

Presentation Material for Business Plans and Growth Potential



Toyokumo, Inc.
February 2025

Information and materials provided in this announcement include so-called “forward-looking statements.” These are based on current expectations, forecasts and assumptions that are subject to risks and include uncertainties that may actually result in different results from these standards. Such risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations. This document is provided for informational purposes and not for soliciting the acquisition, sale, etc. of Toyokumo shares. Please make any investment decisions at your own discretion.

In the event of any material changes to the information contained in this document, such as revisions to the business plans or a significant change in the scope or direction of the business, the Company will immediately disclose the details of such changes.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

This material will be updated and disclosed at or around the time of announcement of the full-year financial results.

1. Company Overview
2. Our Strengths
3. Our Services
4. Future Growth Strategies
5. Financial Results, KPI and Forecast for FY2025
6. Significant Risks

1. Company Overview

Company Profile

Company Name	Toyokumo, Inc.	
Established	August 2010	
Address	JR Tokyu Meguro Building 14F, 3-1-1 Kamiosaki, Shinagawa-ku, Tokyo, Japan	
Business Activities	Development and provision of cloud services and new software services	
Stock Listings	Tokyo Stock Exchange Growth Market (Stock code: 4058)	
Number of Employees (As of December 31, 2024)	Consolidated: 74, non-consolidated: 73	
Directors and officers (As of December 31, 2024)	President and CEO	Yuji Yamamoto
	Director, General Manager and CFO	Kazuhiko Ishii
	Director, General Manager and CTO	Masanori Kinoshita
	Director, General Manager	Jun Ogawa
	Outside director	Kazuo Hirano
		Katsuhiro Yano
	Director	Tomohiko Tasato
	Audit & Supervisory Board Member	Katsuhiko Watanabe
		Yoshitatsu Ogawa
		Hideki Nakajima
Consolidated Subsidiary (As of January 31, 2025)	Toyokumo Cloud Connect, Inc., project mode, Inc.	

Profile of Yuji Yamamoto, President and CEO



President, CEO
Yuji Yamamoto

Brief personal record

March 1990	Graduated from Kansai University
April 1990	Joined Nomura Securities Co., Ltd.
January 2000	Joined Dresdner Kleinwort Wasserstein (Japan) Ltd.
April 2000	Joined Cybozu, Inc.
February 2001	Appointed President and CEO of Cybozu Networks
April 2002	Appointed as Director of Cybozu, Inc.
April 2005	Appointed as Executive Officer of Cybozu, Inc.
February 2009	Appointed as Chairman of Cybozu IT Shanghai Inc.
August 2010	Appointed President and CEO of Cybozu Startups, Inc. (current Toyokumo, Inc.)
July 2019	President and CEO of Toyokumo, Inc. (current position)
November 2023	Director, Toyokumo Cloud Connect, Inc. (current position)

History

August 2010	Cybozu, Inc. established Cybozu Startups, Inc. (current Toyokumo, Inc.) as its wholly-owned subsidiary.
December 2011	Launched “Safety Confirmation Service.”
March 2014	Shifted to an independent management structure through management buyout.
April 2014	Launched a Toyokumo kintoneApp, “PrintCreator.”
September 2014	Launched a Toyokumo kintoneApp, “kViewer.”
November 2014	Launched a Toyokumo kintoneApp, “kBackup.”
September 2015	Acquired ISO27001.
December 2016	Launched “Safety Confirmation Service II.”
July 2017	Launched a Toyokumo kintoneApp, “FormBridge.”
January 2018	Launched a Toyokumo kintoneApp, “kMailer.”
July 2019	Changed the company name to Toyokumo, Inc.
March 2020	Launched a Toyokumo kintoneApp, “DataCollect.”
September 2020	Listed on the Mothers market of the Tokyo Stock Exchange (current Growth market).
November 2021	Launched “Toyokumo Scheduler”.
November 2023	Established a subsidiary, Toyokumo Cloud Connect, Inc.
January 2025	Acquired ownership of project mode, Inc.

Mission

Freeing all people From inefficient work

Corporate Philosophy

Contribute to the enrichment of social life
around world through our information services.

Origin of the Company's Name

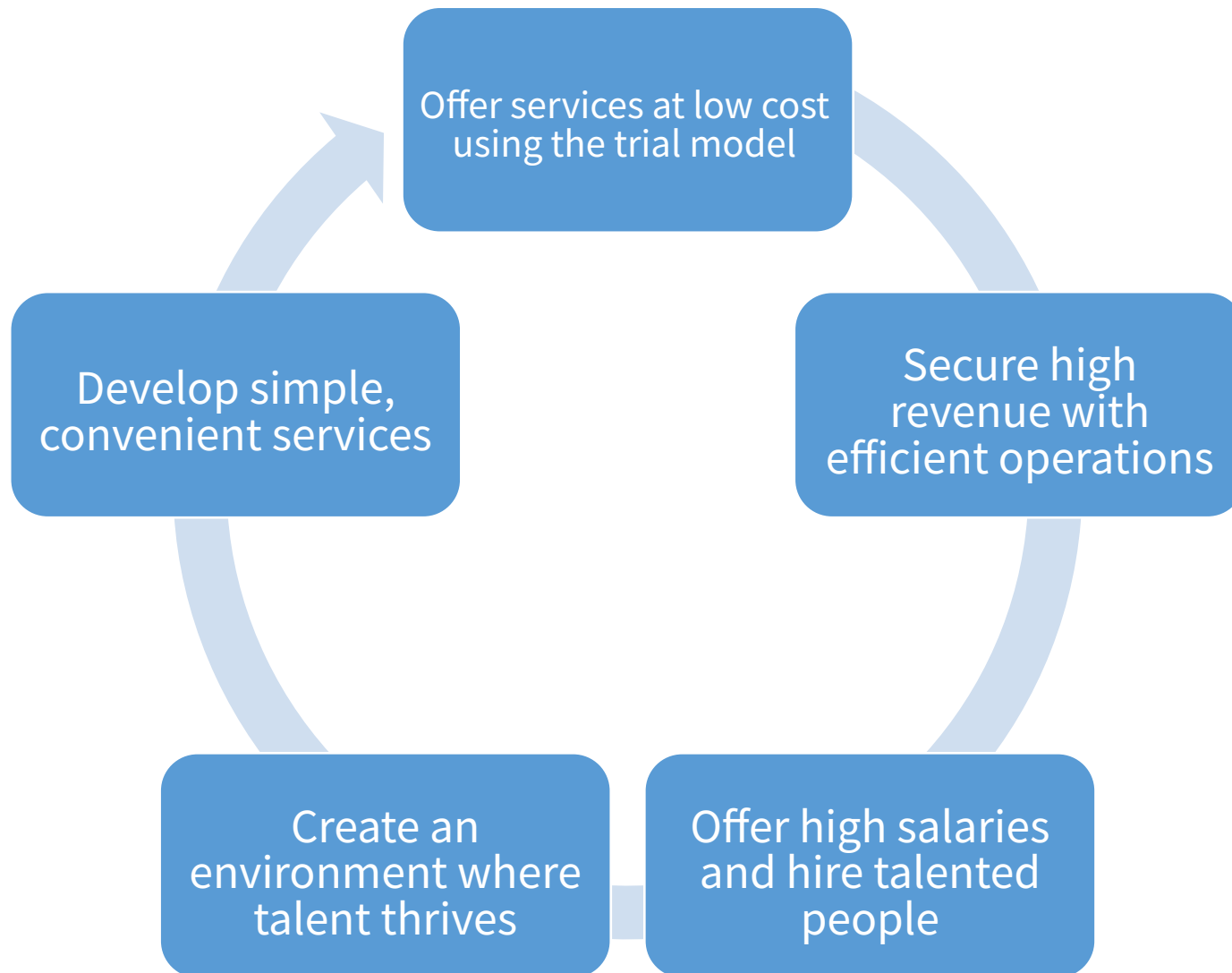
The origin of our company name, Toyokumo, comes from Toyokumononokami (豊雲野神), which is the name of a god.

Just as the deity Toyokumo no Kami is said to have created clouds and brought rain to the earth for agriculture at the time of the creation of heaven and earth, we have named the Company “Toyokumo, Inc.” with the hope of spreading clouds (cloud services) worldwide.

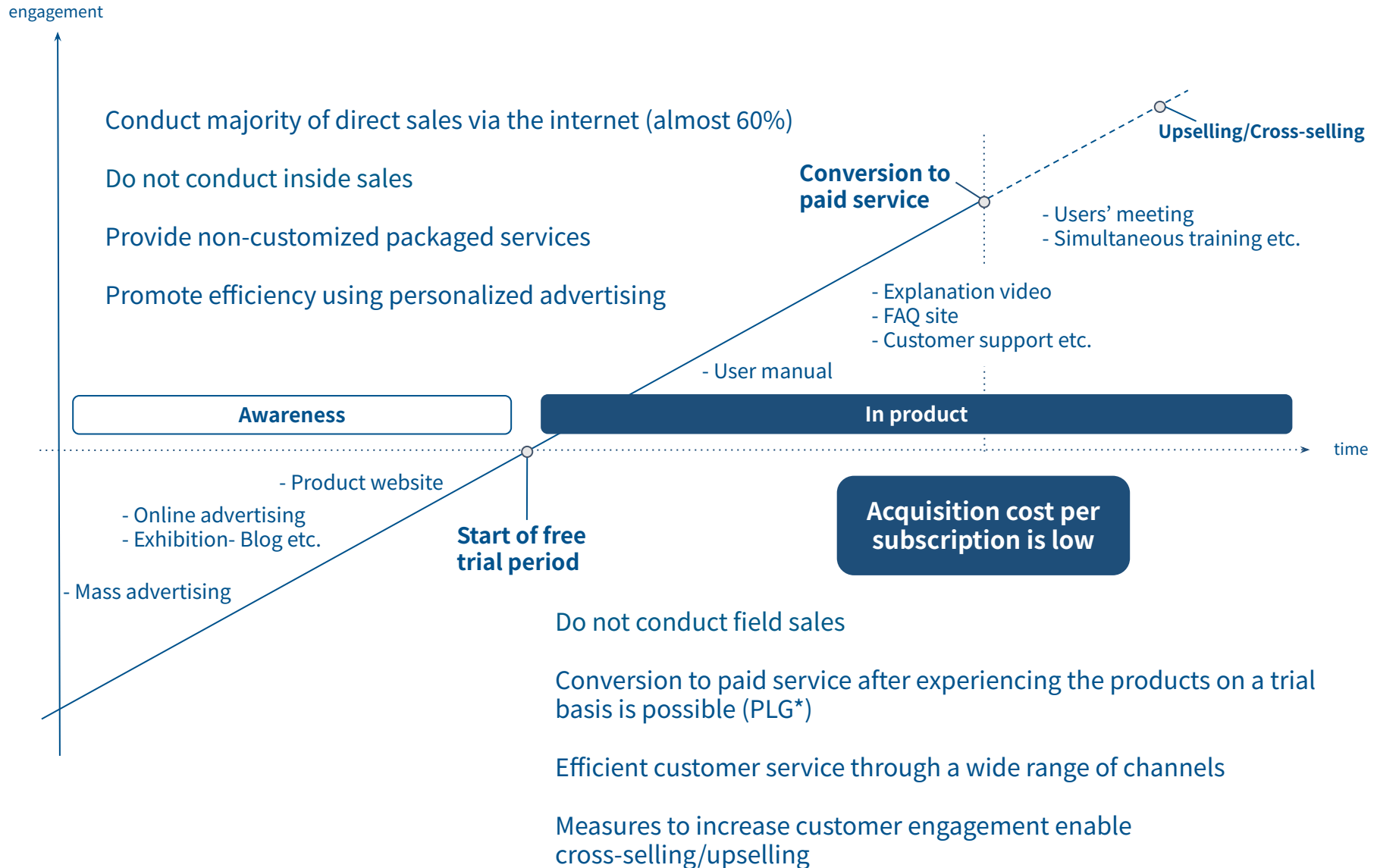


2. Our Strengths

Our Business Model



Service Provision Method



* Product-Led Growth

Corporate Structure and Earnings Structure

<Corporate structure>

1. Subscription-based business model with a high ratio of recurring sales
2. Business for corporate customers
3. Abundant funds from stable cash flows

<Earnings Structure>

The future is more predictable under our business model

The proportion of recurring sales is high

99.8%

* Proportion of sales from use of services for Toyokumo in FY2024 on a non-consolidated basis

Subscriptions can be accumulated more easily

The churn rate is low

0.71%

* As of December 31, 2023(Based on the actual value amount)

Investing in growth is easier to conduct

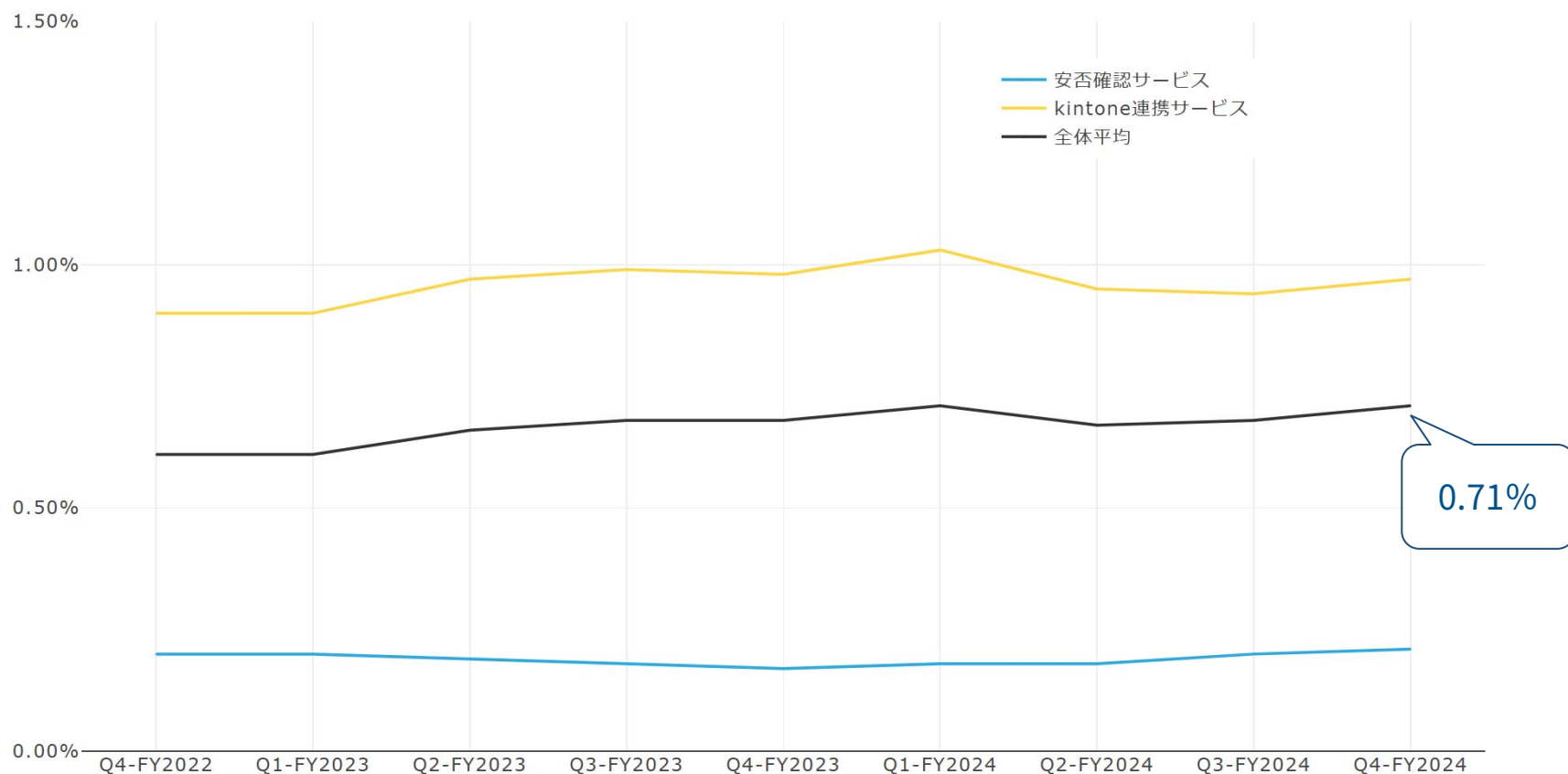
Our main business has high profitability

60.9%

* The ratio of advertising expenses + operating profit margin (actual) for FY2024

Churn rate

Churn rate (Note) has remained stable at a low level of 1% or less overall



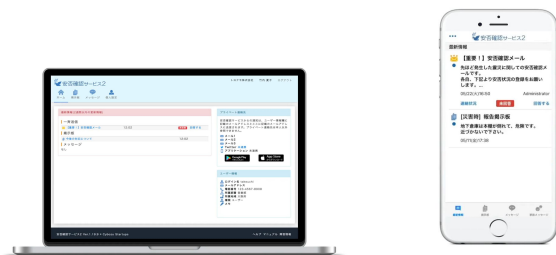
(Note) Churn Rate represents the average annual cancellation rate. It is calculated by using the average of the subscription and cancellation amounts over a 12-month period.

3. Our Services

Our Main Services

Toyokumo's Safety Confirmation Service II

A cloud service that automatically sends a safety confirmation notice in the event of a disaster.



Toyokumo kintoneApp

A cloud service provided by Cybozu, designed to support the use of kintone.



kintoneと連携するWebフォームを簡単にできるサービス



kintoneと連携するWebページを簡単にできるサービス



kintoneと連携するメールを簡単に自動送信できるサービス



kintoneと連携する帳票を簡単にできるサービス



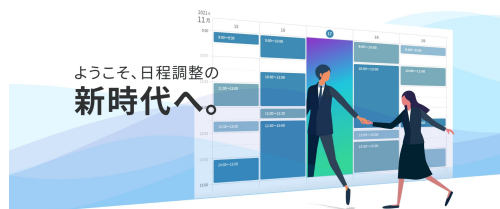
kintone上のデータを簡単に集計できるサービス



kintone上のデータを簡単にバックアップできるサービス



Toyokumo Scheduler has a new concept of enabling schedule coordination with people outside the company in addition to the internal schedule coordination function.



An “internal wiki” for centralized management of operational manuals and know-how



All services are provided with no initial costs, following a free trial period, and are available with a low fixed-rate subscription fee.

Safety Confirmation Service

The Need to Have a Business Continuity Plan (BCP)

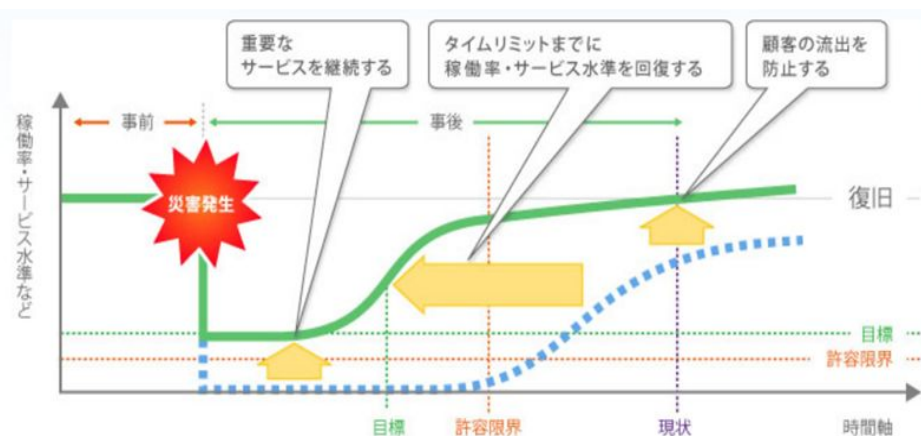
Companies face increasingly diversified risks, such as natural disasters, pandemics, and cyberterrorism. They are required to develop a “BCP” to minimize disruption and provide continuous customer service in the event of a disaster, and enhance their business resilience.



It is necessary to identify potential risks that could jeopardize the company's continued operations, and define what decisions to make and in what order to recover when such risks occur, in line with the respective phase of BCP activation, business resumption, business recovery, and full recovery.



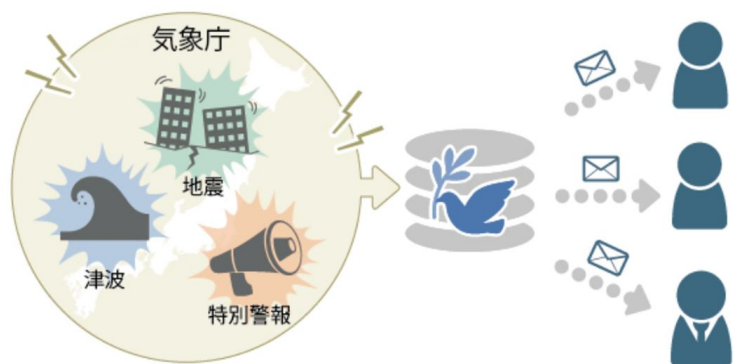
Unlike safety confirmation between individuals for survival confirmation, safety confirmation at a company is part of information gathering for initial responses to a disaster or an incident.



What is Toyokumo's Safety Confirmation Service II?

TOYOKUMO Safety Confirmation Service 2 automatically sends safety confirmation notifications to cell phones and PCs in conjunction with disasters.

The system is equipped with functions to accurately assess damage in the event of a disaster and promptly instruct employees on countermeasures.



The intuitive design of the system allows it to be used without manuals, even in the midst of chaos during a disaster. Since there is no need to master how to use it, it can be smoothly shared among employees and handed over to the succeeding personnel.

No fee other than the plan-specific usage fee is charged.



初期費用 0



追加費用 0



サーバー費用 0



バージョンアップ費用 0

Initial cost, Additional cost, Server cost and Upgrade cost: 0 yen

Functions and Features of Safety Confirmation Service

<Main functions>

- Automated safety confirmation
- Various message functions for internal discussions
- Registration of multiple contacts to send notifications to employees without fail

<Features>

- Cross-border decentralization of risks using Amazon Web Services (AWS)
- Operation policy considering privacy
- Linked to external services enabling easier maintenance



自動送信

気象庁の気象・災害データと連動して、休日や夜間であっても、安否確認通知を自動で送信することができます。



自動集計

災害時のパニック状態でも、集計作業をすべて自動化することで、迅速かつ正確な集計結果を表示します。



サーバー環境

国内の大災害を想定して、AWS (Amazon Web Services) を利用した、データセンターの国際分散化をしています。



ログイン不要

通知されたURLをクリックするだけで安否回答できるので、パニック時でも簡単に回答することができます。

※ガラケーやスマートフォン専用アプリでもご利用可能です。



メッセージ機能

ユーザー間で、閲覧・書き込みができる機能です。ファイル添付可能なので、災害状況の確認や情報の共有ができます。



複数連絡先への通知

安否確認通知は複数の連絡先（スマートフォンアプリ・メール）に送信可能です。オプションでLINEアプリへの通知にも対応しています。



プライバシー保護

通知する連絡先の登録や管理は従業員自身で行いますので、管理者は、登録された連絡先を閲覧することはできません。



簡単メンテナンス

外部サービスの人事情報と連携することで、従業員の入退社におけるユーザーの管理が不要になります。

Track Record of Safety Confirmation Service

Being used by 2.5 million users (4,000 subscriptions)

Steadily expanding market share despite being a latecomer

【Companies using the service】



They are using the service not only for safety confirmation in times of disaster but also for many other purposes including supply chain management (SCM).

*Prepared based on Toyokumo's survey results as of December 2024.

High Rating from Outside the Company

In June 2024, our Safety Confirmation Service II ranked 17th in “ITreview Best Software in Japan 2024” by ITreview among over 10,000 products and partners.



“ITreview Best Software in Japan” is one of the largest annual review awards in Japan. It is an award given by ITreview, which features over 10,000 products and partners and more than 125,000 reviews, and selects Japanese SaaS and software endorsed by ITreview users.

In addition, the service has been highly evaluated, for example, receiving “Customer satisfaction No.1 in safety confirmation system category” of “ITreview Category Report” for the sixth consecutive year, and winning first place in the BOXIL SaaS section safety confirmation system category of “BOXIL SaaS AWARD 2024.”

Toyokumo kintoneApp

What is Kintone?

Kintone is no-code/low-code SaaS solution provided by Cybozu, Inc., and is trusted by over 36,000 companies worldwide.

It empowers businesses to create customized applications tailored to their operations without requiring IT expertise.

The applications can easily and quickly be improved in line with operations changing on daily basis.

Key functionalities of Kintone include database integration, workflow management, and enhanced communication capabilities, enabling versatile applications such as customer management, travel requests, and daily reporting.

These features facilitate continuous business improvement driven by frontline teams.



Features of Toyokumo kintoneApp

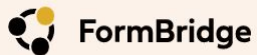
Toyokumo kintoneApp is a web system that realizes the use of external parties.

Toyokumo kintoneApp is no. 1 in Kintone linked services with over 11,000 subscriptions.

Use with non-customize, no-code or low-code.

<Six services to different purpose>

Create web form



FormBridge

kintoneに直接入力可能な
フォームを作成

Create ledger sheet
and export by PDF



PrintCreator

kintoneから
カンタンに帳票出力

Share data in Kintone
with safety



kViewer

kintoneのデータを
カンタンに外部公開

Mail delivery



kMailer

kintoneのデータを活用した
メール送信

Backup system



kBackup

kintoneのデータを
自動バックアップ

Calculator



DataCollect

kintoneのデータを
アプリを跨いで自在に集計

Users find it convenient to use one service, but even more convenient to use multiple services together.

For instance, they can create invoices and deliver them to customers via email using Kintone, PrintCreator, and kMailer.

Toyokumo kintoneApp Makes kintone Usable Like a Web System

Advantages of Toyokumo kintoneApp

- The number of subscriptions surpassing 12,000 offers an unparalleled advantage
- Use of multiple kintone-linked services allows kintone to function as a web system

(Specific example)



While kintone data is typically inaccessible without a license, integrating kintone with FormBridge and kViewer allows for viewing and editing of this data, even without a direct kintone license. Additionally, kMailer can be used to send e-mail newsletters, etc. to email addresses collected through FormBridge.

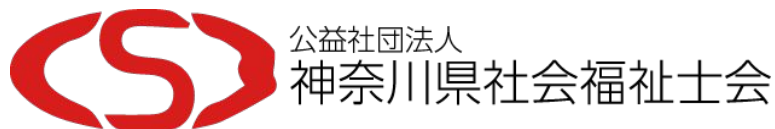
Track Record of Toyokumo kintoneApp

- The number of contracts surpasses 12,000
- Users range from small and medium-sized companies to large corporations and government agencies, extending to a wide range of industries

[Companies using the service]



WILLBING
COMPANY FOR YOUR "WILL"



NEVER SAY NEVER
ロート製薬



TOKYO DOME CITY
心が動く、心に残る。



Position of Toyokumo kintoneApp, Etc.

The most subscribed kintone-linked service with over 12,000 subscriptions

- Three products received the highest rating of 3 stars in the Extension category of the CyPN Report (Note).
- Three other products received stars in the Extension category, and Toyokumo Scheduler also received a star in the Alliance category.
- **Out of over 450 Cybozu partners, we are the only one with four or more products receiving stars.**



 **FormBridge**

 **kViewer**

 **PrintCreator**



 **DataCollect**

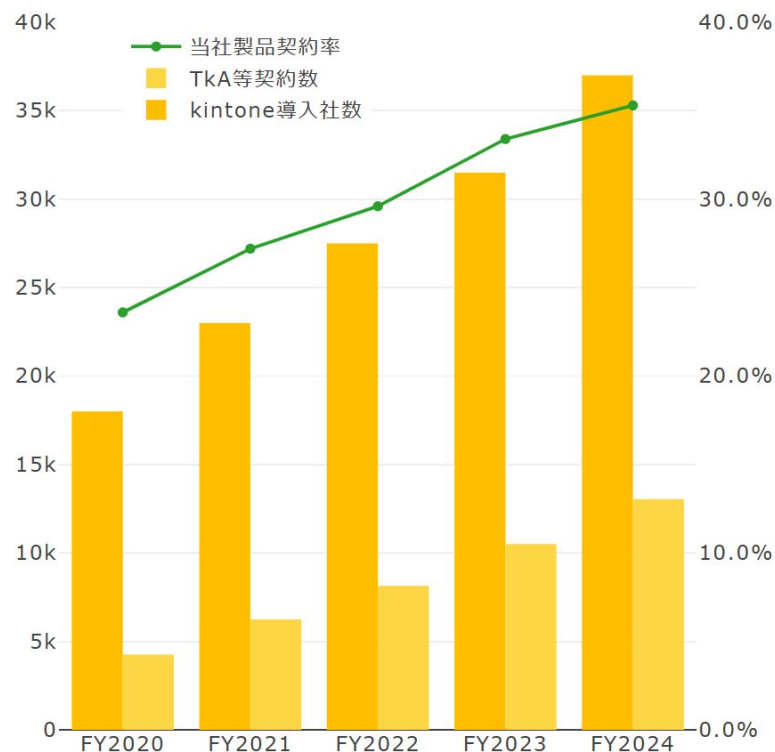
 **kMailer**



 **kBackup**



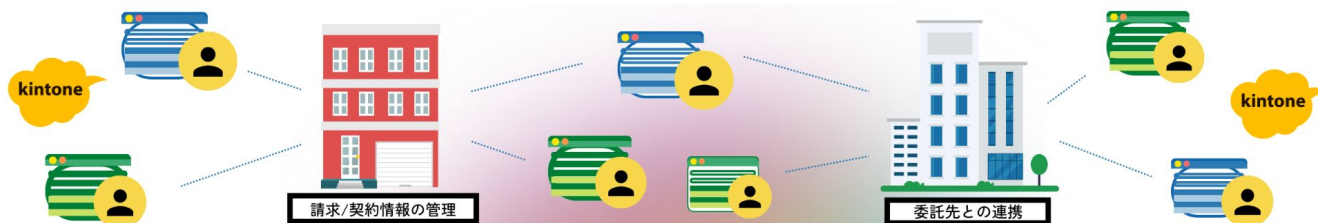
 **TOYOKUMO
Scheduler**



(Note) CyPN Report is the abbreviation of “Cybozu Partner Network Report,” the evaluation criteria set by Cybozu, Inc.

Expanding the Scope of Utilization through Toyokumo kintoneApp Authentication

Users of Toyokumo kintoneApp, which expands the scope of information sharing, have exceeded 600,000



Toyokumo kintoneApp認証 累計ご利用者数
60万人突破!

「kintone」を活用できる範囲を大きく変えた次世代型ユーザー管理機能

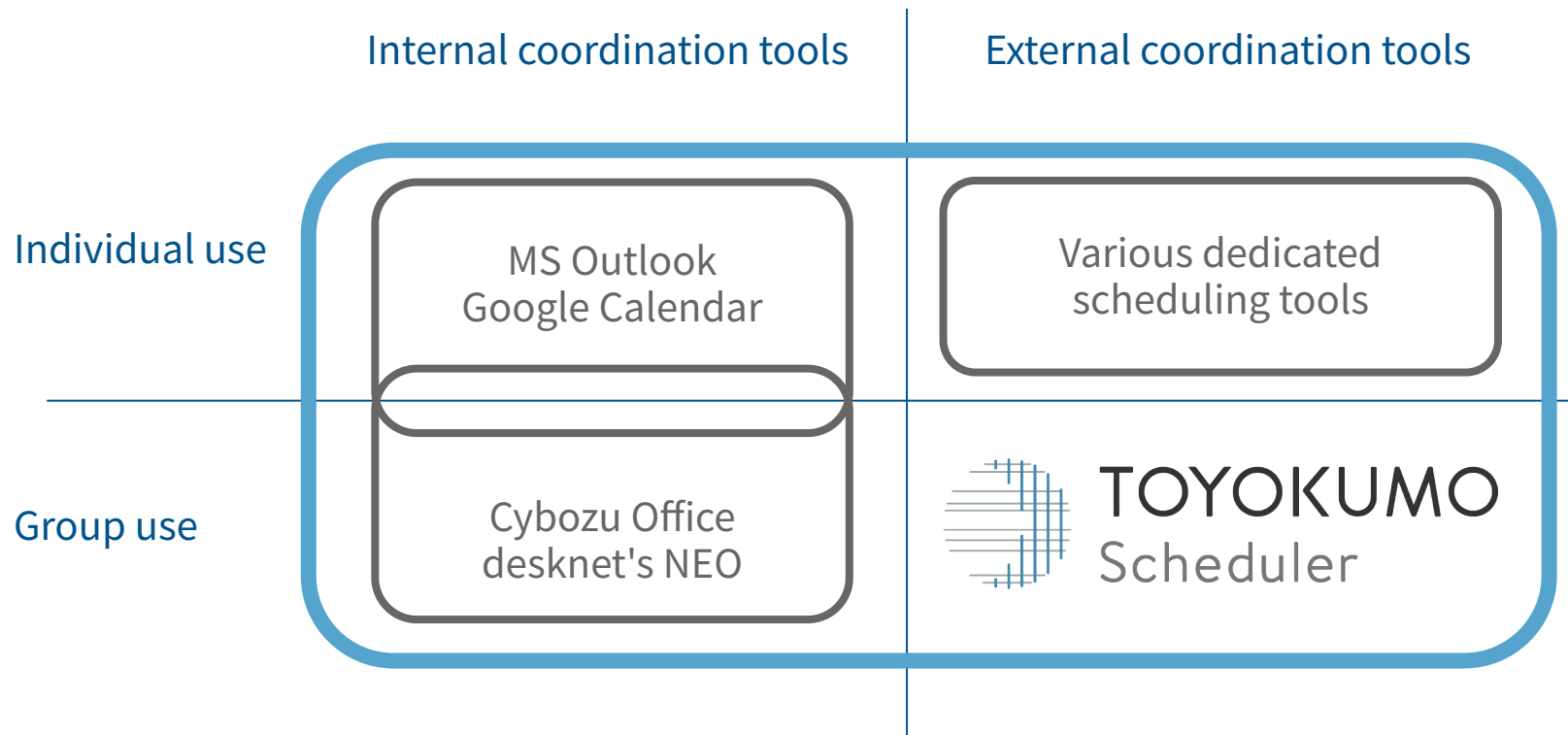


Toyokumo Scheduler

Position of Toyokumo Scheduler

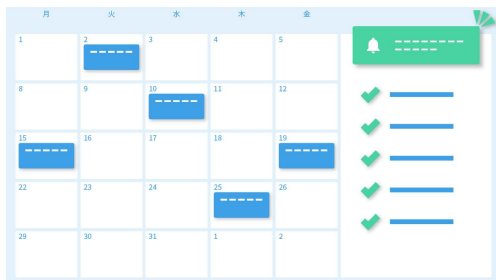
A group scheduler that enables external schedule coordination, a service that was previously unavailable.

It adopts a freemium model allowing for free use for up to 10 users.



Introduction of Toyokumo Scheduler Functions

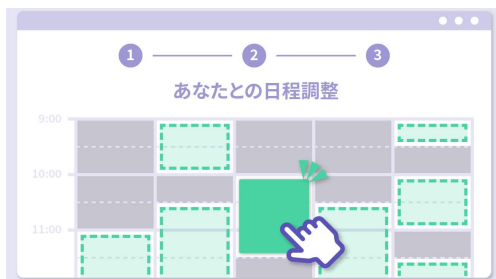
- Schedule management with a personal view and to-do list



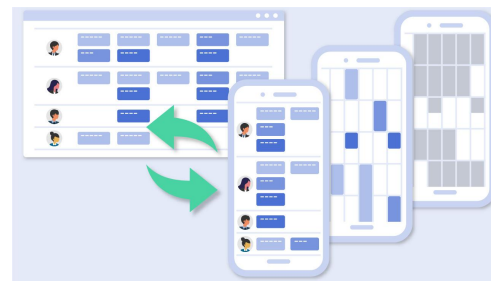
- Group view to check the company's internal schedules



- Schedule coordination with external parties



- All functions can be used with smartphones



- Function to Link with Other Companies' Services



kintone連携

ユーザー、施設、予定データをkintoneとリアルタイムに同期したり、アプリのレコード情報をもとに検索したりできます。



Google Workspace連携

Google Workspaceから、ユーザー/部署/所属情報を読み込むことができます。



cybozu.com連携

cybozu.comから、ユーザー/部署/所属情報を読み込むことができます。



Zoom /Google Meet /Microsoft Teams連携

ボタンひとつでミーティングのURLを発行することができます。

NotePM

What is NotePM?

With NotePM, manuals and operation knowledge can be easily created and quickly accessed. NotePM, an “internal wiki,” is an in-house tool that eliminates excessive reliance on specific employees through knowledge management.

社内の「知りたい」がすぐ見つかる！

ナレッジマネジメントで属人化を解消

＼ さまざまなシーンで活躍します ＼

マニュアル作成

社内wiki

ノウハウ共有

社内FAQ

社内ポータル

取引先情報共有



Highly rated as a manual creation tool and management tool.

- Ranked top 10 in the IReview Best Software in Japan 2024.
- Won Good Service and other awards from the BOXIL SaaS AWARD Winter 2024.



Functions and Features of NotePM

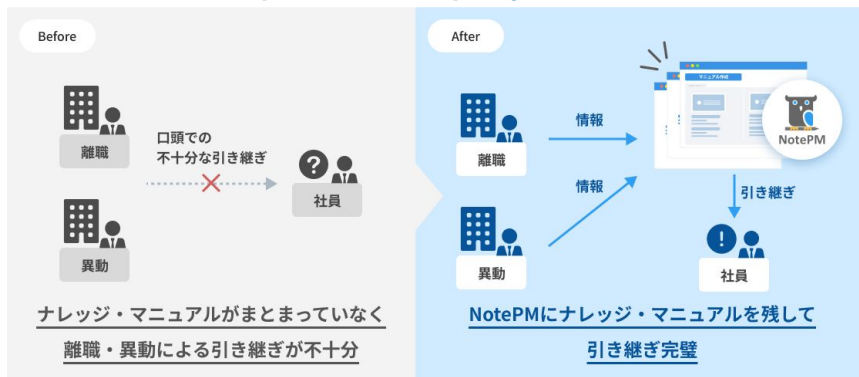
Powerful search function



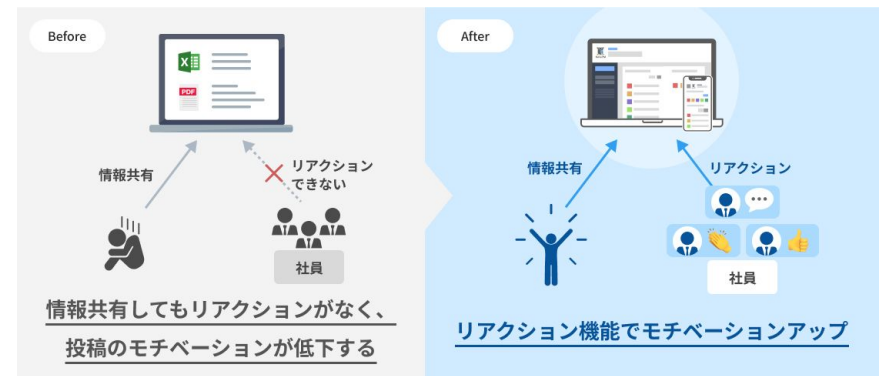
Easy-to-operate editing functions



Knowledge sharing eliminates excessive reliance on specific employees.



Activate communication through feedback

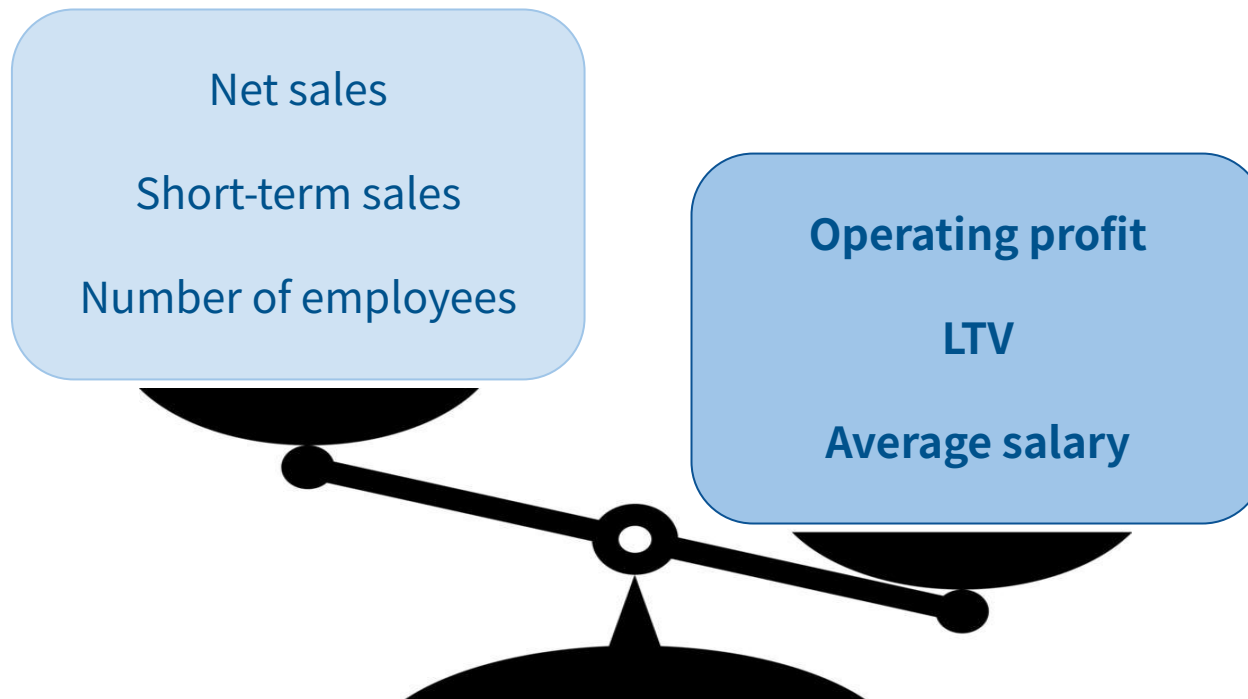


4. Future Growth Strategies

What We Target to Grow

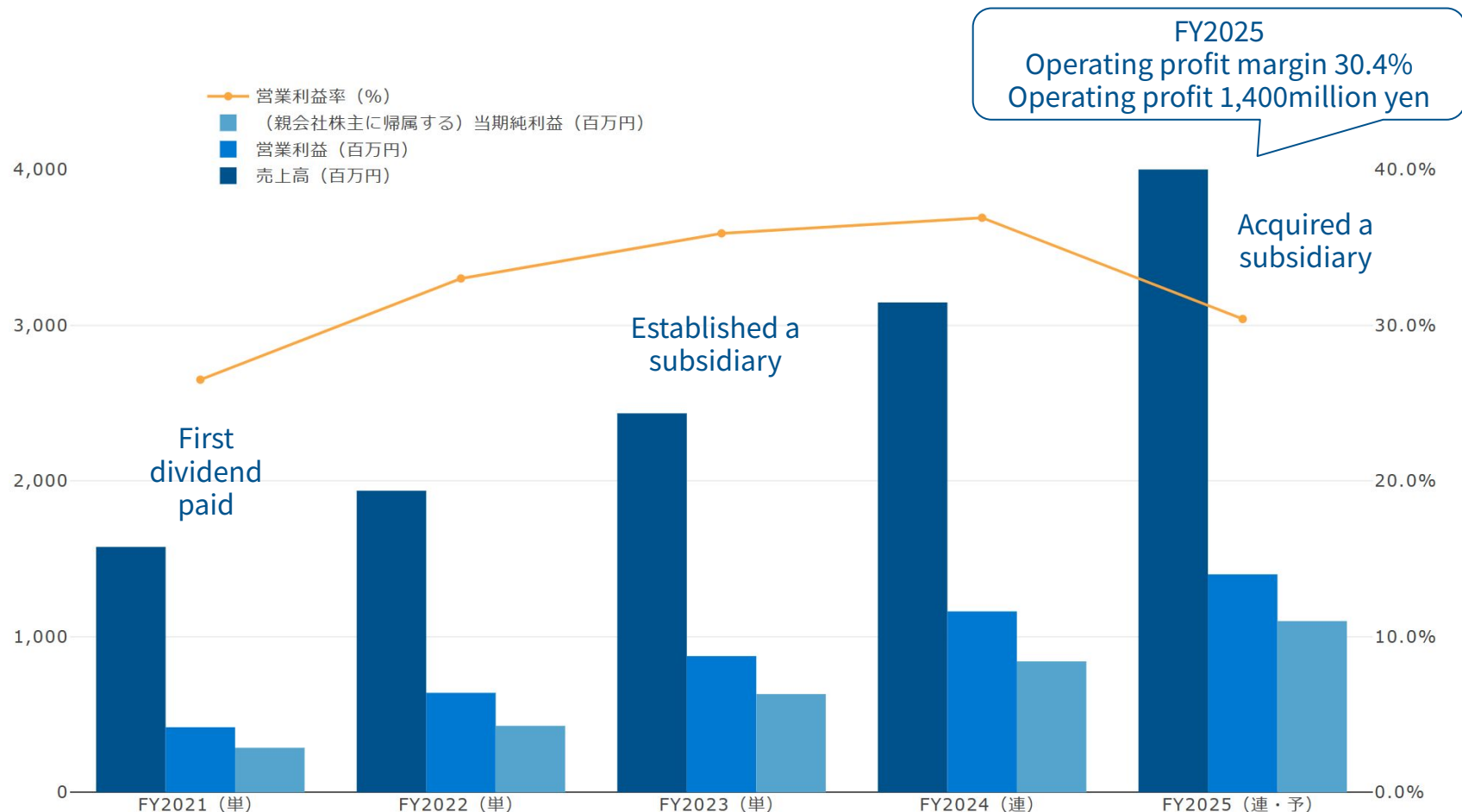
The target for long-term growth is “profit.”
We have adopted operating profit as a key indicator of growth.

We set “quality of sales = LTV (life time value)” and “quality of human resources = average salary” as key indicators to generate profit and work to build a structure that enables steady growth.



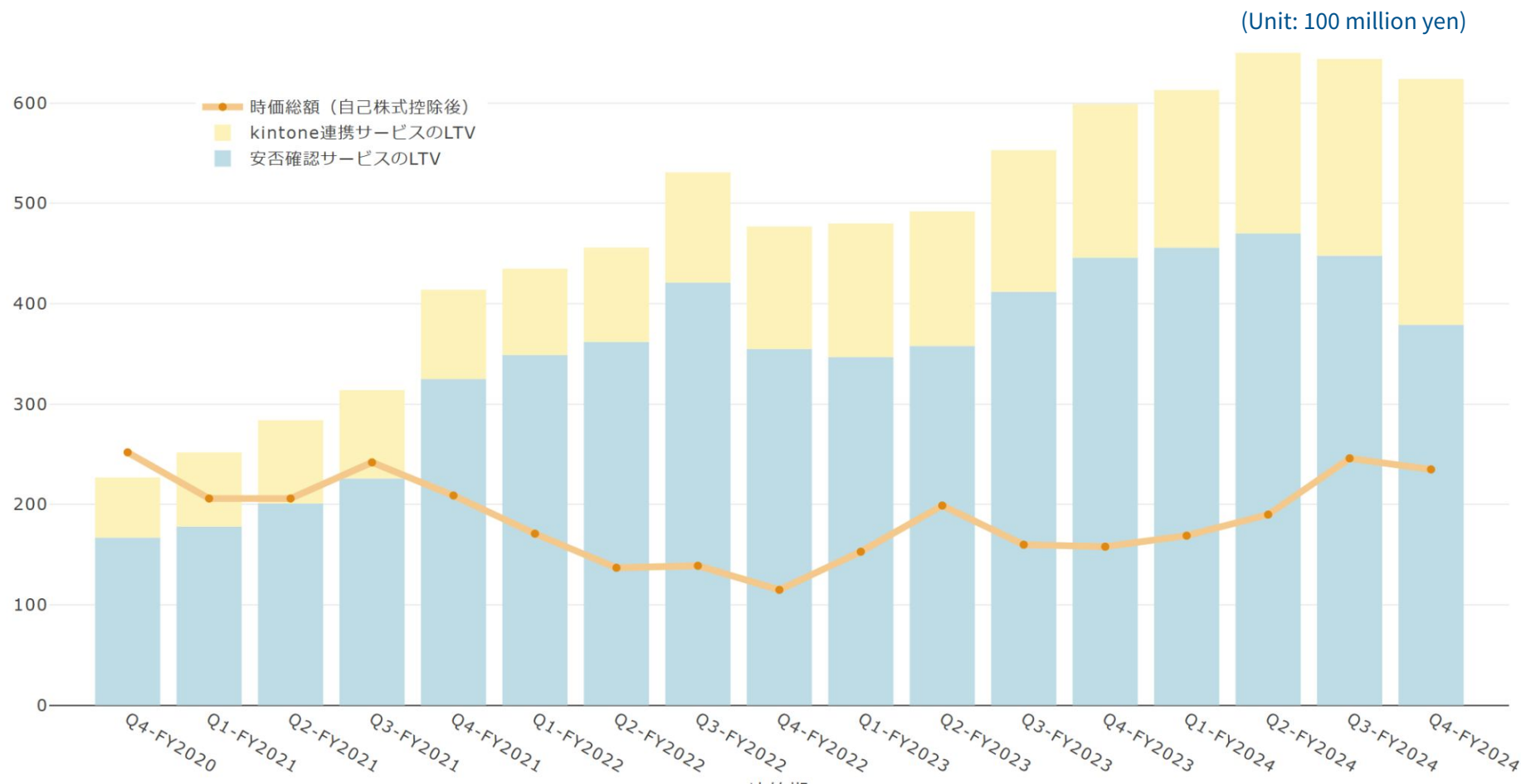
What We Target to Grow: Operating Profit

Both operating profit and operating profit margin have increased despite expenses increasing in line with the expanding business scale. While making investments as needed, we intend to secure an “**operating profit margin**” of 30% or more on a consolidated basis.



What We Target to Grow: LTV (Life Time Value)

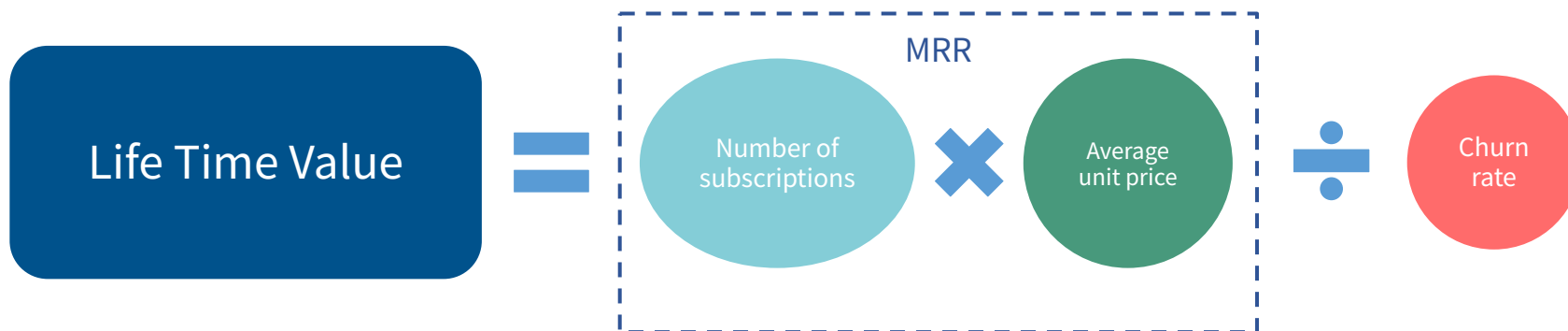
$$\text{LTV}(\ast) = \text{Total MRR} / \text{Average annual churn rate (monetary amount basis)}$$



LTV (Life Time Value) is a measure of how much revenue a customer can generate for the company from the start of a subscription through to its termination.

What Is LTV (Life Time Value)?

LTV is an indicator of how much customers are expected to pay for a service from the time they sign up for it until they cancel. Our LTV is composed of three factors: number of product subscriptions, average unit price, and churn rate. We aim to maximize LTV by increasing the number of subscriptions, raising the average unit price, and reducing the churn rate.



Number of subscriptions	New acquisitions	Develop easy-to-use and convenient products, and conduct efficient and effective advertising activities for IT novices. Enhance content on how to set up the products and provide users with successful experiences through a free trial.
	Cross-selling (Note)	Enhance linkage functionality among products and expand adoption cases. Increase customer engagement through knowledge sharing by way of users' meetings.
Average unit price	Upselling (Note)	Strengthen high-performance, high-unit-price courses for enterprise customers and expand adoption cases.
Churn rate	Reduction	Adopt a "trial model" that allows customers to decide on subscriptions after using the service free of charge on a trial basis. Efficiently respond to inquiries through a wide range of channels.

(Note) Cross-selling means that a customer who has already subscribed to one of our products makes a new subscription for another product for an additional fee. Upselling means that a customer who has subscribed to our product changes the subscription to a higher-level course of that product.

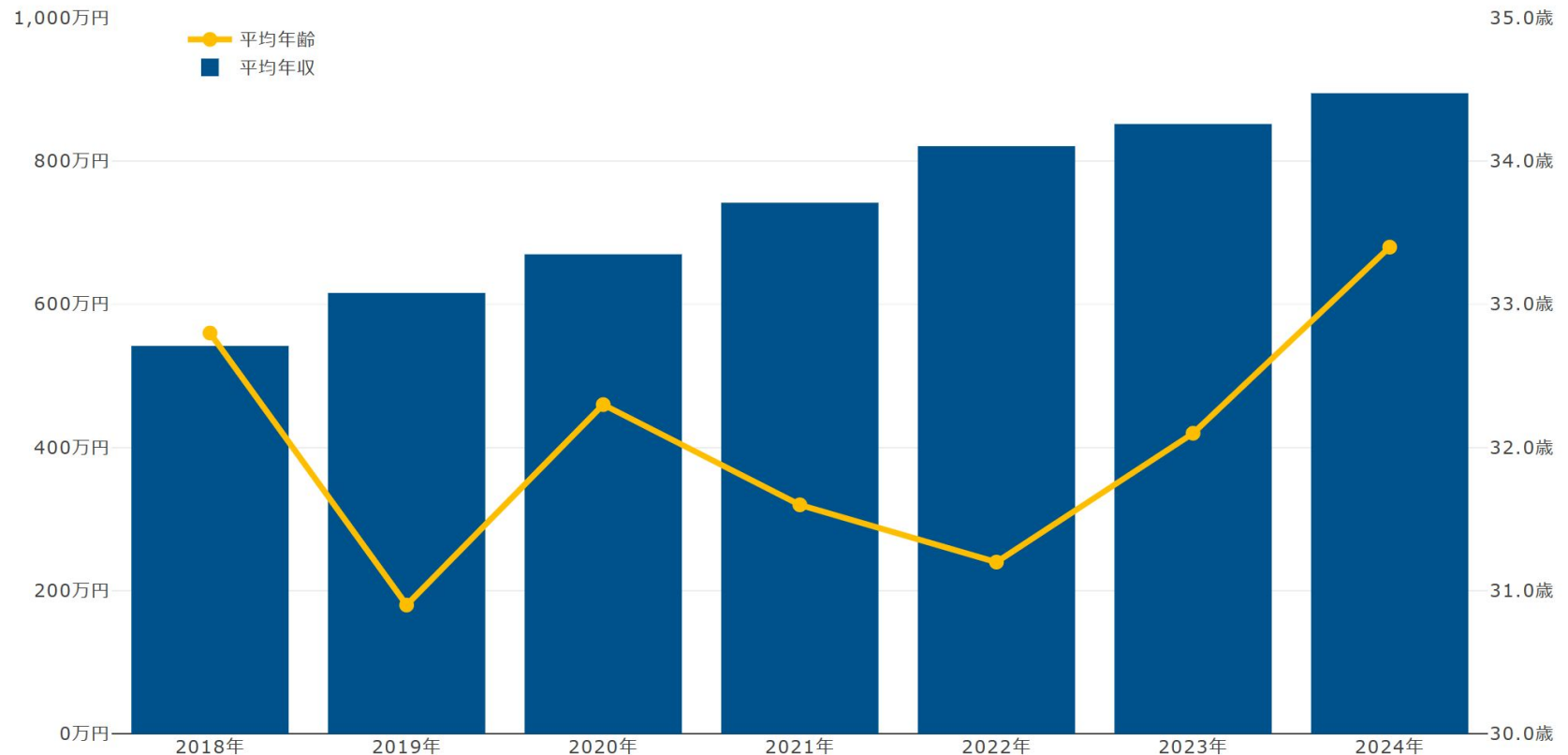
The greater the number of subscriptions, the higher the average unit price, and the lower the churn rate, the larger and longer the subscriptions will be → the greater the prospect of paying usage fees (i.e., LTV).

The fewer the number of subscriptions, the lower the average unit price, and the higher the churn rate, the smaller and shorter the subscriptions will be → the smaller the prospect of paying usage fees (i.e., LTV).

What We Target to Grow: Trends in Average Annual Income

Intend to raise the average annual income of Toyokumo, Inc.'s employees to 10 million yen.
Also focus on hiring activities for highly skilled people who will be our key members or are ready to work immediately.

This endeavor tends to raise the average age of employees.



Toyokumo's Medium- to Long-term Themes



2019- Build the “Toyokumo” brand

- Increase name recognition by investing in advertisement
- Gain trust by listing

Continuous
activities and
achievements

2023- Build a structure for expansion

- Hire personnel proactively
- Recruitment and development of key personnel

Recruitment and
development of key
personnel

2024- Price revision

- Will lead to a sales increase of 400 million yen for FY2025.

Investment new
products

2027- Expand business proactively

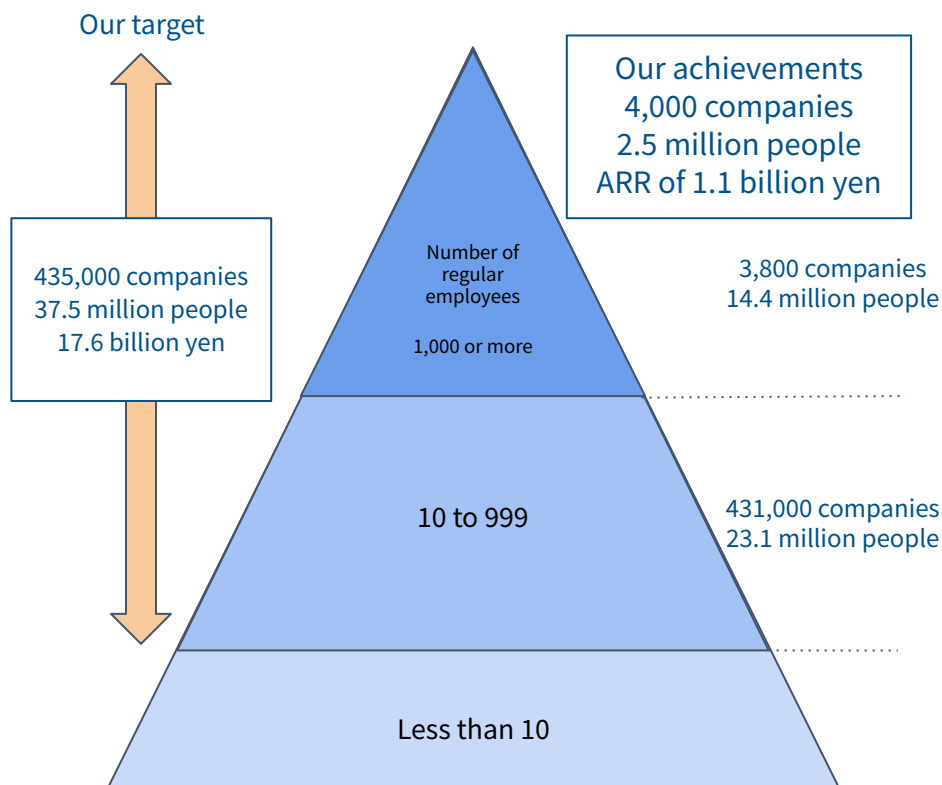
- Utilize capital

New businesses and
M&A

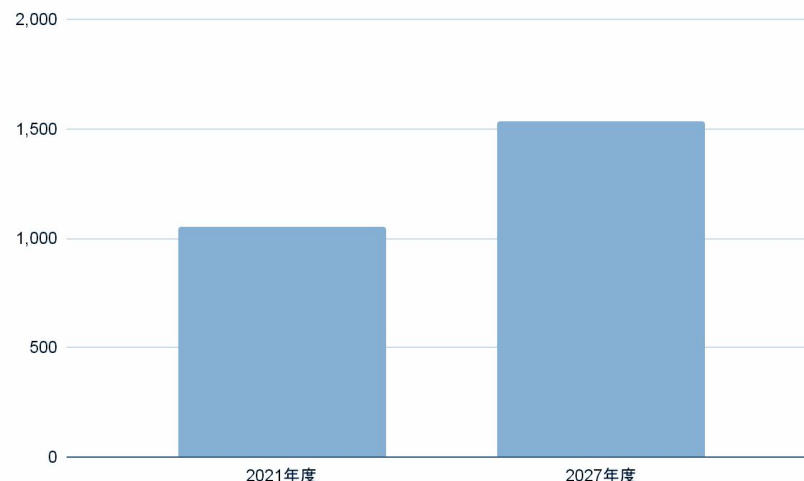
Safety Confirmation Service

Market Size (Note) and Growth Strategy of Safety Confirmation Service

- Growing need to reconsider the business continuity plan (BCP) in case of natural disasters such as huge earthquakes and typhoons
- Our advantage from continuously conducting large-scale, simultaneous training and differentiation from competitors
- Providing packaged BCP offerings and approaching SMEs that have not yet adopted the safety confirmation service

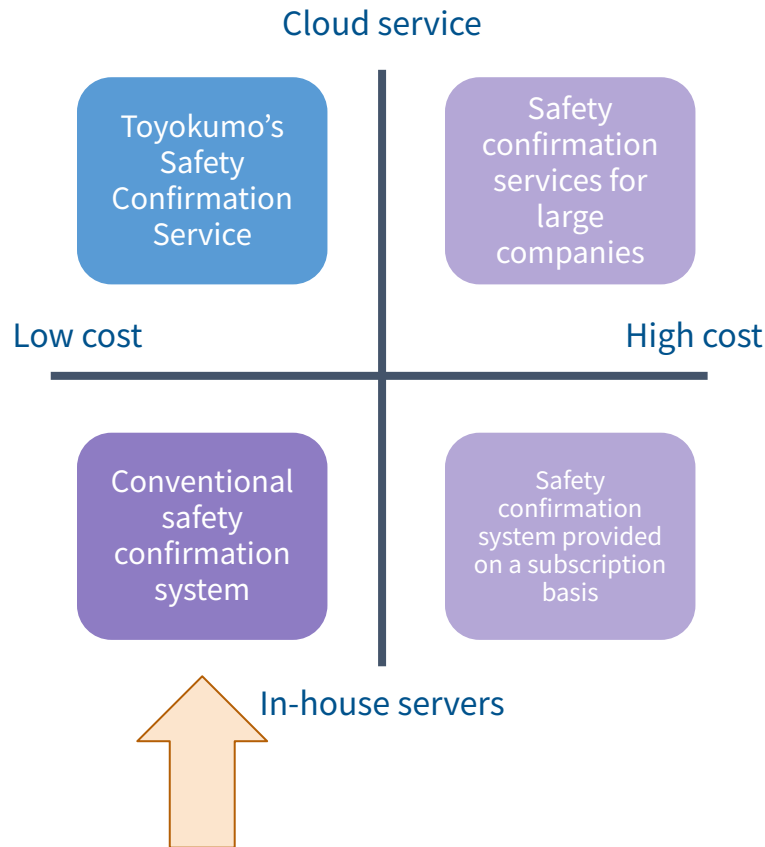


The market for disaster prevention information systems and services is projected to expand (Source)
FY2021: 105.0 billion yen
FY2027: 153.3 billion yen (forecast)



(Note) Calculated by the Company based on the number of its subscriptions, the number of its users, and the subscription amount, as well as the number of regular employees, the number of companies, and the number of employees in Japan in the “Economic Census” of 2021 (Ministry of Economy, Trade and Industry).
(Source) “2022 Edition: Latest Trends and Market Outlook of the Disaster Prevention Information Systems and Services Market” by Seed Planning Inc. (released on January 25, 2023)

Safety Confirmation Service Featuring “Cloud” x “Low Cost”



“Cloud”

- Servers can be expanded to the maximum under heavy load
- Operation cost under normal conditions is reasonable
- Risks are lowered by decentralizing servers across borders

“Low cost”

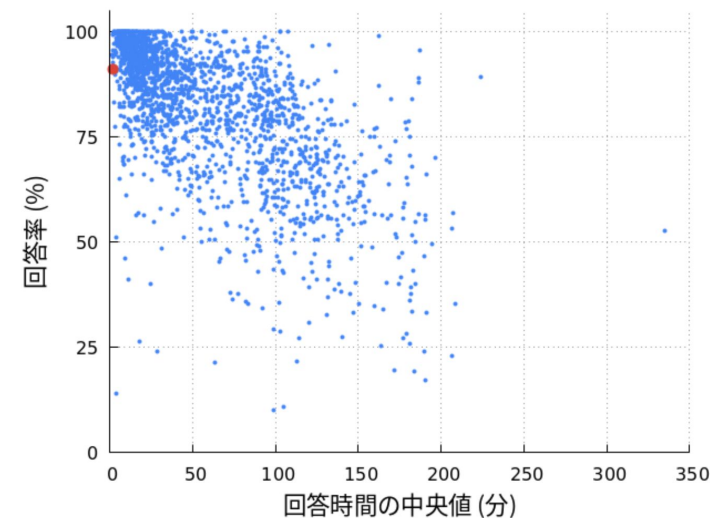
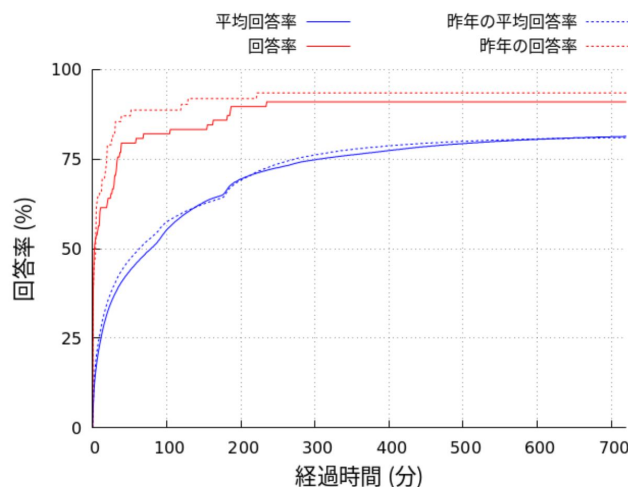
- Complex customization features that would be costly are eliminated
- Functionality is limited to Web-based information gathering
- Communication functions needed in times of disaster are added
- Respond to new disaster information, such as emergency warnings

The greatest risk lies in the potential failure of in-house servers during a catastrophe.

Nationwide Simultaneous Drill Conducted for Safety Confirmation

On October 1, 2024, we conducted a simultaneous drill nationwide using Safety Confirmation Service II, addressed to 1,921 organizations with 702,113 users. The number of users increased by approximately 140,000 from last year, making this the largest drill we ever conducted.

The nationwide simultaneous drill also served as a load verification of the Safety Confirmation Service II, and we confirmed that even when access was at its highest, the server utilization rate had enough margin to ensure stable operation. We also sent a report to participating organizations to help them review their safety confirmation systems and system operations.



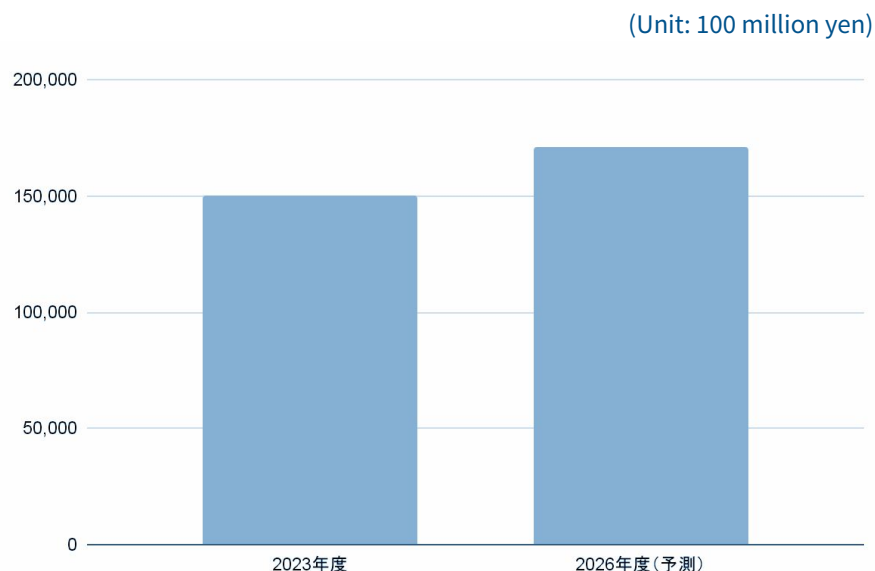
Toyokumo kintoneApp, Etc.

IT Market for the Private Sector and Municipalities

Trends and forecast of the IT market size for the domestic private sector (Source 1)

Companies continue to expand IT investment for promoting DX

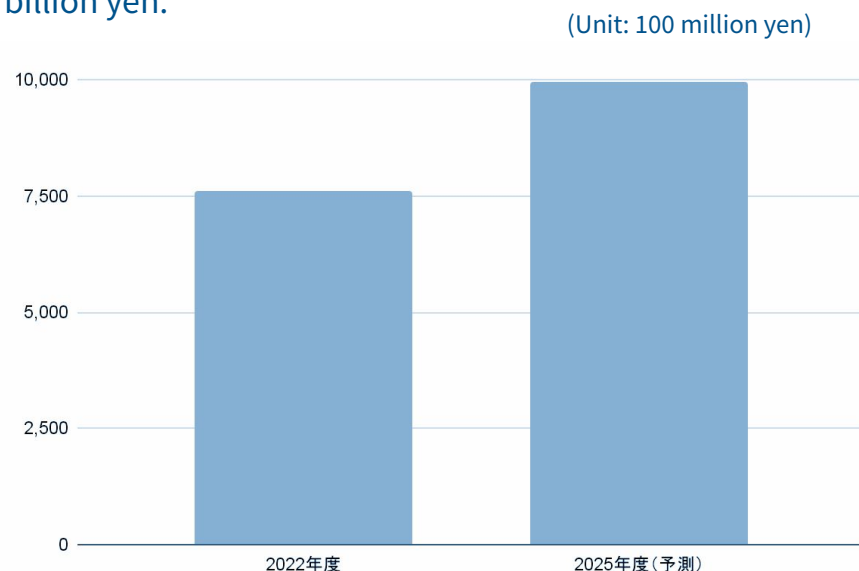
The market is forecast to be 17.1 trillion yen in FY2026 ending Mar 2026



Trends and forecast of the solutions market size for municipalities (Source 2)

Municipalities intend to unify and standardize their mission-critical business systems using the Government Cloud by the end of FY2025 ending March 2026

Special demand for coping with the standardization will arise in FY2025 at its peak, forecasted to be 996.5 billion yen.



(Source) "IT Investment by Domestic Enterprises in Japan (2023)" by Yano Research Institute Ltd. (released on November 27, 2023)

(Note 1) Based on the government fiscal year that ends in March and on the IT investment amount. Figures for FY2025 are forecast. The private sector IT market includes hardware, software, and services and does not cover the IT investment in the public sector (government bodies and municipalities) and by small private-sector businesses.

(Source) "Information Technology Solutions for Local Governments 2024" by Yano Research Institute Ltd. (released on May 23, 2024)

(Note 2) Based on business sales. Figures for FY2025 are forecast. The market size includes hardware and software purchases, rental/lease fees, maintenance/service support fees, line usage fees, personnel dispatch expenses, and outsourcing (BPO services) costs.

Market Size of Toyokumo kintoneApp, Etc.

TAM (total addressable market): 512.2 billion yen (Note 3)

SAM (serviceable available market): 42.3 billion yen (Note 2)

SOM (serviceable obtainable market): 10.9 billion yen (Note 1)

ARR of Toyokumo kintoneApp, etc.: 2.1 billion yen

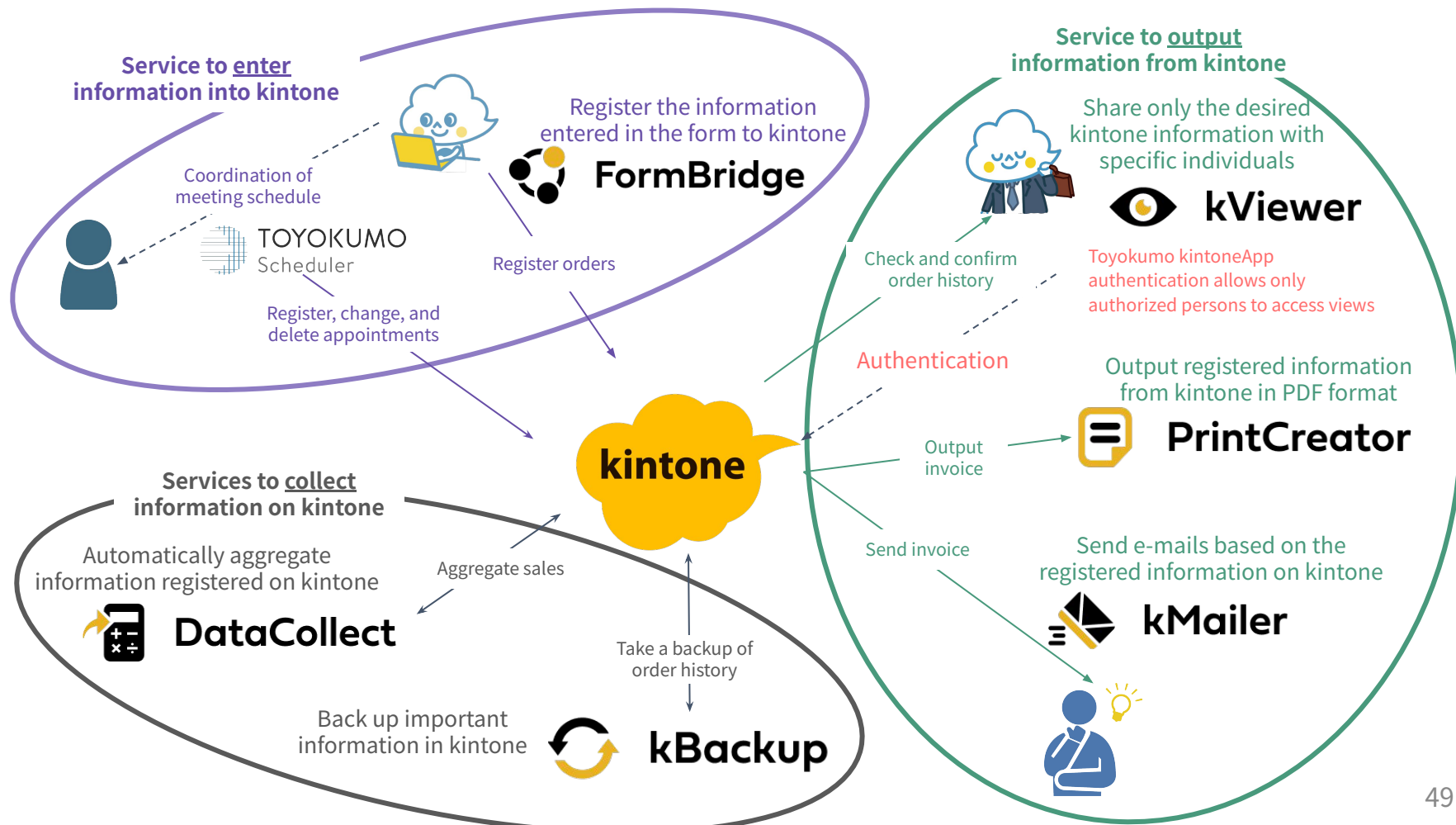
(Note 1) Calculated by the Company based on the average number of concurrent subscriptions and average unit price of Toyokumo kintoneApp, etc. (hereafter, TkA, etc.) and the number of companies that have adopted kintone, as disclosed by Cybozu.

(Note 2) Calculated by the Company based on the number of products and average unit price of TkA, etc., and the number of companies that have adopted kintone as disclosed by Cybozu.

(Note 3) Calculated by the Company based on the number of products and average unit price of TkA, etc. as well as the number of companies with 10 or more regular employees in the “Economic Census” of 2021 (Ministry of Economy, Trade and Industry).

Growth Strategies for Toyokumo kintoneApp, Etc.

- Strengthen product functionality to promote upselling
- Enhance linkage functionality between products to promote cross-selling
- Strengthen high-performance, high-unit-price courses for enterprise customers to raise the average unit price



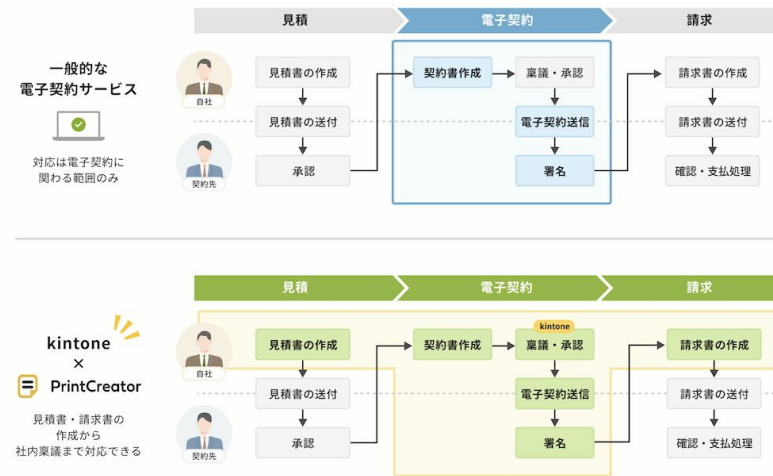
Expanding the Scope of Utilization through Toyokumo kintoneApp Authentication

- Users of Toyokumo kintoneApp, which expands the scope of information sharing, have exceeded 600,000
- The number of subscriptions to FormBridge and kViewer, which are compatible with the Toyokumo kintoneApp, is increasing rapidly

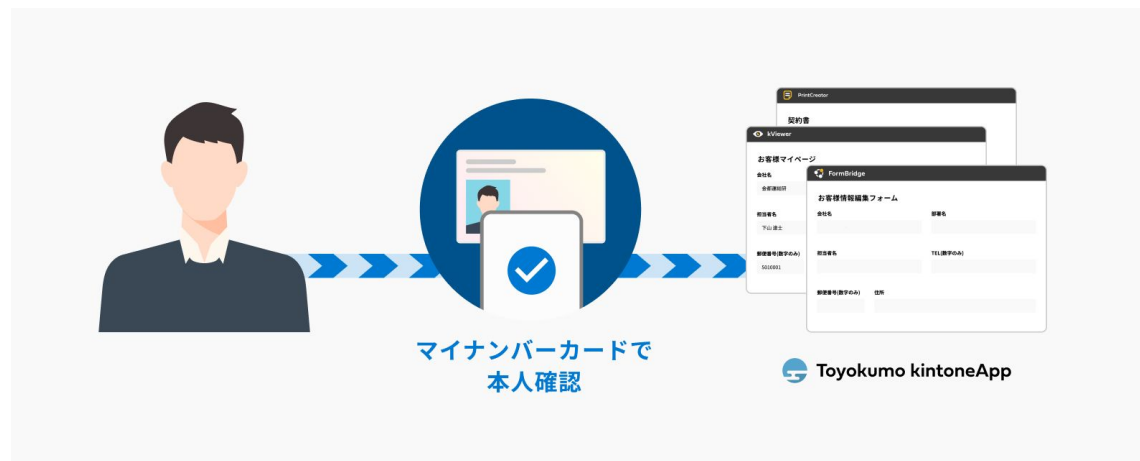


High-Function Services Equipped to Toyokumo kintoneApp

“Electronic contract” function equipped to PrintCreator



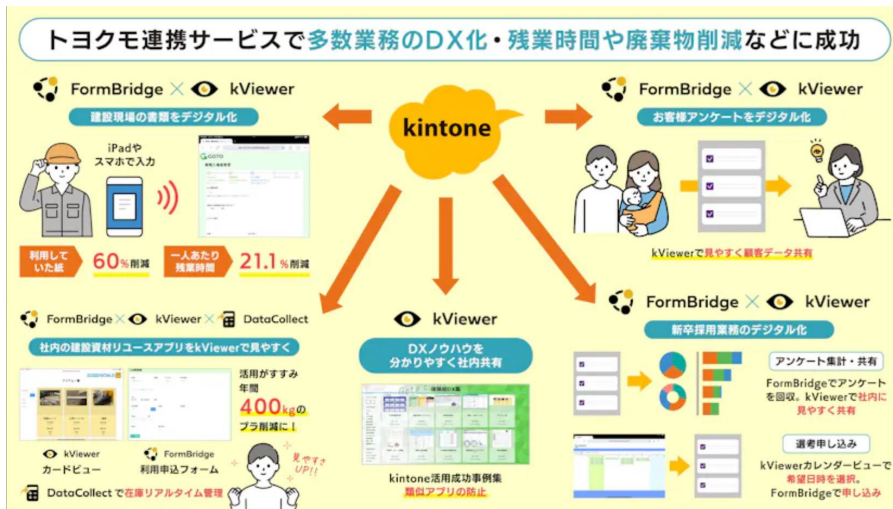
“Personal identification with the national individual number” function equipped to FormBridge and kViewer



Sharing of Knowledge on Toyokumo kintoneApp, etc.

Expand and share adoption cases of our products

- Upload adoption cases of our products to our website
 - Introduce the adoption cases in an easy-to-understand manner by use scene and by product
- Hold the “TOYOKUMO kintone Festival” regularly as a venue to share knowledge of our products
 - Upload videos of the adoption case presentations onto the website



25以上のkintone活用術を学べる！



トヨクモ kintone フェス 2024

7.3(水)-7.5(金)
オンライン/リアル開催イベント

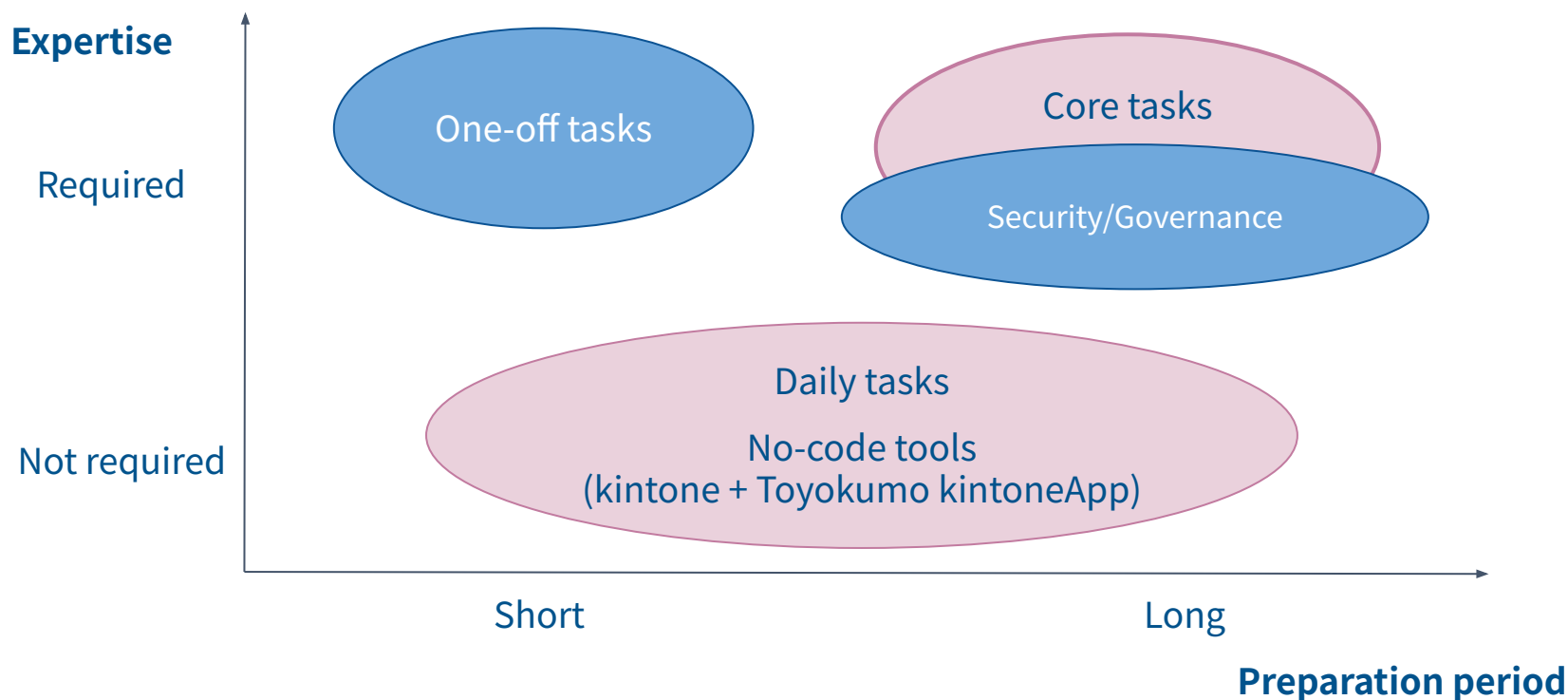
Toyokumo Cloud Connect

Current Status of Toyokumo Cloud Connect (TCC)

Concentrate on two themes: one-off task support and professional support.

Few systems can provide one-off tasks that must be developed in a short time and require expertise in handling personal information.

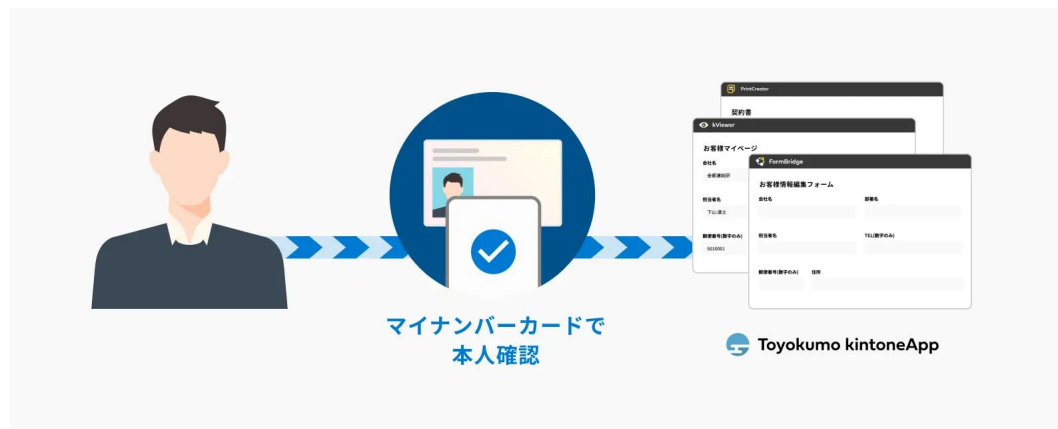
Professional support covers security, governance, auditing, etc.



Provide security and governance support packages.

Measures to strengthen one-off tasks

- Provide public benefit payment systems
- Tasks requiring recipient identification using national individual numbers
- Utilize the Digital Authentication App provided by the Digital Agency

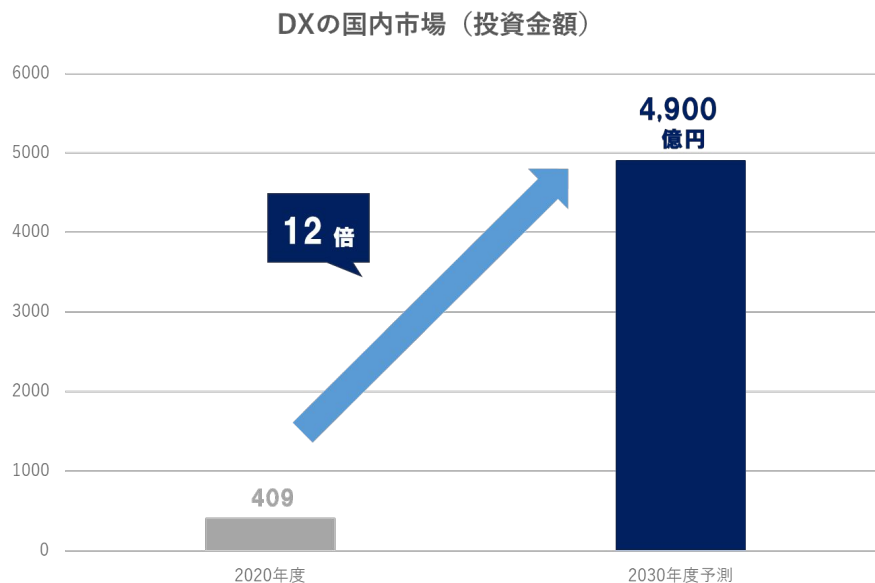


Expand collaboration with BPO (business process outsourcing) vendors.

Toyokumo Cloud Connect (TCC) Enters the Administrative DX Market

As the market is rapidly expanding, TCC has already won many adoptions of its services.

Domestic market size for administrative DX



Source: Prepared by the Company based on the domestic market for DX (investment amount) by Fuji Chimera Research Institute, Inc.

Services in use with over 400 contracts for municipalities



FormBridge



kViewer

Osaka Pref.: progress status management against COVID-19

Kobe City: used for various tasks including National Census

Kakogawa City: acceptance of application for special cash payments, etc.

Kanagawa Pref.: LINE COVID-19 Notification System

Ichikawa City: acceptance of repair requests and application for after-school childcare

Takayama City : reception counter system for condolence

Aichi Pref. : provision of subsidy benefits for restaurants and eateries

Gifu City : evacuation shelter operation system etc.

Targets Set by TCC

TCC targets business personnel in charge of speedily promoting DX by utilizing no-code and low-code SaaS.

Systems in use have been changing at an accelerated pace, triggered by major social events.

Great East Japan Earthquake (2010 -)

In-house servers were washed out by the tsunami.



On-premises

Change in usage environment



Cloud

COVID-19 pandemic (2020 -)

Need for speedy system development



Development from scratch

Change in development method



Low-code and no-code development



System developer

Change in development personnel



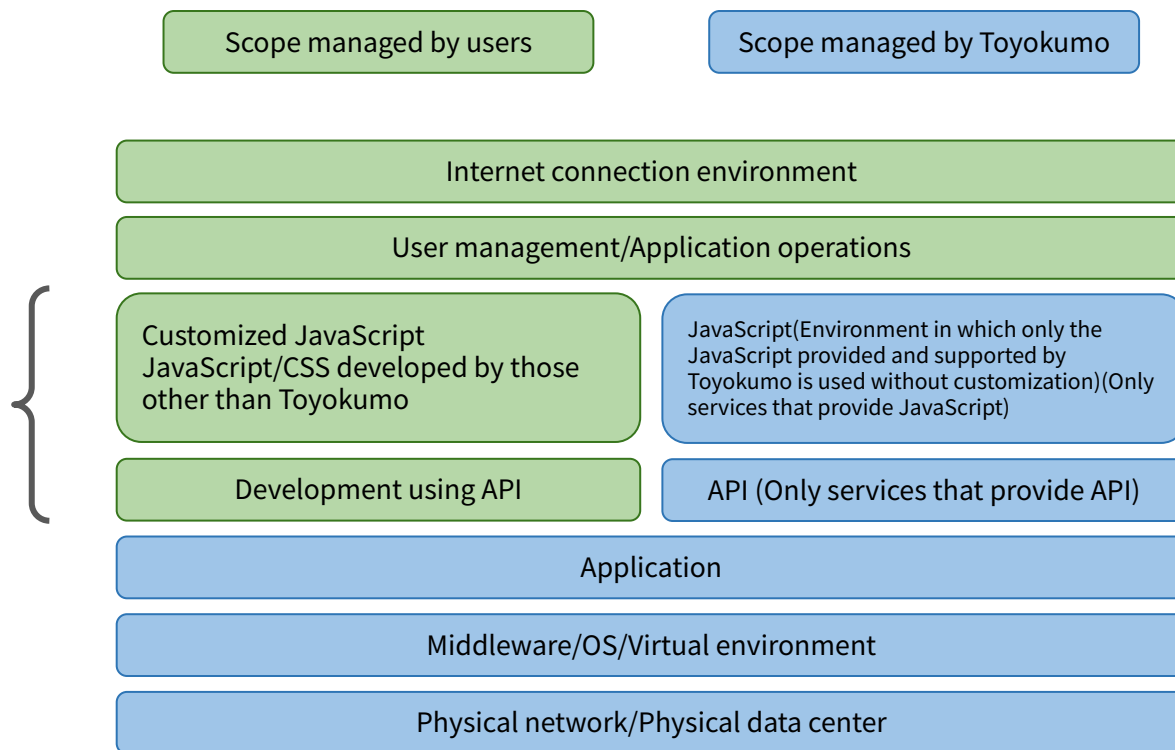
Individuals in charge of specific operations

Site-specific systems can be built speedily as “persons in charge of specific operations” develop them.

Difference in the recognition of demarcation point

When the operation promoter is the developer, the service is used without recognizing the “scope managed by users.”
→ **Service is used with no responsible person in charge.**

There is a difference between the perception of users and partners and the scope of support by manufacturers such as Toyokumo.



(Example) Requesting investigation for possible information leakage.
Requesting investigation in case of trouble due to customization.



Newly Emerging Markets



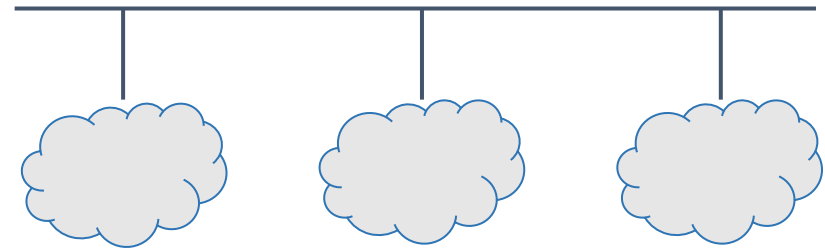
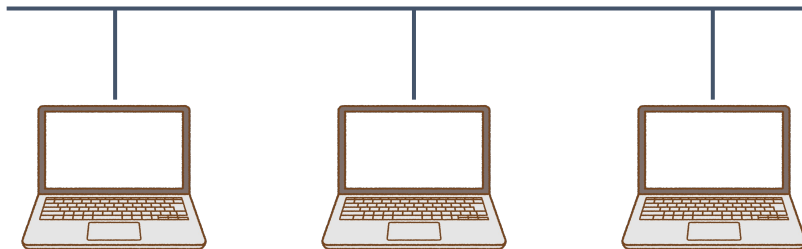
No complications arise with stand-alone computer use.

Connecting computers created new challenges, such as security measures.



No complications arise with stand-alone SaaS use.

Connecting SaaS creates new challenges in supply chains.



Project Mode

About Project Mode, Inc.

Engaged in the development and operation of NotePM.

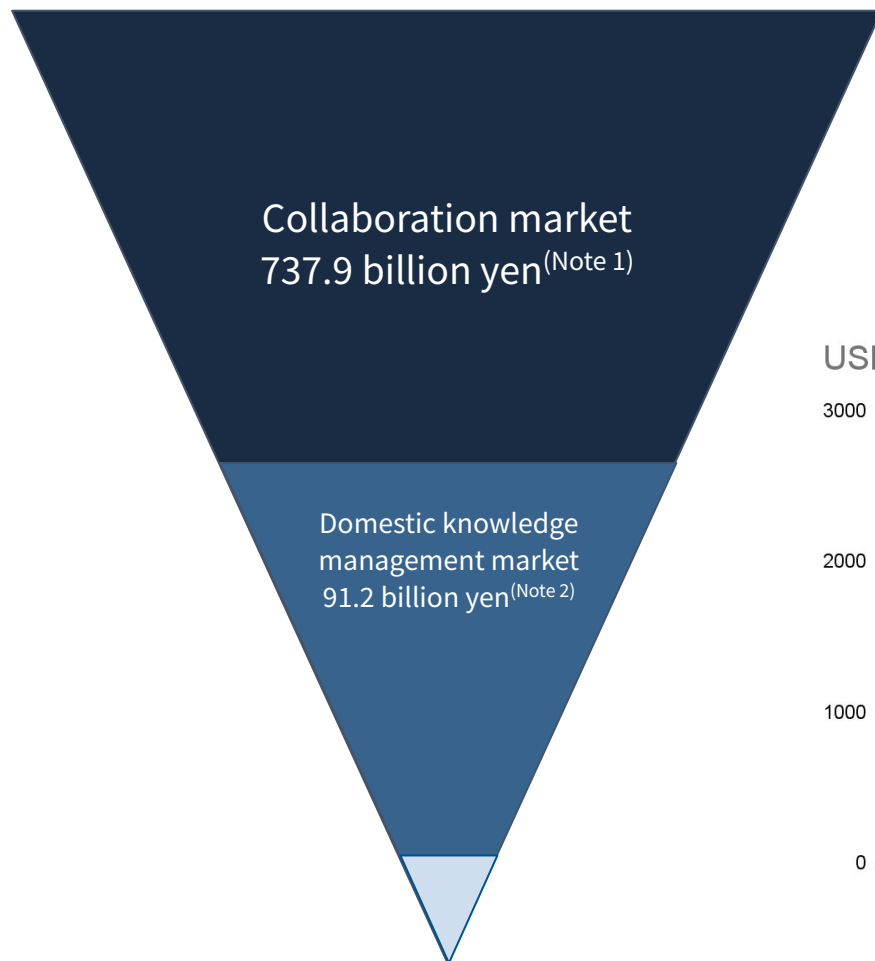
NotePM was highly rated as a manual preparation and knowledge management SaaS, ranked 7th in the ITreview Best Software in Japan 2024.

Employs the Product-Led Growth model, the same business model as Toyokumo's.

Sales are conducted by Toyokumo, which has a large marketing budget. Toyokumo obtained the exclusive sales rights and works to expand sales.



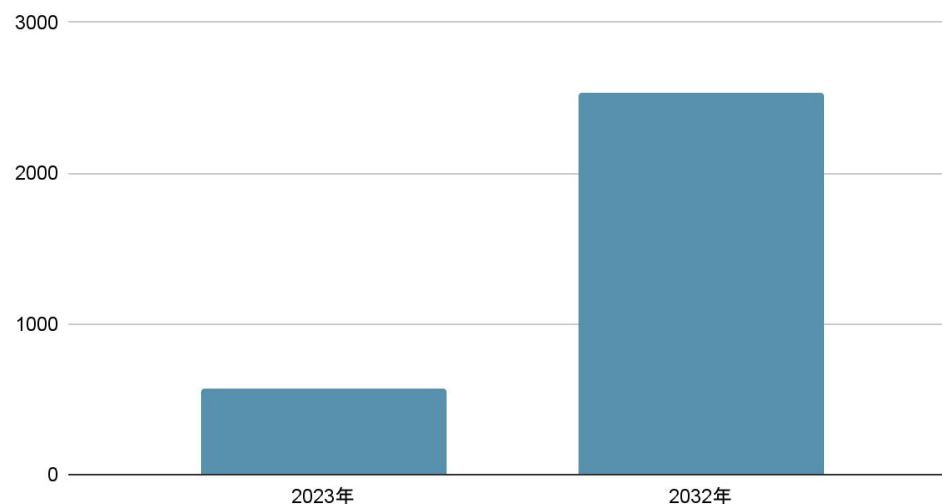
About the Knowledge Management Market



Knowledge market size (Note 3)

The global knowledge management market size is projected to grow at a CAGR of 18.12% from 2023 to 2032. The domestic market is anticipated to grow at a similar level.

USD Billion



(Note 1) Collaboration market forecast for FY2027, “Software New Market 2023 Edition” (Fuji Chimera Research Institute, Inc., published July 7, 2023)

(Note 2) Calculated by the Company based on the average unit price of NotePM and the number of companies with 10 or more regular employees in the “Economic Census” of 2021 (Ministry of Economy, Trade and Industry).

Note that the figures calculated by the Company may differ from the actual market size.

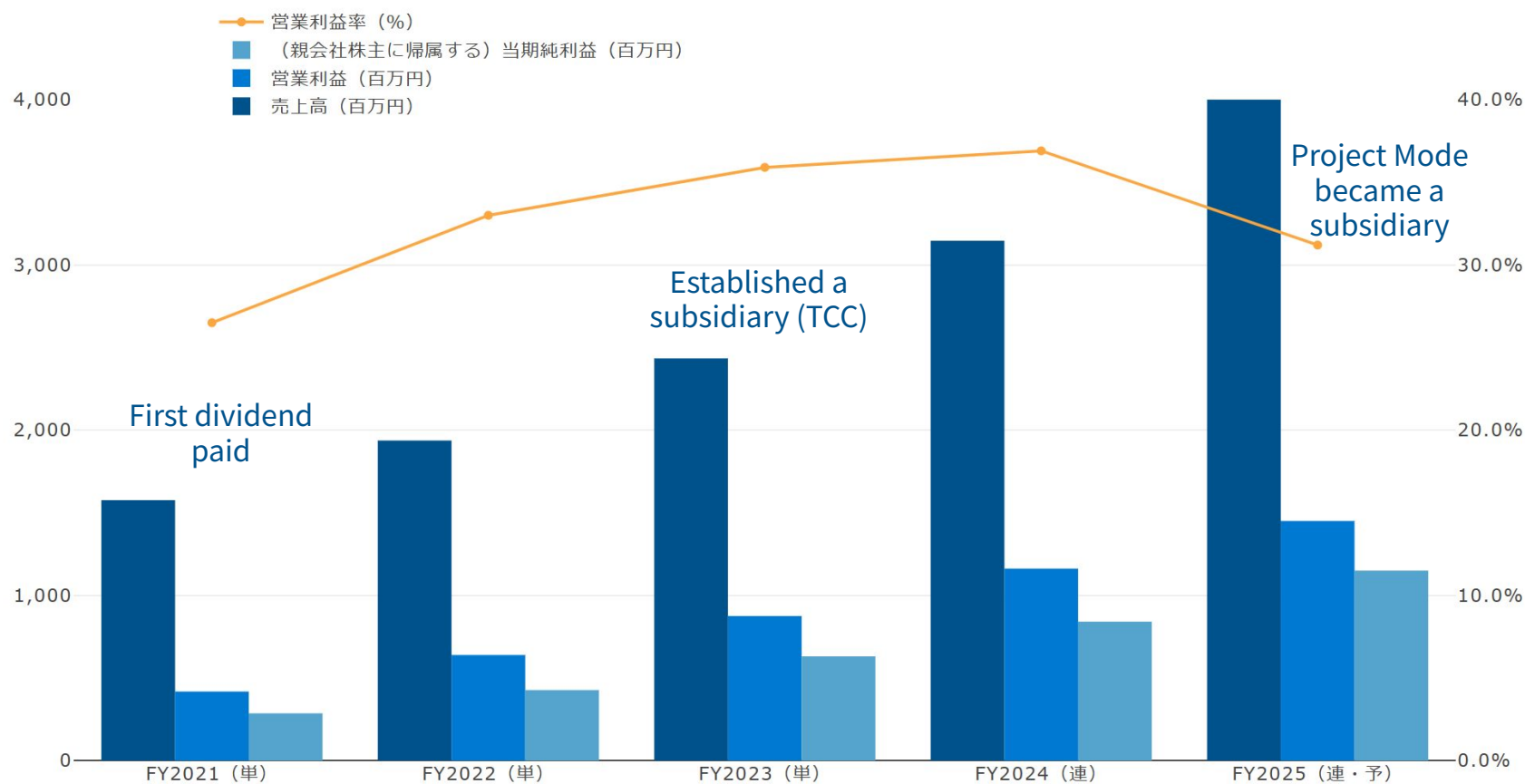
(Note 3) “Knowledge Management Market Size, Share, Growth, and Industry Analysis (Knowledge Management Processes, Knowledge Management Systems, Knowledge Management Mechanisms and Technologies, Knowledge Management Infrastructure), by Application (SMBs and Large Enterprises), Insights by Region, and Forecasts to 2032” (Business Research INSIGHTS, updated January 13, 2025)

5. Financial Results, KPI and Forecast for FY2025

Past Performance and Forecast for FY2025

Net sales are forecast to be 4.6 billion yen, up 46.2% YoY.

Operating profit is forecast to be 1.4 billion yen, maintaining the ratio to net sales at 30% or more.

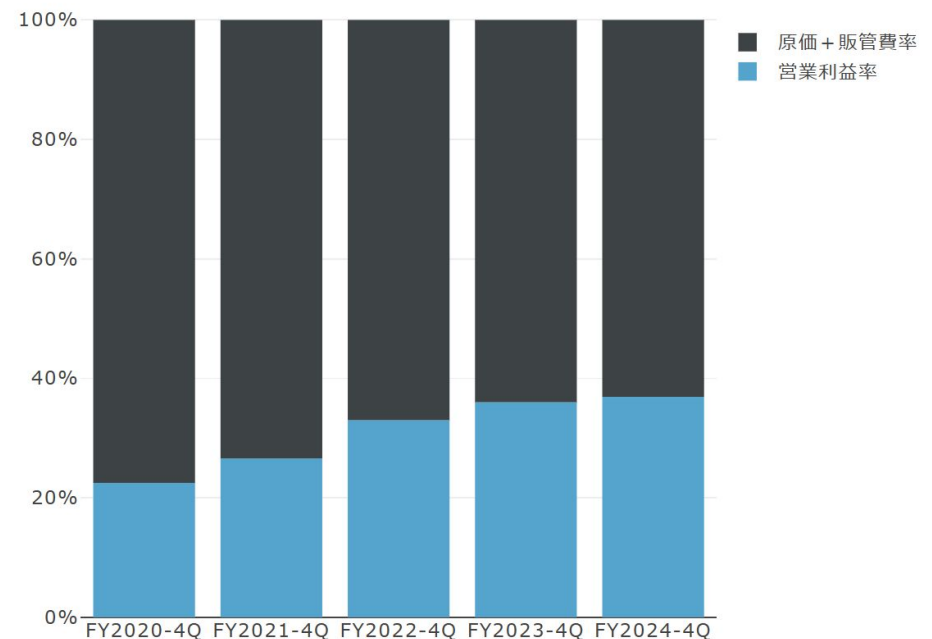
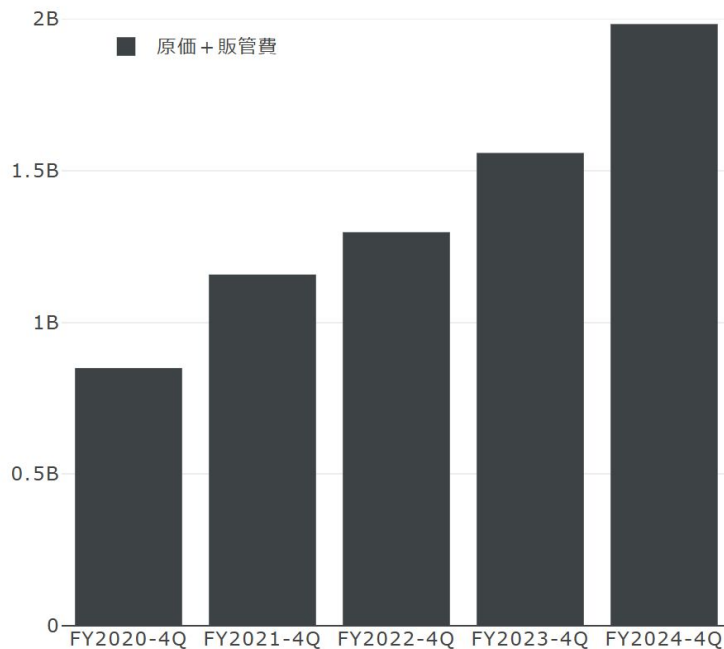


Trends in Expenses and Operating Profit Margin

Due to aggressive investment for business expansion, the combined amount of cost of sales and SG&A expenses has increased year by year.

Achieved a high operating profit margin through sales growth that exceeds cost increases by thoroughly implementing our business model (see p.10)

We intend to maintain the operating profit margin (against net sales) at 30% or more.

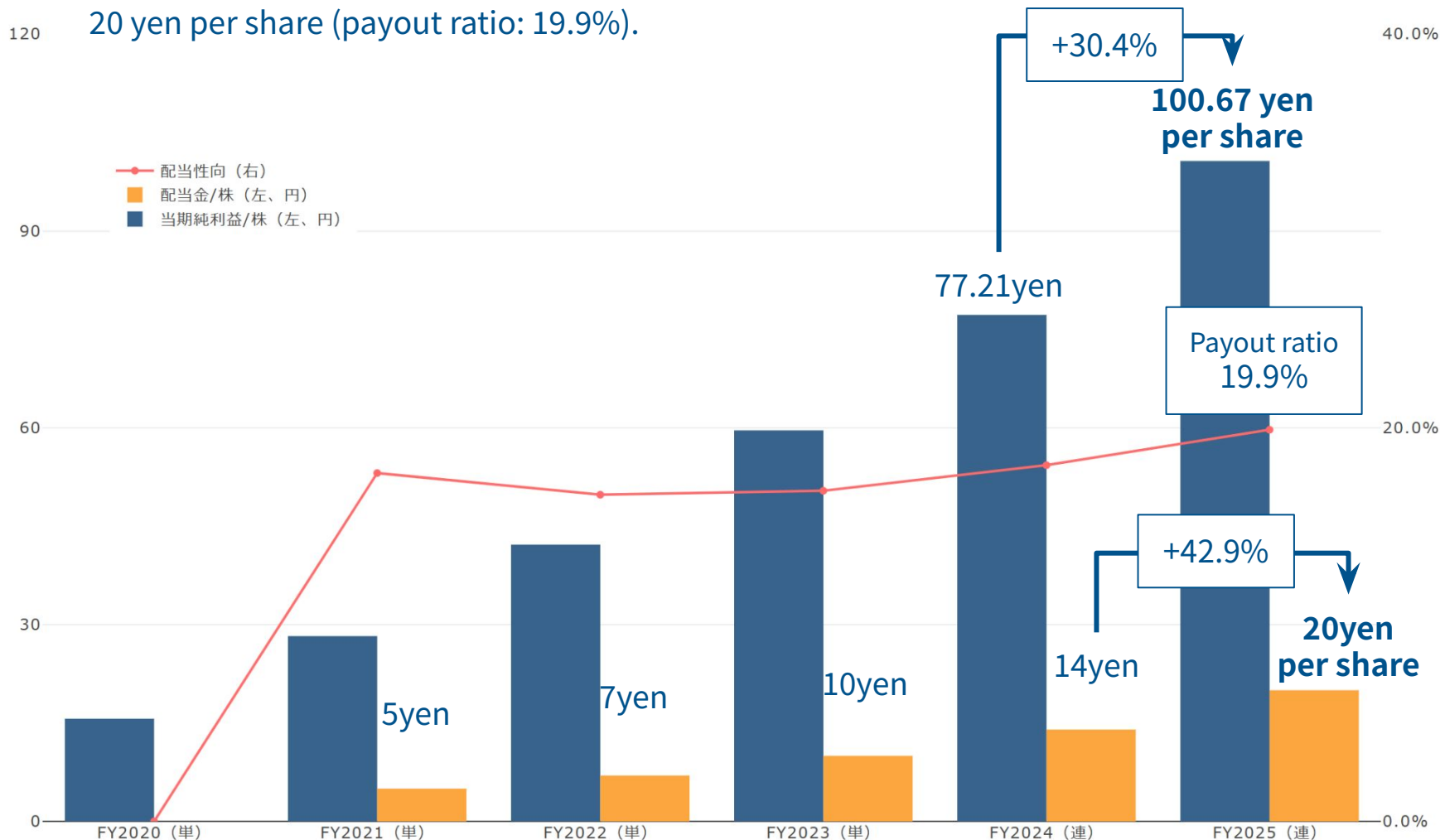


For FY2022, which ended in December 2022, and for previous fiscal years, the revenue recognition standard is changed.
Figures are on a non-consolidated basis through FY2023 and on a consolidated basis from FY2024.

Dividend Trends

Intend to continuously return profits to shareholders, setting the payout ratio of around 20% of profit attributable to owners of parent as the base.

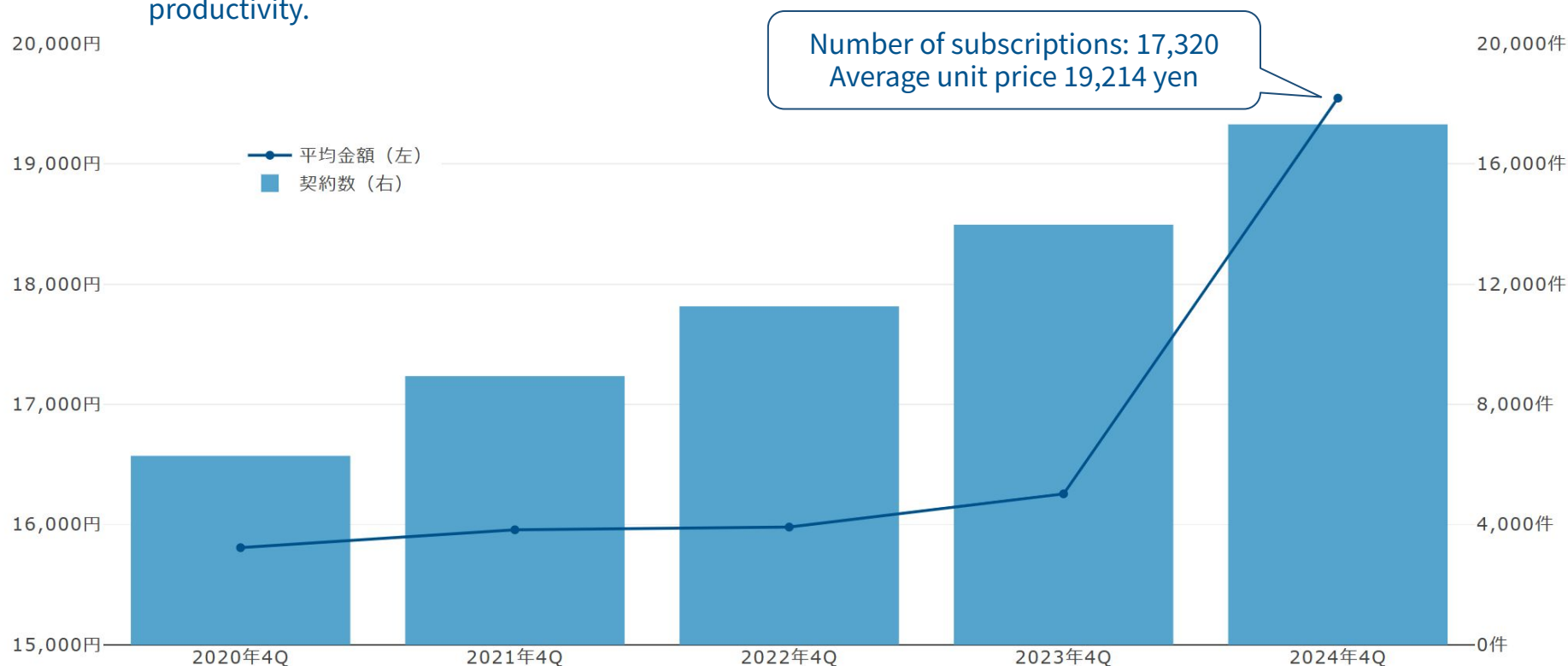
For FY2025, plan to increase dividends for the fifth consecutive fiscal year, or up 42.9% YOY, to 20 yen per share (payout ratio: 19.9%).



Number of Subscriptions and Average Unit Price

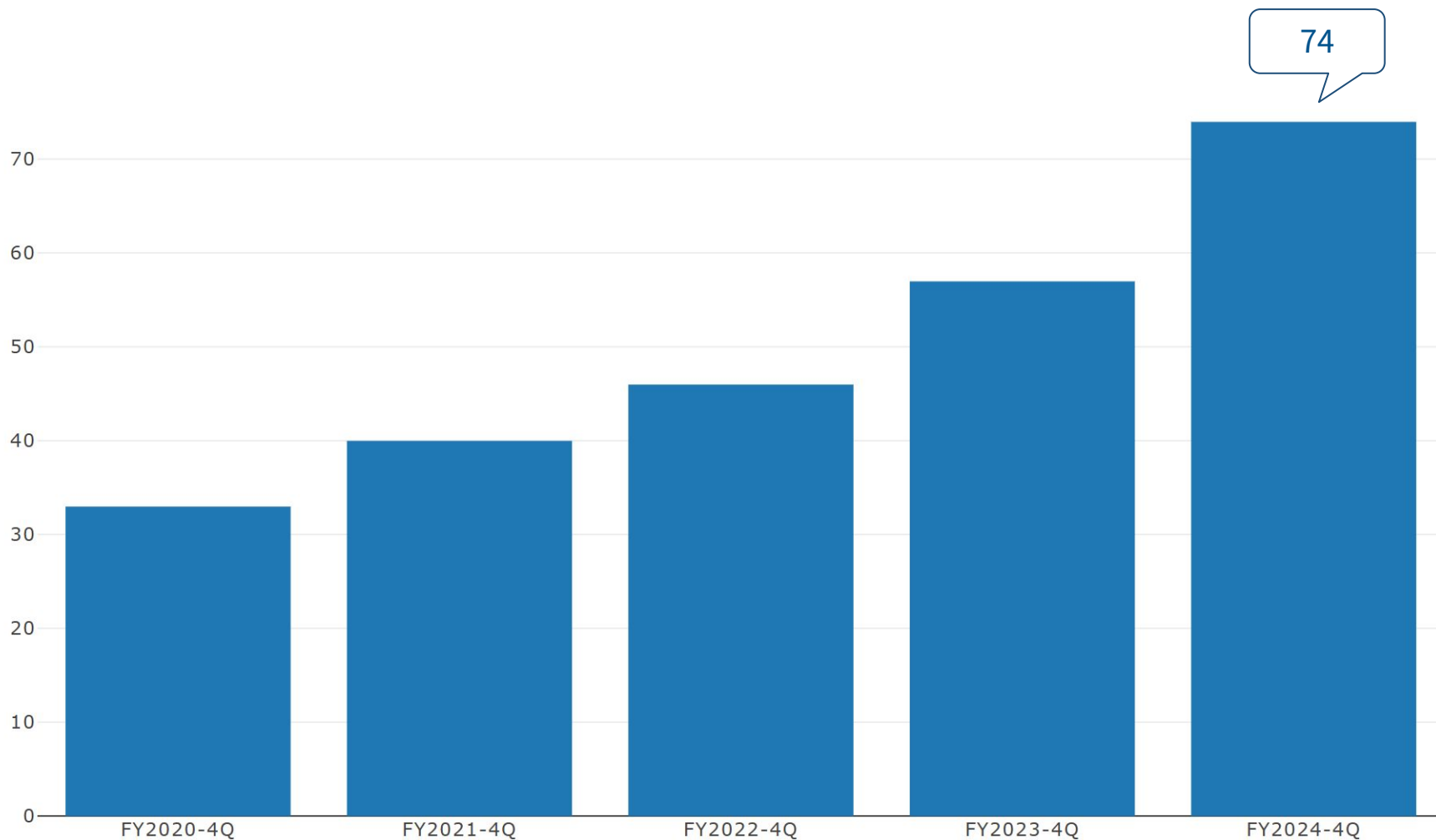
The price revision of Toyokumo kintoneApp caused the average unit price to rise significantly as of the end of December 2024.

The number of contracts has continued to increase due to measures to enhance marketing and sales productivity.



*Figures provided on this page are on a non-consolidated basis (Toyokumo, Inc.).

Number of Employees



from FY2024 Consolidated
from FY2020 to FY 2023 non-consolidated: 70

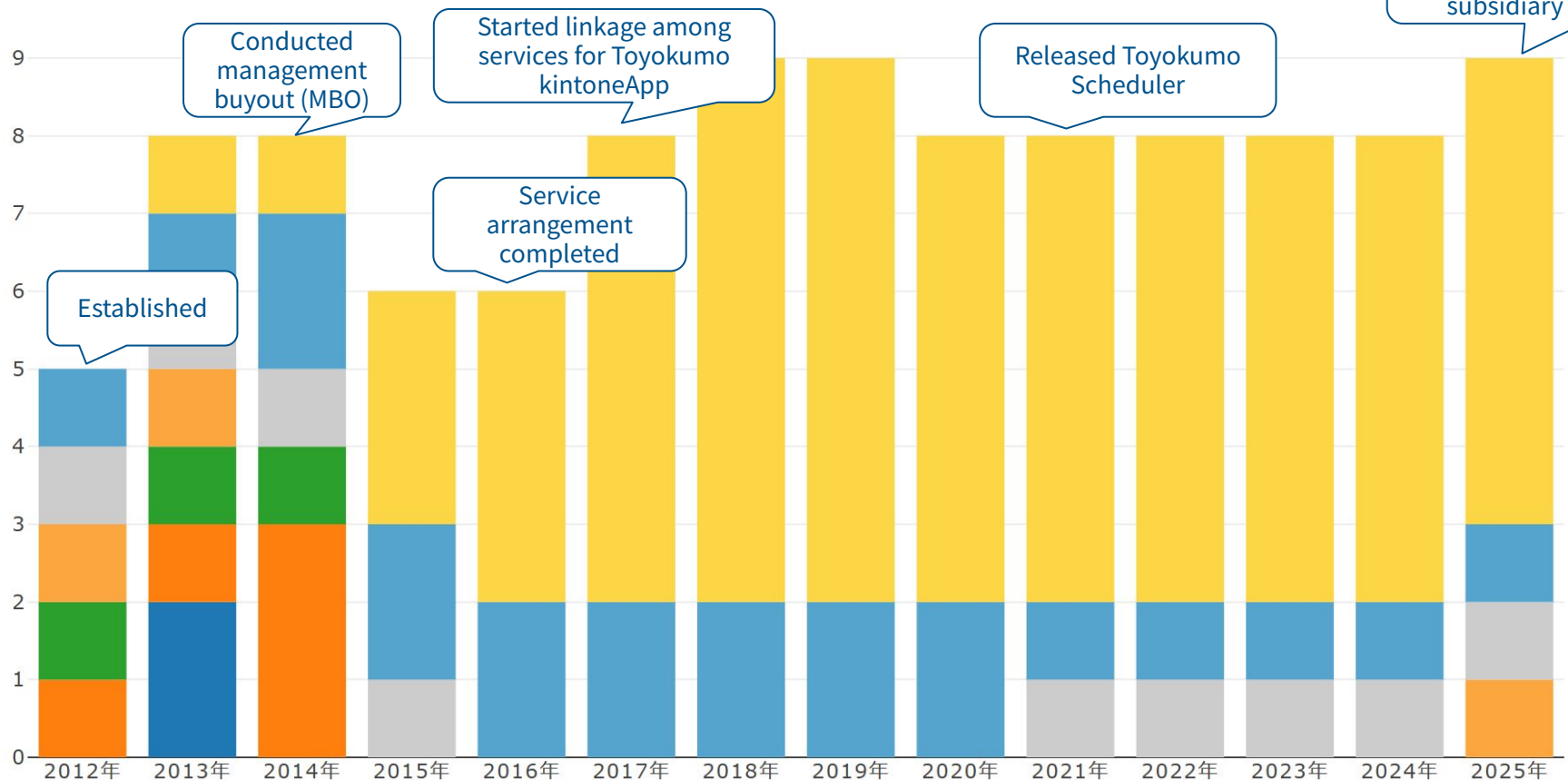
Number of Our Main Service Offerings

As of the end of 2024, we provide 3 types of services in 8 formats.

- Toyokumo's Safety Confirmation Service II
- Toyokumo kintoneApp (6 formats)
- Toyokumo Scheduler

Increased to 4 types in 9 formats in 2025 due to the addition of Project Mode, Inc. (PM).

Added NotePM
as PM became a
subsidiary



6. Significant Risks

① Responding to technological innovations

- Major risks
 - Competitiveness of Toyokumo's services decline due to slow responses to technological innovations.
- Likelihood of risk occurrence
 - Probability of it manifesting is not high.
- Countermeasures against risks
 - Work to acquire new technologies and services by constantly developing engineers.

② System failure and suspension of services

- Major risks
 - There is a possibility that the systems we use may fail due to large-scale natural disasters or other reasons, making our services unavailable to users.
- Likelihood of risk occurrence
 - Small-scale failures could occur at any time.
- Countermeasures against risks
 - Make efforts to minimize damage in the event of a failure by balancing server load, making backups, and monitoring server operation status.

③ Competing companies

- Major risks
 - Competition intensifies and Toyokumo loses its superiority.
- Likelihood of risk occurrence
 - Probability of it manifesting is not high.
- Countermeasures against risks
 - Strive to ensure Toyokumo's superiority by focusing on efficient business operations and developing services that are intuitive and useful for daily activities.

④ Dependence on specific services

- Major risks
 - Toyokumo kintoneApp that Toyokumo provides depends on “kintone” provided by Cybozu, Inc., and increased competition for the service and other factors may impact Toyokumo's financial results.
- Likelihood of risk occurrence
 - Probability of it manifesting is not high.
- Countermeasures against risks
 - Increase sales of the safety confirmation service and develop new services so that financial results will not excessively depend on Toyokumo kintoneApp.

⑤ Contracts with specific business partners

- Major risks
 - If the contract based on the official partner network agreement with Cybozu, Inc. is terminated, Toyokumo's financial results may be affected.
- Likelihood of risk occurrence
 - Probability of it manifesting is extremely low.
- Countermeasures against risks
 - Toyokumo's policy is to continue establishing a good relationship with Cybozu, Inc.

⑥ Information management system

- Major risks
 - Important information assets leak to outside parties, resulting in loss of social credibility, claims for damages, etc.
- Likelihood of risk occurrence
 - Probability of it manifesting always exists.
- Countermeasures against risks
 - Toyokumo strives to manage and protect its information assets in accordance with the basic policy for information security it has established and the information management system (ISO/IEC 27001) it has acquired.

The significant risks outlined herein represent matters that the Company considers particularly important for investors' decision-making and are disclosed proactively to enhance transparency. However, these do not constitute an exhaustive list of all risks associated with investing in Toyokumo shares. For a comprehensive understanding of significant risks beyond those mentioned in this section, please refer to this document as well as the "Business and Other Risks" section of the securities report.