(Delayed)

# Medium-term Business Plan

February 10th, 2021
Cybernet Systems Co., Ltd.

**CYBERNET**

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**CYBERNET**

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# Understanding the business environment

There is an opportunity to significantly accelerate business transformation due to major changes in society and technology

Social changes, technological evolution, complex business challenges for customers

| Sustainable society | Response during and after COVID-19 | Further acceleration of technological evolution, such as DX | Increasing uncertainty in the world |

**Formulate a new corporate philosophy and formulate a new growth strategy**

# Vison and Mission

**CYBERNET**

**Vision**  （Ideal future that Cybernet Systems wants to help realize; the reason for the company's existence）

**Creating a sustainable society and inspiring the world through technology and ideas**

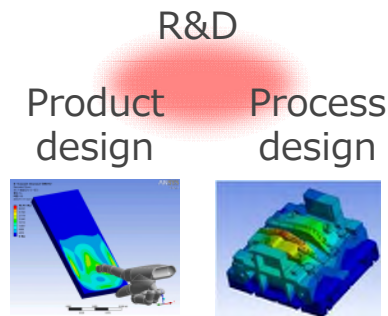**Mission**  （The role of Cybernet Systems in realizing this vision, through its current business）

**Guide customers towards breakthrough solutions with vigorous creativity**

# Medium-to-long-term basic policies

**To become a leading simulation company**

1. Contributing to society through simulation

2. Growing into a global company

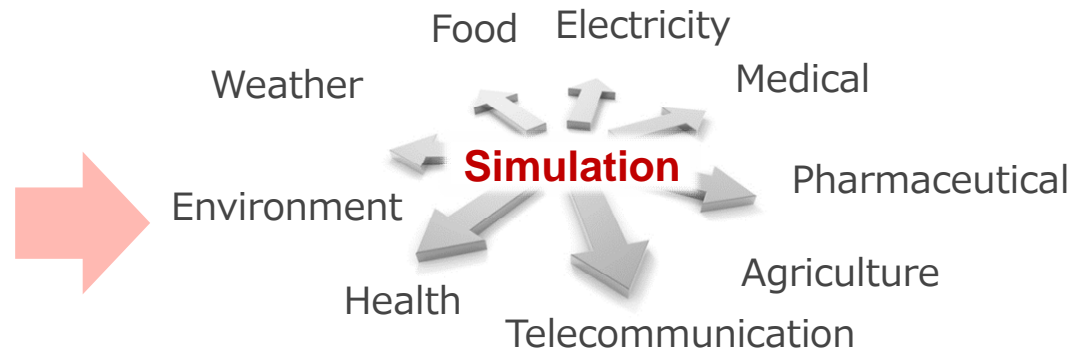3. Promoting diversity and strengthening the HR development

# 1. Contributing to society through simulation

## From simulation for engineering to simulation for society

R&D

Product design        Process design

Food   Electricity

Weather                Medical

Environment   **Simulation**   Pharmaceutical

Health                 Agriculture

Telecommunication

Simulation for engineering                    Simulation for society

**CAE (Computer Aided Engineering)**        **Anywhere Anytime Simulation**

# 2. Growing into a global company (1/2)

**CYBERNET**

Expanding Japan's advanced CAE culture throughout Asia
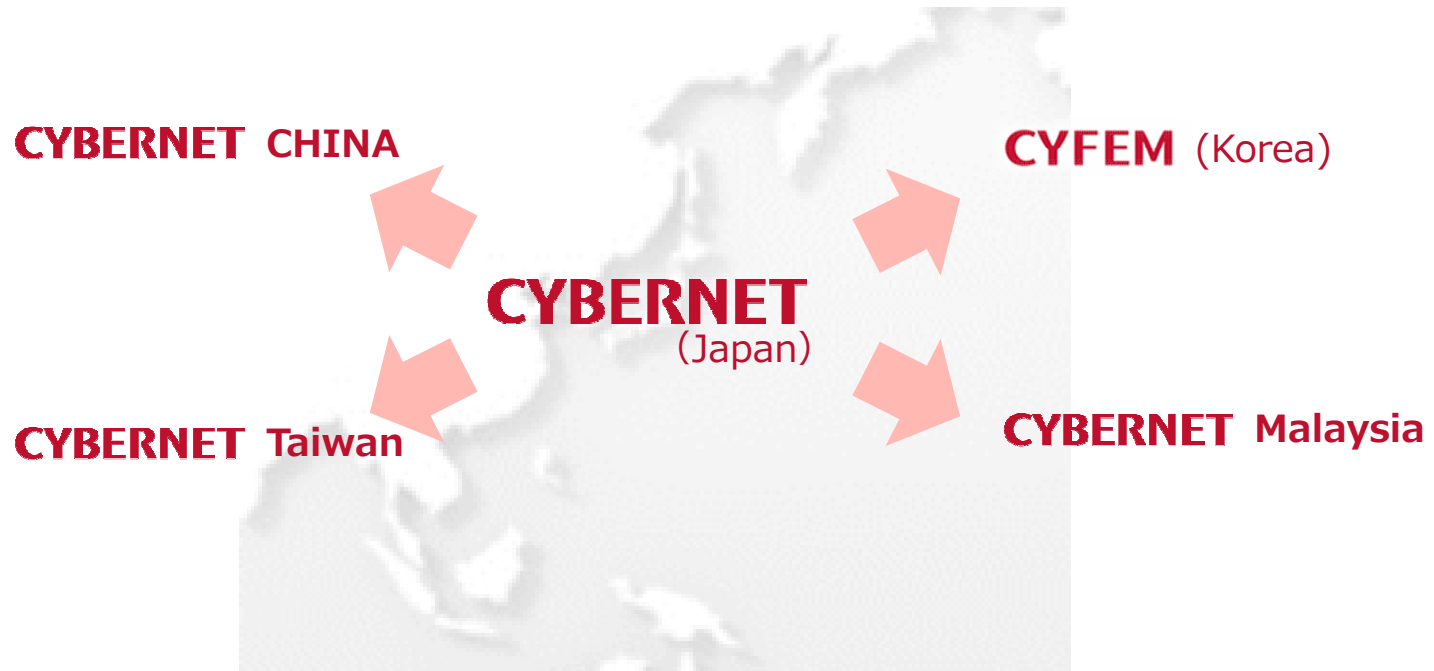


Securing the sales rights for the CAE vendor products that Cybernet is handling in Japan

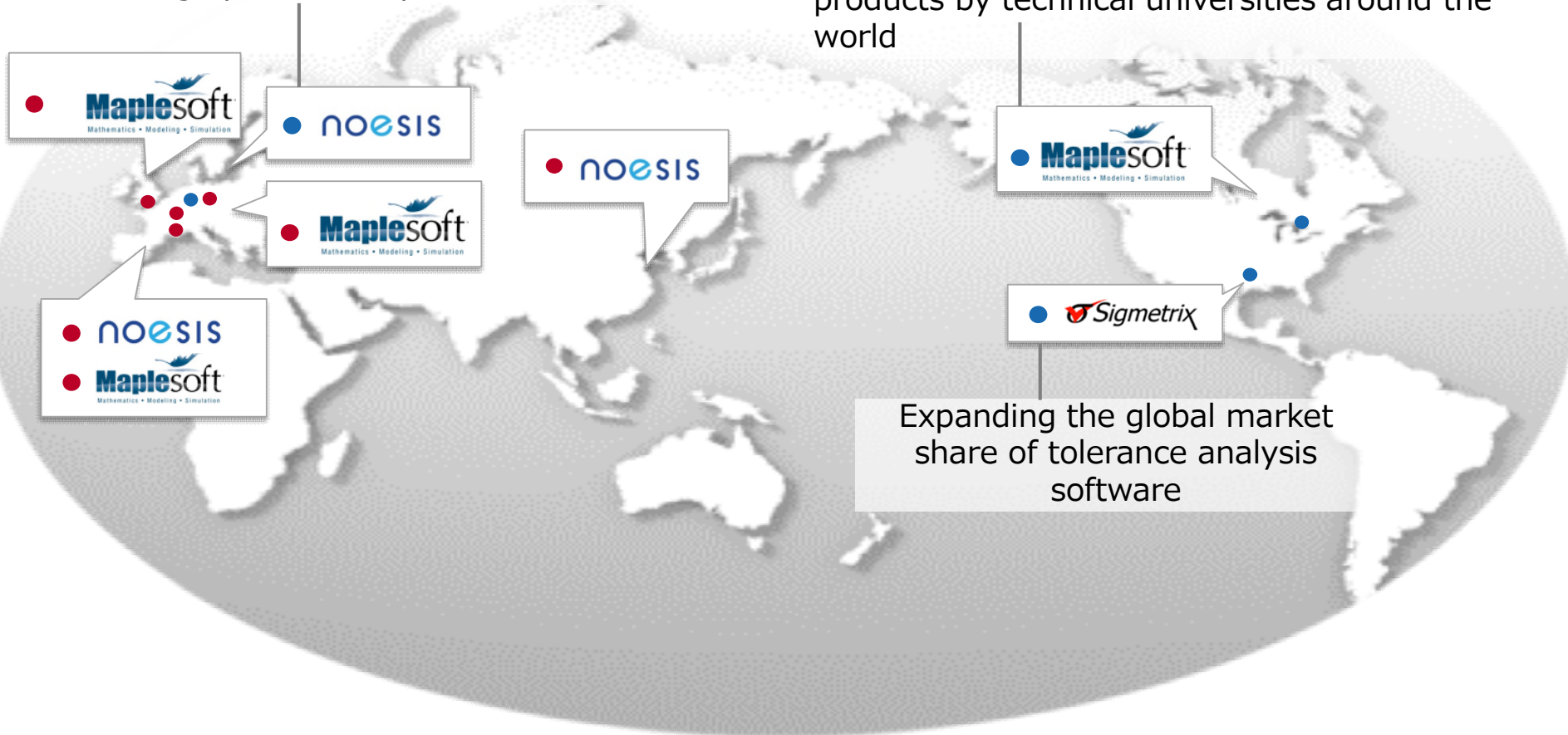Utilizing Cybernet Japan's know-how, technical support & sales support

**CYBERNET**

Expanding sales of Cybernet Group products worldwide

Connecting optimization products to the cloud

Growing the usage of Maplesoft's mathematical products by technical universities around the world

Expanding the global market share of tolerance analysis software

# 3. Promoting diversity and strengthening the HR development

**CYBERNET**

**Vision** — **Creating a sustainable society and inspiring the world through technology and ideas**

**Mission** — **Guide customers towards breakthrough solutions with vigorous creativity**

## Credo

### Our commitment to society

Actively following changes in society, we will continue to propose innovative solutions exceeding customers' expectations.

Persistent in our daily aim to refine our technology and ideas, we will tackle the unknown and lead the way in finding solutions.

Ever evolving and unafraid of change, we will help realizing a more prosperous and convenient society that is safer and more secure.

### Our commitment to customers

Through proposals that consistently exceed  expectations, we will serve as a partner in supporting  customer's determination, creativity and passion, in order to lead the way to innovation.

Fulfilling our promise to provide more valuable solutions, we will approach customers with sincerity by exercising flexibility  and strong communication skills to identify the core of  their issues and drive change.

No matter when or in which field, we will deliver value to customers through our technical expertise, breadth of knowledge, and wealth of ideas.

### Our commitment to employees

**Shared goal**
By making the aspirations of the company clear to all employees, we must foster an  environment where everyone can work together with a shared sense of purpose and accomplishment.

**Taking on new challenges**
Respecting the desire to work independently on new challenges, we must  encourage open, responsible discussion that enables individuals to give full play to their abilities.

**Promoting diversity**
By respecting diversity, we must make the most of each employee's individuality and values.

**Achieving work-life balance**
To enable employees to enjoy their jobs safely and healthily, we must create  a working environment that is considerate of work-life balance.

**Invigorating the community**
In order to put together strong teams and deepen customer trust, we must  actively create opportunities for personal interaction both inside and outside the company.

**Leadership development**
In order to take the lead in providing society with value that meets the
needs of an ever-changing business environment, we must work to develop
personnel who are capable of autonomy and growth.

**Open evaluations**
Through fair, explicit, and transparent evaluations, we must give appropriate  compensation and employment opportunities to those who are capable of  enhancing our corporate value.

# Growth pillars in the medium-term business plan

| | | Growth pillars |
|---|---|---|
| **CAE Solution Business** | 1. Strengthening core business | a. Strengthening core technologies, expanding product lineup and supporting cutting-edge fields<br><br>b. Business expansion in Asia, which plays a central role in the manufacturing industry<br><br>c. Expand sales of in-house products globally |
| | 2. DX business expansion | Expansion of DX solutions that combine digital twins, AR/VR, IOT, Big Data and simulation |
| | 3. Expanding the use of simulation | Solving issues in various industries by simulation |
| **IT Solution Business** | 4. Strengthen cloud security business | We offer a wide range of products for cloud environments and expand security solutions to suit the "New Normal" |

# 1. Strengthening core business (1/5)

**CYBERNET**

## Strengthening core technologies, expanding product lineup and supporting cutting-edge fields

- Strengthening relationships and collaboration with top vendors -

No. 1 in mechanical CAE

**Ansys**

**Certified as an elite channel partner for 6 consecutive years**

No. 1 in optical CAE

**SYNOPSYS**

**Business partners for over 35 years**

Leading IoT & cloud platforms

ptc    Microsoft    aws partner network / Select Consulting Partner

**Strengthening relationships with leading vendors that support the CAE infrastructure**

# 1. Strengthening core business (2/5)

**CYBERNET**

## Strengthening core technologies, expanding product lineup and supporting cutting-edge fields

- Launching business support early for new vendor products -

Motor design

Material data management
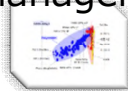
Electronic device reliability
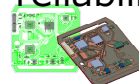
Mechanism analysis

Embedded development

Safety analysis
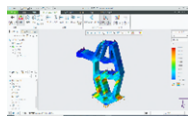
IIOT platform

thingworx

Product lifecycle management

aras INNOVATOR

CAE cloud

ANSYS CLOUD

Fluid bearing
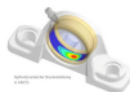
Fluid system

Simulation data management
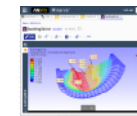
CAE for designers

Expanded 13 products in 2019 and 2020

* Main new CAE-related products after 2019

# 1. Strengthening core business (3/5)

**CYBERNET**

## Strengthening core technologies, expanding product lineup and supporting cutting-edge fields

- Supporting research and development of companies in cutting-edge fields -

Intro Consulting

Customization

Tech Edu

Structure

Consigned analysis

Electro-Magnetic Field

Fluid

CAE Edu

CAE

Support for multi-domain analysis

Optical

Control

Tech Support

Optimization

Build analysis system
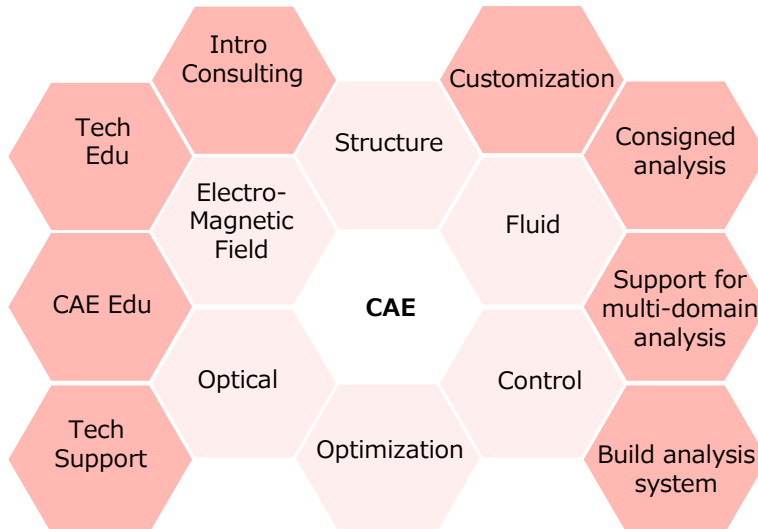
Autonomous

Electrification

Connected

Carbon Neutral

Sensors

Next generation materials

# 1. Strengthening core business (4/5)

**CYBERNET**

## Business expansion in Asia, which plays a central role in the manufacturing industry

- The center of the world economy shifts from Europe and America to Asia
  - Asian population will be more than half of the world's in 2050
  - Asia's GDP will be more than half of the world's by 2050

- Manufacturing is one of the priority areas of each country's industrial policy

- Multinational manufacturing companies expand their research and development bases to ASEAN

Invest in Asia where research and development is expanding

Billion yen        Sales in Asia

**4.0**                          4.0

                    2.5

**2.0**

**0.0**
        20/12            23/12

# 1. Strengthening core business (5/5)

**CYBERNET**

## Expand sales of in-house products globally

### Major focus areas

**Maplesoft**
Mathematics • Modeling • Simulation

- Mobile and online STEM products
- Manufacturing line automation support

Maple    MapleSim

**Sigmetrix**
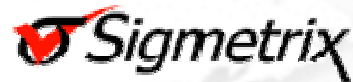
- Strengthen OEM of tolerance analysis and strengthen cooperation with CAD vendors
- Online training

CETOL 6σ

**noesis**

- Cloud-based optimization product

Optimus®

# 2. DX business expansion (1/3)

**CYBERNET**

## Promote engineering DX

### Big data analysis・AI
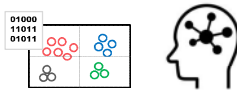


### IoT / Digital Twin



### AR/VR・Visualization



### Engineering platform



\* PLM / simulation data management / HPC environment / material data life cycle management

### Cloud platform

# 2. DX business expansion (2/3)

**CYBERNET**

## Fusion of simulation and the real world



**Real World**

Visualization
OEE maximization

Various sensors / controllers / PLC

**Digital Twin**

**Virtual sensor technology**

**1D CAE**     **3D CAE**

System   Structure   Thermal fluid   Electro Magnetic Field   Optical

**Virtual World**

**Visualization by AR**

IoT / Digital Twin   x   AR / VR ・ Visualization

# 2. DX business expansion (3/3)

**CYBERNET**

AI provides new value to the design and development process

**Materials informatics**

Formulation prediction,
Material search

Material information DB

**AI**

❌

**Simulation process**

Simulation

Simulation data
management

- Improvement of accuracy
- Quick response
- Improvement of quality

**Smart manufacturing and maintenance**

IoT data
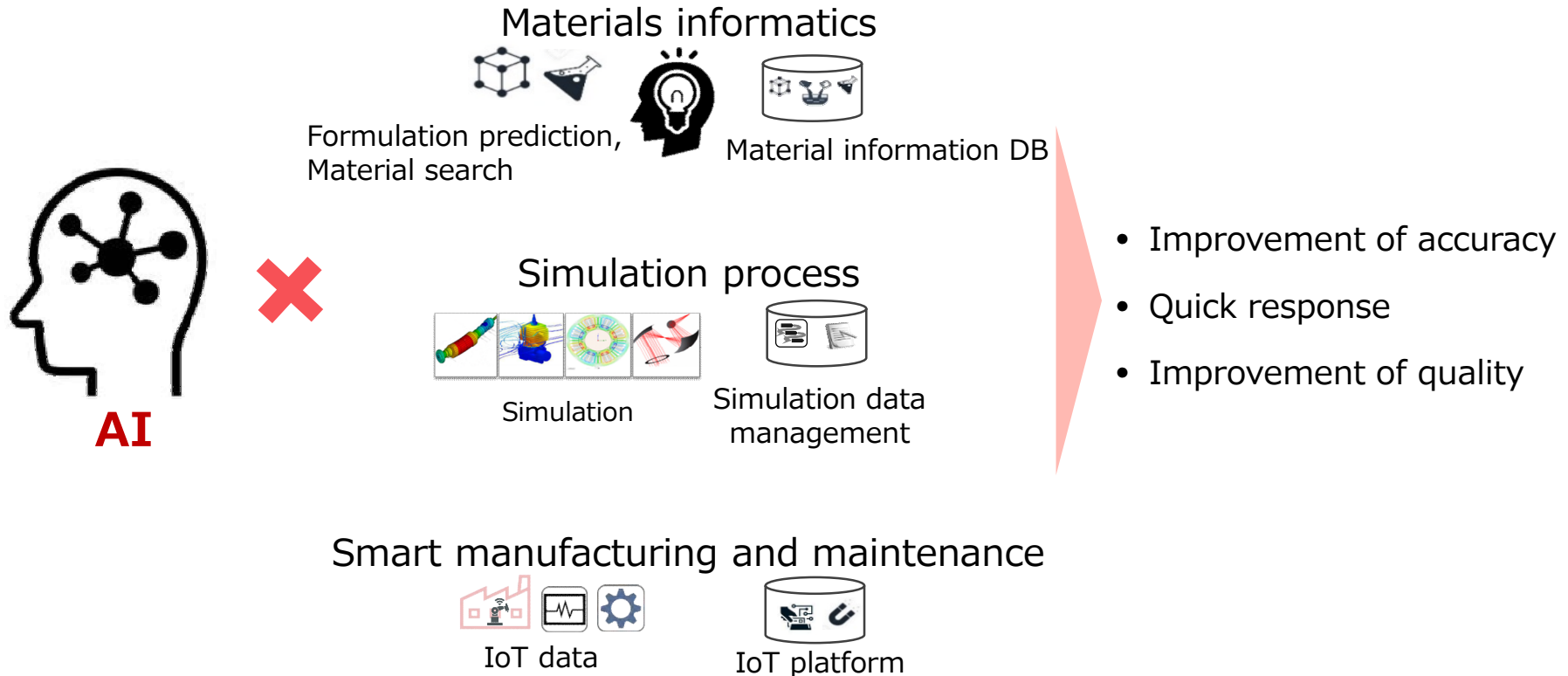
IoT platform

AI  x  Engineering platform  x  IoT platform

# 3. Expanding the use of simulation

## Solving issues in various industries by simulation

Natural phenomenon
(tsunami)
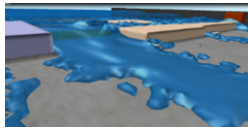
Measures for
COVID-19
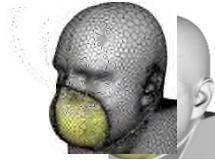
Cosmetic effects
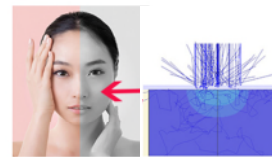
Communication
coverage
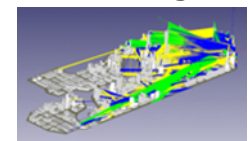
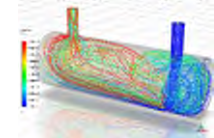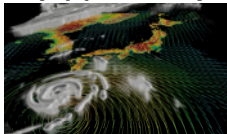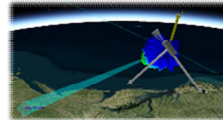Natural phenomenon
(earthquake )
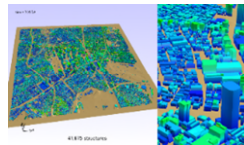
Sports
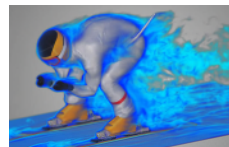
Drug delivery
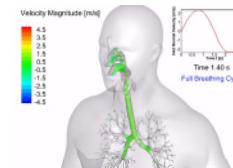
Bactericidal
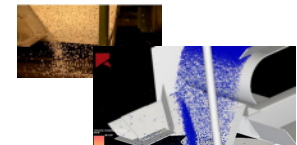effect of UV

Natural phenomenon
(typhoon)

Satellite operation
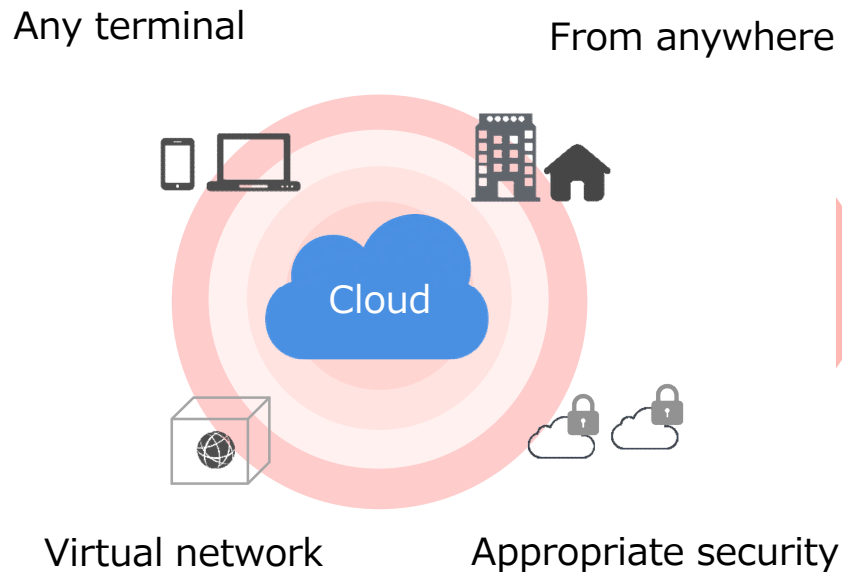
Medical image
visualization

Crushing fertilizer

# 4. Strengthen cloud security business

**CYBERNET**

We offer a wide range of products for cloud environments and expand security solutions to suit the "New Normal"

Any terminal

From anywhere

Cloud

Virtual network

Appropriate security

**Wide range of products**
box
netskope
onelogin
mobileiron
vmware Carbon Black
deepinstinct
BEFORE YOU KNOW IT
IT資産管理の窓口
Symantec.
A Division of Broadcom

**Our know-how**

Risk Assessment

Proposal for improvement

Correlated verification

Surveillance service

# Target numbers

The sales target for the fiscal year ending in December 2023 is 26 billion yen, and the operating income margin target is 12.0%.

**Billion yen**

|  | 20/12<br>（Results） | 21/12<br>（Target） | 22/12<br>（Target） | 23/12<br>（Target） |
|---|---|---|---|---|
| Revenue | 21.6 | 22.4 | 24.0 | 26.0 |
| Operating income margin | 13.3% | 12.1% | 12.0% | 12.0% |

# Cybernet's strengths (1/3)

**CYBERNET**

Over 30 years of business experience as a CAE specialist

Strong relationship with industry-leading developers

Having a wide range of clients, we are not easily affected by the performance of specific customers

Stable stock business foundation that is not easily affected by economic fluctuations

Global expansion across 19 bases around the world

# Cybernet's strengths (2/3)

**CYBERNET**

## Strong relationship with industry-leading developers

### CAE


### IT security

# Cybernet's strengths (3/3)

**CYBERNET**

## Stock business has a stable performance rate of 50% or more

[Non-consolidated] Revenue by contract type
and Stock business rate



Billion yen

Stock business rate

| | 16/12 | 17/12 | 18/12 | 19/12 | 20/12 |
|---|---|---|---|---|---|
| Stock business rate | 56.0% | 55.2% | 54.2% | 55.4% | 59.8% |
| Renewals | 7.2 | 7.9 | 8.5 | 9.4 | 10.2 |

Others — 1.9

New licenses — 4.9

【Stock business】
Renewals
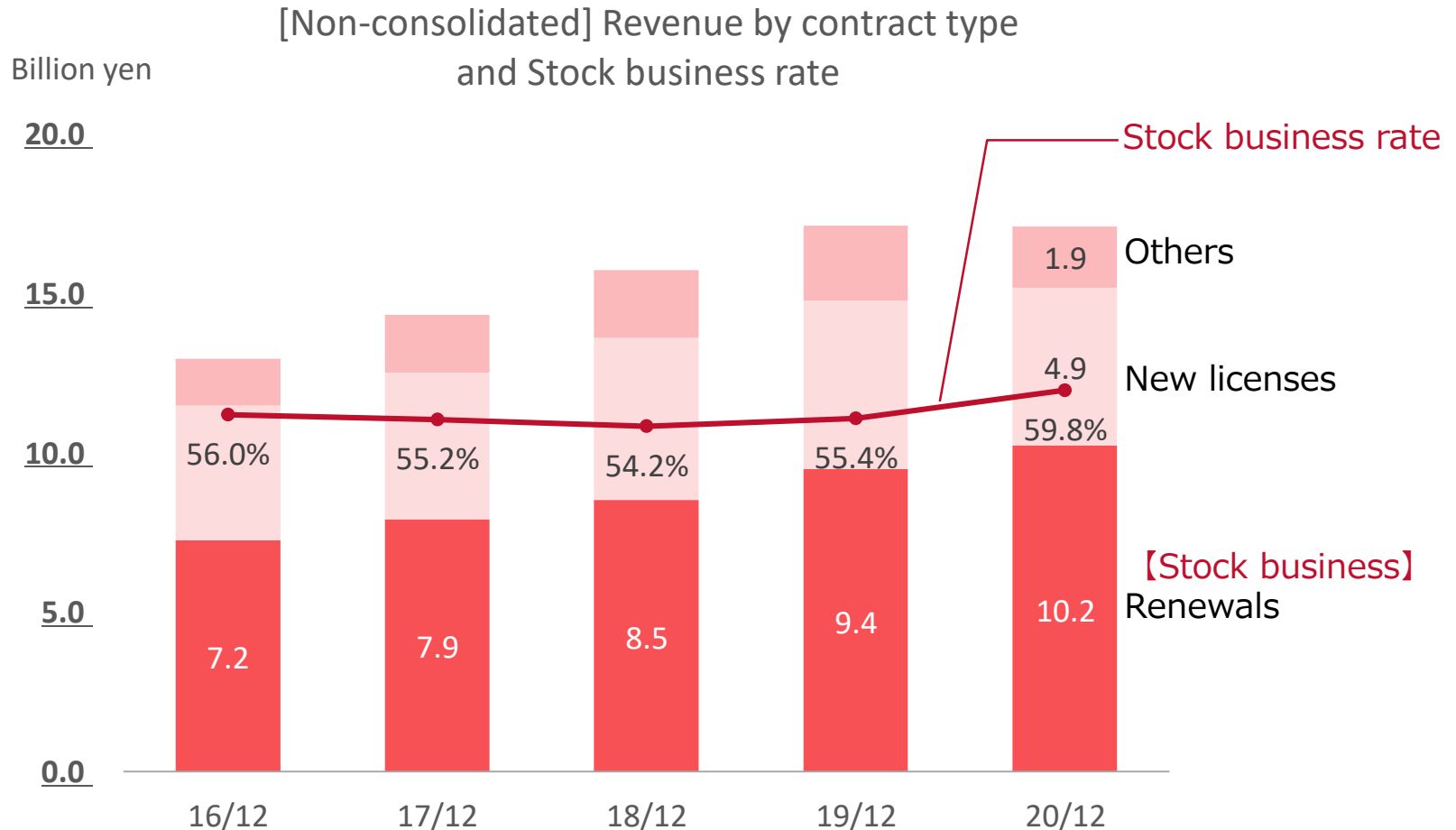
■ IR Department

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    FAX.:           +81-3-5297-3609
    E-mail:        irquery@cybernet.co.jp
    URL:           https://www.cybernet.jp/english/

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