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For immediate release

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Notice of Correction to the Past Investor Presentation materials

kaonavi, inc. (the “Company”) announces correction regarding “Active Users” and related indicators to the past investor presentation materials from FY2019 1Q inclusive. This correction does not affect financial statements of the Company.

1. Corrected Active Users

The corrections made are underlined below.

<Before the Correction>

	FY2019 1Q	FY2019 2Q	FY2019 3Q	FY2019 4Q	FY2020 1Q
Total	<u>1,408</u>	<u>1,535</u>	<u>1,642</u>	<u>1,789</u>	<u>1,841</u>

<After the Correction>

	FY2019 1Q	FY2019 2Q	FY2019 3Q	FY2019 4Q	FY2020 1Q
Total	<u>1,410</u>	<u>1,536</u>	<u>1,643</u>	<u>1,791</u>	<u>1,842</u>

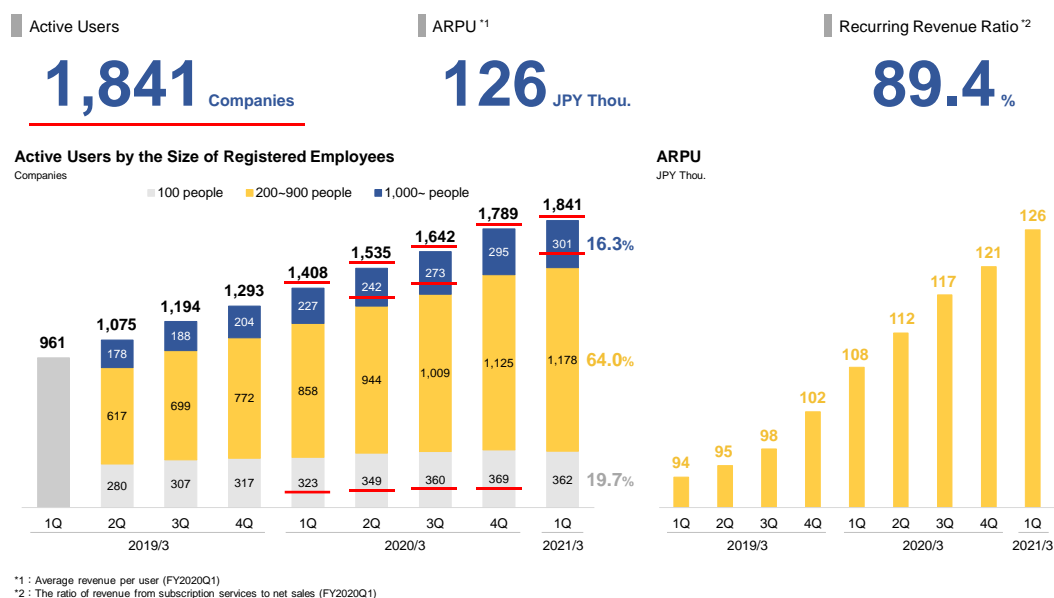
2. Corrected Investor Presentation materials (FY2020 1Q)

The corrections made are underlined below.

Investor presentation materials for FY2020 1Q, on page 5, “Active Users” and “Active Users by the Size of Registered Employees”

<Before the Correction>

Business Highlights

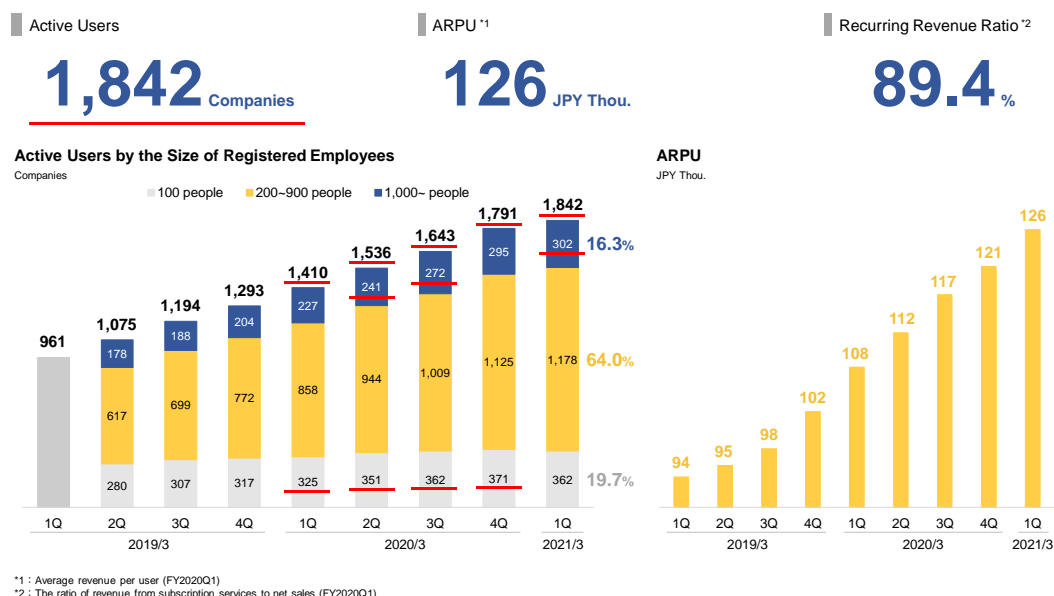


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<After the Correction>

Business Highlights



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Investor presentation materials for FY2020 1Q, on page 6, “LTV/CAC” and “MRR Churn Rate”
<Before the Correction>

Subscription KPIs

Achieved a best-in-class subscription model with high growth and stability

Growth Rate of Recurring Revenue ^{*1}

52.1 %

Growth

LTV/CAC ^{*2}

6.3 x

Profitability

MRR Churn Rate ^{*3}

0.58 %

Retention

^{*1} : Growth rate of quarterly recurring revenue over the same period last year (FY2020Q1). Please refer to page 9 for details

^{*2} : The ratio is calculated by dividing LTV (Lifetime Value) by CAC (Customer Acquisition Cost) in FY2020Q1. Please refer to page 12 for details

^{*3} : Last 12-month average churn rate based on MRR (June 2020). Please refer to page 7 for details

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<After the Correction>

Subscription KPIs

Achieved a best-in-class subscription model with high growth and stability

Growth Rate of Recurring Revenue ^{*1}

52.1 %

Growth

LTV/CAC ^{*2}

6.2 x

Profitability

MRR Churn Rate ^{*3}

0.59 %

Retention

^{*1} : Growth rate of quarterly recurring revenue over the same period last year (FY2020Q1). Please refer to page 9 for details

^{*2} : The ratio is calculated by dividing LTV (Lifetime Value) by CAC (Customer Acquisition Cost) in FY2020Q1. Please refer to page 12 for details

^{*3} : Last 12-month average churn rate based on MRR (June 2020). Please refer to page 7 for details

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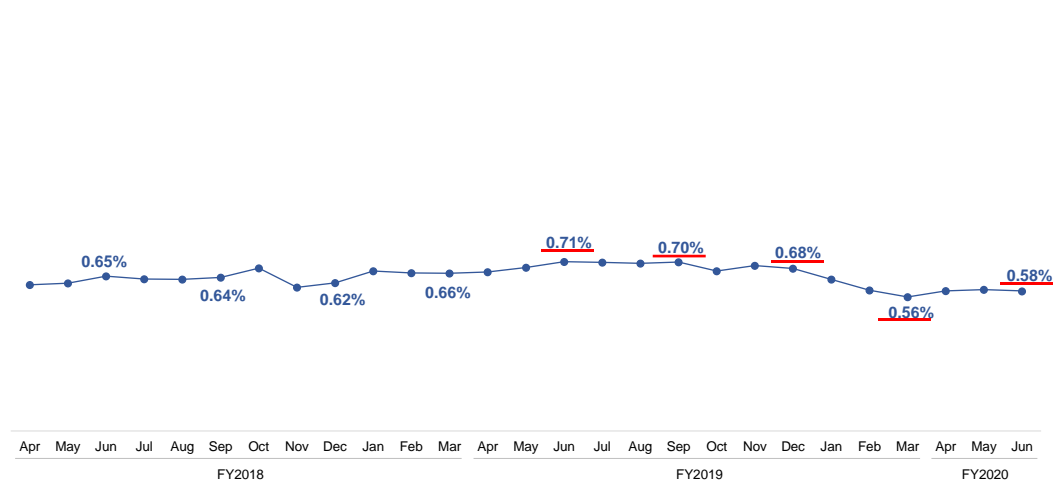
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Investor presentation materials for FY2020 1Q, on page 7, “Last 12-Month Average of MRR Churn Rate”
<Before the Correction>

Churn Rate

Maintaining a low churn rate by focusing on CS and lifting the database value proposition with data accumulation

Last 12-Month Average of MRR Churn Rate *1
%



*1 : MRR churn rate = MRR lost in the month / MRR as of the end of previous month

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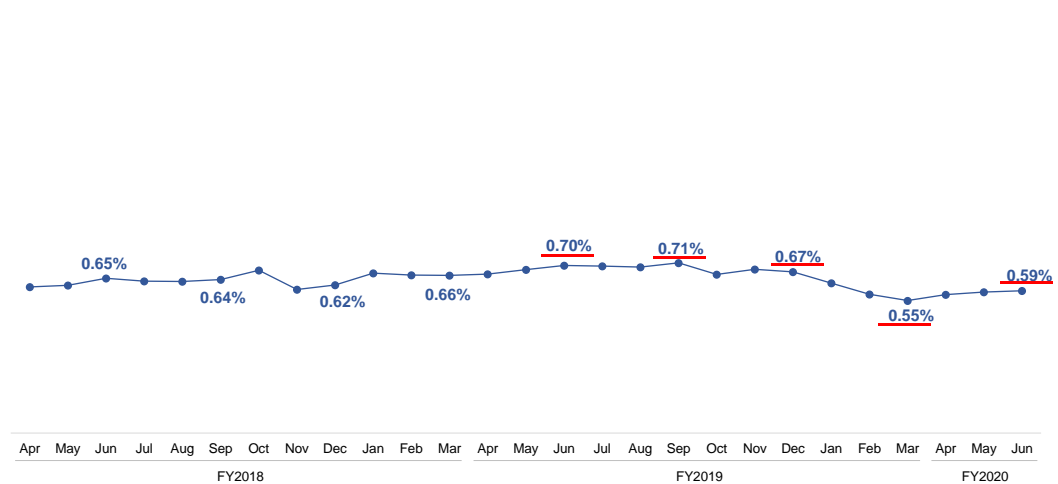
7

<After the Correction>

Churn Rate

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*1 : MRR churn rate = MRR lost in the month / MRR as of the end of previous month

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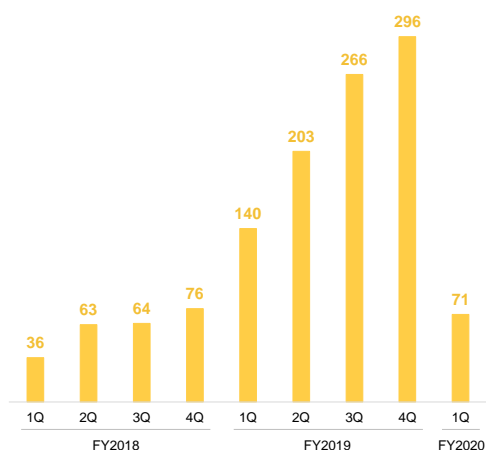
<Before the Correction>

Unit Economics

Controlled marketing expenses in sync with the business environment

Marketing-related Expenses ^{*1} (Quarterly basis)

JPY MM



LTV/CAC ^{*2} (Quarterly basis)

X



^{*1} : Expenses related to marketing activities such as advertising and sales promotion

^{*2} : LTV= (ARPU / Last 3-month average of MRR churn rate) x Gross profit margin

CAC= Sales & Marketing cost (personnel costs for sales & marketing, customer success and PR, marketing-related expenses, rents, system usage fee, etc.) / # of new customers acquired

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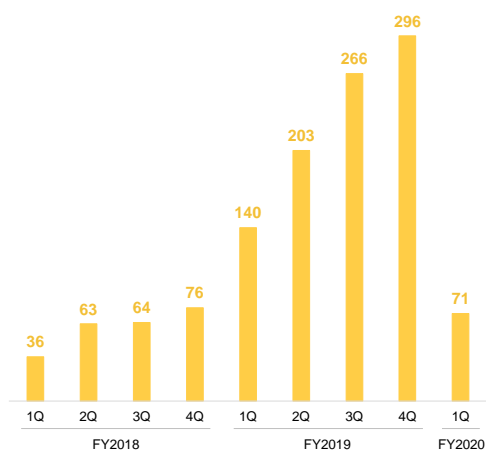
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