Presentation Material

Results for the First Quarter
of Fiscal Year 2024

Chatwork Co., Ltd. (TSE Code：4448)

May 15, 2023

Chatwork

Highlights

Group revenue rose 36.0% YoY, reflecting steady growth

Revenue in the Chatwork segment increased 39.1% YoY on the back of higher ARPU

EBITDA remained positive as revenue grew following price revisions

EBITDA achieved profitability for two consecutive quarters, and at JPY120mn in Q1, it is progressing smoothly toward the full-year forecast of "over JPY300mn."

Net increase in the number of paying IDs recovering steadily

The net increase in the number of paying IDs had slowed since the price revisions, but it reached 12,000 in Q1, marking significant growth compared to the previous two quarters

Established kubell partner Co., Ltd. in April

The subsidiary is expected to lead the BPaaS business, and serve as a new growth driver for the Group in the future

KPI Highlights

Number of Registered IDs	Number of Paying IDs[*1]	Number of Registered companies	ARR[*1]
as of the end of Q1	as of the end of Q1	as of the end of Q1	as of the end of Q1
6.85MN	**743**K	**441**K	**6.91**BLN
（YoY +14.8%）	（YoY +6.2%）	（YoY +11.1%）	（YoY +32.5%）

NRR[*2]	Churn Rate[*3]	ARPU[*4]	DAU[*5]
as of the end of 2023	as of the end of Q1	as of the end of Q1	Median during Q1
123%	**0.30**%	JPY**687.4**	**1,124**K
	(For Paying IDs：1.14%)	（YoY +26.1%）	（YoY +5.6%）

ARR

- ARR[1] increased a substantial 32.5% YoY due to higher ARPU resulting from price revisions implemented in July
- Excluding the effects of M&A, account business ARR for business chat, our mainstay service was up +35.4% YoY.

ARR

Unit: JPY million

+32.5%

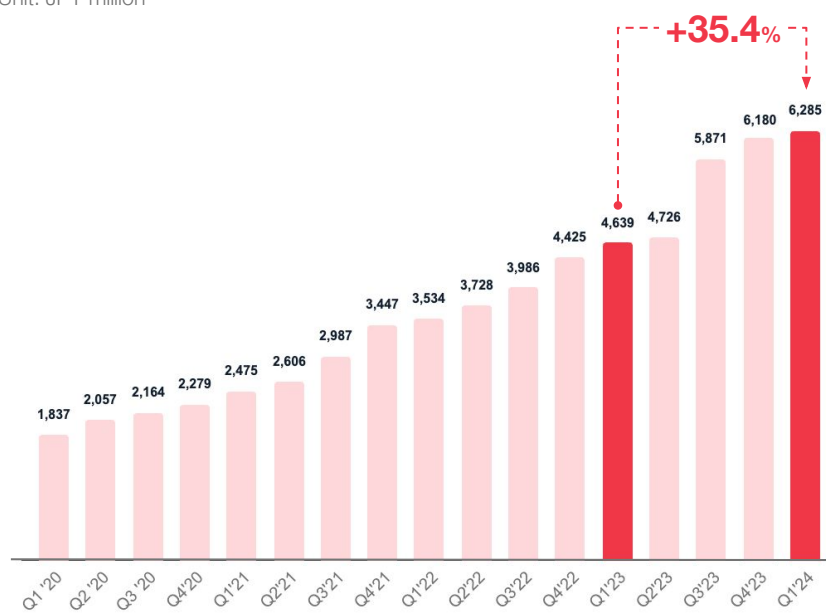| Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
1,837	2,057	2,164	2,279	2,475	2,606	3,345	3,806	3,900	4,098	4,358	4,794	5,219	5,321	6,468	6,812	6,918
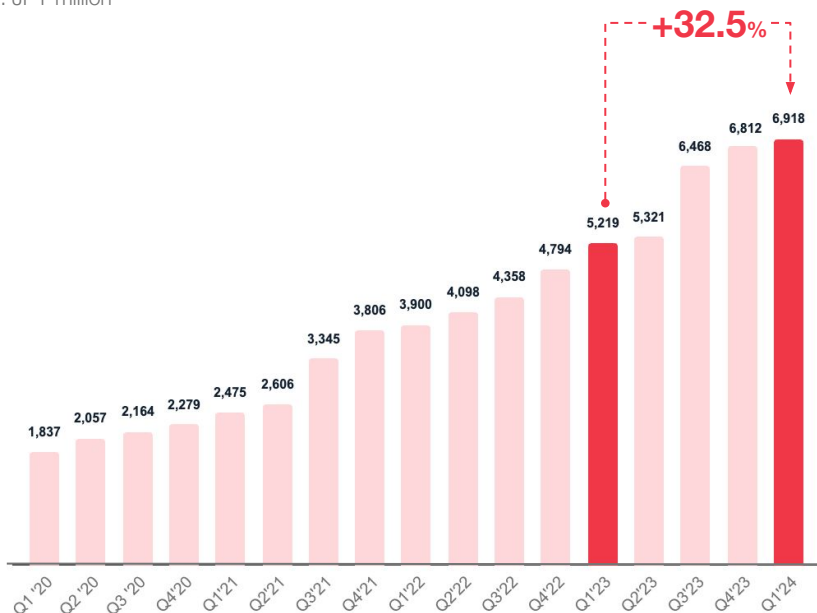
ARR（Account Business）

Unit: JPY million

+35.4%

Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
1,837	2,057	2,164	2,279	2,475	2,606	2,987	3,447	3,534	3,728	3,986	4,425	4,639	4,726	5,871	6,180	6,285

[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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FY2024 Results

1

Company Overview

Chatwork

Company Name
Chatwork Co., Ltd.

CEO
Masaki Yamamoto

Group employee count
465 (March 2024)

Locations
Tokyo, Osaka

Established
November 11, 2004

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.
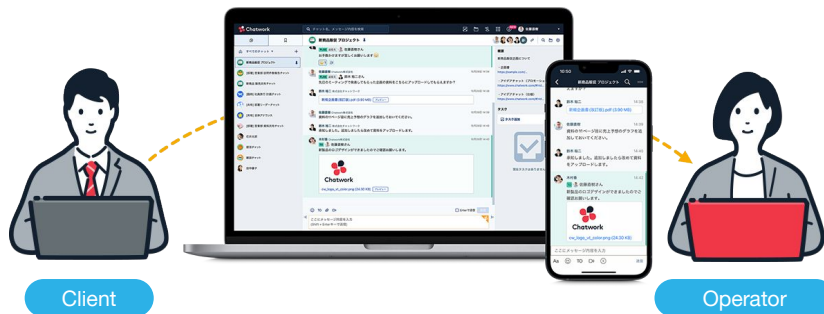
Our Business

- 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* and adoption by more than 441,000 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'

Client

Operator
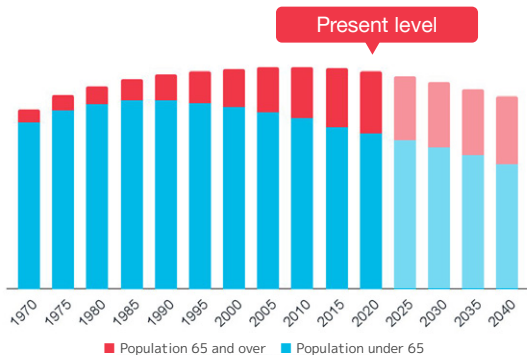
Social Context

- 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

Present level

Population 65 and over   Population under 65

1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020 2025 2030 2035 2040

Labor productivity at SMEs
significantly lower than at large companies

Labor productivity at SMEs trending sideways; gap with large companies continues to widen[3]

(Ten thousand yen)

1,460
1,305

Widening gap

542
524

2003 2005 2007 2009 2011 2013 2015 2017 2019 2021   FY

Large companies (non-manuf.)   SMEs (manuf.)   Large companies (manuf.)   SMEs (non-manuf.)
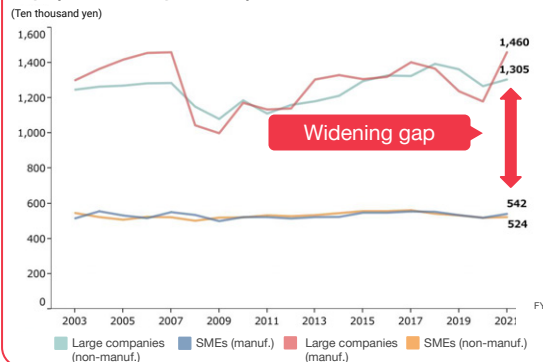
IT (DX) investment essential
to improve labor productivity

SMEs that actively invest in IT enjoy significantly higher revenue and ordinary profit margins[4]
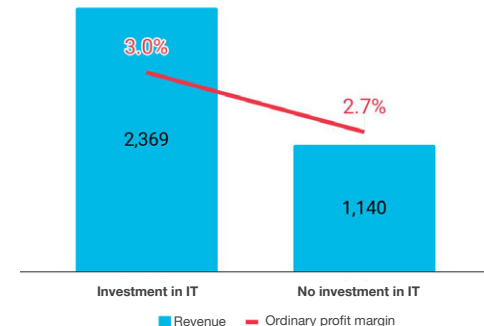
3.0%
2,369

2.7%
1,140

Investment in IT   No investment in IT

Revenue   Ordinary profit margin

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

19.0%

Using Business Chat

81.0%
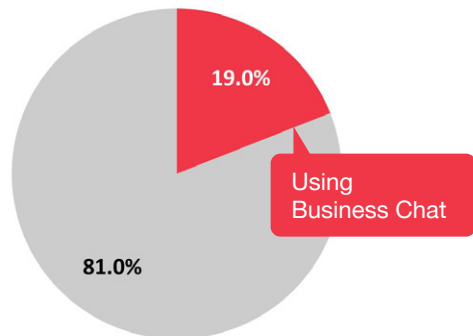
Number of Users Increasing at a Compound Rate

Number of registered IDs

6.85MM

July 2012   March 2024
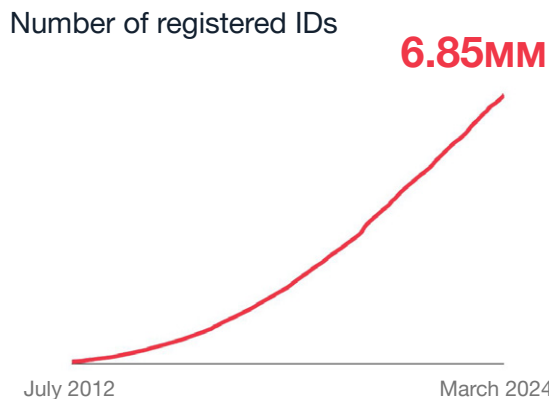
ARPU Rising and High Retention Rate due to Ongoing Increase in Product Value
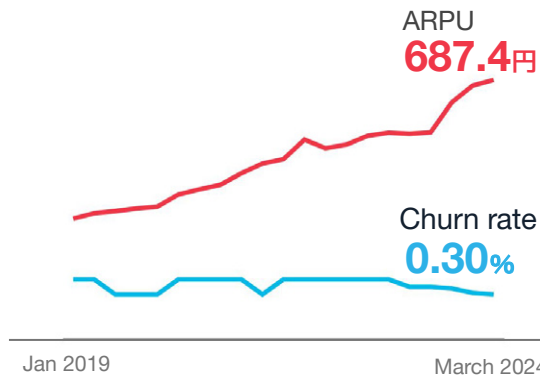
ARPU
687.4円

Churn rate
0.30%

Jan 2019   March 2024

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 440,000 companies and boasting over 6.85 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 441,000 companies

97.2% of paid contracts with companies of 300 or fewer people[2]

97.2%
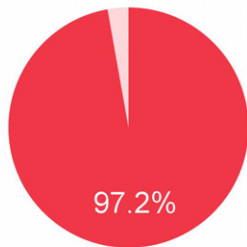
- up to 300 people
- 301 people or more

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

Revenue from peripheral services growing each year
Sharp growth driven by DX advisory services and M&A

YoY+107.3%

DX advisory services

BPaaS

2018	2019	2020	2021	2022	2023
78	100	123	354	559	1,159
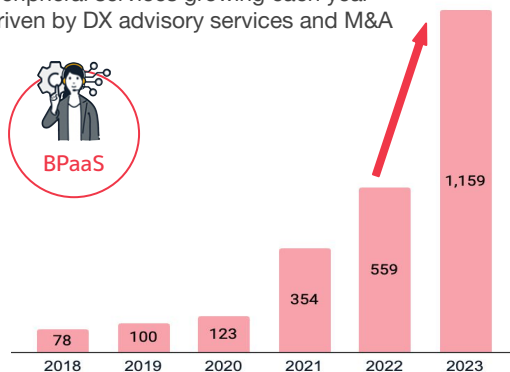
*1 See business segment details in Appendix for segment information.
*2 As of March 2024

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.

Service type	Scope of offering
BPaaS (Business Process as a Service)	**Business process**
SaaS (Software as a Service)	**Application**
PaaS (Platform as a Service)	**Middleware**
IaaS (Infrastructure as a Service)	**Hardware**

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

Select and use your own use it

Strage

CRM

CRM/SFA

Video meeting

Task management
Project management

Document solution

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

Outsourcing

Chatwork

Telephone Secretary Service

Recruitment

Personal Assesment

Employee time & scheduling

Engagement

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.

Image of Integration AI into Chatwork

Learning Chatwork data

Possible text generation and conversation

OpenAI

Automation level of BPaaS

Level 3	Full Automation — 100% reduction in manpower
Level 2 (BPaaS)	Conditional Automation — 50% reduction in manpower
	Partial Automation
Level 1	Operation Assistance — 30% reduction in manpower
Level 0 (BPO)	No Automation — 10% reduction in manpower

*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.

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.

SaaS to Business Efficiency

| Engagement | Task management Project management | Strage | Document solution | Video meeting | CRM/SFA |

BPaaS to Provide Business

| Personal Assesment | Recruitment | Chatwork Telephone Secretary Service | Employee time & scheduling | Accounting | Billing Management Contract Management |

Business Support

| Finance | Assistance | Payment | Employee benefits |

Empower clients to focus on their core business
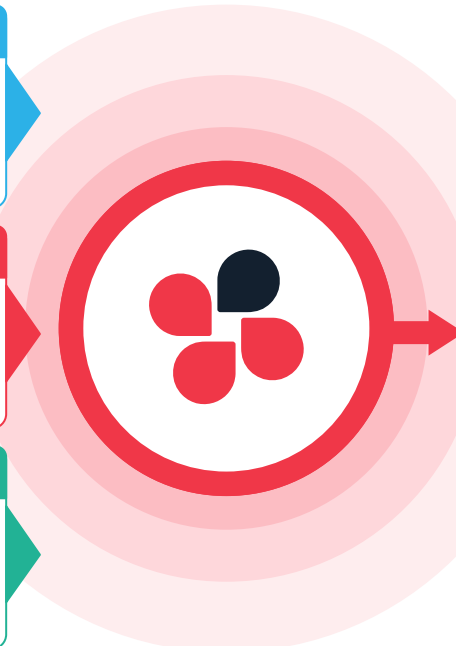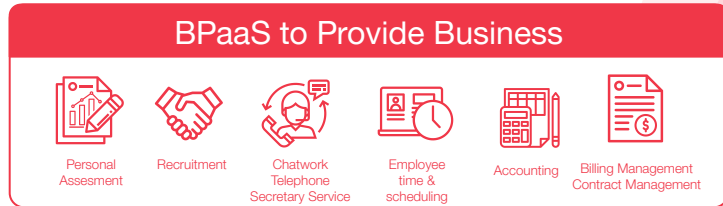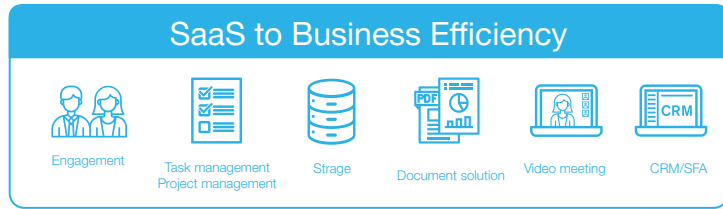
First Quarter of
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Results

2 **Major Topics**

Topic (1) Revision of Results for the Previous Fiscal Year

- Results for the fiscal year ended December 31, 2023 have been audited by Deloitte Touche Tohmatsu LLC and are presented in the annual securities report dated March 28, 2024.

- From the fiscal year ending December 31, 2024, results are being audited by Ernst & Young ShinNihon LLC. As a result, the estimation period of future cash flows in the impairment accounting process was determined to be inappropriate in light of current accounting standards. Accordingly, for the fiscal year ended December 31, 2023, we have recorded an impairment loss of 91 million yen on customer-related assets identified at the time of acquiring shares in a Group company.

- The impact on this period's performance is minor.

Period	Unit：JPY million	Before revision (A)	After revision (B)	Amount of impact (B-A)	Percentage change (%)
20th fiscal period (Fiscal year ended December 31, 2023)	Revenue	6,485	6,485	-	-
	Operating profit	-684	-684	-	-
	Ordinary profit	-693	-693	-	-
	Profit attributable to owners of parent	-600	-661	-60	-
	Total assets	6,364	6,273	-91	-1.4
	Net assets	2,482	2,422	-60	-2.4

Topic (2): Establishment of kubell partner Co., Ltd.

- In April, we established the subsidiary kubell partner Co., Ltd. to lead the BPaaS business.

- Going forward, kubell partner will develop the BPaaS business into a new growth driver for the Group by leveraging the customer base of the Group's mainstay Chatwork (business chat) business to provide essential DX solutions to customers.

- kubell partner inherited all shares in MINAGINE Co., Ltd. and the Chatwork Assistant business from Chatwork Co., Ltd., . To further expand the BPaaS business in the future, kubell partner will continue to expand its services, including through M&A.

Before

Chatwork Co., Ltd.
（Panrent Company）

Chatwork Storage Technologies Co., Ltd.

MINAGINE Co., Ltd.

2024/4/1

Chatwork Co., Ltd.
（Chatwork Business/ Panrent Company）

Chatwork Storage Technologies Co., Ltd.

kubell partner Co., Ltd. （BPaaS） **NEW**

MINAGINE Co., Ltd.
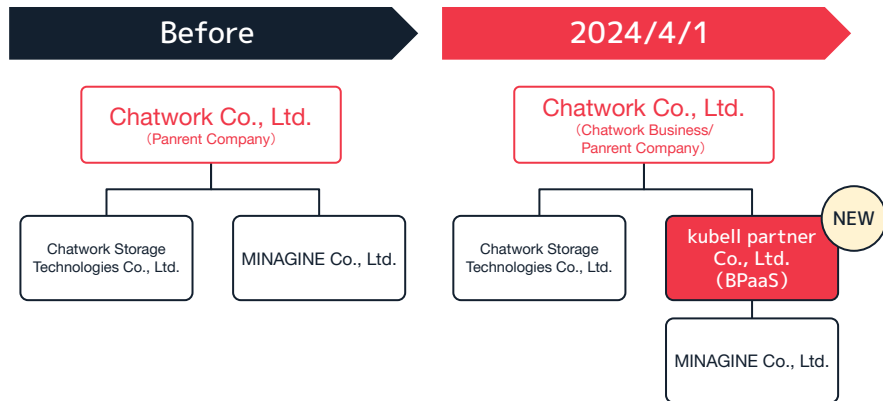
Executive Officer & Senior Vice President of the BPaaS Division

Representative Director & President, Chatwork Storage Technologies Co., Ltd.

Representative Director & President, kubell partner Co., Ltd.

Ryoichi Okada

After working at Showa Leasing Co., Ltd., Mr. Okada joined Rakuten Group, Inc., where he launched and managed a B2B e-commerce business, and gained other experience. Thereafter, he joined SMS Co., Ltd., where he engaged in business development. From April 2017, he drove business growth as the responsible officer for the management support service Kaipoke provided to nursing care providers. He joined Chatwork Co., Ltd. in May 2022, became the senior vice president of the Incubation Division in January 2023, and was appointed as an executive officer in October 2023. He served as representative director & president of Chatwork Storage Technologies Co., Ltd. from August 2022, and became representative director & president of kubell partner Co., Ltd. in April 2024.

Topic (3)-1: Further Enhancements to Governance Structure

- In March, Akiko Kumakura joined the Group as a new outside director (full-time Audit Committee member), becoming Chatwork's first female director.
- We established a Remuneration Committee to enhance the fairness, transparency, and objectivity of procedures mainly related to the compensation of directors and executive officers, and we linked executive compensation to enhancements in medium- to long-term corporate value in an effort to further strengthen our corporate governance.

Introduction of the New Outside Director

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 Director (Full-time Audit Committee Member)

Akiko Kumakura

Establishment of Remuneration Committee

General Meeting of Shareholders

Appointment/Dismissal — Board of Directors — Proposals — Remuneration Commitee NEW — Consultation

Audit/supervision — Audit and Supervisory Committee

Appointment/Dismissal — Appointment/Dismissal

Selection/Dismissal/Supervision — Representative Director — Reporting — Internal audit office — Cooperation — Cooperation

Direction — Reporting — Direction — Reporting — Strategy Meeting — Audit — Accounting Auditor — Accounting audit — Cooperation

Direction — Reporting — Each Department

Topic (3)-2: Skill Matrix

Name	Director			Outside Director				
	Masaki Yamamoto CEO	Naoki Inoue CFO	Shoji Fukuda COO	Tomohiro Miyasaka Outside Director	Akiko Kumakura Outside Director Full-time Audit Committee Member	Masayuki Murata Outside Director Audit Committee Member	Akenobu Hayakawa Outside Director Audit Committee Member	Fumiyuki Fukushima Outside Director Audit Committee Member
Position/Title	●	●	●	●		●	●	
Corporate/ Business Management		●			●			●
Finance/Accounting		●	●	●	●	●	●	●
Capital Markets/M&A					●	●	●	●
Legal/Risk Management		●	●	●				●
Global Business	●			●				
Technology/Trends	●		●					
Business Strategy/ Marketing	●					●	●	

Topic (4): Appointed Executive Officer in Charge of Management Control

- Gen Sawaguchi joined the Group and was appointed as an executive officer in March to help strengthen management planning and control functions for Group management.

- We are further solidifying our management control organization to help achieve the targets in our medium-term management plan.

Introduction of New Executive Officers

Executive Officer & Senior Vice President of Management Planning Division

Gen Sawaguchi

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 Chatwork Co., Ltd. as the head of the Management Planning Office, and was appointed as an executive officer in March of the same year.

Introduction of New Executive Leadership

	Title
Masaki Yamamoto	Director & Senior Executive Officer, CEO
Naoki Inoue	Director & Senior Executive Officer, CFO
Shoji Fukuda	Director & Senior Executive Officer, COO
Masaaki Tobimoto	Senior Executive Officer, CHRO & Senior Vice President of People Division
Shinya Saito	Executive Officer & Senior Vice President of Communication Platform Division
Yuki Tanaka	Executive Officer & Deputy Senior Vice President of Communication Platform Division
Ryoichi Okada	Executive Officer & Senior Vice President of BPaaS Division
Go Kiritani	Executive Officer & Senior Vice President of Incubation Division
Shinsuke Hase	Executive Officer & Senior Vice President of Administration Division
Gen Sawaguchi	Executive Officer & Senior Vice President of Management Planning Division NEW

Topic (5): Project Hatafure Facilitates Solutions to Challenges Faced by SMEs

- We launched Project Hatafure, an initiative to create and expand an environment that enables SMEs to take the first step toward DX.
- We designated experts who are actively exploring solutions to various regional and industry-specific challenges as Project Hatafure Certified Advisors, and planned activities in collaboration with such advisors and support organizations.
- In the first phase, supporters and support organizations from the nursing care industry participated in the project.

ハタフレ
PROJECT HATAFURE

Certified advisors, supporting companies and organizations

☑ Providing **support and assistance** to certified advisors

☑ Creating **spaces conducive to exchanges and sharing of information** on industry challenges and solutions

☑ **Sharing real-world information** on industry-specific and regional issues

☑ **Community activities** led by certified advisors
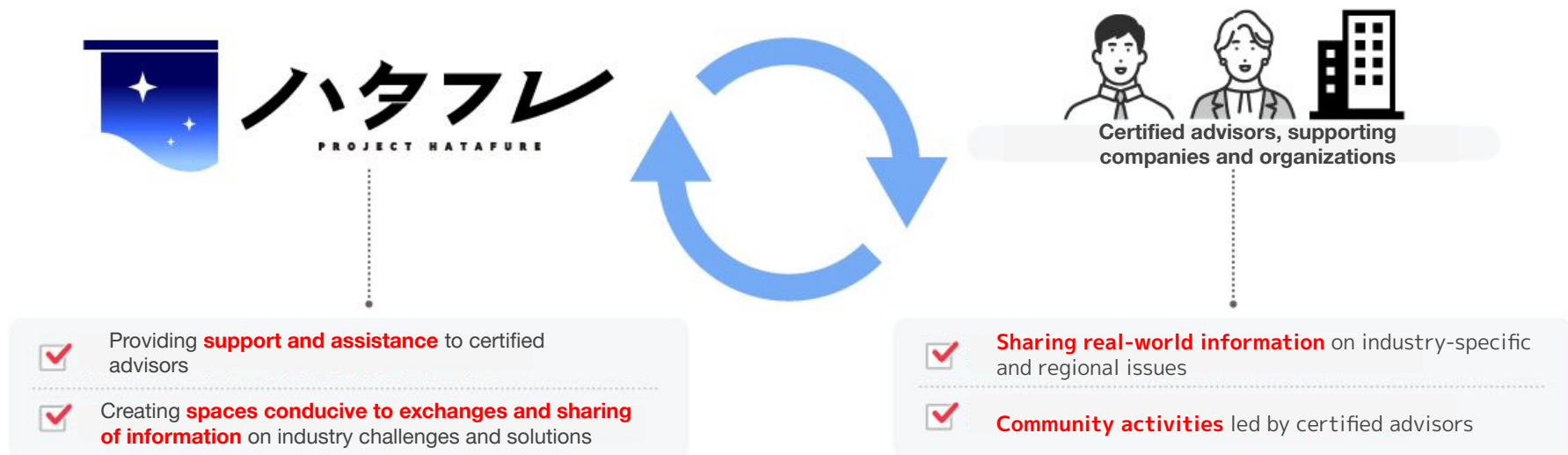
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FY2024
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3

First Quarter FY2024 Results

Results Highlights

- Revenue in the Chatwork segment expanded 39.1% YoY and 3.4% QoQ.
- EBITDA remained positive in line with revenue growth. However, all profit categories from the operating line down finished in the red as we made appropriate investments in growth in Q1.

Unit：JPY million	Q1 '23 (Same period last year)	Q4 '23 (Previous period)	Q1 '24 (Actual)	Same period YoY	Previous period QoQ
Revenue	1,422	1,871	1,934	+36.0%	+3.4%
Chatwork segment	1,363	1,835	1,896	+39.1%	+3.4%
Gross profit	919	1,238	1,268	+38.0%	+2.4%
Gross margin	64.6%	66.2%	65.6%	+1.0pt	-0.6pt
EBITDA	0	142	127	-	-
Operating profit	-148	-8	-13	-	-
Operating margin	-	-	-	-	-
Ordinary profit	-150	-12	-16	-	-
Profit attributable to owners of parent	-148	19	-43	-	-

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

Revenue

- Revenue rose 36.0% YoY. In the Chatwork segment, our most important management indicator, revenue surged 39.1% YoY.
- Revenue growth remained driven by higher ARPU attributable to the price revisions we introduced in July 2023.

Revenue

Unit: JPY million

+36.0%

Quarter	Value
Q1 '20	541
Q2 '20	612
Q3 '20	620
Q4'20	649
Q1'21	688
Q2'21	734
Q3'21	891
Q4'21	1,056
Q1'22	1,049
Q2'22	1,101
Q3'22	1,162
Q4'22	1,280
Q1'23	1,422
Q2'23	1,501
Q3'23	1,689
Q4'23	1,871
Q1'24	1,934
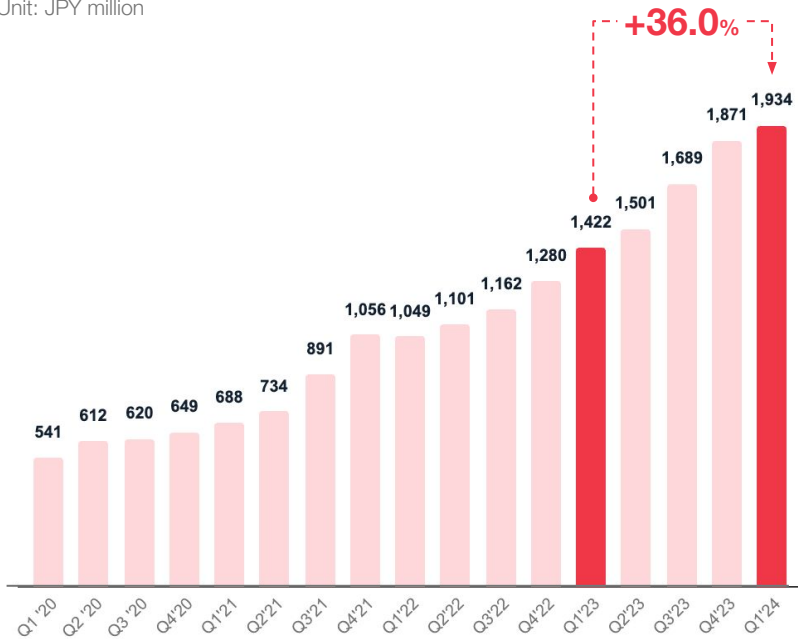
Revenue (Chatwork segment)

Unit: JPY million

+39.1%

Quarter	Value
Q1 '20	467
Q2 '20	520
Q3 '20	556
Q4'20	588
Q1'21	624
Q2'21	672
Q3'21	844
Q4'21	1,010
Q1'22	985
Q2'22	1,034
Q3'22	1,115
Q4'22	1,233
Q1'23	1,363
Q2'23	1,447
Q3'23	1,651
Q4'23	1,835
Q1'24	1,896
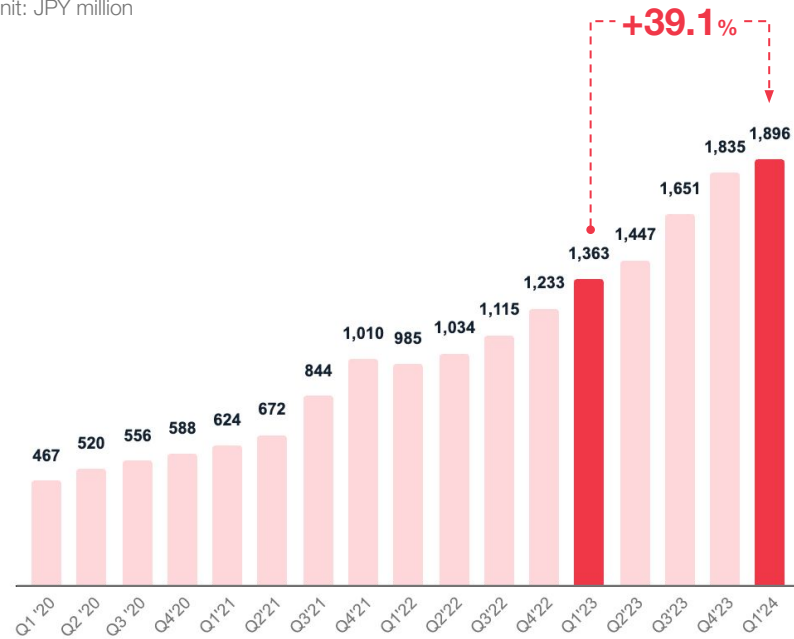
Number of Registered IDs / DAUs

- The number of registered IDs rose 14.8% YoY to 6.853 million, continuing its uptrend.
- DAU grew 5.6% 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

+14.8%

Quarter	Value
Q1 '20	339.3
Q2 '20	367.6
Q3 '20	387.3
Q4 '20	406.4
Q1 '21	430.2
Q2 '21	452.5
Q3 '21	471.1
Q4 '21	488.9
Q1 '22	509.7
Q2 '22	534.0
Q3 '22	556.7
Q4 '22	574.1
Q1 '23	596.8
Q2 '23	621.4
Q3 '23	644.0
Q4 '23	664.0
Q1 '24	685.3

DAUs[1]

Unit: 10000

+5.6%

Quarter	Value
Q1 '20	70.6
Q2 '20	78.2
Q3 '20	80.2
Q4 '20	82.3
Q1 '21	86.3
Q2 '21	91.1
Q3 '21	93.2
Q4 '21	95.3
Q1 '22	97.8
Q2 '22	100.2
Q3 '22	101.7
Q4 '22	105.3
Q1 '23	106.4
Q2 '23	108.6
Q3 '23	109.6
Q4 '23	110.8
Q1 '24	112.4
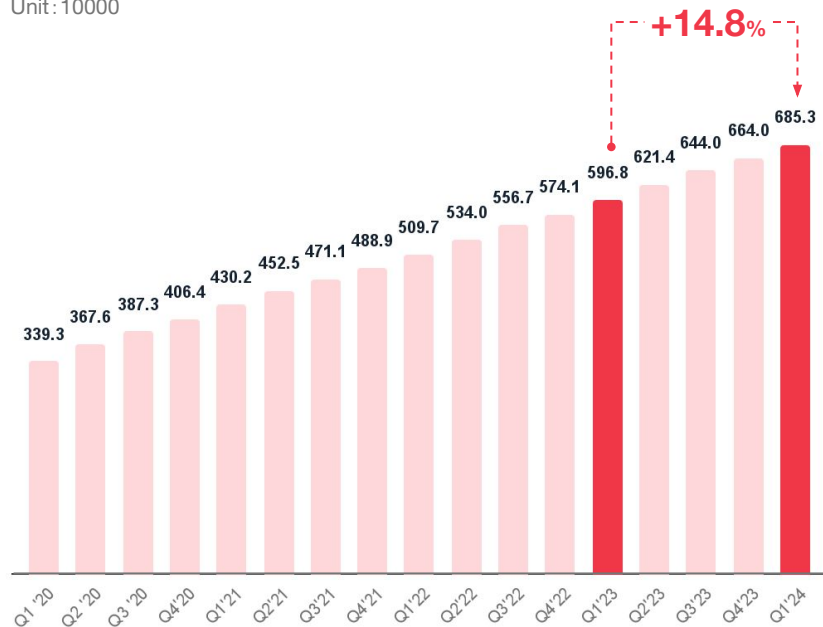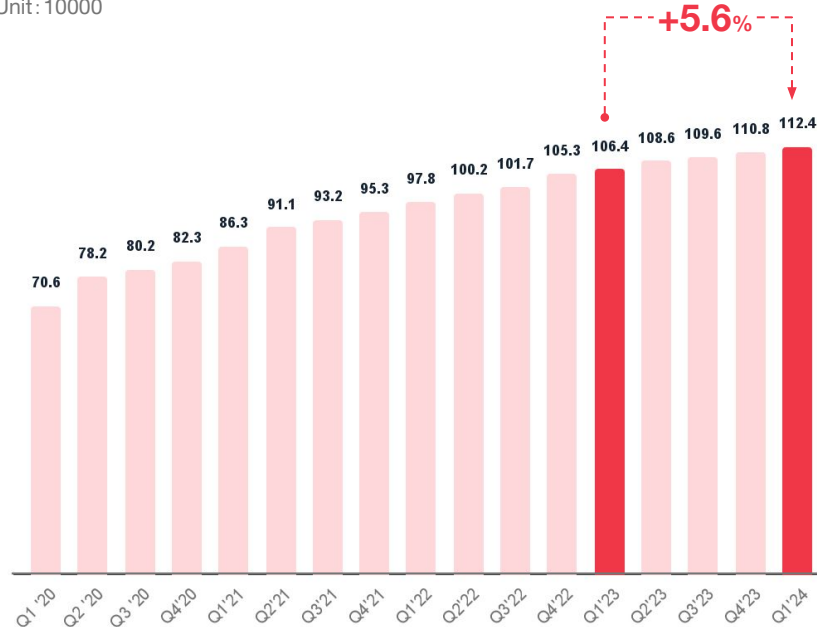
*1 Median number of service users per day (Daily Active User) weekdays excluding weekends and holidays

Number of Paying IDs / ARPU

- The number of paying IDs rose 6.2% YoY to 743,000. The net increase in the number of paying IDs continued to grow to 12,000 in Q1, up from 4,000 in the quarter before last and 7,000 in the previous quarter. The net increase is recovering after slowing down following the price revisions in July.

- ARPU was 687.4 yen, up 26.1% YoY. This substantial increase was driven by the price revisions introduced in July.

Number of Paying IDs

Unit：10000

+6.2%

Quarter	Value
Q1 '20	41.0
Q2 '20	43.3
Q3 '20	44.6
Q4'20	45.7
Q1'21	46.9
Q2'21	48.7
Q3'21	52.3
Q4'21	54.7
Q1'22	56.8
Q2'22	59.1
Q3'22	60.6
Q4'22	66.8
Q1'23	69.9
Q2'23	72.0
Q3'23	72.4
Q4'23	73.1
Q1'24	74.3

ARPU[1]

Unit：JPY

+26.1%

Quarter	Value
Q1 '20	351.8
Q2 '20	384.1
Q3 '20	397.8
Q4'20	409.9
Q1'21	440.4
Q2'21	466.0
Q3'21	477.7
Q4'21	529.4
Q1'22	506.6
Q2'22	516.2
Q3'22	539.3
Q4'22	547.4
Q1'23	544.7
Q2'23	548.3
Q3'23	627.4
Q4'23	672.4
Q1'24	687.4
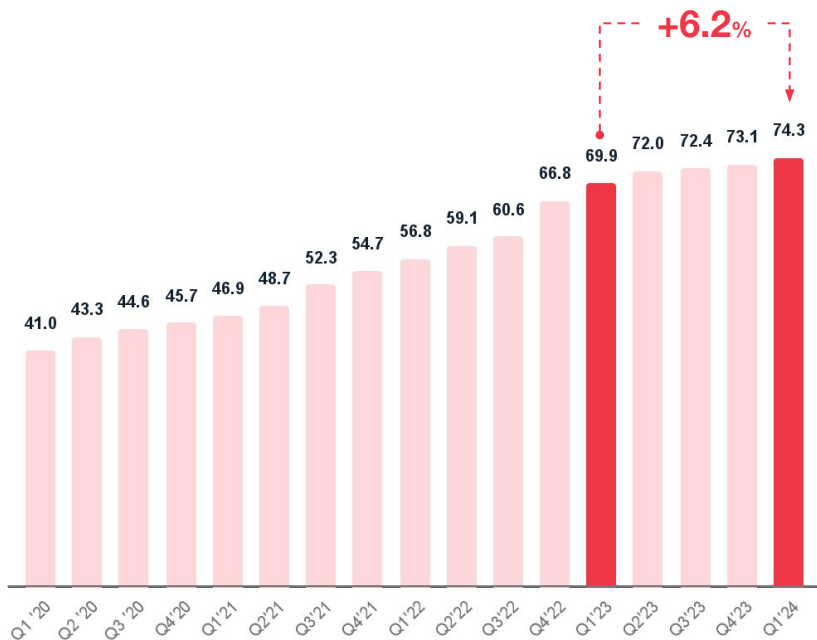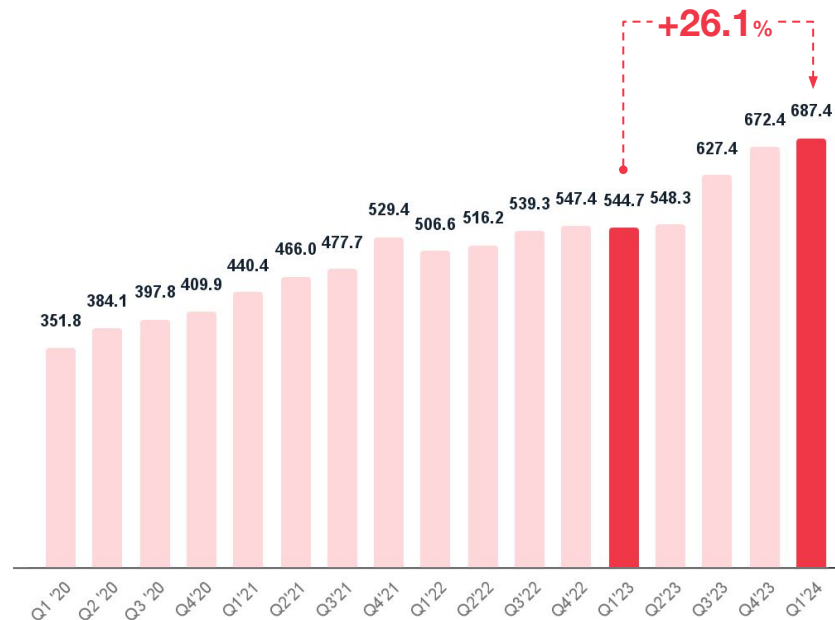
[1] Average revenue per user for paid Chatwork services.

Gross Profit / Gross Profit Margin

- Gross profit rose 38.0% YoY, and the gross margin was up 1.0pt YoY to 65.6%.

- The gross margin improved YoY, reflecting significantly higher revenue following the introduction of the price revisions in July.

Unit: JPY million

+38.0%

	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24
Gross profit	399	450	438	479	508	526	596	747	753	790	784	860	919	915	1,069	1,238	1,268
Gross margin	74.0%	74.0%	71.0%	74.0%	73.8%	71.7%	66.8%	70.8%	71.8%	71.7%	67.5%	67.2%	64.6%	61.0%	63.3%	66.2%	65.6%

Gross profit ● Gross margin
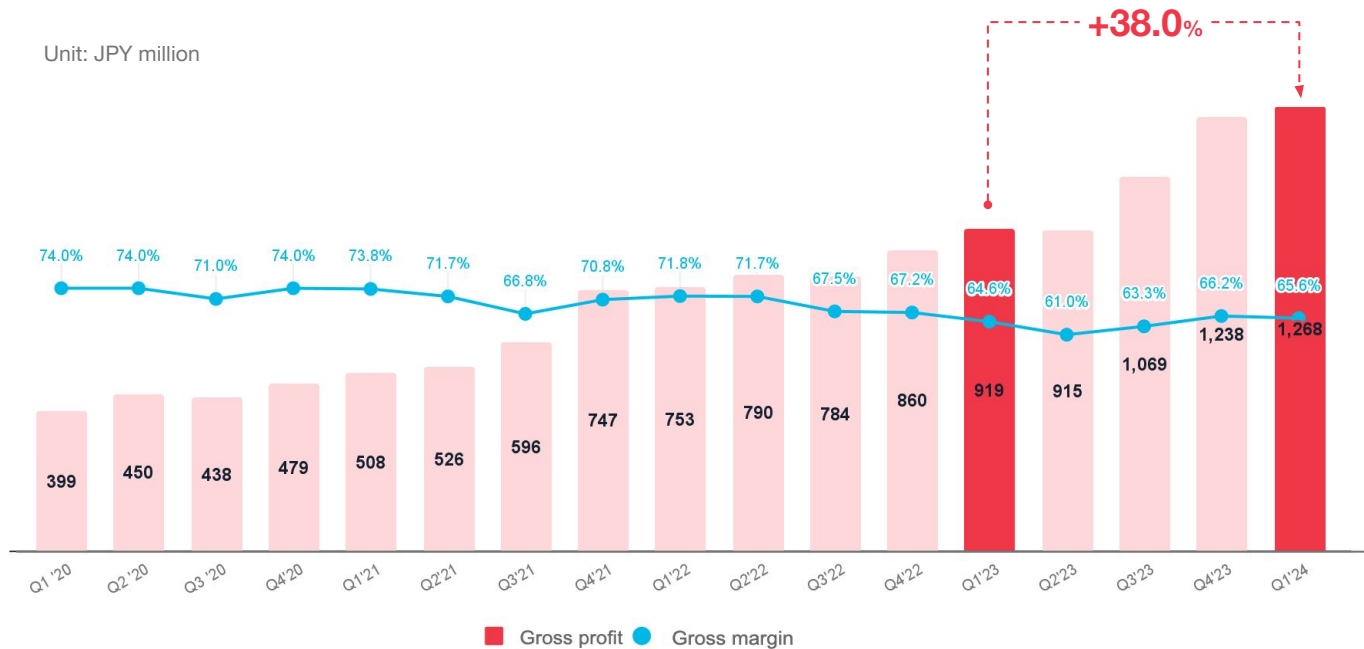
Operating profit/loss and EBITDA

- **EBITDA remained positive in Q1** thanks to significant revenue growth following the introduction of the price revisions in July. At the Q1 point, EBITDA of JPY120mn is progressing smoothly toward the full-year forecast of "over JPY300mn."

- Although all profit categories from the operating line down finished in the red as we made appropriate investments in growth in Q1 to continue building the foundations for long-term growth, we aim to achieve high growth and generate profit over the full year.

Unit: JPY million

Chart data (Operating profit/loss, EBITDA):
- Q1 '20: 85, 92
- Q2 '20: 140, 149
- Q3 '20: 61, 74
- Q4 '20: 39, 53
- Q1 '21: -9, 9
- Q2 '21: -110, -87
- Q3 '21: -221, -180
- Q4 '21: -347, -284
- Q1 '22: -137, -73
- Q2 '22: -110, -54
- Q3 '22: -226, -167
- Q4 '22: -244, -173
- Q1 '23: -148, 0.2
- Q2 '23: -279, -134
- Q3 '23: -247, -91
- Q4 '23: -8, 142
- Q1 '24: -13, 127

Legend: Operating profit/loss | EBITDA

30
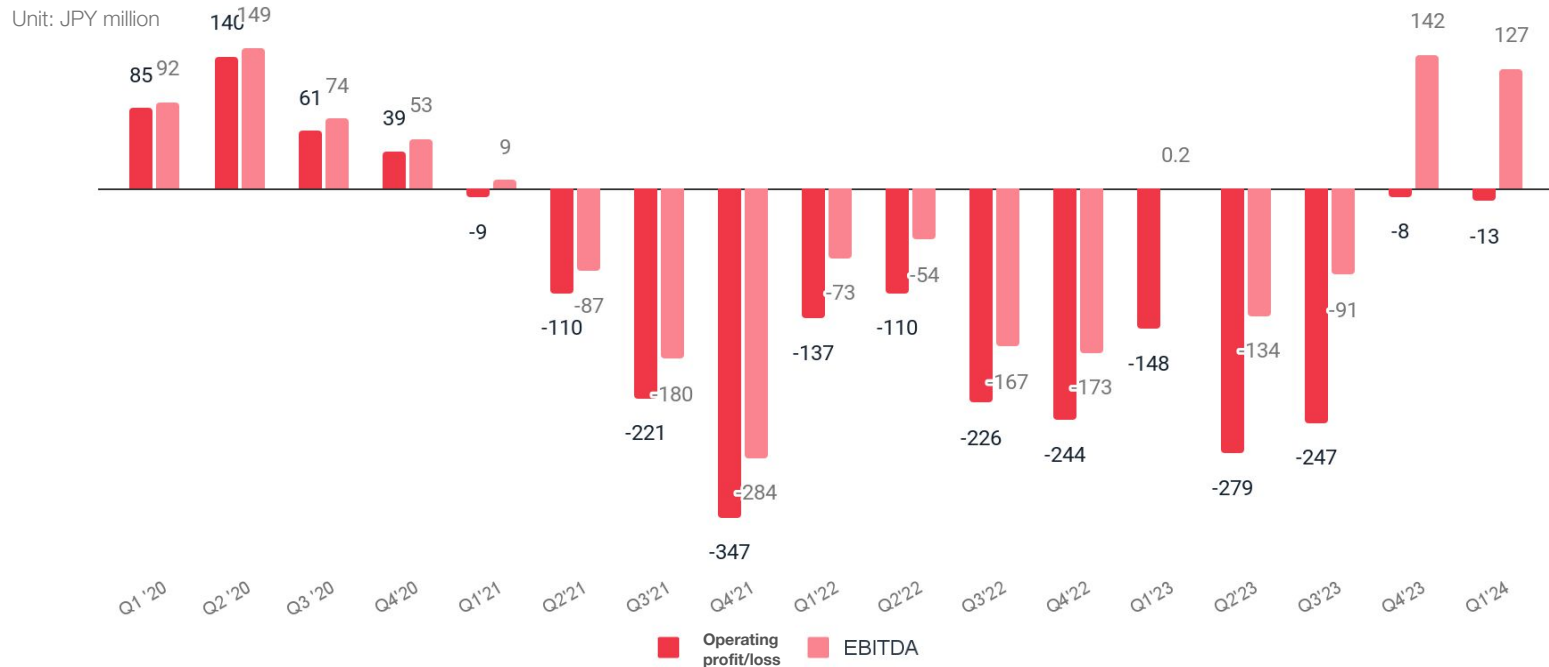
Costs

● Our appropriate investments in growth led to increases in personnel costs, development personnel costs, and server and system costs. These rises, coupled with yen depreciation, caused overall costs to increase QoQ.

Cost Breakdown

Unit: JPY million

Labor costs · Advertising costs · Server costs · Outsourcing costs · Other costs
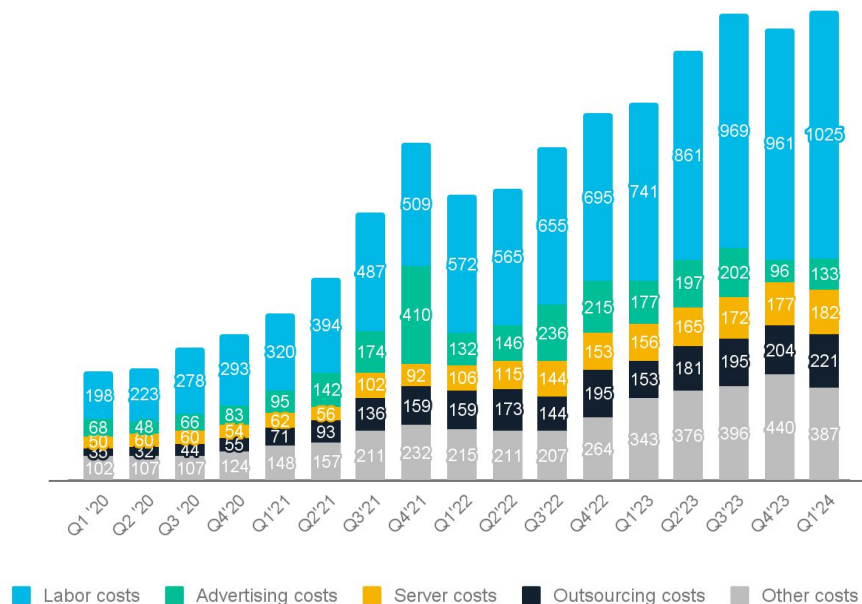
Expense to Sales Ratio

Unit: JPY million

Revenue · Outsourcing cost ratio · Server cost ratio · Advertising expense ratio · Personnel expense ratio

Sales and general administrative expenses to revenue ratio

- To strengthen management of EBITDA target set in the mid-term business plan, we are adjusting the definitions of expenses in line with changes to management accounting items.Revised the definition of each expense in line with the changes.
- The S&M ratio grew modestly due to increases in advertising and hiring costs, but the R&D ratio and G&A ratio both declined.
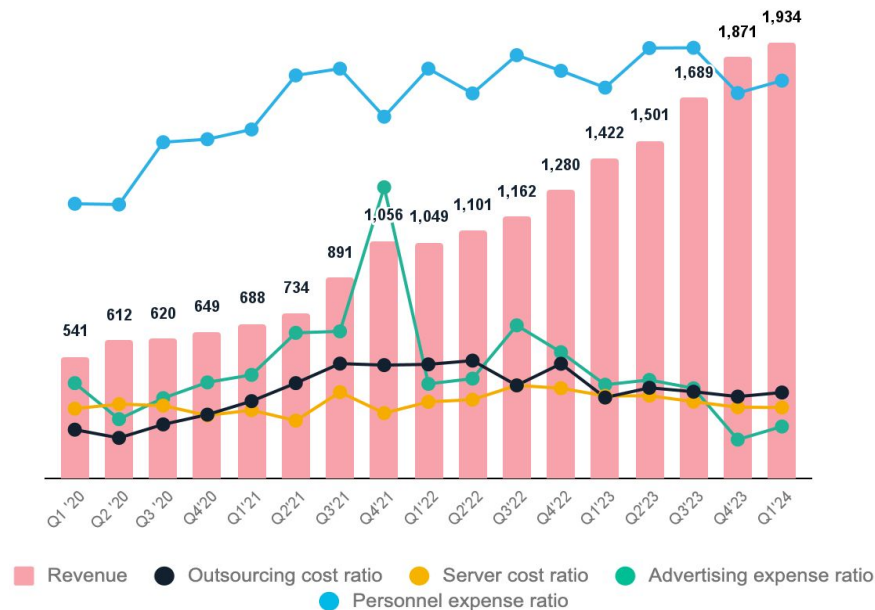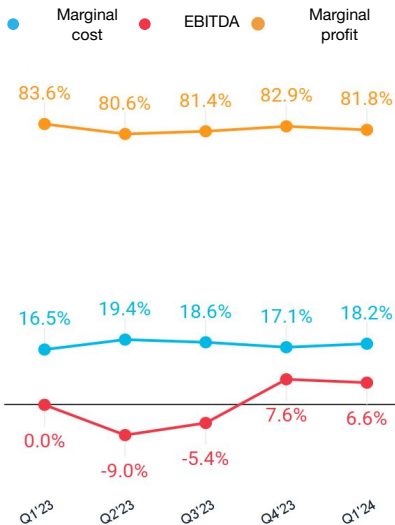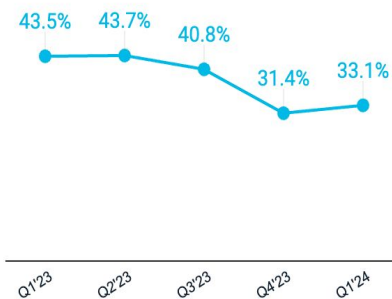- We will work to achieve continuous improvements while appropriately controlling costs.

Marginal cost[*1]/ EBITDA / Marginal profit	S&M[*2]	R&D[*3]	G&A[*4]

Marginal cost ● EBITDA ● Marginal profit ●

Marginal profit: 83.6%, 80.6%, 81.4%, 82.9%, 81.8%
Marginal cost: 16.5%, 19.4%, 18.6%, 17.1%, 18.2%
EBITDA: 0.0%, -9.0%, -5.4%, 7.6%, 6.6%

S&M: 43.5%, 43.7%, 40.8%, 31.4%, 33.1%

R&D: 17.6%, 20.2%, 20.1%, 20.7%, 19.7%

G&A: 22.4%, 25.6%, 26.0%, 23.1%, 22.6%
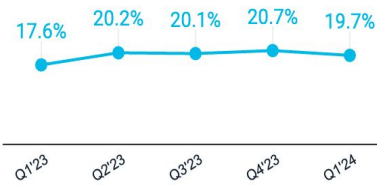
Q1'23, Q2'23, Q3'23, Q4'23, Q1'24
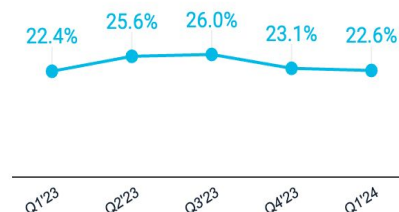
*1 The total cost of sales on management accounting, including server expenses, payment processing fees, BPaaS crew, and personnel costs related to customer support,excluding amortization.
*2 Sales and Marketing ratio. It refers to the total cost of advertising expenses, sales personnel salaries, related 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 number of Group employees increased by a net four in Q1.

- While securing the necessary human resources to achieve the targets in our medium-term management plan, we will continue to appropriately control the number of new hires to ensure profit generation.

Q1 '20	Q2 '20	Q3 '20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
114	134	153	162	176	203	236	251	267	284	304	312	381	414	444	461	465
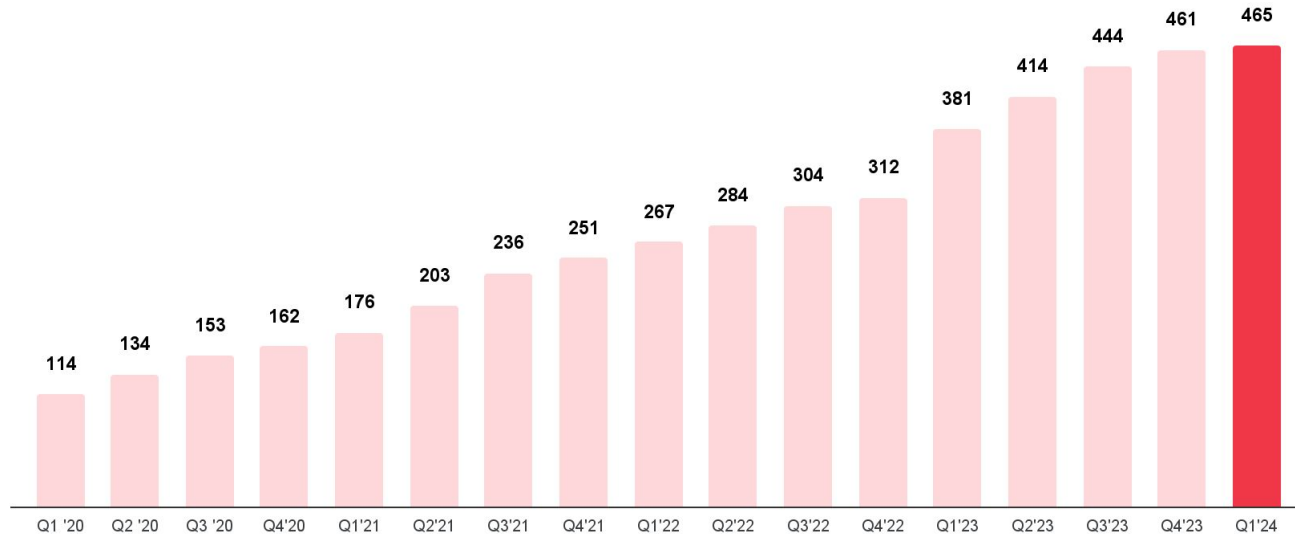
*1 Revision of the number of employees retroactively due to changes in the definition of employee count methods at group companies.

Forecast for FY2024

Forecast for FY2024

- This quarter is progressing well as planned, and our performance forecast remains unchanged from the last disclosure.
- The medium-term management plan calls for CAGR in Group revenue of 30% or more from 2024 to 2026 and an EBITDA margin of 10–15% in 2026.
- Our earnings forecast for the first year of the plan, FY2024, is for Group revenue growth of 30% or more YoY and EBITDA of JPY300mn or more.

Forecast for FY2024	
Revenue	**+30**%YoY
EBITDA	JPY**300**MN
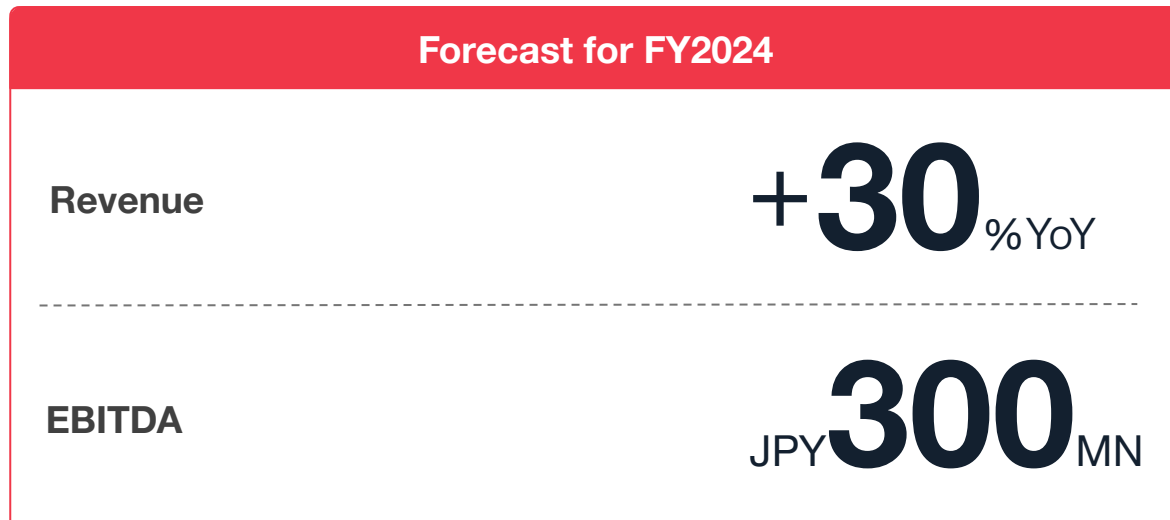
5

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.

Long term	**Business super app**
	A platform on which SMEs can manage many business tools

Medium term: 2026	**Leading BPaaS company for SMEs**
	Revenue of JPY15.0bn, EBITDA margin of 10–15%

First FY: 2024	Revenue growth of 30% or more, EBITDA of JPY300mn or higher

Revenue CAGR of **30%** in 2024–2026
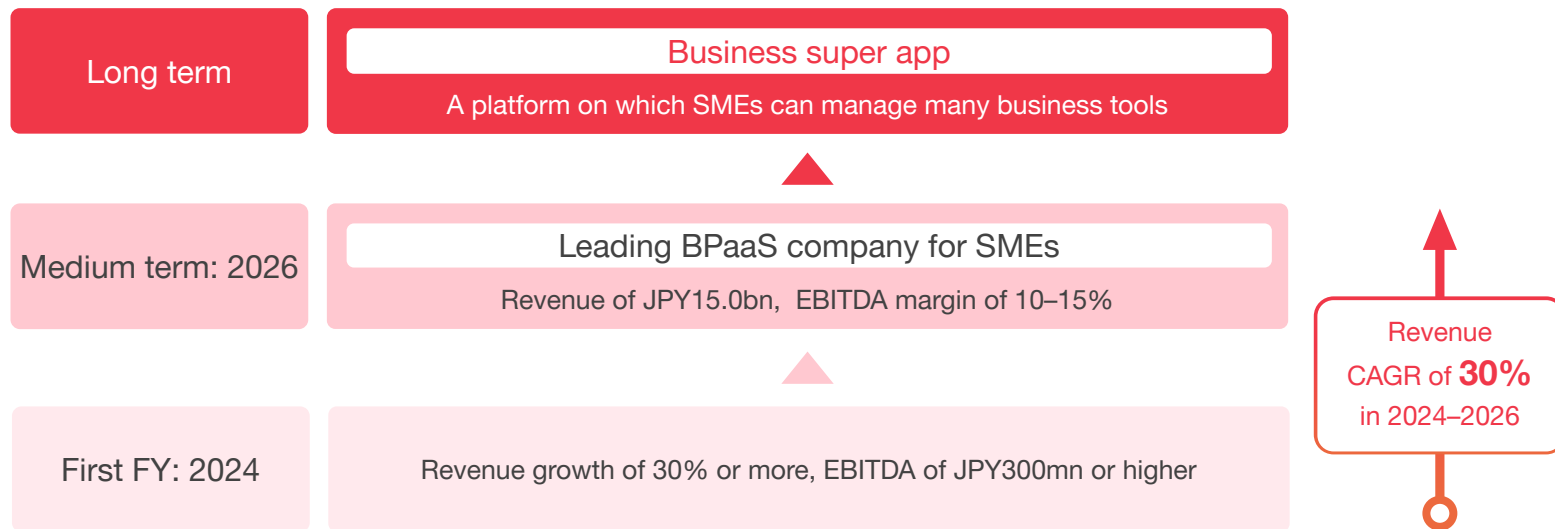
Mid-term Business Plan

- 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

CAGR30%

JPY15BN

EBITDA Margin 10-15%

2019　2020　2021　2022　2023　2024　2025　2026
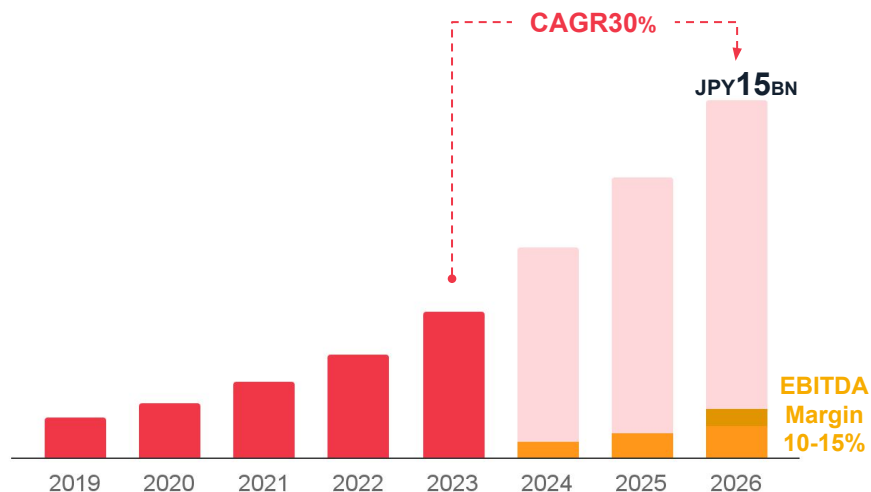
Driving Growth: BPaaS and New Business

New Business

Platform Business (Including BPaaS)

Account Business

2023 BPaaS Launch

2024

Mid-term Business Plan

2026
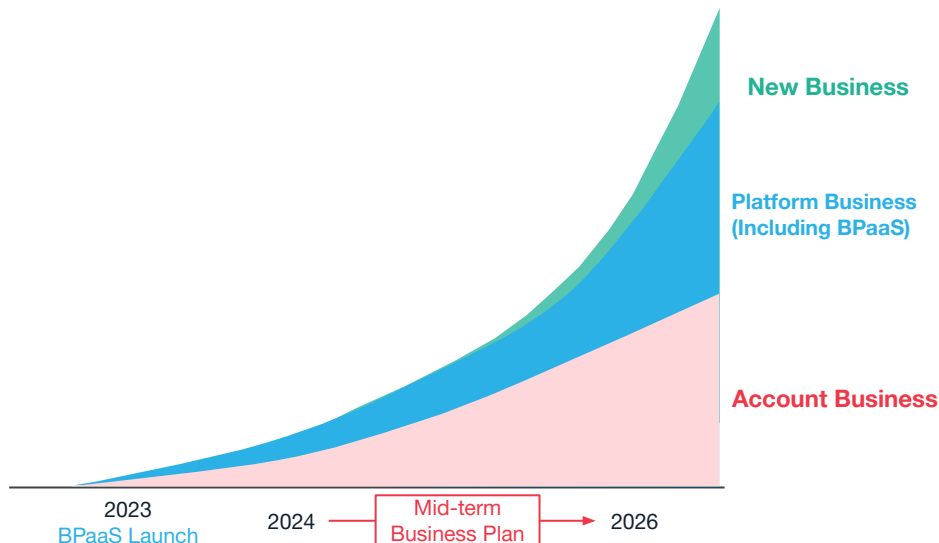
Three Strategies of the Medium-Term Management Plan

- 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.
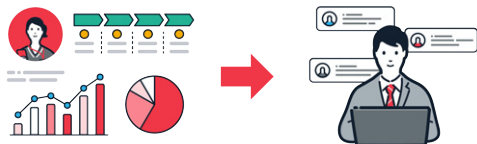
Communication Platform Strategy	BPaaS Strategy	Incubation Strategy
PLG	**BPaaS**	**R&D**
Promoting high-efficiency growth using the PLG model → A high-value platform that engages with users through chat	Using SaaS on the customer's behalf across the entire business process. → Implementing essential DX in the majority market	Strengthening Our Unique Assets and Positioning Further → Pillars of Discontinuous Growth: Creating Added Value
Promote the PLG model, maximize the number of users, and increase the percentage of active users to establish an unparalleled high-value platform in the SME space.	Use BPaaS as the key to establish a highly productive hybrid operation that combines tech and people to truly deploy DX across a wide range of management areas.	When promoting business growth, we will remain cognizant of the Group's asset utilization and target expansion, creating added value through a pillar of discontinuous growth.

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.

TAM

JPY42.4T

Costs of non-core operations for SMEs[1]

SAM

JPY28.6T

Scale of efficiency gains possible through [2]

SOM

JPY1.7T

Room for resolution through outsourcing [3]

JPY298.3BN

Core target already considering DX[4]
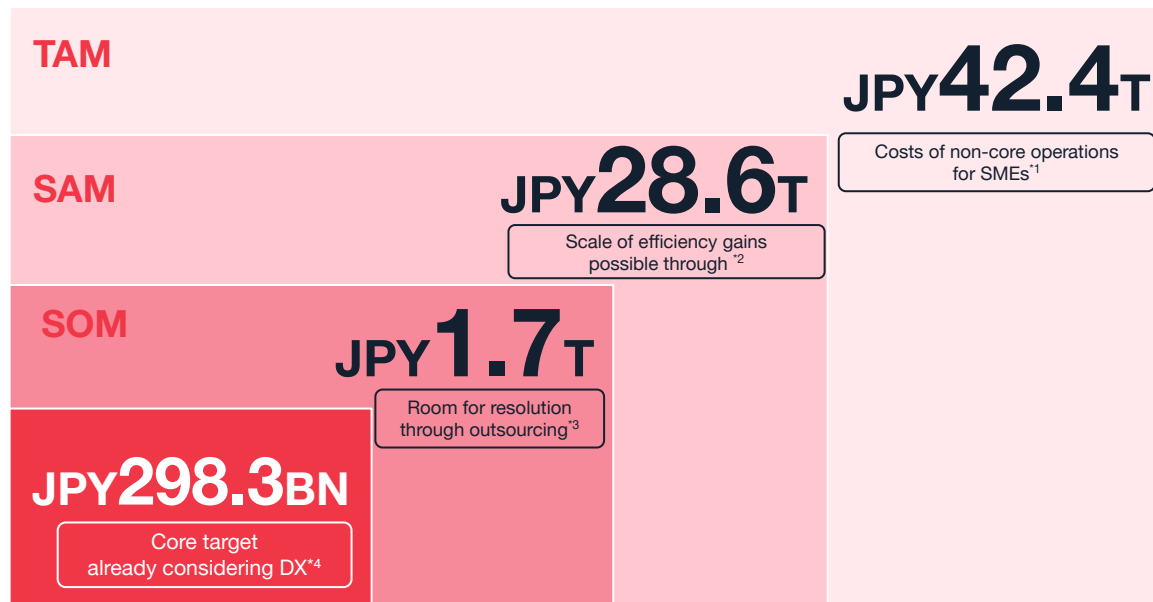
*1 Number of salaried workers: 44.94 million (National Tax Agency's FY 2022 survey on private-sector salary conditions) x percentage of employees working in SMEs: 68.8% (2016 Economic Census by the Ministry of Internal Affairs and Communications) x average salary at SMEs: JPY3.92 million (Ministry of 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)

Changing the Company Name to "kubell"

- The new company name is 'kubell Co., Ltd.' (pronounced: Ku-be-ru). We aim to change the name in July 2024.
- Our business is expanding from standalone business chat to BPaaS, including business chat.
- Becoming a group of growing companies, we plan to proceed with the name change.

Making work more fun and creative

kubell

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.

Special Website

https://corp.chatwork.com/ja/kubell/

Communication Platform 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.

	Product-Led Growth	**Sales-Led Growth**
Strategy	• Drive expansion in the number of users and products by communicating value through products • Focuses on product improvement and customer successes	• Drive sales increases through sales and marketing activities • Focus on improving sales and marketing
Charac-teristics	• Expansion through word of mouth, highly leveraged growth • Structured so that ARPU rises as customers use products more intensively	• Dependent on the number of salespeople, workers tend to be concentrated • Sales efforts always needing to focus on upselling and cross-selling

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.

Sales-Led Growth Model	Requests for materials/ inquiries	Sales discussions	Order	Add licenses
	Marketing	Inside sales	Field sales	Customer success

Product-Led Growth Model	Attract free users	Analyze use	Support use, sales discussion	Convert to paying	Add licenses, promote introductions
		Product team	Inside sales	Field sales	Customer success

Activate by increasing product value

Marketing/introductions

Product team

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.
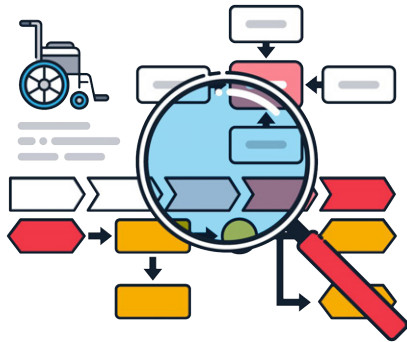
Deep understanding of Industry structure and Business process

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 ascertain client needs, we will graft a seamless BPaaS experience onto business chat.

Approx. 6.6mn users across 431,000 companies

HR and labor relations

MINAGINE

Other specialized areas

Expand areas of expertise through alliances and in-house launches

LINK

Chatwork アシスタント
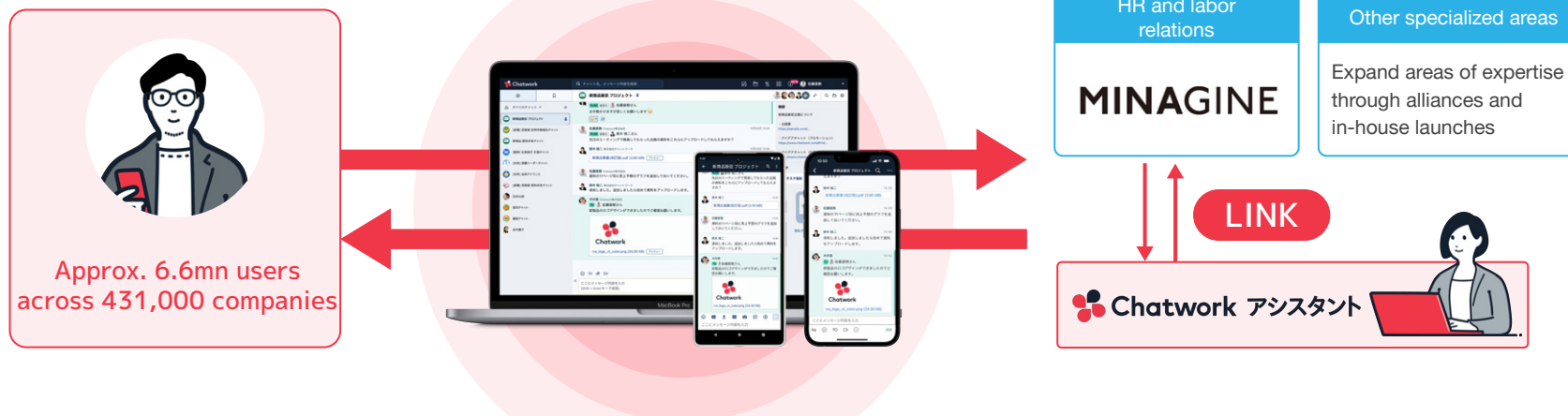
Enhancement and Addition of BPaaS-friendly Features

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

BPaaS 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.

Service type	Scope of offering
BPaaS (Business Process as a Service)	**Business process**
SaaS (Software as a Service)	**Application**
PaaS (Platform as a Service)	**Middleware**
IaaS (Infrastructure as a Service)	**Hardware**

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

Select and use your own use it

Strage

CRM/SFA   Video meeting

Task management   Document
Project management   solution

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

Outsourcing

Chatwork

Telephone   Recruitment   Personal
Secretary   Assesment
Service

Employee   Engagement
time & scheduling

Users suited to BPaaS

majority

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

Actively utilize 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.

Hours worked

Company operates	Hours worked by the company

BPO	Hours worked by the company	Hours handled by BPO	Hours needed to check

BPaaS	Hours worked by the company	System automatically responds	Hours needed to check	Other work
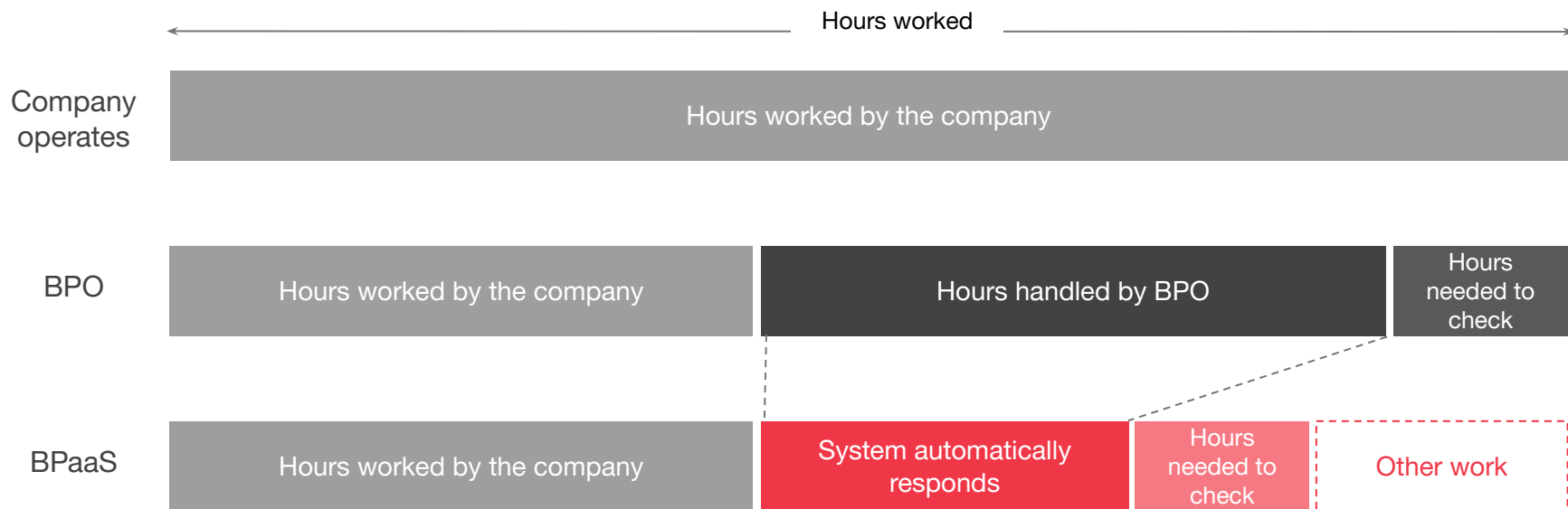
Our BPaaS Rollout

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

Business type
- HR/labor
- Sales/marketing
- Accounting/finance
- Procurement/purchasing
- General affairs/other research

Chatwork product

Business chat
- Chat, task
- Notices (notification, BOT)

BPaaS contact
- Service menu
- Project management, consultation

Contact, consult

Operations
Inquiry response, hearing, request for response, business representation, etc.

Select, operate

Business-related SaaS
- Back-office SaaS
- SaaS for business management and coordination etc

Request confirmation Response report

Consult

API Link

Notify, link

Automation engine
Notification, chat-linked processing, SaaS auto-execution, etc.

Dedicated service
Professionals, experts, etc.

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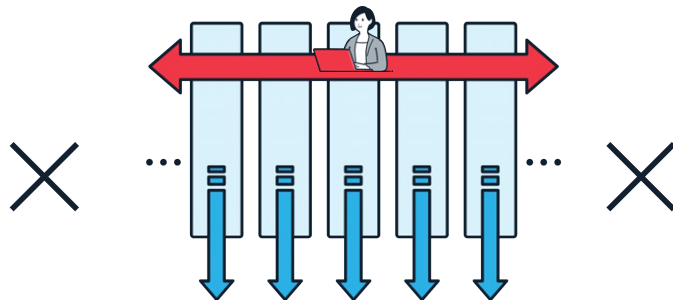
Combining 'Breadth' and 'Depth' to create services that are difficult to imitate

Efficient sales expansion through business formalization and use of technology

Comprehensive Approach to Leveraging Customer Assets

- Chatwork has an overwhelmingly large customer base of 6.85 million users at 441,000 companies. 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 441,000 companies

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

97.2%

- up to 300 people
- 301 people or more
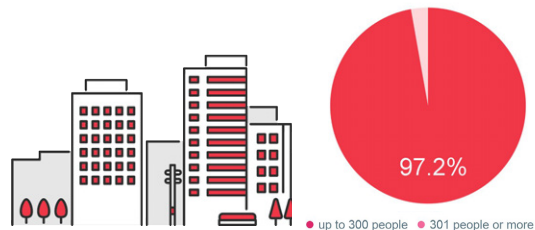
BPaaS Approach for Business Chat Users

Open Platform Arrangement Compounds User Numbers

Number of registered IDs since service start

6.85MN

July 2012   Mar 2024
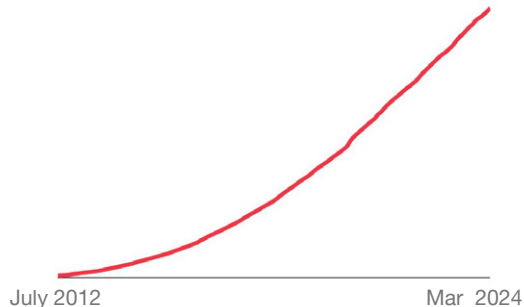
Strong Customer Touchpoints

Long dwell time

Highly efficient interactions

High open rate
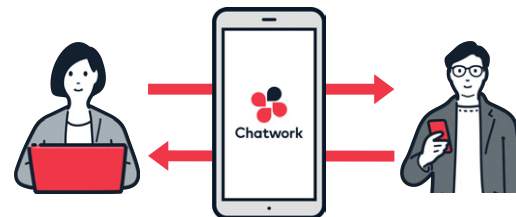
Chatwork

Directly approaching customers and rapidly expand BPaaS

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.
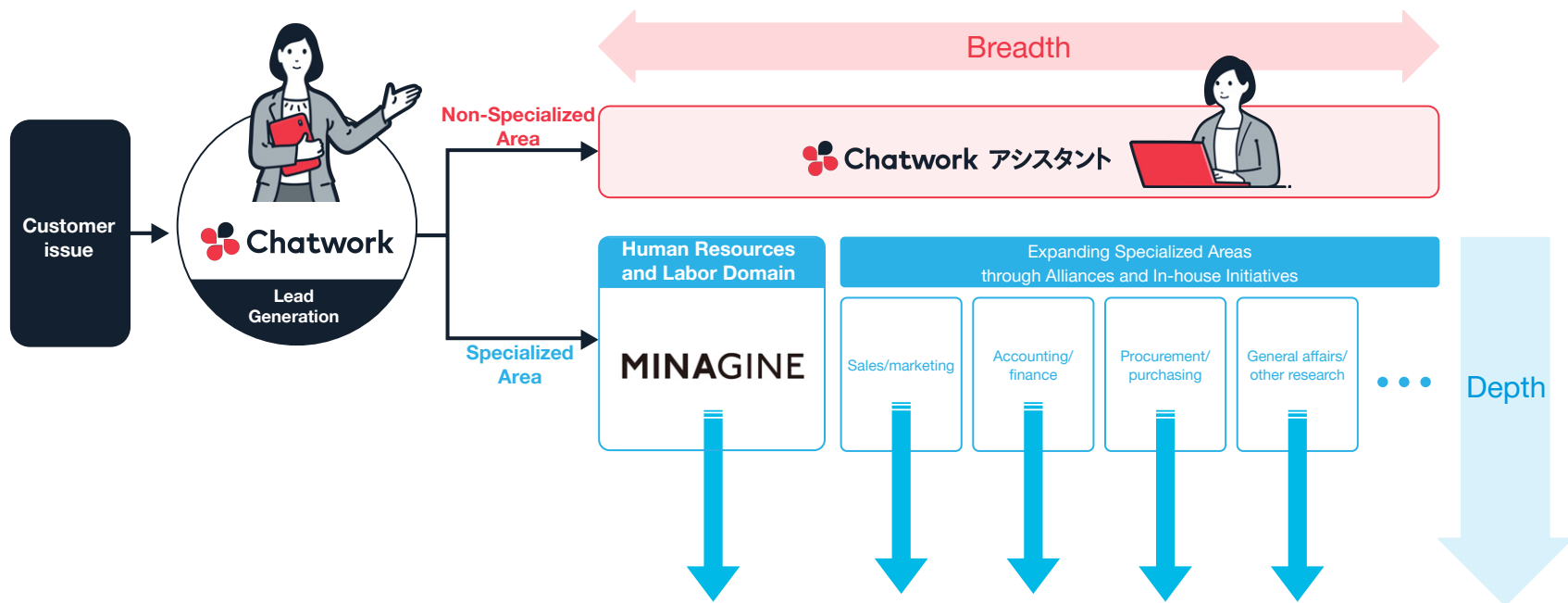
Efficient Sales Expansion with Technology and Formalization

- 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	Suggestions derived from standardized templates

We want to digitize employment contracts

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

Business processes

Start → Process A → Process B, Process C, Process D → Process E, Process F → Process G → Process H, Process I → Process J → Complete

Accounting and finance template - X
Accounting and finance template - Y
Employment contract template - X
Employment contract template - Y
Employment contract template - Z
Purchase order template - X
Purchase order template - Y

Employment contract template - X

Start → Process A → SaaS automated processing, Process B → Process C → Chatwork automated notifications → Process D → Complete

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	**Utilize AI and Maximize Platform Earnings**	**Create a Third Pillar to Become a Core Business**
Increase marketing efficiency by expanding customer data quantitatively and qualitatively	Leverage our customer assets and utilize AI and technology to maximize revenue from our business chat platform	Create a new business to follow on from business chat and BPaaS

**Create and develop added value
through a pillar of discontinuous growth**

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.

Demographic Data

Factual data such as gender, age, income, single/married, etc.

(Example)
Male / 45 years old / Married
Household income of JPY6 million
Manufacturing industry
Fewer than 100 employees

Acquire through business chat

×

Psychographic Data

Habits, hobbies, preferences, values

(Example)
Wants to practice a healthy lifestyle but does not have much time
Enjoys the Internet at night and loves watching videos
Values quality over economy
Finds joy in work and family
Interested in education and human resource development
Values time with a small group of friends and colleagues

Acquire through our own media such as Bizx

Increase marketing efficiency by expanding customer data

Expand the customer base further through efficient 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.

Customer data	Text data	Chat UI
We have access to huge amounts of customer data, both quantitative and qualitative.	We maintain a large amount of text data on white-collar employees in Japanese SMEs.	We have a chat UI where customers spend large amounts of time and that is a powerful touchpoint.

Maximize platform earnings by leveraging our assets and positioning
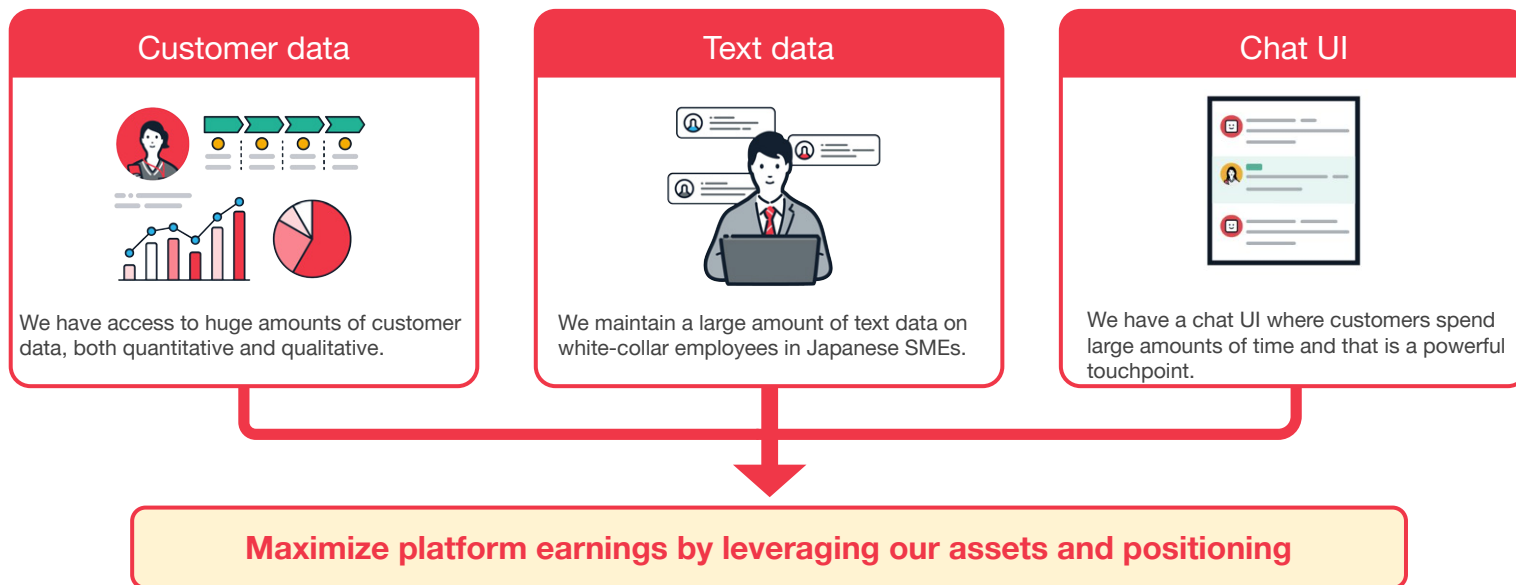
Creating a Third Pillar to Become a Core Business

- 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."

In alignment with our company vision
Creation of new businesses

With hybrid operations combining technology and human resources for high productivity
Achieving Essential Digital Transformation

overwhelmingly high-value
communication platform
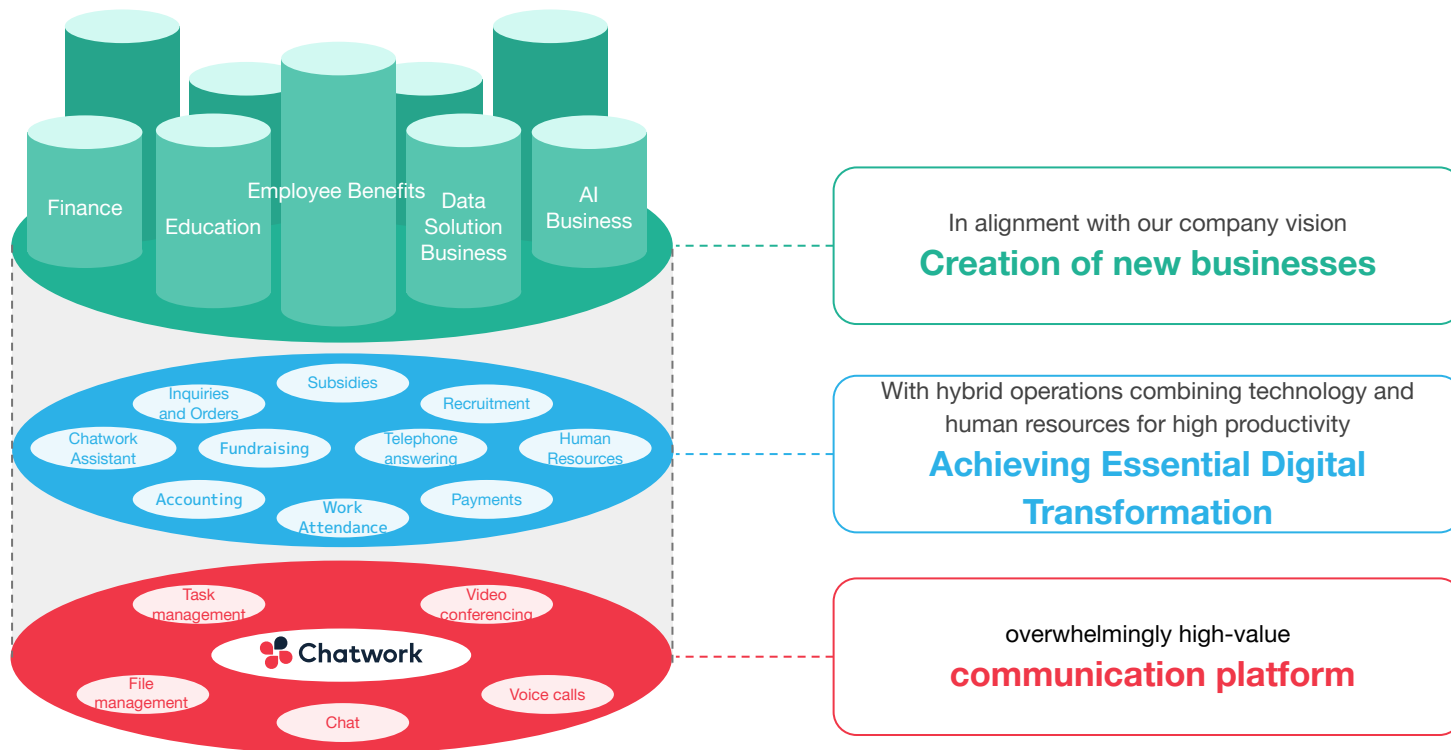
Chatwork Super App Fund Investment Strategies

- To acquire BPaaS capabilities and create new businesses, in FY 2021 we launched a CVC fund, the Chatwork Super App 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
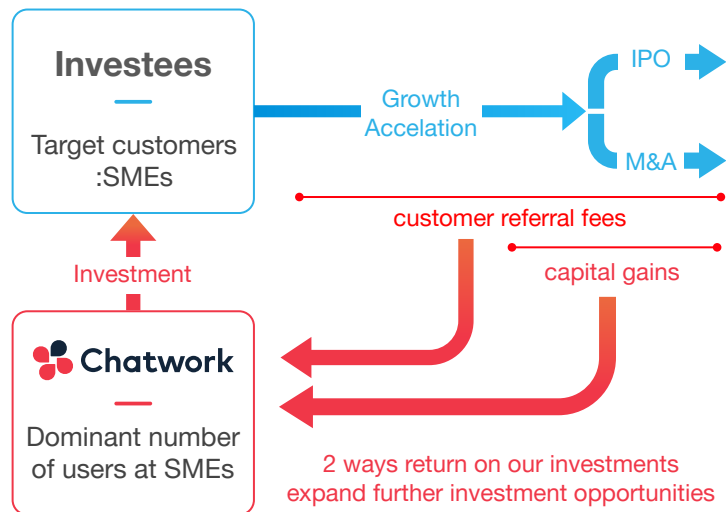
Investment Results

Contact Us

https://corp.chatwork.com/ja/cvc-contact/

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.

SaaS to Business Efficiency

| Engagement | Task management Project management | Strage | Document solution | Video meeting | CRM/SFA |

BPaaS to Provide Business

| Personal Assesment | Recruitment | Chatwork Telephone Secretary Service | Employee time & scheduling | Accounting | Billing Management Contract Management |

Business Support

| Finance | Assistance | Payment | Employee benefits |

Empower clients to focus on their core business

6

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[*] and adoption by more than 441,000 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'

Client

Operator

Business Chat 'Chatwork'

Evolution of Business Communications

Letters

Faxes
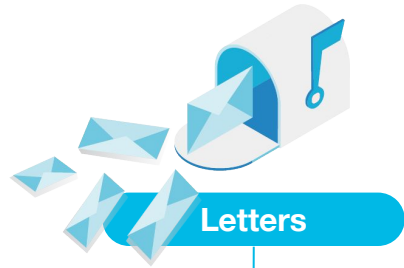
Shift to more simple and efficient methods

Phone

Mail

Chat Tools
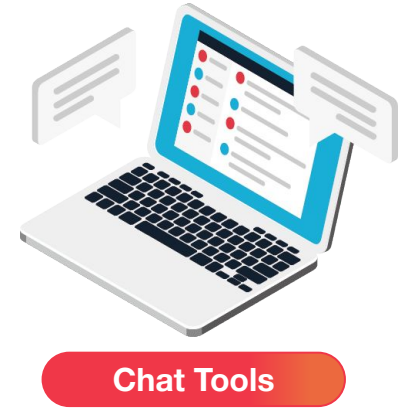
Decreased Productivity Due to Long-Winded Emails

【ご挨拶】先日はどうも有り難うございました。今後ともどうぞよろしくお願いいたします。

石井 太郎 / Chatwork株式会社　　　　　　　　　　　　10:57 (0分前)
To 中村 浩一

中村様

いつもお世話になっております。
Chatwork株式会社の石井でございます。

先日のカンファレンスではお声がけいただき、
大変有り難うございました。

弊社の田中からも以前より中村さんのお話を伺っておりましたため、
突然ではありましたが、お会いでき大変ありがたかったです。

今後私からも担当業務に関連してご連絡させていただくことがあるかと思います。
その際はどうぞよろしくおねがいします。

さて、田中にご質問いただいておりました件、担当は私となりますので、
石井より回答させてもらいます。

◆納期について
・弊社内で調整ののち、ご要望通り今週中、ということで対応可能です。
・納品はチャット経由でよろしかったでしょうか？御社ご指定のルールがあればご教示ください。

それでは、どうぞよろしくお願いいたします。

--

｜　Chatwork株式会社 https://corp.chatwork.com/ja/

｜　石井 太郎
｜　Chatwork ID: http://chatwork.com/xxxxxx

- Recipient
- Conventional salutation and introduction
- Expression of thanks and explanation of email's subject
- **Key point that sender wishes to convey**
- Conventional ending
- Signature
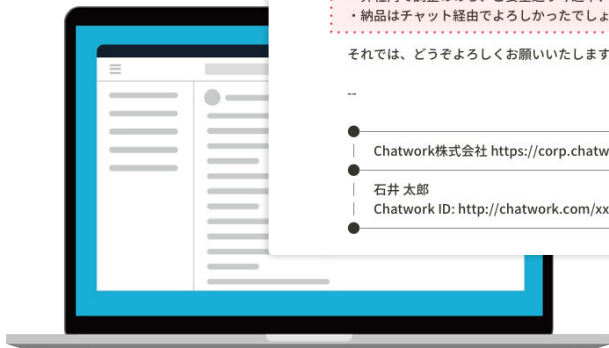
Improved Productivity Due to Business Chat Tools

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**

Chat list:
- すべてのチャット(5)
- [臨時] 社員旅行 計画チャット 13
- [部署] 新商品販促 プロジェクト
- [部署] 営業部 訪問件数報告チャット
- 新商品 販売共有チャット 5
- [部署] 営業部 資料共有チャット 4
- [共有] 部署リーダーチャット 3
- 佐藤直樹
- マイチャット
- 営業本部全体
- マーケティング部
- 営業会議議事録

Diagram:
- [部署] 営業部 訪問件数報告チャット → 組織・業務
- [部署] 新商品販促 プロジェクト → プロジェクト
- [共有] 部署リーダーチャット 3 ┐
- 株式会社○○○○○○○○○様 → 顧客・取引先

- 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	Business	Enterprise
For companies and individuals that want to try out the service for free	For companies and individuals that want to use the service for business	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
Unlimited 1:1 chats	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
Up to 5,000 viewable messages (within the last 40 days)	Unlimited number of viewable messages	Unlimited number of viewable messages
5GB storage	10GB storage / user	10GB storage / user
User management Restricted	User management unlimited	User management 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
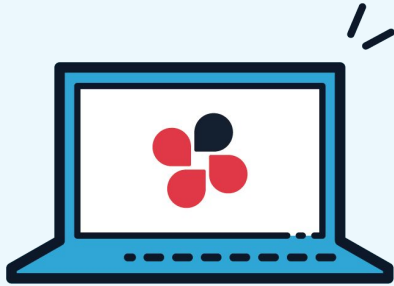
The interface and functions are designed to mainly target business professionals who are not IT experts. The service is easy for anyone to use and requires no complicated customization.

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

Easy to Use

Open Platform

Freemium
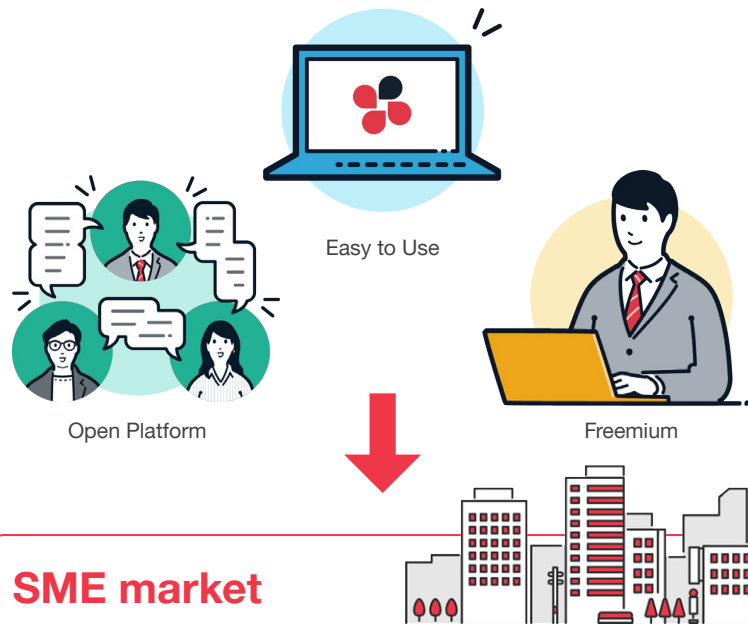
SME market

- 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

97.2%
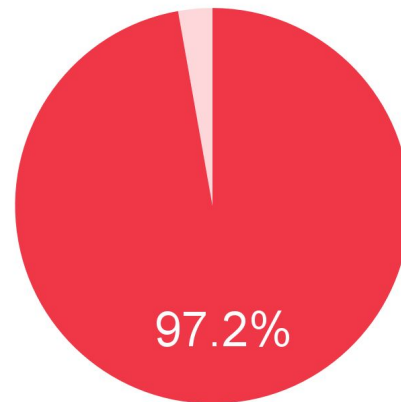
● up to 300 people ● 301 people or more

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.

[1] As of March 2024

Positioning in the Industry
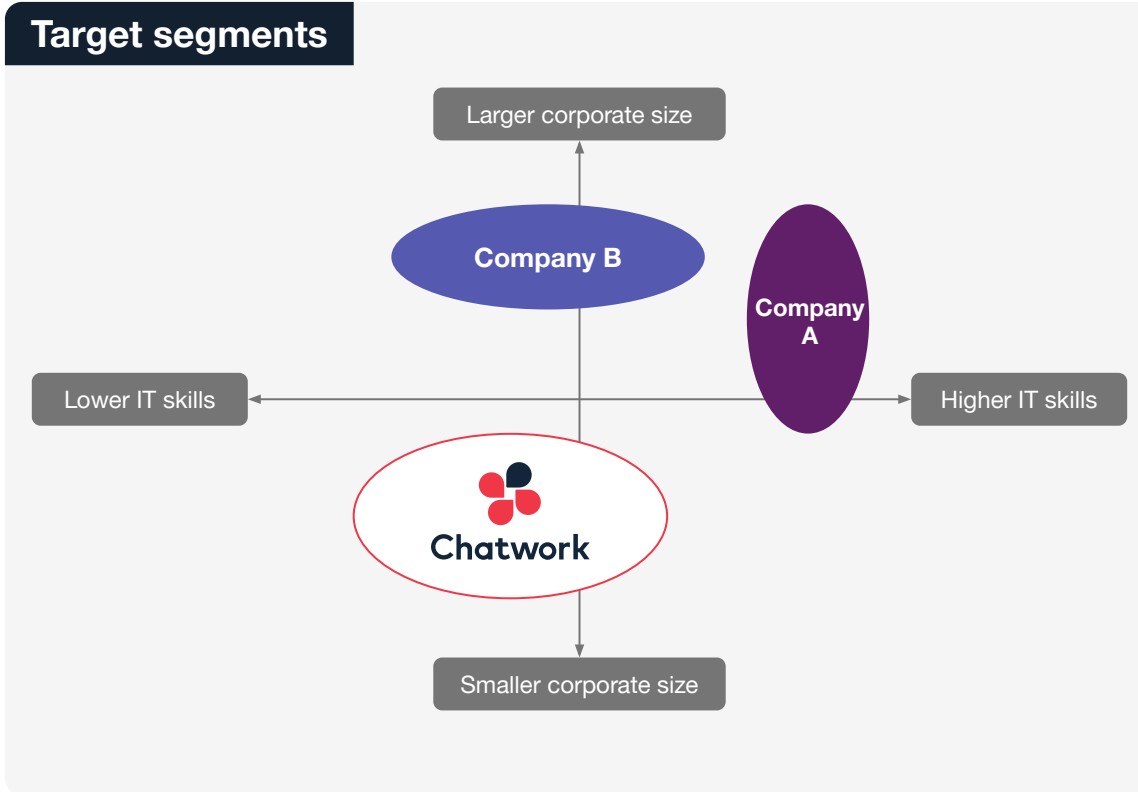
- We have two major competitors, but these companies focus on different target segments.

- 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.

Number of Registered IDs
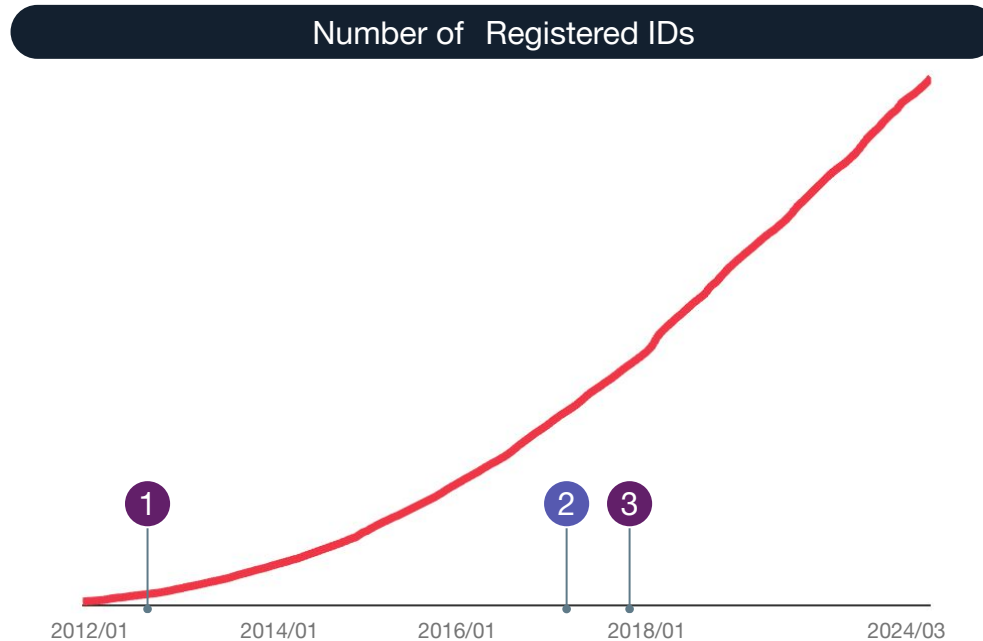
Market Entry by Competitors

1 **August 2013**
Release by Company A

2 **March 2017**
Release by Company B

3 **November 2017**
Release of Japanese version by Company A

2012/01   2014/01   2016/01   2018/01   2024/03

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 99.70%[3].
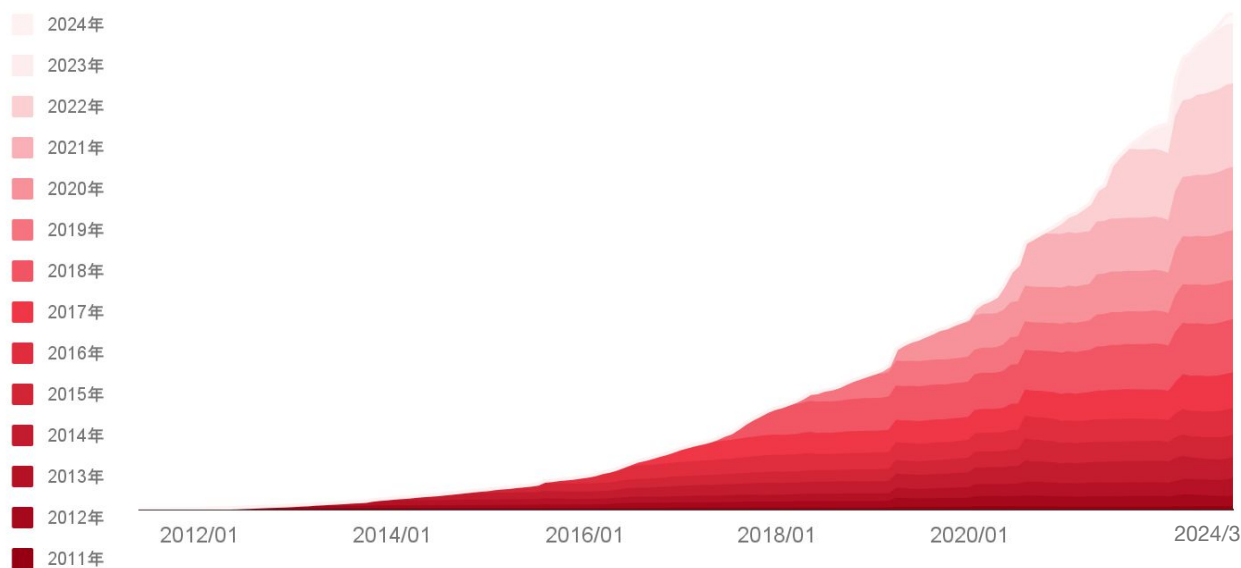
*1 NRR rate = (ARR at beginning of period - revenue churn on a monthly basis + revenue expansion on a monthly basis) / ARR at beginning of period
*2 Stock revenue as of Dec. 31, 2022 from billing customers as of Dec. 31, 2021 ÷ Stock revenue from Dec. 31, 2020 to Dec. 31, 2021
*3 Monthly continuation 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 April 2023 to the end of March 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 綾和会
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

Challenges
- Tools to share information when collaborating with regional stakeholders were rarely used.
- It was not possible to efficiently share information related to home visits or medical settings via fax or telephone.
- It was challenging for external parties from various industries to get a hold of doctors via telephone.

Solutions
- Staff visited the offices of external partners to support the adoption of the platform.
- Adopted Chatwork for non-urgent communications, making it possible to send responses during free time.
- Assigned a dedicated Chatwork staff member to the hospital to respond to questions.

Effects
- The introduction of ICT solutions increased opportunities to contribute to medical care for the local community.
- Achieved greater efficiency in sharing of work-related information, as evidenced in part by a sharp drop in the total number of phone calls received.
- Productivity has increased by about 30% as non-urgent tasks can be handled on the move.

Business Chat Adoption Case: Manufacturing Industry

Yamamoto Seiko Co., Ltd.

**Mr. Imanishi,
Production Control**

YAMAMOTO
山本精工株式会社

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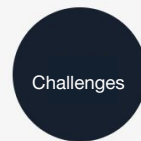
Challenges
■ Needed an information sharing system to reduce the burden on small and medium-sized local factories (partner companies).
■ When quality issues arose, responses were sometimes delayed.
■ Sharing information with sales section employees, who are often out of the office, proved difficult, resulting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

Solutions
■ 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.

Effects
■ 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**

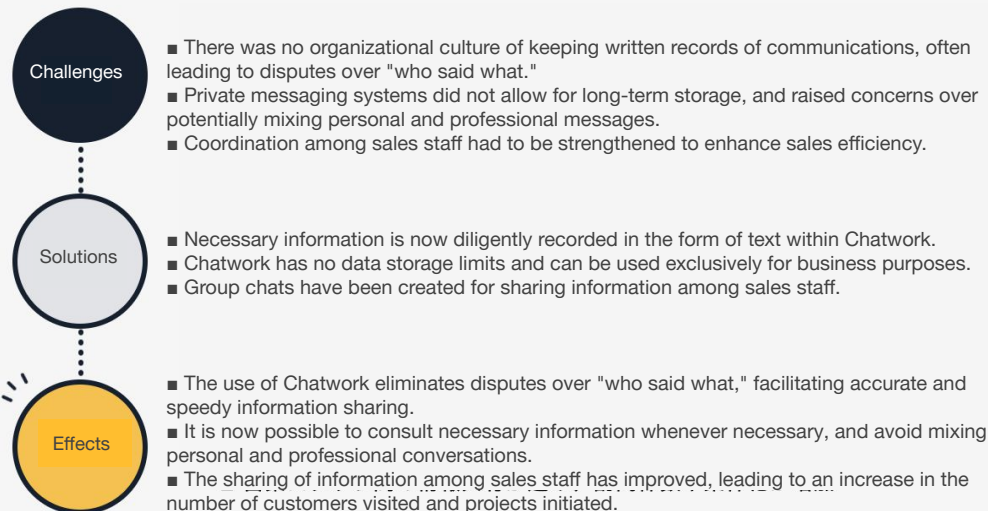木 村 産 業 株 式 会 社

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

Challenges
- There was no organizational culture of keeping written records of communications, often leading to disputes over "who said what."
- Private messaging systems did not allow for long-term storage, and raised concerns over potentially mixing personal and professional messages.
- Coordination among sales staff had to be strengthened to enhance sales efficiency.

Solutions
- Necessary information is now diligently recorded in the form of text within Chatwork.
- Chatwork has no data storage limits and can be used exclusively for business purposes.
- Group chats have been created for sharing information among sales staff.

Effects
- The use of Chatwork eliminates disputes over "who said what," facilitating accurate and speedy information sharing.
- It is now possible to consult necessary information whenever necessary, and avoid mixing personal and professional conversations.
- The sharing of information among sales staff has improved, leading to an increase in the number of customers visited and projects initiated.
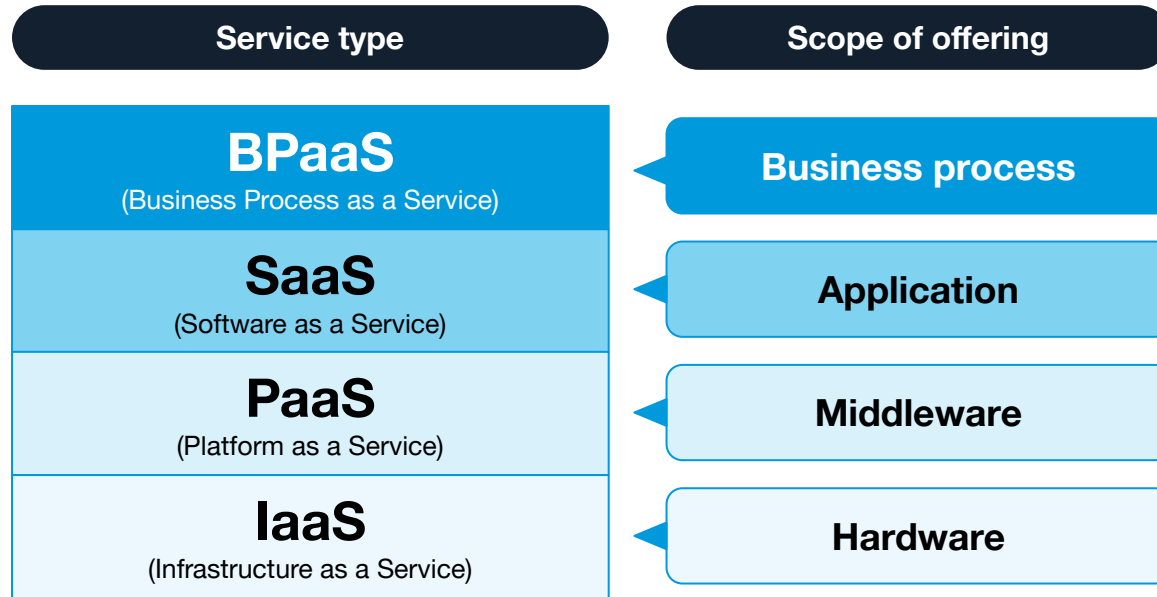
BPaaS
（Business Process as a Service）

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.

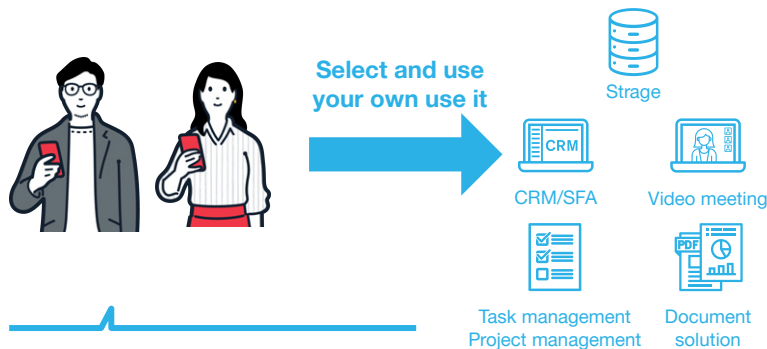| Service type	Scope of offering
BPaaS (Business Process as a Service)	**Business process**
SaaS (Software as a Service)	**Application**
PaaS (Platform as a Service)	**Middleware**
IaaS (Infrastructure as a Service)	**Hardware**

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

Select and use your own use it

Strage

CRM/SFA

Video meeting

Task management
Project management

Document solution

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

Outsourcing

Chatwork

Telephone Secretary Service

Recruitment

Personal Assesment

Employee time & scheduling
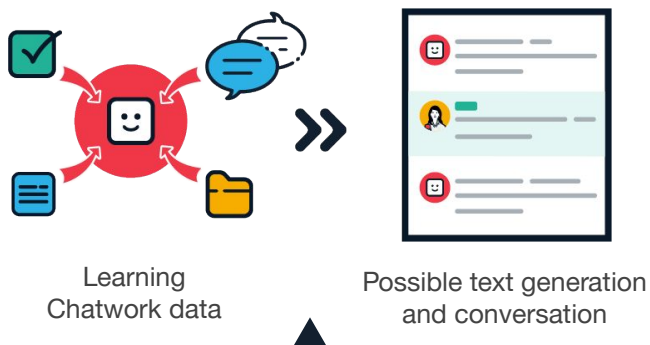
Engagement

Users suited to BPaaS

majority

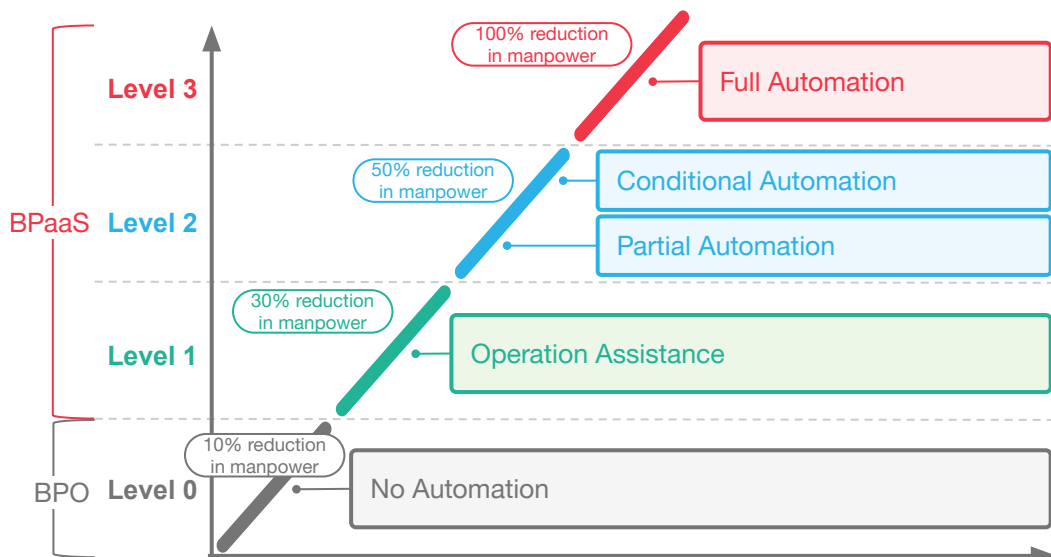・Difficulty in decision making to adopt SaaS
・Difficulty in using SaaS

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.

Image of Integration AI into Chatwork

Learning
Chatwork data

Possible text generation
and conversation

OpenAI

Automation level of BPaaS

Level 3

100% reduction in manpower

Full Automation

50% reduction in manpower

Conditional Automation

BPaaS Level 2

Partial Automation

30% reduction in manpower

Level 1

Operation Assistance

10% reduction in manpower

BPO Level 0

No Automation

*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	Data Entry/Organization,Transcription

etc
General Affairs, Sales, Secretarial, Recruitment
Translation System implementation

Contract image

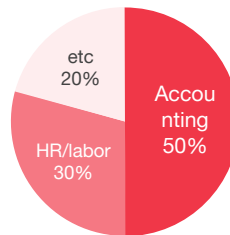**Free combination of different operations**

etc 20%
HR/labor 30%
Accounting 50%

Image of business combination

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
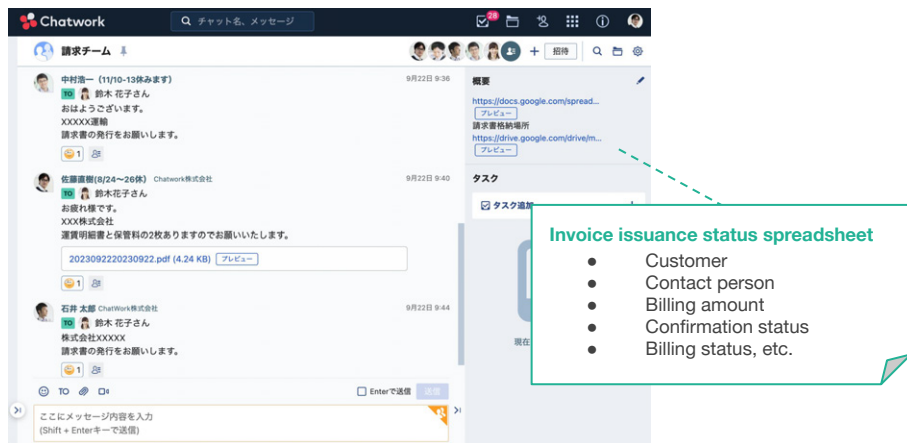
East Japan Logistics Section

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.

Invoice issuance status spreadsheet
- Customer
- Contact person
- Billing amount
- Confirmation status
- Billing status, etc.

(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.**

I request support with task ○○○.

Requesting party

- Reach out to parties involved in billing operations, create a manual
- Organize files in cloud storage
- Create graphical representations of numerical data in internal documents
- Set up integrations with attendance system and temporary staffing contract system
- Research personnel/labor management software
- Investigate subsidy applications
- Etc.

Understood. I will handle this.

Chatwork Assistant operator

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.

* Our Customers' Satisfaction Survey for FY2022 Satisfaction Survey

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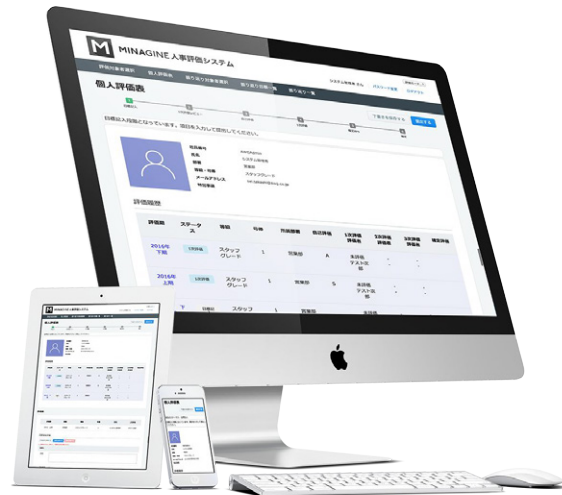
System that pursues ease of use and cost Easy-to-use and cost-effective system

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.

みんなの人事評価

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

Establishment of personnel evaluation system	Operational Support	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.	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.	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.

7 **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

Management capital

Financial capital

Financial Base and Growth Investments to Accelerate Growth

Intellectual capital

Sophisticated knowledge of SMEs

Human capital

Highly specialized product organization

Social relationship capital

External network for development and operation

Natural capital

CO2 emissions from electricity consumed by cloud servers

Key issues

Identified 11 key issues

Creating social value through business

| 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION |

Issues related to strengthening the foundation for value creation

| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 5 GENDER EQUALITY |

Helping to resolve social issues on a global scale

| 10 REDUCED INEQUALITIES | 13 CLIMATE ACTION |

Growth strategy

Promote further adoption and utilization of Chatwork
Use platform to support DX promotion
Reinforce value creation infrastructure

Chatwork

Strengths of Chatwork organization

Mission-driven

Structured strategy and operations

A workplace with growth opportunities

Our Vision (2030)
Create a business super app

Support DX promotion (mainly among SMEs) and help them improve productivity

Main KPIs for 2030

Provide value to society
- Number of SMEs in Japan using the DX promotion platform: 1MM companies
- Reduce CO_2 emissions (Scope 1+2) to net zero
- Use 100% renewable energy to power operations (Scope 2)

Create value for the company
- Improve employee job satisfaction
- Enhance brand value

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."

Legend: ░ ⋯Important   ▢ ⋯Very Important

Vertical axis: Impact on the sustainable development of society

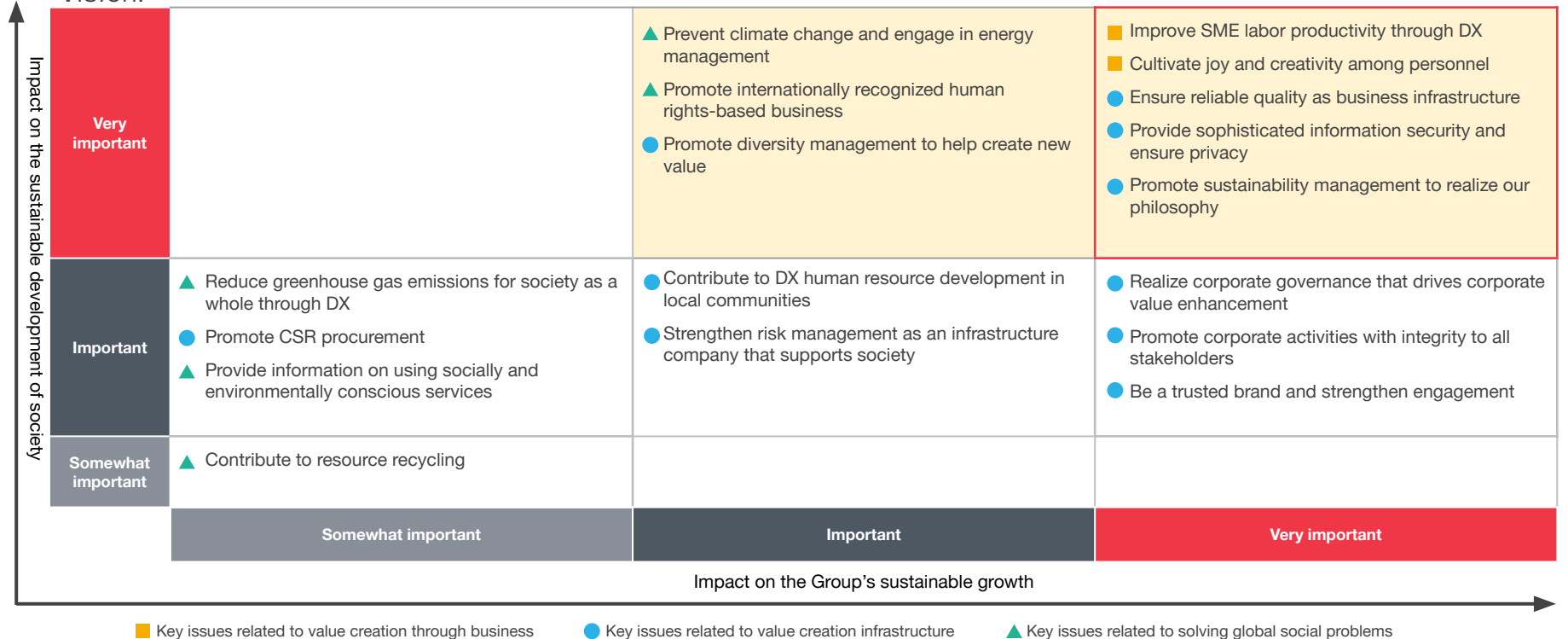|	Somewhat important	Important	Very important
Very important		▲ Prevent climate change and engage in energy management ▲ Promote internationally recognized human rights-based business ● Promote diversity management to help create new value	■ Improve SME labor productivity through DX ■ Cultivate joy and creativity among personnel ● Ensure reliable quality as business infrastructure ● Provide sophisticated information security and ensure privacy ● Promote sustainability management to realize our philosophy
Important	▲ Reduce greenhouse gas emissions for society as a whole through DX ● Promote CSR procurement ▲ Provide information on using socially and environmentally conscious services	● Contribute to DX human resource development in local communities ● Strengthen risk management as an infrastructure company that supports society	● Realize corporate governance that drives corporate value enhancement ● Promote corporate activities with integrity to all stakeholders ● Be a trusted brand and strengthen engagement
Somewhat important	▲ Contribute to resource recycling		

Horizontal axis: Impact on the Group's sustainable growth — **Somewhat important** | **Important** | **Very important**

■ Key issues related to value creation through business   ● Key issues related to value creation infrastructure   ▲ Key issues related to solving global social problems

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 infrastructur	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 Chatwork Sustainability Initiatives

Launch of the Sustainability Website

Chatwork 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://corp.chatwork.com/ja/sustainability/
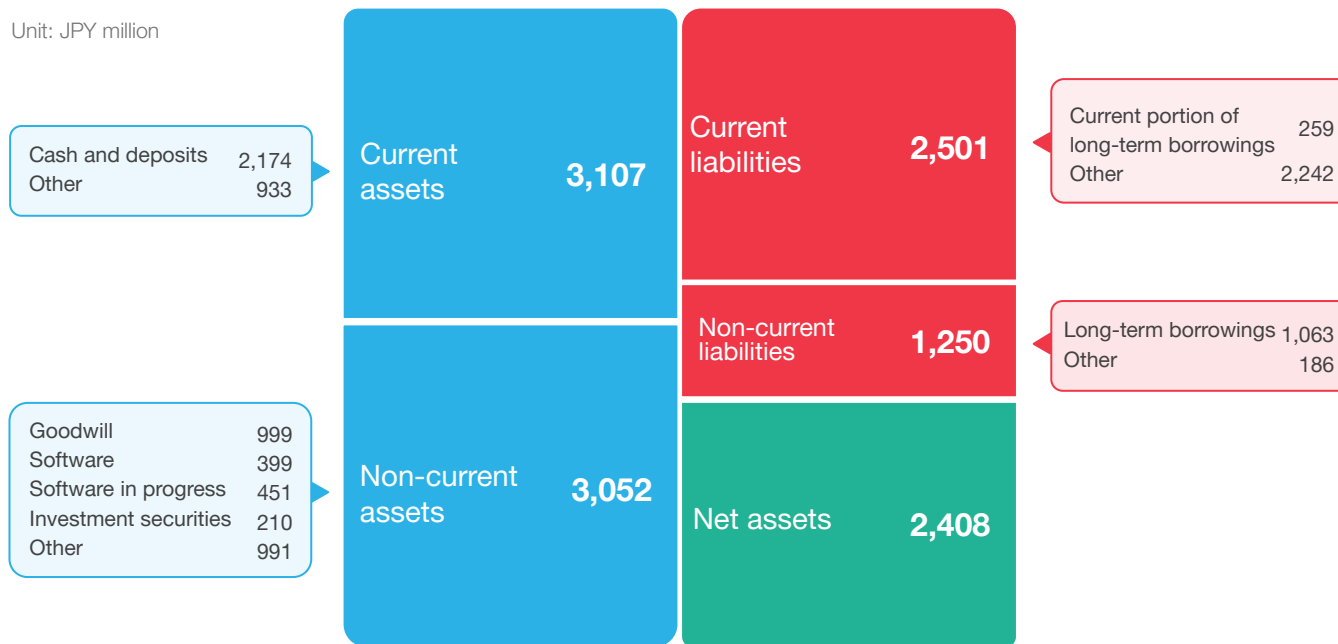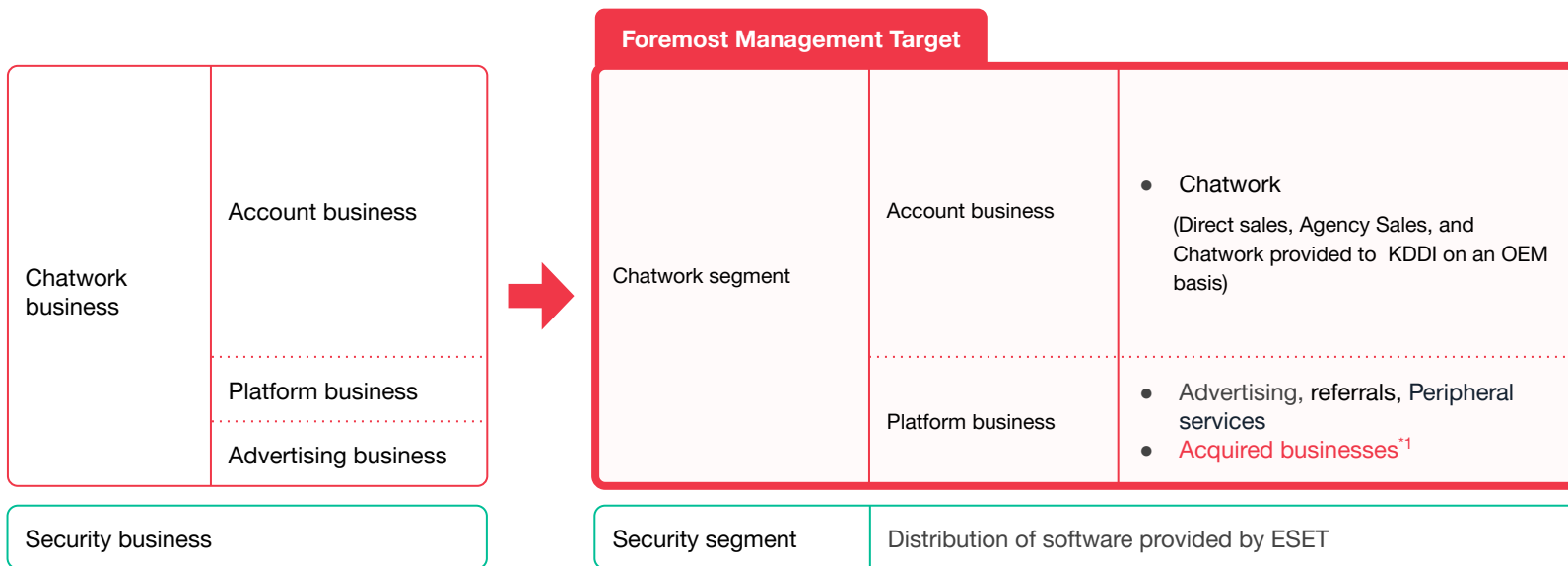
8

Appendix

Balance Sheet

- Improved financial position due to positive EBITDA and an increase in cash and deposits from advances received in the Account business.

Unit: JPY million

Cash and deposits	2,174	
Other	933	

Current assets	**3,107**

Current liabilities	**2,501**

Current portion of long-term borrowings	259	
Other	2,242	

Non-current liabilities	**1,250**

Long-term borrowings	1,063
Other	186

Goodwill	999	
Software	399	
Software in progress	451	
Investment securities	210	
Other	991	

Non-current assets	**3,052**

Net assets	**2,408**

* as of the end of March 2024

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.

Foremost Management Target

Chatwork business	Account business	
	Platform business	
	Advertising business	
Security business		

Chatwork segment	Account business	● Chatwork (Direct sales, Agency Sales, and Chatwork provided to KDDI on an OEM basis)
	Platform business	● Advertising, referrals, Peripheral services ● Acquired businesses[1]
Security segment		Distribution of software provided by ESET

*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
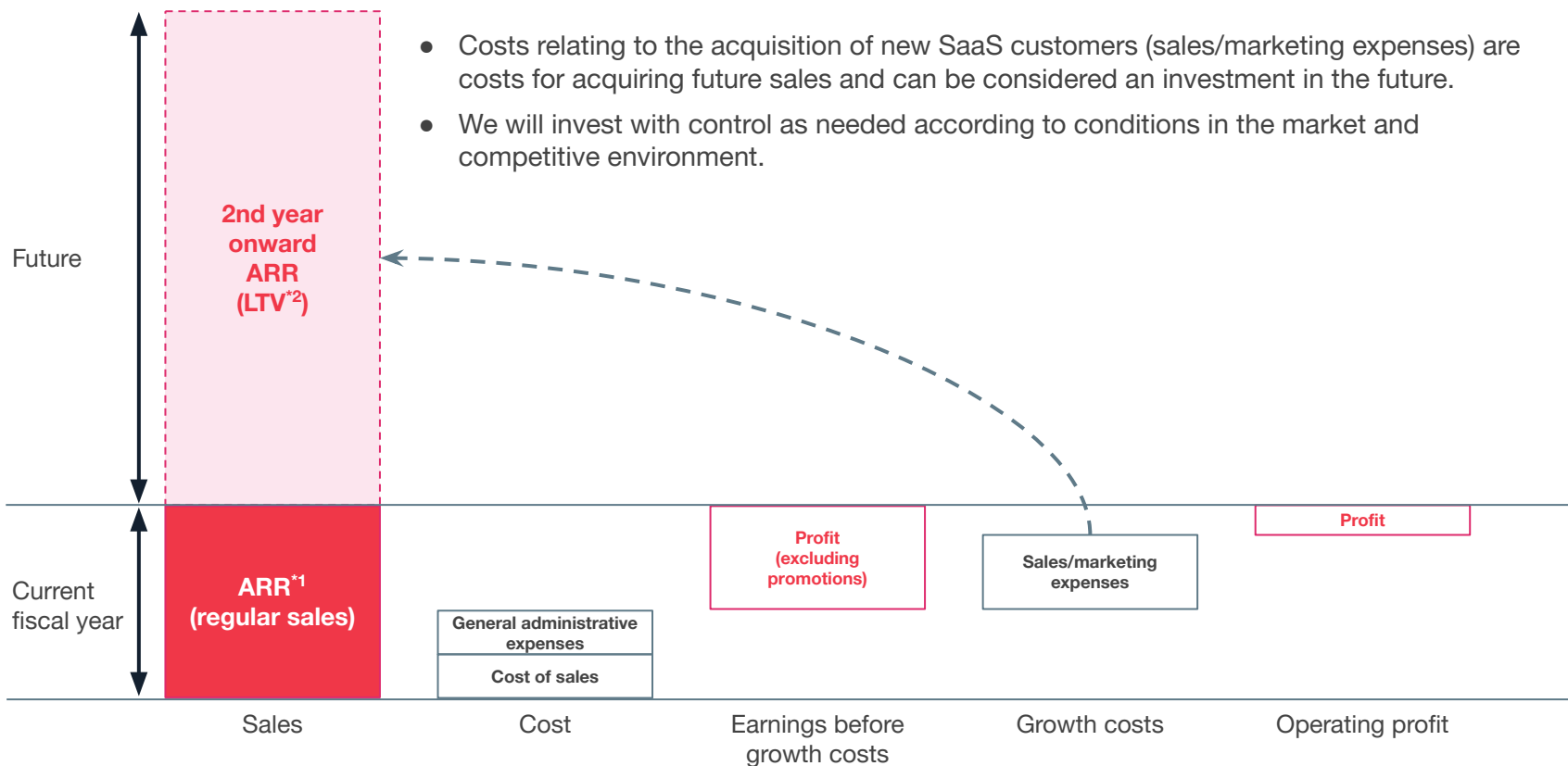
PLG **Product-Led Growth**

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

- Costs relating to the acquisition of new SaaS customers (sales/marketing expenses) are costs for acquiring future sales and can be considered an investment in the future.
- We will invest with control as needed according to conditions in the market and competitive environment.

Future

2nd year onward ARR (LTV*2)

Current fiscal year

ARR*1 (regular sales)

General administrative expenses

Cost of sales

Profit (excluding promotions)

Sales/marketing expenses

Profit

| Sales | Cost | Earnings before growth costs | Growth costs | Operating profit |

*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.

シゴトが
はずむ

"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.

CEO

Masaki Yamamoto, CEO

Masaki Yamamoto founded EC studio (currently Chatwork 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 Chatwork Co., Ltd.
He was awarded the Venture Manager Prize at the 45th Keizaikai Grand Prix. In October 2023, he was appointed Director & Senior Executive Officer, CEO of Chatwork Co., Ltd.

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 Chatwork 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 Chatwork. He joined Chatwork 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 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 Chatwork 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 Chatwork 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 Chatwork 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 Chatwork 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 Chatwork, 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 Chatwork 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 Chatwork 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 Chatwork 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 Chatwork.

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 Chatwork.

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.
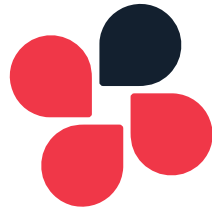
Fumiyuki Fukushima   Outside Director/Audit Committee Member

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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Making work more fun and creative

Chatwork