



Third Quarter FY2024

# Financial Results

KOKOPELLI Inc. (stock code: 4167)

Feb 14, 2025

## **01 Corporate Overview**

P.3-11

## **02 Our business (Big Advance )**

P.12-27

## **03 FY2024 First Quarter Result**

P.28-42

## **04 Progress on mid-term management plan**

P.43-51

## **05 FY2024 estimates**

P.52-55

## **06 Supplementary Information**

P.56-73

01

## Corporate Overview

## Find the future in corporate value

In concert with financial institutions,  
we help sprout the seeds of  
possibilities in companies across Japan.



# Company Overview

Name:	<b>KOKOPELLI Inc.</b>
Address:	<b>Kioicho Bldg. 11<sup>th</sup> floor, 3-12 Kioicho, Chiyoda-ku, Tokyo</b>
Established:	<b>June 2007</b>
CEO:	<b>Shigeru Kondo</b>
Capital:	<b>812 million yen</b> *As of December 31, 2024
Number of Group Employees:	<b>127(permanent &amp; part-time)</b> *As of December 31, 2024
Group Companies:	<b>Kokopelli Management Support Inc.</b> <b>Key Point Inc.</b>
Overview:	<b>Business platform</b> <ul style="list-style-type: none"><li>• Operation of “Big Advance”, DX support platform for SMEs</li><li>• DX Solutions</li></ul>





## BtoB SaaS model service to support SMEs' growth and regional development (\*1)

### Big Advance

#### DX support platform for SMEs

Provide services for SMEs in concert with financial institutions nationwide



#### Corporate Portal Site

Provide regional financial institutions with corporate portal sites of SMEs

### DX Solutions

#### File transfer and sharing service

Enhancing business efficiency through secure file-sharing and email management



#### Consulting on utilization of subsidies

Consulting services for SMEs on how to take advantage of subsidies



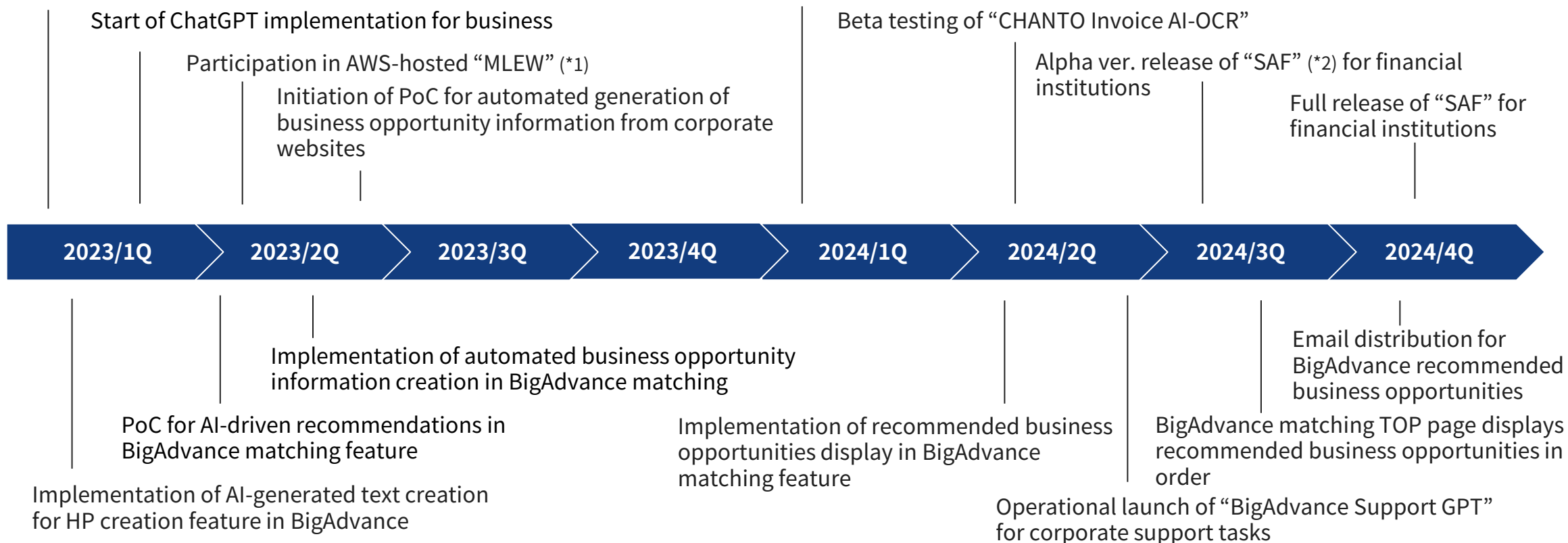
(\*1) Abbreviation for “Software as a Service”. Software applications offered on Cloud by service providers which users can access through the network.

# Two years of progress and acceleration in generative AI utilization

## Leveraging generative AI to enhance our services, products, and business processes

Launch of ChatGPT evaluation

PoC launch for generative AI targeting financial institutions



(\*1) “Machine Learning Enablement Workshop” hosted by Amazon Web Services Japan G.K.

(\*2) AI-powered FAQ system developed by our company for handling internal inquiries at financial institutions

# AI Agent Concept in Big Advance

Accelerating the use of generative AI in Big Advance to further evolve into a future AI agent

## Past Initiatives

### Implemented features in Big Advance:

- Automatic HP creation function
- Automated business opportunity generation in business matching
- Recommendation function for business matching

Advancing  
AI agent  
capabilities



We want to expand new  
business opportunities



## Future Outlook

Utilizing the  
business matching  
feature to request  
business  
negotiations

Enhancing HP  
functionality

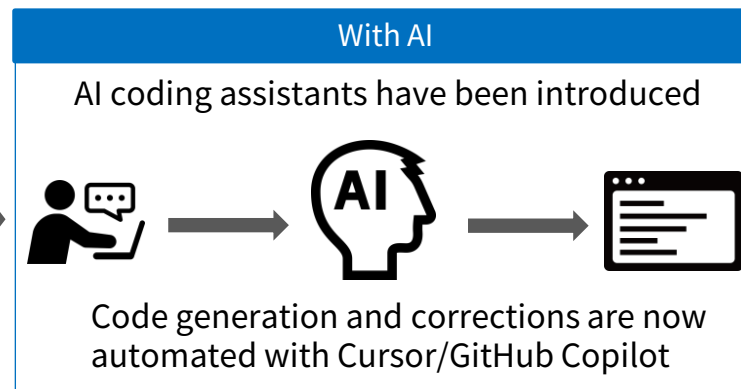
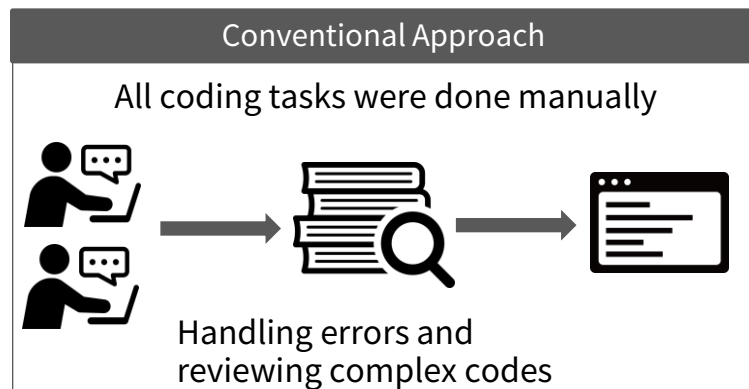
Proposing subsidies  
and grants

AI autonomously executes various functions of  
Big Advance based on customer needs



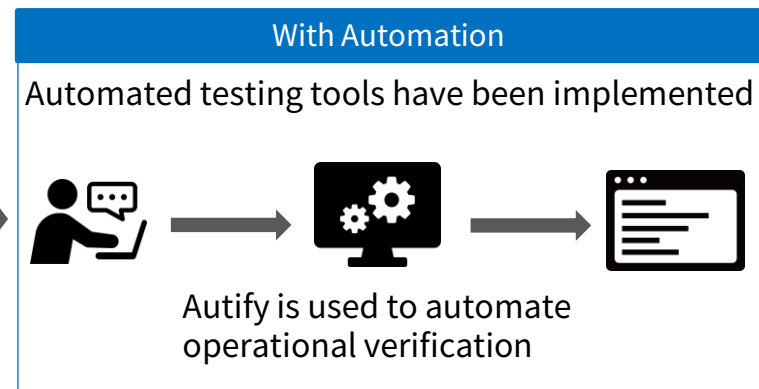
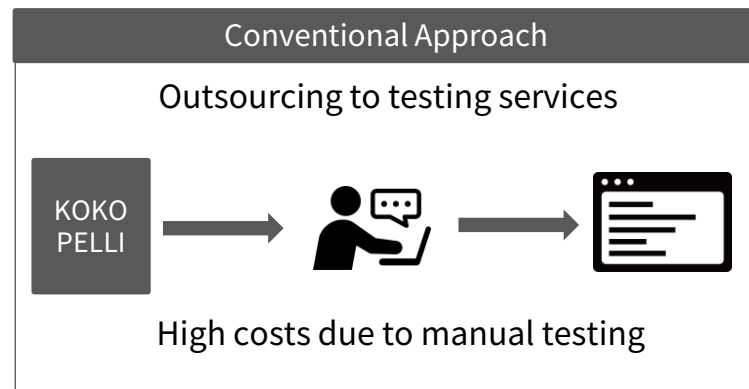
# Development Cost Reduction Through AI and Automation

## Coding with AI



Development workload  
reduced by  
**20% or more**

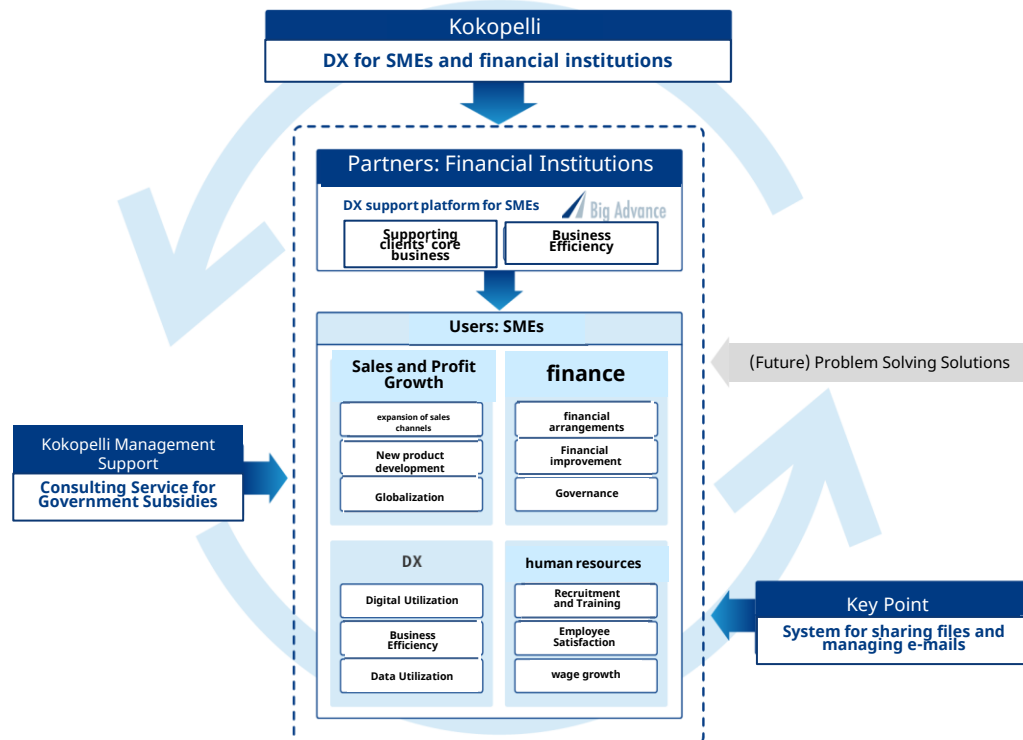
## Automated System Testing



Testing workload  
reduced by  
**60% or more**

# Building a Business Ecosystem for SMEs

We aim to build a business ecosystem with the SME DX support platform "Big Advance" at its core.



- By building the ecosystem, we provide solutions to various issues faced by SMEs and an environment for sustainable growth.
- We develop new solutions to solve problems or collaborate with companies that already have such solutions.

# Sustainable Development Goals (SDGs)

We strive to “Find the future in corporate value“, and “make technologies accessible to SMEs” through on-going efforts to add corporate value and commit to resolving social issues through our engagements.



8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the births and growth of micro-, small- and medium-sized enterprises by improving access to financial services.



9.1

Develop quality, reliable, sustainable and resilient regional and trans-border infrastructures, to support economic development and human well-being, with a focus on affordable and equitable access for all.



17.17

Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies based on a wealth of partnerships experiences.

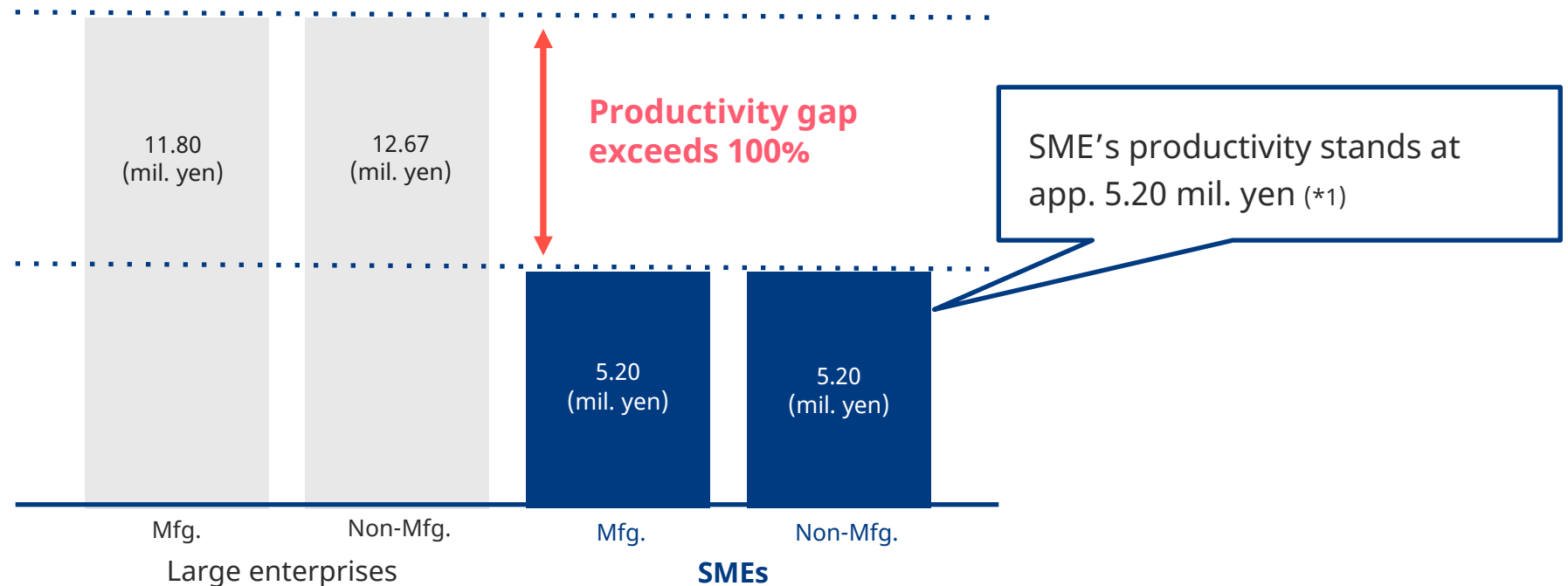
# 02

## Our Overview (Big Advance)

# Overview & Challenges for SMEs (1)

## Addressing the Challenge of Low Labor Productivity in SMEs

### Comparison of productivity

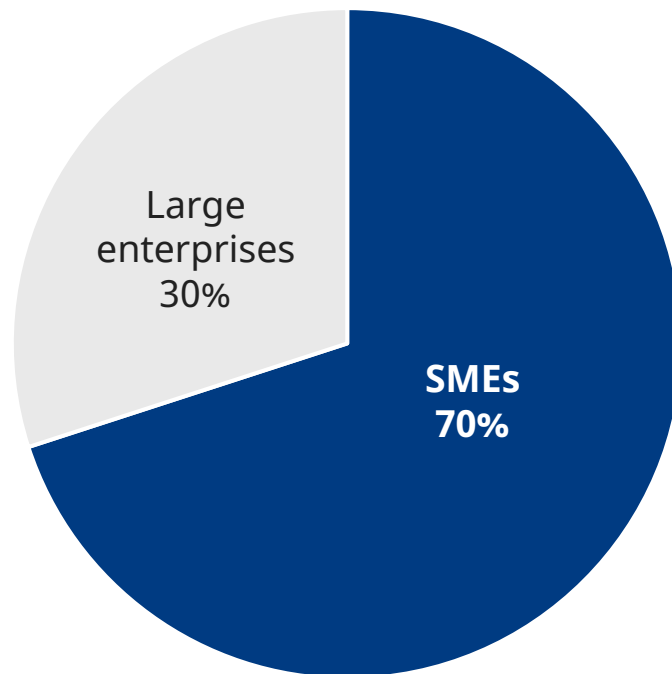


(\*1) Small and Medium Enterprise Agency "2022 White Paper on Small and Medium Enterprises in Japan"

## Overview & Challenges for SMEs (2)

SMEs Drive the Domestic Economy: A 10% Productivity Boost Could Generate a 16-Trillion-Yen Economic Impact

Ratio of workers at SMEs



**3.58 million**

SMEs/small enterprises (\*2)

Ratio of SMEs vs total

**99.7%** (\*2)

(\*1) Our calculation, based on \*2 and \*3 above. (Total workers at SMEs of app.32mil. X 5.20 mil. yen X 10%)

(\*2) Ministry of Internal Affairs and Communications and METI, "2016 Economic Census"



# Overview & Challenges for Regional Financial Institutions (1)

Regional financial institutions act as principal players in the regional financial market.

## Outstanding Loans to SMEs by Business Category from Regional Financial Institutions

Type	Number	Outstanding loans to SMEs (*1 *2)
Regional Banks	63	184 trillion yen
2 <sup>nd</sup> Tier Regional Banks	37	41 trillion yen
Credit Unions	254	71 trillion yen
Credit Associations	145	12 trillion yen
<b>Total</b>	<b>499</b>	<b>308 trillion yen</b>
Mega Banks (Ref.)	4	132 trillion yen

Outstanding loans to SMEs: **308 trillion yen**

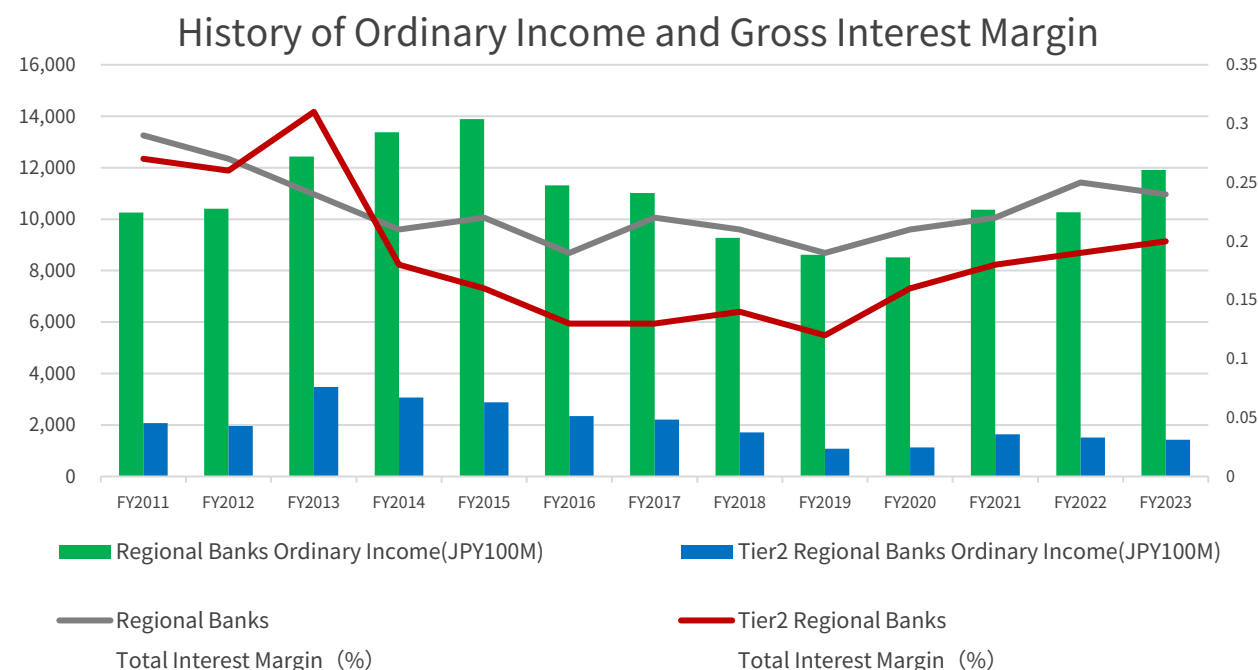
**Act as principal players in the regional financial market**

(\*1) Our calculation, based on “A list of SMEs and Regional Banks in each Prefecture (as of March 2023)” by Small and Medium Enterprise Agency

(\*2) Our calculation, based on disclosures for outstanding loans to SMEs from Mega Banks (Mitsubishi UFJ, Mitsui Sumitomo, Mizuho, Resona) as of March 2024.

# Overview & Challenges for Regional Financial Institutions (2)

Need to secure stable income and promote DX (digital transformation) at SMEs.



- The economic stagnation of regional economies caused by aging populations and population decline has led to an increasingly challenging business environment for regional financial institutions.
- Although temporary funding demand has expanded due to COVID-related loans, sustained funding demand remains weak, necessitating further support for the core businesses of client companies.
- Financial institutions themselves are required to enhance their operational efficiency and create value through advancing their own digital transformation (DX).

(\*1) Our analysis, based on “2023 Financial Results Trend” by Japanese Bankers Association.

# Our Business (Big Advance)

A BtoB SaaS model management support platform for SME clients of financial institutions.

## Basic Functions



### Business matching

Facilitate business matching across regions through financial institutions.



### Chat with financial institutions

Communicate directly with people in charge at financial institutions.



### Subsidies and grants

Access proprietary database with details of all municipalities across the country.



### Discussion with professionals

Connect with the most appropriate advisors in times of need.



### Automatic website creation

Easily set up websites by entering simple details into prescribed format.



### “FUKURI” welfare program

Deliver welfare and benefits to employees in the form of coupons which can be used on the website.



### Safety check

Check safety of employees in times of emergencies with a push of a button.



### Business chat

Smooth intra-company communications regardless of time and place.

## Optional Functions

\*Optional only for requested financial institutions



### Crowd Funding

Attract funding by sharing your passion to a common future.



### Management Discussion Forum

Talk freely on managerial issues with other company managements.



### Business Succession

Allows to acquire essential knowledge and calculate share prices in preparation for business succession.



### “CHANTO Attendance Management”

Easy-to-use labor time management system with travel expenses and other expenses adjustment and settlement features



### “CHANTO Invoice”

Simple operations to issue invoices and receive forms in line with the new invoice system and the revised Electronic Book Preservation Act.

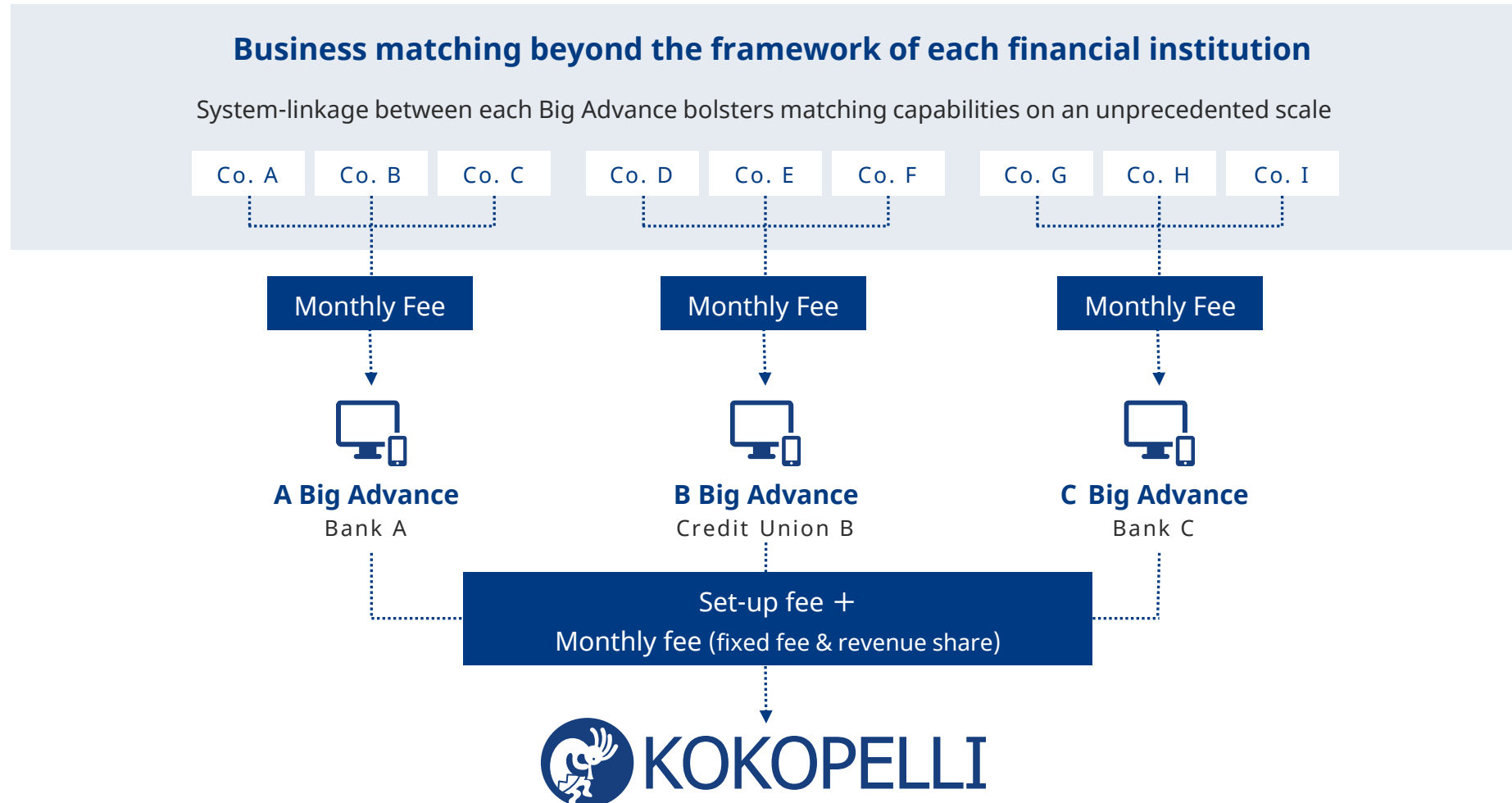


### Subsidies Application Support

Seek professional guidance on the utilization of subsidies and obtain specialized assistance for application processes.

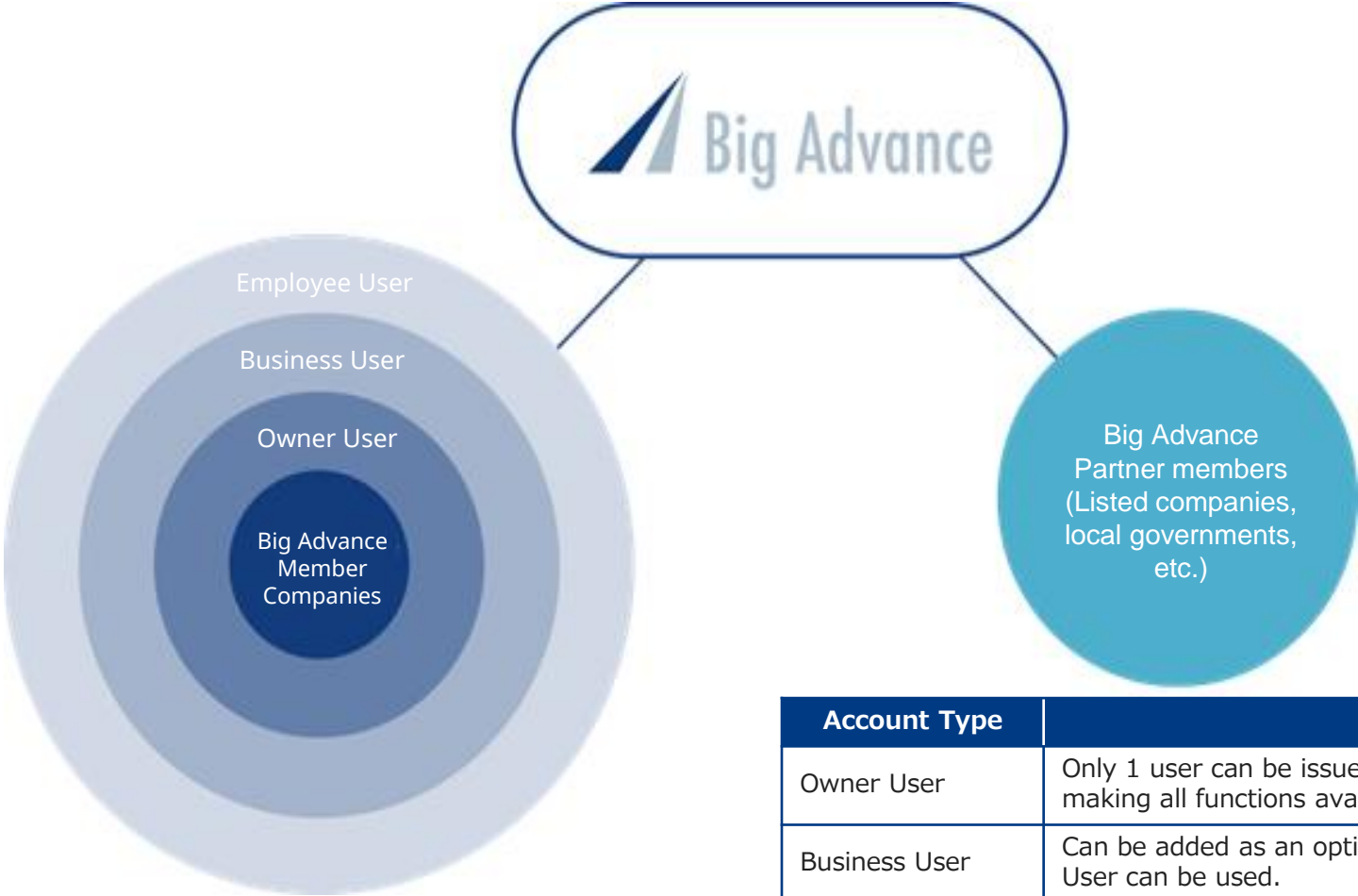
# How “Big Advance” Works

Innovative Services for SMEs: “XX Big Advance” for each Financial Institution - Breaking Regional and Institutional Barriers



# Platforms with Multiple Touchpoints (1)

Three Types of “Big Advance” Accounts: Connecting Users across Member Companies from Business Owners to Employees

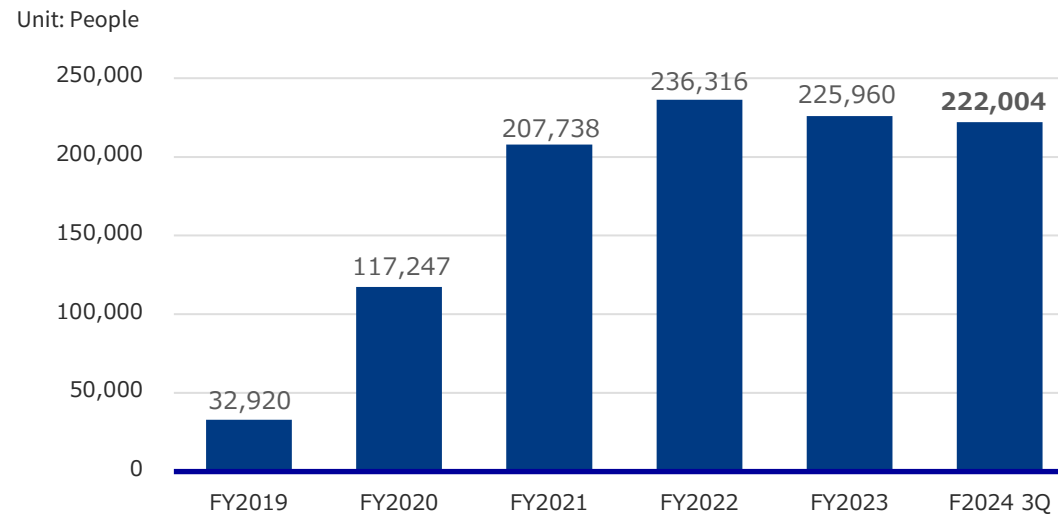


Account Type	Overview
Owner User	Only 1 user can be issued to Big Advance member companies, making all functions available.
Business User	Can be added as an option, almost all functions as the Owner User can be used.
Employee User	Unlimited issuance, limited to the use of some functions.

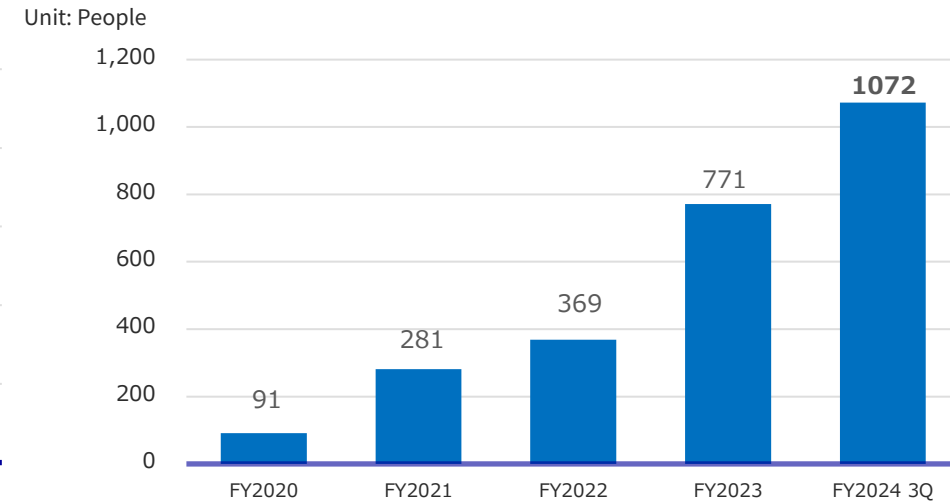
## Platforms with Multiple Touchpoints (2)

Steady Growth in Business Users Achieved Through the Key Initiative of “Promoting Utilization of Business User Account”

### Trend in Total Users



### Trend in Business Users

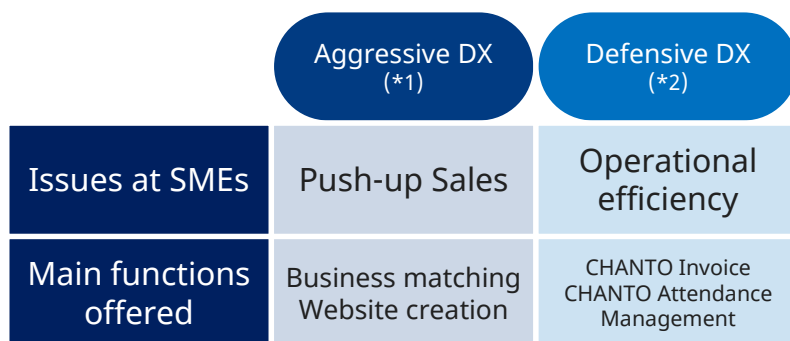




# Support for DX by SMEs

Provides a wealth of functions with competitive price offers to accelerate the pace of DX at SMEs.

## Areas of DX Services on Offer



## Big Advance is the one-stop solution to completing your DX process

Features for DX	Big Advance	Other Services							
Introduction and operational support by persons at financial institutions	✓								
Business Matching	✓	✓							
Website Creation	✓		✓						
Business Chat	✓			✓					
Subsidies/Grant	✓				✓				
Welfare Program	✓					✓			
Safety Check	✓						✓		
CHANTO Invoice (*4)	✓							✓	
CHANTO Attendance Management (*4)	✓								✓
Monthly Fee per a company	3,300 Yen/M Excluding optional functions	A company 1,500 Yen/M	B company 3,000 Yen/M	C company Fee for use	D company 1,000 Yen/M	E company 500-1,000 Yen/M/employee	F company Fee for use	G company Fee for use	H company Fee for use

(\*1) DX areas contributing to higher sales such as website creation or web-based sales activities.

(\*2) DX areas contributing to operational efficiency or cost reduction.

(\*3) Other companies' services are excerpted from each company's website.

(\*4) Optional functions.

# The Potential of "Big Advance" with the Use of Generative AI

In tandem with the functions and data volume of "Big Advance", overwhelming operational efficiency can be achieved, leading to higher customer satisfaction.



(Accessible function)



SMEs



Automate operations, increase sales, reduce costs, drive innovation, and more.

The following features are introduced in Big Advance

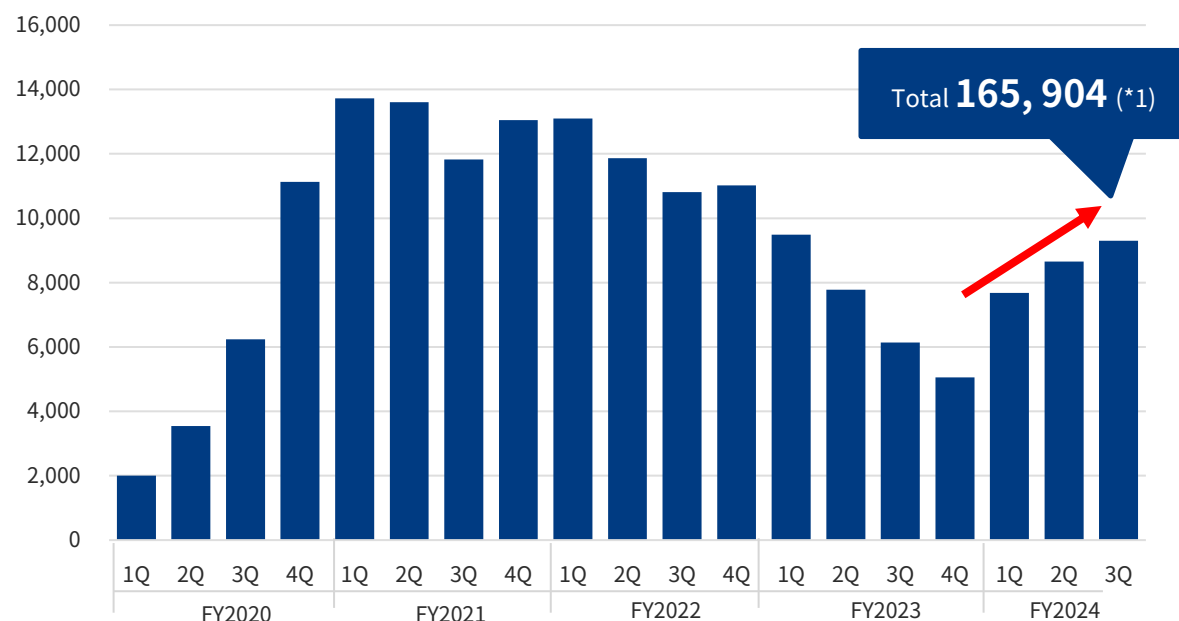
- Automatic website creation
- Automatic generation of business matching needs
- Recommendation function for business matching

# Benefits of adopting Big Advance (1) ~Business Matching~

Business Matching Features Support Development of New Partnerships, Alliances, and Cross-Industry Innovations, Including New Product Development. Following Efforts to Enhance Quality of Business Negotiations, Focus Shifts to Increasing the Number of Business Negotiations in FY2024, Leading to Growth.

## Quarterly requests for business talks

Unit: Cases



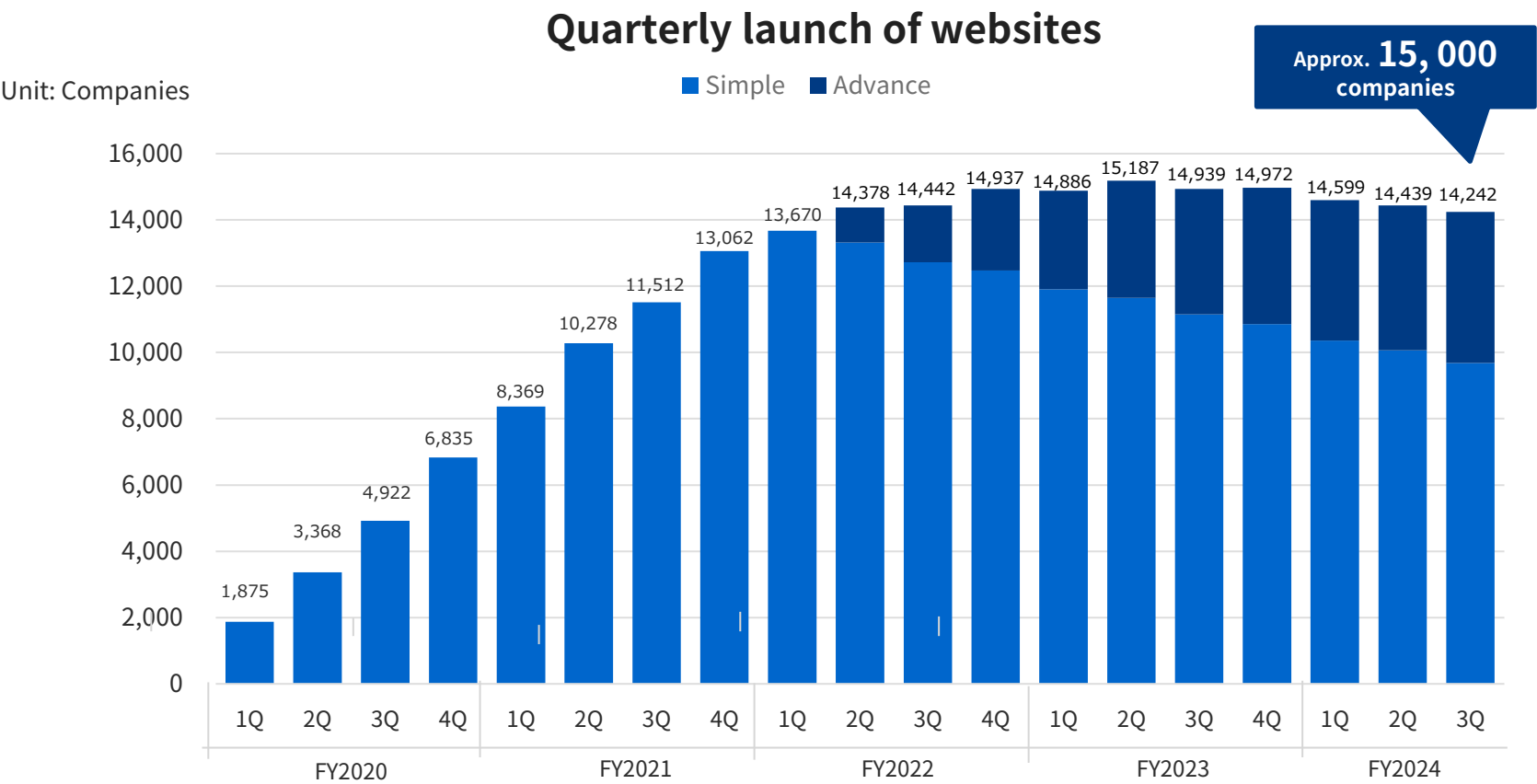
(\*1) As of end December 2024

### Initiatives to Increase Number of Business Negotiations

- Major Improvements to UI/UX for Searching and Viewing Needs, and Submitting Negotiation Requests
- Hosting Online Business Matchmaking Events
- Introducing Potential Matching Companies Using AI
- Displaying Recommended Opportunities in the Needs List Using AI

# Benefits of adopting Big Advance (2) ~Creation of Website~

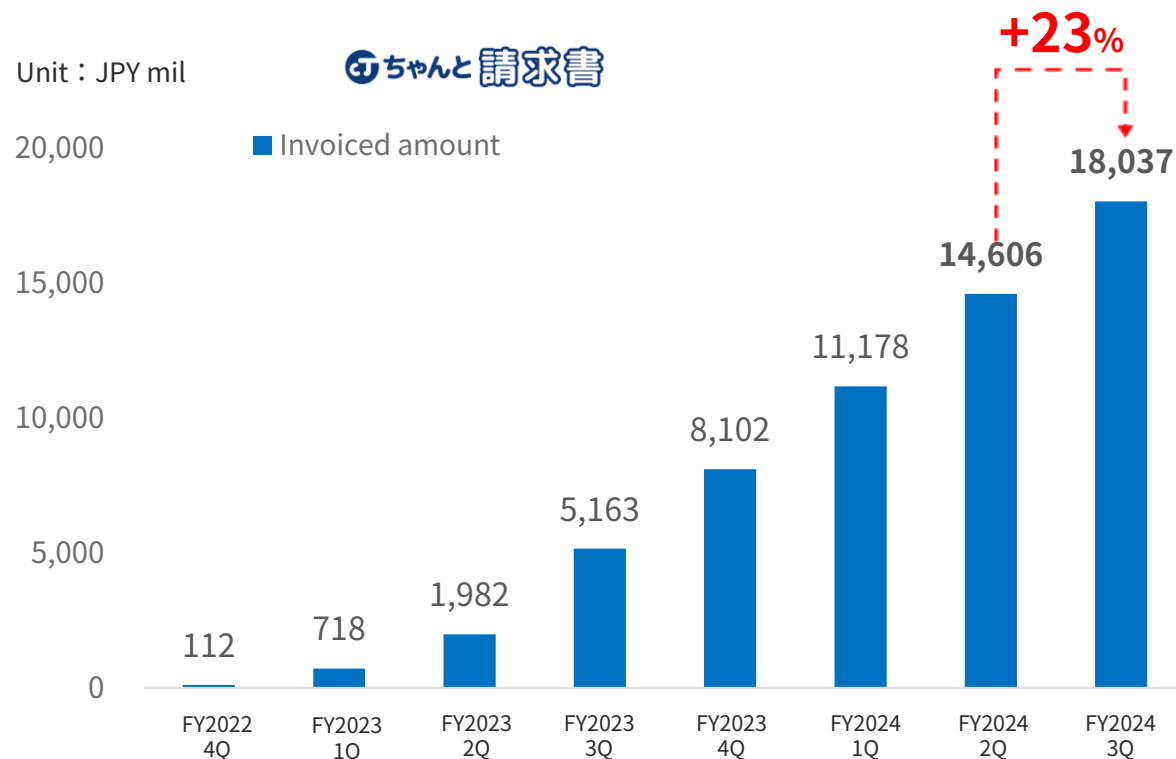
Enabling easy website creation and updates without specialized knowledge, supporting corporate information dissemination. Approximately 15,000 companies have established websites



# Current Status of CHANTO Invoice (Electronic Invoice Services)

The cumulative amount of invoices issued by proper invoices increased significantly to 18,037 million yen as of the third quarter of FY2024.

## Cumulative amount of invoice issuance (\*1)



(\* 1) Cumulative Issuance Amount as of January 28, 2025

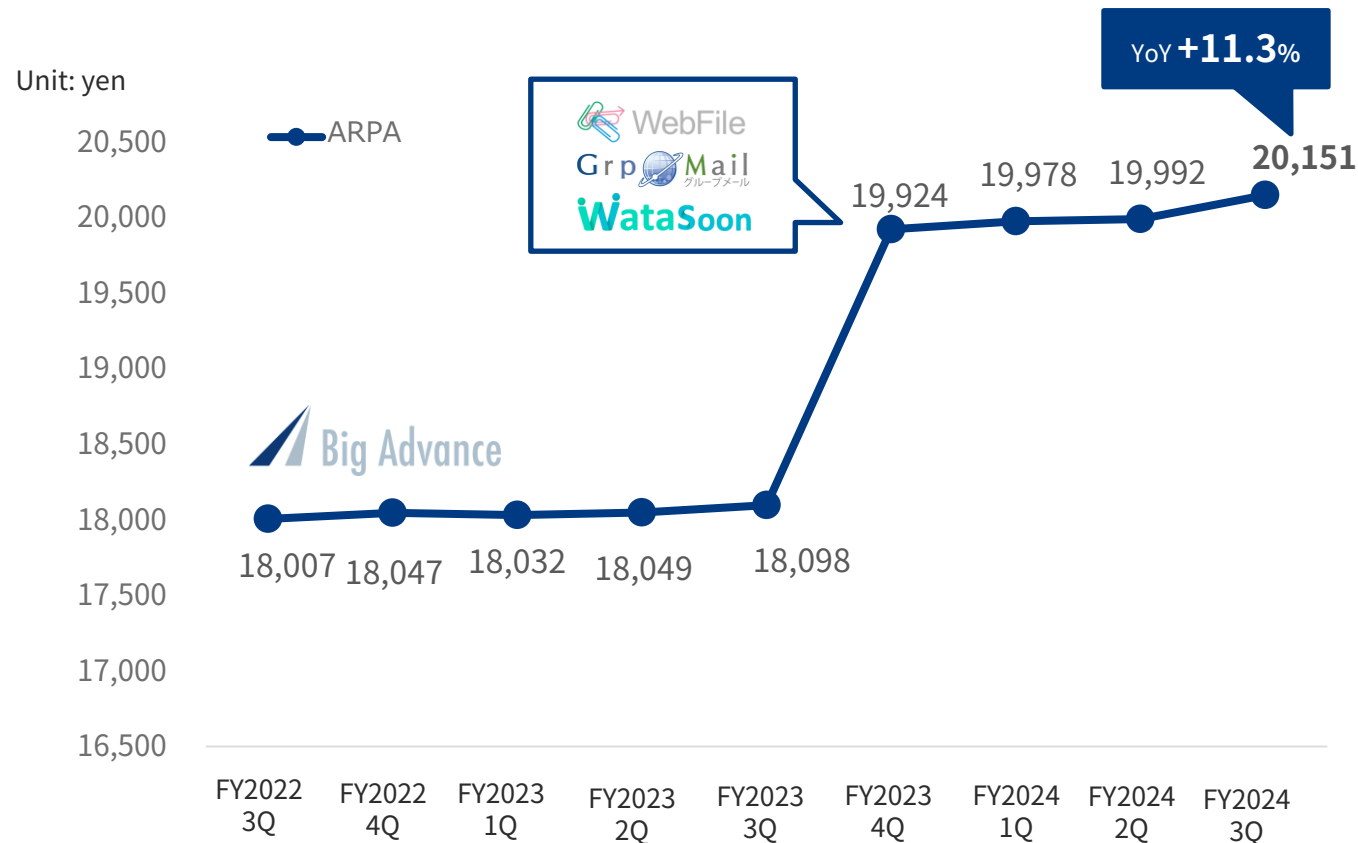
(\* 2) As of February 14, 2025, the number of adopting financial institutions is 45.

## Adopting Financial Institutions (\* 2)

The Miyazaki Bank, The Kino Kuni Shinkin Bank, The Gifu Shinkin Bank, The Seisei Shinkin Bank, The Chiba Shinkin Bank, The Towa Bank, Niigata Shinkin Bank, Hiratsuka Shinkin Bank, Minami Nippon Bank, Kofu Shinkin Bank, Nagano Bank, Alps Central Shinkin Bank, Sanjo Shinkin Bank, Fukui Shinkin Bank, Aomori Michinoku Bank, Tomato Bank, Kagoshima Mutual Shinkin Bank, Toho Bank, Toyokawa Shinkin Bank, Himeji Shinkin Bank, Kyoei Shinkin Union, Iwate Bank, Tono Shinkin Bank, Fukuho Bank, Kure Shinkin Bank, Iyo Bank, Saga Bank, Sanin Godo Bank, Kochi Bank, Hanno Shinkin Bank, Kitanihon Bank, Tajima Shinkin Bank, Daiko Bank, Shonai Bank, Aichi Bank, Kiyo Bank, Kuwana Mie Credit Union, Nishi Nihon City Bank, Fukuoka Chuo Bank, Kyoto Bank, Okinawa Kaiho Bank, Sendai Bank, Suwa Shinkin Bank, Higashi Nihon Bank, and Mito Shinkin Bank

## The trend of ARPA for the entire group

Based on the ARPA expansion strategy, the product lineup was expanded, leveraging the synergies among products, resulting in an ARPA of 20,151 yen, a 11.3% increase compared to the same period last year.



(\*) ARPA stands for “Average Revenue per Account”, referring to an average sales amount per account.

This figure is calculated by dividing the annual revenue sales from member companies by the number of member companies at the end of each quarter.



# The trend of ARPA for Big Advance

Monthly fee waiver campaigns at some financial institutions led to a 0.3% YoY decrease in ARPA to JPY 18,035.



03

**FY2024 Third Quarter Result**

## Consolidated Financial Results

### Sales

**1,550** million yen  
(YoY +15.9%)

### EBITDA <sup>(\*2)</sup>

**305** million yen  
(YoY +165.2%)

### Operating profit

**155** million yen  
(-2 million yen YoY)

## Current Status of Big Advance

Number of BA-installed financial institutions

**78**

Number of member companies

**61,065**

Total number of users

**222,004**

Average churn rate

**1.41** % <sup>(\*1)</sup>

(\*1) Churn rate : Unsubscribed companies during the month / Subscribed member companies at month-end (12-month average from January 2024 to December 2024).

(\*2) EBITDA is calculated by operating profit + depreciation + goodwill amortization + stock-based compensation expense.

# P/L Statement for the 3rd Quarter of FY Ending March 2025

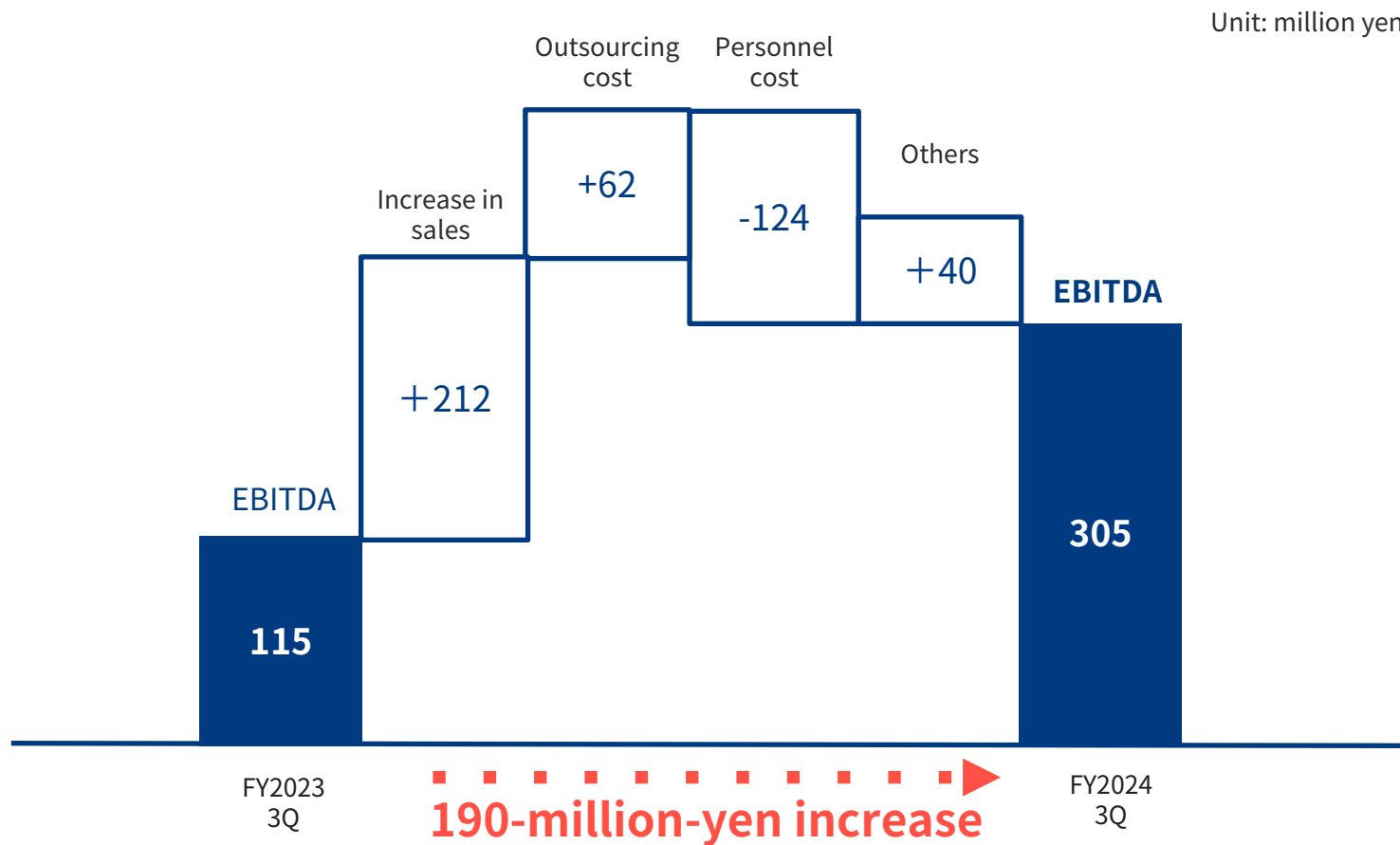
Revenue from Big Advance and DX Solutions increased, driving a 15.9% YoY rise in total sales to JPY 1,550M.  
AI-driven efficiency improvements boosted the gross profit margin by 2.1p YoY, with EBITDA surging 165.2% to JPY 305M.

Unit: million yen

	FY2023 3Q (Actual)	FY2024 3Q (Actual)	Difference from Previous Period	YoY
Net Sales	1,338	1,550	+212	+15.9%
Gross profit	724	871	+147	+20.4%
Gross profit ratio	54.1%	56.2%	—	—
EBITDA	115	305	+190	+165.2%
Operating Income	-2	155	+157	—
Operating income ratio	—	10.0%	—	—
Ordinary Income	-1	156	+156	—
Quarterly net profit at shareholders of parent	-20	90	+111	—

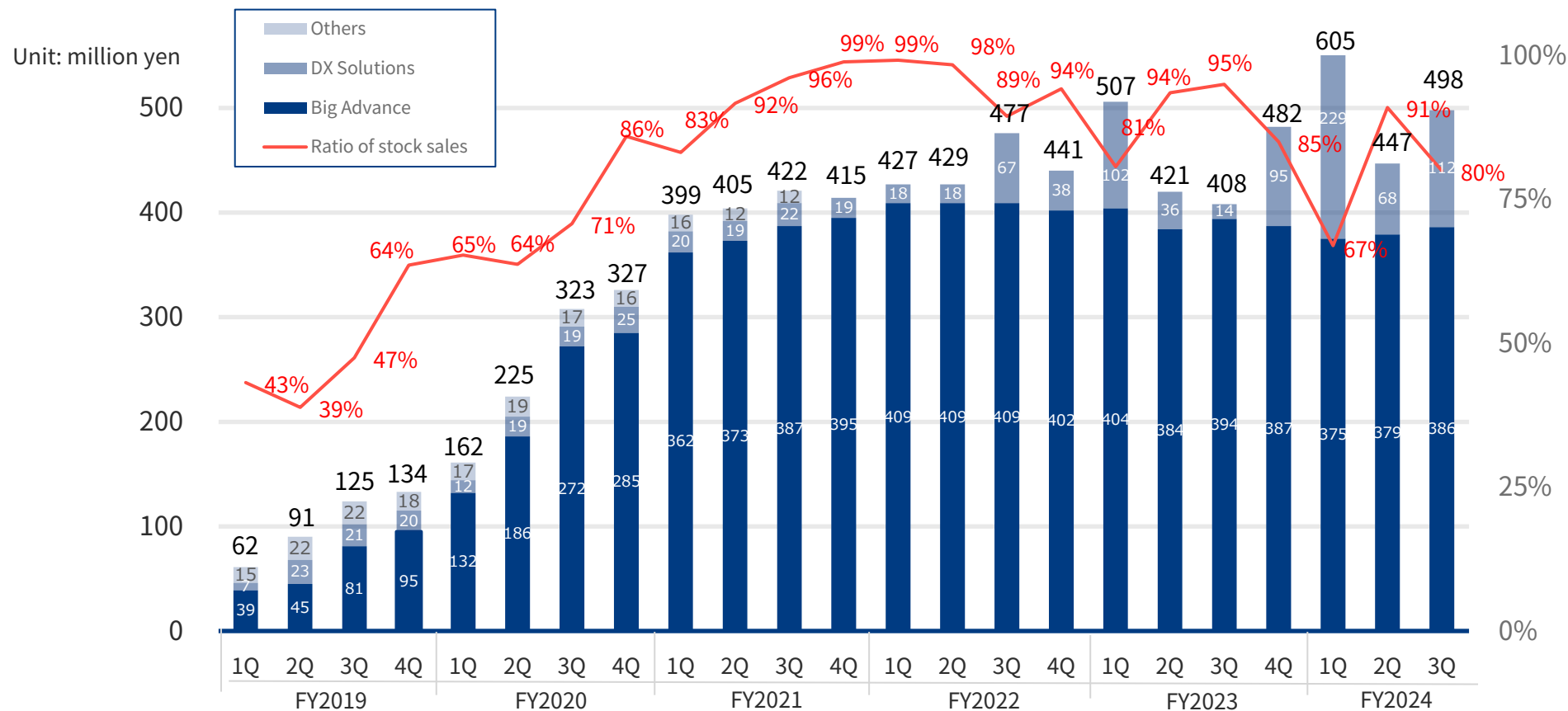
# Factors affecting EBITDA

Sales growth and efficiency improvements drove a JPY 190M YoY increase in EBITDA.



# Trends in Quarterly Sales

Big Advance revenue grew with BA portal development, while DX Solutions revenue increased by JPY 50M QoQ in 3Q due to subsidy approval. Stock revenue (\*2) ratio: 80%.



(\*1) Stand-alone results used until 2Q of FY2022, and consolidated results from 3Q of FY2022.

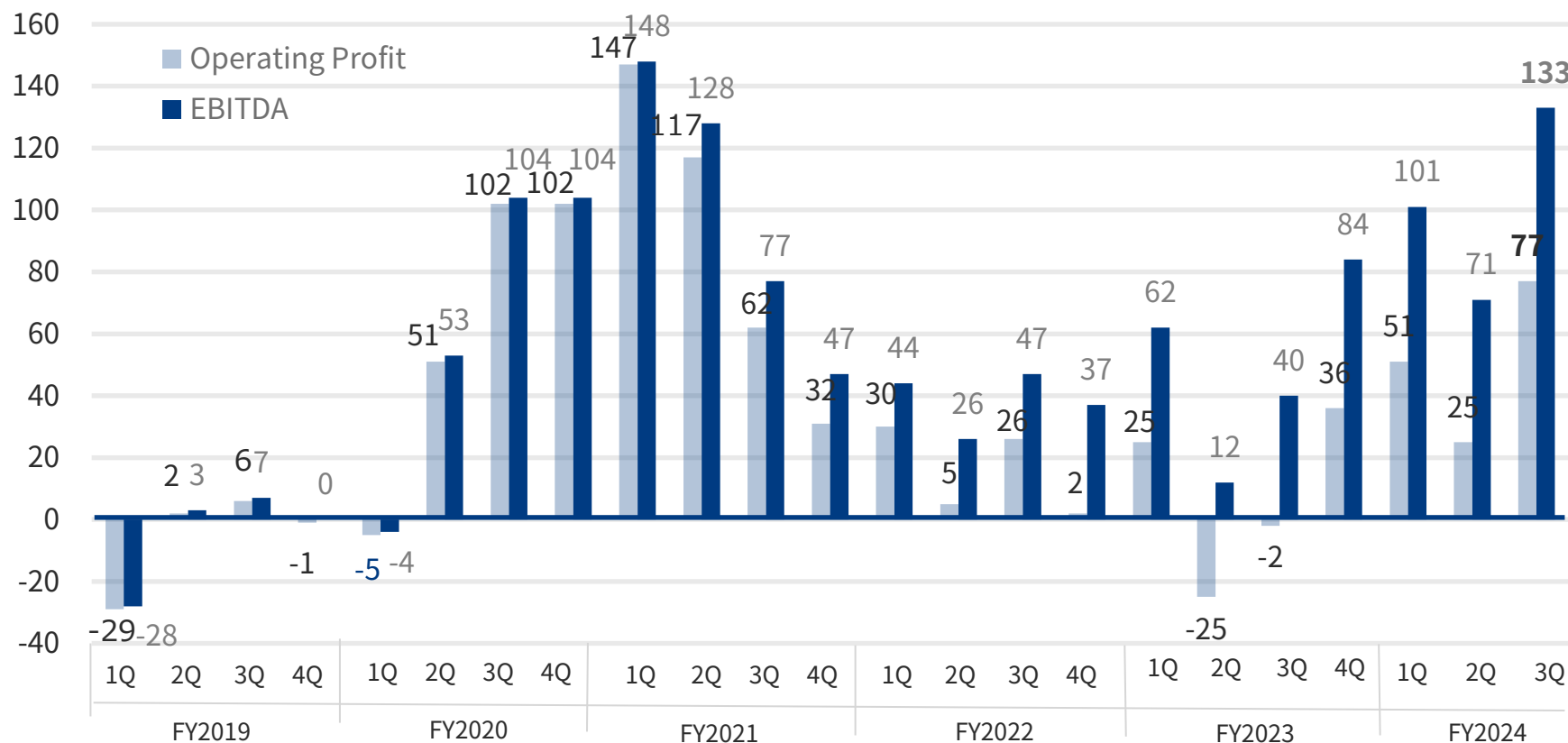
(\*2) Stock sales: revenue share of monthly maintenance cost and monthly cost of Big Advance at financial institutions.



# Trends for Quarterly operating profit/loss and EBITDA

Revenue growth and efficiency improvements drove a 165.2% YoY increase in cumulative 3Q EBITDA.

Unit: million yen



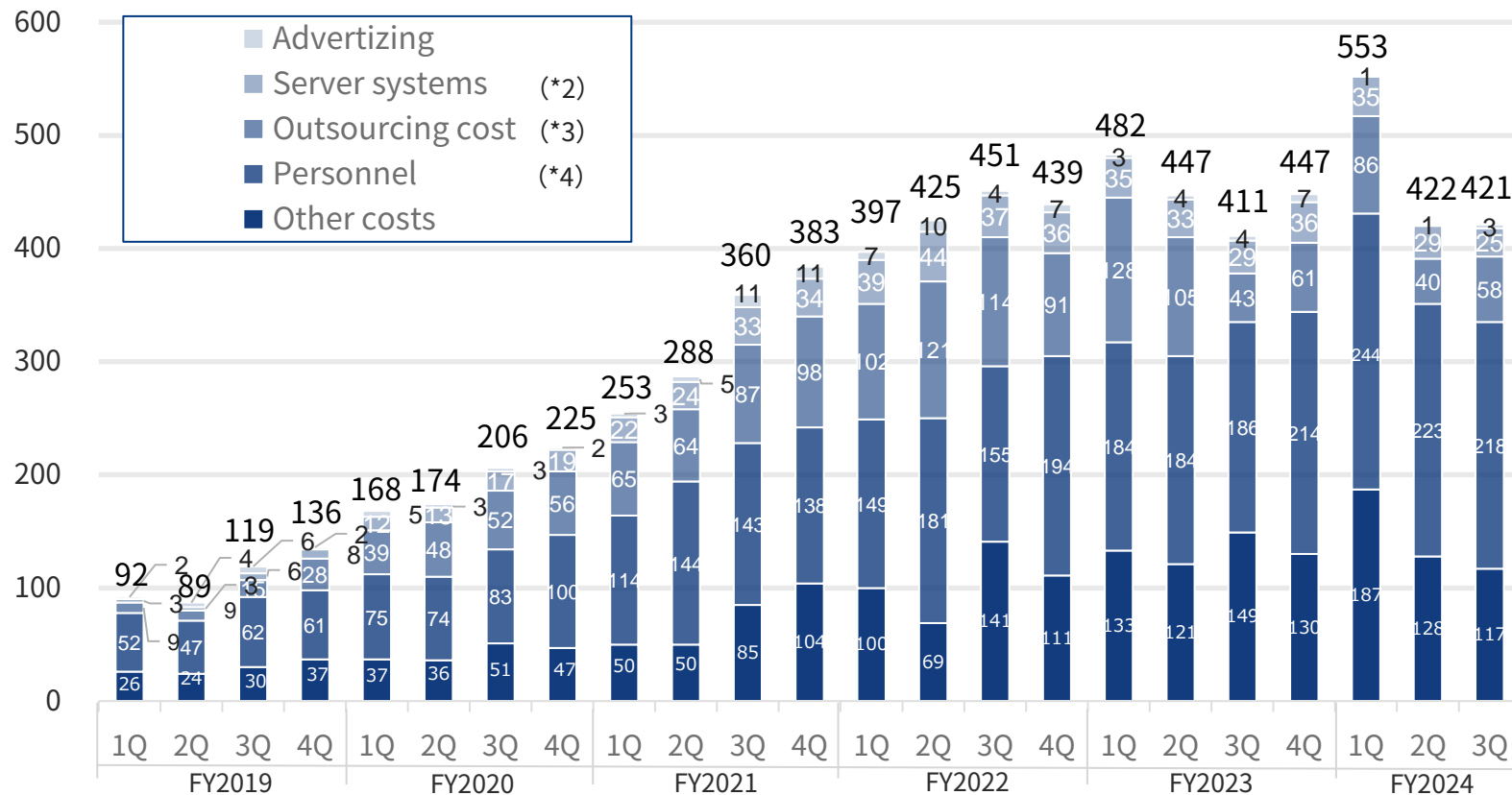
Cumulative 3Q:  
**+165.2%** (YoY)

(\*) Since FY2023 3Q, when consolidated financial statements were adopted, the financial figures until FY 2023 2Q were based on individual (standalone) statements.

# Trends in Quarterly Cost Structure

## Ongoing cost reduction through AI-driven efficiency improvements

Unit: million yen



(\*1) Financial statements are on a stand-alone basis until 2Q of FY2022, and then on a consolidated basis from 3Q of FY2023.

(\*2) AWS and web system usage fees. CoGS

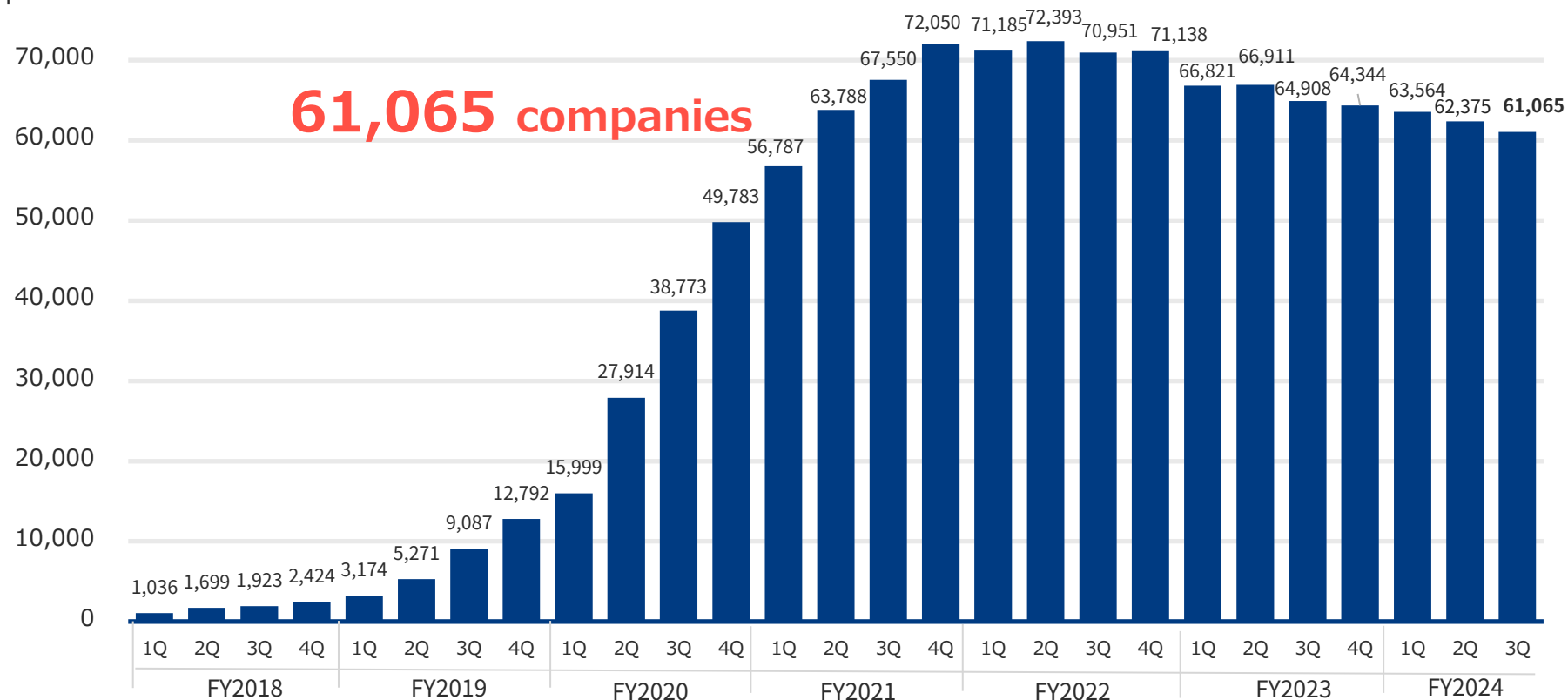
(\*3) Cost of outsourcing development to external engineers. CoGS

(\*4) Salary for engineers, sales, customer service, corporate employees and executive pay, plus social insurance and recruitment costs. Total of CoGS and SGA.

# Quarterly Trends of Member Companies

The number of member companies decreased by 1,310 from 2Q, bringing the total to 61,065. (\*1)

Unit : companies

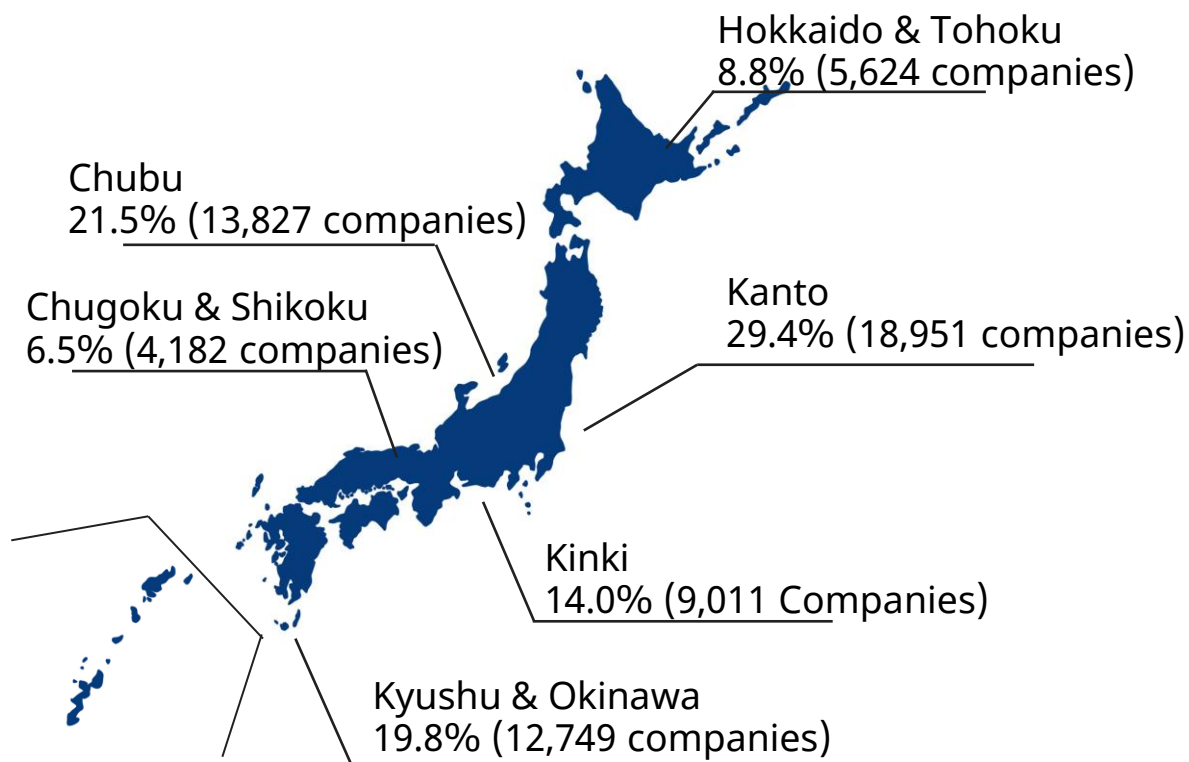


(\*1) As of the end of December 2024

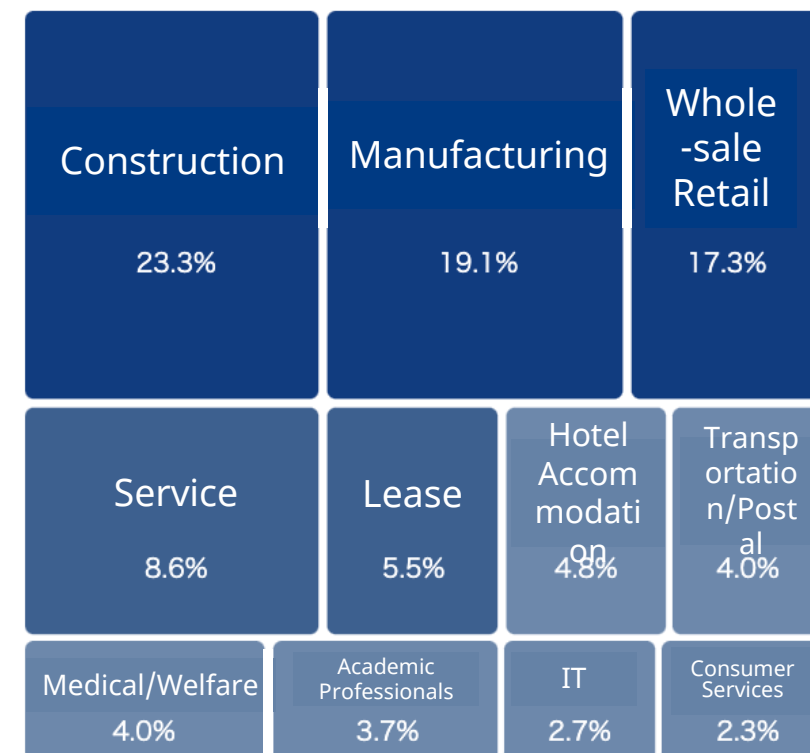
# Nationwide Network of Member Companies

A unique network of SMEs participating from across the nation beyond regional boundaries

## Composition ratio of Big Advance member companies by region



## Industry Composition of Big Advance Member

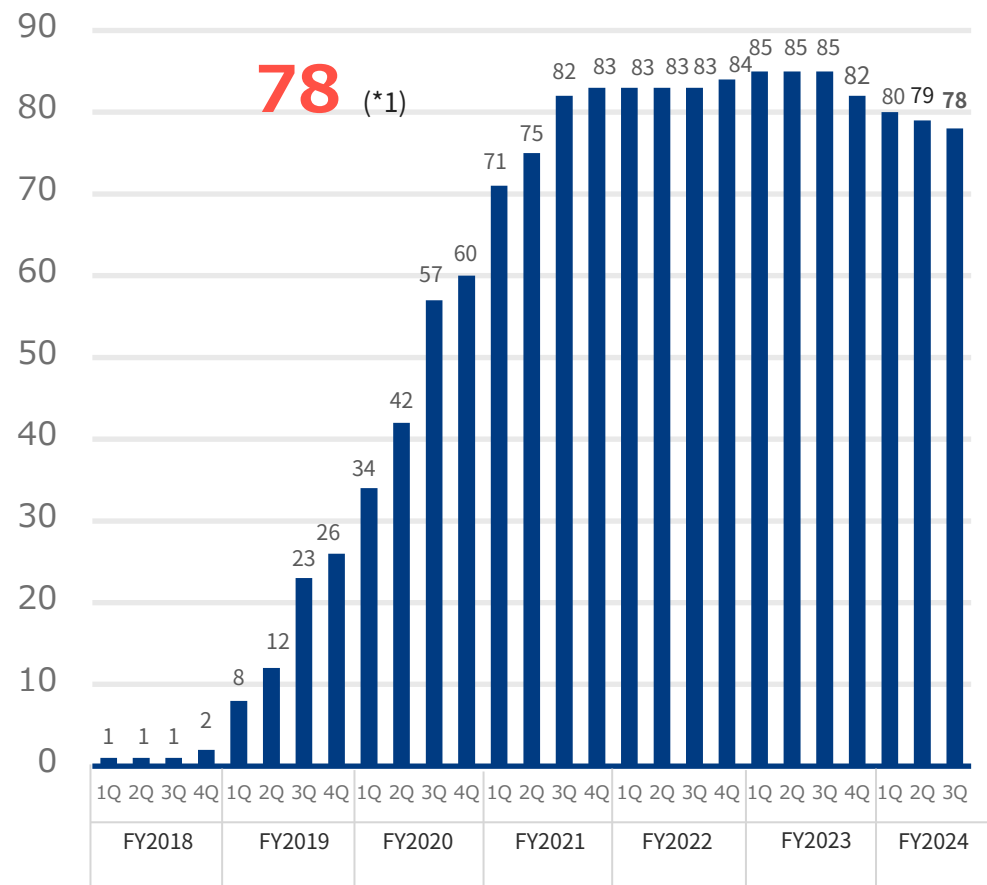


(\*1) As of the end of March 2024

# Trends in the number of BA-installed Financial Institutions

The number of BA-installed financial institutions that have adopted the system decreased by 1 from 2Q, bringing the total to 78. (\*1)

Unit : companies



(\*1) As of the end of December 2024

## Hokkaido / Tohoku Region

Aomori Michinoku Bank / Iwate Bank / Kita-Nippon Bank / The 77 Bank / Shonai Bank / Sendai Bank / Toho Bank / Hokuyo Bank

## Hokuriku Region

Kanazawa Credit Union / Kyoei Credit Association / Sanjo Shinkin Bank / Niigata Shinkin Bank / Fukui Bank / Fukui Credit Union / Fukuho Bank / Hokuriku Bank

## Kanto / Koshinetsu Region

Alupuschuo Shinkin Bank / Ashikaga Bank / Kawasaki Credit Union / Kofu Credit Union / Seibu Credit Union / Shinonome Credit Union / Joyo Bank / Suwa Shinkin Bank / Daiko Bank / Tama Credit Union / Chiba Bank / Chiba Kogyo Bank / Chiba Credit Union / Tokyo Higashi Credit Union / Towa Bank / Tochigi Bank / Nagano Bank / Hanno Credit Union / Higashi Nihon Bank / Hiratsuka Credit Union / Mito Shinkin Bank / Yokohama Credit Union

## Tokai Region

Gifu Shinkin Bank / Kuwana Mie Credit Union / Seishin Credit Union / Takayama Credit Union / Aichi Bank / Tono Credit Union / Toyokawa Credit Union / Nagoya Bank / Hekikai Credit Union

## Kansai Region

Ikeda Senshu Bank / Osaka shoko Shinkin Bank / Kinokuni Shinkin Bank / Kiyo Bank / Kyoto Bank / Shiga Bank / Shiga Chuo Credit Union / Tajima Bank / Tajima Credit Union / Nara Chuo Shinkin Bank / Himeji Shinkin Bank

## Chugoku / Shikoku Region

Iyo Bank / Ehime Bank / Kure Credit Union / Kochi Bank / Sanin Godo Bank / Shikoku Bank / Tamashima Credit Union / Tomato Bank

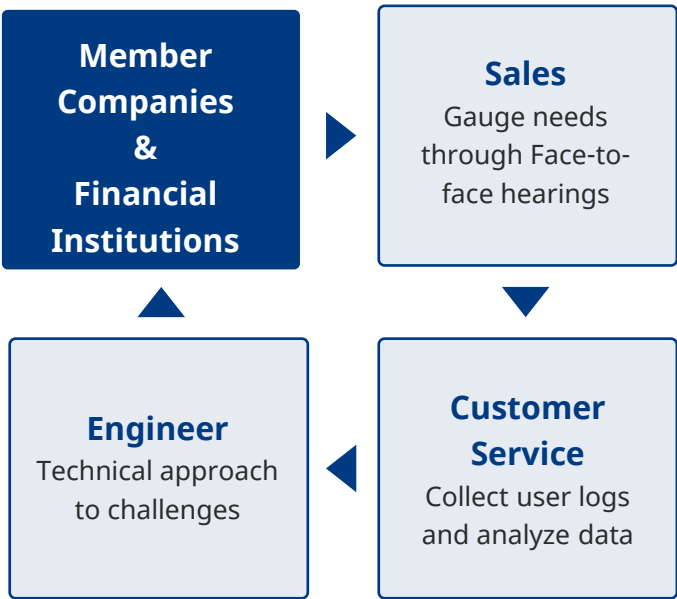
## Kyushu / Okinawa Region

Oita Bank / Okinawa Bank / Okinawa Kaiho Bank / Kagoshima Sougo Shinkin Bank / Koga Shinkin Bank / Saga Bank / Nishi Nihon City Bank / Higo Bank / Fukuoka Chuo Bank / Nagasaki Bank / Minami Nippon Bank / Miyazaki Bank

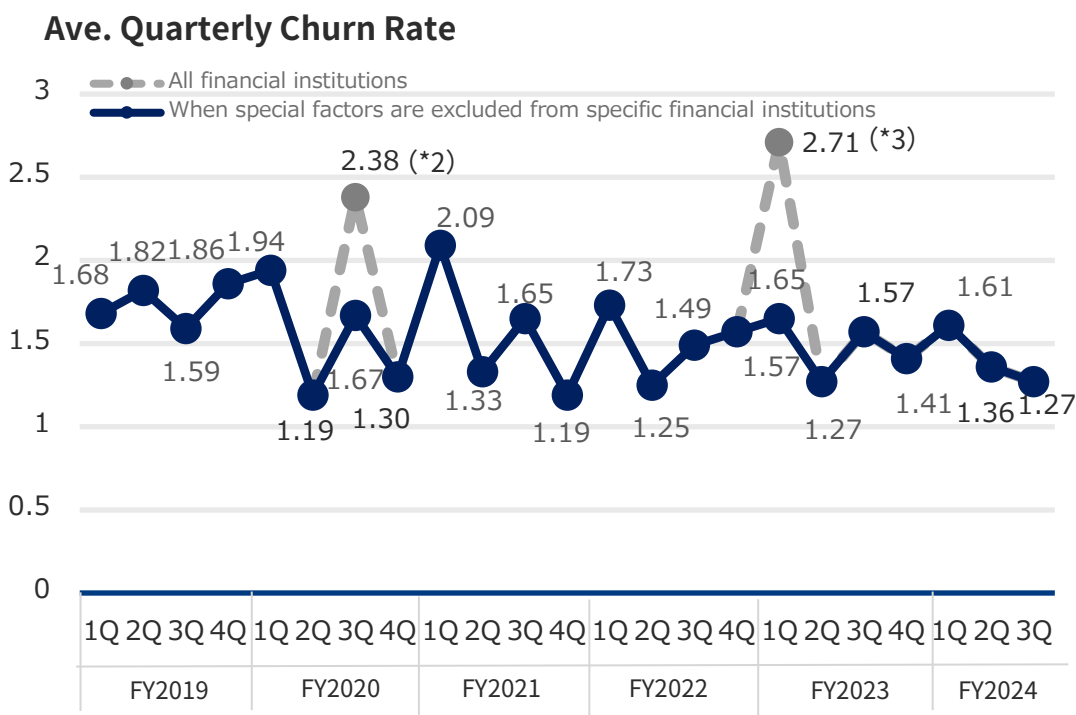
# Sustaining users with quick improvements to functions

Average annual churn rate stayed in the 1% range, on the back of efforts to collect and quickly reflect the needs of financial institutions and member companies in our services to heighten customer satisfaction and convenience.

## Cycle of functional upgrades



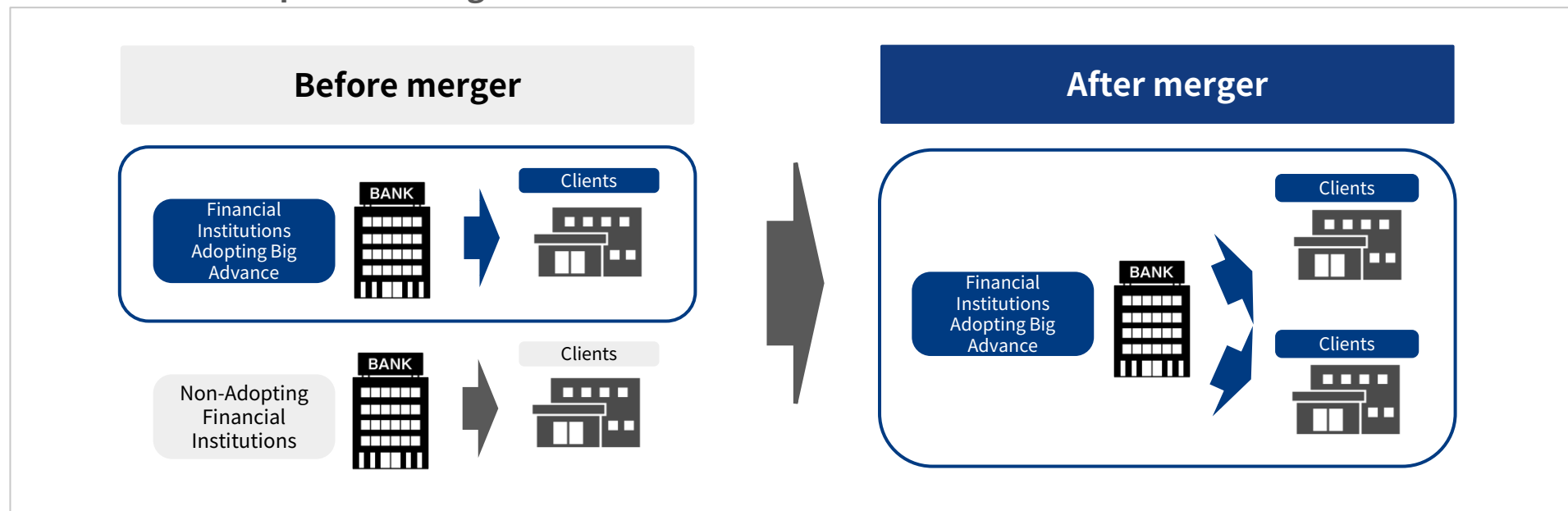
## Ave. Annual Churn Rate at 1.41% (\*1)



(\*1) Churn rate: (Unsubscribed companies during the month) / (Subscribed companies at previous month end (12-month average from January 2024 to December 2024))  
(\*2) One-off increase in churn rate due to special factors at certain financial institutions in December 2020. Average churn rate in 3Q FY2020 is 1.67% without this effect.  
(\*3) The churn rate rose for a while in March and April 2023 due to special factors at certain financial institutions. Besides this, the average churn rate in Q1 FY2022 was 1.65%.

# Merger of Financial Institutions Adopting Big Advance

The merger of financial institutions that have adopted Big Advance with those that have not will expand opportunities to acquire new member companies for Big Advance.



Aomori Bank × Michinoku Bank

 青森みちのく Big Advance

Chukyo Bank × Aichi Bank

 あいぎん Big Advance

# First Implementation of Specialized AI FAQ (SAF) for inquiry operations at a Financial Institution

## Utilizing Generative AI for Internal Inquiries on Policies and Documents within Financial Institutions



- Based on a PoC conducted in June 2024 at a financial institution, generative AI was trained on internal policies, manuals, and other documents to create a chatbot capable of answering inquiries. An FAQ feature was developed and first introduced in January 2025.
- By leveraging generative AI for internal inquiries regarding policies and documents, employees can quickly access the information they need.
- This ensures access to the most up-to-date information at all times, supports new employees in quickly catching up with their roles, and reduces the burden of responding to inquiries.



Rolleout to Regional Financial Institutions by Leveraging the Expertise and Achievements of WebFile and GrpMail,  
Developed in the Security-Demanding Financial Industry

## Started rolling out services to regional financial institutions.



## Selection by Global South Subsidy

The “BIG ADVANCE GLOBAL” project, a new platform supporting SMEs in overseas expansion with minority language AI translation capabilities, has been selected for the “FY2023 Supplementary Subsidy for the Global South Future-Oriented Co-Creation Project”.

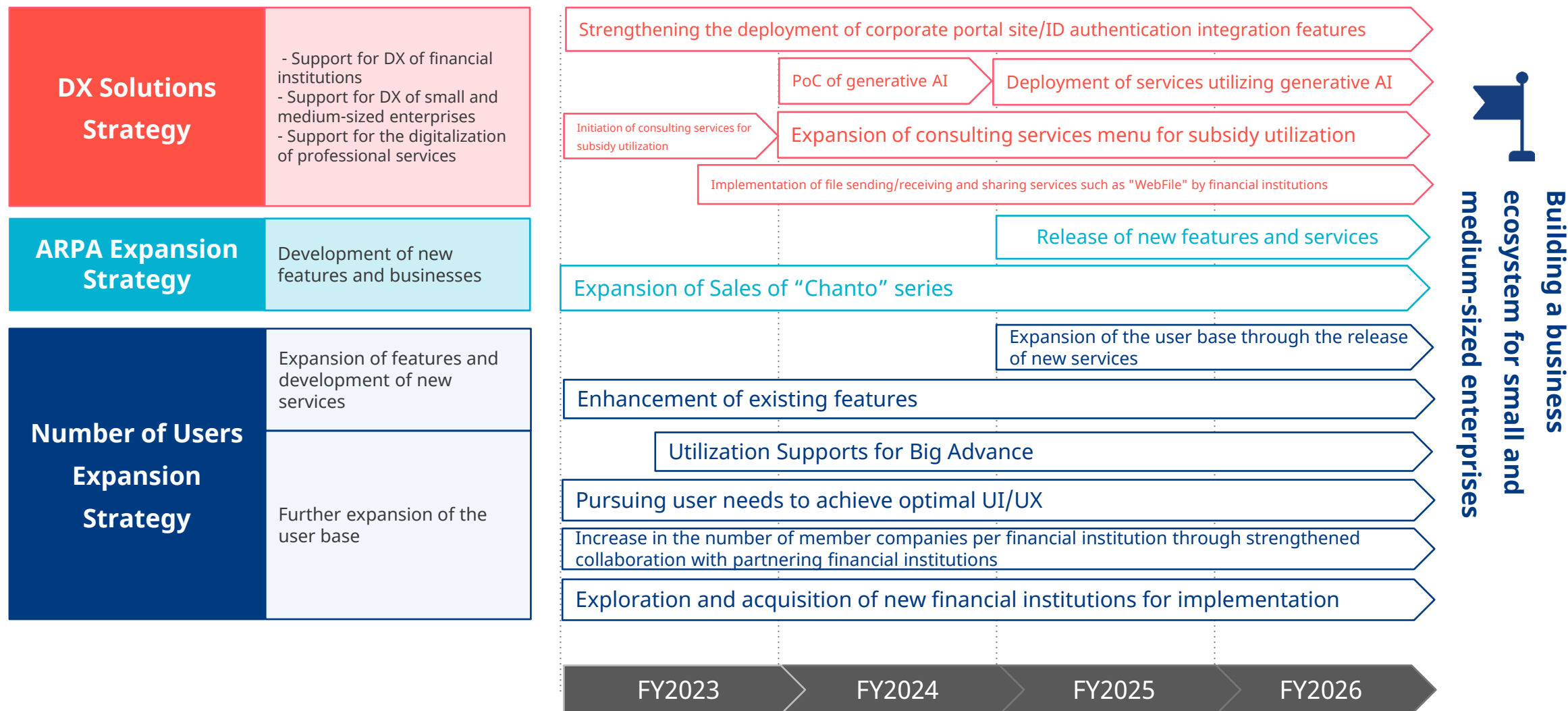


- “BIG ADVANCE GLOBAL” will first launch its services in one ASEAN country and gradually expand across the entire ASEAN region.
- By utilizing this subsidy, the project aims to build a network facilitating active exchange between Japanese SMEs and ASEAN businesses. Through promoting sustainable growth and innovation, it will contribute to economic revitalization and stronger collaboration among participating countries.

# 04

**Progress on mid-term management plan**

# "Growth Strategy Roadmap" for FY2024 and beyond



Service scheduled to start in  
April 2025 or later



【Mission】

**地域発世界**

From Region **to the World**

【Objective】

Support the global expansion of  
SMEs to boost Japan's economy

# Key Features of BIG ADVANCE GLOBAL

Expanding Big Advance's "Business Matching Feature" for International Use to Create a Platform Enabling SMEs to Engage in Direct Trade

## Key Features of BIG ADVANCE GLOBAL

Build a secure  
**member  
company  
network**

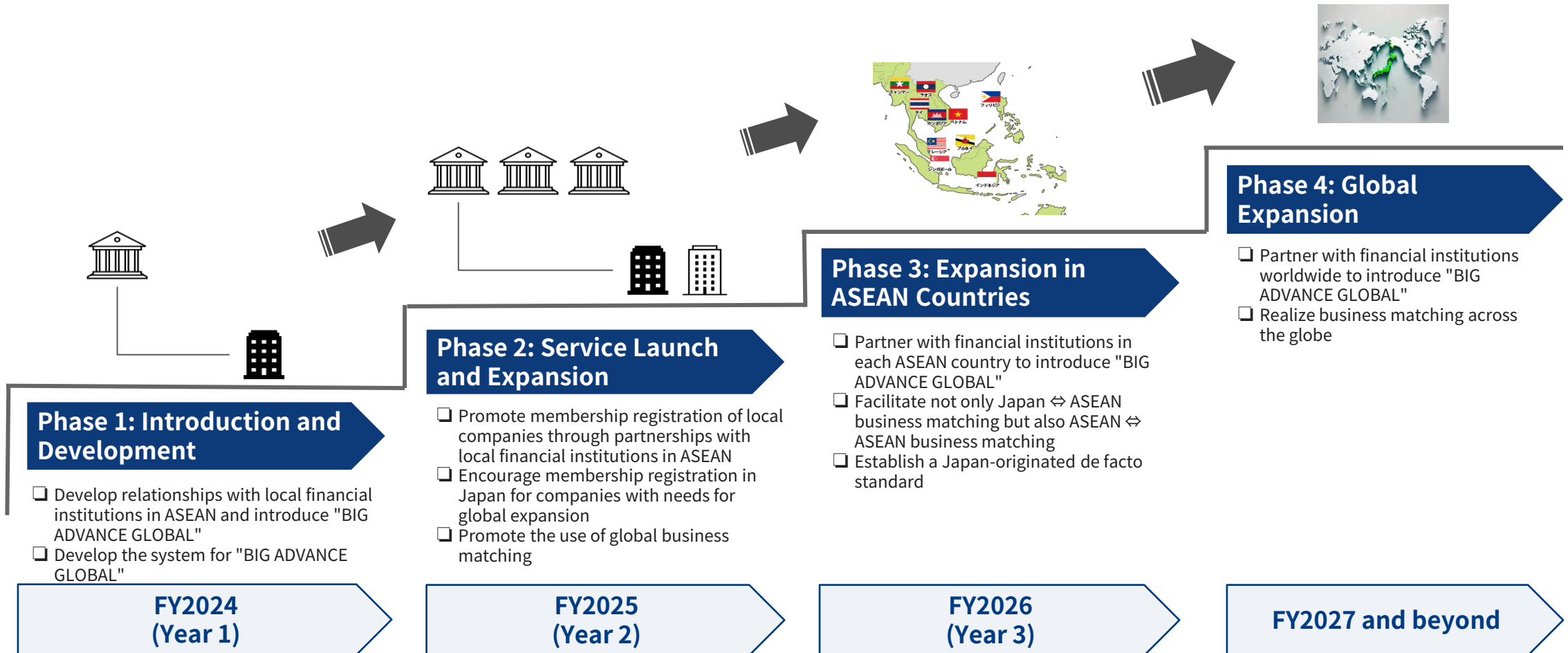
**AI-driven  
creation** of  
matching  
opportunities

Overcome  
language barriers  
with **automatic  
translation**

**Provide reliable  
support** for trade  
operations

# Future Development of BIG ADVANCE GLOBAL

Aim to establish a global, Japan-originated de facto standard in the B to B business matching platform



In addition to the “Manufacturing Subsidy”, “Business Restructuring Subsidy”, “Large-Scale Growth Investment Subsidy”, and “Energy Conservation Subsidy”, we have newly started handling the “SME Productivity Enhancement Investment Subsidy”, the “SME New Business Expansion Subsidy” and “SME Growth Acceleration Subsidy”, among others.

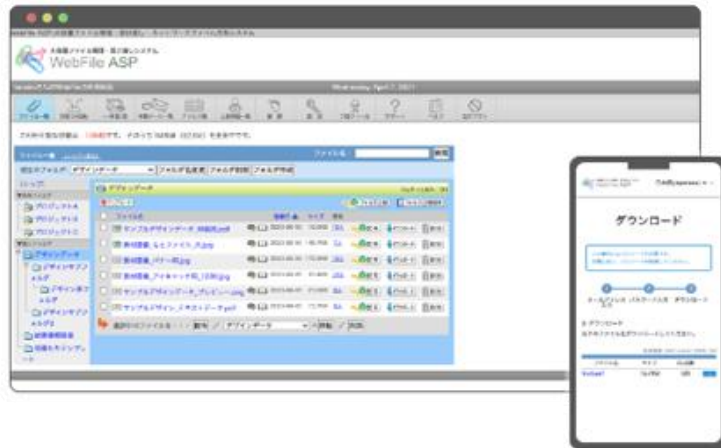


- ① Top-class support on subsidies in the Tokai region.
- ② Wide range of support provided on subsidies.
- ③ Support provided by experienced professionals.
- ④ Understanding of “proprietary skills”.
- ⑤ Seminars held on subsidies and its application process.

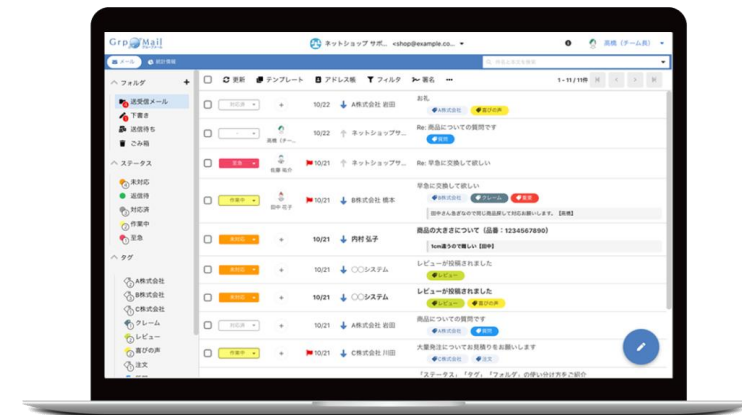


# File Transmission, Reception, and Sharing Services

Addressing Information Security Challenges Such as File Attachment Transmission and Paperless Operations



Corporate email transmission and sharing system  
that consolidates file transfers and retrievals



A simple interface that prevents duplication  
and oversight, with a shared email management system



## Examples of Utilizing “WebFile” in Regional Financial Institutions

1

[Regional second-tier bank A in Western Japan Region] File transfers to clients are conducted via PPAP (\*1)



**URL-based File Transfer Function Successfully Resolves PPAP Issues**

2

[Regional second-tier bank B in Chugoku Region] Dual management of paper-based contracts with PDFs



**Paperless Operations Enabled by E-contract Functionality:  
Click-to-Complete for Improved Efficiency**

3

[Regional banking group C in Kinki Region] Manual collection of paper-based surveys is time-consuming



**Online Survey Functionality Provides a Solution**

(\*1) A method where a password-protected zip file is created and emailed to the recipient, followed by sending the password via email.

## Examples of Utilizing “GrpMail” in Regional Financial Institutions

1



[Regional second-tier bank A in Western Japan Region] The shared email address is not being effectively utilized.

Resolved with the shared email address feature:  
Simplifies operations for handling by multiple people.

2



[Shinkin bank C in Chubu Region] email handling errors due to not being aware of other staff members' email exchanges with customers

The messaging feature reduces human errors,  
preventing missed responses and duplicate handling.

3



[Regional second-tier bank D in Eastern Japan Region] consulting scheme has become overly complicated.

Resolved with the email approval feature:  
Emails are drafted by Company D and sent upon customer approval.



05

**FY2024 estimates**

# Revision of Full-Year Performance Forecast for FY2024



Actively leveraging cutting-edge AI technology to enhance productivity in development and corporate support operations while advancing the sophistication of business processes. These efforts have significantly improved operational efficiency and reduced costs, leading to a projected substantial increase in profits. As a result, we have revised our performance forecast upward for the second time. Development and investment in “BIG ADVANCE GLOBAL” are progressing smoothly, and we plan to continue proactive investments this term and next.

Unit : million yen

	FY2024 Forecast (Initial)	FY2024 Forecast (Previous Revision)	FY2024 Forecast (Current Revision)	Change from Previous Revision	Comparison with Previous Revision	FY2023 Actual Results (Reference)	YoY Comparison
Sales	2,000	2,000	2,000	0	—	1,821	+9.8%
Gross profit	996	1,078	1,125	+47	+4.4%	990	+13.6%
EBITDA	240	278	355	+77	+27.7%	200	+77.4%
Operating Profit	40	78	170	+92	+117.9%	33	+401.6%
Recurring Profit	38	77	171	+94	+122.1%	40	+323.6%
Net profit for shareholders of parent company	2	30	95	+65	+216.7%	33	+184.8%

# Business Policy for FY 2024 (Initial Plan)

In FY2024, business growth will be pursued through the following initiatives:

## Big Advance

- Enhance existing functionalities, with a focus on the business matching feature, to attract new user segments through proactive DX efforts.
- Expand the sales of the "Chanto Series" as part of defensive DX measures.
- Promote the utilization of business user accounts.
- Strengthen relationships with financial institutions.
- Establish mechanisms for providing support and assistance to member companies.

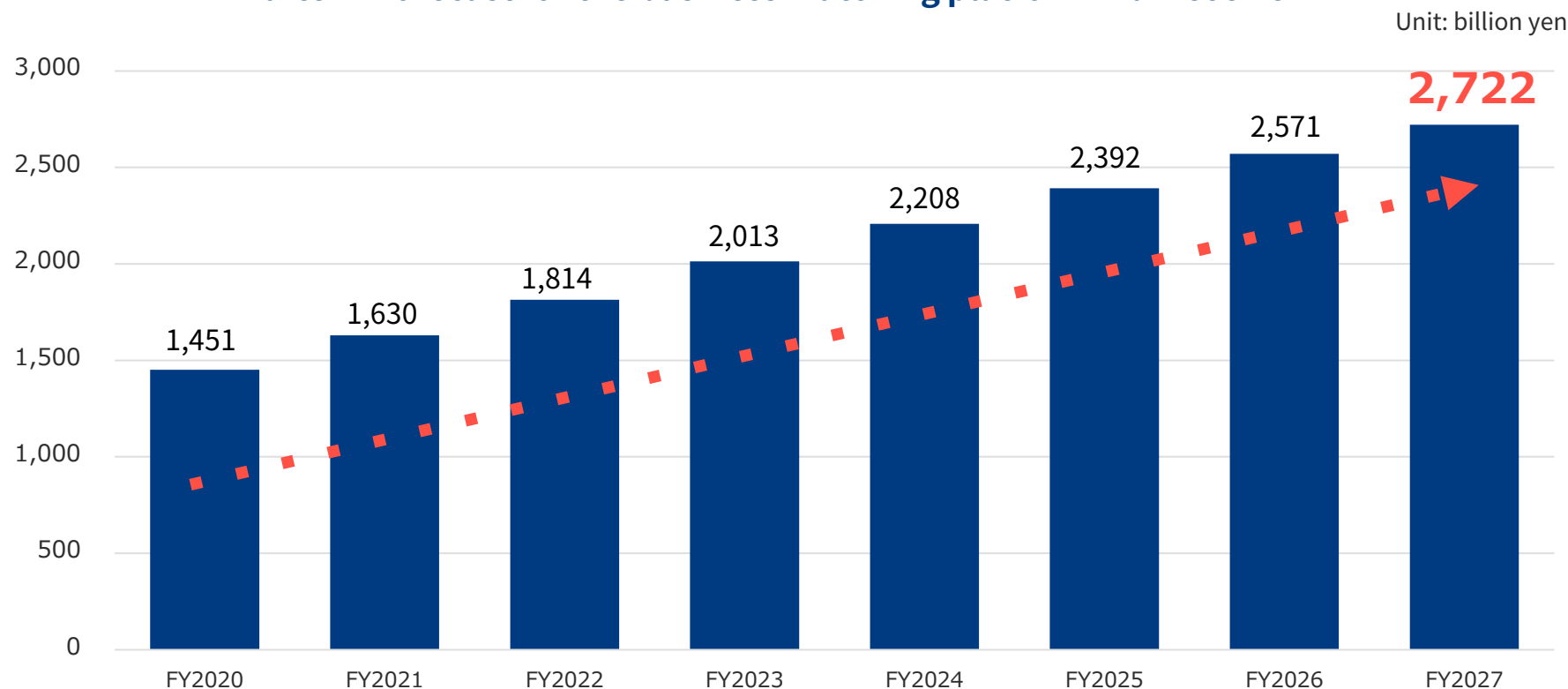
## DX Solutions

- Service implementation through validation experiments with AI generation.
- Expansion of the subsidies handled in subsidy utilization consulting.
- Introduction of file sending/receiving and sharing services like "WebFile" to financial institutions.

# The market size of business matching platforms

The domestic market as a whole is expected to expand from 2,013 billion yen in FY 2024 to 2,722 billion yen in FY2028

## Mid-term forecast for the business matching platform market size



(Source) Deloitte Tohmatu MIC Research Institute Co., Ltd., “Current Status and Outlook of the Domestic Business Matching Platform Market [2023 Edition],” issued on December 13, 2023.  
(<https://mic-r.co.jp/mr/02980/>)



06

**Supplementary Information**



To create the largest management support platform for SMEs in Japan



## Find the future in corporate value.

To realize this mission, KOKOPELLI has consistently developed services to support SMEs since its establishment.

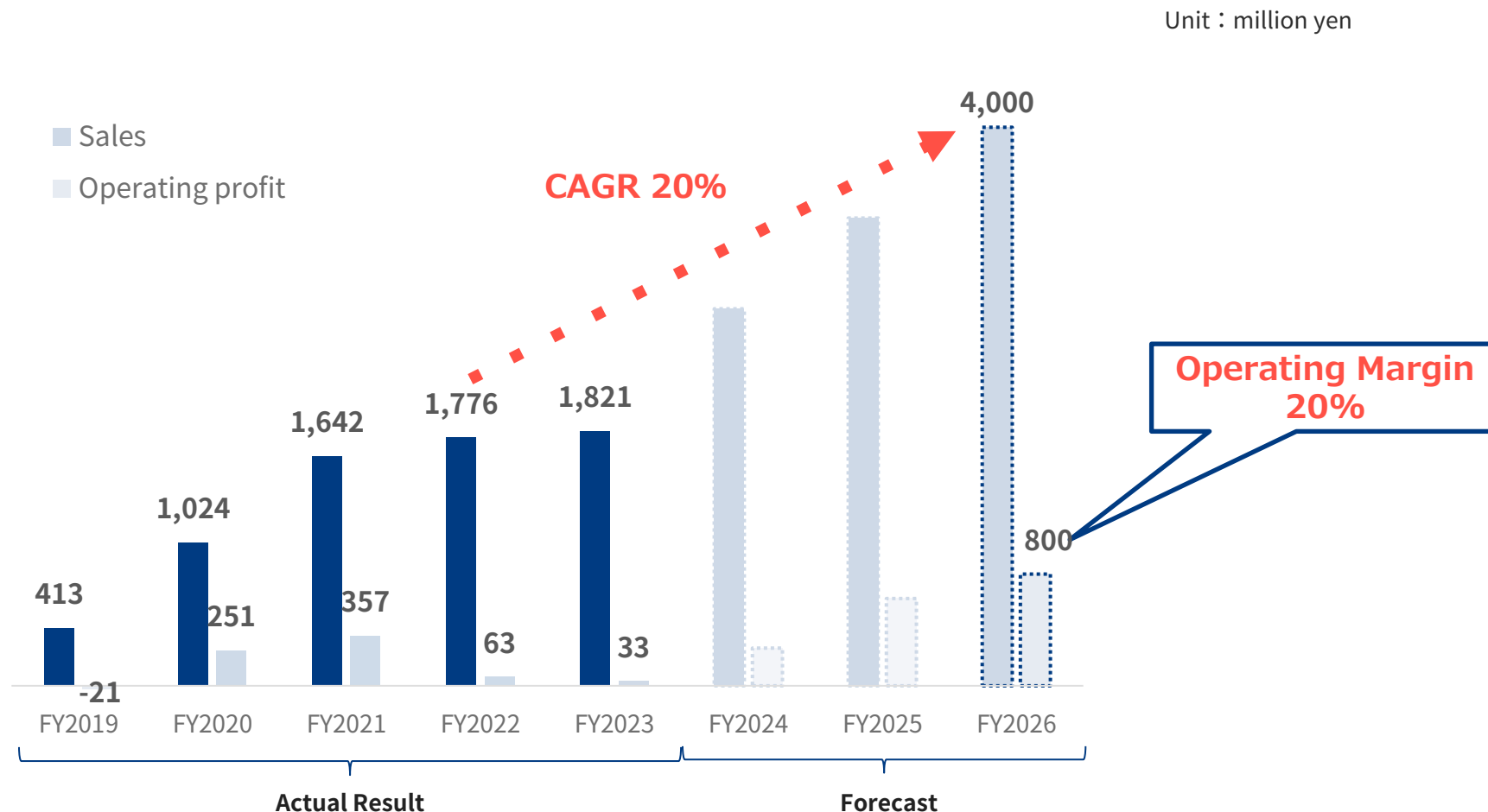
Unfortunately, many businesses do not see the light of day because they do not communicate the core values they have to offer.

Our challenge is to harness the power of technology to sprout and nurture these seeds of buried value, growth opportunities, and business potential to take them into the futures ahead.

We combine technology and innovation to create business models to improve labor productivity and deliver services that are truly valuable to the companies we serve.

# Mid-term Management Target

By expanding the user base, increasing ARPA, and implementing the DX Solutions strategy, we aim for a 20% CAGR in revenue growth by FY2027.



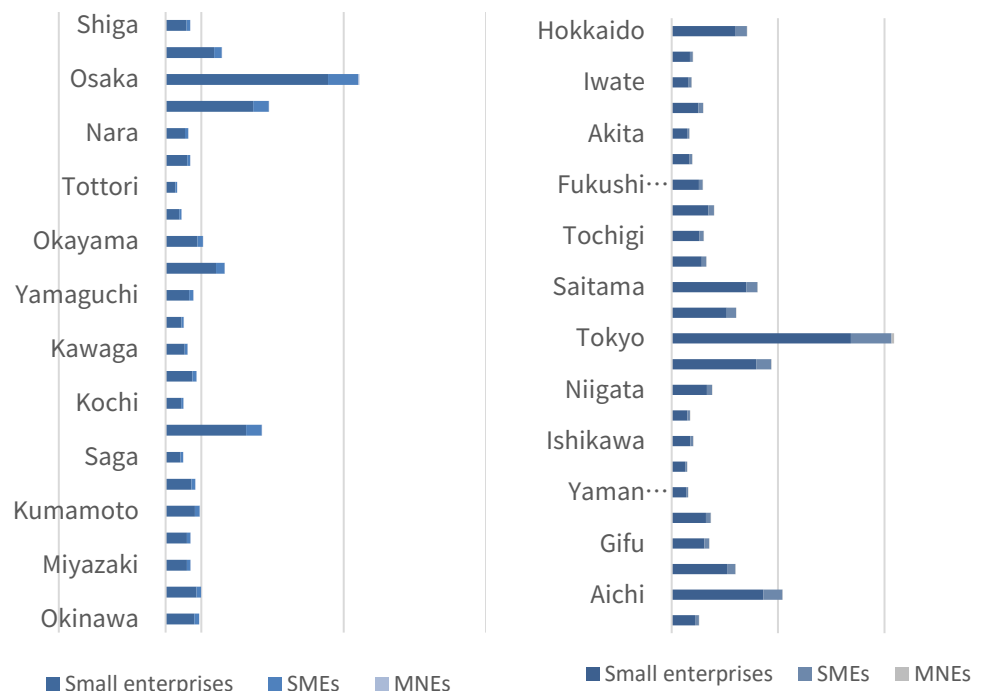
# To become a core infrastructure for SMEs

To become the absolute leader in the DX market for Japanese SMEs in the next 3 years (FY2022-FY2024).

- Of the nation's 3.58 million businesses, 99.7% are small and medium-sized enterprises and 84.9% are small businesses.
- Small businesses are distributed in each region.
- The top 3 industries are wholesale/retail, lodging/restaurant services, and construction.

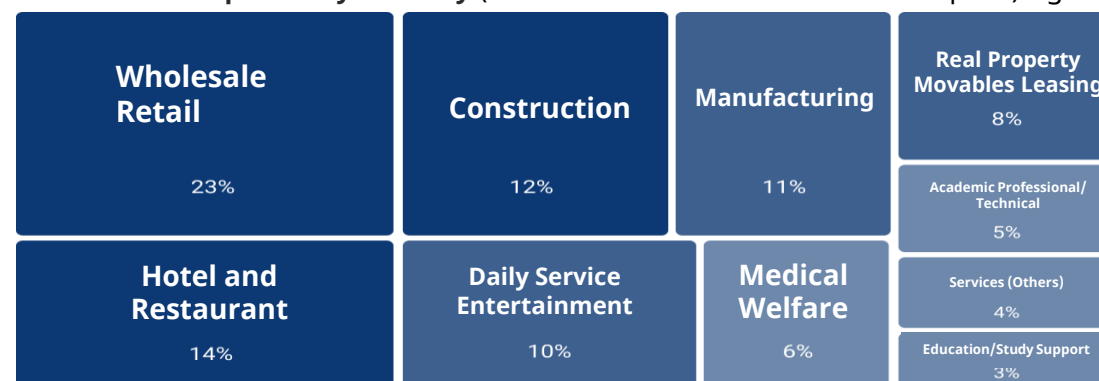
## Number of companies by prefecture

(Source: The Small and Medium Enterprise Agency, as of 6 June 2016)



Definition of SMEs and small businesses			
	SME		Of which small business
Sector type	Capital or employees		Employees
Mfg. and others	300 mil. JPY or less	300 or less	20 staffs or less
Wholesale	100 mil. JPY or less	100 or less	5 staff or less
Service	50 mil. JPY or less	100 or less	5 staff or less
Retail	50 mil. JPY or less	50 or less	5 staff or less

## Number of companies by industry (Source: The Small and Medium Enterprise) Agency



Transportation, postal service...2% / Information Technology...1% / Finance, Insurance...1% / Combined services...0% / Mining, Quarrying of stone and gravel...0% / Electricity, gas, heat and water services...0%

## Advantages of using Big Advance (1)

A thorough delivery of WEB services to local companies, based on established network of local financial institutions.

**Effective networking  
with local financials**

**Effective networking  
with SMEs across the  
country**

**Fusion of in-person and  
technology-based services**

**Data-driven  
analysis and returns**

## Advantages of using Big Advance (2)

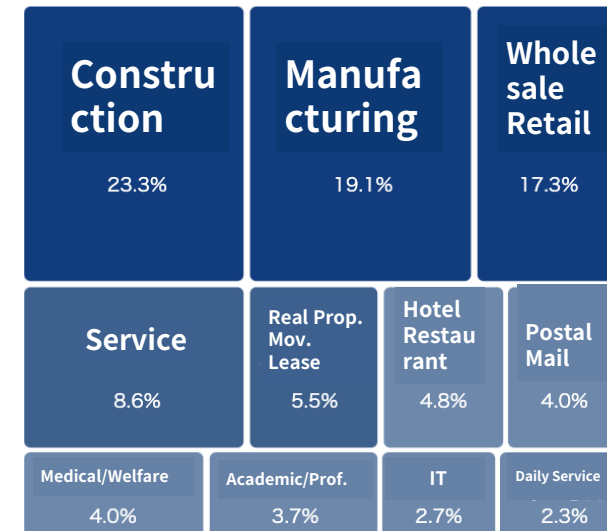
### Effective networking with local financial institutions

- An established network of Japan's largest regional financial institutions, including regional banks, second-tier regional banks, shinkin banks, and credit unions, regardless of business category.
- Comprises 78 BA-installed financial institutions that have head offices spanning across 42 prefectures (47 prefectures including branches) and approximately 5,700 branches.



### Effective networking with SMEs across the country

- A very effective network of 65,000 or more companies registered with Big Advance nationwide.
- Able to provide services to small, like-sized companies across the sector that were difficult to reach with web-based services.



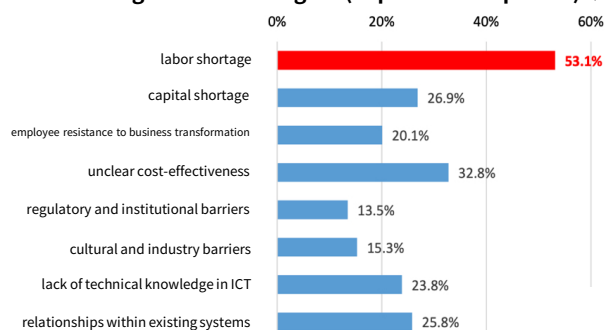
The top three industries of the member companies are construction, manufacturing and wholesale/retail.

# Advantages of using Big Advance (3)

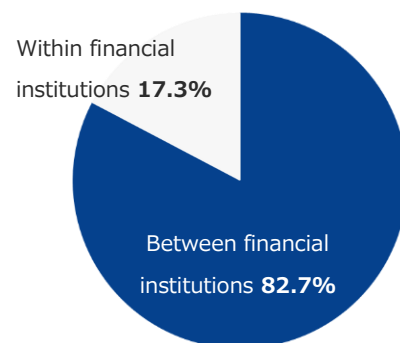
## Fusion of in-person and technology-based services

- Trusted personnel at financial institutions in close contact with companies on a daily basis will support the installation and operation of Big Advance to promote DX.
- Share the core values of local companies with those across the country via the web.

Challenges in advancing DX (Japanese companies) (\*1)



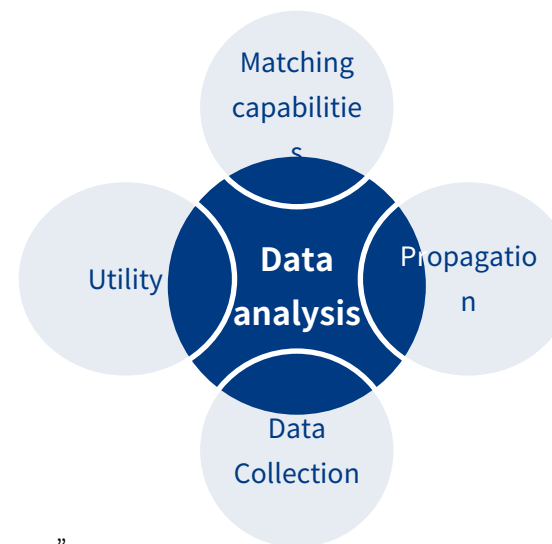
The main issues with DX is “lack of personnel” at 53.1%.



Business talks between regional and financial institutions comprise 82% of the business matching function offered by Big Advance.

## Data-driven analysis and returns

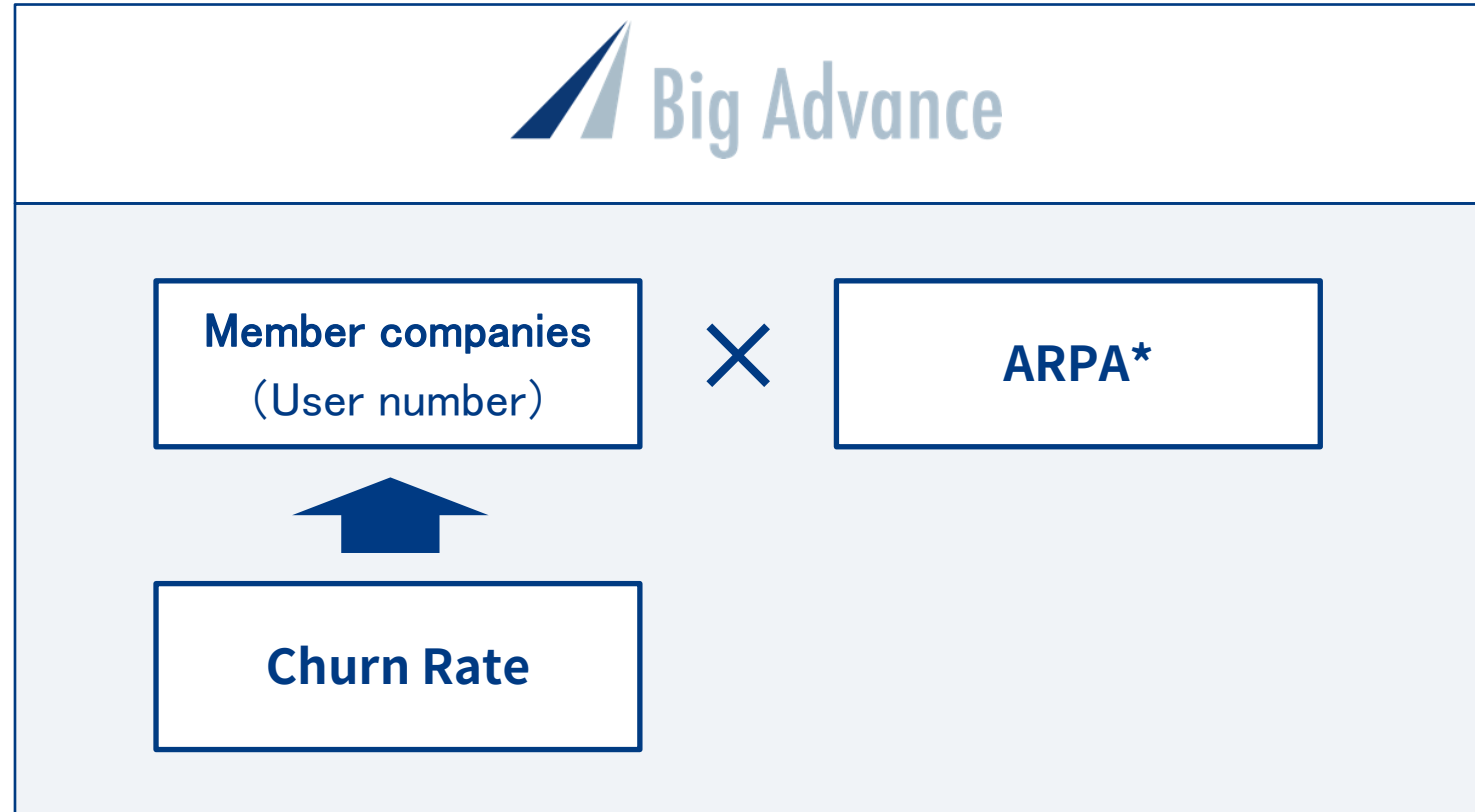
- Core business support to clients of financial institutions by offering data collected by Big Advance (data provisions to begin in April 2022).
- Business matching function offers AI-driven recommendations of business activities to companies.
- Presents ways of using Big Advance on the web, depending on the company's usage, to facilitate the DX process (starting in May 2022).



(\*1) Ministry of Internal Affairs and Communications, Japan “2021 White Paper Information and Communications in Japan”

# Evaluation Indicators

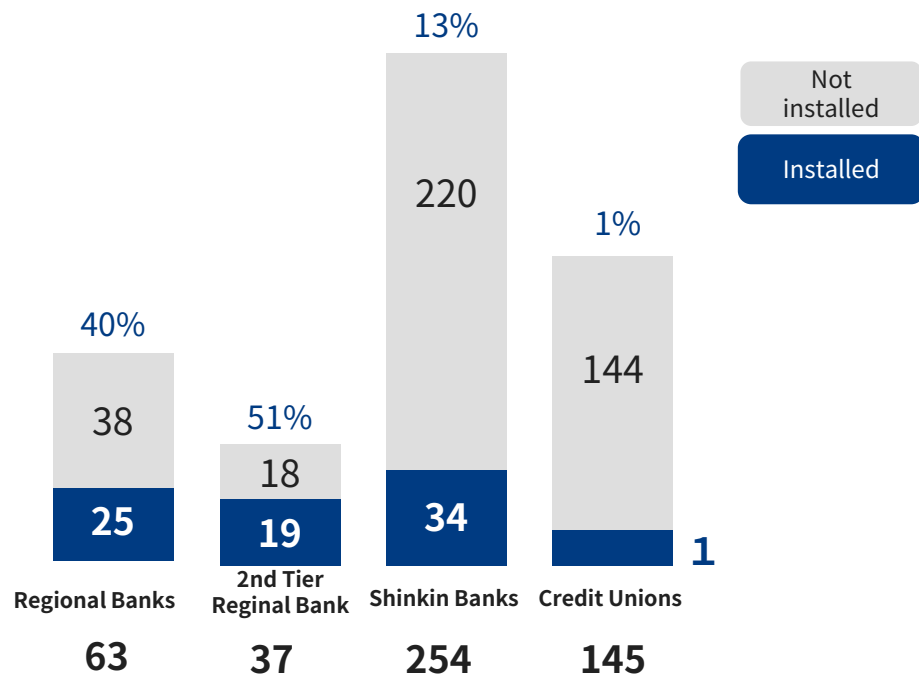
Expected to bolster sales through higher price per customer (ARPA) along with more member companies (users).



(\*) ARPA stands for Average Revenue per Account, referring to average sales per account.

# Attracting more users (1):Expanding the user base

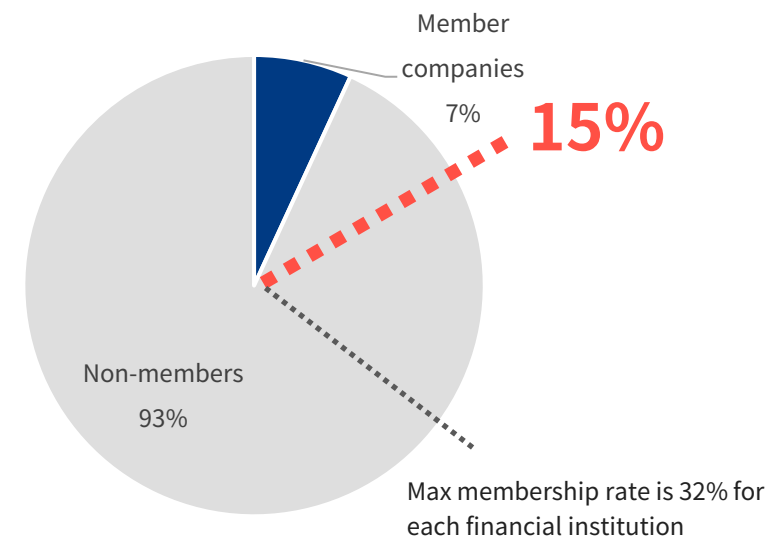
## Number of financial institutions



- Installed at 16% (78/499) of financial institutions
- Target for 100 financial institutions to install the system

(as of 30 December 2024)

## Potential finance customers



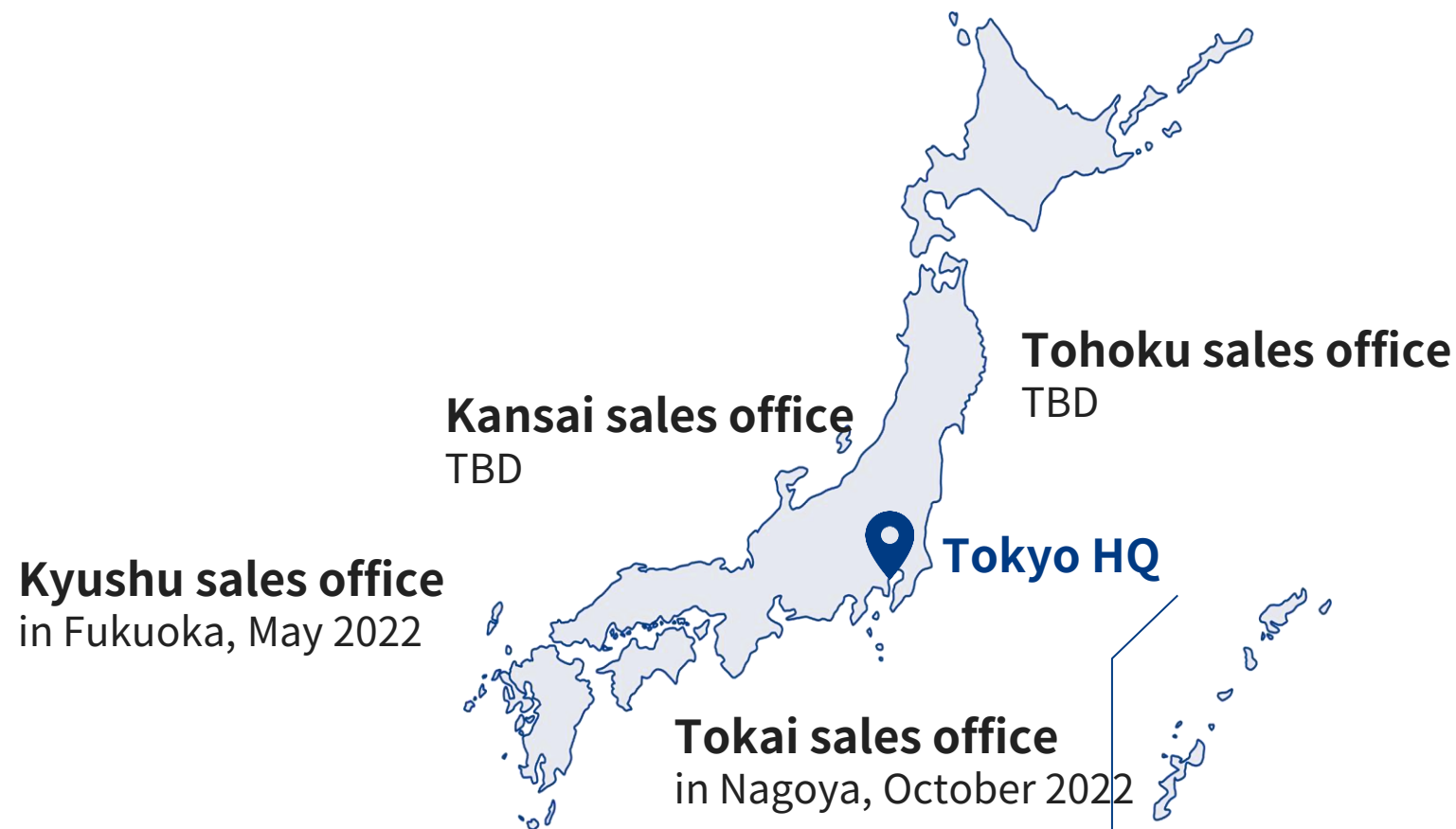
- Potential clients in finance is around 1 million (based on our research) , and the current membership rate for Big Advance is 7%
- Target average membership rate of 15% (150,000 companies)

(Based on the 78 BA-installed financial institutions)



## Attracting more users (2):Expanding the user base

Set up new sales offices in Kyushu and Tokai region to strengthen relations between financial institutions and local municipals.



## Attracting more users (3): Stronger ties with local governments

To realize regional revitalization, we collaborate with local governments to promote DX for regional businesses.



Top left: Mr. Kazuki Okada, Mayor of **Fujiidera City**; Top right: Mr. Koichi Hama, Chairman of **Fujiidera City Chamber of Commerce and Industry**  
Bottom left: Shigeru Kondo, CEO of **Kokopelli Inc.**; Bottom right: Atsushi Ukawa, CEO and Representative Director at **The Senshu Ikeda Bank**

- In February 2022, we entered into a “Partnership Agreement for Regional Economic Promotion” with Kamimine Town, the Kamimine Town Chamber of Commerce, and Saga Bank in Saga Prefecture.
- In August 2022, we entered into a “Partnership Agreement for Regional Economic Promotion” with Fujiidera City, the Fujiidera City Chamber of Commerce, and Ikeda Senshu Bank in Osaka Prefecture.

```
graph TD; A[More users] -- 1 --> B[More usage]; B -- 2 --> C[Membership registration]; C -- 3 --> D[Expanded functions]; D -- 4 --> A; E[Data feedback] --> B;
```

- © 2025 KOKOPELLI Inc.

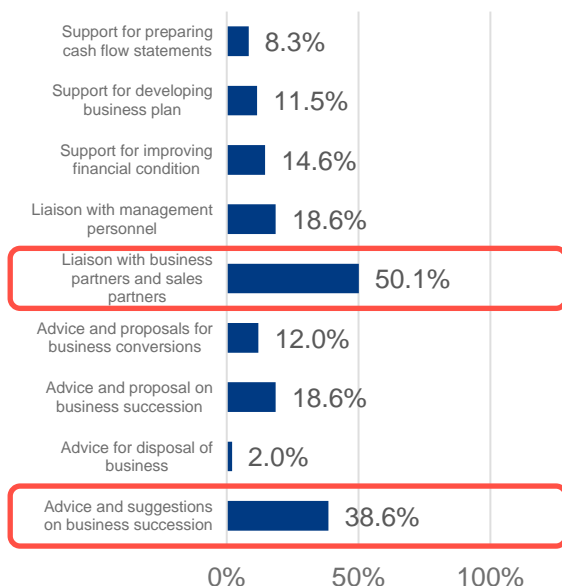
# ARPA Expansion Strategy: New Business Development

Providing new solutions through the development of innovative solutions and M&A to address various challenges faced by SMEs.

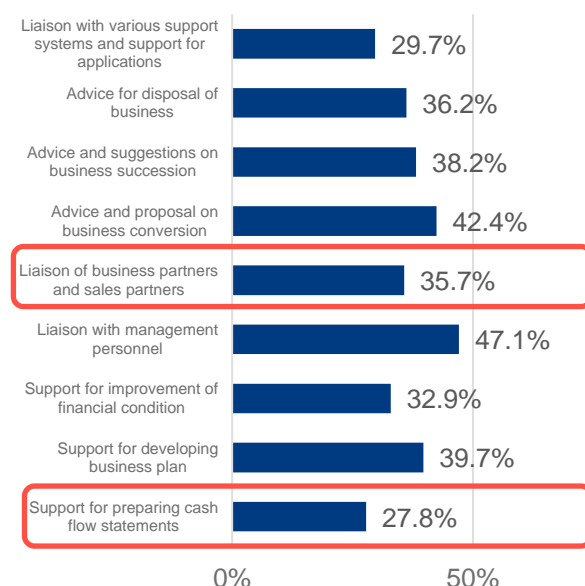
## Company surveys

Services from financial institutions wanted by SMEs, which they would pay for. (\*1)

### Services in demand



### Services worth paying a commission

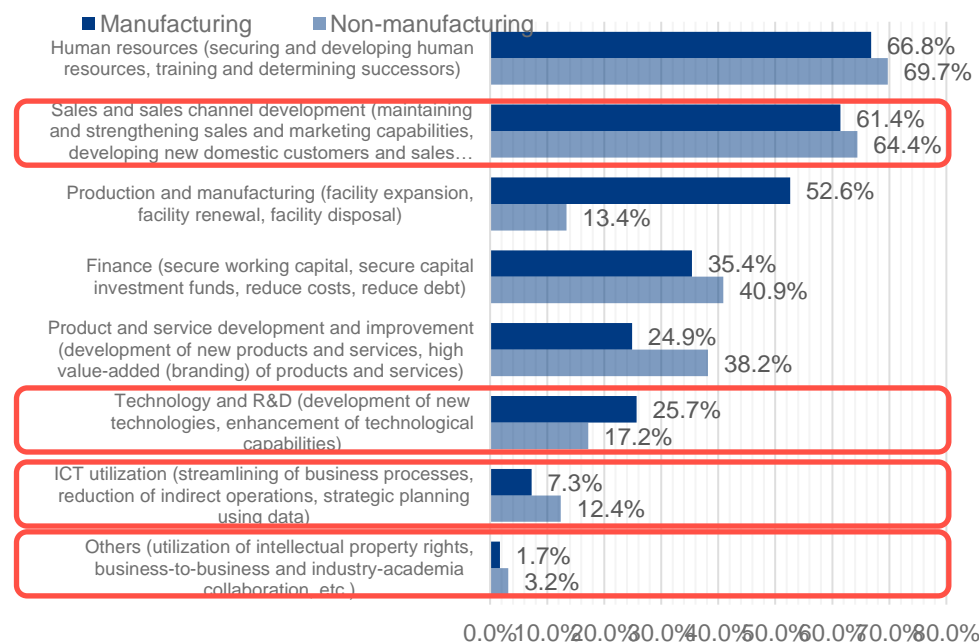


(\*1) Financial Services Authority "The JFSA Strategic Priorities July 2021-June 2022"

(\*2) The Small and Medium Enterprise Agency "2020 White Paper on Small Enterprises in Japan"

## Survey on SMEs' issues and public support needs

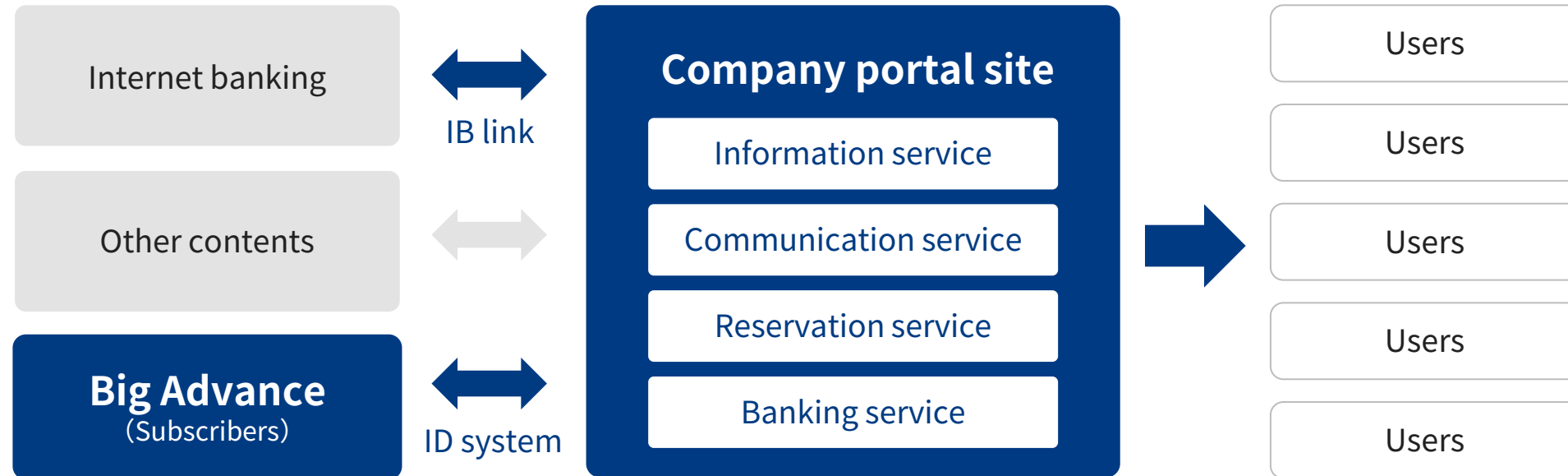
Major issues faced by small enterprises (\*2)



...Services already offered by Big Advance

# Strategy for DX Solutions: DX Support for financial institutions

Provide company portal sites and ID certification linkage systems for financial institutions.



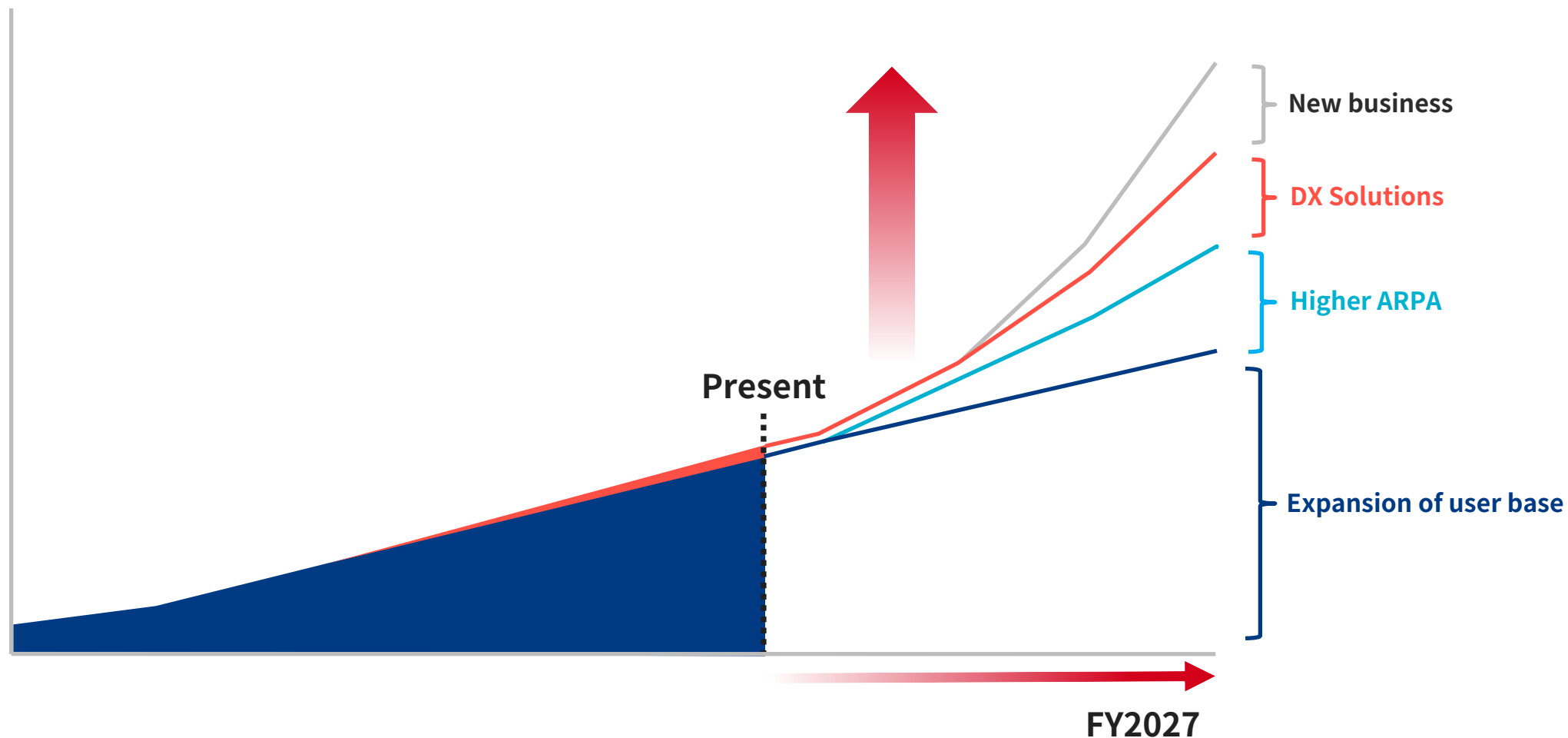
## Track records

Company portal sites: Kyoto Bank/Okinawa Bank

Linked-up ID certification system: Chiba Bank/Yokohama Bank/The Senshu Ikeda Bank/The San-In Godo Bank, Ltd./The Nishi-Nippon City Bank/...and 4 others

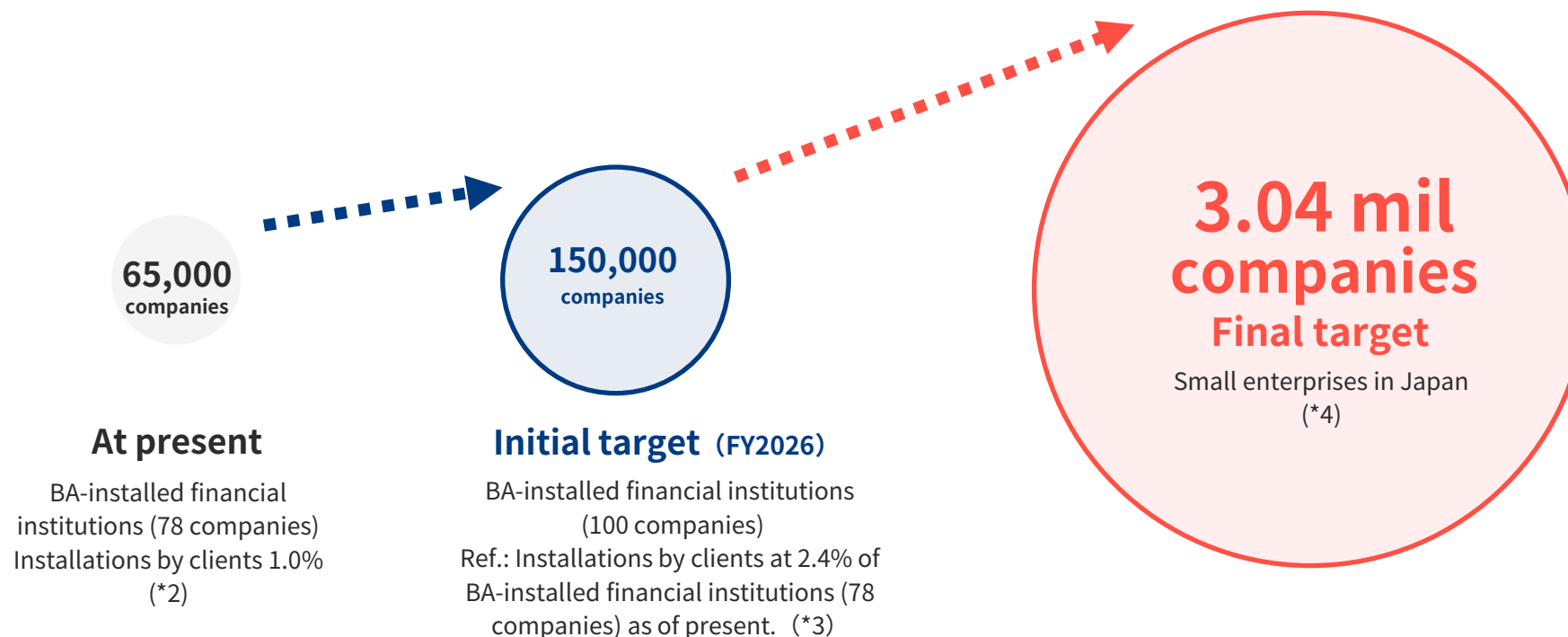
# Growth scenarios in the mid-term management plan

Achieve sustainable and exponential growth by expanding the user base, increasing ARPA, and accumulating recurring revenue through DX solutions and new business initiatives.



## Further expansion of user base

Target clients of regional financial institutions operating small enterprises across Japan.



Source: "Financial System Report – Annex (July 2019)", Bank of Japan, "Economic Census 2016", Ministry of Internal Affairs and Communications/Ministry of Economy, Trade and Industry, and Financial Services Authority website

(\*1) Total number of corporate clients of BA-installed financial institutions (78 companies) = 6.49 million in total (as of March 31, 2024)

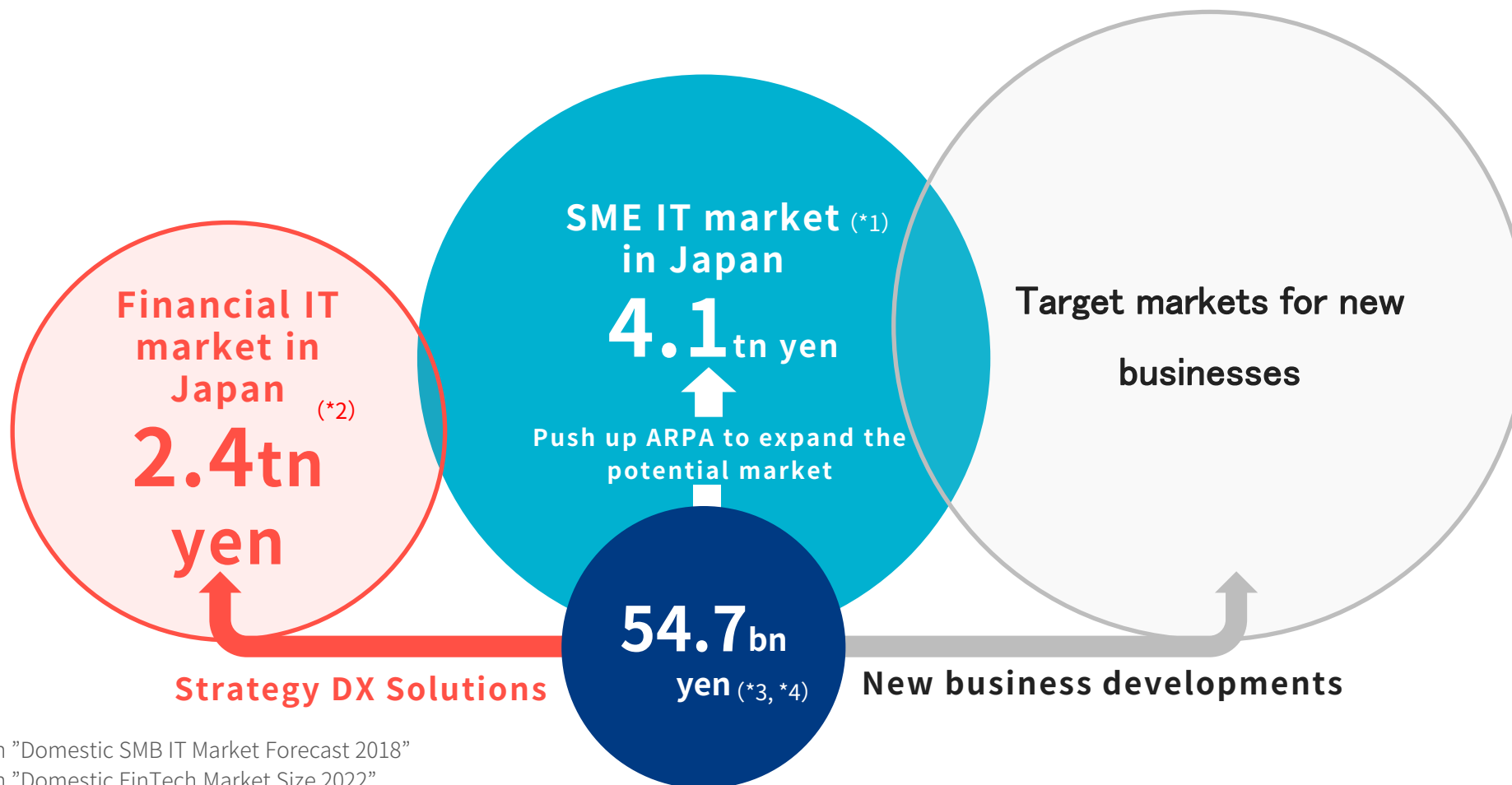
(\*2) Installation rate at clients = Big Advance member companies / number of corporate clients of the 80 BA-installed financial institutions (as of March 31, 2024)

(\*3) 150,000 companies / Number of corporate clients of the 80 BA-installed financial institutions (as of March 31, 2024)

(\*4) 3.58 million SMEs "2016 Economic Census" x 84.9% small businesses "Number of small and medium-sized enterprises (as of June 2016)"

# Potential market with room for further expansion

Raise ARPA through offering new functions and links with other companies' services, as well as an expanded user base.



(\*1) IDC Japan "Domestic SMB IT Market Forecast 2018"

(\*2) IDC Japan "Domestic FinTech Market Size 2022"

(\*3) Target customer base x Current fee plan=54.7 billion yen

(\*4) target audience × current pricing



# Improved stock incentives

Upgrade scheme for granting stock options and restricted stocks to executives and employees.

<b>Objective</b>	<ul style="list-style-type: none"><li>• Grant incentive for executives and employees for mid- to long-term business growth.</li><li>• Offer competitive salaries for recruiting top talent.</li></ul>
<b>Detail of the scheme</b>	<ul style="list-style-type: none"><li>• The ratio of restricted stock and stock options shall be decided based on the stock price and other factors at the time of grant.</li><li>• Assumes an annual issuance cap of approximately 1% of outstanding shares, with a maximum dilution of 5% over the next five years (2022 – 2027).</li><li>• 2.5% of total shares outstanding, including restricted stock and unexercised stock options as of FY2023.</li></ul>

- The contents contained this document are based on generally accepted economic, social and other conditions as of the date of preparation and certain assumptions that we judged to be reasonable, but may be subject to change without notice due to changes in the business environment or other reasons.
- The materials and information provided in this document contain so-called "forward-looking statements". They are based on current expectations, forecasts, and assumptions that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include general industry and market conditions, and general national and international economic conditions, such as interest rate and forex swings.
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