



# Cybozu, Inc. Business Overview and Financial Results Briefing for the Fiscal Year Ended December 2022

February 22, 2023

Cybozu, Inc.



# About Cybozu



## Cybozu, Inc.

<b>Business</b>	Develop, sell, and operate groupware platforms/Methods consulting business
<b>Representative Director and President</b>	Yoshihisa Aono
<b>Established</b>	August 1997
<b>Head Office</b>	Tokyo Nihombashi Tower, 2-7-1 Nihombashi, Chuo-ku, Tokyo
<b>Locations</b>	Tokyo, Osaka, Matsuyama, Nagoya, Fukuoka, Hiroshima, Sendai, Sapporo, Yokohama, Omiya, Shanghai, Shenzhen, Taipei, Ho Chi Minh, San Francisco, Sydney, Bangkok, Kuala Lumpur, etc.
<b>Capital Stock</b>	JPY 613 million
<b>Listed Exchange</b>	Tokyo Stock Exchange, Prime Section (Securities Code 4776)
<b>Employee Headcount</b>	Consolidated: 1,115 employees, Non-consolidated: 870 employees * As at end of December 2022 * Open-ended contract (permanent) employees only (executives not included)

# Corporate Vision

(As per resolution passed at the 24th Annual Shareholders Meeting on March 28, 2021)

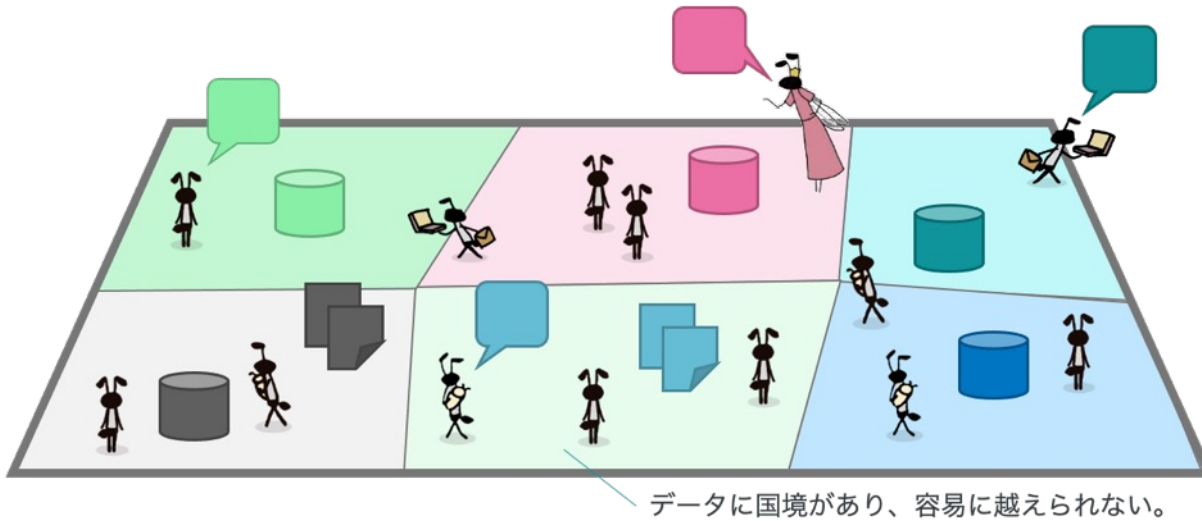
## Purpose

**Building a society brimming with teamwork**

## Culture

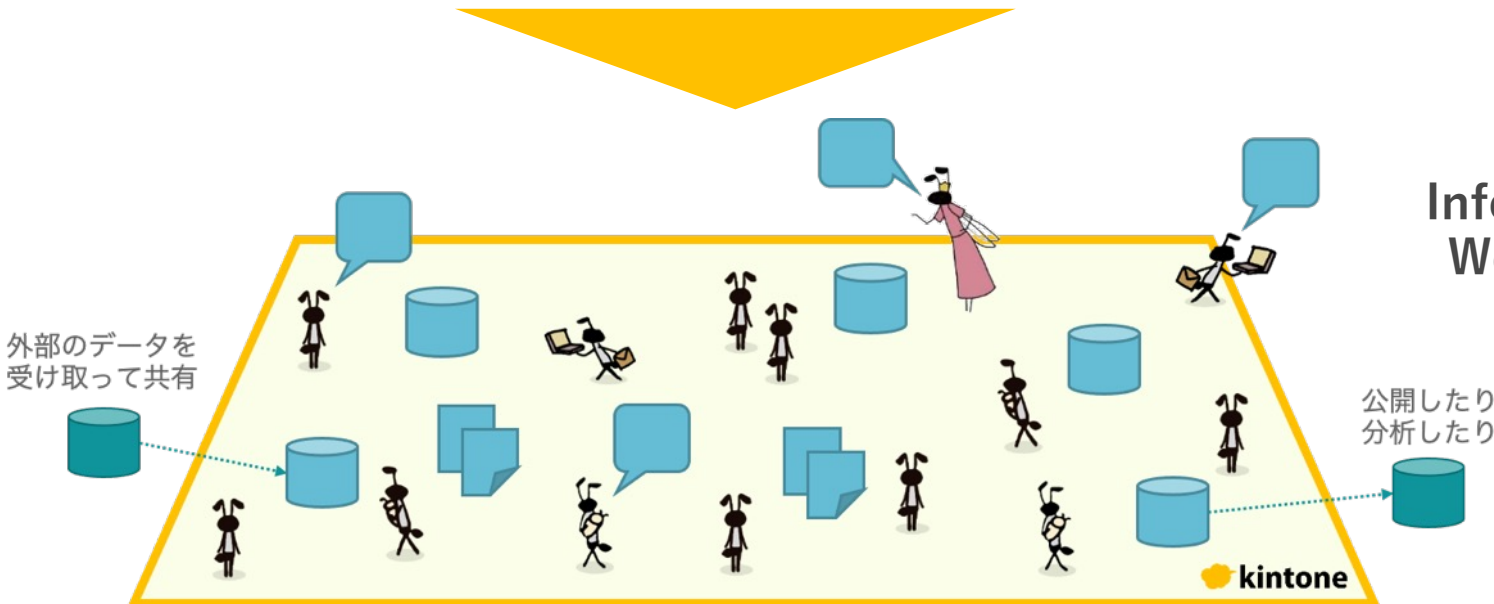
- **Share a common vision**  
Create a common vision that resonates with all members and guides their actions
- **Embrace individuality**  
Embrace individual differences and tap into each other's strengths
- **Be transparent**  
Build a foundation for open trust
- **Be yourself, take responsibility**  
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 across organizations.  
**Information is siloed**, cutting the workplace off from the data it needs to innovate

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



**Information sharing boosts teamwork** and helps the entire organization to evolve

# Cybozu's Cloud Services

## Groupware

サイボウズ Office

Easy and simple groupware for SMEs

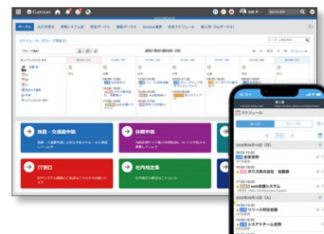
Installed customer base:  
75,000 companies



サイボウズ  
Garoon

Groupware for large and mid-sized organizations

Installed customer base:  
6,800 companies



## Business app development platform

キントーン  
kintone

27,500 companies  
signed up

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



## Mail-sharing application

メールワイズ  
Mailwise

Installed customer base:  
13,000 companies

Centralized management of team email correspondence



\* As at end of December 2022

\* Kintone: Number of domestic companies signed up to Kintone (cloud-only, no on-premises version available)

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

# Achieving a Digital Transformation (DX) In-house with No-code and the Power of Hands-on Support



キントーン  
**kintone**  
**No-code**



Plug-ins  
Integration with  
third-party  
services

Successful  
insourced DX

**Reskilling**



**User  
communities**

Know-how sharing    User interaction

**“Companion-runner partners”**  
(partners that provide hands-on deployment support)

Education and  
insourcing support

Deployment  
consultation

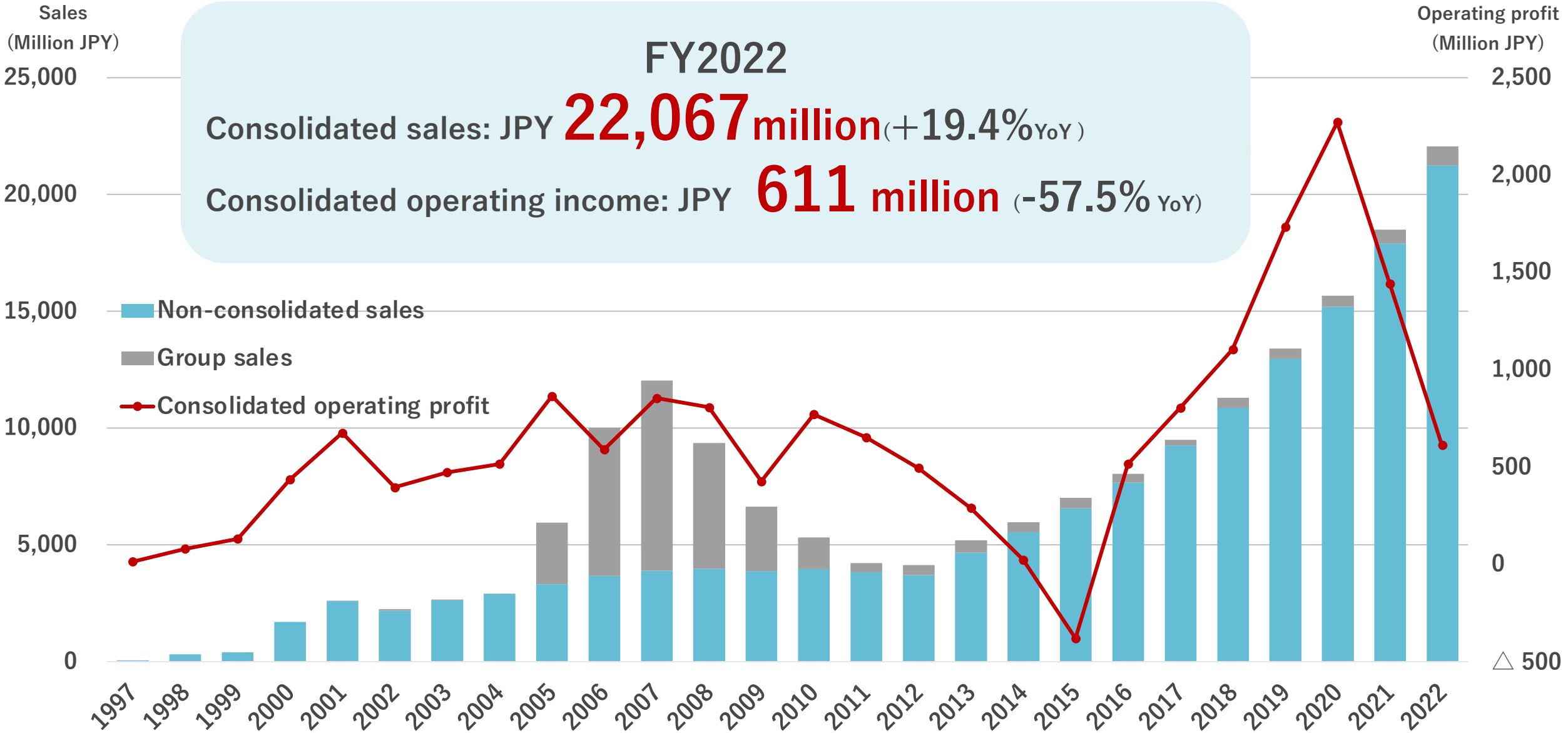


# Company Slogan for 2021-2022

# BET!

**Keeping pace with the DX wave - Aggressive investment  
taking advantage of the favorable business environment**

# Consolidated Sales and Operating Profit





# Consolidated Financial Results

Consolidated financials (Unit: million JPY)	FY2021 (Actuals)	FY2022 (Actuals)	FY2023 (Projection)
S a l e s	18,489	22,067	25,497
Operating profit	1,441	611	2,376
Ordinary profit	1,468	987	2,450
Current net profit	551	66	1,541
Net profit per share	JPY 12.03	JPY 1.45	JPY 33.59
Dividend per share	JPY 12.00	JPY 13.00	JPY 14.00

# Detailed Results FY2022

Consolidated PL (Unit: million JPY)	FY2021 Actuals	FY2022 Actuals
S a l e s	18,489	22,067
Cost of sales	1,339	1,951
L a b o r c o s t s	6,315	7,854
A d v e r t i s i n g e x p e n s e s	4,907	6,452
O t h e r	4,486	5,198
Operating profit	1,441	611

Consolidated sales  
+ JPY 3,578 million YoY  
(+19.4%)

Aggressive investment,  
mainly in Kintone TV  
commercials

Consolidated operating  
profit  
- JPY 829 million YoY  
(-57.5%)

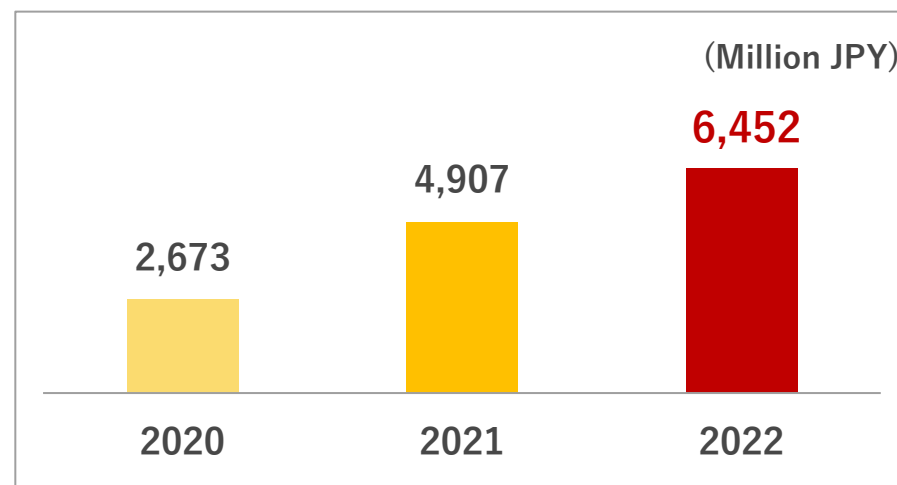
# Results of Advertising Investment



Stepped up advertising to increase product awareness in response to growth in cloud segment

## Changes in actual advertising expenditure

- Ramped up advertising in the last two years, **mainly TV commercials for Kintone**
- Advertising spend was approx. JPY 4.9 billion in 2021, and JPY 6.4 billion in 2022



## Improved awareness due to stepped up advertising

- Awareness of Kintone up by 9 points
- Greater **Kintone brand name recognition by attendees** at tradeshows, seminars, and other events

**Kintone awareness**  
2020 **19%** → 2022 **28%**

\* Awareness survey conducted by Cybozu

# Financials

Consolidated BS (Unit: million JPY)	FY2021	FY2022	YoY
Assets	14,037	15,907	1,870
- Cash & deposits	4,805	5,124	319
Liabilities	7,665	11,277	3,611
- Borrowings	2,200	4,680	2,480
Net assets	6,371	4,630	-1,741
- Treasury stock	-1,800	-1,800	- 0
Shareholder equity ratio	45.4%	29.1%	-16.3%
Net assets per share	JPY 138.88	JPY 100.93	JPY -37.95

Aggressive investment financed through borrowings.

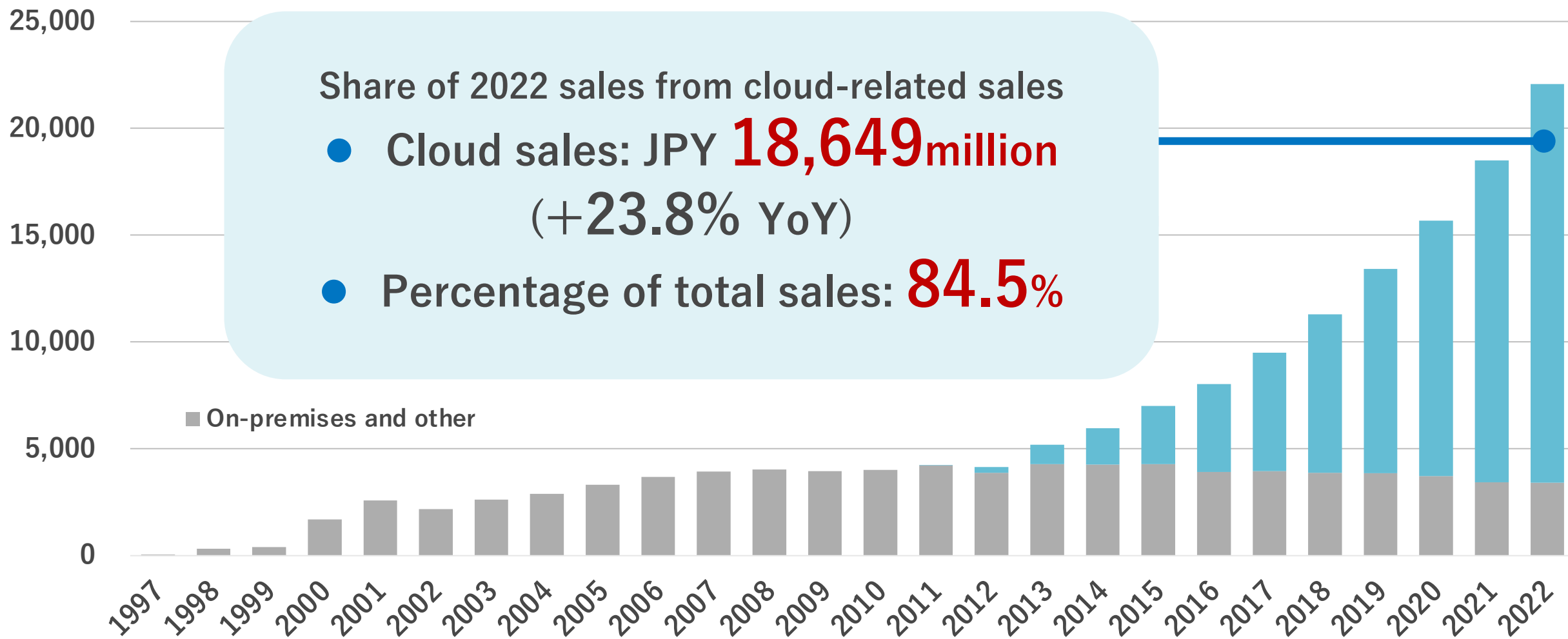
JPY 4.18 billion repaid from proceeds of disposal of treasury stock in January 2023



# Solid Growth in Cloud Sales

(Million JPY)

## Consolidated sales (cloud/on-premises)

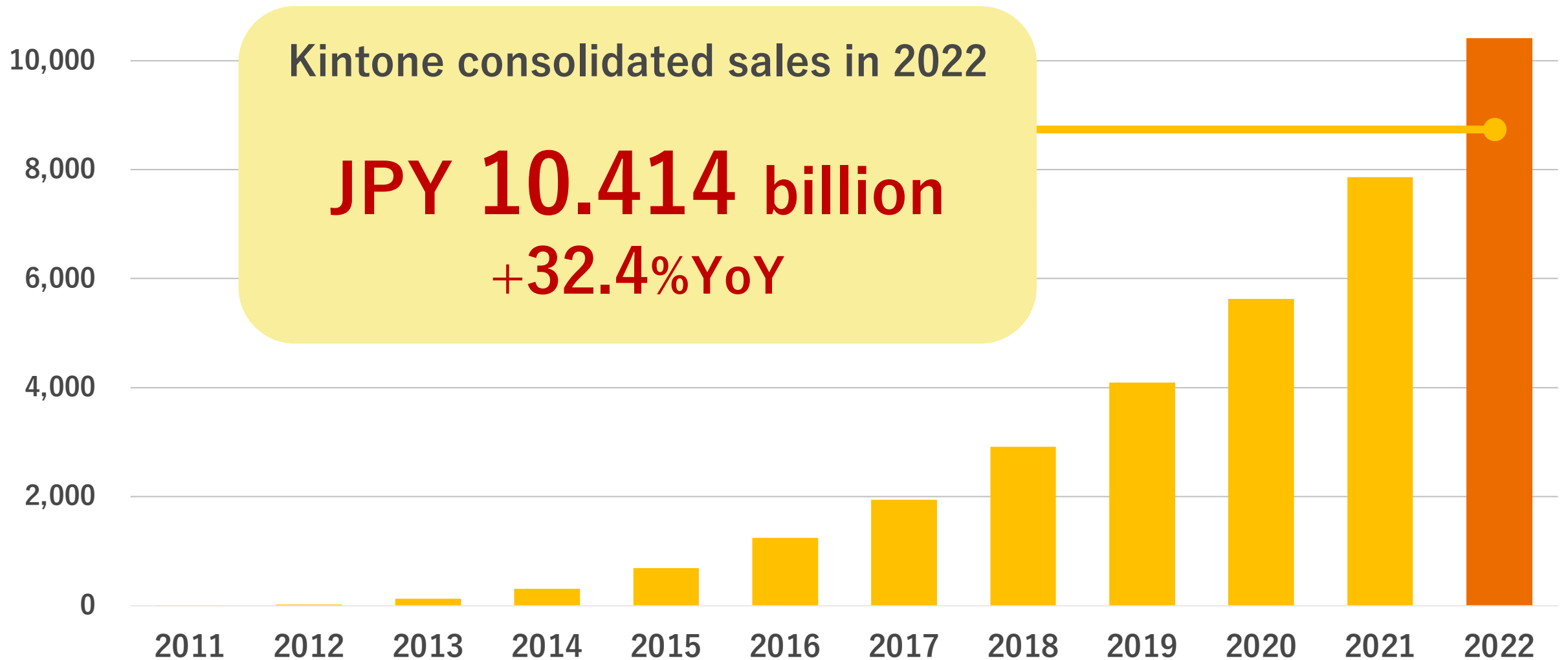


\* Figures are non-consolidated until 2010 and consolidated from 2011. \* Six month-fiscal period in 1999, 11-month fiscal period in 2012

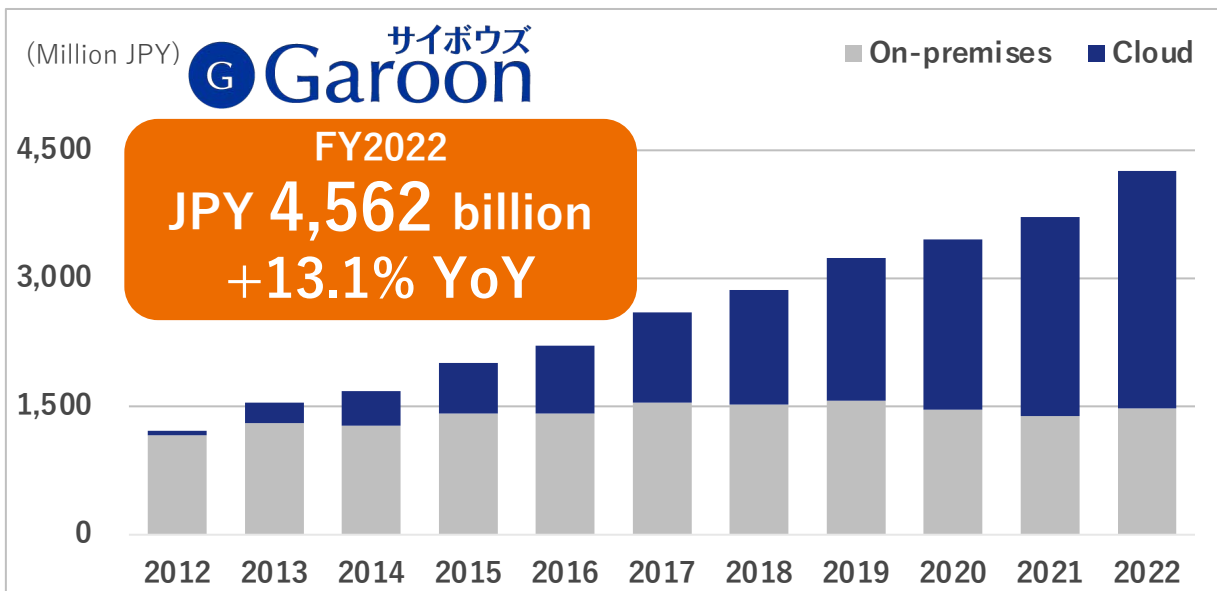
# Kintone Sales Break the JPY 10 Billion Mark

(Million JPY)  
12,000

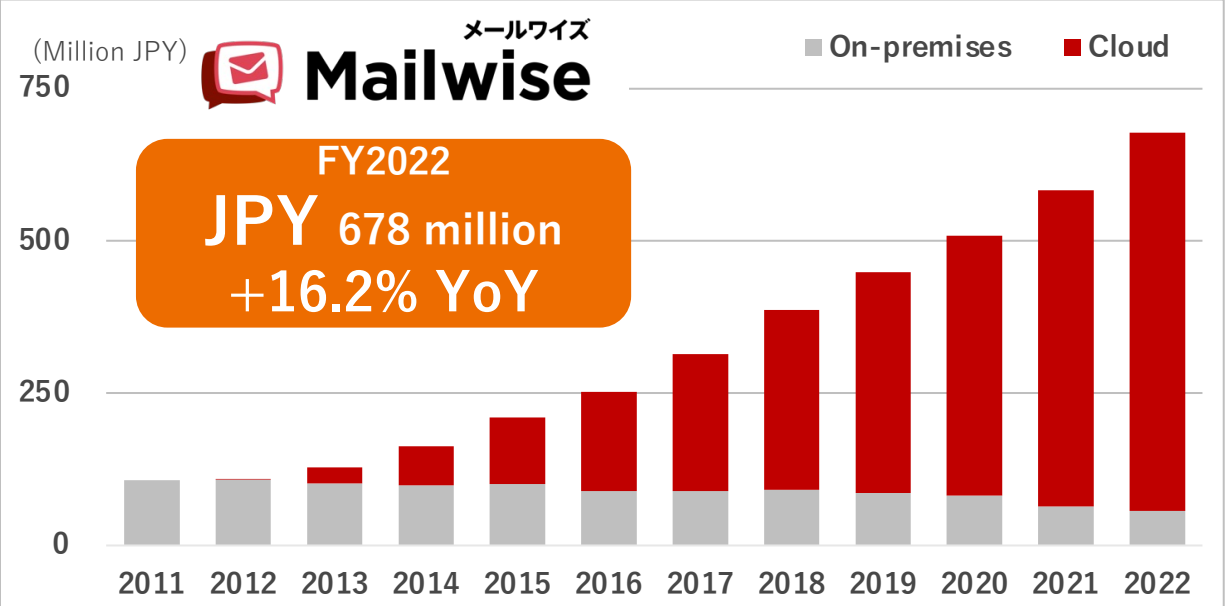
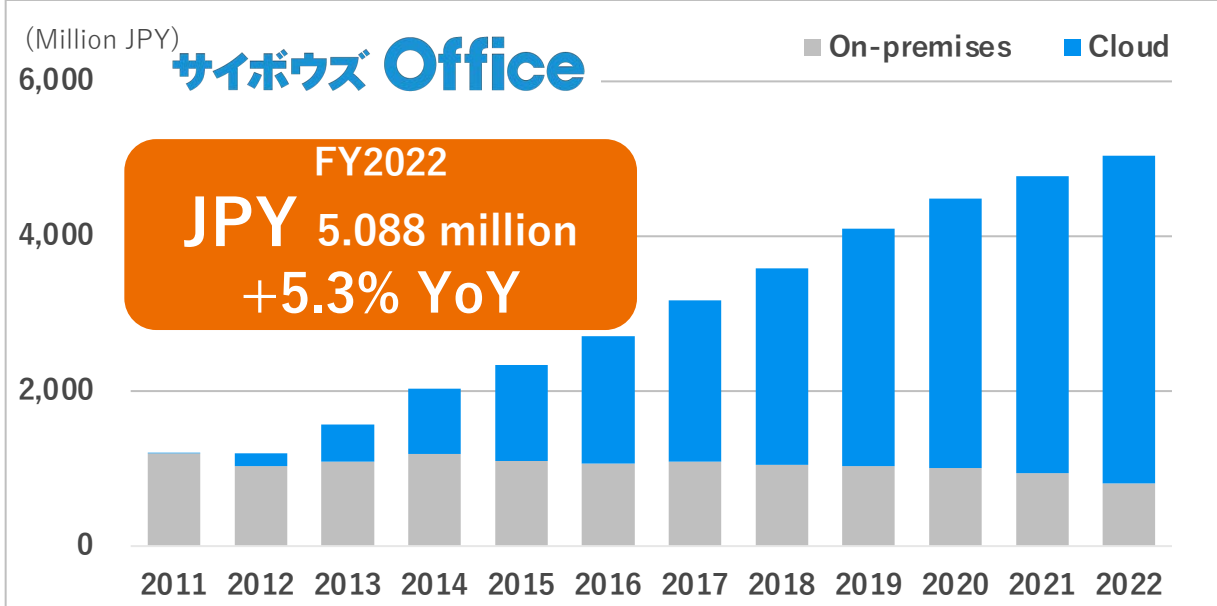
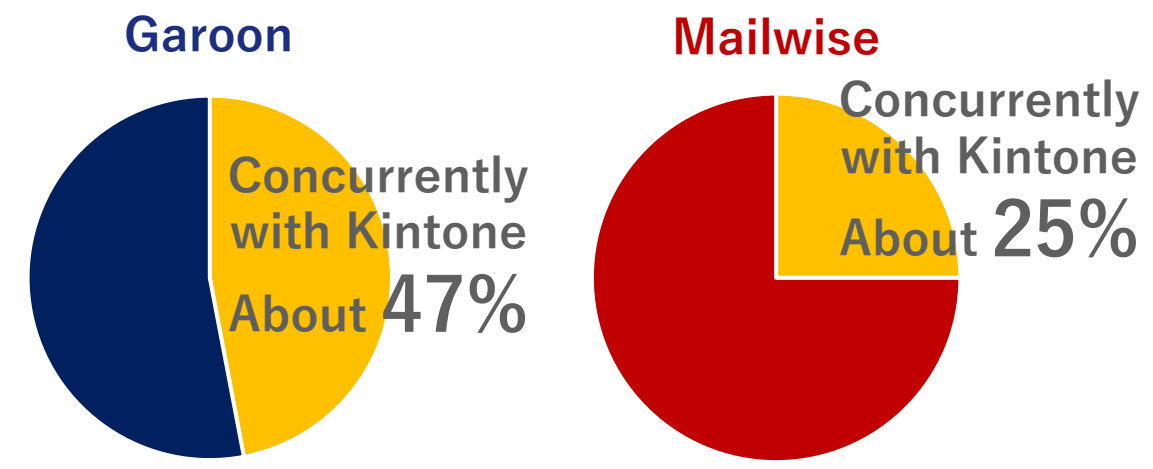
Kintone consolidated sales



# Consolidated Sales by Product \* As at end of December 2022



## Increasingly used concurrently with Kintone



# Initiatives to Boost Security Trust

Delivering safe and secure products thanks to robust security measures and stable operational infrastructure

## Granular account management functionality

- ✓ Account integration
- ✓ Prevent unauthorized access
- ✓ Activity log checking
- ✓ Access permission control

## Integration with other companies' services

- ✓ Account management and single sign-on
- ✓ VPN connections
- ✓ LGWAN
- ✓ Mail Servers



## Highly reliable infrastructure operations

- ✓ Infrastructure
- ✓ Failure response
- ✓ Service Level Objectives (SLO)
- ✓ Uptime percentages

## Security protection initiatives

- ✓ Dedicated security incident response team
- ✓ Security audits by third-party organizations
- ✓ Security policies
- ✓ Cooperation with external parties



# Assessments by Third-party Organizations (Security)

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

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 2021.

## Acquired Certifications for Information Security Management Systems (ISMS)

- **ISO/IEC 27001**

Certification scope: Design, configuration, and maintenance of infrastructure for our in-house developed cloud services/Design, configuration, operation, and maintenance of our internal IT systems/Development of our cloud-based services, on-premises products, and our in-house systems

Certification number: IS 577142

- **ISO/IEC 27017**

Certification scope: ISMS cloud security management system for system operation and maintenance as a cloud services provider of Garoon, Kintone, Cybozu Office, Mailwise, and cybozu.com

Certification number: CLOUD 715091

# Third-party Commendations (Customer-support/user-experience)

HDI Rating Benchmark  
Per response record/monitoring  
evaluation (telephone)  
Received the highest rating of 3 stars



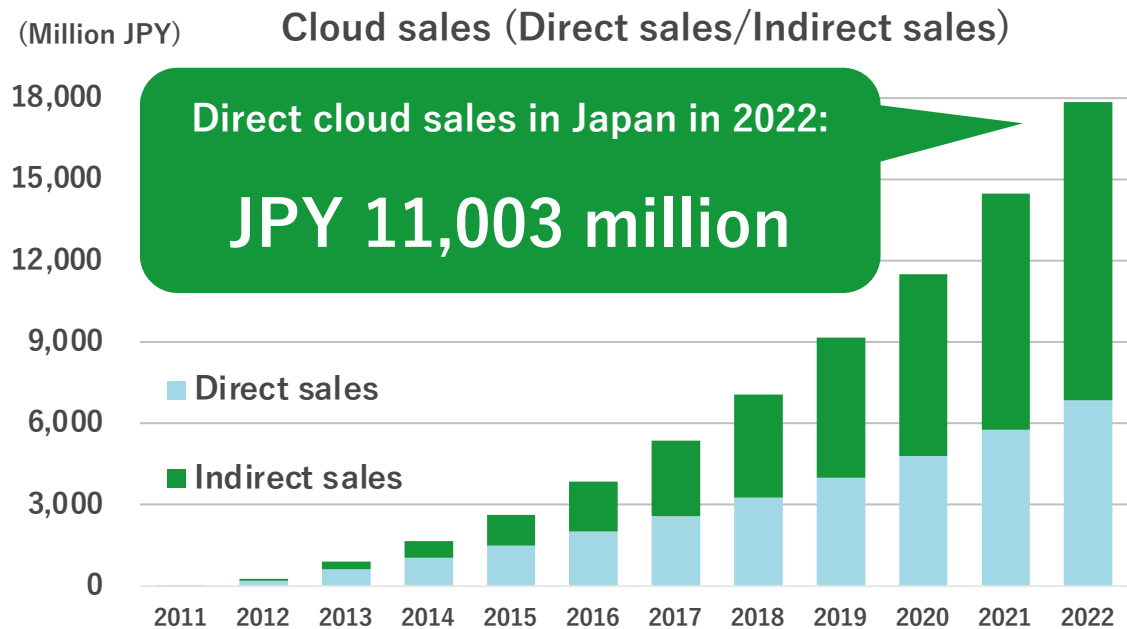
Nikkei Computer, Sept. 1, 2022 edition  
Customer Satisfaction Survey 2022-23  
First place in the cloud infrastructure  
service (PaaS) category



# Expanding the Partner Business

## Partner sales

Partner sales accounted for 61.6% of cloud sales in Japan in 2022



\* Japan sales only

## No. of integrated

Over 370 services



\* As at end of December 2022

## No. of partners

About 400 companies



\* As at end of December 2022

## Boost awareness of solutions combining Kintone with other SaaS

Enhance business alliance activities to expand our third-party integrated services ecosystem.

### New Cybozu-event inaugurated in September 2022 Cybozu Cloud Garden in Nagoya

New event held in Nagoya for the first time utilizing our regional partner network, featuring exhibits and presentations on various SaaS products, including Kintone.

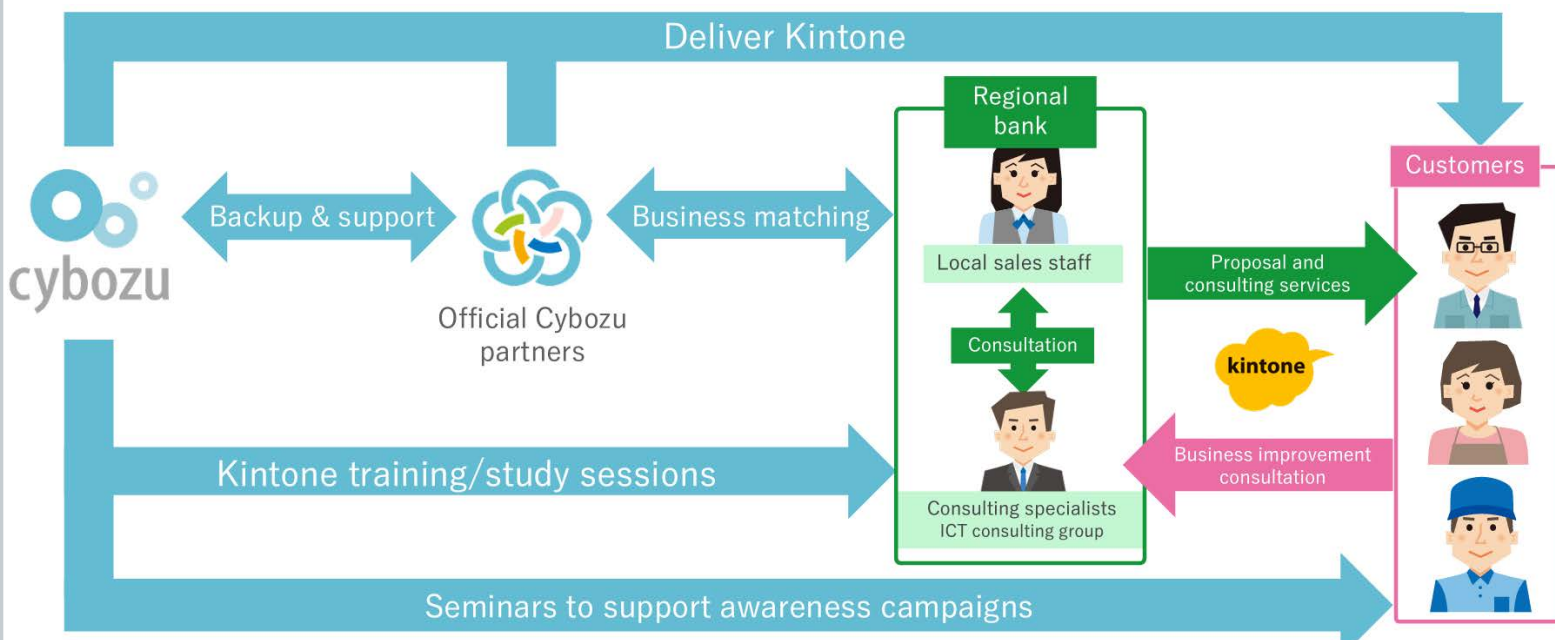


## Partnership case studies



# How Japanese Regional Banks are Pitching Cybozu Products to Local Companies to Drive DX

## Business model for tie-ups with regional banks



## No. of regional bank partnerships

**17 banks**

throughout Japan

\* As at end of December 2022



\* Just some of the banks we started working with in FY2022

## Kintone Training Camp



KTC  
Kintone Training CAMP

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

## Regional bank consulting - Track record

Cybozu products deployed in approx. **400** companies

\* As at end of December 2022



# Supporting Reskilling in Collaboration with Pasona Inc.

Reskilling registered temp staff so they can be dispatched to client premises to work as DX-capable talent by teaching them Kintone skills

- Kintone Certification Course for expert staff who have registered with Pasona's talent dispatch service, jointly launched by Pasona Inc. and Cybozu
- Proactive, hands-on support and follow up provided by **Pasona and Cybozu** to aid reskilling
- The goal is to develop 2,000 expert staff to be DX-capable talent trained in working with Kintone



# Deployment Statistics

Number of companies signed up to Kintone:

**27,500 companies**

\* As at end of December 2022

Average no. of companies installing Kintone

**550 companies/month**

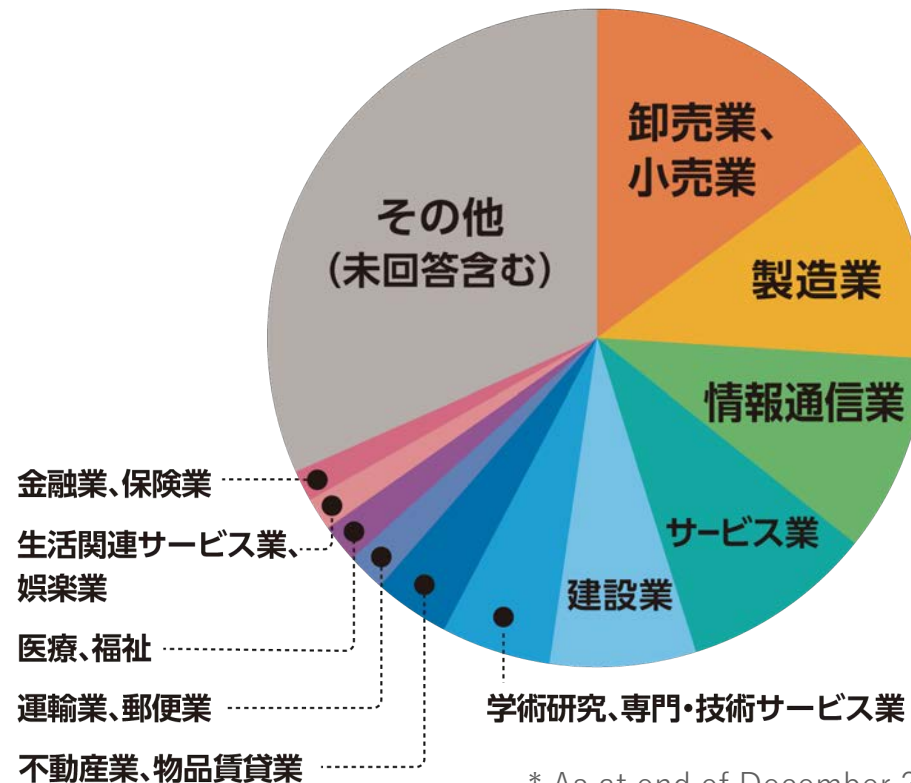
\* 2022 average

**Installed at 1 in every 3 companies trading on the TSE Prime Section**

\* As at end of December 2022



## Customer breakdown by sector



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

Departments stakeholders driving Kintone deployment in their organization belong to  
(Scope: Customers active as at end of December 2022)



**93%**

非IT部門

**7%**

IT部門

# Enhancing DX Quality with User Communities

## Kintone user community for enterprises

### Kintone Enterprise Circle (Kintone EPC)

- No. of participating companies: **around 20**  
\*As at December 2022  
(Including corporations such as En Japan Inc., and Japan Airlines)
- Mutual exchange of feedback, useful information and know-how, **based on output-focused interactions between users about their company's issues and initiatives**  
→ **Promote the use of Kintone within the participating companies**
- Foster user-level teamwork across organizational and corporate boundaries



Following feedback from Kintone EPC calling for the **establishment of IT governance**, and based on discussions with user companies and external advisors:  
**We published the Kintone Governance Guidelines in July 2022**



[https://kintone.cybozu.co.jp/jp/governance\\_guideline/](https://kintone.cybozu.co.jp/jp/governance_guideline/)

**Drive successful insourced DXs with flexible and effective governance**

# Used Kintone to rapidly start managing the majority of retail store systems in-house

- Leveraged retail experience to build business apps
- 65 \*business apps built using Kintone
  - \* As at January 2023
  - Built customer records with information about customer purchase history, previous interactions, and more
  - Built a manufacturing management system for rackets and other sporting equipment in two weeks
  - Built a system for the buyback of secondhand gear in two months
  - Built an order management system in two months
  - Build a part-time employment system
- Significant cost reductions and speed improvements

## New structure for efficient operation of business systems in around 400 retail stores



<https://kintone-sol.cybozu.co.jp/cases/alpen.html>

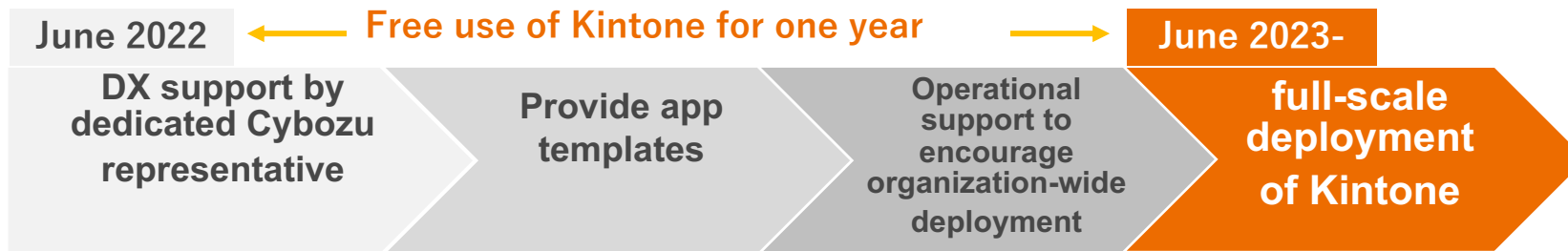
Achieving successful **insourced DXs** made possible by empowering employees familiar with field operations to build the business solutions themselves



# Driving DX by Japanese Local Governments cybozu with Kintone

## Kintone one-year free campaign

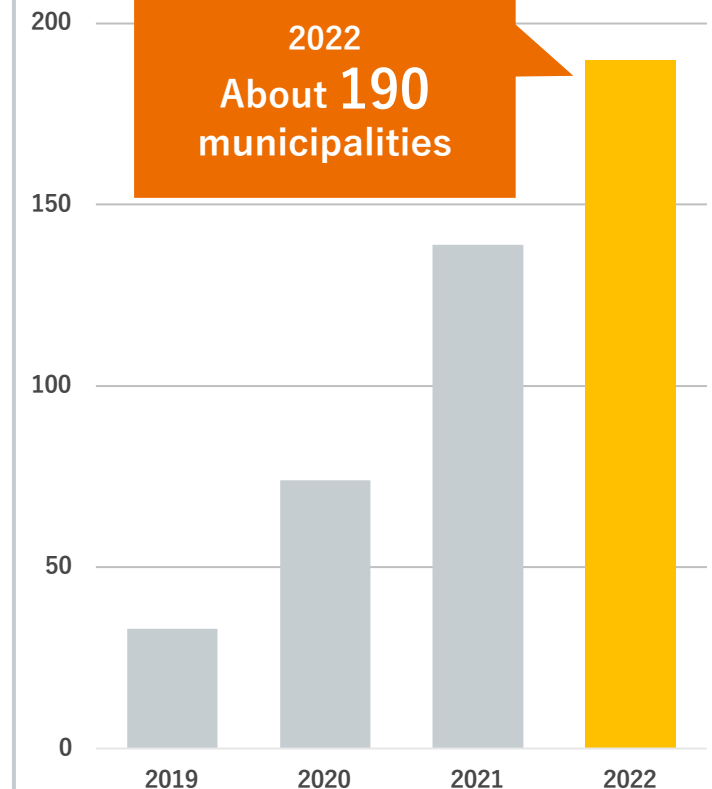
- Cybozu-campaign providing **extensive support to Japanese municipalities to aid with their DX-efforts**
- Municipalities participating in the campaign receive **hands-on guidance** on how to utilize Kintone
- **Over 90% of participating municipalities intend to officially deploy Kintone in the next fiscal year. Of these, more than 20% are considering global deployment across all of their agencies**



## All-staff Kintone deployment license

- New licensing structure launched in April 2022, available for municipal Kintone deployments that cover all staff in the organization
- Up to 60% reduction **in license fees if the deployment covers all agencies in the municipality**

## Number of municipalities using Kintone



# Expanding Kintone to National Ministries



## Driving DX in Japan's national ministries with Kintone

- The goal is to facilitate DX in civil service operations and enable more efficient information sharing by deploying Kintone in national ministries as well as local municipalities
- The hectic schedule of civil servants makes it difficult to find time to work on internal DX  
→ Working to **expand our partner-based, hands-on support model**

### Case study: Ministry A

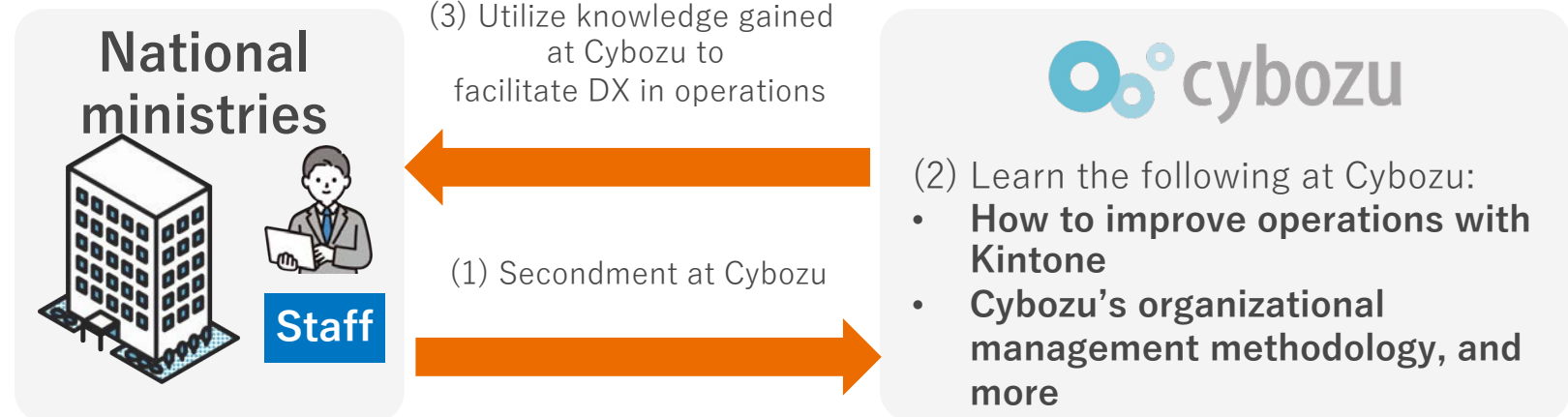
Over 90% reduction in costs after deploying Kintone through a “companion runner partner” (partner that provides hands-on deployment support)

### Case study: Ministry B

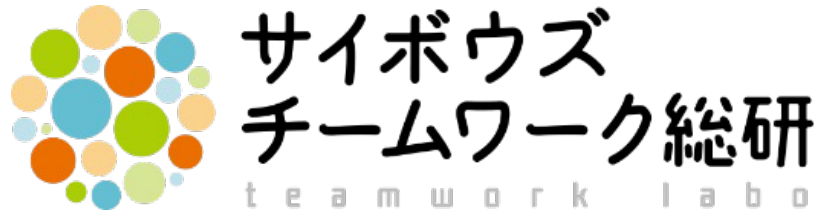
Kintone deployed as a platform for information-sharing with every municipality nationwide

## Cybozu to host secondments of officials from national ministries starting April 2023

- Host secondments of ministry staff to **boost our organizational capability to expand Kintone's deployment in the government sector.**
- Since 2020, Cybozu has also accepted temporary staff assignments from local municipalities. This helps grow the number of DX-promoters within the public sector, which ultimately delivers significant social value.



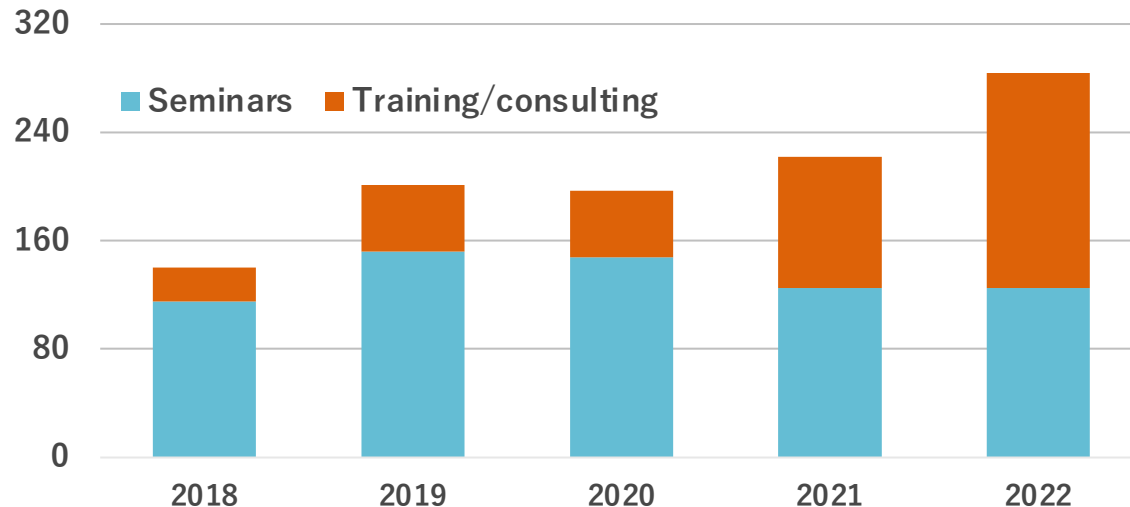
# Expanding Our Organizational Reform Methods Consulting Services Thru Hands-on Support



Actuals for 2022

Seminars: **125**  
Training and consulting  
assignments: **159**

YoY  
**+64%**



## Transitioning from lectures to training and consulting

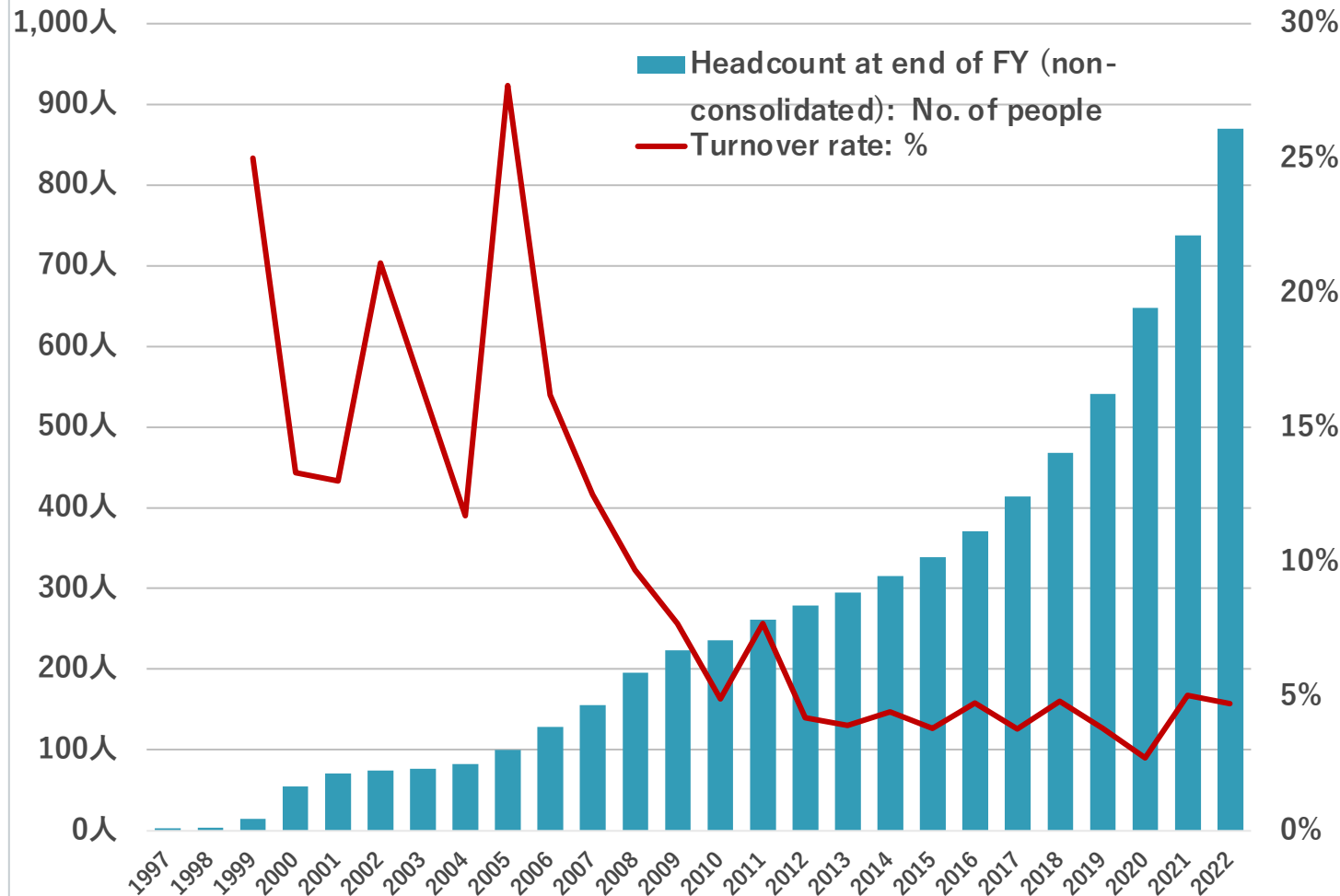
- Until 2020 we mainly provided workstyle reform-related seminars, but since 2021-2022, our portfolio of hands-on support services has grown significantly (training, consulting, advisory services, etc.).

## Hosting interns from Panasonic

- Four employees from Panasonic Automotive Systems Co., Ltd. **interned at Cybozu for two weeks.**
- Incorporate insights about information-sharing gained at Cybozu in their own workplace after the internship

# Human Resources and Organization Updates

## Headcount and turnover rate



## August 2022 Tokyo Office partial renovation

The Tokyo Office's workspace area was partially renovated to accommodate more employees and evolving workstyles



## Establishment of global employee share ownership plan encompassing overseas locations

## Special one-time inflation relief allowance paid out to all direct employees, including those based overseas

## Establishment of the New Business Division

# Corporate Governance Update



Maintaining proper governance by ensuring equal representation of candidates from three different governance perspectives for this year's appointments to the Board

## Board Composition (Candidates for Board of Directors for FY2023)

### Two Outside Director candidates recruited externally

Outside Director positions were added to the Board in FY2022, **in accordance with new requirements in the revised Companies Act, effective from March 1, 2021.**



#### Yasutomi Kitahara

President and Representative Director of K.K. Nature  
Graduate School of Management,  
Nagoya University of Commerce &  
Business MBA  
Professor, Ph.D



#### Yuko Watanabe

HSW Japan, Partner and Co-founder  
888 NY Consulting, LLC, Founder and  
Owner

### Two Internal Director candidates selected by internal vote within executive team

Current Representative Director and one of the current Executive Officers selected as candidates, **in accordance with statutory and administrative considerations.**



#### Yoshihisa Aono

Representative Director and  
President



#### Tadamasa Hayashi

Executive Officer, General  
Manager of the Corporate  
Affairs Division

### Two Internal Director candidates selected by internal company ballot among all employees

Two candidates **selected, representing the top two nominees in an internal ballot in which all employees were eligible to vote.**



#### Takakazu Morioka

Teamwork Research Institute  
(TRI)

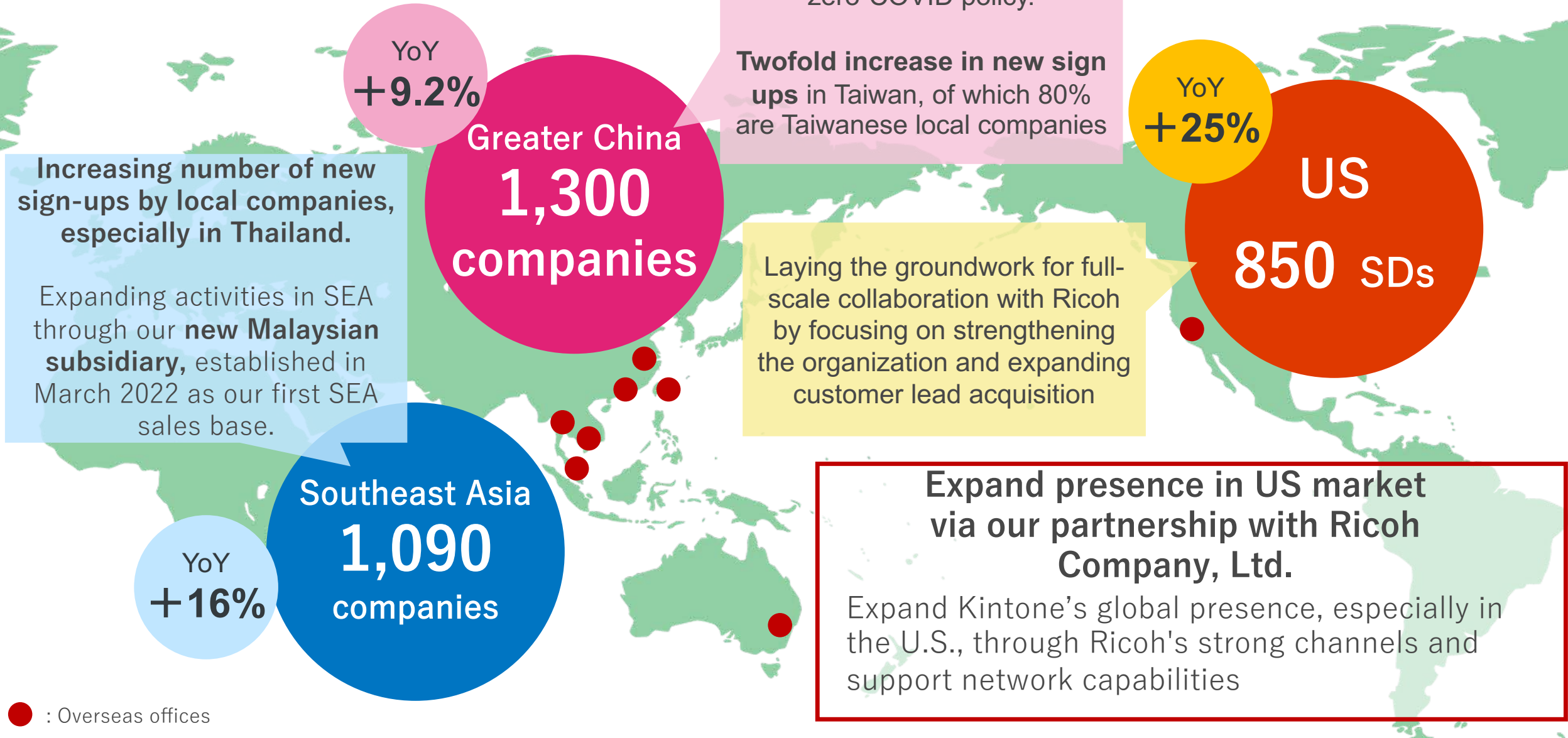


#### Yuko Kanzaki

Development Division



# Global expansion



Sales growth in China despite impact of restrictions due to the zero-COVID policy.

**Twofold increase in new sign-ups** in Taiwan, of which 80% are Taiwanese local companies

Increasing number of new sign-ups by local companies, especially in Thailand.

Expanding activities in SEA through our **new Malaysian subsidiary**, established in March 2022 as our first SEA sales base.

Laying the groundwork for full-scale collaboration with Ricoh by focusing on strengthening the organization and expanding customer lead acquisition

**Expand presence in US market via our partnership with Ricoh Company, Ltd.**

Expand Kintone's global presence, especially in the U.S., through Ricoh's strong channels and support network capabilities

● : Overseas offices

\* As of December 2022 (Total number of companies in Greater China and SEA; number of subdomains signed up in the U.S.)

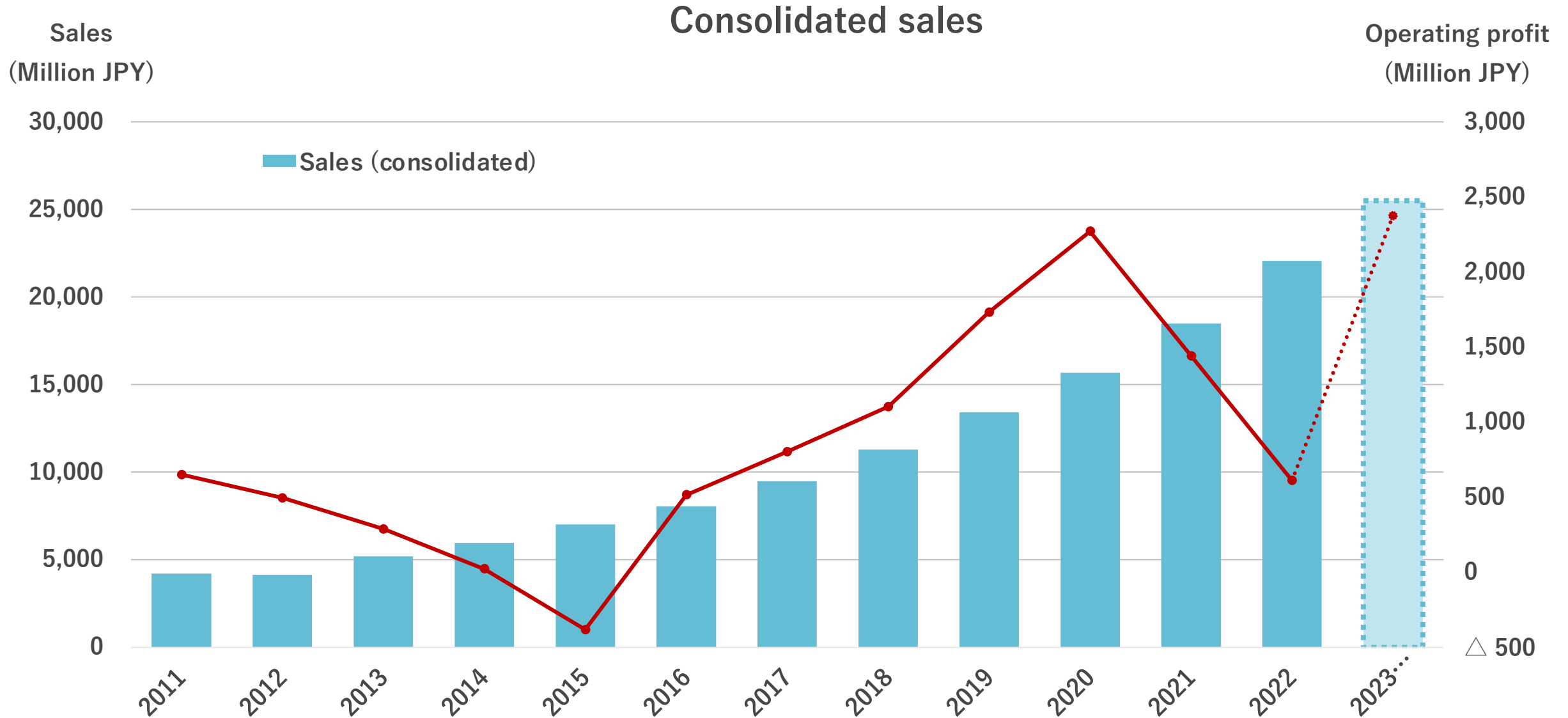
# Company-wide Slogan for 2023-2025

# 25BT

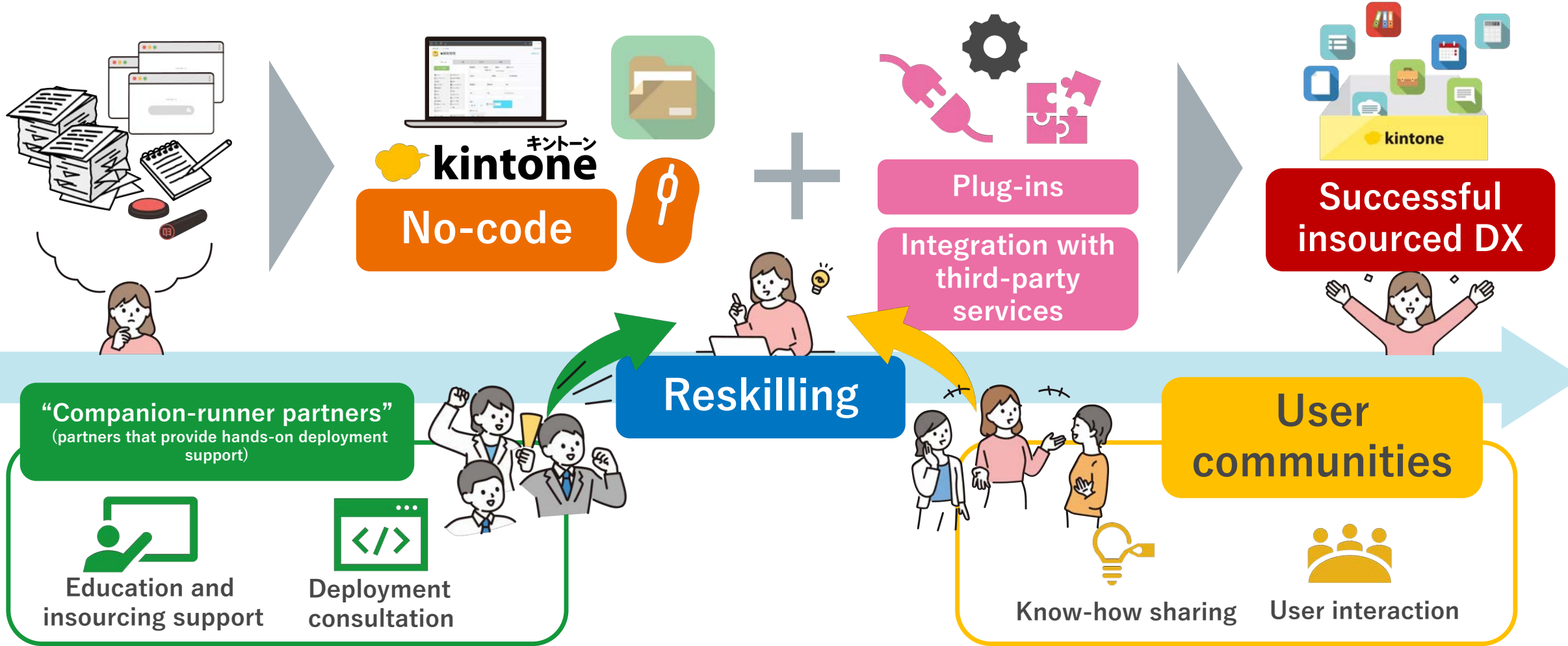
“2025 and go **Beyond** with **Trust**”

Focus on reaching our next big milestone three years from now (FY2025), while simultaneously developing trust-centered initiatives that look to the future beyond 2025.

# Aim for Continued Cloud Growth



# Build a Rich and Robust Ecosystem to Power User-driven DX



# Triggering a Cascade of Transformations with No-code



## Cultivation of digital talent

No-code empowers team members on the ground to take the initiative and digitize field operations for themselves



## Organization-wide DX

Bigger pool of in-house talent capable of improving operations with digital tools increases momentum for organization-wide DX



## Organizational change

Cultivating innovative talent gives rise to people who can take the initiative and are motivated to drive change, while digitizing operations simplifies information-sharing and enhances teamwork. The end-result is an organization that is more adaptable to change.

# Building a Society Brimming with Teamwork

