

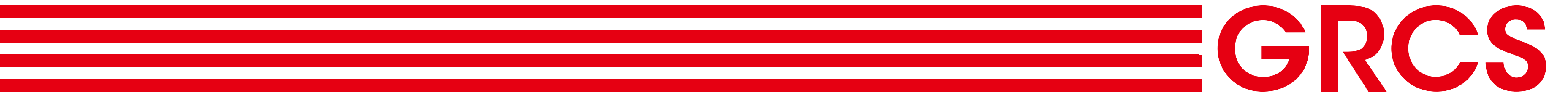
First Six Months of Fiscal Year ending November 30, 2025 (FY2025)

Financial Results Briefing

GRCS Inc.

Securities code: 9250

July 15, 2025



Disclaimer

This material contains forward-looking statements based on estimations. These forward-looking statements are based on the information available as of the date of publication of this material.

These forward-looking statements should not be construed as a guarantee of future results or performance figures. Such forward-looking statements inherently contain known and unknown risks and uncertainties. Consequently, actual results and financial conditions may differ significantly from the forecasts of future performance and results explicitly or implicitly indicated by the forward-looking statements.

Factors that may cause significant differences from results described in such statements include, but are not limited to, changes in domestic and international economic conditions and trends in the industries in which we operate.

In addition, information regarding matters and organizations other than ourselves is based on publicly available information.

Note that we have not verified, nor do we guarantee, the accuracy or appropriateness of such publicly available information.

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1 . Company Profile

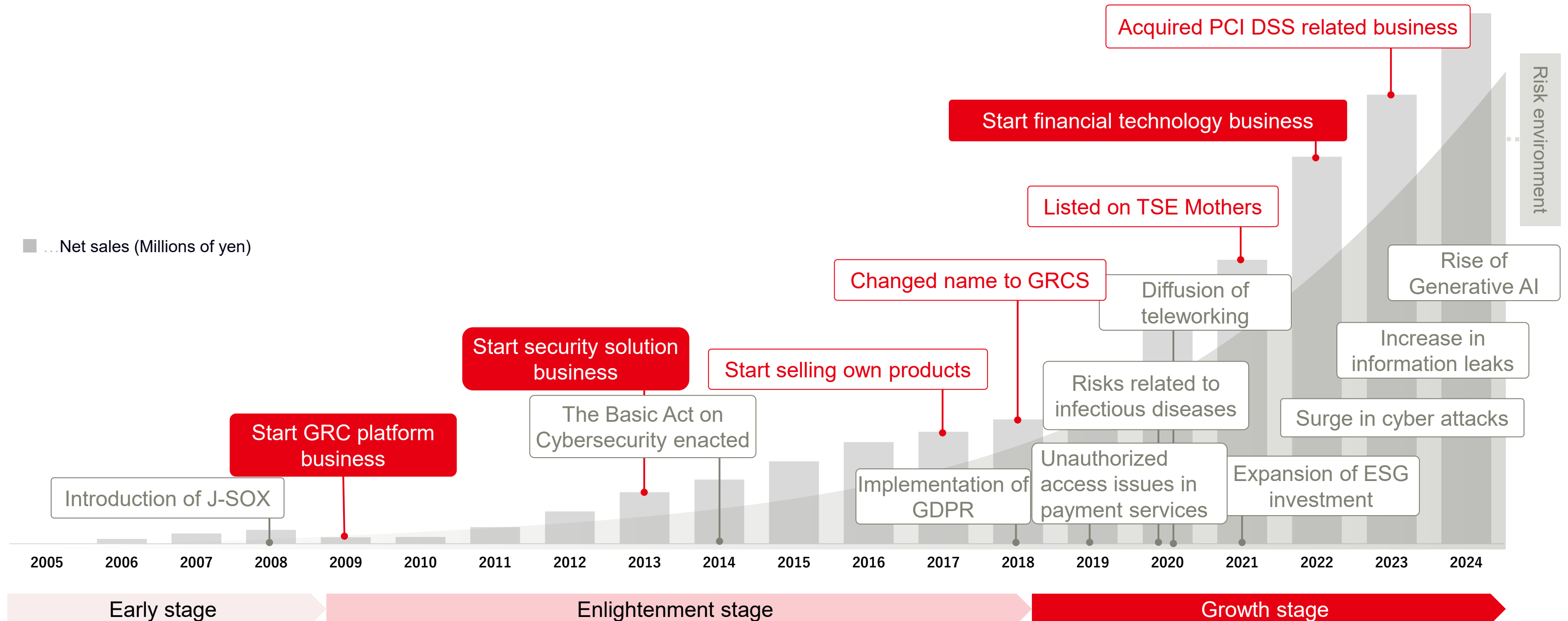
MISSION

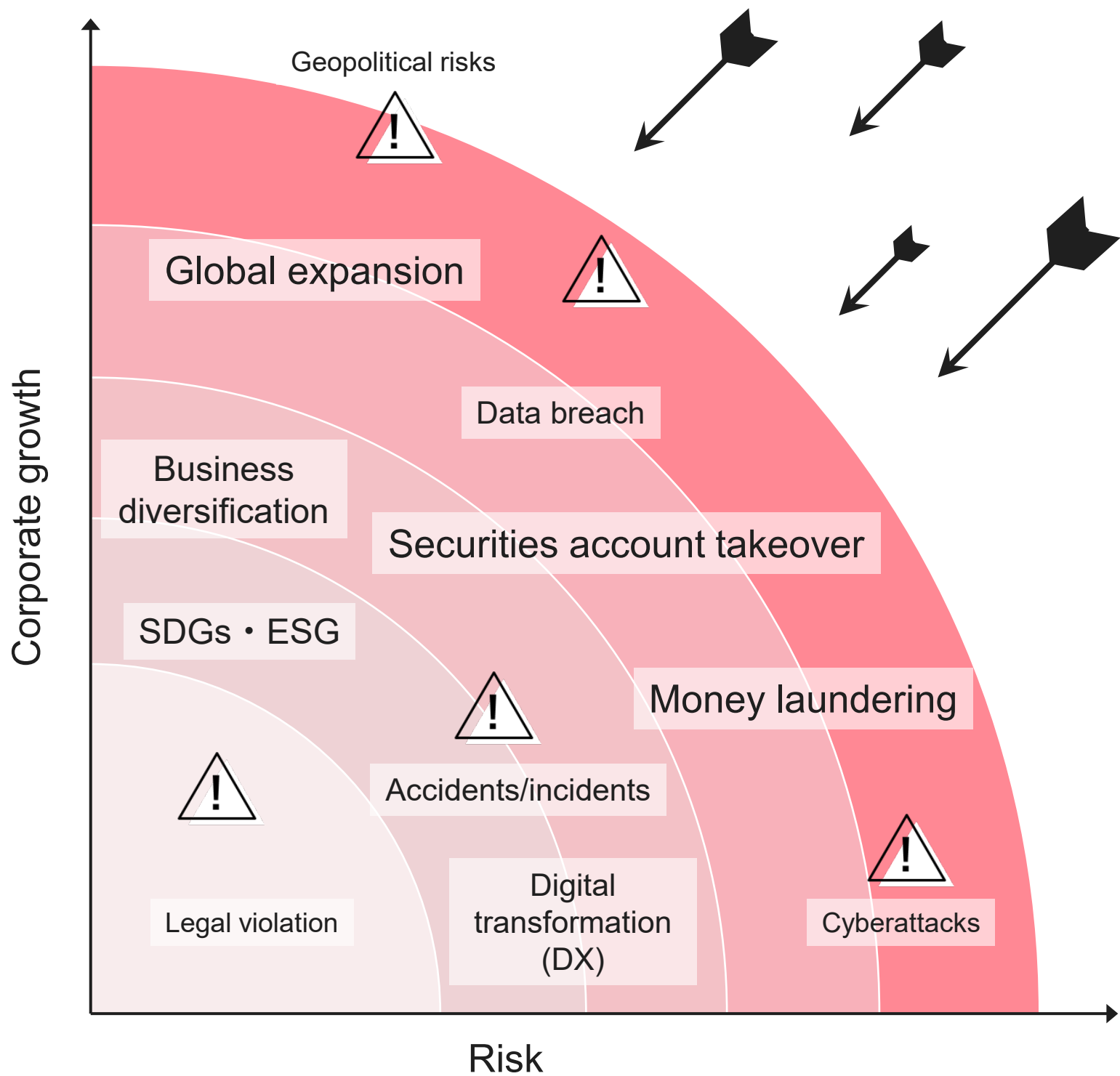
Accelerate Evolution

VISION

Tech Makes It Simple

- ✓ Developed services in response to changing risk environments and achieved rapid growth
- ✓ **Achieved 15 consecutive years of sales growth**, beginning with the launch of the GRC business in 2009, followed by the security solution business in 2013, and the financial technology business in 2022





Companies are exposed to more risks as they grow

Companies are inadequately organized to protect themselves

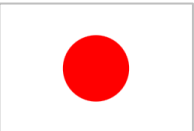
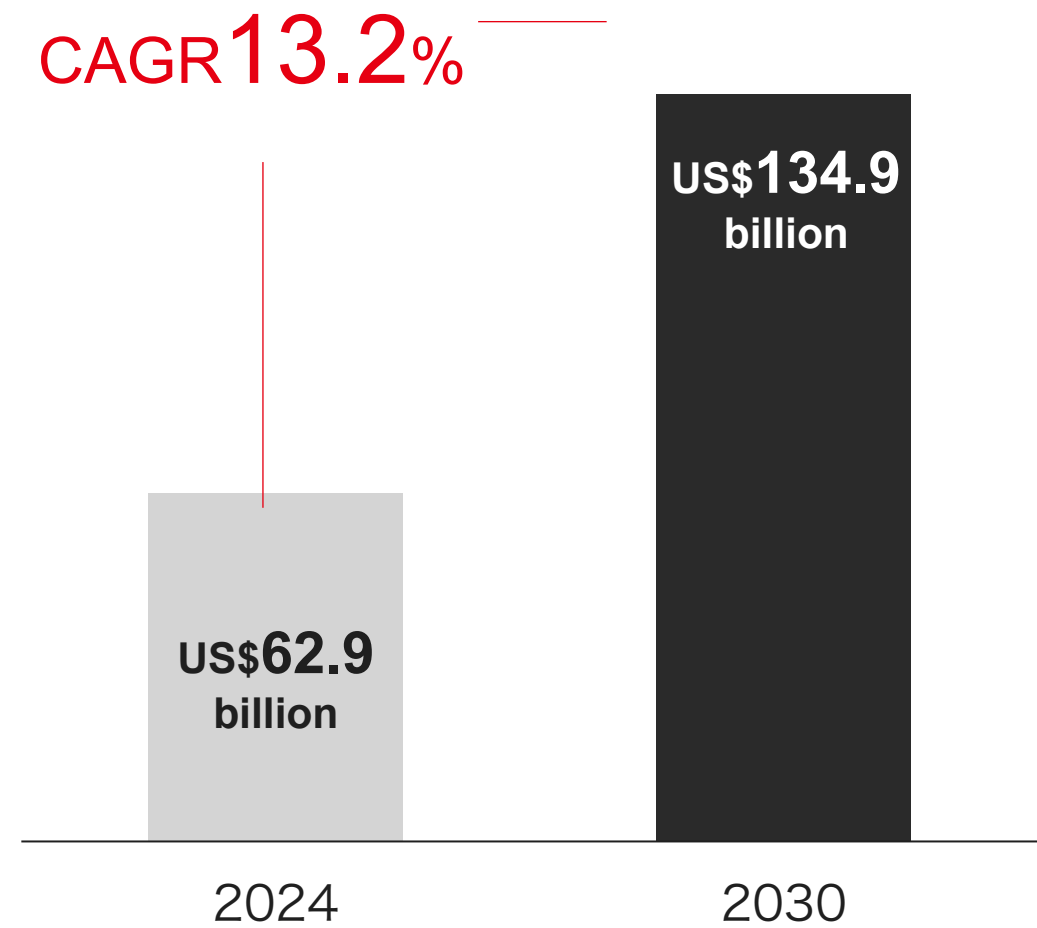
GRCS helps businesses grow most efficiently by reducing risks

G	Establish governance frameworks
R	Reinforce risk management
C	Enhance compliance mindset
S	Support security measures

- ✓ No numerical figure is yet available for the domestic GRC market, but GRC and security controls are a pressing issue for Japanese companies
- ✓ The global GRC market is forecasted to grow by 13.2% annually on average; similar growth is anticipated for Japan



Global GRC market*



Growth of Japanese GRC market

To catch up with the Western market, where GRC frameworks are already set in motion in business management, the Japanese market is likely to grow at a faster speed



A high-level risk management scheme is required due to compliance with overseas regulations or oversight by government agencies

▼

Demand is strong from industries under stricter regulations



Finance



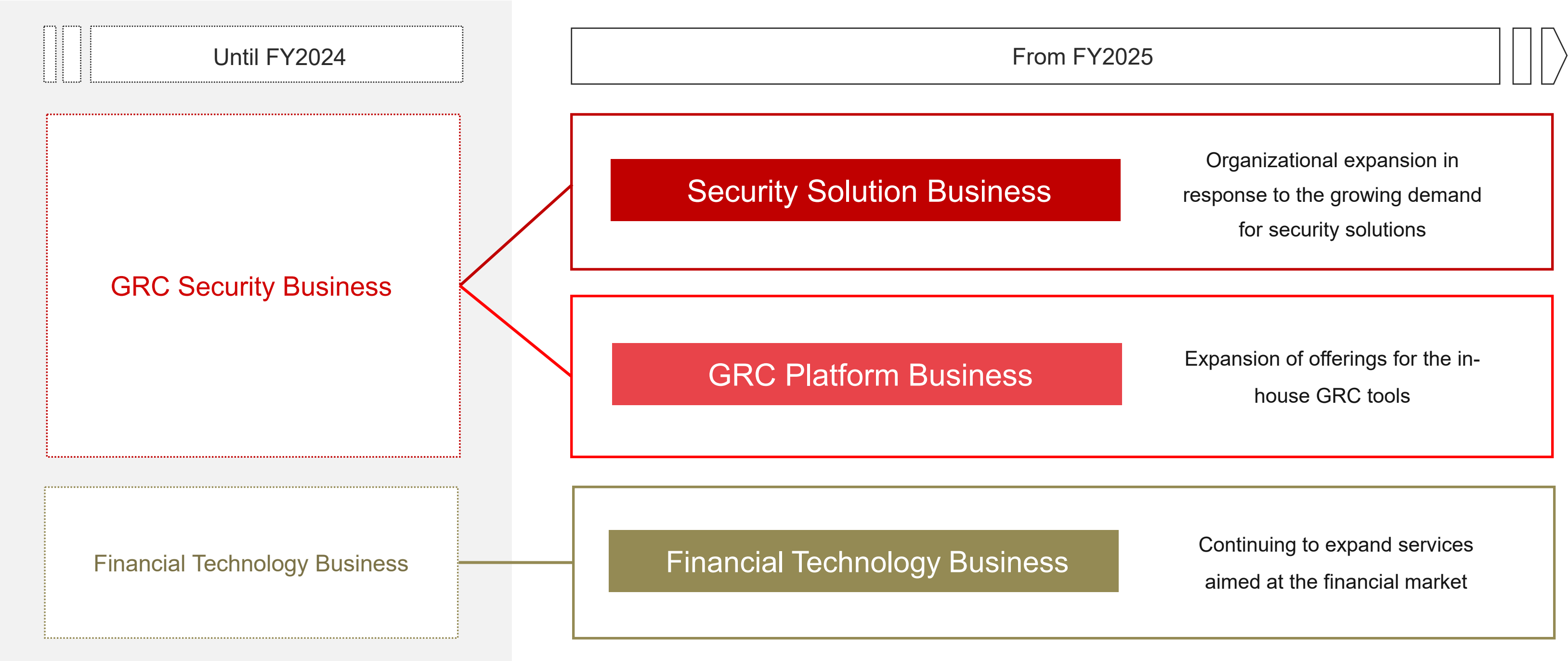
Telecom



Global

* : Prepared by GRCS based on the data from Grand View Research/Enterprise Governance, Risk & Compliance Market Size, Share & Trends Analysis Report By Component, By Software, By Services, By Organization Size, By Vertical, And Segment Forecasts, 2022 - 2030

- ✓ Transitioned to a divisional organization, driven by the clarification of our revenue structure and growth drivers, to optimize service delivery to clients
- ✓ Operate with a structure similar to group management to ensure efficient organizational operations



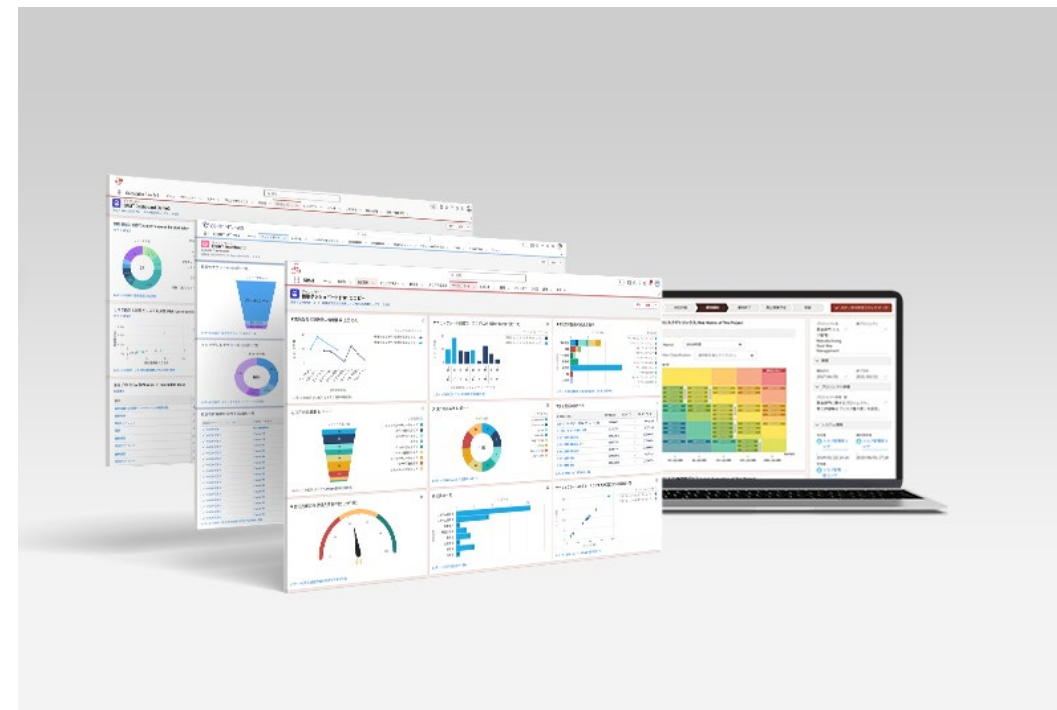
- ✓ Three businesses in the areas of Governance, Risk, and Compliance (GRC) and Security
- ✓ Leveraging competitive advantages by targeting the financial sector, telecommunications industry, and global corporations

Solution Business



Deployment of Security Experts
Support for Selecting, Implementing,
and Operating Security Products

Platform Business



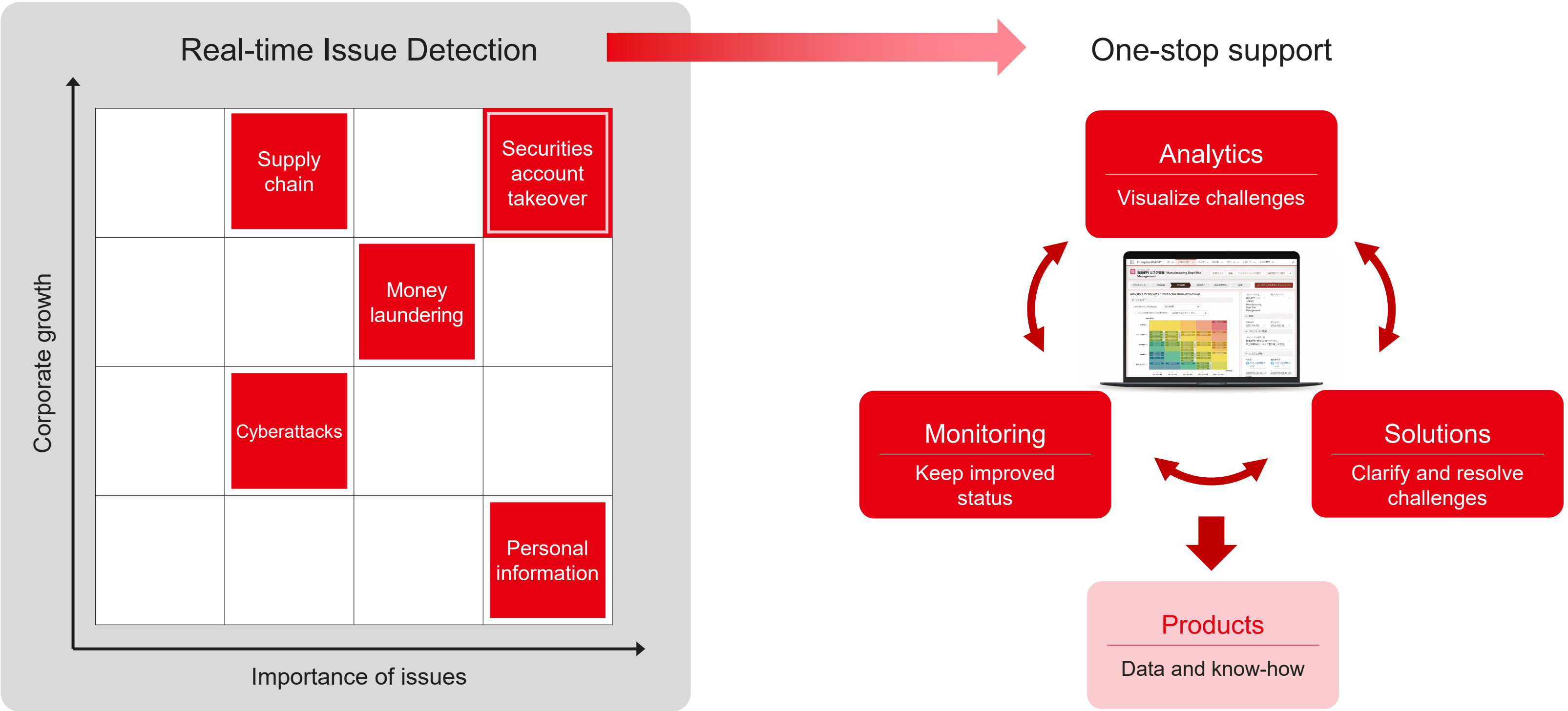
Providing cloud services to
solve challenges in risk
management

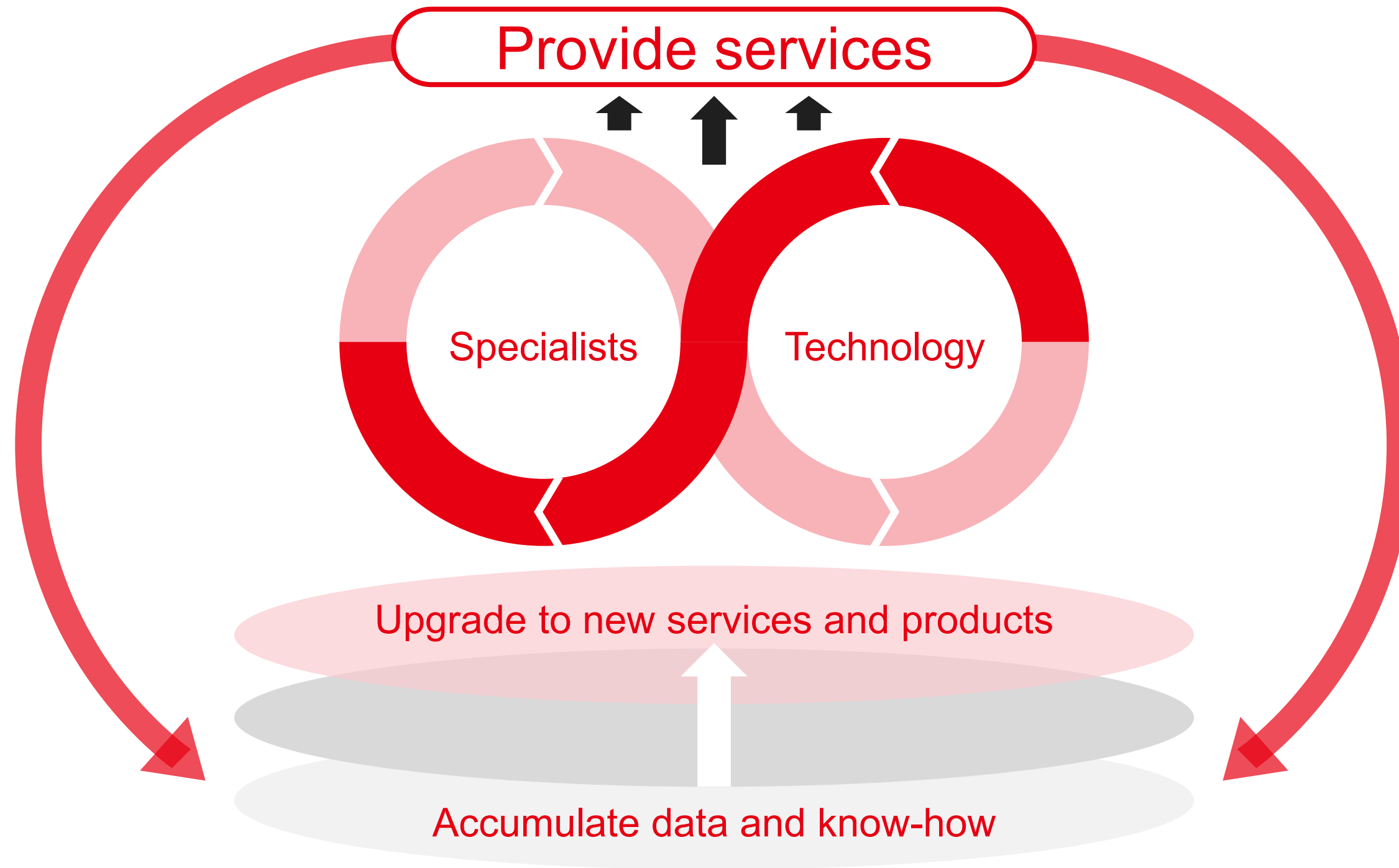
Financial Technology Business



Development and sales of
high-performance systems for
financial markets

- ✓ Utilize products for efficient and better enterprise information management and sharing ⇒ Visualize business challenges
- ✓ Offer comprehensive, one-stop support to analyze and resolve challenges and keep the improved status ⇒ Create more projects through continuous PDCA cycles





- ✓ About 200 in-house specialists
- ✓ A leading GRC specialist company in Japan
- ✓ Track record of over 15 years
- ✓ One-stop service provider
- ✓ Global Fin Tech

2 . Financial Results for First Six Month of FY2025 Ending November 2025

FY 2025 Q2
Result

Although both sales and operating profit are below last year's levels, the initiatives taken in the first half to expand projects are expected to achieve the full-year plan

Net sales

1,601 million yen
-0.9% year on year

Gross profit margin

29.4 %
-5.9 pt year on year

EBITDA*

14 million yen
-84.9 % year on year

Operating profit

-95 million yen
30 million yen last year

Full-Year Forecast

- **Security Solution Business** : Offering new generative AI services and strengthening the sales structure, with prospects of achieving the plan
- **GRC Platform Business** : Enhancing existing service features and anticipating increased agency sales, progressing smoothly
- **Financial Technology Business** : While some projects have been pushed to the second half, expanding sales to existing customers is anticipated to achieve full-year targets

* For details, please refer to “3. Progress by Business Segment”.

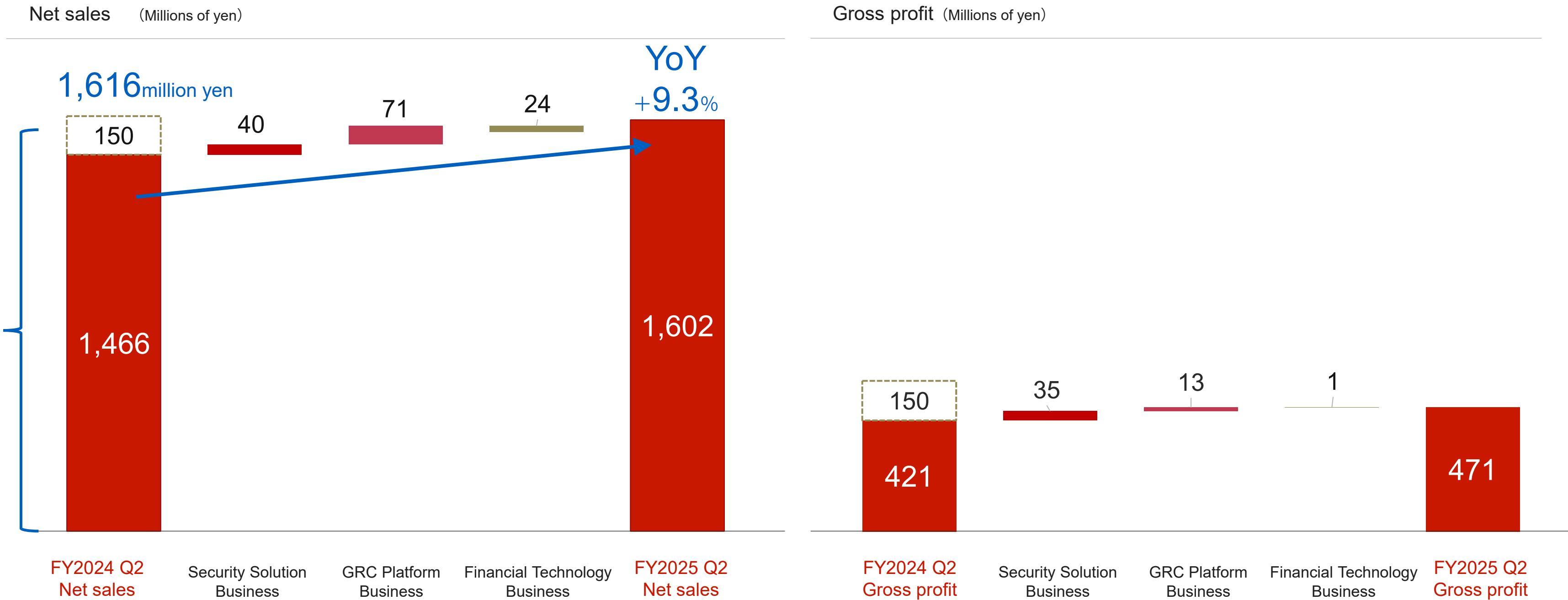
* : EBITDA=Operating profit + Depreciation + Goodwill amortization

- ✓ Sales of 150 million yen from perpetual licenses occurred as a one-off last year; excluding this, growth continues this year
- ✓ Due to delays in orders in the financial technology business, gross profit in Q2 decreased, but full-year targets are still expected to be achieved

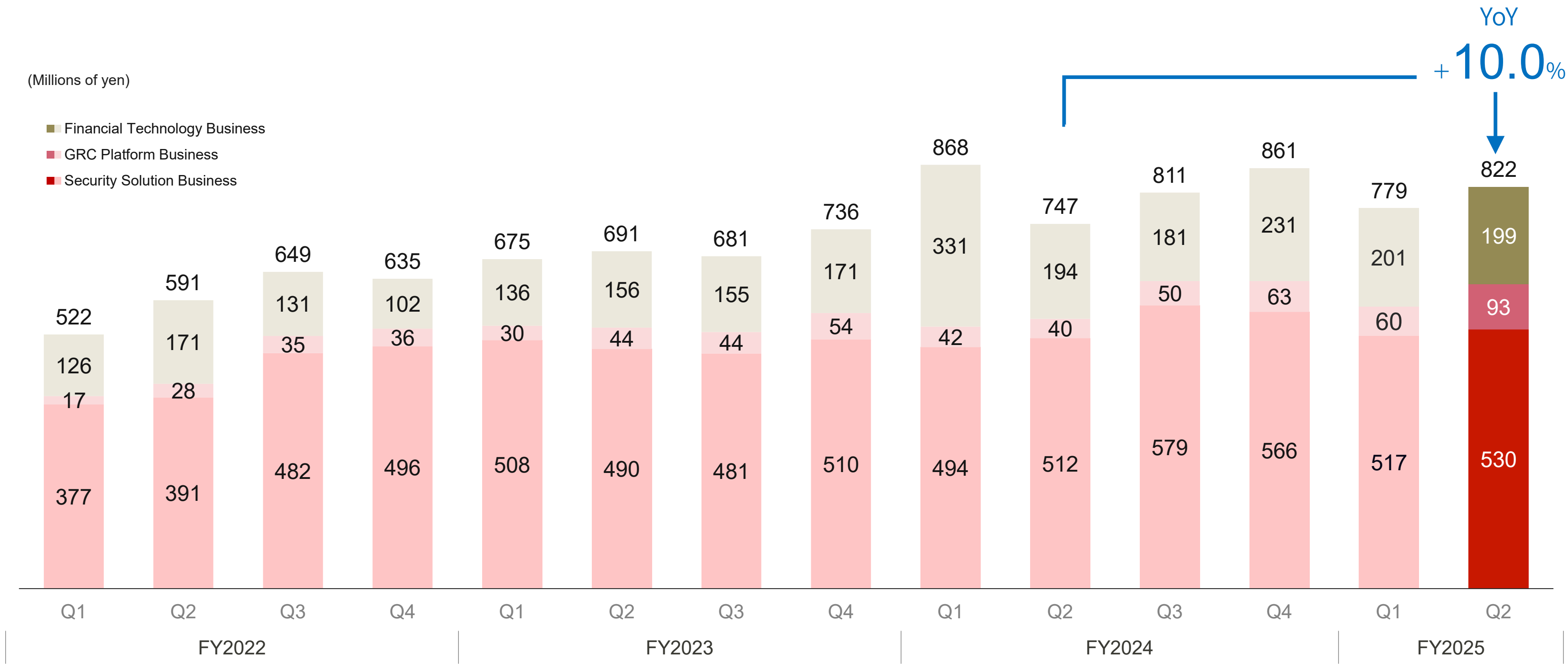
(Millions of yen)	FY2024 Q2	FY2025 Q2	Change amount	Change ratio	FY2025 forecast	Progress ratio (vs. Full-year forecast)
Net sales	1,616	1,601	(14)	(0.9%)	3,953	40.5%
Gross profit	571	471	(99)	(17.4%)	1,341	35.1%
Gross profit margin	35.3%	29.4%	(5.9pt)	—	33.9%	(4.5pt)
Selling, general and administrative expenses	540	567	27	5.1%	1,226	46.3%
EBITDA*	97	14	(83)	(84.9%)	282	5.3%
Operating profit (loss)	30	(95)	(126)	—	115	—
Ordinary profit (loss)	17	(109)	(127)	—	89	—
Profit (loss) attributable to owners of parent	2	(84)	(87)	—	60	—

* : EBITDA=Operating profit + Depreciation + Goodwill amortization

- ✓ In the previous fiscal year, sales of 150 million yen from perpetual licenses occurred as a one-off in Q1
- ✓ Excluding the one-off, net sales increased by 9.3%

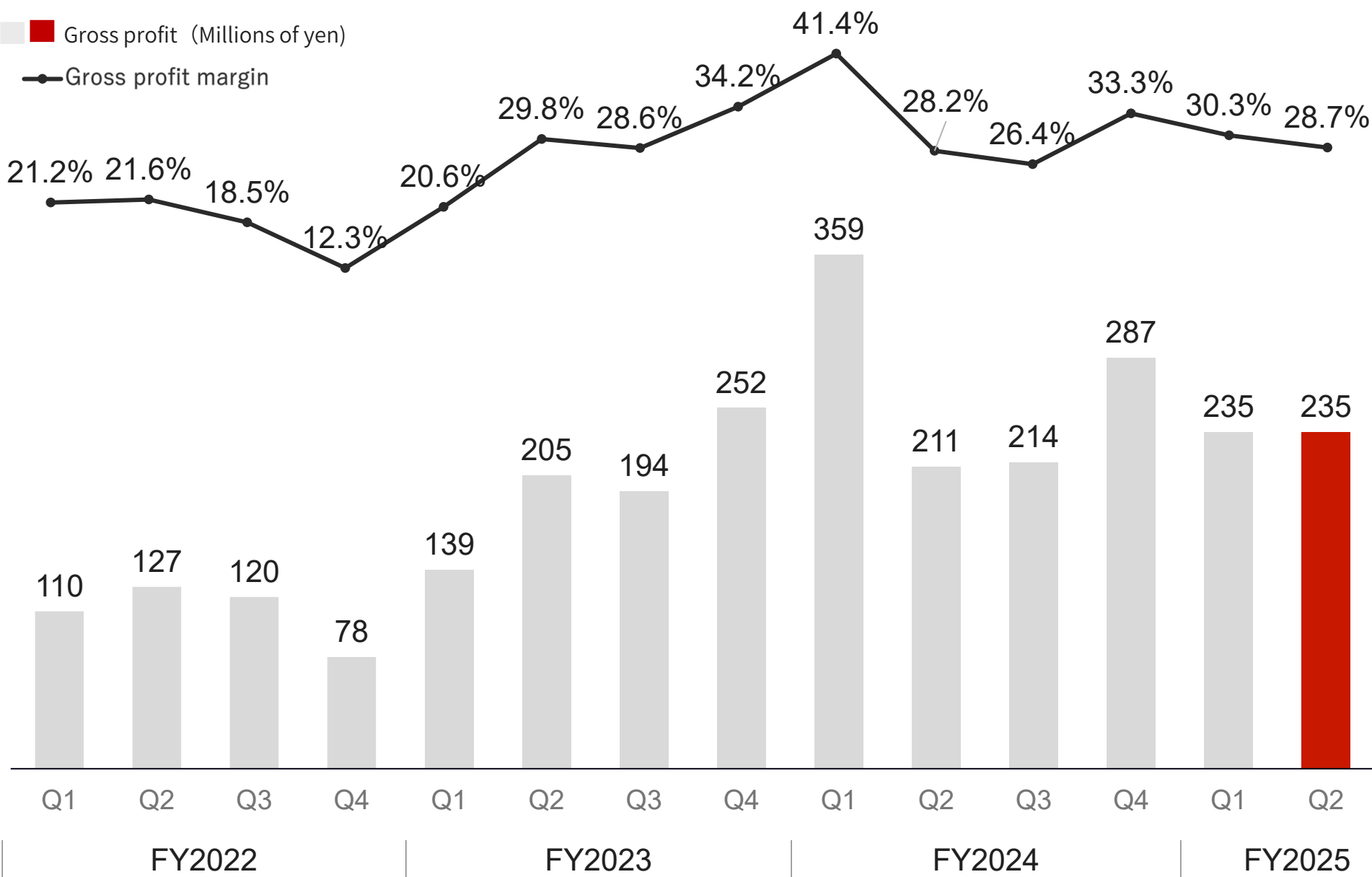


- ✓ Security solution business and financial technology business are performing steadily
- ✓ GRC platform business has experienced significant growth, with 229% increase



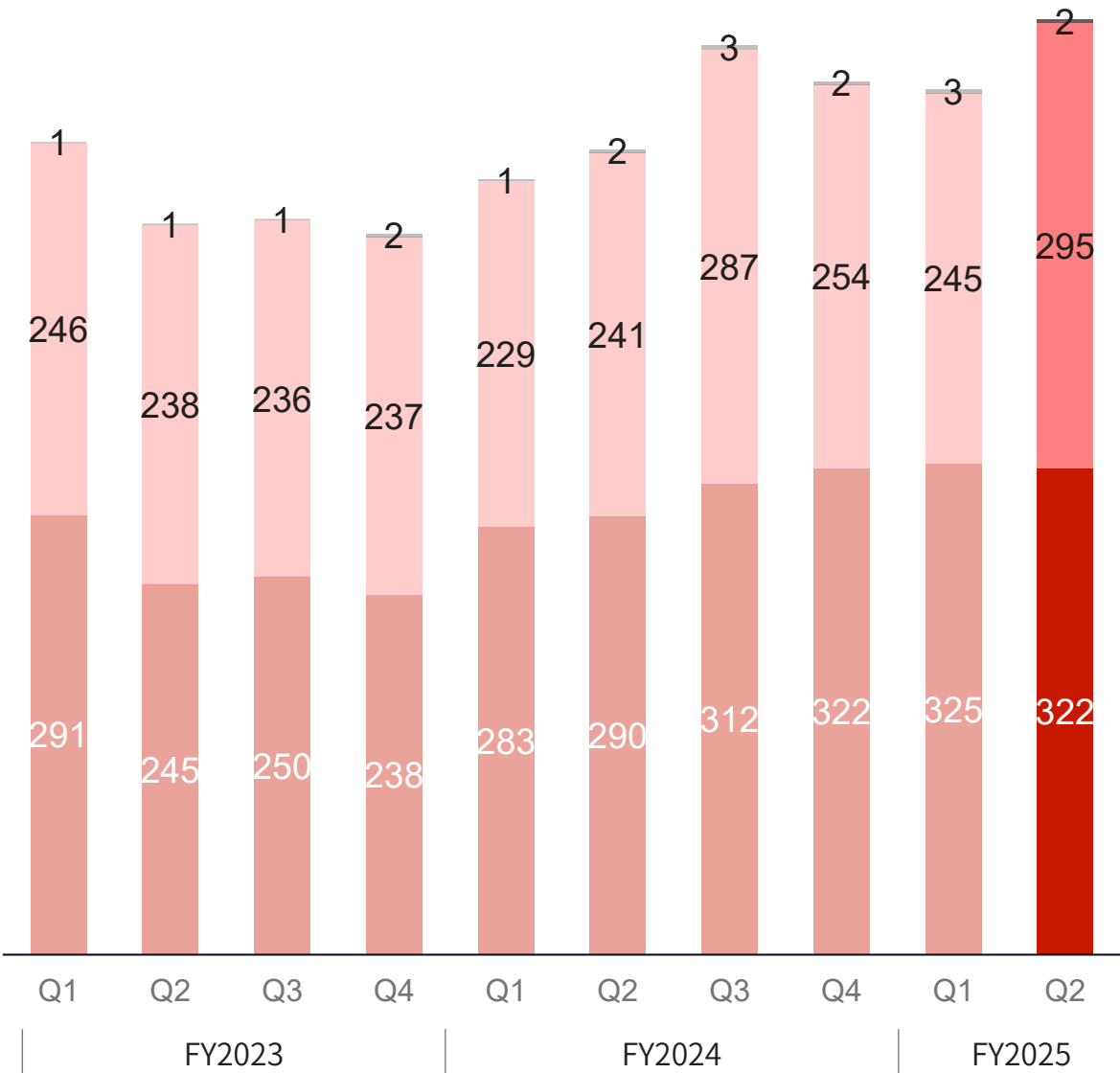
* Starting this fiscal year, the data is categorized by business segment and has been retroactively presented for previous years

✓ Operating rates remain stable, maintaining the gross profit margin



Cost of sales (Millions of yen)

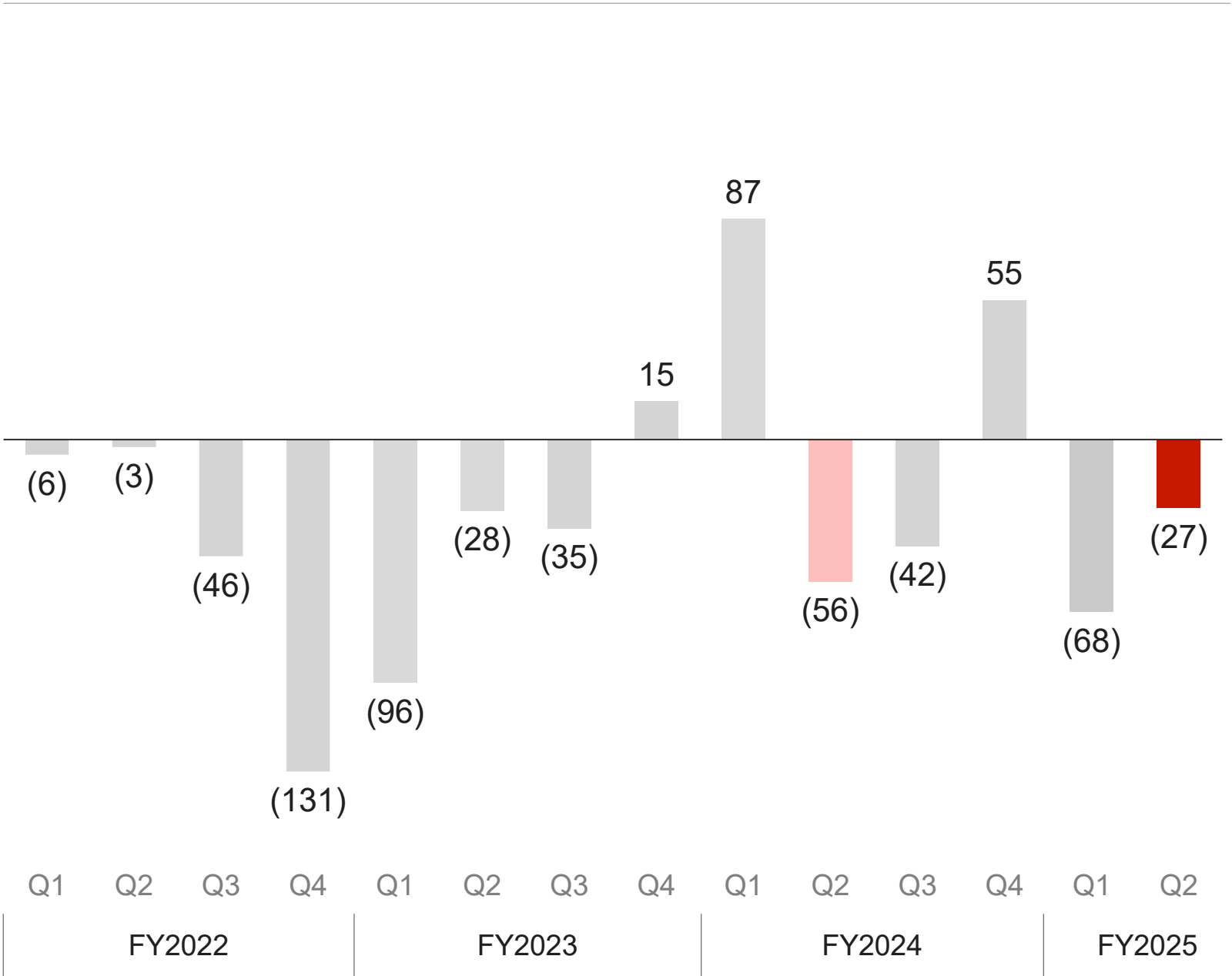
■ Other
■ Outsourcing expenses
■ Labor costs



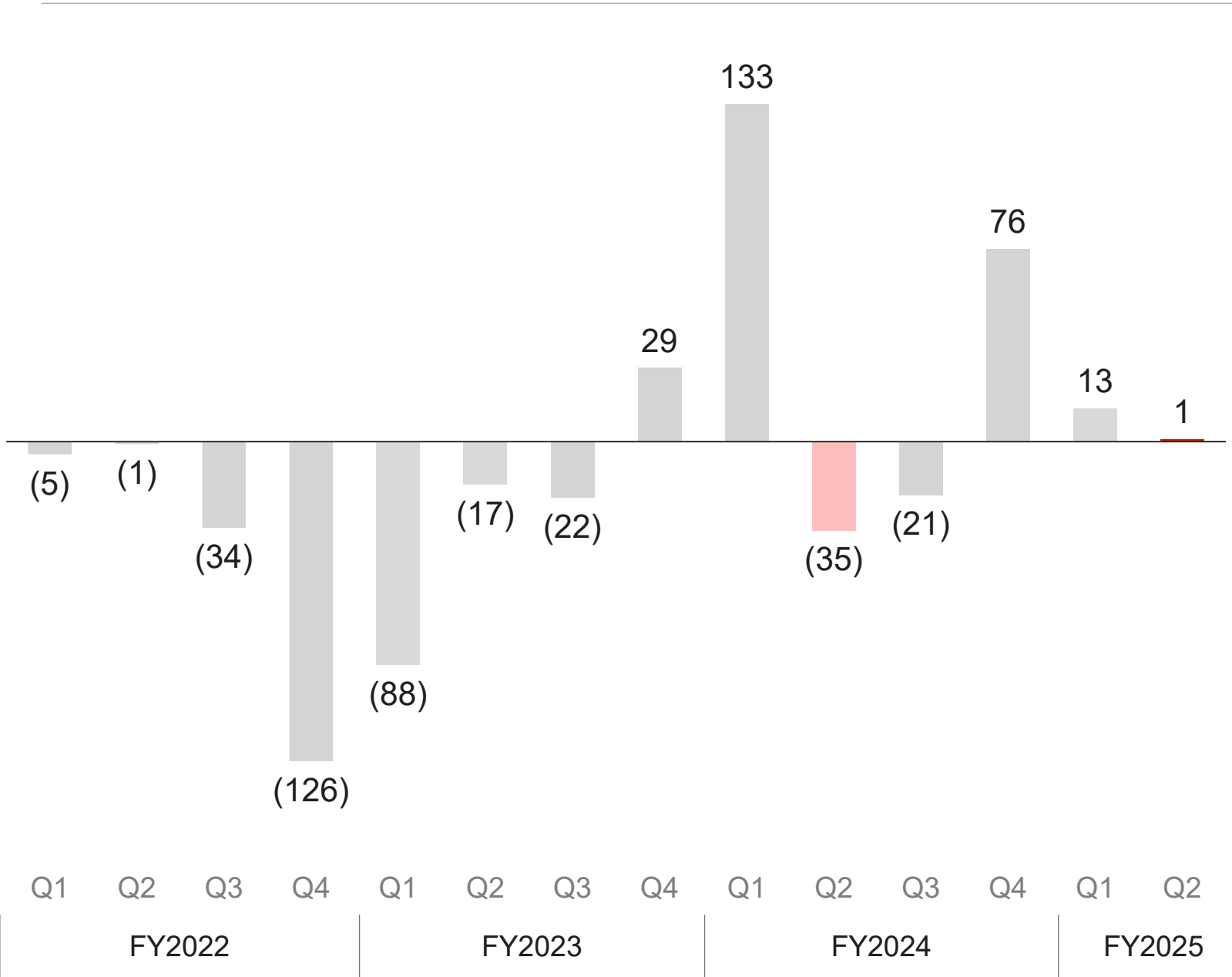
* : GRCS shifted to consolidated accounting in Q3 FY2022

✓ EBITDA, excluding goodwill amortization and similar items, is moving towards sustained profitability

Operating Profit (Millions of yen)



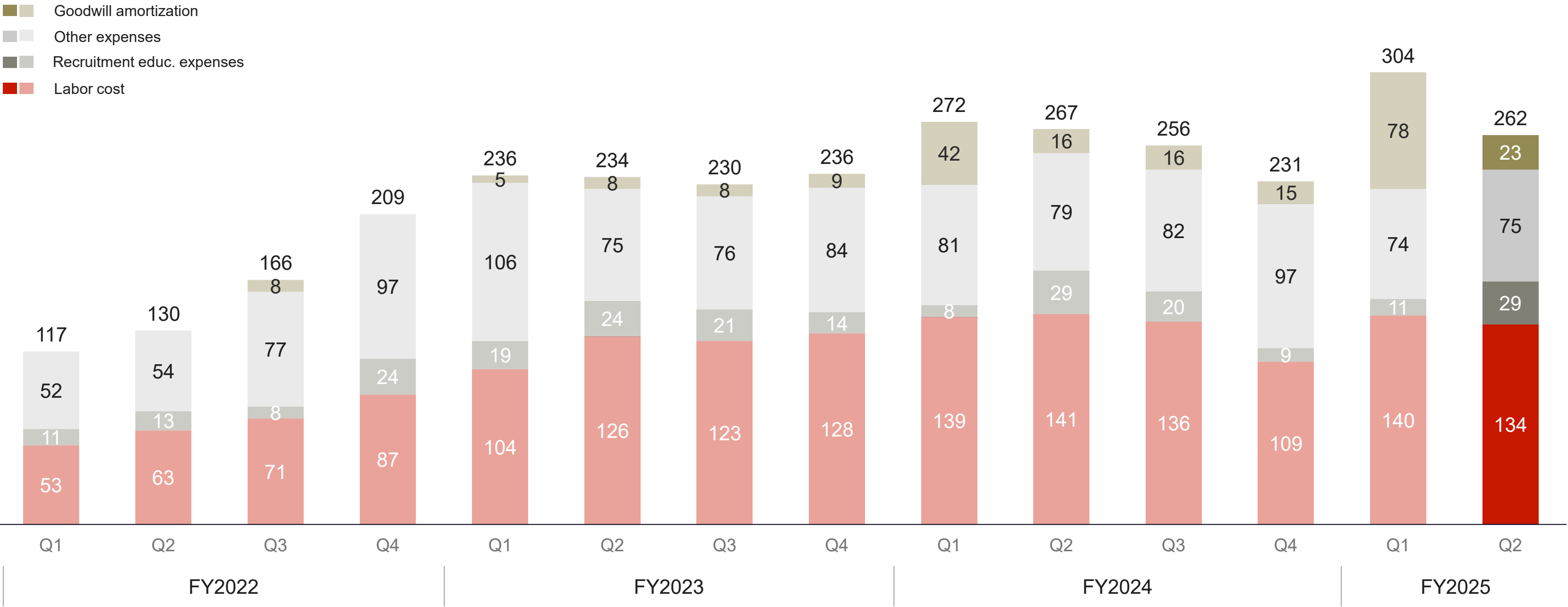
EBITDA (Millions of yen)



* : GRCS shifted to consolidated accounting in Q3 FY2022

- ✓ Ensuring sustainable profitability is the top priority this fiscal year, along with optimizing indirect costs, including back-office expenses
- ✓ In the second half of the fiscal year, plans include investing in human capital and developing product services tailored to the risk environment

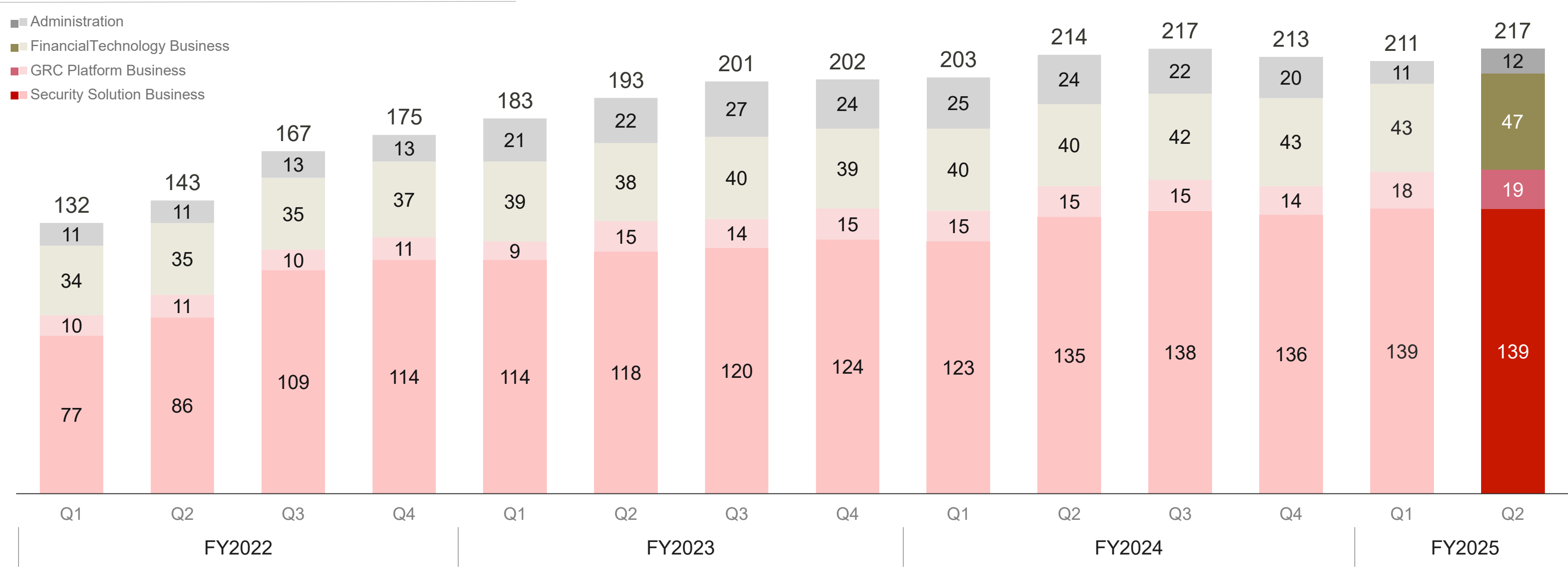
Selling, general and administrative expenses (Millions of yen)



* : GRCS shifted to consolidated accounting in Q3 FY2022

- ✓ In security solutions business, service quality is enhanced through the use of AI services and employee training
- ✓ Financial technology business is increasing its workforce in response to the growing number of operation service projects

Personnel distribution (Persons)



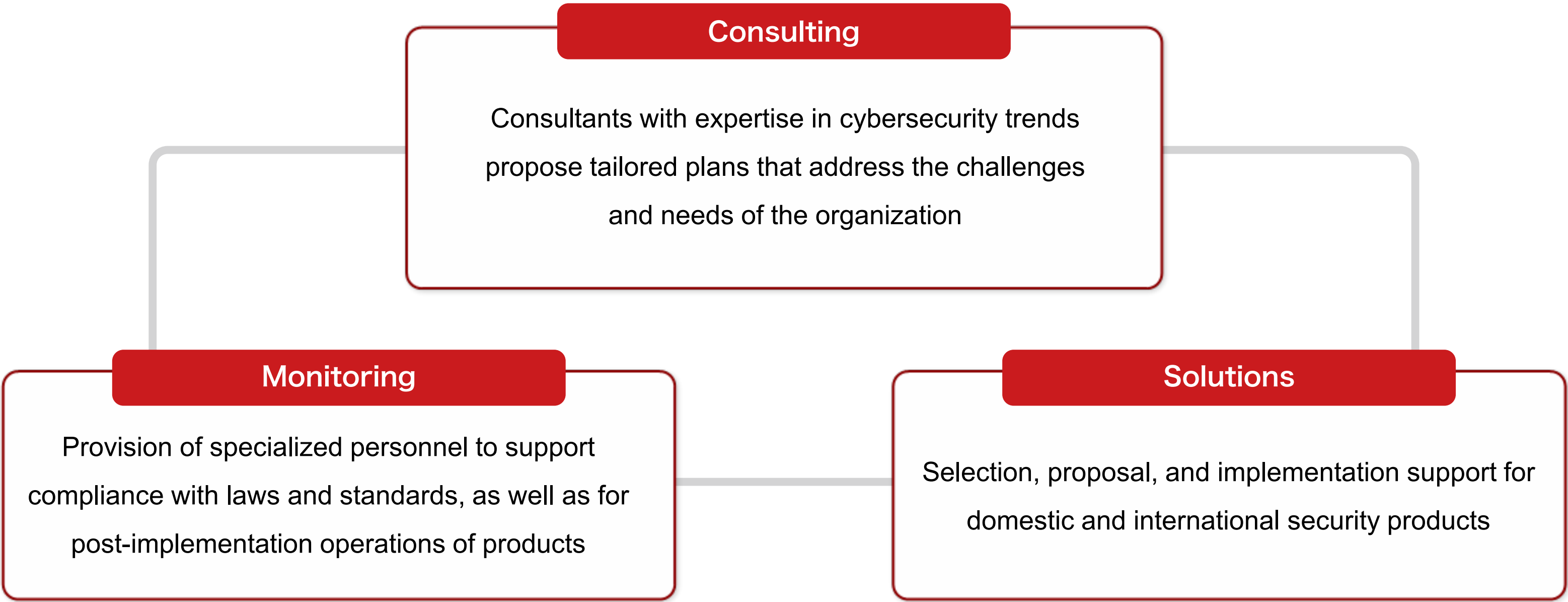
* : GRCS shifted to consolidated accounting in Q3 FY2022

3. Progress by Business Segment

3 . Progress by Business Segment in FY2025

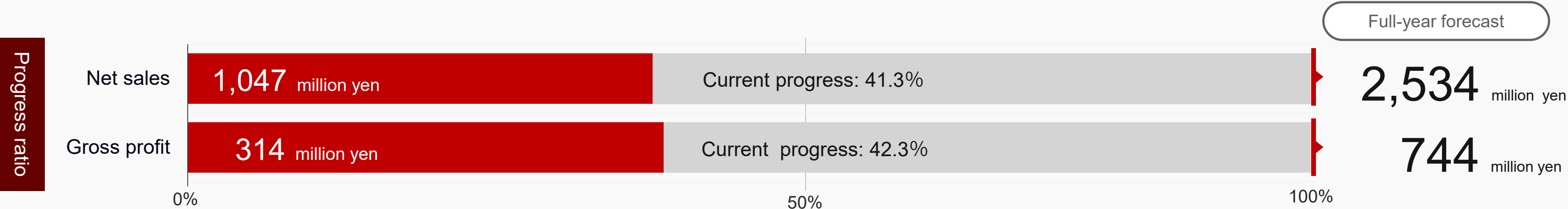
Security Solution Business

- ✓ Providing one-stop solutions, from identifying challenges and providing resolutions to offering continuous operational support
- ✓ Cybersecurity-focused solution business led by specialized experts



※ See more details in Appendix P39 “Strategies for FY2025 Solution Business : Service Offerings”

Strategies for FY2025	Progress Status	Future Outlook
<p>1. Growth in human resources</p> <ul style="list-style-type: none"> ✓ Increase in consultants ✓ Expand high-demand engineering talent and services 	<ul style="list-style-type: none"> - Despite active hiring, employee numbers remain stable due to departures - Focusing on existing employee development through revised evaluation systems and skill enhancement initiatives. 	<ul style="list-style-type: none"> - To prioritize service quality over headcount, personnel plans are expected to fall short, focusing on upselling through employee development - Expand growth opportunities for existing employees to build a stronger organization
<p>2. Service Enhancement</p> <ul style="list-style-type: none"> ✓ Timely release of new services aligned with market needs ✓ Secure new contracts for our strong existing solutions 	<ul style="list-style-type: none"> - AI services launched in Q1 are performing well, with a focus on preparing additional new offerings - Focused on strong existing solutions, successfully acquiring new clients 	<ul style="list-style-type: none"> - Two new services already launched in Q3. Several proposals meet current needs, with steady progress towards service implementation - Enhanced sales structure from H1 is now fully operational
<p>3. Strengthening the Recurring Revenue Model</p> <ul style="list-style-type: none"> ✓ Expansion of recurring revenue ✓ Secure renewals for existing annual contracts 	<p>Secured upsell of licenses to existing customers</p>	<p>Expand the popular penetration testing and AI-related services to increase recurring revenue</p>



Experts assess risks in utilizing generative AI services

Generative AI security threat assessment support service: “AI Utilization Risk Diagnosis”

In 'AI Utilization Risk Diagnosis,' threats and security risks associated with services utilizing generative AI and other AI technologies are assessed. Companies can use this information to identify threats and areas for improvement, while service-using companies can leverage it to understand vulnerabilities and threats in the services they utilize.



Assessments by AI and security experts, referencing international threat trends

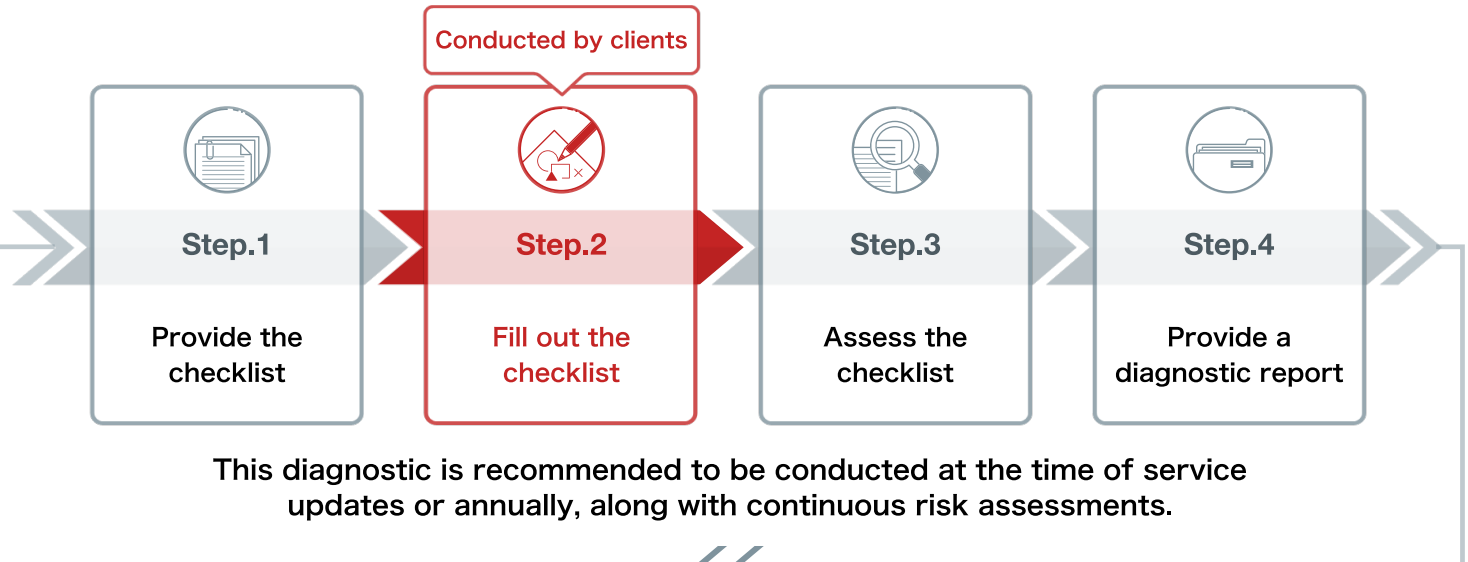


Assess threats in services using generative AI, including models, APIs, prompts, and outputs, from multiple perspectives



Provide assessment results as a diagnostic report

Process for “AI Utilization Service Risk Diagnosis”



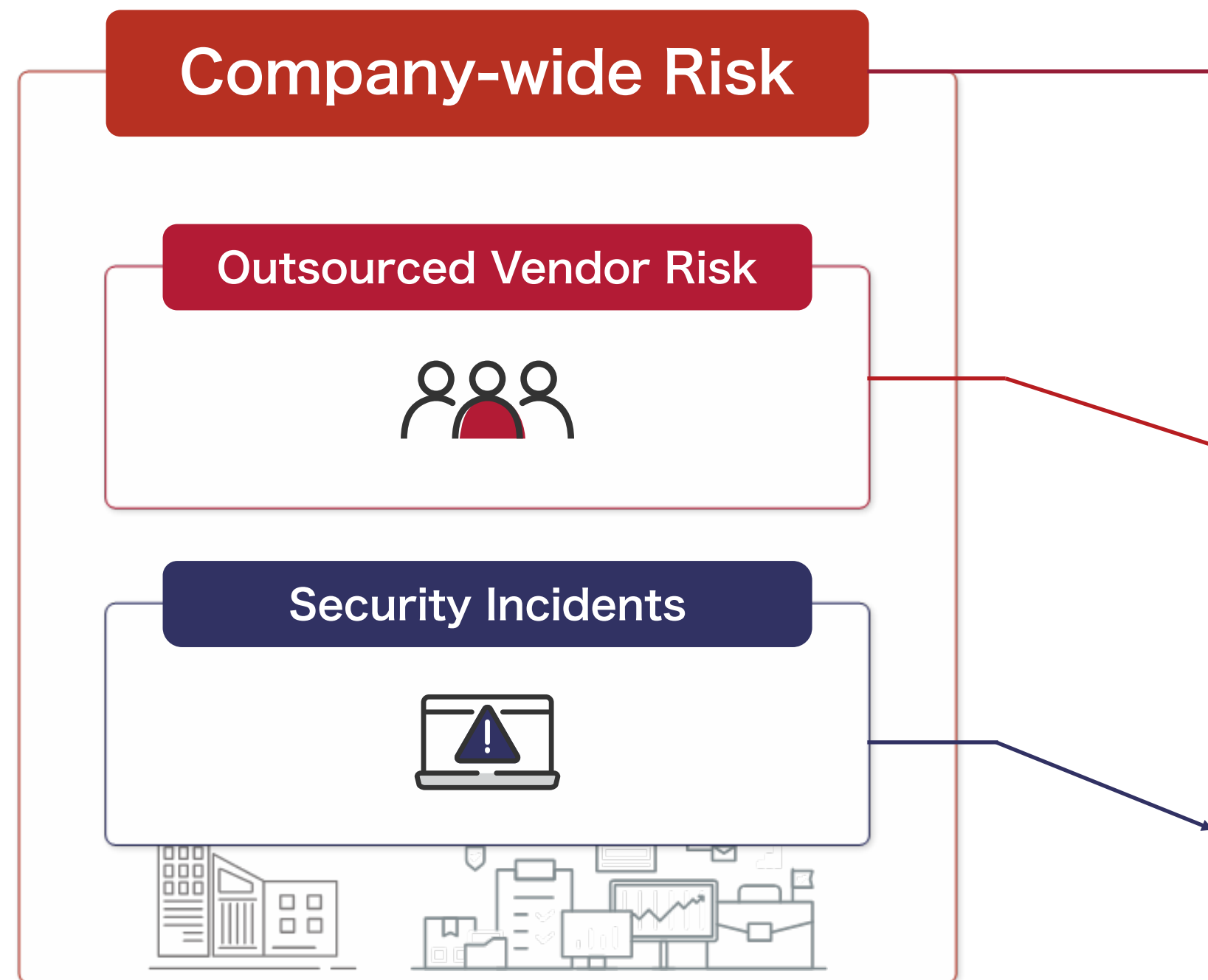
Sample of a diagnostic report



3 . Progress by Business Segment in FY2025

GRC Platform Business

- ✓ Provide three risk management cloud services
- ✓ The No.1 GRC tool market share in Japan*



Domestically developed ERM cloud service for company-wide risk management

ENTERPRISE RISK MT

Comprehensive risk management covering a wide range of risks faced by companies, including cyber risks, natural disasters, human risks, foreign exchange, and more

Cloud service for outsourced vendor risk management

SUPPLIER RISK MT

Simplifying the oversight of outsourced vendors, where data leaks are more prevalent
Digitizing information management to protect company's data

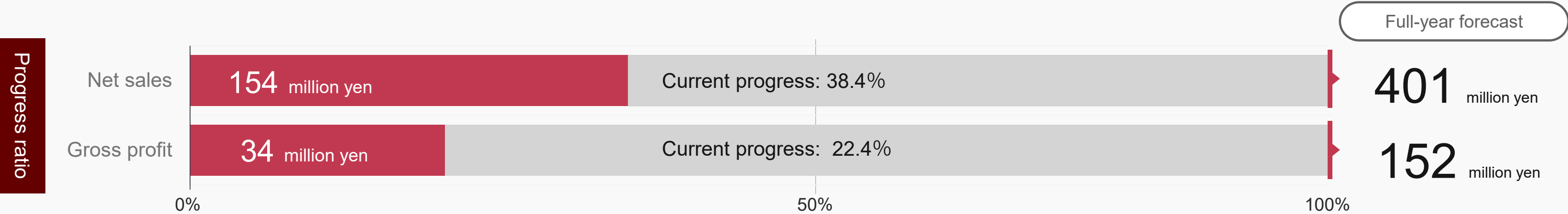
Cloud services optimized for CSIRT / SOC operations

CSIRT MT.mSS

Management of security incidents, alert history, and progress
Designed for ease of use with a focus on cybersecurity

* : See “2023 Future Prospects of Digital Technology to Realize DX/Web3.0” (Fuji Chimera Research Institute Co., Ltd.)

Strategies for FY2025	Progress Status	Future Outlook
<div>1. Enhancement of Services and Features</div> <div><div>✓</div> Third-party service integration</div> <div><div>✓</div> Release of New Features</div>	<div><div>-</div> Launch of New Services through Partnership</div> <div><div>-</div> Three new features for the in-house product were released by the end of Q2</div>	<div><div>-</div> Two additional integration features scheduled for release in the second half</div> <div><div>-</div> Proceed with the planned addition of two features as scheduled, aiming to drive upsells to existing customers</div>
<div>2. Strengthening of Sales Force</div> <div><div>✓</div> Enhancements to the Partner Program</div> <div><div>✓</div> Expansion of Sales Partner Network</div>	<div>A new alliance contract has been secured</div>	<div>Agency contracts are still being planned, with several expected in the second half of the year</div>
<div>3. Key Target</div> <div><div>✓</div> Strengthening sales by focusing on the financial industry's high demand for risk management</div> <div><div>✓</div> Focus on outbound sales</div>	<div><div>-</div> Focused sales efforts with regional banks and life insurers, expected to contribute positively to second-half sales</div> <div><div>-</div> Successfully acquired clients through webinars</div>	<div><div>-</div> Focus on the financial industry and secure contracts during the fiscal year</div> <div><div>-</div> Host monthly seminars, including co-hosted events, to expand sales opportunities</div>



- ✓ Demand in the business wear industry is becoming evident, successfully addressing customer needs and expanding market presence

AOYAMA TRADING Co., Ltd. has implemented the enterprise-wide risk management tool “Enterprise Risk MT”

Background of the Implementation

In recent years, the risks faced by companies have become diverse and complex, with changes in social conditions, natural disasters, cyberattacks, and economic uncertainties threatening sustainable growth. Understanding and analyzing these risks requires significant time and expertise, and ongoing management can be a substantial burden.

To comprehensively manage these risks and respond quickly and effectively, Aoyama Trading, a leading company in the business wear market with a wide range of operations, has initiated the provision of 'Enterprise Risk MT' as part of its efforts to enhance governance and support sustainable growth

AOYAMA TRADING
Co., Ltd.



By utilizing data through ERMT, it is believed that the effectiveness of risk management can be enhanced. Previously, a significant amount of time was spent on collecting and organizing information, leaving little time for analysis, which posed major challenges in executing cross-group risk management. The analog management approach also made it difficult to visualize real-time situations, and conducting multifaceted analyses such as risk mapping and cross-tabulation became cumbersome, highlighting its limitations.

With the introduction of ERMT, it is expected that the visualization and analysis of risks will become easier, enabling quicker decision-making and more effective risk responses. Moving forward, the importance of risk management in management will be recognized, and efforts will continue toward sustainable corporate operations.

3 . Progress by Business Segment in FY2025

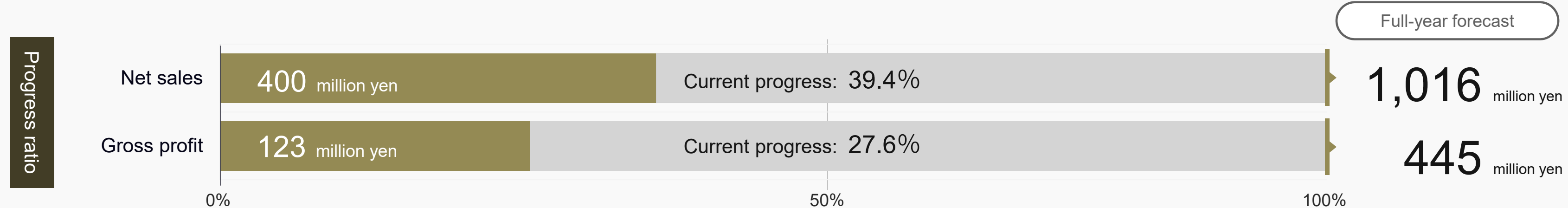
Financial Technology Business

- ✓ Develop order management systems (OMS*) and matching engines for the market divisions of financial institutions, primarily securities firms
- ✓ A team of engineers with extensive experience in global markets, along with a financial expertise team deeply knowledgeable about the Japanese market, delivers world-standard technology solutions tailored to the needs of Japanese financial institutions



World-standard Technology & Japanese Hospitality Services

Strategies for FY2025	Progress Status	Future Outlook
<p>1. Development of integrated stock solution system</p> <ul style="list-style-type: none"> ✓ Launch of integrated system services for the market divisions of securities firms ✓ Develop new features for OMS while further explore customer specifications 	<ul style="list-style-type: none"> - The expected project order is delayed, moving to the second half of the fiscal year - System development is progressing on schedule 	<p>Continuing development while considering module-based sales in addition to total solutions, aiming to expand sales to existing customers and achieve full-year targets</p>
<p>2. Asian Market Expansion</p> <ul style="list-style-type: none"> ✓ Commence full-scale sales operations across the Asia region to expand business opportunities ✓ Strive to secure the first project within the fiscal year 	<p>Focusing on overseas sales activities, there are signs of success after several years of efforts starting from zero recognition</p>	<ul style="list-style-type: none"> - Starting the PoC, aiming to secure new projects during the fiscal year - Secure contracts with local overseas financial institutions currently in negotiation
<p>3. Strengthening the recurring model</p> <ul style="list-style-type: none"> ✓ Increase the number of projects in the license business, maintenance services, and operation services to secure stable revenue ✓ In addition to acquiring new clients, strategic partnerships with other companies are also under consideration 	<p>Through collaboration with partner companies, the provision of operation services to overseas companies started in May</p>	<p>Planning multiple projects with partner companies, anticipating expanded collaboration</p>



4. Earnings Forecast for FY2025

FY2025 Objective

Net sales and EBITDA are expected to reach record highs

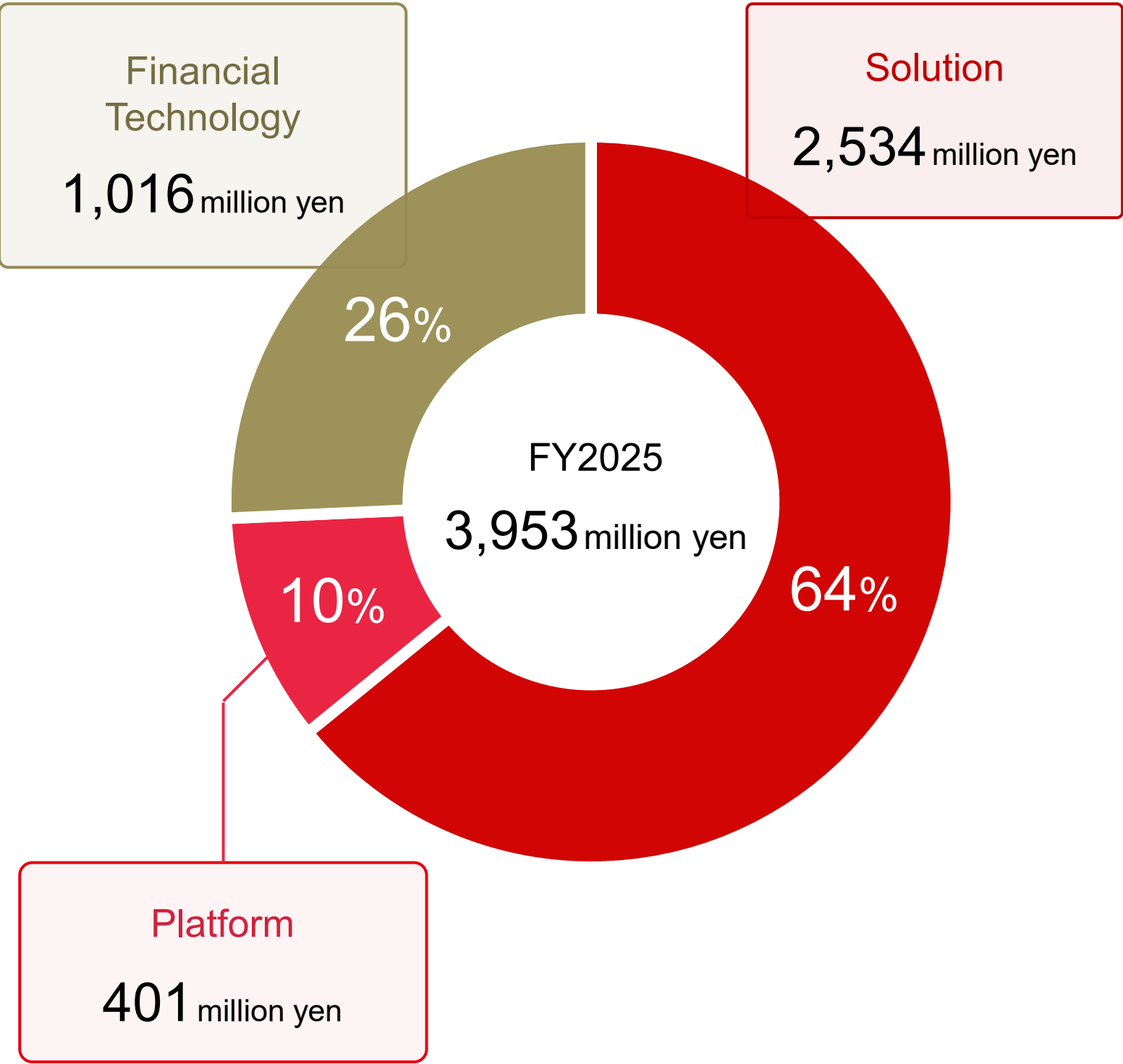
(Millions of yen)	FY2024	FY2025 forecast	Growth rate
Net sales	3,288	3,953	20.2 %
EBITDA	153	282	+ 84.2 %
Gross profit	44	115	+ 161.5 %
Gross profit margin	1.3 %	2.9 %	+ 1.6 pt
Profit attributable to owners of parent	112	60	(46.1 %)

Key Initiatives

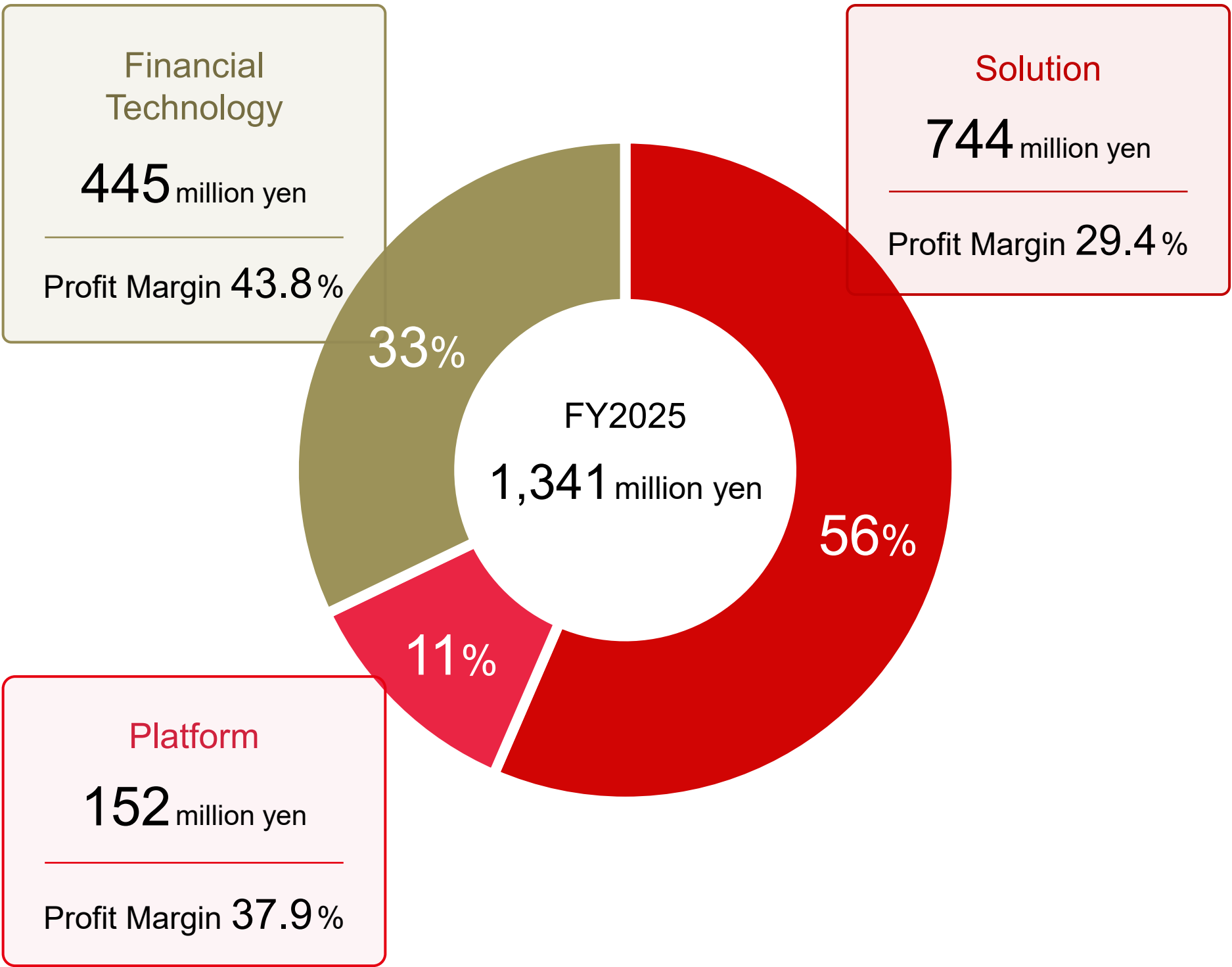
- ✓ Transition to a three-business-segment structure
→ Develop strategies by business segment to drive sales growth
- ✓ Strengthen the recurring model, which provides continuous revenue from existing clients
→ Enhance the revenue base
- ✓ The amortization is expected to increase by 57 million yen due to additional goodwill acquisition
→ Record-high EBITDA is expected

* : EBITDA=Operating profit + Depreciation + Goodwill amortization

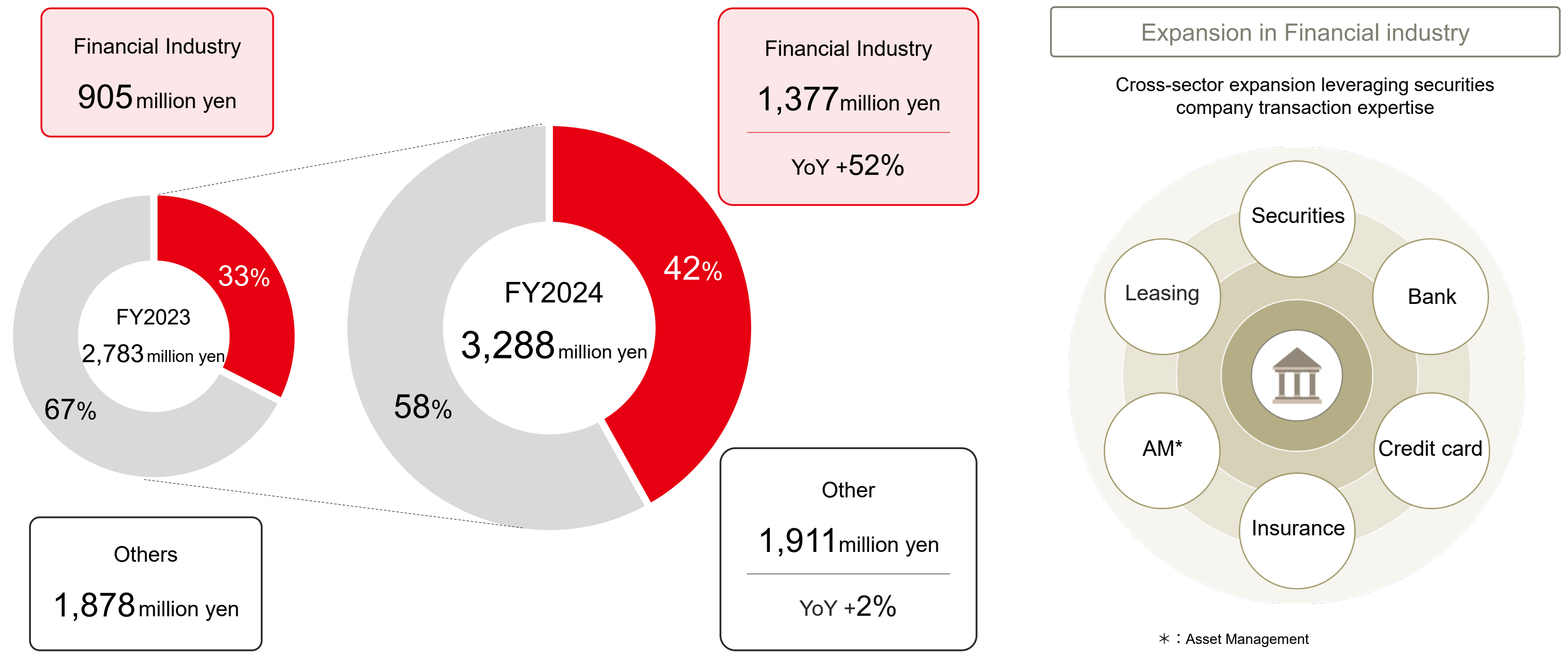
Revenue Composition



Gross Profit Composition



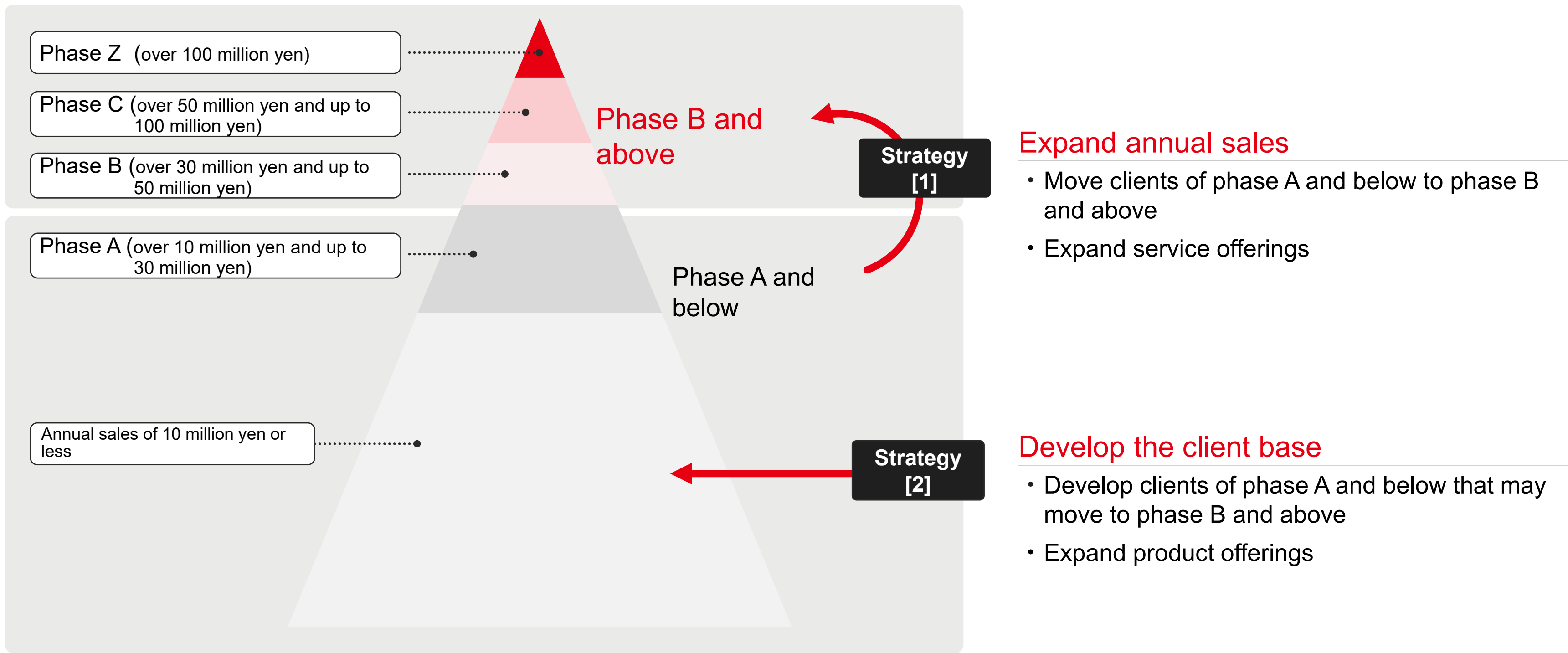
- ✓ High demand in **the financial industry**, which is strictly oversighted by regulatory authorities and overseas laws, has led its revenue increasing to **approximately 40% of the total sales**
- ✓ Focusing business expansion **primarily in the financial industry** with substantial budgets for risk management and IT investment



5. Appendix

Service	Relevant services or products	
Consulting	Next-generation security product implementation and operational support Security operations support PCI DSS compliance support NIST SP 800-171 compliance security support Penetration testing services	Cloud Security Measures Support Cloud Service Risk Assessment Support Cloud Service Configuration Diagnostics Support (CSPM) RPA Services Generative AI Security Risk Management Support AI Utilization Risk Diagnosis
Solutions	OneTrust、 Netskope、 HENNGE One、 RidgeBot、 HP Sure Click Enterprise powered by Bromium Privilege Management for Windows、 SecureCube Access Check、 Imperva App Protect	
Monitoring	Deployment of security specialists	

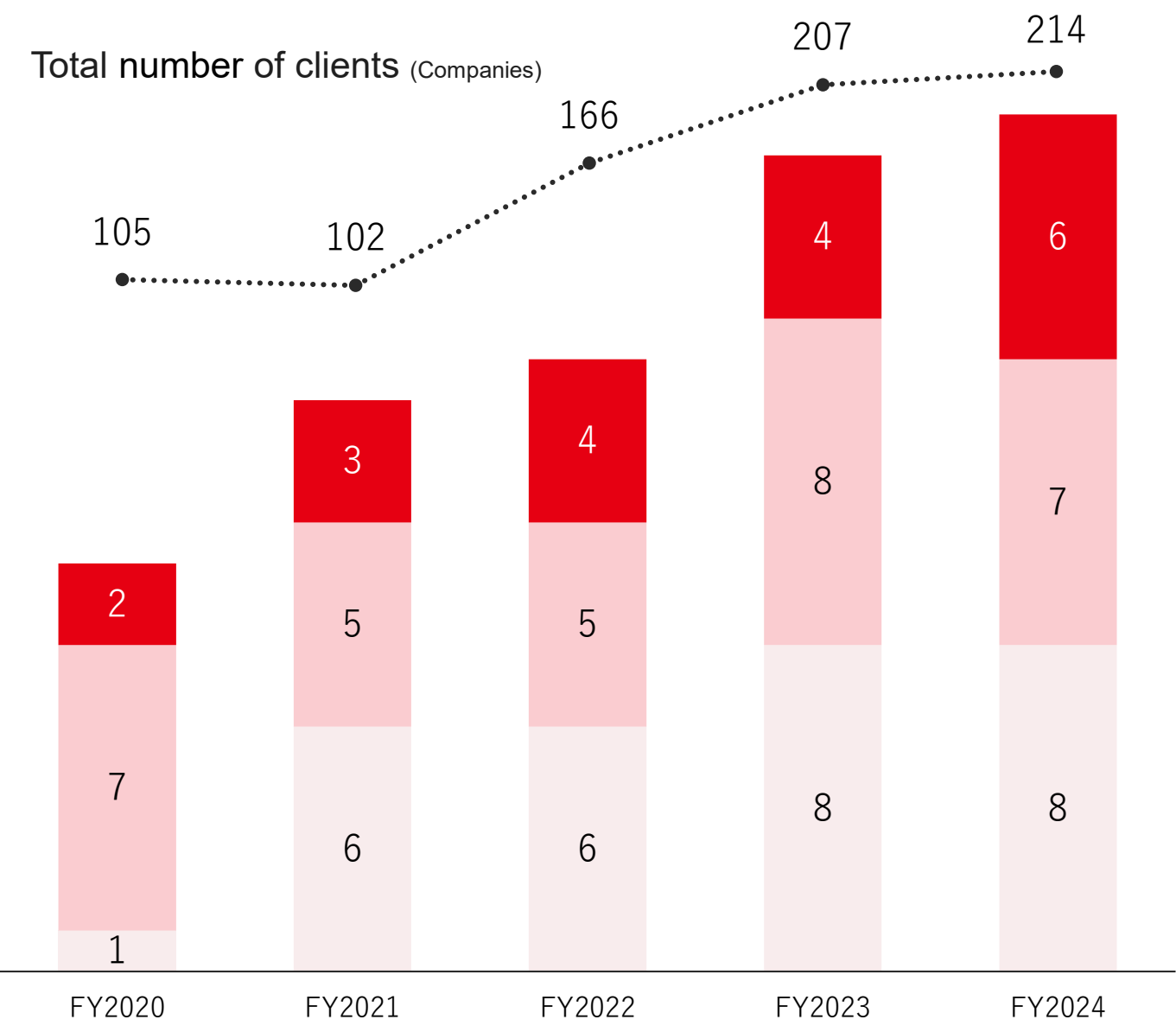
- ✓ Client management by phase based on their annual sales and increase the number of clients with annual sales over 30 million yen
- ✓ Continue to focus on upselling existing clients(Strategy[1]) and developing new clients(Strategy[2])



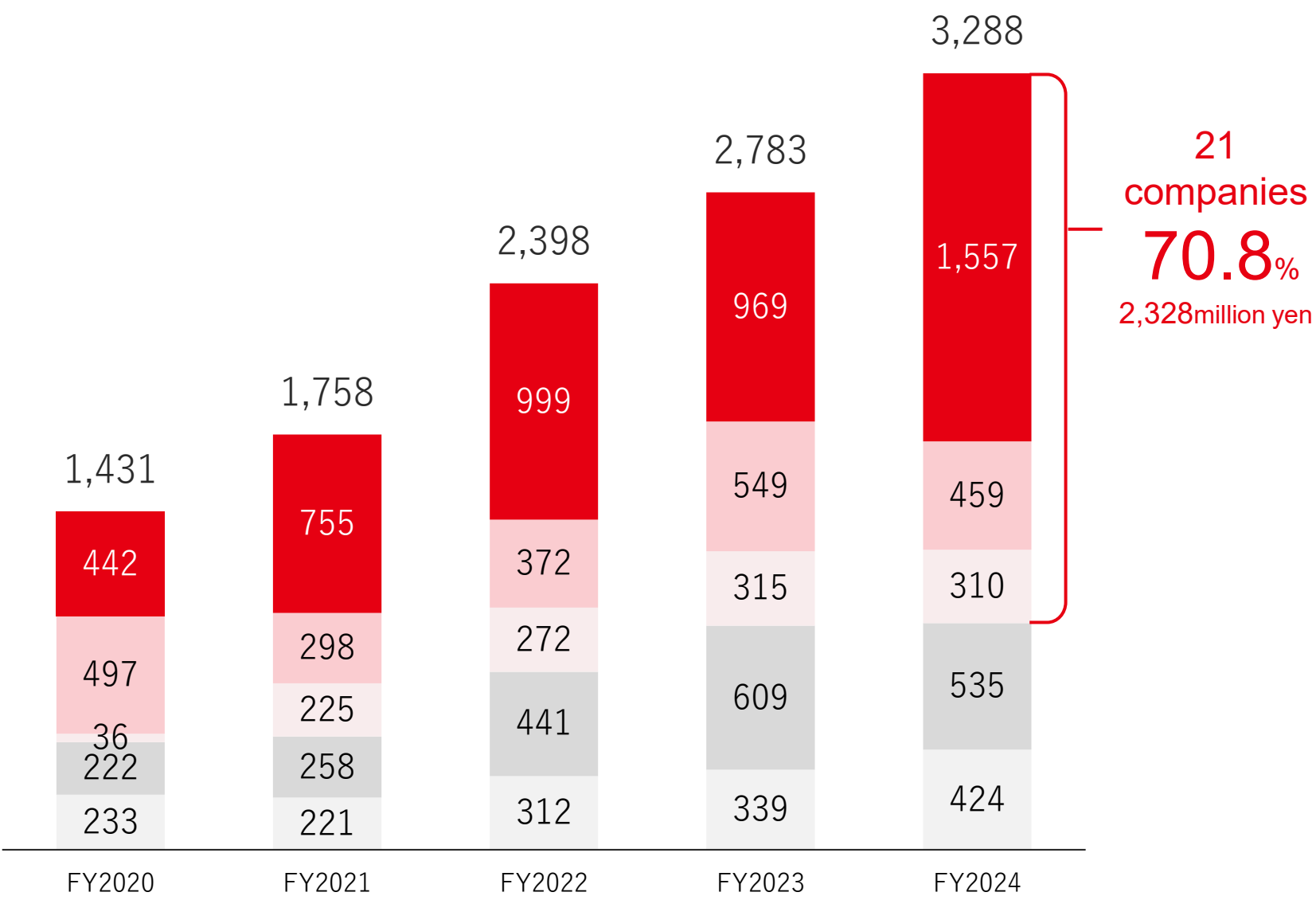
*1: Figures in parentheses represent annual sales
*2: The chart is an illustrative drawing of our growth strategy and does not reflect current client distribution

- ✓ The number of clients with annual sales over 30 million yen **increased by 1 company compared to FY2023**
- ✓ **21 clients** at phase B and above account for **70.8% of whole sales**.

Number of clients at phase B and above (Companies)







Composition ratio by phase (Millions of yen)



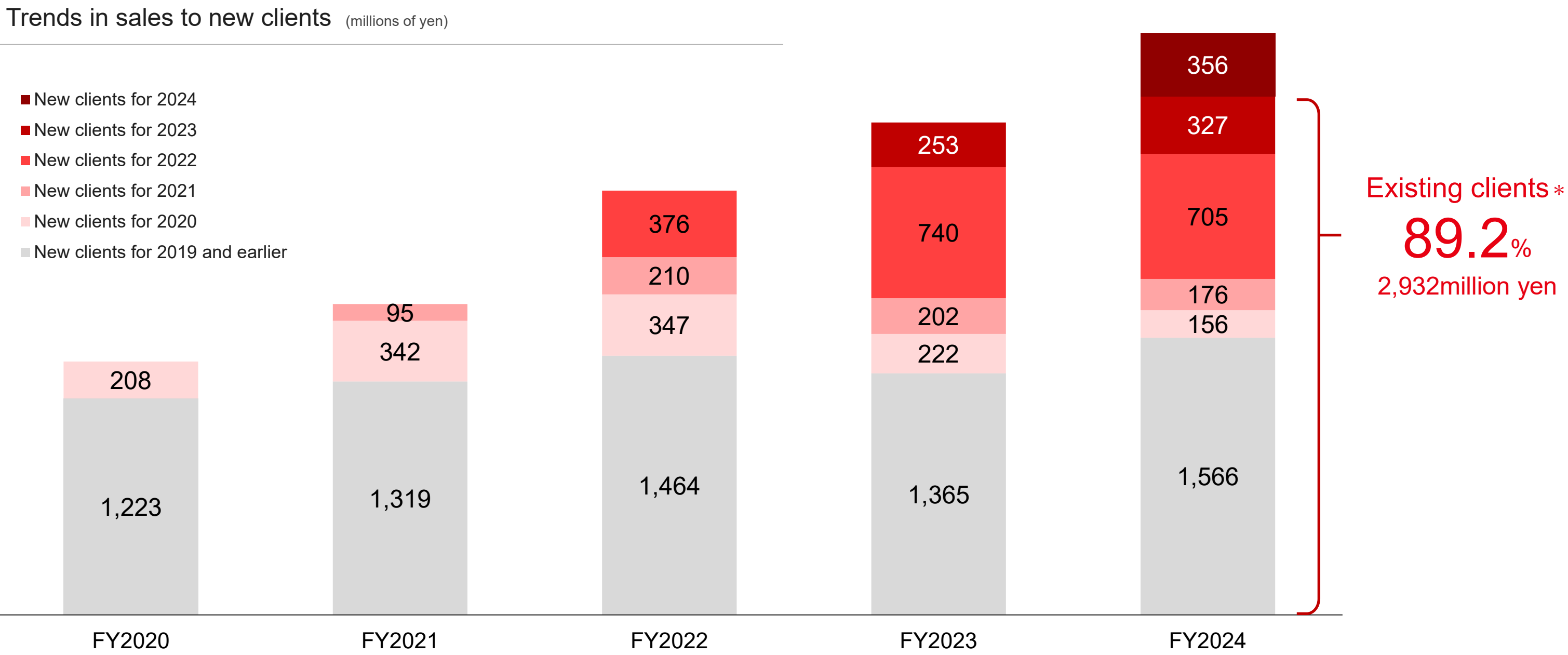
■ Phase Z: over 100 million yen ■ Phase C: over 50 million yen and up to 100 million yen ■ Phase B: over 30 million yen and up to 50 million yen
■ Phase A: over 10 million yen and up to 30 million yen ■ 10 million yen and below

- ✓ Continue to focus on **financial, telecom and global companies** with growing demand
- ✓ Gained **12 more clients** of phase A and lower compared to FY2023 and potential prospects from companies with expansion of transactions have emerged

			Financial 	Telecom 	Global 	Others 
Phase Z (over 100 million yen)	6 companies	1,557million yen	2 company	1 company	2 company	1 company
Phase C (over 50 million yen and up to 100 million yen)	7 companies	459million yen	2 company	0 company	1 company	4 companies
Phase B (over 30 million yen and up to 50 million yen)	8 companies	310million yen	2 company	2 company	3 companies	1 companies
Phase A (over 10 million yen and up to 30 million yen)	28 companies	535million yen	3 company	0 company	11 companies	14 companies
Annual sales of 10 million yen or less	165 companies	424million yen	23 company	142 companies		

* : Figures indicate the number of clients and transaction amount in FY2024.

- ✓ Net sales steadily increased by upselling to new clients acquired each year
- ✓ Continued operational support as an earning source and develop projects for new clients’ demands
- ✓ The revenue structure follows a **recurring model** that generates continuous revenue from existing clients



*1: Companies with which transactions started as new clients are defined as existing clients for the following fiscal year and thereafter
*2: It is a numerical value that aggregates the progress of upselling to new clients regarding strategy [1] and strategy [2]

Company name

GRCS Inc.

Founded

March 2005

Fiscal year

November each year

Paid-in capital

50 million yen (as of April 14, 2025)

Address

Palace Building 5F, 1-1-1 Marunouchi,
Chiyoda-ku, Tokyo

Number of
employees

217 (as of May 31, 2025, consolidated)

Officers

Yoshikazu Sasaki, President &
Representative Director
Takuya Tsukamoto, Director
Ikue Tanaka, Director
Atsushi Mochizuki, Director
Keiichi Kubo, Outside Director
Osamu Yamano, Outside Director
Hisato Sato, Auditor
Yasuo Shimada, Auditor
Shino Iga, Auditor



www.grcs.co.jp