



BrainPad Inc.

Q1 Financial Results Briefing for the Fiscal Year Ending June 2022

November 16, 2021

Event Summary

[Company Name]	BrainPad Inc.
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[Event Language]	JPN
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[Event Name]	Q1 Financial Results Briefing for the Fiscal Year Ending June 2022
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[Date]	November 16, 2021
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[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	2 Takafumi Kusano CEO/Representative Director Ko Ishikawa Director/CFO

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Presentation

Moderator: Hello, everyone. We will begin the financial results briefing for the first quarter of the fiscal year ending June 2022 of BrainPad Inc.

Mr. Takafumi Kusano, CEO and Representative Director, and Mr. Ko Ishikawa, Director and CFO, are present today from BrainPad Inc. Mr. Kusano will provide an overview of the financial results for the first quarter, and then, we will take your questions.

The materials used today are the same as the supplementary explanatory materials for financial results for the first quarter of the fiscal year ending June 2022 posted on our IR website.

Now, we will begin the explanation. President Kusano, please.

はじめに ～当社が目指すもの～

創業以来の変わらぬミッション

“データ活用の促進を通じて持続可能な未来をつくる”

ブレインパッドは、2004年の創業当時から、顧客企業のデータを活用した経営改善を支援してきました。
ビッグデータ、AI、IoTなど、時代ごとにキーワードは違えど、
その根底はデータを分析・活用して価値に変え、企業活動に変化と改善をもたらすことです。

データは蓄積するだけではただのコストです。私たちは、データを価値に変えるために必要な
分析力（国内随一のデータサイエンティスト数）
エンジニアリング力（市場No.1製品を自社開発・提供できる技術力）
ビジネス力（データ活用を支援した企業は業種問わず1,000社超）
の3つの力を有した、世界でも稀有な企業です。

世界的に増え続ける人口（減り続ける日本の人口）と、限られた資源、加速する環境変化の中で
私たちは「データ活用のプロフェッショナル」として、
ビジネスに、データに基づく高度化とイノベーションを与え、
世界の持続可能性の向上に寄与してまいります。

 **BrainPad** Analytics Innovation Company ©BrainPad Inc. 2

Kusano: I'm Kusano, CEO and Representative Director. Thank you for your time today.

Now, let me start with the financial results for the first quarter of the fiscal year ending June 2022.

First, let me briefly introduce what the Company is aiming for.

Since its foundation, our company has been committed to a consistent mission. We are a business-to-business company that aims for creating a sustainable future through the promotion of data utilization. We are a

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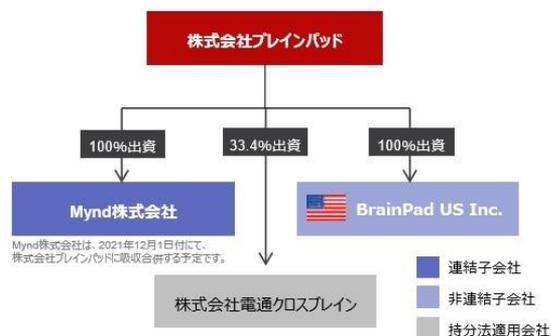
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company that consistently provides business-to-business services in order to realize that if companies that already have significant influence in the world change the way they utilize data, various types of waste and waste of resources can be reduced, resulting in a sustainable future.

会社概要

商号	株式会社ブレインパッド (英文 BrainPad Inc.)	
本社所在地	東京都港区白金台3-2-10 白金台ビル	
電話番号	03-6721-7001 (代表)	
設立	2004年3月18日	
上場	2011年9月 東京証券取引所 マザーズ上場 2013年7月 同 市場第一部上場 (証券コード: 3655)	
資本金	597百万円 (2021年9月30日現在)	
従業員数	437名 (連結、2021年9月30日現在)	
役員	代表取締役会長 (創業者)	佐藤 清之輔
	代表取締役社長 (創業者)	草野 隆史
	取締役	石川 耕
	取締役	関口 朋宏
	社外取締役	佐野 哲哉 *
	社外取締役	牛島 真希子 *
	社外取締役 (常勤の監査等委員)	鈴木 晴夫 *
	社外取締役 (監査等委員)	山口 勝之
	社外取締役 (監査等委員)	大久保 和孝 *
	* 独立役員	
主な加入団体	<ul style="list-style-type: none"> 一般社団法人データサイエンティスト協会 一般社団法人日本ディープラーニング協会 	

グループ体制



認証



JIS Q 15001
認証番号: 10822646



認証・制度
ISO (JIS Q) 27001

認証の登録範囲は、Webレコメンデーションならびに
広告配信技術、データ分析技術を利用したSaaS
サービスです。

At present, our company, as I will tell you later, has been in business for 17 years since its establishment in 2004, and has been operating in this manner.

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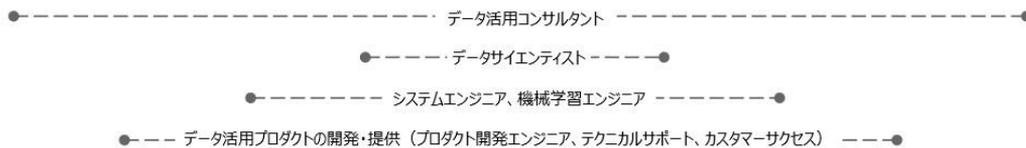
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ブレインパッドの強み

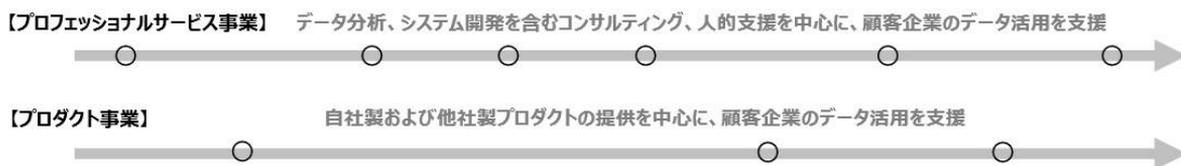
：データ分析力をコアに、データによる価値創造のバリューチェーンを網羅していること



データ活用人材が活躍する主な領域



主な事業領域



The strength of our company is that its founding business started with the analysis of entrusted data from companies.

Derived from there, we have entered the development of an environment for analysis, training of human resources, and consultation on data utilization. Centered on the utilization of data, I suppose that we have become 1 of the very few companies in Japan that can provide comprehensive services ranging from consultation and cost formulation in the most upstream to training of human resources.

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プロフェッショナルサービス事業

データ分析、システム開発を含むコンサルティング、人的支援を通じて、顧客企業のデータ活用支援を行う事業です。売上高の大部分は、業務受託によるフロー型のビジネスモデルです。

直近の収益構造 (2021年6月期)

- 顧客の経営課題に合わせてプロジェクト単位で受注
- プロジェクト期間は、数か月～数年まで様々、プロジェクト体制も、数名～10名近くまで様々
- 数か月ごとに契約更新し、数年にわたり支援している企業も多い



- コストの約60%が社員人件費
- システム開発案件は、外注を活用し、利益率をコントロール
- その他は、他社クラウドサービスやソフトウェア利用料等
- セグメント利益率37.8%

特徴、強み

- 業界随一の規模を誇るデータサイエンティスト組織が、多様な分析技術を組み合わせ、顧客ごとに固有の課題に対応
- 業界でもいち早く新卒採用を開始し、毎年数十名の新卒を育成し続けることのできる組織力
- 業種に特化せず、幅広い業種に対する支援実績
- ベンダーフリーの立場で、課題に合わせたクラウド等の選定力、データやAIの特性を理解したうえでのシステム開発力

代表的なサービス

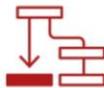
データ活用コンサルティング



- データ活用テーマの選定
- データ活用の適用領域の見極め
- データ活用の戦略立案・実行計画の策定支援
- データ活用投資に対する経営者の意思決定支援

ほか

データ分析、予測、最適化



- 需要予測・販売数予測
- 価格最適化
- 配送ルート・車両配置の最適化
- 故障予測・不良品検知
- 顧客構造分析
- 解約要因分析・解約予測
- SNS分析
- 広告投資の最適化

ほか

データ活用・分析基盤の構築



- 最適なハードウェア/ソフトウェアを組み合わせデータ基盤の構築 (SI)
- 機械学習等のアルゴリズムのシステム組み込み開発

ほか

【主な利用製品】



データ活用人材の育成、組織・体制の整備



- データ活用組織・体制の整備や立ち上げ
- データ活用人材やデータサイエンティストの育成
- メソッドを組み合わせたカスタマイズプログラム提供
- 公開講座 (データ活用人材育成サービス) 提供

ほか

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プロダクト事業

自社製および他社製プロダクトの提供を通じて、顧客企業のデータ活用支援を行う事業です。売上高の大部分は月額課金のライセンス収入からなる、ストック型のビジネスモデルです。

直近の収益構造 (2021年6月期)

- 売上高の約65%が「Rtoaster」関連の売上
- 売上高の85%以上が、解約が無い限りは積み上がるストック型売上高
- カスタマイズ開発やライセンス収入を維持・拡大するための、人的サービスは、ストック売上高には含まれない



- コストの約40%が社員人件費
- その他は、自社製プロダクト運用のためのデータセンター費用、プロダクト開発・保守のための外注費、他社製プロダクトの仕入等
- セグメント利益率30.1%

特徴、強み

- 自社製品には、データ分析力を生かした高精度な自社開発アルゴリズムを搭載
- 他社製品は、独自性が強い海外ツールを目利き・選定
- 業界トップクラスのシェアを誇る「Rtoaster」を中心に、他社製品ともベンダーフリーに連携し、多様なデータを活用した、あらゆる顧客接点をカバーするパーソナライズアクションが可能

代表的なプロダクト

主力製品						
データビジネス・プラットフォーム (CDP/プライベートDMP) Rtoaster (アールトースター) 顧客データを統合・分析し、高精度なパーソナライズを実現するトータルソリューション	マーケティングオートメーションプラットフォーム Probrance (プロブランス) 機械学習で顧客ニーズを予測し、パーソナライズコミュニケーションを実現	デジタルコンシューマー・インテリジェンス Brandwatch (ブランドウォッチ) 業界最大級のデータとAIを搭載したマーケティングリサーチプラットフォーム	自然言語処理エンジン Mynd plus (マインドプラス) 人工知能・機械学習・統計学技術を駆使してテキストデータを解析	マッチングエンジン Conomi (コノミ) 収集・蓄積したデータを活用して、独自のアルゴリズムでヒト・モノを複合的にマッチング	拡張分析ツール BrainPad VizTact 機械学習とビジュアル分析を組み合わせてパターンやルールを発見し、意思決定をサポート	機械学習・統計解析・分析・レポート・マーケティングシステム WPS Analytics スケーラブルなデータ加工と分析ができ、バリエーションの高い汎用性を持つ、分析ソフトウェアプラットフォーム
■ 自社開発製品 ■ 自社製品 ■ 当社が国内唯一の販売代理店である製品 ■ その他						

Our company is roughly divided into 2 businesses, for which I would like you to see this, as they have a lot of content. The presentation is divided into 2 segments, professional services business and product business.

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主なクライアント

これまでに当社との取引実績があり企業名等の公表を許可いただいている、または、プレスリリースやメディア掲載等で取引実績のあることが公知となっている顧客を抜粋したものです。
(2021年11月12日現在、敬称略、順不同)

小売・流通・卸売	伊藤忠商事(株)、(株)すかいらーくホールディングス、(株)ゲオ、(株)高島屋、(株)ローソン、カルチュア・コンビニエンス・クラブ(株)、アスクル(株)、(株)I-ne、エネカ(株)、(株)オークローンマーケティング、(株)オートバックスセブン、国分グループ本社(株)、(株)コナカ、(株)三陽商会、(株)自由が丘フーズ、(株)セレクトスクエア、全日空商事(株)、(株)そごう・西武、(株)タイムマシン、(株)セシル、(株)ドラマ、バルシステム生活協同組合連合会、(株)パロックジャパンリミテッド、(株)B4F、(株)フェリシモ、(株)ロッピングライブ
製造	トヨタ自動車(株)、三菱電機(株)、資生堂ジャパン(株)、キューピー(株)、アサヒグループホールディングス(株)、コーセープロピジョン(株)、日産自動車(株)、日本コカ・コーラ(株)、日本たばこ産業(株)、(株)ファンケル、(株)明治、(株)オンワードホールディングス、キッコーマン(株)、(株)キリンホールディングス、(株)SABON Japan、サンスター(株)、ディーゼルジャパン(株)、西川(株)、(株)ピーチ・ジョン、(株)富士フイルム ヘルスクエア ラボラトリー、UCCホールディングス(株)、ライオン(株)、(株)ワコール
金融	SMBC日興証券(株)、(株)りそな銀行、(株)山口フィナンシャルグループ、みずほ証券(株)、(株)ジェーシービー、(株)伊予銀行、(株)新生銀行、三井住友信託銀行(株)、(株)三菱UFJ銀行、(株)横浜銀行、大和証券(株)、松井証券(株)、(株)オリエントコーポレーション、ポケットカード(株)、(株)マネースクエア
旅行・航空・運輸	日本航空(株)、全日本空輸(株)、(株)日本旅行、九州旅客鉄道(株)、ヤマト運輸(株)、ゆこゆこホールディングス(株)、(株)読売旅行、ヒルトン・ワールドワイド、(株)プリンスホテル
IT・情報・通信	グーグル合同会社、ヤフー(株)、(株)大塚商会、GMOリサーチ(株)、ニフティ(株)、(株)アイスタイル、エアロセンス(株)、(株)イトレッド、オーエムネットワーク(株)、(株)クラウドワークス、(株)JR東日本ネットステーション、CCCマーケティング(株)、タイボウ情報システム(株)、トレンドマイクロ(株)、富士通クラウドテクノロジーズ(株)、メディカル・データ・ビジョン(株)、(株)ユニメディア
電力・エネルギー・建設	大東建託(株)、ミサワホーム(株)、八千代エンジニアリング(株)、積水ハウス(株)、野村不動産ソリューションズ(株)、三井不動産レジデンシャルリース(株)
メディア・広告・インタメ・その他	NIKKEI STYLE、(株)WOWOW、びあ(株)、農林水産省、国立大学法人大阪大学、(株)MS-Japan、(株)マイナビ、アイティメディア(株)、(株)朝日新聞社、(株)フジテレビジョン、(株)JT/Bパブリッシング、スターツ出版(株)、(株)日本ビジネスプレス、大日本印刷(株)、(株)デルフィス、(株)博報堂プロダクツ、ビーコンコミュニケーションズ(株)、(株)マツキャンエリクソン、(株)セガ、(株)ベネッセコーポレーション、(株)エキスパートスタッフ、エン・ジャパン(株)、(株)スタッフブリッジ、(株)ディスコ、テクノプロ・ホールディングス(株)、(株)日経HR、(株)パソナテック、(株)ビズリーチ、(株)ビーネックステクノロジーズ、プロファイルズ(株)、(株)リクルートスタッフィング、(株)イタミアート、(株)インタースペース、(株)カカコム、(株)さとふる、シタックス(株)、(株)ミクシィ

Our company is now accepting work from a wide variety of client companies, and this is a list of clients that have given us permission to name them.

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資本業務提携について

2020.11.20発表

伊藤忠商事株式会社との資本業務提携を発表



- 伊藤忠商事が、当社に3%出資。
- 伊藤忠商事とは、2018年より、DX推進のためのデータ活用事例の創出とそのため基盤・体制構築に着手。
- 既に、伊藤忠商事グループの各現場において、サプライチェーン関連のデータを活用した発注・在庫・物流の最適化や、店舗等の消費者接点の強化といったデータ活用の実用化が進む。
- この提携を通じて、伊藤忠商事のグループ企業各社とも連携し、データを活用した既存事業の拡大や、新規事業創出を推進。

2020.7.20設立

株式会社電通グループと合弁会社を設立



- 合弁会社名：株式会社電通クロスブレイン
(出資比率 電通グループ66.6%、当社33.4%)
※当社にとっては、持分法適用会社。略称：DXB。
- 電通グループ各社のマーケティング戦略立案力と実行力、当社のデータ分析力を融合。
- マーケティング領域におけるデータの収集、蓄積、分析、分析結果に基づく施策の立案、実行の支援・代行を行う専門会社として、DX時代に求められる企業のマーケティング活動を強力に支援。
- 2020年10月より営業開始。

We also announced 2 major capital and business alliances last year.

They are a joint venture with Dentsu Inc. and investment by ITOCHU Corporation in our company.

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案件規模別の売上構成（期末のみ更新）

※データ活用の総合力を発揮して案件の大型化を進める、という当社グループの成長方針の進捗を測るための参考指標

再掲

年間売上高1億円以上の顧客件数、売上高ともに増加。

コロナ影響がある中でも、中期経営計画にて推進中の大型案件開拓を進めることができている。

案件規模別の顧客数（単体）



案件規模別の売上構成（単体）



Page 9.

This page has also been updated only for the end of the fiscal year, while as part of our mid-term plan, we have set a goal of increasing the size of our projects.

By announcing the increase in large-scale projects once a year after the end of each fiscal year, I believe that you will be able to confirm that we have been making steady progress so far.

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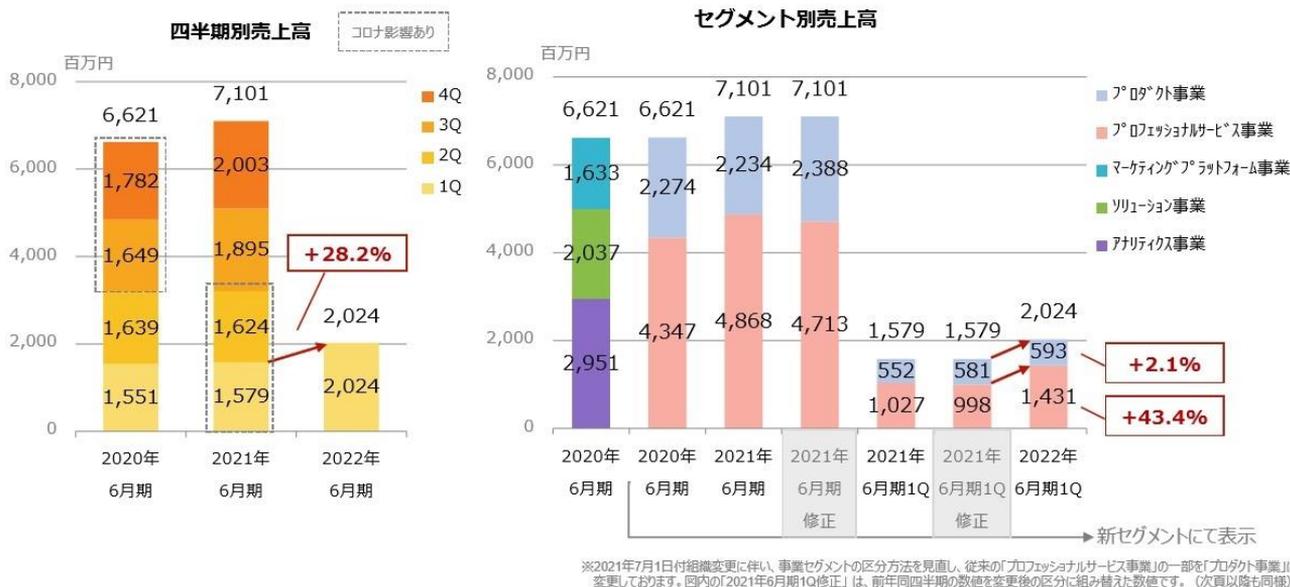
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3期比較（連結売上高：四半期別／セグメント別）

売上高は、プロフェッショナルサービス事業が牽引し、前年同期比+28.2%の高成長となった。
 （前期1Q売上高が、コロナ影響により前々期1Q並みの売上高に留まったことも、当期1Qの高成長の理由の一つ。）

例年の1Qは前期4Qより減収となることが多いが、当期1Qは前期4Qを上回り、過去最高の四半期売上高を達成。



I will now move on to the highlights of our first quarter results.

Sales saw a high growth of 28.2% YoY, led by the professional services business.

In most years, sales in the first quarter are lower than those in the fourth quarter of the previous fiscal year, but in the current fiscal year, sales in the first quarter exceeded those in the fourth quarter of the previous fiscal year, achieving record sales for the quarter. This business was considerably affected by COVID-19, but I think you can see that it is regaining or exceeding its previous momentum.

1 point, there are gray-shaded areas, indicating revisions. As we will explain later, we are reorganizing some of our sales, which were previously accounted for by our professional services business, while re-growth of our product business has become a very big issue for this fiscal year. For this reason, we need to add sales from our professional services business to our product business, so we have made revisions including last year's sales.

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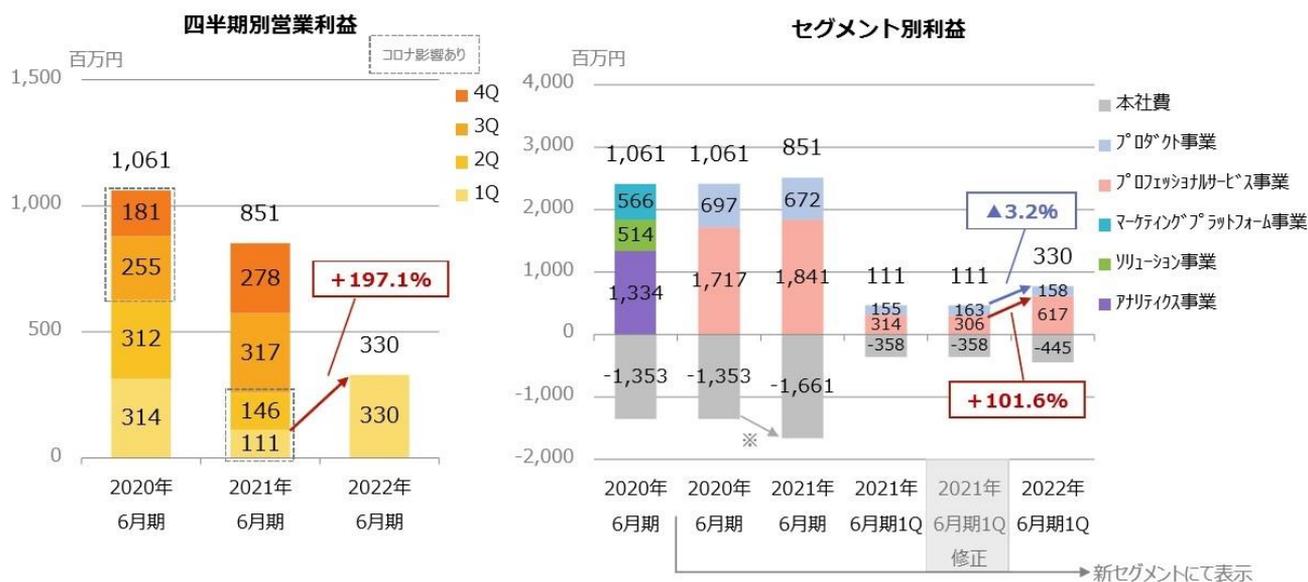
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3期比較（連結営業利益：四半期別／セグメント別）

プロフェッショナルサービス事業の売上が好調に推移したことに加え、広告宣伝費等の一部費用の支出が想定よりも少なかったことも影響し、営業利益は、前期比+197.1%と大きく回復。

当期1Qの営業利益率は16.3%となり、目指すべき水準に回復してきている。



※販管部門（営業・マーケティング部門、管理部門）の人材採用を先行して進めたため、本社費の増加も先行。

Next, consolidated operating income by segment.

Operating income recovered significantly, up 197.1% YoY, due to lower-than-expected expenses including advertising expenses, in addition to strong sales in the professional services business. The operating income margin for the first quarter of the current fiscal year was 16.3%, recovering to the level that our company is aiming for.

Ordinary income and net income are also following the same trend as operating income described above, so I will skip the details.

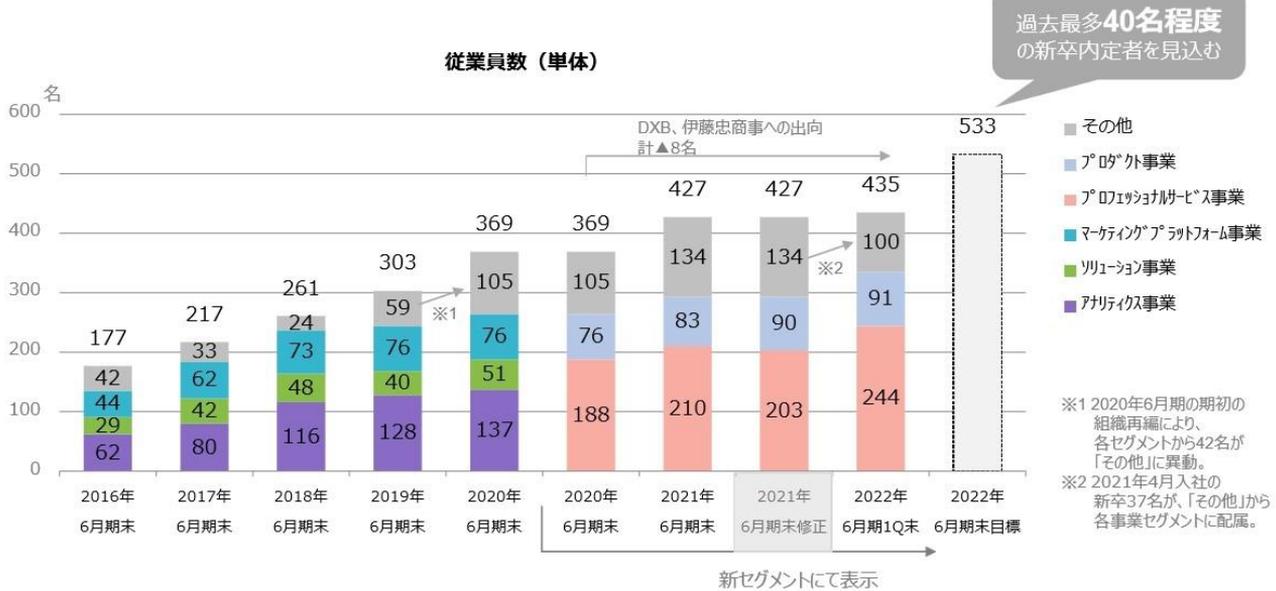
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従業員数の推移（単体）

中途採用数を伸ばし切れなかった前期に比べ、当期の中途採用は想定の範囲で進捗しており、本日（2021年11月12日時点）の従業員数は、**443名**。
 来年4月には、過去最多となる 40名程度 の新卒社員の入社も控える。
 退職率は、これまでの水準（10%弱）並みで推移している。



Changes in the number of employees.

Compared with the previous fiscal year, when the number of mid-career recruits could not be increased, the number of mid-career recruits in the current fiscal year was within the expectations. As of today, we have 443 employees, with a record 40 new graduates joining our company in April next year. We have already made job offers, which have been accepted.

The retirement rate has also remained at the previous level of about 10%.

Consolidated profit and loss and others are as described, so please read it if you have time. The same applies to the balance sheet.

Support

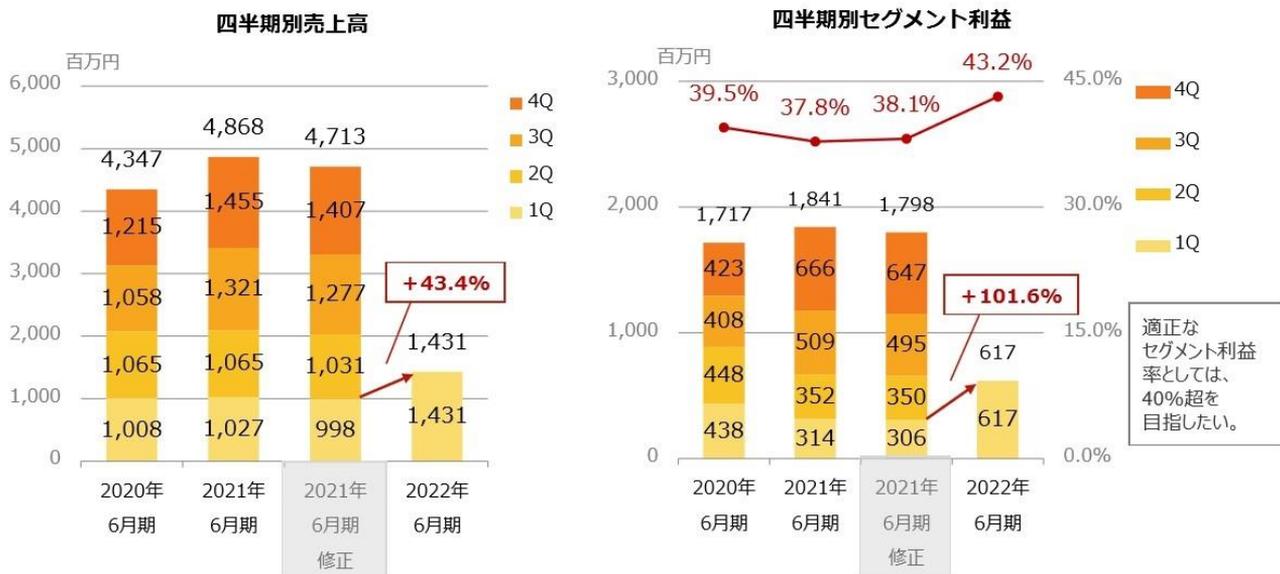
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プロフェッショナルサービス事業（単体）3期比較

DX・データ活用に対する需要が高まり続け、受注活動が活発化する中、案件の長期化・大型化が進み、売上高・利益ともに、前年同期を大きく上回って推移。

セグメント利益率は43.2%となっており、目指すべき利益率水準にて推移している。強い需要に応えるため、採用活動を一層強化していきたい。



I will now move on to the highlights of non-consolidated results and non-consolidated segment results.

Let's look at the professional services business.

Demand for DX and data utilization continued to rise, accompanied by strong order activity. Both net sales and profits were significantly higher than in the same period of the previous fiscal year due to longer and larger projects.

The segment profit margin was 43.2%, which was consistent with the target profit margin level. We will further strengthen our recruitment activities to meet strong demand.

Support

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プロフェッショナルサービス事業（単体）売上高、顧客数、従業員数

当期1Qの売上高、顧客1社あたり売上高は、案件の長期化・大型化が進み、過去最高となった。当期初に新卒社員が本配属となったことから、有償稼働に至らない従業員数が増加しており、従業員1名あたり売上高は一時的に低下。下期に向け、新卒社員の有償稼働化を推進。



This shows net sales, number of customers, and number of employees for the professional services business.

Net sales in the first quarter of the current fiscal year and sales per client company reached record highs due to the ongoing trend of longer and larger projects.

As new graduates were assigned to new positions at the beginning of the current fiscal year, the number of employees who were unable to work for paid utilization increased, and net sales per employee declined temporarily. I reckon that this will be resolved by raising the paid utilization rate for new graduates toward the second half of the fiscal year.

Support

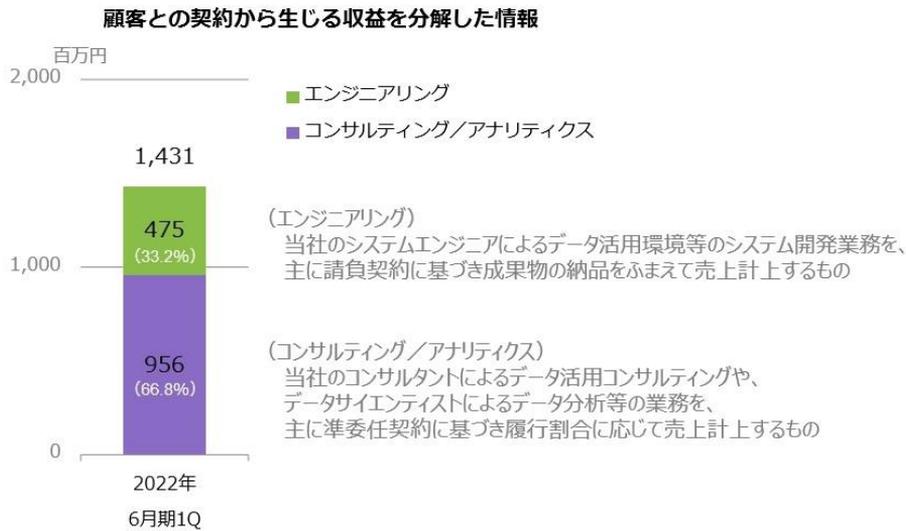
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プロフェッショナルサービス事業（単体）の収益分解

NEW

当期1Qより、収益認識会計基準を適用。
顧客との契約から生じる収益を分解すると、当事業の収益は大きく2つに分解される。



This is a new format of disclosure, which shows a revenue breakdown of the professional services business.

Effective from the first quarter of the current fiscal year, our company adopted the revenue recognition standard. Please note that if we break down the revenue generated from contracts with customers, the revenue of the business is large, breaking it into 2 in such a way.

Support

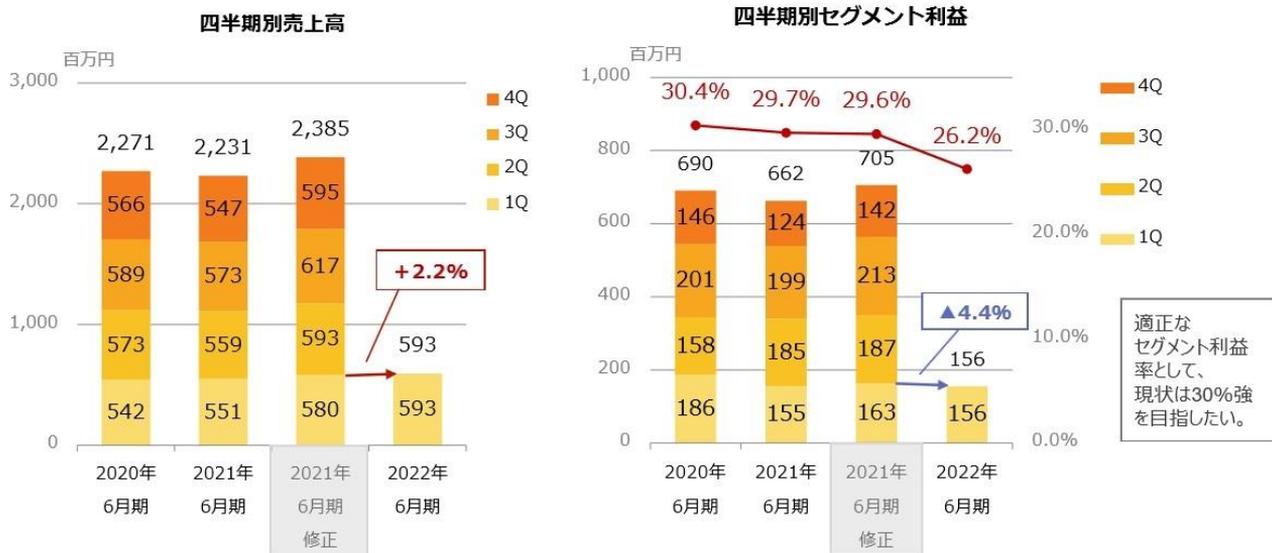
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プロダクト事業（単体）3期比較

プロダクト事業の再成長に向けた取り組みを推進している中、その成果が表れ始めるまでには一定の期間がかかるものと考えており、当期1Qの売上高は、微増に留まる。

主力プロダクトへのリソース集中や、各種コストの適正化を進める一方で、再成長に向けて、前期からの人員増による社員人件費の増加等の影響もあり、セグメント利益は微減。



Next, we will move on to a 3-year comparison of the product business.

While we are promoting initiatives aimed at the re-growth of our product business, we suppose that it will take a certain period of time to see the results, and net sales in the first quarter of the current fiscal year increased only slightly.

Segment profit decreased slightly partly due to the impact of increased personnel expenses from the previous fiscal year due to an increase in employees for regrowth, as well as the concentration of resources in core products and the optimization of various costs.

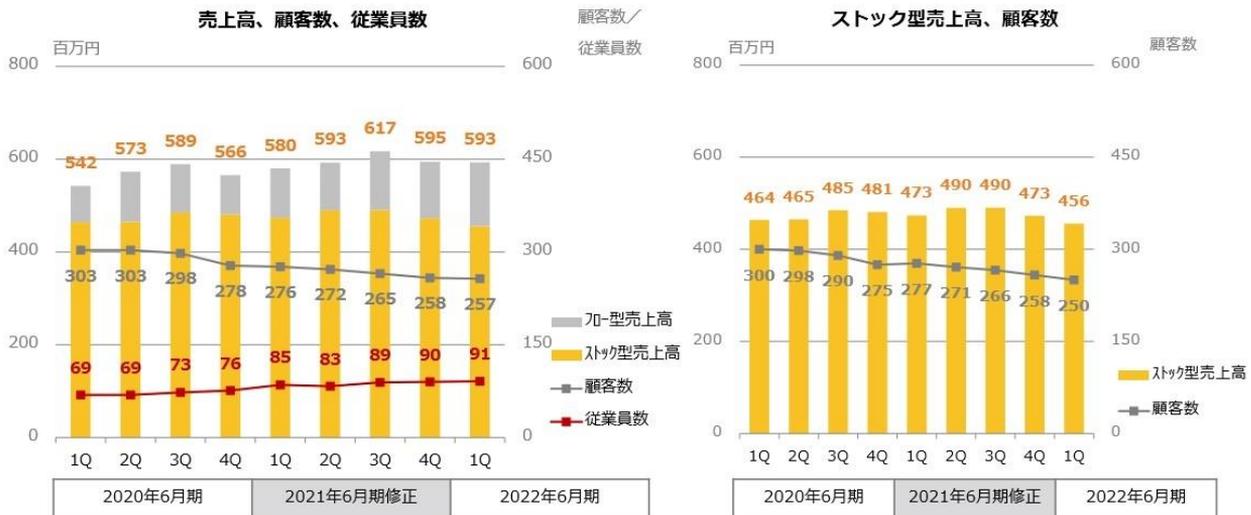
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プロダクト事業（単体）顧客数、従業員数、ストック型売上高

当期1Qは、中規模案件の契約終了があった一方で、新規受注が伸びず、ストック売上高が減少。当事業の再成長のため、関連部門を集約する組織変更や、中規模案件の獲得を促進するための営業体制への組み替えを当期初に実施済。これらによる販促機能・販売力の強化により、顧客数、ストック売上高の回復に注力していく。



In the first quarter of the current fiscal year, while there was a termination of a contract for a medium-sized project, new orders did not grow, and stock-type sales declined.

At the beginning of the current fiscal year, we reorganized our sales structure to promote the acquisition of medium-scale projects, such as consolidating related division, in order to regrow the business. We intend to recover the number of customers and stock-type sales through the strengthening of sales promotion functions and sales capabilities by these measures.

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直近に発表した「Rtoaster」に関するプレスリリース、記事掲載

評価・受賞

「Rtoaster」が、ITreviewの4部門にて、4期連続「Leader」を受賞（2021.10.13）

- IT製品レビュープラットフォームを運営するアイテイククラウド㈱の「ITreview Grid Award 2021 Fall」において、「DMP部門」「CDP部門」「レコメンドエンジン部門」にて、4期連続「Leader」を獲得。
- 効果を最大化する条件設定の柔軟性と、質の高いサポート体制が評価。

「Rtoaster」をマーケティングDXにご活用いただいている顧客企業との対談記事を継続的に発表

2021.04.17

パロックジャパンリミテッドがブレインパッドと推進するマーケティングDXの軌跡とこれから

<https://markezine.jp/article/detail/36069>



2021.06.14

フェリシモ「クラスター&トライブ戦略」に学ぶ、マーケティングDXの取り組み方

<https://markezine.jp/article/detail/36286>



2021.06.30

「埋蔵人材の心理」にこだわった転職サイト“AMBI”のマーケティング戦略とデータ活用

<https://markezine.jp/article/detail/36411>



2021.10.27

業界No.1のメーカーECサイトを目標して

——オンワード×ブレインパッドが描くデジタル戦略とは

<https://markezine.jp/article/detail/37130>



Among Rtoaster and other major products related to the product business, the recent press release on Rtoaster shows that it continues to receive very high evaluation in IT reviews.

In addition, we are constantly issuing press releases with companies that use Rtoaster on the marketing DX using Rtoaster.

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(1-1) 連結業績予想（上期利益面のみ上方修正）

売上高：受注活動がコロナ前を上回る水準に達してきていることをふまえ、中計で目標とする年率20%前後の売上成長を目指す。

利益面：投資を伴う3つの重点アクション（詳細は次頁）を実行しながらも、営業利益率を維持し、売上成長同等の利益成長を目指す。

売上高・利益面ともに、左記方針に変更なし。

※通期利益予想を据え置いた理由は次頁に記載。



I would like to continue with the earnings forecast and capital policy for the fiscal year ending June 2022.

First of all, with regard to our consolidated earnings forecast, we will only revise up the profit side for the first half of the fiscal year.

For net sales, in light of the fact that order activity has reached a level higher than that before COVID-19, we are aiming to achieve an annual sales growth rate of around 20% as our line of target in the mid-term plan.

In terms of profit, we will aim to achieve the same level of profit growth as sales growth for this fiscal year by maintaining the operating profit margin while implementing the 3 major priority actions accompanied by investment.

There have been no major changes to this policy in terms of both sales and profits. However, based on the progress made in the first quarter of the first half of the fiscal year, only the profit for the first half of the fiscal year was revised upward.

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(1-2) 通期利益予想を据え置いた理由

NEW

当期1Qの進捗をふまえて上期利益予想を上方修正した一方で、通期の利益予想を据え置いた理由は、以下の通り。

- プロフェッショナルサービス事業に対する需要が旺盛な中、一部職種において採用活動にやや遅れがあり、人員が逼迫している。
人員が逼迫する中でも、案件の獲得と実施が進んでいるため、一部の案件において、業務委託費等の増加、売上計上時期の遅れが生じる可能性を見込んでいる。また案件の大型化により、原価が当初想定を超過するリスクが、従来よりも大きくなっている。
- 当期1Qにおいて未使用となった広告宣伝費・人材採用費等について、下期および来期の成長のためにも、2Q以降に使用する予定となっている。
- プロダクト事業の再成長に向けた取り組みの成果が表れてくる時期が、下期以降となり、今期における売上成長や利益貢献が限定的になる可能性があるため。

I would like to explain the reason for keeping the full-year profit forecast unchanged.

Amid strong demand in the professional services business, recruitment activities for some positions have been somewhat delayed, resulting in tight staffing.

Despite the tight staffing situation, the acquisition and implementation of projects are progressing, and it is anticipated that there will be an increase in outsourcing expenses and delays in the timing of recording sales for some projects. In addition, due to the increase in the size of projects, the risk of cost exceeding the initial estimate has become greater than before.

Moreover, unused advertising and recruitment expenses in the first quarter of the current fiscal year will also be used from the second quarter onwards for growth in the second half of the current fiscal year and the next fiscal year.

Lastly, the period in which the results of initiatives aimed at the re-growth of the product business shows will be the second half or later, and sales growth and contribution to profit in this fiscal year may be limited. Therefore, we have decided to keep the forecast unchanged by also taking this into account.

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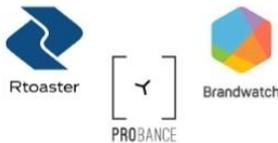
(2) 投資を伴う、3つの重点アクション



積極的な 人材採用の 継続

当社単体で、
中途・新卒合わせ、**106名**
(当期末比24.8%増)
の増員を計画。

5億円程度の費用増
(社員人件費、人材採用費等)



プロダクト事業 の再成長

同事業に係る部門を集約する
組織変更を実施するとともに、
主力プロダクトに人材をはじめ、
経営資源を集中させる計画。

従来を大きく上回る支出の
計画はないものの、セールス・
マーケティング機能、プロセスを
強化するための各種取り組み
に注力。

→ 主力プロダクト以外にかかる
費用の適正化も図る

→ 組織間の連携促進による
販売力強化を図る



組織力強化の ためのオフィス 集約・移転

2022年5月を目途に、
東京都港区白金台の本社・
品川区目黒オフィスの2拠点を、
新オフィス1拠点へ集約する
本社移転を計画。

1億円～1.5億円程度の
費用増
(うち、特別損失として90百万円
前後を想定)

→ 人員拡大・事業成長と、
アフターコロナの働き方の変化に対応

移転先の六本木ティーキューブ (東京都港区六本木)

The 3 major priority actions to be taken in the current fiscal year are shown here again.

We will continue to invest in these 3 areas.

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(3-1) 資本政策について

中計における 前提

資本活用による最優先課題を、既存ビジネスの成長を加速させるようなM&Aをはじめとする事業成長投資とし、その活用が進まない場合は株主還元の可能性を検討する。

中計前半2年 を終えた現状と 次期の見通し

少額出資・投資は実行したものの、人材獲得目的のM&Aのような大型の投資はなし。

コロナによる業績へのマイナス影響が甚大なものにはならず済んでいるため、手元資金が積み上がる状態が続く。

次期は本社移転を計画しているが、前述の業績予想をふまえると、手元資金が大幅に減少していく状況ではないと考えられる。

2021年8月～

自己株式取得 を実行

M&Aの準備資金として一定程度の資金を確保したうえで、なお余剰となる資金の一部を活用し、本年8月より自己株式の取得を実行。

株主還元と資本効率の向上に加え、役員・従業員への株式報酬への活用、自己株式を利用したM&A・資本提携等の遂行への活用などを目的。

その後も、引き続き、配当・自己株式取得等の実施を検討していく予定。

As for our capital policy, we have acquired treasury stock.

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(3-2) 自己株式の取得結果および株式分割について

NEW

自己株式の取得結果

1. 取得期間 2021年8月13日～2021年9月14日（約定日ベース）
2. 取得した株式の総数 130,000株
→ うち、8,150株を、2021年10月29日付にて譲渡制限付株式として処分済
3. 株式の取得価額の総額 698,297,491円

株式分割の実施

※本日発表

1. 基準日 2021年12月31日 ※当日は、株主名簿管理人の休業日につき、実質的には2021年12月30日
2. 分割比率 1 : 3（普通株式1株につき、3株の割合をもって分割）
3. 効力発生日 2022年1月1日

As for the new announcement this time, we are considering a stock split.

The record date will be December 31 of this year, and the split ratio is 1:3, with the effective date of January 1, next year.

Now I will stop my explanation here and would like to move on to the time for questions.

Moderator: We have finished explaining the first quarter and the revision of earnings forecasts for this fiscal year.

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Question & Answer

Moderator: Now, we will have questions and answers.

I am sure that some of you have participated in this event for the first time in a while, so not limiting yourself to questions about the first quarter, you may ask the background of past performance and others. We will be pleased to answer any questions, so please give us your questions.

Ishikawa: While we are waiting, I will give answers to the most likely questions.

Moderator: CFO Ishikawa, please go ahead.

Ishikawa: While the impact of COVID-19 has gone away and sales are recovering now, there were some customers who have been affected by COVID-19, such as those in tourism or transportation. In order to make up for them, what kind of customers have increased? Are there any supplementary comments from Mr. Kusano?

Kusano: In terms of DX-related investments, I have an impression that inquiries from manufacturers are increasing. Also, I have an impression that financial companies are very eager to invest in DX.

Ishikawa: In the past, we have had quite a large number of customers in the area of entertainment, and tourism-related and travel-related, which I mentioned earlier. Of course, we have lost some customers in such areas. They have not yet reached the phase of reinvestment, so with this reinvestment, we may have slightly different figures.

At this point, we see that our sales have recovered more due to demand from others, rather than recovery of these lost customers.

Moderator: Thank you. Then, I have a question now.

Someone is asking about our hiring prospects. In the first quarter, you said that the recruitment of human resources was progressing smoothly. How about the second quarter and after? First of all, please answer this question.

Kusano: I think we can continue to have the same trend as in the first quarter, as we have been able to hire personnel, and I do not see any major change in the trend of the number of applicants, etc.

On the other hand, with respect to some of the highly skilled professionals, the recruitment process has not progressed as expected, to be honest with you. With regard to this issue, it may be difficult if we do not consider it, including a review of the terms and conditions, etc., so we are going to proceed from here while discussing it within the Company.

Moderator: Thank you.

It is further asked that please tell us if you have any specific policies that you are working on to achieve your recruitment goals. Will you please answer this?

Kusano: As I have just said, progress has not been too slow to meet the initial targets, so there is nothing I am thinking now about more than pursuing the policy as originally planned.

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However, we may review some aspects of employment conditions and treatment for positions under fierce hiring competition. Other than that, we are discussing internally whether it is better to consider such things as lump-sum payments as necessary, but nothing has been decided yet.

Ishikawa: We see that we are doing what are generally necessary, including referral recruitment, so we are working to improve their effectiveness.

Moderator: Thank you.

Ishikawa: Also, we need to hire a little more than 100 people this fiscal year. With 40 new graduates and just over 60 others, we should hire 15 people in 1 quarter. I think it went well to some extent during this first quarter, but if you simply divide the required number by 4, it was only about half of the resulting quotient.

I don't think it will be very easy to make it up. If we do what we should, we will not be in a situation unable to achieve it, so we will work hard on recruitment.

In fact, in terms of the hiring environment, the demand for DX human resources in this area is increasing tremendously among consulting companies and business companies as well. The hiring environment itself is getting tougher, but it's not a situation where we can't hire at all, so we intend to increase the number of staff by properly implementing the current policies and conducting screening through interviews.

Moderator: Thank you. Then, I would like to ask you the next question.

You said the current fiscal year is the year of initiatives for the re-growth of the product business. If there are any recent updates, such as the status of initiatives in the first quarter, please let us know.

Kusano: In a big way, we changed the director in charge. Director Sekiguchi, who was, and continues to be, in charge of the Business Management Division, has become in charge of this project business, and he is now responsible for this domain and its regrowth.

Whereas it was previously the case that units for product manufacturing and sales are under control of different persons, I think it is probably the biggest change that Sekiguchi has assumed the control of both and established a system that can more seamlessly carry out sales, development, manufacturing, and operation under the integrated responsibility, and conduct them speedily without using time for detailed adjustment, etc. Under his leadership, I recognize that decisions have been made, including appropriate investments, and reductions of what should be reduced.

Moderator: CFO Ishikawa, do you have any additional comments?

Ishikawa: In fact, we started with improvements in the organization, so rather than spending big money in general, it's about understanding the actual status as is and improving wasteful spending and wasteful processes. To be honest, I have been explaining that we will not see the effect immediately. I hope you will understand.

Moderator: Thank you. I have the next question.

It is said that sales of large-scale projects increased. Specifically, what kind of projects are getting larger? Customers who pay JPY100 million or more per year are considered to be major projects. Could you tell us what kind of projects are mostly with this JPY100 million or more and what kind of projects are increasing in recent years?

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Ishikawa: When it comes to more than JPY100 million, there are customers who don't want their names to be revealed, so it's hard to say the details. ITOCHU has always been a big one, and Yahoo continues to be disclosed.

In addition, transport related as I mentioned earlier, and some transportations which do not transport people, and customers in the manufacturing industry and financial institutions are gradually becoming larger.

Moderator: Do you mean that you are offering various services in combination?

Kusano: Well, yes. If it's something that's out there and easy to introduce, I think it's the supply chain with ITOCHU. This means that you have to do both the part of the system that can predict demand accurately and the part that plans based on it. This is 1 of the deals in our company that covers both the provision of analytical capabilities provided by the professional services business and the construction of systems.

As the number of such types of projects increases, we will not end with analysis of the contracted part but human services for follow-up will also be provided based on the performance of systematized projects on a regular basis. As we move into operations, we will receive projects throughout the year, and as a result, they will grow in size.

Therefore, for our company, enlargement is not to deal with one-off analysis projects, but to prioritize those that fall into the system. As a result, projects are becoming larger in size and more expensive than JPY100 million.

Moderator: Do you mean that the demand for DX is increasing in the world, too?

Kusano: Well, yes. I think there is more willingness to invest in areas where operations can be drastically improved and greatly improved. Regarding that, I understand that our company's services are in demand.

Moderator: Thank you. Also, if you need more information, please fill in additional questions.

I'll go to the next question.

Since we are in the post-cookie era, the regulations of cookies are getting stricter. Under such circumstances, could you tell us about the potential of Rtoaster, which is the main product in the product business? I suppose this is asking you if there is any negative impact.

Ishikawa: It is called post-cookies, but this so-called private DMP, the one that uses internal cookies, is not greatly affected at this time. Of course, with all the restrictions in place, there are some things that are not easy to drag, but they are not greatly affected.

In that sense, it has been less affected than third-party cookies, which are in the domain of advertising. Rather, we recognize that opportunities are expanding in the sense that CRM policies, or policies for our customers, are being emphasized.

However, as the opportunities are expanding, other companies are using new catchphrases to promote this area. In that situation, I think we have some issues to deal with in terms of how to get through the tournament, which leads to our stagnation. I hope you will understand that we are sluggish not because we are hit hard by post-cookies, like advertising agencies by third party DMPs and others.

Moderator: Thank you. I am waiting for further questions.

If you have any additional information about the strengths of Rtoaster, what kind of customers use Rtoaster frequently? I would like to ask you, Mr. Kusano.

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Kusano: It was originally started as a recommendation engine. After all, we are proud to have very enhanced functions in personalization and switching the display according to individual customers. So you can switch to each individual customer's behavior, or you can switch to different approaches, machine learning, or clearly based on the first defined rule, for product recommendations or what to show.

With this combination, client companies are highly appreciative of its ability to achieve a variety of personalizations. In terms of the number of features that we are going to add to this comprehensive list of personal features, it has been evaluated as very substantial. The more you can use various functions, the more difficult it is to change, because there are so many functions in 1 of our companies. Honestly, it can be pointed out that it is difficult to use if it is a little busy. This point is always subject to improvement.

On the other hand, a single service can do a lot of different things and enable to create policies are a key point of evaluation, and if you want to do the same thing with another company's, you will have to combine multiple tools. You have to add so many options. Even if it looks cheap, and even though competitors may seem cheaper in terms of introduction, it still costs the same or more to do the same thing in the end.

To make customers understand that, I think it is important for us to properly promote this point, because they are going to judge that it is good that they did not change or that our company is actually cheaper.

Moderator: Thank you.

Rtoaster's strength right now is that it is a domestically produced tool, and I think Japanese companies like it. If you introduce a little bit of products that are competing right now, I think the image will expand a little. In terms of foreign tools and domestic tools, what is it competing with?

Ishikawa: When it comes to foreign tools, it's a little different, but Salesforce's Marketing Cloud and related products are big competitors. When it comes to domestic products, Plaid is listed at the moment, so the tool is becoming a competitor.

Other than that, there are many foreign tools and domestic tools, especially cheap ones. As I explained earlier, when something like that comes up, it's either a single feature or a limited feature that wins out here. Or the list of functions is circled, but in reality, which is sometimes the case.

It is quite difficult to compare marketing tools, and I understand that the difficulty of using them and how to promote our strengths will be important in the future.

Moderator: Thank you. Let me go on to the next question.

Last year, orders from customers such as entertainment companies and airlines, which were hit by COVID-19, were sluggish. Is the order trend, which has become sluggish, still sluggish? Is there any sign of recovery?

Kusano: The number of airline companies is small, so not too much. All in all, I think there is a slight difference in the trend depending on the Company. As we look ahead to the end of COVID-19, we will properly restore the budget to the previous level for the next fiscal year and beyond. In addition, the number of companies that are being scrutinized is increasing.

At present, it is not completely out of the reach, but for the next fiscal year, we are beginning to make plans on the premise of recovery, and I think we are starting to receive various estimates and consultations. Is there any additional comment?

Ishikawa: The budget for this term is still difficult for everyone, and the current figures are also difficult for everyone. With that in mind, we have to keep an eye on the final budget and what will happen next year and

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beyond. I think it is still difficult to say that we are proceeding with our business on the premise of recovery from the next fiscal year. I think we're getting more and more people saying that opportunities are coming up little by little and that we have to invest in areas where we should invest.

Moderator: Investing mainly in the digital domain is a must from now on, so the momentum is growing.

Kusano: Well, yes.

Moderator: Thank you. I am still waiting for your questions. Please feel free to ask any questions.

As for the status of the capital and business alliance, I am often asked how it has progressed since then.

Ishikawa: Well, I think this kind of thing is very difficult to talk about. Of course, there was also the acquisition of treasury stock, including the possibility of a capital and business alliance. Unlike in the past, there are some areas where we are proceeding with the matter while putting in place a dedicated person, and we recognize that we have to proceed with the matter in a wide range of ways.

In fact, some of our competitors are saying that they have partnered with a large company and received an investment, and some of them are increasing. We already have a partnership with ITOCHU, but we recognize that this is a situation where we have to consider others.

However, we just released it in August, so it's still too early to tell. Of course, I understand why you think we should go ahead with the acquisition if we are in a situation where you cannot hire people. The person in charge mentioned earlier is also in charge of the acquisition and is considering it. In fact, when there is a shortage of manpower, the willingness to acquire becomes high, and it is not a very reasonable deal, while it is a bit difficult at the stage of light due diligence.

The other thing that I am most concerned about in the recent past is that we are having a lot of trouble with the combination of on and off work styles because of this COVID-19, and there is still a risk of maintaining the organization properly, so I have the impression that if we proceed with acquisitions while keeping a close eye on those things, more and more things are taking time.

Moderator: Thank you. Now we are asked about the professional services business.

Basically, I assume that the area of strength in the professional services business is data analysis. Could you give us some specific projects? That's the question.

Ishikawa: Since this year, I have also been in charge of the analytics business, so in terms of its typical business, it is basically a marketing analysis, and 1 of the classic things is to decide what kind of customers and what kind of products to start with to acquire loyal customers.

When it comes to marketing, next is forecasting of demand. When it comes to demand forecasting, we predict demand from various data at hand. Or it's not just a demand, it's an attack list, where you're looking for more room to sell.

Now that you've done this, the next step is optimization. We're doing what we call forecasting and optimization, and depending on what we predict, we're even developing tools to optimize how much inventory we should actually carry or how we should route that inventory.

So, the analysis itself is, as I said, making an attack list, or forecasting demand, or estimating optimization quantities. The strategic aspects of building the foundation for doing this and what should be analyzed as the

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main premise will be done through consulting. In terms of both strategy and system building, what we do from both sides is a typical large-scale project.

When it comes to small projects, in fact, when you put a little bit of software together, when it comes to the area of BI, when you actually use the data, you want to look at the actual aggregated quantities rather than the detailed analysis. As for that kind of work, there are some things that can be done by themselves in BI and engineering.

Moderator: As for this feature, is it the feature of our company that many of them use analytical technology or data technology?

Ishikawa: Well, yes. 1 more thing, I just forgot to explain.

We also have products related to digital, so CDP exists as a product, but if we can't meet the demand with existing products, we customize, create our own customized CDP. Or you can build an extension of an existing product, so it's an analysis of that kind of thing, or you can do a lot of engineering, you're doing engineering.

Moderator: Thank you.

Continuing the question, do you have a lot of DX related projects? We don't have a lot of DX related projects that end in the consulting domain, do we?

Kusano: Well, yes, so it depends on what this DX refers to. As our company understands it, as the DX progresses, digital and software will enter the business interface and business domain. The more digitization proceeds, the more data acquisition points there will be. The data that can be accumulated will increase.

I think the key to the success of DX is not to digitize and finish, i.e., end with taking data, but to analyze the data and quickly improve the operation, which is the contest for cycle speed.

That's where our company can go with its client companies. It does not end by creating a system, but only after the system has started to generate data and it is highly evaluated that it can contribute to the improvement of the business including the improvement of the system, and I think that this is the point that people expect BrainPad to be more interesting in this area than conventional Slers.

Moderator: Thank you.

And just to follow up on the question, is there a lot of PoC?

Ishikawa: When it comes to more or less, there are a lot of challenging work compared to regular Sler, so there are a lot of PoC work, including not only work that ends with PoC, but also work that follows.

On the other hand, compared to AI ventures, people in AI ventures are doing PoC for a long time, or are doing PoC in a really challenging area, but compared to that, we are more likely to do PoC on the premise of continuing, rather than just a research PoC, or we don't know whether it will end with PoC or continue.

Of course, I didn't put it into the main work I mentioned earlier, but we do a little bit of research PoC from a technical development point of view if it is meaningful, so it is not the situation where we don't have any PoC at all and we do it including researching PoC. However, compared to major Slers, there are many things that we cannot see the effect of unless we do PoC properly, so we do it. However, I think the characteristic of this company is that it is not a company that does a lot of PoC just for simple R&D.

Moderator: Thank you.

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Kusano: On the other hand, in the area where the professional services business is good at, we have partnerships with Google, Microsoft, and AWS, based on our company's cloud environment, for system development using this cloud environment. In that area, I think the trend is a little different from the traditional big SIs.

Ishikawa: We were not big enough to start with, so we had to build a system to put in a large amount of hardware, or even a data center, which was difficult when we started working 10 years ago, but today, even with our know-how, we can provide a data analysis environment for a large company as long as it is cloud-based. We are also building an environment in which analysis is conducted using such methods and an environment in which analysis is actually conducted.

Moderator: Thank you.

I understand that you have relationships with all 3 major clouds. Which 1 is particularly closely related to you these days?

Ishikawa: I think it's better not to say too much, but in reality, AWS is really number 1 with a wide range of partners, so it's obvious that we have a deeper relationship with the other 2 companies. There are a lot of requests from customers for work at AWS, and we are close to each other, so we have a lot of work to do together.

Moderator: The fact that BrainPad can handle any of the 3 major clouds is quite surprising for some, and that's why there are so many leads. Thank you.

Do you have any other questions? I will continue to wait.

Recently, we have heard a lot about the recovery in sales in the professional services business. The problem is the operating rate. We often hear questions about the current operating rate for the first quarter and whether there is still enough capacity. What do you think?

Ishikawa: If the operating rate actually reaches 100%, we can't do sales and training, so of course it's not 100%. But whether we can still afford to get a lot of new deals or not, we cannot do many. If there is room to spare, there will be some things like the acceptance of the recent graduates and the training, so there will be some room for this kind of thing.

On the other hand, by making them our strength, we can expect to increase our resources. By actually doing this, I believe that there is still room for sales growth in terms of the current number of personnel or the number of personnel, although there is no actual vacancy.

Moderator: How long will it take for the new graduates who joined the Company in April to be able to develop their capabilities?

Ishikawa: As for us, of course, most of them have already joined the project and are doing on-the-job training.

Therefore, they are currently becoming professional, and from around January of next year, as our goal, we are actually expecting many of them to do the work that they can charge properly to customers, although it may not be all their salary, and of course it may be a charge for 1 person, depending on individuals.

Moderator: The ratio of newly graduated employees is high in the professional services business every year.

I continue to wait for your questions.

We have been asked to follow up on profitability a little now.

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As you have seen, the profitability of the professional services business is higher, and the product business is struggling a little. What should I think about the future profitability and operating margin? I think the first quarter was pretty good.

Ishikawa: As far as the first quarter is concerned, of course there were some points where the risk factor did not become apparent, so there were some points where resources were sold out more thoroughly than the current situation, so I think there are some points where the risk factor has become higher a little.

That said, as the professional service, we still have to aim for this level, so if there's anything that's missing, if there's an investment, we're going to be looking for a way to hire more people at a similar or slightly lower profit margin but aiming for a little more talent and hiring.

As far as the product business is concerned, there is a clear tendency that the platform profit margin is declining compared to this time. However, if we do not win the competition, we will lose it all at once, so I think we are in a situation of controlling profits to some extent. We are not in a situation where we stop investing in order to make a profit, but we are in a situation where we look for investment points and try to recover sales first.

Moderator: Thank you. I have another question.

I think that the current level of operating income is a little lower than it was in the past when it was at a high level in the Company. What level should you aim for in the future?

Ishikawa: About 3 years ago, the profit level was the highest in the past. As we have reported in our mid-term plan, it is strange to say that it happened that year. In the sense that the scale of the project was exactly the same and the increase in the number of people was not enough, I think it was originally a year in which the increase in personnel expenses due to the increase in the number of people or the increase in personnel expenses due to the increase in salaries was kept to a certain level.

In addition, we are planning to move again this year, and it was just right in terms of the effective use of the office. In that sense, it was a year of well-balanced earnings.

If we aim for that level, we may stop investing or use our offices as the current small space, so we are not aiming for that level, as we said in the mid-term plan. I think it's an important factor to get closer to that.

The weak profit margin of the past 2 years is not the target, of course, but the first quarter of this year was good. And the Company as a whole is going to grow as the profit margin of the product recovers. As for the professional services business, on the other hand, we need to look for opportunities for further growth by investing in developing new solutions, such as returning profits to members who actually do business, or fostering professionals, so we recognize that profit margins are not the only way to increase.

Moderator: Thank you.

In terms of profit margin compared to other companies or consulting firms, how should I evaluate it?

Ishikawa: Whether we compare it to the consulting firm itself, to the general contractor Sler, or to the SS vendors we have, I think it depends on how you select the comparable in the end.

In that sense, if we compare us with a consulting company with a fairly high profit and a high unit price, we are doing a more grounded work, and we respect the motivation of engineers for technology. If we say so, we will be regarded as prioritizing business, so we do not aim for such high unit price and high profit level.

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However, if it becomes very similar, the profit level of Sler including general contractors is 1 big benchmark, and we are carrying the same risk or we think the growth rate is high, but we are doing it, so I think we have to aim for the same profit level.

But if there is 1 thing that is different, we are aiming for high growth. I think that the profit may be discounted as much as the investment of that growth, but as a level, I don't think I should be outdone by Slers that are performing well.

Moderator: I have a few more questions.

Although you have revised up our profit forecast for the first half of the fiscal year, your profit forecast for the second quarter has been revised downward from the results for the first quarter. I think the expenses that were not used up in the first quarter may be spent in the second quarter, but please let me know if there are other factors that make the forecast a little conservative.

Ishikawa: There is a slight delay in hiring, so we can expect that the cost of some projects will be slightly higher, which we have properly taken into account. The other is recruitment, and we haven't given up until the end of December, so the cost of that kind of things is, frankly, a little part of what we expect.

Moderator: Thank you. There are still more than 30 people left, so please feel free to ask any questions.

Then, there seems to be no question, so I would like to ask Mr. Kusano, the president, to say a few words about the future.

Kusano: In the year before last, and last year, we were affected by COVID-19 and made them as years of investment to some extent, and some parts of our businesses were lackluster in their performance, but I think we got off to a good start this fiscal year, and I want to maintain this pace. I am confident that we will be able to maintain this, so we will make an effort to continue this. We would like to focus on the recruitment issues that have become an issue and do our best to meet the plan.

We are also in the process of revamping our management structure for the re-growth of our product business. It may take some time until we get a figure that can meet your expectations, but the members seem to be changing their minds, so we may have a little time lag here, but I think the timing will come when we can report good results in the figures, so please be a little more patient with us.

In the meantime, we will continue to focus on the professional services business, and the Company as a whole will continue to maintain a balanced approach to growth.

Thank you very much for today.

Moderator: Thank you very much. This concludes the meeting.

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