FY2019
Financial Results Briefing Document

V-cube, Inc.
February 12, 2020

テレワークで日本を変える
V-CUBE

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2. FY2019 Results

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Opportunities for the unprecedented spread of telework

FY2019

- ✓ Net sales increased 10.6% YoY (excluding divested business)
- ✓ Operating profit was in the Red due to conducting Mass Marketing (No plan in 2020)
- ✓ Fully impaired China-related business, no negative impact expected in the future

・Cannot be recorded due to delayed sales receipt of sold services
（approx. 200 million yen）
・ FY2020 and beyond are not included in the sales and profit plan.
・ Only royalty income from distributors' sales in the future

⇒FY2020 will make a positive contribution

FY2020

- ✓ Progress in realigning and investing in growth areas, with clear contributions to 2020 (P.11)
- ✓ Operating profit target is 900 million yen, and the forecast is 500 million yen.
- ✓ FY2019 Dividend forecast 1 JPY unchanged. Aim for a dividend payment ratio of 20%

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Necessary for wider use of telework

Culture

- Leadership
- Pressure from the employment environment
- Social pressures
- Awareness of the need
  - Olympics
  - Frequent occurrence of disasters such as typhoon
  - Epidemics of infection



System

- Employment Regulations
- Evaluation System
- Telework rules



Tools

- Web conferencing
- Chat tools
- Security Tools
- 4G, 5G line
- Electronic approval system
- Groupware



Location

- Share office
- Satellite office
- Telecommuting environment
- Telecube



Previously the tools were relatively complete, but the other 3 were in short supply

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Social Environment (Telework Wave)

Decided on the implementation policy of “Telework Days 2020” on January 29, 2020
Calling for the Implementation of Telework, Government-led National Campaign for Work Style Reform

- Implementation period: from July 20th 2020 to September 6th 2020
- Period of Olympic games is the "Period for Concentrating Enterprises in Tokyo"
- Approximately 680 thousand participants from 2,887 organizations in 2019
- Aiming for participation by more than 3,000 organizations in 2020
- Encourage telework, satellite offices, holidays, staggered commuting, etc.

"Smooth Biz"
by the Tokyo Metropolitan Government
As 1 of the 3 initiatives
Promoting the Establishment of Telework

スムーズビズ
Smooth Biz

Culture **System**



(Since 2017, V-cube has been participating as a special cooperative group (with more than 100 participants at the same time).

⇒Increasing momentum for telework toward summer

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Launch of telework introduction support service（release on February 12.2020）

As a countermeasure against the spread of new coronavirus infections
Support for introduction of telework to companies and organizations that embark on new introduction of telework and environmental improvement

System　Tools

【Target】

All companies and organizations considering the introduction of telework

【Services provided】

Telephone and online consultation desks for the introduction of new telework systems

Provision of various tools for realizing telework

Introduction to Telework Usage Guidelines

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Launched the subscription model.
Large-scale commercials were conducted on television and taxis at the end of 2019.

Location

TELECUBE®



Telecube Co.Ltd
Image of installation at office lobby
https://telecube.jp/



JR East
STATION BOOTH image
https://www.stationwork.jp/



For 1 person
69,800 yen~/month



For 2 persons
100,800 yen~/month

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Feedback of Mass Advertising, Including TVCM

Satoshi Ikematsu, an actor of Japan, passionately performs a moderately-sized salaried worker!?
On-air service started on December 1st, on the "Telecube" TVCM, which solves "Shortage of meeting room issues" in offices.

- ✓ A lot of empathy for the "shortage of meeting rooms" defined in TVCM.

Effects of mass advertising

- ✓ Number of visits to websites : 219% YoY
- ✓ Number of prospective online customers : 141% YoY
- ✓ Number of Telecube business negotiations :
  337% compared to before TVCM and the end of January 2020
- ✓ Acceleration of business negotiations due to widespread recognition of partner candidates among large corporations and government agencies



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Telecube's Business Deployment

The number of units installed increased significantly from FY2019.3Q level.
In Telecube for public spaces, only 65 units were installed due to location adjustments, but preparations for full-scale installation in 2020 progressed as planned.

Progress in installing Telecube for public spaces

October. 2019

- Seibu Railway “Takadanobaba Station” “Tokorozawa Station”

November. 2019

- Sanno Park Tower (directly connected to Tameike Sanno Station)

December. 2019

- Tobu Railway ” Kita-Senju Station”

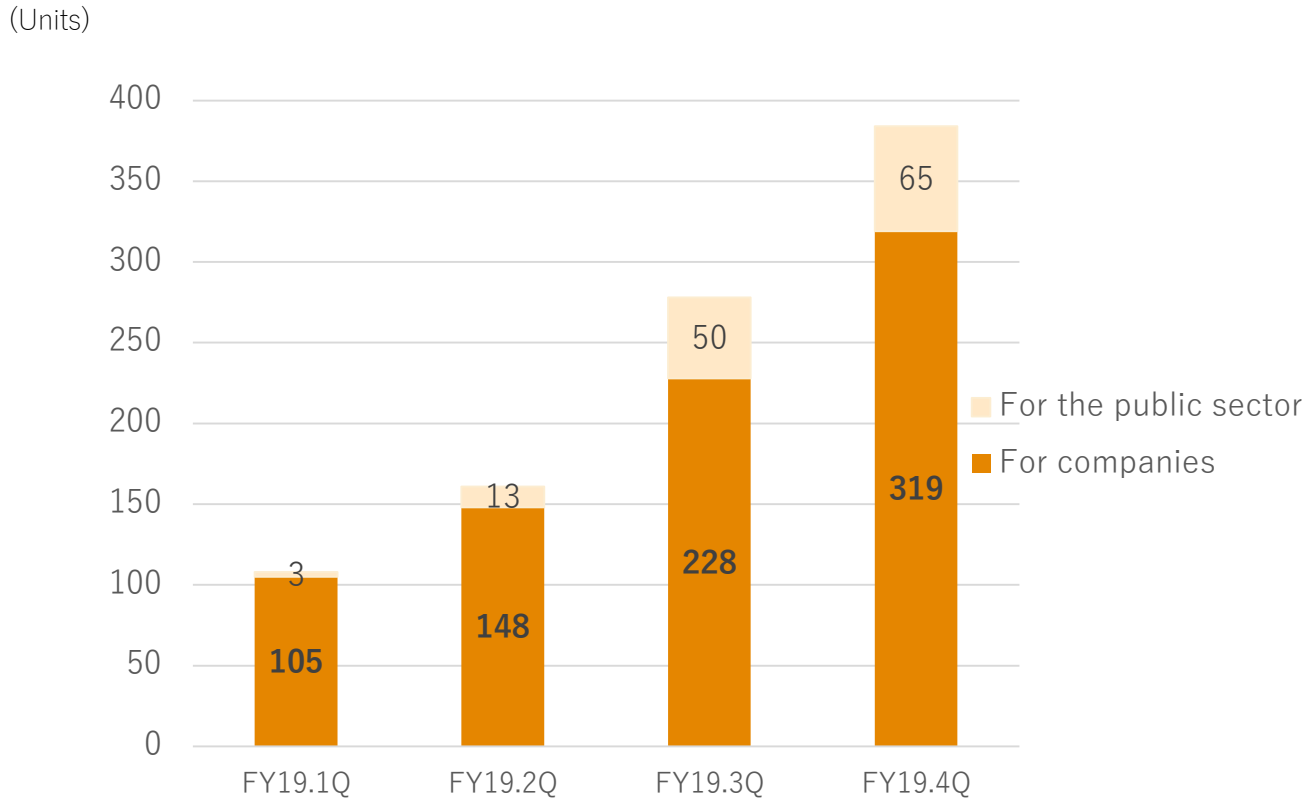
January. 2020

- Toyosu Foresia, Toyosu Front (Toyosu area)
- Shiodome Building (Shinbashi/Hamamatsu-cho area)
- Kitanomaru Square (Kudan Area)

February. 2020

- Shinjuku Front
- Shinjuku East Side Square

Telecube 2019 Total number of installed units



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Growth by Focus Area in 2020

General web conferencing (general purpose web conferencing) and video conferencing

RED OCEAN



V-CUBE meeting



V-CUBE Seminar



V-CUBE Box

BLUE OCEAN



On-premise



TELECUBE

Video communication services specializing in specific applications “V-cube for Video Utilizing the Video Business"

BLUE OCEAN



V-CUBE Video SDK

Image embedding (SDK)

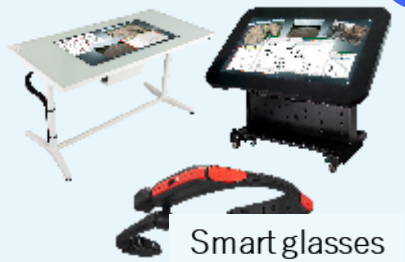
Provide API/SDK to meet the demand for videos in various industries, and develop business jointly.
(Education/Social/Medical, etc.)



Studio Ochs

Pharmaceutical website seminars, etc.

Distribution of web seminars in the pharmaceutical industry. Developed a system for remote detailing, on-line medical care, and medication guidance.



Smart glasses

V-CUBE Collaboration
V-CUBE Board

Emergency measures and disaster countermeasures

Emergency measures, disaster countermeasures, and field support solutions.



V-CUBE Sales +



QUMU



LMS/TMS

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Growth by Focus Area in 2020

General web conferencing (general purpose web conferencing) and video conferencing

RED OCEAN

Sales :2,726→2,978
MP(marginal profit): 2,103 → 2,021

V-CUBE meeting

V-CUBE Seminar

Sales :297→164
MP: 69 → 57

V-CUBE Box

BLUE OCEAN

Sales :526→632
MP: 439 → 553

On-premise

Sales 496→1,664
MP 176 → 488

TELECUBE

Video communication service specializing in specific applications "V-cube for Video Utilizing the Video Business,"

BLUE OCEAN

Sales :90→236
MP: 90 → 228

V-CUBE Video SDK

Image embedding (SDK)
Provide API/SDK to meet the demand for videos in various industries, and develop business jointly.
(Education/Social/Medical, etc.)

Sales :807→1,217
MP: 653 → 975

Studio Ochi

Pharmaceutical website seminars, etc.
Distribution of web seminars in the pharmaceutical industry. Developed a system for remote detailing, on-line medical care, and medication guidance.

Sales :307→545
MP: 204 → 335

Smart glasses

V-CUBE Collaboration
V-CUBE Board

Emergency measures and disaster countermeasures
Emergency measures, disaster rcountermeasures, and field support solutions.

Sales :153→214
MP: 87 → 144

V-CUBE Sales +

QUMU

Sales 324 → 380
MP 292→ 344

LMS/TMS

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1. Current Initiatives

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2. FY2019 Results: Consolidated P/L (Pro forma basis) ※

※ Pro forma: Reference values for explanation

Net sales excluding divested businesses increased YoY.
Cost of sales increased significantly due to expansion of Appliance business.
Operating profit is in the black excluding mass advertising expenses.

(million yen)	FY2018	FY2019	YoY	
	Full year	Full year	Change	Rate of change
Net sales	5,580	**6,172**	+592	+10.6%
Cost of sales	2,904	3,669	+765	+26.3%
Gross profit	2,676	**2,504**	△173	△6.5%
SG & A Exp.	2,522	2,755	+233	+9.2%
Operating profit	154	**△252**	△406	-
Ordinary profit	120	**△310**	△430	-
Profit attributable to owners of parent	466	**45**	△421	△57.1%

- For Y-o-Y comparison, the following adjusted pro forma P/L is presented.
  - Excluding net sales and operating profit from divested businesses (smart board service business, iStudy, Indonesian subsidiary)
  - Excluding impairment loss on China and Hong Kong business
  - Adjustments to transfer personnel and other costs to cost of sales and SG & A expenses due to reorganization
- Impact of adoption of new revenue recognition rules: △158 mil JPY for net sales and △123 mil JPY for operating profit

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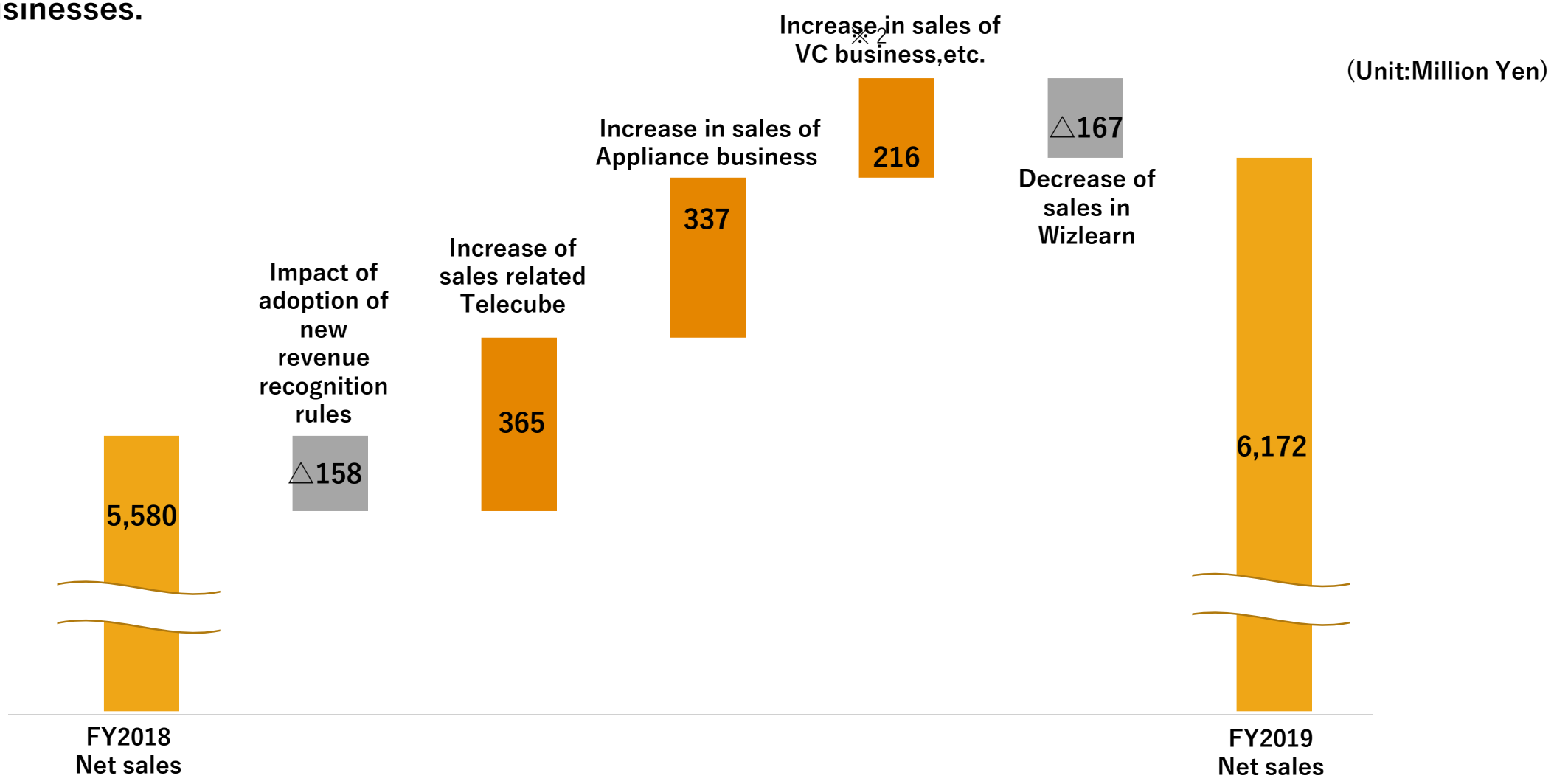
2. FY2019 Results: Breakdown of Changes in Net Sales (Pro forma basis)※

※ Pro forma: Reference values for explanation

Net sales excluding divested businesses grew in Visual Communication business and Appliance business such as “Telecube”,”V-CUBE Box”,etc, despite impact of adoption of new revenue recognition rules and sluggishness in overseas businesses.

(Unit:Million Yen)



- The Figures are comparisons excluding divested businesses (smart board service business, iStudy, Indonesian subsidiary).

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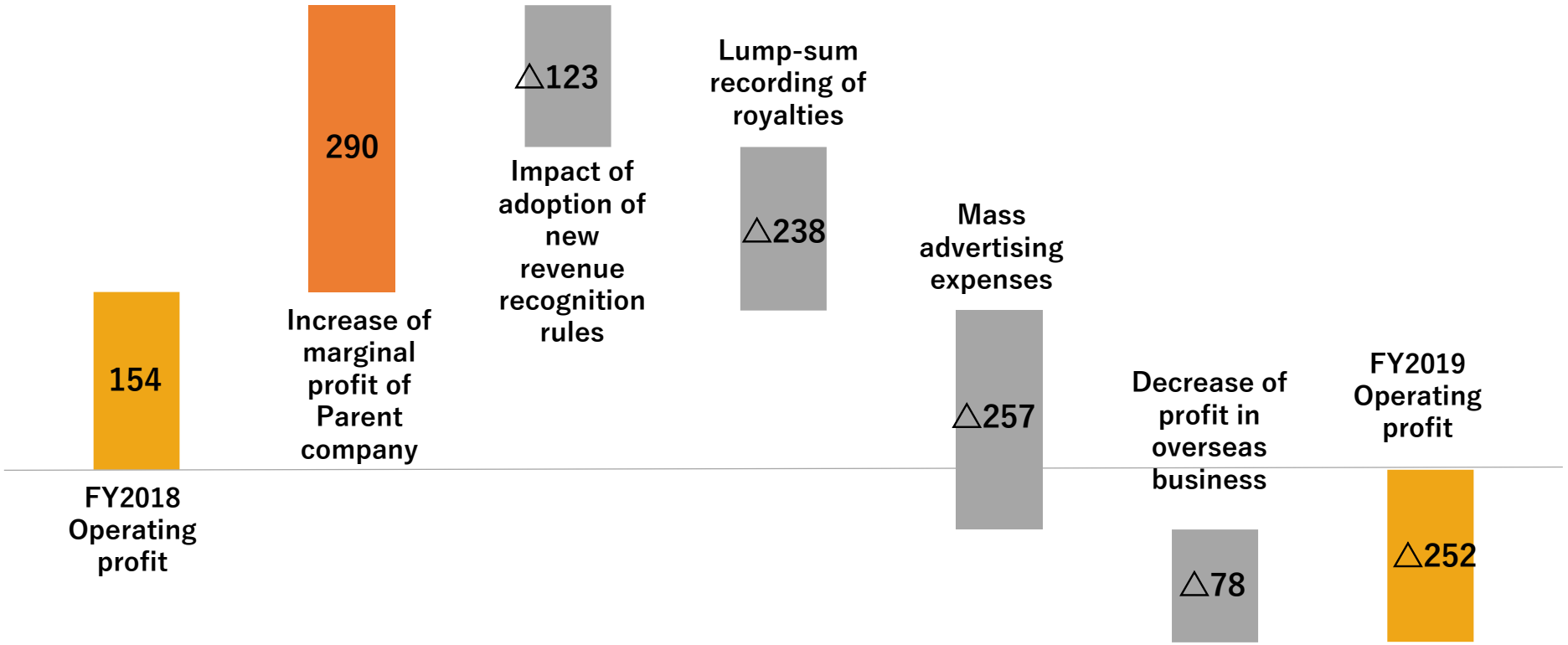
2. FY2019 Results: Breakdown of Changes in Operating Profit (Pro forma basis)※

Growth in Visual communication business and Appliance business contributed to increase marginal profit. Operating profit declined due to impact of adoption of new revenue recognition rules, temporary royalty expenses, and mass advertising expenses.

※ Pro forma: Reference values for explanation

(Unit:Million Yen)



- The figures are comparisons excluding divested businesses (smart board service business, iStudy, Indonesian subsidiary).

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2. FY2019 Results: Consolidated B/S

B/S shrank overall due to deconsolidation following divestment of iStudy and repayment of debts.
Equity ratio rose from 35.0% to 43.2%.

(million yen)	December 31, 2018	December 31, 2019	Change
Current assets **Cash and deposits**	5,059 (2,732)	2,269 (790)	△2,790 (△1,942)
Fixed assets **(Software)** **(Goodwill)**	5,525 (2,507) (1,111)	4,733 (2,025) (879)	△792 (△482) (△232)
Total assets	10,585	7,002	△3,583
Current liabilities **(Short-term debt, current portion of long-term debt)**	4,021 (1,815)	2,248 (546)	△1,773 (△1,269)
Long-term liabilities **(Long-term debt)**	2,033 (2,003)	1,705 (1,663)	△328 (△340)
Net assets	4,530	3,049	△1,481

Short-term loan and current portion of long-term loan: 1,570 mil JPY as at June 30, 2019, 1,233 mil JPY as at September 30, 2019, and 546 mil JPY as at December 31, 2019

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2. FY2019 Results: Consolidated C/F

Investing C/F: Purchase of property, plant and equipment by relocation of head office, establishment of Telecube services for affiliated companies, etc.
Financing C/F: Reduction of interest-bearing debt

(million yen)	December 31, 2018	December 31, 2019
Operating C/F	963	373
Investing C/F	△558	△746
Financing C/F	△1,035	△1,581
Free cash flow	405	△373
Effect of exchange rate change on cash and cash equivalents	△28	△1
Net increase/decrease in cash and cash equivalents	△658	△1,930
Cash and cash equivalents at the end of period	2,719	790

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2. FY2019 Results: Progress of "Selection and Concentration" and Impact on Business

Continuously review the business portfolio and improve profitability

Item	Smart board service business	iStudy Co.Ltd.	Indonesia Subsidiariy	China business	
Time of implementation	FY2018.4Q	FY2019.1Q	FY2019.3Q	FY2019.2Q	FY2019.4Q
Contents	• Sale the business • For FY2019, only order backlog in the previous year.	• Sale of share • Exclusion from consolidation at the end of FY2019 1Q	• Sale of share • Exclusion from consolidation since FY2019 3Q	• Impairment loss on software for a Chinese automaker	• Impairment loss on investment in a Hong Kong company operating in China
Impact Segment	Appliance business	Learning management system business	Visual Communications Business	Visual Communications Business	Visual Communications Business
Impact on Net sales	1,558 mil JPY (FY2018 results)	Decrease of 519 mil JPY in FY2019 2Q~4Q	Immaterial	N/A	N/A
Impact on operating profit	77 mil JPY (FY2018 Results)	Elimination of deficit	Elimination of deficit	N/A	N/Al

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2. FY2019 Results: Returns to Shareholders

Measures to increase shareholder returns
(Starting dividends, introducing special gifts for shareholders which can use Telecube in the city, and conducting stock buy-back)

Dividend

- **FY2019 year-end dividend: 1 yen per share**
- Aiming for a dividend payout ratio of 20% against profit attributable to owners of parent excluding 1-time profit, in the future aiming for a dividend payout ratio of 30%

Shareholder benefits

- **Gift of 10,000 yen for Telecube use coupons**

(For shareholders with 100 shares or more as of the end of December)

- Scheduled to be delivered in late March



Stock buy-buck

- Period of acquisition: June 3 to July 18, 2019 (completed)
- Total number of shares acquired: 177,700 shares
- Total acquisition cost: 99,954,300 yen

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(Reference) 2. FY2019 Results: Consolidated P/L (Financial Accounting Figures)

Net sales decreased mainly due to adoption of new revenue recognition rules and separation of businesses such as the sale of subsidiary iStudy.
SG&A expenses include mass advertising expenses of 257 million yen.
Profit attributable to owners of parent was in the black due to the contribution from gains on sales of subsidiaries and other factors.

(million yen)	FY2018	FY2019	YoYProfit		FY2019 Forecast (Announced on October. 25)
	Full-year	Full-year	Change	Rate of change	Full year
Net sales	7,960	**6,369**	△1,591	△19.9%	6,550
Cost of sales	4,550	4056	△494	△10.8%	3,917
Gross profit	3,410	**2,313**	△1,097	△32.1%	2,633
SG & A Exp.	3,065	2,598	△467	△15.2%	2,578
Operating profit	345	**△284**	△630	― %	0
Ordinary profit	259	**△341**	△601	― %	△62
Profit attributable to owners of parent	456	**34**	△421	△92.5%	372

- P14 2. FY2019 Results: Consolidated P/L (Pro forma) Reference Materials
- Impact of adoption of new revenue recognition rules: △ 158 mil JPY for net sales, △ 123 mil JPY for operation profit

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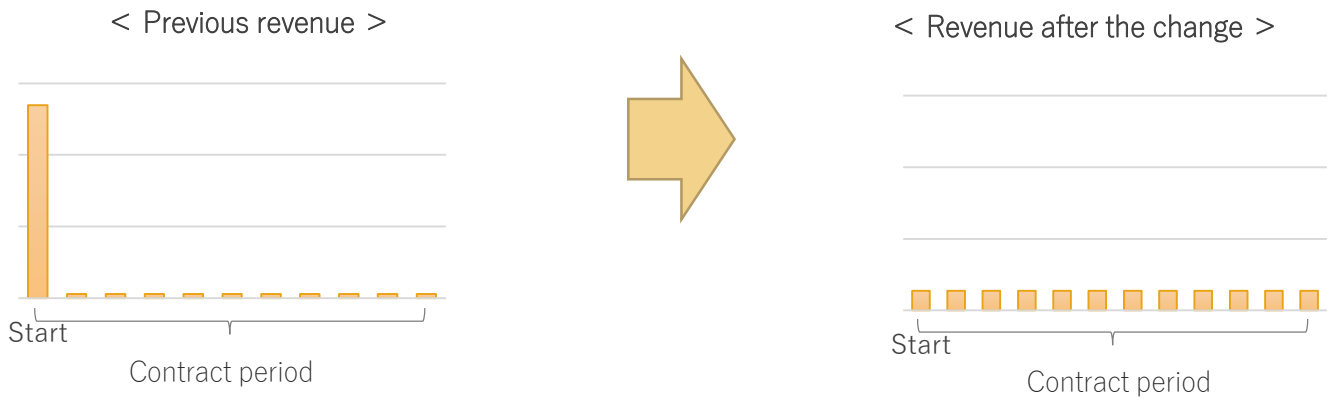
3. Segments and KPIs: Adoption of new revenue recognition rules (from FY2019)

Sales are postponed from previous revenue recognition. Over the long term, sales are the same.

① Previously, the amount equivalent to the license was recorded at the time of the contract for a term-based cloud service, and the amount equivalent to the maintenance and infrastructure costs was recorded proportionately according to the contract period. Accounted for in full from FY2019 on a straight-line basis over the term of the contract

Impact of Adoption of new Revenue Recognition rules (Image)



② When we act as an agent to provide our customers with the goods and services of other companies, the amount obtained by offsetting the so-called sales amount against the cost of sales is recorded as sales.

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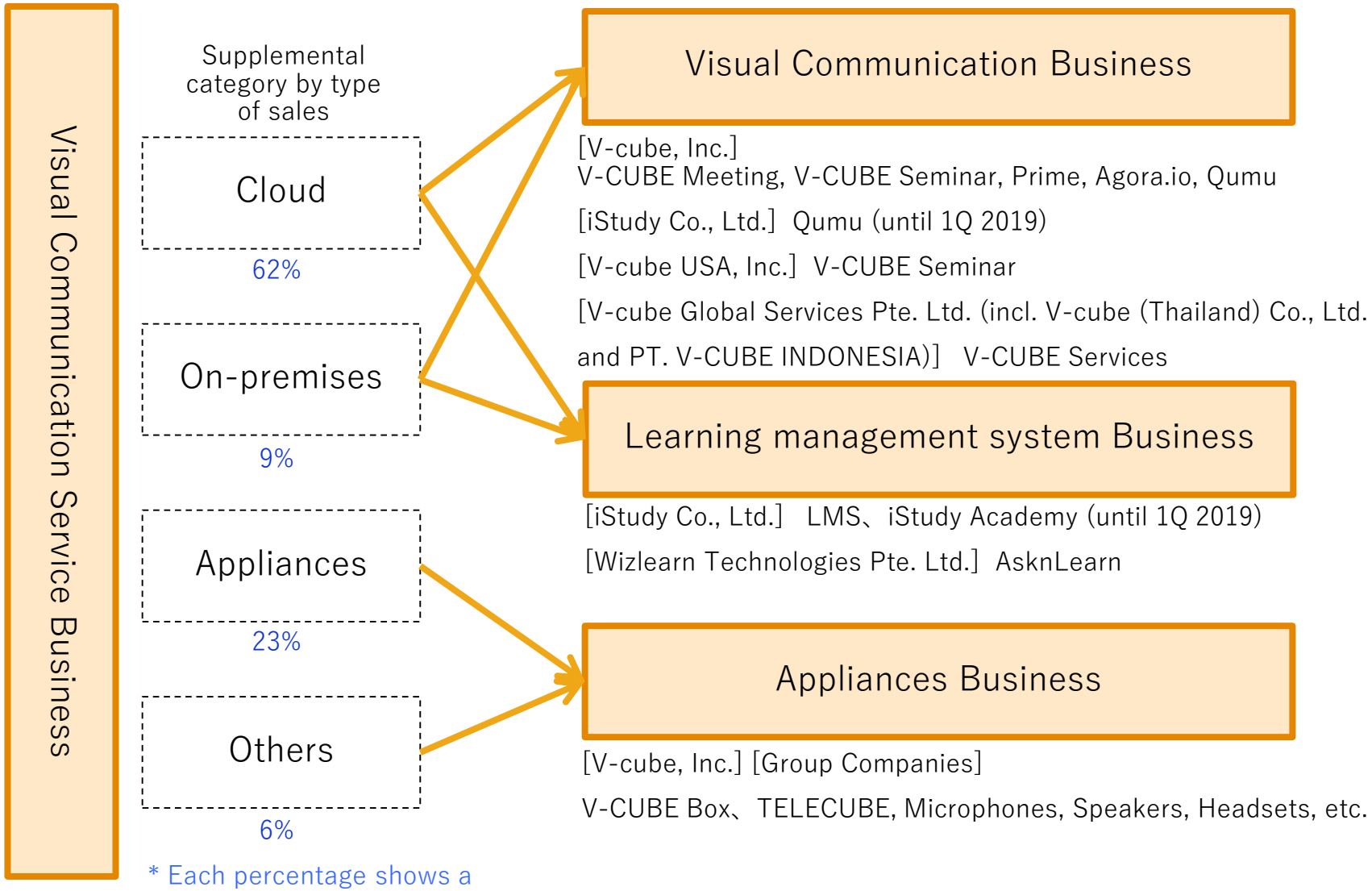
3. Segments and KPIs: Segment changes (from FY2019)

Segments are divided into three categories in order to strengthen the management system and allocate management resources more optimally.



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3. Segments and KPIs: Segment Overview

Operating profit margin deteriorated due to impact of adoption of new revenue recognition rules, mass advertising expenses, and recording royalties in one lamp sum in Visual Communication business.
Appliance business profitability improved due to growth in highly profitable products.

(million yen)		FY2018	FY2019	YoY		FY2019
		Full-year	Full-year	Change	Rate of change	Full-year forecast (Announced on October. 25)
Visual Communications Business	Net sales	4,132	4,068	△64	△1.5%	4,270
	OP (margin)	580 (14.0%)	274 (6.7%)	△306	△52.8%	589 (13.8%)
Learning Management System Business	Net sales	1,776	1,051	△725	△40.8%	1,040
	OP (margin)	99 (5.6%)	△13 (-%)	△112	-	23 (2.2%)
Appliance Business	Net sales	2,051	1,250	△801	△39.1%	1,240
	OP (margin)	66 (3.3%)	131 (10.5%)	+65	+98.5%	118 (9.5%)
Corporate epenses (including mass advertising expenses)	Net sales	-	-	-	-	-
	OP (margin)	△401 (-%)	△677 (-%)	△276	-	△730 (-%)
Total	Net sales	7,960	6,369	△1,591	△19.9%	6,550
	OP (margin)	345 (4.3%)	△284 (-%)	△630	-	0 (0.0%)

Impact of adoption of new revenue recognition rules: Net sales △ 158 mil JPY, Operating profit △123 mil JPY
(Breakdown) Visual communication business: Net sales △88 mil JPY, Operating profit △88 mil JPY,
Learning management system business: Net sales △2 mil JPY, Operating profit △ 2 mil JPY
Appliance business: Net sales △69 mil JPY, Operating profit △33 mil JPY

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3. Segments and KPIs: Visual communication business

Although segment sales accounted for 95% of the full-year forecast due to the failure to record approximately 200 million yen in sales in China, in Japan, the distribution of seminars and On-premises are driving sales growth.
Subscription-type sales increased YoY

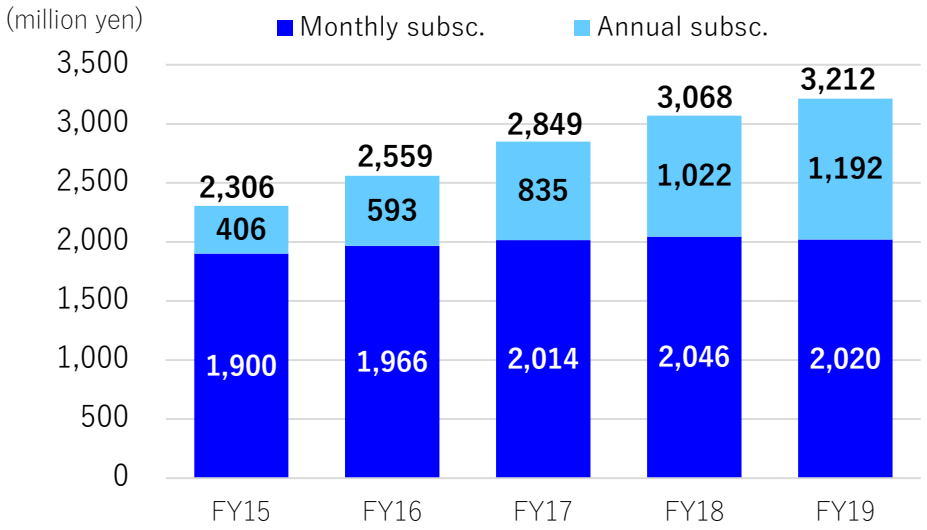
(million yen)	FY2018	FY2019	YoY		FY2019
	Full-year	Full-year	Change	Rate of change	Full-year forecast (Announced on October. 25)
Net sales	4,132	4,068	△64	△1.5%	4,270
Operating profit (Ratio)	580 (14.0%)	274 (6.7%)	△306	△52.8%	589 (13.8%)



Meeting 5

Seminar

Subscription-type sales (annual)



[Major factors for change]

Annual subscription
Pharmaceutical Industry seminar distribution projects increased steadily, contributing to overall growth

Monthly subscriptions
Pharmaceutical projects with large sales shifted from FY19.2Q to annual revenue

- Impact of adoption of new revenue recognition rules: Net sales △88 mil JPY, Operating profit △88 mil JPY, Lump-sum recording of royalties of 238 mil JPY affected the cost of sales

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3. Segments and KPIs: KPIs in Visual communication business

Monthly subscription is flat. Churn rate remained at the assumed level.
In 4Q large accumulation of annual subscriptions responding flexibly to the seminar distribution needs of the pharmaceutical industry.

Monthly subscription KPI

Average monthly billing unit price (thousand yen)

FY14	FY15	FY16	FY17	FY18	FY19 1Q	FY19 2Q	FY19 3Q	FY19 4Q
139	137	134	137	141	140	139	137	136

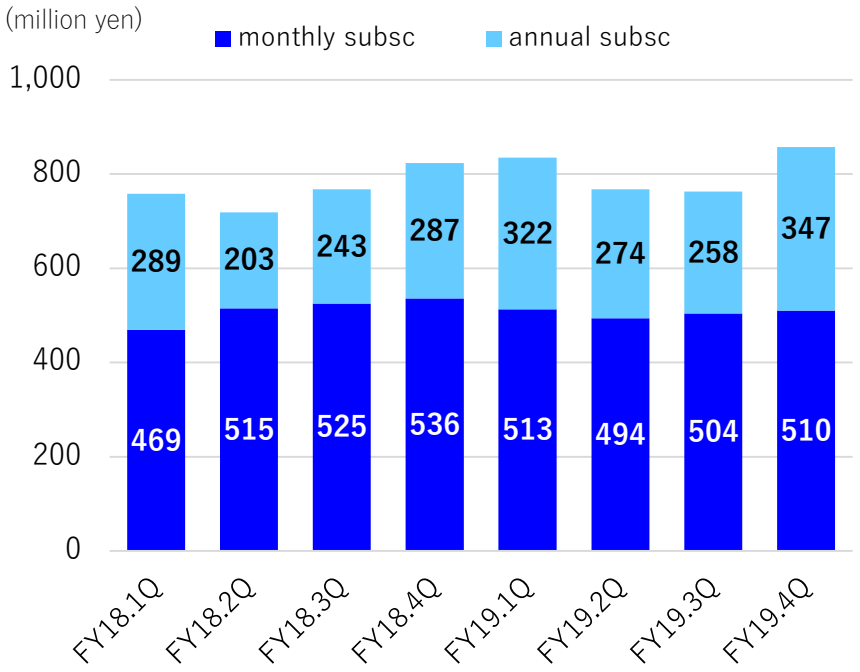
Number of billing companies

FY14	FY15	FY16	FY17	FY18	FY19 1Q	FY19 2Q	FY19 3Q	FY19 4Q
1,065	1,155	1,225	1,228	1,211	1,218	1,210	1,216	1,215

Churn rate (%)

FY14	FY15	FY16	FY17	FY18	18/4~19/3	18/7~19/6	18/10~19/9	19/1~12
19.0	16.9	13.7	14.4	12.2	12.4	11.0	10.5	10.7

Subscription-type sales (quarterly)



Toward FY2020

Billing price	Number of billing companies
Strengthen treatment to existing customers, which are seeing increasing use	Low-cost customer acquisition through online sales
Early transition of Meeting Plaza customers	

Annual subscription
Seminars for the pharmaceutical industry, etc.
Account plans for the use of events

Monthly subscriptions
Monthly subscriptions and long-term contracts for more than half a year

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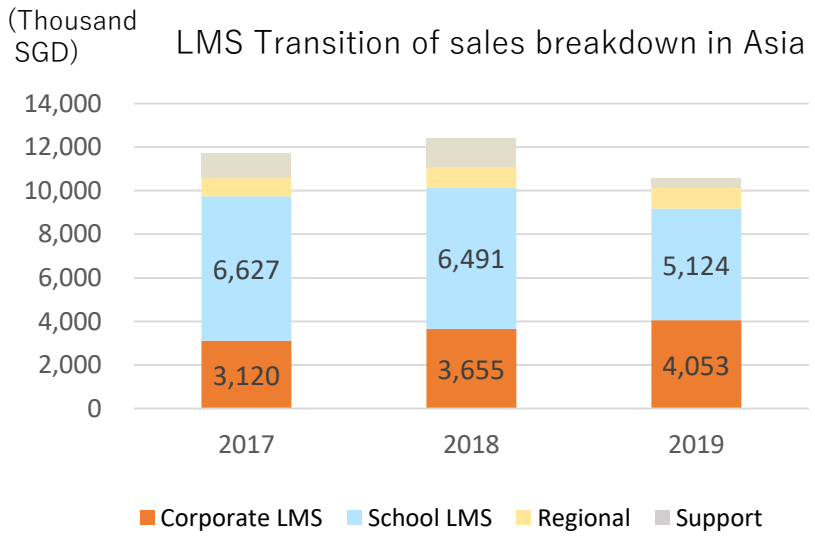
3. Segments and KPIs: Learning management system business

Achieved full-year sales forecast, with operating income negative including iStudy, a subsidiary that has been sold
Wizlearn: Stop the decline in sales to schools and strengthen sales and R&D to grow sales to companies

(million yen)	FY2018	FY2019	YoY		FY2019
	Full-year	Full-year	Change	Rate of change	Full-year forecast (Announced on October. 25)
Net sales	1,776	**1,051**	△725	△40.8%	1,040
(iStudy Excluding sales)	1,168	**930**	△239	△20.4%	
Operating profit (Ratio)	99 (5.6%)	**△13 (-%)**	△112	△113.1 %	23 (2.2%)



[Major factors for change]

- Sale of iStudy in April 2019
  Consolidated in 1Q, non-consolidation after
- Wizlearn (Singapore subsidiary)
  For schools: Although sales fell sharply due to the government's shift to in-house production, have stopped declining and revenue continues from the next year onward.
  For companies: Acquire content creation and customization projects

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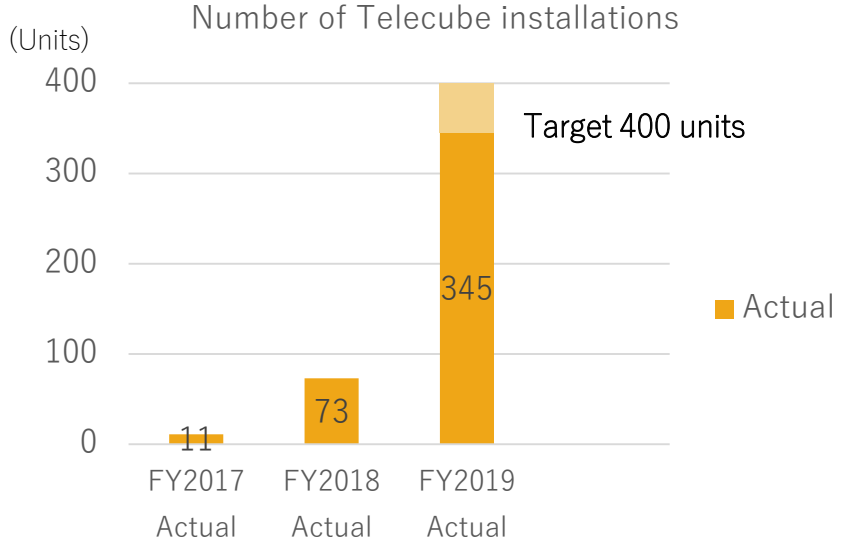
3. Segments and KPIs: Appliance business

Achieved full-year sales and operating profit forecasts due to business expansion of “Telecube” and growth of “V-CUBE Box”

(million yen)	FY2018	FY2019	YoY		FY2019
	Full year	Full year	Change	Rate of change	Full-year Forecast (as of October. 25)
Net sales	2,051	**1,250**	△801	△39.1%	1,240
(Net sales excluding Smart board)	*492*	***1,196***	*+703*	*+143.0%*	–
Operating profit (Ratio)	66 (3.3%)	**131 (10.5%)**	+65	98.5%	118 (9.5%)





[Major factors for change]

- Profitability improved due to the transfer of smart board service business.
- Telecube
  117 units installed in 3Q and 106 units in 4Q
- Increased sales of V-CUBE Box and related equipment
  Capturing demand for video conferencing replacement throughout the year

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4. FY2020 Forecast (Financial Accounting Figures)

FY2020 business forecast is 7.2 billion yen for net sales and 0.5 billion yen for operating profit.
Easy to compare with the previous fiscal year due to adoption of new revenue recognition rules from FY2019

(million yen)	FY2019	FY2020	YoY	
	Full-year results	Forecast	Change	Rate of change
Net sales	**6,369**	**7,237**	+868	+13.6%
Cost of sales	4,056	4,250	+194	+4.8%
Gross profit	**2,313**	**2,986**	+673	+29.1%
SG & A Exp.	2,598	2,486	△112	△4.3%
Operating profit	**△284**	**500**	+784	― %
Ordinary profit	**△341**	**359**	+700	― %
Profit attributable to owners of parent	**34**	**185**	+151	△444.1%

Targets: Net sales of 7.8 billion yen and operating income of 0.9 billion yen

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4. FY2020 Forecast: Full-year Forecast by segments

Visual communication business: growing demand for telework and growth in services utilizing video business
Learning management system business: expect to return to profitability,
Appliance business : expect to continue growing Telecube.

(million yen)		FY2019 Full-year results	FY2020 Full-year forecast	YoY Change	YoY Rate of change
Visual Communications Business	Net sales	4,068	4,692	+624	+15.3%
	OP (margin)	274 (6.7%)	750 (16.0%)	+476	+173.7%
Learning Management System Business	Net sales	1,051	830	△221	△21.0%
	OP (margin)	△13 (-%)	70 (8.4%)	+83	-
Appliance Business	Net sales	1,250	1,715	+464	△37.1%
	OP (margin)	131 (10.5%)	218 (12.7%)	+87	+66.4%
Corporate xpenses	Net sales	-	-	-	-
	OP (margin)	△677 (-%)	△538 (-%)	+139	-
Total	Net sales	6,369	7,237	+868	+13.6%
	OP (margin)	△284 (-%)	500 (6.9%)	+784	-

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Impact of growth in 2020 by focus areas and products (Summary of Target/ Business Forecast)

Operating profit is expected to be 0.5 billion yen due to growth in focus areas. In particular, targeting operating profit of 0.9 billion yen through further growth in general-purpose web conferencing, On-premises and Telecube.

Segment	Focused Products	Increase in sales (million yen)	Increase in marginal profit (million yen)	Background
VC	Office-use web conferencing	△50～+252	△248～△82	Expectations for increased use due to the spread of telework Increasing use and intensifying competition and falling unit prices are expected.
	On-premises	+6～+106	25～114	Aiming for survivor profits by withdrawing from domestic and overseas competitors Expanded alliances centered on NTT Techno Cross
	SDK embedded in video	+146	+138	Needs for embedding images in businesses in various industries
	Web seminar for the pharmaceutical industry	+410	+322	Needs for small-scale web seminars are expanding significantly. We expect growth in both the number of customers and the number of events.
	Sales plus and QUMU	+61	+57	Proliferation of online sales Manual video production within the company
LMS	LMS/TMS	+56	+52	Provided mainly in Asia. Last year's deficit disappeared in Japan. Efficient training and e-learning in highly liquid Asian countries
AP	V-CUBE Box	△133	△12	Need for video conferencing replacement due to decrease in competition Last year, large customers could cause sales to decline in 2020 (cost of sales to improve)
	Telecube	+568～+1,168	+132～312	Rapid increase in recognition through mass advertising. Significant growth is expected in conjunction with the installation in public areas, which will become full-fledged in 2020.
	Emergency measures and disaster countermeasures	+238	+131	Introduction due to frequent and serious accidents Integrate, organize, and share information in one location
Total		+1,302～+2,304	+602～1,032	

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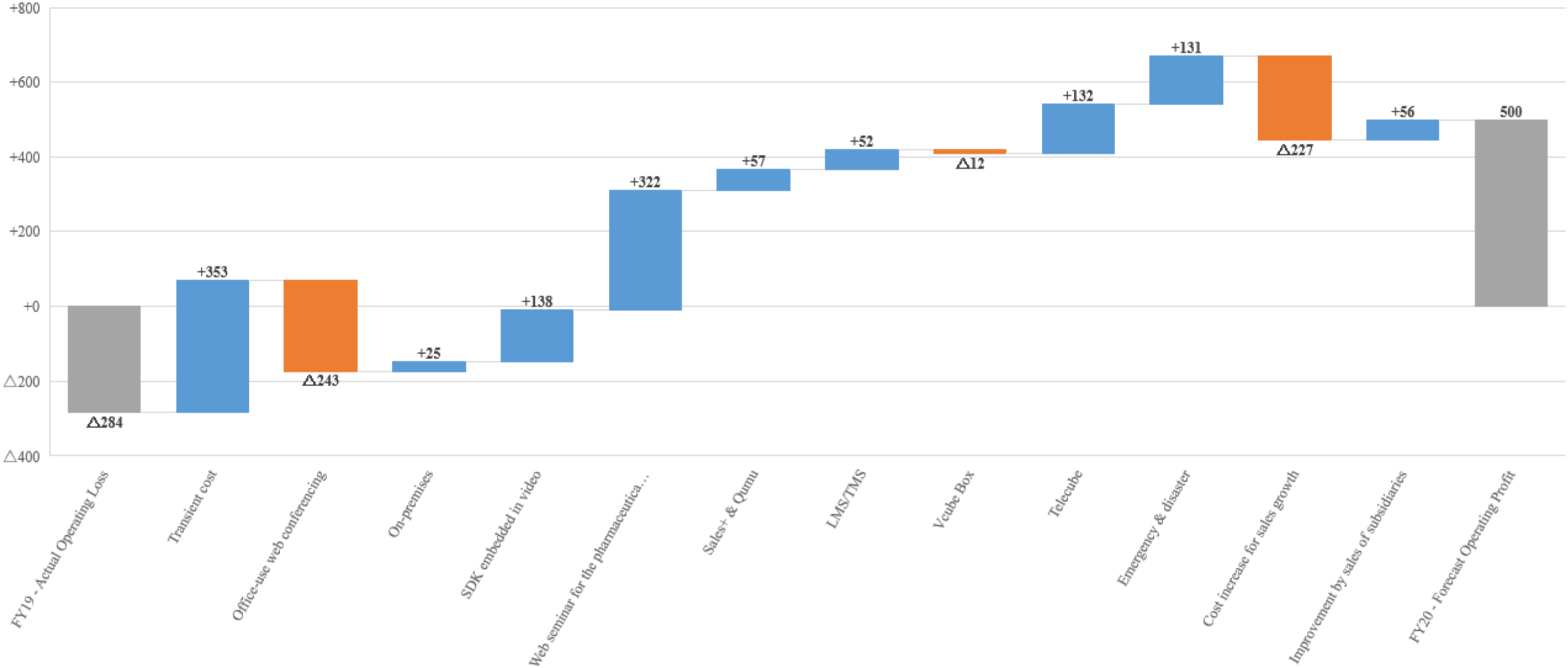
Growth impact in 2020 by focus area s and product s（Comparison of FY2019 Actual and FY2020 forecast）

Expect operating profit of 0.5 billion in FY2020, excluding 1-time FY2019 factors, with investing in focus areas



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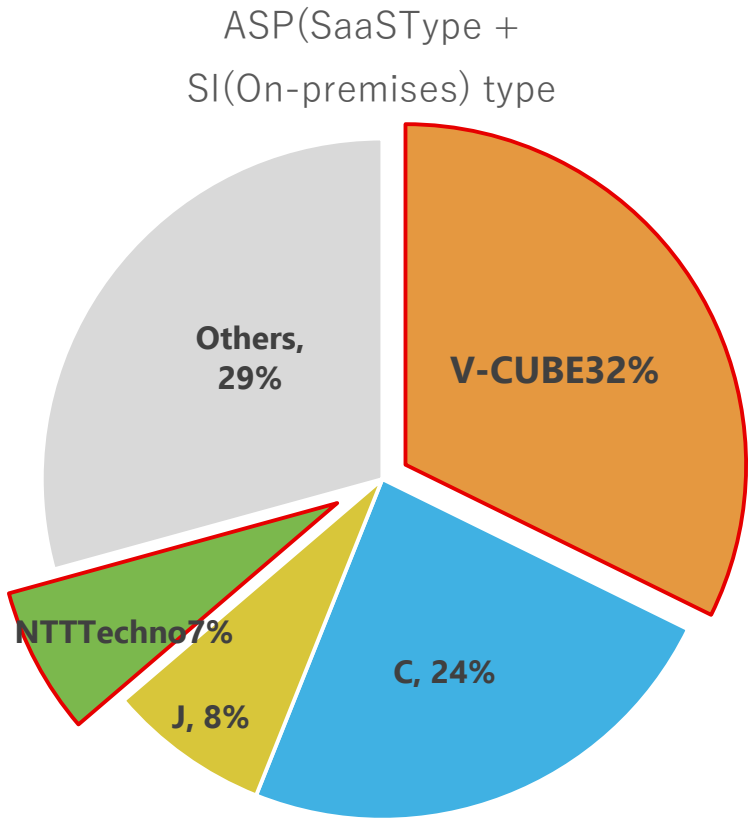
4. FY2020 Forecast : Top share in the web conferencing market

Expanding new customer base through alliance with NTT Techno Cross, the fourth largest company in web-conferencing market in Japan
On-premises become blue ocean due to withdrawal of domestic competitors and specialization in Cloud for oversea competitors.

- **Alliance with NTT Techno Cross (announced on August 28, 2019)**
- Meeting Plaza web-conferencing services terminated
- NTT Techno Cross became a distributor of V-CUBE Meeting
- **Strengths by Japanese made products and On-premises**
- Domestic competitors, mainly manufacturers, withdrew from the Web conferencing market.
- Demand for On-premises is strong, particularly among financial institutions and local governments.
- Global competitors are in principle not compliant with On-premises.
- Added value to Japanese-made services in terms of security due to the international situation (others made in U.S.A. and China)



From Seed Planning, Inc., "Current Status of the Latest Market and Video Communication in 2019 Video Conference/Web Conferencing"

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4. FY2020 Forecast: Telecube

Contributing to the effects of TV commercials and other factors, V-cube aims to grow significantly by 2020. Establish a position as an infrastructure within the current fiscal year, and expand it to use it in areas other than telework.

For Corporate customers (Actual: 280 units in 2019)

Direct sales

- Utilization in companies
- Lack of conference rooms and use of private space

Sales agency

- Bulk purchase and subscription sales as well as direct sales
- Record royalty income

For public spaces (Actual: 65 units in 2019)

Telecube Service,Inc.

- Office entrances, complex facilities, and stations



JR East

- Providing Telecube in train stations as "STATION BOOTH"
- Introduced to STATION DESK shared offices

2020 Target

500 to 1,000 units
Full-scale deployment of subscription models

200 to 400 units
JR East: Target for “STATION BOOTH” at 30 stations (FY2020)

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4. FY2020 Forecast : Application-specific video communications: Pharmaceutical seminars

Held low-cost, high-quality web seminars to disseminate information from pharmaceutical companies to doctors
“Attentive and helpful” one-stop service

Provision of one-stop services for web seminars, which are increasing due to regulations on visits by MR and strengthening of area marketing

V-cube distributes **about 2,000 times a year in the pharmaceutical industry**. This is precisely because it provides not only technical support in studios and local areas, but also "attentive and helpful" services through various agency services such as lines and meals.



Easily hold web lectures from your area

Small web lectures and minisessions are easy to operate with an Internet environment, a PC, and a distribution staff. Easy-to-use software to provide low-cost, high-quality web seminars



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4. FY2020 Forecast : Application-specific video communications/disaster countermeasures

“V-CUBE Board”, emergency solutions for collecting, organizing, and sharing information in times of disaster Strengthening the Government's Budget for Strengthening National Land (last year of 3-year urgent measures)

- A scene-specific solution for dealing with all kinds of disasters, which have been on the rise in recent years.
- V-CUBE Board, a large-screen touch-screen operation table, and V-CUBE Collaboration, a visual communication service, enable quick decision-making required in emergencies, such as simultaneous examination of multiple documents, aggregation of information based on maps, simultaneous writing by multiple persons, and real-time information sharing with remote locations.
- (Reference Video) https://japan-demo.qumucloud.com/view/2ngfYK6jQUt?start=140#/ ((Link))

Expansion of introduction municipalities and companies

- Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism
- Kumamoto Prefectural Government
- Miyazaki Prefectural Government
- Oita Prefectural Government
- Kobe City Hall
- Kumamoto City Hall
- Okinawa Nanjo City Hall
- Fire Department, Ono City, Fukui Prefecture
- Tokyo Gas Co., Ltd. Ohgishima LNG Terminal
- ASKA SOKEN CO., LTD.
- Tokyu Corporation
- Gero City Hall, Gifu Prefecture

And many others



Exhibited at the Crisis-Management Industry Exhibition 2019 (RISCON TOKYO) (October 2019)

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4. FY2020 Forecast: Application-specific video communications: VCaaS

Increasing need to incorporate video and audio functions into company services and devices, provide business support while people view images remotely when needed, and provide unique communication services

V-CUBE Video SDK

<Example of customer introduction>



Live distribution platform

Live for PCs and smartphones
Large-scale distribution and live commerce
Video distribution service infrastructure



Online lesson platform

Online English conversation schools and online interviews,
For remote dialogue systems such as telemedicine
Visual communication infrastructure

<Introduced in the future ••••••embedded in images according to application and purpose>



Labor-saving and unmanned stores

Stores that are increasingly labor-saving and unmanned incorporate them into self-registers, ATMs, digital signage, etc., and provide instructions and guidance on how to use them when remote support is required.



Labor-saving and unmanned on-site operations

Incorporated into IoT Construction Machinery, which is becoming more labor-saving and unmanned, as well as into automobiles for automatic operation. Incorporated into wearable glasses, as well as remotely monitored and operated by advanced engineers, to provide work support for construction sites and infrastructure equipment inspections from remote locations.

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VCaaS

(Visual Communication as a Service)

Solution Provider

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1. Current Initiatives

2. FY2019 Results

3. Segment and KPIs

4. FY2020 Forecast

5. Appendix

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Provide Even Opportunity to Everybody

We want to create a world where everyone can get even opportunity
in any circumstances.

We believe that we can realize more affluent society
by reducing the time and distance of face-to-face communication.

The world is facing social issues such as extreme concentration of population and industry in city area, declining birthrate and aging society, long working hours, educational and healthcare gaps, etc.

We aim to provide even opportunity to everybody
by solving these social issues with our Visual Communication solutions.

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Corporate summary (As of December 31, 2019)

VCaaS (Visual Communication as a Service) Solution Provider

Company name	V-cube, Inc.
Established	October 16, 1998
Fiscal year end	December
Capital (including capital reserve)	2,801 million JPY
Listed Markets	The 1st Section of the Tokyo Stock Exchange (3681)
Group companies	Domestic 3 Overseas 5. (3 in Singapore, 1 in United States, 1 in Thailand.)
Number of members	Board members 14・ Employees 402 (consolidated) *As of December 31, 2019

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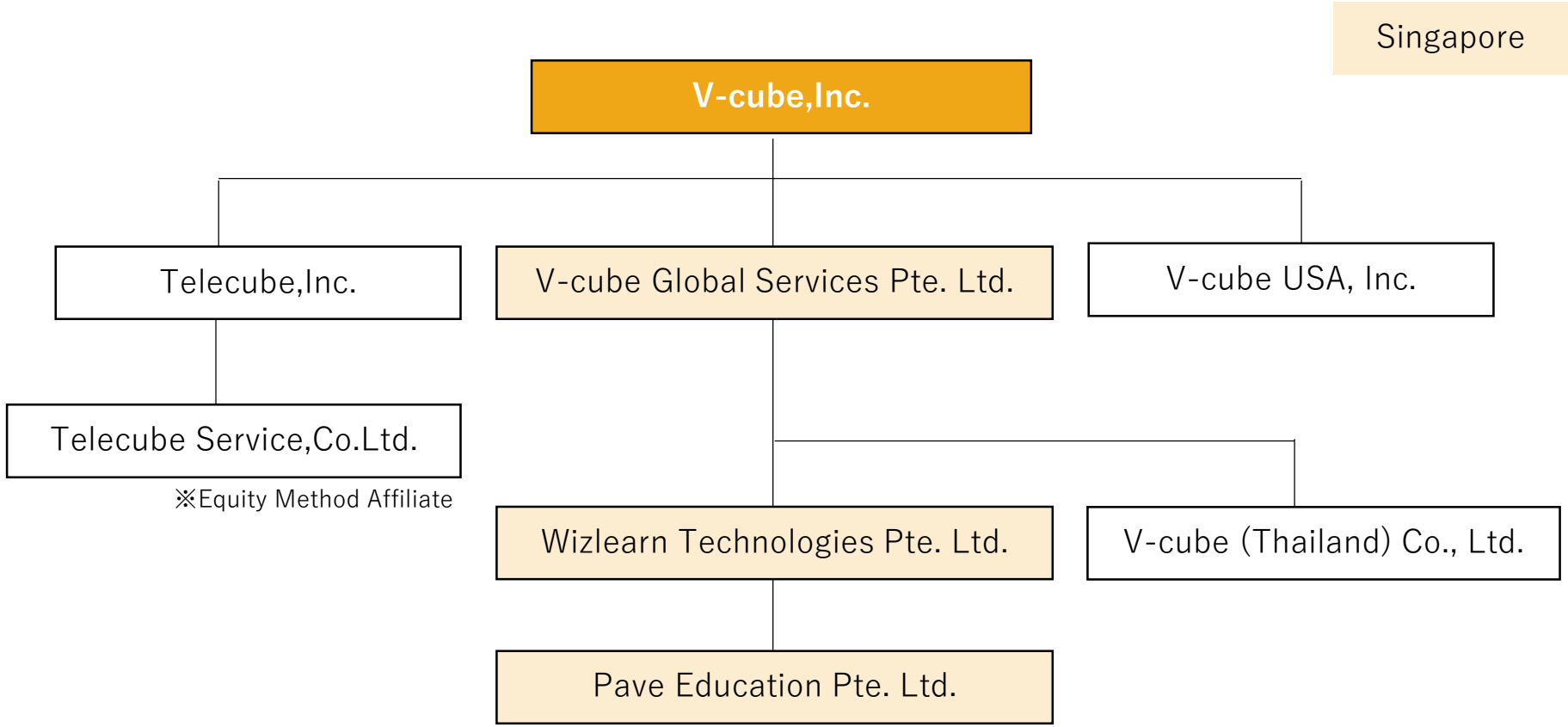
Group Companies (As of December 31, 2019)

V-cube, Inc. and 6 subsidiaries operate in Japan, USA and ASEAN area.



Other group company: SENSYN ROBOTICS, Inc.

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Corporate History

- 1998 Established V-cube Internet Ltd. for Web creating, system and app development
- 2001 Conversion to stock company
- 2004 Began developing and selling Web conferencing due to high TV conferencing costs
- 2009 Changed corporate name to V-cube,Inc and decided to focus in visual communication
- 2012 Investment from Capital investment and started business in Asian market
- 2014 Listed on TSE Mothers
- 2016 Listed on theTSE first section

2003 V-cube USA, Inc.

2009 V-cube Malaysia Sdn. Bhd. — Sale

2012 V-cube Global Services Pte. Ltd. Singapore

2012 PT. V-cube INDONESIA — Sale

2013 BRAV International Limited — Sale

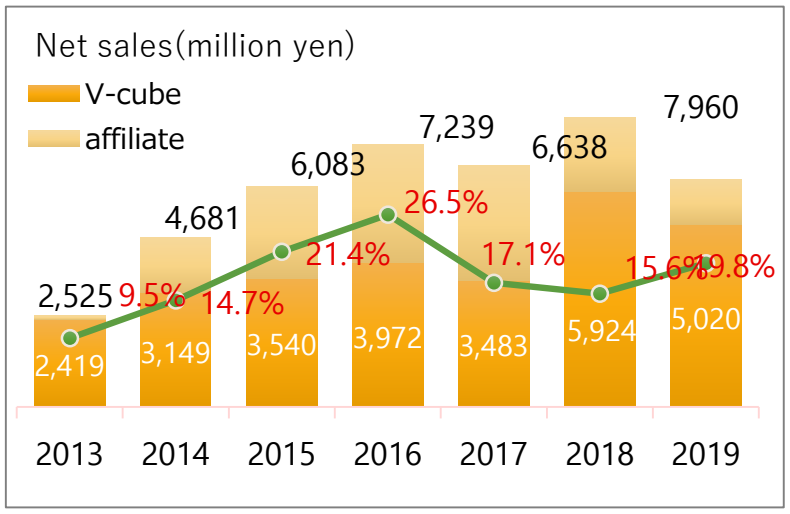
2014 Pioneer VC — Merged into V-cube, Sale of Smartboard

2015 Wizlearn Technologies Pte. Ltd.

2015 iStudy Co., Ltd. — Sale

2016 V-cube (Thailand) Co., Ltd.

2019 Telecube Inc.



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Exchange rates for major currencies

- **Full Year**

(JPY)	FY19			FY20
	Full (forecast)	Average (results)	Year end (results)	Full (forecast)
US$	111.00	109.06	109.55	111.00
S$	81.00	79.95	81.06	81.00

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Corporate Directors（As of December 31, 2019）

Management team consisting mainly of members from the time of founding



President, CEO & Founder

Naoaki Mashita

1977 Born in Tokyo
1998 Established V-cube
2000 Graduated from Keio University
2002 Graduated from Keio Graduate School
2003 Established V-cube USA, Inc.
2009 Established V-cube Malaysia
2012 Established V-cube Singapore
2012 Established P.T. V-cube Indonesia
2015 Established V-cube Robotics Japan, Inc.



Managing Director, CRO
(Chief Revenue Officer)

Jun Mizutani

2006 Entered V-CUBE as new graduate
2009 Sales Department Group Manager
2012 Vice President of Sales Department
2014 Manager of Customer Experience
2015 President of Sales Department
2016 Became Director at V-cube, Inc.(sales)
2019 Became Managing Director at V-cube, Inc.



Deputy President, COO

Masaya Takada

2001 Became Executive at V-cube Internet, Inc.
2002 Graduated from Keio Graduate School
2006 Became Deputy President
2013 Became Executive Deputy President at V-cube, Inc.



CTO

Yosuke Kamezaki

2002 Joined V-cube Internet, Inc.
2003 Developed the 1st Web Conference model
2007 Became Officer at V-cube, Inc.
2012 Became Director at V-cube, Inc.

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Outside Officers and Adviser （As of December 31, 2019）

Corporate governance by experienced and powerful outside officers

Outside corporate director	**Norio Murakami**	CEO at Murakami Norio Office, Inc. Outside director, CellSource Co., Ltd. Former Executive Vice President at Google, Inc. Former CEO of Google Japan
Outside corporate director	**Kenichi Nishimura**	Outside Director, Hakusan Former NTT-Neomeit President Former Mirait, Inc. Adviser
Outside corporate director	**Hajime Nakano**	Senior Director, Regional Economy Vitalization Corporation of Japan Director, REVIC Partners Outside Auditor, SENSHUKAI CO.,LTD
Outside Audit & Supervisory Board Member	**Kikuo Fukushima**	Representative, Success Coaching Studio
Outside Audit & Supervisory Board Member	**Kiyoji Odashima**	President, Odashima Kiyoji Tax Accountant Office Outside Auditor, Ebara Foods Industry, Inc.
Outside Audit & Supervisory Board Member	**Arifumi Sunada**	Senior Director, Regional Economy Vitalization Corporation of Japan Senior Director, REVIC Partners Outside Auditor, I-ne CO.,LTD.
Adviser	**Hiroshi Komiyama**	Chairman of the Board of Trustees at Mitsubishi Research Inst., Inc. Former President of Tokyo University

Corporate Directors External ratio
42.9%

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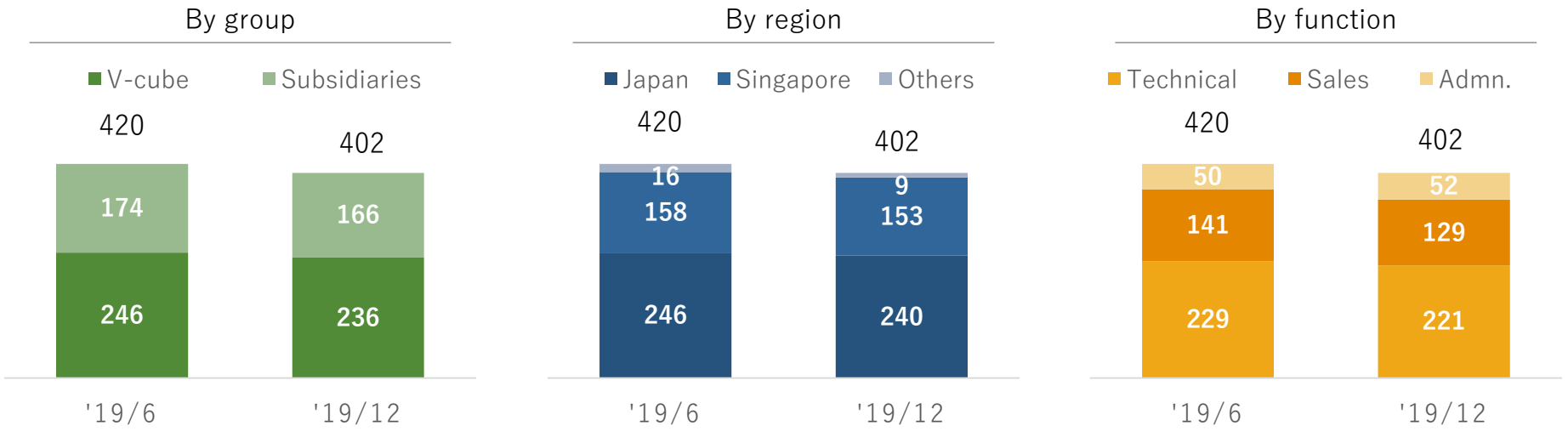
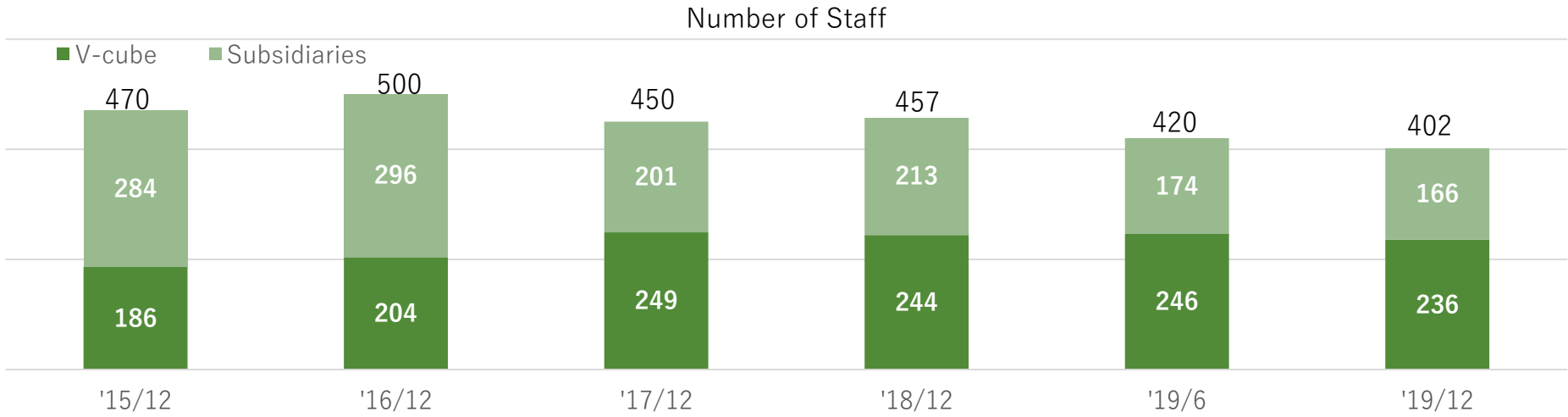
Group Employees (As of December 31, 2019)





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