



FY 2022 Q1 Financial Results

First Quarter of the Fiscal Year ending December 31, 2022

Kaizen Platform Inc. Securities Code 4170

May 13, 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 2022 Q1 Business Results

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



Kaizen Platform is a group of growth hackers who continue to support the business growth of all kinds of companies.

Company	Kaizen Platform Inc.	
Incorporation Date	April 2017 (US Entity KAIZEN platform Inc. <prior company> created on March 2013 *)	
Address	Minato-ku, Tokyo	
Employees	118 (As of end of March 2022) Kaizen Platform Inc. and Kaizen Platform USA, Inc.: 69 / D-ZERO Inc.: 49	
Capital	1,736,924 thousand JPY (As of end of March 2022)	
Board of Directors	Kenji Sudo	CEO
	Hajime Takasaki	CFO
	Masanori Sugiyama	Outside Director
	Hiroaki Sugita	Outside Director
	Akiko Suginothara	Outside Director
	Kaoru Oda	Audit & Supervisory
	Shigeo Goho	Audit & Supervisory
	Eriko Hayashi	Audit & Supervisory
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.

Digitization has become the norm due to the COVID-19 pandemic

However, customer experience has not yet been transformed in a way that is optimized for this environment.

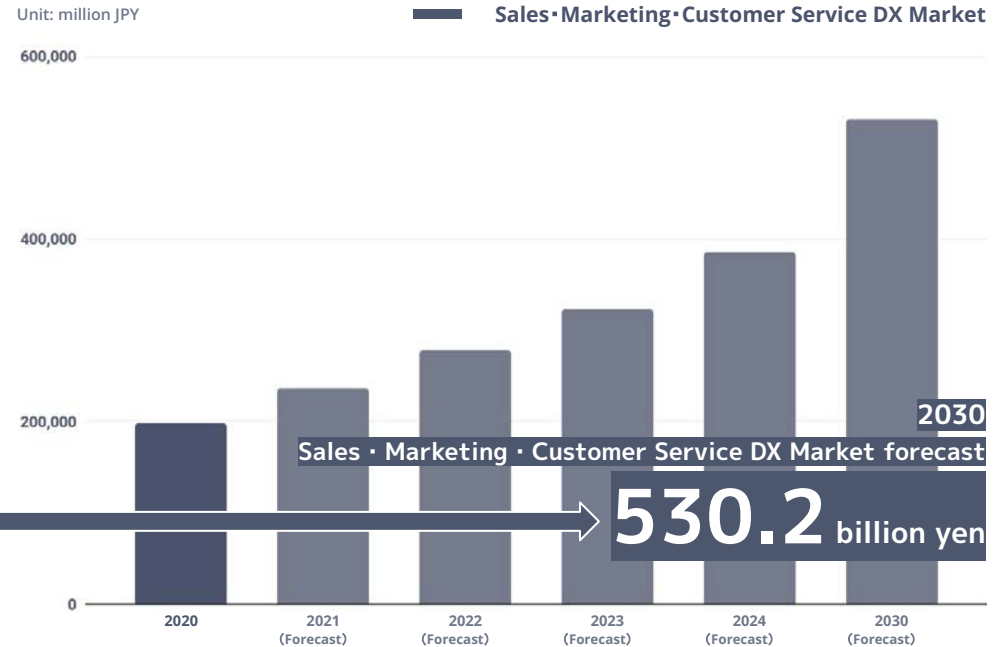
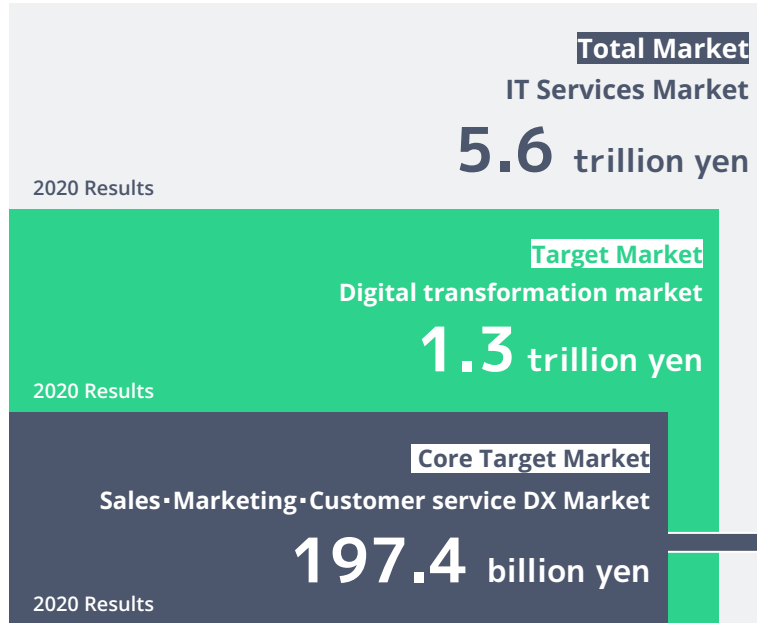
DX of customer experience based on digital will begin in the near future.



We provide a one-stop solution for "Proactive DX" that raises the top line, from strategy to systems and technologies for implementation



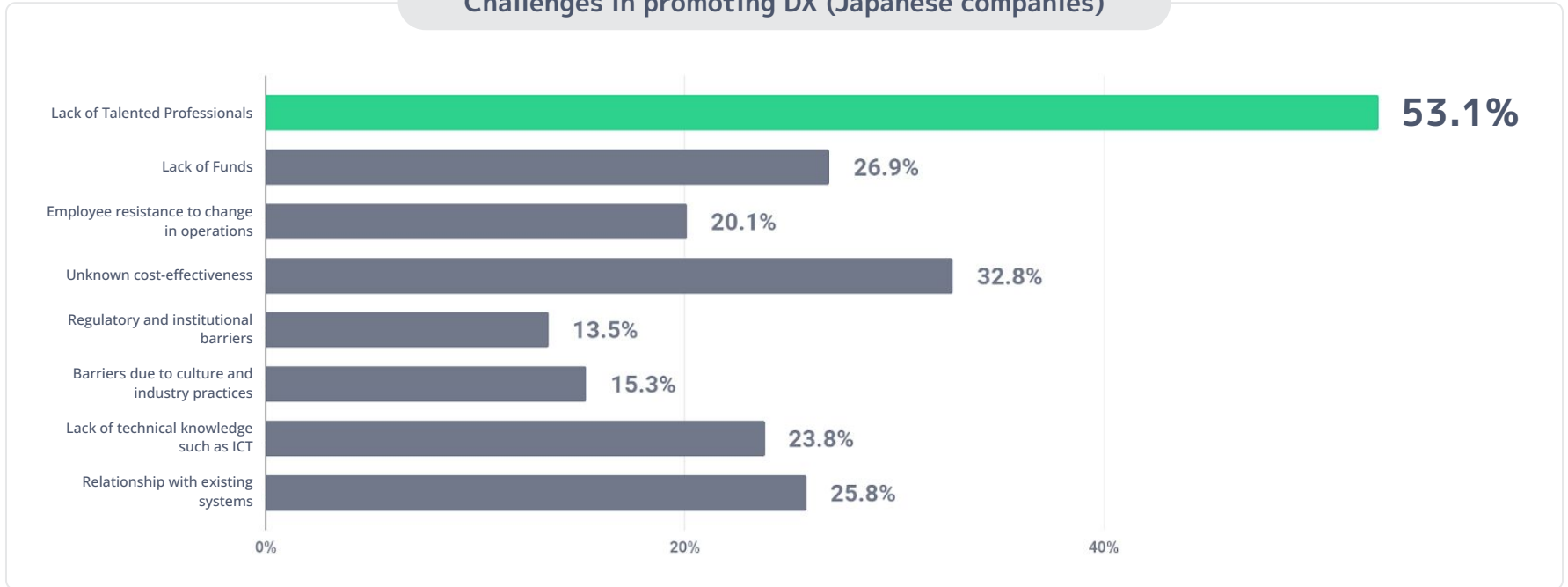
Covid-19 changes in the environment have led to a significant expansion of DX in sales, marketing, and customer service, especially among large companies, for non-face-to-face revenue growth.
DX markets in sales, marketing, and customer service are expanding significantly



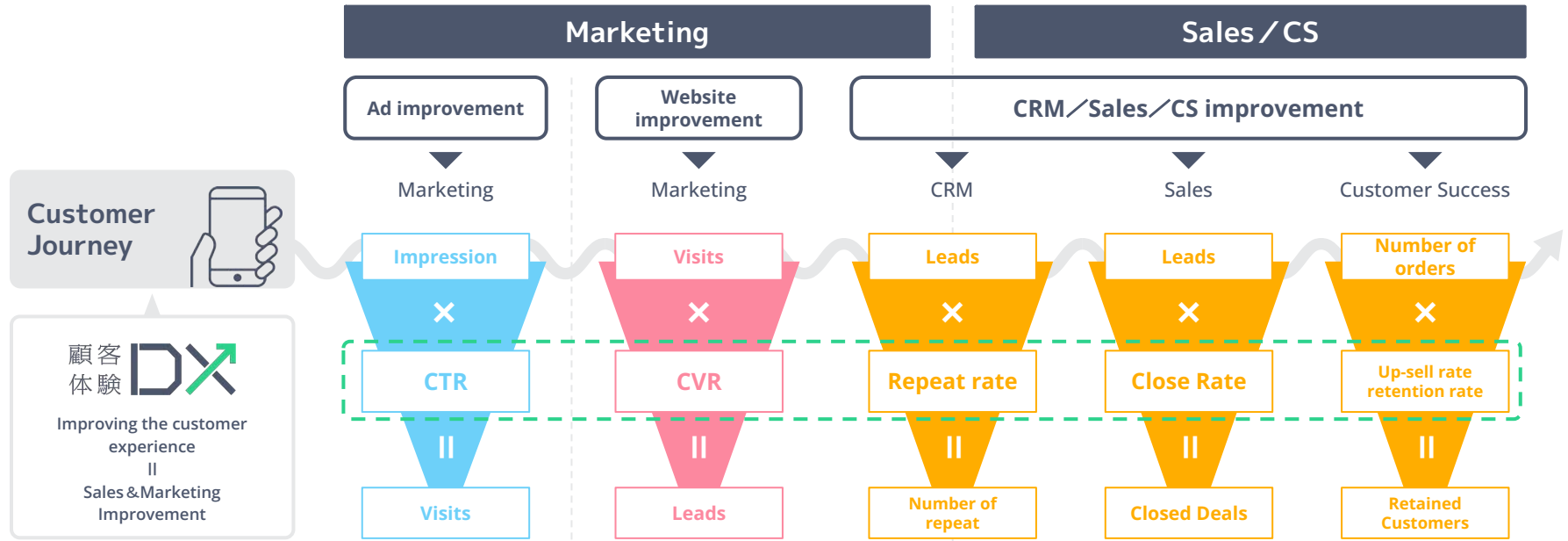
The biggest bottleneck for DX is the lack of talent

The biggest challenge in advancing DX is the lack of talented professionals, which is the biggest bottleneck.

Challenges in promoting DX (Japanese companies)

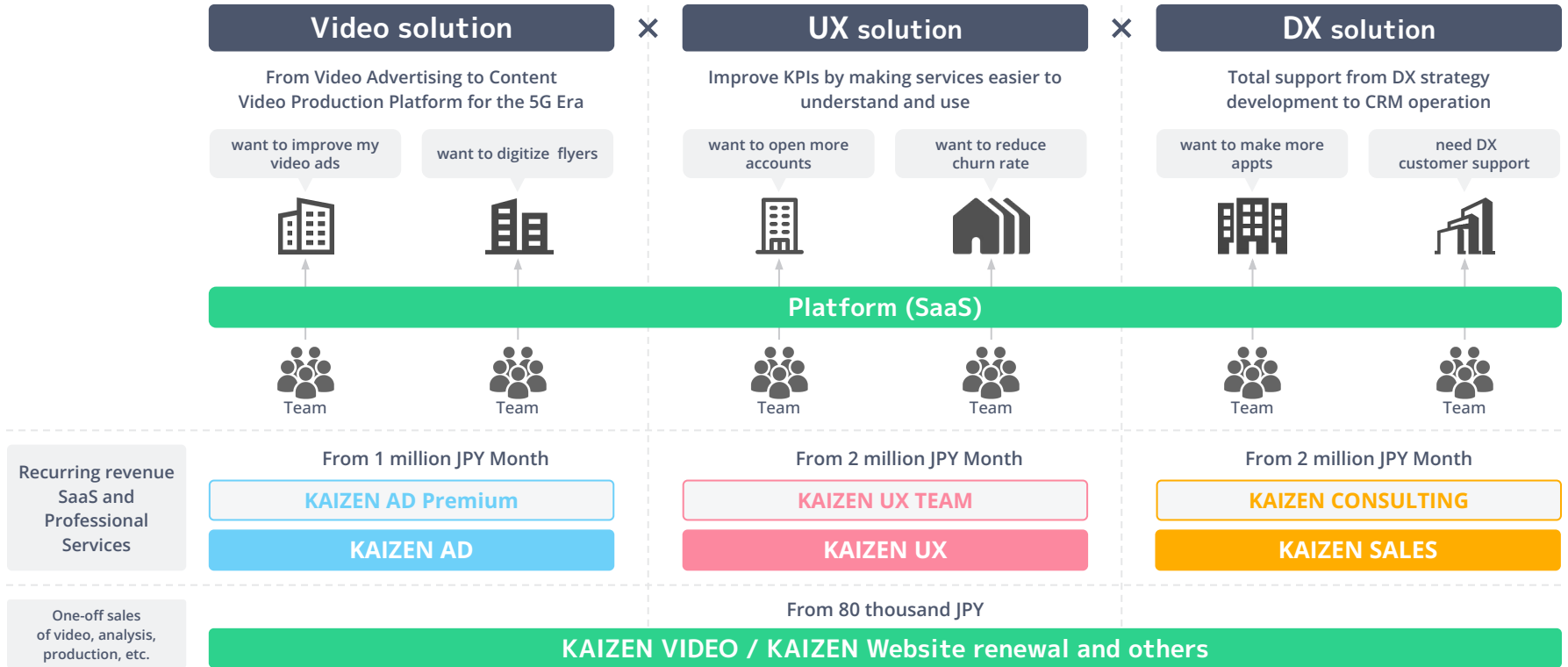


It is extremely important to have a growth team with specialized skills utilizing data to improve the customer experience and continue to improve KPIs.



Customer experience DX: In this day and age, every industry and department needs "investment in customer experience". Activities to improve the value of the customer experience through the power of digital technology and link it to business growth. This is the Customer Experience DX provided by Kaizen Platform.

Provides a **platform and team** to improve customer experience and support business growth

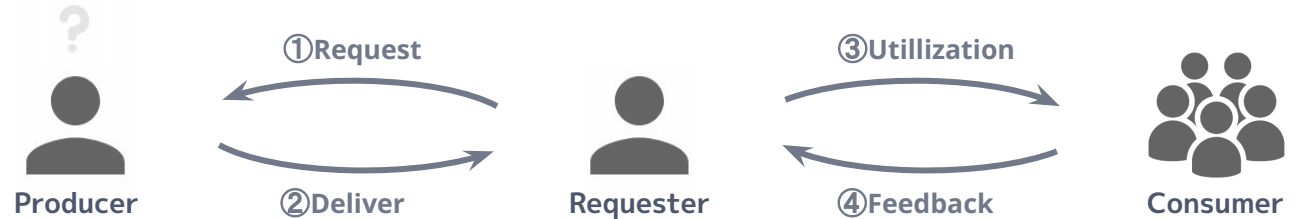


Kaizen Platform is a platform for feedback and improvement of the performance data of the various creatives created such as videos and web pages.

Past production/operation

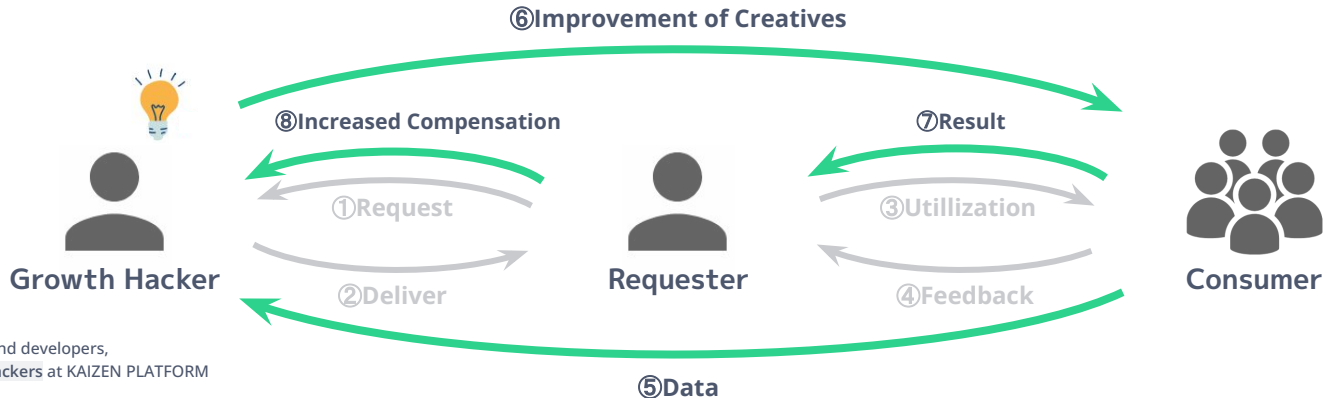
(Production Company /SI/Consulting)

Build, Deliver, Done



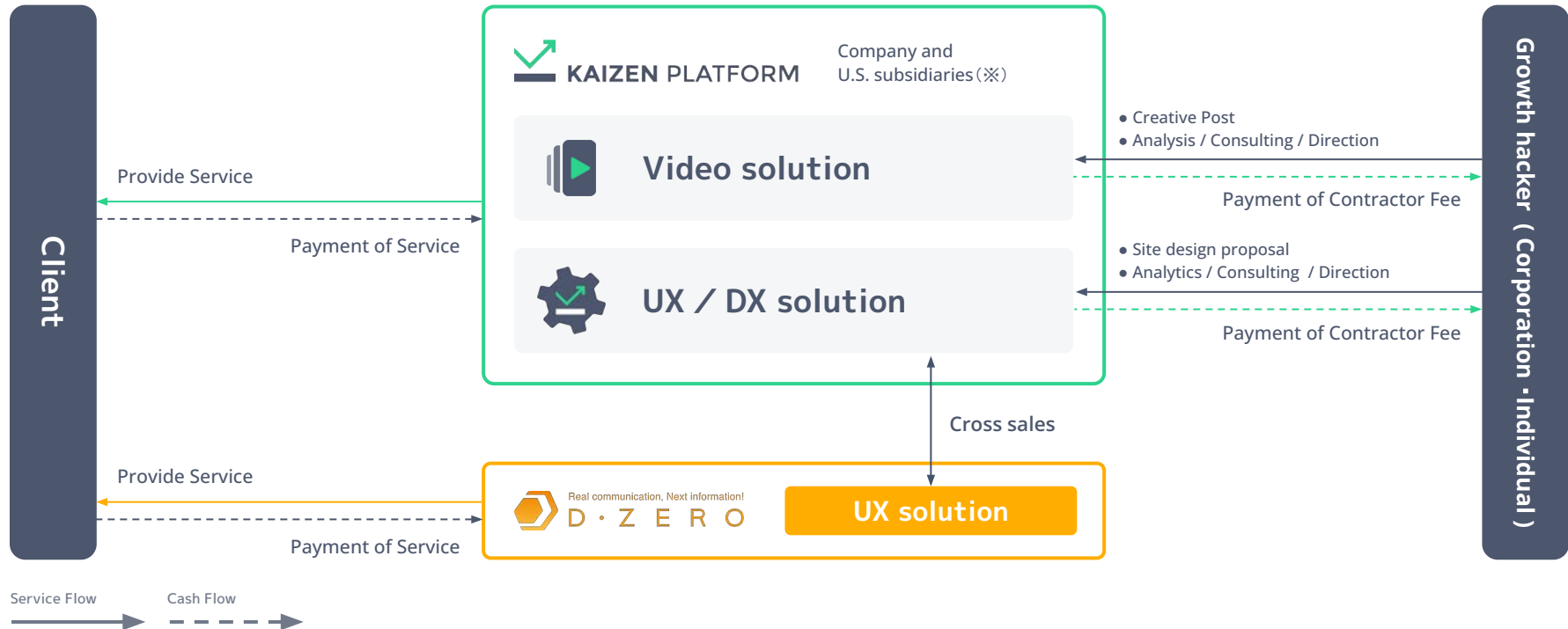
Kaizen Platform Process

Improvement starts 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. We team up with growth hackers on the platform to execute DX projects maintaining elasticity of variable costs



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

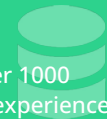
Professional services with over
10,000 digital professionals



+

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

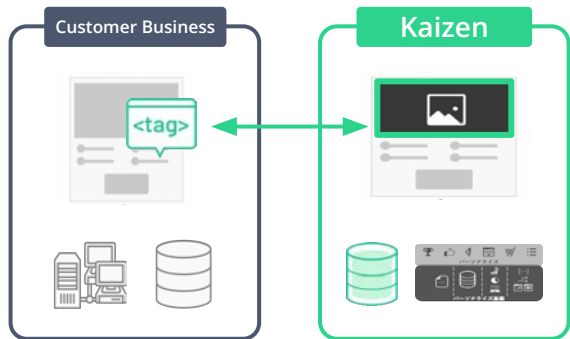
- **More than 10,000** registered digital professionals who can work **fully remotely** from consulting to execution.
- Possible to **animate existing materials** such as catalogs, DMs, and leaflets.
- Not only in Japanese and English, also Asia to Latin America **multilingual support**.
- Production 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.

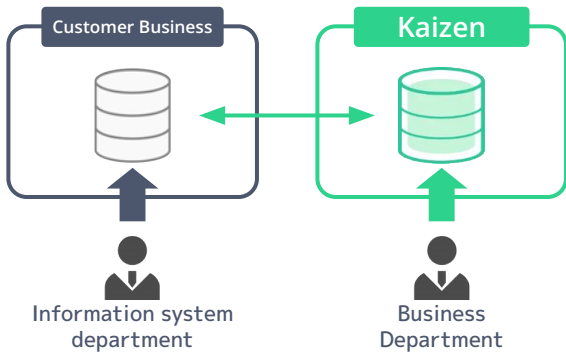
“No impact on existing legacy systems” “Driven by business departments” and “Lower lead time and cost” enabling DX and UX improvements

Bypass Legacy Systems



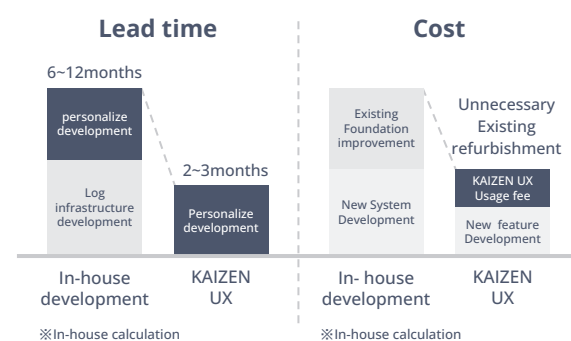
UX improvement and PoC execution with no impact on legacy systems

Business Department Driven

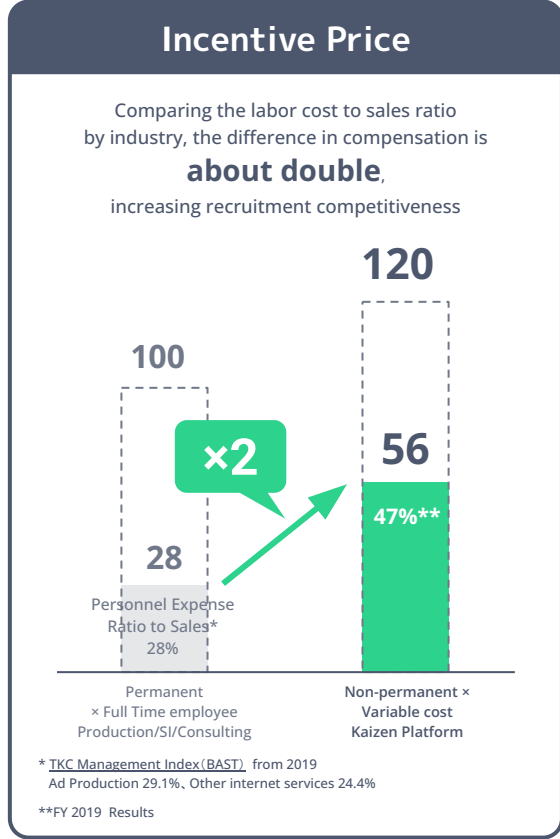
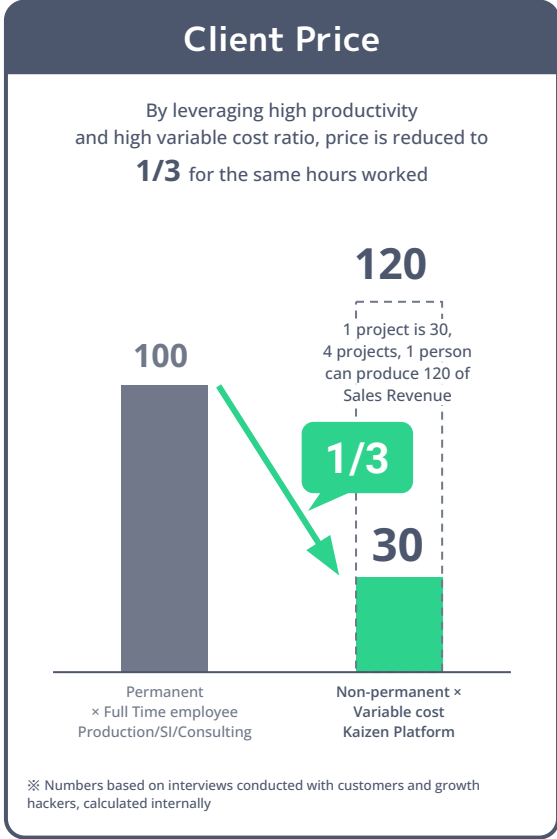
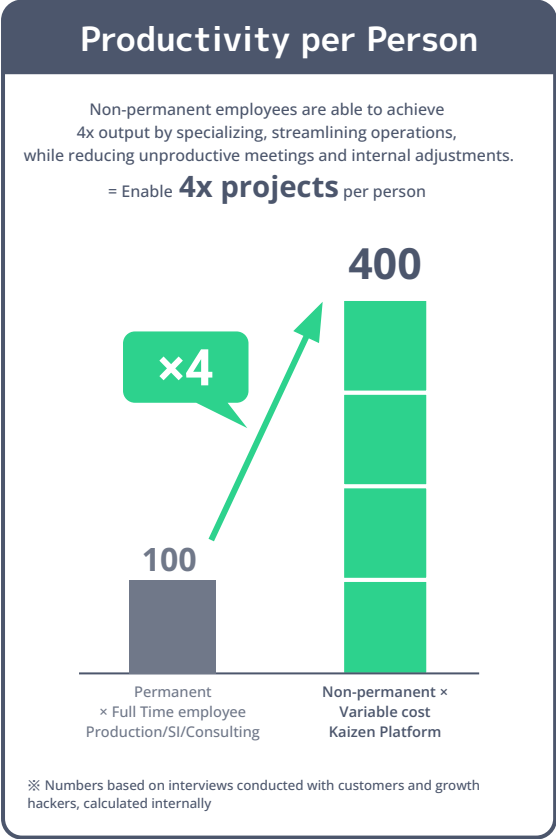


Business department-led speedy implementation of necessary measures

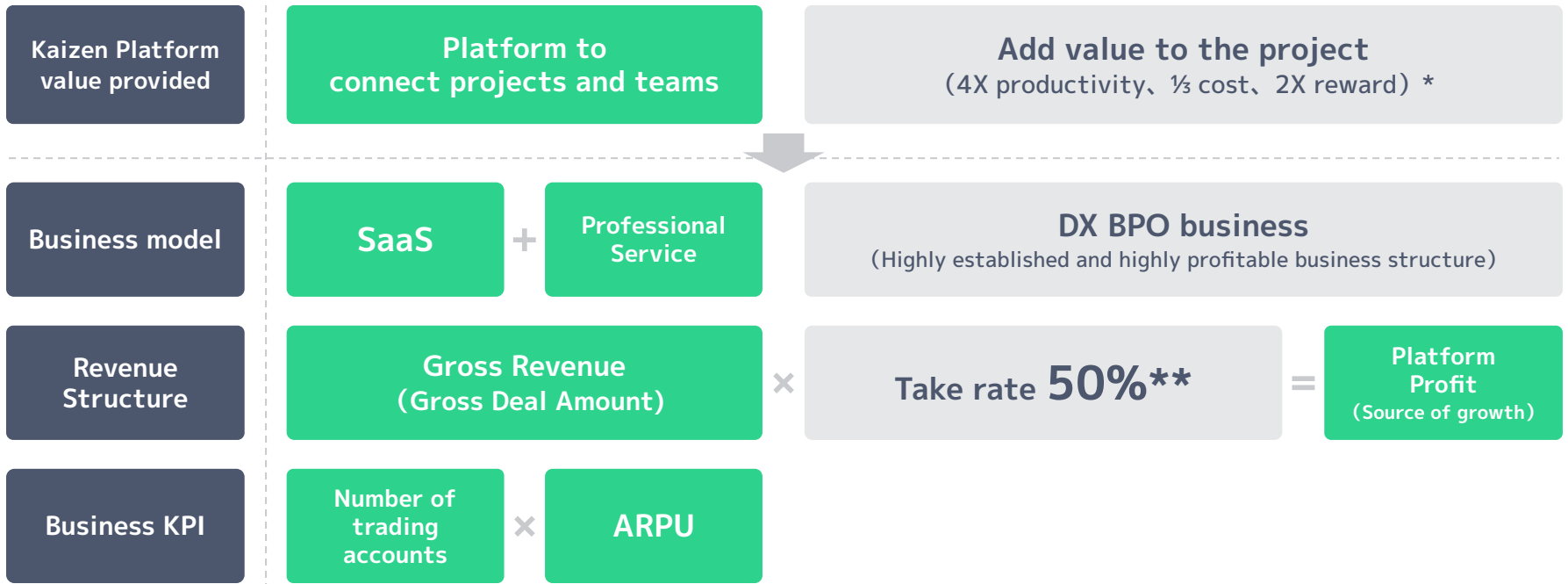
Lead Time / Cost



Enabling significant reductions of lead time and development cost



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 P13

** 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

	IDOM Inc.	 NTT 東日本	 大阪ガス	d•大地宅配	 Credit Saison Co., Ltd.
	<i>Tomorrow, Together</i> 	 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
・HAKUHODO・	BIZREACH	PEACH JOHN	FiNC	facebook.	<small>Forum Engineering Co., Ltd.</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」 「Mashiro Misaki, DX Section, General Affairs Dept.」



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.



Masanori Sugiyama
Outside Director

Joined a venture company as a student.
In 2004, became President and Representative Director of Zappallas Co.
In 2007, became Chairman of the Board and President of Zappallas Co.
In 2011, became President and Representative Director of enish Co.
He led both Zappallas and enish to go public. Director of Jiban Net Holdings Co. Director, ACSL Corporation (current position).



Hiroaki Sugita
Outside Director

Joined 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 Sugino
Outside Director

Graduated from university and joined GaiX 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).



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.



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

KAIZEN the World

Friction-less work lifestyle
of the 21st century,
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SUSTAINABLE DEVELOPMENT GOALS



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Net sales increased **30.3% YoY**

EBITDA and operating profit also increased substantially YoY and exceeded forecasts

(million JPY)	FY 2021 Q1 (January 2022 - March 2022)			Full Year Forecast (Announced on February 14, 2022)	
	Actual	Year-on Year		Earnings forecast	Progress rate
		Actual	% Change		
Sales	744	571	+30.3%	3,000	24.8%
EBITDA	105	99	+5.8%	250	42.2%
Operating Profit	44	62	-29.8%	50	88.0%
Ordinary Profit	30	6	+399.1%	10	310.0%
Net Profit	17	6	+160.0%	0	-%

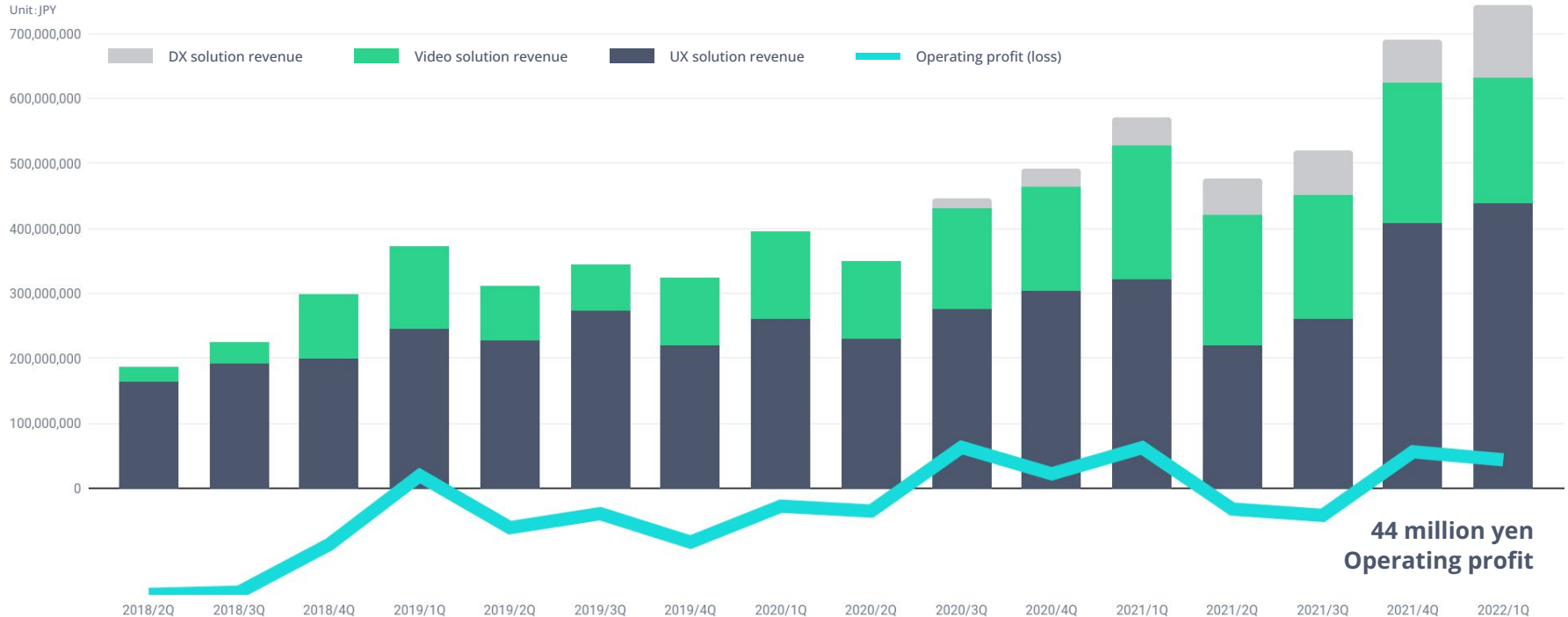
Performance Trends (By solution)

UX/DX

Sales revenue increased significantly, partly due to the contribution of the D-ZERO Inc. M&A.

Video

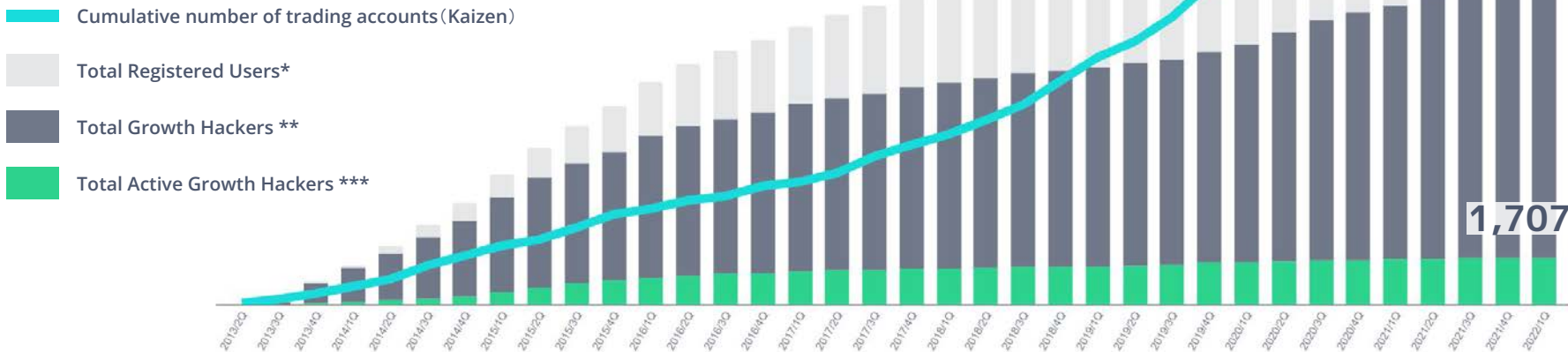
Started focusing on higher unit price transactions



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



1,110

19,462

11,914

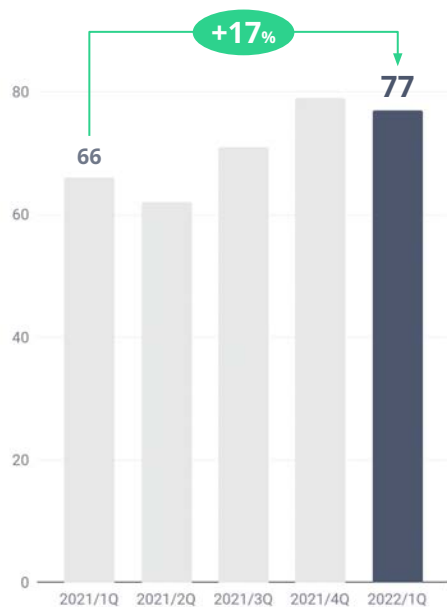
1,707

* Total Number of Clients and Users using the Platform
** Total Number of Growth Hackers using the Platform

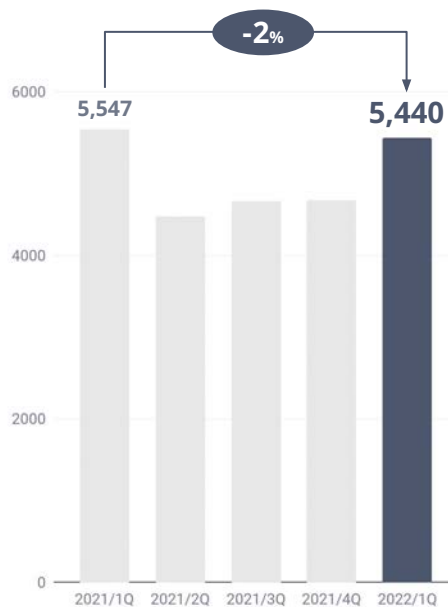
***Cumulative number of growth hackers who have submitted creative improvement ideas in the past

UX/DX drives business growth with strong growth in new transaction accounts
ARPU recovered to almost even in last year

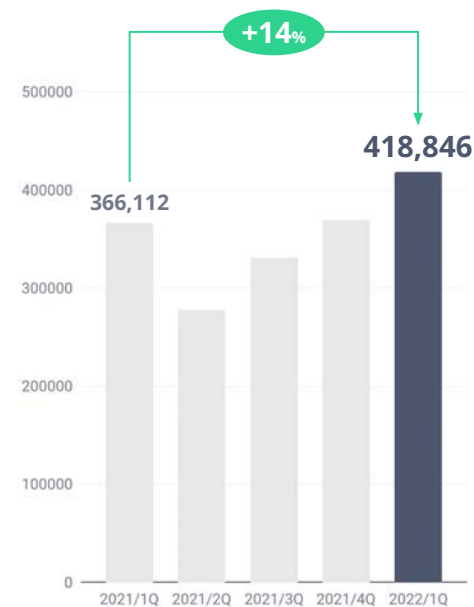
Number of trading accounts *



ARPU Unit: thousand JPY

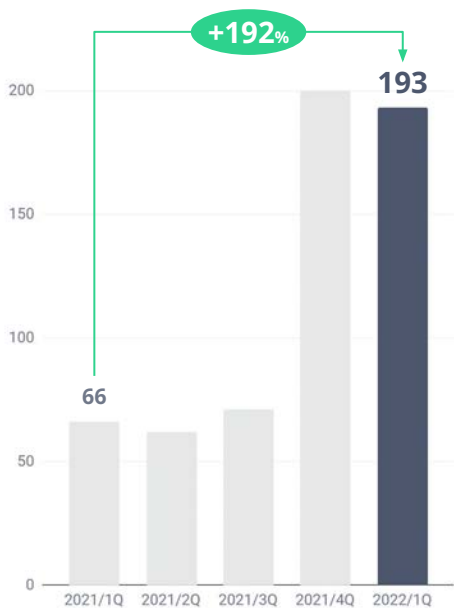


Revenue Unit: thousand JPY

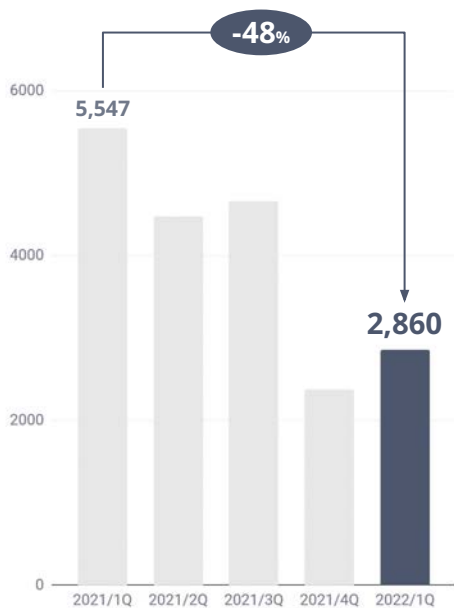


UX/DX grew 51% adding D-ZERO Inc. DZ has 116 accounts (UX/DX 77), ARPU 1,148 thousand yen (UX/DX 5,440 thousand yen), and large growth potential in unit price

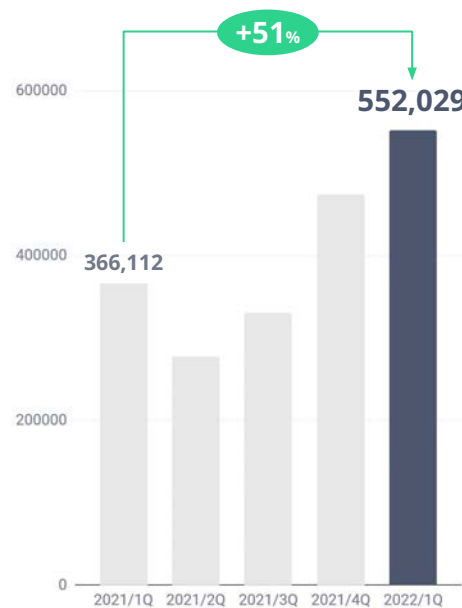
Number of trading accounts *



ARPU Unit: thousand JPY

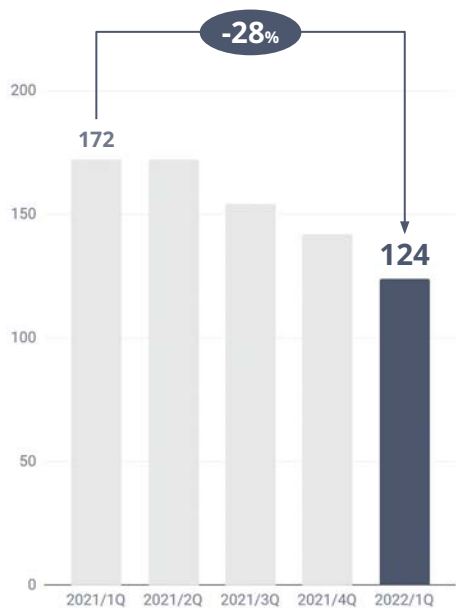


Revenue Unit: thousand JPY

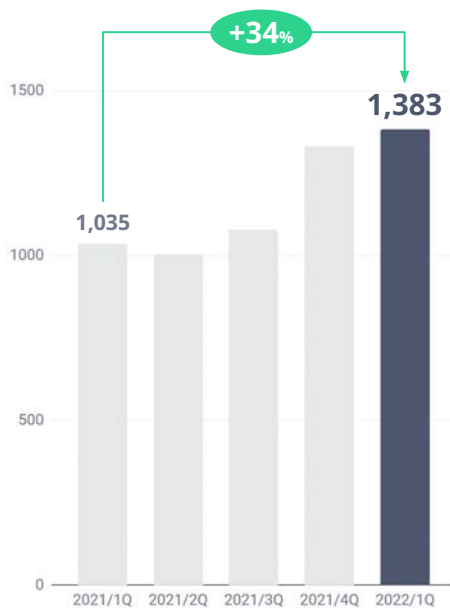


Video has started to focus on customers with higher ARPU, both existing and new
Shift from stand-alone growth to more collaboration with UX/DX

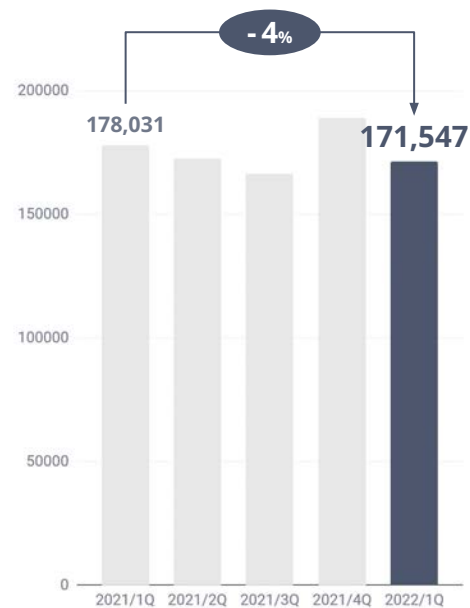
Number of trading accounts *



ARPU Unit : thousand JPY

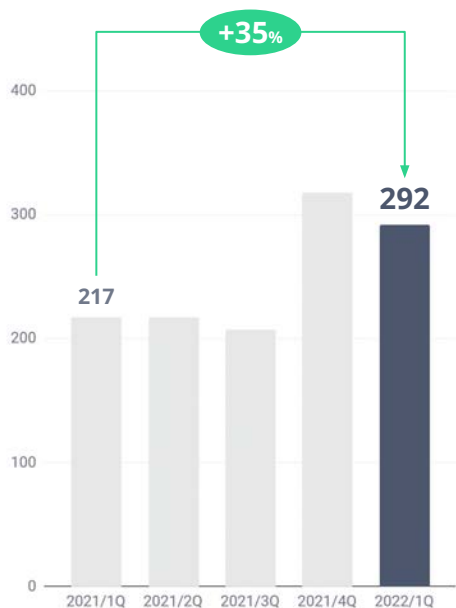


Revenue Unit : thousand JPY

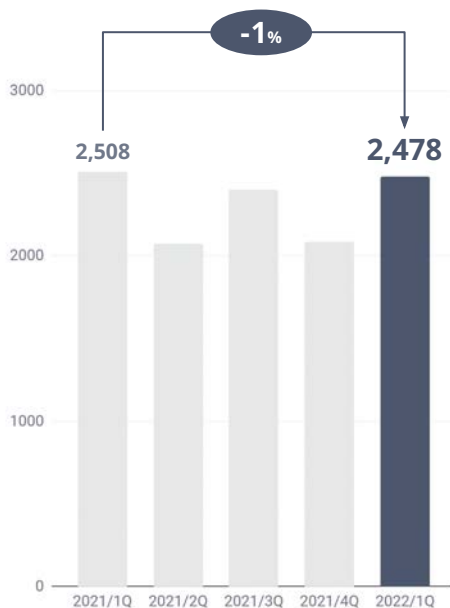


ARPU was almost flat with a decrease due to DZ consolidation and a significant increase in video. Accounts grew **1.35x** and revenue increased **33%**.

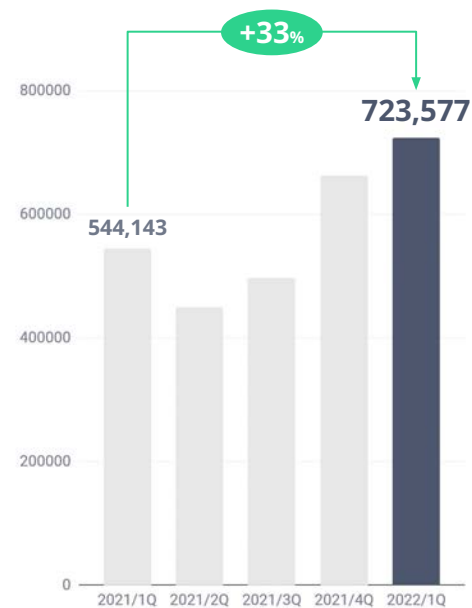
Number of trading accounts*



ARPU Unit : Thousand JPY

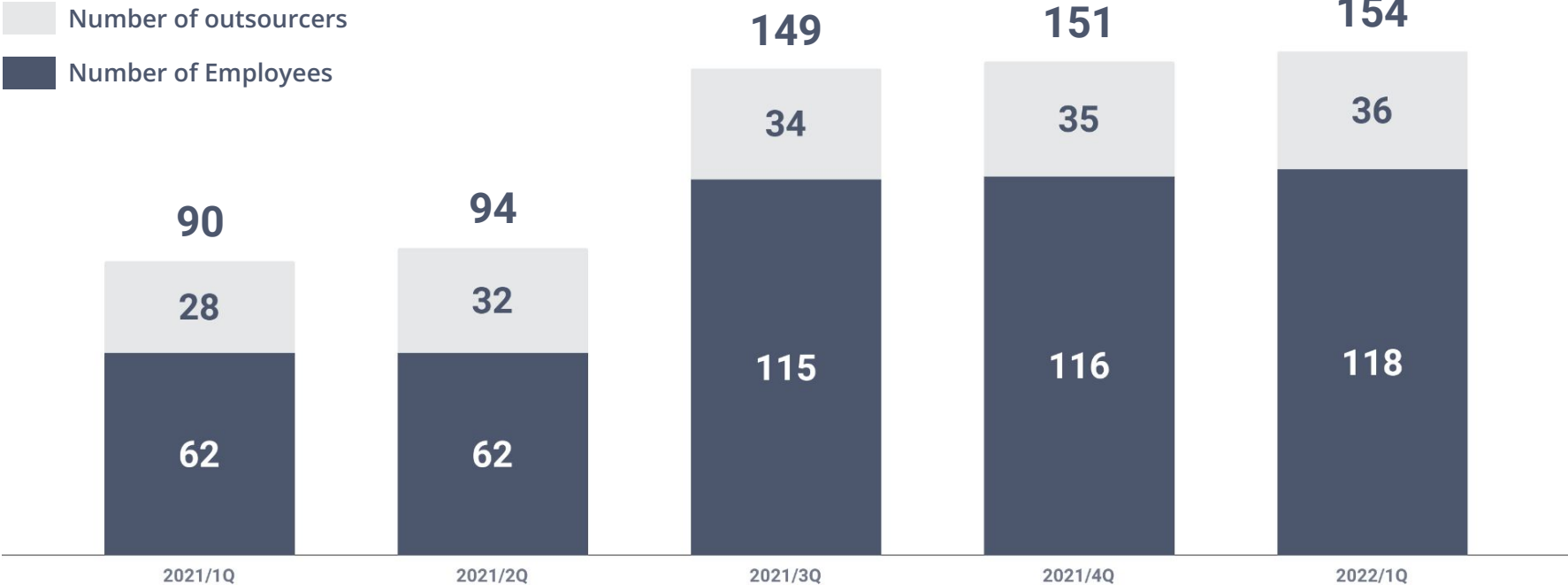


Revenue Unit : Thousand JPY



Changes in the number of employees and contractors

Expanded the number of staff (employees + contractors) in anticipation of further business expansion in the future.



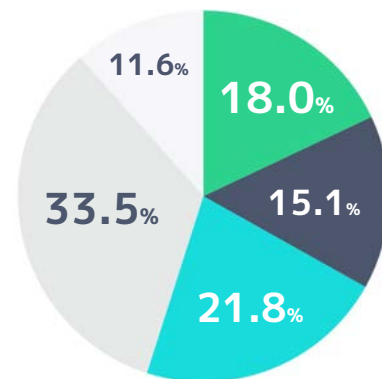
Stable financial base with cash and deposits and net assets both exceeding 3 billion yen.

Institutional investors hold 33.1% of the company's shares, while individual shareholders account for 21.8%.

Balance Sheet (Consolidated)			
million JPY	2021/12	2022/3	Increase / Decrease
Cash and Deposits	3,006	3,156	150
Current Assets	3,438	3,618	179
Tangible fixed assets	13	13	0
Intangible fixed assets	699	694	-5
Investment and other assets	205	210	4
Assets	4,357	4,536	179
Short-term debt	-	-	-
Long-term debt	671	671	-
Liabilities	1,009	1,101	92
Net worth	3,348	3,434	86
Liability Net assets	4,357	4,536	179

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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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.

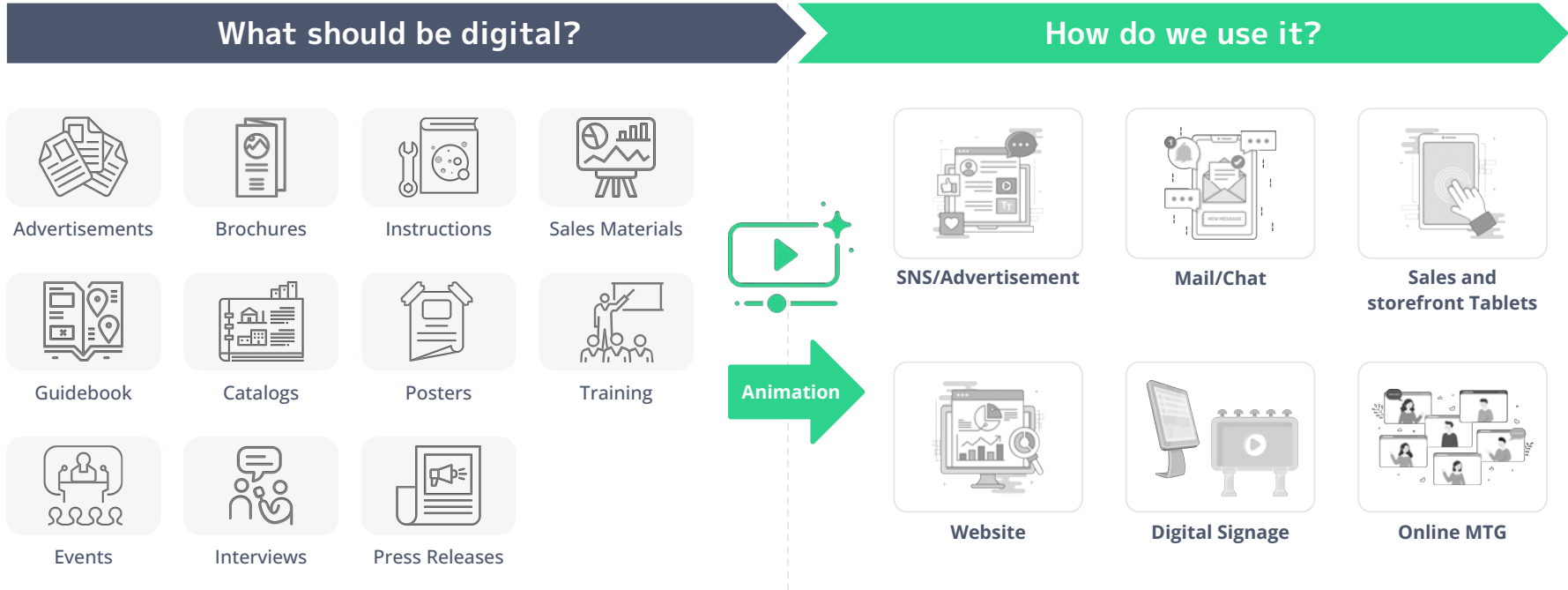


Increased adoption of digital tools

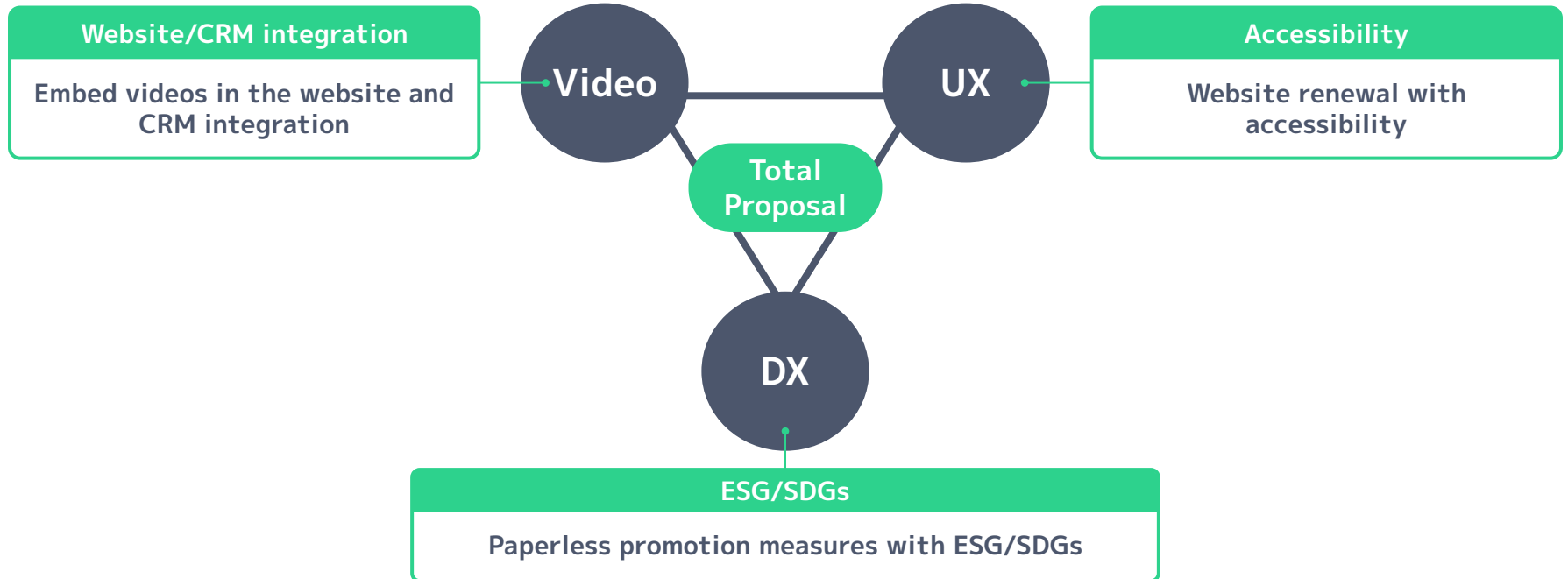
Web conferencing systems at the top of the list,
Expanded use of various digital tools



Paper-based communication tools are now going digital with more opportunities of **non-face-to-face/non-direct contact.**



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.



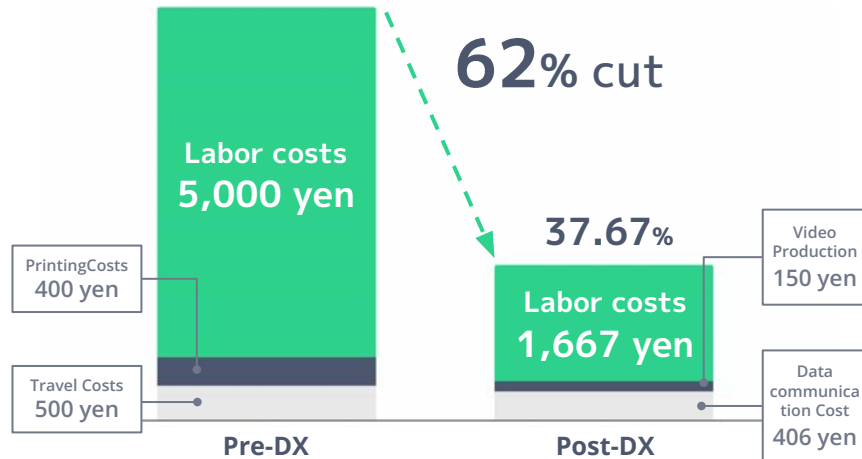
A 62% reduction in both cost and CO2 emissions is possible

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.**

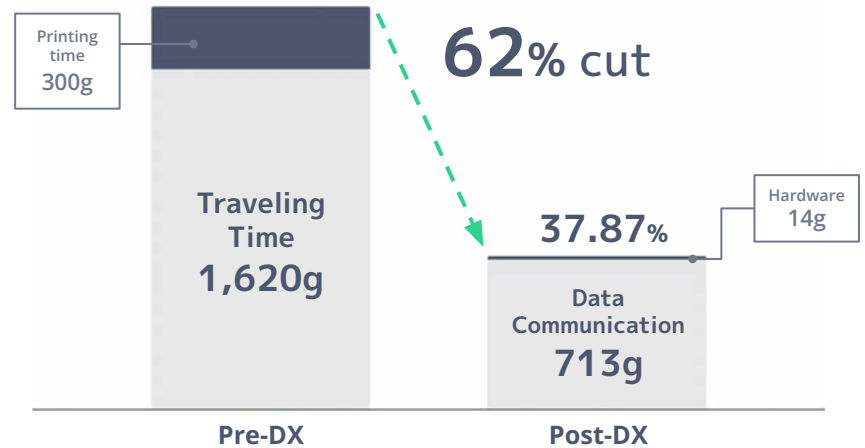
= Equivalent to the amount of CO2 absorbed by 20,306 cedar trees in one year (equivalent to a forest of 8 Tokyo Domes)

▼ 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.

Cost reductions



CO2 reductions



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



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

STEP1

Strengthening the function of Upstream Consulting

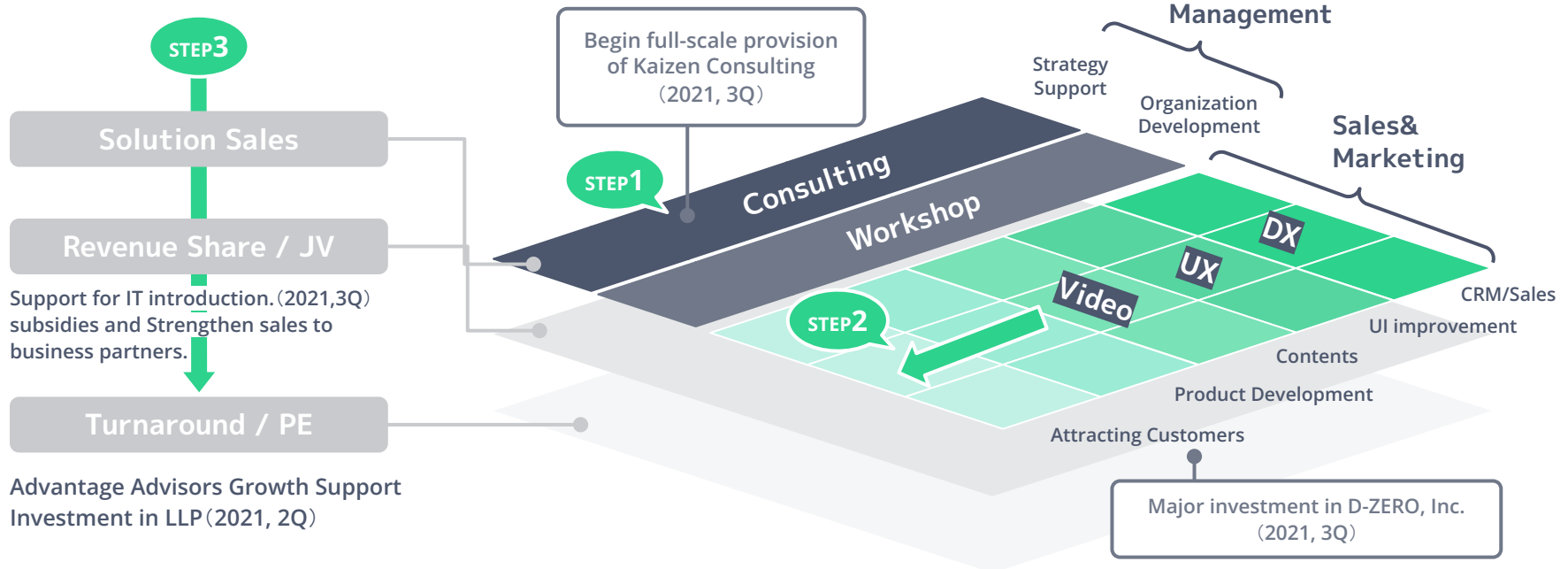
STEP2

Expanding our capabilities of Sales & Marketing DX

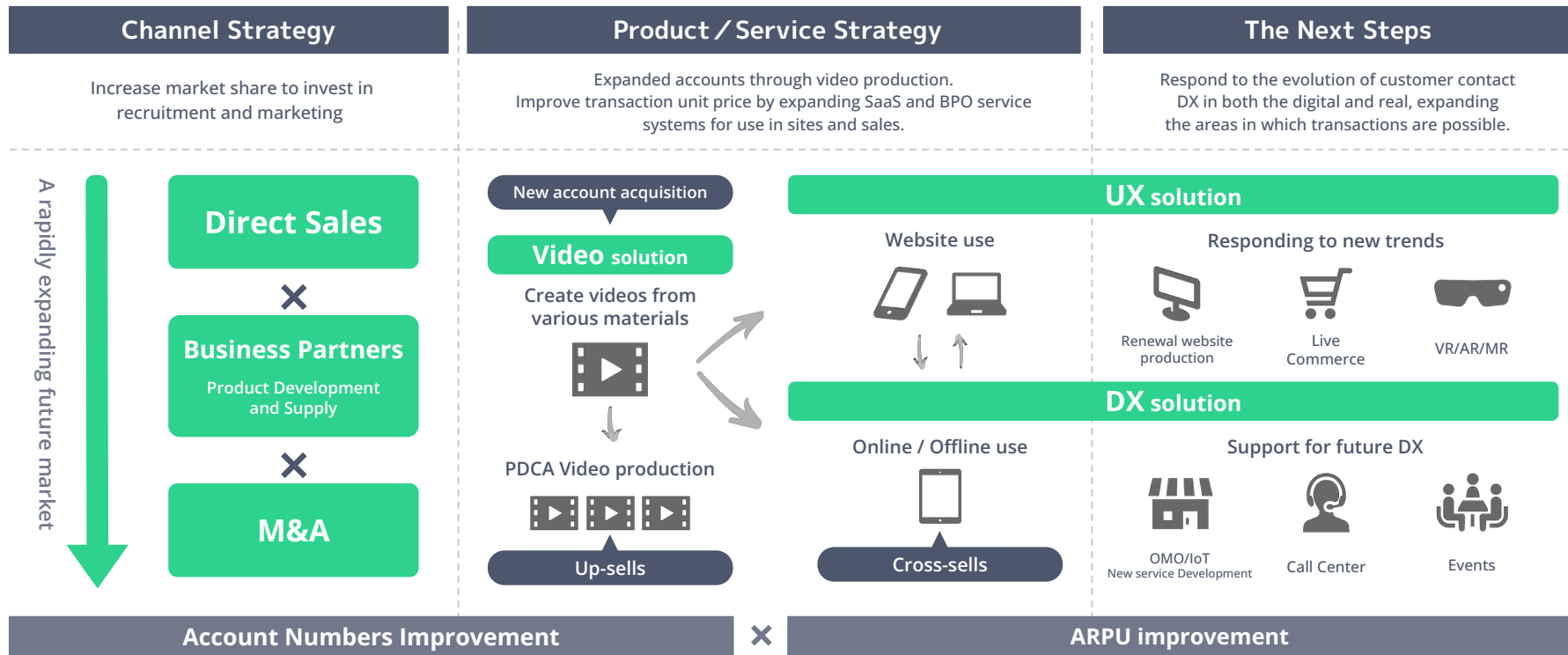
STEP3

Expand our business model to increase and leverage revenue

STEP 2 will be completed by 2024, and STEP 3 will begin in earnest once services are in place to fully support DX.



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

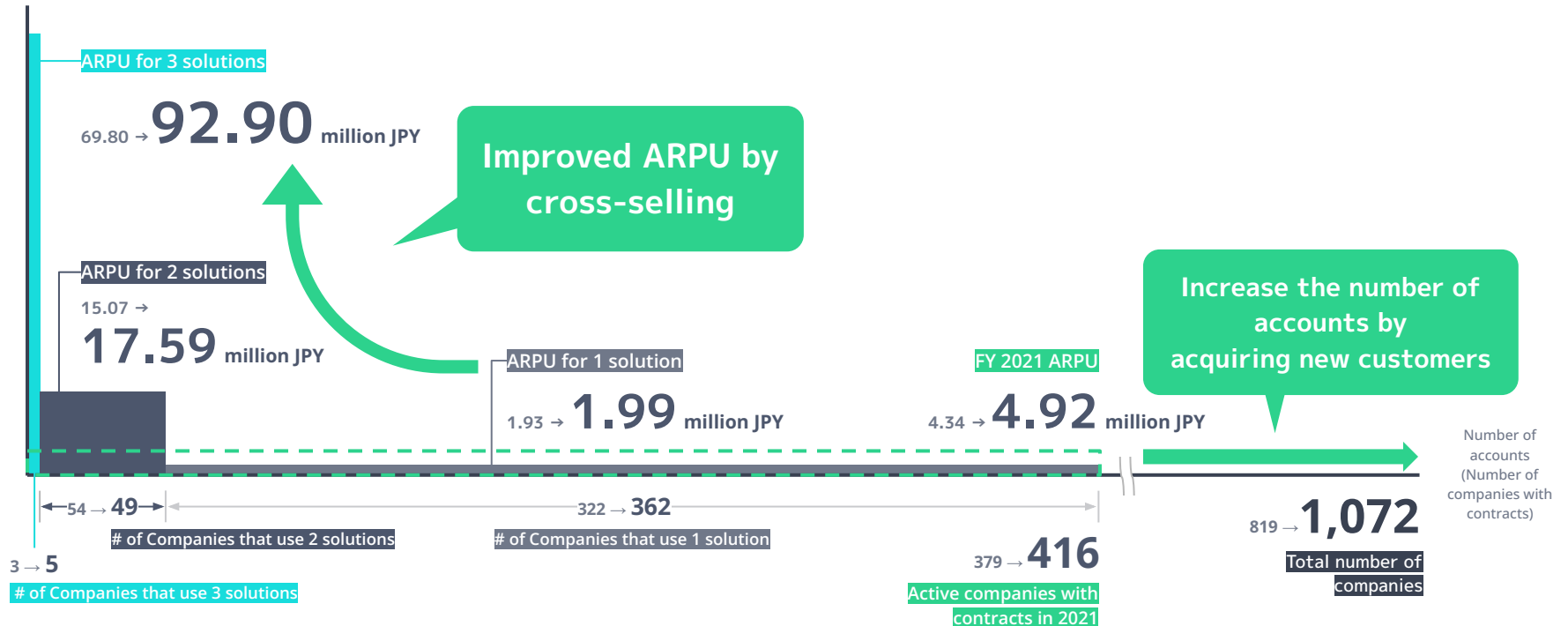




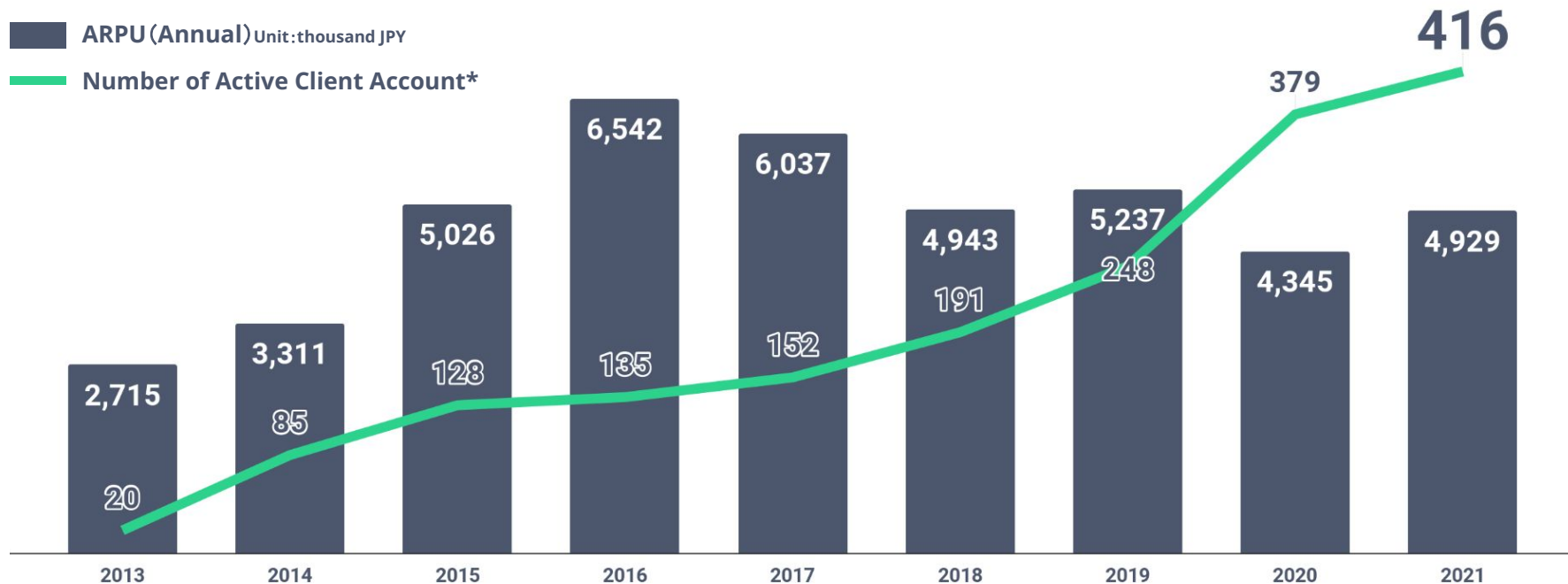
Appendix

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

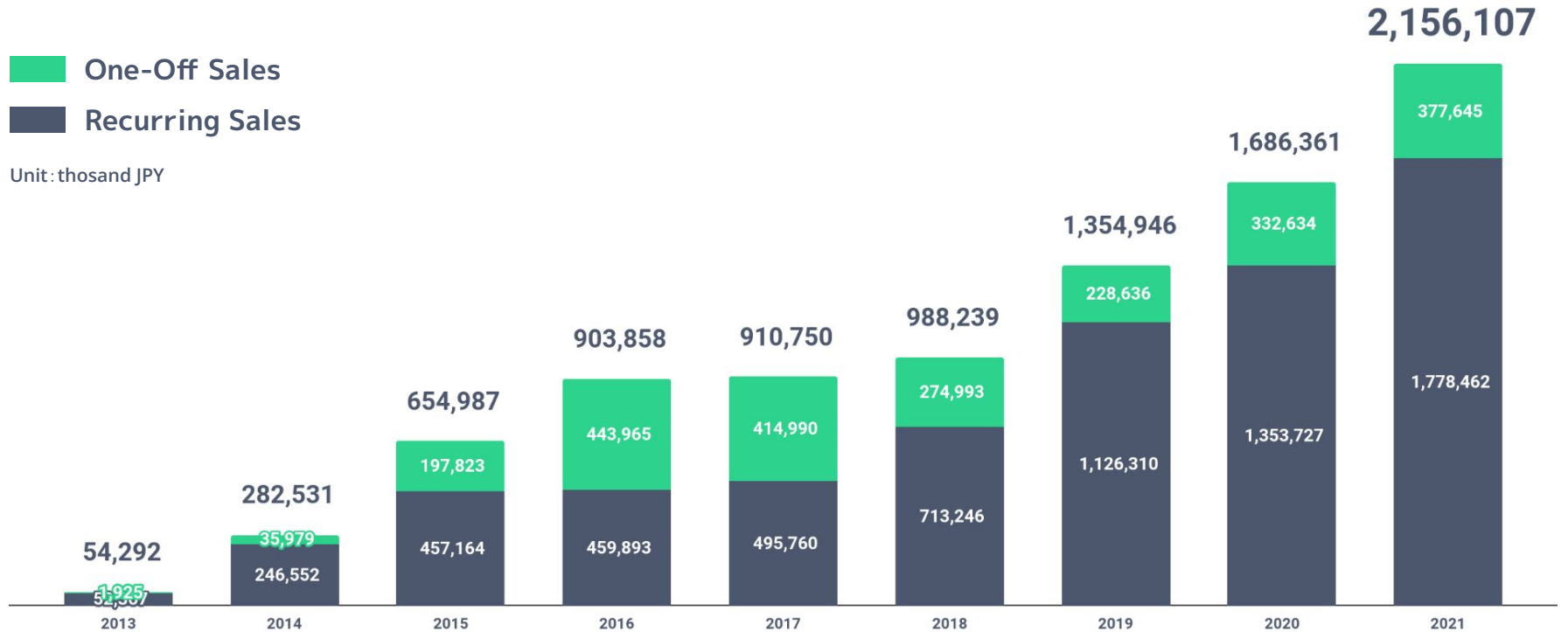
ARPU (Annual)



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.



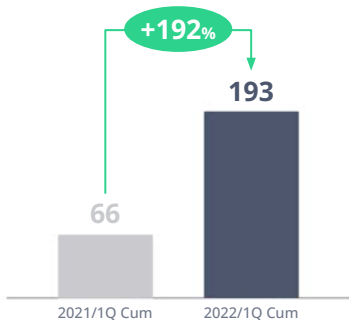
Conversion of new accounts from one-time sales to recurring sales is progressing well



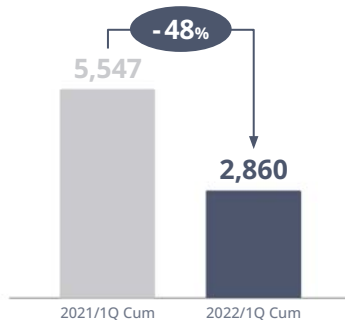
UX/DX: Strong growth in **new transaction accounts drives business growth**, aiming for ARPU recovery in the future.
 In Video, existing customer ARPU has increased significantly over last year and continues to grow at a rapid pace.

UX/DX Solution

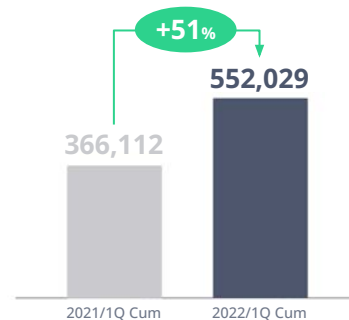
Number of trading accounts *



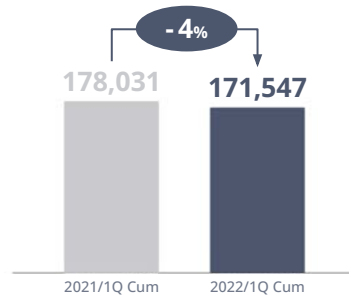
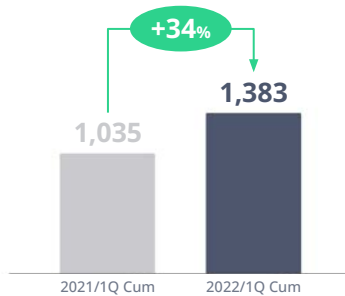
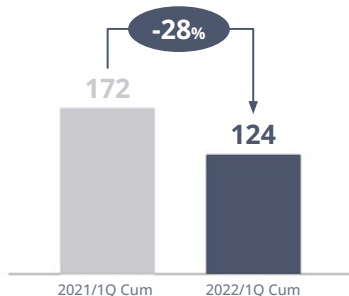
ARPU (1Q Cum) Unit: Thousand JPY



Revenue (1Q Cum) Unit: Thousand JPY



Video Solution



Profit and Loss (Consolidated)

Thousand JPY	2020/12	2021/12	2022/3
Sales revenue	1,686,361	2,260,042	744,826
Gross Profit	822,194	934,202	311,272
Selling, General and Administrative Expenses	798,824	888,481	267,266
Salary and Allowance	199,235	250,906	71,271
Outsourcing Cost	177,151	152,012	30,108
Operating Profit (Loss)	23,369	45,720	44,006
Ordinary Profit (Loss)	36,435	(25,627)	30,997
Profit (loss) attributable to Parent	107,382	(101,657)	17,864

UX/DX solution

Thousand JPY	2020/12	2021/12	2022/3
Sales Revenue	1,112,984	1,448,403	552,029
Operating Profit(Loss)	111,380	26,691	61,861

Video solution

Thousand JPY	2020/12	2021/12	2022/3
JP			
Sales revenue	532,858	705,844	171,547
Operating Profit(Loss)	(52,554)	61,276	(333)
US			
Sales revenue	40,518	105,794	21,249
Operating Profit(Loss)	(35,456)	(42,248)	(17,522)
Total			
Sales revenue	573,376	811,638	192,797
Operating Profit(Loss)	(88,010)	19,028	(17,855)

Balance Sheet (Consolidated)

Thousand JPY	2020/12	2021/12	2022/3
Cash and Cash Equivalents	2,660,345	3,006,148	3,156,754
Current Assets	2,908,598	3,438,310	3,618,094
Tangible Fixed Assets	4,643	13,748	13,319
Intangible Fixed Assets	323,591	699,349	694,244
Investment and other Assets	152,122	205,949	210,870
Assets	3,388,956	4,357,357	4,536,529
Short-Term Debt	—	—	—
Long-Term Debt	250,000	671,000	671,000
Liability	534,154	1,009,025	1,101,678
Net Worth	2,854,801	3,348,332	3,434,850
Liability Net Assets	3,388,956	4,357,357	4,536,529

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

Statements made in this document with respect to future performance are forward-looking statements.

Forward-looking statements include, but are not limited to, those statements using words such as "believe," "plans," "strategy," "expect," "anticipate," "forecast," "predict," or "may" and statements regarding future business activities, performance, events, or circumstances.

And other similar expressions that describe future business activities, performance, events or conditions.

Forward-looking statements are based on management's beliefs in light of the information currently available to it.

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

Accordingly, you should not place undue reliance on forward-looking statements.

Information in this presentation material relating to companies other than ours and information prepared by third parties is we have not independently verified the accuracy or appropriateness of such data, indicators, etc., and do not guarantee their accuracy or appropriateness.

The next disclosure of "Business Plan and Growth Potential" is scheduled to be made around the time of the announcement of these financial results.



End