English Translation
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Securities code: 4180
March 13, 2023
(Start date for electronic provision measures: March 7, 2023)

To Shareholders with Voting Rights:

Chih-Han Yu
Representative Director and CEO
Appier Group, Inc.
Atago Green Hills Mori Tower 40th Floor
5-1, Atago 2-chome
Minato-ku, Tokyo, Japan

NOTICE OF
THE 5th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 5th Annual General Meeting of Shareholders of Appier Group, Inc. (the "Company") will be held as described below.

From the perspective of preventing the spread of COVID-19, we kindly ask our shareholders to refrain from coming to the venue on the day of the meeting and ask that you refer to the "Information on Exercise of Voting Rights" and "Information on Exercise of Voting Rights via the Internet, etc." and exercise your voting rights in writing or via the Internet.

Moreover, to prevent the spread of disease on the day of the meeting, the seats will be placed a wide distance apart, and the number of available seats will be limited. Therefore, please note that even if you come to the venue, you may be refused for entry.

The measures for electronic provision have been taken for the convocation of this Annual General Meeting of Shareholders and matters subject to measures for electronic provision are posted on the following internet website as "Notice of the 5th Annual General Meeting of Shareholders."

The Company website: https://www.appier.com/en/

In addition to the above website, the matters subject to measures for electronic provision will also be posted on the Tokyo Stock Exchange (TSE) website. Access the following TSE website (Listed Company Search), search for an issue name (company name) or code, then select "Basic information," and "Documents for public inspection/PR information" to view the information.

Listed Company Search
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

1. **Date and Time:** Wednesday, March 29, 2023 at 3:00 p.m.
Reception is scheduled to start at 2:30 p.m.
2. **Place:** 1-3-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Saiwai Building
TKP Shimbashi Conference Center
Floor 14, Hall 14D

We plan to broadcast a live stream via the Internet exclusively for shareholders. For more information, please refer to "Information on Live Stream via the Internet" on page 5.
3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report and Consolidated Financial Statements for the Company's 5th Fiscal Year (January 1, 2022 - December 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 5th Fiscal Year (January 1, 2022 - December 31, 2022)

Proposals to be resolved:

Proposal 1: Partial Amendments to the Articles of Incorporation

Proposal 2: Election of Five (5) Directors (Excluding Directors Concurrently Serving as Audit and Supervisory Committee Members)

Proposal 3: Election of Two (2) Directors Concurrently Serving as Audit and Supervisory Committee Members

◎To prevent the spread of disease on the day of the meeting, the seats will be placed a wide distance apart, and the number of available seats will be limited. Therefore, please note that <u>even if you come to the venue, you may be refused for entry.</u>

◎Should the matters subject to measures for electronic provision require revisions, the revised versions will be posted on each website.

◎The results of the resolution of the meeting will be posted on our website (https://www.appier.com/en/) after the meeting and will not be sent in writing.

◎If a shareholder who has exercised his/her voting rights in advance by mail (in writing) or via the Internet attends the General Meeting of Shareholders and exercises his/her voting rights again, the votes placed at the General Meeting of Shareholders shall be deemed valid.

Information on Exercise of Voting Rights

Exercise of voting rights in writing by mail

Please indicate "for" or "against" the proposals on the enclosed voting rights exercise form and return it to the shareholder registry administrator of the Company (Mitsubishi UFJ Trust and Banking Corporation). If there is no indication of "for" or "against" for the proposals on the voting rights exercise form, it will be treated as an indication of "for."

Deadline for exercising voting rights in writing by mail:
Mails must be received no later than 6:30 p.m. on Tuesday, March 28, 2023

Exercise of voting rights by electromagnetic method (via the Internet, etc.)

Please access the voting website designated by the Company (https://evote.tr.mufg.jp/ *In Japanese) and enter "for" or "against" for each proposal by following the on-screen instructions. Please refer to the next page for the Information on Exercise of Voting Rights via the Internet, etc.

Deadline for exercising voting rights by electromagnetic method (via the Internet, etc.):
Votes must be entered no later than 6:30 p.m. on Tuesday, March 28, 2023

Exercise of voting rights by attending the Shareholders' Meeting

To prevent the spread of disease on the day of the meeting, the seats will be placed a wide distance apart, and the number of available seats will be limited. Therefore, please note that even if you come to the venue, you may be refused for entry. Please note that the persons other than shareholders who can exercise voting rights, such as proxies and accompanying persons who are not shareholders, will not be permitted to enter.

Date and time: Wednesday, March 29, 2023 at 3:00 p.m.

If you exercise your voting rights more than once
- If you exercise your voting rights both by mail and via the Internet, etc., only the Internet, etc. vote will be deemed valid.
- If you exercise your voting rights via the Internet, etc. more than once, only the last vote will be deemed valid.

To institutional investors

In addition to the exercise of voting rights stated above, the institutional investors may use the Electronic Voting Platform operated by ICJ, Inc.

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Information on Exercise of Voting Rights via the Internet, etc.

Access from PC

Access the voting website
https://evote.tr.mufg.jp/

(1) Click "Proceed."

(2) Enter the "login ID" and "temporary password" printed on the lower right-hand side of your voting rights exercise form.

(3) Click "Login."

Access from smartphone

(1) Scan the QR code.
Scan the "QR code for login" printed on (the right-hand side of) the enclosed voting rights exercise form by using your smartphone.
* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

(2) Choose how to exercise your voting rights and select "for" or "against" for each proposal.
You can exercise voting rights using the QR code only once.
If you exercise your voting rights more than once, please access the voting website designed for PC users and log in by entering your "voting rights exercise code" and "password" printed on the voting rights exercise form. Then, please exercise your voting rights again.
Depending on the smartphone device you use, you may not be able to log in using the QR code. If you cannot log in using the QR code, please exercise your voting rights by using the method for PC users.
* If you rescan the QR code, you can access the voting website designed for PC users.

Thereafter please follow the instructions on the screen.

-To prevent unauthorized access ("impersonation") or falsification of the content for exercising voting rights by a person other than a shareholder, shareholders who exercise voting rights via the Internet are kindly requested to change the "temporary password" on the voting website.
- We will notify you of a new "login ID" and a new "temporary password" each time a general meeting of shareholders is convened.

(1) You can exercise your voting rights via the Internet, etc. only by accessing the voting website designated by the Company (https://evote.tr.mufg.jp/ *In Japanese) using a PC or smartphone (except from 2:00 a.m. to 5:00 a.m. every day).
(2) Any costs incurred in accessing the voting website (internet connection fees, telephone charges, packet communication fees, etc.) shall be borne by the shareholder.
(3) You may be unable to use the voting website depending on your Internet configuration or the device you use.

For inquiries concerning the system for exercising voting rights via the Internet

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation (help desk)

If you have any questions about how to operate your PC or smartphone regarding the exercise of voting rights on the voting website, please contact the following.

Toll-free line: 0120-173-027 (Domestic [Japan] call only)
Hours: 9:00 a.m. - 9:00 p.m.

Information on Live Stream via the Internet

The video and audio of the 5th Annual General Meeting of Shareholders will be streamed live via the Internet exclusively for shareholders. There is no need to apply in advance, and you may view the live stream from your home, etc., so please take advantage of it. Please note that you will not be able to participate in deciding the resolutions on the day of the General Meeting of Shareholders via this live stream, so please exercise your voting rights in advance before watching.

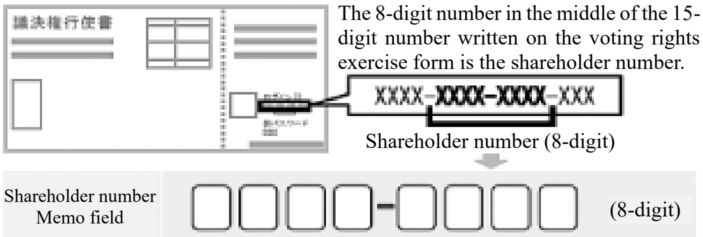
(1) Date and time: Wednesday, March 29, 2023 at 3:00 p.m.*
* If will be possible to view the live stream from 2:30 p.m.

(2) How to access the website

[redacted]

i) Access the website by entering the URL above or scan the QR code above.
ii) After visiting the website, enter the 9-digit meeting ID ([redacted]) without hyphens, select your language (English), and log in. If you scan the QR code, there is no need to enter the meeting ID.
iii) Then, follow the instructions on the screen to enter your login ID, which is the "shareholder number" (8 digits without hyphens) written on the voting rights exercise form, and your password, which is the "zip code" (no hyphens) of your registered address written on the voting rights exercise form.

Sample image of the voting rights exercise form



* Before sending the voting rights exercise form, please be sure to make notes of the "shareholder number (8-digit number in the login ID field of the voting rights exercise form)" and the "zip code."

iv) If you log in from your PC, please click the "Join" icon on the right side of the screen. You can watch the live stream of the General Meeting of Shareholders.
v) If you log in from your smartphone, please click the "Zoom" icon at the bottom of the screen. Once the "Join Audio by Computer" icon appears, click it. You can watch the live stream of the General Meeting of Shareholders.

* Please note that the flow of messages on the screen may differ depending on the device (browser) you use. In addition, you cannot access the meeting from the Internet Explorer.
* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.
* If you have any questions about login, please contact the Help Desk of Virtual General Meeting of Shareholders.
Help Desk of Virtual General Meeting of Shareholders Toll-free line: 0120-245-022
Opening days: March 13, 2023 - March 29, 2023 (weekdays except weekends and public holidays)
Opening hours: March 13 - March 28 (the day before the General Meeting of Shareholders)
9:00 a.m. - 5:00 p.m.
March 29 (the day of the General Meeting of Shareholders)
9:00 a.m. to the end of the meeting

(3) Notes for viewing
・In consideration of the privacy of shareholders attending the meeting, the video will only display the seats reserved for officers.
・Shareholders are responsible for communication fees, etc. when viewing.
・Please refrain from recording, filming, or saving the live stream.
・Providing your ID and password to third parties is strictly prohibited.

(4) How to ask questions in advance
We will take questions in advance during the following period. Please log in according to the "(2) How to access the website for the meeting," and enter questions concerning the Meeting Agenda from the "VOTING" tab.
Period for taking questions: Tuesday, March 14, 2023 at 12 p.m. - Friday, March 24, 2023 at 6:00 p.m.
* Questions are limited to two (2) questions per person and 250 characters per question.
* If it is difficult to answer all the questions submitted in advance, we will answer the questions that many shareholders may be interested in on the day of the meeting.

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Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

It was approved to hold the general meetings of shareholders with no designated venue (so-called "Virtual-Only Shareholders' Meetings") with the enactment of "The Act for Partial Revision of the Industrial Competitiveness Enhancement Act" on June 16, 2021. The Company will add Article 13, Paragraph 2 to the Articles of Incorporation accordingly.

The Company believes that it will allow more shareholders, including those in remote locations, to attend the shareholders' meetings, which could achieve the revitalization, efficiency, and facilitation for the meetings, in addition to contributing to the prevention of the spread of infectious diseases such as COVID-19.

The Company received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice pursuant to the ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice, and held a general meeting of shareholders with no designated venue (so-called "Virtual-Only Shareholders' Meeting") on March 29, 2022 based on Article 3, Paragraph 1 of the Supplementary Provisions of the Act for Partial Revision of the Industrial Competitiveness Enhancement Act.

2. Details of the amendments

The details of the amendments are shown below.

(Amended portions are underlined)

Current Articles of Incorporation	Proposed Amendments
Chapter III General Meeting of Shareholders (Convocation) ARTICLE 13: An annual general meeting of shareholders shall be convened within three months from the day following each accounting period, and an extraordinary general meeting of shareholders shall be convened whenever necessary. <Newly established>	Chapter III General Meeting of Shareholders (Convocation) ARTICLE 13: An annual general meeting of shareholders shall be convened within three months from the day following each accounting period, and an extraordinary general meeting of shareholders shall be convened whenever necessary. <u>2. The Company's general meeting of shareholders may be held as a general meeting of shareholders with no designated venue.</u>

Proposal 2: Election of Five (5) Directors (Excluding Directors Concurrently Serving as Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect five (5) Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members).

The candidates for Directors (excluding Director concurrently serving as an Audit and Supervisory Committee member) are as follows:

No.	Name (Date of birth)	Positions and responsibilities	Career summary and significant concurrent positions		Number of shares
1	Chih-Han Yu (April 3, 1979)	Representative Director and CEO	June 2012 October 2013 July 2014 February 2019	Director, Appier, Inc. (to present) Director, Appier Pte. Ltd. (to present) Director, Appier Japan K.K. (currently Representative Director) Representative Director, the Company (to present)	14,254,472 (Note 1)
2	Wan-Ling Lee (October 14, 1980)	Director and COO	December 2012 October 2013 February 2019	Director, Appier, Inc. Director, Appier Pte. Ltd. (to present) Director, the Company (to present)	5,951,548 (Note 2)
3	Chia-Yung Su (March 21, 1982)	Director and CTO	June 2012 October 2013 February 2019	Director, Appier, Inc. Director, Appier Pte. Ltd. (to present) Director, the Company (to present)	3,960,720
4	Jeng-Ting Tu (July 22, 1980)	Director	January 2004 November 2008 September 2016 August 2019	SpringSoft Inc. HTC Corporation Appier, Inc. Director, the Company (to present)	119,330

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares
5	Abheek Anand (September 5, 1979)	July 2004	Joined VMWare Inc.	-
		September 2009	Founded Tagtile (later acquired by Facebook, Inc.)	
		May 2012	Joined Facebook, Inc.	
		June 2013	Joined Sequoia Capital (India) Singapore Pte. Ltd. Managing Director (to present)	
		April 2016	Director, Cue Learn Private Limited (to present)	
		June 2017	Director, My Cash Fintech Pte. Ltd. (to present)	
		February 2019	Director and Audit and Supervisory Committee Member, the Company (to present)	
		March 2019	Director, Hmlet Pte Ltd. (to present)	
		November 2019	Director, Grofers International Pte. Ltd. (to present)	
		April 2020	Director, Beam Mobility Holdings Pte. Ltd. (to present)	
		May 2020	Director, GudangAda Investment Pte. Ltd. (to present)	
		June 2020	Director, Incomlend Pte. Ltd. (to present)	
		September 2021	Director, Appier Pte. Ltd. (to present)	
		September 2021	Director, Clare.ai Limited. (to present)	
		October 2021	Director, Aisa Wealth Platform Pte. Ltd. (to present)	
		December 2021	Director, Milko Grocery Holdings Pty Ltd (to present)	

(Notes)
1. The number of shares of the Company held by Chih-Han Yu includes 12,847,852 common shares that he virtually holds through Plaxie Inc., a company controlled by Chih-Han Yu and Director and COO Wan-Ling Lee.
2. The number of shares of the Company held by Wan-Ling Lee include 4,291,758 common shares that she virtually holds through Plaxie Inc., a company controlled by Wan-Ling Lee and Representative Director and CEO Chih-Han Yu.
3. Abheek Anand is a candidate for Outside Directors.
4. Abheek Anand has experience in founding and selling Tagtile to Facebook Inc. and as Managing Director of the venture capital firm Sequoia Capital (India) Singapore Pte. He also has extensive experience as a board member of other companies. He has a wide range of insight through these experiences, and we believe that he can provide advice and recommendations on general management issues.
5. There are no special interests between the Company and any of the candidates.
6. The Company has concluded an agreement with Abheek Anand to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 of the Companies Act. The Company will continue the agreement if this proposal is approved. Under the agreement, the liability for damages is limited to the minimum amount provided by laws and regulations.
7. The Company has entered into an indemnity agreement, provided for in Article 430-2, Paragraph 1 of the Companies Act, with each candidate. The outline of the agreement is described in “2. Corporate Officers, (2) Indemnity Agreement” of the Business Report. If this proposal is approved, the Company will continue the said agreement.
8. The Company has entered into a directors and officers liability insurance contract, provided for in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company, and the outline of the said insurance contract is described in “2. Corporate Officers, (3) Directors and Officers (D&O) Liability Insurance Contract” of the Business Report. If the election of candidates for Director is approved as proposed, they will be included in the insured under the said insurance contract.

Proposal 3: Election of Two (2) Directors Concurrently Serving as Audit and Supervisory Committee Members

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of Lee-Feng Chien, Abheek Anand, and Takashi Motomura, Directors concurrently serving as Audit and Supervisory Committee members, will expire. Accordingly, the Company proposes to elect two (2) Directors concurrently serving as Audit and Supervisory Committee members. The Audit and Supervisory Committee has given its consent to this proposal in advance.

The candidates for Director concurrently serving as Audit and Supervisory Committee members are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares
1	Lee-Feng Chien (March 25, 1963)	August 1993	Joined Academia Sinica	-
		August 2002	Professor, National Taiwan University	
		March 2006	Joined Google, Inc. (currently Google LLC) Managing Director, Taiwan Office	
		February 2019	Director and Audit and Supervisory Committee Member, the Company (to present)	
		February 2020	Director, iKala Interactive Media Inc. (to present)	
		June 2022	Independent Director, Airoha Technology Corp. (to present)	
		August 2022	Independent Director, KKday Holdings Co., Ltd. (to present)	
2	Takashi Motomura (September 30, 1976)	April 1999	Joined JAFCO Group Co., Ltd.	-
		October 2004	Joined KIACON Co., Ltd.	
		November 2005	Joined Chip One Stop, Inc.	
		January 2010	Joined Innovation Network Corporation of Japan (currently Japan Investment Corporation)	
		March 2018	CVC Investment Manager, New Frontier Capital Management Co., Ltd. (to present)	
		November 2018	Joined TGVest Capital Managing Director (to present)	
		November 2018	Joined TGVest Capital K.K. Representative Director (to present)	
		August 2019	Director and Audit and Supervisory Committee Member, the Company (to present)	

(Notes)
1. There are no special interests between the Company and any of the candidates.
2. Lee-Feng Chien and Takashi Motomura are candidates for Outside Directors.
3. Lee-Feng Chien is expected to provide business and technology-related advice and recommendations based on his extensive insight in computer science-related fields as a professor at National Taiwan University and his management experience at Google LLC's Taiwan office. In addition, the Company has registered Jian Lifeng as an independent director as defined by the Tokyo Stock Exchange, Inc., and will continue to register him as an independent director if this proposal is approved.
4. Takashi Motomura has extensive experience as a Managing Director of TGVest Capital, a venture capital firm, and as a director of other companies. He has a wide range of insight through these experiences, and we believe that he can provide advice and recommendations on general management issues.
5. The Company has concluded an agreement with each candidate to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 of the Companies Act. The Company will continue the agreement if this proposal is approved. Under the agreement, the liability for damages is limited to the minimum amount provided by laws and regulations.
6. The Company has entered into an indemnity agreement, provided for in Article 430-2, Paragraph 1 of the Companies Act, with each candidate. The outline of the agreement is described in "4. Corporate Officers, (2) Indemnity Agreement" of the Business Report. If this proposal is approved, the Company will continue the said agreement.
7. The Company has entered into a directors and officers liability insurance contract, provided for in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company, and the outline of the said insurance contract is described in "4. Corporate Officers, (3) Directors and Officers (D&O) Liability Insurance Contract" of the Business Report.

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Business Report

From January 1, 2022 to December 31, 2022

1. Business Overview of the Group

(1) Business Overview and Results for the Current Fiscal Year

i) Progress and Results of our Business

The Company's mission is "Turning AI into ROI by Making Software Intelligent".

Revenue for the year ended December 31, 2022, was ¥19,427 million (up 53.4 % year-over-year) due to increased revenue from existing customers through up-selling and cross-selling, and from new customers through verticals and regions expansion. In addition, ARR (*1) as of December 2022 was ¥21,095 million, a 52.8 % growth from ¥13,806 million as of December 2021.

Gross profit for the year ended December 31, 2022 was ¥9,998 million (up 60.3 % year-over-year) and gross margin was 51.5% (49.3% in the previous fiscal year). The improvement in gross margin was mainly due to algorithm improvements in CrossX that enabled more efficient marketing campaigns and lower machine costs resulting from the optimization of server utilization.

Although the amount of operating expenses (Sales and marketing expenses, Research and development expenses, and General and administrative expenses) has increased with the expansion of the business scale, the ratio to revenue has decreased and the cost structure has improved. As a result, EBITDA (*3) was ¥1,363 million (¥42 million in the previous fiscal year), operating income was ¥50 million (¥1,117 million loss in the previous fiscal year), profit before tax was ¥111 million (¥1,170 million loss in the previous fiscal year), and profit attributable to owners of the parent company was ¥21 million (¥1,179 million loss in the previous fiscal year).

(*1) Annual recurring revenue. For solutions provided under a consumption-based pricing structure, the ARR is calculated by annualizing the average monthly recurring revenue (*2) for the relevant period multiplied by 12. For solutions provided under a subscription-based pricing structure, the ARR is calculated by annualizing the recurring revenue for the last month of the relevant period multiplied by 12. The ARR for December 2022 is calculated by multiplying the one-month average of recurring revenue from July 2022 to December 2022 by 12 for solutions provided under the consumption-based pricing structure, and by multiplying the recurring revenue for December 2022 by 12 for solutions provided under the subscription-based pricing structure.

(*2) Revenue from recurring customers. For solutions provided under the consumption-based pricing structure, this refers to (1) customers that have used the Company's solutions for four or more quarters in a row and (2) new customers within the latest twelve months that have used the Company's solutions for three or more months in a row. For solutions provided under the subscription-based pricing structure, this refers to customers who have a contract with the Company for more than one year.

(*3) EBITDA = Operating income + Depreciation and amortization + Tax expenses included in operating expenses + IPO-related expenses

ii) Capital Expenditures

The total amount of capital expenditure for the current fiscal year was ¥108 million mainly due to acquisitions of Property, plant and equipment for office expansions.

iii) Financing

The Company has not executed any financing for the current fiscal year. All the capital expenditures were funded on a self-financing basis.

iv) Acquisition or Disposition of Shares, Other Equity Interests or Share Subscription Rights of Other Companies

On September 27, 2022, Appier Pte. Ltd., a subsidiary of the Company, and WPR Acquisition Inc. (hereinafter "the Special Purpose Company"), a subsidiary of Appier Pte. Ltd., entered into a merger agreement with Woopra, Inc. (hereinafter "Woopra"). On October 3, 2022, Appier Pte. Ltd completed acquisition of Woopra and Woopra became a wholly-owned subsidiary of Appier Pte. Ltd. through the merger between the Special Purpose Company and Woopra.

v) Acquisition of Businesses of Other Companies

Not significant items which should be disclosed.

vi) Succession of Rights or Duties related to the Business of Other Companies due to Absorption-type Merger or Absorption-type Company Split

Not significant items which should be disclosed.

(2) Major Subsidiaries

Name	Location	Capital	Ownership Ratio of Voting Rights (%)	Main Business
Appier Pte. Ltd.	Singapore	SGD 379,230 thousand	100.0	Headquarter function
Appier, Inc.	Taipei, Taiwan	NTD 44,386 thousand	100.0 (100.0)	AI SaaS business
Appier Japan K.K.	Minato-ku, Tokyo	JPY 34,395 thousand	100.0 (100.0)	AI SaaS business

(Note) 1. The percentage of voting rights in parentheses represents the indirect ownership ratio.
2. The status of specified wholly owned subsidiaries as of the end of the current fiscal year is as follows.

Name of specified wholly owned subsidiary	Appier Pte. Ltd.
Address of specified wholly owned subsidiary	8 WILKIE ROAD #03-01 WILKIE EDGE SINGAPORE
Total book value	¥29,593,668 thousand
Our total assets	¥30,982,471 thousand

(3) Consolidated Financial Results for the Period Ended December 31, 2022

(Thousands of yen)

	Year ended December 31			
	2019	2020	2021	2022 (Current)
Revenue	7,219,735	8,970,097	12,660,811	19,426,604
Income (Loss) before income taxes	(2,253,407)	(1,557,319)	(1,170,072)	110,977
Net income (loss)	(2,349,727)	(1,453,637)	(1,178,518)	21,322
Basic earnings (loss) per share	(25.89) yen	(16.02) yen	(11.97) yen	0.21 yen
Total assets	12,136,656	12,393,748	31,205,573	35,938,621
Total equity attributable to owners of the parent company	(6,513,598)	7,668,168	22,835,688	26,201,335
Ratio of equity attributable to owners of the parent company	(71.77) yen	84.49 yen	225.73 yen	258.11 yen

(Note) On January 29, 2021, the Company allotted common shares by 90,761,489 shares to the sole shareholder of the Company, Appier Holdings, Inc. Accordingly, the basic earnings (loss) per share and ratio of equity attributable to owners of the parent company per share are calculated as if the allotment of shares was executed on the beginning of the fiscal year ended December 31, 2019.

(4) Challenges to be addressed

Major challenges to be addressed by the Group are as follows;

i) Strengthen R&D Systems

In anticipation of growth opportunities in the future, the active investments in Research and Development (“R&D”) on artificial intelligence (“AI”) technologies, which are the Group’s main domain, have increased worldwide. Surrounded by this competitive business environment, we understand that it is important for the Group to respond to a wide variety of cutting-edge technologies, in a timely manner, in order to unlock our successful growth.

To achieve the Group’s purposes above, we understand that it is inevitable to attract and nurture highly skilled human capital, invest in R&D, share our best practices and other internally generated expertise, and conduct continuous educational training. For our R&D system augmentation, we will acquire and nurture top-tier human capital and continuously invest in R&D activities.

ii) Reinforce Sales Teams

Due to our services’ peculiarities, i.e., enterprise-spectrum software solutions, it is critical to obtain proper understating and evaluation of the business context and challenges with which each of our customers faces. Thereby, the sales team can pertinently match our AI-powered services to customers’ individual needs to achieve their goals. Also, it is important to have the pipeline (prospective customer pool), facilitate the ongoing adoption of our services after signing the contract (implementation, transition and onboarding training), and deliver our high-quality customer success programs for the existing customers.

Based on these understandings, we are fully committed to acquire and nurture human capital in the field of marketing, sales, and customer success, and provide appropriate educational training programs for higher profitability and productivity.

Furthermore, although currently, our CrossX has the largest revenue portion amongst our services, we will achieve well-balanced sales mix by simultaneously strengthening other services and their sales.

iii) Enhance Internal Controls

As for the geographical strategies, the Group aims to further expand its business in all over Asia, the US and EME in addition to the current locations. Consequently, we believe it is important to build robust management systems to accommodate geographically dispersed business locations in multiple foreign jurisdictions, as well as to expedite the quality and accountability of financial reporting, and to reinforce the risk management mechanisms.

Accordingly, we will accelerate the administrational operation enhancement, including expertise hirings, with the aim of coordinated Group’s management where we will proactively collaborate to build more robust internal controls.

iv) Advance the Information Security System

As we may handle the confidential information of our customers, multidimensionally, in connection with our business, it is imperative to be equipped with fit-for-purpose Information security systems to win our customers’ trust. Currently, we have various rules to protect sensitive data, and that, we are reputed for our robust data security controls. We are continuously keen to develop technologies, controls, and our human capital through our internal educational training programs.

v) Reinforce the Financial Capacities

We are going to continue our active investment, as we believe we should periodize product and service development, customer base expansion, and geographical diversification. In harmony with the evolution of our business, we will reinforce our financial capacities, by optimizing the direct finance and indirect financial leverages through in-depth communication with the capital market.

(5) Major Business Domain (as of December 31, 2022)

We provide an AI platform which enables enterprises to demonstrate value from data they own across the entire marketing and sales funnel by our AI technologies utilizing the most advanced ML.

(6) Major Business Locations (as of December 31, 2022)

Name	Location
Appier Japan, Inc.	Minato-ku, Tokyo
Appier Pte. Ltd.	Singapore
Appier, Inc.	Taipei, Taiwan

(7) The Status of the Employees of the Group (as of December 31, 2022)

Number of employees	Change from the previous fiscal year end
661	+87

(8) Status of the Debt Obligation and the Lenders (as of December 31, 2022)

Lenders	Amount
Citibank Taiwan Limited	¥1,549,053 thousand
Sumitomo Mitsui Banking Corporation	¥300,000 thousand
Mizuho Bank, Ltd	¥300,000 thousand

(9) Other Important Matters to be Disclosed
Not applicable.

2. Key Statistics of the Company's Shares (as of December 31, 2022)

(1) Shares Authorized: 300,000,000 shares

(2) Total number of shares issued: 101,511,035 shares

(3) Number of Shareholders at Fiscal Year End: 9,866

(4) Top Shareholders

Name of the Shareholder	Number of Shares Held	Holding Ratio (%)
PLAXIE INC	17,139,610	16.88
SEQUOIA CAPITAL INDIA INVESTMENTS IV	9,975,370	9.82
UBS AG SINGAPORE	5,615,250	5.53
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	4,829,282	4.75
CHIA-YUNG SU	3,960,720	3.90
THE MASTER TRUST BANK OF JAPAN, LTD (TRUST ACCOUNT)	3,690,600	3.63
CREDIT SUISSE AG	2,981,120	2.93
HIPPO TECHNOLOGY INVESTMENT COMPANY LIMITED	2,755,210	2.71
CUTODY BANK OF JAPAN, LTD (TRUST ACCOUNT)	2,718,300	2.67
GSEN APPIER CLIENT ASSET ACCOUNT	2,474,024	2.43

(Note) Treasury shares (195 shares) are excluded in calculating the holding ratio.

3. Share Subscription Rights (as of December 31, 2022)

(1) Subscription Rights to Shares (Stock Option) Held by the Directors at the Current Fiscal Year End as Remuneration for their Services Rendered

Name	1st Share Subscription Rights
Number of subscription rights issued	231,670 units
Number of Directors who owns subscription rights	1
Class and number of underlying shares	Common stock, 231,670 shares
Cash paid for subscription rights	No payouts are required
Strike price (exercise price)	¥1
Exercisable period (expiration date)	From February 1, 2021 to January 31, 2031
Conditions of exercise	(Refer to the Note below)

(Note) In the event of the holder's termination of employment, engagement as the Officer, Auditor, or consultant with the Group for the following reasons, the holder shall comply with the provisions as follows;

(a) Resignation: All vested subscription rights then-outstanding shall expire on the last date of employment or engagement. Any subscription rights that are unvested shall be deemed forfeited for no consideration on the last date of employment or retainment.

(b) Retirement: All vested subscription rights then-outstanding may be exercisable by the holder within thirty (30) days following the date of retirement, following which all subscription rights shall expire for no consideration.

(c) Death: Upon the death of the holder, all vested subscription rights then-outstanding may be exercisable by the successor of such holder within ninety (90) days following the date of death of the holder, following which all such subscription rights then-outstanding shall expire for no consideration. Any subscription rights that are unvested shall expire for no consideration on the date of death of the holder.

(d) Work related disability or death: In the event the holder become physically disabled and cannot continue his/her employment or engagement due to work injury or death, all subscription rights (whether vested or unvested) then-outstanding may be exercisable by the holder or the successor of such holder within ninety (90) days following the date of the holder's separation from the Group or death, following which all subscription rights then-outstanding shall expire for no consideration.

(e) Dismissal: All vested subscription rights then-outstanding may be exercisable within thirty (30) days following the earlier of the date of dismissal notice or dismissal, following which all such subscription rights then-outstanding shall expire for no consideration. Any subscription rights that are unvested shall expire on such date for no consideration.

(2) Subscription Rights to Shares Granted to Employees of the Subsidiaries as Consideration for Services Rendered during the Current Fiscal Year

Name	3rd Share Subscription Rights
Date of issuance	April 22, 2022
Number of subscription rights issued	64,832 units
Number of employees of the subsidiaries granted	41
Class and number of underlying shares	Common stock, 64,832 shares
Cash paid for subscription rights	No payouts are required
Strike price (exercise price)	¥1
Exercisable period (expiration date)	From May 9, 2022 to May 8, 2032
Conditions for exercise	(Refer to the Note below)

(Note) In the event of the holder's termination of employment, engagement as the Officer, Auditor, or consultant with the Group for the following reasons, the holder shall comply with the provisions as follows;

(a) Resignation: All vested subscription rights then-outstanding shall expire on the last date of employment or engagement. Any subscription rights that are unvested shall be deemed forfeited for no consideration on the last date of employment or retainment.

(b) Retirement: All vested subscription rights then-outstanding may be exercisable by the holder within thirty (30) days following the date of retirement, following which all subscription rights shall expire for no consideration.

(c) Death: Upon the death of the holder, all vested subscription rights then-outstanding may be exercisable by the successor of such holder within ninety (90) days following the date of death of the holder, following which all such subscription rights then-outstanding shall expire for no consideration. Any subscription rights that are unvested shall expire for no consideration on the date of death of the holder.

(d) Work related disability or death: In the event the holder become physically disabled and cannot continue his/her employment or engagement due to work injury or death, all subscription rights (whether vested or unvested) then-outstanding may be exercisable by the holder or the successor of such holder within ninety (90) days following the date of the holder's separation from the Group or death, following which all subscription rights then-outstanding shall expire for no consideration.

(e) Dismissal: All vested subscription rights then-outstanding may be exercisable within thirty (30) days following the earlier of the date of dismissal notice or dismissal, following which all such subscription rights then-outstanding shall expire for no consideration. Any subscription rights that are unvested shall expire on such date for no consideration.

Name	4th Share Subscription Rights
Date of issuance	October 21, 2022
Number of subscription rights issued	70,072 units
Number of employees of the subsidiaries granted	12
Class and number of underlying shares	Common stock, 70,072 shares
Cash paid for subscription rights	No payouts are required
Strike price (exercise price)	¥1
Exercisable period (expiration date)	From November 7, 2022 to November 6, 2032
Conditions for exercise	(Refer to the Note below)

(Note) In the event of the holder's termination of employment, engagement as the Officer, Auditor, or consultant with the Group for the following reasons, the holder shall comply with the provisions as follows;

(a) Resignation: All vested subscription rights then-outstanding shall expire on the last date of employment or engagement. Any subscription rights that are unvested shall be deemed forfeited for no consideration on the last date of employment or retainment.

(b) Retirement: All vested subscription rights then-outstanding may be exercisable by the holder within thirty (30) days following the date of retirement, following which all subscription rights shall expire for no consideration.

(c) Death: Upon the death of the holder, all vested subscription rights then-outstanding may be exercisable by the successor of such holder within ninety (90) days following the date of death of the holder, following which all such subscription rights then-outstanding shall expire for no consideration. Any subscription rights that are unvested shall expire for no consideration on the date of death of the holder.

(d) Work related disability or death: In the event the holder become physically disabled and cannot continue his/her employment or engagement due to work injury or death, all subscription rights (whether vested or unvested) then-outstanding may be exercisable by the holder or the successor of such holder within ninety (90) days following the date of the holder's separation from the Group or death, following which all subscription rights then-outstanding shall expire for no consideration.

(e) Dismissal: All vested subscription rights then-outstanding may be exercisable within thirty (30) days following the earlier of the date of dismissal notice or dismissal, following which all such subscription rights then-outstanding shall expire for no consideration. Any subscription rights that are unvested shall expire on such date for no consideration.

English Translation
This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

4. Corporate Officers

(1) Directors (as of December 31, 2022)

Name	Title and Role in the Company	Major Dual Positions
Chih-Han Yu	Representative Director and CEO	Director at Appier, Inc. Director at Appier Pte. Ltd. Representative Director at Appier Japan K.K.
Wan-Ling Lee	Director and COO	Director at Appier Pte. Ltd.
Chia-Yung Su	Director and CTO	Director at Appier Pte. Ltd.
Jeng-Ting Tu	Director	Not applicable
Lee-Feng Chien	Director and Audit and Supervisory Committee member	Director at iKala Interactive Media Inc. Independent Director at Airoha Technology Corp. Independent Director at KKday Holding, Inc.
Abheek Anand	Director and Audit and Supervisory Committee member	Managing Director at Sequoia Capital (India) Singapore Pte. Ltd. Director at Cue Learn Private Limited. Director at My Cash Fintech Pte. Ltd. Director at Hmlet Pte. Ltd. Director at Grofers International Pte. Ltd. Director at Beam Mobility Holdings Pte. Ltd. Director at GudangAda Investment Pte. Ltd. Director at Incomlend Pte. Ltd. Director at Tulp Street Pte. Ltd. Director at PPLingo Holdings Limited. Director at Appier Pte. Ltd. Director at Incomlend Holdings Pte. Ltd. Director at Clare.ai Limited. Director Director at Aisa Wealth Platform Pte. Ltd. Director at Milko Grocery Holdings Pty Ltd.
Takashi Motomura	Director and Audit and Supervisory Committee member	Managing Director at TGVest Capital Representative Director at TGVest Capital K.K. CVC Investment Manager at New Frontier Capital Management Co., Ltd.
Daisuke Oshita	Director and Audit and Supervisory Committee member	Representative Attorney at Law at CrossOver Law Firm Audit and Supervisory Board Member at okan, Inc. Audit and Supervisory Board Member at REAPRA Co., Ltd. Audit and Supervisory Board Member at ISSEY MIYAKE INC.
Ching-Hua Ho	Director and Audit and Supervisory Committee member	Director at JPC, Inc. Director at Mayo Human Capital Inc.

(Note) 1. Lee-Feng Chien, Abheek Anand, Takashi Motomura, Daisuke Oshita and Ching-Hua Ho (all are Audit and Supervisory Committee members) are external Directors.

2. The Company has appointed Lee-Feng Chien, Daisuke Oshita and Ching-Hua Ho (all are Audit and Supervisory Committee members), as the Independent Officer pursuant to the regulations of Tokyo Stock Exchange and filed such inauguration to the Exchange.
3. Daisuke Oshita has appropriate technical expertise in legal, finance and accounting which he has cultivated as a professional CPA and Attorney-at law in Japan and US as well as his career at Tokyo Stock Exchange.
4. The Company has not appointed full-time Audit and Supervisory Committee members since we ensure audit effectiveness by enhancing the internal control system in coordination with the Internal Auditor, the Legal Department, and the Finance Department.
5. Ching-Hua Ho has been elected and inaugurated as an Director and Audit and Supervisory Committee member at 4th AGM held on March 29, 2022.

(2) Indemnity Agreement

The Company has entered into indemnity agreements under Article 430-2, paragraph 1 of the Companies Act of Japan with Director (excluding those who are not the Audit and Supervisory Committee member) Chih-Han Yu, Wan-Ling Lee, Chia-Yung Su and Jeng-Ting Tu as well as Director and Audit and Supervisory Committee member Lee-Feng Chien, Abheek Anand, Takashi Motomura, Oshita and Ching-Hua Ho. The Company shall indemnify them for the expenses in item of the said paragraph (i) (hereinafter "Litigation expenses") and the loss in item (ii) of the said paragraph (hereinafter "Compensations") to the extent stipulated in laws and regulations. However, notwithstanding the foregoing, in order to ensure the appropriate execution of the Directors' duties, the Company shall not be obligated to indemnify the followings (out of scope of this indemnity) in addition to the items stipulated in laws;

- Litigation expenses and Compensations not related to the performance of the Duties.
- Litigation expenses that have not yet been incurred.
- Compensations that have not yet been arisen (excluding cases where the amount is already determined).
- Compensations relating to damages incurred by the Company.
- Settlement money in cases where a director who is to be indemnified (the "Indemnitee") reaches a settlement without consent of the Company (excluding cases that the Company deems reasonable).
- Bail money, civil fines, administrative monetary penalties, or fines.
- Litigation expenses and Compensations for which the Indemnitee has separately received recompense through the payment of insurance benefits under the Directors and Officers (D&O) Liability Insurance Contract stipulated in Article 430-3, Paragraph (1) of the Companies Act or other reasons.
- Litigation expenses and Compensations that if the Company were to indemnify the Indemnitee therefor, the Company would be in violation of Laws or any of the Directors of the Company would be in breach of the fiduciary duty.

In addition, even after the Company has paid indemnitee the amount in accordance with Indemnity Agreement, the indemnitee shall return all or part of such amount to the Company in the following cases;

- If it is found that the indemnitee has performed his or her duties for the purpose of pursuing illicit profits for himself or herself or for a third party, or for the purpose of harming the Company, all paid amounts of Litigation expenses shall be returned to the Company.
- If the Indemnitee receives the amount from an insurer in accordance with an insurance contract between the Company and the insurer, whose policy promises that the insurer will cover the damages which may arise from the Indemnitee assuming responsibility for the execution of his or her duties, or from the Indemnitee receiving a claim related to the pursuit of such responsibility, and which names the Indemnitee as the insured, the portion of Litigation expenses and Compensations being absolved from such insurance (i.e., the amount reimbursed to Indemnitee by the insurer in accordance with respective policies) shall be returned to the Company.

(3) Directors and Officers (D&O) Liability Insurance Contract

The Company has also concluded and maintains a policy of Directors and Officers (D&O) liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan. The insured parties thereof are Directors of the Company, as a policy holder, bears the burden of entire premium expenditures. This insurance covers legal damages and litigation expenses if insured parties are sued as a result of serving as a Director of the Company during the period of insurance. However, this insurance does not cover damages arising from, based upon, in connection with, attributable to or as consequences of any insured party having gained any profit or advantage to which he or she had or has no legal entitlement; or any criminal, dishonest or fraudulent act committed by any insured party or any intentional violation or breach of any law or regulation.

(4) Director's Compensation for the Current Fiscal Year

i) Policy for the Determination of Directors Compensation

The Board of Directors resolves the Director's person-by-person compensation policy.

Also, the Board of Directors confirms the consistency between the compensation determination process, the person-by-person compensation, and this policy for the current fiscal year.

The policy for the determination of Director's person-by-person compensation is as follows;

Basic Policy

The compensation of Directors, those who are not a member of Audit and Supervisory Committee, shall be composed of the base remuneration and, as an appropriate incentive, performance-based compensation and stock-based compensation may be granted at an appropriate time and in an appropriate amount.

The compensation of Directors, those who are a member of Audit and Supervisory Committee, on the other hand, shall only be composed of the base remuneration, considering the nature of his or her duties.

Policy for Determination of the Individual Base Remuneration Amount, the Timing and Terms of such Grant

Base remuneration is the monthly fixed compensation paid in cash. The amount of base remuneration shall be determined by considering various facts and circumstances such as the duty, range of responsibility and years of service, as well as the Group’s performance. The base remuneration shall be paid in an appropriate time.

Policy for the Performance Indicator used for the Performance-based Compensation, the Amount and its Calculation Method, the Timing and Terms of such Grant

To motivate their contribution to the Group’s year-on-year performance, the appropriate amount of cash bonus may be paid to the Directors, who are not the Audit and Supervisory Committee member, at an appropriate time.

Policy for the Stock-based Compensation, the Amount and its Calculation Method, the Timing and Terms of such Grant

To align their compensation with shareholders’ interest and further motivate their contribution to the Group’s values as well as shareholders’ value, for mid to long term horizons, the appropriate amount of stock-based compensation such as stock or stock options may be granted to the Directors, who are not the Audit and Supervisory Committee member, at an appropriate time.

Policy for the Ratio of the Amount of Base Remuneration, Performance-based Compensation, and the Stock-based Compensation of the individual Directors

The ratio of the compensation of the Director, who is not the Audit and Supervisory Committee member, shall be determined by balancing various facts and circumstances such as his or her duty, range of responsibility and years of service as well as the Group’s performance.

Decision process of the Individual Directors’ Compensation

Compensation of individual Directors, who are not the Audit and Supervisory Committee member, shall be decided by CEO, Chih-Han Yu, delegated to him by the Board of Directors, based on the resolution of the Board of Directors.

ii) Total amount of compensation for the current fiscal year

	Amount of compensation (Millions of yen)	Amount of compensation by type (Millions of yen)			Number of person
		Basic compensation	Performance compensation	Non-monetary compensation	
Director (External Director out of the above)	- -	- -	- -	- -	- -
Director (Audit and Supervisory Committee member) (External Director out of the above)	22 22	22 22	- -	- -	3 3
Total (Outside Director among the above)	22 22	22 22	- -	- -	3 3

(Note) 1. The maximum amount of annual compensation to Directors (excluding those who are Audit and Supervisory Committee members) was resolved at the AGM held on May 29, 2020, to be at or below ¥70 million. The number of Directors (excluding those who are Audit and Supervisory Committee members) at the end of the above-mentioned AGM was 4.

2. The maximum amount of annual compensation to Director and Audit and Supervisory Committee members was resolved at the AGM held on May 29, 2020, to be at or below ¥30 million. The number of Director and Audit and Supervisory Committee members) at the end of the above-mentioned AGM was 5.

(5) Limited Liability Contract

Each external Director have entered into agreements with the Company to limit their liability for damages in accordance with Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under this contract is the minimum liability limit set forth in Article 425, Clause 1 of the Companies Act.

(6) Matters concerning the Outside Directors

i) Material dual positions of other companies and the relationship between such companies and the Company

Position	Name	Important dual positions	Relationship with the Company
Director and Audit and Supervisory Committee member	Lee-Feng Chien	Director at iKala Interactive Media Inc. Independent Director at Airoha Technology Corp. Independent Director at KKday Holding, Inc.	No significant transactions with the Company
Director and Audit and Supervisory Committee member	Abheek Anand	Managing Director at Sequoia Capital (India) Singapore Pte. Ltd. Director at Cue Learn Private Limited. Director at My Cash Fintech Pte. Ltd. Director at Hmlet Pte Ltd. Director at Grofers International Pte. Ltd. Director at Beam Mobility Holdings Pte. Ltd. Director at GudangAda Investment Pte. Ltd. Director at Incomlend Pte Ltd. Director at Tulp Street Pte. Ltd. Director at PPLingo Holdings Limited. Director at Appier Pte. Ltd. Director at Incomlend Holdings Pte Ltd. Director at Clare.ai Limited (WATI). Director at Aisa Wealth Platform Pte. Ltd. (Stashaway) Director at Milko Grocery Holdings Pty Ltd.	No significant transactions with the Company
Director and Audit and Supervisory Committee member	Takashi Motomura	Managing Director at TGVest Capital Representative Director at TGVest Capital K.K. CVC Investment Manager at New Frontier Capital Management Co., Ltd.	No significant transactions with the Company
Director and Audit and Supervisory Committee member	Daisuke Oshita	Representative Attorney at Law at CrossOver Law Firm Audit and Supervisory Board Member at okan, Inc. Audit and Supervisory Board Member at REAPRA Co., Ltd. Audit and Supervisory Board Member at ISSEY MIYAKE INC.	No significant transactions with the Company
Director and Audit and Supervisory Committee member	Ching-Hua Ho	Director at JPC, Inc. Director at Mayo Human Capital Inc.	No significant transactions with the Company

ii) Major activities for the current fiscal year

Position	Name	Attendance and Comments
Director and Audit and Supervisory Committee member	Lee-Feng Chien	Lee-Feng Chien participated in all the 15 Board of Directors meetings and all the 13 Audit and Supervisory Committee meetings held in the current fiscal year. At the Board of Directors meeting, he made comments to ensure the appropriateness, legality of decision-making based on his abundant technical expertise and knowledge of computer science and management experience at Google LLC Taiwan office. He also made necessary comments in Audit and Supervisory Committee meetings on internal controls, internal audits, IT audits.
Director and Audit and Supervisory Committee member	Abheek Anand	Abheek Anand participated in 13 out of the 15 Board of Directors meetings and 11 out of the 13 Audit and Supervisory Committee meetings held in the current fiscal year. At the Board of Directors meeting, he made comments on general management based on his valuable professional experience and knowledge as Managing Director at venture capital. He also made necessary comments in Audit and Supervisory Committee meetings based on his technical expertise illustrated above.
Director and Audit and Supervisory Committee member	Takashi Motomura	Takashi Motomura participated in all the 15 Board of Directors meetings and all the 13 Audit and Supervisory Committee meetings held in the current fiscal year. At the Board of Directors meeting, he made comments on general management based on his valuable professional experience and knowledge as Managing Director at venture capital. He also made necessary comments in Audit and Supervisory Committee meetings based on his technical expertise illustrated above.
Director and Audit and Supervisory Committee member	Daisuke Oshita	Daisuke Oshita participated in all the 15 Board of Directors meetings and all the 13 Audit and Supervisory Committee meetings held in the current fiscal year. At the Board of Directors meeting, he made comments on general management and corporate governance based on his valuable professional experience and knowledge as CPA and attorney-at-law. He also made necessary comments in Audit and Supervisory Committee meetings based on his technical expertise illustrated above.
Director and Audit and Supervisory Committee member	Ching-Hua Ho	After his inauguration on March 29, 2022, Ching-Hua Ho participated in 10 out of the 11 Board of Directors meetings and 9 out of the 10 Audit and Supervisory Committee meetings held in the current fiscal year. At the Board of Directors meeting, he made comments on general management based on his valuable professional experience and knowledge as CEO of various companies which provide operational software for the enterprises. He also made necessary comments in Audit and Supervisory Committee meetings based on his technical expertise illustrated above.

5. Independent Accounting Auditors

(1) Name of Independent Accounting Auditor: PricewaterhouseCoopers Aarata LLC

(2) Amount of Remuneration

	Amount of Remuneration
Amount of remuneration of the Accounting Auditor in the current fiscal year	¥20,800 thousand
Total amount of cash and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	¥20,800 thousand

(Note) 1. The total amount of remuneration for the audit required by the Companies Act and Financial Instruments and Exchange Act are aggregated as those amounts are not clearly separated and substantially impossible to separate under the audit contract between the Company and the Independent Accounting Auditor.
2. The Audit and Supervisory Committee has consented to the amount of remuneration. Prior to this consent, The Audit and Supervisory Committee performed necessary procedures, such as investigation and questioning on the audit plan and audit execution, and recalculation of the estimated remuneration.

(3) Non-Assurance Work

Not applicable.

(4) Policy of the Dismissal or Non-reappointment of an Independent Accounting Auditor

The Company selects the Independent Accounting Auditor based on their technical expertise and knowledge, understanding the business and industry, integrity and ethics, Objectivity and independence, organizational structure, communication and availability, and audit performance. If the Independent Accounting Auditor is disciplined for violation of laws and regulations such as the Companies Act and the Certified Public Accountants Act, or if they are deemed to be inadequate in terms of audit quality, quality control, independence, and overall competence, the Audit and Supervisory Committee decides to dismiss or not to reappoint the Independent Accounting Auditor at a AGM.

In addition, if any of the items in Article 340, paragraph 1 of the Companies Act, is applicable and deemed to be appropriate, the Independent Accounting Auditor shall be dismissed by the unanimous consent of the Audit and Supervisory Committee members. In this case, a member of the Audit and Supervisory Committee selected by the Audit and Supervisory Committee shall report the fact of dismissal and the reasons for the dismissal at the first AGM after such dismissal.

(5) Audit of Subsidiaries

Appier, Inc., a subsidiary of the Company, is audited by PwC Taiwan.

6. Governance Structure and Policies

(1) Governance Structure to Ensure the Duties and Behaviors of Directors and Employees Comply with the Relevant Laws, Regulations, and the Company's Articles of Incorporation

At the Board of Directors meeting, the Company made a resolution to establish a Basic Policy on Internal Control System to ensure the appropriateness of business operations and to further facilitate the management structure, as follows.

i) Structure to ensure the duties and behaviors of Directors and employees comply with legal requirements and the Company's Articles of Incorporation
   a) Aligning with the Group’s purposes and goals, “Regulations of Board of Directors” and other internal regulations have been established and posted on the Company's intranet to ensure thorough awareness of these regulations and to harness strong ethical culture and behavior.
   b) Internal audits are regularly conducted by the Internal Auditor, an independent body under the direct supervision of the Representative Director and CEO, to ensure that business operations are being carried out in accordance with laws and regulations, the Company's Articles of Incorporation, internal regulations, and other relevant regulations. For any issues or weaknesses identified, the Group also strives to develop the appropriate governance and remedial mechanisms to reduce or eliminate the exposure to such risks.

c) The Legal Department is in charge of compliance implementation, and as a part of onboarding processes, it is mandatory for new employees to undergo ethics and compliance training when they join the Group. Existing employees also undergo annual continuous educational training. Further, the Group utilizes training provided by external organizations to nurture ethical culture and to foster awareness of compliance by all members of the Group.

ii) Structure and mechanism to maintain and manage organizational data relating to duty execution of Directors

a) Based on “Regulations for Handling of Documents”, instead of a one-size-fits-all approach to controls, the Group classifies organizational data (documents, forms, electronic records, and other forms of information) according to the level of confidentiality, and stores and manages such data appropriately.

b) Directors may view such data at any time.

iii) Regulations and mechanism for managing risks of loss

To achieve the Group’s goals and objectives in fair and efficient manners, each of Directors and Department Lead takes proactive actions as follows;

a) Take preventive measures to minimize risks that could tremendously impede our business; any accidents or events that could potentially have a serious and long-term impact on our business.

b) In compliance with the Internal Control Reporting System under the Financial Instruments and Exchange Act, take proactive actions to further enhance the reliability of our financial reporting, by documenting, evaluating and improving the Group-wide internal controls and business processes.

c) Maintain and strengthen procedures and controls needed to improve the quality of our business processes, such as the construction of effective and efficient business processes, the appropriate acquisition and disposal of assets.

iv) Structure and mechanism to ensure efficiency in duty execution of Directors.

a) Not only periodical, once-a-month Board of Directors meeting, the members of the Board of Directors gather, as needed, under the name of extraordinary Board of Directors meeting to deliberate and decide important matters in accordance with laws, the Company's articles of incorporation, and Regulations of Board of Directors. The Board of Directors also receives reports from Executive Directors and monitors the status of business execution.

b) By establishing several internal regulations, including “Regulations of Board of Directors”, which clarifies the authorities and responsibilities, the Group builds appropriate and efficient decision-making mechanisms.

c) In compliance with the “Regulation of Executive Meeting”, the Group has established an “Executive Meeting” which is composed of the Executive Directors, Officers and the Chairman of Audit and Supervisory Committee with Internal Auditor as observers, where they discuss matters to be resolved and other important subjects.

d) In order to execute daily duties efficiently, based on the decisions made by the Board of Directors, and in the context of to the “Regulations for Segregation of Duties” and “Regulations for Roles, Responsibilities, and Authorities”, the assignment of duties and the delegation of authority are implemented, and at each level of division or units, the line executives and mid-level managers share accountabilities and duties in accordance with thereof.

v) Mechanisms to assure to the appropriateness of operations throughout the Group

The Internal Auditor regularly conducts internal audits to verify that the operations comply with laws and regulations, the Articles of Incorporation, and internal regulations. Along with the points to be improved and amended, the observations and results of internal audits are reported to the Representative Director and Audit and Supervisory Committee members for their considerations.

vi) The secretariat to assist the duties of the Audit and Supervisory Committee members, the independence of the secretariat members, and the effectiveness of instructions

The Internal Auditor is defined as the secretariat of the Audit and Supervisory Committee, and the authority to command the secretariat is exclusively assigned to the Audit and Supervisory Committee. The Group ensures that the secretariat is never interfered by any other Officers or employees other than the Audit and Supervisory Committee.

vii) Reporting systems by Directors and employees and other reporting systems to the Audit and Supervisory Committee

a) In addition to the legal requirements, the Directors and employees shall promptly report matters that have or may cause a significant impact on the Group to the Audit and Supervisory Committee and provide necessary reports and observations upon request from the Audit and Supervisory Committee.

b) By formulating “Policy and Procedures for Whistle-blowing System”, the Group maintains appropriate reporting systems and will never retaliate nor vilify Directors and employees who filed any claims.

viii) Other systems for effective audits by Audit and Supervisory Committee

In addition to periodical communications with External Accounting Auditors, the Audit and Supervisory Committee continually communicate with the Representative Director and Internal Auditor.

The reasonable amounts of expenditures incurred in the process of duty execution shall be reimbursed to the Audit and Supervisory Committee upon its request.

ix) Mechanisms to ensure the reliable financial reporting

The Group establishes and operates an internal control system over financial reporting and has established timely and appropriate reporting mechanisms if any problems or deficiencies in internal control are identified.

x) Basic approach and its implementation of the effort to eliminate transactions with anti-social forces

The Group has established the “Regulations for Compliance” to exemplify compliance, and any kind of transactions nor relationships with antisocial forces are stringently prohibited for whatever reasons. As an embodied policy, the Group has also established the “Regulations for Measures Against Anti-Social Forces”. The Group regularly disseminates those rules through the annual compliance training, and onboarding training for new employees.

The Group has also established the “Anti-social Forces Elimination Procedures”, which is controlled by the Legal Department.

(2) Operating System to Ensure the Appropriateness of Business Operations

Based on the basic policy described above, we are implementing the specific initiatives to establish an appropriate operating system to ensure the appropriateness of operations.

1. The Board of Directors consists of nine (9) Directors, and the Audit and Supervisory Committee members (all external directors) also attend each meeting. In the current fiscal year, the Board of Directors meeting was held fifteen (15) times. Based on “Regulations of Board of Directors”, the Board of Directors deliberate and decide on each item of the agenda, supervise the business execution, and proactively exchanges opinions. This mechanism ensures both the agile decision-making and the effective supervision.
2. Annual compliance training is mandatory which ensures that employees are thoroughly penetrated with “Regulations for Compliance” and compliance with this regulation is properly enforced.
3. The Internal Auditor regularly conducts internal audits to verify that the operations comply with laws and regulations, the Articles of Incorporation, and internal regulations. The observations and results of internal audits are reported to the Representative Director and Audit and Supervisory Committee members, along with points to be improved. In addition, members of the Audit and Supervisory Committee meet External Accounting Auditor and Internal Auditor, as necessary, to exchange opinions on the risks and the progress of internal control improvement.
4. To eliminate antisocial forces, the Legal Department controls “Regulations for Measures Against Anti-Social Forces” and “Anti-social Forces Elimination Procedures”, and the Group operates impeccably in compliance with them. In addition, the Group cooperates with external organizations to gather information and obtain relevant guidance.

7. Dividend Payout Policies

The Company recognizes that returning cash to shareholders is one of a significant management objective and will contemplate on such payouts, taking into account its business performances and financial positions.

However, the Company has never paid dividends since our establishment, and we will not pay dividends for the time being, because we are high-growth companies and place a particular emphasis and priority on our organic and inorganic growth; will continue to invest in the business development and growth opportunities.

In the future, when we can generate stable earnings from our business and secure sufficient cash to finance business operation and sustainable growth, we will consider the dividend payout with holistic views on all key aspects of internal and external environments at that time.

The decision authority of dividend belongs to the Board of Directors.

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Note : Amounts stated in this business report are rounded to the nearest unit.
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Consolidated statements of financial position

(As of December 31, 2022)

(Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	25,362,806	Current liabilities	7,286,883
Cash and cash equivalents	3,803,630	Borrowings	2,149,053
Time deposits	13,932,568	Contract liabilities	158,189
Trade receivables	2,843,653	Trade payables	1,833,823
Contract assets	920,117	Other liabilities	2,413,623
Other receivables	164,292	Current tax payables	51,367
Other current assets	121,969	Lease liabilities	582,535
Other financial assets	3,576,577	Other current liabilities	98,293
Non-current assets	10,575,815	Non-current liabilities	2,450,403
Property, plant and equipment	192,491	Provisions	62,387
Right-of-use assets	2,881,598	Deferred tax liabilities	58,989
Goodwill and intangible assets	6,937,098	Lease liabilities	2,329,027
Deferred tax assets	174,669	Total liabilities	9,737,286
Other financial assets	389,959	(Equity)	
		Equity attributable to owners of the parent company	26,201,335
		Share capital	7,535,199
		Capital surplus	23,712,343
		Treasury shares	(246)
		Retained earnings	(9,472,977)
		Other components of equity	4,427,016
		Total equity	26,201,335
Total assets	35,938,621	Total liabilities and equity	35,938,621

(The amount to be stated is rounded to less than thousands of yen. Same rule shall apply hereinafter.)

Consolidated statements of profit or loss

(From January 1, 2022 to December 31, 2022)

(Thousands of yen)

Account	Amount
Revenue	19,426,604
Cost of sales	(9,428,141)
Gross profit	9,998,463
Sales and marketing expenses	(6,393,578)
Research and development expenses	(2,283,617)
General and administrative expenses	(1,602,426)
Other income	333,873
Other expenses	(2,442)
Operating income	50,273
Finance income	213,444
Finance costs	(152,740)
Profit before tax	110,977
Income taxes	(89,655)
Profit for the year	21,322
Profit attributable to:	
Owners of the parent company	21,322

English Translation
This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated statements of changes in equity

(From January 1, 2022 to December 31, 2022)

(Thousands of yen)

	Equity attributable to owners of the parent company							
					Other components of equity			
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial statements translation differences of foreign operations	Unrealized (loss) gains from financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2022	7,526,244	23,644,664	-	(9,494,299)	1,134,939	24,140	1,159,079	22,835,688
Profit for the year	-	-	-	21,322	-	-	-	21,322
Other comprehensive income	-	-	-	-	3,307,935	(39,998)	3,267,937	3,267,937
Total comprehensive income	-	-	-	21,322	3,307,935	(39,998)	3,267,937	3,289,259
Share options of the Company	-	58,724	-	-	-	-	-	58,724
Exercise of share options	8,955	8,955	-	-	-	-	-	17,910
Purchase of treasury shares	-	-	(246)	-	-	-	-	(246)
Total transactions with owners	8,955	67,679	(246)	-	-	-	-	76,388
Balance at December 31, 2022	7,535,199	23,712,343	(246)	(9,472,977)	4,442,874	(15,858)	4,427,016	26,201,335

English Translation
This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Notes to the consolidated financial statements

Significant basis for preparation of the consolidated financial statements

1. Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with the designated international accounting standards (IFRS) pursuant to provisions of Article 120, Paragraph 1 of the Regulation on Corporate Accounting. Certain disclosure items required by IFRS are omitted in the consolidated financial statements as permitted by the second sentence of the above-mentioned paragraph.

2. Scope of consolidation

Status of consolidated subsidiaries

Number of consolidated subsidiaries 15

Name of major consolidated subsidiaries

Appier Pte. Ltd.
Appier, Inc.
Appier Japan, Inc.

Woopra, Inc. became a subsidiary of the Company in the year ended December 31, 2022, due to the acquisition of shares on October 3, 2022.

3. Accounting policies

(1) Valuation standards and measurement methods of financial instruments

i) Financial Assets

a. Classification

The Group classifies its financial assets as those to be measured subsequently at fair value through profit or loss , at fair value through other comprehensive income and those to be measured at amortized cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is classified as a financial asset measured at amortized cost if both of the following requirements are met.

- The assets are held within a business model whose objective is to hold assets to collect contractual cash flows.
- The contractual terms of a financial asset give rise to cash flows on a particular date that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment measured at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c. Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments at amortized cost or measured at fair value through profit or loss. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains or losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortized cost or measured at fair value through comprehensive income are classified as measured at fair value through profit or loss. Movement in fair values and interest income is recognized in profit or loss in the period in which it arises and presented in "other income".

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established.

d. Impairment

Impairment losses (and reversal of impairment losses) on debt investments measured at fair value through profit or loss or equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

Loss allowance is recorded for expected credit losses on financial assets measured at amortized cost. A loss allowance is recognized based on expected credit losses at each fiscal year end by considering whether there has been a significant increase in the credit risk of a financial asset, or a group of financial assets measured at amortized cost since initial recognition. If, at the fiscal year end, the credit risk associated with a financial instrument has not increased significantly since initial recognition, the Group recognizes expected credit losses arising from default events that are possible within 12 months after the fiscal year end (12-month expected credit loss).

On the other hand, if, at the fiscal year end, the credit risk associated with a financial instrument has increased significantly since initial recognition, the Group recognizes expected credit losses arising from all possible default events over the expected life of the financial instrument (lifetime expected credit losses for the entire period).

For trade receivables and contract assets, the Group applies the simplified approach, permitted by IFRS 9 "Financial instruments", which uses an amount equal to lifetime expected credit losses since initial recognition.

ii) Financial liabilities

a. Initial recognition and measurement

The Group classifies financial liabilities as measured at fair value through profit or loss or measured at amortized cost at initial recognition.

The Group recognizes the financial instrument when it becomes a party to the contract relating to the financial liability. Financial liabilities measured at amortized cost are measured net of directly attributable transaction costs.

b. Subsequent measurement

After initial recognition, financial liabilities are measured as follows, depending on their classification:

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured using the effective interest method after initial recognition. When a financial liability ceases to be amortized using the effective interest method or is derecognized, any gains and losses are recognized as part of finance costs in profit or loss for the year.

Financial liabilities measured at fair value through profit or loss

Changes in fair values of a financial liabilities measured at fair value through profit or loss are recognized in profit or loss after initial recognition. Contingent consideration is classified as a financial liability measured at fair value through profit or loss.

c. Derecognition

The Group derecognizes a financial liability when it is extinguished, i.e., when the obligation identified in the contract is discharged or cancelled or expired.

iii) Offset of financial assets and liabilities

Financial assets and liabilities are offset and presented on a net basis in the consolidated statements of financial position only if the Group has a legally enforceable right to offset those balances and settle them on a net basis or has the intention to realize the assets and settle the liabilities simultaneously.

(2) Valuation standard and its methods and the method of depreciation or amortization of Property, plant and equipment and Goodwill and intangible assets

i) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, using the cost model.

The cost includes costs directly relating to the acquisition of the assets, dismantlement, removal, and land restoration costs, and borrowing costs to be capitalized. All other repairs, including replacement parts, are recorded in profit or loss during the fiscal year in which they are incurred.

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of each component of property, plant and equipment. Land is not depreciated.

The depreciation methods, useful lives and residual values are reviewed at the fiscal year end and revised as necessary. If expectations for the useful life and residual value of an asset differ from previous estimates, or if the pattern of consumption of the future economic benefits included in the asset changes significantly, the change is accounted for as a change in estimate under IAS 8 "Accounting policies, changes in accounting estimates and errors" (hereinafter, "IAS 8").

The estimated useful lives of property, plant and equipment are as follows:

Building equipment: 2 to 10 years
Others: (Note): 2 to 18 years
Note: Others include leaseholder improvement and other equipment.

ii) Goodwill and intangible assets

Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

Other intangible assets

Separately acquired intangible assets are carried at cost less accumulated amortization and impairment losses, using the cost model.

All internally generated intangible assets are development costs which are qualified for capitalization.

Intangible assets are amortized on a straight-line basis over the estimated useful life of each component of the intangible assets.

Amortization methods and useful lives are reviewed at each fiscal year end and revised as necessary. If expectations for the useful life of an intangible asset differ from previous estimates or if the pattern of consumption of the future economic benefits included in the intangible asset changes significantly, the change is accounted for as a change in estimate under IAS 8.

The estimated useful lives of the major intangible assets are as follows

Software development: 5 years
Other intangible assets: 5 to10 years

Research and development costs

Research expenditure is recognized as an expense when it is incurred. Development-related expenditure is capitalized only when it is reliably measured, it is probable that future economic benefits will be obtained, the Group intends to complete the development to use or sell the asset, and the Group has sufficient resources to do so, in accordance with the asset recognition criteria of IAS 38 "Intangible assets". When research expenditures and development expenditures cannot be clearly distinguished, they are recognized as research expenditures when they are incurred.

(3) Impairment of non-financial assets

At each fiscal year end, the Group reviews the carrying amount of its non-financial assets, excluding deferred tax assets, to determine whether there is any indication of impairment. If indication of impairment exists, then the recoverable amount of the asset is estimated. For goodwill and intangible assets with indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each fiscal year end or when any indication of impairment is identified.

The recoverable amount of an asset or a cash-generating unit (hereinafter, "CGU") is the higher of value in use or fair value less disposal costs. In calculating value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the time value of money and the inherent risk of the asset in question. A CGU is defined as the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets when used on an ongoing basis.

Goodwill is allocated to CGUs, at which goodwill is monitored for internal reporting purposes, and those are not larger than the operating segments prior to aggregation.

Impairment losses are recognized in profit or loss if the carrying amount of the asset or CGU exceeds its recoverable amount. Impairment losses recognized in relation to a CGU are allocated first to reduce the carrying amount of goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets within the CGU on a pro-rata basis.

Previously recognized impairment losses on assets are reviewed quarterly to determine if there is any indication that an impairment loss may be reversed. Impairment losses are reversed when there is an indication of impairment reversal and the estimate used to determine the recoverable amount of the asset has changed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, net of necessary depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

(4) Leases

The Group considers a transaction to be a lease if the contract transfers the right to control the use of the identified asset in exchange for consideration over a period. A lease is recognized as a right-of-use asset and a corresponding lease liability at the date the right-of-use asset becomes available for use to the Group. For short-term leases, lease payments are recognized as an expense on a straight-line basis over the lease term.

The lease liability is calculated using the net present value of the remaining lease payments at the commencement date of the lease term, using the interest rate implicit in the lease, or the Group's incremental borrowing rate, if the implicit interest rate is not readily determinable.

The lease payments consist of the following:

i) Fixed payments less any lease incentives receivable
ii) Variable lease payments that depend on economic indices or interest rates
iii) Amounts expected to be payable by the lessee under the residual value guarantees
iv) The exercise price of a purchase option if the exercise of the option is determined to be certain
v) Penalties payable at the end of the lease if the lessee does not exercise the purchase option during the lease term

The Group allocates the lease payments to debt repayments and finance costs. Finance costs are expensed in profit or loss over the lease term so that they bear a constant periodic interest rate on the balance of the liability in each period. If there is a change in the lease term or lease payments that is not attributable to a change in the lease contract, the lease liability is remeasured, and the remeasured amount is recognized as an adjustment to the right-of-use asset.

At the commencement date, the right-of-use assets are presented at cost, which include the following:

i) The amount of lease liabilities on initial recognition
ii) Lease payments made at or before the lease term begins
iii) Initial direct costs incurred by the lessee
iv) Restoration costs

The Group has elected the simplified method to account for each lease component and its associated non-lease components as a single lease component, instead of separating the non-lease component from the lease component by class of underlying asset, as permitted by IFRS 16 "Leases".

The right-of-use asset is measured on a cost basis every year and is depreciated over the shorter of the periods from the commencement of the lease term to the end of the asset's useful life or to the end of the lease term. When a lease liability is remeasured, the remeasured amount is recognized as an adjustment to the right-of-use asset.

(5) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event that is reasonably estimable, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted to the present value of the estimated future cash flows using a pre-tax rate that reflects the time value of money and the inherent risk of the liability. The unwinding of discounted amount due to the passage of time is recognized in finance costs. Provisions are not recognized for future operating losses.

The Group's provisions mainly include asset retirement obligations. Provisions are based on the individual circumstances of each property and asset retirement obligations are determined based on the past restoration experiences and the useful life of the leasehold improvements primarily in the leased offices.

(6) Employee benefits

Short-term employee benefits

Short-term employee benefits are not discounted and are recognized as an expense when the related services are rendered.

Paid leave costs are recognized as a liability and an expense when employees provide service that increases their future paid leave entitlement.

Pensions - Defined contribution pension plans

A defined contribution pension plan is a post-employment benefit plan in which an entity pays fixed contributions to a separate entity (a fund) and will not have legal or constructive obligation to make further contributions, even if the fund does not hold sufficient assets to pay all employee benefits related to the employee's service in the current and prior periods. Contributions to defined contribution plans are recognized as an expense in the period in which the employee has rendered services. Prepaid contributions in excess of contributions for service prior to the fiscal year end are recognized as an asset to the extent that such advance payments result in a return of cash or a reduction in future payments.

(7) Revenue recognition

The Group recognizes revenue from customer contracts based on the following five-step approach:

Step 1: Identify contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when or as performance obligations are satisfied

The Group mainly provides solutions with its AI platform. Specifically, digital marketing services are to provide solutions that leverage AI technology helping our customers to acquire high lifetime value users, and online services are to provide access to our platforms for customer engagement, customer targeting or data science. For digital marketing services, the Group recognizes revenue over the contract period based on the internet users' responses because the performance obligations are satisfied as the users respond to the campaigns we provide in a particular way. Cost of sales consists of only expenses which directly relate to generating revenue, and the main components are expenses to be paid to external parties for rendering our services. For the provision of the online services with our platform, revenue is recognized over the service providing period as the performance obligations continue to be satisfied during the period. As for digital marketing services, contract assets are recognized until billing to the customer, and then trade receivables are recognized on the billing to the customer.

As all the services provided by the Group are generally based on the contracts within one year, the performance obligations do not contain significant financing components. When advance payments are received from customers in accordance with the terms of the contract, they are recognized as contract liabilities.

(8) Foreign currency translation

The financial statements of each consolidated entity that make up the Group's consolidated financial statements are prepared in the currency of the primary economic environment in which it operates (hereinafter, the "functional currency"). The consolidated financial statements are presented in Japanese yen, which is the Group's presentation currency.

Foreign currency transactions and balances

i) Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or the exchange rates at the time of fair value measurements. Foreign exchange gains and losses resulting from the translation or settlement are recognized in profit or loss in the period in which they occur.

ii) Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate. Exchange differences arising at the fiscal year end are recognized in profit or loss.

iii) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as debts or equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

iv) Gains and losses from foreign currency translation are recorded in "Finance income" and "Finance costs" in the consolidated statements of profit or loss.

Translation of foreign operations

The financial position and results of foreign operations in the Group that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

i) Assets and liabilities in the statement of financial position are translated at the closing rates.
ii) Income and expenses in the statement of profit or loss are translated using the average exchange rate for the period.
iii) All resulting exchange differences shall be recognized in other comprehensive income and accumulated in other components of equity.

Upon the events such as a disposal or a partial disposal of a foreign operation that results in a loss of control, significant influence or joint control, the accumulated exchange differences are reclassified to profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising from acquisitions of foreign operations are translated at the closing rates.

(9) Other significant basis for preparation of the consolidated financial statements

Not applicable.

Notes to accounting estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and their underlying assumptions are continually reviewed. The effect of changes in accounting estimates is recognized in the period of the change and in future periods.

Judgments made in applying accounting policies that have a significant impact on the amounts recognized in the consolidated financial statements are as follows:

(1) Collectability of deferred tax assets

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against the temporary differences. An assessment of the recoverability of deferred tax assets includes significant accounting judgments and management's estimates, including projections of expected future revenue growth rates and profit margins, available tax credits, tax planning and other projections. In addition, new or revised laws and regulations may result in significant adjustments to deferred tax assets. The carrying amount of deferred tax assets is reviewed every year and the carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will not be available to allow all or a part of the deferred tax asset to be utilized Unrecognized deferred tax assets are reassessed every year and recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered. The amount of deferred tax assets as of December 31, 2022 is ¥174,669 thousand.

(2) Valuation of goodwill and intangible assets and capitalization of software development (Significant basis for preparation of the consolidated financial statements Note 3 "Accounting policies" (2) Valuation standard and its methods and the method of depreciation or amortization of Property, plant and equipment and Goodwill and intangible assets)

The amount of goodwill and intangible assets as of December 31, 2022 is ¥6,937,098 thousand.

(3) Impairment of non-financial assets (Significant basis for preparation of the consolidated financial statements Note 3 "Accounting policies" (3) Impairment of non-financial assets)

The amount of non-financial assets as of December 31, 2022 is ¥10,133,156 thousand.

Notes to consolidated statements of financial position

1. Asses pledged as collateral and liabilities corresponding to pledged assets
   (1) Asses pledged as collateral
   Time deposits ¥1,717,857 thousand

   (2) Liabilities corresponding to pledged assets
   Borrowings ¥1,549,053 thousand

2. Allowance for doubtful accounts directly deducted from assets
   Trade receivables ¥187,979 thousand

3. Accumulated depreciation of property, plant and equipment ¥ 418,523 thousand

4. Guarantee liabilities
   Not applicable

Notes to consolidated statements of changes in equity

1. Class and number of shares issued

Class of shares	Total number of shares as of January 1, 2022	Increase	Decrease	Total number of shares as of December 31, 2022
Common stock	101,164,657	346,378	-	101,511,035

2. Share subscription rights at the end of the fiscal year

	Class of shares to be issued	Number of shares to be issued
First series of share subscription rights	Common stock	1,176,150 shares
Second series of share subscription rights	Common stock	28,569 shares
Third series of share subscription rights	Common stock	61,697 shares
Fourth series of share subscription rights	Common stock	70,072 shares

Notes to financial instruments

1. Status of financial instruments

(1) Capital management

The Group manages its capital to maintain an optimal capital structure to maximize returns to shareholders and reduce the cost of capital through sustainable growth.

The Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt to maintain and respond to an optimal capital structure.

(2) Risk management

The Group is exposed to a variety of financial risks in the course of its business activities, including market risks (foreign currency risk, interest rate risk and price risk), credit risks and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and strives to minimize any potential adverse effects on the Group's financial position and financial performance.

Financial risk management is carried out in accordance with policies approved by the Board of Directors.

i) Market risks

a. Foreign currency fluctuation risk

The Group operates internationally, and therefore is exposed to foreign currency risk arising from transactions in various currencies. Foreign currency risk arises from forecast transactions and assets and liabilities subject to valuation.

The Group's business is conducted in the functional currency of each Group company (the Company's functional currency is Japanese yen, and the functional currencies of subsidiaries are mainly Japanese yen, U.S. dollar, and Taiwanese dollar). Accordingly, financial assets and liabilities held in currencies other than the functional currency of each Group company are affected by fluctuations in exchange rates.

b. Price risk

The Group’s equity securities, which are exposed to price risk, are the held financial assets measured at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

c. Cash flow and interest rate risks

The Group's profit and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant assets that are affected by interest, except for bank deposits. Borrowings could be exposed to interest rate risk, but the Group holds only fixed interest rate borrowings and therefore is not exposed to cash flow risk associated with interest rates.

ii) Credit risk

Credit risk is a risk that may cause financial losses to the Group for a default by a counterparty or customer on a financial instrument held by the Group. The main factor is the counterparty’s failure to repay the trade receivables in full in accordance with the agreed-upon terms and conditions.

Most of the receivables held by the Group are issued by world-renowned companies with excellent credit records. The Group has not recently suffered from significant bad debts and the Group evaluates the adequacy of the loss allowances for bad debts in a consistent manner. Our credit assessment has not revealed any significant credit risk.

If all or part of the loans are deemed to be uncollectible or extremely difficult to collect, the Group considers the receivables to be in default. In addition, if the delay in payment is not due to a temporary need for funds but is due to significant financial hardship of the debtor or other factors, then the Group considers the receivable requires special concern for the collectability and judges as credit impaired.

In order to diversify credit risk, the Group conducts its entire transactions in the form of various creditworthy financial instruments, in which the Group believes default by the counterparties of these transactions is unlikely to occur.

iii) Liquidity risk

Liquidity risk management refers to maintaining sufficient cash and cash equivalents and securing funds through sufficient amounts of credit and market positions. The Group's objective is to maintain sufficient credit facilities that allow for adequate and flexible funding.

2. Fair value of financial instruments

Amounts on the consolidated statement of financial position and fair values as of December 31, 2022 are as follows.

	Amounts recorded in consolidated statements of financial position（thousands of yen）	Fair value（thousands of yen）
Cash and cash equivalents	3,803,630	3,803,630
Time deposits	13,932,568	13,932,568
Trade receivables	2,843,653	2,843,653
Other receivables	164,292	164,292
Other financial assets	3,966,536	3,966,536
Borrowings	2,149,053	2,149,053
Trade payables	1,833,823	1,833,823
Other liabilities	2,413,623	2,413,623

(1) Fair value measurement

Fair value of financial assets and liabilities are determined as below. Among the financial assets and liabilities measured at amortized cost, the carrying amount of the financial instruments reasonably approximates their fair values.

(2) Financial assets and liabilities measured at amortized cost

Financial assets (cash and cash equivalents, trade receivables, time deposits, other receivables, and part of other financial assets) and financial liabilities (trade payables, borrowings, and some part of other liabilities) are settled with short maturities, so their carrying amounts approximate their fair values. Guarantee deposits included in other financial assets are measured at the present value of future cash flows discounted at a rate that takes into account the period up to the maturity date and credit risk, and their carrying amounts match or approximate their fair values.

(3) Financial assets measured at fair value

Financial assets measured at fair value through profit or loss included in other financial assets relating to investments in beneficiary certificates, and the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

Financial assets measured at fair value through other comprehensive income included in other financial assets relating to investments in shares issued by the foreign company is measured by using valuation techniques by reference to market comparable companies. Unobservable inputs such as price to revenue ratio multiple and discount for lack of marketability are used for the measurement of fair value.

(4) Financial liabilities measured at fair value

Contingent consideration relating to business combinations (Other liabilities) is measured at fair value mainly using the discounted cash flow method. Unobservable inputs such as future cash outflows accompanying performance improvements by employees, the completion of integration process, the completion of product objectives, and financial performance are used for the measurement of fair value.

3. Matters related to the breakdown of financial instruments by appropriate category

The fair value hierarchy used for fair value measurement comprises the following 3 categories.

- Level 1: Quoted prices for identical assets or liabilities in active markets
- Level 2: Inputs made up of prices, other than quoted prices, that are observable, either directly or indirectly
- Level 3: Inputs that include unobservable prices

The level of the fair value used to measure fair value is determined based on the lowest level input that is significant to the fair value measurement.

At December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Beneficiary certificates				
Current assets				
Other financial assets	-	3,576,577	-	3,576,577
Financial assets measured at fair value through other comprehensive income				
Unlisted equity securities				
Non-current assets				
Other financial assets	-	-	139,982	139,982
Total	-	3,576,577	139,982	3,716,559

Financial liabilities measured at fair value through profit and loss				
Contingent consideration relating to business combinations				
Current liabilities				
Other liabilities	-	-	690,801	690,801
Total	-	-	690,801	690,801

Notes to revenue recognition

Revenue is analyzed as follows:

	Year ended December 31, 2022
	Thousands of yen
Revenue from contracts with customers	19,426,604

Disaggregation of revenue recognized from contracts with customers

The Group monitors sales performance by region to develop the business and allocates revenues to the region-based management units.

	Year ended December 31, 2022
	Thousands of yen
Northeast Asia region	12,199,474
Greater China region	3,992,015
Southeast Asia region	916,388
United States, Europe, the Middle East, and Africa region	2,318,727
	19,426,604

Information by region

Northeast Asia - consisting of Japan and South Korea;

Greater China Region - consisting of Mainland China, Taiwan and the Hong Kong Special Administrative Region;

Southeast Asia - consisting of all other countries in the Asia-Pacific region, including Singapore, Malaysia, Philippines, Thailand, Vietnam, India, Indonesia, and Australia; and

United States, Europe, the Middle East, and Africa—consisting of United States and all countries in Europe, the Middle East and Africa, including United Kingdom and France.

Contract balances

Out of the contract balances with the Group, contract assets and contract liabilities are presented as contract assets and contract liabilities in the consolidated statements of financial position. All trade receivables are receivables from contracts with customers, and details are shown in Note 7 “Trade receivables”.

Revenue recognized in the year ended December 31, 2022 that was included in the opening balance of contract liabilities is as follows:

	Year ended December 31, 2022
	Thousands of yen
Revenue included in the opening balance of contract liabilities	97,685

Notes to business combinations

1. Overview of the business combination
   (1) Name and business of the acquiree
   Name: Woopra, Inc.
   Business: SaaS (Software as a Service) platform for customer journey analytics, marketing automation and data management
   (2) Main reasons for the business combination
   Woopra, headquartered in California, U.S., has a broad customer base in the U.S. and Europe across B2C and B2B industry verticals, and provides a powerful and proven SaaS platform for customer journey analytics, marketing automation and data management. Woopra has demonstrated profitable financial performance with outstanding customer satisfaction. The integration of Woopra and Appier will further strengthen both companies' positions in the customer and product analytics market and further the Company's enterprise market penetration and growth in the U.S. and European markets. Woopra's global customer base will also offer significant opportunities for Appier to further expand and solidify its global footprint, especially in enhancing the business growth of our enterprise product lines.
   (3) Acquisition date
   October 3, 2022
   (4) Methods of obtaining control
   The acquisition took into effect by way of a "reverse triangular merger". This is in accordance with the Delaware General Corporation Law, with cash consideration, and with Woopra as a surviving company and the Special Purpose Company as a dissolving company.
   Upon consummation of the merger, shareholders of Woopra received cash from Appier Pte. Ltd. and all outstanding shares of Woopra were canceled. Shares of the Special Purpose Company owned by Appier Pte. Ltd. were converted into common stock of Woopra, the surviving company, and Appier Pte. Ltd. acquired all of those shares. As a result, Appier Pte. Ltd. owns 100% of the shares of Woopra, and Woopra became a wholly-owned subsidiary of the Company and Appier Pte. Ltd.
   (5) Percentage of voting equity interest acquired
   100%

2. Consideration transferred and its details

Consideration transferred	(Thousands of yen) Amount
Fixed cash consideration	1,285,394
Contingent consideration	690,800
	1,976,194

(Note) As of December 31, 2022, a contingent consideration of ¥657,766 thousand in relation to acquisition of Woopra, Inc. is included in "Other liabilities" in the consolidated statements of financial position.

3. The contingent consideration may be paid within two years from acquisition date conditional to the completion of product objectives and financial performance. Changes in contingent consideration are as follows:

Contingent consideration	Year ended December 31, 2022
At January 1	-
Increase from the business combination	690,800
Exchange differences	(33,034)
At December 31	657,766

4. The acquisition-related cost was ¥7,929 thousand and is included in "General and administrative expenses" in the consolidated statements of profit or loss.

5. Goodwill amount and its attribution
   (1) Amount: ¥1,792,190 thousand
   It is not expected to be deductible for tax purposes.
   (2) Attribution
   The goodwill is attributable mainly to the growth of the excess earning capacity expected from future business development.

6. Amounts of assets and liabilities recognized on the date of the business combination

(Thousands of yen)

	Fair value
Assets	
Cash and cash equivalents	124,551
Trade receivables	14,567
Property, plant and equipment	804
Intangible assets	264,258
Other receivables	127,117
Other current assets	3,254
Total assets	534,551
Liabilities	
Contract liabilities	37,511
Trade payables	2,930
Deferred tax liabilities	55,455
Other liabilities	254,651
Total liabilities	350,547
Assets acquired and liabilities assumed (net)	184,004

7. Cash flow analysis associated with the acquisition of shares

	Amount
	Thousands of yen
Fixed cash consideration	1,285,394
Other payable for acquisition	(8,977)
Cash and cash equivalents held by the acquiree	(124,551)
Cash paid for the acquisition	1,151,866

Notes to per share information

1. Equity attributable to owners of the parent per share ¥258.11
2. Basic earnings per share ¥ 0.21
3. Diluted earnings per share ¥ 0.21

Notes to significant subsequent event

Not applicable.

Non-consolidated balance sheet

(As of December 31, 2022)

(Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	1,176,250	Current liabilities	662,740
Cash and cash equivalents	858,204	Short-term borrowings	600,000
Short term loan	300,000	Other payables	32,897
Accrued revenue	1,316	Accrued expenses	28,109
Prepaid expenses	7,075	Income taxes payable	1,210
Others	9,656	Others	524
Fixed assets	29,718,201	Total liabilities	662,740
Investment and other assets	29,718,201	(Net assets)	
Stocks of subsidiaries	29,593,668	Shareholder’s equity	30,203,192
Long-term accounts receivable	124,532	Share capital	7,535,199
Reserved assets	88,021	Capital surplus	23,359,736
Stock issuance fee	88,021	Capital reserve	7,535,199
		Other capital surplus	15,824,536
		Retained earnings	(691,497)
		Other retained earnings	(691,497)
		Retained earnings carried forward	(691,497)
		Treasury shares	(246)
		Share subscription rights	116,539
		Total net assets	30,319,731
Total Assets	30,982,471	Total liabilities and net assets	30,982,471

(The amount to be stated is rounded to less than thousands of yen. Same rule shall apply hereinafter.)

Non-consolidated income statement

(From January 1, 2022 to December 31, 2022)

(Thousands of yen)

Account	Amount
Revenue	73,574
Cost of sales	70,228
Gross profit	3,346
Selling, general and administrative expenses	185,085
Operating income (loss)	(181,739)
Non-operating income	173,421
Non-operating expenses	75,369
Ordinary income (loss)	(83,688)
Extraordinary gains	22,911
Gain on reversal of share acquisition rights	22,911
Net income (loss) before income taxes	(60,777)
Income taxes expense	1,210
Net income (loss)	(61,987)

Non-consolidated statement of changes in shareholders' equity

(From January 1, 2022 to December 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus			Retained earnings
		Capital reserve	Other capital surplus	Total capital surplus	Capital reserve Retained earnings carried forward
Balance as of January 1, 2022	7,526,244	7,526,244	15,824,536	23,350,781	(629,511)
Changes during the fiscal year					
Share issued (exercise of share subscription rights)	8,955	8,955	—	8,955	—
Net loss	—	—	—	—	(61,987)
Purchase of treasury shares	—	—	—	—	—
Changes in other than shareholder’s equity (net)	—	—	—	—	—
Total changes during the fiscal year	8,955	8,955	—	8,955	(61,987)
Balance as of December 31, 2021	7,535,199	7,535,199	15,824,536	23,359,736	(691,497)

	Shareholders' equity		Share subscription rights	Total net assets
	Treasury shares	Total shareholders’ equity		
Balance as of January 1, 2022	—	30,247,514	80,727	30,328,241
Changes during the fiscal year				
Share issued (exercise of share subscription rights)	—	17,910	—	17,910
Net loss	—	(61,987)	—	(61,987)
Purchase of treasury shares	(246)	(246)	—	(246)
Changes in other than shareholder’s equity (net)	—	—	35,813	35,813
Total changes during the fiscal year	(246)	(44,323)	35,813	(8,510)
Balance as of December 31, 2022	(246)	30,203,192	116,539	30,319,731

Notes to the non-consolidated financial statements

Notes on matters related to important accounting policies

1. Valuation standards and methods for securities
   Stocks of subsidiaries: Moving average cost method
2. Method of accounting for reserved assets
   Stock issuance fee is amortized in three years in a straight-line basis.
3. Basis for recognition of revenue and expenses
   Revenue from contracts with customers is recognized when control of the services is transferred to the customer at the amount expected to be received in exchange for the services.

Changes in accounting policies

1. Adoption of "Accounting Standard for Revenue Recognition," etc.

The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year ended December 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The adoption of "Accounting Standard for Revenue Recognition, " etc. is subject to the transitional treatment provided for in paragraph 84 of " Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective adoption, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year ended December 31, 2022, was added to, or deducted from the opening balance of retained earnings of the fiscal year ended December 31, 2022, and thus the new accounting policy was applied from such opening balance. This change in accounting policy has no impact on financial statements.

2. Adoption of "Accounting Standard for Fair Value Measurement, " etc.

The Company has adopted "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the fiscal year ended December 31, 2022. The new accounting policies stipulated in the new standards are applied into the future in accordance with the transitional treatment provided for in paragraph 19 of "Accounting Standard for Fair Value Measurement" and paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019). This change in accounting policy has no impact on financial statements.

Notes on the accounting estimates

There are no items which have been recorded in the current fiscal year under accounting estimates, and which have a possibility to have a material effect to the non-consolidated financial statements in the next fiscal year.

Notes on the balance sheet

1. Receivables and Payables to the affiliated companies

Short term loan	¥ 300,000 thousand
Long-term accounts receivable	¥ 124,532 thousand
Other payables	¥ 10,992 thousand

Notes on the income statements

1. Transactions with affiliated companies

Commercial transactions	
Revenue	¥ 73,574 thousand
Cost of sales	¥ 40,680 thousand
Non-commercial transactions	¥ 3,006 thousand

Notes on the statement of changes in shareholders' equity

Number of treasury shares at the end of the year ended December 31, 2022 195 shares

Notes on transactions with related parties

1. Parent Company and major shareholders
   Not applicable

2. Subsidiaries

Type	Name of the Company	Ownership ratio of voting rights (%)	Relationship with the relevant parties	Details of the transaction (Note 1)	Transaction Amount (Thousands of yen) (Note 2)	Account	Balance at the end of the period (Thousands of yen)
Subsidiary	Appier Pte. Ltd.	Direct 100%	-Concurrent appointment of officers -Guarantee of loan payable	-Guarantee for bank loan (Note 3) -Receivable of management fee (Note 4)	600,000 73,574	- - Long-term accounts receivable	- 124,532
Subsidiary	Appier Japan, Inc.	Indirect 100%	-Concurrent appointment of officers -Acceptance of secondee -Guarantee of loan payable	-Payment of payroll for secondee (Note 5) -Settlement of loan -Receivable of interests -Guarantee for bank loan (Note 3)	19,174 100,000 3,006 600,000	-Accrued Payable -Short-term loan -Accrued revenue -	3,015 300,000 1,316 -
Subsidiary	Appier, Inc.	Indirect 100%	-Concurrent appointment of officers -Acceptance of secondee -Guarantee of loan payable	-Payment of payroll for secondee (Note 5) -Guarantee for bank loan (Note 3)	21,506 300,000	-Accrued Payable -	7,977 -

Terms of transaction and policy to determine terms of transaction
(Note 1) Transaction price and other terms of transaction are determined based on market value.
(Note 2) Transaction amount does not include consumption tax.
(Note 3) The Company receives a guarantee for loans from banks. The Company does not pay the fee for the guarantee.
(Note 4) Management fee is determined based on the ratio stipulated in the contract.
(Note 5) The Company pays the costs equivalent to the payroll expenses for the secondee based on the memorandum for the secondment.

Notes on revenue recognition

Information that provides a basis for understanding revenue

The details are stated in "3. Basis for recognition of revenue and expenses" in the notes on matters related to important accounting policies in the notes to the non-consolidated financial statements.

Notes on per share information

1. Net asset per share ¥298.68
2. Net loss per share (¥0.61)

Notes on significant subsequent event

Not applicable.

English Translation
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Audit Report on the Consolidated Financial Statements

Independent Auditor's Report
(English Translation*)

February 24, 2023

To the Board of Directors of Appier Group, Inc.

PricewaterhouseCoopers Aarata LLC
Tokyo office

Kenichi Shishido, CPA
Designated limited liability Partner
Engagement Partner

Taiju Usuki, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of operations, the consolidated statement of changes in equity, and the notes to the consolidated financial statements, of Appier Group, Inc. and its subsidiaries (hereinafter referred to as the "Company") for the fiscal year from January 1, 2022 to December 31, 2022.
In our opinion, the consolidated financial statements referred to above prepared by partially omitting the disclosure items required by International Financial Reporting Standards in accordance with the latter part of Article 120 (1) of the Ordinance on Accounting of Companies present fairly, in all material respects, the financial position and the results of operations of the Company for the period covered by the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.* We are independent of the Company in accordance with the ethical requirements in Japan that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing the Group's reporting process of the other information.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements prepared by partially omitting the disclosure items required by International Financial Reporting Standards in accordance with the latter part of Article 120 (1) of the Ordinance on Accounting of Companies, and for design and operating effectiveness of such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the appropriateness of use

of the going concern basis of accounting in preparing the consolidated financial statements, and disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120 (1) of the Ordinance on Accounting of Companies that allow the partial omission of the disclosure items required by International Financial Reporting Standards.
Audit & Supervisory Committee are responsible for overseeing the performance of duties of management in design and operating effectiveness of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an opinion in an independent auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements and related notes are prepared by partially omitting the disclosure items required by International Financial Reporting Standards in accordance with the latter part of Article 120 (1) of the Ordinance on Accounting of Companies, as well as whether the presentation composition and content of the consolidated financial statements and related notes properly present the transactions and accounting events on which the consolidated financial statements are based.
- Obtain sufficient and appropriate audit evidence about the financial information of the Company to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision, and implementation of the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

We communicate with Audit & Supervisory Committee regarding, among other matters, required by the auditing standards generally accepted in Japan, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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* Notes to the Readers of Independent Auditor's Report
This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

English Translation
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Audit Report on the Non-consolidated Financial Statements

Independent Auditor's Report
(English Translation*)

February 24, 2023

To the Board of Directors of Appier Group, Inc.

PricewaterhouseCoopers Aarata LLC
Tokyo office

Kenichi Shishido, CPA
Designated limited liability Partner
Engagement Partner

Taiju Usuki, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of Appier Group, Inc. (hereinafter referred to as the "Company") for the 5th fiscal year from January 1, 2022 to December 31, 2022.
In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing the Company's reporting process of the other information.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Committee for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in

accordance with accounting principles generally accepted in Japan.
Audit & Supervisory Committee are responsible for overseeing the performance of duties of management in design and operating effectiveness of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.
As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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Audit Report by the Audit and Supervisory Committee

Audit Report

The Audit and Supervisory Committee (hereafter, "the Committee") of the Company has performed audit on the Directors' execution of their duties during the 2022 fiscal year, from January 1, 2022, to December 31, 2022. The Committee hereby reports the approaches and results of such audit as follows:

1. Audit Approaches and Details Thereof

The Committee is provided with sufficient regular reports from such as Directors and employees, on the resolutions of the Board of Directors in relation to the matters listed in Article 399- 13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act, as well as the status of development and operation of the systems that have been put in place based on said resolutions (internal control systems), requested explanation, as necessary, and expressed its opinion. The followings are audit approaches applied by the Committee.

(1) In accordance with the audit policy established by the Committee, the allocation of duties on the basis of our respective areas of expertise, among others, the Committee, in conjunction with the internal auditors, attended important meetings, received reports from such as Directors and employees on their duty execution status, requested detailed explanation as necessary, reviewed important documents, etc., and conducted investigations into the status of operations status and properties of Head Office and other major locations. With regard to the Company's subsidiaries, the Committee proactively communicated and exchanged information with Directors etc. of the Company's subsidiaries and, was provided with reports, as necessary, on the status of their businesses.

(2) The Committee monitored and verified the independent accounting auditor's independence and their execution's appropriateness. The Committee was also provided with reports on the status of audit execution, and requested detailed explanation, as necessary. Furthermore, the Committee received a notification from the independent accounting auditor that it has established the "System for Ensuring Appropriate Execution of Duties" (matters specified in the items under Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards Relating to Auditing" (Business Accounting Council, promulgated on December 28th, 2005) and other standards, and requested detailed explanations as necessary.

Based on the approaches above, the Committee examined the Business Report and the related supplementary schedules, non-consolidated Financial Statements (Non-consolidated balance sheet, Non-consolidated income statement, Non-consolidated statement of changes in shareholders equity , and Notes to the non-consolidated financial statements) and the related supplementary schedules as well as consolidated Financial Statements for the same fiscal year (Consolidated statements of financial position, Consolidated statements of profit or loss, Consolidated statement of changes in equity, and Notes to the consolidated financial statements), respectively, for the current fiscal year.

2. Results of Audit

(1) Result of audit on the Business Report, etc.

In our opinion, the Committee was satisfied that

a. the Business Report and the related supplementary schedules were prepared in accordance with applicable laws and regulations as well as with the Company's Articles of Incorporation, and fairly present the Company's financial position and results for the year ended December 31, 2022.

b. with respect to the Directors' execution of their duties, there are no wrongful acts or material facts in relation to the violation of applicable laws and regulations or of the Company's Articles of Incorporation.

c. the resolutions of the Board of Directors on internal control systems are appropriate. Also, there are significant indicated area, in relation to the Business Report and Directors' execution of their duties, relating to such controls.

(2) Result of audit of the non-consolidated financial statements and the related supplementary schedules.

The Committee was satisfied with approaches and results of the audit by independent accounting auditor, PricewaterhouseCoopers Aarata LLC.

(3) Result of audit of the consolidated financial statements

The Committee was satisfied with approaches and results of the audit by independent accounting auditor, PricewaterhouseCoopers Aarata LLC.

February 24, 2023

The Audit and Supervisory Committee
Appier Group,Inc.

Lee-Feng Chien
Chairperson, Audit and Supervisory Committee Member

Abheek Anand
Audit and Supervisory Committee Member

Takashi Motomura
Audit and Supervisory Committee Member

Daisuke Oshita
Audit and Supervisory Committee Member

Ching-Hua Ho
Audit and Supervisory Committee Member

(Note) Lee-Feng Chien, Abheek Anand, Takashi Motomura, Daisuke Oshita, and Ching-Hua Ho are external Directors as defined in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.