



Prime Strategy Co., Ltd

TSE Code: 5250

# Full-Year and Q4 Earnings Results for the Year Ended November 2024



## Results for the Fiscal Year Ended November 2024

Revenue: 857 million JPY (97.7% of the previous period)

Net Profit: 151 million JPY (81.9% of the previous period)

- KUSANAGI Managed Services: 96.7% of the previous period
- Cloud Integration Service: 97.0% of the previous period
- License Sales: 103.1% of the previous period

## Plan for the Next Fiscal Year

Increase revenue to 1 billion JPY and net profit to 155 million JPY.

- Further develop KUSANAGI Security Edition and Magatama.AI.
- Strengthen AI business framework and marketing structure.
- We aim to disclose our medium-term management plan by early summer 2025.

## 1. Introduction

## 2. KUSANAGI Stack, Our Core Competency

## 3. Market

## 4. Quarterly Highlights

## 5. Full Year

## 6. FY2025 Business Strategy

A Word from the President

Our Business

Corporate Profile

News

Highlights

# A Word from the President

Prime Strategy Co., Ltd.  
Tadashi Yoshimasa, President

As one of the leading companies in the WordPress scene in Japan, we have been providing services related to Open Source Software (OSS), such as operating systems like Linux, middleware like Apache, Nginx, MySQL, and PHP, and applications such as WordPress itself. As WordPress began to be adopted for large-scale web systems, and there were calls for improvements in display speed, security, and maintenance from the market, starting in 2015, we began offering our KUSANAGI ultra-high-speed CMS execution environment for free to the general public. In order to support security and maintenance, we developed KUSANAGI Managed Services, continuously striving to address customer challenges by developing new services. Over the years our products and services have been highly regarded and received positive feedback from many customers.

In recent years, WordPress' domestic CMS market share has exceeded 80%, and its adoption rate among large companies has risen significantly, meaning the expectations placed on our company have also increased accordingly. In order to meet those needs, we have continued to enhance KUSANAGI, WEXAL, and KUSANAGI Managed Services, and we are fully committed to the development of an enterprise OSS ecosystem.

We are working to bridge the gap between user expectations and the realities faced by vendors in the IT industry in order to enable customers to utilize OSS in their businesses with greater speed, security, and ease of management. As a company we are focused on AI and automation, and we have accumulated a wealth of expertise and know-how in these areas, which we will also leverage to advance the enterprise OSS ecosystem.

We sincerely appreciate the ongoing support and guidance of our customers, partners, and stakeholders around the world.



Prime Strategy is the developer of the robust KUSANAGI operating system for web servers that deliver content on the Internet.

Recognized for its ultra-fast performance and high level of security, KUSANAGI is used on major cloud services worldwide, with a cumulative total of 90,000 deployments.

KUSANAGI powers 62.0% of web servers worldwide running CMSs (WordPress operates on 43.6% of them\*).

Our business is primarily composed of KUSANAGI subscription services and managed services.

Stable revenue and profit growth can be expected as the subscription service is the core of our business.



## Company Name

---

Prime Strategy Co., Ltd.

## Established

---

December 2, 2002

## Address

---

Sumitomo Fudosan Ichibancho Bldg.1F  
8 Ichiban-cho, Chiyoda-ku, Tokyo, Japan 102-0082

## Representative Director

---

Tadashi Yoshimasa, President

## No. of Employees (Consolidated)

---

24 (As of November 30, 2024)

## Capital

---

444.847 million JPY (As of November 30, 2024)

## Areas of Business

---

Development and marketing of KUSANAGI Stack

- KUSANAGI ultra-high-speed CMS execution environment
- WEXAL® Page Speed Technology® acceleration engine
- ONIMARU® David Strategic AI

KUSANAGI Stack Business

- KUSANAGI Managed Services
- Cloud Integration Services
- License Sales

## Consolidated Subsidiary

---

Prime Strategy New York, Inc.  
(New York, USA)

## Capital Management

---



Entrust Inc.





**Tadashi Yoshimasa**

**President**  
Marketing

- 
- 1992 Intec Inc.
  - 2010 President, YOSHIMASASOUSEI Co., Ltd.
  - 2011 Chairman, Engineer Certification Corporation for PHP
  - 2016 Representative Director, Python Engineer Development Association
  - 2018 Representative Director, Japan Network Engineer Association Co., Ltd.
  - 2024 President, Prime Strategy Co., Ltd.



**Katsumi Nakayama**

**Director**  
Administration

- 
- 1986 Private Tutor Center LLC.
  - 1987 Tokyo Accounting School Co., Ltd.  
(Presently, TAC Co., Ltd.)
  - 2012 Osaka Dental University
  - 2017 Prime Strategy Co., Ltd.  
Executive Officer | General Manager of the Administration Division
  - 2023 Director of the same.



**Noriaki Ikemiya**

**Director**  
Cloud Integration

- 
- 2008 Konami Digital Entertainment
  - 2016 AppMedia Inc.
  - 2018 Prime Strategy Co., Ltd.
  - 2020 Head of the Cloud Integration Division of the same.
  - 2020 Director of the same

**External Directors**

Akihisa Kodate

Ayano Ohsaki

Shigenaga Soeda\*

Takayuki Suzuki\*

Yoshimoto Morita\*

\*Audit & Supervisory Committee Members

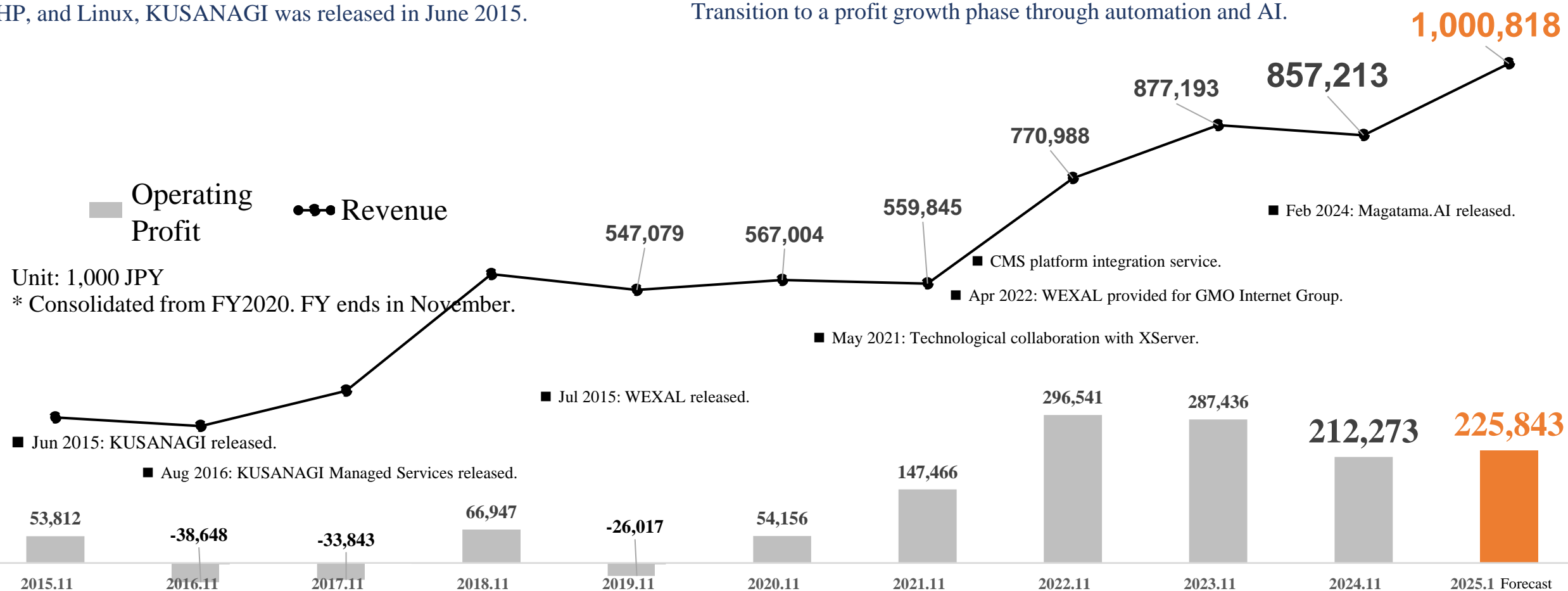
# History and Performance Trends

## Start-up Phase I Specialized WordPress Integrator

## Start-up Phase II KUSANAGI Stack Business Development

As a Specialized WordPress Integrator, we developed a non-recurring revenue business. Based on our accumulated expertise in WordPress, PHP, and Linux, KUSANAGI was released in June 2015.

Business expansion centered around development of the KUSANAGI Stack product suite and the marketing of managed services based on a recurring revenue business model. Transition to a profit growth phase through automation and AI.





# Cases Studies

Currently about 200 case studies have been released.

IT・サービス	コルネ株式会社(コルネ株式会社)	株式会社新居社(ディリー新居)	AppMed株式会社(アプメディア)(AppMed)	株式会社NEW SY(ユムム)(Yumu)	カナダ観光局(ナガ観光局)	法律・会計	鉄道・航空・運輸・物流
株式会社スポーツフィールド(コレポートサイト)などのサイトの構築(総合)	コルネ株式会社 (WoodPress専用ショッピングカート/Wedart)	株式会社ワニマガジン社(WANIMAGAZINE)	ゴジライン(ゴジライン)	PT. Acara Indonesia Global(PORTAL INFORMASI EVENT LOKALY)	PDJ Lab ポスト環境ジュニア プロジェクト(PDJ Lab ポスト環境ジュニア プロジェクト)	レインメーカー株式会社(交通事故の弁護士・比較弁護士)	Sanjo Corporation of America (Sanjo Corporation of America)
Skyrocket株式会社(NeoSphere)	株式会社デジタル・ヒューマンテクノロジー (DRクラウド・ファイル管理 [DRクラウド・Edition])	合同会社コンチナスト・ジャーナル (WIRED)	セガホールディングス(Otobi, Yokohama [オービィ・横浜])	株式会社くらぶ(ODOO, COGNONICS)	宇宙技術および科学の国際シンポジウム (ISITS) (ISITS)	レインメーカー株式会社(アム法律事務所)	PT. Arandy Bintang Cemerlang(ABC Express 郵便アプリケーション)
株式会社SAFE(石川水産養殖のセーフリー)	株式会社ファストコム(ひととこめでり商店)	合同会社コンチナスト・ジャーナル (VOGUE GIRL)	マスコト 新聞社	株式会社キュービック(Cosoonas)	キャリアカービジネス	レインメーカー株式会社(後遺障害の慰問料.com)	株式会社スノース(アムバーナードグループ)
株式会社イーツ(https://www.its.com)	日英スレックロニクス株式会社(ERP事例サイト)	株式会社技盛社(日刊住まい)	株式会社日本教育新聞社(日本教育新聞電子版 (NIKKYO WEB))	株式会社メディアアワード(げつナンサー)	株式会社サンリオ(株式会社サンリオ)	レインメーカー株式会社(アム法律事務所・交通事故の慰問料)	アラメンタカー(アラメンタカー)
株式会社ACCESS(コレポートサイト)	日英スレックロニクス株式会社(コレポートサイト)	株式会社技盛社bis(SPA! フレッシュ)	株式会社ジャレンタイムズ(英語学習サイト Alpha Online)	株式会社NEWSY(しらべ)	不動産・建設・住宅	レインメーカー株式会社(レインメーカー)	外食
株式会社あしたのチーム(株式会社あしたのチーム コレポートサイト)など	SCSK株式会社(Yマハ・ネットワーク製品と事例のお知らせサイト)	Y's Publishing Co., Inc.(ニューヨーク便利帳)	株式会社ジャレンタイムズ(The Japan Times)	百貨創成株式会社(百貨創成株式会社)	株式会社リアルタイム(コレポートサイト)	ユアサハラ法律特許事務所(ユアサハラ法律特許事務所)	株式会社松屋(株式会社松屋グループ)
株式会社社会保険研究所)	レスキューワーク株式会社(マイ見積)	株式会社 シムナムメディア(webChronos)	株式会社日経CNBC(マーケット経済専門チャンネル「日経CNBC」)	株式会社ビーオービー(展示会とMICE)	住友不動産株式会社(住友不動産関連WEBサイト群)	ユアサハラ法律特許事務所(ユアサハラ法律特許事務所)	HappySpace Co., Ltd.(ダニング マサラ)
びあ朝日ネットワーク(PIA Data Marketing Solution)	01DESIGN(01DESIGN)	U.S. Japan Publication N.Y., Inc.(UJP NEWS Advanced)	新書評読(新書評読)	株式会社キュービック(HOPI)	株式会社マックススマート(L stay & grow 情海)	株式会社ファースト国際特許事務所(ファースト国際特許事務所)	人材
株式会社アンダーワークス(コレポートサイト)	株式会社アージェン(AJSTEAR)	トゥーティファクト、次日本印刷 (homoヘルプサイト)	テレビ朝日(buon)・米テレビサ	株式会社キュービック(スーフロ)	株式会社マックススマート(ヘルスケアマーケティングネット)	自動車・輸送用機器	株式会社クロックワークス(採用サイト)
株式会社トモノカイ(東大東大東大東大の会)	株式会社デジタル・ヒューマンテクノロジー (DRHT)	コンチナスト・ジャーナル(WIRED)	株式会社サンリオ(びんぎん)新居社 (びんぎん web)	株式会社キュービック(シバク)	株式会社マックススマート(ホテルファンクラブ大阪ベイ)	SUBARU(コレポートサイト)	DRIVE INTO CODE(DRIVE INTO NEXT)
DATUM STUDIO(株式会社)コレポートサイト)	株式会社ITWOMAGAZine)	コンチナスト・ジャーナル(VOGUE GIRL)	大宇・教育	株式会社キュービック(読でも分かる読書案内)	株式会社マックススマート(マーケティングネット)	株式会社アングラニア(アングラニア)	株式会社スノース(アムバーナードグループ)キャリア コレポートサイト)
Suspense(株式会社)コレポートサイト)	株式会社ウェブデザイン(株式会社ウェブデザイン)	株式会社 主婦と生活社 (暮らしと仕事をめくる)	インターキャスト、青山学院 サイト構築(青山学院公式サイト)	株式会社キュービック(いい引っ越し.com)	有限会社 北陸高経建設工業(なんでも)	株式会社カーフロンティア(TREHOOD MAGAZINE)	株式会社ホルムハート(BUDDYZ LIVE!)
Suspense(ホールディングス株式会社)コレポートサイト)	ジーブラン 株式会社(jandona)	株式会社 主婦と生活社 (PASHIPLUS(パシジュラス))	学校法人昭和女子大学 (昭和女子大学)	株式会社キュービック(エネコ)	株式会社 Room8! (Room8 Inc.)	株式会社カーフロンティア(株式会社カーフロンティア)	株式会社ホルムハート(アドベンチャー)
パナソニックオペレーションズ&サービス株式会社(q&d)	株式会社ライオン(HOUYUNHNM(フナム))	株式会社 主婦と生活社 (CHANTO(ちゃんど))	アルー株式会社(ALUGO)	株式会社キュービック(ロボビックスクラブ)	株式会社ナベカネ(株式会社ナベカネ)	株式会社プリズンズ(インフラを構築するコミュニティサイト「Mato Bridge」(マトブリッジ))	株式会社ホルムハート(新宿アドベンチャー)
株式会社エマリンクス(マッチLife)	株式会社アマナ (AMA ONLINE)	株式会社 主婦と生活社 (アール)web)	国立大学法人金沢大学(国立大学法人金沢大学)	株式会社キュービック(ResQ)	株式会社ナベカネ(株式会社ナベカネ)	メルセデスベンツ日本株式会社(Mercedes-Benz LIVE!)	株式会社ホルムハート(HALL HEART)
株式会社エマリンクス(Rooda(ルーヂ))	株式会社Active road(トラッド赤瀬ホームページ)	株式会社 主婦と生活社 (GetNav! web)	国際基督教大学(学内ポータルサイト)	官公庁・各種団体	株式会社不動産流通システム(不動産流通システムREDS)	グリッドストーン(グリッドストーン)	株式会社ホルムハート (BUDDYZ)
日本季節感株式会社(コレポートサイト)	株式会社ニゴロバタ(OKURUKATA)	株式会社交通タイムズ社(WEB CARTOP)	東京工科大学(東京工科大学 緊急用お知らせサイト)	一般社団法人Pythonエンジニア育成推進協会(PythoZen & PEP 8 検定試験サイト)	東京セキスイハイム(東京セキスイハイム)	銀行・証券・保険・各種金融	インテリジェンス(インテリジェンス)
株式会社エマリンクスマッチングアプリ(plus)	科学技術振興機構(UST)科学技術振興機構(UST)	文芸春秋文芸社	国際基督教大学(ICU) (学内ポータルサイト)	公益財団法人経機予防会(公益財団法人経機予防会 オフショールサイト)	遠藤賢朗(遠藤賢朗)	株式会社アレント(株式会社アレント)	アルー株式会社(アルー株式会社)
株式会社ランシスターム(サイバー・マーケティングソリューション)	マイナビ株式会社(マイナビホームページ)	ゲーム・エンターテインメント	国際基督教大学(ICU) (学内ポータルサイト)	一般社団法人日本ネットワーク技術者協会(一般社団法人日本ネットワーク技術者協会 公式サイト)	大和田シロ(大和田シロ)	freee株式会社(19キョリ(PARALLEL CAREER))	株式会社MAM(ミルク市場)
SCSK株式会社メッシュWiFiからPico4(ピコセラ)・SCSKの顕微鏡支援システム	Adobe(Adobe)	株式会社マイナビ(マイナビホームページ)	国際基督教大学(ICU) (学内ポータルサイト)	日本クラブ(The Nippon Club)	セキスイハイム(セキスイハイム)	野村證券株式会社(NEXT LEADERS LAB)	
株式会社 Doctor Web Pacific (日本法人) (Dr.WEB Anti-virus)	Adobe PLUS(Adobe PLUS)	ヤマハ株式会社(Yanist Lounge)	東京工科大学(東京工科大学 学内教育専用サイト)	一般社団法人 Rais 技術者認定試験運営委員会(一般社団法人 Rais 技術者認定試験運営委員会)	三井住友建設(三井住友建設)	株式会社リソネ銀行 (DeCo(スタークラブ))	
株式会社キュービック(ミミコム)	Sansan(Sansan)	ヤマハ株式会社(Web音源人(あーむじん))	早稲田大学(早稲田大学 早稲田大学)	米原商工会(omr.maibara)	情報・通信	株式会社マネーフォワード(MONEY FORWARD)	
Think(株式会社)わたしのネット)	株式会社カクコム(コレポートサイト)	株式会社セガ(セガ公式[Sega/Grand Order/Arcaid])	株式会社セガ(セガ公式[Sega/Grand Order/Arcaid])	株式会社レゾナンス(レゾナンス)	独立行政法人国際交流基金(日本国際協力機関 IT 登録システム)	PT. Bank Negara Indonesia(PT. Bank Negara Indonesia)	
ハニ子株式会社(IDEAS FOR GOOD)	105SHIKI, IDEA*IDEA(105SHIKI, IDEA*IDEA)	株式会社ベネチオ(ベネチオオンライン) (jump one)	株式会社セガホールディングス (セガ製品情報サイト)	東京工科大学(東京工科大学 緊急用お知らせサイト)	一般社団法人 Python エンジニア育成推進協会(一般社団法人 Python エンジニア育成推進協会)	オムロンヘルスケア株式会社(オムロンヘルスケアの国内向けデータリユースサイト)	
ハニ子株式会社(English Hub)	株式会社メディアジャーナル(インフォバーナグループ) (DIGIDAY)	株式会社セガホールディングス (セガ製品情報サイト)	株式会社セガホールディングス (セガ製品情報サイト)	東京工科大学(東京工科大学)	BOSS-CON JAPAN(BOSS-CON JAPAN)	株式会社カラダオンライン (STARHUB(スティングサービス))	
ハニ子株式会社(HEDGE GUIDE)	株式会社アセント(アセント)	株式会社セガホールディングス (セガ製品情報サイト)	株式会社セガホールディングス (セガ製品情報サイト)	東京工科大学(東京工科大学)	PhP技術者認定機構(PhP技術者認定機構)	株式会社ワーク株式会社(S-Port)	
株式会社ベイクン(ベイクン(スマートフォン)	株式会社ベライタ(ベライタ(ベライタ))	株式会社セガホールディングス (セガ製品情報サイト)	株式会社セガホールディングス (セガ製品情報サイト)	東京工科大学(東京工科大学)	(同)ムーン・アンド・ブランチ(月探査情報ステーション)	株式会社ワーク株式会社(S-Port Cloud EVA)	
SCSK株式会社(Yamaha Network Innovation Forum)サイト)	Genic(株式会社 Genic)	ヴァイオリスト・REIKO(ヴァイオリスト・REIKO)	ヴァイオリスト・REIKO(ヴァイオリスト・REIKO)	百貨創成株式会社(百貨創成株式会社 コレポートサイト)	特定非営利活動法人 ITS Japan(特定非営利活動法人 ITS Japan)	RSN Japan株式会社(DEL(リーニョ)公式サイト)	
株式会社キーワーカーク(W NEWS クリッピング)	出版社	株式会社スタンプ(スタンプ JOYSOUND 音楽)	株式会社スタンプ(スタンプ JOYSOUND 音楽)	株式会社TABIZEN(TABIZEN)	宇宙技術および科学の国際シンポジウム (ISITS) (宇宙技術および科学の国際シンポジウム ISITS)	株式会社ファミリーマート(F&G)	
Orange(株式会社 Orange(株式会社))	株式会社カンペン(カンペンホールディングス)	ヴァイオリスト・REIKO(Sound Office Earnest オフショールサイト)	株式会社TABIZEN(TABIZEN)	株式会社TABIZEN(TABIZEN)	総合研究開発機構(NIRA)(総合研究開発機構(NIRA))	株式会社ファミリーマート(ファミマプリント)	
Orange(株式会社 TRIP.3 (トリップス))	株式会社新居社(yomyom)	SEGA Holdings Co., Ltd. Otobi, Yokohama(Otobi Yokohama)	株式会社TABIZEN(TABIZEN)	株式会社TABIZEN(TABIZEN)	総合研究開発機構(NIRA)(総合研究開発機構(NIRA))	イオンイオン	
株式会社Stayway(Stayway media(ステイウェイメディア)) Stayway(ステイウェイ)	株式会社新居社(Book Bang)	セガホールディングス(Otobi, Yokohama [オービィ・横浜])	株式会社TABIZEN(TABIZEN)	株式会社TABIZEN(TABIZEN)	日本自動車研究所 (JARI)(日本自動車研究所 (JARI))	東急モータースデベロップメント(東急モータースデベロップメント)	
株式会社オックスコン(オックスコン)HOTELIER (ホテルリエ)	株式会社新居社(借入も人)	JTB アジアン(アジアン) JTB アジアン(アジアン)	株式会社TABIZEN(TABIZEN)	株式会社TABIZEN(TABIZEN)	農薬・食品産業技術総合研究機構(NARO)(農薬・食品産業技術総合研究機構 (NARO))	富通(富通)	
			ENE CHANGE 株式会社 (SIMCHANGE)		日本SGI(日本SGI)	富士電機(富士電機)	
					NIN(ニフラス株式会社(EX-CLOUD TECH & SUPPORT BLOG))		
					日本SGI(日本SGI)		
					国土省化学工業(国土省化学工業)		

Hiroshi Tokumaru, Japan's leading expert in web security, has been appointed as a web security consultant.

I am very grateful to have been appointed as a web security consultant for Prime Strategy. In recent years, there has been an increase in news related to cybersecurity, which has heightened public awareness of the issue. By providing advice to Prime Strategy and supporting marketing activities from a web security perspective, I believe we can promote the company's security solutions to a wider audience.





# KUSANAGI Security Edition

Enhanced security measures. Gradual implementation of automatic updates for OS/middleware.



**OS/Middleware**  
**Automatic Updates**



**Multi-cloud/multi-OS**  
**Security Standards**



**Practical Reporting**



**Integration with Existing**  
**Operational Workflows**

- Software updates are a fundamental aspect of security measures that have been attracting significant attention in the market. In recent years in particular, demand for such updates has been increasing.
- Companies often have multiple websites, each of which use different combinations of software, and in many cases, the web servers on which they run have different software configurations. As a result, the process of updating software becomes an immense burden, incurring significant costs. Furthermore, there are many cases where failing to update software leads to hacking.
- We are currently researching and developing a system for automatically updating the OS and middleware of web servers, with the ability to revert to a previous version in case anything goes wrong.



This technology is highly advanced and complex.

The operational burden on companies that own web servers is significantly reduced, and security is improved.



### KUSANAGIサミット2024オンライン無料開催

## 業界トップランナーによる、Webセキュリティと収益性と



## 市場動向を学ぶWebの祭典

12月4日開催、徳丸本・Python本の抽選あり



超高速CMS実行環境「KUSANAGI」のプライム・ストラテジーが登壇します。



### 「Web改ざん匿名事例解説、セキュリティはどこまでやれば十分なのか」 ～稟議に使える市場データとCMSセキュリティ対策事例を紹介～



## Web担当者Forum ミーティング2024秋

11.19(火) >> 20(水) 10:30-17:15  
（リアル開催）



#webtan

聴講無料  
(事前登録制)

About 450 people registered for our web security-related seminars

攻撃遮断くんのサイバーセキュリティクラウド

## 最新セキュリティの全貌と具体策と改ざん事例を解説するセミナー



～セキュリティはどこまでやればいいのか／実際のWebサイトに潜むヒヤリハットとは～

新代表吉政が市場データとセキュリティを



プライム・ストラテジー相原による改ざん事例



## Web改ざん匿名事例解説と効果的で安全なWebサイトの運営を解説するセミナー

12月18日(水) 14時30分～  
オンライン開催参加無料



第一人者である



- We announced new products utilizing the latest technologies to meet the growing demand for security.
- We appointed Hiroshi Tokumaru, a leading expert in web security in Japan, as Web Security Advisor (effective December 1, 2024).
- We held security-related seminars. The most recent 4 had about 450 participants. A total of 319 individuals provided their personal information after watching the presentation video at the Web Manager Forum Meeting.

Preparations for the expansion of the web security-related business in FY2025 are underway.





1. Introduction

2. KUSANAGI Stack, Our Core Competency

3. Market

4. Quarterly Highlights

5. Full Year

6. FY2025 Business Strategy

KUSANAGI Stack

KUSANAGI Performance

WEXAL Page Speed Technology

David

KUSANAGI Managed Services

CMS/Web Platform Integration Services

Business Composition

Licensing In and Outside Japan

Our Unique Strengths/Competitive Advantages

Only Product Suite that Accelerates All Processes

## KUSANAGI Stack

KUSANAGI ultra-high-speed CMS execution environment  
 WEXAL Page Speed Technology acceleration engine  
 ONIMARU David Strategic AI

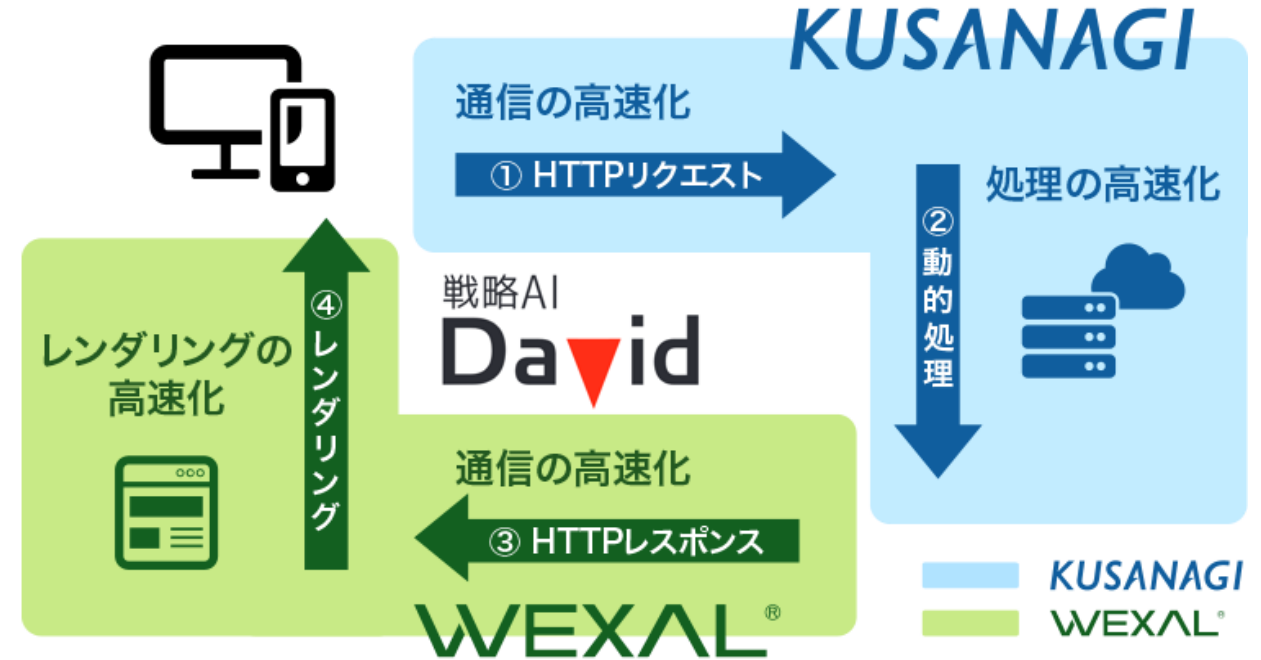


Japanese Patent No.7523733  
 Japanese Patent No.7530383  
 US Patent No.US12111876B2  
 \*US patent pending.

Deployed on 28 platforms.\*1  
 90,000 deployments.\*2

Speed, Security & Cost

Optimization of all processes for web display.



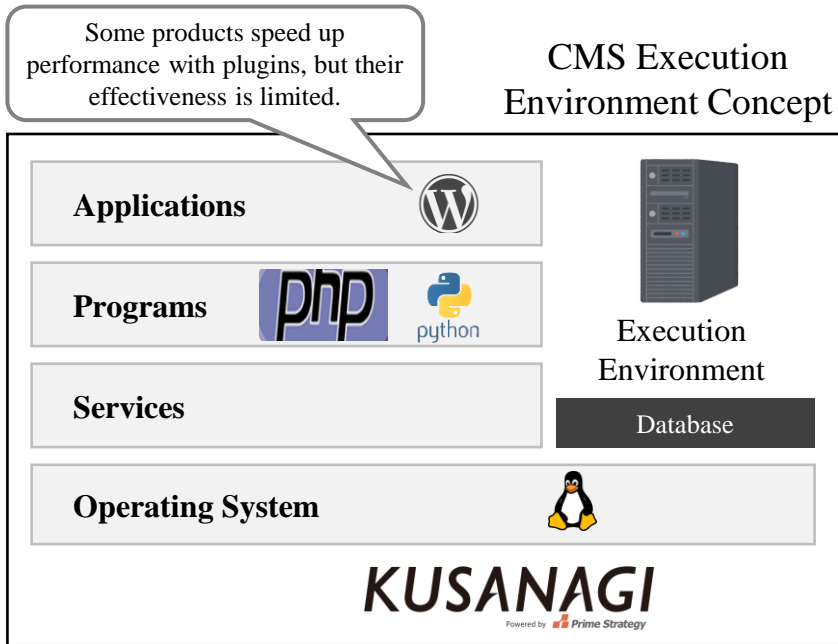
\*1 As of September 2024.

\*2 As of July 2024.

# KUSANAGI Performance

KUSANAGI specializes in ultra-fast tuning and security enhancements specifically for WordPress/CMS through the combinations shown below.

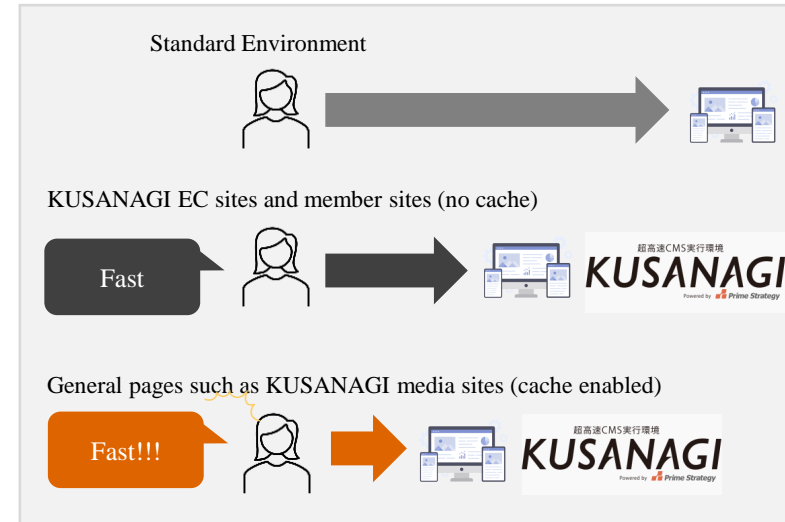
KUSANAGI Accelerates All Layers



**Cache Server**

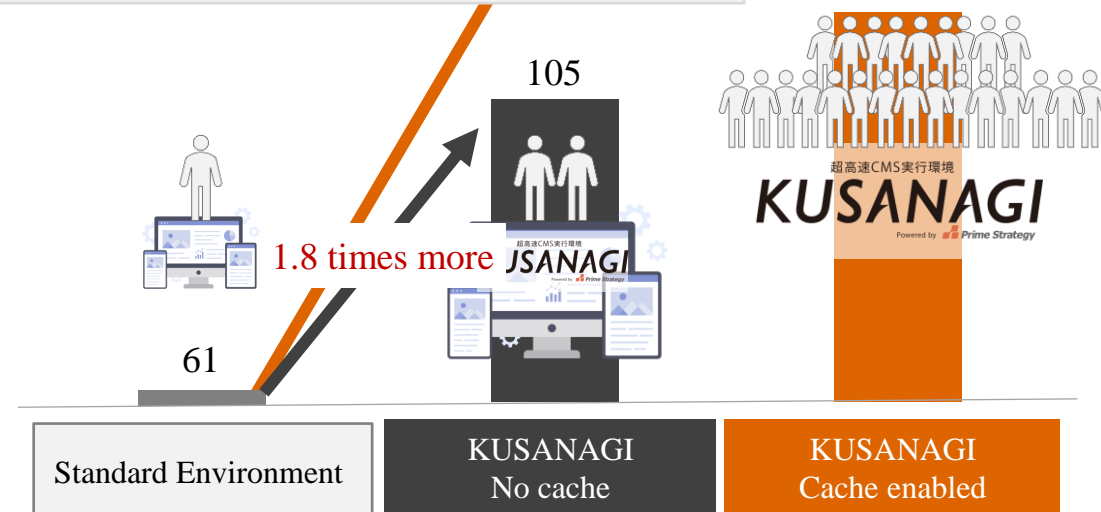
Utilizing a cache server (CDN) can also improve speed, but the acceleration is limited.

No. of requests that can be processed per second.



16,046

260 times more!



\* Environment 1 AlmaLinux 8.9  
Microsoft Azure Standard D4asv5-series VM (3.24 GHz AMD EPYC 7763 processor, 4 vCPUs, 16 GiB RAM), Premium SSD LRS, Japan East, PHP 8.0.30, Nginx 1.20.1, MariaDB 10.5.22, WordPress 6.4.2

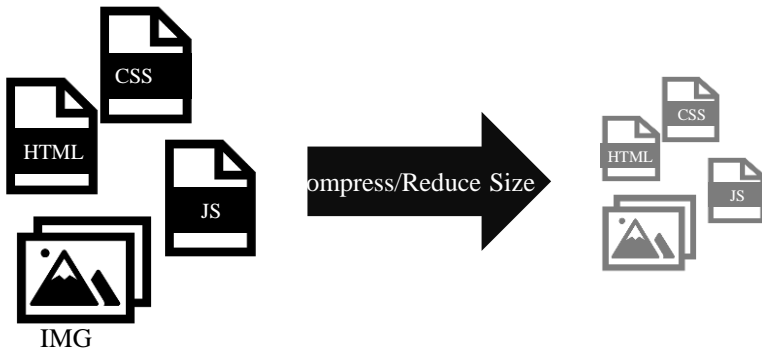
\* Environment 2 KUSANAGI 9.4.8-1  
Microsoft Azure Standard D4asv5-series VM (3.24 GHz AMD EPYC 7763 processor, 4 vCPUs, 16 GiB RAM), Premium SSD LRS, Japan East, PHP 8.0.30, Nginx 1.25.3, MariaDB 10.5.23, WordPress 6.4.2



**WEXAL Page Speed Technology** is a performance acceleration engine for web systems. It performs automatic tuning of browser rendering to enhance user experience.

Advantage **2** Acceleration and reduction of transfer volume through resource optimization.

By compressing and reducing the size of resources such as images, JS, and CSS, WEXAL not only accelerates display speed but also reduces the volume of data transferred through resource optimization.



Advantage **1** Automatic generation of optimization strategies by David Strategic AI

**ONIMARU David Strategic AI** automatically generates optimization strategies for each page, tailored to the browser environment, eliminating the need to rely on engineers.



戦略AI **David**

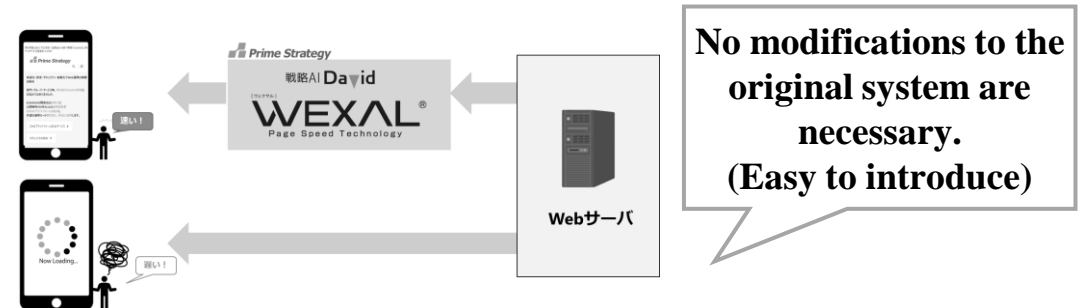
Automatic Optimization

Engineers no longer need to worry about optimization.

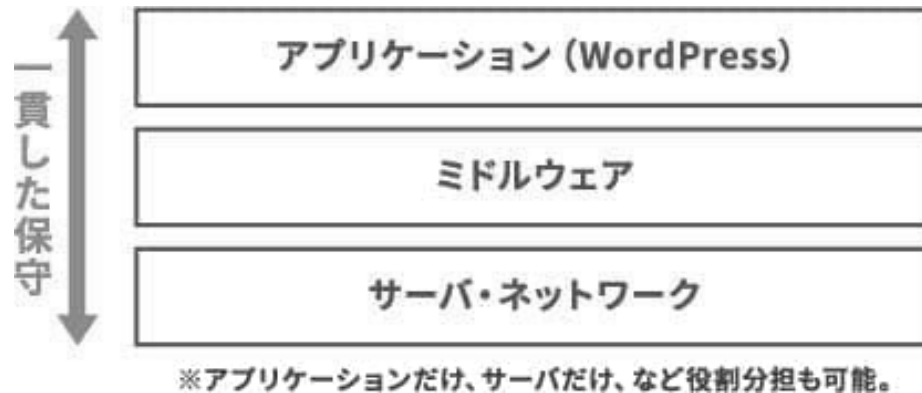


Advantage **3** No modification of the original data.

No modifications are made to the original resources, programs, or data stored in the database.



## We provide comprehensive support for everything from CMS like WordPress to server operation and management



A fully managed service that includes everything necessary for CMS operation.

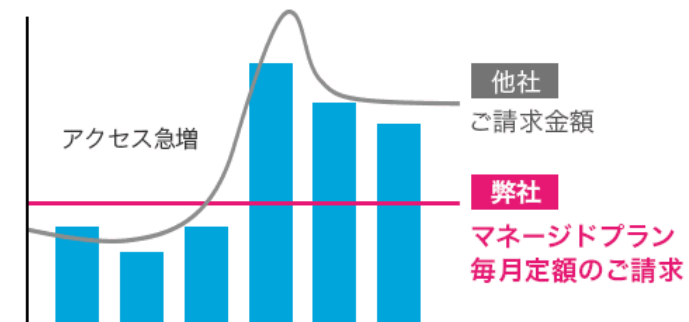
Server Fees Included

24/7 Incident Response

Security Support

Tech Support

A monthly flat-rate system with cloud fees included, makes it easy to establish an annual budget. Even with temporary increases in traffic, the pricing remains the same.

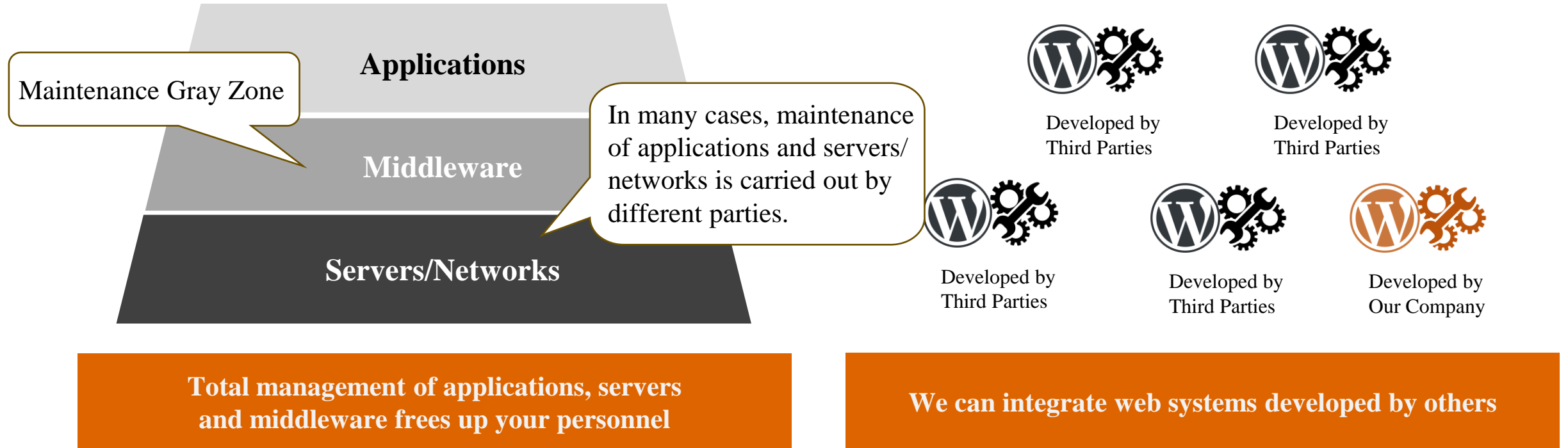


Marketing and web personnel, as well as those in the IT department, can:

**Focus on their core tasks, such as content creation, by delegating CMS operations and management.**

# KUSANAGI Managed Services Competitive Advantage

KUSANAGI Managed Services is a support service for companies that handles the operation and management of WordPress sites and servers. It provides an environment where marketing and web personnel can focus on their core tasks, such as content creation.



Generally, a service provider does not take over the maintenance of web servers developed by other parties. So a provider of integrated maintenance is rare.



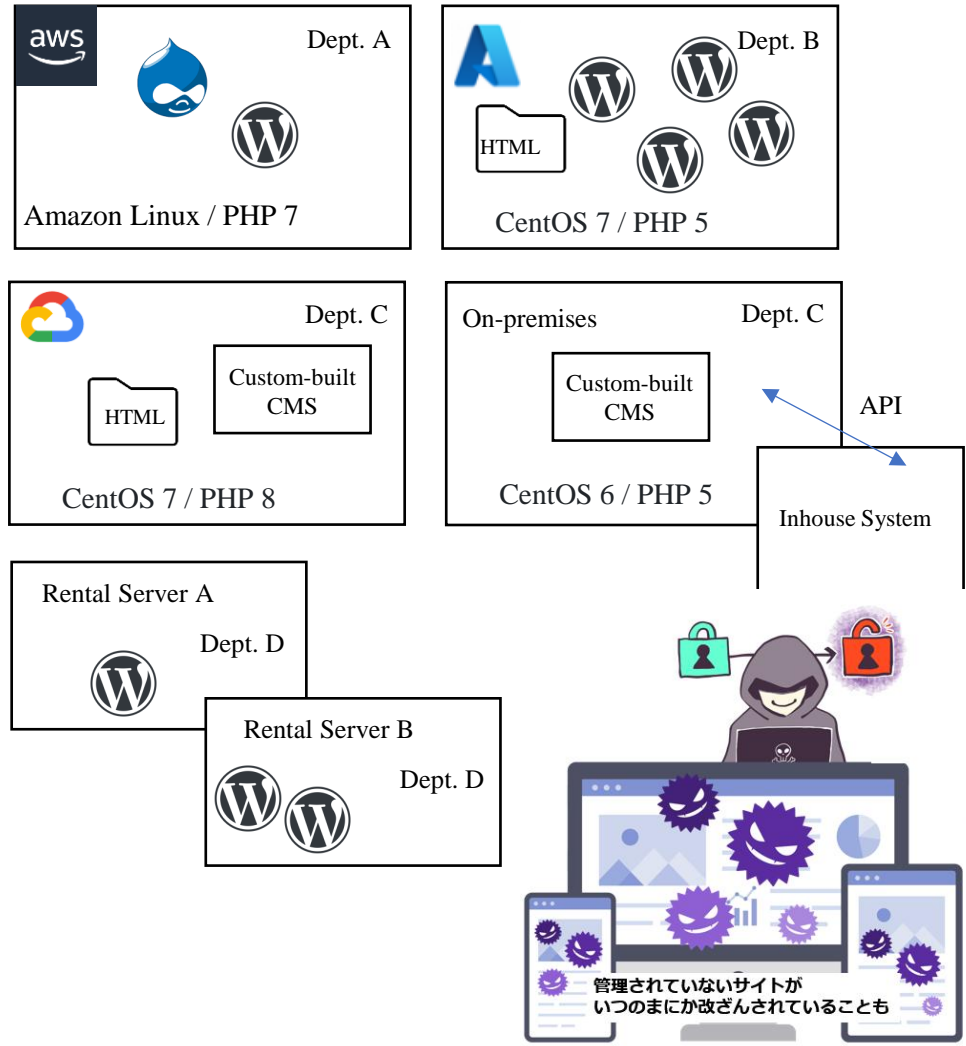
# Reference: Our Competitive Advantage at a Glance

		KUSANAGI Managed Services	A社	B社
技術力	他社が構築したWebサイトの引継ぎ保守	◎ 事例多数	— 未対応	— 未対応
	WordPressの技術力・保守力	◎ 事例多数	△	△
パフォーマンス	突発的なアクセス増への対応	◎ KUSANAGI (標準)	△	—
	パフォーマンスの向上	◎ KUSANAGI (標準) 追加チューニングも可	△ 有償チューニング	—
	AIによる自動チューニング	○ WEXAL (有償)	—	—
	クラウド利用料金の軽減	◎ 月次料金に含む (定額)	—	—
サポート力	サーバ・ネットワーク・ミドルウェア・アプリケーションまでのフルマネージド	◎ 標準料金に含まれる	△ 一部に限定	— WordPressのみ
	技術者による技術サポート	◎ 電話・オンライン	○ オンラインのみ	△ 有償
	24時間365日対応	○ オプション	○ オプション	— 未対応
	レポーティング	○ 運用レポートと定例 (オプション)	○ オプション	— 未対応

For further details, go to: [https://www.prime-strategy.co.jp/wordpress\\_managed/](https://www.prime-strategy.co.jp/wordpress_managed/)

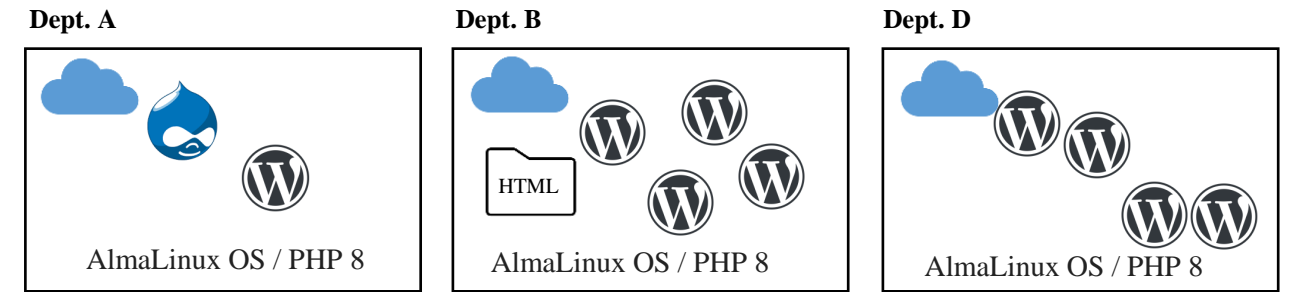
# CMS/Web Platform Integration Services

Security and governance challenges faced by the proliferation of websites.

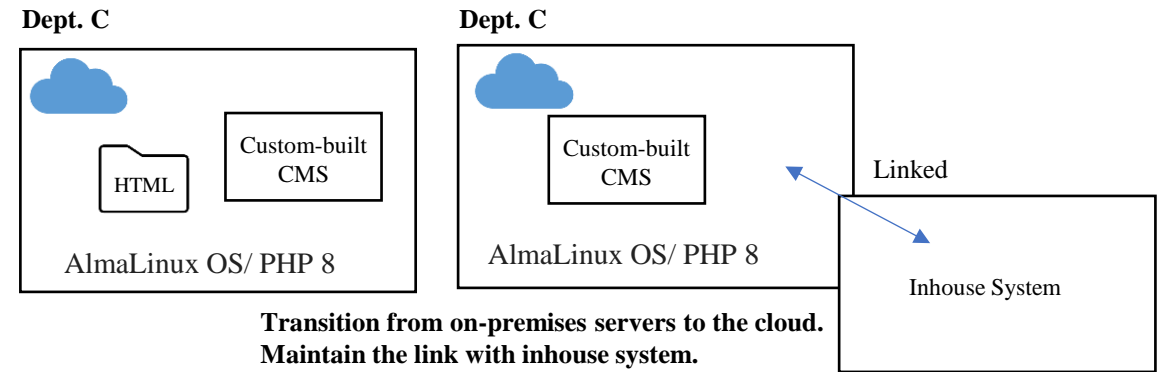


Transition to a unified cloud platform. Update OS and middleware, and conduct operations under unified rules.

Operate in a unified security environment



Transition from rental servers to the cloud.



Transition from on-premises servers to the cloud. Maintain the link with inhouse system.

The service is well-regarded for its operation in a unified security environment.

## Planning

- Assess environment
- Prepare site list
- Identify issues
- Coordinate with development vendors
- Formulate operational rules

## Migration

- Configure server
- Migrate site
- Implement security service
- Update CMS

## Management

- Respond to incidents
- Carry out maintenance
- Carry out security updates
- Reporting
- Manage accounts (domains, SSL)
- Liaise with development vendors
- Various consultation



Flat-rate  
including server fee



Tech support.



24/7  
Incident response



Security  
support



Maintenance



Backup and  
recovery

Support Right from the Planning Stage to Platform Integration

# Business Composition

Development of core technology and products, such KUSANAGI.

Deployment of various services that make the most of technologies such as AI and automation.

## Focus on Recurring Revenue Business

### Recurring Revenue Business

#### Licensing

Revenue Ratio **15%**

##### Paid licenses

Global sales of KUSANAGI through cloud service providers.



##### Intellectual Property

Licensing of brand/intellectual property



GMO INTERNET GROUP

KUSANAGI Brand

Japanese patent granted.  
US patent pending.  
Intellectual Property

#### KUSANAGI Managed Services

Revenue Ratio **70%**

**The added value of managed services as the developer of KUSANAGI + KUSANAGI**

##### Single web system maintenance and operation services

Maintenance and operation services for customer's single CMS or other web systems.

##### CMS Platform Integration Service

Integrated management services for customers' multiple CMS and other web systems.

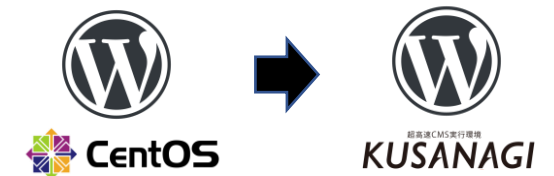
### Non-recurring Revenue Business

#### Cloud Integration Services

Revenue Ratio **15%**

##### Services during initial setup.

System migration during the implementation of KUSANAGI Managed Service.



##### Post-maintenance and operation services

Additional development of customer web systems after the start of maintenance and operation.

# Licensing In and Outside of Japan



**Japanese Patent No.7523733**  
**US Patent No.US12111876B2**

**戦略AI David**

Automatic High-speed  
 Display Control Method  
 for Web Content

**Japanese Patent No.7530383**  
**US patent pending.**

**WEXAL**  
 Page Speed Technology

Automatic Display  
 Control Method for Web  
 Content

Microsoft Azure

aws

Google Cloud Platform

## 28 Cloud Service Providers

As of September 2024.

Region	IP Partnership	Market
Japan	2 companies	◎
Asia	TBD	◎
North America	TBD	◎
Oceania	Development of Partner Companies	
Central/South America		
Europe	TBD	◎
Middle East	TBD	○
Africa	TBD	○

# Our Unique Strengths/Competitive Advantages

## Product Competitiveness/ Differentiation

The target is 62.0% of web servers running CMS worldwide (with WordPress operating on 43.6% of them).\*

High level of specialized CMS security

Ultra-high-speed  
260 times faster than normal environment

Partnership with major cloud providers  
  
AWS, Microsoft, Google and 8 more companies

\* Source: [https://w3techs.com/technologies/overview/content\\_management](https://w3techs.com/technologies/overview/content_management)

Entry barrier due to the free version of KUSANAGI

Increased awareness and adoption due to the free version of KUSANAGI

Track record of providing technology to major providers

High level of technical expertise backed by patents

## Service Competitiveness/ Differentiation

Subscription-based services that enable stable business expansion

High level of technical expertise in maintaining websites built by other companies

One of Japan's leading domestic companies with a wealth of experience (200 sites disclosed)

Leading company in WordPress

As a web server OS and maintenance service provider, we have one of the highest levels of technical expertise and a strong track record in Japan.




# Table of Contents

1. Introduction
2. KUSANAGI Stack, Our Core Competency
3. Market
4. Quarterly Highlights
5. Full Year
6. FY2025 Business Strategy

Target Markets

Leading Company in WordPress

## The Internet




Computers provide content to Internet users (Web servers)

The more content there is, the slower it is displayed.

The more popular and widely used it becomes, the more important the information is that is accumulated, making it a target for cyberattacks.

Prime Strategy provides web server maintenance services (subscription services) that accelerate web servers to ultra-high speeds and ensures they can be operated securely.

## The Internet



Computers that provide content to Internet Users (Web servers)

In the past, content was created and displayed using programming.

Prime Strategy provides web server maintenance services (subscription services) that accelerate web servers to ultra-high speeds and ensures they can be operated securely.

With CMS, content can be created and updated without the need for programming.

Currently, 62.0% of web servers worldwide are running CMS, with WordPress accounting for 43.6% of the total.\*

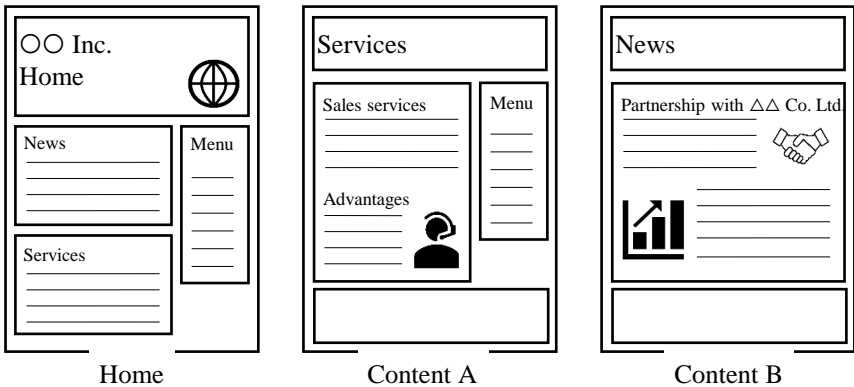
\* Source: [https://w3techs.com/technologies/overview/content\\_management](https://w3techs.com/technologies/overview/content_management)

Both CMS and WordPress are our target markets, and WordPress is an area in which we are particularly strong.

# What are CMS and WordPress?

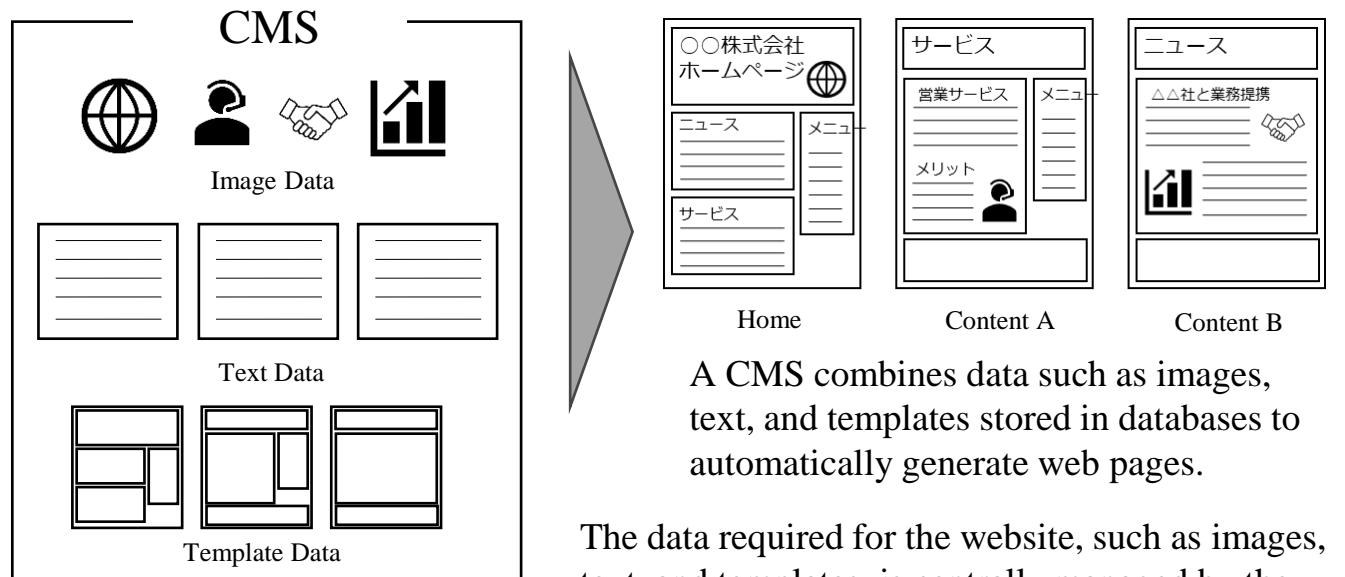
A CMS is a tool that allows people who are not familiar with websites to add and update pages without programming. It enables efficient website management by centralizing the management of text, images, layouts, and other content. CMS is used on approximately 70% of websites worldwide. ([W3CTechs September 2024](#))

## Website Managed Without CMS



Data for each completed web page is created, saved, and managed individually, which requires specialized knowledge. If changes are required to be made to common elements, all pages need to be updated, which adds to the operational workload.

## Website Managed with CMS



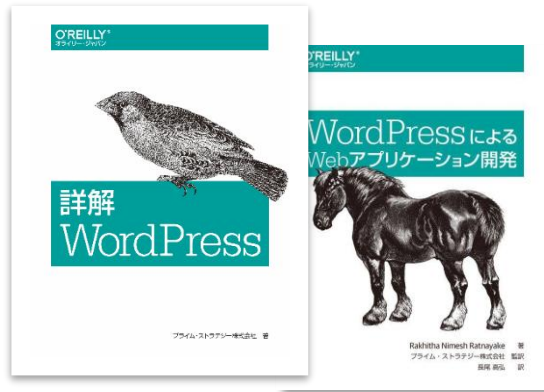
A CMS combines data such as images, text, and templates stored in databases to automatically generate web pages.

The data required for the website, such as images, text, and templates, is centrally managed by the CMS (stored in a database).

Because web pages can be updated and added without specialized knowledge, CMS has become widely used for everything from corporate websites to personal sites.

# Leading Company in WordPress

Authored and oversaw the translation of WordPress-related books.



Detailed Guide to WordPress (Japanese)

Web App Development with WordPress (Japanese)

(Publisher: O'Reilly Japan, Inc.)

Awarded the Tokyo Metropolitan Government's Going-Global Innovations Competition Tokyo Innovative Service Special Award.

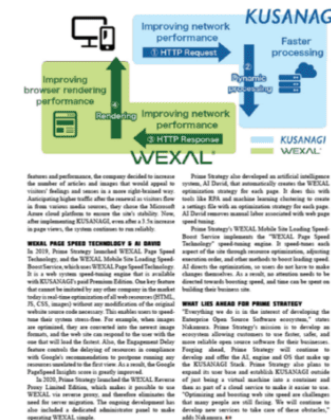


Selected as one of the Top 10 Cloud Solution Companies – 2021 by APAC CIO Outlook Magazine



WordPress Textbook Series

(Publisher: SB Creative Corp.)





# Target Markets for KUSANAGI Stack

WordPress Becoming a Target for Cyberattacks has Led to Increased Security Awareness

Companies with 1,000 or more employees  
**4,042 companies** \*4

Companies with 300–999 employees  
**11,478 companies** \*4

WordPress' share of the domestic CMS market is 83.1% (\*1).

Outsourced IT  
35.4% \*3

Inhouse IT  
54.4% \*3

The number of WordPress sites used by listed companies increased by about 1,000 sites over the one-year period from 2022 to 2023 (\*2).

Web

Safe and Hassle-free

Ultra-high Display Speed

Ultra-higher Speed & High Level of Security

**KUSANAGI**  
Managed Services

**WEXAL**

**KUSANAGI License (Paid Versions)**

- KUSANAGI Business Edition
- KUSANAGI Premium Edition (+ Front-end Optimization)
- KUSANAGI Security Edition (Enhanced Security)

\*1 [https://w3techs.com/technologies/segmentation/ci-ja-/content\\_management](https://w3techs.com/technologies/segmentation/ci-ja-/content_management)

\*2. Source: Listed Company CMS Survey Report (August 2023, August 2022, DataSign Inc.)

\*3 <https://www.imagazine.co.jp/gartner-i-soft-dev-in-house2023/>

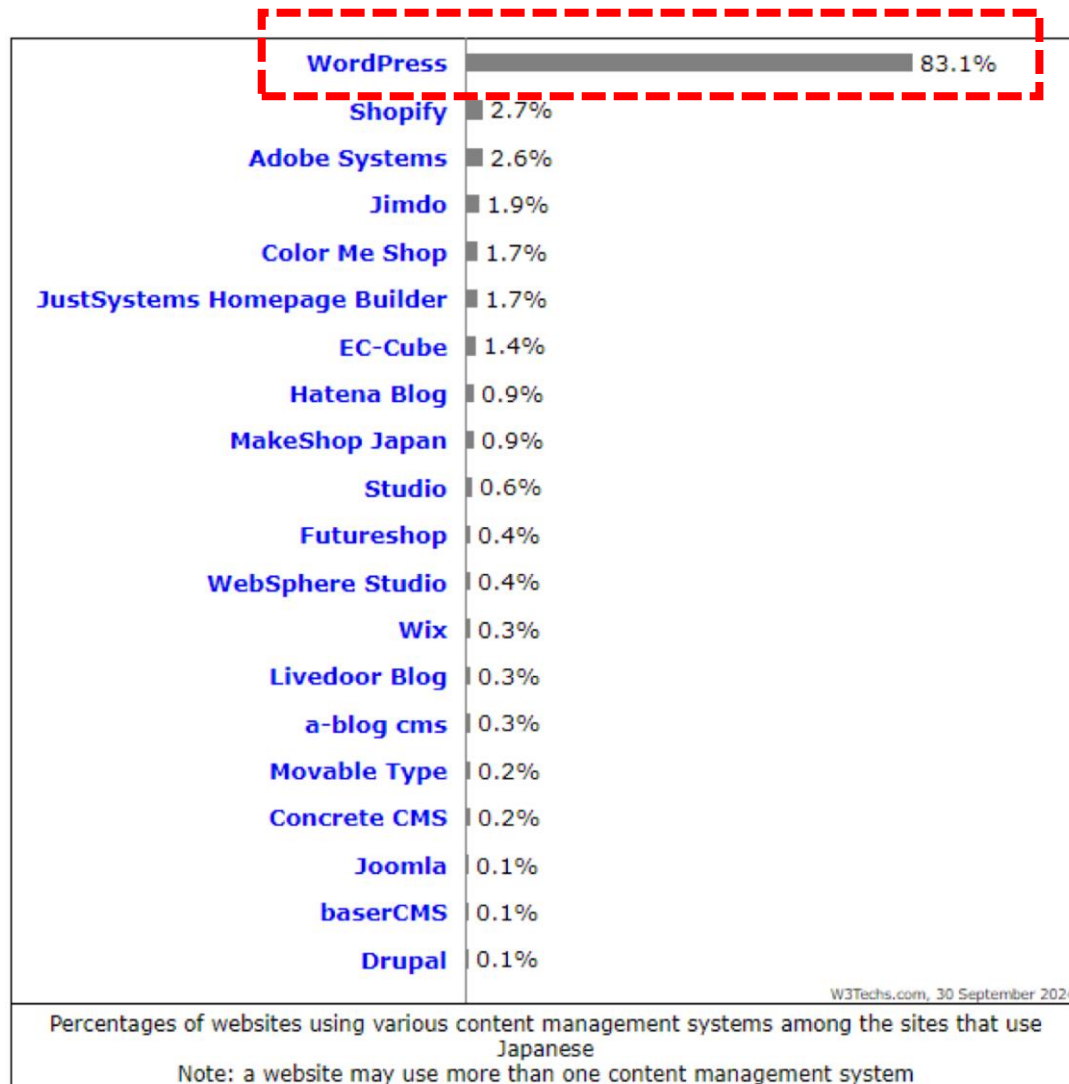
\*4 How many companies are there in Japan? 2023 Edition, Net Business Support Ltd. (net-biz.jp)



# What are CMS and WordPress?

WordPress is one of the leading CMS platforms, accounting for 83.1% of the CMS market in Japan.

([W3CTechs September 2024](#))



## Advantages and Disadvantages of CMS

### Advantages

- Efficient content updates.
- Easy customization.

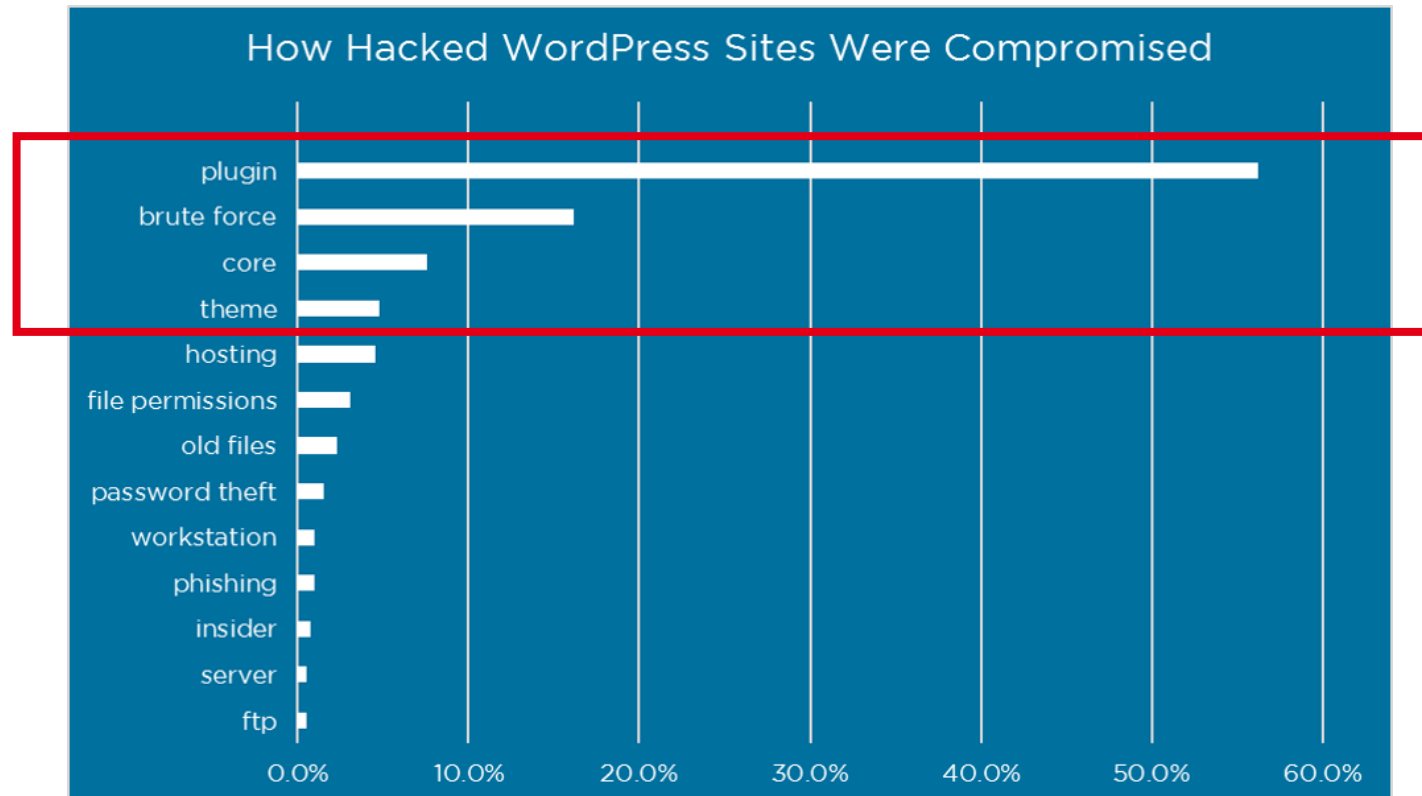
### Disadvantages

Common issues when using dynamic CMSs

- As the amount of content increases, display speed deteriorates.
  - Negative impact on SEO.
- As customization increases, the effort and cost required for version upgrades also increases.
  - More susceptible to cyberattacks.
- Robust maintenance is required.
  - The goal is to manage it efficiently, allowing users to focus on tasks such as content creation.

# How WordPress is Hacked

- More than 60% of WordPress site hacks are caused by vulnerabilities in plugins and themes.
- **By addressing vulnerabilities in the WordPress core, plugins, and themes, the risk of hacking can be significantly reduced.**



# Table of Contents

1. Introduction
2. KUSANAGI Stack, Our Core Competency
3. Market
4. Quarterly Highlights
5. Full Year
6. FY2025 Business Strategy

Quarterly P/L Summary

Cost Structure for FY2024 Q4

Growth Strategy Progress

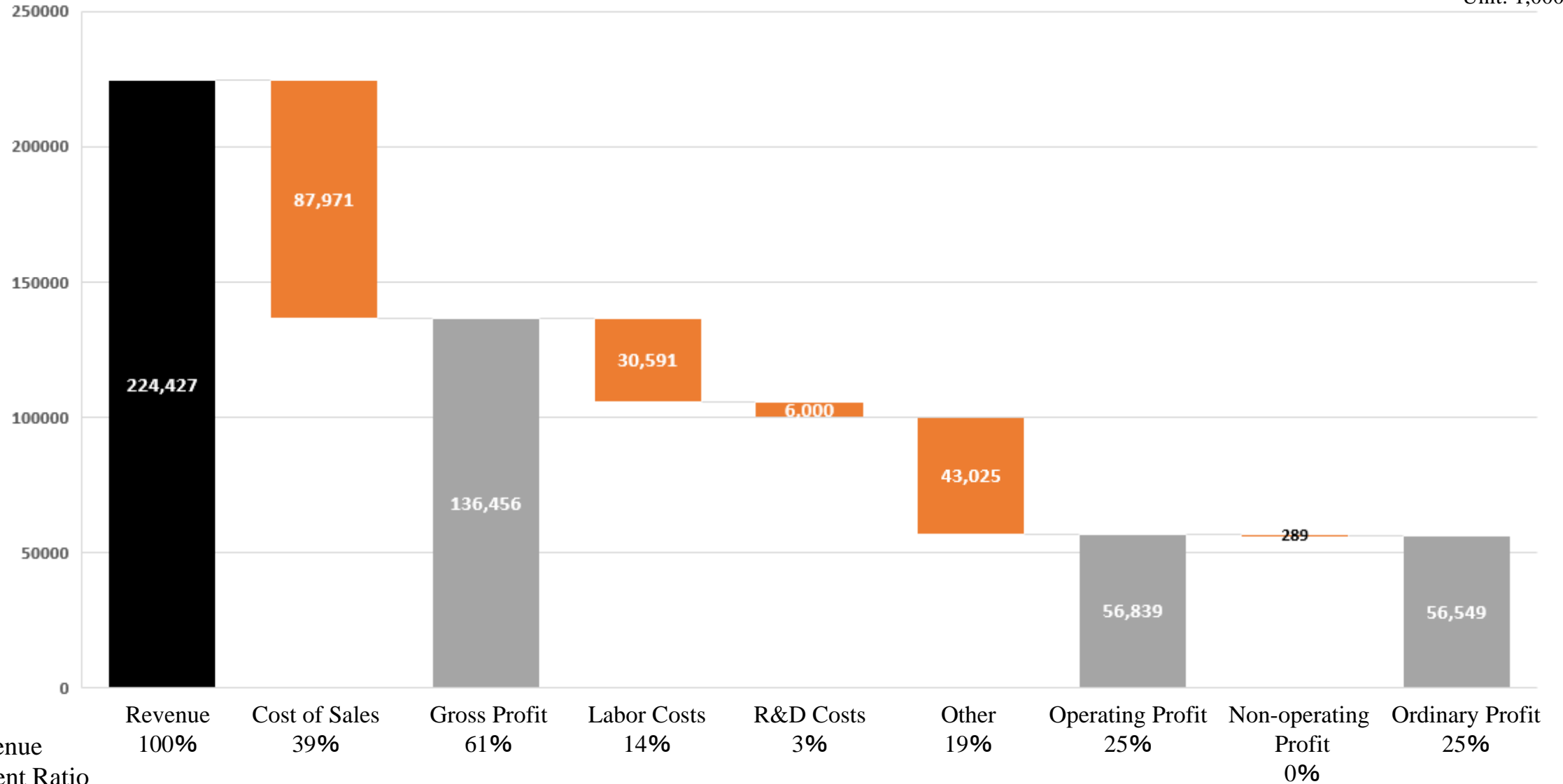
# Quarterly Profit/Loss Summary

On a quarterly basis, sales have increased by 4.4% compared with the previous quarter. This is primarily due to an increase in sales related to cloud integration services. Both operating profit and recurring profit have decreased compared with the previous quarter and the same quarter of the previous year. The main factors are the increase in costs due to outsourcing and other expenses, as well as the rise in selling, general, and administrative expenses due to strengthened marketing and sales efforts.

(1,000 JPY)	FY2024-4Q					FY 2024-4Q Aggregate			(Reference) FY2024 Projection
	Same Quarter Previous Year	Previous Quarter	Current Quarter	YoY Comparison	QoQ	Same Quarter Previous Year	Current Quarter	YoY Comparison	
<b>Revenue</b>	224,111	215,021	224,427	100.1%	104.4%	877,193	857,213	97.7%	844,629
KUSANAGI Managed Services (recurring revenue)	147,022	145,904	149,053	101.4%	102.2%	607,264	587,309	96.7%	586,976
Cloud integration service (non-recurring revenue)	42,442	35,097	41,545	97.9%	118.4%	137,141	132,971	97.0%	120,554
License Sales (License revenue)	34,646	34,020	33,828	97.6%	99.4%	132,787	136,932	103.1%	137,098
<b>Cost of Sales</b>	79,911	89,116	87,971	110.1%	98.7%	299,983	337,441	112.5%	350,625
<b>Gross Profit</b>	144,200	125,905	136,456	94.6%	108.4%	577,209	519,771	90.0%	494,004
<b>Selling, general and administrative expenses</b>	78,895	67,686	79,617	100.9%	117.6%	289,772	307,498	106.1%	323,402
<b>Operating profit</b>	65,305	58,218	56,839	87.0%	97.6%	287,436	212,273	73.9%	170,602
<b>Ordinary profit</b>	65,051	57,940	56,549	86.9%	97.6%	265,884	212,274	79.8%	170,121

# Cost Structure for FY2024 Q4

Unit: 1,000 JPY



## Short-term Plan: CMS platform integration service (KUSANAGI Managed Services)

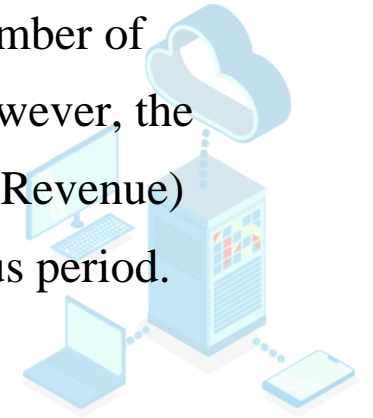
- Approach for acquiring large projects focused on partner initiatives (ongoing).
- Acquisition of new customers through collaboration with sales outsourcing companies (ongoing).
- Expansion of inbound customer contacts through website renovation and the creation of problem-solving columns (ongoing).
- Proposal and nurturing of leads from seminars (ongoing).
- Initiation of technical training for new sales members (new).





## KUSANAGI Managed Services

In the fourth quarter, the number of new customers was 4, and the number of canceled customers was also 4, resulting in a flat customer count. However, the customer unit price increased. As a result, MRR (Monthly Recurring Revenue) increased by approximately 4% compared with the end of the previous period.




### KUSANAGI Managed Services Performance

	FY2020	FY2021	FY2022	FY2023	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q
<b>MRR (1 million JPY)</b>	36	35	51	48	48.6	48.5	49.0	50.0
<b>No. of customers (companies)</b>	125	114	114	109	107	104	107	107
New	17	14	10	9	2	2	7	4
Canceled	37	25	10	14	4	5	4	4
<b>Customer unit price (1,000 JPY)</b>	292	301	363	446	454	467	458	468
<b>Churn rate (%)</b>	1.9	1.5	0.7	1.0	1.2	1.6	1.2	1.2
<b>No. of sites</b>	—	—	267	269	266	269	275	275

Churn rate: The number of cancellations during the period (4 companies) divided by the total number of customers during the period (107 companies), then averaged on a monthly basis (the figures in parentheses are for the FY2024 period).

## Short-to Mid-Term Plan: : Licensing in and outside Japan

- US Patent acquired for David Strategic AI (Invention Title: Automatic high-speed display control method for web content).
  - Launch of KUSANAGI Security Edition announced. Development will continue.
  - KUSANAGI 9 on IDCFC cloud started.
  - Conducting and continuing technical verification for the new offering of KUSANAGI on domestic and international platforms.
  - Continuing technical verification and business negotiations with domestic platform providers and international platform operators.
- 

## Mid-to Long-Term Plan: : Hyper automation

- Continuing development of the features of Magatama.AI, a fully local environment LLM execution and maintenance service.
- Utilized an internal customer auto-extraction tool in sales, leading to an increase in the number of business negotiations.

# Table of Contents

1. Introduction
2. KUSANAGI Stack, Our Core Competency
3. Market
4. Quarterly Highlights
5. Full Year
6. FY2025 Business Strategy

FY2024 Highlights

Key Metrics and KPIs

Full Year P/L Summary

Quarterly Change

Sales and Cost

Profit and Expense

B/S Summary

## FY2024 Highlights

- KUSANAGI Managed Services reached 96.7% of the previous period, Cloud Integration Services reached 97.0%, and License Sales reached 103.1% compared with the previous period. However, new orders did not grow, and net income for the period was 151 million JPY, which is 81.9% of the previous period.
- Despite having strong technical capabilities and product strength, it was expected that this would not translate into new orders, resulting in a significant deviation from the medium-term management plan.
- In light of the above, after careful discussion, it was decided to withdraw the medium-term management plan.

## Result Verification and Countermeasures

- Due to the inability to promptly recruit sales and marketing personnel, we were unable to expand new orders or effectively follow up with existing customers.
- Compared with the beginning of FY2024, the sales team has increased by three members, and the marketing department currently has one member, with plans to add two more by this spring.
- As a result of the above, after the new structure was implemented, we have strengthened our sales capabilities, increased the number of seminars held, revamped our web pages, and enhanced SEO. As a result, the number of projects has steadily increased.

# Key Metrics and KPIs

Revenue (FY2024 [consolidated])

**850** million JPY

870 million JPY  
FY2023 Results

KUSANAGI Managed Services

No. of customers (As of November 2024)

**107** Companies

109 Companies  
(As of November 2023)

KUSANAGI Deployments

(As of September, 2024)

**90,000** Deployments

Operating Profit Ratio

FY2024, Consolidated)

**24.8** %

32.8 %  
FY2023 Results

KUSANAGI Managed Services

Customers Unit Price (November 2024)

**468,000** JPY/month

446,000 JPY/month  
(As of November 2023)

Platforms offering KUSANAGI

(As of September, 2024)

**37** Countries

**203** Regions

**28** Platforms

Proportion of Recurring Revenue

(FY2024, Consolidated)

**85.6** %

84.4 %  
FY2023 Results

84.4 %  
FY2023 Results

KUSANAGI Managed Services

MRR (November 2024, Consolidated) \*1

**50.034** million JPY

48.643 million JPY  
(As of November 2023)

Licensing Fees

MRR (August 2024, Consolidated) \*1

**11.173** million JPY

11.476 million JPY  
(As of November 2023)

(Note 1.) MRR (monthly recurring revenue): Expected ongoing figure

# Full Year P/L Summary

Revenue and profits at each stage exceeded 100% of the plan. On the other hand, due to cancellations from existing customers and additional costs incurred from strengthening sales and implementing marketing measures, both revenue and profit decreased compared with the previous period.

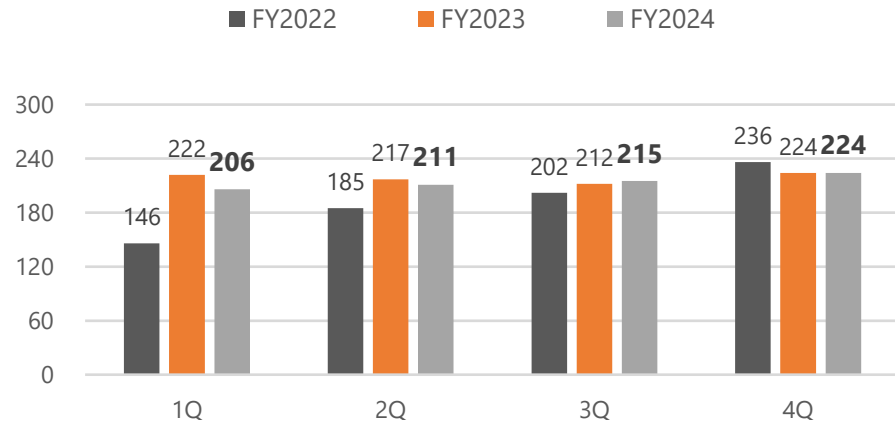
Unit: 1,000 JPY, %	Previous Period	Current Period	YoY	Forecast	Variance to Plan
<b>Revenue</b>	877,193	<b>857,213</b>	97.7%	844,629	101.5%
KUSANAGI Managed Services (recurring revenue sales)	607,264	<b>587,309</b>	96.7%	586,976	100.1%
Cloud integration service (non-recurring revenue)	137,141	<b>132,971</b>	97.0%	120,554	110.3%
License Sales (License revenue)	132,787	<b>136,932</b>	103.1%	137,098	99.9%
<b>Cost</b>	299,983	<b>337,441</b>	112.5%	350,625	96.2%
<b>Gross Profit</b>	577,209	<b>519,771</b>	90.0%	494,004	105.2%
<b>Selling, general and administrative expenses</b>	289,772	<b>307,498</b>	106.1%	323,402	95.1%
<b>Operating Profit</b>	287,436	<b>212,273</b>	73.9%	170,602	124.4%
<b>Ordinary Profit</b>	265,884	<b>212,274</b>	79.8%	170,121	124.8%
<b>Net income attributable to the parent company's shareholders</b>	185,376	<b>151,899</b>	81.9%	119,176	127.5%



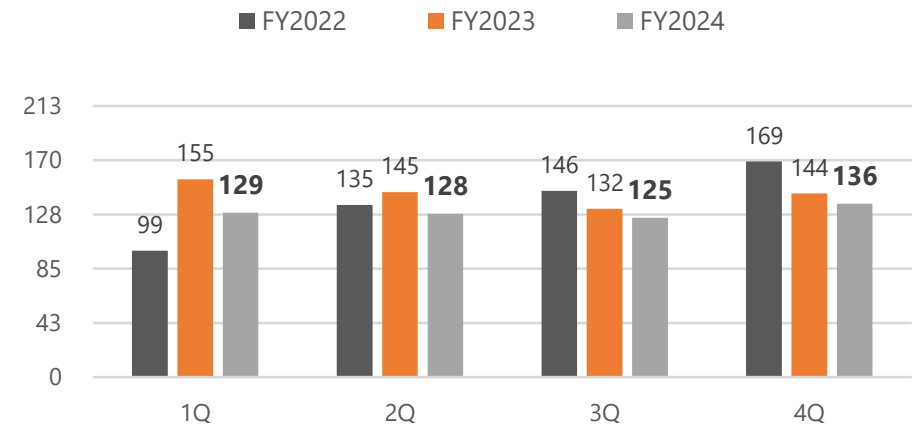
# Quarterly Change (Company-wide)

Unit: million JPY

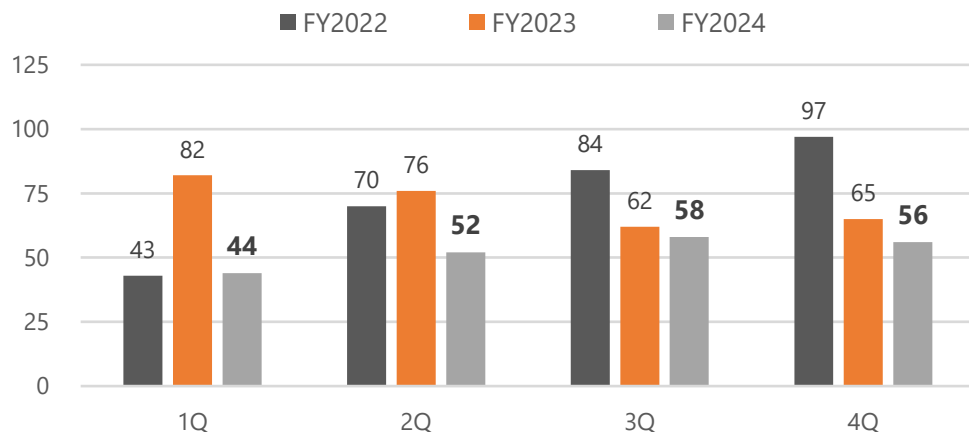
## Revenue



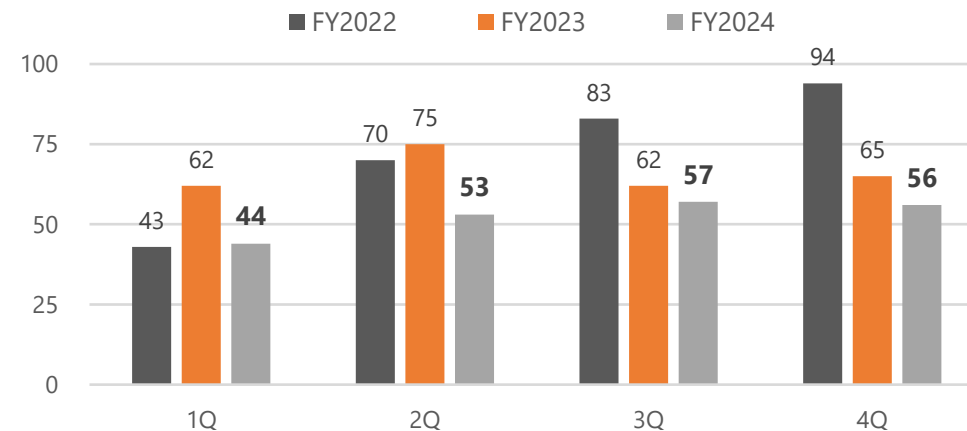
## Gross Profit



## Operating Profit



## Ordinary Profit

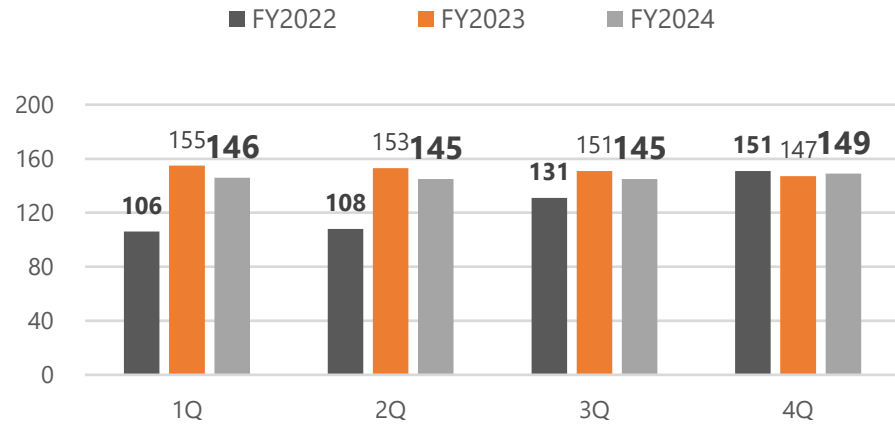


\* The figures for each quarter are based on the consolidated accounting period.

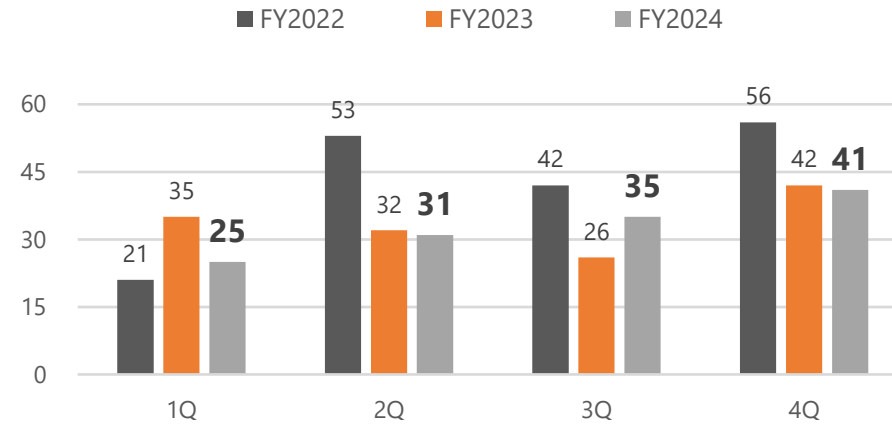
# Quarterly Change (By service)

Unit: million JPY

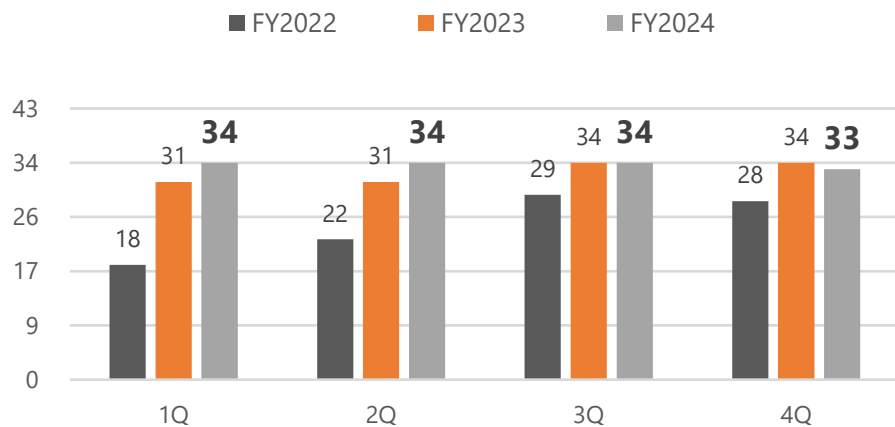
## KUSANAGI Managed Services



## Cloud Integration Service



## License Sales (Trends in License Sales Revenue)



\* The figures for each quarter are based on the consolidated accounting period.

# Revenue/Cost

Unit: 1,000 JPY, %	Previous Period	Current Period	YoY	Forecast	Variance to Plan
<b>Revenue</b>	877,193	<b>857,213</b>	97.7%	844,629	101.5%
KUSANAGI Managed Services (recurring revenue sales)	607,264	<b>587,309</b>	96.7%	586,976	100.1%
Cloud integration service (non-recurring revenue)	137,141	<b>132,971</b>	97.0%	120,554	110.3%
License Sales (License Revenue)	132,787	<b>136,932</b>	103.1%	137,098	99.9%
<b>Cost</b>	299,983	<b>337,441</b>	112.5%	350,625	96.2%
<b>Gross Profit</b>	577,209	<b>519,771</b>	90.0%	494,004	105.2%

## Recurring Revenue Business

## Non-recurring Revenue Business

### License Sales

Sales related to PE/BE accompanying managed services have remained steady, achieving 103.1% of revenue compared with the previous period, almost according to plan.

### KUSANAGI Managed Services

This was 97.7% of the previous period. After the budget revision, everything went as smoothly, achieving 100.1% of the plan.

### Cloud Integration Services

Although the plan after the budget revision was achieved, the result was 97.0% of previous period. The reason for this was a slight slowdown in new orders for managed services, which led to a shortfall in the associated initial fees, affecting non-recurring revenue.

# Profit and Expenses

Unit: 1,000 JPY, %	Previous Period	Current Period	YoY	Forecast	Variance to Plan
<b>Selling, general and administrative expenses</b>	289,772	<b>307,498</b>	106.1%	323,402	95.1%
<b>Operating Profit</b>	287,436	<b>212,273</b>	73.9%	170,602	124.4%
<b>Ordinary Profit</b>	265,884	<b>212,274</b>	79.8%	170,121	124.8%
<b>Net income attributable to the parent company's shareholders</b>	185,376	<b>151,899</b>	81.9%	119,176	127.5%

## Selling, general and administrative expenses

Several sales and marketing initiatives were planned to strengthen operations, but the implementation of some initiatives was delayed until the next period. As a result of those delays, the performance ratio was 95.1% of the plan.

# Balance Sheet Summary

Unit: 1,000 JPY

	Previous Consolidated FY (Nov. 30 2023)	Current Consolidated FY (Nov. 30 2024)
<b>Assets</b>		
Cash and Deposits	1,326,025	1,399,005
Accounts Receivable	86,736	82,852
Others	31,061	48,128
<b>Total Current Assets</b>	<b>1,443,823</b>	<b>1,529,985</b>
Property, plant and equipment	1,620	5,793
Intangible fixed assets	28,661	27,408
Investment and other assets	28,060	73,886
<b>Total fixed asset</b>	<b>58,342</b>	<b>107,088</b>
<b>Total assets</b>	<b>1,502,165</b>	<b>1,637,073</b>

	Previous Consolidated FY (Nov. 30 2023)	Current Consolidated FY (Nov. 30 2024)
<b>Liabilities</b>		
Payables	19,870	22,705
Long-term loans due for repayment within one year	28,840	41,463
Others	100,214	97,801
<b>Total current liabilities</b>	<b>148,924</b>	<b>161,970</b>
Long-term loans	54,279	62,077
<b>Total non-current liabilities</b>	<b>54,279</b>	<b>62,077</b>
<b>Total liabilities</b>	<b>203,203</b>	<b>224,047</b>
<b>Net assets</b>		
Capital	429,394	444,847
Capital surplus	389,529	404,981
Retained earnings	474,181	556,901
Treasury stock	-96	-96
<b>Total shareholders' equity</b>	<b>1,293,008</b>	<b>1,406,633</b>
Accumulated other comprehensive income	5,953	6,392
<b>Total net assets</b>	<b>1,298,961</b>	<b>1,413,026</b>
<b>Total liabilities and net assets</b>	<b>1,502,165</b>	<b>1,637,073</b>



1. Introduction
2. KUSANAGI Stack, Our Core Competency
3. Market
4. Quarterly Highlights
5. Full Year
6. FY2025 Business Strategy

Overall Strategy

Mid-term Strategy Roadmap

FY2025 Goals

FY2025 Cloud Integration

Business Plan

FY2025 Marketing Strategy Roadmap

New Solution for The 2025 IT Crisis

Magatama.AI

Message to Stakeholders

## Mid-term Strategy Guidelines

- We will achieve steady and stable growth centered around KUSANAGI Managed Services and the KUSANAGI License Business.
- We will strengthen our overseas expansion centered around the KUSANAGI Stack product suite.
- We aim to expand sales in AI-related businesses centered around Magatama.AI.

## FY2025 Key Guidelines

- We will announce the mid-term management plan around May or June 2025.
- Based on the plan, we will carry out the following: Strengthen the marketing and sales effort for KUSANAGI Managed Services and KUSANAGI License.
  - Commence development of solutions for the 2025 IT Crisis utilizing Magatama.AI.
  - Increase personnel for marketing and AI engineering.

# Mid-term Strategy Roadmap

## Main Focus

- KUSANAGI Managed Services,
- KUSANAGI Paid Licenses
- Magatama.AI Business.

**Japan:** Strengthen Partnerships  
**Japan:** Prepare for Capital Collaboration

### Mid-Term Management Plan

FY2025

#### Introduce New Products and Solutions

- Establish sales expansion pattern for KUSANAGI Managed Services.
- Strengthen marketing.
- Commence sales of KUSANAGI SE.
- Strengthen sales and marketing of KUSANAGI paid licenses.
- Release Magatama.AI 2025 IT Crisis solutions and commence sales.
- Find partners for OEM and technological collaboration.
- Select overseas target countries and formulate strategies.

FY2026

#### Establish and Expand Subscription Patterns

- Expand subscription patterns for KUSANAGI Managed Services
- Strengthen KUSANAGI paid license products and improve performance.
- Commence the sale of Magatama.AI 2025 IT Crisis solutions.  
Focus more on OEM and technological partnership.  
Acquire overseas marketing partners and start their support.

FY2027  
–2029

#### Market Expansion Phase: Establish Global Business Model

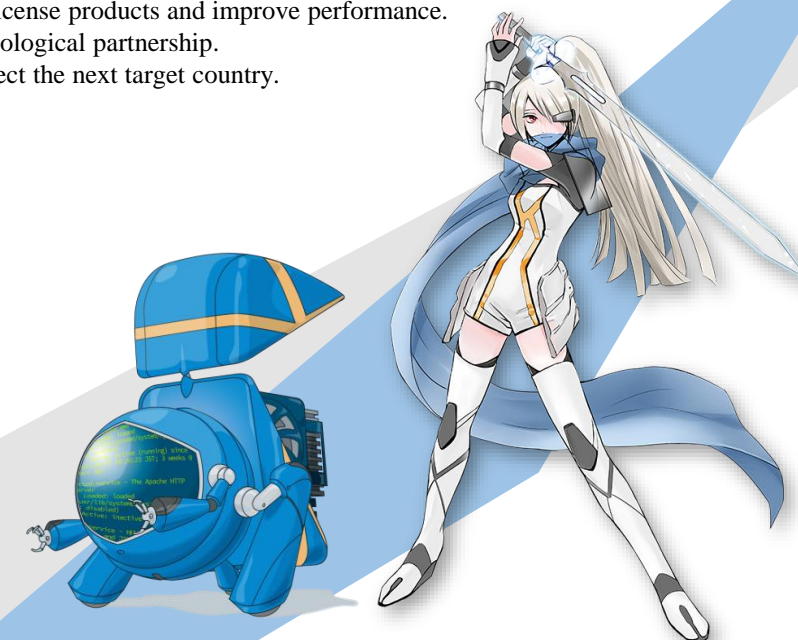
- Focus on adaptation of AI technology for KUSANAGI Managed Services and expansion of subscription pattern
- Increase sales of the Magatama.AI 2025 IT Crisis solutions.
- Strengthen KUSANAGI paid license products and improve performance.
- Focus more on OEM and technological partnership.  
Increase overseas sales and select the next target country.

**Global:** Strengthen Partnerships  
**Global:** Prepare for Capital Collaboration

FY2030  
–2031

#### Establish Global Business

- Incorporate AI technology into KUSANAGI Managed Services, and achieve larger subscription pattern.
- Solidify expanded sales patterns based on Magatama.AI solutions for the 2025 IT Crisis.
- Strengthen KUSANAGI paid license products and improve performance.
- Increase overseas sales, focusing on the next target country.



# FY2025 Goals (Forecast for Consolidated Results)

Unit: 1,000 JPY	FY2024 Results	FY2025 Forecast	Change	% Change
<b>Revenue</b>	857,213	<b>1,000,818</b>	143,605	+16.8%
<b>Operating Profit</b>	212,273	<b>225,843</b>	13,570	+6.4%
<b>Ordinary Profit</b>	212,274	<b>224,211</b>	11,936	+5.6%
<b>Net income attributable to the parent company's shareholders</b>	151,899	<b>155,557</b>	3,657	+2.4%

## FY2025 Cloud Integration Business Plan

### Challenges

- Cancellation of large contracts and loss of momentum in gaining subscription numbers.
- Increase in the number of cancellations.
- Stagnation in licensing sales.

### FY2025 Business Goals

- ① Establish a subscription system to achieve a net Increase of 1.5 million JPY in monthly recurring revenue.
- ② Improve customer relations and technological performance to reduce the cancellation rate.
- ③ Expand the sale of KUSANAGI paid license and improve value.

## FY2025 Cloud Integration Business Plan

**① Establish a subscription system to achieve a net increase of 1.5 million JPY in monthly recurring revenue.**

- Optimize structured business processes to increase the degree of specialization.
- Promote systematization and digitization in sales.

**Sales Support Team:** Make appointments and smooth customer relations.

**Field Sales Team:** Make presentations and close contracts.

Achieve efficient appointment scheduling through the introduction of intent-based sales.

## FY2025 Cloud Integration Business Plan

### ② **Improve customer relations and technological performance to reduce cancellation rate.**

- Use the sales support team to strengthen customer relations.
- Test technical directors and board members for their technical knowledges using inhouse tests.

Communicate with customers to understand their problems from their viewpoint. Improve the technical standards to increase customer satisfaction and reduce cancellation of contracts.



## FY2025 Cloud Integration Business Plan

### ③ **Expand the sale of KUSANAGI paid licenses and improve their value.**

- Spread awareness of KUSANAGI Business Edition and Premium Edition.
- Add value to paid licenses to increase cost performance.
- Expand sales routes for KUSANAGI Security Edition.

Target KUSANAGI Free Edition users to upgrade to the paid version.

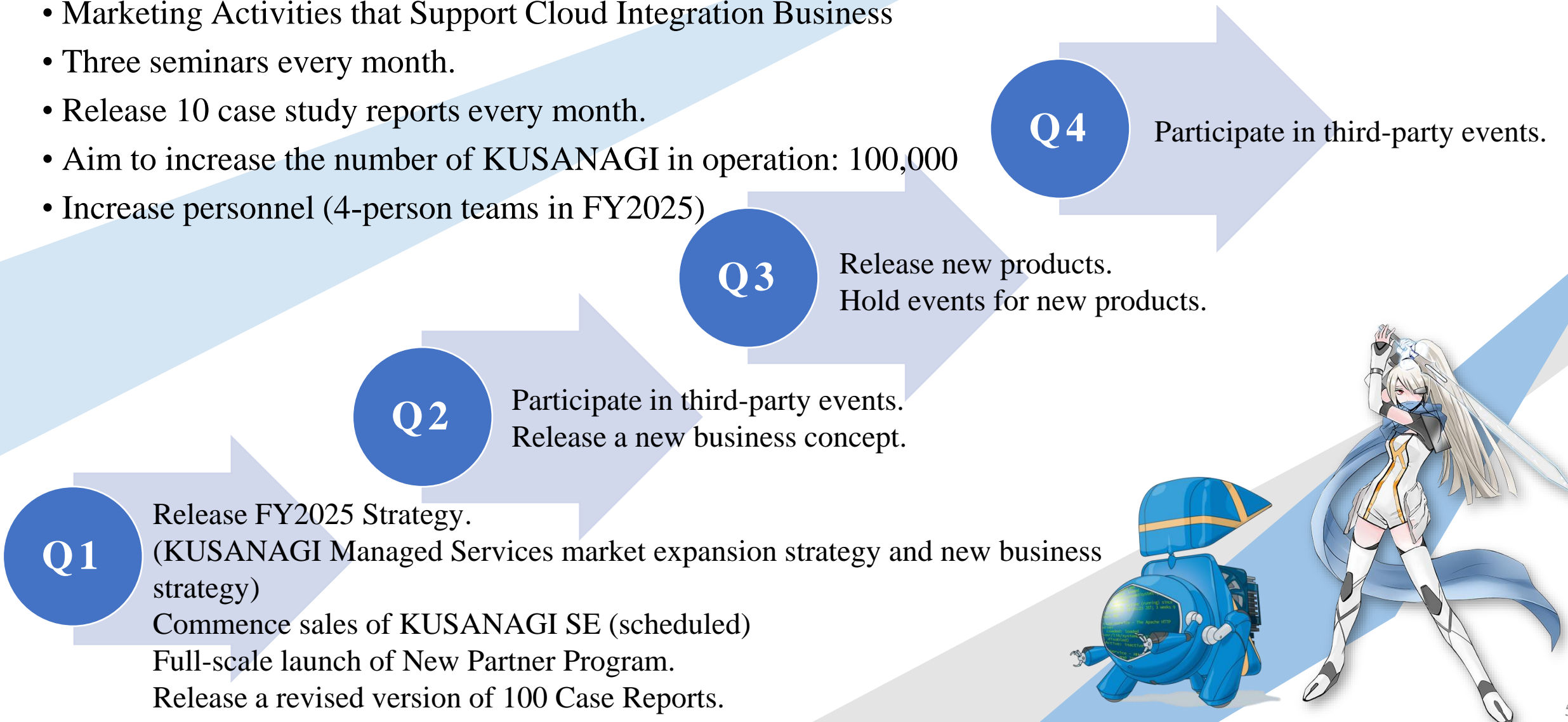
Commence sales of a new paid version (KUSANAGI Security Edition) to make it a core licensing product.

# FY2025 Marketing Strategy Roadmap

## Main Focus

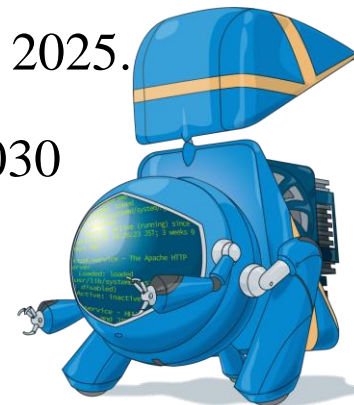
- Marketing Activities that Support Cloud Integration Business
- Three seminars every month.
- Release 10 case study reports every month.
- Aim to increase the number of KUSANAGI in operation: 100,000
- Increase personnel (4-person teams in FY2025)

## KUSANAGI Summit 2025



- We will provide solutions to the 2025 IT Crisis by making the management of legacy system source codes and documents easier by using Magatama.AI.  
\*Legacy system refers to systems that were built with old technology and systems.
- Legacy systems are causing problems for many companies in Japan as they try to carry out digital transformation. Therefore, we will release an LLM solution that will effectively manage legacy system source codes and documents to solve their problems.
- The 2025 IT Crisis refers to the issue of existing legacy systems in Japanese companies aging, becoming black-boxed, and increasingly complex. If digital transformation is not promoted, it is predicted that Japan could face economic losses of up to 12 trillion JPY per year starting from 2025.
  - It is predicted that labor costs for engineers dealing with legacy systems will double by 2030 compared with 2017.

Source: [https://www.meti.go.jp/shingikai/mono\\_info\\_service/digital\\_transformation/pdf/20180907\\_01.pdf](https://www.meti.go.jp/shingikai/mono_info_service/digital_transformation/pdf/20180907_01.pdf)



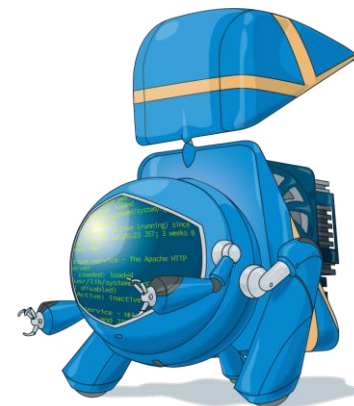
- This solution requires a high level of confidentiality, as it involves analyzing source code and specifications using LLM. Therefore, we have decided to develop a solution based on the ultra-lightweight, fully local cooperative operation LLM, Magatama.AI as the base solution.

**Using our solution is expected to offer the following benefits.**

- Reduced maintenance costs for legacy systems.
- Improved maintenance efficiency of legacy system.

**The main features of our solution are:**

- Source code management
- Specification management
- Risk management
- Source code check
- Alert



# Ultra-lightweight, Fully Local Collaborative Operation LLM Magatama.AI

## Completely Local

Confidential documents are kept safe.

It has extremely tight security due to the use of API without any external services. Furthermore, being in a local environment means no API usage fees.

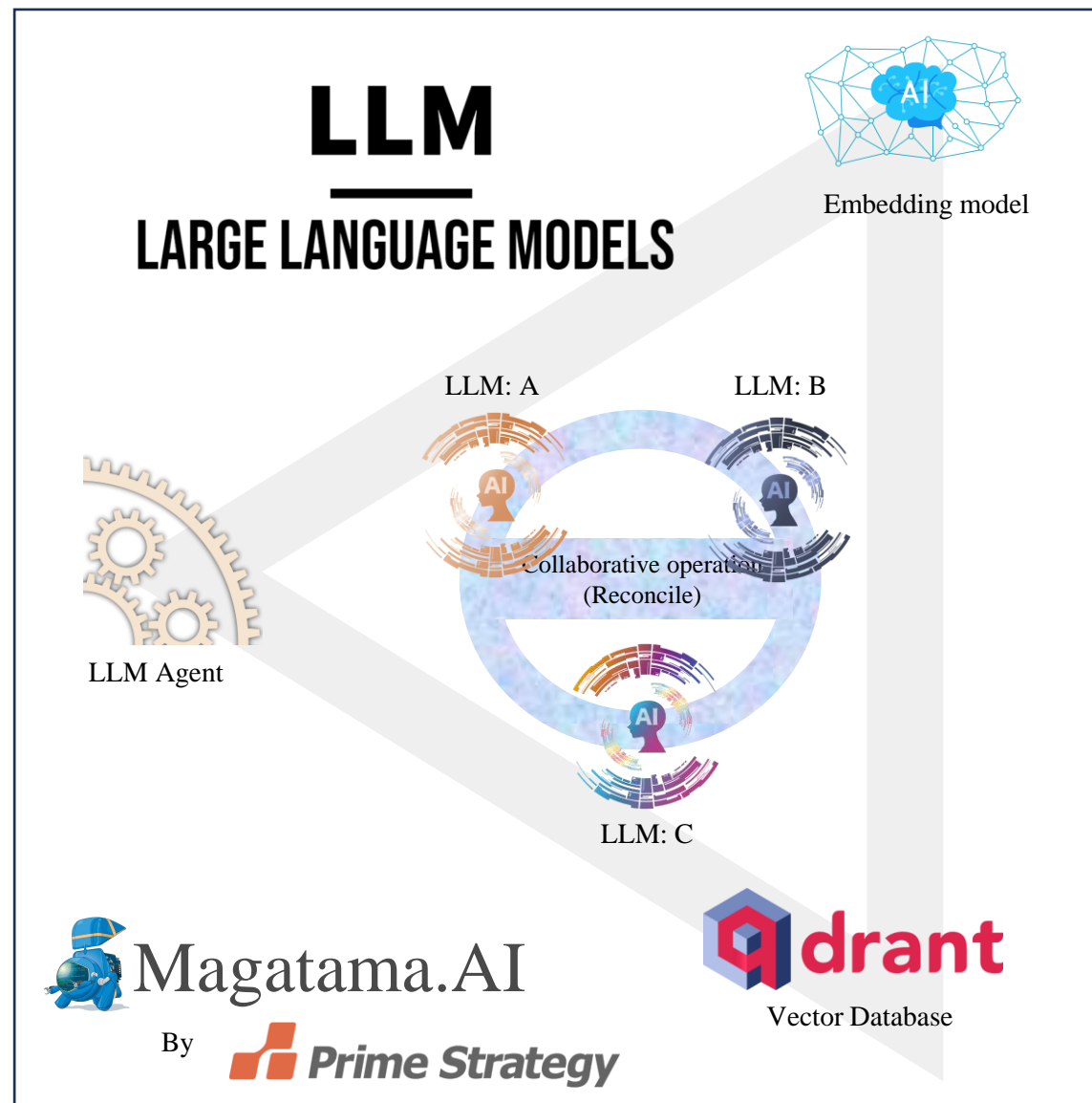
## Lightweight System Lightning Fast

It utilizes quantization and binarization technologies to reduce the size of each LLM, enabling a high-speed parallel operation environment.

## Minimal Resources Required

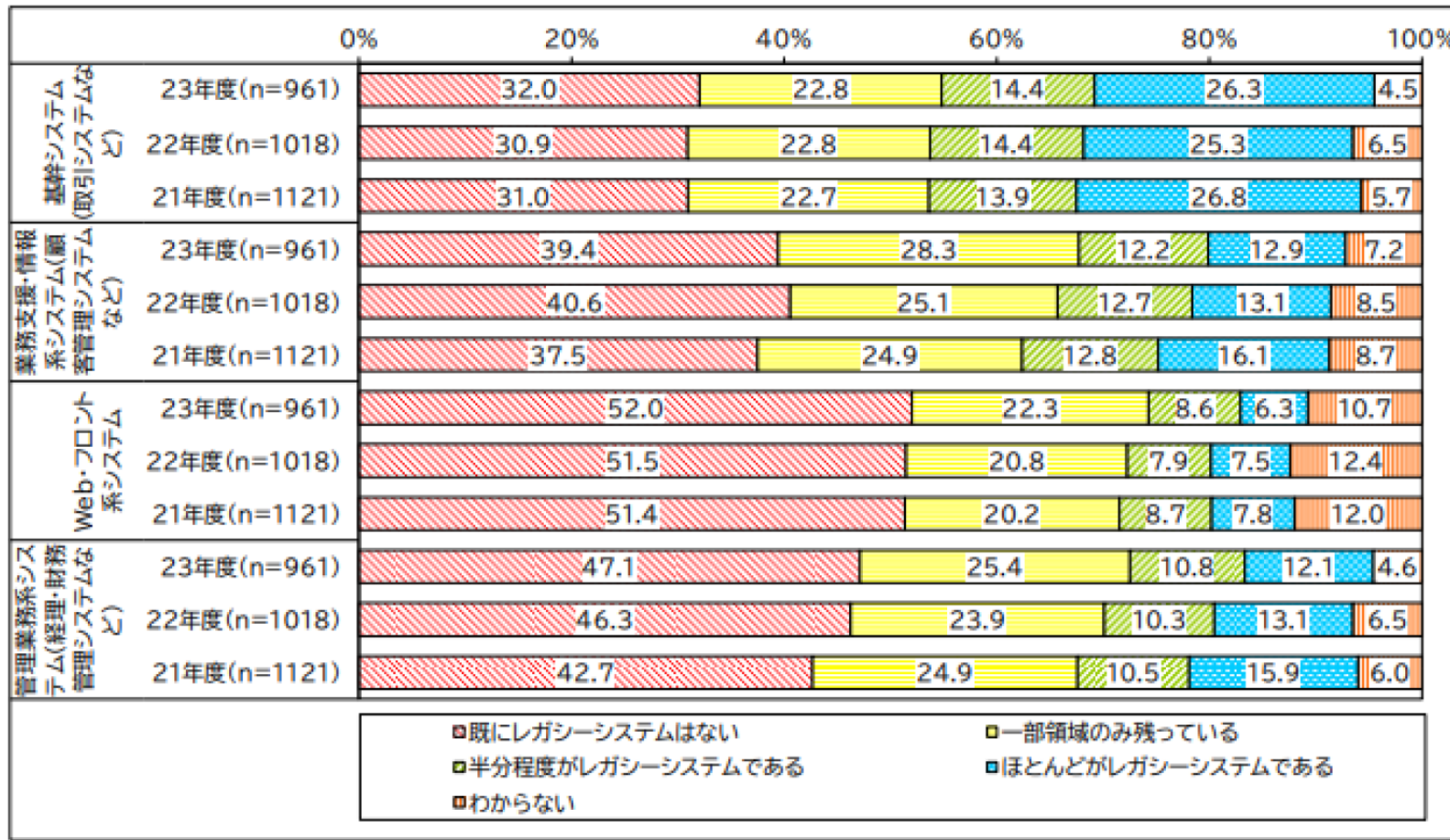
It can operate with either an NVIDIA GPU, an AMD GPU, or the M2 or M3 Mac architecture, as long as the onboard memory or unified memory is 16 GB or more.

(It can also use a Cloud GPU server, such Sakura Internet, AWS, Azure and Oracle.)



## Companies with Legacy Systems: 63.5%

The proportion of legacy systems in core systems has shown little change over the past three years.



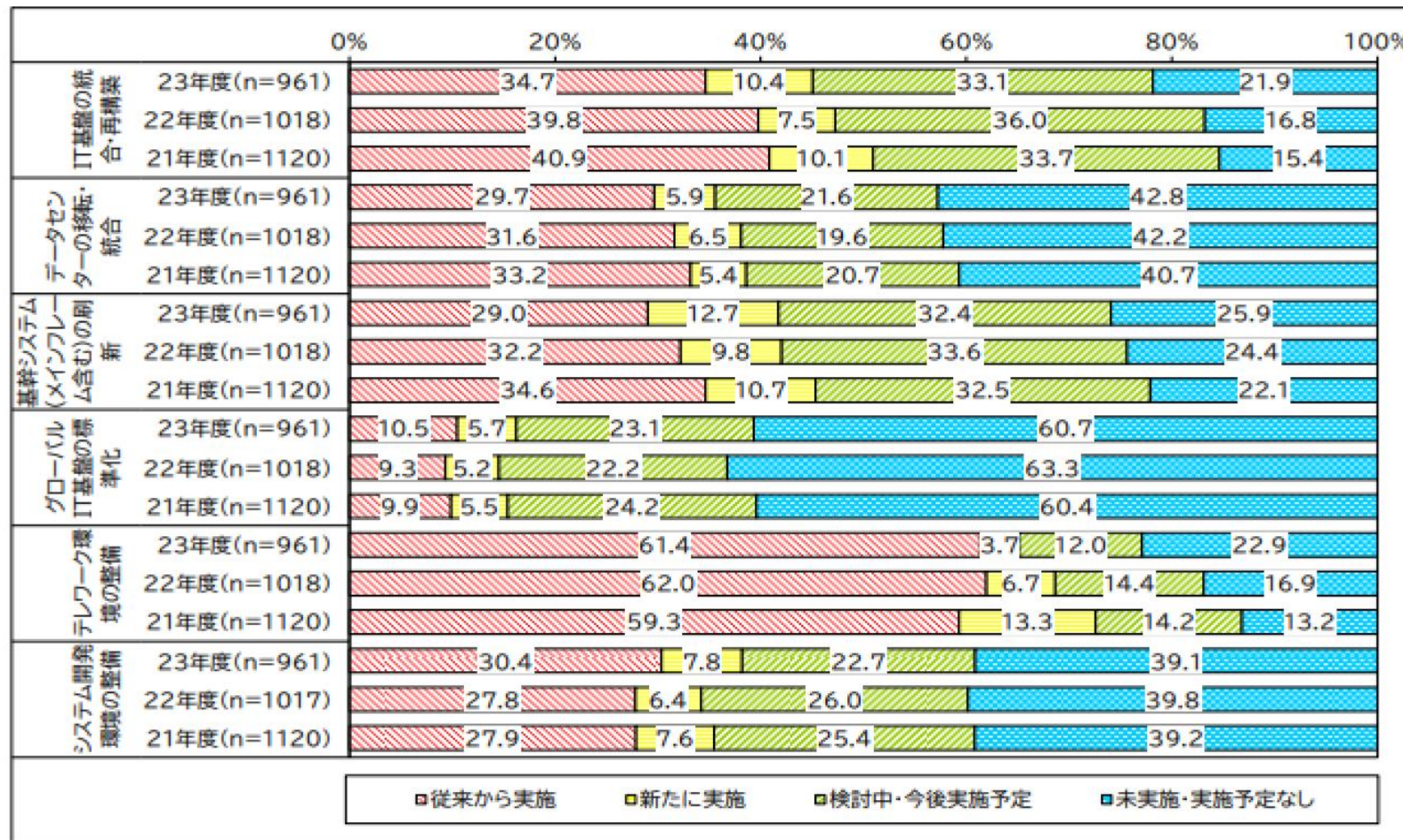
\*Corporate IT Trends Survey Report 2024, Figure 8-3-1. Status of Legacy Systems (Survey by the Japan Users Association of Information Systems (JUAS))  
 Survey Target: 4,500 companies listed on the Tokyo Stock Exchange and similar companies, with 976 responses.

[https://juas.or.jp/cms/media/2024/04/JUAS\\_IT2024.pdf](https://juas.or.jp/cms/media/2024/04/JUAS_IT2024.pdf)



## Reference 2.

Over the past three years, the proportion of companies that have no plans or have taken no actions regarding legacy systems has shown an increasing trend.



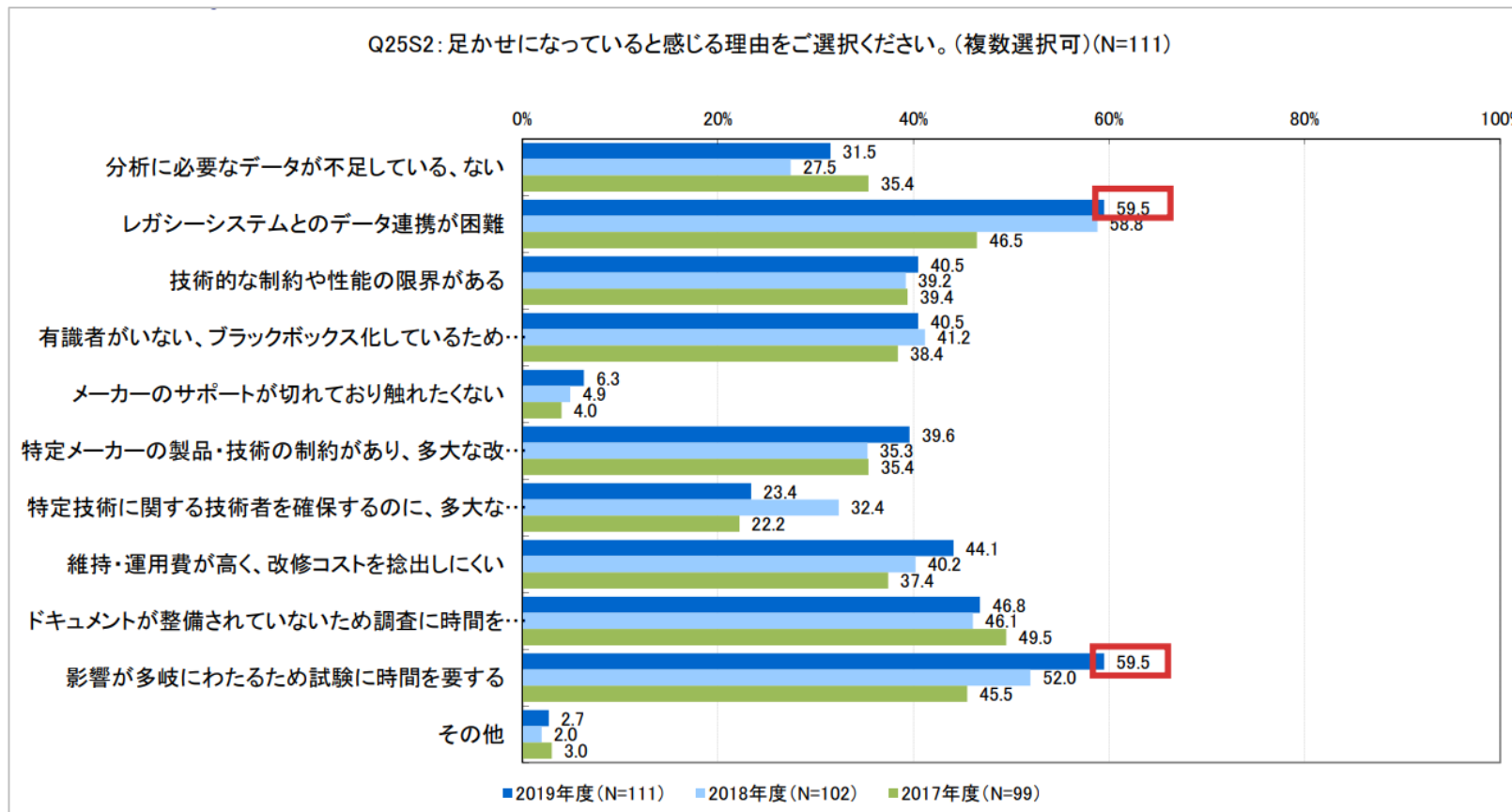
\*Corporate IT Trends Survey Report 2024, Figure 8-3-4. Status of Fundamental Innovation (Survey by the Japan Users Association of Information Systems (JUAS))  
 Survey Target: 4,500 companies listed on the Tokyo Stock Exchange and similar companies, with 976 responses.

[https://juas.or.jp/cms/media/2024/04/JUAS\\_IT2024.pdf](https://juas.or.jp/cms/media/2024/04/JUAS_IT2024.pdf)



## Reference 3.

Reasons why legacy systems are hindering the promotion of digital transformation: 40.5% cite the lack of experts, 44.1% mention high operational costs and the inability to allocate funds for upgrades, 46.8% point to the time-consuming nature of surveys, and 59.5% highlight the time required for testing during upgrades.



FY2025 will be the period during which we establish the framework for future expansion for our business.

We will enhance both the structure and technology for providing KUSANAGI Managed Services and the licensing business, then release KUSANAGI Security Edition.

We will also start deploying a new solution based on Magatama.AI in Japan and overseas.

Thank you for your continued interest and support in our activities.

**Tadashi Yoshimasa, President**



# About This Document

- This document has been prepared solely for the purpose of disclosing relevant information about our company and its subsidiaries, and does not constitute an offer or solicitation for the purchase of our shares or any other securities, whether domestic or international.
- This document may contain statements regarding future expectations (including estimates, projections, targets, and planned values). Such statements regarding future expectations do not imply any guarantee by the company’s management concerning future performance. The company may use terms such as “aim,” “forecast,” “believe,” “continue,” “attempt,” “estimate,” “expect,” “measures,” “intend,” “possible,” “plan,” “potential,” “probability,” “strategy,” “risk,” “pursue,” “should,” “strive,” “target,” “scheduled,” and similar expressions in order to identify statements regarding future expectations. The statements regarding future expectations in this document are based on assumptions and judgments made by the company at the current time, taking into account information available to us. These statements involve known and unknown risks, uncertainties, and other factors that may affect future results. Due to these risks, uncertainties, and other factors, our actual performance or financial condition may differ significantly from the future performance or financial condition implied or suggested by the statements regarding future expectations.
- Factors that may influence actual results include changes in domestic and international economic conditions, trends in the industries in which our company operates, and other factors, but are not limited to these.
- This document is based on economic, regulatory, market, and other conditions that are valid as of the date of this document. Neither the company nor its representatives guarantee that the information contained in this document is accurate or complete. Future developments may affect the information contained in this document; however, neither the company nor its representatives have any obligation to update, revise, or verify the information in this document. The information contained in this document may be changed without prior notice, and such changes could be significant. This document and its contents may not be disclosed or used without the prior written consent of the company.
- Additionally, the document may contain information related to matters or organizations other than the company. Such information is based on publicly available data, and the company has not verified nor guarantees the accuracy or appropriateness of such publicly available information.
- The specific environments used for the performance evaluation of KUSANAGI and other operating systems described in this document is as follows:

Environment 1. AlmaLinux 8.9

Microsoft Azure Standard D4asv5-series VM (3.24 GHz AMD EPYC 7763 processor, 4 vCPUs, 16 GiB RAM), Premium SSD LRS, Japan East, PHP 8.0.30, Nginx 1.20.1, MariaDB 10.5.22, WordPress 6.4.2

Environment 2. KUSANAGI 9.4.8-1

Microsoft Azure Standard D4asv5-series VM (3.24 GHz AMD EPYC 7763 processor, 4 vCPUs, 16 GiB RAM), Premium SSD LRS, Japan East, PHP 8.0.30, Nginx 1.25.3, MariaDB 10.5.23, WordPress 6.4.2



# ***KUSANAGI***