



*Note: This is a translation of part of the original Japanese version and is provided for reference purposes only.
In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.*

FY09/2023 Full-year Consolidated Financial Results

HENNGE K.K. (4475 : TYO)
November 10, 2023

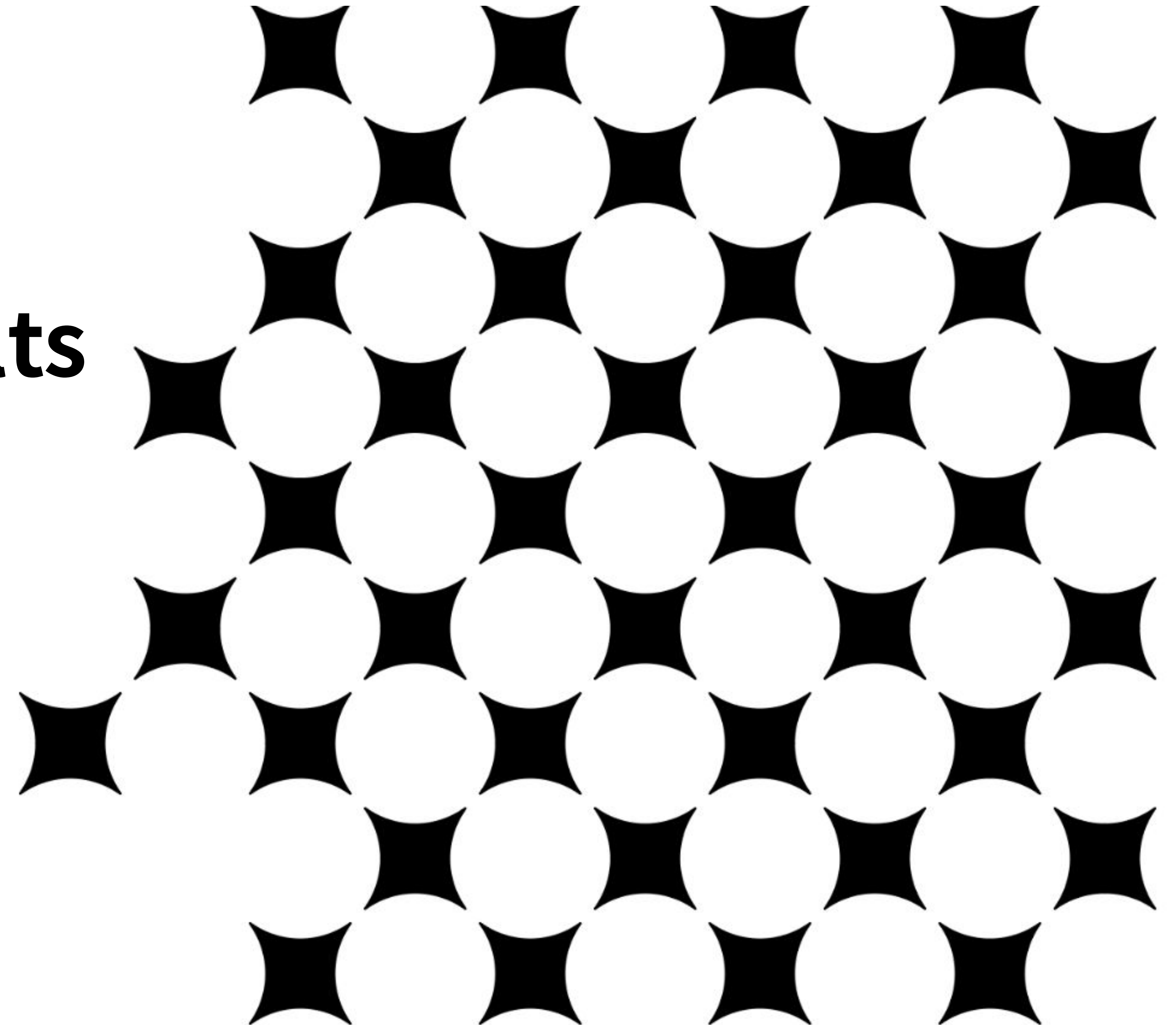
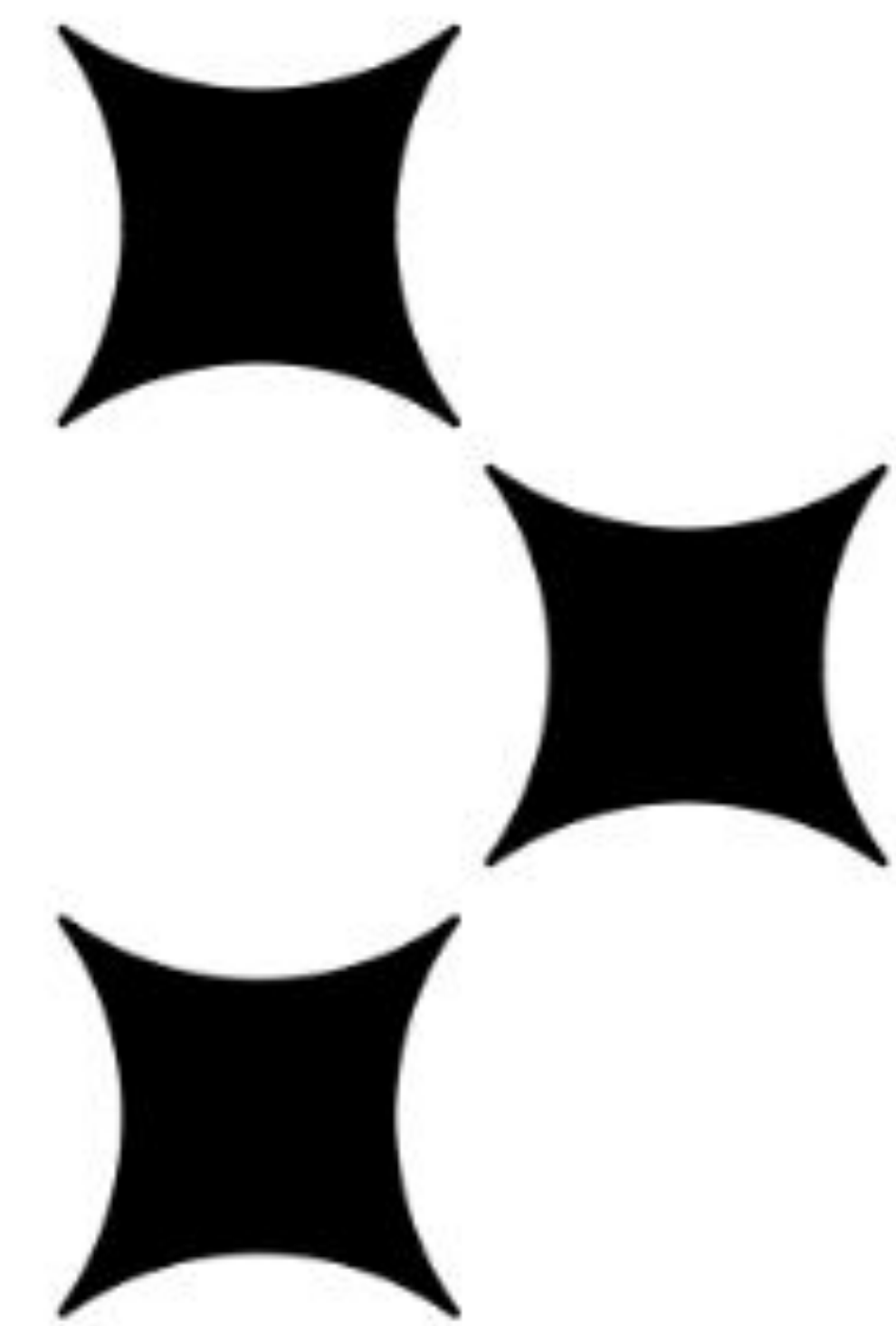


Table of Contents

- 1. FY09/2023 Full-year Consolidated Financial Results**
- 2. FY09/2024 Full-year Forecasts**
- 3. Growth Strategy**
- 4. Appendix**
 - Corporate Overview**
 - Total Addressable Market**
 - Others**
- 5. Past Materials**

FY09/2023
Full-year Consolidated Financial Results
(Financial Results)

Overview of Consolidated Financial Results

(YoY, 12 months accumulated comparison)

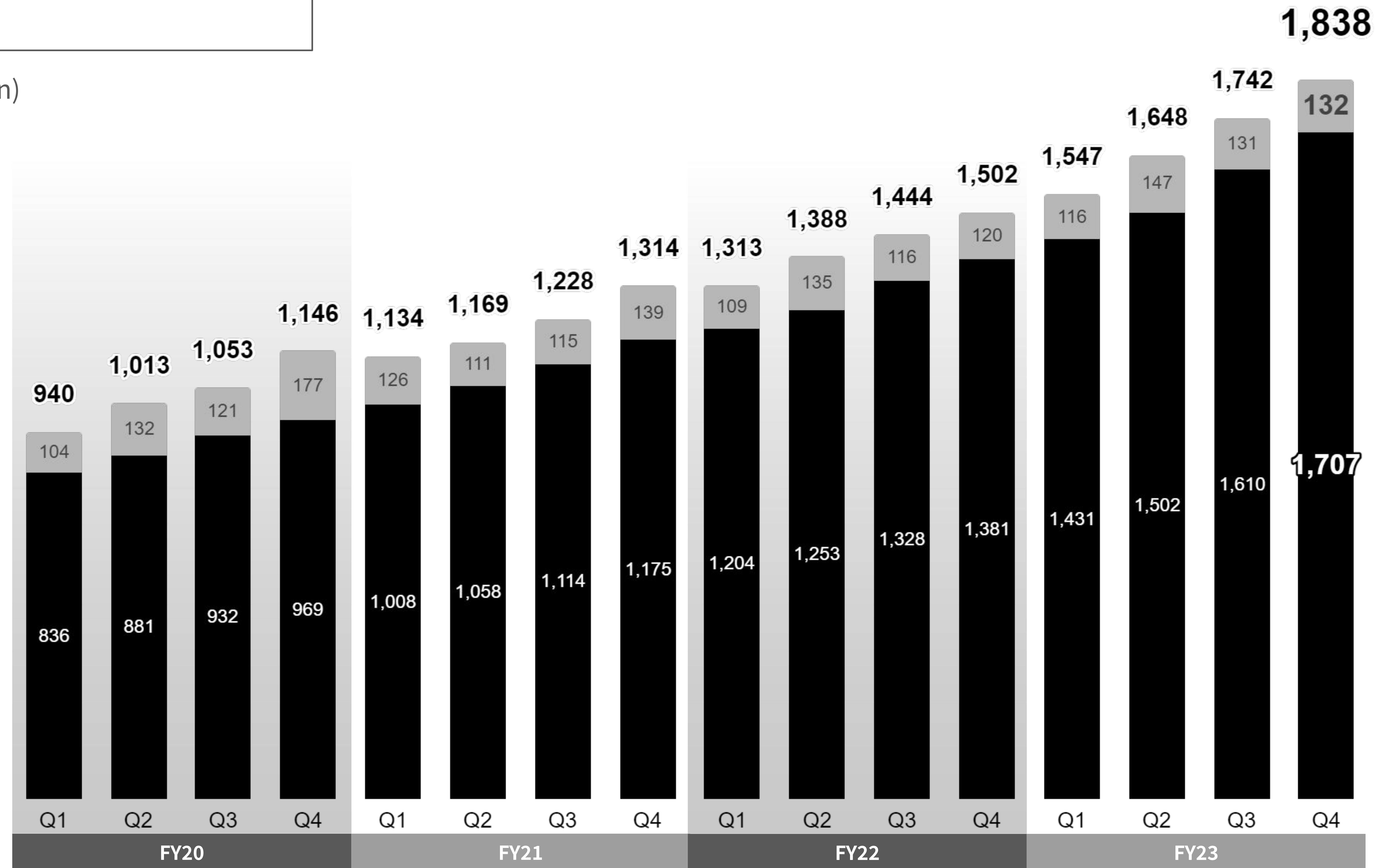
(unit: JPY million)	FY2022	FY2023	YoY	YoY (%)	FY23 Forecast	Progress (%)
Net sales	5,646	6,776	+1,129	+20.0%	6,725	100.8%
(HENNGE One)	5,166	6,250	+1,084	+21.0%	6,234	100.3%
(Professional service and others)	480	526	+46	+9.5%	491	107.0%
Total cost of sales	874	1,098	+224	+25.6%		
Gross profit	4,772	5,677	+906	+19.0%		
(Gross profit margin)	(84.5%)	(83.8%)		(-0.7pt)		
Total selling, general and administrative expenses	4,309	4,970	+660	+15.3%		
Operating income	462	708	+245	+53.1%	561	126.2%
(Operating income margin)	(8.2%)	(10.4%)		(+2.3pt)	(8.3%)	
Ordinary income	452	713	+261	+57.7%	561	127.1%
Profit attributable to owners of parent	321	509	+188	+58.4%	353	144.0%
(Net income margin)	(5.7%)	(7.5%)		(+1.8pt)	(5.3%)	

1. The net sales **rose** by **20.0%** YoY to **JPY 6.78B**. The sales of HENNGE One **rose** by **21.0%** YoY to **JPY 6.25B**.
2. The total SG&A **increased** by **15.3%** (+ JPY 0.66B) YoY to **JPY 4.97B**.
3. The profit attributable to owners of parent **increased** by **JPY 0.19B** YoY to **JPY 0.51B**.

Quarterly Trend of Net Sales

■ Professional service and others
 ■ HENNGE One

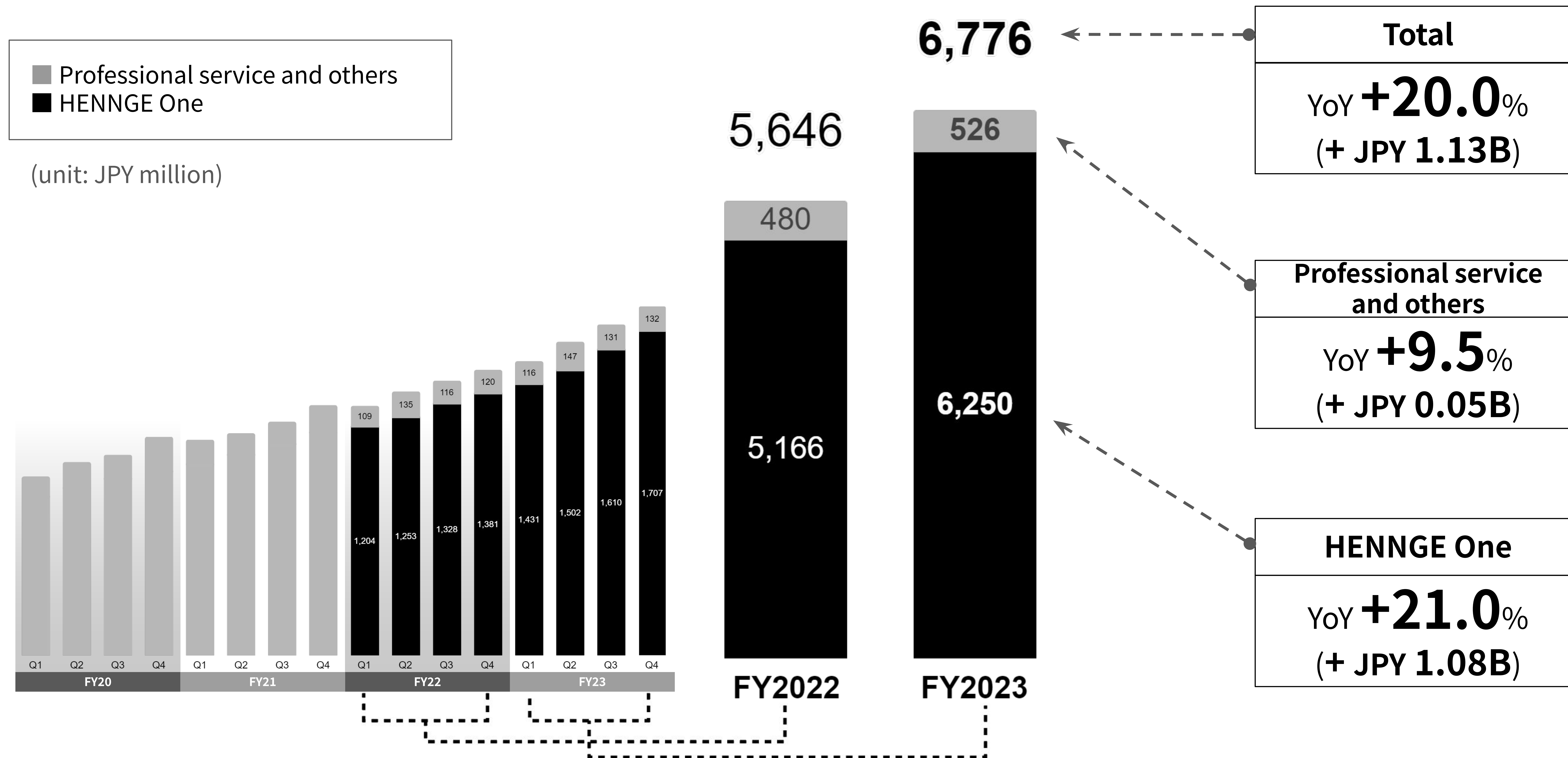
(unit: JPY million)



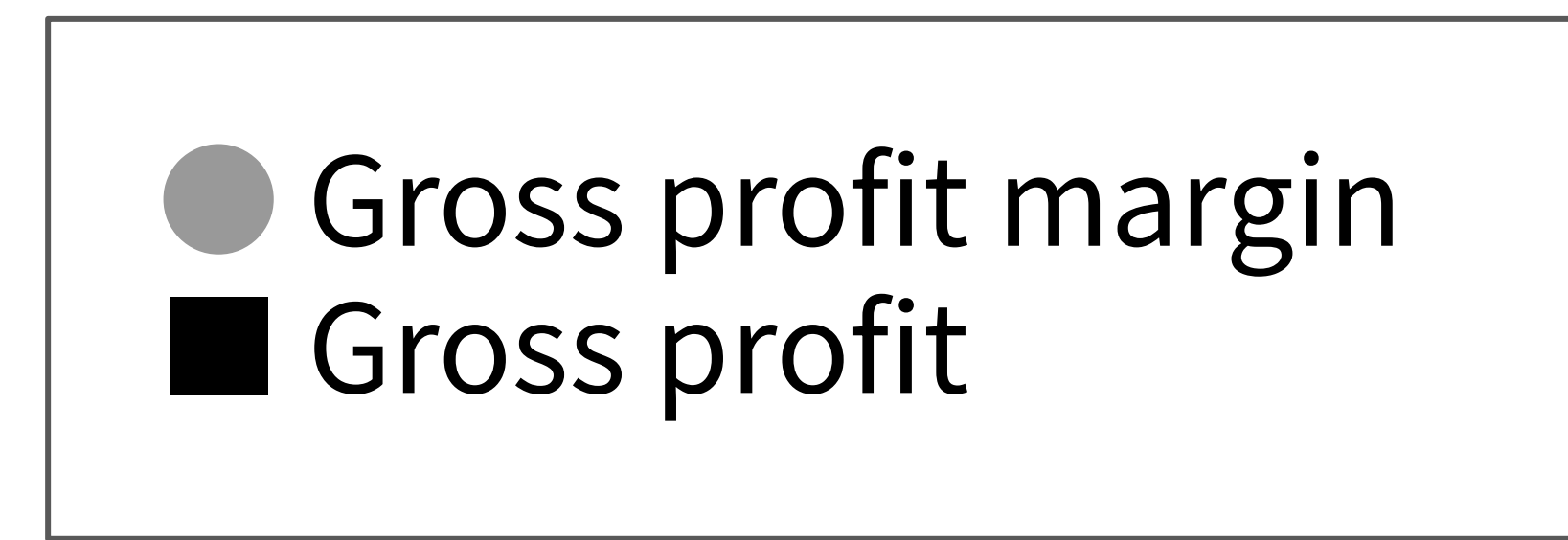
Net Sales

(YoY, 12 months accumulated comparison)

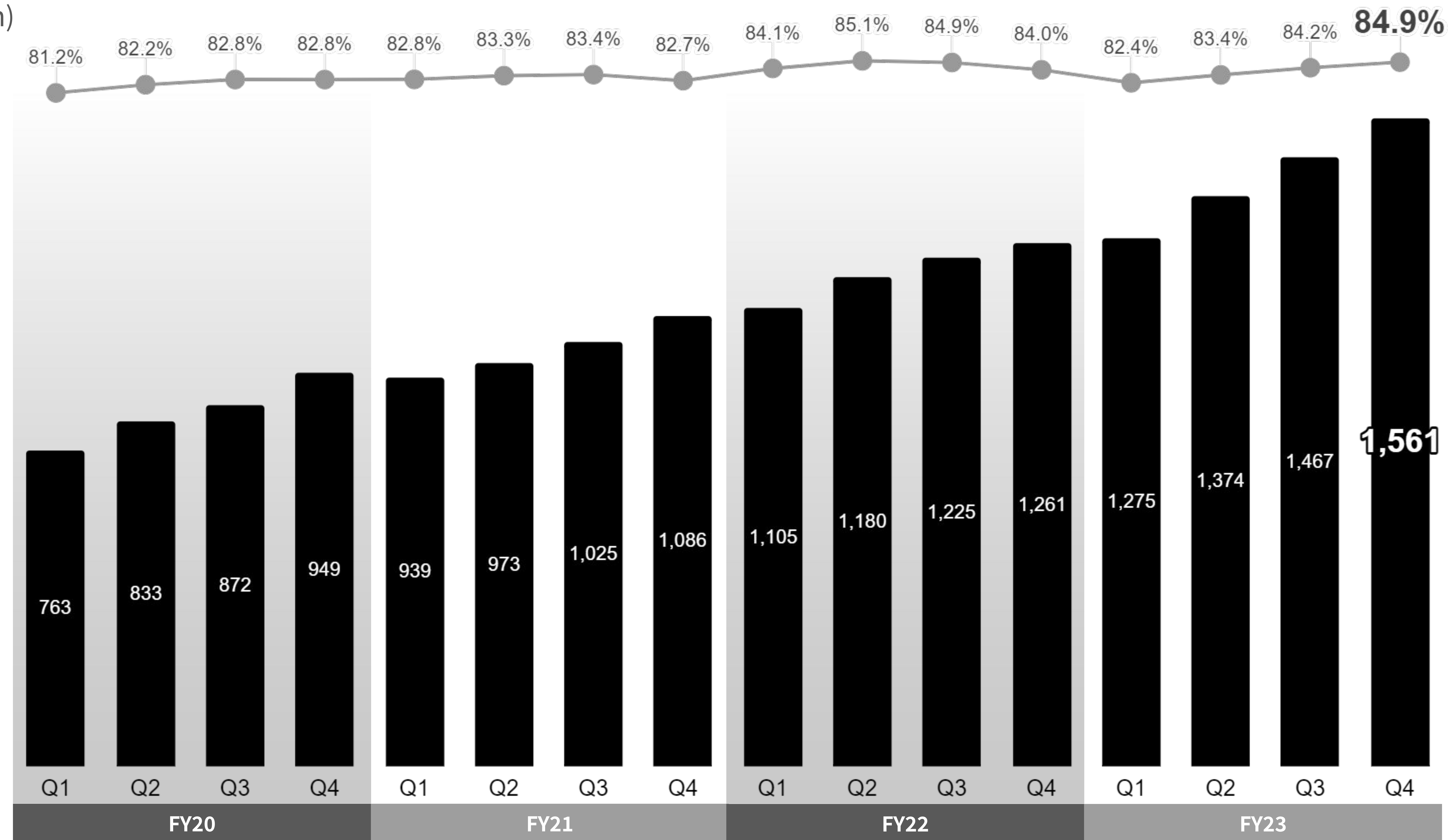
The net sales increased by 20.0% YoY to 6.78B yen.
 The sales of HENNGE One, our key driver of the growth, grew by 21.0%.



Quarterly Trend of Gross Profit



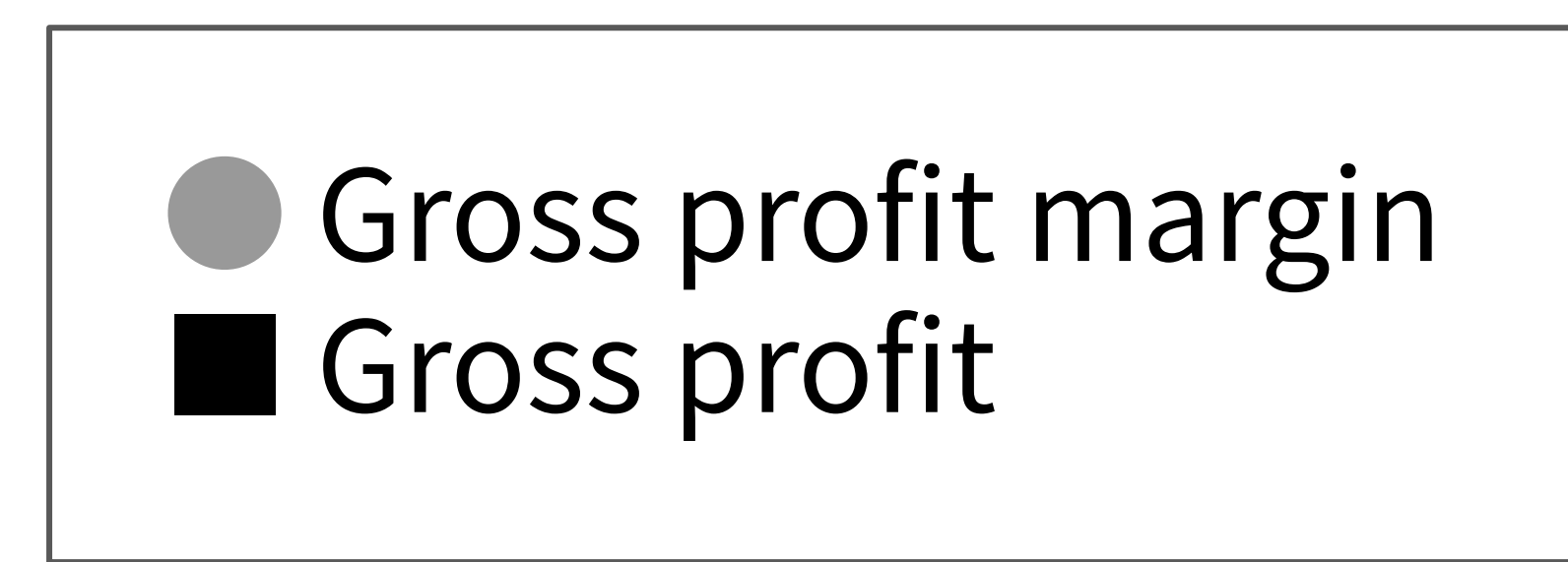
(unit: JPY million)



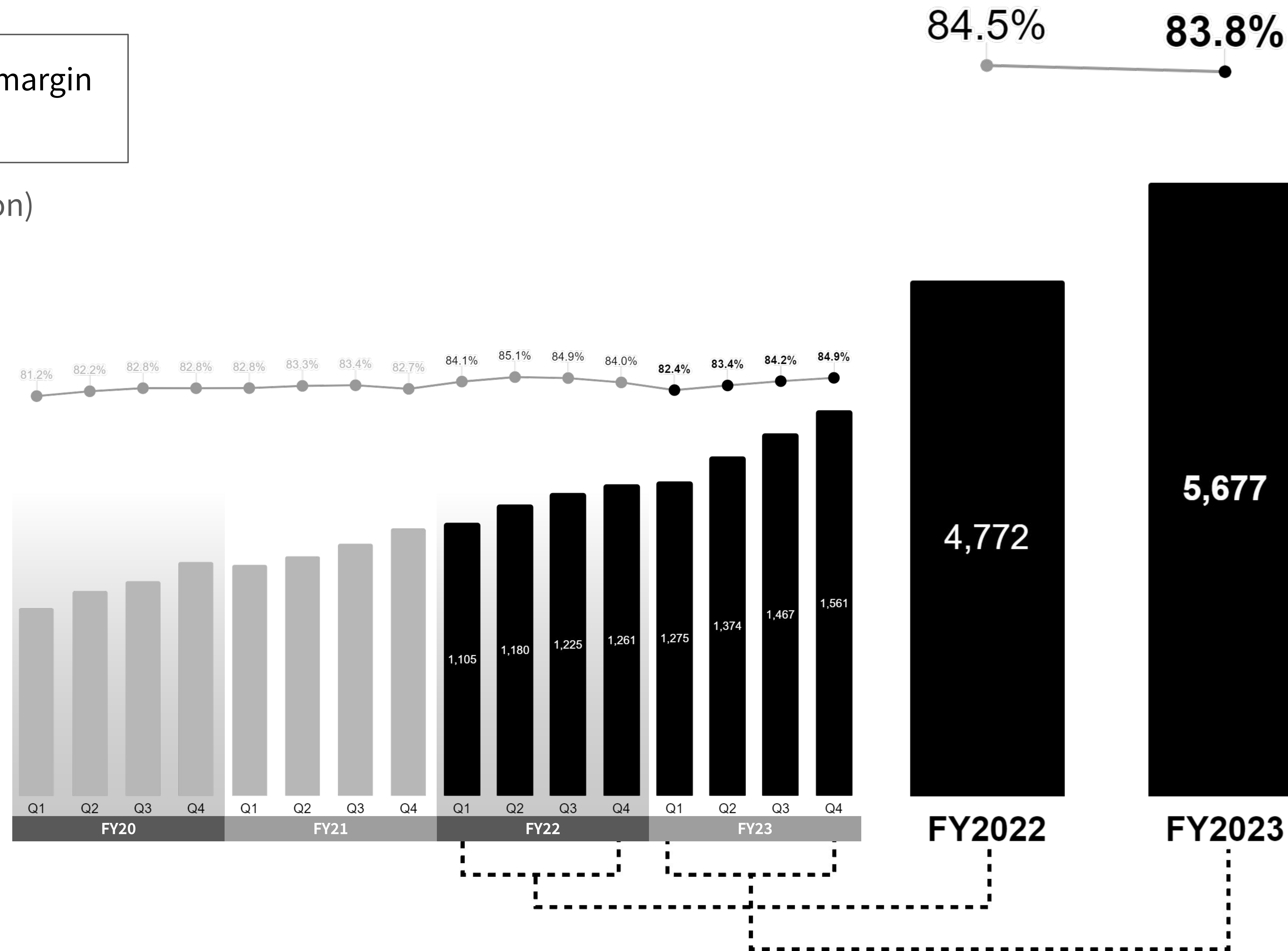
Gross Profit

(YoY, 12 months accumulated comparison)

The gross profit increased by 0.91B yen YoY to 5.68B yen.
 The gross profit margin decreased by 0.7pt YoY to 83.8%, but remains high.



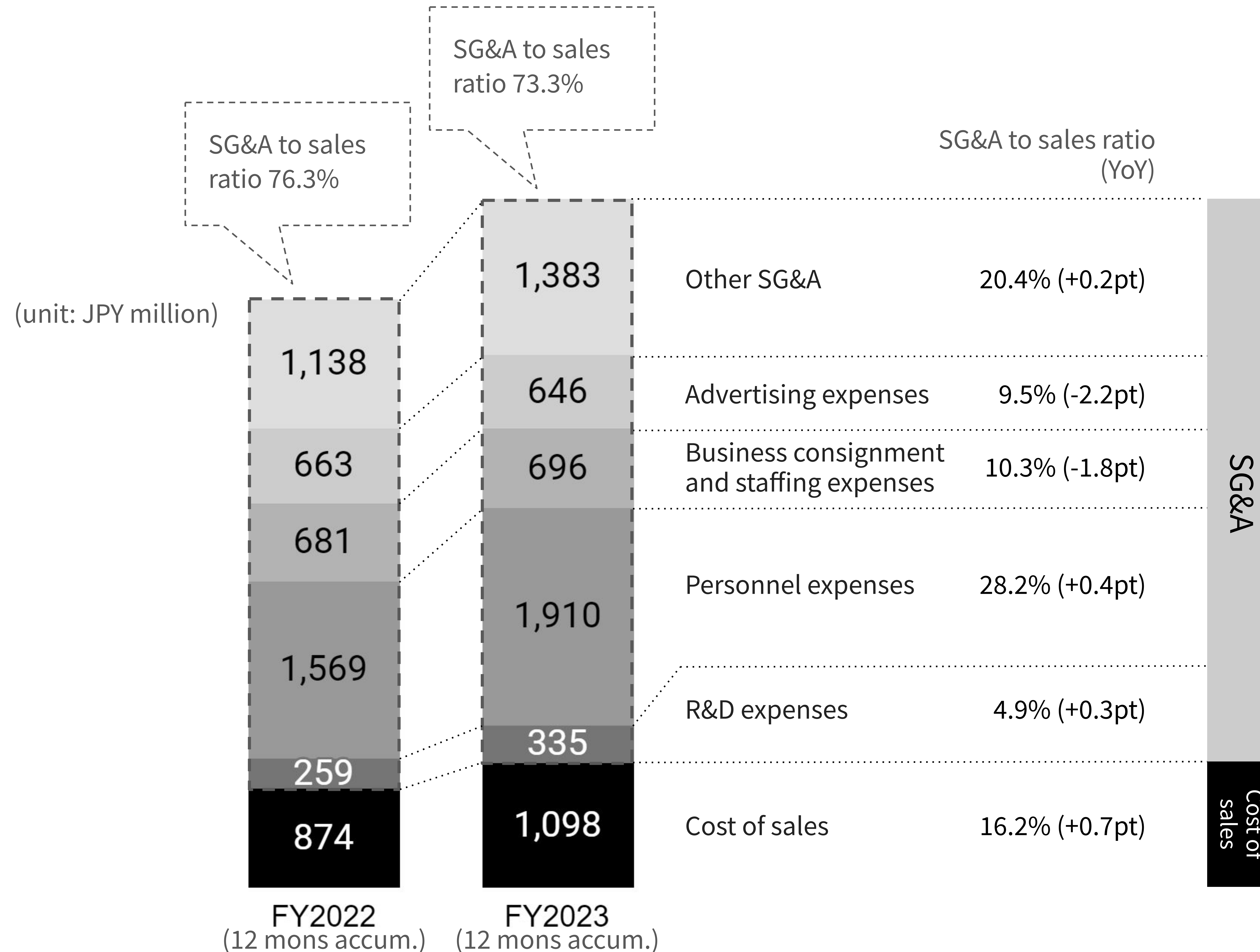
(unit: JPY million)



Gross profit
 YoY **+19.0%**
 (+ JPY **0.91B**)

Structure of Operating Expenses

(YoY, 12 months accumulated comparison)



Other SG&A increased YoY mainly due to energetic recruitment activities and additional internal system usage fees to accommodate increased employees.

Advertising expenses decreased slightly YoY due to differences in the contents and approaches that have been applied from FY22 while we conducted various events and seminars, including HENNGE NOW!, which targeted large companies, resellers, new customers, and existing customers.

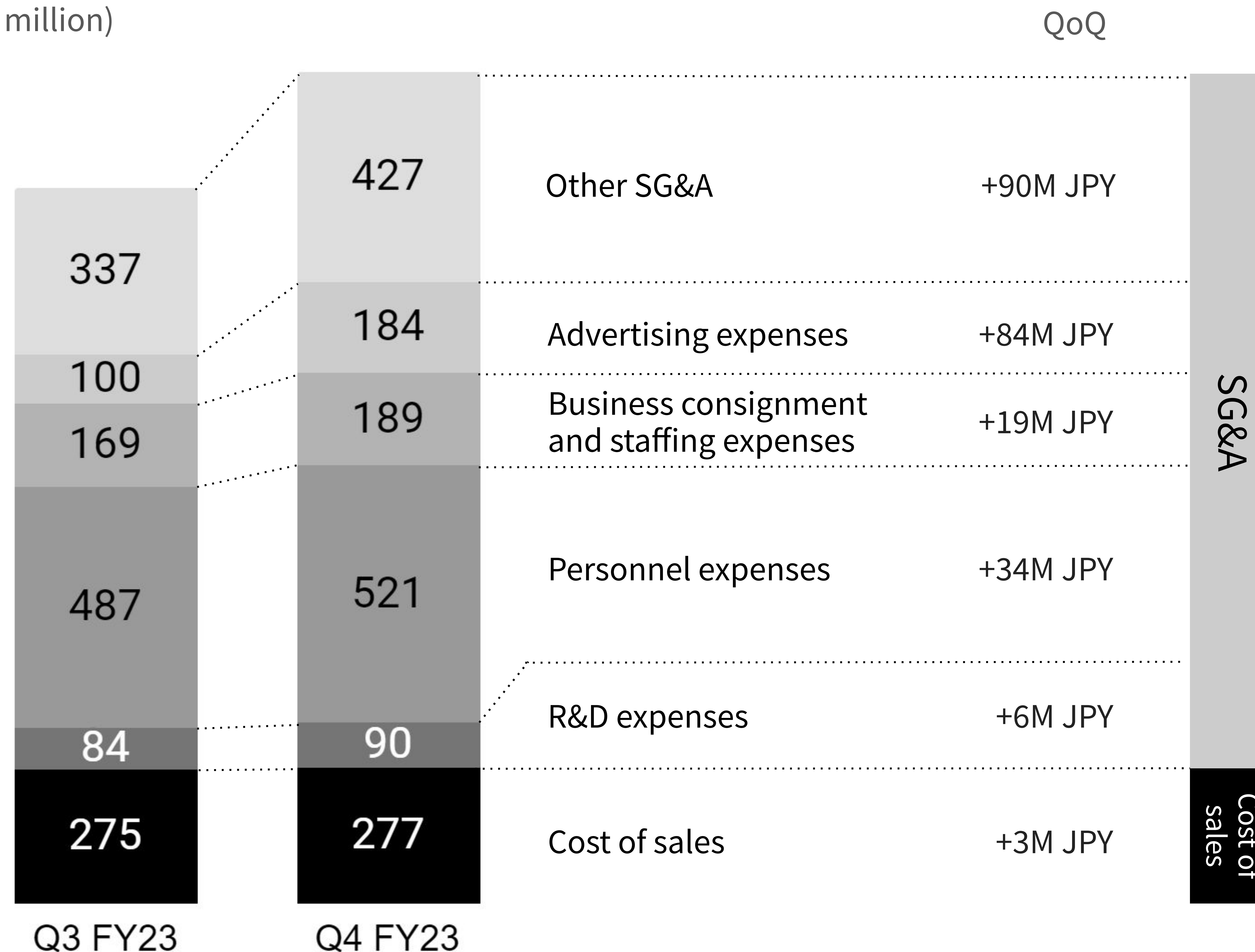
Personnel expenses increased YoY mainly due to an increase in the number of employees and the revision of internal policy in July 2022.

The cost of sales remained at a low rate of **16.2%** which enables proactive investment in customer acquisitions, while there is an increase in R&D members and infrastructure costs for HENNGE One from exchange rate fluctuations.

Structure of Operating Expenses

(QoQ comparison of Q3 FY09/2023 & Q4 FY09/2023)

(unit: JPY million)

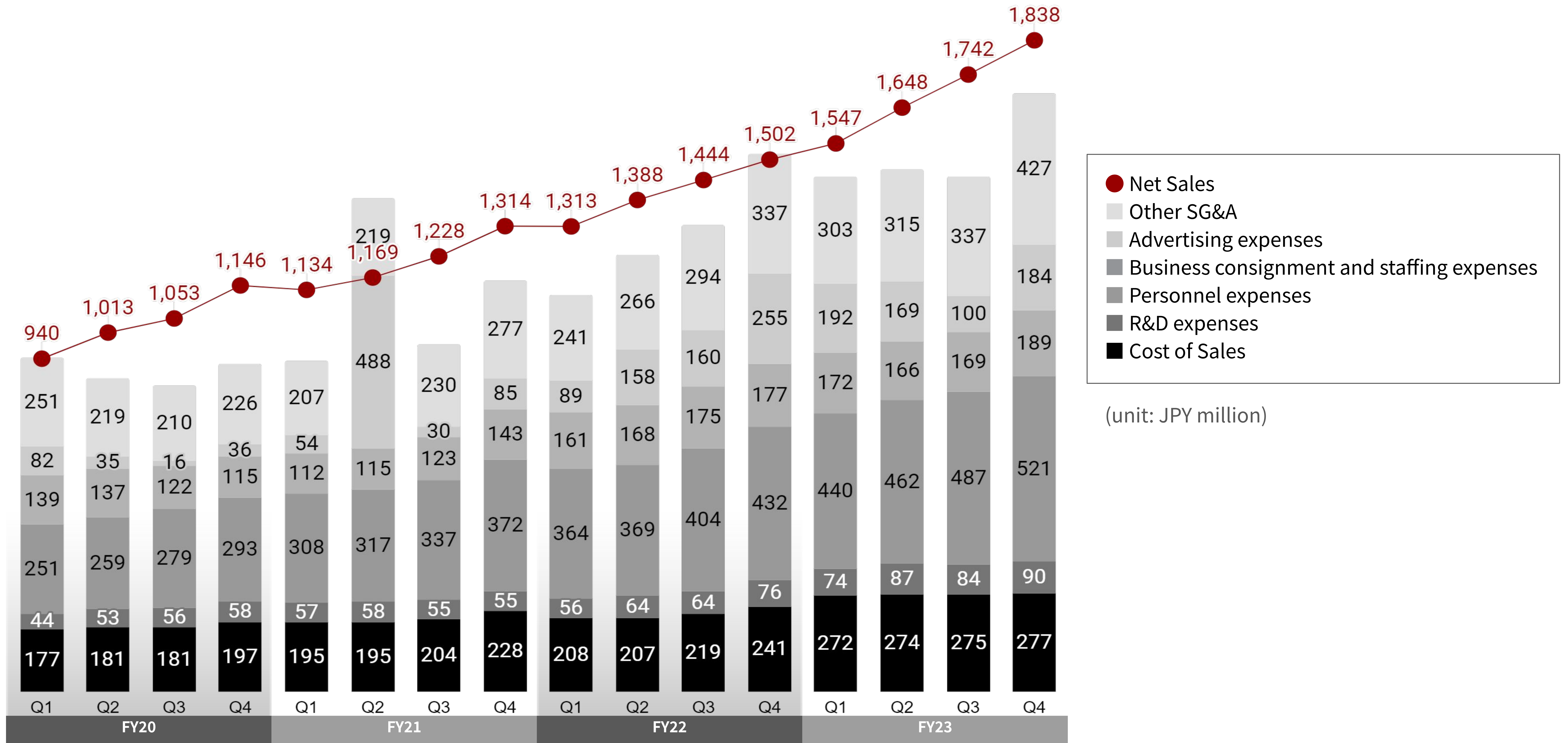


Other SG&A increased QoQ due to the energetic recruitment activities, and an increase in transportation expenses along with increased offline activities.

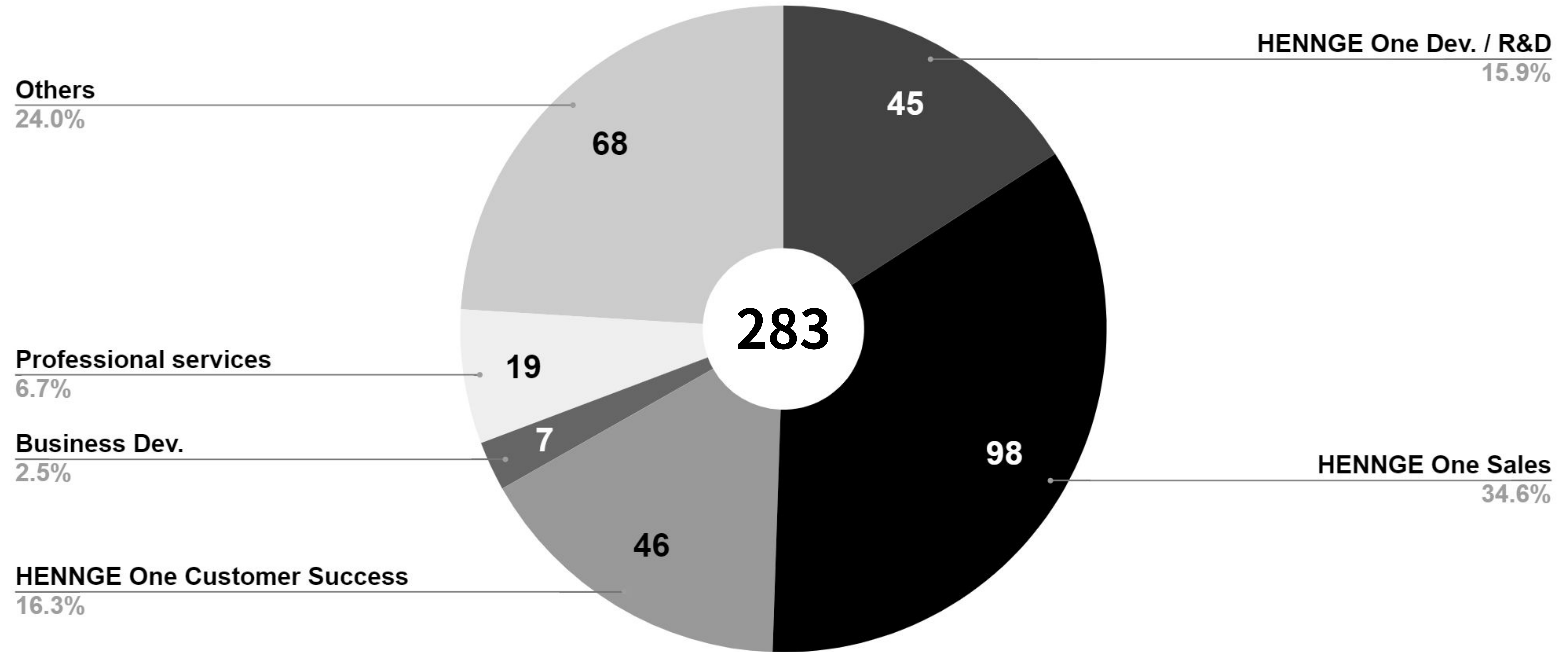
Advertising expenses increased QoQ due to conducting advertising activities aggressively, such as sponsoring and participating in various events and seminars, and conducting out-of-home advertising.

Personnel expenses increased QoQ mainly due to an increase in the number of employees and the introduction of allowance for sales members in April 2023.

Quarterly Trend of Net Sales and Operating Expenses



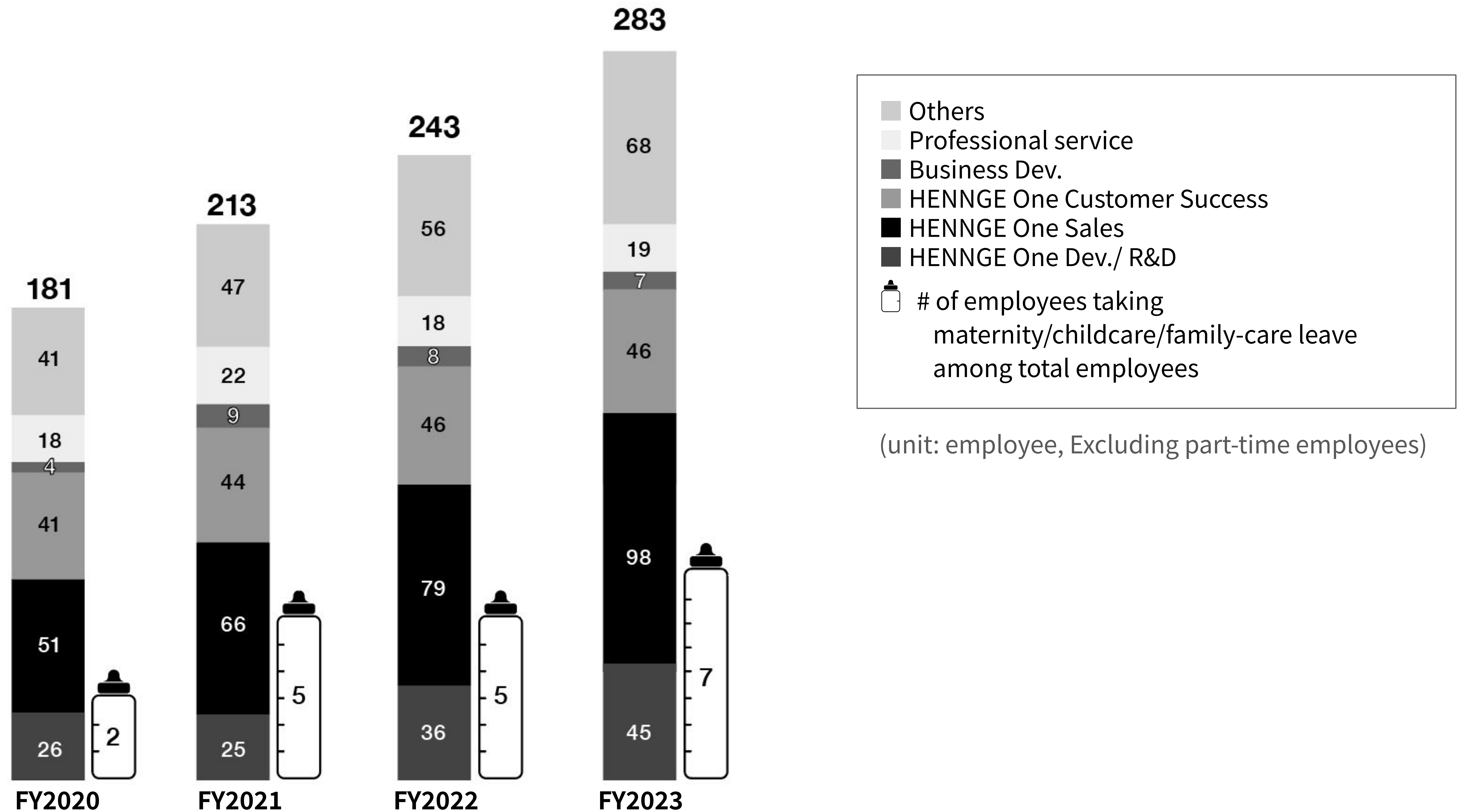
Breakdown of Employees by Function



(Excluding part-time employees, as of 2023-09-30)

Number of Employees

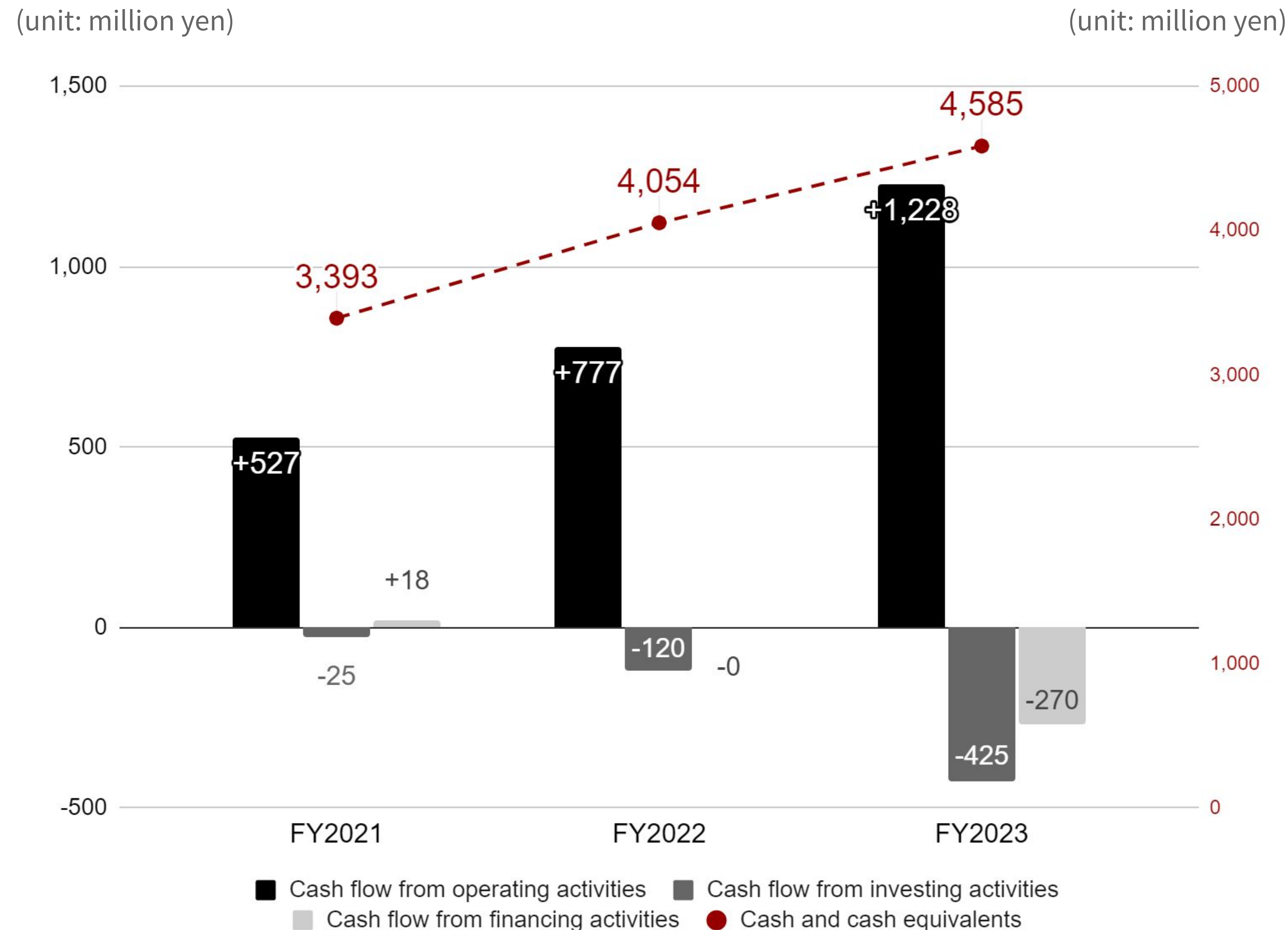
A net increase of 40 employees compared to the end of the previous fiscal year.
Steady progress in recruiting experienced IT sales members, which was the top priority.



(unit: employee, Excluding part-time employees)

Cash Flow Statement

(YoY, 12 months accumulated comparison)



CF from operating activities

Increased by JPY 0.45B YoY, mainly due to most of the income consists of upfront payments for annual contracts of HENNGE One and the number of contracts has increased compared to the previous fiscal year.

CF from investing activities

Decreased by JPY 0.31B YoY mainly due to the investment in new businesses and the renovation of a part of the office to accommodate increased employees.

CF from financing activities

Decreased by JPY 0.27B YoY mainly due to the acquisition of treasury shares for the future use in the stock compensation plan.

FY09/2023
Full-year Consolidated Financial Results
(Business Activities)

Business Highlights

- **Advertisements and events**
 - **Exhibiting and participating in events in Osaka, Nagoya, and Fukuoka, such as “Japan IT Week Nagoya”** (July to September 2023)
 - **Hosting “IT Leaders Roundtable” in Osaka** (August 2023)
 - **Hosting, exhibiting, sponsoring and participating in various events** (July to September 2023)

- **Others**
 - **Capital and business alliance with kickflow, Inc.** (From August 2023)
Additional investment in kickflow, Inc., which provides the cloud workflow service “kickflow” on the premise of a business alliance.
 - **Announcement of the new license lineup of HENNGE One from April 2024** (August 2023)

Advertising Activities in Q4 FY2023

In Q4, we carried out the multi-layered advertising activities in accordance with the initial plan for FY23, such as exhibitions and advertisements at Haneda Airport.

Exhibition at “Japan IT Week Nagoya” (July 2023)



Out-of-home advertising, etc. (September 2023)



Renewal of Service Lineup for HENNGE One

The several license lineups for HENNGE One will be revised from April 2024.

Set plan	Description	Current Price (excl. tax)	New Price (excl. tax)
HENNGE One Basic	A set plan that offers the best value when implementing all the features of HENNGE One at once (with limited use of Certificates, Lock Plus, and Cloud Protection)	@JPY600/mon	@JPY800/mon
HENNGE One Pro		@JPY1000/mon	

Single-function plan	Description	Current Price (excl. tax)	New Price (excl. tax)
HENNGE IdP Lite	SSO/IP address control/OTP/AD Connect etc.	@JPY150/mon	Termination (Migrate to HENNGE IdP)
HENNGE IdP	Lite function/Device certificates/Support Plus/Lock Plus etc.	@JPY300/mon	
HENNGE IdP Pro	IdP/Secure browser/Additional device certificates etc.	@JPY500/mon	
HENNGE DLP	Delayed sending/Filtering etc.	@JPY300/mon	@JPY350/mon
HENNGE ARC	Archive etc.	@JPY300/mon	@JPY350/mon
HENNGE Cloud Protection	Behavior detection/Sandbox etc.	@JPY200/mon	

FY09/2023
Full-year Consolidated Financial Results
(KPI Results)

HENNGE One KPI Highlights

(Progress in 12 months, compared to the end of FY09/2022)

of user companies (N)

2,610 companies
increased by **397** companies

of contracted users

2.38M users
increased by **56K** users

ARR

JPY 6.93B
increased by **JPY 1.33B**

ARPU

JPY 2,910
increased by **JPY 501**

Average # of users (n)

912 users
decreased by **138** users

Average monthly churn rate
over the past 12 months

0.27%
rose by **0.06pts**

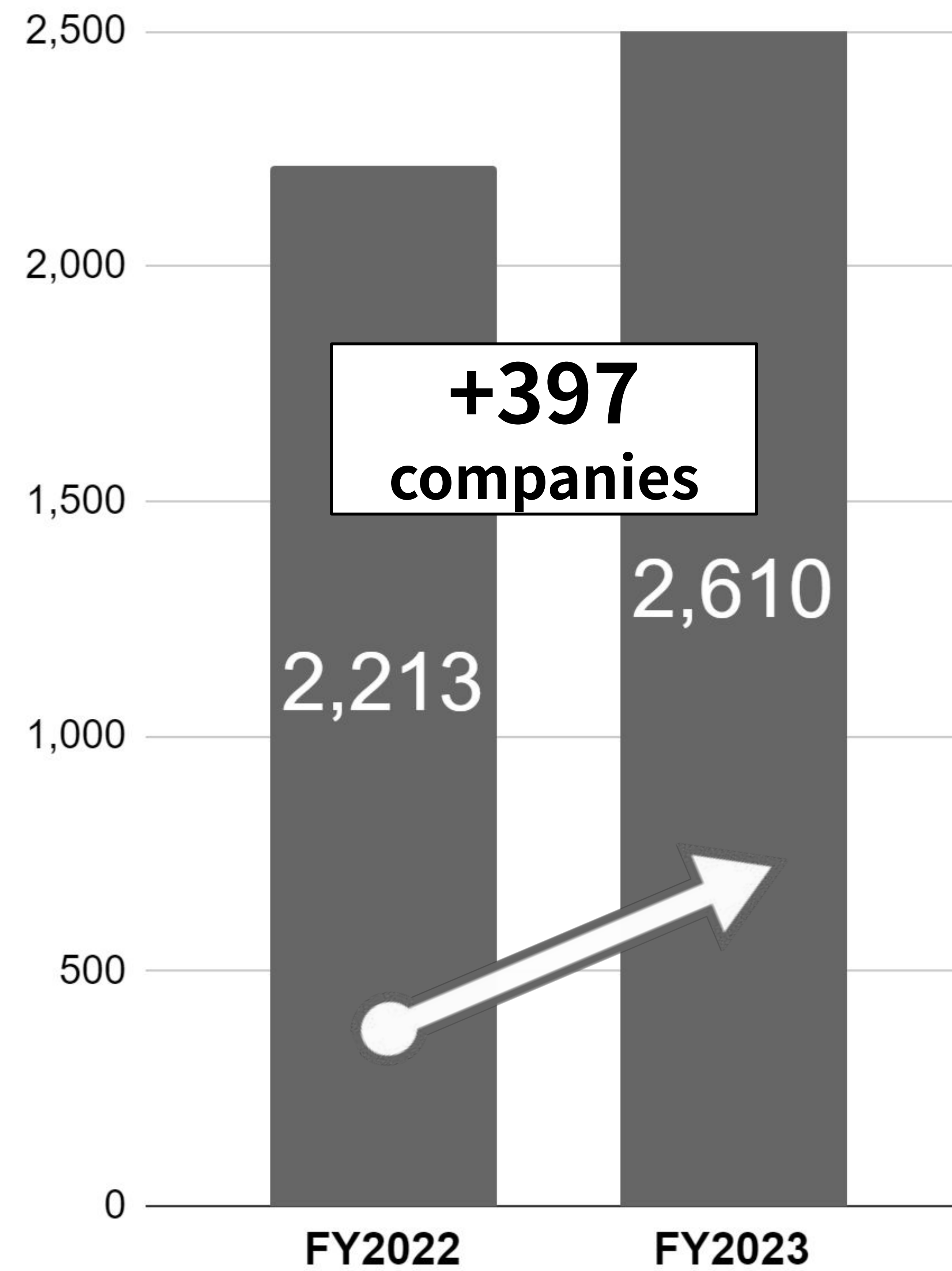
HENNGE One KPI

(YoY, compared to the end of Q4 FY09/2022)

of contracted companies

YoY **+17.9%**

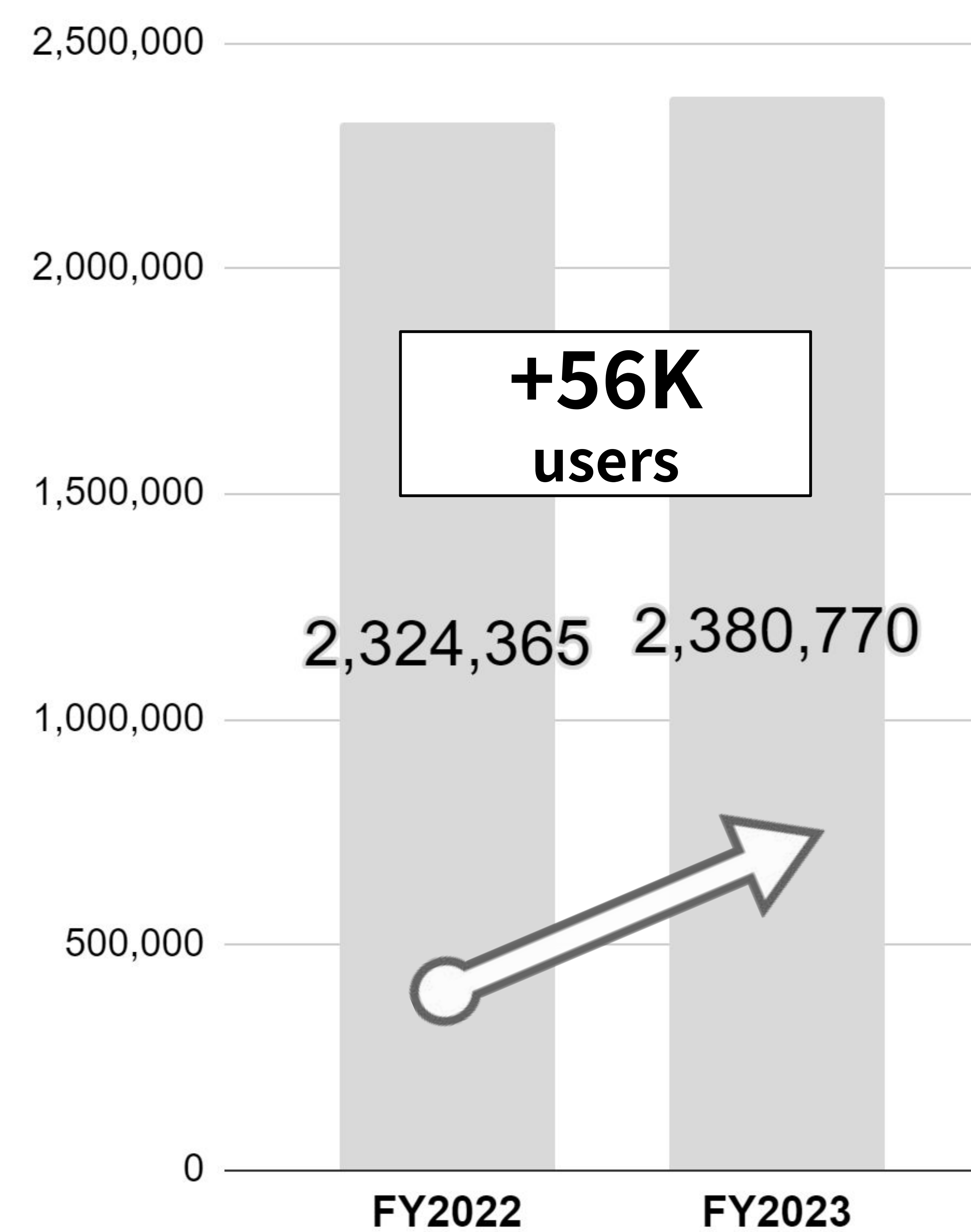
(unit: companies)



of contracted users

YoY **+2.4%**

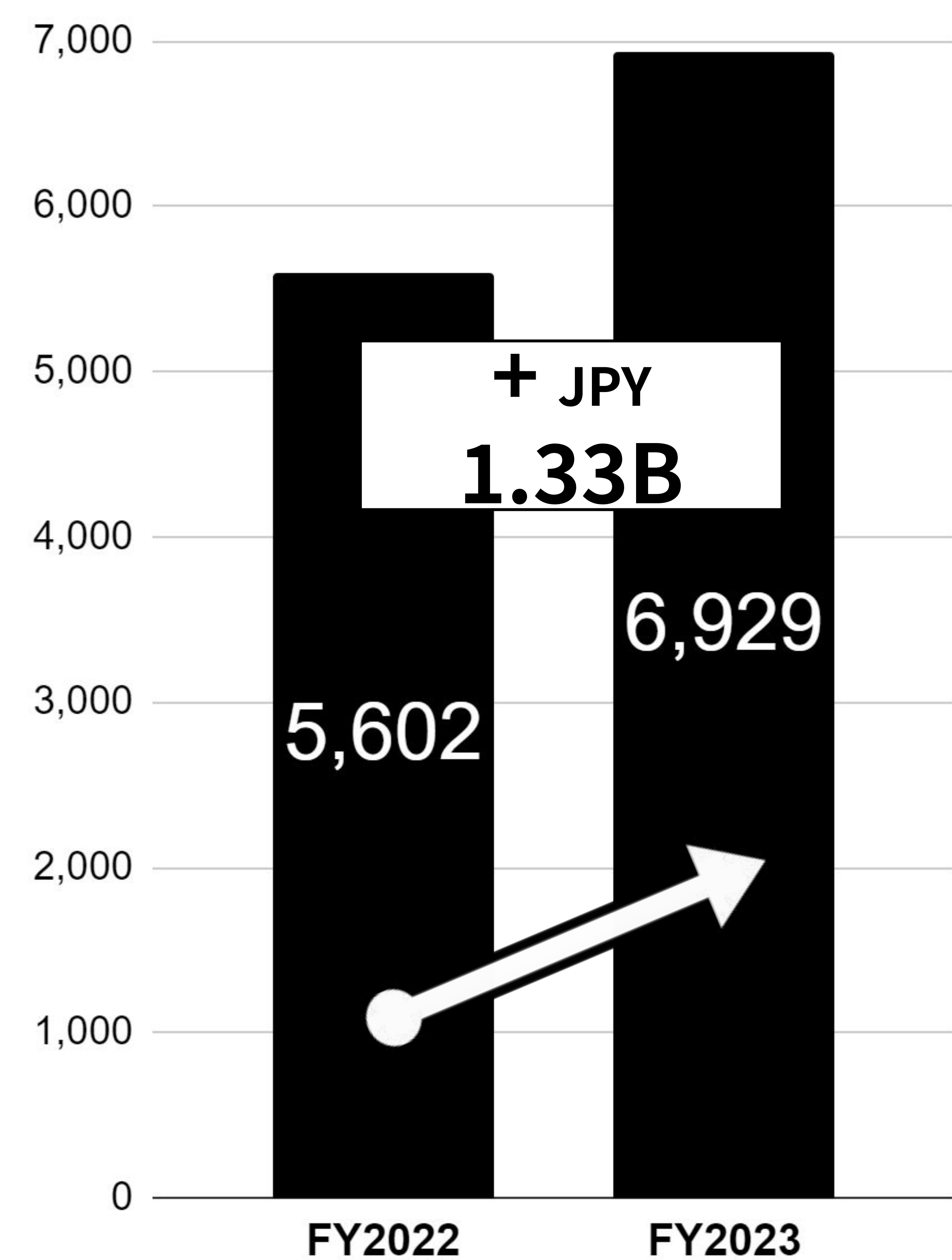
(unit: users)



ARR

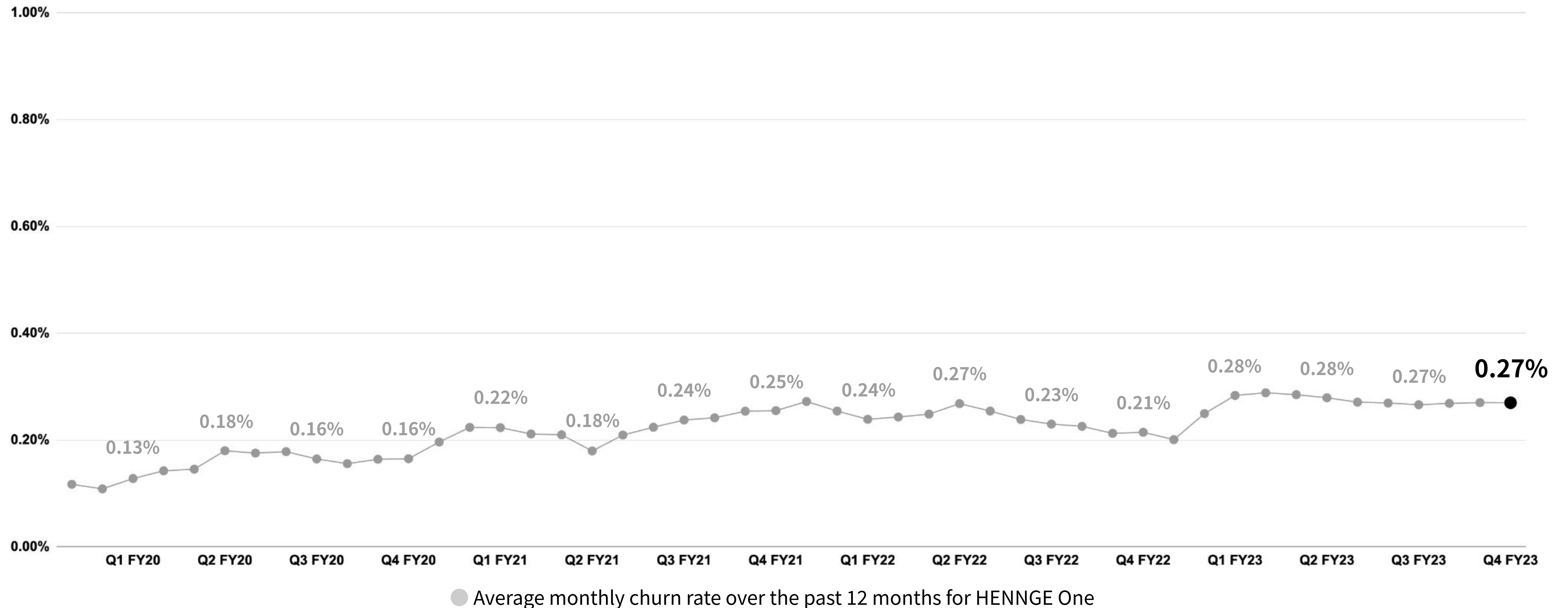
YoY **+23.7%**

(unit: JPY million)



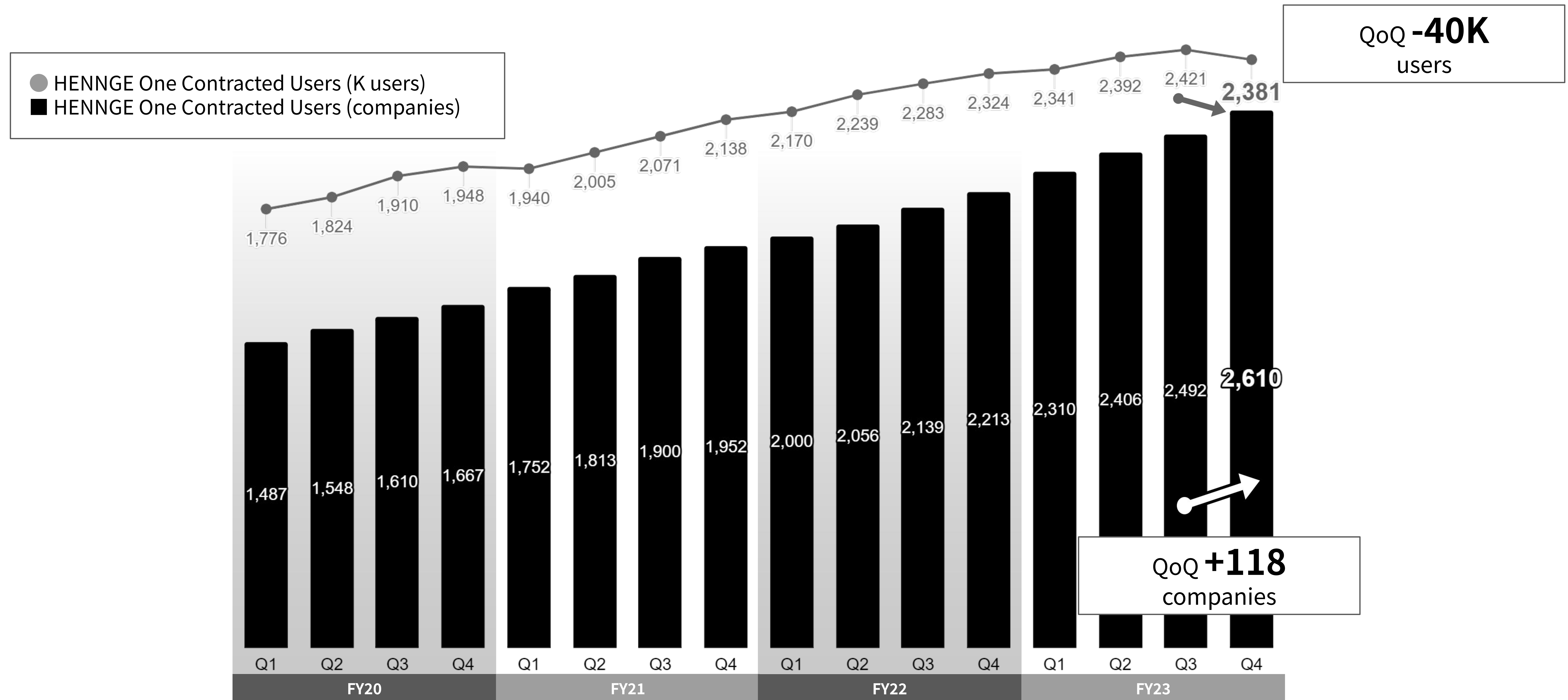
HENNGE One Gross Revenue Churn Rate

From Q1 FY23, besides the conventional reasons for our cancellations, there were some cancellations triggered by the migration to new license lineups. Still, we maintain a stable and sustainable growth model with a low churn rate.



HENNGE One Contracted Companies & Users

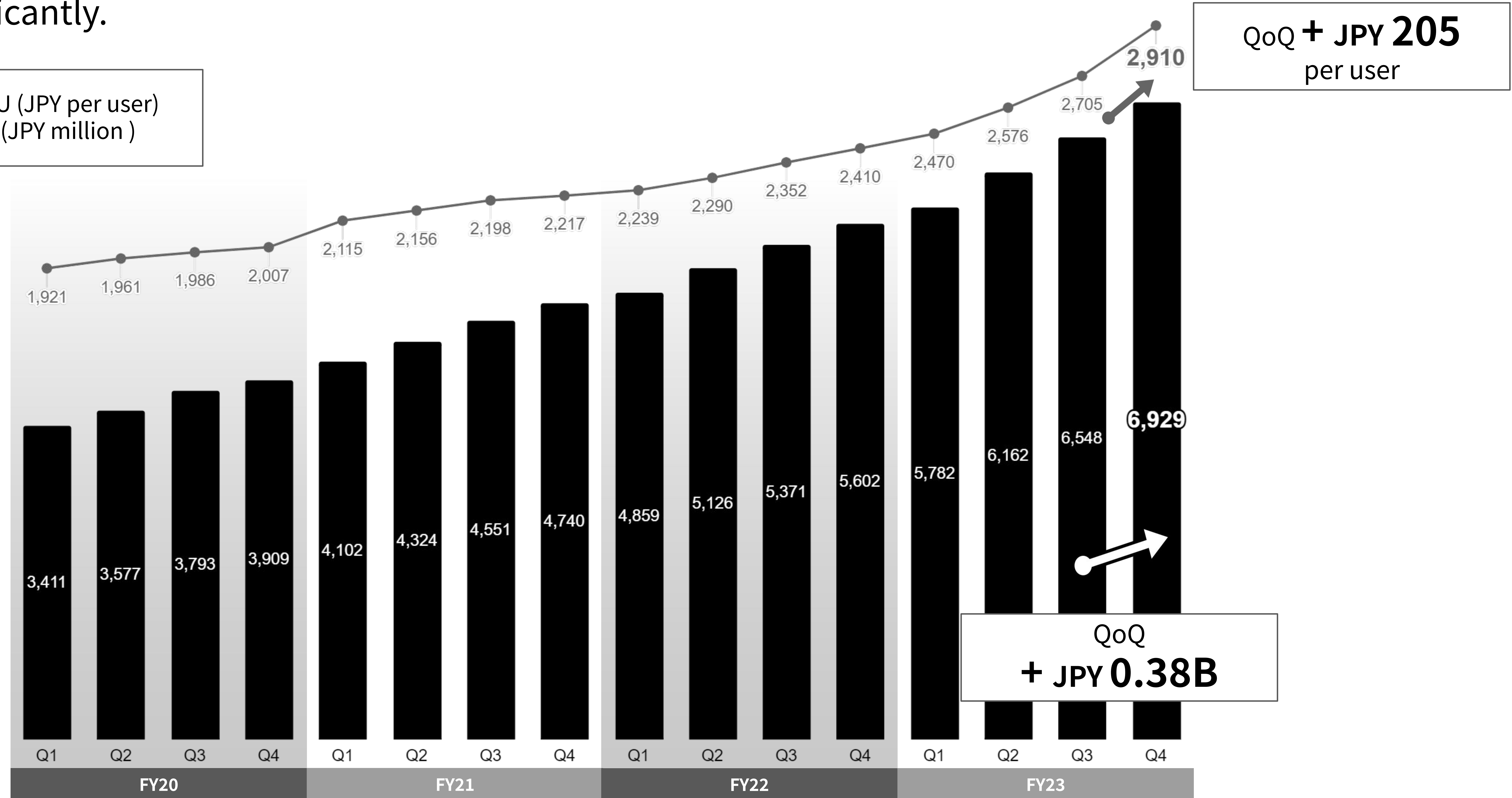
Relatively small contracts were acquired stably, resulting in a steady increase in the number of contracted companies.



HENNGE One ARR & ARPU

ARPU increased significantly due to providing new license lineups to new/existing customers and special factor(P.25).
ARR increased significantly.

● HENNGE One ARPU (JPY per user)
■ HENNGE One ARR (JPY million)

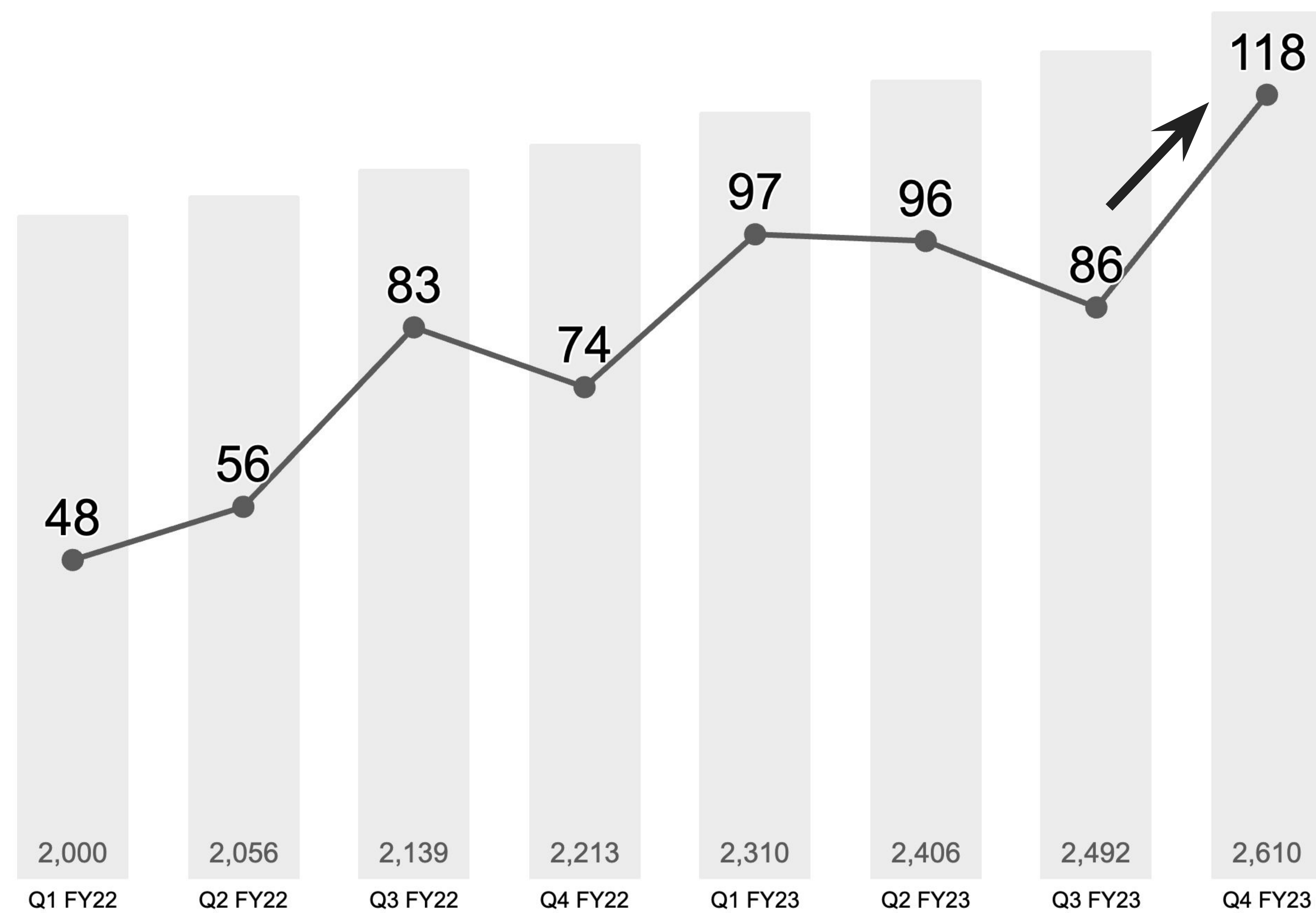


The Decrease in the Number of Contracted Users for HENNGE One

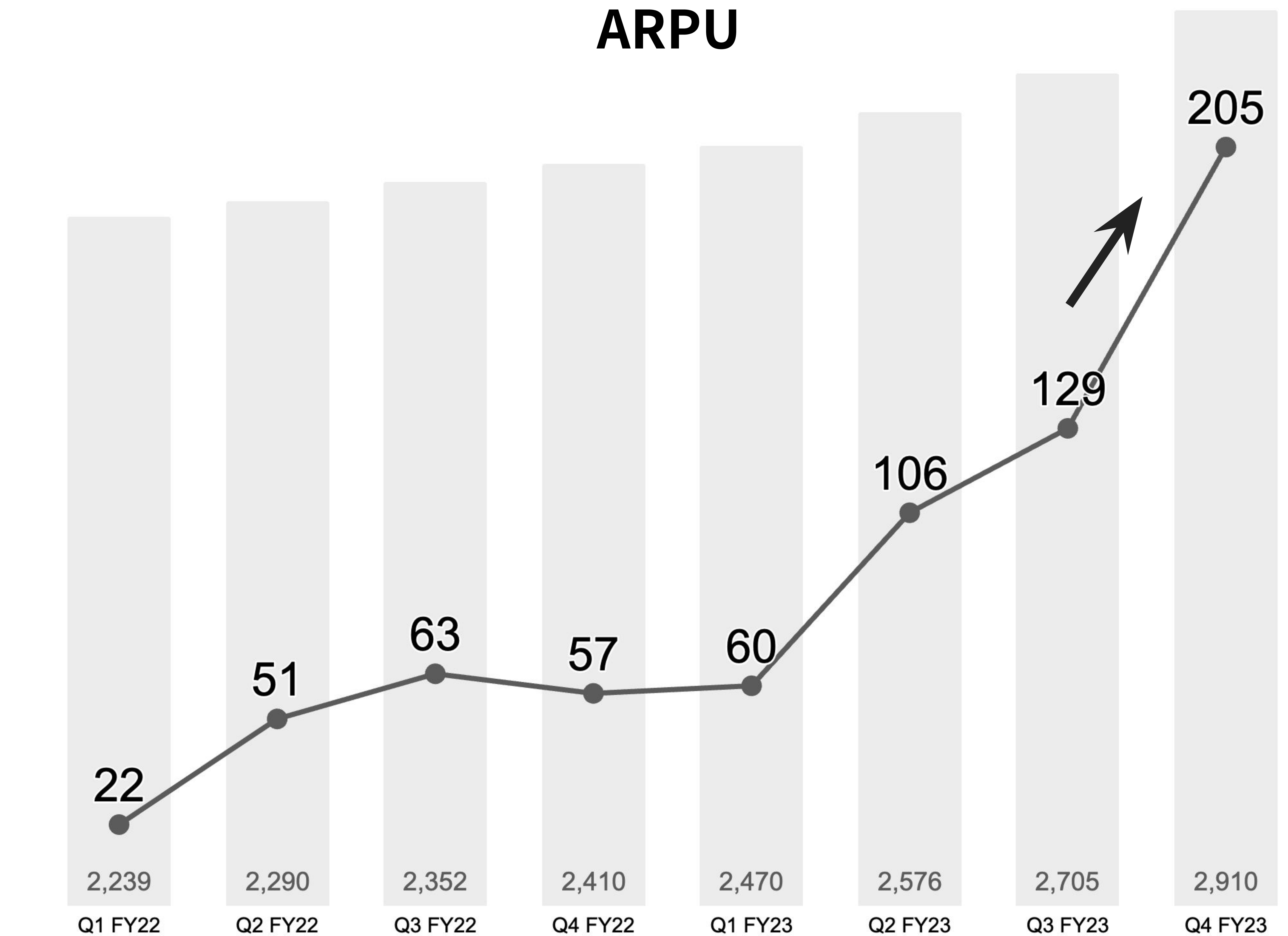
Associated with plan change, # of users for one educational institution decreased from 90K to 3K due to changes in the users to be charged.

This is a very special case and our activities to acquire new customers are progressing well.

Quarterly change in # of contracted companies



Quarterly change in ARPU



■ # of HENNGE One contracted companies ● Quarterly change in N

■ HENNGE One ARPU(yen per user) ● Quarterly change in ARPU(yen per user)

FY09/2024 Full-year Forecasts

Our Policy of FY2024

To accelerate mid-term growth in HENNGE One ARR, continuously developing new features and services, providing them to customers, and building a more solid organization by enhancing our talent acquisition capability.

HENNGE One Business

Achieve the sustained annual ARR growth of more than 20% by increasing the number of contracted companies and ARPU.

Marketing Activities

Carry out various advertising activities such joint events with resellers in order to capture the demand for security that increases year by year. Also hold various events to raise awareness of HENNGE.

Personnel plan

Actively recruit in each function and aim to exceed 50 headcounts increase in net. Promote recruitment with a view to building an organization which enables us to create higher value. We will keep considering various actions which will contribute to our talent acquisition enhancement.

Overview of FY2024 Forecasts

(unit: JPY million)	FY22 Result	FY23 Result	FY24 Forecast	YoY	YoY (%)
Net sales	5,646	6,776	8,316	+1,541	+22.7%
(HENNGE One)	5,166	6,250	7,760	+1,510	+24.2%
(Professional service and others)	480	526	556	+30	+5.8%
Operating expenses	5,184	6,068	7,372	+1,304	+21.5%
Operating income	462	708	945	+237	+33.5%
(Operating income margin)	(8.2%)	(10.4%)	(11.4%)		(+0.9pt)
Ordinary income	452	713	945	+232	+32.5%
Profit attributable to owners of parent	321	509	633	+124	+24.4%
(Net income margin)	(5.7%)	(7.5%)	(7.6%)	(8.1%)	(+0.1pt)

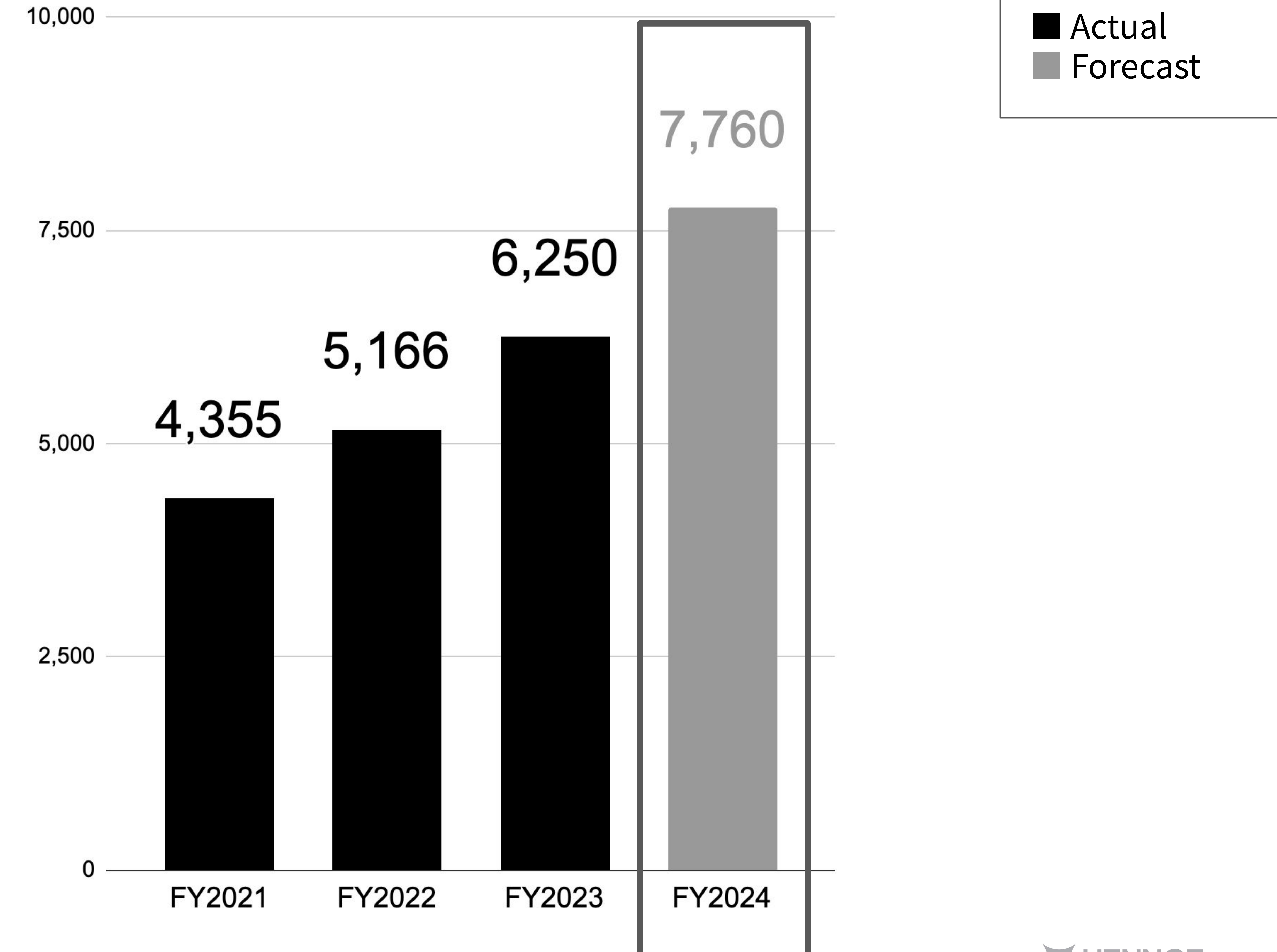
1. The sales of HENNGE One, our key driver of growth, is expected to **grow** by **24.2%** YoY. The sales of Professional service and others is expected to **grow** by **5.8%** YoY.
2. The net sales is expected to **grow** by **22.7%** YoY, and the operating income is expected to **increase** by **33.5%** YoY.

FY2024 Forecasts of Sales by Business

Sales of HENNGE One business is expected to grow by 24.2% YoY to 7.76B yen.

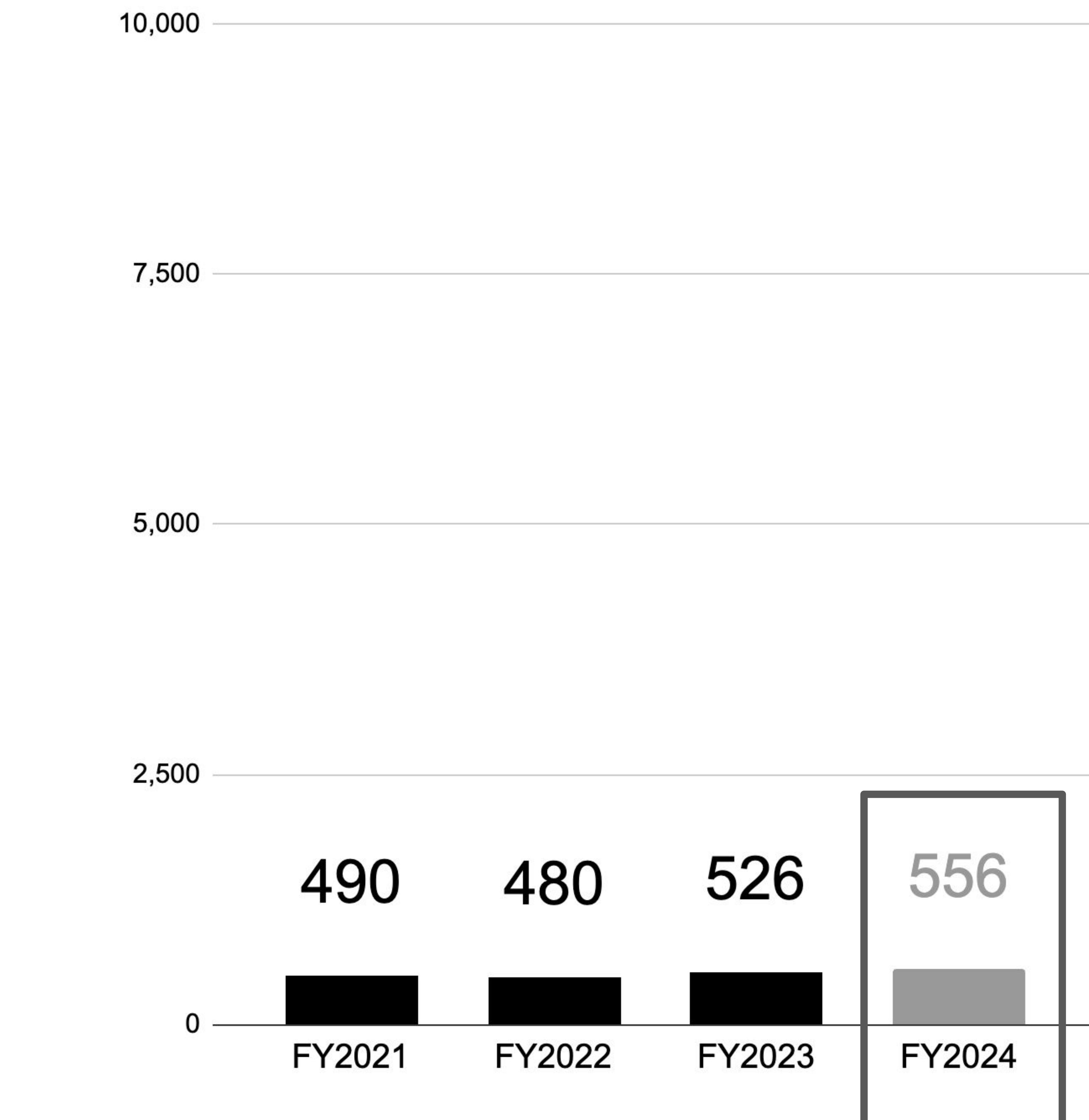
HENNGE One

(unit: JPY million)



Professional service and others

(unit: JPY million)



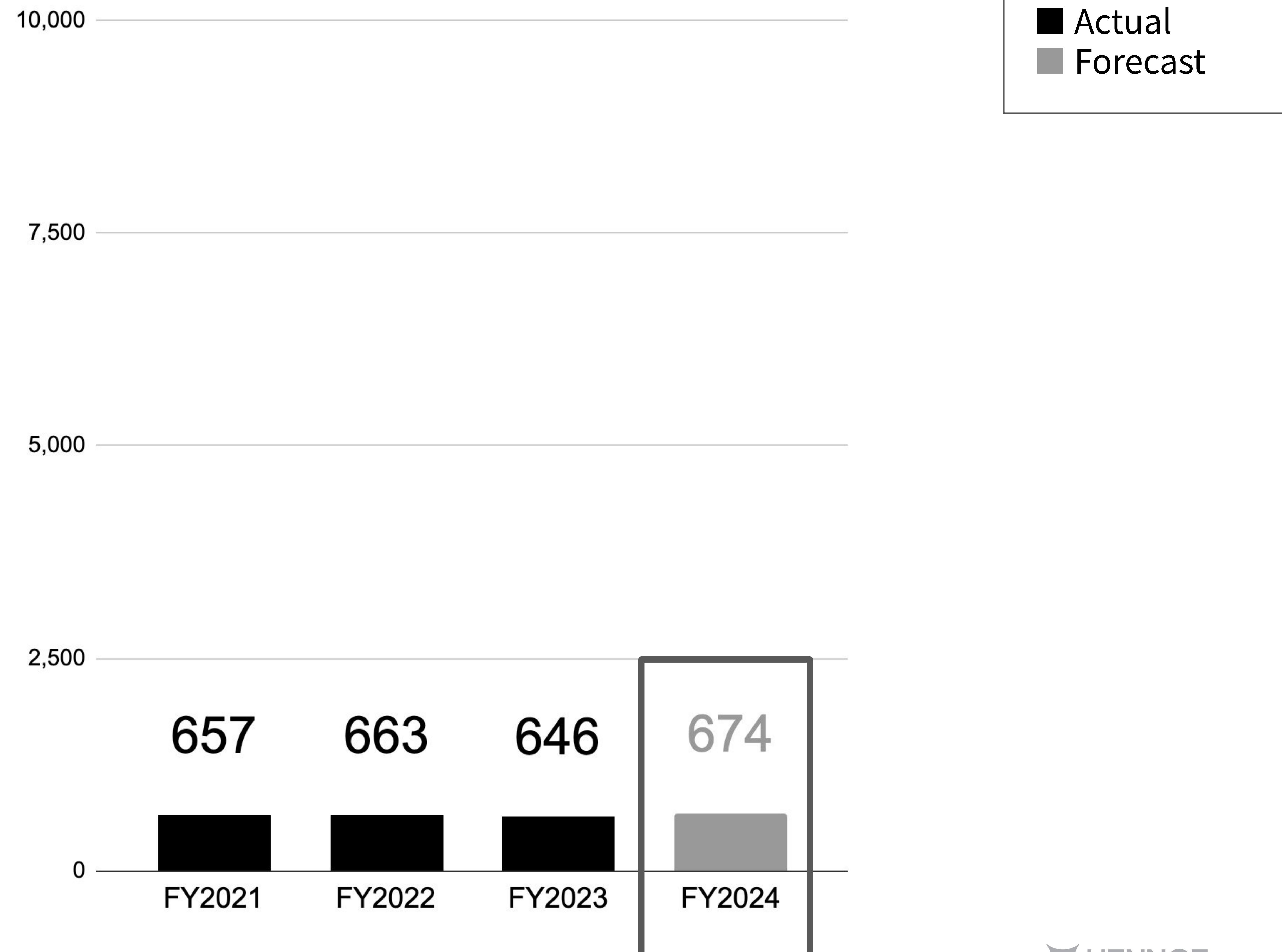
FY2024 Forecasts of Operating Expenses

Advertising expenses is expected to increase by 4.4% YoY to 0.67B yen.

Operating expenses excluding advertising expenses is expected to increase by 23.5% to 6.69B yen.

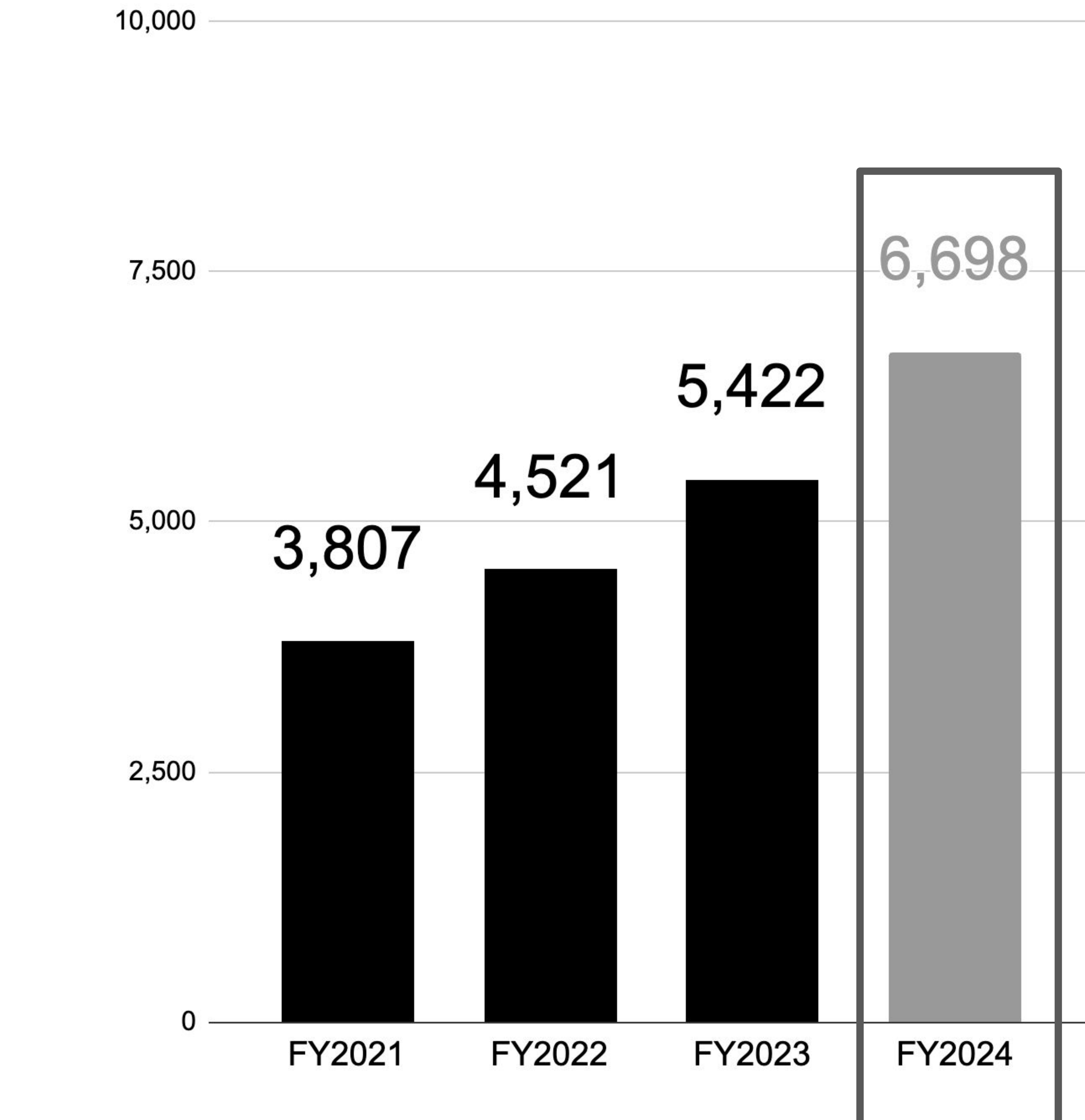
Advertising expenses

(unit: JPY million)



Operating expenses excl. advertising expenses

(unit: JPY million)



Growth Strategy

Corporate Philosophy

We want to deliver the power of technology as many people as we can.

Liberation of Technology

テクノロジーの解放

Maximize LTV

Our growth strategy is to maximize LTV.

Currently, Y and r are already in a high number, therefore our focus is to maximize ARR.

$$\mathbf{LTV = ARR \times Y \times r}$$

Y = [Average contract duration in years]

r = [Gross profit rate]

$$\mathbf{ARR = N \times n \times ARPU}$$

N = [# of contracted companies]

n = [Average # of contracted users per contracted company]

ARPU = [Average Revenue Per User]

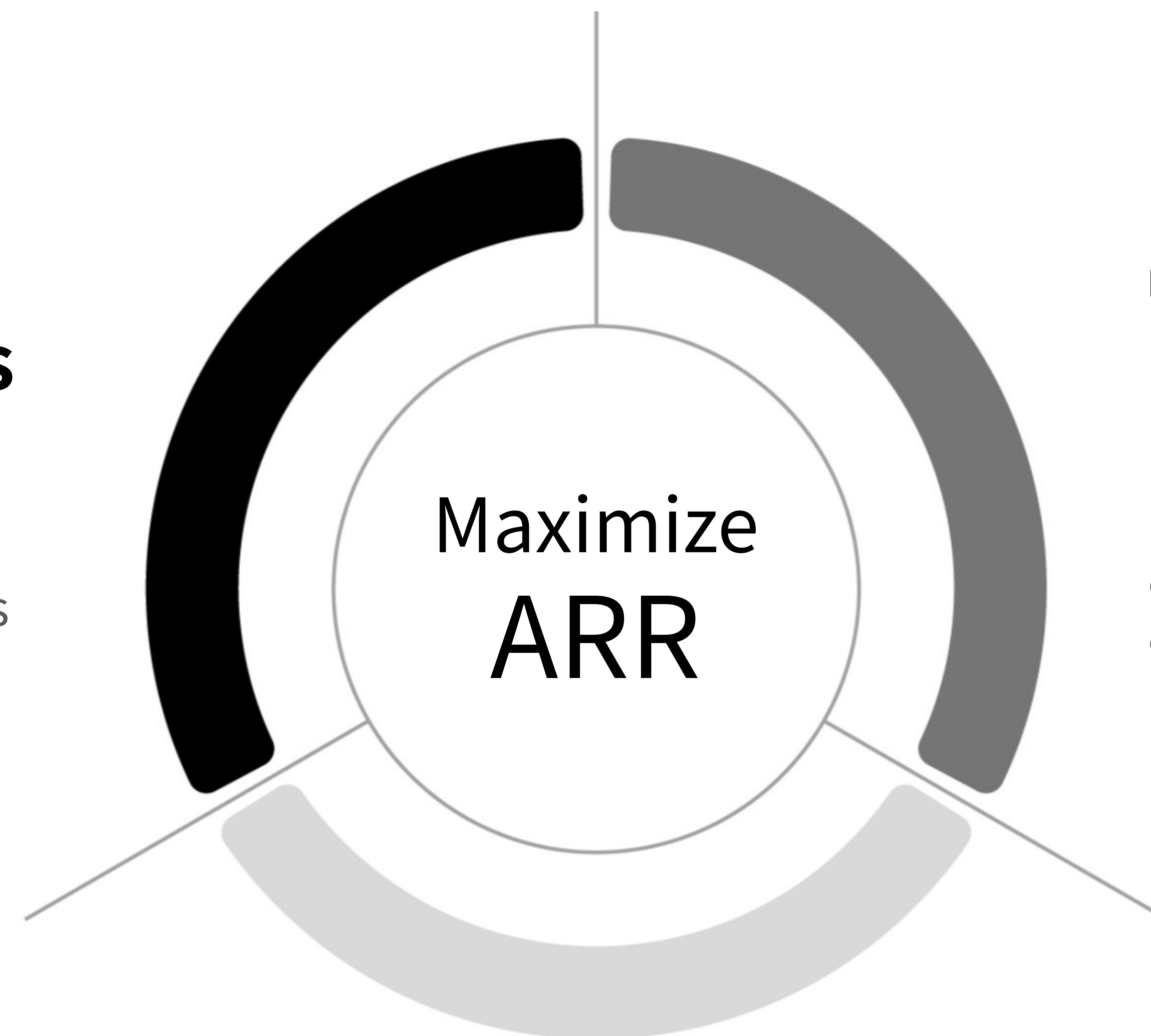
Maximize ARR

$$ARR = N \times n \times ARPU$$

maximize **N**

N = # of contracted companies

- Increase our sales force
- Extend our presence in a wider region
- Strengthen the partnership with our resellers



maximize **n**

n = Average # of contracted users per contracted company

- Approaching large companies
- Promote customer success activities

maximize **ARPU**

ARPU = Average Revenue Per User

- Create added value such as new features and new services

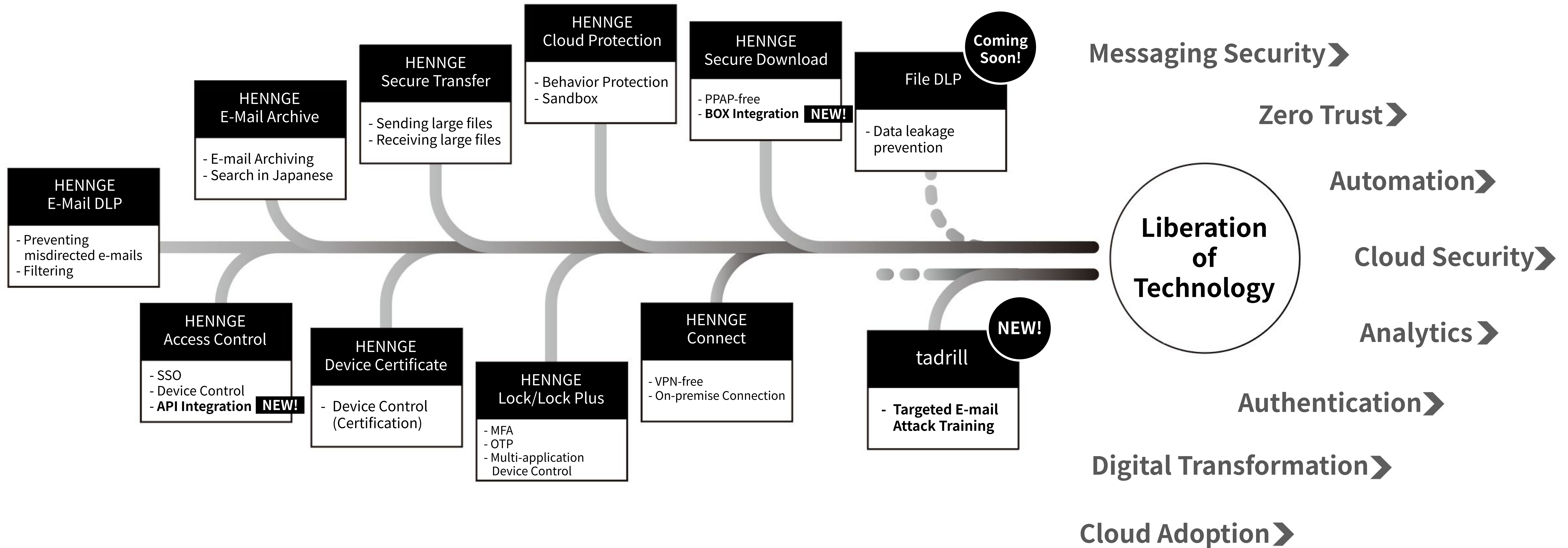
Progress of Our Growth Strategy (HENNGE One)

Aim to accelerate ARR growth by focusing on increasing N and ARPU.

	ARR			N			n			ARPU		
	ARR	YoY (%)	YoY	# of contracted companies	YoY (%)	YoY	Average # of contracted users per contracted company	YoY (%)	YoY	Average Revenue Per User	YoY (%)	YoY
	(JPY million)			(companies)			(users)			(JPY)		
FY2015	880		=	399		×	1,095		×	2,015		
		+56.5%	+318		+72.0%	+167		-7.8%	-93		-1.3%	-27
FY2016	1,288		=	642		×	1,018		×	1,970		
		+46.3%	+407		+60.9%	+243		-7.0%	-76		-2.2%	-45
FY2017	1,898		=	928		×	1,107		×	1,848		
		+47.4%	+611		+44.5%	+286		+8.7%	+89		-6.2%	-122
FY2018	2,552		=	1,176		×	1,166		×	1,861		
		+34.4%	+653		+26.7%	+248		+5.3%	+59		+0.7%	+13
FY2019	3,240		=	1,428		×	1,171		×	1,938		
		+27.0%	+688		+21.4%	+252		+0.4%	+5		+4.2%	+77
FY2020	3,909		=	1,667		×	1,169		×	2,007		
		+20.7%	+670		+16.7%	+239		-0.2%	-2		+3.5%	+68
FY2021	4,740		=	1,952		×	1,095		×	2,217		
		+21.2%	+830		+17.1%	+285		-6.3%	-73		+10.5%	+210
FY2022	5,602		=	2,213		×	1,050		×	2,410		
		+18.2%	+862		+13.4%	+261		-4.1%	-45		+8.7%	+193
FY2023	6,929		=	2,610		×	912		×	2,910		
		+23.7%	+1,328		+17.9%	+397		-13.2%	-138		+20.8%	+501

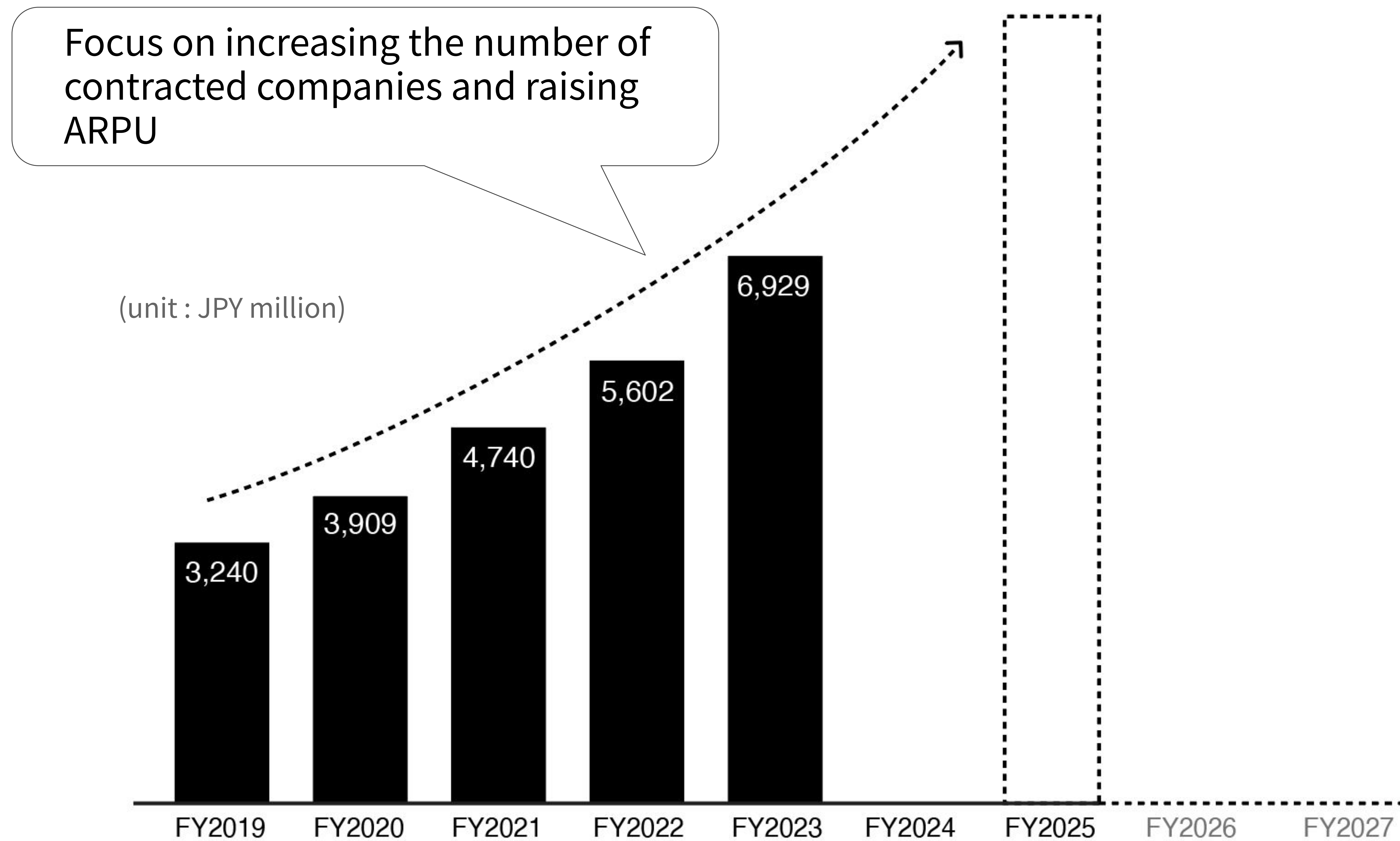
HENNGE One Family, Supporting Customers' Change

Supporting customers' SaaS utilization and continuously liberate technology.



Growth Strategy

By FY25, having HENNGE One ARR growth at mid-20% in CAGR, we aim to exceed JPY 10B for HENNGE One ARR.





HENNGE

Appendix (Corporate Overview)

Corporate Profile

Company name : HENNGE K.K.

Executives :

Kazuhiro Ogura
 Representative Director, President and CEO/CTO
 Kazuaki Miyamoto
 Representative Director, Executive Senior Vice President
 Yoshiki Nagatome
 Director, Executive Senior Vice President
 Haruo Amano
 Director, Executive Senior Vice President

Mio Takaoka Outside Director
 Michiko Kato Outside Director

Fumiaki Goto Auditor
 Akenobu Hayakawa Auditor
 Kunihiro Onai Auditor

Founded on : November 5, 1996

of employees : 283 (as of 2023-09-30, excluding part-time employees)



Locations

Japan



Taiwan



Corporate Philosophy

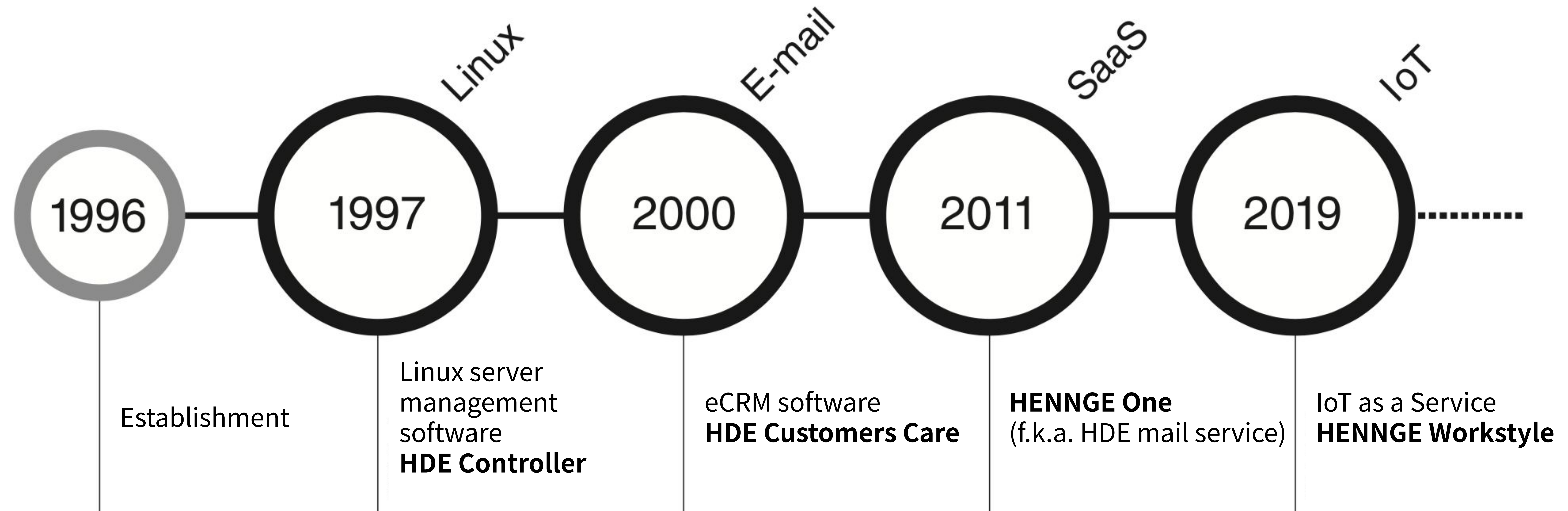
We want to deliver the power of technology as many people as we can.

Liberation of Technology

テクノロジーの解放

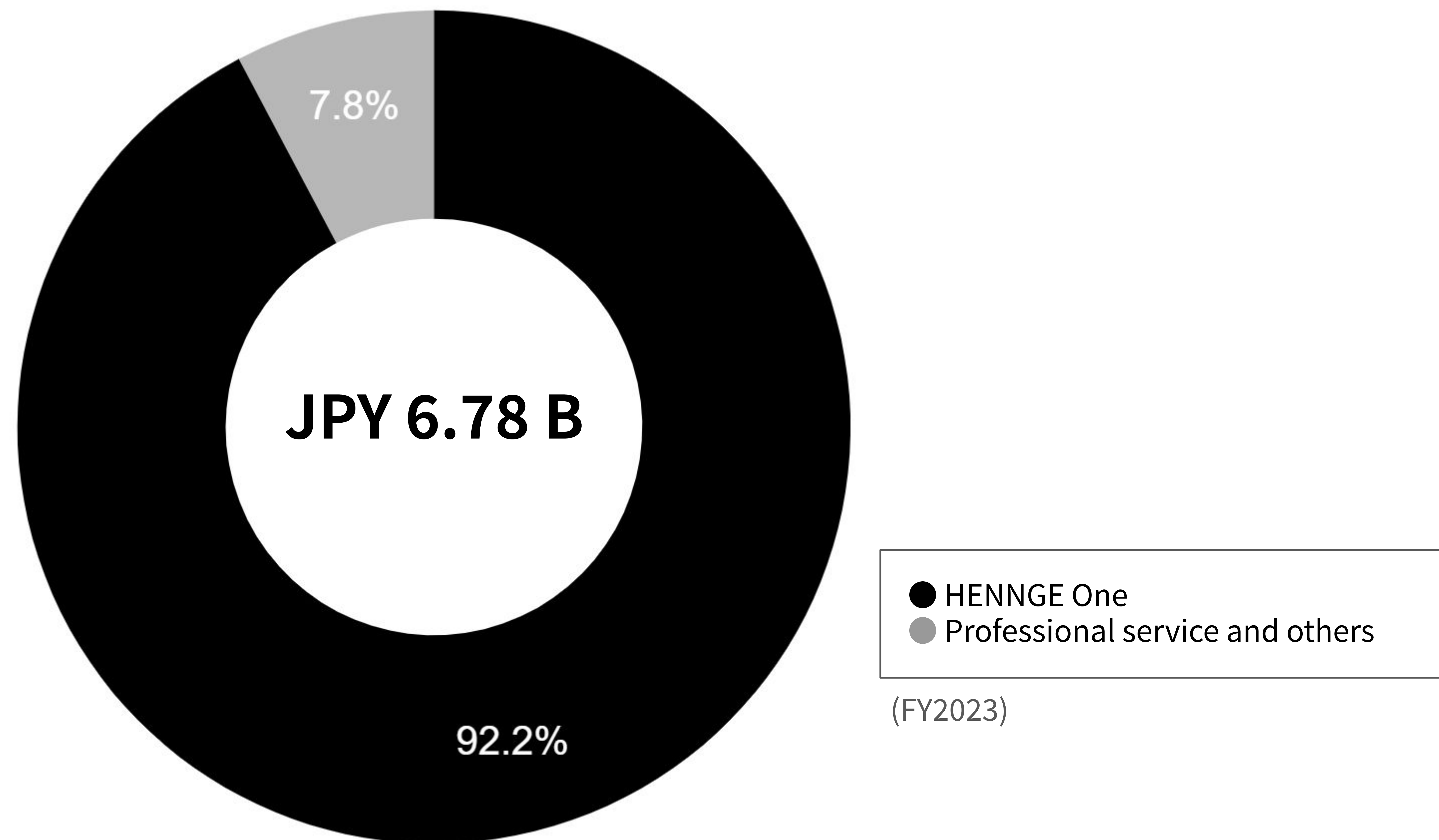
History

Our business domain is ever-changing, but our will remains steadfast.



Sales Structure by Business

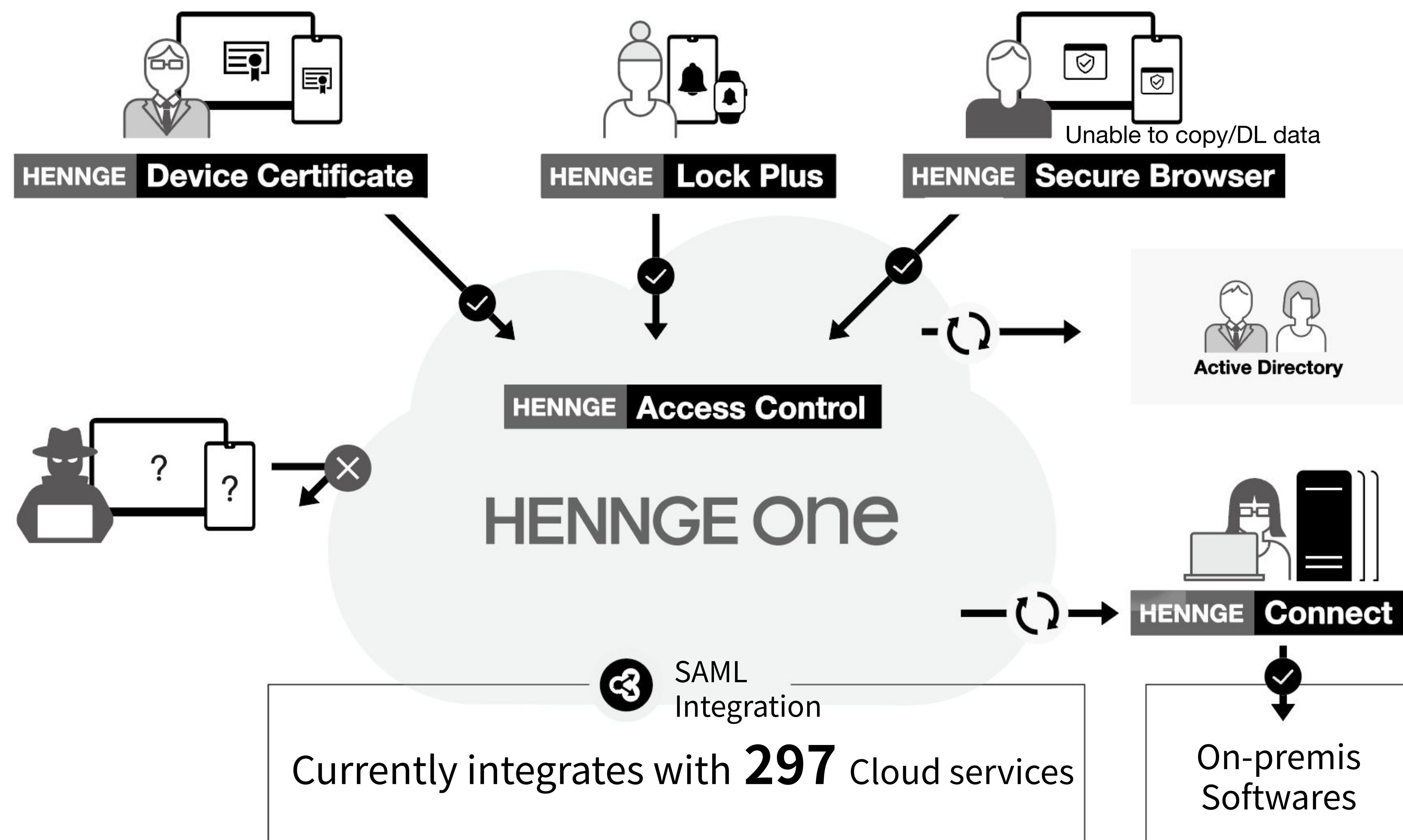
92.2% of the net sales comes from HENNGE One business.



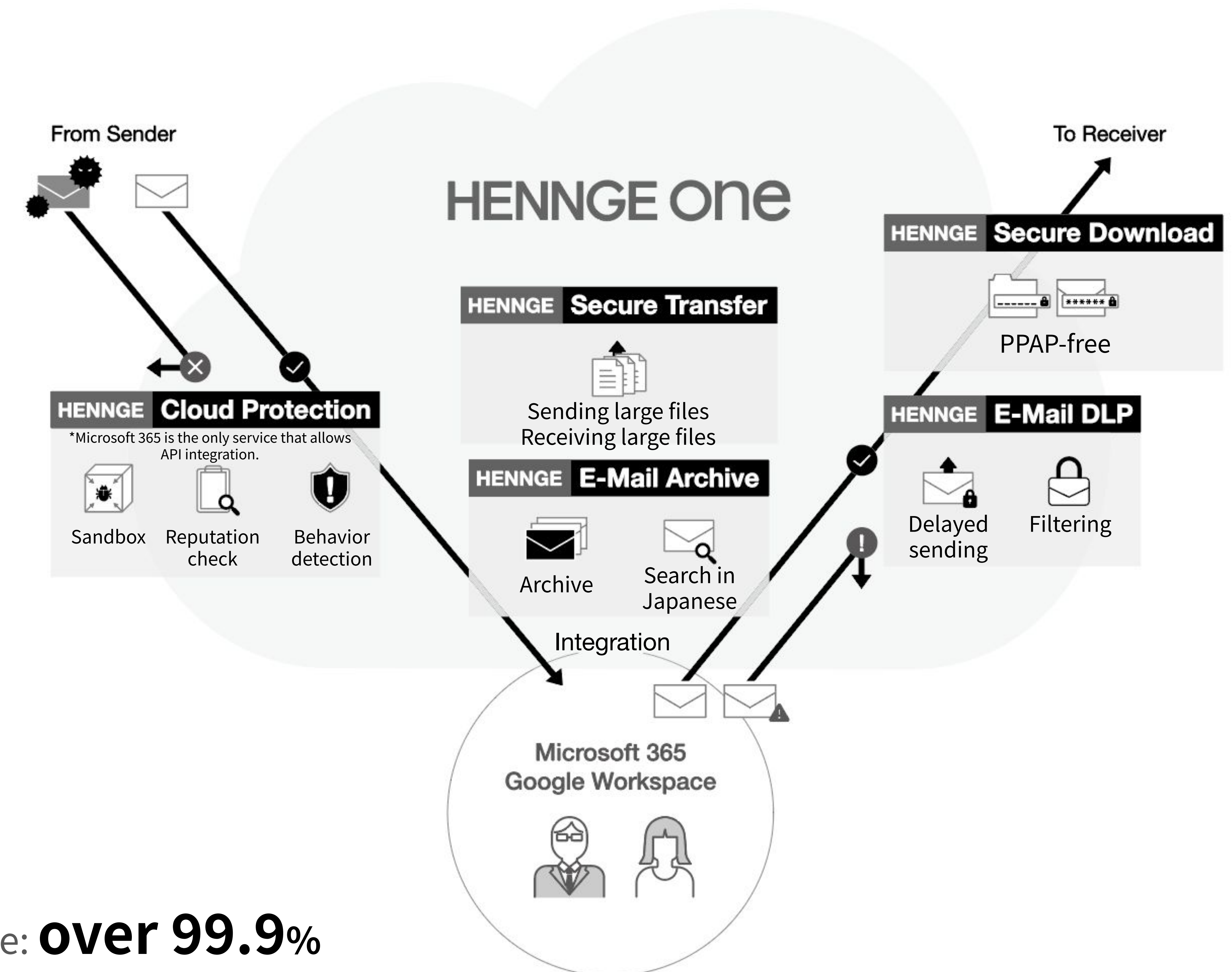
HENNGE One

Provide services that remove obstacles for companies trying to improve productivity by adopting cloud in one-stop. Enhance security and usability of cloud to all the employees by having company-wide implementation.

IdP Features



E-Mail Security Features

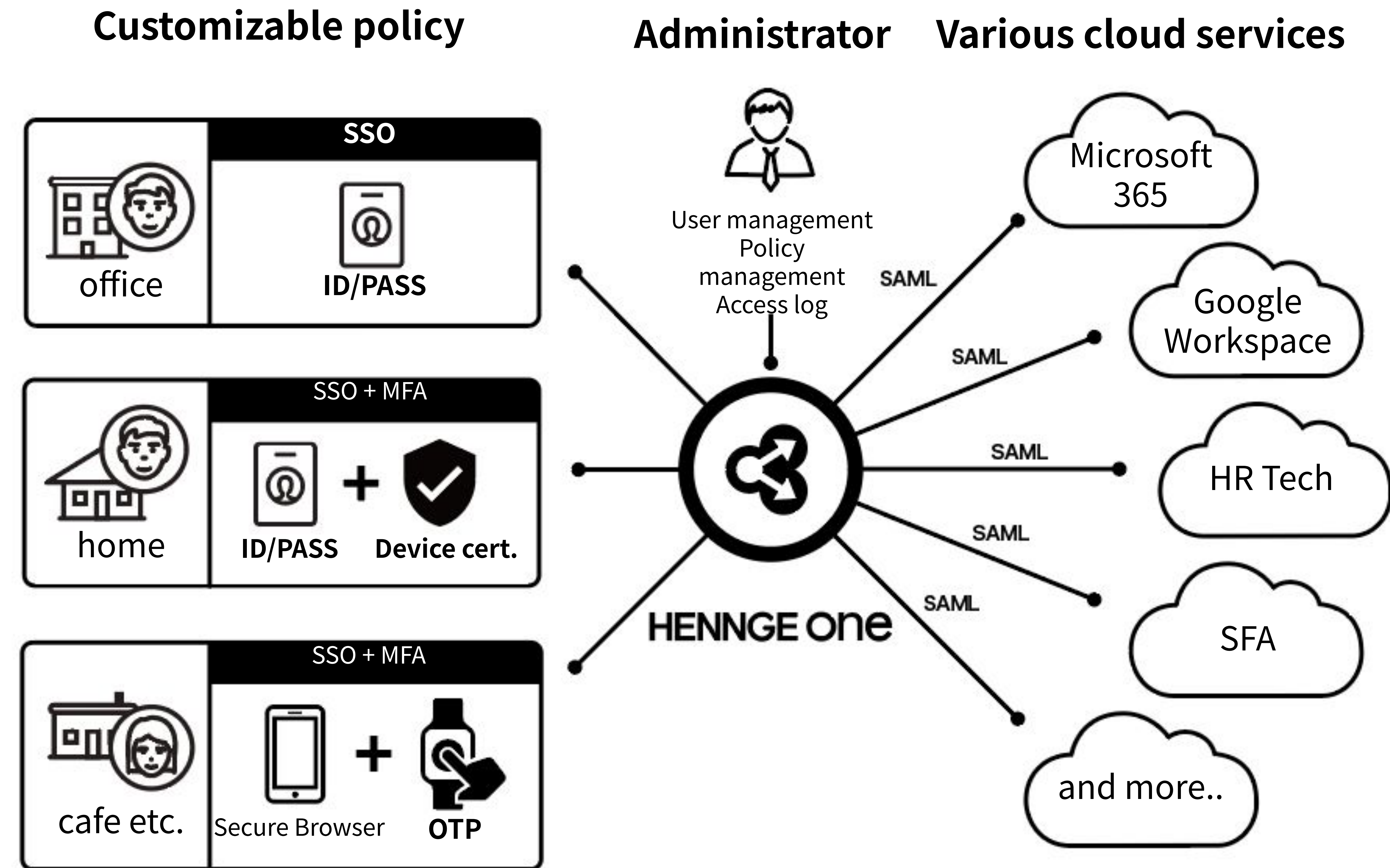


HENNGE One's service availability rate: **over 99.9%**

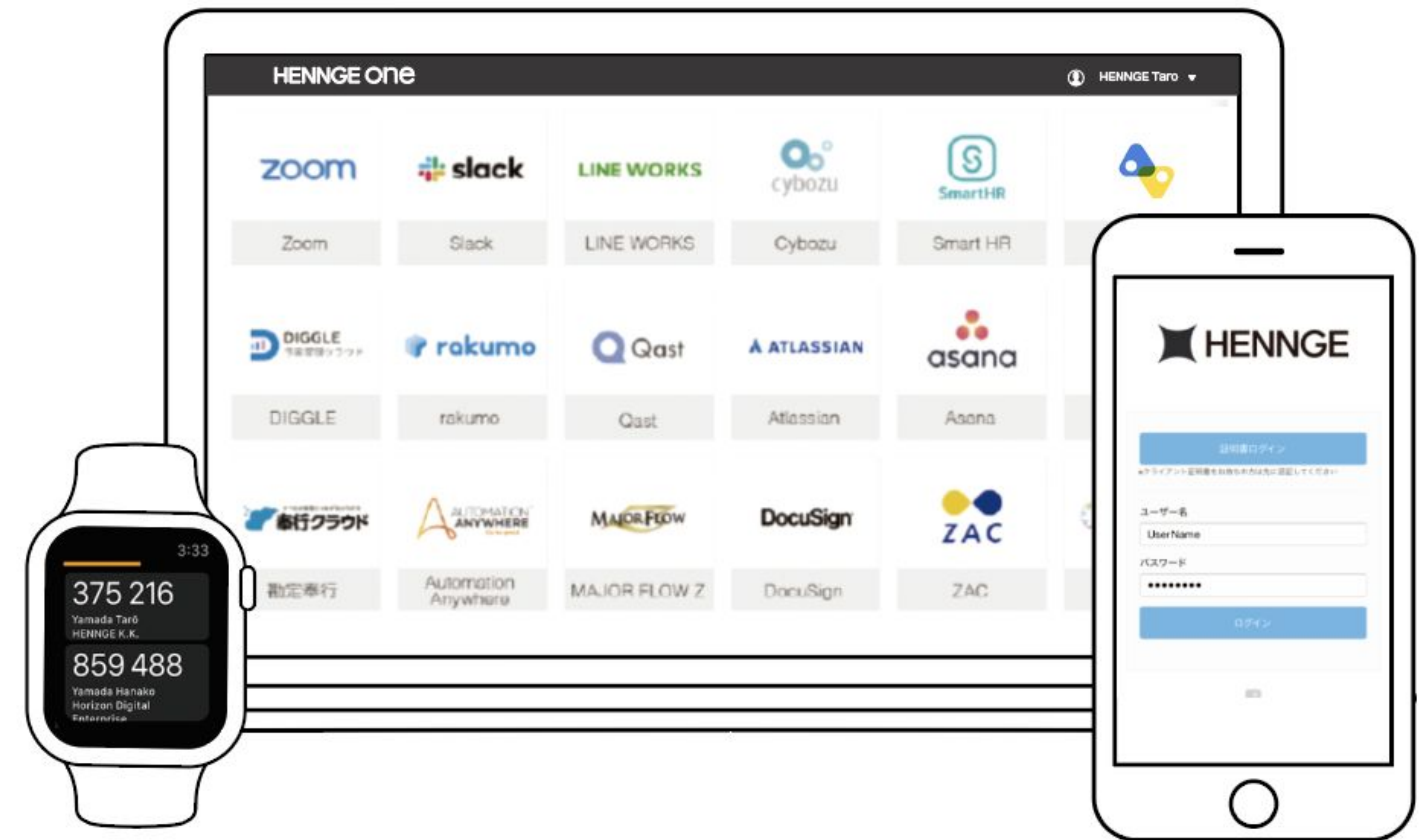
HENNGE One - IdP Features

IDaaS provides cross-sectional secure access and SSO for various cloud services used by companies.

Access Control



ID Federation

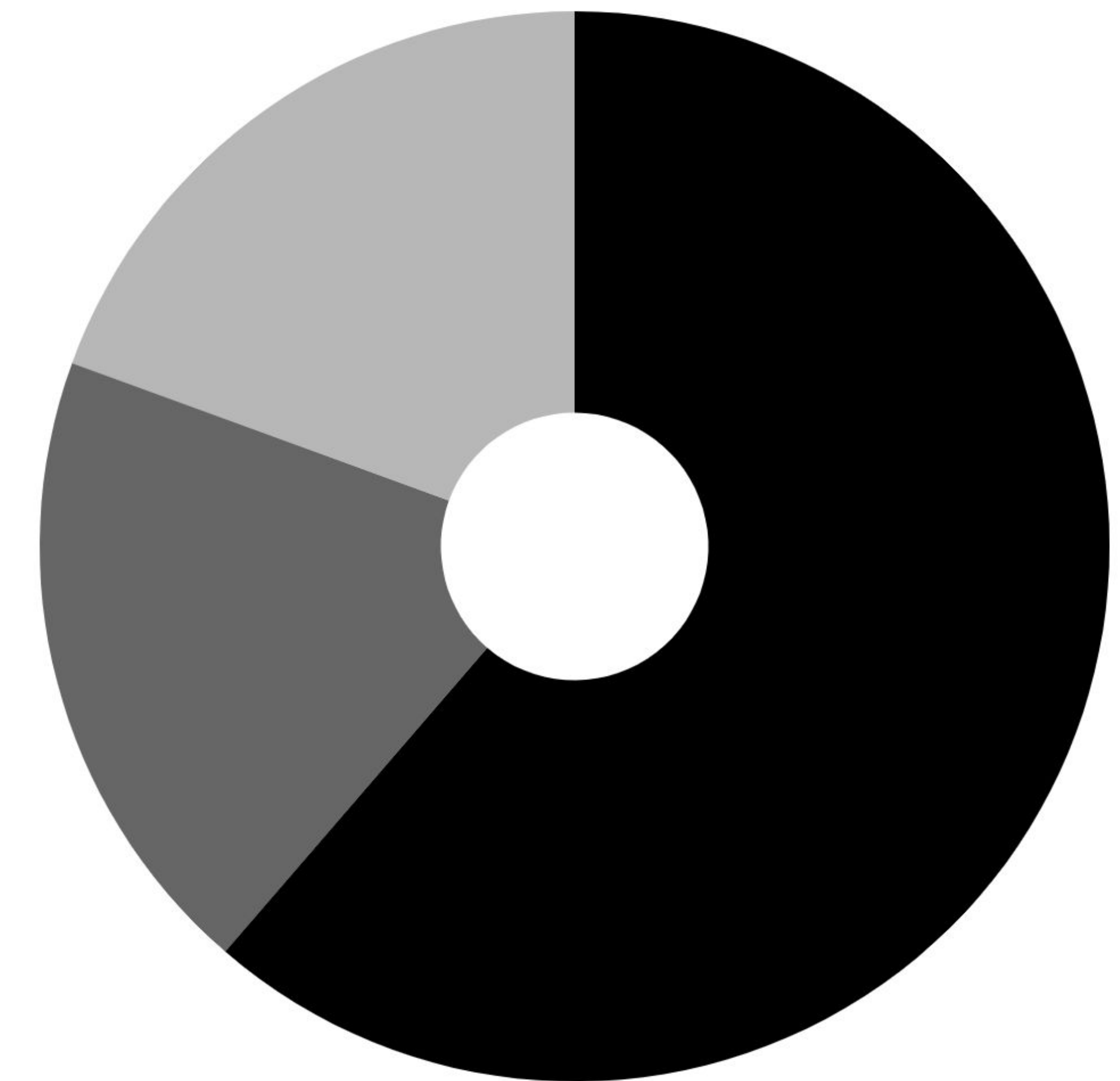


HENNGE One Solid Customer Base

HENNGE One is used by 2,610 customers in various industries, and has 2.38 million users.
 Average number of contracted users per contracted company is approximately 912. (as of 2023-09-30)



Breakdown by contracted users size
 (ARR Base, FY2023)



● 300 - 5000 users ● Less than 300 users ● Over 5000 users

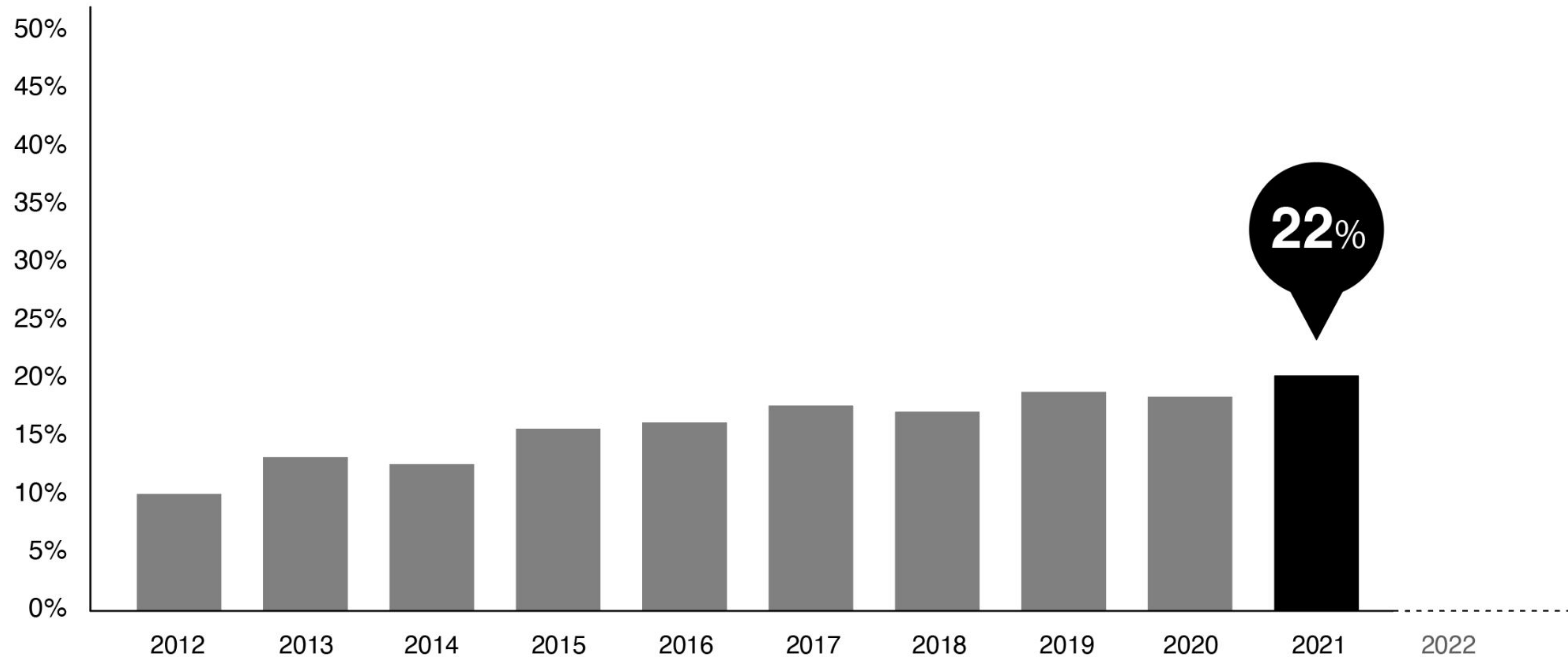
Approx. **16.9%** of listed companies on TSE are using HENNGE One.

Appendix

(Total Addressable Market)

Cloud Adoption Rate in Japan

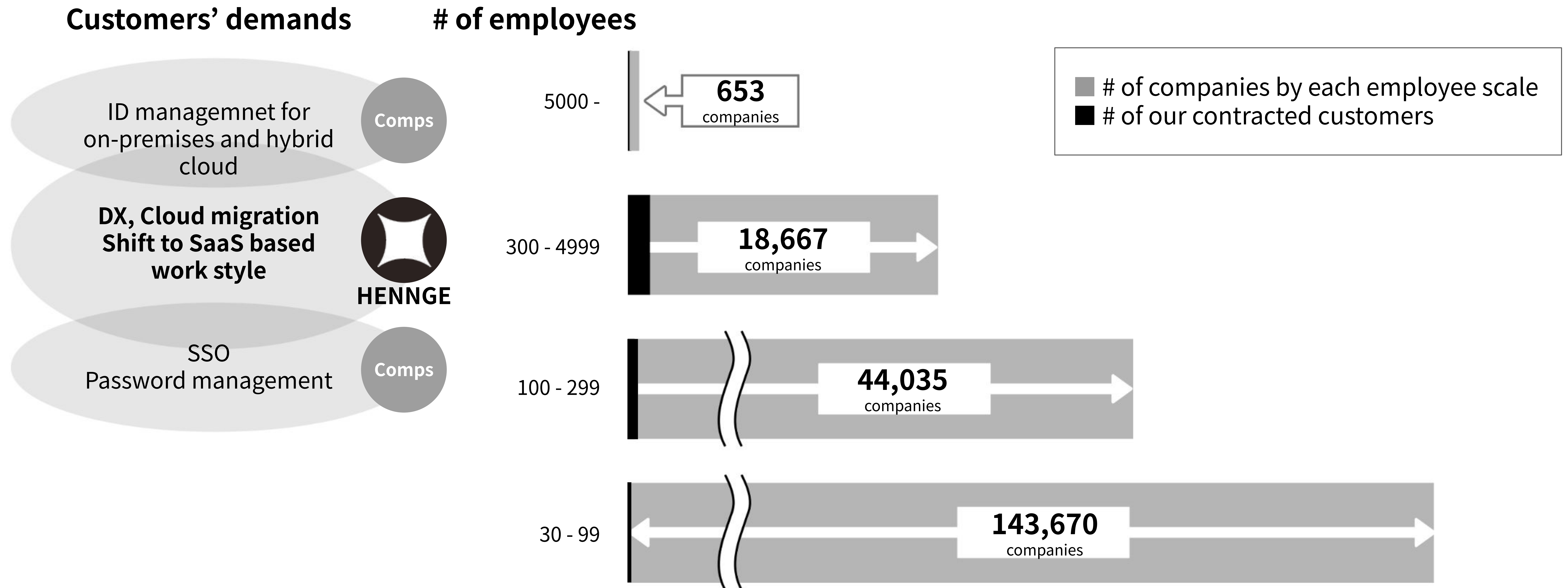
Cloud Adoption Rate in Japan has increased by 4.0pt to 22% from 2021.



(Reference: Press release 'Average Cloud Computing Adoption Rate in Japan' in June 2021 by Gartner, Inc.
 URL of the original release is <https://www.gartner.co.jp/ja/newsroom/press-releases/pr-20210614>)

Number of Companies by Employee Size in Japan

There is a huge potential market because cloud adoption will continue to accelerate.



Calculated by HENNGE Group based on the total number of companies with 30 or more employees in Japan as the number of our potential customers if cloud computing become more widespread in Japan in the future.
 (References: 'Economic Census -Activity Survey Results' by Ministry of Economy, Trade and Industry of Japan in 2021)

Regional Split in the number of companies

Japan has number of metro areas other than Tokyo. Our focus is to expand the business not only in Tokyo but also within other metro areas, such as Nagoya, Osaka, Fukuoka, and others.



Appendix (Others)

Our Value

Continuously eat unripe fruits and remain as early adopters in order to make “liberation of technology” happen. Through a number of trial and error, we will identify new technology that is useful for our customers, and widely deliver the technology.

**Eat unripe fruits,
and make mistakes early**

HENNGE WAY

HENNGE WAY is our code of conduct in order to keep changing with challenges and failures.

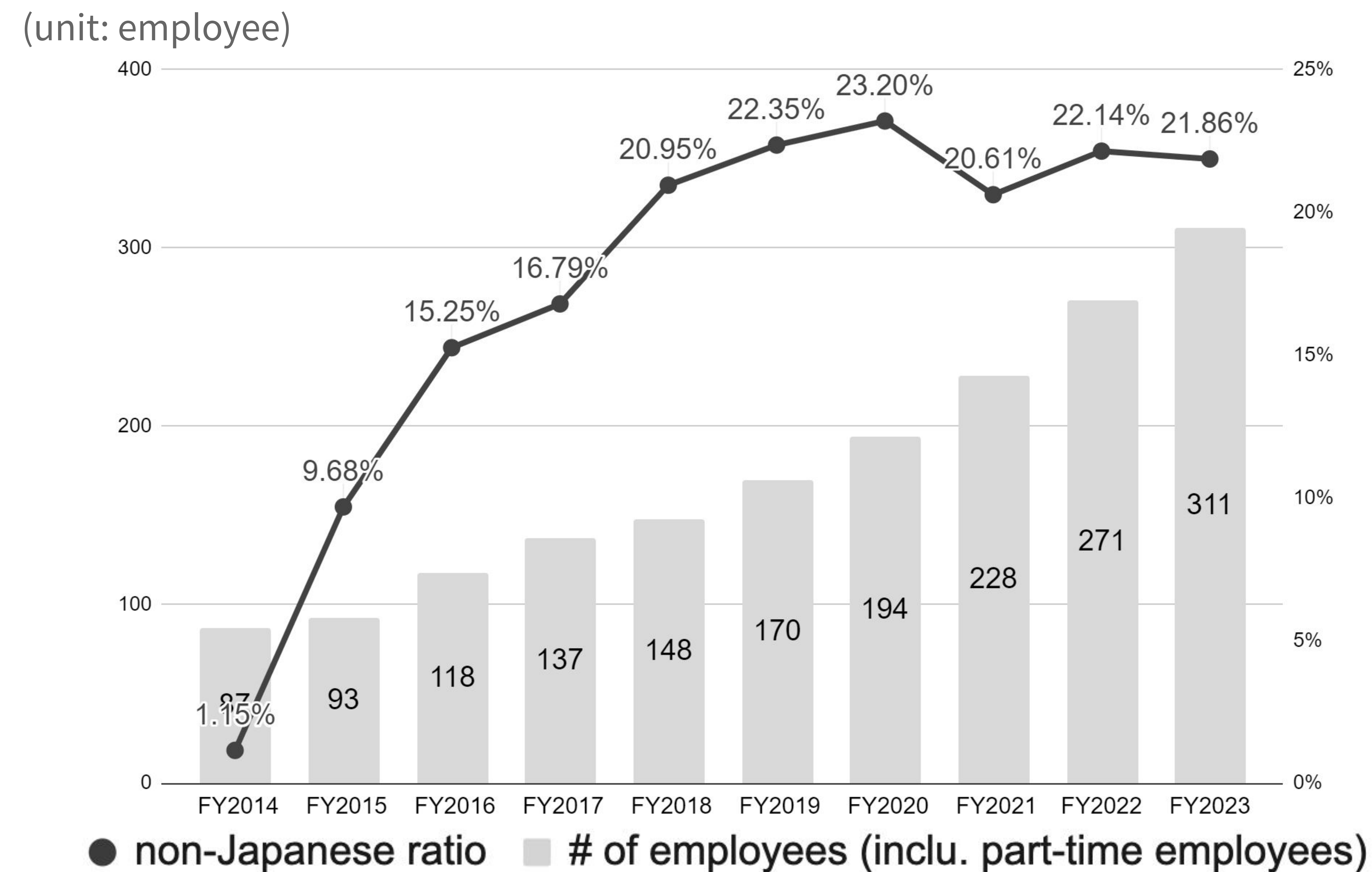
The image displays eight principles of the HENNGE WAY code of conduct, each represented by a numbered card with a unique illustration and a specific message:

- #1** **IGNITE CHANGES TO LEARN FROM MISTAKES EARLY**
- #2** **STAY CURIOUS, BE A LEARNAHOLIC**
- #3** **HELP PASSIONATE HENNGE PEOPLE**
- #4** **LOVE AND ADOPT TECHNOLOGY TO OUR WORK**
- #5** **TRACK AND TRUST RATHER THAN RESTRICT AND SUSPECT**
- #6** **HAVE TRANSPARENT AND OPEN COMMUNICATION**
- #7** **EMBRACE DIVERSITY AND INCLUSION**
- #8** **LEAD YOURSELF WITH PASSION**

Diversity and Inclusion

Focusing our efforts on the Global Internship Program (GIP) to not only provide career development opportunities for the most talented candidates from all over the world, but also to be the precedent organization of diversity and inclusion that utilize the power of digital transformation to overcome social issues.

Non-Japanese ratio and # of employees (including part-time employees)



GIP applications (accum.) :

196 countries and regions

51,461 applicants

Interns (accum.) :

35 countries and regions

132 interns

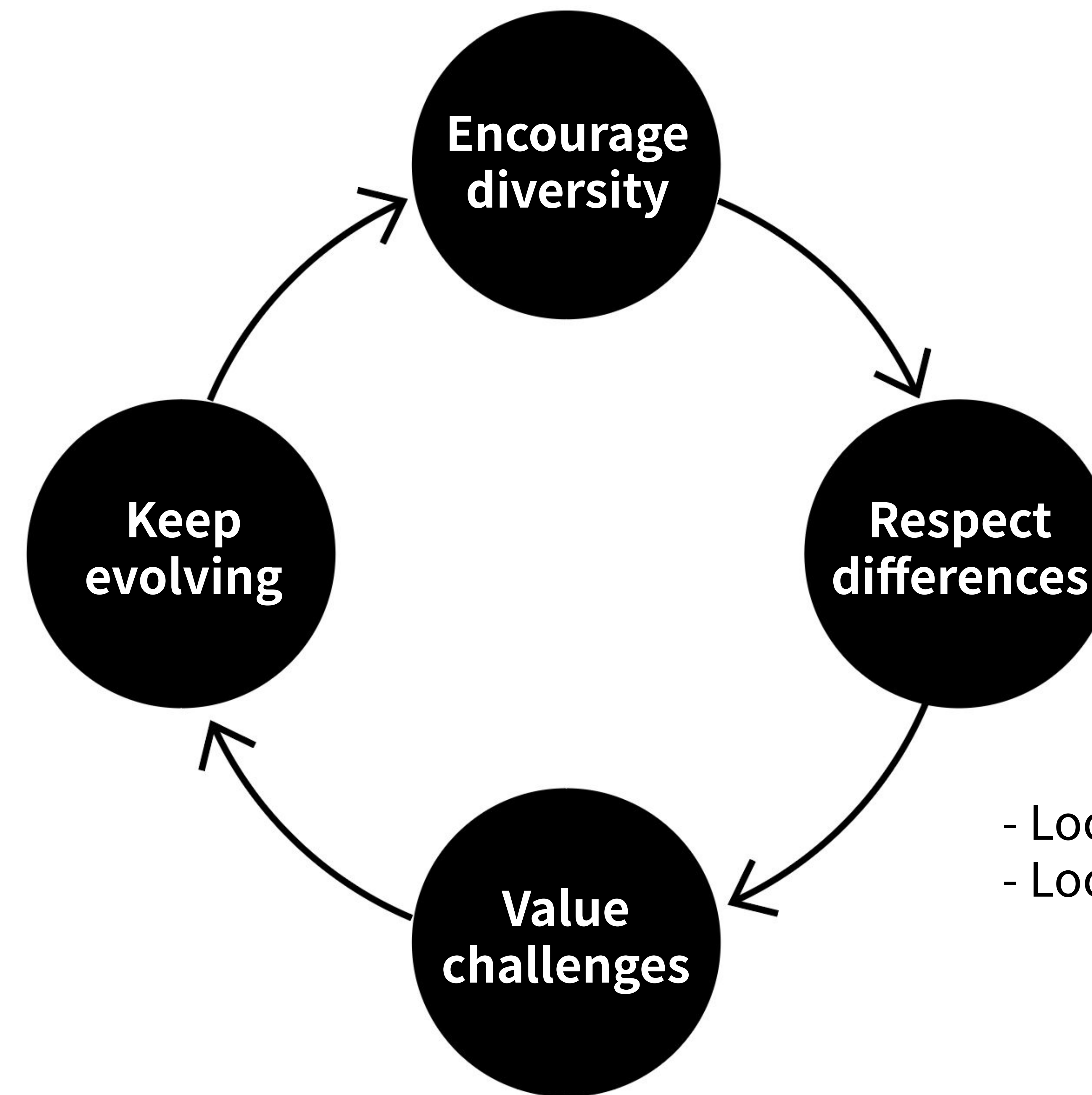
(Accumulated since 2012, as of 2023-09-30)

Employees (including part-time employees) :

from more than **25** countries and regions

Diversity

Diversity is the key driver to keep challenging and changing. We recognize the differences and respect the differences, which then we can create a basis for an ever-changing organization that value challenges.



- Look for differences if everyone is all the same
- Look for similarities if everyone is different

Business Investments and New Business Development

We are approaching business fields adjacent to current businesses through both business investment and new business development, along with R&D activities in current businesses.

Business investments

Invested in B2B startups/fund that own proprietary elements and technologies, and that are also in sync with our existing businesses.

- Our portfolio



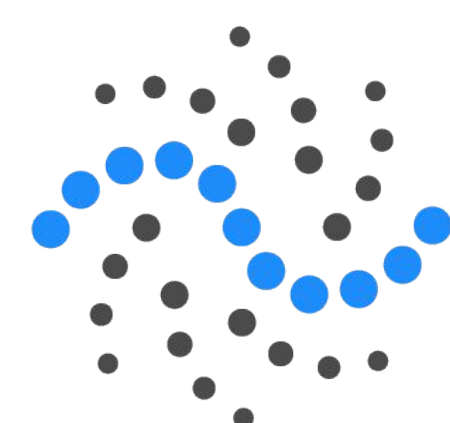
(rakumo Inc.)
[4060: TYO]



DIGGLE
予実管理クラウド
(DIGGLE Co., Ltd.)



(any Inc.)



dnx
ventures
(DNX Ventures)



(sitateru Inc.)



(kickflow, Inc.)
※Oct. 2023 : Business alliance

New business development

Regularly holding a sessions across divisions to develop ideas for new businesses based on our mission, 'Making the world a better place through technology by continuing to change and challenge.'



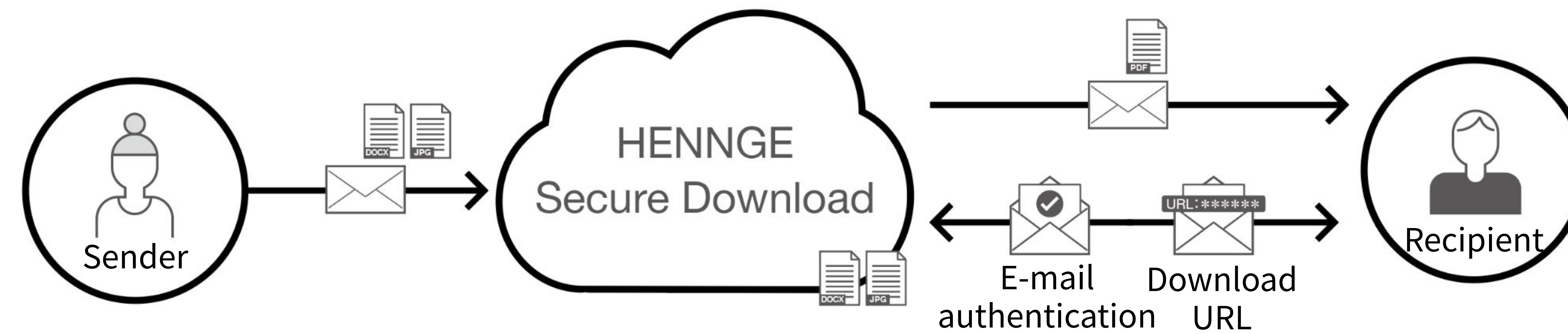
新規事業アイデアコンテスト
Inspire Matsuri
(インスパイア祭り)

Past Materials

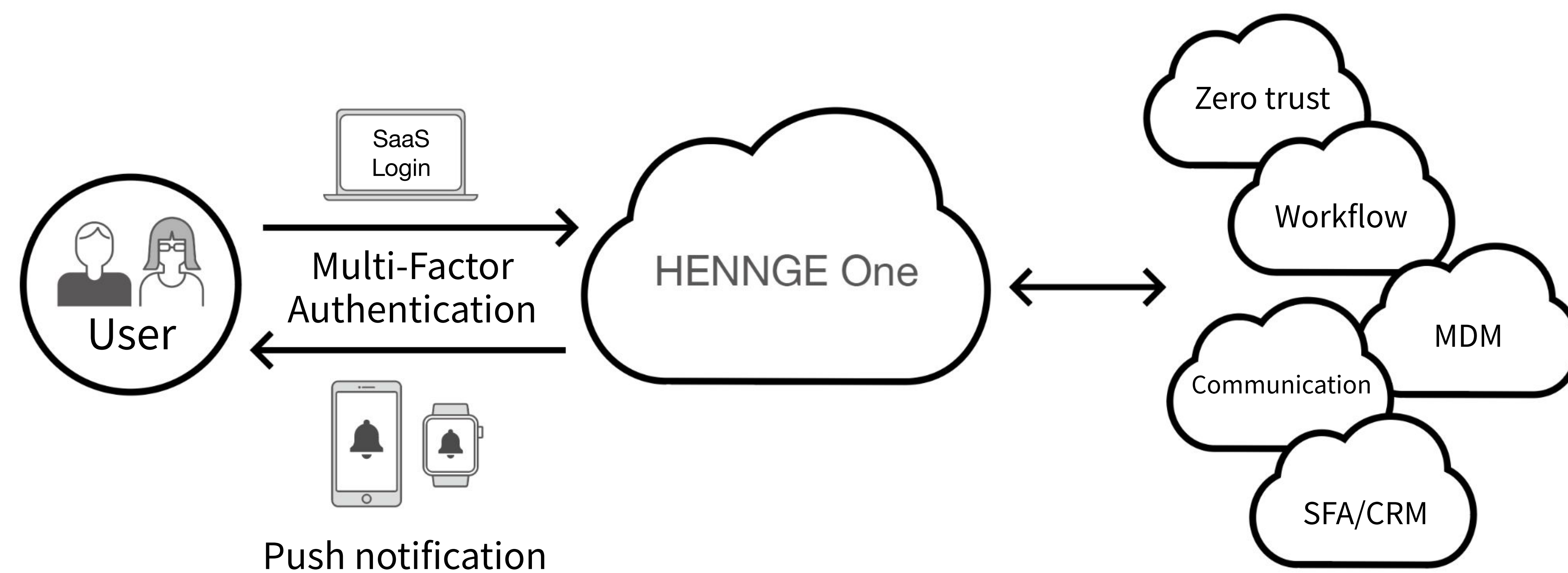
Three New Features for HENNGE One

HENNGE One’s new features providing more secure file transfer, smartphone access security, and E-Mail protection from targeted attacks were launched in October 2021.

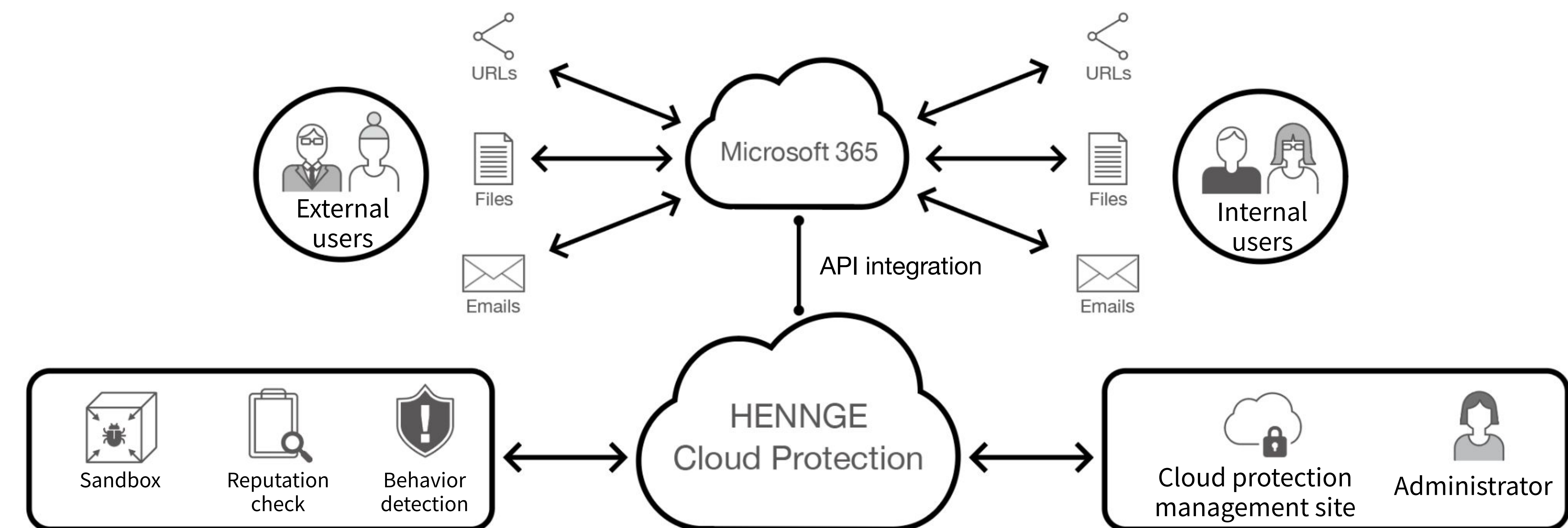
HENNGE Secure Download



HENNGE Lock Plus

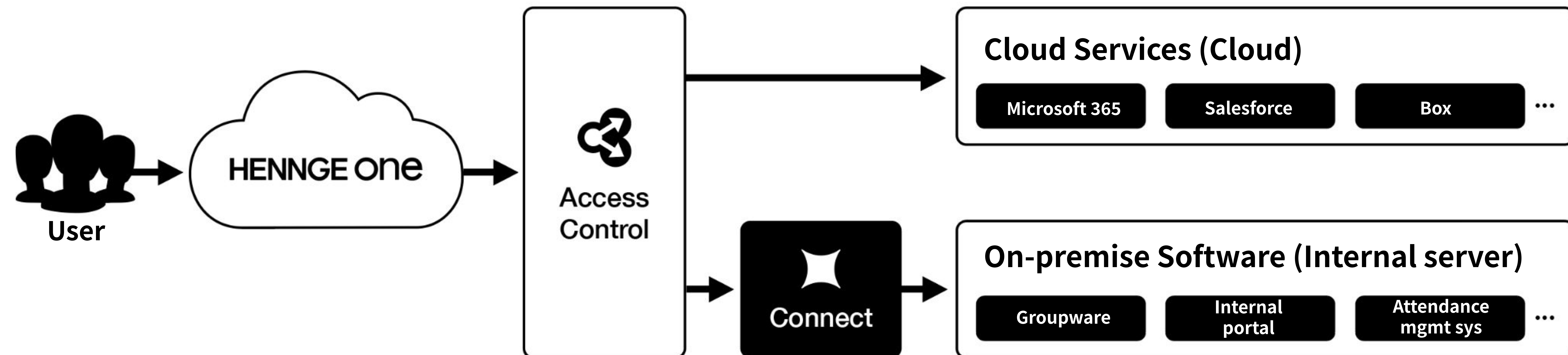


HENNGE Cloud Protection



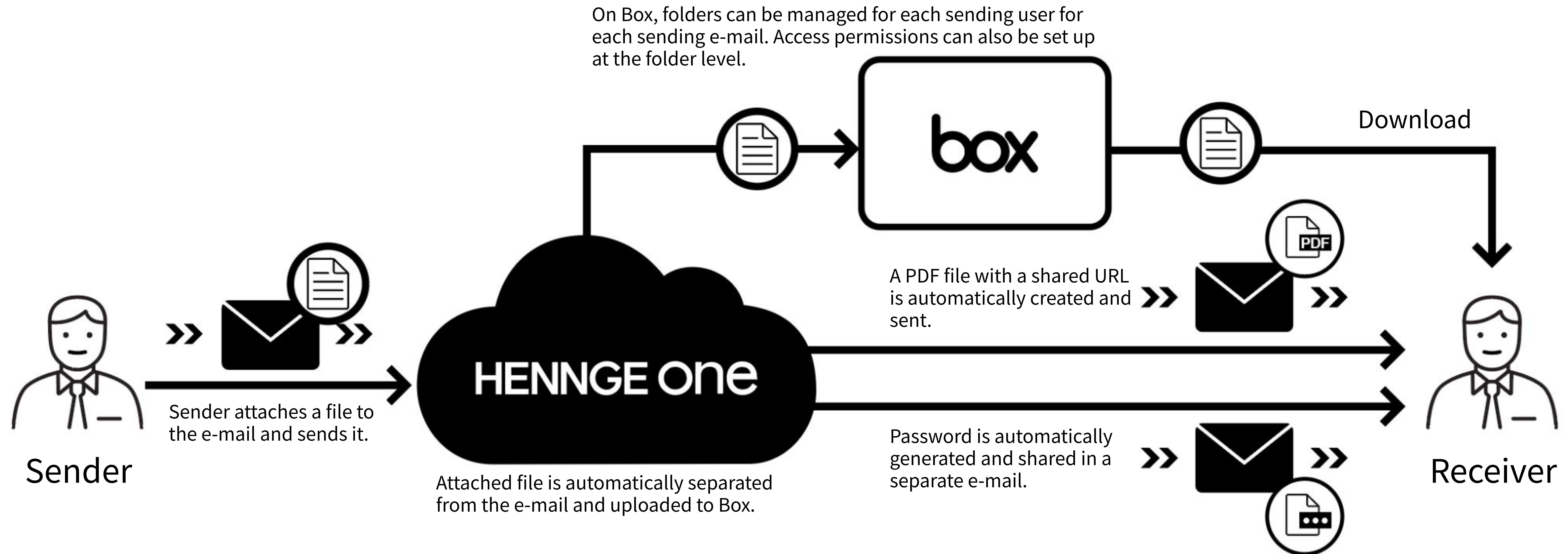
New Feature “HENNGE Connect”

“HENNGE Connect” has been launched as a feature of HENNGE IdP Pro and HENNGE One Pro in April 2022. Enables seamless access management in a hybrid environment of on-premise and cloud.



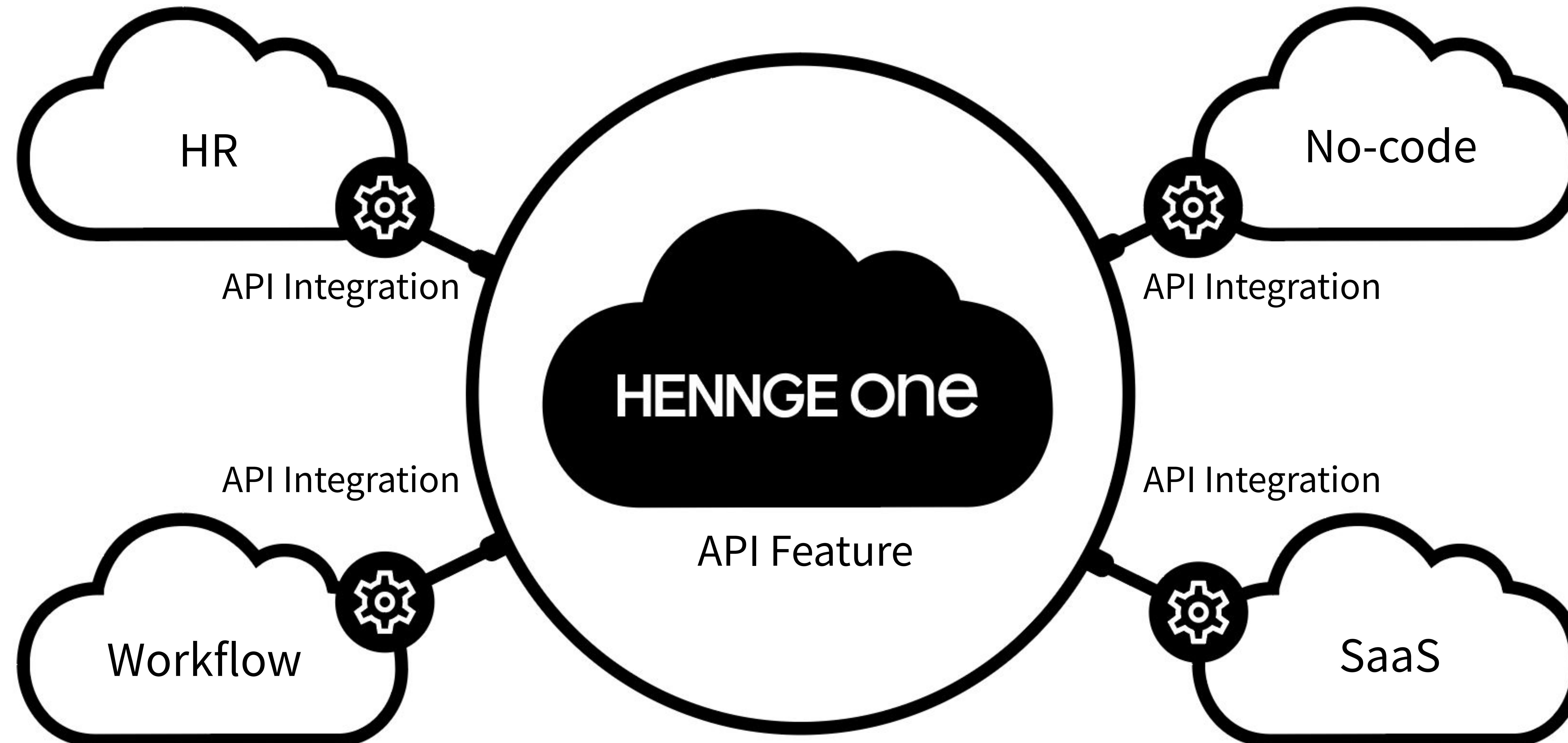
New Feature “HENNGE Secure Download for Box”

We launched “HENNGE Secure Download for Box”, a PPAP-free solution in June 2023. With the e-mail misdirection prevention feature of HENNGE One, it enables secure file-sharing process.



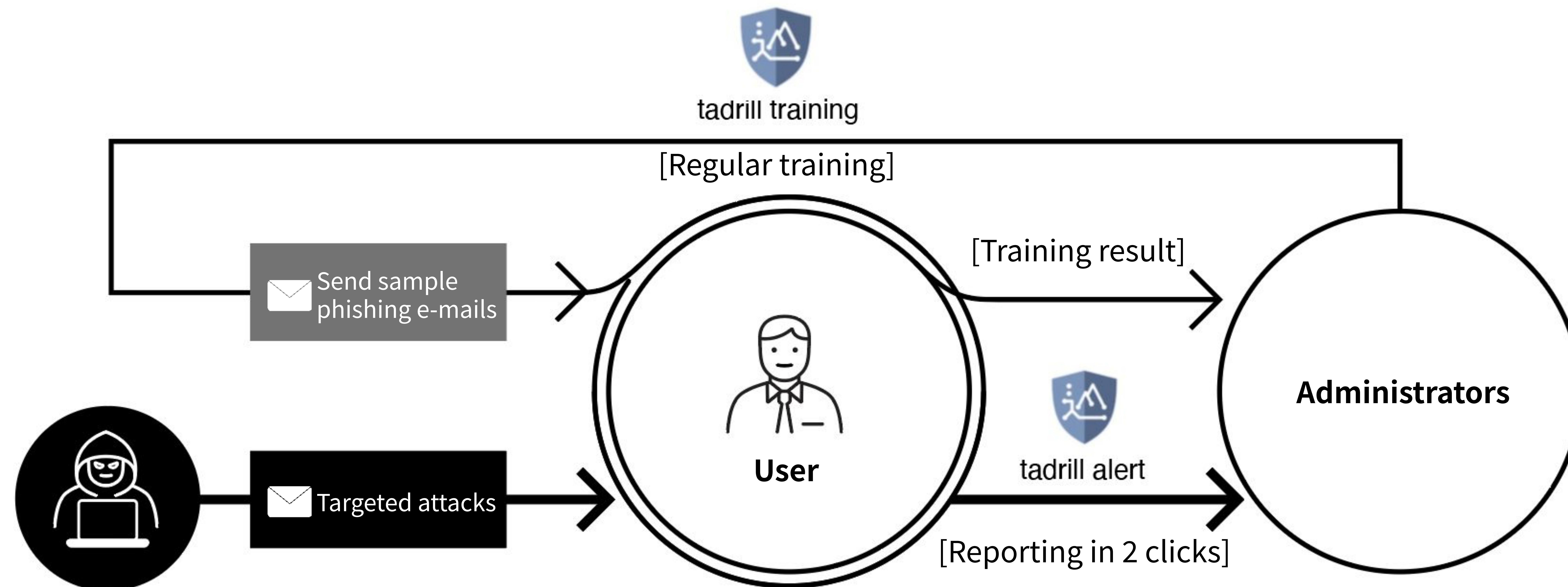
New Feature “HENNGE Access Control API”

We released APIs for “HENNGE Access Control”, as HENNGE One’s new feature in June 2023. Enables seamless integration with external systems, automating ID-related tasks and retrieving log data.



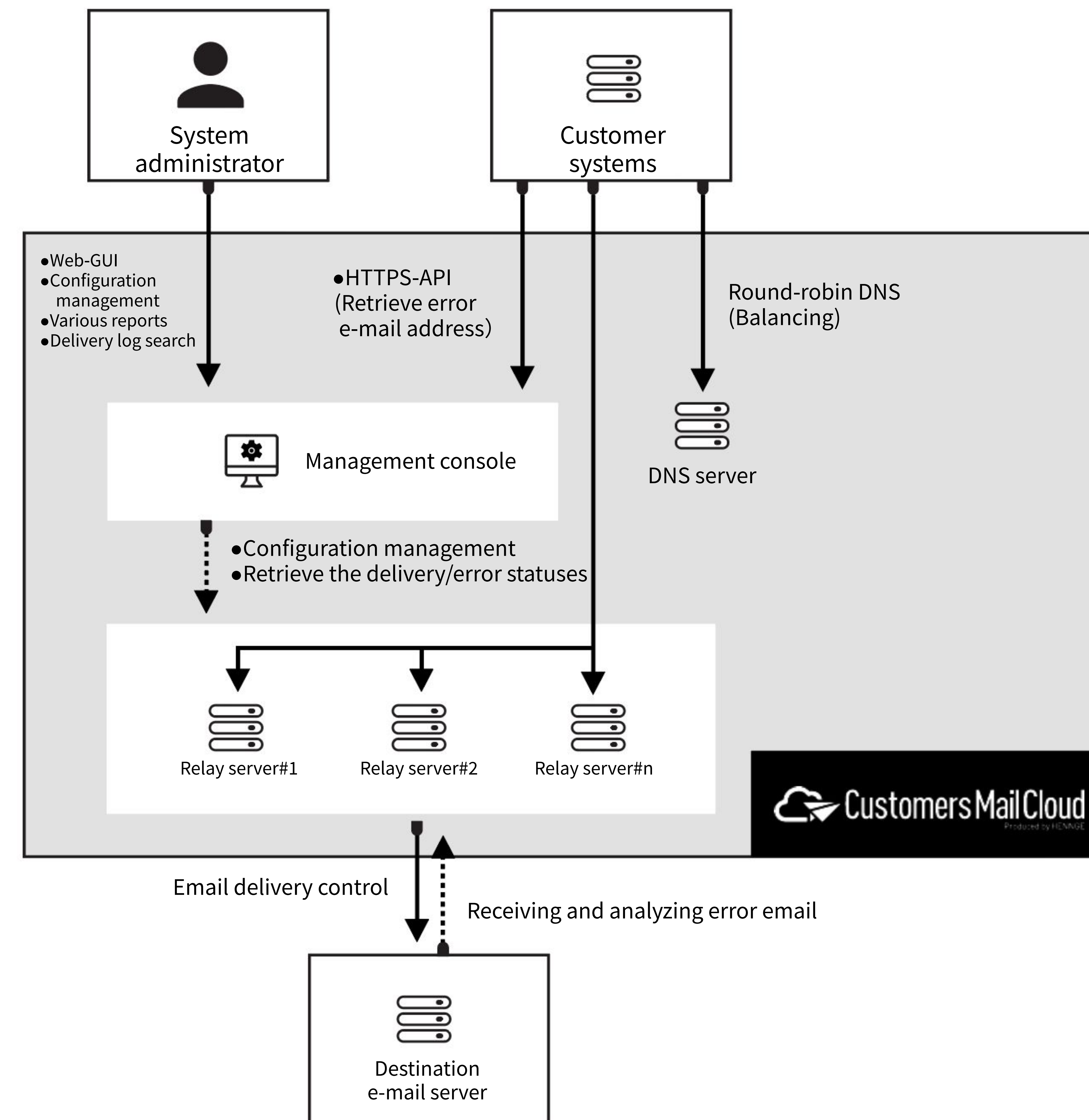
New Service “tadrill”

In November 2022, we launched “tadrill”, a self-implementing targeted e-mail attack training service. It enables companies to improve their employees’ security awareness by continuous and practical e-mail training, and establishment of reporting flow.



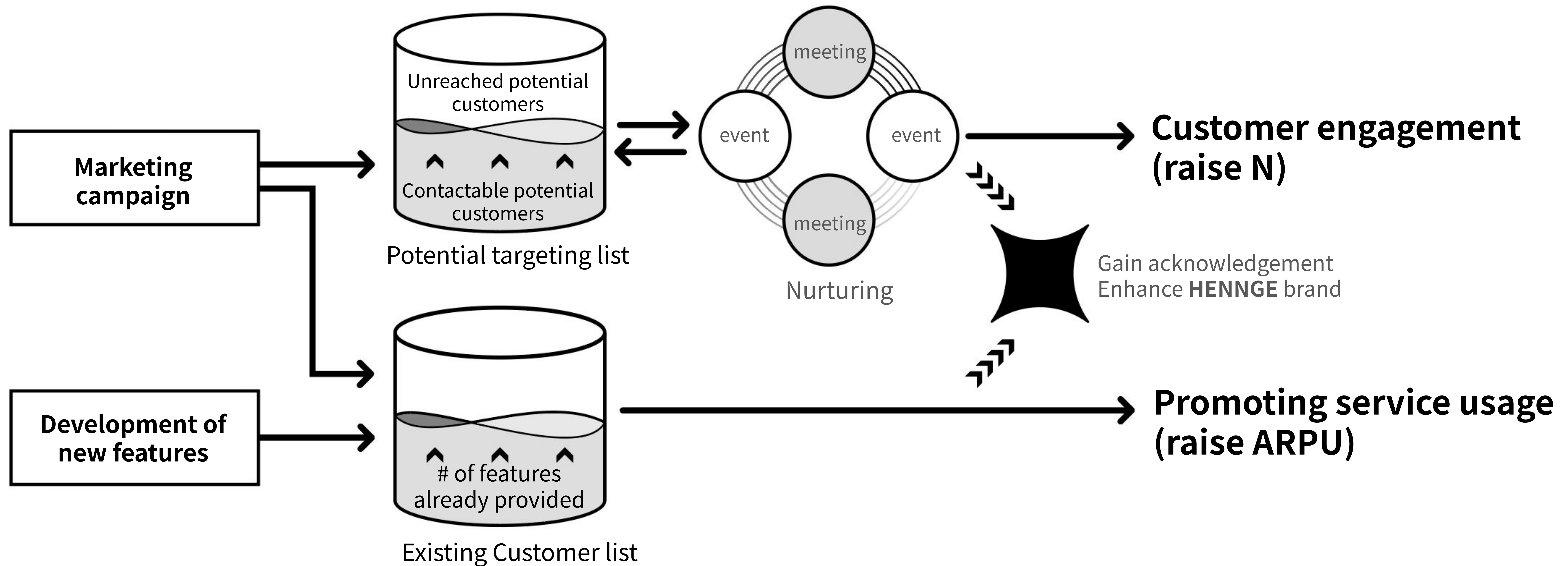
Customers Mail Cloud

Cloud e-mail delivery service that enables companies to send e-mails reliably and easily.
 Send notifications with high delivery rate for immediate notifications of purchases/reservations, bulk notifications, etc.



Marketing Activities for HENNGE One

It requires some time from marketing campaigns to the contribution in expansion of ARR as HENNGE One's lead time is relatively long. However, the results of the investment in advertising expenses can be seen cumulatively in a long term.



License lineup for HENNGE One (June 2019 - September 2021)

HENNGE One Secure Access	HENNGE One Standard	HENNGE One Business
SaaSとのシングル・サインオンと端末制御機能を含めた、エントリー向けのプランです。	Office 365/G Suiteやその他SaaSとのSSOにメール誤送信対策を含めた標準プランです。	Standardプランに端末制御に必要なデバイス証明書を追加したエンタープライズプランです。
月額 400 円 (税抜) 1ユーザー/月 (年間契約)	月額 500 円 (税抜) 1ユーザー/月 (年間契約)	月額 750 円 (税抜) 1ユーザー/月 (年間契約)
プラン内容	プラン内容	プラン内容
HENNGE Access Control	HENNGE Access Control	HENNGE Access Control
HENNGE Secure Browser	HENNGE Secure Browser	HENNGE Secure Browser
HENNGE Device Certificate	HENNGE Email Archive	HENNGE Email Archive
	HENNGE Email DLP	HENNGE Email DLP
	HENNGE Secure Transfer	HENNGE Device Certificate
※ デバイス証明書発行 (1ユーザー1枚まで) ※ 提供可能ライセンス数 200ライセンス～	※ デバイス証明書発行 (有償オプション) ※ 提供可能ライセンス数 100ライセンス～	※ デバイス証明書発行 (1ユーザー3枚まで) ※ 提供可能ライセンス数 100ライセンス～

※ New contracts taken into place after October 2021 will apply new license lineup which was announced in August 2021.

Renewal of Service Lineup for HENNGE One (October 2021 - March 2024)

Service lineups were renewed from October 2021.

Approaching varieties of customers with high value-added suite plans, as well as setting up single-function plans for light users.

Set plan	Description	Price
HENNGE One Basic	A set plan that offers the best value when implementing all the features of HENNGE One at once (with limited use of Certificates, Lock Plus, and Cloud Protection)	@JPY600/mon
HENNGE One Pro		@JPY1,000/mon

Single-function plan	Description	Price
HENNGE IdP Lite	SSO/IP address control/OTP/AD Connect etc.	@JPY150/mon
HENNGE IdP	Lite function/Device certificates/Support Plus/Lock Plus etc.	@JPY300/mon
HENNGE IdP Pro	IdP/Secure browser/Additional device certificates etc.	@JPY500/mon
HENNGE DLP	Delayed sending/Filtering etc.	@JPY300/mon
HENNGE ARC	Archive etc.	@JPY300/mon
HENNGE Cloud Protection	Behavior detection/Sandbox etc.	@JPY200/mon

※ New contracts taken into place after April 2024 will apply new license lineup which was announced in August 2023.

Glossary

ARR (Annual Recurring Revenue)

refers to revenue, normalized on an annual basis, that a company expects to receive from its customers for providing them with products or services of subscription-based model.

ARPU (Average Revenue Per User)

refers to the average annual contract amount per contracted user.

CAGR (Compound Average Growth Rate)

refers to a geometric progression ratio which provides a constant rate of return over a period of time.

E-Mail DLP (E-Mail Data Loss Prevention / E-Mail Data Leak Protection)

prevents confidential information loss/data leakage when sending an e-mail externally.

Gross Revenue Churn Rate

is calculated based on the decrease in contract value due to service cancellations, etc.

IDaaS (Identity as a Service)

is an Identity and Access Management solution delivered in the form of a cloud-based service.

LTV (Life Time Value)

is the total worth to a business of a customer over the whole period of their relationship.

SSO (Single Sign On)

is a method that enables users to log into multiple systems with just one user authentication.

Disclaimer

This document has been prepared by HENNGE K.K. (the “Company”) solely for information purpose. This document does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in Japan, the United States or any other jurisdictions. It is prohibited to offer or distribute securities issued by the Company without due registration, or exemption of registration, required under applicable laws in Japan, the United States, or any other jurisdictions. The information contained herein is based on current economic, regulatory, market trends and other conditions. The Company makes no representation or guarantee with respect to the credibility, accuracy or completeness of the information herein. The information contained herein may change without prior notice. You may not publish or use this document and the contents thereof for any other purpose without a prior written consent of the Company.

Furthermore, the information on future business results is forward-looking statements. Forward-looking statements include but not limited to expressions such as “believe”, “expect”, “plan”, “strategic”, “expect”, “anticipate”, “predict” and “possibility”, as well as other similar expressions to explain future business activities, achievements, events and future conditions. Forward-looking statements are predictions about the future that reflect management’s judgment based on currently available information. As such, these forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements. Therefore, you may not rely entirely on forward-looking statements. The Company does not assume any obligation to change or correct any forward-looking statements in light of new information, future events or other findings.

This document and its contents are confidential and are being provided to you solely for your information and may not be retransmitted. This presentation is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. In giving this presentation, the Company does not undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent.

Information on companies other than the Company and information provided from third parties are based on public information or sources. The Company has not independently verified the accuracy and appropriateness of such data and indicators used herein, nor assume any responsibility for the accuracy and appropriateness of such data and indicators presented in this document.



HENNGE