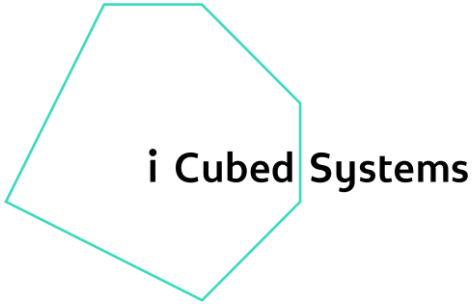


# Second Quarter of Fiscal Year ending June 30, 2023 Supplementary Material on Financial Statements

February 9, 2023

i Cubed Systems, Inc.

TSE Growth：4495

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# Table of Contents


1. Summary P. 2

2. Business Summary P. 4

3. Business Highlights P. 8

4. Financial Results for 2nd Quarter of Fiscal Year ending June 30, 2023 P.15

5. Reference Materials P.26


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i Cubed Systems

# 1. Summary

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# Summary of 2Q of FY6/23

Despite continued delays in the procurement of smartphones for corporations [1], net sales grew steadily.
More than 4,200 corporations have deployed our services and investments for growth to prepare for business expansion are proceeding according to plan.

| Net sales | Operating income | Number of corporations introducing our services |
|---|---|---|
| 1,314million yen | 312million yen | 4,201 corporations |
| YoY: +9.1% ↑ | YoY: −31.1% ↓ | +7.3% ↑ from the end of the previous period |

Note:
1. In Japan there has been a decline in the distribution of smartphones, for which demand for corporate use is strong, and procurement of mobile devices continues to take time

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# 2. Business Summary

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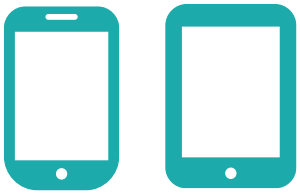
# Structure of the Group’s business

CLOMO Business is the main focus of business development for the Group.
Investment Business was launched in June 2022 to further expand CLOMO Business and to accelerate growth of the Group as a whole.

## CLOMO Business



Main business and revenue base of the Group, providing CLOMO MDM and CLOMO SECURED APPs to support use and management of mobile devices by corporates

## Investment Business



Investment activities, such as CVC, aimed at generating business opportunities for CLOMO Business and execution of M&A aimed at further expansion of CLOMO Business and creation of new businesses

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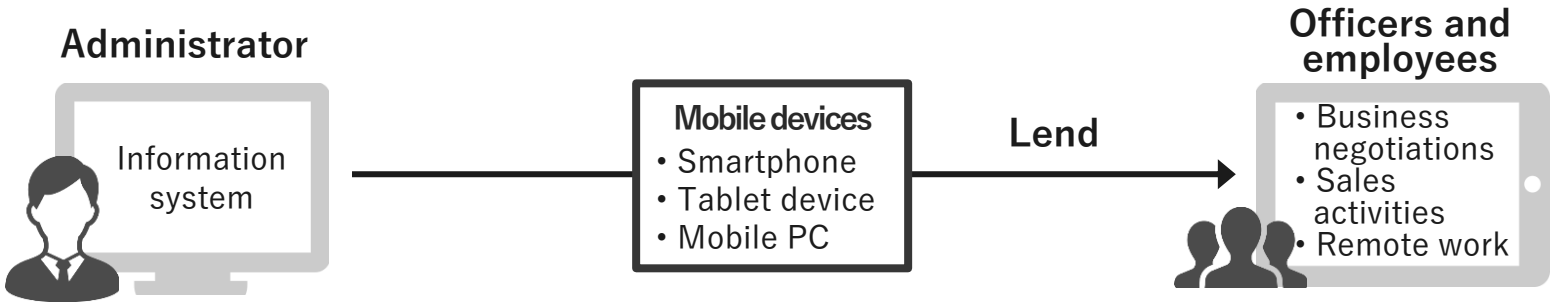
# Overview of the CLOMO Business

Use cloud to provide B to B SaaS in the form of a subscription.
Sell services to customers (users) mainly through distributors.




| | | Visualization of utilization status “Status monitoring” | Function restrictions And settings “Application of utilization rules” | Security measures “Measures for preventing information leakage” |
|---|---|---|---|---|
| Manage-ment | **Basic functions for smooth management** CLOMO MDM | Remotely assess the utilization status in real time | Properly set and restrict functions | Device lock and data erasure when the device is lost or stolen |
| Utilization | **In combination with MDM, ensure both safety and convenience** CLOMO SECURED APPs | Efficiently assess the utilization status | Efficiently use business software | Provide apps that meet security requirements |
| | | 【Browser / Mailer / Calendar / Contacts / Docs】 | | |

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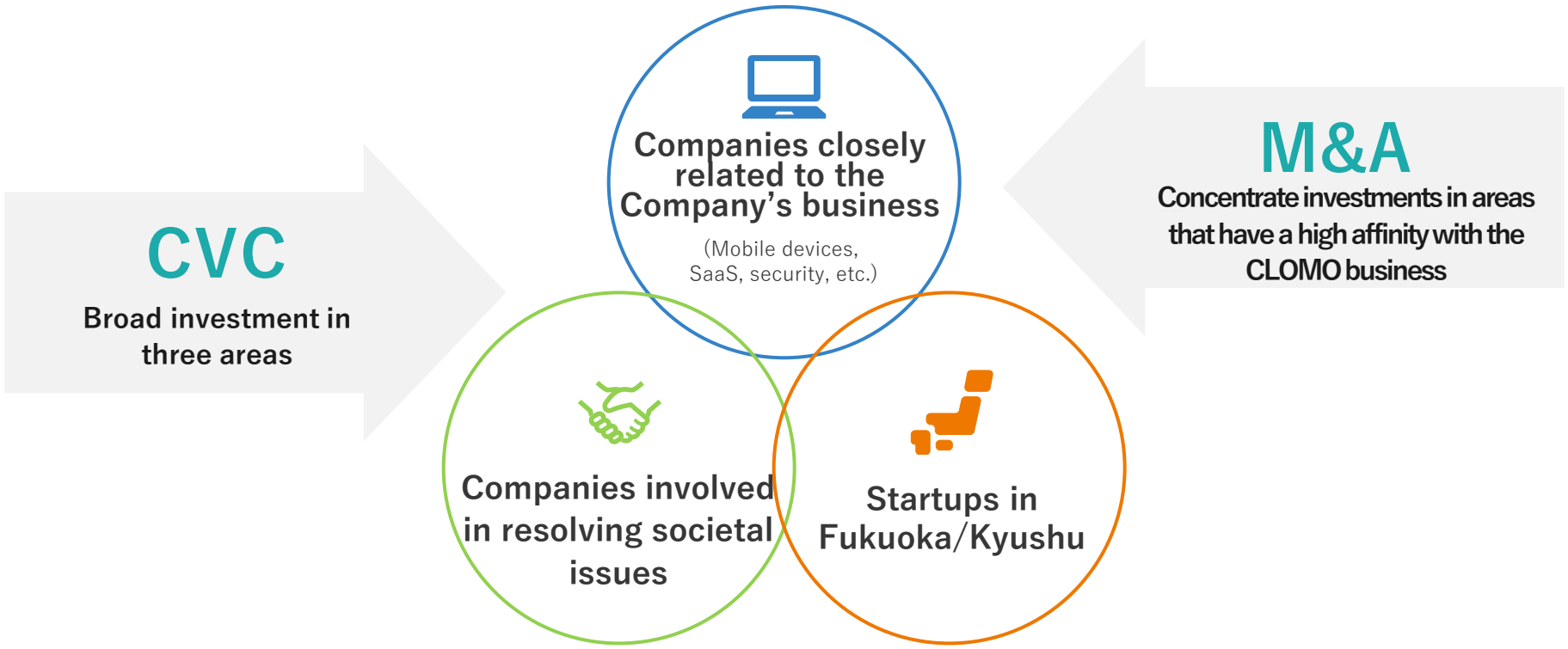
# Overview of the Investment Business

We actively explore M&A in order to accelerate the opening up of new businesses and creation of new revenue sources.
Additionally, we established a venture capital subsidiary and fund, and started investment activities.

**Focus areas within investments**

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# 3. Business Highlights

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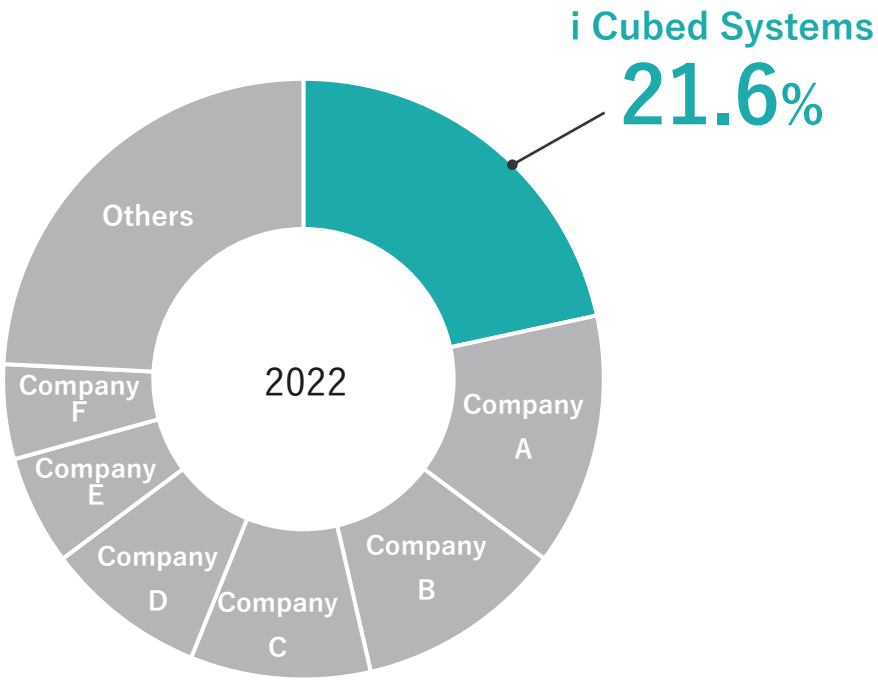
■CLOMO Business

# Achieved top market share of domestic MDM market for 12 consecutive years

Achieved the No.1 share(1) of domestic MDM market (own brand) for 12 consecutive years. Maintained top share despite the impact of delays in procurement of smartphones for corporations (2) .

## MDM share by own-brand shipment value







Source: Deloitte Tohmatsu MIC Research Institute Co., Ltd. “MDM private brand market 2022”

Note:
1. Deloitte Tohmatsu MIC Research Institute Co., Ltd. “Market Outlook of Collaboration/Contents & Mobile Management Packaged Software” 2011-2020 editions, “MIC IT Report Dec 2022 issue” Actual shipment value in FY 2021 and predicted shipment value in FY 2022
2. In Japan there has been a decline in the distribution of smartphones, for which demand for corporate use is strong, and procurement of mobile devices continues to take time.

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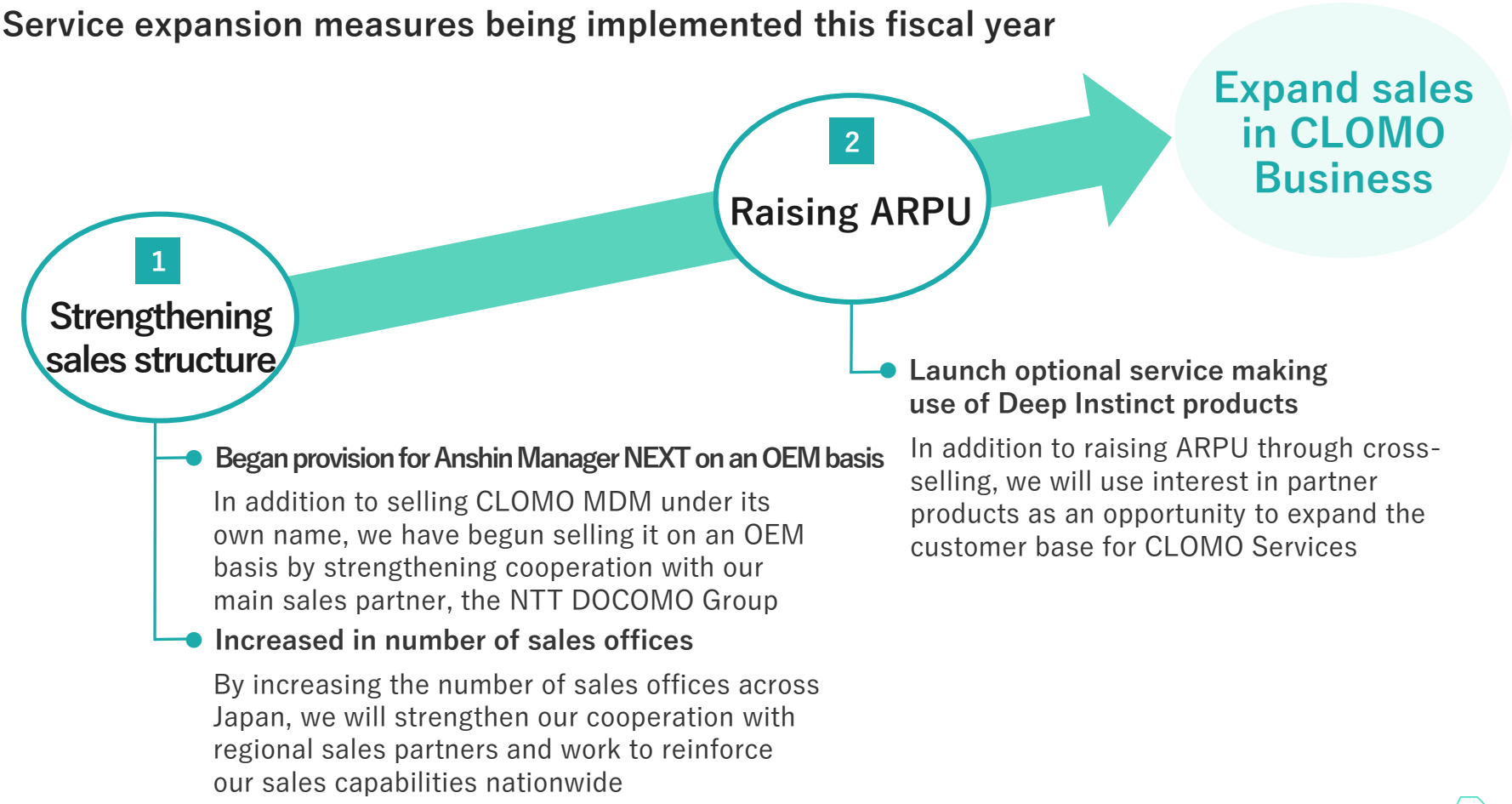
■ CLOMO事業

# Promoting measures to expand sales

Investment in the business to expand sales is proceeding according to plan.
Implemented initiatives to strengthen sales structure and released services to raise ARPU.

## Service expansion measures being implemented this fiscal year

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1 Strengthening sales structure

# Close cooperation with NTT DOCOMO Group to expand market share

Began providing on an OEM basis, taking advantage of the opportunity presented by renewal of MDM services offered by NTT DOCOMO Group.
By selling it on an OEM basis as well as under the CLOMO MDM name, we aim to expand our share.

## Began provision for “Anshin Manager NEXT” on an OEM basis

Sold as one of the MDM products distributed by NTT DOCOMO Group (which continues even after provision on an OEM basis begins)

| | |
|---|---|
| CLOMO MDM | Company A product |
| Company B product | Company C product |

+

**From September 2022 onward**
Began selling on an OEM basis for MDM services provided by NTT DOCOMO Group

あんしんマネージャー NEXT

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1 Strengthening sales structure

# Increasing number of sales offices to further strengthen cooperation with sales partners

In line with our regional strategy for sales partners, we have completed the planned increase in the number of sales offices in major cities nationwide.
By strengthening cooperation with sales partners in each region, we will target local companies to accelerate the expansion of our customer base.

## Increasing the number of sales offices




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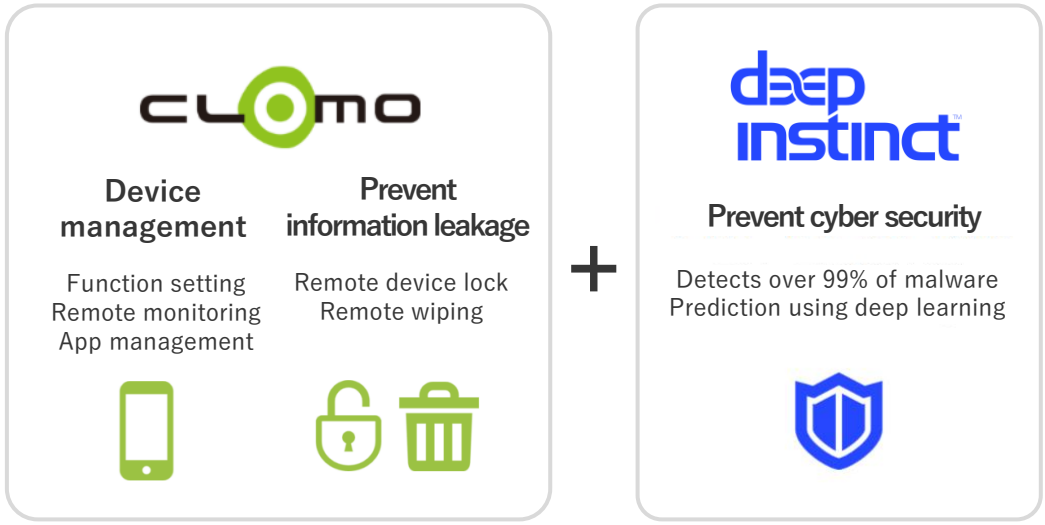
2 Raising ARPU

# Broadening optional services to raise ARPU

By combining CLOMO MDM with peripheral services, we provide further enhancements to the security environment.
We seek to raise ARPU through sales of optional services and expand the customer base by taking advantage of interest in peripheral services.

## Began provision of new optional services

### CLOMO MDM Endpoint Security secured by Deep Instinct




### Combining with CLOMO to achieve safe and secure use of mobile devices

- AI-enabled endpoint security from Deep Instinct(1) allows high-precision prediction and prevention of viruses on mobile devices
- Using deep learning, not only known viruses but also unknown viruses can be prevented before an infection occurs

Note:
1. An endpoint security solution developed in-house by Deep Instinct that uses the world's first deep learning model built specifically for cyber security (source: research by Deep Instinct, December 2020), and which predicts malware, zero-day attacks, and other unknown threats that could occur in future to prevent infiltration of mobile devices, PCs, and other equipment before it occurs.

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# Investment initiatives

Investments were made via the CVC fund in two additional companies(1), bringing the total to four companies and a total investment amount of approximately 200 million yen. Investments proceed in a wide range of businesses, including those peripheral to the CLOMO Business.

## Companies in which new investments were made in 2Q

- **AGRIST Inc.**
  Development of AI-enabled harvesting robots, sales of agricultural packages utilizing these robots, and agricultural production business

- **Paytner Inc.**
  Provision of invoice acceptance services and online factoring services

Note:
1. The accounts of the CVC fund (i Cubed-1 Investment Limited Partnership) are settled on a different date to that on which the consolidated accounts are settled, and the consolidated accounts for the six months ended December 31, 2022, therefore incorporate the financial statements of the Partnership for the quarterly period ended September 30, 2022. For that reason, these investments are not reflected in the consolidated financial statements for the three months ended December 31, 2022.

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# 4. Financial Results for 2nd Quarter of Fiscal Year ending June 30, 2023

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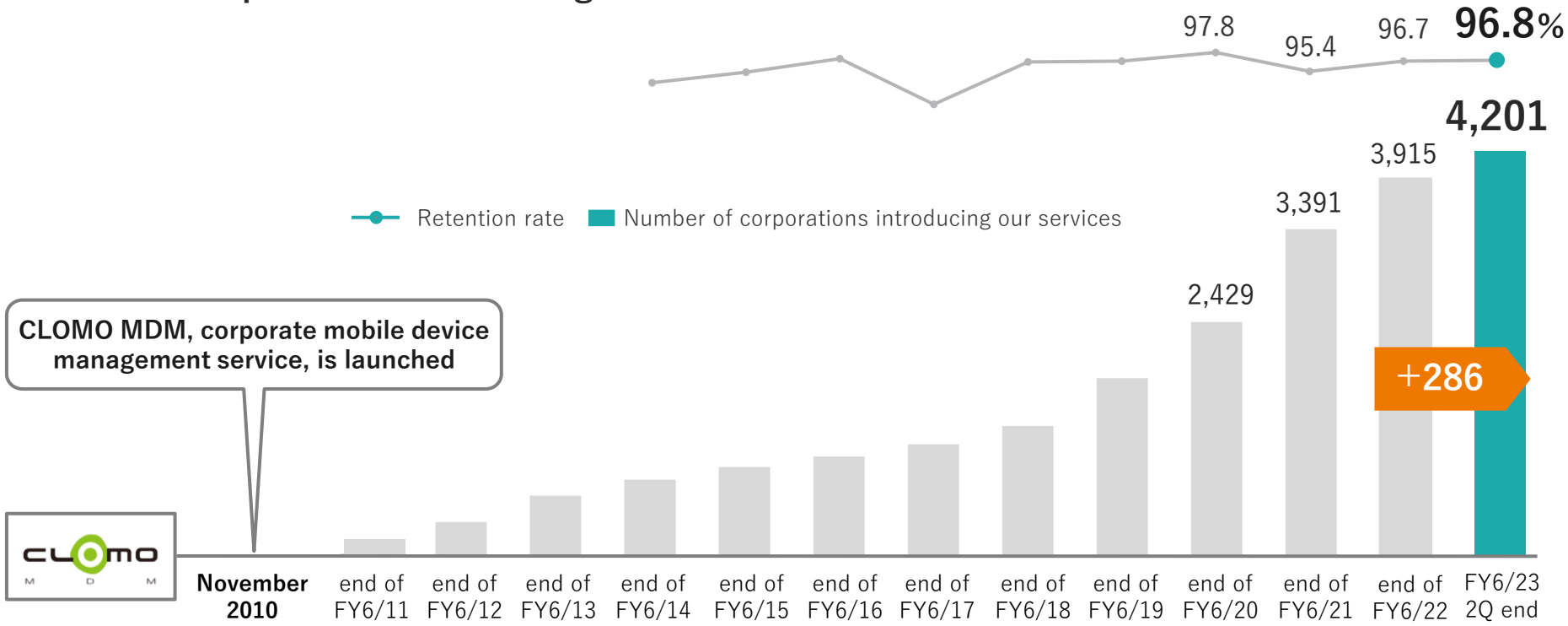
# CLOMO business KPI① Number of corporations introducing our services/Retention rate

The number of corporations introducing our services has exceeded 4,200, and the customer base is expanding steadily.
By promoting improved retention through customer success activities, the retention rate(1) is at a high 96.8%.

## Number of corporations introducing our services and Retention rate




Note：

1. Retention rate is calculated by subtracting the number of cancellations in the last 12 months from the number of licenses at the end of the same month of the previous year and dividing it by the number of licenses at the end of the same month of the previous year.

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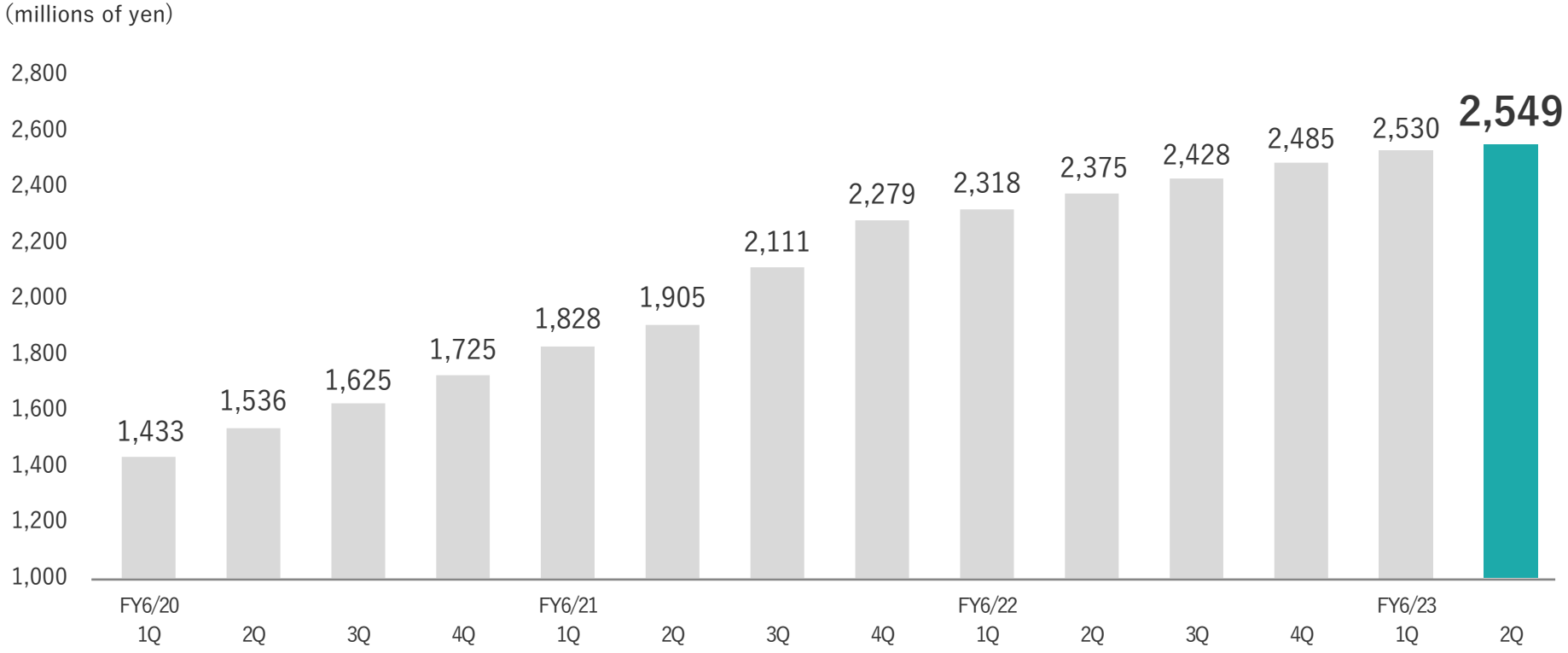
# CLOMO business KPI②　Trend of ARR

ARR[1], which is the main KPI used for the subscription business, was 2,549 million yen (+7.3% YoY).

## ARR trends as of the end of each quarter




1. ARR: Annual Recurring Revenue. Calculated by multiplying the MRR for each month by 12, where MRR is the sum of the monthly fees for corporations deploying our services as of the end of the targeted month, excluding temporary costs.

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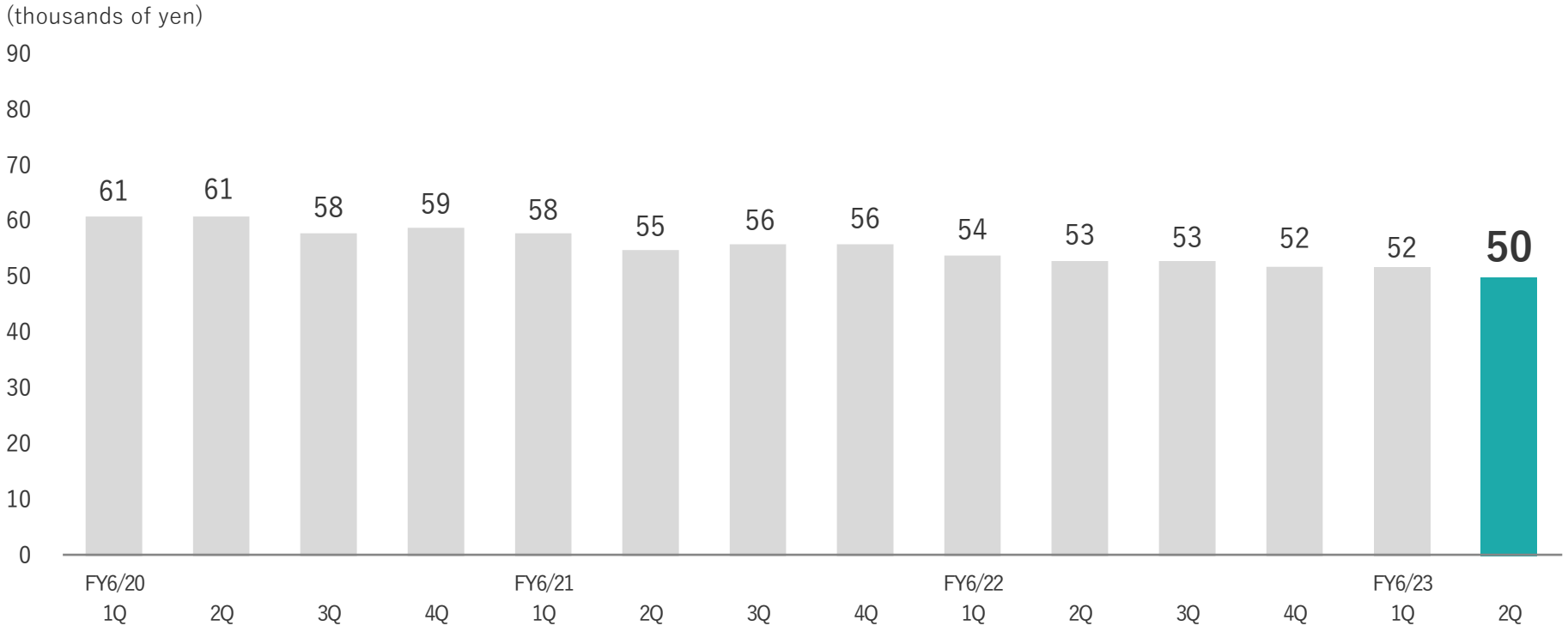
# CLOMO business KPI③　Trend of ARPU

Due to progress made in deployment of MDM by small and medium-sized enterprises, ARPU(1) has been on a gradual downward trend.
We aim to raise ARPU by expanding sales of optional services(2) going forward.

## ARPU trends as of the end of each quarter




Note:
1. ARPU: Average Revenue Per User, which is the average monthly unit price per corporation introducing our services. Calculated by dividing 1/12 of ARR as of each month by the number of corporations introducing our services as of the end of the month concerned.
2. In April 2022, we launched the “CLOMO Operation Service” to support the operation of CLOMO MDM, and in September 2022, we launched the “CLOMO Kitting Service” to support the initial settings of CLOMO MDM. Also, from October 2022, in collaboration with Deep Instinct, we launched “CLOMO MDM Endpoint Security secured by Deep Instinct”.

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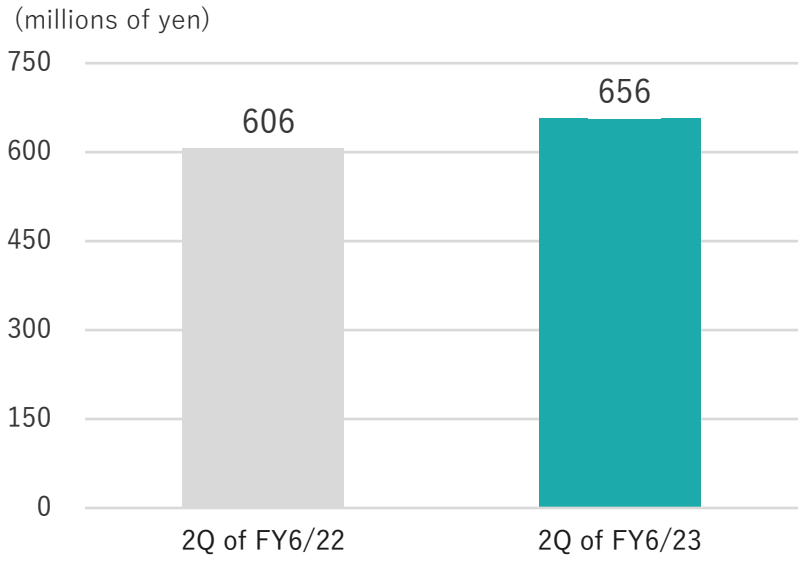
# Consolidated net sales and operating income for 2nd quarter of FY6/23

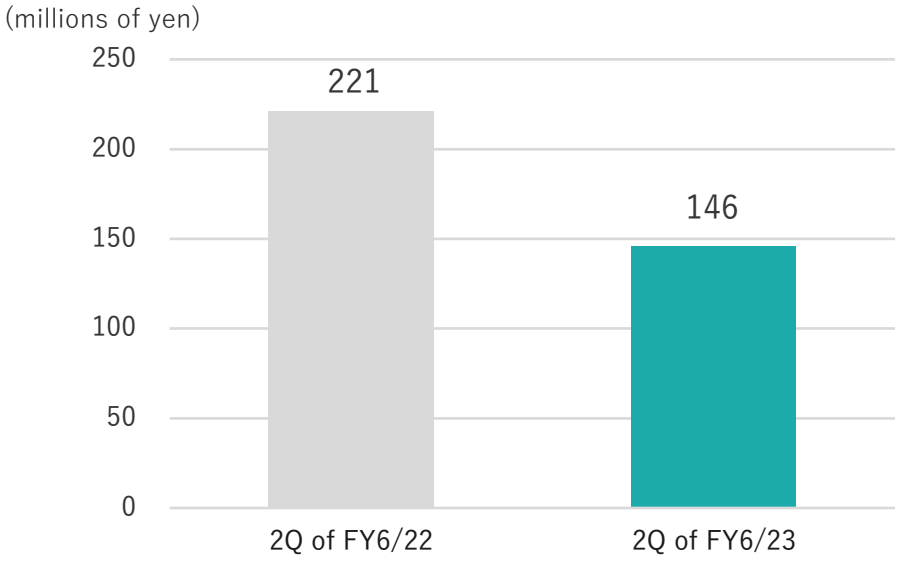
Net sales in the 2nd quarter (October - December) were 656 million yen (+8.3% YoY), and operating income was 146 million yen (-33.8% YoY).

## Net sales




| 2Q of FY6/22 | 2Q of FY6/23 | Year on year |
|---|---|---|
| 606 million yen | 656 million yen | 108.3%<br>(+50 million yen) |

## Operating income




| 2Q of FY6/22 | 2Q of FY6/23 | Year on year |
|---|---|---|
| 221 million yen | 146 million yen | 66.2%<br>(−74 million yen) |

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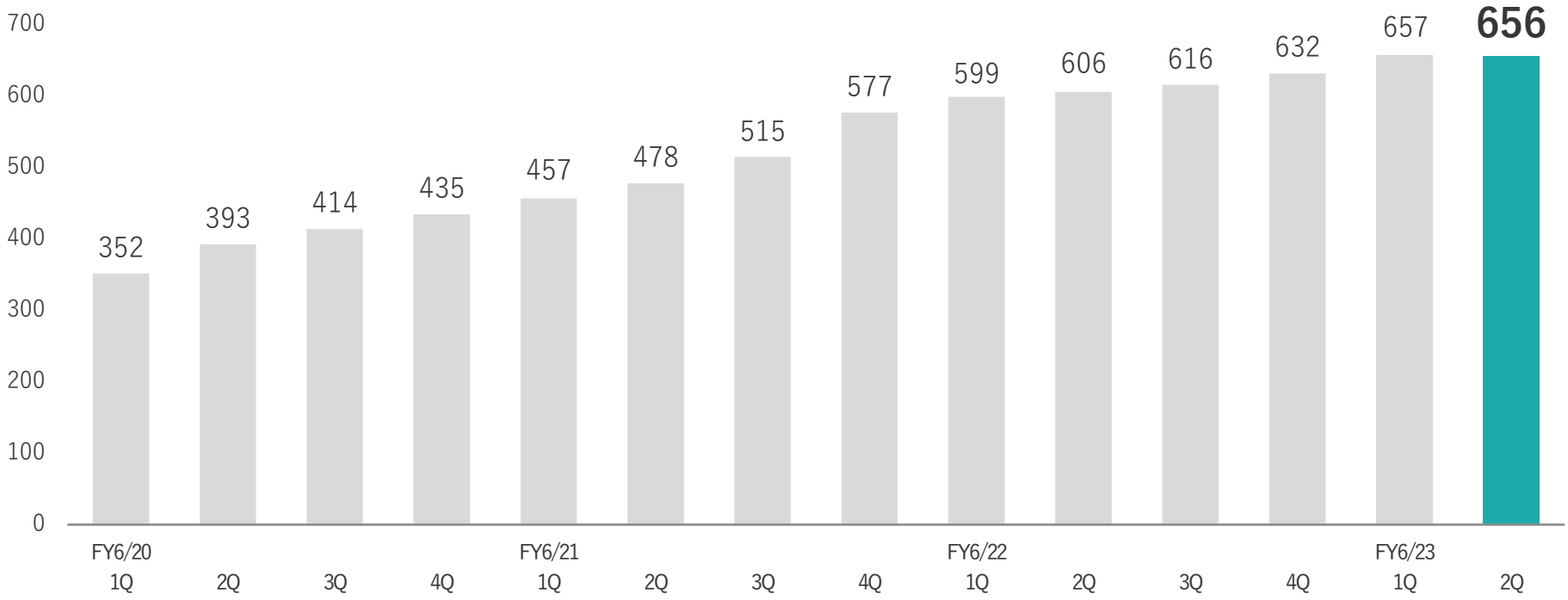
# Quarterly trend in CLOMO Business net sales

Due to a temporary surge in sales caused by the beginning of OEM sales in 1Q, net sales in 2Q decreased slightly, but growth remained stable (CAGR 18.6%).

## CLOMO Business net sales (quarterly total)

(millions of yen)

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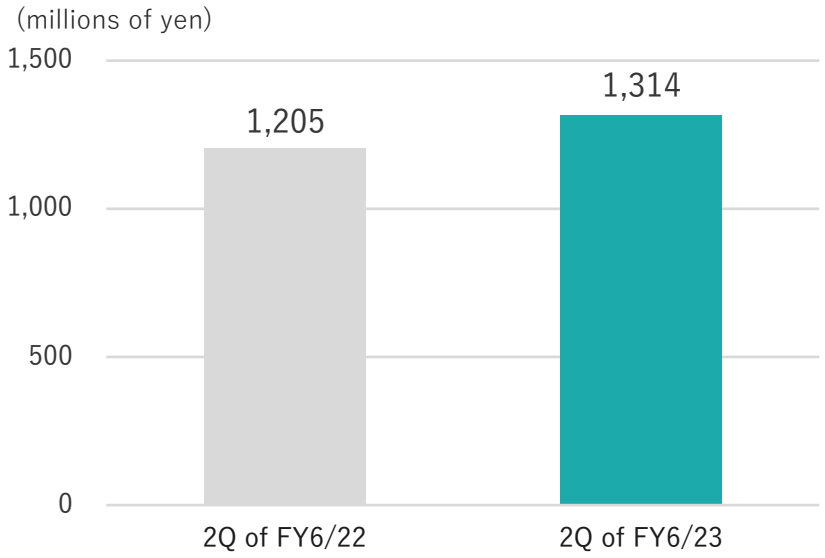
# Cumulative consolidated net sales/operating income for 2nd quarter of FY6/23

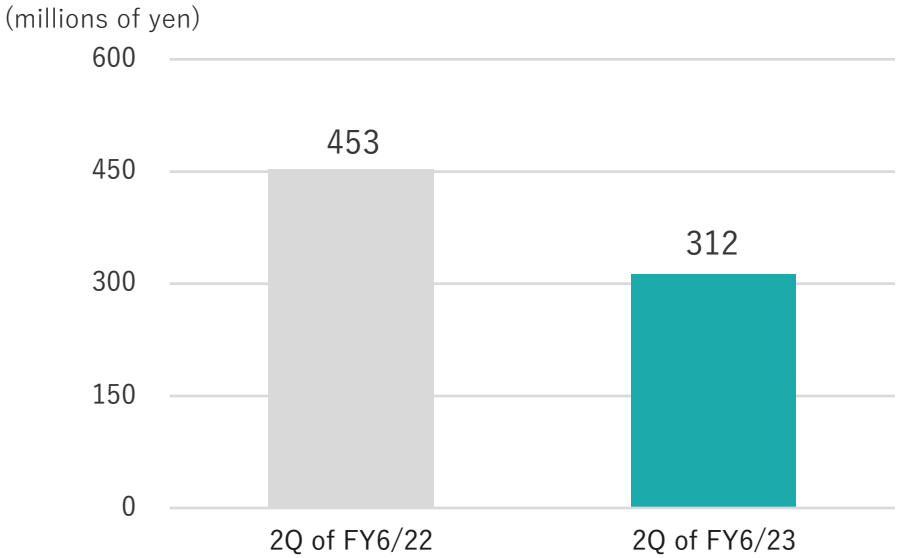
Cumulative consolidated net sales for 2nd quarter (July-December) were 1,314 million yen (+9.1% YoY), and operating income was 312 million yen (-31.1% YoY).

## Net sales




| 2Q of FY6/22 | 2Q of FY6/23 | Year on year |
|---|---|---|
| 1,205 million yen | 1,314 million yen | 109.1%<br>(+109 million yen) |

## Operating income




| 2Q of FY6/22 | 2Q of FY6/23 | Year on year |
|---|---|---|
| 453 million yen | 312 million yen | 68.9%<br>(−141 million yen) |

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# Consolidated income statement for 2nd quarter of FY6/23

Net sales were 656 million yen (+8.3% YoY), and operating income was 146 million yen (-33.8% YoY). Following the cultivation of relationships with outsourcing companies, investment in development and releases of software products increased, leading to a rise in cost of sales.

| (units: millions of yen) | 2Q of FY6/22 (Composition rate) | 2Q of FY6/23 (Composition rate) | Rate of change |
|---|---|---|---|
| **Net sales** | **606** (100.0%) | **656** (100.0%) | **+8.3%** |
| CLOMO Business | **606** (100.0%) | **656** (100.0%) | **+8.3%** |
| Investment Business | — ( −%) | — ( −%) | **−%** |
| **Cost of sales** | **87** (14.4%) | **156** (23.8%) | **+78.5%** |
| Depreciation expenses | **10** (1.7%) | **39** (6.1%) | **+293.0%** |
| Manufacturing costs | **58** (9.7%) | **92** (14.1%) | **+58.2%** |
| Others | **18** (3.1%) | **23** (3.6%) | **+25.6%** |
| **Gross profit** | **518** (85.6%) | **500** (76.2%) | **△3.5%** |
| **Selling, general and administrative expenses** | **297** (49.0%) | **354** (53.9%) | **+19.1%** |
| Labor expenses, etc. | **195** (32.2%) | **252** (38.4%) | **+29.2%** |
| Others | **101** (16.8%) | **101** (15.5%) | **△0.1%** |
| **Operating income** | **221** (36.5%) | **146** (22.3%) | **△33.8%** |
| **Ordinary profit** | **221** (36.5%) | **146** (22.3%) | **△34.1%** |
| **Corporate income taxes** | **68** (11.3%) | **46** (7.1%) | **△31.4%** |
| **Profit attributable to owners of parent** | **153** (25.2%) | **99** (15.1%) | **△35.3%** |

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# Cumulative consolidated income statement for 2nd quarter of FY6/23

Net sales were 1,314 million yen (+9.1% YoY), operating income was 312 million yen (-31.1% YoY).

| (units: millions of yen) | 2Q of FY6/22 (Composition rate) | 2Q of FY6/23 (Composition rate) | Rate of change |
|---|---|---|---|
| **Net sales** | **1,205** (100.0%) | **1,314** (100.0%) | **+9.1%** |
| CLOMO Business | **1,205** (100.0%) | **1,314** (100.0%) | **+9.1%** |
| Investment Business | — ( —%) | — ( —%) | —% |
| **Cost of sales** | **169** (14.0%) | **279** (21.3%) | **+65.4%** |
| Depreciation expenses | **19** (1.6%) | **65** (5.0%) | **+239.0%** |
| Manufacturing costs | **112** (9.3%) | **175** (13.3%) | **+55.5%** |
| Others | **37** (3.1%) | **39** (3.0%) | **+5.1%** |
| **Gross profit** | **1,036** (86.0%) | **1,035** (78.7%) | **△0.1%** |
| **Selling, general and administrative expenses** | **582** (48.3%) | **722** (55.0%) | **+24.0%** |
| Labor expenses, etc. | **397** (32.9%) | **500** (38.0%) | **+26.0%** |
| Others | **185** (15.4%) | **222** (16.9%) | **+19.8%** |
| **Operating income** | **453** (37.6%) | **312** (23.8%) | **△31.1%** |
| **Ordinary profit** | **453** (37.6%) | **311** (23.7%) | **△31.5%** |
| **Corporate income taxes** | **139** (11.6%) | **99** (7.6%) | **△28.6%** |
| **Profit attributable to owners of parent** | **314** (26.1%) | **211** (16.1%) | **△32.7%** |

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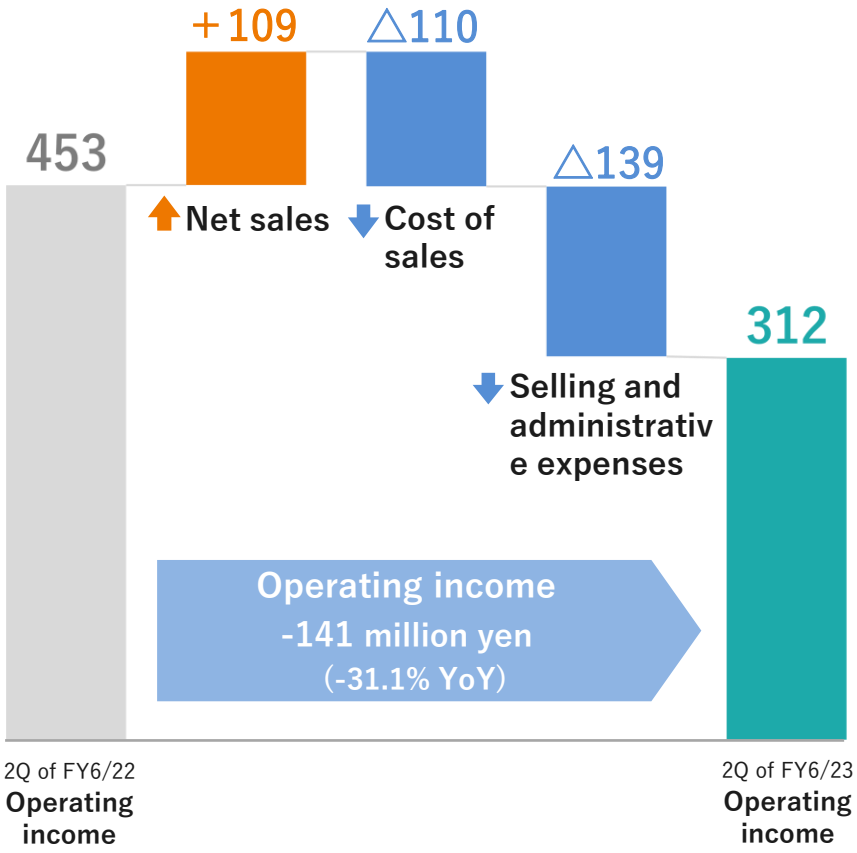
# Factors behind changes in operating income

Net sales grew strongly due to expansion in the CLOMO Business.
Investments for growth aimed at business expansion proceeded according to plan, and focused on augmenting personnel following the increase in the number of sales offices.




## Increase in net sales (+109)

- CLOMO business expansion

## Increase in cost of sales (△110)

- As a result of steady progress in cultivating relationships with outsourcing companies, with the aim of outsourcing some product development, investment in development and releases of software products increased

## Increase in selling and administrative expenses (△139)

- Personnel expenses aimed at increasing staff
  The number of employees at the end of December 2022 is 110 (an increase of 11 from the end of the previous fiscal year)
- Expenses aimed at strengthening information security systems

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# Balance sheet for 2nd quarter of FY6/23

Equity ratio was 71.9% (up 2.6 points from the end of the previous period), demonstrating that the financial base remains stable.
Decrease in cash and deposits is mainly due to payment of dividends, corporate income taxes and equity stakes taken by the Investment Business.

| (units: millions of yen) | FY6/22 | 2Q of FY6/23 | Change |
|---|---|---|---|
| **Current assets** | **2,780** | **2,630** | **△150** |
| Cash and deposits | **2,337** | **2,134** | **△203** |
| Receivables | **234** | **243** | **＋9** |
| Operational investment securities | **149** | **149** | **±0** |
| **Fixed assets** | **422** | **615** | **＋193** |
| **Total assets** | **3,202** | **3,246** | **＋44** |
| **Current Liabilities** | **978** | **907** | **△71** |
| Contract liabilities | **496** | **532** | **＋36** |
| **Fixed liabilities** | **－** | **－** | **－** |
| **Total liabilities** | **978** | **907** | **△71** |
| **Total net assets** | **2,223** | **2,338** | **＋115** |
| **Total liabilities and net assets** | **3,202** | **3,246** | **＋44** |

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# 5. Reference Materials

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# Company Profile

| | |
|---|---|
| Company Name | i Cubed Systems, Inc. |
| Locations | Fukuoka HQ : Daiichi Myojo Building, 4-1-37 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka<br>Tokyo HQ : Hamamatsucho DS Building, 1-27-16 Hamamatsucho, Minato-ku, Tokyo<br>Sales office : Sapporo／Sendai／Nagoya／Osaka／Hiroshima |
| Capital | 408,030,100 yen |
| Founded in | September 2001 |
| Representative | President and CEO Tsutomu Sasaki |
| Main Business | CLOMO business／ Investment business |
| Partner | Apple Consultants Network<br>Google Android Enterprise Recommended<br>Microsoft Partner Network Gold Competency |

※Information as of the end of December 2022.

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# Corporate brand

**Brand slogan**

## Enjoy challenges.

We ourselves will enjoy taking on challenges,
help people and organizations to take on their own challenges,
and help to realize all kinds of ideas to make many people smile.

**Brand concept**

**Purpose： Become the matrix for realizing unknown ideas that lead to smiles**

**Value proposition：Using the power of design and engineering to support those who take on challenges**

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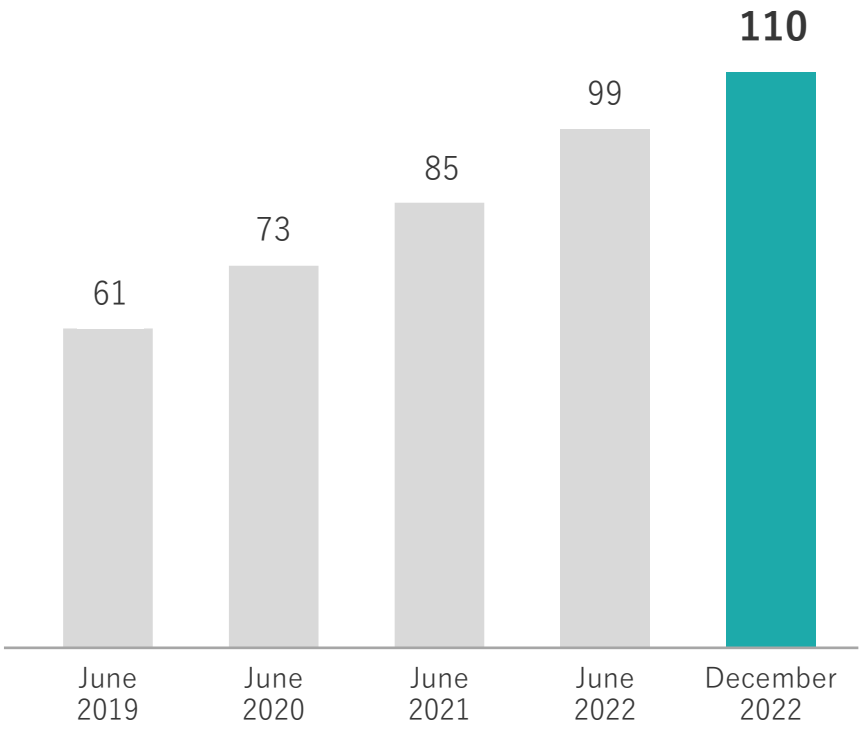
# Change in Number of Employees

Our policy is to continue to strengthen recruitment, centered on product personnel for expanding services. We will also encourage diversity in order to respect and leverage diverse individuals and workstyles.

## Number of employees




※Data as of December 31, 2022.
※Gender ratio as of December 31, 2022 is 59.1% male : 40.9% female.

## Male-to-female ratio

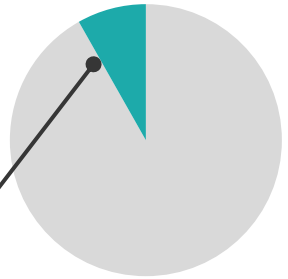
Approximately

**6 : 4**

## Percentage of foreign national employees

Approximately

**8%**



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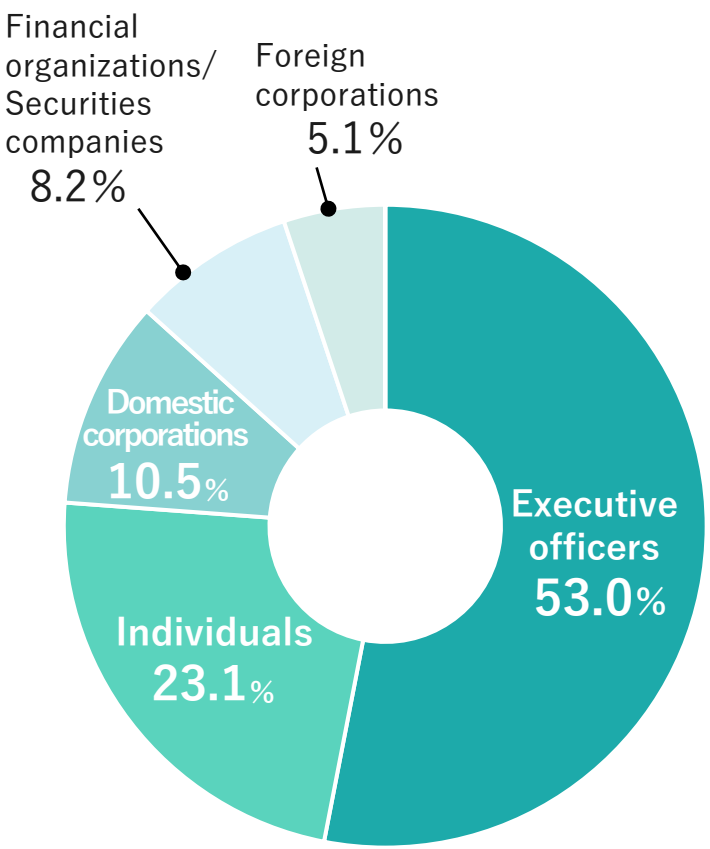
# Shareholder Composition

## ❶ Number of outstanding shares, etc.

| | |
|---|---|
| Number of outstanding shares | 5,281,350 |
| Number of shareholders (with voting rights) | 1,639 |

## ❷ Shareholder composition by attribute




## ❸ Top 10 shareholders

| Rank | Shareholder name | No. of shares owned | Ownership ratio |
|---|---|---|---|
| 1 | Tsutomu Sasaki | 2,715,330 | 51.4% |
| 2 | JAFCO SV4 Shared Investment Limited Partnership | 447,170 | 8.5% |
| 3 | Yosuke Hatanaka | 421,530 | 8.0% |
| 4 | Nomura Securities Co., Ltd. Own transfer account | 139,600 | 2.6% |
| 5 | BNY GCM CLIENT ACC | 132,205 | 2.5% |
| 6 | Custody Bank of Japan, Ltd. (Trust account) | 128,800 | 2.4% |
| 7 | NOMURA PB NOMINEES | 90,400 | 1.7% |
| 8 | Tsuyoshi Taira | 86,100 | 1.6% |
| 9 | Hisashi Ono | 60,000 | 1.1% |
| 10 | Big Field Management Co., Ltd. | 60,000 | 1.1% |

*Data as of December 31, 2022

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# Source of competitiveness

## 1 Competitive advantage of CLOMO Business

1. Stable revenue base and highly profitable structure
2. Integration capabilities
3. Partnership with OS developers and high evaluation

## 2 Management resources

1. Stable financial base
2. Strong customer base
3. Diverse and flexible organization

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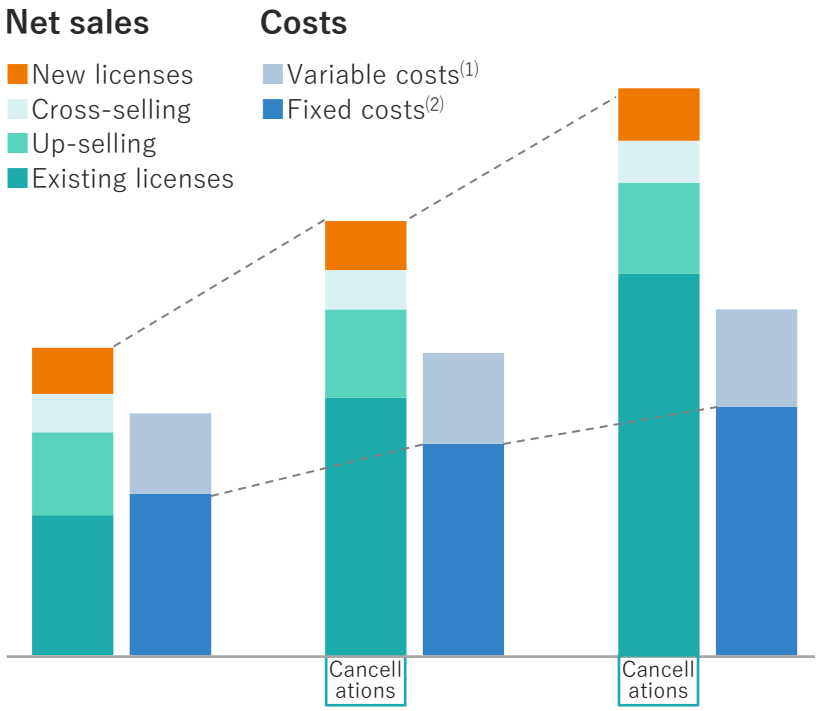
# Stable revenue base and highly profitable structure

SaaS business using both subscription model and cloud technology.
It is possible to obtain stable revenue through continuous sales and establish a highly profitable structure through economies of scale.

## Structure of net sales and costs




Medium- to long-term trends (for illustrative purposes)

## Features of net sales breakdown

**Newly acquired (distributors)**

Corporate with distributors to increase number of new customers

**Customer success (our company)**

Approach directly, promote up-selling and cross-selling

## Features of cost breakdown

**Variable costs**

Utilize new technology to control increases in operating costs for servers, etc. following expansion in scale of business

**Fixed costs**

Furthermore, sales costs are controlled by means of marketing activities led by distributors, so that locations need to be opened only in core areas

Note:
1. Calculated as “other expenses (cost of sales) + advertising expenses (SG&A expenses) + R&D expenses (SG&A expenses) + other expenses (SG&A expenses)”
2. Calculated as “depreciation expenses (cost of sales) of in-house product software + manufacturing cost (cost of sales) related to product development and operations + personnel cost (SG&A expenses) + property cost (SG&A expenses)”

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# Integration capabilities

Achieving services with high customer satisfaction through the integrated capability of performing all development, operation, sales, and support in-house

**Integration capabilities**

**Enables close cooperation with customers and the provision of service that scores highly for satisfaction**

**Customers**

Our pursuit of quality for both functionality and support results in secure and reliable mobile device use for customers

**Sales**

- Marketing activities for sales partners
- Accompany/support customers in resolving issues

**Sales partners**

Our sales support and customer support structures are highly ranked, which accelerates corporation

**Support**
**Customer success**

- Prompt support by email and telephone
- Apply up-selling and cross-selling directly to customers introducing our services

**[In-house development]**
**MDM, browser, apps**

① Respond rapidly to OS updates
② Control fixed costs
③ Reflect needs of customers in product

**Operation**

- Control costs through greater efficiency and automation of platform operation

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# Partnership with OS developers and high evaluation

As one of 10 global companies that have acquired Android Enterprise Recommended certification in the EMM field, we have cleared high hurdles required by Google.

android enterprise recommended

A program that shows that a service satisfies Google's stringent requirements for the safe and secure use of Android devices by companies

## Satisfies Google's stringent requirements

- **Development of advanced and highly sophisticated management functions**
- **Courteous and caring support structure**
- **Extensive track record and abundant deployment know-how**

## Helps acquire customers in the area of Android devices for corporates

- Provision of management and operations tailored to Android devices that have received Android Enterprise Recommended certification enables sophisticated device and app control
- Recognition of our superior technical capabilities in Android device management promotes acquisition of customers in the area of Android devices for corporates, where their use is expanding

**The 9 other companies that have acquired Android Enterprise Recommended**

SPPM / BlackBerry / SAMSUNG Knox Manage/ IBM MaaS360 with Watson / Microsoft / MobileIron / Business Concierge Device Management SoftBank Corp. / SOTI / VMware Workspace ONE

Source: Android Enterprise Recommended website (https://www.android.com/intl/ja_jp/enterprise/), as of 30 June 2022

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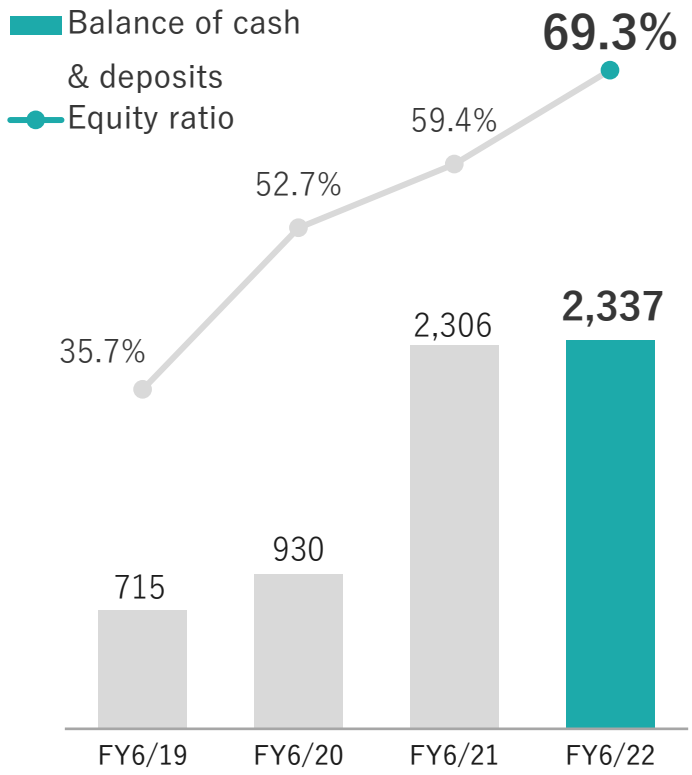
# Stable financial base

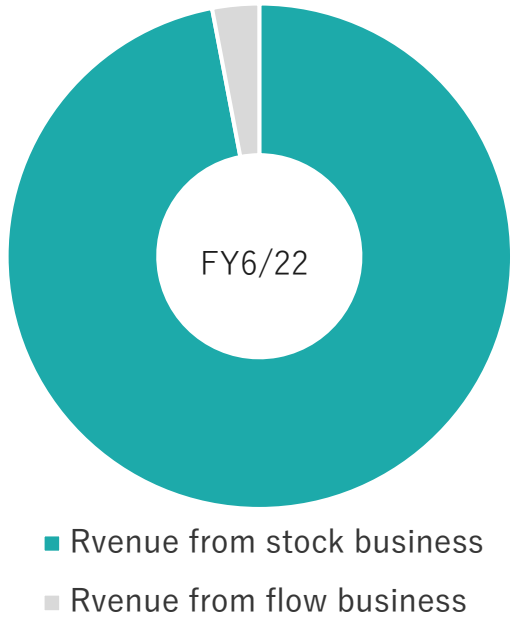
As of June 30, 2022, the amount of cash and deposits exceeded 2,000 million yen, with an equity ratio of 69.3%.
Use of subscription model enables us to build a stable financial base for future growth of the Company.

## Trend in balance of cash & deposits and equity ratio




## Ratio of revenue from stock business

**97% of consolidated net sales consists of stock business**

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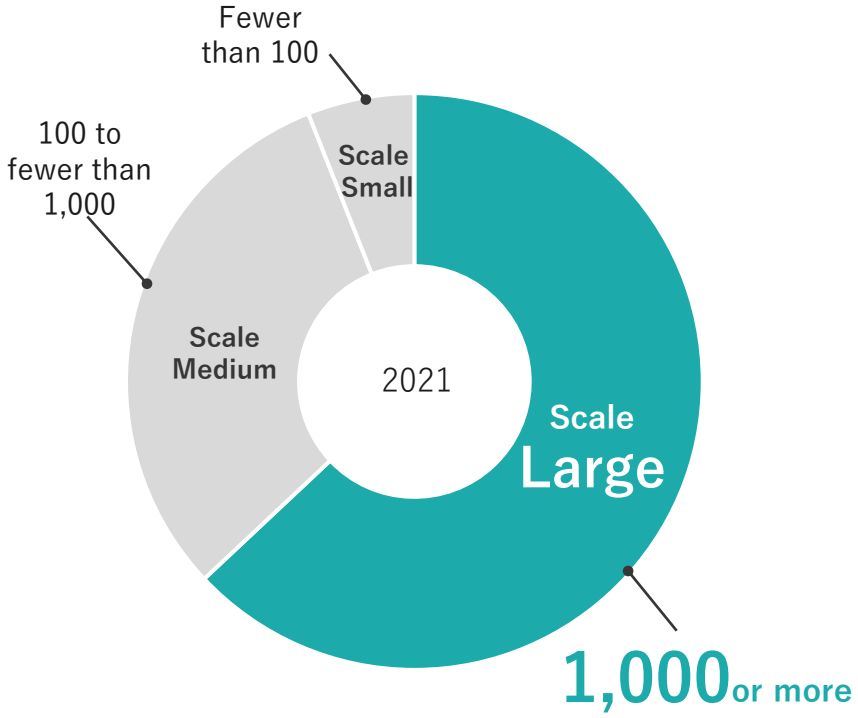
# Strong customer base

More than 4,200 existing companies form a strong customer base various of industries, mainly large companies.
Can be used as a base for future corporate growth.

## Sales composition by customer scale (number of employees)




## Deployment track record

大林組 / すしざんまい / KIRIN
SEKISUI / 東京慈恵会医科大学 / 東京海上日動
佐賀県 / JR西日本 / SHIPS
NOEVIR GROUP / MONEX GROUP / 琉球銀行

And many others

Source: Deloitte Tohmatsu MIC Research Institute Co., Ltd.
“Market Outlook of Collaboration/Contents & Mobile Management Packaged Software” 2021 edition

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# Diverse and flexible organization

Recognized for three consecutive years in the Best Workplaces(1) rankings and promotes flexible work styles. By building a diverse organization and providing support for personal growth, we have fostered a culture that actively takes on challenges.

## Building of a diverse organization

- **Diverse employee composition**

| Male-to-female ratio(2) | Percentage of foreign national employees(2) |
|---|---|
| 6:4 | 9% |

- Promote the creation of a diverse organization through free recruitment activities regardless of gender, nationality, or place of residence

- **Flexible work styles**

- Adopt remote work and flextime (without core time restrictions) for entire company

| Percentage taking childcare leave | Hours worked outside regular hours |
|---|---|
| Ratio taking leave 100% | 6.4hours/month |
| Actual figure for FY6/22 | Actual figure for FY6/22 |

## Fostering a culture that takes on challenges

- **Support for personal growth**
  - Whether new graduates or mid-career hires, we actively recruit engineers of foreign nationality and provide support for relocation to Japan
  - Attendance at overseas conferences
  - Development and training of core human resources

- **Corporate logo represents “challenge”**




  - Switch to variable logo that forms different shapes around the central “i” motif
  - Represents the Company’s active approach to challenges and its willingness to change

Note:
1. The Company was recognized by the Great Place to Work® Institute Japan, which performs awareness surveys of employees in accordance with global standards, and which has scored i Cubed Systems highly for three consecutive years in the 2021-2023 editions of the Best Workplaces rankings.
2. Figures are as of the end of June 2022, rounded to the nearest whole number.

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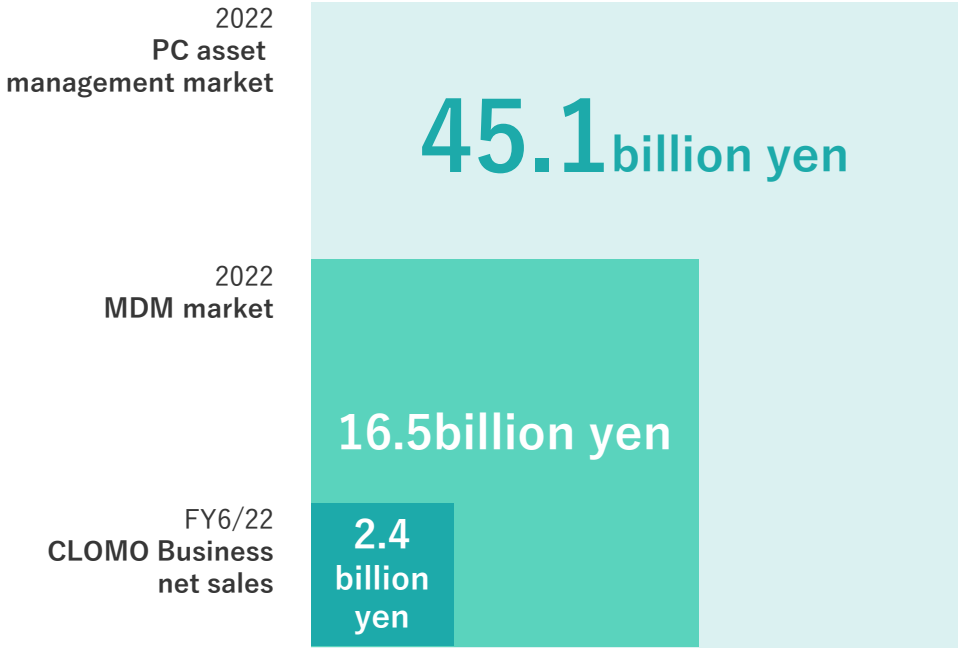
# Markets targeted by the CLOMO Business

The CLOMO Business seeks to further expand its share of the MDM market, which is expected to record continuous growth, as well as aiming for a full-fledged entry into the PC asset management market.




## MDM market

- Switch to smartphones accelerating ahead of decommissioning of 3G
- DX leading to increase in deployments of mobile devices at medical, manufacturing, and logistics sites, resulting in expansion of devices to be managed
- Growing demand for mobile PC management due to increase in remote work and work style reforms

## PC asset management market

- Shift to SaaS for PC asset management and security software accelerating
- As a result of growing demand for integrated management with mobile devices, we expect opportunities for MDM vendors to enter market

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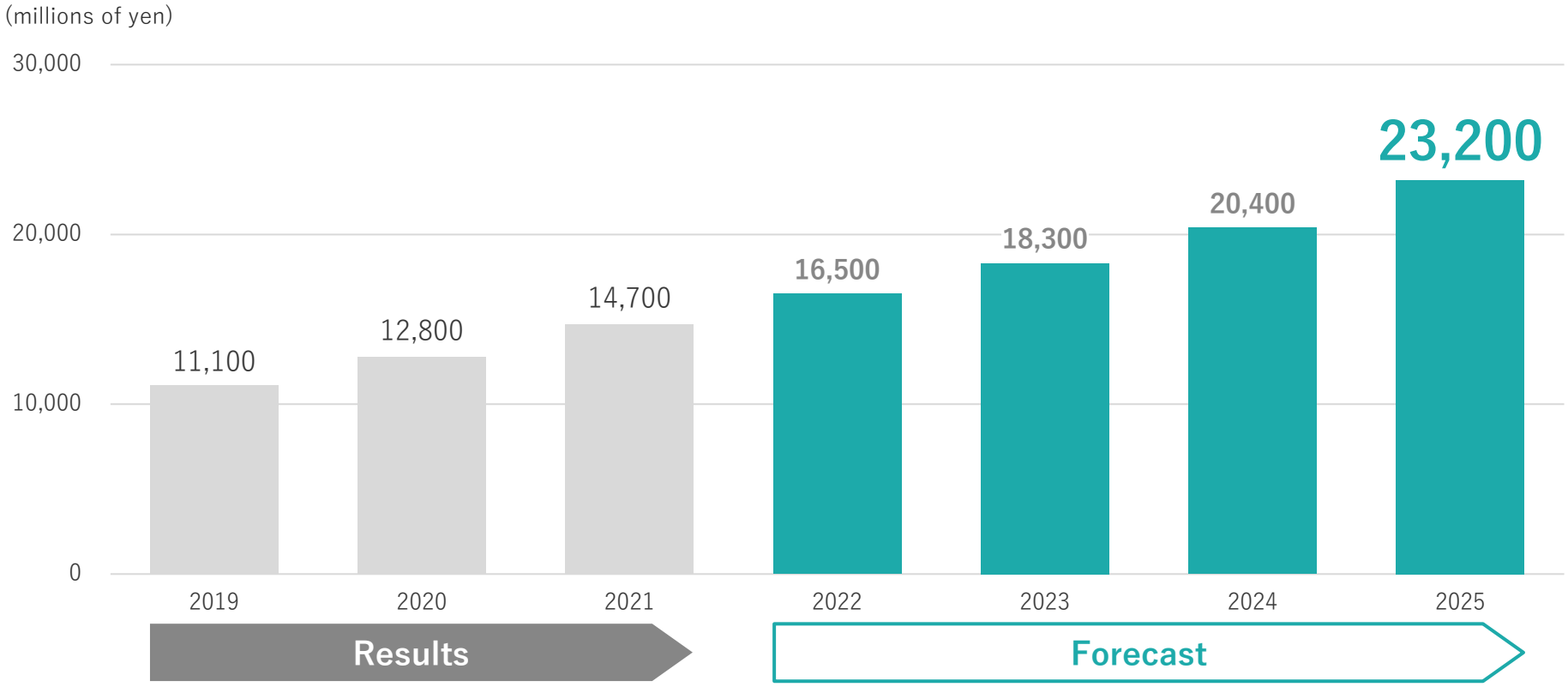
# MDM market size forecasts (shipment value)

Strong growth is expected for the MDM market, centered on smartphones and tablets.

## It is expected to expand to a size of 23.2 billion yen by 2025




Source) Deloitte Tohmatsu MIC Research Institute Co., Ltd. “Market Outlook of Collaboration/Contents & Mobile Management Packaged Software” 2021 edition

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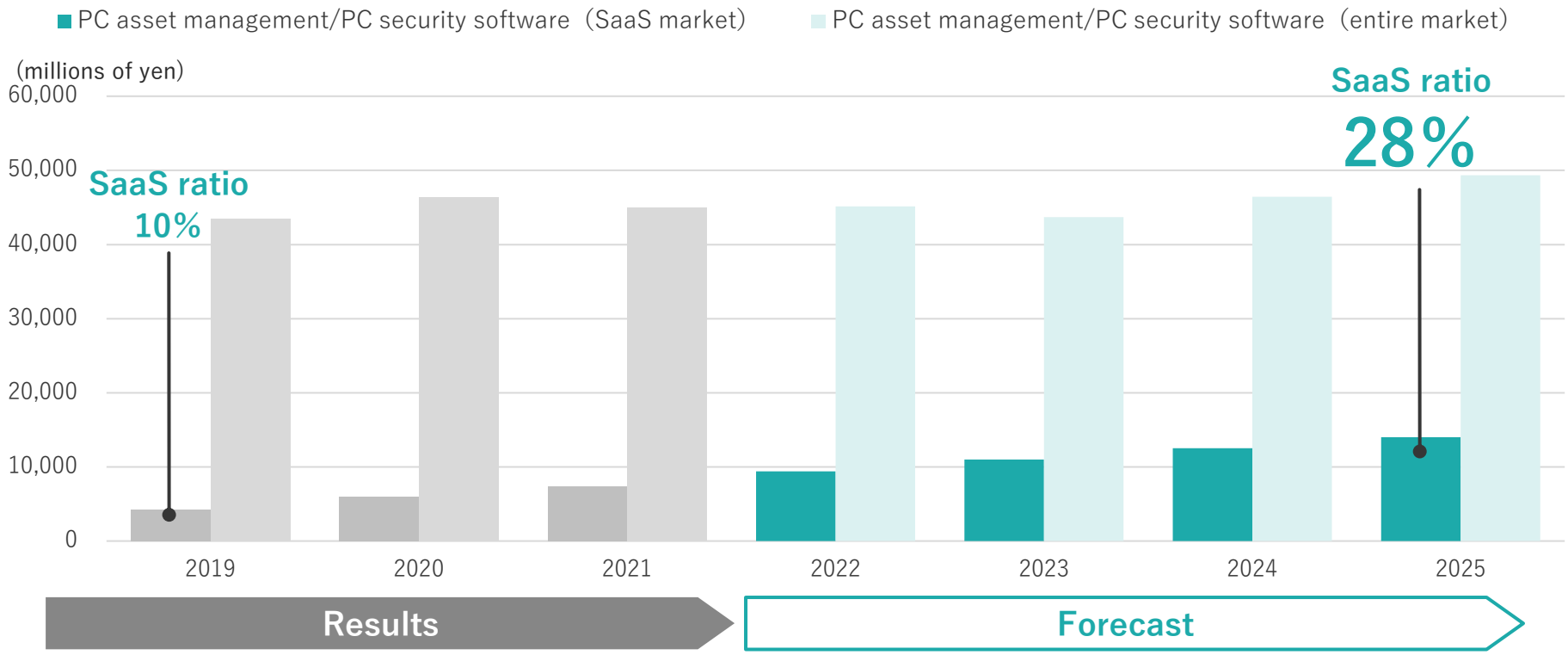
# Opportunities to enter PC asset management market

Transition to SaaS making progress in PC asset management market, which is more than twice the size of MDM market.
Aiming to enter PC asset management market against backdrop of growing demand for integrated management of mobile devices/PCs.

## PC asset management market is transitioning steadily from on-premise model to SaaS




Source: Techno Systems Research Co., Ltd. “2020-2021 Endpoint Management Market Marketing Analysis” and “2021-2022 Endpoint Management Market Marketing Analysis”

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# Medium-to Long-term Goals

We endeavor to achieve growth in net sales and high profitability in the CLOMO business.

## Net sales

Aiming for CLOMO business to gain dominant market share

**To achieve continuous growth of over 125% every year**

## Operating margin

Establishing a highly profitable system in the CLOMO business

**To aim to achieve 40%**

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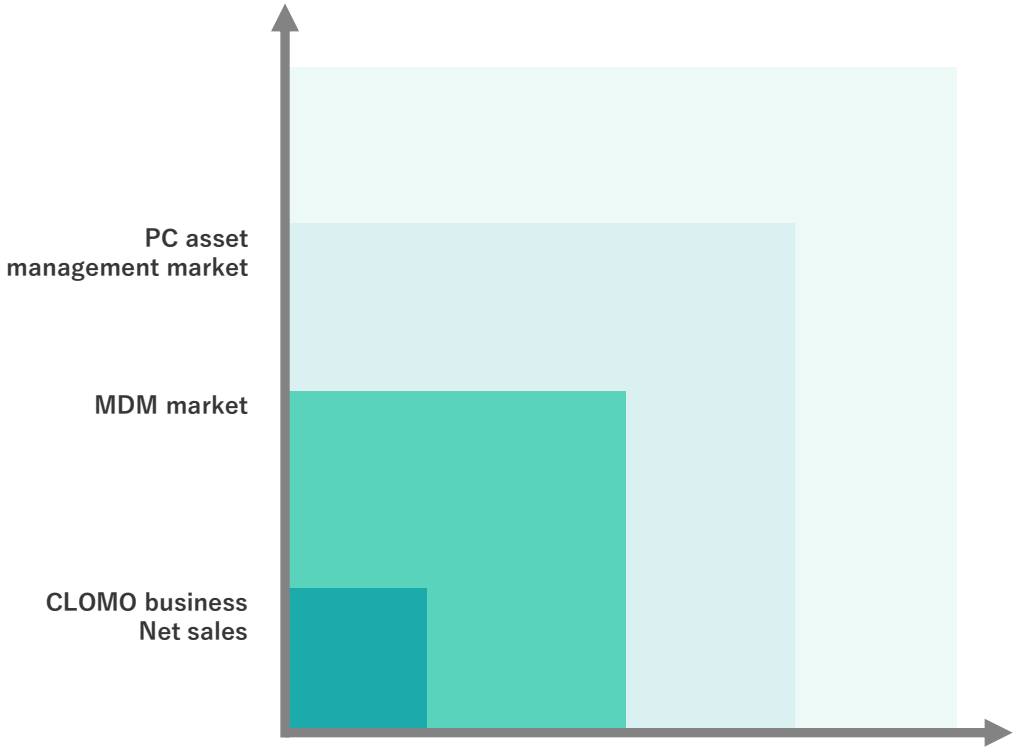
# Potential market area

Through M&A and CVC, as well as accelerating net sales growth in the CLOMO Business to over 125%, we aim to enter new market areas by rolling out new businesses.




## Entry into new market areas

- Development of new businesses, products and services
- Development of new businesses through M&A and CVC

## Acceleration of growth in the CLOMO Business

- Further growth in share of MDM market
- Entry into PC asset management market
- M&A focused on synergies with CLOMO services

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# Handling of this document

■ This document contains outlooks, future plans, and management objectives related to the Company. These outlooks are based on current assumptions on future events and trends, and there is no guarantee that these assumptions are accurate.
Owing to various factors, actual results may differ materially from those indicated in this document.

■ Unless otherwise stated, the financial data provided in this document is presented in accordance with generally accepted accounting principles in Japan.

■ Information about other companies is based on publicly known information.

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