

Presentation Material

Results for the Second Quarter of Fiscal Year 2024

kubell Co., Ltd. (TSE Code:4448)

August 14, 2024



Chatwork Co., Ltd. changed its name to kubell Co., Ltd.

On July 1, 2024, Chatwork Co., Ltd., changed its name to **kubell Co., Ltd.** to realize its corporate mission of “making work more fun and creative.”



We want to be a company that continues to add fuel to the fire (aspiration)
that resides in the hearts of all people who work.

(In Japanese, 'Ku-Be-Ru' refers to adding firewood to a bonfire)

We have imbued this sentiment and determination into our new company name.

株式会社kubell kubell Co., Ltd.

Highlights

Operating profit turned positive for the first time since Q4 of FY2020.

..... P.35

EBITDA was positive for the third consecutive quarter, and operating profit returned to the black, moving the company toward a phase of targeting profit growth.

Substantial growth continued, with consolidated revenue increasing 36.3% YoY.

..... P.31

Owing to a rise in ARPU, revenue from the mainstay Chatwork segment grew 38.8% year on year.

Revised forecast, maintaining high growth and achieving full-year operating profit.

..... P.4

Sales are expected to grow by +29% to +31%, with EBITDA projected to reach 570-600 million yen, significantly exceeding the previous forecast.

We revised the free plan and announced additional functionality for the paid plan.

..... P.25

We revised the content of the free plan and added value to the paid plan to encourage more people to switch to the paid plan.

Revision of Forecast for FY 2024

- As the fiscal year progresses, we are revising our approach to earnings forecasts, showing a range rather than a specific growth rate.
- Revenue is expected to grow by +29.0% to +31% YoY.
- EBITDA is projected to exceed the previous forecast significantly, reaching over 570-600 million yen, and operating profit is expected to return to profitability for the first time in four years since the fiscal year 2020.

Unit: million yen	FY 2023 actual	FY 2024 Previously announced forecast	FY 2024 forecast	YoY
Revenue	6,485	YoY +30%~	8,365~8,495	+29.0%~+31.0%
Gross profit	4,150	-	5,665~5,794	+36.5%~+39.6%
Gross margin	64.0%	-	67.7%~68.2%	+3.7pt~+4.2pt
EBITDA	-83	300~	574~600	-
Operating profit	-677	-	1~27	-
Ordinary profit	-686	-	-17~8	-
Profit attributable to owners of parent	-620	-	-97~-67	-

KPI Highlights

Number of Registered IDs

as of the end of Q2

7.05MN

(YoY +13.4%)

Number of Paying IDs

as of the end of Q2

754K

(YoY +4.7%)

Number of Registered companies*1

as of the end of Q2

591K

(YoY +14.4%)

ARR*2

as of the end of Q2

7.38BLN

(YoY +38.8%)

NRR*3

as of the end of 2023

123%

Churn Rate*4

as of the end of Q2

0.24%

(For Paying IDs: 1.12%)

ARPU*5

as of the end of Q2

JPY **715.5**

(YoY +30.4%)

DAU*5

Median during Q2

1,153K

(YoY +6.1%)

*1 As of June 30, 2024. From the quarter under review, we have begun using a more sophisticated method to calculate the number of companies.

*2 Annual Recurring Revenue of Chatwork account business and Cloud storage business, excluding MINAGINE Co., Ltd.'s personnel management, web-based payslips, and performance evaluations, 12 months of MRR as of the end of June 2024

*3 Net Revenue Retention Rate. 2023 recurring revenue generated from billing customers as of December 31, 2022 ÷ 2022 recurring revenue

*4 Churn rate of the number of registered IDs, averaged over the 12 months from July 2023 to the end of June 2024

*5 Average revenue per user for paid Chatwork account services

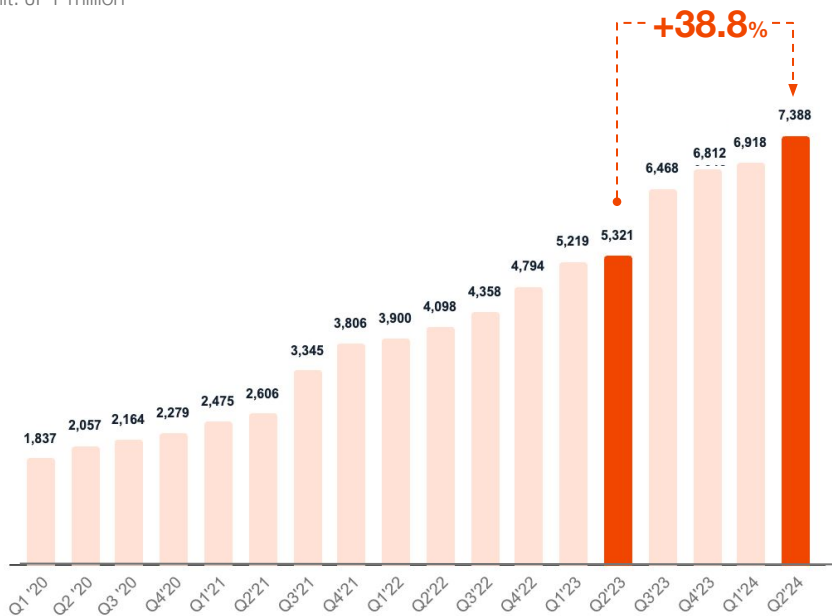
*6 Daily Active User median for weekdays excluding weekends and holidays

ARR

- ARR*¹ increased a substantial **38.8%** YoY.
- Excluding the effects of M&A, account business ARR for business chat, our mainstay service was up **+42.5%** YoY.

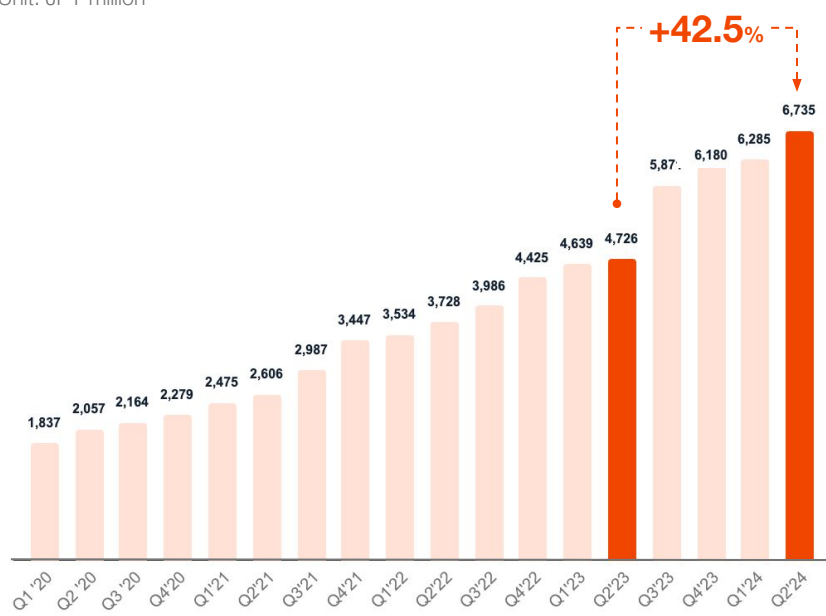
ARR

Unit: JPY million



ARR (Account Business)

Unit: JPY million



*1 Annual Recurring Revenue of Chatwork account business, Cloud storage business, and MINAGINE Co., Ltd.'s personnel management, web-based payslips, and performance evaluations. See Terminology in the Appendix for details.

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Second Quarter of FY 2024 Results

01 | Company Overview



| Company overview

Company Name

kubell Co., Ltd.

CEO

Masaki Yamamoto

Group employee count

523 (June 2024)

Locations

Tokyo, Osaka

Established

November 11, 2004



MISSION

Making work more fun and creative

People spend over half their lives working.

That time is not just for earning money.

We help companies create environments that enable as many employees as possible to enjoy their work more and express their creativity fully and freely.



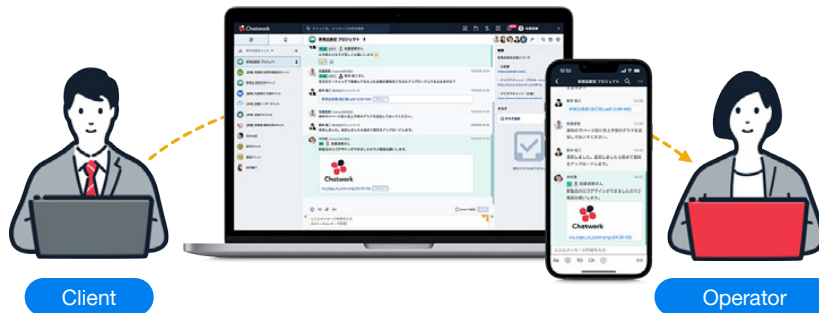
Our Business

- Operating the business of Japan's largest business chat, 'Chatwork'. We are a pioneer in business chat, with the **largest number of users in Japan**^{*1} and adoption by more than 591,000 companies^{*2}.
- Utilizing our extensive customer base and platform, BPaaS, which is a **cloud service that provides digitized business services themselves**.

Business Chat 'Chatwork'



Business Support Service 'BPaaS'



^{*1} According to a survey of monthly active users (MAUs) conducted in May 2023 by Nielsen NetView and Nielsen Mobile NetView; applicable service selected by kubell Co., Ltd.

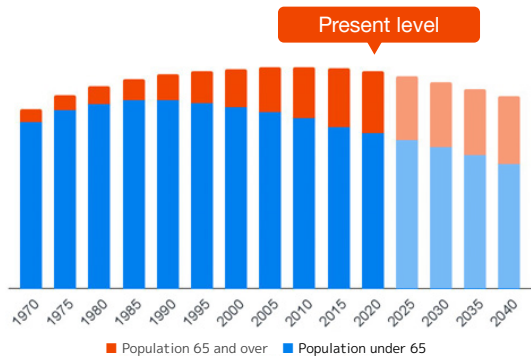
^{*2} As of June 30, 2024. From the quarter under review, we have begun using a more sophisticated method to calculate the number of companies.

Social Context

- Japan is grappling with a severely low birth rate and extreme demographic aging. Against this backdrop, the primary strategy to support social welfare and enhance international competitiveness is to **improve labor productivity**.
- Small and medium-sized enterprises (SMEs), which account for 68.8%^{*1} of the labor force, have long experienced stagnant labor productivity, which is the **root cause of the overall low labor productivity**.
- **Investment in IT (digital transformation [DX]) is essential** to improve labor productivity, but IT literacy has proved a major obstacle that has hindered such investments.

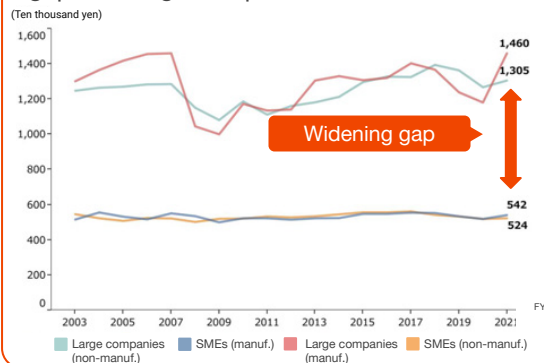
Japanese society aging at an unparalleled pace worldwide

Highest aging rate in the world, at 28.8%^{*2}, in 2020



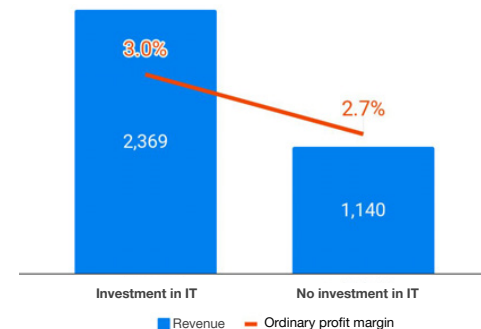
Labor productivity at SMEs significantly lower than at large companies

Labor productivity at SMEs trending sideways; gap with large companies continues to widen^{*3}



IT (DX) investment essential to improve labor productivity

SMEs that actively invest in IT enjoy significantly higher revenue and ordinary profit margins^{*4}



*1 "2015 White Paper on Small and Medium Enterprises" by the Small and Medium Enterprise Agency

*2 "2021 Population Estimates" by the Statistics Bureau of the Ministry of Internal Affairs and Communications

*3 2023 "White Paper on Small and Medium Enterprises in Japan" by the Ministry of Economy, Trade and Industry

*4 "Current Conditions and Challenges facing Small and Medium Enterprises and Small Businesses" by the Small and Medium Enterprise Agency

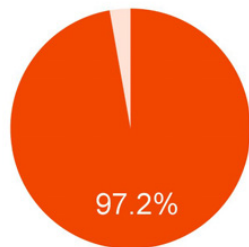
Chatwork Is a Unique SaaS that Actively Promotes DX for SMEs

- Chatwork has captured a **dominant position** as an SaaS for SMEs, supplying solutions to **591,000 companies** and boasting **over 7.05 million users**.
- Employees across all industries and in all occupations use the platform during their working hours. As a result, the platform has **substantially more user contacts** than other SaaS offerings.
- Leveraging these strong platform efficiencies, the company is developing sales of peripheral services^{*1}. In FY 2023, **these sales surged 107.3% year on year**.

Overwhelming Presence with SMEs

Deployed at more than **591,000 companies**

97.2% of paid contracts with companies of 300 or fewer people^{*2}



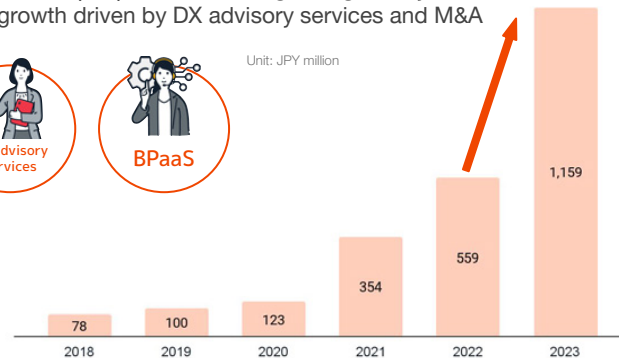
● up to 300 people ● 301 people or more

Business Chat Functions as a Springboard for the Development of Peripheral Services

Revenue from peripheral services growing each year **YoY+107.3%**
Sharp growth driven by DX advisory services and M&A



Unit: JPY million



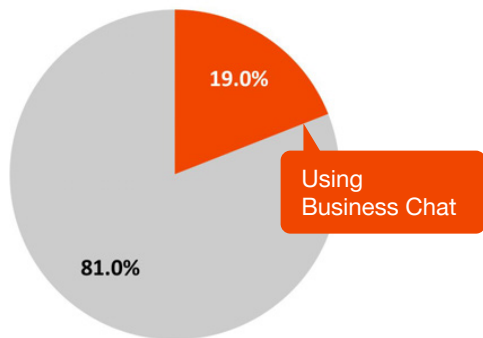
*1 See business segment details in Appendix for segment information.

*2 As of June 30, 2024. From the quarter under review, we have begun using a more sophisticated method to calculate the number of companies.

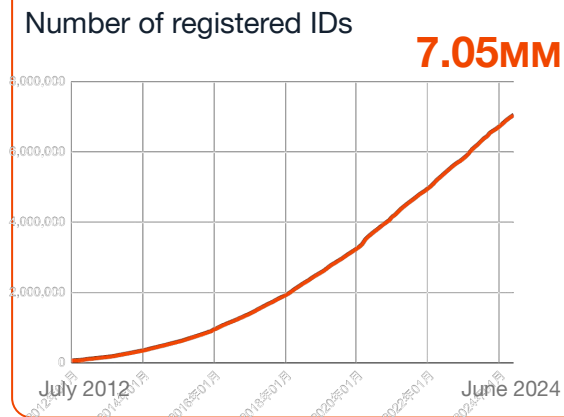
Strengths of Chatwork

- This is a rapidly expanding market with ample room for growth; **the total addressable market is large**, and the adoption rate remains low.
- **The number of users increases in a compound manner via referrals**. This is due to the open-platform feature, which allows for easy connection to the outside world.
- Ongoing increases in functionality have enhanced product value. As a result, **ARPU^{*1} has continued to rise over the long term**.
- **The cost of switching to other tools is high**, and **the churn rate^{*2} is extremely low**, thanks to past history and the formation of business relationships.

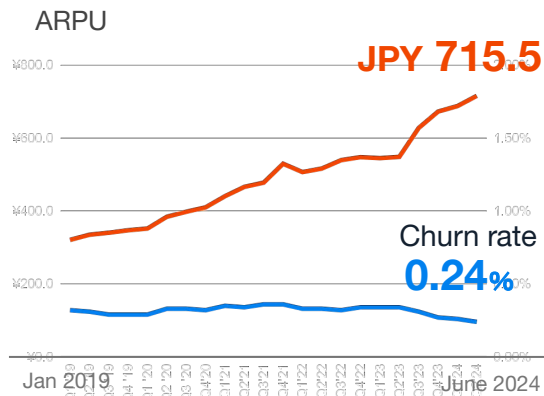
Business Chat's Rate of Adoption^{*3} Remains Low



Number of Users Increasing at a Compound Rate



ARPU Rising and High Retention Rate due to Ongoing Increase in Product Value



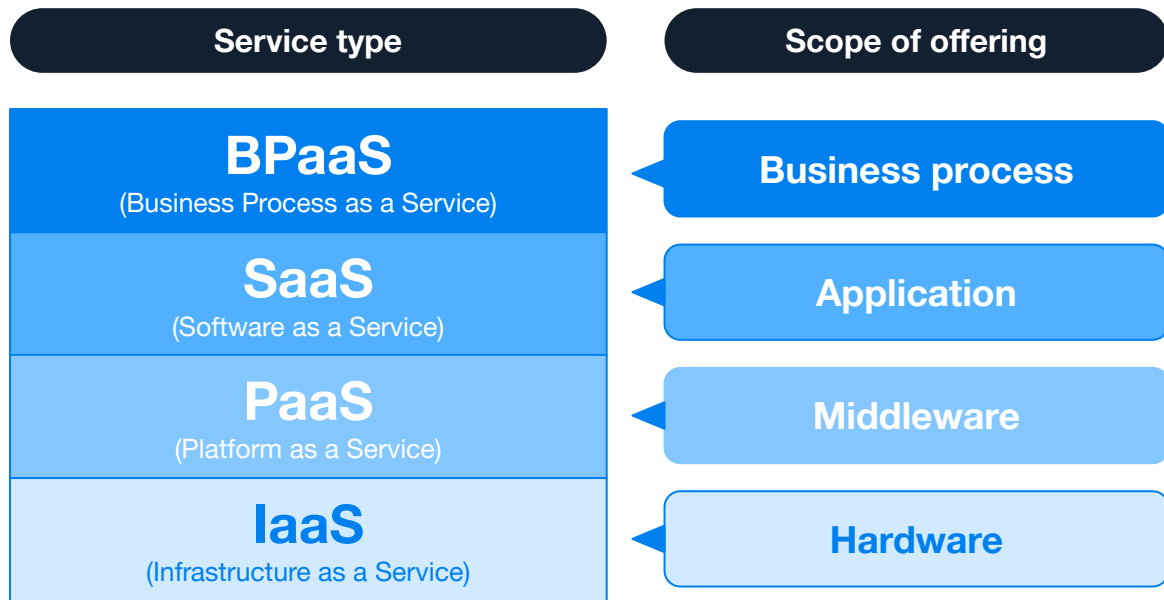
*1 Average revenue per user for paid Chatwork services.

*2 Churn rate of the number of registered IDs, averaged over the 12 months

*3 Based on a study commissioned by Chatwork, n = 30,000, as of December 2023.

About BPaaS

- BPaaS is short for Business Process as a Service. Rather than just software, BPaaS is a cloud service that provides business services themselves, allowing facilitating **cloud-based business process outsourcing (BPO)**.
- BPaaS, the next upstream layer from SaaS in cloud-based services, will be the **next trend**.

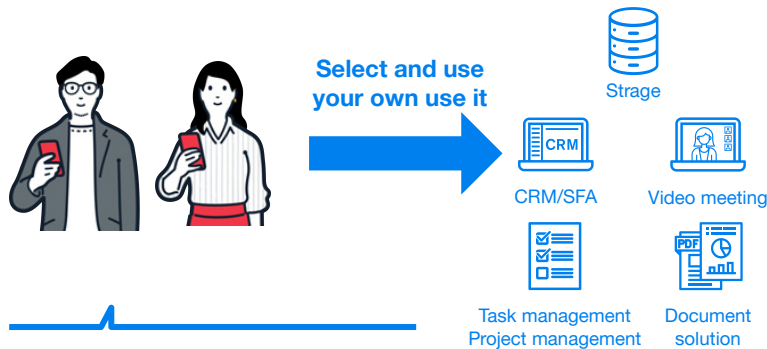


BPaaS is the main player in achieving DX in the majority market

- Choosing and mastering SaaS is **mainly done by advanced users** who are knowledgeable about IT.
- For the **majority market, which accounts for more than two-thirds of the population**, it is difficult to manage and use a variety of SaaS products with different usability.
- To achieve DX in the majority market, it is **effective to use BPaaS** to drive DX by winding up SaaS for each business process and on behalf of customers.

SaaS

Solving business issues through DX on your own



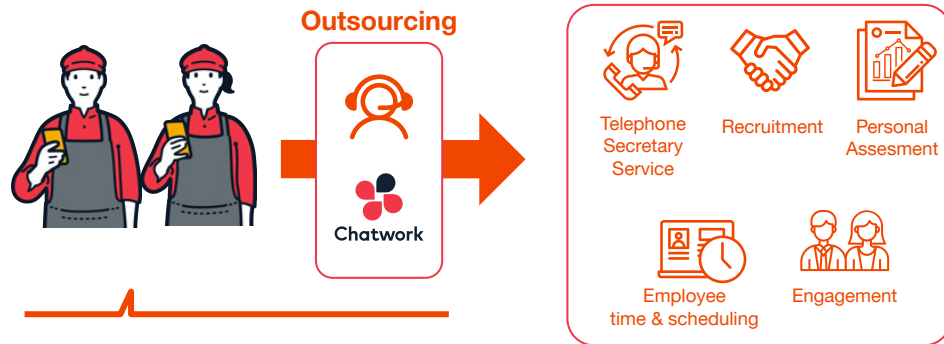
Users suited to SaaS

Tech-savvy early adopters in IT

- Can select tools on their own
- Management and employees can use the tools efficiently

BPaaS

Requests for entire business process and DXing are also outsourced



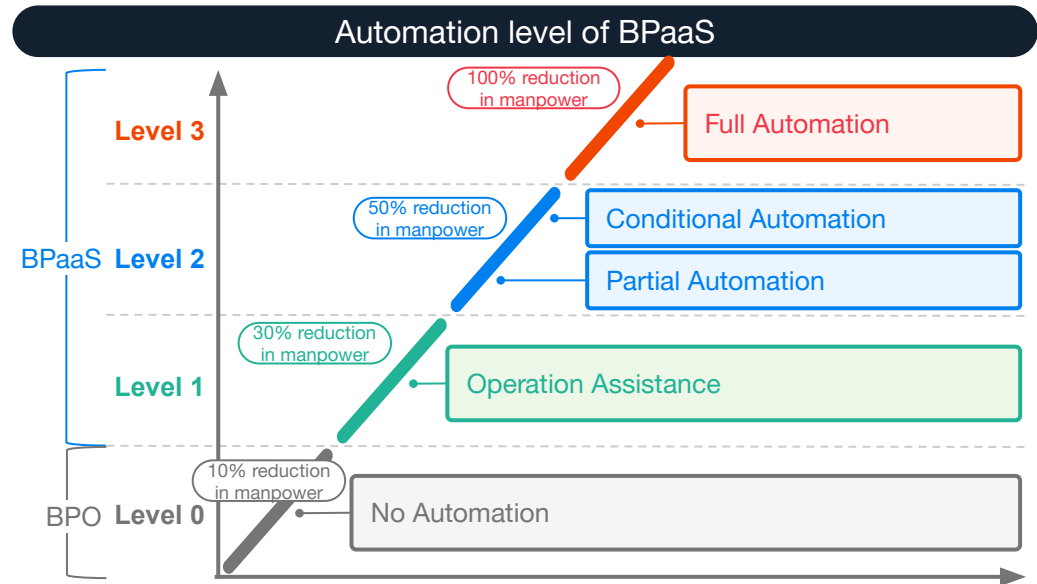
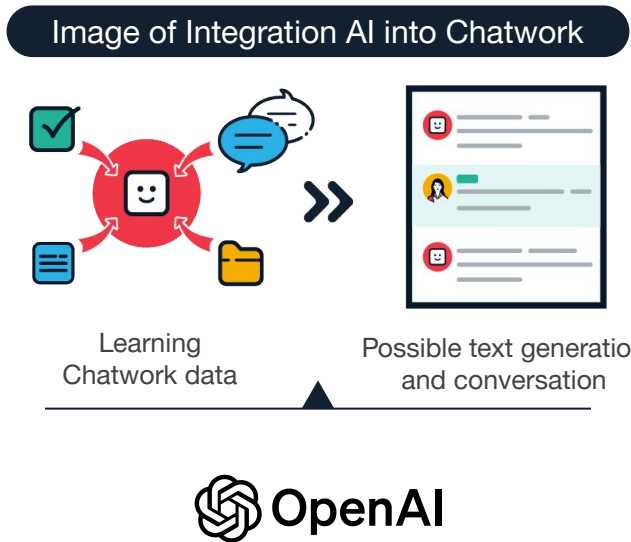
Users suited to BPaaS

majority

- Difficulty in decision making to adopt SaaS
- Difficulty in using SaaS

The Rapid Evolution of AI and the Potential of Chatwork

- LLM-based^{*1} systems, like ChatGPT^{*2}, use **innovative technology** to enable **advanced document comprehension and diverse task execution** through AI.
- **These innovative technologies significantly improves the value of chat services**, with the potential to provide **text generation and summarization based on past message data**, as well as **conversational capabilities with AI**.
- In the future deployment of our BPaaS, we aim to **dramatically improve our productivity by AI-enabling interactions and requests with users**.

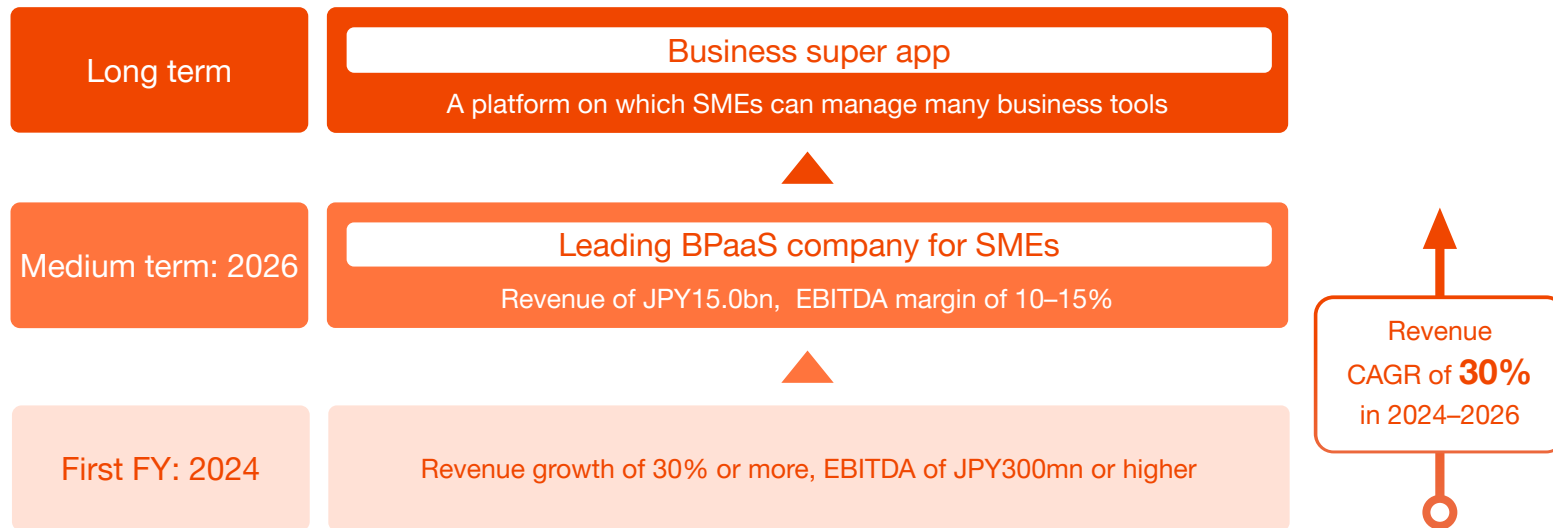


*1 Large Language Model (LLM) is an abbreviation for a natural language processing model that has been trained on a large amount of text data.

*2 OpenAI's conversational AI service released in November 2022. It is capable of learning from vast amounts of textual data and responding to questions in chat format, as well as performing diverse tasks using a single model.

Mid-term Management Plan

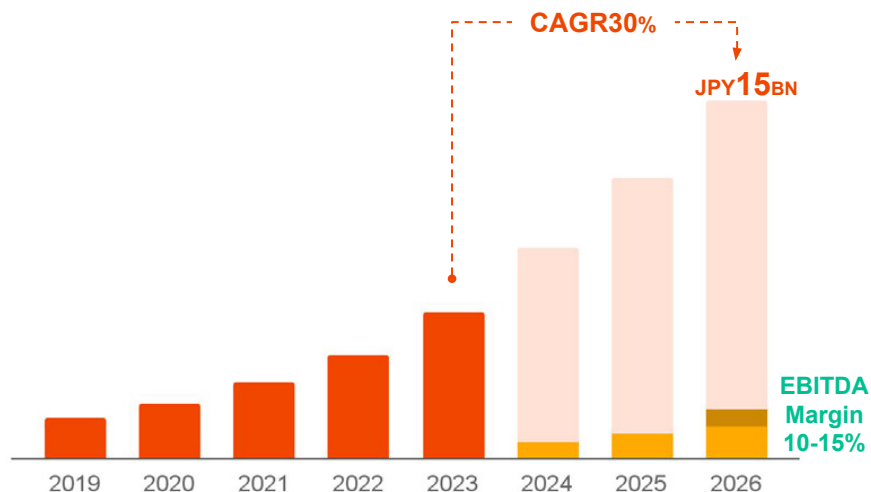
- By 2026, we aim to become the **No. 1 BPaaS company for SMEs**. In the long term, we intend to move toward a platform providing a **business super app** that serves as a starting point for all businesses, backed by our dominant share in the SME market.
- From 2024 to 2026, we will accelerate revenue growth across the group and **build a structure capable of generating profits**.



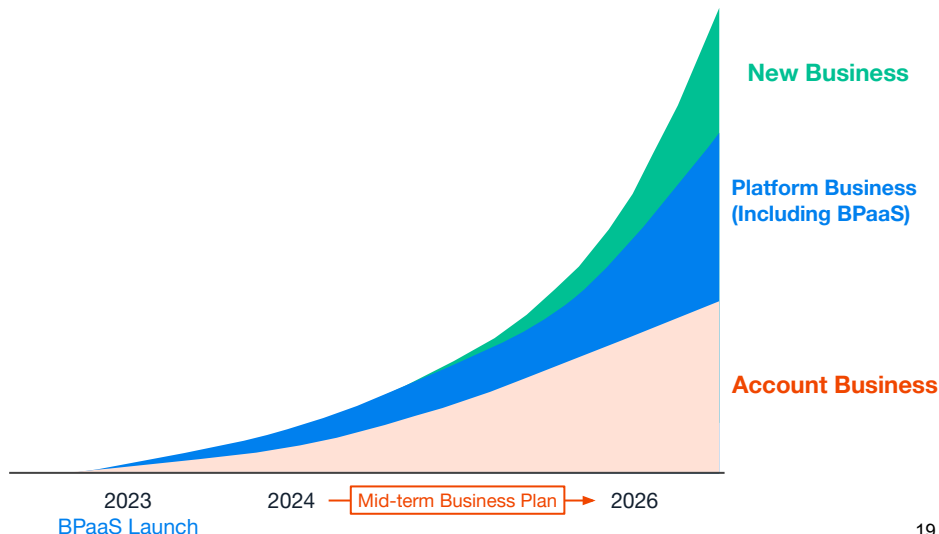
Mid-term Business Plan

- The financial targets of the medium-term management plan are **CAGR in Group revenue of 30% or more from 2024 to 2026** and an **EBITDA margin of 10–15% in 2026**.
- In the plan's final year, **FY 2026, we target Group revenue of JPY15.0bn** and EBITDA of JPY1.5–2.25bn.
- We anticipate continued revenue growth from business chat, aim for rapid revenue expansion in the BPaaS business (our next pillar of growth), and expect revenue contributions from new businesses.
- This plan represents organic growth figures. M&A is not included, so the plan will be revised in the event of acquisitions.

Group Sales and EBITDA

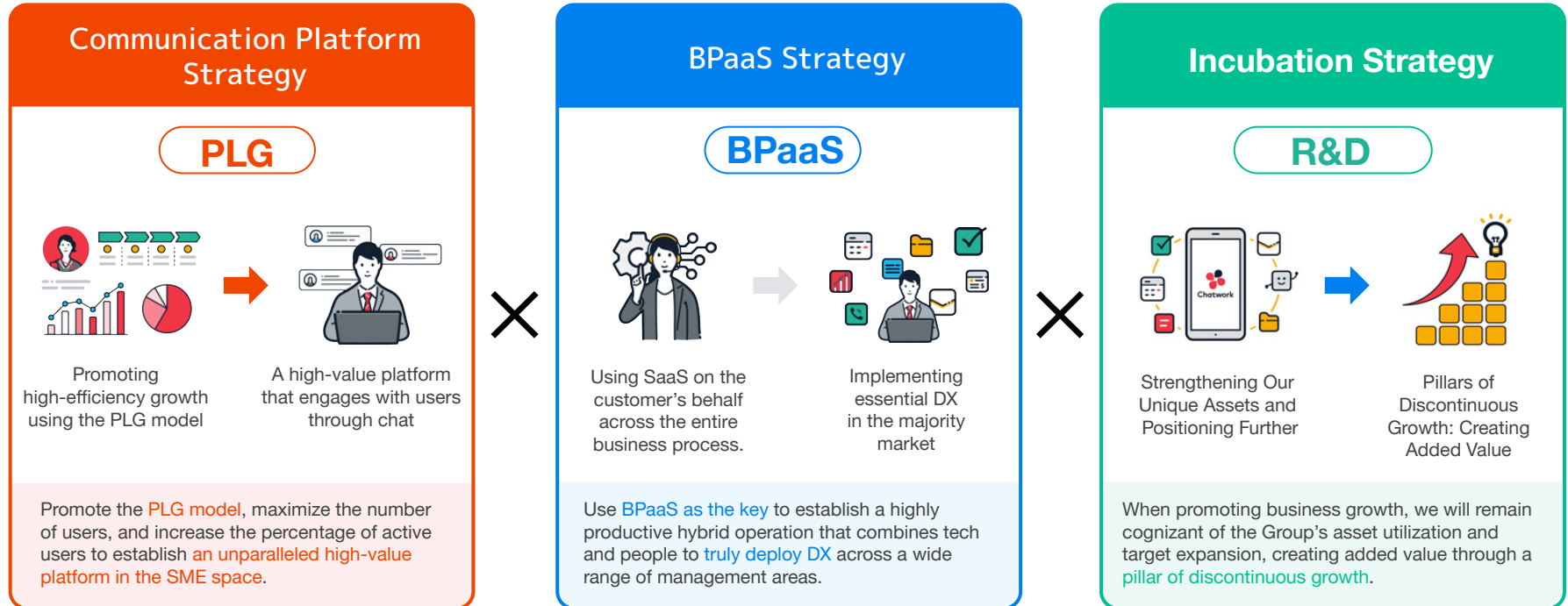


Driving Growth: BPaaS and New Business

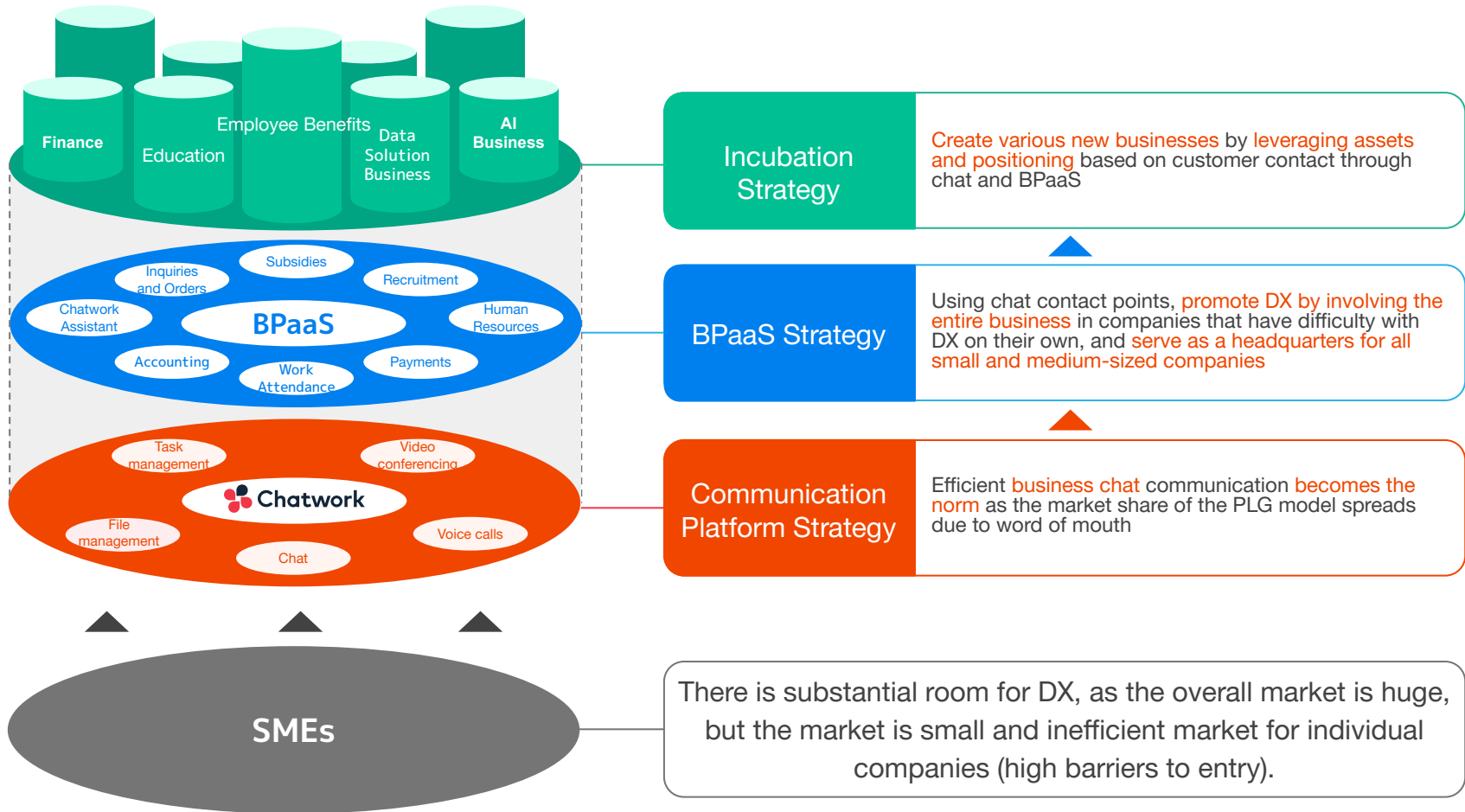


Three Strategies of the Medium-Term Management Plan

- We are driving the **BPaaS strategy** to enhance the value of business chat as a **communication platform**, enabling various business expansions on this platform.
- Additionally, through our **incubation strategy** leveraging group assets and utilizing AI for research and development, we aim to create further core businesses and achieve discontinuous growth.



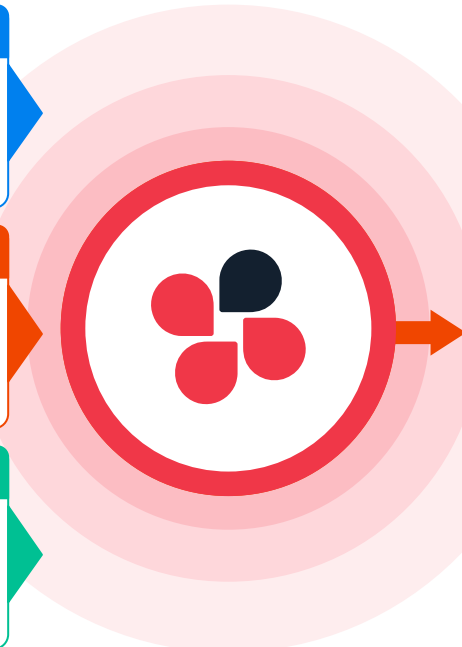
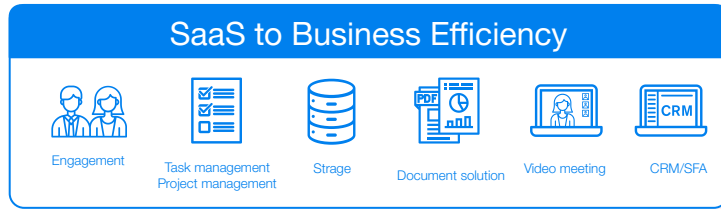
Our Core Strategic Story



Long-Term Vision

“Chatwork” upgrade to “Super app” for business

- Super apps: apps that become platforms of which function as a starting point for various businesses.
- Business chat tools have the advantage of being business platforms, because users spent more time with these products compared with other SaaS tools.
- We achieve an environment where **SMEs can focus on their core business** by providing SaaS, BPaaS, and various management support through our service.



Second Quarter of FY 2024 Results

02 | Major Topics



Topic (1) Correction of Prior Years' Financial Statements

- In the process of closing the accounts for Q2 FY 2024, we recognized a potential error in the amount recorded for the customer-related assets that were identified at the time of the acquisition of shares in consolidated subsidiary, kubell storage Co., Ltd. (formerly, Chatwork Storage Technologies Co., Ltd.) in FY 2021. Upon thorough examination of the accounting treatment at the time and confirmation with the then accounting auditor Deloitte Touche Tohmatsu LLC, we confirmed that in the process of allocating the acquisition cost concerning the stock acquisition, the customer-related assets had been misstated at a lower amount.
- In connection with this, we reexamined the application of accounting standards for the impairment of the Subsidiary's fixed assets and identified the need to have recognized an impairment loss in FY 2021. Further, upon measuring the impairment loss, we confirmed that the Subsidiary's software and customer-related assets should have undergone impairment treatment. As a result, we corrected the financial statements for FY 2021, 2022 and 2023, and recorded an impairment loss of 133 million yen in the consolidated financial statements for FY 2021.
- We anticipate that the impact of this correction on the consolidated earnings forecast for the current fiscal year will be minor.

Unit: JPY million	FY 2021		FY 2022		FY 2023		Q1 FY2024	
	Before corrections	After corrections	Before corrections	After corrections	Before corrections	After corrections	Before corrections	After corrections
Revenue	3,372	3,372	4,593	4,593	6,485	6,485	1,934	1,934
Operating profit	-688	-693	-719	-711	-684	-677	-13	-13
Ordinary profit	-705	-710	-724	-715	-693	-686	-16	-16
Profit attributable to owners of parent	-696	-745	-687	-678	-661	-620	-43	-43
Total assets	5,168	5,145	5,400	5,386	6,273	6,273	6,160	6,160
Net assets	3,402	3,379	2,869	2,855	2,422	2,422	2,408	2,408

Topic (2) Revising the Free Plan, Announced Additional Functionality for the Paid Plan

- We will **revised the content of services provided under the free plan**, from August 29, 2024. Based on the results of user activity analysis, we will promote a smoother and fuller migration of users who from the free plan to the paid plan.
- To boost the paid plan subscription rate, **we will add several frequently requested features to the plan**.

To be changed	Details
Free plan ※To be changed from August 29, 2024	<ul style="list-style-type: none">• Removing the viewing limitation of “up to 5,000 latest messages” All posts during the past 40 days can be viewed, regardless of the number of messages.• Increasing the storage capacity from 5GB to 10GB (per organization)• Limiting the number of contacts Change the number of contacts from “unlimited” to “20 contact outside the organization per user”
Paid plans <ul style="list-style-type: none">• Business Plan• Enterprise Plan	<ul style="list-style-type: none">• Adding pictograms to the reaction function (already released) Increasing the number of pictograms for reacting easily to a recipient's message from 6 to 49• Launching a function that allows users to see a history of messages addressed to them (gradual rollout) Users can see a list of messages addressed to them scattered through individual group chats• Launching a message scheduling function (gradual rollout) Allows users to schedule when their message will be sent

Topic (3) Discontinuing the Security Business

- We have decided to **discontinue sales in the security business**, which we began in 2010, **at the end of December 2024**.
- In the security business, we have been selling ESET Smart Security antivirus software on behalf of the developer. This business has contributed to our profitability for some time. However, demand has declined over time, so we have decided to discontinue the business from the perspectives of cost allocation and concentration of human resources.
- **This decision will have a negligible impact** on our business performance for the fiscal year ending December 31, 2024.

Security business discontinuation

July 2010	Began offering ESET
December 2024	Discontinue the sale of new and upgraded ESET products
January 2025	Complete the delivery of products to purchasers

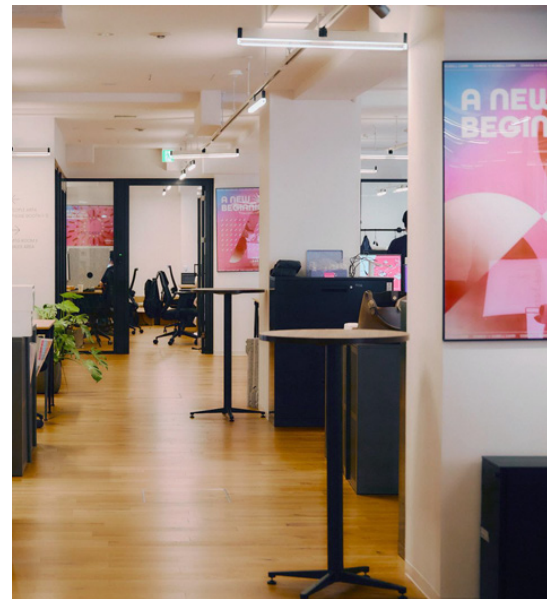
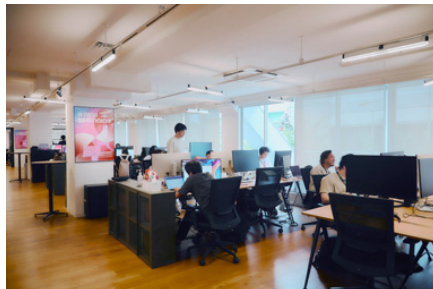
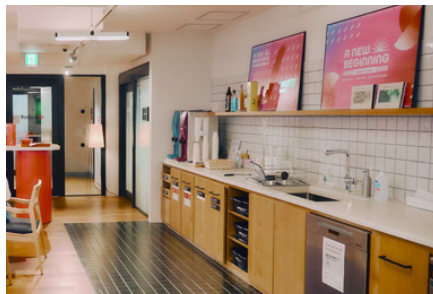
Our Business Segments

Chatwork segment	Account business	<ul style="list-style-type: none">• Chatwork (Direct sales, Agency Sales, and Chatwork provided to KDDI on an OEM basis)
	Platform business	<ul style="list-style-type: none">• BPaaS (a cloud service that provides digitally transformed business processes)• Acquired businesses• Advertising, referrals, Peripheral services
Security segment	Distribution of software provided by ESET	discontinuation

Topic (4) Relocating and Expanding Our Tokyo Office (Headquarters)

- In July, we expanded the Tokyo office (the company's headquarters) and relocated to WeWork Nogizaka. With the increase in the number of employees and the pandemic ending, we decided to relocate in order to achieve a more efficient work style.
- Relocating from one WeWork location to another allowed us to increase floor space but at a lower cost. This move will have minimal impact on our earnings outlook for the current fiscal year.

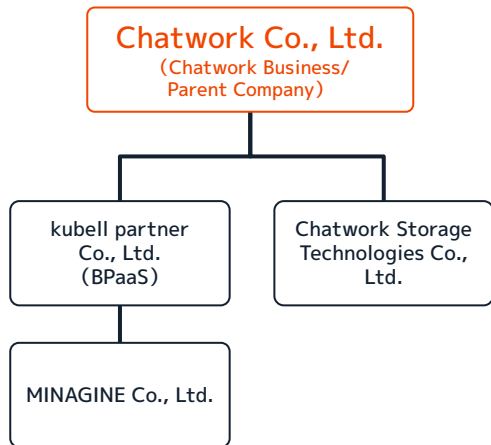
| New Headquarters Location: WeWork Nogizaka



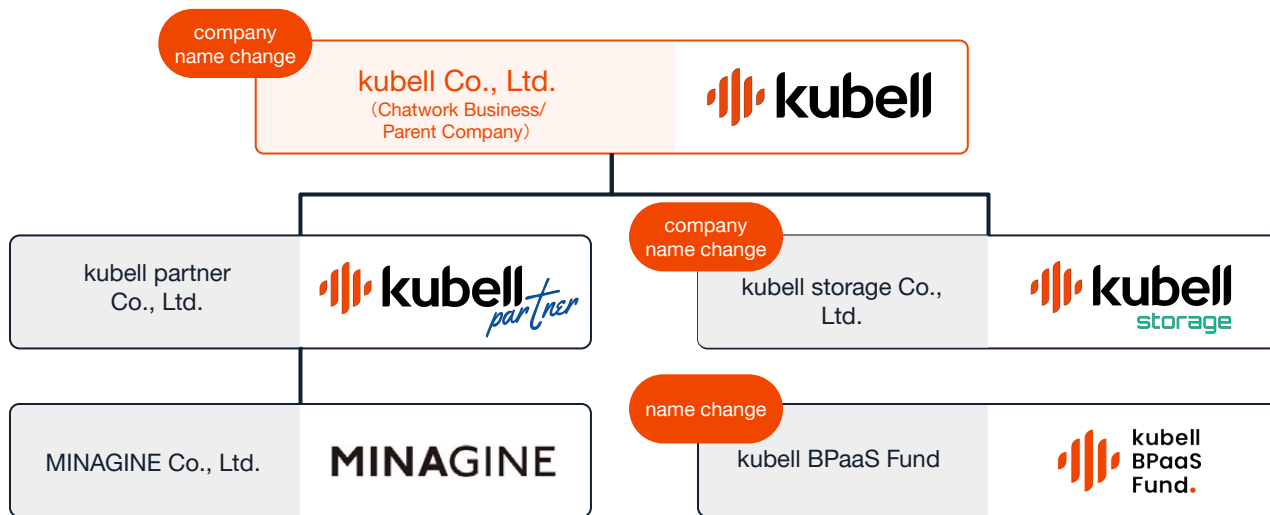
Topic (5) Changing the Names of Affiliated Subsidiaries and CVC

- In line with the change of our corporate name, we renamed consolidated subsidiary Chatwork Storage Technologies Co., Ltd. to **kubell storage Co., Ltd.**
- We also renamed our CVC, which serves as a fund, from Chatwork Super App Fund to **kubell BPaaS Fund.**
- On July 1, we concluded the group restructuring in line with the corporate name change. Going beyond the boundaries of business chat, we aim to develop and provide services that will realize our corporate mission of “making work more fun and creative.”

Before



2024/7/1



Second Quarter of FY 2024 Results

03 | Second Quarter FY2024 Results



Results Highlights

- Revenue in the Chatwork segment **expanded 38.8% YoY** and 6.7% QoQ.
- Owing to revenue expansion, **EBITDA remained in the black, and operating profit was also positive.**

Unit : JPY million	Q2 '23 (Same period last year)	Q1 '24 (Previous period)	Q2 '24 (Actual)	Same period YoY	Previous period QoQ
Revenue	1,511	1,934	2,060	+36.3%	+6.5%
Chatwork segment	1,457	1,896	2,023	+38.8%	+6.7%
Gross profit	927	1,268	1,436	+54.8%	+13.2%
Gross margin	61.4%	65.6%	69.7%	+8.3pt	+4.1pt
EBITDA	-125	124	188	-	-
Operating profit	-269	-13	41	-	-
Operating margin	-	-	2.0%	-	-
Ordinary profit	-269	-16	33	-	-
Profit attributable to owners of parent	-263	-43	68	-	-

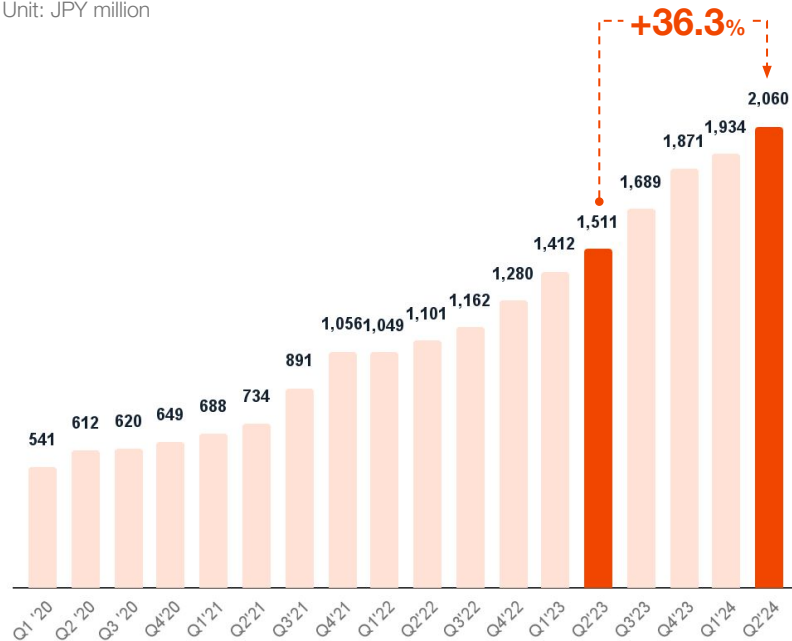
*1 EBITDA is calculated by adding operating profit, depreciation and amortization expenses, and share-based payment expenses.

Revenue

- Growth continued to be robust, with consolidated revenue expanding 36.3% year on year.
- Revenue in the mainstay Chatwork segment also grew sharply, rising 38.8% year on year.

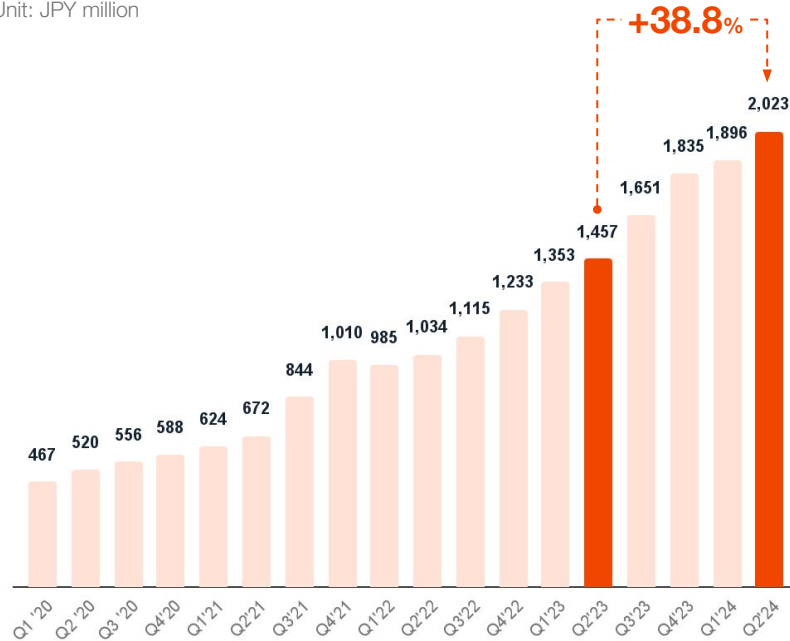
Revenue

Unit: JPY million



Revenue (Chatwork segment)

Unit: JPY million

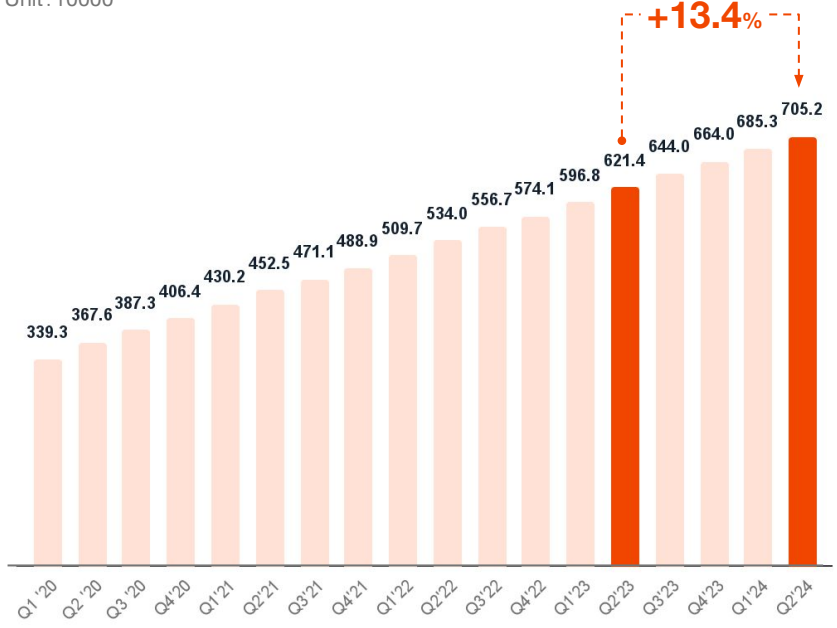


Number of Registered IDs / DAUs

- The number of registered IDs rose 13.4% YoY to 7.052 million, continuing its uptrend.
- DAU grew 6.1% YoY. To encourage further growth, we continue to consider improvements in functionality and enhancements in communication to increase active engagement.

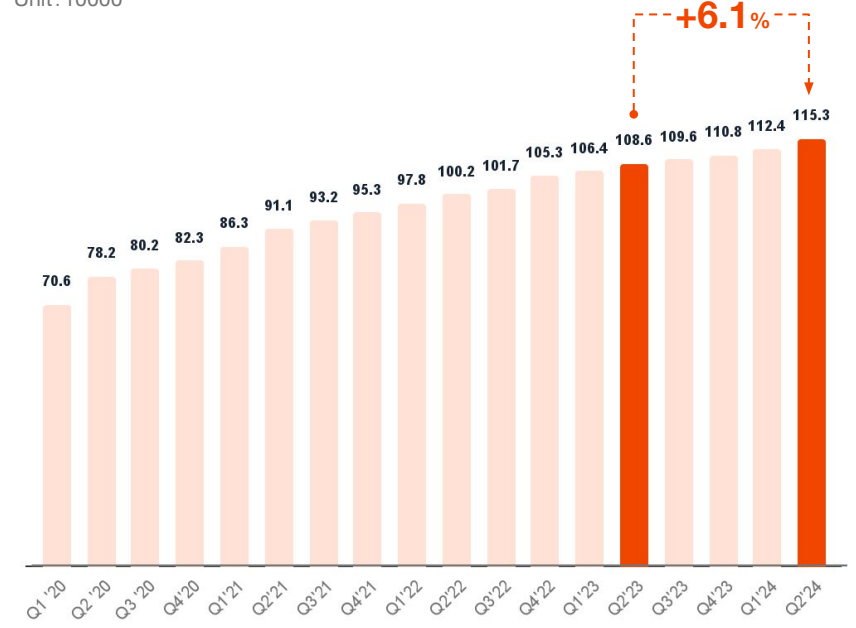
Number of Registered IDs

Unit: 10000



DAUs*1

Unit: 10000



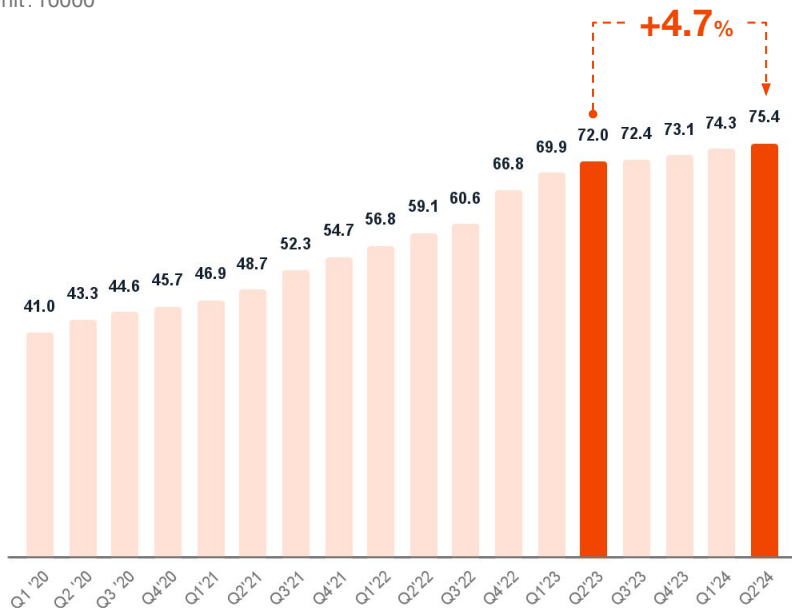
*1 Median number of service users per day (Daily Active User) weekdays excluding weekends and holidays

Number of Paying IDs / ARPU

- The number of paying IDs rose 4.7% YoY to 754,000. Performance remained steady, although the net increase was on a par with the previous quarter due to seasonal factors. We aim to increase the number of people who make the shift to the paid service by adding functionality to the paid plan in August.
- **ARPU was 715.5 yen, up 30.4% YoY.** This substantial increase was driven by the price revisions introduced in July.

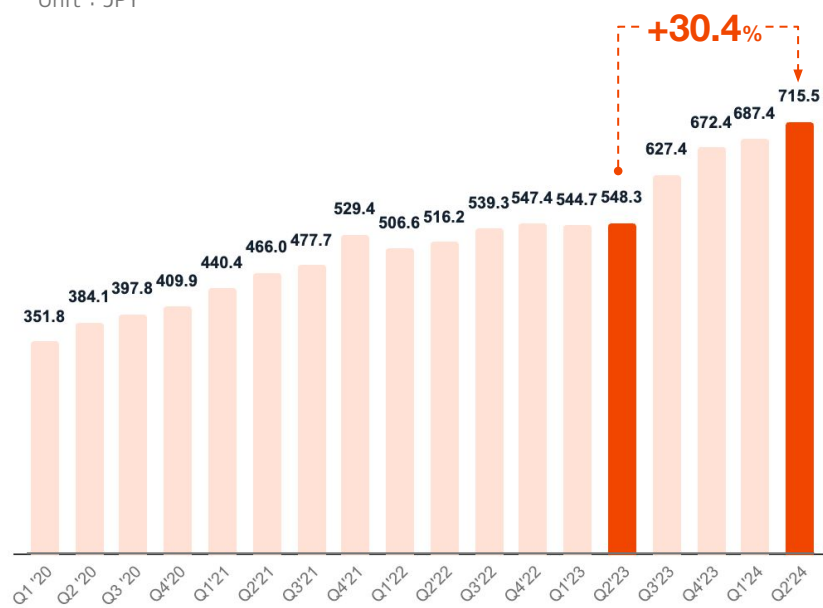
Number of Paying IDs

Unit: 10000



ARPU*1

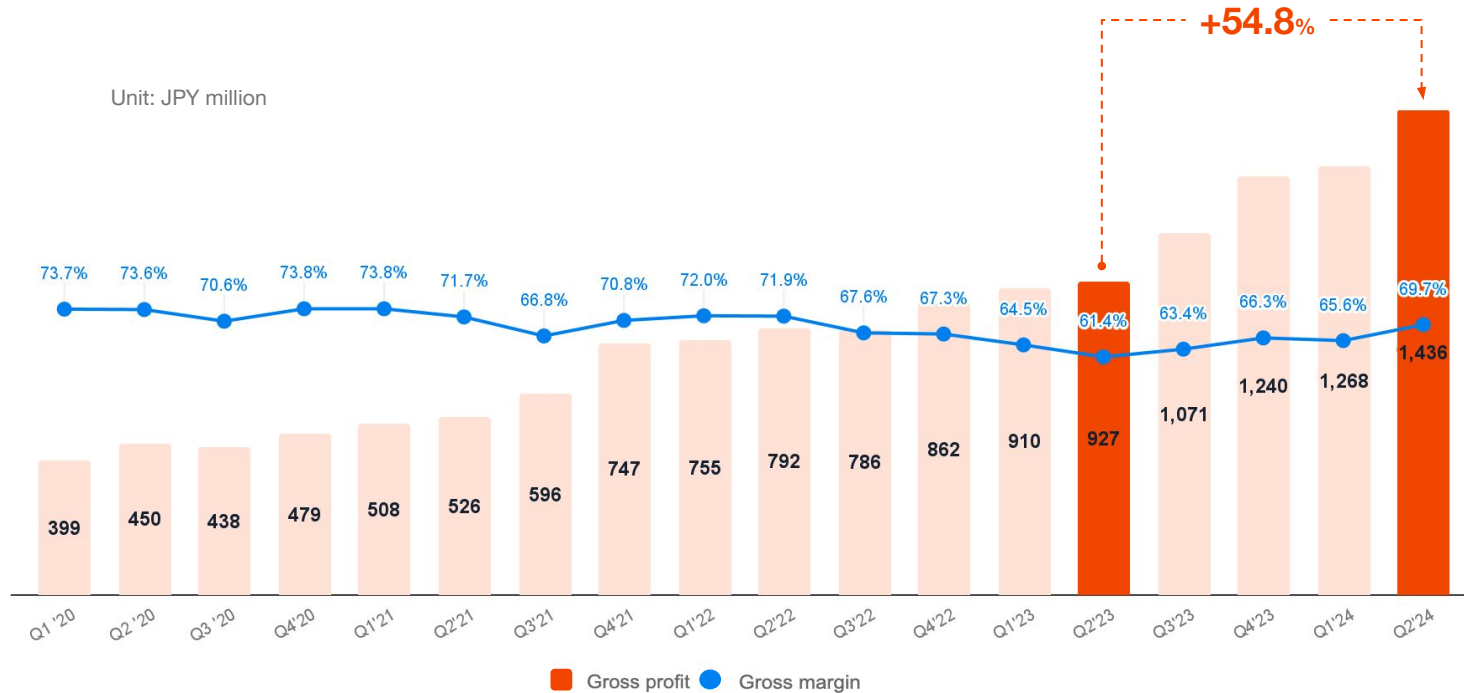
Unit: JPY



*1 Average revenue per user for paid Onatwork services.

Gross Profit / Gross Profit Margin

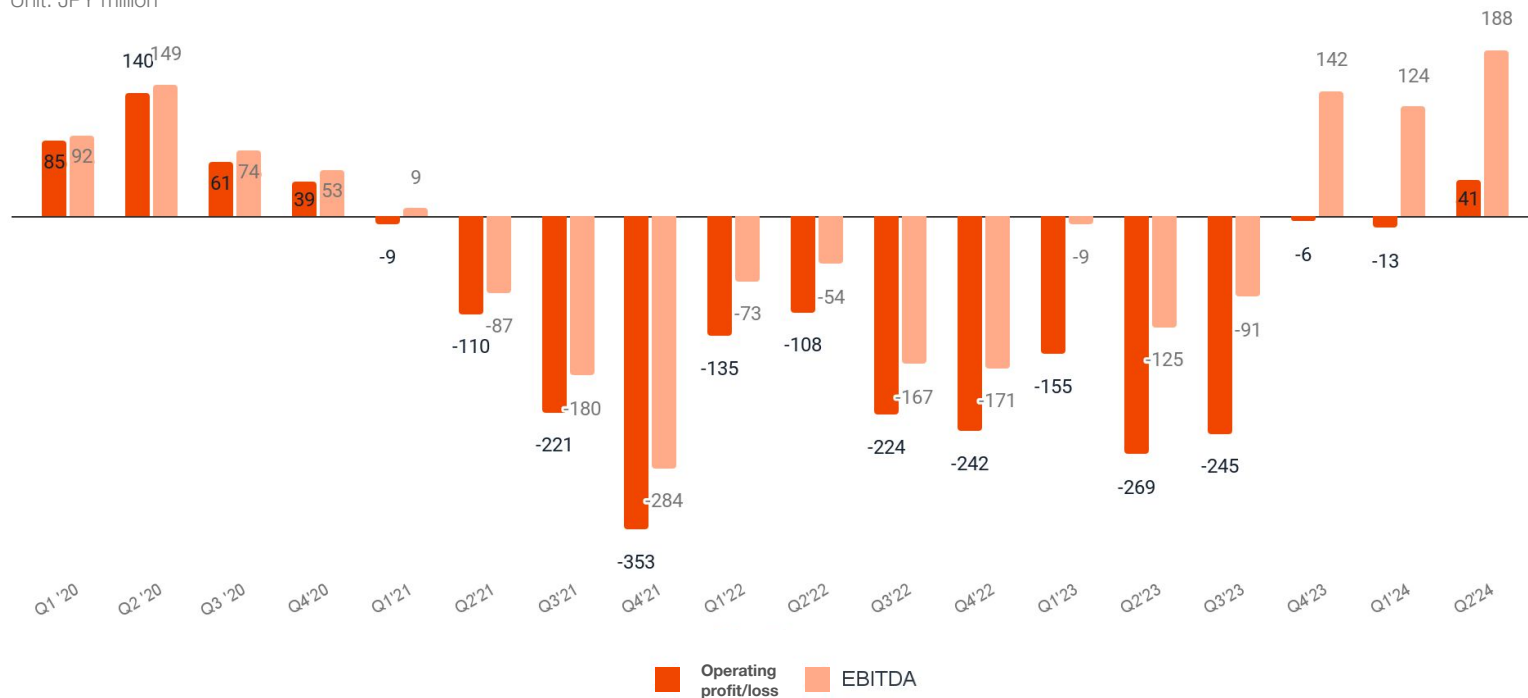
- Gross profit rose **54.8% YoY**, and the gross margin was up 8.4pt YoY to 69.7%.
- The gross profit margin improved significantly year on year due to revenue growth and the recording of more system costs (development personnel costs) as assets.



Operating profit/loss and EBITDA

- Owing to higher revenue, we moved into the black on an operating basis. EBITDA was also positive for the third consecutive quarter.
- We are generating profits while making appropriate long-term investments to continue building the foundations for long-term growth.

Unit: JPY million

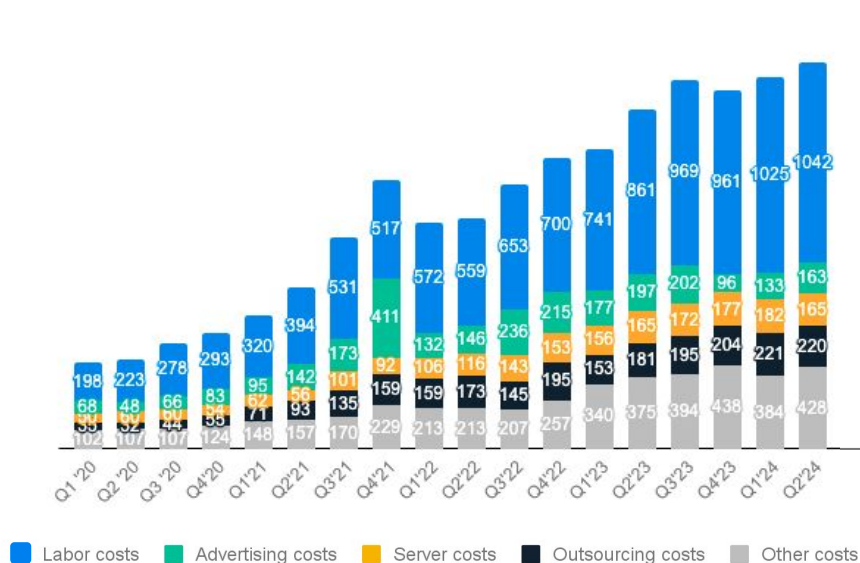


Costs

- Increased personnel costs for investment in growth, higher development personnel and server/systems costs, and yen depreciation caused expenses to increase from the previous quarter, but we were able to generate profits by controlling costs appropriately.

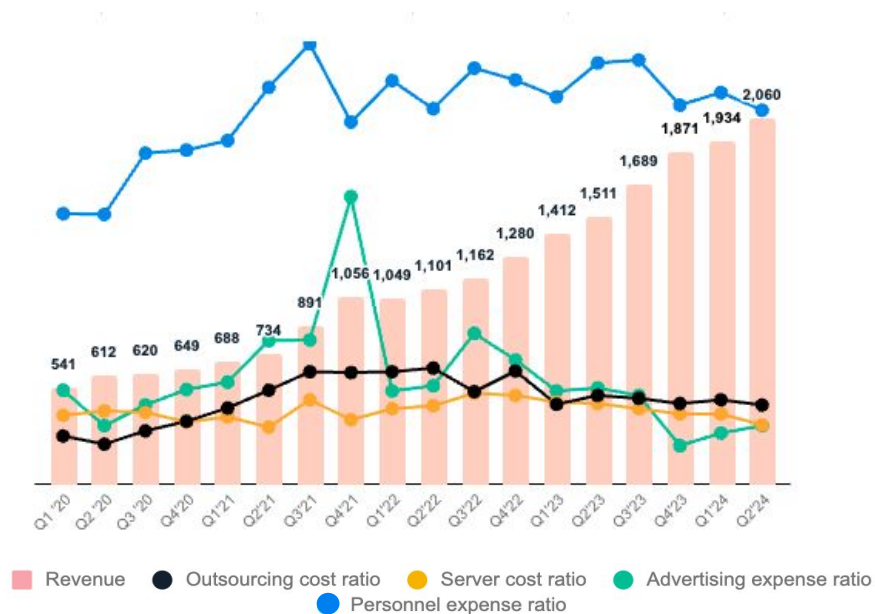
Cost Breakdown

Unit: JPY million



Expense to Sales Ratio

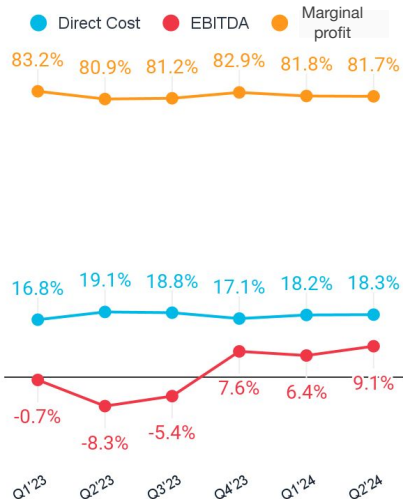
Unit: JPY million



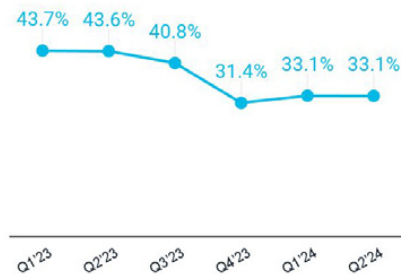
Sales and general administrative expenses to revenue ratio

- The ratio of G&A expenses to revenue increased slightly due to a higher headcount to strengthen the organization and the accompanying increase in system utilization fees, but the S&A and R&D ratios decreased.

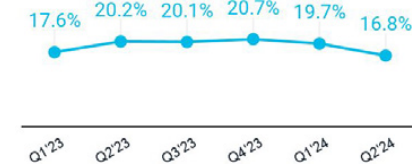
Marginal cost*¹/ EBITDA
Marginal profit



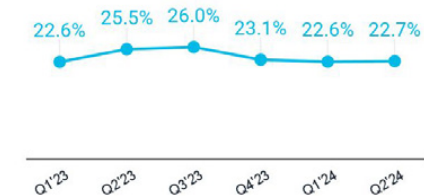
S&M*²



R&D*³



G&A*⁴



*1 The total cost of sales on management accounting, including server expenses, payment processing fees, BPaaS crew, and personnel costs related to customer support, excluding amortization.

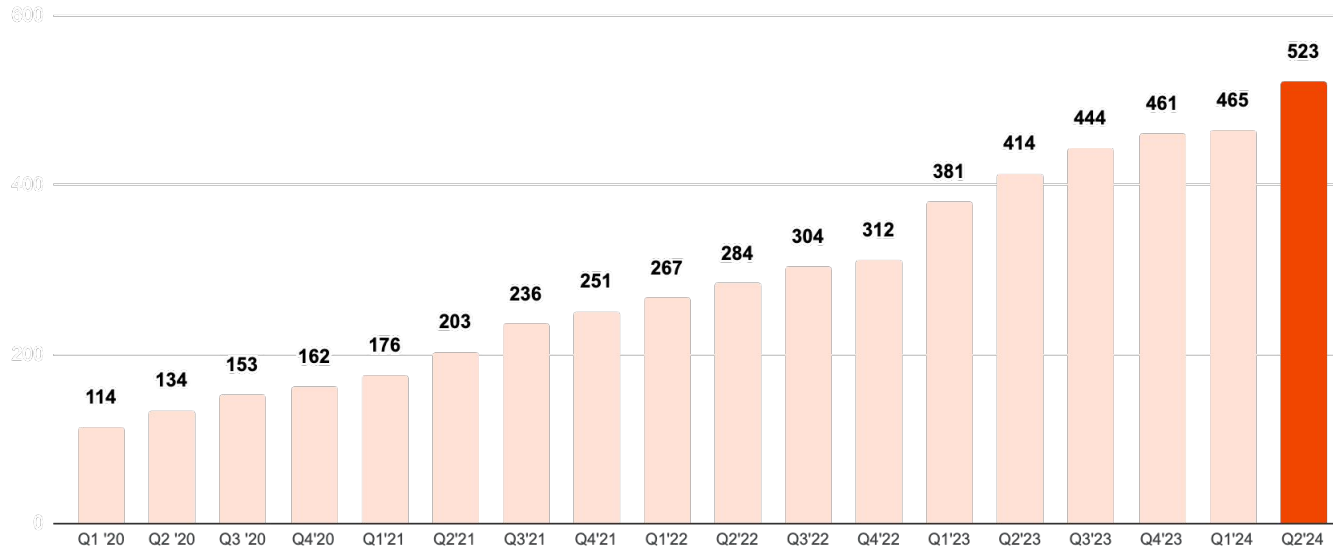
*2 Sales and Marketing ratio. It refers to the total cost of advertising expenses, sales personnel salaries, related cost of sales, selling and administrative expenses, and other common expenses associated with promoting sales, excluding amortization.

*3 Research and Development ratio. It refers to the total cost of engineer salaries and related cost of sales, selling and administrative expenses, and other common expenses associated with service development, excluding amortization.

*4 General and Administrative ratio. It refers to the total cost of corporate department personnel salaries, related selling and administrative expenses, and other common expenses, excluding amortization.

Number of Employees

- The group headcount rose by a net 58 during the quarter (33 of whom are contract employees involved in the BPaaS business). We stepped up recruiting significantly in the area of BPaaS, which is a pillar of our growth and where customer demand is strong.
- While keeping an eye on profitability, we are working to recruit enough employees to meet the targets in our medium-term management plan.



*1 Revision of the number of employees retroactively due to changes in the definition of employee count methods at group companies.

Second Quarter of FY 2024 Results

04 | Forecast for FY2024 (Revised)

Revision of Forecast for FY 2024

- As the fiscal year progresses, we are revising our approach to earnings forecasts, showing a range rather than a specific growth rate.
- Revenue is expected to grow by +29.0% to +31% YoY.
- EBITDA is projected to exceed the previous forecast significantly, reaching over 570-600 million yen, and operating profit is expected to return to profitability for the first time in four years since the fiscal year 2020.

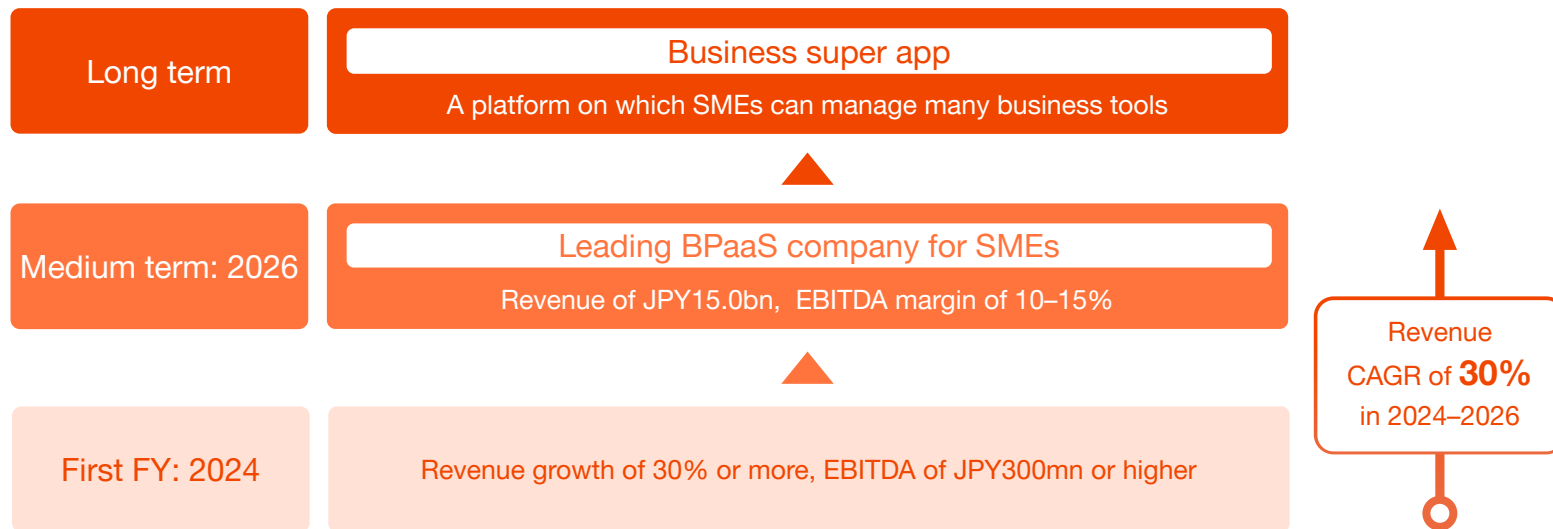
Unit: million yen	FY 2023 actual	FY 2024 Previously announced forecast	FY 2024 forecast	YoY
Revenue	6,485	YoY +30%	8,365~8,495	+29.0%~+31.0%
Gross profit	4,150	-	5,665~5,794	+36.5%~+39.6%
Gross margin	64.0%	-	67.7%~68.2%	+3.7pt~+4.2pt
EBITDA	-83	300~	574~600	-
Operating profit	-677	-	1~27	-
Ordinary profit	-686	-	-17~8	-
Profit attributable to owners of parent	-620	-	-97~-67	-

Second Quarter of FY 2024 Results

05 | Medium-Term Management Plan

Mid-term Management Plan

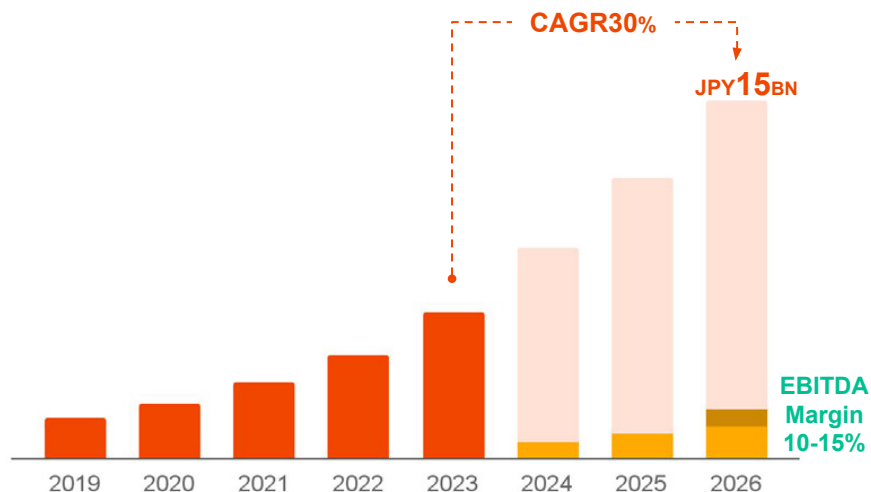
- Under the medium-term management plan ending in FY 2026, we aim to establish our position as the **leading BPaaS company for SMEs** by 2026. Long-term, we will leverage our overwhelming share of the market among SMEs to roll out a **business super app**, which will be a platform on which users can manage many business tools.
- In 2024–2026, we will accelerate our Groupwide growth toward the goal of becoming the leading BPaaS company for SMEs, and **build a profitable structure**.



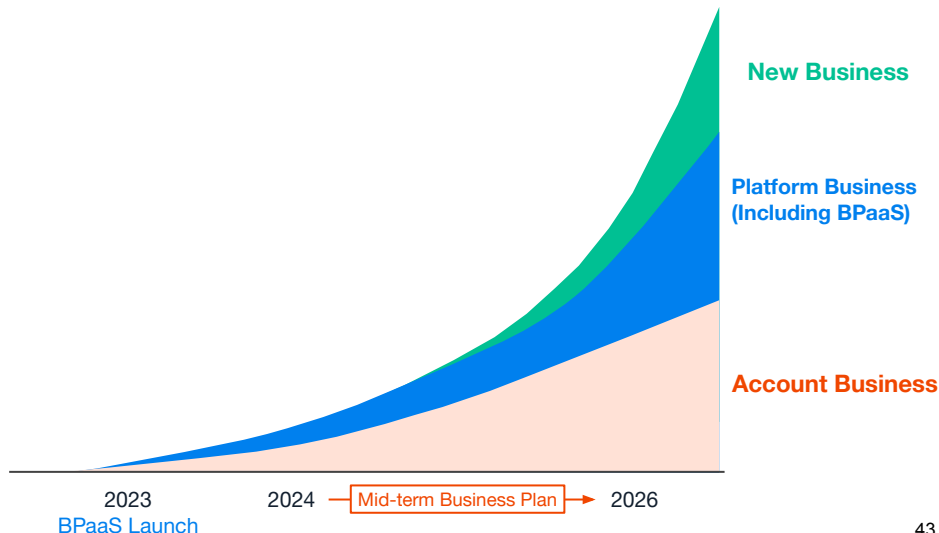
Mid-term Business Plan

- The financial targets of the medium-term management plan are **CAGR in Group revenue of 30% or more from 2024 to 2026** and an **EBITDA margin of 10–15% in 2026**.
- In the plan's final year, **FY 2026**, we target **Group revenue of JPY15.0bn** and EBITDA of JPY1.5–2.25bn.
- We anticipate continued revenue growth from business chat, aim for rapid revenue expansion in the BPaaS business (our next pillar of growth), and expect revenue contributions from new businesses.
- This plan represents organic growth figures. M&A is not included, so the plan will be revised in the event of acquisitions.

Group Sales and EBITDA

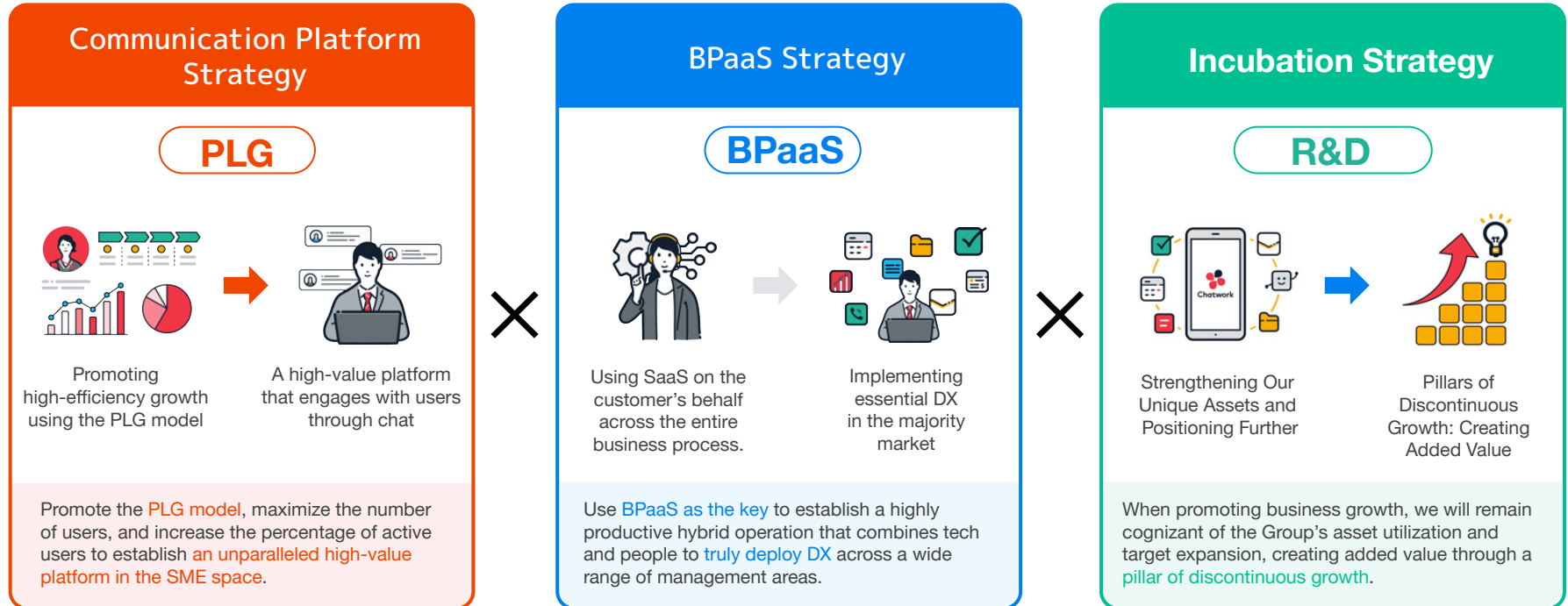


Driving Growth: BPaaS and New Business

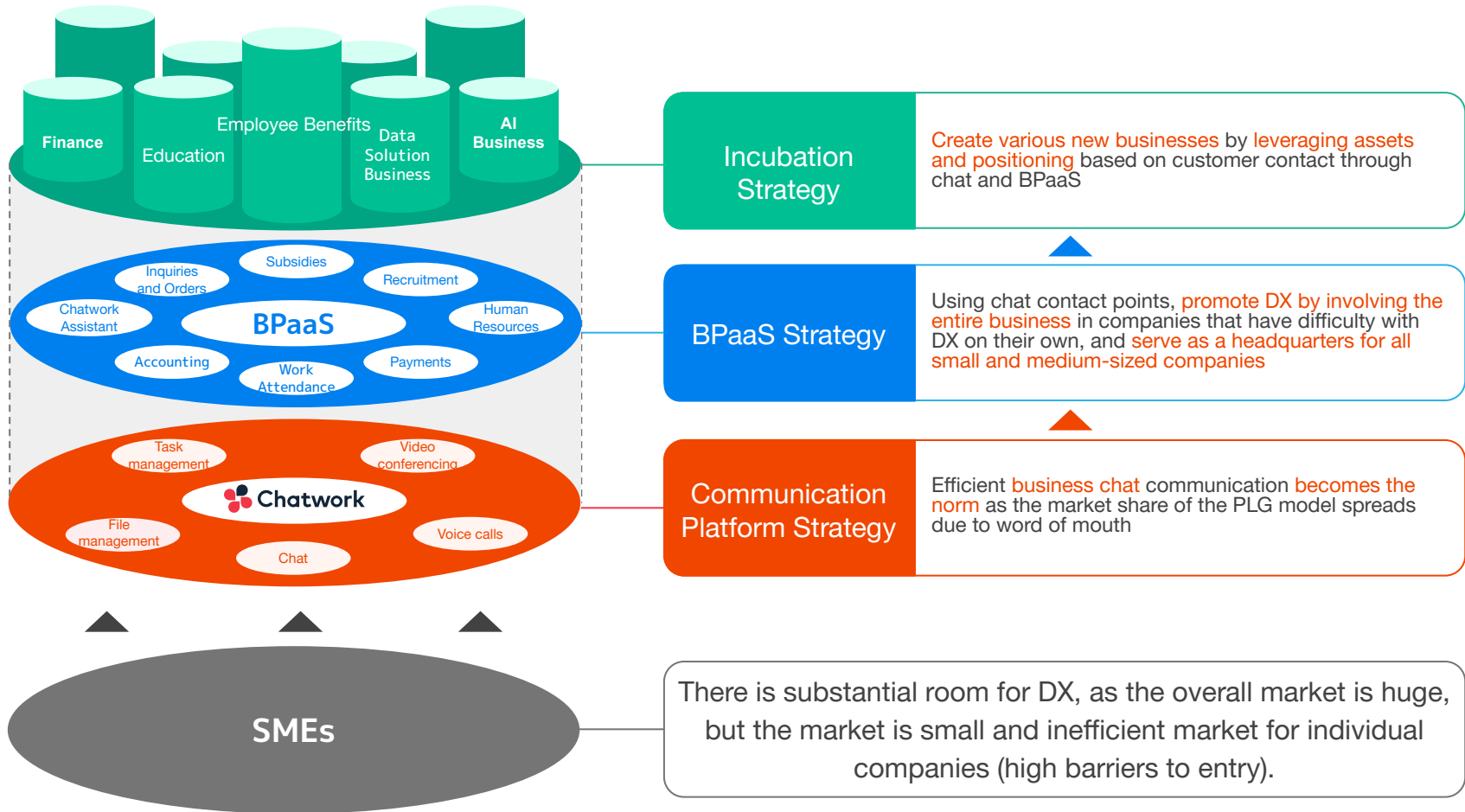


Three Strategies of the Medium-Term Management Plan

- We are driving the **BPaaS strategy** to enhance the value of business chat as a **communication platform**, enabling various business expansions on this platform.
- Additionally, through our **incubation strategy** leveraging group assets and utilizing AI for research and development, we aim to create further core businesses and achieve discontinuous growth.

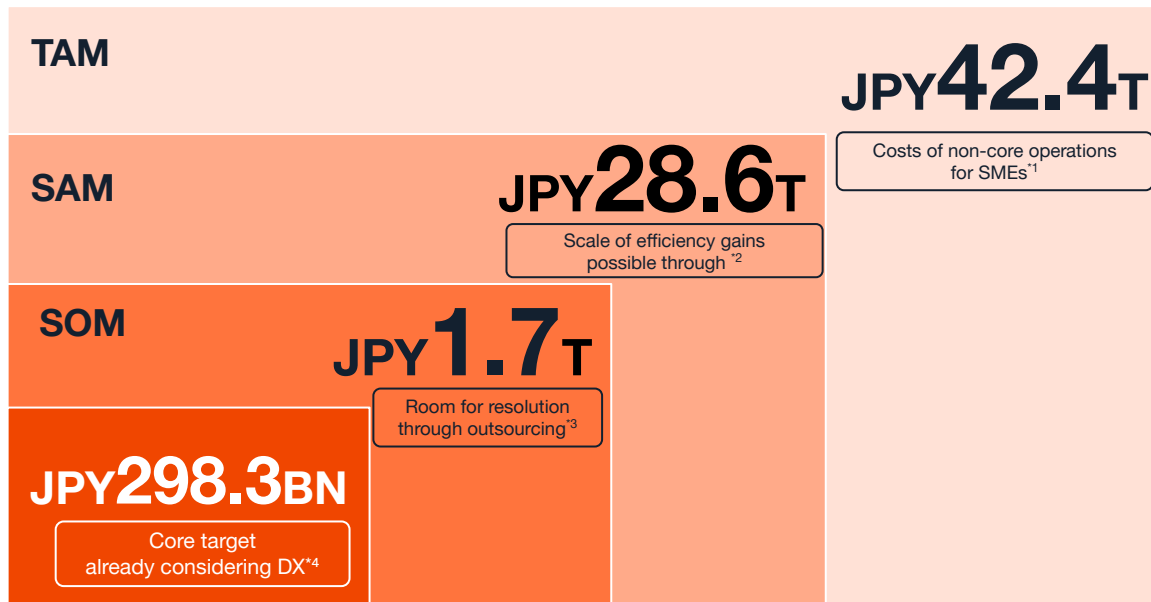


Our Core Strategic Story



Size of the Potential Market for BPaaS including business chat (TAM)

- The BPaaS market is by far the largest, with **non-core operations of SMEs valued at JPY42.4 trillion**.
- The **core target market that has already manifested is worth JPY298.3 billion**, and business growth potential is extremely high.



*1 Number of salaried workers: 44.94 million (National Tax Agency's FY 2022 survey on private-sector salary conditions) x percentage of employees working in SMEs: 68.8% (2016 Economic Census by the Ministry of Internal Affairs and Communications) x average salary at SMEs: JPY3.92 million (Ministry of Health, Labour and Welfare) x average percentage of non-core tasks: 31.9% (estimated by the Company and others)

*2 TAM x percentage of business hour reduction through DX: 67.6% (estimated by the Company and others)

*3 SOM: SAM x percentage of small and medium-sized enterprises recognizing the challenges of DX but not yet addressing them: 51% (Small and Medium Enterprise Agency) x percentage of outsourcing costs among SME expenses: 13.0% (FY 2006 Basic Survey on Business Activity conducted by the Ministry of Economy, Trade and Industry)

*4 Focusing on the percentage of SMEs considering DX initiatives: 16.9% (Small and Medium Enterprise Agency)

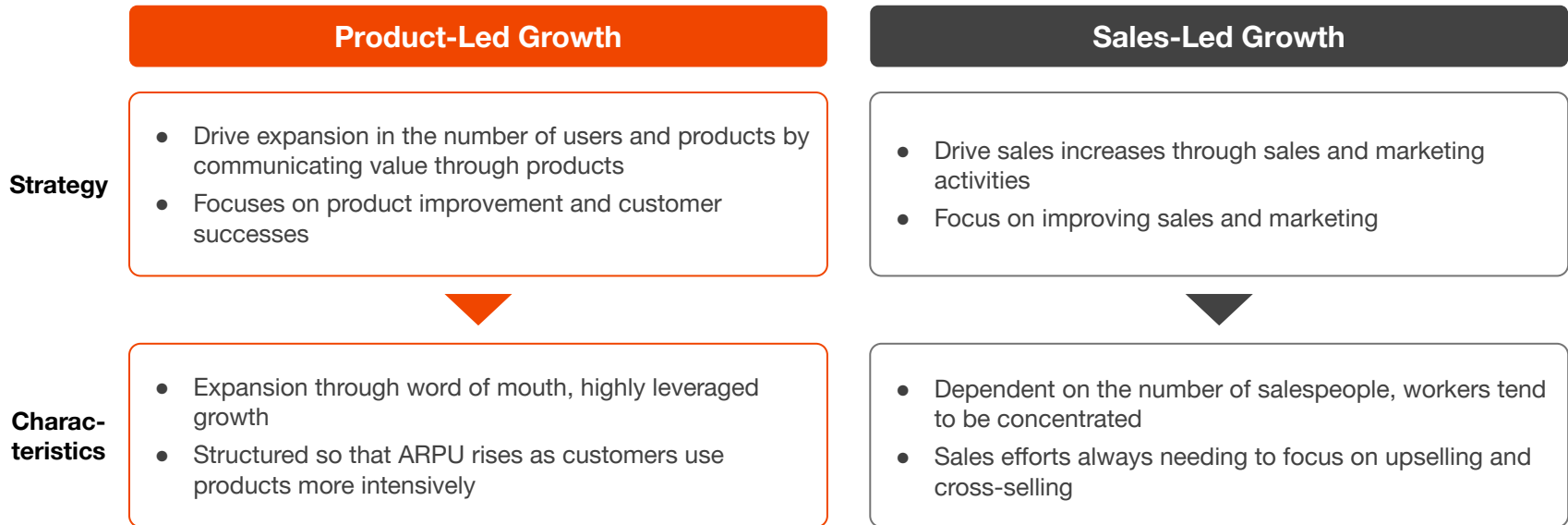
Medium-Term Management Plan #1

Communication Platform Strategy

STRATEGY

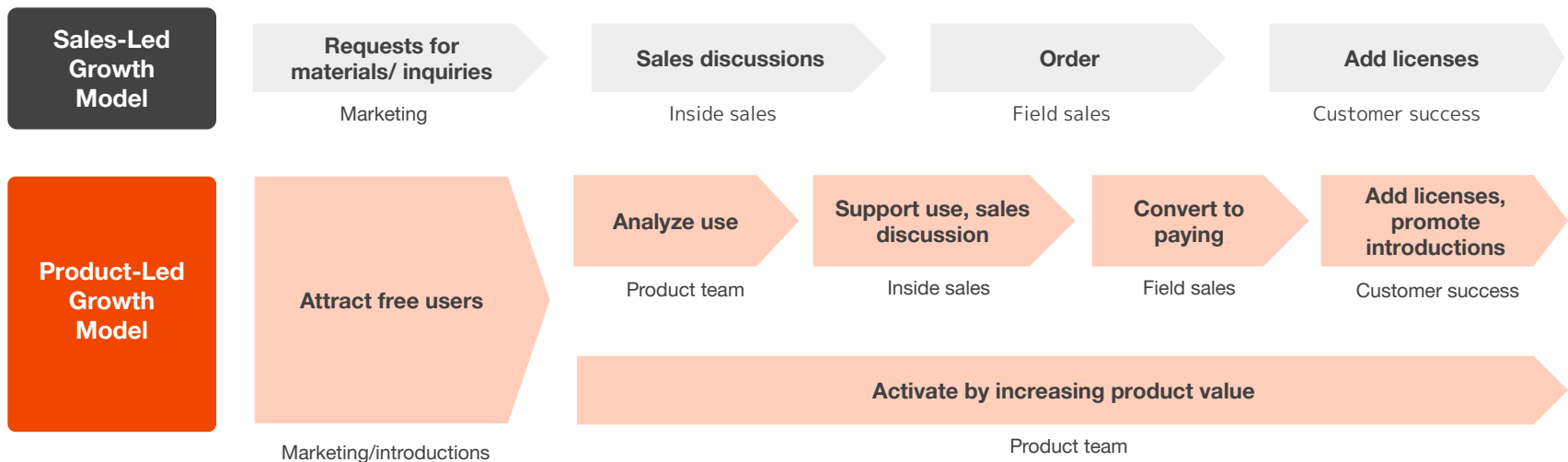
PLG (Product-Led Growth)

- **Product-Led Growth (PLG)** is a SaaS growth strategy that is the focus of attention in the US, whereby products are used to attract customers. This style is distinct from the conventional growth strategy, of Sales-Led Growth.
- Zoom and Shopify are two examples of PLG, which achieves notably **higher levels of growth** than non-PLG. PLG requires a large user base and a service that spreads by word of mouth. Our service fits with a PLG growth strategy.



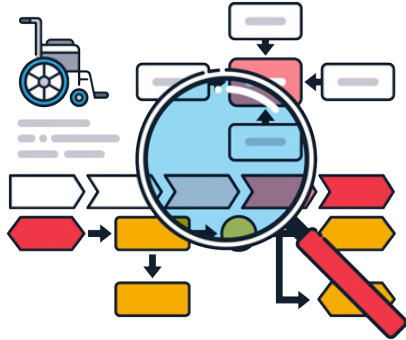
Process of Promoting the PLG Model

- Under the conventional SLG model, marketing gathers a list of potential customers and sales proceeds with the process of negotiating and receiving orders.
- Under the PLG model, **marketing attracts free users**. Our **system** then analyzes their usage data and **automatically creates a list** of users who are likely to become paying customers. Sales staff then makes proposals based on the list, promoting sales discussions and encouraging users to become paying customers.
- Under the PLG model, marketing can invest in advertising to **achieve a large-scale increase in users**. This model also uses AI and sophisticated data analysis to achieve **highly efficient sales and customer success**.



Making the Process Extremely Efficient through: High Customer Resolution x PLG Model x Chat

- We will address overseas competitors by leveraging our strength as a **vendor with a strong presence in Japan**, and use dedicated teams to **gain a better industry understanding**. We will improve the quality of marketing and sales by studying each industry's business processes and challenges and molding business chat to those needs.
- In addition to industry understanding, the PLG model combines customer usage data with advanced data analysis to create a **highly efficient communication process**. In addition, we also take full advantage of the communication service and **use chat to practice the approach**.



Deep understanding of
Industry structure and Business
process



Advanced analysis with users' data
through the PLG model



Efficient Approach via Chat tool

Evolving toward the most BPaaS-Friendly Business Chat

- In addition to expanding our market share to make Chatwork the de facto standard for business chat in the SME space, we will strategically evolve Chatwork into “the most BPaaS-friendly business chat” in an effort to make BPaaS our next pillar of business.
- We will enhance functions for efficient task management, schedule coordination, and information collection, which occur frequently among BPaaS operations. In addition, by developing a system that can manage orders for BPaaS projects and accurately as certain client needs, we will graft a seamless BPaaS experience onto business chat.



Enhancement and Addition of BPaaS-friendly Features

- Expanded functionality to enable chat-based workflows
- Functionality that allows for delegation of coordination tasks for personnel within user companies

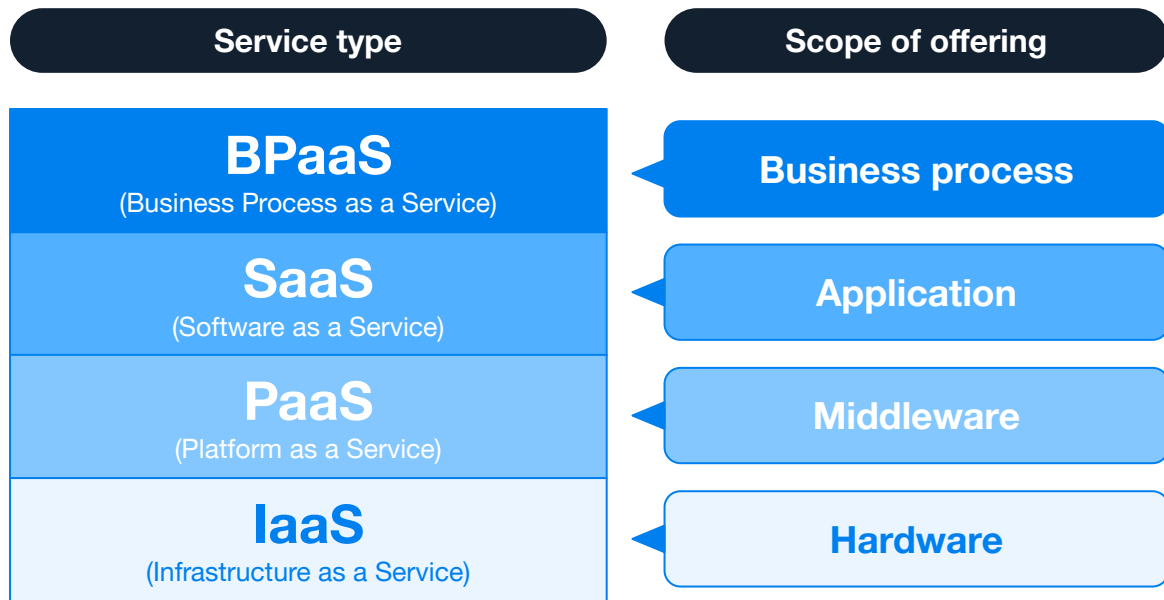
Medium-Term Management Plan #2

BPaaS Strategy

STRATEGY

About BPaaS

- BPaaS is short for Business Process as a Service. Rather than just software, BPaaS is a cloud service that provides business services themselves, allowing facilitating **cloud-based business process outsourcing (BPO)**.
- BPaaS, the next upstream layer from SaaS in cloud-based services, will be the **next trend**.

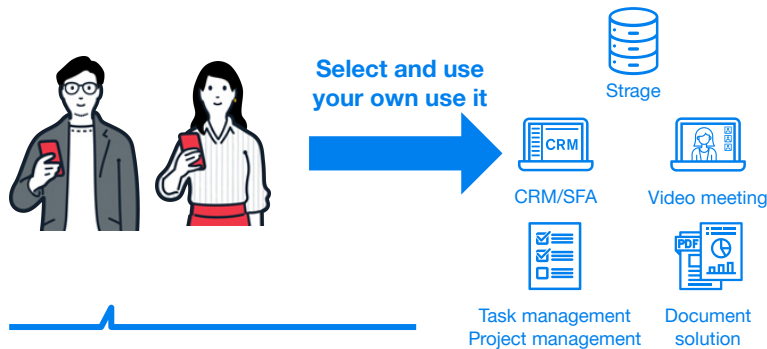


BPaaS is the main player in achieving DX in the majority market

- Choosing and mastering SaaS is **mainly done by advanced users** who are knowledgeable about IT.
- For the **majority market, which accounts for more than two-thirds of the population**, it is difficult to manage and use a variety of SaaS products with different usability.
- To achieve DX in the majority market, it is **effective to use BPaaS** to drive DX by winding up SaaS for each business process and on behalf of customers.

SaaS

Solving business issues through DX on your own



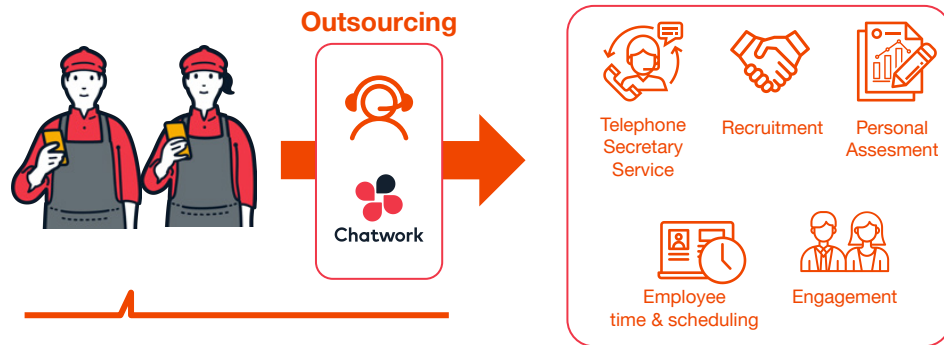
Users suited to SaaS

Tech-savvy early adopters in IT

- Can select tools on their own
- Management and employees can use the tools efficiently

BPaaS

Requests for entire business process and DXing are also outsourced



Users suited to BPaaS

majority

- Difficulty in decision making to adopt SaaS
- Difficulty in using SaaS

Scope for the Provision of BPaaS

- We will serve for **DX human resources and business operations** in the cloud, **significantly reducing users' administrative costs**.
- **Companies with a shortage of DX talent internally**, where system implementation and operation are not progressing, can still achieve DX.

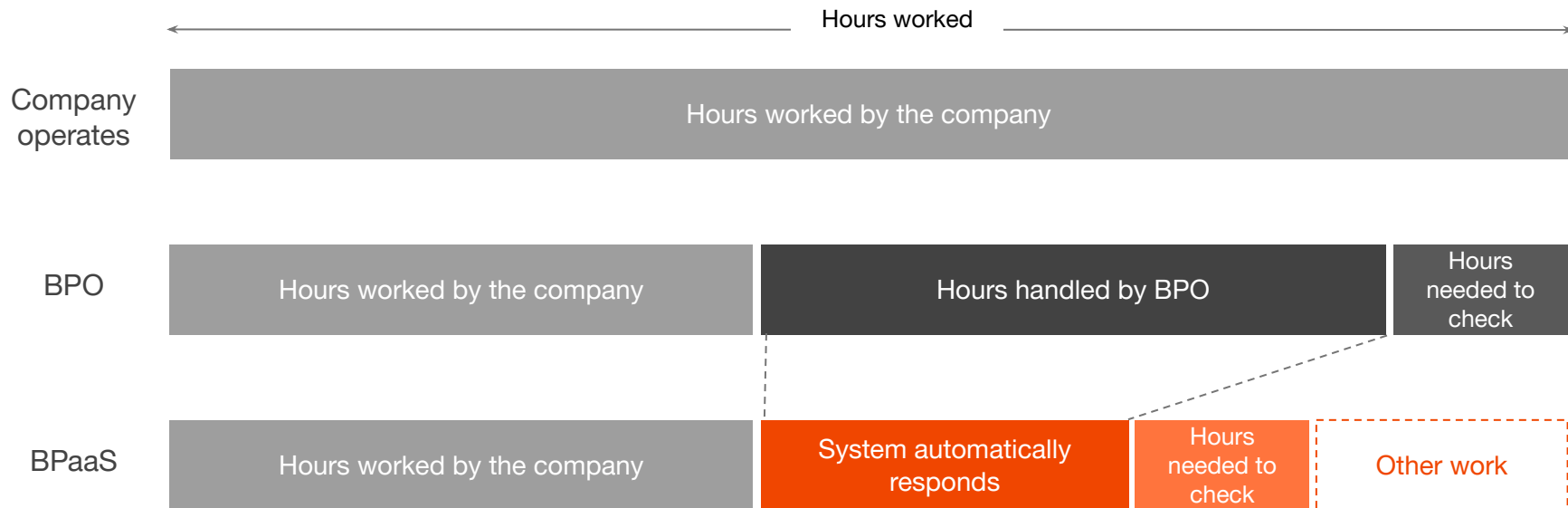
on-premises	IaaS Infrastructure as a Service	PaaS Platform as a Service	SaaS Software as a Service	BPaaS Business Process as a Service	BPO Business Process Outsourcing
DX Talent	DX Talent	DX Talent	DX Talent	DX Talent	DX Talent
Business Operations	Business Operations	Business Operations	Business Operations	Business Operations	Business Operations
Applications	Applications	Applications	Applications	Applications	Applications
Data	Data	Data	Data	Data	Data
Middleware	Middleware	Middleware	Middleware	Middleware	Middleware
Operating System	Operating System	Operating System	Operating System	Operating System	Operating System
Servers	Servers	Servers	Servers	Servers	Servers
Storage	Storage	Storage	Storage	Storage	Storage
Network	Network	Network	Network	Network	Network

 =User Managed

 =Service Provider Managed

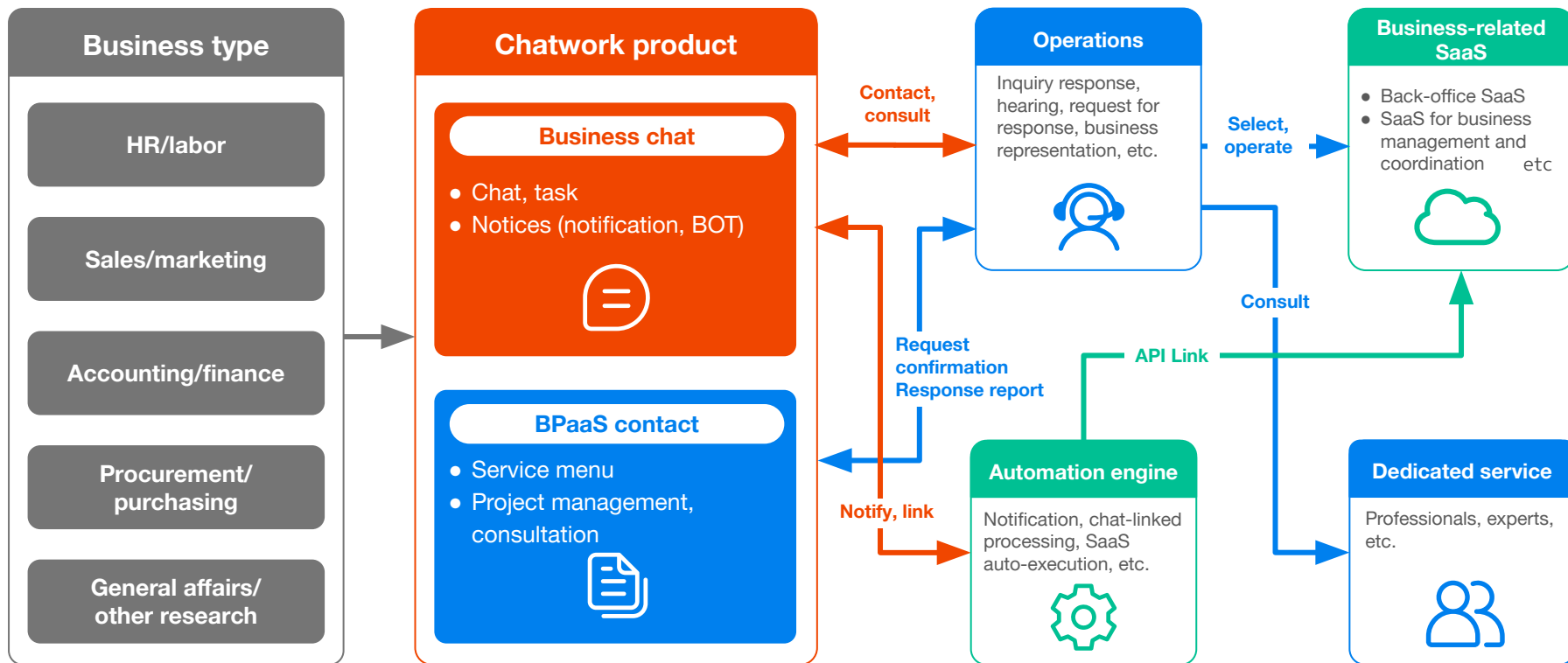
Difference between BPO and BPaaS

- BPO refers to a service that **simply replaces manual labor**, whereas BPaaS uses the cloud to provide **digitally transformed work via SaaS**.
- Linking various SaaSs with APIs and using an **automated response system** can significantly reduce worker hours.
- In this way, we can promote DX of business operations without the need for users to select, configure, and operate the SaaS on their own.
- BPaaS makes BPO-equivalent services available at **low cost and in small lots with a high degree of flexibility for SMEs**.



Our BPaaS Rollout

- We will maximize the use of business chat to develop the BPaaS business. Being a platform operator gives us a **substantial advantage during rollout**.

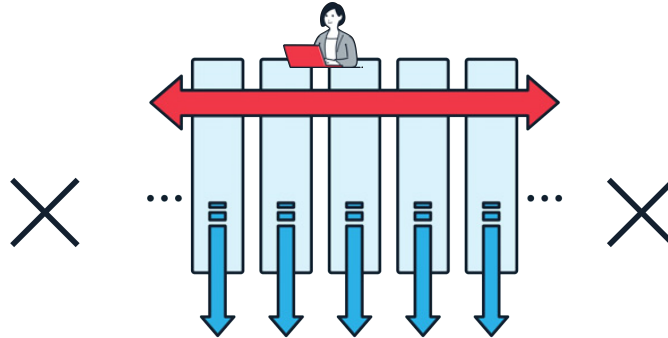


Gaining an Overwhelming Competitive Advantage

- Leveraging Chatwork's overwhelming customer assets to achieve **highly efficient marketing and operations**.
- Combining breadth of business and depth of expertise in small and medium-sized enterprises where digital transformation is not yet advanced, aiming to **provide one-stop services**.
- **By standardizing highly efficient business processes** connected via API between chat and SaaS, we aim to achieve efficient sales expansion.



Comprehensive approach utilizing Chatwork's customer assets



Combining 'Breadth' and 'Depth' to create services that are difficult to imitate



Efficient sales expansion through business formalization and use of technology

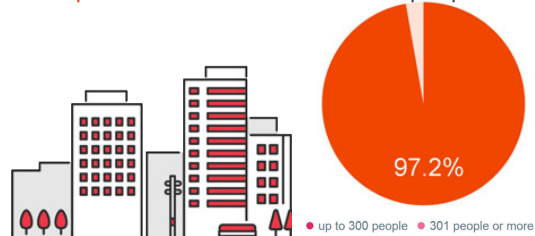
Comprehensive Approach to Leveraging Customer Assets

- Chatwork has an overwhelmingly large customer base of **7.05 million users at 591,000 companies**^{*1}. With its simple UI and easy connection to the outside world, the number of users will continue to **increase at a compound rate** via referrals from SMEs that are reluctant to embrace DX.
- We can efficiently approach SMEs about BPaaS services, these services have a longer latency period relative to other SaaS, and we have strong customer touchpoints.

Overwhelming Presence with SMEs

Deployed at more than **591,000^{*1} companies**

97.2% of paid contracts with companies of 300 or fewer people

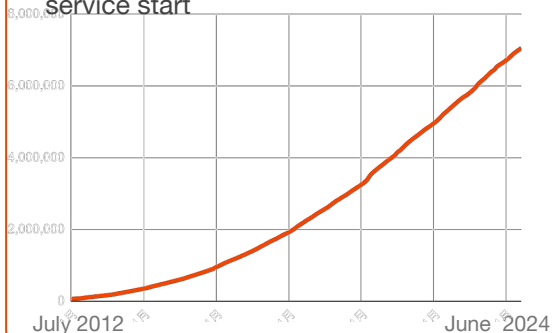


BPaaS Approach for Business Chat Users

Open Platform Arrangement Compounds User Numbers

Number of registered IDs since service start

7.05MN



Strong Customer Touchpoints

Long dwell time

Highly efficient interactions

High open rate

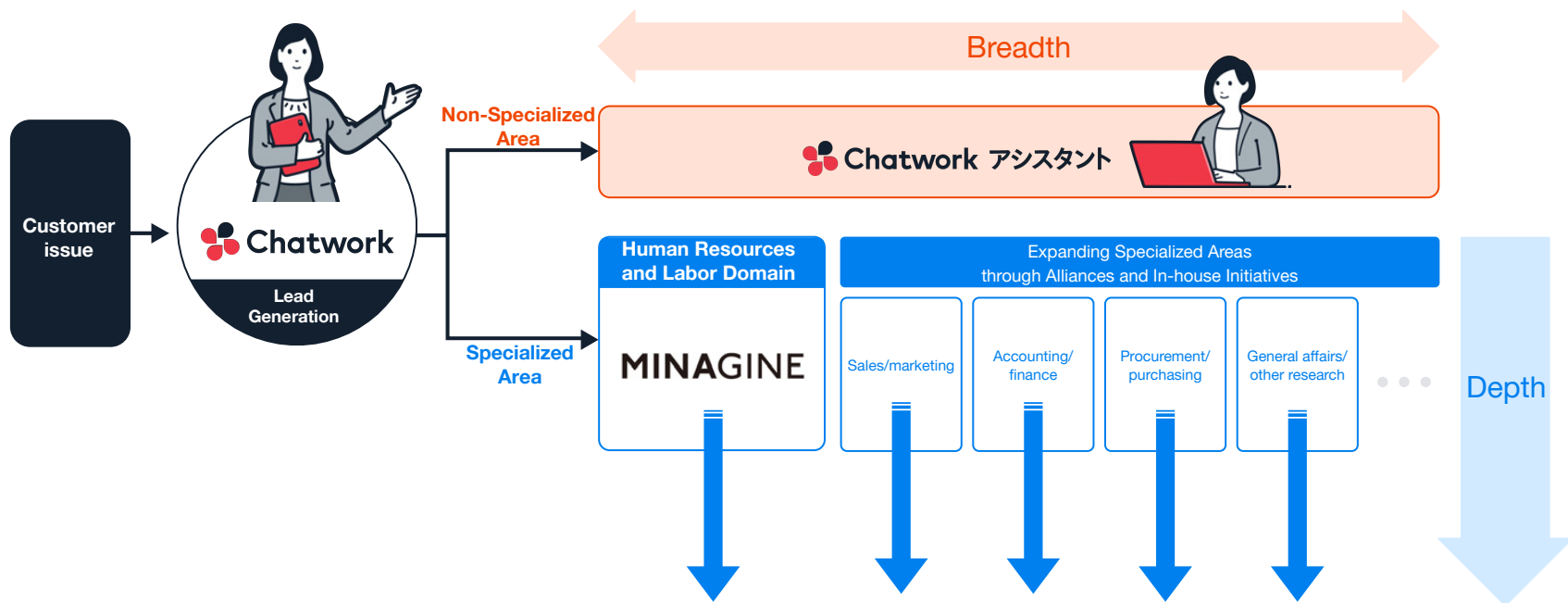


Directly approaching customers and **rapidly expand BPaaS**

^{*1} As of June 30, 2024. From the quarter under review, we have begun using a more sophisticated method to calculate the number of companies.

Configuring Services That Achieve Both 'Breadth' and 'Depth'

- We provide comprehensive support for non-specialized tasks through Chatwork Assistants, **encompassing 'Breadth'**, while offering **specialized expertise, 'Depth'** through M&A and alliances.
- This combination allows us to **offer one-stop support** for our customers' needs.
- Additionally, our subsidiary MINAGINE provides BPaaS for human resources and labor management.



Efficient Sales Expansion with Technology and Formalization

- Our approach to addressing a wide range of challenges faced by SMEs is to **provide services through formalized and packaged business solutions**, rather than individually consulting and designing operational workflows. This allows us to offer **highly efficient and profitable services**.
- We aim to build an **automation engine** that integrates business chat with APIs to streamline operational processes, thus minimizing the operator workload as much as possible or enabling efficient, operator-free service delivery.

Hearing from Customer

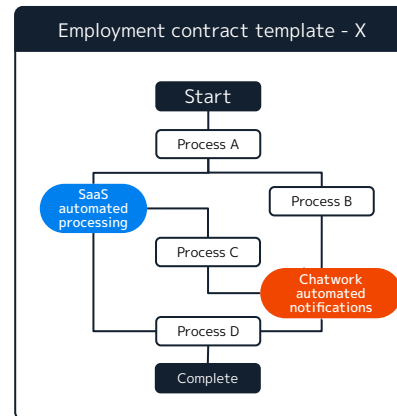
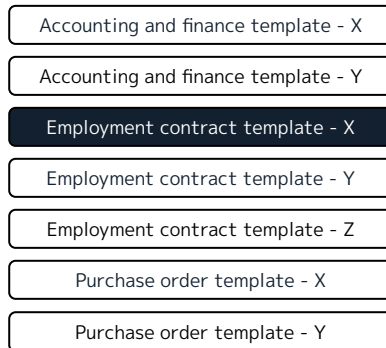
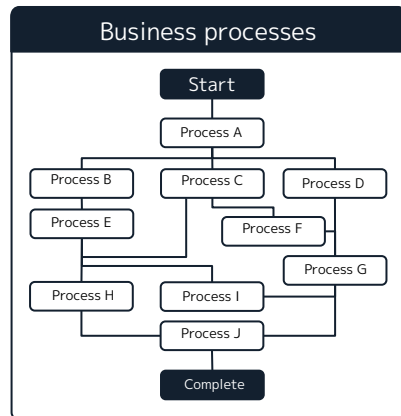


We want to digitize employment contracts

Suggestions derived from standardized templates



For your company, the 'Employment Contract Template-X' would be ideal.



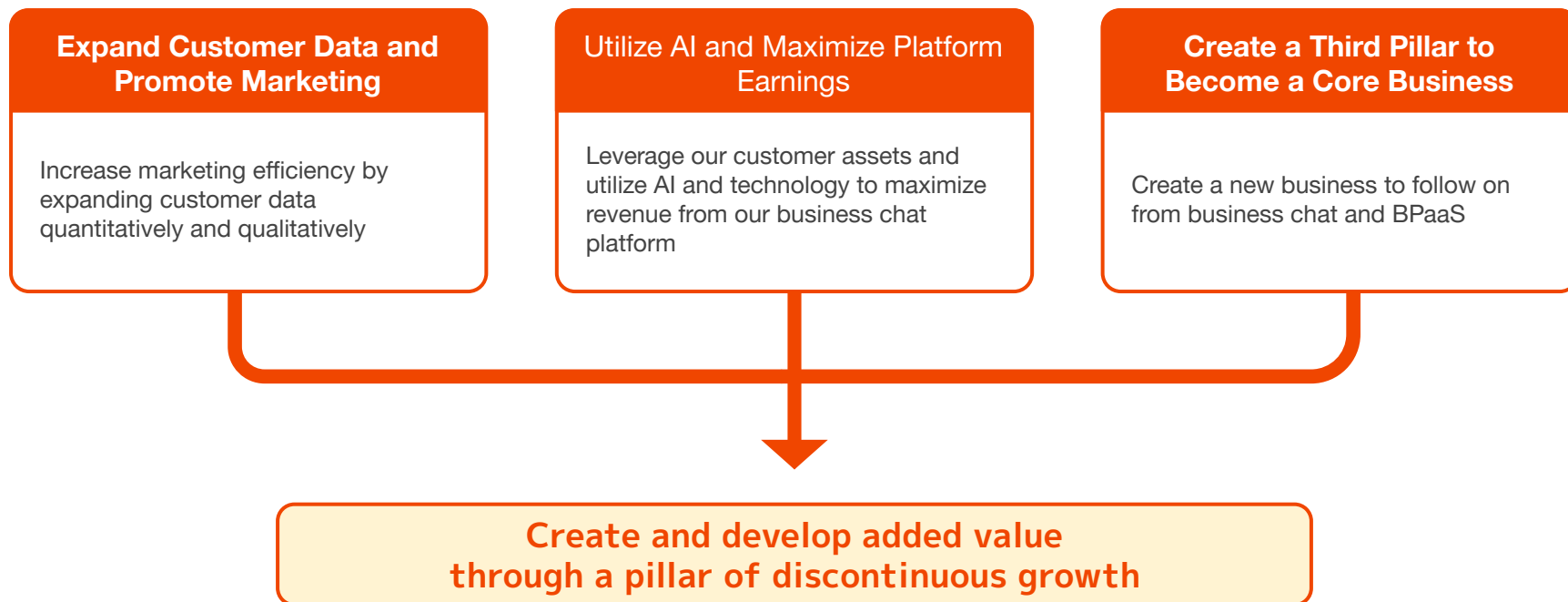
Medium-Term Management Plan #3

Incubation Strategy

STRATEGY

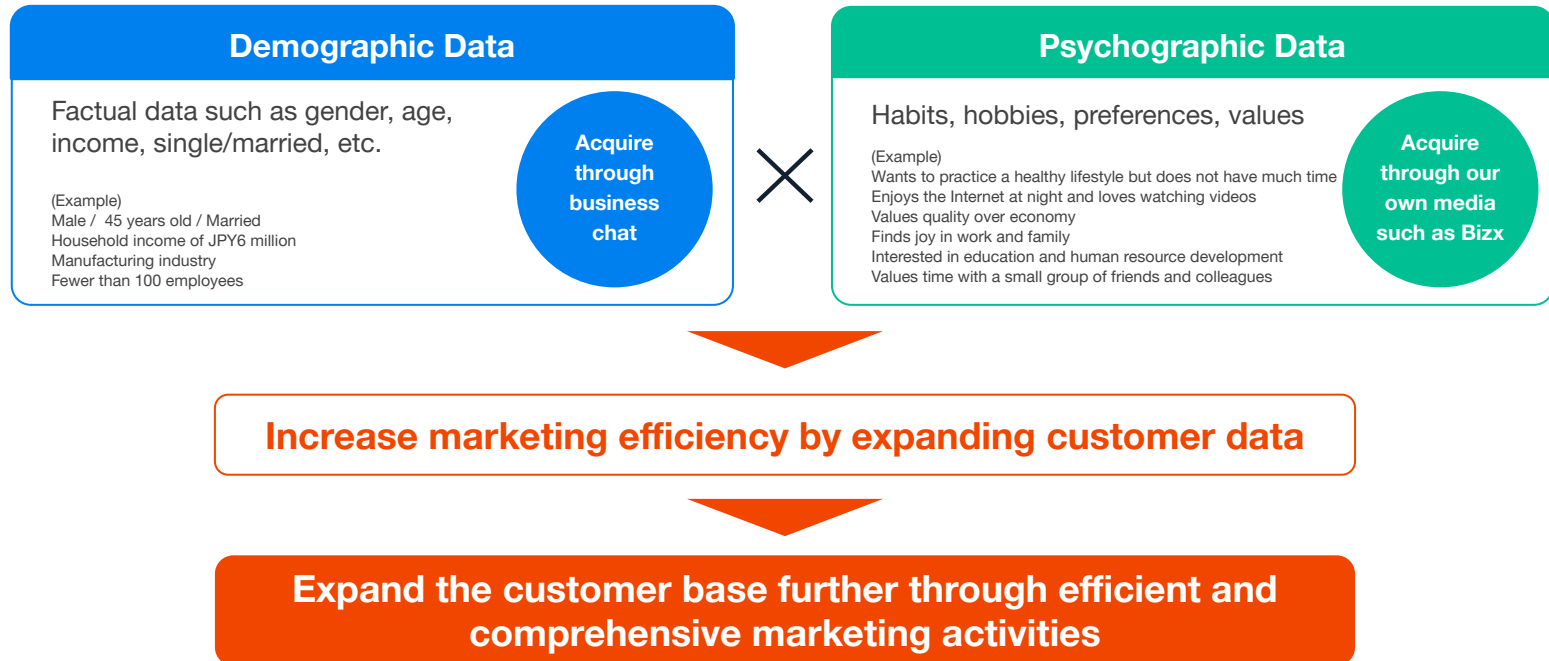
R&D Approach of Our Incubation Strategy

- We will execute a strategy to reinforce the Group's unique assets and positioning.
- We aim to create value-added services that will become a **third pillar of discontinuous growth** following business chat and BPaaS.



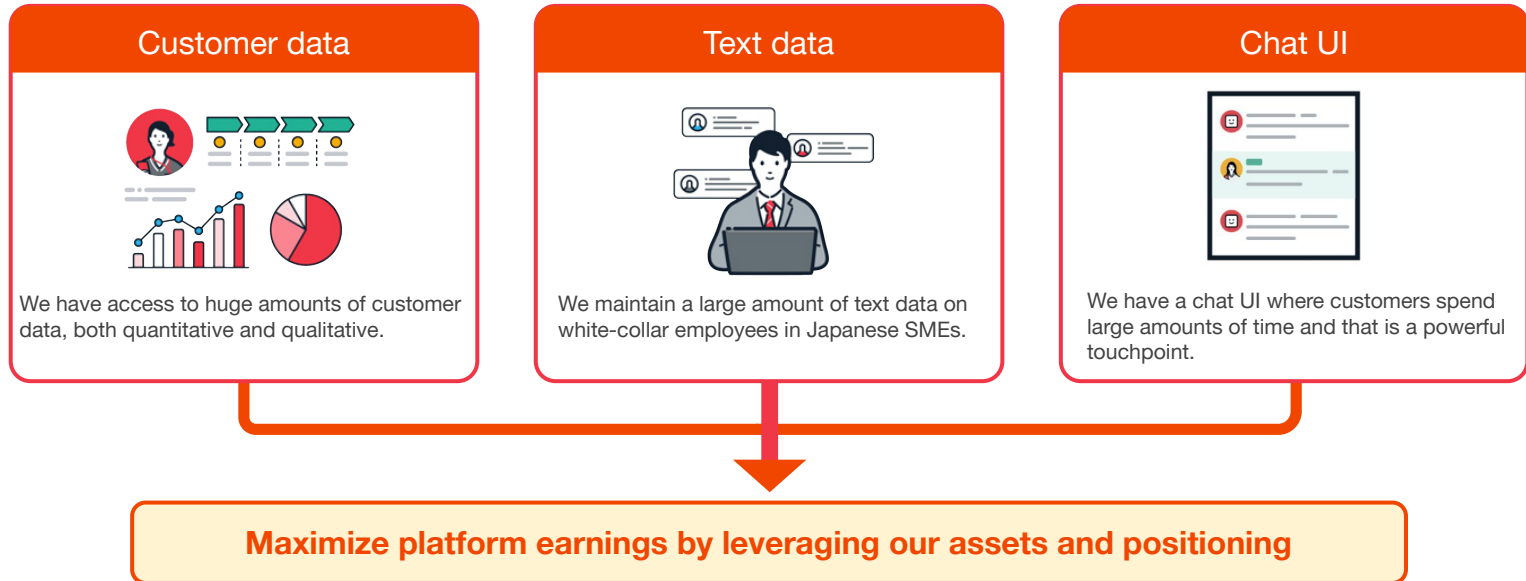
Expand Customer Data and Promote Marketing

- Expand customer demographic data (objective data) through expansion of our business chat customer base and acquire customer psychographic data (subjective data) through growth of our own media and other customer communications.
- **Improve marketing efficiency** by expanding customer data quantitatively and qualitatively. We can expect to **expand the customer base further** through more effective and comprehensive marketing activities.



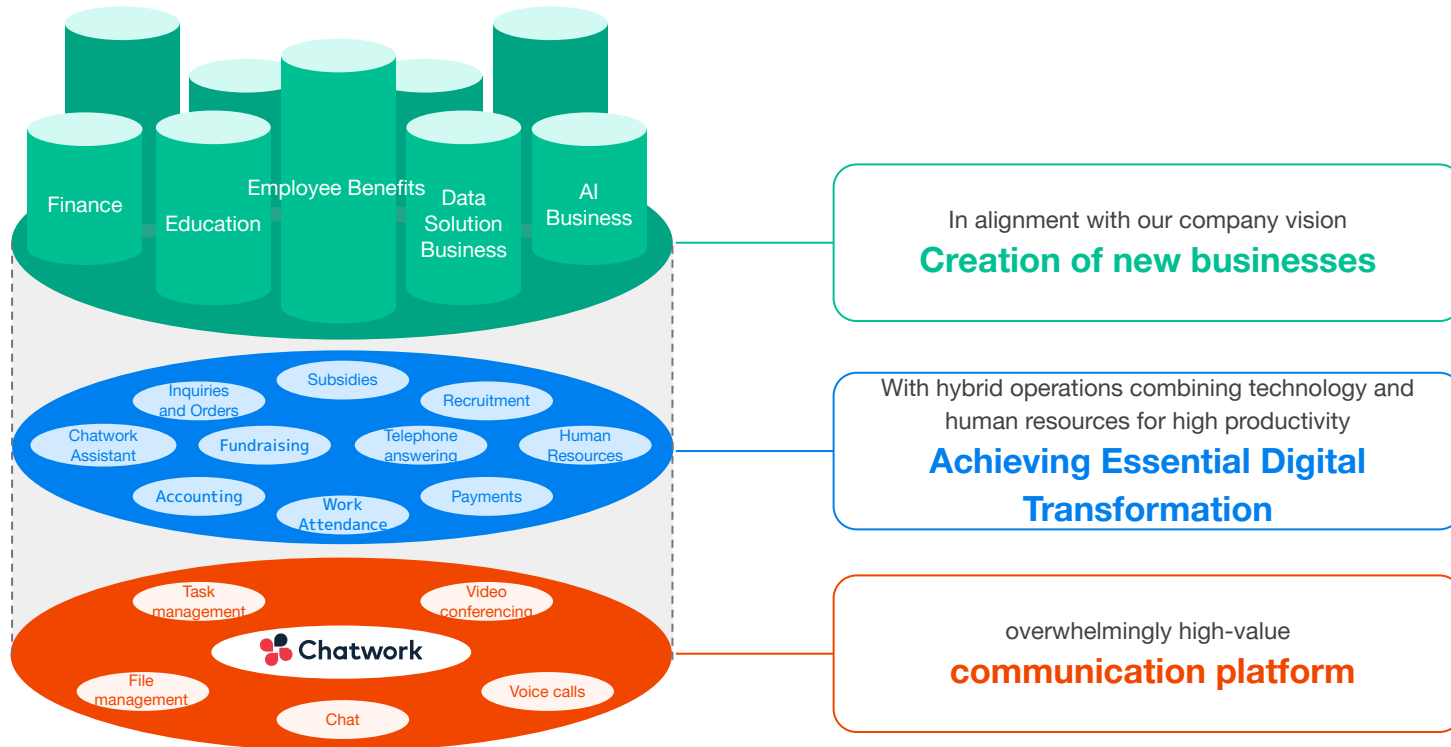
Utilize AI and Maximize Platform Earnings

- We can develop individually tailored AI technology by utilizing customer data and text data accumulated through business chat.
- As business chat is a business communication platform where users spend large amounts of time, it already serves as a point of contact where AI and people can talk to each other.
- **We will maximize earnings from business chat as a platform** by leveraging and deploying AI technology.



Creating a Third Pillar to Become a Core Business

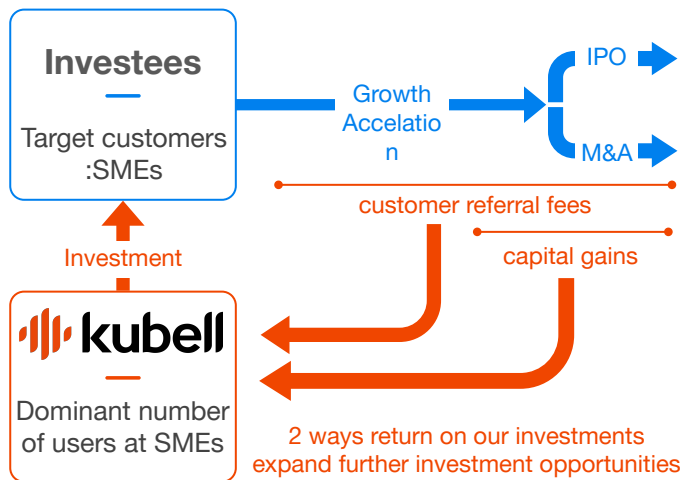
- We are creating a third core pillar of business, following business chat and BPaaS.
- We are creating a new business that matches our vision and mission by leveraging our strengths, such as our “overwhelmingly high-value platform” and a “large-scale operational engine that represents a hybrid of tech and people.”



kubell BPaaS Fund Investment Strategies

- To acquire BPaaS capabilities and create new businesses, in FY 2021 we launched a CVC fund, the **kubell BPaaS Fund**.
- The objective is to invest in and strengthen alliances with companies that share our attributes, and then refer Chatwork customers to them. While **returning our investment through the customer referral fees we receive**, we also **target future capital gains by growing portfolio companies**.
- We acquired MINAGINE Co., Ltd., as a wholly owned subsidiary in January 2023. Any synergies that result will go toward **expanding further investment opportunities**.

Investment Strategy for Maximizing Synergies



Investment Results

The Investment Results section displays two categories: Consolidated subsidiary and Investments. The consolidated subsidiary is MINAGINE. The investments include kubell storage, neton, betterplace, GIG INC., GVA TECH, Daytner, COCOO, Digital Hack, Utill, フレイブ (少額短期保険株式会社), and YZ (Create the Answer).

Consolidate d subsidiary

Investments

MINAGINE

kubell storage

neton betterplace GIG INC. GVA TECH

Daytner COCOO Digital Hack Utill

フレイブ 少額短期保険株式会社 YZ Create the Answer NEW

Contact Us

<https://cvc.kubell.com/>

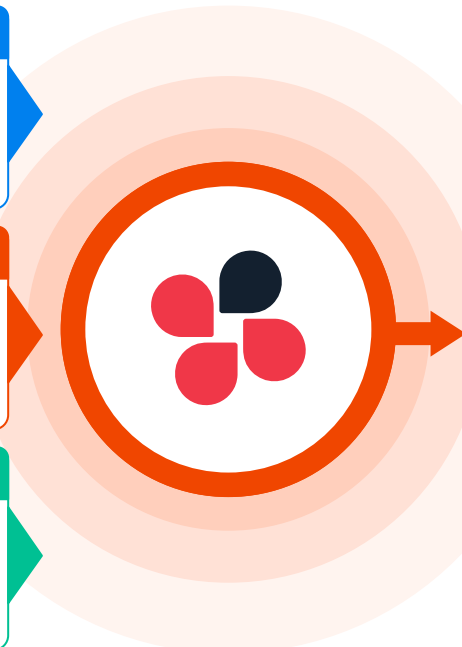
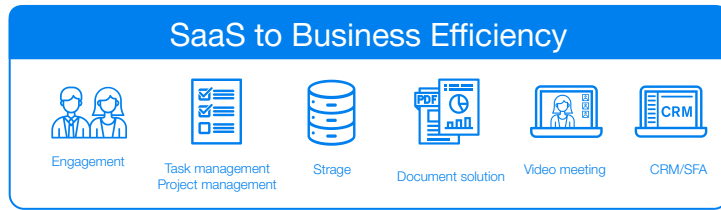
STRATEGY

Long-Term Vision, Roadmap

Long-Term Vision

“Chatwork” upgrade to “Super app” for business

- Super apps: apps that become platforms of which function as a starting point for various businesses.
- Business chat tools have the advantage of being business platforms, because users spent more time with these products compared with other SaaS tools.
- We achieve an environment where **SMEs can focus on their core business** by providing SaaS, BPaaS, and various management support through our service.



Second Quarter of FY 2024 Results

06 | Business Overview



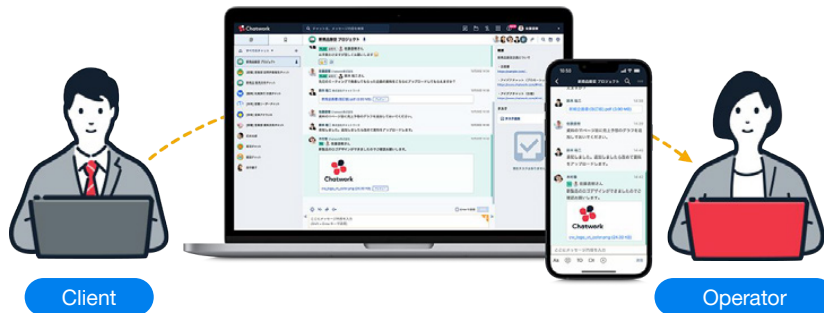
Our Business

- Operating the business of Japan's largest business chat, 'Chatwork'. We are a pioneer in business chat, with the **largest number of users in Japan**^{*1} and adoption by more than 591,000 companies^{*2}.
- Utilizing our extensive customer base and platform, BPaaS, which is a **cloud service that provides digitized business services themselves**.

Business Chat 'Chatwork'



Business Support Service 'BPaaS'



^{*1} According to a survey of monthly active users (MAUs) conducted in May 2023 by Nielsen NetView and Nielsen Mobile NetView; applicable service selected by kubell Co., Ltd.

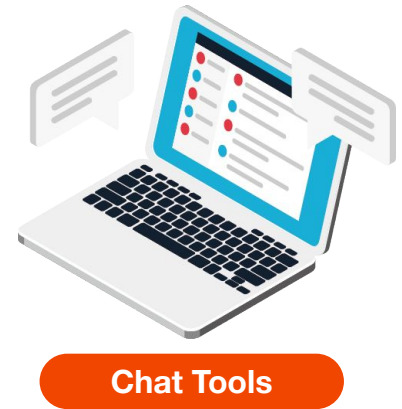
^{*2} As of June 30, 2024. From the quarter under review, we have begun using a more sophisticated method to calculate the number of companies.

Business Chat 'Chatwork'

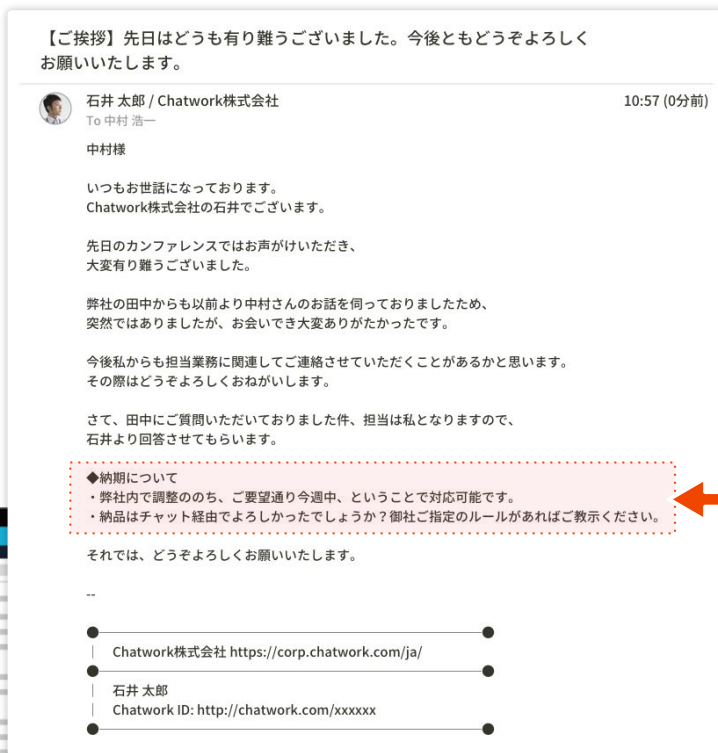
Evolution of Business Communications



Shift to more simple and efficient methods



Decreased Productivity Due to Long-Winded Emails



Recipient

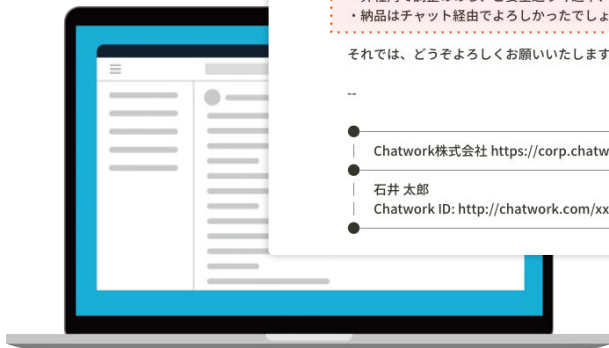
Conventional salutation and introduction

Expression of thanks and explanation of
email's subject

Key point that sender wishes to convey

Conventional ending

Signature



Improved Productivity Due to Business Chat Tools



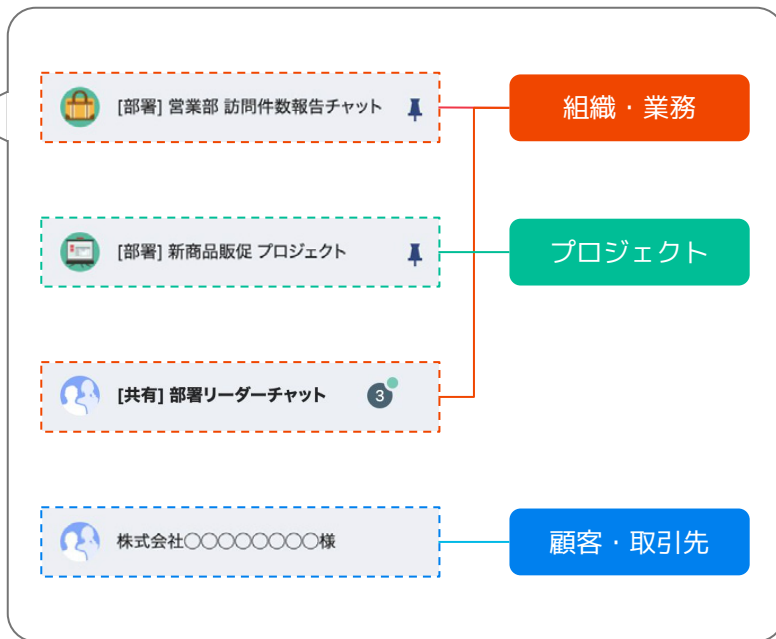
Information about past interactions and chat participants

Key point that sender wishes to convey

Accelerate Business Collaboration



Create group chat
for different teams, projects, and clients



- Within the group chat, participants can interact with multiple people at the same time to facilitate smooth information-sharing.
- Chat enables closer customer communications than via email, creating a stronger sense of connection.

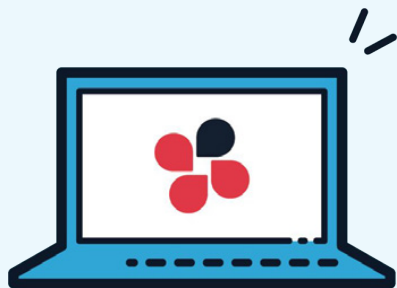
Plan / Pricing

Free For companies and individuals that want to try out the service for free	Business For companies and individuals that want to use the service for business	Enterprise For companies that want enhanced administrative functionality
1 user per month	1 user / month (annual contract)	1 user / month (annual contract)
¥0	¥700	¥1,200
	¥840 / month for monthly contract	¥1,440 / month for monthly contract
Up to 20 external contacts per user	Unlimited 1:1 chats	Unlimited 1:1 chats
Unlimited group chats	Unlimited group chats	Unlimited group chats
1:1 video calls / voice calls	Group video calls / voice calls Up to 14 people	Group video calls / voice calls Up to 14 people
Unlimited number of viewable messages within the last 40 days	Unlimited number of viewable messages	Unlimited number of viewable messages
10GB storage / organization	10GB storage / user	10GB storage / user
Number of users: Up to 100 per organization	Number of users: Unlimited	Number of users: Unlimited
—	—	Security management

*1 We stopped accepting new applications for the personal plan at the end of January 2021. We also reduced the minimum number of users under the business plan from five to one. Implementing this change means that even individuals can apply. People currently using the personal plan can continue to do so.

Features of Chatwork's Services

Easy to use



The interface and functions are designed to mainly target business professionals who are not IT experts. The service is easy for anyone to use and requires no complicated customization.

Open platform



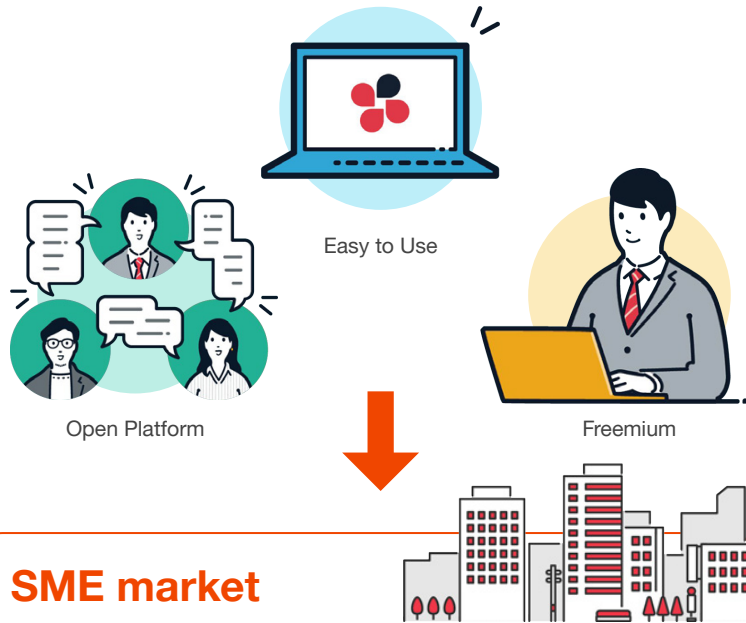
We employ an open platform-based approach that enables seamless internal and external communication using a single account. In many cases, the platform is also used externally with customers and business associates.

Freemium



Services are provided using a “freemium” model that allows unlimited continued use free of charge. Users can casually recommend Chatwork to customers and business associates, then switch to a premium paid plan once usage intensifies.

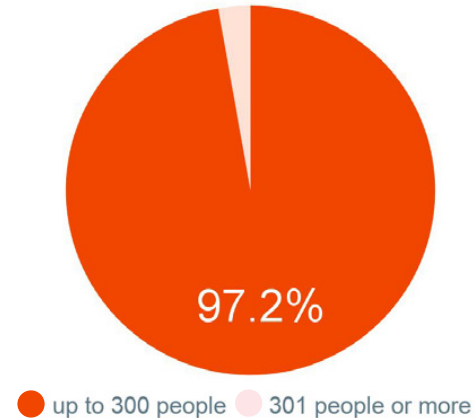
Growing Use in the SME Market



SME market

- Few people with detailed IT knowledge in the company
- No budget for investing in IT
- Want to use the same tools as customers and associates

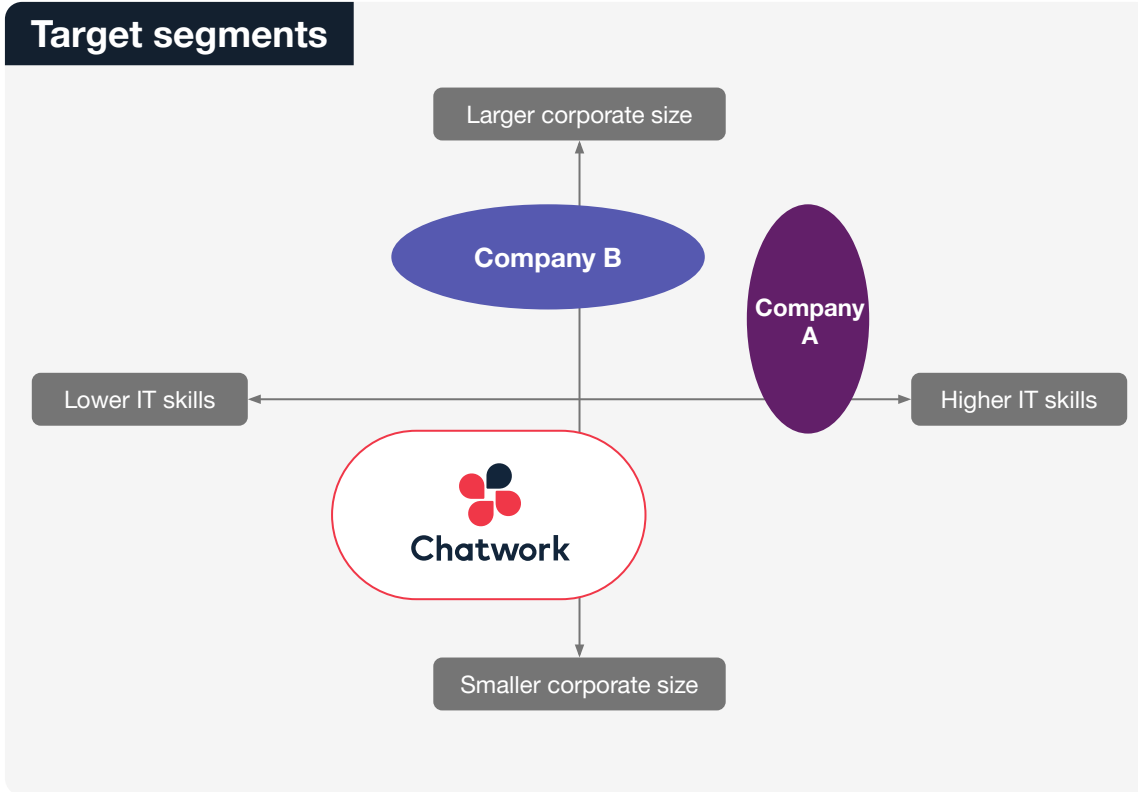
Proportion of Paying Users by Company Size



Companies with 300 or fewer people account for 97.2% of paying users.*¹

Note: The customer base is stable, with most of the paying users being SMEs and without much dependence on specific companies.

Positioning in the Industry

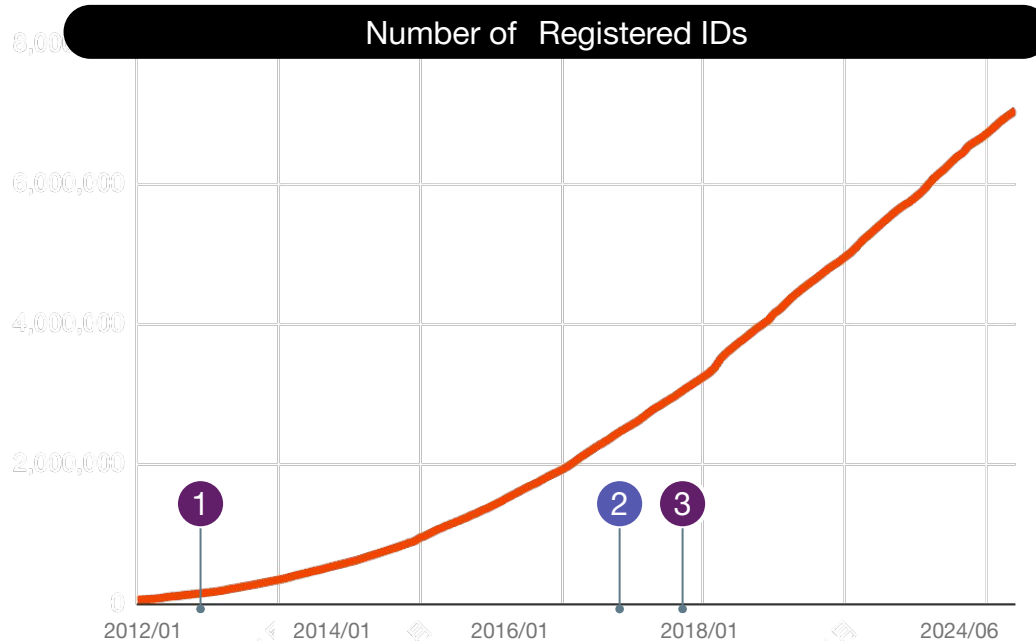


- We have two major competitors, but these companies focus on different target segments.
- As the market penetration rate of business chat tools is still low, the companies are working to develop new markets in their respective domains.

Strengths of Chatwork

A Service Structure Whose User Base Continues to Grow **Exponentially**

- Chatwork is easy to use for communication with customers and business associates thanks to the open platform-based approach, which enables seamless internal and external communications, and the freemium model that allows users to start using the software free of charge. Because of this, the user base continues to grow exponentially as it is introduced through referrals.
- Entry of competitors has not affected growth in the Chatwork's user base.

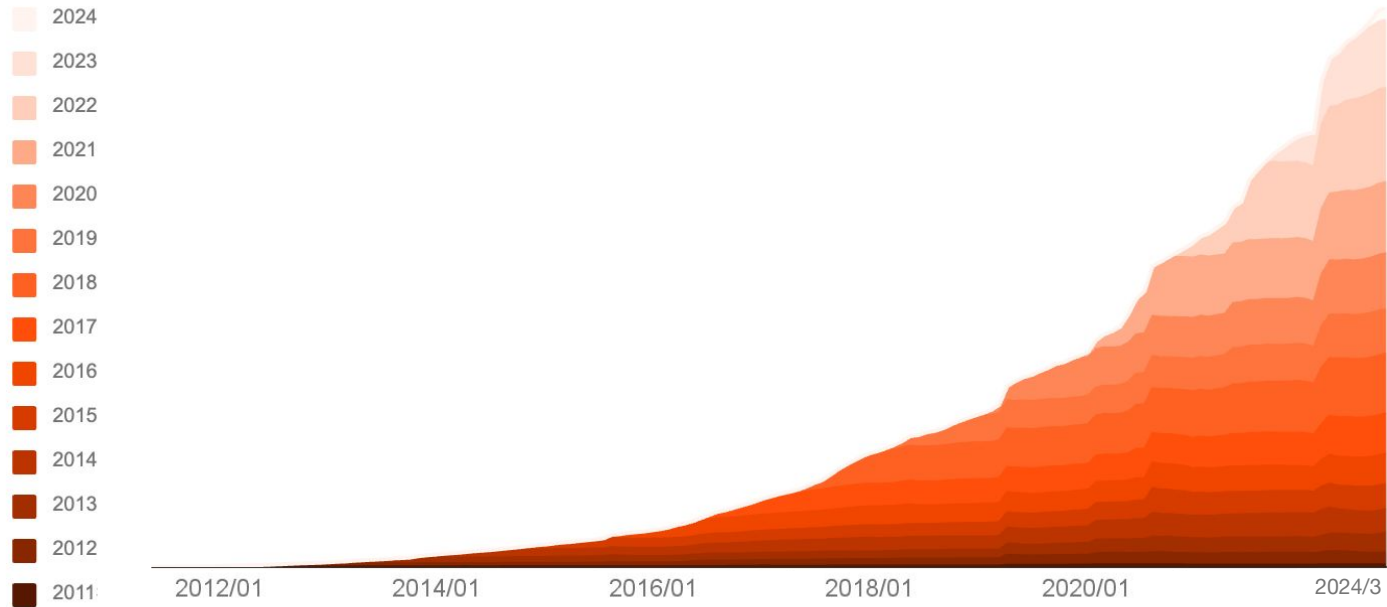


Market Entry by Competitors

- 1 August 2013
Release by Company A
- 2 March 2017
Release by Company B
- 3 November 2017
Release of Japanese version by Company A

Chatwork Revenue Growth by Cohort

- Growth in income due to more internal users and customers upgrading to premium plans exceeds the downward impact of canceled contracts.
- The net revenue retention rate^{*1} is over 123%^{*2}.
- The monthly retention rate is extremely high, at 99.76%^{*3}.



*1 NRR rate = (ARR at beginning of period - revenue churn on a monthly basis + revenue expansion on a monthly basis) / ARR at beginning of period

*2 Stock revenue as of Dec. 31, 2022 from billing customers as of Dec. 31, 2021 ÷ Stock revenue from Dec. 31, 2020 to Dec. 31, 2021

*3 Monthly continuation rate is indicated as "1 - churn rate." Churn rate refers to the rate of churn to the number of registered IDs. The figure indicates the 12-month average value from July 2023 to the end of June 2024.

Business Chat Adoption Case: Medical and Nursing Care



Medical Corporation
Ryouwakai
Kakegawa Higashi Hospital—
Kikyonooka

Hiroki Miyachi, Director



医療法人社団 緩和会

掛川東病院 介護老人保健施設 桔梗の丘

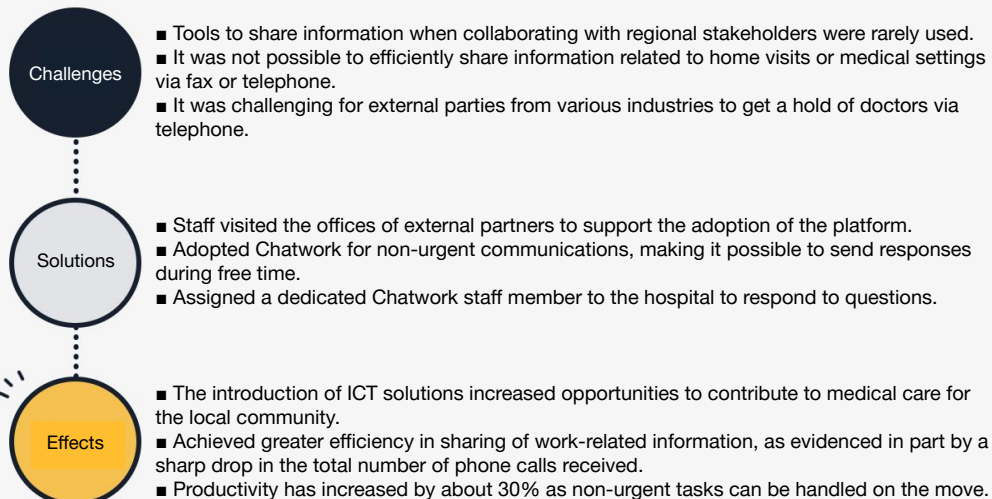
Medical Corporation Ryouwakai, Kakegawa Higashi Hospital—Kikyonooka

Located in Kakegawa City, Shizuoka Prefecture, Kakegawa Higashi Hospital—Kikyonooka comprises three medical wards, two long-term care insurance facilities, and a home medical care department. Under the vision of "a community hospital that supports regional needs," the hospital provides a wide range of medical and nursing care services, helping patients from the local community return to their homes.

[Link to article](#)

Size	301~1,000名
Industry	Medical care, nursing care, welfare
Purpose and effect	Enhance efficiency of information sharing, and collaborate with external stakeholders

The introduction of ICT solutions has drastically improved our information sharing, and increased opportunities to contribute to medical care for the local community



Business Chat Adoption Case: Manufacturing Industry



Yamamoto Seiko Co., Ltd.

Mr. Imanishi,
Production Control



Yamamoto Seiko Co., Ltd.

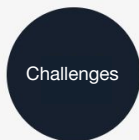
Osaka-based Yamamoto Seiko Co., Ltd. is a technical trading company and parts manufacturer with a long history (currently in its 67th year of operation). It collaborates with 250 partner companies to develop, manufacture, and ensure stable supply of components that underpin Japan's industries.

[Link to article](#)

Size	51–100 users
Industry	Manufacturing, production
Purpose and effect	Enhance efficiency of information sharing, and support mobility (usability on the go)

Rapid responses to sales and project inquiries with Chatwork!

Revenue and profit growth for three consecutive years



- Needed an information sharing system to reduce the burden on small and medium-sized local factories (partner companies).
- When quality issues arose, responses were sometimes delayed.
- Sharing information with sales section employees, who are often out of the office, proved difficult, resulting in missed opportunities.



- Introduced Chatwork, a simple and free tool, to facilitate interaction with partner companies.
- Chatwork is now used to rapidly share photos and diagrams of defective parts.
- The use of a chat system contributes to seamless information sharing with sales staff working outside the company.



- The introduction of Chatwork, coupled with organizational reforms, has driven a 115% YoY increase in revenue.
- Gained customer trust by establishing a fine-tuned system to immediately address quality issues.
- Accumulated experience in how to transform the company through successive improvements.

Business Chat Adoption Case: Construction and Real Estate



Kimura Sangyo Co., Ltd.

Yoshihide Kimura,
Representative Director



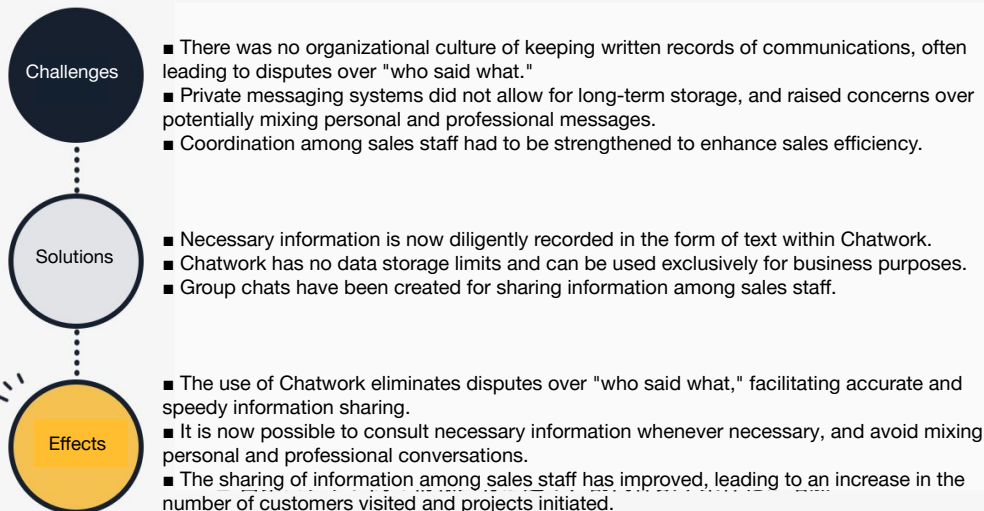
Kimura Sangyo Co., Ltd.

Kimura Sangyo Co., Ltd. was founded in the Meiji era as a blacksmith shop. Today, it engages in businesses such as civil engineering, architecture, wooden houses, and real estate. It undertakes projects that are deeply rooted in community living, ranging from public works to land search and development, and residential construction. It also handles explosives used in tunnel excavation.

[Link to article](#)

Size	1–50 users
Industry	Construction, real estate
Purpose and effect	Enhance efficiency of information sharing, and facilitate knowledge sharing

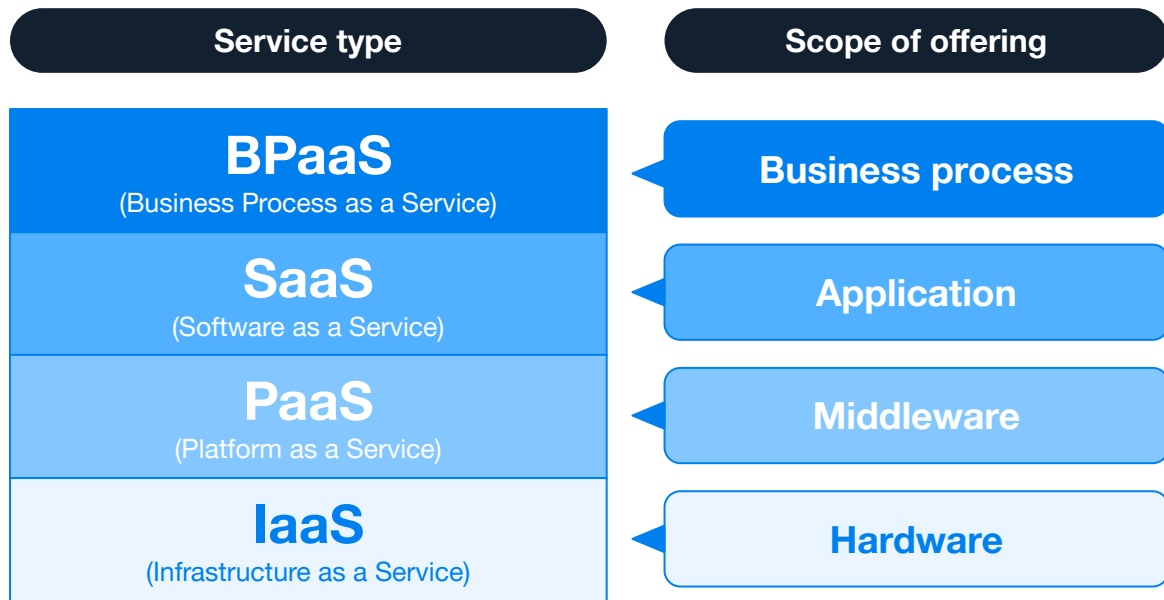
Optimal solution for construction industry, where preparation accounts for 80% of successful outcomes. Sales efficiency and projects have both increased.



BPaaS
(Business Process as a Service)

About BPaaS

- BPaaS is short for Business Process as a Service. Rather than just software, BPaaS is a cloud service that provides business services themselves, allowing facilitating **cloud-based business process outsourcing (BPO)**.
- BPaaS, the next upstream layer from SaaS in cloud-based services, will be the **next trend**.

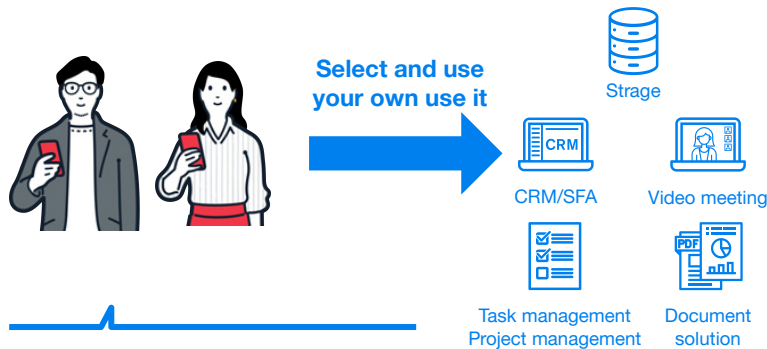


BPaaS is the main player in achieving DX in the majority market

- Choosing and mastering SaaS is **mainly done by advanced users** who are knowledgeable about IT.
- For the **majority market, which accounts for more than two-thirds of the population**, it is difficult to manage and use a variety of SaaS products with different usability.
- To achieve DX in the majority market, it is **effective to use BPaaS** to drive DX by winding up SaaS for each business process and on behalf of customers.

SaaS

Solving business issues through DX on your own



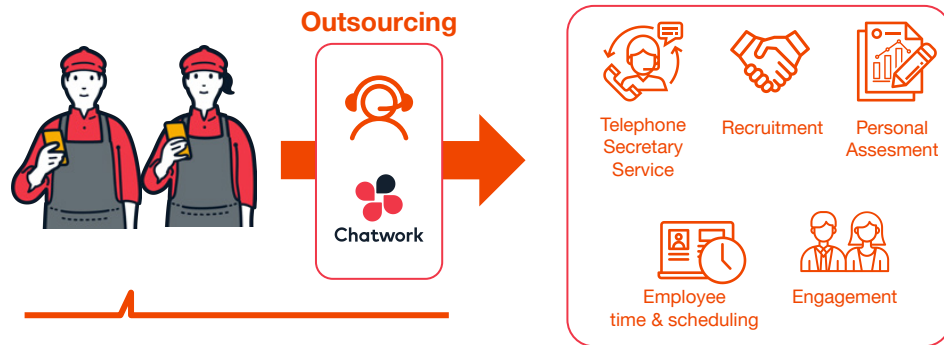
Users suited to SaaS

Tech-savvy early adopters in IT

- Can select tools on their own
- Management and employees can use the tools efficiently

BPaaS

Requests for entire business process and DXing are also outsourced



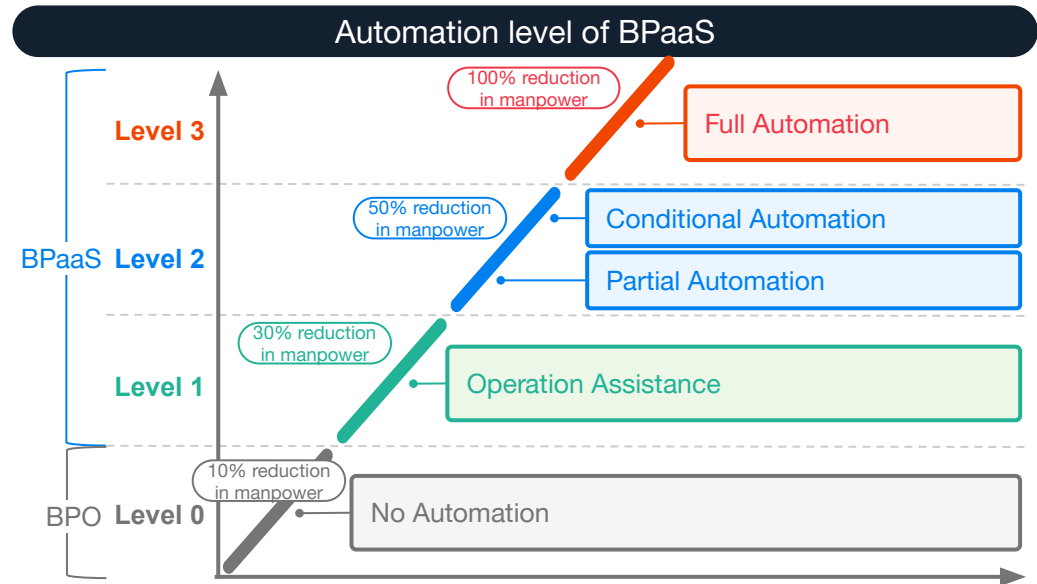
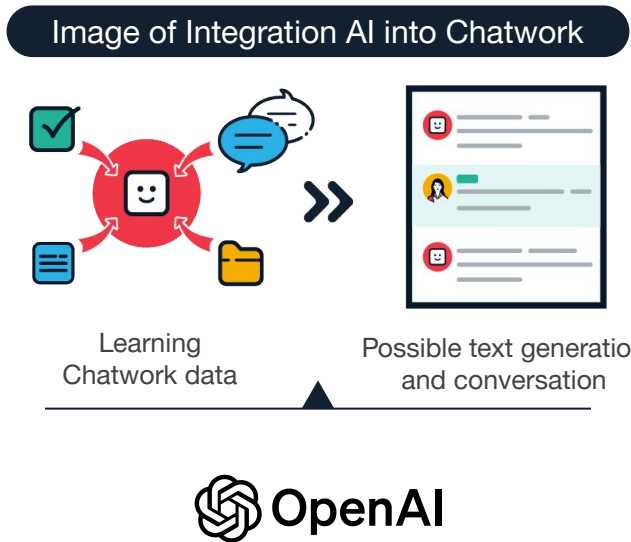
Users suited to BPaaS

majority

- Difficulty in decision making to adopt SaaS
- Difficulty in using SaaS

The Rapid Evolution of AI and the Potential of Chatwork

- LLM-based^{*1} systems, like ChatGPT^{*2}, use innovative technology to enable advanced document comprehension and diverse task execution through AI.
- These innovative technologies significantly improves the value of chat services, with the potential to provide text generation and summarization based on past message data, as well as conversational capabilities with AI.
- In the future deployment of our BPaaS, we aim to dramatically improve our productivity by AI-enabling interactions and requests with users.



*1 Large Language Model (LLM) is an abbreviation for a natural language processing model that has been trained on a large amount of text data.

*2 OpenAI's conversational AI service released in November 2022. It is capable of learning from vast amounts of textual data and responding to questions in chat format, as well as performing diverse tasks using a single model.

Chatwork Assistant Service Overview

Troublesome work can be requested on Chatwork for as little as 10 hours a month and as much as you need at the time you need it.

- No recruitment or training required
- No manual required
- Can be up and running in as little as 5 business days
- Monthly fee: 35,000 yen and up



Work that can be requested

Accounting	Journalizing, bookkeeping, and invoicing
HR/labor	Attendance management and payroll
Clerical work etc	Data Entry/Organization, Transcription General Affairs, Sales, Secretarial, Recruitment Translation System implementation

Free combination of different operations

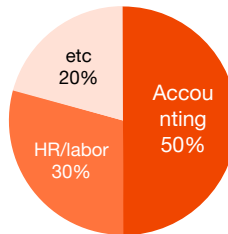


Image of business combination

Contract image

High-volume requests can be handled

Example: 40 hours/month contract

Journal entries , bank transfer handling	15h
Employee time & scheduling	10h
Article writing , SNS updates	15h

Chatwork Assistant Adoption Case: Sanki Unyu Co., Ltd.



**Like having an additional team member
Has exceeded expectations in handling requested tasks**

Tasks assigned to Chatwork Assistant

Handling of billing operations, various surveys, preparation of materials

Contract type 6-month plan, 10 hours per month

Company profile

Sanki Unyu Co., Ltd.

Employee count

121

Business lines

- General area truck transportation, freight transportation and handling, consolidated transportation, chartered transportation, and moving services
 - Specializes in PVC pipe transportation
-

Chatwork Assistant Adoption Case: Sanki Unyu Co., Ltd

Challenges before adoption

- The Administration Department of Sanki Unyu Co., Ltdl, operating with a bare minimum of staff, was responsible for all back-office operations as well as the management of transportation and warehousing.
- The Administration Department created job postings, but experienced difficulties in recruiting new personnel, and urgent hiring in other departments was therefore prioritized. As a result, the department struggled to process its workload when various tasks demanded attention at the same time.

Sanki Unyu Co., Ltd. business locations

Headquarters

Saitama Central
Sales Office

Administration and Sales
Headquarters



Requesting
party

Yamagata Kaminoyama
Sales Office

Tochigi Sales Office

Gunma Sales Office

East Japan
Logistics Section

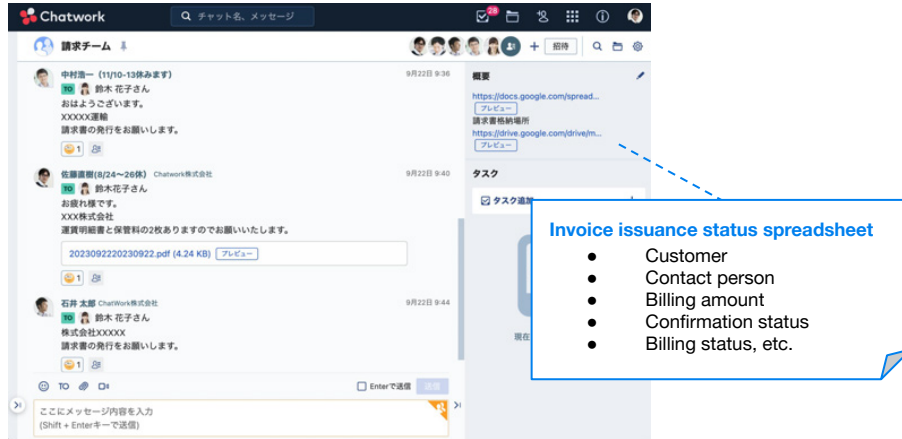


Chatwork Assistant Adoption Case: Sanki Unyu Co., Ltd

Effects after adoption

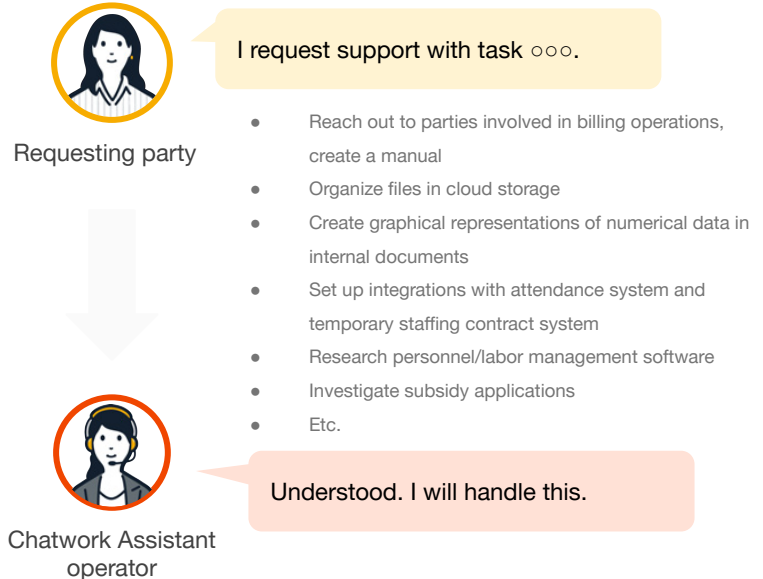
First step in digitizing operations—reduced admin work hours (freeing up 10–20 hours per month)

- The assistant was asked to handle billing operations and improve operations, and supported every step until all stakeholders could use the system effectively.
- Employees can now focus on their core duties, knowing that any issues can be solved simply by making a request to the assistant.



(Sample screenshot)

The entire billing process was visualized using Chatwork and spreadsheets, enabling all stakeholders to confirm the latest status at any time, and thereby eliminating the time previously spent on confirmation and checks.



Chatwork Attendance powered by Minagin Service Overview

Achieving Legal Compliance and Business.
Efficiency Cloud system with manufacturer's
initial configuration.

- Attendance management system (time clocking, application approval, leave management, attendance data output, etc.)
- Initial fee: 0 yen and up
- Monthly fee: 30,000 yen and up

Retention rate
99.5%

As of 2020
User



Various imprinting methods Freely selectable

Can be used with PCs, smartphones, tablets, IC cards, and dedicated apps. PC logs can also be obtained with Win/Mac.

Compliance with laws and regulations with labor risk countermeasure function

Reporting function for each employee's paid leave utilization rate and 36 agreements.

Available without initial setup

Support for a variety of work styles and rules. Safe and on-schedule implementation without placing a burden on the person in charge.

Payroll Outsourcing Service Overview

Over 30 years of experience as a labor relations specialist.
Solving your problems such as business assignments,
compliance with legal changes.

- Benefit calculation, reward calculation, Web benefit details, year-end adjustment, etc.
- Initial fee: 0 yen
- Monthly fee: 30,000 yen and up



Complete follow-up system

A team of 4 to 5 people ensures a reliable response. We have multiple backup members, so you can rest assured that we will be there for you in the event of an emergency.

Comprehensive labor support

We also own a labor and management company and can perform various procedures on your behalf. employment regulations and other rules and regulations.

Various options available

Year-end adjustment, including responding to inquiries from employees. We can also respond to My Number correspondence, resident tax updates, etc.

Labor Management Package Service Overview

All labor management tasks can be entrusted to us.
Package service limited to less than 100 employees.

- Attendance management system, Web payroll, payroll calculation
- Initial fee: 0 yen
- Monthly fee: 60,000 yen and up



A wide range of support is available
through group companies

All aspects of labor management are covered, including attendance management system, web-based payroll, payroll calculation.

Our all-in-one service allows you to
Reduce your company's man-hours

We handle everything from time and attendance data acquisition to payslip uploading! You can also view web payslips in the same system.

Easy to get started Reliable fee
structure

No initial cost & simple monthly fee. Many first-time outsourcing companies apply. Additional options are also available.

Personnel Evaluation System Service Overview

Cloud System Specializing in Personnel evaluation functions.
From paper and Excel to centralized management of the evaluation process.

- Personnel evaluation system (evaluation progress management, data storage, sheet output, etc.)
- Initial fee: varies depending on the number of employees
- Monthly fee: 10,000 yen and up

Systematization Reduction of man-hours

The system can be completed from goal setting to evaluation. Distribution and tabulation of evaluation sheets
Reduction of man-hours for evaluation sheets

Evaluation progress and past data at a glance

Past data is stored in the system and can be used for human resource development. Past data is stored in the system and evaluation results can be utilized for human resource development.



System that pursues ease of use and cost Easy-to-use and cost-effective system

We offer a simple and affordable system. We also offer excellent support through our support desk.

Personnel Evaluation System Development/ Operation Support Service Overview

Simple HR evaluation system built in a short period of time.
Accompanying operational support for peace of mind.

- Support for establishment and operation of personnel evaluation system, All personnel evaluation system
- Price: Varies depending on the desired service and number of people

みんなの人事評価

Establishment of personnel evaluation system

Three core systems for grading, compensation, and evaluation systems were built. Speedy construction in about 3 months and the flexibility of a tailor-made system.

Operational Support

We provide not only construction but also operational support. We provide training and support at a pace of once a month to help you establish your business.

Personnel Evaluation System

Complete from goal setting to evaluation. Cloud system that can be used via PC/smartphone. This is a cloud system that can be used via PC/smartphone.

Second Quarter of FY 2024 Results

07 | Sustainability



Sustainability Vision

A society where everyone enjoys working and where creativity abounds



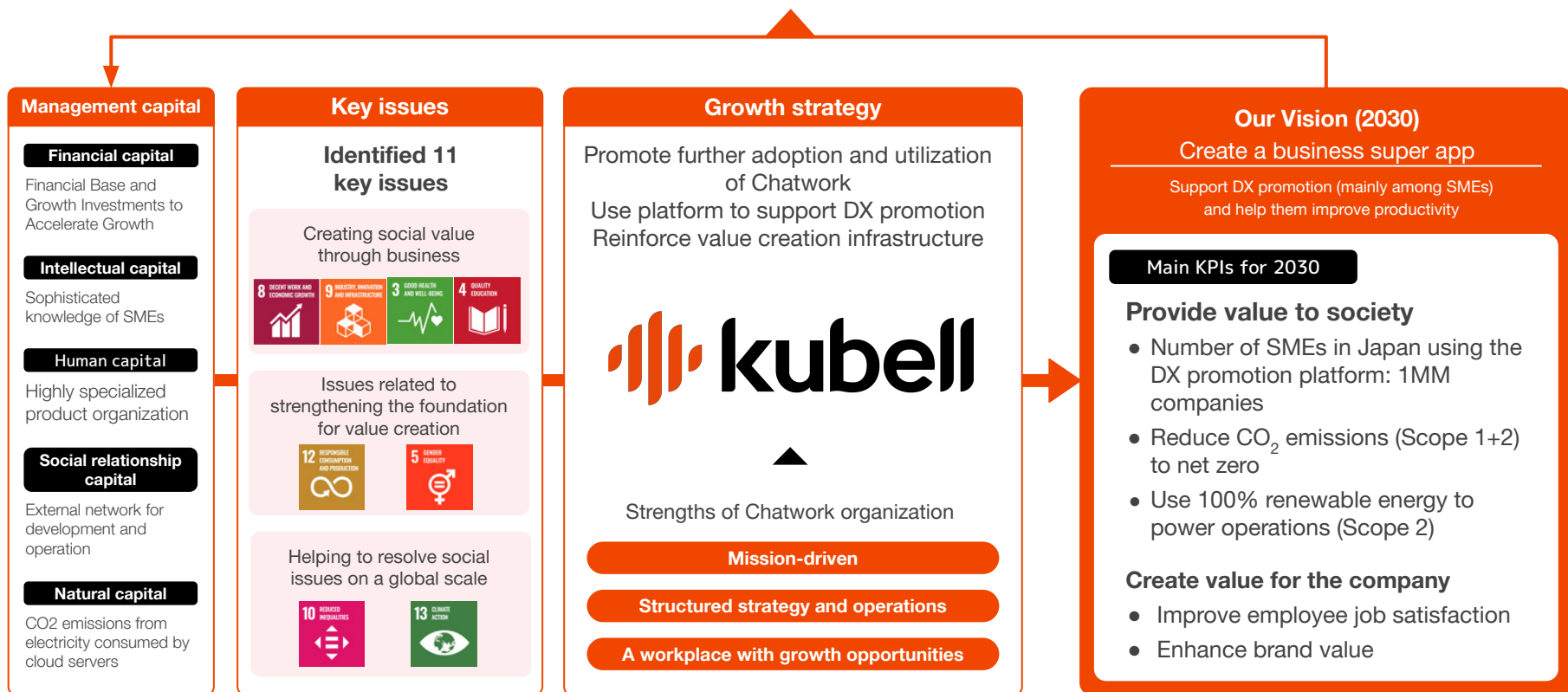
Our mission is "making work more fun and creative." People spend much of their lives working, and that time should not be spent only to earn money. We want to create a society that enables as many people as possible to enjoy their work more and express their creativity fully and freely to achieve their dreams and aspirations.

We believe that more people will work to actively achieve their dreams and aspirations, which will enrich their lives and lead to value creation that will transform our society into one that is more prosperous and sustainable.

Achieving this sustainability vision requires collaboration with our stakeholders, and we are committed to co-creating a sustainable society together.

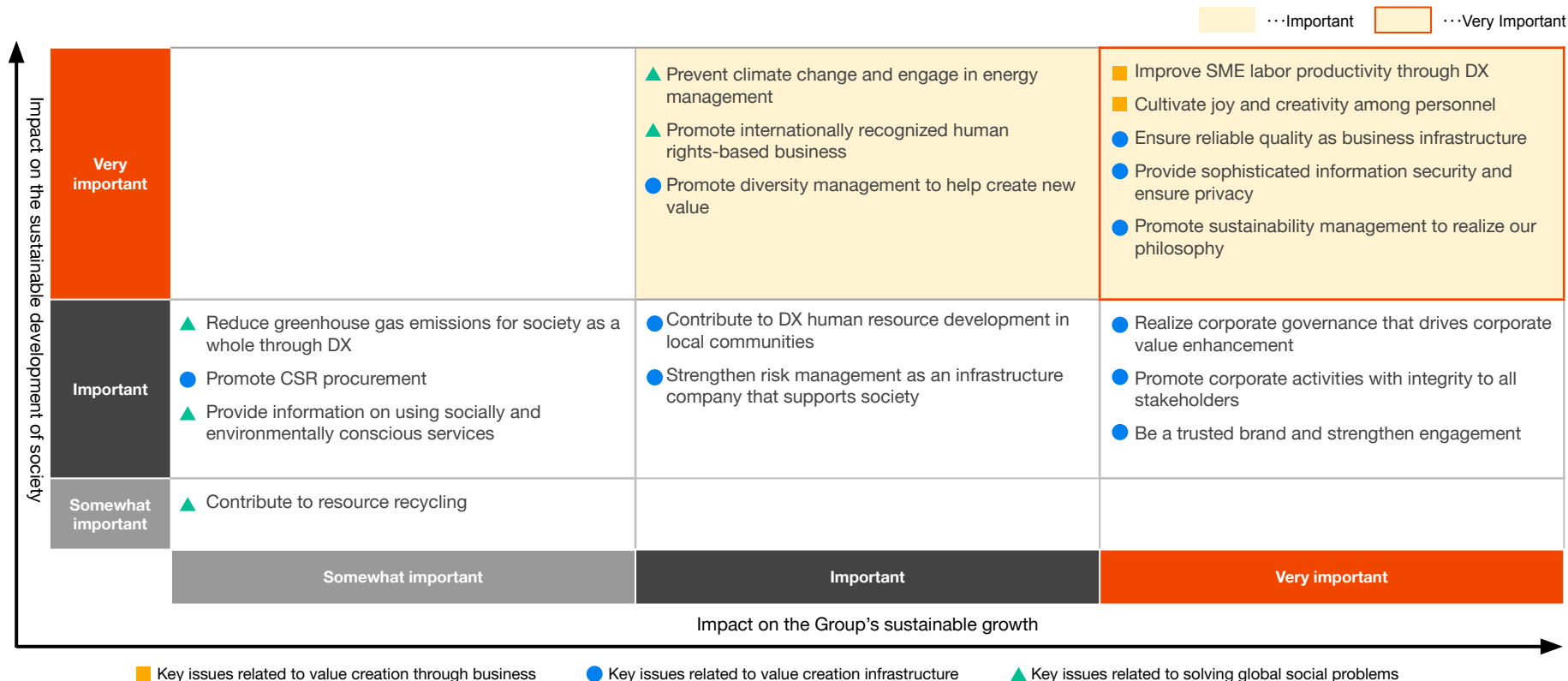
The Value Creation Process

A society where everyone enjoys working and where creativity abounds



Materiality (Key Issues) for Realizing the Mission

- To realize our mission, we have identified key issues that the Group needs to address over the medium to long term on both the financial and non-financial fronts. We have defined “11 key issues for realizing our mission and vision.”



Actions and KPIs Leading to 2030 Goals

- Listed below are the actions and KPIs leading to 2030 goals corresponding to key issues that were identified as being “very important” for both society and the Company.

Category	Key issues	Actions and KPIs leading to 2030 goals
Social value creation through business	Improving labor productivity at SMEs through DX	Number of Japanese SMEs using our business platform: more than 1 million
	Creating human resources who can work in a fun and creative way	Credo ambassadors educate employees about our values Conduct engagement surveys
Enhancement of value creation infrastructure	Ensuring reliable quality as business infrastructure	System uptime for IT services provided: 99.5% or higher on an ongoing basis
	Advanced information security and privacy protection	Enhanced security management across the entire company Critical security incidents: 0
	Conducting sustainability management to achieve the corporate philosophy	Training for basic sustainability and ESG Training for new employees on kubell Sustainability Initiatives



kubell Sustainability Website

We are pleased to announce that we have launched a sustainability website to inform our stakeholders about our environmental, social, and governance (ESG) initiatives to realize a sustainable society.

As stated in our Sustainability Vision, of being "A society where everyone enjoys working and where creativity abounds," we are determined to contribute to the realization of a sustainable society together with our stakeholders by taking social issues seriously and sincerely addressing the key issues we have identified. Please have a look.

URL

<https://www.kubell.com/en/sustainability/>



Second Quarter of FY 2024 Results

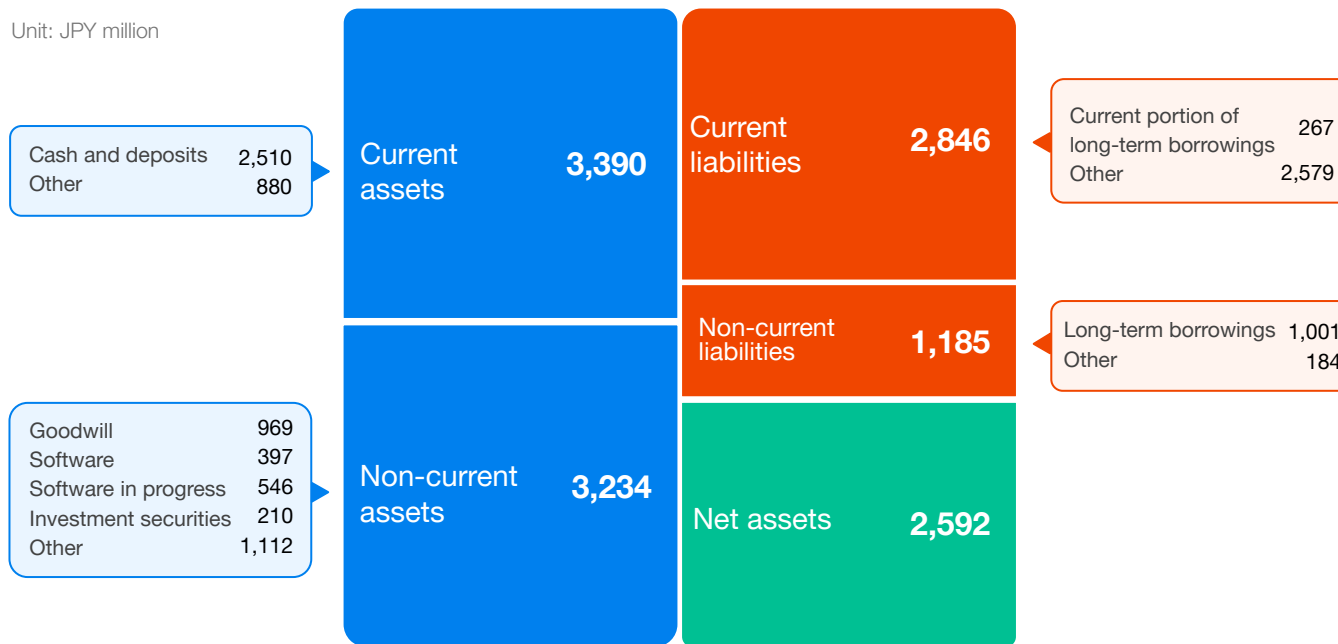
08 | Appendix



Balance Sheet

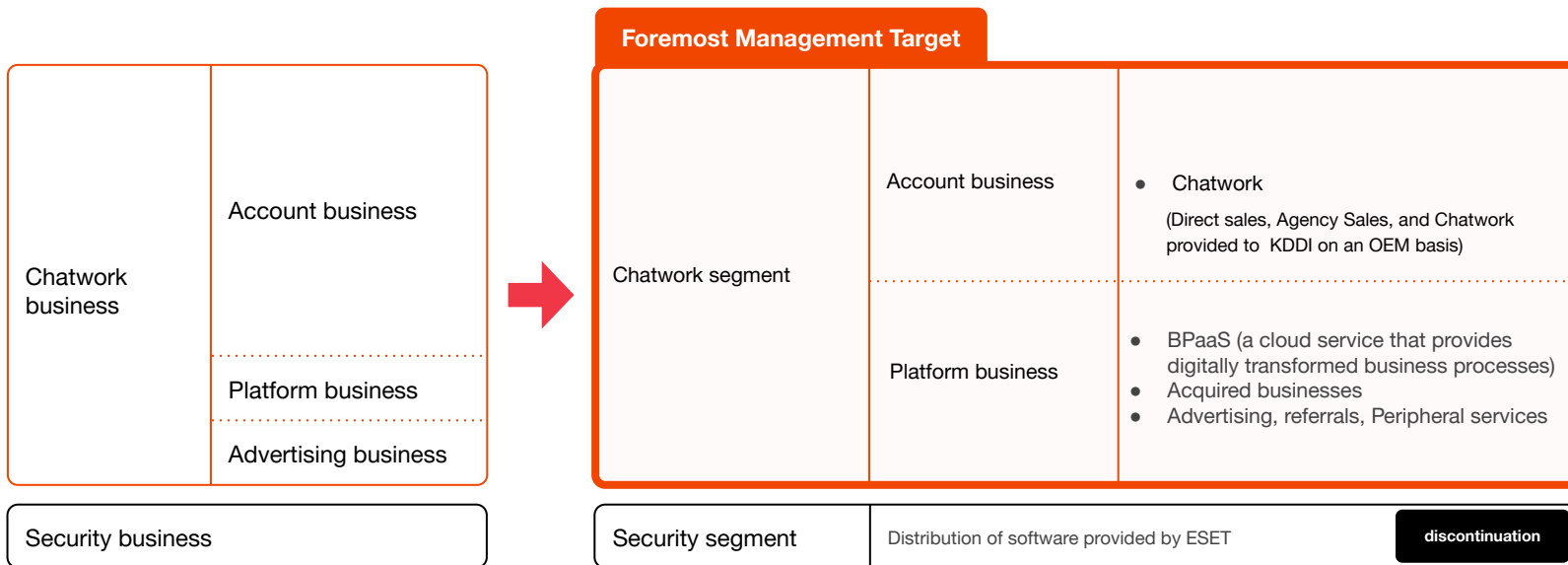
- Continued positive EBITDA and achieving operating profit have increased cash and deposits, improving the financial foundation.

Unit: JPY million



Our Business Segments

- The cloud storage business, which we acquired in July, entered the scope of consolidation in Q3 2021. As a result, we have revised our business segments as shown below.
- The cloud storage business and MINAGINE Co., Ltd.'s business acquired through M&A are incorporated (as a peripheral business) into the Chatwork segment's platform business.
- Our foremost management target is revenue growth in the Chatwork segment, which will achieve a CAGR of 40% or more between 2021 and 2024.



*1 Currently indicates the cloud storage business and MINAGINE Co., Ltd.'s business

Terminology

ARPU Average Revenue Per User

Average amount of revenue per paying ID

ARR Annual Recurring Revenue

Monthly recurring revenue multiplied by 12

DAU Daily Active User

People using the service each day

Subscription

A fixed fee paid for content and services

NRR Net Revenue Retention Rate

A sales retention ratio, indicating whether customer sales are maintained year to year

TAM Total Addressable Market

Maximum potential market size

Super app

An integrated app that can be used in a number of situations by integrating various functions into a single app that serves as a platform

LTV/CAC

Indicators of the profitability of acquiring one user:

Lifetime value (LTV) is the revenue generated during a customer lifespan, and customer acquisition cost (CAC) is the cost of acquiring one new customer.

SaaS Software as a Service

Software services provided via the cloud

Horizontal SaaS

SaaS that can be used regardless of industry

Vertical SaaS

SaaS for a specific industry

PLG Product-Led Growth

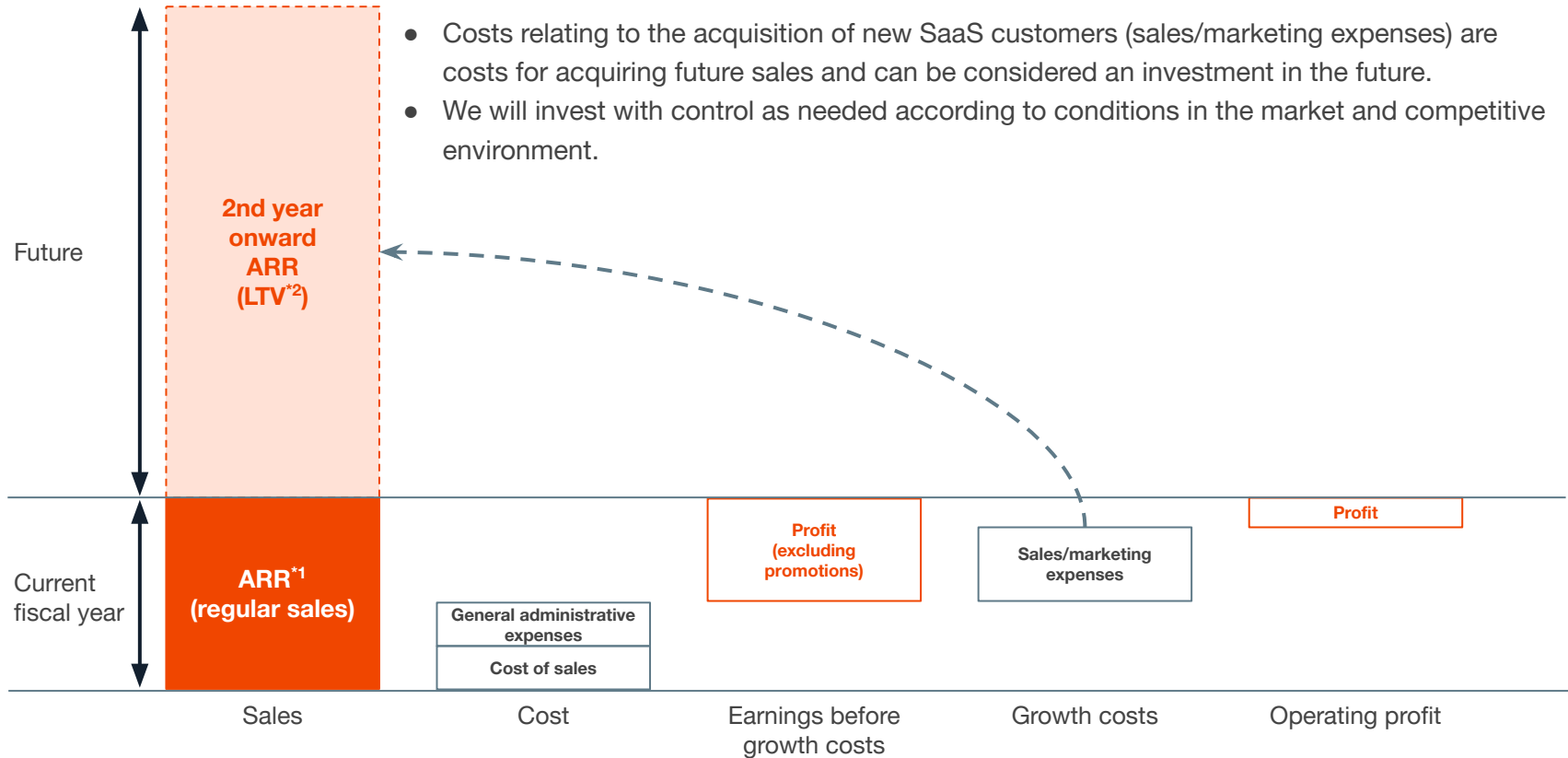
A highly efficient SaaS growth strategy for using products to acquire customers

Historical Changes in Price and Plan Revisions

- Since the service launch in April 2011, we have consistently implemented pricing and plan revisions with the aim of improving convenience and service quality.
- Moving forward, we will continue to consider appropriate measures aligned with the value provided to our users.

July, 2023	Pricing Revisions for Business Plan and Enterprise Plan: - Apply new fees to all users, including existing ones
October, 2022	Changes to Free Plan Services: -Remove the limit on the number of group chats -Introduce browsing restrictions
August, 2022	Integration of Personal Plan into Business Plan: -Discontinue individual paid plans -Transition users with payment failures and account suspensions to the Free Plan
October, 2021	Discontinuation of the previous KDDI Chatwork plan
July, 2021	Old plan discontinuation / Change in group chat restrictions
February, 2021	Plan integration
April, 2020	Discontinuation of the previous plan
February, 2020	Pricing revisions
April, 2016	Pricing revisions
April, 2011	Service launch

Cost Structure: Investment Principle



*1 Annual recurring revenue (ARR) is the value of the contracted recurring revenue components of term subscriptions normalized to a one-year period.

*2 Life time value (LTV) is an estimate of the average revenue that a customer will generate throughout their lifespan as a customer.

Chatwork's Ideals

Get enthused about work

We want to make work more exciting and inspiring, revitalizing the workplaces through more invigorating communications.

We cultivate a solid understanding of how people work and facilitate a working style that is unfettered by the constraints of time or location.



“Change starts with Chatwork.”

We released a brand movie expressing our desire to be an activator of business by guiding the success of each person with the power of technology



<https://youtu.be/3NHp8caltK0>

Shareholder Benefit Plan

We aim to increase understanding of our company as more people use our services and encourage their long-term support for the company's growth.



Shareholder eligibility

- People who have held shares continuously for two record dates (six months) in the company's shareholder register, each year as of June 30 and December 31.
- Shareholders registered as holding at least one share unit (100 shares).

Benefit details

- Shareholders can receive one ID per shareholder number for our paid personal plan^{*1}.
- The monthly fee is waived as long as the party continues to hold the company's shares.

^{*1} Although we no longer offer the paid personal plan, due to our integration of the personal plan into the business plan, we will continue to offer this plan to shareholders.



Masaki Yamamoto, CEO

Masaki Yamamoto founded EC studio (currently kubell Co., Ltd.) in 2000 while still enrolled in university. Since then, he has been involved in developing a wide range of services as CTO in charge of technology, planning and release of Chatwork, a cloud-based business chat tool, in March 2011. Along with leading development of the tool as an engineer, he has grown it into the company's core business in his role as executive officer. In June 2018, he was appointed CEO of kubell Co., Ltd. He was awarded the Venture Manager Prize at the 45th Keizaikai Grand Prix.

Strengths as CEO

- Involved with the company's core product, Chatwork, from the outset as a planner, developer and executive officer
- As a board member since founding, has overseen various aspects of the company, including technological development, business operations, and corporate affairs
- **As a CEO with technological expertise**, capable of making decisions based on an in-depth understanding of technological trends.

Director & Senior Executive Officer



Naoki Inoue, Director & Senior Executive Officer, CFO

Naoki Inoue is a graduate of Waseda University. After holding positions at strategic consulting firm Roland Berger, Dell, and other companies, he joined Recruit in 2008 and was involved in new business development and M&A. Having supervised the acquisition of Indeed in 2012, he was assigned to the U.S. to handle post-merger integration (PMI). In 2015, he was assigned to the U.K. to supervise PMI following the acquisition of Treadwell. In November 2017, after returning to Japan, he joined kubell Co., Ltd. as CFO. He was appointed as director and CFO in March 2019. In October 2023, he was appointed Director & Senior Executive Officer, CFO.



Shoji Fukuda, Director & Senior Executive Officer, COO

Shoji Fukuda joined ITOCHU Corporation in 2004, where he was engaged in new business development and investment operations related to the Internet. In 2013, he joined SMS where he supervised the entire nursing care area centering on Kaipoke, a management support service for nursing care operators, and Kaigo Job, a recruitment and career change information service for nursing care workers. In 2018, he was appointed as executive officer of the company. In January 2019, he became an external director of kubell Co., Ltd.. He joined kubell Co., Ltd. in April 2020. Following appointment as executive officer, CSO, and the general manager of Business Headquarters in July 2020, he was appointed director and COO in April 2022, and Director & Senior Executive Officer, COO in October 2023.

Executive Officer



Masaaki Tobimoto, Senior Executive Officer, CHRO and & Senior Vice President of People & Brand Division

After working in marketing for a major automobile manufacturer, Mr. Tobimoto went on to obtain an MBA from Kyoto University's graduate school before joining a major foreign consulting firm. After providing management support to several venture companies, he joined TORIDOLL Holdings Corporation in 2018, where he led the group's overall organizational and human resource strategy. In 2019, we was appointed to the position of executive officer, CHRO, and general manager of the management strategy division. In October 2023, Mr. Tobimoto became senior executive officer and CHRO of kubell Co., Ltd.



Shinya Saito, Executive Officer & Senior Vice President of Communication Platform Division

After working for a consulting firm and DeNA Co., Ltd., Mr. Saito started his own business in 2014. He developed this business, which focused on supporting the business development of small and medium-sized enterprises. He then joined ZUU Co., Ltd. in 2018, where he oversaw corporate activities as an executive officer. He joined kubell Co., Ltd. in 2020. In January 2023, he became senior vice president of the Communication Platform Division, and in October 2023 he was appointed to the position of executive officer.



Yuki Tanaka, Executive Officer & Deputy Senior Vice President of Communication Platform Division

After developing web-based systems for a system integrator, Mr. Tanaka joined kubell Co., Ltd., in 2013. He has been in charge of numerous projects including web front-end development for UI renewal projects, REST API development for external use, and message search server renewal. Later, as an engineering manager, gained management experience across a wide range of product areas. He became senior vice president of the Product Division in March 2023, and in October 2023 he was appointed to the position of executive officer.



Ryoichi Okada, Executive Officer & Senior Vice President of BPaaS Division

After working for Showa Leasing Co., Ltd., Mr. Okada joined the Rakuten Group, Inc. There, he took part in the launch of an e-commerce business in the BtoB domain and gained business management experience. He then moved to SMS Co., Ltd., where he was active in business development. In April 2017, took charge of Kaipoke, driving SMS's elderly care operators business. He joined kubell Co., Ltd. in May 2022. In January 2023, he became senior vice president of the Incubation Division, and in October 2023 he was appointed to the position of executive officer.

Executive Officer



Go Kiritani, Executive Officer & Senior Vice President of Incubation Division

He joined a power-related venture startup in its founding phase while still in university, where he was involved in establishing joint ventures and launching multiple businesses. Later, he transitioned to ABEJA, an AI venture, where he served as the head of data-related services. In October 2020, he joined kubell Co., Ltd., initially managing the DX Solutions Promotion Department, then later leading the promotion of new businesses (BPaaS) as a unit manager. In January 2024, he was appointed as an executive officer and head of the Incubation Department at kubell Co., Ltd.



Shinsuke Hase, Executive Officer & Senior Vice President of Administration Division

After working at a real estate company and a consulting firm, in 2013 Mr. Hase joined Oisix Inc. (now Oisix Ra Daichi Inc.) where, as the head of the finance and accounting department, promoted M&A and PMI. In 2019, he moved to Japan Post Capital Co., Ltd., where he invested in several companies as part of the investment department. In December 2022, he joined kubell Co., Ltd. as senior vice president of the Administrative Division, and in October 2023 he was appointed to the position of executive officer.



Gen Sawaguchi, Executive Officer & Senior Vice President of Management Planning Division

After gaining experience in corporate revitalization consulting, M&A advisory services, and M&A and management planning (at a major telecommunications company), Mr. Sawaguchi was involved in the management of several venture companies. He held positions such as director & COO and business manager at food delivery service provider Star Festival Inc., online negotiation system provider bellFace Inc., and healthcare startup CUC Inc. In February 2024, he joined kubell Co., Ltd. as the head of the Management Planning Office, and was appointed as an executive officer in March of the same year.

Outside Directors and Audit Committee Member



Tomohiro Miyasaka Outside Director

Through SBI Holdings, the financial holding company of a comprehensive internet-based financial group, in 2006 Mr. Miyasaka was involved in the launch of the current SBI Sumishin Net Bank (investors: Sumitomo Trust and Banking and the SBI Group). He joined GMO VenturePartners in 2008, becoming a director and partner in 2012. In March 2021, he was appointed as an outside director of kubell Co., Ltd.



Akiko Kumakura Outside Director (Full-time Audit Committee Member)

In 2003, Ms. Kumakura joined Asahi Audit Corporation (now KPMG AZSA LLC), where she primarily engaged in accounting audits and IPO support services. After leaving that company, she provided internal audit, internal control evaluation support, and other services, and opened the Kumakura Certified Public Accountant Office in 2017. In the same year, she became an outside auditor at Bank of Innovation, Inc. In 2019, she was appointed as an outside director and a member of the Audit & Supervisory Committee at the same company. Thereafter, she became an outside auditor at GiXo Ltd. in 2020, and an outside director at Yaruki Switch Group Holdings Co., Ltd. in 2022.

Outside Directors and Audit Committee Member



Masayuki Murata Outside Director/Audit Committee Member

Mr. Murata joined the Osaka Securities Exchange in 1991. He was appointed executive officer in 2003 and was responsible for the launch of the OSE Hercules market. After the Osaka Securities Exchange and the Tokyo Stock Exchange merged, in June 2013 he was appointed as an executive officer of the Tokyo Stock Exchange, where he was in charge of the listing promotion division. In April 2018, he established Public Gate LLC to provide mentoring to management teams aiming to take their companies public. In March 2019, he was appointed as a part-time Audit & Supervisory Board member of kubell Co., Ltd.



Akenobu Hayakawa Outside Director/Audit Committee Member

Belonged to Nakajima Transactional Law Office since 2005. Became a partner of the same office in 2010. Established HAYAKAWA BUSINESS LAW OFFICE in 2015. Appointed as an outside auditor of HENNGE Co., Ltd. in 2018, and of MonsterLabo Holdings Inc. in 2020. Engages in business activities mainly focusing on consulting for corporate governance and risk management in listed companies, as well as supporting growth strategies for venture companies.



Fumiyuki Fukushima Outside Director/Audit Committee Member

In 2005, joined Koyou Audit Corporation. Joined KPMG AZSA LLC, a limited liability company, in 2006 and engaged in IPO support, internal control audits, financial due diligence, and other related tasks. In 2014, appointed as a full-time auditor of Mercari, Inc., which was in its second year of establishment, and established management and internal control systems to support the company's growth. In January 2020, appointed as an auditor of Findy, Inc., and in May 2022, appointed as an auditor of Kashima Antlers Football Club, Inc.

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