Medium-Term Management Plan (2020-2022)

～ Beyond Telework～

V-cube, Inc.

November 12, 2020

テレワークで日本を変える
V-CUBE

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.**

COVID 19 has revamped recognition of telework, and social implementation is rapidly advancing

	Before COVID 19	COVID 19 Pandemic
Culture	• Communication is predicated on meeting face-to-face	• Rapid penetration of a non-face-to-face culture that "meets online"
Work Style	• Teleworking is Initiatives of Limited Advanced Companies • Improving psychological and physical burden of commuting hours and packed trains and long working hours are social issues	• Teleworking is a "natural option" for many companies • Release from travel time, expand work styles and freedom of work locations through the spread of telework
Approach to Remote Communication Services	• Services that would be useful	• Essential social infrastructure

Business Environment : Viewpoint of Business Continuity

Momentum for remote communication in a broader range of business activities spreads
This trend is expected to continue due to perceived benefits

Declaration of a state of emergency	After lifting the state of emergency	Coexisting with COVID-19
Improvement of telework environment	**Initiatives to resume business activities**	**Realizing the benefits of remote operation**
Introduced systems to digitize in-company communications • In-company meetings • Telework	**Expansion of internal use of systems** • Business negotiations, recruitment interviews, in-house training/events, etc. • Securing teleworkspace inside and outside the company • Active use in new areas (field work, on-site work support, etc.)	• Improve productivity by reducing travel time • Economic rationality through business online • Diversification of hiring regions and human resources
	Remote of external communications • Marketing activities (exhibitions, business meetings) • Recruitment activities (recruitment briefing) • IR activities (quarterly briefings, shareholders meetings, etc.)	• Expansion of commercial areas and points of contact with customers • Increasing the appeal effect of data accumulation
	Remote of service provision • Education, healthcare, financial services, yoga and fitness, and other lifestyle and entertainment domains	• Expansion of commercial areas and points of contact with customers (Opportunity uniformity through service provision not restricted to location) • Creation of new businesses based on remote environment

Business Environment ：Post Corona World

People-to-people communication to a hybrid of offline and online, depending on the situation.
No longer limited by location, the choice can be made according to life stage and individual style

	Before Corona	Coexisting with Corona
Working Styles	Office	Home
Meet with people	Meet directly	Telework
Event	Venue	Online

Post Corona: Society with Options

In communication with the hybrid
Combining Work and Telework
Meet directly with those who meet
People who can go to the venue, and people who are far away online

Migrate without changing jobs



Hobbies/friends evolve remotely



Anytime and anywhere



Healthy wherever you are

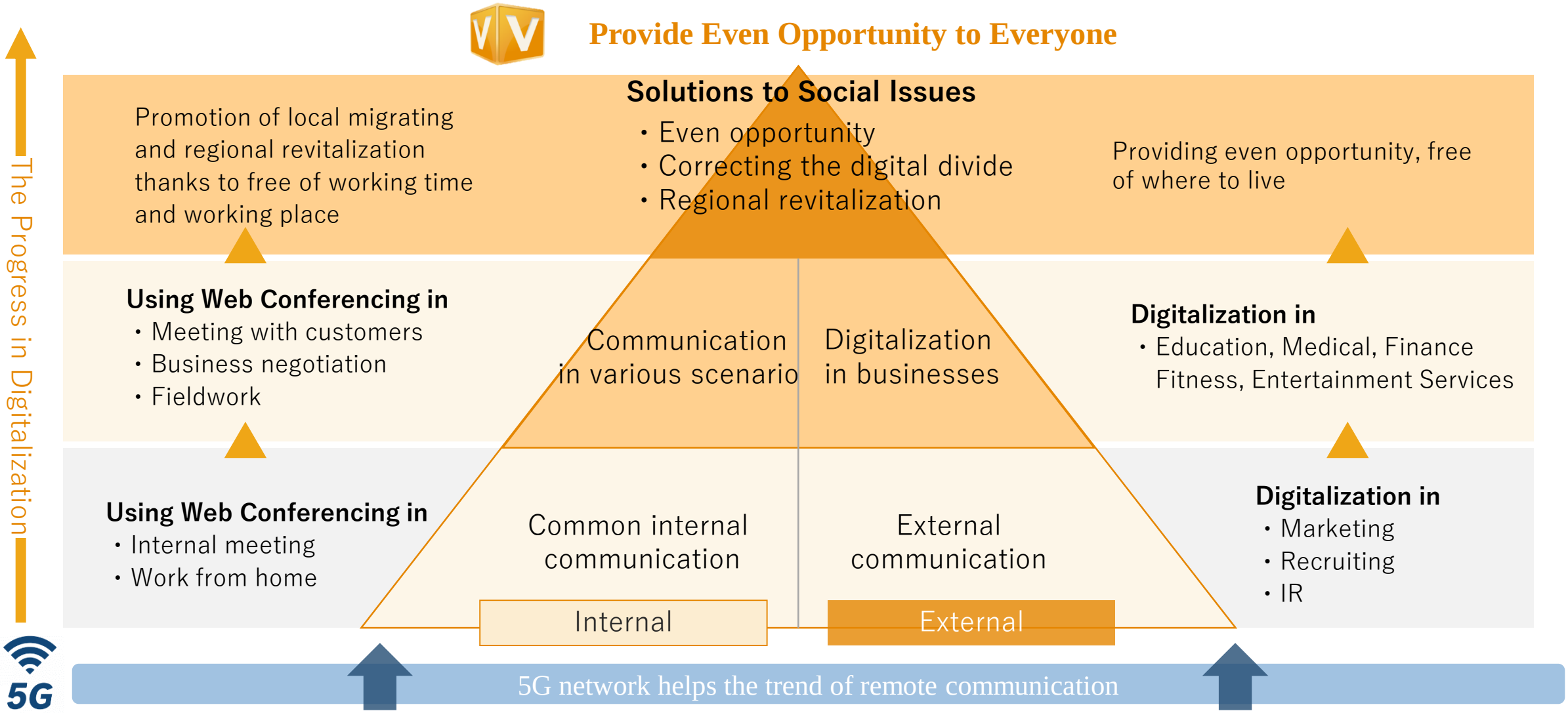


5G

Driven by Evolving Network Infrastructure

Business Environment : Relation with V-cube Mission

The digitalization trend in both internal and external communication continues, and the arise of 5G network help the realization of our corporate mission: “Provide Even Opportunity to Everyone”



Beyond Telework

～ In a Towards the realization of an Even society,
we need to make remote communication, not only in the field of telework,
but also in various other fields, take root as a culture in Japan.～

1. With the aim of realizing a society to provide even opportunity to everybody, Realize establishment of telework and improvement of productivity and life quality through remote communication DX

2. Achieve sustainable growth for the Group as a whole by creating new business domains

3. Improve performance and return profits to shareholders in order to maximize corporate value

V-cube's overall business

1. Enterprise DX business

- Provision of remote communication products for internal and external companies
- Development, provision and operational support of industry/application-specific remote communication products using SDK and hardware

Internal and external communication



V-CUBE meeting

zoom

V-CUBE Box



V-CUBE Collaboration



V-CUBE Board

Customer business/service DX

Remote
Education
Healthcare



Remote
Real estate
Financial
consultation



V-CUBE Video SDK

Fan Service/
Live entertainment
distribution



SNS/ matching
Community



Knowledge Share/LMS

QUMU

Wizlearn Technologies

2. Event DX Business



V-CUBE Seminar

EventIn

- Remoting events in various fields
- Product provision, operational design, direction operation, log analysis, and other operational support



Pharmaceutical Web Seminar



Employment/recruitment briefings



Virtual shareholders meeting

3. Third Place DX Business

- Providing Telecube to companies and public sector
- Higher value-added Telecube and development and deployment of third-place management and operation systems



For companies



For public sector

TELECUBE

Changes in Segments

Segment will be changed in line with rapid changes and expansion in the business environment due to COVID 19

Old segments

Visual communication business
- General-purpose web conferencing
- On-premises
- V-CUBE Video SDK
- Web seminar for the pharmaceutical industry
- V-CUBE Sales+, QUMU

LMS business
- LMS/TMS

Appliance business
- V-CUBE Box
- Emergency measures Disaster countermeasures
- Telecube

Web Seminar and Event Delivery Area is separated into "Event DX business"

LMS/TMS is consolidated into " Enterprise DX business"

Telecube is separated into "Third Place DX Business"

New segments

Enterprise DX business
- General-purpose web conferencing (small-scale conferencing portion)
- On-premises
- V-CUBE Sales+, QUMU
- V-CUBE Video SDK
- Emergency measures, disaster countermeasures, and field work
- V-CUBE Box
- LMS/TMS

Event DX Business
- General-purpose web conferencing (web seminar portion)
- Web seminar for the pharmaceutical industry
- Distribution of recruitment and IR-related events

Third Place DX Business
- Corporate and Public Telecube

New Segment Details

Main business domain		Face-to-face market	SaaS products offered
Enterprise DX business	• Provision of remote communication products for internal and external companies • Development, provision and operational support for industry/application-specific remote communication products using SDK and hardware	Internal and external communication	V-CUBE meeting　zoom　V-CUBE Box V-CUBE Collaboration　V-CUBE Board
		DX of customer business and services	V-CUBE Video SDK
		Knowledge share/LMS	QUMU　Wizlearn Technologies
Event DX Business	• Remoting Events in Various Fields • Product provision and operational design, direction operations, log analysis, and other operational support	Online pharmaceutical seminar	V-CUBE Seminar EventIn
		On-line job placement/recruitment briefings	
		Virtual shareholder's meeting and Financial Results Briefing	
Third Place DX Business	• Providing Telecube to companies and public sector • Higher value-added Telecube and development and deployment of third-place management and operation systems	For companies	TELECUBE
		For the public sector	Telecube Connect

V-cube's Value delivery Model : SaaS + Service

Our value is not only in providing SaaS services, but also helping our clients' businesses to go online by developing additional function specialized in our customers industry, use scenario and by operative supporting service.

Value Delivery Model

SaaS
DX support through technology

V-CUBE meeting
V-CUBE Seminar
V-CUBE Video SDK
zoom

Service
DX support through professional services

Transformation of Communication Culture
(Support for introduction)

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Establishment of Communication Culture
(Operational Support)

Contents of implementation

Products/Services Expansion and arrangement of lineup	Establishment of a model specializing in the industry	Strengthening and Promoting Customer Success
Expansion and arrangement of service lineup in line with variety of communication scenes and applications	Higher added value through support for customization and introduction support tailored to business customs and business flow for each industry/application	Continuously supporting the establishment of a culture by strengthening operational support Increase and lengthen the number of value offerings

Customize In-house products to industry specialization and package them together with comprehensive support for online distribution

Use scene



e.g. DX requirements for shareholders' meetings

- Delivering live meetings at venues (hybrids of real and online)
- Systemization of identity confirmation and certification for each shareholder
- Conducting online Q&A sessions and exercising voting rights

V-cube's deliver value

SaaS
DX support through technology

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Service
DX support through professional services

In-house product
V-CUBE Seminar

Original customization of shareholder certification and voting functions centered on V-CUBE Seminar

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Comprehensive support for deliveries such as design of hybrid deliveries, progress of the day, and operations, etc.

About SaaS + Service

We have provided a variety of remote communication products and value-added services.

That's why we only can deliver SaaS + Service.

Experience and performance as a SaaS business operator

As a leading web conferencing company in Japan, we have been working to resolve a variety of issues by developing a variety of communication-related products and providing them along with support services.

- ✓ **In 2019, Acquired No. 1 share in the domestic web conferencing market for 13 consecutive years***
- ✓ **Develop and provide communication-related DX products and support**



※ In "2020 Latest Market for Video Conference and Web Conference and Video Communication Equipment and Service Trends" published by Seed Planning ,Inc.

Know-how and performance through professional service provision

We have not only used web conferencing, web seminars, etc. for a long time to practice free working styles, but have also continued to provide professional services with the operational know-how we have accumulated.



- ✓ Owned web seminar distribution studios and conducted in-house distribution and customer distribution



- ✓ Approximately 5000 deliveries per year*
- ✓ Provide accumulated know-how as professional menu

※ Estimated number of delivery support to be provided to customers in 2020

V-cube's history to SaaS + Service

V-Cube, as a telework pioneer company,

- Actively implement telework using remote communication products in-house
- With the development of many solutions based on the knowledge gained through practice
  Provision of installation and operation support to customers

We have been promoting the discovery and resolution of various issues that prevent communication from becoming remote.



1998
- Incorporation

2004
- Started “nice to meet you” business, which is the origin of V-CUBE Meeting and V-CUBE Seminar.

2005
- Release of professional services including Web seminar delivery support

2010
- Formulated the First Telework System

2014
- Opened “Studio Octo”, a Web-seminar distribution studio

2015
- Opened a satellite office in Shirahama-cho, Wakayama Prefecture

2016
- Opened Sendai development base
- Selected as “Telework Pioneer 100 Awards” of Ministry of Internal Affairs and Communications

2017
- Announced “Orange Work Style System”, which allows employees to freely select hours to work in

2018
- Formulated new MISSION and VALUE

2020
- Gained No. 1 share in the domestic web conferencing market for 13 consecutive year*

※ 2020 Latest Market for Video Conferencing and Web Conferencing and Video Communication Equipment and Service Trends, issued by Seed Planning , Inc.

Business Strategy・Overall picture

	Business Environment	Business strategies
Enterprise DX business	• In the area of general-purpose web conferencing, market expansion due to the impact of COVID 19 has calmed down and the market is becoming saturated. • DX for field work and emergency countermeasures will continue to expand • In the area of Customer's business, the remote trend will continue	• In the general-purpose web conferencing area, **expect stable earnings as a cash cow** • Focus on market expansion and acquisition in the area of field work and emergency countermeasures as new application-specific solution models • In the customer service area, development support to SDK to contribute to DX of customer businesses and strengthening the sales and development structure to expand businesses
Event DX business	• Remote of seminars for healthcare professionals held by pharmaceutical companies accelerated rapidly due to the impact of Covid 19. • Dissemination of remote in events involving a large number of people, such as shareholders' meetings, recruitment briefings, in-house training, and corporate seminars	• Aggressive upfront investments in human and material resources, to build capacity • Providing high-quality distribution operation support at low cost based on the industry-specific knowledge and extensive experience • **R**elease of new service "EventIn"
Third Place DX business	• Demand for sound-insulated private room space in companies is expanding due to an increase in web conferencing accompanying the spread of telework • Demand for private working spaces as one of the infrastructures in public areas such as station facilities and large-scale office buildings is rapidly expanding	• Continued expansion of Telecube installation to offices, complex facilities, and commercial facilities such as JR/private railway station premises • Subscription-based provision for one-to four-person • Implementation and deployment of value-added apps/services within Telecube and horizontal deployment of booking/space management software infrastructure

Business Strategy Details: 1. Enterprise DX Business

Business Environment

- In the area of general-purpose web conferencing, market expansion due to the impact of Covid 19 has looped back and the market is becoming saturated.
- On the other hand, DX for field work and emergency countermeasures will continue to expand
- In the area of Customer's Business, the trend toward remote face-to-face services will continue, particularly in the entertainment industry

Value Provided

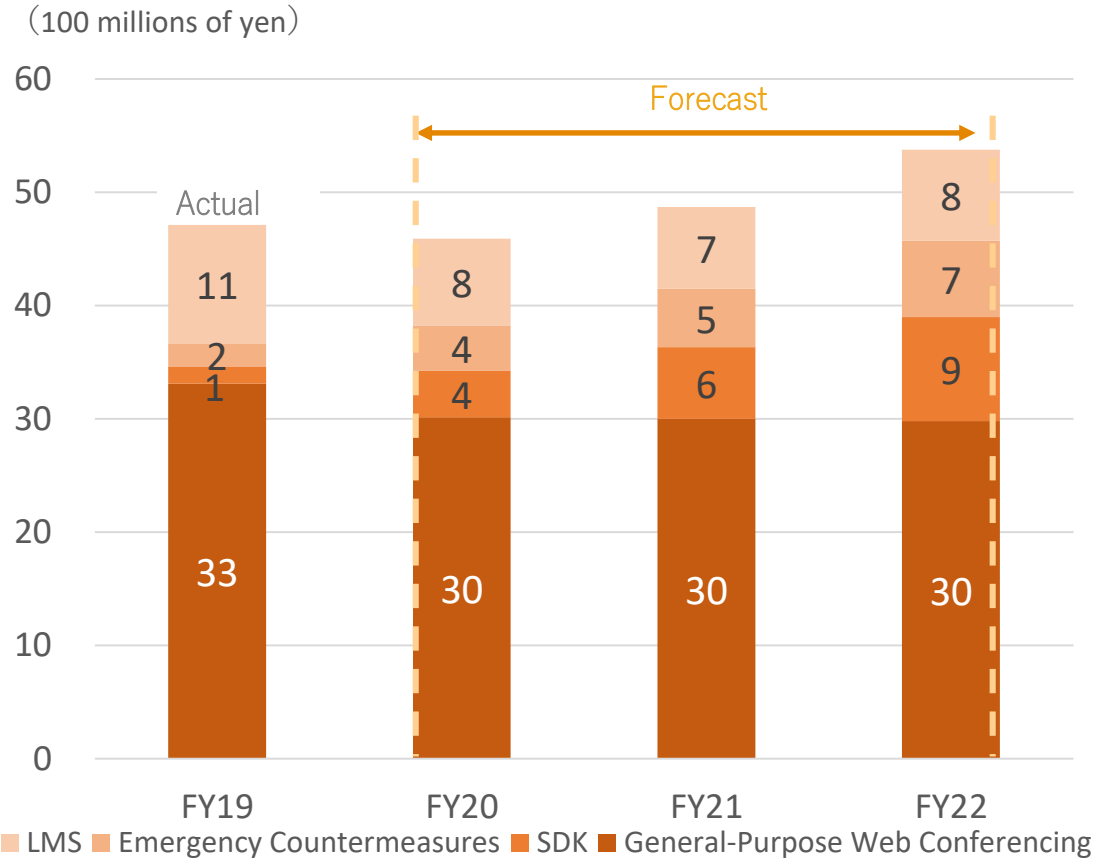
- Providing SaaS+Service based on overwhelming experience/skill-on remoteness
- Application-specific solutions by incorporating SaaS into hardware
- Prompt support for customer service through low-delay, low-cost video distribution SDK and generous development and operation support

Business Policies

- General-purpose web conferencing area, which is expected to be saturated, is positioned as a cash cow, and stable earnings are expected with minimal investment
- Focus on expanding and acquiring markets in the area of field work and emergency countermeasures as models for application-specific solutions
- In the customer service area, strengthen sales and development systems to respond to the rapid increase in SDK demand and aggressively expand into various fields and industries

V-CUBE meeting　V-CUBE Video SDK　zoom
V-CUBE Collaboration　V-CUBE Board　V-CUBE Box
QUMU　Wizlearn Technologies

Enterprise DX Business Sales Plan

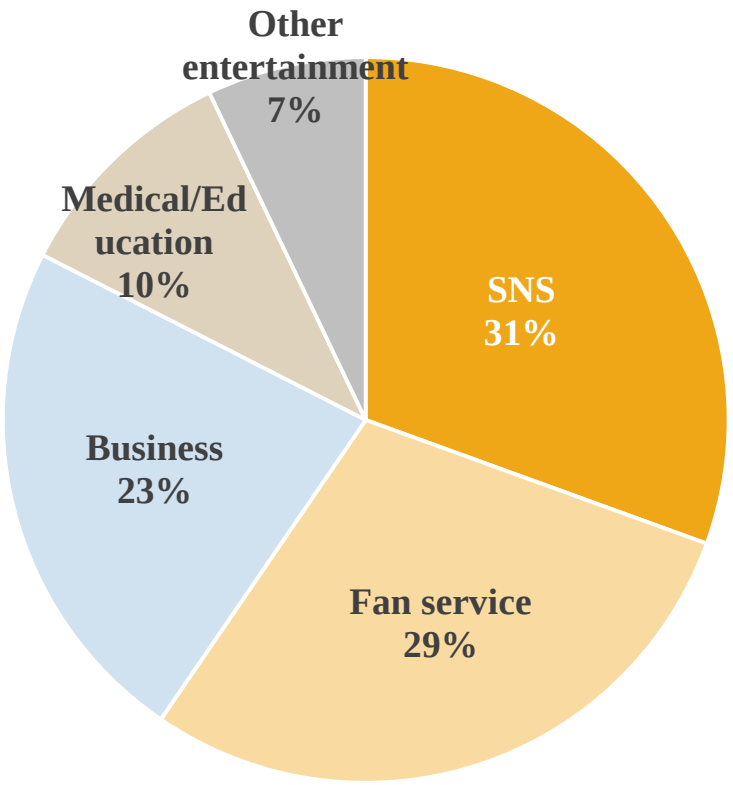


Business Strategy Details: 1. Enterprise DX Business ~Sales Plan~

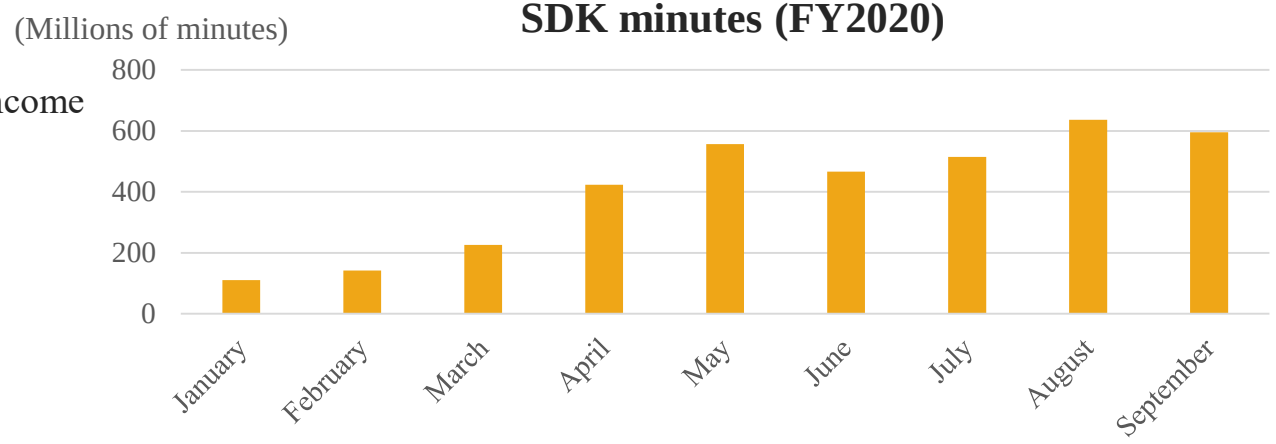
In the short term, enjoy the rapid expansion of the entertainment market, and in the medium to long term, aim for stable growth by expanding the business system

Composition of V-CUBE Video SDK by use (expected FY2020)

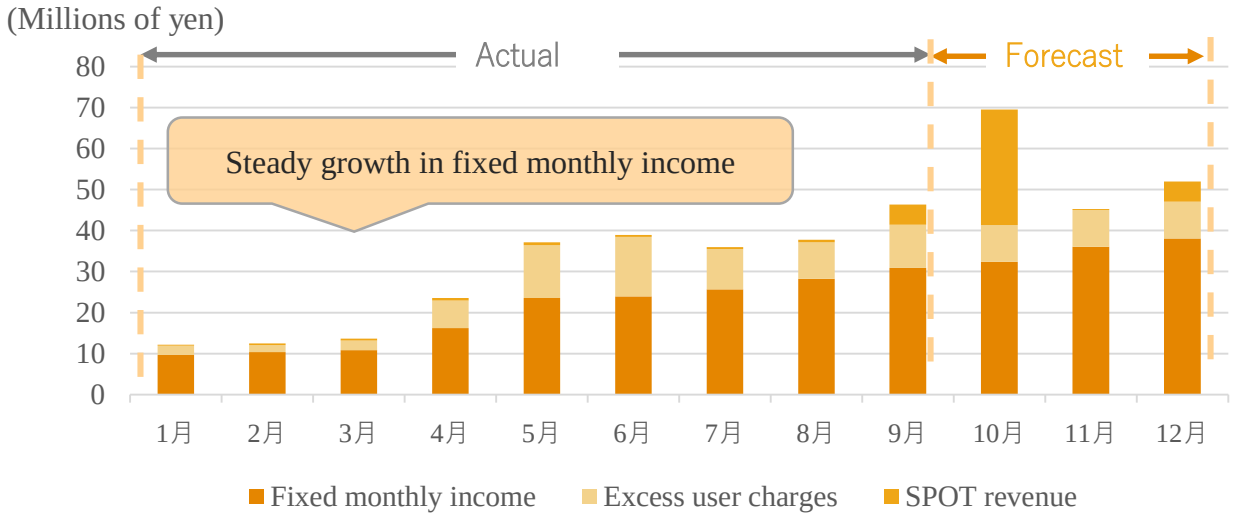
※ Excluding SPOT income



SDK minutes (FY2020)



Composition of V-CUBE Video SDK net sales (FY2020 forecast)



V-CUBE services including V-CUBE Video SDK enables DX in variety of Customer's Business in variety of industries

Remote education

Online English conversation

Benesse Corporation
Corporate

Bizmates — Bizmets, Inc.

「書いて、話す」オンライン英会話 Best Teacher — Best Teacher, Inc.

Remote health care

Online medical examination

KANAMIC NETWORK — Kanamic Network Co.,Ltd.

NTT Electronics — NTT Electronics Corporation

Online medical consultation

Medical Note — Medical Note Inc.

Business tool

Business chat tool

Chatwork — Chatwork Co.,Ltd.

Remote recruitment

Online recruitment interviews

HUMANAGE — Humanage Inc.

EC

Live e-commerce

J-Grip Incorporated — J. Grip Incorporated

Remote real estate business

On-line explanation of important matters

RECRUIT リクルート 住まいカンパニー — Recruit Sumai Company Ltd.

LIFULL — LIFULL Co., Ltd.

Live entertainment distribution

Event live distribution

Fanplus — Fanplus Inc.

Multi-person collaborative distribution

SHOWROOM — SHOWROOM Inc

Sports Live Distribution

Sports IT Solution — SPORTS IT Solutions Inc.

Lifestyle

Online fitness

SOELU — SOELU Inc

Embedding SaaS in hardware, provides application-specific solutions.

Emergency solution

V-CUBE Board × V-CUBE Collaboration



Characteristics

- Information sharing/consolidation during disasters: Map information, real-time communications with disaster sites, smartphones/tablets/drones linkage, etc.

Customer case studies

- Shinagawa ward office, Saitama city fire department, Oita prefecture office, Hyogo prefecture Kobe city office, Kumamoto prefectural office, Miyazaki prefectural office, Tokyo Gas Ogishima LNG base, etc.

Fieldwork Solutions

Smart Glass × V-CUBE Collaboration





Characteristics

- Web conferencing on Smart Glass (real-time communication with the field, writing of drawing and on-site images and photographs)
- Voice Control for Smart Glass

Customer case studies

- Rinkai Nissan Construction Co.,Ltd.
  Dow-Mistui Polychemicals Co., Ltd. Organo Corporation, etc.

Business Strategy Details : 2. Event DX Business

Business Environment

- The remoteness of seminars for healthcare professionals held by pharmaceutical companies, which had been in the process of advancing, has accelerated rapidly due to the impact of COVID 19
- Dissemination of remote meetings at multi-person events, such as general shareholders' meetings, recruitment briefings, in-house training, and corporate seminars

Value Provided

- Improve implementation effectiveness through low-cost, remote-only data utilization
- Based on our deep industry-specific knowledge and wealth of experience/ actual, Distribution operation support know-how, stable distribution operation
- Enhanced distribution capacity (human resources, facilities, line capacity, etc.)

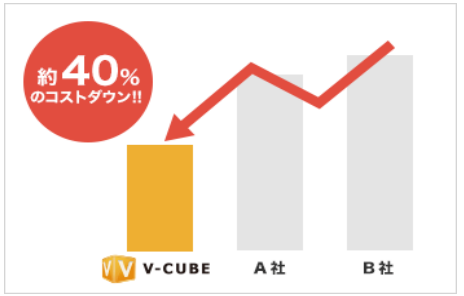
Business Policies

- Aggressive upfront investment in human and material resources to ensure that we capture the rapidly growing demand
- Leveraging low cost and high quality to further promote remoteness in even outside the pharmaceutical areas
- The release of the new EventIn service is close to two-way communication reality. Responding to Demand for Online Event Implementation and Operation

V-CUBEセミナー EventIn

(Reference) Features of our event distribution service

High cost performance



Wealth of operational support know-how



Enhanced distribution capacity





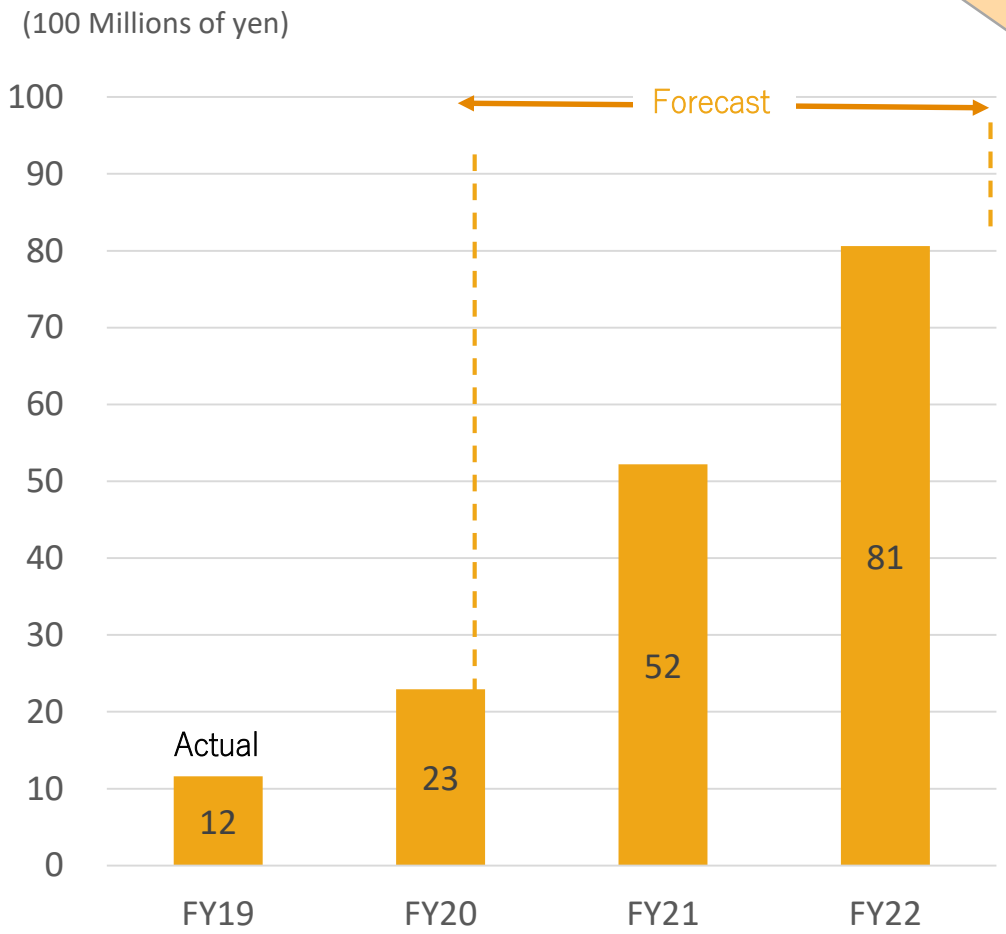




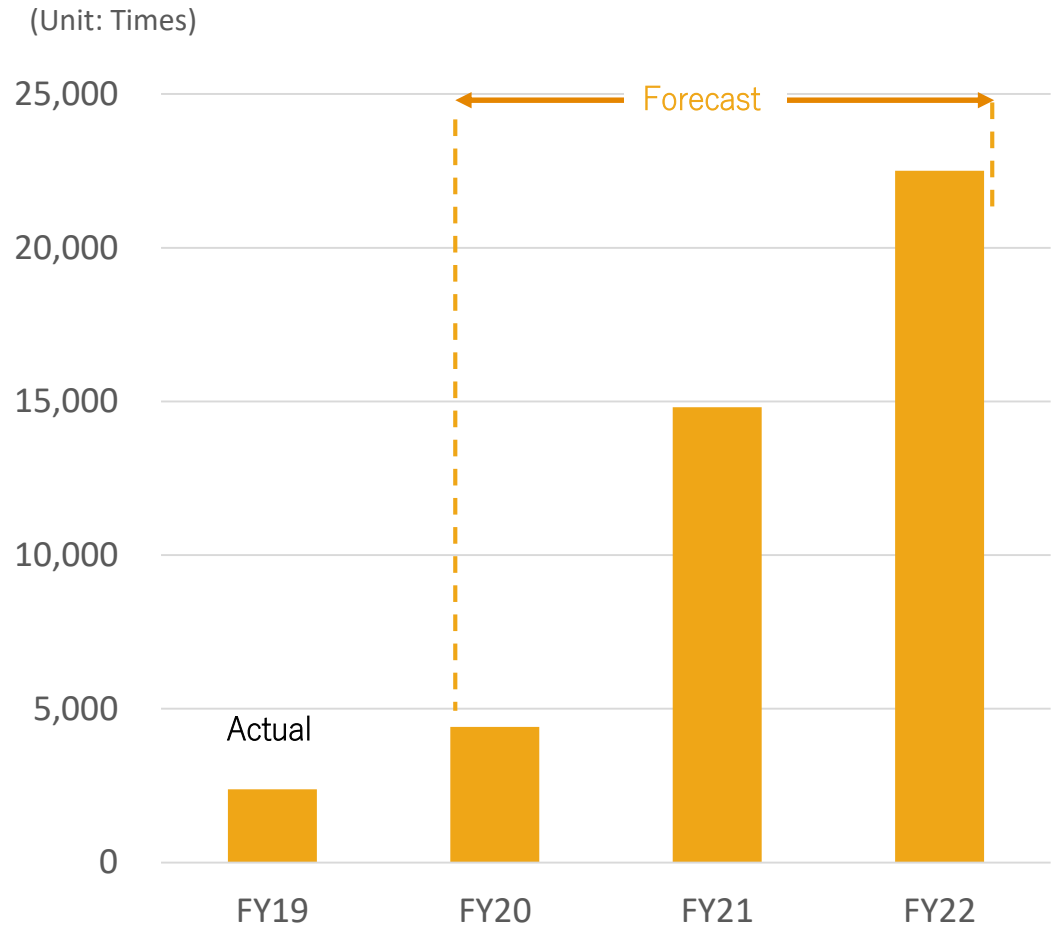
Business Strategy Details: 2. Event DX Business ~Sales and Planned Number of Events~

To a sharp rise in sales following FY2020 along with the number of events held

Event DX Business Sales Plan

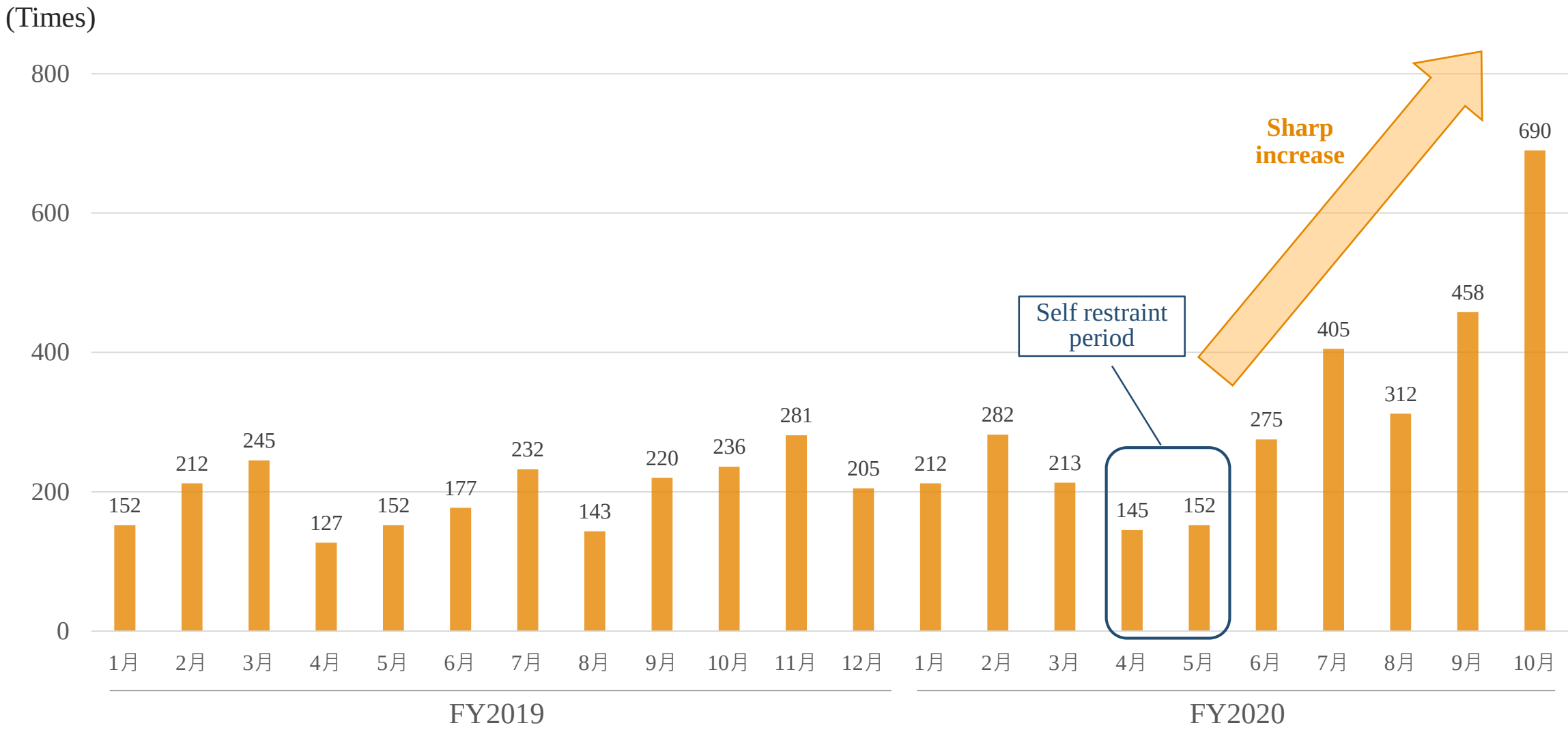


Planned number of events



Business Strategy Details: 2. Event DX Business ~Trends in the Number of Event Distributions~

The number of events delivered has increased since Self restraint period, and we are aware of the benefits of online implementation. This upward trend is expected to continue in 2020 and beyond



Business Strategy Details : 2. Event DX Business ~How to Hold Events in the Future~

**At Post Corona, brick-and-mortar and on-line hybrid events have become the mainstream,
The trend toward remoteness is expected to continue.**

Holding format	Advantage	Disadvantage
Brick-and-mortar (face-to-face)	• Identifying participants' responses and exchanging business cards Can also engage in 2-way communication, such as exchange meetings	• Venue and staff personnel expenses • Limitation of areas to attract customers • Difficult to compile participant data
On-line	• Less burden of venue and personnel expenses • There is no constraint on customer attraction areas. • Behavioral data of participants can be obtained	• Tend to be in one direction Difficult to capture participants‘ responses and to foster a sense of unity

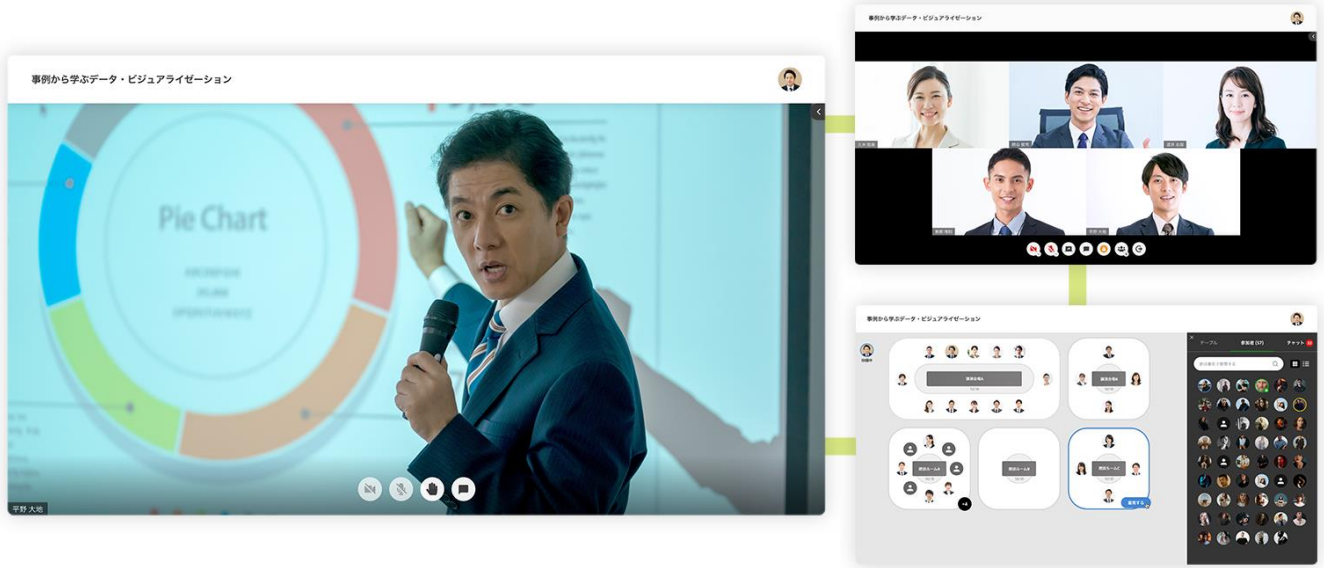
Mutual complementarity by hybrid type

Hybrid

- People gather at the venue, and those who do not gather are remote
  → Maximize the cost-effectiveness of a single event by attracting people without being restricted to the location
- Realizing 2-way communication, such as business card exchange and exchange meetings, through event DX technology
  → Fostering a sense of unity through interactive events in which viewers can actively participate
- Acquisition of data such as participant's behavior history is possible.
  → Appropriate individual approaches to participants based on data and improvement of event holding and management

Released of Online Event Platform EventIn

Meetings and exchanges between companies and participants which are important for business events, such as exhibitions, business meetings, social gatherings, and recruitment briefings.-



※ A design that is not only a 1-way seminar but also a more real event in which participants themselves can freely travel the booth and make interactive calls in the booth

Characteristics

Online events that are closer to real life that does not end with unilateral send information

- ✓ Customize to suit the world view of the event that you want to realize
- ✓ Unified management of participants' trend data
- ✓ Diverse communication, including company-specific seminars, talk at exhibition booths, business negotiations, and questions

Use scene



- ✓ Exhibition
- ✓ Business meetings
- ✓ Joint hiring Briefings/interviews



- ✓ Social gathering
- ✓ Within the company Event

Business Strategy Details: 3. Third Place DX business

Business Environment

- In the corporate sector, demand for sound-insulated individual room conferencing spaces is expanding due to an increase in web conferencing accompanying the spread of telework and the need for countermeasures to combat infectious diseases.
- In the public sector, demand for individual working spaces is rapidly expanding as one of the infrastructuresin in public areas such as station facilities and large-scale office buildings,

Value Provided

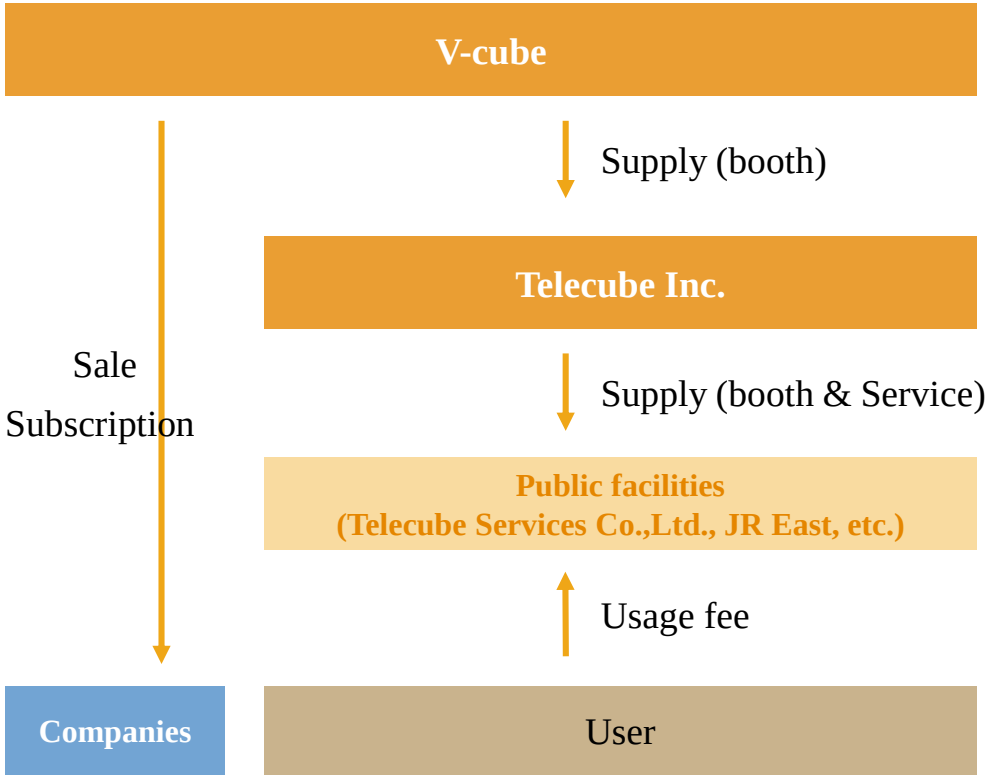
- Providing a wide range of options, from 1 person to 4 person, according to customer needs
- Adding subscription methods to options to reduce the initial investment burden on customers
- Design that is in compliance with the law and has the flexibility to allow location selection

Business Policies

- Continue to expand Telecube installations at commercial facilities such as offices, complex facilities, and JR/private railway station premises, aiming to become social infrastructures
- In the long term, implement of value-added apps and services within Telecube and horizontal development of software infrastructure for reservation systems, Develop as a leader in Third-Place infrastructure development



(Reference) Outline of Telecube Supply System



Details of Business Strategy: 3. Third-Place DX Business ~Specific Examples~

Examples for the public sector



East Japan Railway Company

JR Shinjyuku Station, etc.



Seibu Railway Co.,Ltd.

Tokorozawa Station, etc.



Mitsubishi Jisho Property Management Co.,Ltd.

Shin Marunouchi Building, etc.



HankyuHanshi Building Management Co.,Ltd.

Hankyu Terminal Building, etc.

Typical installation scene

- Station premises, airports, restaurants inside stations
- Large-scale commercial facility
- Office building
- Condominiums
- Shared offices
- Public office buildings, etc. are expanding

Case studies for companies

Otsuka Pharmaceutical Co., Ltd.
Otsuka Warehouse Co.,Ltd,

SEGA SAMMY HOLDINGS Inc.

DeNA Co.,Ltd.

Nippon COMSYS Corporation

East Japan Railway Company

Fuji EAP Center

Mitsubishi Estate Co.,Ltd.

Lenovo Japan

Yamaguchi Financial Group

Typical installation scene

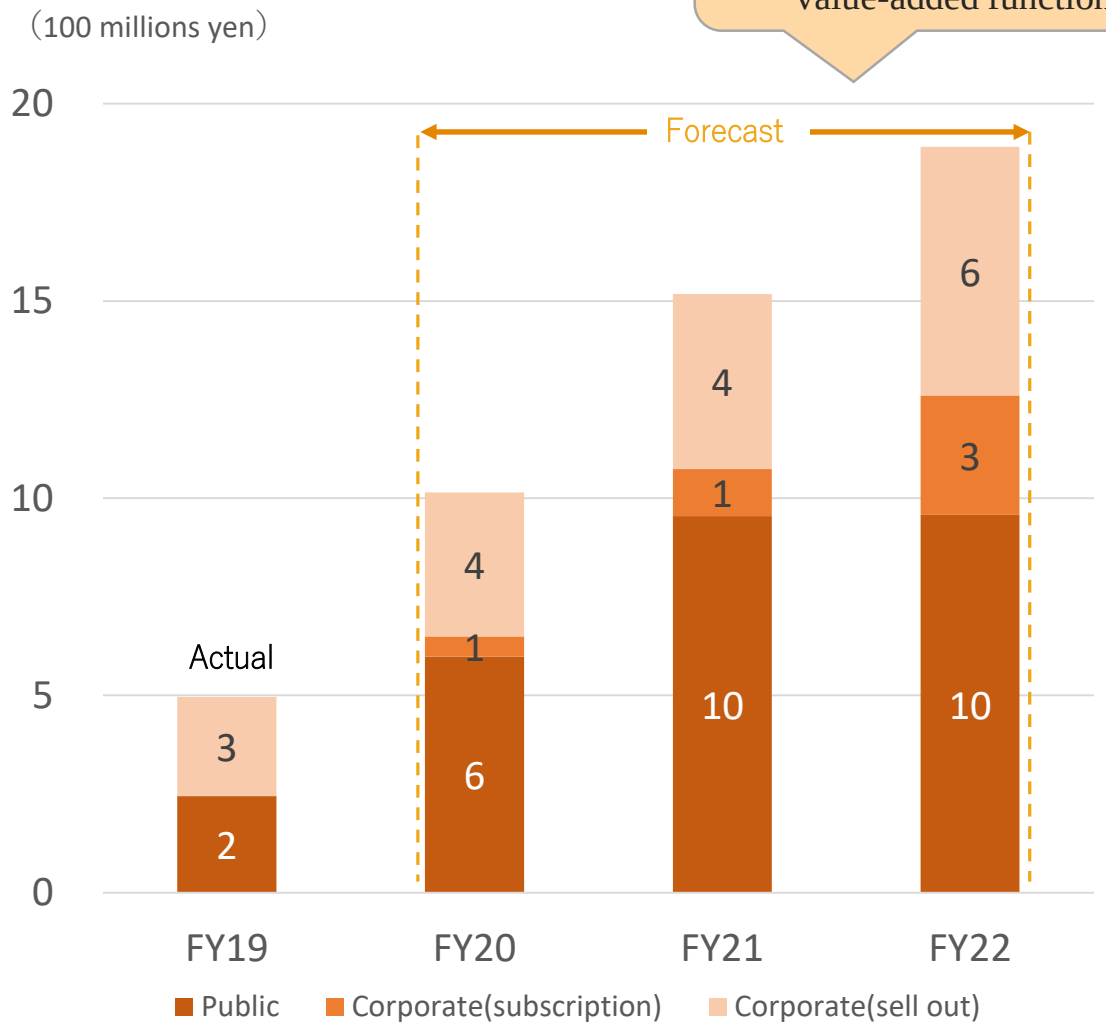
- Meeting Room Replacement
- Teleconferencing and video conferencing spaces
- Web conference booth at factory site
- Sensitive customer service space
- English conversation lesson space
- Standby space for visitors

Details of Business Strategy: 3. Third Place DX Business-Net Sales and Unit Installation Plan (Consolidated Basis)

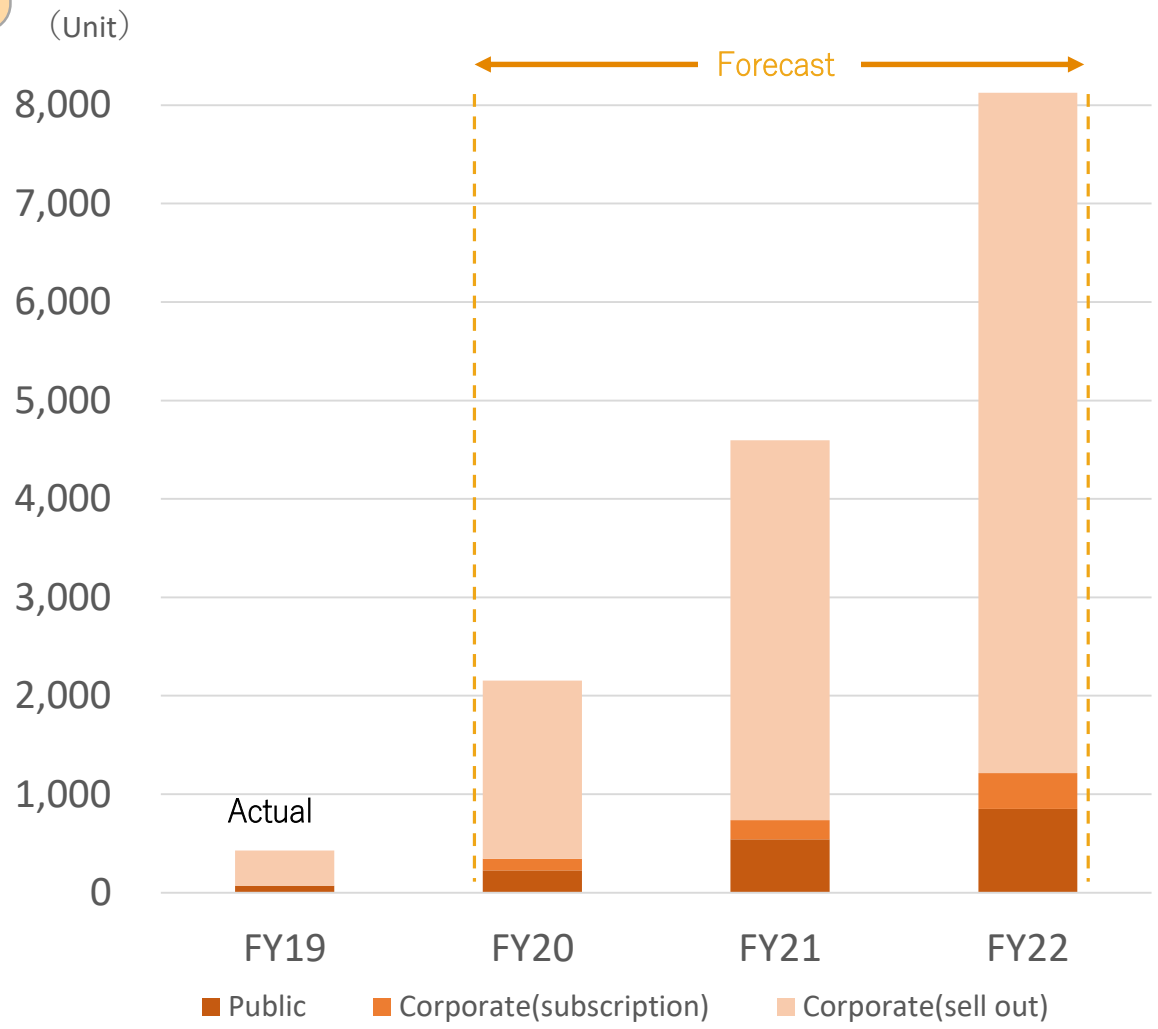
テレワークで日本を変える V-CUBE

Sales plan

Expand public-sector business significantly as we enhance value-added functions



Cumulative installed base plan



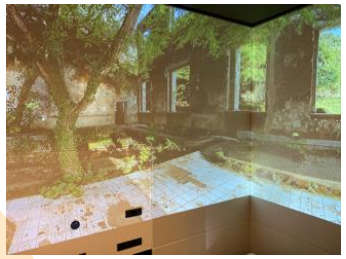
Telecube becomes a high-value-added Third Place and evolves into a Third Place reservation-management and operations infrastructural

Transition to high-value-added Third Place platforms

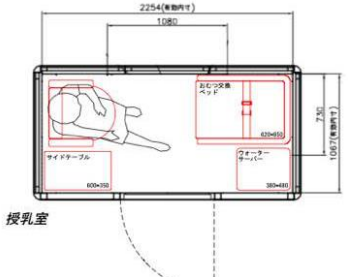
Evolve Telecube into a high-value-added Third Place which can provide with a wide range of services/functions



Sleeping booth



VR overseas travel booth



Nursing booth





Remote yoga class

Online English conversations, telemedical consultations, remote legal consultations, remote cosmetic consultations, online divination, e-sports, 1-person karaoke, music viewing,VR housing consultation, online residents, public services, etc.

Infrastructure of Third Place reservation management and operations

Evolve into a software infrastructure on a national/worldwide basis for managing bookings in not only Telecube but also other Third Places such as co-working spaces

Telecube Connect

Software for Third Place reservation, space management and operation

To infrastructure services on a global basis



Medium-Term Management Plan - 1. Management Targets

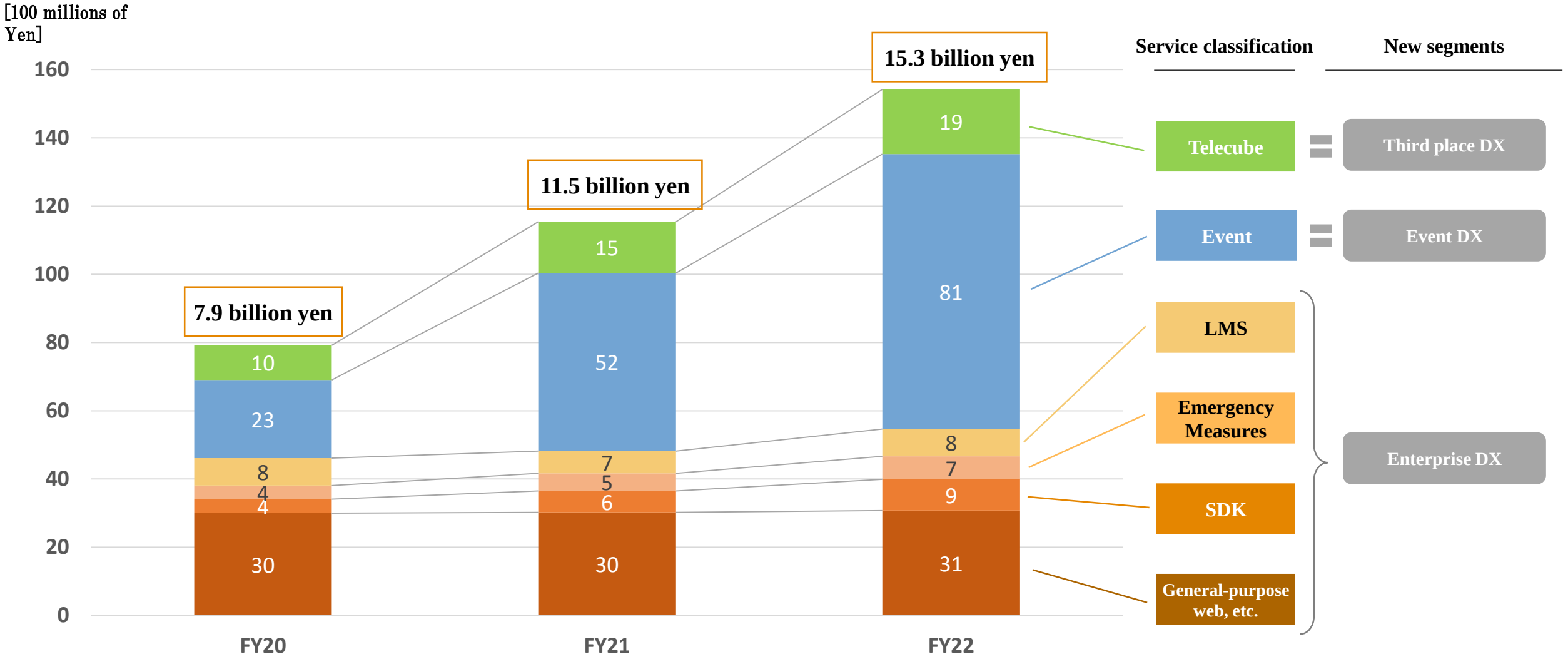
Aiming for high growth against the backdrop of rapid penetration of remoteness, pursuing capital efficiency and shareholder returns

	Major Management Indices	FY2020 (forecast)	FY2021 (Target)	FY2022 (Target)
Consolidated	Net sales	7.9 billion yen	11.5 billion yen	15.3 billion yen
	Operating profit	0.9 billion yen	2.0 billion yen	3.5 billion yen
	Net income (*)	1.0 billions yen	1.4 billion yen	2.7 billion yen
	ROE	27%	30% or more	35% or more
	Dividend Payout Ratio	20%	Aiming for 30% based on 20%	

(*) Net income = Profit attributable to owners of parent

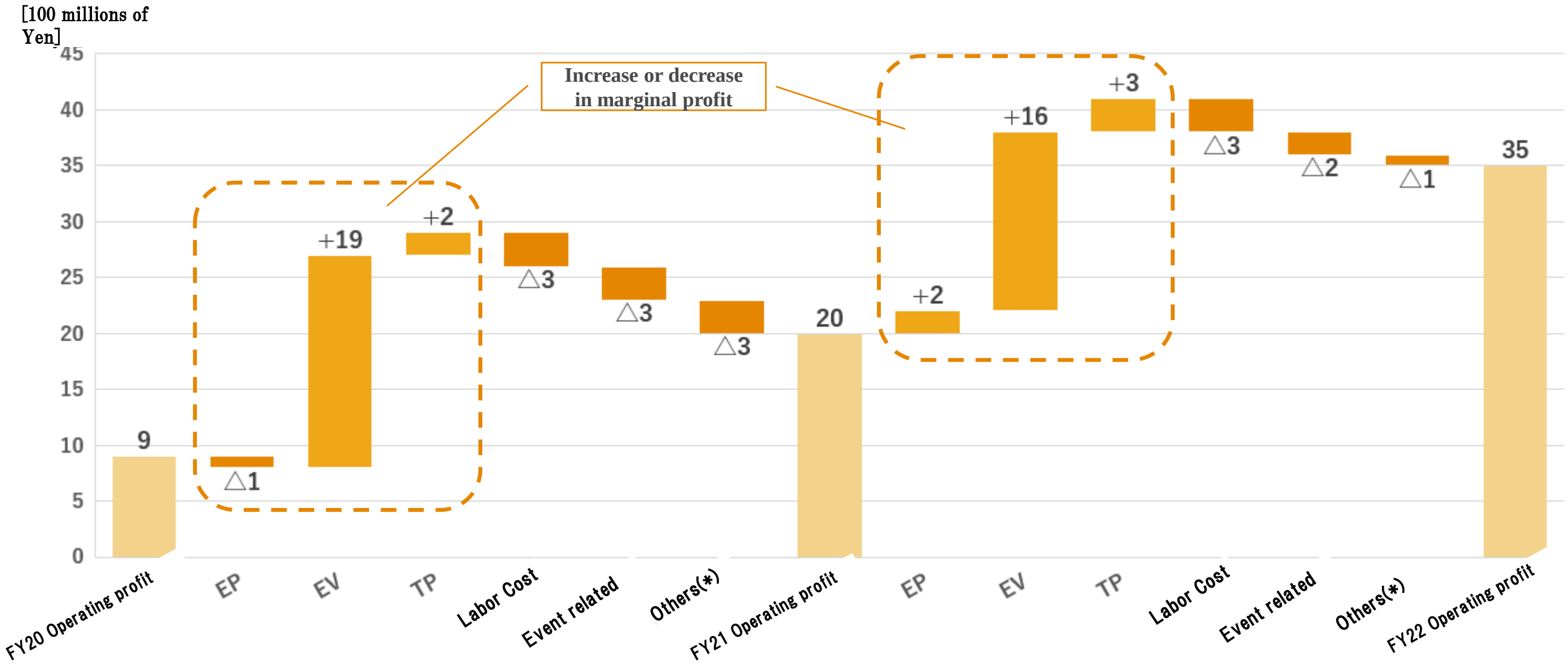
Medium-Term Management Plan - 2. Net Sales Plan by Segment

Promoting the shift from "web conferencing" to "solutions" and expanding event DX to its largest business



Medium-Term Management Plan - 3. Change of operated profit target

Expect higher earnings from event DX business, as well as expand personnel and capacity required for expansion



"EP": Enterprise DX business, "EV": Event business, "TP": Third place business, "Other": Investments mainly for DX of in-house business

Efforts for ESG Issues in Our Group

テレワークで日本を変える V-CUBE

	Our Initiatives	Contribution to Society
E (Environment)	• Develop and provide services to remotely communicate internally and externally • Supporting the Introduction and Establishment of a New Communication Culture	• To reduce the use of CO2 and other fuels generated by physical movements • Resource conservation by reducing opportunities to use physical goods
S (Social)	[Examples of Solutions] • Telework tool • Online events • Virtual shareholders meeting • Remote health care	• To solve societal issues ✓ Equal opportunity ✓ Improvement of digital divide ✓ Regional revitalization ⇒ **"Realizing a Even Society"**
G (Governance)	• Ratio of Outside Directors :50% • Diversity of Directors (In addition to founding members, experienced corporate management and mayors, women, and experts)	• Strengthening governance and compliance as a company that solves social issues • Integration of ideas and know-how to solve social issues through diverse human resources

SDGs



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