

COMPANY RESEARCH AND ANALYSIS REPORT

kubell Co., Ltd.

4448

Tokyo Stock Exchange Growth Market

15-Oct.-2025

FISCO Ltd. Analyst

Ryoji Mogi



FISCO Ltd.

<https://www.fisco.co.jp>

Contents

Summary	01
1. Company profile	01
2. Results trends	01
3. FY12/25 forecasts	02
Company profile	03
1. Company profile	03
2. History	03
Business overview	04
1. Business chat business	05
2. BPaaS business	05
3. Incubation business	05
4. Company strengths	05
Results trends	07
1. Overview of 1H FY12/25 results	07
2. Revenue trends by domain	09
3. Core KPI highlights	10
4. Impacts on SaaS in the age of AI agents	11
5. Financial position	13
Outlook	13
1. FY12/25 forecasts	13
2. Topics	14
Growth strategy	16
1. Key strategies	18
2. Sustainability vision	20
Shareholder return policy	21

Summary

EBITDA reached 57.8% of the initial full-year forecast. Full-year guidance was raised on the back of strong performance

1. Company profile

kubell Co., Ltd. <4448> (hereafter, also “the Company”) offers Chatwork, Japan’s largest business chat service; promotes the digital transformation (DX) of business operations; and provides Business Process as a Service (BPaaS) such as TAXITA, a business process outsourcing service that supports efforts to improve productivity at small and medium-sized enterprises (SMEs). The Company’s strength lies in providing precise solutions to the structural issues faced by Japan’s domestic labor market. To address labor shortages caused by a declining birth rate and aging population, as well as the need to improve the productivity of SMEs, the Company has centered its efforts on Chatwork, a tool that can be easily introduced and utilized even by companies with low IT literacy, contributing significantly to many SMEs. Chatwork has been adopted by 935,000 companies in Japan (as of the end of June 2025), successfully differentiating itself from competitors by offering services targeted especially at SMEs. Further, the Company is promoting a new cloud-based service model called BPaaS, which supports DX at SMEs by outsourcing business processes to the cloud. This approach represents a significant strength, as it provides a solution that is easy to introduce even for the majority market, which tends to lag in DX due to low IT proficiency.

2. Results trends

In the 1H FY12/25 (January 2025–June 2025) consolidated results, the Company reported revenue of ¥4,532mn (up 13.4% year on year (YoY)), operating profit of ¥146mn (up 437.9%), ordinary profit of ¥132mn (up 705.6%), and loss attributable to owners of parent of ¥14mn (compared to a profit of ¥24mn in the same period of the previous year). EBITDA rose sharply to ¥578mn (up 84.7%), outpacing the progress assumed in the initial full-year forecast. This reflects tangible benefits from Company-wide improvements in cost efficiency, with a clear uplift in profitability. Revenue remained resilient even after discontinuation of the security business. Notably, while the pace of net additions in Chatwork paying IDs temporarily slowed following the price revision, the trend has turned upward, with a 9.0 percentage points (pp) increase, signaling renewed momentum in expanding the platform’s user base. We at FISCO view the concurrent improvement in margins and steady revenue growth as underscoring the robustness of the Company’s earnings base going forward. We at FISCO think the Company has been making very steady progress in FY12/25, the second year of the medium-term management plan, given its substantial gains thus far in both EBITDA and operating profit.

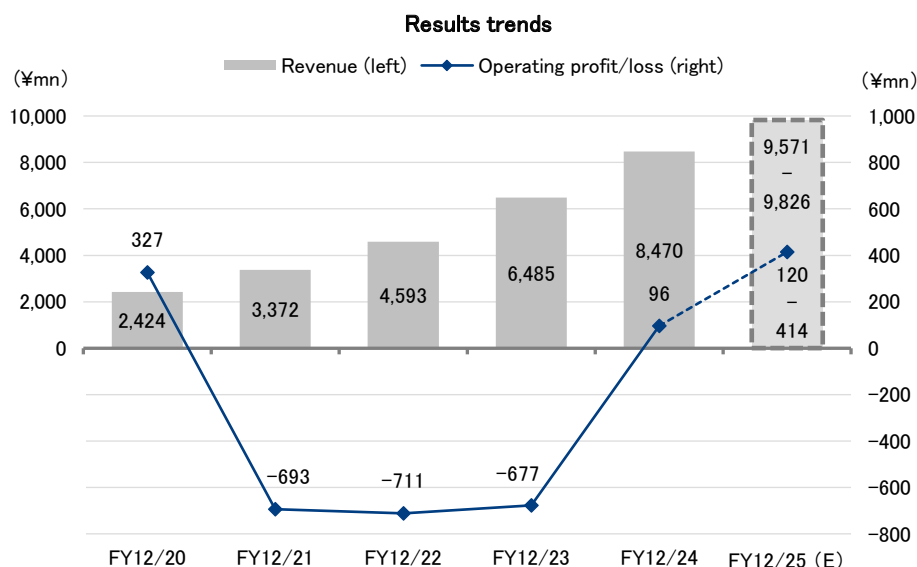
Summary

3. FY12/25 forecasts

The Company revised its full-year guidance from growth-rate disclosure to specific monetary ranges as forecast visibility improved. The updated FY12/25 outlook calls for revenue of ¥9,571–9,826mn (up 13.0–16.0% YoY), EBITDA of ¥1,005–1,300mn (up 17.3–51.7%), operating profit of ¥120–414mn (up 23.9–328.2%), ordinary profit of ¥100–395mn (up 33.5–424.0%), and profit attributable to owners of parent from a ¥236mn loss to a ¥41mn profit (compared to a loss of ¥1,172mn in the previous year). Backed by robust growth in the BPaaS business, revenue is expected to rise steadily, and the Company raised the full-year EBITDA range versus the previous forecast. A substantial increase in operating profit is also expected, reflecting improvements in the cost structure and a sharper allocation of resources to growth areas. We at FISCO view the magnitude of the operating profit increase as evidence of portfolio optimization and strong earnings contribution from BPaaS, a clear signal of the sustainability of medium-term profit expansion. In terms of priority measures in each business, the Chatwork business is steadily increasing the number of paying IDs and ARPU, as can be seen from the detailed disclosure of each KPI. The sales and marketing department has also become a strong organization, and further acceleration of its growth is expected. The BPaaS business is in a phase of approaching further growth, and the number of employees is expected to increase. The Company's earnings structure is such that the greater the ratio of BPaaS business revenue to Company-wide revenue, the more the BPaaS business accelerates growth of business overall. This is due to distinctive characteristics of the BPaaS business in terms of facilitating improvements in operational efficiency and profit margins, as well as enabling synergies through integration with other services.

Key Points

- Supports productivity improvements at SMEs through BPaaS business including Chatwork, Japan's largest business chat service, and TAXITA, a business process outsourcing service
- EBITDA increased substantially by 84.7% YoY in 1H FY12/25. Progress was a very strong 57.8% versus the initial full-year forecast
- FY12/25 guidance was revised to specific monetary ranges and, with broader adoption of Chatwork and aggressive investment in the BPaaS business as growth drivers, projects substantial increases in operating profit and EBITDA



Note: Consolidated basis from FY12/21.

Source: Prepared by FISCO from the Company's financial results

Company profile

Provides Chatwork, Japan's largest business chat service

1. Company profile

The Company offers Chatwork, Japan's largest business chat service, promotes DX of business operations, and provides BPaaS such as TAXITA, a business process outsourcing service that supports efforts to improve productivity at SMEs. With a mission of "making work more fun and creative," the Company sees time spent working as more than a means to making a living, and aims to realize a society where people can have more fun exploring their creativity. In pursuit of this mission, the Company is driven by the determination to "be a company that continues to add fuel to the fire (aspiration) residing in the hearts of all people who work." The Company's name, "kubell" is derived from the Japanese word "kuberu," which means to add firewood to a bonfire.

Chatwork leads the domestic market and has been ranked No. 1 in the number of business chat users in Japan for six consecutive years, according to the Nielsen NetView / Mobile NetView Customized Report conducted by Nielsen Digital Co., Ltd. Further, as of the end of 1H FY12/25, the service has been adopted by more than 935,000 companies, a broad customer base that underscores the robustness of the Company's platform. Its business model goes beyond simply providing software as a service (SaaS) to occupy a unique position by offering BPaaS, which outsources entire business processes through SaaS, supporting its customers' DX initiatives. This enables the Company to provide solutions that facilitate DX, even for SMEs with low IT literacy. As part of its growth strategy going forward, the Company also aims to become the No. 1 BPaaS provider for SMEs by 2026, with a long-term goal of evolving into a platform as a super app for business. To realize this vision, the Company will continue to expand its share of the domestic market, with plans to develop new services that streamline labor productivity.

The Company already has a solid foundation in the domestic SaaS market, with a particularly strong competitive advantage in the SME segment. The development of new services utilizing BPaaS and AI is highly effective as a strategy for sustainably expanding that advantage, and we at FISCO anticipate significant growth going forward.

2. History

The Company was originally known as Chatwork Co., Ltd., and today enjoys the largest share of Japan's market for business chat services, primarily for SMEs. The Company's origins go back to July 2000. At the time, the Yamamoto brothers founded EC studio in Suita, Osaka Prefecture, with the goal of providing website customer acquisition support services for businesses. (The Company's current Representative Director, President and CEO is the younger of the brothers, Masaki Yamamoto.) In November 2004, the firm was incorporated as a limited liability company (Y.K.) before reorganizing as a stock company (K.K.) in December 2005. As its business expanded, in 2006 it established its Tokyo office in Setagaya-ku, Tokyo.

Company profile

In March 2011, the Company released Chatwork, its business chat service, which subsequently attracted considerable attention both in and outside Japan. In April 2012, the company name was changed to ChatWork Co., Ltd., and that year, the Company also established a subsidiary in the US, in California. Chatwork not only attempted to expand domestically but also ventured overseas, with its experience in Silicon Valley serving as an important turning point. Amid a proliferation of competing global services, the Company temporarily withdrew from competition in the global market. Nevertheless, in the domestic market, its business model aimed particularly at SMEs proved successful, leading to steady growth. The Company once again changed its name to Chatwork Co., Ltd. in November 2018, and was subsequently listed on the Tokyo Stock Exchange (TSE) Mothers Market (currently the Growth Market) in September 2019.

In July 2024, the Company changed its name from Chatwork Co., Ltd. to kubell Co., Ltd., indicating its intention to further diversify its business and strengthen its efforts to support SMEs. Since its founding, the Company has continued to grow and transform, evolving beyond business chat to become a platform that supports the DX of business processes.

Business overview

Based on its Chatwork business chat service, the Company provides a platform to transform the way people work using BPaaS

The Company has a single segment, the Platform Business, broadly divided into two domains: the SaaS domain centered on the Chatwork business chat platform and the BPaaS domain in which the Company engages in BPaaS services. Chatwork holds a dominant market share in Japan's SME market, leading the industry in both number of users and number of companies adopting the service. Since users rely on it continuously while working, it provides significantly more customer touchpoints compared to other SaaS solutions, making its platform capabilities a key strength of the Company.

The BPaaS offered by the Company is a more advanced form of cloud service than SaaS, characterized by providing not only software, but also delivering entire business processes through the cloud. The BPaaS enables SMEs with low IT literacy to promote DX. In addition, by leveraging the Chatwork platform, it provides new added value by not only offering SaaS but also streamlining operations on behalf of the customer. Further, the Company is also focusing on developing new services utilizing AI technology, and is investing in areas of promising future growth, especially AI-driven conversation features and automated task execution within Chatwork. This use of AI is expected to both further enhance user productivity, and help the Company acquire new customer segments.

The business chat market still has significant room for growth and current adoption rates are low, so market expansion is anticipated going forward. Meanwhile, profitability in the BPaaS business is expected to improve as high value-added services are provided. The Company is driving its growth strategy on the pillars of these businesses, and in the medium term, stable revenue growth is expected. In addition, through the development of its incubation business, the Company is expected to secure new growth opportunities and further enhance its corporate value. The Company's business model is extremely attractive, with significant room for growth, particularly in the market for DX support for SMEs. We at FISCO expect that the continued expansion of services utilizing BPaaS and AI technology will lead to improved profitability.

1. Business chat business

In the business chat business, the Company offers its flagship product, the business chat tool Chatwork. Targeting primarily SMEs in Japan, it features an easy-to-use UI and seamless connectivity with external applications, contributing to DX at SMEs. Unlike other SaaS products, the user base has expanded rapidly through referrals between users, with 935,000 companies adopting the service as of the end of 1H FY12/25. By contributing to the operational efficiency of SMEs, the Company maintains stable revenue driven by increases in the number of companies introducing the tool. The Company plans to continue addressing customer needs by enhancing the functionality of its business chat tool, adding features that streamline work such as task management and scheduling. In addition, based on the business chat service, it anticipates further business growth by realizing seamless collaboration with BPaaS, described later.

2. BPaaS business

In the BPaaS business, the Company offers services that provide entire business processes on the cloud, specifically tailored for SMEs. More than simply providing software, BPaaS is positioned as a next-generation cloud service that promotes business operation streamlining and DX. BPaaS aims to optimize entire business processes, which are particularly difficult to address with SaaS, by having in place an environment in which companies can outsource their operations. In its BPaaS business, the Company offers services such as business process outsourcing and workforce management through deep integration with Chatwork. These services provide significant value, especially for SMEs with limited IT literacy, and contribute to improving operational efficiency. Regarding outsourcing of internal operations, some may view it as a risk since it may prevent the accumulation of business expertise within the company. However, in SMEs, it is not uncommon for tasks to become dependent on the knowledge of a single veteran employee. In such cases, the impact of a veteran employee's resignation can pose an even greater risk to the company. We at FISCO believe that the benefits of properly outsourcing tasks through the Company's services and achieving efficiency through DX outweigh those risks. In addition, in April 2024 the Company launched kubell partner Co., Ltd., a wholly owned subsidiary, to accelerate the development and operation of its services. The BPaaS business is expected to expand further as a Group effort aimed at achieving the Company's goal of becoming the leading BPaaS company for SMEs.

3. Incubation business

In the Incubation business, the Company's goal is to leverage the knowledge and data accumulated through its existing business operations to create new businesses that go beyond its traditional areas of focus. At the center of this business is a large-scale operating engine that integrates technology and people, cultivated through its business chat and BPaaS businesses. The Company plans to leverage this platform to develop new businesses utilizing AI and other advanced technologies. Examples include automating tasks with AI and offering new services utilizing data. The Company also aims to strengthen alliances with other companies and secure new revenue sources through its incubation business. These initiatives have the potential to become a new pillar of growth following business chat and BPaaS, enabling discontinuous business growth.

4. Company strengths

With the Company's business centered around Chatwork, Japan's largest business chat platform, it has established a proprietary business model focused mainly on SMEs in Japan. The Company's strength lies in providing solutions that precisely address structural issues faced by Japan's domestic labor market, which namely consist of labor shortages caused by the nation's declining birth rate and aging population, as well as low labor productivity among SMEs. In particular, the Company may be seen as fulfilling its social mission by offering tools that are easy to implement and use, even for SMEs with limited IT literacy.

Business overview

Chatwork has secured a solid market share, supported by an extensive customer base centered on SMEs in Japan. The platform's "freemium" model lowers barriers to adoption, while its simple UI and ease of connectivity with external users create a structure that fosters organic adoption through referrals from existing users. The platform is well regarded for its network effects and currently ranks as an industry leader with 935,000 corporate users. With this serving as testament to its competitive edge, the Company has achieved particularly noteworthy success in differentiating itself from competitors targeting the enterprise market by focusing on SMEs.

A structural characteristic of Japan's SME market is that the size of individual companies is extremely small, with the majority having between 5 and fewer than 30 employees. In this kind of market, the poor cost effectiveness of one-to-one sales leaves most SaaS vendors with little choice but to concentrate on the enterprise segment. This results in a situation where products available are ill-suited to SMEs given their complexity and high prices, which culminates in a shortage of services that truly meet the needs of such users. Additionally, challenges have become apparent due to low IT literacy, which hampers the adoption and utilization of SaaS and AI technologies. Although the SME market accounts for about 70% of Japan's labor force, it is referred to as a "black ocean" market given that it remains largely untapped due to high barriers to entry.

In this challenging market, the Company has established a three-pronged competitive advantage consisting of the network effects of its Chatwork platform, outsourcing of business processes through BPaaS, and a consistent business model specifically tailored to its SME target market. Firstly, regarding network effects, the Company has established a framework for expanding the Chatwork customer base through word of mouth, creating a positive feedback loop where companies adopt the platform because many others are already using it. This directly gives rise to structural strengths that enable sustained growth while keeping marketing costs low.

Next in terms of service delivery through BPaaS, the Company goes beyond simply offering chat tools by establishing a framework for outsourcing and streamlining business processes hosted on the cloud. This approach facilitates DX that encompasses business processes themselves for companies with limited IT capabilities that often struggle even before adopting SaaS. In doing so, the Company delivers a level of value not typically offered by conventional SaaS vendors. Additionally, the Company's ability to organically cross-sell BPaaS to its existing Chatwork user base is a strategic advantage, one that enables the Company to establish a structure for leveraging brand recognition and its track record of credibility to increase lifetime value (LTV).

This business structure developed by the Company enables it to achieve both profitability and growth. The Company's success in establishing a unique position in the "black ocean" market is particularly noteworthy. Furthermore, given that the Company's Chatwork platform is characterized by its ease of integration with external users, it is often used in large enterprises in a complementary manner. One example of this is a situation where Microsoft Teams is used for internal communications and Chatwork is used for external interactions. This example illustrates the product's versatility in addressing needs beyond its SME target market, which suggests potential for further growth.

Moreover, the Company continues to offer increasingly greater value due to advances in AI technology. With the Chatwork platform, the Company is making progress implementing advanced AI features that use large language models (LLMs). It has accordingly been exploring options with respect to new features such as text generation and summarization based on learning from past messages, as well as task automation. User operational efficiency will improve dramatically once these technologies become practical. There will also be greater potential for switching business processes to AI solutions within the Company's BPaaS domain. As SMEs consequently step up their DX efforts, the Company is likely to further solidify its position as a provider of exceptional value in its target majority market.

Business overview

We at FISCO believe that the Company has extremely high future growth potential given its structural advantages and future prospects as described above. It is highly likely that the Company's approach specifically tailored to SMEs will contribute significantly to future growth of the SaaS market, particularly when considering the estimated ¥42.4tn size of the BPaaS market. Moreover, the Chatwork platform's many customer touchpoints align well with a product-led growth (PLG) model, making it likely that the Company will achieve sustained revenue growth through enhanced marketing and sales efforts driven by user data.

The competitive landscape includes global players such as Microsoft Teams and Slack, but they mainly focus on the enterprise domain with relatively few enlisting a strategy like that of the Company specifically tailored to SMEs. The Company also holds an unparalleled advantage in the BPaaS domain enlisting its SME-focused approach. While BPO services for large enterprises are available in that domain, the Company stands out in providing services that involve taking on business operations of such clients, while selecting and providing appropriate SaaS solutions. We at FISCO believe that the key to the Company achieving further progress lies in it further solidifying its position in Japan's SME market, while maintaining agility in responding to technological advances and accurately identifying growth opportunities.

Results trends

EBITDA progressing strongly; revenue steady on growth in paying IDs

1. Overview of 1H FY12/25 results

In the 1H FY12/25 consolidated results, the Company reported revenue of ¥4,532mn (up 13.4% YoY), operating profit of ¥146mn (up 437.9%), ordinary profit of ¥132mn (up 705.6%), and loss attributable to owners of parent of ¥14mn (compared to a profit of ¥24mn in the same period of the previous year).

EBITDA was ¥578mn (up 84.7% YoY), outpacing the progress assumed in the initial full-year forecast. This reflects companywide gains in cost efficiency, with a clear improvement in profitability. Advertising and promotion expenses fluctuated in the short term but were reduced without lowering the number of registered IDs. Server costs were also cut during the half. On personnel costs, operator hiring increased in the BPaaS domain, while headcount declined elsewhere, driving greater overall personnel cost efficiency.

Revenue continued to trend solidly even after discontinuation of the Security business. In particular, while the pace of net additions in Chatwork paying IDs temporarily slowed following the price revision, the recovery has continued with a 9.0pp YoY increase, signaling renewed momentum in expanding the platform's user base. Against this backdrop of strong results, the Company revised its full-year forecasts upward. Revenue is projected to increase 13.0–16.0%, and EBITDA is projected at ¥1,005–1,300mn, representing a higher range than the initial forecast while maintaining steady growth. We at FISCO view the concurrent improvement in margins and stable revenue growth positively, as it underpins the resilience of the Company's earnings base going forward.

Results trends

In the BPaaS domain, new project acquisition has accelerated through referrals from the Chatwork platform and reinforced marketing initiatives. Headcount increased by 56 from the previous quarter, with the majority of hires being BPaaS operators. Hiring is proceeding as planned, with a policy of leveraging AI and process standardization to achieve both productivity gains and enhanced profitability. While personnel costs have risen with the increase in BPaaS operators accompanying business expansion, advertising and outsourcing expenses remained well below the level of 1H FY12/24 thanks to efficiency improvements. BPaaS operators are essentially variable costs under a model in which capacity expansion and order growth are repeated in cycles. With sufficient capacity on hand at present, the Company is focusing on securing new projects for the time being. We at FISCO believe that the Company is more likely to achieve revenue growth now that a larger workforce capacity makes its order-handling capability more visible.

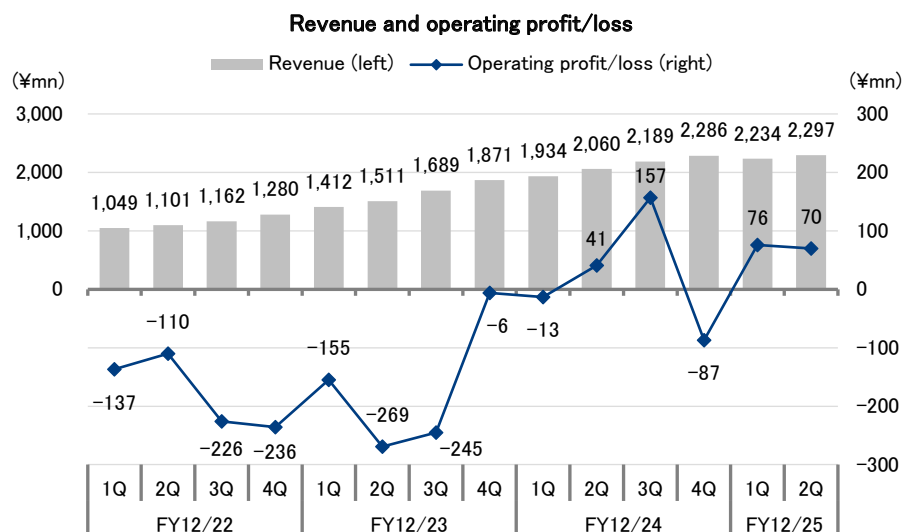
Furthermore, efforts are underway to assess AI agent deployment in the BPaaS business. The Company is moving in the direction of actively utilizing AI agents, which are a relatively new concept but are garnering industry-wide attention. At present, the Company is developing and pilot-testing small-scale AI agents and mini-apps internally, with certain limited areas already producing results. Going forward, it plans to expand their application to labor management and BPO fields, and after confirming their effectiveness in internal use, it expects to roll them out to clients in the future. The Company has positioned AI utilization in its BPaaS domain as a core KPI with respect to its growth strategy going forward, suggesting that this is likely to serve as a core component of its business strategy. Since personnel costs in the BPaaS business are integrally linked to direct costs, implementation of AI agents is expected to result in future direct cost reduction and gross margin improvement. We at FISCO think the Company has been making very steady progress in FY12/25, the second year of the medium-term management plan, given its substantial gains thus far in both EBITDA and operating profit.

1H FY12/25 consolidated results

	1H FY12/24		1H FY12/25		YoY	
	Results	% of revenue	Results	% of revenue	Change	Change %
Revenue	3,994	-	4,532	-	537	13.4%
Operating profit	27	0.7%	146	3.2%	119	437.9%
Ordinary profit	16	0.4%	132	2.9%	116	705.6%
Profit attributable to owners of parent	24	0.6%	-14	-0.3%	-39	-
Earnings per share	0.61	-	-0.36	-	-0.97	-

Source: Prepared by FISCO from the Company's financial results

Results trends



Source: Prepared by FISCO from the Company's financial results

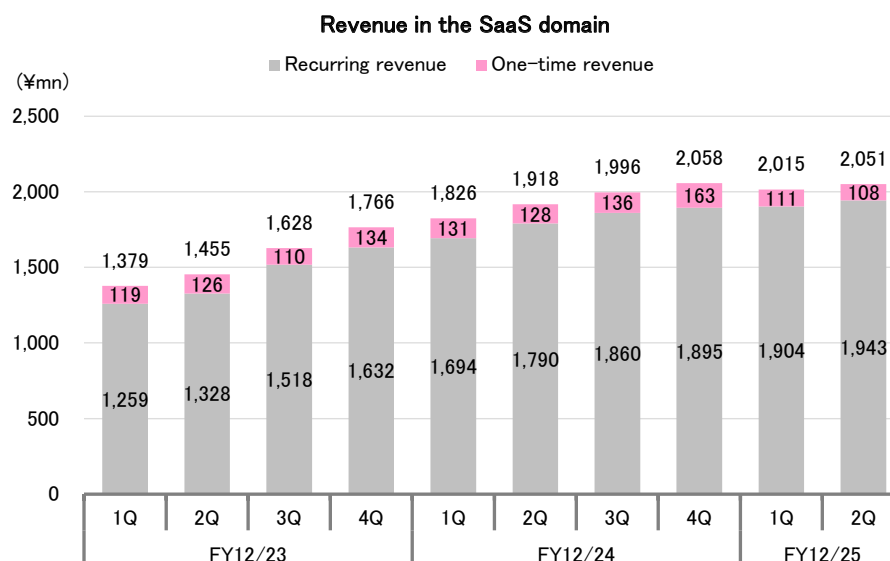
2. Revenue trends by domain

Revenue in the SaaS domain totaled ¥4,067mn (up 8.6% YoY), maintaining stable growth despite the impact from the discontinuation of the Security business. Recurring revenue within the SaaS domain also remained solid at ¥3,847mn (up 10.4%).

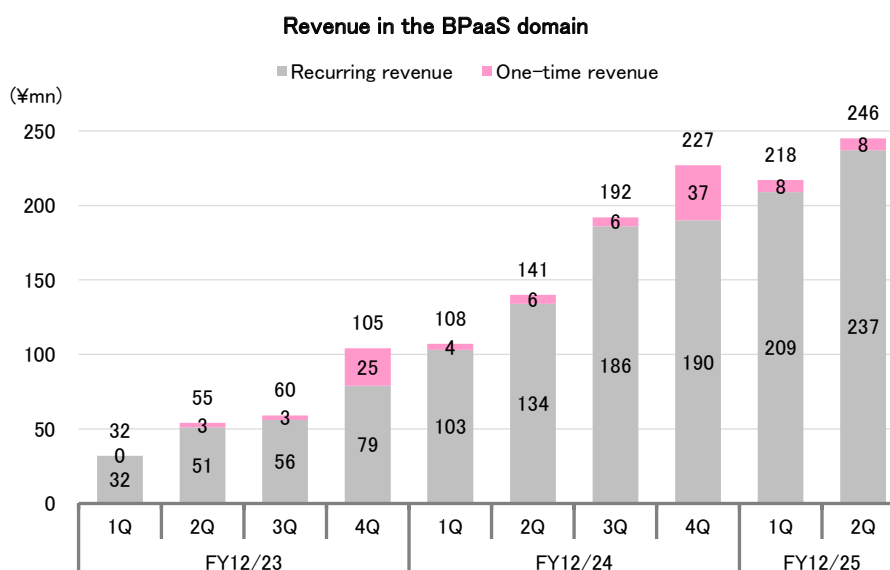
Revenue in the BPaaS domain totaled ¥464mn (up 85.7% YoY), marking a high growth rate and serving as the primary driver of Company-wide revenue growth. Recurring revenue accounted for 96% of the total at ¥446mn (up 88.2%), maintaining extremely strong growth and enhancing earnings stability, which is positive from a long-term perspective.

Recurring revenue has been growing consistently in both the SaaS and BPaaS domains, indicating that it serves as a key component of the Company's earnings base. The BPaaS domain in particular achieved growth of 85.7% YoY. We at FISCO believe this clearly suggests potential of the BPaaS domain as a high-growth sector.

Results trends



Source: Prepared by FISCO from the Company's results briefing materials



Source: Prepared by FISCO from the Company's results briefing materials

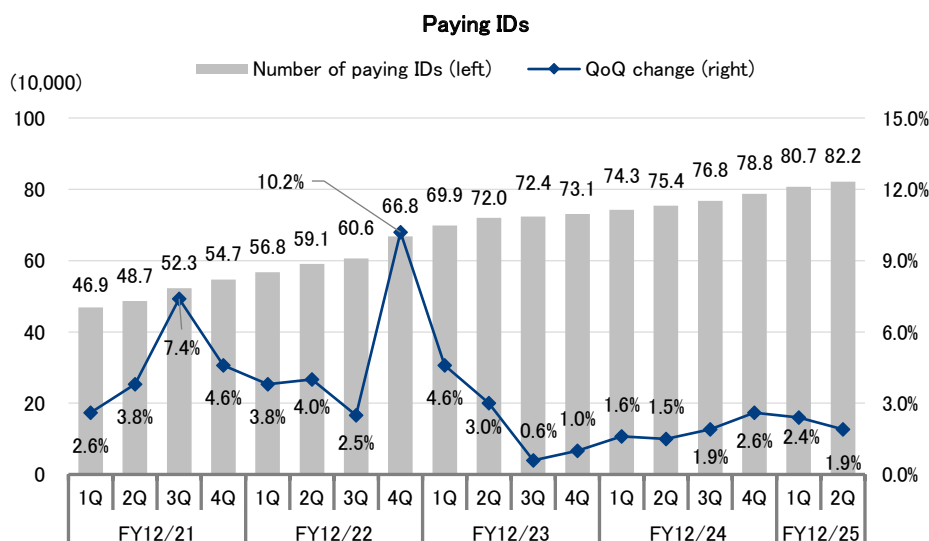
3. Core KPI highlights

Annual recurring revenue (ARR) on a Company-wide basis increased 13.3% YoY to ¥8.72bn, indicating that business of the Company overall is on a stable growth trajectory. The number of companies adopting the Company's services reached 936,000 (up 12.5%), steadily expanding the scale of its platform. The definition of adopting companies comprises the total of companies contracted for the Chatwork business chat service and those utilizing BPaaS or other services.

Results trends

In the SaaS domain, ARR increased 8.6% YoY to ¥7.77bn, and the number of registered IDs increased 9.9% to 7,752,000 IDs. The number of daily active users (DAUs) increased 5.4% to 1,215,000 DAUs, indicating that initiatives taken to increase the percentage of active users by improving functionality and enhancing communication have been effective. Meanwhile, the number of paying IDs rose 9.0% to 822,000 IDs. Looking ahead, the user base and engagement are expected to expand further through simplified account issuance, enhanced initial value experiences, and initiatives to maximize network effects. ARPU, the average revenue per paying ID, was ¥713.6 (down 0.3%), edging lower mainly due to a higher share of lower-priced plans. However, there remains room for improvement by strengthening enterprise plan sales and reviewing discounted contracts. The churn rate for paying IDs remained low at 0.88% (down 0.23pp). As a measure to enhance product value, the Company is currently considering strengthening services under the enterprise plan. In the SaaS market, service expansion accompanied by price increases is the norm, but the Company's service remains inexpensive compared with competitors, leaving ample room for price hikes. In addition, we at FISCO believe that greater use of services such as TAXITA will increase stickiness to the product, making price hikes more readily acceptable.

Meanwhile, in the BPaaS domain, ARR increased 76.0% YoY to ¥0.95bn, marking rapid growth and strongly suggesting its potential as a new business area. Revenue increased 85.7% to ¥464mn, marking significant growth and demonstrating that the Company is steadily building a foundation for future growth.



Source: Prepared by FISCO from the Company's results briefing materials

4. Impacts on SaaS in the age of AI agents

Amid rapid evolution of AI technology, attention is now turning to the advent of the age of AI agents. This refers to a new framework in which multiple large language models (LLMs) work together collaboratively to generate sophisticated output. Whereas conventional generative AI simply returned a single response to a single input, AI agents differ substantially in that they automatically construct workflows upon receiving a prompt and enlist multiple AIs working together to complete tasks. Notable examples of this include deep research as well as sales support and development agents.

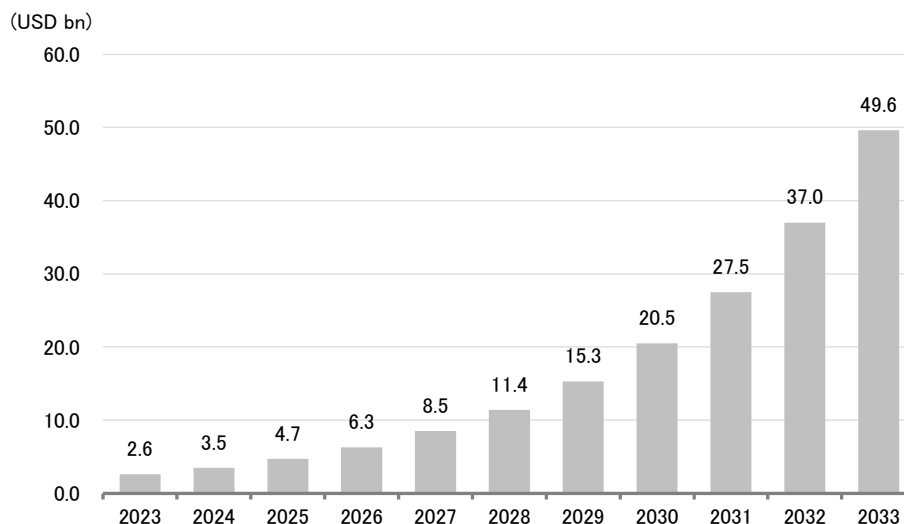
Results trends

Such technological advancements are expected to bring about a shift from a structure in which users directly interact with SaaS interfaces to one where AI agents operate SaaS platforms via APIs. With SaaS vendors consequently losing direct touchpoints with users, the notion that ‘SaaS is dead’ has been gradually gaining traction. In contrast, the Company’s Chatwork tool is a communication-focused SaaS platform that derives its value from direct dialogue between users, which means that it occupies a unique position in that replacing it with AI agents would be inefficient. Also, because Chatwork is highly compatible with prompt input given that it is structured as a chat interface, the Company envisions the future possibility of building a world where AI agents operate through prompts on Chatwork. This suggests that Chatwork has the potential to continue evolving while retaining its substantial practical value, even in the age of AI agents.

The advent of AI agents is bound to significantly accelerate evolution of the BPaaS domain. Meanwhile, whereas Japan’s domestic BPO market targeting SMEs is a massive market valued at approximately ¥42tn, it has posed challenges thus far in terms of low profit margins due to its labor-intensive nature. Going forward, advances in AI are expected to result in the emergence of AI workers while also driving major structural transformation.

The McKinsey & Company, Inc. report, “Beyond the hype: Capturing the potential of AI and gen AI in tech, media, and telecom,” identifies BPO as a sector undergoing redefinition through AI. According to “AI in BPO Market” released by Market.U.S, AI-enabled BPO is expected to attain substantial growth at a CAGR of 34.3% from 2024 through 2033. Although the Company’s BPaaS services have involved human operators managing SaaS tools on behalf of clients through chat thus far, AI agents will play a central role in this regard going forward. This will involve having human operators shift to using and operating AI agents, which suggests the possibility of substantially lower training costs. It is hoped that this structural transformation will lower the costs of providing BPaaS services while dramatically improving their scalability.

Growth rate of the global AI-based BPO market



Source: Prepared by FISCO from the Company’s results briefing materials

5. Financial position

Total assets at the end of 1H FY12/25 amounted to ¥5,977mn, a decrease of ¥136mn from the end of FY12/24. Current assets amounted to ¥4,202mn, an increase of ¥176mn. This is primarily attributable to an increase of ¥385mn in cash and deposits, against a decrease of ¥53mn in accounts receivable - trade. Non-current assets amounted to ¥1,775mn, a decrease of ¥313mn. This is primarily attributable to a decrease of ¥167mn in software. Total liabilities amounted to ¥4,296mn, a decrease of ¥218mn. Current liabilities amounted to ¥3,803mn, a decrease of ¥22mn. This is primarily attributable to a decrease of ¥71mn in income taxes payable, against increases of ¥105mn in the current portion of long-term borrowings and ¥20mn in contract liabilities. Non-current liabilities amounted to ¥493mn, a decrease of ¥195mn. This is primarily attributable to a decrease of ¥224mn in long-term borrowings. Total net assets amounted to ¥1,680mn, an increase of ¥81mn. This is primarily attributable to a decrease of ¥14mn in retained earnings, against increases of ¥61mn in share capital and ¥61mn in capital surplus. The equity ratio rose 2.0pp to 28.1%. We at FISCO view the shift to positive EBITDA and operating profit as driving an increase in cash and deposits, indicating an improving financial base.

■ Outlook

Full-year guidance revised to specific monetary ranges; operating profit raised from the initial forecast with substantial growth expected

1. FY12/25 forecasts

The Company revised its full-year guidance from growth-rate disclosure to specific monetary ranges as forecast visibility improved. The updated FY12/25 outlook projects revenue of ¥9,571–9,826mn (up 13.0–16.0% YoY), EBITDA of ¥1,005–1,300mn (up 17.3–51.7%), operating profit of ¥120–414mn (up 23.9–328.2%), ordinary profit of ¥100–395mn (up 33.5–424.0%), and a turnaround in profit attributable to owners of parent from a ¥236mn loss to a ¥41mn profit (compared to a loss of ¥1,172mn in the previous year). Revenue is expected to grow steadily on the back of robust BPaaS expansion, and the Company raised the full-year EBITDA range versus the previous forecast. A substantial increase in operating profit is also expected, reflecting improvements in the cost structure and a sharper allocation of resources to growth areas. We at FISCO view the magnitude of the operating profit increase as evidence of portfolio optimization and strong earnings contribution from BPaaS, a clear signal of the sustainability of medium-term profit expansion.

Given the medium-term management plan's target to achieve no less than a 30% compound annual growth rate (CAGR) in revenue, it appears that FY12/25 is a period of preparation for future growth. In terms of priority measures in each business, the Chatwork business is steadily increasing the number of paying IDs and ARPU, as can be seen from the detailed disclosure of each KPI. The sales and marketing department has also become a strong organization, and further acceleration of its growth is expected. The BPaaS business is in a phase of approaching further growth, and the number of employees is expected to increase. The Company's earnings structure is such that the greater the ratio of BPaaS business revenue to Company-wide revenue, the more the BPaaS business accelerates growth of business overall. This is due to distinctive characteristics of the BPaaS business in terms of facilitating improvements in operational efficiency and profit margins, as well as enabling synergies through integration with other services. We at FISCO believe that the Company's growth rate will bottom out in FY12/25 as it is in the investment phase for accelerated growth in the next fiscal year and beyond.

Outlook

FY12/25 results forecast

(¥mn)

	FY12/24		FY12/25		
	Results	% of revenue	Forecast	% of revenue	Change %
Revenue	8,470	-	9,571-9,826	-	13.0-16.0%
EBITDA	856	10.1%	1,005-1,300	10.5-13.2%	17.3-51.7%
Operating profit	96	1.1%	120-414	1.3-4.2%	23.9-328.2%
Ordinary profit	75	0.9%	100-395	1.0-4.0%	33.5-424.0%
Profit attributable to owners of parent	-1,172	-	-236-41	-	-
Earnings per share	-28.59	-	-5.64-0.98	-	-

Source: Prepared by FISCO from the Company's financial results

2. Topics

Current topics of discussion are as follows.

(1) Renaming Chatwork Assistant to TAXITA

The Company renamed Chatwork Assistant to TAXITA to clarify its aim of promoting the service's appeal more broadly beyond Chatwork users. The name TAXITA embodies the idea of providing a service to which customers can confidently entrust their tasks, intuitively conveying the brand concept. We at FISCO believe this will make the service easier to promote to companies using business chat tools other than Chatwork, such as Teams or Slack. In terms of service content, in addition to the traditional ticket-based support charged by the hour, the Company plans to expand the lineup with new plans, such as fixed-price outsourcing of entire tasks, to address diverse needs. For existing Chatwork users, however, the Company intends to continue using the "Chatwork Assistant" name, thereby taking care to preserve the existing customer base. We at FISCO view this renaming as part of a branding strategy aimed at expanding market recognition and diversifying the customer base, which is highly likely to contribute to accelerating growth in the BPaaS business.

New service TAXITA



Source: The Company's results briefing materials

Outlook

(2) Business integration of kubell partner and MINAGINE

On July 1, 2025, the Company integrated the management of its group companies kubell partner and MINAGINE Co., Ltd. Both companies operate in the BPaaS business, and the integration is intended to accelerate growth and improve efficiency in group management. Consolidating management resources within the same business domain is expected to generate scale merits, leading to cost reductions and service quality improvements through integrated operations in development, sales, and support.

(3) Launch of a new structure to strengthen the Group's overall capabilities

From July 2025, the leadership of the core Chatwork business was reshuffled, and a new structure was launched with the establishment of positions for a Chief Product Officer (CPO), Chief Technology Officer (CTO), and Chief Strategy Officer (CSO). Gen Sawaguchi, who previously oversaw corporate planning, assumed responsibility for the Chatwork business and has indicated a policy of strengthening resource allocation across the Group and enhancing collaboration among key businesses. With the establishment of the CPO, CTO, and CSO positions, the Company is transitioning to a structure that integrates previously fragmented products and strategies across businesses and subsidiaries, enabling it to demonstrate combined strengths that unify the business chat and BPaaS domains. We at FISCO view this organizational change as promoting faster cross-functional decision-making and greater consistency in product strategy, thereby supporting the realization of the Company's long-term growth strategy.

(4) Promoting partnerships with local governments and financial institutions

The Company partnered with Kitakyushu City and the Kitakyushu Foundation for the Advancement of Industry, Science and Technology to provide Chatwork as the community platform for the Kitakyushu City DX Promotion Platform. This initiative is designed to address regional challenges such as labor shortages stemming from population decline and aging, as well as changes in the industrial structure, by invigorating two-way communication among participating companies and organizations to enhance productivity and competitiveness across the region. Furthermore, the Company entered into an agreement with Shoko Chukin Bank concerning customer referrals for the BPaaS service TAXITA, signaling an intent to accelerate service rollout to SMEs nationwide. As Shoko Chukin Bank places top priority on supporting SMEs, this partnership is expected to help promote DX and operational efficiency among client companies, thereby contributing to regional economic revitalization. Collaboration with both local governments and financial institutions represents a highly strategic move that advances business domain expansion and customer base diversification at the same time, and is regarded as a noteworthy driver of medium- to long-term revenue growth.

(5) Renewal of the IR website

From July 2025, the Company renewed its IR website, focusing on posting presentation materials for individual investors. A new feature was added to allow batch downloading of the latest IR materials, and other UI/UX improvements were made to enhance usability for investors. Ongoing updates are planned, underscoring the Company's commitment to strengthening communication with investors. We at FISCO view this initiative as contributing to the expansion of the investor base and the promotion of greater understanding of the Company, and believe it is highly likely to lead to improved recognition in the equity market.

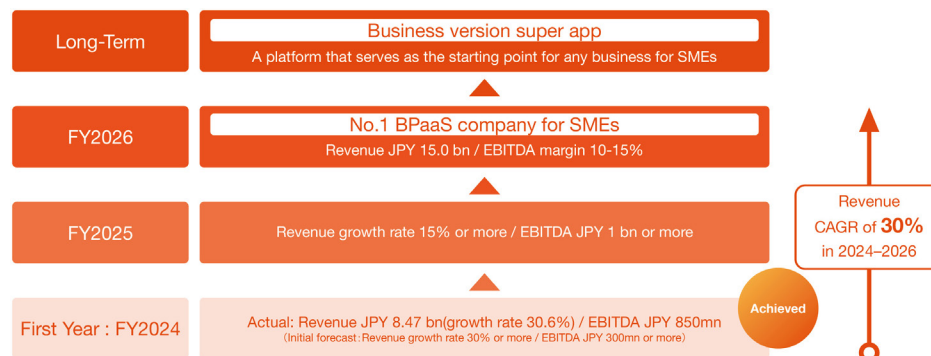
Growth strategy

Seeking to achieve revenue of ¥15.0bn in FY12/26 while establishing the Company's position as the leading BPaaS company for SMEs

The Company has drawn up a medium-term management plan embracing the objective of establishing the Company's position as the leading BPaaS company for SMEs. Under the plan, the Company aims to achieve no less than a 30% compound annual growth rate (CAGR) in consolidated revenue from FY12/24 through FY12/26, with financial targets for the plan's final year consisting of consolidated revenue of ¥15.0bn, EBITDA of between ¥1.5bn and ¥2.25bn, and an EBITDA margin of between 10.0% and 15.0%. These targets have remained unchanged since release of the plan. The ¥15.0bn revenue target comprises between ¥10.0bn and ¥11.0bn in the SaaS domain centered on Chatwork, between ¥2.0bn and ¥2.5bn in the BPaaS domain, and between ¥1.5bn and ¥3.0bn attributable to new business and M&A. While the plan was initially predicated on organic growth, the Company has since shifted to a policy directed toward strategically incorporating M&A as a means of achieving growth. The policy change reflects heightening feasibility of executing a roll-up strategy particularly in its BPaaS domain, through successive acquisitions of relatively small companies that provide BPO services to SMEs, such as kubell partner. At present, the Company is particularly focusing its attention on the BPaaS domain. While details of individual deals have not been disclosed, it has received a large volume of information, including sourcing opportunities. We at FISCO believe that joining the Group would offer significant advantages to counterpart companies as well, as it would enable cross-selling by leveraging the customer base of Chatwork.

The central pillar of the medium-term management plan lies in expanding the BPaaS business in serving as an engine of further growth, while maintaining business chat sales growth. The Company also plans to work toward ensuring that its new businesses contribute to earnings. Strategically, the Company is promoting its BPaaS strategy for facilitating the development of various businesses, based on further enhancement of the value of its communication platforms centered on business chat. Additionally, the Company aims to create future core businesses and achieve discontinuous growth through AI-driven research and development that leverages Group assets, combined with its incubation strategy for new businesses.

Overview of the medium-term management plan



Source: The Company's results briefing materials

kubell Co., Ltd.
4448 Tokyo Stock Exchange Growth Market

15-Oct.-2025
<https://www.kubell.com/en/ir/>

Growth strategy

Numerical management targets

	FY12/23	FY12/24	FY12/25 (forecast)	FY12/26 (target)
Revenue	6,485	8,470	9,571–9,826	15,000
EBITDA	-83	856	1,005–1,300	1,500–2,250
EBITDA margin	-	10.1%	10.5–13.2%	10.0–15.0%

Source: Prepared by FISCO from the Company's financial results and results briefing materials

The Company released its new medium- to long-term financial targets in 1Q FY12/25, in which it specifies key metrics comprising direct cost ratio, marginal profit ratio, sales and marketing (S&M) ratio, research and development (R&D) ratio, general and administrative (G&A) ratio, and EBITDA margin. The Company has opted to disclose these key metrics because the very labor-intensive nature of the Company's BPaaS business draws attention to effects of such labor-related costs on the Company's profit margins. The Company's goal is to reduce S&M from the current 32% to somewhere in the range of 15–20%, in seeking to narrow the gap between its FY12/24 actual results and its medium- to long-term targets. It aims to achieve this by standardizing marketing and sales functions, promoting product-led growth, and using cross-selling to guide customers toward its BPaaS offerings. In R&D, the Company has outlined its policy of continued investment in products and AI. Given its currently high ratio of G&A expenses, the Company will implement stringent cost controls going forward. In the long term, the Company aims to promote development of business super app platforms that serve as a starting point for all business activities underpinned by the Company's overwhelming market share in the SME market. The Company has furthermore set a medium- to long-term target of achieving a final EBITDA margin in the 25–40% range. The potential size of the BPaaS market for non-core SME business operations is ¥42.4tn (potential market), with the core target segment alone valued at ¥298.3bn (actual market). Accordingly, we at FISCO expect the Company to achieve both medium- to long-term growth and stable profitability.

Medium- to long-term financial targets

	FY12/24	FY12/25 (plan)	FY12/26 (plan)	Medium- to long-term targets
Direct cost* ¹	18%	20%	20%	20–25%
Marginal profit ratio	82%	80%	80%	75–80%
S&M* ²	32%	26–28%	24–28%	15–20%
R&D* ³	17%	16–18%	16–18%	15–20%
G&A* ⁴	23%	22–24%	20–24%	10–15%
EBITDA margin	10%	10–12%	10–15%	25–40%
Depreciation and amortization	9%	9–10%	9–10%	Around 10%
Operating profit margin	1%	1–3%	1–5%	15–30%

*1 Direct cost refers to the total cost of sales in managerial accounting, excluding depreciation and amortization. It includes server costs, payment fees, and personnel costs related to BPaaS operators and customer support.

*2 S&M refers to the sales and marketing ratio. It represents the total sales and marketing costs in managerial accounting, excluding depreciation and amortization. These include advertising expenses related to sales promotion, personnel costs for the sales staff, and other related expenses.

*3 R&D refers to the research and development ratio. It represents the total research and development costs in managerial accounting, excluding depreciation and amortization. These include personnel costs for engineers involved in service development, and other related expenses.

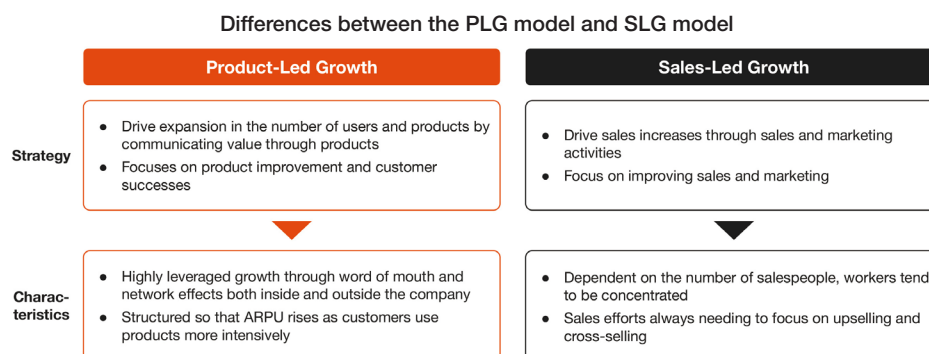
*4 G&A refers to the general and administrative ratio. It represents the total general and administrative costs in managerial accounting, excluding depreciation and amortization. These include personnel expenses for the corporate division, and other related expenses.

Source: Prepared by FISCO from the Company's results briefing materials

1. Key strategies

(1) Communication platform strategy

The communication platform strategy centers on the Product-Led Growth (PLG) approach. Under this strategy, the Company focuses on gaining customers and driving growth specifically through products, which differs from the conventional Sales-Led Growth (SLG) model. Specifically, in the PLG model, the Company offers easy-to-use services free of charge then draws on data derived from use of such services to identify potential paying customers. With an emphasis on efficient customer support using chat, the Company is taking steps to standardize business chat to address the needs of various industries. The intended effect of this approach is to leverage the Company's competitive advantages in the Japanese market and to improve the quality of its marketing and sales processes. Additionally, the Company seeks to capture an overwhelming share of the Japanese market by leveraging its extensive knowledge of business processes across various industries. The Company harnesses the PLG model in AI-driven data analysis, enabling it to significantly expand its user base while curbing advertising expenses. This strategy is driving the evolution of Chatwork into the most suitable product for next-generation BPaaS in the business chat market.



Source: The Company's results briefing materials

(2) BPaaS strategy

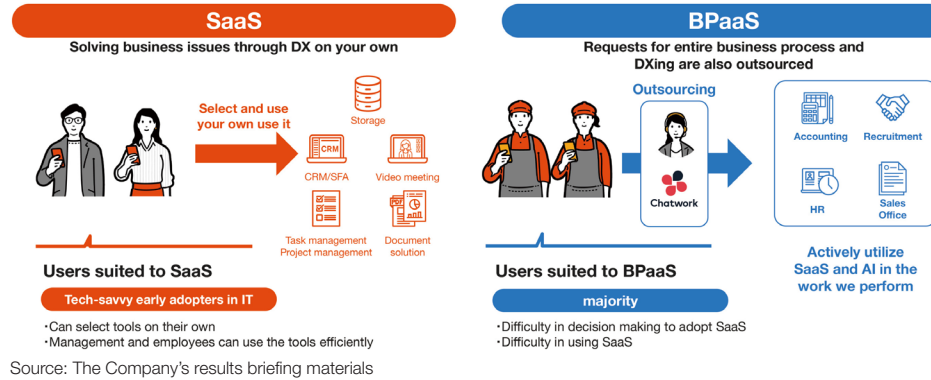
The goal of the BPaaS strategy is to dramatically improve the operational efficiency of client companies by delivering business processes as cloud services. BPaaS differs from conventional BPO by offering advanced workflow automation through the use of SaaS. Whereas SaaS is mainly targeted to advanced IT users, BPaaS offers highly convenient solutions for many SMEs, enabling them to significantly reduce management costs by advancing DX in their business processes. The Company has developed an API-integrated workflow automation engine for its business chat-centered platform, enabling it to provide customers with more efficient services while minimizing operational man-hours. Moreover, the Company has been expanding its BPaaS offerings by leveraging its extremely large customer base of over 930,000 businesses using Chatwork. The Company's BPaaS offerings provide effective solutions to companies lacking sufficient in-house DX professionals and support businesses struggling to advance DX by offering cloud-based business process services. Furthermore, the Company aims to offer a wide range of one-stop solutions, from general business operations to advanced specialized tasks. By doing so, the Company seeks to achieve higher earnings while securing competitive advantages in the BPaaS market.

kubell Co., Ltd.
4448 Tokyo Stock Exchange Growth Market

15-Oct.-2025
<https://www.kubell.com/en/ir/>

Growth strategy

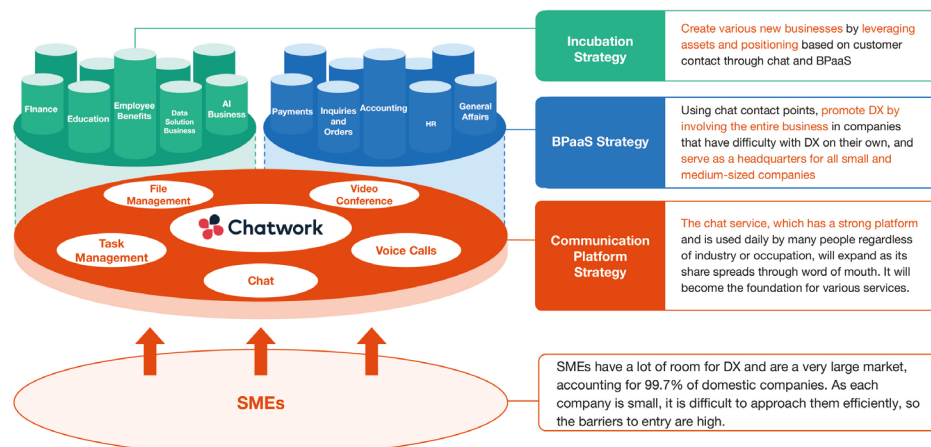
Differences between SaaS and BPaaS



(3) Incubation strategy

Under its Incubation strategy, the Company aims to establish a third pillar of growth following its business chat services and BPaaS offerings. This strategy involves integrating AI technology in making the most of the Company's extensive customer assets and platform capabilities with the aim of creating additional value. The Company seeks to qualitatively and quantitatively expand its scope of customer data, based on which it aims to enhance marketing efficiency while creating new AI-powered businesses. For instance, the Company provides new services tailored to customer needs by analyzing textual data amassed through business chat and developing AI-powered personalized services. Also, the Company launched the kubell BPaaS Fund in FY2021, which serves as its corporate venture capital (CVC). Through the fund, the Company facilitates growth of its investee companies and strengthens partnerships undertaken to generate synergies. Notably, the Company made MINAGINE a wholly owned subsidiary in January 2023, (which was integrated with kubell partner in July 2025) enabling it to provide BPaaS solutions in the human resources and labor management field and paving the way for more expanded investment opportunities. As such, the Incubation strategy constitutes key initiatives aimed at strengthening the Company's existing businesses, creating new pillars of discontinuous growth, and solidifying its long-term earnings base. Recently, the Company announced that it had entered into a capital and business alliance with employee benefits platform provider miive, Inc. in November 2024, raising expectations that the Company will step up its efforts in the employee benefits field, a key pillar of its Incubation strategy.

Three interrelated strategies

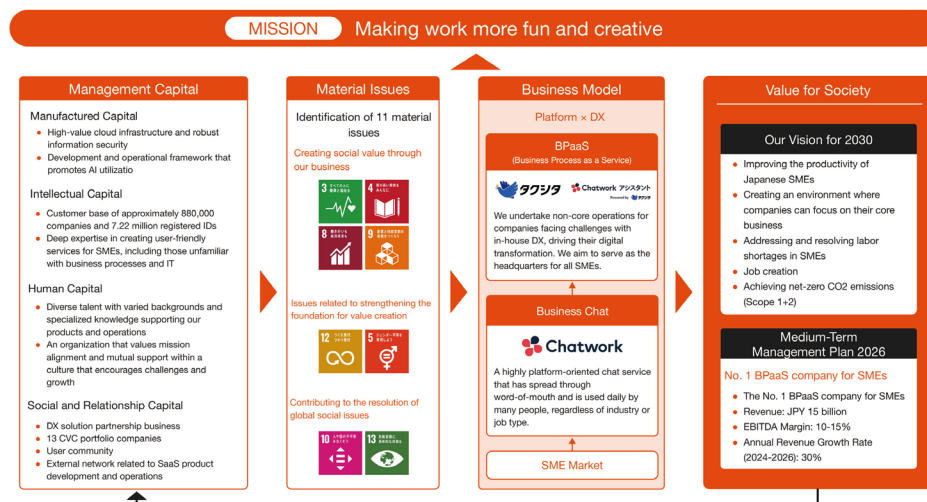


Growth strategy

2. Sustainability vision

The Company has established its sustainability vision, underpinned by its mission of “making work more fun and creative.” The Company accordingly aims to create a society that enables people to enjoy their work and express their creativity toward achieving their dreams and aspirations, thereby ensuring that the time people spend working is not merely a means of earning a living. The Company believes that this will enrich the lives of working people, thereby giving rise to value creation that will make society more prosperous and sustainable. To achieve this vision, the Company embraces cooperation with its stakeholders, aiming to help achieve a sustainable society through co-creation.

Value creation process based on the sustainability vision



Source: The Company's results briefing materials

■ Shareholder return policy

Ongoing business expansion to involve allocating profits to essential investment for the time being

The Company positions returning profits to its shareholders as a key management priority and adopts a basic policy of providing appropriate dividends while maintaining a balance between shareholder returns and internal reserves. However, the Company recognizes that it is currently in a growth phase and has accordingly prioritized fortifying its internal reserves and focusing on investments aimed at enhancing profitability and developing its business foundations. The Company believes that such investment will enable stable and sustained shareholder returns in the future, and the decision on payment of dividends remains pending.

Meanwhile, the Company's shareholder benefits plan provides for one ID free of charge under the Personal Plan, which is one of the Company's paid services, thereby waiving the monthly fee for the ID over the duration of stock ownership. The Company offers this benefit in seeking to encourage a greater number of shareholders to use its services so that they gain a more extensive understanding of the Company. The benefit applies to shareholders listed as holding at least one share unit (100 shares) in the shareholder register for six or more consecutive months as of June 30 and December 31 of each year. The Company continues to offer the Personal Plan as a shareholder benefit, although it was previously integrated into the Business Plan.

Under its shareholder return policy, the Company has opted to assign priority to investment in growth rather than paying direct dividends at this stage, but it will also encourage long-term support of its shareholders through shareholder benefits and by implementing measures to enhance their understanding and support of the Company. This strategy is based on the belief that it will lead to consistent shareholder returns in the future. We at FISCO believe that focus should be placed on the future returns from the Company's invested capital for the time being, given the prevailing need to allocate capital to upfront investments.

Disclaimer

FISCO Ltd. ("FISCO") offers stock price and index information for use under the approval of the Tokyo Stock Exchange, the Osaka Exchange, and Nikkei Inc.

This report is provided solely for the purpose of offering information and is not a solicitation of investment nor any other act or action.

FISCO has prepared and published this report based on information it deems reliable. However, FISCO does not warrant the accuracy, completeness, certainty, nor reliability of the contents of this report or the said information.

The issuers' securities, currencies, commodities, and other financial instruments mentioned in this report may increase or decrease in value or lose their value due to influence from corporate activities, economic policies, world affairs, and other factors. This report does not make any promises regarding any future outcomes. If you use this report or any information mentioned herein, regardless of the purpose therefor, such use shall be based on your judgment and responsibility, and FISCO shall not be liable for any damage incurred by you as a result of such use, irrespective of the reason.

This report was prepared at the request of the subject company, with information provided by the company through telephone interviews and other means, and with compensation from the company. Hypotheses, conclusions and all other content contained in this report are based on FISCO's analysis. The contents of this report are current as of the date of preparation and are subject to change without notice. FISCO is not obligated to update this report.

The intellectual property rights, including the copyrights to the main text, data, and the like, belong to FISCO, and any revision, reprocessing, reproduction, transmission, distribution or the like of this report and any duplicate hereof without the permission of FISCO is strictly prohibited.

FISCO and its affiliated companies, as well as the directors, officers, and employees thereof, may currently or in the future trade or hold the financial instruments or the securities of issuers that are mentioned in this report.

Please use the information in this report with an understanding and acceptance of the above points.

■ For inquiries, please contact: ■

FISCO Ltd.

5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062

Phone: 03-5774-2443 (IR Consulting Business Division)

Email: support@fisco.co.jp