

Financial Results Briefing Material FY2023 Q1 (ended Mar 31st, 2023)

Neural Pocket Inc.
May 12th, 2023

Translation of original Japanese version

※Effective June 1, 2023, Neural Pocket Inc. is scheduled to change its name to Neural Group Inc.

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FY2023 Q1 ended Mar. highlights

Top line growth

Making progress towards annual business plan

Net Sales +17%
YoY growth
vs FY2022 Q1

Corporate

Accelerate collaboration across biz, services, and technology through

Capital and Biz Alliance
with Sony Corporation

Overseas

Signing of business alliance agreement with CP Group (major Thai congl.) affiliate

Overseas Biz
progress since inception of Thai subsidiary in Nov. 2022

- **Capital & business alliance with Sony Corporation**
- FY2023 Q1 highlights
- Business growth themes and AI service updates

Announced capital and business alliance with Sony Corporation^{*1,2}

Capital alliance

- Issued 690,000 new shares of common stock through third-party allotment
- Raised **670 MIn** yen (payment completed May 12)
- Sony's ownership will be **4.56%**, becoming the Company's third largest shareholder.



Biz alliance

- Exchange of personnel, services, and tech with Sony Corporation (expecting to accept personnel from Sony)
- We will start by promoting collaboration and commercialization in **“signage biz”** and **“AI-based human attitude detection biz”** *(*details in following pages)*
- Will explore further collaboration related to AI tech and AI services

^{*1} For more details, please refer to the company's press release dated April 26, 2023, "Notice of Business Alliance with Sony Corporation, Conclusion of Share Subscription Agreement, and Issuance of New Shares through Third-Party Allotment (available only in Japanese)"

^{*2} Outline of Sony Corporation: Kimio Maki, Representative Director and CEO; Headquarters: 1-7-1 Konan, Minato-ku, Tokyo; wholly owned subsidiary of Sony Group Corporation; Entertainment Technology & Services business; approximately 8,500 employees; FYE March 2022 sales: 1,425,640 million yen; net income: 143,753 million yen.

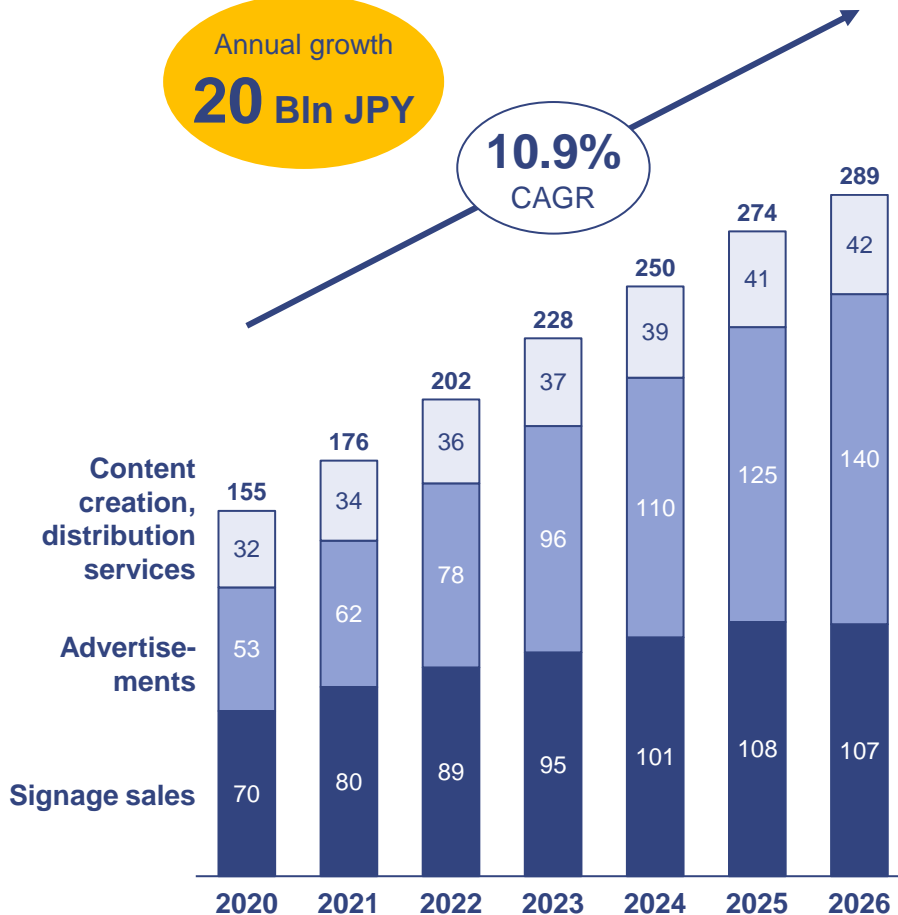
Aim of capital and biz alliance: Signage industry experiencing tail winds

Domestic digital signage market trend*1

(Bln JPY)

Annual growth
20 Bln JPY

10.9%
CAGR



Key growth drivers of Digital Signage Market

1 Digital substitution of labor

- Tasks traditionally performed by people automated or digitized
- Evolution of devices that do not require human intervention from communication to payment

2 Shift from Online to Offline

- Post Covid shift from online advertising to physical spaces
- Creation of a new advertising market that fuses the Web and the physical world is also underway

3 Shift from paper posters

- Replacement of traditional paper posters and static signage
- More widespread use of dynamic signage that transmits digital content that can be flexibly changed

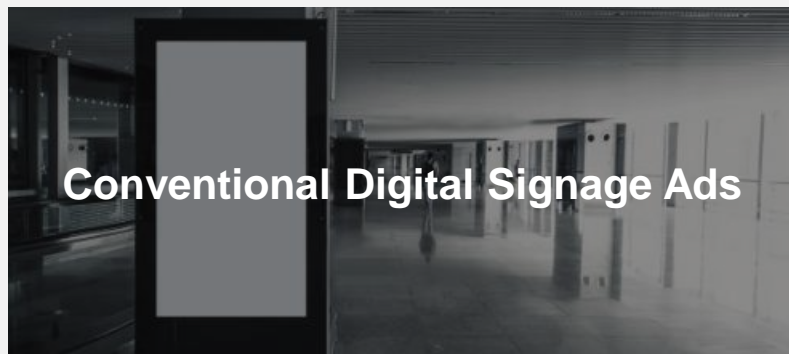
*1 From "Digital Signage Market Research 2021" published by Fuji Chimera Research Institute, Inc. in February 2021.

Aim of capital and biz alliance: Signage biz and our vision

- Creating new advertising market and exciting urban spaces through the dev. of next-generation digital signage using AI technology
- Business development in Japan and Southeast Asia
- Develop and commercialize new businesses through collaboration with Sony through personnel/ services/ technology exchange

Challenges of conventional ad signage

- Difficult for advertisers to understand advertising effectiveness
- Difficulty in fine-tuning audience targeting
- Long lead time before ad submission
- Not a smooth path to purchase for viewers (e.g., no payment, difficult to take home display information).



Added value our tech can provide

- Maximize advertising effectiveness by acquiring viewer information (that was technically impossible in the past)
- Detailed targeting with networked signage
- Simplified and speedy ad submission
- Interactive signage with two-way comm. (e.g., payment, smartphone integration)



Aim of capital and biz alliance: AI-based human attitude detection biz

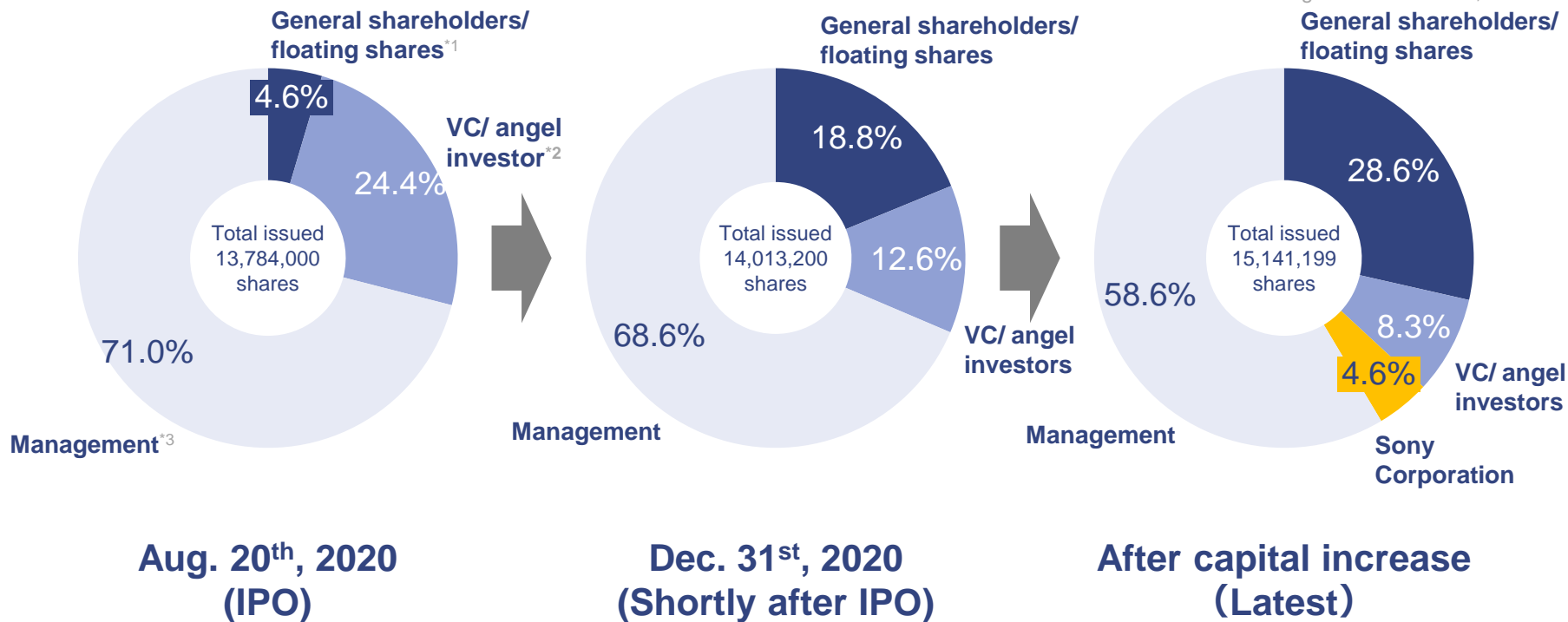
- As remote communication becomes more commonplace, work with Sony to explore and commercialize new services on a phased basis
- Plans to develop new technology to interact with people through attitude detection and language generation AI using deep learning



Promoting capital and business alliances with operating companies while ensuring share liquidity by expanding floating shareholders

Estimation taking into account the allotment to Sony Corporation
(Payment procedure completed on May 12)

※Based on shareholders' register as of Dec 31, 2022



Continue to actively pursue further capital alliances with global companies

*1 Sum of 415,000 publicly offered shares upon IPO, 215,800 sold shares during IPO (including over-allotment), and shares sold by pre-IPO investors (e.g., VC investors, angel investors) and management that the company is aware of. *2 Shares held by pre-IPO investors (e.g., VC investors, Angel investors). *3 Shares held by internal board directors.

- Capital & business alliance with Sony Corporation
- **FY2023 Q1 highlights**
- Business growth themes and AI service updates

Highlights from FY2023 Q1 ended Mar.

Top line growth

Although sales are weighted toward Q3-Q4, growth continues

Net sales growth

+17%

Q1 YoY

Profitability

Maintaining high gross profit margins ready to scale

Gross profit margin

64%

Q1 actual

Sales force

AI startup with large **100+** sales team

Group employees^{*1}

227人 (+71)

(): versus Q1 last year

Overseas

Accelerate business in SE Asia where green field dev. is thriving

Biz alliance with CP Group related company etc.

Collaboration begun across public and private sectors

Technology

Tech dev. engineers from 7 countries with strength in edge AI

of patents^{*2}

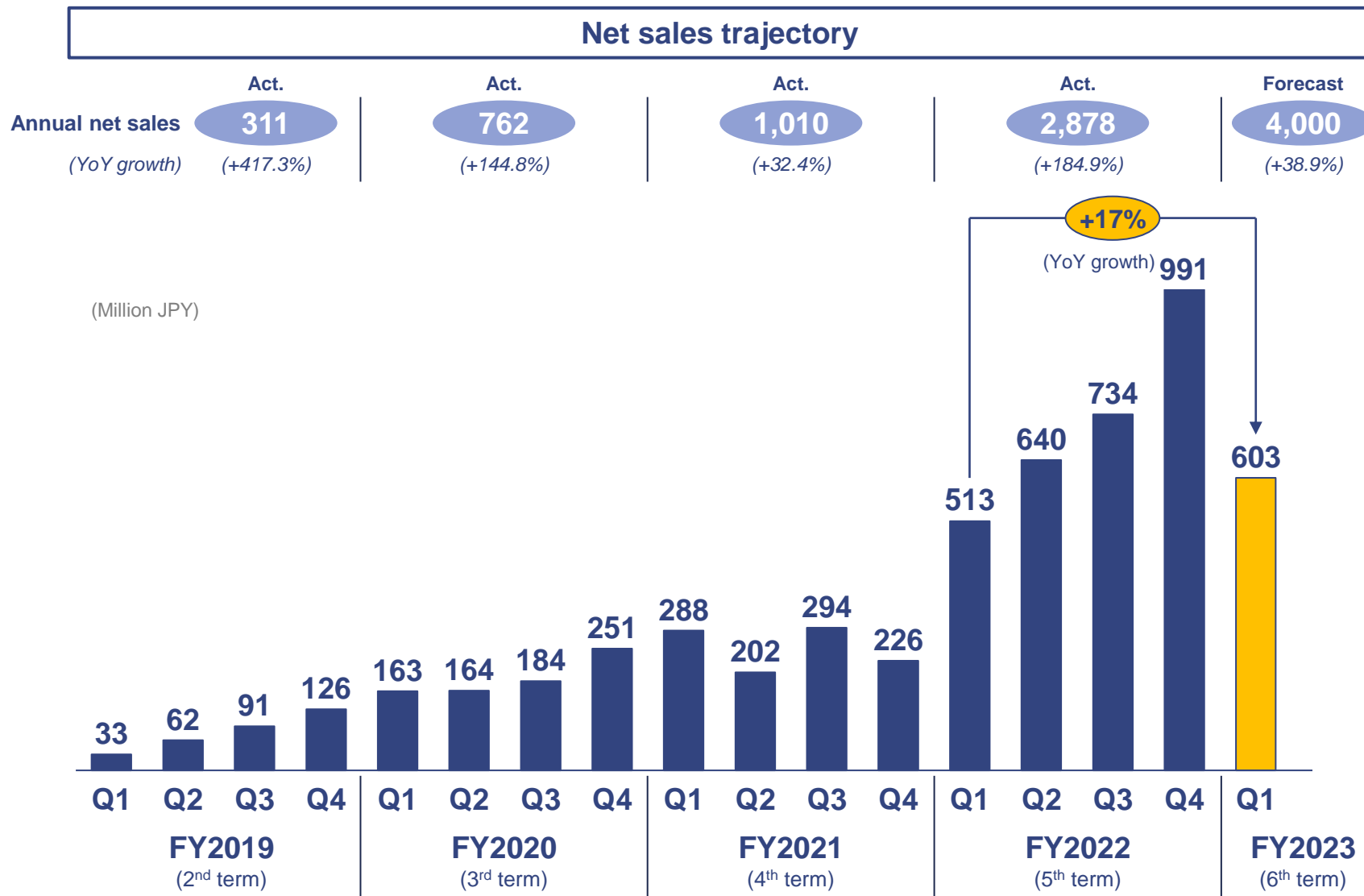
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Granted 18, applying 11

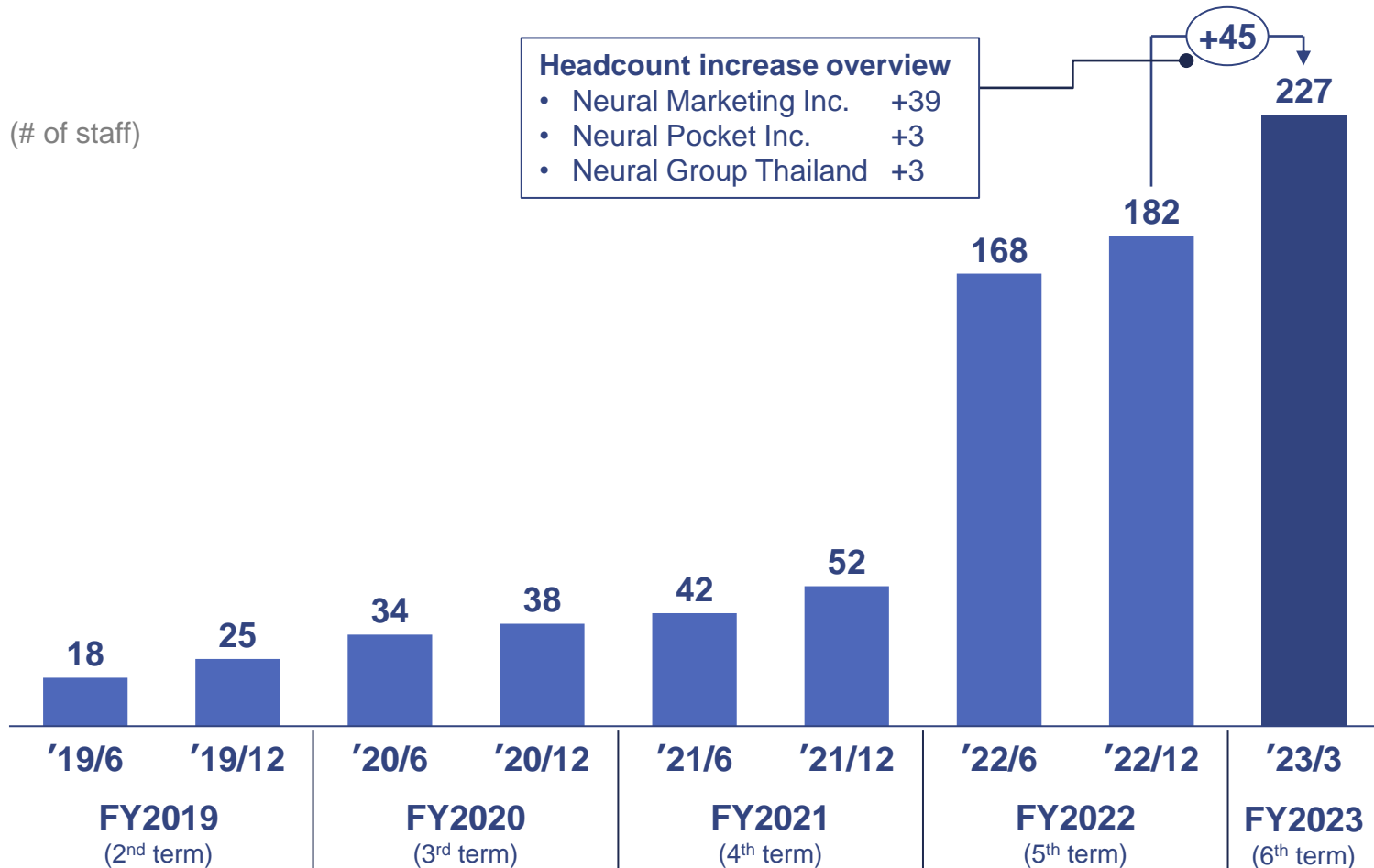
*1 As of Mar 31st 2023. Excludes executives (Full-time board directors, auditors, executive officers), part-time employees, subcontractors, interns. Includes full-time employees from subsidiaries, Neural Engineering Inc. and Neural Marketing Inc.

*2 As of Mar 31st 2023. Total of i) granted 17, ii) applying domestically 8, and iii) granted 1, iv) applying internationally 3.

Business progressing toward full-year sales of 4.0 billion yen where sales are weighted toward the second half of the year,



Trajectory of full-time employees^{*1}: Plan to expand intensively in the first half of FY2023, with focus on the sales force of Neural Marketing. Moderate hiring expected in the second half of FY2023.

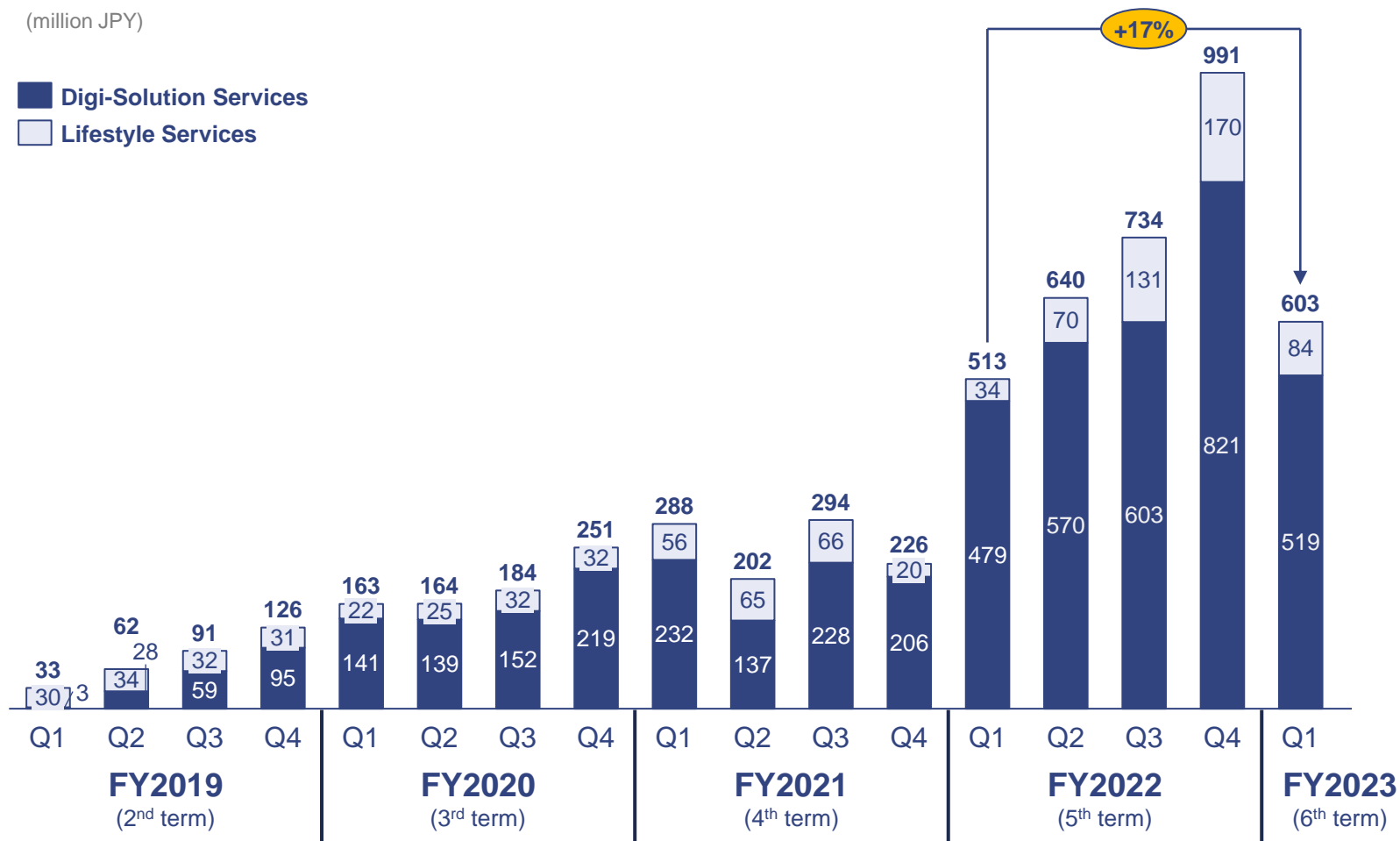


*1 As of Mar 31st, 2023. Excludes executives (full-time board directors, auditors, executive officers), part-time employees, subcontractors, interns. Includes full-time employees from subsidiaries, Neural Engineering Inc., Neural Marketing Inc.

Net sales by service domain

(million JPY)

Digi-Solution Services
 Lifestyle Services



FY2023 Q1 ended Mar. consolidated statement of income

(million JPY)	FY2022 Q1 ended Mar.	FY2023 Q1 ended Mar.	Increase Value	Increase Percentage
Net sales	513	603	89	+17.4%
Gross profit % of net sales	351 68.5%	387 64.3%	36	+10.2%
EBITDA % of net sales	-41 -8.1%	-188 -31.2%	-146	-
Operating profit % of net sales	-118 -23.2%	-227 -37.7%	-108	-
Net income % of net sales	-126 -24.6%	-189 -31.5%	-63	-

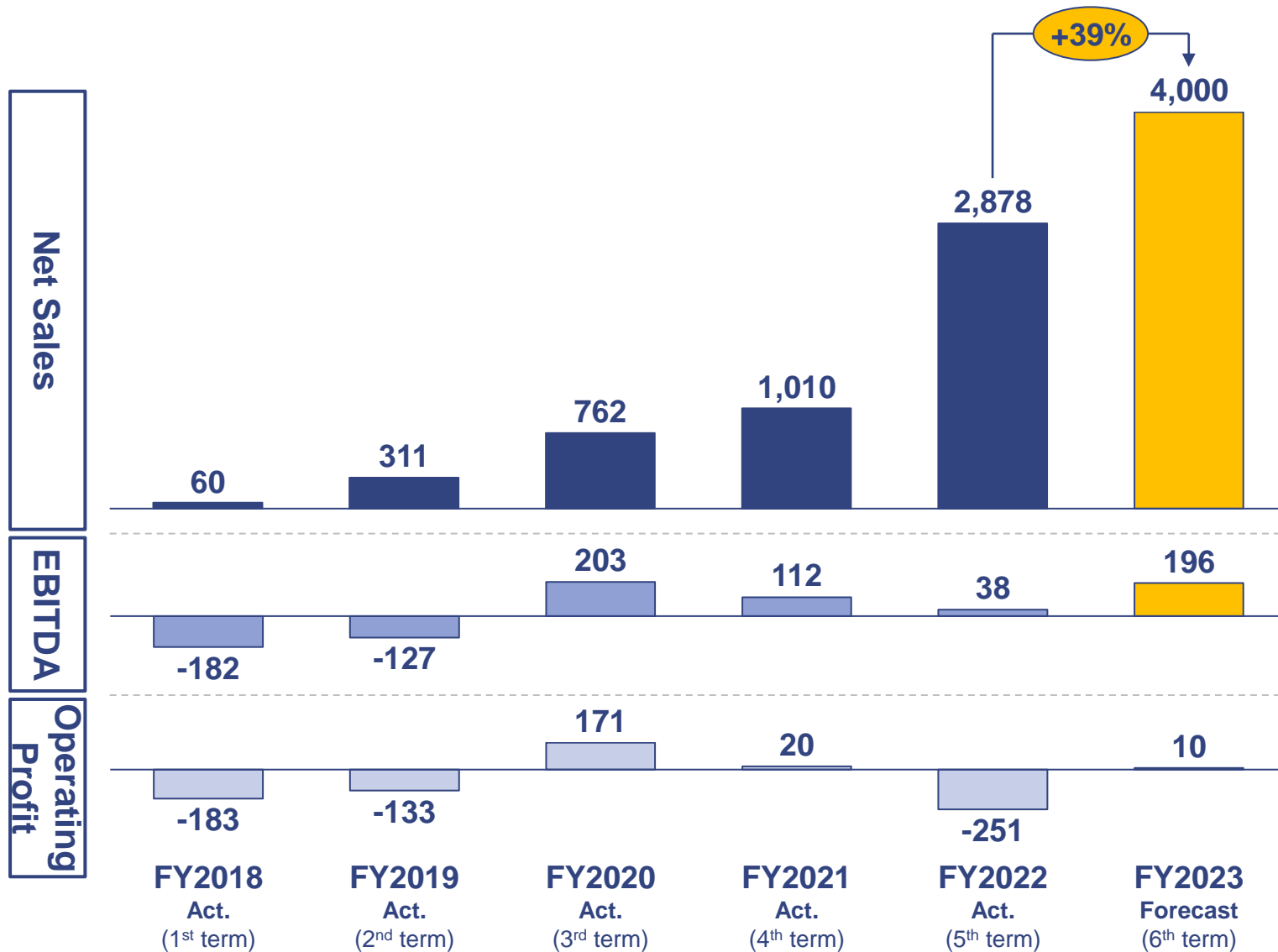
FY2023 Q1 ended Mar. consolidated balance sheet

Estimation after taking into account the capital increase through the allotment to Sony Corporation announced on Apr 26

(Million JPY)	FY2023 Q1	FY2023 Q1
	As of Mar 31 st	Post capital increase* ¹ As of Mar 31 st (pro forma)
Total current assets	1,641	2,304
Cash and cash equiv.	913	1,576
Total non-current assets	1,738	1,738
Total assets	3,380	4,042
Total liabilities	3,100	3,100
Interest bearing debt	2,712	2,712
Total net assets	279	941

*1 Based on the balance sheet as of March 31, 2023, the estimated net amount of 662,490,000 yen (669,990,000 yen paid in for the third-party allotment to Sony Corporation announced on April 26 minus 7,500,000 yen in estimated issuance costs) was added to cash and net assets to estimate pro forma balance sheet

FY2023 forecast – Planning to achieve 40% YoY organic growth, whilst profitability is planned at around breakeven



FY2023 ending Dec. consolidated forecast

(Million JPY)	FY2022 ended Dec. results	FY2023 ending Dec. forecast	Growth Value	Growth Percentage
Net Sales	2,878	4,000	1,121	+38.9%
Gross profit % of net sales	1,910 66.3%	2,650 66.2%	739	+38.7%
EBITDA % of net sales	38 1.3%	196 4.9%	157	+409.8%
Operating profit % of net sales	-251 -8.7%	10 0.2%	261	-
Ordinary profit % of net sales	-247 -8.5%	2 0.0%	249	-
Net income % of net sales	-880 -30.5%	-100 -2.5%	780	-

- Capital & business alliance with Sony Corporation
- FY2023 Q1 highlights
- **Business growth themes and AI service updates**

FY2023 ending Dec. business growth themes



Neural Pocket Group

- Management theme for FY2023 is **“Scale and profitability”**
 - Scale unit-based revenue while maintaining **high gross profit** margins
 - Achieve **OP profits for the year** whilst making investments to fuel future growth
- Continue to actively pursue **capital or business alliances** with global co. in Japan and abroad



AI Digi-Solution

- Horizontal expansion across both the public and private sectors and install a total of **400 cumulative units** by the end of FY2023 (260 units installed as of the end of Q1)
- Participate in large-scale urban/ smart city development in **Thailand and Southeast Asia** out of our Thailand office



Neural Marketing

- Further bolster sales team by **hiring over 70 sales personnel** against a backdrop of over 10%^{*1} market growth (39 hires as of end of Q1)
- Establish **6 new locations**: Okinawa, Minami-Kyushu, Shikoku, Hokuriku, North Kanto, and Hokkaido (As of the end of Q1, new locations opened in Sapporo and Takamatsu.)
- Target to install ad signages, or LED ad vision's in **50 new locations**^{*2}



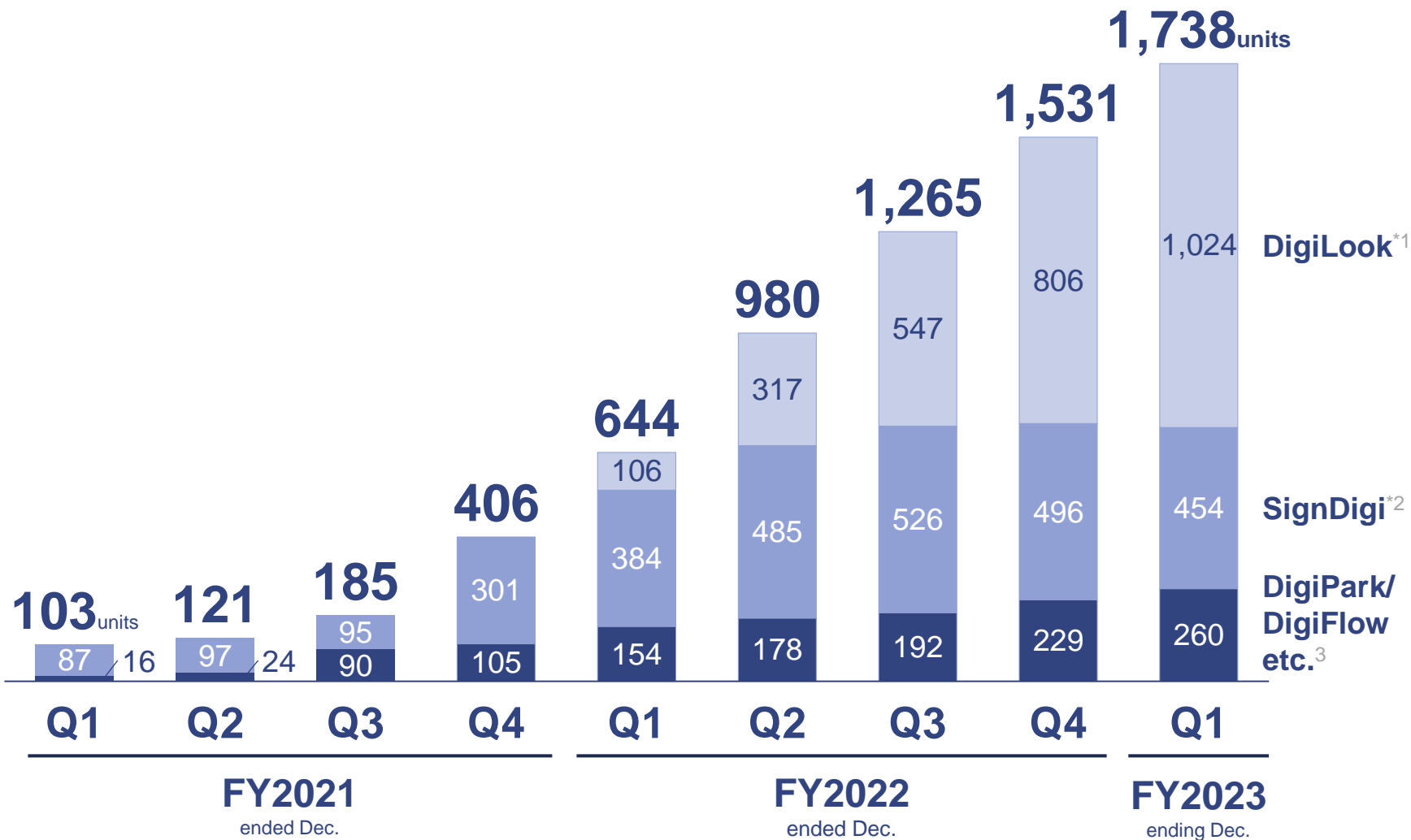
Lifestyle/ Innovation

- Stable continuation of ongoing apparel business
- Proactive **in-house development of new areas** that could become future pillars of our business
 - Demand forecast AI, dress-up AI
 - Logistics container loading optimization and satellite image analysis
 - Gaming using AI technology, etc

^{*1} Growth rate of the domestic digital signage sales and advertising sales market. Based on “Digital Signage Market Research 2021” published by Fuji Chimera Research Institute, Inc. in February 2021.

^{*2} Since expenses for such signages have already been recognized in FY12/2022 prior to installation, costs associated with additional installation are limited.

Digi-Solutions unit installation (cumulative)



^{*1} LED signages installed (# of locations) by Neural Marketing Inc., post acquisition by Neural Pocket. ^{*2} Mainly Focus Channel digital signages installed in apartments. Also includes other signages installed for commercial use or trial installations unrelated to Focus Channel. ^{*3} Number of edge box units installed for DigiPark/ DigiFlow, etc. A single edge box is often connected to multiple cameras to run AI detection.

Digi-Solution services introduced across Japan

● Key locations recently installed

Hyogo Pref.
Prologis Park Inagawa 1&2
License plate detection



Osaka Umekita II
People flow & behavior detection in urban park



Huis Ten Bosch
Parking lot occupancy, license plate detection



Shurijo Castel Park
People flow analysis and operation DX



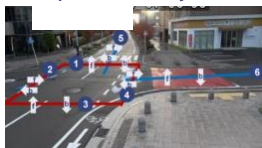
Sendai city
People flow in urban centers, evacuation center operation optimization



SMARK Isezaki
Parking lot visualization, traffic guidance



Anjo city
3D city map promoted by MLITT



Yokohama City Yamashita Park
Visualization of users/congestion in the rose garden



Muroran city
Regional revitalization with AI-enabled urban development



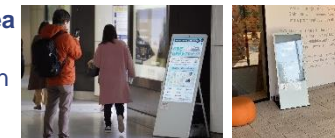
Kashiwa-no-ha smart city
Outdoor AI safety surveillance for town mgmt.



Sugamo district/ Taisho Univ.
Industry-academia collab. and promotion of local digitization



West Shinjuku area
Digitalization of urban transportation and city parks



Subway station Tocho-Mae
Info broadcasting via local 5G signage

Marunouchi Naka-Dori
Daimaru-Yu Machizukuri Council, assist urban dev. through people flow analysis



Takehiba
Office tower smart building/ city develop.

Mitsubishi RE Marunouchi Building
People flow visualization



Shibuya Hikarie ShinQs
Apparel store guest analysis



Mitsui Fudosan Ichikawa LP
Truck license plate detection



Tokyo Ryutsu Center
Vehicle congestion visualization



DigiFlow recent case studies

Okinawa Shurijo Castle Park (Apr. '24)

Support for DX facility management and operations

In collaboration with the Okinawa Memorial Park Office, Okinawa General Bureau, Cabinet Office, Okinawa Prefecture, and the Okinawa Churashima Foundation, we analyzed human flow in an urban park.



Marunouchi Nakadoori, Tokyo (Apr. '24)

Urban development through visualization of human flow

Supporting "safe and secure community dev. using digital tech" through introduction of AI cameras in collab. with Otemachi/Marunouchi/Arimachi District Machizukuri Council



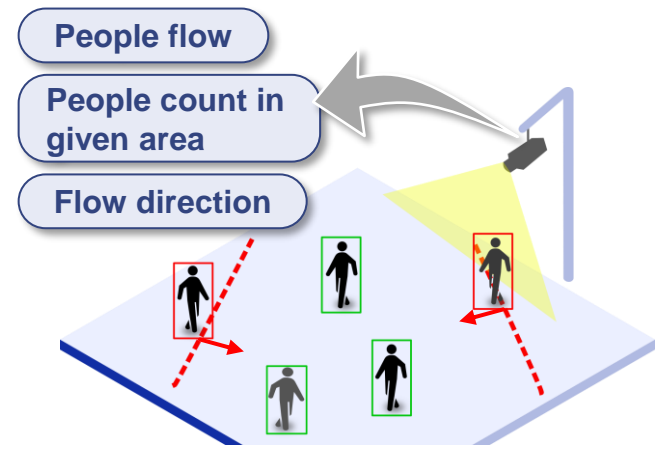
Yokohama City, Yamashita Park (Mar. '23)

Visualization of congestion and listing on public web pages

Improvement of facility operation and visitor satisfaction by monitoring the number of visitors to the Garden Necklace Yokohama hosted by the City of Yokohama and disseminating information on congestion.

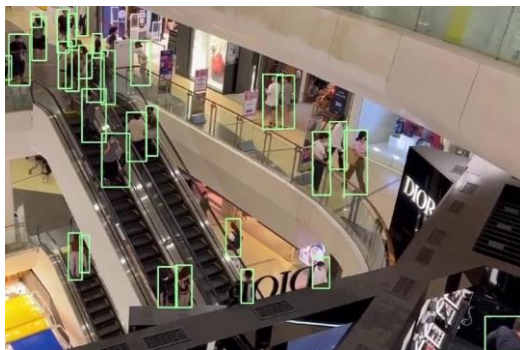


People flow analysis by DigiFlow



Variety of projects in action across private/ public/ academia in Thailand

Partnership with w/ CP Group - Egg Digital Inc.



- Partnership with Egg Digital, the digital marketing arm of CP Group, one of Thailand's largest conglomerates
- Update physical spaces with AI technology within and beyond CP Group

Agreement w/ KOSEN-KMITL, Thailand's National College of Tech.

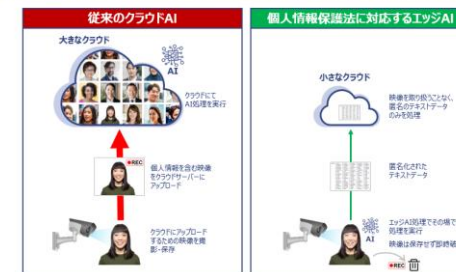


- Support for training AI engineers at KOSEN-KMITL, the first company to introduce a Japanese-style technical college education system in Thailand
- HR support based on the Thai government's industrial upgrading policy, Thailand 4.0

Adopted for JICA*1 project

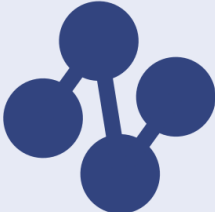


タイで2022年新施行された個人情報保護法に対応する上で、エッジAIは重要技術



- Case study of smart city implementation using AI edge cameras in Thailand & other SE Asian countries
- Enhance infrastructure and transportation with endorsement from JICA

*1 Japan International Cooperation Agency: A governmental agency that namely delivers ODA (Official Development Assistance) for the government of Japan and is chartered with assisting economic and social growth in developing countries, and the promotion of international cooperation.



NEURAL

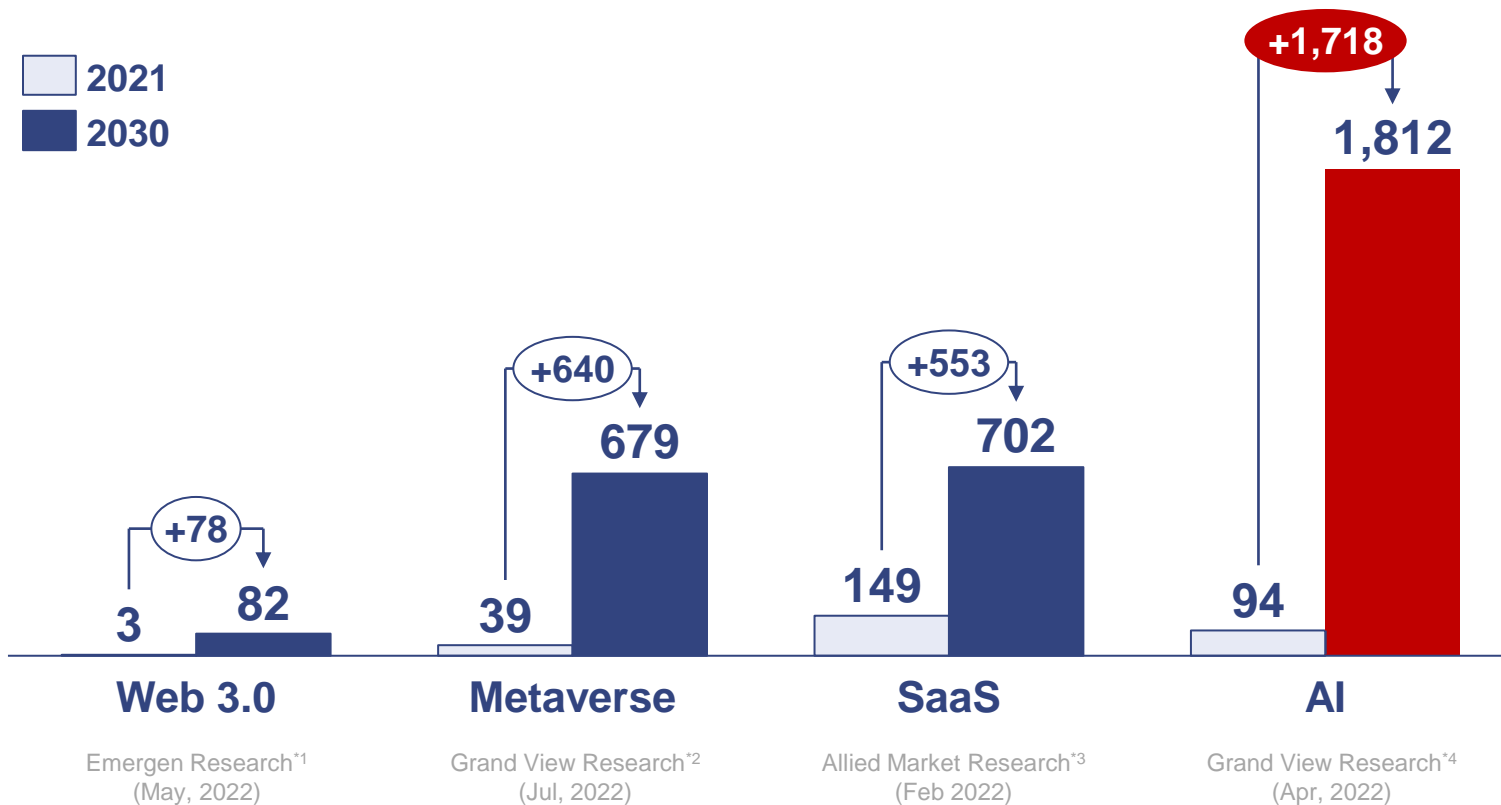
Appendix

- **AI industry trend and company advantage**
- Company overview

AI industry is expected to grow to an overwhelming market size compared to other growth areas

Global market size comparison

(Billion USD)



*1 Emergen Research, Web3.0 Market Size, Share, Trends (May, 2022)

*2 Grand View Research, Metaverse Market Size, Share & Trends Analysis Report (Jul, 2022)

*3 Allied Market Research, Software As A Service (SaaS) Market Statistics: 2030 (Feb, 2022)

*4 Grand View Research, Artificial Intelligence Market Size, Share & Trends Analysis Report (Apr, 2022)

The AI industry is shifting from selling “AI tech itself“ to selling “AI-enabled services”

AI tech provider : Selling AI itself



Project commission from clients



AI tech experiments



Sales of AI licenses



Revenue share

Catering to the needs of individual companies, providing customized technology

AI service provider : AI-enabled services



Various AI tech



100% standard accuracy



24/ 365 operations



Expansion of use cases



Data versatility



Easy installation and pricing



Security and privacy



Customer satisfaction

Scaling of AI services that address society's pain points

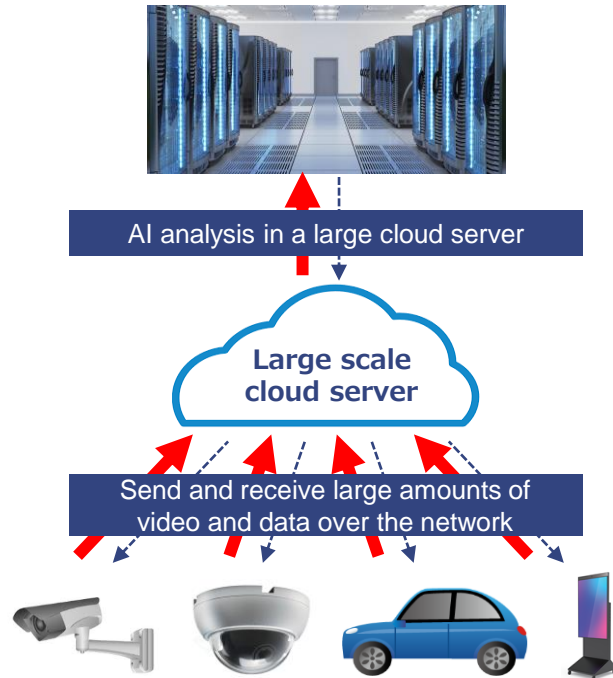
- High AI accuracy and quality are prerequisites
- AI engines utilized for long-term actual operations with reliability
- Services are used by consumers daily and unconsciously

Our company's focus

AI technology is evolving along with the industry's growth

Cloud AI

Conventional approach

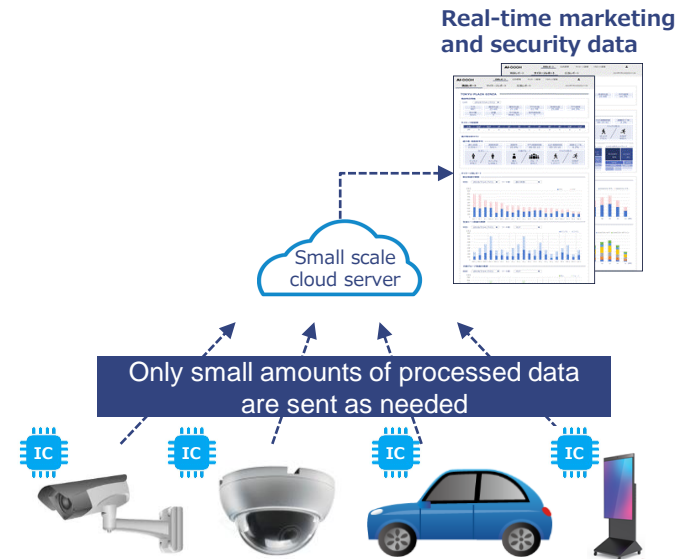


- **High costs** (Communication and maintenance)
- **High latency** (High network load)
- **High electricity consumption**

Edge AI

Our approach

Original data (video, etc.) before AI analysis
 Metadata after AI analysis (text data)



- **Low costs**
- **Low latency**
- **Green/ low electricity consumption**

Also greatly contributes to privacy protection



Adoption of edge AI technology is accelerating at many global leading companies

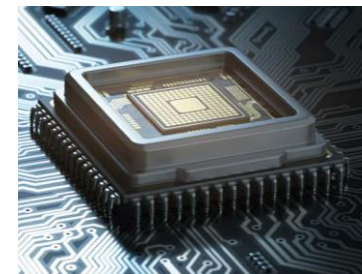


Accelerate development of edge devices for autonomous driving to achieve low latency and safety unaffected by the communication environment.

NVIDIA DRIVE AGX Xavier



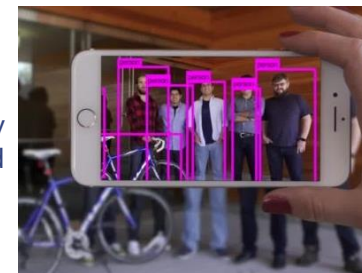
Ethos NPU series, Edge-oriented chips specializing in deep learning to achieve high-speed inference with low power consumption.



Many research results of edge AI for low latency processing of metaverse equipment.



Acquired XNOR.ai, a company with technology for high-speed AI execution on edge devices, for USD 200 million.



Dedicated Edge AI chips are standard in smartphones, and their performance is advancing every year.



Practical application of image sensor-integrated edge AI chip for real-time image recognition and metadata conversion.



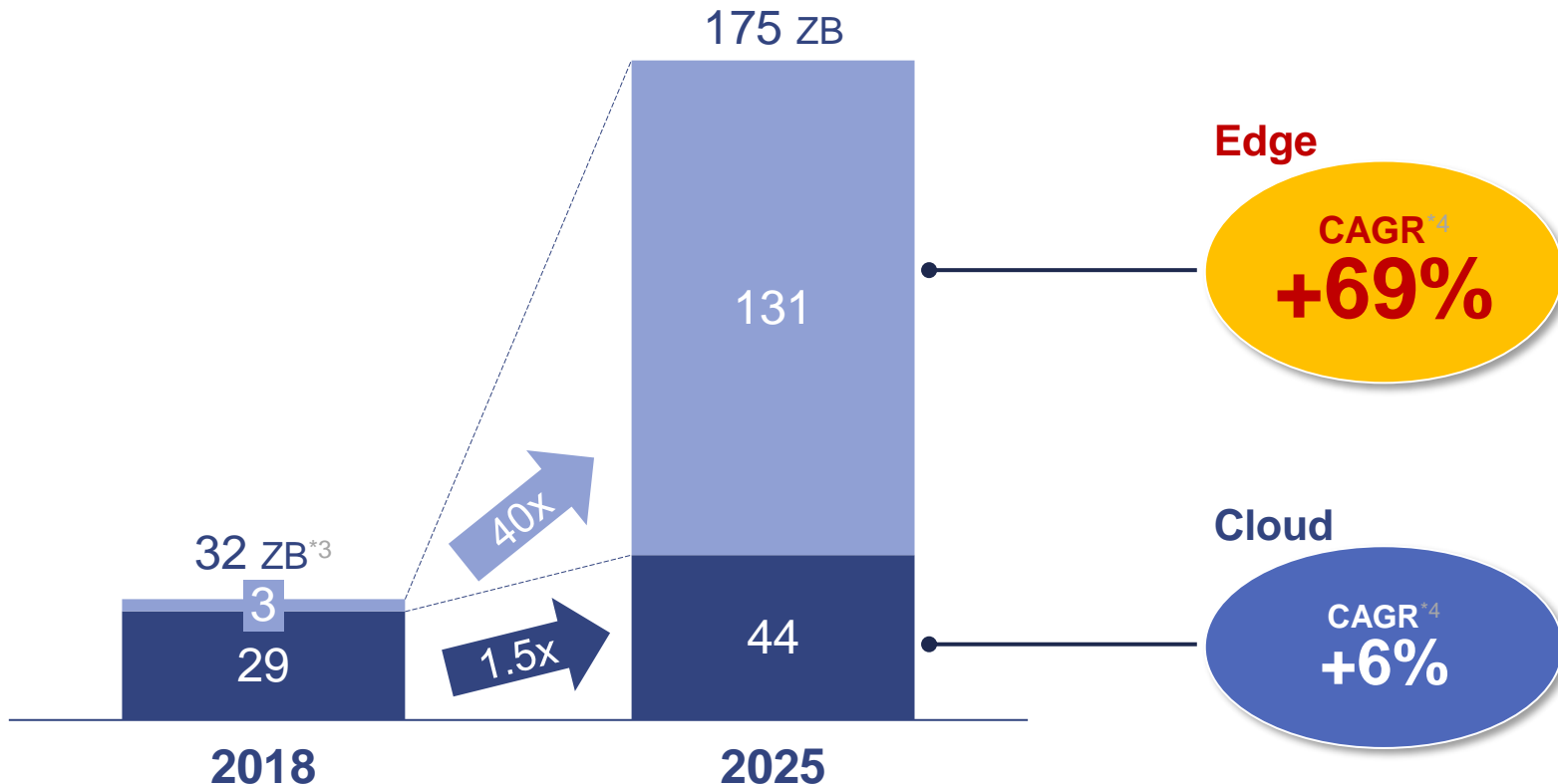
Edge processing is rapidly expanding

Total data processed at the edge vs in the cloud^{*1*2}

Through 2018 to 2025

Growth forecast

Through 2018 to 2025



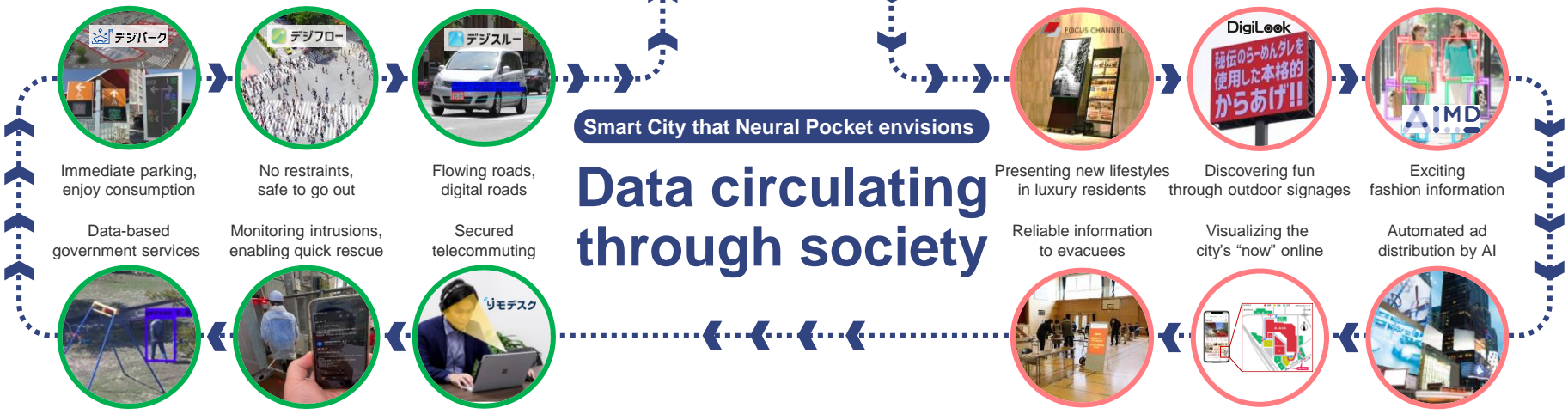
*1 Source for Edge share: What Edge Computing Means for Infrastructure and Operations Leaders, Gartner (Oct 2018).

*2 Source for amount of data: Data Age 2025 Whitepaper, IDC (Nov 2018), accounts for all data created, captured, and replicated globally.

*3 Zetabyte. Unit of data. Equivalent to 10⁹ TB (terabyte).

*4 Compound annual growth rate.

We enable smart cities with edge AI – Our edge AI platform allows for the circulation and utilization of data in physical spaces



Eliminating waiting time

Data analysis using AI technology allowing for fun and peace of mind

Encountering information

Information delivery customized to local regions and individuals, with AI-enabled viewer behavior analysis and automatic distribution



Neural Platform is a comprehensive environment to facilitate AI software development and day-to-day operations



Functions	Image and overview
Service, application building features	<p>AI service mngm't</p> <ul style="list-style-type: none"> Manage and provide AI services (AI models), such as people flow analysis and vehicle analysis, with a smartphone app store approach Services can be easily uploaded as developers updates the AI program
	<p>AI dev. environ.</p> <ul style="list-style-type: none"> Development environment for internal and external developers to conduct AI dev. (annotation, model selection, training etc.) Application dev. environment to run on various edge devices and apps, as well as smartphones
Content application functions	<p>Content play and display (CMS)</p> <ul style="list-style-type: none"> Programs to play content (text, photos, video, audio, etc.) essential to AI services Information communicated in real time through LTE network to and from edge devices.
	<p>Data analysis</p> <ul style="list-style-type: none"> Stores data sent from edge devices and analyzes data to influence people's behavior. Various display formats, enabling data analysis to be conveniently performed on a web browser.

Functions	Image and overview
Edge Equipment Operational Functions	<p>Equipment mngm't, alive monitoring</p> <ul style="list-style-type: none"> Real-time management of operational (alive/ dead) status of edge devices Operational status and error logs of AI services in each device managed
	<p>Remote Automatic Update</p> <ul style="list-style-type: none"> Automatic transmission and update of AI services/ models and content (text, photos, video, audio, etc.) via LTE network Content playback programs and program listings updated via network
	<p>Security ware</p> <ul style="list-style-type: none"> Prevent attacks on edge devices by diagnosing security vulnerabilities for h/w and s/w Encrypt data and communications and monitors attacks Automatic video deletion for privacy protection

We develop proprietary AI libraries/ edge-related implementation technologies to enable AI smart cities

People attribute analysis

<p>Gender/ age estimation</p>	<p>Facial recognition</p>	<p>Line-of-sight detection</p>	<p>Fashion analysis</p>
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People emotion and thought analysis

<p>Facial expression, emotion analysis</p>	<p>Voice/ emotion analysis</p>	<p>Natural language processing</p>
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People movement and behavior analysis

<p>Congestion analysis</p>	<p>Vacancy detection</p>	<p>Safe monitoring</p>	<p>Intrusion detection crime prevention</p>
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Vehicle analysis

<p>Traffic analysis</p>	<p>Parking occupancy</p>	<p>License plate detection</p>
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Technologies related to social implementation of AI

<p>Edge AI</p>	<p>Edge security</p>	<p>Ad delivery optimization</p>	<p>AI-enabled product recommendation</p>	<p>Data analytics</p>	<p>Digital signage integration</p>	<p>Mobile app integration</p>
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Our AI libraries operate on a variety of technical standards, contributing as an Edge AI Platform developer

Examples of edge devices running our edge AI



NVIDIA JETSON Xavier NX

Linux

python™ **Rust**

Processor

OS

Language



NVIDIA JETSON Nano

Linux

python™ **Rust**



NVIDIA JETSON TX2

Linux

python™



intel **arm**

Linux

python™

Processor

OS

Language



QUALCOMM

ios android

Swift Java



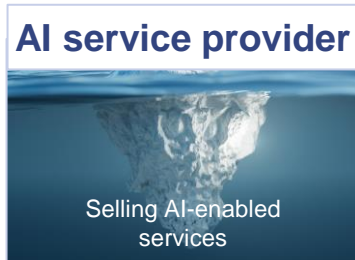
QUALCOMM

Linux

python™

As business models in the AI industry diversify, we have established our position as an edge AI platformer

Business model



Scaling service



Individually customized

Cloud AI Service

Commissioned AI Development

Edge AI Platformer

Neural Pocket

Commissioned Edge AI Development

Cloud processing

CAGR +6%

Edge processing

CAGR +69%

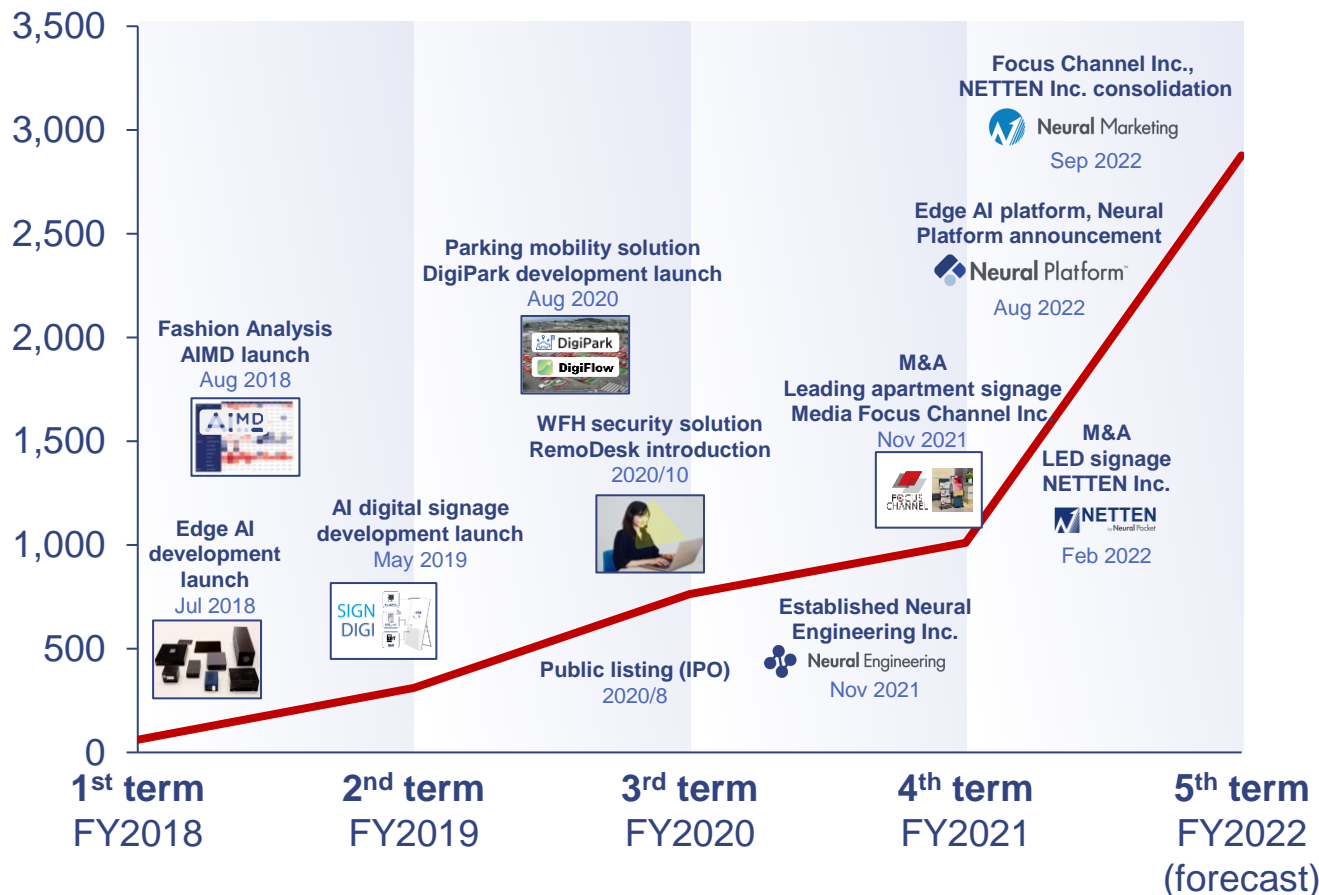
AI analysis technology

In the rapidly growing edge AI market, we have been accelerating growth since inception

Company growth strategy and expansion progress

Track record

Net sales
M JPY



Annual growth rate since company founding

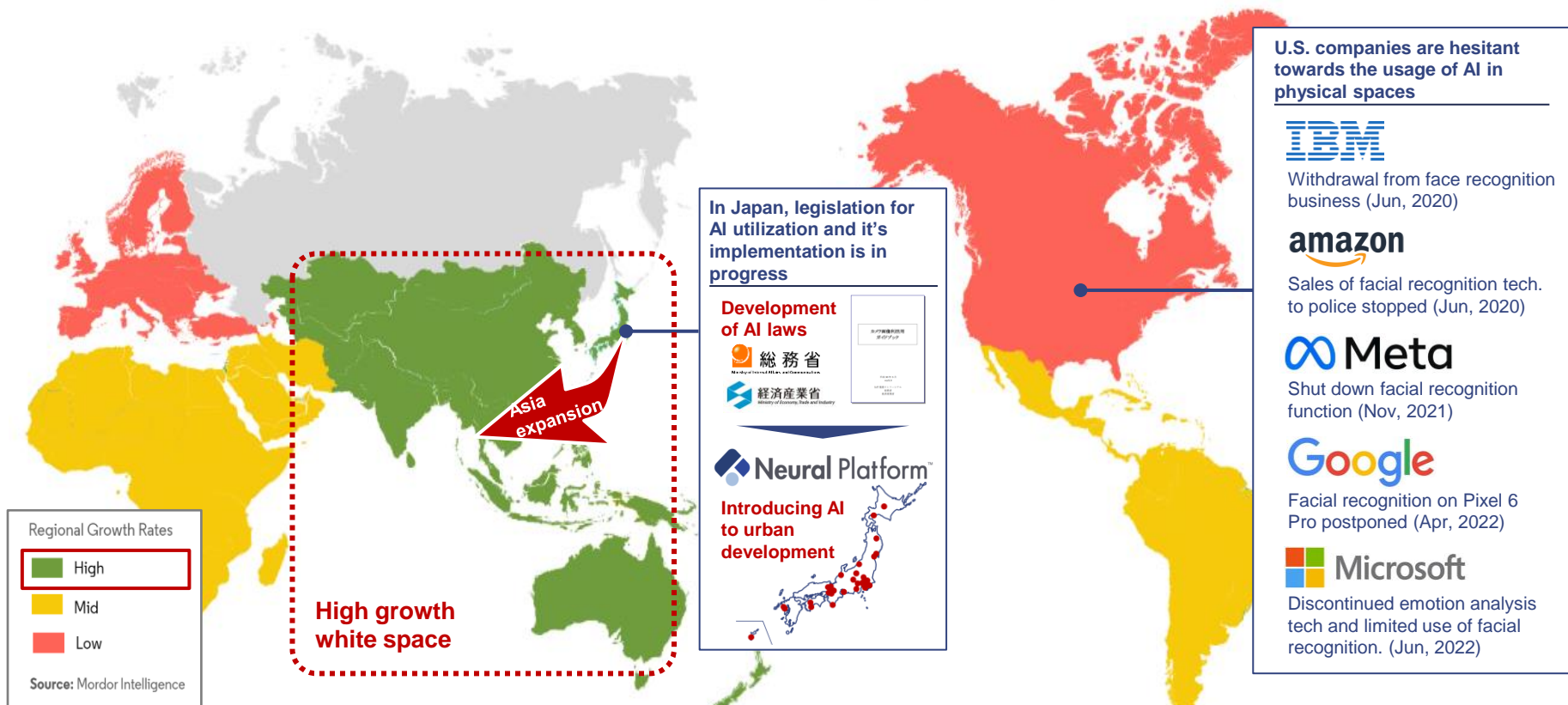
+163%
60M→2,878M JPY

Business scale expansion (in two years post IPO)

3.8x
762M→2,878M JPY

AI platforms expected to emerge from Asia, where the development of smart cities are most rapid

Smart Cities Market - Growth Rate by Region (2019 - 2024)



Appendix

- AI industry trend and company advantage
- **Company overview**

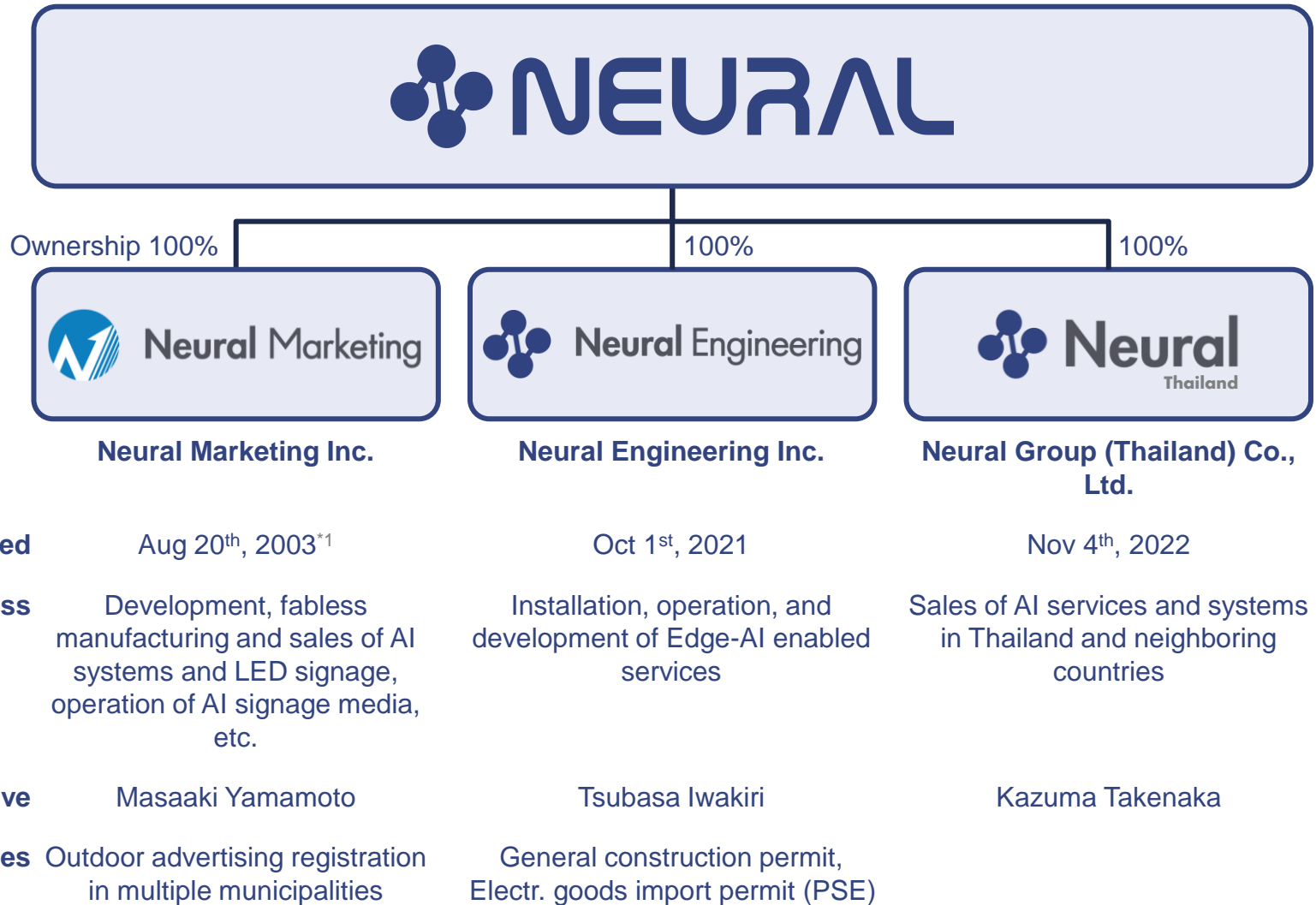
Company overview

Company name	Neural Pocket Inc. (TYO: 4056) <i>Expected to change corporate name to Neural Group Inc. on Jun 1st, 2023</i>
Established	Jan. 22 nd , 2018
Representative	Roi Shigematsu
Listed exchange	Tokyo Stock Exchange Growth Market (listed since Aug. 20 th , 2020)
Headquarters	Tokyo Midtown Hibiya, Hibiya Mitsui Tower 32F, 1-1-2, Yurakucho, Chiyoda-ku, Tokyo, JAPAN
Locations	<ul style="list-style-type: none"> ▪ AI Test Field (Shinagawa Seaside Canal Tower 21F, 4-12-6 Shinagawa-ku, Tokyo) ▪ Thai Office (CRC Tower, All Seasons Palace, Wireless Road, Lumpini, Bangkok, 10330) ▪ Singapore Branch (9 Straits View, Marina One West Tower, #06-07, 018937) ▪ 11 other offices across Japan (Osaka, Fukuoka, Nagoya, Yokohama, Sendai etc.)
Group Companies (100% sub.)	<ul style="list-style-type: none"> ▪ Neural Marketing Inc. (Rep. Masaaki Yamamoto) ▪ Neural Group (Thailand) Co., Ltd. (Rep. Kaz Takenaka) ▪ Neural Engineering Inc. (Rep. Tsubasa Iwakiri)
Employees	227 (Group total as of Mar 2023, excluding directors, part-time and outsourced employees)
Business overview	AI engineering business utilizing image/video analysis and edge computing technology based on proprietary AI algorithms
Affiliated organizations.	<ul style="list-style-type: none"> ▪ Nippon Keidanren (Japan Business Federation) ▪ Japan Deep Learning Association and others

Management team (as of Mar. 31st, 2023)

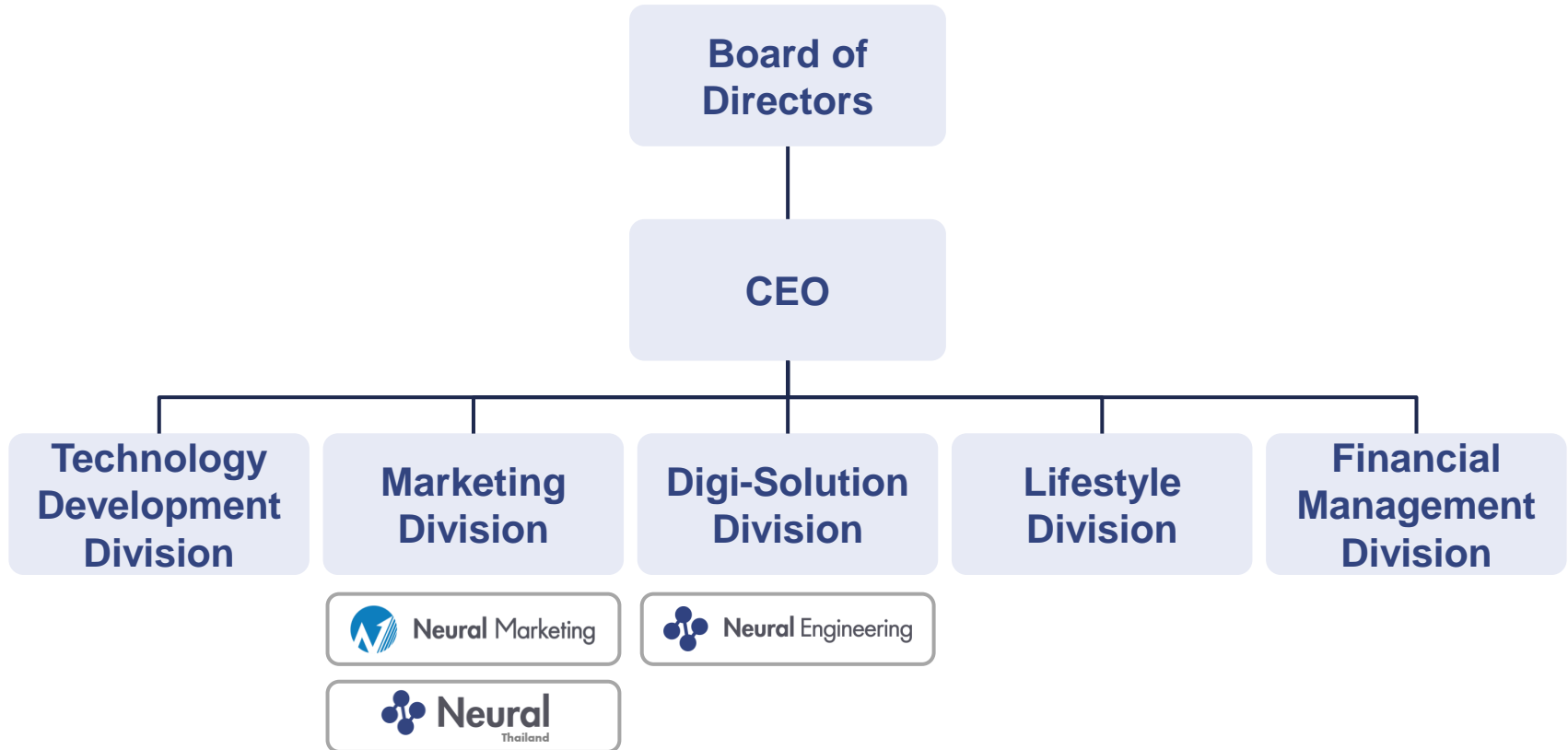
	Name	Career overview
Board Directors	 Representative Director Roi Shigematsu	Former Partner at McKinsey, working in 11 countries including Japan, Germany, and the U.S as leader in IoT and AI field. Founded Neural Pocket in January 2018 with the goal of realizing the digitization of the real world through AI. He holds a Master's degree in Engineering from the University of Tokyo and is currently a member of the Advisory Board of the School of Engineering.
	 CFO Director Ryosuke Tane	He was engaged in private equity investing at Bain Capital Japan. After serving as the Tokyo General Manager of Oyo Technology and Hospitality Japan, he joined Neural Pocket. He currently oversees the group's corporate division and also leads M&A activities. He holds an MBA from Stanford University's Graduate School of Business.
	 Director Masaaki Yamamoto	After being involved in the development of DVDs and head-mounted displays at Sony, he led several new businesses and internal startups. After joining the company, he worked in the R&D department and is currently the president of Neural Marketing, Inc. He holds a master's degree from Tokyo Institute of Technology
	 External Director Yoichi Yamagishi	After working in the investment banking division of Nomura Securities Co., Ltd. in M&A advisory and public underwriting, he was appointed as General Manager of Public Underwriting Department of Mizuho Securities Co. After retiring from Mizuho Securities, he served as an outside director of D.L.E. Inc. and Laox Co. He is a certified public accountant.
	 External Director Maiko Hasumi	After working for Fuji Television Network, Inc. and Fidelity Investment Trust Co. currently fund manager at Ever Rich Asset Management. Currently director and member of the Audit Committee of Z Holdings Corporation (formerly Yahoo! Japan), etc. Appointed outside director of Neural Pocket in 2021. Holds an MBA from Stanford University's Graduate School of Business.
Auditors	 Full-time auditor Miho Takemura	After working at Ernst & Young Shin Nihon LLC (EY Ernst & Young Shin Nihon LLC), where she mainly audited securities companies and other financial institutions, she worked as a full-time auditor at IRIDGE Co. Certified public accountant.
	 Auditor Toshiki Wakamatsu	After working at Sato Sogo Law Office, he opened Saltus Law Office. He has served as a director of Orchestra Holdings Inc. and Voicy Inc. and has been a corporate auditor of Neural Pocket since 2019. Attorney. Specializes in a wide range of corporate legal matters, including corporate law and the FIEA.
	 Auditor Hajime Shirai	After working at Arata Audit Corporation (PwC Arata LLC), Frontier Management Inc. and Deloitte Touche Tohmatsu LLC, he established Grintee Inc. Ltd. Appointed as a corporate auditor of Neural Pocket in 2020. Certified public accountant.
Advisor	 Professor Yutaka Matsuo	Professor at the Artificial Intelligence Research Center, Graduate School of Engineering, the University of Tokyo. He is a leading expert in the field of AI and deep learning in Japan. He is also the chairman of the board of the Japan Deep Learning Association and an outside director of Softbank Group Corp.

Neural Pocket Group (as of Mar. 31st, 2023)

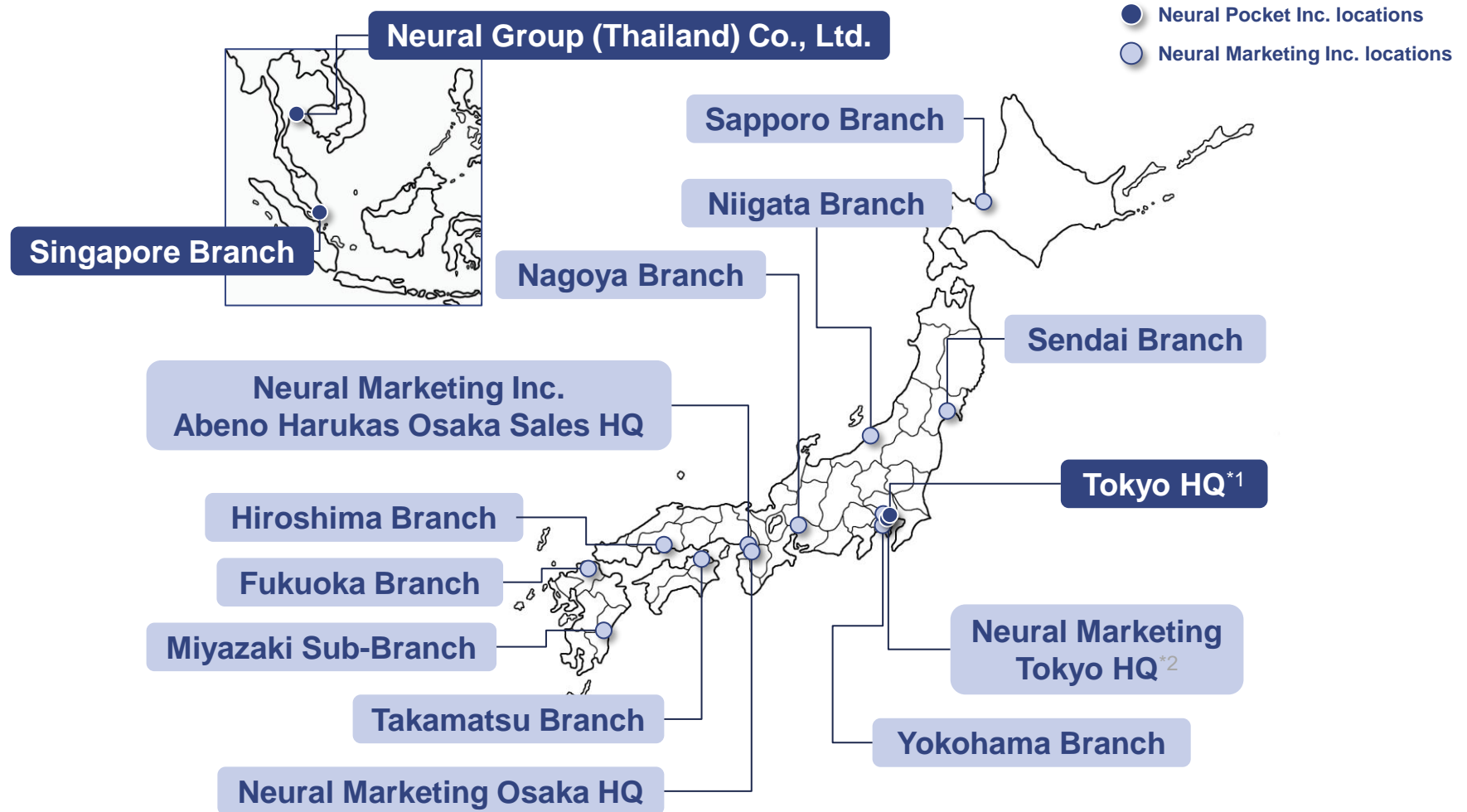


*1 On Sep 1st, 2022 the company name was changed from NETTEN Inc. to Neural Marketing Inc. The date of incorporation of NETTEN Inc. is stated.

Organization: Since Jan 2022, the company has established a divisional system organized by product/ service



Neural Pocket Group operates 15 locations internationally, with the infrastructure to support the development of smart cities nationwide



*1 Neural Engineering Inc. is established within Neural Pocket Inc. Tokyo HQ.

*2 AI Test Field is located within Neural Marketing Tokyo HQ.

Established Thai subsidiary in Nov. 2022, to participate in greenfield type urban development popular across Southeast Asia

Neural Pocket Thailand (Bangkok office) and CRC Tower where the base is located



Company name Neural Group (Thailand) Co., Ltd.

Representative Kazuma TAKENAKA, CEO/ Managing Director

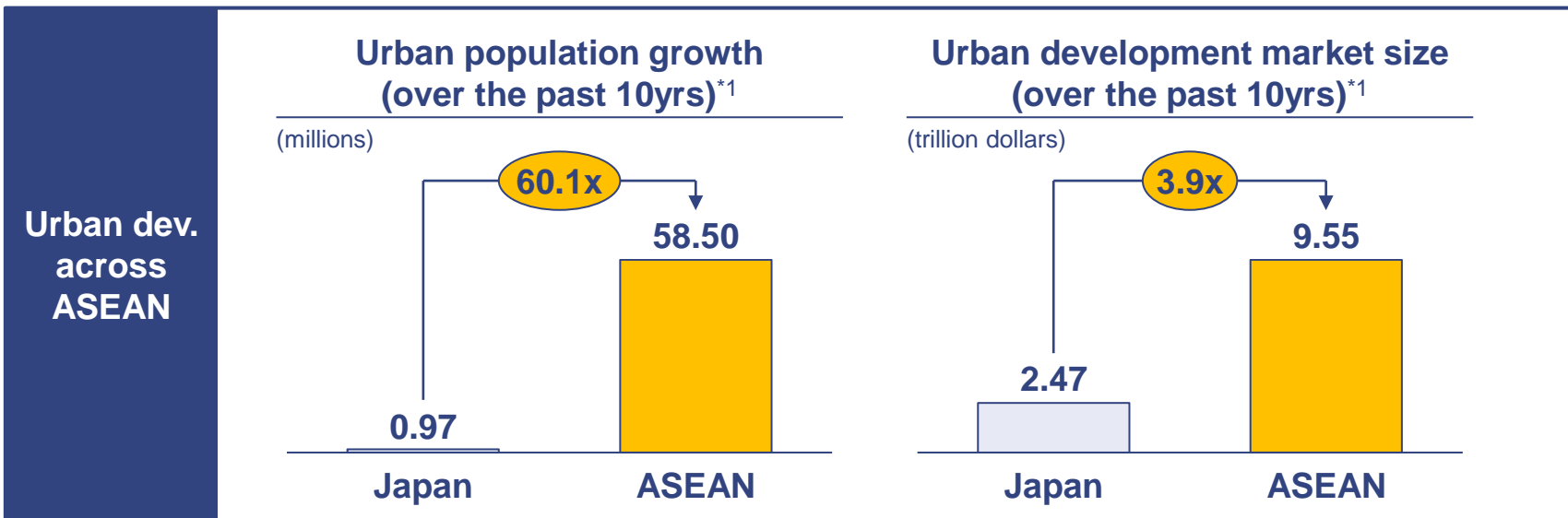
Location 36th Floor, Office number 11, CRC Tower, All Seasons Place, Wireless Road, Lumpini, Phatumwan, Bangkok, Thailand 10330

Established November 4th, 2022

Ownership Neural Pocket Inc. 100%

Background Based on our track record of providing unique AI services to realize smart cities in Japan, we aim to expand our business in Thailand and other SE Asian countries. Particularly in SE Asia, "green field" type developments, in which new cities are built on a vast scale, are popular, and the company aims to participate in large-scale development projects.

Vast infrastructure investment expected in Thailand and SE Asia



Thai state-led investment plans

Concentrated investment in Bangkok and adjacent eastern regions

“Eastern Economic Corridor(EEC)”
Infrastructure development

“Thailand 4.0”
Infrastructure/ new urban dev. by attracting investment across 12 industries

+

Total 9.8T JPY
(2022-2026年、2.5T Thai Bhts)
infrastructure investment planned

i: Smart City Concept for the development of Bangsoo Station area; ii: AMATA Chonburi Gateway R&D Hub aiming to become a smart city; iii: One Bangkok Project, all of which are examples of smart cities to be developed in Thailand.

1: "Toward Overseas Urban Development Business Development - Smart City Business Creation", Nomura Research Institute, Ltd. presentation (December 16, 2014).

Appearances at seminars/ events

AI technology

- **G7 Ministerial Conference on Digital Technology in Takasaki, Gunma:** Corporate exhibit
- **Public-private partnership conference for overseas expansion of startups, co-hosted by the Ministry of Economy, Trade and Industry and Keidanren:** Speaker
- **Advantech Corporation's Tokyo AI Forum - Manufacturing DX and Smart City:** Speaker
- **Tokyo Data Platform Convention:** Professional Advisor
- **AI Innovation AWARD2022:** Awarded "Future envisioned by Smart Cities"



Urban planning

- **Shibuya Ward Kitaya Park Jinnan Market Thinking about the future of Shibuya Park!** Speaker
- **Muroran City DX Promotion Forum** Panelist for "Connected Smart City" session
- **"Roadside Station Murayama" Development Basic Plan Study Citizens' Meeting** Advisor
- **Regional Development College in Otaru** Speaker
- **National Ugoki Statistics Co-creation Idea Contest (Softbank)** Awarded Excellence Prize



Collaboration with Academia

- **Seminar on the use of the Kashiwanoha Urban Design Center for urban planning workshops with citizens, hosted by the University of Tokyo's Center for Future Vision Research**
- **Seminar at Sasin Graduate School of Management, Chulalongkorn University**
- **DCON2023 Japan Technical College Deep Learning Contest** Final round, technical jury
- **Aoyama Gakuin University** Special lecture



Apparel

- **Ministry of Economy, Trade and Industry The 5th Study Group on Sustainability in Textile Industry** Presenter

Others

- **ROCK THAILAND #4** Presented in Bangkok, Thailand
- **AWS Japan 「IoT AWS Seminar for Engineers」 etc.** "Creating services using IoT Core"



Membership in many public/private organizations related to AI and smart cities

Smart City related



Japan Platform for Driving Digital Development: JPD3



Smart City Public-Private Partnership Platform

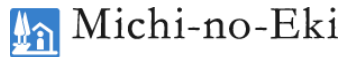


Kamakura City Smart City Public Private Sector Research Association

MaaS Social Implementation Promotion Forum



Industry groups



Collaboration with corporations



Overseas



LED Vision installation cases

LED vision, which excels in visibility and spatial presentation, is used in various scenes throughout the city to promote sales at facilities and stores, and as a medium for people to encounter new information.

For large scale business operators



Outdoor soccer stadium



Indoor sports stadium

For SMEs



Wall-mount



Chain retail



Portable

Government, municipalities



Government office



Fire station



Police office

DigiLook: Top share in Japan with more than 10,000 installations

DigiLook

#1 installations with more than 10,000 signages nationwide



LED signage
Japan No. 1

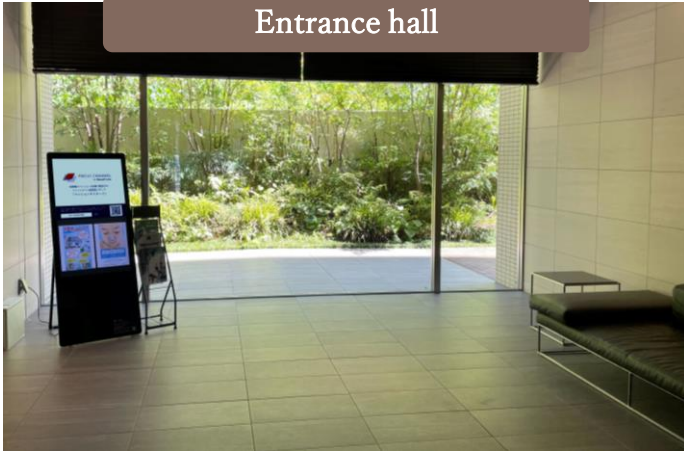


- **Unparalleled installation track record**
Experience in a wide variety of industries, including large corps, government offices, commercial facilities, and merchant stores
- **Unparalleled track record of stable operations**
Stable operating track record throughout Japan, including cold, hot, and humid regions
- **Flexible contract forms**
Flexible purchase formats such as lease agreements and credit/cash purchases

We are accelerating sales efforts towards large corporations and large-scale facilities. We are also promoting the development of highly functional products with remote content distribution and AI detection functions.

We deliver the advertiser's message to the residents of high-end urban apartments

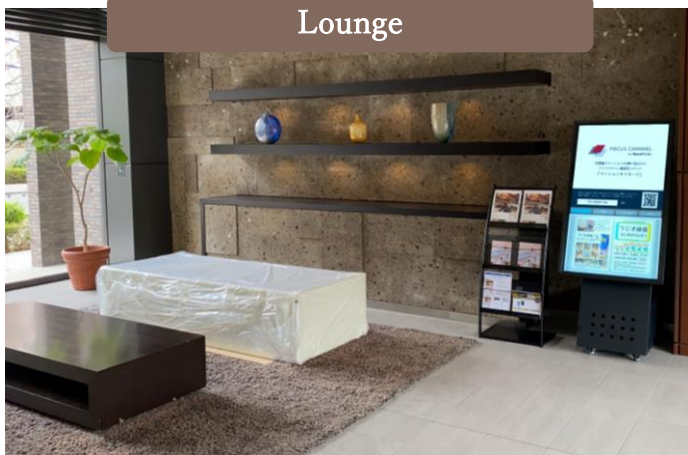
Entrance hall



Elevator hall



Lounge



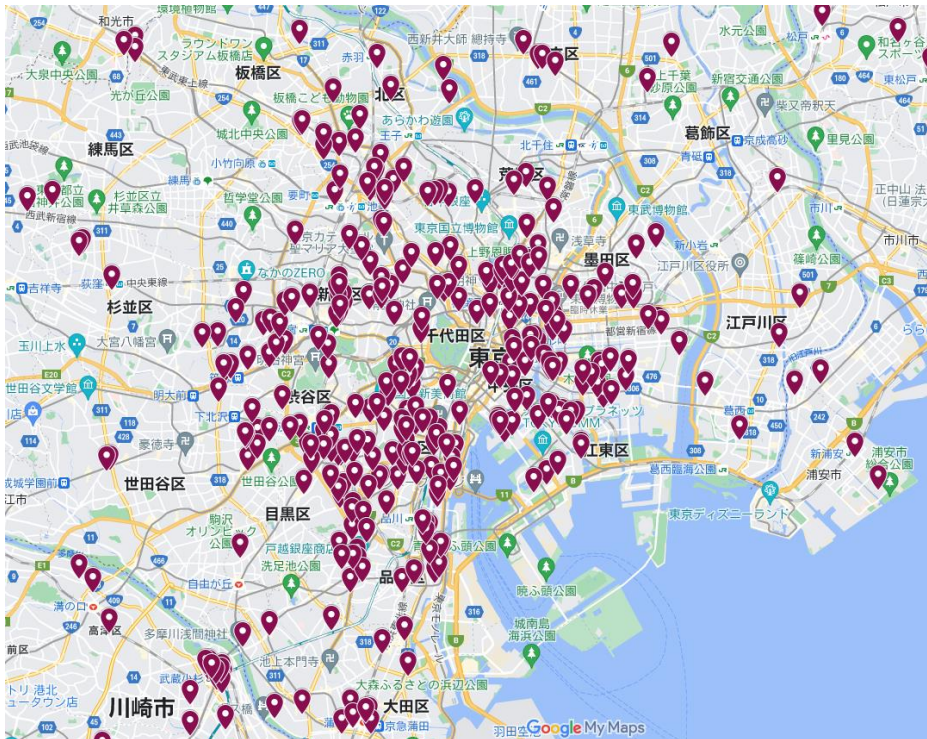
Reception



We deliver the advertiser's message daily and repeatedly to approx. 200K residents of high-end urban apartments

Approx. **420** buildings

Approx. **80,000** households



※As of Dec. 31, 2022

Impression

Steady reach regardless of seasons and externalities

Frequency

Located in living spaces and repeatedly appealing to all residents

>> View count per program: **1.50 million**~/month

>> Play count per program: **3.50 million**~/month

Targeting

High-grade apartment where many affluent consumers reside

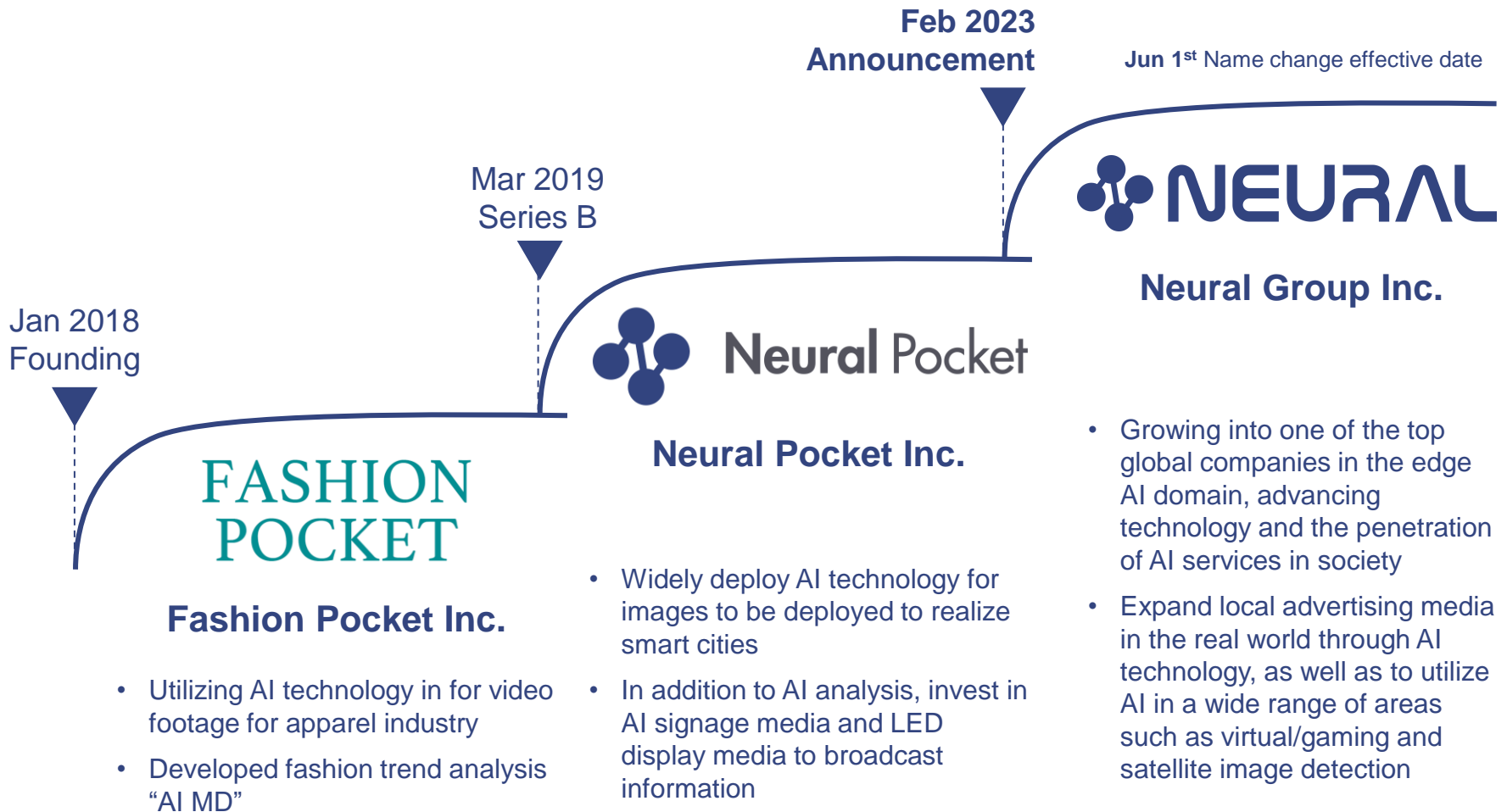
One-stop solution

Acquisition from brand awareness to detailed consideration through ad distribution and flyer placements



Apartment
Signage Ads
Market No. 1

Five years since founding, we aim to expand our business and contribute to society - Rebranding the company name to "Neural Group"



Neural Pockets celebrating 5 Years since founding and is updating it's company name to reflect the diversity of business

Building an exciting and inspiring future with AI



NEURAL

Neural Group Inc.

The company name "Neural Group" expresses our desire to provide unconventional services that transcend boundaries in a wide range of fields enabled by cutting-edge AI technologies. We will utilize edge AI across both real and virtual spaces to realize an exciting future globally, covering various applications such as AI cameras, digital advertisements, fashion apparel, AI games, and AI analysis of satellite images.

Company mission

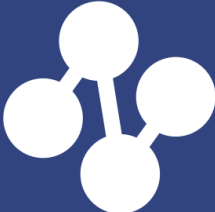
**“Update the world
for a better tomorrow”**



Disclaimer

Handling of the material

This document contains forward-looking statements. These statements are based solely on the information available at the time the statements were made. Furthermore, such statements are not guarantees of future results and are subject to risks and uncertainties. Actual results may differ materially from those projected in the future due to changes in the environment and other factors. Factors that may affect the actual results described above include, but are not limited to, domestic and international economic conditions and trends in relevant industries. We are under no obligation to update or revise any of the future information contained in these materials in the event that new information comes to light or future events occur. The information contained in these materials relating to matters other than the Neural Pocket is quoted from public information and Neural Pocket has not verified and does not guarantee the accuracy or appropriateness of such information.



NEURAL