



**Cybozu, Inc.**

Financial Results Briefing for the Fiscal Year Ended December 2024

February 27, 2025

## Event Summary

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<b>Company Name</b>	Cybozu, Inc.
<b>Company ID</b>	4776-QCODE
<b>Event Language</b>	JPN
<b>Event Name</b>	Financial Results Briefing for the Fiscal Year Ended December 2024
<b>Fiscal Period</b>	FY2024 Annual
<b>Date</b>	February 27, 2025
<b>Number of Pages</b>	56
<b>Time</b>	13:00 – 14:28 (Total: 86 minutes, Presentation: 41 minutes, Q&A: 47 minutes)
<b>Venue</b>	Webcast
<b>Number of Speakers</b>	7

Yoshihisa Aono	Representative Director & President
Keita Kuriyama	Executive Officer, General Manager, Business Strategy Office, General Manager, Marketing Division, General Manager, Global Business Division
Tadamasa Hayashi	Executive Officer, General Manager of the Corporate Affairs Division
Yumika Nakane	Executive Officer, General Manager, Human Resources Division, General Manager, Legal & Compliance Division
Teppei Sato	Executive Officer, General Manager, Development Division
Ikki Tamada	Executive Officer, General Manager, Sales Division
Kazutoshi Kiyota	Executive Officer, General Manager, Enterprise Business Division

# Presentation

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**MC:** Thank you very much for taking the time out of your busy schedule today to attend the business overview and financial results briefing of Cybozu, Inc. for the fiscal year ending December 31, 2024. My name is Yoshikawa from the IR Department at Cybozu and I will be the MC today. Thank you for joining us.

Now, Mr. Yoshihisa Aono, Representative Director & President of Cybozu, will report on the financial results and business performance for the fiscal year ended December 31, 2024.

Mr. Aono, please go ahead.


## Table of Contents

- 01 Company and Business Overview**
- 02 FY2024 Financial Results**
- 03 Topics in FY2024**
- 04 FY2025 Forecasts and Medium-term Target**

**Aono:** Hello, everyone. This is Aono from Cybozu. I will now present our financial results and business overview for the year ended December 31, 2024.

Today, we will proceed as per this table of contents. First, I'll give you an overview of the company and our business, followed by the FY2024 financial results. Then, after sharing some topics we focused on in 2024, I will conclude with the outlook for 2025 and the target figures for the medium term.

## Company Overview

 <p><b>Cybozu, Inc.</b> Tokyo Stock Exchange, Prime Section (Securities Code 4776)</p> <p><b>Established in 1997</b> by three people in Matsuyama City, Ehime Prefecture</p>	<p><b>Business Description</b></p> <p>Develop, sell, and operate <b>groupware</b></p>	<p><b>Employee Headcount</b></p> <p>Consolidated <b>1,321</b> employees <small>* Open-ended contract (permanent) employees only (executives and auditors not included)</small></p>
<p><b>Head Office Location</b></p> <p>2-7-1 Nihombashi, Chuo-ku, Tokyo 27th Floor, Tokyo Nihombashi Tower</p> <p>Tokyo, Osaka, Matsuyama, Nagoya, Fukuoka, Hiroshima, Sendai, Sapporo, Yokohama, Naha, Shanghai, Shenzhen, Chengdu, Taipei, Ho Chi Minh City, San Francisco, Sydney, Bangkok, Kuala Lumpur, and others</p>	<p><b>Capital Stock</b></p> <p>JPY <b>613</b> million</p>	<p><b>Average Age of Employees</b></p> <p><b>35.8</b> years</p>

\* As at end of December 31, 2024



First, here is an overview of the Company and our business. Cybozu, Inc. is the name of the company. We founded the company in 1997, and this year is our 28th year in business. The company, which was founded by just three people, has now grown into an organization with more than 1,300 employees.

Further, our business is becoming increasingly globalized. So, the increasing number of global bases is one of the company's recent highlights.

## Company Vision

<p>Our Reason for Existing Purpose</p>	<p><b>Build a society brimming with teamwork</b></p>	
<p>Culture</p>	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p><b>1. Embrace a common vision</b> Create a common vision that resonates with all members and guides their actions</p> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p><b>2. Elevate individuality</b> Embrace individual differences and tap into each other's strengths</p> </div> <div style="display: flex; justify-content: space-around; width: 100%;"> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p><b>3. Express yourself openly &amp; transparently</b> Build a foundation for open trust</p> </div> <div style="font-size: 2em; color: #00a0c0;">+</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p><b>4. Exercise autonomy</b> Each and every individual should proactively engage in efforts to build a better team</p> </div> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p><b>5. Engage in dialogue &amp; discussion</b> Strive to understand the assumptions behind each other's ideas, then discuss to reach a decision</p> </div> </div>	



This is our company vision. We at Cybozu are very particular about our company vision so I will explain it in detail as I usually do.

First, let me explain why Cybozu exists: It's "To build a society brimming with teamwork" - this is our raison d'être, our Purpose.

We have defined five cultural elements. A society in which these elements are prevalent can be said to be brimming with teamwork.

I'll quickly walk you through each of these elements. The first cultural element is **Embrace a common vision**. This means that as a team, we must all share the same vision and work toward that vision.

The idea of the second cultural element is that it is okay to have a variety of colleagues who are working toward a common vision. In fact, we'd rather have a diverse team in which we can elevate individuality and make the best use of that diversity.

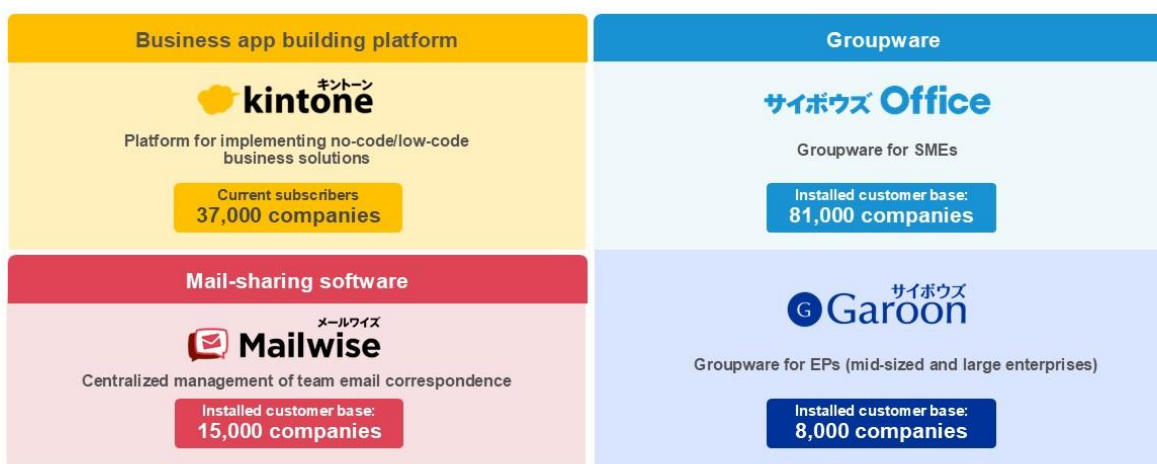
The third is **Express yourself openly & transparently**. Team members must create a foundation for trust by being open and transparent and not lying or hiding things. That is what the third element means.

The fourth element is **Exercise autonomy**, where each individual is self-reliant and motivated in their work and drives improving teamwork together.

Finally, such diverse individuals *expressing themselves openly & transparently and being self-driven in their work* **Engage in dialogue and discussion** (the fifth element) to help evolve the organization through dialogue and discussion. Our company vision is to see a world brimming with many teams that have these five cultural elements in place. We define the achievement of this vision as Cybozu's raison d'être. We are all firmly committed to our efforts to achieve this.

## Our Groupware Business

Deliver **groupware** (information sharing platform) that **promotes teamwork through information sharing**



\* The above are the numbers of customer companies in Japan.

\* Number of companies as of December 31, 2024.

\* Kintone is exclusively sold as a cloud-based service.

\* The total number of customers for Cybozu Office, Garoon, and Mailwise is the sum of customers using the on-prem. versions and the Cloud-based versions.

To build a society brimming with teamwork, we believe that having a foundation for information sharing is crucial. That is what we are currently focusing on in our groupware business.

We have four main product offerings. **Kintone** is a no-code development platform, **Cybozu Office** and **Garoon** are groupware, and **Mailwise** as an email sharing system. These four main products provide users with an information sharing platform.

## Cybozu NEXT

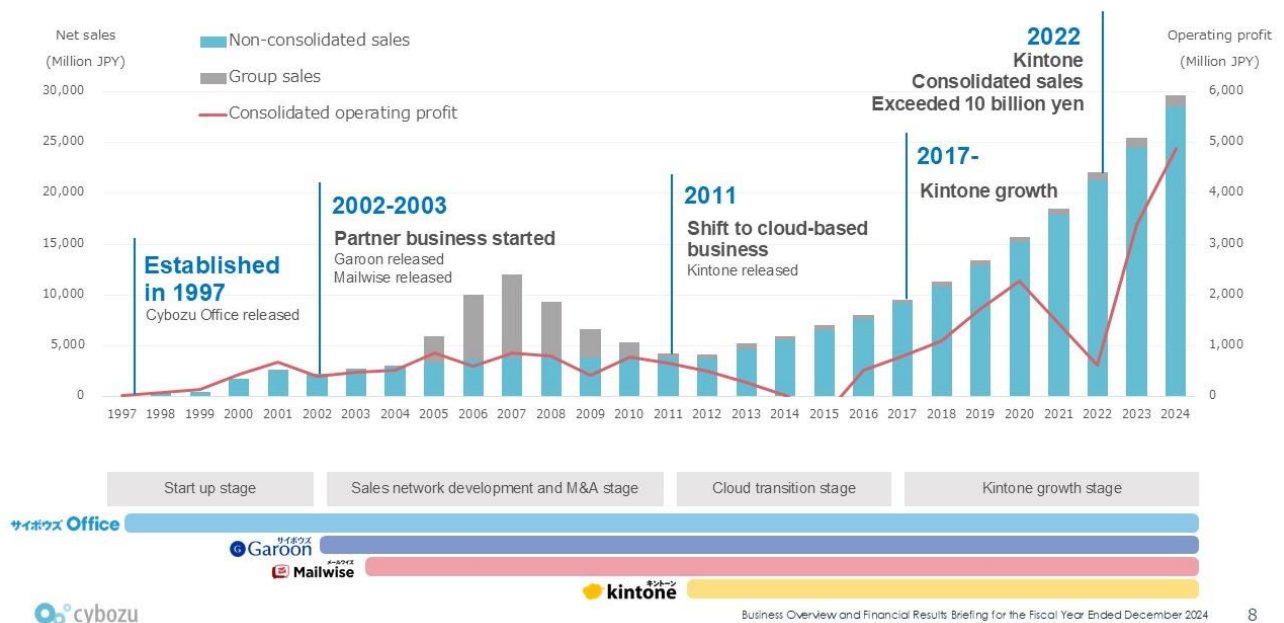
Striving to create a **single platform** that allows **more diverse customers** to handle **more diverse data**



And Kintone has become our flagship product. We have a vision of taking Kintone to the next level, and are using the word NEXT to describe our goal of creating a platform that allows a greater variety of users to handle a greater variety of information.

We are still seeing many cases where Kintone is used in limited ways within specific departments. We want Kintone to be used by as many diverse people cross-functionally between as many departments as possible throughout organizations and for Kintone to be used in many different ways to share a diverse range of information and thereby aiming for this state of being brimming with teamwork. That is our vision.

## Chronology of Cybozu



Now that Cybozu is already in its 28th year, here is our history. The company started out by selling on-premises packaged software directly to customers online.

After that, we developed Garoon and started employing a partner business model. There was a period when we struggled with M&A strategies. Later, we shifted to Cloud services and released Kintone, with sales gradually increasing to shape Cybozu into the company it is today.

## Price Revision

In order to increase our investment in overall operations, including development and operations, and to better serve our customers, we revised the pricing structure of our Cloud services on November 1, 2024. The effect of these price rises in November and December 2024 is reflected in the FY2024 results.

### ● Monthly license fees after price revision (excerpt)

Name of service and plan	Price before revision (excl. tax)	Price after revision (excl. tax)
Kintone Light Plan	780 yen /1 user	1,000 yen /1 user
Kintone Standard Plan	1,500 yen /1 user	1,800 yen /1 user
Cybozu Office Standard Plan	500 yen /1 user	600 yen /1 user
Cybozu Office Premium Plan	800 yen /1 user	1,000 yen /1 user
Garoon (up to 300 users)	845 yen /1 user	900 yen /1 user
Garoon (301 to 1,000 users)	800 yen /1 user	900 yen /1 user
Mailwise Standard Plan	500 yen /1 user	600 yen /1 user
Mailwise Premium Plan	1,500 yen /1 user	1,800 yen /1 user

For details, see: <https://page.cybozu.co.jp/-/price-revision/>

Now I will report on the FY2024 business figures.

In FY2024, the revised pricing structure had the most significant effect on performance. Due to factors including recent economic trends, we have raised our license fees by about 20%. This became effective on November 1 of last year, and due in part to the effects of this price rise, sales began to grow in November and December.

## Financial Highlights



As a result, consolidated sales for FY2024 were 29.6 billion yen, up 16.7% YoY, with Cloud sales making up over 90% of sales. Sales of our mainstay product, Kintone, totaled 16.1 billion yen, up by 24.4% YoY.

## Consolidated Sales and Operating Profit





Here's what it looks like on a graph. Our sales have been steadily increasing. You can see that growth easily in this graph.

Annual growth rates of about 15% over the past decade or more are reflected in this graph, which resembles a smooth quadratic curve.

The red wavy line graph represents consolidated operating profit. Compared to the sales bar graph, it appears a bit uneven.

What is interesting is that Cybozu had been profitable since its establishment and always been a company that had never run a deficit. However in 2015, we made a large-scale investment to launch our Cloud services, which temporarily resulted in a deficit. Since then, we have become profitable again.

In 2021 and 2022, we were keen to make significant investments, including in advertising, and adopted an aggressive approach to investment under the slogan "BET!". That investment phase is also over, profit margins have recovered and Cybozu is now in an environment where profits are a bit easier to grow.

## Detailed Consolidated Financial Results

Consolidated Financials (Unit: Million JPY)	Fiscal year ended December 31, 2023 (Actuals)	Fiscal year ended December 31, 2024 (Actuals)	YoY	
Net sales	25,432	29,675	+4,242	+16.7%
Operating Profit	3,394	4,892	+1,498	+44.1%
Ordinary profit	3,579	5,335	+1,756	+49.0%
Current net profit	2,488	3,555	+1,067	+42.8%
Net profit per share	JPY 52.29	JPY 74.99	+ JPY 22.70	+43.4%
Dividend per share	JPY 14.00	JPY 30.00	+ JPY 16.00	+114.3%

### Summary

1 The price rise and the fact that expenses did not increase much led to increased sales and profits. Sales grew 16.7% YoY, exceeding the growth rate of the previous year.

2 Dividend per share increased to 30 yen per share due to increased sales and profits.

Here are the specific figures. With sales growth of 16.7% and operating profit growth of 44.1%, profits are slightly more likely to be generated.

And let me explain the bottom of this table. Cybozu prioritizes paying dividends. Even when we dipped into deficit, we continued to pay a dividend, which has been increasing by about 1 yen each year. With the higher profits gained in 2024, we boldly decided to significantly raise the dividend level, increasing it from 14 yen to 30 yen. This change is scheduled to be proposed at the upcoming Annual Shareholders Meeting.

## Detailed Consolidated Financial Results

Consolidated PL (Unit: Million JPY)	Fiscal year ended December 31, 2023 (Actuals)	Fiscal year ended December 31, 2024 (Actuals)	YoY	
Net sales	25,432	29,675	+4,242	+ 16.7%
Cost of sales	2,364	2,940	+ 576	+ 24.4%
Labor costs	8,828	9,389	+ 561	+6.4%
Advertising expenses	4,313	5,618	+ 1,305	+ 30.3%
R&D expenses	889	1,228	+ 338	+ 38.0%
Others	5,643	5,605	- 37	- 0.7%
Operating profit	3,394	4,892	+ 1,498	+ 44.1%

### Summary

1 Labor costs increased little during this term due to a low increase in staff numbers and a high turnover rate.

2 Advertising expenses increased due to Kintone TV commercials, etc.

3 R&D costs increased owing to stepping up long-term R&D activities aimed at creating new businesses in the global market.

You can see the expenses in this slide. First, labor costs grew a relatively small 6.4%, due in part to a somewhat high staff turnover rate, and also because the number of new hires did not grow as much as expected.

Conversely, advertising expenses increased by 30%. The increase in advertising expenses is due to the fact that we had reduced our advertising spend more than usual in 2023. In 2024, the advertising budget returned to its normal level spending 5.6 billion yen on advertising, thus the increase.

We are also allocating a large budget for R&D to fund new development as we need to expand the deployment of Kintone globally and develop the next generation of products following on from Kintone.

## Financials

Consolidated BS (Unit: Million JPY)	Fiscal year ended December 31, 2023 (Actuals)	Fiscal year ended December 31, 2024 (Actuals)	YoY
Assets	19,248	21,087	+ 1,838
- Cash & deposits	6,492	5,589	- 902
Liabilities	7,995	9,454	+ 1,458
- Borrowings	—	—	—
Net assets	11,253	11,633	+ 380
- Treasury stock	- 1,346	- 4,275	- 2,929
Shareholder equity ratio	58.5%	55.2%	- 3.3%
Net assets per share	JPY 236.33	JPY 251.69	+ JPY 15.36

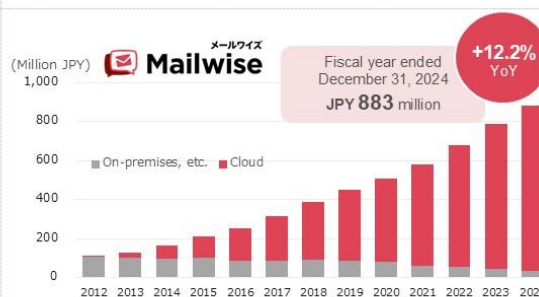
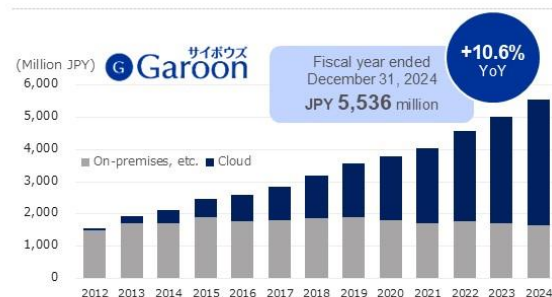
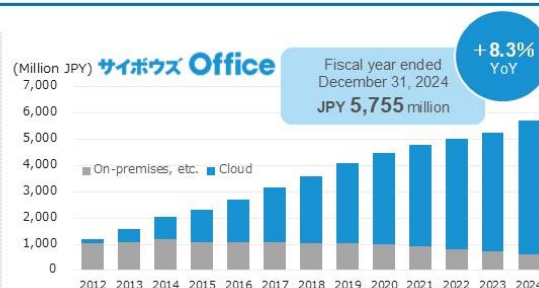
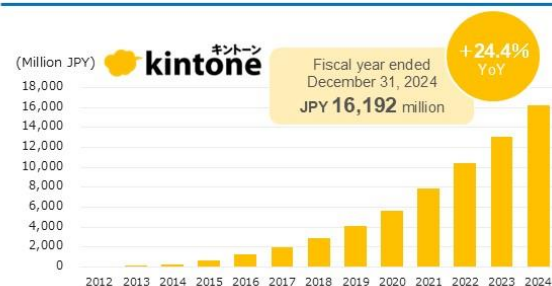
### Summary

- Treasury stock increased to 4,275 million yen due to our acquisition of 2,929 million yen of treasury stock in October thru December 2024.



This is the balance sheet. The biggest change is in treasury stock. Our buy back of treasury stock has been executed as announced. In October thru December 2024, we aimed to acquire a total of 3 billion yen worth of Cybozu shares. We were able to purchase 2.929 billion yen worth, increasing the number of our treasury stock. We plan to utilize the acquired treasury stock in line with our strategy.

## Consolidated Sales by Product



This slide shows the growth of sales for the four products. Sales of each of these products have been steadily growing. In particular, sales of Kintone, which has become Cybozu's flagship product, have grown by 24.4% to reach 16.1 billion yen.

## SaaS Management Indicators by Product

The ARPA of each product has increased overall due in part to the November 2024 price rise. While the ARPA of Garoon, which is a company-wide system, is high, the low ARPA of Kintone needs to be addressed.

Product	MRR <sup>(1)</sup> (As at end of December 2024) (Unit: Million JPY)	ARR <sup>(2)</sup> (MRR×12) (Unit: Million JPY)	ARR Growth Rate <sup>(3)</sup>	Subscription Sales Percentage <sup>(4)</sup>	Gross Revenue Churn Rate <sup>(5)</sup>	Net Revenue Retention <sup>(6)</sup>	ARPA <sup>(7)</sup> (Monthly) (Unit: JPY)
Kintone	1,522.0	18,264	37.2%	100.0%	0.94%	109.4%	40,700
Garoon	351.7	4,221	21.6%	70.8%	0.43%	102.1%	129,300
Cybozu Office	494.6	5,935	25.2%	90.8%	0.64%	100.7%	20,000
Mailwise	82.5	990	25.9%	96.9%	1.01%	101.2%	8,800

\* This data is for Cloud services only (non-consolidated).

\* Figures are as of December 2024.

(1) MRR: Monthly Recurring Revenue

(2) ARR: 12 months of MRR (Annual Recurring Revenue)

(3) ARR Growth Rate: YoY growth rate of ARR

(4) Subscription sales percentage: Percentage of MRR divided by monthly sales for all 12 months including package sales

(5) Gross Revenue Churn Rate: Churn rate calculated by dividing the current month's loss in subdomain units due to churn and subscriber attrition by the previous month's revenue (12-month moving average).

(6) Net Revenue Retention: Annual net revenue retention rate calculated by dividing the current month's revenue of the subdomains subscribed to as of one year ago by the monthly revenue of one year ago (12-month moving average).

(7) ARPA: Average Revenue per Account (ARPA) per subdomain. \* Excluding team support licenses, school & parents' licenses, and Kintone guest users. A single company may subscribe to multiple subdomains.



Business Overview and Financial Results Briefing for the Fiscal Year Ended December 2024 17

Here are the SaaS management indicators by product. Monthly Recurring Revenue, or MRR, shown to the right of each product name, represents the monthly sales. ARR is calculated by multiplying the MRR, which is the sales in December 2024, by 12. Each product currently generates approximately this amount in annual sales.

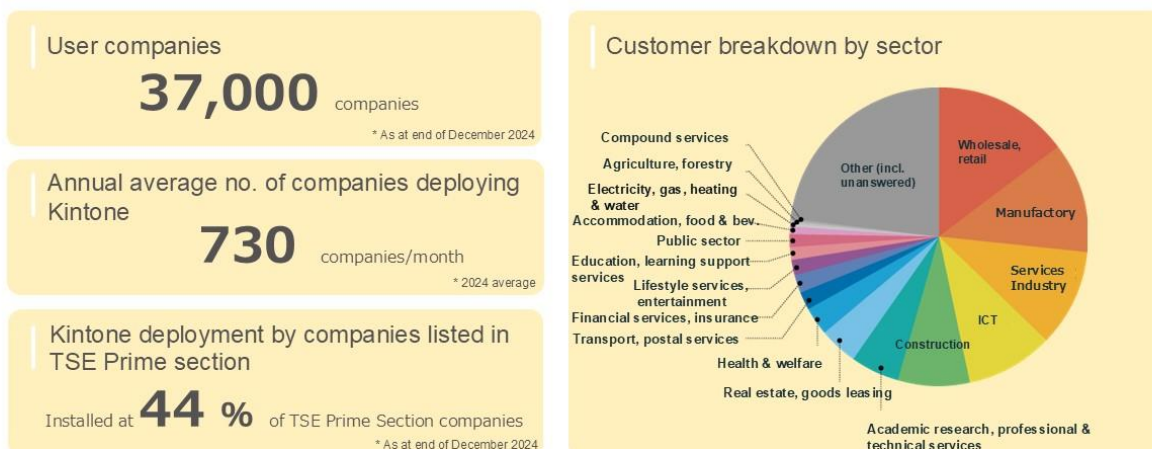
And this is what the ARR growth rates look like. These ARR growth rates are largely due to the effects of the price rise. The price rise significantly boosted the MRR, and the ARR increased accordingly.

The churn rate has not changed much. One of our numbers issues is that ARPA, the unit price per subdomain of Kintone, is still much smaller than that of Garoon.

Currently, Kintone is often used within individual departments and is not being used company-wide like Garoon. As a result, while the revenue per user for Kintone is higher, its ARPA is significantly lower than that of Garoon. Our challenge is to increase the number of users of Kintone per subdomain by promoting company-wide use of Kintone.

## Kintone Deployment Snapshot

Kintone user companies have increased steadily. Due in part to increased demand prior to the price rise, the average number of companies installing new Kintone systems during 2024 was 730 companies/month, up by 80 companies/month from 2023. The percentage of TSE Prime Section companies that have installed Kintone also increased from the previous year to 44%.



And as for the deployment status of Kintone, the number of subscribing companies has exceeded 37,000.

Roughly 730 companies per month are becoming new customers of Kintone. However, the number 730 will likely be much lower in a year from now.

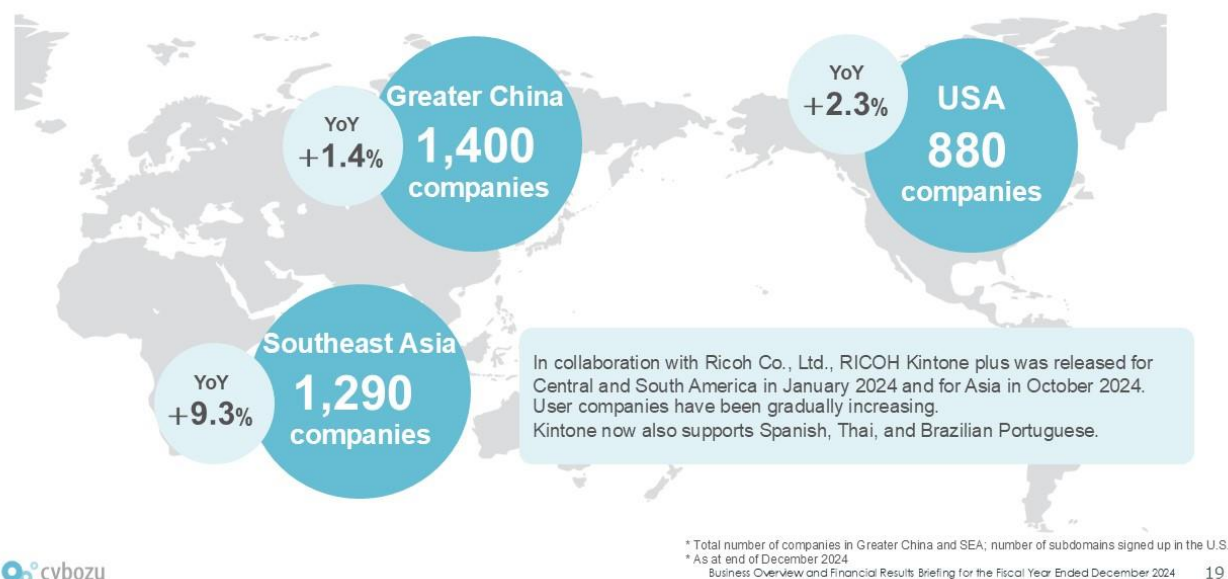
The reasons why we anticipate this are due to the price revision in which prices were increased, we expect the pace at which we acquire new customers will slow down. Additionally, by raising the minimum number of users from 5 to 10, the initial deployment cost has increased, which we anticipate will lead to a more gradual growth in the number of new customers than we have enjoyed until now.

Of course, we will make efforts to increase the numbers through marketing activities, but this year, we feel that it will not be as easy to increase the number of new companies deploying our products as it was in 2024.

Let's move on to deployments at companies listed on the Prime Section of the Tokyo Stock Exchange (TSE). Last year, I said that one out of every three companies was using our services. That number has grown even more, and now 44% of the companies listed in the TSE Prime Section are using our services in at least one department.

In that sense, it can be said that Cybozu's current business scope is experiencing a slight shift from SMEs to large corporations. As for the types of businesses of customers that have implemented our services, as in the past our services are being used by companies from a very diverse range of business domains.

## Global Deployment Snapshot



Let me share updates on our global business. We have global operations in three main areas: the United States, Greater China, and Southeast Asia. We are seeing a growing number of customers in Southeast Asia.

In the Greater China region, there was a period when it was difficult to sell to local Chinese companies due to China's data protection laws. As a result, our business has shifted to selling to Japanese companies, especially large corporates. Consequently, the number of new customer companies grew only by 1.4%.

In the United States, we have decided to switch our policy from mainly engaging in direct sales to sales through partners. We are currently focusing on nurturing our partners. As a result, we have achieved only a relatively small growth of 2.3% compared to the previous year. We aim to effectively nurture our partners and increase our growth rate as well.

Let me introduce the interesting topic of the multilingualization of Kintone. In the last year, we have released Kintone in Spanish, Thai, and Portuguese, as well as launched Kintone in South America. We have also won some deals for Kintone in a number of South American countries. We'd like to further expand our business in this area as well.

These were the figures for Cybozu's performance in FY2024.

## Product and Business Topics

01	<ul style="list-style-type: none"> <li>Promoting Company-wide and Large-scale Deployment</li> </ul>	<ul style="list-style-type: none"> <li>Release of Kintone Wide Plan</li> <li>Kintone's Company-wide and Large-scale Deployment User Stories</li> </ul>
02	<ul style="list-style-type: none"> <li>Diversification of the Purposes for Deploying and Utilizing Kintone</li> </ul>	<ul style="list-style-type: none"> <li>AI-related Initiatives</li> <li>Release of Email Sharing Option</li> <li>Increasing Kintone Use by Local Governments</li> </ul>
03	<ul style="list-style-type: none"> <li>Ecosystem Expansion Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Increase in Partners and Integrated Services</li> <li>Kintone Teamwork Fund</li> <li>Establishment of Collaboration System with OBC</li> </ul>
04	<ul style="list-style-type: none"> <li>Efforts to Strengthen Reliability</li> </ul>	<ul style="list-style-type: none"> <li>Improve the Reliability of Cloud Infrastructure</li> <li>Received SOC 2 Type II Assurance Report for Kintone</li> </ul>



### Promoting Company-wide and Large-scale Deployment

## Release of Kintone Wide Plan

The Kintone Wide Plan was released in July 2024 to accommodate large-scale deployments with 1,000 users or more with additional dedicated features and increased maximum numbers of apps, spaces, and API calls.

Plan Details	Light Plan	Standard Plan	Wide Plan
Price (excluding tax)	1,000 JPY/per user/per month	1,800 JPY/per user/per month	3,000 JPY/per user/per month
Minimum no. of licensed users	10 users	10 users	1,000 users
No. of apps	Up to 200	Up to 1,000	Up to 3,000
No. of spaces	Up to 100	Up to 500	Up to 1,000
No. of API calls/day (per app)	No	10,000 /day	100,000 /day
Plug-ins & extensions that integrate with 3P services	No	Yes	Yes
Features for large-scale use	No	No	Yes

**Features for large-scale use**

- Portal extensions**  
Features such as display control by organization/group and category classification
- Enhanced process management**  
Visualization of process flow, comment features, etc.
- App analysis**  
Features such as app retention status analysis by organization, app relationship diagram display, etc.

For details, see: <https://kintone.cybozu.co.jp/enterprise/course/>



Now I would like to share a few of the business highlights in 2024. I have four major topics to share.

The first is promoting company-wide, large-scale deployments. Let me introduce the initiatives we have been implementing to address the issue of winning as many Kintone users as possible.

The implementation of Kintone at so-called large enterprises has been increasing. Given that, we have found that when used by a large company with a large number of people, the usage limitations have become greater bottlenecks than ever.

For example, the number of apps that can be created in Kintone is limited to 1,000, but this number is not enough for a large company with a large number of users, so we increased the number to 3,000 and raised the maximum number of spaces and API requests as well. We released this type of license to large companies as the Kintone Wide Plan.

In addition, there are needs that are unique to large enterprises: expanding portals, enhancing process management, and analyzing a large number of apps created on Kintone. We have added additional features to meet these needs and released them in the Wide Plan, which is gradually starting to sell well.

Promoting Company-wide and Large-scale Deployment

## Kintone's Company-wide and Large-scale Deployment User Stories

Kintone deployments for company-wide and large-scale use are gradually increasing. Customers have achieved more optimal company-wide business efficiency and information sharing by installing Kintone on a company-wide and large-scale basis.



We are also keen to win and expand customer stories involving company-wide deployment. One customer story I would like to share with you this year is that of Hankyu Hanshin Properties Corp. They have already installed Kintone as a DX platform for 1,000 employees, and it is being actively used by many different people in their organization who are creating and using a variety of business apps.

DyDo Group Holdings, Inc., has also deployed the system as a DX platform and has already developed 450 apps and are using them in daily operations.

Previously, Kintone deployments by local governments were mostly by the larger municipalities, such as Kitakyushu City, Kobe City, the Tokyo Metropolitan Government, and Saitama Prefecture. However, recently, there has been an increase in cases where smaller local governments, such as Ogi City in Saga Prefecture and Saikai City in Nagasaki Prefecture, have installed Kintone and are using it as a DX platform. Many of the staff members in these governments have created their own apps and are actively driving the move to paperless government administration and time-saving operations.



## AI-related Initiatives: Launch of the Beta Version of the Kintone AI Assistant (provisional name)

The beta version of the Kintone AI Assistant (provisional name), which combines Kintone's search functions and retrieval-augmented generation (RAG) was announced in November 2024. Combining data searches in Kintone with searches using generative AI (genAI) enables more efficient use of data.

Cybozu Labs will release this AI Assistant with additional AI features in FY 2025.



Screen example of AI Assistant



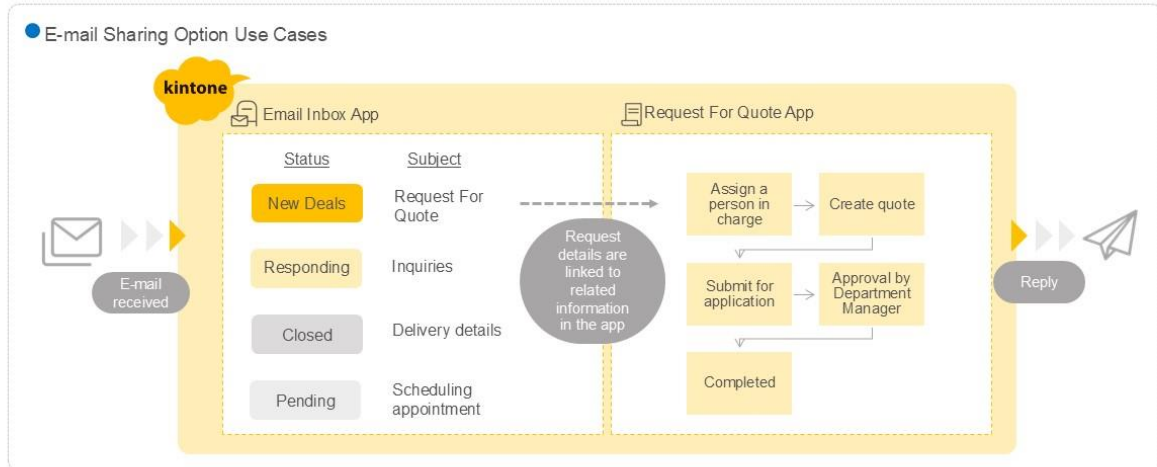
I would also like to introduce several topics in the Diversification of the Purposes for Deploying and Utilizing Kintone. The first topic is AI-related initiatives. Given the recent development of generative AI (genAI) technologies, we implemented an augmented search technology called Retrieval-Augmented Generation (RAG) in Kintone last fall in an effort to incorporate AI technologies into Kintone.

This feature can be used to create genAI output based on the data in Kintone. Let's assume a case where you create a database of customer case studies in Kintone and use genAI RAG technology. For example, when preparing to pitch to a manufacturing company, you can ask on Kintone, "Have there been any similar proposals in the past?" The generative AI will then inform you, "Here are the past cases which are similar to your next pitch."

We are now able to utilize genAI employing RAG technology on Kintone. Although we have not yet launched it as a product, we plan to offer it as a beta version to customers who wish to trial it, and observe how it is utilized as we then prepare it for commercialization.

## Release of E-mail Sharing Option

We released the E-mail Sharing Option in October 2024. This option achieves centralized management of information and speedier business operations. The information in e-mails, which play an important role in business communication, are consolidated in Kintone and linked to the business information managed on Kintone.

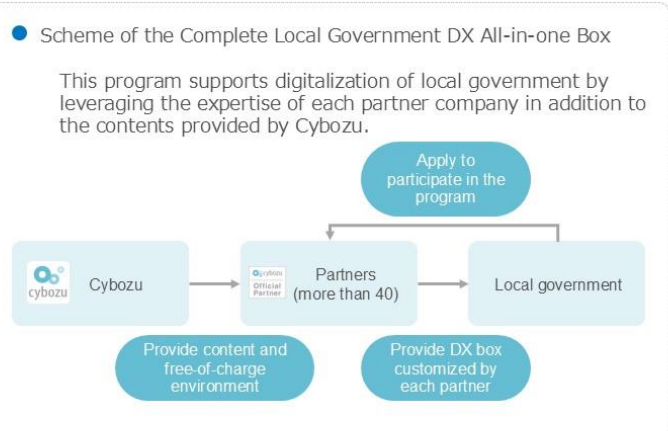


We released the E-mail Sharing Option in 2024. Previously, Kintone could not send or receive emails. However, by using the E-mail Sharing Option, you can now receive emails in Kintone and share them with your colleagues for discussion and then the most appropriate person can reply to the email directly from Kintone. This is the outline of the E-mail Sharing Option.

What is even better is that it integrates with Kintone's apps. For example, if you receive an email requesting a quote, you can register the data in Kintone with a single click. Then, you can run the workflow on Kintone, and once it's approved, you can reply by email from within Kintone. The release of the E-mail Sharing Option allows for seamless integration between emails and apps.

## Increasing Kintone Use by Local Governments

The number of local governments using Kintone broke the 380 mark. Local government users increased by approx. 100 municipalities on the previous year. More than 40 partner companies are now participating in the Complete Local Government DX All-in-one Box program, which was launched in FY2023, and our local government ecosystem is expanding.



We are also focusing our marketing efforts to increase the number of local government Kintone customers. In 2019, pre-COVID, only a small number of local governments were using Kintone. During the pandemic, however, the need for a fast, no-code development environment over the Cloud increased. As a result of this necessity being recognized, more than 380 local governments are currently using our services.

And since it is difficult for us to handle such a large number of customers all by ourselves. With over 40 partner companies joining our ecosystem, we are collaborating to tailor proposals suited to each local government. We named this the **Complete Local Government DX All-in-one Box**, a program in which we promote and assist organization-wide deployment of Kintone in local governments.

Ecosystem Expansion Initiatives

### Increase in Partners and Integrated Services

The partner business is expanding every year, with the number of official partners reaching 500 companies and the number of integrated services surpassing 400 services. The number of AI-related integrated services also increased. Partner sales were JPY 16,587 million (up 23.7% YoY), equivalent to 64.7% of total sales.



Moving on, I'd like to talk about our ecosystem. Kintone employs a partner business model in which we work to create and expand our business ecosystem together with our partners.

So, having more and more various and diverse partners in our ecosystem is very important for our business model. Last year, the number of partner companies increased again, surpassing the 500 mark.

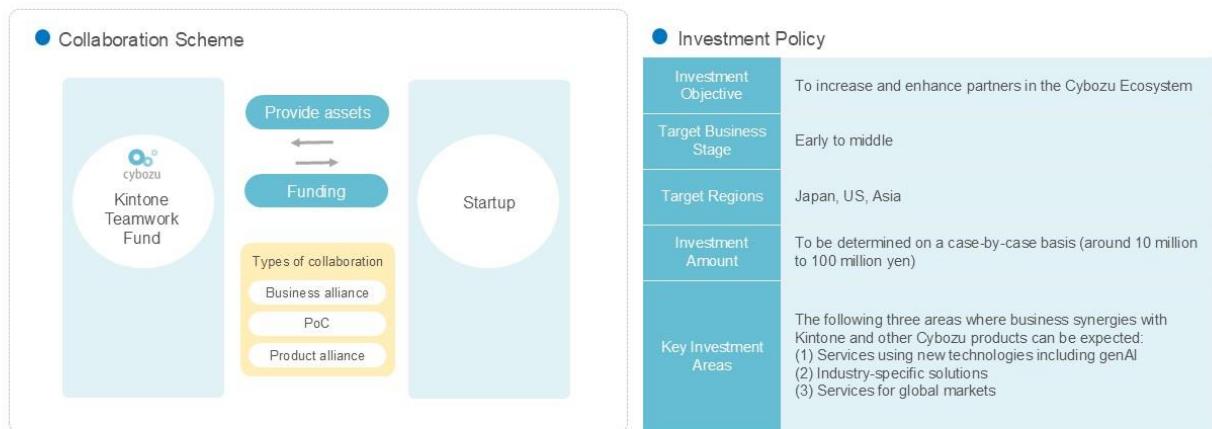
In addition, the number of integrated services now exceeds 400, and more than 10 AI-related services are already on the market.

And the number of sales through partners has also increased, as has the percentage of indirect sales, with 64.7% of our Cloud services sales now coming from partners.

The expansion of this ecosystem is the foundation of our business, so we are committed to continuing our efforts to expand it.

## Kintone Teamwork Fund

The Kintone Teamwork Fund focuses on supporting startup companies in the early to middle stages to further expand our business ecosystem. In FY2024, we invested in supporting four companies. One of which is CloudBalance, a semi-customized service for Kintone, delivered by FISTBUMP Corporation, a company that provides cloud services for law firms.



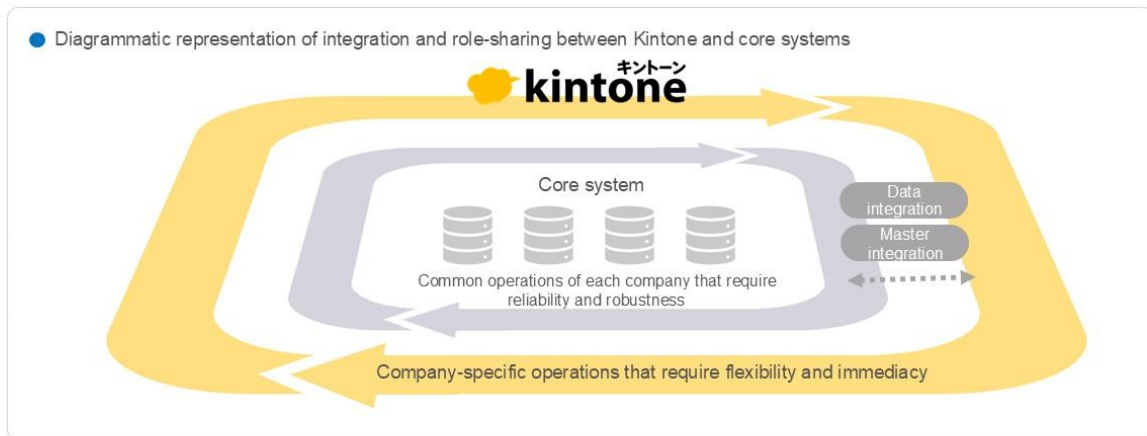
Some partners may have difficulty starting up their own Kintone business due to a shortage of funds. That is why we established the Kintone Teamwork Fund to expand our ecosystem by providing financial support for such businesses. This fund is intended to make it easier for partners to launch a business within the Kintone ecosystem. In 2024, we invested in four companies, and those companies developed businesses connected to Kintone.

We aim to support partners engaged in the three key investment areas. First, partners providing services for Kintone using new technologies such as genAI. The second is partners providing industry-specific solutions, such as FISTBUMP, which has created a business operations model for law firms using Kintone and is selling it as a semi-customized service called CloudBalance.

Through the Kintone Teamwork Fund, we invest in partners who create industry-specific solutions, as well as partners in the third key area, those who are willing to take on global challenges with us in areas we haven't yet explored. Together with these partners, we are working to expand our business and ecosystem.

## Establishment of a business collaboration framework with OBC - Launched Kintone and Bugyo Cloud integration feature

OBC and Cybozu jointly planned a feature that integrates Kintone and Bugyo Cloud, which is the core system provided by OBC. OBC released this integration feature in October 2024. Leveraging this collaboration as the first step, we are promoting the "Fit to Company Standard" approach by integrating Kintone and core systems.



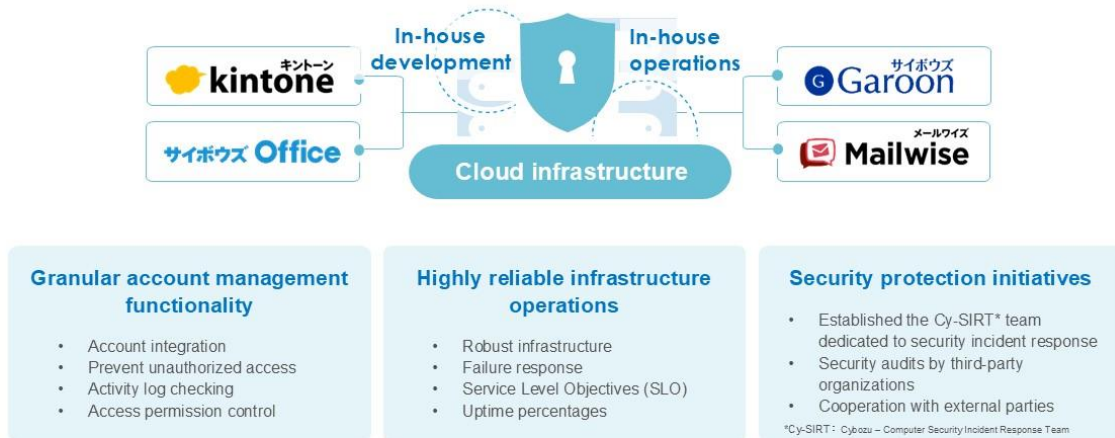
On the topic of our ecosystem, a big step forward last year was the integration with core systems. As you may be aware, Kintone can now be tightly integrated with Bugyo Cloud by the OBC company.

You can easily migrate sales and expense data from the core system of Bugyo Cloud to Kintone via the Bugyo Cloud menu. Once the data is in Kintone, you can easily use the data to manage budgets versus actuals, analyze and categorize expenses, and create graphs, and more.

Core systems and information systems used to be something that should have been possible to exchange data between but that did not seem to happen easily. Now, data is seamlessly integrated between the two systems. The era of being able to create low-cost, flexible systems that allow data exchange between core and peripheral systems is approaching. We would like to continue working on such cases this year as well.

## Improve the Reliability of Cloud Infrastructure

Since the start of our Cloud business in 2011, we have continued to develop and operate our own cloud infrastructure. The transition to NECO, our in-house developed, next-gen Cloud infrastructure with reliability enhanced by state-of-the-art technologies, is progressing smoothly.



The fourth topic is Efforts to Strengthen Reliability. Firstly, I'd like to talk about improved Cloud infrastructure reliability. At Cybozu we develop and run our own Cloud infrastructure. There are many IaaS companies that buy infrastructure services from other companies and build their own services on top of them. In our case, Cybozu develops and operates the cloud infrastructure ourselves.

We are currently in the process of revamping our Cloud infrastructure. We have been working on this for the past 6 to 7 years, and we have a large-scale production environment running a Kubernetes cluster. We have developed this very large-scale Kubernetes production environment with around 1,000 nodes and integrated it into our current operations.

As a matter of fact, Kintone, which you are already using, is now running on a new Cloud infrastructure, which we call Neco, and the application and database parts have been migrated to the Kubernetes-based Neco environment. And we operate with a very high degree of stability and reliability. This is also a very strong point for us.

When it comes to Cloud infrastructure, many companies buy this from foreign companies, but then the price of the infrastructure rises when the yen depreciates. In that case, exchange rate losses can be a negative factor in their business performance.

Meanwhile, at Cybozu, we develop and operate our Cloud production platform environment in-house, which means that we can control our own costs. This is one of the reasons why Cybozu is able to constantly generate profits.

## Received SOC 2 Type II Assurance Report for Kintone

Received SOC 2 Type II Assurance Report
We received a System and Organization Controls (SOC) 2 Type II Report in August 2024 for the Kintone Cloud service available to overseas customers. A SOC 2 Type II Assurance Report is a third-party assessment by an external auditor of internal controls related to security and other aspects of the Trust Services Criteria (TSC) established by the American Institute of Certified Public Accountants (AICPA).
Registered as ISMAP (Security Evaluation Standard for Japanese Government Information Systems) Compliant
The Cloud service infrastructure cybozu.com as well as Garoon and Kintone (both hosted on cybozu.com) have been registered and registration has been renewed in the ISMAP-certified Cloud service directory since September 2021.
Acquired Information Security Management System (ISMS) Certification
<ul style="list-style-type: none"> <li> <b>ISO/IEC 27001:2022</b>            Certification scope: Design, building, and maintenance of operational infrastructure for our in-house developed Cloud services/Design, building, operation, and maintenance of our in-house information system infrastructure/Development of Cloud services, on-premises products, and internal systems.            Certification number: IS 577142         </li> <li> <b>ISO/IEC 27017</b>            Certification scope: Cloud services relating to the provision of cybozu.com, Garoon, Kintone, Cybozu Office, and Mailwise            ISMS Cloud Security Management System relating to the provision of system operation and maintenance as a provider            Certification number: CLOUD 715091         </li> </ul>



We are also continuing to our efforts to acquire certifications. Starting from the bottom row of this table, we have acquired and continue to renew our Information Security Management System (ISMS) certification, as well as ISMAP, the Security Evaluation Standard for Japanese Government Information Systems.

Recently, we have been working on global security certification. Specifically, we have been challenging ourselves to obtain the globally recognized security standard known as System and Organization Controls 2 (SOC2). We have now reached the stage where we have received a SOC2 Type II assurance report. We will continue with the challenge of acquiring global certifications, as it is essential for us in order to expand our business globally.

That ends the section of my presentation on the key topics for our business.

## Corporate Topics

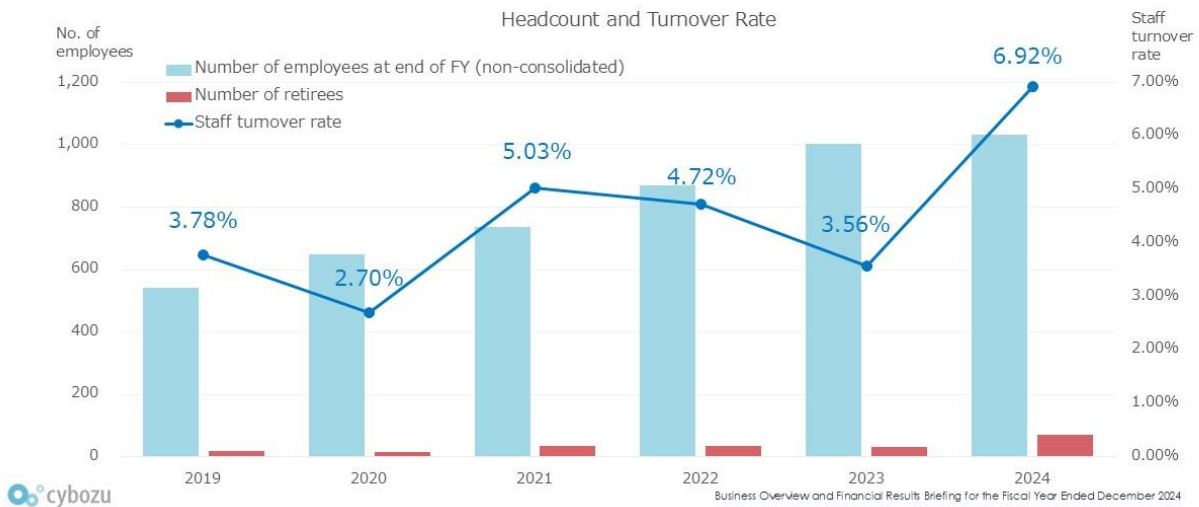
- 01 **Disclosure of Human Capital Information**
  - Headcount and Turnover Rate
  - Human Capital Management Page on Cybozu Website
- 02 **Organizational Change and Corporate Governance**
  - New Organizational Structure Responsive to Business Conditions
  - Board Composition and Governance
- 03 **New Business Locations**
  - Establishment of Thai subsidiary and Naha Contact Center
- 04 **High Ratings by Third-party Organizations**
  - Highly Rated in Customer Satisfaction Surveys
  - Ranked No. 1 in the "Platinum Companies" Ranking



### Disclosure of Human Capital Information

## Headcount and Turnover Rate

The number of employees (non-consolidated, open-ended contract employees) exceeded 1,000, and the staff turnover rate in FY2024 increased by 3.36 percentage points from the previous year. In particular, there was a noticeable turnover of employees who joined during COVID.



Next, I would like to talk about several other topics the company is working on.

The first is about human capital information. In this slide, the blue bar graph shows the number of employees and the line graph shows the staff turnover rate.

Looking back on the last year, the number of employees did not increase much and turnover was up. For the past five years or so, the turnover rate had been roughly 5%, and even in the 2-3% range in some years, but last year turnover spiked to 6.92%.



Looking at the breakdown, we hired a fairly large number of people who joined during COVID, but many of them quit due to insufficient management. We recognize that this is an issue to be addressed and given that we are now a company where remote work is the norm, we are currently working to create an environment where everyone can work happily on an ongoing basis.

Disclosure of Human Capital Information

## Human Capital Management Page on Cybozu Website

Cybozu's human capital management policy, measures to support teams and people, and various related data are available on the Human Capital Management of the Cybozu website. In order to achieve our basic premise, balancing team productivity and member well-being, 100 Workstyles for 100 People was changed to Diverse Team & Member Matching.

● Human Capital Management Page on the Cybozu Website



For details, see: <https://cybozu.co.jp/human-capital/>

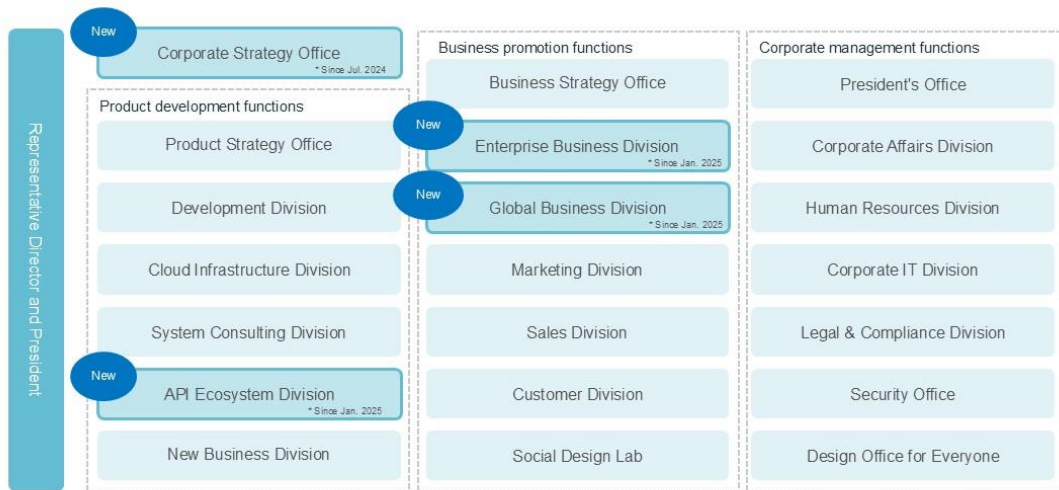
And we have set up this human capital page on our website to publish figures in this area as well. For example, as well as the turnover data mentioned earlier, we also disclose such figures as the percentage of female managers and the percentage of male employees taking childcare leave on our human capital management page.

And one topic is that until now the Cybozu company brand has been recognized as having a policy of *100 Workstyles for 100 People*, but we are trying to change this, as it has created something of a misunderstanding.

Rather than simply allowing individuals to freely assert what their own workstyle will be, we have changed the terminology from *100 Workstyles for 100 People* to *Diverse Team & Member Matching*. We are now advocating that once the individual and the organization have mutually agreed on terms that match the organization's productivity goals, each individual should be able to choose a workstyle that allows them to work best.

## New Organizational Structure Responsive to Business Conditions

The "Global Business Division" and "Enterprise Business Division" were established as new divisions to further strengthen business promotion in the global and enterprise markets.



This slide shows the changes we made to our organization in 2024. Cybozu is made up of a number of divisions, mainly based on professional function, and we added three new divisions in 2024.

The first is the API Ecosystem Division. The API Ecosystem Division was established to provide technical support to our expanding ecosystem.







In addition, the Enterprise Business Division services large corporates, and the Global Business Division incorporates the Marketing Division's functions directed at overseas customers. Unlike the professional function-based divisions, these two new divisions were established to change the sales support system along customer categories and customer attributes lines. So three new divisions were established last year.

As you can see, the number of divisions has increased considerably and this has made cross-divisional discussions and decision-making more difficult, so last year we created the Corporate Strategy Office, a forum for cross-divisional strategic decision-making discussions. This is the Corporate Strategy Office. This organizational change has been made so that the members of this office, which I head up, and I, can drive discussion of topics that span across multiple divisions, so that decisions can be made and divisions smoothly collaborate on execution.

## Board Composition and Governance

We plan to appoint Ms. Mari Yoshida, author of *Effectuation: The Five Principles of Excellent Entrepreneurs* as a new Outside Director. In addition, the total number of comment registrations recorded in the We are All Board Members ("Mintori") app, which is for employees to oversee directors, exceeded 400 in FY2024, 1.4 times the number of comments registered the previous year.

\* Will be submitted to the 28th Annual Shareholders Meeting on March 2025

Outside Directors (Candidates for FY2025*)	Other Directors (Candidates for FY2025*)	
 <p><b>Mika Kumahira</b> Reappointment Dean, Showa Women's University, Career College for the Advancement of Diversity Representative Director, 21st Century Learning Institute, Inc.</p>	 <p><b>Yoshihisa Aono</b> Reappointment Representative Director and President</p>	 <p><b>Riku Okada</b> Reappointment Human Resources Division</p>
 <p><b>Mari Yoshida</b> New appointment Associate Professor, Graduate School of Business Administration, Kobe University</p>	 <p><b>Tomoya Taoka</b> Reappointment Corporate Affairs Division</p>	 <p><b>Emiko Nagaoka</b> New appointment Marketing Division</p>

### What is We are All Board Members (Mintori) ?

Mintori is a system designed to check the governance status of our Culture (guiding principles). Under this system, all employees take a board member's perspective in checking whether actions are being taken in line with our Culture. Feedback to General Managers is registered in this app once a year.



Business Overview and Financial Results Briefing for the Fiscal Year Ended December 2024

42

We are also upgrading our Board of Directors' structure bit-by-bit. At Cybozu, we are upgrading the composition of the Board of Directors and the work they do so that the Directors engage in Directors' duties ensuring that there are no violations of the Cybozu culture that we cherish.

And at the upcoming Annual Shareholders Meeting in March, two new Directors are expected to be appointed. One is Ms. Mari Yoshida, and she is the author of the book *Effectuation*. She is an expert in the area of how to manage an organization in a highly uncertain society where the future is very difficult to predict. We expect that Ms. Yoshida will have a very positive impact on the culture of Cybozu.

The other person is Ms. Emiko Nagaoka, who is running regional development events for the Cybozu Regional Cloud Knowhow & Networking Forum, an area that is in a slightly different domain to our software business.

It looks like we'll be able to form a diverse line-up of Directors. I am excited that we will be able to create a good, diverse Board of Directors by also having not only experienced Directors like myself, but also younger Directors in their twenties, like Mr. Riku Okada and Mr. Tomoya Taoka, who joined Cybozu not so long ago.

## Establishment of Thai subsidiary and Naha Contact Center

Kintone (Thailand) Co., Ltd. was established in Bangkok to strengthen sales and marketing activities of Kintone targeting Japanese and local companies in Thailand. Also, the Naha Contact Center, which specializes in contact center services such as e-mail, telephone, and chat support, was established to strengthen product support in response to the increase in the number of users.



Next, turning to the new business bases we have added. First, we established a subsidiary company called Kintone (Thailand) Co., Ltd. in Bangkok, Thailand. Until now, with just a representative office in Bangkok, we have not been able to do much in the way of sales activities, but now that we have established a local subsidiary and an office, we are now able to embark on full-scale sales activities.

Also, we set up a call center in Naha, Okinawa. Previously our call center operations in Okinawa were outsourced, but given the ever increasing number of inquiries, we decided that we needed to enhance our organizational capabilities, so we have set up our own office in Naha and are working to reinforce our new contact center capabilities, by having our own members work together with the independent contractors. That concludes my explanation of the new offices.

## Highly Rated in Customer Satisfaction Surveys

We received high ratings from several third-party organizations. In Nikkei Computer's Customer Satisfaction Survey and Partner Satisfaction Survey, Cybozu ranked first in four categories.

Nikkei Computer, September 5, 2024 edition Customer Satisfaction Survey 2024-25	Nikkei Computer, March 6, 2025 edition Partner Satisfaction Survey 2025	2024 HDI Rating Benchmarks Quality Rating (rating for the telephone services by the customer center)
<p>Software/Services that Improve Business Efficiency and Support Insourcing category - 1st place Groupware/Business Chat category - 1st place</p> 	<p>Software/Services that Improve Business Efficiency and Support Insourcing category - 1st place Cloud Information System Services category - 1st place</p> 	<p>Highest rating of 3 stars</p> 

Lastly, let's look at third-party commendations. In last fall's customer satisfaction survey, we were awarded first place in the Software/Services that Improve Business Efficiency and Support Insourcing category and first place in the Groupware/Business Chat category. To put it simply, Kintone, Cybozu Office, and Garoon were all ranked No. 1, so we achieved extremely good results in terms of customer satisfaction.

And in the Partner Satisfaction Survey, the results of which have only just been released, we also ranked first in two categories, again indicating a very high level of partner satisfaction.

And the external evaluation of our contact center is also very high, as we were able to get the highest rating of 3 stars again this year. What this means is that not only is customer satisfaction high, partner satisfaction is also high, and the contact center has a very good reputation.

## Ranked No. 1 in the "Platinum Companies" Ranking

Cybozu ranked No. 1 in the Nikkei Newspaper's ranking of Platinum Companies. The Platinum Company Ranking evaluates companies that are high in both "workplace well-being" and "job satisfaction."

● Excerpts from the Nikkei Newspaper

プラチナ企業 上位100社			
順位	企業名	1年後売上高増減率(%)	PBR (倍)
1位	サイボウズ	19.4	21.26
2	コスモスイニシア	14.9	0.45
3	MIXI	20.4	0.99
4	味の素	18.2	2.76
5	メルカリ	17.0	11.35
6	CARTA HOLDINGS	0.5	1.47
7	robot home	32.5	1.96
8	日本新薬	4.9	2.63
9	エイチーム	▲13.3	1.36
10	アクシスコンサルティング	23.6	—
11	BEENOS	8.9	1.35
12	北国フィナンシャルホールディングス	—	0.52
13	リブセンス	13.8	2.30
14	フィデアホールディングス	—	0.25
15	アステラス製薬	17.2	2.22



### Does Your Company or Your Rival's Rank in the Top 100 Platinum Companies? (May 7, 2024)

(abbr.)

The Nikkei Newspaper (Nihon Keizai Shimbun) analyzed the working environment and business performance of about 2,300 listed companies based on postings by employees and others on one of Japan's largest company information review sites.

(abbr.)

Companies with high workplace well-being but low job satisfaction were classified as "Warm Companies"; conversely, companies with low job comfort but high job satisfaction were classified as "Hot Companies." Companies that earned high ratings in both were categorized as "Platinum Companies" and companies with both low were categorized as "Cold Companies."

Hot Companies accounted for the largest percentage of the total at 29%. Platinum Companies accounted for 24% and Warm Companies for 20% of the total.

(end of quote)

For details, see: <https://www.nikkei.com/article/DGXYZD0UF110V0R10C24A3000000/>  
Business Overview and Financial Results Briefing for the Fiscal Year Ended December 2024

47

In addition, the Nikkei Shimbun has released the results of a survey called the Platinum Companies Ranking. Although these days there are many companies that are good places to work for, the Nikkei Shimbun thought that it was important to work for companies that are not just a great place to work but that are also rewarding in terms of job satisfaction. So the newspaper conducted a survey to see whether there were any companies that were able to provide a balance of both these factors. Cybozu ranked No.1 out of 2,300 listed companies in terms of workplace well-being and job satisfaction, and was highly evaluated as a company that was both a great place to work and where the work was rewarding.

So as you can see, we have received very high evaluations from external parties. As the proprietor of Cybozu, I am very proud that we have earned recognition in terms of customer satisfaction, partner satisfaction, call center reputation, and that for our employees, the company is both a good place to work and a place where they enjoy job satisfaction.

However, when I talk to our team members, they say to me "Mr. Aono, Cybozu is not really such an easy and rewarding company to work for," so I know there is still room for improvement, and I am trying my best to do that. These positive evaluations will drop off if we are not careful, so we will continue to be vigilant and make the company a pleasant and rewarding place to work, and a company that both customers and partners are also happy to do business with.

## FY2025 Forecasts

The forecasts for FY2025 are consolidated sales of JPY 36,004 million and consolidated operating profit of JPY 8,437 million. We will make aggressive investments in the business to maintain a high level of growth in FY2025.

Consolidated Financials (Unit: Million JPY)	Fiscal year ended December 31, 2024 (Actuals)	Fiscal year ended December 31, 2025 (Actuals)	YoY	
Net sales	29,675	36,004	+6,329	+ 21.3%
Operating profit	4,892	8,437	+3,545	+ 72.4%
Ordinary profit	5,335	8,494	+3,159	+ 59.2%
Current net profit	3,555	5,904	+2,349	+ 66.1%
Net profit per share	JPY 74.99	JPY 127.77	+JPY 52.78	+ 70.4%
Dividend per share	JPY 30.00	JPY 40.00	+JPY 10.00	+ 33.3%

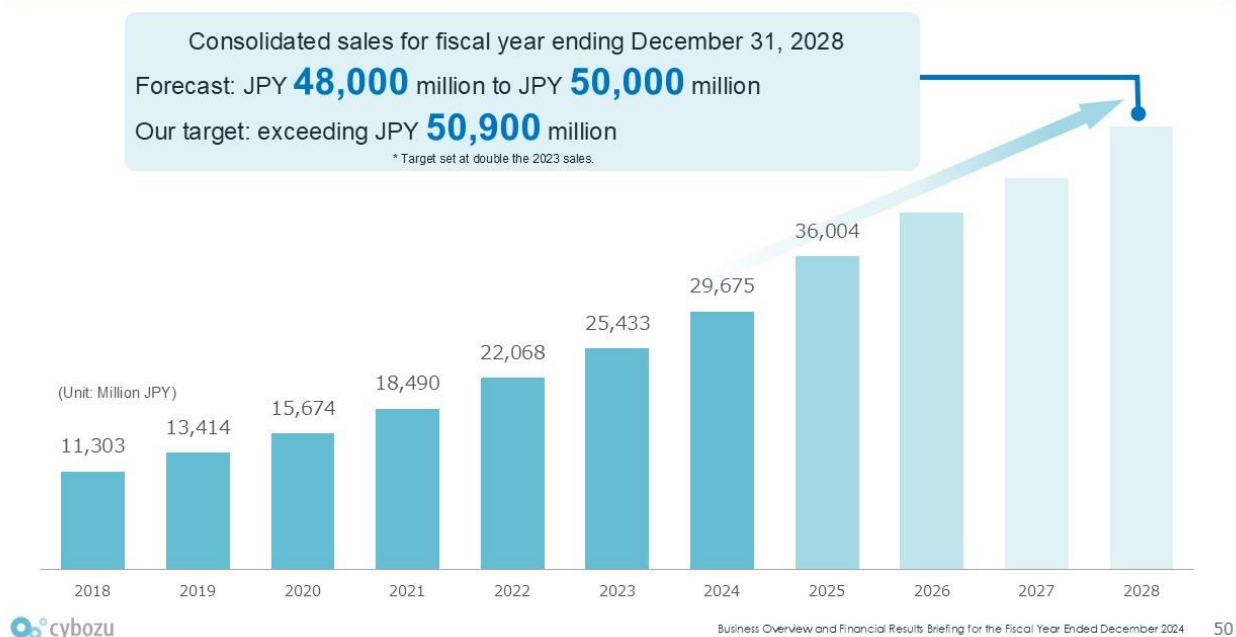


Finally, I would like to talk about our target figures and outlook for this fiscal year and for the medium term. First, for the current fiscal year, ending December 31, 2025, we forecast sales of approximately 36 billion yen and operating profit of 8.4 billion yen.

Year-on-year, these figures are a 21.3% increase in sales and a 72% increase in operating profit, which are very high figures. However, this is largely due to the effect of the price rise I mentioned earlier in this presentation. So, this is not a situation that will continue every year from now on, but rather a temporary spike.

And, as our profit level has risen to a higher level, we plan to increase the dividend to 30 yen, and then to 40 yen next time, an increase of about 10 yen.

## Medium-term Target



Here are some of our medium-term goals. Since sales are growing steadily like this now, we can probably expect sales to be around 45 billion yen or more in 2028, three years from now.

However, since we will strive to do even better, we have come up with a forecast of 48 to 50 billion yen.

Internally, as we want to set the target a little higher, we have set a figure of 50.9 billion yen as our target to reach. We are not super confident that we will be able to achieve this figure, but since 25.4 billion yen was our target for 2023, and we would like to double our growth in five years, we decided to double the 2023 figure, and set our medium-term target at 50.9 billion yen.



## Medium-term Focused Activities

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1

### Promoting company-wide and large-scale deployment

Strengthen marketing and sales activities in addition to enhancing features to promote large-scale deployment in the enterprise market

2

### Striving to create a platform that allows more diverse customers to handle diverse data

Invest in AI technologies, enhance features, and develop add-on services to increase deployment of and uses for Kintone

3

### Continued R&D to develop products that are competitive in the global market



Business Overview and Financial Results Briefing for the Fiscal Year Ended December 2024 51

We will need to work even harder to reach our goal of 50.9 billion yen in the medium term. Shown here are what is most important in order to do so.

Our top priority is to drive the rollout of Kintone, which is currently only being used by some departments within a company, across the entire organization, as well as driving large-scale deployments from the start.

And to do that, we need to evolve Kintone as a platform that allows more diverse people to handle more diverse information. I think this will require governance features, the latest technology such as AI, and the enhancement of peripheral features. This second topic is an area where we really have to concentrate our effort and work hard on.

Thirdly, just because these products are selling well in Japan, won't create a society full of teamwork, we need to encourage global take-up. So the third area of focus is to continue our activities to drive global expansion, including the global rollout of Kintone and the creation of a global ecosystem for this purpose.

## Company Vision



Finally, I would like to say that the reason we provide groupware is to build a society brimming with teamwork.

What we mean by “brimming with teamwork” is a state in which organizations make full use of information sharing services such as these, to share information openly, where each person can take the initiative in their work, to make the most of their individuality, and to work together toward a single goal, while also engaging in dialogue and discussion. Our vision is to enable the creation of as many organizations as possible that are brimming with this kind of teamwork.

This concludes my presentation of the business performance and financial results. Thank you very much for your attention.

## Questions & Answers

**MC:** We will now move on to the question-and-answer session. I'll read out the first question.

**Attendee [Q]:** This is a question regarding the monthly figures. I believe there is a slight decrease in the growth rate in January every year, what is the reason for this?

**Hayashi [A]:** My name is Hayashi from the Corporate Affairs Division. I am in charge of business performance management and Finance and Accounting.

I guess that the question you are asking is probably about the month-on-month figures. Generally, customer companies' system investments are concentrated at the end of each quarter, in the months of March, June, September, and December. As a result, our month-on-month growth rate tends to be slightly lower in January.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** This time, on the Global Expansion page, the number of US companies is 880 up from 860 last year, an increase of 2.3%. Is the collaboration with Ricoh still in the preparation stages with organizational strengthening underway? You also said in April 2022 that you and Ricoh are working together to achieve 10 billion yen in Kintone sales by March 2026, and that you hope to triple Kintone sales by 2025. What is the current status?

**Kuriyama [A]:** I'll answer as the General Manager of the Global Business Division.

Our collaboration with Ricoh is not only in the U.S., but also in Japan, Asia, and other parts of the world, and as you pointed out, the U.S. is struggling a bit. However, we are aware that cooperation is progressing very well in the areas of South America and Thailand. We would like to use these success stories in South America and Thailand to similarly progress and boost the business in the U.S. too.

As for the target figures, some were created internally by Ricoh and some by us, and that announcement was based on the figures announced by Ricoh, so I would like to refrain from giving an answer here.

**Kiyota [A]:** I am Kiyota, General Manager of the Sales Division.

We continue to make very good progress in our collaboration in Japan, and we are looking forward to pulling together in Japan, including driving sales.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** I understand that you have suspended running ads on Fuji TV. Do you plan to spend that money on other advertisements?

**Kuriyama [A]:** Kuriyama again, I'll answer this one as the General Manager of the Marketing Division.

As you pointed out, when we place advertisements or TV commercials, we look at the Gross Rating Points (GRP) figures, and we set targets in terms of getting GRP to a certain level. So continuing on that track, we would like to place the portion of cancelled Fuji TV ads elsewhere to get GRP to that target level.

Thank you very much.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** Regarding your overseas business, your CEO stated that you take a global perspective, but the overseas business is losing money and sales are not growing well. CEO Aono previously also said that overseas business is like a lottery.

I believe that increased investment in the overseas business will require a large amount of investment in the future, but can you really expect significant growth? How much do you think you can actually increase your sales each year from that investment? Also, what level of investment is required? Please give us a rough idea of your plans and the prospects.

**Aono [A]:** I will answer your question.

First, if you are asking whether the losses are growing, the losses are shrinking in the short term. We have been reviewing our strategy and have not invested as much as we did in 2021 and 22, so we are in a situation where the amount of the losses is decreasing while our sales are growing.

On the other hand, I am not sure if we will continue to go on inching forward, as I'd like to try to go all out again at some point. That being said, it's still a little early to be able to talk to you now about specific plans.

However, as you can see, thanks to your efforts, Cybozu has become a much more profitable company. So, I believe that we are now in a situation where we have the financial wherewithal to go all out to compete on a global scale. I believe that if we watch the timing and take on the challenge, it will lead to building a society brimming with teamwork, which is our company vision, so I would like to take on this challenge without giving up.

To give you an idea of how large the potential for growth is, Japan has a population of only around 120 to 130 million people, while there are some 7 or 8 billion people in the world, so we believe that there is an overwhelmingly large market waiting for us.

**MC:** I will move on to the next question.

**Attendee [Q]:** Thank you for significantly increasing the dividend this year. I had been worried that the dividend would increase by only one yen this year too, since despite saying every year that you would increase the dividend, you only increased it by one yen each year.

Although I am relieved for the time being, I am also concerned that the amount will increase by only one yen again from next year onward, since it has previously only increased by one yen per year. If you can reflect your business performance appropriately in dividends by setting a dividend payout ratio and a minimum Dividend on Equity (DOE), I'll be able to hold your company's shares stably over the long term. Please share your company's view on this.

**Hayashi [A]:** This is Hayashi from the Corporate Affairs Division.

Medium- to long-term growth of our business is the most important and fundamental factor in trying to maximize returns to our shareholders. We do not currently plan to set digital targets such as a DOE or dividend payout ratio, as we intend to constantly monitor the situation and make the necessary investments, given the importance of agility in the SaaS business and agility in terms of investment.

However, we would like to return profits generated by our business growth to our shareholders in an appropriate manner while keeping an eye on the business situation, and since we expect a significant increase in profits this fiscal year, we have greatly increased our dividend to 30 yen per share. May I also direct your attention to our forecast dividend for next fiscal year of 40 yen, which is an increase of 10 yen on this fiscal year's dividend.

Thank you very much.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** I have a question about teamwork. In these days of global fragmentation, how do you hope to change the world through the kind of teamwork that Cybozu advocates? Also, what do you think we can do besides using Cybozu groupware to enhance teamwork cohesion? I'll look forward to hearing your answer.

**Aono [A]:** Thank you for that very profound question. In my personal opinion, I feel that there is increased division and conflict in the world today, which is very unfortunate, and it makes us feel that we are not strong enough in ourselves. In the midst of all this, I believe that we must do what we can do now, one thing at a time. On the other hand, I am not sure if we will continue to go on

inching forward, as I'd like to try to go all out again at some point. That being said, it's still a little early to be able to talk to you now about specific plans.

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**Aono [A]:** Thank you for that very profound question. In my personal opinion, I feel that there is increased division and conflict in the world today, which is very unfortunate, and it makes us feel that we are not strong enough in ourselves. In the midst of all this, I believe that we must do what we can do now, one thing at a time.

First of all, we need to make sure that Cybozu is a teamwork-oriented organization, and that our continued success will help other people to understand that this kind of teamwork is good teamwork, and encourage them to imitate us. That is what we need to do first.

And one idea that I would like to spread throughout society is that we still do not recognize the idea that each person is diverse. If society as a whole has a vision that there are many different people in the world, that there are many ways of thinking, and that it would be good if these people could live happily with each other despite their differences, I believe that the current conflicts and divisions could be reduced. I will spend all the rest of my life working on this, and I hope that you will continue to work together with me on this.

Thank you for your question.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** What is your estimated implementation timeframe and price range for the Kintone AI assistant?

**Sato [A]:** As explained earlier, the Kintone AI Assistant (Kintone RAG AI feature) was announced at Cybozu Days last year. After the announcement, we invited applications to participate in the closed beta trial, and we received so many applications that we are now in the process of closed beta testing with dozens of companies from among those who applied.

We have received a lot of feedback and are in the process of making further improvements. Preparations are underway for making it openly available by the end of the year, so not too far off. Since we are still considering various pricing options, I will not give the answer on that today, but I hope you will await the announcement.

Thank you very much.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** How far along is the migration of servers to the cloud?

**Sato [A]:** I think that when you ask about the server migration you are probably referring to the move to Cybozu's new infrastructure called Neco, which we have talked about at Cybozu Days and other events. This phased project is progressing well as planned.

As an example, the migration of one of the major components, the database servers, was completed last year. Then this year, very early in the new year, migration of the Kintone application servers was completed. This means that the Kintone applications you are using and the databases running behind them are already running on the new Neco infrastructure.

We are still preparing for, or rather migrating, a number of components and services such as Garoon and Office, so we hope to continue to make good progress.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** You mentioned that last year there was a lot of turnover of employees hired during COVID due to insufficient follow-up. What do you think were the specific causes of that turnover? Also, do you think that most of the employees who quit were aces who quit because they were dissatisfied with the conditions, or were they employees with insufficient skills who quit because they could not keep up with the work?

Cybozu is famous for being employee-friendly, so I somehow imagined it was the former, but I wasn't sure from your explanation, so I would appreciate it if you could tell me more about it.

**Nakane [A]:** I am Nakane from Human Resources.

First of all, the turnover rate was in the 6% range last year, and I believe that one factor is a rebound from the low turnover rate the year before last, which was in the 3% range. I think there were many factors, and it's very difficult to attribute it to any one thing. Since our employees are diverse, I believe that we weren't always able to match the wishes of each and every one of these diverse individuals, which relates to our policy of *Diverse Team & Member Matching*.

For example, one of the trends we saw was that some employees who were unable to study abroad during the COVID pandemic wanted to embrace that challenge once it became possible to do so. On the other hand, as Aono mentioned earlier, it is also true that some members who joined during the pandemic did not fit well into the organization, or did not fit in with the subsequent changes in our organizational and business strategies.

I believe that we have some organizational issues to address in this area, and I would like to work with all the managers together to make improvements so that we can manage the company through better teamwork.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** You mentioned integrations between Kintone and core business systems. I believe it's important to expand integrations with core systems beyond those delivered by OBC in order to expand the enterprise customer base.

On the other hand, vendors that handle core systems may have their own Standard Operating Environment (SoE) and analysis tools. What do you think are the advantages of Kintone and the points that appeal to customers in terms of competing with such tools?

**Kiyota [A]:** Kiyota from the Sales Division again. Thank you for asking.

As stated, there has been an announcement about our cooperation with OBC, and we are already collaborating with other vendors of software products and core systems. In the enterprise space, in some cases the approach is to connect with other software vendors, and in other cases there is the approach of working with a Software Integrator (Sler) in between. We would like to collaborate with various core system vendors in a variety of ways.

You referred to the advantages of Kintone, a major feature of which is that Kintone allows the people in the field to create their own business operational systems, and that is one of its strengths. The purpose of this collaboration is to ensure that the system that is created by the people on the frontline is not disconnected from the data on the back office side, but that in fact the data from the back office is connected to the systems built by the people on the frontline.

Through this collaboration we are aiming to increase the value for our customers. For example, double registration of data in different systems' customer master databases due to the fact that data was created on the Kintone side and on the other system side, but the systems were not connected at the time. Or where we are working to improve efficiency by connecting the data so that all employees can see the sales data and budget performance data held in the back office. Please look forward to these kinds of customer benefits this collaboration will bring.

**MC:** I will move on to the next question.

**Attendee [Q]:** I understand that the staff turnover rate increased slightly last year, so do you have any measures to supplement this in your hiring plan for 2025?

**Nakane [A]:** Nakane here.

As for our hiring plans for this year, we will continue to increase our staff numbers, although not as much as we did from 2020 thru 2023, during COVID. Of course, we will not simply replace the people who have resigned, we will be taking on new staff in line with our business strategy, and since we are also making progress in streamlining our operations, we will continue to hire in a way meets the requirements of changes in our business.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** Last year, Mr. Aono described investing in the U.S. as a lottery. Is it correct to say that you are not revising that, and that Cybozu is engaged in that challenge with the understanding that it is a lottery?

**Aono [A]:** I will answer this question.

When I say that we are doing this with the understanding that it is a lottery, it's a metaphor, and it is a lottery in some ways and in some ways it isn't. So, what is the same and what is different, in what aspects is it a lottery and in what aspects is it not. I think the first aspect in that it is the same is that it is not easy to succeed in the U.S. It is as difficult as winning the lottery.

As far as I know, there is not a single business software company from Japan that has gone into the U.S. market and succeeded. So you could say it is a lottery that has never been won. We aren't doing it because we think the odds of winning are that high. There are cultural aspects, the approach to IT, the amount of investment, the large number of human resources, etc. It is really hard to go and succeed in the US IT market from Japan, so it is the same in that it is not easy.

The difference is that in the case of a lottery, the probability of winning is up to luck, but in our U.S. business, the ability to increase the probability of winning is up to us. I think our chances of winning are getting better and better as we accumulate experience in this way, as we gain various partners and build up experience. By continuing to dig deep into this, I envision that we will surely also achieve success in the U.S. market, which is the largest market in the world.

**MC:** I will move on to the next question.

**Attendee [Q]:** Thank you for presenting the medium-term plan. It gives us an idea of what the growth will look like. Please provide any figures or pictures you have for what the percentage of overseas sales to total sales will be when you achieve 50 billion yen in sales.

**Kuriyama [A]:** Thank you for your question.

At the moment, we are not disclosing the percentage of overseas sales because it has not yet reached the disclosure standard, but we have an internal target, and we hope to achieve the scale of business that reaches the disclosure standard as soon as possible. The Japanese business is growing even more than overseas sales, so unless the overseas sales keep up with the pace of sales growth in Japan, it will be difficult for the percentage of overseas sales to grow as a percentage of overall sales. I would like to work toward achieving the same level of growth for our overseas business as our domestic business, aiming to do so by around 2028 or so.

**MC:** Thank you for your question. Moving on to the next question.



**Attendee [Q]:** What are the reasons for the dramatically higher operating profit margin in your consolidated earnings forecast for the fiscal year ending December 31, 2025 than in the past?

**Hayashi [A]:** This is Hayashi from the Corporate Affairs Division.

As I believe Aono mentioned earlier in his business briefing, we raised our prices last November. The largest effects of this change will be seen from the current fiscal year with the operating profit margin improving significantly.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** Regarding growth through to the end of the fiscal year ending December 31, 2028, it appears from the sales figures in the company plan for the fiscal year ending December 31, 2025, that the Compound Annual Growth Rate (CAGR) will be 10% to 12%, and the effects of the price rise will diminish in the fiscal year ending December 31, 2026. Which of your three focal activities will be the driver of growth?

**Kuriyama [A]:** Kuriyama, General Manager of the Business Strategy Office here.

All three are of course important, so there is no one single priority, but if I had to prioritize, I would say that the deployment of Kintone in the enterprise domain has been progressing quite well, and I would like to further increase the numbers in this area.

As Aono mentioned earlier, we intend to drive expanded uptake of our software across organizations to encompass company-wide deployment, and this is also a point of focus. We plan to maintain our growth rate by combining these two areas, that is company-wide adoption of our software within large enterprises.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** What would the operating profit margin be if you were to achieve 50.9 billion in sales for the fiscal year ending December 31, 2028?

**Hayashi [A]:** This is Hayashi from the Corporate Affairs Division.

We set the 50.9 billion figure as a hard target for us to aim for over and above the forecast figures. We are currently in the process of examining exactly what kind of investment will be necessary to achieve this figure, and at this point, we do not have an answer for you in terms of what the operating profit margin or other figures will be at that time.

**MC:** I will move on to the next question.

**Attendee [Q]:** In relation to the increasing adoption of Kintone by enterprises, I heard previously that you are not making good progress in developing partners who specialize in the enterprise market. I think that Slers, who are IT partners servicing large companies, may in some ways not regard Kintone as a very attractive product for them to sell. How do you intend to address this point and win large-scale users? Please tell us a bit more about your partner strategy.

**Tamada [A]:** Tamada here from the Enterprise Business Division.

It depends on the timing and content of that information, but our understanding is that there are partners who are experts in the enterprise market, and we do not currently recognize or interpret that efforts in this area are struggling.

However, it is true that we have not yet established partnerships with major Slers, etc. In relation to that, integrations with ERP systems, as was just mentioned before, and I think major Slers' business these days mainly involves the core systems of large corporates, so as we deepen cooperation with major Slers, I think there will be greater motivation to use Kintone.

So I would like to work to create overlapping strategies within that context and create a win-win relationship with our partners.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** When you achieve the 50.9 billion yen target for the year ending December 31, 2028, how many billion yen do you expect that will total in global sales?

**Kuriyama [A]:** I guess this is the same question as the previous one about what percentage of sales global sales will account for, but the answer is the same as the previous answer, which is that we are not disclosing that information.

**MC:** I will move on to the next question.

**Attendee [Q]:** Your company uses TV commercials for your advertising, but I have the impression that they are not cost-effective since your B2B products are used by companies. Have you ever measured the cost-effectiveness of airing TV commercials?

**Kuriyama [A]:** You may be wondering who I am, since I have been changing hats in the previous questions, answering as the General Manager of the Marketing Division, then the General Manager of Business Strategy Office, and at times as the General Manager of the Global Business Division.

This is an area where it is difficult for all companies investing in advertising to clearly measure the effectiveness of TV commercials. With online advertising, effectiveness is very easy to determine through the click rate. We have indicators by which we measure the effectiveness of our TV commercials by comparing all of the different metrics for the periods when we are running TV commercials and when we are not.

In fact, it is clear that the figures for key indicators increase during periods when our TV commercials are on air. That is why, our approach is to ramp up our TV commercials, while also watching the various metrics. If TV commercials are no longer proving effective, we will naturally pull back on them, and if they are effective, we will step up our investment in them.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** If you can get Kintone incorporated into platforms like AWS and Azure, will the dream of global use of Kintone come true? Personally, I don't want to force you to rush, but if you are in a hurry, if you can't beat them, join them.

**Aono [A]:** First of all, our relationship with the platformers, as I mentioned earlier, is that we deliver our cloud services like Kintone and Cybozu Office, via our own cloud service which we developed and run ourselves on our own platform, but that actually applies to our cloud services in Japan.

The version of Kintone for global use is actually a different URL called kintone.com, which runs on AWS, so we actually have two versions of Kintone to facilitate global deployment.

So asking whether running Kintone on AWS will mean that it will sell globally? Actually, it's not that simple. As I said at the outset, Kintone has an ecosystem, and we are working with various partners to add value and expand deployment. That's the business model.

That means, that of course it is important for Kintone to be able to operate globally, but the next step is to form an ecosystem with leading partner companies in each region of the world. This is an area where we still need to strengthen our ecosystem, and we would like to drive increased deployment. That's why I would like to find and approach more and more strong players and work with them.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** The minimum number of users for Kintone has been raised from 5 to 10. What are your thoughts on adoption of Kintone by SMEs? In your presentation, the message was that you are increasing your efforts focused on large companies, but I would like to know how you plan to encourage deployment by micro enterprises and SMEs?

**Kiyota [A]:** To answer your question, we are committed to building a society brimming with teamwork, so of course we consider customers with less than 10 people to be an important and vital market. For example, in terms of support, even if there are less than 10 users, we will actively respond to their inquiries as many times as possible, and in terms of the sales process too, we take good care of them by actively responding to their inquiries and encouraging their deployment of the system.

In addition, there are of course customers who do not have 10 employees, but recently, their use of Kintone has been progressing very well, not only within the company itself, but between these companies and other companies using a single Kintone system to share information or business operations with their business partners. We are pitching use of Kintone in this way to customers who may not have 10 employees, and promoting to them the value of the various different uses of Kintone.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** Earlier in the CEO's presentation, you mentioned that the number of plug-ins for linked products has exceeded 400, but I think you also mentioned that the minimum number of users has been raised, and that the increase in adoption may slow down somewhat in the future due to the price rise. What are your thoughts on this story as it affects the various partners?

**MC:** This question will be answered by the Mr. Kiyota, General Manager of the Sales Division.

**Kiyota [A]:** This is talking about the possibility of that as the result of a price rise, but the reality is that we would of course like to increase the number of new contracts. In fact, in terms of our activities designed to start with a small Kintone deployment and then add users to the system as well as expanding the number of departments within the organization that use Kintone, since the start of the year we have seen various companies have been expanding their use of Kintone in a very strong way.

That is why, I think business is going very well for our partner companies because scaling up the use of Kintone once a customer has installed Kintone within their organization, means partners can then deliver all kinds of services to customers who have already installed Kintone. Naturally, a slowdown in growth of adoption would affect our business, so we are ready to deal with this.

**MC:** I will continue and read the second question.

**Attendee [Q]:** I think that as you target the enterprise market, there will be times when Kintone as a standalone solution will not be able to meet the requirements. In that case, would you add

features to Kintone, or would you pitch Kintone bundled as a set with plug-ins from partner companies?

**MC:** This question will be answered by Mr. Tamada, General Manager of the Enterprise Business Department Manager.

**Tamada [A]:** Tamada here from the Sales Division.

We have been pitching solutions in areas of the enterprise market, and we have been working with partners to pitch solutions that include the portions that we cannot deliver on a standalone basis and involve a combination of plug-ins and solutions. In some cases we have taken a from scratch approach for part of the solution.

As for the long term, we will continue to work together to develop the functionality of the requirements that needs to be incorporated into our software as standard by passing on the feedback from the frontline users, so we will continue to work on both fronts.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** In CEO Aono's presentation, he talked about the next product after Kintone. I know that the specifics are a long way down the track, but what areas of products do you think will be needed to build a society brimming with teamwork?

**Aono [A]:** Thank you for your question.

We are not yet at the stage of being able to announce what kind of products we will offer in what areas. And, in fact, we are not thinking so much about the areas, but are essentially thinking about what kind of products we can make to enable people around the world to work better as a team, and we are making products based on this kind of thinking.

For example, when Kintone came out, what software category it came under was not really defined, and although it is called groupware, it is also like a development tool, and recently it has come to be called a no-code development platform. I think it was a field that there was not yet a category for at that time.

What we are thinking of doing now is to use new technology to create a global platform for information sharing, not only within companies, but also across companies, from small to large companies, on a global scale. That is the perspective that we employ in our software development.

Thank you.

**MC:** I will move on to the next question.

**Attendee [Q]:** You previously mentioned that the competition will be the strongest companies, Microsoft and Salesforce. What is Kintone's advantage over competitor products? I personally think that Kintone's strengths are its low cost and ecosystem. Are there any others?

**Kiyota [A]:** Microsoft is very strong. However, the majority, or rather a large number, of our customers use both Microsoft and Kintone. What we hear from them is when the company's IT department rolls out the software that is used by everyone in the company, they use a product from a company other than ours if they want to deliver it unilaterally and have it used by everyone.

There are also cases where the people on the frontline use Kintone because they want to improve their own business operations themselves. So I think Kintone is very well differentiated even within

the same company, depending on whether the software solution is chosen by the front line or the IT department. I think this is an area in which we can compete.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** I assume you are saying that a significant portion of the effect of the price rise will be seen this fiscal year, but is there any portion that will remain in FY26? We would appreciate it if you could share how much of an effect this will have compared to the current fiscal year.

**Kuriyama [A]:** When we talk about direct impact, impact from the price rise will be for one year, so starting from last November and ending in October 2025, this will be the fiscal year with direct impact.

As for after that, or rather, from then on, the unit price of the license will simply increase, so I am not sure if it is appropriate to say that the effect will continue after 2026, but in the sense that the unit price per customer will increase, if there is an impact after the year 2026, the extent of the temporary effect of the revision is for 12 months. I think the answer would be to say that the effect of this price revision will end in 2025.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** Could you elaborate a bit more on your overseas strategy? What are the current challenges and what are you working on now to address them?

**Kuriyama [A]:** It would be a very long story if I went into detail, so I'd like to share just one example. Last year, we announced a partnership with a company called SDEC in the state of Sarawak, in Malaysia. We have also issued a press release on this so please read it to see the details of that partnership.

What we are striving to do overseas is like what we are doing through this partnership with SDEC. We are working steadily with the aim of building a customer base, nurturing local sales and marketing activities, to ensure that when we do enter into partnerships we are able to achieve solid results. That is our aim and we are steadily plugging away at this bit-by-bit.

As our customer base grows, it is opening up more-and-more opportunities for all kinds of such potential tie ups, and this is happening not only in Malaysia, but also in the U.S. and Thailand. One of the strategies we are considering is to increase the number of partnerships like the one we have with SDEC.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** If we compare the cloud sales since last November to the month before the price increase, the increase in sales is less than 20%. Are there cases of cancellations or reduction in the number of licensed users in response to the price increase?

**Kiyota [A]:** Kiyota here.

We have had fewer cancellations than expected, and things have been going well. I think that a factor in this is that, at the time of the price increase, some customers had monthly subscriptions, while others had annual subscriptions, and some of them switched to an annual subscription. So, we do not consider this factor to be much of a negative.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** I feel that there has been a change in IR compared to last year, was there any discussion about this within the company? Also, do you have any plans to meet with institutional investors?

**Hayashi [A]:** Thank you very much.

Actually, there was a discussion, and by the way, we had this discussion last year, or rather the year before, and we have changed our stance quite significantly since last year. We have strengthened both our IR structure and staff, and we are happy to accept interviews from institutional investors whenever possible.

We received many requests last year for a medium-term view, so we have included a medium-term view in today's briefing.

**MC:** Thank you for your question. Moving on to the next question.

**Attendee [Q]:** Based on the company plan for the fiscal year ending December 31, 2025, the operating profit margin will be 23.4%, with the jump from the fiscal year ending December 31, 2024 to the fiscal year ending December 31, 2025 being largely due to the effect of the price rise. You mentioned that the operating profit margin for the fiscal year ending December 31, 2028 has not yet been determined, but do you plan to increase the level of your operating profit margins in the years through to the fiscal year ending December 31, 2028? Or will you have a higher operating profit margin for the fiscal year ending December 31, 2025 and then expect it to remain the same or decline in the future, which is closer to your view of profit?

**Hayashi [M]:** I think a similar question was asked earlier, there was a question about 2028, and we are right in the middle of considering what investments are necessary to achieve the 50.9 billion target, so we are not in a position to say at this time which will be higher or lower. Your understanding is appreciated.

**MC:** I will move on to the next question.

**Attendee [Q]:** I understand that you have decided to change tack moving forward with initiatives designed to deepen economic relationships with existing customers and increase the number of users per company with the price rise in the fall of 2024, but I would like to know when we can expect to see the effects of these initiatives and how soon we will be able to ascertain changes in monthly sales and KPIs. I would appreciate it if you could share your current picture of what this will look like with us.

**Kuriyama [A]:** In regard to this question, the purpose of this price rise is not that we have switched our strategy to just deepening the economic relationship with our existing customer base. When I said earlier that we will focus on the Enterprise (EP) market, I hope you understand that this means that we will stand further on our current activities, and not that we will shift from our current activities to EP. That means that, the price rise has not meant a significant change to our activities, strategies, or targets.

**MC:** Thank you for your question.

This concludes the question-and-answer session. Questions that could not be fully answered today will be posted on the IR Inquiries page of our website at a later date.

Lastly, we would like to inform you of the following. Today's presentation materials and video will be available on the IR page of our official website at a later date. If you have any additional questions, please contact us through the IR Inquiry Desk.

This also concludes Cybozu's financial results briefing for the fiscal year ended December 2024. Thank you very much for joining us today.

[END]

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**Document Notes**

- 1. Portions of the document where the audio is unclear are marked with [Inaudible].*
- 2. Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*