Helping Specialists to be Closer

弁護士ドットコム

FY3/2023 Q1 Results

July 27, 2022

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Corporate Mission

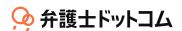
Corporate Mission

Helping Specialists to be Closer

We strongly believe that specialists could contribute to people and the society by making the most of their knowledge and skill, so that we help the specialists to develop much closer relationship with people, under the corporate mission "Helping Specialists to be Closer".

We provide web services such as:

"Bengoshi.com", which connects people with legal professionals; "Zeirishi.com", which connects people with tax accountants; "BusinessLawyers", which is a portal site for legal departments of business; "CloudSign", which is a contract management platform









ESG policy

We will work to build a sustainable society, where everyone has unrestricted access to the wisdom of professionals, by operating our business with an awareness of ESG.

Environment

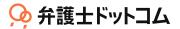
- Promote paperless operations with the nonuse of personal seals.
- Promote remote work to reduce energy consumption, including CO₂ emissions, and save resources.

Social

- Solve social issues related to legal consulting services.
- Advance DX of society by harnessing the wisdom of professionals.
- Support the operations of companies.

Governance

- Strengthen corporate governance.
- Build an information security management system.
- Establish and operate internal control.
- Provide services that lead to the reinforcement of corporate governance.









FY3/2023 Q1 Results

Topics for FY3/2023 Q1

Net sales increased 27.4% YoY. Operating profit decreased, 36.1% YoY.

Net Sales	1,959 Mil. JPY	- + 27.4 % (YoY)
Operating Profit	138 Mil. JPY	36.1 % (YoY)
Ordinary Profit	138 Mil. JPY	36.8 % (YoY)
Net Profit	90 Mil. JPY	34.1 % (YoY)

Summary for FY3/2023 Q1

Net sales increased 27.4% YoY.

Operating profit was in positive territory despite an increase in advertising expenses due to the broadcasting of TV commercials.

(Mil.Yen)

	FY3/2023 Q1 Actual	FY3/2022 Q1 Actual	YoY	FY3/2022 Q4 Actual	QoQ
Net Sales	1,959	1,537	27.4%	1,876	+4.4%
CoGS	311	245	26.5%	294	+5.6%
Gross Profit	1,648	1,291	27.6%	1,581	+4.2%
SGA	1,510	1,075	40.4%	1,275	+18.4%
Operating Profit	138	216	-36.1%	306	-54.9%
Operating Profit Ratio	7.0%	14.1%	-7.0pt	16.3%	-9.3pt
Ordinary Profit	138	218	-36.8%	309	-55.4%
Net Profit	90	137	-34.1%	181	-50.2%

Balance Sheet

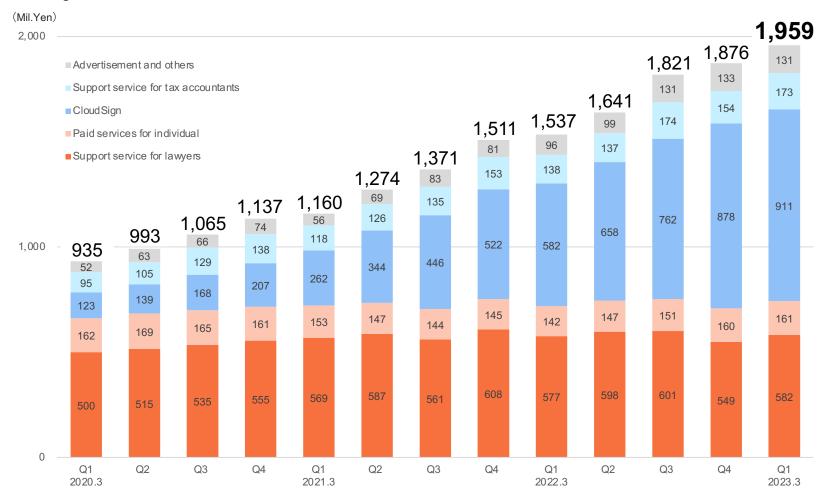
Net assets increased, attributable to an increase in retained earnings.

			(Mil.Yen)
	FY3/2023 Q1	FY3/2022 Q4	QoQ
Current Assets	2,697	2,897	-199
Cash and equivalents	1,416	1,676	-260
Fixed Assets	924	914	+10
Total Assets	3,622	3,812	-189
Current Liabilities	1,113	1,413	-280
Fixed Liabilities	-	-	-
Net Assets	2,489	2,398	+90
Capital-to-Asset Ratio	68.7%	62.9%	+5.8pt

Quarterly trend of Net Sales

In Q1, net sales, particularly CloudSign sales, rose.

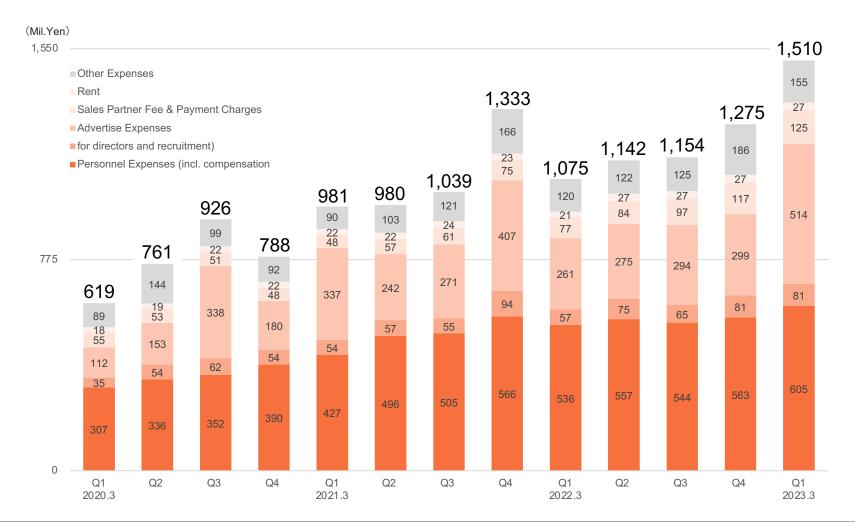
Spot sales of CloudSign declined due to the revision of recording standards, and the overall increase in CloudSign's revenue remained constant.



Quarterly trend of SGA

In Q1, personnel expenses rose as the number of employees increased as planned.

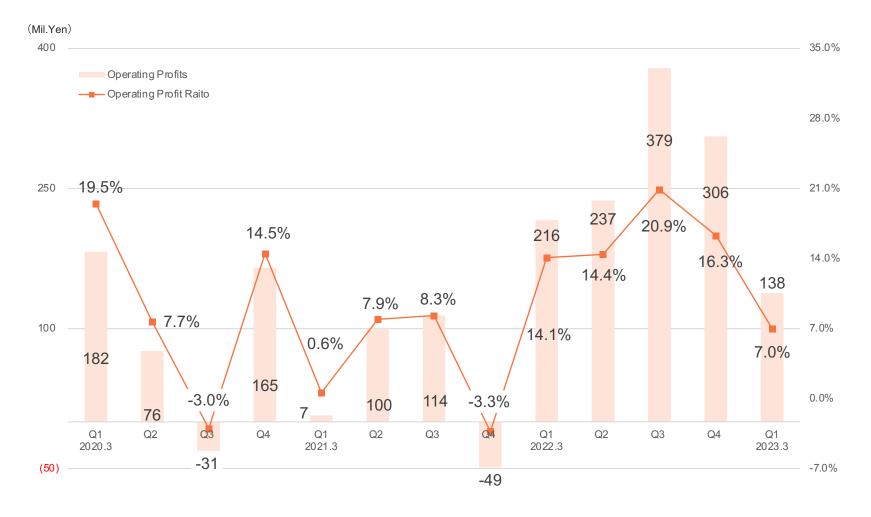
Advertising expenses temporarily climbed due to the broadcasting of CloudSign TV commercials.



Quarterly trend of Operating Profits

Operating profit for Q1 stood at 137 million yen.

We have come to post a quarterly operating profit even if we actively make investments.

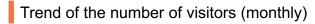


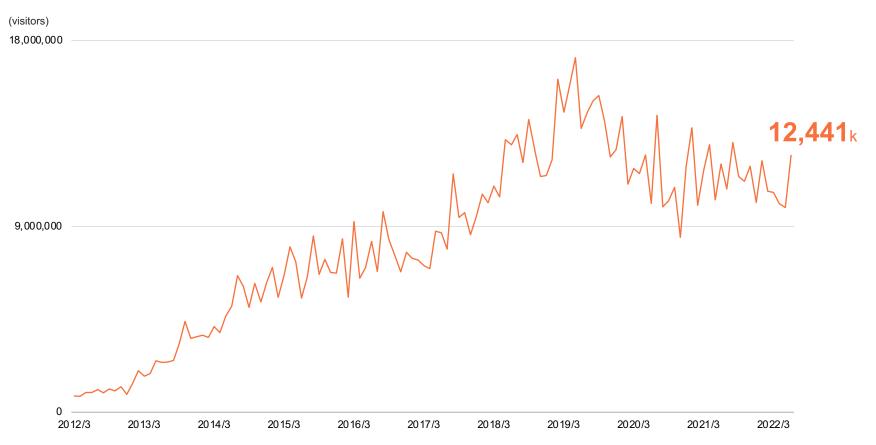
Bengoshi.com

(Bengoshi means lawyer)

Trend of the number of visitors

The number of monthly site visitors via Google Search remained on a recovery trend, although it was affected by changes in trends in the number of monthly site visitors to Bengo4.com News

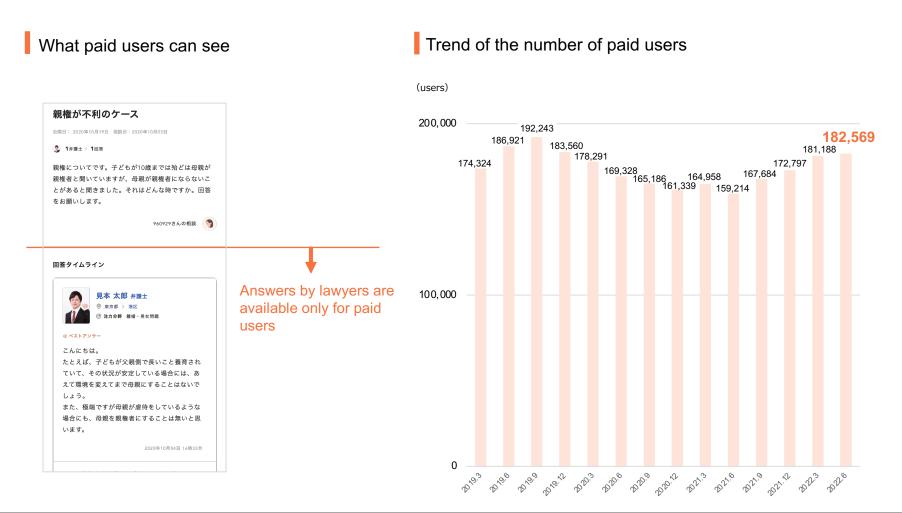




The number of paid users (Individual)

Records of consulting cases exceed 1,160,000.

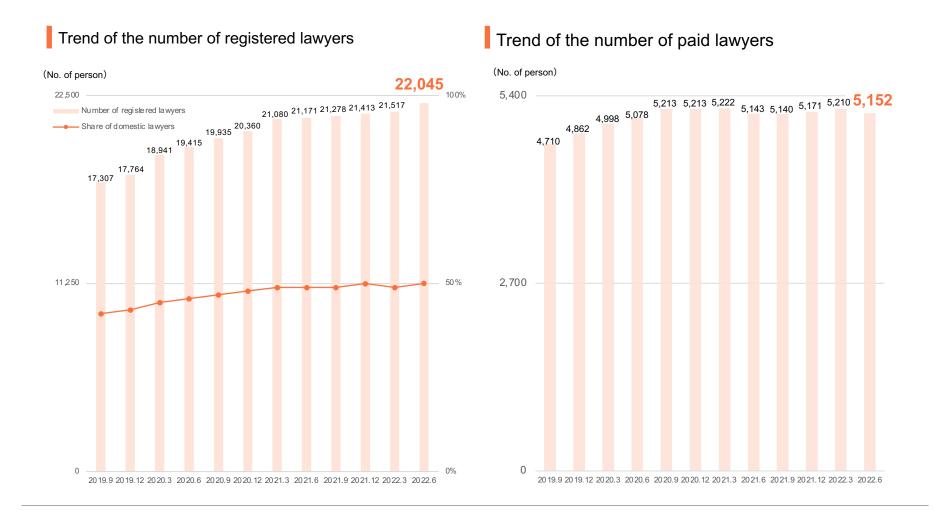
Some paid individual users ceased to be users temporarily towards the end of the previous fiscal year, but the number of paid individual users is increasing steadily.



The number of the registered lawyers

Registered lawyers continued to increase. A platform for support service for lawyers is being created.

The number of paid registered lawyers declined temporarily but is expected to increase in the entire fiscal year.



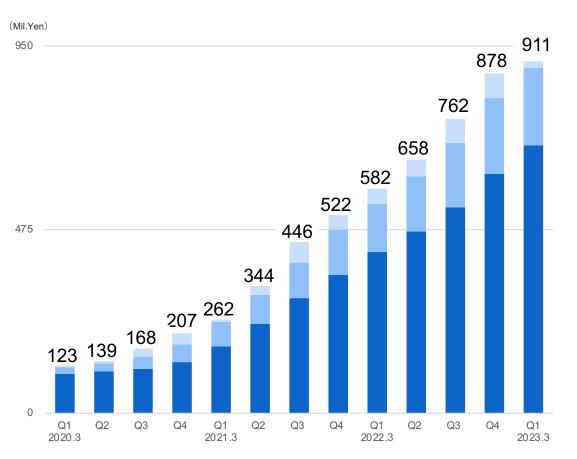
CloudSign

Trend in net sales

Fixed sales and variable sales recorded steady increases in Q1.

Spot sales fell temporarily due to a revision to the sales recognition standard.

Sales of CloudSign

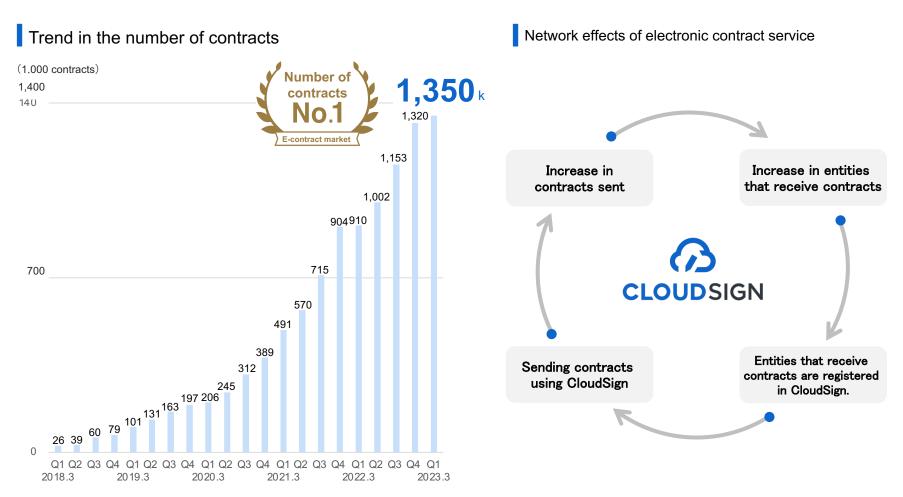


CloudSign sales **Spot sales** CloudSign introduction support consulting, Initial cost of CloudSign scan, etc. Variable sales Number of paying companies X Number of transmission pre company x transmission price + **Fixed sales** Number of paying companies x fixed cost per company

Trend in the number of contracts

The cumulative total number of contracts sent exceeded 10 million in May 2022.

The number of contracts for Q1 increased only slightly QoQ because the number is likely to grow in Q4 due to seasonal factors.



X Number of contracts transmitted that have been electronically signed and time-stamped in accordance with the requirements for electronic signatures under the Electronic Signatures Act.

CloudSign introduction in different industries

The introduction of CloudSign is accelerating in many different industries and large companies. CloudSign has become a brand representing electronic contracting.

SMBC CloudSign, Inc. launched Start Dash Campaign in June 2022.

Companies that have introduced CloudSign (excerpt)







Bank

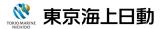
Insurance

Securities

Real estate

Food











Construction

Manufacturing

Telecommunication

IT

Media











Power



Human resources

Housing













X1. Companies that have introduced OEM products, including SMBC CloudSign, are included.

X2. The logos and company names above are those of companies whose names are printed in the advertisement on the Nikkei newspaper of March 30, 2021, and companies that have approved the inclusion of their names and logos in this material.

TV commercials

We broadcast TV commercials from June 13, 2022 for enhancing the branding of CloudSign.

TV commercial: https://www.youtube.com/watch? v=0TAdNutXEzM&t=11s



From electronic contracting service to "CloudSign" contract management platform

From Electronic Contracting Service to Contract Management Platform

CloudSign provides contract lifecycle management services that are not limited to contract execution, but also include peripheral areas such as contract drafting, review, and management.

Domestic contract lifecycle management market image

Conclusion of a contract

Holds an overwhelmingly dominant position in the industry

500 billion yen



Management of contracts

Launched AI contract management function

300 billion yen

Contract creation 100 billion yen

Will be examined in cooperation with investment portfolio companies

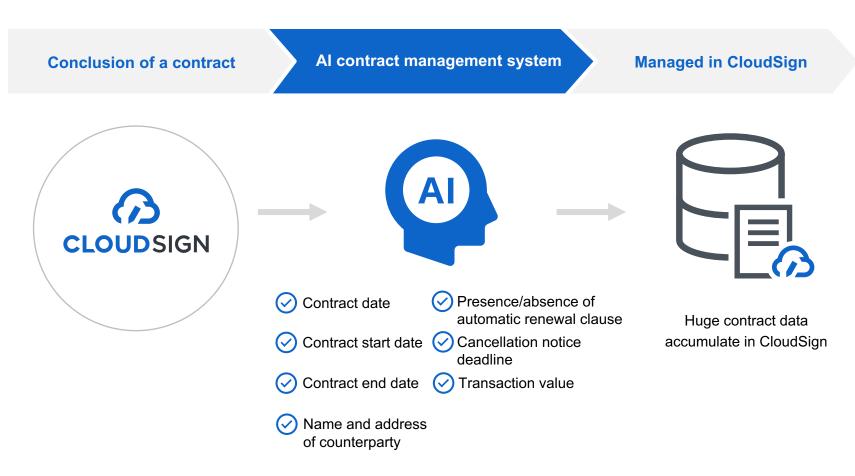
Contract review 100 billion yen

This is a gray area of the law. Will develop the service, examining compliance with Article 72 of the Attorneys Act

X Article 72 of the Attorneys Act: No person other than an attorney or a legal professional corporation may, for the purpose of earning compensation, engage in legal services such as provision of expert opinions, representation, mediation, or settlement in contentious cases, non-contentious cases, or cases for which an appeal is filed with the administrative authority, such as requests for examination, reviews, and re-examination, or other general legal cases, or may engage in mediation services related to these cases; provided, however, this does not apply if otherwise provided in this Act or other laws.

First phase of AI contract management service

CloudSign has the AI Contract Management function as a standard function in its paid plan and aiming for No.1 market share in the contract management area in line with customer expansion in contract execution



* The service will be provided from August 3, 2022.

Joint Development of Terms of Use Management SaaS, termhub, with Recruit Co., Ltd.

We develop termhub, a terms of use management SaaS that manages the whole process from posting and updating terms of use to obtaining user agreement, jointly with Recruit Co., Ltd.

The SaaS, termhub, provides one-stop management of terms of use from an application for approval of website terms of use created by an administrative division, such as a legal division, to the posting and updating of terms of use on the website.

Service overview URL: https://www.youtube.com/watch?v=pZeYzf3mKrc









Unified management of the display screen and terms of use

Unified management of the display screen and terms of use

Workflow of a process, including the approval and submission of terms of use

Automatically reflecting stages from the creation and updating of the terms of use in termhub after final approval

Management of records of user agreements

Managing records showing what terms of use and which versions of the terms users have accepted

* The service will be provided from October 2022.

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Zeirishi.com

(Zeirishi means tax accountant)

© Bengo4.com, Inc. 2022 23

Zeirishi.com

Japan's largest tax consultation portal site which has 1,116k visitors/month.

1. Tax Accountant introduction service

Provide introduction service by experienced tax coordinators.

They choose the best one for client from among **6,255** registered tax accountants.

2. Tax consultation service

Provide tax consultation service free of charge.

Total number of tax consultation cases is approximately **100,000**.

3. Tax Account Profile · Tax Accountant Search

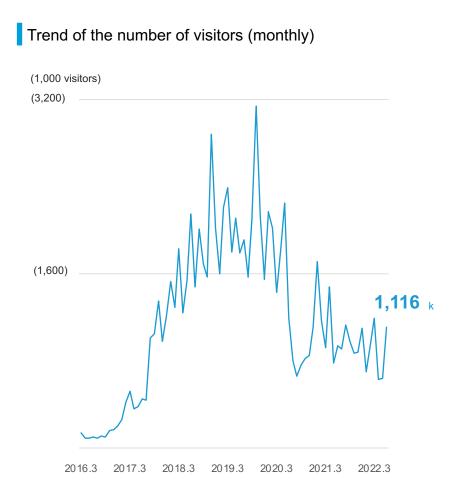
Search for the best tax accountant for yourself from the region, focus areas etc.

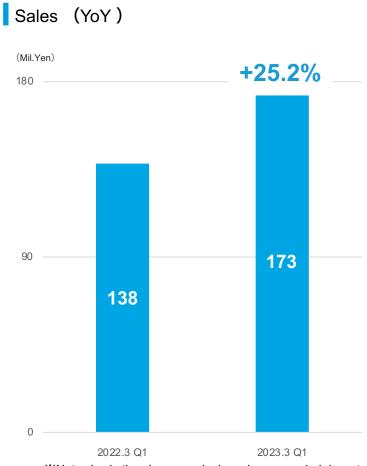


As of Jun. 2022

The number of visitors and sales

Sales grew steadily, the number of visitors to the site via search begin to rise.





XNet sales in the above graphs have been rounded down to the nearest million yen.

Business Lawyers

Business Lawyers

Japan's largest Corporate legal portal site which has 667k visitors/month.

1. Registered lawyers

The lawyer who works in Nishimura & Asahi,

Mori Hamada & Matsumoto, Nagashima Ohno & Tsunematsu,

Anderson Mori & Tomotsune, TMI etc.

96offices 945lawyers

2. "Business Lawyers Library"

Browse practical books online and streamline your research.

6,300 yen per month, 1,334 books, 24 legal publishers participate.

3. "Business Lawyers Compliance"

Supporting the training challenges faced by companies with online videos.

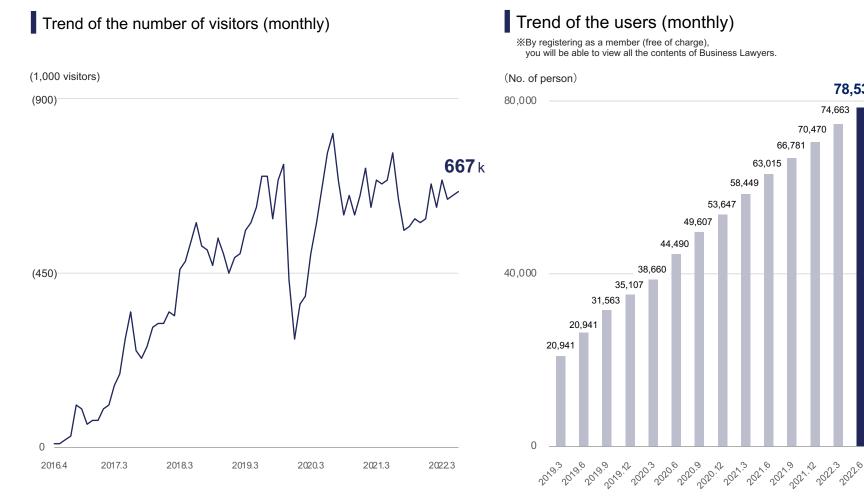


As of Jun. 2022

The number of visitors and users

The number of monthly site visitors recovered and the number of users grew steadily. Efforts will be stepped up to monetize services such as Business Lawyers Library and Business Lawyers Compliance in particular.

78,532



Future Policies

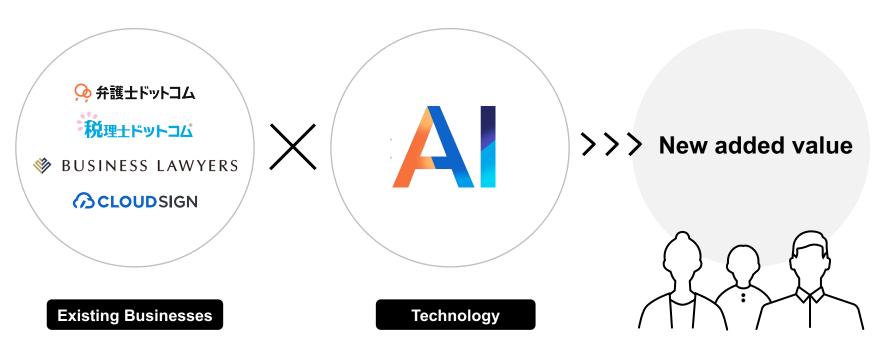
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Create additional value by leveraging new technologies in our businesses

Creating new added value by combining our information assets, such as our legal database of laws, judicial precedents, and legal advice, and our contract database, with technology.

Provide new UIUX as a matching site between experts and users





Appendix

Corporate Profile

Name Bengo4.com, Inc.

Place 4-1-4 Roppongi, Minato-ku, Tokyo

Date of establishment 4th Jul., 2005

Representative Director Taichiro Motoe, Yosuke Uchida

Number of employees 363 (as of Jun. 2022)

Board Members

Co-representative Director

Taichiro Motoe

Joined Anderson Mori & Tomotsune Foreign Law Joint Enterprise and subsequently founded Authense Law Office.

Jul. 2005 Established Bengo4.com, Inc., President and CEO/ Jun. 2017 Takes office as Chairman and Co-representative Director / Sep. 2020 Becomes Parliamentary Vice-Minister of Finance and resigns as Chairman/Dec. 2021 Resigns as a Parliamentary Vice-Minister of Finance and becomes Chairman / 2022 reappointed as a Co-representative director.

Director

Yoshikazu Tagami

Woked Anderson Mori & Tomotsune Foreign Law Joint Enterprise and GREE,INC.

Engaged in legal services, legal affairs, new business. Joined our company in 2015 /Jun., 2019 Inaugurated as a director

Director

Daichi Tachibana

Woked Cyber Agent, INC. and GVA law office Engaged in legal services, legal affairs Joined our company in 2015 /Jun., 2019 Inaugurated as a director

Director

Yosuke Watanabe

Engaged in sales at en Japan Inc. and oRo Co., Ltd. Joined the company in 2012. Launched the lawyer marketing support service and grew the service as business manager. Jun.,2016 Inaugurated as a director //Jun.,2021 resigned as Director/ 2022 reappointed as a director

Director

Masaoki Sawada

Joined SBI Securities Co., Ltd. Engaged in corporate sales, targeting listed and unlisted companies. Joined Paraca Inc. in 2013. Worked for Paraca to be listed on the First Section of the Tokyo Stock Exchange.

Joined our company in 2014/ Jun., 2022 Inaugurated as a director

Chairman of board of directors

Yosuke Uchida

Former director of Kakaku.com, Inc. Oct., 2015 Joined as an outside director / Jun., 2017 Inaugurated as a Co-representative director / Jun., 2019 Inaugurated as a Chairman of board of directors

Outside Director

Fumihiko Ishimaru

Representative Director of Accord Ventures, Inc.

Former executive officer of Digital Garage, Inc. Former director and COO of DG Ventures, Inc. Has strong track records of investments Aug., 2012 Inaugurated as an outside director

Outside Director

Atsuhiro Murakami

Director of Kakaku.com, Inc.

Founded and developed "Tabelog", the most popular gourmet word-of-mouth website in Japan. Joined the company as an advisor in 2013 Aug., 2014 Inaugurated as an outside director

Outside Director

Katsuya Uenoyama

Representative Director of PKSHA Technology Inc.

Worked for a major foreign-affiliated consulting firm Obtained a Ph.D (in machine learning) at Matsuo Laboratory 2012 Founded PKSHA Technology Inc. Jun. 2021 Appointed outside director

Corporate Mission

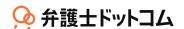
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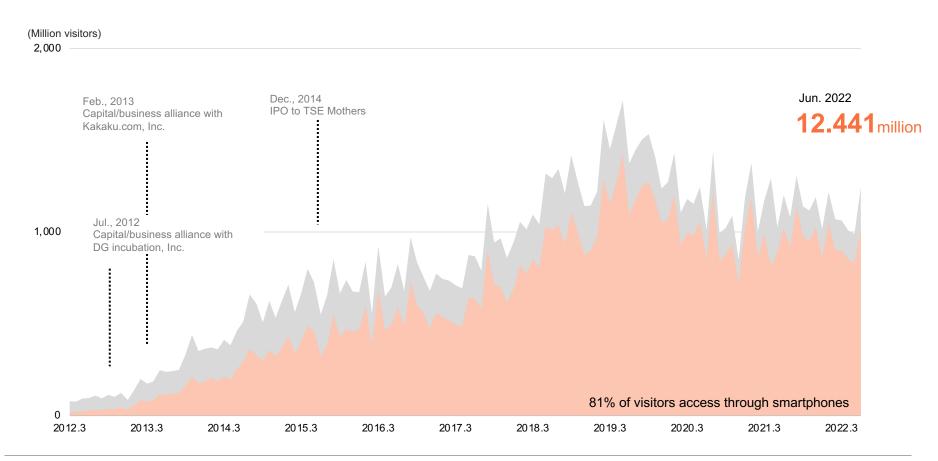




Company History

Growing influence of the website as a portal for legal counselling, by leveraging increasing popularity of mobile phones as more personalized devices, and nature of contents which relates to personal matters.

Trend of number of monthly visitors and achievements of the company



Bengoshi.com

(Bengoshi means lawyer)

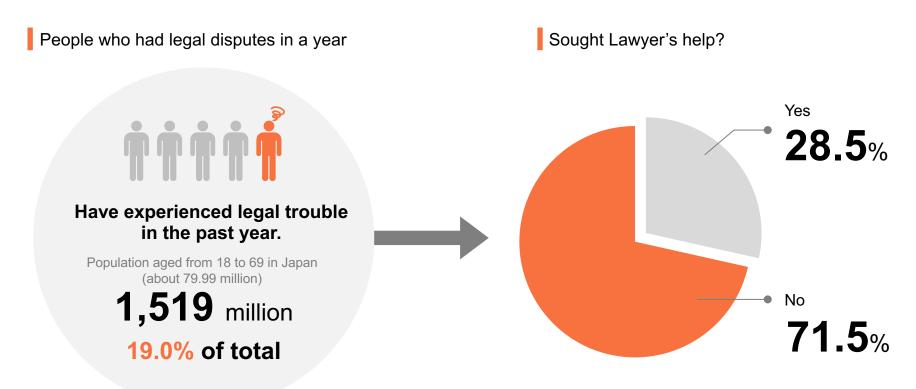
Social background of legal consulting services in Japan

15.1 Million people had troubles / disputes over legal matters in a year

Only 28.5% of these people sought Lawyer's advices

Reasons why they hesitated to ask professional's help were:

Concerns over professional fees 41.5%; / It's a too minor problem to seek professional's help 45.1%;

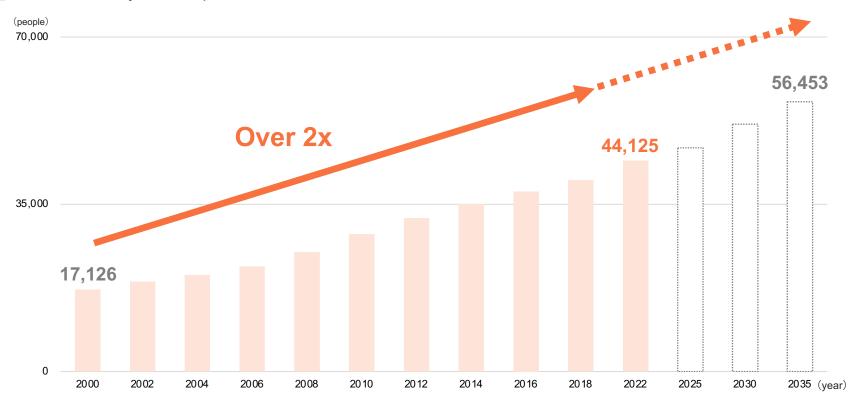


Based on the research conducted by Macromill, Inc in Dec. 2021 Target: Individuals from 18 to 69 years old, respondents of 1,200 individuals

Background of lawyer's business in Japan

Environments of lawyer's business has been changing rapidly since the judicial system reform in 2000, such as lifting of ban on advertisements, liberalization of fees, and new bar examination, which was meant to increase number of lawyers in Japan.

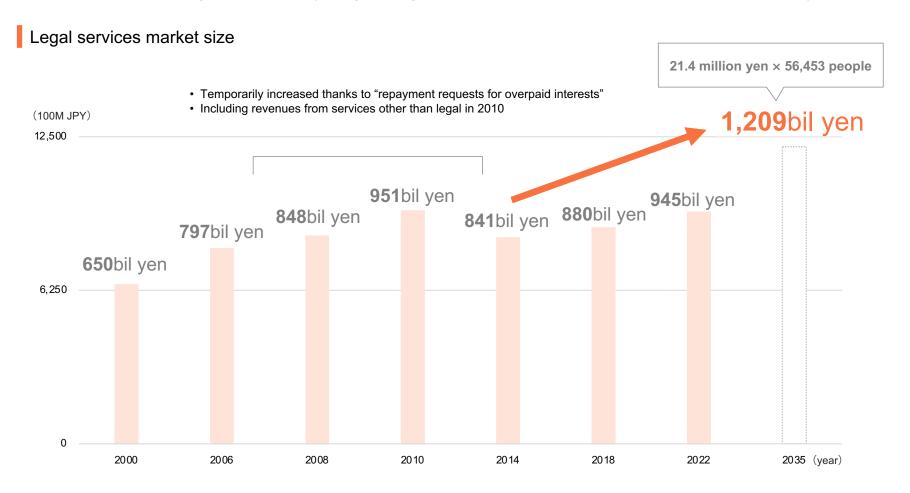
Number of Lawyers in Japan



Source: Excerpted from the 2019 edition of the White Paper on Lawyers, published by the Japan Federation of Bar Associations (if the number of lawyers who have passed the bar exam is maintained at 1,500)

Market Environment of the Legal Services Industry in Japan

The legal services industry has been growing since 2000 due to progress in the development of new customers, as marketing needs for lawyers grow together with the increase in the actual number of lawyers.



Source: Estimated based on the 2018 edition of the White Paper on Lawyers, published by the Japan Federation of Bar Associations

Value proposition of Bengoshi.com

An web-based platform for consumers and lawyers, to realize "familiar legal service" Provides information and services about free legal consulting and detailed information about lawyers for consumers.



Why Bengoshi.com?

The largest free legal consultation portal in Japan which has 12.44M visitors/month*

- Because the lawyer offers user legal advice for free on the internet service
- The outstanding database which has over 1,155k records of consulting cases*
- 2. Because it has a substantial database of lawyers
- 22,045 lawyers registered*, One in two of the approximately 40,000 lawyers in the country are registered
- Consumers can search lawyers based on their needs
- Lawyers utilize it as a promotion media to acquire new customers
- 3. Because it has a popular news site which attracts readers even who are not keen in legal matters
- "Bengoshi.con news" offers articles about legal and business implication of current topics
- More than 8.06M people visited monthly*, thanks to its distinctive positioning, "Legal × news topics"



*As of Jun. 2022

Services of Bengoshi.com provides

Provides each kind of contents according to seriousness of issues users have

Targets	Contents provided	Benefit for users	
Consumers who have urgent matters and are willing to seek help to lawyers	"List of lawyers" "Lawyers search"	Users can search for the most appropriate lawyer for free thanks to profound profile data of lawyers and detailed search options	
Consumers who have legal disputes and want to collect information about them	"Legal consulting for everyone"	Users can seek advice on the consulting board to lawyers for free Not only that, users can read all counselling questions by other users and answers by lawyers as well.	
Consumers who don't have any legal disputes	"Bengoshi.com news"	Users can obtain legal knowledge and protect themselves by the knowledge from any disputes which may occur in future	

Overview of "marketing support service for lawyers"





A marketing support service for lawyers, which helps them acquire clients

- The number of visitors to the site has exceeded 10 million.
- Acquiring potential clients efficiently based on the focus area of each lawyer

Price 20,000 yei

20,000 yen or more per month (4 plans in total)

Overview of "information support service for lawyers"





Making lawyer book research more comfortable.

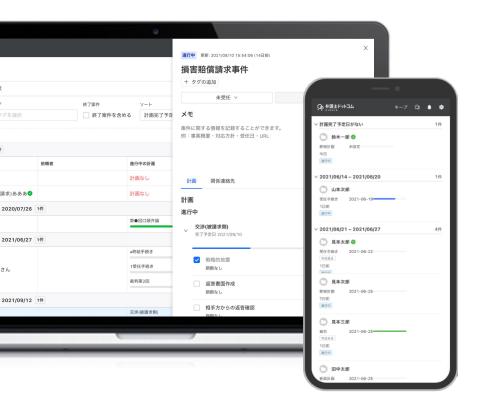
- Monthly subscription service for law books
- "Book browsing" "research service" functions can be used while working from home

Price 9,000yen per month

Number of books Over 1,300 books

Participating publishers 27

Overview of "Business support service for lawyers"



📯 弁護士ドットコム

All case can be planed.

- Visualize case status and support planned progress
- Supporting the digital shift of legal services in anticipation of the adoption of IT in trials

Video about the service https://youtu.be/O0mDUdE5SMY

Overview of "paid services for individual"

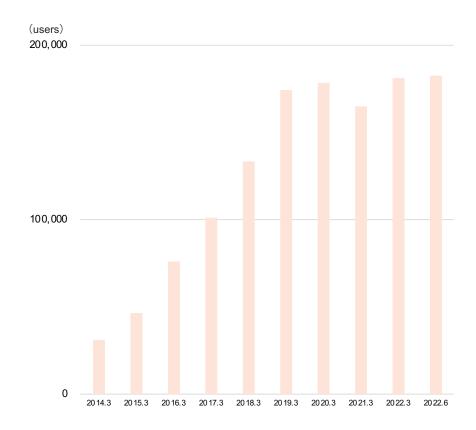
Paying users can read all answers posted by lawyers about topics on the consulting board for 300 yen per month (excluding tax).

What paid users can see



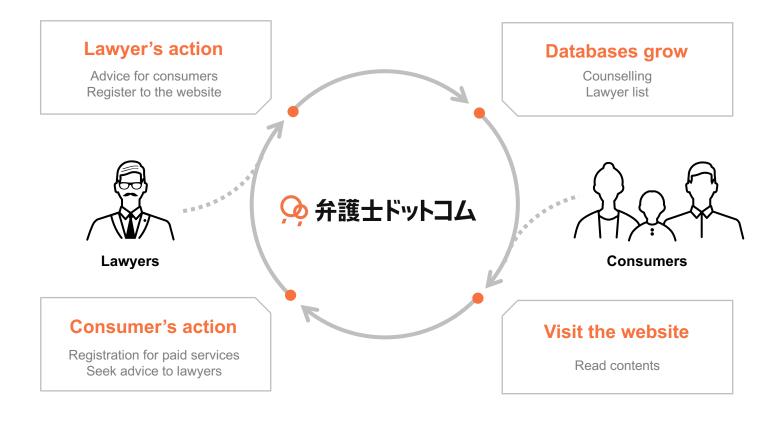
Answers by lawyers are available only for paid users

Trend of the number of paid users



Growth Cycle of — Bengoshi.com

Increased DB draws more visitors, which stimulates new registration of lawyers who seek to reach out expanded number of users



Advertisement on the websites

Advertising sales on the "Bengoshi.com" and "Zeirishi.com" websites, as well as advertising sales associated with the Business Lawyers conference

Website



Conference





CloudSign

Introducing CloudSign

We are investing in a new business, CloudSign

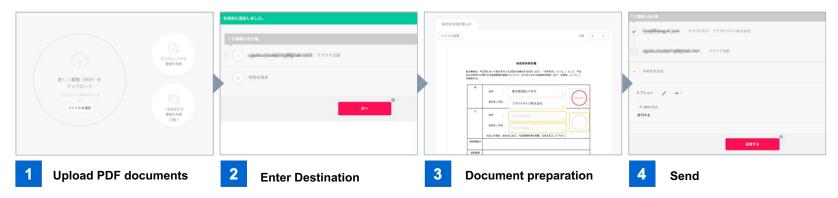
CloudSign is Japan's first web-based free-of charge cloud contracting service released in Oct 2015.



弁護士ドットコム

Usage Image

Sender



Receiver



and agreement

Sender · Receiver



Final step after conclusion of agreement

The signed documents will be automatically e-mailed to the sender and receiver.
(It is automatically stored on the CloudSign.)

Documents used for CloudSign (examples)

Human Resources

Employment contract
Working conditions notice
Offer of employment
Employment agreement

Sales

Sales Contract Land purchase agreement Building Sales Contract Real estate sales contract

Leases

Building Lease Agreement Land Lease Agreement Parking Lot Rental Agreement Building Use Lease Agreement

Sales and Purchasing

Basic Transaction Agreement Service Application Form Order Forms Purchase Orders Invoices Receipts

Loans and borrowings

Loan Agreement
Written acknowledgment of debt
Debt acknowledgment and
repayment agreement
Assignment of receivables
agreement

Outsourcing and Contracting

Outsourcing Agreement
Construction Contracts
Agency Contract
Merchandise Sales Consignment
Agreement
Supply Contract

Others

Nondisclosure agreement Stock Transfer Agreement Personal Information Handling Agreement Contract Modification Agreement Contract Termination Notification Estate Division Agreement Cause of death gift agreement Copyright Transfer Agreement Merger agreement Minutes of board of directors meetings

Benefits of CloudSign



Speed up process

With CloudSign, contract signing process will be shorten by 1-2 weeks, which boosts up upside of your business.



Reduce cost

Shipping cost, paper cost,printer ink cost, and stamp tax will no longer pressure your business. Also human resource cost can be reduced who envolves around contract signin process.



Strengthening of compliance

No more losing/missing paper or altering of contract.
By managing contract via CloudSign, transparency of business will be improved.

Price of CloudSign

Free	Light	Corporate	Enterprise
Fixed fee : 0 JPY/Month Pay- per-use : 0 JPY/Month	Fixed fee: 10,000 JPY/Month Pay- per-use: 200 JPY/Sending	Fixed fee: 28,000 JPY/Month Pay- per-use: 200 JPY/Sending	Fixed fee : To be inquired Pay- per-use : 200 JPY/Sending
Plan contents Number of users: 1 user Number of contracts: 5	Plan contents Number of users : Unlimited Number of contracts : Unlimited	Plan contents Number of users : Unlimited Number of contracts : Unlimited	Plan contents Number of users: Unlimited Number of contracts: Unlimited
Features • Sending, storage and search of contracts • Two-factor authentication	Features · Functions featured by the Free plan · Collective creation and sending of documents · Provision of document templates · Alerts · Conclusion of contracts in English and/or Chinese. · Al contract management	Features · Functions featured by the Light plan · Creation of audit logs · Paper document importing · Web API function · Recipient Authentication	Features Functions featured by the Corporate plan Restriction of contract approvers Restriction of internal users IP address-based restriction of accesses Provision of the Single Sign On functionality Advanced management function Provision of support by telephone

 [※] The unit price of ¥ 200 for the Standard plan applies from companies registered after March 2019. Companies registered before February 2019 use 50 yen and 100 yen in unit price.

Why CloudSign?

1. Cloud contracting service offered by Bengoshi.com

• Our Company, which has a deep understanding and knowledge of Japanese law, provides legally reliable products under the supervision of a lawyer.

2. Product development in line with Japanese business practices

- In order to expand electronic contract services that were not familiar in Japan, we developed a user interface that is easy to understand even for first-time users.
- The best and fastest product development in line with Japanese business practices, while referring to the opinions of many user companies.

Industry-standard cloud contracting service

 Proliferation as a standard service in the industry based on the advantages of a first-mover and the network effect of a cloud contracting service.



CloudSign services

Uploading PDF

Automatic conversion to data





CloudSign Al

It facilitates contract management operations with AI, which automatically identifies the counterparty to the contract, the amount of the contract, and other items based on PDF data of the contract document stored in CloudSign and converts them to data.



CloudSign scan

It handles the process from scanning contract documents to storing documents and entering document information into CloudSign.

CloudSign Now

An electronic contract service that uses a tablet terminal and that can be used in face-to-face transactions as well.







CloudSign payment

Payment by credit card is made at the same time as the signing of the contract.



<WARNING>

This document is meant for explaining the company's business itself and doesn't mean any inducement or persuasion for buying stocks or/and bonds of the company.

This document include descriptions about prospects for future which are based on information available as of today, and actual situation mentioned in it would be significantly different from what it was stated, because of change of macro-economic trends, business trends the company faces, intrinsic and extrinsic factors.

Therefore, please note that this document doesn't guarantee any future of the company as well as other institutions.