

# ULURU

労働力不足解決カンパニー

## **Financial Results** **For the Second Quarter of** **the Fiscal Year** **Ending March 31, 2024**

Uluru Co., Ltd.  
Securities Code: 3979  
November 14, 2023

# Executive Summary ①

(JPY mm)

## Net Sales (Quarterly)

+12.7% YoY

1,349

- New record high for 2Q. More than doubled compared to 2Q of FY2020.

## EBITDA · Operating Profit (Quarterly)

〈 EBITDA 〉

+290 YoY, +634.6%

336

〈 Operating Profit 〉

+267 YoY, +1,124.2%

291

- Achieved **record-high EBITDA and operating profit** due to sales growth and investment restraints based on the mid-term management plan.

## Whole ARR (NJSS, fondesk, en-photo)

+19.8% YoY

4,036

- Company-wide ARR, which is the sum of ARR of SaaS such as "NJSS", "nSearch", "en-photo", and "fondesk", has already exceeded 4.0 billion yen and is on a growing trend.

## Net Sales by Segment (Quarterly)

### NJSS

+21.4% YoY

709

### fondesk

+23.6% YoY

206

### en-photo

+17.7% YoY

113

( Excluding OurPhoto )

### BPO

▲9.8% YoY

291

\* EBITDA = Operating Income + Depreciation and Amortization + Amortization of Goodwill.

\* Brainfeed Inc., which became a subsidiary on January 4, 2023, began to be included in the consolidated income statement from the current FY.

# Executive Summary ②

- Progress on sales and EBITDA are both in the 40% range, but generally in line with our internal plans.

(JPY mm)

Business	Rating	FY24/3				Details
		Item	2Q Cumulative	Forecast	Progress Rate	
ULURU	○	Net Sales	<b>2,641</b>	6,000	44.0%	Progress was generally as planned. EBITDA increased significantly due to net sales growth and investment restraints that have continued since 1Q under the mid-term management plan. SaaS sales were strong, up 21.4% YoY.
		EBITDA	<b>616</b>	1,500	41.1%	
NJSS	◎	Net Sales	<b>1,382</b>	2,850	48.5%	The number of "NJSS" fee-paying contracts increased steadily. The churn rate remained at a record low level of 1.4%. EBITDA expanded due to restrained investments as well. Synergies with Brainfeed Inc. (nSearch), which became a subsidiary on January 4, 2023, are being gradually realized.
		EBITDA	<b>746</b>	1,550	48.1%	
fondesk en-photo OurPhoto	○	Net Sales	<b>697</b>	1,600	43.6%	The number of "fondesk" fee-paying contracts remained strong, while "en-photo" and "OurPhoto" were slightly behind the plan due to the impact of high prices.
		EBITDA	<b>122</b>	350	35.0%	
BPO	△	Net Sales	<b>547</b>	1,520	36.0%	Net sales didn't grow as expected, but EBITDA progressed as planned. Orders for projects related to the invoice system and the Electronic Books Maintenance Act were not as successful as expected in 2Q. Meanwhile, large-scale orders were successfully received, and as a result, net sales are expected to be weighted toward 4Q.
		EBITDA	<b>51</b>	250	20.4%	

## **1** Quarterly Consolidated Financial Highlights

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## **2** Business Segment Highlights

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## **3** Management Policy and Goals for the Fiscal Year Ending March 31, 2025, and Beyond

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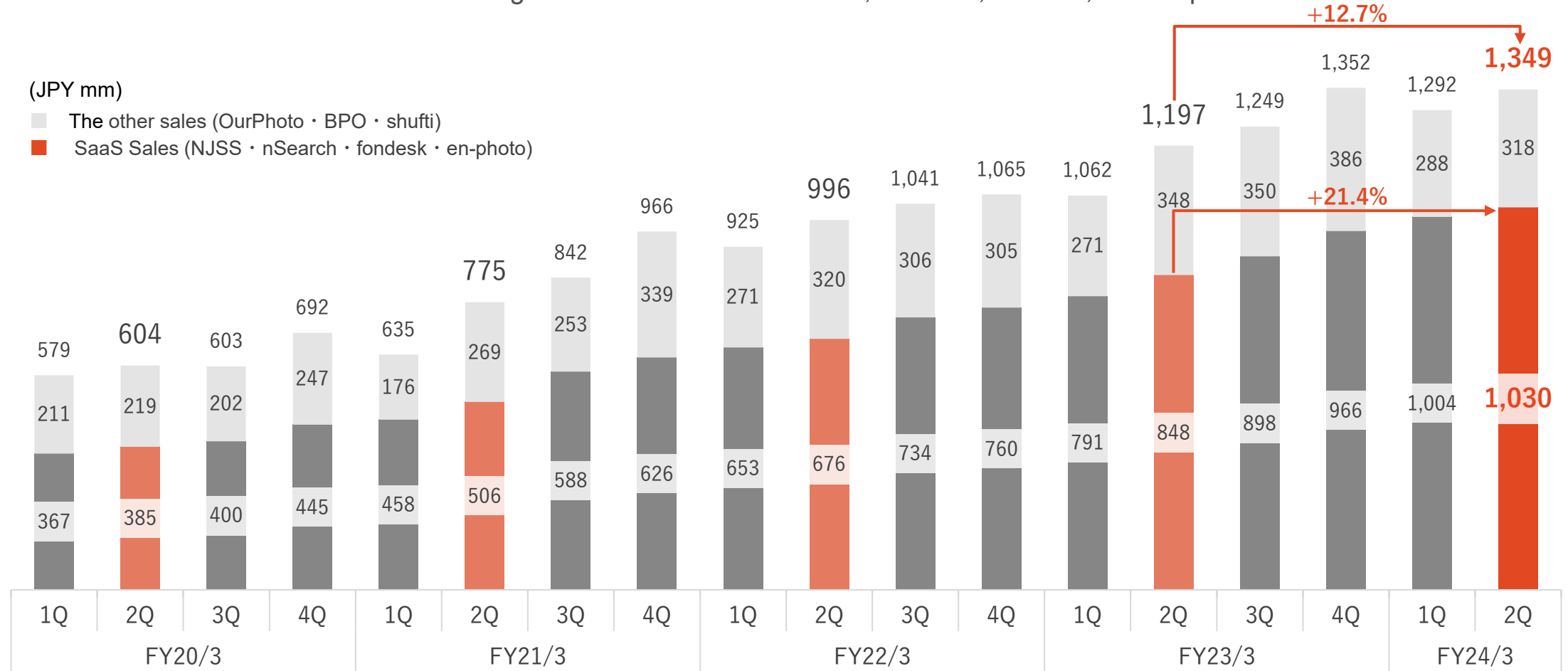
## **4** Appendix

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# 1 Quarterly Consolidated Financial Highlights

# Net Sales Trends

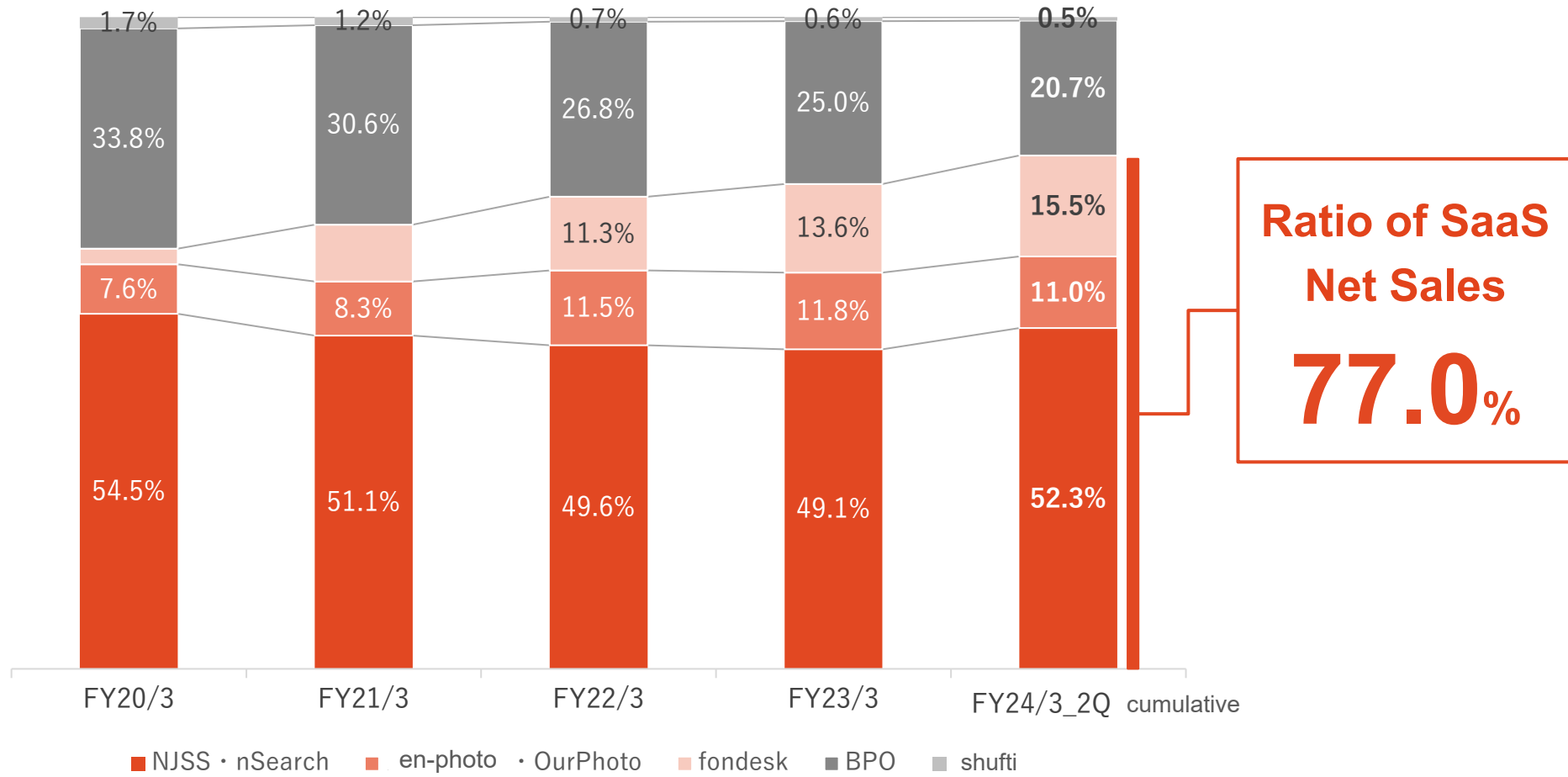
- Record quarterly net sales for 2Q were up **12.7% YoY**.
- SaaS net sales increased **21.4% YoY** due to growth in SaaS such as NJSS, nSearch, fondesk, and en-photo.



\* Brainfeed Inc., which became a subsidiary on January 4, 2023, began to be included in the consolidated income statement from the 1Q of FY24.

# Sales Composition

- SaaS services such as "NJSS", "nSearch", "fondesk", and "en-photo" are the foundation of growth.

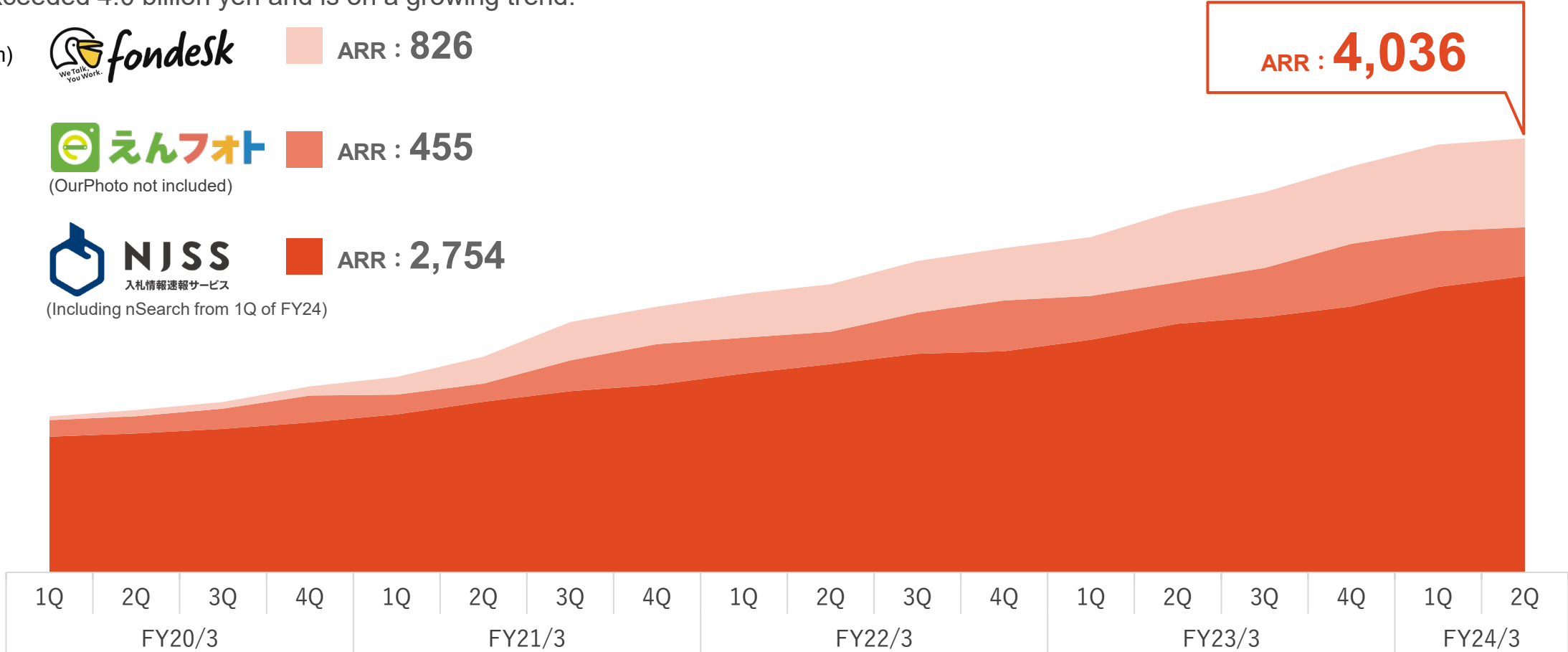


\* SaaS Sales: NJSS, nSearch, fondesk, and en-photo (OurPhoto isn't included.)

- Company-wide ARR, which is the sum of ARR of SaaS such as “NJSS”, “nSearch”, “fondesk”, and “en-photo”, has already exceeded 4.0 billion yen and is on a growing trend.



**ARR : 4,036**

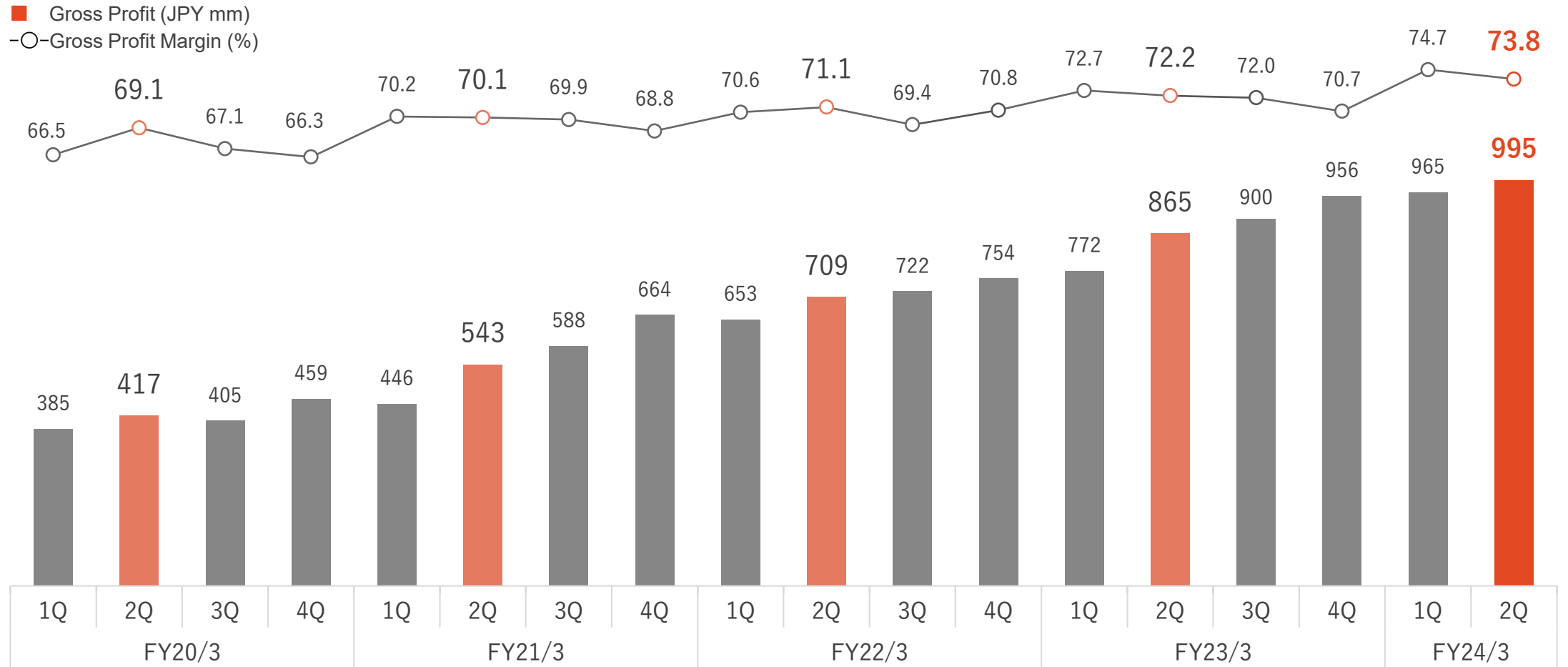


\* ARR (Annual Recurring Revenue): ARR of "NJSS" is each quarter's subscription sales multiplied by 4 until 3Q of FY2021, and MRR at the end of each quarter multiplied by 12 for 4Q of FY2021 and thereafter. From 1Q of FY24, the ARR is the MRR including peripheral subscription businesses such as "nSearch" and "GoSTEP" multiplied by 12. ARR of "en-photo" is each quarter's recurring sales multiplied by 4, and ARR of "fondesk" is each quarter's subscription sales plus each quarter's recurring sales multiplied by 4.



# Gross Profit Trends

- Gross profit also continued to grow, with gross profit margin reaching a record high of **73.8%**.



# EBITDA · Operating Profit Trends

- Achieved positive EBITDA and operating income following 1Q by restraining upfront investments made until the previous FY in accordance with the mid-term management plan.

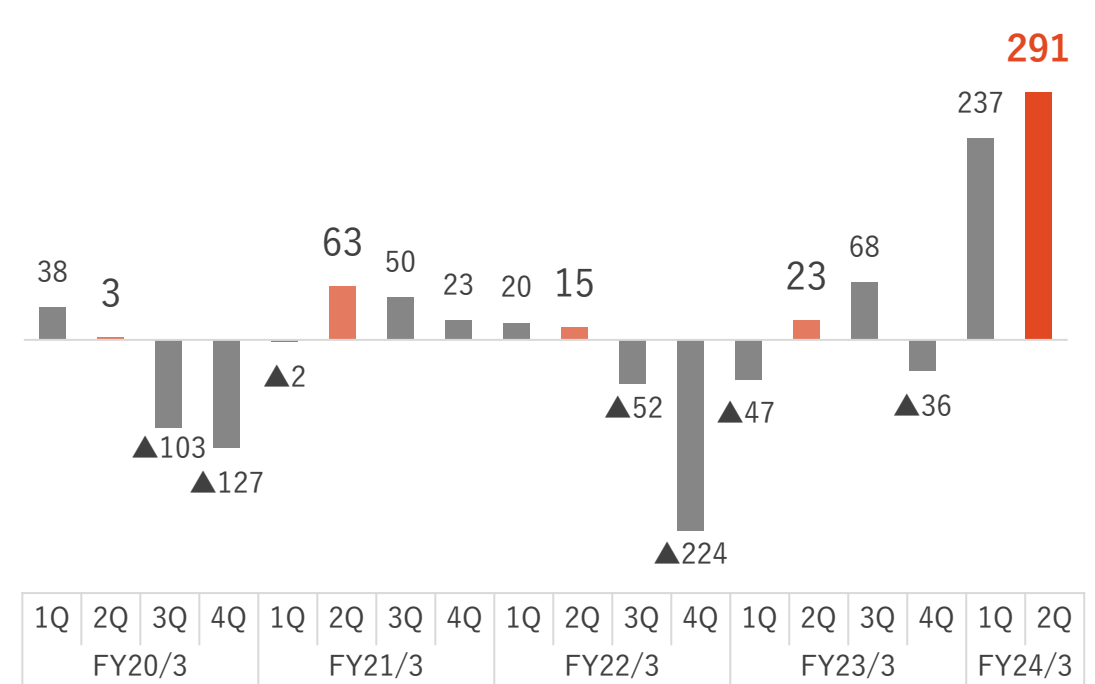
## EBITDA

(JPY mm)



## Operating Profit

(JPY mm)

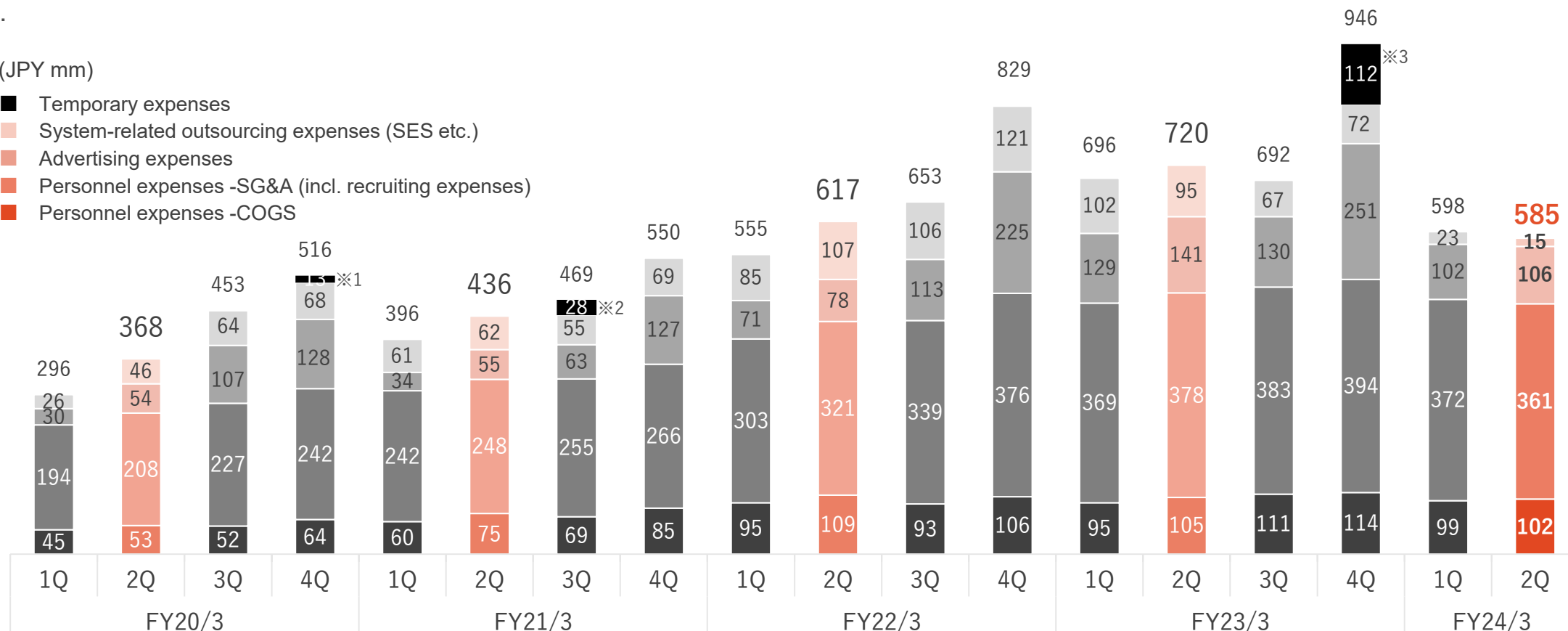


# Major Expense Trends

- Restrained upfront investment in advertising and system-related outsourcing expenses up until the previous FY, in accordance with the mid-term management plan.
- Also, personnel expenses remained flat from 1Q due to the restrained expansion of personnel in accordance with the mid-term management plan.

(JPY mm)

- Temporary expenses
- System-related outsourcing expenses (SES etc.)
- Advertising expenses
- Personnel expenses -SG&A (incl. recruiting expenses)
- Personnel expenses -COGS



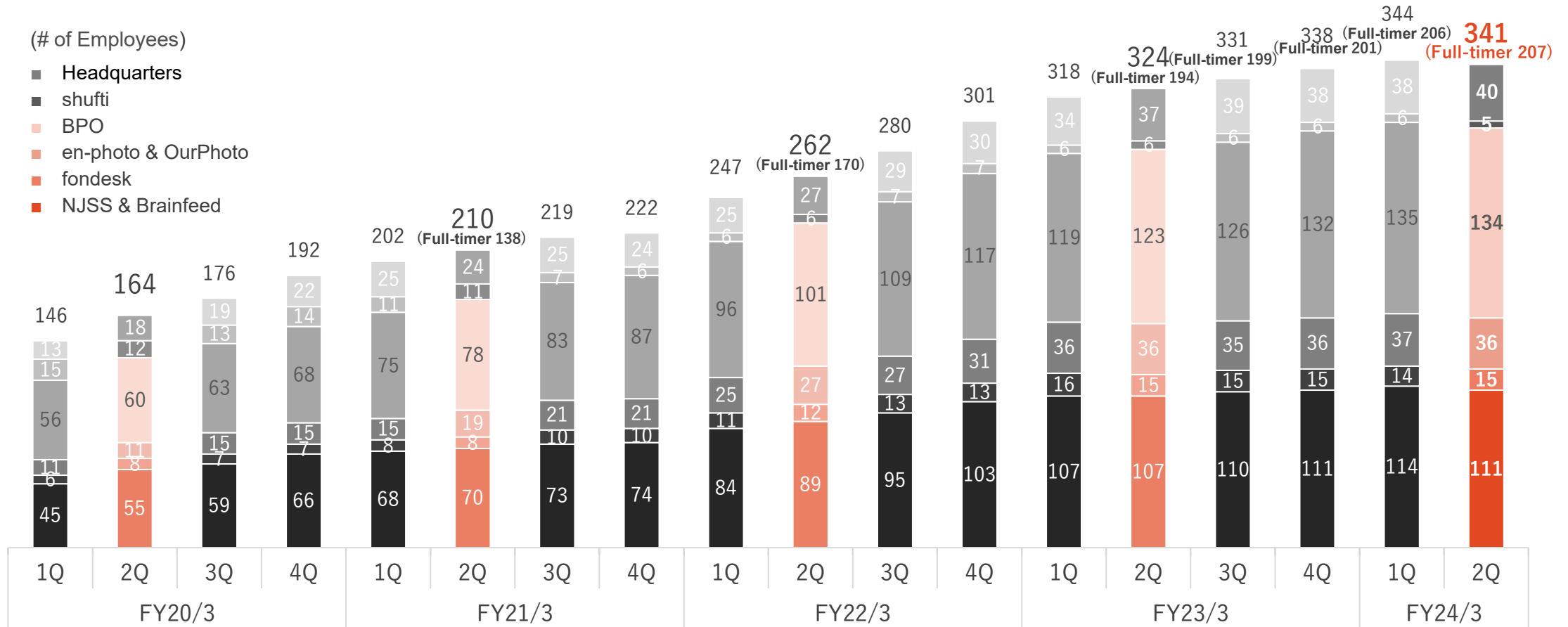
\*1 Tokushima Dai-1 & 2 Centers establishment expenses

\*2 M&A(OurPhoto subsidiary) related expenses

\*3 Tokushima Dai-3 Center and Oita Center establishment expenses & M&A (Brainfeed Inc. subsidiary) related expenses

# Employee Status

• In FY24, recruitment is restrained. Full-time employees: **+13 YoY, +1 QoQ**



\* Temporary employees include part-timers and temporary workers. The number of temporary employees is the average number of employees for the year.

- All businesses generally progressed favorably until 2Q, achieving record-high EBITDA.

(JPY mm)	FY24/3_2Q	FY23/3_2Q	YoY	Cumulative FY24/3_2Q	Cumulative FY23/3_2Q	YoY	FY24/3 Forecast	Progress Rate
Net Sales	1,349	1,197	+12.7%	2,641	2,260	+16.9%	6,000	44.0%
NJSS	709	584	+21.4%	1,382	1,137	+21.5%	2,850	48.5%
fondesk・enphoto・ OurPhoto	339	281	+20.6%	697	544	+28.1%	1,600	43.6%
BPO	291	323	▲9.8%	547	562	▲2.8%	1,520	36.0%
Gross profit	995	865	+15.1%	1,960	1,637	+19.7%	-	-
SG&A	703	841	▲16.3%	1,431	1,661	▲13.8%	-	-
SG&A margin	52.2%	70.2%	-	54.2%	73.5%	-	-	-
EBITDA	336	45	+634.6%	616	18	-	1,500	41.1%
EBITDA margin	24.9%	3.8%	-	23.4%	0.8%	-	25.0%	-
Operating Profit	291	23	-	529	▲23	-	1,300	40.7%
Operating Profit margin	21.6%	2.0%	-	20.0%	-	-	-	-

\* Brainfeed Inc., which became a subsidiary on January 4, 2023, began to be included in the consolidated income statement from the current FY and is included in NJSS.

## 2 Business Segment Highlights

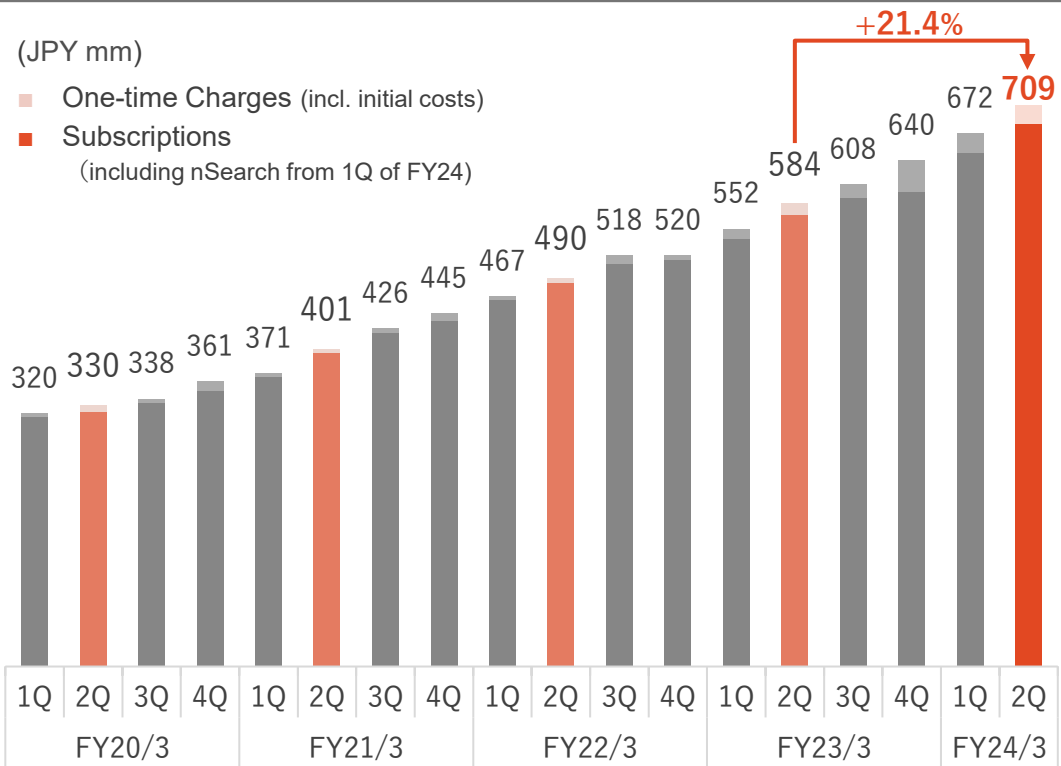


**NJSS**  
入札情報速報サービス

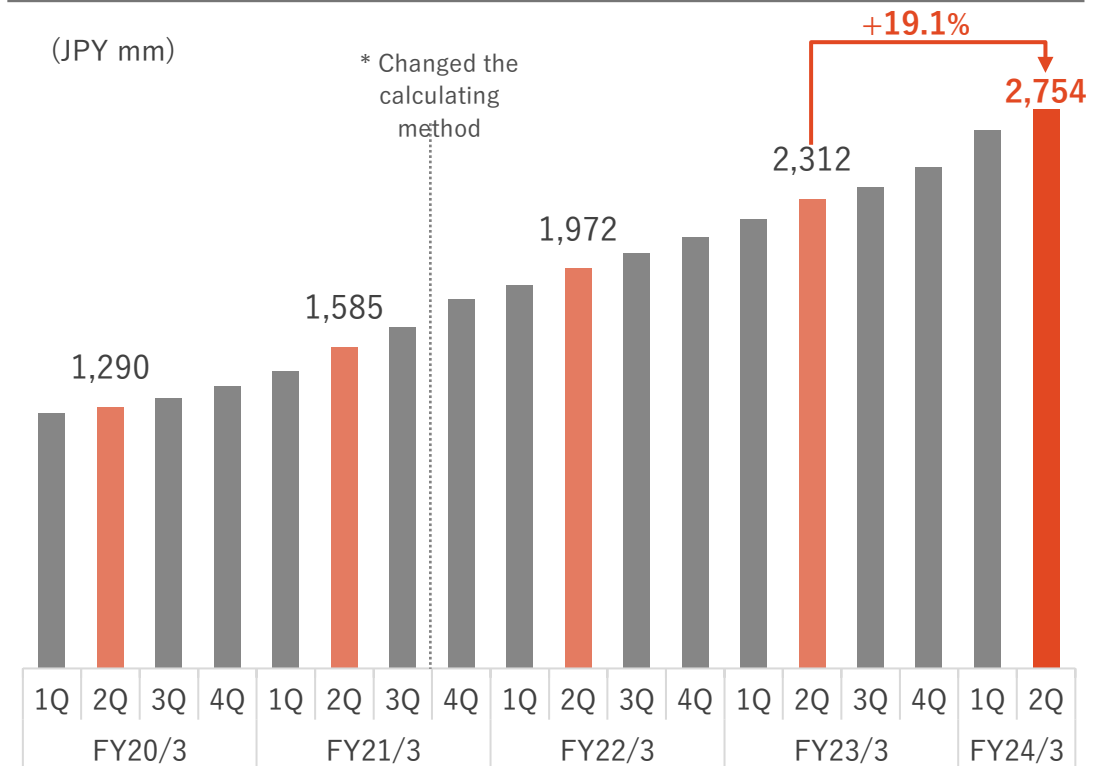
# NJSS | Sales & ARR Trends (Quarterly)

- Net sales increased **21.4% YoY** with the addition of nSearch (nSearch sales accounted for 17 million yen of 709 million yen in total net sales).
- ARR continued its growth trend: **+19.1% YoY**.

### Sales (including nSearch)



### ARR (including nSearch)



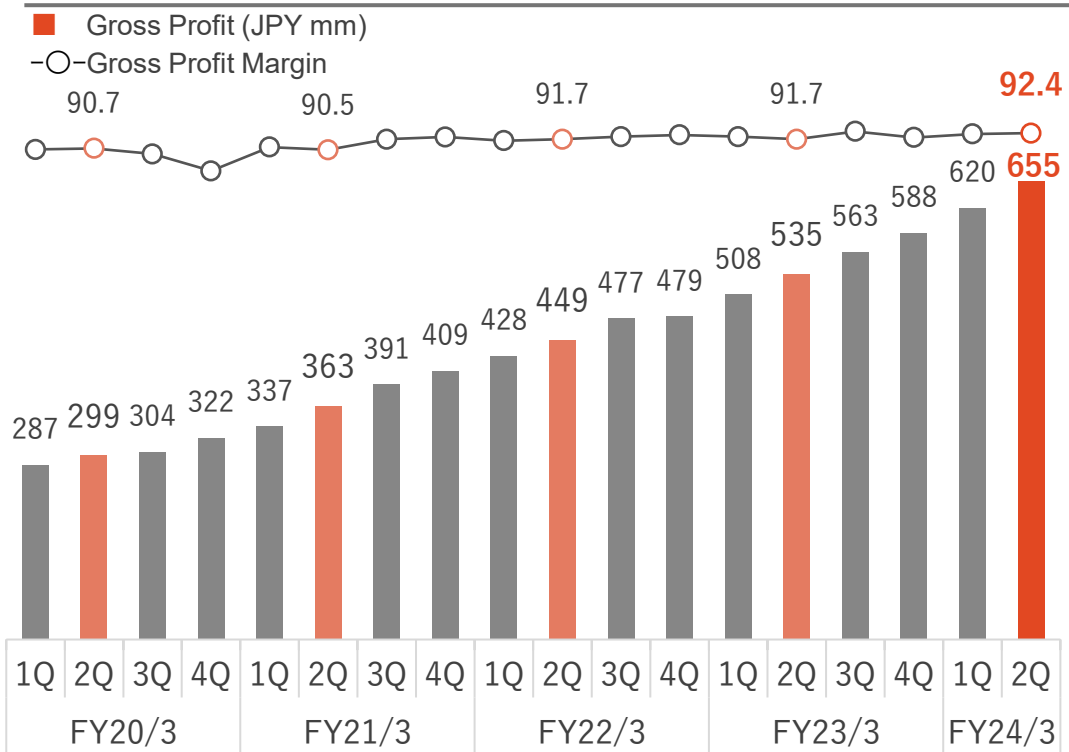
\* ARR (Annual Recurring Revenue) : ARR of "NJSS" is each quarter's subscription sales multiplied by 4 until 3Q of FY2021, and MRR at the end of each quarter multiplied by 12 for 4Q of FY2021 and thereafter. From 1Q of FY24, the ARR is the MRR including peripheral subscription businesses such as "nSearch" and "GoSTEP" multiplied by 12.



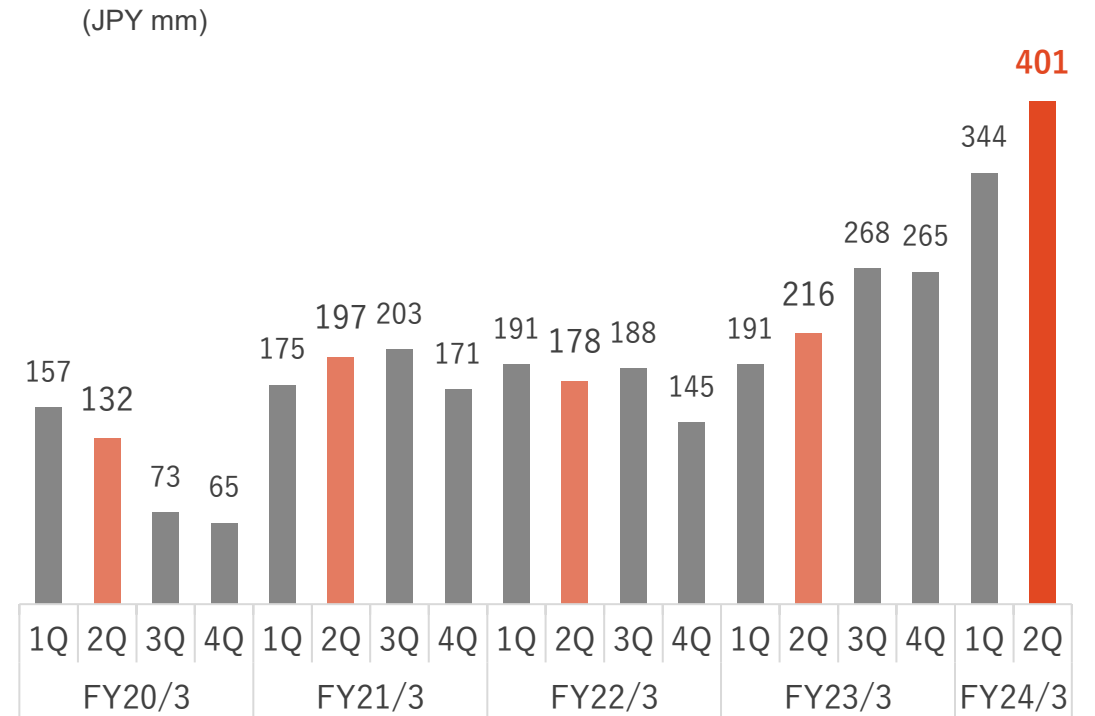
# NJSS | Gross Profit Margin & EBITDA Trends (Quarterly)

- Improved business processes resulted in a gross profit margin of 92.4%, a higher level than before the mid-term management plan.
- EBITDA increased significantly due to the restraint of controllable investments such as advertising expenses and system-related outsourcing expenses, as well as growth in gross profit.

### Gross Profit (including nSearch)

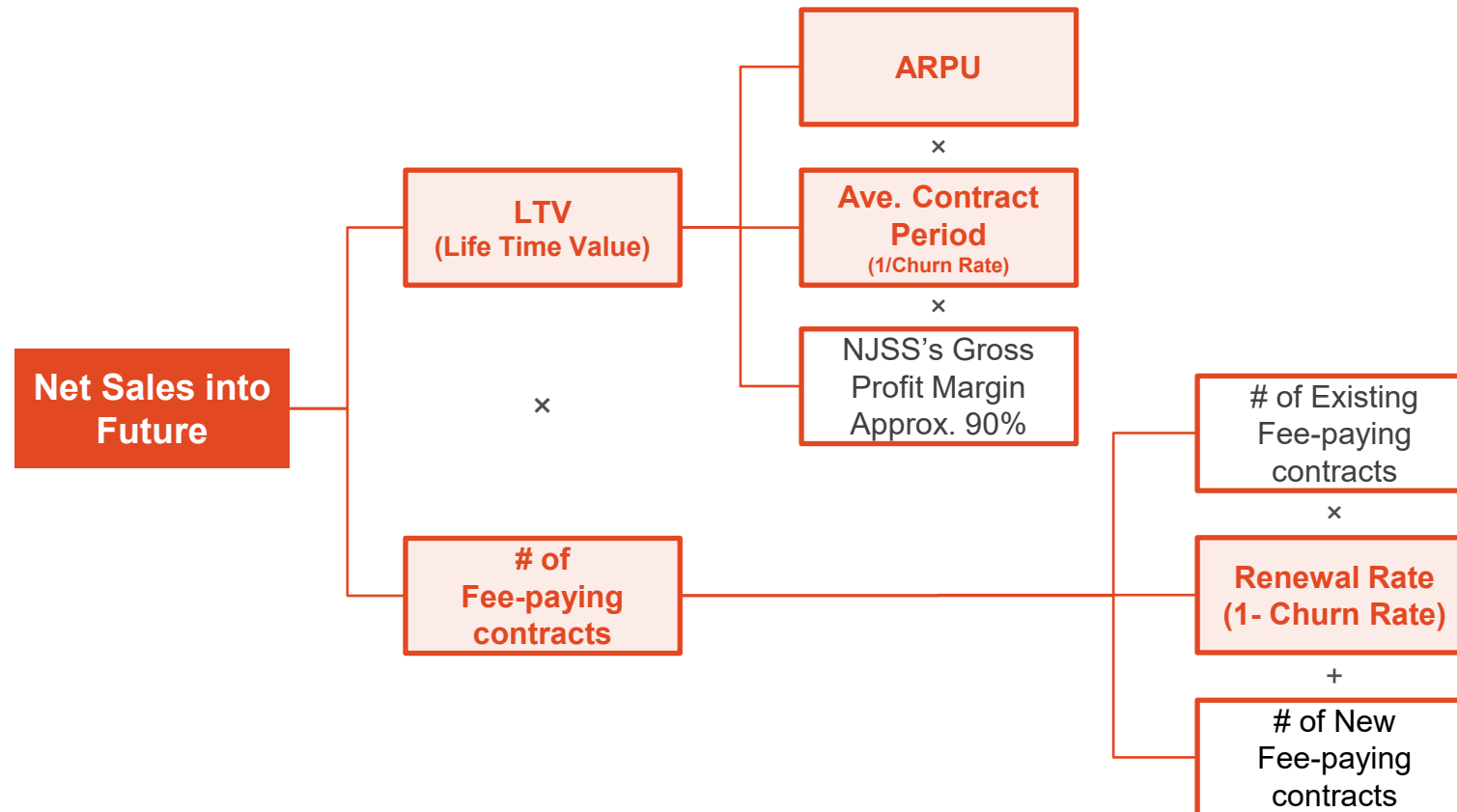


### EBITDA (including nSearch)



\*Including nSearch from 1Q of FY24

- Proactive investments in development, human resources, advertising, etc. based on the mid-term management plan. Will expand sales in the future by optimizing ARPU and the number of fee-paying contracts while maintaining and improving the churn rate.
- Aim to achieve further growth in sales in the future by starting to approach customer segments that were not previously targeted and continuously releasing new features.



# NJSS | Fee-paying Contracts Trends (Quarterly)

- Record growth of **31.1% YoY** due to the steady increase in the number of fee-paying contracts for NJSS and the addition of nSearch's contracts.
- Number of NJSS individual fee-paying contracts increased **20.5% YoY**.

(# of Contracts)

■ nSearch(Upper Row) \*nSearch" is also included from 4Q of FY23.

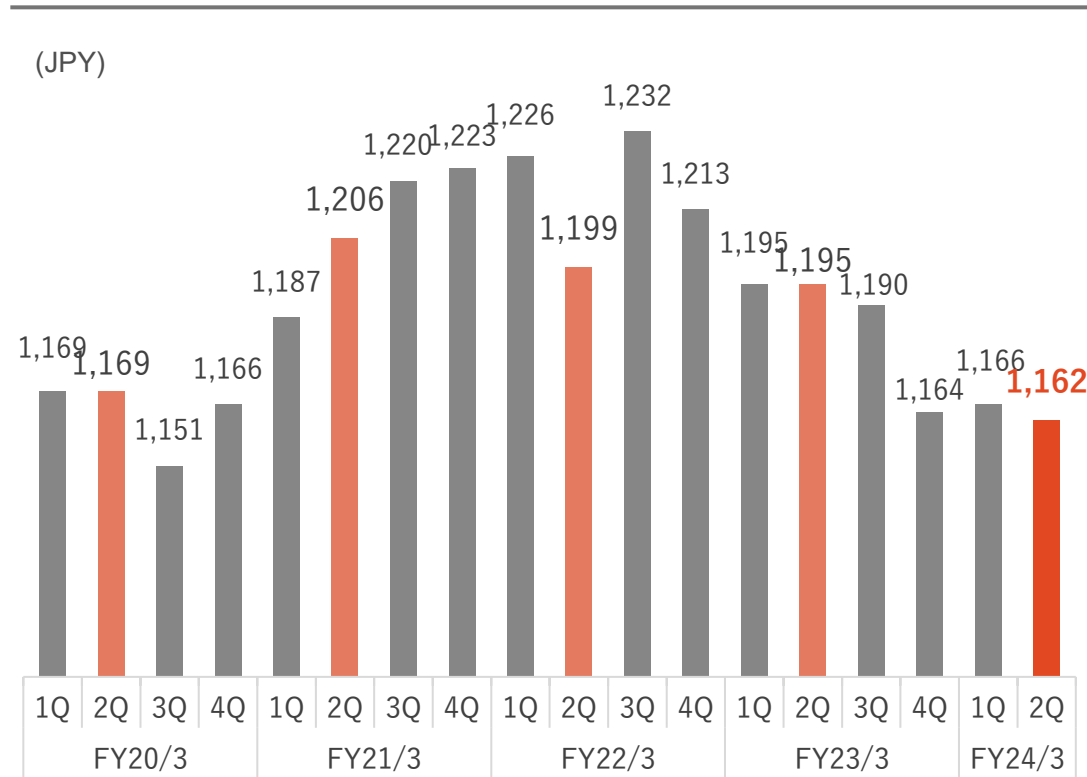
■ NJSS(Lower Row)



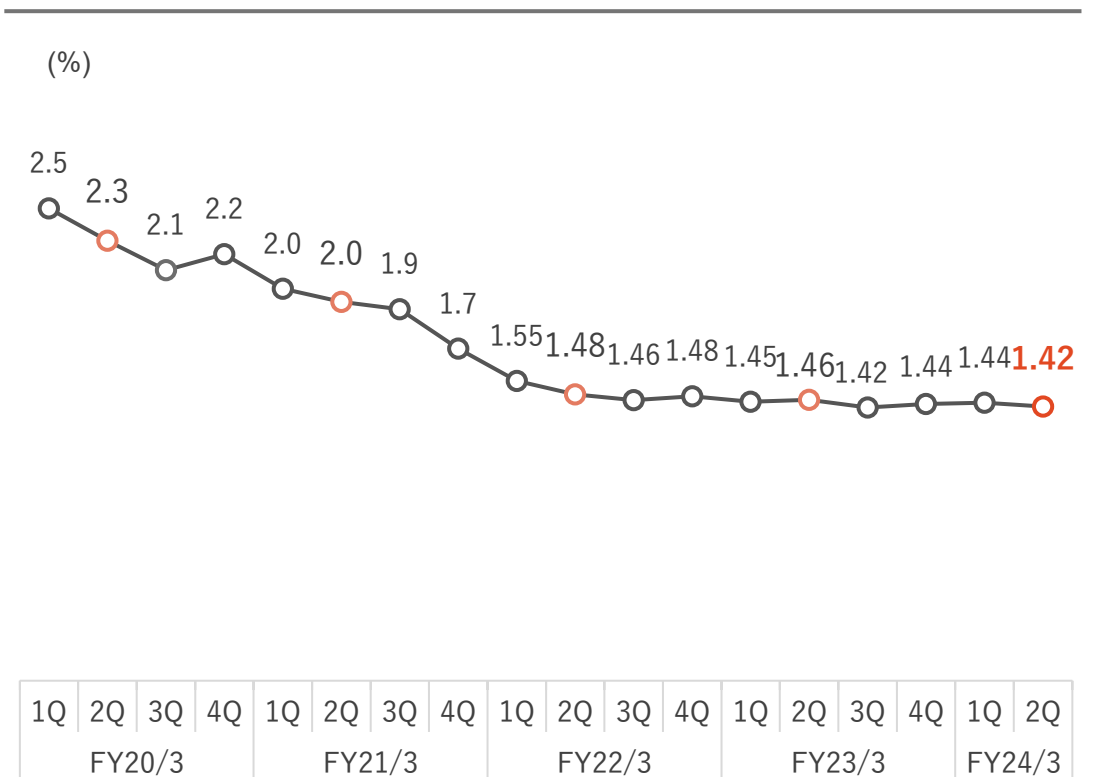
# NJSS | ARPU & Churn Rate Trends (Quarterly)

- ARPU remained at the same level. Aiming to maintain and increase over the mid-to-long term by releasing optional services and easing competition through the acquisition of Brainfeed Inc.
- With the strengthening of the Customer Success (CS) department, the churn rate has improved, achieving a record low level of **1.4%**.

**ARPU** (nSearch not included)



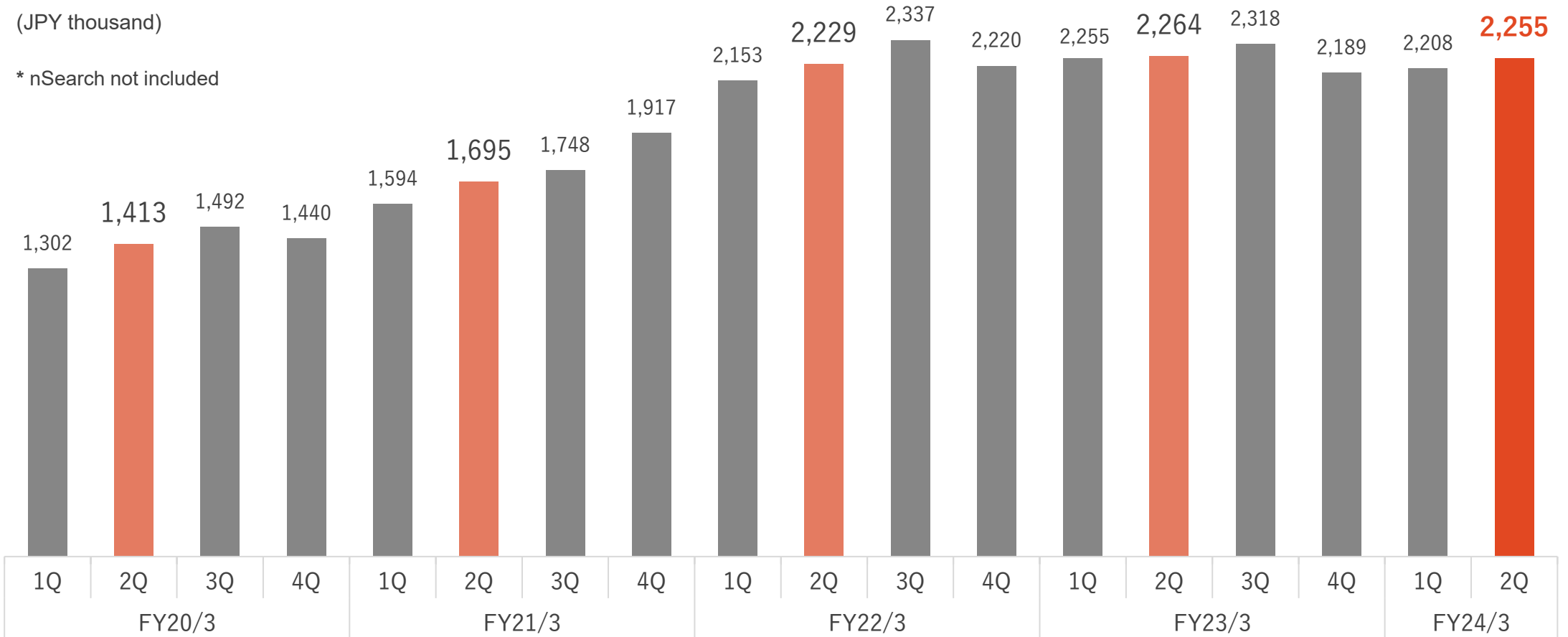
**Churn Rate** (nSearch not included)



\* ARPU is daily sales per case. Churn rate is the average monthly churn rate for the last 12 months based on the number of Fee-paying contracts.

# NJSS | LTV Trends (Quarterly)

- ARPU and churn rate settled down, and LTV remained at the same level for the past 2 years.



\* LTV is ARPU x 1/Churn rate x Gross profit margin, which is fixed at 0.9.

# NJSS | NJSS's Potential (How to think of TAM)

- The number of both NJSS's and nSearch's fee-paying contracts combined is approximately 2% of the roughly 400,000 companies that have won bids, and approximately 10% of the roughly 70,000 companies that have unified qualifications for all ministries and agencies, indicating that they have sufficient potential.
- Considering future business growth, we have started to approach companies that have not yet qualified to participate in bidding, and TAM is expected to expand in the future.



\* 1 MIC Administrative Business Reviews of FY 2018 \* 2 As of 2019 From NJSS Database

- A BPaaS-type "Bidding BPO" that provides total support for private companies to improve operational efficiency and win bids was launched in November 2023.
- Three main services are offered: "market analysis" prior to the public announcement of bids, "bidding operations" necessary for bidding, and "project execution" after winning bids, providing support tailored to the issues and needs of companies in their various bidding operation processes.

Eliminate All Bidding Process Problems

Total Support for the Bidding Process

 **戦略サポート**

 **マーケット分析**

 **煩雑な入札作業**

 **入札調査・分析**





## 入札BPO

公共入札・落札支援トータルサービス

<https://bpo.njss.info/>

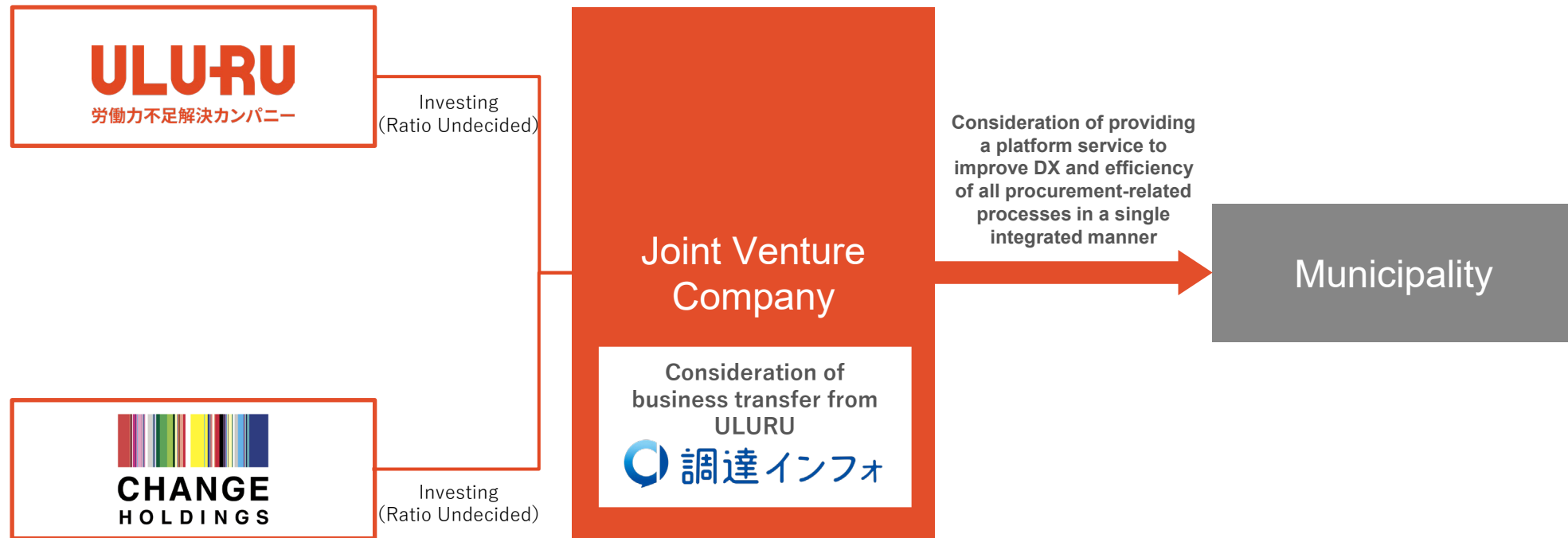
<https://ssl4.eir-parts.net/doc/3979/tdnet/2351907/00.pdf>

### Provided Services (Excerpt)

<b>Market Analysis</b>	<ul style="list-style-type: none"> <li>• Market analysis support</li> <li>• Collection, organization, and analysis of municipal planning concepts/policies</li> <li>• Investigation of municipal issues</li> <li>• Collection, provision, organization, cleansing, and analysis of budget info</li> <li>• Municipality approach and survey delegation</li> </ul>
<b>Bidding Operation</b>	<ul style="list-style-type: none"> <li>• Renewal and management of bidding qualifications</li> <li>• Delegation of project/specification checks, trend analysis</li> <li>• Organization and provision of bidding data</li> <li>• Processing and analysis of bidding info</li> </ul>
<b>Project Execution</b>	<ul style="list-style-type: none"> <li>• Data collection, input, and aggregation</li> <li>• DM dispatch operations</li> <li>• Secretariat operation delegation</li> <li>• Call center delegation</li> </ul>
<b>Fee</b>	Variable depending on the quantity of service provided.








# NJSS | MOU signed with CHANGE Holdings, Inc. to begin discussions on establishing a joint venture company

- On November 14, 2023, we signed a Memorandum of Understanding (MOU) with CHANGE Holdings, Inc. who we entered into a business alliance agreement with in April 2023, to begin discussions on establishing a joint venture with the aim of accelerating the speed of service expansion and resolution of issues in municipal procurement operations to meet the needs of many municipalities.
- We are also considering transferring the "BID INFORMATION for Procurement Representative" business to the joint venture company, aiming to provide a platform service that streamlines all procurement-related processes, such as budget planning and execution, and business vendor selection, in a single integrated DX.





- NJSS was introduced in September 2008 and has grown to become a pillar of our sales.
- Focus on developing peripheral services to further expand the bidding market, which has a market size of over 25 trillion yen.

Service	Start Date	Description	URL
 NJSS 入札情報速報サービス	September 2008	A business support service that enables batch search and management of bidding and winning information nationwide. Utilizes web crawlers and human resources to provide highly comprehensive information.	<a href="https://www2.njss.info/">https://www2.njss.info/</a>
 調達インフォ	November 2019	A service that allows procurement staff of public offices and local governments to browse and gather information on bidding projects and winning bids nationwide. Business tie-up with JICHITAI WORKS, INC. and CHANGE HD, Inc. to strengthen paid version.	<a href="https://bid-info.jp/">https://bid-info.jp/</a>
 入札リサーチセンター	August 2022	An owned media that conveys the appeal of the bidding market by providing useful information for bidders. It analyzes signs of changes and trends in the bidding market and releases monthly reports and other information on the status of bids and winners.	<a href="https://research.njss.info/">https://research.njss.info/</a>
 エヌ・サーチ nSearch	November 2021 *Became a subsidiary in Jan., 2023	A business support service that enables batch search and management of bidding and winning information nationwide. Information is collected by an AI-based web crawler and provided at a low price. *Operated by Brainfeed, Inc.	<a href="https://nsearch.jp/">https://nsearch.jp/</a>
 GoSTEP	March 2023	A platform to search and manage all the information on the projects (budgets) of public organizations, public and statistical information, trends and characteristics of municipalities based on bidding data, and organizational information necessary for approaching them.	<a href="https://www.gostep.biz/">https://www.gostep.biz/</a>
 入札資格ポータル <small>B版</small>	July 2023	A service that allows centralized management of bidding qualification information	<a href="https://nsp.njss.info/">https://nsp.njss.info/</a>
 入札BPO 公共入札・落札支援トータルサービス	November 2023	A Business Process as a Service (BPaaS) type service that undertakes all bid-related tasks from market research and analysis prior to the public announcement of bids to the actual execution of projects to provision of total support for improving operational efficiency and winning bids.	<a href="https://bpo.njss.info/">https://bpo.njss.info/</a>

- Provide services for all business processes of clients in bidding participation, not only through web services but also practical human support.



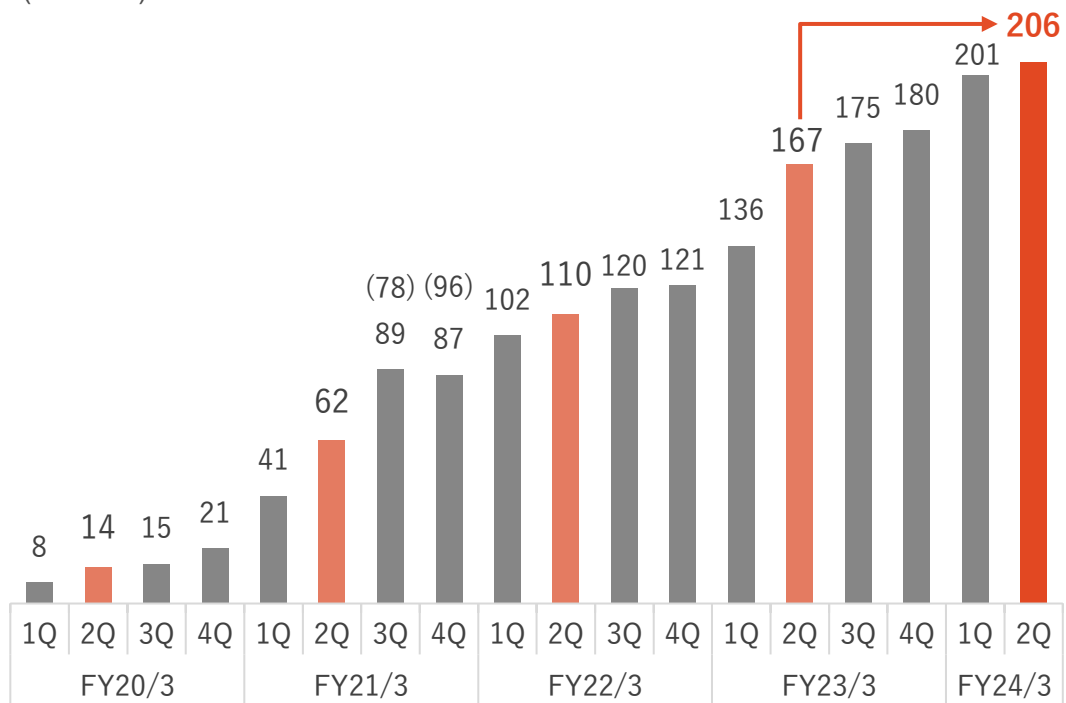


# fondesk | Sales & EBITDA Trends (Quarterly)

- Net sales increased **23.6% YoY** due to steady acquisition of fee-paying contracts.
- Despite cab ads (Aug. 7-27), EBITDA increased sharply YoY as in 1Q.

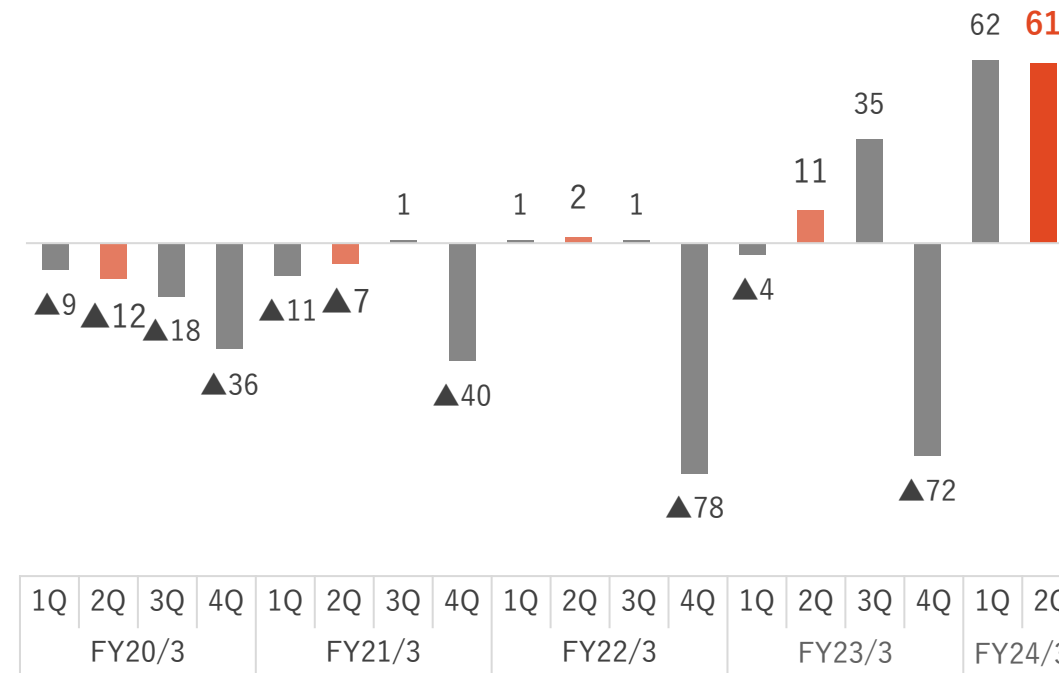
## Net Sales

(JPY mm)



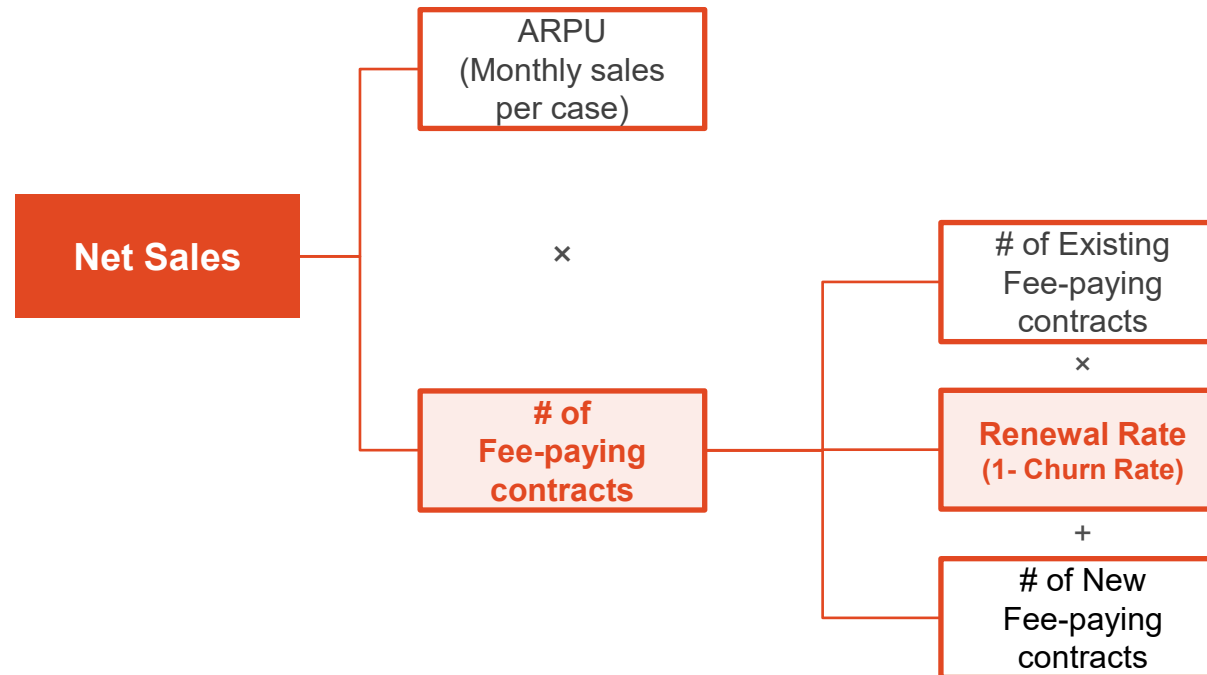
## EBITDA

(JPY mm)



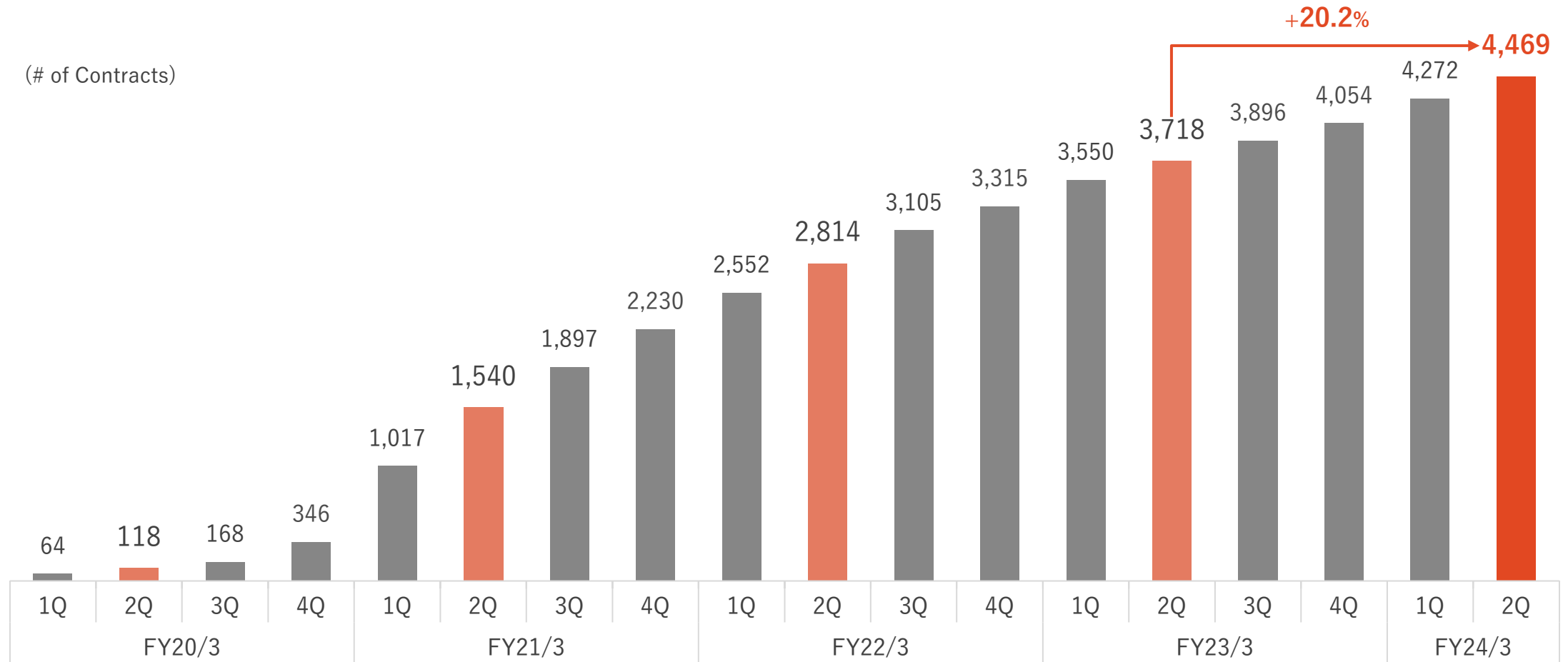
\* Changed revenue recognition standard from 3Q FY2021 (Figures in parentheses are before the change)

- Expand and improve functions while increasing the number of fee-paying contracts



# fondesk | Fee-paying Contracts Trends (Quarterly)

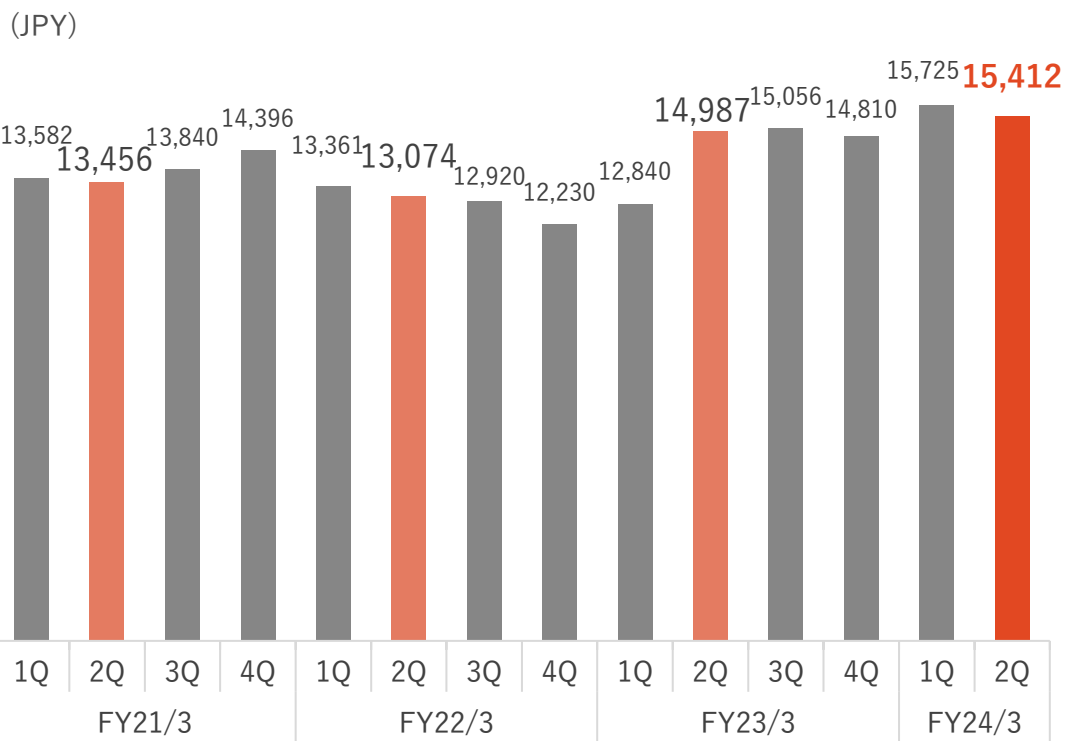
- The number of fee-paying subscriptions continued to grow against the backdrop of corporate promotion of DX, **up 20.2% YoY**.



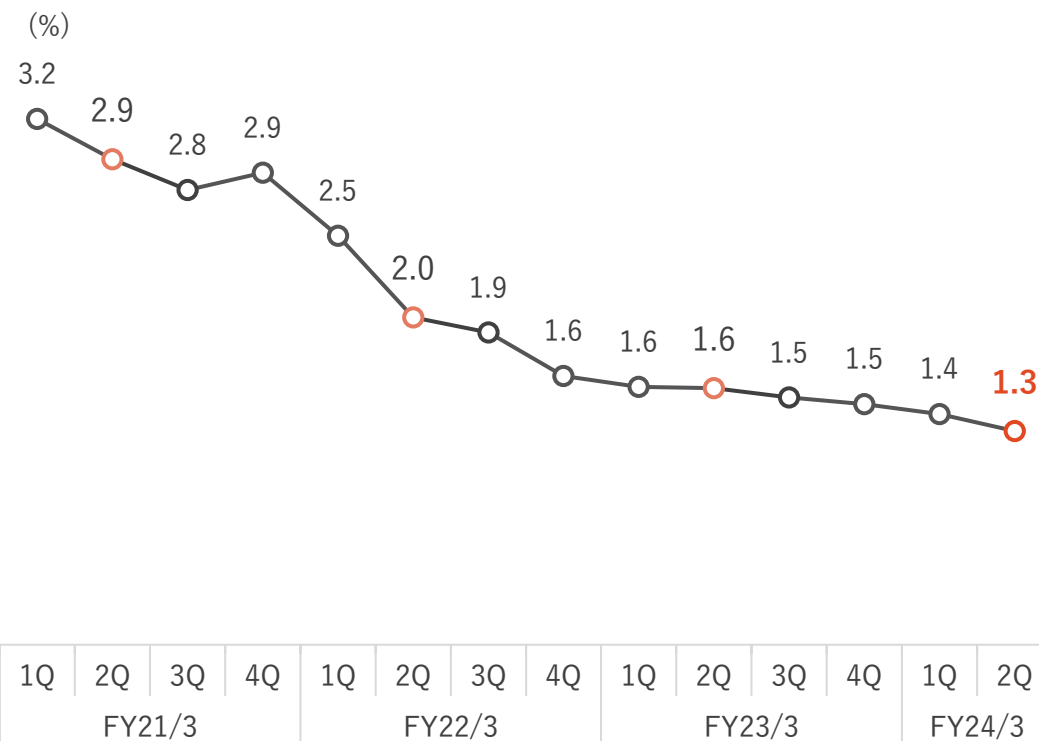
# fondesk | ARPU · Churn Rate Trends (Quarterly)

- Fee revision in July 2022. The basic monthly charge of 10,000 yen is being maintained, but the number of calls handled included in the basic monthly charge has been lowered (from up to 100 calls to 50 calls). This revision increased meter rate charge revenues and ARPU (click the following URL for details of rate: <https://www.fondesk.jp/price/new/>)
- Average monthly churn rate for the last 12 months was **1.3%** for the first time due to continuous product and service improvement.

### ARPU



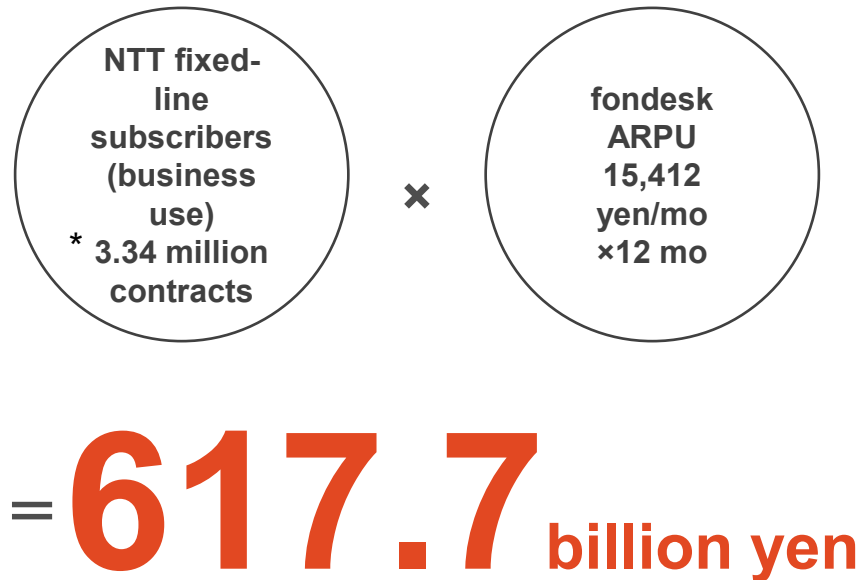
### Churn Rate



\* ARPU is calculated based on monthly sales per subscriber, and figures for FY21/3\_3Q and FY21/3\_4Q are before the change in revenue recognition standards.  
Churn rate is the average monthly churn rate for the most recent 12 months based on the number of Fee-paying contracts.

- The COVID-19 pandemic (2020-2023) greatly expanded demand for teleworking.
- Following the transition to the category V infectious diseases of the novel coronavirus infection, companies are now following the trend toward a DX approach.

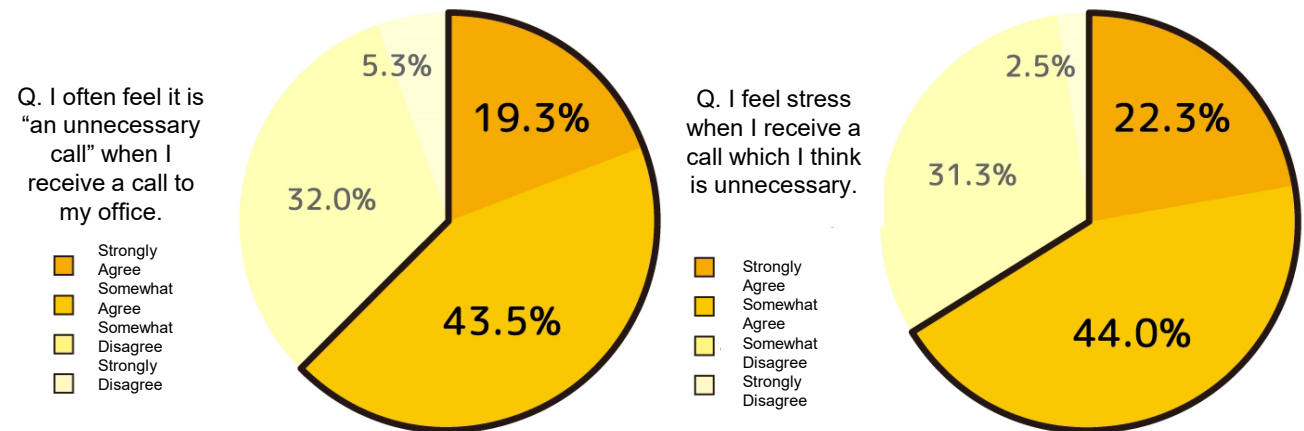
## Total Addressable Market (TAM)



\* Source : Ministry of Internal Affairs and Communications, WHITE PAPER Information and Communications in Japan (Year 2020) As of the end of FY2019

## Survey on the realities of handling phone calls in the workplace

More than 60% of workers say that phone calls to the office are “unnecessary/stressful.”



\* Source: Company data

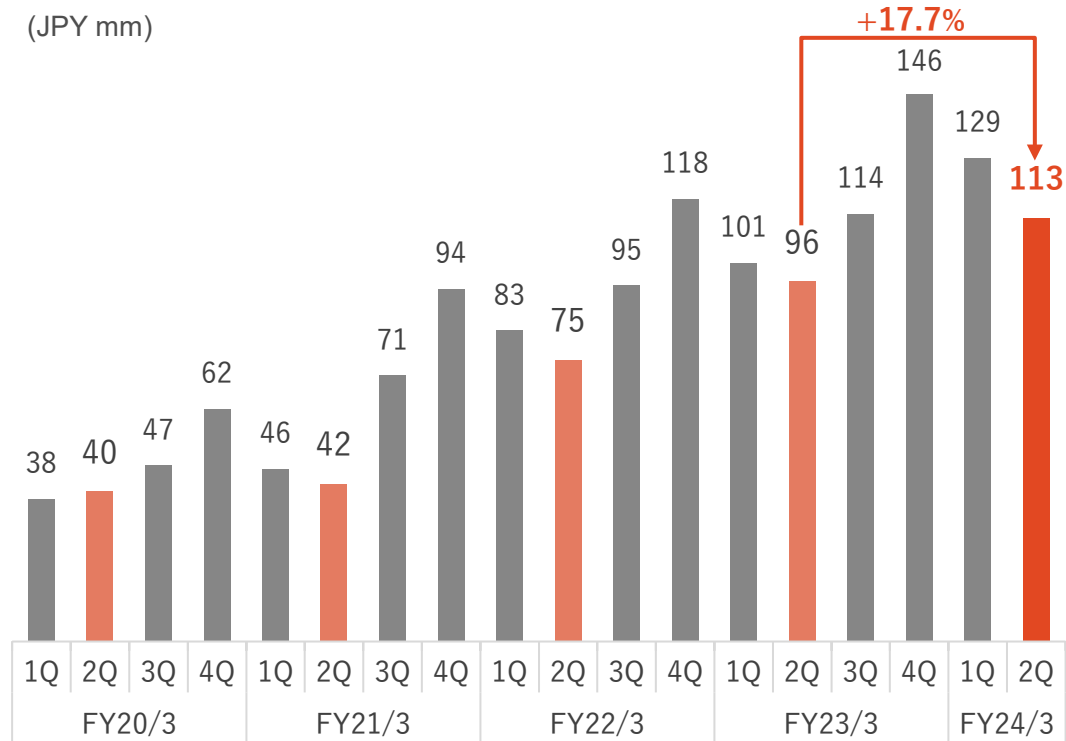




- Net sales fell slightly short of the plan due to higher prices and ended the period **up 17.7% YoY**.

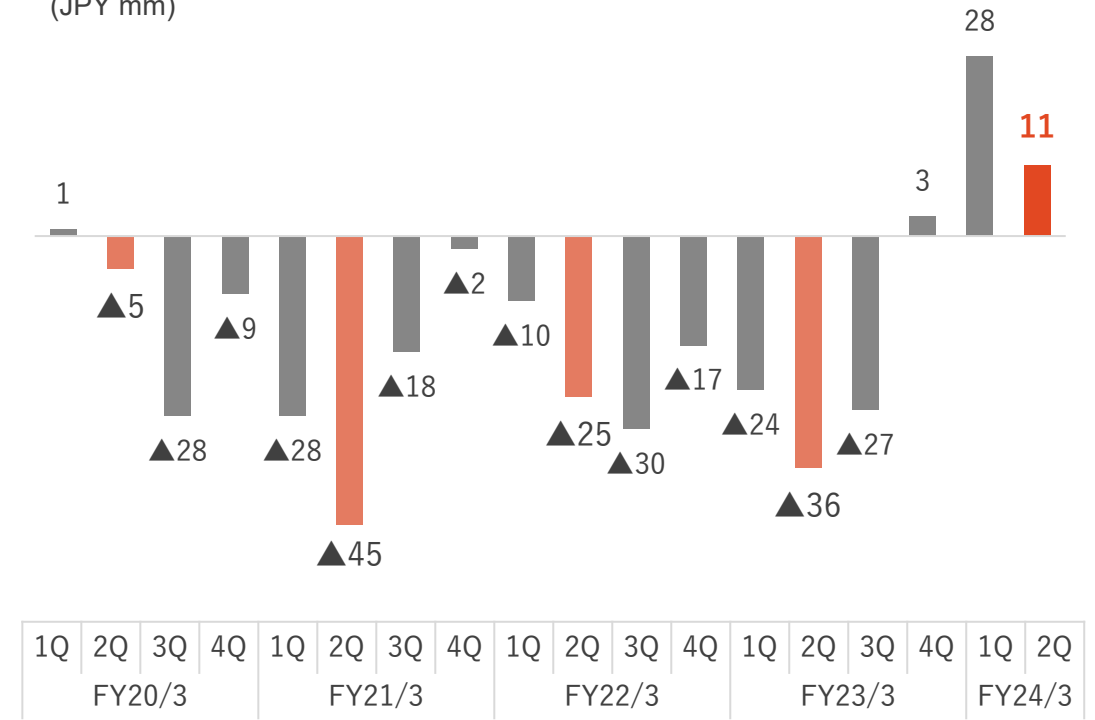
## Net Sales

(JPY mm)



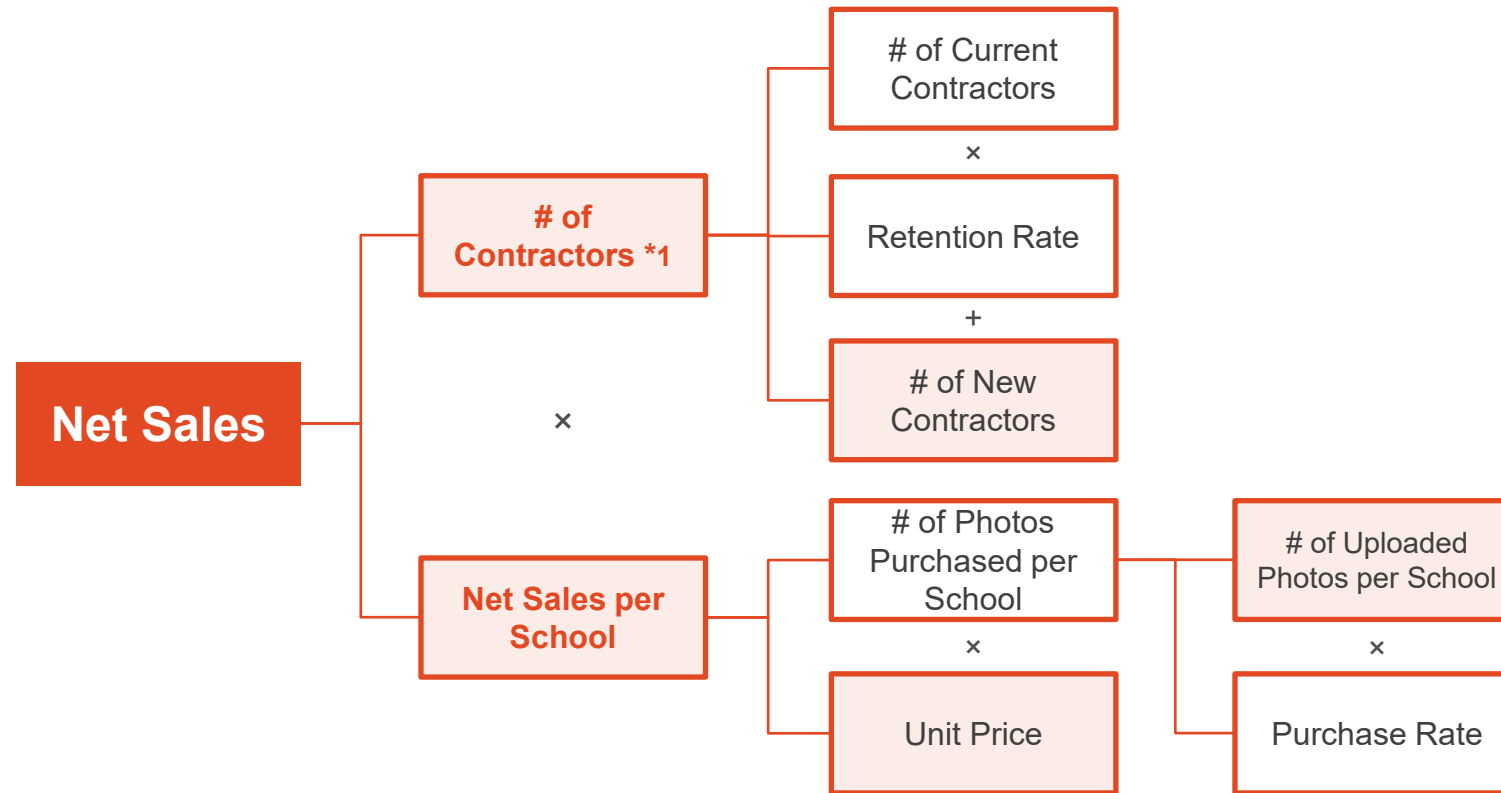
## EBITDA

(JPY mm)



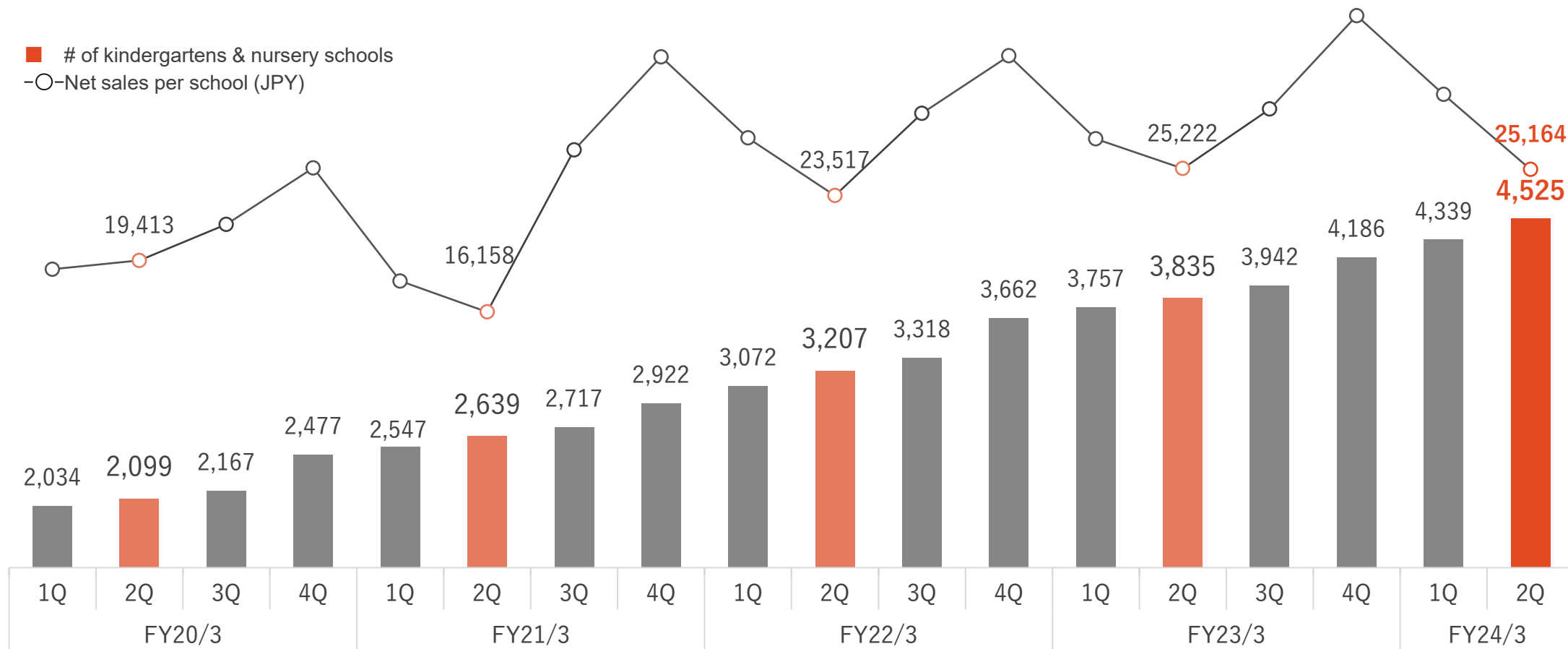
\* Increase in Q4 due to purchase of photos for events such as Sports Days and Christmas.

- Maximize sales by increasing the number of new contracted kindergartens/nursing schools through referrals and by increasing sales per school. To achieve this, the number of photos uploaded per school will be increased, and the unit price per photo will be raised by increasing the number of products.
- Since the fee for those schools is zero yen, the retention rate is extremely high, and the more schools that sign up, the greater the contribution to sales growth.



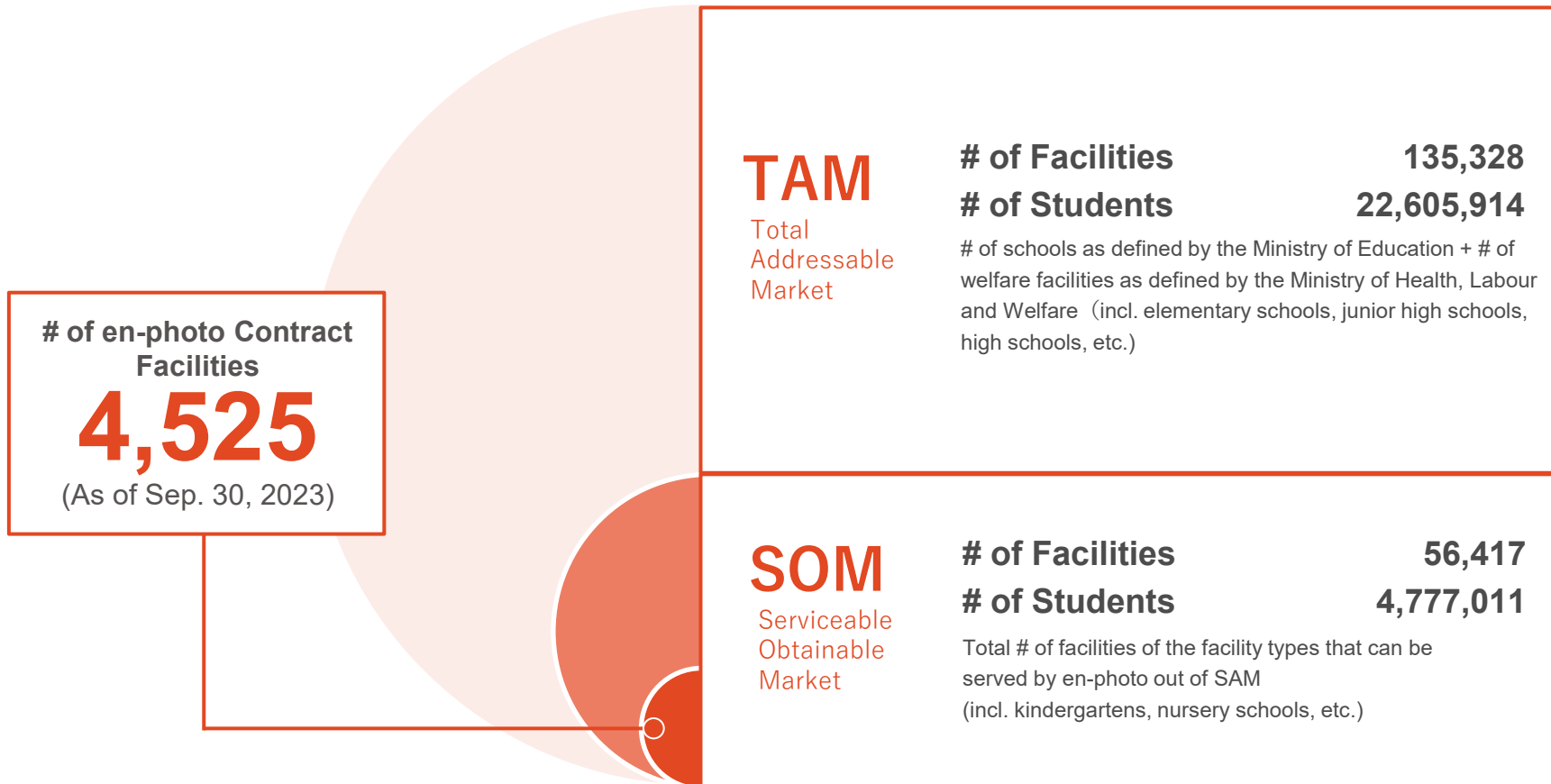
\* The number of contracted preschools include users of the "Kurapuri" photo sales service for clubs and events and the preschools contracted with our partner companies.

- Despite a steady increase in the number of contracted kindergartens/nursery schools, net sales per school remained flat YoY due to purchasing restraint in photography caused by the high prices of commodities.



\* The number of contracted preschools include users of the "Kurapuri" photo sales service for clubs and events and the preschools contracted with our partner companies

- Many public preschools have yet to introduce ICT tools, leaving ample room for growth.
- Not currently included in possible TAMs but may be expanded to include kids' sports clubs in the future.

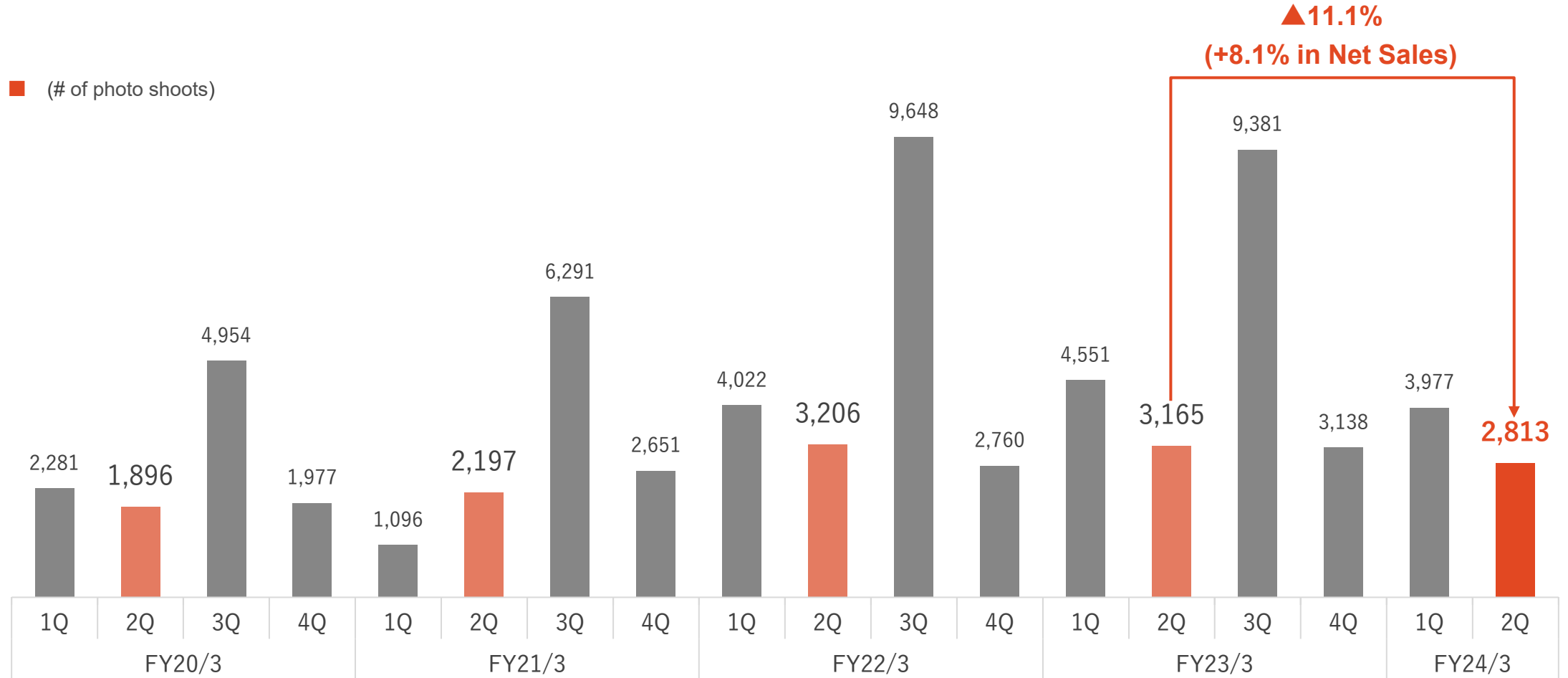


Sources: Survey of Social Welfare Institutions and School Basic Survey

Our?photo

# OurPhoto | Photo Shoot Number Trends (Quarterly)

- Net sales increased **8.1% YoY**, while the number of shootings stalled at -11.1% YoY due to the impact of high prices on households.



\* Increase in 3Q due to demand for Shichi-Go-San commemorative photos.

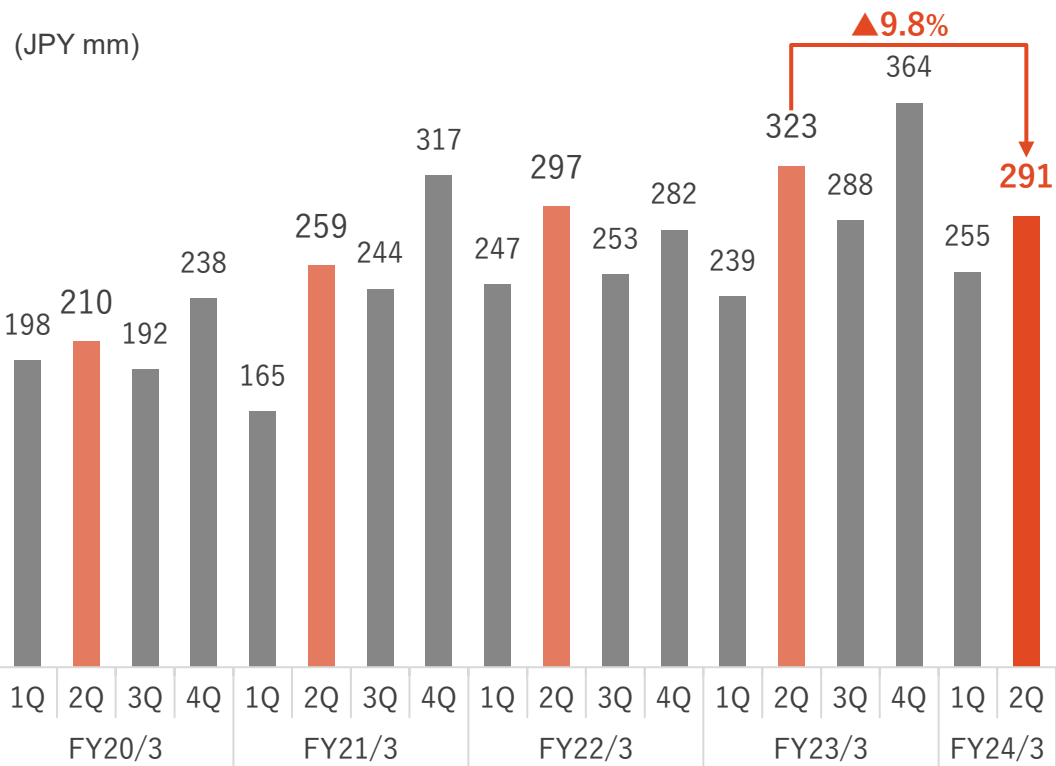
**ULURU**  
B P O



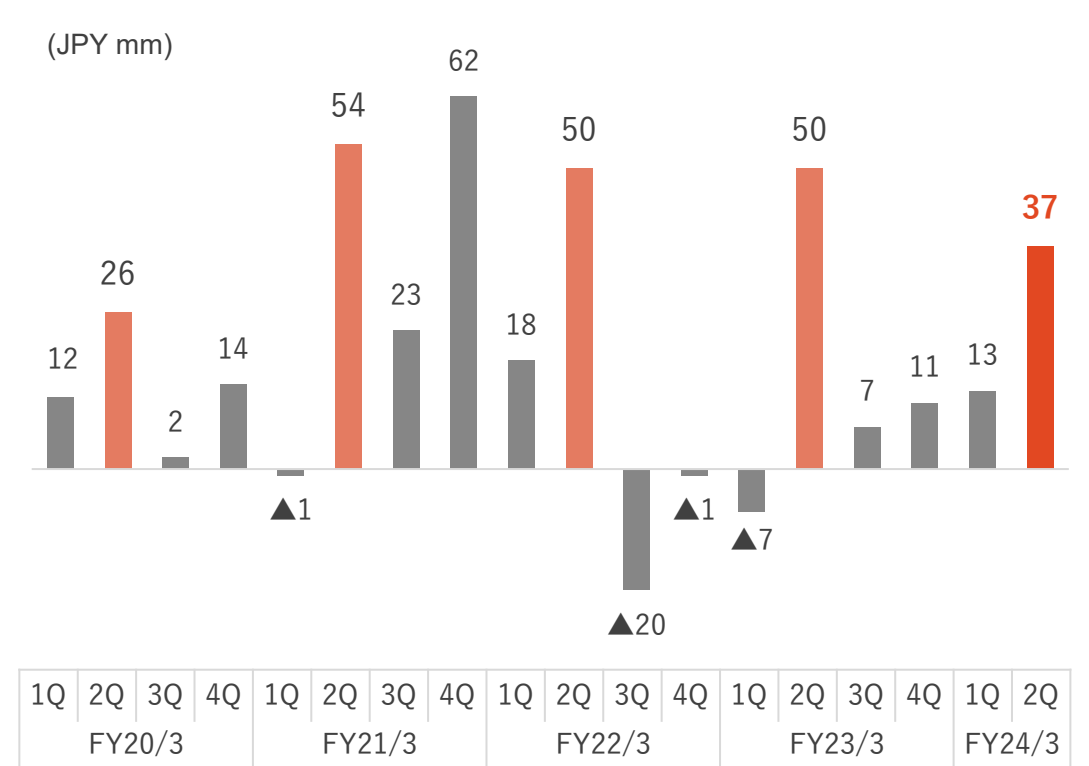
# BPO | Sales & EBITDA Trends (Quarterly)

- Net sales did not grow as much as expected, **-9.8% YoY**. EBITDA landed in the black.
- Net sales are expected to be weighted toward 4Q as a result of successful orders for large projects, although orders for projects related to the invoice system and the Electronic Books Maintenance Act were not as successful as expected in 2Q.

### Net Sales



### EBITDA



# BPO | Launched “eas for Attendance Record (beta version)”

- “eas for Attendance Record (beta version),” a new service specializing in reading time and attendance sheets, started in September 2023.
- Reduces man-hours required for reading and inputting attendance information by using AI-OCR and human labor for highly accurate and speedy data conversion.


## Service Overview and Benefits

**eas** for 勤怠表  
Entry Automation System

ULURU BPO provides

Highly accurate data conversion of attendance records with AI-OCR and human power

99.98%の  
高精度なデータ化を実現  
※ご利用状況によって異なります。



日付	曜日	出勤時間	退勤時間	休憩時間	勤務時間
4/1	月	7:00	18:00	1:00	9:00
4/2	火	-	-	-	-
4/3	水	7:00	18:00	1:00	9:00
4/4	木	7:00	18:00	1:00	9:00
4/5	金	7:00	18:00	1:00	9:00
4/6	土	-	-	-	-
4/7	日	-	-	-	-
4/8	月	7:00	18:00	1:00	9:00
4/9	火	-	-	-	-
4/10	水	7:00	18:00	1:00	9:00

### Service Overview

AI-OCR reads items specific to attendance records (time-cards/time sheets) and converts them to text.  
The operators correct and input the correct text if there are any parts that cannot be read by AI-OCR.  
No reading patterns or definitions need to be set, and different layouts can be accommodated.

### Benefits

- About a 90%\* reduction of man-hours spent by employees on reading and inputting time and attendance information  
\*Calculated based on the use of "eas" by client companies with 2,000 employees.
- Dramatically reduced closing work related to attendance management at the end of and the beginning of each month, reducing overtime hours.
- Reduced time can be shifted to core operations.

<https://ssl4.eir-parts.net/doc/3979/tdnet/2336342/00.pdf>



# ULURU | Signed a business alliance agreement with Sansan, Inc. involving a capital alliance

- On November 14, 2023, the company signed a business alliance agreement with Sansan Inc. involving a capital alliance.
- Aiming to build a system to develop and provide better products by capturing diversifying customer needs as DX promotion accelerates.

## Capital and Business Alliance Details



<b>Capital Alliance Details</b>	Sansan, Inc. acquired a total of 150,000 shares of ULURU's common stock from two existing shareholders: President Tomoya Hoshi and Vice President Yuhei Okeyama. Sansan's shareholding ratio in ULURU's total outstanding shares will be 2.17%.
<b>Type &amp; Number of Shares to Be Acquired</b>	ULURU's Common Stock: 150,000 (Percentage of total shares issued excluding treasury stock: 2.17%)
<b>Existing Shareholders &amp; Number of Shares to Be Transferred</b>	HOSHI, Tomoya: 100,000 OKEYAMA, Yuhei: 50,000
<b>Acquisition Method</b>	Purchase from Tomoya Hoshi and Yuhei Okeyama through off-floor trading (ToSTNeT) on the Tokyo Stock Exchange, Inc.
<b>Business Alliance Detail</b>	<ul style="list-style-type: none"> <li>• Considering providing our Group's solutions to improve and develop additional functions for some of the services operated by Sansan, Inc.</li> <li>• Considering joint development of new businesses by utilizing technologies and resources owned by both companies.</li> </ul>

\*The ratio to the total number of shares issued is calculated using the total number of shares issued excluding treasury stock as of September 30, 2023 as the denominator. The figures are rounded to two decimal places.

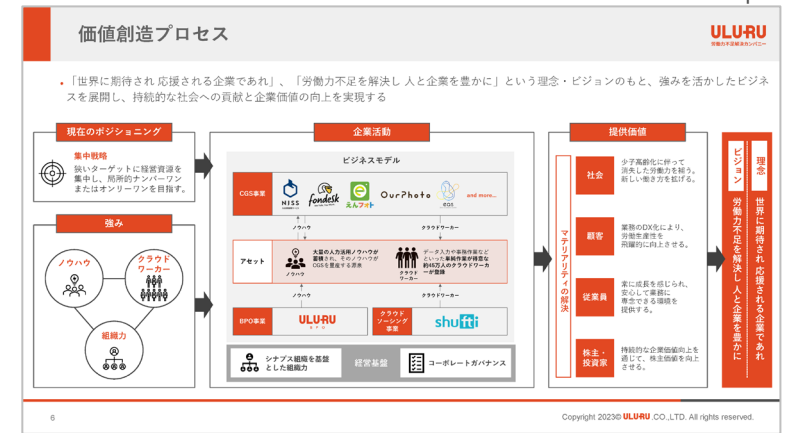
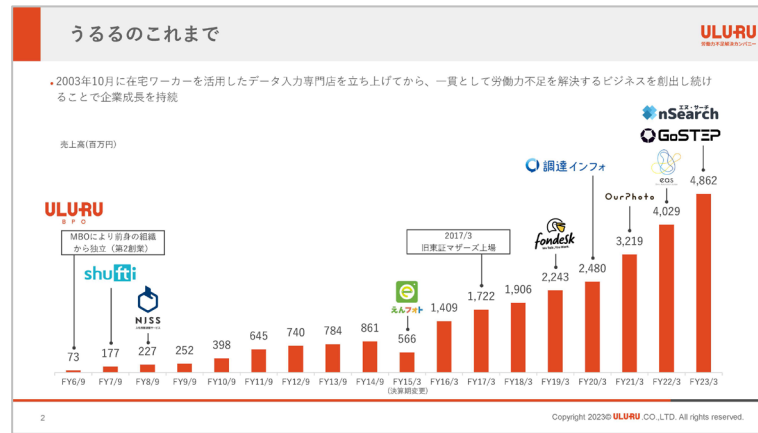
# ULURU | Released "2023 Value Creation Story"

- Released the "2023 Value Creation Story" for the purpose of further understanding our efforts to enhance our mid- to long-term corporate value to our shareholders, investors, and other stakeholders.
- The three parts of the report are: "Our Track Record," "Management Policies and Goals for FY2025 and Beyond," and "Growth Strategies."

\*Partial excerpts

**2023年版 価値創造ストーリー**  
ULURU Sustainable Growth

2023年11月14日  
株式会社うるる  
東証グロース(3979)



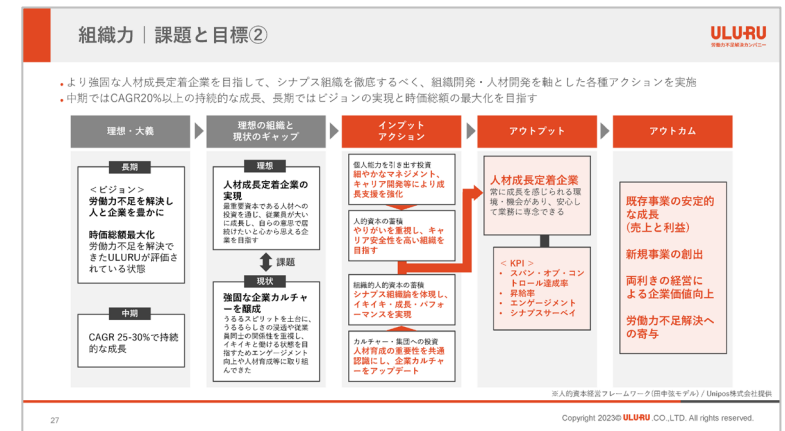
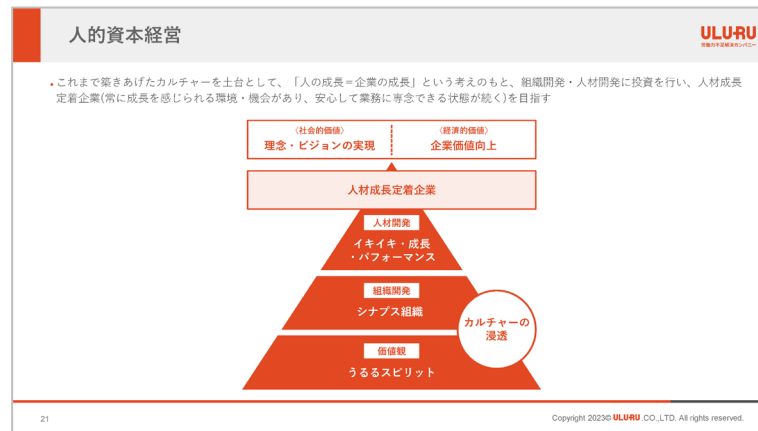
### マテリアリティの特定

・ESGに関わる各種ガイドラインを参考にしながら、当社及びステークホルダーの評価を組み合わせることでマテリアリティを特定

ステークホルダー	重要事項	環境 (Environment)	社会 (Social)	ガバナンス (Governance)
従業員	働きやすさ・福利厚生	安全かつ安定したサービス提供	労働力不足を解決する取り組み	社会的責任の果たし方
顧客	信頼性の高いサービス提供	セキュリティの確保とプライバシーの保護	社員の働きがい・成長と働きやすさの確保	透明性の高い経営
株主・投資家	持続的な成長と価値の向上	ダイバーシティ・インクルージョンの推進	新しい働き方の実現	株主への適切な情報開示
社会	労働力不足の解消と雇用の創出	環境負荷の低減と持続可能な成長	地域社会への貢献	透明性の高い経営

うるるにおける重要性

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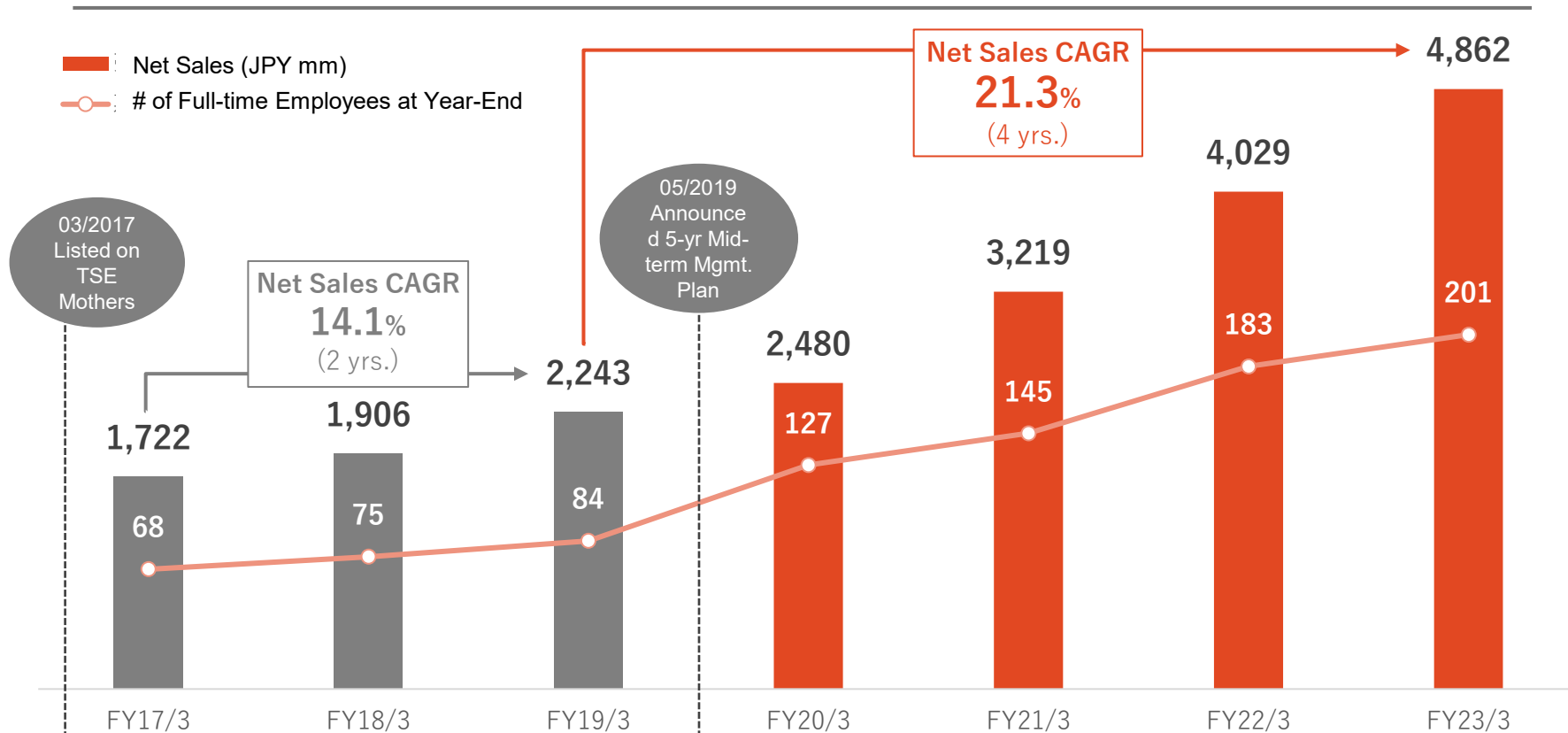


# **3 Management Policy and Goals for the Fiscal Year Ending March 31, 2025, and Beyond**

# Reflection on Net Sales Growth and Number of Full-Time Employees

- Net sales compound annual growth rate (CAGR) improved significantly from 14.1% for the first two years after listing to 21.3% for the four years following the announcement of the Mid-term Management Plan in May 2019.
- Sales and the number of full-time employees at the end of the period over the past seven years are highly correlated.

## Changes in Net Sales and Number of Full-Time Employees at Year-End



Over the Past 7 Yrs.  
**Correlation b/w net sales and # of full-time employees at year-end**  
(coefficient of determination)

$$R^2 = 0.9504$$

# Message from President and Representative Director Tomoya Hoshi concerning ULURU's Policies for FY2025 and Beyond

ULURU was listed on the Tokyo Stock Exchange Mothers market in March 2017. Funds procured when our stock was listed were used for the growth of our businesses. Although sales were up 14.1% two years after the listing, we were unable to achieve sales growth at the speed that we wanted.

For even faster growth, we announced a five-year medium-term business plan in May 2019. The plan's central theme was to make large investments for more growth and medium to long-term increase in corporate value rather than aiming for short-term earnings.

Our stock price fell sharply immediately after we announced this plan and we received severe comments from some shareholders and other investors. This was a difficult lesson for me about our inadequate knowledge about how to maintain proper lines of communication with shareholders and other investors.

However, some of our shareholders examined this plan and supported our decision to take on these new challenges.

Our sales were 2,240 million yen and our EBITDA was 450 million yen in the fiscal year that ended in March 2019. The new plan had the goals of sales of 4,800 million yen and EBITDA of 1,500 million yen in the fiscal year that ending in March 2024.

These were very ambitious goals at that time. Nevertheless, in the current fiscal year, which is the final year of the plan, we have grown to the point where we can aim for our forecasts of sales of 6,000 million yen and EBITDA of 1,500 million yen.

When we announced the five-year business plan, the concept of investing in human resources was not well known. For the growth of our businesses, we made substantial up-front investments for large-scale recruiting and education programs. We achieved a seamless link between our values and organizational development skills and our measures to create a highly skilled and motivated workforce. We assembled a team consisting of people who enjoy their work and want to continue to upgrade their skills. As a result, the increase in the number of our full-time employees contributed directly to the growth of our sales.

Although we will not know the final results of our plan for a while, everyone at the ULURU Group is dedicated to achieving the plan's goals.

There are numerous uncertainties about the current business climate. The number of questions from shareholders and other investors about what we plan to do after the plan ends in March 2024 are increasing. To respond to these questions quickly, I made the decision to make an announcement about our goals for the following fiscal years before the end of the ongoing five-year business plan.

Our primary goal following the current business plan will be "ULURU Sustainable Growth." This means sustainable growth of sales as well as earnings by making carefully chosen investments for growth, chiefly for human resources, and using M&A and other measures. Moving our listing to a higher stock market category is another goal. I want the ULURU Group to reach sales of more than 50,000 million yen and even 100,000 million yen as quickly as possible.

Based on our goal of "ULURU Sustainable Growth," we will make investments for growth with the target of EBITDA of at least 1 billion yen in the fiscal year ending in March 2025. This is simply a minimum goal. I am aiming for an even higher EBITDA due to sales growth in the current fiscal year and investments for growth during the next fiscal year.

Furthermore, I want to use investments for growth during the next fiscal year as a base for average annual sales and EBITDA growth of at least 20% beginning with the fiscal year ending in March 2026 as we maintain earnings growth while making investments.

I am very grateful to shareholders who have supported us in prior years. To demonstrate this appreciation, we plan to pay a special dividend for the fiscal year ending in March 2024. The amount of this dividend will be sufficient to raise the total fiscal year dividend to about a 30% payout ratio of earnings in the fiscal year, which is the end of our five-year business plan. In addition, beginning with the fiscal year ending in March 2025, we will have a new dividend policy for the purpose of increasing the total return for shareholders. We will place emphasis on medium to long-term EPS growth and make consistent distributions to shareholders with an ordinary dividend payout ratio of at least 15%. We aim to raise the dividend every year.

I ask for the continued support of shareholders as we take the actions required for growth accompanied by distributions to shareholders based on our goal of "ULURU Sustainable Growth."



# Policies for FY2025 and Beyond and ULURU's Vision

- Aim to achieve both continuous net sales and profit growth and shareholder returns through disciplined investment in growth, centered on human capital investment, for realizing our vision and mid-to-long term growth.

## Net Sales/Profit Growth

### FY2025

Implement growth investments with a focus on human capital investments.

**EBITDA**

**Investment budget set with EBITDA of 1 billion yen as a lower limit.**

(Upward movement from the lower limit due to net sales growth, etc. is also targeted.)

### FY2026 & Beyond

Continue to invest in growth with discipline, particularly in human capital, to achieve both continuous net sales growth and profit growth.

**Net Sales/  
EBITDA**

**Both aim for CAGR of 20% or more in the mid- to long-term.**

(EBITDA growth rate per single fiscal year may increase or decrease due to one-time investments that are currently unforeseen.)

## Shareholder Return

### Share Price Increase

**EPS**

**By focusing on mid- to long-term EPS growth aim for mid- to long-term share price increase.**

### Dividend Policy

**FY2024**

**Approx. 30% as a special dividend for shareholders supporting the mid-term management plan (Dividend per share: 35 yen)**

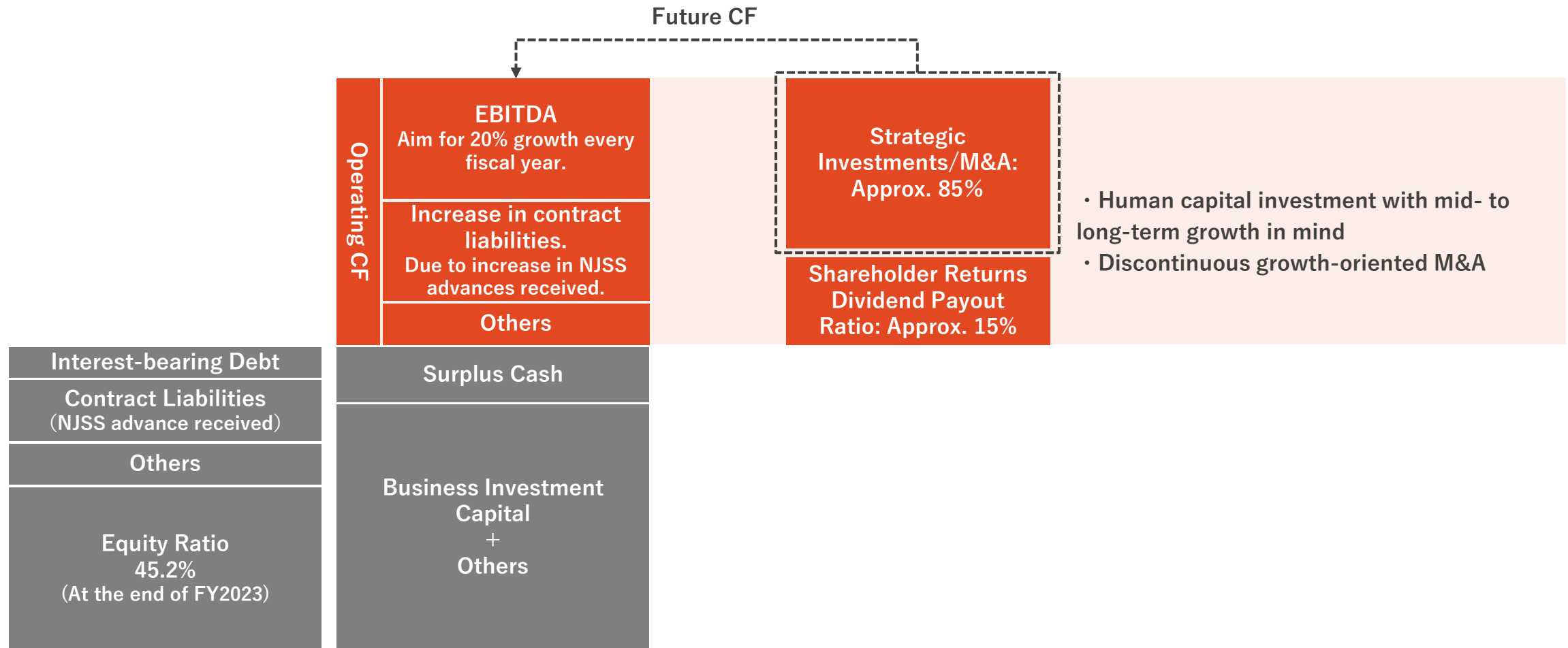
**FY2025  
&  
Beyond**

**Aim to increase dividends each fiscal year, with a target of at least 15% as the ordinary dividend.**

\*Subject to change depending on the financial results for the fiscal year ending March 31, 2024, and future circumstances.

# Capital Allocation Image

- Investment in human resources, M&A and other investments for mid- to long-term growth while also achieving stable shareholder returns.



## “ Solve the Labor Shortage and Enrich People and Companies ”

Japan is now facing the major social problem of a labor shortage.

The problem is worsening every day, with a loss of approximately 16 million workers and 69 trillion yen in the labor force by 2040.

In the growth of Japan, we cannot ignore this problem. We, at ULURU, are working to solve it.

We must create and enable the use of a new labor force.

We must improve productivity by utilizing IT and AI and promoting DX.

We must also think outside the box and create new solutions with unique ideas.

We, at ULURU, are committed to solving the serious social problems that Japan is facing. Furthermore, we will tackle the social problems of the world.

## 4 Appendix

# PL (Quarterly/Consolidated)

(JPY mm)	FY24/3_2Q	FY23/3_2Q	YoY	FY24/3_1Q	QoQ
Net Sales	<b>1,349</b>	1,197	+12.7%	1,292	+4.4%
Cost of sales	<b>353</b>	332	+6.5%	326	+8.3%
Gross profit	<b>995</b>	865	+15.1%	965	+3.1%
SG&A	<b>703</b>	841	▲16.3%	727	▲3.3%
SG&A margin	<b>52.2%</b>	70.2%	-	56.3%	-
EBITDA	<b>336</b>	45	+634.6%	280	+20.1%
EBITDA margin	<b>24.9%</b>	3.8%	-	21.7%	-
Operating Profit	<b>291</b>	23	-	237	+22.6%
Operating Profit margin	<b>21.6%</b>	2.0%	-	18.4%	-
Ordinary Profit	<b>272</b>	21	-	248	+9.8%
Corporate Tax, etc.	<b>102</b>	22	+350.6%	91	+11.8%
Profit attributable to owners of parent	<b>170</b>	▲1	-	156	+8.7%
Number of employees	<b>341</b>	324	+5.2%	344	▲0.9%

\* Brainfeed Inc., which became a subsidiary on January 4, 2023, began to be included in the consolidated income statement from the 1Q of FY24.

# PL(Quarterly Cumulative / Consolidated)

(JPY mm)	Cumulative FY24/3_2Q	Cumulative FY23/3_2Q	YoY	FY24/3 Forecast	Progress Rate
Net Sales	<b>2,641</b>	2,260	+16.9%	6,000	44.0%
Cost of sales	<b>680</b>	622	+9.4%	-	-
Gross profit	<b>1,960</b>	1,637	+19.7%	-	-
SG&A	<b>1,431</b>	1,661	▲13.8%	-	-
SG&A margin	<b>54.2%</b>	73.5%	-	-	-
EBITDA	<b>616</b>	18	-	1,500	41.1%
EBITDA margin	<b>23.4%</b>	0.8%	-	25.0%	-
Operating Profit	<b>529</b>	▲23	-	1,300	40.7%
Operating Profit margin	<b>20.0%</b>	-	-	21.6%	-
Ordinary Profit	<b>521</b>	▲18	-	1,280	40.7%
Profit attributable to owners of parent	<b>327</b>	▲48	-	800	40.9%
Number of employees	<b>341</b>	324	+5.2%	-	-

\* Brainfeed Inc., which became a subsidiary on January 4, 2023, began to be included in the consolidated income statement from the 1Q of FY24.

# Segment Information (Quarterly / Consolidated)

	JPY mm	NJSS	fondesk	photo	Other CGS	BPO	Crowd-sourcing	The Whole Company (Headquarters)
Sales		709	206	133	-	291	7	-
EBITDA		401	61	▲15	▲10	37	▲1	▲137
EBITDA margin		56.6%	29.9%	-	-	12.7%	-	-
Segment Profit		380	61	▲23	▲10	25	▲1	▲140
Segment Profit margin		53.6%	29.8%	-	-	8.6%	-	-
Number of employees		111	15	36	2	134	5	38
<b>&lt;FY24/3 Forecast&gt;</b>								
	JPY mm	NJSS	fondesk · photo	Other CGS	BPO	Crowd-sourcing	The Whole Company (Headquarters)	
Sales		2,850	1,600	-	1,520	-	-	
EBITDA		1,550	350	-	250	-	-	

\* photo: en-photo + OurPhoto

# Segment Net Sales / Segment Profit / Segment EBITDA (Quarterly / Consolidated) ①

(JPY mm)		FY23/3_2Q	FY23/3_3Q	FY23/3_4Q	FY24/3_1Q	FY24/3_2Q
NJSS	Net Sales	584	608	640	672	<b>709</b>
	Profit	212	262	256	323	<b>380</b>
	EBITDA	216	268	265	344	<b>401</b>
fondesk	Net Sales	167	175	180	201	<b>206</b>
	Profit	11	34	▲72	62	<b>61</b>
	EBITDA	11	35	▲72	62	<b>61</b>
Photo (en-photo・OurPhoto)	Net Sales	114	170	161	156	<b>133</b>
	Profit	▲82	▲48	▲46	5	<b>▲23</b>
	EBITDA	▲74	▲40	▲38	13	<b>▲15</b>
Other CGS	Net Sales	-	-	-	-	-
	Profit	▲12	▲14	▲13	▲10	<b>▲10</b>
	EBITDA	▲12	▲14	▲13	▲10	<b>▲10</b>



# Segment Net Sales / Segment Profit / Segment EBITDA (Quarterly / Consolidated) ②

(JPY mm)		FY23/3_2Q	FY23/3_3Q	FY23/3_4Q	FY24/3_1Q	FY24/3_2Q
BPO	Net Sales	323	288	364	255	291
	Profit	42	▲1	1	3	25
	EBITDA	50	7	11	13	37
Crowd-Sourcing	Net Sales	7	6	6	6	7
	Profit	▲4	▲7	0	▲4	▲1
	EBITDA	▲4	▲7	0	▲4	▲1
Whole Company Expense (Headquarters)	Net Sales	-	-	-	-	-
	Profit	▲143	▲156	▲162	▲141	▲140
	EBITDA	▲141	▲154	▲159	▲138	▲137

# Expense Details (Quarterly/Consolidated)

(JPY mm)	FY23/3_2Q	FY23/3_3Q	FY23/3_4Q	FY24/3_1Q	<b>FY24/3_2Q</b>
Personnel Expenses- COGS	105	111	114	99	<b>102</b>
Net Sales Ratio	8.8%	8.9%	8.5%	7.7%	<b>7.6%</b>
Personnel Expenses- SG&A (incl. recruiting expenses)	378	383	※394	372	<b>361</b>
Net Sales Ratio	31.6%	30.7%	29.2%	28.8%	<b>26.8%</b>
Advertising Expenses	141	130	251	102	<b>106</b>
Net Sales Ratio	11.8%	10.4%	18.6%	7.9%	<b>7.9%</b>
System-related Outsourcing Expenses	95	67	72	23	<b>15</b>
Net Sales Ratio	8.0%	5.4%	5.4%	1.8%	<b>1.1%</b>
Depreciation and Amortization + Amortization of Goodwill	22	25	29	42	<b>45</b>
Net Sales Ratio	1.8%	2.0%	2.2%	3.3%	<b>3.3%</b>

\* Special recruitment costs incurred in establishing Oita Center are included as temporary expenses in the financial results presentation and are not included in personnel expenses-SG&A (including regular recruitment costs).

# Major Expenses Invested by Business Segment

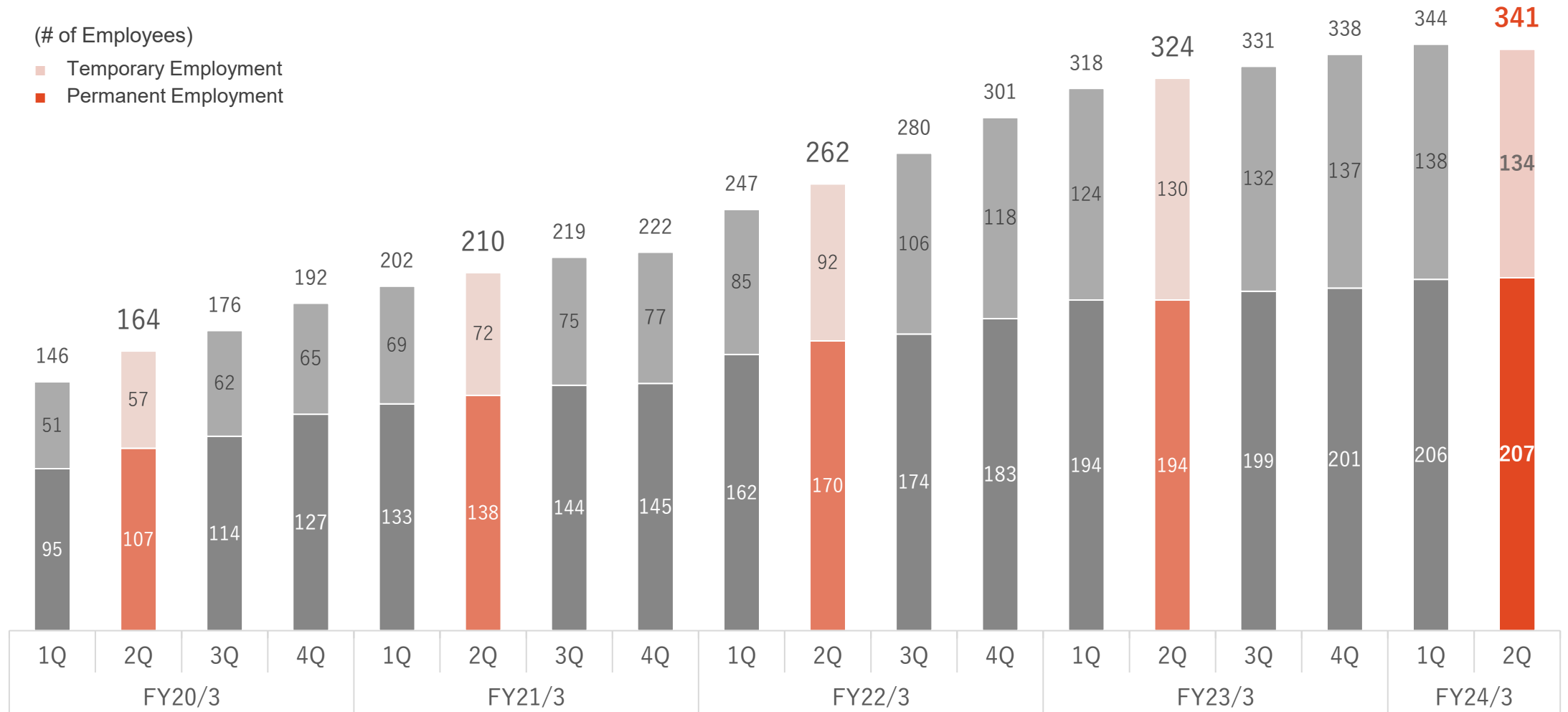
(JPY mm)		FY23/3_2Q	FY23/3_3Q	FY23/3_4Q	FY24/3_1Q	FY24/3_2Q
NJSS	Personnel Expenses-COGS	17	16	15	15	14
	Personnel Expenses-SG&A (incl. recruiting expenses)	149	146	153	152	138
	Advertising Expenses	53	55	77	56	55
	System-related Outsourcing Expenses	44	20	29	10	5
fondesk	Personnel Expenses-COGS	1	1	1	2	2
	Personnel Expenses-SG&A (incl. recruiting expenses)	24	22	26	21	21
	Advertising Expenses	61	46	144	36	38
	System-related Outsourcing Expenses	-	-	-	-	-
en-photo OurPhoto	Personnel Expenses-COGS	-	-	-	-	-
	Personnel Expenses-SG&A (incl. recruiting expenses)	60	62	59	57	55
	Advertising Expenses	12	18	16	8	10
	System-related Outsourcing Expenses	49	46	42	12	9
BPO	Personnel Expenses-COGS	86	92	97	81	85
	Personnel Expenses-SG&A (incl. recruiting expenses)	33	38	※37	35	35
	Advertising Expenses	10	7	12	1	1
	System-related Outsourcing Expenses	0	0	0	0	0

\* Special recruitment costs incurred in establishing Oita Center are included as temporary expenses in the financial results presentation and are not included in personnel expenses-SG&A (including regular recruitment costs).

# BS (Quarterly / Consolidated)

(JPY mm)	FY24/3_2Q	FY23/3	QoQ	FY23/3_2Q	YoY
Current assets	<b>3,403</b>	2,931	+16.1%	3,123	+9.0%
Cash and deposits	<b>2,962</b>	2,396	+23.6%	2,690	+10.1%
Non-current assets	<b>1,730</b>	1,690	+2.4%	1,223	+41.4%
Property, plant and equipment	<b>226</b>	201	+12.5%	136	+65.6%
Intangible assets	<b>745</b>	680	+9.5%	286	+160.0%
Goodwill	<b>397</b>	434	▲8.5%	177	+123.7%
Investments and other assets	<b>759</b>	808	▲6.1%	800	▲5.2%
Total assets	<b>5,133</b>	4,621	+11.1%	4,346	+18.1%
Current liabilities	<b>2,701</b>	2,520	+7.2%	2,229	+21.2%
Contract liabilities (formerly advances received)	<b>1,664</b>	1,481	+12.3%	1,436	+15.9%
Borrowings	<b>18</b>	38	▲51.8%	40	▲54.1%
Non-current liabilities	<b>11</b>	12	▲6.5%	32	▲63.2%
Borrowings	<b>-</b>	38	-	18	-
Total liabilities	<b>2,713</b>	2,532	+7.1%	2,261	+20.0%
Total net assets	<b>2,420</b>	2,088	+15.9%	2,085	+16.1%
Total liabilities and net assets	<b>5,133</b>	4,621	+11.1%	4,346	+18.1%
Capital adequacy ratio	<b>47.1%</b>	45.2%	-	48.0%	-
Net cash	<b>2,943</b>	2,357	+24.9%	2,630	+11.9%

# Changes in Number of Employees by Employment Type



※ The number of temporary employees is the average number of employees for the year

# Mid-Term Management Plan and Results/Forecast for FY2024 |

## The Whole Company

Initial Plan (05/14/19)/ Revised Plan (05/14/21), (05/13/22) (JPY mm)	(Initial Plan) FY20/3	(Initial Plan) FY21/3	(Revised Plan (05/14/21)) FY22/3	(Revised Plan (05/13/22)) FY23/3	(Revised Plan (05/13/22)) FY24/3
Net Sales	2,300	-	3,900	4,850	5,800
EBITDA	▲ 300	±0	▲ 250	50	1,500
EBITDA margin	-	-	-	1%	25%
Number of employees (As of the end of FY)	177	-	-	331	341
		▼			
Results/Forecast	FY20/3	FY21/3	FY22/3	FY23/3	(Forecast) FY24/3
Net Sales	2,400	3,200	4,000	4,860	<b>6,000</b>
EBITDA	▲ 100	180	▲ 160	100	<b>1,500</b>
EBITDA margin	-	6%	-	2.2%	<b>25%</b>
Number of employees (As of the end of FY)	192	222	301	338	<b>339</b>

# Mid-Term Management Plan and Results/Forecast for FY2024 | NJSS

Initial Plan (05/14/19)/ Revised Plan (05/14/21), (05/13/22) (JPY mm)	(Initial Plan) FY20/3	(Initial Plan) FY21/3	(Revised Plan (05/14/21)) FY22/3	(Revised Plan (05/13/22)) FY23/3	(Revised Plan (05/13/22)) FY24/3
Net Sales	1,200	1,400	1,900	2,400	2,700
EBITDA	300	650	550	850	1,350
EBITDA margin	25%	46%	-	35%	50%
Number of employees	61	-	-	110	107
Results/Forecast	FY20/3	FY21/3	FY22/3	FY23/3	(Forecast) FY24/3
Net Sales	1,300	1,600	1,990	2,380	<b>2,850</b>
EBITDA	420	740	700	940	<b>1,550</b>
EBITDA margin	32%	45%	35%	39.4%	<b>54.4%</b>
Number of employees	66	74	103	111	<b>104</b>

# Mid-Term Management Plan and Results/Forecast for FY2024

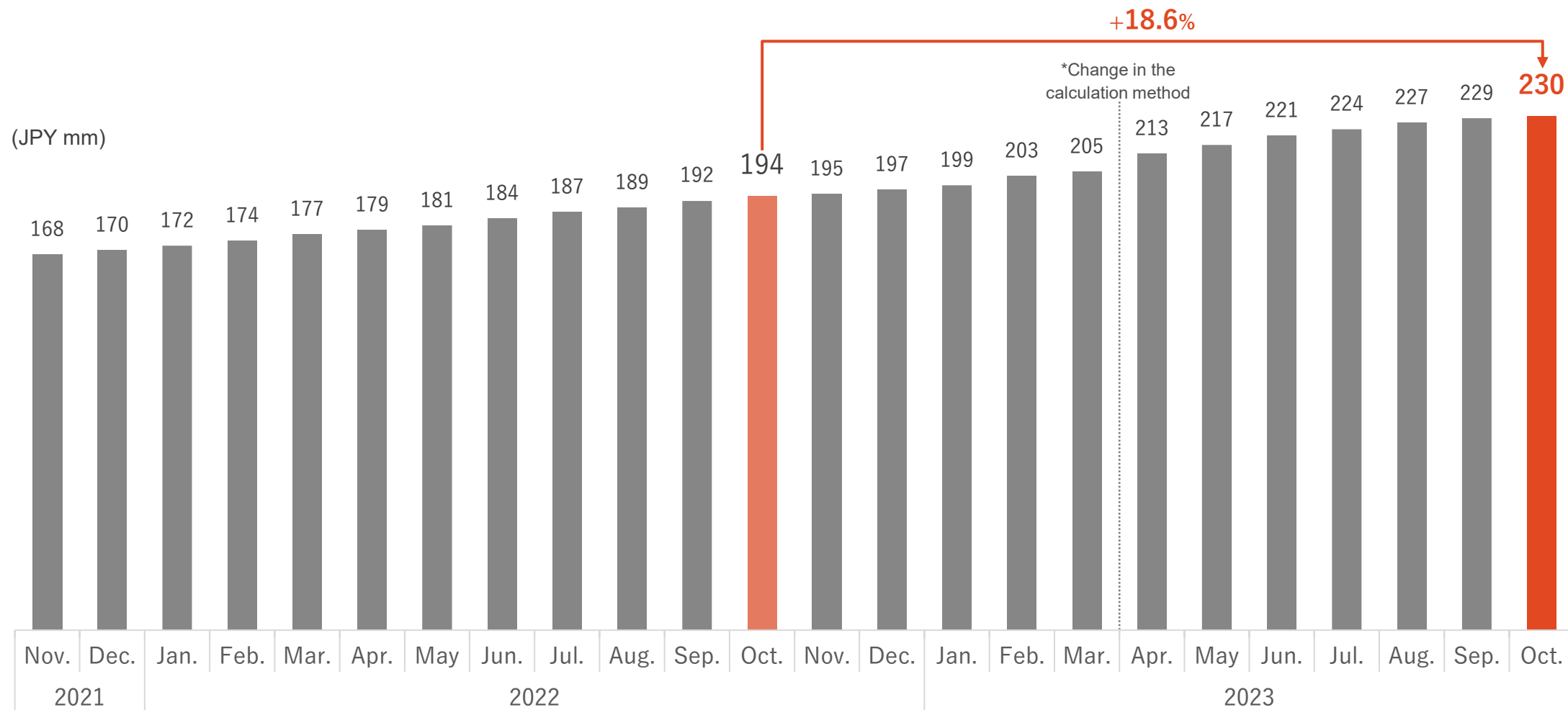
fondesk · en-photo · OurPhoto

Initial Plan (05/14/19)/ Revised Plan (05/14/21), (05/13/22) (JPY mm)	(Initial Plan) FY20/3	(Initial Plan) FY21/3	(Revised Plan (05/14/21)) FY22/3	(Revised Plan (05/13/22)) FY23/3	(Revised Plan (05/13/22)) FY24/3
Net Sales	200	-	800	1,200	1,800
EBITDA	▲ 100	-	▲ 350	▲ 250	500
EBITDA margin	-	-	-	-	27%
Number of employees	21	-	-	55	51
Results/Forecast	FY20/3	FY21/3	FY22/3	FY23/3	(Forecast) FY24/3
Net Sales	230	540	910	1,230	<b>1,600</b>
EBITDA	▲ 160	▲ 160	▲ 290	▲ 240	<b>350</b>
EBITDA margin	-	-	-	-	<b>21.9%</b>
Number of employees	22	31	39	51	<b>51</b>



# Mid-Term Management Plan and Results/Forecast for FY2024 | BPO

Initial Plan (05/14/19)/ Revised Plan (05/14/21), (05/13/22) (JPY mm)	(Initial Plan) FY20/3	(Initial Plan) FY21/3	(Revised Plan (05/14/21)) FY22/3	(Revised Plan (05/13/22)) FY23/3	(Revised Plan (05/13/22)) FY24/3
Net Sales	800	-	1,100	1,200	1,300
EBITDA	100	-	100	100	300
EBITDA margin	10%	-	9%	8.3%	23%
Number of employees	54	-	-	121	129
Results/Forecast	FY20/3	FY21/3	FY22/3	FY23/3	(Forecast) FY24/3
Net Sales	830	980	1,080	1210	<b>1,520</b>
EBITDA	50	130	40	60	<b>250</b>
EBITDA margin	7%	14%	4%	5.2%	<b>16.4%</b>
Number of employees	68	87	117	132	<b>135</b>



\* MRR (Monthly Recurring Revenue) : **Not** affected by the number of business days in a month.  
 From April 2023, MRR is calculated including peripheral subscription businesses such as "nSearch" and "GoSTEP" and listed retroactively.

# Origin of Our Company Name



The world's largest monolith called "Uluru (Ayers Rock)" is located in the center of Australia. It is considered a sacred place by the Aboriginals, the indigenous people of Australia.

When Tomoya Hoshi, the CEO of our company, traveled to Australia at the age of 20, he was strongly impressed by Uluru, saying, “ never knew there was such a magnificent and mysterious landscape in this world.”

“I felt the majesty of the earth in its tremendous presence. Although there are many more magnificent and mysterious places in the world, I want to remember the emotion I felt at that time. I really want you to taste it, too. I want to be like this place, the center of the world, called the "Earth's belly button.”

This is one of the reasons why Hoshi started the company, and we named our company "Uluru" to express our desire to share the excitement he felt with many people involved in our business.

# Management Team

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Director

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**President**  
**Tomoya Hoshi**



**Vice President**  
**Yuhei Okeyama**  
President ULURU BPO.CO.,LTD.



**Director**  
**Yosuke Nagaya**  
CISO



**Director**  
**Shinsuke Kobayashi**  
Chief Culture Officer



**Director**  
**Hirokazu Kondo**  
Co-CFO



**Director**  
**Takahiko Watanabe**  
(Govtech Business\* 1)

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Outside Directors • Auditors • Outside Auditors

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**Outside Director Takahiro Ichikawa**  
**Auditor Hidekazu Suzuki**

**Outside Director Takeshi Matsuoka**  
**Outside Auditor Norio Suzuki**

**Outside Auditor Mika Yanagisawa**

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Executive Officers

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**Executive Officer**  
**Taketsugu Tanaka**  
(Omoide Business\* 2)  
President OurPhoto CO., LTD.



**Executive Officer**  
**Emi Nosaka**  
(shufti • eas)



**Executive Officer**  
**Shunta Wakimura**  
(fondesk)



**Executive Officer**  
**Yasuaki Uchimarui**  
Co-CFO



**Executive Officer**  
**Junichi Sugiyama**  
(NJSS)

\* 1 Govtech Business: Developing services such as “NJSS” to increase convenience and efficiency of government and local governments through the power of technology. \* 2 Omoide Business: en-photo & OurPhoto

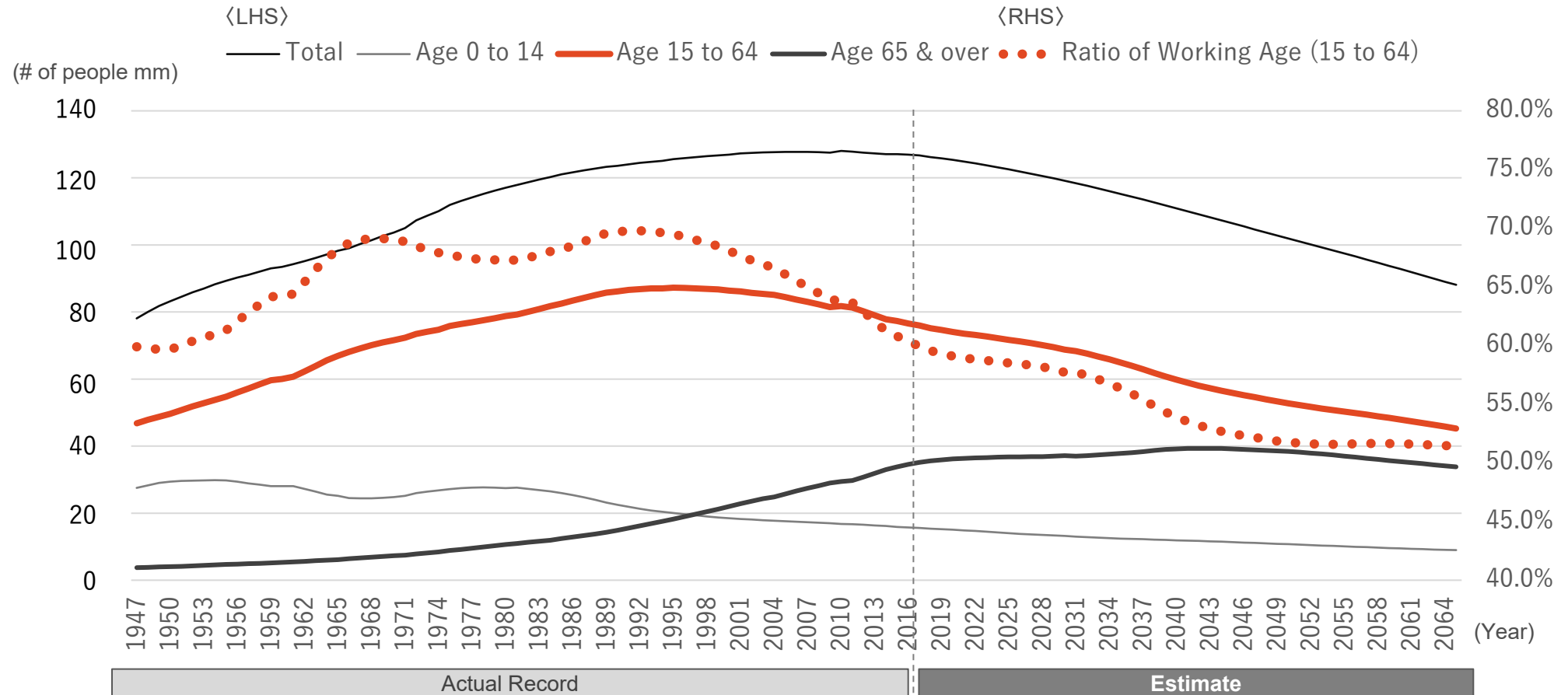
# Skills Matrix for Directors and Auditors

- A team of executives with optimal and well-balanced skill sets to achieve our mission of "Solve the Labor Shortage and Enrich People and Companies."

Name	Title	Independent Director	General Management	Business Strategy, Marketing, and New Business Development	Finance and Accounting	M&A	IT・DX	Organization, HR, Human Resource Development	PR・IR	Legal and Compliance
T. Hoshi	President		○	○		○		○		
Y. Okeyama	Vice President		○	○						
Y. Nagaya	Director CISO						○			○
S. Kobayashi	Director Chief Culture Officer							○	○	
H. Kondo	Director Co-CFO				○	○			○	○
T. Watanabe	Director (Govtech Business)			○						
T. Ichikawa	Outside Director	○	○		○					
T. Matsuoka	Outside Director	○	○	○			○			
H. Suzuki	Auditor		○		○					○
N. Suzuki	Outside Auditor	○			○	○				○
M. Yanagisawa	Outside Auditor	○								○

# Decrease in Working-age Population

- Due to the declining birthrate and aging population, the working-age population in Japan is expected to decline by 16 million by 2040, resulting in a loss of 69 trillion-yen worth of the labor force.



Source : Ministry of Internal Affairs and Communications, WHITE PAPER Information and Communications in Japan (Year 2018)

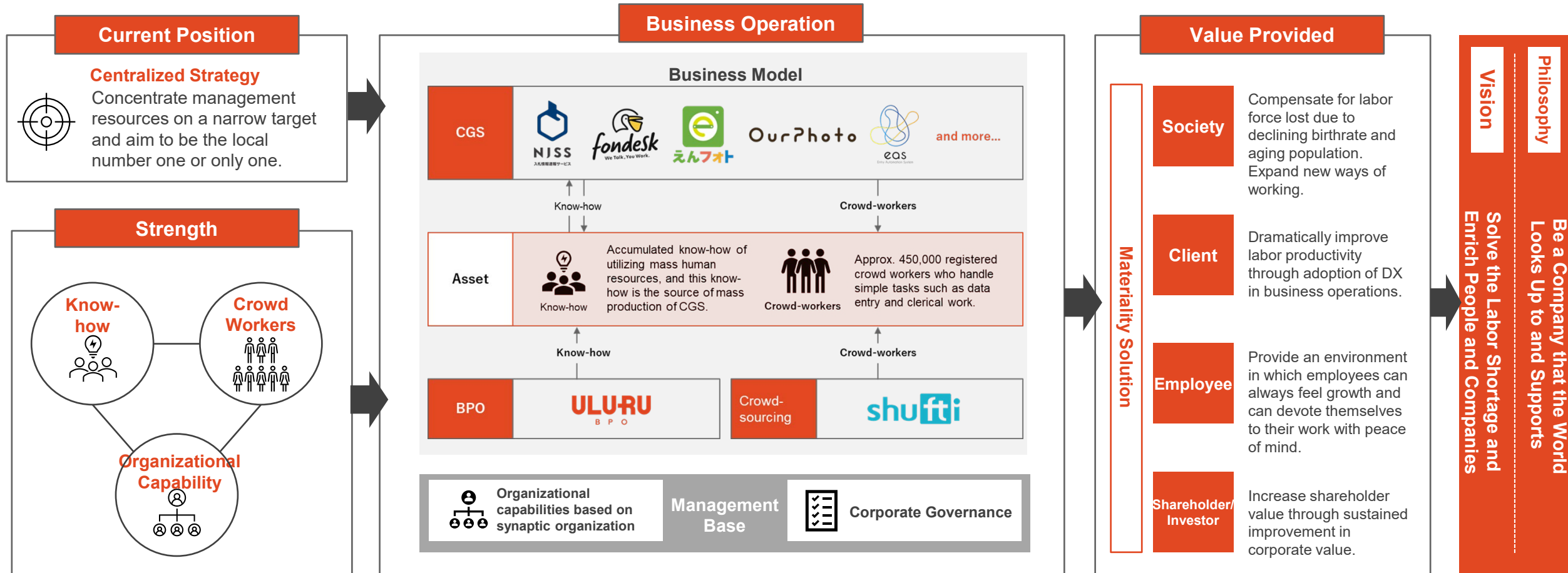
# Alternative Candidates for Scarce Labor Force

- 69 trillion-yen labor force that will have disappeared by 2040 is expected to be replaced by crowd workers, elderly workers, and labor productivity improvement/DX.

Alternative Candidate	Complementary Labor Force (mm)		Amt. of Compensation/worker (JPY mm)		Potential Value of Candidate (JPY tn)	Remarks
Crowd Workers	10	×	0.3 (Assumes approximately 300 hours of work annually)	=	3	Our company conducts projects that enable people to work in the workforce by taking advantage of their spare time.
Elderly Workers (65 & over)	12	×	2.16 (Assumes 1/2 working hours of working age)	=	26	About 30% of the 39.21 million people in 2040 will be active
Homemakers	2.4	×	2.87 (Statistical Survey of Actual Status for Salary in the Private Sector in 2017)	=	7	40% of the 6 million full-time homemakers were active as of 2018 (number of full-time homemakers is from a survey by the Japan Institute for Labor Policy and Training)
Foreign Workers	2	×	4.32 (Assumed to be about average annual income)	=	9	Increased by about 40% out of 1.46 million as of October 2018 (number of foreign employees is from a survey by the Ministry of Health, Labor, and Welfare).
Productivity Improvement/DX	6	×	4.32 (Statistical Survey of Actual Status for Salary in the Private Sector in 2017)	=	26	Productivity increase of about 10% out of 59.78 million people as of 2040 (the number as of 2016 is from the WHITE PAPER on Information and Communications, 2018).

Source : Our Estimations

- Under the philosophy and vision of "Be a Company that the World Looks Up to and Supports" and "Solve the Labor Shortage and Enrich People and Companies," we develop businesses that leverage our strengths to make a sustainable contribution to society and increase corporate value.





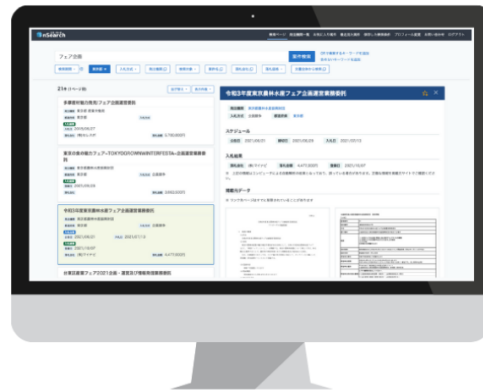
# CGS Business-bidding information flash service, “NJSS”

- A service that provide a database of bidding information ordered by public offices and other agencies.
- Hundreds of crowd workers collect information from approx. 8,300 bidding agencies, and we build a database of information on bids and winning projects.



- 1** | Providing Service with **SaaS Model**  
Providing a bid/offer database created by utilizing **Crowd-Sourcing** via **the Cloud**.  
It maintains a **high gross profit margin**. (Gross profit margin: 91.9% in FY2022 & 91.7% in FY2023)
- 2** | Sales are by **Subscription**  
Sales are **stock-based**, consisting of **subscriptions**.
- 3** | **Original Business Model & Barrier to Entry**  
A highly comprehensive bid/offer database is built through the combined use of a large amount of crowd workers' workforce and IT, such as Web crawlers and AI.  
As an additional benefit, the difficulty in collecting bid data creates a **barrier to entry** for competitors.
- 4** | **High Free Cash Flow (FCF) Contribution System**  
In principle, receiving the usage fee in advance at the time of contract.  
**The more sales increase, the more FCF increases**. No normal working capital occurs.

- On January 4, 2023, we acquired 100% of the outstanding shares of Brainfeed, Inc. which operates “nSearch,” a bidding information search service, for 270 million yen. The start of revenue attribution in the consolidated financial statements is scheduled for April 1, 2023. Annual sales for FY2024 are expected to be in the tens of millions of yen.
- "nSearch" service was launched in November 2021, and as of June 30, 2023, the number of fee-paying contracts exceeded 485.



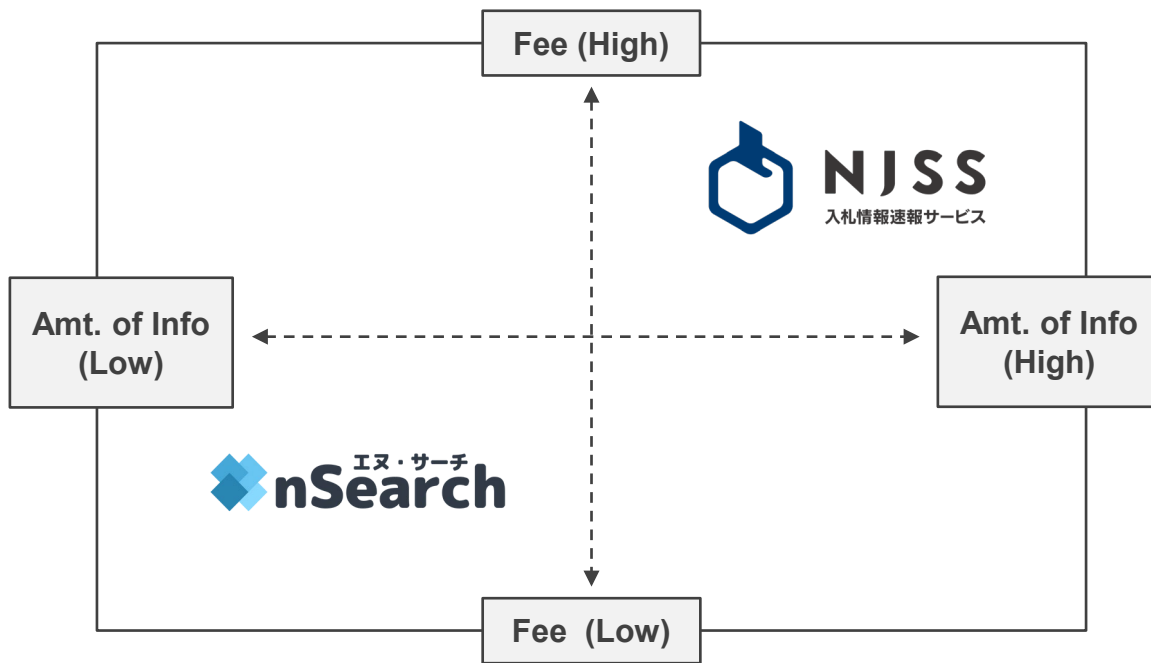
**All features for 10,000 yen/mo.  
3,000 yen/mo for one-prefecture plan.  
Extensive bid information can be searched.  
Search service for tenders and publicly posted projects.**

- ✓ Low price made possible by automatic collection
- ✓ Searchable information on over 7 million successful bids
- ✓ Receive an email notification the next morning when a new listing for the search criteria you set becomes available.

<https://nsearch.jp/>

- Aiming to maximize the market and expand market share by offering both NJSS and nSearch

## Positioning



## Differences and Synergies between nSearch and NJSS

	nSearch	NJSS	Synergies
Data Collecting Method	AI-based Web Crawler	Web Crawler + manpower	Reduce NJSS' data-collection costs by leveraging nSearch's technological capabilities for NJSS as well. Centralize the information collection system in the future to improve efficiency.
Sales Force	Minimum	Inside Sales & Field Sales	Customer leads acquired through nSearch are also used for NJSS.
Customer Service	Minimum	Customer Success	Upsell to NJSS for customers seeking higher quality than nSearch
Ave. Spending per Customer	Low	High	Reach a broader customer base

- GoSTEP, a data platform for the private sector to support the upstream process of government business, was launched in March 2023.
- Provides information on the upstream process prior to public solicitation and bidding, which has been an issue for private companies entering the public-sector business, including information on public-sector projects (budgets), public and statistical information, trends and characteristics of local governments based on bidding data, and organizational information necessary for approaches.



<https://www.gostep.biz/>

<https://www.uluru.biz/news/11484>

## Service Overview

### Features

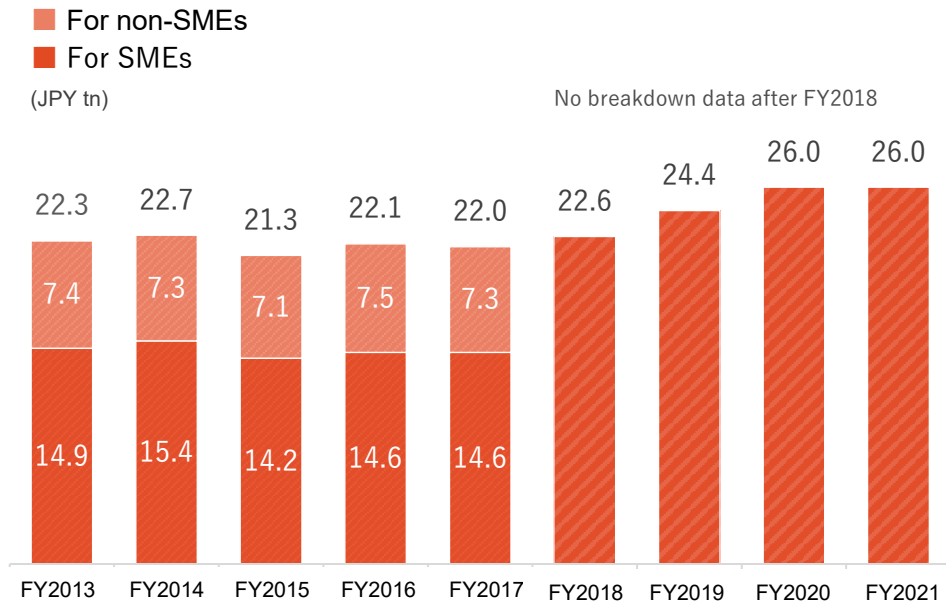
- 1. Batch search and management of project (budget) info**  
Budget information is stored in a database for each project. In addition to batch searches by keywords, the tag management function enables management by project.
- 2. Gather public info on behalf of the public in a timely manner**  
Collects timely information on the timing of information disclosure for each organization, such as the estimated budget requests of central ministries and agencies, administrative project reviews, and the initial and supplementary budgets of local governments.
- 3. Use of public and statistical info and bidding data**  
10 types of segment info for targeting are available. Selection by municipal trends and characteristics based on bidding data is also possible.
- 4. Use of organizational info necessary for approach**  
Gathers and consolidates contact info by organization, such as department, division, and section, for inquiries regarding budget info needed when approached, based on publicly available info.

### Fees

- Basic Fee [1 ID issued] 480,000yen (w/o tax) /yr.
  - Additional Fee [per ID] 36,000yen (w/o tax) /yr.
- \*Contract period is 1 year.

## Bidding Market Trends

- Stable market worth over **25 trillion yen per year** \*



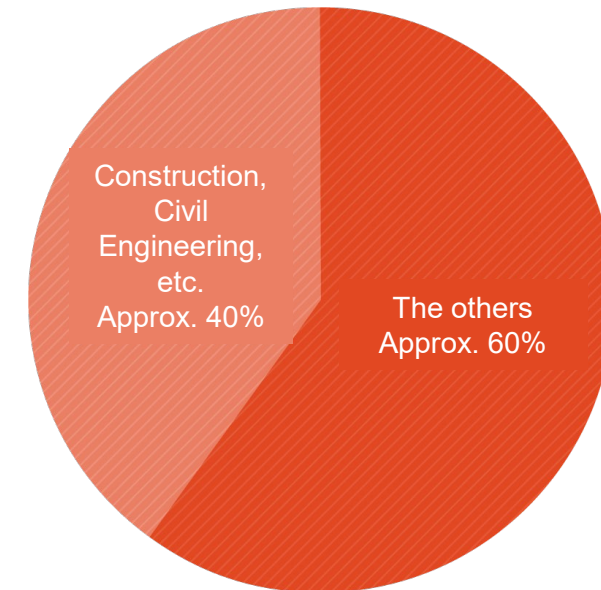
\*FY2019-2021 average

Source: Small and Medium Enterprise Agency "Guide to Contracts in the Public Sector" "Contract Results for SMEs and Small Businesses" 「Changes in Public Sector Contract Performance by Local Governments.

• Results for local governments are the total of prefectures, cities with populations of 100,000 or more, and Tokyo special wards.

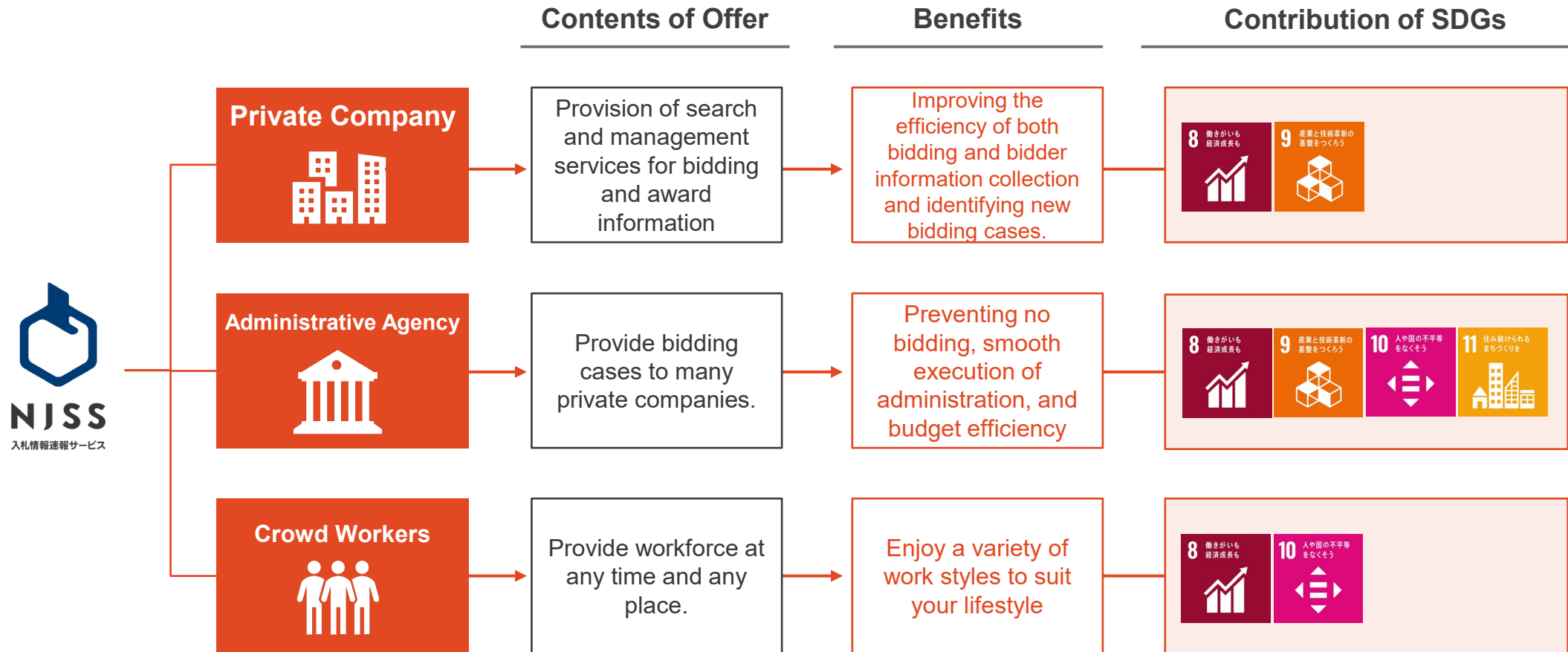
## Ratio of Industries

- Construction, civil engineering, and other construction projects accounted for about 40% in terms of value.
- **Orders other than construction**, such as goods and services, account for **about 60%**.

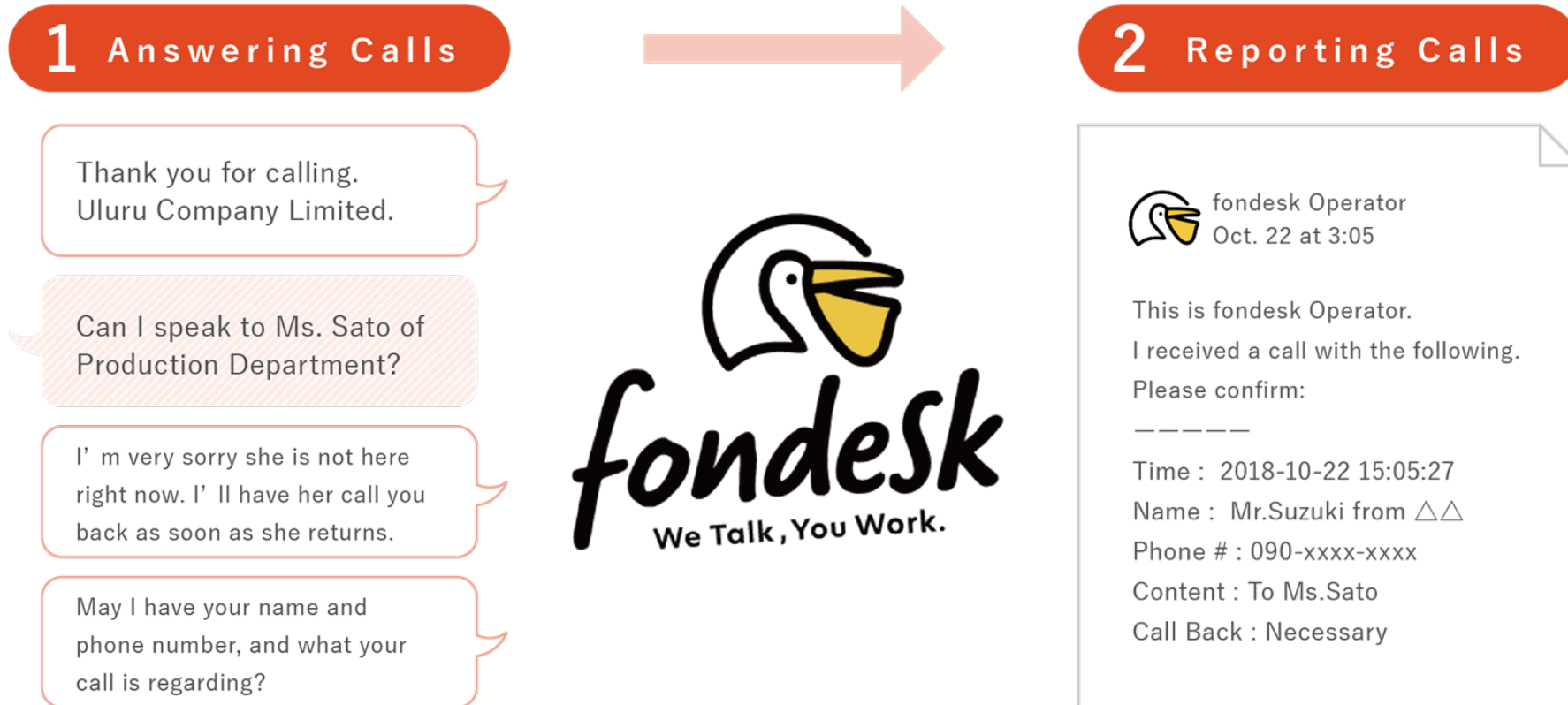


Source: Small and Medium Enterprise Agency, Outline of "Act on Ensuring the Receipt of Orders from the Government and Other Public Agencies in FY2022"

- “NJSS” provides social value to a variety of stakeholders.



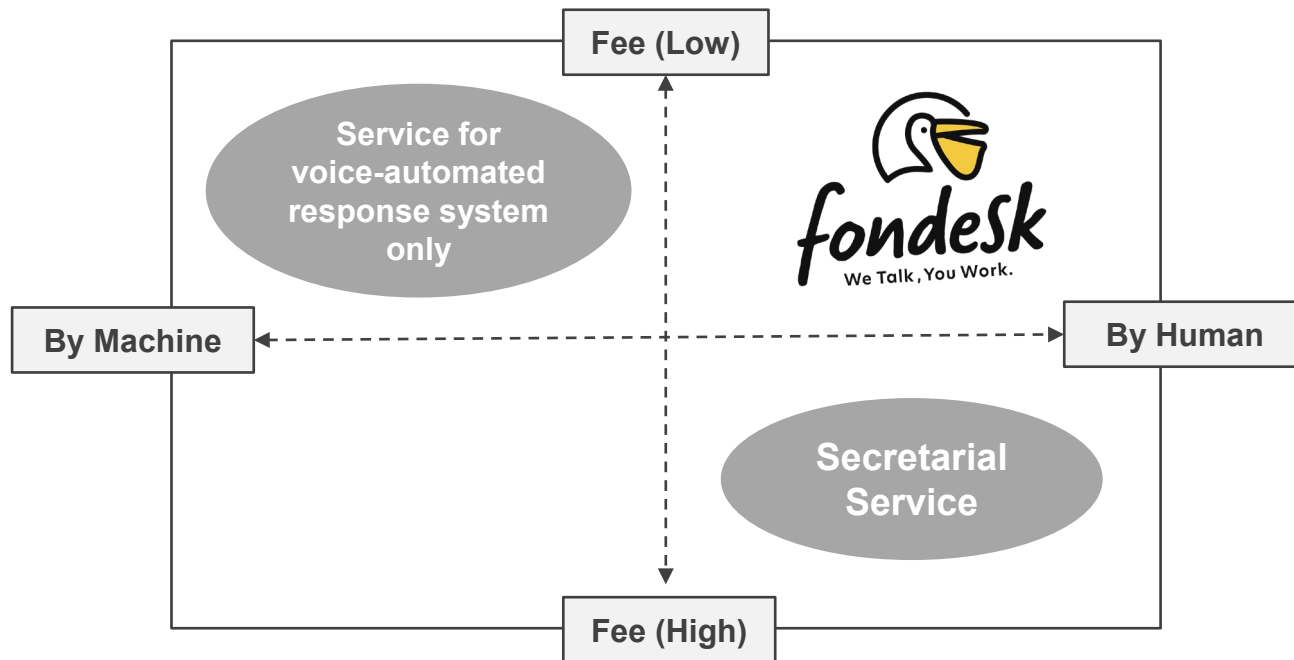
- “A smart phone answering service starting at 10,000 yen per month.”
- Crowd workers receive incoming calls on behalf of the company and relay the messages via chat tools such as Slack, Chatwork, and Microsoft Teams.





- By having a human operator answer the phone, it is possible to provide services that match the needs of customers, which is difficult to do with an automated voice response system, and the simple service design makes the price competitive.
- In addition, by leveraging our expertise in human resource utilization and continuous investment in application development, we have an advantage over competitors in the same positioning.

## Positioning

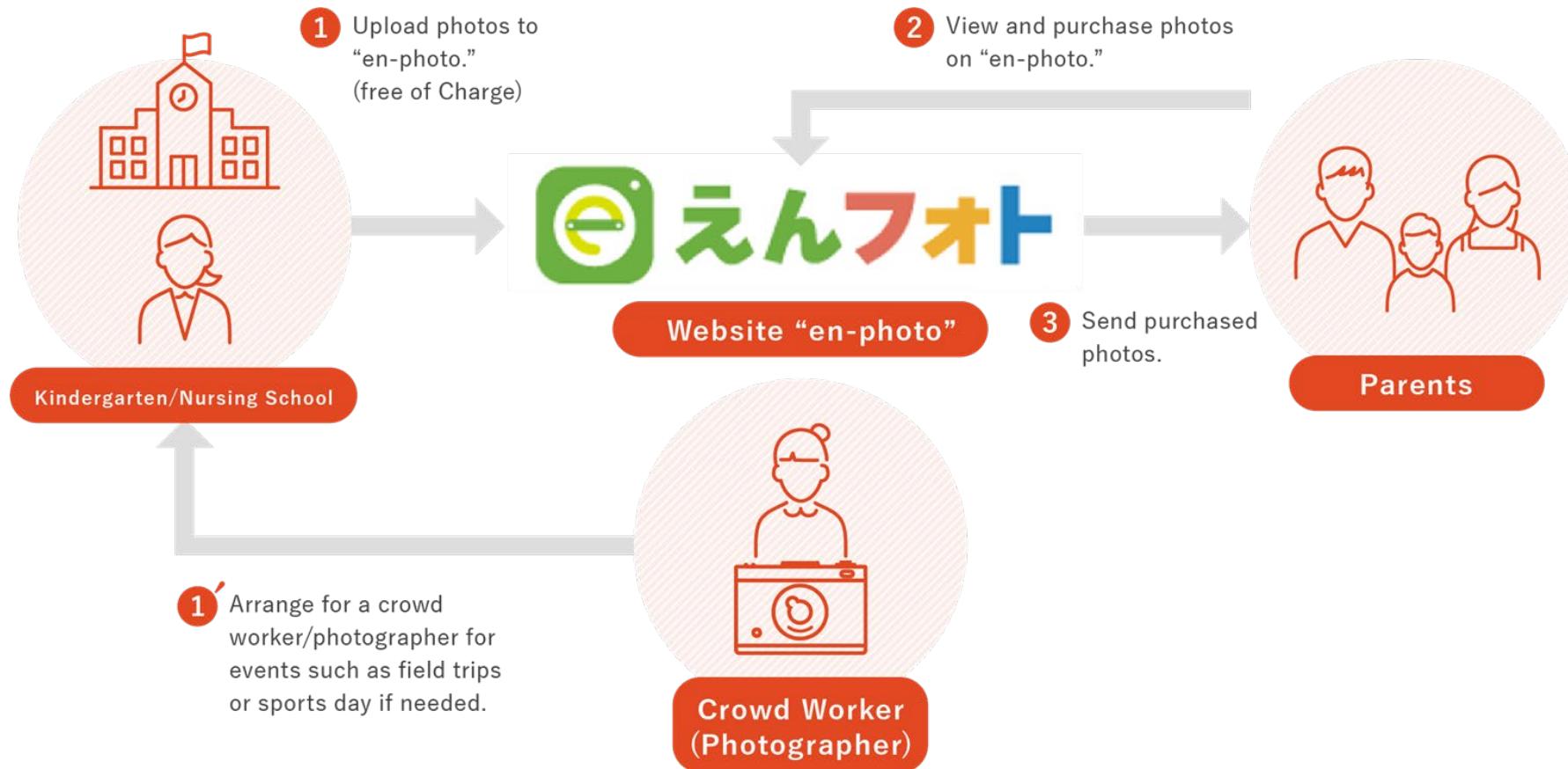


## Strengths

<b>Call Handling</b>	Since a human operator answers the phone, there is a low psychological barrier for customers when introducing the system. In addition, the operator can ask simple questions such as the caller's name and the identity of the caller while talking to the caller, so there is less frustration for the caller compared to a machine voice.
<b>Hiring/Quality</b>	Since we operate our own crowdsourcing service, shufti, it is easy to recruit excellent operators nationwide. In addition, by specializing in primary telephone call handling, we have standardized our operations and established training programs, enabling us to maintain a high level of quality.
<b>CX Performance</b>	Applications are developed in-house, and continuous improvement can increase customer value. <ul style="list-style-type: none"> <li>• Can start using the service with a 5-minute online procedure.</li> <li>• A wide range of notification methods can be selected from chat tools such as Slack and LINE.</li> <li>• More functions such as name change, block list, etc.</li> </ul>

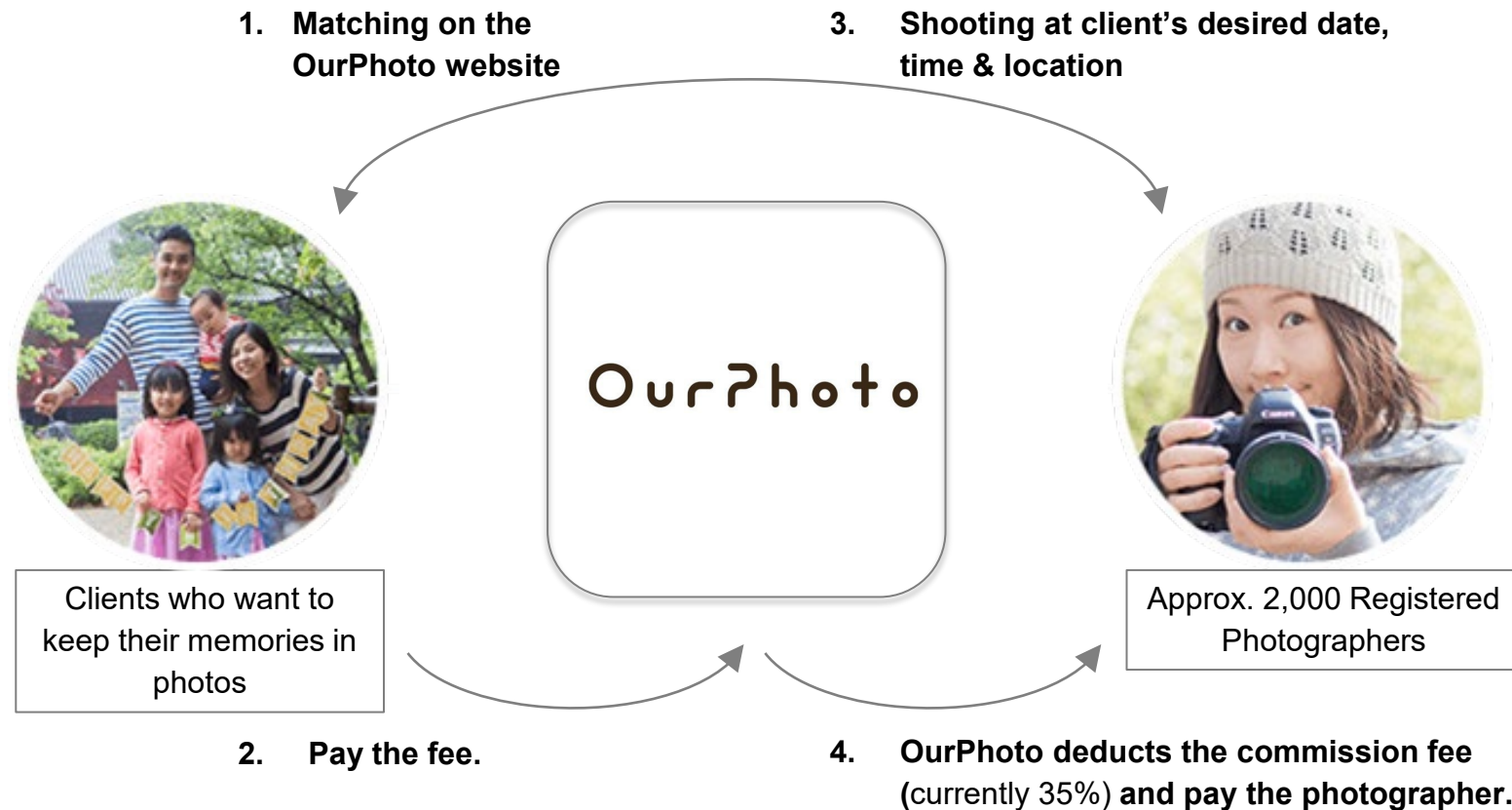
# CGS Business-“en-photo”

- A photo sales system that drastically reduces time and effort of kindergartens, nursery schools, and parents.
- Providing added value by arranging for a crowd worker/photographer at kindergarten events.

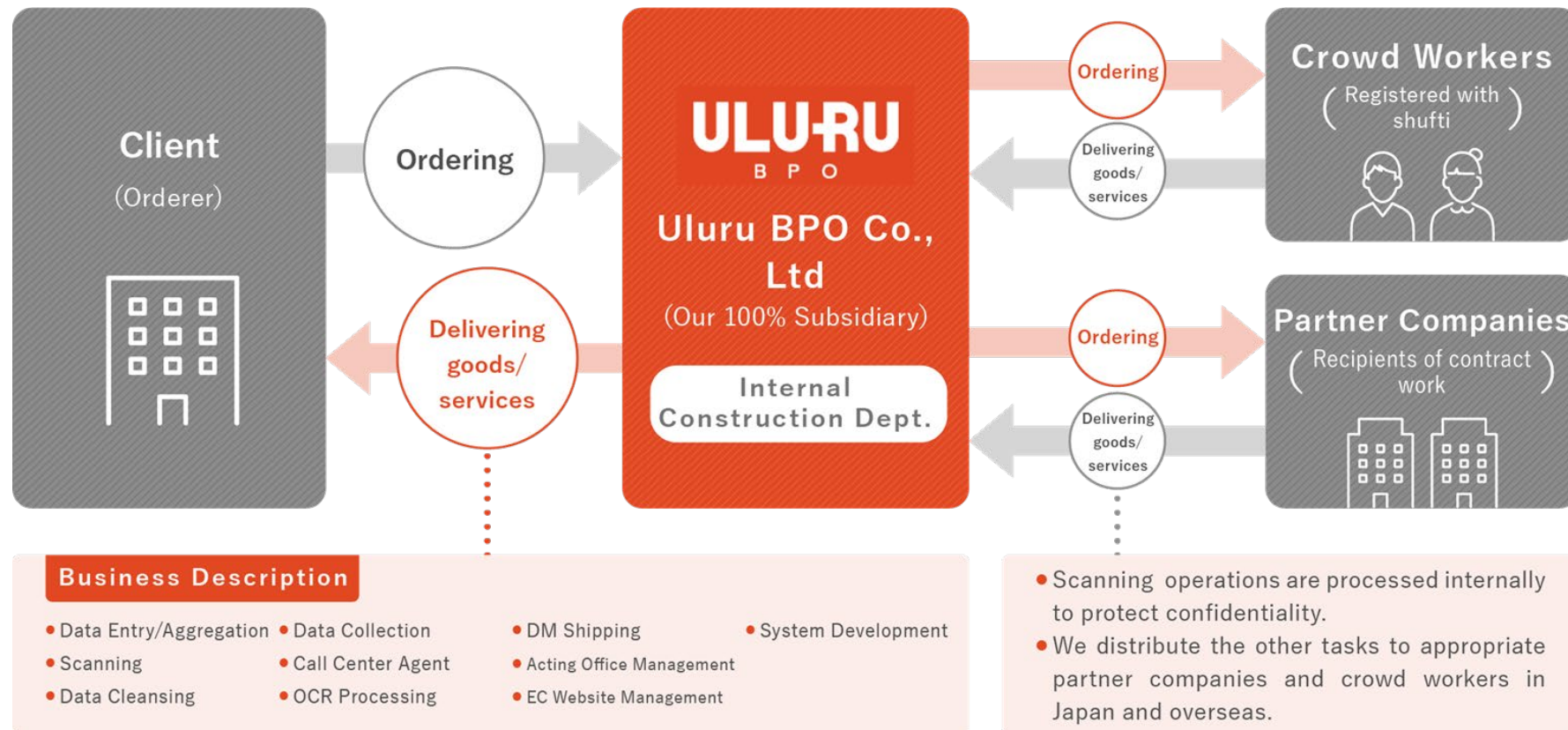


# CGS Business-“OurPhoto”

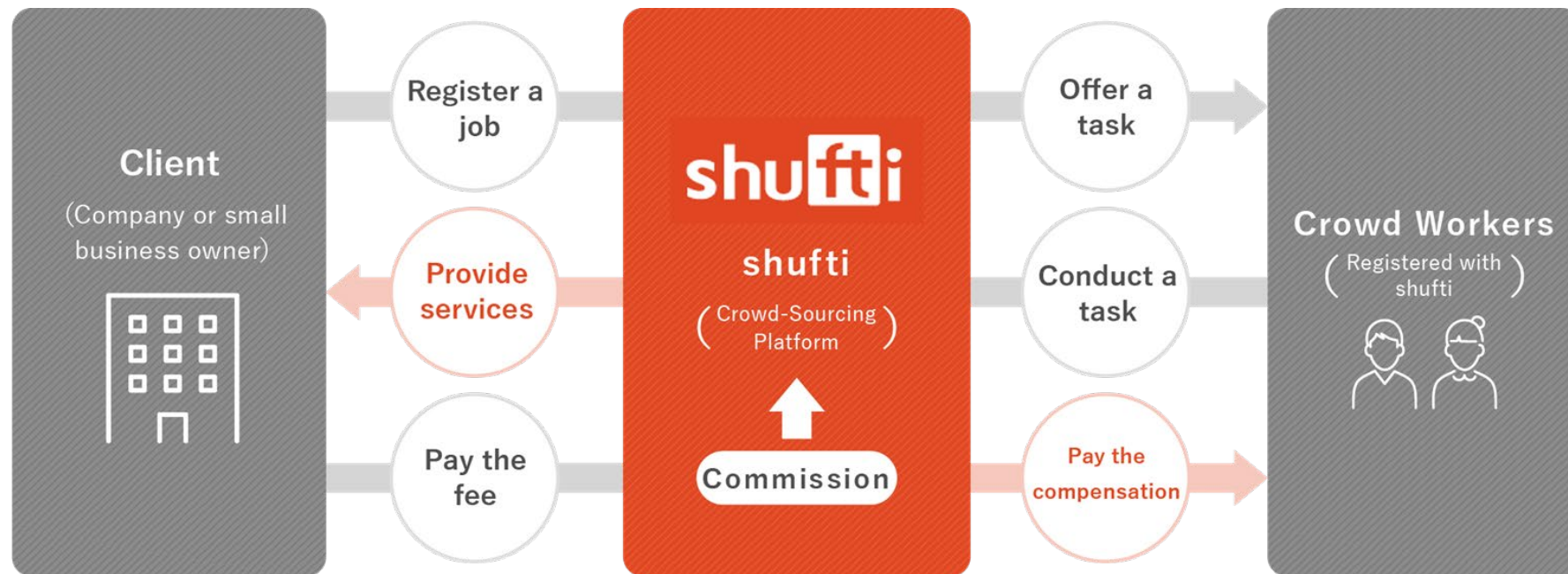
- The on-site photography matching service “OurPhoto.”
- About 2,000 registered photographers and clients who want to preserve their memories in photographs are matched on the OurPhoto website. OurPhoto deducts the commission from the shooting fee and pays the photographer.



- We are entrusted with non-core operations of our client companies and provide solutions by utilizing domestic and overseas partner companies and crowd workers.
- We have particular strengths in scanning and data entry to digitize paper-based information.



- “shufti,” a crowd-sourcing platform matches client companies which want to request work with crowd workers who want to work without restrictions on time and location.
- It has over 450,000 registered crowd workers (as of September 30, 2023).



- Numerous initiatives to solve social issues such as improving administrative efficiency, providing work opportunities, and making strides in women's advancement
- Multiple award winners for services that contribute to society.

## Examples

- To support NPOs to focus on social contribution projects, we offer the **"NPO Support Plan,"** with three months of free basic monthly fees for "fondesk."
- Every six months, **we donate based on the number of photos published on the en-photo service** to an organization that is working to bring smiles to the faces of children and their families. In the past, donations went to Mirai Kodomo Foundation, Musubie (a certified NPO), and Yokohama Children's Hospice Project (a certified NPO).
- We launched **the Save a Kid'-S-mile PROJECT** with Florence, a certified NPO. Parents of children attending preschools that use en-photo and agree with the contents of the project are invited to purchase New Year's greeting cards, and a portion of purchase proceeds is donated to the project.
- Continuously improving the working environment so that diverse human resources can fully demonstrate their abilities. **The ratio of female managers was 19.6%** as of September 30, 2023.

## Awards Received for Social Contribution



- To increase the number of “fan” investors, we hold frequent briefings for individual investors, mainly in collaboration with the highly passionate investor community.
- Continuously disseminate useful information on IR using IT services such as “X(Twitter)”, “note” and “Peing - Question Box.”

## Individual Investor Events in the Past Year and Schedule

開催日	場所	主催/セミナー名
11/26/2022	Tokyo	<a href="#">IR Seminar for Facebook Group</a>
12/17/2022	Hyogo	<a href="#">Kobe Investment Workshop IR Seminar</a>
3/8/2023	Online	<a href="#">Shonan Investment Workshop</a>
3/25/2023	Tokyo	<a href="#">HANAMIRA IR Seminar</a>
3/28/2023	Online	<a href="#">IR Seminar for Individual Investors (logmi IR Live)</a> *Easy to understand “fondesk”
5/20/2023	Kanagawa	<a href="#">Shonan Investment Workshop</a>
8/26/2023	Kobe	<a href="#">Kobe Investment Workshop</a>
9/2/2023	Tokyo	<a href="#">Premium Bridge Salon by Investment Bridge Co., Ltd.</a>
11/26/2022	Tokyo	<a href="#">IR Seminar for Facebook Group</a>
(Scheduled) 11/18/2023	Aichi	<a href="#">Kabu Berry Lab IR Seminar</a>
(Scheduled) 12/2/2023	Tokyo	<a href="#">IR Seminar for Facebook Group</a>

## Information Dissemination through “X(Twitter)”, “note” and “Peing-Question Box.”



[https://twitter.com/uluru\\_ir](https://twitter.com/uluru_ir)  
[https://note.com/uluru\\_ir/](https://note.com/uluru_ir/)

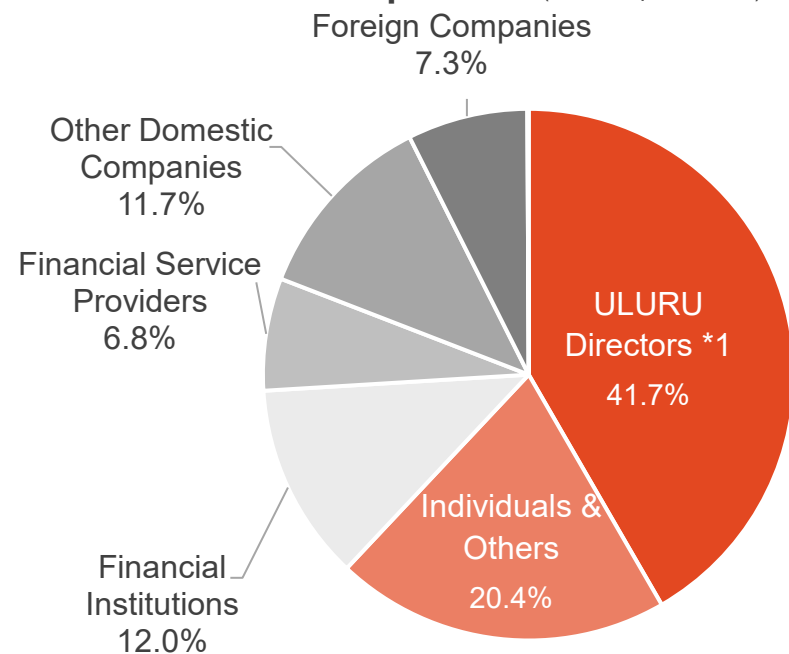
<https://ssl4.eir-parts.net/doc/3979/tdnet/2294739/00.pdf>

# Shareholder Composition

## ■ No. of Shares & Shareholders (As of Sep. 30, 2023)

Total Number of Authorized Shares	11,199,200
Total Number of Issued Shares	6,925,400
Total Number of Shareholders	1,258

## ■ Shareholder Composition (As of Sep. 30, 2023)



\* Incl. Tomoya Hoshi's asset management company

## ■ Major Shareholders (Based on shareholder registry as of September 30, 2023; shareholding ratios are rounded down to two decimal places.)

Rank	Name	# of Shares	Ratio (%)
1	Tomoya Hoshi	1,309,400	18.90
2	Ayers Rock Co., Ltd (CEO: Tomoya Hoshi)	660,000	9.53
3	HIKARI TUSHIN, Inc.	475,300	6.86
4	Yuhei Okeyama	430,300	6.21
5	Custody Bank of Japan Ltd. (Trust Account)	373,100	5.38
	Of which, Asset Management One Co., Ltd	222,400	(3.21)
6	The Master Trust Bank of Japan, Ltd (Trust Account)	265,000	3.82
	Of which, SBI Asset Management Co., Ltd	202,900	(2.92)
7	Daisuke Gomi	215,000	3.10
8	Yosuke Nagaya	208,000	3.00
9	Nippon Life Insurance Company	190,000	2.74
10	Shinsuke Kobayashi	184,400	2.66



# Share Price Trend

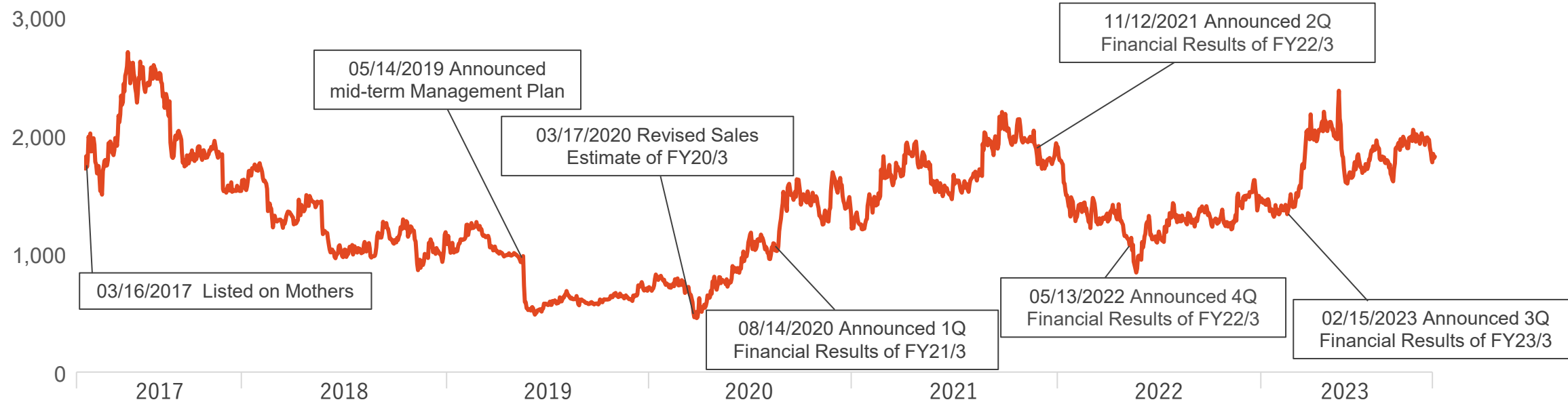
Public Offering Price	1,500yen
First Quotation	1,665yen(03/16/2017)
All-time High	2,800yen(06/01/2017)
All-time Low	458.5yen(03/23/2020)

	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3
PSR	2.9	1.5	4.1	2.3	2.8
PER	26.0	-	317.9	-	-

\* Calculated using the stock price on the closing date

## ■ Share Price(03/16/2017~10/31/2023)

(JPY)



\* The Company conducted a 2-for-1 share split effective October 1, 2021. The above share prices have been adjusted retroactively to take into account the impact of this share split.

# Glossary of Terms

<b>CGS</b>	Acronym of Crowd Generated Service which was coined internally. It refers to a service/services created by utilizing crowd workers. In addition to our signature CGS, NJSS, a bidding information flash service, we have “fondesk”, “en-photo” and “OurPhoto.”	<b>LTV</b>	Abbreviation of Lifetime Value. It is a calculation of how much one person, or one customer of a company brings from the beginning to the end of the relationship.
<b>Crowd-Sourcing</b>	A term coined from the combination of crowd and outsourcing. It refers to ordering and receiving of work from and to an unspecified number of workers via the Internet. We are operating a crowd-sourcing site, “shufti.”	<b>ARPU</b>	Abbreviation of Average Revenue Per User. In this document, “daily sales per case” refers to “daily sales per case” in NJSS and “monthly sales per case” in fondesk.
<b>Crowd Workers</b>	It refers to workers who receive orders through crowd-sourcing. Our “shufti” registrants are mainly homemakers.	<b>MRR</b>	Abbreviation for Monthly Recurring Revenue. It does not include initial costs, additional purchase costs, consulting fees, etc., and is composed of subscription and recurring revenue. It is not affected by the number of business days in a month.
<b>BPO</b>	Abbreviation of Business Process Outsourcing. It refers to the outsourcing of part of a company's business (mainly non-core operations) to external specialists. We provide comprehensive outsourcing services including digitization business such as data entry and scanning.	<b>ARR</b>	Abbreviation of Annual Recurring Revenue. It refers to a year's worth of earnings and sales that are fixed each year. It does not include initial costs, additional purchase costs, or consulting fees. In this report, it refers to “the number obtained by multiplying each quarterly fixed revenue by 4.”
<b>SaaS</b>	Abbreviation of Software as a Service. It refers to software provided in the cloud.	<b>EBITDA</b>	Abbreviation of Earnings Before Interest, Taxes, Depreciation and Amortization. It refers to the total amount of operating income, depreciation and amortization, and amortization of goodwill. We set EBITDA as a key indicator in order to actively consider M&A and other activities which will contribute to the achievement of our mid-term management plan.
<b>BPaaS</b>	Abbreviation of Business Process as a Service, a term coined by combining the words SaaS and BPO. It refers to a service format that allows companies to outsource their business processes and necessary software via the cloud.	<b>YoY / QoQ</b>	Abbreviations of year over year and quarter over quarter, respectively.
<b>Subscription</b>	It refers to a method of paying for a product or service based on the length of time used. In recent years, it has often been adopted as a form of software usage. The amount of sales recorded for the first month of the contract is calculated on a pro-rata basis.	<b>PSR</b>	Abbreviation of Price to Sales Ratio. It is defined as market capitalization divided by annual sales. It is used as an index to measure the stock price level of emerging growth companies.
<b>Recurring</b>	It refers to a business model that aims to generate recurring revenue. In this document, fees are a component of recurring revenue on a pay-as-you-go basis.	<b>LTV</b>	Abbreviation of Lifetime Value. It is a calculation of how much one person, or one customer of a company brings from the beginning to the end of the relationship.

Fractions in this report are rounded down (or rounded off in the case of %) in principle.

The materials and information provided in this announcement include so-called "forward-looking statements".

These are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

These risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, interest rates, and currency exchange fluctuations.

The purpose of this report is to provide information about the Company and not to solicit the purchase and sale of its shares. Investment decisions should be made at your own discretion.

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