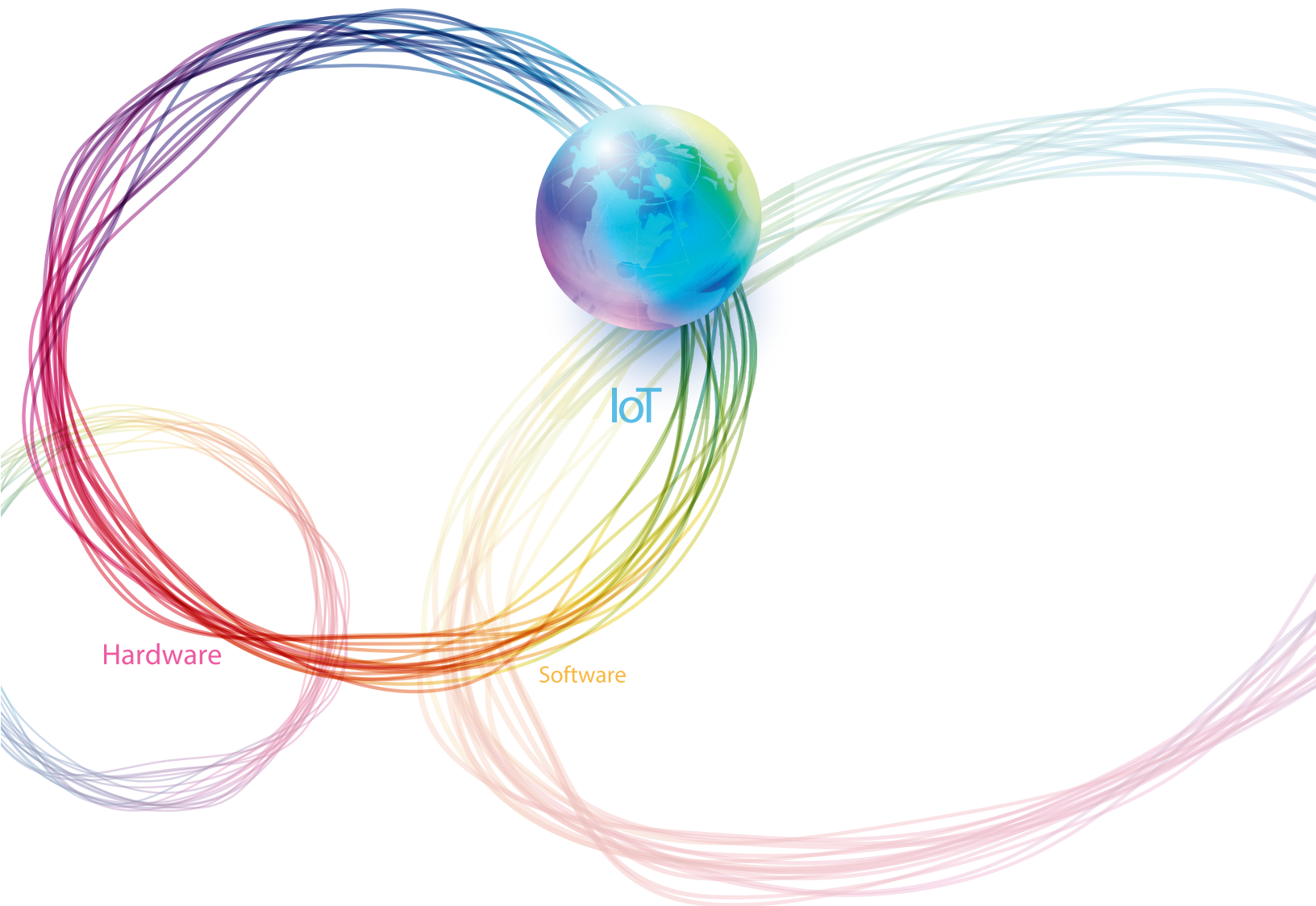


# To Our Shareholders and Investors

Business Report for Fiscal Year ended March 2023  
April 1, 2022 - March 31, 2023



## Greetings

# Expanding POCKETALK globally

To all our valued shareholders and investors, we would like to express our warmest gratitude for your continued loyal patronage and hope that this letter finds you well.

Since our founding in 1996, we have upheld our corporate mission of “Creating products that inspire joy and move the world.” Our areas of business have changed from conventional PC software and smartphone apps to IoT products based on the needs of our customers and times. In the current fiscal year, sales quantity in the Japanese market of “POCKETALK®,” an AI-powered translation device offered by the Group, increased from the previous fiscal year, mainly in the consumer electronics mass retailer channel, owing to the increased demand from inbound travelers resulting from the lifting of restrictions on cross-border traffic and expectations for further recovery in demand from both inbound and outbound travelers.

Also in the markets outside Japan, especially in the U.S., the growth of the “POCKETALK” business continued to be driven by domestic demand from educational institutions, medical institutions, public institutions and other businesses that need to support non-native speakers, resulting in a 49.2% increase in sales in the U.S. for the current fiscal year compared to the previous fiscal year.

As for other IoT products, our 360 ° webcam “KAIGIO CAM360” and voice-to-text recorder “AutoMemo S,” which utilizes AI to automatically convert voice to text, are performing well, and sales for both products surpassed those in the previous fiscal year.

As a result, net sales for the current fiscal year amounted to 10.347 billion yen, up 0.4% from the previous fiscal year.

On the other hand, a loss attributable to owners of parent was 2.303 billion yen (compared with a loss attributable to owners of parent of 3.502 billion yen in the previous fiscal year) due to an increase in personnel expenses to prepare for future business expansion and an increase in advertising expenses resulting from TV commercial broadcasts for “POCKETALK” and efforts on digital marketing, and as a result, we regret to report that no dividends will be distributed this time.

We apologize deeply to everyone for these disappointing financial results.

The Company will continue to create products that bring joy to its customers and aim to expand even further into the global market and improve income and expenditure balance. We truly appreciate your kind understanding and encouragement, and look forward to your continued support in the coming future.



Founder and CEO

**Noriyuki Matsuda**

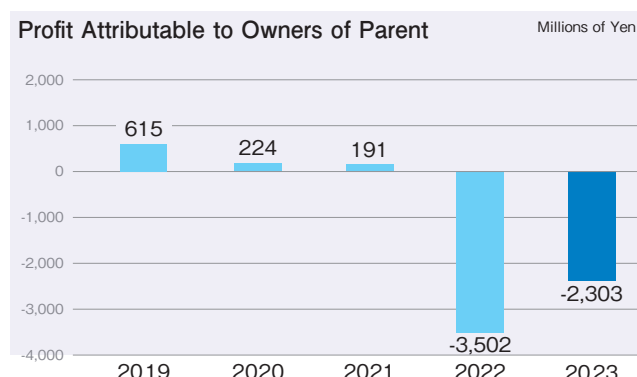
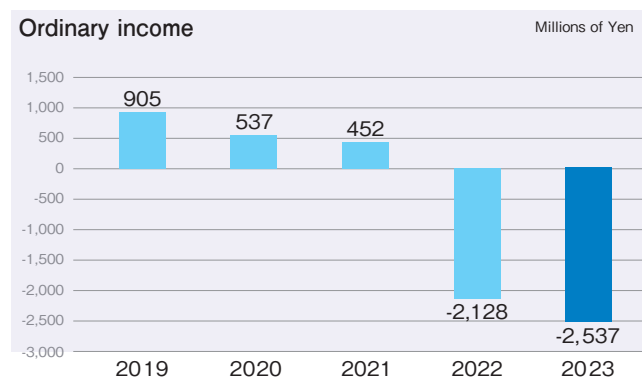
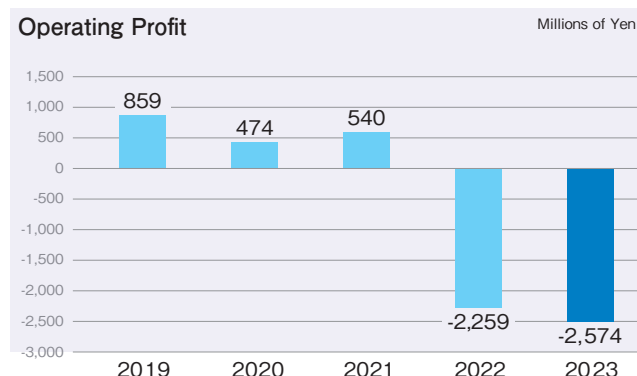
President and COO

**Tomoaki Kojima**

## Consolidated Business Highlights

### Main Highlights

- Although sales remained at the same level as the previous fiscal year, ordinary income decreased from the previous fiscal year due to an increase in SG&A expenses resulting from strategic investments for future expansion of the POCKETALK business.
- Cash flows from operating activities turned positive due to improved inventory turnover.



### Earnings Forecasts for the Fiscal Year Ending March 2024

	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen	Yen
	Net sales	Operating profit	Ordinary income	Profit attributable to owners of parent	Earnings per share	Annual dividends per share
Six months ending September 30, 2023	6,431	△969	△954	△790	△5.83	0.00
Full year	16,649	110	106	63	△0.47	0.00

## Products and Services

# POCKETALK is spreading into travel and business.

## Breaking Down Language Barriers

POCKETALK is an AI-powered translation device that enables conversation with somebody who speaks a different language, with both persons using their own mother tongue. Since we began development in 2018, we have enhanced the linguistic functions, added hands-free functionality, enabled multi-lingual simultaneous chat, and even developed software to display on-screen subtitles in the languages of other people in online meetings. For further evolution of business, we have established “POCKETALK CORPORATION” in February 2022, making it a wholly owned subsidiary of the Company through a simplified incorporation-type split of the “POCKETALK” business. We are accelerating our efforts to accomplish our corporate mission of “Breaking down Language Barriers.”

## AI-Powered Translation Device “POCKETALK”



Thanks to our customers,  
we have sold over  
**1,000,000**  
units

From December 2017 to December 13, 2022 /  
Series total including “POCKETALK,” (first  
generation) “POCKETALK W,” “POCKETALK  
S” and “POCKETALK S Plus,” but excluding  
sample units

POCKETALK, our AI-powered translation device, translates to voice and text for 73 languages and to text for 11 additional languages. Shipments have exceeded one million units, due to an increase in inbound tourism following the easing of COVID-19 countermeasures.

# POCKETALK

## POCKETALK is Expanding Overseas

### U.S.

- Deployed by Colorado’s Division of Motor Vehicles (for use at driver license offices), and covered by ABC News



POCKETALK in use  
at a Colorado  
DMV office

- Received orders for 1,400 units from San Diego Unified School District.
- Received orders from Lululemon, a sportswear manufacturer that is one of the most talked-about brands globally.
- Received orders from Tyson Foods, Inc. the fifth-largest processed food manufacturer in the world.
- In use at Cargill, Incorporated, the eighth-largest processed food manufacturer in the world.
- Sales up 27% year on year, number of purchase orders up 70% year on year.

### Asia:

- Recovery in Thai market: received 1,300 orders from Crestec (Thailand) Co., Ltd.
- Donated 30 POCKETALK units to the Malaysia Healthcare Travel Council governmental agency.



Advertisement video featuring the comedian Sanma Akashiya



## AI-powered translation app “POCKETALK”



Launched in May 2022.  
(For iOS/Android)

This app allows the AI-powered translation device POCKETALK to be used with the convenience of a smartphone. We have rolled it out on a global basis through the respective app stores. It won a Category Award for Google Play Best App 2022.



Category Award  
for Google Play Best App 2022

## AI-powered translation software POCKETALK for Business “Simultaneous Interpretation”



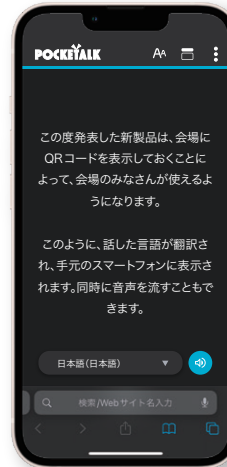
This product is software that allows you to understand the words spoken by another person by translating them word for word into your own language like simultaneous interpretation as both voice and text subtitles. It can also display the words you speak on the other person's screen. POCKETALK Pair can be used both online and face to face, contributing to reduced interpretation arrangements and costs for companies.

## Uses speech recognition technology from OpenAI, the developer of ChatGPT

The “POCKETALK for Business” series uses the Whisper speech recognition model, which is powered by one of the generative AIs developed by OpenAI. This has further enhanced not only the precision of speech recognition, but also the accuracy of translation and utterance. Since the release of ChatGPT, OpenAI has become one of the most closely watched AI developers globally.

## New product scheduled for launch in summer 2023

### Simultaneous interpretation system POCKETALK for Business “Conference”



This product is a simultaneous interpretation system for use at conferences and other events. It interprets multilingual meetings using AI technology. Installation of software is not required for listeners, and the system can be used simply by accessing a dedicated site on their own smartphone.

### POCKETALK for Business adds subtitles for “Movie translation”

This service adds translated subtitles and speech to existing video footage. It is useful for the localization of product manuals and similar projects.



## Products and Services

**Our products are evolving rapidly in response to corporate demand.**

### IoT Products

#### AI voice-to-text recorder AutoMemo



AutoMemo 

AutoMemo is a voice recorder that uses AI to automatically convert recorded speech into text. This significantly improves efficiency with the creation of meeting minutes. In April 2023, the total number of accounts using this transcription service exceeded 70,000.



#### “AutoMemo App” for smartphones

In August 2022, we enabled voice recording on the smartphone app, making it possible to use the transcription service without a specialized device.



#### “AutoMemo Home” for web apps

Scheduled for launch in summer 2023

By using a web app for centralized management of speech recorded using the AutoMemo series, it will also become possible to edit text data and share data. It will also be possible to transcribe files not recorded with AutoMemo (scheduled for release in winter 2023). Our aim is to achieve further expansion of the user base.

### Adoption of cutting-edge AI technology

Just like POCKETALK, this uses OpenAI's Whisper AI speech recognition engine to achieve significant increases in recognition accuracy. The adoption of a speaker diarisation engine is scheduled for summer 2023. This will make the creation of meeting minutes even easier.

### Products for Remote Conferencing

These are products for remote conferencing, which has become common for preventing the COVID-19 infection, that have been enabling us to gain more corporate customers.

We sell two types of 360-degree web cameras for conferences that integrate a camera, microphones, and speakers in a single unit.

会議を、変えよう 



**“KAIGIO CAM360”**  
lets you see  
everyone's faces



“KAIGIO CAM360” uses its unique AI to detect people, enlarging and showing the faces of all attendees at once.



**“Meeting OWL”**  
focuses on  
the speaker



“Meeting OWL” can automatically focus on whoever is speaking, enabling a more immersive meeting experience than ever before. We have sold a total of over 30,000 units, and it is being used in many companies.

## Products and Services

### PC Software

Demand for security and business software, as well as learning and educational software, has been on the rise due to the rapid adoption of telework throughout the country.

#### “IKINARI PDF” meets the needs of the transition to paperless operations



A long-selling, high-performance, low-cost product that has changed common practice in PDF creation. It has been deployed at over 10,000 companies. It helps to increase efficiency of document management, reduce costs and promote telework.

#### “ZERO” antivirus software with no expiration date



The ZERO series offers users with a “fixed device and no expiration date” policy. A product that continues to protect the device it is installed on until the device can no longer be used. As security measures are

completed by installing one line to one device one time, the burden of taking antivirus measures significantly decreases.

#### Three postcard creation software brands



In postcard creation software, the Company offers the three brands of “FUDEMAME,” which has the top share on Windows, “ATENA SHOKUNIN” top for MacOS, and its own

copyrighted product “FUDEOH.” On our website, sales of the annual automatic renewal version are steadily growing.

#### No. 1 Share in the Number of Units Sold in 7 Categories of PC Software

Share of number of units sold by each manufacturer in 2022 according to research by the Company based on sales data of major domestic electronics retailers compiled by a third party research institution. Regarding “PC Software” data, “OCR/Translation/PDF” data has been extracted from the “Business” category, “PC Software Training” data has been extracted from the “Educational” category, “Postcard/Mobile/Typing” data has been extracted from the “Practical Use” category, and “Video Editing/DVD-Related” data has been extracted from the “Graphics” category.

### Apps & Services for Smartphones

SOURCENEXT provides a number of apps and services for smartphones. In particular we are focusing on “Smart RUSUDEN.”

#### A voicemail service that you can read



“Smart RUSUDEN” is a service that not only allows the playback of voice messages, but also provides text transcriptions. They can be automatically forwarded to PC email or LINE.

Convenient to use

- Using group addresses or a Slack group channel, voicemail for the company can be accessed by everybody.
- Also effective in preventing telephone scams.

Also available at consumer electronics retailers and mobile phone stores, it has built up a total of more than 250,000 users.

#### Providing apps for all-you-can-use app services

SOURCENEXT apps are used in all-you-can-use app services offered by mobile carriers.

Providing Apps since	June 2013
Carrier	NTT DOCOMO, INC.
Service Name	“SugoToku Contents”
Number of Apps Provided	14

Example of apps provided (as of June 2023)



## User Services

### Over 18 Million Registered Users

We operate our own EC site, mostly focused on sales via downloads. Customers who purchase and register a product are encouraged to purchase again through after-sale upgrades, discounts, etc. The total number of registered users now exceeds 18 million, making them our major asset.





1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

# The History of SOURCENEXT

SOURCENEXT has always striven to challenge the norms and redefining standards. This philosophy will continue to remain at the heart of our products and services.

## Redefining "Usability"

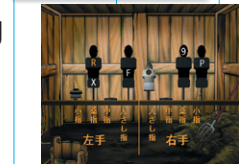
"KYOUSOKU 95" requires no operations other than installing the program

"KYOUSOKU 95" on sale



SOURCE Corporation Founded

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



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

First in software industry to adopt "Mileage Services"



"Reassurance Policies" started

E-commerce site opened

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

## Revolutionizing "Price"

Quality イチキュウパ... 1980円 わくわく/パソコンソフト



"KYOUSOKU ADSL" on sale



"Virus Security" 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 1,980 Yen" wins the "Prize of Excellence" and the "Nikkei MJ Award" in the Nikkei Superior Products / Services Awards 2003

## 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 the First Section of the Tokyo Stock Exchange

"U-Memo" series on sale



"CHOUJIMAKU" on sale



Artwork © 2006 Twentieth Century Fox Film Corporation. All rights reserved.



"FUDEOH" on sale



"B's Recorder" on sale

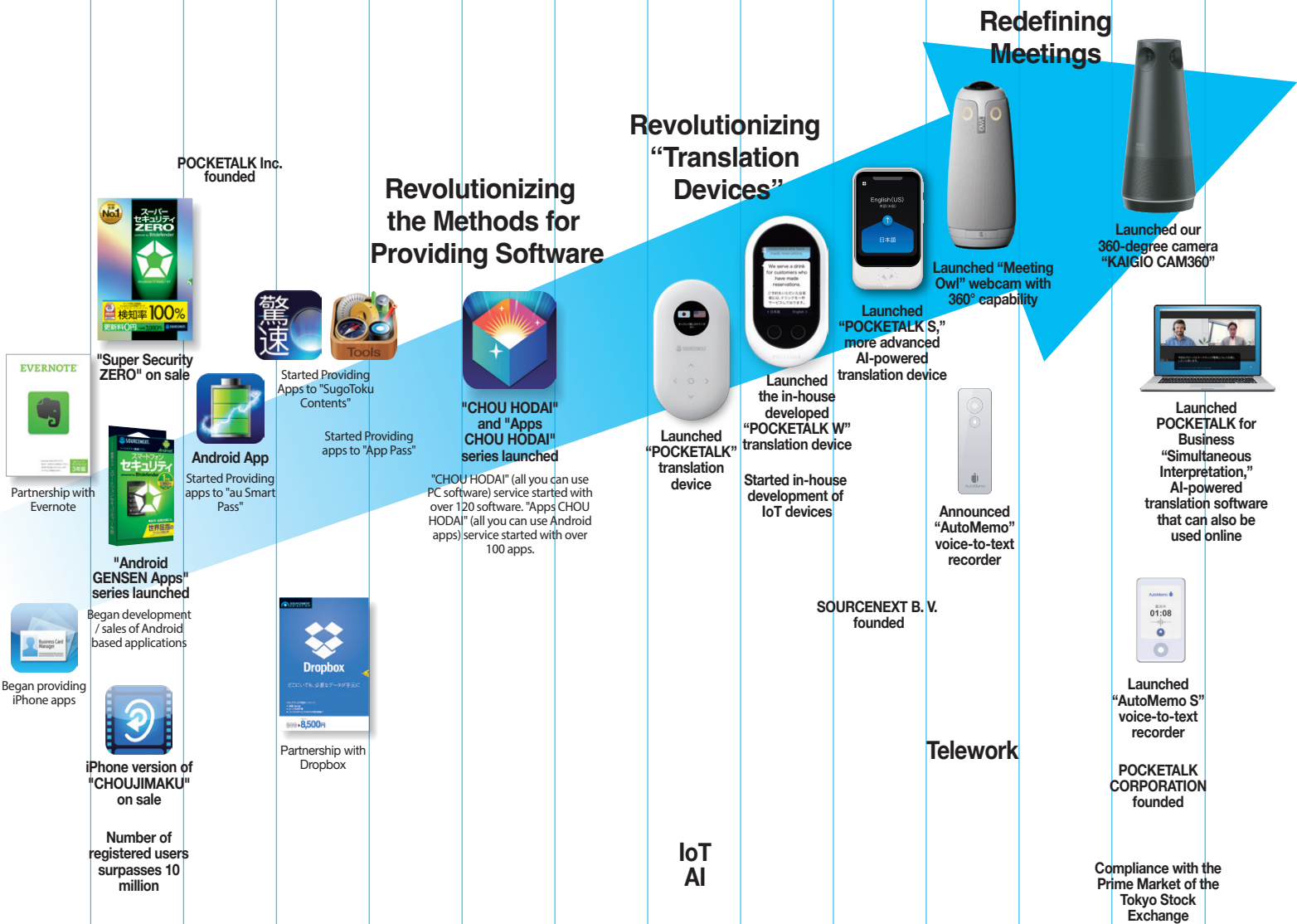
Internet Windows

Broadband

Security



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023



What's Next

# Consolidated Financial Statements (Summary)

## Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets	12,846	12,506
Cash and deposits	5,451	6,484
Merchandise and finished goods	4,246	3,345
Non-current assets	7,134	7,132
Property, plant and equipment	99	77
Intangible assets	3,015	3,075
Investments and other assets	4,019	3,979
<b>1 Total assets</b>	<b>19,981</b>	<b>19,639</b>
<b>Liabilities</b>		
Current liabilities	8,256	7,404
Non-current liabilities	1,765	2,331
<b>2 Total liabilities</b>	<b>10,022</b>	<b>9,736</b>
<b>Net assets</b>		
Shareholders' equity	9,455	8,981
Accumulated other comprehensive income	127	224
Share acquisition rights	200	258
Minority interest	176	438
<b>Total net assets</b>	<b>9,959</b>	<b>9,903</b>
<b>Total liabilities and net assets</b>	<b>19,981</b>	<b>19,639</b>
Current ratio	155.6%	168.9%
Quick ratio	83.6%	104.7%
Equity ratio	48.0%	46.9%

## Consolidated Statements of Income

Millions of Yen

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>3 Net sales</b>	<b>10,307</b>	<b>10,347</b>
Cost of sales	5,677	5,373
<b>Gross profit</b>	<b>4,630</b>	<b>4,973</b>
Selling, general and administrative expenses	6,890	7,548
<b>Operating loss</b>	<b>△2,259</b>	<b>△2,574</b>
<b>4 Ordinary loss</b>	<b>△2,128</b>	<b>△2,537</b>
Loss before income taxes	△3,330	△2,515
<b>Total income taxes</b>	<b>171</b>	<b>11</b>
Loss attributable to non-controlling interests	—	△223
<b>5 Loss attributable to owners of parent</b>	<b>△3,502</b>	<b>△2,303</b>

## Consolidated Statements of Cash Flows

Millions of Yen

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>6 Cash flows from operating activities</b>	<b>△330</b>	<b>170</b>
<b>7 Cash flows from investing activities</b>	<b>△2,938</b>	<b>△999</b>
<b>8 Cash flows from financing activities</b>	<b>3,820</b>	<b>1,609</b>
Effect of exchange rate change on cash and cash equivalents	119	252
Net increase (decrease) in cash and cash equivalents	671	1,033
Cash and cash equivalents at beginning of period	4,779	5,451
Cash and cash equivalents at end of period	5,451	6,484

# Consolidated Financial Statements (Summary)

## 1 Total assets

Decreased by 342 million yen to 19.639 billion yen. Main factors were an increase in cash and deposits of 1.033 billion yen, and a decrease of 901 million yen in merchandise and finished goods.

## 2 Total liabilities

Decreased by 285 million yen to 9.736 billion yen. Main factors were a decrease of 1.0 billion yen in short-term loans payable and an increase of 308 million yen in long-term loans payable (including its current portion).

## 3 Net sales

Although sales of hardware products such as “POCKETALK” and “AutoMemo” were strong, net sales remained at the same level as the previous fiscal year, up 0.4% to 10.347 billion yen, due to the impact of a decline in demand in the market surrounding PC software, including a decrease in PC shipments.

## 4 Ordinary loss

Selling, general and administrative expenses included an increase in personnel expenses to prepare for future business expansion and an increase in advertising expenses resulting from TV commercial broadcasts for “POCKETALK” and efforts on digital marketing.

As a result, ordinary loss was 2.537 billion yen.

## 5 Loss attributable to owners of parent

Net loss attributable to non-controlling interests was 223 million yen and net loss attributable to owners of parent was 2.303 billion yen.

## 6 Cash flows from operating activities

Revenue amounted to 170 million yen in operating activities in the current fiscal year, while expenditures amounted to 330 million yen in the previous fiscal year. This was mainly due to a revenue increase of 841 million yen due to a decrease in inventories.

## 7 Cash flows from investing activities

Outflows decreased by 1.938 billion yen compared to the previous fiscal year and amounted to 999 million yen. This was mainly due to a decrease of 1.455 billion yen in spending on investment securities.

## 8 Cash flows from financing activities

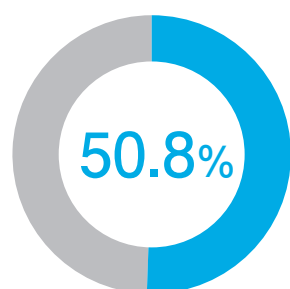
Revenue decreased by 2.210 billion yen from the previous fiscal year to 1.609 billion yen. This was mainly due to a decrease of 3.3 billion yen in net increase of short-term loans payable.

## Overview by Sales Channel

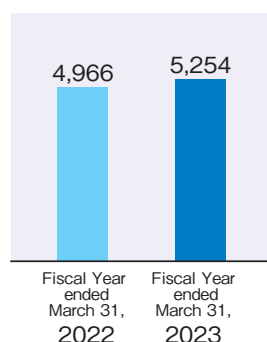
### SOURCENEXT eSHOP (EC site)

**Net Sales** 5.254 billion yen  
(5.8% increase from the previous fiscal year)

#### Sales distribution ratio



#### Sales (Millions of Yen)



We sell IoT products, software and other products through online shops on domestic websites including our direct sales website and Amazon.com.

#### Overview of sales and major activities

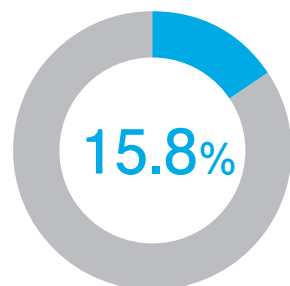
- Although the spread of COVID-19 infection caused an overall decline in over-the-counter sales performance, demand for "POCKETALK" has been gradually recovering due to the easing of entry restrictions since October 2022.
- Domestic e-commerce websites such as Amazon.com and Rakuten are developing remarkably and increasing their sales volume.
- In the software business, we launched the latest versions of "FUDEMAME," "FUDEOH" and "ATENA SHOKUNIN," three brands of postcard creation software. Sales of upgrading software from previous versions were also strong, maintaining sales and profit margins despite the shrinking of overall market for greeting cards.



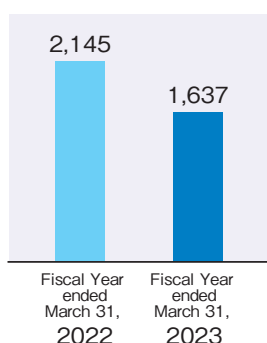
### Electronic retail stores

**Net Sales** 1.637 billion yen  
(23.7% decrease from the previous fiscal year)

#### Sales distribution ratio



#### Sales (Millions of Yen)



We sell IoT products, PC software and the like to individual consumers, mainly at electronics retail stores around Japan.

#### Overview of sales and major activities

- Although the spread of COVID-19 infection caused an overall decline in over-the-counter sales performance, we have been actively promoting "POCKETALK" in line with the easing of entry restrictions since October 2022.
- In addition, sales activities of "360-degree web cameras" have been strengthened and expanded steadily, which achieved 4,700 units of sales for the year, a year-on-year increase of 20%.
- Market for PC software, on the other hand, has been declining due to the decrease in PC shipment units. Although the demand expansion due to the COVID-19 pandemic is continuing at a slower pace, adverse market conditions persist. In view of the growing PC reuse market, we have been strengthening sales activities in the used PC market.

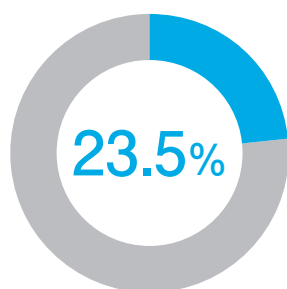




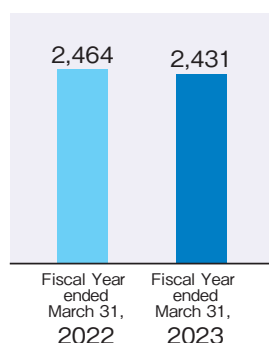
## Corporate sales

**Net Sales** 2,431 billion yen  
(1.3% decrease from the previous fiscal year)

**Sales distribution ratio**



**Sales (Millions of Yen)**



Our Company sells and rents IoT products for corporate users such as “POCKETALK” and telework-related hardware, and provides unlimited use services including PC software and smartphone applications.

### Overview of sales and major activities

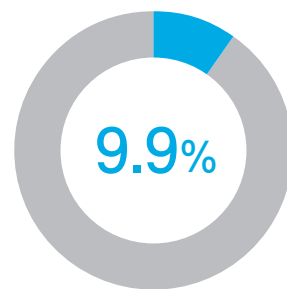
- Although the spread of COVID-19 infection caused an overall decline in sales performance, orders and shipments of “POCKETALK” have been increasing due to the easing of entry restrictions since last October. In addition to the increase in demand from corporations and municipalities responding to increasing number of inbound travelers, there are also signs of a resurgence in demand from outbound travelers, including in-flight sales on international flights and rentals at airports.
- The “360-degree web camera” business has been performing well due to an increasing number of employees coming back to workplaces and the hybrid work styles becoming widely practiced. There is an increasing number of cases of introducing the device as companies relocate their workplaces and renovate meeting rooms.
- Sales of “Smart RUSUDEN” have started at more than 570 mobile phone shops nationwide via primary mobile phone distributors.



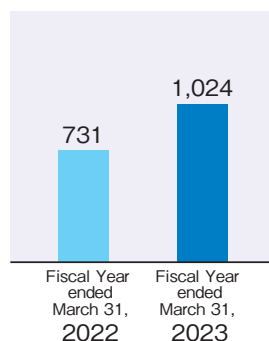
## Others

**Net Sales** 1,024 billion yen  
(40.1% increase from the previous fiscal year)

**Sales distribution ratio**



**Sales (Millions of Yen)**



We sell “POCKETALK” for personal-use and company-use at our bases mainly in the United States.

### Overview of sales and major activities

- In markets outside Japan, sales of “POCKETALK” expanded mainly in the United States. Although sales of “POCKETALK” declined due to the COVID-19 pandemic, orders and sales have been recovering with the reopening of economic activities.
- Especially in the U.S., the growth of the “POCKETALK” business continued to be driven by domestic demand from educational institutions, medical institutions, public institutions, and other businesses that need to support non-native speakers



### POCKETALK devices that are used in medical and emergency relief activities after the 2023 Turkey–Syria earthquake

The emergency medical relief team organized by TMAT, a specified nonprofit organization



TMAT, a nonprofit organization, dispatched a total of 23 personnel to the Republic of Turkey from February 7 to March 2 to carry out the disaster medical relief activities to support recovery and reconstruction from the damage caused by the Turkey–Syria earthquake. The team used POCKETALK to have effective communication in the field activities.

### “POCKETALK Subtitles” won the Grand Prize at the “2022 Nikkei Superior Products and Services Awards - Nikkei Awards for Excellence”



“POCKETALK Subtitles” is a translation software product that translates what people say during web conferences and displays it as subtitles on the screen. It can display translations as if they were movie subtitles, and works with various conferencing systems such as “Zoom” and “Teams.” In 2023, the product has renewed itself as POCKETALK for Business “Simultaneous Interpretation” with new features.

## Frequently Asked Questions

**Q. What is your most popular product / service?**

**A. IoT products such as the AI-powered translation device “POCKETALK” and the AI-powered voice recorder AutoMemo are popular.**

We have sold a total of over 1,000,000 “POCKETALK” units since its release in December 2017 (as of December 2022). “POCKETALK” has become available for remote meetings, recognition in the United States has increased, and adoption at medical institutions, schools, and public institutions has accelerated for improving services in the country. In addition, for the voice-to-text recorder AutoMemo, which leverages the technologies such as voice recognition cultivated with “POCKETALK,” we are continually making steady improvements, such as to the voice recognition sensitivity, and with over 60,000 service use accounts, it has been very well received.

**Q. What are your thoughts on premium redemptions to shareholders?**

**A. We are committed to firmly maintaining a policy of paying stable dividends.**

The basic dividend policy is to implement the distribution of profits with comprehensive consideration of performance, the dividend payout ratio and the amount of investment required for medium- and long-term corporate growth. So far, we have paid dividends on the basis of a dividend payout ratio of 10% to 15%. However, we recorded a net loss of 2.303 billion yen during the current fiscal year. Regretfully, we are not planning to distribute dividends for the current fiscal year in order to restructure the base for medium- to long-term growth and fully recover business performance. We will continue to implement the shareholder special benefit plan that was introduced as premium redemptions to shareholders in the previous fiscal year. Depending on the number of shares owned, you will receive SOURCENEXT ePoint (privilege points) that can be used for purchases on our site.

**Q. What are your future business strategies?**

**A. We will promote sales of “POCKETALK” to meet the recovery of demand from inbound and outbound travelers and enhance our product lineup for business and remote conferencing.**

The number of inbound and outbound travelers is on a recovering trend, reaching pre-COVID-19 pandemic levels. Looking to the significant recovery in the number of travelers, we will enhance the functionality of “POCKETALK” and widen our sales channels both inside and outside Japan. In the “POCKETALK” business, we plan to expand sales channels not only for dedicated terminals, but also for “POCKETALK for Business Simultaneous Interpretation,” which enables simultaneous interpretation using software, in parallel. We will continue to expand our IoT product lineups such as 360 ° camera “KAIGIO CAM360” and AI-powered voice recorder “AutoMemo” as well as business software, and launch new products that address the changes of the times.

**Q. Does SOURCENEXT have an established regulatory compliance program?**

**A. Yes, we have established a culture of treating compliance with utmost importance.**

In our corporate philosophy of “becoming the most exciting company in the world,” we define “exciting” to mean “being genuinely good,” “creating happiness,” and “having fun,” and we are fostering a culture that expects our people to do the right thing. Moreover, in addition to requiring our employees to undergo training and do a test at the time of entering the company and once a year thereafter, regardless of the form of their employment with the company, we also teach via other methods such as through the activities of committees composed of employees. Furthermore, as a response for actions that arouse suspicions as to whether they are within laws and regulations, we have established a report desk that provides the means for all employees to make an anonymous report to the company via an independent organization with no relationship of interest with our company.

# Shareholders' Notes

## Fiscal Year

From April 1 to March 31 of the following year

## Annual Meeting of Shareholders

June of every year

## Record Date

For Annual Shareholders' Meeting: March 31, every year

For Year-end Dividend: March 31, every year

If others are deemed necessary, the dates will be as notified in advance

## Shareholder Registry Administrator and Transfer Account Management Institution for Special Accounts

1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited

## Shareholder Registry Administrator Office

1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited,

Stock Transfer Agency Business Planning Dept.

(Mailing Address) 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Business Planning Dept.

(Telephone Number) 0120-782-031 (Available only in Japan)

(Internet Homepage URL) <https://www.smtb.jp/personal/procedure/agency/>

(Regarding changes in registered address and referencing information regarding shares)

Shareholders who have an account opened with a securities company, who need to make changes to their registered address or need to reference any records, please contact the securities companies for which the account is opened for. For shareholders who do not have an account at any securities company, please make inquiries to the telephone number noted above.

(Regarding Special Accounts)

For shareholders who are not using Japan Securities Depository Center for their electronic stock certificates, we have prepared an account (special account) at the above Sumitomo Mitsui Trust Bank, Limited. For address changes and referrals regarding these special accounts, please contact the above telephone number.

## Method of Notification

Notification will be made public electronically (<https://www.sourcenext.com/>), but in any cases where notification via electronic publication is not possible, the information will be made public through the Nihon Keizai (Nikkei) Shimbun.

## Securities Code

4344

## Traded

Tokyo Stock Exchange (Prime Market)

## SOURCENEXT Corporation

Shiodome City Center 33F, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7133



# Corporate Profile

## Overview of Corporation (as of March 31, 2023)

### Company Name

SOURCENEXT Corporation

### Founded

August 2, 1996

### Headquarter

Shiodome City Center 33F, 1-5-2 Higashi-Shimbashi,  
Minato-ku, Tokyo 105-7133

### Capital

3,701 million yen

### Number of Employees

Non-consolidated: 137  
(including 7 temporary staff / employees)  
Consolidated: 157  
(including 7 temporary staff / employees)

### Description of Business

Planning, development and distribution of PC /  
smartphone software and hardware products

## Members of the Board (As of March 31, 2023)

Founder and CEO  
Noriyuki Matsuda  
President and COO  
Tomoaki Kojima  
Director and CSO  
Kousuke Fujimoto  
Director and CFO  
Fumihiko Aoyama  
Outside Director  
Hideaki Kubori  
Outside Director  
Kunitake Ando  
Outside Director  
Nobuhide Nakaido  
Outside Director  
Aiko Oue  
Standing Auditor  
Masaaki Hirose  
Outside Auditor  
Tetsuya Kobayashi  
Outside Auditor  
Maho Kinami

## Present Shares (As of March 31, 2023)

Total Number of Authorized Shares  
361,120,000 shares  
  
Total Number of Issued Shares  
136,349,600 shares  
  
Number of Shareholders  
51,472

## Corporate Philosophy

Origin of company name:

**"We Source What's Next"**

SOURCENEXT's Ultimate Strategy

Corporate Mission

**Creating products that inspire joy and move the world**

Corporate Vision

**To become the most exciting company in the world**

The three conditions of "Exciting"  
**Being genuinely good,  
Creating happiness,  
Having fun**

Corporate Value

**Customer-Centric Mindset.  
Creating Innovative New Markets.  
Embrace Challenge.**