



Investor Presentation

June 2022

Nasdaq: HTCR

Forward-Looking Statements

Certain information set forth in this presentation contains “forward-looking information”, including “future-oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to, the

- (i) Projected financial performance of the Company;
- (ii) Completion of, and the use of proceeds from, the sale of the shares being offered hereunder;
- (iii) The expected development of the Company’s business, projects, and joint ventures;
- (iv) Execution of the Company’s vision and growth strategy, including with respect to future M&A activity and global growth;
- (v) Sources and availability of third-party financing for the Company’s projects;
- (vi) Completion of the Company’s projects that are currently underway, in development or otherwise under consideration;
- (vii) Renewal of the Company’s current customer, supplier and other material agreements; and
- (viii) Future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Who We Are

We are an experienced software provider with a mission to provide happiness to our customers through our technology.



819 clients
in Japan

23 clients
overseas



Our CMS business customer retention rate is very high at **95%** in **2020** and **92%** in **2019**.



20%+ Annual Sales Growth

About HeartCore, Inc.

ESTABLISHED

June 2009

Cash

\$13.9 million USD

EMPLOYEES

47*

PRESIDENT & CEO

Sumitaka Yamamoto



US OFFICE
Silicon Valley, CA

JAPAN HEADQUARTERS
Shinagawa-ku, Tokyo

OKINAWA BRANCH
Naha City, Okinawa



JUNE 2009
Content Management
System (CMS)



APRIL 2015
Customer Experience
Management (CXM)



JANUARY 2018
Robotic Automaton
Process (RPA)



APRIL 2019
ProcessMining



DECEMBER 2019
TaskMining



JUNE 2021
ProcessMining

What We Do

Content Management System

Our customer experience management platform

Includes **marketing, sales, service, and content management systems** as well as other tools and integrations that enable companies to attract and engage customers throughout the customer lifecycle.



Digital Transformation

Provides customers with robotics process automation, process mining and task mining

Accelerating the **digital transformation** of enterprises across their entire business including **marketing, sales, and customer service.**



Go IPO Consultation Service

GO IPO is for Japanese Companies interested in listing on the Nasdaq Stock Market

Launched at the end of Q1 '22, our Nasdaq consulting services are based on our experience and achievements

HeartCore's deep expertise in navigating the Japanese and U.S. markets gives us the competitive edge in servicing our clients

【Japan】

- Auditor Audit attestation for two years (progression basis)
- Examination by the Underwriter
- Tokyo Stock Exchange Examination

【U.S.A.】

- Auditor Audit attestation for two years (audited in 3 months for the past 2 years)
- Review by the Underwriter, Underwriter counsel, the audit firm and the company's attorney
- SEC Confirmation

Content Management System (CMS)

CMS software helps users create, manage, and modify content on websites without the need for specialized technical knowledge.

The benefits include:

- ✓ User-friendliness
- ✓ Quick deployment
- ✓ Ease of maintenance including updates
- ✓ Extendable functionality
- ✓ SEO (Search Engine Optimization) friendly features

**Content
Management
Market**

\$5,894.8M
2019 Market
Size

18.4%
Market Growth Rate
(2020-2030)

North America

Largest Market
By Region (2019)

APAC

Fastest-Growing Market
By Region (2020-2030)



CMS Features

HeartCore streamlines website operations



Easy-to-use EDITOR

- Create and update web pages as easily as entering text into a Microsoft Word document.
- Import data as simply as copying and pasting the information you wish to enter.



Granular ACCESS RIGHTS and Workflows

- Set up detailed access permissions and flexible workflows.
- Reduce the production and operation time and ensure the accuracy of information.



Secure PUBLISHING SETTINGS

- View private information on the website before it gets publicly disclosed
- We believe HeartCore is the only CMS in the world that can publish tens of thousands of pages simultaneously, and thousands of PDF files at the same time.



Extensive PREVIEW FUNCTIONS

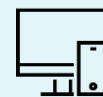
- Preview across screen sizes and device types.
- Preview registered content from two or three generations ahead with a future date on the same page.



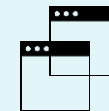
Multilingual
Support



Accessibility
Check Function

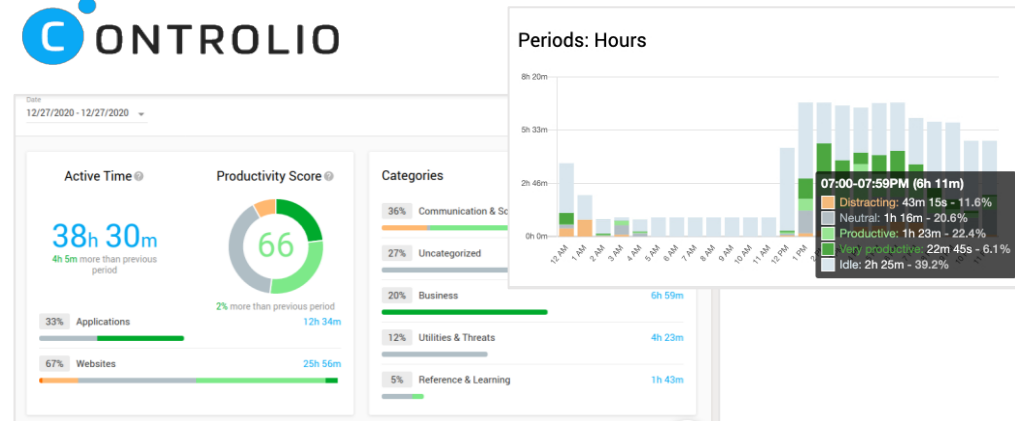


Multi-Device
Support



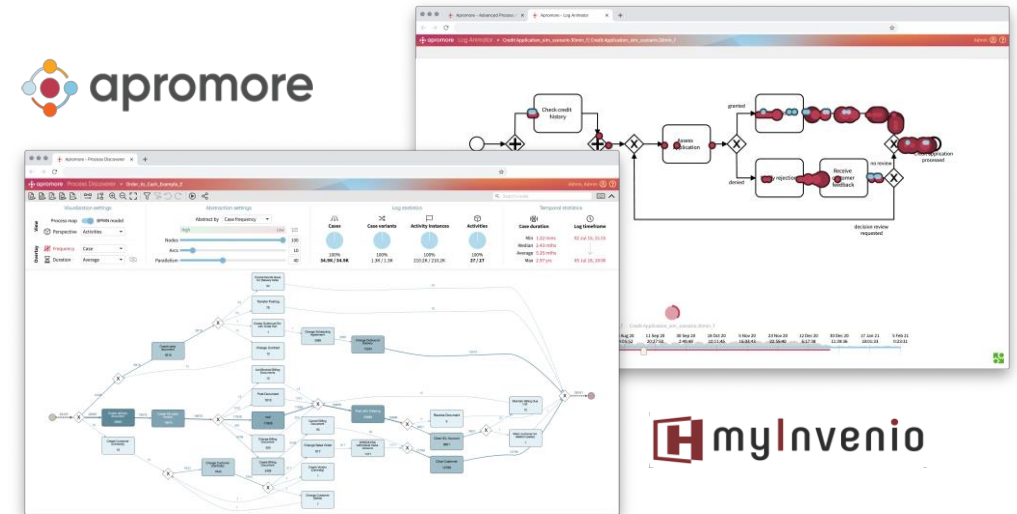
Multiple Site
Management

Process Mining & Task Mining



Task Mining

- Employee computer activity monitoring
- Track user behavior
- Monitor productivity
- Manage risk



Process Mining

- Automate business process discovery and analysis
- Uncover operational friction
- Optimize and monitor business processes

Robotic Automation Process (RPA)



RPAs enable automation of all business applications:

- Business packaged software
- Self-developed applications
- Web Applications
- Mobile Applications



RPAs work in a variety of environments:

- Multi-platform
- Remote desktop and virtual environment
- All OS versions
- All browsers



Quick start available

- Operating conditions are JAVA only
- Minimum cost required for installation
- No module installation in the execution environment is required



Stable operation that never stops

- Building unstoppable robots utilizing scripted scenarios
- Advanced error handling
- Execution of pure JAVA code
- Implementation of JAVA plug-ins



Large-scale robot operations are possible

- Management portal for robots
- Orchestration features
- Centralized scenario management
- Execution history trace

Robotic Automation Process (RPA)



High-speed image matching

- High-speed identification of operation targets on the screen using a proprietary image analysis engine
- Highly versatile, independent of the operating application platform
- Color detection



Browser auto-operation

- Automatic operation by specifying HTML elements in a Web page
- Automatic data acquisition within a page



OCR

- Loading scanned documents and converting to digital data
- Input to business applications
- Diverse OCR engines
- Font registration



Back-end operation

- Fast Excel data loading
- No need to install Excel on the executing terminal



Via OS commands

- Utilization of Windows/Unix-based OS commands
- Reliable file operations are possible. (e.g., getting a list of files in a folder, creating a new file or folder, copying, moving, etc.)

Our Business Model

Content Management System

OUR CUSTOMERS

- Sales exceed \$100 million/year
- Companies that want to use the web to license customers and engagement

GO-TO-MARKET STRATEGY

- Exhibitions, seminars
- Partner sales
- Recurring business from existing customers

PRICING STRUCTURE

- On-premise \$26,000/server +18% from license
- Price annual maintenance fee
- or Cloud \$1,000/month fee



Digital Transformation

OUR CUSTOMERS

- Sales exceed \$1 billion/year
- Companies that want to improve their operations and efficiency of their work processes

GO-TO-MARKET STRATEGY

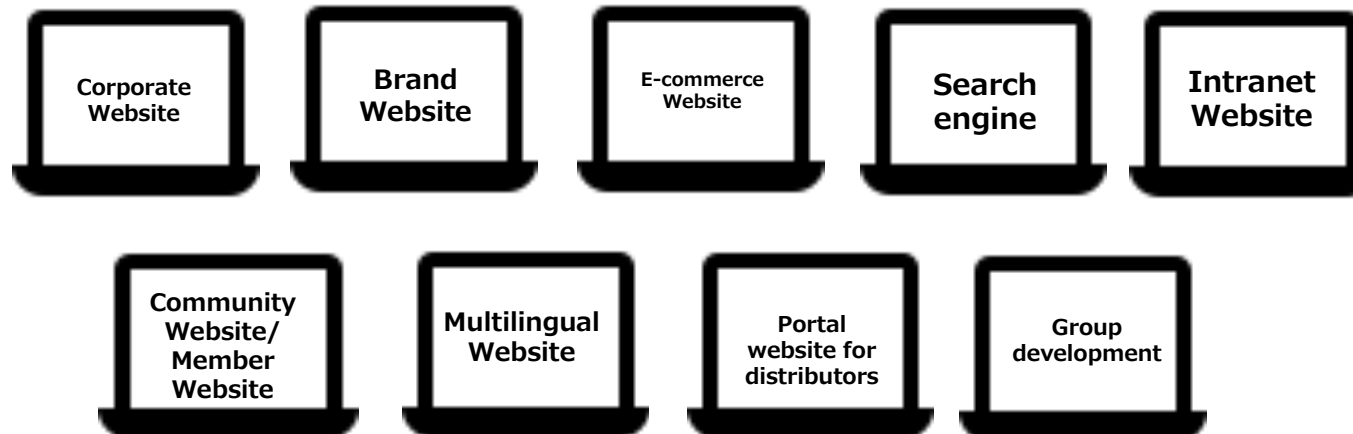
- Exhibitions, seminars
- Partner sales

PRICING STRUCTURE

- **Process mining:** \$50,000/year for license
- **Task mining:** \$250/year/Unit as a subscription
- **RPA:** \$5,000 subscription fee per year



650 Elite Cross-Sector Customers



CASE STUDY

Seibu Railway Co.,LTD.



CHALLENGES

The previous CMS was selected as a static CMS in consideration of security, but in terms of actual operation, it took several hours to reconfigure the site after maintenance, and the railroad company was having difficulty updating important operation information and news releases in real time.

"There are about 100 people in charge of the Web within the company. Replacing our static CMS has enabled us to display the information we need as a railroad company in real time."

- SEIBU RAILWAY

THE RESULTS

- HeartCore has been able to achieve both security and real-time updating by devising an infrastructure structure.
- The support center in Japan notifies Seibu of security patches and minor version upgrades on a case-by-case basis, which Seibu finds especially reassuring.
- Seibu reports that they've had no security problems they started using the system.



CASE STUDY

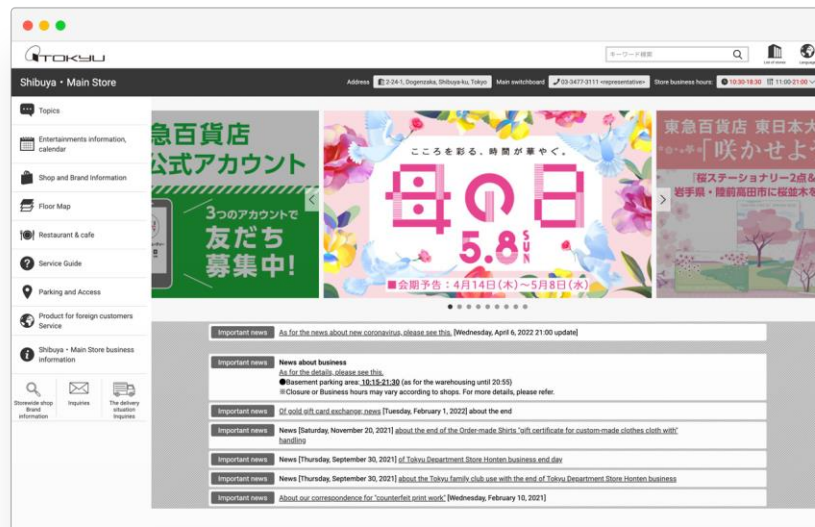
Tokyu Department Store Co.,Ltd.



CHALLENGES

The main advertising medium for department stores is newspaper inserts, but when promoting on a website, it is necessary to constantly enrich the fixed information. For this reason, they needed a tool that was easy to maintain.

There were many problems such as having to upload to FTP according to the publication date and time, pages having broken links, and forgetting to delete content that had been published for a period of time that had ended.



THE RESULTS

- The store introduced the content database, a standard feature of HeartCore, and created a management and input screen specifically designed for the scope of daily operations.
- This enabled the store to operate more efficiently and increase the amount of information provided to their clients. By organizing, standardizing, and simplifying operations that had previously been cumbersome, they are now able to provide even the most detailed information about the store in a timely manner.
- Information on each Tokyu Department Store store could be automatically linked not only to the Tokyu Department Store website, but also to the websites and smartphone applications of group companies.

CASE STUDY

A.L.I. Technology.



CHALLENGES

A.L.I. is the only company that has already commercialized and marketed a flying bike. Although its intended use is for leisure and government applications, orders have already been placed, making it the only product available for purchase at this time.

The company was aiming to list on the Japanese stock market but decided to list on NASDAQ in order to gain global recognition and expand its addressable market internationally.



NEXT STEPS

- HeartCore will provide consulting services and aim to help A.L.I. list on the NASDAQ by the end of 2022.
- Similar to all Go IPO clients, we will assist the client throughout the audit and legal firm hiring process, translate requested documents into English, provide general support services, assist in the preparation of the S-1 or F-1 filing, and more.
- As compensation for our services, we expect to generate an aggregate of \$400,000 in initial fees.
- In addition, HeartCore has received warrants to acquire 1% of A.L.I. Technologies Inc.'s common stock, on a fully diluted basis.



COMPETITIVE ANALYSIS

Content Management System (CMS)

ANALYSIS OF MAJOR COMPETITORS*

CMS	HeartCore	AdobeEM	Sitecore	Acquia
Basic Functionality	✓	✓	✓	✓
Performance	✓		✓	✓
Security	✓	✓	✓	
Search Function	✓			
Digital Marketing	✓	✓	✓	✓
Ease Development	✓		✓	✓
Price	✓			✓

*Analysis by AJS: <https://www.ajs.co.jp>

PATENT

We have applied for a patent in Japan:

- For a solution that enables personalization and user tracking without the use of cookies, which can be used in increasingly stringent privacy protection situations.

COMPETITIVE ANALYSIS

Process Mining

FEATURES	myInvenio	Celonis	Signavio	Apromore	UiPath
On Premise	✓			✓	
Process Analysis	✓	✓	✓	✓	✓
Performance Analysis, Variant Analysis	✓	✓	✓	✓	✓
Process Discovery	✓	✓	✓	✓	✓
Conformance Checking	✓	✓	✓	✓	
BPMN	✓	✓	✓	✓	✓
Real Time Analysis	✓	✓	✓	✓	
Process animation	✓	✓	✓	✓	✓
RPA connecting	✓	✓	✓	✓	
Activity map	✓			✓	
Social net	✓	✓	✓	✓	
Predictive analytics	✓	✓	✓	✓	✓
Customize Platform	✓	✓	✓	✓	
Simulation	✓		✓	Planned	
Module for process analysis	✓			✓	
Decision rule mining	✓			Planned	
Multi level process mining	✓			Planned	
ETL connecting	✓	✓		✓	✓

COMPETITIVE ANALYSIS

Task Mining

FEATURES	Contlorio	Skysea	Lanscope	Meecap
Dashboard	✓		✓	✓
Reports	✓	✓	✓	✓
Activities	✓	✓	✓	✓
Attendance	✓	✓	✓	✓
Categories	✓	✓		
Detailed	✓	✓		
CSV download	✓	✓	✓	✓
Productivity score	✓			✓
Online session	✓	✓		

Our GO IPO Consultation



Why We Win



Streamline customer web operations



Leading digital transformation with the latest marketing technology



Secure systems trusted by leaders in the financial industry



Integrated high-quality site search engine



Top-notch customer support



Personalization without third-party cookies*

Content Management System (CMS)

CMS Product Innovation

- Launch highly differentiated HeartCore Ver. 12 in FY22
- New standard features include:
 - PIM (product information management)
 - DAM (digital asset management)
 - Marketing automation
 - SEO analysis tools
- HeartCore Ver. 12 expands content management beyond browsers serving as an omnichannel content hub

Sales & Marketing

- Invest funds in marketing and increase the number of business negotiations to three times that of previous years
- 650 legacy customers will be able to upgrade to HeartCore Ver. 12 will be proactively upsold to the newest platform.
- Company aims to increase its market share from the current 25% to 40% by incorporating all functions related to content management.

Digital Transformation

Process Mining & Task Mining

PRODUCTS

- Continue developing new features
- Integrate with BPMS
- Integrate with other DX solution

ALLIANCE

- Make stronger alliance with IBM
- Expand alliance with Consulting firm
- Expand alliance with ERP Package vendor
- Expand alliance with DB solution vendor

MARKETING

- Enhance the marketing activity
- Expand target customer globally

ORGANIZATION

- Strengthen our sales organization in Japan and US

IPO Consulting

Grow the Go IPO consulting initiative for Japanese companies which want to list on the Nasdaq market.

M&A

Acquire a middle range consulting firm, IT solution vendor etc.

Investment Highlights

95%

CMS Customer
Retention Rate, 2020

40%

Anticipated Market Share
(up from 25%)

20%

Annual Sales Growth



Aggressive M&A

Synergistic target companies
will improve earnings



Human Resources Investments

Focus on securing and training
the best talent in the industry

819

Japanese
Clients

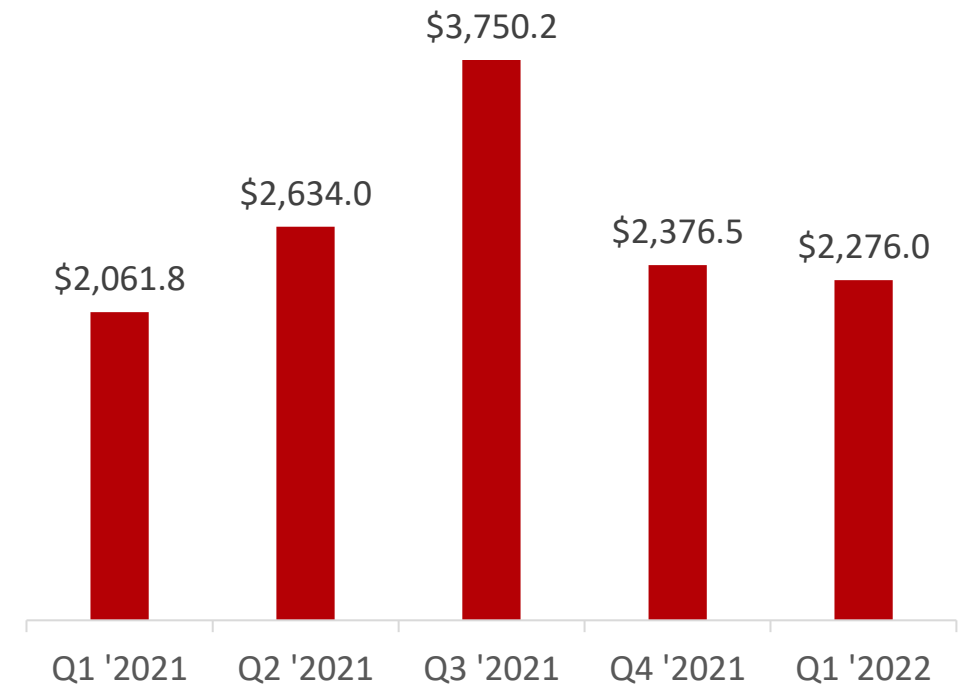
23

Overseas
Clients

Overview of Key Financials

Cash	\$ 13.9M
Market Cap (as of June 2, 2022)	\$ 21.8M
Stock Price (as of June 2, 2022)	\$ 1.15
Shares Outstanding	18.92M
Warrants	1.5M
Insider Holdings	71.3%
Free Floating Shares	5.3M

Revenue (in thousands)





INVESTOR RELATIONS

Gateway Group, Inc.

Matt Glover and John Yi
HTCR@gatewayir.com
(949) 574-3860

WEBSITE

www.heartcore.co.jp

APPENDIX

Overview of Key Financials in Q1

Business Segment	3/31/2022	3/31/2021	Amount	% of
CX	214,958,547	180,644,118	34,314,429	19.0%
CMS	205,192,825	170,512,893	34,679,932	20.3%
CXM	3,344,722	2,001,225	1,343,497	67.1%
VR360	6,421,000	8,130,000	-1,709,000	-21.0%
DX	49,603,809	43,069,739	6,534,070	15.2%
Other	1,442,934	0	1,442,934	-
Process Mining	26,951,386	27,181,710	-230,324	-0.8%
RPA	11,436,390	9,972,746	1,463,644	14.7%
Task Mining	9,773,099	5,915,283	3,857,816	65.2%
Total	264,562,356	223,713,857	40,848,499	18.3%

Business Segment	3/31/2022	3/31/2021	Amount	% of
CX	1,849,265	1,704,029	145,236	8.5%
CMS	1,765,251	1,608,460	156,791	9.7%
CXM	28,774	18,878	9,897	52.4%
VR360	55,239	76,691	-21,452	-28.0%
DX	426,736	406,280	20,456	5.0%
Other	12,413	0	12,413	#DIV/0!
Process Mining	231,860	256,407	-24,547	-9.6%
RPA	98,386	94,074	4,312	4.6%
Task Mining	84,077	55,799	28,278	50.7%
Total	2,276,001	2,110,309	165,692	7.9%



Revenues increased 8% to \$2.3 million compared to \$2.1 million in the same period last year. The increase was due to the launch of the Company's new IPO consulting service, an increase in sales of on-premises software, offset by a decrease in software development revenues.



Gross profit increased 74% to \$1.2 million (gross margin of 54%) from \$703,000 (gross margin of 33%) in the same period last year.



EBITDA loss, a non-GAAP measure, decreased to \$1.5 million, compared to an EBITDA loss of \$131,000 in the same period last year.



As of March 31, 2022, the Company had a cash balance of \$13.9 million compared to \$1.7 million in the same period last year.