

# ADWAYS

## 2023

FY2023 - FY2025



# MEDIUM-TERM MANAGEMENT PLAN

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CORPORATE OBJECTIVES

2023–2025

MEDIUM-TERM MANAGEMENT PLAN

BUSINESS STRATEGY BY SEGMENT

# CORPORATE OBJECTIVES

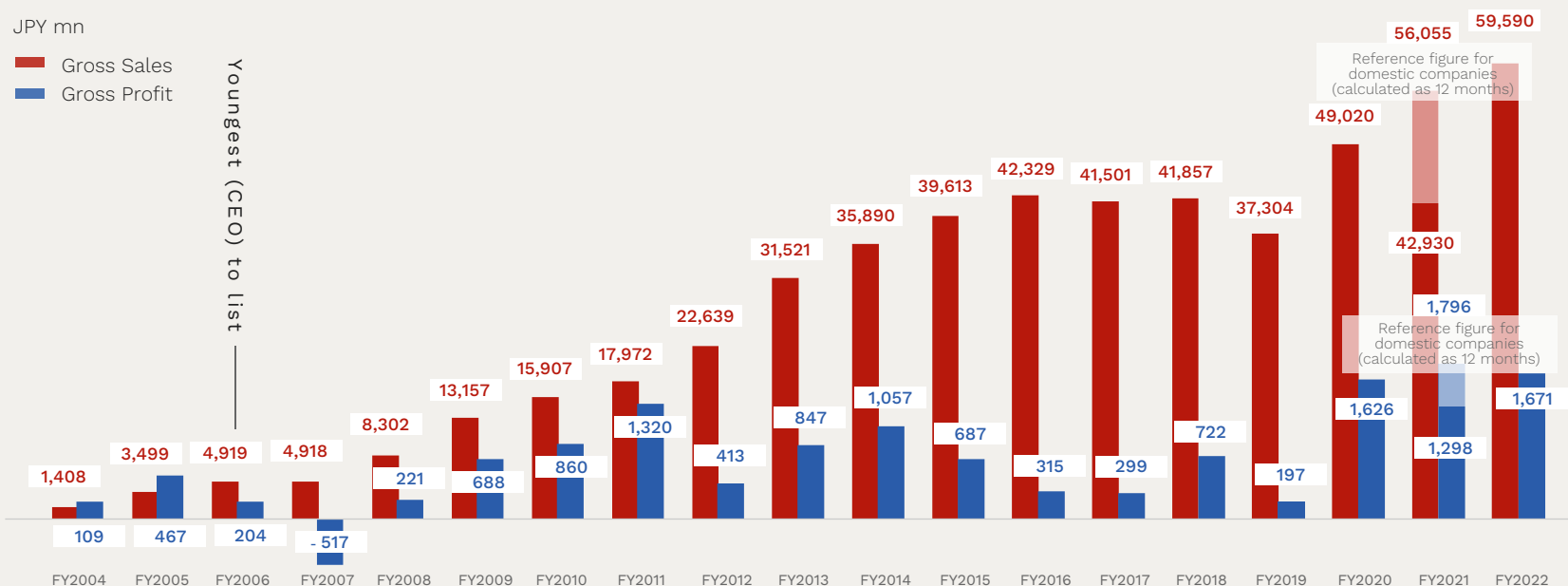
# Growth of Adways

## Adways continues to grow, centering on online advertising business since its founding

The listing on TSE Mothers in 2007 made Haruhisa Okamura (the then Representative Director and CEO, and now Director and Chairman) the youngest CEO to lead a company to listing. Listing on the TSE First Section in 2020, changing the Representative Director and CEO to Sho Yamada in 2021 and transitioning to the Prime Market in 2022, Adways continues to grow. In addition, Adways Group's FY2022 performance was gross sales\* of JPY 59,590 mn, operating profit of JPY 1,671 mn and profit attributable to owners of parent of JPY 2,536 mn, marking new record highs in gross sales\*\* for three consecutive fiscal years.

\* "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and other relevant regulations apply, effective from the beginning of FY2021. Accordingly, what was "net sales" under the old standard is presented as "gross sales."

\*\* For FY2021, as domestic companies had a 9-month accounting period due to change of the fiscal year-end, comparisons are made by converting the financial results to those equivalent to a 12-month accounting period.



# Current State of Online Advertising Surrounding Adways

## Worthless ads and fraudulent ads are present

In the online advertising industry in which Adways operates, there are worthless ads and fraudulent ads, one of the factors making users avoid ads.



# Adways' View of “Ideal Form of Online Advertising”

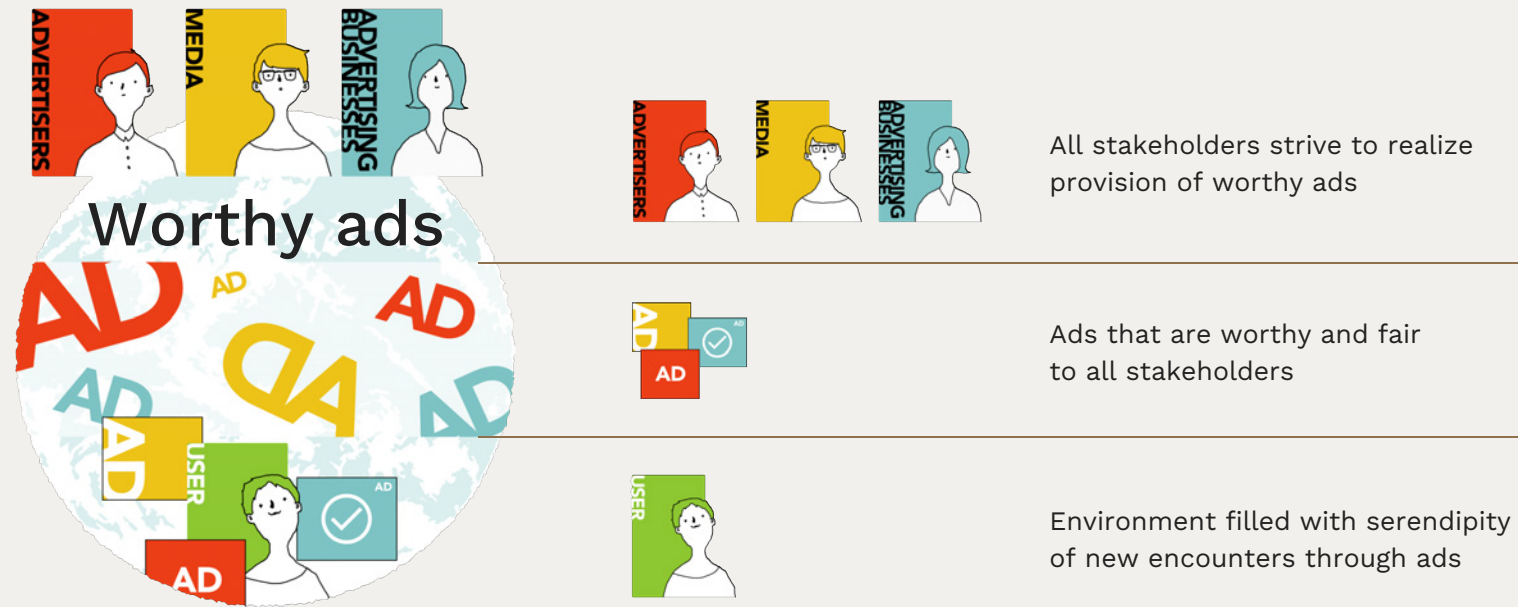
## In order to restore the intrinsic value of ads

## What should Adways aim for?

“Ads that are worthy and fair to all stakeholders”

“Environment filled with serendipity of new encounters through ads”

This is Adways' view of "ideal form of online advertising."



# What Adways Values

Not immediate profit, but social significance

In recent years, Adways has been making choices that would provide real value and have social impact, without being bound by immediate profit, for the realization of “ideal form of online advertising.”





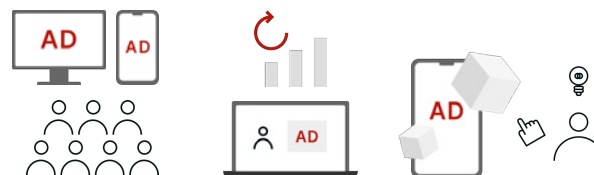
# Adways' Initiatives for the Realization of an “Ideal Form of Online Advertising”

## Initiatives for ensuring soundness of advertising



- Obtained KTAA (certification for advertising agencies complying with the Act against Unjustifiable Premiums and Misleading Representations and the Act on Specified Commercial Transactions) and YMAA (certification for advertising agencies complying with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices and the Medical Care Act)
- Certified as “Quality Certified Business Operator” by Japan Joint Industry Committee for Digital Advertising Quality & Qualify (JICDAQ)

## Offering of solutions with real values



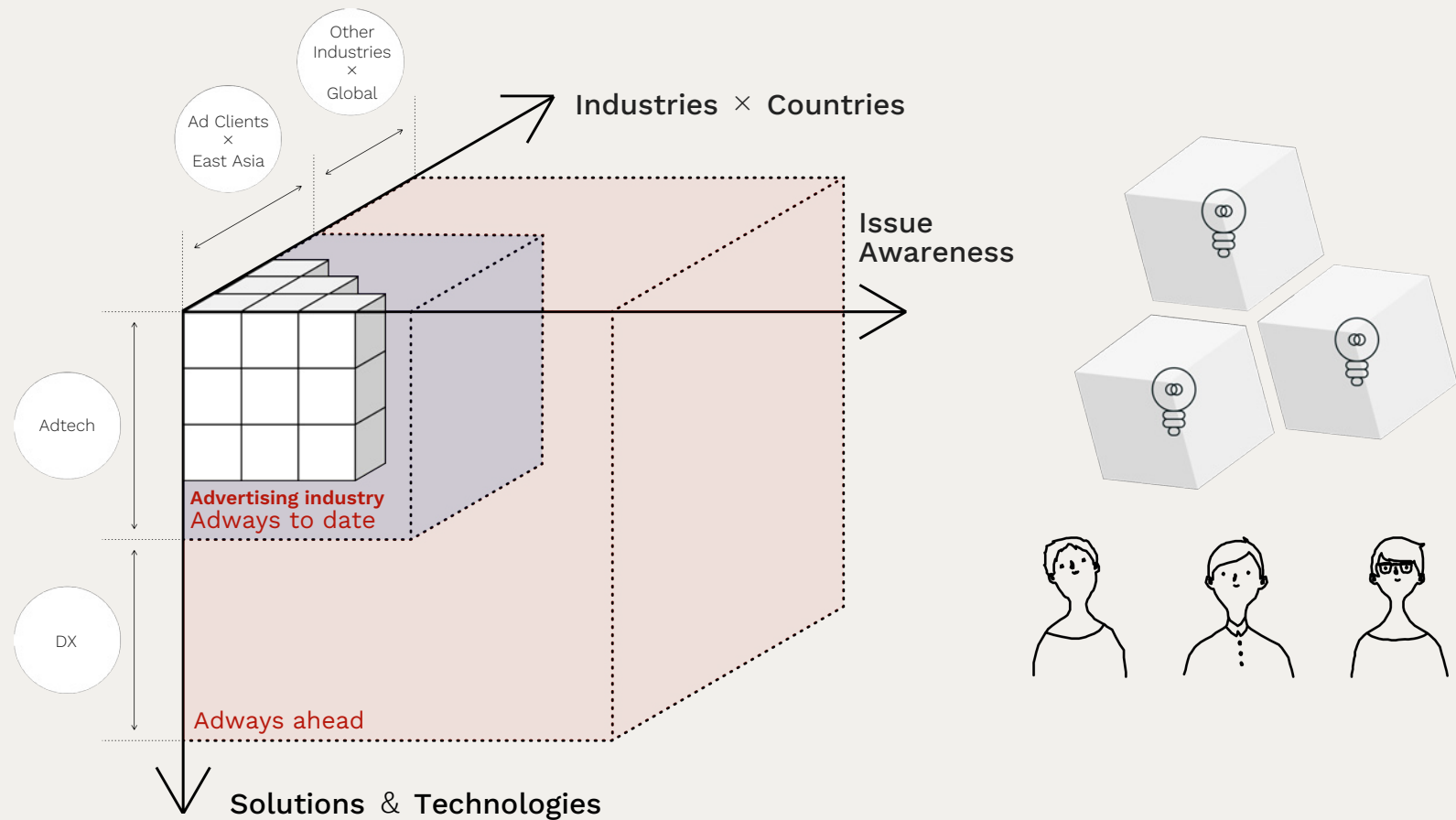
- Delight marketing
- Tightening up on advertisers and placement platforms
- Advanced advertising methods realizing new communication with users unencounterable before



# Adways Ahead

## Solving issues around the world with technologies & solutions

Adways intends to keep providing real value to all stakeholders involved with Adways by expanding initiatives to include identifying and solving social issues across industries for the realization of an “ideal form of online advertising.”



Adways will keep operating businesses delivering “real value” to the world, without being bound by own profit.



For the realization of  
“Adways ahead,”

**PURPOSE & VALUE**  
**has been formulated.**



# PURPOSE

## PURPOSE OF ADWAYS

**Make the world say  
“OMG. This is Amazing”  
and empower every  
person to expand their  
potential, the heart of our  
“No People, No Gain”  
philosophy.**

ABOUT

# OMG. This is Amazing

Innovation has the power to amaze. To provide eye-opening value that can transform people's core beliefs.

At Adways, we're committed to providing a stream of services and solutions that make people say, "OMG. this is amazing!" This commitment defines us. We believe that putting our minds to drawing OMGs from people makes life and work more fulfilling, no matter the position, job type, or task.

To bring people joy and surprise them with innovations that spark an "OMG, this is amazing!" response, we aim to create little OMGs every day that amplify into something truly incredible.

ABOUT

# No People, No Gain

How do you keep a company going? Increasing profit is important, but for us at Adways, the key is our "No People, No Gain" philosophy. Rather than ask employees to work on unfulfilling tasks that serve only to improve the company's bottom line, we want to engage them in work that inspires an uncontrollable desire to take on challenges. Work that helps them grow every single day. We aim to be a company doing meaningful things that people can be proud to share with their loved ones.

Making this happen isn't easy, but we believe in the potential of all people. When faced with a daunting task anyone else might abandon, we take the lead and never give up. By lighting an inspirational fire in people that spreads like rippling waves, we hope to help shape a society where everyone can experience the joy of growth.

"No People, No Gain" means broadening possibilities and providing growth opportunities to all. People are more important than money, and it is our passion for this truth that gives us purpose.



# VALUE

# VALUE OF ADWAYS

**Believe in  
Yourself**

**Act Boldy**

**Embrace  
Diversity**

ABOUT

# Believe in Yourself

Should we be satisfied just doing what is asked of us? When we look into the true nature of things and ask ourselves what needs to be done, new value is born. But we tend to fall into routines and look away from things that seem impossible.

But think about it.

Most of those who have changed the world were called crazy and told their efforts were pointless. Even so, they kept pursuing their ideals and created unprecedented value. So believe in yourself and never stop working to understand the heart of all things. Even if no one agrees with you now, remember that what we cannot understand today may well become common knowledge tomorrow.

ABOUT

# Act Boldly

We tend to wash our hands of the future and assume someone else will solve our problems, saying "What's the point of sharing my opinion?" or "I'm sure someone else will do it."

But think about it.

What if you're the only person who sees the problem? When no one around you is doing anything, and you're not sure if you should do something, it can be tough to take that first step. But that's exactly the time to overcome your anxiety and act. If you do, others who share your ideas will find you, and together, you'll create more energy to address the issue. Once you take that first step, the next is sure to follow.

Be brave and move forward. Boldly take that step. Even if you stumble, you can get up and walk on.

ABOUT

# Embrace Diversity

Even people who work together every day clash occasionally. One person might push their ideas onto someone else or focus on a colleague's weaknesses, rejecting them in the process.

But think about it.

If everyone had the same ideas and abilities, there would be no point in working together. Just as there are many routes to a goal, different people have different ideas. Each of us has unique strengths and weaknesses.

Instead of giving up on understanding each other, let's embrace our differences and try to look at things from new perspectives. Because when we overcome the uncertainty of accepting differences and allow values to intersect, we can offer great value to the world.



At Adways, we are committed to making as many people as possible say, “OMG. This is Amazing” and helping all people experience the joy of growth. Through the work we do, we aim to create true value as we fulfill our purpose.



2023—  
2025

Contents02 : **Medium-term management plan**

# MEDIUM-TERM MANAGEMENT PLAN



# Aiming for JPY 3 billion in operating profit by FY2025

Adways Group will promote further proactive initiatives to fulfil the purpose. With that determination, a new medium-term management plan has been formulated, positioning FY2023 through FY2025 as “three years of taking on challenges.”

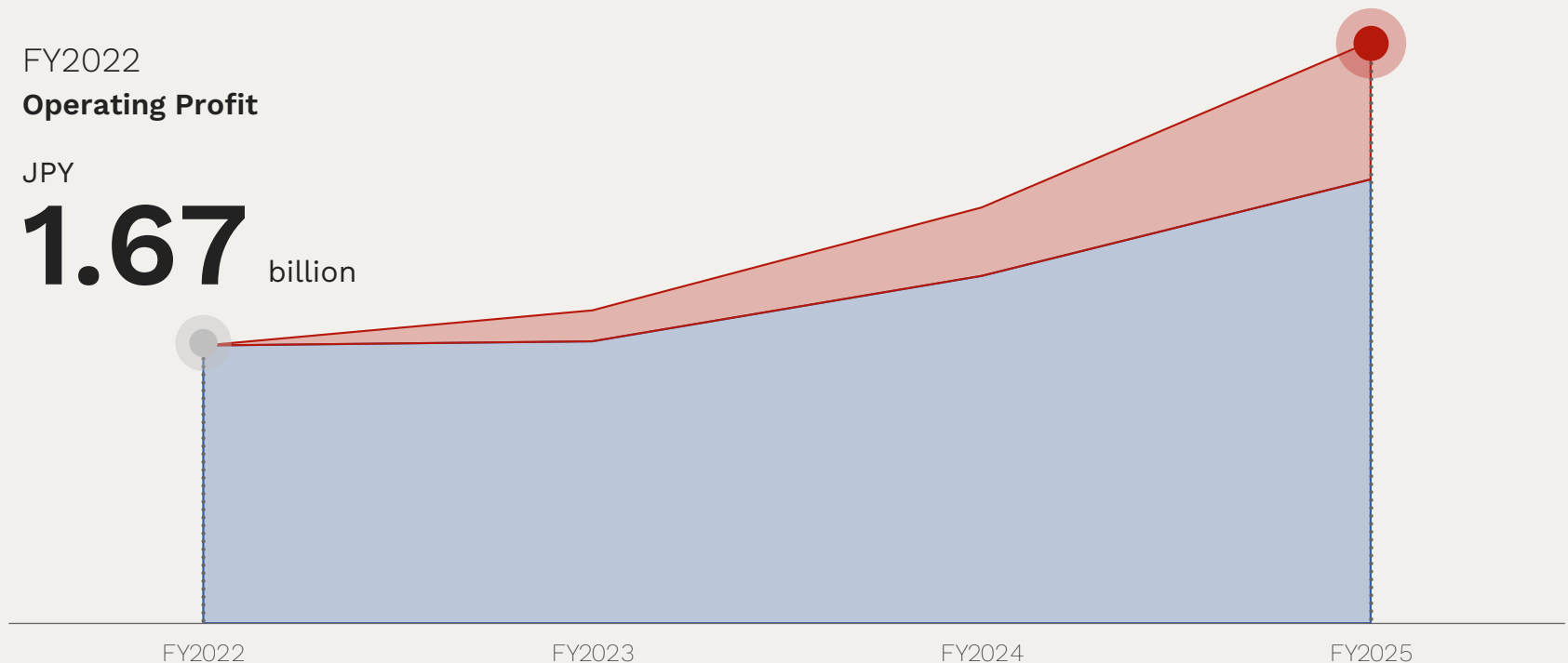
- New market expansion/new solutions /diversification
- Market penetration

FY2022  
Operating Profit

JPY  
**1.67** billion

FY2025  
Operating Profit

JPY  
**3** billion  
Achievement



# FY2023–FY2025 Medium-Term Management Plan

## 01. Advertising business

Realizing growth of all stakeholders involved in advertising



- **Agency business (Domestic)**  
Realizing marketing DX as drivers of clients' business growth
- **Agency business (Overseas)**  
Cross border marketing support
- **Ad Platform business (UNICORN)**  
Three-dimensional expansion on channels, value and accounts
- **Ad Platform business (JANet / AppDriver)**
  - Updating affiliate advertising with new concepts
  - Strengthen service development to improve customer experience and maximize media revenue

## 02. Other business ( Non-advertising )

Fulfilling the purpose in the non-advertising business



- Providing new experiences and value
- Promoting new solutions and business diversification

## 03. Unleashing human potential

Fostering an environment enabling focus on tasks that only humans can do and challenges to continue to be taken



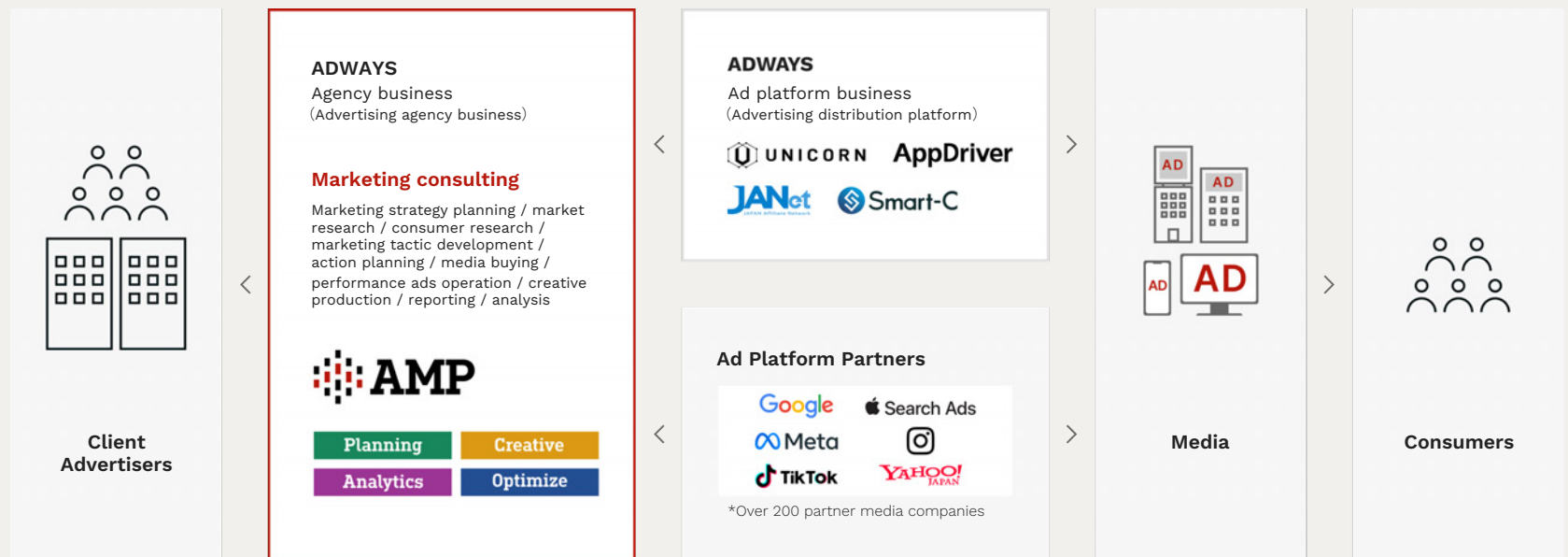
- “Co-existence of humans & machines”
- Smooth corporate function building

# BUSINESS STRATEGY BY SEGMENT

# AGENCY BUSINESS

# Agency Business

Creating real advertising value by integrating strong, people-driven operational capabilities and creativity with sophisticated marketing technologies that leverage AI, to provide comprehensive and efficient support for clients' business growth



# Agency Business Strategy (Domestic)

## Business Strategy

Realizing marketing DX as drivers of clients' business growth

**For major companies**



- Strengthening sales



**In line with client needs**



- Full-funnel / Full-channel
- Comprehensive marketing support



**Shaping the future of the advertising market**



- Product and solutions development

# Agency Business Strategy (Domestic)

Strengthening the ability to propose to clients  
by deepening collaboration with the Hakuhodo DY Group

## Collaborative business with Hakuhodo DY Group

Strengthening proposals to major companies by enhancing capabilities

Hakuhodo DY holdings

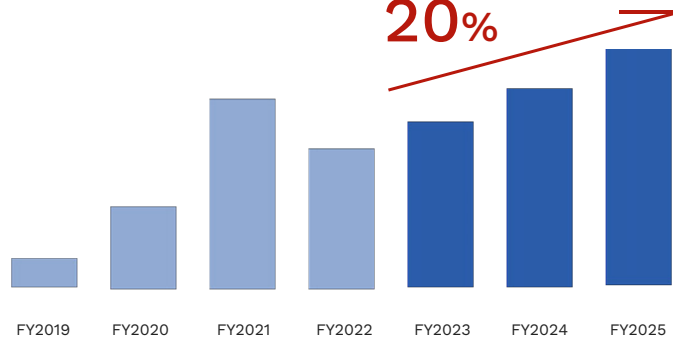


Hakuhodo DY  
media partners



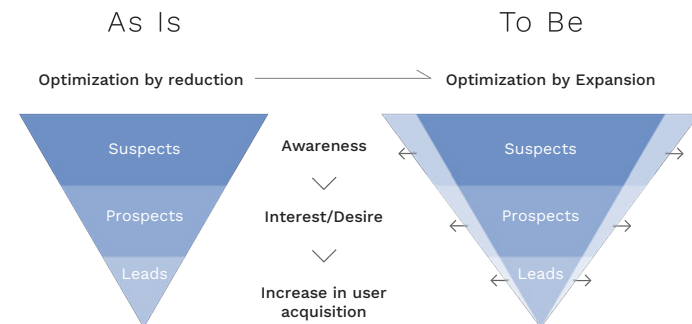
ADWAYS

CAGR  
**20%**



## Comprehensive marketing support based on full-funnel/full-channel approach

Horizontally and vertically integrating awareness and user acquisition funnels through data utilization, realizing return on investment and business expansion for clients' business





# Agency Business Strategy (Domestic)

Promoting development of products and solutions shaping the future of the advertising market

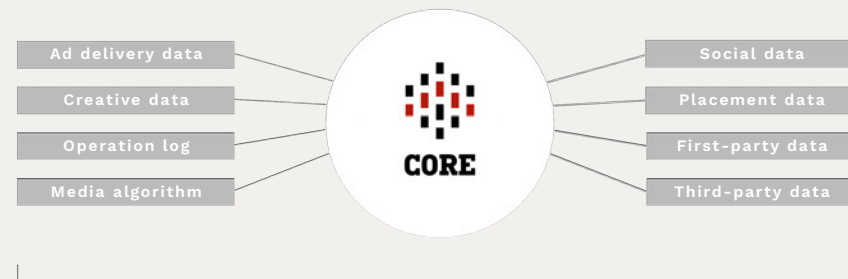
Next-generation solutions for amplifying digital marketing “AMP (Amplify Marketing Program)”.

Campaign data, holistic data and other data of ultra-high granularity are consolidated, realizing a new dimension of ad operation through “sophisticated mechanization”.



## AMP CORE

Core system combining 10 years of data & systems



# Agency Business Strategy (Domestic)

Realizing data-driven marketing through the AMP series

## Operation optimization Through AMP MediaAnalyzer

AI detects ad optimization points through media algorithm analysis & behavioral and causal visioning, realizing control of ad delivery in line with marketing strategies

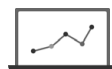
### Analytics

Analytics series

### MediaAnalyzer



Data accumulation and visualization



Media algorithm analysis



Appropriate operation solution



AI detects ad optimization points



Enabling high-level ad operation by anyone regardless of genre of the campaign

Compatible with major mega platforms

※Plan to expand compatible media one after another

MediaAnalyzer

**M4G**

Google

MediaAnalyzer

**M4M**

Meta  
- Facebook  
- Instagram

MediaAnalyzer

**M4TT**

TikTok

MediaAnalyzer

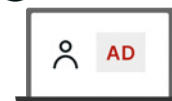
**M4T**

Twitter

## Development of creative solutions

Digitizing creatives' composition and element scores and using effect predictions and improvement element proposals based on proprietary AI models, realizing logical and highly effective creative production

Data analysis



Effect prediction



Hypothesis proposal



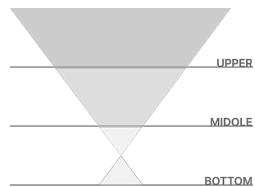
Enabling empirical and more highly effective creative production

# Agency Business Strategy (Overseas)

## Business Strategy

Cross border marketing support

### Funnels



- Awareness
- Comparison/Consideration
- Interest/Desire
- **Conversion**
- Advocacy
- Full funnel
- **Strengthening Brands X EC**



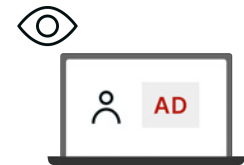
### Accounts



- Games (App)
- **Non-games (App)**
- **Brands**



### Measures

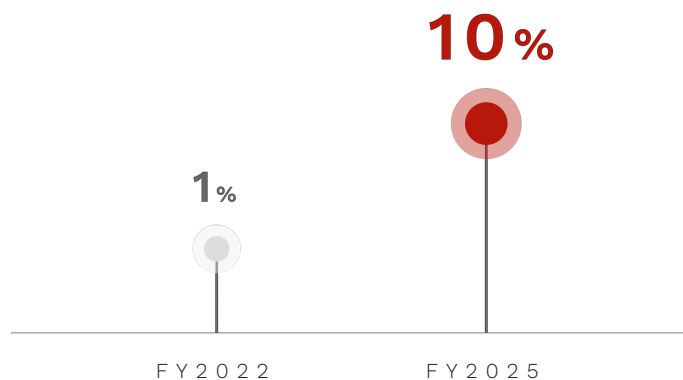


- Strengthening ad operation/creatives
- **Visualization of true ad effectiveness**
- **Strengthening proprietary solutions**

# Agency Business Strategy (Overseas)

Expanding brand advertising domains through overseas marketing and strengthening proprietary solutions

Opening up non-games domains (China)



Aiming for non-games domains to account for 10% of gross sales through overseas marketing support for Chinese companies accelerating global expansion of automobiles, cosmetics, etc.

Providing value through proprietary solutions “IDEA Push” and “UNICORN” (Taiwan)



Solution supporting ad delivery within official LINE accounts



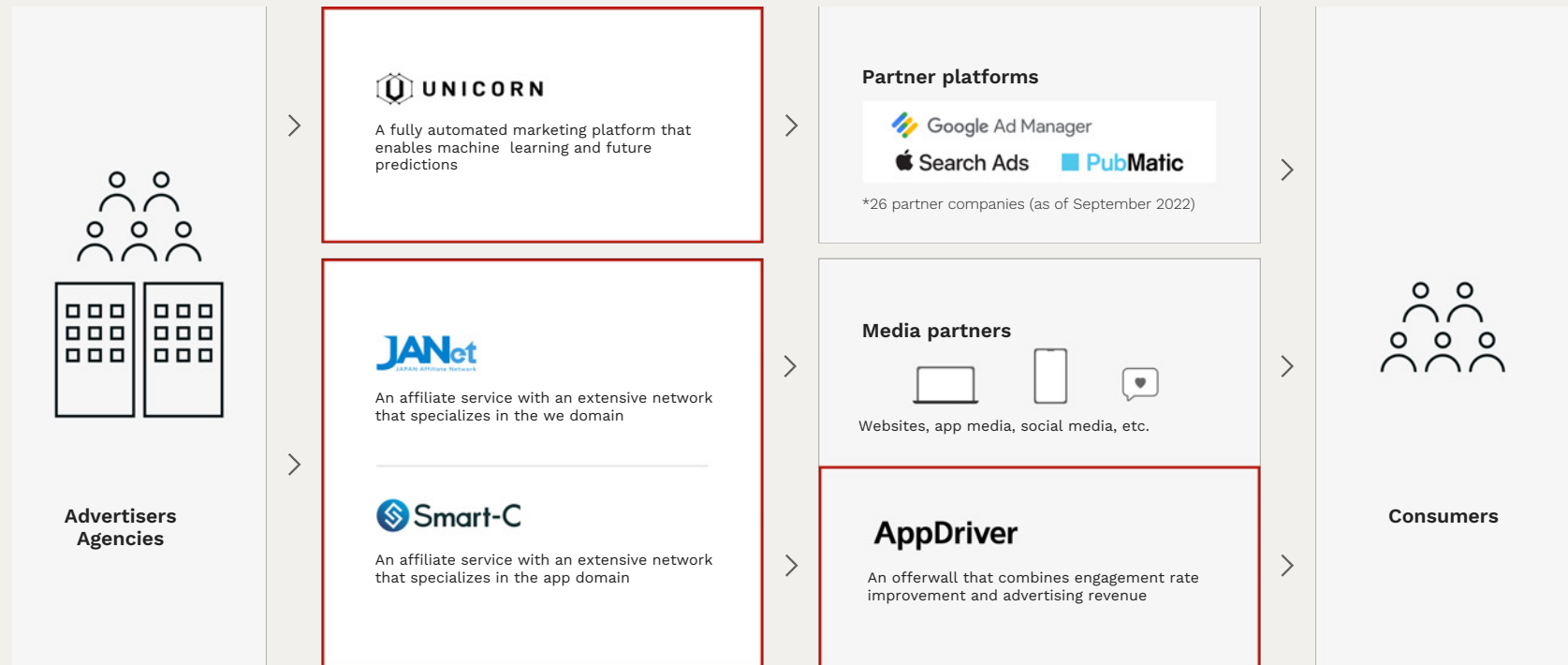
Strengthening brand advertising domains through UNICORN

Through proprietary solutions, expanding into business domains not undertaken by Taiwan's major agencies

# AD PLATFORM BUSINESS

# Ad Platform Business

In pursuit of advertising value, leveraging new marketing terms and technologies (maximization of advertising effectiveness, etc.) to support stakeholders' continued growth

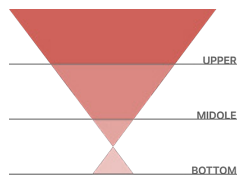


# Ad Platform Business Strategy (UNICORN)

## Business Strategy

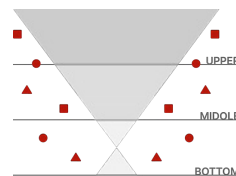
Three-dimensional expansion based on channels, value and accounts

### Funnels



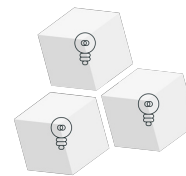
Awareness  
Comparison/Consideration  
Interest/Desire  
Conversion  
Advocacy

### Channels



- Smartphone display ads
- App Store
- OTT / CTV / InGame etc.
- Mega Platform  
Google Search、YouTube etc. planned
- PC display ads

### New value provision



- High-performance delivery utilizing machine learning
- Strengthening creatives  
Interactive AD
- Realizing real ad effectiveness
- High-performance delivery not dependent on user identification
- Realizing communications having user advantages

### Accounts

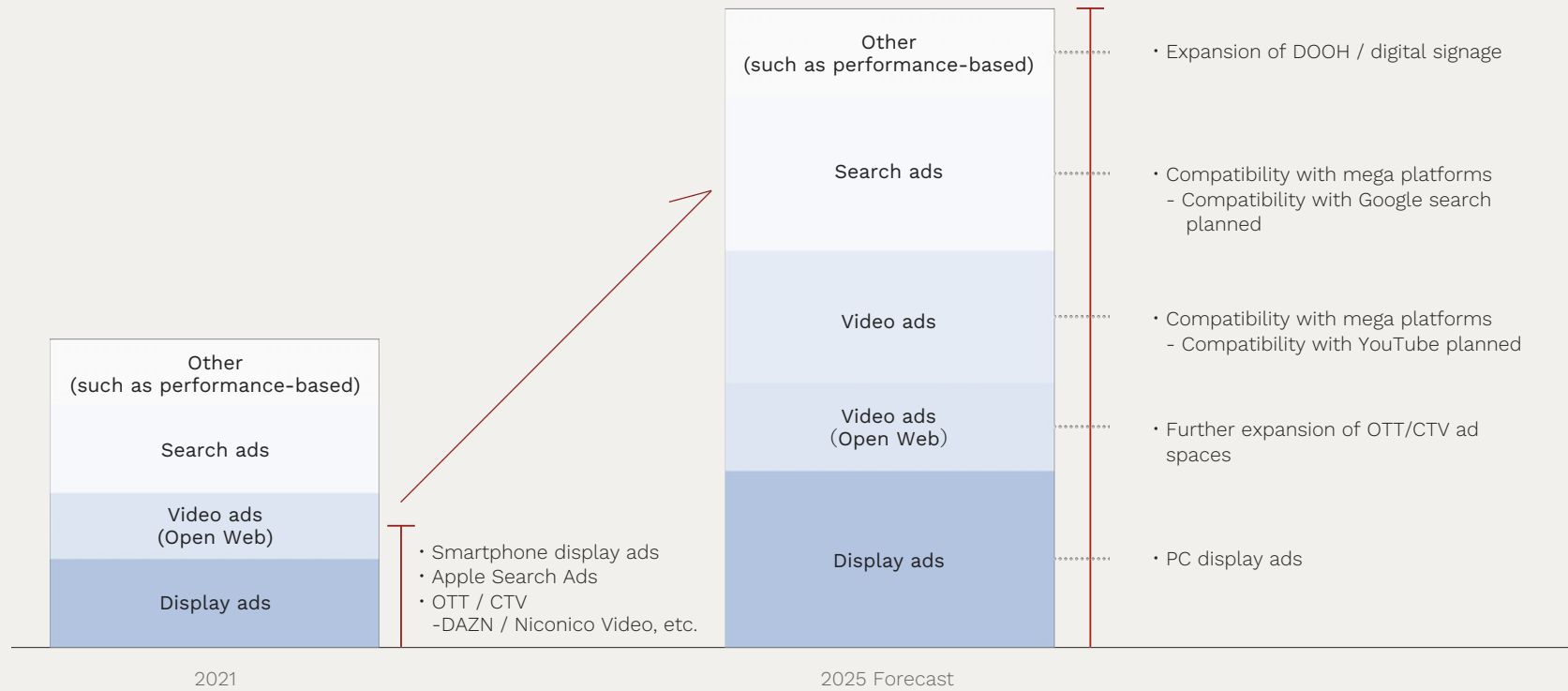


- Domestic Web clients
- Oversea Web clients
- Domestic app clients
- Oversea app clients



# Ad Platform Business Strategy (UNICORN)

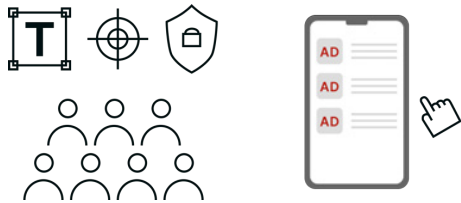
Realizing optimization of communication across all channels



# Ad Platform Business Strategy (UNICORN)

Next-generation communication optimization not relying on user identification

## Measurement/Evaluation



Realizing optimization using methods of measurement without identifying users

Research and development of engines enabling high-level optimization without using conversion data

## Targeting/Delivery



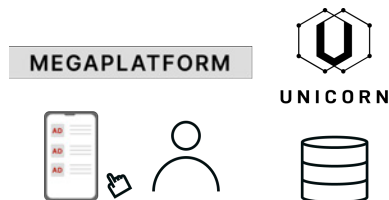
Realizing not only contextual targeting in a form not identifying individuals but also situational targeting grasping users' situation, etc.

Enabling direct user advantages from contact with ads and ad control by users

# Ad Platform Business Strategy (UNICORN)

To the world again based on proofs of concept in Japan

Performance ads (apps)  
× Europe & U.S.



Target is mainly North America.  
Competitors overseas, too, are  
likewise tailoring to mega  
platforms.  
The market size is  
approximately 10 times that of  
Japan.

Branding ads (web)  
× Southeast Asia



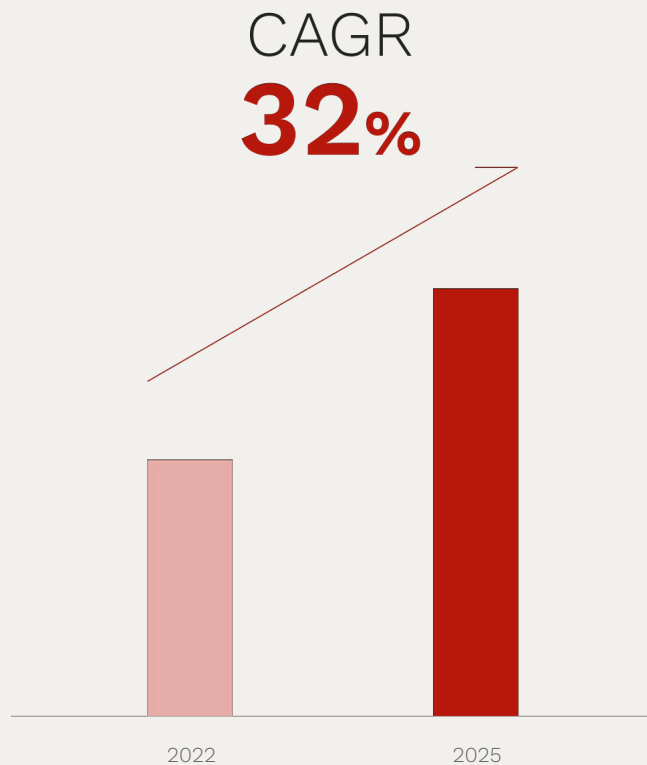
Planning to expand from East  
Asia to Southeast Asia

And then,  
to the whole world



Aiming to expand to the whole  
world after conducting tests for  
global expansion in both North  
America and Southeast Asia

# Ad Platform Business (UNICORN) Gross Profit Growth Plan



## STEP 01

- App advertisers: Expansion of share based on full-funnel/full-channel approach
- Brand advertisers: Expansion of share of display ads
- Overseas expansion testing

## STEP 02

- Establishment of evaluation and measurement of real ad effectiveness
- App advertisers: Expansion of global business
- Brand advertisers: Securing budget for mega platforms

## STEP 03

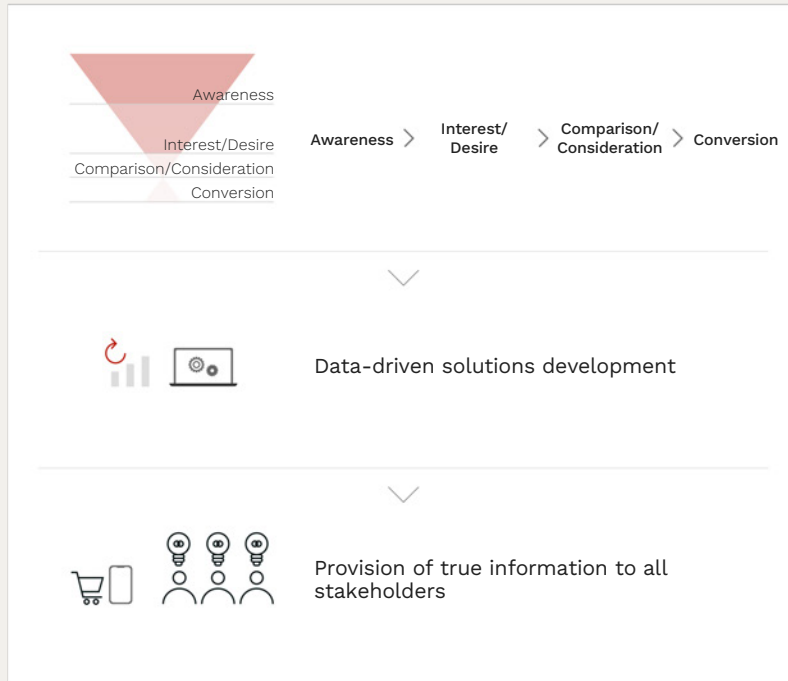
- Realization of marketing platforms that bring awareness
- Brand advertisers: Expansion of global business

# Ad Platform Business Strategy (JANet)

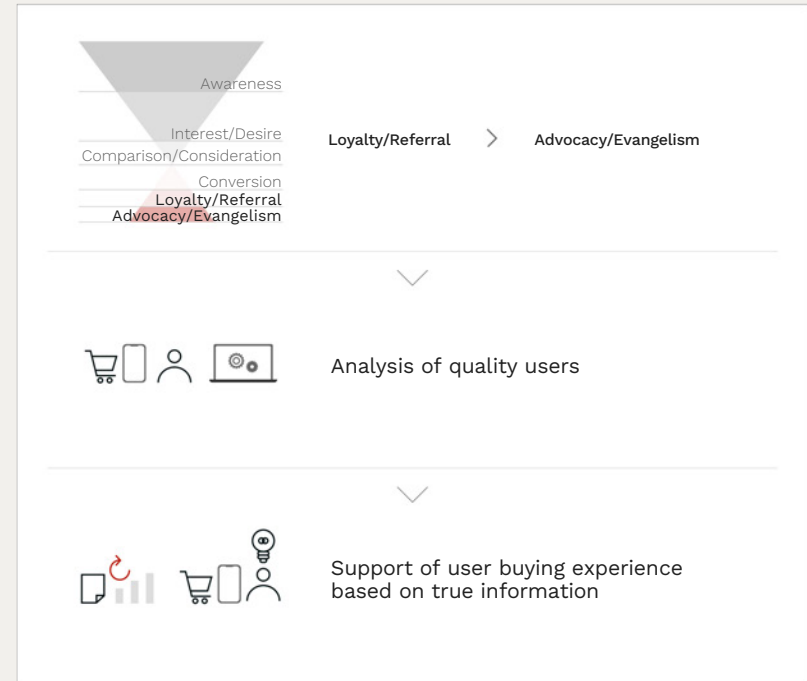
## Business Strategy

Updating affiliate advertising with new concepts

### Affiliate domains to date



### Data solutions domains



**Creation of delightful user experiences = Delight marketing**

# Ad Platform Business Strategy (AppDriver)

## Business Strategy

Enhancing customer experience × Strengthening development of services that realize maximization of media revenue

Traffic



No. of actions

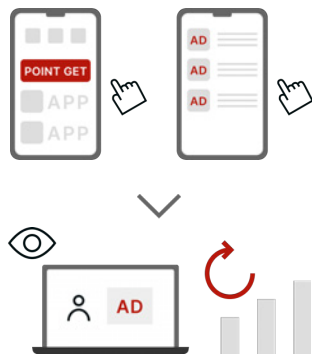


Unit price

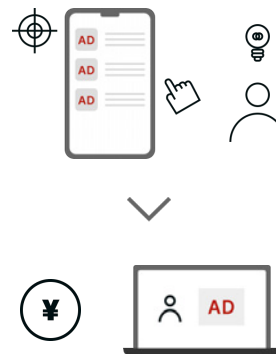
Development/Measures

Development/Measures

**UX optimization of offerwall**



**Maximization of media revenue through user activation**

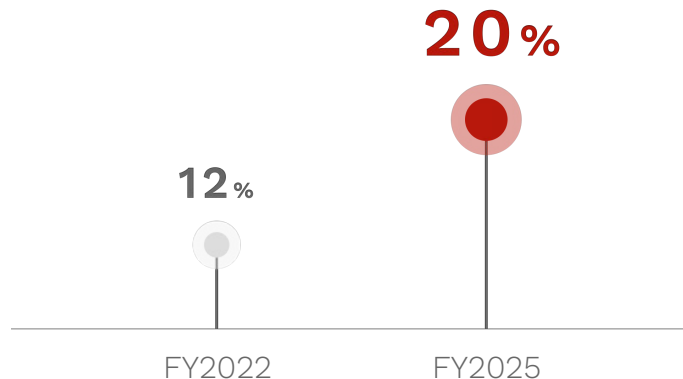


# PROPORTION OF OVERSEAS ADVERTISING BUSINESS

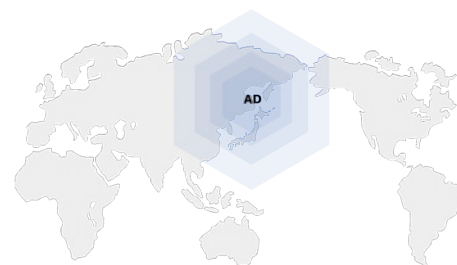
# Proportion of Overseas Advertising Business

Strengthening advertising business globally,  
including also overseas expansion of UNICORN

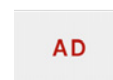
## Proportion of overseas advertising business (gross)



## Measures



- Focus on East Asian market  
(China, Taiwan, Hong Kong and South Korea)



- UNICORN × Overseas expansion



# OTHER BUSINESSES (NON-ADVERTISING)



Businesses that support the growth of all stakeholders and the vision of non-advertising businesses, aiming to fulfill the purpose of Adways.

Adways Group operates various businesses beyond online advertising to support the growth of all stakeholders and the realization of a better environment and society.





# Other Businesses (Non-Advertising)

## Providing new experiences and value

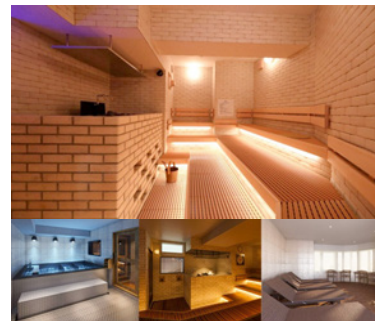
Promote new solutions and business diversification in the non-advertising businesses

### Vtuber Business



Providing new experiences in entertainment

### New Contents Business



Operating stores utilizing the latest technologies. It currently has three stores in Tokyo

土田昆衛製作所



Made in Japan X  
Providing new value through new experiences

# UNLEASHING HUMAN POTENTIAL

# What is unleashing human potential?

## Building an environment in which people can fully demonstrate their true potential.

Adways Group is pursuing initiatives under the theme of “co-existence of humans & machines” by completely separating what only humans can do and what machines are good at and mutually maximizing areas of specialty.

Initiatives are being accelerated for fostering a truly pleasant environment to enable our employees to continue taking on challenges.

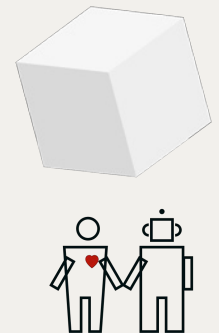
# Unleashing Human Potential

“Co-existence of humans & machines” is the fundamental thinking in creating value

## What machines are good at × What only humans can do

Discerning what should be done by humans and what should be done by machines and entrusting machines with those tasks that machines are good at would allow humans to spend more time than before to deeply consider and produce “products and systems that would amaze people.”

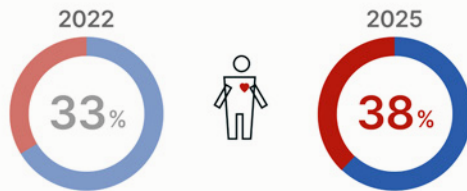
Initiatives are underway for a pleasant work environment based on “co-existence of humans & machines” enabling seamless work on various corporate functions and greater focus on business so that humans can focus on tasks they are truly meant to be undertaking.



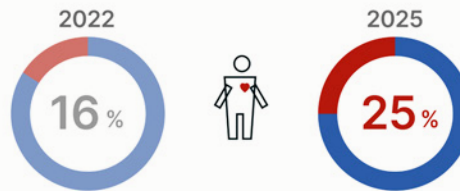
# Diversity & Inclusion

To create an environment in which diversity is respected and all employees can thrive being themselves

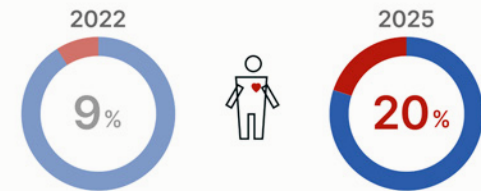
Women in the workforce



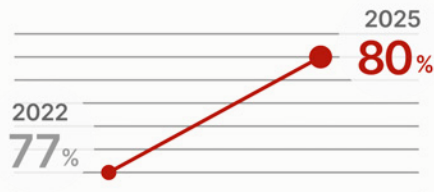
Women in management positions



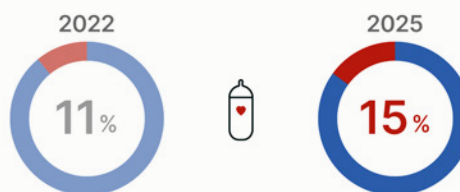
Woven directors and officers  
(including executive officers)



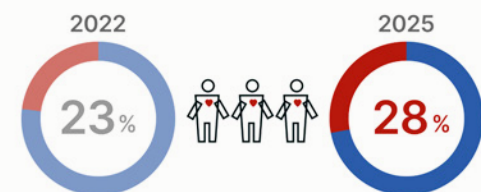
Employee satisfaction



Paternity leave take-up



Foreign workers





# Aiming for **JPY 3 billion** in operating profit by FY2025

- New market expansion/new solutions /diversification
- Market penetration

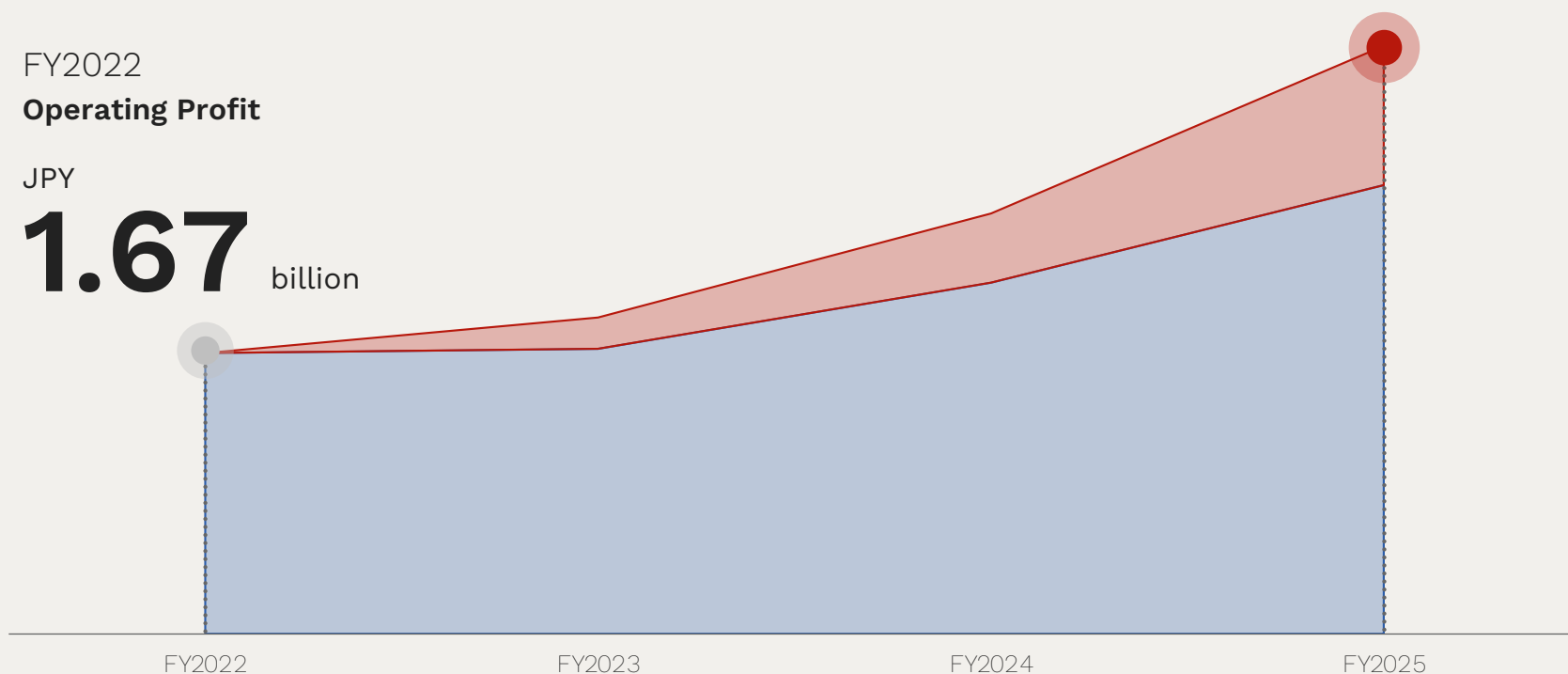
FY2022  
Operating Profit

JPY  
**1.67** billion

FY2025  
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JPY  
**3** billion

**Achievement**



## PURPOSE OF ADWAYS

**Make the world say  
“OMG. This is Amazing”  
and empower every  
person to expand their  
potential, the heart of our  
“No People, No Gain”  
philosophy.**