


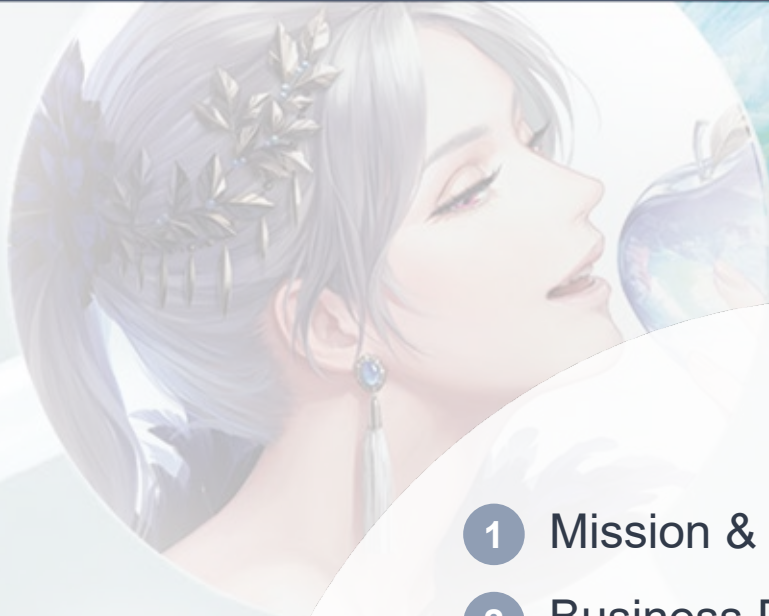


Medium-Term Management Plan 2025-2027

CELSYS, Inc.
February 14, 2025



CELSYS

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 - 3 Quantitative Targets of the
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01. Mission & Vision

Creating a more passionate world

Our vision of “creation” goes beyond just “creative activities.”

It is not only about supporting creators but also about expanding the passion and engagement of people worldwide through the content they create.

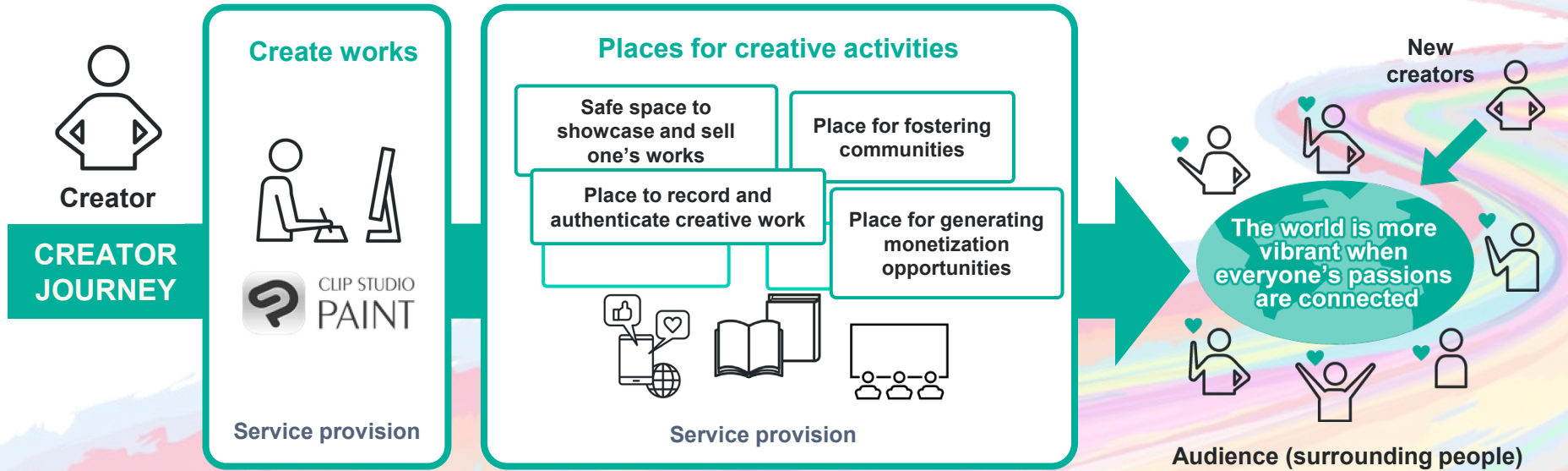
From this, new communities emerge, fostering connections that transcend generations, borders, and cultures.

**We will continue to embrace “Creation,”
expanding new realms of passion yet to be discovered.**

CELSYS's vision

Celsys contributes to creators and audiences in the creator economy market.

Through providing services that support every stage of their journey—the “**CREATOR JOURNEY**”—we strive to create “a world that is more vibrant when everyone’s passions are connected.”





02. Business Domains

Reasons why people choose Celsys

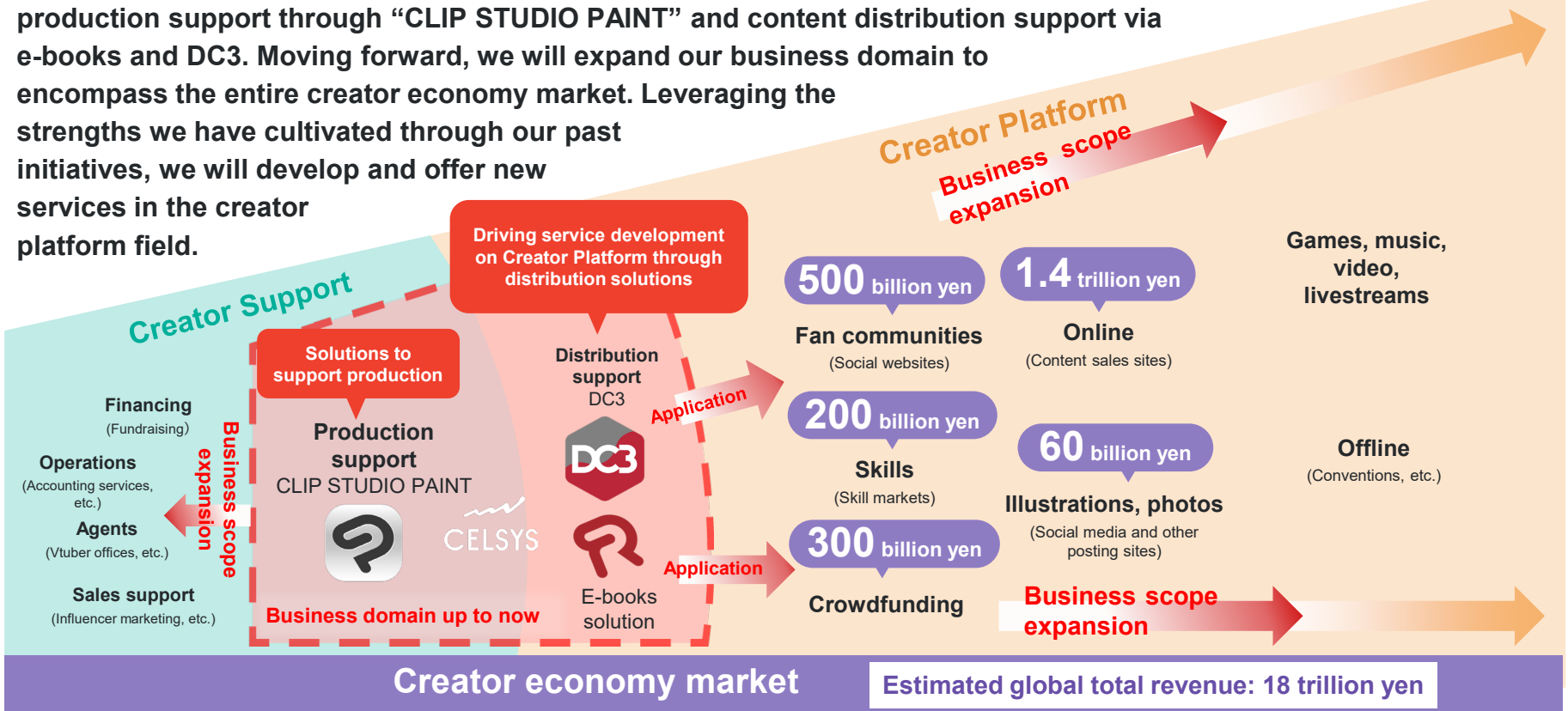
Consistently providing solutions **closely linked to creators** since our foundation
High technical ability in the fields of digital content production and distribution

Highly trusted by digital content creators



Expanding our business domain to creator platforms

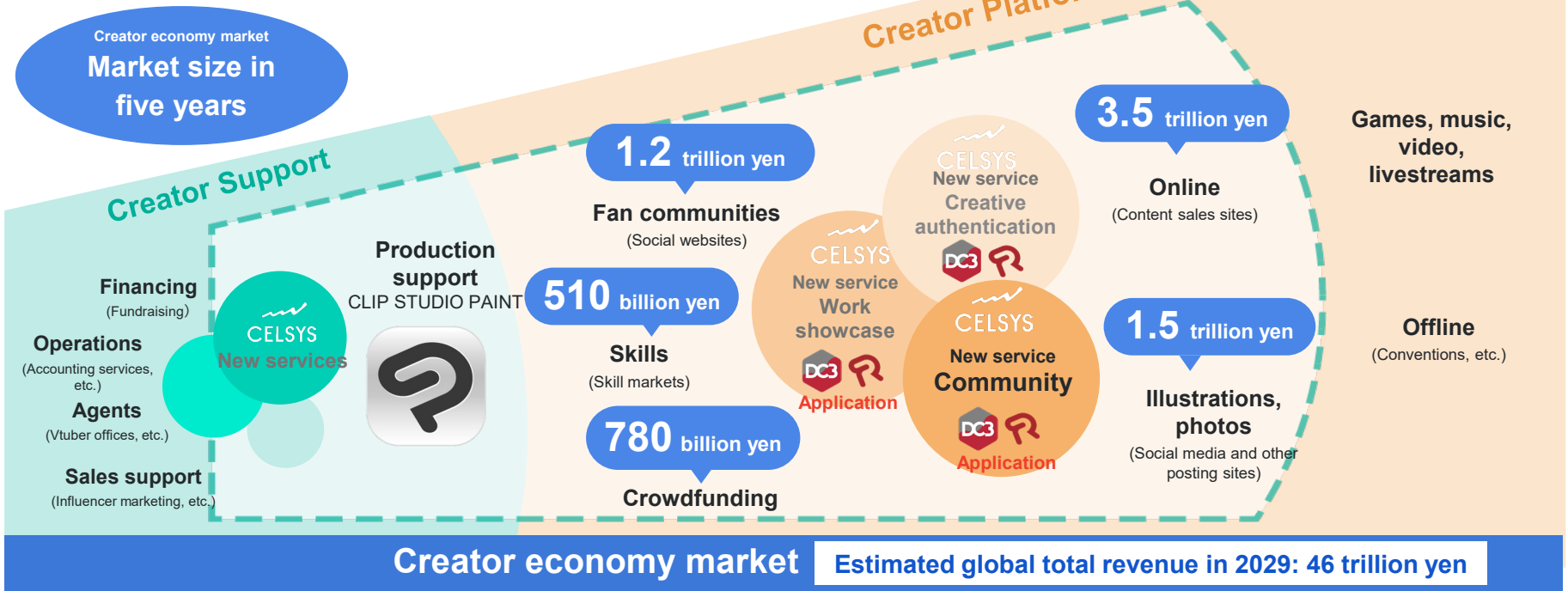
Celsys has supported specific areas of the creator economy market by providing solutions such as production support through “CLIP STUDIO PAINT” and content distribution support via e-books and DC3. Moving forward, we will expand our business domain to encompass the entire creator economy market. Leveraging the strengths we have cultivated through our past initiatives, we will develop and offer new services in the creator platform field.



Referenced source: Based on independent estimations using sales scale data from relevant services, derived from “In-Depth Research on Creator Economy Market” (2024) and “Survey Results on Domestic Creator Economy” (2024). The overseas market is estimated to be 10 times the size of the domestic market, as indicated by “Survey Results on Domestic Creator Economy” (2024).

Growing creator economy market

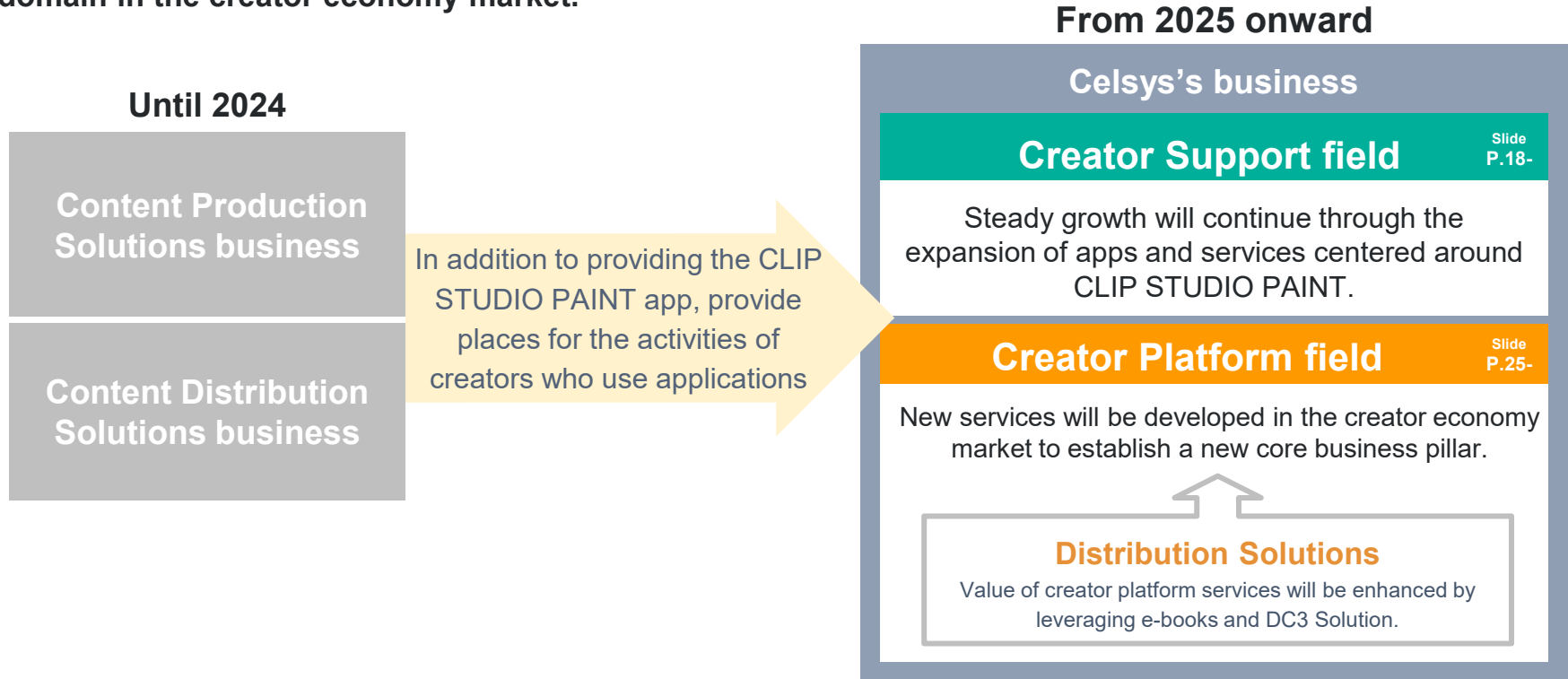
The global creator economy market continues to expand, growing at an annual rate of 117%. As the market grows, the number of active creators is also expected to increase. Consequently, our new services are anticipated to gain more users in line with market growth, ensuring sustained growth.



Referenced source: Based on independent estimations using sales scale data from relevant services, derived from "In-Depth Research on Creator Economy Market" (2024) and "Survey Results on Domestic Creator Economy" (2024). The overseas market is estimated to be 10 times the size of the domestic market, as indicated by "Survey Results on Domestic Creator Economy" (2024).

Business and fields from 2025

We will implement a restructuring of our existing businesses and fields starting in 2025 to leverage the strengths of CLIP STUDIO PAINT, e-books, and DC3 Solution, and thereby expand our business domain in the creator economy market.





03. Quantitative Targets of the Mid-Term Management Plan

2025-2027 Financial results plans

(Unit: millions of yen)

	Financial results			Plan
	2022	2023	2024	2025
Net sales	7,543	8,091	8,204	9,079
Net sales (excl. UI/UX business)	6,355	7,020	8,204	9,079
Growth rate (%) (excl. UI/UX business)	9.4%	10.5%	16.9%	10.7%
Operating profit	1,465	1,352	2,146	2,555
Operating profit (excl. UI/UX business)	1,965	1,432	2,146	2,555
Operating profit margin (%) (excl. UI/UX business)	30.9%	20.4%	26.2%	28.1%
ROE*	14.3%	8.5%	23.6%	30.0%

*ROE = Profit / ((Equity at the end of the previous period + Equity at the end of the period) / 2)

Sales

Profit

- Subscription sales are driving revenue growth (see P.14).
- Sales (one-time purchase) are gradually declining.
- New platform services are still in the early development stage.

- Profitability improved in 2024 due to the effects of structural reforms.
- Stable profit growth is expected from 2025 onward.

Advertising & Promotion

Investment

- Managed based on a benchmark of 14%-16% of sales.

- Conducted at a stable and consistent scale.



2027 Plan

Net sales

10.7 billion yen

Operating profit

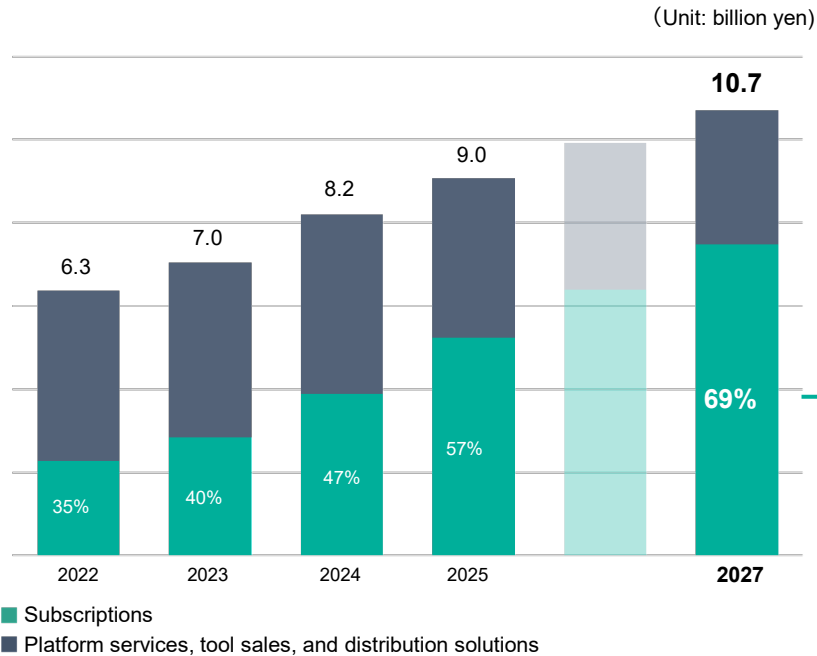
3.3 billion yen

ROE 30 % or higher

Subscription sales composition and trends

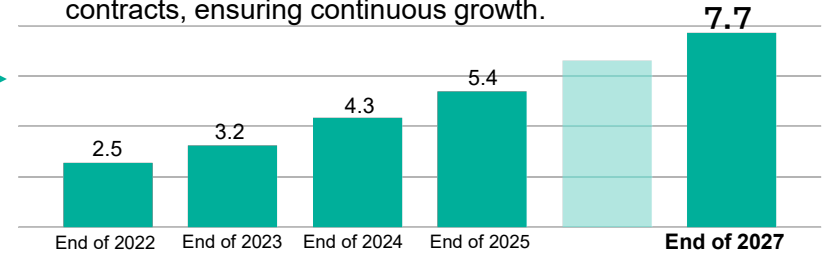
Subscriptions are driving overall sales, and revenue is planned to increase by about 2.5 billion yen by 2027. Subscription sales will account for about 2/3 of total sales, and a stable revenue structure is aimed.

Sales composition (excluding UI/UX business) and trends



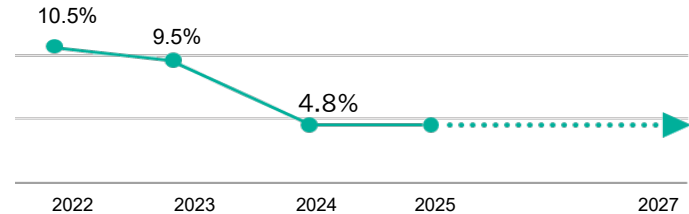
ARR trends

● Implement initiatives to increase the number of contracts, ensuring continuous growth. (Unit: billion yen)



Churn rate trends

● Maintain 5% or lower

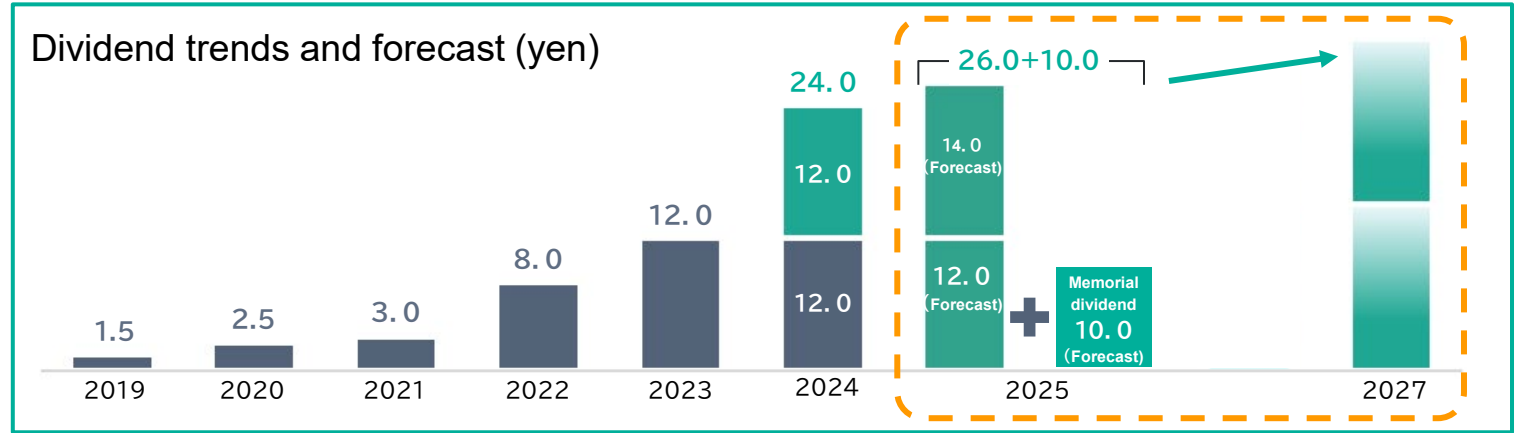


Capital policy

Shareholder returns

Dividend payout ratio: 30% or more

- Maintain stable dividends
- Strive for medium-to long-term growth



Utilization of treasury shares

Use as compensation for M&As

- Reduce financial burden at time of acquisitions for corporate growth

Business strategies such as capital alliances, etc.

- Strengthen strategic partnerships

Stock-based compensation

- Enhance corporate value by sharing value with shareholders

Key indicators

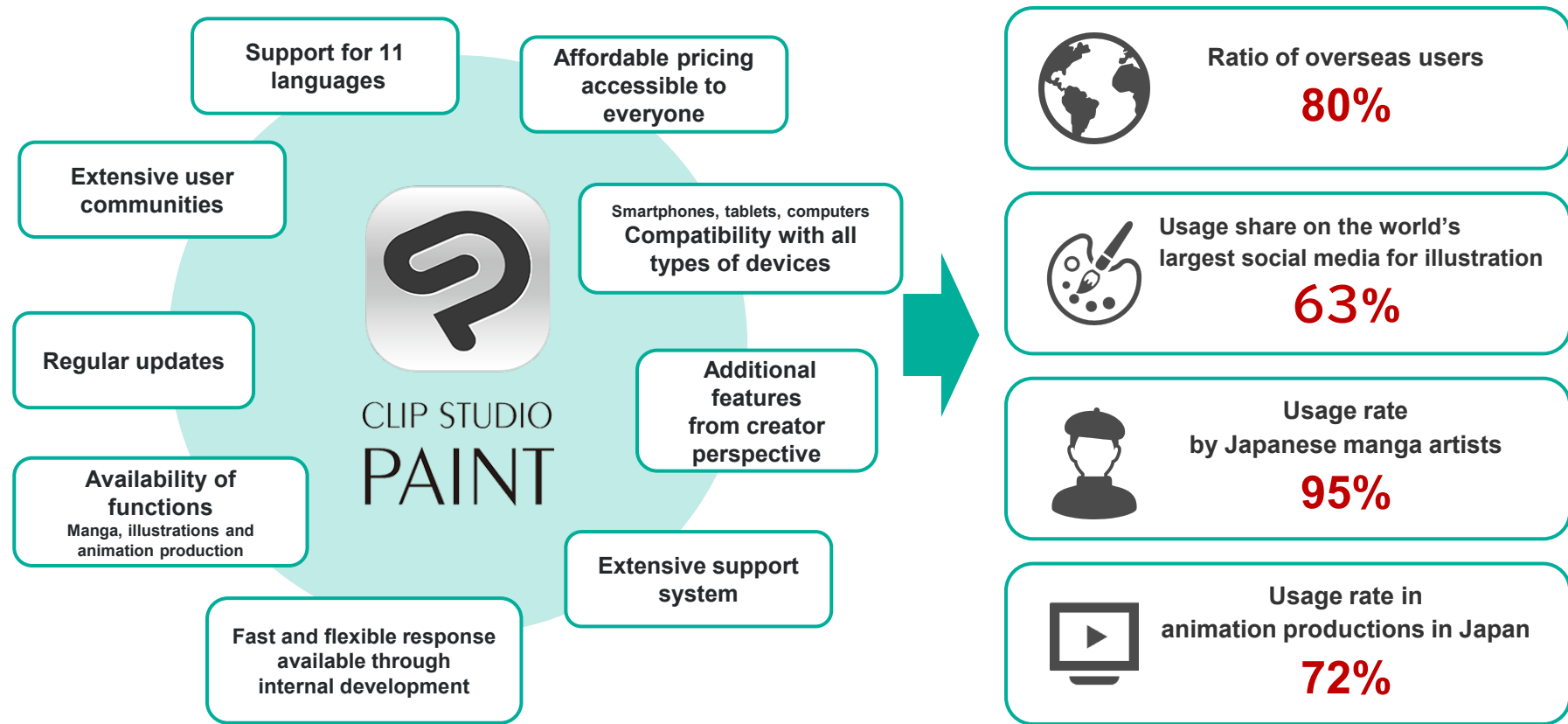
Indicator	Disclosure timing	Monthly progress report	2025 plan	2027 target
ROE	Year-end financial results		30.0%	30% or higher
Operating profit	Quarterly financial results		2.55 billion yen	3.3 billion yen
Net sales	Monthly	○	9.07 billion yen	10.7 billion yen
Subscription ARR	Monthly	○	5.4 billion yen (year-end)	7.7 billion yen (year-end)
CLIP STUDIO PAINT churn rate	Monthly	○	5% or lower	5% or lower
Number of platform users	Monthly	○	11 million (year-end)	14 million (year-end)

Monthly progress report: https://www.celsys.com/en/irinfo_news/contents_type=47



04. Business Overview and Strategy

CLIP STUDIO PAINT's strengths in the market



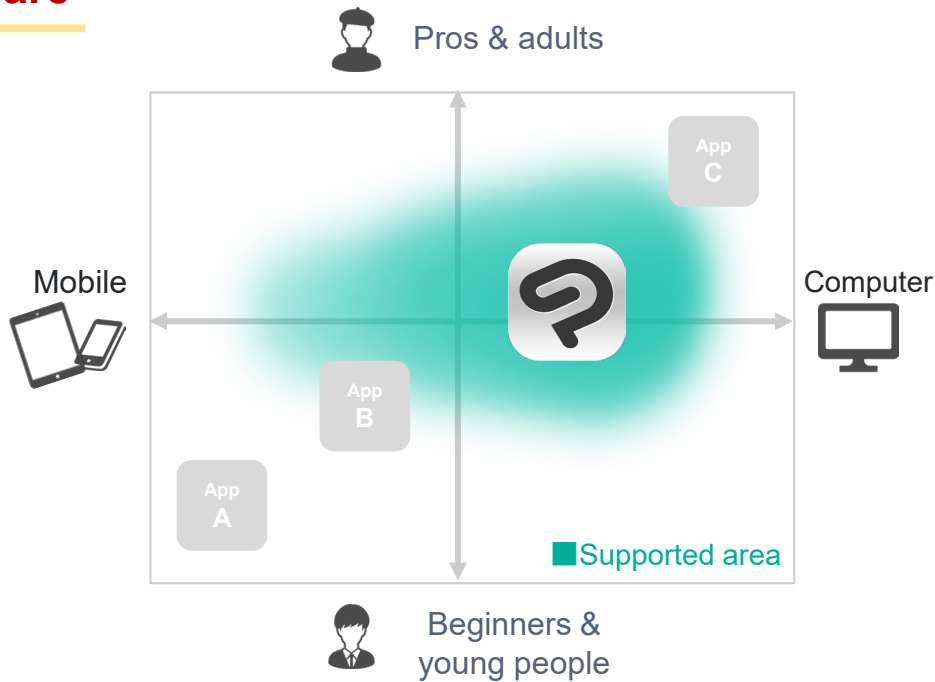
CLIP STUDIO PAINT's position in the market



Paint application
#1 sales/market share*



Position and targets



Used by **47.10 million** creators worldwide

*Ranked #1 in the BCN Award for graphics software for FY2015/2016/2017/2019.
The most used app for submitting works on pixiv for Dec. 2015 - Dec. 2023 (Dec. 2015 - Dec. 2023 as determined by Celsys based on figures provided by pixiv)

CLIP STUDIO PAINT's market

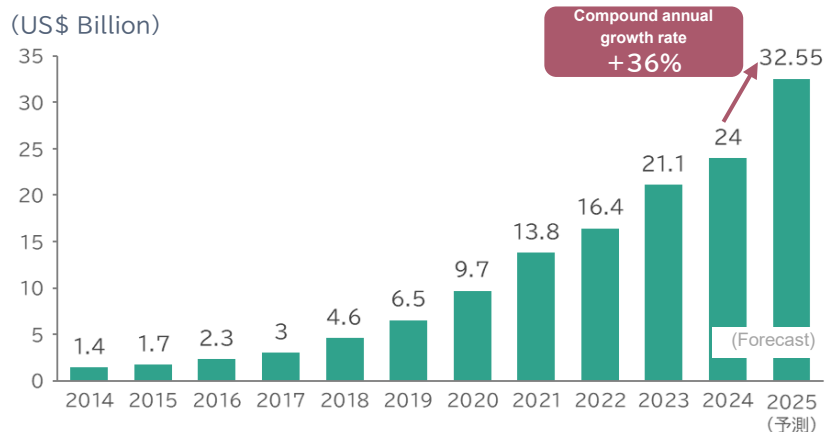
CLIP STUDIO PAINT has access to approximately 135.5 million potential users worldwide.

The **Global creator** economy market continues to experience significant growth.

Digital creator market size (SOM)
135.50 million people

1
million people
or more*

*Number of subscription users as of December 31, 2024



*According to the "Future of Creativity" study conducted by Adobe, there are 303 million creators active globally, and it is estimated that there are 260.58 million active creators, excluding influencers. The study defines creators as professionals and non-professionals creating original content for their jobs or passions, and the number of creators in the design (including illustration) and video fields are estimated to be 135.5 million, approximately 52% of the total population.

"Future of Creativity" (https://www.adobe.com/content/dam/cc/jp/news-room/pdfs/202208/20220826_adobe-future-of-creativity.pdf)

*Market scale of the creator economy: Influencer Marketing Hub "Influencer Marketing Benchmark Report 2025" (<https://influencermarketinghub.com/influencer-marketing-benchmark-report/>)

"2025's Creator Economy Statistics That Will Blow You Away" (<https://www.wpbeginner.com/research/creator-economy-statistics-that-will-blow-you-away/#aioseo-general-creator-economy-statistics>)

Efforts by CLIP STUDIO PAINT for further growth

**Increase number of users on subscription contracts,
continue growth of ARR**

▼ **Priority measures**

- (1) Increase new user acquisition by strengthening global expansion**
- (2) Expand the user base by engaging with young and light users**
- (3) Increase the retention rate by strengthening user communities**

CLIP STUDIO PAINT's measures for growth (1)

Increase new user acquisition by strengthening global expansion

■ Strengthen multilingual support

Implement initiatives to improve localization quality, mainly targeting emerging countries*

⇒ Contribute to increase the number of users

*Southeast Asia (Thailand and Indonesia), South America (Brazil), etc.



■ Priority future measures beyond multilingual support

(1) Optimization aligned with local culture

⇒ Enhance responses that not only localize content but also embrace the local culture.

Maximize the number of users in each region through promotional activities.

(2) Expand availability in simplified Chinese

⇒ The mobile version has been launched since December 2022 and continues to grow.

Promote expansion to computers and others to acquire more users.

(3) Diversification of settlement methods

⇒ Expand support for payment methods used in each region.

Reduce barriers to payment and ensure the acquisition of potential users.

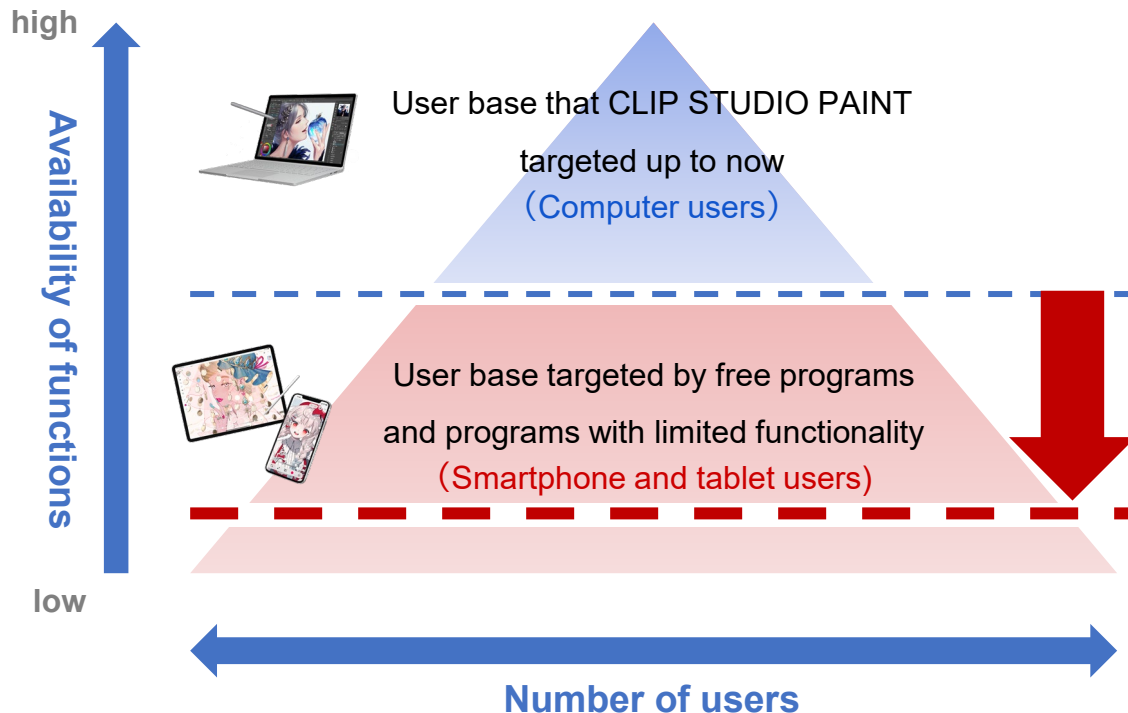


Implement measures optimized for the culture and needs of each region to become the first choice for creators worldwide.

CLIP STUDIO PAINT's measures for growth (2)

Expand the user base by engaging with young and light users

Focus on strengthening competitiveness in tablets, smartphones, and other mobile environments



Targeting smartphones and tablets

- Optimize UI/UX
- Strengthen promotions

Expand the base of light users using smartphones and tablets, which have over 10 times the shipments of computers*

*2023 shipment volume

Computers: 68 million units

Smartphones & Tablets: 1,196 million units

<https://garbagenews.net/archives/2416866.html>

<https://aty800.com/tablet/market-trend/tablet-share-4q2023.html>

<https://jpress.ismedia.jp/articles/-/73781>

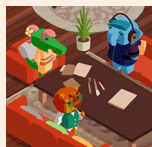
CLIP STUDIO PAINT's measures for growth (3) Strengthen user communities to improve retention rate

Services to inspire anyone to start drawing



Strengthen communities to improve the retention rate

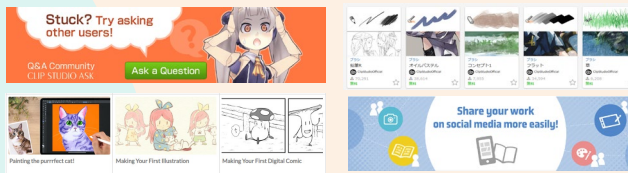
Develop new community services to motivate continued creative activities



Enhance services that support creators in utilizing their works



Enhance services that provide techniques for mastering CLIP STUDIO PAINT



Over 9 million creators worldwide have registered.

Services that support users desiring to learn how to draw

Boost user community services to improve the retention rate

Creator Platform field: business vision

In the “**CREATOR JOURNEY**” where creators and audiences interact, we aim to provide additional value beyond the phase of creating works by expanding platform services and establishing a new core pillar of our business.



Creator Platform field: business domain

Leveraging the trust earned from creators through production solutions in the Creator Support field and the assets of distribution solutions, we will develop and provide new services in the Creator Platform field. This will not only stimulate creators' creative activities but also drive business expansion.

Creator Platform

Stimulate creative activities by providing new services

1.2 trillion yen
Fan communities
(Social websites)

510 billion yen
Skills
(Skill markets)

780 billion yen
Crowdfunding



Leverage distribution solutions

3.5 trillion yen
Online
(Content sales sites)

1.5 trillion yen
Illustrations, photos
(Social media and other posting sites)

Games, music, video, livestreams

Offline
(Conventions, etc.)

Market size in 2029
Global: 46 trillion yen
(Domestic: 4.6 trillion yen)

Creator Support

- Financing (Fundraising)
- Operations (Accounting services, etc.)
- Agents (Vtuber offices, etc.)
- Sales support (Influencer marketing, etc.)

Production support
(Production apps, etc.)



Creator economy market

Referenced source: Based on independent estimations using sales scale data from relevant services, derived from "In-Depth Research on Creator Economy Market" (2024) and "Survey Results on Domestic Creator Economy" (2024). The overseas market is estimated to be 10 times the size of the domestic market, as indicated by "Survey Results on Domestic Creator Economy" (2024).

Expand our business domain to encompass the entire creator economy market and create new services

Service planning & development

Create new opportunities for profit generation by providing creators with various places for activities and stimulating creative activities

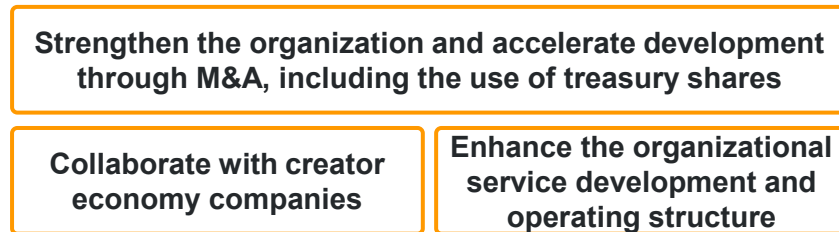
— Concept of new services —



Organizational expansion & alliances

Secure necessary personnel and strengthen partnerships with other companies to enter the creator economy market

— Initiatives to accelerate business expansion —



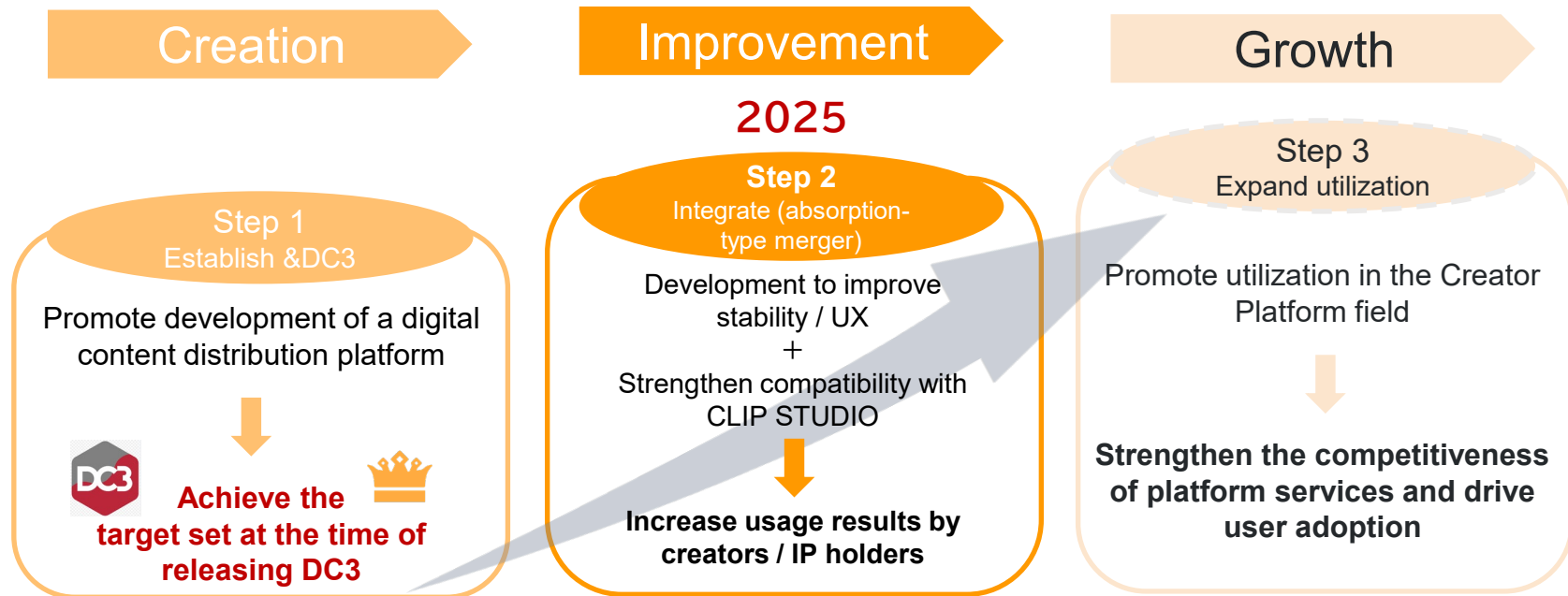
Start concrete service planning in 2025 and aim for an official release in 2026

Set the number of platform users as a new KPI*

*Including users of "CLIP STUDIO ASSETS" and other surrounding services related to CLIP STUDIO PAINT

Future development of DC3 Solution

“DC3” is a content distribution platform solution designed for the Web3 era, enabling the treatment of all digital data, including manga, books, music, and videos, as unique and irreplaceable “assets.” By having already established such a content distribution platform, the Company holds a globally leading position. To maintain our competitive edge, we will transition to Step 2 in 2025.



Promote utilization of AI technology in fields where we can support creators in their creative activities

Policies

Support creators through technology

Maintain the utmost respect for ethics and rights at all times

- Continue development investment in AI
- Promote utilization of AI technology
- Postpone implementation of functions using image generation AI

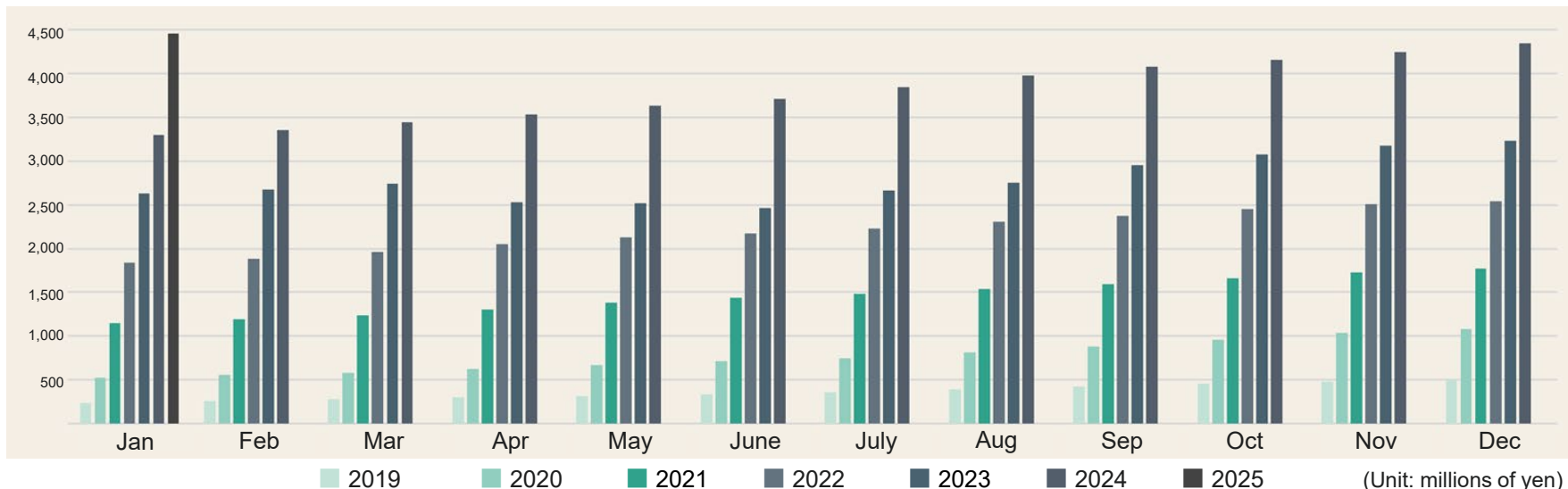


Appendix

Appendix

Monthly Progress Report: Creator Support field

■ Rolling three-month average ARR of CLIP STUDIO PAINT subscription sales

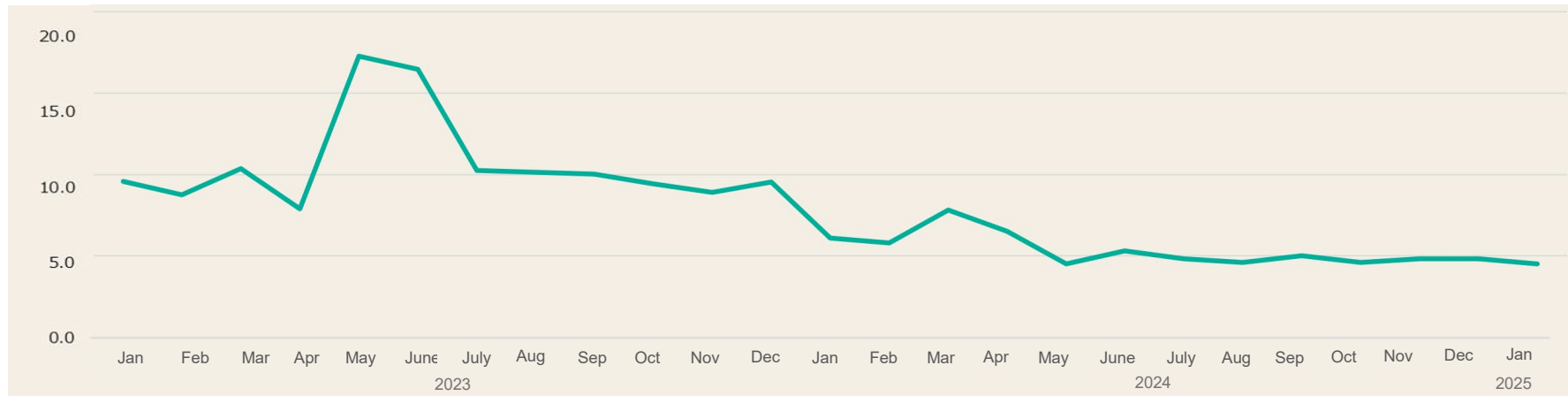


	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2019	240	259	280	299	318	334	356	393	424	453	481	503
2020	530	556	585	620	668	710	752	811	882	959	1,032	1,084
2021	1,144	1,191	1,242	1,306	1,380	1,436	1,480	1,538	1,595	1,660	1,725	1,768
2022	1,834	1,884	1,966	2,046	2,124	2,173	2,225	2,309	2,375	2,450	2,506	2,545
2023	2,633	2,676	2,746	2,531	2,523	2,462	2,668	2,755	2,956	3,074	3,178	3,236
2024	3,293	3,358	3,439	3,527	3,631	3,713	3,840	3,972	4,075	4,158	4,240	4,347
2025	4,451											

Note: A rolling three-month average is used for ARR (abbreviation for Annual Recurring Revenue, expected net sales for one year assuming that all contracts are renewed at the time of renewal) as the amount fluctuates due to the fact that the number of business days per month every three months depends on the settlement method (usually 28 business days, but there are special cases of 35 business days), and because adjustments are made at the end of each quarter, when results are calculated.

Monthly Progress Report: Creator Support field

■ CLIP STUDIO PAINT churn rate (paid contracts)



(Unit: %)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2023	9.6	8.7	10.3	7.9	17.3	16.5	10.3	10.1	10.0	9.4	8.9	9.5
2024	6.1	5.8	7.8	6.5	4.5	5.3	4.8	4.6	5.0	4.6	4.8	4.8
2025	4.5											

Note: This indicator is the customer churn rate based on the number of customers with paid subscription contracts for the SaaS version of CLIP STUDIO PAINT. The rate is calculated based on the number of cancellations during the month relative to the number of contracts as of the end of the previous month. In cases where one customer has multiple contracts, each contract is calculated separately. Due to the nature of the product, which offers monthly contracts that allow customers to use the product as needed, in addition to annual contracts, the same customer may repeatedly sign and cancel contracts, but the calculation includes all such cases.

Note: The payment system used for subscription fees for Windows and macOS was changed in May 2023 in order to strengthen security to prevent authorized payments not going through due to unknown attacks. Although the churn rate temporarily increased significantly due to contracts lapsing at the end of the reregistration period at the end of May with some subscribers not reregistering, the number of new contracts continued to steadily increase, and from July 2023, remained steady.

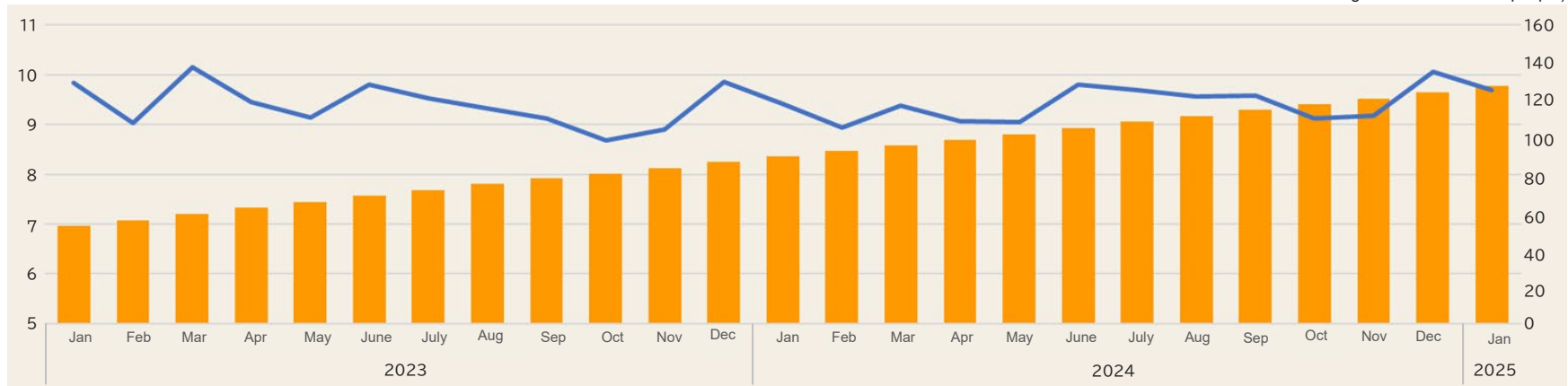
Monthly Progress Report: Creator Platform field

■ Number of platform users

*Excerpt from the monthly progress report for February 2025

(Cumulative number of users: million people)

(Number of new registrations: thousand people)



■ Cumulative number of users — Number of new registrations

(Unit: person)

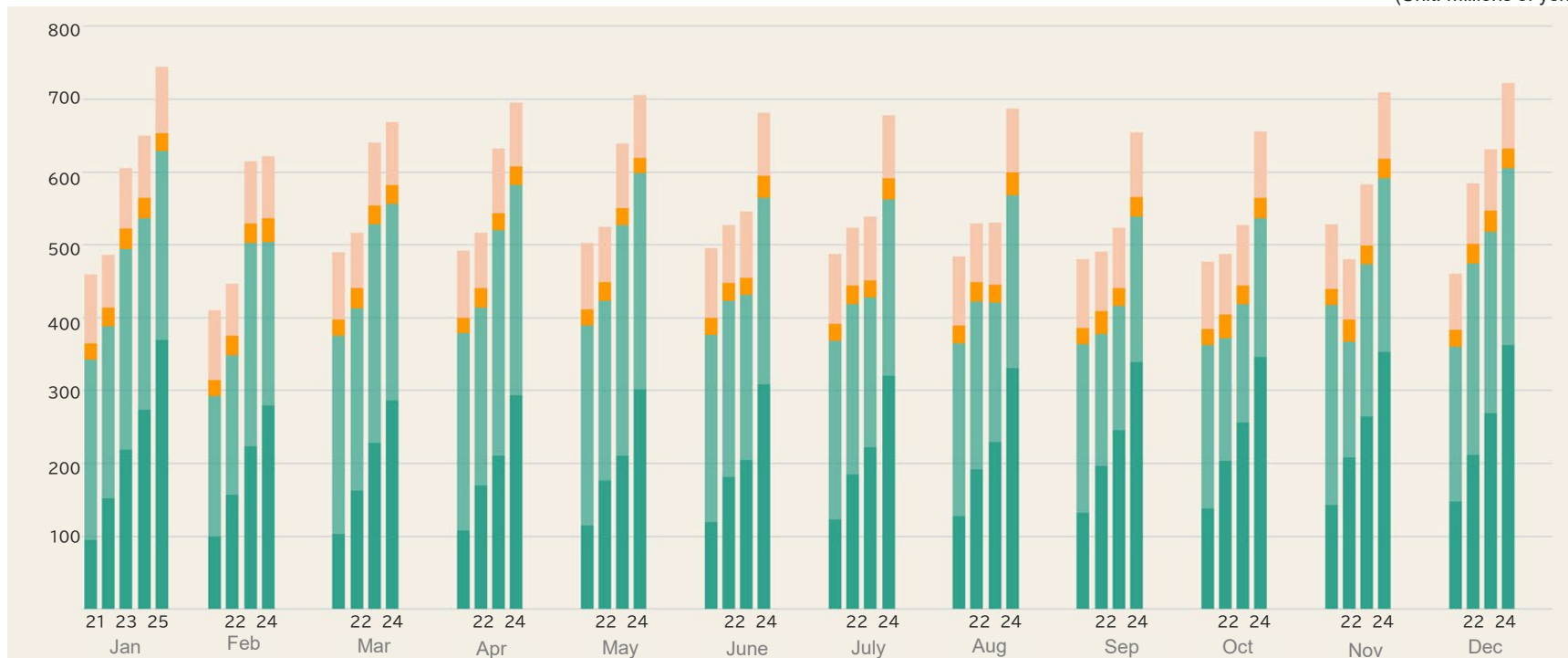
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2023	Number of users												
	Cumulative	6,964,077	7,071,497	7,209,000	7,327,920	7,438,347	7,566,684	7,687,597	7,803,133	7,913,206	8,011,379	8,115,678	8,245,392
	New registration	129,075	107,420	137,503	118,920	110,427	128,337	120,913	115,536	110,073	98,173	104,299	129,714
2024	Number of users												
	Cumulative	8,363,385	8,468,239	8,585,307	8,693,667	8,801,454	8,929,352	9,054,656	9,176,596	9,298,658	9,408,838	9,520,267	9,655,270
	New registration	117,993	104,854	117,068	108,360	107,787	127,898	125,304	121,940	122,062	110,180	111,429	135,003
2025	Number of users												
	Cumulative	9,780,600											
	New registration	125,330											

Note: The number includes users of services provided in the Creator Platform field as well as users of “CLIP STUDIO ASSETS” and other surrounding services related to CLIP STUDIO PAINT.

Monthly Progress Report

■ Breakdown of rolling three-month average sales of the Creator Support and Creator Platform fields: Graph

(Unit: millions of yen)



■ Subscriptions ■ Subscription ■ Platform services ■ Distribution solution

Monthly Progress Report

■ Breakdown of rolling three-month average sales of the Creator Support and Creator Platform fields: Details

(Unit: millions of yen)

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2021	Tool sales	248	193	272	271	274	257	245	237	232	225	274	213
	Subscriptions	95	99	103	108	115	119	123	128	132	138	143	147
	Services	22	23	22	21	22	24	24	24	22	22	23	23
	e-books	94	95	93	92	92	96	95	95	94	92	88	77
2022	Tool sales	236	191	250	244	246	242	234	230	181	168	159	262
	Subscriptions	152	157	163	170	177	181	185	192	197	204	208	212
	Services	26	27	28	27	26	25	25	27	31	32	30	28
	e-books	72	71	76	76	76	79	80	81	82	83	84	82
2023	Tool sales	276	280	300	310	317	226	206	192	170	162	209	249
	Subscriptions	219	223	228	210	210	205	222	229	246	256	264	269
	Services	28	27	26	24	24	24	23	24	25	26	26	29
	Distribution solution	83	85	86	88	88	91	88	86	83	83	84	84
2024	Tool sales	263	225	270	289	296	256	242	237	200	191	238	244
	Subscriptions	274	279	286	293	302	309	320	331	339	346	353	362
	Services	28	32	26	26	22	30	30	32	27	28	27	26
	Distribution solution	85	86	87	87	86	86	86	87	89	91	92	90
2025	Tool sales	259											
	Subscriptions	370											
	Platform services	24											
	Distribution solution	91											

Note: A three-month moving average is used as Tubers the amount fluctuates due to the fact that the number of business days per month every three months depends on the settlement method (usually 28 business days, but there are special cases of 35 business days), and because adjustments are made at the end of each quarter, when results are calculated. The figures may display differences from consolidated financial results, or other indicators, as a product of the inclusion of group-internal sales and the practice of rounding down to the nearest million yen.

Subscriptions are CLIP STUDIO PAINT subscription sales.

Tool sales include downloads through the one-time payment model and licenses for corporations.

Platform services include sales of CLIP STUDIO WEB services. Distribution solution include sales related to e-books and DC3.



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