



# FY 2021 Full Year Financial Results

Fiscal year ending December 31, 2021

(Matters related to business plans and growth potential)

**Kaizen Platform Inc. Securities Code 4170**

**February 14, 2022**

# KAIZEN the World

Friction-less work lifestyle  
of the 21st century,  
making the world a better  
place



## 1 Company and Service Overview

## 2 FY 2021 Business Results

## 3 Earnings forecast for the current fiscal year and future growth strategy



**Company:** Kaizen Platform Inc.

**Incorporation Date:** April 2017 (US Entity KAIZEN platform Inc. <prior company> created on March 2013 \*)

**Address:** Minato-ku, Tokyo

**Employees:** 116 (As of December 2021)

- Kaizen Platform Inc. and Kaizen Platform USA, Inc. : 68

- D-ZERO Inc.: 48

**Capital:** 1,734,671 thousand JPY (As of December 2021)

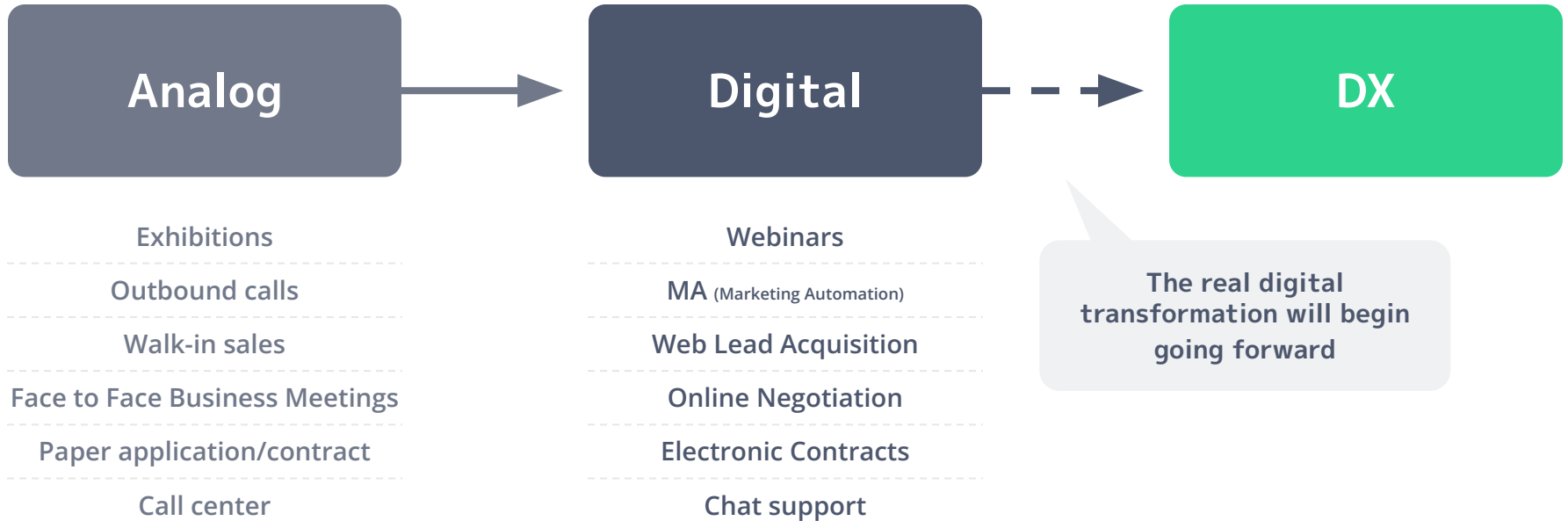
<b>Board of Directors:</b>	<b>Kenji Sudo</b>	<b>CEO</b>
	<b>Keita Umimoto</b>	<b>COO</b>
	<b>Hajime Takasaki</b>	<b>CFO</b>
	<b>Takuya Watabe</b>	<b>CTO</b>
	<b>Masanori Sugiyama</b>	<b>Outside Director</b>
	<b>Tomohide Matsuyama</b>	<b>Outside Director (NTT Advertising Inc., Director)</b>
	<b>Kaoru Oda</b>	<b>Audit &amp; Supervisory</b>
	<b>Shigeo Goho</b>	<b>Audit &amp; Supervisory</b>
	<b>Eriko Hayashi</b>	<b>Audit &amp; Supervisory</b>

**Subsidiaries:** D-ZERO Inc. / Kaizen Platform USA, Inc. / DX Catalyst K.K.

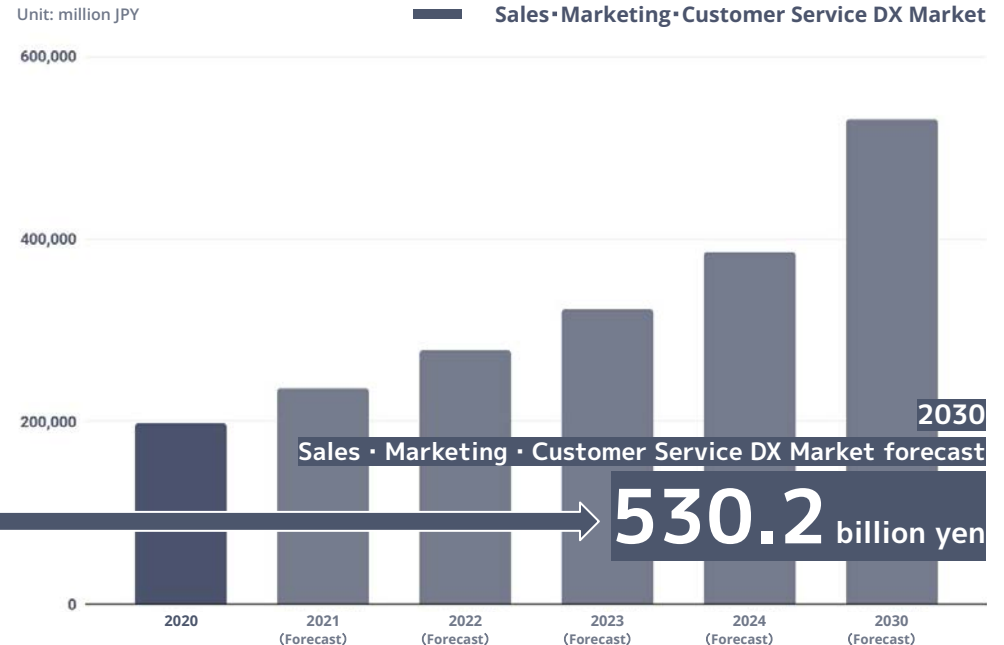
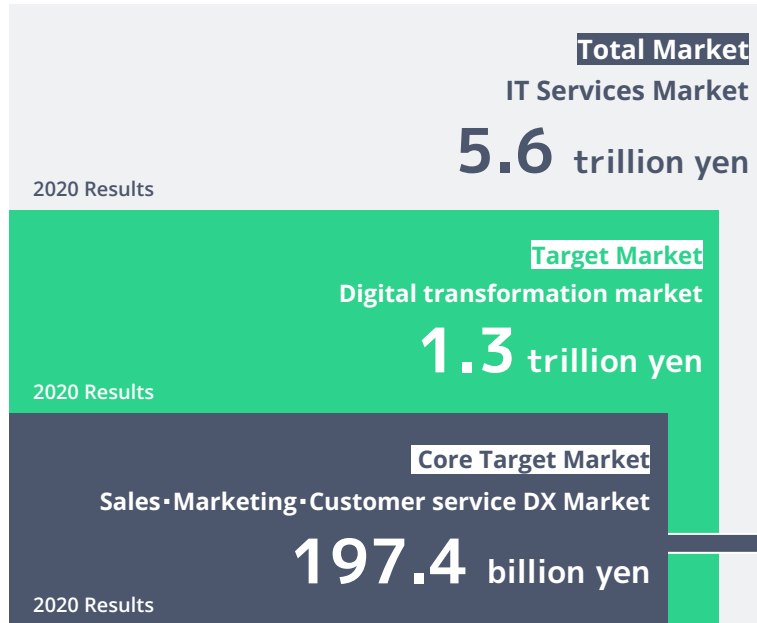
\* Previous company KAIZEN platform Inc. was the absorbed company and Kaizen Platform USA, Inc. became the stock company surviving an absorption-the merger. At that time, the investors of KAIZEN platform Inc. was given stock of our current company (Kaizen Platform Inc.) as part of a triangular merger. The Japanese business was transferred from Kaizen USA, Inc. to our current company Kaizen Platform Inc in July 2017.

## Digitalization has become the norm due to the COVID-19 pandemic

However, we have not yet been able to transform ourselves in a way that optimizes our current state,  
The real digital transformation will begin going forward

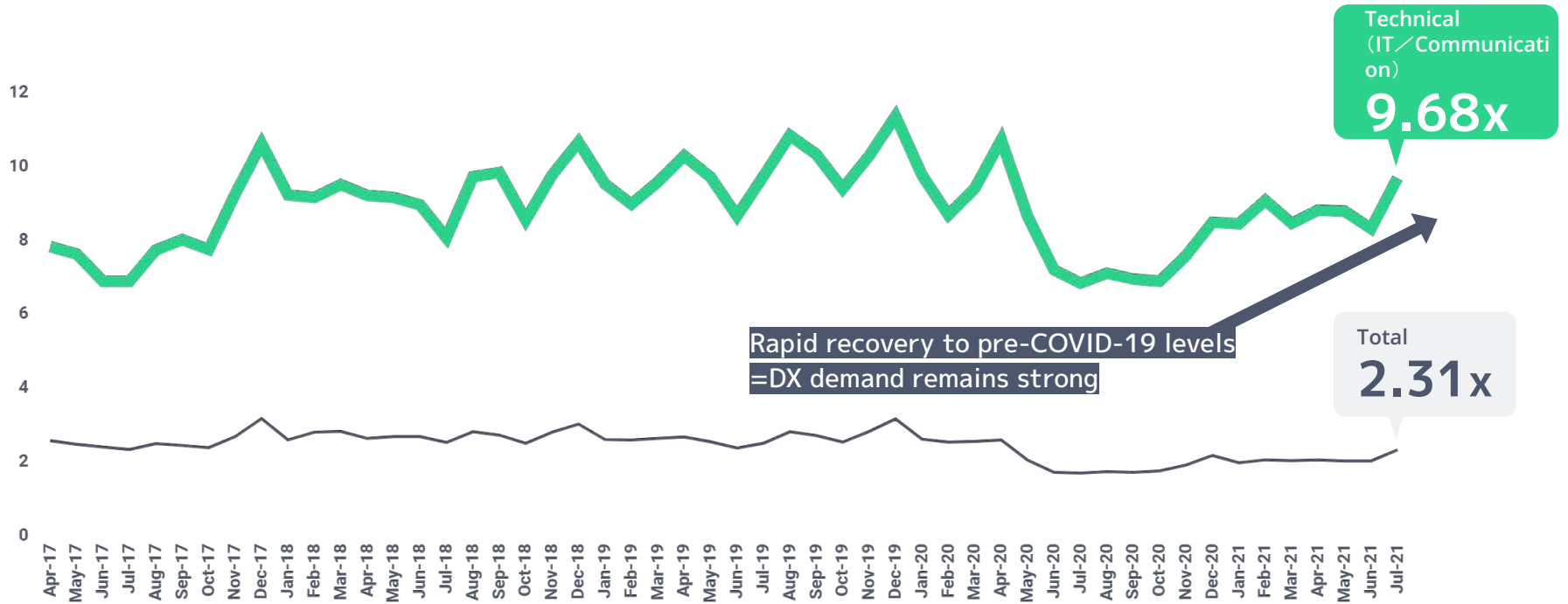


Covid-19 changes in the environment have led to a significant expansion of DX in sales, marketing, and customer service, especially among large companies, for non-face-to-face revenue growth. DX markets in sales, marketing, and customer service are expanding significantly

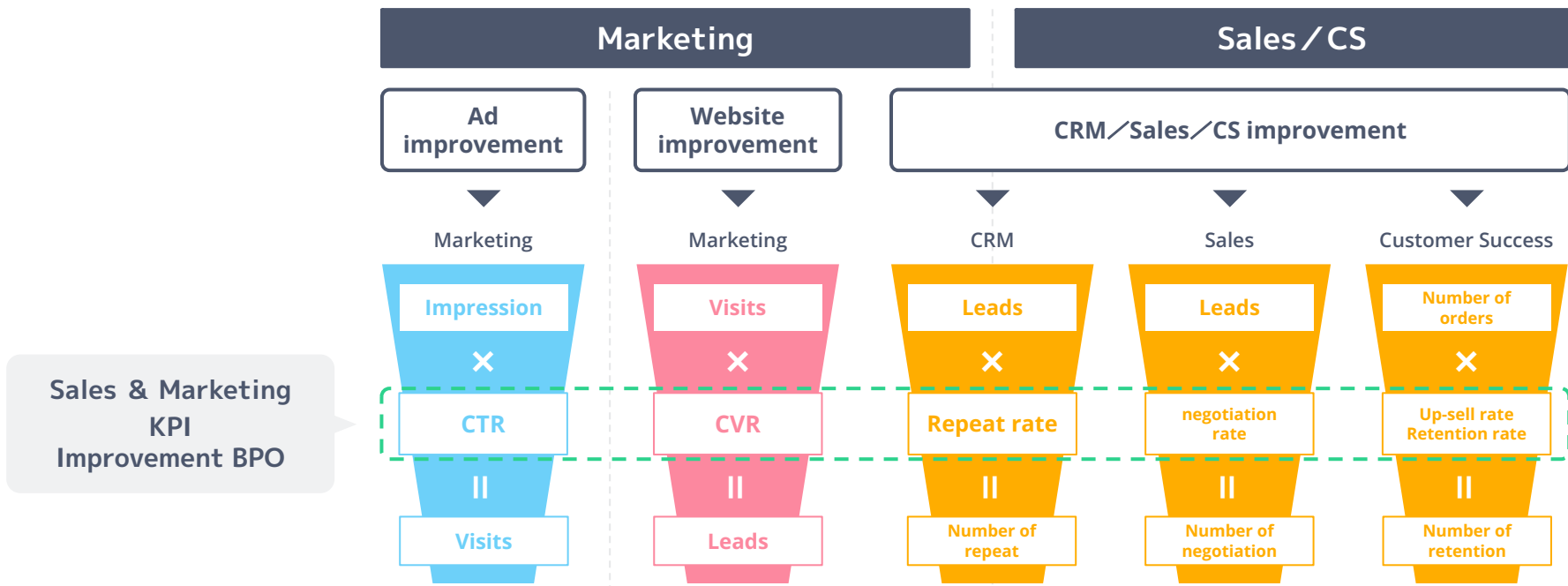


# The biggest bottleneck for DX is the lack of human resources

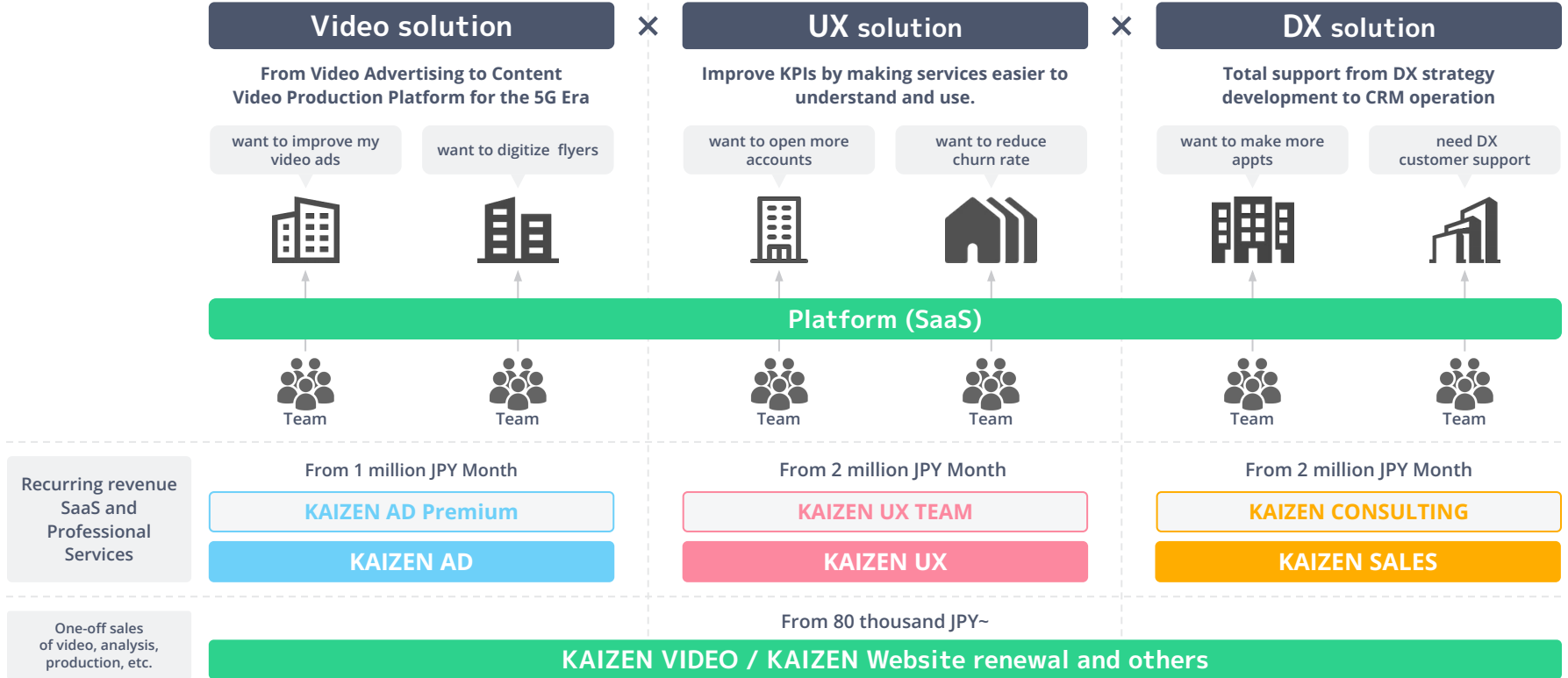
The job market for DX personnel is still overwhelmingly strong after COVID-19, lack of DX personnel is the biggest bottleneck for corporations.



Since digital is data driven, activities to keep increasing the XX rate are key. It is extremely important to have a “growth team” of people with specialized skills to keep improving and monitoring KPIs.



## Provide a **platform and a team** to support the growth of corporates with DX



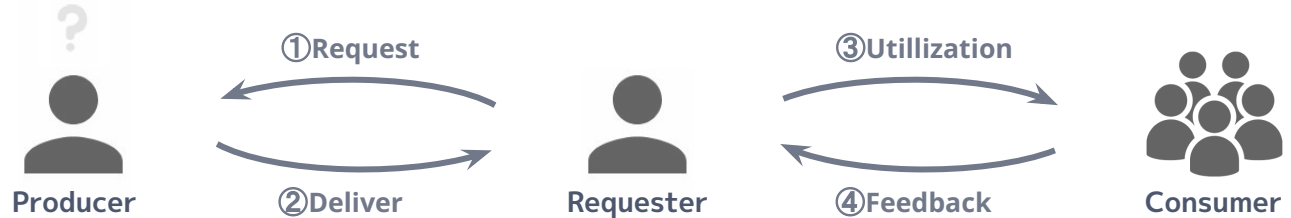


Kaizen Platform is a platform for feedback and improvement of the performance data of the various creatives created such as videos and web pages.

Past production/  
operation companies

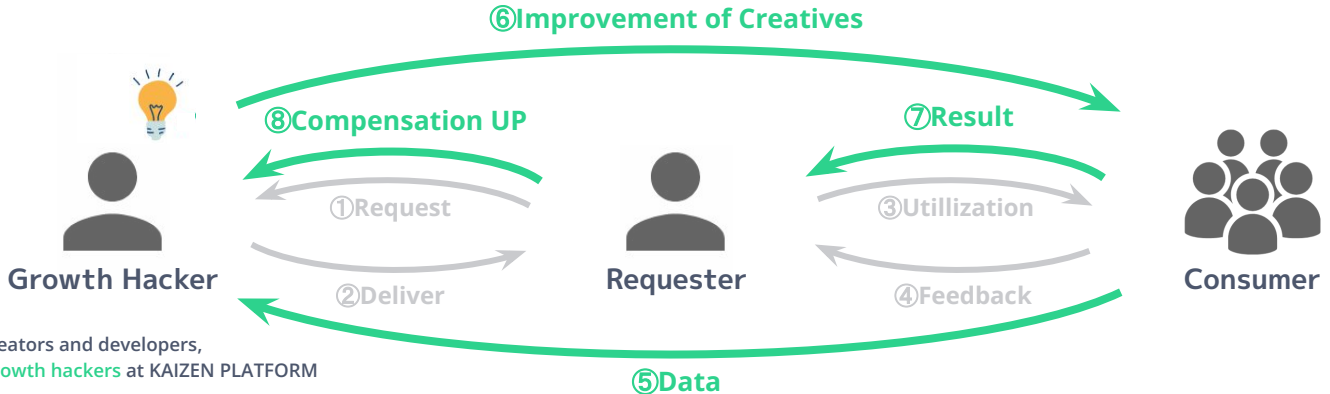
(Production Company /SI/Consulting)

Build, Deliver,  
Done



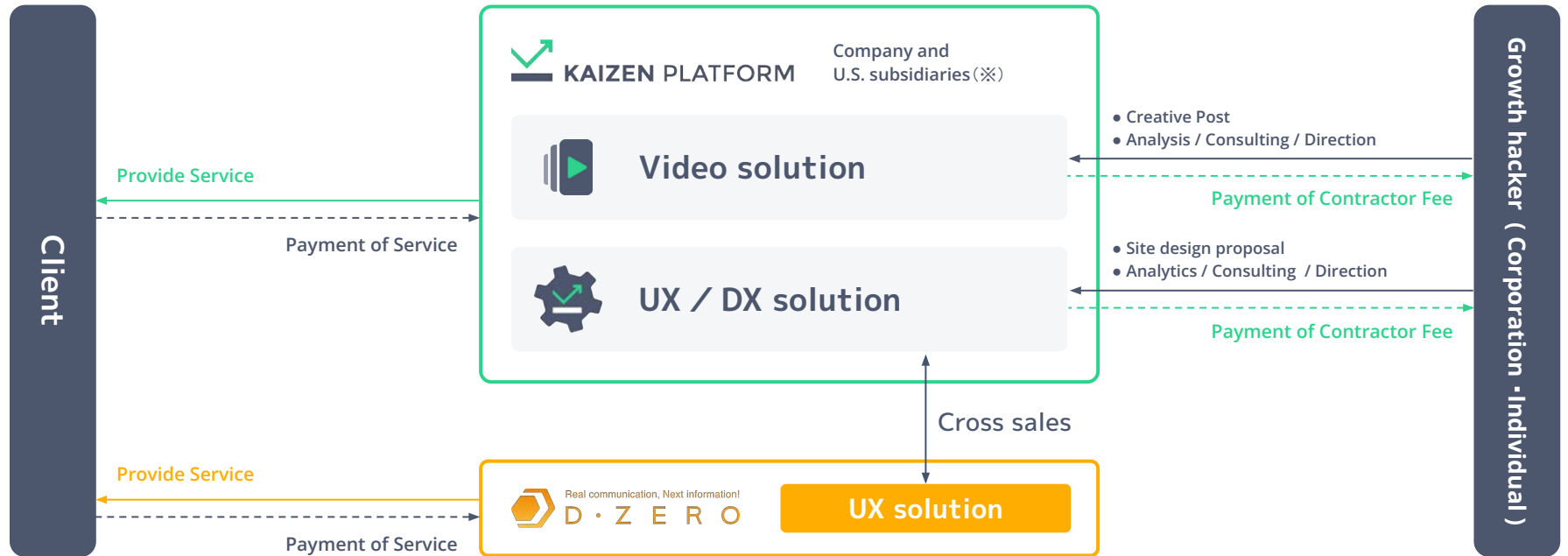
Kaizen Platform  
Process

Improvement  
starts  
after Delivery



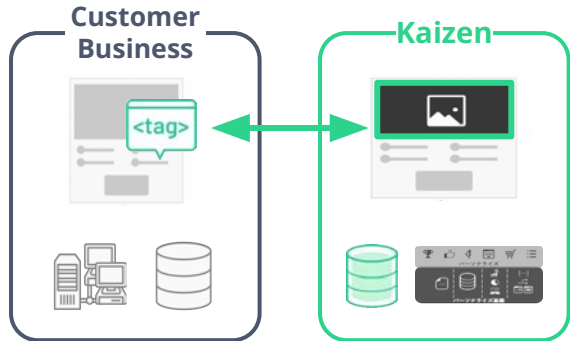
※ We call the digital professionals, such as creators and developers, who are responsible for business growth **Growth hackers** at KAIZEN PLATFORM

We are dedicated to PM (project management) and support, and we team up with growth hackers on the platform **to execute DX projects with elasticity of variable costs.**



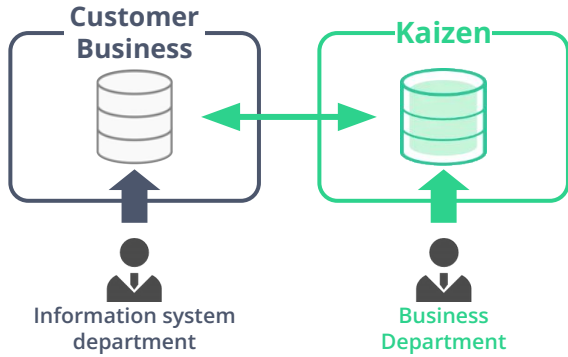
“No impact on existing legacy systems”  
“Driven by business departments” and “Lower lead time and cost”  
enabling DX and UX improvements

## Bypass Legacy Systems



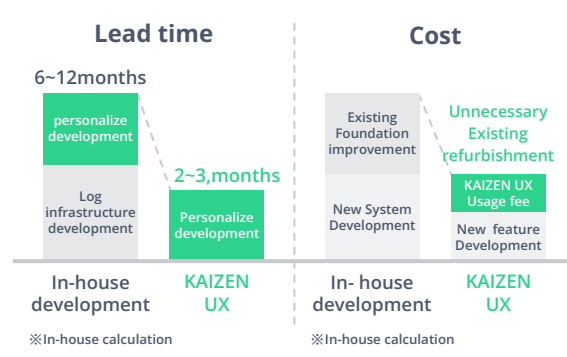
UX improvement and PoC execution with no impact on legacy systems

## Business Department Driven



Business department-led speedy implementation of necessary measures

## Lead Time / Cost



Enabling significant reductions of lead time and development cost

## Speed of execution and knowledge are the advantages Software, Resources, and Data are all on the platform

### SaaS

Bypass legacy systems  
UX improvement tool



### Resource

Professional services with over  
10,000 digital professionals



### DATA

Collected performance data of over 1000  
companies and ample consulting experience



#### New UI/UX development by SaaS & provide production environment

##### KAIZEN VIDEO

Free SaaS solution enabling seamless video ordering, Production management, and utilization in Advertising/Website/Sales.

##### KAIZEN AD

Video advertising platform in cooperation with creative management to support SaaS.

##### KAIZEN UX

Just attach one tag to your site and you can improve the UI without affecting legacy systems.

##### KAIZEN SALES

Support sales/ CRM activities with videos tool.

#### Build a variable cost team of Abundant DX specialists

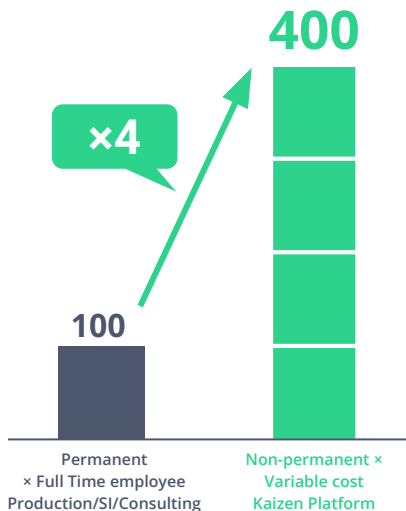
- More than 10,000 registered digital professionals who can work fully remotely from consulting to execution.
- Possible to animate existing materials such as catalogs, DMs, and leaflets.
- Not only in Japanese and English, also Asia to Latin America multilingual support.
- Production Company/Temp Agency/Consulting Services provided on our platform in partnership with more than 50 corporations.

#### Improve productivity and quality using data collected

- Utilize performance data collected to assist in consulting/producing client work. Utilize data in all work flows.
- Link data using API with official partner certification of major platforms such as Facebook / Instagram / Google / YouTube / Amazon. Produce high Quality Products.
- Provide data-driven content for educational institutions. Build a scheme for registering new grads.

## Productivity per Person

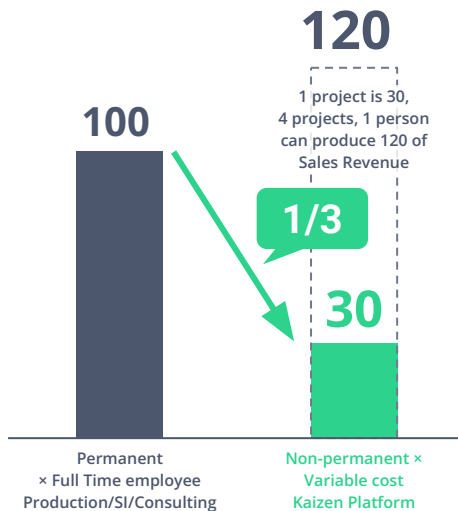
Non-permanent employees are able to achieve 4x output by specializing, streamlining operations, while reducing unproductive meetings and internal adjustments. = Enable 4x projects per person



※ Numbers based on interviews conducted with customers and growth hackers, calculated internally

## Client Price

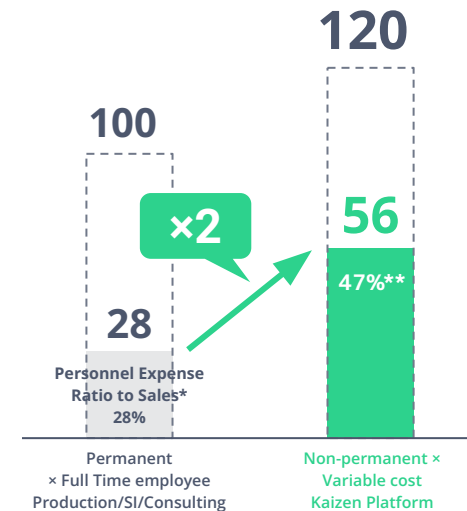
By leveraging high productivity and high variable cost ratio, price is reduced to 1/3 for the same hours worked



※ Numbers based on interviews conducted with customers and growth hackers, calculated internally

## Incentive Price

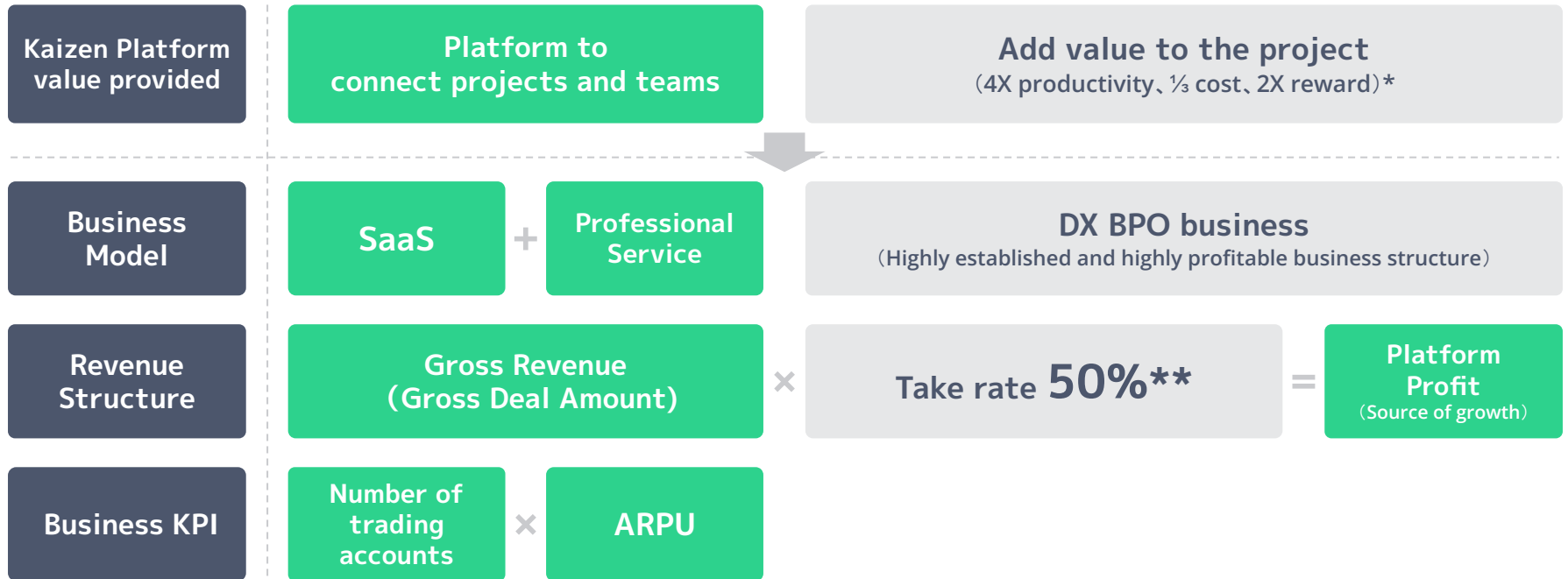
Comparing the labor cost to sales ratio by industry, the difference in compensation is about double, increasing recruitment competitiveness



\* TKC Management Index (BAST) from 2019  
Ad Production 29.1%, Other internet services 24.4%

\*\*FY 2019 Results

A high-profit, high-value-added business model that yields a 50% take rate by providing a one-stop shop for DX, improving BPO services through the cloud



\* Productivity / Expense Amount / Fee Amount calculation is from P12

\*\* Take Rate = (Total Account Volume – Cost related to the Account Volume\*\*\*) ÷ Total Account Volume

\*\*\* Cost related to the Account Volume = Sales margin less the fixed cost related to platform development cost not related to the Account Volume

# Our Valued Clients

	IDOM Inc.	 NTT 東日本	 大阪ガス	d•大地宅配	  Credit Saison Co., Ltd.
	Tomorrow, Together 	 Shop Japan	 スタッフサービス	 SmartNews	 SoftBank
 大東建託	dentsu	 new balance	 Nestlé	 Nojima	 パーソル キャリア PERSONAL
・HAKUHODO・	BIZREACH 	PEACH JOHN	 FiNC	 facebook.	<small>Forum &amp; Technology Culture</small>  Forum Engineering Inc.
 Benesse	 YAHOO! JAPAN	 USEN USEN GROUP	 UR 都市機構	 Rakuten	 RECRUIT リクルートジョブズ

## A Platform for Improving Customer Experience with DX

- 1 Targeting the huge outsourcing market for DX
- 2 Enterprise-centric high-end SaaS + professional services
- 3 Avoid legacy systems, reduce lead times, costs and promote DX
- 4 Leveraging SaaS and its data to achieve both high productivity and high take rate
- 5 Increase ARPU due to high corona resistance and accelerating DX needs associated with 5G.





**Kenji Sudo** representative Director

**Chief Executive Officer**

Joined Recruit Holdings Inc. in 2003,  
Marketing Division in the New Business  
Development Group.  
Became the youngest Corporate Executive Officer  
(at the time) in Recruit Marketing Partners .  
Founded Kaizen Platform Inc in 2013.  
Author of 「Hack Thinking」「How to DX in  
90 days」



**Keita Umimoto** Director

**Chief Operating Officer**

Joined Kokusai Denshin Denwa Co., Ltd.  
(currently KDDI) In 2014 become the  
CEO of Mediba K.K. a subsidiary of KDDI.

Then joined JapanTaxi K.K. as Director  
and CEO of IRIS K.K. Joined Kaizen Platform in  
September 2018  
In current position from April 2020



**Hajime Takasaki** Executive Director

**Chief Financial Officer**

Joined Recruit Holdings after graduating  
university.  
Joined Macromill as Senior Executive Officer to  
lead strategy and finance department.  
Then became a Director and CFO at Glider  
Associates before joining Kaizen Platform in 2019.



**Takuya Watabe** Director

**Chief Technology Officer**

Joined NTT Communications in 2004.  
Then joined GREE in 2010 in the Native Game  
Business Department to develop and lead the  
business. Then in 2014, joined Smart News to lead  
and manage the advertising product division.  
Joined Kaizen Platform in 2016  
Current position from April 2018



**Toru Sakai** Executive Officer

**Chief Growth Officer**

Joined Netage in 2006 from Softbank Corp. Created several businesses around digital advertising and also still serving as the president of a group company.

Joined Kaizen Platform from the start in 2013.

Created the Video business in 2016 and in the current position from June 2020.



**Toshimasa Ishibashi**

**Executive Officer**

**Chief Culture Officer**

1999 Joined Recruit Communications Co. Engaged in web system development. In 2007, he was a founding member of the Media Technology Lab at Recruit Holdings.

In 2013, co-founded Kaizen Platform and became the CTO. He has been leading product development and building out the engineering organization. He has been in his current position since January 2021.



**Gen Fujihara** Executive Officer

2012 Joined Softbank Corp.  
Engaged in product planning and overseas business development for corporate cloud products at the company.

Joined Kaizen Platform in 2016 with a desire to "create a platform that can expand globally from Japan".

He has been in his current position since January 2022.



**Yuki Sakato** Executive Officer

Joined the Institute for Global Management Integration (IGPI) from Marubeni Corp.

Engaged new business development support / consulting/ planning and implementation of overseas M&A strategies and business reforms for web services, technology, healthcare, etc.

Joined Kaizen Platform in 2020 and is responsible for DX business, marketing and business strategy.

He has been in his current position since January 2022.



**Yu Kawabe** Executive Officer

2009 joined Ricoh Company Ltd.  
Engaged in process improvement of production and supply chain.

Joined Kaizen Platform in 2014 as a Product Manager and Head of Development.

He has been in his current position since January 2022.

DX is not simply about digitizing the analog world.

The essence of DX is to **solve social issues**.

Aiming to improve the world and solve social issues through DX

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Friction-less work lifestyle of  
the 21st century,  
making the world a better  
place



## SUSTAINABLE DEVELOPMENT GOALS



## 1 Company and Service Overview

## 2 FY 2021 Business Results

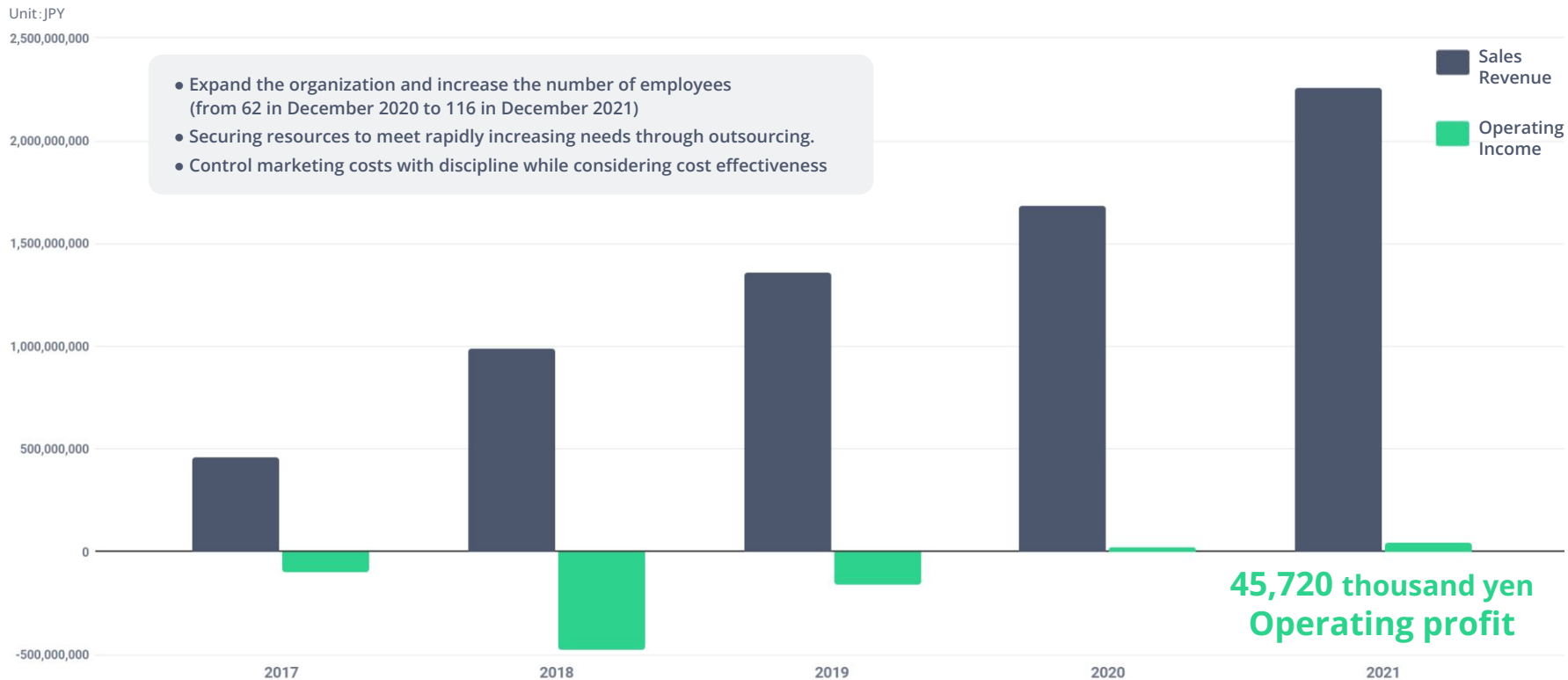
## 3 Earnings forecast for the current fiscal year and future growth strategy

Net sales increased 34% YoY.

EBITDA and operating profit also **increased substantially YoY and exceeded forecasts.**

(million JPY)	FY 2021 Q4 (January 2021 - December 2021)			Full Year Forecast (Announced on November 12, 2021)	
	Actual	Year-on Year		Earnings forecast	Progress rate
		Actual	% Change		
Sales	2,260	1,686	+34.0%	2,240	100.9%
EBITDA	221	119	+86.0%	170	130.4%
Operating Profit	45	23	+95.6%	0	-%
Ordinary Profit	-25	36	-%	-80	-%
Net Profit	-101	107	-%	-140	-%

## Capital at the time of listing used for human resource and marketing investments in line with the plan, and sales revenue is growing



# Performance Trends (By solution)

## Video

Market needs are strong and earnings continue to grow

## UX/DX

Substantial increase in sales due in part to the contribution from the M&A of D-ZERO



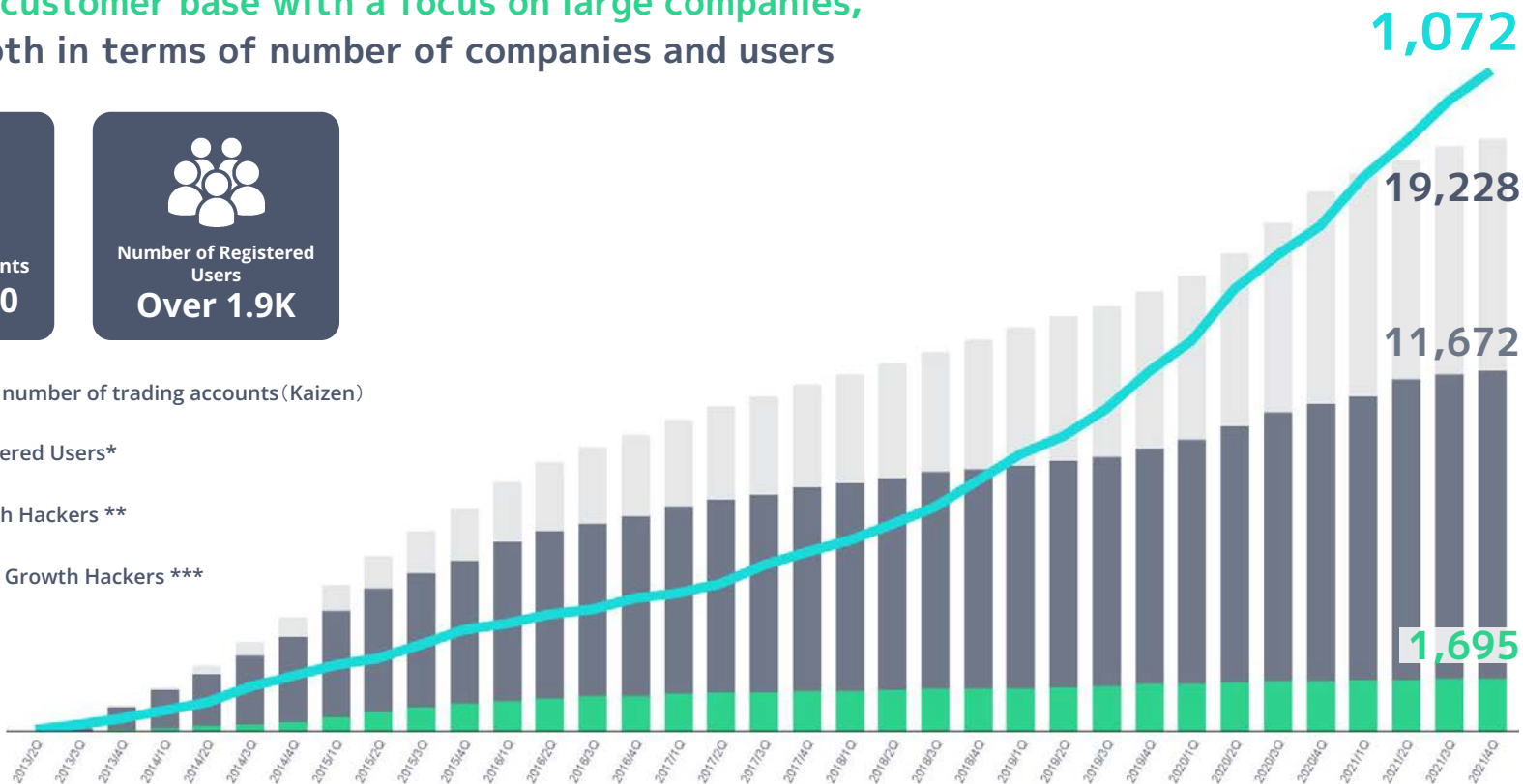


Expanding customer base with a focus on large companies, growing both in terms of number of companies and users

Number of Accounts  
**Over 1,000**

Number of Registered Users  
**Over 1.9K**

- Cumulative number of trading accounts (Kaizen)
- Total Registered Users\*
- Total Growth Hackers\*\*
- Total Active Growth Hackers\*\*\*



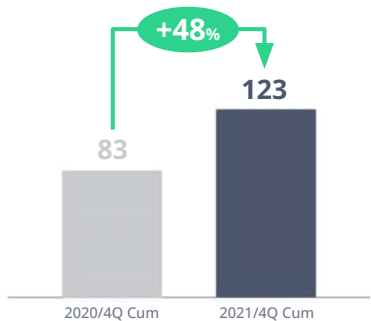
\* Total Number of Clients and Users using the Platform  
 \*\* Total Number of Growth Hackers using the Platform  
 \*\*\* Number of Growth Hackers with performance data on past projects at Kaizen

UX/DX business growth driven by **strong growth in new transaction accounts.**

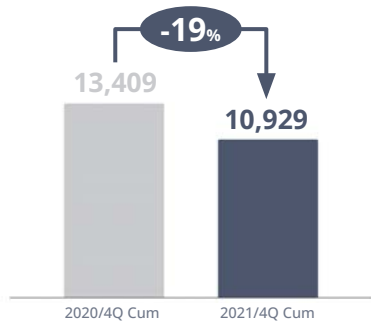
Video is aiming for ARPU recovery in the future. Existing customer ARPU has increased significantly from last year, and the rapid growth speed is maintained.

## UX/DX Solution

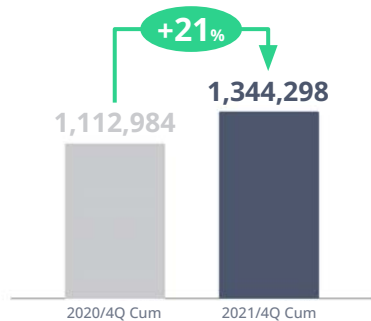
Number of trading accounts \*



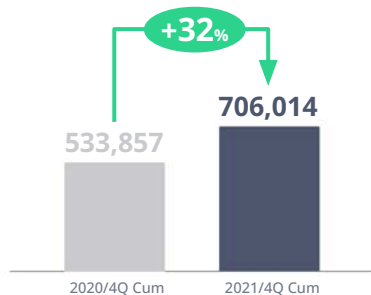
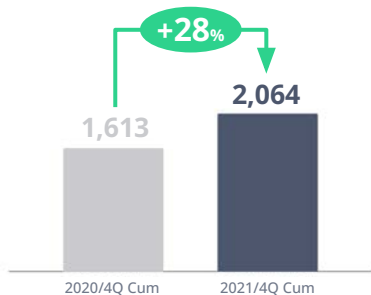
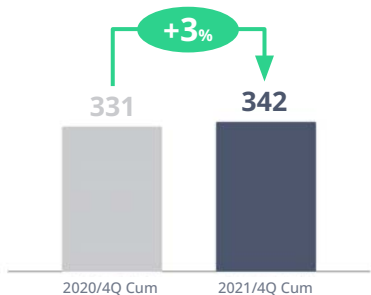
ARPU (4Q Cumulative) Unit: Thousand JPY



Revenue (4Q Cumulative) Unit: Thousand JPY

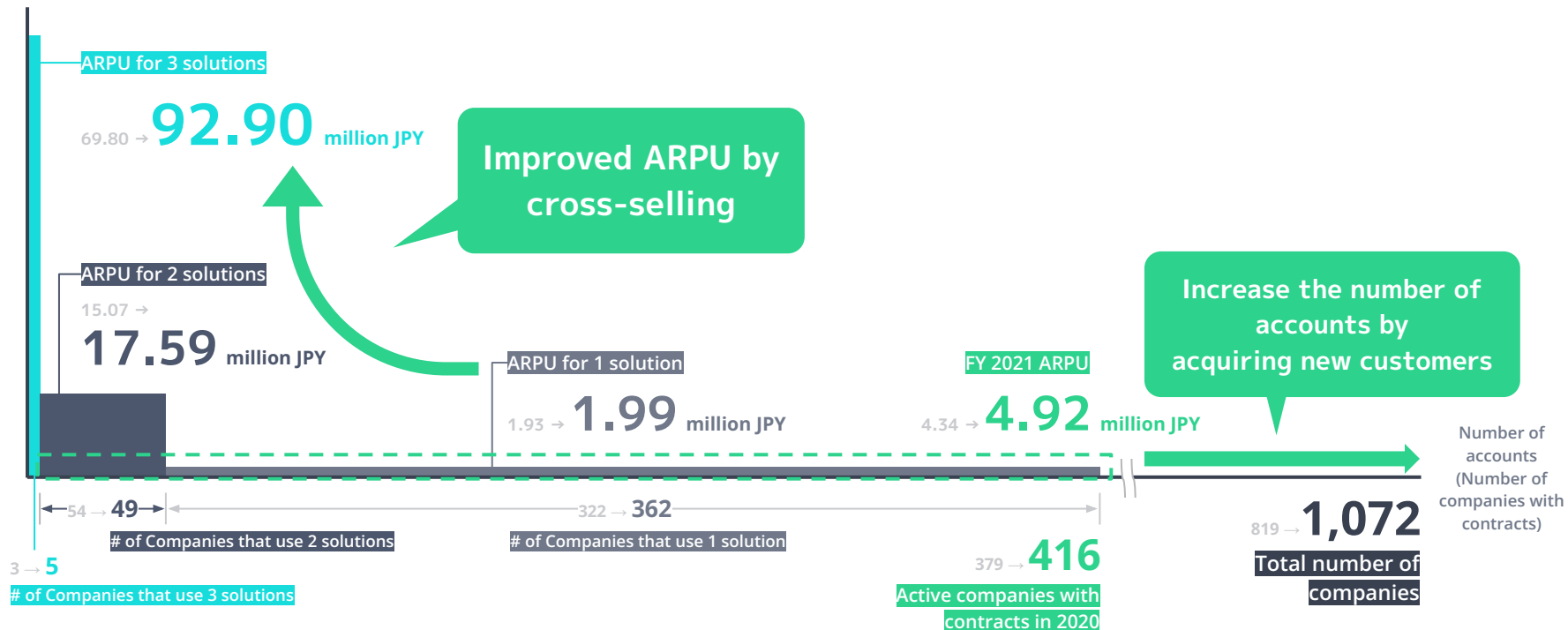


## Video Solution

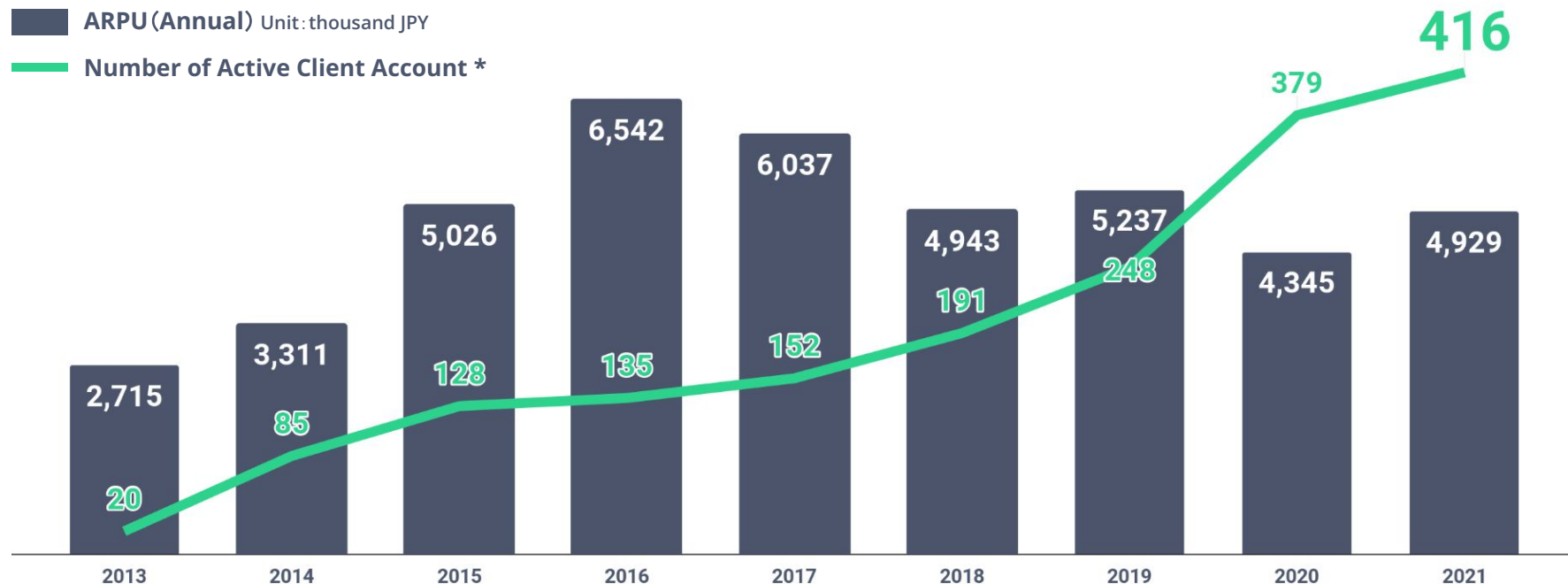


## Possible to increase ARPU by cross-selling UX, Video, and DX solutions in line with the evolution of customer DX

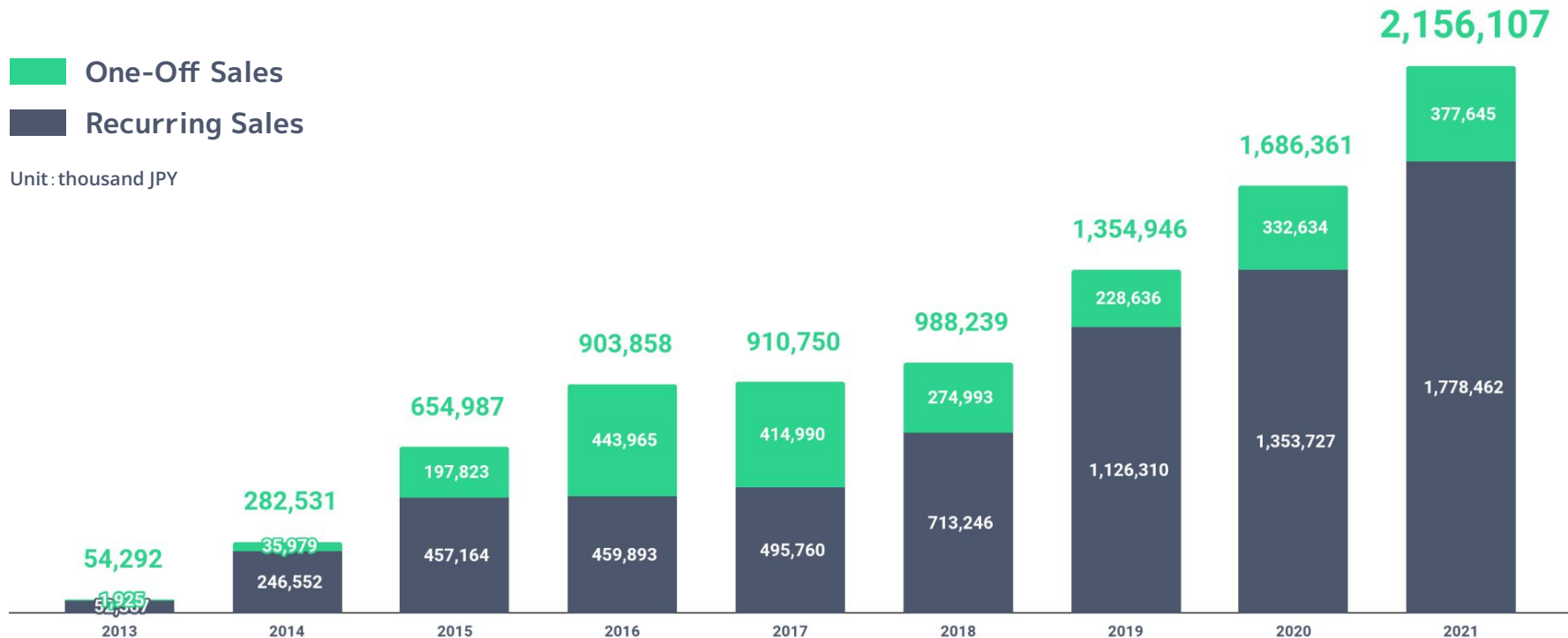
ARPU (Annual)



Accelerated the expansion of trading accounts with video as the door opener, from there we accelerated sales of UX and DX solutions through up-selling and cross-selling.



## Conversion of new accounts from one-time sales to recurring sales is progressing well



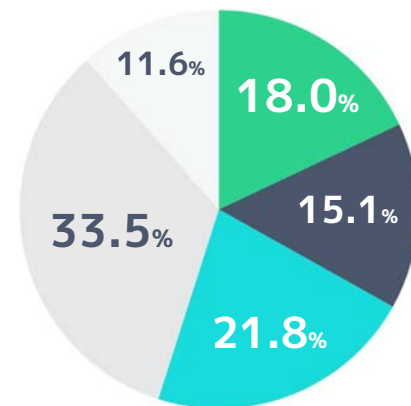
Unit: thousand JPY

Listing on the TSE Mothers has **increased cash and deposits and net assets**, strengthening our financial base. Institutional investors hold 33.1% of shares, while general individual shareholders account for 21.8%.

Balance Sheet (Consolidated)			
million JPY	2020/12	2021/12	Increase/ Decrease
Cash and Deposits	2,660	3,006	345
Current Assets	2,908	3,438	529
Tangible fixed assets	4	13	9
Intangible fixed assets	323	699	375
Investment and other assets	152	205	53
Assets	3,388	4,357	968
Short-term debt	-	-	-
Long-term debt	250	671	421
Liabilities	534	1,009	474
Net worth	2,854	3,348	493
Liability Net assets	3,388	4,357	968

## Stock distribution

(As December 31, 2021)



- Overseas institutional investors
- Domestic institutional investors
- Individual shareholders\* (General)
- Individual Shareholders\* (Senior Mgmt & Employees)
- Others (Other Corporates and Venture Capital)

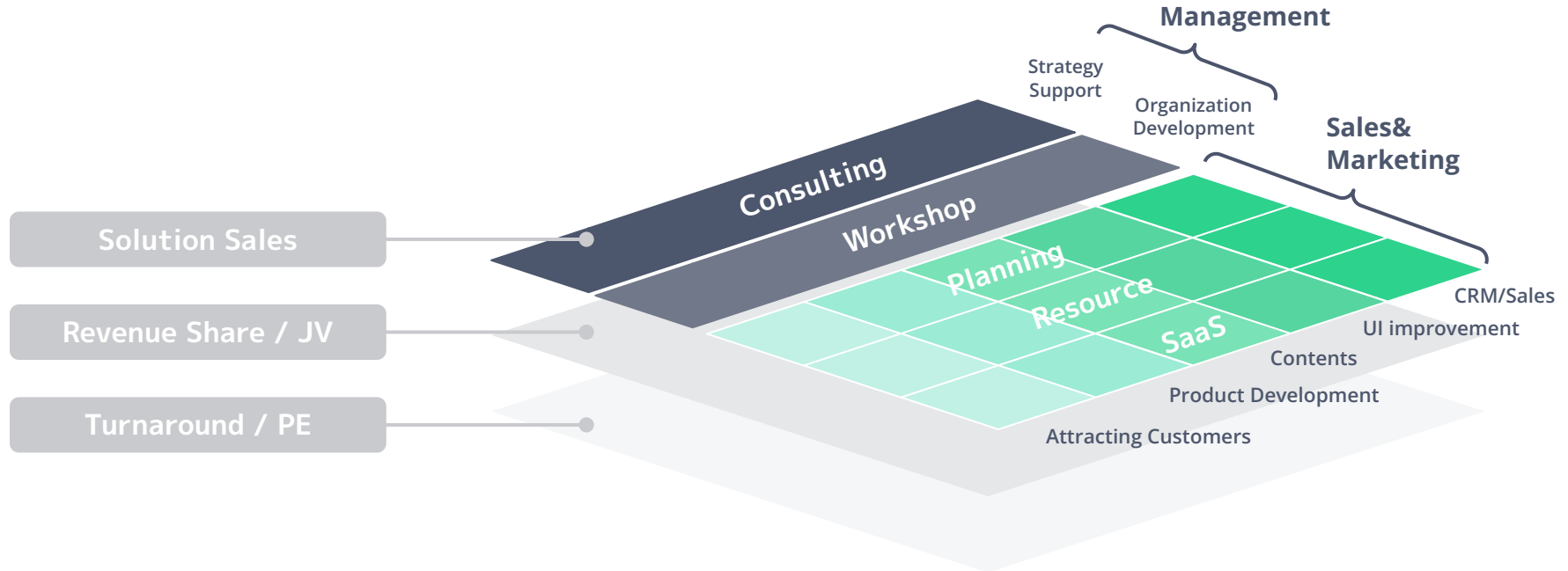
\*Breakdown of individual shareholders is approximate.

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When we consider the future growth of the DX market in the sales and marketing domain as an opportunity, our company, which has a client base of major companies, **the combination of "solutions" and "business model"** will enable further development.





New ways of working and digital tools have become very popular,  
and **non-face-to-face/no contact** is the norm.

Some predict that the office occupancy rate will not and cannot return to pre-COVID-19 levels.

## New Ways of Working

Remote work is spreading,  
and new ways of working are taking form.



## Increased adoption of digital tools

Web conferencing systems at the top of the list,  
Expanded use of various digital tools



Communication tools that used to be made on paper are now going digital with the opportunity of **non-face-to-face/non-direct contact**.

What should be digital?

How do we use it?



Advertisements



Brochures



Instructions



Sales Materials



Guidebook



Catalogs



Posters



Training



Events



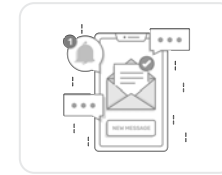
Interviews



Press Releases



SNS/Advertisement



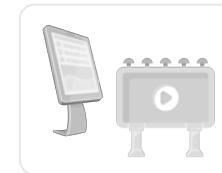
Mail/Chat



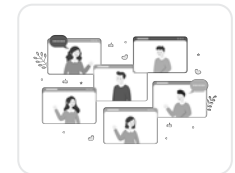
Sales and storefront Tablets



Website

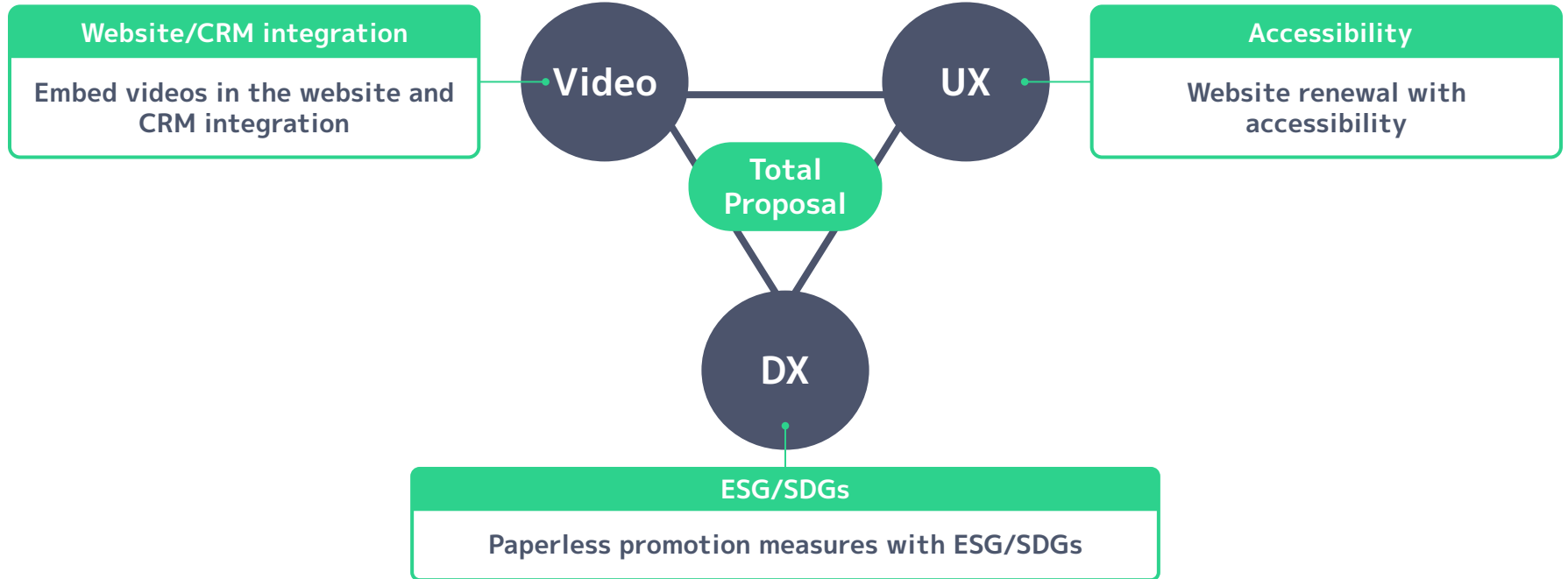


Digital Signage



Online MTG

Due to the rapid commoditization in this area, we will move into areas with higher added value.  
Differentiation through **continuous expansion** and **enhanced integration proposals**.

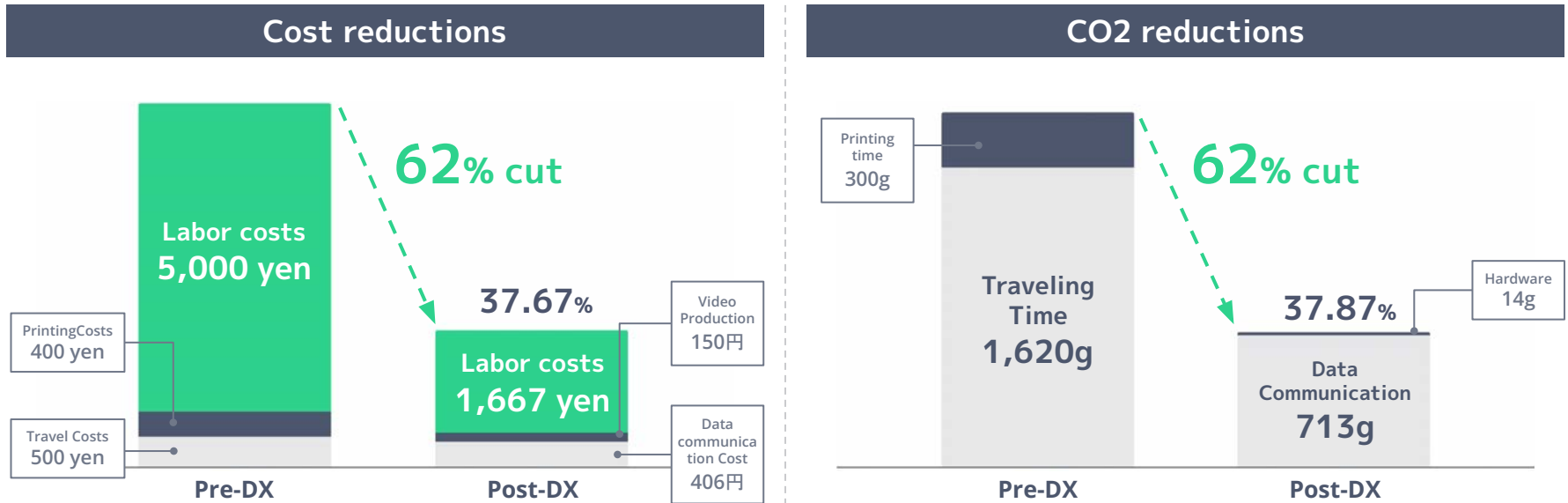


## A 62% reduction in both cost and CO2 emissions is possible

For a company with 1,000 sales people, simply changing half of the appointments to DX will lead to an **annual reduction of 880 million yen and 286 tons of CO2.**

= Equivalent to the amount of CO2 absorbed by 20,306 cedar trees in one year (equivalent to a forest of 8 Tokyo Domes)

▼ Simulation of a one-hour appointment that requires 30 minutes of travel before and after the appointment to a 40-minute remote appointment with the use of video.



With the revision of the Law for Eliminating Discrimination against Persons with Disabilities, private companies are now required to enhance accessibility on par with public institutions. Promote a variety of initiatives to **create a "smooth society"** for all people.

Accessibility is important not only for the "elderly and disabled" but also for the "general public."

Improved accessibility is also effective for voice browsers and SEO, which increase the number of people who can access it.

※ Because people are not always healthy, it is common for them to be unable to do something temporarily.



ex)

- Hand Injuries
- Communication speed is slow.
- Difficult to read on a phone
- Can't hear you because of background noise. etc...

UX improvement

+

Accessibility



KAIZEN PLATFORM



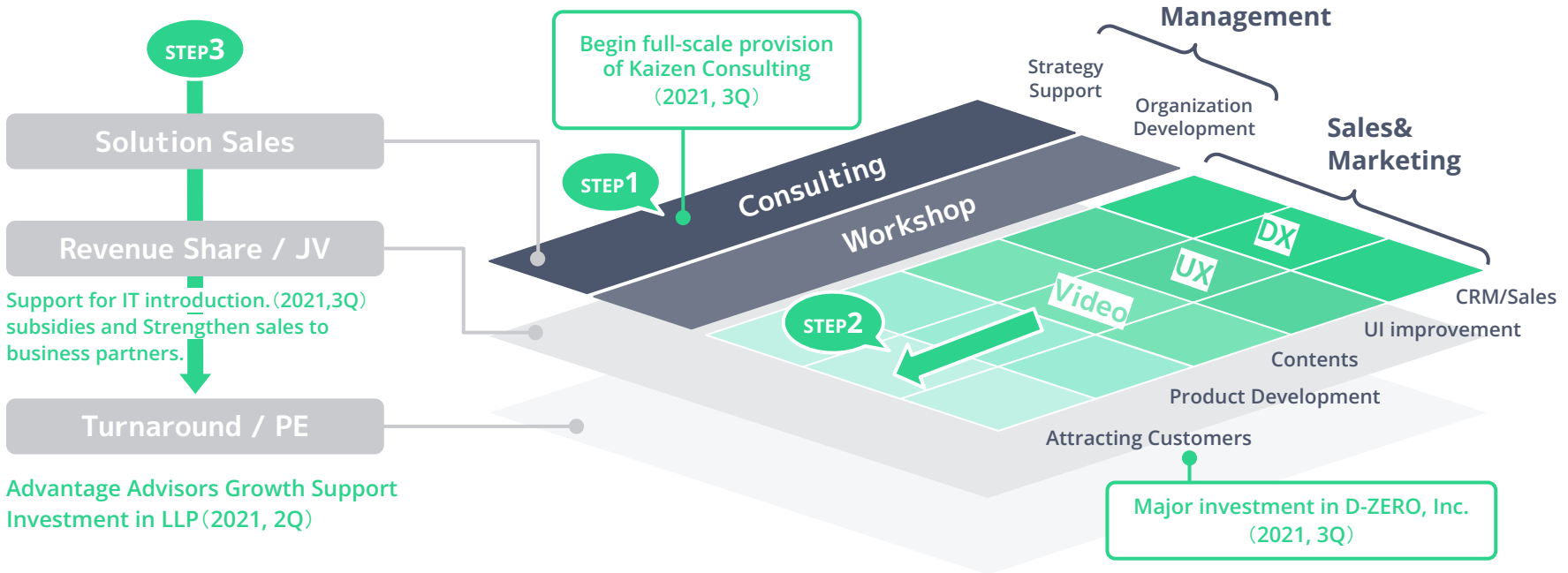
Real communication, Next information!

D · Z E R O

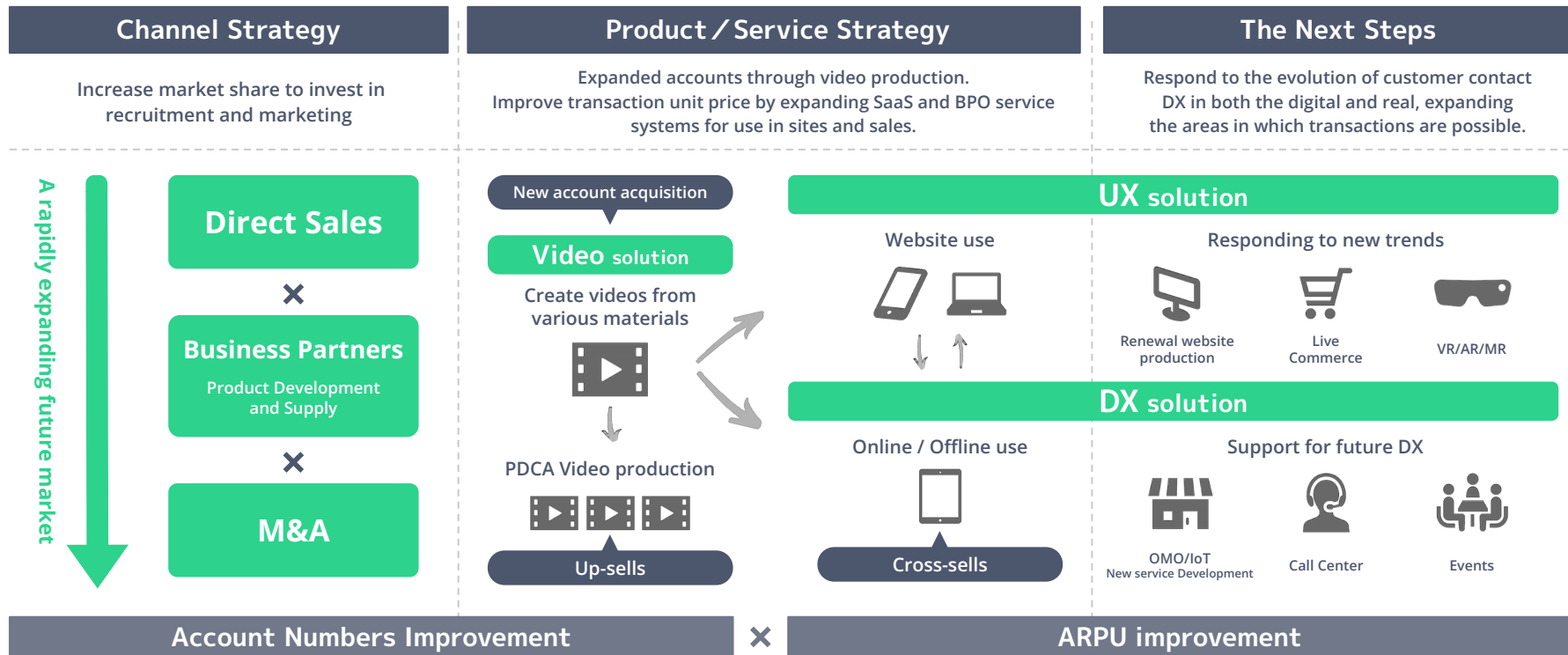
Promote accessibility improvements of our website and various services with group company D-ZERO.

Establish and strengthen support for accessibility consultation services, and promote social awareness activities.

# Strategy Steps to increase ARPU



We will invest to strengthen our position as a platform in the growing DX market, aiming to become a DX EMS\*



Aiming for sales growth of more than **30% YoY in the current fiscal year.**

Profit is expected to remain at the same level as the previous fiscal year due to prioritizing upfront investments such as expansion of human resources for future growth.

(million JPY)	FY 2021	FY 2022	
	Actual	Earnings forecast	% Change
Sales	2,260	3,000	+32.7%
EBITDA	221	250	+12.8%
Operating Profit	45	50	+9.4%
Ordinary Profit	-25	10	-%
Net Profit	-101	0	-%



The following is a list of risks that, if they were to materialize, could significantly impede the execution of the Group's business plan and the measures to be taken to address them. and countermeasures are as follows. The possibility of these risks materializing is low at this time.

## Competitors Trend

There is a possibility that competition will intensify due to existing businesses and new entrants (time of materialization: medium to long term)

We will strengthen our competitiveness by **expanding our services, growing our network of growth hackers, and conducting aggressive marketing activities.**

## Responding to technological innovation

If there is a delay in responding to technological innovation, there is a possibility that the Group's competitiveness will decline (time of materialization: medium- to long-term).

The Group has been **hiring and training engineers and improving the development environment.**

## System Trouble

The occurrence of a large-scale system failure could affect the Group's business and earnings. It may affect the Group's business and earnings (time of occurrence: unknown).

In order to ensure stable service operation, the Group is **strengthening its server facilities and other equipment and building internal systems.**

We are pleased to welcome as outside directors, Mr. Sugita, former Japan Representative of Boston Consulting Group, and Mr. Suginohara, actively engaged in diversity management to **strengthen our governance.**



## Hiroaki Sugita

Joined the Boston Consulting Group in 1994 from Japan Transport Bureau (JTB). He became a partner and managing director of The Boston Consulting Group in 2001, Japan representative from 2016 to 2020.

He is the author of many books, including "Professional Management Consultant" (Nihon Keizai Publishing Inc.) and "Recruit's Amazing Creative Power" (Nihon Keizai Shimbun Publishing Inc.).

He is also a professor at Waseda University Business School, director and member of the Audit Committee of Unicharm Corporation (current position).



## Akiko Suginoura

Graduated from university and joined GaiaX Co Ltd.

After launching and being in charge of a business to deal with unofficial school websites, established Adish Co Ltd. in 2014 and was appointed Director and General Manager of the Administration Division.

In 2021, she launched a sponsorship community to address diversity at the decision-making level in venture companies. She is also a member of the board of directors of Adish Co Ltd. and Slogan Co.

COO of the non-profit organization "Minna no Code" (present post).

## Directors and Auditors

Kenji Sudo	Representative Director
Hajime Takasaki	Director
Masanori Sugiyama	Outside Director
Hiroaki Sugita	Outside Director
Akiko Suginoura	Outside Director
Kaoru Oda	Audit & Supervisory
Shigeo Goho	Audit & Supervisory
Eriko Hayashi	Audit & Supervisory

## Executive Officers

Kenji Sudo	CEO
Hajime Takasaki	CFO
Toru Sakai	CGO
Gen Fujiwara	Executive Officer
Yuki Sakato	Executive Officer
Yu Kawabe	Executive Officer

※ The appointment of directors is scheduled to be submitted to the 5th Ordinary General Meeting of Shareholders.

※ Mr. Umimoto and Mr. Ishibashi who are stepping down as Executive Officer, will assume the newly established expert positions, and Mr. Watanabe will be appointed as a technical advisor.



# Appendix

# Profit and Loss (Consolidated)

Thousand JPY	2019/12	2020/12	2021/12
Sales revenue	1,354,946	1,686,361	2,260,042
Gross Profit	582,145	822,194	934,202
Selling, General and Administrative Expenses	744,430	798,824	888,481
Salary and Allowance	184,450	199,235	250,906
Outsourcing Cost	176,372	177,151	152,012
Operating Profit (Loss)	(162,284)	23,369	45,720
Ordinary Profit (Loss)	(150,475)	36,435	(25,627)
Profit (loss) attributable to Parent	(162,646)	107,382	(101,657)

## UX/DX solution \*

Thousand JPY	2019/12	2020/12	2021/12
Sales Revenue	969,579	1,112,984	1,448,403
Operating Profit (Loss)	(28,583)	111,380	26,691

## Video solution \*

Thousand JPY	2019/12	2020/12	2021/12
<b>JP</b>			
Sales revenue	332,286	532,858	705,844
Operating Profit (Loss)	(102,190)	(52,554)	61,276
<b>US</b>			
Sales revenue	53,080	40,518	105,794
Operating Profit (Loss)	(31,510)	(35,456)	(42,248)
<b>Total</b>			
Sales revenue	385,367	573,376	811,638
Operating Profit (Loss)	(133,700)	(88,010)	19,028

\* From the first quarter of the current consolidated fiscal year, the name of "Site Solution Business" has been changed to "UX / DX Solution" and "Kaizen Video Business" has been changed to "Video Solution". This change is only a name change and does not affect the segment information.

# Balance Sheet (Consolidated)

Thousand JPY	2019/12	2020/12	2021/12
Cash and Cash Equivalents	930,148	2,660,345	3,006,148
Current Assets	1,145,488	2,908,598	3,438,310
Tangible Fixed Assets	7,604	4,643	13,748
Intangible Fixed Assets	211,561	323,591	699,349
Investment and other Assets	20,550	152,122	205,949
Assets	1,385,204	3,388,956	4,357,357
Short-Term Debt	—	—	—
Long-Term Debt	—	250,000	671,000
Liability	232,980	534,154	1,009,025
Net Worth	1,152,224	2,854,801	3,348,332
Liability Net Assets	1,385,204	3,388,956	4,357,357

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The information contained in this presentation is subject to change without prior notice.

The statements made in this document regarding future performance are forward-looking statements.

Forward-looking statements include, but are not limited to, statements such as "believe," "plan," "strategy," "expect," "anticipate," "predict," or "may" and other similar expressions that describe future business activities, performance, events or conditions.

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As such, these forward-looking statements are subject to various risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements.

These forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

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**End**