

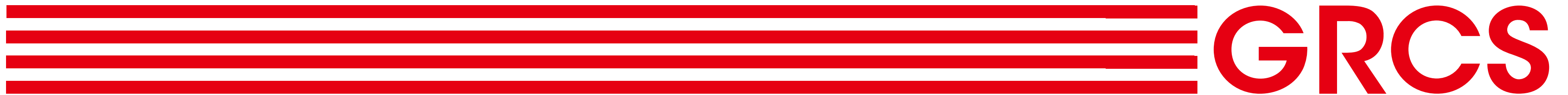
First Three Months of Fiscal Year ending November 30, 2025 (FY2025)

Financial Results Briefing

GRCS Inc.

Securities code: 9250

April 14, 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 may include 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, or 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

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

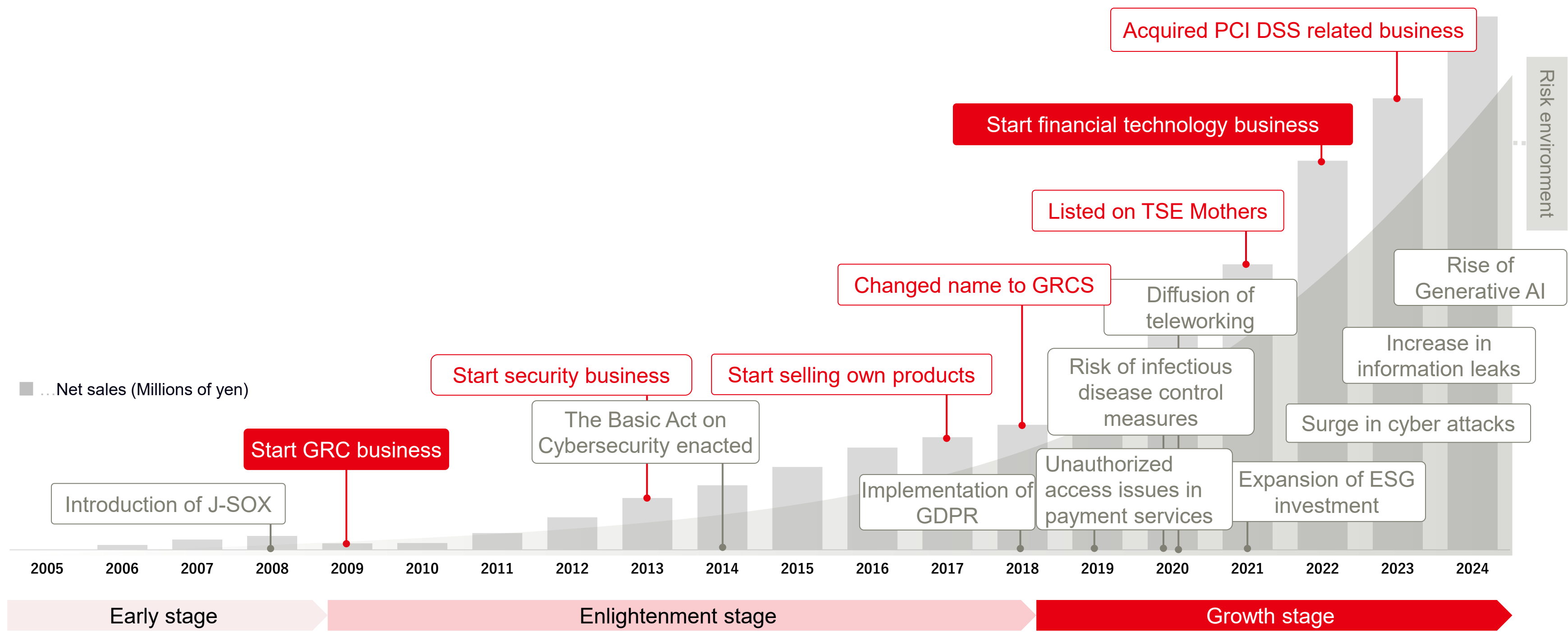
Number of
employees

211 (as of February 28, 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

- ✓ Developed services in response to changing risk environments and achieved rapid growth
- ✓ **Achieved 15 consecutive years of growth in sales** since GRC business started in 2009



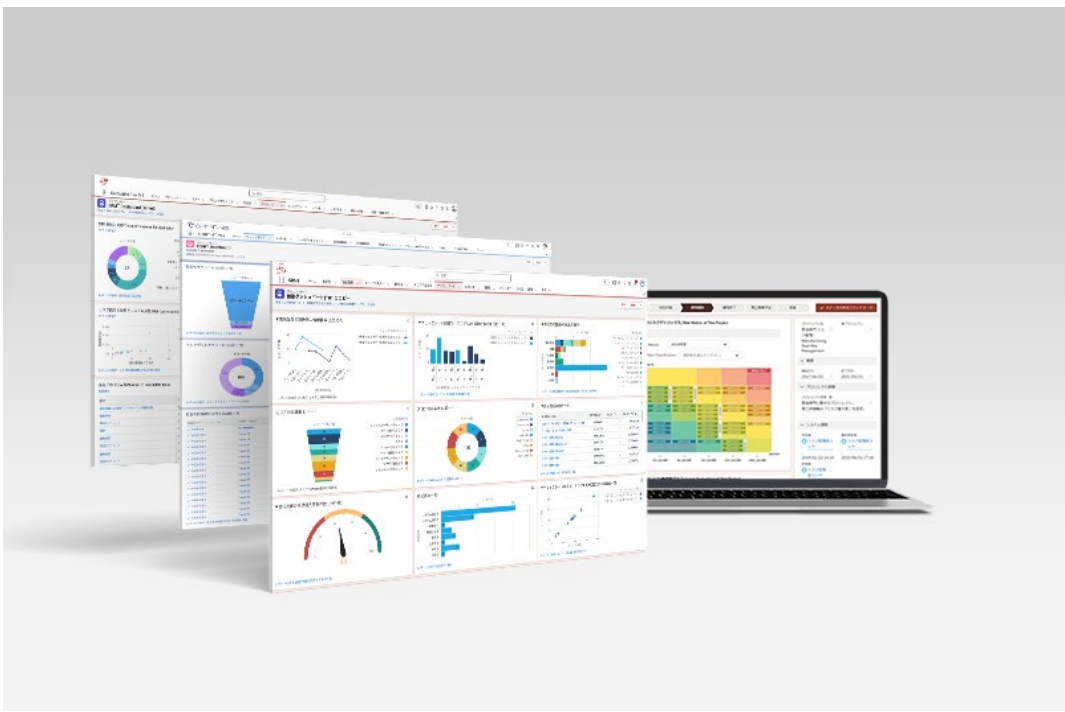
- ✓ Three businesses in the areas of Governance, Risk, and Compliance (GRC) and Security
- ✓ Leveraging competitive advantages by targeting the financial sector, telecommunications industry, and global corporations

Solution Business



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

Platform Business

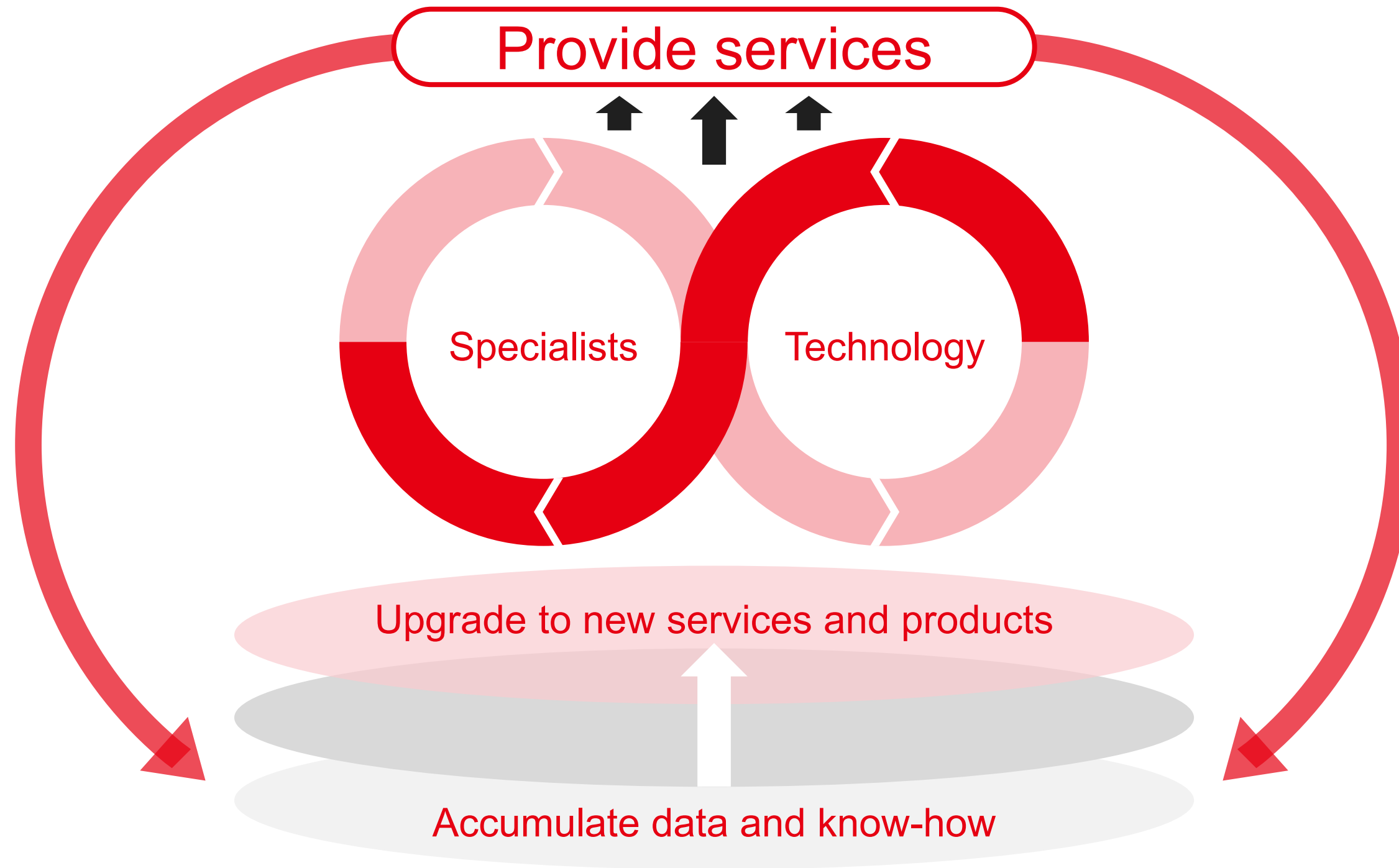


Providing cloud services to
solve challenges in risk
management

Financial Technology Business



Development and sales of
high-performance systems for
financial markets



- ✓ 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 Three Month of FY2025 Ending November 2025

FY 2025 Q1
Result

Achieved target for the first quarter
despite a decrease in sales and profits year on year

Net sales

779 million yen
-10.2% year on year

Gross profit margin

30.3 %
-11.2 pt year on year

EBITDA*

13 million yen
-89.6 % year on year

Operating profit

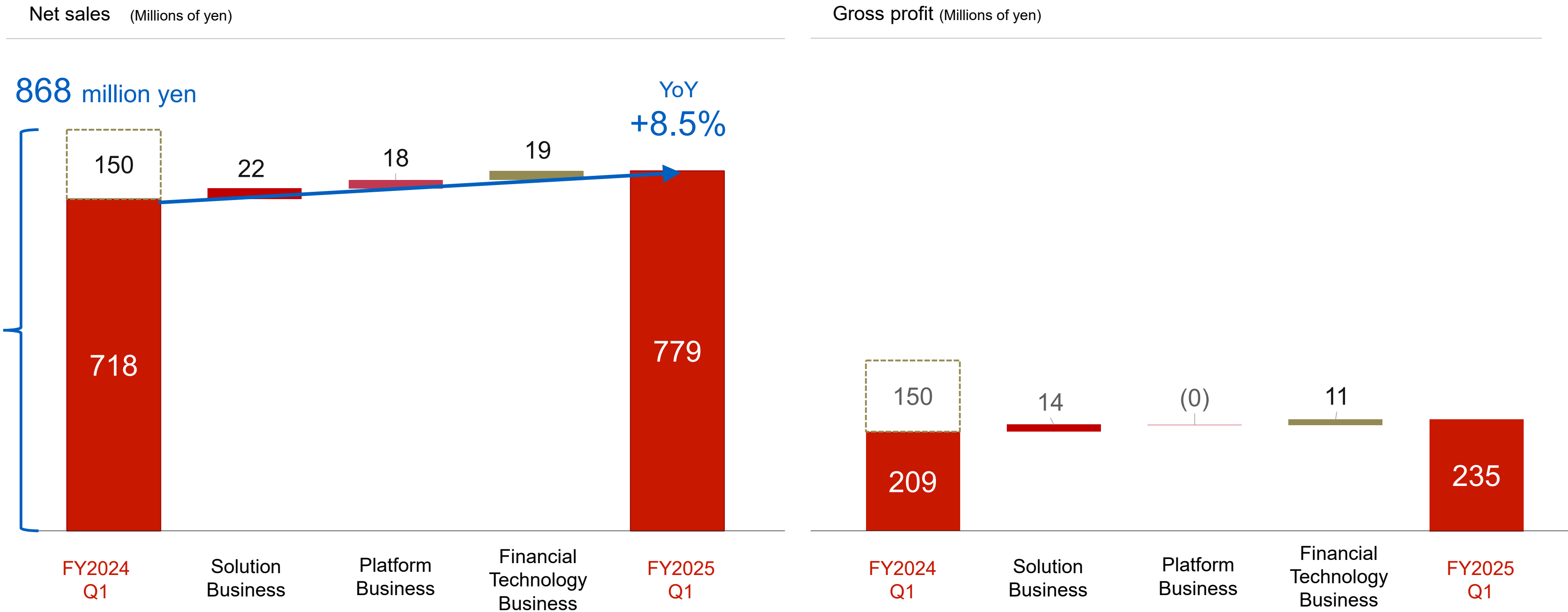
-68 million yen
87 million yen last year

Full-Year Forecast

- Started offering new services and expect to achieve the full-year plan
- Steady progress in Q1, with a strong forecast indicating the plan is on track, especially with sales expected to be backloaded in the second half of year

* : EBITDA=Operating profit + Depreciation + Goodwill amortization

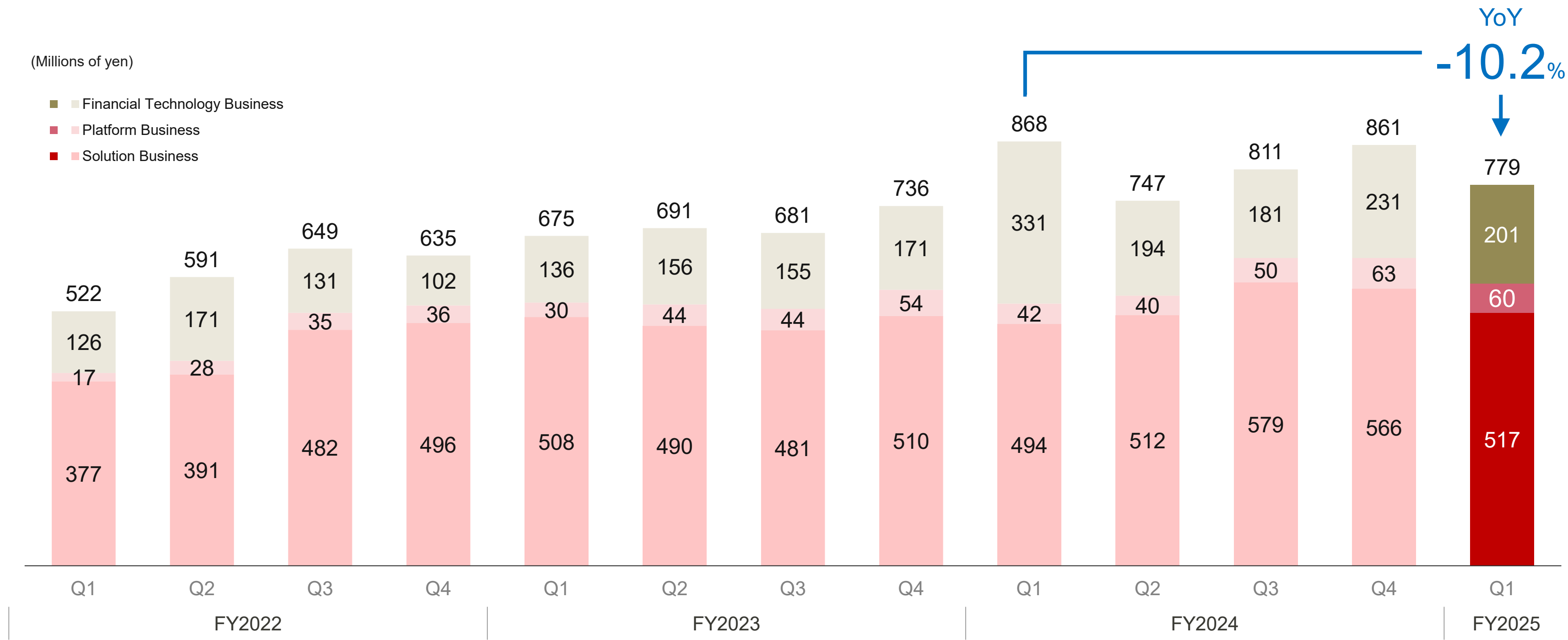
- ✓ Spot sales of perpetual licenses amounted to 150 million yen in Q1 last year
- ✓ Net sales actually increased by 8.5% YoY excluding the spot sales



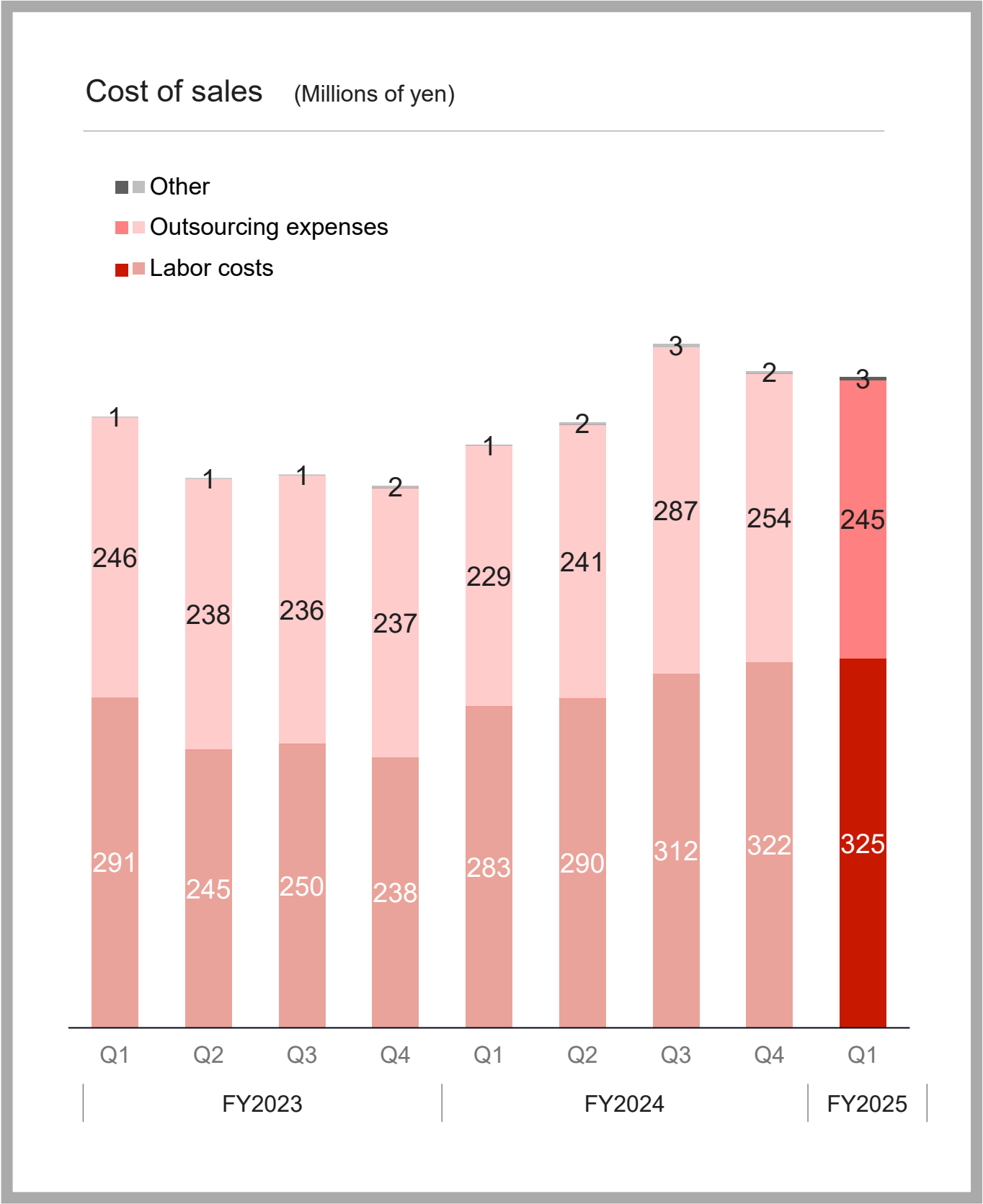
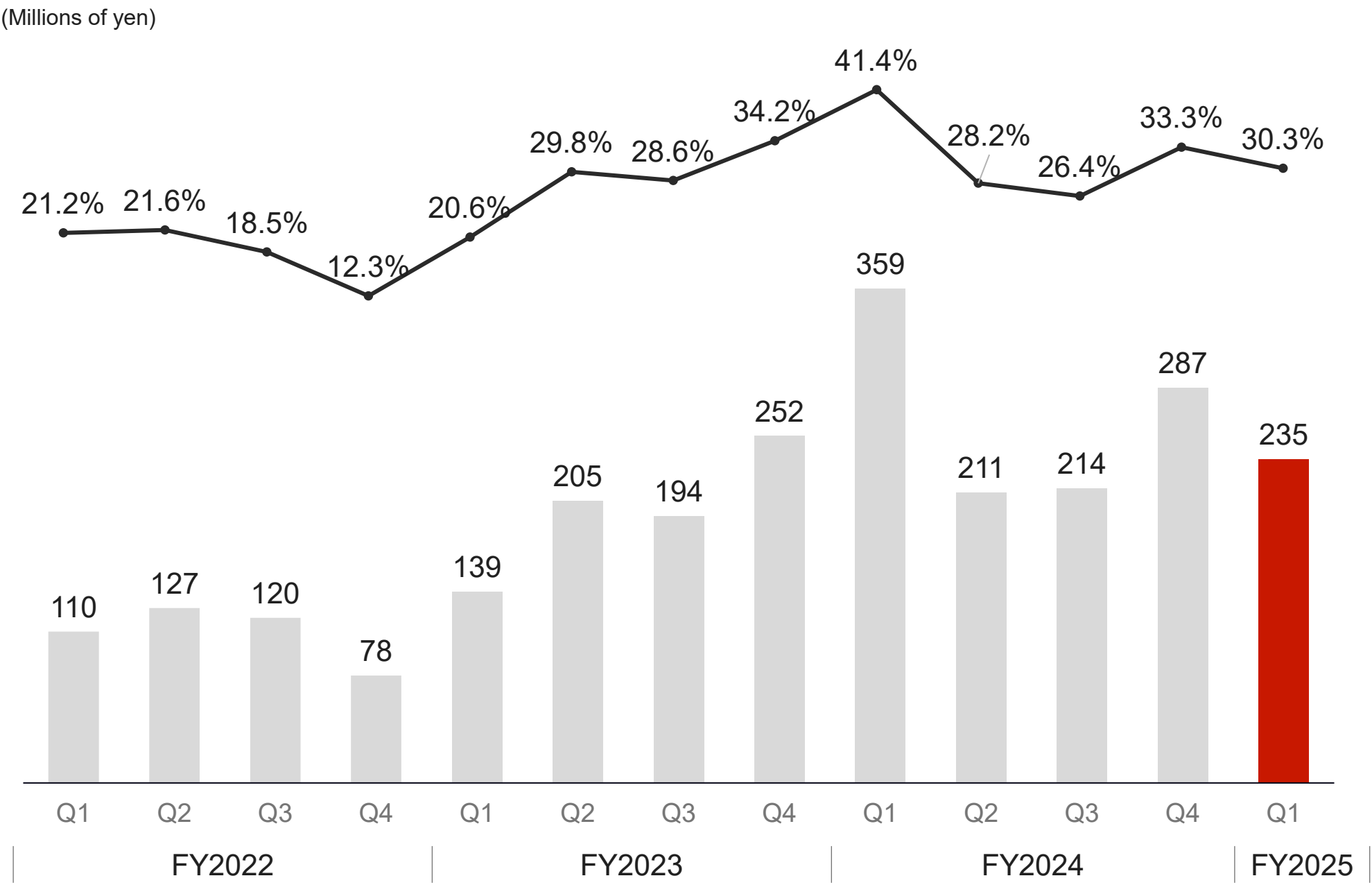
(Millions of yen)	FY2024 Q1	FY2025 Q1	Change amount	Change ratio	FY2025 forecast	Progress ratio (vs. Full-year forecast)
Net sales	868	779	(88)	(10.2%)	3,953	19.7%
Gross profit	359	235	(123)	(34.5%)	1,341	17.6%
Gross profit margin	41.4%	30.3%	(11.2pt)	—	33.9%	(3.7pt)
Selling, general and administrative expenses	272	304	31	11.7%	1,226	24.5%
EBITDA	133	13	(119)	(89.6%)	282	4.9%
Operating profit (loss)	87	(68)	(155)	—	115	—
Ordinary profit (loss)	83	(70)	(154)	—	89	—
Profit (loss) attributable to owners of parent	66	(44)	(111)	—	60	—

* : EBITDA=Operating profit + Depreciation + Goodwill amortization

- ✓ While Solution and Platform businesses experienced a quarter-on-quarter decrease, the plan remains on track, especially as sales tend to carry more weight in the second half of year
- ✓ The Financial Technology business continues to expand, despite fluctuations due to the status of project closures



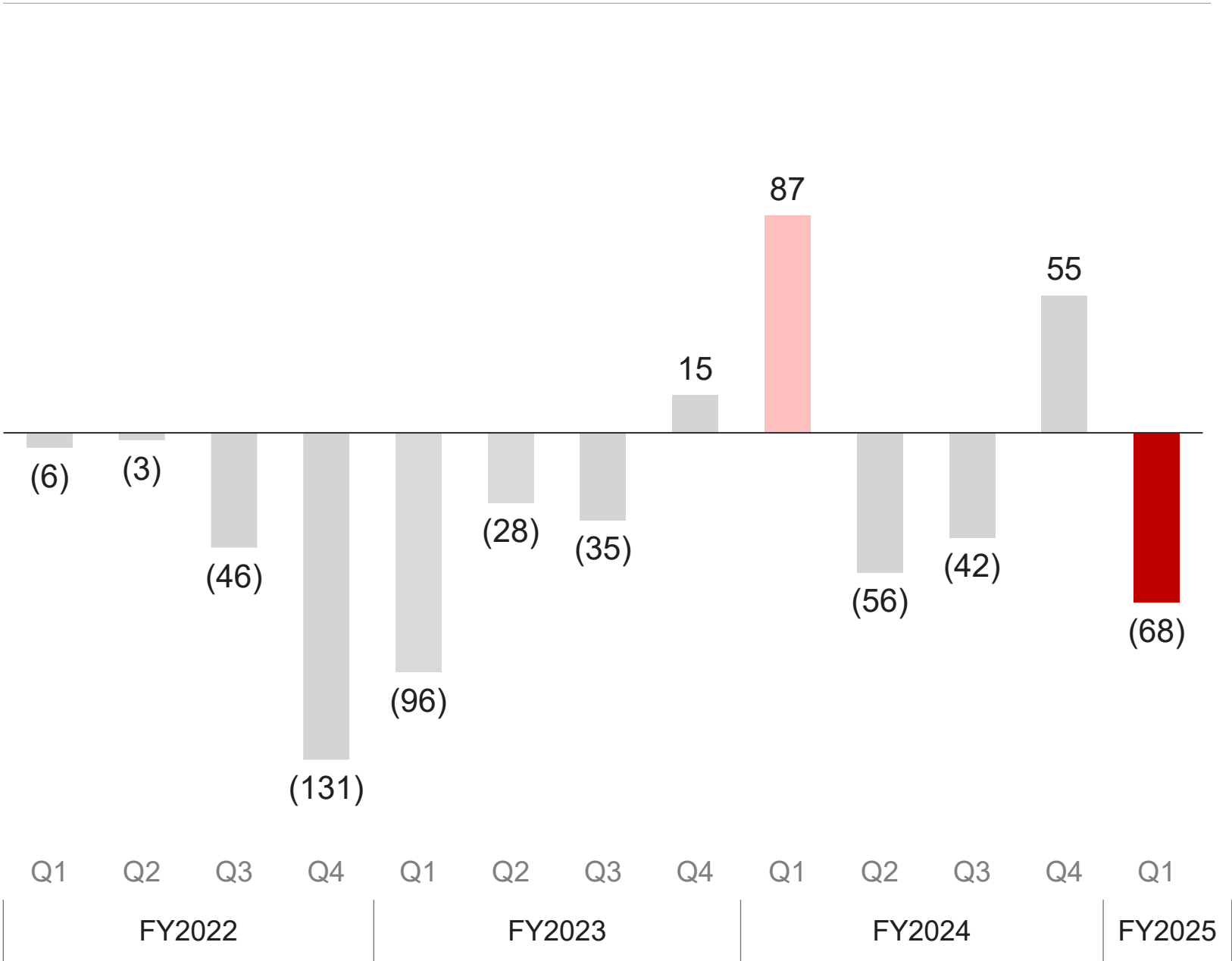
✓ Operating rates remain stable, maintaining the gross profit margin



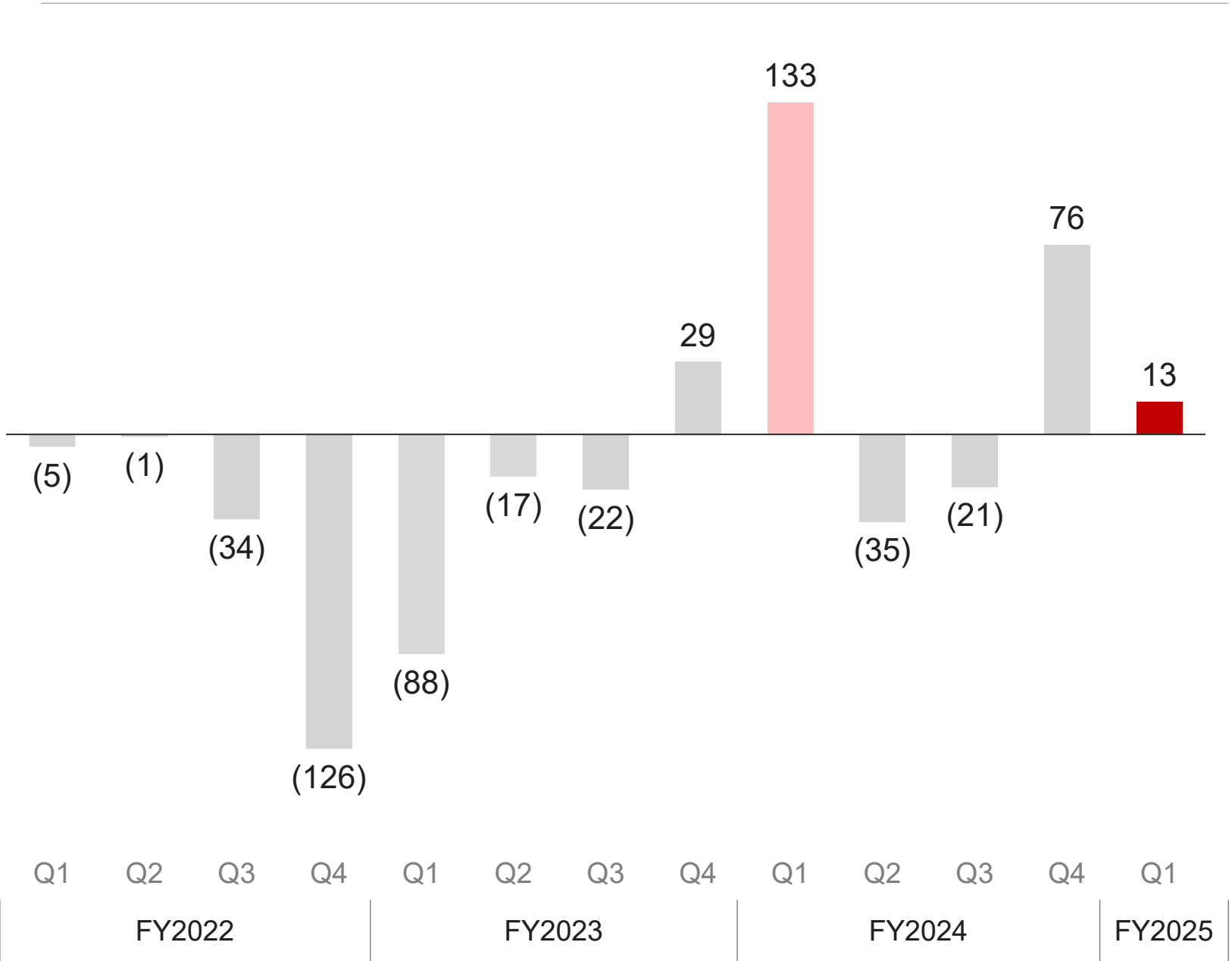
* : GRCS shifted to consolidated accounting in Q3 FY2022

✓ EBITDA is positive, excluding the goodwill amortization of 78 million yen in Q1

Operating Profit (Millions of yen)



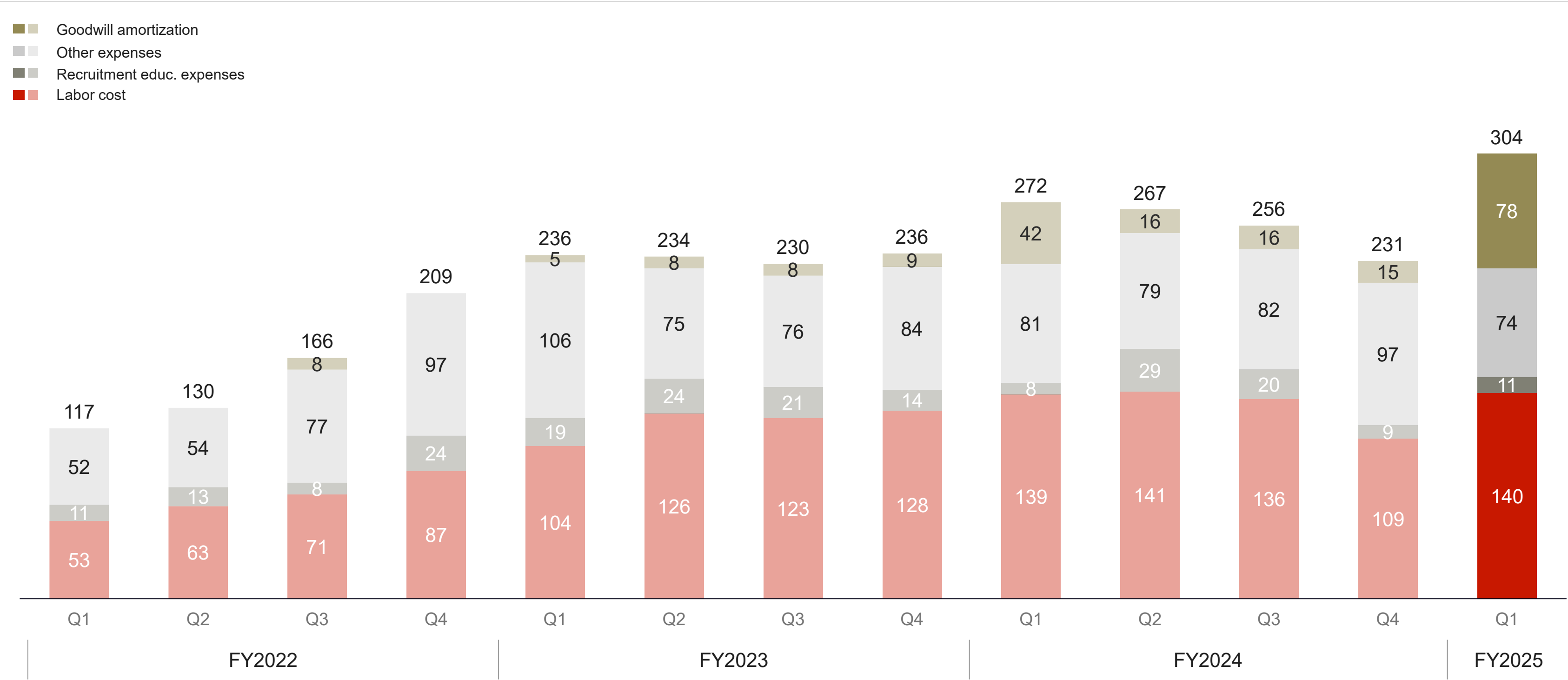
EBITDA (Millions of yen)



* : GRCS shifted to consolidated accounting in Q3 FY2022

✓ Additional goodwill acquisition resulted in an amortization of 78 million yen

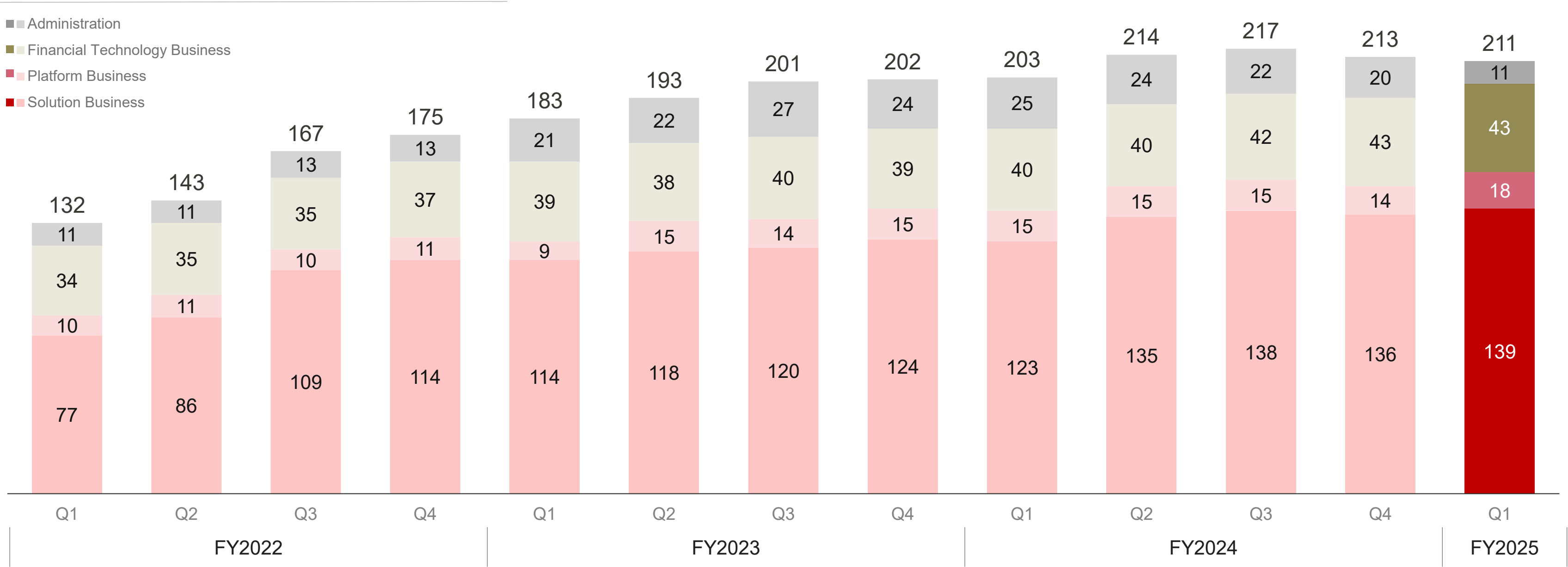
Selling, general and administrative expenses (Millions of yen)



* : GRCS shifted to consolidated accounting in Q3 FY2022

- ✓ Solution Business has resumed active hiring, aiming to enhance service quality through training
- ✓ Platform and Financial Technology businesses are on track as planned
- ✓ Personnel in administration decreased due to reallocation following the restructuring of business segments

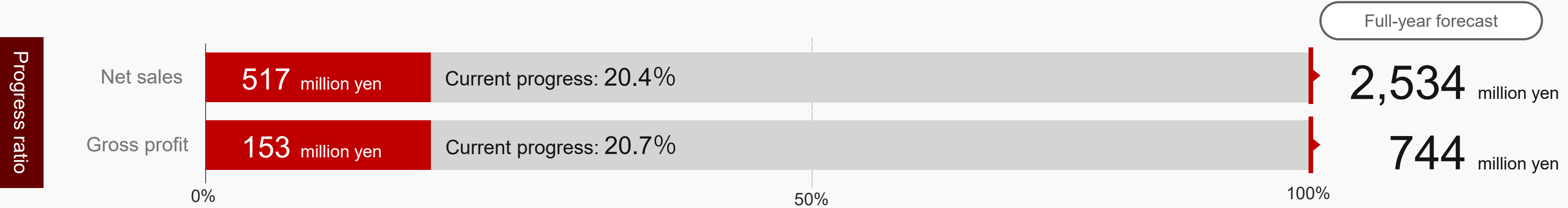
Personnel distribution (Persons)



* : GRCS shifted to consolidated accounting in Q3 FY2022

3. Progress by Business Segment

Strategies for FY2025	Progress Status	Future Outlook
<div>1. Growth in human resources</div> <div><div>✓ Increase in consultants</div><div>✓ Expand high-demand engineering talent and services</div></div>	Recruitment progress as planned, but the headcount remains flat due to increased turnover	<div>Favorable progress in recruitment, expecting to increase headcount as planned</div> <div>Focusing on training existing employees to achieve higher unit prices</div>
<div>2. Service Enhancement</div> <div><div>✓ Timely release of new services aligned with market needs</div><div>✓ Secure new contracts for our strong existing solutions</div></div>	Started offering a new service; continue to provide additional solutions	<div>High volume of inquiries from new clients, expecting contributions to sales in Q2</div> <div>New needs have emerged among existing clients, leading to upselling opportunities</div>
<div>3. Strengthening the Recurring Revenue Model</div> <div><div>✓ Expansion of recurring revenue</div><div>✓ Secure renewals for existing annual contracts</div></div>	Successfully renewing contracts with existing clients	Strengthening the sales team to acquire new clients and anticipate revenue growth





Utilize AI-powered technology to validate all attack surfaces, vulnerabilities, and potential attack vectors

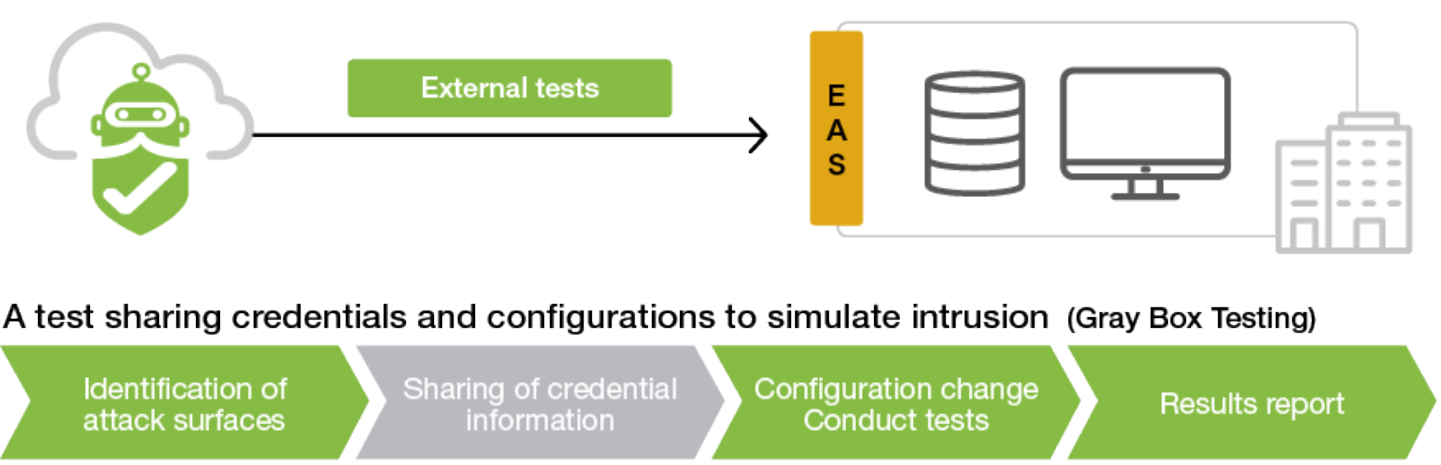
Penetration Test

Penetration test service utilizing
the AI-powered CTEM support solution “RidgeBot”









Timely and Effective Security Assessment within a Short Timeframe

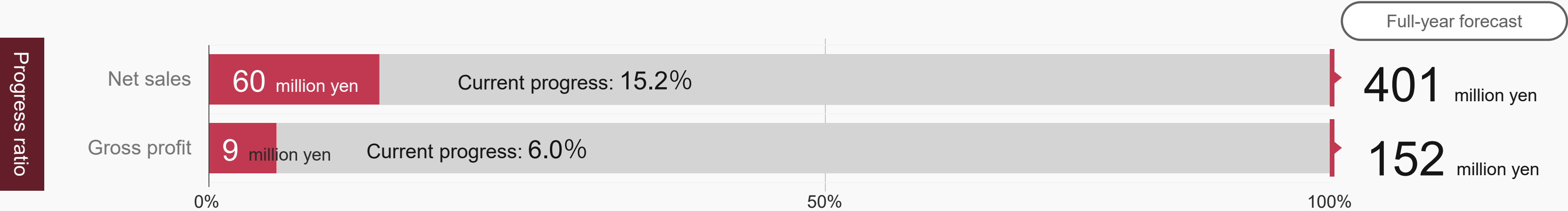
GRCS leverages RidgeBot's automated penetration testing to support clients.
By utilizing automation technology and AI, we deliver tests in a timely and effective manner, minimizing the time spent on scenario planning and preparation.
The penetration testing service is provided as follows.

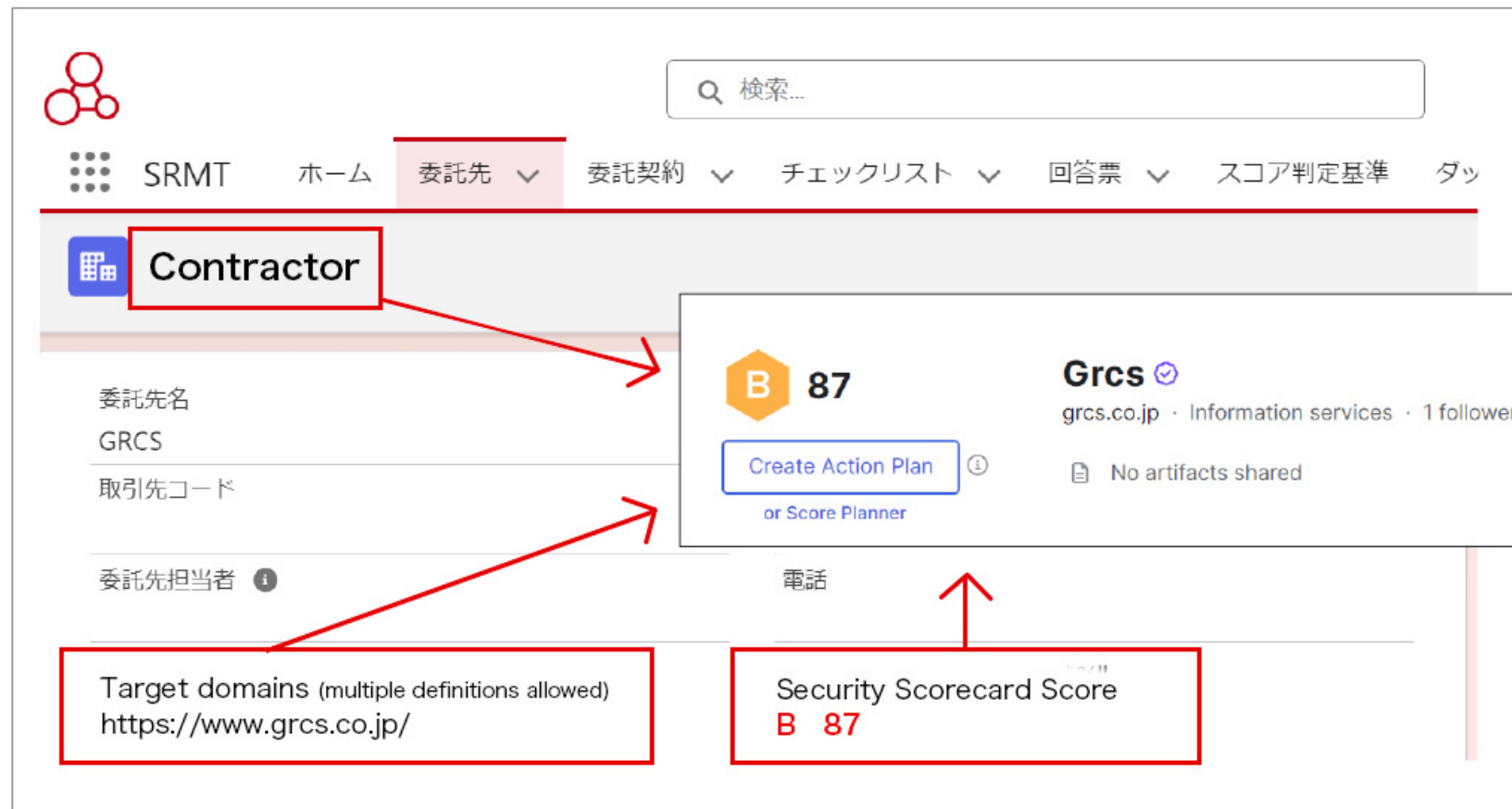


GRCS’s penetration test is recommended for those who...

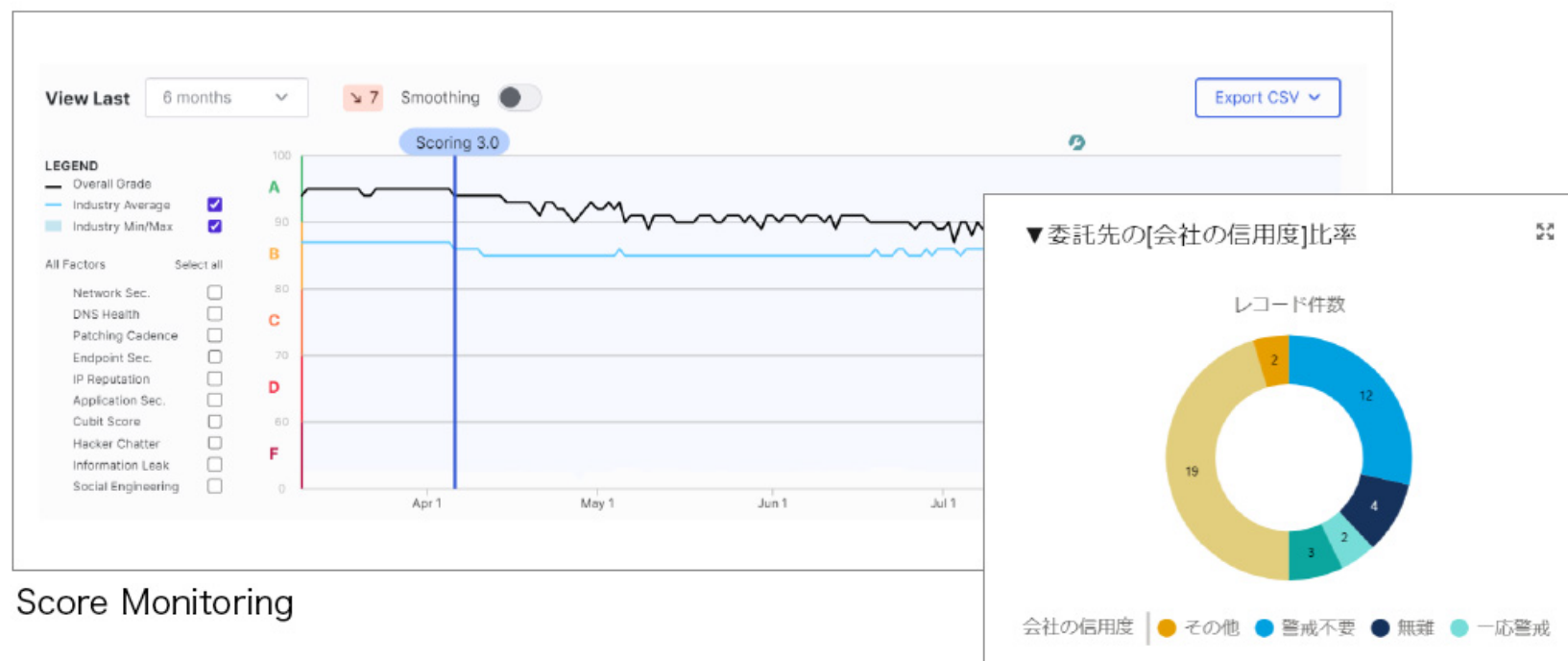
-  Prefer a one-time test annually
-  Wish to conduct tests easily without system setup
-  Need urgent assessment of specific vulnerabilities or risks
-  Seek to verify system risks and security effectiveness
-  Wish to conduct a penetration test in a short timeframe
-  Ceased to conduct tests due to time or budget constraints

Strategies for FY2025	Progress Status	Future Outlook
<p>1. Enhancement of Services and Features</p> <ul style="list-style-type: none"> ✓ Third-party service integration ✓ Release of New Features 	<p>Added integration features and released new features as planned</p>	<p>Planning upsells through new features</p> <p>Considering additional integration features</p>
<p>2. Strengthening of Sales Force</p> <ul style="list-style-type: none"> ✓ Enhancements to the Partner Program ✓ Expansion of Sales Partner Network 	<p>Started sales collaboration with an insurance company</p>	<p>Expecting to expand new customer acquisition through sales partner companies</p>
<p>3. Key Target</p> <ul style="list-style-type: none"> ✓ Strengthening sales by focusing on the financial industry's high demand for risk management ✓ Focus on outbound sales 	<p>Started receiving orders from a new client in financial industry</p>	<p>Continuing to identify and cultivate prospective clients in financial industry</p>





Input information of external contractors



Score Monitoring

SRMT's new integration service

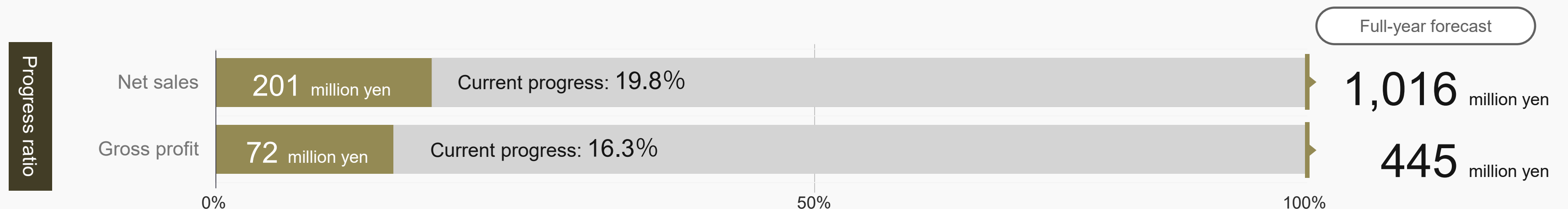
Integration with SecurityScorecard for Third-Party Cyber Risk Management

SRMT has achieved functional integration with SecurityScorecard, known for its proven track record in AI-powered comprehensive risk rating. Through this integration, SRMT users can seamlessly obtain real-time security scores and risk assessment data from SecurityScorecard, providing visibility into the security status of third parties, including contractors. Furthermore, by utilizing SRMT's features, organizations can conduct third-party risk assessments and centralize outsourcing information management. They can also analyze accumulated data, receive notifications of score fluctuations, and monitor the scores of critical contractors.

Key Capabilities:

- Capture SecurityScorecard scores within SRMT, receive score fluctuation alerts and maintain traceability records, including dates and reasons, and centralize management.
- Analyze and visualize accumulated scores alongside contractor information and outsourced work details.

Strategies for FY2025	Progress Status	Future Outlook
1. Development of integrated stock solution system <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 	Development in progress for the launch of new services	Continue to dedicate efforts towards development
2. Asian Market Expansion <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 	Preparing PoC for projects with an Asian-based company	Expecting to start PoC as planned and aiming to enhance performance Initiating actions to acquire new clients for future terms
3. Strengthening the recurring model <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 	Restructuring to provide operational services to overseas companies	Starting projects for the second half and acquiring new clients



4. Earnings Forecast for FY2025

FY2025
Objective

Net sales and EBITDA are expected to reach record highs

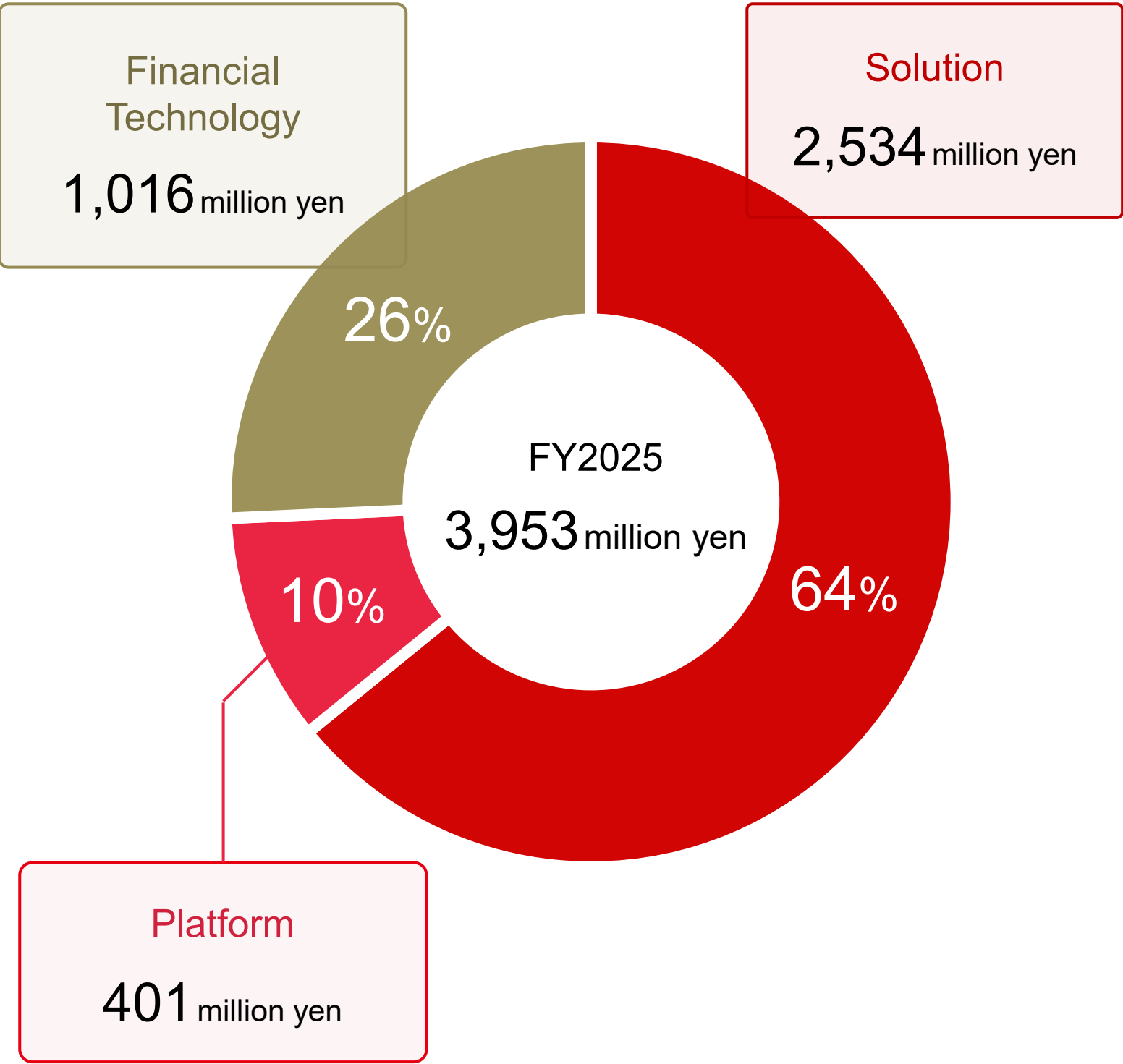
(Millions of yen)	FY2024	FY2025 forecast	Growth rate
Net sales	3,288	3,953	20.2 %
EBITDA	153	282	+ 84.2 %
Gross profit	44	115	+ 161.5 %
Gross profit margin	1.3 %	2.9 %	+ 1.6 pt
Profit attributable to owners of parent	112	60	(46.1 %)

Key Initiatives

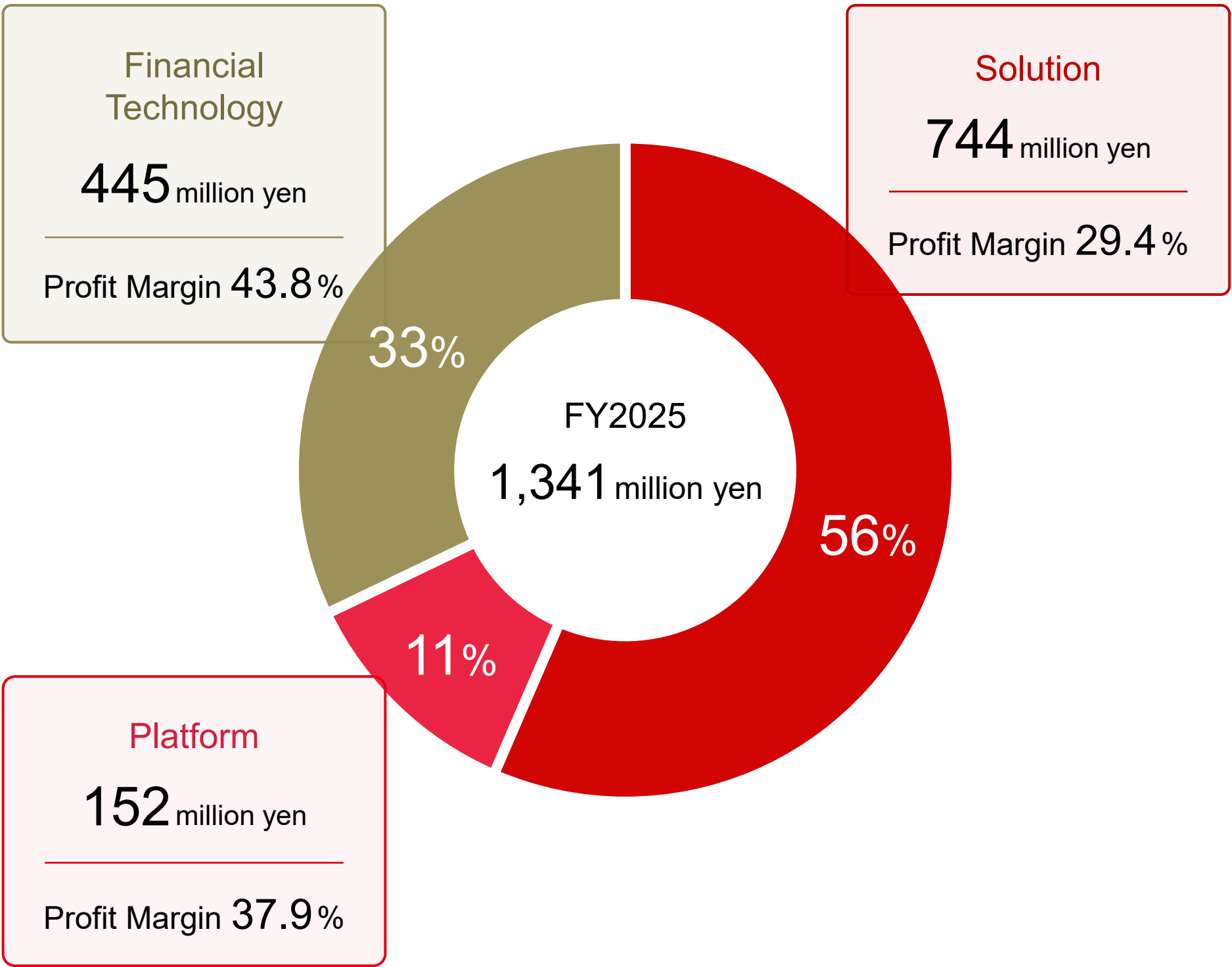
- ✓ Transition to a three-business-segment structure
→ Develop strategies by business segment to drive **sales growth**
- ✓ Strengthen the recurring model, which provides continuous revenue from existing clients
→ **Enhance the revenue base**
- ✓ The amortization is expected to increase by 57 million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

* : EBITDA=Operating profit + Depreciation + Goodwill amortization

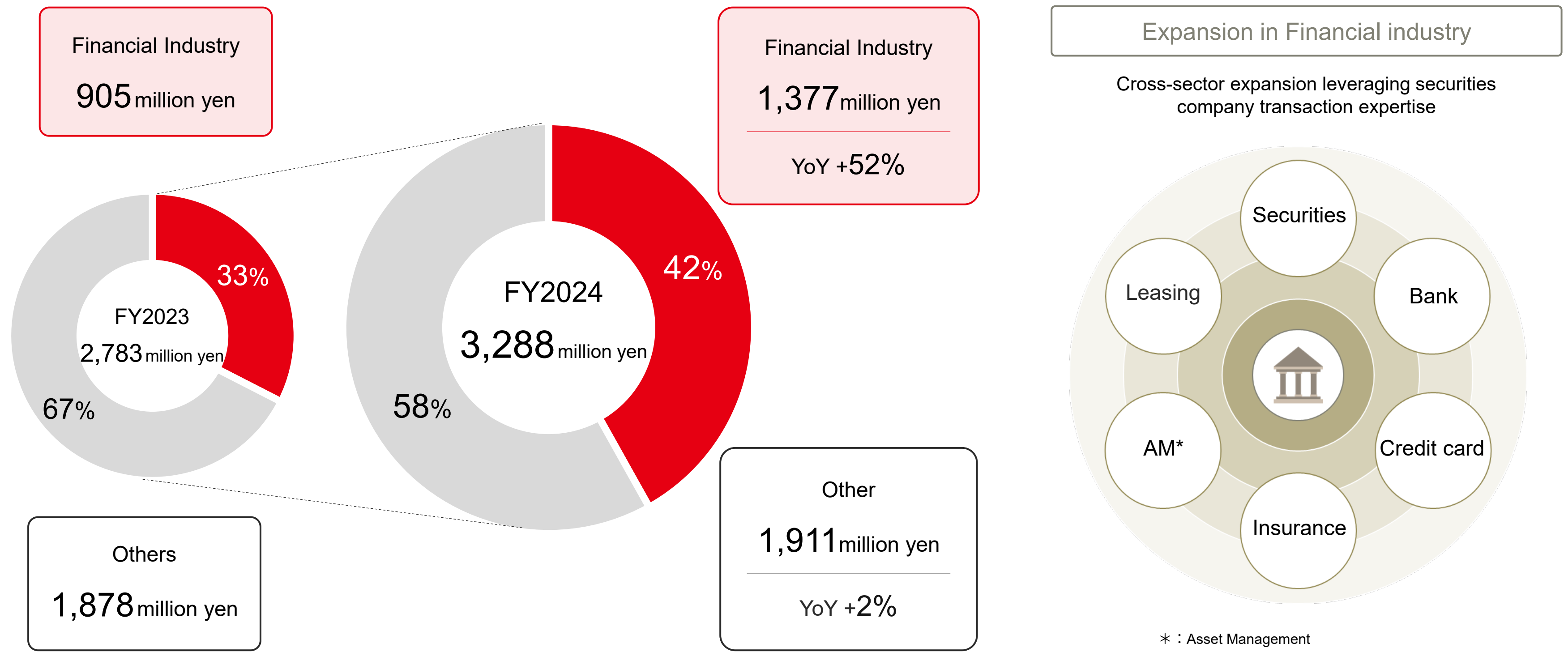
Revenue Composition



Gross Profit Composition



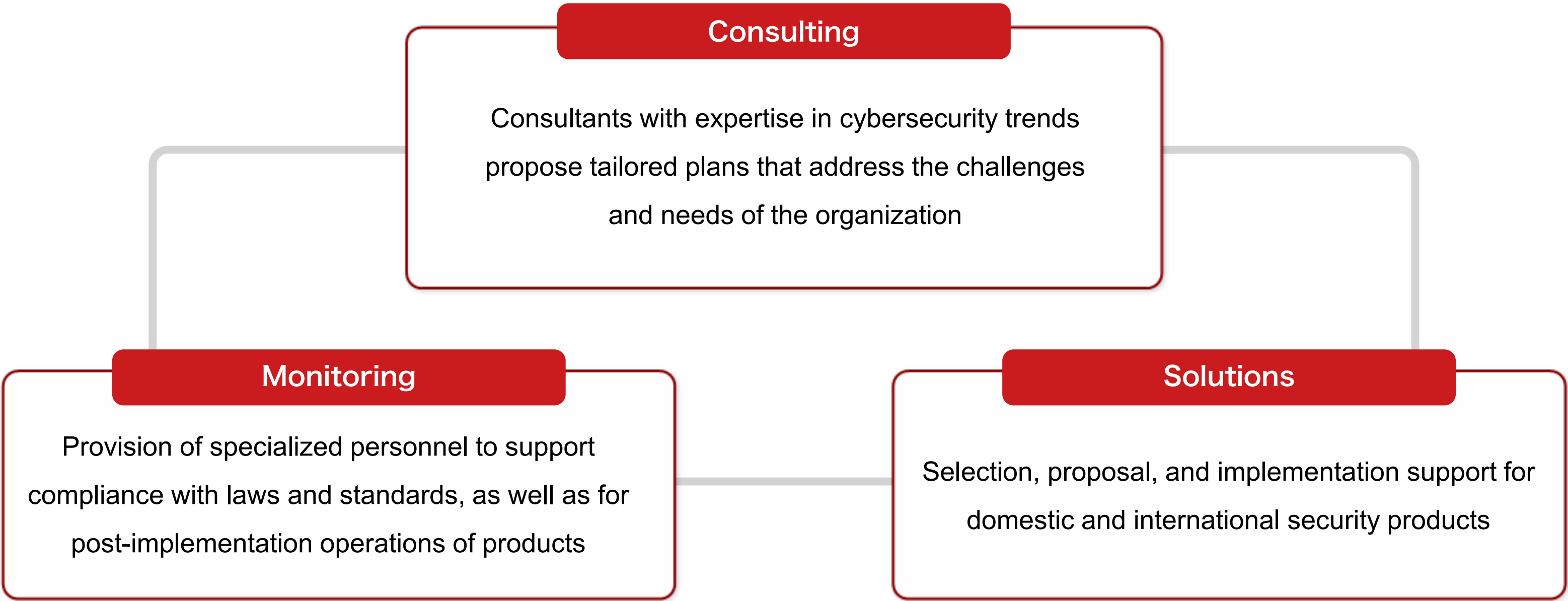
- ✓ High demand in **the financial industry**, which is strictly oversighted by regulatory authorities and overseas laws, has led its revenue increasing to **approximately 40% of the total sales**
- ✓ Focusing business expansion **primarily in the financial industry** with substantial budgets for risk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



4. Strategies for FY2025

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



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
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	

- 1

Growth in human resources

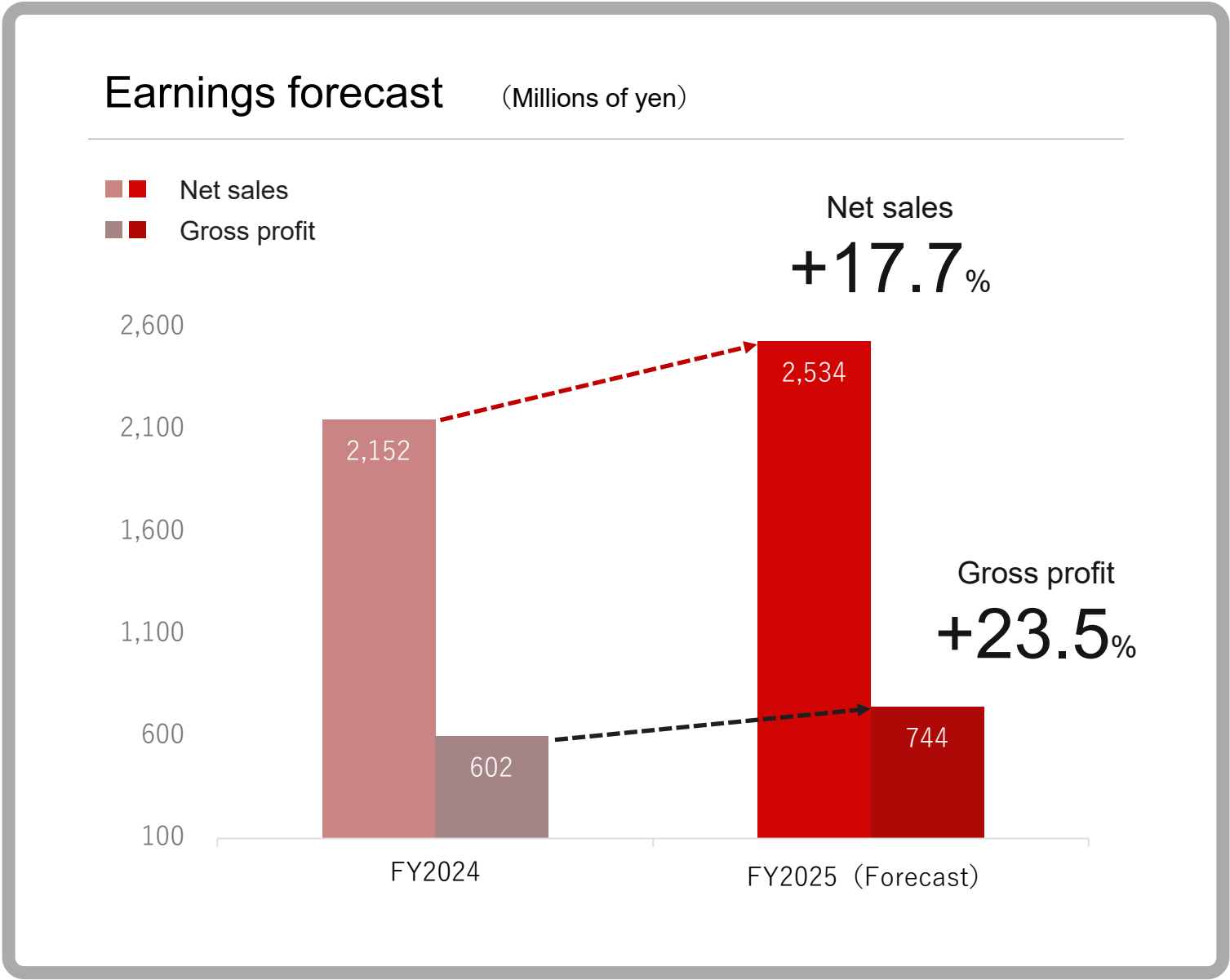
 - ✓ **Increase** in consultants
 - ✓ **Expand** high-demand engineering talent and services
- 2

Service Enhancement

 - ✓ **Timely release of new services** aligned with market needs
 - ✓ Secure new contracts for our strong existing solutions
- 3

Strengthening the Recurring Revenue Model

 - ✓ **Expansion of recurring revenue**
 - ✓ Secure renewals for existing annual contracts



FY2024 Net sales

2,152 million yen → **2,534** million yen
Change ratio (+ 17.7%)

FY2025 Net sales target

FY2024 Gross profit

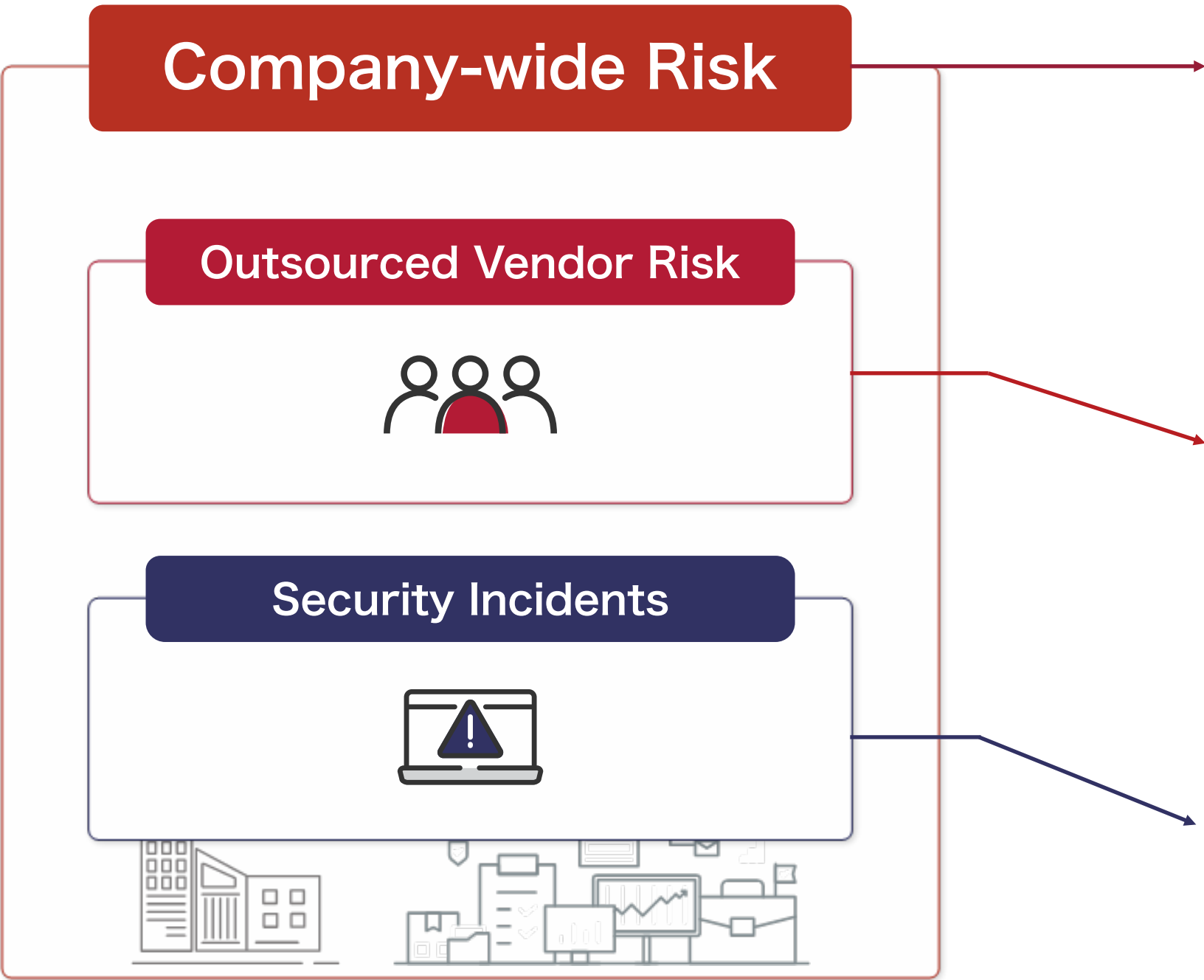
602 million yen → **744** million yen
Change ratio (+ 23.5%)

FY2025 Gross profit target

4. Strategies for FY2025

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.)

- 1

Enhancement of Services and Features

✓ Third-party service integration

✓ Release of New Features
- 2

Strengthening of Sales Force

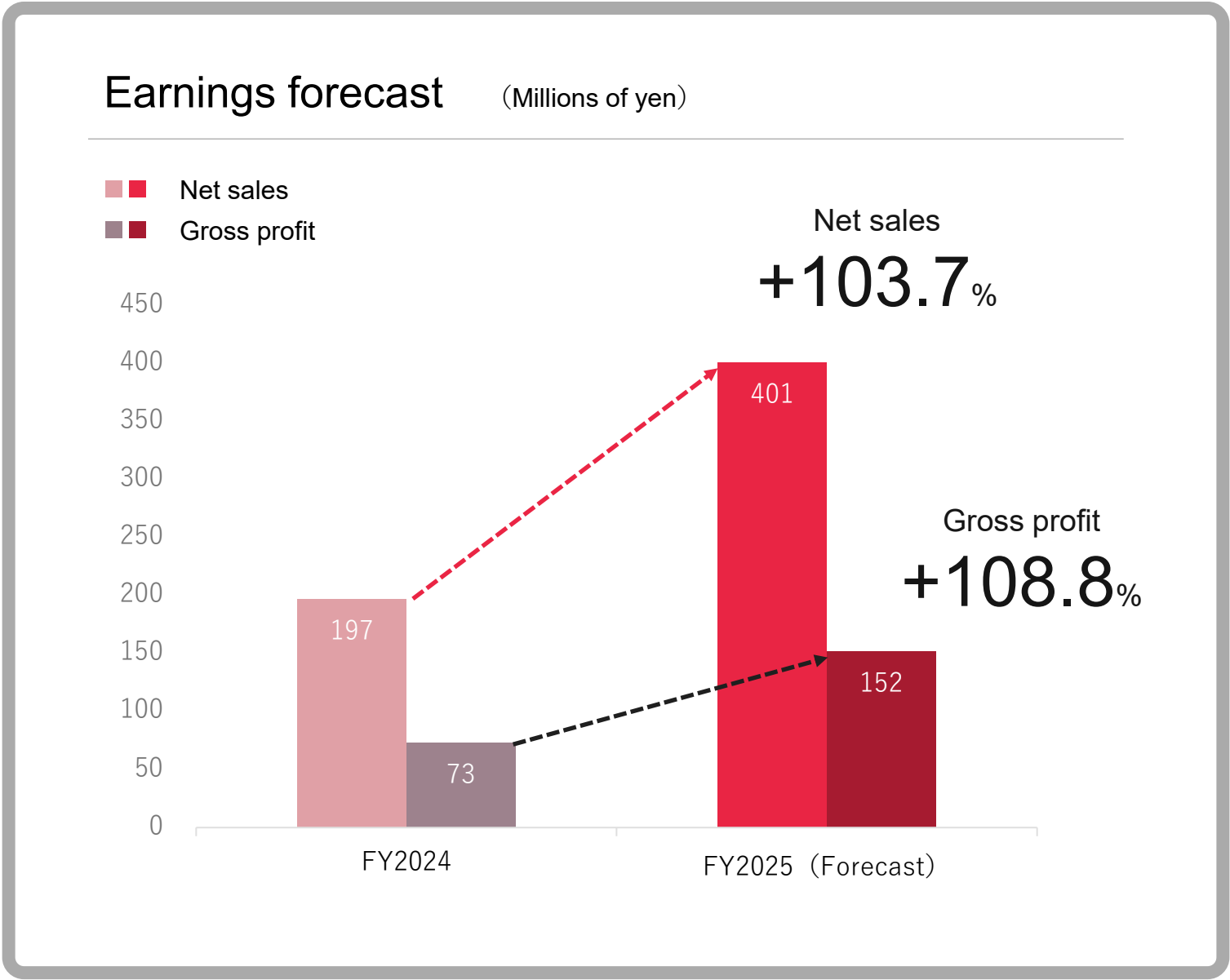
✓ Enhancements to the Partner Program

✓ Expansion of Sales Partner Network
- 3

Key Target

✓ Strengthening sales by focusing on the financial industry's high demand for risk management

✓ Focus on outbound sales



FY2024 Net sales

197 million yen



FY2025 Net sales target

401 million yen

Change ratio (+ 103.7%)

FY2024 Gross profit

73 million yen



FY2025 Gross profit target

152 million yen

Change ratio (+ 108.8%)

4. Strategies for 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



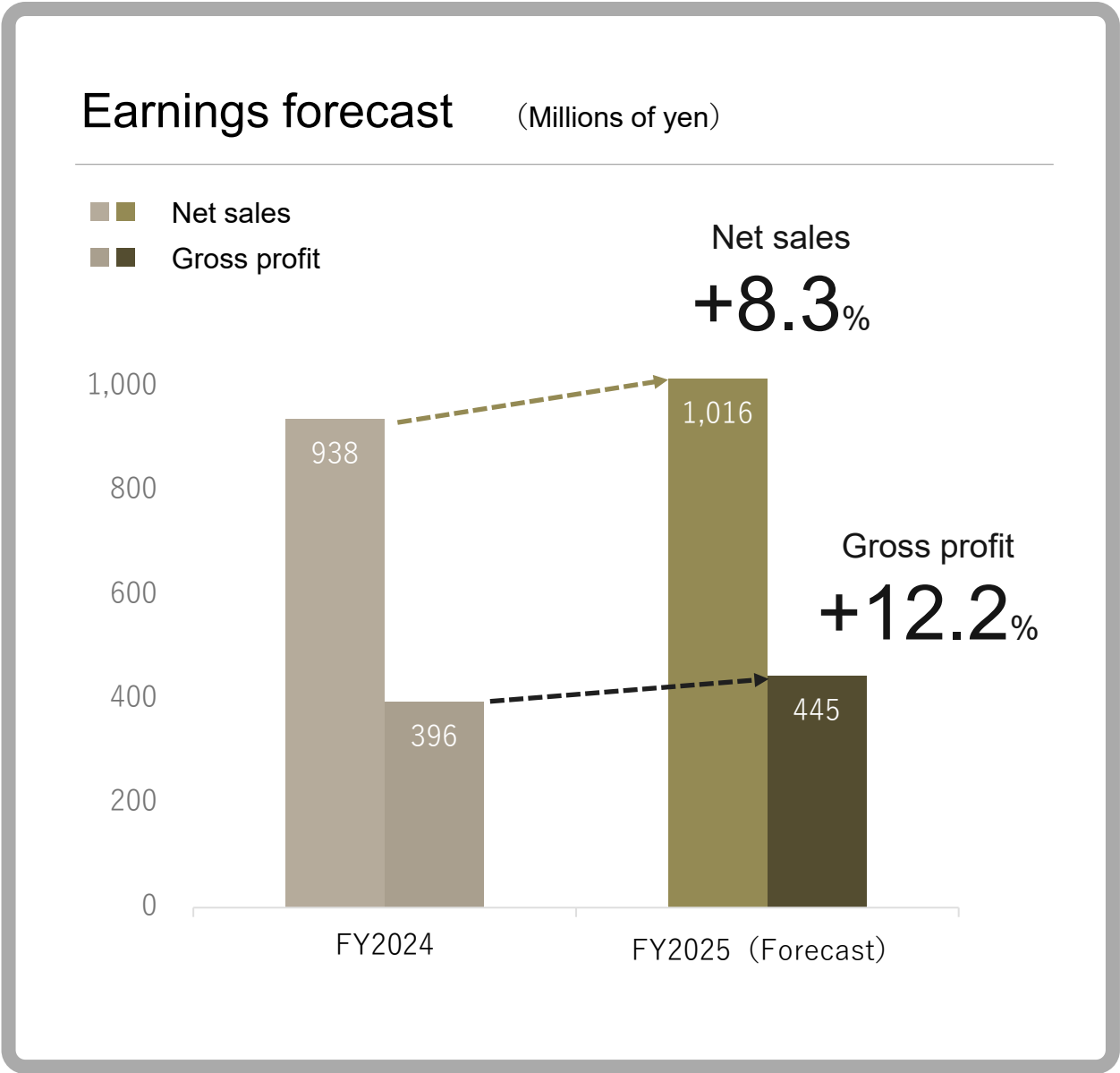
World-standard Technology & Japanese Hospitality Services

* : Order Management System

- 1
- Development of integrated stock solution system
- ✓ Launch of integrated system services for the market divisions of securities firms
 - ✓ Develop new features for OMS while further explore customer specifications

- 2
- Asian Market Expansion
- ✓ Commence full-scale sales operations across the Asia region to expand business opportunities
 - ✓ Strive to secure the first project within the fiscal year

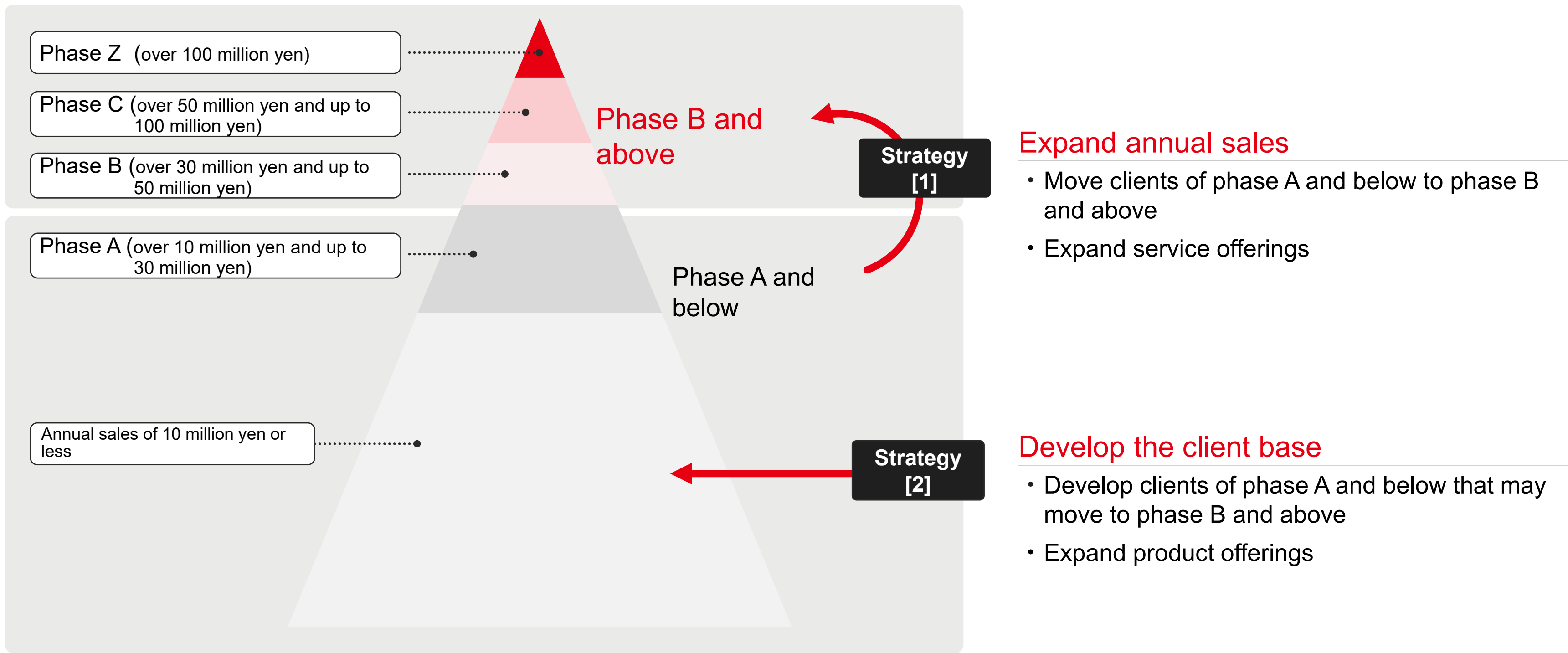
- 3
- Strengthening the recurring model
- ✓ Increase the number of projects in the license business, maintenance services, and operation services to secure stable revenue
 - ✓ In addition to acquiring new clients, strategic partnerships with other companies are also under consideration



FY2024 Net sales		FY2025 Net sales target		FY2024 Gross profit		FY2025 Gross profit target
938 million yen	→	1,016 million yen		396 million yen	→	445 million yen
		Change ratio (+ 8.3%)				Change ratio (+ 12.2%)

5. Appendix

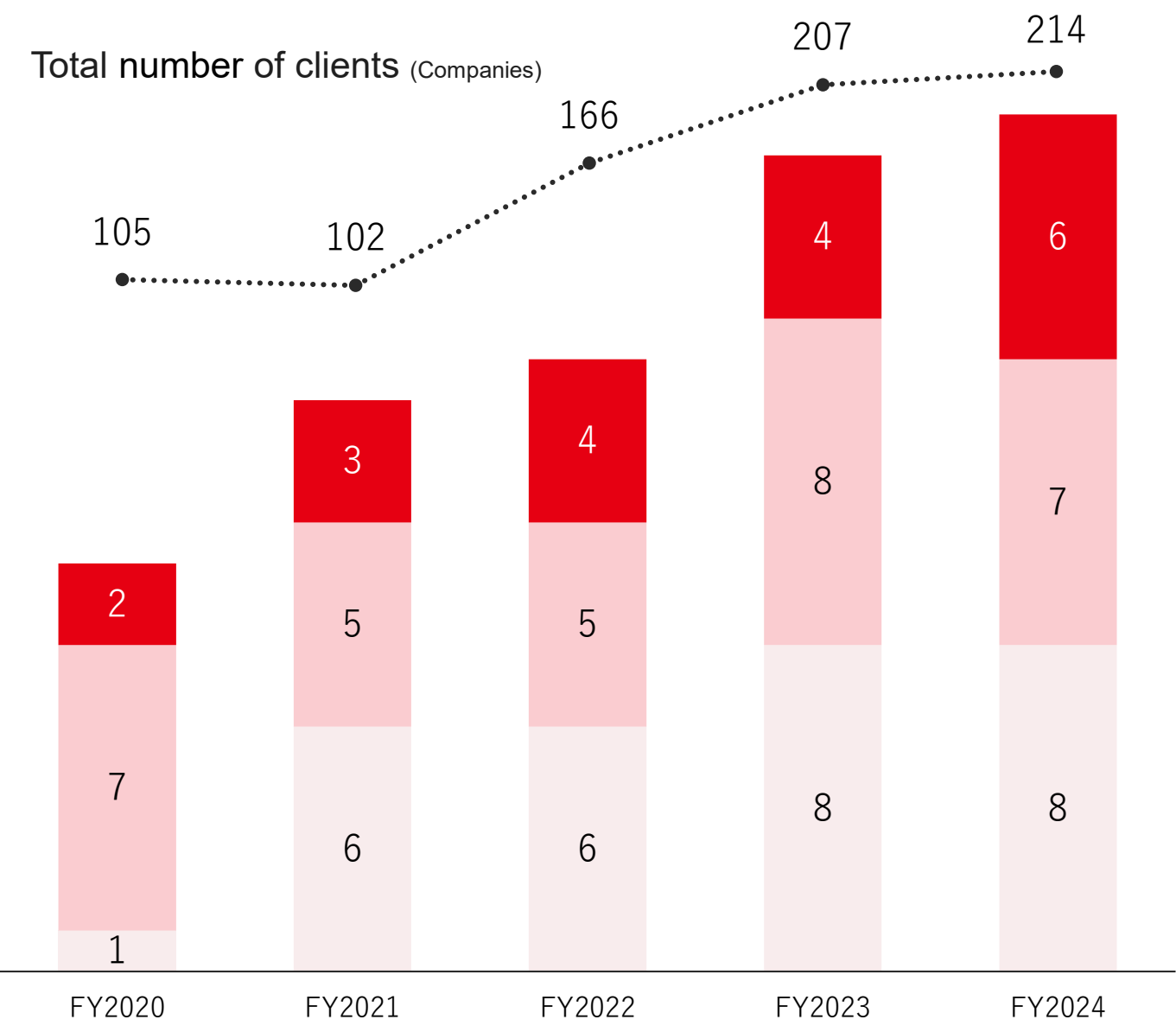
- ✓ Client management by phase based on their annual sales and increase the number of clients with annual sales over 30 million yen
- ✓ Continue to focus on upselling existing clients(Strategy[1]) and developing new clients(Strategy[2])



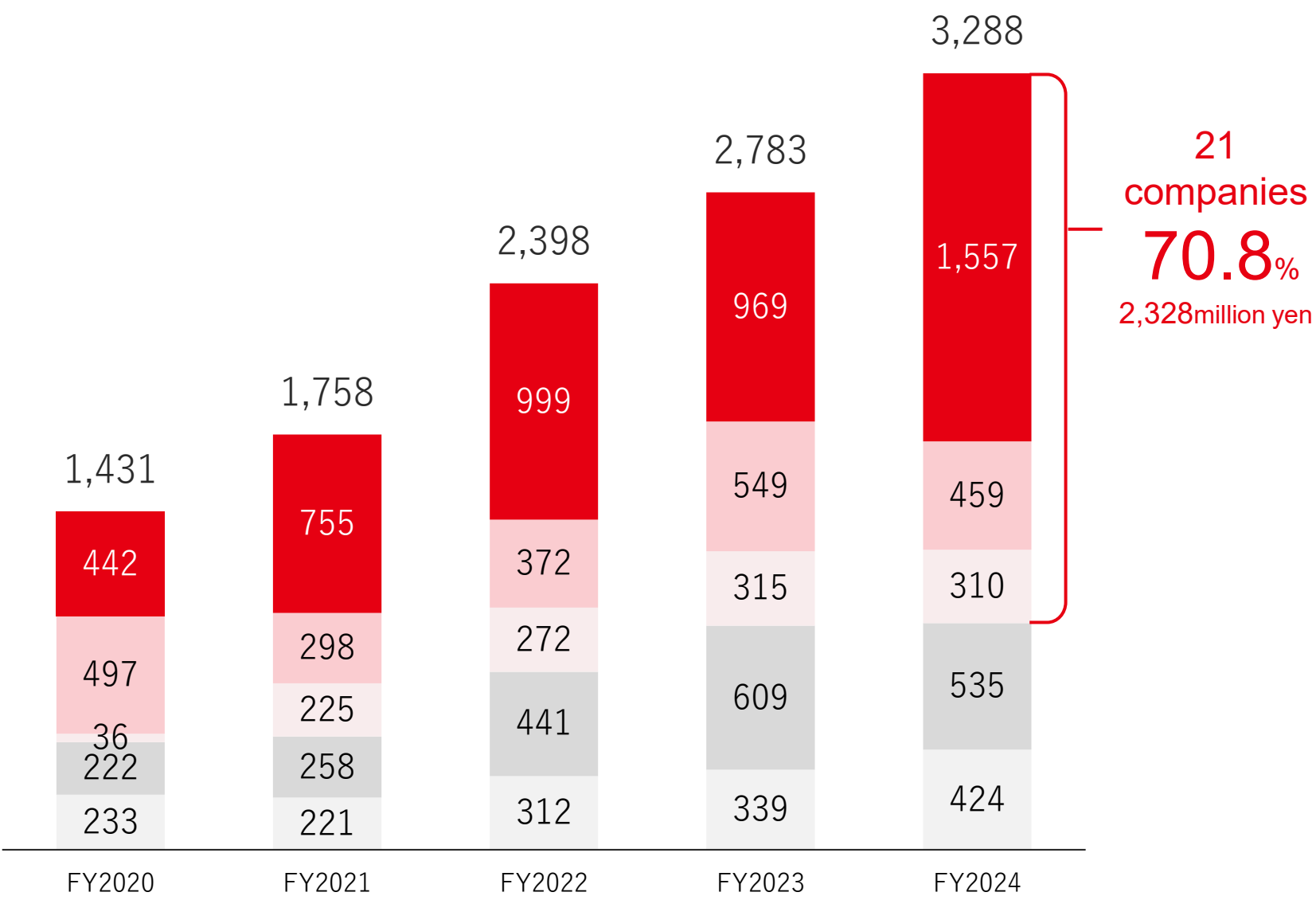
*1: Figures in parentheses represent annual sales
*2: The chart is an illustrative drawing of our growth strategy and does not reflect current client distribution

- ✓ 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)



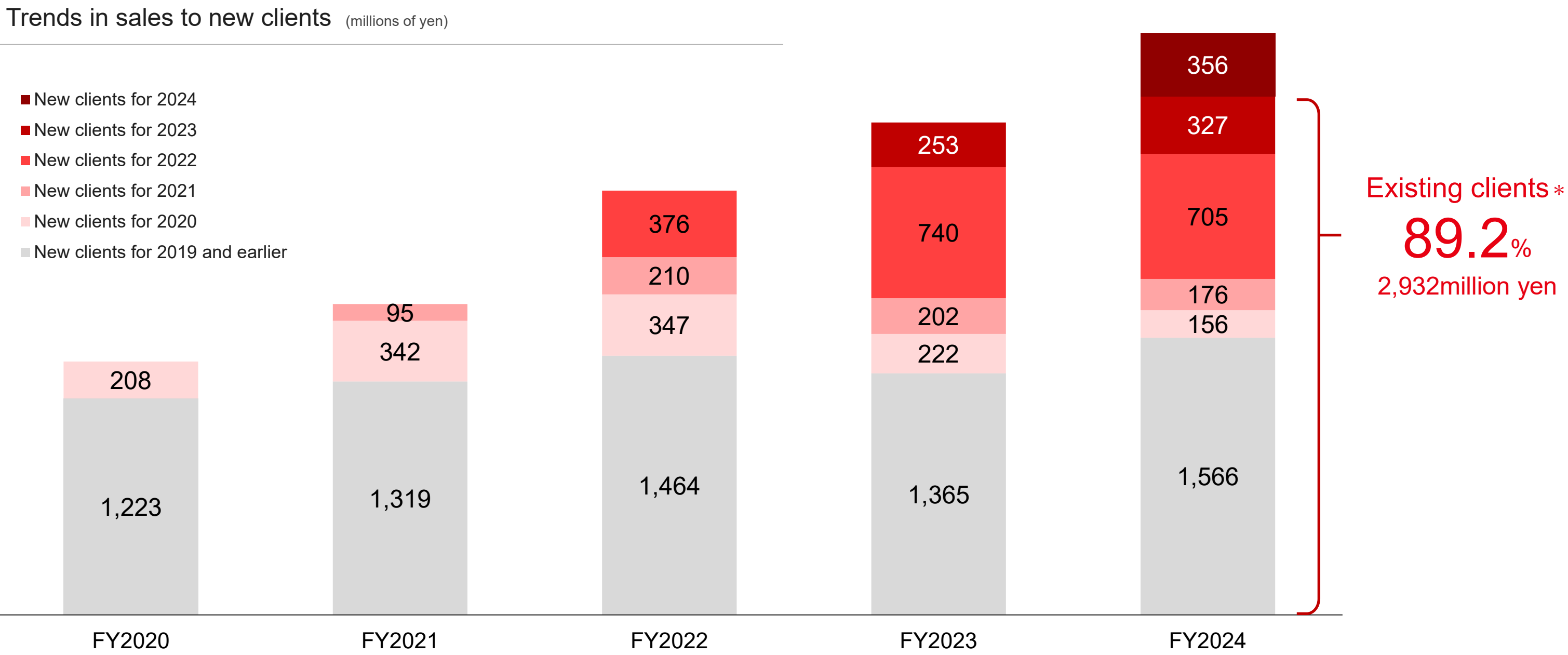
■ Phase Z: over 100 million yen ■ Phase C: over 50 million yen and up to 100 million yen ■ Phase B: over 30 million yen and up to 50 million yen
■ Phase A: over 10 million yen and up to 30 million yen ■ 10 million yen and below

- ✓ Continue to focus on **financial, telecom and global companies** with growing demand
- ✓ Gained **12 more clients** of phase A 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]

- ✓ Major competitors include large multinational accounting firms and solution vendors
- ✓ Established a unique position and achieved top market share in GRC tool market trend analysis

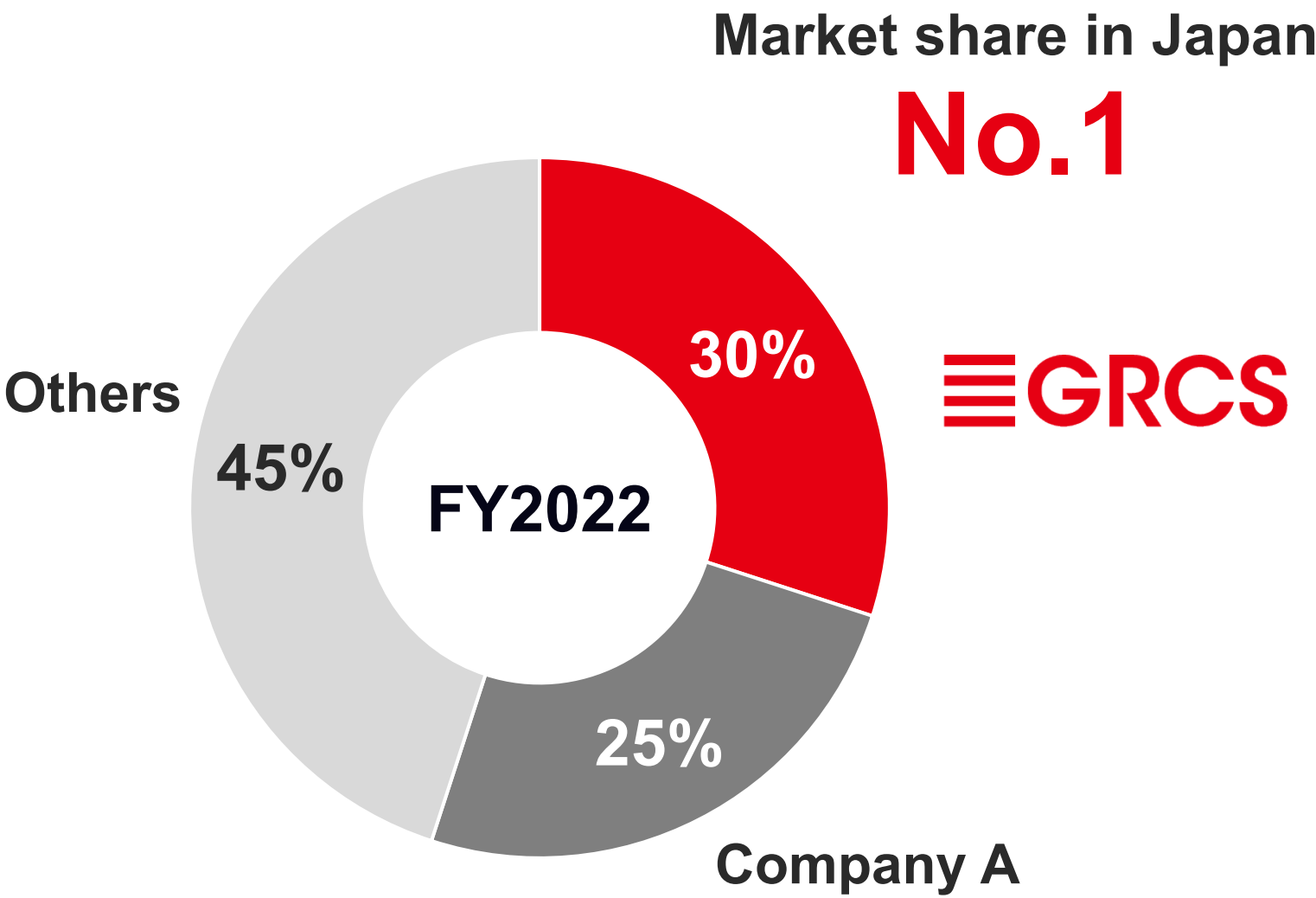
Competitors

GRC Tool Entrant Trends

Solutions



Products

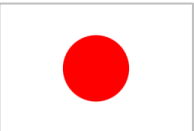
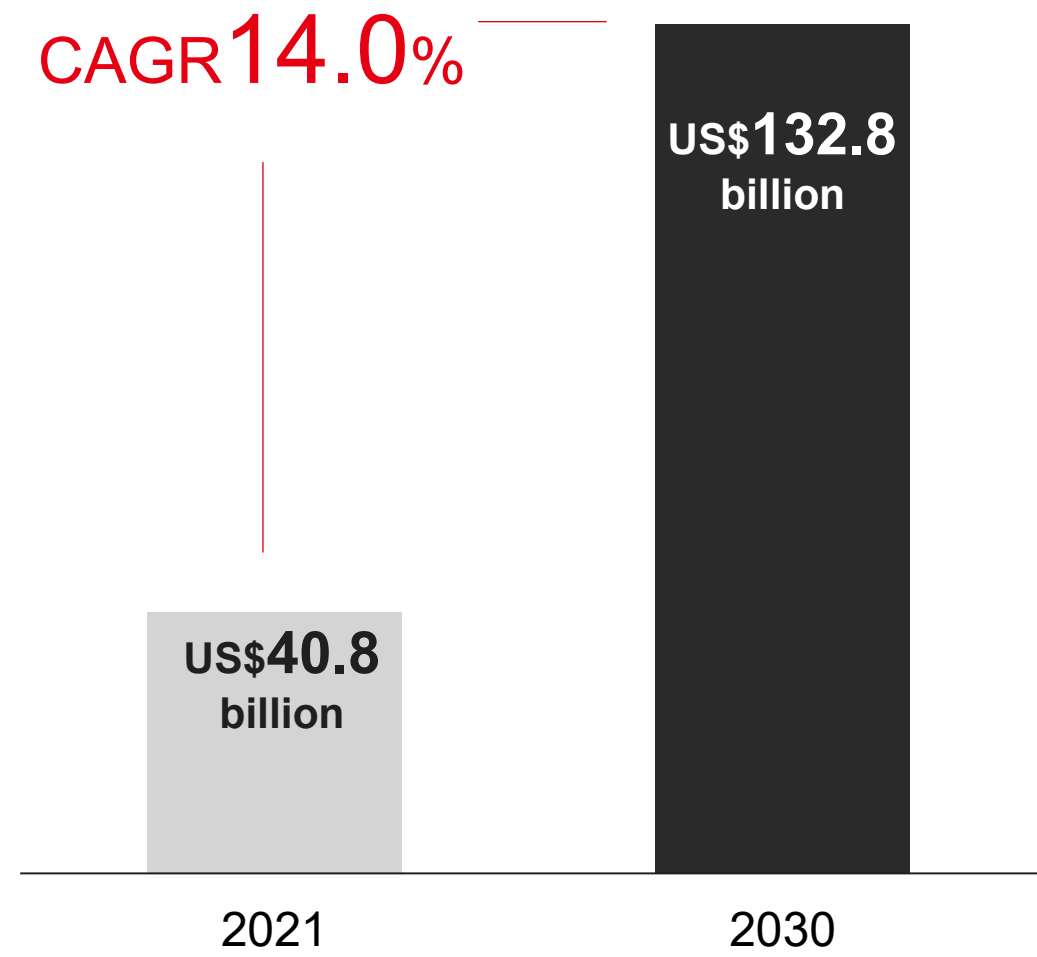


* : Figures based on number of companies
* : See “2023 Future Prospects of Digital Technology to Realize DX/Web3.0” (Fuji Chimera Research Institute Co., Ltd.)

- ✓ 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 14.0% 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



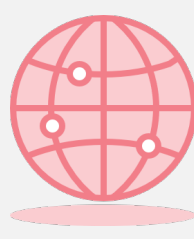
Demand is strong from industries under stricter regulations



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



www.grcs.co.jp