



Financial Results Briefing Materials For FY2025

August 7, 2025

User Local, Inc. (TSE Code 3984, TSE Prime Market)

<https://www.userlocal.jp/>

Executive-Summary

Both Net Sales and each Profit for FY2025 cumulative period reached record highs

Achieved consecutive increase in sales and profit. Net sales for the fiscal year were 4,581 million yen(up 17.3% year on year) and operating profits was 1,971 million yen (up 14.1% year on year).

Total number of contracts exceeded 5,000.

New services related to generative AI are off to a strong start

Steady increase in use of “UserLocal ChatAI”, a generative AI platform services provided in previous fiscal year
Aim for expand business to continue to strengthen R&D and sales structure in FY2026

Shareholder returns will be implemented with a target dividend payout ratio of 20% or more

Dividend for FY2026 is 20 yen per share, up ¥6 from the previous fiscal year (Dividend payout ration of 21.0%)
Plans to implement interim dividends to enhance profit return

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01

Financial Highlights

Highlights for FY2025

Net Sales

4,581 million yen

Operation Profit ratio

43.0%

Dividend Per Share

14 yen

Earnings Per Share (EPS)

88.9 yen

Number of Contracts

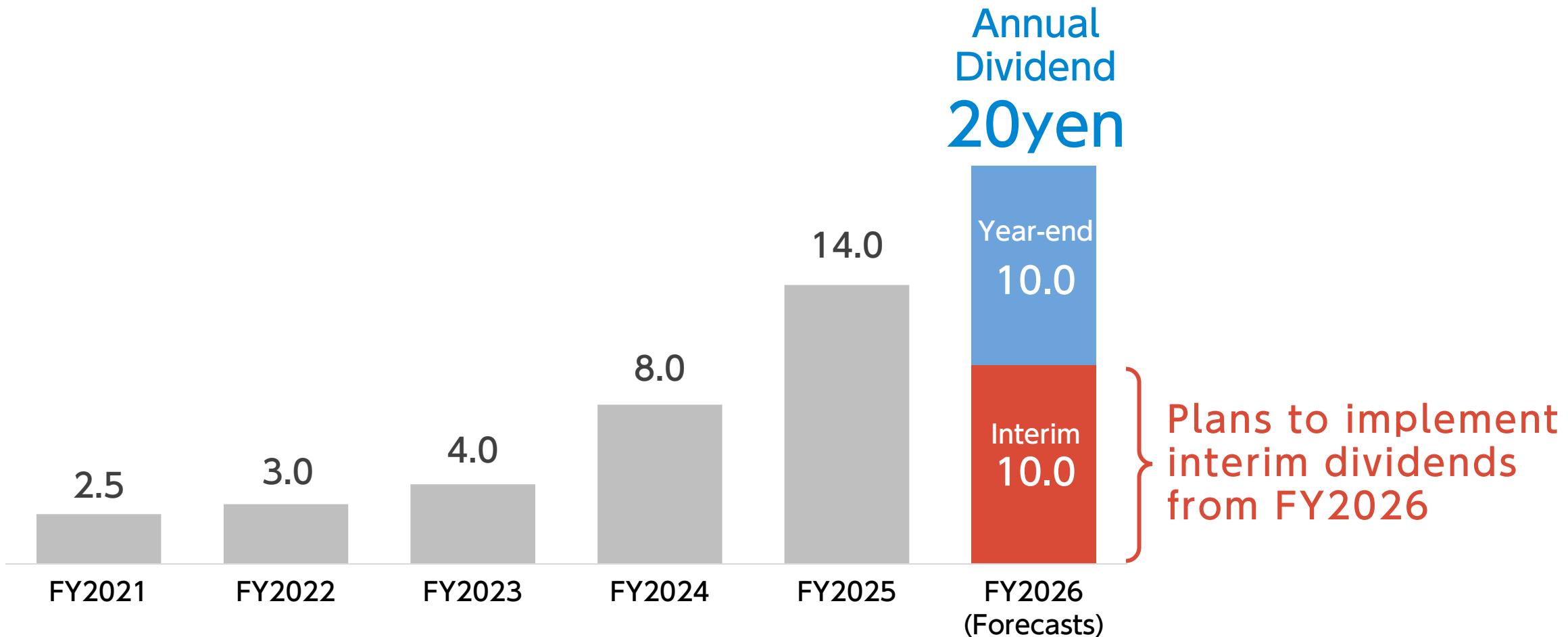
Over **5,000**

Consecutive periods of increased revenue and profits

18 periods

Dividend Payout ratio

Dividend for FY2026 is 20 yen per share, up ¥6 from the previous fiscal year with a target dividend payout ratio of 20%



02

Company Profile·Business

Company Profile

Management philosophy

Driving global evolution by combining Big data and AI

Name

User Local, Inc.

Business

Big data analysis tools, AI-related tools development

Capital

1,214 million yen (as of June 30, 2025)

Employees

112 (as of June 30, 2025)

Head office

3-1-21, Shibaura, Minato-ku, Tokyo



Company outline

User Insight



Profit Contribution

Social Insight

Forward Investment

Profit Contribution

Support Chatbot

Forward Investment

Profit Contribution

User Local ChatAI

Forward Investment

Sales Trends
(millions of yen)

•FY2009
User Insight Release

Social Insight Release

Support Chatbot Release
Listed on TSE Mothers

1,667

To the First
section

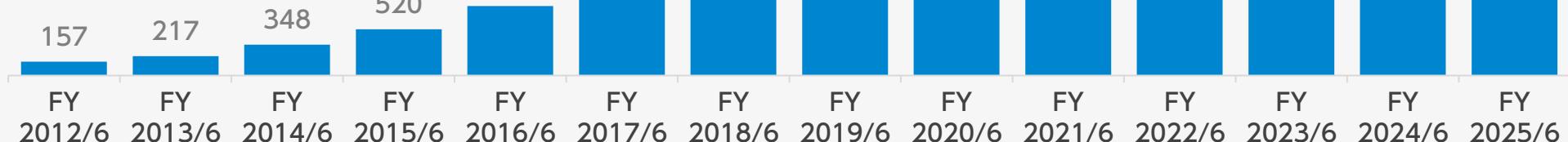
To the Prime
section

4,581

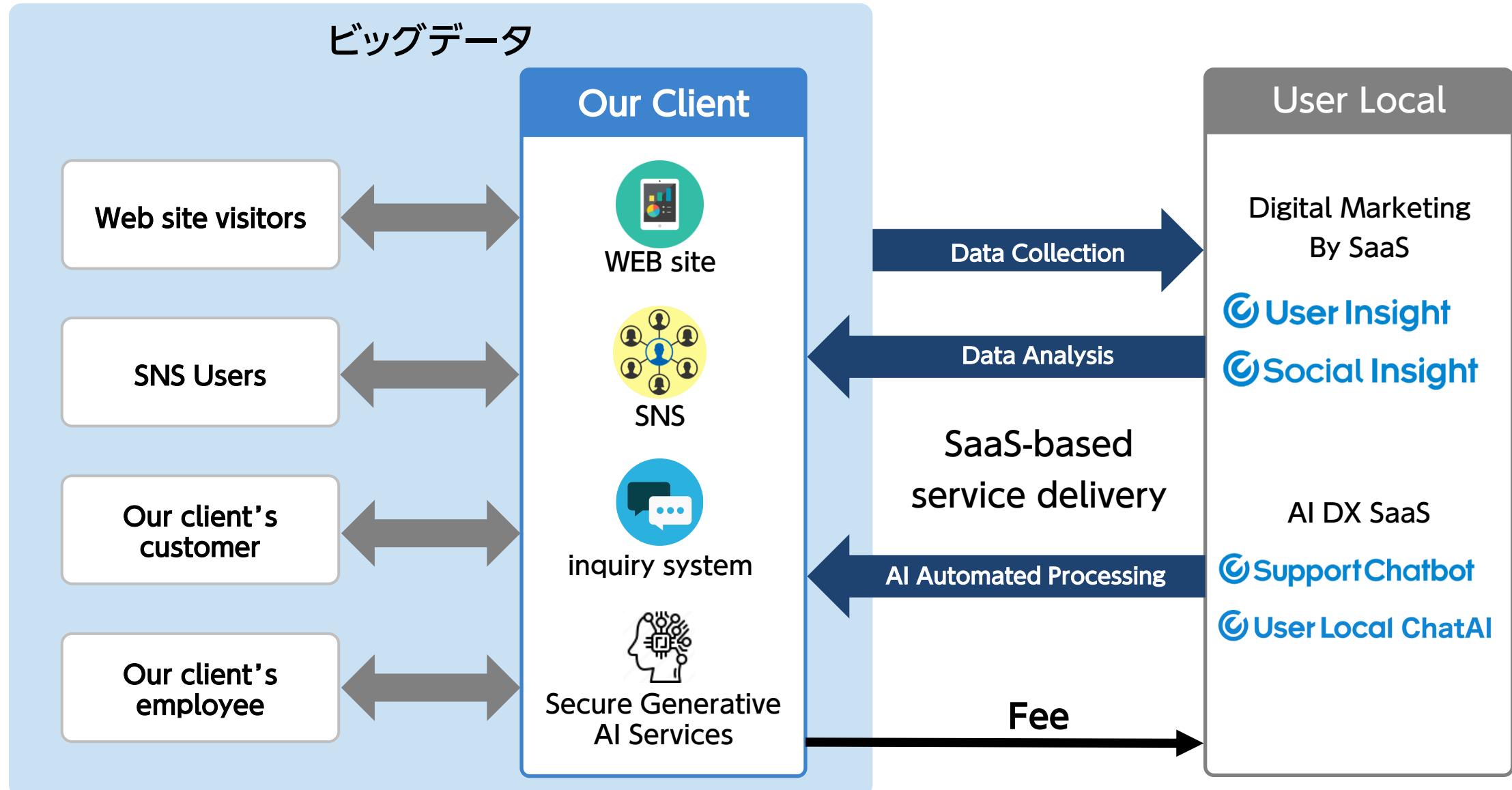
3,288

2,683

3,907



Business model for stable growth based on high profitability



Our Five Strength for Innovation

5. Continuous stable growth based on high profitability

Achieving continuous stable growth based on high profitability with a broad corporate client base and low-cost operations

4. R&D of Big Data and AI

Promoting the enhancement of our AI algorithms, the application of our algorithm to existing services, and the new development of AI services

1. Providing in-demand services

Observing user behavior using tools developed in-house and creating services tailored to current demands



2. Virtuous cycle of algorithm Improvements

As the number of users increases, the amount and types of data increase, thereby enhancing AI precision and analysis capabilities and increasing users

3. Securing tech personnel

User Local is a youthful company, with an average employee age of 28, and many employees with post-grad degrees working on R&D

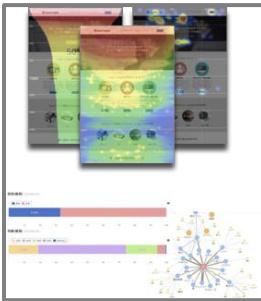
Providing in-demand services・Core values of each service

Business Development in Growth Markets of Big Data and AI

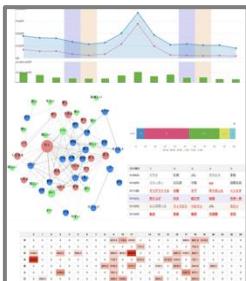
①Digital Marketing by SaaS



All-in-One Web Analysis Tool



Analysis and operation tools to streamline SNS operations



②AI DX SaaS



AI chatbot tool to automate support operations

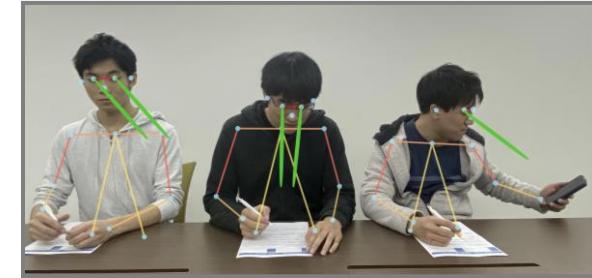


Platform of Generative AI



③AI R&D Products

～ Exploring New Areas～

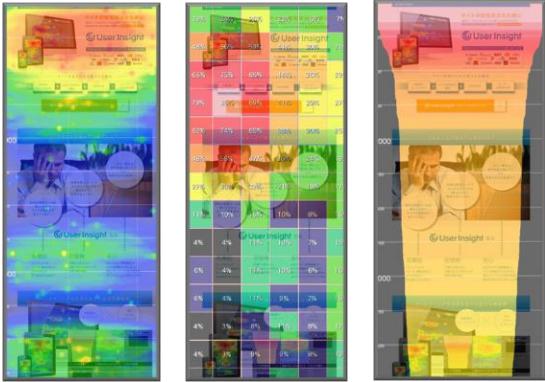


① Digital Marketing by SaaS

Comprehensive tools that support digital marketing that leads to results

User Insight

Comprehensive digital marketing tools that enables content creation, analysis, and web customer service using generative AI



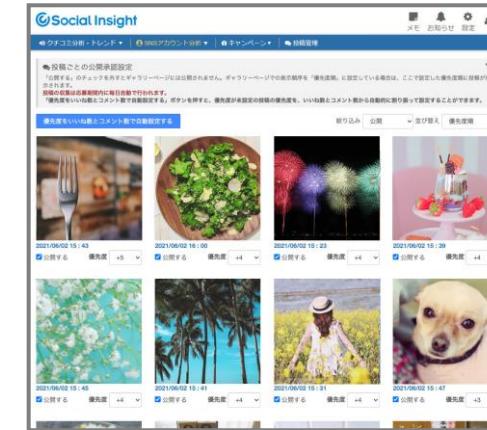
Generating articles and other content automatically with AI

Visualization of user behavior with 12 types of heatmaps

Web customer service that prevents churn and leads to results

Social Insight

Social analysis tools that support from SNS operation to analysis



Campaign on SNS

Batch management of multiple SNS accounts
Batch comparison and analysis of your own and competitors' accounts
Management of in-house information

②AI DX SaaS 「Support Chatbot」

The best inquiry experience with AI

SupportChatbot

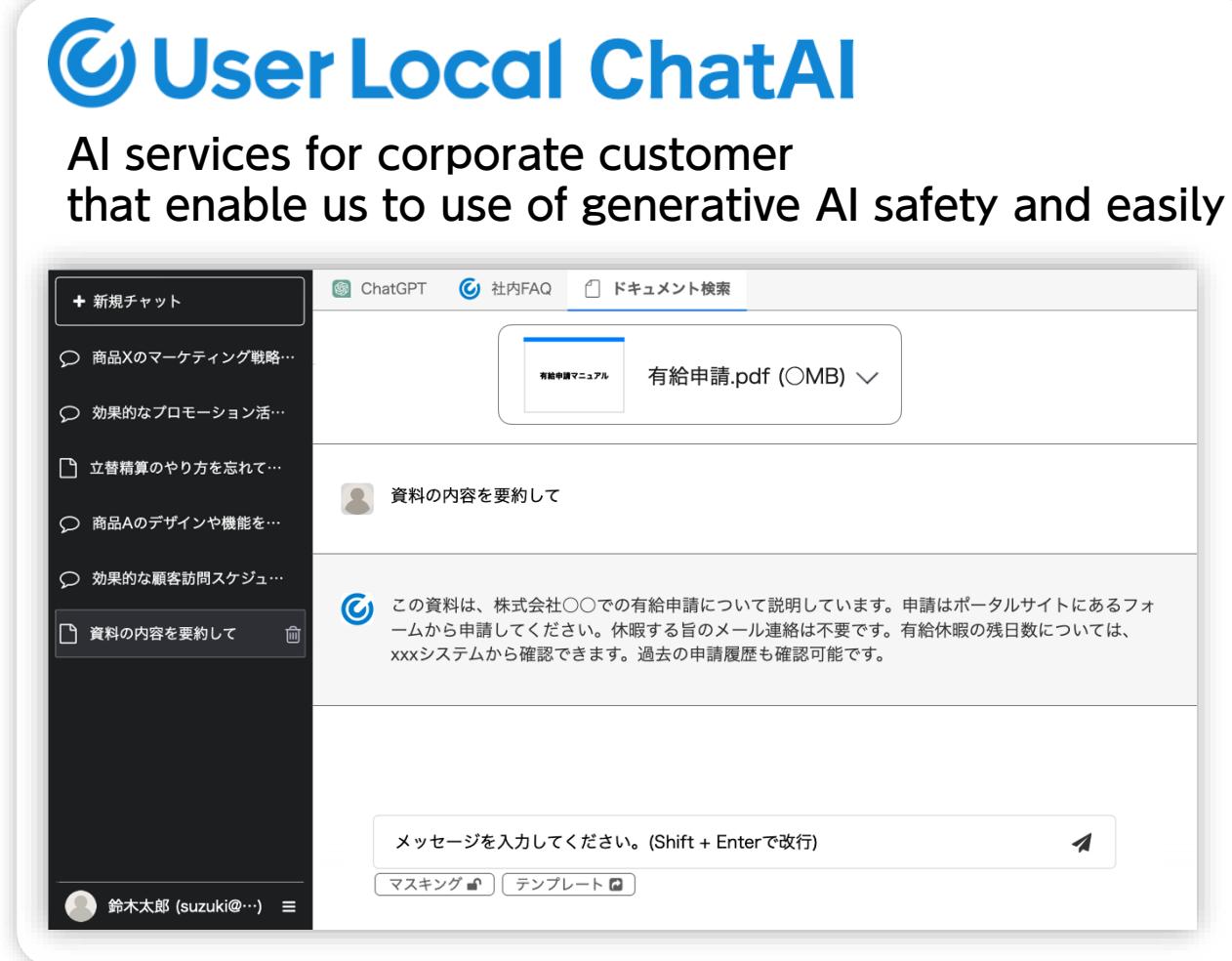
AI service that uses AI to automate responses to customer and employee inquiries



Automatic response by AI in real time,
24 hours a day, 365 days a year
Equipped with **highly accurate AI**
specialized in language processing
Easy to introduction and operate

②AI DX SaaS 「ChatAI」

Creating an environment where everyone can make the most of generative AI



The screenshot shows the User Local ChatAI interface. At the top, there is a navigation bar with 'ChatGPT', '社内FAQ' (Internal FAQ), and 'ドキュメント検索' (Document Search) buttons. The main area displays a document titled '有給申請.pdf (〇〇MB)' with a preview showing '有給申請マニュアル'. Below this, a section titled '資料の内容を要約して' (Summarize the content of the document) is shown. A message from the AI states: 'この資料は、株式会社〇〇での有給申請について説明しています。申請はポータルサイトにあるフォームから申請してください。休暇する旨のメール連絡は不要です。有給休暇の残日数については、xxxシステムから確認できます。過去の申請履歴も確認可能です。' At the bottom, there is a message input field with the placeholder 'メッセージを入力してください。 (Shift + Enterで改行)' and two buttons: 'マスキング' and 'テンプレート'.

Multiple generative AI models can be used simultaneously in a secure environment that is not used for AI learning

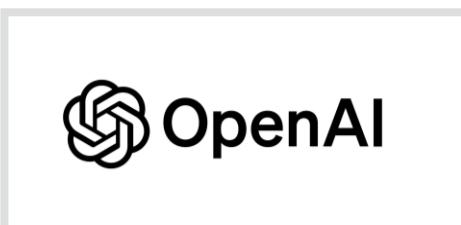
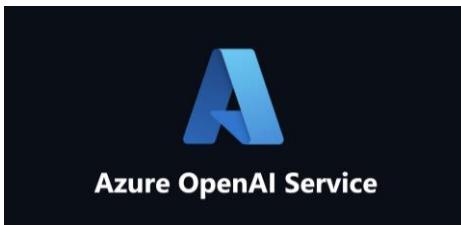
Effectively utilizing our own data and generative AI

Easily manage and accumulate internal usage data on a dashboard

②AI DX SaaS 「ChatAI」

User Local ChatAI

Multiple generative AI models can be used simultaneously



Not dependent on a single AI model, optimal generative AI can be used in a wide range of business areas



Preparation of Minutes Email writing, proofreading



Creating Excel functions

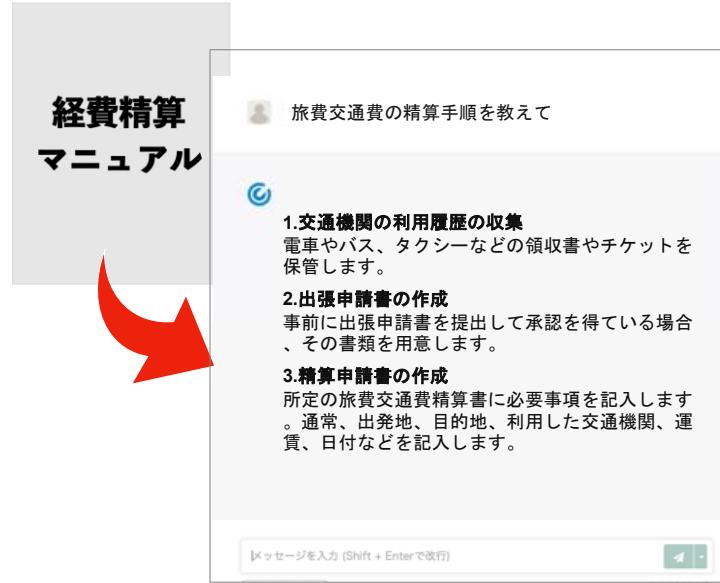
Advanced Search

②AI DX SaaS 「ChatAI」

Linking customer's internal data to Generative AI enables use as an AI for internal use (RAG)*

Operational data

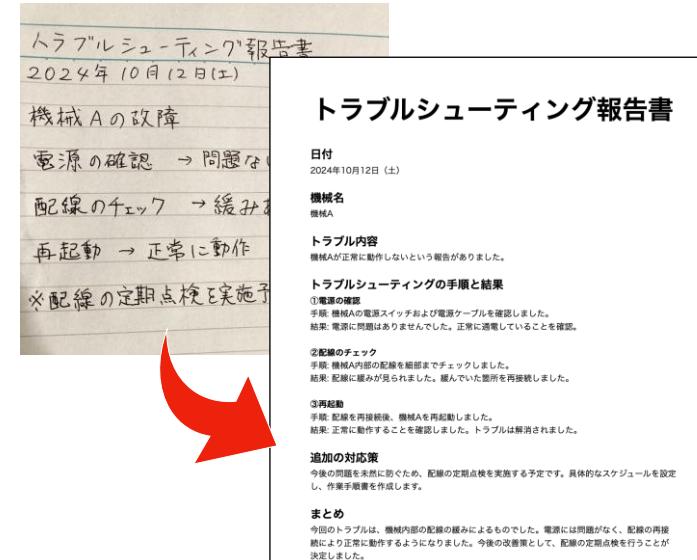
(Word, PowerPoint, PDF, Excel, etc.)



Search for internal manuals
Create proposal materials from product data

Image data

(JPEG, PNG etc.)



Digitize handwritten notes and paper documents
Create code from mock images

Voice・Video data

(MP3, MP4, WAV, etc.)



Preparation of meeting minutes
Review of business meetings and training

* Retrieval-Augmented Generation (RAG) is the technology that improves the accuracy of answers by combining large language models (LLMs) with external information searches.

②AI DX SaaS 「ChatAI」 Customer Cases

ALBION Co.,Ltd.



(Comment excerpt)

After the implementation of User Local ChatAI, We have promoted the use of AI generation in a wide range of tasks, including research in cosmetic product R&D, brainstorming ideas for product descriptions and catchphrases, planning new products and campaigns, translation for overseas expansion, and creating meeting minutes. We have improved our operations.

INPEX CORPORATION



(Comment excerpt)

In addition to its high-precision RAG functionality, User Local ChatAI was quickly implemented with the latest LLM model and offered intuitive operability, earning high praise within the company even during the trial period. Currently, we are promoting its use in a wide range of tasks, such as searching internal manuals, multilingual translation, and creating various documents and codes, with the aim of improving operational efficiency and productivity across the entire company.

③ AI R&D Products

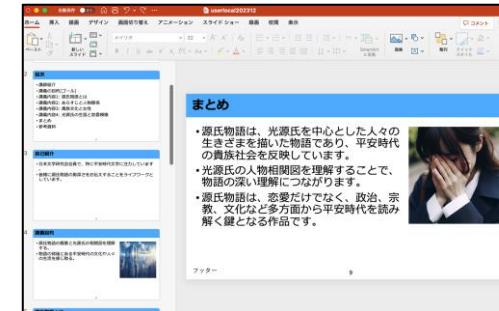
Instagram Hashtags GenAI

Automatic generation of Instagram post text and hashtags from photos



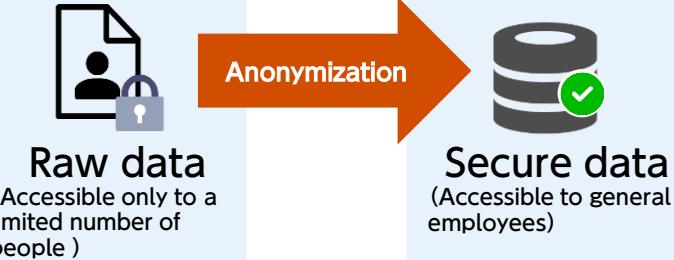
Slides GenAI

Automatically creates presentation materials by AI



Personal Information Anonymization AI

AI automatically anonymizes personal information contained in electronic documents to secure and promote data utilization



Proofreading AI

AI suggests correction of easily mistaken Kanji characters, correction of difficult-to-understand expressions, etc.



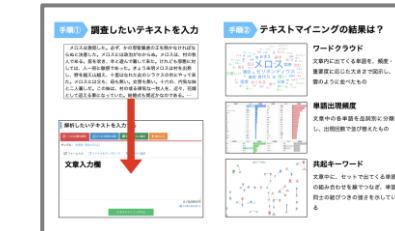
AI Writer

Easy creates the articles you want to write by linking proprietary AI and ChatGPT



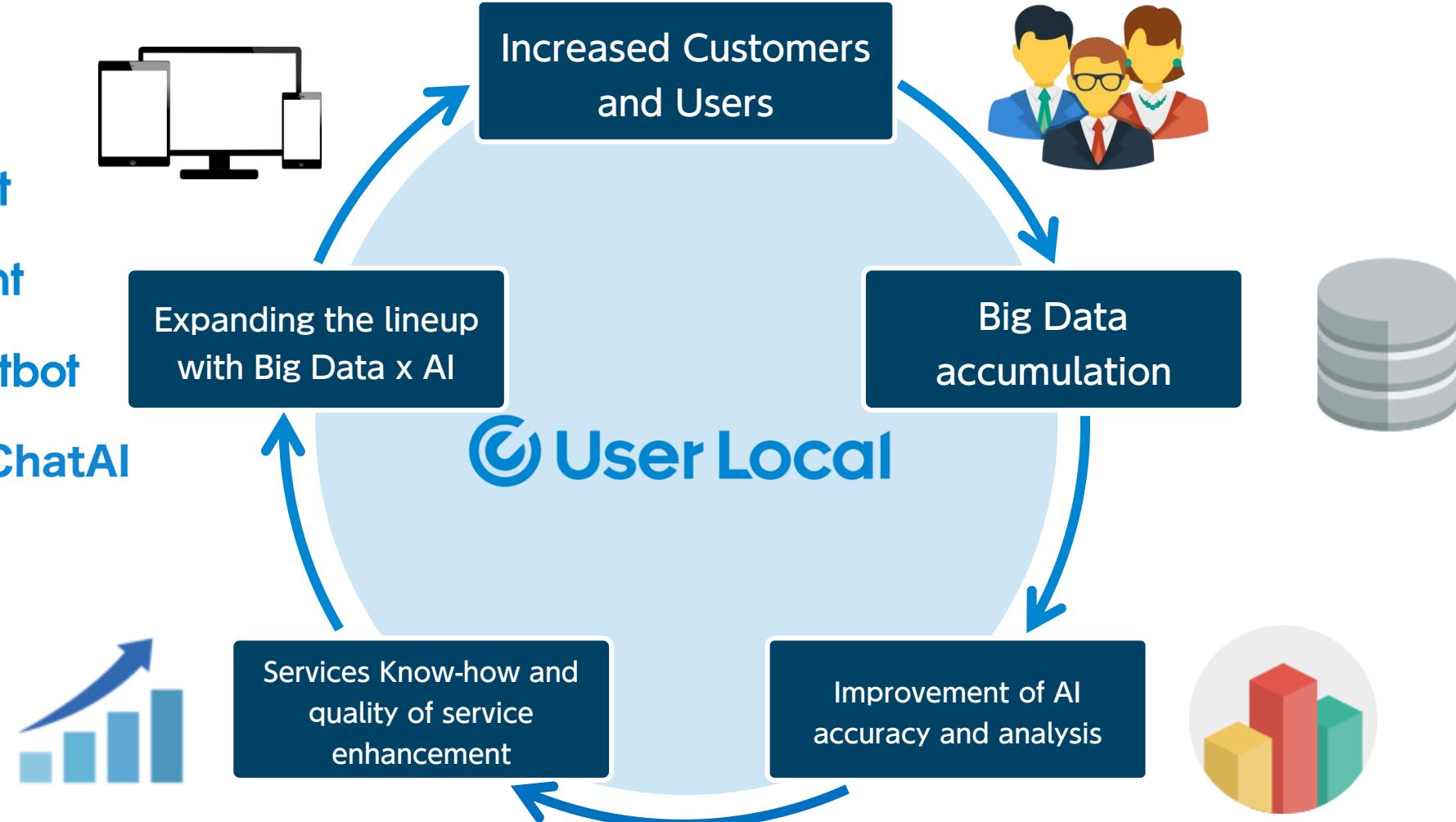
Text Mining Tool

Analyzes and visualizes the emotions and other information in sentences



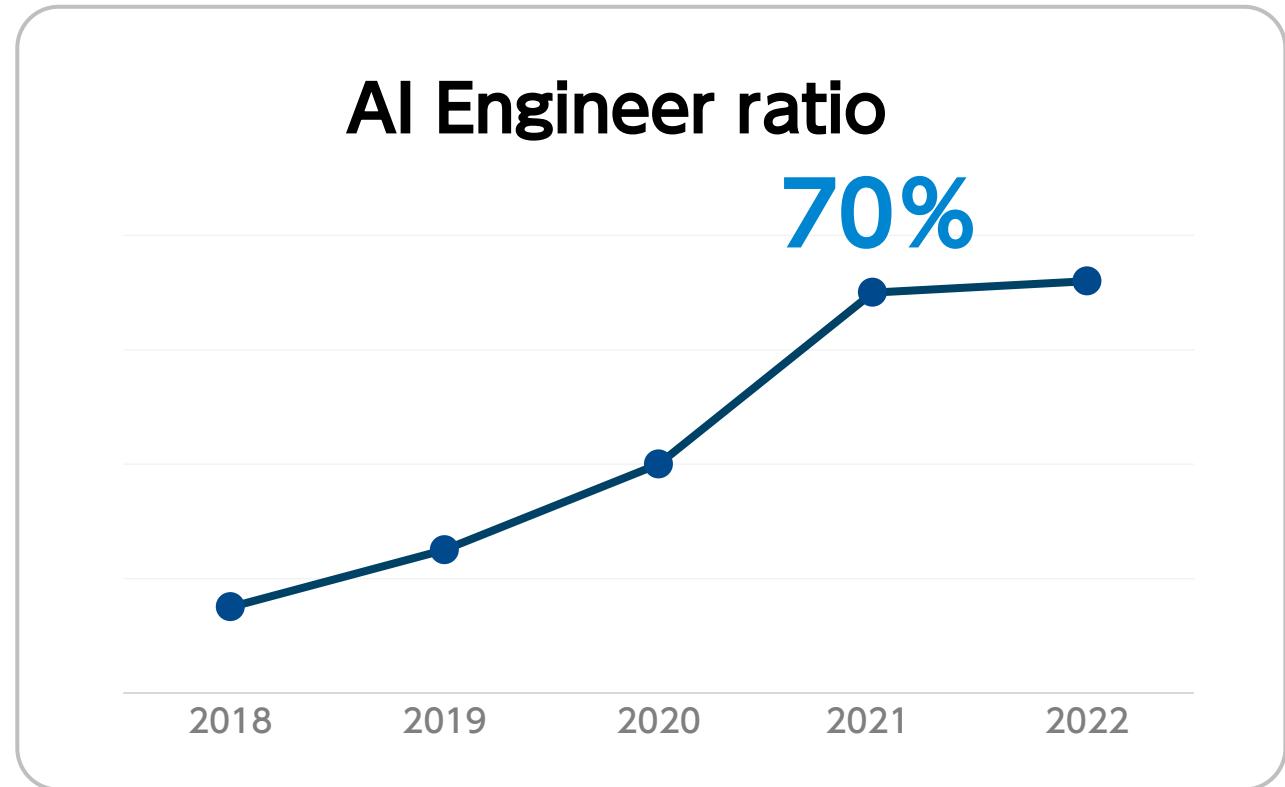
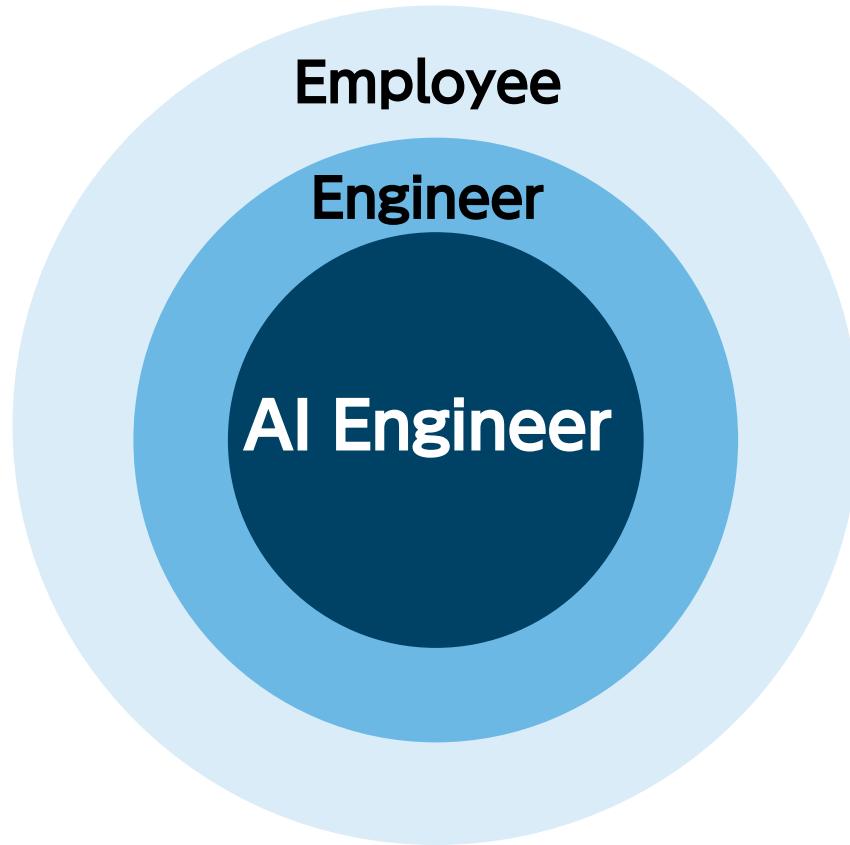
Virtuous cycle of algorithm Improvements

- ⌚ User Insight
- ⌚ Social Insight
- ⌚ Support Chatbot
- ⌚ User Local ChatAI



Securing tech personnel and R&D of Big Data and AI

Strengthening hiring and in-house training of AI engineers to respond to the progress of AI technology and needs for social implementation



Ratio of AI engineers in the Development Department increased to more than 70%, accelerating research and development of our proprietary technologies and Customer-oriented service implementation is progressing

Introduced to major companies and government agencies in recognition of its outstanding service capabilities

Government Agencies Local Governments, Universities



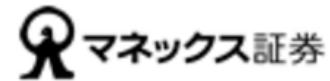
Manufacturer Electronic devices, automobiles, food, etc



ICT Software, Information and communication, etc.



Financial Institutions Banks, securities, etc.



Media Publishing, newspapers, etc.

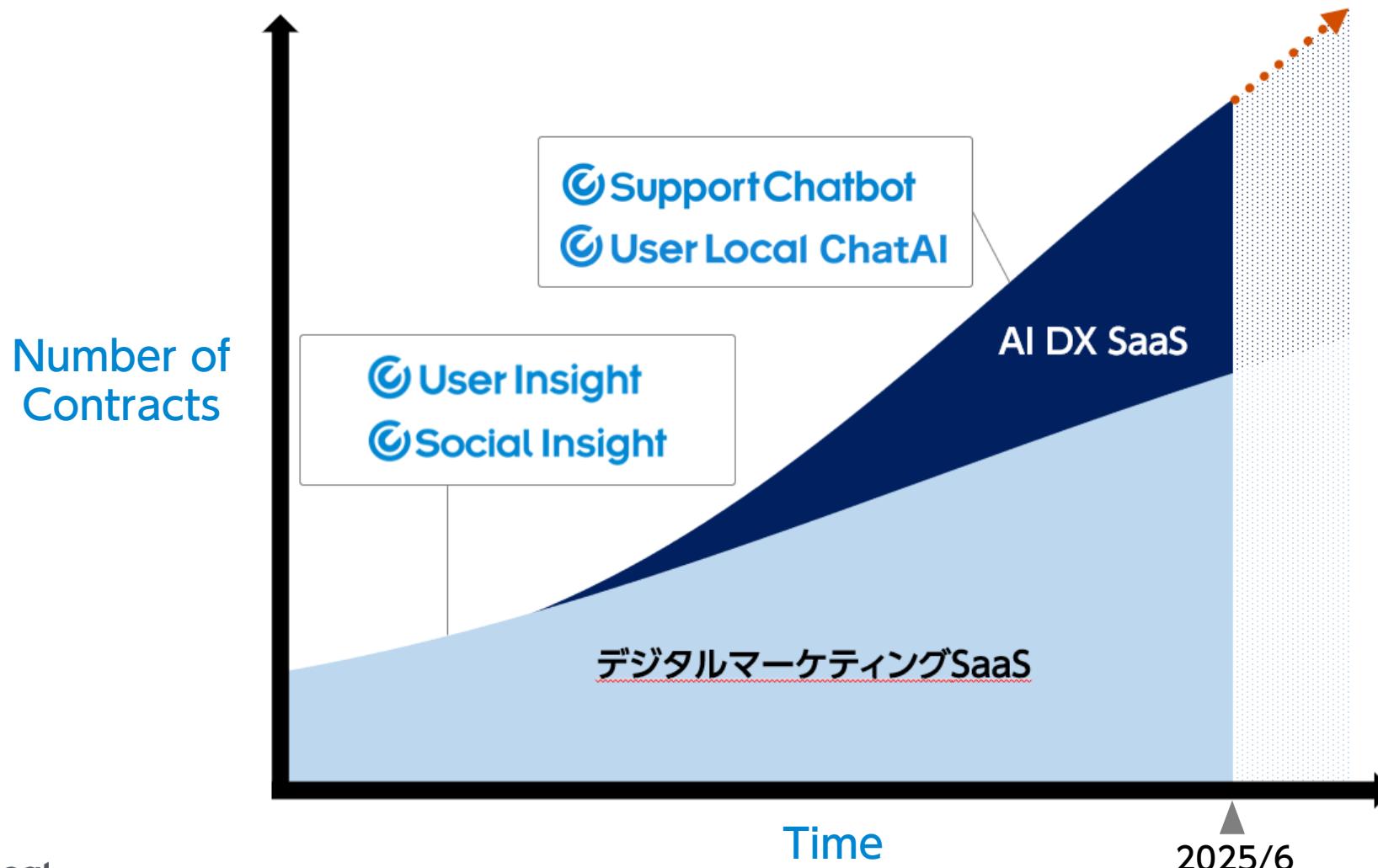


Others



AI DX by SaaS · Digital Marketing by SaaS sales increased and reached record highs

Developing new services and recurring revenue model lead to sustainable growth



03

Financial Results for FY2025

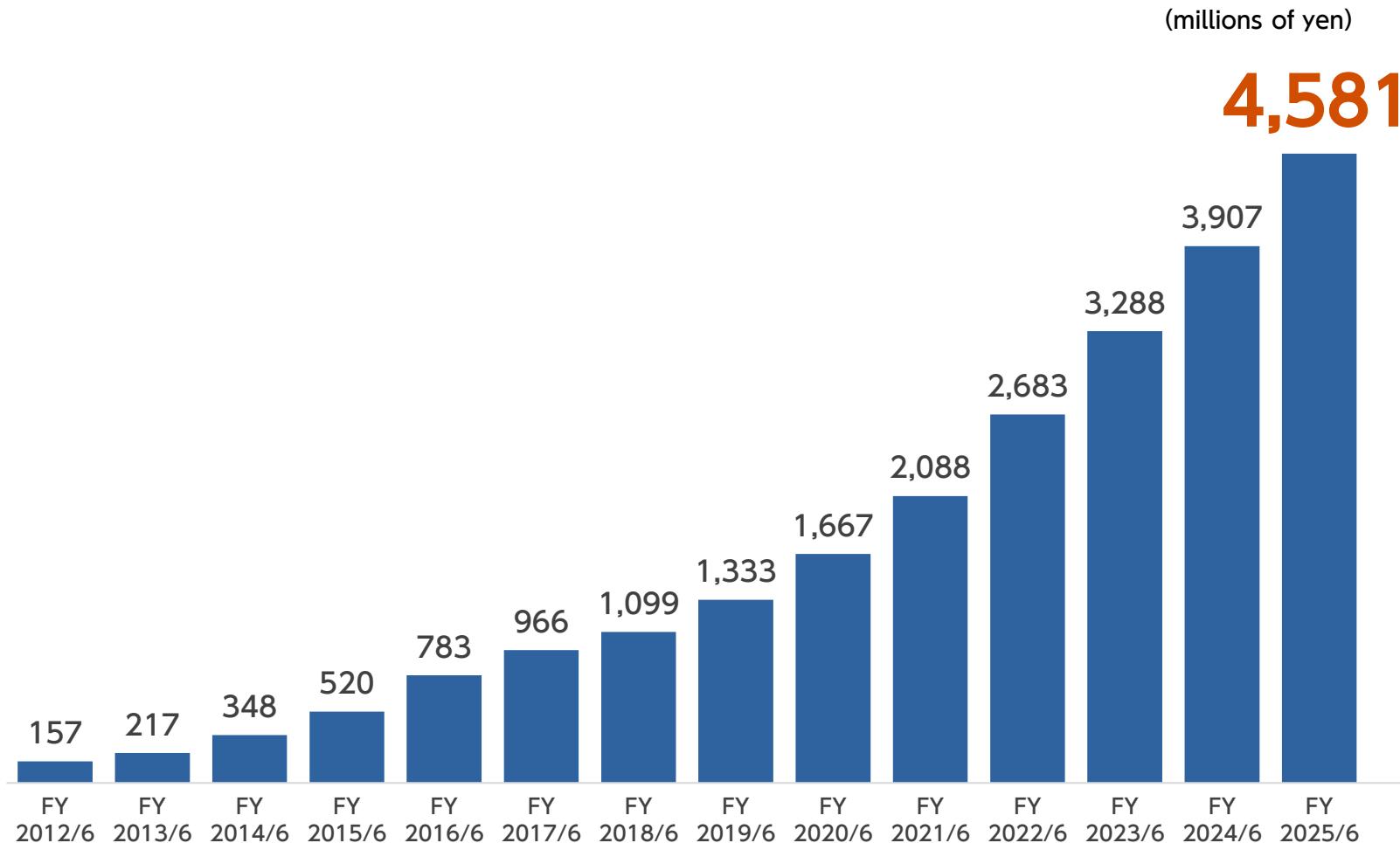
FY2025/6 Comparison of forecasts and actual results

Net Sales is 4,581 million yen, Operation Profit is 1,971 million yen

(millions of yen)	FY 2024/6	FY 2025/6	YoY	FY 2025/6 Forecasts (24/8disclosure)	Progress* rate
Net Sales	3,907	4,581	+17.3%	4,414	103.8% (100.1%)
Operating Profit	1,728	1,971	+14.1%	1,844	106.9% (101.9%)
Ordinary Profit	1,720	1,972	+14.7%	1,844	107.0% (101.9%)
Profit	1,185	1,429	+20.6%	1,272	112.3% (107.3%)

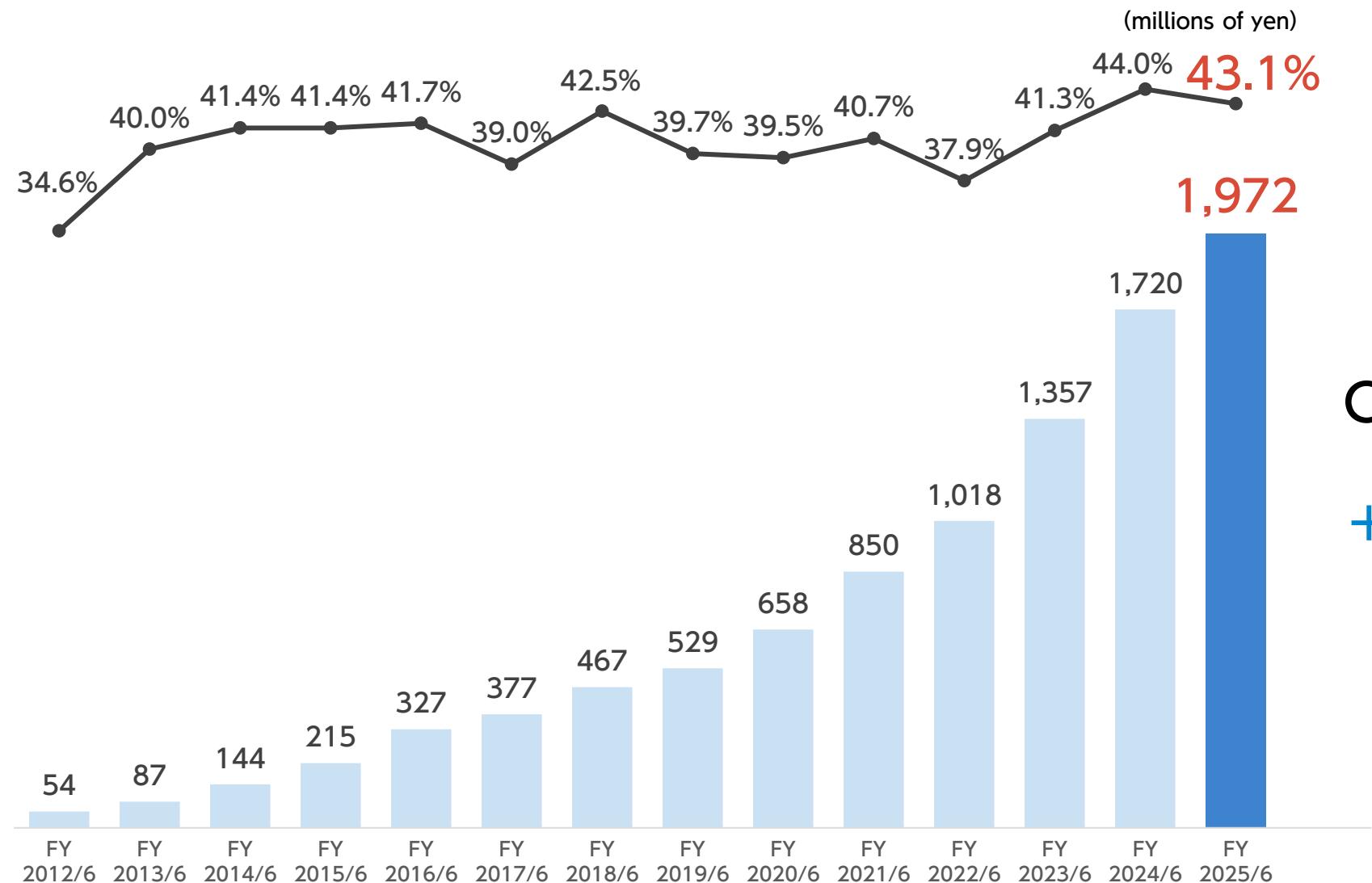
*The upper row shows the achievement rate calculated based on a comparison with the initial forecast disclosed in August 2024, and the lower row shows the achievement rate calculated based on a comparison with the revised forecast disclosed in May 2025.

Net Sales



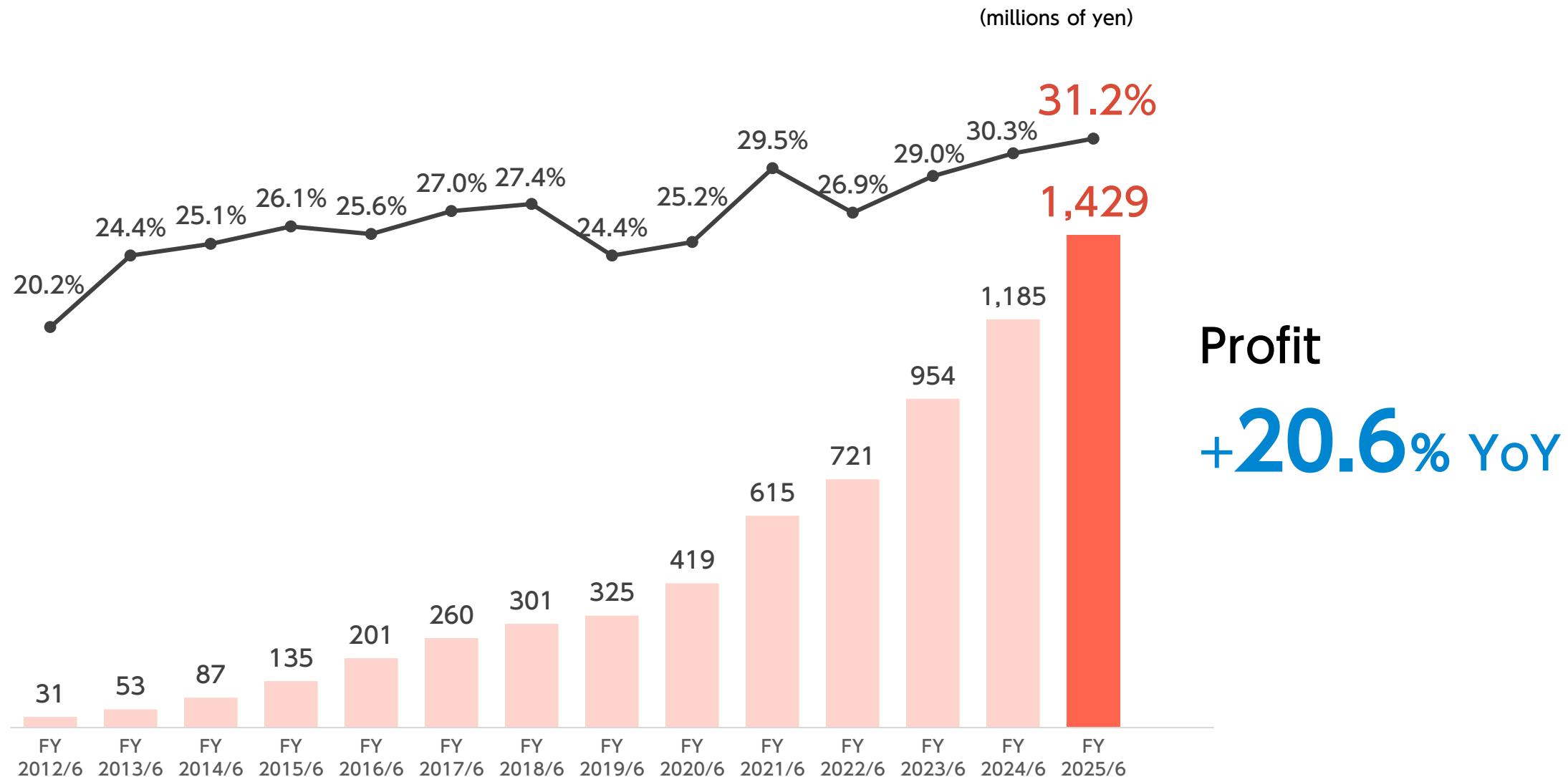
Increased **17.3%** from the previous year, reaching a new record high

Ordinary Profit and Ordinary Profit Margin



Ordinary profit
+14.7% YoY

Profit and Net Profit Margin



04

Financial Forecasts for FY2026

FY2026/6 Full-year Forecasts

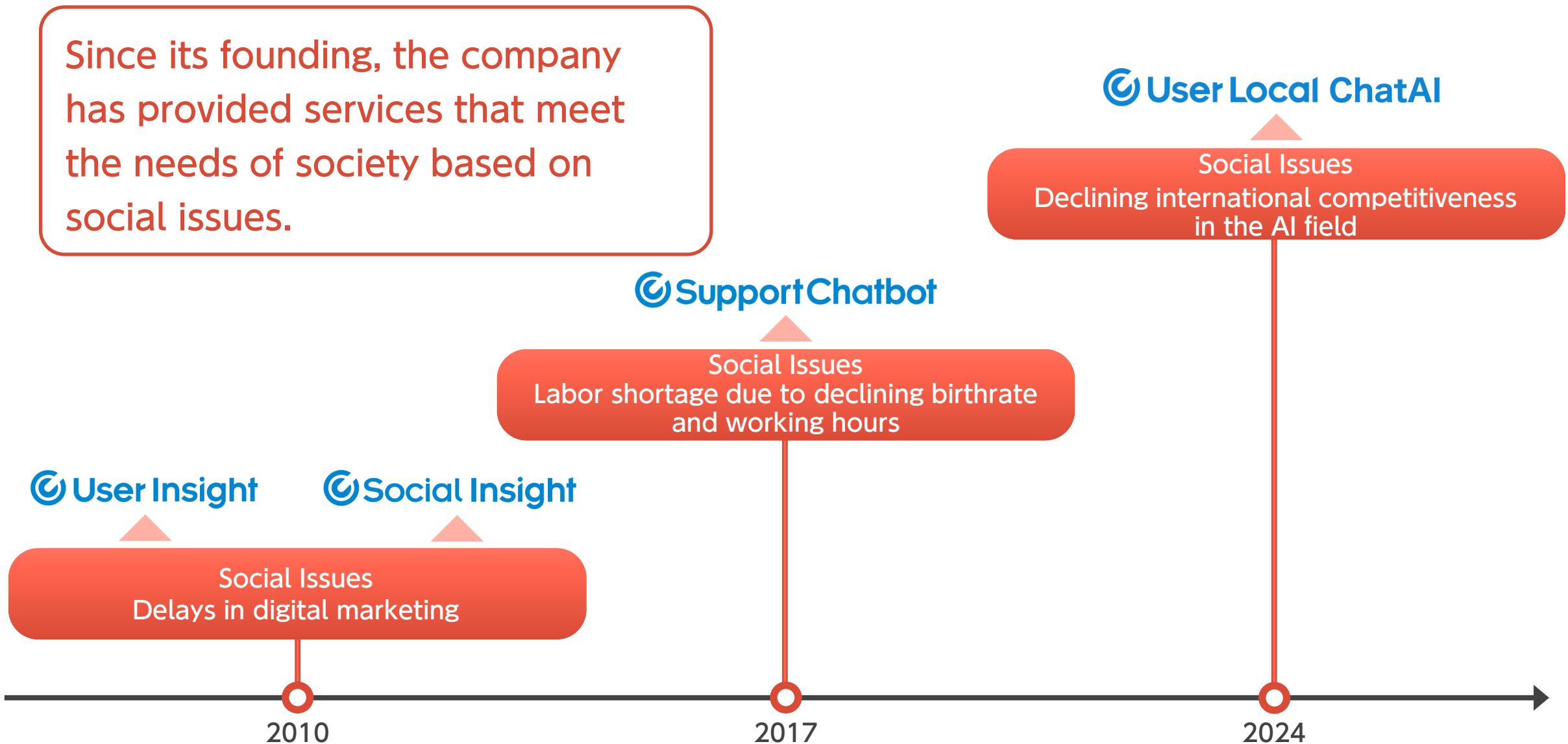
Aiming for record-high sales of 5,284 million yen by continuing growth investments in AI-related services

(millions of yen)	FY2025 Results	FY2026 Forecasts	Increase /decrease	YoY change
Net Sales	4,581	5,284	+702	15.3%
Operating Profit	1,971	2,207	+236	12.0%
Ordinary Profit	1,972	2,207	+234	11.9%
Profit	1,429	1,523	+93	6.6%

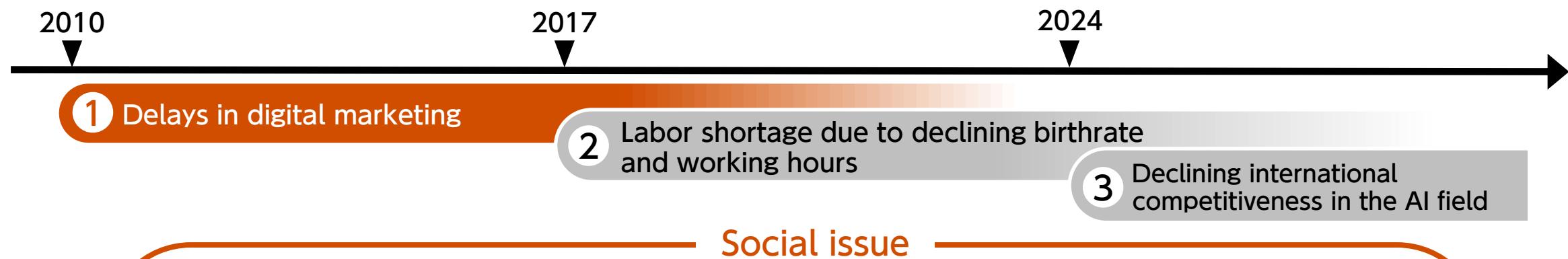
05

Future Focus Areas

Focus Areas



Focus Areas (1) From Founding and launch of business to around 2017, before the company went public



1 Slow response of companies to digital marketing in the face of rapid expansion of Internet advertising

Our solutions

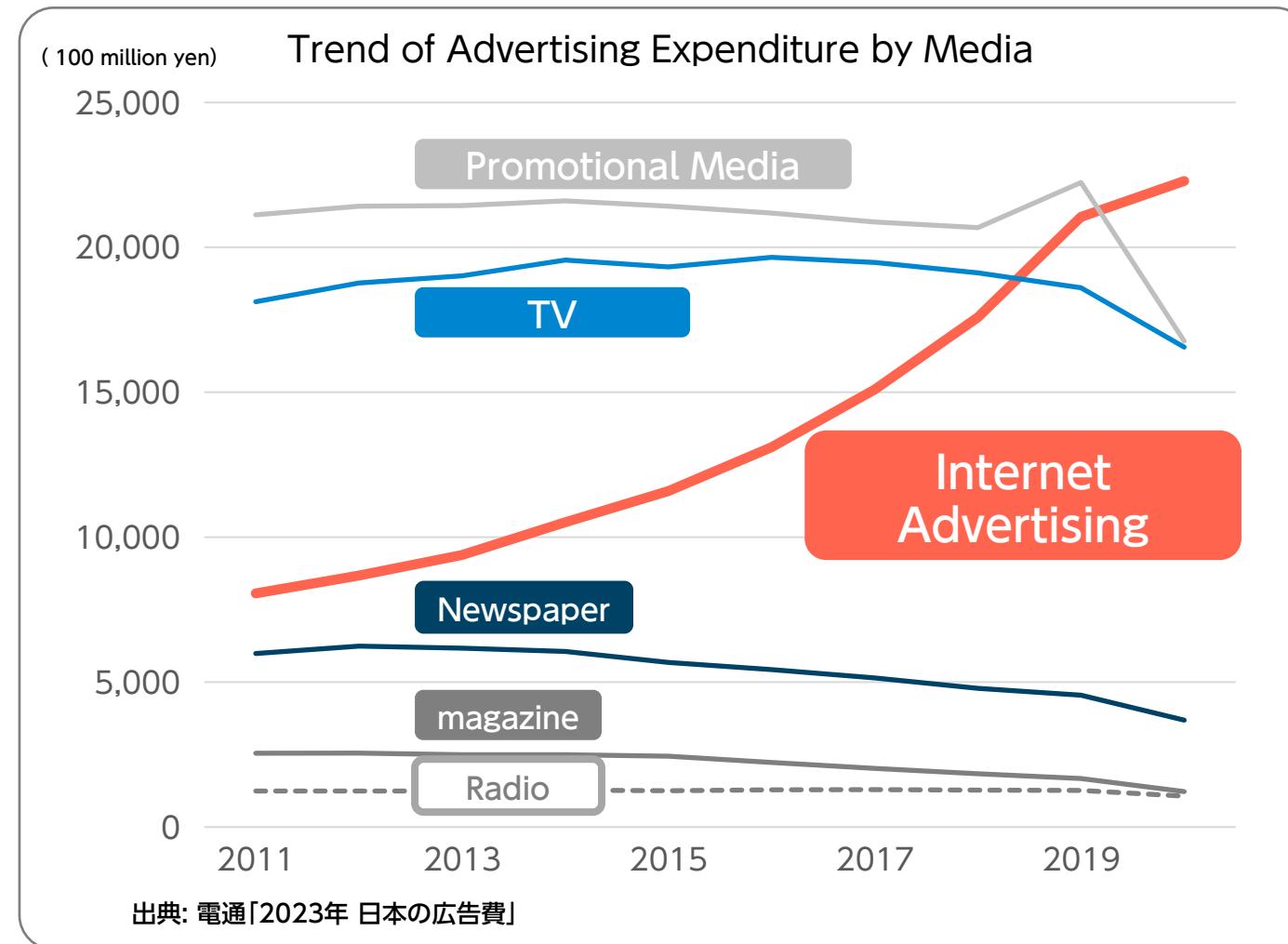
 User Insight  Social Insight

Supporting effective digital marketing by utilizing data from over billions of websites and SNS and our analytical technology

Focus Areas (1) From Founding and launch of business to around 2017, before the company went public

Social issue① Delays in digital marketing

Internet Advertising Spending Increases and Accelerating shift from analog to digital



It is imperative for companies to respond to digital marketing

Focus Areas (2) From 2017 to 2023



2

Shortage of labor force due to decrease in working population caused by declining birthrate and decrease in working hours caused by diversification of work styles

Social issue

Our solutions

 Support Chatbot

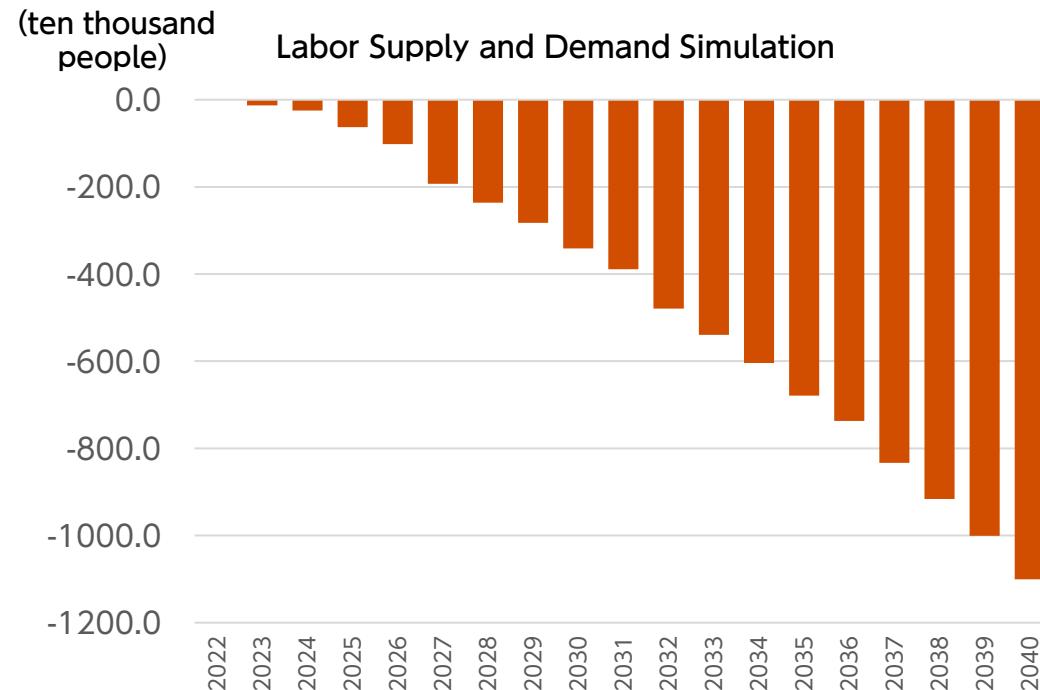
Provides chatbots to support automation and streamlining of internal and external inquiry response operations

Focus Areas (2) From 2017 to 2023

Social issue② Labor shortage due to declining birthrate and working hours

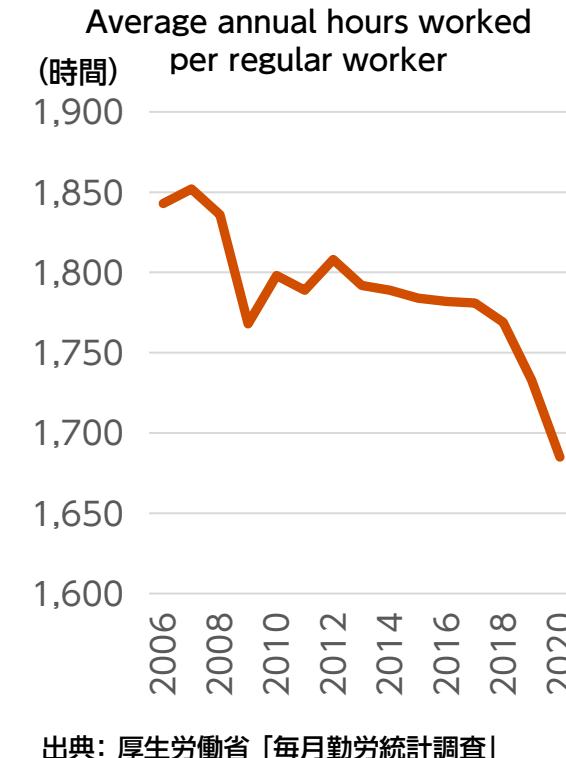
In the late 2010s, the shortage of domestic workforce became a serious issue

Decrease in workforce



リクルートワークス研究所「未来予測2040 労働供給制約社会がやってくる」より作成

Diversification of work styles



出典：厚生労働省「毎月勤労統計調査」



Telework



Improvement of paid leave utilization rate



Reduction of overtime hours



Balancing Childcare and Work

Focus Areas (2) From 2017 to 2023

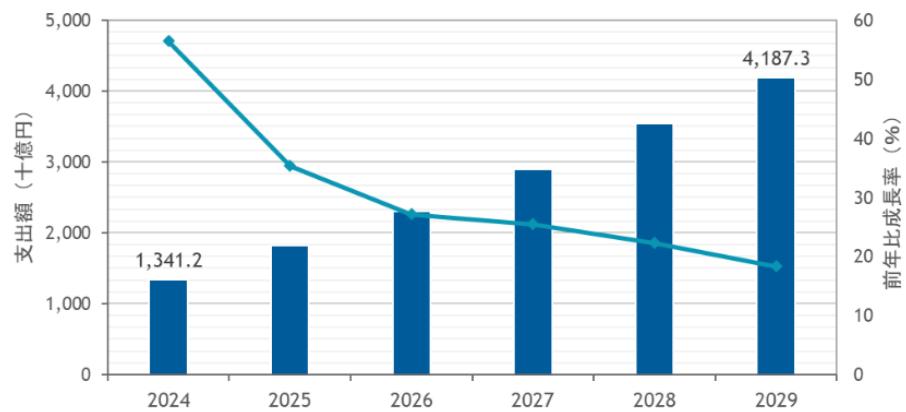
Social issue② Labor shortage due to declining birthrate and working hours

The Corona Disaster from around 2020 will accelerate the shift to online and DX

In line with the expansion of the AI and DX market, we are particularly focusing on the development of DX support tools

Domestic AI System Market Forecast

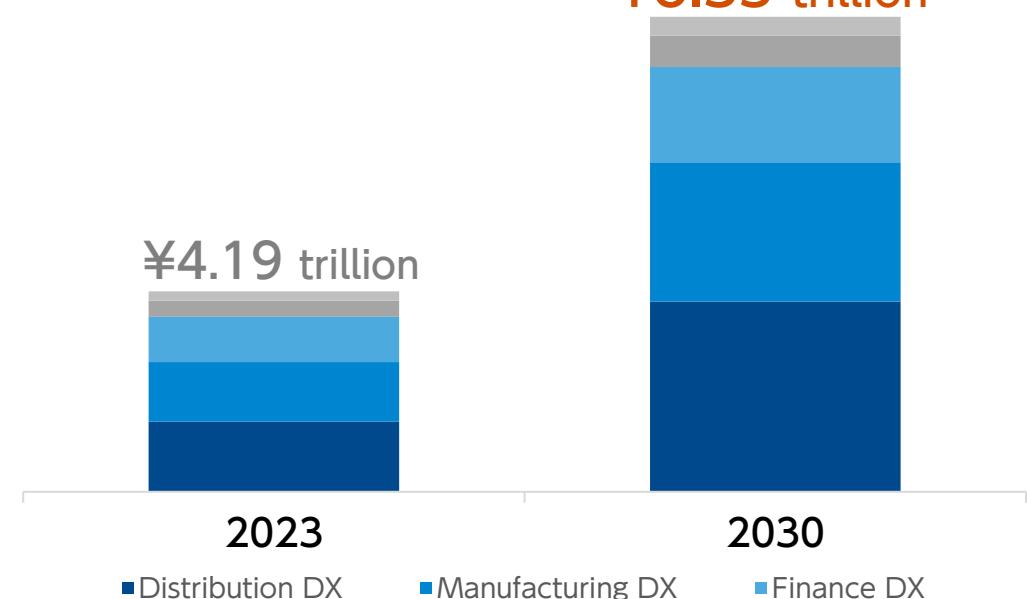
The compound annual growth rate (CAGR) from 2024 to 2029 will be 25.6%, to **4,187.3 billion yen** in 2029



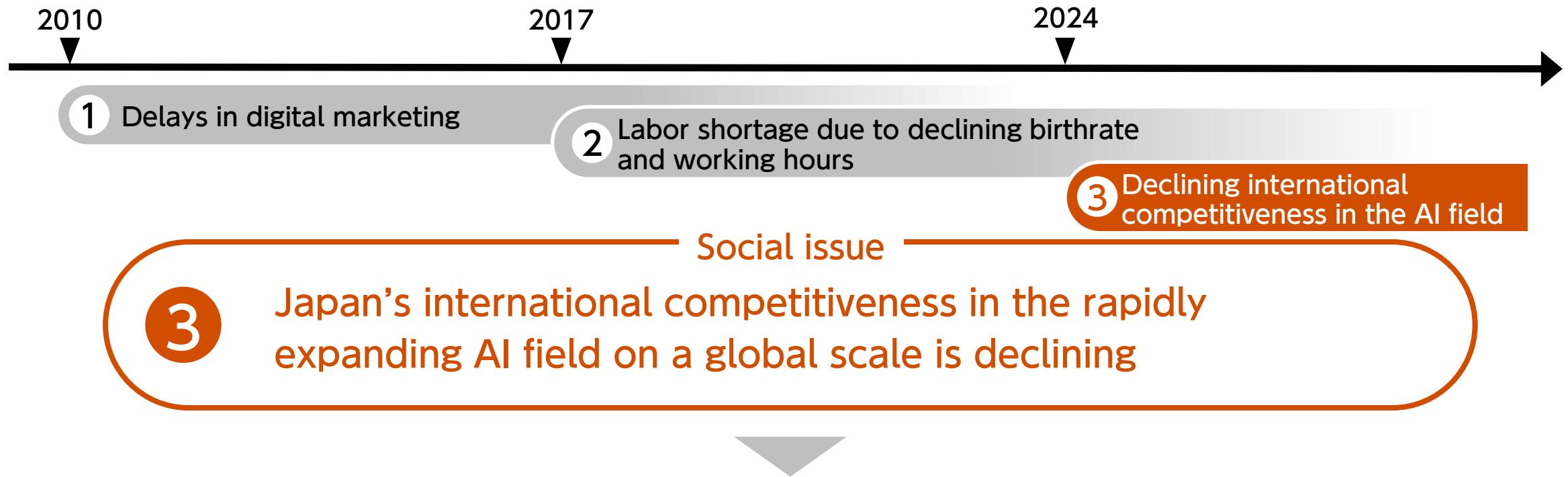
出典: IDC Japanプレスリリース「国内AIシステム市場予測を発表」(2025/5/1)

DX domestic market research

Projected to surpass **8 trillion yen** in FY2030
¥8.35 trillion



Focus Areas (3) From 2024



Our solutions



Supporting the utilization of generative AI models used globally Other business support tools specialized for specific fields will be provided in succession

Focus Areas (3) From 2024

Social issue③ Declining international competitiveness in the AI field

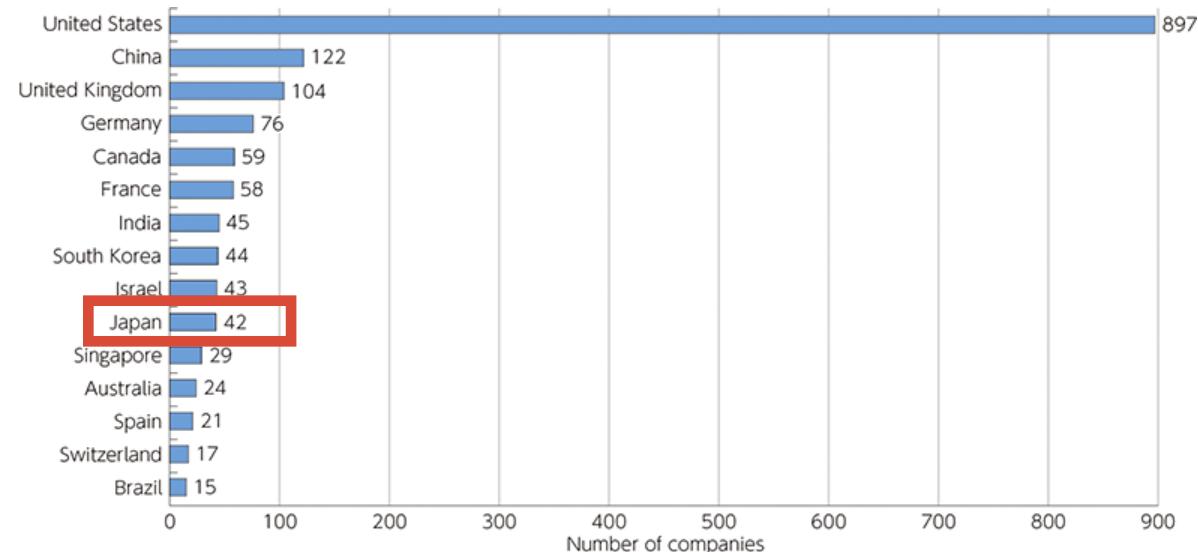
Japan's competitiveness in the global market in the field of AI is declining

Top 15 AI Ranking by Country

	2020年	2021年	2022年	2023年
1	米国	米国	米国	米国
2	中国	中国	中国	中国
3	イギリス	イギリス	イギリス	イギリス
4	ドイツ	ドイツ	ドイツ	ドイツ
5	カナダ	カナダ	カナダ	カナダ
6	オーストラリア	オーストラリア	オーストラリア	オーストラリア
7	シンガポール	韓国	韓国	シンガポール
8	韓国	シンガポール	シンガポール	韓国
9	インド	スイス	スイス	スイス
10	イスラエル	イスラエル	インド	インド
11	日本 Japan	日本 Japan	イスラエル	イスラエル
12	メイズ	インド	日本 Japan	日本 Japan
13	オランダ	オランダ	イタリア	オランダ
14	イタリア	イタリア	オランダ	イタリア
15	フランス	オーストリア	デンマーク	オーストリア

Source: "Information and Communications White Paper 2024" (Ministry of Internal Affairs and Communications)

Number of newly funded AI companies (by country, 2023)

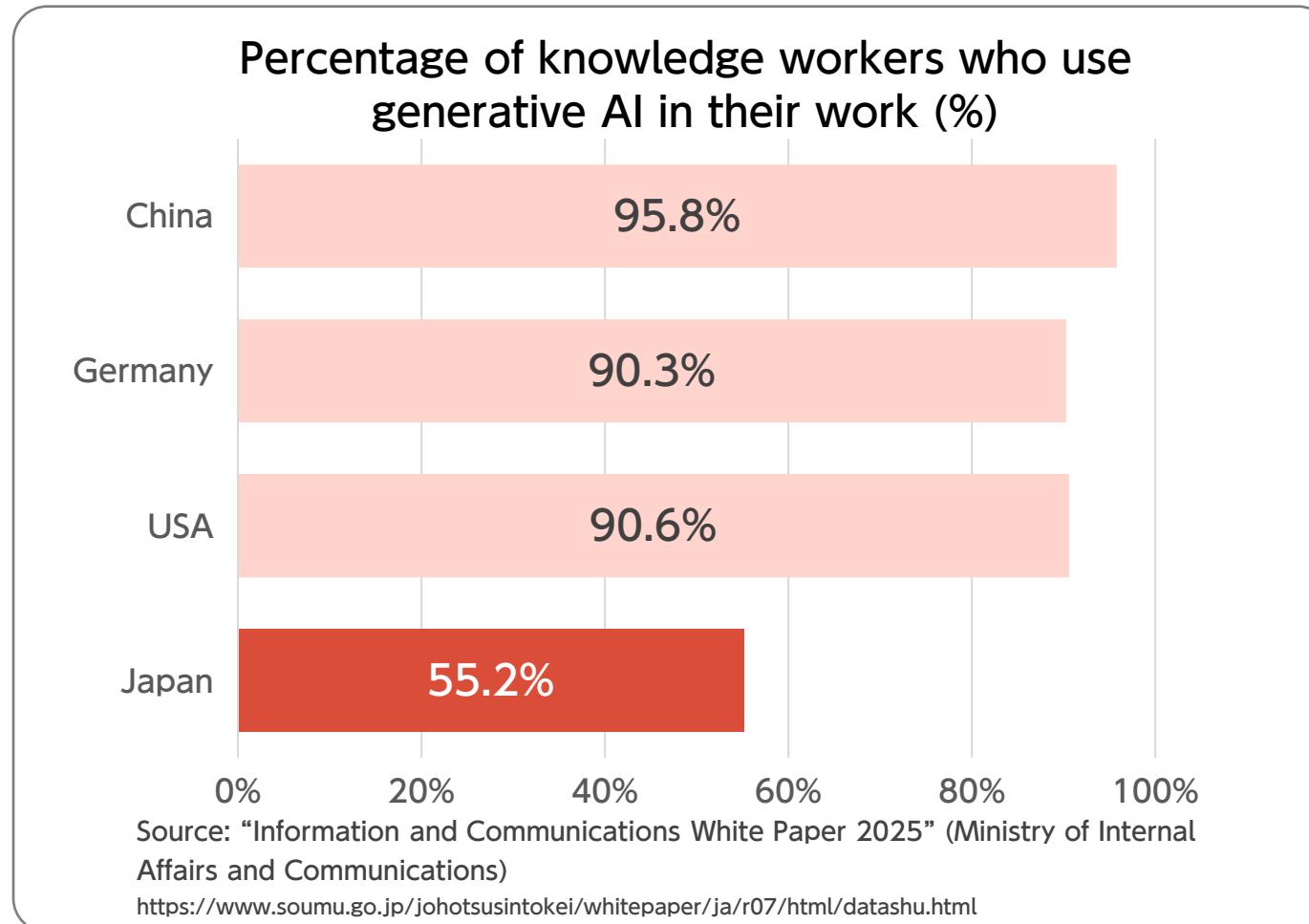


Source: "Information and Communications White Paper 2024" (Ministry of Internal Affairs and Communications)

Focus Areas (3) From 2024

Social issue③ Declining international competitiveness in the AI field

The lack of progress in the use of generative AI in Japanese business



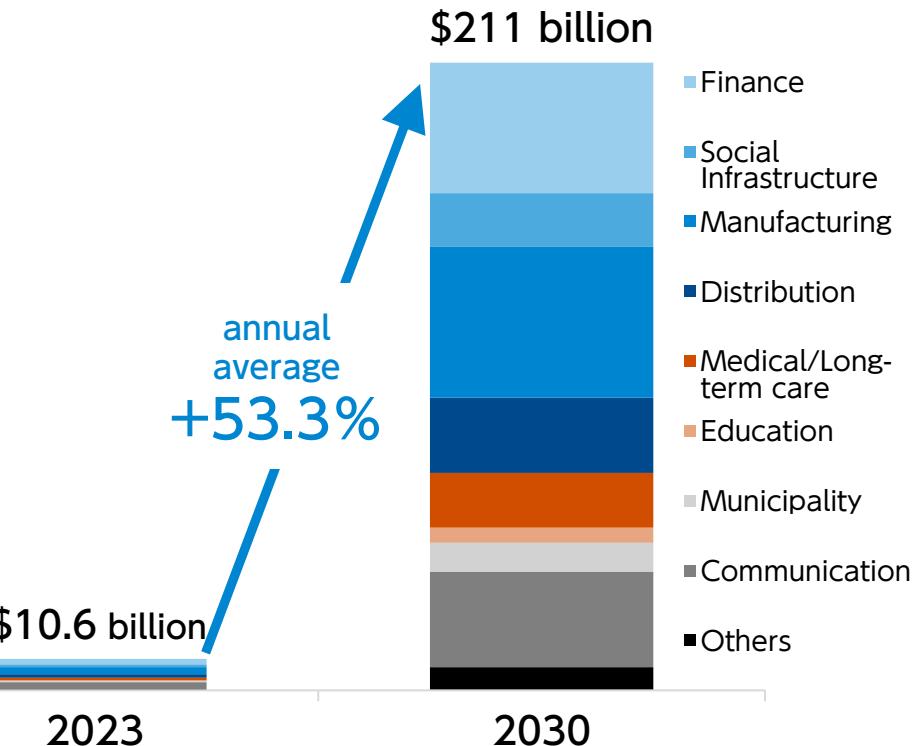
Utilization rate is 55.2%,
the lowest level
compared to other
countries

Focus Areas (3) From 2024

Social issue③ Declining international competitiveness in the AI field

The social implementation of generative AI will continue to advance rapidly, and the market size is expected to expand across all fields

Expanding utilization in many areas



If we cannot utilize generative AI, the gap in global competitiveness is likely to widen further

Focus areas

Incorporating generative AI makes existing products more convenient and easier to use.

Social Insight

SupportChatbot

Focus areas

AI R&D

Building an environment where users can freely create AI agents tailored to the individual operations of each company

User Local ChatAI

Promote the incorporation of generative AI into existing services, and provide specialized business support tools that are even easier to use

User Insight
Social Insight
Support Chatbot

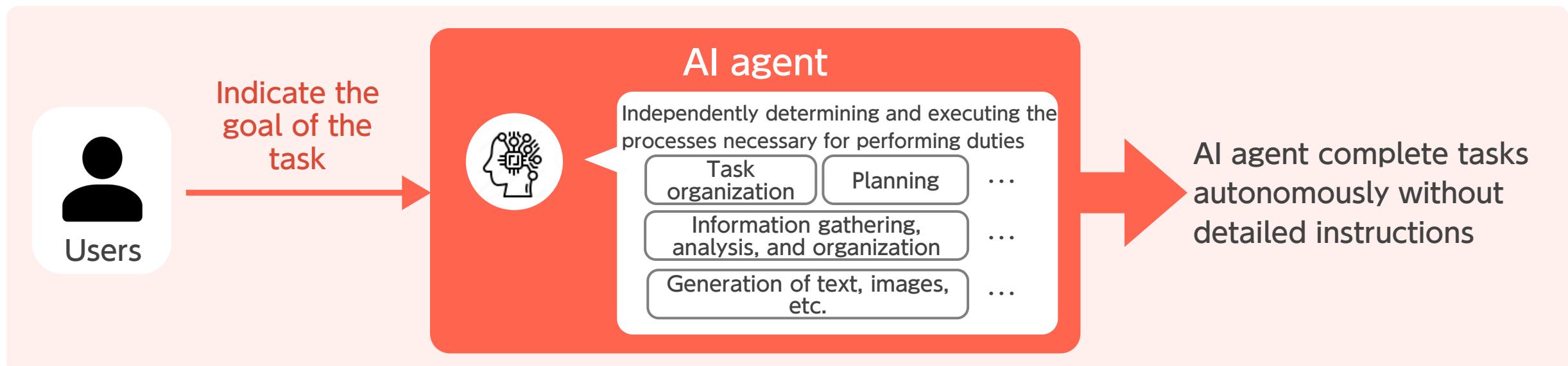
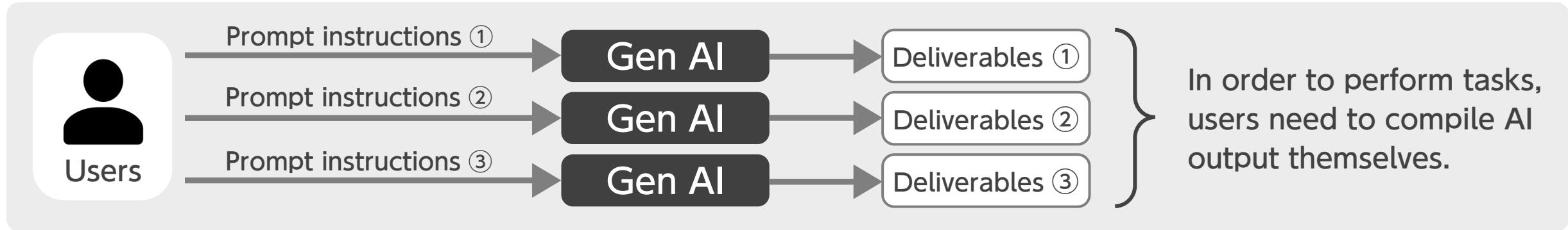
Applying AI Technology



Anyone can utilize AI

What is an AI agent?

AI autonomously performs tasks as an agent without specific instructions from users
Anyone can utilize AI regardless of skill level, as it does not depend on user instructions



Developing generative AI support tools specialized for individual tasks

Continuously developing business support tools focused on specific tasks by combining our proprietary AI with generative AI



Automatic creation of presentation materials

Automates all the tedious work of creating presentation materials

UserLocal Slides GenAI

URL: https://ai-tool.userlocal.jp/powerpoint_maker/



Auto-generate articles you want to write

Even long articles are automatically generated by simply entering two or three words

UserLocal AI Writer

URL: <https://ai-writer.userlocal.jp/>



Determining whether text was written by generative AI

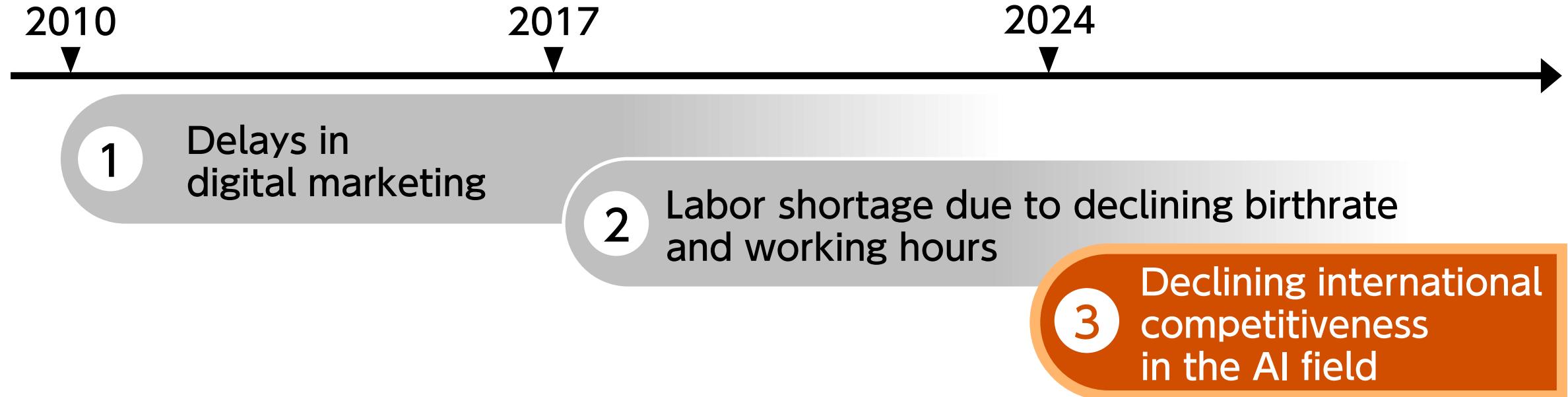
Automatic determination of the possibility that the sentence was created by AI using our proprietary algorithm that uses machine learning to detect phrasing and vocabulary biases unique to generative AI

UserLocal GenAI Checker

URL: https://ai-tool.userlocal.jp/ai_classifier



Entering a Phase of Tackling New Social Issues



**From the FY 2026,
Inject more human resources into R&D and sales activities for
new AI products, Aiming to contribute to the improvement of
Japan's international competitiveness**

Caution Regarding These Materials

User Local, Inc. (the "Company") created these materials to aid investors' understanding of the Company and circumstances currently surrounding the Company.

The information herein is based on generally accepted economic, social, and other trends and certain assumptions judged reasonable by the Company, but it may be subject to change without notice owing to changes in the business environment and other factors.

The Company makes no representations or warranties of any kind, expresses or implies, about the completeness and accuracy.

The materials and information provided in this announcement include so-called "forward-looking statements." These statements are based on current assumptions that include a degree of projection, forecasting, and risk. They contain uncertainties that may lead to results that differ substantially from the content of these statements.

These risks and uncertainties include general industry and market circumstances, together with general domestic and international economic circumstances, including changes in interest rates and foreign exchange rates.

The Company bears no obligation to update or amend the "forward-looking statements" herein, even in the event of new information or events occurring in future.

