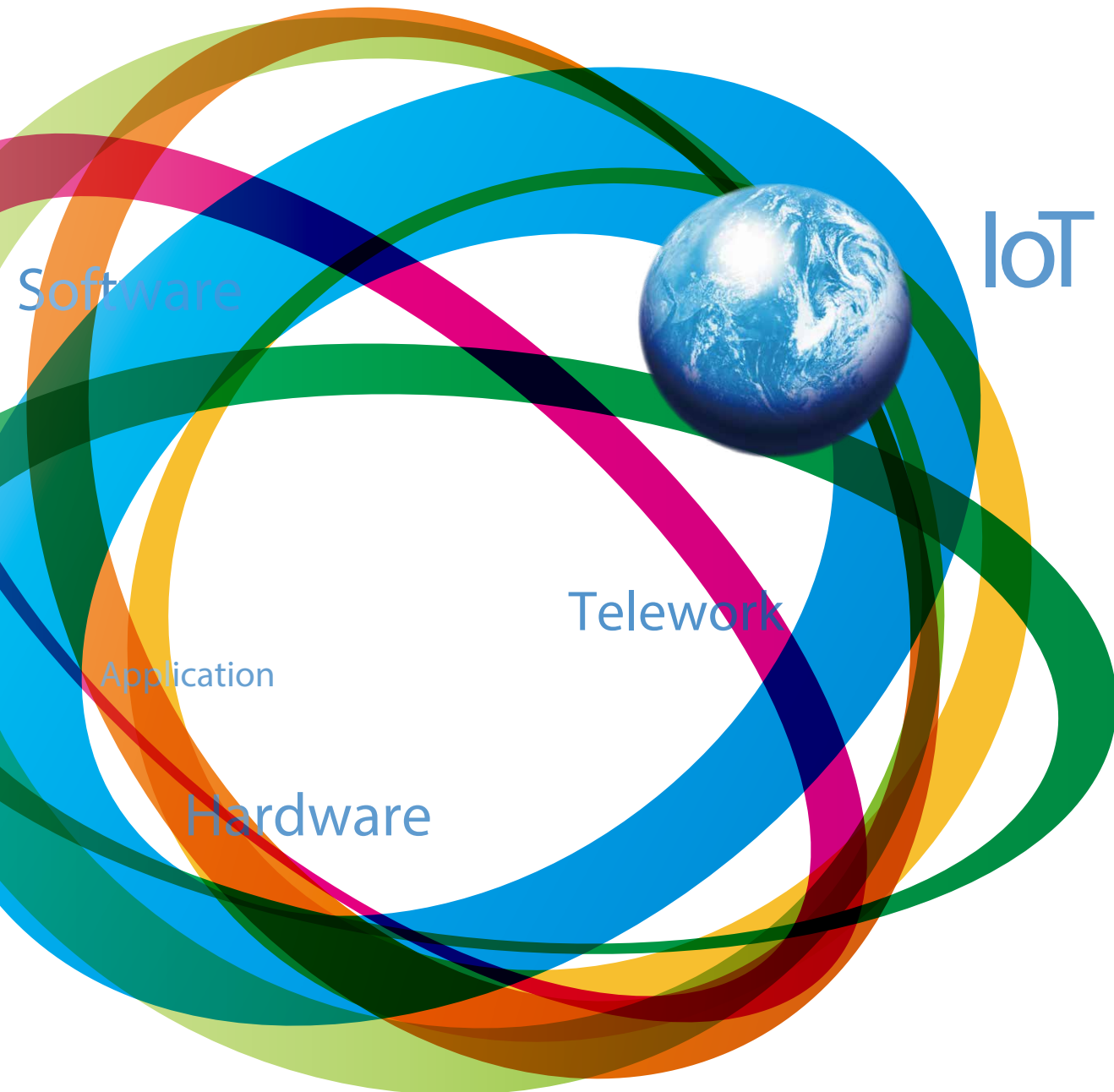


SOURCENEXT CORPORATION
Corporate Profile



PRODUCTS

SOURCENEXT is a compound word of "Source" and "Next."
The company name represents our determination to "redefine the norm."
In its history of 20-years, SOURCENEXT has continuously challenged and changed the norm.
This attitude will never change.

Redefining "Usability"

"TOKU-UCHI" - designed with a menu without "words"

"KYOUSOKU 95" on sale

A typing software based on illustrations instead of a "keyboard on the screen"

"TOKU-UCHI" on sale

"KEIKAI DENWA" on sale

Company Name changed from SOURCE Corporation to SOURCENEXT Corporation

E-commerce site opened

TV Commercial "Muay Thai" wins the Silver Award at the "40th ACC CM"

First in software industry to adopt "Mileage Services"

"Reassurance Policies" started

Revolutionizing "Price"

Quality イチキュッパ 1980円

"Virus Security" on sale

"KYOUSOKU ADSL" on sale

"IKINARI PDF" on sale

Partnership with KOEI Corporation

Amazed the industry by setting the Price of software to 1980 Yen

"Software Priced at 1980 Yen" wins the "Prize of Excellence" from the Nikkei Products / Services Award and also the "Nikkei MJ Award"

Revolutionizing Security

Broke away from old security industry standards and set annual renewal fees to 0 Yen. Selected as the "2006 Hit Products Awards" presented by SMBC Consulting.

"Virus Security ZERO" on sale

Listed on Mothers

"FUDEOH" on sale

"B's Recorder" on sale

"U-Memo" series on sale

Listed on the First Section of the Tokyo Stock Exchange

"CHOUJIMAKU" on sale

Security

Revolutionizing the Methods for Providing Software

SOURCENEXT Inc. founded

Started Providing Apps to "App Pass"

Started Providing Apps to "SugoToku Contents"

"Android GENSEN Apps" series launched. Began development / sales of Android based applications "Android GENSEN Apps" series launched.

CHOU HODAI (all you can use PC software) service started with over 120 software. "Apps CHOU HODAI" (all you can use Android apps) service started with over 100 apps.

Launched "Smart RUSUDEN"

Launched "POCKETALK"

Obtained the trademark rights / program copyrights to "ATENA SHOKUNIN"

Obtained the exclusive selling rights for "Rosetta Stone" in Japanese region

Expanding the development for the "Rosetta" brand to the entire world.

Acquired FUDEMAME

Smart Phone

Launched the revolutionary translation device, "POCKETALK".

Released "POCKETALK W," an in-house developed interpreting device

Released an even more advanced AI translator "POCKETALK S"

Released a location monitoring device "FamilyDot"

Established SOURCENEXT B.V.

Released remote work related products

Remote work

What's Next

Everything from Apps to Hardware

We're always offering advanced products.

Choose Your Background XSplit VCam

Surprisingly Clear Krisp

AI Pays 360° Attention Meeting Owl

Remote Work Related Products

With the spread of the COVID-19, remote work/working from home rapidly became common throughout society. In anticipation of this demand, we have gathered a number of leading remote work related products from Japan and abroad and are actively promoting sales.

Image taken with "Meeting Owl"

IoT Products

Your Dream AI Interpreter "Pocketalk S"

Following the launch of Pocketalk W in 2018, Pocketalk S with camera translation and conversation lessons was launched in December 2019. It translates 55 languages with voice and text, and 20 languages with text (as of April 2020). "Doraemon Edition" released in collaboration with the popular character "Doraemon" has also been well received.

Pocketalk W won 2019 Good Design Award

No. 1 in cumulative market share of voice translators from January to December 2019

Smart Phone App

We plan, develop and provide a wide variety of applications. We provide a total of 96 titles for all three major carriers (au, docomo and Softbank).

All-You-Can-Use Unlimited Application Service

World's first voicemail service that gets delivered to your LINE account

PC Software

"Kyousooku" and "Toku-uchi" Redefined User-Friendliness

SOURCENEXT started its business with the huge success of "Kyousooku," a computer acceleration software that requires no operation, and "Toku-uchi," a typing learning software that doesn't display pictures of keyboards.

"Ikinari PDF" No. 1 in Market Share for 17 Years in a Row

In 2003, we unified the prices of most of the products to 1,980 yen. "Ikinari PDF" which was conceived then has been No. 1 in market share for 17 years in a row ever since the launch.

Document Management Software Category, unit sales share by vendor, based on total POS actual sales of nationwide 2,659 (year 2019) major PC retailers (2004-2020, according to BCN Inc.)

Anti-virus software "ZERO" with no renewal fee

In 2006, we broke the age-old "security industry rules" by doing away with annual renewal fees and introducing an antivirus software with a "No Renewal Fees" policy. This tradition continues even today with many of our products under the "ZERO" brand.

ZERO Security Software

AV comparatives 2019

Over 70% Market Share in New Year's Card Software

In 2016, we've launched exclusive in-store sales of our New Year's card softwares with the most share for both Mac and Windows. Our challenge for creating a new kind of customer satisfaction has begun.

A product line in the New Year's card software genre with over 70% market share.

The Postcard Creation Software Line up Boasting over 70% Market Share

ATENA SHOKUNIN (photo left) First place shares for Mac. FUDEMAME (photo center) First place shares for Windows. FUDEOH (photo right) Second place shares for Windows

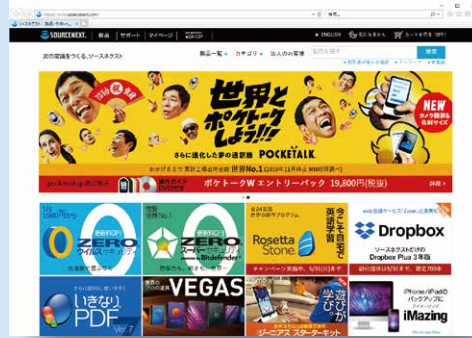
No. 1 in Seven Categories of Computer Software Sales Units

Units sales share by manufacturers based on extracting "OCR/Translation/PDF from Business," "PC Software Learning from Education," "Postcards, Mobile Phones and Keyboards from Utility" and "Video Editing/DVD Related from Graphics" from "PC Software" in January-December 2019, according to GfK Japan, which compiles sales results from leading electronics retailers nationwide.

We Source What's Next.

CHANNELS

A Broad Sales Channel



Sales through our eSHOP

Our online store, "SOURCENEXT eSHOP" located within our website, allows users to make purchases directly from our product info pages. With over 17 million people who have registered with us through this eSHOP, the channel offers a strong outreach to users and holds much potential for future sales.

Electronic retail stores

By dealing directly with retail stores instead of through distribution agencies, we are able to understand the needs of both retail stores and customers, and apply these ideas to enhance and improve our products and services.



Connecting Japan to the World

We deliver excellent services and products from around the world in a form that is friendly for the Japanese people



Organization and Structure of SOURCENEXT

One of the unique characteristics of SOURCENEXT is that we handle everything - from planning, development, design, sales & marketing to support - all under one organizational structure. With this approach, we have partnered with various overseas companies, whether it be in-house development, development done by our partners, in-house brand or OEM; we select excellent products and services from around the world and have marketed them to the Japanese audience, making sure that everything is tailor-made to suit specific market needs. This is made possible by our unique integrated system.

Alignment with the Subsidiary in the U.S.

In 2012, we established SOURCENEXT Inc. in Silicon Valley, U.S.

We are working to enhance our ability to discover new products and at the same time, to market our products in the U.S.

Smartphone Carriers

Many of our apps are currently being provided as part of monthly subscription services offered by KDDI (au Smart Pass), NTT Docomo (SugoToku Contents), and Softbank (App Pass).

Collaborations with MVNO providers

We partner with various MVNO (mobile virtual network operators) providers and MVNO smartphone companies such as AEON and Biglobe to provide various apps to the all-you-can-grab app download service, "Apps CHOU HODAI".



USER SERVICES

New Services to Our 17 Million Subscribers

Over 17 million people have purchased SOURCENEXT products and have become our registered users. Our goals are to provide an ever higher level of service to these users and to continue reaching out and strengthening our relationship with our valued customers.

Reassurance Policy

The Reassurance Policy is a system that was started in 2001, which offers customers a full refund if a product fails to work properly after installation.

User Support

SOURCENEXT offers users support, free of charge via web and Email for all products. For security products, we offer telephone support in addition, for added reassurance.



From the "My Page", users can take advantage of many useful services just by clicking on the icon of their registered product. Other services provided include:

- "Download Anytime" Service
Allows users to download the latest program anytime and as many times as needed.
- Special Deals and Offers
Various deals and offers for users such as discounts on upgrades, additional license purchases, etc.

Corporate Profile

Company Name	SOURCENEXT CORPORATION
Business Office	Tokyo Headquarter Shiodome City Center 33F, 1-5-2 Higashi Shimbashi Minato-ku, Tokyo Japan Tel : 03-6254-5231
Founded	August 1996
Capital	3,688 million yen
Description of Business	Planning, developing, and distributing PC software, smartphone applications and hardware products.
Traded	The First Section of the Tokyo Stock Exchange Code : 4344
Business Results (March 2020 term end results)	Sales Volume 17.282 billion yen Ordinary Income 474 million yen Operating Income 537 million yen Net Income for This Quarter 224 million yen
Number of Employees	(as of March 31, 2020) Headquarter: 121 employees (3 temporary staff) Consolidated: 142 employees (3 temporary staff /2 temporary assigned staff)
Board Members	President & CEO Noriyuki Matsuda Managing Director Tomoaki Kojima (Senior Executive Officer) Managing Director Kousuke Fujimoto (Senior Executive Officer) Managing Director Fumihiko Aoyama (Managing Director) Outside Director Hideaki Kubori Outside Director Kunitake Ando Outside Director Nobuhide Nakaido Standing Auditor Masaaki Hirose Outside Auditor Tetsuya Kobayashi Outside Auditor Kakuji Takano
Consolidated subsidiary	SOURCENEXT Inc. SOURCENEXT B.V. EUS Co., Ltd. Rosetta Stone Japan, Inc.

Corporate Philosophy

We at SOURCENEXT CORPORATION uphold the following philosophy and share our visions with each and every one of our employees while striving to bring them to reality.

Sourcenext's Ultimate Strategy

Origin of company name: **We Source What's Next**

Our mission: **Creating products that inspire joy and move the world**

Our vision: **To become the most exciting company in the world**

The three conditions of 'exciting', established in 2006

- Being genuinely good
- Creating happiness
- Having fun

Our principles: **Work diligently**
Think positively
Keep your senses sharp

SOURCENEXT CORPORATION

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