjusted operating profit	66	47	+41.1%

Note: For the breakdown of the SG&A, please see slide 12.

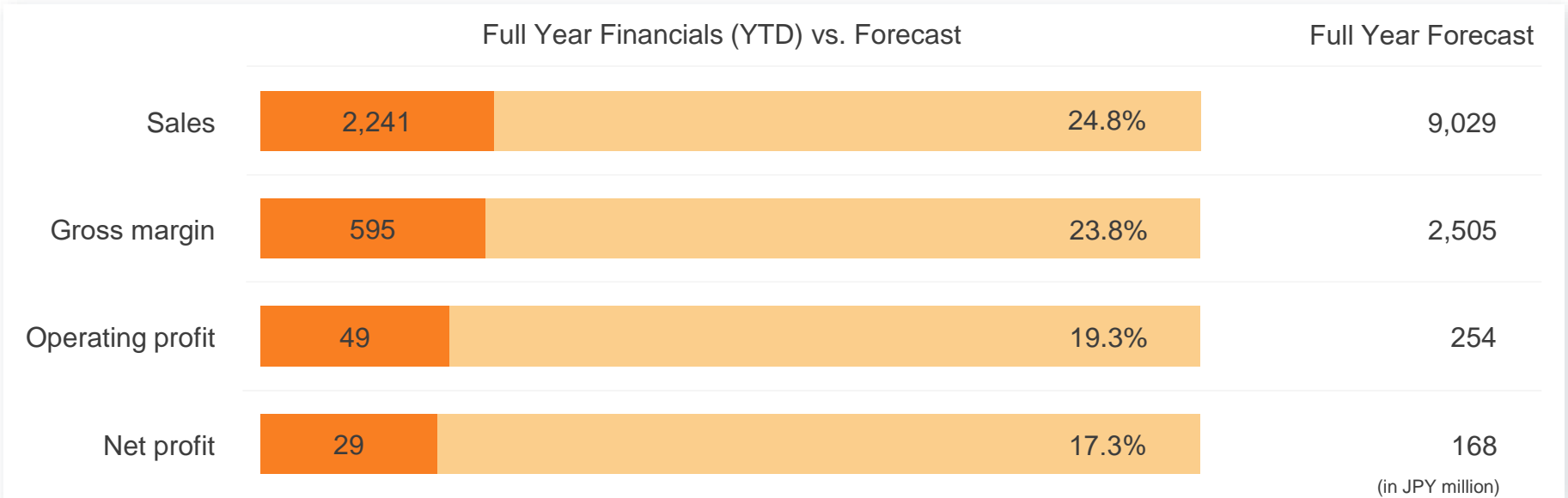
Unit: JPY million

Full Year Financials (YTD) vs. Forecast

1Q sales and profits have exceeded expectations by a wide margin.

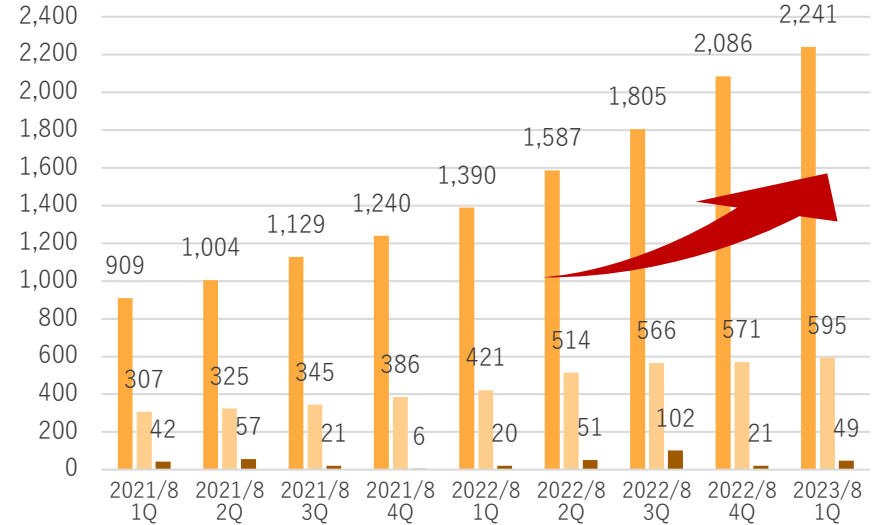
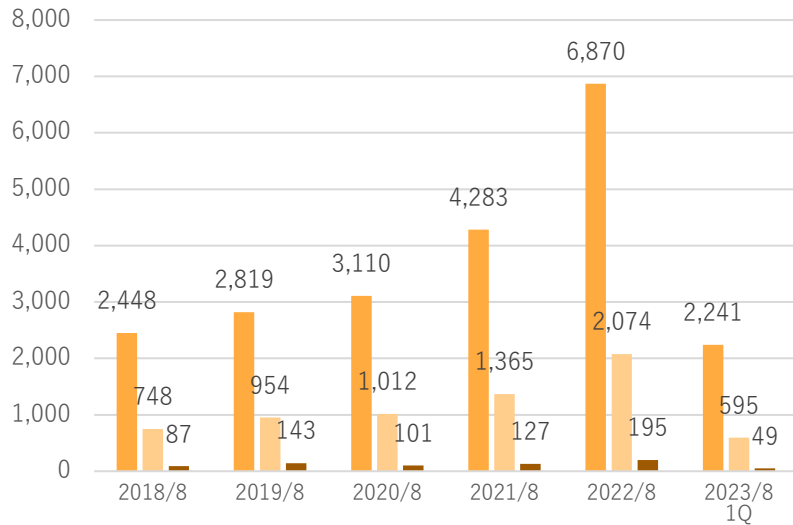
With our recurring revenue model, we project quarterly sales growth.

With excess profits generated from sales growth, we will expand our business through increased investment in recruitment to secure talent and in advertising to increase the number of engineers.



Quarterly earnings growth

Quarterly sales **have surpassed JPY 2,200 million (YoY growth of 61.2%)**
Sales and gross margins have grown **9 consecutive quarters surpassing records.**



■ Sales ■ Gross margin ■ Operating profit

(Unit: JPY million)

SG&A - YoY comparisons

Aggressive investments were made from 1Q FY Aug. 2023, and total SG&A increased significantly by JPY 145 million. In 1Q, aggressive investments were made in recruitment which increased by 132.8% YoY. We chose to position FY Aug. 2023 as a period of strategic investment to boost our organization and continued to invest heavily in recruitment and training to ensure continued growth in the coming years.

	FY 8/2023 1Q	FY 8/2022 1Q	
	Actual	Actual	Change
Wages	238	181	+31.4%
Advertising	112	96	+16.8%
Rent	20	32	△36.9%
Commissions	78	48	+60.3%
Recruitment ads	44	19	+132.8%
Others	51	22	+133.4%
Total	546	400	+36.4%

(Unit: JPY million)

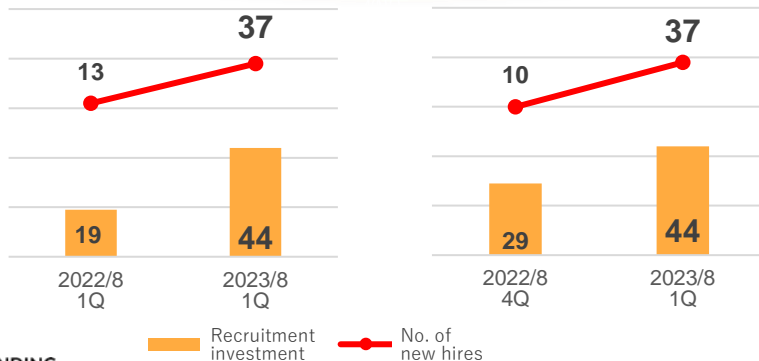
Continued investment in growth, recruitment and advertising

Investing in Recruitment

Recruitment-related investments were up **132.8% YoY**. The number of new hires increased by **184.6% YoY** led by Midworks. Aggressive hiring to continue in 2Q.

FY Aug. 2023 has been positioned as the year of strategic investment. We will create a foundation for rapid growth by turning new hires into a competitive force and by reorganizing the sales force.

Recruitment investment and the number of new hires (YoY, QoQ)

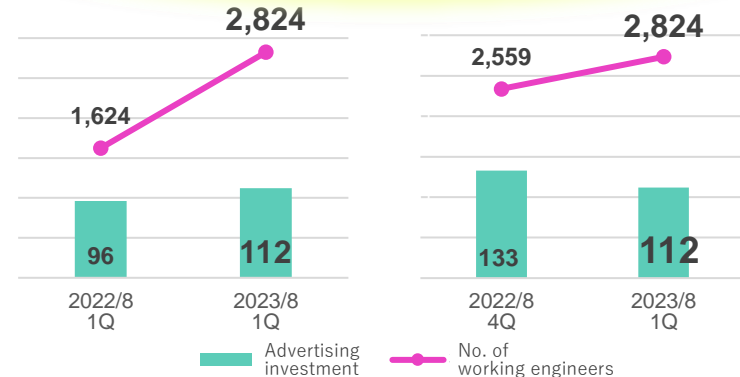


Investment in Advertising

While advertising investment increased slightly by 16.8% YoY, the number of working engineers increased dramatically by **73.9% YoY**. We plan to continue investing in advertisements.

Advertising expenses are an upfront investment which lead to the hiring of engineers who contribute to recurring revenues and earnings over the mid- to long term.

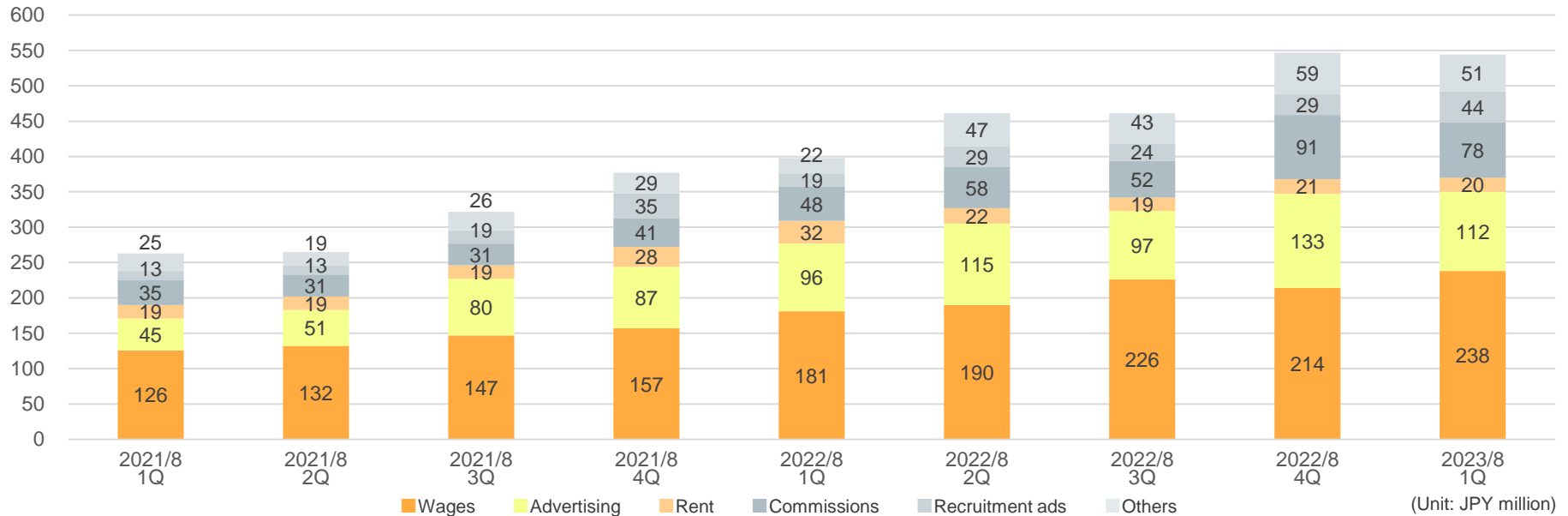
Advertising investments and the number of working engineers (YoY, QoQ)



SG&A - by quarter

Since listing, Branding Engineer has invested heavily for mid- to long term growth.

From 1Q FY Aug. 2023, the company has invested aggressively, with quarterly investments exceeding records. 1Q will invest in acquiring talent and will continue to invest in advertisement as part of our growth investment. By generating recurring revenues through new engineer hires, we plan to generate mid- to long term profits.



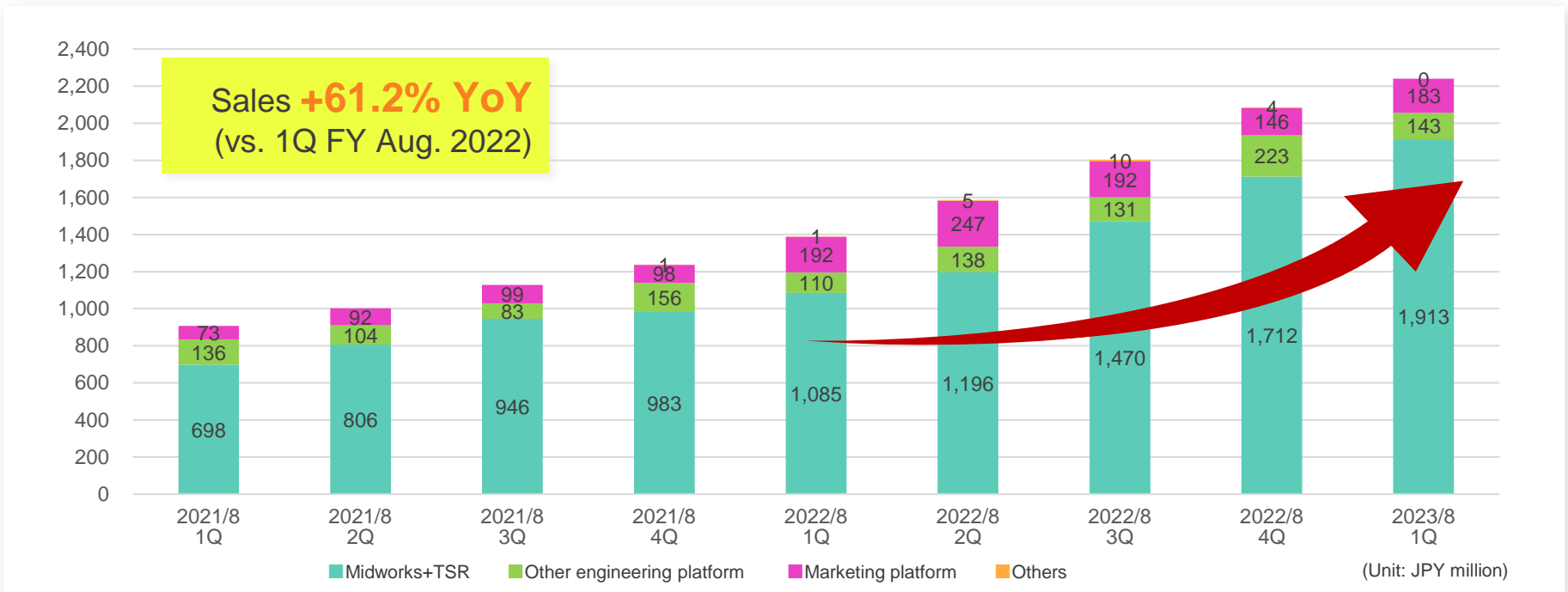
A photograph of three people sitting around a table in a meeting. On the left, a woman with long brown hair is smiling and looking towards the center. In the middle, a man with short black hair and glasses is also smiling and looking towards the center. On the right, a woman with shoulder-length brown hair is smiling and looking towards the center. They are all wearing light-colored shirts. The background is dark, and there is a small green exit sign on the wall behind them. The text '3. Results by Segment' is overlaid in white on the image.

3. Results by Segment

Quarterly sales by segment

Our engineering platform, led by Midworks, drove sales higher.

Total quarterly sales for the company were **61.2% YoY.**



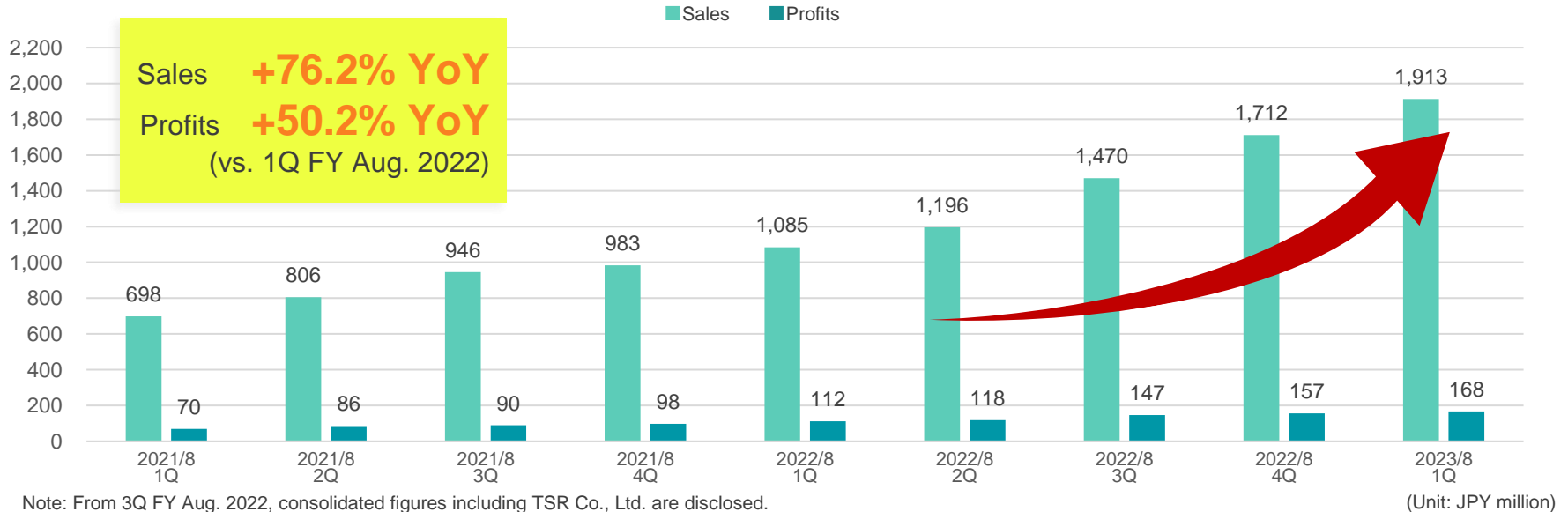
Midworks

Quarterly sales were **JPY 1,913 million, posting record highs** along with profits.

Sales were **+76.2% YoY** and profits were **+50.2% YoY**.

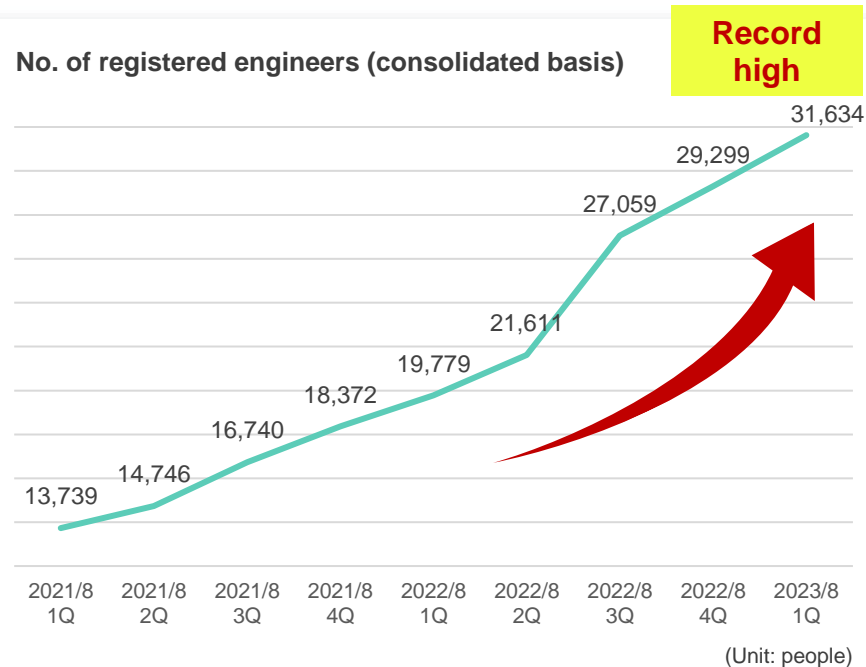
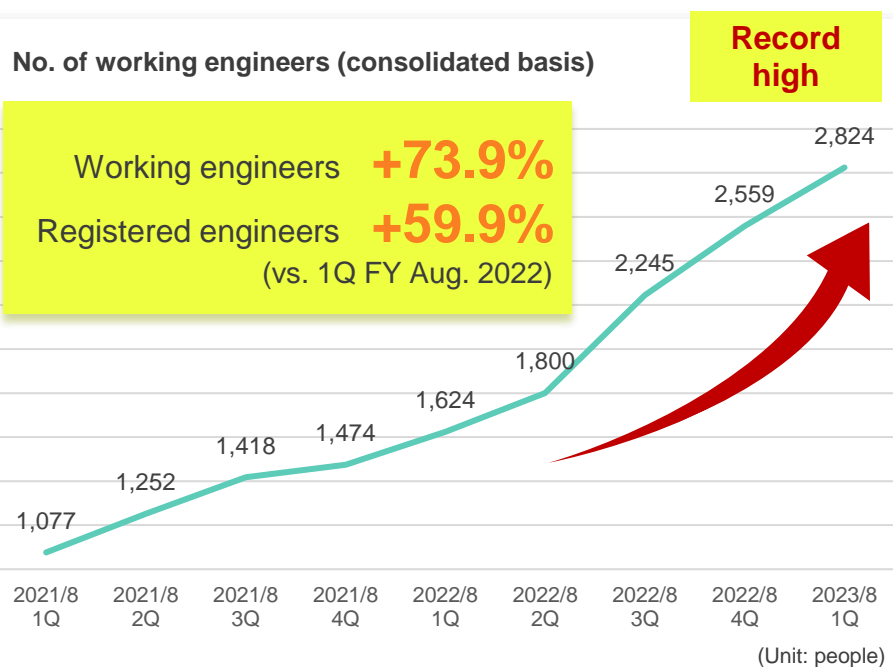
In 1Q, we invested heavily in recruitment, increasing our sales staff by **47.4%** (up from 38 in 4Q to 56 in 1Q)

FY Aug. 2023 has been positioned as the year of strategic investment.



Midworks

The number of working engineers continues to surpass record highs. And the number of registered engineers has grown steadily. We will continue to invest aggressively in engineer recruitment in 2Q and hope to **surpass record highs.**



Note: From 3Q FY Aug. 2022, consolidated figures including TSR Co., Ltd. are disclosed.



4. Forecast for FY August 2023

Key features of FY Aug. 2023

Creating a holding company structure

Accelerate growth of the group by adopting a holding company structure, and improving the agility and flexibility of group management.

Continued investments

(advertisement & human resources)

Continued investments to accelerate growth.

Starting in 1Q, invest aggressively in advertising to acquire engineers, and in human resources to support mid- to long-term growth of the company.

M&A

Strategic M&A to raise the growth curve.

Focus on areas surrounding the engineering platform.

Generate growth by creating synergy effects.

Branding Engineer will adopt a holding company structure

Transition to a holding company from June 1, 2023 and change our name



TWOSTONE & Sons

Two Visions and Values Meet



A Strong Will is Built



※The Japanese word for “purpose (or will)” (意志) and “stone (or rock)” (石) is “ishi”.
We want to have a sense of purpose that is as hard and strong (determined) as stone.

Increase **“Sons”** who have a strong will and believe in each other

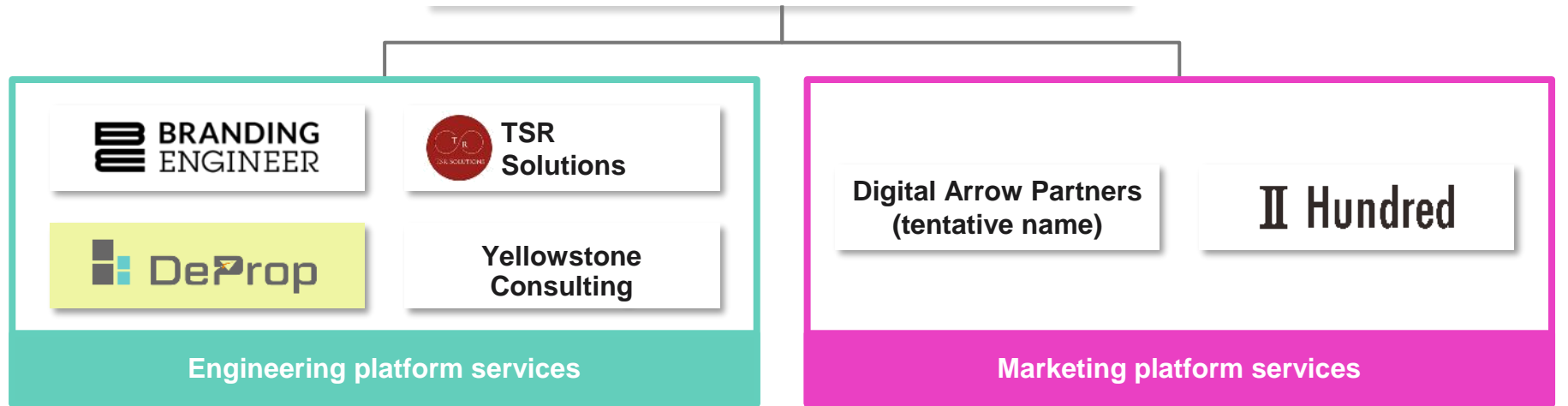
Branding Engineer will adopt a holding company structure

Restructure to grow and advance further

Advantages

- To make group management agile and flexible
- Promote quick management decisions

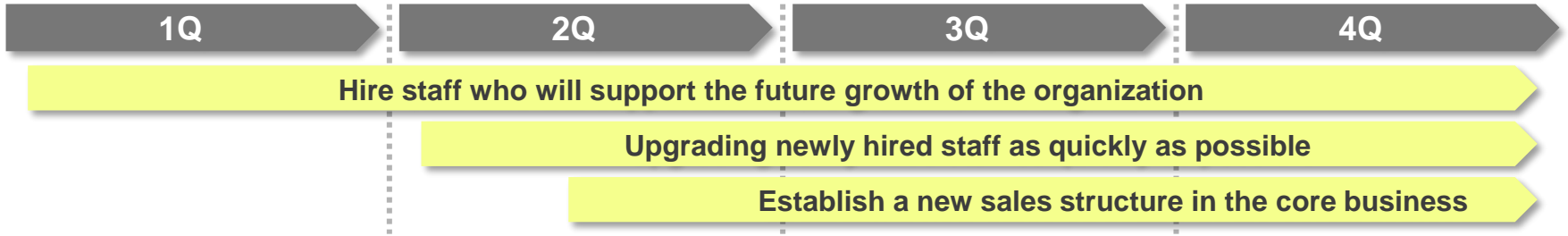
TWOSTONE & Sons



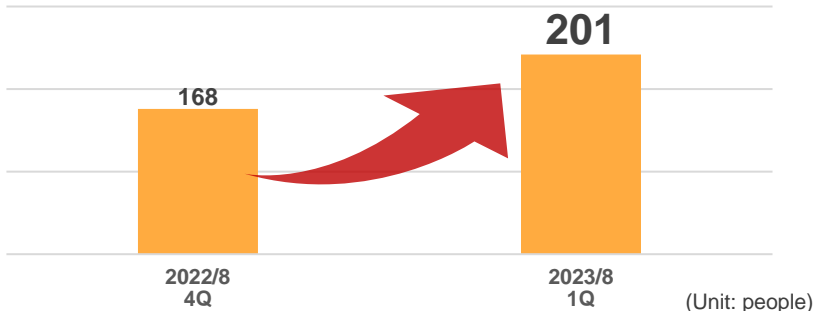
Note: DeProp's sales and profits will be consolidated from 2Q.

Implement strategic organizational boost through aggressive hiring

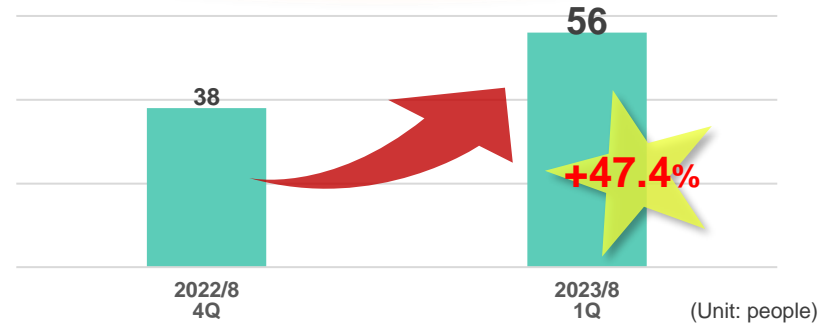
Position FY Aug. 2023 as a period of strategic investment to reinforce the organization. Aggressively recruit and quickly upgrade the workforce to ensure mid- long-term growth.



Change in the number of permanent employees (QoQ)

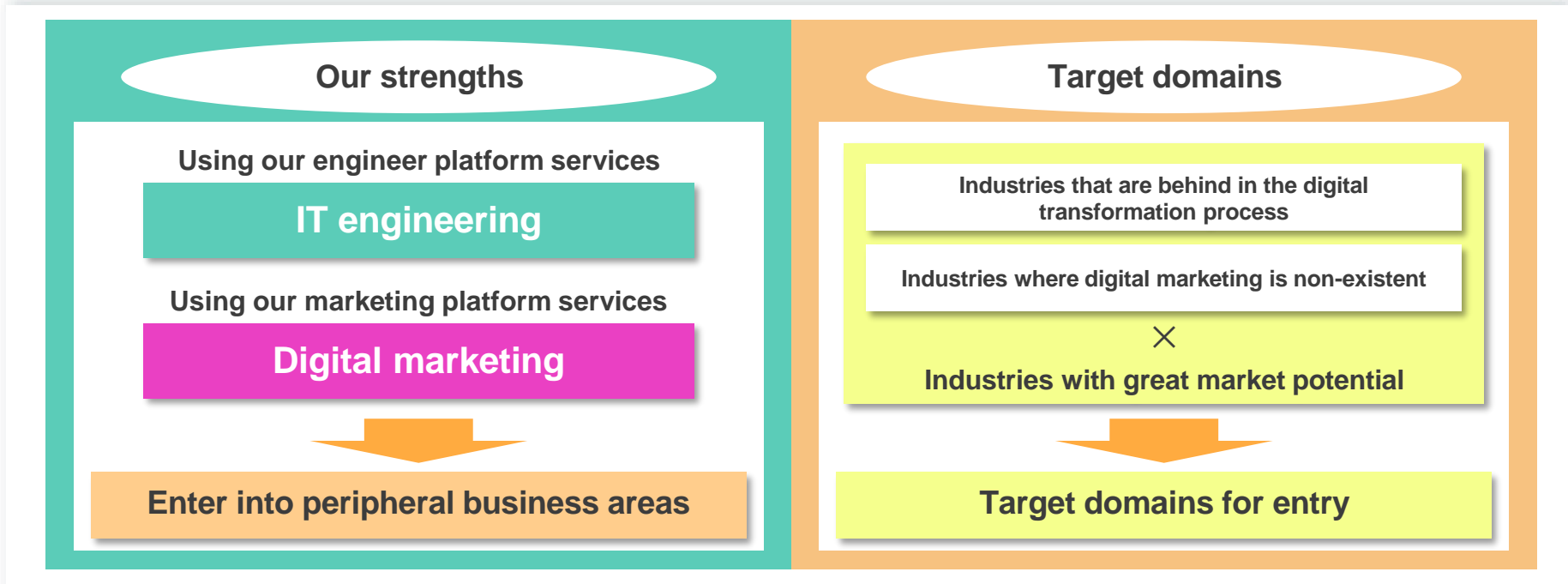


Change in the number of sales staff in the core business (Midworks) (QoQ)



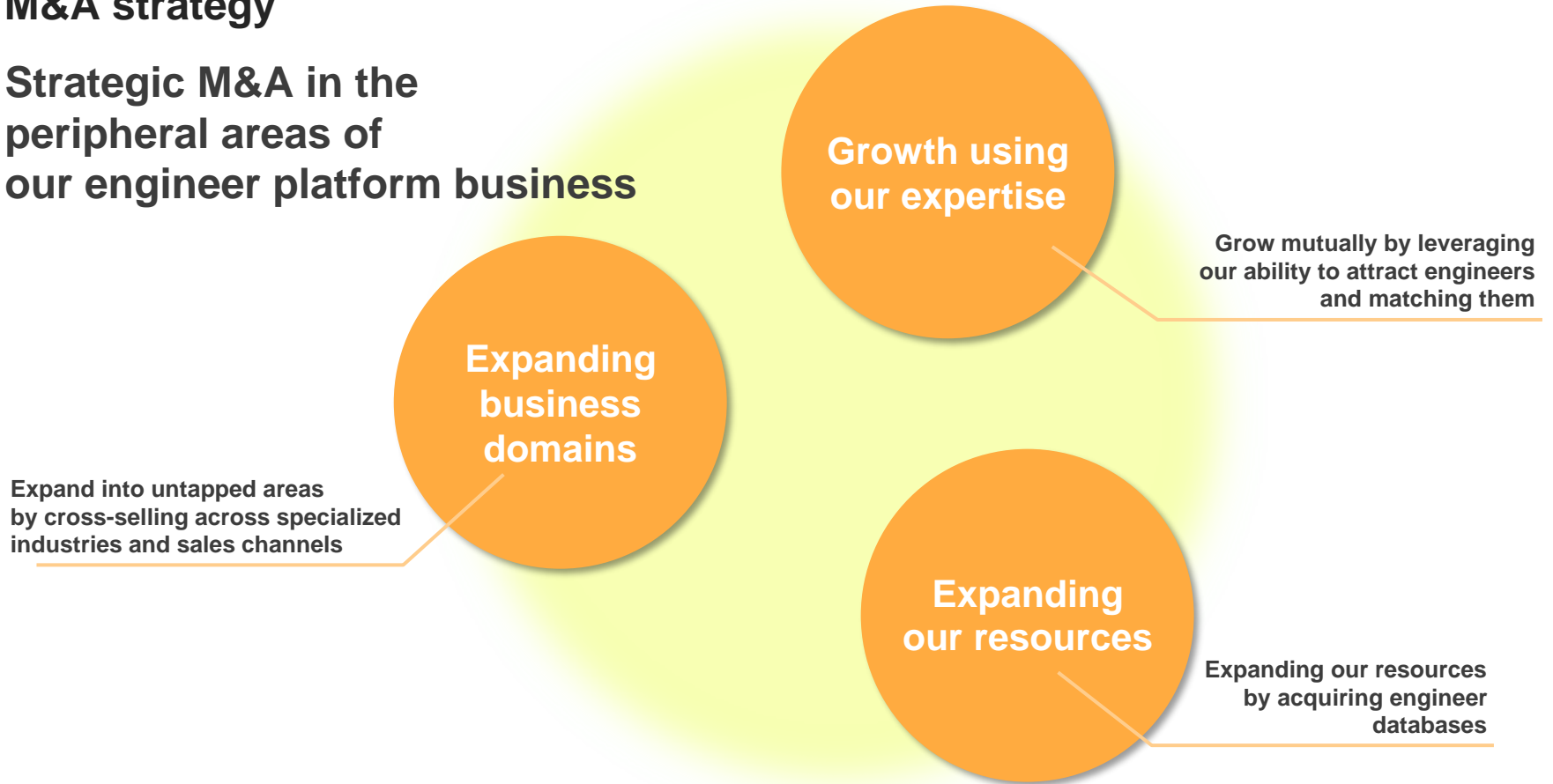
New businesses

We operate our business in the growing IT engineering and web marketing domain. We will actively expand into domains that are peripheral to our engineering and marketing platforms, as well as into domains where we can leverage our strengths.



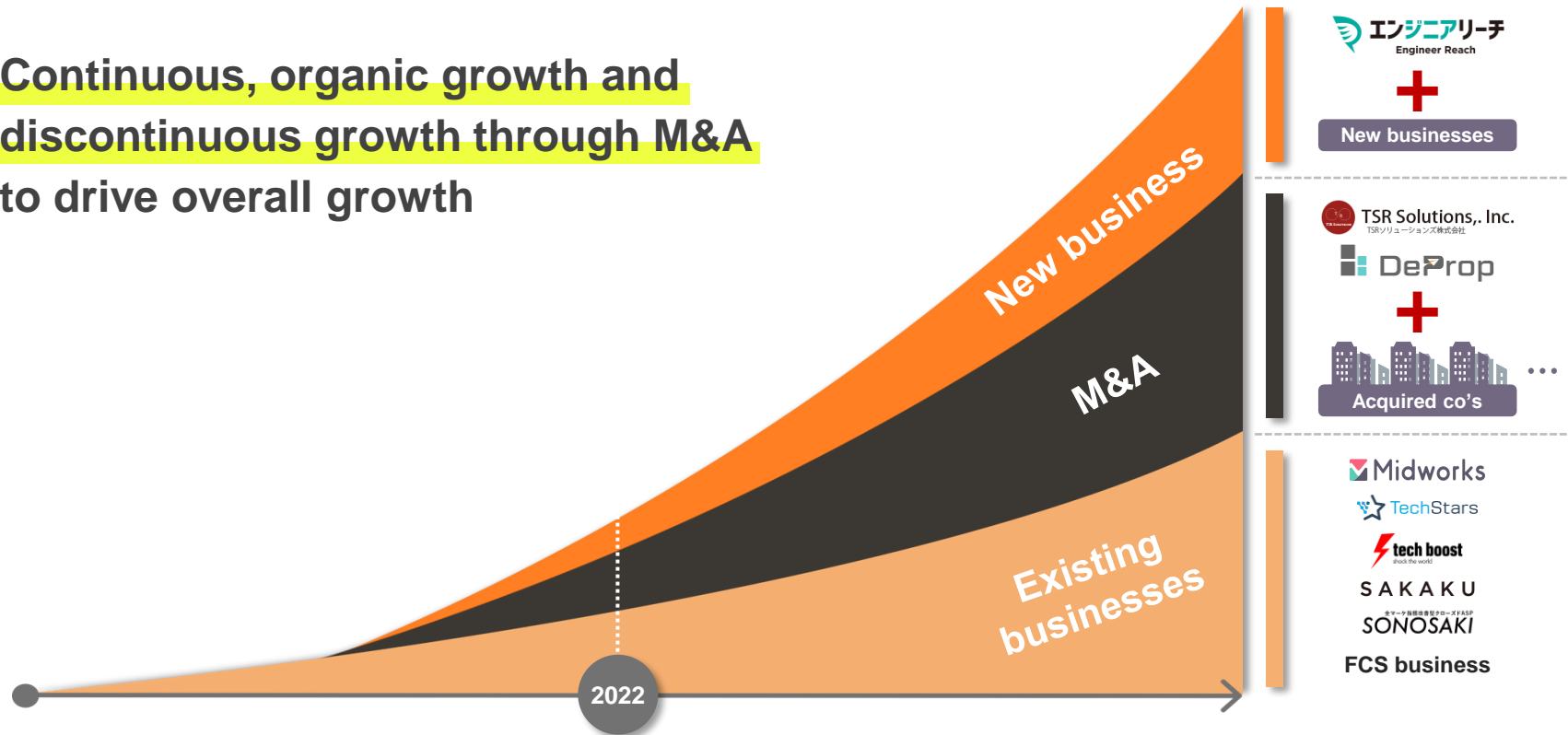
M&A strategy

Strategic M&A in the peripheral areas of our engineer platform business



Branding Engineer's mid- to long-term management vision

Continuous, organic growth and discontinuous growth through M&A to drive overall growth



エンジニアリーチ
Engineer Reach



New businesses

TSR Solutions, Inc.
TSRソリューションズ株式会社

DeProp



Acquired co's

Midworks

TechStars

tech boost
around the world

SAKAKU

SONOSAKI

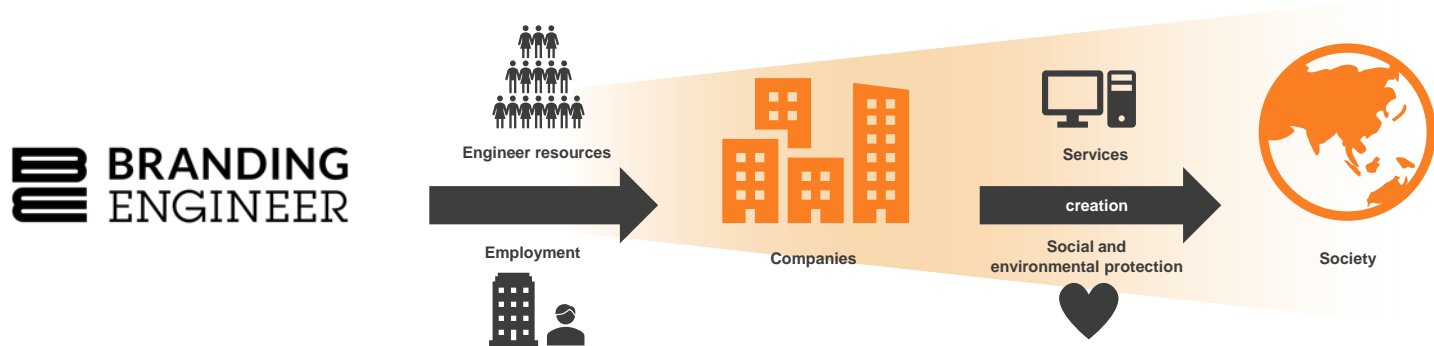
FCS business

A woman with long brown hair, wearing a dark green long-sleeved top, is sitting at a table in a meeting room. She is looking towards a man whose back is to the camera. The room has white walls with numbers 02, 03, and 04 visible on the wall panels. The scene is dimly lit, with a dark overlay.

5. ESG initiatives

ESG

Eliminating IT staffing shortages by matching companies with IT engineers
Promoting DX in society and supporting the creation of new services
New services bring environmental protection and social revitalization



Social & Environment	Governance
<ul style="list-style-type: none">• Propose new ways of work for engineers, including support for freelancers• Provide engineering resources to companies and create new services• Creating services to enrich people's lives and revitalize society	<ul style="list-style-type: none">• Enhancing corporate governance• Compliance with the relevant laws and regulations

ESG initiatives

Grow together with society by proactively promoting ESG

Environmental protection through creative services

- ◆ Reduce resource costs by going paperless
- ◆ Efficient waste disposal associated with DX
- ◆ Promote remote work to reduce carbon gas emissions



E nvironment

Social revitalization through our services

- ◆ Promoting diverse work styles including more freelance engineers
- ◆ Eliminating the shortage of IT engineers in Japan; produce more IT engineers

Social revitalization through creative services

- ◆ Provide engineering resources to create new value and services
- ◆ Create services to enrich people's lives and revitalize society



S ocial

Enhancement of Corporate Governance

- ◆ Compliance with the relevant laws & regulations
- ◆ Build an appropriate escalation process & organization
- ◆ Implementing regular compliance training

G overnance




Environment

Indirectly contribute to carbon reduction by providing engineers to companies promoting DX. There are **numerous examples of carbon reduction through DX at all types of companies.**

Case ①


Digitization of documents stored and managed on servers



CO2 reduction
Before: 571 tonnes/annum
After: 100 tonnes/annum

Case ②


On-line web-based meetings



CO2 reduction
Before: 275.8 tonnes/annum
After: 4.3 tonnes/annum

Case ③

Collecting and analyzing information on agricultural land through remote sensing



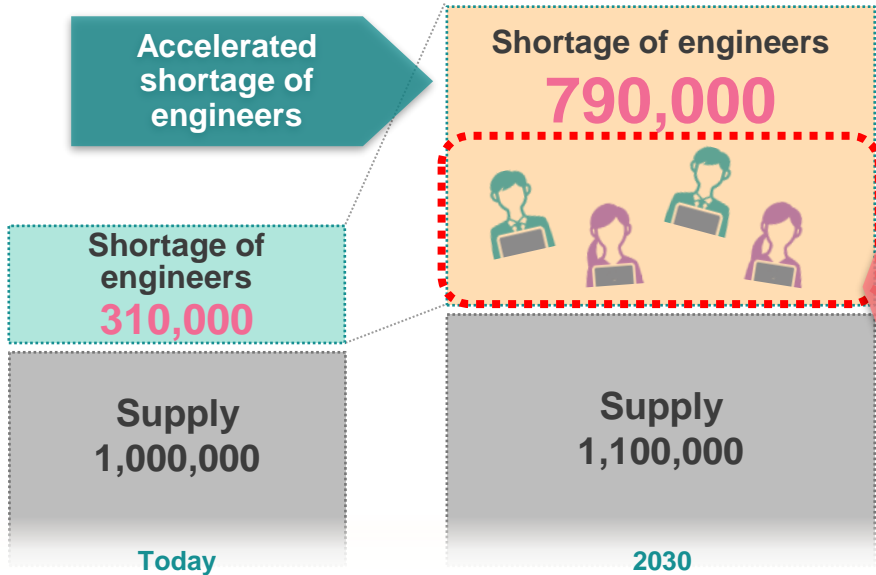
CO2 reduction
Before: 2.03 tonnes/annum
After: 0.11 tonnes/annum

Source: Report by the Study Group on ICT Policy addressing Global Warming Issues

Social

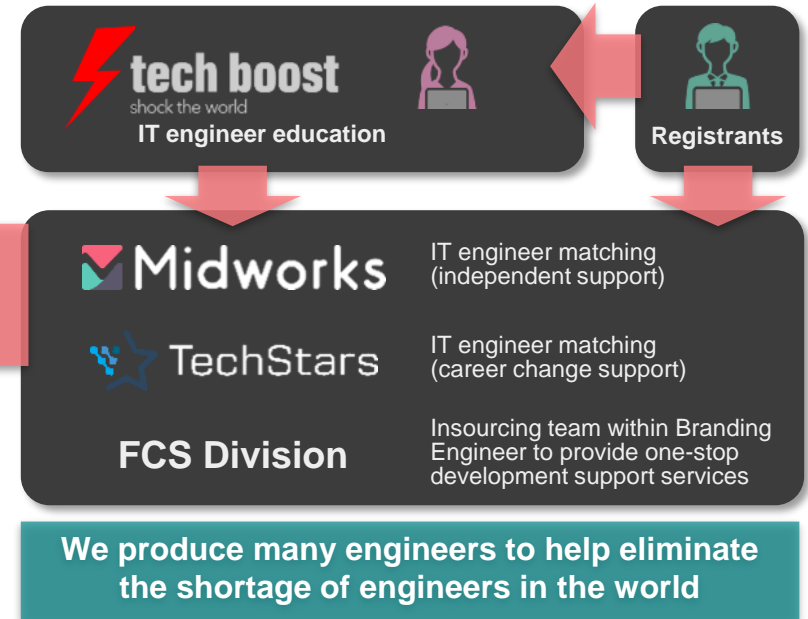
In response to the shortage of IT engineers, which is expected to become a serious issue in Japan in the future, we train **a large number of engineers** and ensure their mobility by providing freelance and career change support.

IT staff demand



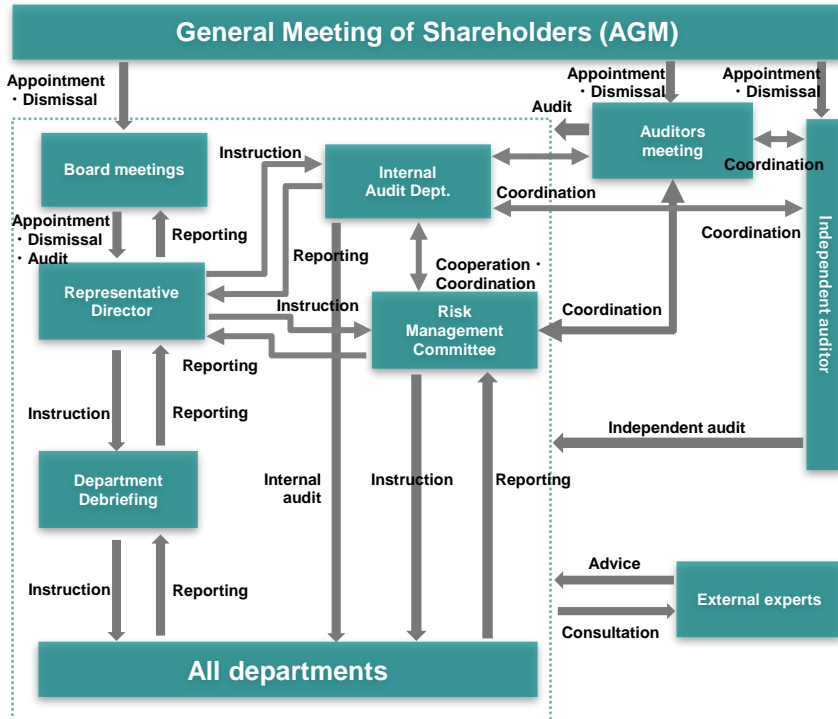
Source: Survey Results on the Latest Trends and Future Estimates of IT Human Resources, METI (2019 edition)

Branding Engineer's businesses



Governance

Management based on robust organizational structure,
risk management and labor protection measures.



Management Structure


The Company has set up a General Meeting of Shareholders, Board of Directors, Board of Corporate Auditors and Accounting Auditors as stipulated under the Companies Act. The Representative Director appoints the head of the Internal Audit Office which conducts internal audits. In addition, a business unit meeting is held at the beginning of each month. A structure has been set up to quickly grasp the performance and prospects of each business unit and to make efficient decisions.

Implementation of management measures

A Risk Management Committee has been established to minimize losses by preventing the occurrence of risks and responding to them appropriately. We have implemented measures for risk management, including periodic training (i.e. insider trading prevention, personal information protection, compliance training) In addition, a work environment protection system has been established through periodic employee surveys and the establishment of a whistle-blowing and internal/external consultation service.

6. Appendix

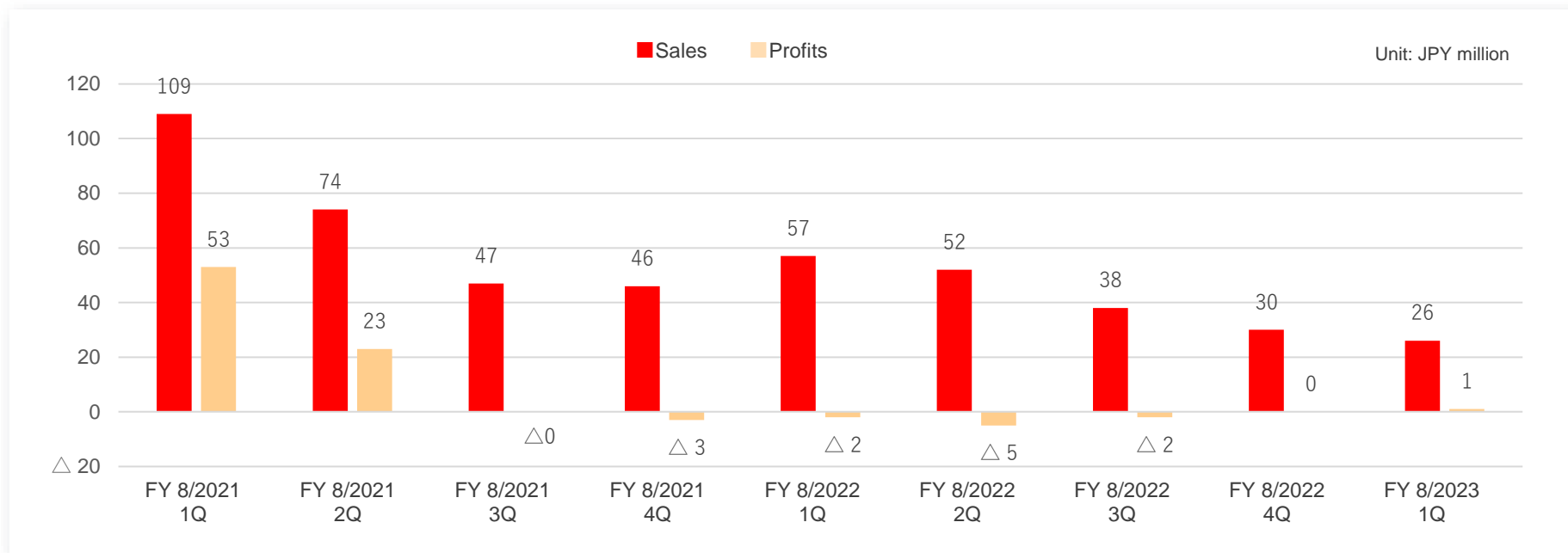




FY Aug. 2023 1Q results - additional info.

Quarterly results - tech boost

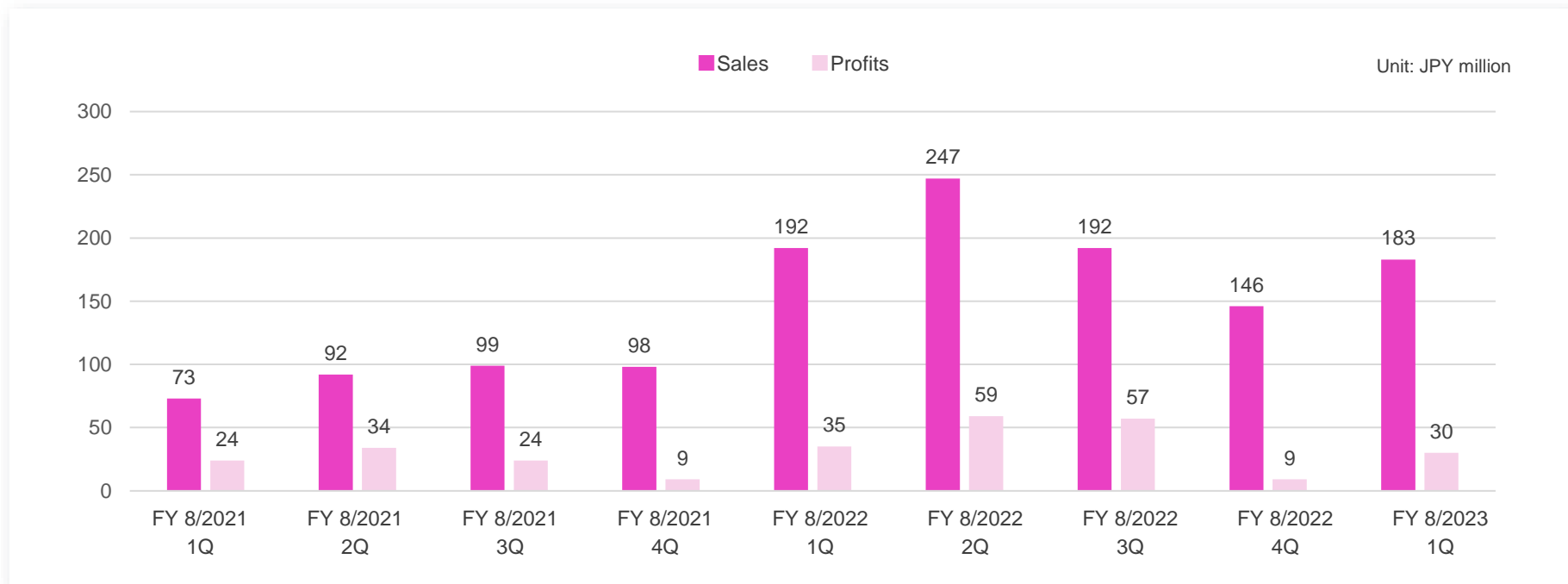
Designated by the Ministry of Health, Labor and Welfare (MHLW) as a specialized practical education and training program, promoting reskilling as a programming school for engineering firms.



Quarterly results - Marketing platform services

The web marketing consulting business has seen solid success.

Sales in 1Q were **JPY 183 million (+25.3% QoQ)**



Quarterly results - the balance sheet

Fixed assets (goodwill) and fixed liabilities (debt) have grown as a result of M&A activity.

	FY 8/2023 1Q	FY 8/2022 1Q	
	Actual	Actual	Change
Current assets	1,973	1,367	+44.2%
Cash & deposits	778	533	+45.9%
Fixed assets	588	204	+187.6%
Total assets	2,562	1,576	+62.5%
Current liabilities	1,178	742	+58.8%
Fixed liabilities	630	246	+156.1%
Net assets	754	588	+28.1%

Unit: JPY million

Acquisition of DeProp

DeProp Overview

Company name	DeProp Co., Ltd. (Acquired 100% of shares on Sept. 14 th , 2022)
Head office	2-5A Astale, 2-24-10 Nakazawa, Tama-shi, Tokyo-to, Japan
Established	June 18 th , 2010
Paid-up capital	JPY 800 million
Type of business	Systems development for the financial industry
No. of employees	7
Sales	JPY 77 million (FY May 2022)
Registration	General Worker Dispatching Agency (Registration no.: Ha13-313797)
Main clients	Aflac, Re · Birth, others

Sales opportunities through cross-selling


Introducing Branding Engineer's IT engineers to DeProp's clients

DeProp has provided PM and PMO staff to its clients. However, it is now possible to include Branding Engineer's engineer programmers on a project basis, offering the client a high value-added proposition.

Taking advantage of DeProp's expertise in PM and PMO

By working together with DeProp, Branding Engineer can train its staff to take part in PM and PMO projects, and offer its existing clients PM and PMO staff which enables us to meet the clients' complex needs.

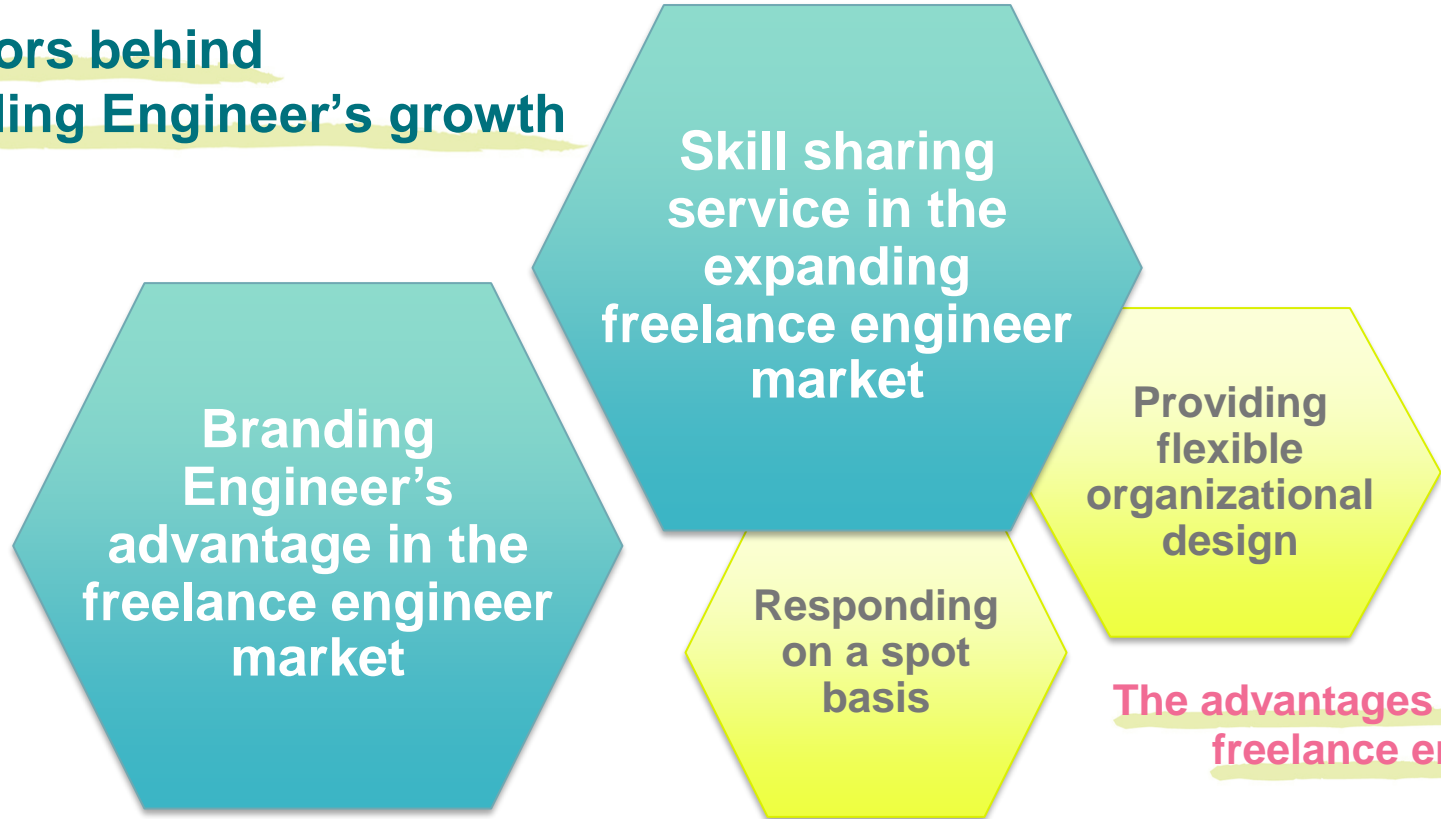
Note: DeProp's sales and profits will be consolidated from 2Q.



**Market trends and
Branding Engineer's
competitive edge**

Market trends and Branding Engineer's edge

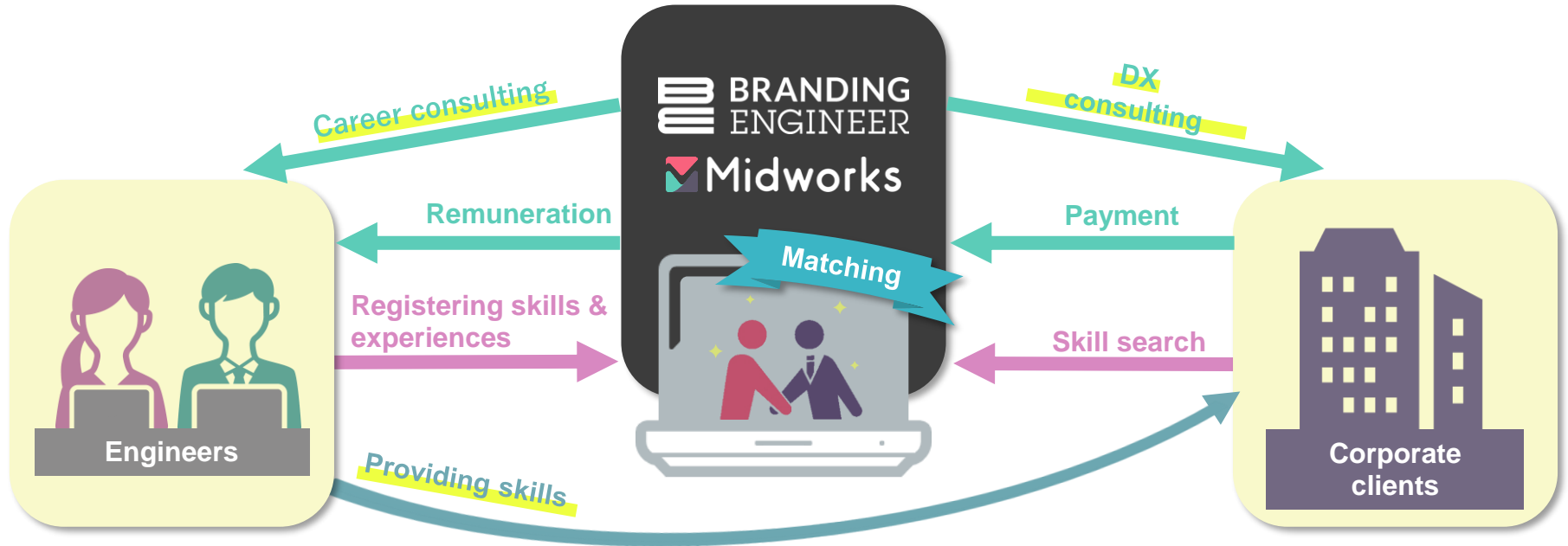
2 factors behind Branding Engineer's growth



Our Business Model

We provide comprehensive **DX consulting services** to companies.

Midworks, our core business, provides freelance engineer **skill-sharing services** to companies in the expanding freelance engineer market.



What is Midworks?

Connecting freelance engineers with companies
Matching service (skill sharing service)
We offer a wide variety of package plans to remove your fears of becoming independent.

Midworks Package plan

- Business transportation allowance
- Career advancement support expenses
- Accounting support system expenses
- Free membership to freelance association
- Use of welfare services
- Co-payment (50%) of life insurance premiums

Large number of projects

Guarantees of a full-time employee

Follow-up by consultants with extensive knowledge of the industry

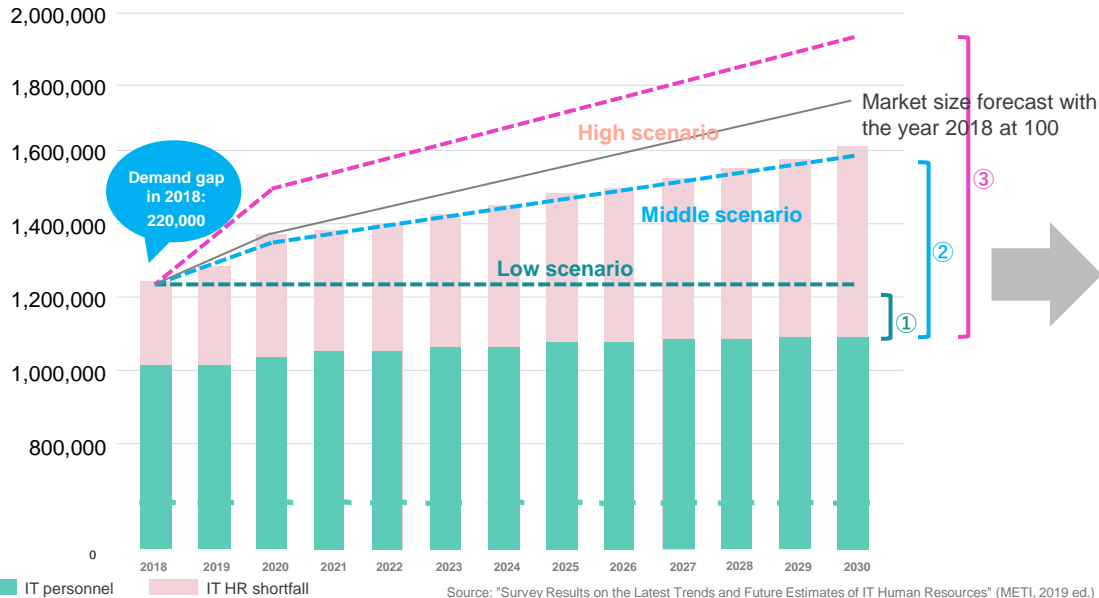


The expanding freelance engineer market

Reason ①

IT engineer job demand remains steady despite COVID

- IT personnel are in short supply due to strong demand stemming from digitalization and higher IT budgets at major corporations
- 60% of major corporations are willing to hire outsourced engineers (according to our survey)



IT personnel demand gap in 2030

Between 160,000-790,000

- ① low scenario
- ② middle scenario
- ③ high scenario

IT HR trends

The demand for IT personnel outstrips supply. By 2030 there will be a shortage of up to 790,000 people. We believe that the shortage of engineers will increase, and that **the value of our company, which offers various engineering services such as training and freelance engineer matching services, will rise.**

The expanding freelance engineer market

Reason ② A rising number of freelance engineers

Diversification of workstyles

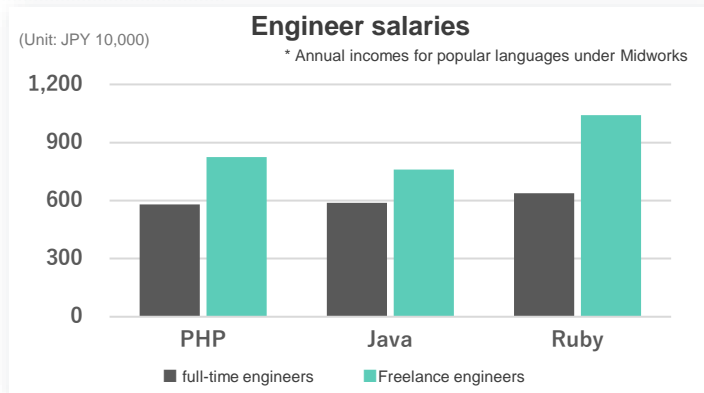
- In response to **the reform of work styles** promoted by the Ministry of Health, Labour and Welfare of Japan, an increasing number of engineers are choosing to **work without being tied down by time or location**.

Higher pay than full-time employees

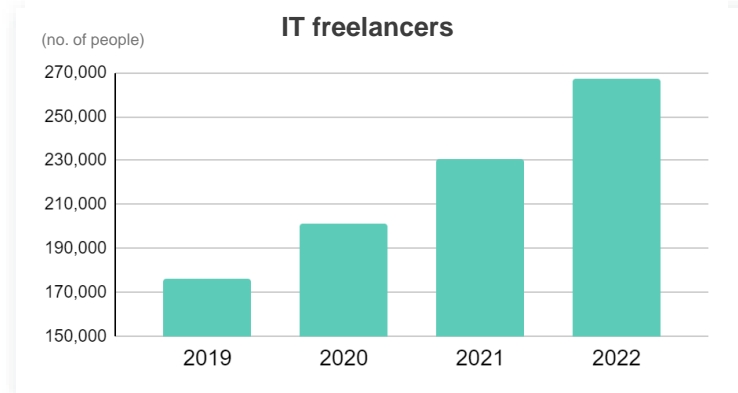
- **Average compensation for freelance engineers tends to be higher than full-time engineers** (according to our research)
- **The psychological hurdle to independence is low** because the risk of losing one's job is low due to the high job-to-employment ratio.

Ability to acquire a variety of skills

- Freelancers are not tied to one workplace, **allowing them to acquire skills and languages**.
- Freelancers can **participate in various phases of any company**, allowing them to improve their skills.



Full-time employees: (Reference) paiza Tenshoku, "Average annual Income ranking by language for job hoppers", 2022 data
Freelance: Annual salaries calculated from monthly pay at Midworks (Oct. 2022)



Source: Brocante Inc., "IT Freelance Human Resources and IT Freelance Agent Market Research 2021"

Our advantage in the freelance engineer market

Advantage ①

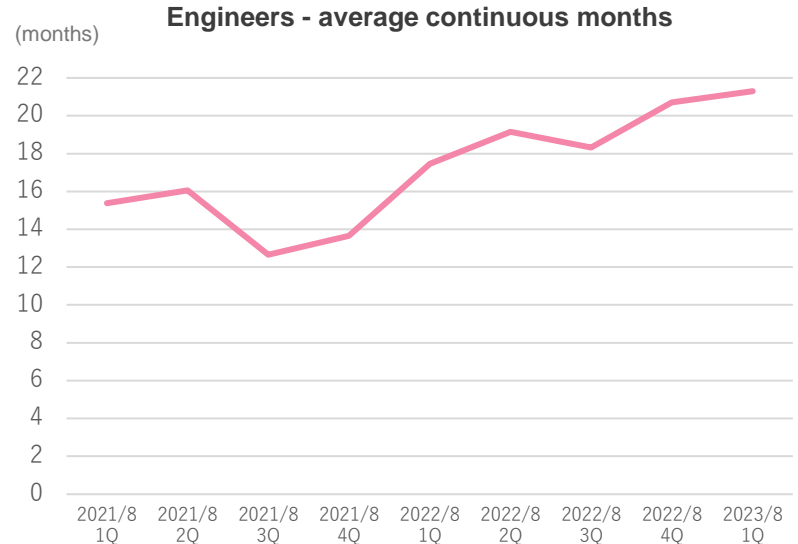
A high level of satisfaction and number of months of continuous service due to services designed from an engineer's point of view

- Branding Engineer's founder is a former engineer who has **provided services from an engineer's point of view** from day one.
- **Midworks** offers a package of benefits and salary guarantees to freelance engineers who sign up for our service. **This eradicates any feelings of uncertainty that freelancers may have.**



As a result....

We maintain a high level of satisfaction and a high average number of months of continuous service



We have established an advantage in a business model where LTV (Life Time Value) is measured by the unit price x no. of continuous months

Our advantage in the freelance engineer market

Advantage ②

Efficient acquisition of freelance engineers through marketing

- Visualize the return on investment for each advertising medium until a contract is signed, and **reinforcing the placement of ads with the highest returns on investment.**
- Promote engineers who register, **the advantages of Midworks**, such as its benefit programs, low commissions and guaranteed salaries.

Advantage ③

Efficiency through Branding Engineer's unique matching system

- As an organization with its own engineers and expertise, we have developed a platform that achieves **efficient matching.**
- With our time efficient matching system based on the needs of the company and engineers, we have **prevented lost opportunities on both sides.**

The advantages of employing freelance engineers

With the changing social landscape and scaling of projects, having flexible freelance engineers can bring **many benefits to companies.**

Enabling flexible business design

- **Create an composite organization** comprising full-time engineers with freelance engineers.
- Easy cost adjustment which **reduces the risk of cost overruns.**



Available on a spot basis

- Assign engineers with the necessary skills only when necessary **with the necessary skills only when necessary**
- **Assign engineers** with the skills required for each phase of the project



The advantages of becoming a freelance engineer

With new trends and change of the times, there are

many advantages to becoming a freelance engineer.

Unbounded workstyle

- Workstyles that enable work **from anywhere at anytime**



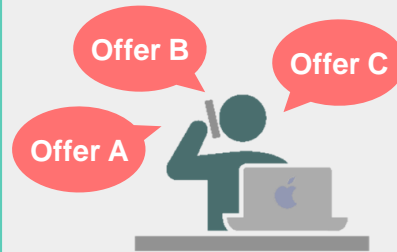
Higher pay than full time employees

- **Average compensation** tends to be higher for freelance engineers than for full-time engineers



Lower hurdles to independence

- **The psychological hurdle to independence** is low due to a higher number of job offers



Comprehensive skill development

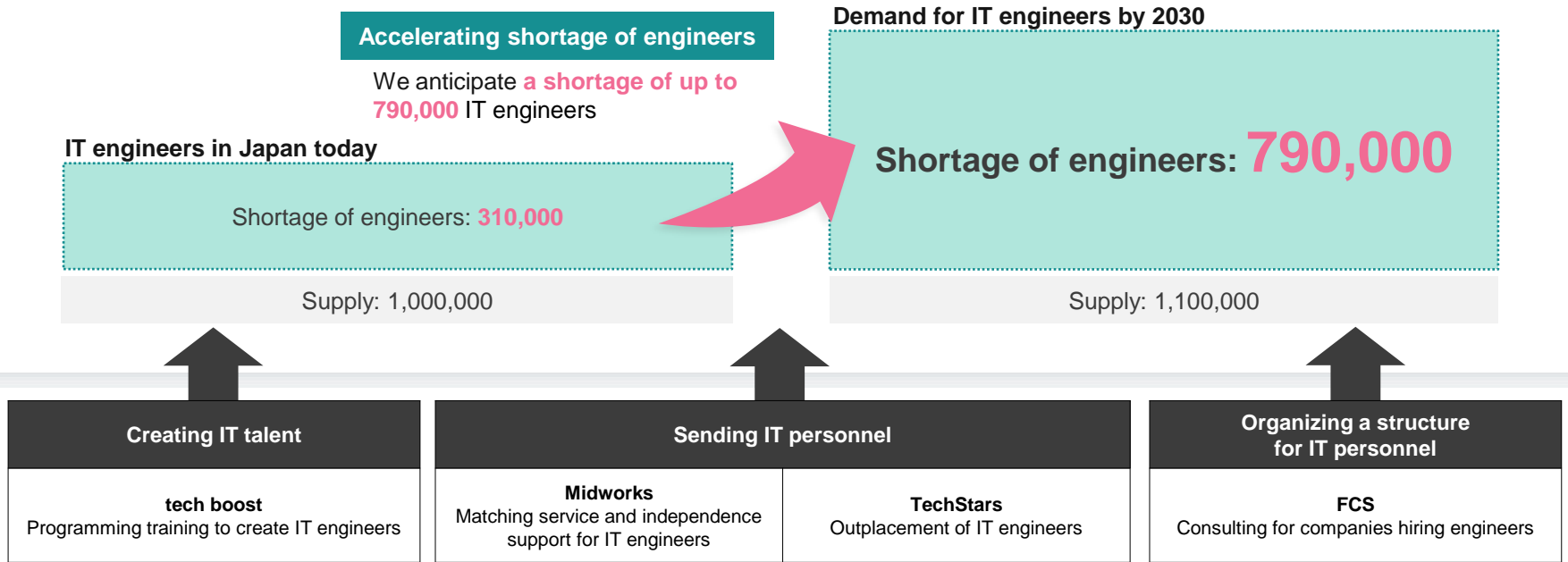
- Compared to full-time engineers, freelance engineers can work in different sites/phrases, and it is easier to **acquire various languages and skills**



The Market for Engineering Platform Services

The market for engineer training and employment support is expanding due to the shortage of engineers. Demand for consulting services using engineers is also expected to increase.

Source: Ministry of Economy, Trade and Industry, "Survey on the Latest Trends and Future Estimates of IT Human Resources" (2019)

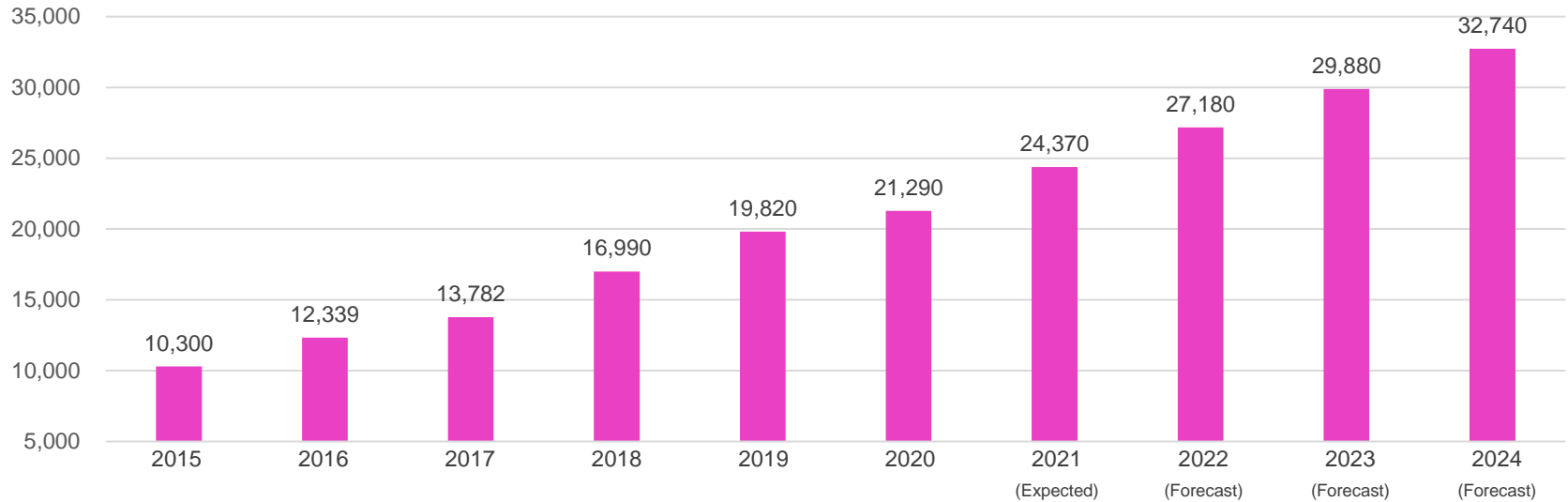


The Market for Marketing Platform Services

The internet advertising market is expanding every year and should reach JPY 3.2 trillion by 2024. Web marketing methods are diversifying and demand for web marketing consulting is expected to grow.

Internet advertising market

(Unit: JPY 100 million)



Source: Yano Research Institute, "2021 Internet Advertising Market Facts and Outlook"

A dark, low-key photograph of two men standing side-by-side. The man on the left is wearing a dark jacket over a light-colored shirt. The man on the right is wearing a dark t-shirt. The background is a dark, gradient grey. The text 'Company Profile' is centered in white, bold font over the image.

Company Profile



V i s i o n

“ B r e a k i n g C o m m o n S e n s e ”

Breaking the rules to create true value

A strong entrepreneurial spirit that continues to create new ideas and defy conventional wisdom

Company description

Company: Branding Engineer Co., Ltd.
(TSE code: 7352)

Established: October 2013

Representatives: Yasushi Kawabata (CEO)
Katsuya Takahara (COO)

Capital: JPY 139.589 million
(as of Aug. 31st, 2022)

No. of employees: 168 (consolidated; as of Aug. 31st, 2022)

Business: 1) Engineer platform business
2) Marketing platform business
3) Others

Permits: General Worker Dispatching Co. [Ha 13-306090]
Employment Agency Business Permit [13-Yu-307261]

Offices:

< Head Office >

6th floor, Shibuya Higashi-guchi Bldg. 2-22-3 Shibuya
Shibuya-ku, Tokyo-to 150-0002 Japan

<Shibuya Satellite Office >

4th floor, Aioi Nissay Dowa Insurance Shibuya Building
2-14-18 Shibuya, Shibuya-ku, Tokyo-to 150-0002 Japan

<Osaka Office >

504 Hanshin-sankei-sakurabashi Building, 2-4-13 Umeda
Kita-ku, Osaka-shi, Osaka-fu 530-0001 Japan

<Miyazaki Office >

1st floor, Kurono Building, 3-6-34 Tachibana-dori-higashi
Miyazaki-shi, Miyazaki-ken 880-0805 Japan

<tech boost School >

6th floor, ST Shibuya Building, 1-15-14 Dogenzaka
Shibuya-ku, Tokyo-to 150-0043 Japan

History

2013.10

Branding Engineer Co., Ltd. was established at Ebisu-nishi, Shibuya-ku, Tokyo-to as an IT engineering company specializing in HR technology and systems consulting. We started our FCS business.

2014.9

Issued 3rd party allocation of shares amounting to JPY 20.007 million

2015.1

Set up Midworks

2015.10

Set up [TechStars](#), a direct recruiting service specializing in IT engineers

2016.3

Launched [Midworks](#), an IT-support services provider

2016.7

Issued 3rd party allocation of shares amounting to JPY 101.99 million

2016.9

Relocated head office to Maruyama-cho, Shibuya-ku, Tokyo-to

2016.10

Launched [Mayonez](#), a career magazine for IT specialists

2017.5

Launched [Tap-biz](#), a career magazine for business people

2017.10

Opened [tech boost](#), a programming school specializing in the latest AI, blockchain and IoT technologies

2019.8

Launched [SAKAKU](#), a media consulting provider

2020.7

Listed on the Tokyo Stock Exchange Mothers market (TSE ticker code: 7352)

2021.2

Acquired 100% share of a media company making it a wholly-owned subsidiary, and consolidated the accounts

2021.11

Relocated head office to Shibuya, Shibuya-ku, Tokyo-to

2022.2

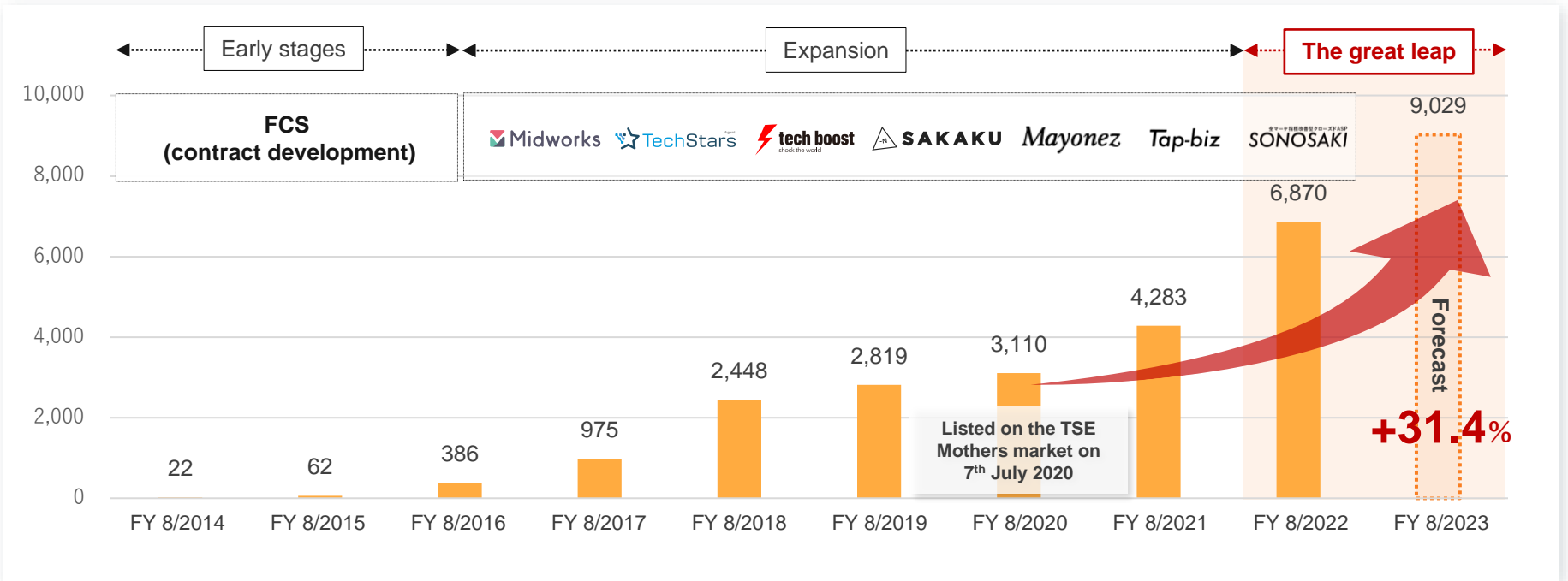
Acquired TSR Solutions Co., Ltd. as a wholly-owned subsidiary

Historical earnings

9 successive years of higher sales since the company was founded in 2013.

Sales set to grow 31.4% this year.

Years 5 to 7 saw management reinforcement. Listed in July 2020.



Branding Engineer's businesses

Engineer platform service and Marketing platform service are the two main services that we offer

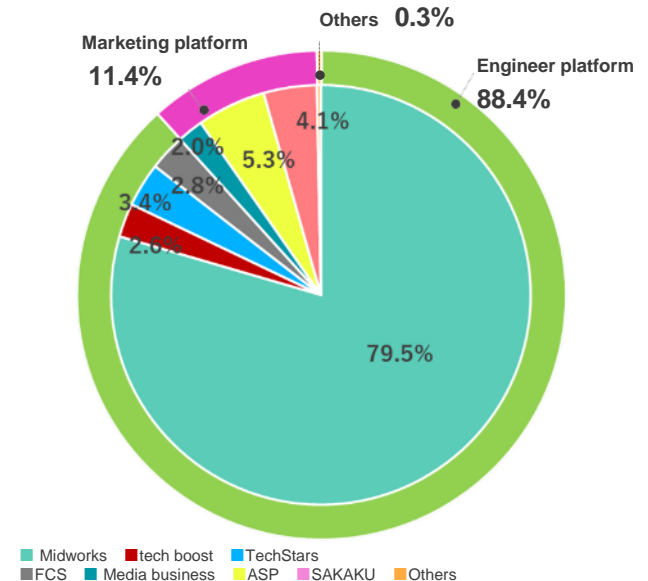
Engineer platform service

Midworks	Support for independence for IT engineers Matching service for freelance engineers
tech boost	Programming school
FCS	DX consulting and development contracts
TechStars	IT engineer outplacement and career support services

Marketing platform service

Media business	More than 10 media companies including Mayonez and Tap-biz
SAKAKU	Web marketing consulting service
SONOSAKI	Closed ASP service

Sales by segment (as of Aug. 2022)

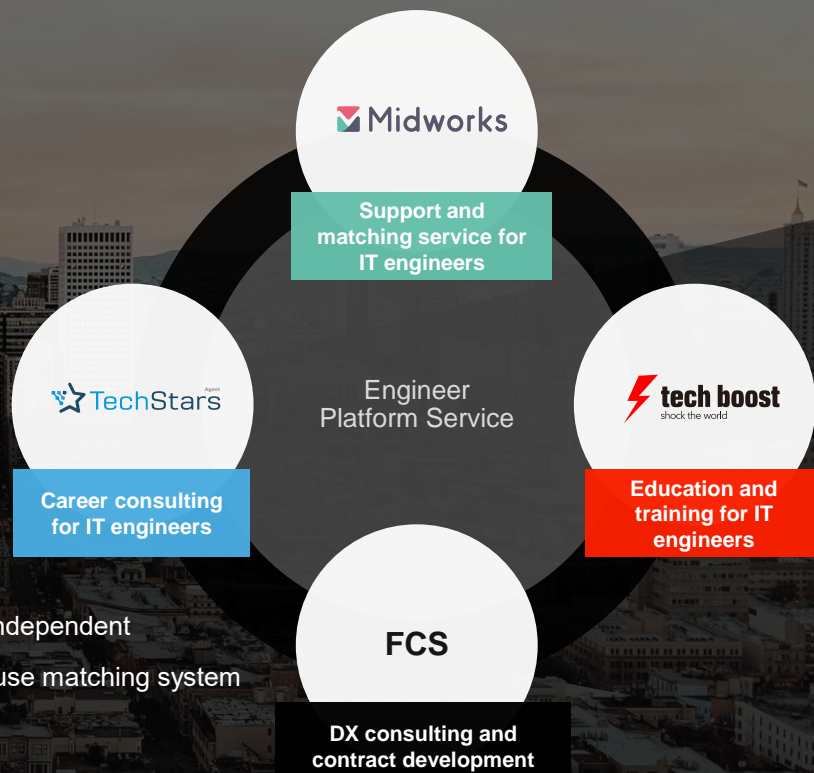


Platform service for engineers

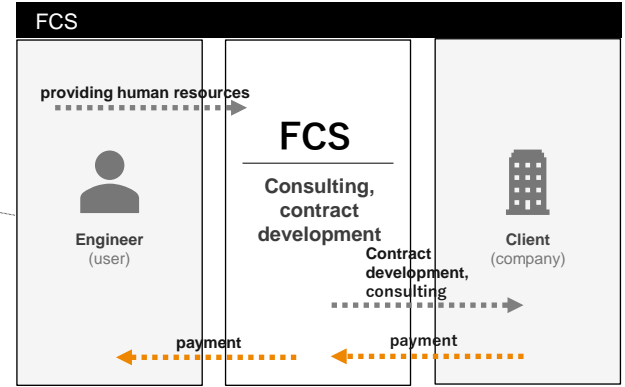
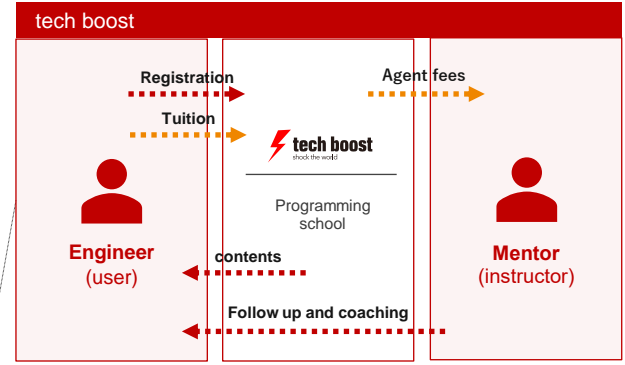
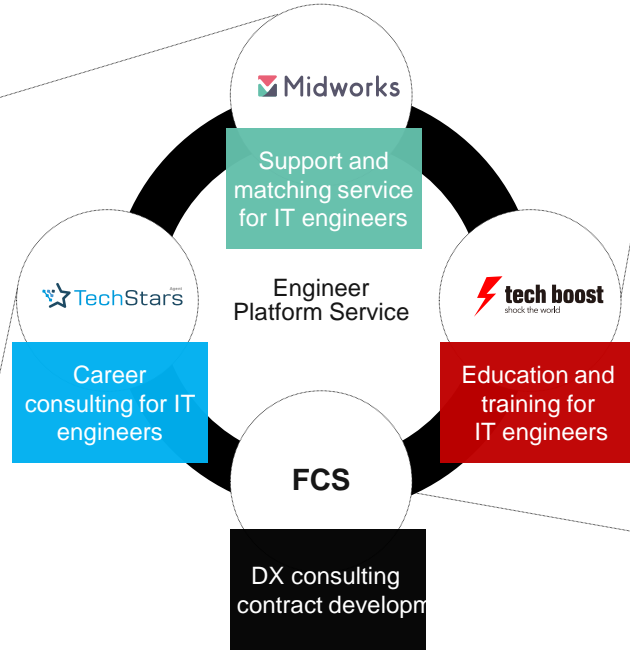
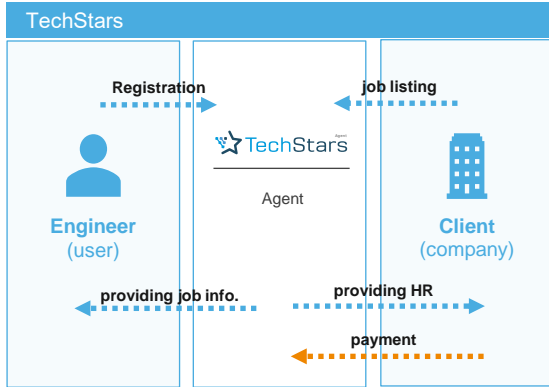
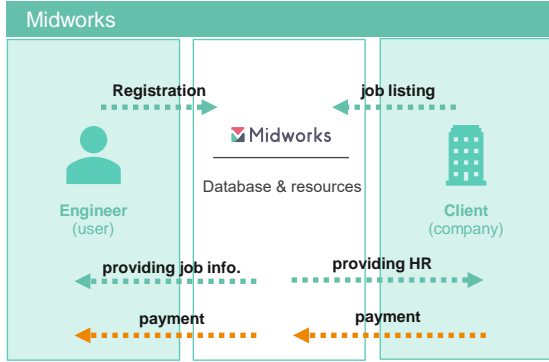
Career cycle

Platform

- ▶ Providing services tailored to all work styles, needs and values of IT engineers
- ▶ Covering and supporting the entire career cycle from education/training to going independent
- ▶ Propose and introduce engineers suitable to the company's needs using an in-house matching system
- ▶ Match IT engineers with a variety of company projects



Platform service for engineers - summary



Platform business for engineers - list of businesses



Midworks

Freelance engineer matching service. Database of over 30,000 freelance IT professionals (as of Nov. 2022)
Provide IT engineer human resources and DX support for companies
Receive a variety of projects from companies and promote new ways of working with IT professionals



FCS

Provide various consulting services to companies on DX, ranging from contracted system development to providing recruitment consulting services to set up systems development divisions.



tech boost

Programming education for freelance engineers is offered in both classroom and online formats.
Engineers with practical experience act as instructors and provide practical IT training necessary for business people to cope with DX. We offer a wide range of training programs to meet the needs of our customers.



TechStars

Job search service for IT engineers
By having a single consultant in charge of both the company and the job seeker, we are able to provide positions that match the values and needs of each individual job seeker from a wide variety of job openings.

Platform business for engineers - scope of business

Our in-house engineer database

×

Marketing prowess to source a variety of engineers

...are our competitive strengths. We provide a wide variety of services to meet client needs.

		Branding Engineer	Company A	Company B	Company C	Company D
Sending human resources, organization building	Strategy formulation	-		-	-	
	Defining requirements	FCS		-	-	
	Team design	Midworks		-		
	System design					
	Development					-
	Operations, maintenance		-		-	-
	Testing		-		-	-
HR creation	Programming school	tech boost	-	-		-
	(B-to-B)		-	-	-	-
	(B-to-C)		-	-		-

Platform business for engineers (Midworks) - the business model

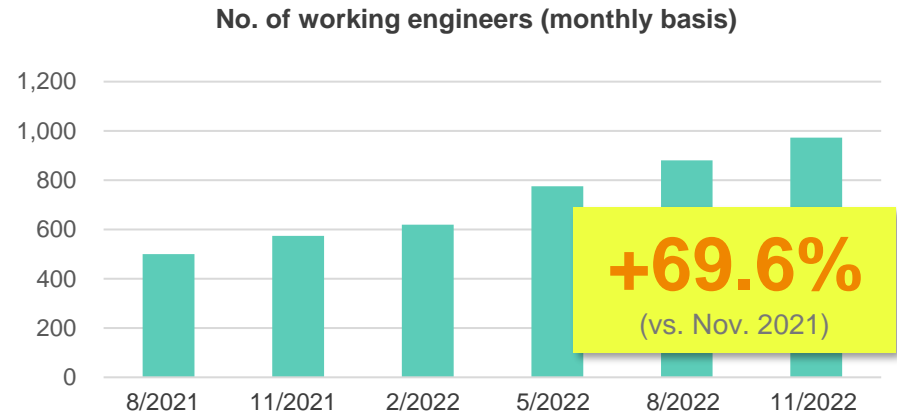
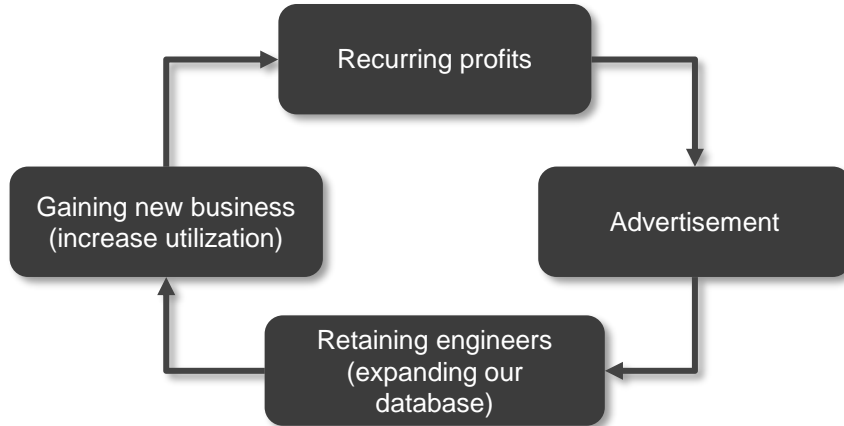
The engineer platform service is a recurring business model.

By increasing the number of clients (projects) and engineers, we have achieved stable sales growth. And by investing heavily in advertisement,

we have been able to increase the monthly number of working engineers by 69.6%

(as of end-1Q or end-Nov. 2022 YoY)

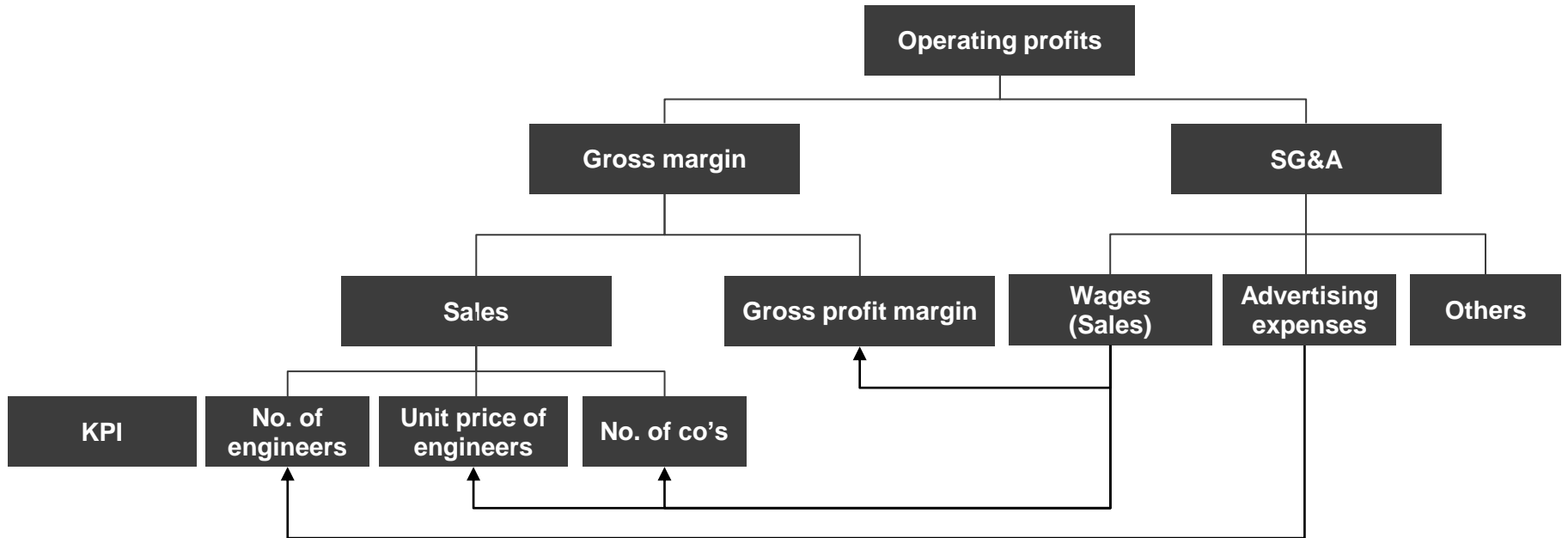
The rise in working engineers contributes to our recurring profit growth.



Engineer platform business (Midworks) - the business model

Advertising has contributed to the higher number of engineers.

Higher wages (sales) have contributed to the higher number of companies (projects) and have supported the unit price of engineers.



Marketing platform services

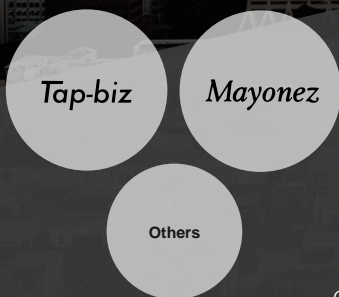
Based on our knowledge of web marketing

Expand into new areas

- ▶ We operate over 10 medias including Mayonez and Tap-biz
- ▶ Using our web marketing know-how through the operation of media companies, we provide web market consulting services to company's via SAKAKU and SONOSAKI as a closed ASP service.

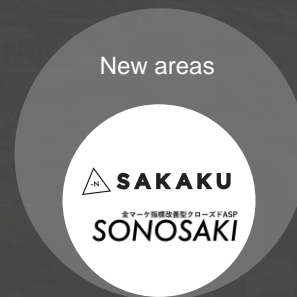
Web Marketing/Client Solutions

Our media companies

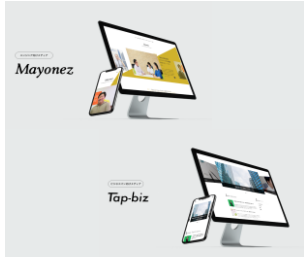


Web marketing consulting services

Using our web marketing know-how



Marketing platform service - business divisions



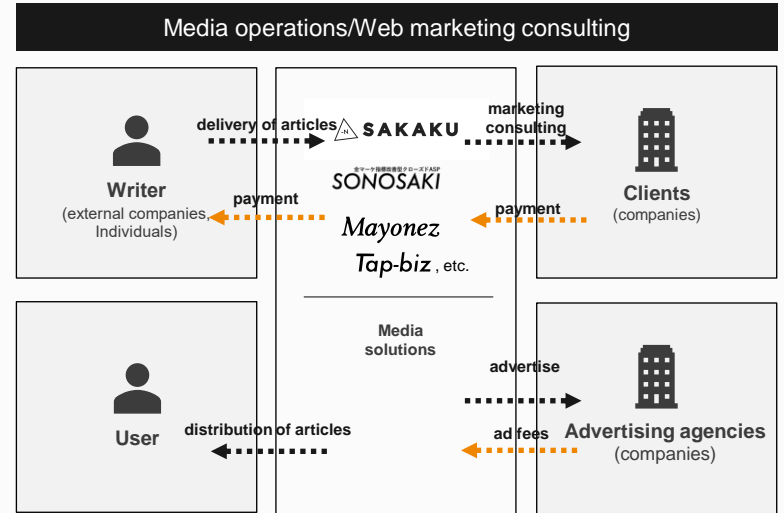
Media operations

We operate over 10 media companies including Mayonez, a lifestyle magazine for IT professionals, and Tap-biz, which provides information and knowledge to business people.



Web marketing consulting

Using our web marketing expertise through the operation of media companies, we provide web market consulting services that include SEO consulting, media start-up and publishing articles.



Disclaimer

This document contains forward-looking statements, plans and management objectives related to Branding Engineer (“the Company”)

These forward-looking statements are based on current assumptions about future events and trends, and do not guarantee that such assumptions will prove accurate, and may involve risks and uncertainties. Please note that actual results may differ materially from these forward-looking statements due to changes in the business environment and other factors.

Unless otherwise indicated, the financial data presented in this document are presented in accordance with accounting principles generally accepted in Japan.

Information concerning companies other than the Company is based on publicly available information. The Company has not verified and does not guarantee the accuracy or appropriateness of such information.

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