

Financial Materials for FY2024 (Our Business Plans and Growth Opportunities)

CYBER SECURITY CLOUD

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Growth industry



Provides cloud products to defend from hackers.

Industry Leader



#1 in Japan market share for core product.

High ARR growth rate



Approximately 20% growth in ARR YoY.

Global achievements



Business operation in over 100 countries around the world.

I Overview of the Financial Results for FY2024

Revenue (Full-year)

P6

3.85 billion yen

YoY +26.0%

ARR (Annual Recurring Revenue)

P7

4.09 billion yen

YoY +24.6%

Operating income (Full-year)


P6

0.77 billion yen

YoY +40.7%

Churn rate

P8

 攻撃遮断くん
(Shadankun)

1.10%

Waf Charm

0.83%

Overview of Results

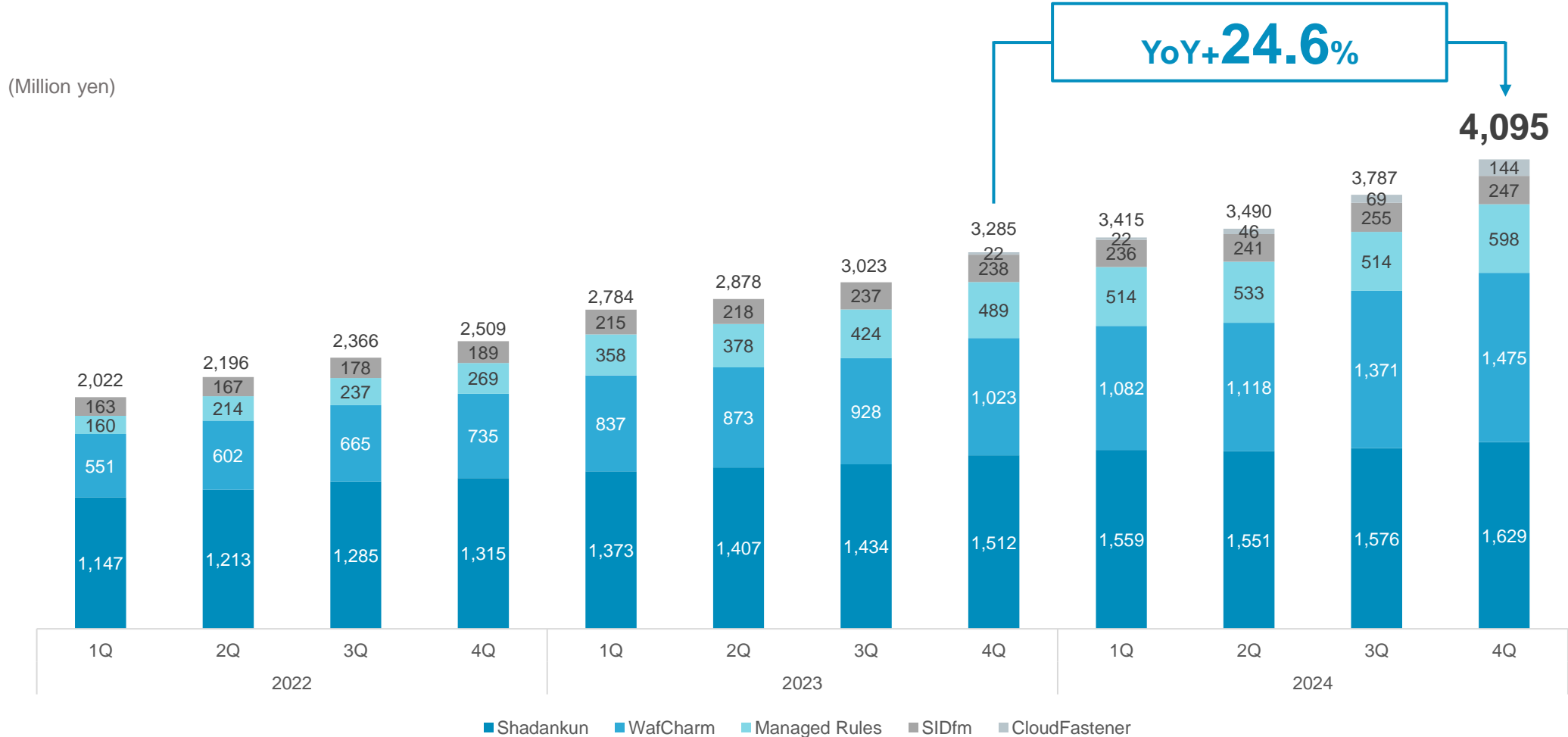


- Revenue increased by 26.0% year-over-year, while operating profit grew by 40.7%. The results exceeded the revised consolidated earnings forecast disclosed in November 2024.
- The full-year operating profit margin surpassed 20%, marking the highest level since CSC’s listing. CSC continues to grow while maintaining stable profitability.

	(Consolidated) FY2023 Full Year	(Consolidated) FY2024 Full Year	YoY	(Consolidated) Forecasts for FY 2024	Achievement Rate
(Million yen)					
Revenue	3,060	3,857	26.0%	3,800	101.5%
Gross Profit	2,135	2,520	18.0%	—	—
Operating Income	549	773	40.7%	700	110.5%
Operating Income Margin (%)	18.0%	20.1%	+2.1pt	18.4%	—
Ordinary Income	559	832	48.8%	700	119.0%
Net Income Attributable to Owners of the parent	427	575	34.6%	471	122.1%

Variation in ARR

- The highest-ever quarterly new order value was recorded, driving ARR to a year-over-year increase of 24.6%.
- The price revision of WafCharm* and new customer acquisitions for CloudFastener were major contributors.



*For customers who signed a contract before May 31, 2023, the price revision was conducted in August 2024.

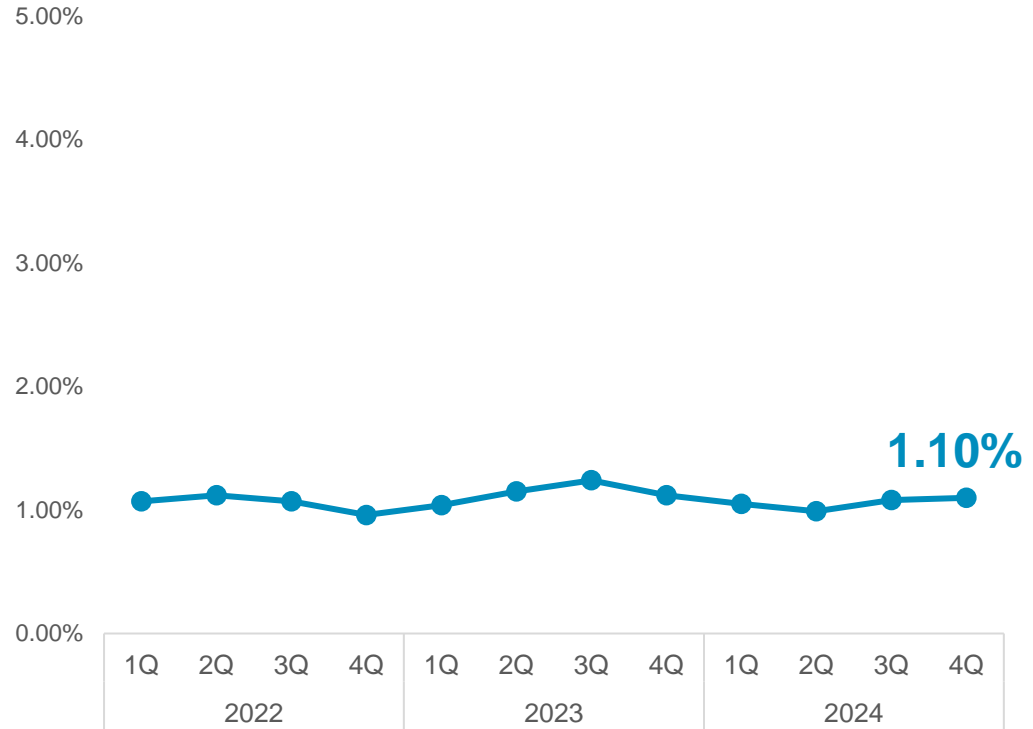
ARR: Annual Recurring Revenue. It is calculated by multiplying the MRR at the end of the month concerned by 12 to convert it to an annual amount. MRR stands for Monthly Recurring Revenue in a subscription-based model and is the sum of the monthly recurring revenues from existing customers.

Churn rates of Shadankun and WafCharm

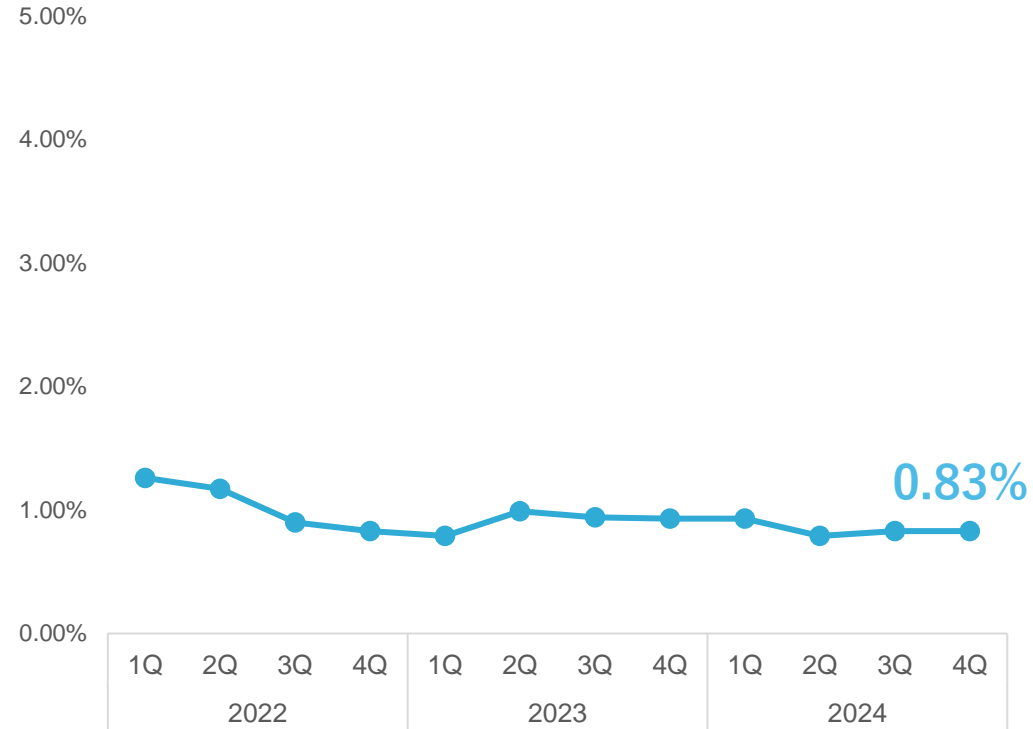


- The churn rates of the two products have been stable with no significant fluctuations.

Churn rate of Shadankun *1



WafCharm churn rate *2

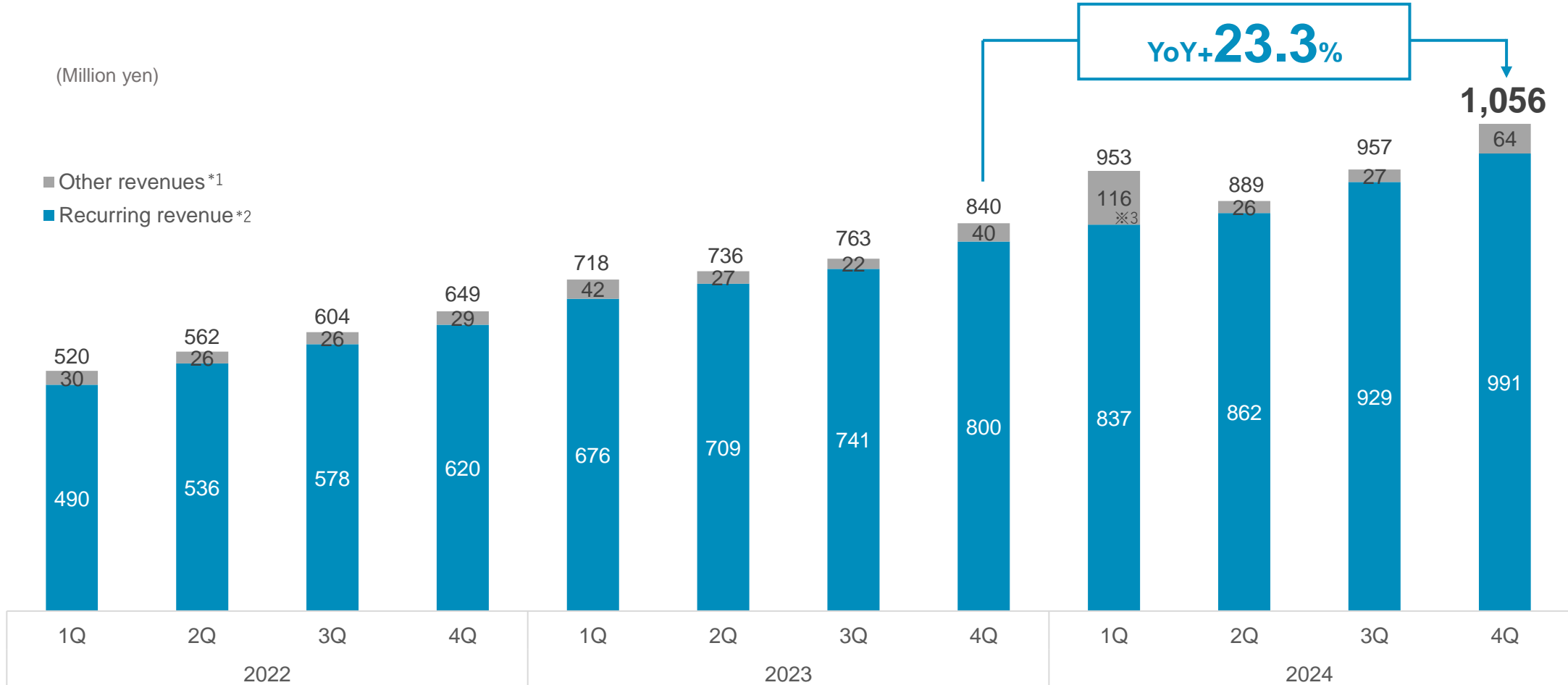


*1 Produced based on the average MRR churn rate of each product in the last 12 months. MRR churn rate is calculated by dividing the MRR lost in the month concerned by the MRR as of the end of the previous month.

*2 Produced based on monthly average churn rate (Number of users who stopped paying fees during the month ÷ Number of fee-paying users at the end of the previous month)

Variation in Revenue

- As a result of a significant increase in recurring revenue, quarterly revenue surpassed 1 billion yen.
- In addition, US dollar sourced revenue for the fiscal year ending December 2024 reached approximately \$3.82 million (a year-over-year increase of 33.4%), with the depreciation of yen further contributing to revenue growth.



*1 Total revenue, including the initial installation costs for Shadankun and spot contracts for vulnerability diagnosis, etc.

*2 Sum of MRRs of Shadankun, WafCharm, Managed Rules, SIDfm, and CloudFastener.

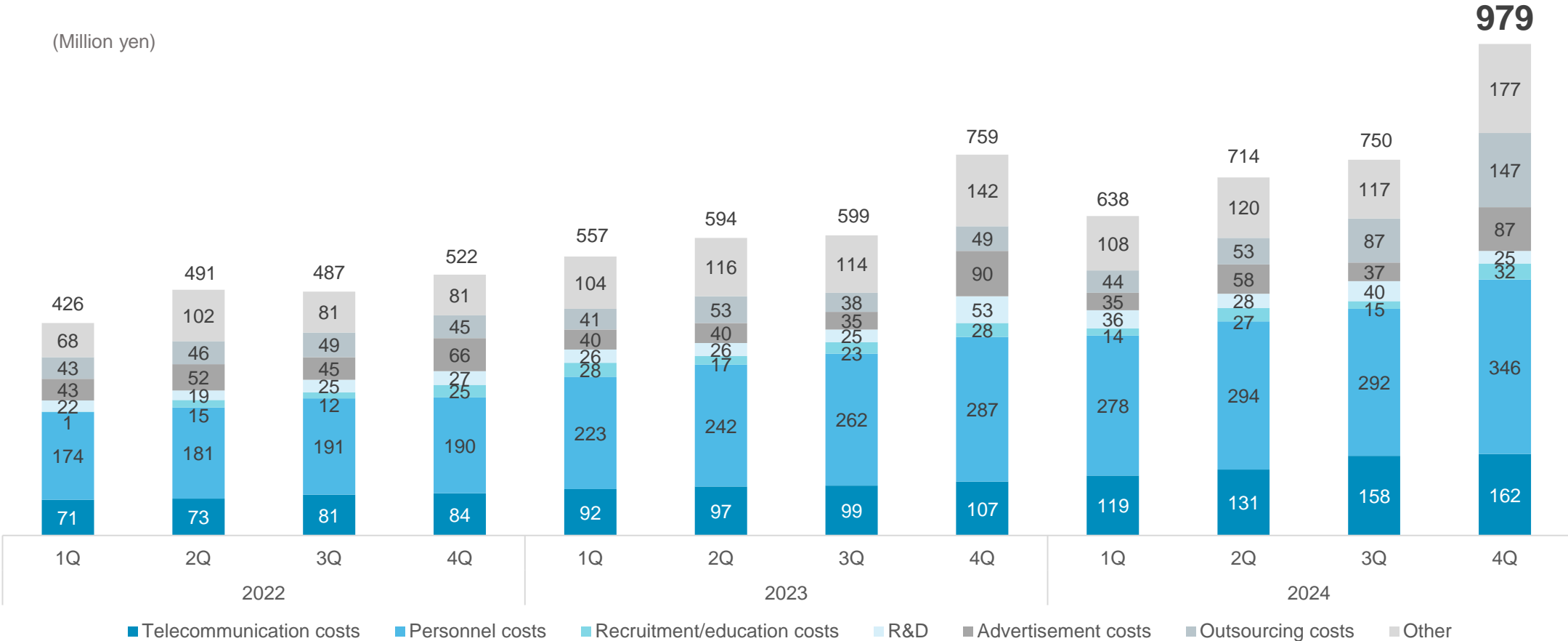
*3 Including a revenue of about 70 million yen from government cloud projects entrusted by the Digital Agency

Operating Costs (Cost of Revenue and SG&A)



- Personnel costs increased due to steady workforce expansion and the payment of performance bonuses. Additionally, CSC made upfront investments in office space to accommodate future growth.
- Advertising costs also rose due to our participation in AWS re:Invent 2024.

(Million yen)

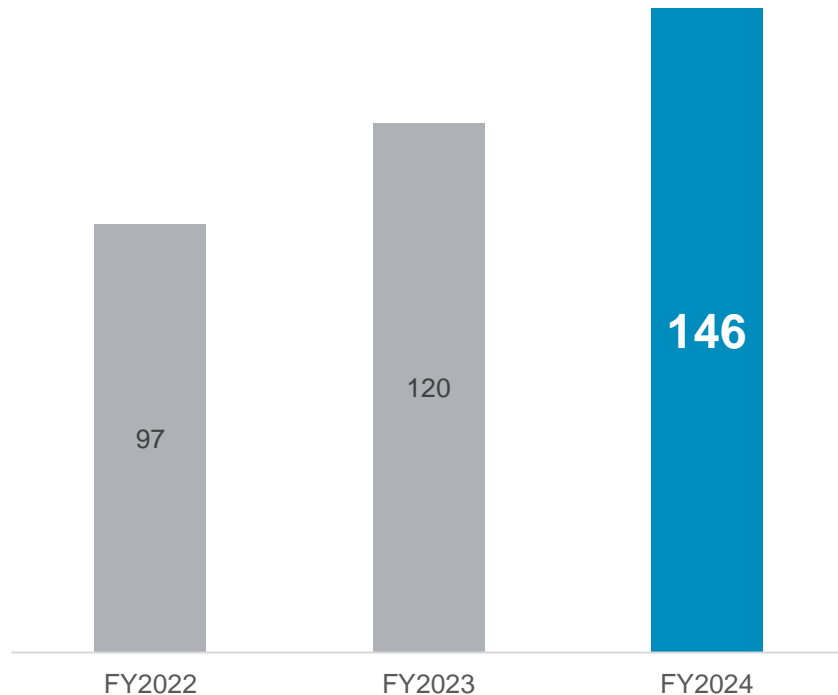


Employees who Support the Growth of Cyber Security Cloud

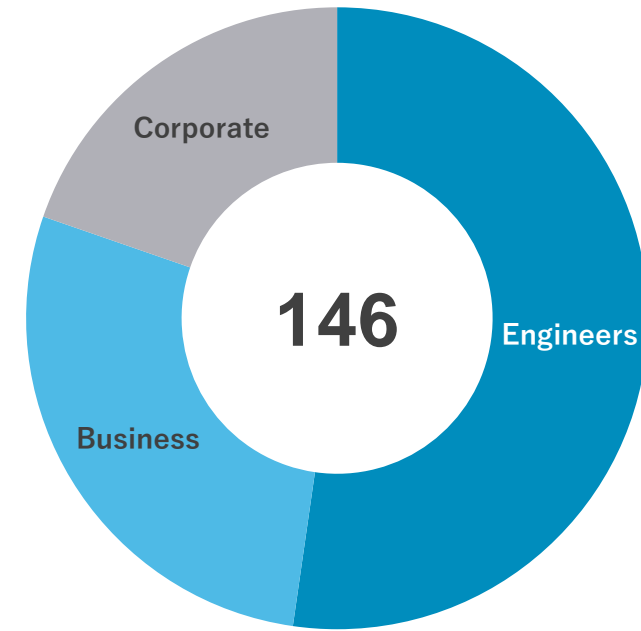
- With the establishment of Generative Technology Inc. in Q4, CSC saw an increase of 26 employees year-over-year.
- Looking ahead, CSC anticipates the arrival of our second cohort of new graduate hires in April 2025. Alongside experienced mid-career professionals, CSC aims for further growth and expansion.

Number of Employees*

(Employees)



Personnel Composition as of the End of 2024



*Employees include temporary staff. The total number of employees of Japanese and U.S. corporations is indicated.

Revision of Shareholder Return Policy

- As the final year of our 2025 Growth Strategy, announced in 2021, approaches and we are on track to achieve our financial targets, CSC has decided to revise our shareholder return policy.
- Going forward, CSC will aim for continuous dividend increases while maintaining a balanced approach to growth investments.

Previous Shareholder Return Policy

Our basic policy on dividends has been to maintain a balance between shareholder returns and retained earnings. For the time being, CSC has prioritized retaining earnings. The possibility of dividend payments, as well as their timing, remains undecided.

New Shareholder Return Policy

While maintaining a balance with growth investments, CSC will continue to provide **stable dividends** and aim for **consecutive dividend increases**. Additionally, CSC will consider share buybacks flexibly based on stock price levels.






Dividend of surplus (First dividend payout) – current actual & future forecast

- With the operating profit margin exceeding 20% at the end of the fiscal year ending December 2024 and the company on track to achieve its financial targets under the 2025 growth strategy, CSC has decided to accelerate our first dividend payout.
- For the fiscal year ending December 2025, CSC plans to issue a dividend of 5.0 yen per share.

Record Date	End of FY2023	End of FY2024	End of FY2025
Dividend per share (yen)	0円	3.0 First dividend payout	5.0 Dividend increase (Forecast)
Total dividend amount (million yen)	—	27	45

CSC aims to enhance shareholder returns while maintaining a balanced approach between business growth investments and shareholder returns.

(For reference) Major KPIs of Each Product

		FY2023				FY2024				YoY
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
 (Shadankun)	ARR (million yen)* ₁	1,373	1,407	1,434	1,512	1,559	1,551	1,576	1,629	+7.7%
	No. of client enterprises	1,217	1,237	1,241	1,270	1,292	1,278	1,271	1,297	+2.1%
	Churn rate (%) * ₂	1.04	1.15	1.24	1.12	1.05	0.99	1.08	1.10	-0.02pt
	ARR (million yen)	837	873	928	1,023	1,082	1,118	1,371	1,475	+44.3%
	No. of users	1,089	1,147	1,190	1,230	1,236	1,232	1,271	1,288	+4.7%
	Churn rate (%) * ₃	0.79	0.99	0.94	0.93	0.93	0.79	0.83	0.83	-0.10pt
	ARR (million yen)	358	378	424	489	514	533	514	598	+22.3%
	No. of users	3,273	3,377	3,476	3,593	3,639	3,716	3,793	3,841	+6.9%
	ARR (million yen)	215	218	237	238	236	241	255	247	+4.0%
	No. of users	176	179	186	187	200	204	215	217	+16.0%
	ARR (million yen)	-	-	-	22	22	46	69	144	+531.9%
Total	ARR (million yen)	2,784	2,878	3,023	3,285	3,415	3,490	3,787	4,095	+24.6%

*1 Calculated by multiplying the MRR at the end of the month concerned by 12 to convert it to an annual amount.

MRR stands for Monthly Recurring Revenue in the subscription model and means the total monthly recurring revenue from existing customers.

*2 Calculated from the average MRR churn rate in the latest 12 months. MRR churn rate means the virtual churn rate obtained by dividing the MRR lost in the month concerned by the MRR at the end of the previous month.

*3 Based on the average monthly churn rate of the number of users. Number of users who stopped paying fees during the month ÷ Number of fee-paying users at the end of the previous month.

(For reference) Statement of Income

(million yen)	FY2022				FY2023				FY2024			
	Consolidated 1Q	Stand-alone 2Q	Stand-alone 3Q	Stand-alone 4Q	Consolidated 1Q	Consolidated 2Q	Consolidated 3Q	Consolidated 4Q	Consolidated 1Q	Consolidated 2Q	Consolidated 3Q	Consolidated 4Q
Revenue	523	563	604	649	719	736	764	840	953	889	957	1,056
Cost of Revenue	154	161	183	187	227	219	232	245	263	294	346	433
Gross Profit	369	401	421	462	491	516	531	595	690	595	611	623
Gross Profit Margin	71.4%	71.3%	69.6%	71.4%	68.3%	70.2%	69.5%	70.9%	72.4%	66.9%	63.9%	59.0%
SG&A	272	329	304	334	329	374	366	514	375	420	404	546
Operating Income	97	71	117	127	162	142	164	80	315	174	207	76
Operating Income Margin	18.6%	12.7%	19.4%	19.6%	22.6%	19.3%	21.5%	9.6%	33.1%	19.6%	21.7%	7.2%
Ordinary Income	100	53	146	119	162	159	175	62	342	206	149	134
Net Income Attributable to Owners of the parent	72	59	84	88	110	109	120	86	235	137	98	103

(For reference) Balance Sheet and Statement of Cash Flows

(million yen)	FY2022	FY2023	FY2024
	Stand-alone	Consolidated	Consolidated
Current Assets	1,621	2,146	2,212
Fixed Assets	536	634	804
Total Assets	2,157	2,781	3,016
Current Liabilities	663	866	1,020
Fixed Liabilities	184	91	290
Total Liabilities	848	958	1,310
Net Assets	1,309	1,822	1,706
Total Liabilities and Net Assets	2,157	2,781	3,016

(million yen)	FY2023	FY2024
	Consolidated	Consolidated
Cash Flow From Operating Activities	578	633
Cash Flow From Investing Activities	-106	-175
Cash Flow From Financing Activities	-93	-595
Net Increase (Decrease) In Cash and Cash Equivalents	390	-87
Cash and Cash Equivalents at the Beginning of period	1,330	1,754
Increase in Cash and Cash Equivalents Resulting From New Consolidation	34	-
Cash and Cash Equivalents at the End of period	1,754	1,667

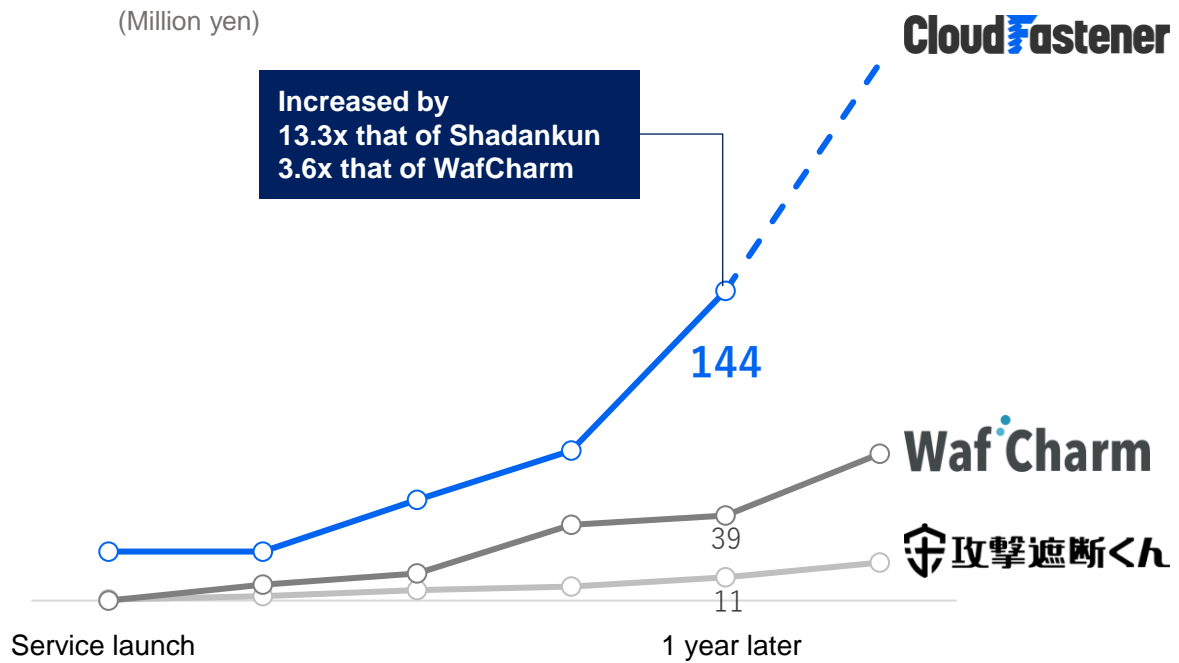
II Topics in FY2024



CloudFastener has been experiencing rapid growth since its launch

- Growth of CloudFastener is accelerating, reaching an ARR of 144 million yen one year after launch (13.3 times that of Shadankun and 3.6 times that of WafCharm).
- In addition to sales targeting primarily existing customers of Shadankun and WafCharm, CSC plans to invest further in 2025 to expand our customer base and acquire new clients.

Variation in ARR of each product just after its release



FY2024

Sales are conducted primarily through the direct sales channel, focusing on cross-selling to existing customers.



FY2025

Enhancing brand awareness through large-scale marketing and strengthening sales efforts by leveraging distribution partners (as detailed on P19–20).

Large-scale Investment in Digital Marketing for CloudFastener

- Starting in February 2025, CSC will launch a large-scale web marketing campaign to accelerate CloudFastener's growth.
- Continue cross-selling to existing customers while strengthening our approach to new customers with cloud security challenges.



Our goal is to expand awareness among executives, engineers, and potential users interested in cloud security.

New partnership established in the U.S. and acquisition of CloudFastener's first global user



- CSC has signed our first global sales partnership agreement for CloudFastener with CStream, Inc.
- This partnership with CStream, Inc. has led to the decision to introduce CloudFastener at FinMed Corp., a healthcare IT company.

Enter a sales partnership agreement for CloudFastener



- Profound knowledge of AWS security
- In the cloud environment, we offer development and operation services in a secure manner.



Collaboration & Mutual Customer Referral



- Established by former employees of AWS
- Provision of services that comply with strict regulations in the U.S.

Acquisition of the 1st global user of CloudFastener



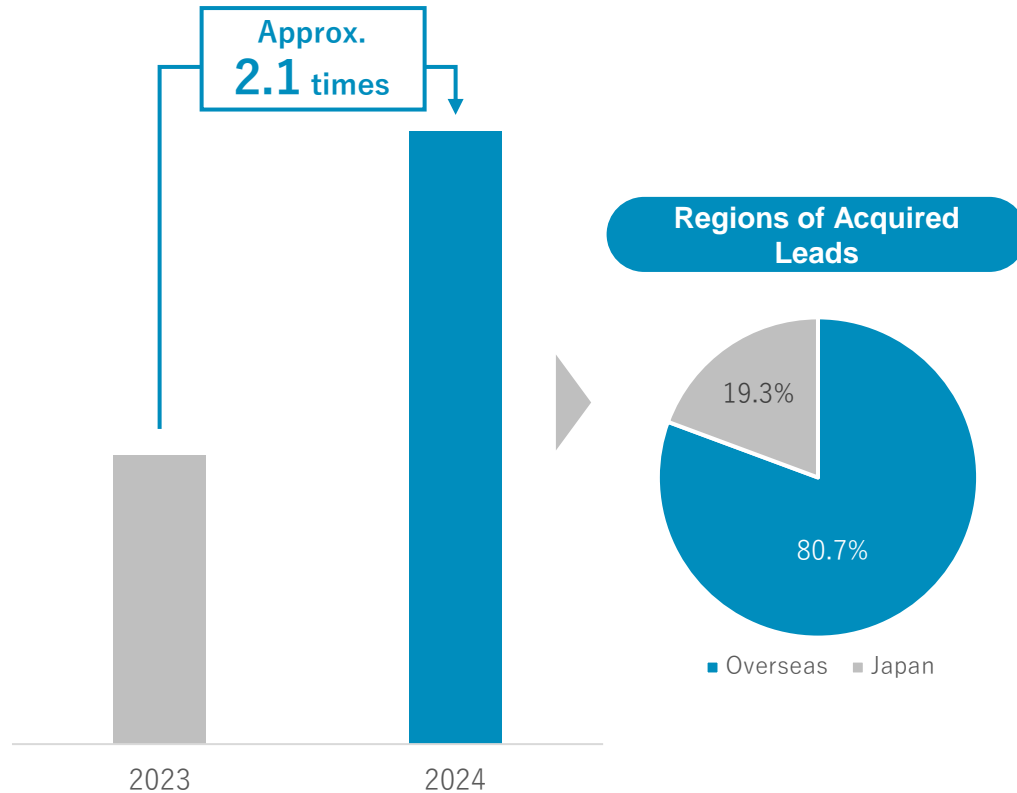
FinMed provides services that support workflow efficiency and revenue optimization for healthcare institutions. Having already been a WafCharm user, they have decided to adopt CloudFastener to strengthen security in compliance with regulatory requirements. Billing is scheduled to begin in Q1 2025.

Accelerating customer acquisition through partnerships

Exhibition at "AWS re:Invent 2024" in Las Vegas for the second consecutive year

- As the only Japanese software vendor with a booth, CSC acquired more than twice the leads compared to the previous year.
- Additionally, CSC achieved 2nd place in AWS GameDay*, proving our world-class technical capabilities.

Achievements at AWS re:Invent 2024



Achieved 2nd place worldwide

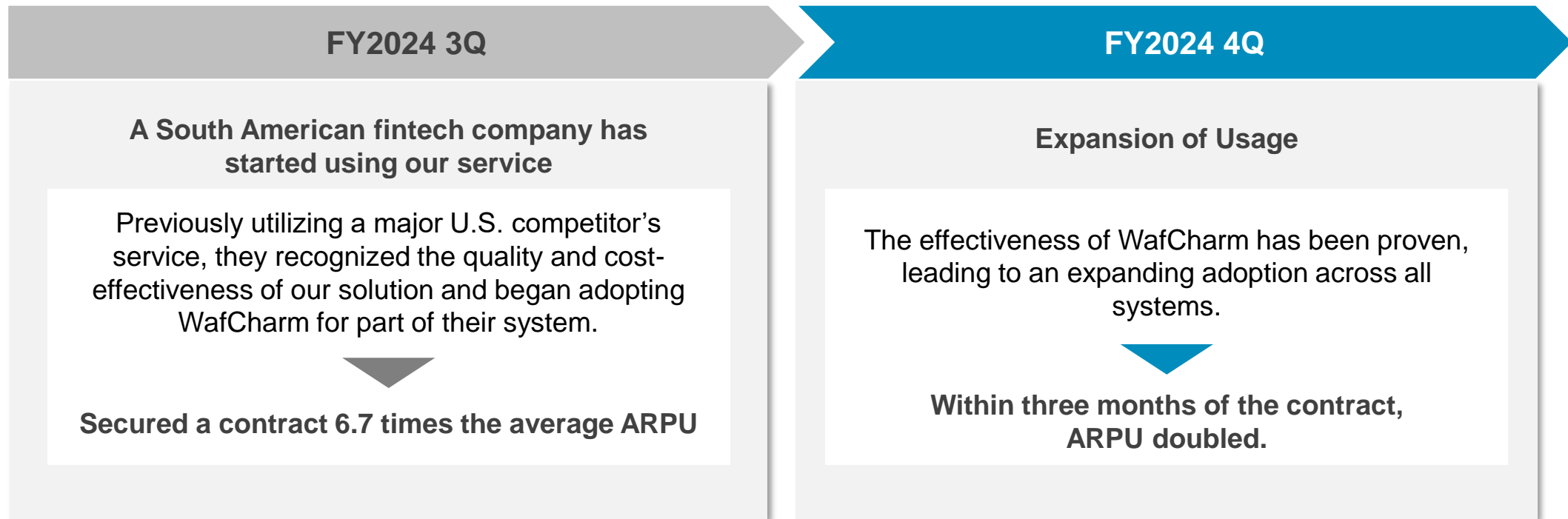


Participated in AWS GameDay, an event focused on quickly and accurately resolving issues caused by DDoS attacks.

* Game-based learning event for solving technological problems in the real world by utilizing AWS solutions

A global user acquired at an overseas event has grown into the largest customer for WafCharm

- A South American fintech company, acquired at an AWS conference in the U.S. in June 2024, grew to become the highest-paying user within approximately six months.
- Successfully replaced a global WAF competitor, strengthening our approach to companies facing similar challenges.



The company has received high praise from a major MSP* in the country responsible for system operations and is currently discussing further sales collaboration within the region.

*Managed service providers (MSPs) offer services of operating, maintaining, and monitoring clients' systems, such as computers and networks.

Acquisition of DataSign Inc. (100% Subsidiary)

- A resolution has been made to acquire all shares of DataSign Inc., a company specializing in the privacy sector, for a total of 450 million yen.
- By consistently providing security and privacy solutions, CSC aims to enhance corporate transparency in privacy protection and strengthen governance.

Company Name	DataSign Inc.
Executives	President & CEO: Yuichi Ota
Establishment	September 2016
Capital	86 million yen
Main Business Activities	• Consent Management Tool "webtru" • Privacy Protection App "Bunsin" • R&D Business
Acquisition Date	28 th Feb 2025 (Scheduled)



President & CEO
Yuichi Ota



【Career】

- Executive Director, MyData Japan (General Incorporated Association)
- Member, Trusted Web Promotion Council, Digital Agency
- Advisory Board Member, Web3 & Blockchain-based Digital Public Goods Demonstration Project, Ministry of Economy, Trade and Industry (METI)
- Member, Working Group on User Information, Study Group on ICT Service Usage Environment, Ministry of Internal Affairs and Communications (MIC)

Purpose of the Acquisition

1. Addressing Market Needs for Integrated Security and Privacy

- ✓ Responding to the growing demand for integrated security solutions that ensure compliance with data protection regulations.
- ✓ Enhancing corporate data privacy protection to support greater transparency and strengthened governance.

2. Strengthening Competitive Advantage Through Technology Integration

- ✓ Enhancing website security by incorporating visitor privacy protection technologies, providing both safety and increased peace of mind.
- ✓ In the MSS business (CloudFastener), offering best practices in security and privacy to clients.

3. Expanding Revenue Opportunities in a High-Growth Market

- ✓ Securing new and stable revenue streams through SaaS-based services in the rapidly growing Privacy Tech market.
- ✓ Collaborating with Mr. Ota, an expert in data privacy, to drive the development of secure and efficient data utilization services.

III Growth Strategy FY2022 to 2025 and Financial Forecast for FY2025



Provide reliable services around the world as a global security software maker from Japan



To become **the leading security company in Japan in the field of web security.**

**Partial Revision*



Financial targets are **revenue of 5 billion yen and an operating income of 1 billion yen.**

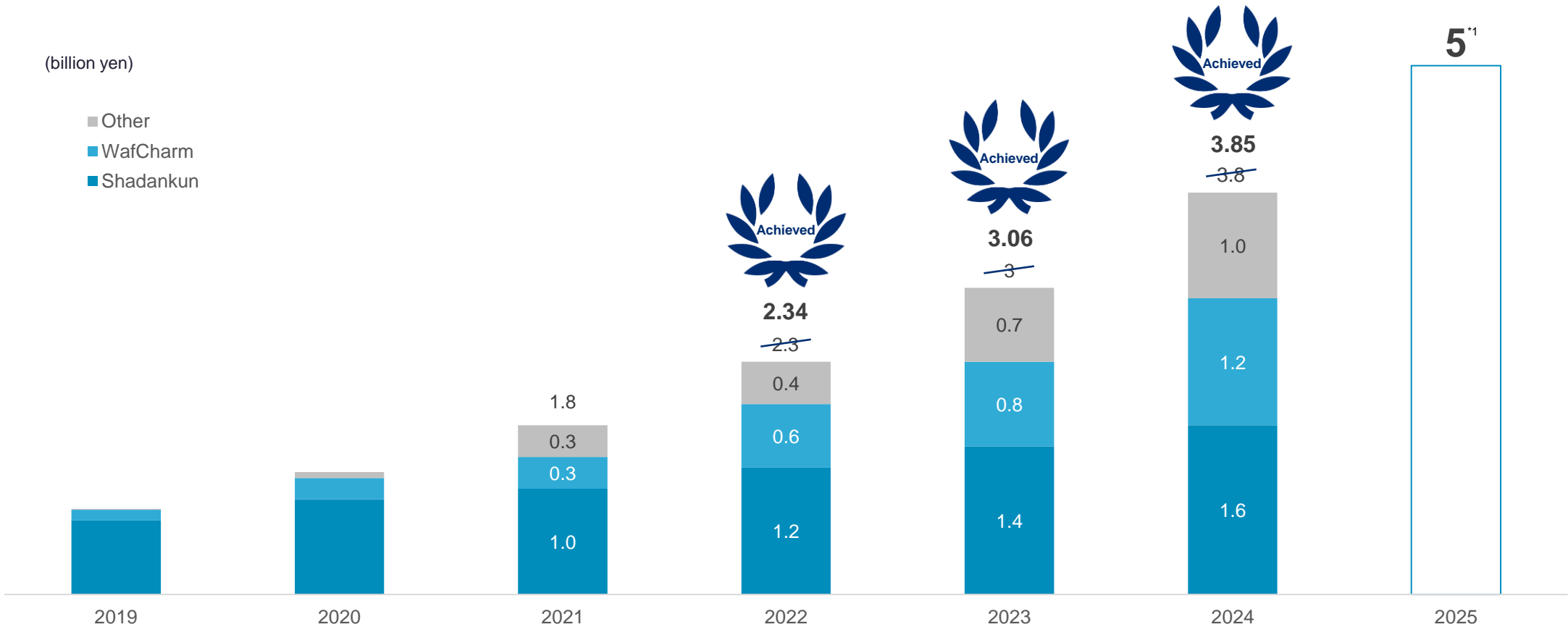


To accelerate global expansion and **increase overseas sales ratio to 10%**

** Focus on sales activities that prioritize ARPU rather than simply increasing the number of clients.*

Financial target (1) Achievement of sales of 5 billion yen

- Targeting top domestic companies in the 'Web Security' field, CSC aims for a sales revenue of 5 billion yen
- CSC aims to achieve an overseas sales ratio of over 10% by not only leveraging WafCharm but also capitalizing on the strong performance of Managed Rules and the introduction of our new service, CloudFastener



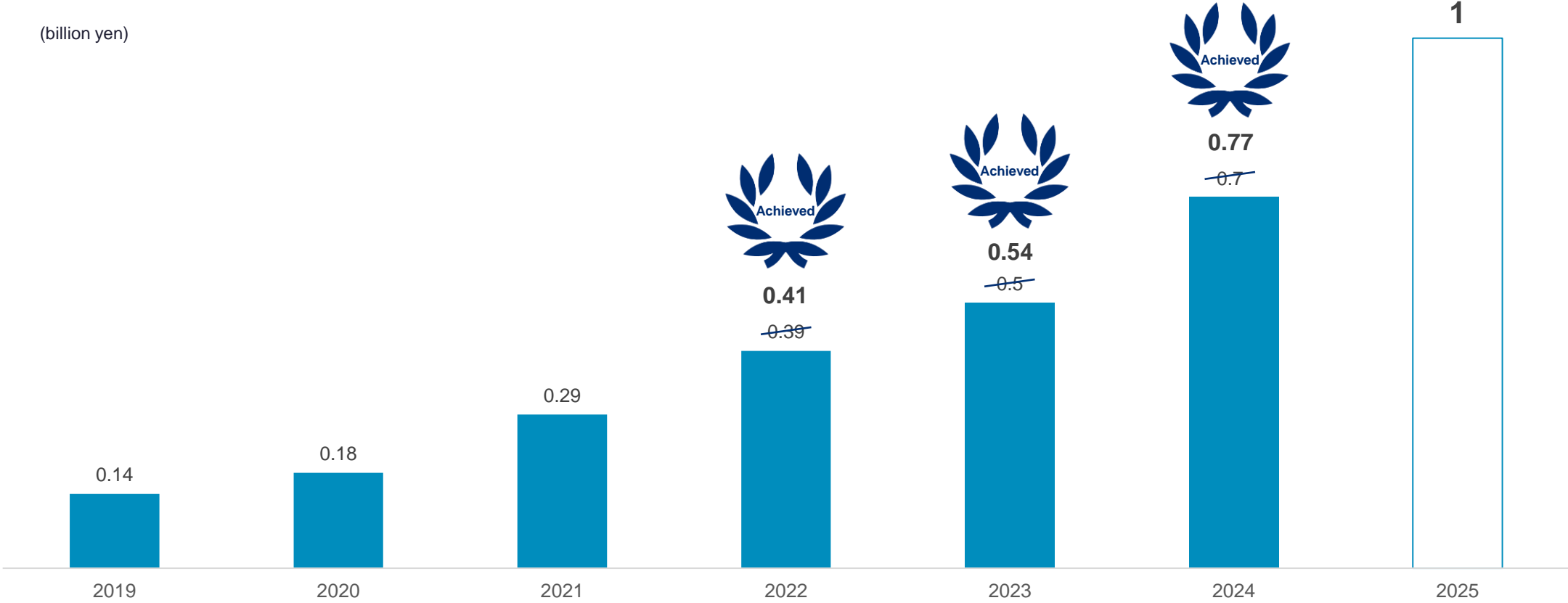
*1 Until the fiscal year ending December 2023, CSC had set a target of over 0.5 billion yen in overseas sales for WafCharm. However, considering the recent growth rate of Managed Rules and the release of CloudFastener, CSC has shifted strategy to target over 0.5 billion yen in overseas sales to AWS-related services^{*2}

*2 Based on the achievements up to 2024, CSC has revised the target for 2025, aiming for a total revenue of 5 billion yen.

Financial target (2) Operating income of 1 billion yen in 2025



- CSC plans to execute aggressive marketing activities to expand recognition both domestically and internationally, with a focus on our new service.
- While making preemptive investments, CSC also aims to continue profit growth and strive to achieve an operating profit of 1 billion yen by FY2025.



- Steadily executing key initiatives to achieve the financial targets for 2025.

Review of Priority Measures

[Priority Measure 1]

Enhancing value delivery to major clients

- ✓ Cross-selling across products has progressed, expanding the value provided through multiple products.
- ✓ Accelerated adoption of CloudFastener led to an ARR of approximately 140 million yen within about a year of its launch.
- ✓ Strengthening the sales structure in the second half of the year resulted in the highest ARR growth.

[Priority Measure 2]

Strengthening global expansion within the AWS ecosystem

- ✓ Participated in four AWS-hosted events in Japan and abroad, enhancing brand awareness.
- ✓ Secured a major WafCharm client—a fintech company in South America.
- ✓ The number of users acquired through AWS Marketplace grew 3.3x year-over-year, with ARR increasing by approximately 4.5x.
- ✓ Established a new office in Singapore to drive business expansion in the APAC region.

[Priority Measure 3]

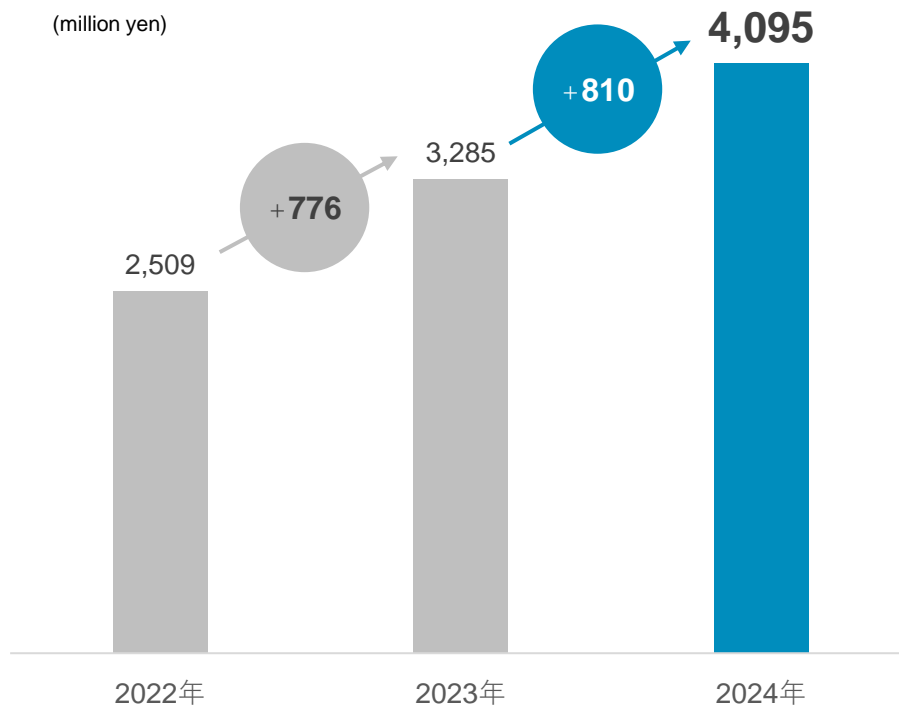
Strengthening the service lineup

- ✓ CloudFastener became compatible with the world's top three cloud platforms.
- ✓ Launched new API-related services, including Sasanka, API diagnostics, and WAAP.
- ✓ Established Generative Technology Inc., expanding our business to include cloud infrastructure support.

Review of FY2024 : [Priority Measure 1] Enhancing value delivery to major clients

- The restructuring of the sales organization in the second half of the year led to the highest-ever increase in new sales order and ARR.
- Signed reseller agreements for CloudFastener with four sales partners, paving the way for user growth beyond 2025.

Achieved the highest-ever ARR growth



CloudFastener adoption by enterprises



Review of 2024 : [Priority Measure 2] Strengthening global expansion within the AWS ecosystem



- Strengthened participation in global conferences to enhance brand recognition within the AWS community.
- CSC has earned numerous certifications in recognition of technical expertise and sales performance, boosting credibility.

	FY2022	FY2023	FY2024
Our actions	<ul style="list-style-type: none"> Released "WafCharm for AWS Marketplace" 	<ul style="list-style-type: none"> Released "CloudFastener" 	<ul style="list-style-type: none"> CloudFastener has been launched in AWS Marketplace
Major Conferences Attended		<ul style="list-style-type: none"> 「AWS Summit Tokyo 2024」 「AWS re:Invent 2023」 	<ul style="list-style-type: none"> 「AWS Summit Los Angeles 2024」 「AWS re:Inforce 2024」 「AWS Summit Japan 2024」 「AWS re:Invent 2024」
Certifications Earned	<ul style="list-style-type: none"> Marketplace Partner of the Year AWS FTR*1 (WafCharm、 Managed Rules) AWS ISV Accelerate program*2 	<ul style="list-style-type: none"> Highest Tier in AWS Partner Path Software Path AWS WAF Ready Program*3 Launch Partner (WafCharm、 Managed Rules) AWS FTR (CloudFastener) 	<ul style="list-style-type: none"> Amazon Security Lake*4 Subscriber Partner Amazon Security Lake Ready*5

*1 A technical review that assesses risks associated with solutions and products of AWS partners running SaaS or packaged software on AWS.

*2 A co-selling program between independent software vendors (ISVs) participating in the program and AWS.

*3 A program that selects partners providing software solutions compatible with AWS WAF, promoting them through marketing initiatives.

*4 A service that centralizes security data from AWS environments, SaaS providers, on-premises systems, cloud sources, and third-party sources into a dedicated data lake stored within an AWS account.

*5 Certification as an AWS partner offering software solutions integrated with Amazon Security Lake.

Review of FY2024 : [Priority Measure 3] Strengthening the service lineup

- Expanded CloudFastener's compatibility to the three major cloud platforms and extended business operations into the API protection domain.
- Established Generative Technology Inc. as a subsidiary in October 2024, launching cloud environment development and support services.

Building systems securely	<p>Secure Product Development and Cloud Environment Deployment Support Services</p>  GENERATIVE TECHNOLOGY 
Securing systems	 攻撃遮断くん 脆弱性診断 CSC Managed Rules for AWS WAF API診断   sasanka 
Operating systems securely	  for AWS for Microsoft Azure  for Google Cloud 

Priority Measures for 2025

- The priority measures remain unchanged, but the action plan will be adjusted.

Action Plans for FY2024

Priority Measure (1)

Enhancing value delivery to major clients

- ✓ Providing high-quality, multifunctional products
- ✓ Strengthening alliances with major clients
- ✓ Reforming our own sales organization



Action Plans for FY2025

- ✓ Large-scale marketing
- ✓ Strengthening alliances with partners
- ✓ Expansion of the sales organization

Priority Measure (2)

Strengthening global expansion within the AWS ecosystem

- ✓ Acquiring AWS certification programs
- ✓ Participating in exhibitions and webinars around the world
- ✓ Enhancing marketing functions centered on sales in the AWS Marketplace



- ✓ Obtaining AWS certification
- ✓ Enhancing marketing capabilities with a focus on sales through AWS Marketplace

Priority Measure (3)

Strengthening the service lineup

- ✓ Enhancing the quality of 'CloudFastener' and introducing new services in the API domain
- ✓ Expanding the lineup in the WAF and vulnerability-related areas

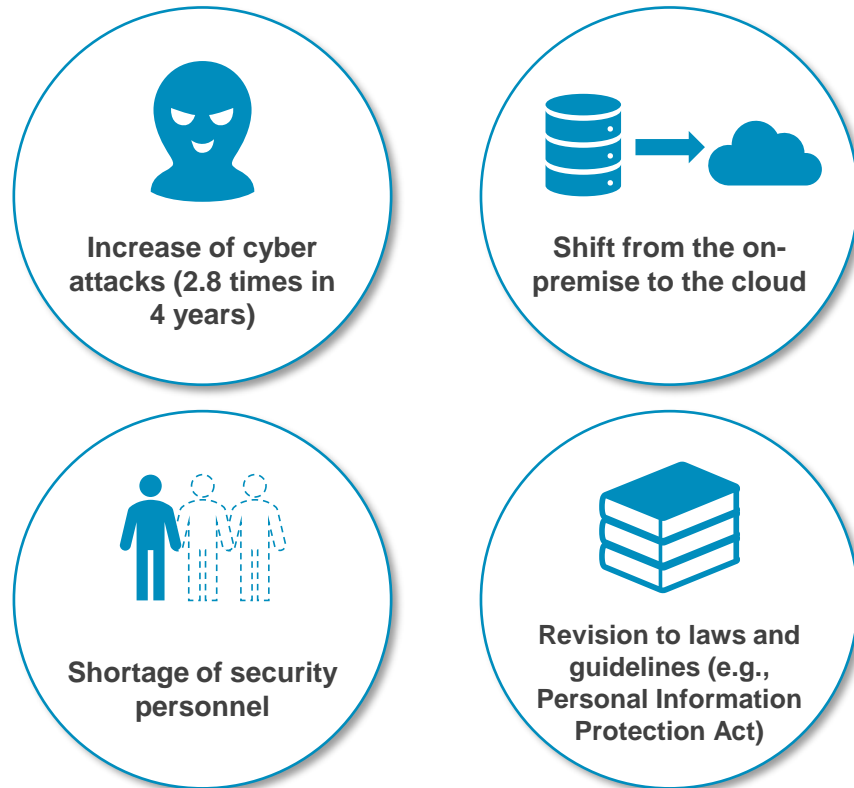


- ✓ Improving the quality of "CloudFastener"
- ✓ Strengthening the development domain

[Priority Measure 1] Enhancing value delivery to major clients

- As cyber attacks become more complex and sophisticated, the scope of monitoring and defense continues to expand, while there is a chronic shortage of security professionals
- To comprehensively solve security challenges, CSC aims to enhance service value that meets the standards demanded by major clients

Security Environment Surrounding Japanese Companies



Three Pillars for Strengthening Value Provision



1. Large-scale marketing

Approaching large enterprise customers through large-scale marketing.



2. Strengthening alliances with partners

Strengthening engagement with major clients through partnerships with companies such as Fujisoft, CTC, and CStream.

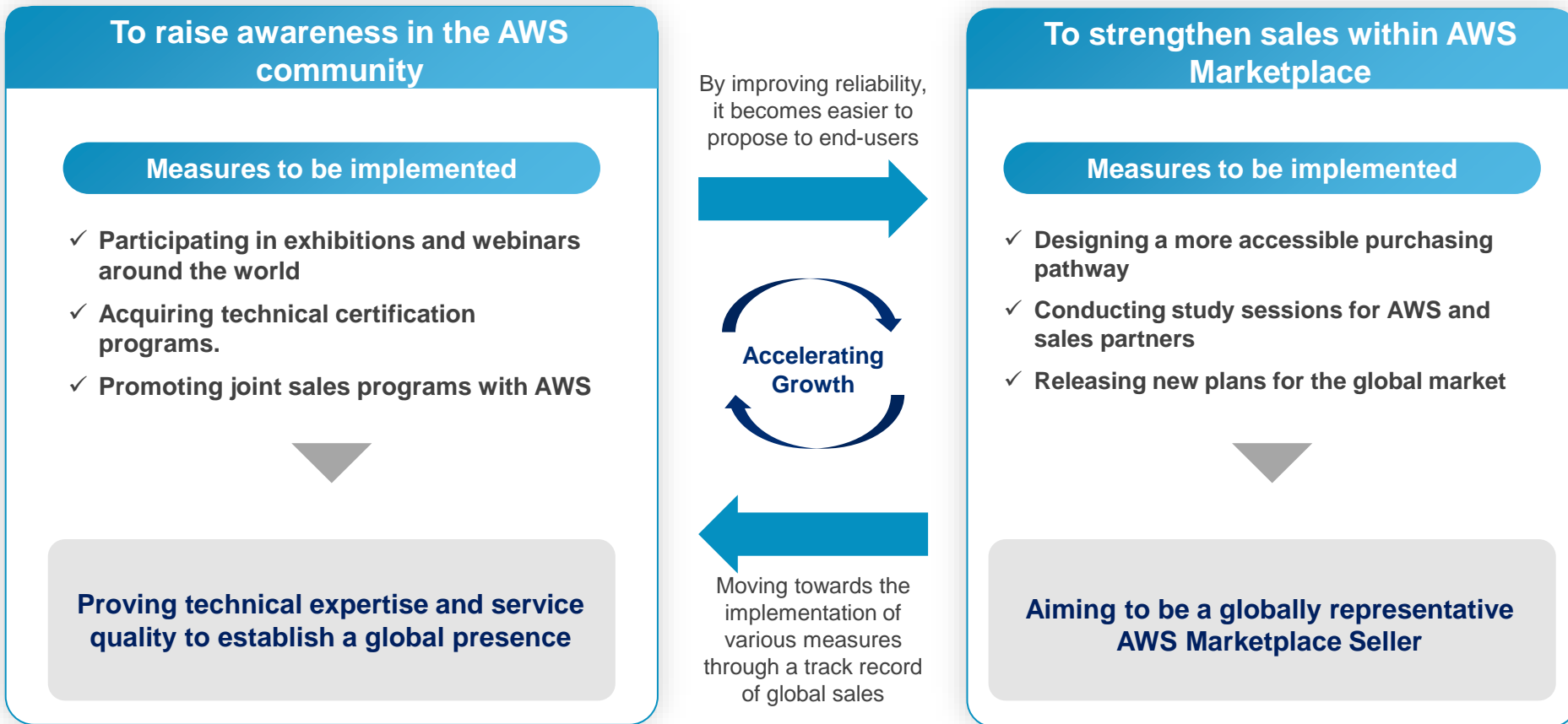


3. Expansion of the sales organization

Building a sales organization capable of executing new sales strategies, focusing on professionals with experience in enterprise sales and the security industry.

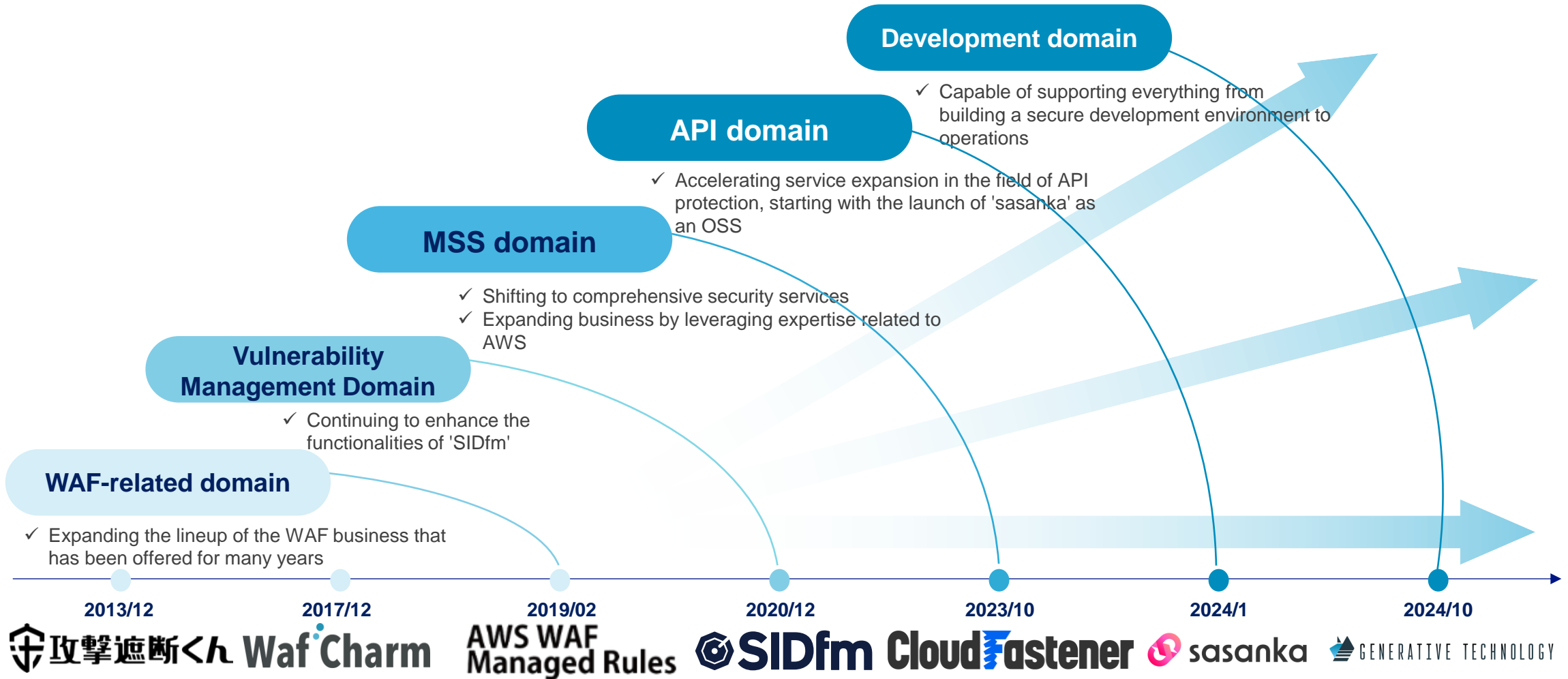
[Priority Measure 2] Strengthening global expansion within the AWS ecosystem

- Accelerating strategic expansion within the AWS ecosystem.
- Enhancing marketing capabilities with a focus on sales through AWS Marketplace.



[Priority Measure 3] Strengthening the service lineup

- Accelerating the enhancement of 'CloudFastener' and the expansion of services in the API domain
- In the area of WAF and vulnerability-related products, CSC aims to expand the lineup and strengthen functionalities



Full-Year Earnings Forecast for the Fiscal Year Ending December 2025

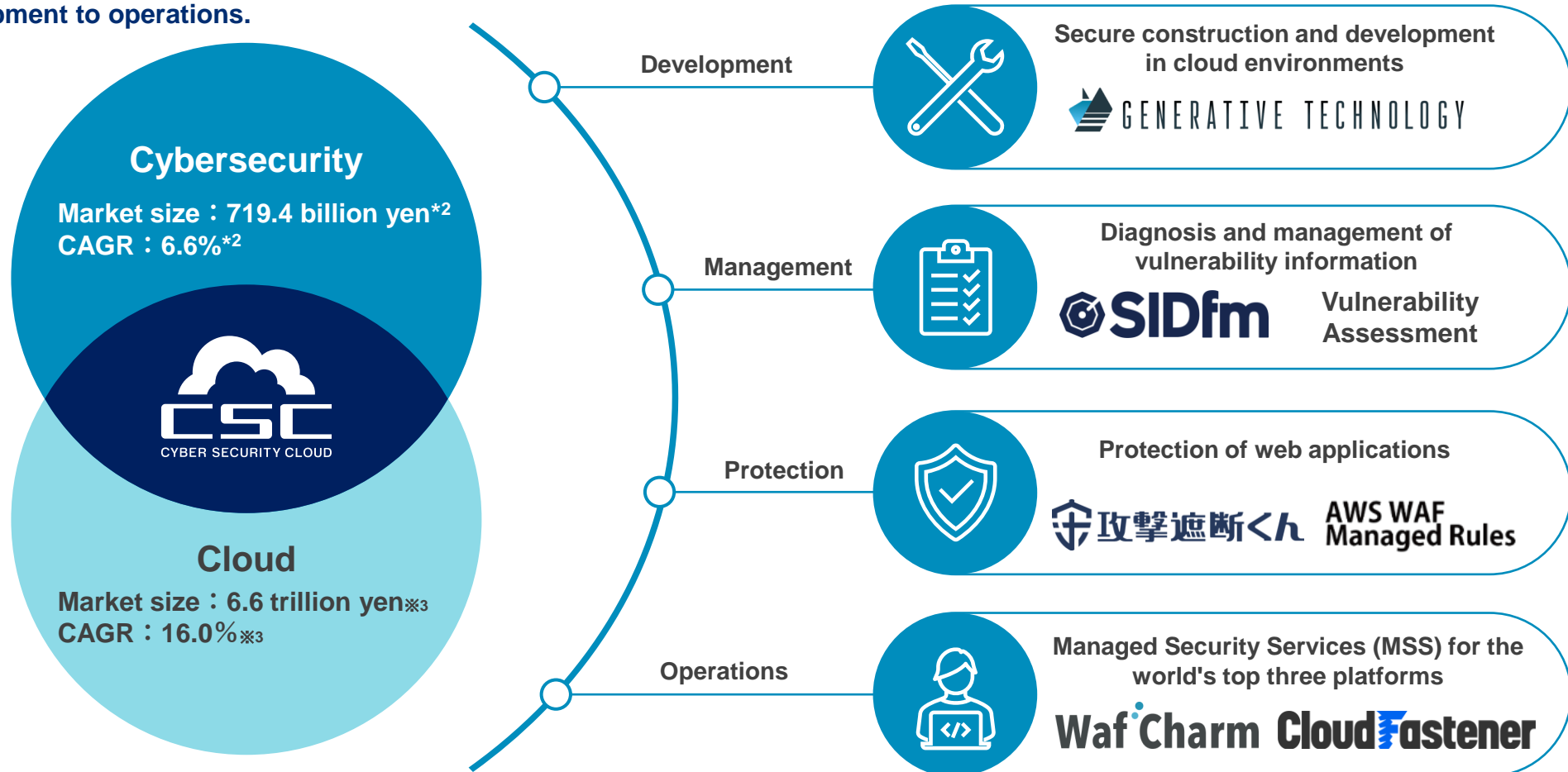


- As the final year of our "Growth Strategy Toward 2025," CSC aims to achieve our initial financial targets of 5 billion yen in revenue and 1 billion yen in operating profit.
- To accelerate the growth of CloudFastener, CSC plans to actively invest in large-scale marketing and participate in major conferences.

(million yen)	(Consolidated) FY2024 Full Year	(Consolidated) FY2025 Forecast	YoY
Revenue	3,857	5,000	+29.6%
Operating profit	773	1,000	+29.3%
Ordinary profit	832	1,000	+20.1%
Net Income Attributable to Owners of the parent	575	693	+20.6%

[Mid-to-Long-Term Strategy] Focus on Cloud × Cybersecurity

- CSC is targeting two high-growth and large-scale markets: the ever-evolving "cloud industry" and the "cybersecurity sector", where there is a shortage of specialized talent.
- Our goal is to become a one-of-a-kind company specializing in this domain by providing an end-to-end solution covering the entire process from cloud system development to operations.



*1 Refers to services such as AWS, Microsoft Azure, and Google Cloud that allow users to access various functions, including software and infrastructure, via the internet.

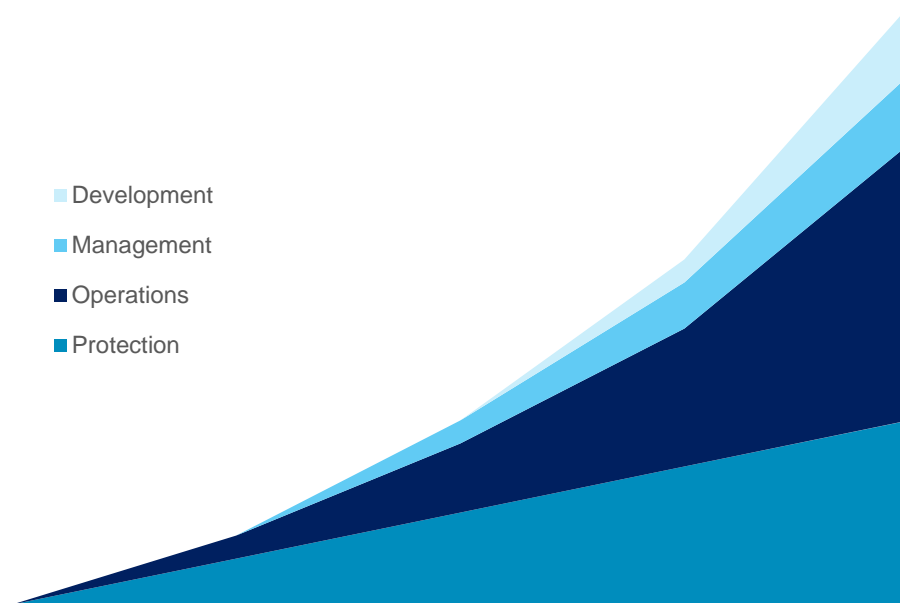
*2 Cybersecurity Market: Market size of the overall network security market in 2024. The CAGR is projected for 2023–2029, according to the "2024 Network Business Comprehensive Survey" by Fuji Chimera Research Institute.

*3 Cloud Market: Market size of the public cloud-related SI market within the domestic SI market in 2024. The CAGR is projected for 2022–2027, based on the "2024 Cloud Computing: Current Status and Future Outlook" by Fuji Chimera Research Institute.

[Mid-to-Long-Term Strategy] Revenue Growth Vision

- CSC aims to grow security operations into the next core pillar of our business, driving ARPU growth and maximizing LTV through cross-selling.
- Our strategy is built on four key pillars: Sales, Product, Community, and M&A, with the goal of achieving disruptive growth.

Future Revenue Growth Vision



- ✓ In addition to our existing solutions, CSC aims to develop security operations into our second core service.
- ✓ Our goal is to establish our position as the No.1 cybersecurity company, capable of providing end-to-end services from cloud system development to operations.

Strategies for Growth

① Sales-Led Growth

- Strengthen approaches to decision-makers
- Improve sales efficiency through enhanced partnerships



② Product-led Growth

- Highlight product value directly by enriching web content
- Strengthen alliances with major corporations for joint development



③ Community-led Growth

- Provide platforms for users to share best practices
- Leverage cloud platform community networks



④ M&A Growth

- Expand the service lineup and acquire new management resources
- Broaden the target scope to include not only products but also system development and operations



IV Market Environment Surrounding Our Company

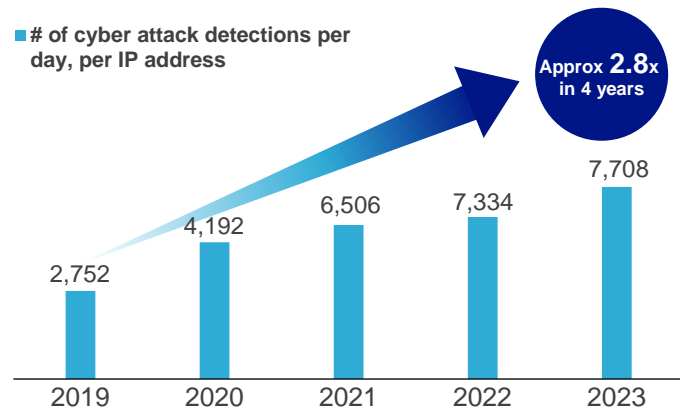
The current state of cybersecurity in Japan

- As cyber attacks become more complex and sophisticated, the scope of monitoring and defense continues to widen, yet there is a chronic shortage of security professionals
- With the advancement of stricter penalties for personal data breaches, companies are required to implement more robust security measures

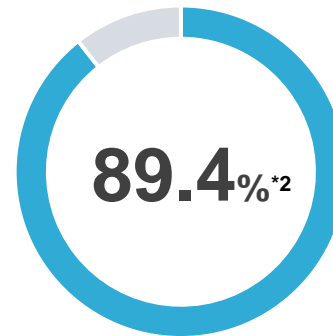
Challenges surrounding security

Cyber attacks are on the rise*1

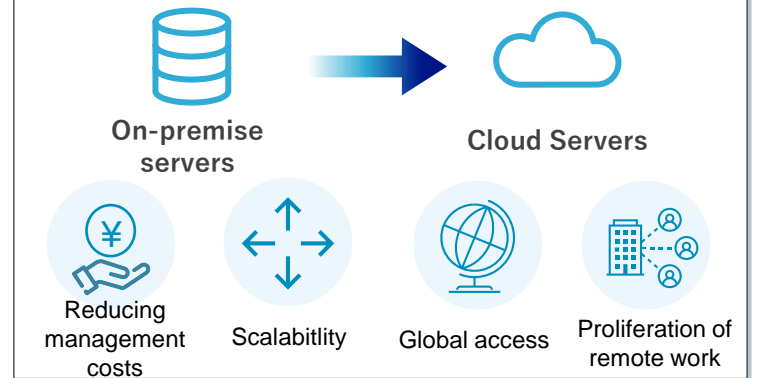
■ # of cyber attack detections per day, per IP address



Shortage of security professionals



Acceleration of the shift from on-premises to cloud



National movements

- Amendments to the Personal Information Protection Act (2022)*3: Mandatory reporting to the Personal Information Protection Commission in the event of a data breach, with corporate penalties increased up to 100 million yen.
- Cyber Management Guidelines 3.0 (2023)*4: Disclosure of the 'three principles' that managers should recognize and the 'ten critical items' that should be directed to the Information Security Officer (CISO, etc.)."

*1 National Police Agency Public relations materials (as of September 21, 2023)

*2 NRI Secure Insight 2022

*3 Personal Information Protection Commission

*4 Ministry of Economy, Trade and Industry: "Cybersecurity management Guidelines Ver. 3.0"

The cybersecurity needs of Japanese companies

- Even companies that are short on security personnel need a mechanism that can reliably prevent increasingly sophisticated cyber attacks
- It is also important that a small number of personnel, who may not have high specialization, can continue to operate the system

Challenges for companies in security

Due to a shortage of manpower, the following problems are occurring:



Aware importance of cybersecurity but have no idea what to do.



No budget



Unable to respond in-house in case of an emergency

Traditional security management has its limitations...

Features and services demanded by companies

A system that realizes the sophistication and efficiency of security management by utilizing tools that can detect and defend against new attacks



A system that automatically blocks cyber attacks just by being implemented

e.g.



Pricing that is accessible to small and medium-sized enterprises



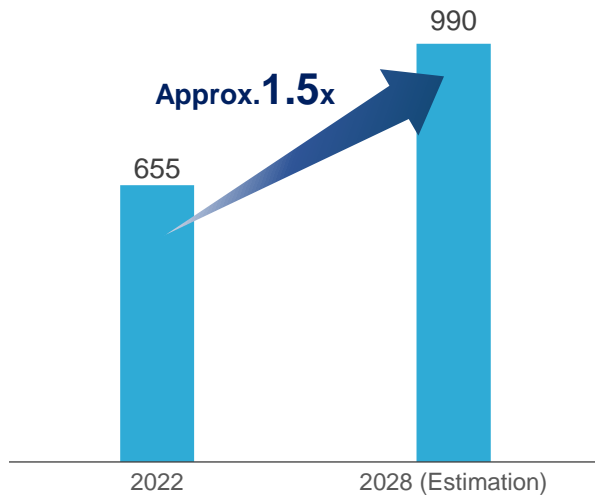
Support available 24 hours a day, 365 days a year in Japanese

Market size in Japan

- Security investment is accelerating across Japan, with the cloud security market significantly driving this growth
- High growth is anticipated within the security domain CSC operates in, and CSC aims to steadily capture the increasing demand over the medium to long term

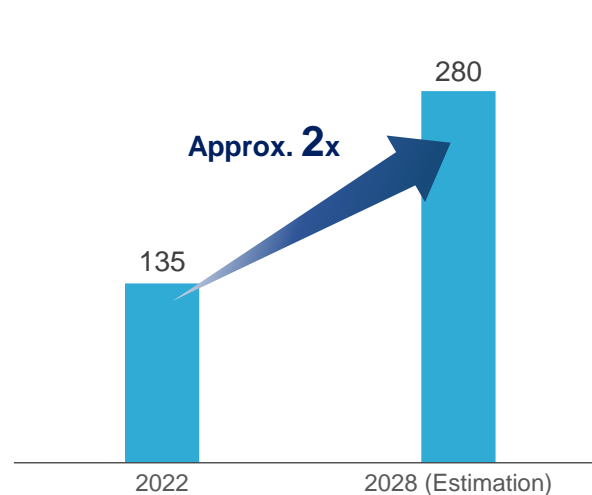
Domestic security investment scale^{*1}

(Billion yen)



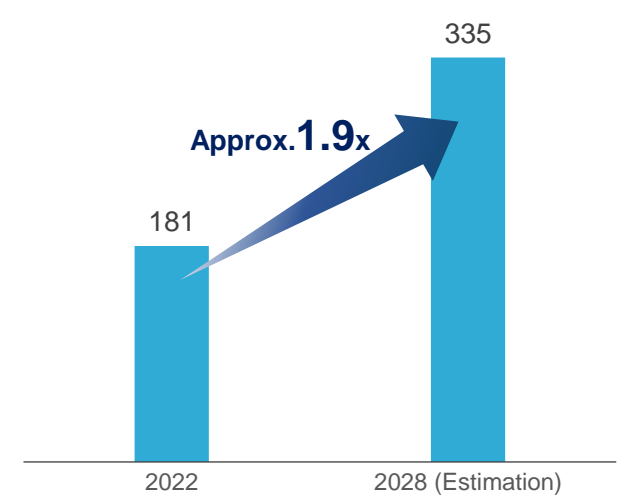
Size of the domestic cloud security market^{*1}

(Billion yen)



Market size in the sector relevant to our products^{*2}

(Billion yen)

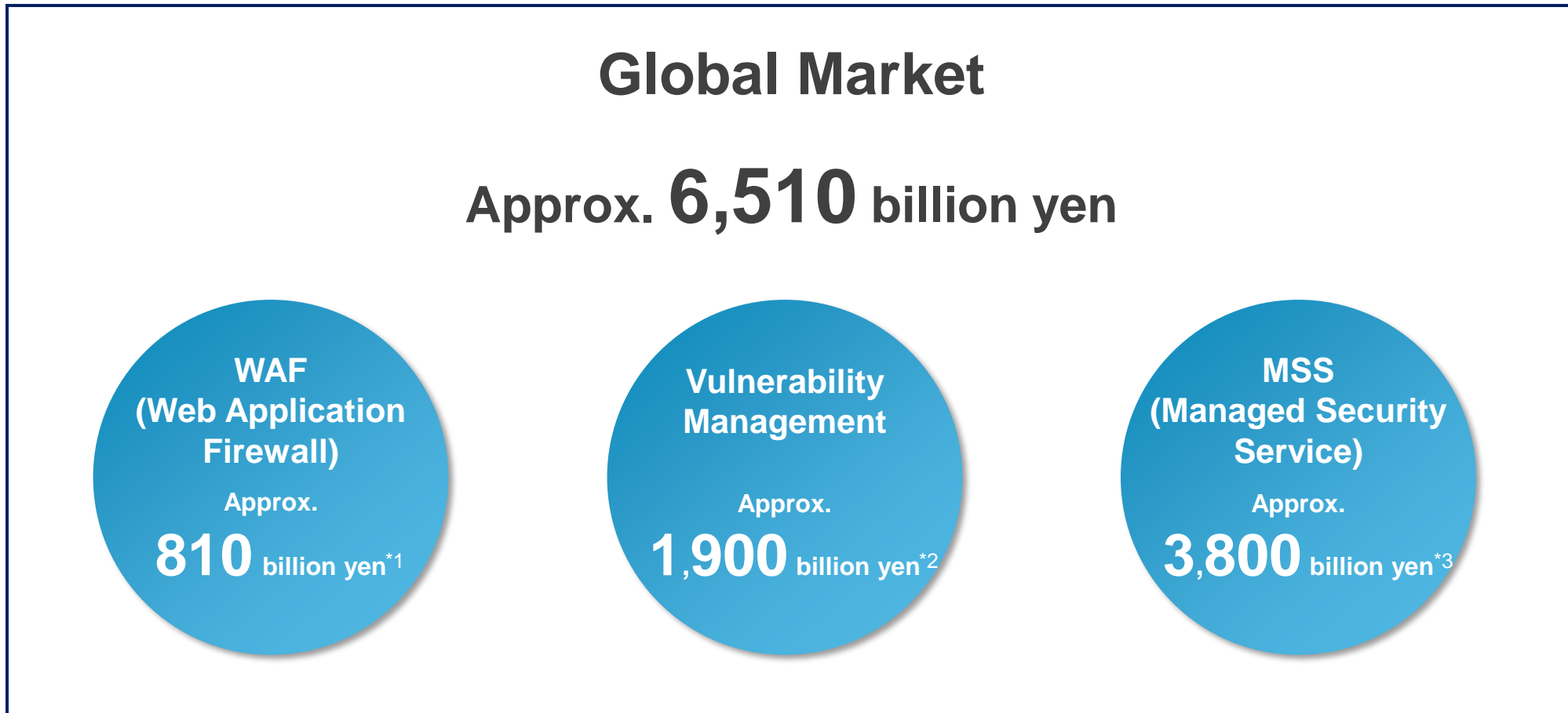


*1 Fuji Chimera Research Institute: "2023 Network Security Business Survey Comprehensive Market Edition," released December 14, 2023

*2 Fuji Chimera Research Institute: "2023 Network Security Business Survey Comprehensive Market Edition," released December 14, 2023
Our sector = WAF (Web Application Firewall) market + Vulnerability management market + MSS (Managed Security Service) market

The potential of the market in CSC's business domain

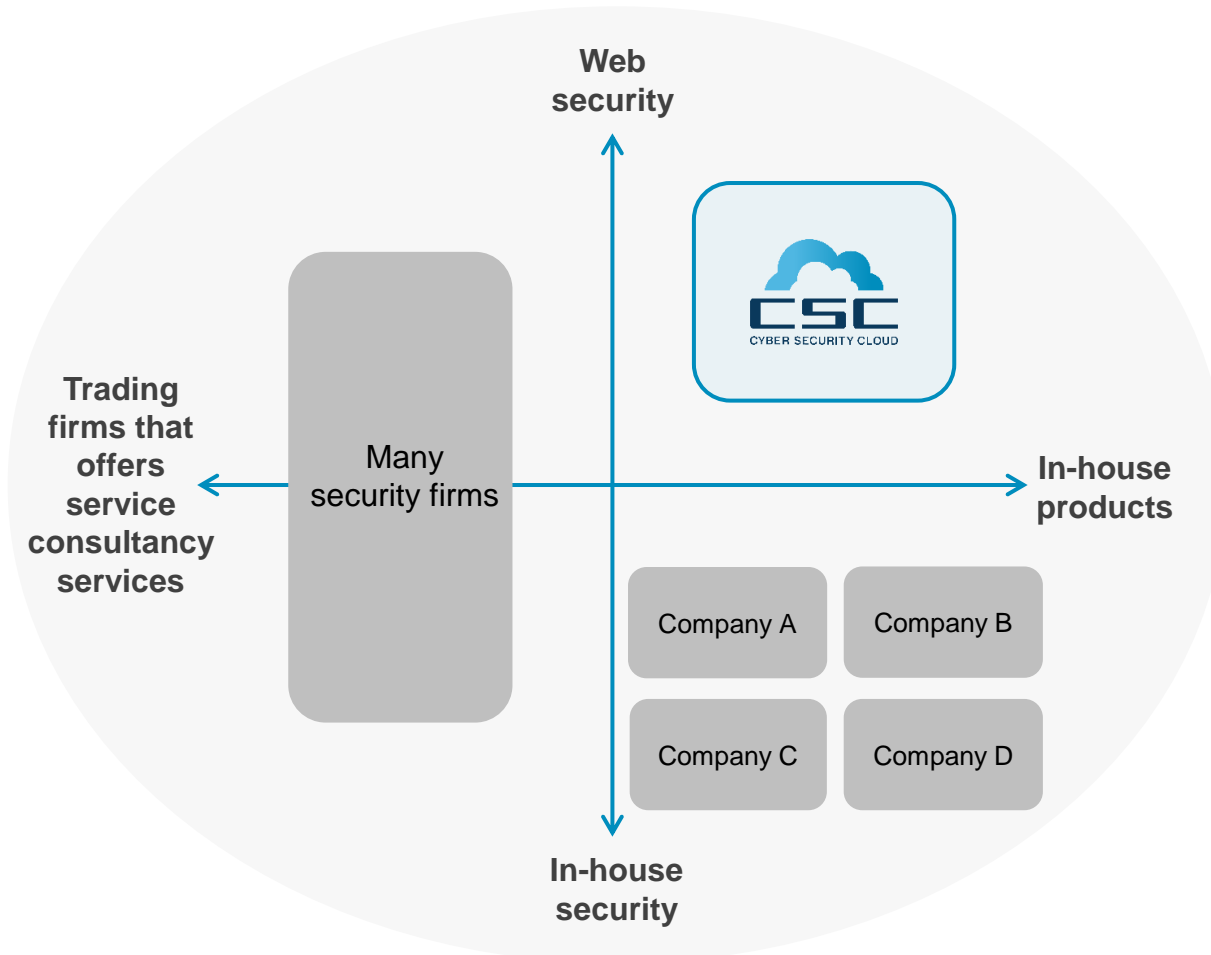
- By looking beyond the domestic market to the global stage, CSC can capture a vast market.



※1 MARKETSANDMARKETS “Web Application Firewall Market by Component and Services, Organization Size, Vertical and Region” . Calculated as \$1=140 yen
※2 MARKETSANDMARKETS “Security and Vulnerability Management Market by Component, Organization Size, Vertical, and Region” . Calculated as \$1=140 yen
※3 GRAND VIEW RESEARCH “Managed Security Market Size, Share & Trends Analysis Report” . Calculated as \$1=140 yen

Positioning of Our Company in the Cyber Security Market

- Our company is one of a few domestic makers that develop, operate, and sell software in-house in the Japanese cyber security market, where overseas products are dominant.



Positioning of CSC

① In-house products

CSC offers our own products developed by our engineers. CSC can provide our software flexibly according to customer needs, as CSC develop and operate the software by ourselves.

② Web security

Differing from security services for protecting PCs and networks, our services protect corporate websites.

V Company Profile

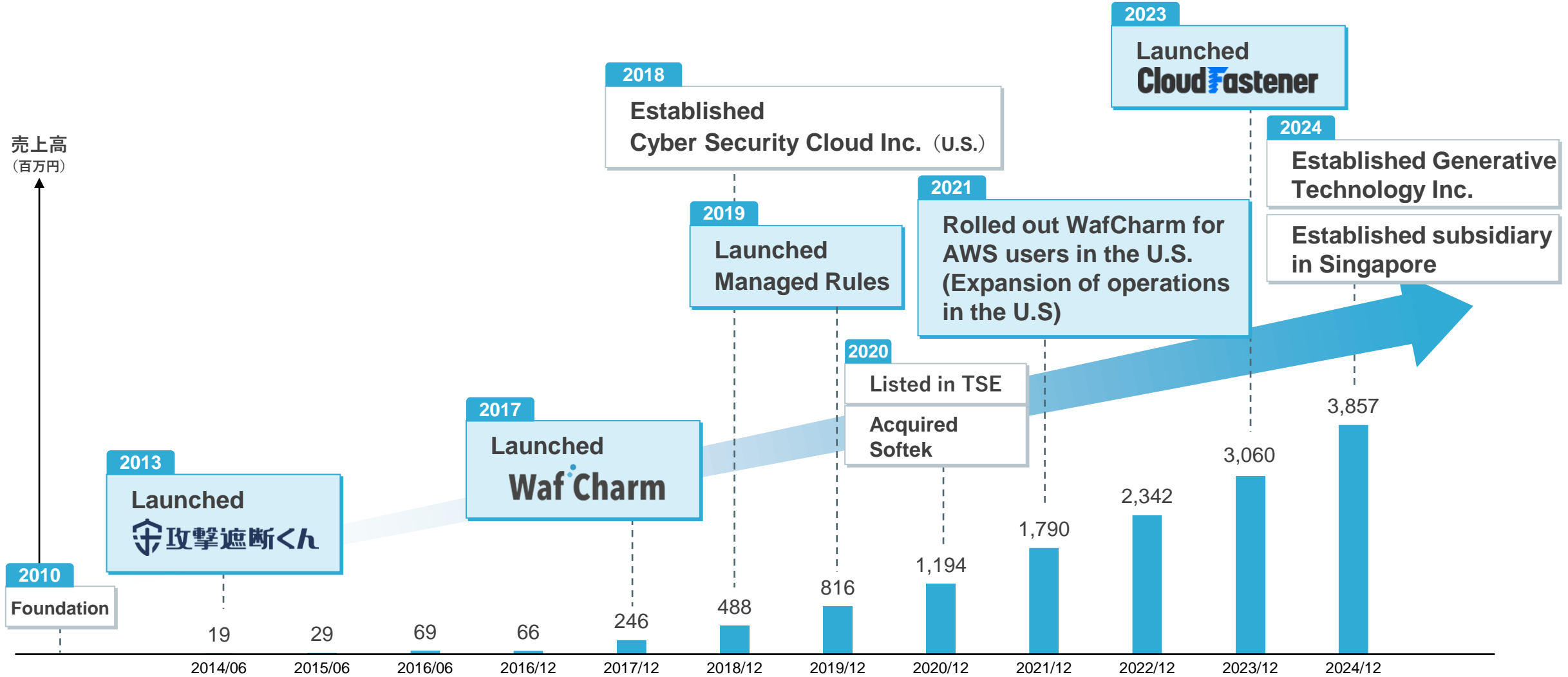


Corporate name	Cyber Security Cloud, Inc.
Date of establishment	August 11, 2010
Date of listing	March 26, 2020
Representatives	Toshihiro Koike, Representative Director, President, and CEO Yoji Watanabe, Representative Director and CTO
Executives	Masafumi Kurata, Director and CFO (certified public accountant) Yoshinori Ikura, Outside Director (lawyer) Hiroshi Kurihara, Outside Director Daichi Seki, Full-time Auditor (certified public accountant) Ikuo Murata, Outside Auditor Kenta Izumi, Outside Auditor
Location	13 th floor of JR Tokyu Meguro Bldg., 3-1-1 Kamiosaki, Shinagawa-ku, Tokyo
Business description	Development and provision of cyber security services utilizing AI technology
Group companies	Cyber Security Cloud Inc. (USA) Cyber Security Cloud Pte. Ltd. (Singapore) Generative Technology Inc.



History

- Since our establishment in 2010, CSC has specialized in the field of web security
- CSC is rolling out "cloud-native" products that capitalize on the benefits of the cloud one after another



Our Management Team

A management team with extensive experience and deep knowledge of SaaS development and cloud security technologies to drive growth

Representative Directors



Toshihiro Koike, Representative Director, President and CEO

- Born in 1983. Graduated from Faculty of Law, Konan University
- 2006 Joined Recruit HR Marketing Kansai (now Recruit)
- 2016 Appointed COO and Director of the Japanese subsidiary of AppSocially Inc. of the U.S., a communication tool SaaS developer
- 2018 Founded ALIVAL Corporation (now M&A Navi)
- 2021 Appointed President and CEO of the Company



Yoji Watanabe, Representative Director, CTO

- Born in 1975. Graduated from Faculty of Science and Engineering, Meiji University
- Engaged in research and development of cloud systems, real-time distributed processing and anomaly detection at a major IT company
- 2016 Joined the Company; served as CTO and a Director
- 2021 Appointed as Representative Director and CTO

Director & CXO

Masafumi Kurata, Director and CFO

- Certified Public Accountant. Joined the Company in 2017 after working for Taiyo LLC.
- Appointed as a Director in 2019

Hayato Kiriyama, CSO and CISO

- Head of Security Business at Amazon Web Services Japan, LLC
- Visiting Associate Professor at Graduate School of Management, Globis University (current position)

Hiroshi Kurihara, Outside Director

- Served as President and Representative Director of Fuji Xerox Co.
- Chairman, Japan Telemarketing Association (current position)

Yoshinori Ikura, Outside Director

- Attorney at law; worked at AZX Law Office and Kairos Sogo Law Office before becoming Representative of Ikura Sogo Law Office (current position)

Auditors

Full-time Corporate Auditor Daichi Seki

Outside Corporate Auditor Kenta Izumi

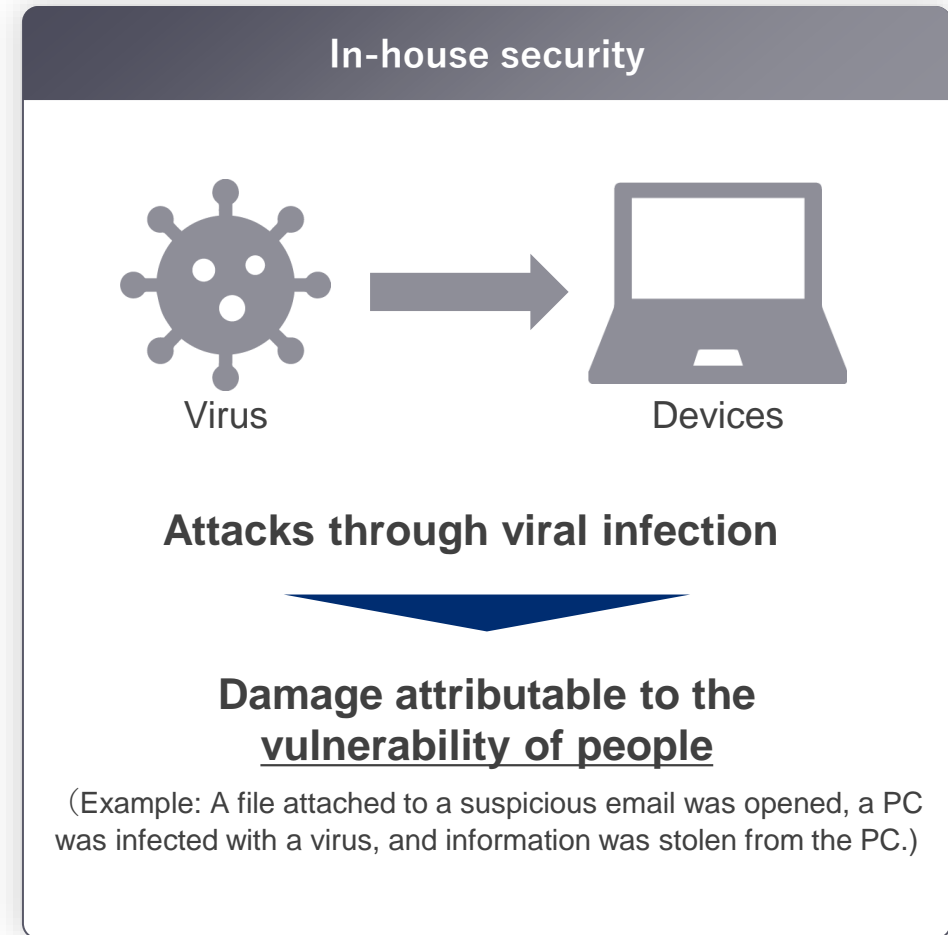
Outside Corporate Auditor Ikuo Murata



**To create a secure cyberspace
that people around the world can use safely**

Operation of Web Security Business for Blocking Attacks From Hackers

- Enterprises implement cyber security measures mainly in two fields



Major Cases of Cyber Attacks

DDoS attacks

Multiple computers send a huge amount of access and data to a target server.

SQL injection

An improper string of letters is input to attack the database of web apps.

Cross site scripting

A trap is set on a specific website to lead users visiting the website to another vulnerable website and steal personal information.

Zero-day attacks

Attacks carried out during a period from the discovery of vulnerabilities to the application of fixed programs and corresponding patch.

Brute-force attacks

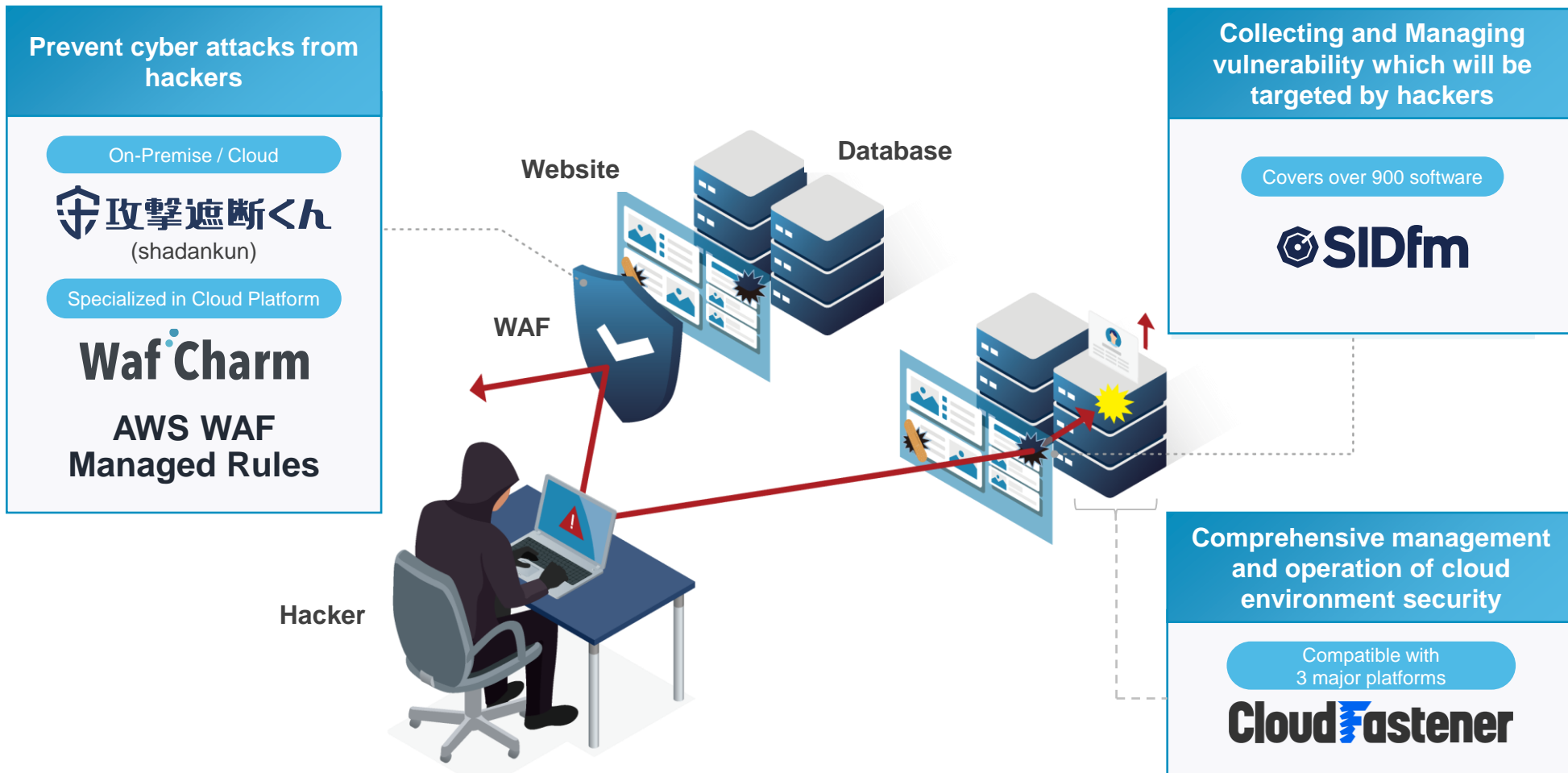
To find a password, all theoretically possible patterns are entered.

Password list attacks

Using pre- obtained IDs and passwords, they try to access a website and log in illegally.

Roles of Our Products in the Web Security Field

- CSC provides means to “protect” corporate websites and web services from hacker attacks, “fix” vulnerabilities, and “manage and operate” the security of cloud environments comprehensively



Cloud-type WAF “Shadankun”

- CSC has the largest share in the Japanese market. It has been adopted for over 20,000 websites and protects against threats such as personal information leakage and service suspension due to unauthorized access



- ✓ The largest share in the Japanese market*
- ✓ Can be installed in a minimum of one day
- ✓ Can be used with a fee ranging from 10,000 yen per month
- ✓ Broadly used in various industries and businesses



Compatible with all kinds of web systems



Since it was developed in house and is operated by our company, swift reaction is possible.



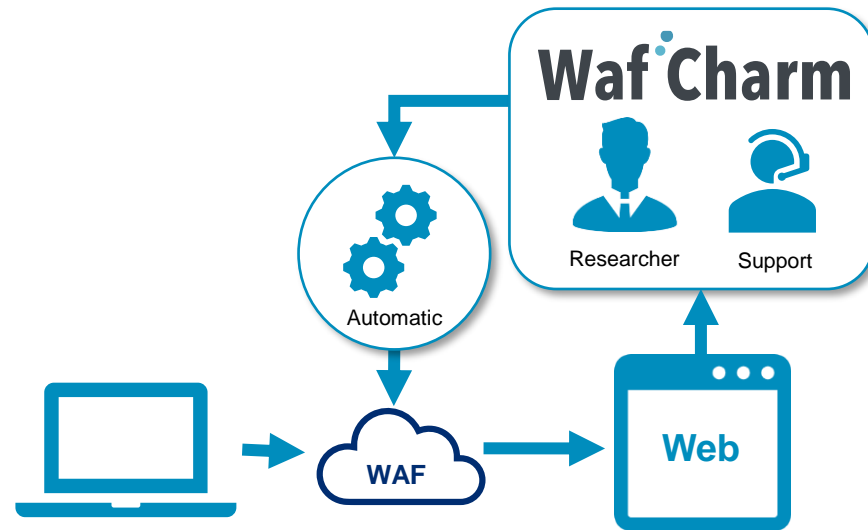
It is possible to detect unknown attacks and faulty detections speedily.



Support in Japanese 24 hours a day, 365 days a year

WafCharm: a Tool for Automatic Operation of Public Cloud WAF

- An automatic operation service which is compatible with the 3 major global platforms and enables easy WAF operation such as adjustment of defense rules. It has the largest share in Japan.



- ✓ The largest share in the Japanese market ^{*1}
- ✓ Can be installed through a few steps
- ✓ Can be used in over 220 countries ^{*2}



Compatible with the three major cloud platforms^{*3}



It is possible to produce and set optimal rules for each client's environment.



Our know-how for defense nurtured through Shadankun is utilized.



Global support 24 hours a day, 365 days a year

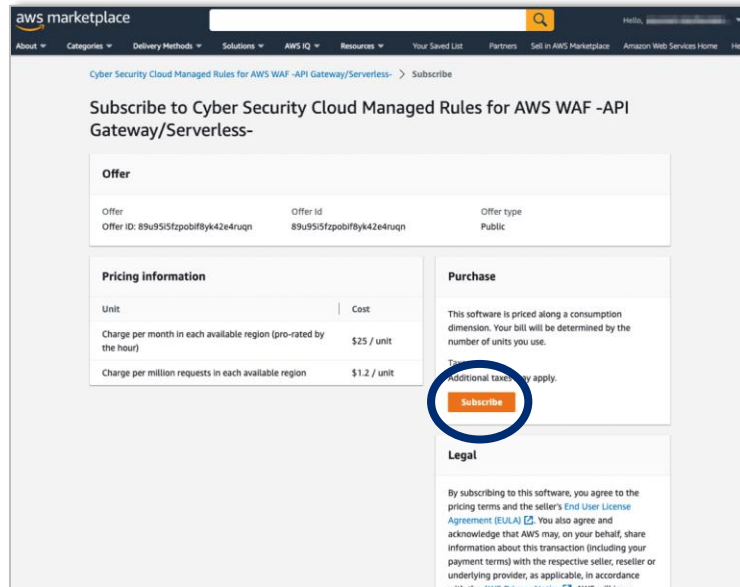
^{*1} Summary of the survey by JMRO: Survey on results for FY 7/2020

^{*2} For WafCharm for AWS Marketplace

^{*3} Amazon Web Service、Microsoft Azure、Google Cloud (Canalys "Canalys Newsroom- Global cloud services spend hits record US\$49.4 billion in Q3 2021")

Managed Rules: a Set of Rules Exclusively for AWS WAF

- A set of basic rules used in over 100 countries around the world and summarizing our know-how for defense CSC accumulated as a company with the largest share of the cloud-type WAF in Japan



- ✓ Only 8 companies selected by AWS to sell*1
- ✓ Can be started with a few clicks.
- ✓ Pay-per-use with a monthly fee ranging from \$25
- ✓ Used by users in over 90 countries



Self-serve type in AWS marketplace



Equipped with the customization function



It can easily block representative cyber attacks



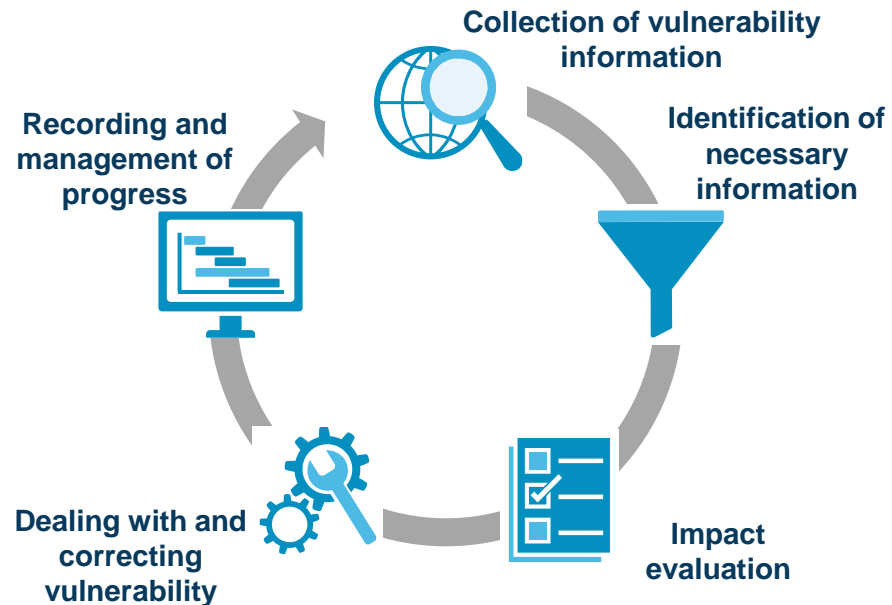
Received the award of AWS Marketplace Partner of the Year*2

*1 CSC, Fortinet, F5, Penta Security, ThreatSTOP, Imperva, MONITORAPP, SunDevs

*2 The world's first as a Japanese enterprise (as of the end of Dec. 2022)

SIDfm: a Tool for Collecting and Managing Vulnerability Information

- The first all-in-one tool in Japan for automatically obtaining and managing vulnerability information of a system. It has a history of over 20 years and reliability.



- ✓ Experience and a track record of over 20 years^{*1}
- ✓ It can be used by paying a monthly fee ranging from 40,000 yen^{*2}
- ✓ Over half of the users are listed companies.
- ✓ Churn rate is as low as 0.2%.



Compatible with over 900 products



Automation of collection of vulnerability information



Provision of difficult-to-understand vulnerability information in Japanese



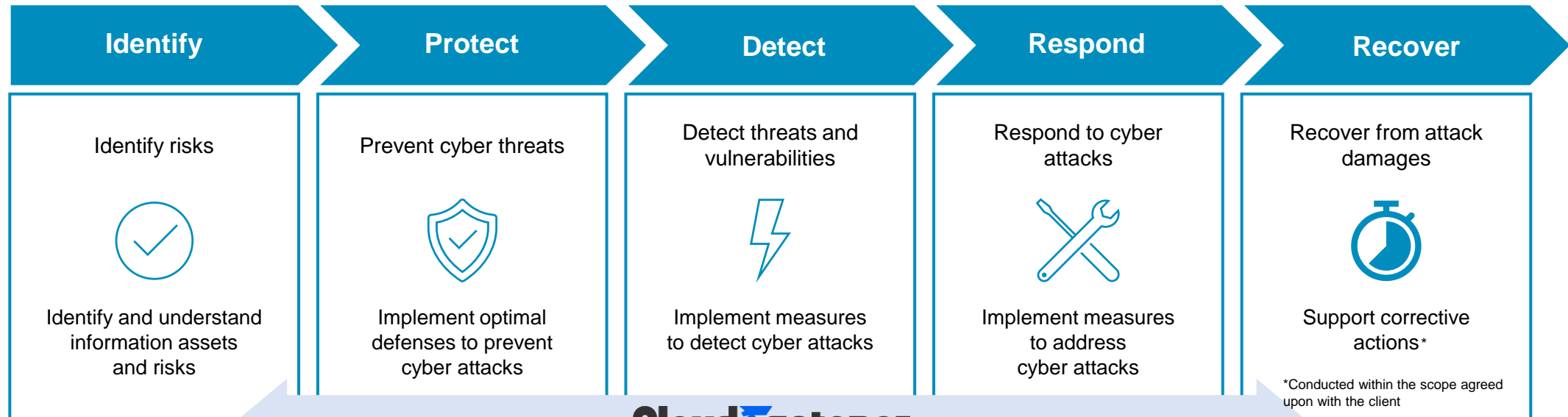
Support by experts in vulnerability

^{*1} Softek acquired in 2020 started business in 1999.

^{*2} The annual fee of SIDfm Group was converted to the monthly fee.

Fully Managed Security Service, 'CloudFastener'

- A service that manages and operates AWS, Microsoft Azure, and Google cloud security services 24/7, 365 days a year
- By building a secure AWS environment in accordance with best practices, it reduces the security risks faced by businesses



CloudFastener

Provide one-stop support for the entire process, from identification to recovery



Compatible with the three major cloud platforms



Continuous 24/7 monitoring of security data and logs



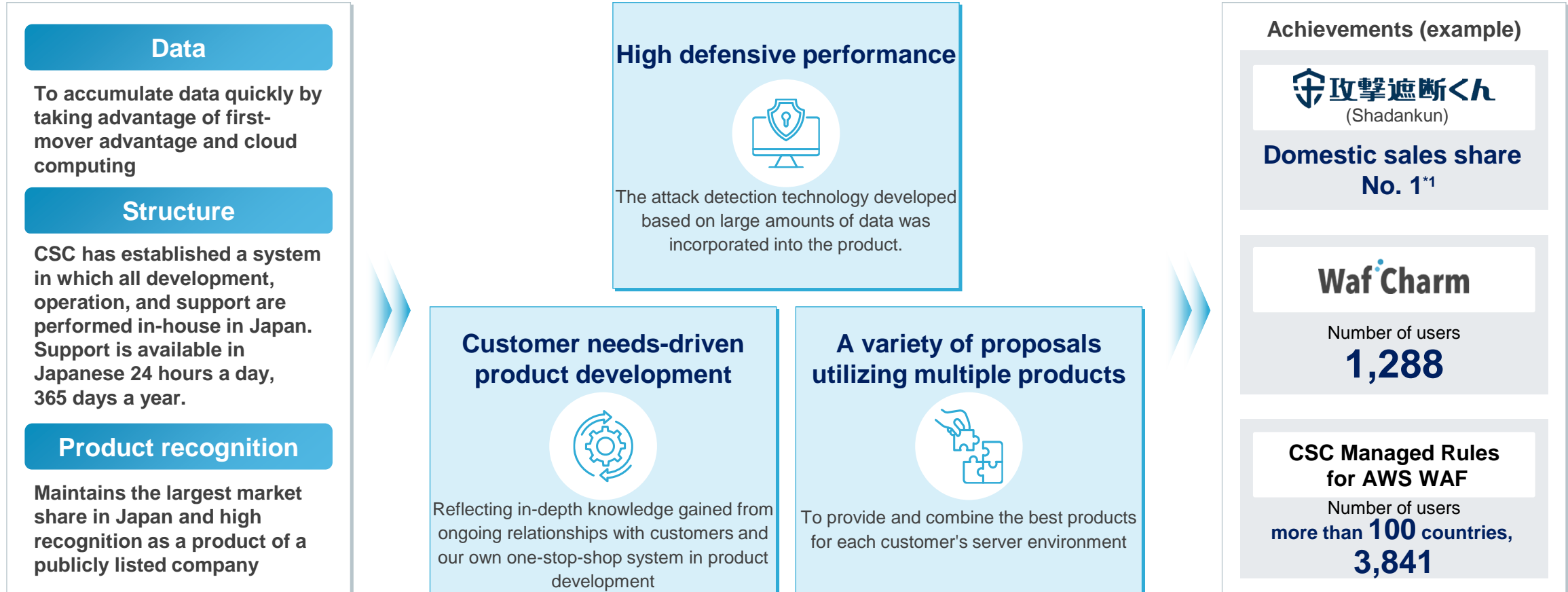
Stay updated and responsive to public cloud updates



Provide a combined package of software and human services

Our Characteristics (1) Domestically produced, area-specific, cloud-based products

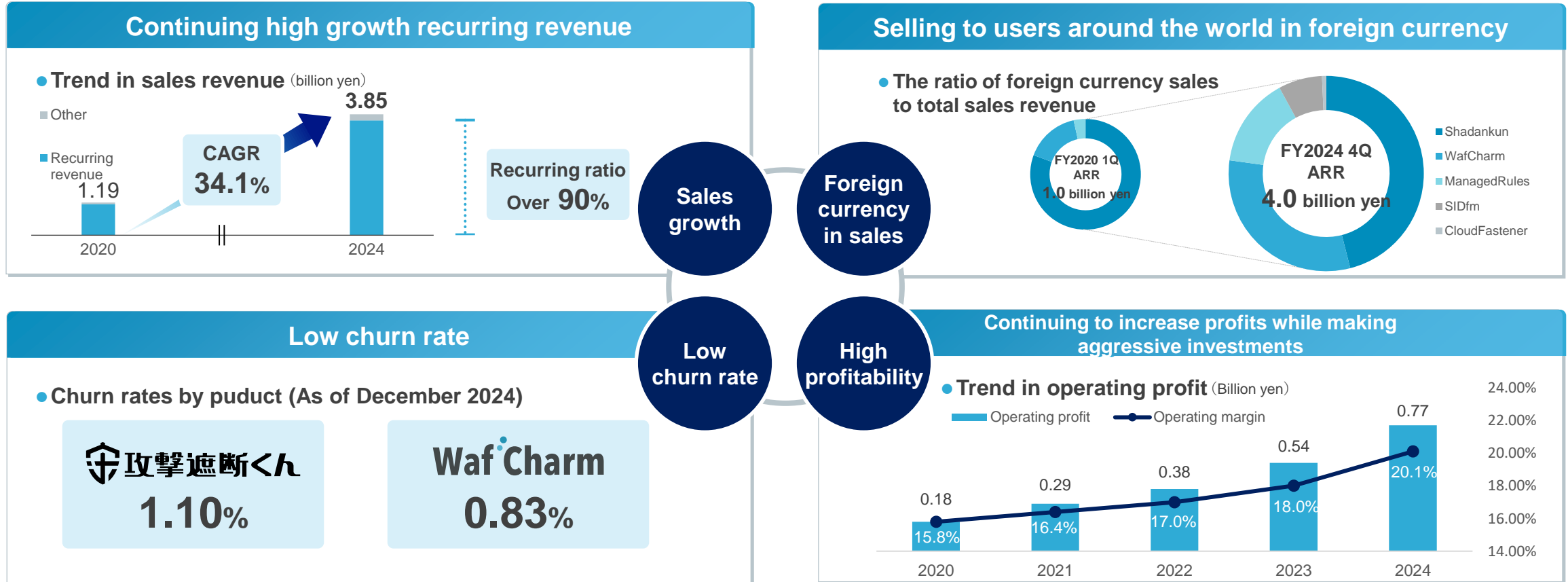
- Specializing in the web security domain and focusing on domestically produced products and extensive support, we quickly gained customers.
- Utilizing accumulated data and customer feedback in development, we provide multiple products with high defense performance, reliability, and security.



* Deloitte Tohmatsu Economic Research Institute "Current Status and Future Outlook of the External Threat Countermeasure Solution Market, Fiscal Year 2023"

Our Characteristics (2) Stable Earnings Base

- Continuing to increase revenue and profit since the IPO while making aggressive investments
- The expansion of products for overseas markets and having a diverse customer base also contribute to stable profit creation



Our Characteristics (3) Diversity of sales channels domestically and internationally

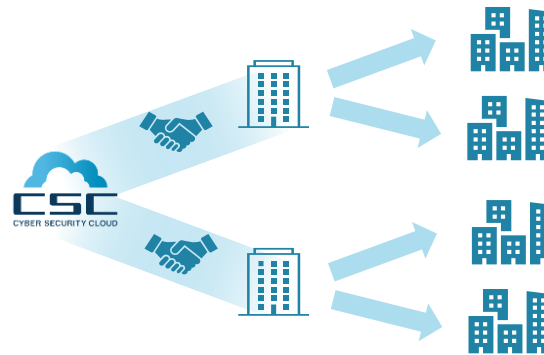
Direct sales



Listening to customer requests while providing careful support



Partners



Ability to reach customers who are otherwise inaccessible to CSC



AWS Marketplace



Users around the world can make purchases at any time



Having multiple sales channels allows us to deliver our products to a broader range of customers

Companies That Adopted Our Services

- Security needs are expanding across industries, sizes, and business types, leading to adoption by a wide range of companies.

Finance, public offices, public corporations, groups	IT and services	Media and entertainment	Transportation and construction
 	 Inter Factory N-N TECHORUS FANCOM 	 	 子どもたちに贈れるしごとを。 SHIMIZU CORPORATION
		Makers	Human resources

Competent Sales Partners Supporting the Sales Promotion of Our Services

- CSC offers products to a wide range of users through numerous sales partners.
- Moving forward, CSC aims to expand our sales network by acquiring additional sales partners.

System integrators and distributors

IT infrastructure developers and MSPs*1

AWS Premier Tier Service Partners*2
(Out of 15 companies, 13 companies are our partners.)

One other company

*1 Abbreviation of Managed Service Provider. It means a service vendor that maintains, operates, and monitors IT systems.

*2 First-tier partners of AWS that possess expertise in designing and establishing AWS workloads and contribute significantly to the expansion of businesses of many clients.

Interfactory, Inc.

(Securities code: 4057)

Development and operation of the cloud commerce platform “ebisumart”

The largest share in the
cloud EC market *1

ebisumart



The largest number of client
companies and sites
in the cloud WAF market *2

攻撃遮断くん

As customers are highly aware of cyber security, I thought that WAF, which builds a wall outside a system to block cyber attacks, is an effective option and reassures customers.

We chose Shadankun, because **it can be applied flexibly to extraordinary, complex systems** like ebisumart, which is operated by multiple stores with multiple servers while WAF rules need to be adjustable at each store. After installation, **it requires few man-hours for management and operation**, so the workload is light.

Interfactory is now able to notify customers that it has implemented security measures to a sufficient degree.



CTO Ken Mizuno

*1 Source: Fuji Chimera Research Institute “New software business market in 2020 – In-depth survey on major packages and SaaS in Japan” < EC site development tool/SaaS (cart-less type)>

*2 Source: Surveyed by JMRO; Outline of the survey: Survey on results in FY2021

coconala Inc.

(Securities code: 4176)

Development and operation of “coconala,” a flea market for skills

The largest skill
market in Japan

coconala



The largest number of users
who adopted the service of automatically
managing AWS WAF in Japan *3

WafCharm

Due to the limited resources of the team in charge of infrastructure, we were not able to make good use of AWS WAF, so we implemented WafCharm, which allows us to run AWS WAF automatically. The blacklist (malicious IP addresses), which is **automatically updated at a high frequency**, has helped us a lot. In addition to **defending against more than 100k attacks per month**, the use of WafCharm and the establishment of our corporate system have **reduced man-hours by around 30 hours per month**.

Also, WafCharm has made it possible to report on the current status to management quantitatively. WafCharm is **inexpensive to start using**, so, it is a good choice for companies that are just starting to implement security measures.



Executive Officer of Development
Masatoshi Murakami

*3 Source: Survey by JMRO (Survey in the term ended July 2020)

Status of ESG Initiatives

- Demonstrate presence as a company that makes desirable changes in society by reducing GHG emissions through the use of cloud computing and promoting digital human resource development and DX.
- As a leading cybersecurity company, we continue to strengthen initiatives for each stakeholder.



E (Environment)

- **Contribution to a carbon-neutral society**

- Contribution to cloud computing and DX development through business
- Expansion of renewable energy through promotion of AWS use

- **Effective use of resources**

- Promoting paperless operation
- Space efficiency through telecommuting and free address



S (Society)

- **Cyber security awareness activities**

- Establishment of the Cyber Security Alliance

- **Initiatives for Regional Development**

- Corporate version of hometown tax payment

- **Promoting Diversity**

- Employment of multinational personnel
- Supporting Cybersecurity Woman of Japan

- **Provide educational opportunities internally and externally**

- Employees: Assistance in purchasing books
- Students: Cyber Security Lectures



G (Governance)

- **Establishment of Risk Compliance Committee**

- **Obtain Information Security Management System (ISMS) certification**

- **Creating internal mechanisms for risk response**

- Internal reporting desk
- Harassment training

Risk Factors

The following are the principal risks we recognize as having the potential to materially affect the growth of our group and the execution of our business plan as of the date of this disclosure. For other risks, please refer to "Business and Other Risks" in the Annual Securities Report.

Item	Major risks	Potential/timing of emergence	Impact	Risk measures
Competitive environment	Risk of new competitors entering the market or competitors offering cybersecurity capabilities as a free or low-cost service, reducing competitiveness	Large/Medium to long-term	medium	<ul style="list-style-type: none"> ✓ Provide high quality products by continuously updating existing products ✓ Continuous market research to develop and provide products that are competitive with competing products
Changes in social conditions	Risks associated with changes in social conditions due to changes in laws and regulations and exchange rate fluctuations	Large/Medium to long-term	large	<ul style="list-style-type: none"> ✓ Continuously gather information and quickly develop countermeasures ✓ Strengthen market penetration through marketing activities
System failure	Risk of communication network interruption or failure of network equipment such as servers due to natural disasters, accidents and unauthorized access	Medium / Anytime	large	<ul style="list-style-type: none"> ✓ Respond to failures through system redundancy ✓ Increased response staff in case of trouble
New development activities	Risk of new product development not proceeding as planned or investment recovery delayed or not recovered	Medium/Medium to Long Term	large	<ul style="list-style-type: none"> ✓ In addition to hiring engineers, quickly increase the number of personnel regardless of employment status
Recruitment	Risk of delays in the provision of services and proactive sales activities due to the failure to hire and train employees as planned or attrition of human resources	Medium / Anytime	large	<ul style="list-style-type: none"> ✓ Enhance our brand value and establish a presence in the job market

Through preparing this material, our company assumes that the information we were able to collect is complete and accurate. but we do not warrant or represent either the accuracy or the completeness of this information. Also, the assumption or the outlook of future dates after this information is released may include assumptions based on plans but this information regarding the future is built on rational decision-making based on information we have collected, and the information does not mean that we will warrant the achievements. The difference between assumptions and actual achievements may be influenced by changes in the economy, customer needs, user preference, competition between competitors and laws and other various changes. Due to many of these factors, there is a possibility that these results may vary. Furthermore, upon releasing this material, we do not have any obligation to update or revise this material in the case new information or future events occur.



**To create a secure cyberspace
that people around the world can use safely**