

February 13, 2025

Fiscal Year Ending March 2025 3Q Financial Results

2024.04.01 - 2024.12.31

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Summary of Consolidated Financial Results for the 3rd Quarter of the FY2025

● Increase in net sales and profit

└ **Net sales** | +12.3% YoY Succeeded in up-selling & cross-selling to existing clients.

We are also making steady progress in acquiring new customers who will contribute to the sales from the next fiscal year onwards.

└ **Profit** | Maintained a high profit rate (the operating profit margin remained high at 32.9%) by expanding our main service and making effective improvements on profit rate.

Operating profit +29.0% YoY, Ordinary profit +28.4% YoY, Quarterly profit attributable to owners of parent +19.5% YoY

Net sales

Year on Year

Ⓢ12.3%

5,637,915

JPY thousands

Ordinary profit

Year on Year

Ⓢ28.4%

1,855,811

JPY thousands

Operating profit

Year on Year

Ⓢ29.0%

1,856,863

JPY thousands

Quarterly profit attributable to owners of parent

Year on Year

Ⓢ19.5%

1,273,395

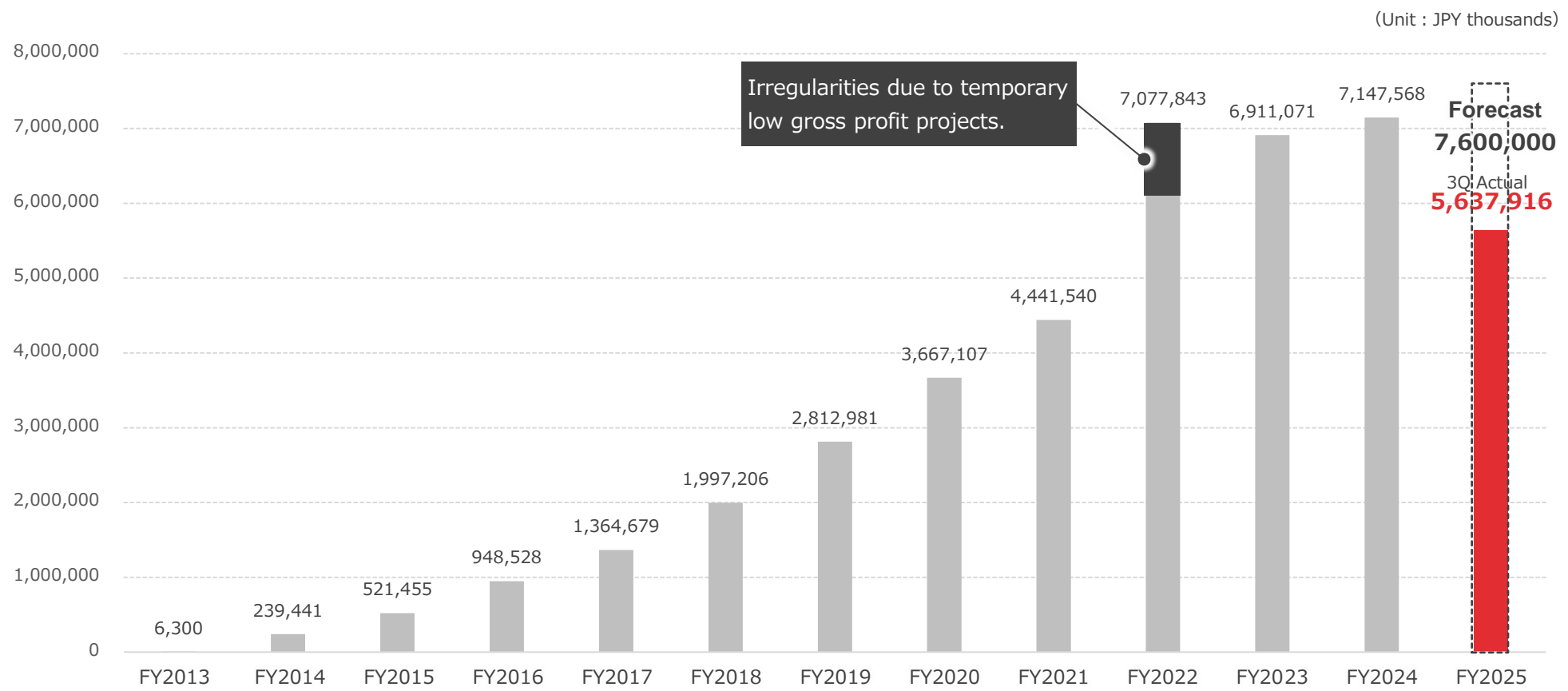
JPY thousands

- The progress rate against target value is in the high 70s at the end of the third quarter. It is generally in line with the original plan.
- We will continue focusing on developing new services with a forward-looking approach for the next fiscal year and beyond, while striving to complete ongoing projects on schedule.

(Unit : JPY thousands)

| Item | FY2025 2Q | FY2024 2Q | Year on Year | | FY2025 Forecast | |
|--|-----------|-----------|--------------|--------|-----------------|---------------|
| | Actual | Actual | | | Full-year | Progress rate |
| Net sales | 5,637,915 | 5,019,676 | +618,239 | +12.3% | 7,600,000 | 74.2% |
| Cost of sales | 2,888,932 | 2,825,425 | +63,507 | +2.2% | — | — |
| Gross profit | 2,748,983 | 2,194,251 | +554,731 | +25.3% | — | — |
| Selling, general and administrative expenses | 892,120 | 754,664 | +137,455 | +18.2% | — | — |
| Operating profit | 1,856,863 | 1,439,587 | +417,275 | +29.0% | 2,550,000 | 72.8% |
| Ordinary profit | 1,855,811 | 1,444,948 | +410,863 | +28.4% | 2,500,000 | 74.2% |
| Profit attributable to owners of parent | 1,273,395 | 1,065,731 | +207,663 | +19.5% | 1,750,000 | 72.8% |

- 74.2% progress against planned figures, almost the same as we planned at the beginning of period.
- Currently, we are actively devoted to developing new clients to contribute to the sales of fiscal years to come.



we planned at the beginning of this period.

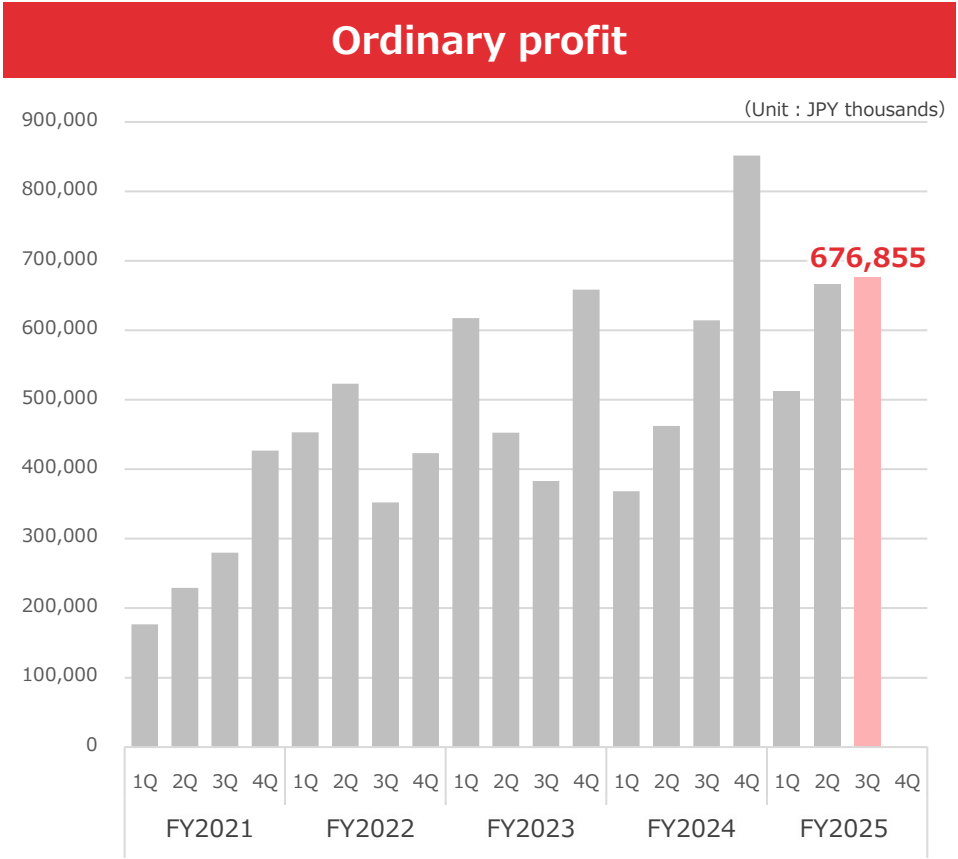
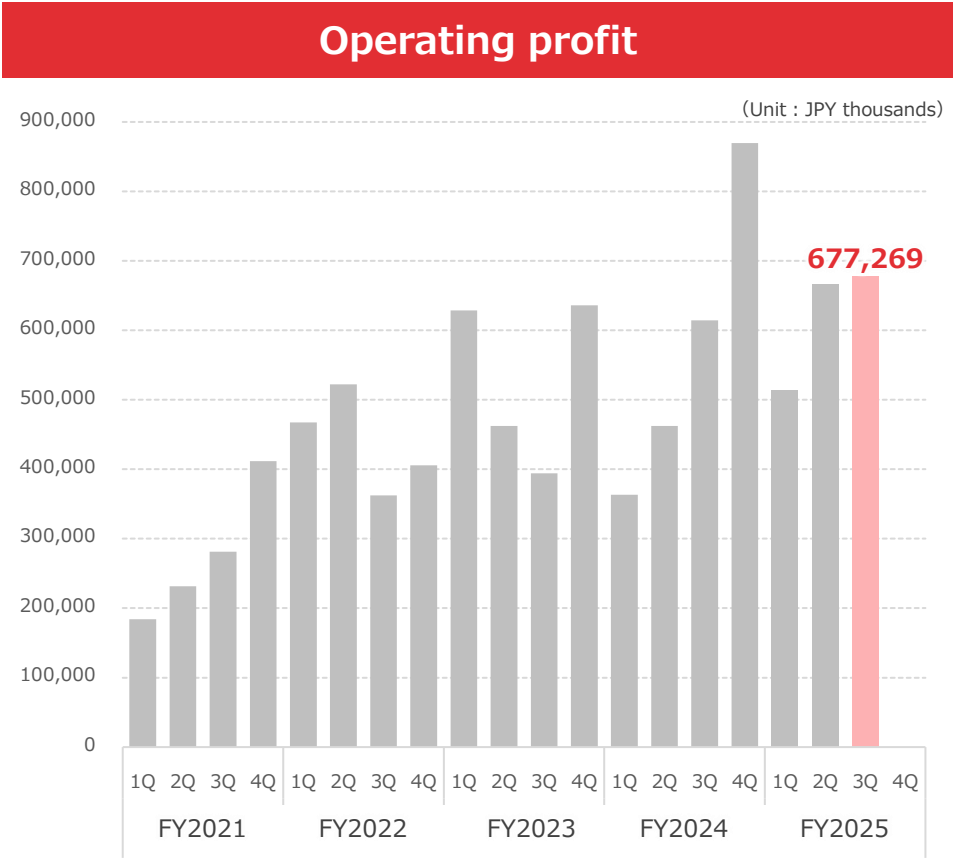
└ Progress rates against our target value as of the end of 3Q

Operating profit 72.8% | Ordinary profit 74.2%

We kept high profit rate by focusing on selling our profitable main service

└ As of the end of 3Q

Operating profit margin 32.9% | Ordinary profit margin 32.9%



Main reasons of increase/decrease.

【Asset】 Despite a decrease in accounts receivable, assets grew due to an increase in buildings resulting from office construction by a subsidiary.

【Debt】 Decreased because of accrued tax payable, accounts payable.

【Net Asset】 Although we recorded dividend of surplus, net asset increased because of quarterly net profit attributable to owner of parent.

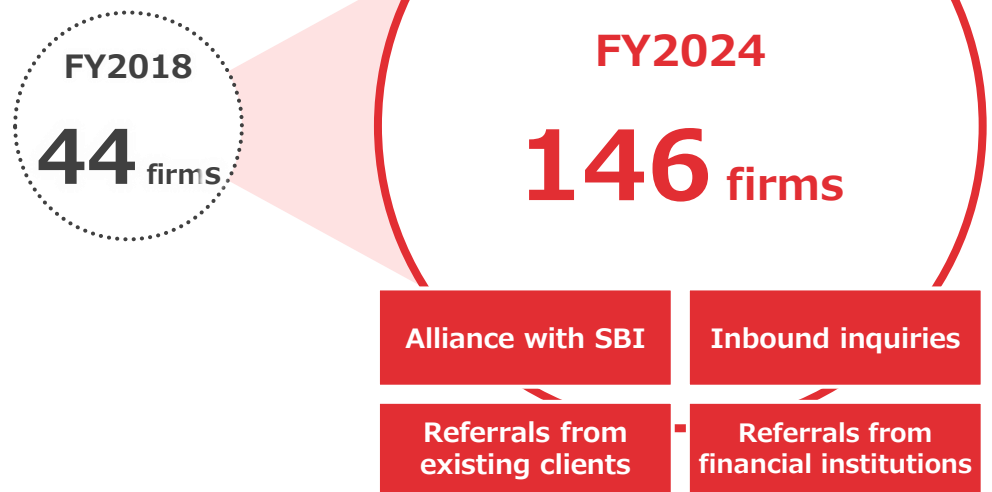
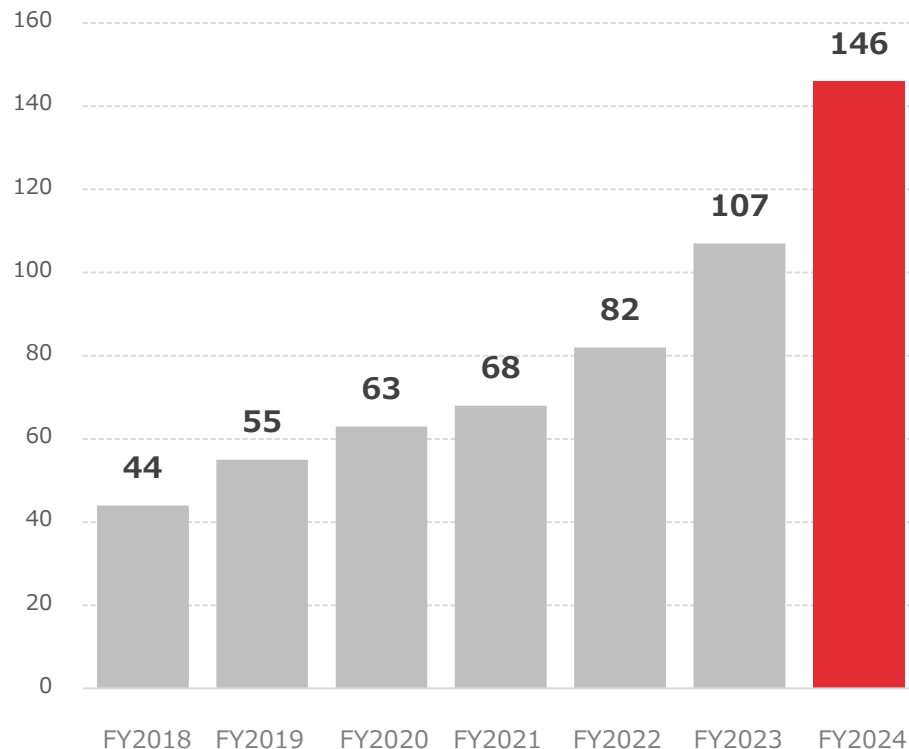
(Unit : JPY thousands)

| Item | FY2025 2Q | FY2024 | Year on Year comparison | |
|--------------------|-----------|-----------|-------------------------|-------------------------|
| | Actual | Actual | Increase/decrease | Increase/decrease ratio |
| Current assets | 5,494,896 | 5,531,515 | △36,618 | △0.7% |
| Cash and deposits | 4,468,235 | 4,461,238 | + 6,996 | + 0.2% |
| Non-current assets | 1,118,591 | 1,052,714 | + 65,876 | + 6.3% |
| Total assets | 6,613,488 | 6,584,230 | + 29,257 | + 0.4% |
| Liabilities | 739,757 | 1,015,536 | △275,779 | △27.2% |
| Net assets | 5,873,730 | 5,568,693 | + 305,036 | + 5.5% |
| Equity ratio (%) | 88.8% | 82.8% | — | — |

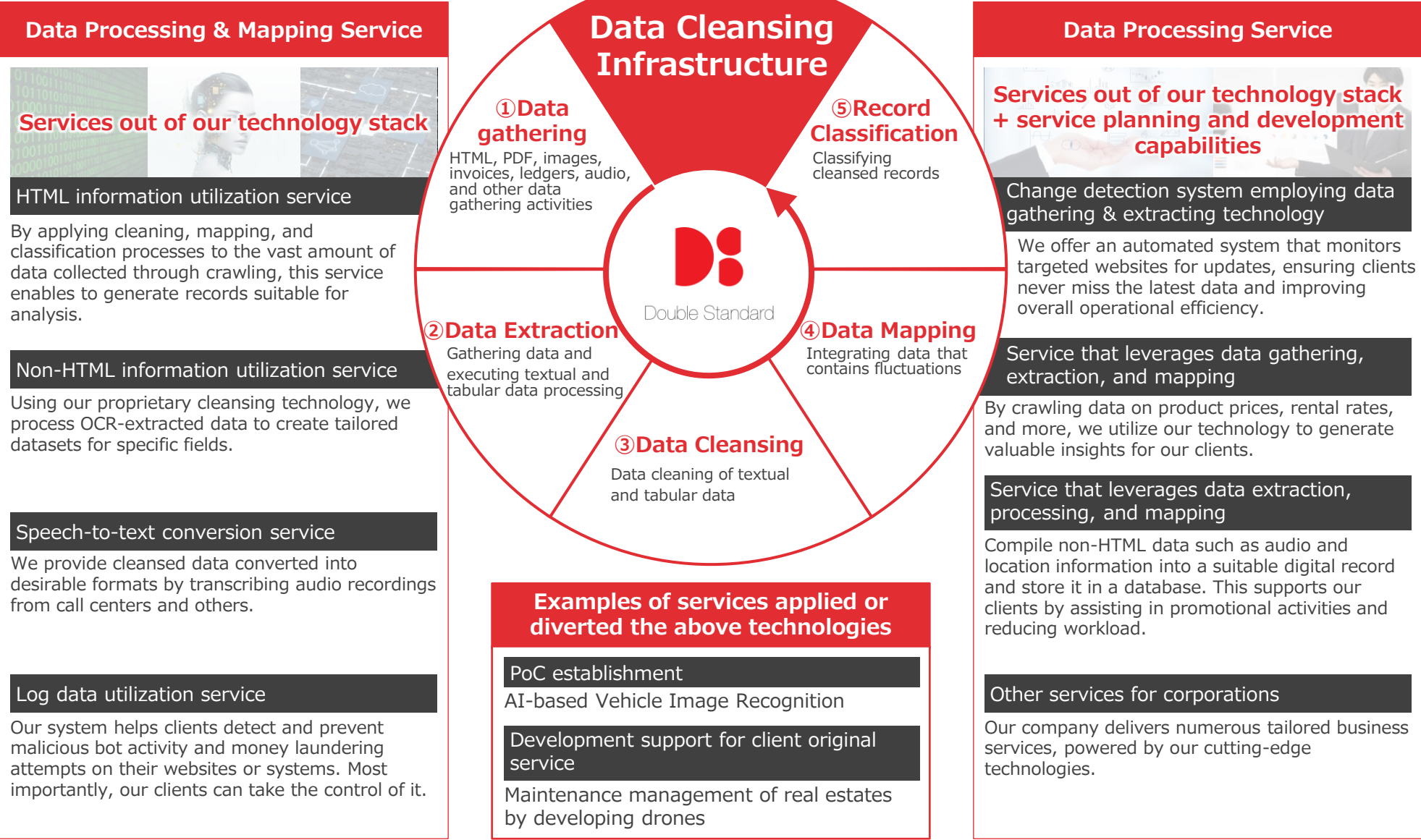
Number of Clients

- Successfully kept increasing number of clients mainly by obtaining new inbound projects.
- We got more and more inquiries about our business from new clients and referrals by financial institutions that are our existing clients. Additionally, we strengthened the cooperation with SBI group, our capital alliance partner.
- We are steadily acquiring new clients in this fiscal year as we did previously.

Change in the number of clients



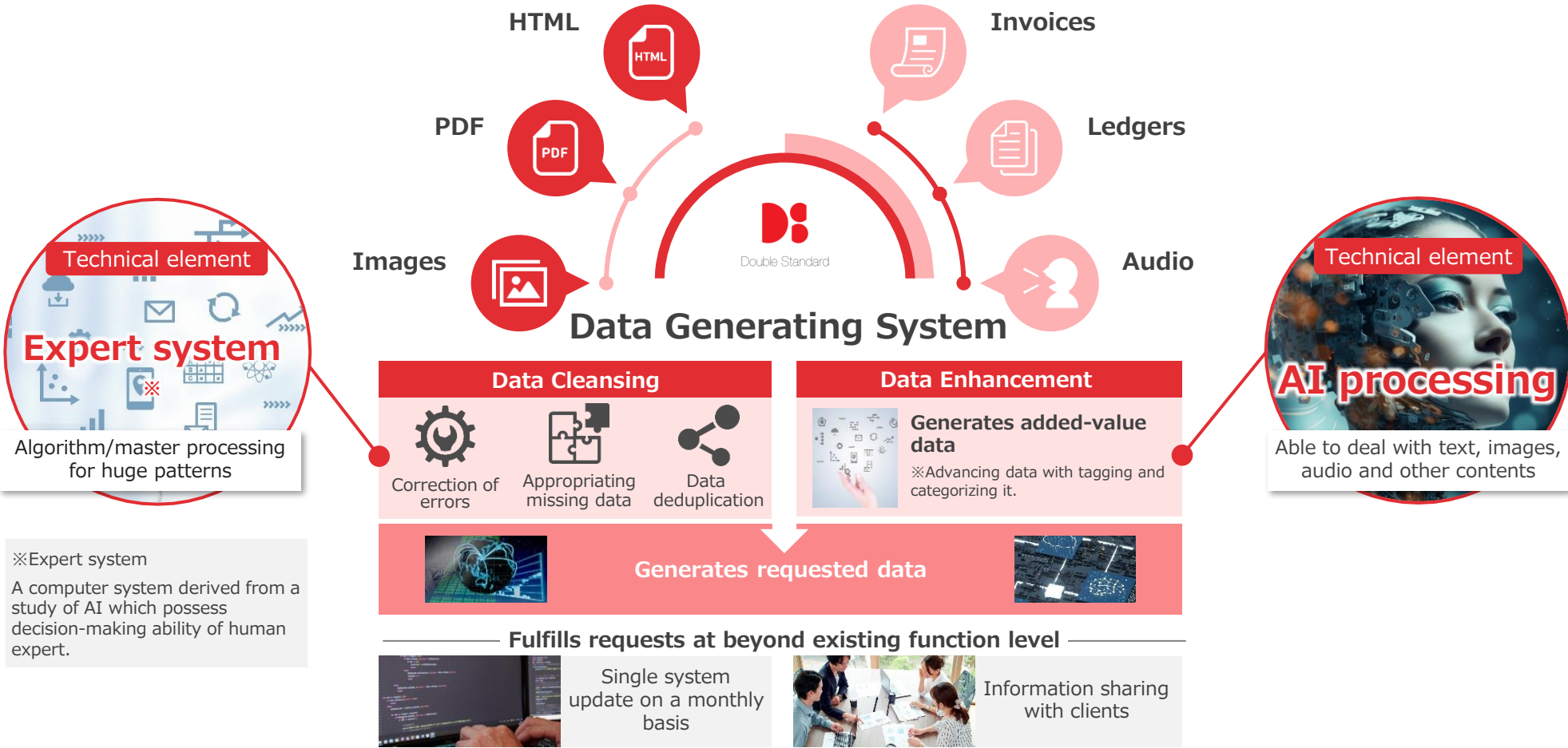
Overview of the Business



Standalone services powered by one technology platform only

Data generating system

We generate data by applying two technical elements, “data cleansing” and “data enhancement”




Standalone services powered by one technology platform only

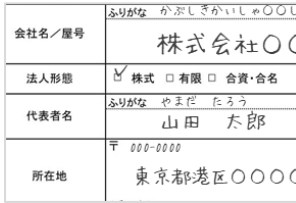
D-Fit&D-Just – Manual data entry reduction services –

Solving the biggest pain point in routine tasks: Reducing manual data entry!


Target document


Analog format


Paper document

Hand writing

Digital format

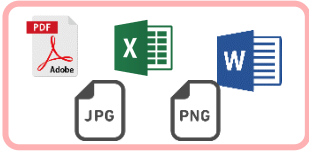



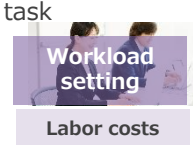
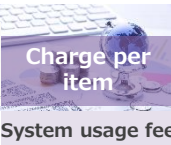
PDF format

Excel format

Word format

Convert to PDF by uploading (under development)

Comparison with ordinary "AI OCR", "RPA" models

| Comparison item | 「D-Fit」 & 「D-Just」 | Other "AI OCR", "RPA" models |
|--------------------------------------|---|--|
| Supported formats | <ul style="list-style-type: none">Multiple formats are supported <div></div> <div>OK</div> | <ul style="list-style-type: none">Restricted document formats <div></div> <div>Applicable only individually</div> |
| Applicability to small quantity task | <ul style="list-style-type: none">Applicable to small quantity task <div><div>Labor costs</div><div>System usage fee</div></div> <div>Low cost</div> | <ul style="list-style-type: none">Comparatively expensive to apply small quantity task <div><div>Workload setting</div><div>Charge per item</div></div> <div>High cost</div> |
| Influence on existing procedures | <ul style="list-style-type: none">Able to preserve existing workflow <div><div>Schedule A → Schedule B → system → Schedule C</div><div>No change on workflow</div></div> | <ul style="list-style-type: none">Need to review and adjust existing workflow <div><div>Schedule A → Schedule B → system → Schedule C</div><div>Need to change workflow</div></div> |

Two patterns provided

We've prepared two patterns to provide 「D-Series」 service. Most suitable pattern depending on "type of documents" and "situation of user" can be used.

D-Fit (general system)
All-in-one package service which has all basic functions(provides simple functions from inputting ledgers to outputting the results of OCR processing)

D-Just (strengthening individual function system)
Customizable service tailored to needs, including support for complex layout patterns and collaboration with other systems (provides solution completely meets clients' needs)

Standalone services powered by one technology platform only

D-Confia – Identity verification service –

Almost all types of OCR “Identity verification documents”, “My number confirmation document” supported

Supported documents list

Identity verification documents with face photo



Driver license
(front & back)



Driver record
certificate
(front & back)



Residence card
(front & back)



Special
Permanent
Resident
Certificate
(front & back)



My number card
(front & back)



Passport

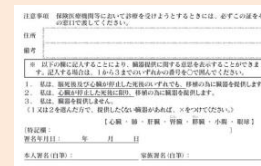
Other identity verification



Notification
card



Certificate of
residence



Health
insurance
card



Basic
resident
register card



Handles up to 5,000
health insurance cards

We can flexibly read documents that have various formats depending on the issuer

Point



Using our proprietary data processing technology, we can extract information from various types of identification documents.

【Supplemental information】

- New issuance of the Basic Resident Register Card was halted on December 22, 2015.
- From new "passports" issued after February 2020, there will be no address field. (This may render them unsuitable for identification purposes.)

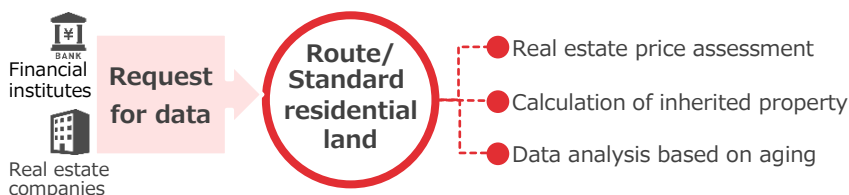
Synergistic services powered by multiple technology platforms

Nationwide real estate transaction-price data service, "D-Estate"

Provide database which contains land price information of more than 30 million places all over the country such as roadside land prices

Needs

Needs for information related to "route", "standard residential land" from various financial institutes and real estate companies.

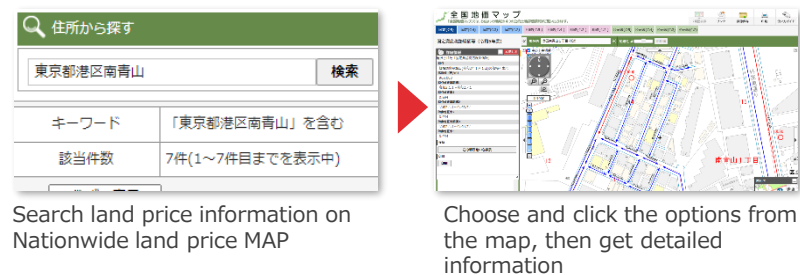


Current response

Acquire data from "Nationwide land price MAP"



Data gathering flow



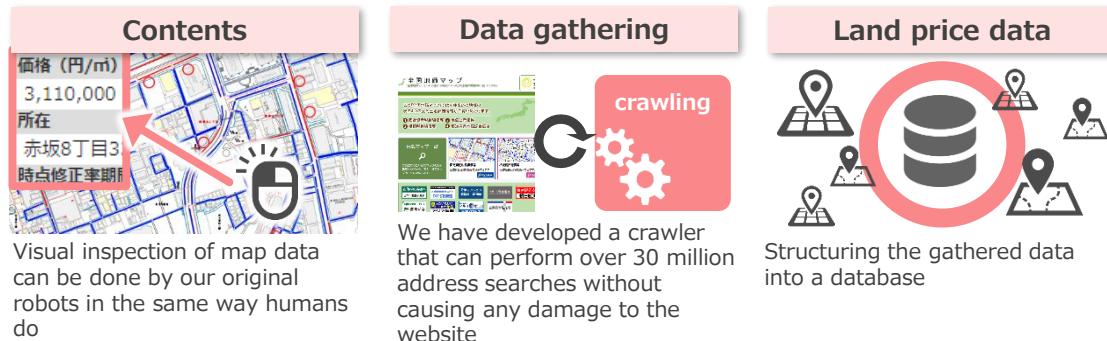
Problems on acquiring land price data

You need to enter an address to get the land price for that specific location
⇒ Consequently, the data cannot be structured into a database, necessitating a manual visual inspection of the map on each occasion.



Collection of land prices with our technology

Realizing collecting and making a database of entire land price information including roadside land prices using our unique technology



Synergistic services powered by multiple technology platforms

User-centric data gathering service, “D-Likes”

Provides the latest news of “company”, “industry” in the most appropriate way for each employee every day

① Daily data collection from numerous web media

Collect data from WEB media, company HP

Include wide range of web media from eminent website to local newspaper and professional journal.



② Daily distribution of digest information

Implementation of daily mail function distributable on member/department/team basis

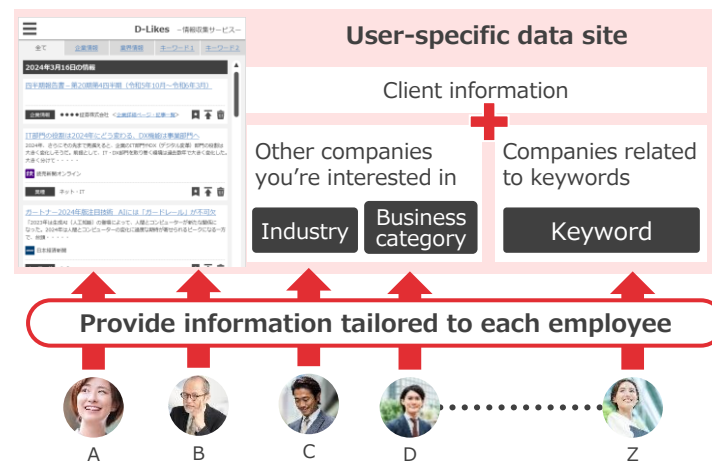
Useful function in a situation where information collection is needed by member/department/team in common.



③ Providing a website with detailed results of digest information

Shows only information that is optimized for each employee

Provide a website which features the information each employee needs.



Merits of introducing

Acquire the latest information every day

Using our unique crawling system, every day, automatically collect the latest information posted on various websites.

Provide the information you need only

Just specify the company, industry, or keyword you want to research, and we will provide you with what you need from the wide variety of information.

Deepen understanding of certain industry

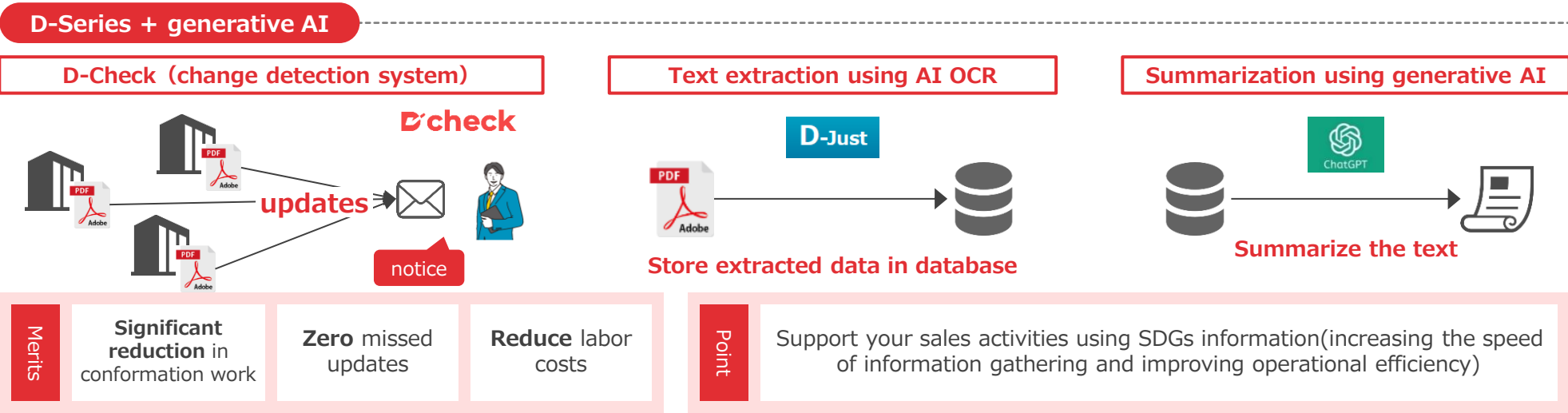
It is also possible to increase your understanding of the industry you are interested in, such as trending companies and technologies and initiatives that are attracting attention.

Synergistic services powered by multiple technology platforms

SDGs information provision service, “D-SDGs”

Automate the collection, data conversion, and summary of each company’s SDGs report

We process hundreds of pages of SDGs published information such as “sustainability reports, integrated reports, and ESG reports” posted on websites by using our data processing platform “Automatic detection system+ AI OCR+ summarization(using generative AI)” and provide information you need.



Fiscal Year Ending March 2025 Forecast

※There are no changes to the forecast.

Maintain top-line growth prioritizing profit rate

- We established a structure which focuses on our profitable core services by our previous restructuring.
- By maintaining it, we will keep high profit rate and top-line growing.

Priority items

1

Acquiring new clients

We will continue focusing on inbound business (inquiries and introductions) with an emphasis on sales efficiency and strengthen our response to acquiring projects.

Number of inquiries



Increasing

Our capital alliance partner, SBI group



Referrals from our financial institute clients



2

Expand business with existing clients

Based on examples of our services, we sell various services that have not yet been introduced to clients.

Strengthen sales of existing services

Data generate system

D-Fit & D-Just

D-Confia



etc...

Strengthen sales of new services

D-Estate

D-Likes

D-SDGs



etc...

※ Regarding termination of contract with Daiwa Living, a major business partner

By implementing ①&② above, we have taken steps to compensate for the decrease in sales and profits from Daiwa Living, whose transaction will end in March 2025. the entire company will work together to expand sales centered on our main services (stock type) and compensate for the decline in sales and profits.

【Reference】 Sales from Daiwa Living group... FY2023 | 2,934 million yen FY2024 | Expected almost the same as that of FY2023

Summary of Earnings Forecast

- We aim to increase sales and profits while maintaining profit margins by expanding sales of our highly profitable core services primarily in the financial industry, which is our main customer base.
- In addition to that, we also looking to expand our business to new customers (new fields).

Forecasted net sales

7,600
million yen

Forecasted operating profit

2,550
million yen

(Unit : JPY thousands)

| Item | FY2021 Actual | FY2022 Actual | FY2023 Actual | FY2024 Actual | FY2025 Forecast |
|--|------------------|------------------|------------------|------------------|--------------------|
| Net sales | 4,411,540 | 7,077,843 | 6,911,071 | 7,147,568 | 7,600,000 |
| Operating profit | 1,108,849 | 1,757,894 | 2,121,071 | 2,309,385 | 2,550,000 |
| (Profit margin) | 25.1% | 24.8% | 30.7% | 32.3% | 33.6% |
| Ordinary profit | 1,113,238 | 1,751,174 | 2,111,734 | 2,296,681 | 2,500,000 |
| (Profit margin) | 25.2% | 24.7% | 30.6% | 32.1% | 32.9% |
| Profit attributable to owners of parent | 747,205 | 1,082,821 | 1,625,908 | 1,654,553 | 1,750,000 |
| (Profit margin) | 16.9% | 15.3% | 23.5% | 23.2% | 23.0% |

Dividend policy

- Our group recognizes that returning profits to our shareholders is an important management issue, therefore, our policy is to continue returning profits at high rate.
- Regarding dividends, our policy is to pay profit dividends while taking into consideration our consolidated performance and financial position. On the other hand, we will also work to strengthen our financial structure through investment in our technology infrastructure and internal reserves.

Dividend payout ratio

- The group’s consolidated dividend payout ratio goal is set at **25%** which is determined by reflecting performance trends and past year’s dividend payout ratio.
- For the FY2025, the dividend will be 60 yen per share (dividend payout ratio of 46.5%).

Dividend per share table

| Dividend per share (JPY) | | | | Dividend payout ratio (%) |
|--------------------------|------------------|-------------------|--------|---------------------------|
| Item | Interim dividend | Year-end dividend | Total | |
| FY2023 | — | 50 yen | 50 yen | 41.8% |
| FY2024 | — | 55 yen | 55 yen | 45.1% |
| FY2025 | — | 60 yen | 60 yen | 46.5% |

Reference Data

VISION

Become a BEST OF THE BEST partner that brings innovative solutions to customers' challenges.

MISSION

Ahead of market and technological shifts, we create new, beneficial paradigms by challenging conventional wisdom.

VALUE

Client first: Through innovative solutions and dedication to quality, we consistently exceed our customers' expectations.

Trust: We are committed to earning and maintaining the trust of our customers and society through honest and fair actions.

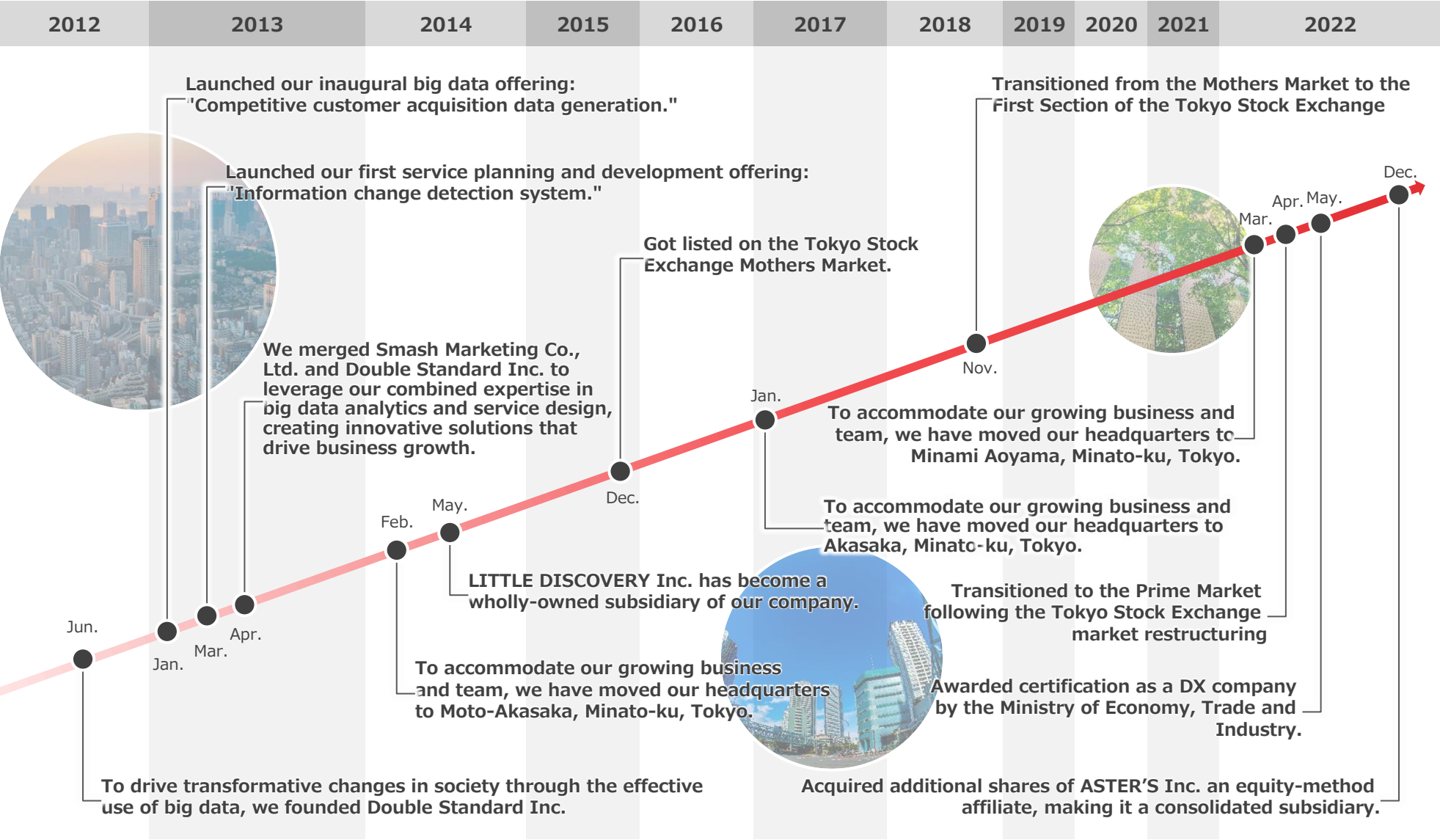
Responsibility: We empower our members to take full ownership of their work, always think independently, and be accountable for their actions.

Challenge: With a broad perspective, we continuously push the boundaries of technology and innovation.

Teamwork: By respecting each other's individuality and engaging in sincere discussions, we strive to deliver exceptional service that exceeds our customers' expectations.

| | |
|-------------------------|--|
| Company name | Double Standard Inc. Stock Exchange Code 3925 Tokyo Stock Exchange's Prime market |
| Capital | 263 million yen (as of March 31, 2024) |
| Our business | Building a data business using our unique data cleansing technology. Planning and developing business systems with a focus on DX. |
| Location | 2-2-3 Minamiaoyama, Minato-ku, Tokyo, Hulic Aoyama Gaien Higashi-dori Bldg.4F, 107-0062 Japan |
| Consolidated subsidiary | LITTLE DISCOVERY Inc. Aster's Co., Ltd. |
| Other group entities | SBI Holdings, Inc. (Capital and business alliance agreement) |

| | |
|----------------------------------|---|
| Representative Director / CEO | SHIMIZU, Yasuhiro |
| Director / CTO / Founder | NAKAJIMA, Shozo |
| Director / CIO | IIJIMA, Manabu |
| Independent Directors | TOKUNAGA, Hirohisa (Lawyer) |
| Independent Directors | AKAURA, Toru (Special Adviser of the Japan Venture Capital Association) |
| Independent Directors / Auditors | OOSHIMA, Yasunori |
| Independent Directors / Auditors | MATSUI, Keiichi (Former Managing Director of ART CORPORATION) |
| Independent Directors / Auditors | TSUKADA, Kazuya (Certified Public Accountant) |



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