



Cybozu, Inc.

Financial Results Briefing for the Fiscal Year Ended December 2025

February 25, 2026

Event Overview

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Presenters	6	
	Yoshihisa Aono	Representative Director and President
	Keita Kuriyama	Executive Officer, General Manager, Business Strategy Division, Marketing Division, and Global Business Division
	Teppei Sato	Executive Officer, General Manager, Development Division, and Representative Director and President of Cybozu Labs, Inc.
	Ikki Tamada	Executive Officer, General Manager, Enterprise Business Division and Sales Division
	Yumika Nakane	Executive Officer, General Manager, Human Resources Division, and Director, Teamwork City Office

Tadamasa Hayashi Executive Officer, General Manager,
Corporate Affairs Division

Presentation

MC: Thank you for taking the time to join us today for the Cybozu, Inc., FY2025 Business Overview and Financial Results Briefing. My name is Yoshikawa from Cybozu's IR Department, and I will be serving as today's moderator. Thank you for being here.

Now, Representative Director and President Aono will report on the financial results and business performance for FY2025. Aono, please go ahead.

Aono: Hello, everyone. I am Aono from Cybozu. I will now spend approximately 45 minutes reporting on last fiscal year's financial results.

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Today, I would like to cover four main topics. First, I will introduce our company and business. Next, I will report on last fiscal year's performance, followed by key topics during the year under review. Finally, I will discuss the outlook for the current fiscal year and our medium-term target.

Company Overview

 <p>Cybozu, Inc. Tokyo Stock Exchange, Prime Section (Securities Code 4776)</p> <p>Established in 1997 by three people in Matsuyama City, Ehime Prefecture</p>	<p>Business Description</p> <p>Develop, sell, and operate groupware</p>	<p>Employee Headcount</p> <p>Consolidated 1,356 employees</p> <p><small>* Open-ended contract (permanent) employees only (executives and auditors not included)</small></p>
<p>Head Office Location</p> <p>27th Floor, Tokyo Nihombashi Tower 2-7-1 Nihombashi, Chuo-ku, Tokyo</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>Capital Stock</p> <p>JPY 613 million</p>	<p>Average Age of Employees</p> <p>36.4 years</p>

* As at end of December 31, 2025



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Let me begin with an introduction to the company and our business. This is a company overview. Founded in 1997, we are now in our 29th year. Our consolidated headcount has grown to 1,356 employees.

Company Vision

<p>Our Reason for Existing Purpose</p>	<p>Build a society brimming with teamwork</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>1. Embrace a common vision 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>2. Elevate individuality 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>3. Express yourself openly & transparently 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>4. Exercise autonomy 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>5. Engage in dialogue & discussion Strive to understand the assumptions behind each other's ideas, then discuss to reach a decision</p> </div> </div>	



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This is our Company Vision. At Cybozu, we place our Company Vision above all else, so I would like to explain it in detail.

Our Company Vision comprises two elements: Purpose and Culture. Our Purpose is "To build a society brimming with teamwork." This phrase defines our existence and is our core value.

Our Culture describes what a state brimming with teamwork looks like through 5 Cultural E'lements, and I will walk through them briefly. The first E'lement is "Embrace a common vision." A good team creates a shared vision that members embrace. The members are not working reluctantly; they genuinely support the team's vision and work toward it together.

Our second Cultural E'lement is that the members working together toward that common vision can have diverse personalities. In fact, we try to understand that diversity, value it, and leverage each person's unique strengths. This is what we define as our second vital element: Elevate individuality.

Our third Cultural E'lement is "Express yourself openly & transparently." Members who choose to work in our teams do not lie, they do not hide things, and they share information openly. Building this kind of open, trust-based relationship is essential. That is what this third element "Express yourself openly & transparently" represents.

Our fourth Cultural E'lement is that while the members who work in our teams can be diverse, each person should have a sense of ownership of what kind of work they want to do, what kind of life they want to lead, and want to work here. Each individual chooses to be here contributing proactively to the team. We express this as "Exercise autonomy."

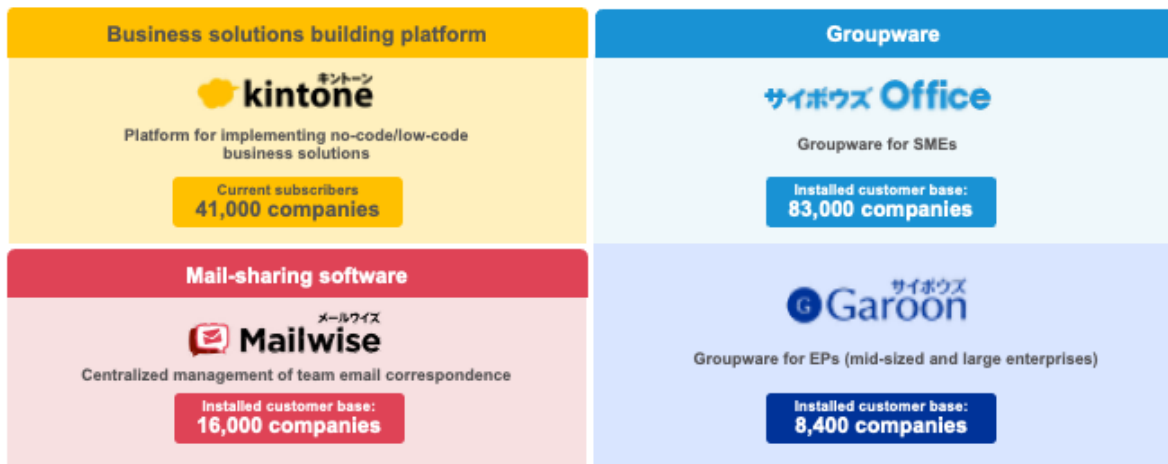
And as these diverse members work, expressing themselves openly and transparently, and exercise autonomy, opinions will naturally clash at times. When that happens, we resolve them by calmly engaging in dialogue, discussion, and making decisions ("Engage in dialogue & discussion"). We believe that these five Cultural E'lements create highly productive teams where members work happily. This is our Company Vision.

Many companies around the world still suffer from low productivity or unhappy employees. Our Company Vision is to spread the adoption of these five Cultural E'lements to build a society brimming with teamwork.

Our Company Vision is a resolution that was passed by our Annual Shareholders Meeting, and we pursue our activities based on this Vision with the agreement of our shareholders.

Our Groupware Business

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



* The numbers shown are the number of customer companies as at December 2025.
 * For Kintone the number shown is the total number of customers in Japan and overseas. For Cybozu Office, Garoon, and Mailwise the customers are in Japan only.
 * 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.



We believe that tools that serve as the infrastructure for information sharing are essential to realize this Company Vision. That is why our core focus is the groupware business, in which we currently offer four main products.

These four products are: Cybozu Office, which we launched for SMBs when we first started the company; Garoon for large enterprises; Mailwise for shared email management; and Kintone, which has become our flagship product, a no-code/low-code information-sharing platform for building business applications.

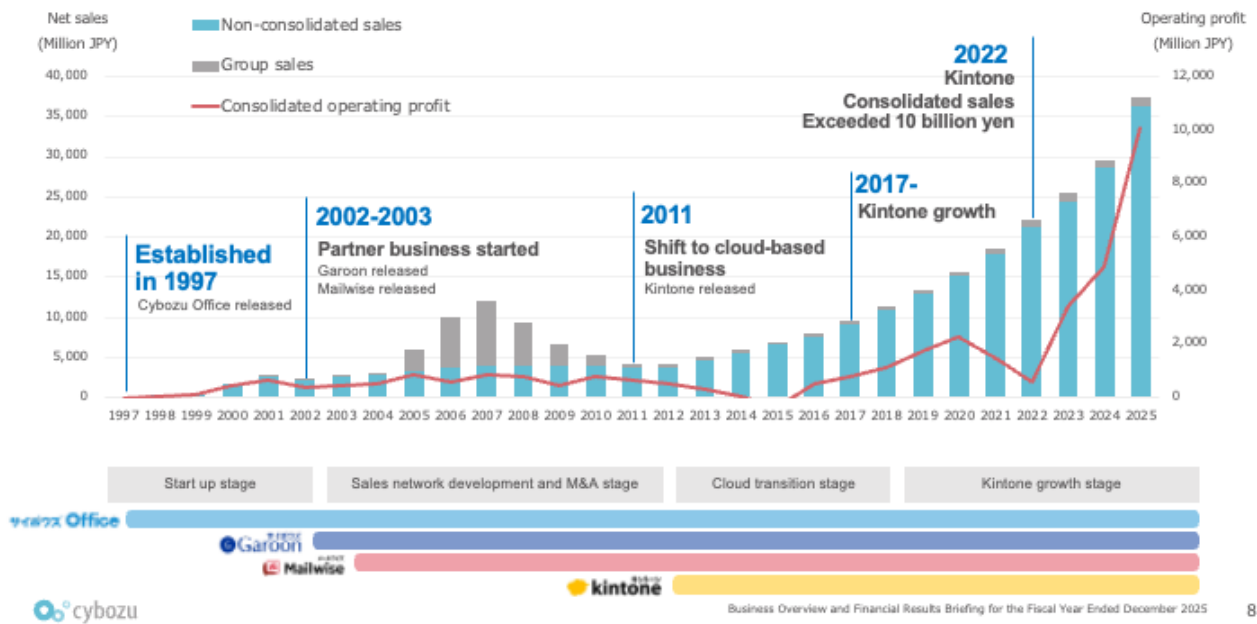
Cybozu NEXT

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



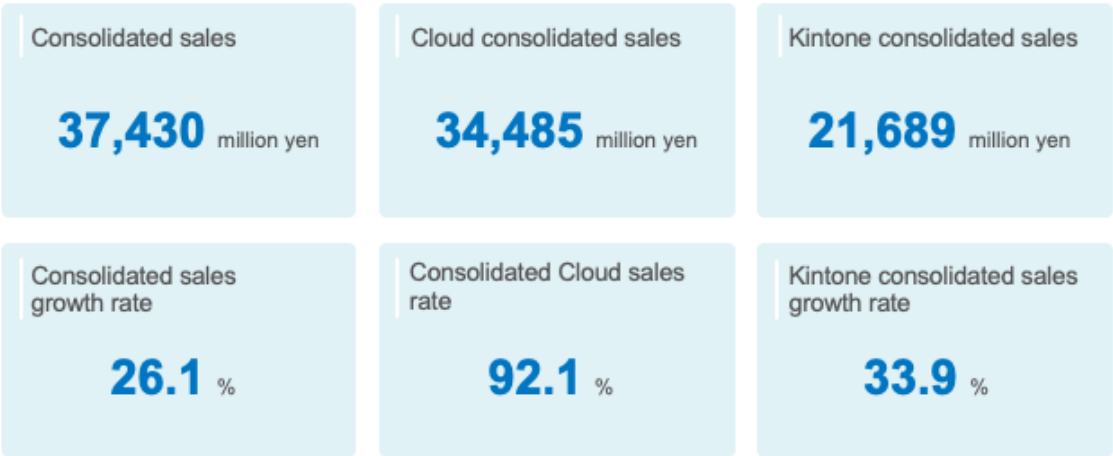
Kintone is now our flagship product, and we refer to our vision for what we want to achieve with it, as "Cybozu NEXT." The aim is for adoption of Kintone as a company-wide platform rather than isolated, single departmental use of Kintone. We want customers to adopt it as a company-wide platform, with different departments building different applications, using them across departments and sharing data extensively. By enabling cross-departmental data sharing, we can break down barriers within organizations as well as eliminate information fragmentation due to information silos, and empower more diverse teams to share more diverse information and collaborate effectively. That is the vision behind how we are developing and rolling out Kintone today.

Chronology of Cybozu



This chart shows Cybozu's sales and profit since our founding. For about 15 years from our founding, sales did not grow much and we even went through a period of stagnation. However, our shift to cloud services in 2011 and the release of Kintone drove sustainable sales growth. Profit was also slow to grow for a long time, but has increased considerably in recent years.

Financial Highlights



I will now report on last fiscal year's performance. Consolidated sales were 37.43 billion yen, representing 26.1% YoY growth. Cloud services increased to 92.1% of total sales. Sales of our flagship product Kintone exceeded 20 billion yen, growing at 33.9% YoY.

However, please note that this year's high sales growth, including Kintone, is a one-off effect driven by the upward price revision we implemented a little over a year ago; and the higher sales growth rate is attributable to that. Please understand that we do not expect this specific growth rate to continue.

Consolidated Sales and Operating Profit



This is the graphical representation of those figures. Sales were 37.4 billion yen, and consolidated operating profit was 10.1 billion yen, surpassing the 10 billion yen mark. YoY growth in operating profit increased by 106%, meaning it roughly doubled.

Again, this profit growth rate is temporary. It does not mean that profit will continue to grow at this rate going forward. The upwardly revised pricing lifted sales revenue, and that increase flowed directly through to profit. Please keep that in mind.

Next, here is a detailed view of sales and profit. The numbers are as shown. Given the profit increase, we plan to further increase the dividend to 40 yen per share.

Detailed Consolidated Financial Results

Consolidated Financials (Unit: Million JPY)	Fiscal year ended December 31, 2024 (Actuals)	Fiscal year ended December 31, 2025 (Actuals)	YoY	
Net sales	29,675	37,430	+7,755	+26.1%
Operating Profit	4,892	10,101	+5,208	+106.4%
Ordinary profit	5,335	10,325	+4,990	+93.5%
Current net profit	3,555	7,081	+3,526	+99.2%
Net profit per share	JPY 74.99	JPY 153.17	+JPY 78.18	+104.3%
Dividend per share	JPY 30.00	JPY 40.00	+JPY 10.00	+33.3%

Summary

1 The upward pricing revision was one of the factors which led to net sales growing +26.1% YoY and operating profit +106.4% YoY, significantly exceeding the previous year's growth rates.

2 This increased revenue and profit led to a dividend per share increase of +10 yen to 40 yen per share.

Next, here is the expenditure breakdown.

Detailed Consolidated Financial Results

Consolidated PL (Unit: Million JPY)	Fiscal year ended December 31, 2024 (Actuals)	Fiscal year ended December 31, 2025 (Actuals)	YoY	
Net sales	29,675	37,430	+7,755	+26.1%
Cost of sales	2,940	3,736	+796	+27.1%
Labor costs	9,389	9,826	+436	+4.6%
Advertising expenses	5,618	6,370	+751	+13.4%
R&D expenses	1,228	1,491	+263	+21.5%
Others	5,605	5,904	+299	+5.3%
Operating profit	4,892	10,101	+5,208	+106.4%

Summary

1 Cost of sales increased due to increased operating expenses, etc., for cloud services and additional operating expenses, etc., for our pro basketball team

2 Labor costs increase was limited as there was no major change in staff numbers

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

Starting from the top, we have cost of sales. This mainly covers hardware and related costs incurred in delivering cloud services, and it increased 27% YoY, which is a significant increase. However, this is not solely due to Cybozu's data center costs; it also includes the operating expenses of the Ehime Orange Vikings, the professional basketball team we made a subsidiary last year. Those costs contributed to the larger increase in cost of sales.

Below that is labor costs, which actually did not increase much. I will show you a graph later, but because we moderated our hiring somewhat, the increase in labor costs was limited to an increase of 4.6%.

Next is R&D expenses, which increased 21%. We need to invest in developing the new products with a global focus that can follow on from Kintone, so we are putting more resources into R&D.

Financials

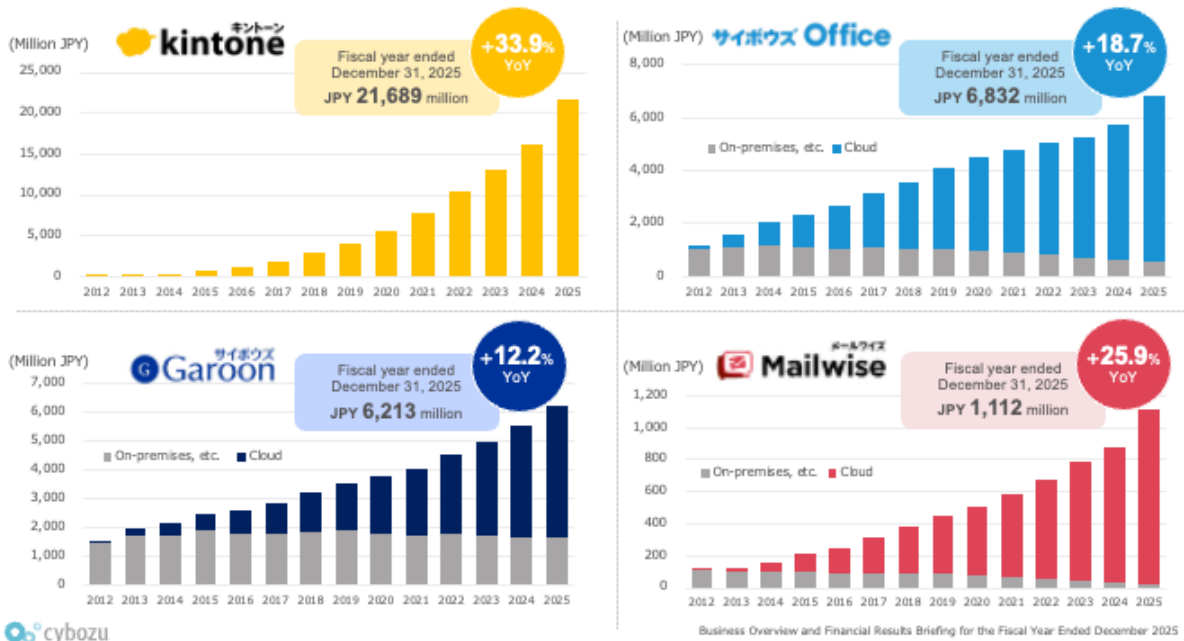
Consolidated BS (Unit: Million JPY)	Fiscal year ended December 31, 2024 (Actuals)	Fiscal year ended December 31, 2025 (Actuals)	YoY
Assets	21,087	30,140	+9,052
- Cash & deposits	5,589	11,694	+6,104
Liabilities	9,454	12,324	+2,870
Net assets	11,633	17,815	+6,181
- Retained earnings	8,709	14,404	+5,695
- Treasury stock	-4,275	-4,251	+24
Shareholder equity ratio	55.2%	59.1%	+3.9%
Net assets per share	JPY 251.69	JPY 385.13	+JPY 133.44

Summary

1 Profits increased partly due to the upward price revision, resulting in significant increases in cash & deposits and retained earnings compared to the previous year

Next is our financial position. The increase in profit led to a significant growth in cash and deposits on hand, which is a notable feature this year. Accordingly, retained earnings also increased substantially.

Consolidated Sales by Product



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This shows sales by product. Due to the revised pricing, sales growth for each product is somewhat higher than in typical years. Kintone, Cybozu Office, and Mailwise saw particularly large increases. Garoon, on the other hand, did not undergo a significant price change, so its growth rate remained at the usual level.

Next, here are the SaaS management metrics for cloud services. Our major concern was whether the upward price revision would cause the churn rate to rise. However, the Gross Revenue Churn Rate, the standard measure of churn, remained below 1%. Despite the revised pricing, the churn rate did not increase significantly, which is a welcome result for us.

SaaS Management Indicators by Product

The ARPA of all products has increased overall due in part to the November 2024 upward price revision. For Kintone, we are promoting company-wide usage expansion for existing customers and aim to continuously improve ARPA.

Product	MRR ⁽¹⁾ (As at end of December 2025) (Unit: Million JPY)	ARR ⁽²⁾ (MRR×12) (Unit: Million JPY)	ARR Growth Rate ⁽³⁾	Subscription Sales Percentage ⁽⁴⁾	Gross Revenue Churn Rate ⁽⁵⁾	Net Revenue Retention ⁽⁶⁾	ARPA ⁽⁷⁾ (Monthly) (Unit: JPY)
Kintone	1,876.9	22,523	23.3%	100.0%	0.92%	121.9%	47,100
Garoon	399.7	4,796	13.6%	74.8%	0.39%	107.4%	139,000
Cybozu Office	543.3	6,520	9.8%	92.8%	0.58%	114.7%	21,400
Mailwise	99.4	1,193	20.5%	99.6%	0.83%	116.7%	10,500

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

* Figures are as of December 2025.

(1) MRR: Monthly Recurring Revenue

(2) ARR: Annual Recurring Revenue (calculated as MRR multiplied by 12)

(3) ARR Growth Rate: YoY ARR growth.

(4) Subscription sales percentage: Calculated by dividing MRR by total monthly revenue (including packaged software 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).

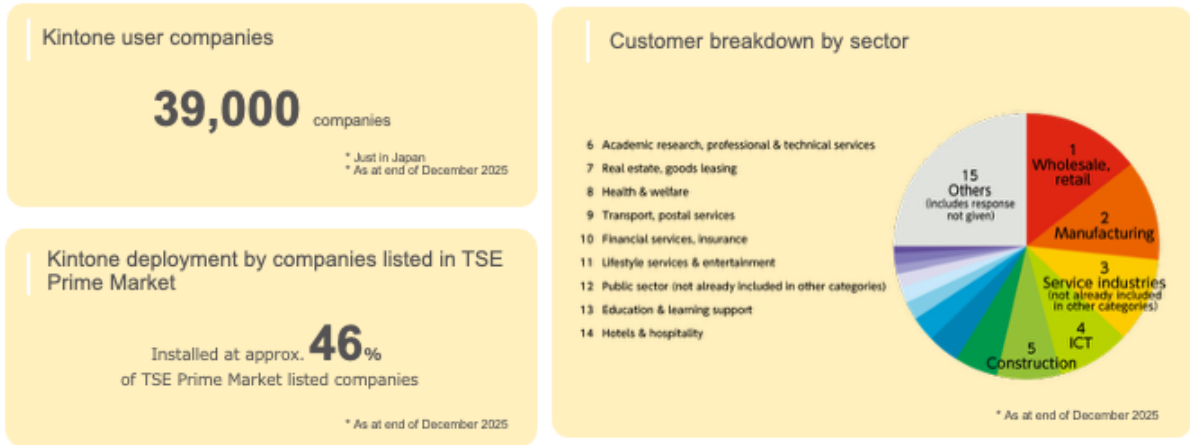
(6) Net Revenue Retention: Annual net revenue retention rate calculated by dividing the current month's MRR from subdomains that were active one year ago by their total MRR one year ago (12-month moving average).

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

In addition, the upwardly revised pricing has led to an increase in ARPA, the average revenue per subdomain or per account.

Snapshot of Kintone Deployment in Japan

The number of companies subscribing to Kintone in Japan exceeded 39,000 as of December 2025. The percentage of TSE Prime Section companies that have installed Kintone also increased from the previous year to around 46%.



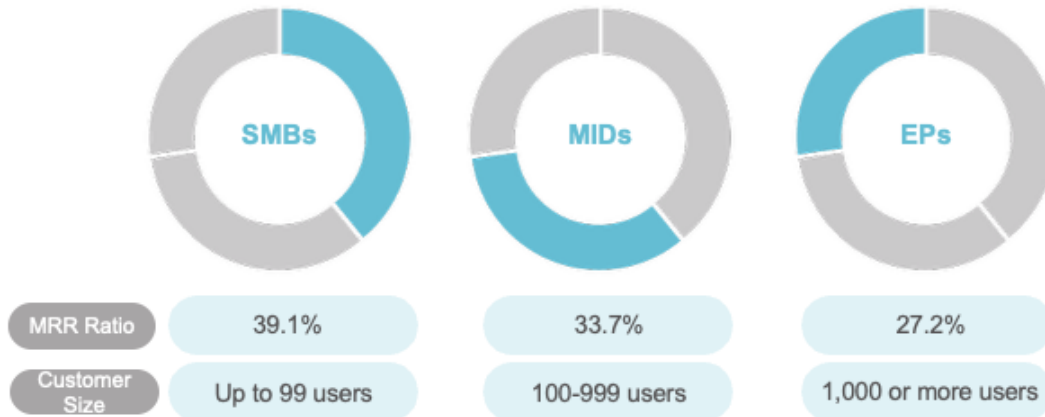
Next is the status of domestic Kintone deployments. The number of companies currently signed up to Kintone license plans has grown to 39,000 companies. With the upwardly revised pricing it has become tougher for smaller businesses to sign up for the product, so we expect the pace of customer count growth to slow going forward.

The adoption rate among companies listed in the Prime Market on the Tokyo Stock Exchange (TSE) has also risen to 46%. Roughly speaking, nearly every second TSE Prime Market listed company has at least one department using Kintone. That is where we stand today.

Another characteristic of Kintone is that it is used across all industries, business types, and job functions. This broad applicability is a defining feature of our service.

Kintone MRR Percentage by Customer Size

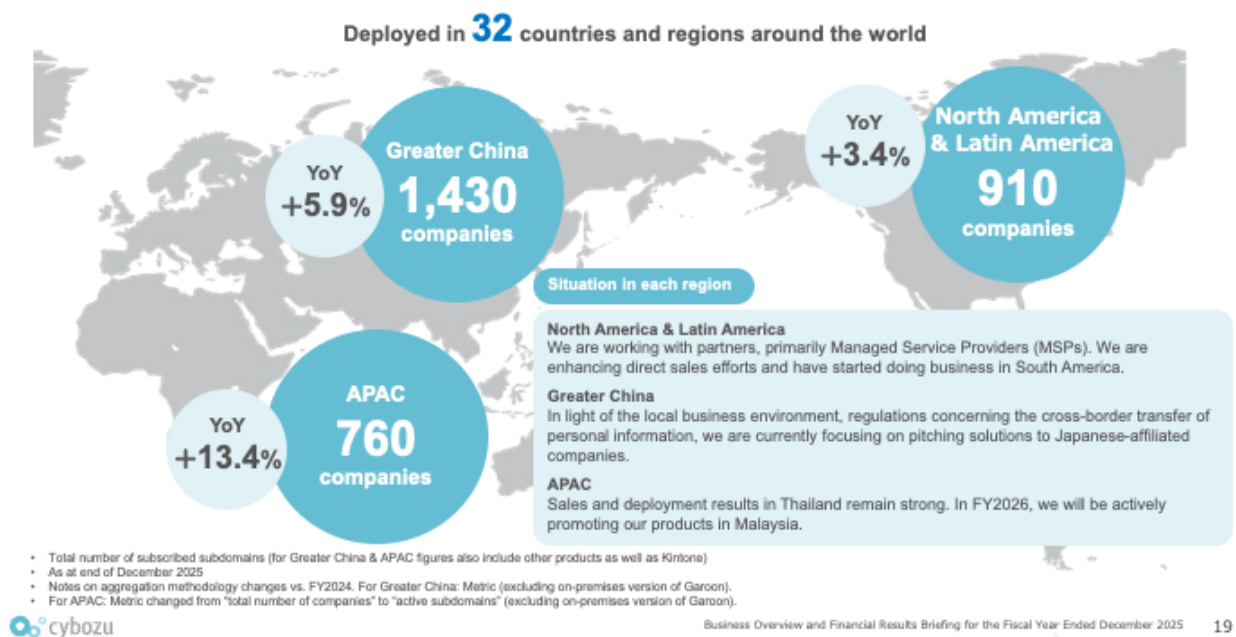
The sales mix is well-balanced across all customer segments, ensuring our revenue base is not overly dependent on any single segment. In future, we will continue to strive to acquire new SMBs while also increasing our share of EP and MID corporates taking the dual approach of developing new business and promoting company-wide deployment within customer organizations.



Next, this is a set of figures we are sharing for the first time. We have broken down the sales from domestic Kintone customer companies into three segments by size: small and medium-sized businesses, mid-market companies, and large enterprises, labeled SMBs, MIDs, and EPs respectively. This graph shows that breakdown.

Roughly speaking, we divided customers by employee count (100 and 1,000 employee thresholds) to calculate these sales percentages. Contrary to the perception that Kintone is primarily used by SMBs, as you can see from this breakdown, sales are actually fairly well balanced across all three segments. Going forward, we plan to focus on mid-market (MID) and large enterprise (EP) customers to drive growth of sales in these segments.

Global Deployment Snapshot



Next, the status of our global business. In China and North America, political factors have made the business environment somewhat challenging for foreign software companies like us. Despite this, we continue to push forward, and while progress has been incremental, we are gradually expanding our business.

Our business is organized into three main regions: the Greater China region covering China, Hong Kong, and Taiwan; North America, where we have also recently started business in Latin America with support from our North American operations; and APAC, which covers Southeast Asia and Australia. And we manage our global activities across these three regions.

Currently, the APAC region is performing relatively well. In Southeast Asia, particularly in Thailand and Taiwan, we are sustaining the growth we had hoped for. Since no Japanese software company has yet achieved significant global success, we are determined not to give up and will continue striving to make Kintone a global platform.

The number of countries where customers have subscribed to Cybozu's Kintone service has now reached 32. This shows that Kintone is gaining traction not only in the United States and China but across a wide range of countries.

Product and Business Topics

01	Promoting Company-wide and Large-scale Deployment	<ul style="list-style-type: none">• Large-scale Kintone deployment user stories• Updated Wide License Plan features• Published Citizen Development Guidelines
02	Diversification of the Purposes for Deploying and Utilizing Kintone	<ul style="list-style-type: none">• Expanded use of Kintone within local governments and efforts to drive digital transformation (DX) in regional areas• Initiatives targeting the global market
03	AI-Related Initiatives	<ul style="list-style-type: none">• AI-related initiatives• AI-related services available in the ecosystem
04	Efforts to Expand the Ecosystem & Enhance Reliability	<ul style="list-style-type: none">• Increased number of partners & integrations & other services offered• Collaboration by Omron and Cybozu to drive DX in manufacturing• U.S. Health Insurance Portability and Accountability Act (HIPAA) compliant



Next, I would like to highlight some key topics from the fiscal year under review. The first is promoting company-wide and large-scale deployments. This refers to our efforts to encourage customers to expand Kintone beyond individual department use to company-wide deployment and large-scale adoption.

We established the Enterprise Business Division to drive company-wide Kintone deployment at large enterprises. Here we have showcased four customer use cases: JX Advanced Metals, Hokuriku Electric Power, Nissan Motor, and the Kagawa Prefectural Government. And as you can see, Kintone is being used across large organizations in a wide variety of industries and sectors.

Promoting Company-wide and Large-scale Deployment

Kintone Company-wide and Large-scale Deployment User Stories

Large-scale Kintone deployments (for both the Wide License Plan and the Standard Plan) in organizations with more than 1,000 users are on the increase. Utilization of Kintone at scale allows organizations to further accelerate uplift of operational efficiency while enabling seamless information sharing.

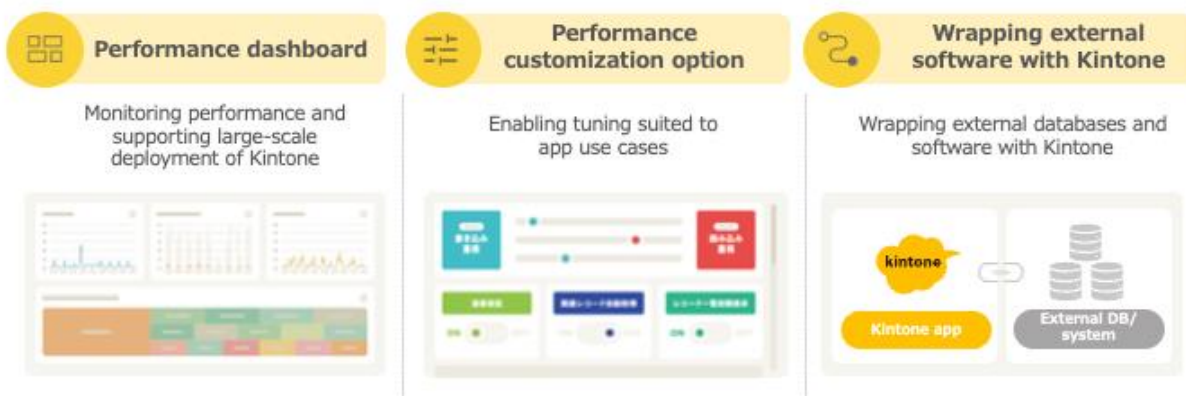


Wd.: Kintone Wide Plan
Std.: Kintone Standard Plan

To highlight one example in particular, JX Advanced Metals uses Kintone as the platform to drive digitalization and digital transformation (DX) across their entire group, with approximately 4,000 people using Kintone for various business operations. The number of apps that customers are running on the platform has also been growing steadily. So to accommodate their need for more than the Standard License Plan's 1,000-app limit, they have signed up to our newly created Wide License Plan, which supports up to 3,000 apps.

Wide Plan Feature Updates

We have expanded the features available under the Wide License Plan to further promote large-scale use of Kintone. The updates drive Kintone's competitiveness as a platform by delivering both operational flexibility and high performance for requirements unique to large-scale use.



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

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The Wide License Plan is designed specifically for large enterprises with over 1,000 employees who plan to use Kintone on a company-wide basis. It includes many features not available in the Standard License Plan. For example, there is a performance dashboard that lets you monitor performance when a particular application feels slow, so you can identify the issue and make improvements to maintain performance.

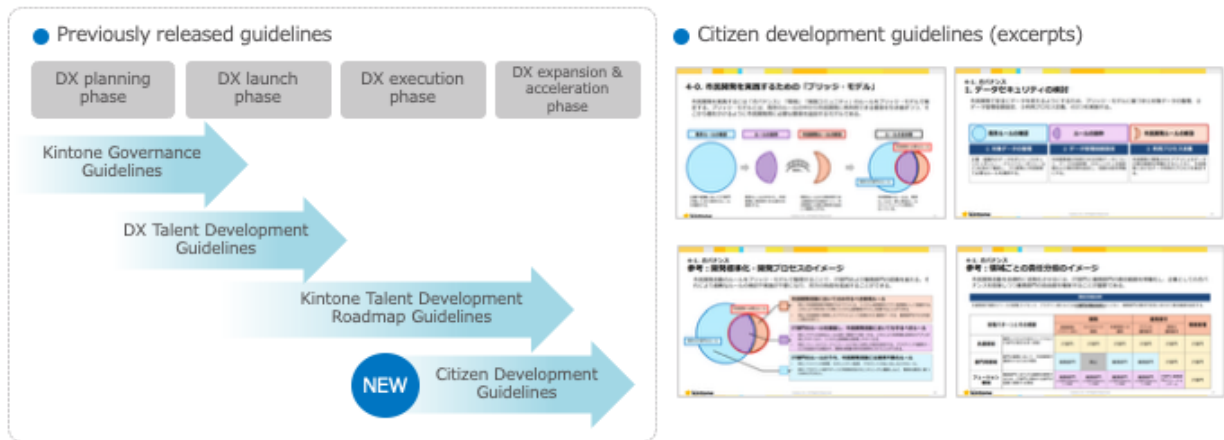
There is also a performance customization option. For instance, when everyone writes to the system simultaneously the load is concentrated in specific areas. This option allows you to tune the system according to the usage pattern, delivering better performance than the standard version of Kintone.

Another example of the kinds of features included in the Wide License Plan is that it also supports external system integration. Instead of using only the Kintone internal databases, you can reference master data from the existing core systems that the entire company needs to access. This enables Kintone to serve as the frontend for company-wide systems.

I believe these are exactly the kinds of needs that people managing enterprise-wide systems at large companies can relate to. And, we continue to add more features like these to the Wide License Plan.

Published Citizen Development Guidelines

We released the Citizen Development Guidelines available free of charge aimed at DX enablement leads and the IT leadership team at large enterprises. The guidelines explain the key points necessary to plan, launch, and operate citizen development initiatives to promote DX.



Next, if Kintone is to be deployed company-wide at large enterprises, people on the front line also need to take part in development. Recently, this concept has come to be described as "citizen development." In other words, it is where non-IT department frontline staff actively participate in driving DX activities.

However, as the know-how for how to make citizen development work had not yet been clearly documented, together with our customers, we co-created guidelines on how to do it successfully. We divided the process into phases, namely the planning, launch, execution, and expansion phases, and wrote guidelines that highlight the key points for each phase so that non-IT department frontline staff can participate in citizen development. We publish these guidelines free of charge, and we will continue using them to promote deployment in large organizations.

Product and Business Topics

01	Promoting Company-wide and Large-scale Deployment	<ul style="list-style-type: none"> Large-scale Kintone deployment user stories Updated Wide License Plan features Published Citizen Development Guidelines
02	Diversification of the Purposes for Deploying and Utilizing Kintone	<ul style="list-style-type: none"> Expanded use of Kintone within local governments and efforts to drive digital transformation (DX) in regional areas Initiatives targeting the global market
03	AI-Related Initiatives	<ul style="list-style-type: none"> AI-related initiatives AI-related services available in the ecosystem
04	Efforts to Expand the Ecosystem & Enhance Reliability	<ul style="list-style-type: none"> Increased number of partners & integrations & other services offered Collaboration by Omron and Cybozu to drive DX in manufacturing U.S. Health Insurance Portability and Accountability Act (HIPAA) compliant



Next, I will discuss support for Kintone deployment and adoption.

Diversification of the Purposes for Deploying and Utilizing Kintone

Increasing Kintone Use by Local Governments

The number of local governments using Kintone broke the 460 mark. The municipalities user base increased by approx. 80 on the previous year. We have signed comprehensive cooperation agreements with Shimotsuma City, North of Tokyo, for the purpose of promoting DX within their local government, and with Matsuyama City, on the island of Shikoku, for the purpose of regional revitalization and community development. Going forward, we will also redouble our efforts to drive region-wide DX.



One area I would like to highlight is our work with local governments. Cybozu is now in its 29th year, but historically, we had very limited adoption among municipalities. In 2019, prior to COVID, only around 30 local governments had adopted Kintone. However, the pandemic prompted recognition that a cloud-based platform that allows systems to be rapidly built and

tweaked on the fly was essential, and since then adoption by local governments has increased in leaps and bounds.

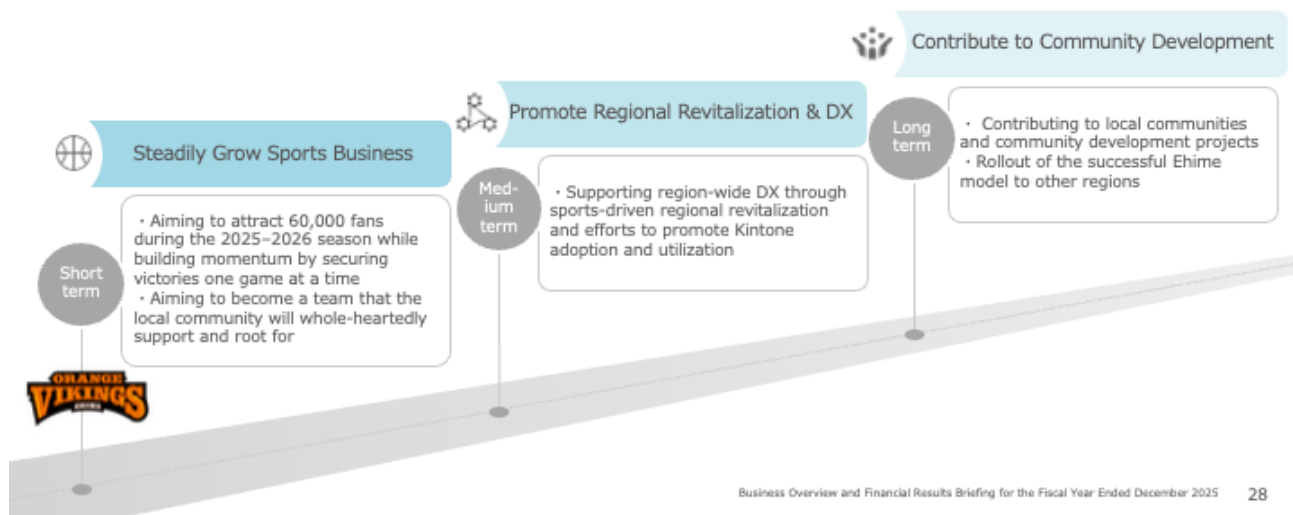
Earlier, I mentioned the organization-wide deployment of Kintone at the Kagawa Prefectural Government, but we are also seeing increased take up at local governments too, such as Shimotsuma City (North of Tokyo) and Matsuyama City (on the island of Shikoku). In addition, we have signed comprehensive cooperation agreements with several municipalities and begun broader initiatives to comprehensively support their DX efforts.

There are approximately 1,500 local governments in Japan, and given the number of local governments that have adopted Kintone has now reached 460, that means that roughly one in three have started using Kintone.

Diversification of the Purposes for Deploying and Utilizing Kintone

Initiatives to Drive DX in Regional Areas

In the short term, we aim to achieve solid growth in the sports business, and in the medium to long term, to promote regional revitalization and DX. Ultimately, our goal is to contribute to community development. On the topic of construction of a stadium for the team, we will proceed with discussions openly in collaboration with local governments and companies.



Next, we explored what more we could do for regional DX, and last year we took on a new challenge: getting directly involved in managing a regional sports team to see if that could further accelerate DX in local communities.

Specifically, in June of last year, we made Ehime Sports Entertainment, the operator of the Ehime Orange Vikings professional basketball team, a subsidiary. We are working to strengthen the team while engaging local residents and businesses to create a broader momentum for DX across the region.

We still have much to learn, and we are finding our way as we manage a professional sports entertainment business. That said, the Ehime Orange Vikings, who had a very difficult season last year with a record of 5 wins to 55 losses, currently stand at 26 wins to 14 losses, and are


now in second place in the Western Division. We are applying our teamwork methodologies while steadily executing on a DX of the team's operations, using Kintone to run the organization more efficiently, and we hope to contribute to regional DX through these efforts.

Diversification of the Purposes for Deploying and Utilizing Kintone


Initiatives Targeting the Global Market

In September 2025, we held a live event, Kintone Days Global 2025, in four Asian cities: Bangkok, Shenzhen, Shanghai, and Taipei, introducing Cybozu's future AI solutions and applications that Cybozu is working on. From February 2026, we launched an advertising campaign in Malaysia focused on CRM operational efficiency across multiple media including outdoor advertising, radio, and social media.

- **Kintone Days Global 2025**
This event was held in four Asian cities, with a total of over 1,000 attendees. In Taipei, we also held a lecture by Audrey Tan x President Aono.



- **Advertising Campaign in Malaysia**
Ads focused on Kintone creating a stress-free working style for local businesspeople who struggle with complicated data management and checking project progress.



"Goodbye, work stress. Hello, Kintone!"



Next, allow me to talk about our global initiatives. To accelerate our global expansion in APAC and Greater China, we held an event called Kintone Days Global in four cities last September. Namely, Bangkok, Shenzhen, Shanghai, and Taipei. More than 1,000 customers attended in total. Audrey Tang also joined us at the Taipei event, and it was a great success. This year as well, we will continue working hard to expand across Greater China and the rest of Asia.

As a new initiative, we have decided to focus more on Malaysia and begin investing in promotional activities there this year. Specifically, we produced a series of video ads including "Hello, Kintone!" and have begun distributing the ads. We are also placing poster ads in multiple locations around Kuala Lumpur, including outdoor billboards and other transit-related advertising, to rapidly boost Kintone's brand awareness in Malaysia. We are testing whether this will lead to business growth, and this push is starting this year.

Product and Business Topics

01	Promoting Company-wide and Large-scale Deployment	<ul style="list-style-type: none"> Large-scale Kintone deployment user stories Updated Wide License Plan features Published Citizen Development Guidelines
02	Diversification of the Purposes for Deploying and Utilizing Kintone	<ul style="list-style-type: none"> Expanded use of Kintone within local governments and efforts to drive digital transformation (DX) in regional areas Initiatives targeting the global market
03	AI-Related Initiatives	<ul style="list-style-type: none"> AI-related initiatives AI-related services available in the ecosystem
04	Efforts to Expand the Ecosystem & Enhance Reliability	<ul style="list-style-type: none"> Increased number of partners & integrations & other services offered Collaboration by Omron and Cybozu to drive DX in manufacturing U.S. Health Insurance Portability and Accountability Act (HIPAA) compliant

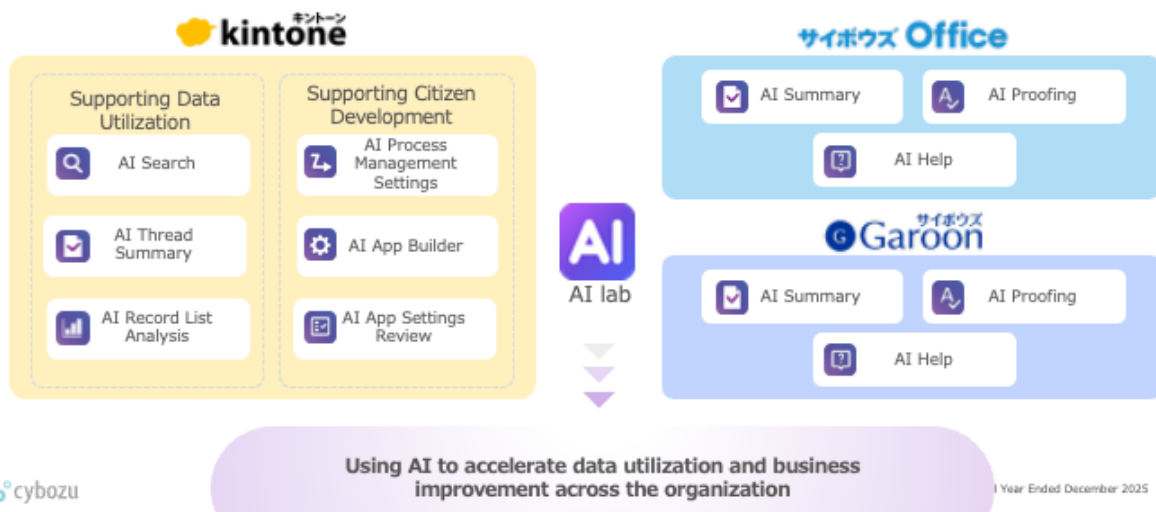


Next, I will introduce our AI initiatives.

AI-related Initiatives

AI-related Initiatives

AI features have been implemented as beta versions not only in Kintone, but also in Cybozu Office and Garoon. In particular, Kintone, as a platform where internal data is aggregated, demonstrates strong compatibility with AI. In addition to incorporating AI features into products, integration with external generative AI accelerates data utilization and business improvement across the organization.



Generative AI technology is evolving very quickly, so we are rapidly incorporating these technologies into our products. Specifically, since Kintone is a database, we are developing intelligent AI features using the data stored in Kintone as training data, such as AI for search, AI for summarization, and AI for record analysis. In short, we are developing AI features to help users better leverage the data assets they have built up.

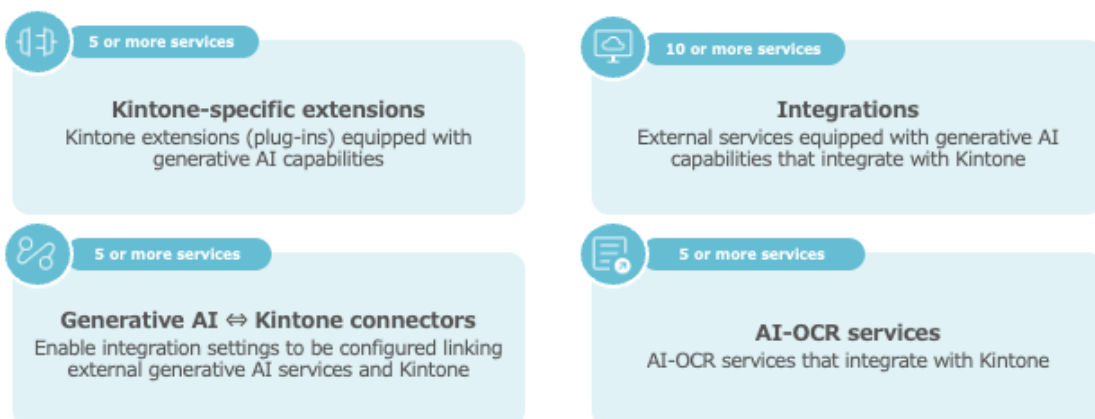
Another area involves Kintone's core strength as a no-code platform. In addition to no-code and low-code development, we are now adding AI-powered development, where users can build applications on Kintone simply by conversing with AI, without even needing to drag and drop. Beyond app creation, AI can now assist with tasks such as configuring process management settings, which can be quite labor-intensive when done manually.

AI features are also being steadily added to our existing group application products such as Cybozu Office and Garoon. These include features that summarize bulletin board posts, proofread text as users are writing, and an AI-powered help feature that lets users ask the AI how to use the software through a conversational interface. We will continue incorporating AI features and make our groupware even easier to use.

AI-related Initiatives

AI-related Services Available in the Ecosystem

There are also an increasing number of AI-related services available in the Kintone ecosystem. There is an expanding and enhanced range of Kintone-specific extensions, as well as connectors that seamlessly link external generative AI services with Kintone, broadening the scope of Kintone use cases.



With Kintone, however, we are not stopping there. We are also engaging our partner ecosystem to deliver AI capabilities. Many external partners have already released AI features that integrate with Kintone.

Let me cite a few examples. Some companies have created consulting services where AI helps with business improvement, starting from the upstream question of how to optimize their business processes, and from there, the service can flow naturally into downstream implementation, including what kind of apps to build on Kintone and how to customize them.

Other examples include extensions that use data stored in Kintone to generate proposals or create images by integrating with external services. Or say in the case of a sales representative who visits a client for a meeting. The meeting content, captured as audio data, is processed

through AI and registered in Kintone as a sales call report. Writing meeting reports by hand is time-consuming, so this part is delegated to external AI to handle and automatically register in Kintone.

Services are also available that use AI-powered OCR to automatically convert analog information, such as fax documents, and PDF files, into structured data and automatically register it in Kintone. We will continue to support the flourishing AI-related business opportunities around the Kintone ecosystem.

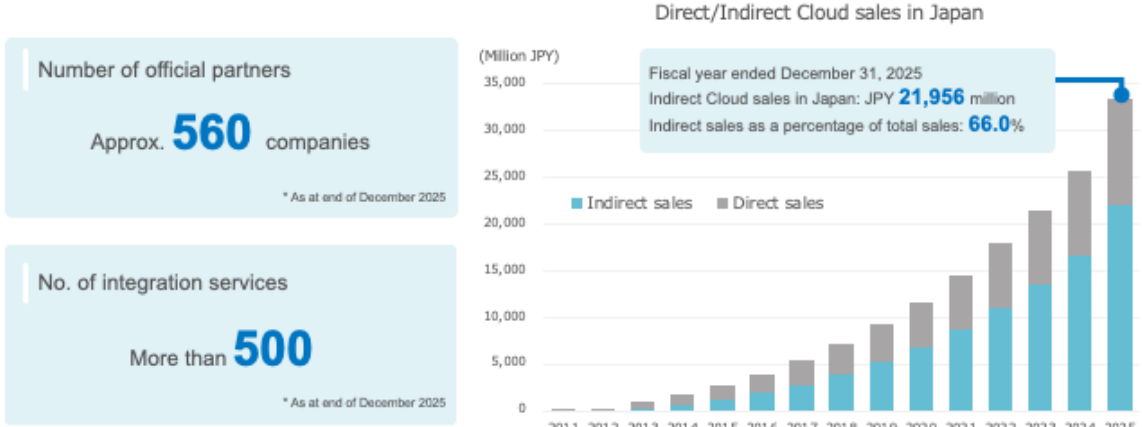
Product and Business Topics

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Next, I would like to introduce several initiatives related to expanding our ecosystem.

Increase in Partners and Integrated Services

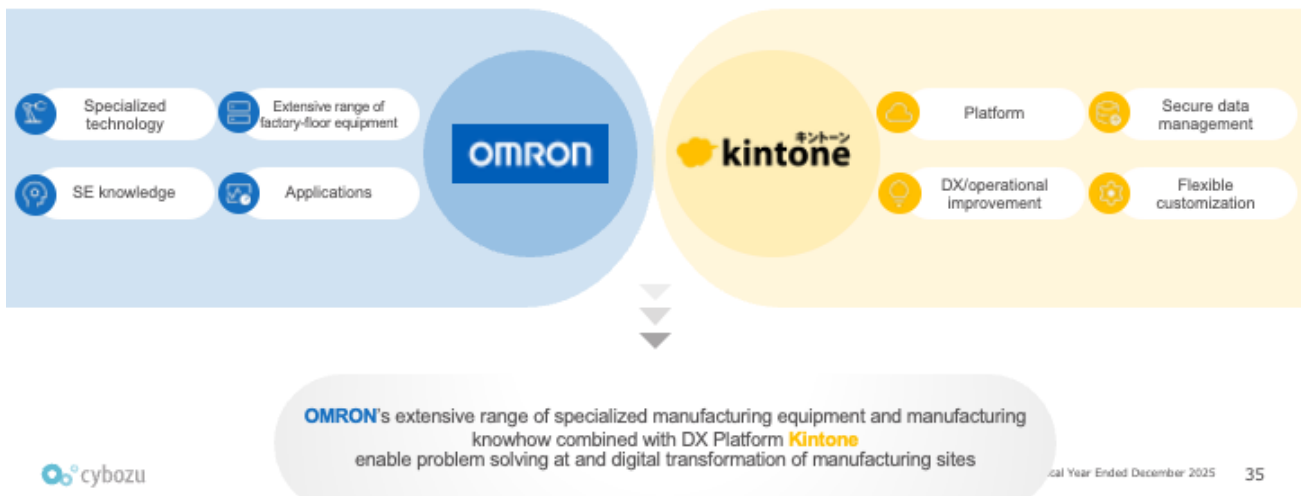
The partner business continues to expand every year, with the number of our official partners reaching 560 companies and the number of integrations surpassing 500 services. Partner-generated sales were JPY 21,956 million (up 32.4% YoY), accounting for 66.0% of total sales.



First, here are the overall figures. The number of official partners has outstripped the 500 mark and now stands at 560. The number of integrated services has also grown to 500. Partners now account for 66%, or two-thirds, of Kintone's sales in Japan.

OMRON & Cybozu Collaboration to Drive DX in Manufacturing

OMRON Corporation (OMRON) became our official partner and together we have begun supporting DX in manufacturing industries. The aim of this collaboration is to combine OMRON's extensive manufacturing expertise with Kintone, to solve challenges experienced by users, such as OMRON's equipment customer base, at all kinds of manufacturing sites in both Japan and overseas.



One partner initiative I would like to highlight this year is our collaboration with OMRON. As many of you know, OMRON is a global company that offers an extensive range of services and has a wealth of expertise in factory automation for the manufacturing industry. This collaboration combines OMRON's services with Kintone, bringing quantitative production data from factories together with qualitative data (such as daily reports) managed in Kintone, to drive manufacturing process improvements.

OMRON is a global enterprise, so we hope to build a strong track record through this partnership and expand Kintone's services from Japanese factories to factories around the world.

Efforts to Expand the Ecosystem & Enhance Reliability

U.S. Health Insurance Portability and Accountability Act (HIPAA) Compliant

In FY2025, the Kintone cloud service available to overseas customers achieved compliance with the U.S. Health Insurance Portability and Accountability Act (HIPAA*). Moving forward, we will continue to redouble our efforts to acquire security certifications.

U.S. Health Insurance Portability and Accountability Act (HIPAA) Compliant
With HIPAA compliance, U.S. customers can handle patient medical information protected under HIPAA on Kintone by concluding a Business Associate Agreement with Cybozu's U.S. subsidiary, Kintone Corporation.
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 in the ISMAP-certified Cloud service directory since September 2021, and that registration is renewed on an ongoing basis.
Acquired Information Security Management System (ISMS) Certification
<ul style="list-style-type: none"> • <u>ISO/IEC 27001:2022</u> 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 • <u>ISO/IEC 27017</u> 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

* HIPAA: Health Insurance Portability and Accountability Act of 1996. A U.S. federal law enacted in 1996 that establishes rules governing the handling of patient medical information to protect privacy and ensure security.



Next, we achieved compliance with HIPAA, the U.S. Health Insurance Portability and Accountability Act, which governs protection of patient medical information. In today's global cloud services market, obtaining region-specific certifications like this is essential for doing business in those markets.

In the United States, HIPAA is an especially important requirement, and most major cloud services support it as a matter of course. Kintone Corporation, meaning Cybozu's service for the U.S. market, has now obtained this certification.

Going forward, we expect to need to comply with various certifications in different regions, and we are building the organizational framework to support that.

Corporate Topics

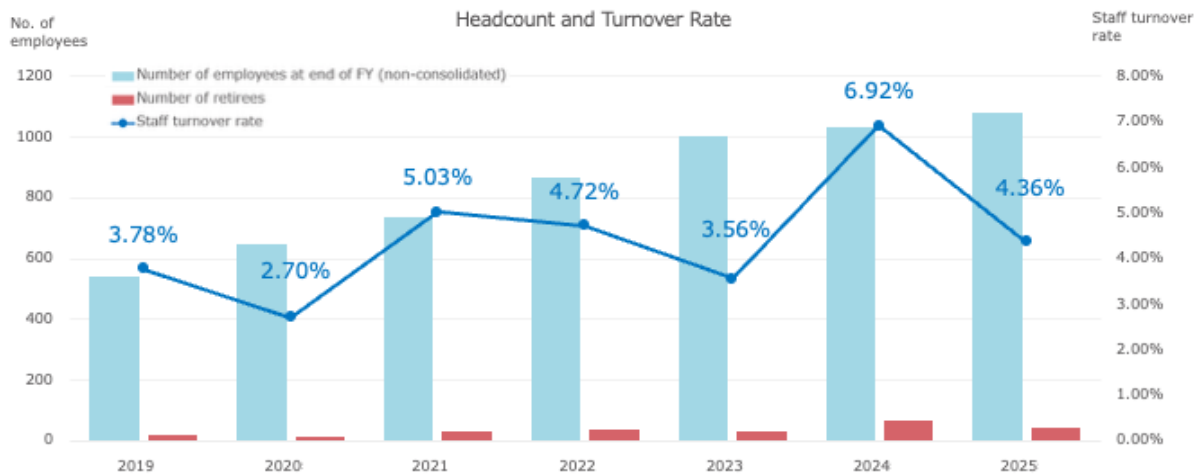
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04	ESG Initiatives & External Evaluation <ul style="list-style-type: none"> • Disclosure of Material Issues Cybozu is Tackling • External Evaluation

Next, I would like to introduce several topics on the corporate side as well.

Disclosure of Human Capital Information

Headcount and Staff Turnover Rate

The number of employees (non-consolidated, open-ended contract employees) increased by 51 people to 1,082 and the staff turnover rate in FY2025 was 4.36%, down 2.56 percentage points from the previous year. Thus, the increase in headcount was limited with no significant change in personnel.

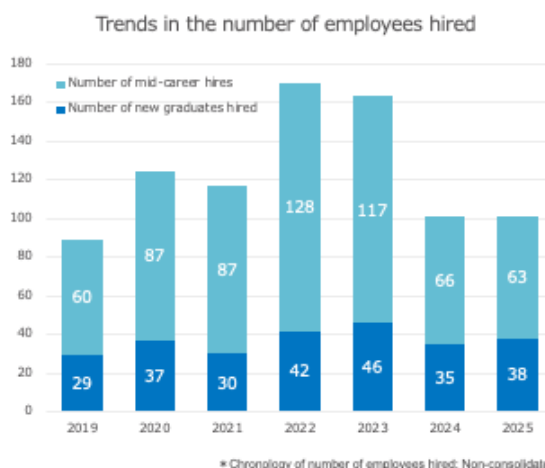
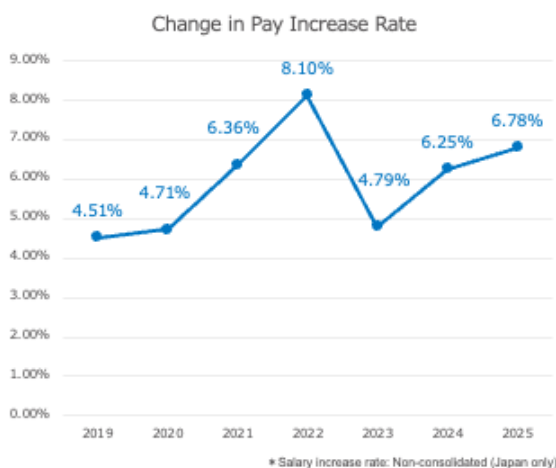


Starting with human capital information, specifically the trend in employee numbers over time. The bar graph shows the number of employees and departures, while the line graph shows the staff turnover rate.

Looking back from around 2019, we felt strong tailwinds in the business environment during the COVID-19 era, so we actively hired new employees. From 2020 through 2023, we significantly increased hiring. This made management more challenging, so we decided to pause and solidify our foundation. In fiscal years 2024 and 2025, we moderated our hiring and undertook reviews of our HR systems. The turnover rate temporarily rose in 2024, but in 2025 it returned to the usual level of just under 5%. That is the current state of our workforce.

Other Human Capital Data

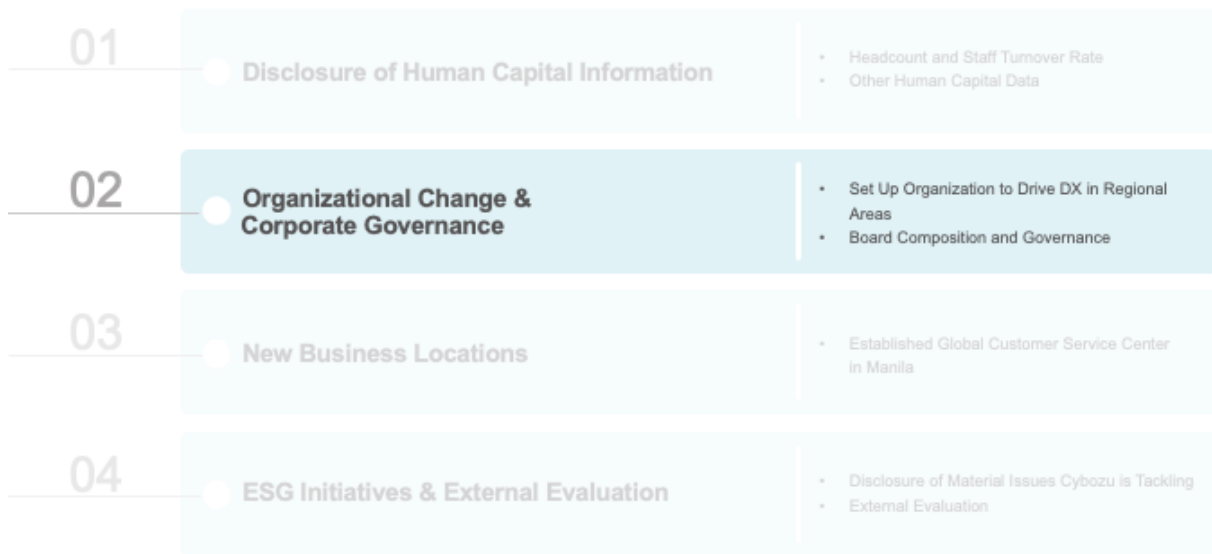
Salaries increased by 6.78% in the fiscal year under review, an increase of 0.53 percentage points on the previous year. A total of 101 employees were hired, 38 new graduate hires and 63 mid-career hires. In addition, Cybozu announced an increase in the starting salary of new graduates joining in 2027 to over 400,000 yen per month as an investment in human resources to accelerate achievement of our medium- to long-term business strategy.



This slide shows our salary increase rate and number of new hires. Our salary increase rate has been trending slightly above the average for Japanese companies. On the right is the number of new hires. We had been increasing hiring significantly since 2020, but pulled back somewhat in 2024 and 2025.

The question is what to do going forward. As I have shown today, our profit margins have improved considerably. The business environment is also changing significantly with developments such as AI, so we believe now is the time to shift to an offensive strategy. We plan to increase hiring again and take on new challenges. As part of our efforts to enhance our talent recruitment ability, we have decided to raise the starting salary for new graduates to over 400,000 yen per month beginning next fiscal year, and we will work to expand our hiring.

Corporate Topics



Next, let me turn to our organizational structure.

Organizational Change and Corporate Governance

Establishment of an Organization to Promote Regional DX

We set up a new organization, the Teamwork City Office, in July 2025. The aim of the Teamwork City Office is to realize "cities brimming with teamwork" where communities leverage IT to promote information sharing and dialogue, proactively solving social issues. In addition, the power of professional sports teams to unite the community into one team is highly compatible with Cybozu's vision, combining to promote regional revitalization.









The overall organization has not changed much, but following the addition of the Ehime Orange Vikings as a subsidiary, we decided to create a dedicated unit to advance DX in local communities. As a result, we established the Teamwork City Office, which we also refer to internally as the TeamCity Office, and this office supports the activities of the Ehime Orange Vikings. That is the biggest organizational change this time.

Board Composition and Governance

We are committed to thorough information sharing of management meetings and Board of Directors meeting minutes, maintaining and strengthening governance across the organization. In addition, all current internal directors are scheduled to be reappointed, and with our revamp of the We are All Board Members (Mintori)* initiative we aim to ensure this program also continues to operate stably.

* Will be submitted to the 29th Annual Shareholders Meeting in March 2025

Outside Directors (Candidates for FY2026*)	Other Directors (Candidates for FY2026*)
 <p>Mika Kumahira Reappointment Dean, Showa Women's University, Career College for the Advancement of Diversity Representative Director, 21st Century Learning Institute, Inc.</p>	 <p>Yoshihisa Aono Reappointment Representative Director and President</p>  <p>Riku Okada Reappointment Human Resources Division</p>
 <p>Mari Yoshida Reappointment Associate Professor, Graduate School of Business Administration, Kobe University</p>	 <p>Tomoya Taoka Reappointment Corporate Affairs Division</p>  <p>Emiko Nagaoka Reappointment Marketing Division</p>

What is We are All Board Members (Mintori) ?

Mintori is a system designed to check the governance status of our Culture (Action Guidelines). 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 the Mintori app once a year.

Turning to our Board of Directors, the board structure currently consists of six directors. At Cybozu, the primary role of directors is to protect and enhance our corporate culture. To that end, we have invited two experts onto the board to serve as Outside Directors, one is a specialist in organizations and communication, and the other in organizational culture.

We also value diversity amongst the directors selected internally. We try to bring together a diverse group of people on the board by encouraging members who want to serve to nominate themselves, we also accept director nominations from other members. The board currently operates with these four internal directors.

Mr. Okada and Mr. Taoka are both in their twenties. We want to include their youthful perspectives in our board discussions as we strive to maintain and enhance Cybozu's culture. Our plan is for all six current directors to continue serving in the next fiscal year as well.

Corporate Topics

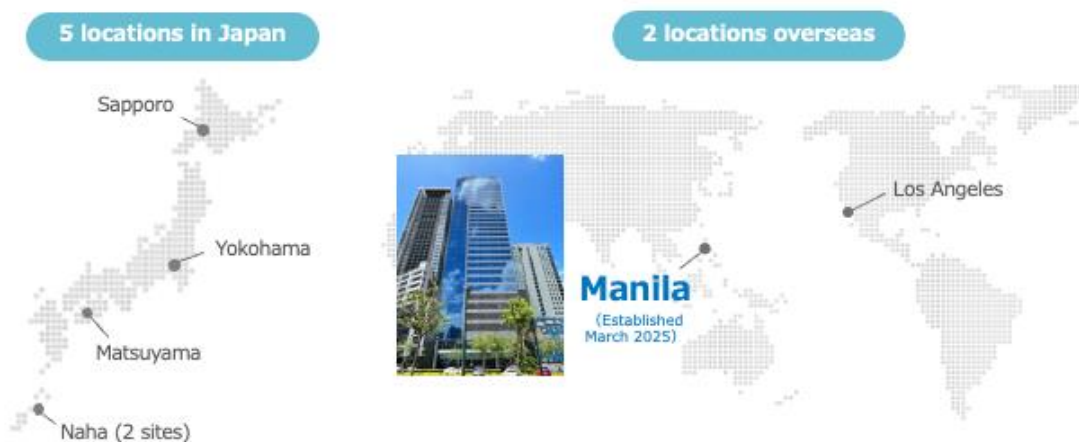
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Next, let me introduce the locations where we operate.

New Business Locations

Established Global Customer Service Center in Manila

We established the Global Customer Center in Manila, in the Philippines, and have commenced customer center operations there servicing Kintone users in the Asia-Oceania region. Our aim is to build this into a customer center that contributes to user acquisition for global business expansion.



We established a new customer center in Manila, in the Philippines, to handle customer inquiries. Previously, we had these five locations in Japan, and our only overseas center was in Los Angeles, which posed some risk. Adding Manila alongside Los Angeles strengthens our support structure and ensures uninterrupted customer service even in the event of a major disaster.

Corporate Topics










01	<ul style="list-style-type: none"> Disclosure of Human Capital Information 	<ul style="list-style-type: none"> Headcount and Staff Turnover Rate Other Human Capital Data
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Turning now to some of our ESG-related initiatives.

ESG Initiatives & External Evaluation

Disclosure of Material Issues Cybozu is Tackling

We have identified the material issues (important tasks) we see as vital to achieving our company vision and published them on our website. Going forward, we plan to instill awareness of these material issues within the company while also setting targets and KPIs for each of these key challenges.

<p>Social</p> <p>Providing reliable cloud infrastructure</p> <ul style="list-style-type: none"> Operating highly energy efficient data centers Ensuring data privacy and security   <p>* Excerpt</p>	<p>Social</p> <p>Promoting DX to create a society that respects diverse values</p> <ul style="list-style-type: none"> Providing information sharing platforms in the event of a disaster Supporting educational institutions Supporting employment of pens with disabilities    <p>* Excerpt</p>
<p>Governance</p> <p>Establishing a highly transparent management foundation through information disclosure</p> <ul style="list-style-type: none"> Maintaining a highly transparent level of information sharing Reflecting oversight and advice from employees in decision-making Internal disclosure of expenditure use  	<p>Environmental</p> <p>Conserving Environmental Resources and Dealing with Climate Change</p> <ul style="list-style-type: none"> Initiatives to reduce GHG emissions Educational activities to raise environmental awareness among employees   

While these are not entirely brand-new initiatives for us, we have defined our material issues in line with ESG principles. These include maintaining a highly reliable cloud infrastructure and pursuing activities that help create a society that respects diverse values. We will continue to work diligently on these priorities. We have set specific goals around these key challenges and are continuing our efforts accordingly.

Highly Rated by 3rd-party Organizations

We received high ratings from several third-party organizations. In Nikkei Computer's Partner Satisfaction Survey, Cybozu ranked first in both the Software/Services that Improve Business Efficiency and Support Insourcing category and in the Cloud Information System Services category.



Next, let me turn to external recognition.

In the recent Nikkei Computer annual Partner Satisfaction Survey results, we ranked number one in two categories: the Software/Services that Improve Business Efficiency and Support Insourcing category and in the Cloud Information System Services category.

In other words, Kintone achieved the top partner satisfaction ranking, and Cybozu Office and Garoon also achieved the top partner satisfaction ranking. We believe this demonstrates that we are providing services that are easy for our partners to build business around and that they are highly satisfied with.

The HDI Rating Benchmark Rating is an evaluation of call centers. We have consistently received very high ratings, and have once again earned the highest rating of three stars, which is what we aim for every year. In 2025, we received this top rating for the fourth consecutive year. And, we will continue to provide caring, quality support moving forward.

FY2026 Forecasts

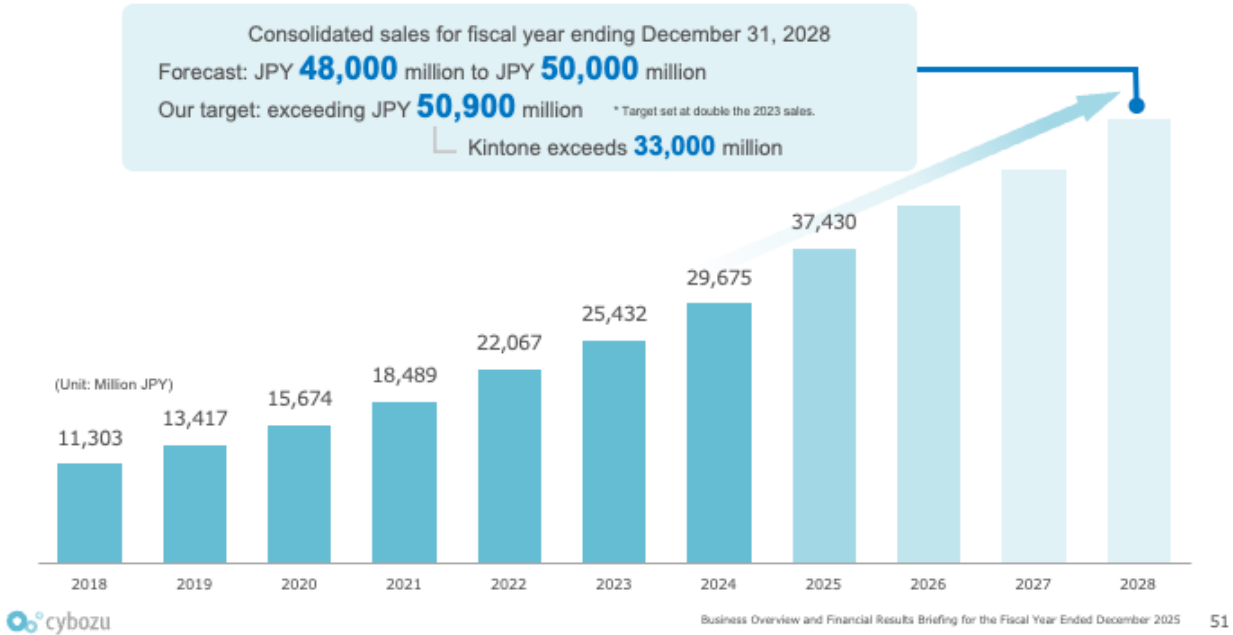
The full-year forecasts for FY2026 are consolidated net sales of JPY 42,168 million and consolidated operating profit of JPY 10,514 million. We will make aggressive investments in the business to maintain a high level of growth in FY2026.

Consolidated Financials (Unit: Million JPY)	Fiscal year ended December 31, 2025 (Actuals)	Fiscal year ended December 31, 2026 (Forecast)	YoY	
Net sales	37,430	42,168	+4,737	+12.7%
Operating profit	10,101	10,514	+412	+4.1%
Ordinary profit	10,325	10,732	+406	+3.9%
Profit attributable to owners of parent	7,081	7,445	+363	+5.1%
Net profit per share	153.17円	160.99円	+7.82円	+5.1%
Dividend per share	40.00円	50.00円	+10.00円	+25.0%

Finally, I will discuss our performance outlook for the current fiscal year and our medium-term sales target.

This is our earnings forecast for the current fiscal year. We project consolidated net sales of 42.1 billion yen, representing a growth rate of approximately 12.7%. As for operating profit, we reported 10.1 billion yen in the previous fiscal year and project 10.5 billion yen for this fiscal year. While the increase may appear modest, we believe that Cybozu, having improved its profit margins, is now in a position to go on the offensive. We will invest in hiring, data center enhancements, advertising, and accelerating global initiatives, as I mentioned earlier, so we are forecasting moderate profit growth.

Medium-term Sales Target



Lastly, let me turn to our medium-term sales target. Thanks to your support, our sales have been growing steadily. We are setting our sights on the three-year period covering fiscal years 2026, 2027, and 2028, during which we plan to take on and pursue many new challenges.

While current trends suggest sales in fiscal year 2028 of somewhere between 48 and 50 billion yen, we want to push it a bit further, so we have set an internal target of 50.9 billion yen, which would mean a doubling of our 2023 sales within five years (from 2023 to 2028). We are committed to driving growth and pursuing new challenges to achieve this goal.

Medium-term Focused Activities

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

Drive R&D with the aim of making an announcement by the end of FY2026

So what will we do to get there? The main pillar is company-wide and large-scale deployment. Many customers are still using Kintone in only one department. We will strengthen our marketing, sales, and support activities to drive company-wide and large-scale adoption.

The second pillar is product evolution. With the rapid advancement of technologies such as generative AI, our vision is to evolve into a single information-sharing platform where a greater diversity of people can handle a greater diversity of information. We will focus our investments in development and operations to make this happen.

The third pillar is global expansion. We will, of course, continue our efforts to expand Kintone adoption globally, but in addition, we also aim to develop the next product after Kintone that can compete on the world stage, a product originating in Japan that can succeed worldwide. We plan through our continued R&D efforts to bring this product to market within three years.

Company Vision



I would like to close by returning to our Company Vision. Why does Cybozu exist? What have our members come together as a team to do? "To build a society brimming with teamwork." We believe the world needs more teamwork, and humanity still has much to learn about working together effectively. By spreading our culture and tools, we aim to create a world where teamwork is more enjoyable and where more highly productive teams can thrive.

That concludes my financial results presentation. Thank you.

Q&A Session

Moderator [M]: We will now move to the Q&A session.

Please limit your questions to two per turn. Please note that due to time constraints, we may not be able to answer all questions during this session.

We will begin by taking verbal questions from attendees joining online via the Zoom Webinar.

Attendee [Q]: Thank you for the opportunity to ask a question [audio unclear].

Moderator [M]: For the first question, Aono, Representative Director and President will respond.

Aono [A]: This is Aono. Let me answer that question. The audio feed was a little unstable, so I am not completely sure I understood the question, but I believe you were asking whether no-code development will lose its advantage once AI makes development possible more broadly.

On that point, no-code development is merely one development method. On Kintone, users can do AI-driven development, no-code development, and low-code development. I believe combining these methods will become the norm going forward, so the value of Kintone should actually increase. As more and more applications are created in this way, systems for centrally managing all of those applications will become increasingly important.

When everyone starts building applications freely with AI, the question becomes how to maintain governance. This is precisely where Kintone excels, and I believe Kintone's value will be reassessed through its ability to ensure stable operations. That said, new technologies always pose threats, so we will continue to monitor developments closely and keep taking on the challenge of incorporating them into our products. That concludes my response.

Moderator [M]: Please go ahead with your second question.

Attendee [Q]: I wanted to ask about the monthly trend for January. It appears that in January 2026, the month-over-month increase in cloud-related business revenue was only about 3 million yen. On the other hand, churn was at a very low level, so I wondered whether new customer acquisition might be weakening. Regarding this, are there any external factors, such as the emergence of various tools strong in [audio unclear] coding, that are making the competitive environment more challenging?

Moderator [M]: Thank you for your question. Kuriyama, General Manager of the Business Strategy Division will respond to this question.

Kuriyama [A]: Thank you for looking at the monthly figures released yesterday. I checked those numbers, and what happened was that December revenue appeared higher due to accounting treatment related to overseas tax adjustments, and January revenue appeared lower by the corresponding reversal amount. Because of this accounting treatment, the figure looks small at around 3 million yen. In terms of actual new customer acquisition and churn, the figures were not particularly low. That is my response.

Attendee [M]: Understood. Thank you.

Moderator [M]: We will now move on to the next question. Are there any participants who would like to ask a question verbally? Or are there any other Zoom viewers who would like to ask a question verbally?

Attendee [Q]: May I ask a second round of questions? I have two additional questions.

You presented the MRR percentages broken down by SMBs, MIDs, and Enterprises this time. I was somewhat surprised by how large the Enterprises portion was. When you look at MRR growth rates, are there any notable differences among SMBs, MIDs, and Enterprises? For example, is the SMB segment slowing somewhat, while the Enterprise segment is expanding

because of the Wide License Plan? If you have any qualitative comments on that, I would appreciate it.

Moderator [M]: Thank you for your question. Tamada, General Manager of the Sales Division will respond to this question.

Tamada [A]: Tamada here. We divide our business into those three segments. As you might expect, the Enterprises segment can involve larger deals, so the fluctuations tend to be larger as well. As a result, there can be some variation between years when the new revenue from large deals is strong and years when it's lower.

Your question may be about the balance of that split between sectors. On that point, we believe there is still white space not only in the EP segment, but also room for growth in the SMB and MID segments. We consider it important for growth to continue in a balanced manner across all segments, and that is what we are projecting. That is my answer.

Moderator [M]: Thank you for your question. Please go ahead with your second question.

Attendee [Q]: Thank you for your answer. My understanding is that in your company plan for the fiscal year ending December 2026, the reason profit growth is relatively modest compared with sales growth is that you intend to invest more in areas such as hiring and overseas business.

How long do you expect this hiring expansion phase to continue? Will it be this fiscal year and next? And when do you anticipate entering the harvesting phase? I would appreciate your response on this.

Moderator [M]: Thank you for your question. Kuriyama, General Manager of the Business Strategy Division will answer this question.

Kuriyama [A]: Kuriyama here. Under our current plan, we expect to continue strengthening hiring through this year and next year. The primary objective is to secure the talent needed to achieve the 50.9 billion yen target for fiscal year 2028, as outlined in our medium-term plan. After that, we will assess the situation and decide whether to continue expanding or scale back, based on various metrics. That is my answer.

Moderator [M]: Thank you for your question.

Attendee [Q]: Understood. As a follow-up, it appears that headcount increased by just over 50 people from the 1,082 figure, so hiring has been steady. For the end of the fiscal year ending December 2026, how many new graduates and mid-career hires are you targeting, and what total employee count are you projecting?

Moderator [M]: Nakane, General Manager of the Human Resources Division will respond to this question.

Nakane [A]: This is Nakane, General Manager of the Human Resources Division. For this fiscal year, we are planning roughly the same pace of increase as two years ago, when we strengthened hiring in 2023 and 2024 and hired around 150 to 160 people. That said, we also expect a few percent staff attrition, so the year-end increase will not be a pure net addition of that same number of people. That is the pace we have in mind. That completes my answer.

Attendee [Q]: Understood. Thank you. That is all from me.

Moderator [M]: Thank you. We will move on to the next question. As there are no further verbal questions, we will proceed to the questions submitted via the question form. Here is the first question.

Attendee [Q]: Are there plans to move into other sports industries beyond basketball?

Moderator [M]: Nakane, Director of the Teamwork City Office will respond to this question.

Nakane [A]: This is Nakane. I serve as head of the Teamwork City Office and also as Vice President of the Ehime Orange Vikings. As to whether us moving into other sports is possible, it is not out of the question. However, as it has only been eight months since we moved into the sports industry, for now our focus is getting the Ehime Orange Vikings business on a solid footing.

That said, within these eight months, we have already felt a strong affinity with building communities brimming with teamwork (Teamwork Cities) and with Digital Transformation (DX). So regardless of whether we directly take an equity stake in other sporting ventures in the future, I believe our work in DX can certainly have a positive impact on the sports industry more broadly. That is my answer.

Attendee [Q]: The president's posts on X create controversy almost every year, and seem to be nothing but negative for the company, yet there has been no disciplinary action, he continues to use X, and he remains President. Why is that? Is the role of Outside Directors functioning properly?

Moderator [M]: Aono, Representative Director and President will respond to this question.

Aono [A]: First, I will answer directly, and if necessary I would welcome additional comments from other members. In February, comments were posted in response to something I wrote on X, and following that, I received a great deal of feedback internally, including from employees. As a result, I decided that going forward I will not make political statements on my X account. This demonstrates that we are continuously evolving in response to feedback.

However, when you write that this has been “nothing but negative” for the company, I would question whether that is truly the case. We have received many kinds of feedback from many different people. In reality, some people support me and others disagree. If anyone would like to add to that, please do.

Nakane [A]: This is Nakane from the Human Resources Division, which also serves as the secretariat for the Board of Directors. Regarding your question whether the Outside Directors’ role is functioning, I believe it is. The Outside Directors monitor closely whether internal checks and balances are working within the company, whether the dialogue and discussion we value are actually taking place properly, and whether that is leading to improvement within the company.

Regarding Aono's posts, while we understand these may have caused concern, after discussing internally what the appropriate response should be, we have now reached consensus on an approach that both Aono and our employees find acceptable. The Outside Directors have reviewed that process closely as well in assessing whether our culture is firmly taking root. That is my answer.

Attendee [Q]: If there has been little negative impact on churn, would it not make sense to raise prices every year, as other companies do?

Moderator [M]: Kuriyama, General Manager of the Business Strategy Division will respond to this question.

Kuriyama [A]: If you look solely at revenue and profit, that might seem reasonable. However, our stakeholders include not only shareholders but also customers, partners, employees, and many other people.

Naturally, from the customer's perspective, a system with annual price increases would be prohibitive, and we want to provide functionality at a fair price as affordably as possible. Of course, there may be cases in the future where inflation leads to another price increase, or where new features justify higher pricing. However, since we have a wide range of stakeholders, we intend to set our pricing in a way that satisfies all of them.

Attendee [Q]: Why have you not withdrawn from overseas markets when growth there is weaker than in Japan and losses have continued for years? What is your thinking on ROI? And given the number of strong competitors in the United States, what makes you believe you can win there?

Moderator [M]: Aono, Representative Director and President will respond to this question.

Aono [A]: I will explain. First, while our overseas business is in the red overall, actually some regions are achieving profitability, and there are also regions where the P&L is steadily improving. Please keep that in mind as context.

Focusing specifically on the US market, losses have indeed continued, as you noted. However, we believe that operating in the US market provides returns beyond simply revenue and profit.

As you know, the Japanese business software market has long been dominated by American software. One reason for that is that Japanese companies have not truly tried to compete in the United States. Competing in the U.S. means embracing the challenge of learning from the most advanced market, learning the most advanced technologies, hiring top talent there, and building products through that process. I believe that is also important in order to protect the Japanese home market.

The losses we are incurring in the U.S. market are well within an acceptable range for Cybozu today. If the U.S. losses were to significantly impair our consolidated performance, we would scale back investment. However, as I showed today, the impact on our overall revenue and profit is not significant. We would therefore like to continue investing in the U.S. market as a challenge.

Additionally, operating in the U.S. market brings many benefits, such as making it easier to form global partnerships. If you skip the U.S. market and only operate in other markets, global partnerships become much harder. We evaluate the investment and returns in the U.S. market with these factors in mind as well. That concludes my response.

Attendee [Q]: Why do U.S. competitors to Kintone have such a small share in Japan? Do you feel they are a threat?

Moderator [M]: Kuriyama, General Manager of the Global Business Division will respond to this question.

Kuriyama [A]: There are many products in the US market that we do see as threats, and having access to that information is in itself one of the benefits of operating our U.S. business, as mentioned earlier. As for why they have a small share in Japan, I cannot say for certain, but I suspect that when U.S. startups expand overseas, many of them simply skip Japan.

It may be that they do not anticipate revenue growth in Japan will be large enough, or that they do not see enough value in building Japan-specific support, including Japanese-language support. I cannot say exactly which it is, but what I do observe is that many such companies simply do not enter the Japanese market. That seems to be one factor.

Another factor is our ecosystem. We compete not just with a standalone product but with an entire ecosystem. It would be extremely difficult for a new entrant to build an ecosystem

comparable to Kintone's from scratch. I believe that is also a contributing factor. That is my answer.

Attendee [Q]: Which parts of Cybozu's products do you think AI will erode, and which parts will remain or be enhanced?

Moderator [M]: Sato, General Manager of the Development Division will respond to this question.

Sato [A]: I believe the question is about the impact of AI on our products. First, on Kintone, tasks that have traditionally been done manually, such as analyzing record information, building apps, or creating business systems, will increasingly shift from human work to AI-assisted work. In fact, Kintone already includes features that allow AI to handle areas such as record analysis, app creation, and app management review.

Looking further ahead, AI will also increasingly handle the autonomous execution of business tasks within Kintone apps. This is the area often referred to as AI agents, which I believe will grow significantly going forward. We are currently developing features in this space as well.

Attendee [Q]: The President has been in office for a long time. Do you have a succession plan?

Moderator [M]: Aono, Representative Director and President will respond to this question.

Aono [A]: I am now in my 21st year as President. To answer your question, yes, I am thinking about a succession plan, but please understand that there is nothing I can announce at this point.

At Cybozu, we believe our organizational management is quite innovative. Delegation of authority has progressed significantly compared to other companies. One of my ideals is that as delegation continues to progress, my presence gradually diminishes, and when I eventually step away, no one even notices. That is one image I have for succession. We will continue working with our team members to discuss and build a new organizational structure. That concludes my response.

Attendee [Q]: Frankly, regarding the idea that "SaaS is dead," do you have a risk scenario in mind for when and to what extent business performance would be affected if such a development were to materialize? Also, what countermeasures are you assuming you would take?

Moderator [M]: Aono, Representative Director and President will respond to this question.

Aono [A]: This is somewhat similar to the earlier question I answered. Right now there is a discussion framed as "SaaS is Dead," meaning a concern that the SaaS business model itself

may be at risk, and you are asking what kind of event would cause negative impact and how large that impact could be. New technologies are always a threat, but we also want to turn this kind of crisis into an opportunity.

As the graph showed today, Cybozu's growth originally began when we shifted to the cloud. In fact, that was also the most dangerous period in Cybozu's history. As a company that had only been in the packaged (on-premises) software business up to that point, we made the bold decision to pivot to cloud at that time, launched Kintone, and were able to adapt to the cloud era and grow. That has been Cybozu's story over the past 28 years.

This time, generative AI represents a major wave, and "SaaS is Dead" could become "Cybozu is Dead." However, we intend to do everything we can to turn this challenge into an opportunity.

As for what could create a serious problem, that is a difficult question, but internal factors may actually pose greater risk than external ones. For example, if our data centers were to suffer a massive cyberattack that rendered us unable to operate our services via the data centers, that would have a significant impact on our business. I hope that gives you a sense of the kind of risk perspective we have on this subject. That concludes my response.

Attendee [Q]: Could you share the ratio of outbound to inbound among your won deals?

Moderator [M]: Tamada, General Manager of the Sales Division will respond to this question.

Tamada [A]: This is Tamada. If we were 100% direct sales, we could track the exact figures. However, since we also have a partnership-based business, there are cases where a deal comes to Cybozu as inbound from a partner, but the partner won the deal through outbound efforts. So we cannot measure the ratio precisely. That said, generally speaking, inbound has been accounting for the larger share. I apologize that I cannot provide an exact ratio. That is my response.

Attendee [Q]: You mentioned increasing hiring, but what metrics do you use to measure labor productivity? Have you seen any changes through the use of AI?

Moderator [M]: Nakane, General Manager of the Human Resources Division will respond to this question.

Nakane [A]: This is Nakane. First, I believe it is difficult to measure the productivity of human resources on a single-year basis, because there are qualitative aspects involved as well. However, we do look at the figures from both a single-year and a medium- to long-term perspective to see how much our investment in labor costs has contributed to growth overall.

We also publish a wide range of data on our website under the heading of Human Capital Management. We want to evaluate these kinds of data alongside our productivity and outcomes.

As for AI, the extent to which we can leverage AI will influence what types of talent we hire going forward, as well as how we make use of the talent we already have in-house, and how we develop those people. We are actively promoting the use of AI internally, not only among engineers but also in business roles. We have begun initiatives to enhance productivity across the entire team through these efforts. That is my answer.

Attendee [Q]: Cybozu's Company Vision is to "Build a society brimming with teamwork." What do you think Cybozu's shareholders can do to make this even better than it is today?

Moderator [M]: Aono, Representative Director and President will answer this question.

Aono [A]: I think this question can be interpreted in two ways. One is how to improve the wording of the Company Vision itself, and the other is how to realize that vision more effectively. We welcome both. Our Company Vision is something we see as an evolving ideal that we refine through dialogue and discussion. So if you have suggestions for better wording or think that something should be added, please do not hesitate to share your feedback.

In fact, the five Cultural E'lements that I introduced today were still only four Cultural E'lements up until three years ago. Through employee suggestions and dialogue and discussion, they evolved into the current five.

We also bring these to the Annual Shareholders Meeting to align on them with our shareholders. So please feel free to share your feedback on our Company Vision as well.

We also want to bring this Company Vision to fruition as quickly as possible. To do that, we believe it is important for good tools to become widely adopted. We would be grateful if you could spread the word among people you know that Cybozu products are effective for improving teamwork. We want to work toward our Company Vision through teamwork with our shareholders as well. That is my answer.

Attendee [Q]: Many companies are moving away from remote work. How is Cybozu approaching this?

Moderator [M]: Nakane, General Manager of the Human Resources Division will answer this question.

Nakane [A]: This is Nakane. As for Cybozu's approach, we intend to continue making active use of remote work. The ability to work remotely allows us to fully leverage the capabilities of diverse team members regardless of location. At the same time, there are certain types of value that can only be created in person in face-to-face settings. So we intend to continue with a hybrid approach, taking the best from both ways of working. That is my answer.

Attendee [Q]: I would like to hear President Aono's candid view on the recent sharp decline in SaaS-related stocks in the market. The threat of AI is also listed as the top risk factor in your

securities report. Have you made any changes to this year's outlook or to the medium-term sales target of 50.9 billion yen for the fiscal year ending December 2028, which represents a doubling of sales compared to 2023, in light of the growing "SaaS is Dead" narrative?

Moderator [M]: Aono, Representative Director and President will answer this question.

Aono [A]: First, we have not changed the 50.9 billion yen target. We will continue working toward this goal.

As for my view on stock prices, I understand that, in early February, there was what has been called the "Anthropic shock," leading investors to believe that AI-powered automated coding had reached an advanced level, which raised concerns that SaaS companies' growth rates might slow and that existing business models might no longer be viable. I understand this is what drove the stock price decline.

My own view is that we have been listed since 2000, so we have been a public company for more than 25 years, and during that time we have experienced many of these so-called shocks. From the dot-com bubble, to the Lehman Brothers shock (GFC), to the SaaS bubble, and then the downturn around 2022 and 2023. We have seen stock prices double and then fall by half, over and over again. So I see this as one of those recurring cycles.

While our stock price has fallen this time, it has not halved; it has only dropped by a certain percentage. So I believe the market is still taking it in relatively calmly. We also see this new technology as a threat, but at the same time, we believe we can leverage this threat effectively and turn it into an opportunity.

As I mentioned in response to the first question today, if many more business applications are going to be built, there will be a need for a platform to provide governance over them, a platform that ensures stable operations. If such demand grows, I expect that the market's evaluation of Kintone will also increase. So my view is that we should watch the situation calmly with that in mind. That is my answer.

Attendee [Q]: There seems to be growing discussion that advances in generative AI may change the SaaS business model itself. How does your company view that possibility, and what strategy do you have in response?

Moderator [M]: Kuriyama, General Manager of the Business Strategy Division will answer this question.

Kuriyama [M]: Since these questions seem to be related, may I answer this question and the next question together?

Moderator [M]: I will now read the next question as well.

Attendee [Q]: How long do you expect the price revision effect to continue? Also, once the price revision effect has run its course, what do you see as the biggest driver to re-accelerate your company's growth?

Moderator [M]: Please answer this together with the previous question.

Kuriyama [A]: First, on the AI business model, if we interpret "business model" as the pricing/billing model, then I believe the question relates to the discussions we often see in the news as to whether the current user license model will continue.

With regard to user licenses, it is possible that they may shift to a different pricing model, or they may not. We need to assess this carefully. If we determine that such a shift is happening, changing the billing structure will be a major undertaking. However, we are already preparing our internal systems, order management processes, etc., so that we can execute this transition quickly and not miss the right timing.

With these kinds of changes, moving too early or too late are both problematic. We are watching closely to identify the right timing so that our billing structure does not fall behind the market. For the time being, we believe the user license model will continue, but we want to be thoroughly prepared.

The other point is the effect of the price revision. In terms of growth uplift, that effect ended last year. In other words, the boost to sales growth lasts only for one year. However, the higher license fees themselves continue to be charged going forward, so they will continue to contribute to sales and profit on an ongoing basis.

As for what we will do to drive future growth, looking at the next three years, many of today's questions have focused on AI as a threat, but from our perspective, AI will make Kintone easier to build and easier to use. That means it can open up new markets for us.

For companies that previously considered Kintone too difficult, the integration of AI into Kintone now makes it easier to build apps, easier to utilize the data, and easier to create workflows. Those kinds of functional enhancements can help us develop entirely new markets.

In addition, our EP Business Division has been developing significant expertise in pitching company-wide deployments to enterprise customers, and we believe this will contribute to our performance over the next three years as well. Furthermore, our continued investment in overseas operations is beginning to show promising results in certain regions. So we are pursuing the 50.9 billion yen target through three avenues: new markets created by AI, company-wide deployment in the EP segment, and overseas markets. That is my answer.

Attendee [Q]: You outlined three specific areas of focus for achieving the 2028 target. What do you consider the biggest bottleneck in pursuing medium-term growth?

Moderator [M]: Aono, Representative Director and President will answer this question.

Aono [A]: Yes, we outlined three areas: large-scale enterprise deployments, making Cybozu NEXT a platform for company-wide use, and global expansion. When asked which is the biggest bottleneck, I would say all three present significant bottlenecks and are challenging subjects. My answer would be that all three are equally the biggest.

These three areas are structured so that if one falls short, the others can compensate. We intend to pursue all three, and ideally, we aim to succeed in all three. That concludes my response.

Attendee [Q]: In the AI era, I believe talent is one of the sources of competitive advantage. You are making bold investments in human resources. Going forward, which area of talent development do you consider most important?

Moderator [M]: Nakane, General Manager of the Human Resources Division will answer this question.

Nakane [A]: Thank you. As your question suggests, rapid changes in the business environment are expected, including those driven by AI. Rather than focusing on any single area, we want to secure talent broadly. That said, in terms of the type of talent we are looking for, we prioritize people who can stay on top of changes in the business environment, learn quickly, and adapt. This is extremely important.

What we value most is the ability to work as a team. We believe in winning as a group, not just through individual growth but through collective growth. As we form more teams of individuals with a team-oriented mindset and our workforce expands, it becomes essential for each team to function well. Therefore, we want to recruit people who can lead these individual teams. That is my answer.

Attendee [Q]: Among the key focus areas for the medium term, you mentioned developing products that can compete globally, and your presentation indicated an announcement is planned during FY2026. If possible, could you share any product direction or concept that can be disclosed at this point?

Moderator [M]: Aono, Representative Director and President will answer this question.

Aono [A]: Let me answer this. I cannot share specifics, but I would like to discuss the direction of our thinking. Until now, when we talked about teamwork, people probably imagined humans coming together to collaborate. However, with the rise of AI, we now need to think beyond

human teamwork and consider AI joining as a member of the team. I believe we are entering an era of working alongside AI.

To prevent AI from operating unchecked and to help AI work harmoniously alongside humans, we will likely need a teamwork platform where humans and AI can coexist and collaborate. This is what we believe will be required in the coming era. As specialists in teamwork, we intend to incorporate this concept into our new products. That concludes my response.

Attendee [Q]: I have two questions related to the medium-term target. Compared with the fiscal year ended December 2025, you need to add more than 13 billion yen in sales. I understand that you basically intend to achieve the target as an extension of your current strategy, including enterprise and global initiatives. Does your company view this target as challenging, or as sufficiently achievable? Additionally, are you considering M&A or other means to supplement the figures?

Moderator [M]: Kuriyama, General Manager of the Business Strategy Division will answer this question.

Kuriyama [A]: The 50.9 billion yen figure is one we intend to achieve as an extension of our current business. As to whether it is challenging or clearly achievable at this point, I would describe it as somewhat challenging. It is not a number we set without any visibility into how to reach it, nor is it a number that can be easily achieved simply by continuing on our current trajectory. That is the basis on which we set the 50.9 billion yen target.

As for M&As, I am not saying there will be no M&As during this period; there may be. However, the 50.9 billion yen figure excludes any contribution from M&As. We may ultimately end up asking to include M&A numbers as well, but at this point, the 50.9 billion yen target is based on figures that exclude M&As.

Moderator [M]: Thank you. I will now read the second of the two questions.

Attendee [Q]: Regarding the development of products that can compete globally, should we understand this as enhancements to Kintone? If possible, could you explain in as much detail as you can what kind of features you have in mind?

Moderator [M]: Sato, General Manager of the Development Division will answer this question.

Sato [A]: The new business lineup that can compete globally was addressed in Aono's earlier response. With regard to the existing Kintone product, we are of course working hard on its global expansion. On the product side, since we are deploying Kintone in various markets and countries, we are building out the internationalization infrastructure needed to sell and use the product in each country, and we are moving ahead with country-specific support.

Specifically, for example, we have been adding language support. Next month, we plan to add Malay language support. In addition to expanding language coverage, we are also working on internationalizing date formats and notation conventions.

We are also updating our sales systems to enable partners in each country to sell the product. On the product side, we are providing support to drive further adoption and sales growth in each country.

Attendee [Q]: I believe you recognized an impairment loss on the U.S. business this time. The U.S. operations had been running at a loss previously as well. Could you explain the background behind why the impairment decision was made at this particular time? Given the timing, I wonder whether the growth outlook for the medium term was revised downward due to the impact of AI adoption in the U.S. Could you share the current state of and the challenges faced in the U.S. business, the key factors for reaching profitability, and your current outlook on the timeline for achieving profitability?

Moderator [M]: Hayashi, General Manager of the Corporate Affairs Division will answer this question.

Hayashi [A]: Thank you. This is Hayashi from the Corporate Affairs Division. Regarding the impairment on the U.S. business, while we project growth over the medium to long term, losses are still continuing at present, as Aono explained earlier. We recognized the impairment loss from the standpoint of financial and accounting transparency.

I would also like to note that this impairment is not a one-off event. We have been conducting impairment assessments on an ongoing basis in consultation with our auditors, and it was not carried out solely due to the recent proliferation and advancement of AI. Thank you.

Kuriyama [A]: Allow me address the profitability timeline. We already have more than 900 customers and revenue in the U.S., so if we absolutely had to generate profit, we could of course do so by keeping costs within the scope of that revenue. However, we are still in a phase where we want to expand our user base further, compete seriously in the U.S. market, and use the insights gained to feed back into our global strategy. So for the time being, we intend to continue investing and competing in the U.S. market. At this point, we have not set a specific timetable for profitability. That is my answer.

Attendee [Q]: You mentioned that Kintone can support AI-driven development and enable users to build apps with AI. How does this differ from employing ordinary vibe coding?

Moderator [M]: Sato, General Manager of the Development Division will answer this question.

Sato [A]: I believe the question is about the difference between developing something from scratch with AI and developing with AI on the Kintone platform.

We also use AI-powered coding in our own development, so we understand its characteristics. AI coding is well suited to building small products or tools that are used only by the individual who creates them.

However, when you want to roll out what you have built for everyone in the company to use, questions arise, such as how to handle authentication. Or when different people need to see different data and you want to set access permissions. Instructing AI to handle each of these detailed and complex specifications is extremely difficult, and maintaining the resulting system is equally challenging.

The Kintone platform is not just a database. It already comes equipped with the core infrastructure that business systems require, such as authentication, access permissions, and audit logs. So if users develop the business logic they need for each operation on top of Kintone with the help of AI, they can build efficient, AI-friendly systems for each business process on top of a reliable, high-quality foundation. This is what AI-driven development on Kintone offers. Kintone's role as a business platform going forward will be to make that kind of development even easier and more accessible.

Moderator [M]: As we are approaching the end of our allotted time, we will take the last question.

Attendee [Q]: Regarding APAC, your materials for the fiscal year ended December 2024 showed 1,290 companies had adopted the product, whereas in the materials this time, the figure is 790 companies. Have the measurement criteria changed?

Moderator [M]: Hayashi, General Manager of the Corporate Affairs Division will answer this question.

Hayashi [A]: This is Hayashi from the Corporate Affairs Division. We have changed the calculation criteria. We shifted from a count that included legacy on-premises packaged versions of the software to one limited to cloud subscriptions, which accounts for the change in the figures.

Moderator [M]: That concludes the Q&A session.

Before we close, we have a few final announcements. The presentation materials and video from today's briefing will be published on the IR page of our official website at a later date. Questions that we were unable to address today will be posted separately on the IR inquiries page. If you have additional questions, please submit them through our IR inquiry contact form.

This concludes the Cybozu, Inc.'s Business Overview and Financial Results Briefing for the Fiscal Year Ended December 2025. Thank you very much for staying with us through to the end despite your busy schedules.

[End]

Footnotes

- 1. Sections where the audio was unclear are marked as [audio unclear].*
- 2. In the conversation, [Q] indicates a question, [A] indicates an answer, and [M] indicates a comment by the moderator.*