

# Financial Materials for FY2023 2Q

CYBER SECURITY CLOUD

**Cyber Security Cloud, Inc.**

Growth Market of TSE: 4493

Aug 14, 2023

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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



30%+ growth in ARR YoY.

## Global achievements



Business operation in over 90 countries around the world.

# I Overview of the Financial Results for FY2023 2Q

Revenue (cumulative 2Q)

P6

**1.45** billion yen

Up 42.5% YoY\*

ARR (Annual Recurring Revenue)

P7

**2.87** billion yen

Up 31.3% YoY

Operating income (cumulative 2Q)

P6

**300** million yen

Up 115.2% YoY\*

Churn rate

P9

攻撃遮断くん **1.15%**

Waf Charm **0.99%**

\*Softek's results for 1Q of FY12/2022 are excluded, as our company absorbed Softek Corporation in April 2022 and shifted to non-consolidated accounting.

In addition, following the acquisition of the US corporation as a consolidated subsidiary in January 2023, the company shifted to consolidated accounting, so the figures are comparisons between the results for the cumulative 2Q of FY 12/2022 (non-consolidated) and the results for the cumulative 2Q of FY 12/2023 (consolidated).

# Overview of Results



- Sales grew significantly by 42.5% YoY and progress rate landed at 48.5% of the full-year forecasts.
- Operating income has more than doubled. In the second half of the year, hiring and advertising investment will be strengthened to accelerate global business expansion.

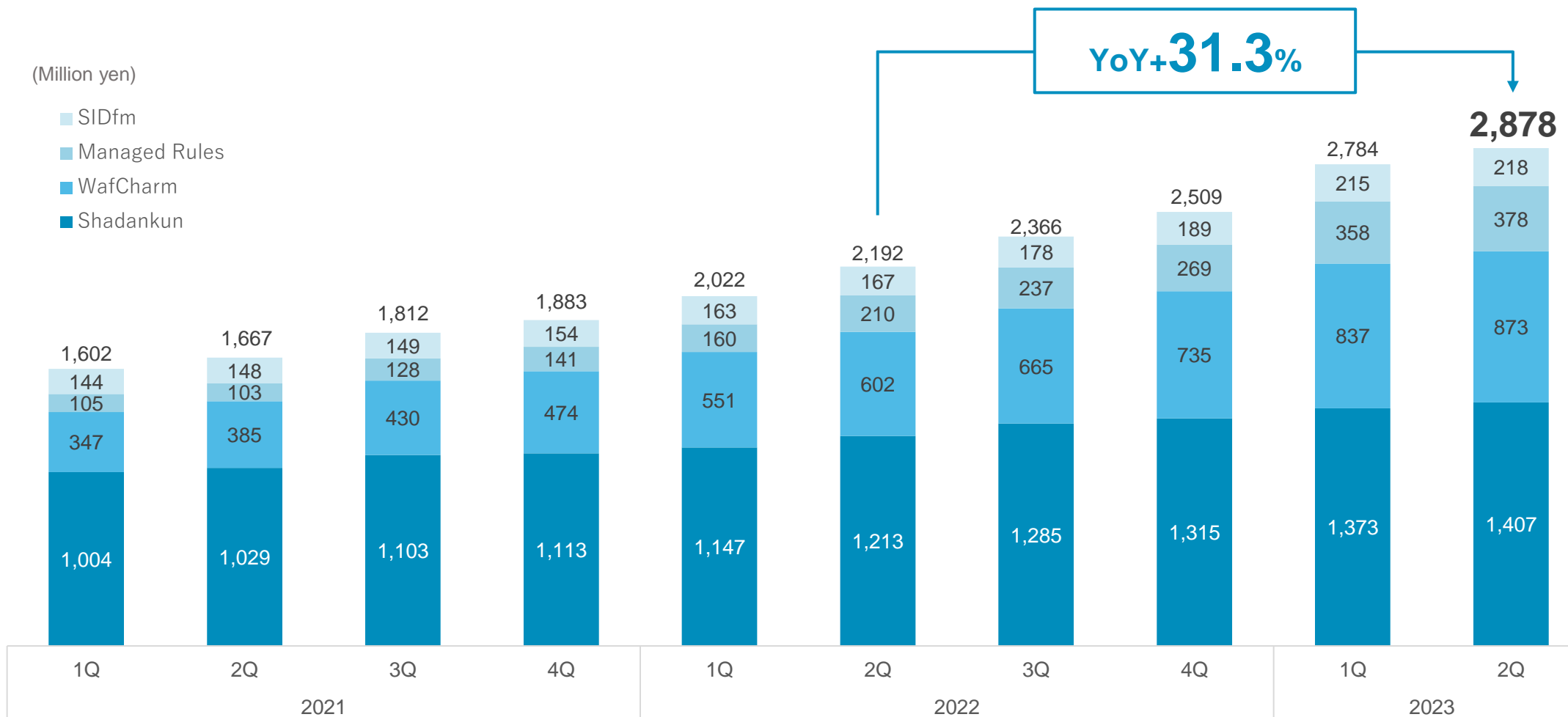
(Million yen)	Cumulative 2Q of FY 2022 (Non-consolidated) <sup>*1</sup>	Cumulative 2Q of FY 2023 (Consolidated) <sup>*2</sup>	YoY	Full-year Forecasts	Progress Rate
<b>Revenue</b>	<b>1,021</b>	<b>1,455</b>	<b>+42.5%</b>	<b>3,000</b>	<b>48.5%</b>
<b>Gross Profit</b>	<b>728</b>	<b>1,008</b>	<b>+38.5%</b>	<b>-</b>	<b>-</b>
<b>Operating Income</b>	<b>141</b>	<b>304</b>	<b>+115.2%</b>	<b>500</b>	<b>60.9%</b>
<b>Operating Income Margin (%)</b>	<b>13.8%</b>	<b>20.9%</b>	<b>+7.1pt</b>	<b>16.7%</b>	<b>-</b>
<b>Ordinary Income</b>	<b>154</b>	<b>322</b>	<b>+108.8%</b>	<b>500</b>	<b>64.4%</b>
<b>Net Income Attributable to Owners of the parent</b>	<b>131</b>	<b>220</b>	<b>+67.6%</b>	<b>346</b>	<b>63.7%</b>

\*1 In April 2022, following the absorption of Softek Corporation and the shift to non-consolidated accounting, Softek's results for 1Q of FY 12/2022 were excluded.

\*2 The US subsidiary was included in the scope of consolidation in January 2023.

# Variation in ARR

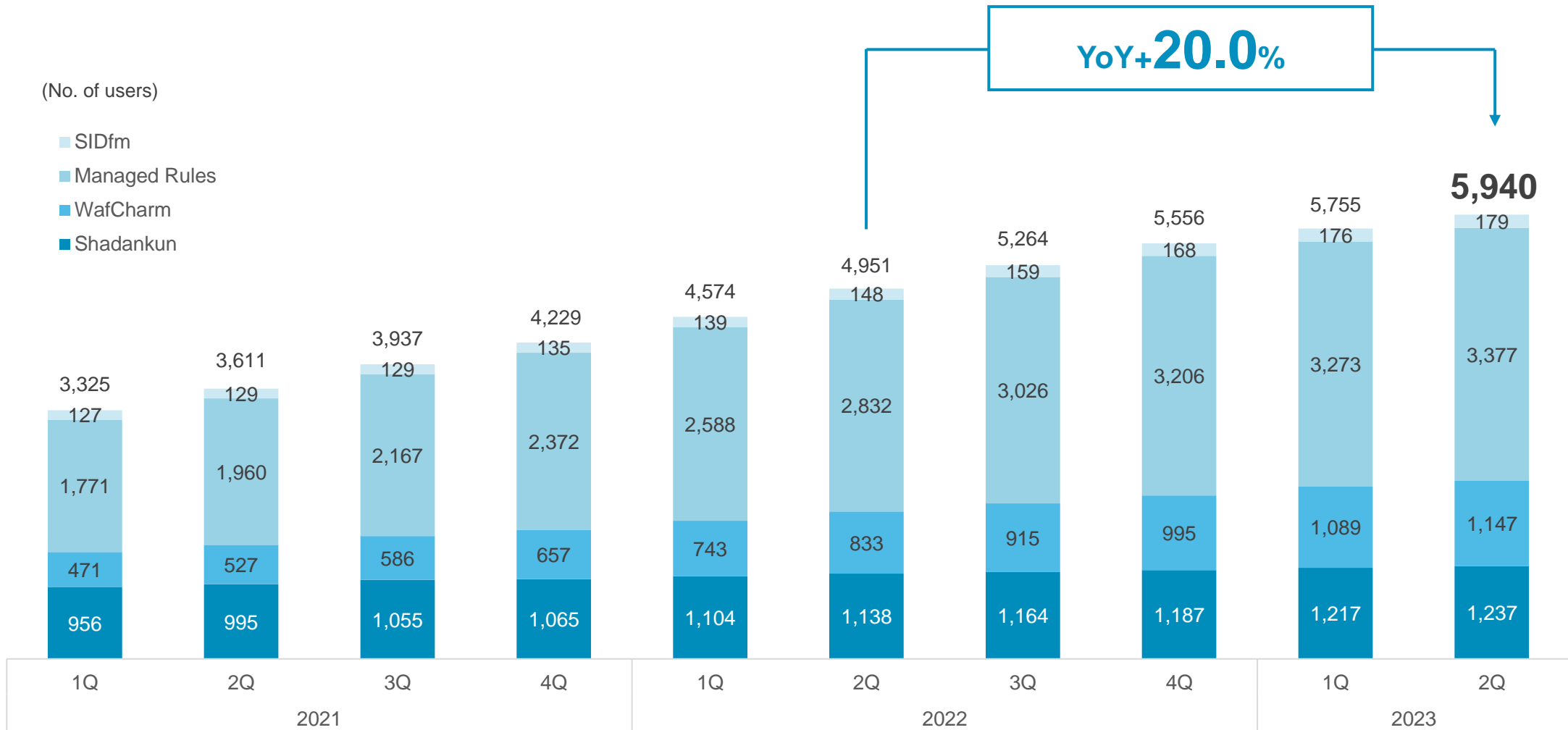
- As a result of steadily addressing new customer demands, ARR grew 31.3% YoY.
- CSC will accelerate ARR growth by suppressing churn and acquiring new customers.



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 revenue from existing customers.

# Number of Users

- Steady growth of the number of users in all products.



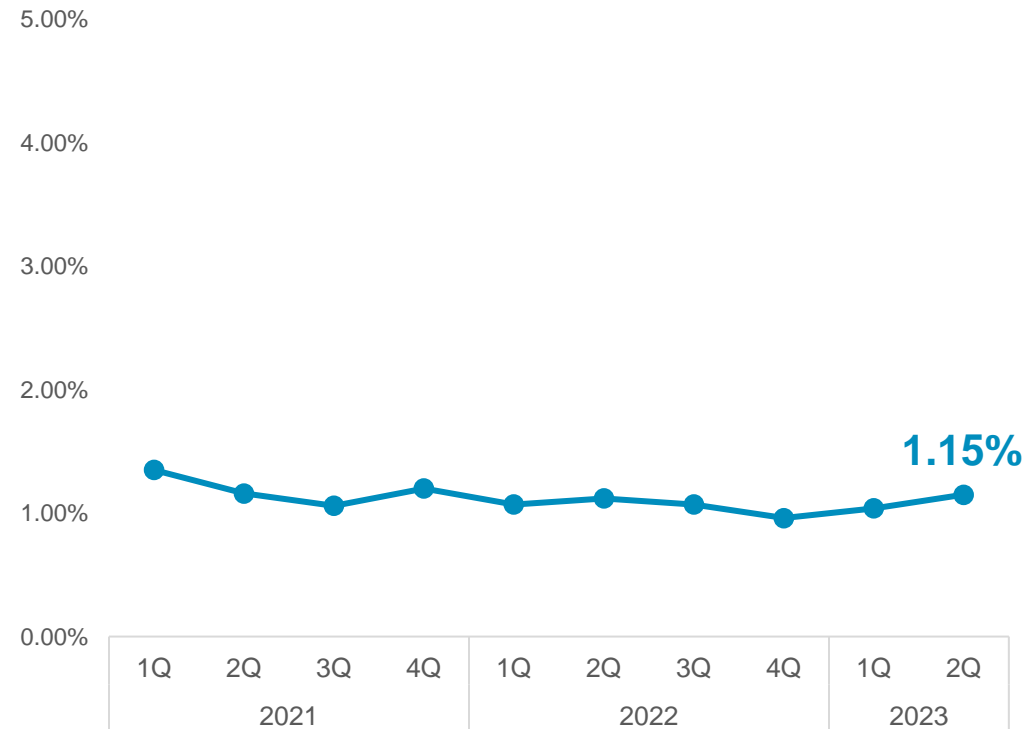


# Low Churn Rates

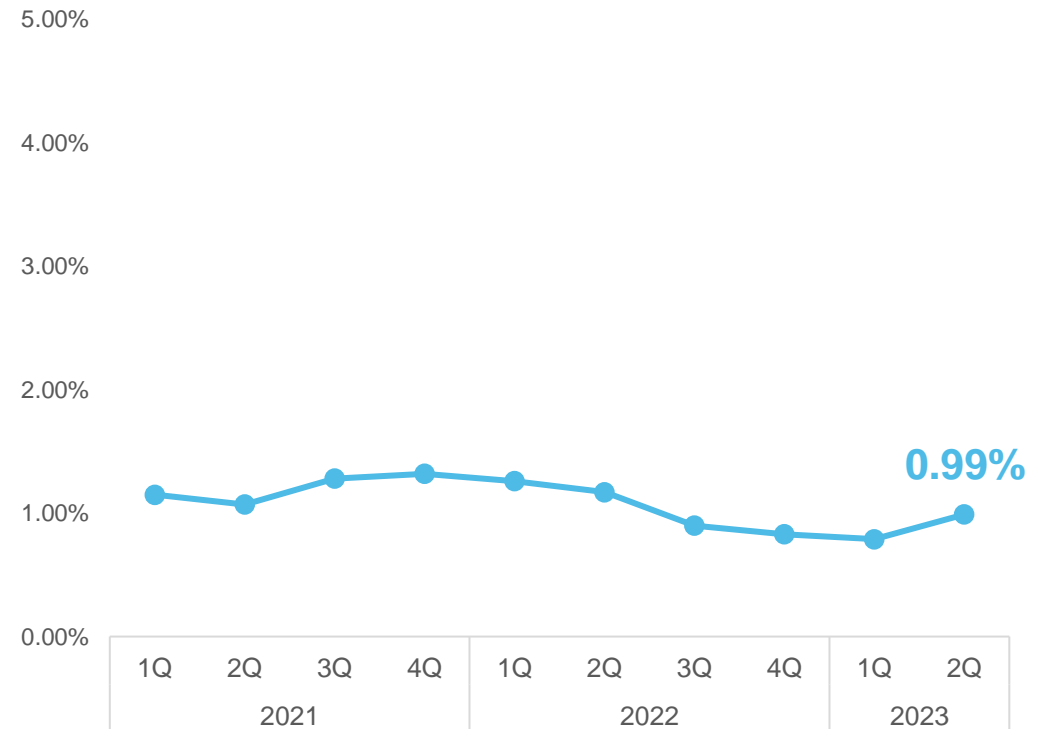


- Churn rates of both Shadankun and WafCharm increased due to churn caused by website closures and account mergers.
- CSC will commit to maintaining a low and stable churn rate going forward by strengthening customer success efforts and gaining a better understanding of customer issues.

**Churn rate of Shadankun<sup>\*1</sup>**



**WafCharm churn rate<sup>\*2</sup>**

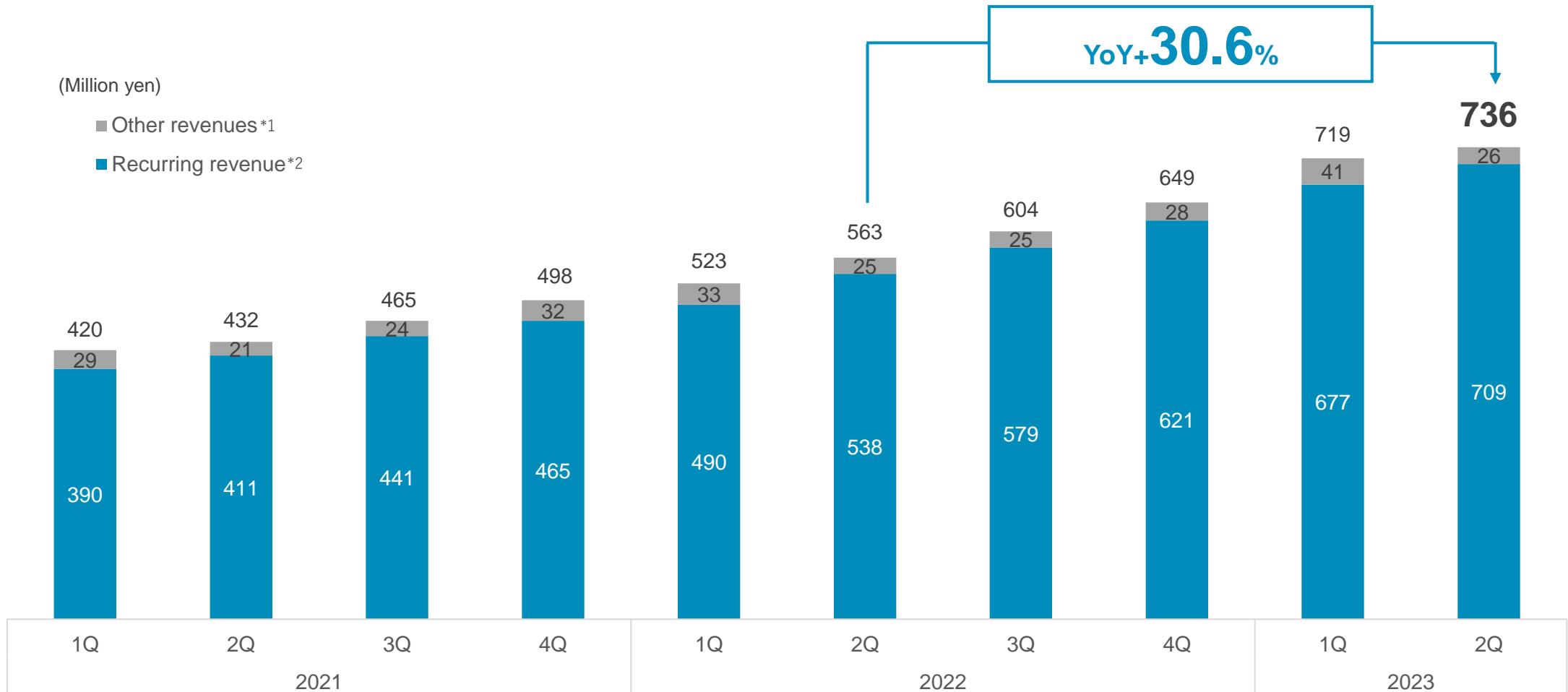


<sup>\*1</sup>Produced based on the average MRR churn rate of each product in the last 12 months. MRR churn rate is calculated by dividing the MRR lost in the month concerned by the MRR as of the end of the previous month.

<sup>\*2</sup> 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 (the calculation method changed in 2Q of FY 12/2023).

# Variation in Revenue

- Revenue continued to grow steadily by 30.6% YoY.
- Other revenue declined QoQ due to seasonal factors but progressed well with respect to the full-year forecast.



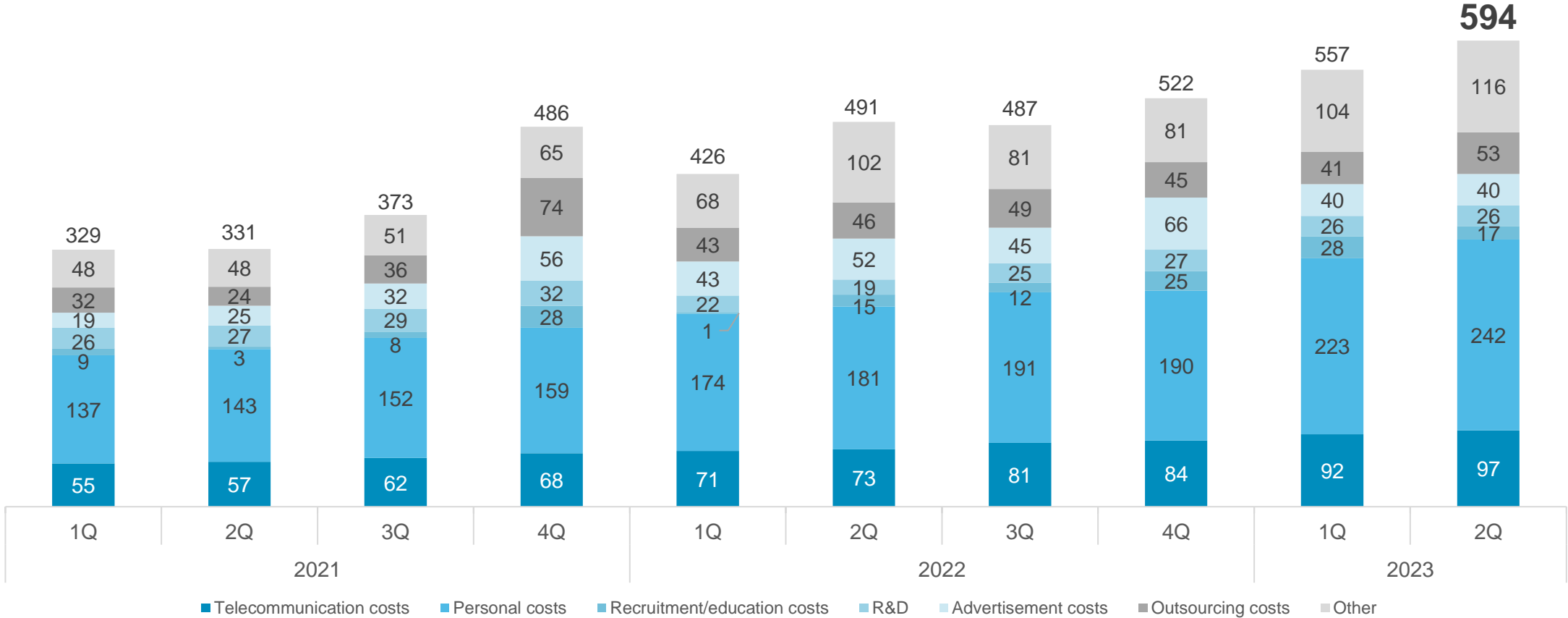
\*1 Total revenue, including the initial installation costs for Shadankun and spot contracts for vulnerability diagnosis, etc.

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

# Operating Costs (Cost of Revenue and SG&A)



- Personnel costs increased due to additional hiring in Japan and the U.S.
- Both personnel costs and advertising costs are expected to increase in the second half as a result of additional hiring planned and participation in large AWS-related events, respectively.



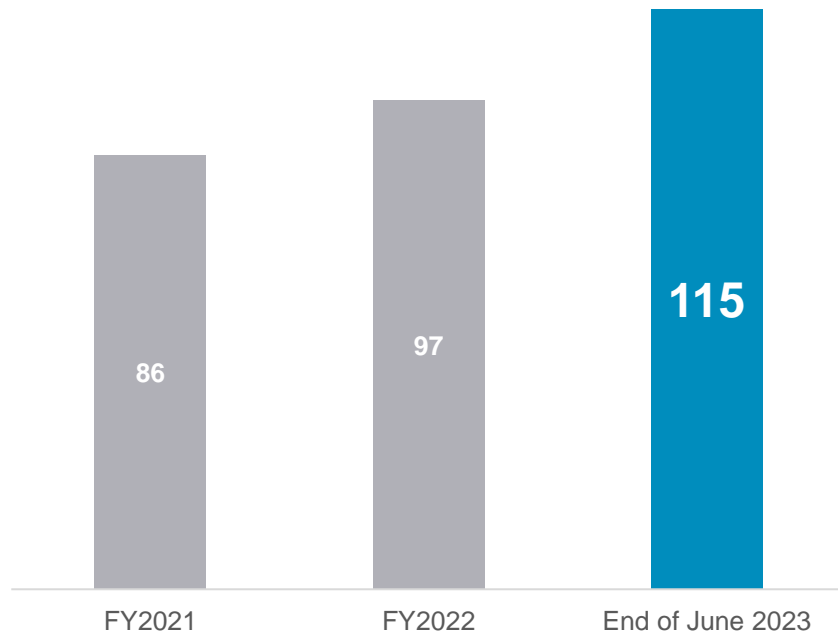
# Employees who Support the Growth of Cyber Security Cloud



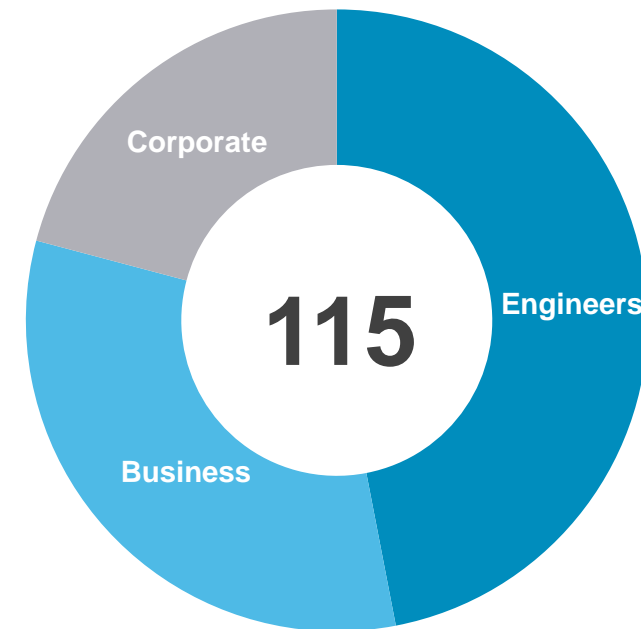
- Number of employees increased significantly due to hiring of engineers and at the U.S. subsidiary
- To secure talent for future growth, CSC implemented our first-ever new graduate hiring and enhanced employee support programs.

## Number of Employees\*

(Employees)






## Personnel Composition as the End of June 2023\*



\*Employees include temporary staff. The total number of employees of Japanese and U.S entities combined..

# (For reference) Major KPIs of Each Product

		2022				2023		YoY
		1Q	2Q	3Q	4Q	1Q	2Q	
	ARR (million yen) <sup>*1</sup>	1,147	1,213	1,285	1,315	1,373	1,407	+16.0%
	No. of client enterprises	1,104	1,138	1,164	1,187	1,217	1,237	+8.7%
	Churn rate (%) <sup>*2</sup>	1.07	1.12	1.07	0.97	1.04	1.15	+0.03pt
	ARR (million yen)	551	602	665	735	837	873	+45.0%
	No. of users	743	833	915	995	1,089	1,147	+37.7%
	Churn rate (%) <sup>*3</sup>	1.26	1.17	0.90	0.83	0.79	0.99	-0.18pt
	ARR (million yen)	160	210	237	269	358	378	+80.1%
	No. of users	2,588	2,832	3,026	3,206	3,273	3,377	+19.2%
	ARR (million yen)	163	167	178	189	215	218	+30.8%
	No. of users	139	148	159	168	176	179	+20.9%
<b>Total</b>	<b>ARR (million yen)</b>	<b>2,022</b>	<b>2,192</b>	<b>2,367</b>	<b>2,509</b>	<b>2,784</b>	<b>2,878</b>	<b>+31.3%</b>

\*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 (the calculation method changed in 2Q of FY 12/2023).

# (For reference) Statement of Income

(Million yen)	FY2021				FY2022				FY2023	
	Consolidated 1Q	Consolidated 2Q	Consolidated 3Q	Consolidated 4Q	Consolidated 1Q	Stand-alone 2Q	Stand-alone 3Q	Stand-alone 4Q	Consolidated 1Q	Consolidated 2Q
Revenue	420	433	466	498	523	563	604	649	719	736
Cost of Revenue	125	124	139	145	154	161	183	187	227	219
Gross Profit	294	308	326	352	369	401	421	462	491	516
SG&A	203	206	233	340	272	329	304	334	329	374
Operating Income	90	102	92	11	97	71	117	127	162	142
Operating Income Margin	21.6%	23.6%	19.9%	2.3%	18.6%	12.7%	19.4%	19.6%	22.6%	19.3%
Ordinary Income	92	100	92	12	100	53	146	119	162	159
Net Income Attributable to Owners of the parent	59	68	61	-19	72	59	84	88	110	109

# (For reference) Balance Sheet and Statement of Cash Flows

(Million yen)	2021	2022	2023 2Q
	Consolidated	Stand-alone	Consolidated
<b>Current Assets</b>	1,253	1,621	1,923
<b>Fixed Assets</b>	456	536	560
<b>Total Assets</b>	1,710	2,157	2,483
<b>Current Liabilities</b>	543	663	738
<b>Fixed Liabilities</b>	221	184	136
<b>Total Liabilities</b>	765	848	875
<b>Net Assets</b>	944	1,309	1,608
<b>Total Liabilities and Net Assets</b>	1,710	2,157	2,483

(Million yen)	2022 2Q	2023 2Q
	Stand-alone	Consolidated
<b>Cash Flow From Operating Activities</b>	72	262
<b>Cash Flow From Investing Activities</b>	-54	-26
<b>Cash Flow From Financing Activities</b>	78	-46
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	95	209
<b>Cash and Cash Equivalents at the Beginning of period</b>	796	1,330
<b>Increase in Cash and Cash Equivalents Resulting From New Consolidation</b>	253	34
<b>Cash and Cash Equivalents at the End of period</b>	1,145	1,573

## II Topics of FY2023 2Q

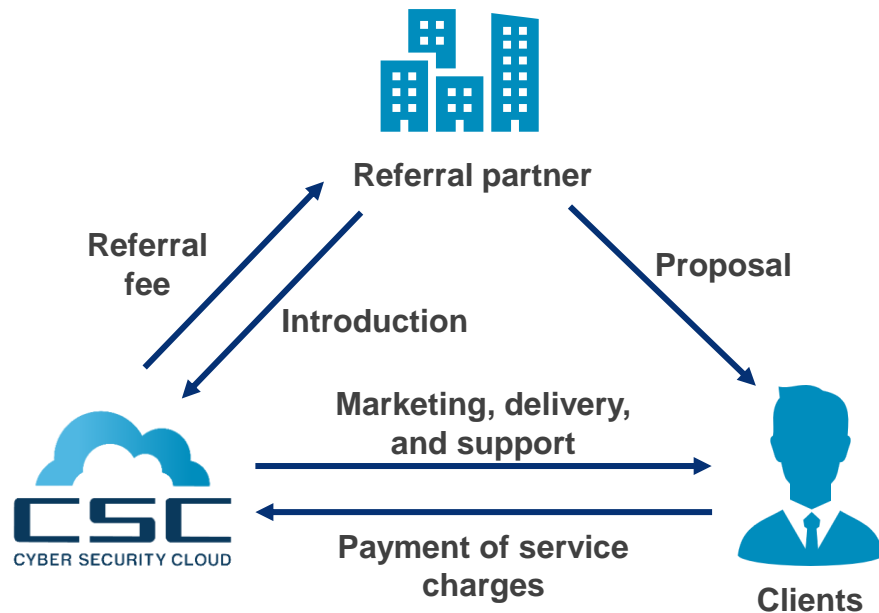


# Priority Measure 1: Establish a “Referral Partner System” to Expand Sales Channels

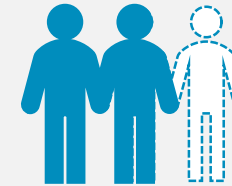
- CSC has established a “referral partner system”, which is different from conventional sale by distributors, to increase partners.
- CSC lowered the barriers to the participation in the partner system to increase clients through referral partners.

## Outline of the referral partner system

System in which introduction partners introduce possible clients to us and if they adopt our services, we pay introduction fees to the partners



## Problems with the conventional sale by distributors



Lack of sales resources



Entrust sales activities to CSC



The new system solves the problem with resources and allows many enterprises to become referral partners.

# Priority Measure 2: Expansion of WafCharm Sales Channels and Plan Updates



- CSC has become compliant with GDPR which enables worldwide sales through AWS Marketplace.
- CSC has renewed pricing plans with the expansion of features. WafCharm for AWS Marketplace offers a usage-based pricing plan to cater to a wide range of needs.

## Waf Charm

## Waf Charm for AWS Marketplace

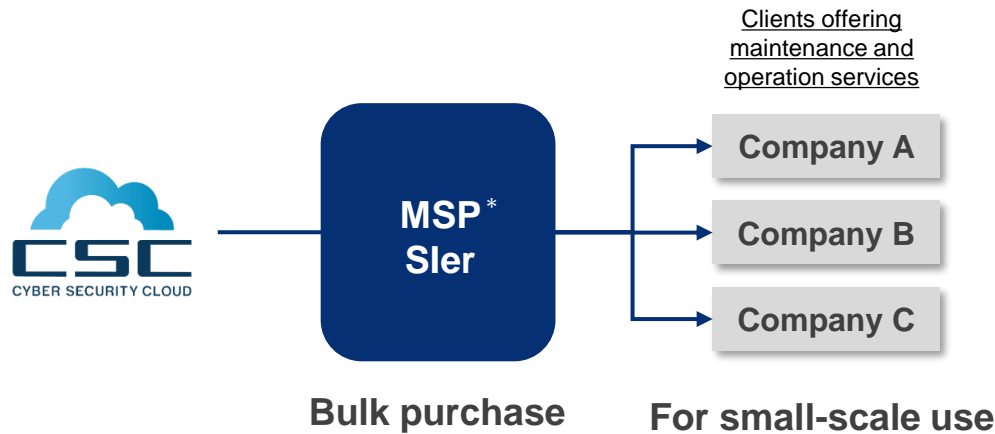
<b>Sales channels</b>	Direct sales via partners	AWS Marketplace
<b>Supported countries</b>	Japan and USA	<b>Over 220 countries</b>
<b>Main features*</b>	- Automated operation of WAF - <b>Tampering Detection Function</b>	- Automatic operation of WAF - Tampering detection function
<b>Price</b>	<b>Monthly charge: ¥112,000~ \$900~</b>	<b>\$1.34/h~</b>

\* Applicable to new customers from June 2023 onwards.

# Priority Measure 3: Expanding Sales and Raising Awareness of SIDfm

- CSC released a plan that allows business operators, which perform maintenance and operation, to purchase in bulk and provide vulnerability management functions to multiple companies.
- CSC participated in an exhibition to showcase SIDfm for the first time and introduced its usefulness to previously unreached customer segments.

## Plans for MSP operators released



## Operators that adopted new plans



\*MSP stands for a managed service provider, which conducts maintenance, operation and monitoring of IT systems.

## Exhibit at Interop Tokyo 2023



We approached over 300 people at our booth and seminar.

# Cyber Security Alliance with High Expectations from Central Ministries

- As an entity driving the reform of mindsets about security in Japanese companies, CSC has strengthened collaboration with central ministries.
- CSC will consistently disseminate updated guidelines and actual cases of cyber attacks to become indispensable in promoting cybersecurity in Japan.

## Management seminars organized with METI



CSC explained with the Ministry of Economy, Trade and Industry (METI) about the “Cyber Security Management Guidelines 3.0,” **which partly reflect our public comments.**

CSC widely disseminate government guidelines to enhance Japan's cybersecurity level.

## Holding seminars for medical institutions in cooperation with MHLW





CSC held seminars inviting **Vice Minister Isa of Ministry of Health, Labour, and Welfare (MHLW)** as well as medical institutions that have experienced cyber-attacks firsthand. They shared their experiences and discussed countermeasures in a candid manner.

CSC provided valuable information tailored for medical institutions, attracting significant attention and achieving a record-breaking number of attendees.

# III Growth Strategy Toward 2025



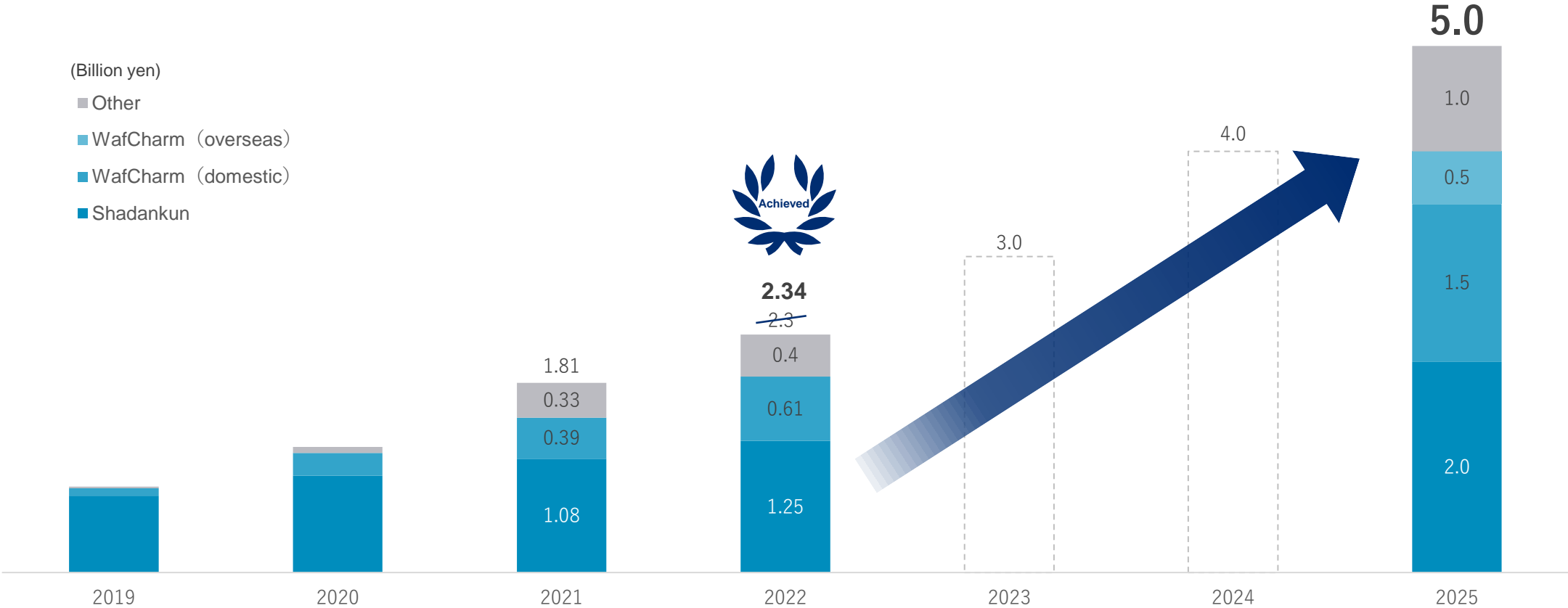
## Provide reliable services around the world as a global security software maker from Japan

-  **Became the top security company in Japan in the field of "Web Security"** with our product installed by 10,000 companies.
-  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%**

# Financial Target 1: Achieve Revenue of 5 Billion Yen



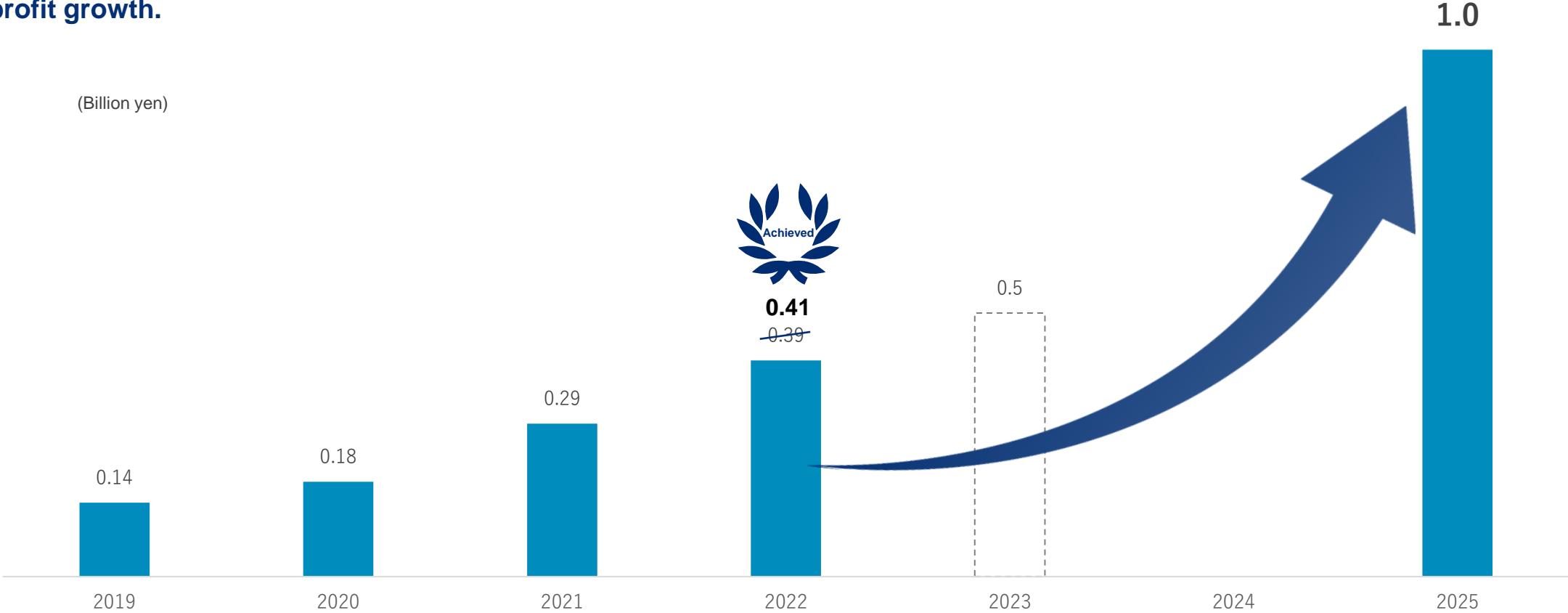
- Aiming for revenue of 5 billion yen to become the top security company in Japan in the "Web Security" field.
- To implement measures quickly while updating sales and product strategies so that global revenue will account for at least 10% of total revenue.



# Financial Target 2: Operating Income of 1 Billion Yen in 2025



- Plans to strengthen recruitment of mainly development and sales personnel and conduct aggressive marketing activities to popularize our company.
- Aim to achieve an operating income of 1 billion yen in 2025, while continuing to make up-front investments and achieve profit growth.





# Key Measures 1: To Strengthen Support for Partners

- To strengthen alliances with partners, that have strong sales capabilities, inside and outside Japan.
- To target North America, Asia, and Europe through globally focused partner programs.

## Type of industry in which partner relationships should be focused on

In addition to sales agency for existing products, CSC sets specific industries for which alliances should be strengthened to explore the joint development of new services that combine the strengths of both parties.

System integrator

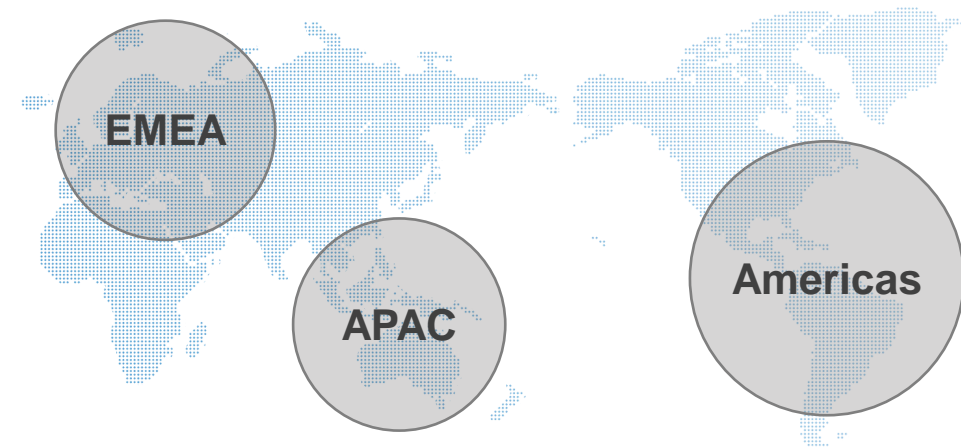
IT infrastructure provider

Consulting company

MSSP\*

## Global expansion of the partner network

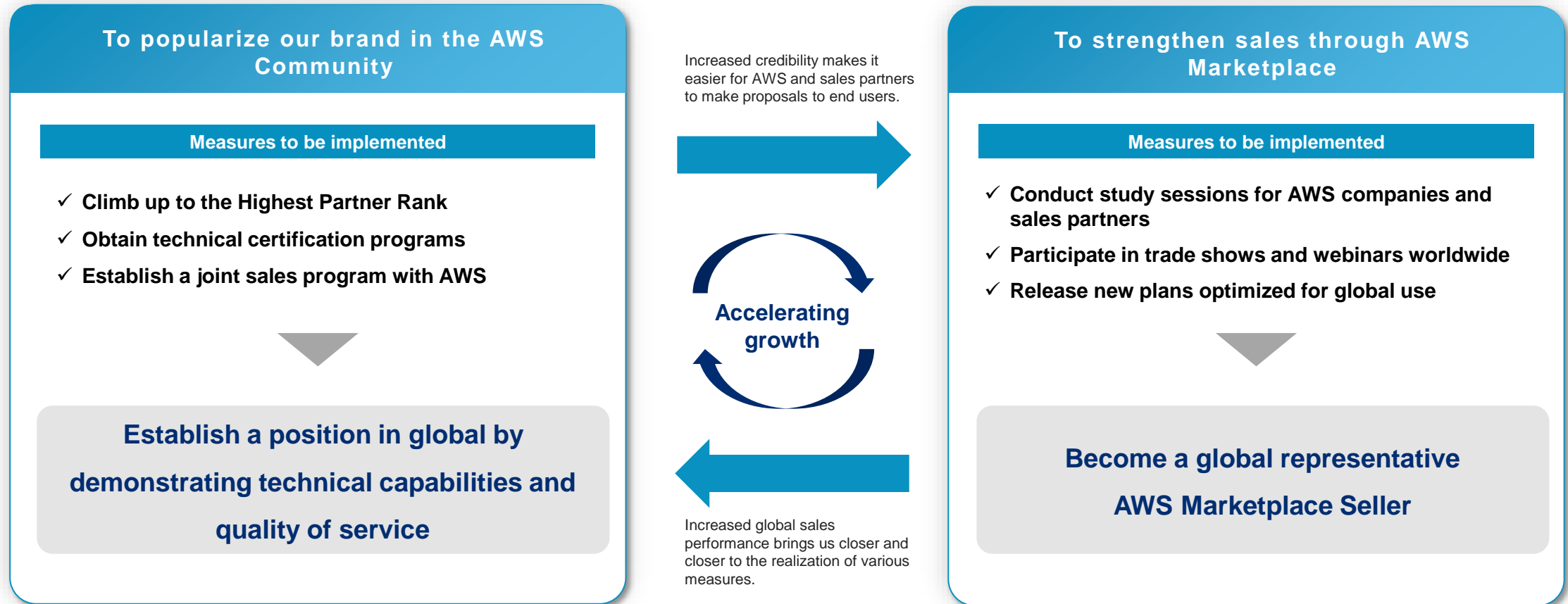
CSC classifies the regions to focus on as described below and shall find **local** partners **to** swiftly expand our business globally.



\* MSSP stands for Managed Security Service Provider, a security vendor that undertakes security operations and management.

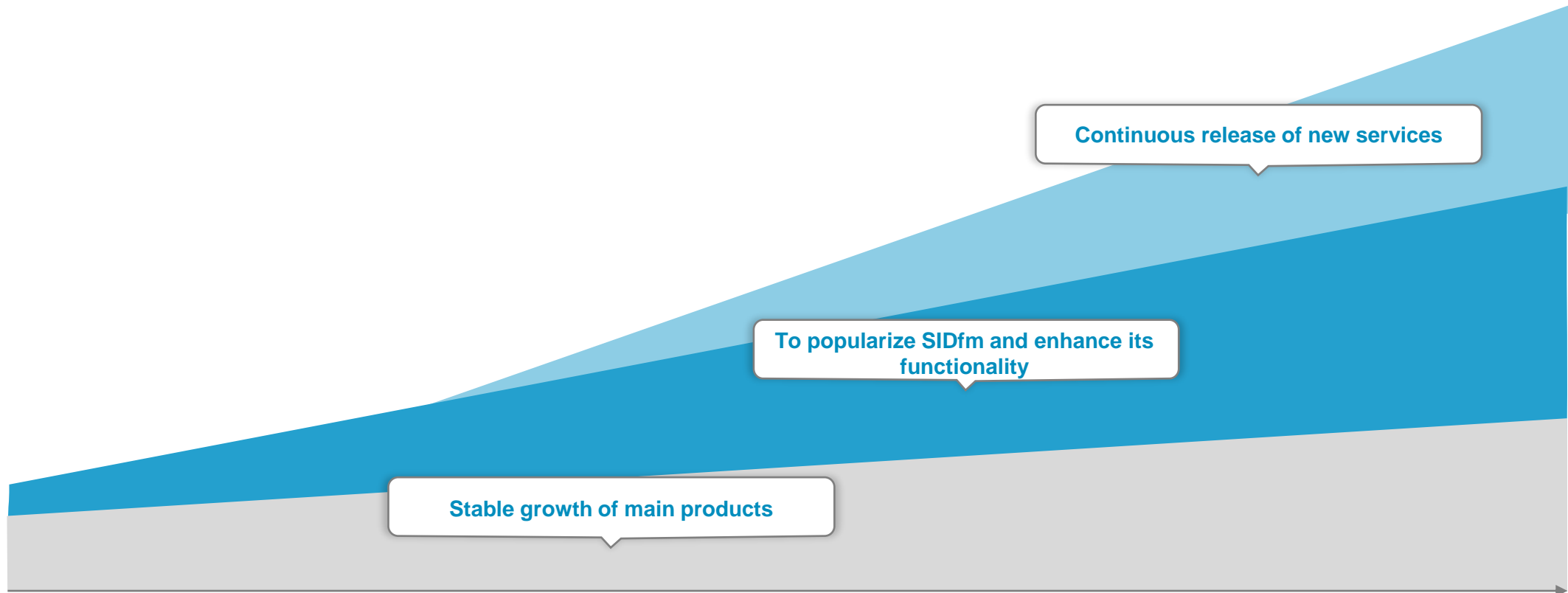
# Key Measure 2: WafCharm's Global Strategy

- To increase presence and popularity by improving AWS partner rank and acquiring certification programs.
- Not only developing sales channel by ourselves, but also strengthening sales within AWS Marketplace.



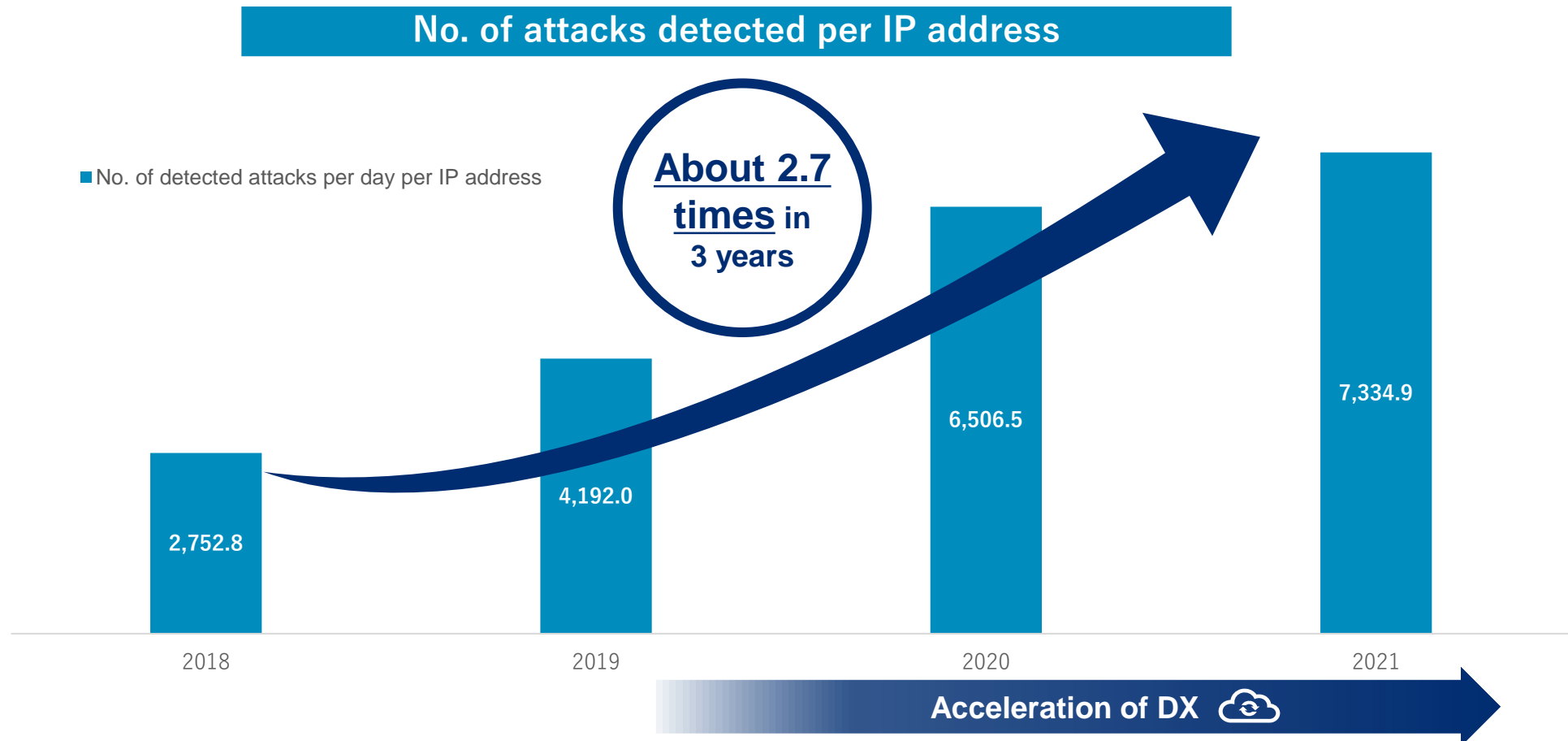
## Key Measure 3: To Strengthen Our Service Lineup

- Amid the growing importance of measures against vulnerability, CSC will leverage its business development capabilities to maximize the value offered by SIDfm.
- To develop new services to solve users' issues and enhance the service lineup in order to become a comprehensive solution company for web security.



# IV Business Environment Surrounding Our Company

- Cyber attacks increased, due to the acceleration of DX and the increase of online businesses in the wake of the outbreak of the novel coronavirus.
- It is imperative to take measures against cyber security attacks, which are becoming more sophisticated year by year.

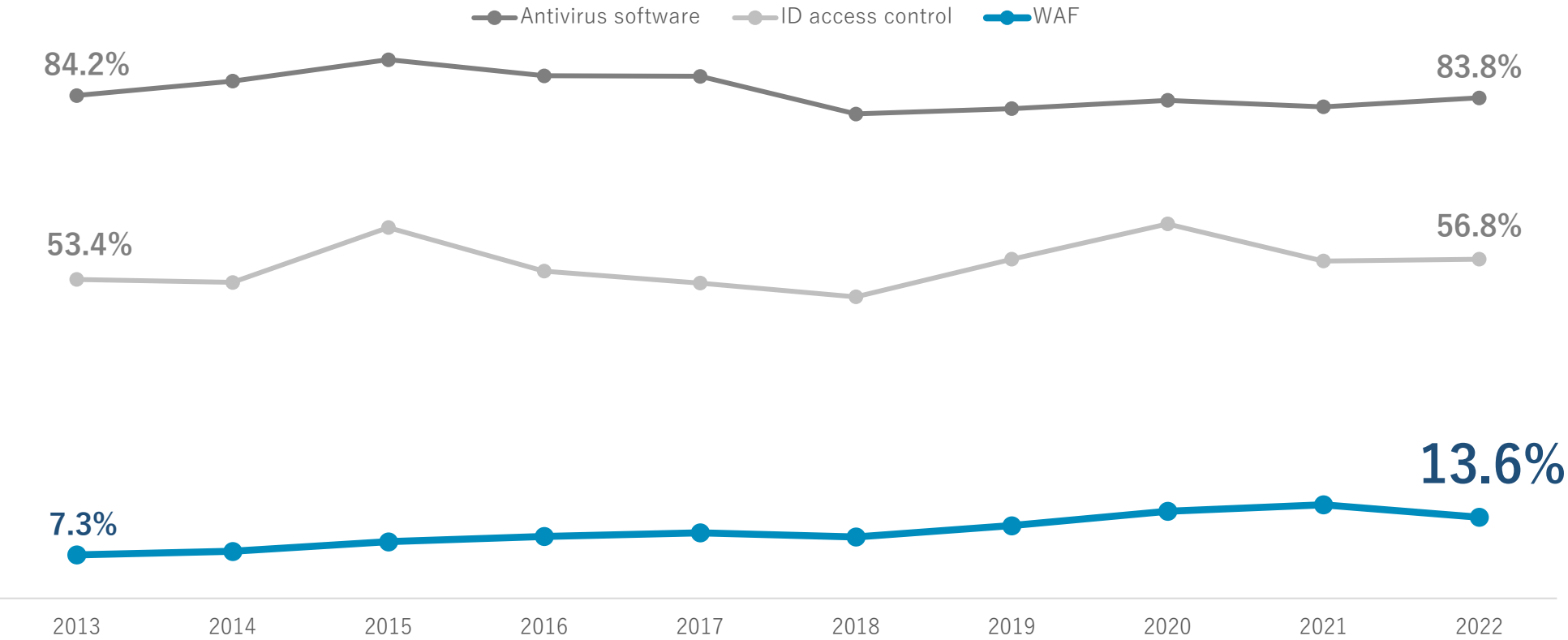


# Steadily Increasing Ratio of Enterprises That Adopted WAF



- The adoption rate of antivirus software and ID access control have been flat as the market is saturated.
- The ratio of enterprises that adopted WAF has steadily grown over the past 10 years. Further market growth is expected.

Variation in the ratio of enterprises that adopted security services

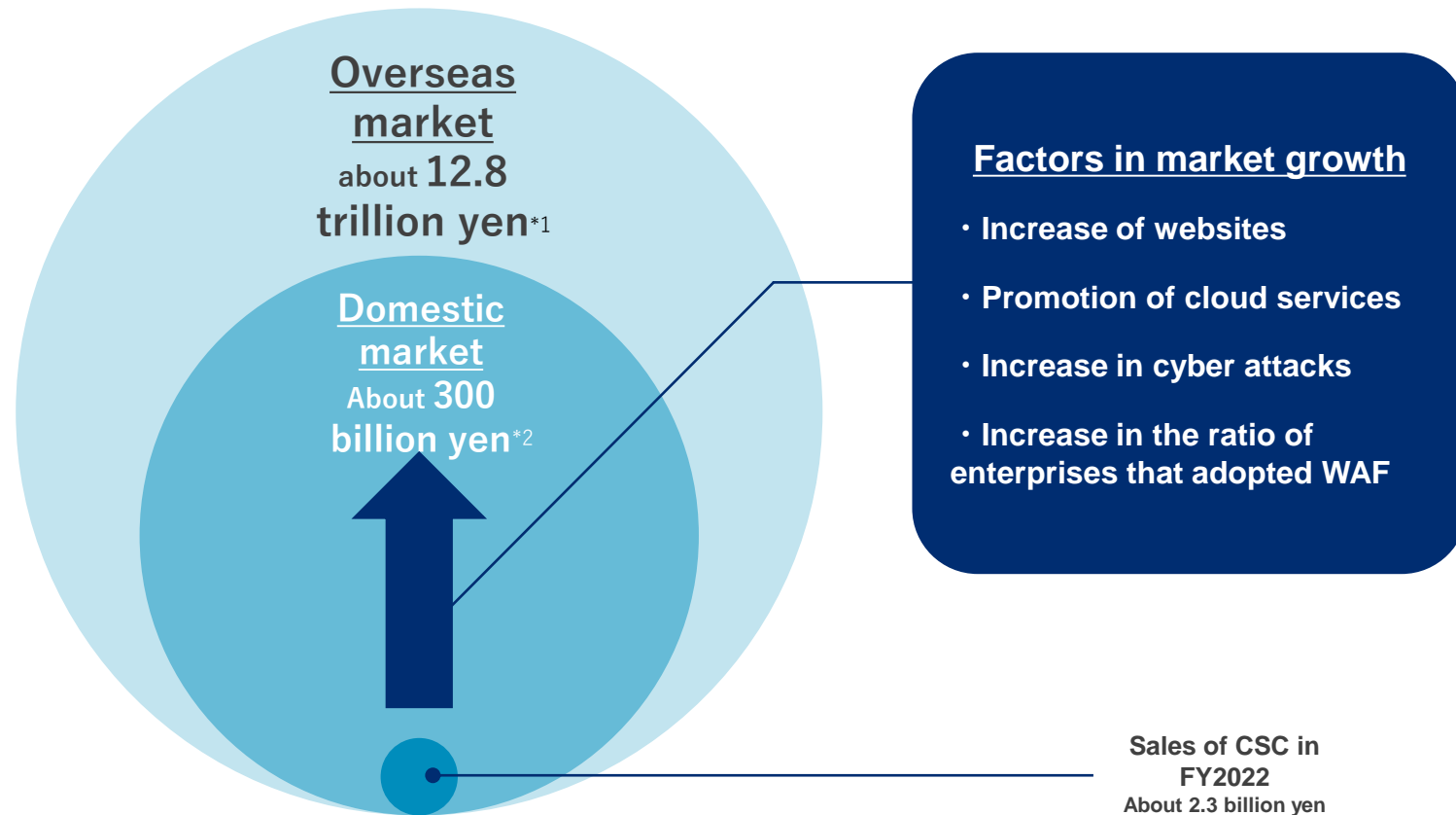


Produced by our company with reference to "Survey on the trend of use of communications in 2021" by MIC.

- Ministries have updated laws and guidelines regarding cybersecurity due to successive information leakage.
- Growth in demand is anticipated as a result of increased importance placed on cybersecurity from various sectors

Related Organization	Applied Date	Related laws and Guidelines	Mainly updated contents
Personal Information Protection Commission Japan	Apr. 2022	Act on the Protection of Personal Information	Toughen fines to enterprises
Cabinet Office	Aug. 2022	Economic Security Promotion Bill	Strengthen cybersecurity for critical infrastructure
Ministry of Health, Labor and Welfare	Apr. 2023	Enforcement Regulations on the Medical Care Act.	Obligation for medical institution to take cybersecurity measures
Ministry of Economy, Trade and Industry	Jun. 2022	Measures of Credit Security 2025	Obligation for e-commerce business to prevent credit card fraud
	Mar. 2023	Cybersecurity Management Guideline Ver3.0	Changing mindset of managements

- Even CSC, with top domestic share, accounts for less than 1% of the market leaving significant room for expansion.
- The progress of DX will facilitate the growth of CSC.

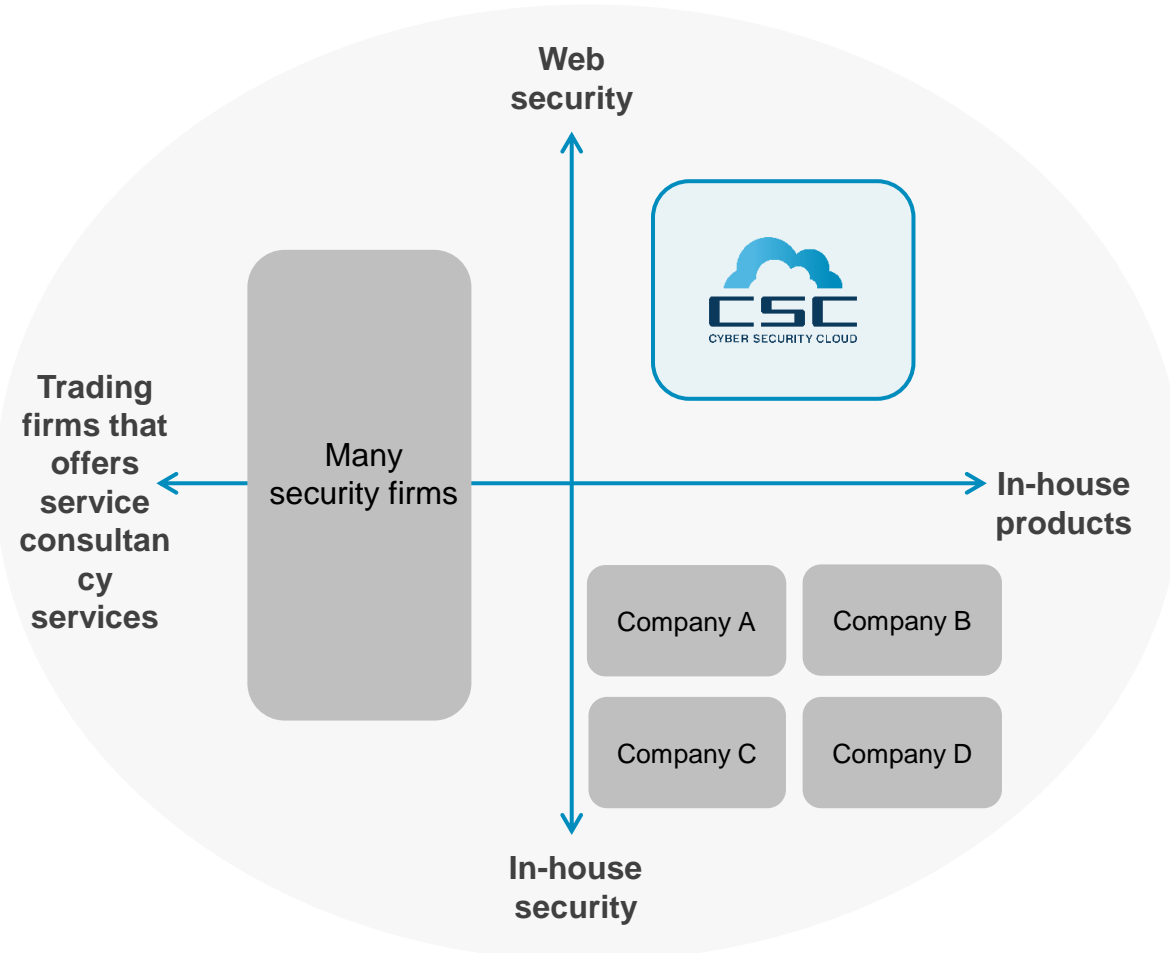


\*1 Estimated by our company from the number of companies in the world: 213 million (Statista "Estimated number of companies worldwide from 2000 to 2020") and the most affordable plan of WafCharm (monthly fee: 5,000 yen) for 12 months.

\*2 Estimated by our company from the number of Japanese corporations: 2,758,420 (National Tax Agency "Survey on companies in FY 2019"), the ratio of companies that have a website: 90.1% (MIC "Report on the survey on the trend of use on information and telecommunication technologies (for enterprises) in 2020," and the most affordable plan of Shadankun (monthly fee: 10,000 yen) for 12 months.



- 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 Overview



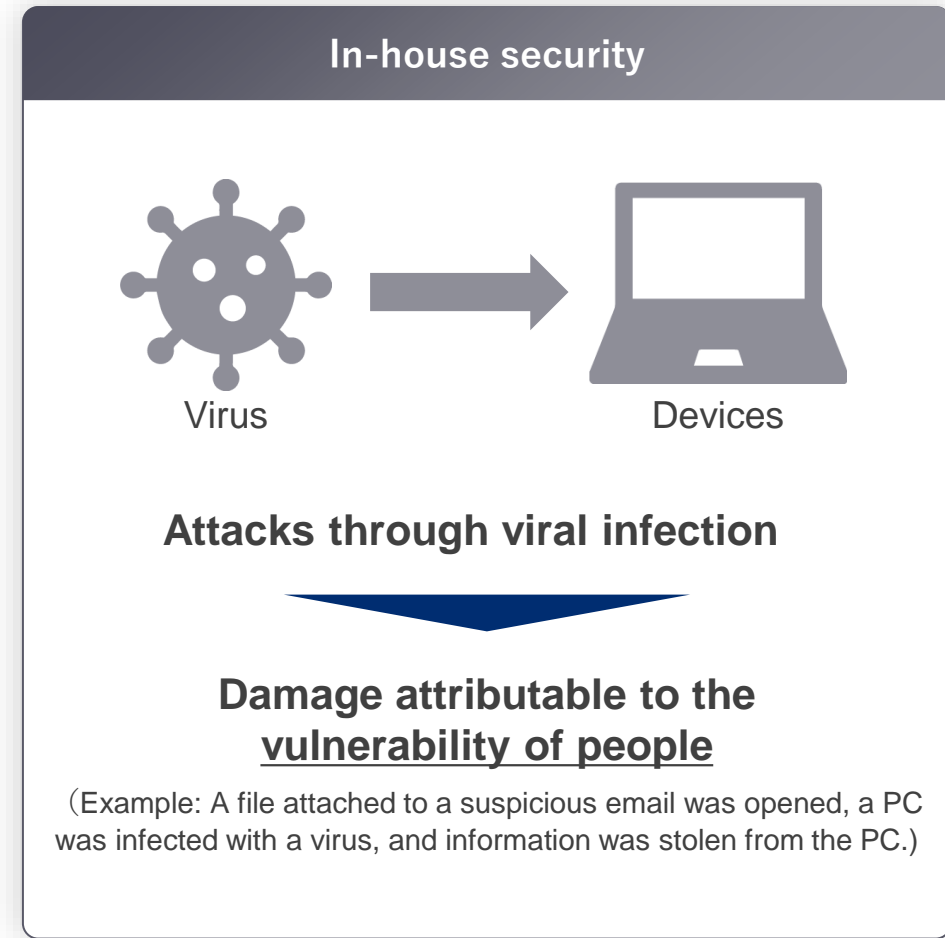
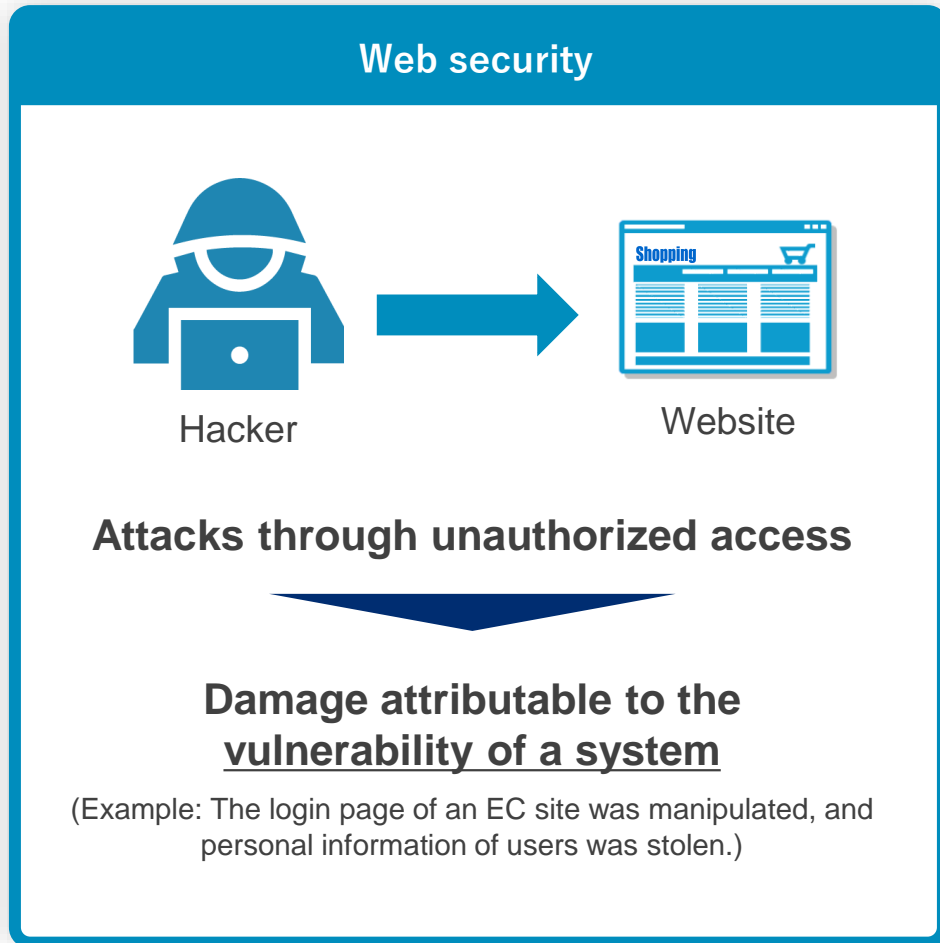
<b>Corporate name</b>	Cyber Security Cloud, Inc.
<b>Date of establishment</b>	August 11, 2010
<b>Date of listing</b>	March 26, 2020
<b>Representatives</b>	Toshihiro Koike, Representative Director, President, and CEO Yoji Watanabe, Representative Director and CTO
<b>Executives</b>	Masashi Kurata, Director 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
<b>Location</b>	13 <sup>th</sup> floor of JR Tokyu Meguro Bldg., 3-1-1 Kamiosaki, Shinagawa-ku, Tokyo
<b>Business description</b>	Development and provision of cyber security services utilizing AI technology
<b>Group companies</b>	Cyber Security Cloud Inc. (USA)



A light blue, dotted world map is centered in the background of the slide, showing the outlines of continents and major landmasses.

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

- Enterprises implement cyber security measures mainly in two fields.



## 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.

# Concrete Examples of Information Leak

- **A lot of information leaked in various fields. Due to the full enforcement of the amended Act on the Protection of Personal Information, all enterprises need to fortify cyber security.**

Field	Description	No. of pieces of information
<b>Information/telecommunication</b>	Due to the unauthorized access by a third party, the business information of affiliates and the information on employees leaked.	About <b>20 million</b>
<b>Air transportation</b>	A database on customer information was accessed improperly, and the data on names, member numbers, and statuses leaked.	About <b>1 million</b>
<b>Education</b>	System servers suffered cyber attacks, and information on the use of the servers leaked.	About <b>43,000</b>
<b>Finance</b>	Smartphone apps for members suffered cyber attacks, and customer ID information was accessed improperly.	About <b>16,000</b>
<b>Electric power /gas</b>	Provided apps suffered unauthorized access, and email addresses leaked.	About <b>10,000</b>
<b>Electric devices</b>	Cloud servers suffered cyber attacks, and some information on business partners leaked.	About <b>8,000</b>
<b>Food products</b>	EC sites suffered unauthorized access, and membership information leaked.	About <b>5,000</b>
<b>Land transportation</b>	EC sites suffered unauthorized access, and card information leaked.	About <b>3,000</b>
<b>Media</b>	EC sites suffered cyber attacks, and personal information leaked.	About <b>1,000</b>

# Cases of Damage Done to Websites Through Cyber Attacks

- Cyber attacks could affect corporate business activities in various ways, leading to the leakage of personal information, the decline in stock prices, and shareholder derivative suits.



Loss of Sales Opportunity



Damaging Brand Image



Compensation for Damages  
(about 630 million yen/case\*1)



Leakage of Personal Information



Decline in Stock Prices  
(10% on average\*2)



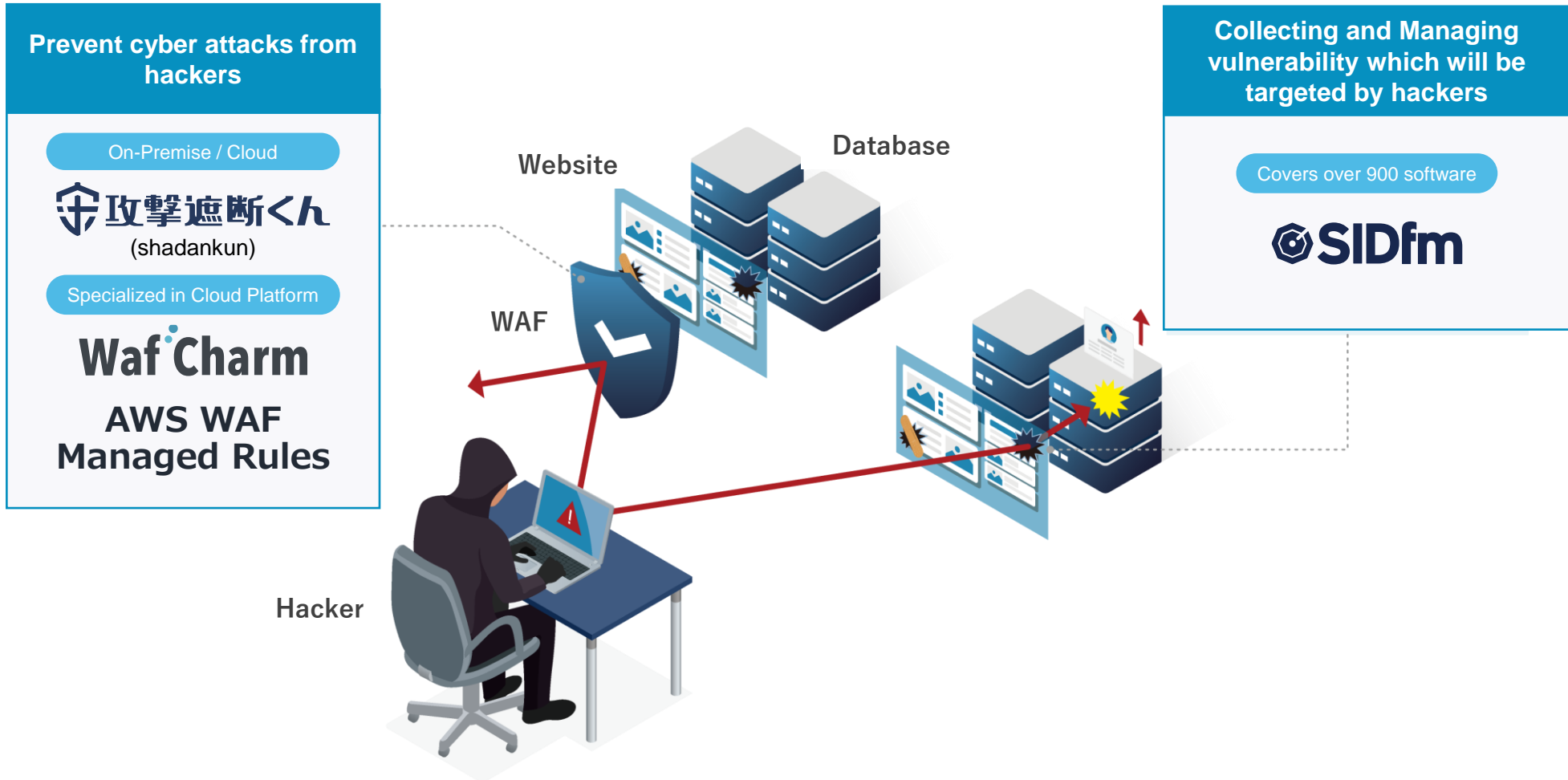
Shareholder Derivative Suits

\*1 Source : JNSA 2018 " Survey Report regarding Information Security Incident"  
\*2 Source : JICI "Quantifying Cyber Risk Survey which can be used in discussions at Board of Director meetings"



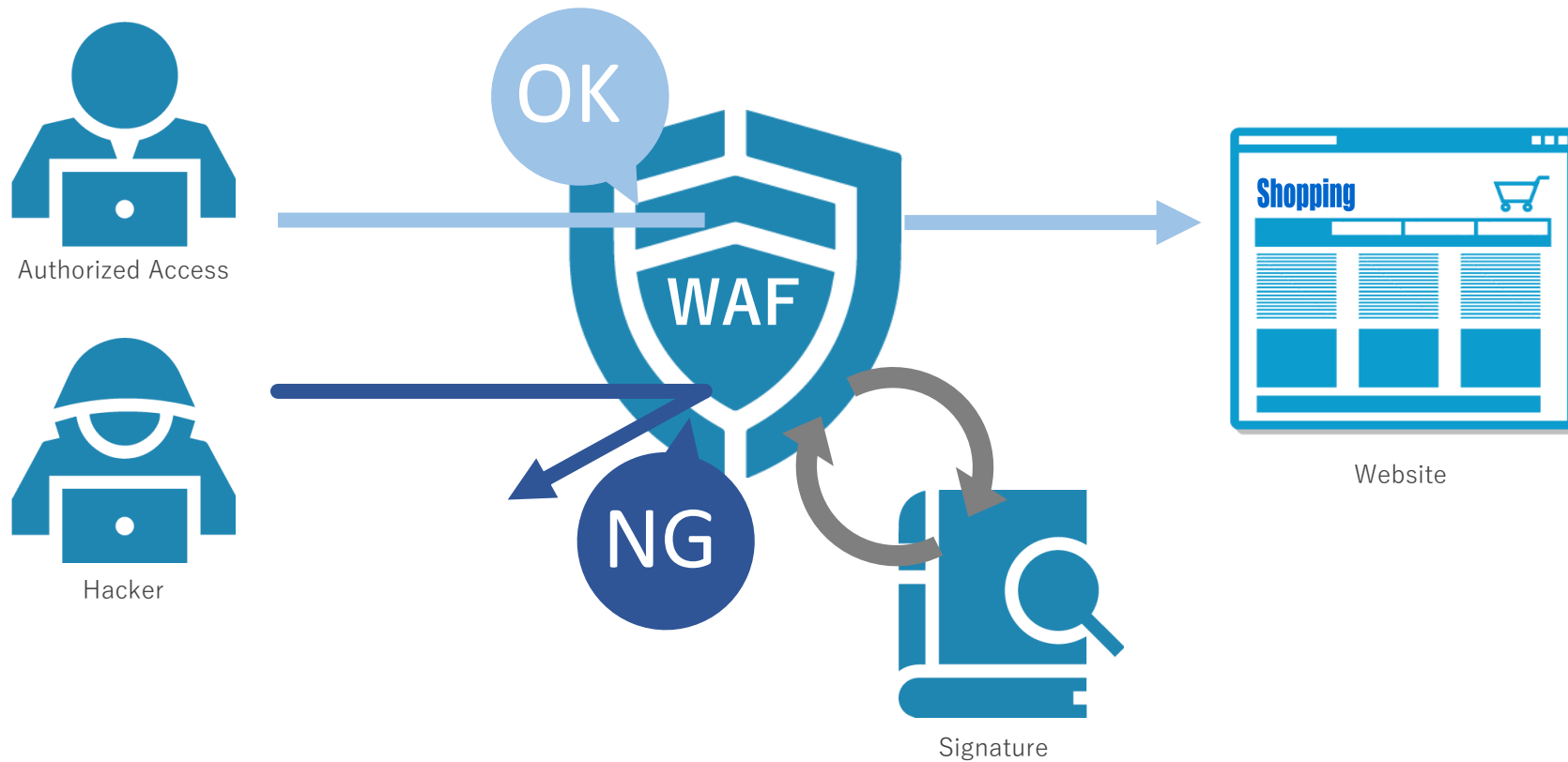
# Roles of Our Products in the Web Security Field

- To maintain cyberspace secure, our company provides for client companies to “protect” and “fix” websites and web services.



# What is WAF (Web Application Firewall)?

- WAF takes the role of a gatekeeper that only blocks unauthorized access to websites.
- It blocks attacks from hackers based on the rules summarizing attack patterns (signature).
- Attacks from hackers are becoming more sophisticated on a daily basis, so it is necessary to always apply the latest rules.



- **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.



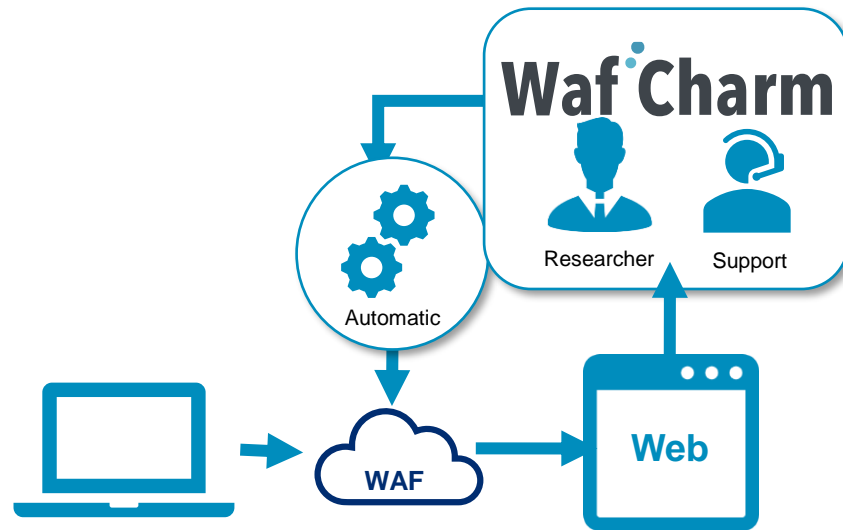
It is possible to detect unknown attacks and faulty detections speedily.



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

\* Summary of the survey by JMRO: Survey on results for FY 10/2021

- 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<sup>\*1</sup>
- ✓ Can be installed through a few steps
- ✓ It can protect your website at a low cost, with a monthly fee ranging from 5,000 yen.
- ✓ Can be used in over 220 countries<sup>\*2</sup>



Compatible with the three major cloud platforms<sup>\*3</sup>



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

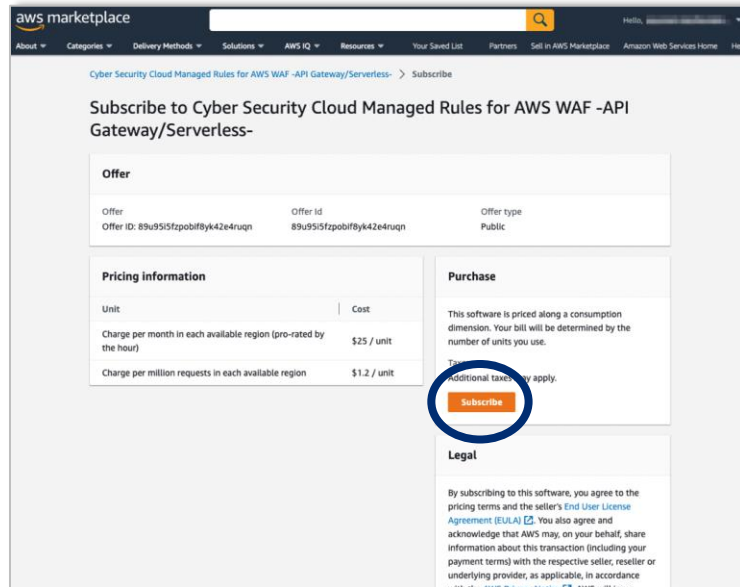
<sup>\*1</sup> Summary of the survey by JMRO: Survey on results for FY 7/2020

<sup>\*2</sup> For WafCharm for AWS Marketplace

<sup>\*3</sup> 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 90 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



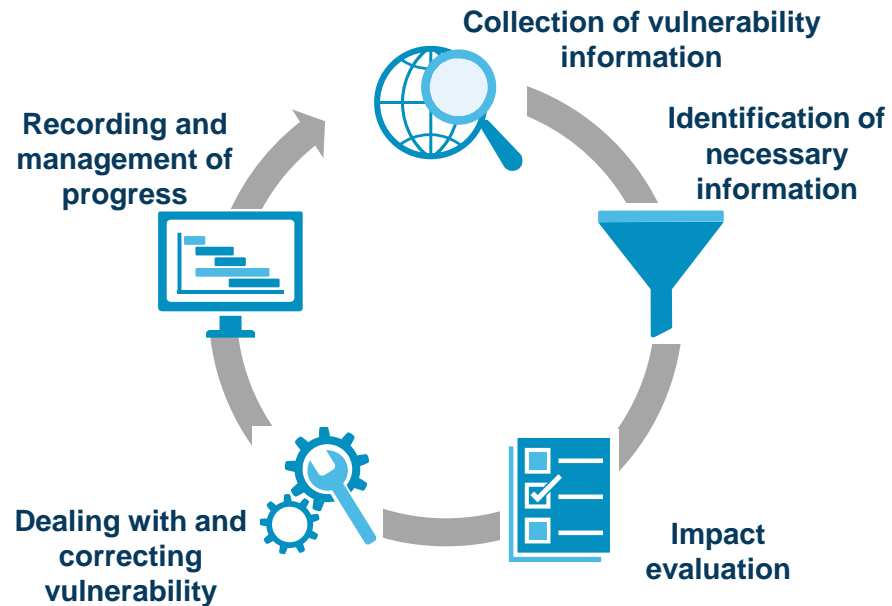
Received the award of AWS Marketplace Partner of the Year\*2

\*1 Our company, Fortinet, F5 networks, Cloudbric, ThreatSTOP, Imperva, GeoComply, and Mlytics

\*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<sup>\*1</sup>
- ✓ It can be used by paying a monthly fee ranging from 30,000 yen<sup>\*2</sup>
- ✓ 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

<sup>\*1</sup> Softek acquired in 2020 started business in 1999.

<sup>\*2</sup> The annual fee of SIDfm Group was converted to the monthly fee.

- Domestic security software maker that brings peace of mind to customers through in-house development and support.

Cloud-type WAF	Service for automatic operation of public cloud WAF	A set of rules exclusively for AWS WAF	Tool for collecting and managing vulnerability information
 	 	 	 
<p>Tool for visualizing and blocking cyber attacks on websites</p>	<p>Tool for automatic operation of the WAF of AWS, Azure, and Google Cloud with AI</p>	<p>A set of rules exclusively for AWS WAF unique to Cyber Security Cloud</p>	<p>Service for collecting vulnerability information and offering patch information and avoidance methods</p>
<p>Domestic market share</p> <p><b>No.1</b><sup>*1</sup></p>	<p>No. of users who adopted the service for automatic operation of AWS WAF</p> <p><b>No.1</b> in Japan<sup>*2</sup></p>	<p>No. of users who adopted these rules</p> <p><b>3,377</b> in a cumulative total of over 90 countries<sup>*3</sup></p>	<p>Share in the market of vulnerability information distribution services</p> <p>Records of provision of vulnerability information No. of original contents regarding vulnerability</p> <p><b>No.1</b> in Japan<sup>*4</sup></p>

\*1 Summary of the survey by JMRO: Survey on results for FY 10/2021  
\*2 Summary of the survey by JMRO: Survey on results for FY 7/2020

\*3 as of June 2023  
\*4 Summary of the survey by JMRO: Survey on results for FY 8/2021

# Companies That Adopted Our Services

- Needs for security grew regardless of industry, scale, and business, and a variety of enterprises have adopted our services.

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



## Interfactory, Inc.

(Securities code: 4057)

Development and operation of the cloud commerce platform “ebisumart”

The largest share in the  
cloud EC market \*1

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

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

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

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.



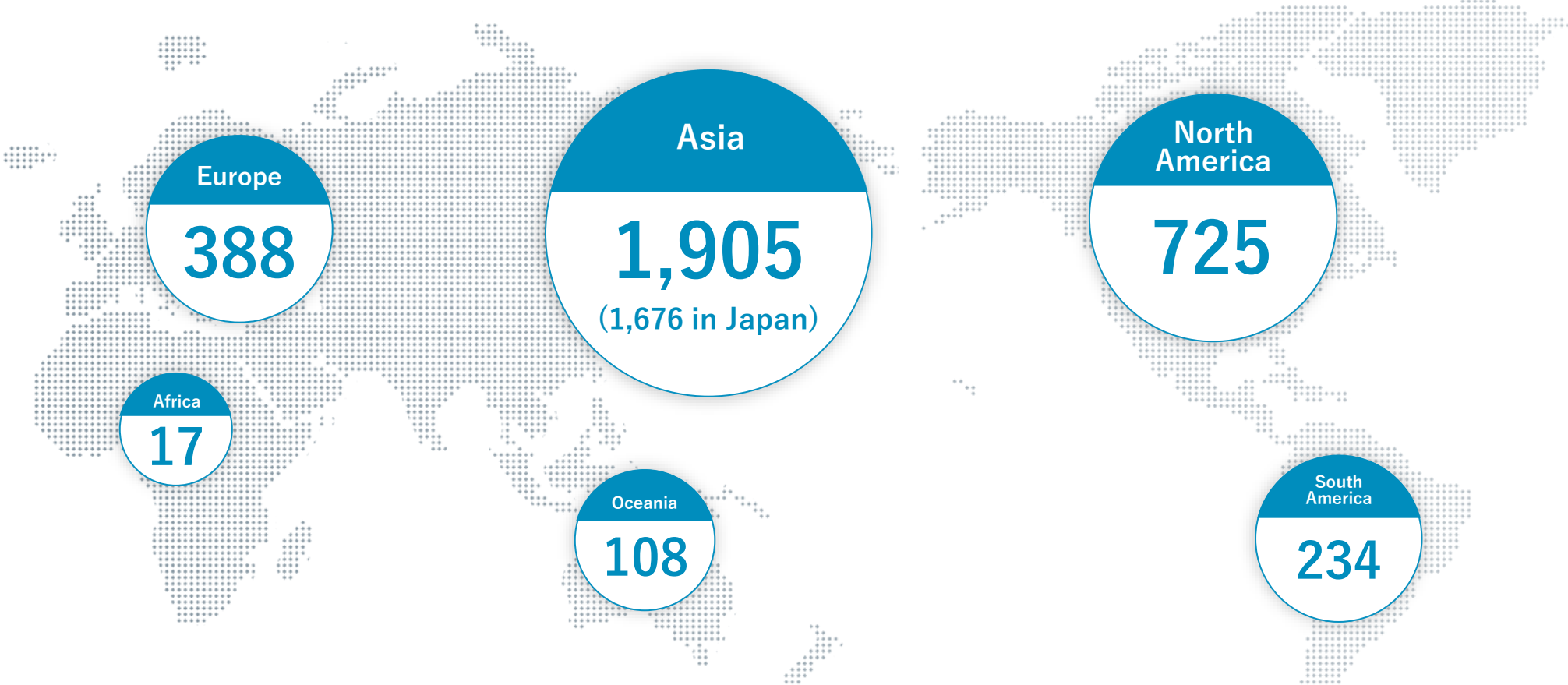
Executive Officer of Development  
Masatoshi Murakami

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

# AWS WAF Managed Rules, used Around the World



- The company has users in over 90 countries and regions, and global users account for over 50%.



Total number of users: **3,377**  
(as of the end of June 2023)

# Competent Sales Partners Supporting the Sales Promotion of Our Services

- To provide a wide range of users with products via many sales partners
- To keep looking for sales partners, to expand our sales network.

## System integrators and distributors



## IT infrastructure developers and MSPs<sup>\*1</sup>



## AWS Premier Tier Service Partners<sup>\*2</sup> (Out of 12 companies, 8 companies are our partners.)



\*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.



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