Cybozu, Inc.

**Business Overview and Financial Results Briefing
for the Fiscal Year Ended December 2021**

February 24, 2022
Cybozu, Inc.

About Cybozu

cybozu

Cybozu, Inc.

|	
Business	Develop, sell and operate groupware/Methodology consulting business
Representative Director and President	Yoshihisa Aono
Established	August 1997
Head Office	Tokyo Nihombashi Tower, 2-7-1 Nihombashi, Chuo-ku, Tokyo
Locations	Tokyo, Osaka, Matsuyama, Nagoya, Fukuoka, Hiroshima, Sendai, Sapporo, Yokohama, Omiya, Shanghai, Shenzhen, Taipei, Ho Chi Minh, San Francisco, Sydney, Bangkok, Kuala Lumpur, etc.
Capital Stock	613 million JPY
Listed Exchange	Tokyo Stock Exchange, First Section (Stock code: 4776) * Plan to move to the new Prime section in April 2022
Employee Headcount	Consolidated: 969 employees, Non-consolidated: 737 employees * As at end of December 2021 * Open-ended contract (permanent) employees only (executives and auditors not included)

Our vision since 2020

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Purpose

Create a society brimming with teamwork

Culture

- **Share a common vision**
  Create a common vision that resonates with all members and guides their actions

- **Embrace individuality**
  Embrace individual differences and tap into each other's strengths

- **Be transparent**
  Build a foundation for open trust

- **Be yourself, take responsibility**
  Cultivate independence and generate progress through discussion
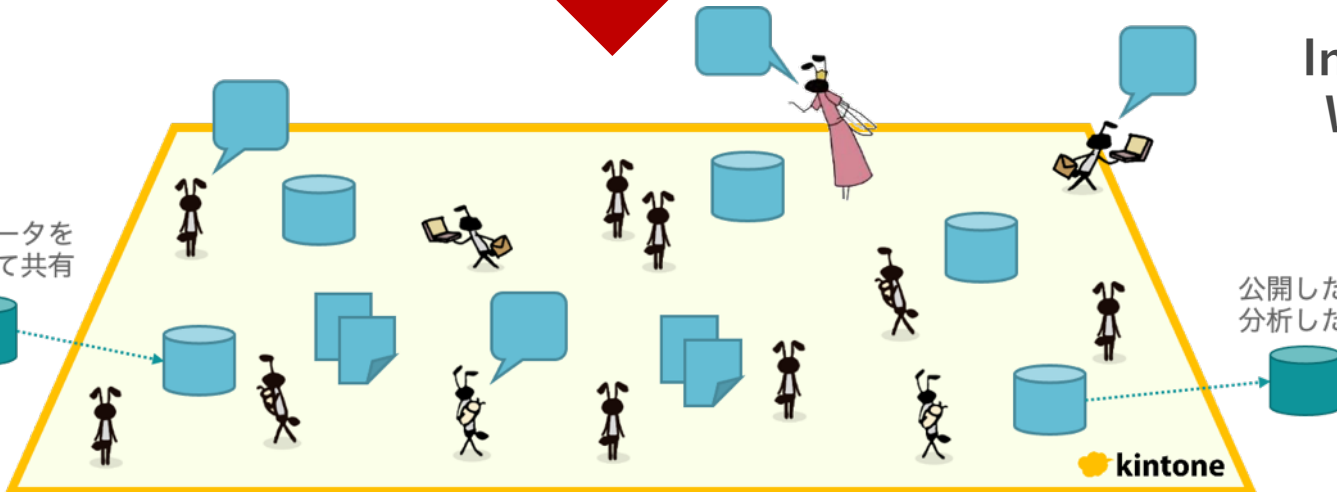
Information sharing and teamwork
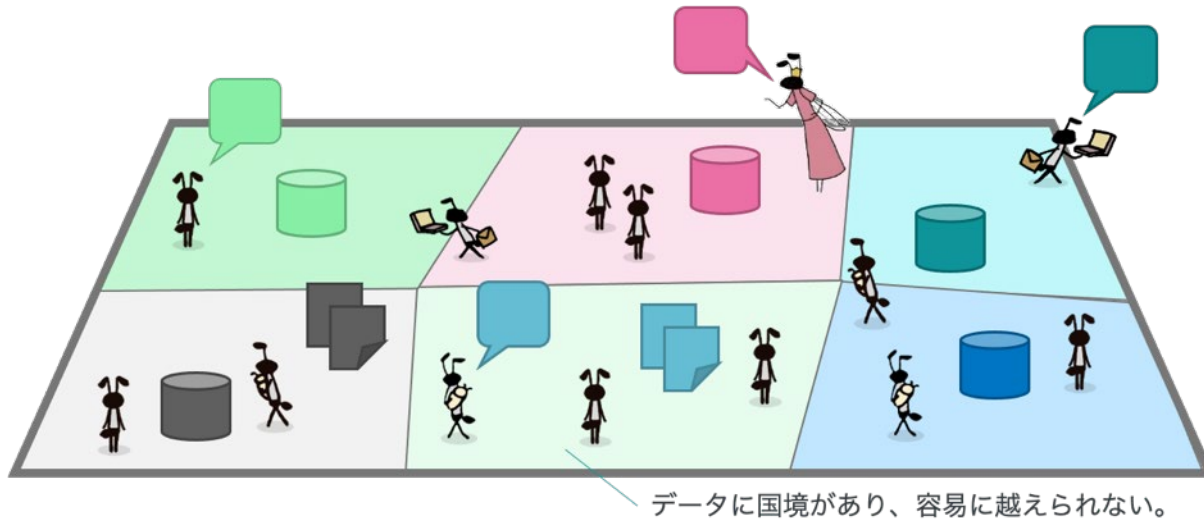
Data, information, and communication is separated by team, making it impossible to share information outside one's team

Information is siloed, cutting the workplace off from the data **it needs to innovate**

Information shared openly on one platform. Workplace-driven business improvement.

Information sharing boosts teamwork and helps the entire organization to evolve

Cybozu's cloud services
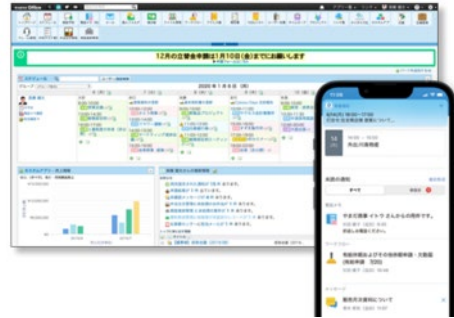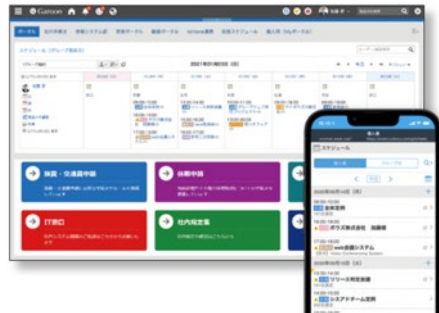

(cybozu logo)

Groupware

サイボウズ Office
Easy and simple groupware for SMEs

サイボウズ Garoon
Groupware for large and mid-sized organizations

Business app development platform

kintone キントーン
Platform for implementing no-code/low-code business solutions

Mail-sharing application

Mailwise メールワイズ
Centralized management of team email correspondence

The Cybozu ecosystem strategy

Extend product functionality with third-party service integrations and plug-ins
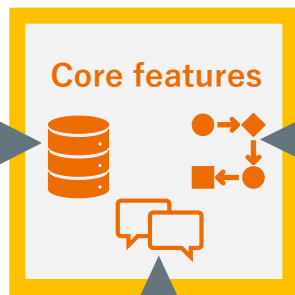
Extend functionality with plug-ins and third-party service integrations

Core features

Database

Process management

Communication

Core features

More on extending functionality with plug-ins and integration services: https://kintone-sol.cybozu.co.jp/integrate/search/
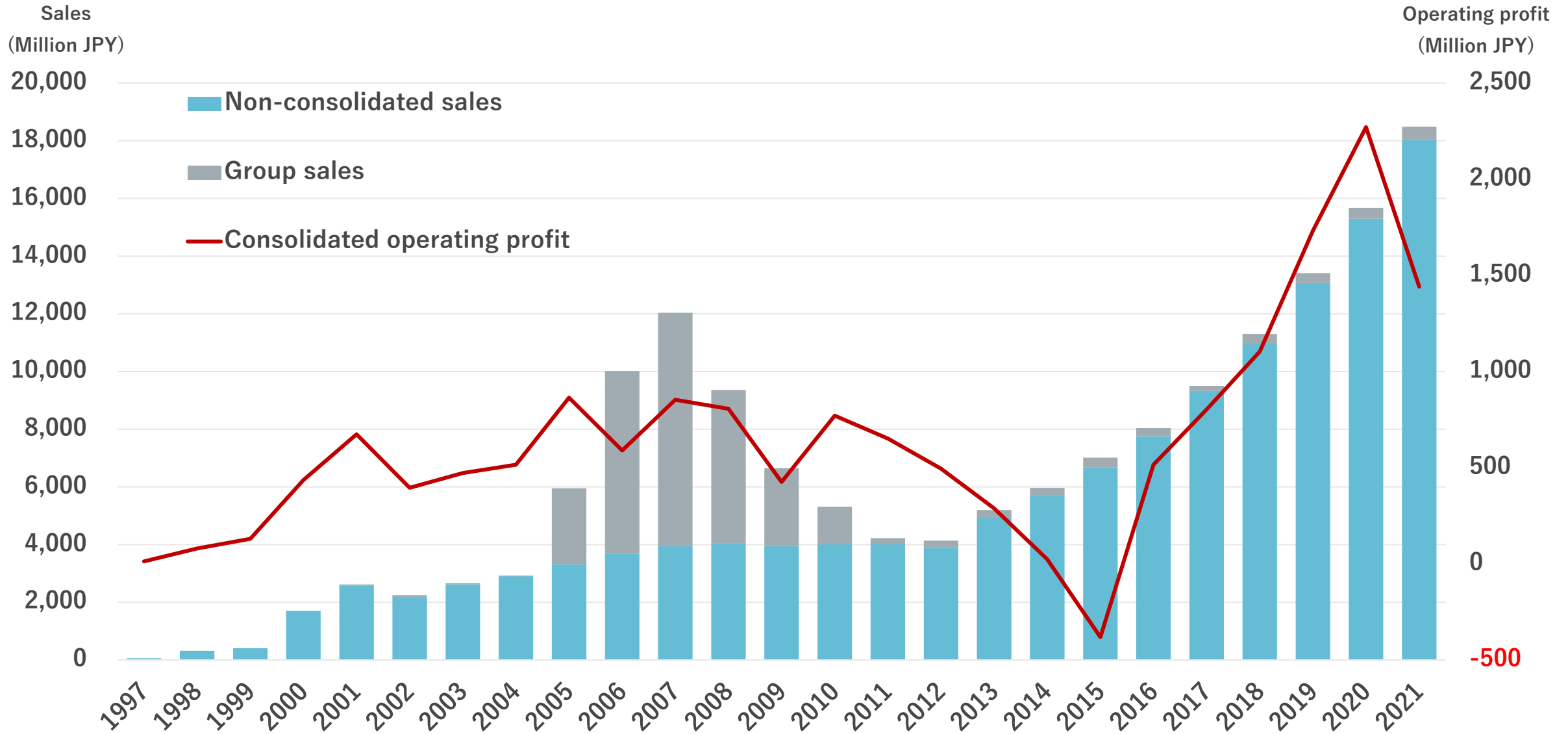
The Cybozu ecosystem strategy
Surround ourselves with partners and users that can grow with us

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Consolidated financial results

Consolidated Financials (Unit: million JPY)	FY2020 (Actuals)	FY2021 (Actuals)	FY2022 (Forecast)
Sales	15,674	18,489	21,730
Operating profit	2,270	1,441	345
Ordinary profit	2,272	1,468	401
Current net profit	1,435	551	- 429
Net profit per share	31.30 JPY	12.03 JPY	- 9.35 JPY
Dividend per share	11.00 JPY	12.00 JPY	13.00 JPY

Detailed results FY2021

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Consolidated PL (Unit: million JPY)	FY2020 Actuals	FY2021 Actuals
Sales	15,674	18,489
Cost of sales	1,086	1,339
Labor costs	5,502	6,315
Advertising expenses	2,673	4,907
Others	4,143	4,487
Operating profit	2,270	1,441

Consolidated sales
+2,815 million JPY YoY (+18.0%)

Aggressively invested in advertising and promotion

Operating profit
- 829 million JPY YoY (-36.5%)

Ramped up advertising and promotion

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Leveraged cloud business growth and aggressively invested in advertising to increase product awareness

Expected to pay off in the long run

Aired TV commercials to promote product awareness. We expect these campaigns to take several years to yield substantial business returns, due to the nature of our product

Positive impact on existing users and partners

Motivated existing customers into taking full advantage of Kintone, nurturing Kintone's brand image, making our sales partner ecosystem more dynamic

Positive impact on recruiting

Increased awareness among students and their families, higher number of applicants after watching our TV ads and other campaigns

Financials

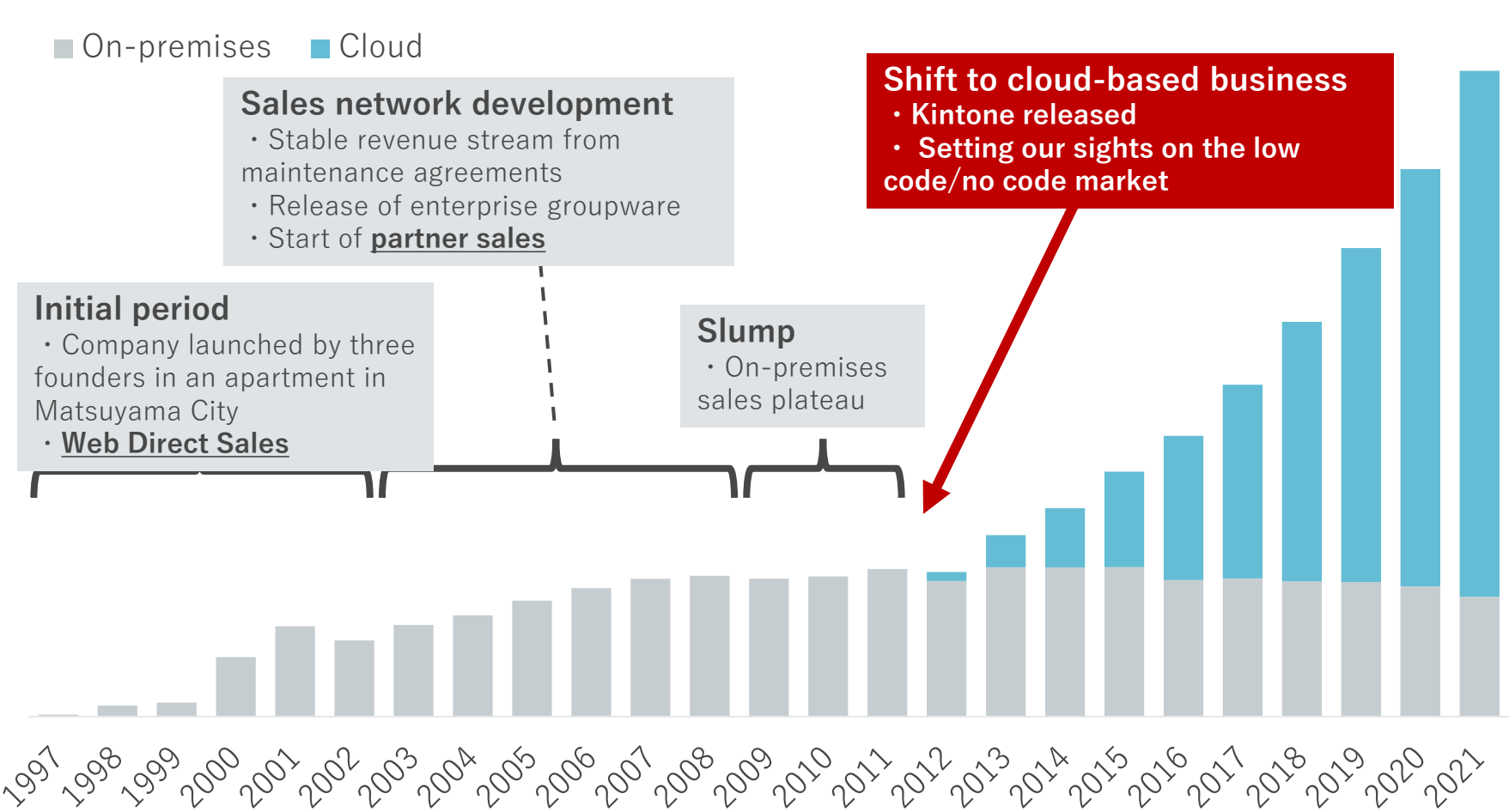| Consolidated BS （Unit: million JPY）	FY2020	FY2021	YoY
A s s e t s	12,235	14,037	＋1,802
-Cash & deposits	3,956	4,805	＋849
L i a b i l i t i e s	5,829	7,665	＋1,836
-Short-term debt	－	2,200	＋2,200
N e t a s s e t s	6,405	6,371	－34
-Treasury stock	-1,800	-1,800	－0
Shareholder equity ratio	52.4%	45.4%	－7.0%
Net assets per share	139.63 JPY	138.88 JPY	-0.75 JPY

Extra funds for active investment

Cloud business still growing 10 years after our shift to the cloud

Consolidated sales (on-premises/cloud)

(Million JPY)

■ On-premises ■ Cloud

Sales network development
・Stable revenue stream from maintenance agreements
・Release of enterprise groupware
・Start of **partner sales**

Shift to cloud-based business
・Kintone released
・ Setting our sights on the low code/no code market

Initial period
・Company launched by three founders in an apartment in Matsuyama City
・**Web Direct Sales**

Slump
・On-premises sales plateau

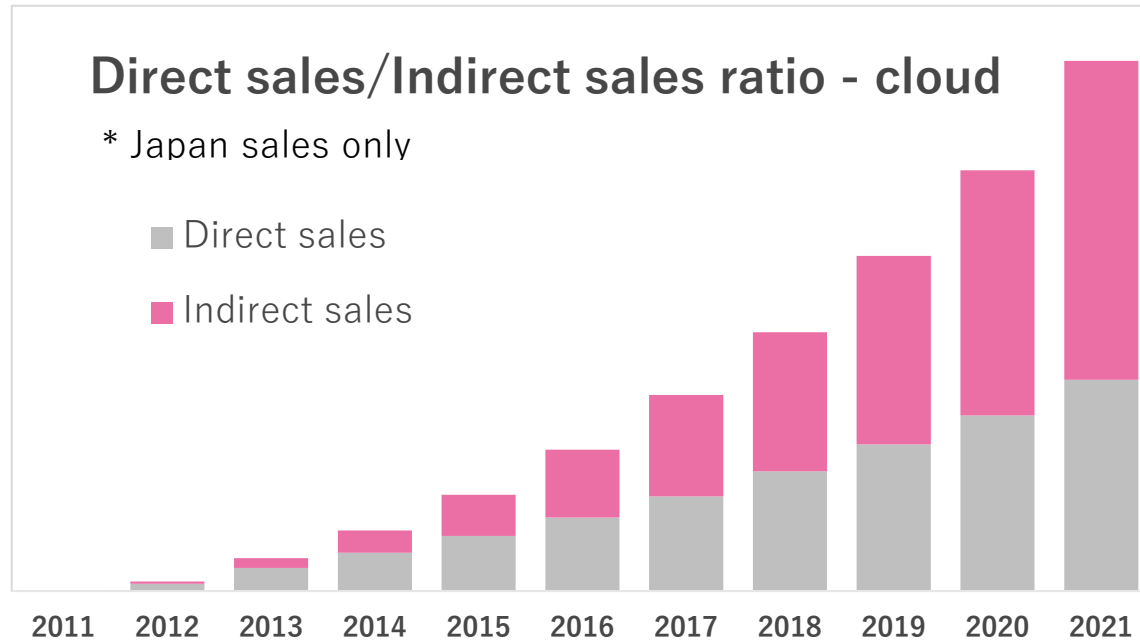**Cloud-related sales YoY**

+26%

Cloud share of total consolidated sales

81%

* Figures are non-consolidated until 2010 and consolidated from 2011. * Six month-fiscal period in 1999, 11-month fiscal period in 2012

Business expansion through our ecosystem cybozu

Partner sales revenue increasing every year

Partner sales accounted for 60% of cloud sales in 2021

Direct sales/Indirect sales ratio - cloud

* Japan sales only

■ Direct sales
■ Indirect sales

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
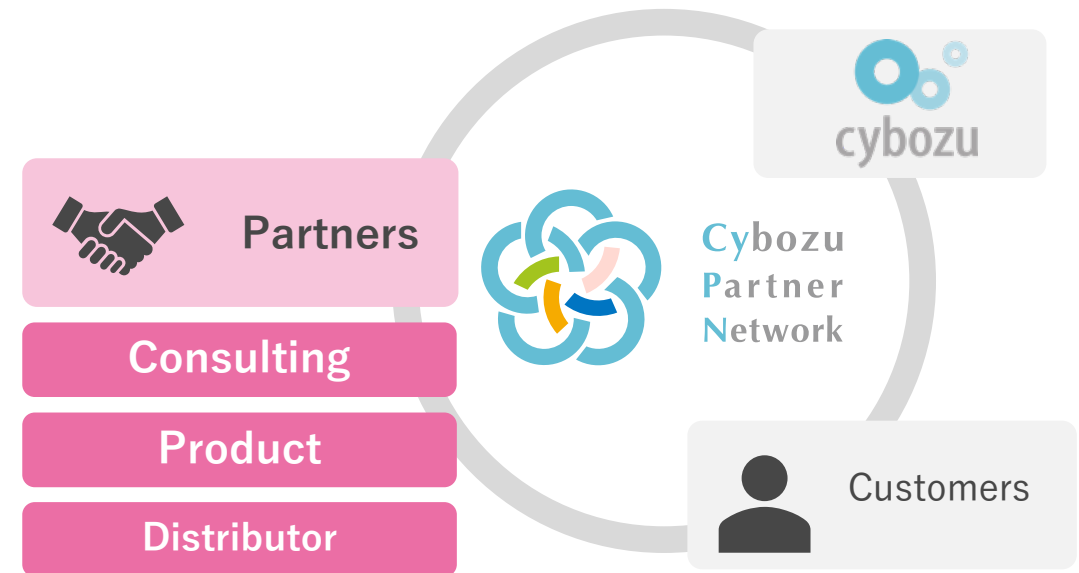
Partners

About **360** companies

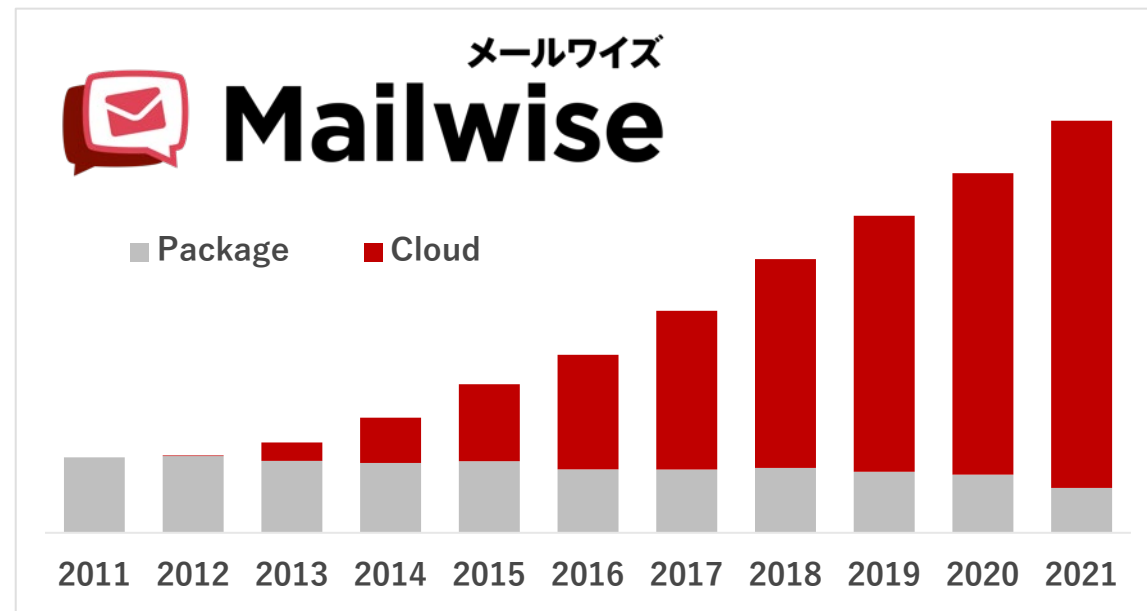* As at end of December 2021

Integrations services

Over **300** services

* As at end of December 2021

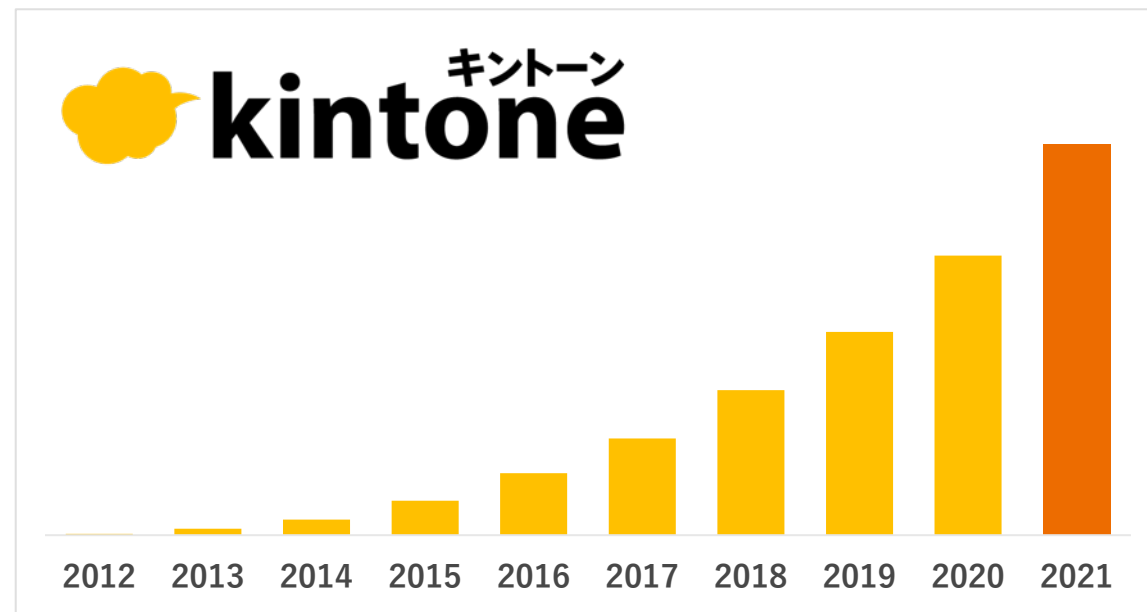## Revamped partner program

Partners

Consulting

Product

Distributor

Cybozu Partner Network

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Customers

Establish a business model that generates profits through synergies and benefits society

Sales by product

* As at December 2021
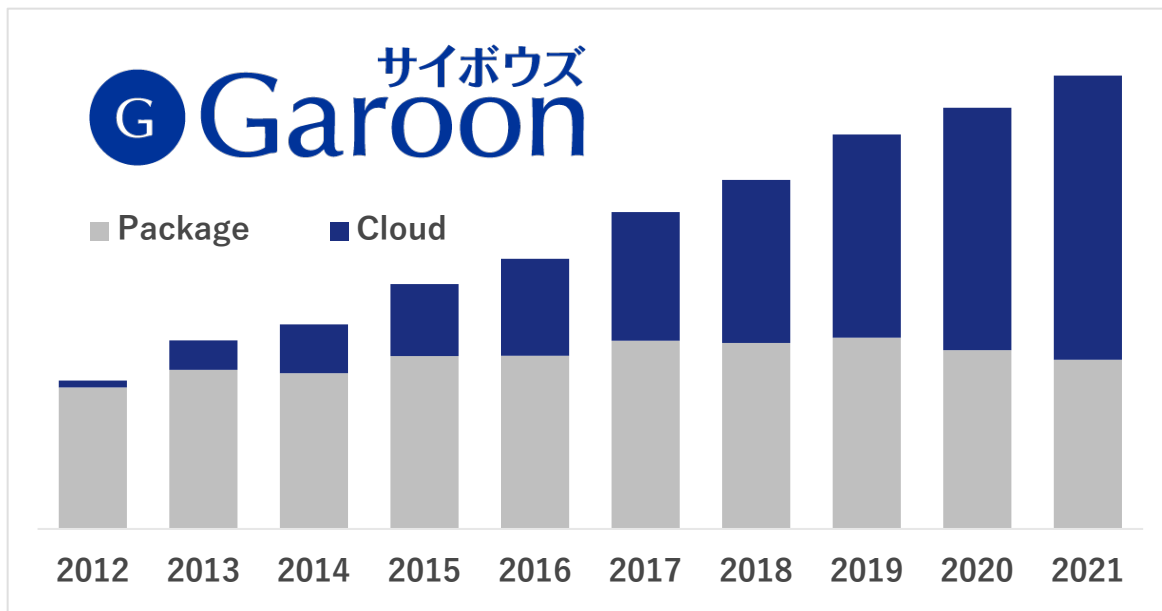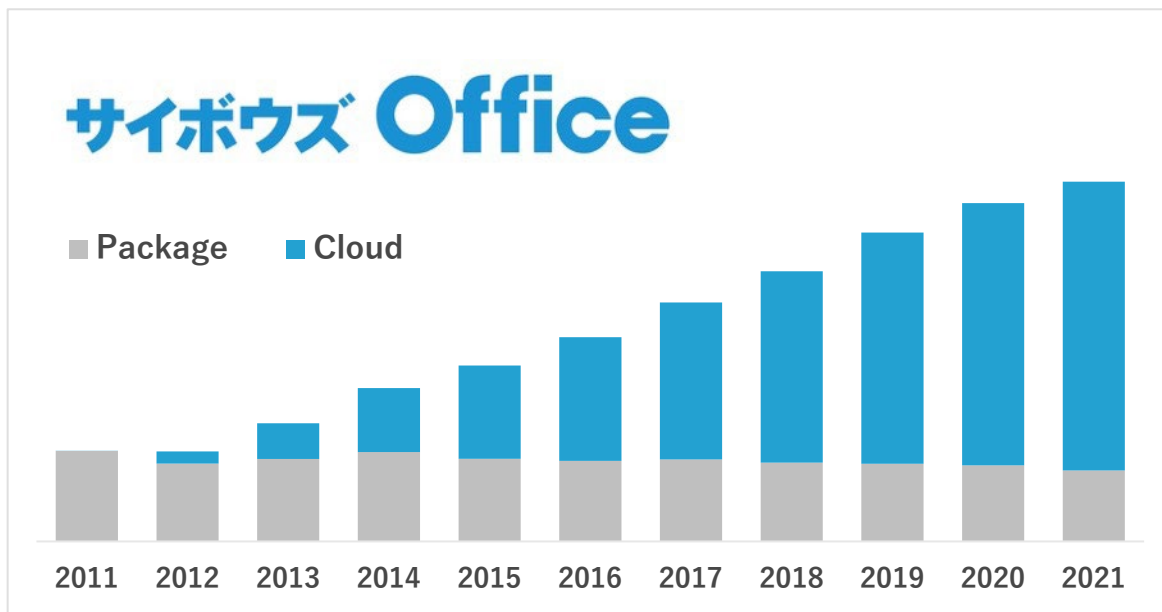
Number of customers who have deployed our products (as of December 2021)

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kintone   23,000 companies

サイボウズ Office   72,000 companies

Garoon   6,400 companies

Mailwise   11,800 companies

* Kintone: Domestic companies signed up to Kintone (Kintone is cloud only)
* Other products: Total number of domestic companies who have deployed product on-premises or in the cloud

![kintone キントーン] **Updating Kintone's functionality and UI/UX** cybozu
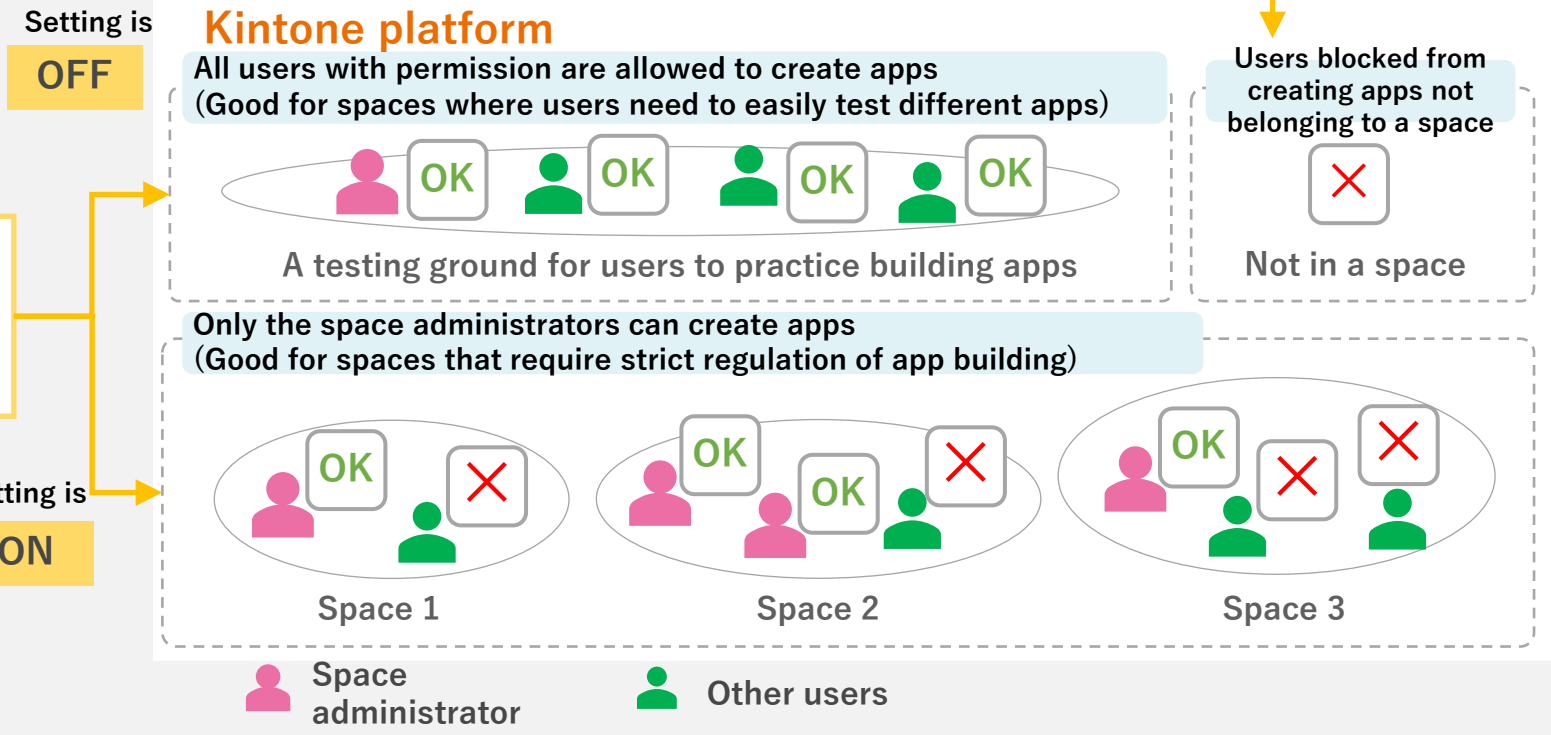
Around 70 updates performed in 2021

Example
Enhanced control of apps and spaces

New feature — <u>New Kintone admin setting</u>
Block users from creating apps not associated with a specific Kintone space

OFF (blocked)

Setting is **OFF**

Kintone platform

All users with permission are allowed to create apps
(Good for spaces where users need to easily test different apps)

OK OK OK OK

A testing ground for users to practice building apps

Users blocked from creating apps not belonging to a space

✕

Not in a space

New feature — <u>New Space setting</u>
Only allow space administrators to create apps

Only the space administrators can create apps
(Good for spaces that require strict regulation of app building)

Setting is **ON**

OK ✕
Space 1

OK OK ✕
Space 2

OK ✕ ✕
Space 3

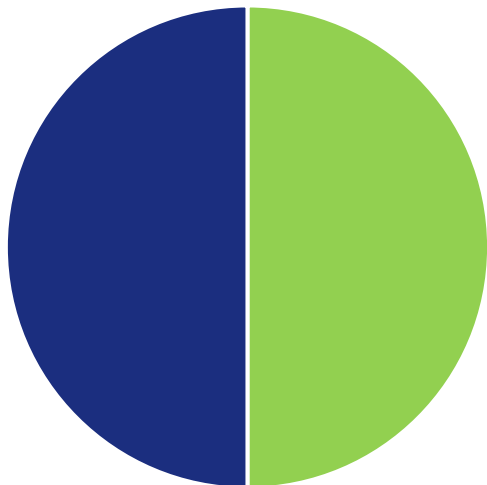👤 Space administrator   👤 Other users

Support IT admin governance for enterprise users to drive organization-wide uptake of Kintone

Integration plug-ins create new possibilities
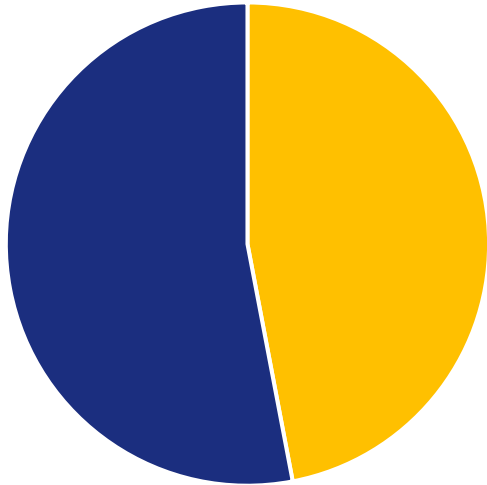
Use Garoon with Kintone
About 47%.
* 2021 User Survey
(Cloud version Garoon user responses)

Use Garoon with Microsoft 365
About 50%.
* 2021 User Survey
(All responses from Garoon cloud users)

Numerous plug-ins released by our partners

Garoon-Kintone schedule integration plug-in

Garoon-Kintone workflow integration plug-in

Microsoft 365 Teams integration plug-in

Zoom scheduling integration plug-in

Cloud signing integration plug-in

Video conferencing plug-in

Plug-ins provided by Cybozu

Email misfire warning plug-in

Survey plug-in

Additional scheduling improvements and API augmentation

Registered as ISMAP compliant
(security evaluation standard for government information systems)

The cloud service infrastructure cybozu.com as well as Garoon and Kintone (both hosted on cybozu.com) are registered in the ISMAP-certified cloud service directory.

cybozu.com common authentication (log/user management/authentication features)

cybozu.com infrastructure (servers, storage, OS, middleware)

Accelerate the provision of reliable and secure cloud services to government agencies

Third-party commendations

Nikkei Computer, Sept. 2, 2021 edition
Customer Satisfaction Survey 2021-22
Cloud Infrastructure Services
IaaS/PaaS category – No. 1 for 3
consecutive years

Nikkei BP Government Technology
Fall 2021 edition
Municipal Government IT System
Satisfaction Survey 2021-2022
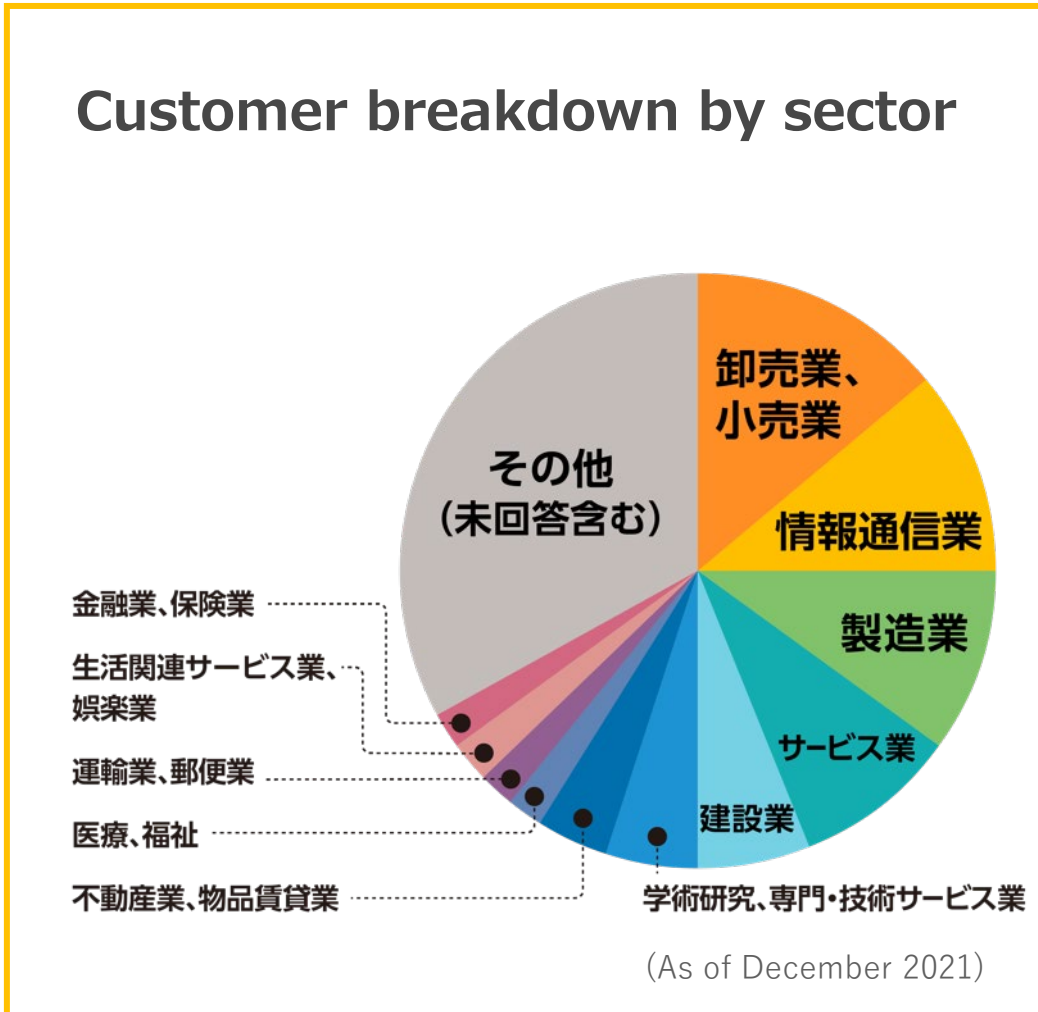Groupware/Business Chat category – No. 1

Nikkei Computer, Feb. 17, 2022
edition
Partner Satisfaction Survey 2022
Cloud Information System
Services category -
No. 1 for 2 consecutive years

Growing Kintone as a tool for workplace-driven business improvements

Total Kintone customer volume

23,000 companies

(As of December 2021)

Average number of companies installing Kintone

550 companies/month
(2021 average)

Share among companies listed on the first section of the TSE/TYO

Installed at 1 in every 4 companies

(As of June 2021)

Customer breakdown by sector

卸売業、小売業
情報通信業
製造業
サービス業
建設業
学術研究、専門・技術サービス業
その他（未回答含む）
金融業、保険業
生活関連サービス業、娯楽業
運輸業、郵便業
医療、福祉
不動産業、物品賃貸業

(As of December 2021)

93% of stakeholders deploying Kintone in their organizations are not in the IT department

Department of customer stakeholders driving Kintone deployment
(Subject: Customers active as at December 31, 2021)

93% 非IT部門
7% IT部門

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Kintone perfect for corporate digital transformations（DX）

Rapid business improvement done in-house, thanks to Kintone

NISSIN GROUP 日清食品グループ 三菱重工 KEIO 星野リゾート Jatco

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Collaboration between IT/DX department and business divisions
Business improvement powered by workplace-driven app development and rapid solution building by the IT/DX department based on workplace feedback

Business divisions

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Collaboration

IT/DX department
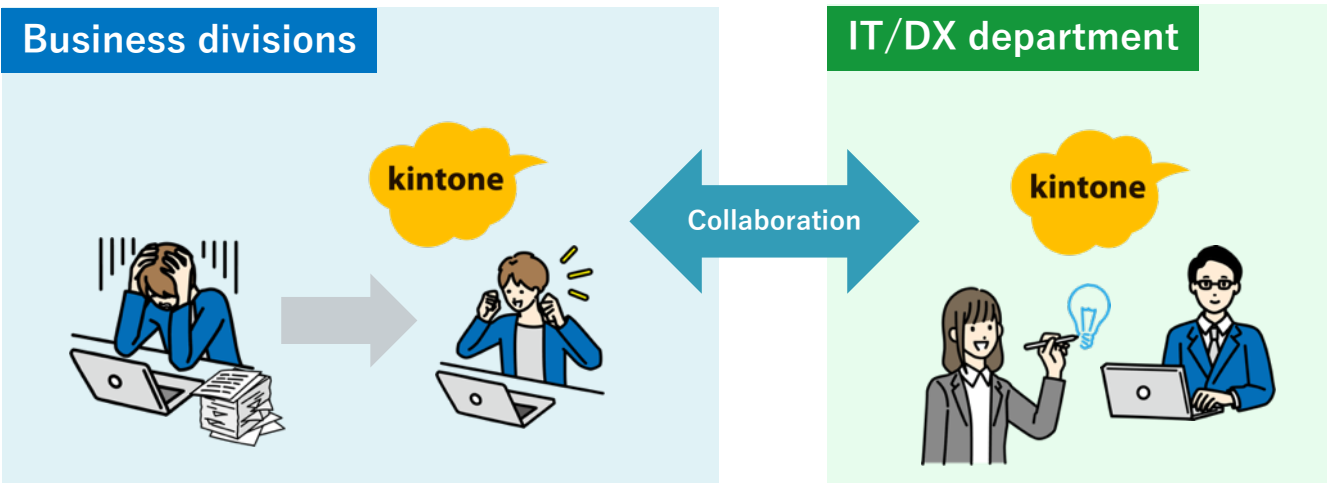
kintone

Responding to business changes
Kintone is a no-code/low-code tool where users can build flexible and efficient solutions that can respond to business changes

Business changes

kintone   kintone   kintone

System development   System development   System development

cybozu
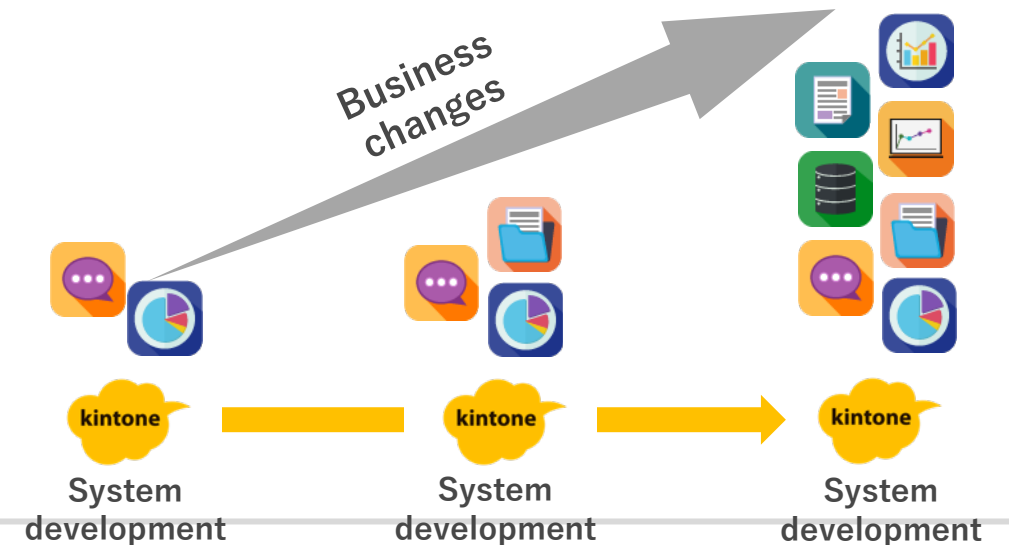
DX division and business divisions collaborate to rapidly build new business solutions and improve operations

一般的なシステム

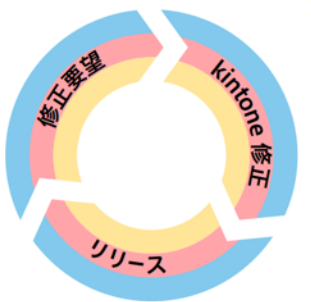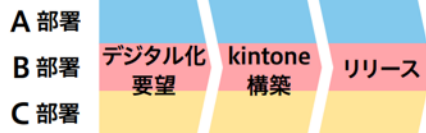- 一つの業務をデジタル化するにも多くの時間とコストがかかる
- デジタル化が遅れ、従業員や顧客満足度が低くなる

従業員　顧客

A 部署 | デジタル化要望 → 要件整理 → 設計 → システム構築 → テスト → リリース

要する期間　**数ヶ月〜数年**

kintone

- システムの構築 / 改修スピード が上がり、構築コスト / 改修コストは下がる
- あらゆる業務のデジタル化 / 改善スピードが劇的に向上し、従業員や顧客満足度が向上する

kintone キントーン

A 部署
B 部署　デジタル化要望 → kintone構築 → リリース
C 部署

修正要望　kintone構築　リリース　kintone修正

従業員　顧客

要する期間　**数日〜数週間**

- **Operations digitized by the DX department can be instantly implemented in the workplace.** Providing a digital environment from the get-go translates to a continuous "build, scrap, and build" cycle.

- By directly listening to feedback from the workplace, the requested features are immediately developed and refined. By building solutions on the spot, users gain a deeper understanding of Kintone

DX Promotion Office

Expanding the use of Kintone in local governments

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Tokyo

Kintone used throughout the Tokyo Metropolitan Government (TMG), including for managing inoculation of healthcare workers against COVID. Tokyo's public roadmap for streamlining its operations explicitly mentions Kintone as a tool to be utilized.
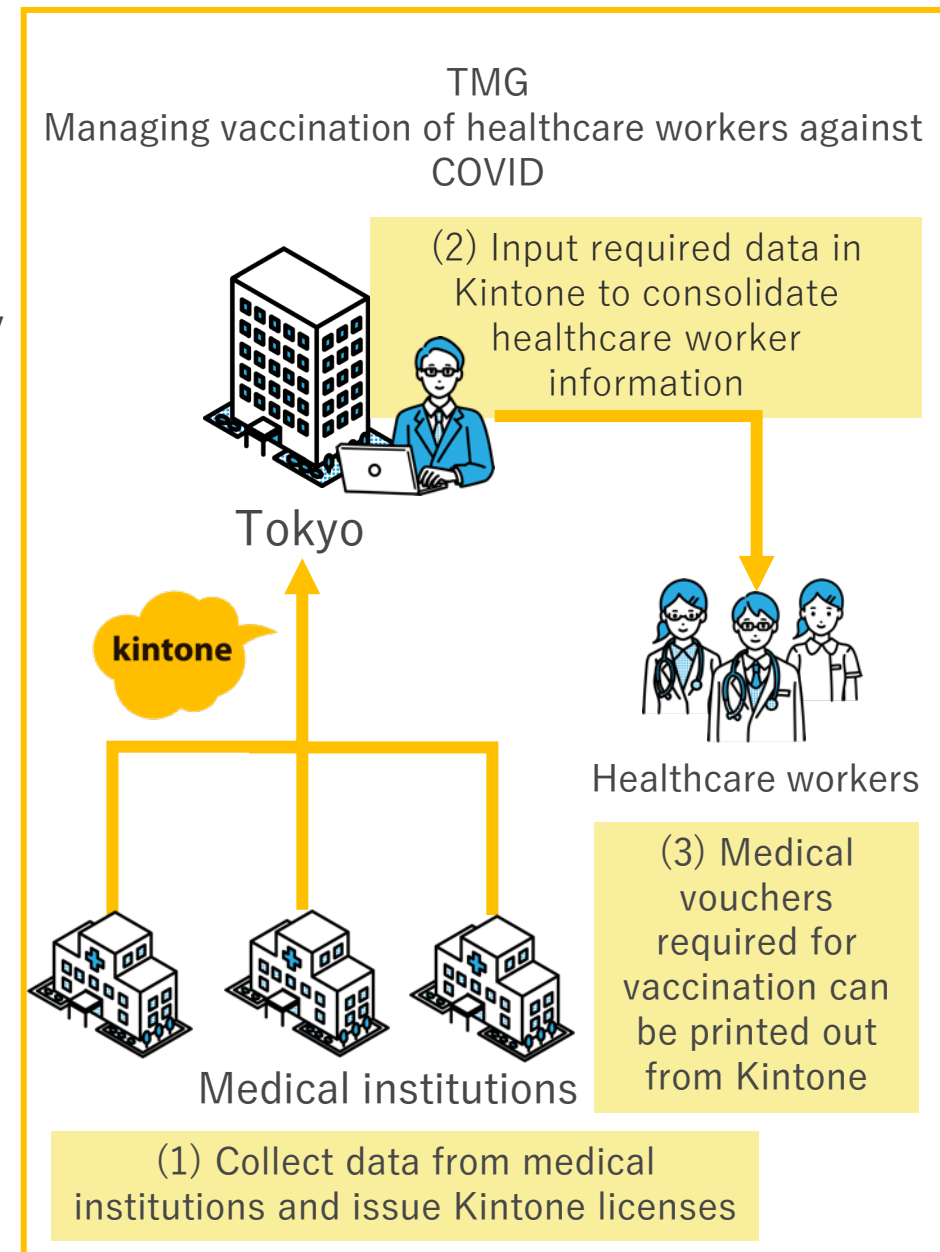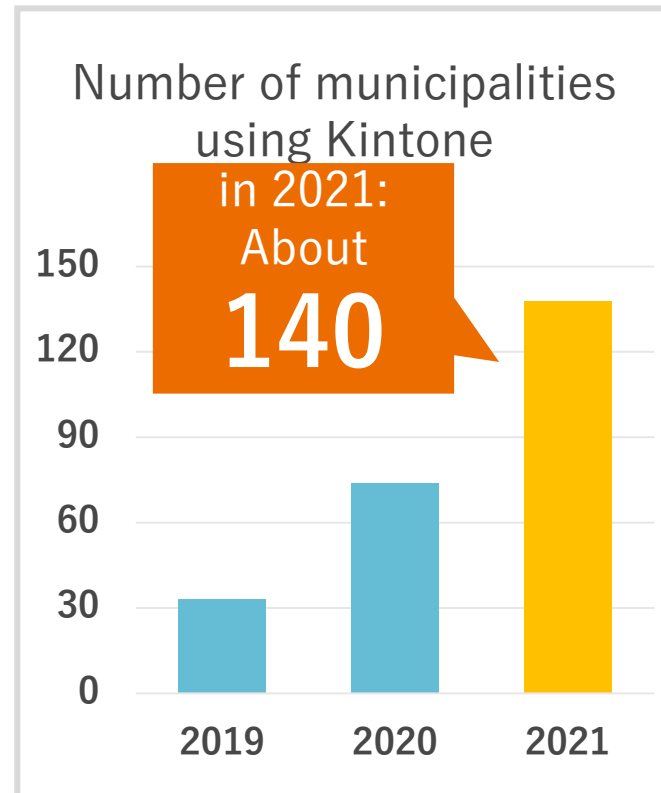
Kanagawa Prefecture

Managing transport of COVID-positive patients

Hiroshima City

Coordinating the distribution of COVID vaccines to medical institutions

Kitakyushu City

Cooperation Agreement on promoting DX across entire agency

Number of municipalities using Kintone

in 2021:
About
140

150
120
90
60
30
0

2019 2020 2021

TMG
Managing vaccination of healthcare workers against COVID

(2) Input required data in Kintone to consolidate healthcare worker information

Tokyo

kintone

Healthcare workers

(3) Medical vouchers required for vaccination can be printed out from Kintone

Medical institutions

(1) Collect data from medical institutions and issue Kintone licenses

"Share DX" for local governments, made possible by Kintone

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Mutual sharing of know-how and best practices between local governments

kintone

kintone

kintone

Local government A
Kintone used by entire agency

Local government B
Break from paper-based culture

Local government C
Transitioning to databases
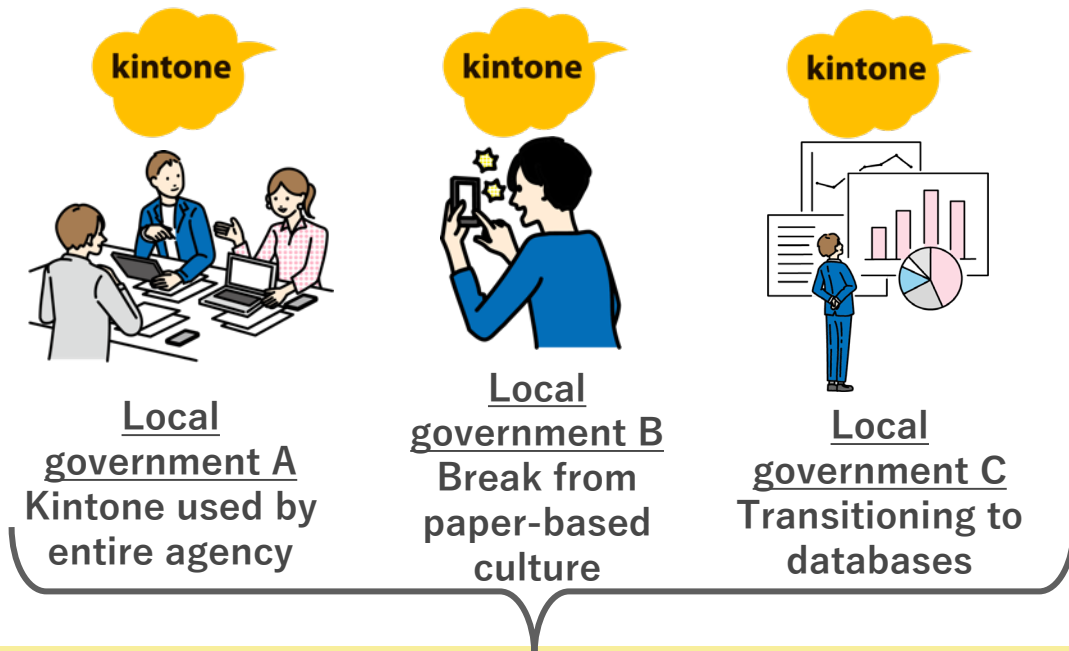
Local governments turn their solutions into app templates that can be duplicated by other local governments on their Kintone platform.
Existing apps can be replicated by other local governments to build solutions with minimal use of resources

Govtech Kintone Community
Connecting local governments

Main features of the community

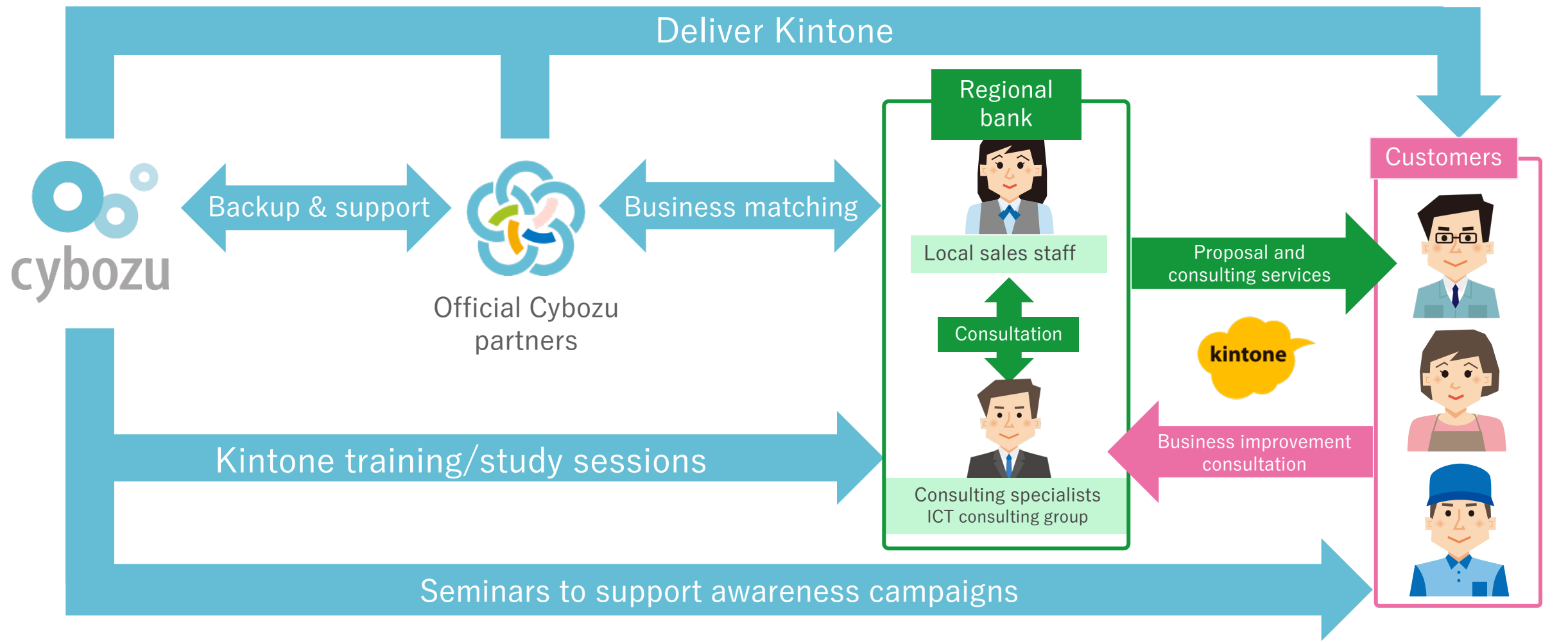| Customer stories from local governments	Best-practice templates
Seminars, documentation, and videos for local governments	Open forum for sending questions to other local governments and Cybozu

Online/offline events

All local government employees can participate.
More than 500 officials
from 200 local governments are currently participating.

Partnership scheme with regional banks to grow new partner channels

Banks

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Business model for cooperation with regional banks

Deliver Kintone

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Backup & support

Official Cybozu partners

Business matching

Regional bank

Local sales staff

Consultation

Consulting specialists
ICT consulting group

Proposal and consulting services

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Business improvement consultation

Customers

Kintone training/study sessions

Seminars to support awareness campaigns

Engaging local businesses regional banks have close community ties with to build dynamic regional economies
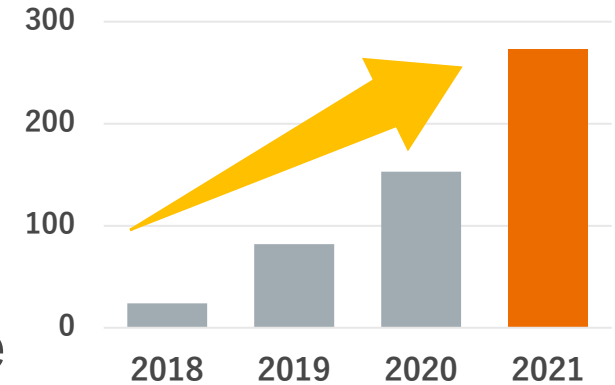
Regional bank partnerships

Partnership with **10** regional banks nationwide

Another 13 banks are affiliated with Cybozu via our partners.

北國銀行

福邦銀行

鳥取銀行

山陰合同銀行

滋賀銀行

FFG ふくおかフィナンシャルグループ

福岡銀行

十八親和銀行

熊本銀行

伊予銀行

紀陽銀行

Consulting by regional banks - Track record

After approx. 4 years, around **300** companies have adopted our software

| 300 |
| 200 |
| 100 |
| 0 |
| 2018 | 2019 | 2020 | 2021 |

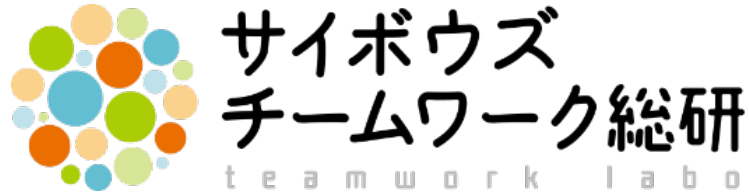## Initiatives to improve Kintone consulting skills
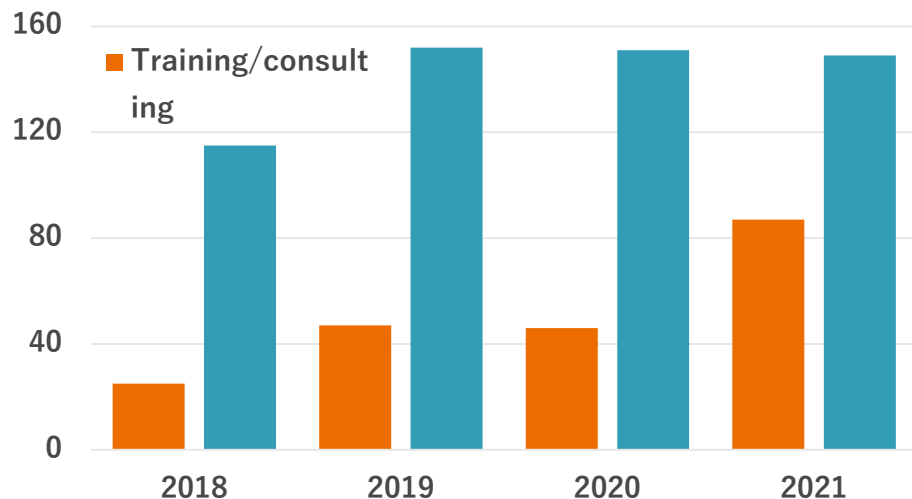
KTC
kintone Training CAMP

Cybozu manages a community for banks to improve and share their consulting and pitching skills

Propose IT solutions to boost the productivity of local SMEs and transform them into companies that are great places to work

Expanding the Cybozu way

Seminars: 149

Training and consulting assignments: **87**

Disaster recovery support with Kintone "Disaster DX"

Utilize Kintone at disaster sites because it can improve operations from the bottom-up

- A flexible solution that can be updated according to the situation on the ground to rapidly share information about the extent of the damage, relief supplies, volunteer recruitment and other vital data.
- Cloud computing allows information to be shared regardless of location or device, enabling remote support to disaster areas.

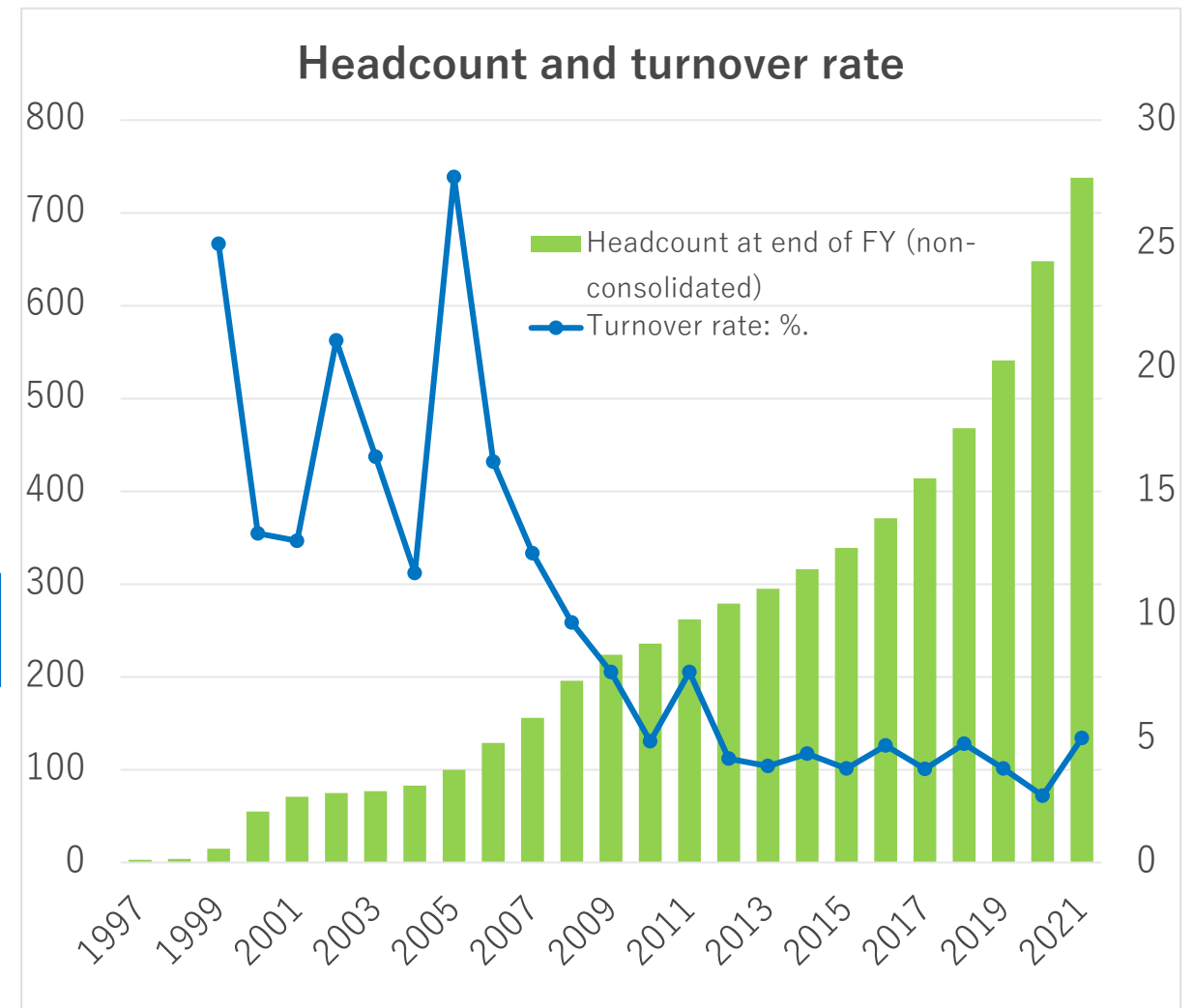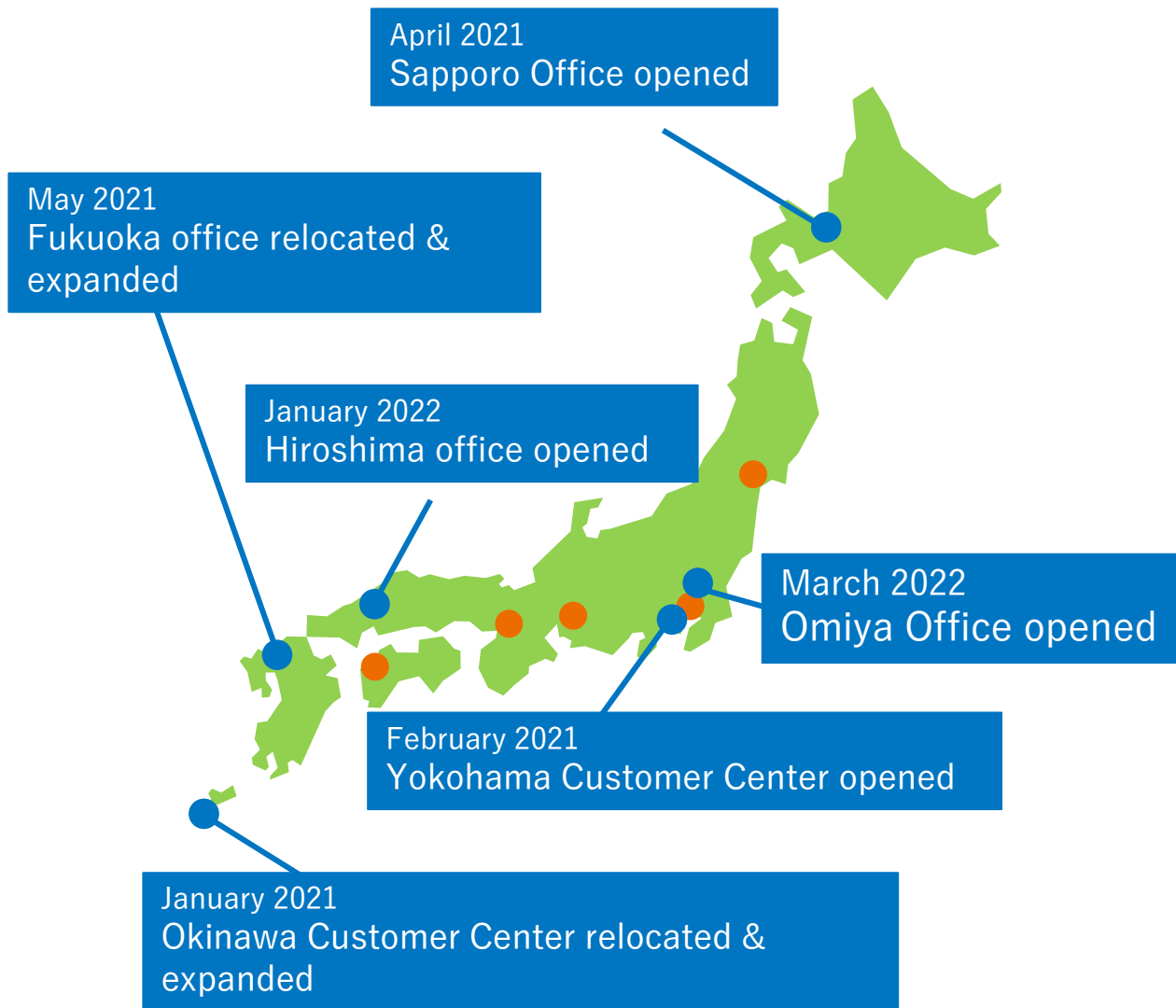**Expanding Disaster Prevention Agreements nationwide**

- Chofu City
- Nagano Prefectural Council of Social Welfare
- Shizuoka Prefectural Council of Social Welfare
- Hiroshima Prefectural Council of Social Welfare
- Yokohama City CSW
- Ibaraki Prefectural Council of Social Welfare, etc.

More offices and increased hiring

Bolstered our product, sales, and marketing support organizations

April 2021
Sapporo Office opened

May 2021
Fukuoka office relocated &
expanded

January 2022
Hiroshima office opened

March 2022
Omiya Office opened

February 2021
Yokohama Customer Center opened

January 2021
Okinawa Customer Center relocated &
expanded

Headcount and turnover rate

Headcount at end of FY (non-consolidated)
Turnover rate: %.

Global expansion

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YoY + 7.2%

Shift targeting local companies into high gear
Half of new deals are local companies.

Greater China
1,190 companies

YoY + 30.8%

US **680** SDs

With the opening of our representative office in Bangkok in Oct. 2020, our **strategy focusing on local Thai companies is going well.**

Improve sales and support to increase customer satisfaction.
Marketing initiatives also being stepped up.

YoY + 25.3%

ASIA
940 companies

Received Honorable Mention in the US business magazine Fast Company's
"2021 Next Big Things in Tech"

* As of December 2021 (Total number of companies in Greater China and ASIA; number of subdomains under contract in the U.S.)

Enhanced user approach with hands-on support

Kintone enables people on the frontline in workplaces to improve business operations from the bottom-up

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kintone

US Market Trends

Booming aPaaS market
Initially considered mere shadow IT, aPaaS is becoming mainstream due to growing awareness and utilization in IT departments

Lots of new competitors emerging
As the market expands, so does funding for aPaaS companies

Companies are exploring new business models
While our customer base is growing, differentiation from existing IT system building models and customer support in line with subscription-based billing will be key to achieving success

Kintone Corp.

Hands-on proactive support ("companion runner service")
Provide continuous customer-focused support centered on their issues from the pre-sales stage, with a market-in mindset rather than relying on product out.

High customer ratings
Improved business operations thanks to Kintone's product flexibility and proactive, hands-on support.

Volvo Trucks North America

VOLVO

Dedicated in-house training staff can use Kintone to manage training programs and learning progress.

Growing number of positive reviews on G2, a review and comparison site for business software

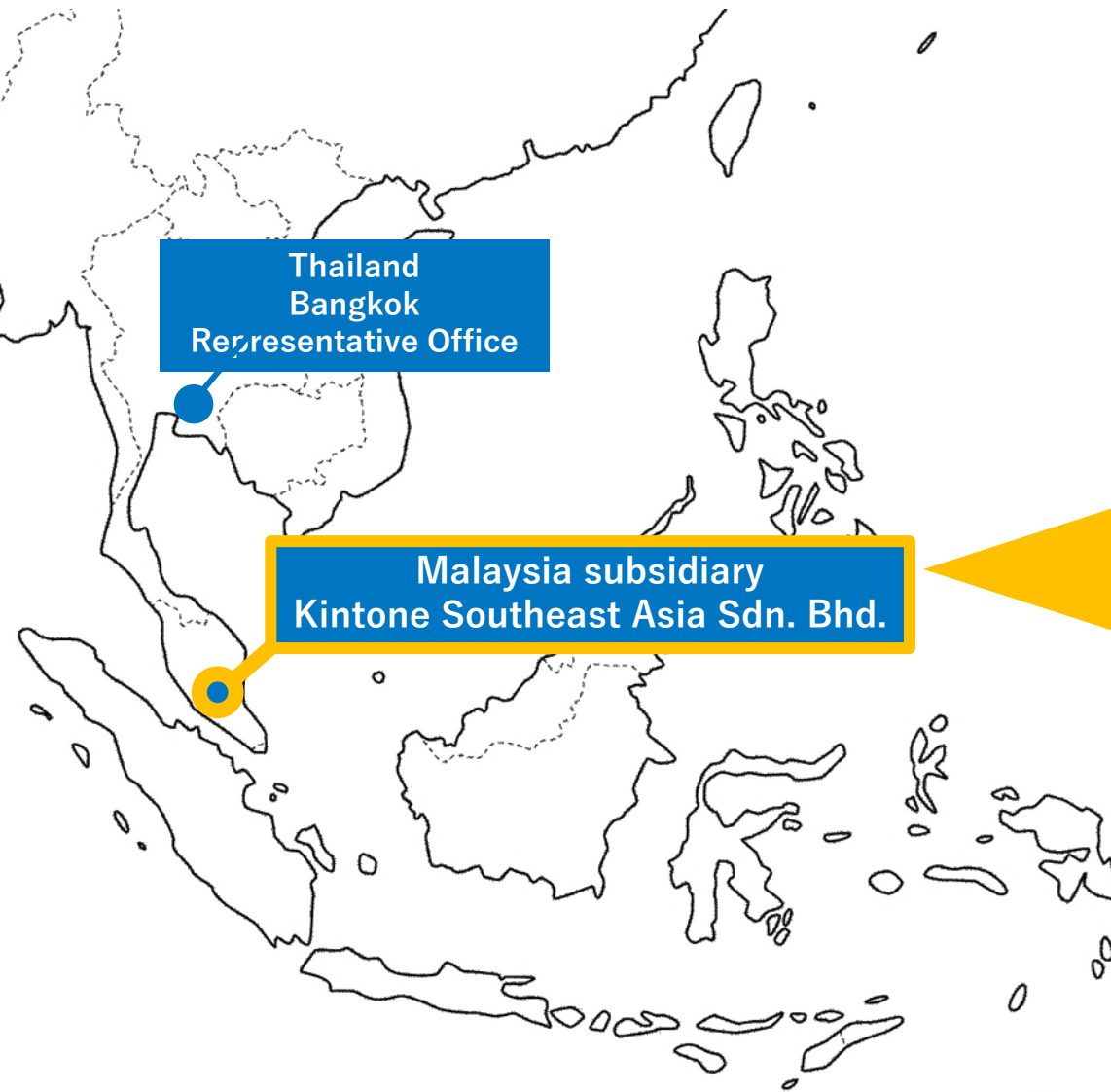★★★★½ Nov 30, 2021
"Great Database Software"

★★★★★ Oct 15, 2021
"Big Fan of Kintone"

★★★★☆ Mar 12, 2021
"Great management application"

https://www.g2.com/products/kintone/reviews

Boosting sales base in Southeast Asian markets

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Thailand
Bangkok
Representative Office

Malaysia subsidiary
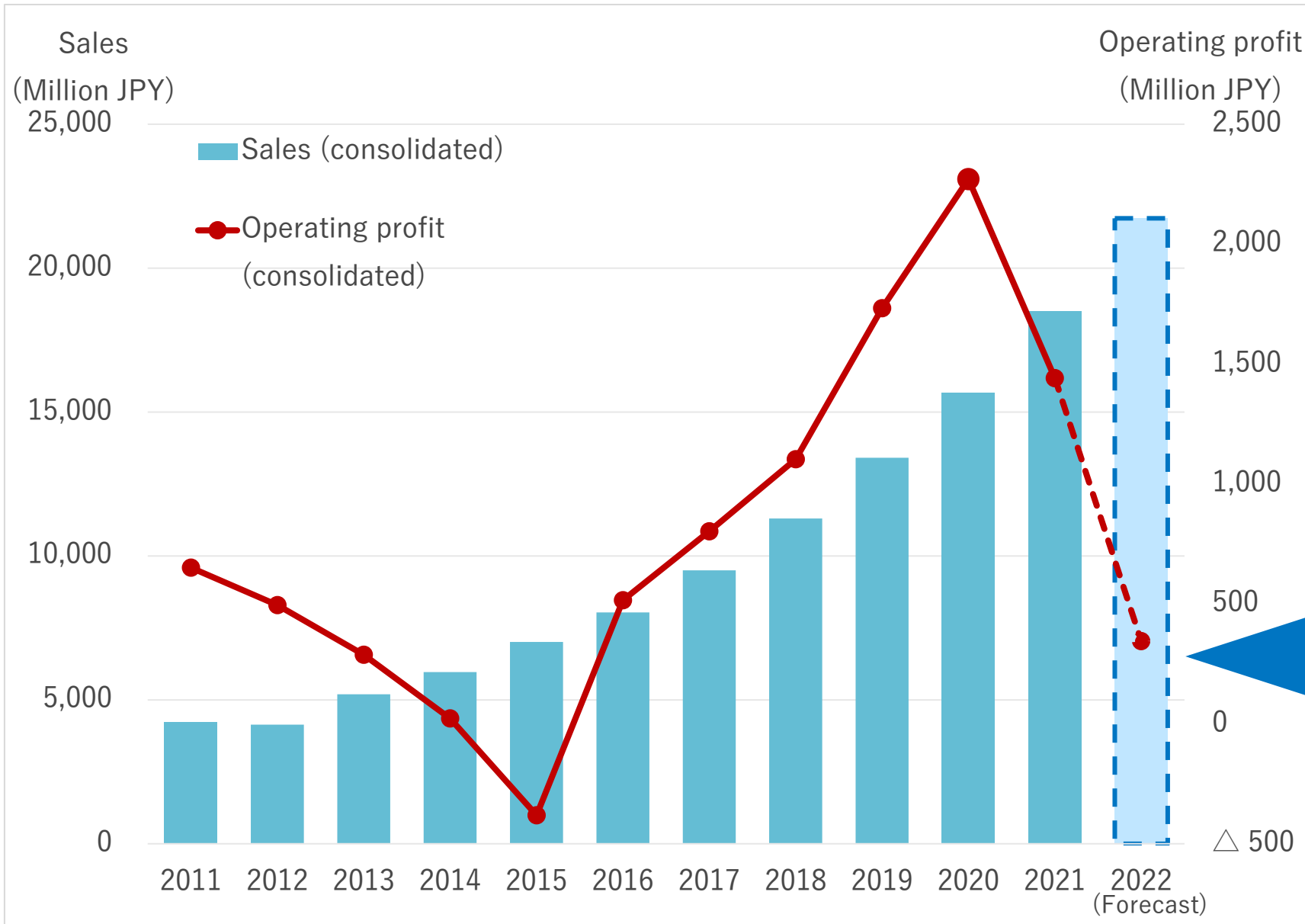**Kintone Southeast Asia Sdn. Bhd.**

March 2022 Cybozu establishes first Southeast Asian sales office in Kuala Lumpur, the capital of Malaysia

Kintone Southeast Asia Sdn. Bhd.
Office building

Ramping up initiatives in English-speaking countries to complement our operations in Thailand, where we have a representative office

Next-gen cloud infrastructure to support future cloud business growth

Ten years after releasing cybozu.com in 2011, we are revamping our cloud infrastructure to prepare for future growth

cybozu.com（cloud services platform）

Current cloud infrastructure ("Forest")

Next-gen cloud infrastructure ("Neco")

Problems with scaling and operational overhead

High capacity　Elastic　Resilient

Maintenance without downtime　Price competitive

Boost service development capabilities with stable infrastructure that can handle large user and data volumes

Updated corporate blueprint

O₀° cybozu

DX
Digital Transformation

O₀° cybozu   kintone

Ⓖ Garoon   kintone

サイボウズ Office   📧 Mailwise

CX
Corporate Transformation

- New advisory process for all employees to give feedback on management decisions
- Nominating candidates for Board of Directors' positions from within
- Appointing Outside Directors in accordance with the revised *Companies Act*

Saturday, March 5, 1:00 p.m. - "Cybozu Shareholders' Meeting 2022" will be held online.
IR event to solicit advice from viewers, including shareholders, on Cybozu's future corporate governance