



Cybozu, Inc.

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

February 24, 2022
Cybozu, Inc.

About Cybozu



Cybozu, Inc.

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

Our vision since 2020

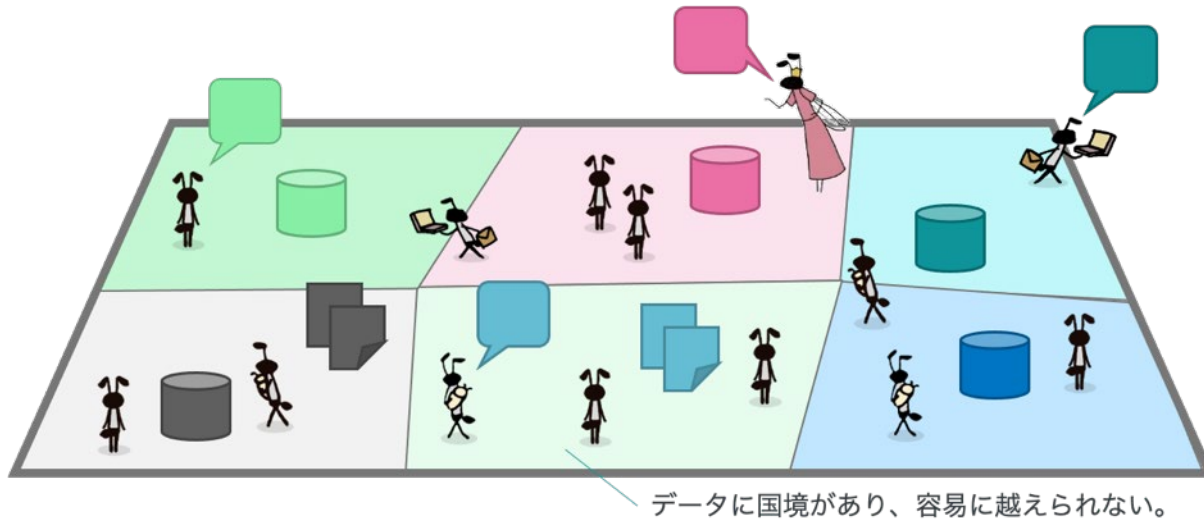
Purpose

Create a society brimming with teamwork

Culture

- **Share a common vision**
Create a common vision that resonates with all members and guides their actions
- **Embrace individuality**
Embrace individual differences and tap into each other's strengths
- **Be transparent**
Build a foundation for open trust
- **Be yourself, take responsibility**
Cultivate independence and generate progress through discussion

Information sharing and teamwork



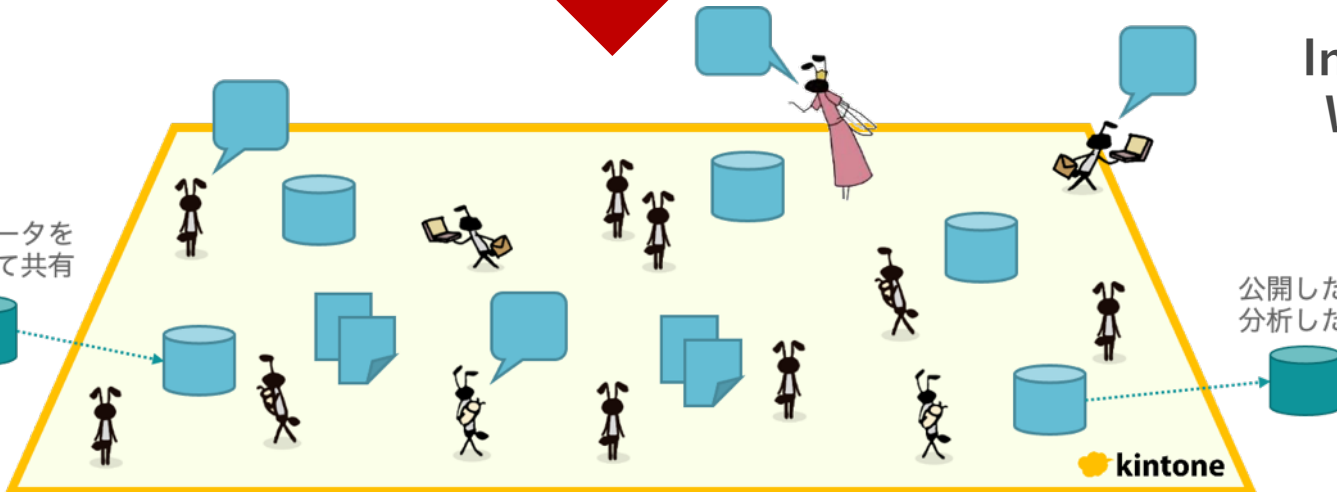
Data, information, and communication is separated by team, making it impossible to share information outside one's team

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

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

外部のデータを受け取って共有

公開したり分析したり



Information sharing boosts teamwork and helps the entire organization to evolve

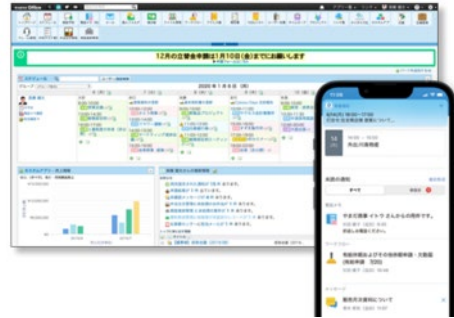
Cybozu's cloud services



Groupware

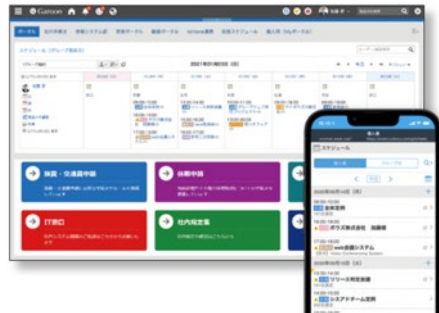
サイボウズ Office

Easy and simple groupware for SMEs



サイボウズ Garoon

Groupware for large and mid-sized organizations



Business app development platform

キントーン kintone

Platform for implementing no-code/low-code business solutions



Mail-sharing application

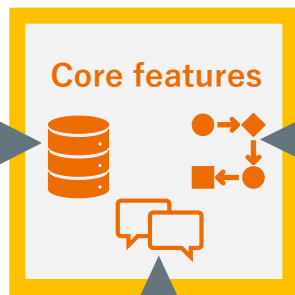
メールワイズ Mailwise

Centralized management of team email correspondence



The Cybozu ecosystem strategy

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



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

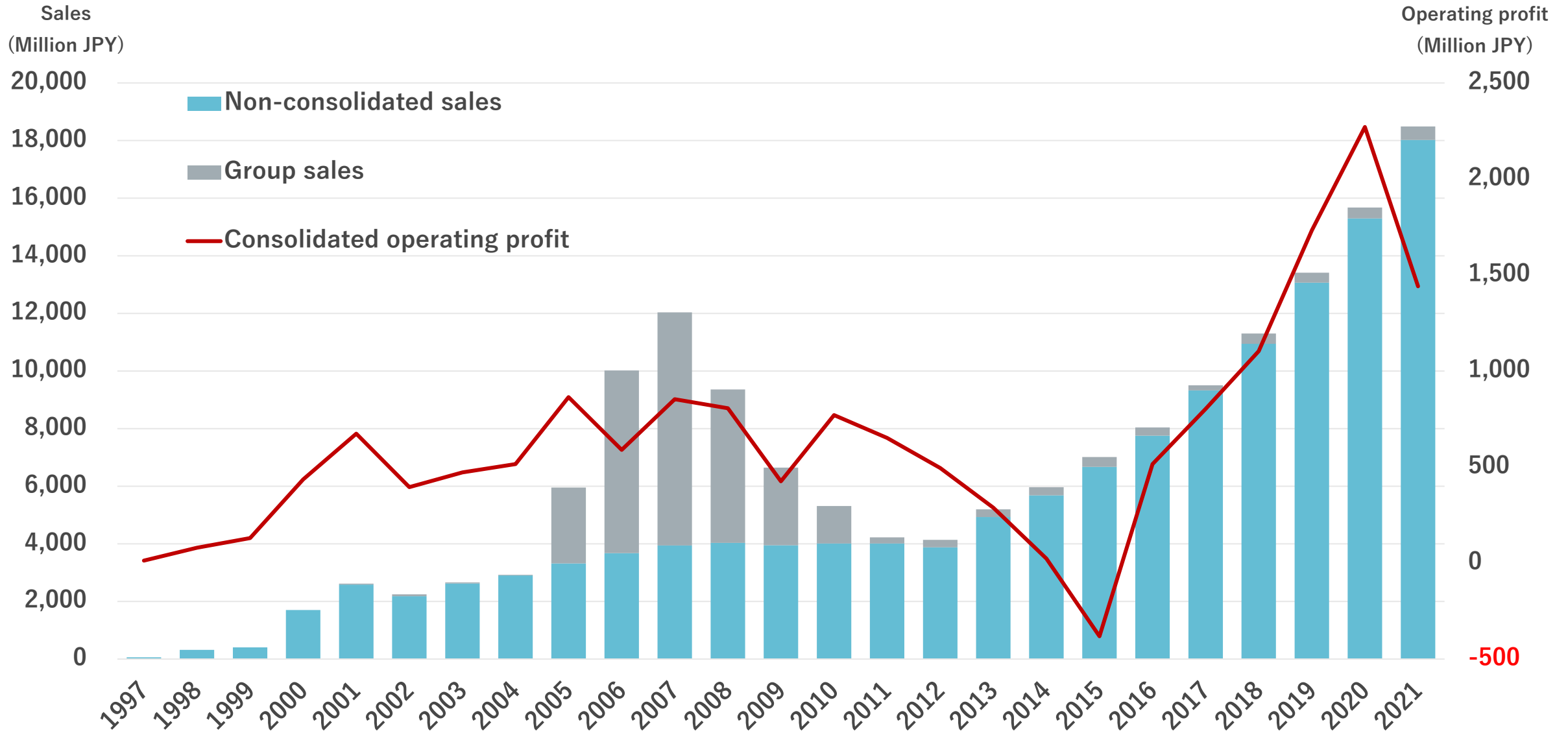


The Cybozu ecosystem strategy

Surround ourselves with partners and users that can grow with us



Consolidated sales and operating profit



Consolidated financial results



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

Detailed results FY2021

Consolidated PL (Unit: million JPY)	FY2020 Actuals	FY2021 Actuals
S a l e s	15,674	18,489
Cost of sales	1,086	1,339
L a b o r c o s t s	5,502	6,315
A d v e r t i s i n g e x p e n s e s	2,673	4,907
O t h e r s	4,143	4,487
Operating profit	2,270	1,441

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

**Aggressively invested in
advertising and promotion**

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

Ramped up advertising and promotion

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

Expected to pay off in the long run

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

Positive impact on existing users and partners

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

Positive impact on recruiting

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

Financials

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

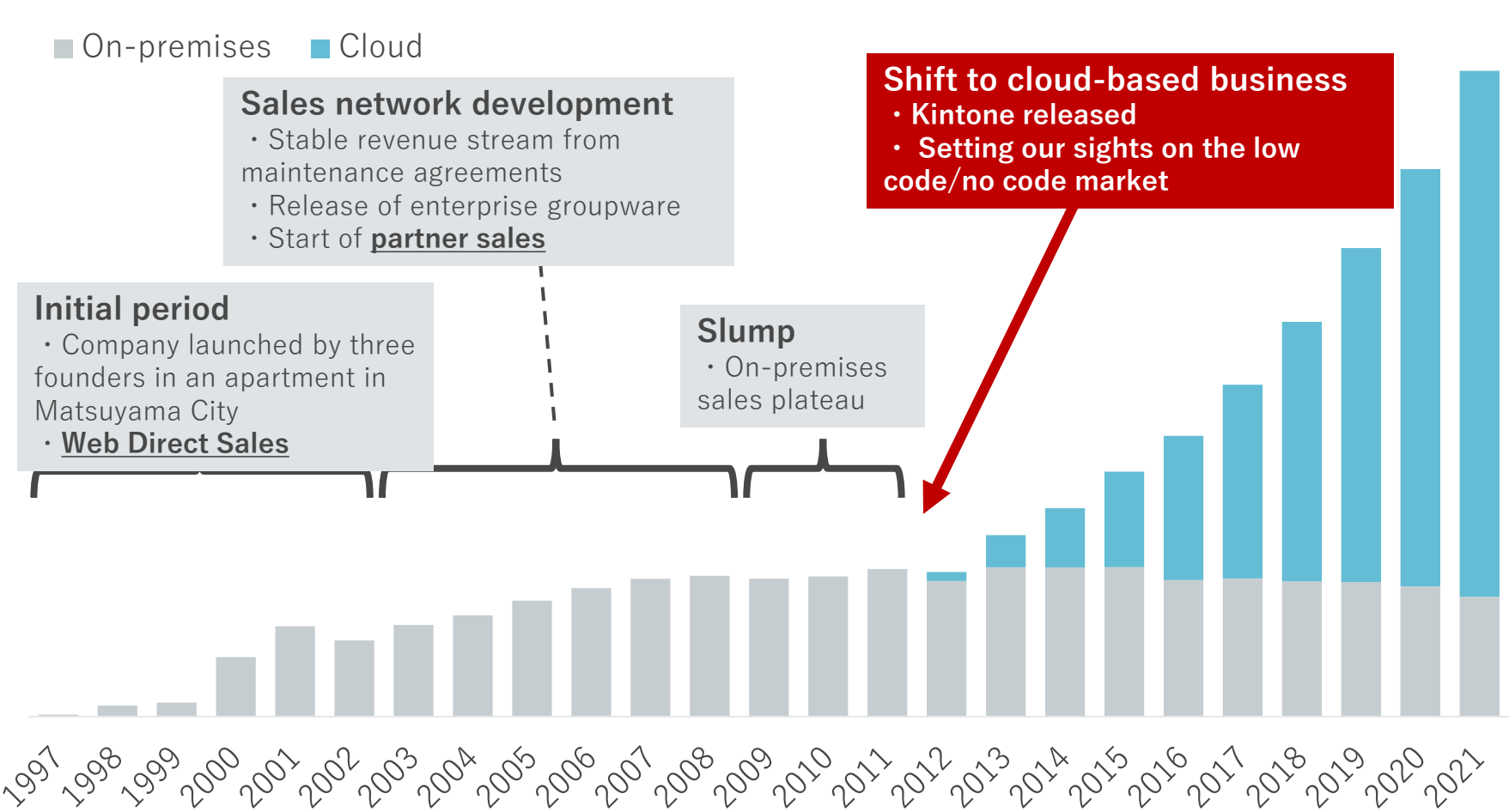
Extra funds for active investment

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



Consolidated sales (on-premises/cloud)

(Million JPY)



Cloud-related sales
YoY
+26%

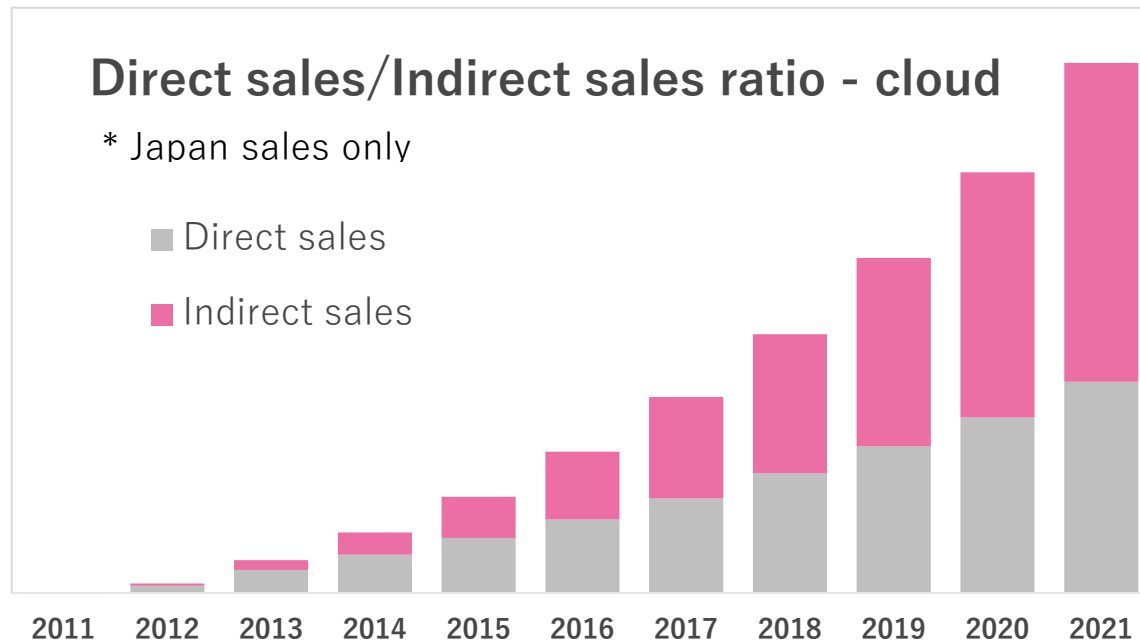
Cloud share of
total consolidated
sales
81%

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

Business expansion through our ecosystem

Partner sales revenue increasing every year

Partner sales accounted for 60% of cloud sales in 2021



Partners

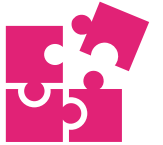
About **360**
companies



* As at end of December 2021

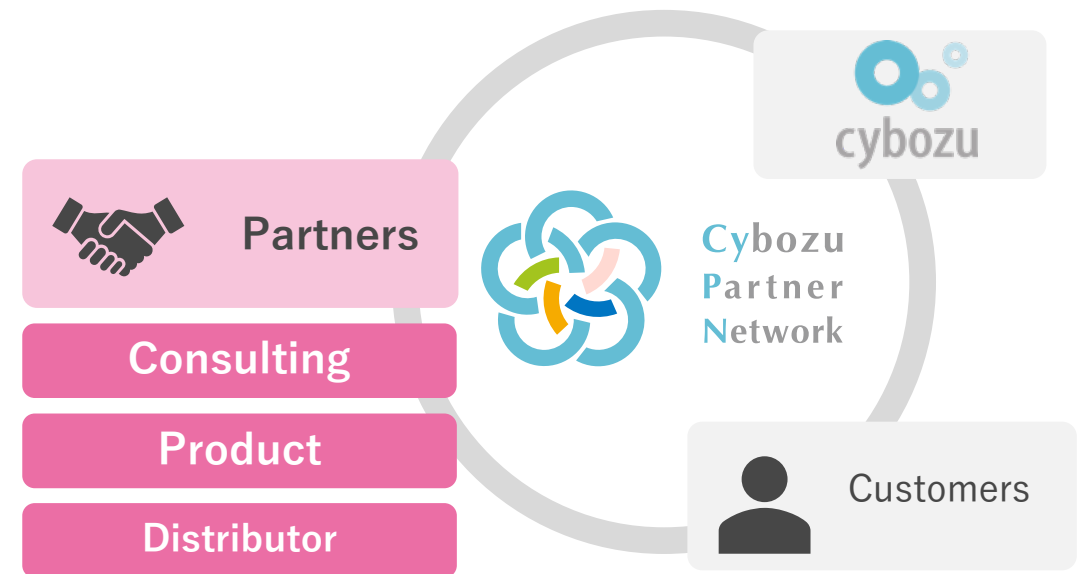
Integrations services

Over **300**
services



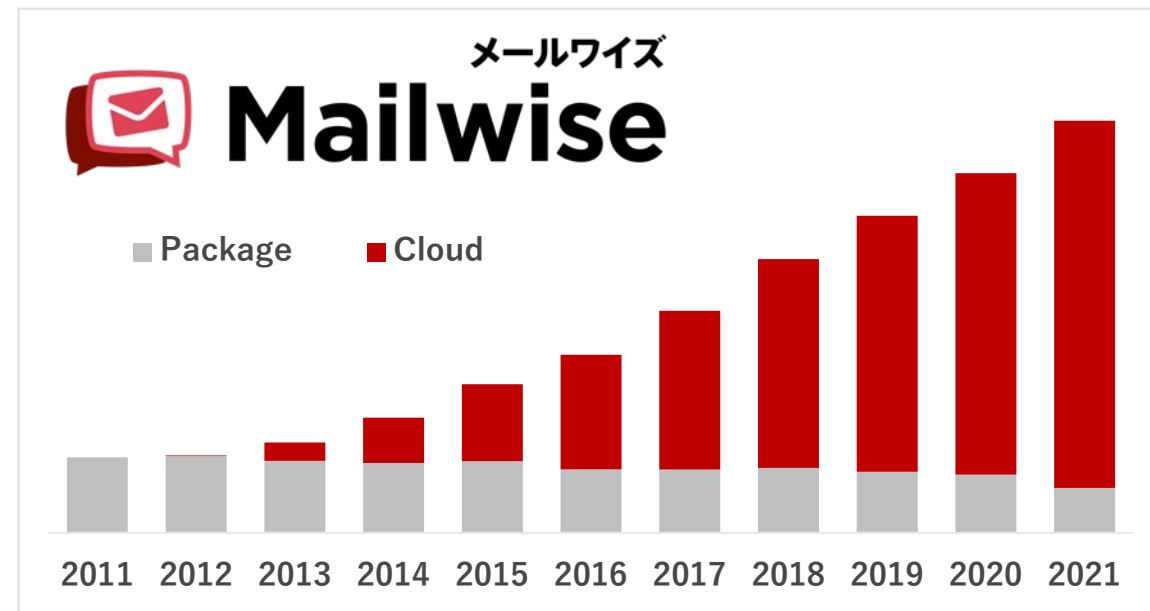
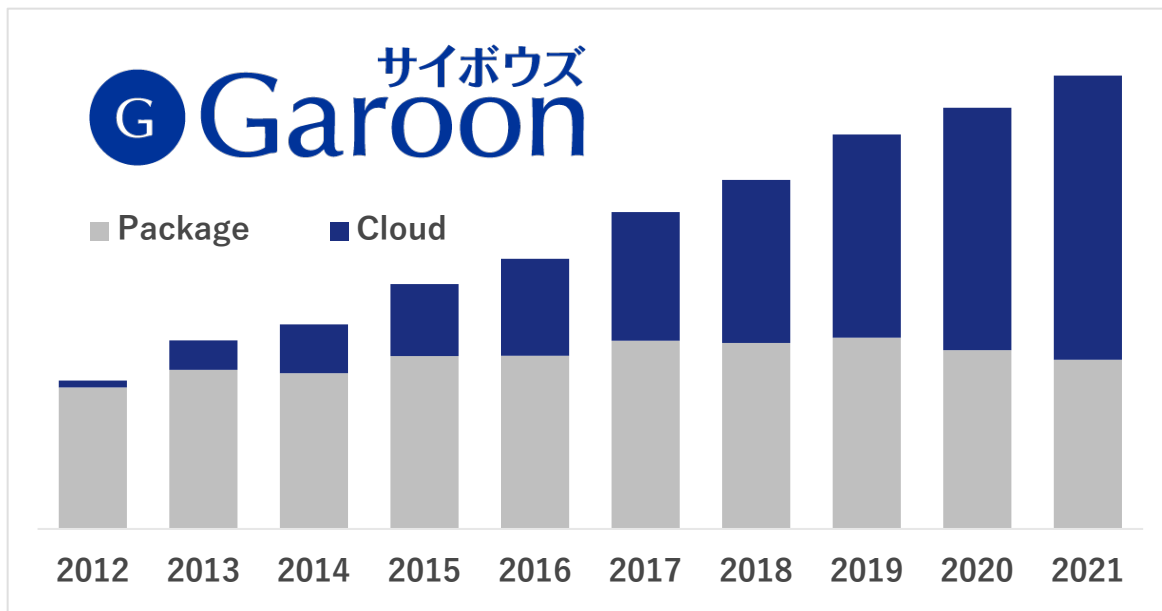
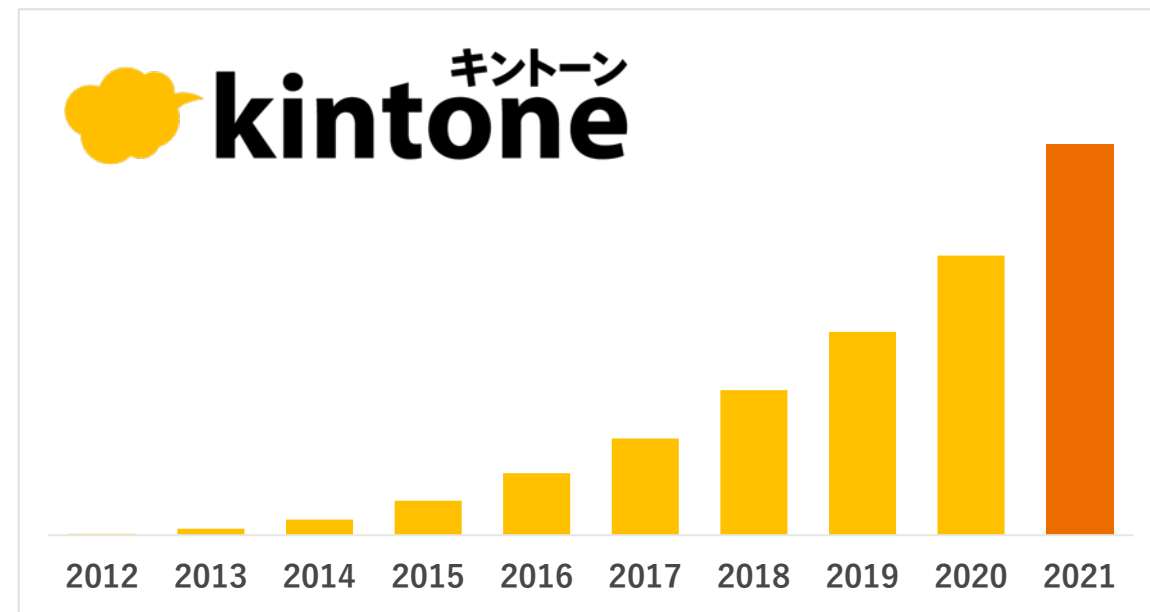
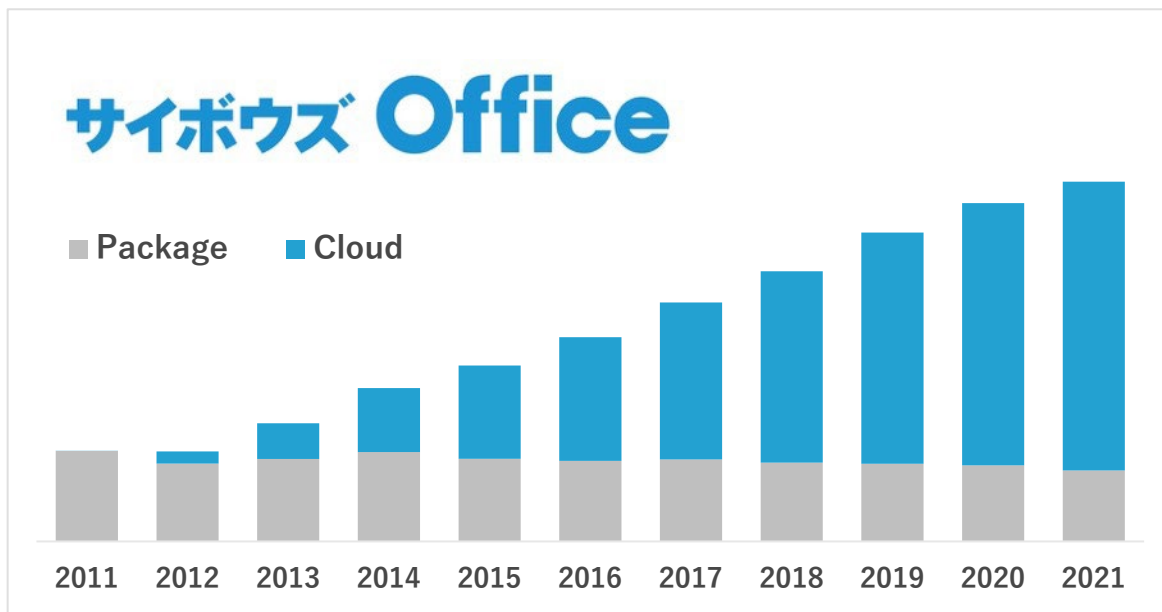
* As at end of December 2021

Revamped partner program



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

Sales by product * As at December 2021



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

 **kintone** 23,000 companies

サイボウズ Office 72,000 companies

 **Garoon** 6,400 companies

 **Mailwise** 11,800 companies

* Kintone: Domestic companies signed up to Kintone (Kintone is cloud only)

* Other products: Total number of domestic companies who have deployed product on-premises or in the cloud

Updating Kintone's functionality and UI/UX

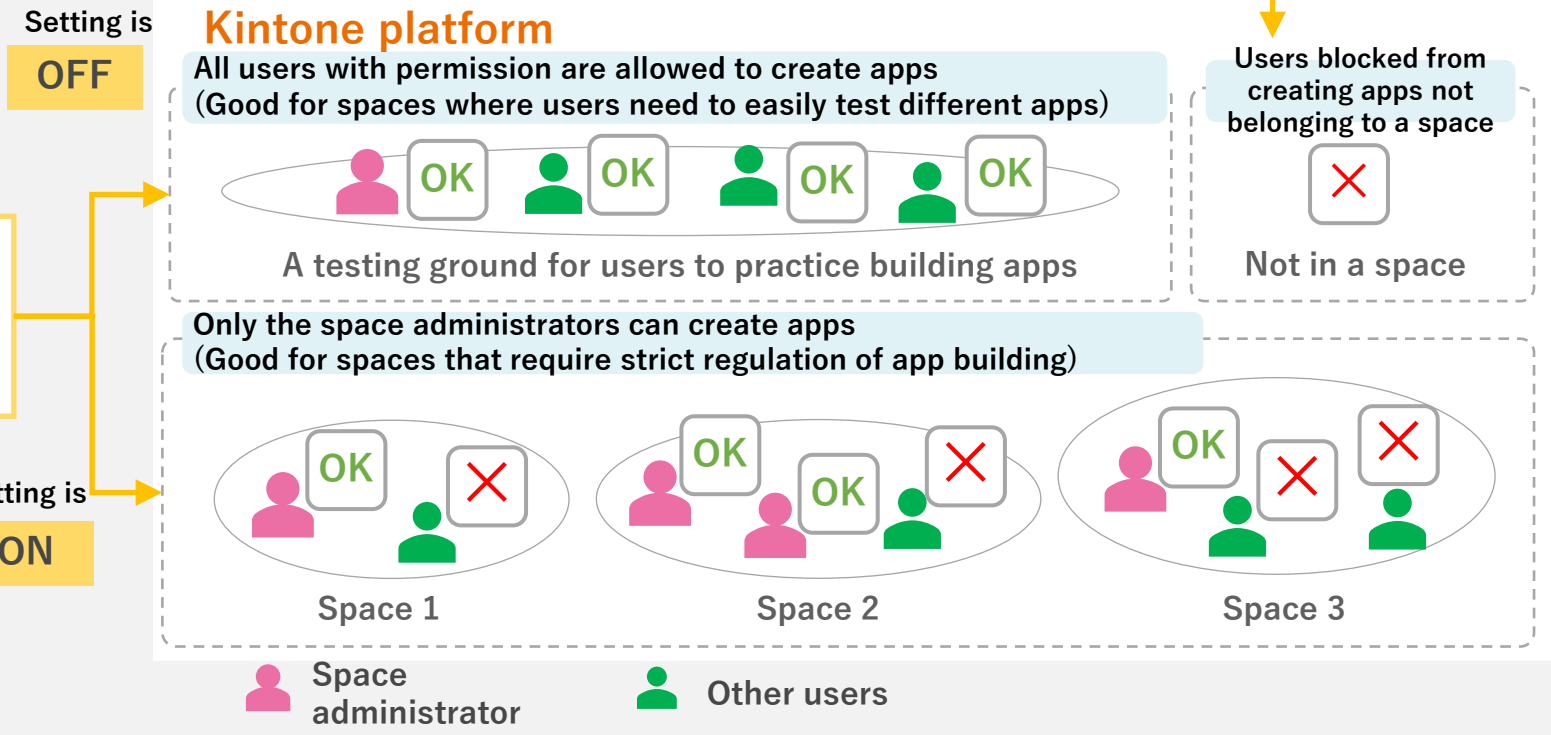
Around **70** updates performed in 2021

Example Enhanced control of apps and spaces

New feature New Kintone admin setting
Block users from creating apps not associated with a specific Kintone space

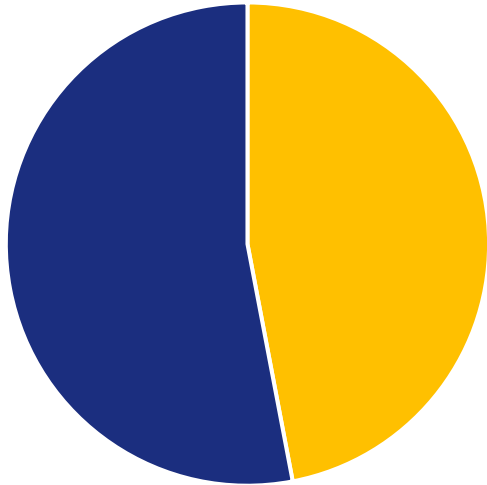
OFF (blocked)

New feature New Space setting
Only allow space administrators to create apps



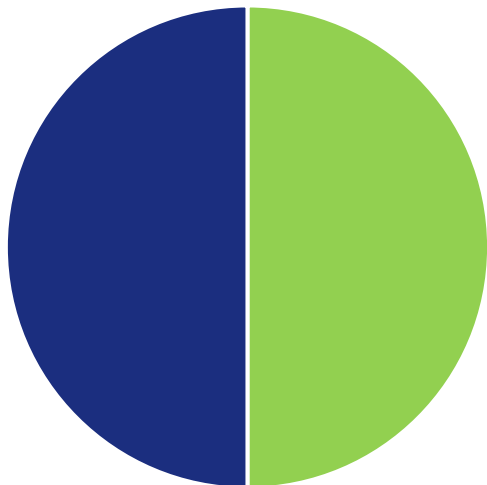
Support IT admin governance for enterprise users to drive organization-wide uptake of Kintone

Integration plug-ins create new possibilities



Use Garoon with Kintone
About 47%.

* 2021 User Survey
(Cloud version Garoon user responses)



Use Garoon with Microsoft 365
About 50%.

* 2021 User Survey
(All responses from Garoon cloud users)

Numerous plug-ins released by our partners

Garoon-Kintone schedule integration plug-in

Garoon-Kintone workflow integration plug-in

Microsoft 365 Teams integration plug-in

Zoom scheduling integration plug-in

Cloud signing integration plug-in

Video conferencing plug-in

Plug-ins provided by Cybozu

Email misfire warning plug-in

Survey plug-in

Additional scheduling improvements and API augmentation

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

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



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

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

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

Third-party commendations



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



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



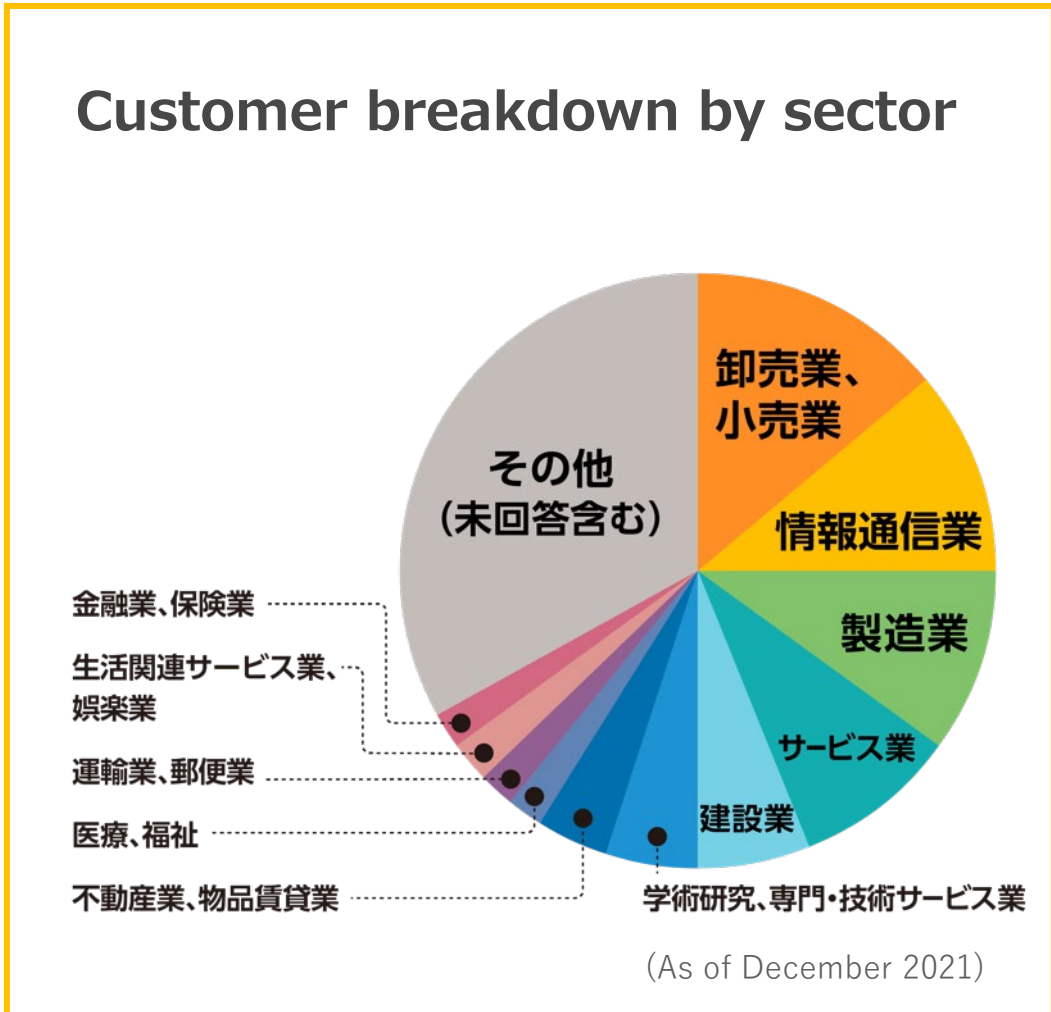
Nikkei Computer, Feb. 17, 2022
edition
Partner Satisfaction Survey 2022
Cloud Information System
Services category -
No. 1 for 2 consecutive years

Growing Kintone as a tool for workplace-driven business improvements

Total Kintone customer volume
23,000 companies
(As of December 2021)

Average number of companies installing Kintone
550 companies/month
(2021 average)

Share among companies listed on the first section of the TSE/TYO
Installed at 1 in every 4 companies
(As of June 2021)



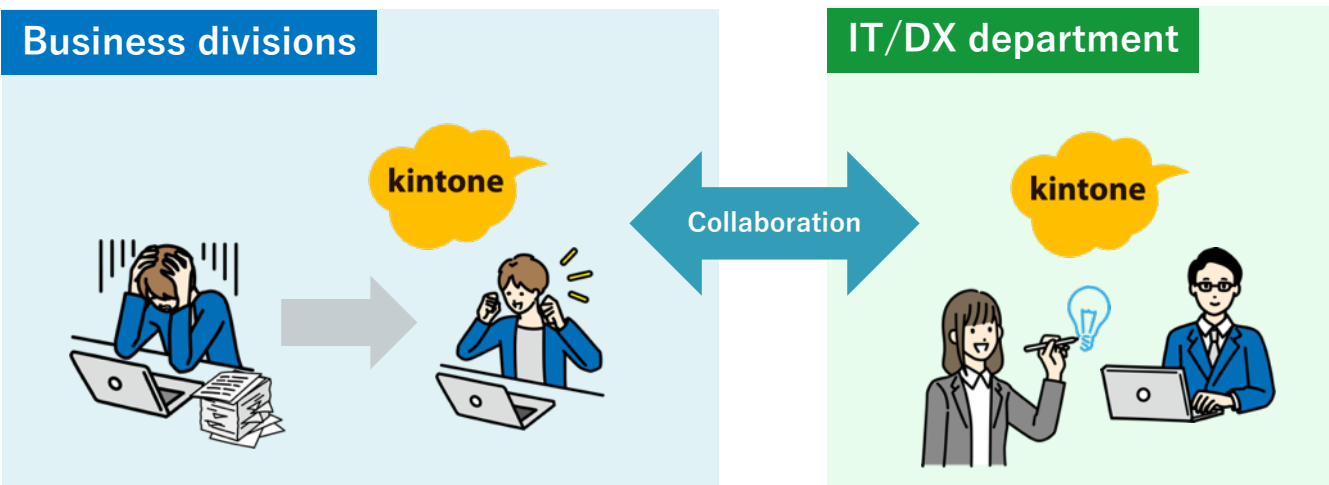
Kintone perfect for corporate digital transformations (DX)

Rapid business improvement done in-house, thanks to Kintone



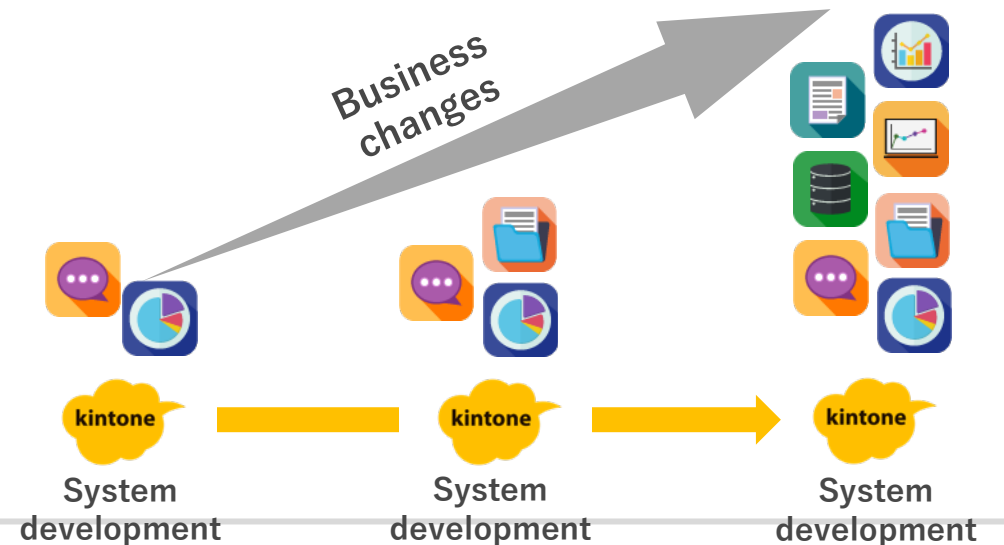
Collaboration between IT/DX department and business divisions

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



Responding to business changes

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





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

一般的なシステム

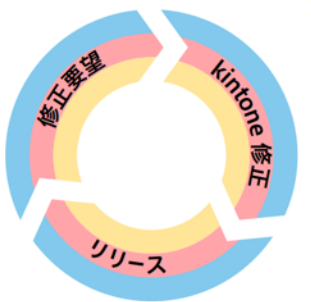
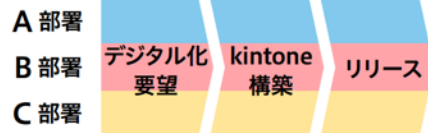
- 一つの業務をデジタル化するためにも多くの時間とコストがかかる
- デジタル化が遅れ、従業員や顧客満足度が低くなる



要する期間 **数ヶ月～数年**

kintone

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



要する期間 **数日～数週間**

- Operations digitized by the DX department can be instantly implemented in the workplace. Providing a digital environment from the get-go translates to a continuous "build, scrap, and build" cycle.
- By directly listening to feedback from the workplace, the requested features are immediately developed and refined. By building solutions on the spot, users gain a deeper understanding of Kintone



DX
Promotion
Office

Expanding the use of Kintone in local governments

Tokyo

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

Kanagawa Prefecture

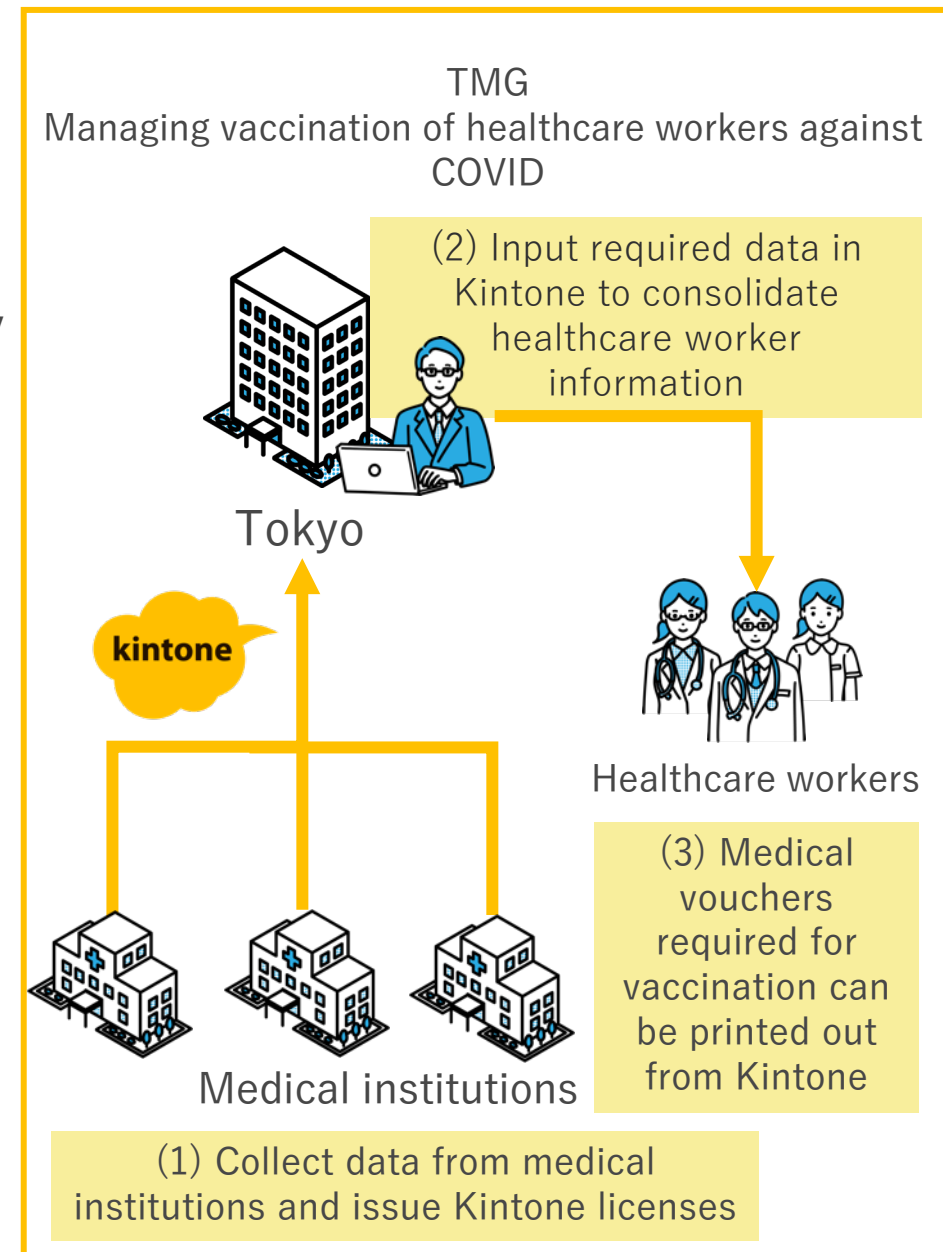
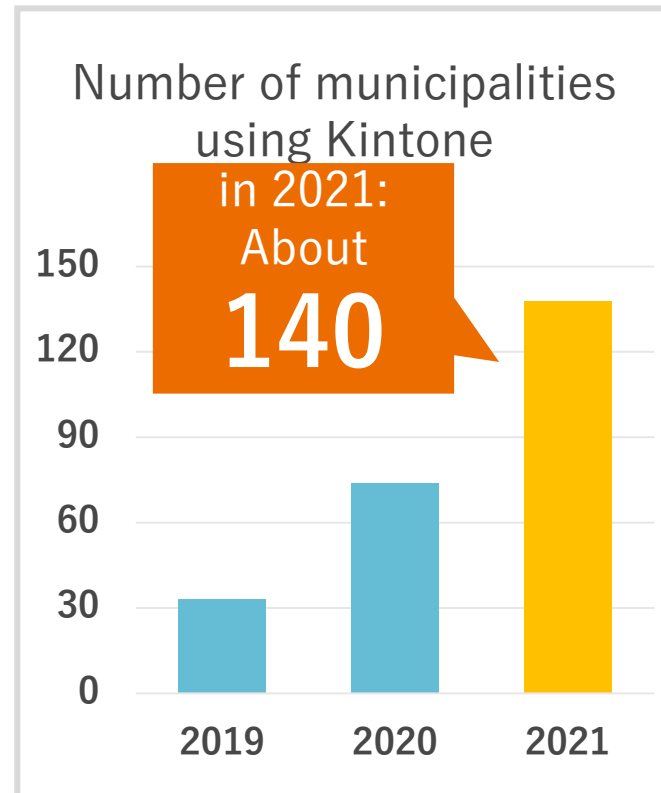
Managing transport of COVID-positive patients

Hiroshima City

Coordinating the distribution of COVID vaccines to medical institutions

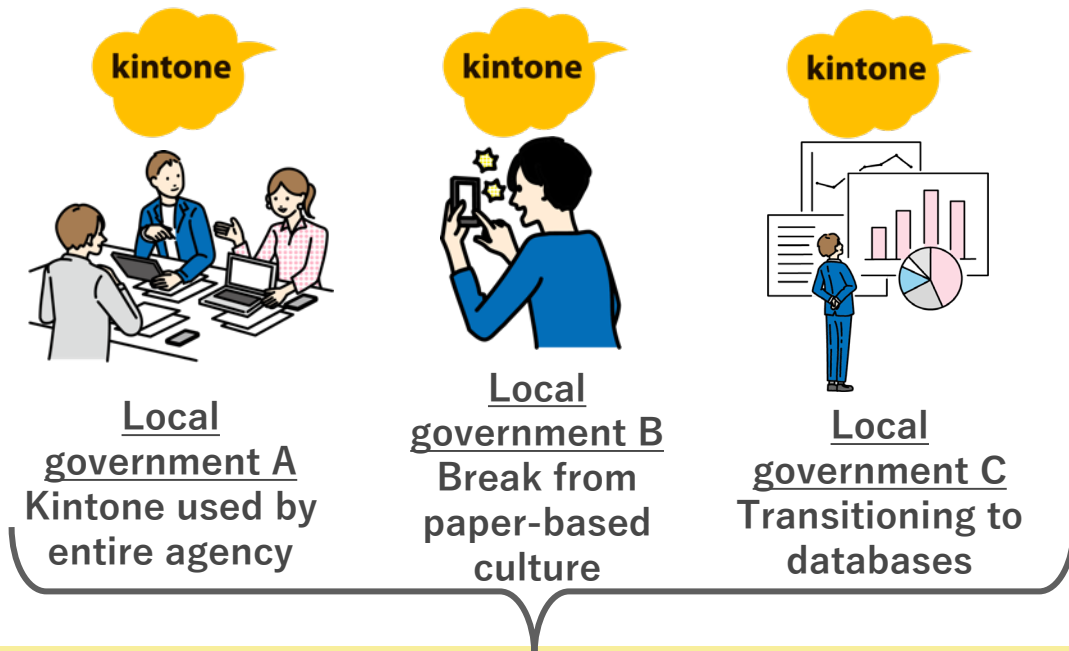
Kitakyushu City

Cooperation Agreement on promoting DX across entire agency



“Share DX” for local governments, made possible by Kintone

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



Local governments turn their solutions into app templates that can be duplicated by other local governments on their Kintone platform.

Existing apps can be replicated by other local governments to build solutions with minimal use of resources

Govtech Kintone Community Connecting local governments

Main features of the community

Customer stories from local governments

Best-practice templates

Seminars, documentation, and videos for local governments

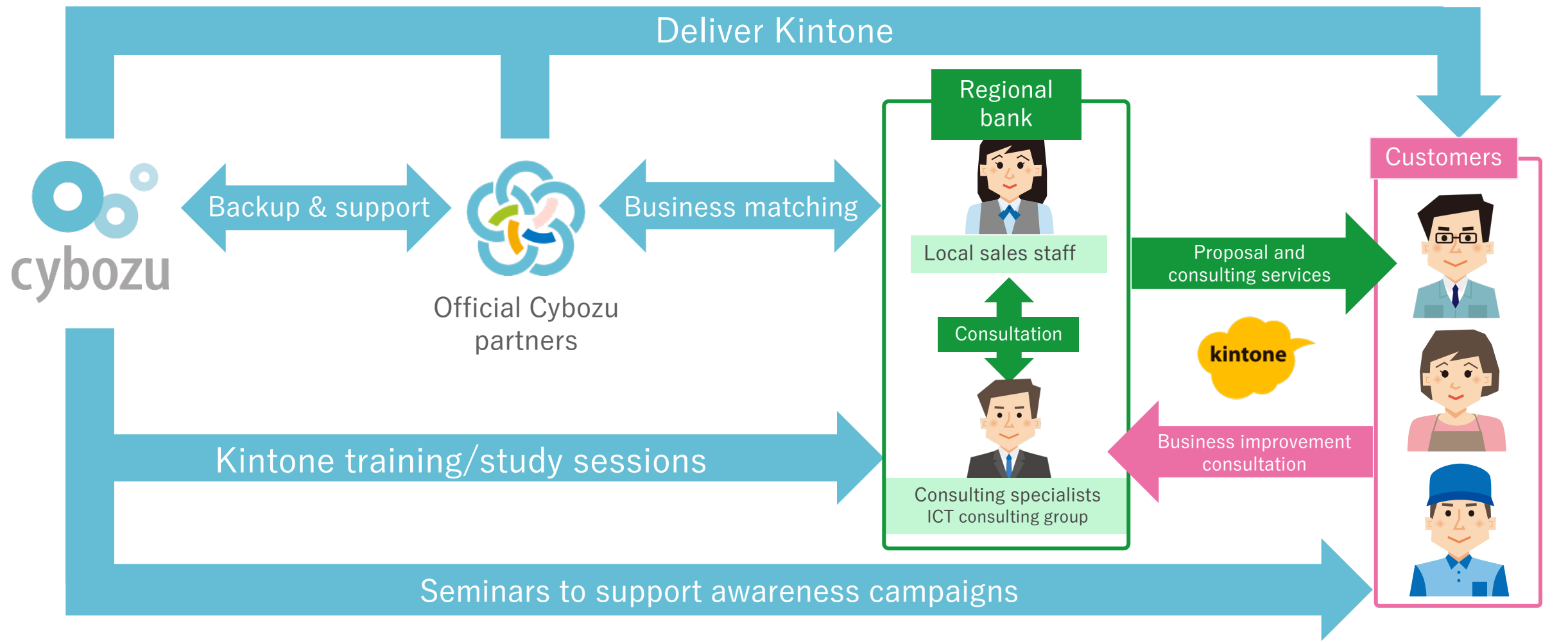
Open forum for sending questions to other local governments and Cybozu

Online/offline events

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

Partnership scheme with regional banks to grow new partner channels

Business model for cooperation with regional banks



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

Regional bank partnerships

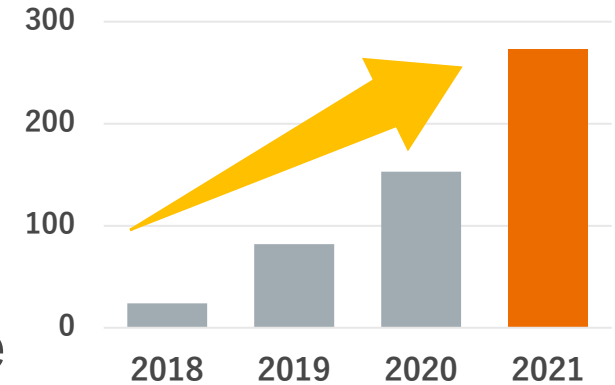
Partnership with **10** regional banks nationwide

Another 13 banks are affiliated with Cybozu via our partners.



Consulting by regional banks - Track record

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



Initiatives to improve Kintone consulting skills

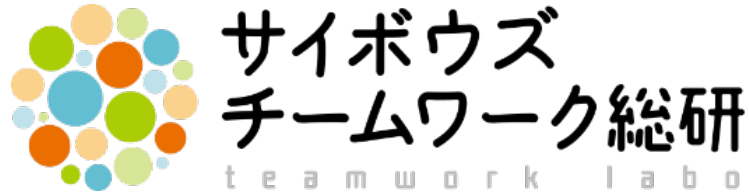


KTC
kintone Training CAMP

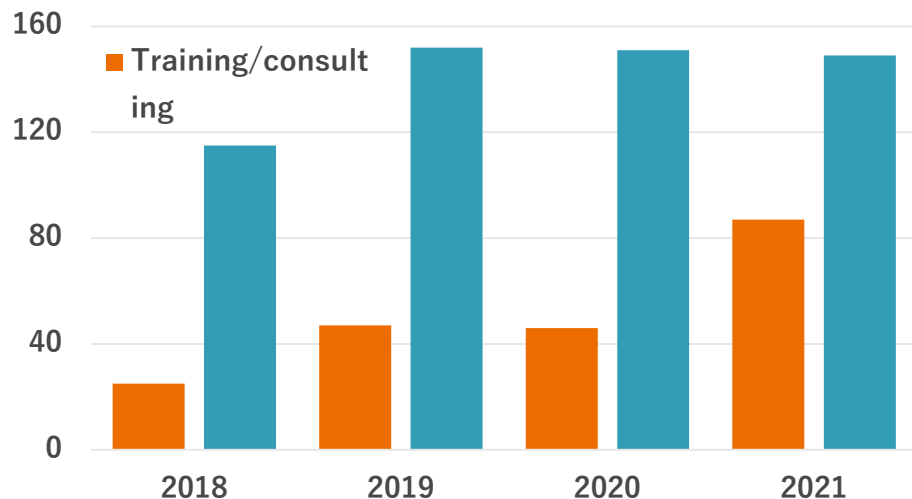
Cybozu manages a community for banks to improve and share their consulting and pitching skills

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

Expanding the Cybozu way



Seminars: 149
Training and consulting
assignments: **87**



災害支援 サイボウズ

Disaster recovery support with Kintone "Disaster DX"

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

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

Expanding Disaster Prevention Agreements nationwide

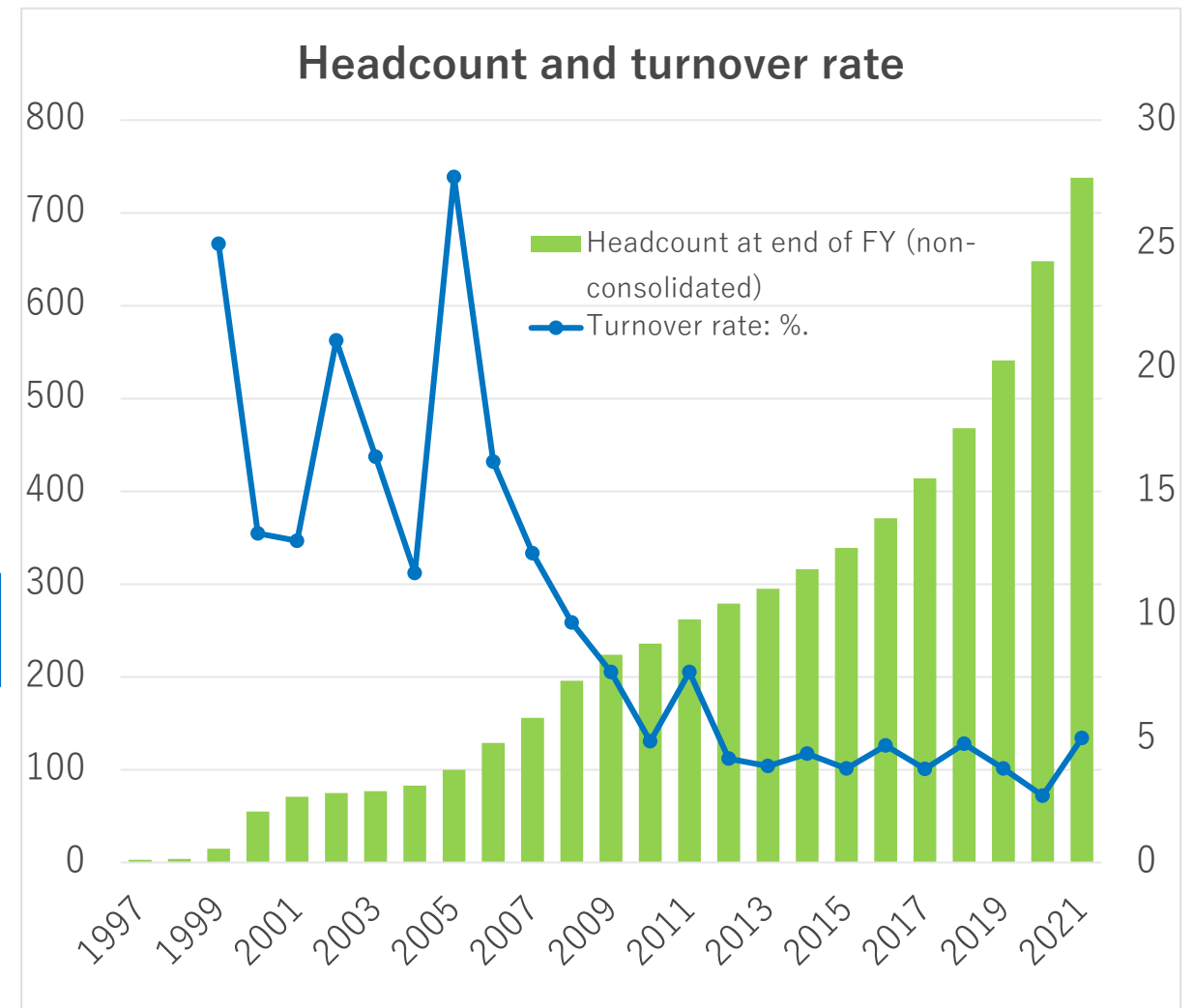
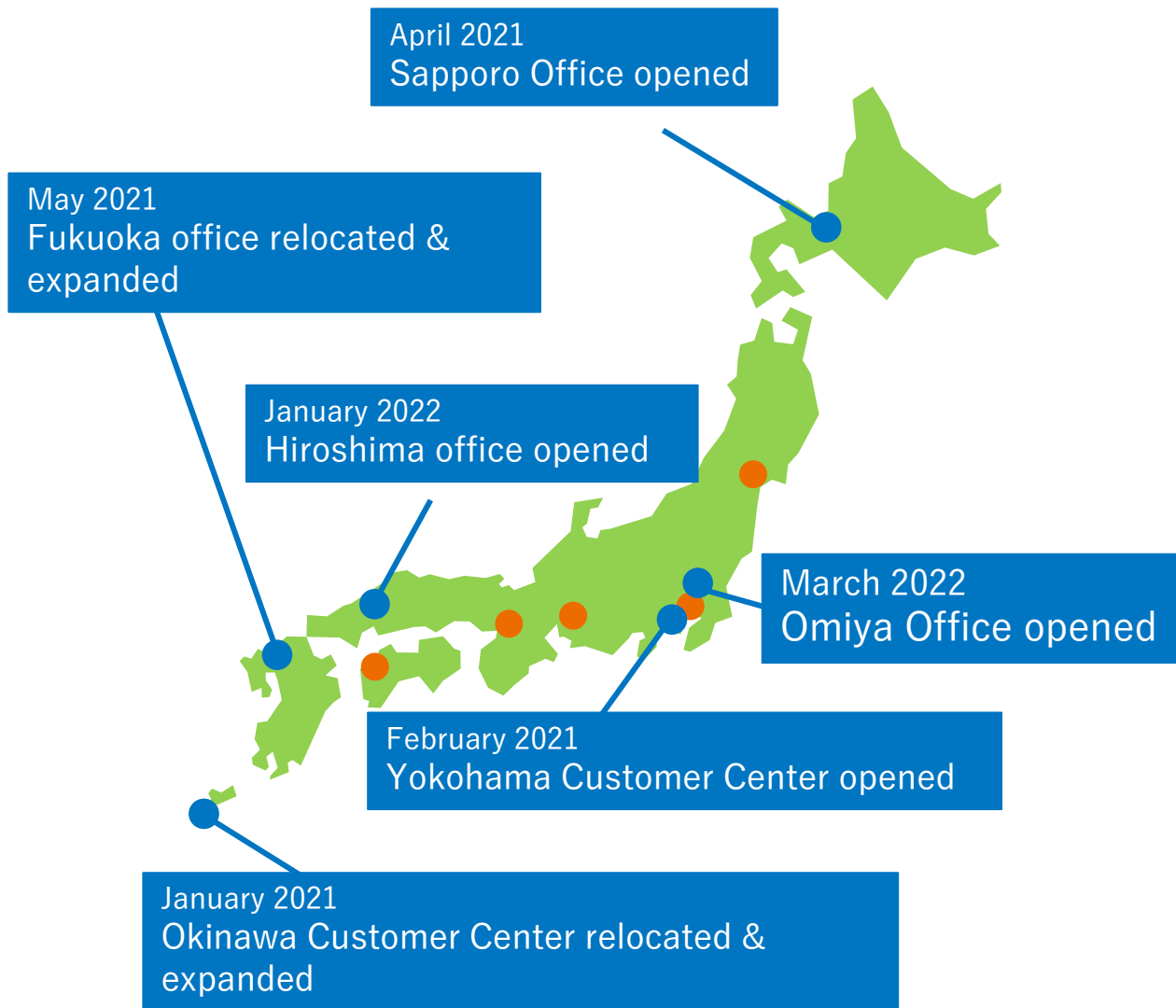
- Chofu City
- Nagano Prefectural Council of Social Welfare
- Shizuoka Prefectural Council of Social Welfare
- Hiroshima Prefectural Council of Social Welfare
- Yokohama City CSW
- Ibaraki Prefectural Council of Social Welfare, etc.

◆◆災害時におけるITを活用した支援活動等に関する包括協定◆◆



More offices and increased hiring

Bolstered our product, sales, and marketing support organizations



Global expansion



YoY
+ 7.2%

Greater China
1,190
companies

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

YoY
+ 30.8%

US
680 SDs

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

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

YoY
+ 25.3%

ASIA
940
companies

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

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

Enhanced user approach with hands-on support



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



US Market Trends

Booming aPaaS market

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

Lots of new competitors emerging

As the market expands, so does funding for aPaaS companies

Companies are exploring new business models

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

Kintone Corp.

Hands-on proactive support (“companion runner service”)

Provide continuous customer-focused support centered on their issues from the pre-sales stage, with a market-in mindset rather than relying on product out.

High customer ratings

Improved business operations thanks to Kintone’s product flexibility and proactive, hands-on support.

Volvo Trucks North America



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

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

★★★★★ Nov 30, 2021

"Great Database Software"

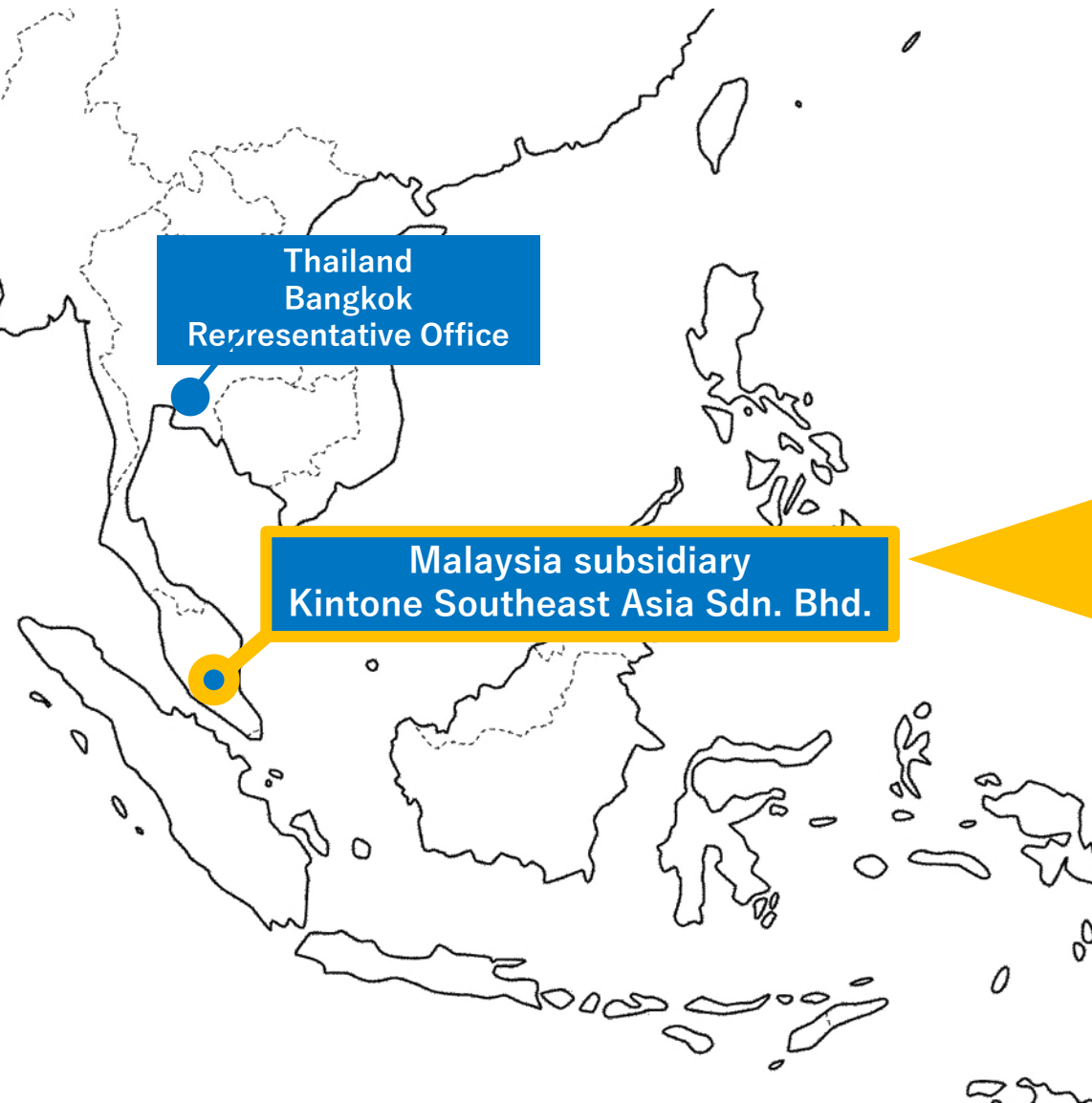
★★★★★ Oct 15, 2021

"Big Fan of Kintone"

★★★★★ Mar 12, 2021

"Great management application"

Boosting sales base in Southeast Asian markets



Press release on Feb. 24, 11:00 a.m. (Japan time)

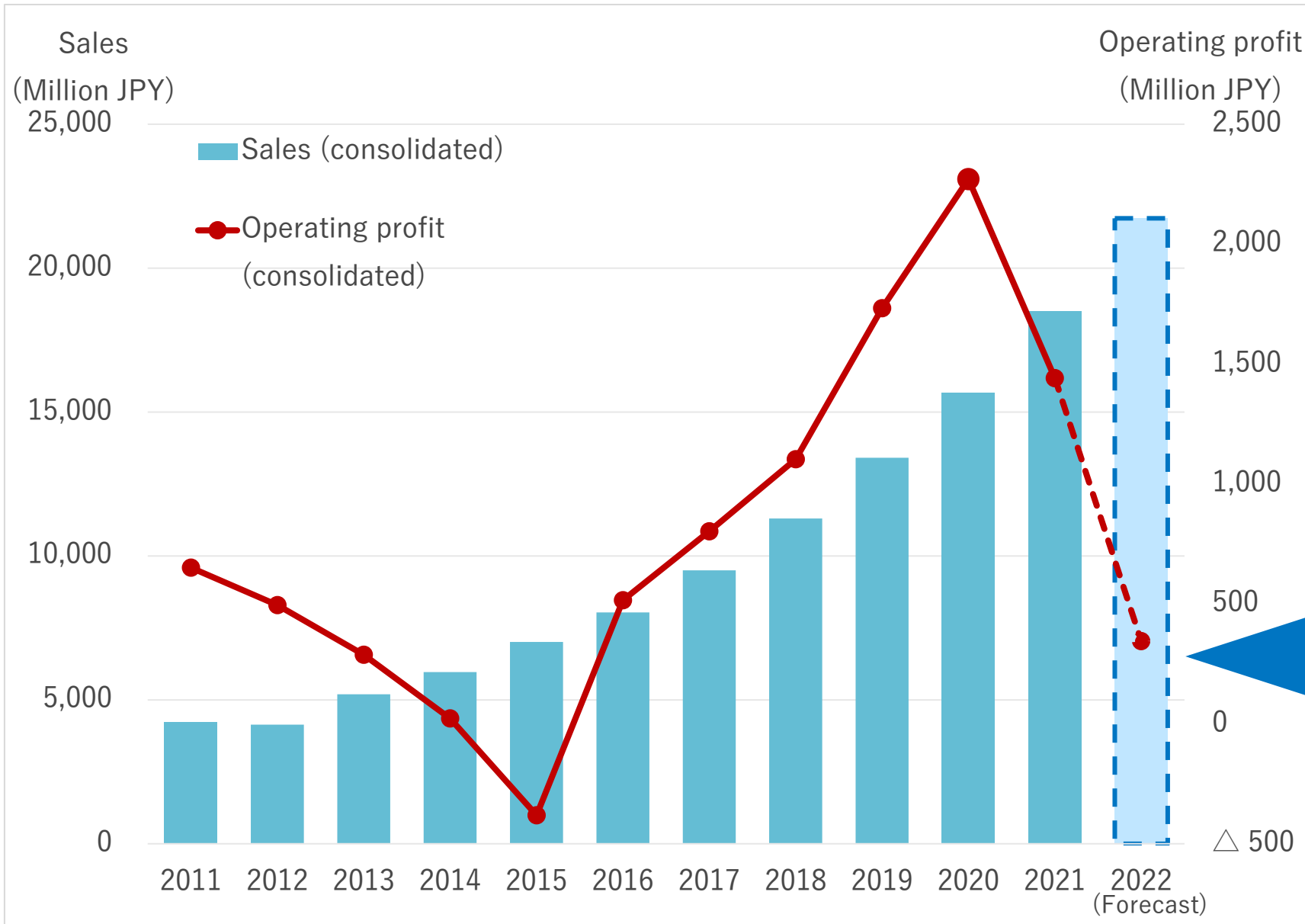
March 2022 Cybozu establishes first Southeast Asian sales office in Kuala Lumpur, the capital of Malaysia



Kintone Southeast Asia Sdn. Bhd.
Office building

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

Aggressively investing in future cloud growth



キントーン

New TV ad airing from Feb. 7

Active investment in advertising promotions and other awareness measures

More server equipment for domestic cloud services

Investing in hiring and office expansion

Next-gen cloud infrastructure to support future cloud business growth

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



cybozu.com (cloud services platform)

Current cloud infrastructure ("Forest")

Next-gen cloud infrastructure ("Neco")

Problems with scaling and operational overhead

High capacity

Elastic

Resilient

Maintenance without downtime

Price competitive



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

Updated corporate blueprint



Digital Transformation



Corporate Transformation

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

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