Company Profile - Ubiquitous AI Corporation

Ubiquitous AI Corporation

October 2021

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Ubiquitous AI Corporation

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Company Overview

- **Company Name** Ubiquitous AI Corporation (UAC)
- **Location** <Headquarters> Meiho Bldg. 6F, 1-21-1 Nishi-shinjuku, Shinjuku-ku, Tokyo 160-0023, JAPAN
  <Branch Office> Gotanda <Business Office> Osaka, Nagoya
- **History**
  - May 2001 Ubiquitous Corporation was established by ex-Microsoft engineers and started the embedded software business
  - 2005 Ubiquitous Corporation's embedded network product were adopted by a major game manufacturer
  - Nov. 2007 Listed on JASDAQ NEO Market (currently, listed on JASDAQ)
  - Mar. 2010 Launched "Ubiquitous QuickBoot"
  - Dec. 2012 Executed a capital and business collaboration agreement with Murata Manufacturing Co., Ltd.
  - Apr. 2016 Subsidized AIM Corporation
  - Apr. 2017 Subsidized A. I. Corporation
  - July 2018 Merged with A. I. Corporation
    Company name changed to Ubiquitous AI Corporation
- **Capital** 1,483,482 thousand yen (as of March 31, 2021)
- **President** President: Satoshi Hasegawa, Vice President: Koji Inoue
- **Business Profile** Development, import and sale of software related to embedded device
- **URL** https://www.ubiquitous-ai.com/en/
- **Group Company** AIM Corporation (https://www.aim-inc.co.jp/en/)

Connecting the Future

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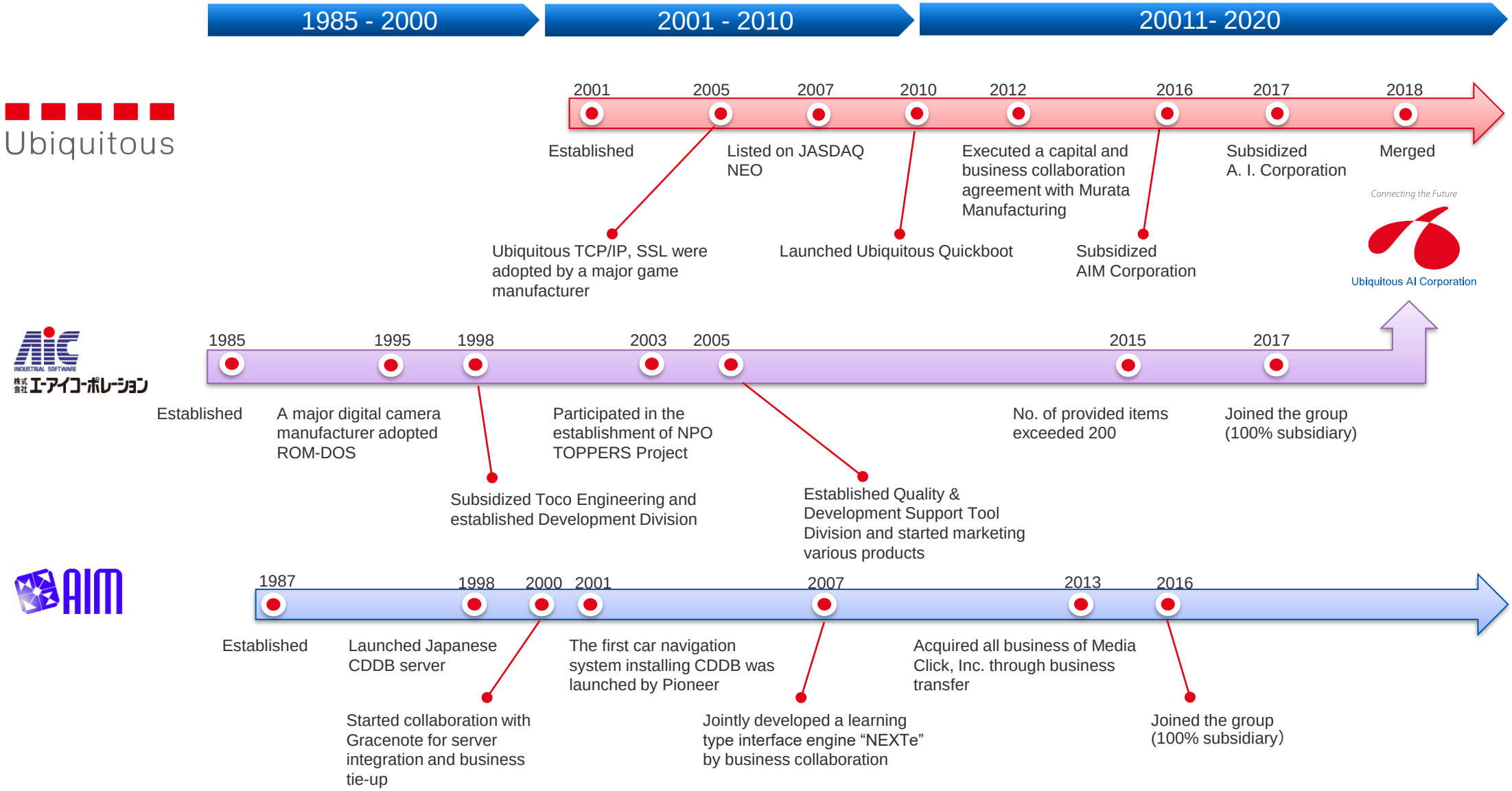
Group History (until 2021)



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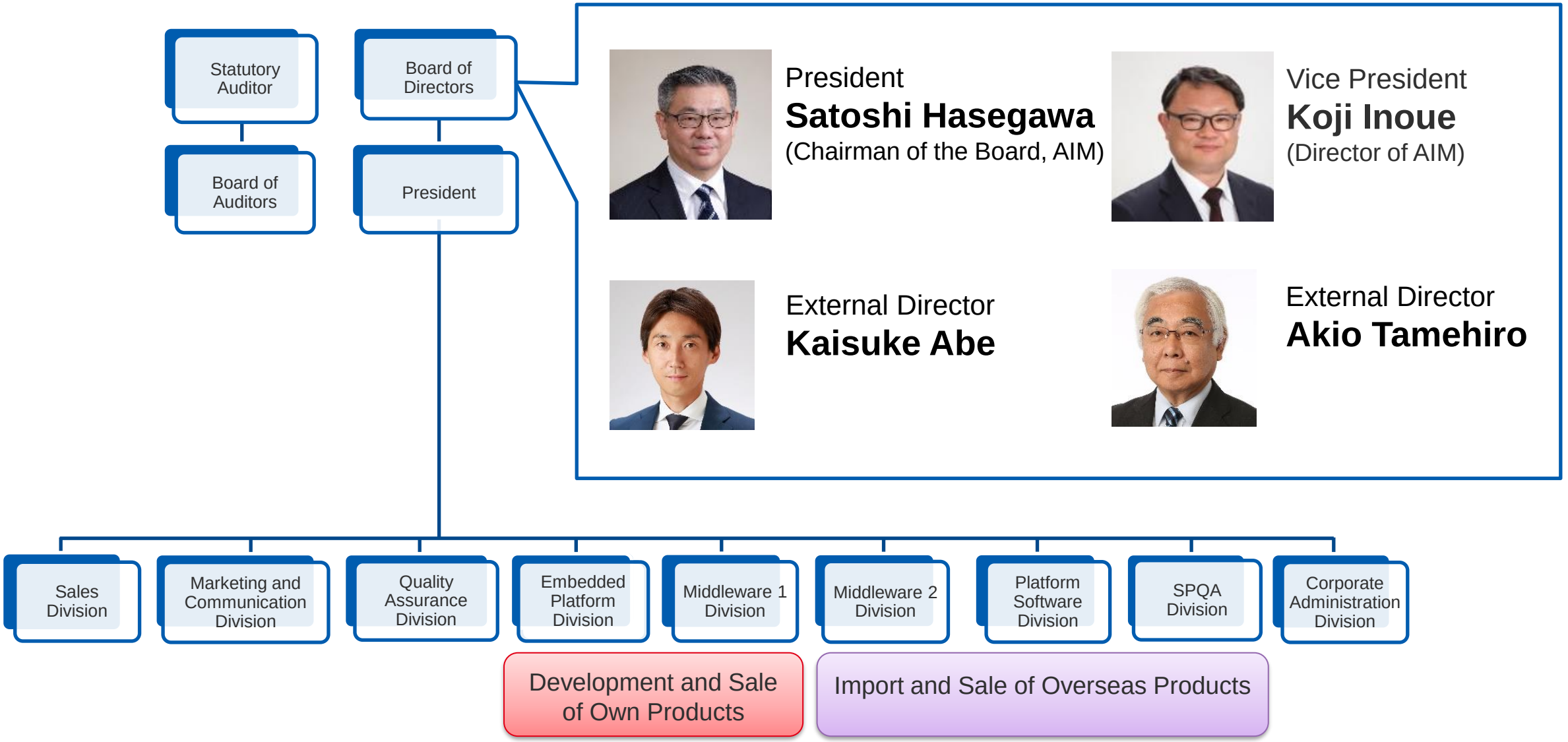
New Organization Chart and Management Executives



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Company Overview

In July 2018, merger was completed between Ubiquitous which has developed its own products, and A. I. Corporation which has imported and sold advanced products from overseas for more than 30 years since its establishment in 1985.

Embedded software
Product planning and development technical skills

Ubiquitous

みらいをつなぐユビキタス

- Business planning and development of own products
- Market development
- Product sales/integration

×

Overseas embedded software
The power of technology trading company

A.I.Corporation

- Import and sale of overseas products
- Technical Support/Porting
- Development and sale of own products

No.1 Embedded Software Vendor

As a professional group that creates and provides innovative embedded software for edge devices,
we accelerate the fourth industrial revolution by IoT, and
contribute to the future success of customers and the sustainable development of the society

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Our Products/Technologies

We strongly support our customers' development with a wide variety of software products and technical development capabilities

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Connecting the future of “Customers”, “Society”, and “Employees” through technology

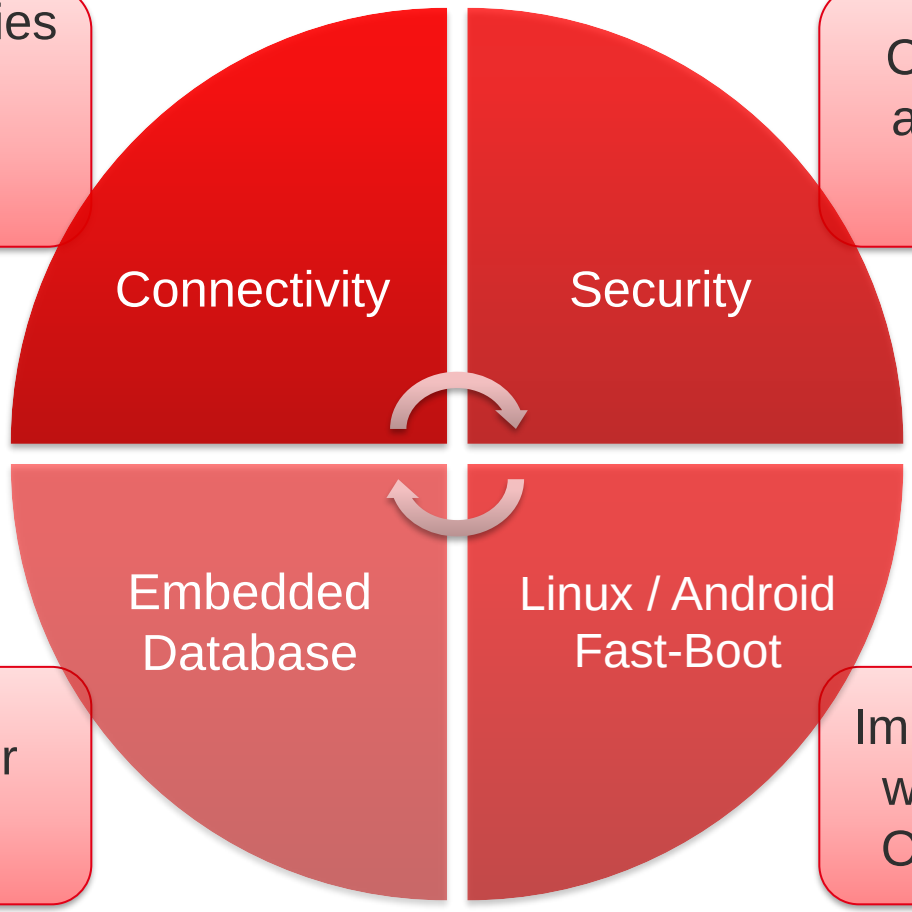
- Security
- Quality Improvement Support Tool
- Development/ Test Tools for Automotive Equipment
- Vulnerability and Security Verification
- AI Solution
- Network
- Connectivity
- Wireless
- OS/BIOS
- Storage/Data Management
- Carrier Grade
- Sound/Movie/UI Solutions
- Development Tool/ Utility

Technical Development Capabilities: Technology Inventor

Implementation capabilities to maximize hardware performance

"Smaller", "Lighter" and "Faster" implementation of standards.

Capability to understand and implement complex security issues



Small footprint, ideal for embedded systems

Implementation capabilities with an understanding of OS and hardware issues

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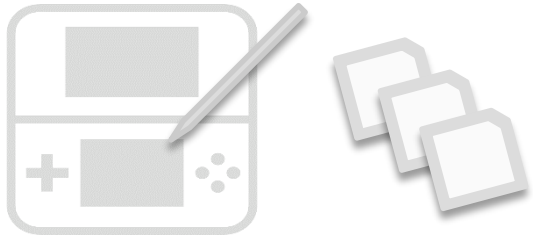
Technical Development Capabilities: Technology Inventor

Our Origin of Technology

Web Server Working on 8bit MCU
Origin of Ubiquitous Network 20 years ago



Internet of Things in 2005

Porting TCP/IP and SSL on Game Cartridge and Working with ARM9 Game Device
Just 50KB Code Size of TCP/IP and SSL

Ubiquitous TCP/IP Network OS

Our TCP/IP Protocol Stack and SSL are Shipped Over 250 Million Unit in Worldwide

Ubiquitous Network Framework

What is IoT Devices

Reference IoT Development Board is Monster Machine for our Network Platform

Raspberry Pi
Model A
ARM11 700MHz
256MB ROM

Wi-Fi Network Module
ARM7 50MHz
256KB ROM

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Ubiquitous Network Framework

Ubiquitous Network Framework

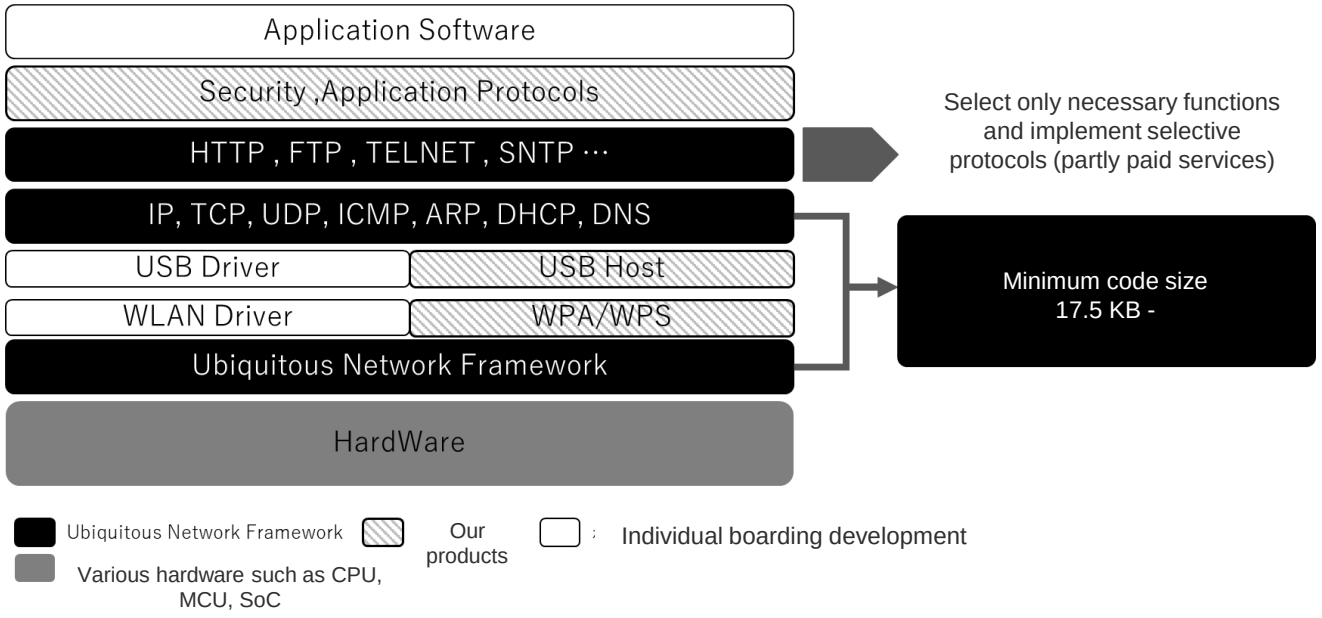
“Small”, “Light”, and “Fast” Network Platform turns devices into IoT

Compact, lightweight, high-speed TCP/IP Stack
Implementable in the resource-saving bare metal environment or on existing RTOS environment

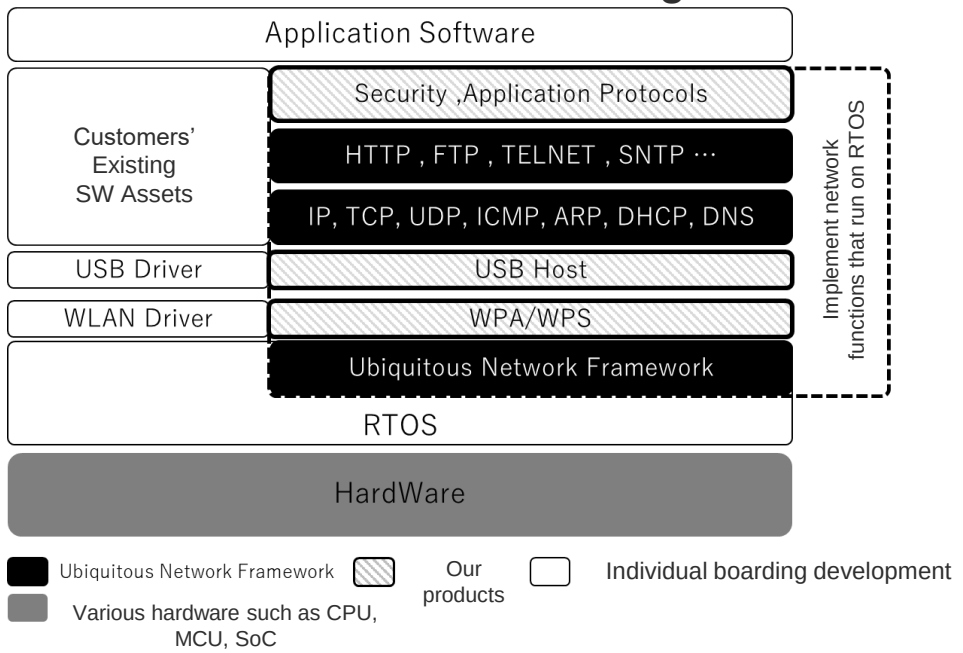
Provide a variety of components
Supports TLS1.3/ IPv6/ Wireless protocols

No OSS risk due to complete in-house development
Higher throughput than generic stacks
Superior portability, independent of CPU architecture

Basic Configuration of Ubiquitous Network Framework



Use existing software assets under the RTOS environment without changes



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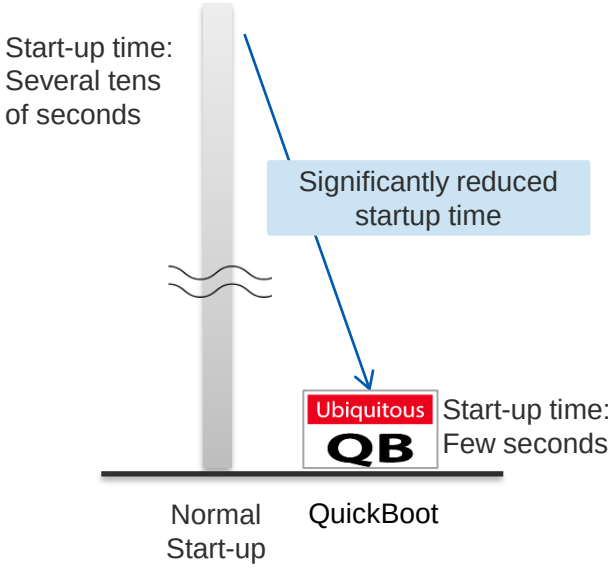
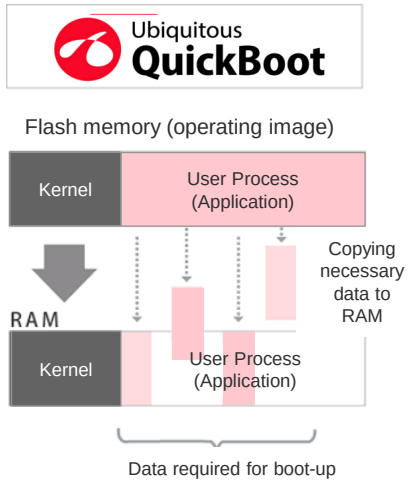
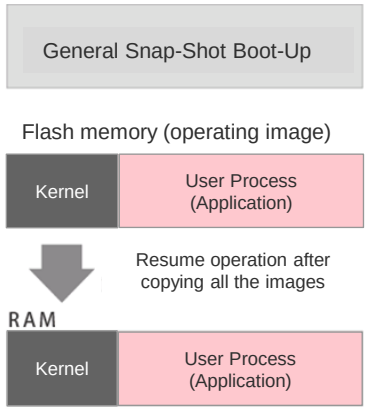
Ubiquitous QuickBoot

Advanced proprietary technology that significantly reduces the startup time of embedded systems







May 2015
Basic patent
acquired

Supporting
Arm/ Intel/ Atom

- Overwhelmingly high speed
- No change in startup time even if the memory space used by the application increases
- Android support
- Provided as SDK (Software Development Kit)
- Over 50 million units in mass production

Commercial Cases

JVC KENWOOD Corporation
AV Navigation 2013/2014 MDV-Z700, MDV-X500, MDV-R700, MDV-L401, MDV-L301, etc.

DENSO TEN Limited.
ECLIPSE AVN Z Series 2013 Fall Model, AVN SZ Series, Z Series 2014 Fall Model

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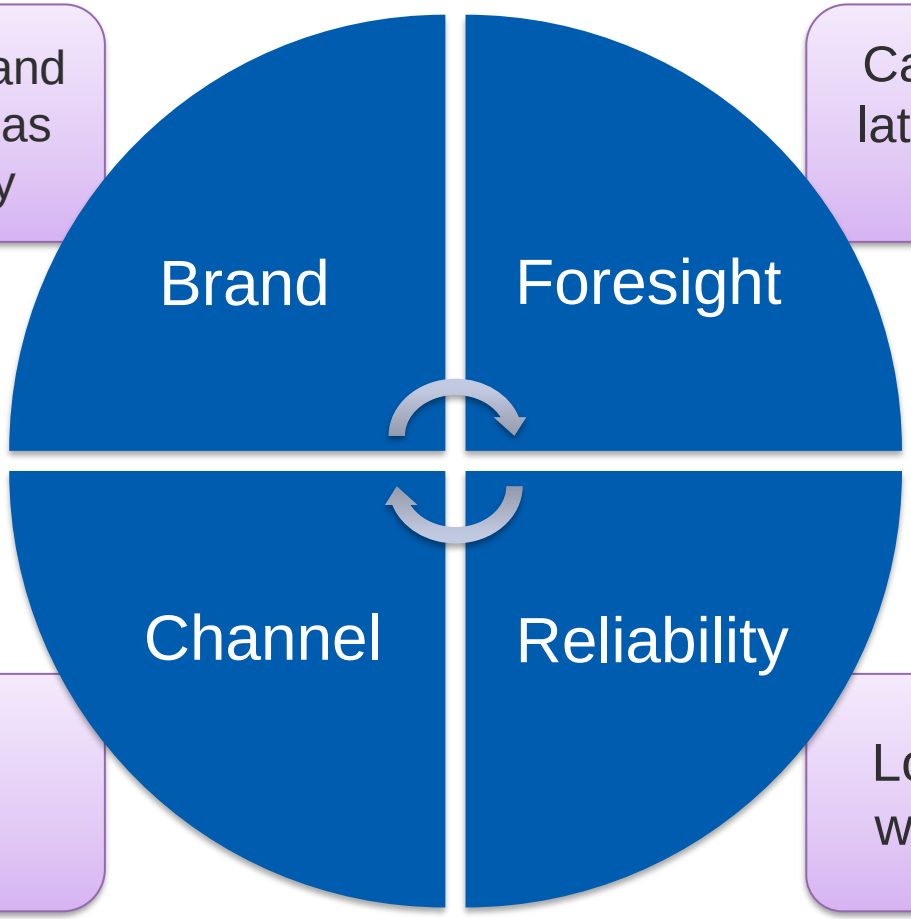
Technology and Product Development Capabilities: Technology Bridge

Over 30 years of history and experience as an overseas import trading company

Capability to discover the latest software that meets the current trend



Worldwide extensive partner network

Long history of working with various customers

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Diverse International Software Partners

- 38 major partners, over 100 products

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Group Company: AIM Corporation

- Company Name　AIM Corporation
- Location　<Headquarters> 3-8-7, Mizonokuchi, Takatsu-ku, Kawasaki-shi, Kanagawa 213-0001, JAPAN
- History
  - Oct. 1987　Established AIM Corporation
  - Sep. 1997　Released Japan's first CDDB-compatible software "*Shitteru CD Player*"
  - Apr. 1998　Set up our own Japanese CDDB server
  - Nov. 1999　Agreed with Pioneer on the use of CDDB by car navigation systems
  - Mar. 2000　Server integration and business collaboration with Gracenote, mainly in embedded systems.
  - May 2001　The first car navigation system with the CDDB function was launched by Pioneer
  - Nov. 2003　Obtained a basic technology related to mobile players from Dynamic Naked Audio
  - Jul. 2007　Jointly developed "NEXTe", a learning-type inference engine, with C4 Technology
  - Mar. 2013　Acquired entire business of Media Click, Inc. through a business transfer
  - Apr. 2016　Became a group company of Ubiquitous Corporation (100% subsidiary)
- Capital　42 million yen (as of end of March 2021)
- Chairman of the Board　Satoshi Hasegawa
- Business Profile　Development and licensing of software products, incorporation of Gracenote products into embedded device, commissioned design and development of software product (embedded device, PCs, smartphones, web systems, server application, etc.)
- URL　http://www.aim-inc.co.jp/en/

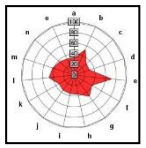
Strong Partnership with Gracenote

- After independently launching a Japanese CDDB server in April 1998, collaborated with Gracenote that has operated the CDDB server business.
- In March 2000, started collaboration with Gracenote for server integration and business tie-up. Since then, AIM has been an official development partner of products embedding Gracenote technologies in more than fifteen years, providing engineering services mainly for Japanese domestic IVI (In-Vehicle-Infotainment) device.
- Provides "*YOMI*" which is data of "*furigana*" of "Album names", "Song names", and "Artist names" in collaboration with Gracenote's music recognition technology, as well as "Alias (*Betsumei*) that is a database of artist information consisting of nicknames, contracted names, incorrect but widely used names and related names of artists for its own products and as a content service.

* Gracenote's music recognition technology is used worldwide in many music applications and music online services, including Apple iTunes, Amazon Music, and Microsoft Groove Music.

YOMI/ Alias

It is a database of "*furigana*" of album names, song names, and artist's names, and alias information of artist's names, which can be used for sorting/searching music and voice recognition.



NEXTe - Feature Value Data

Feature value data generation service by analyzing and digitizing music and texts, and trend analytic service using a learning-type inference engine "NEXTe". These services enable to analyze preference and trend as well as create recommendations.

Development partner of Nordic Semiconductor

- AIM has jointly developed BLE Complete Module nRF52 series with Nordic.

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Business Collaboration with Murata Manufacturing

- Murata Manufacturing and Ubiquitous Corporation (then) executed a capital and business collaboration agreement in December 2012 for expanding the wireless telecommunication business.
  - Murata's wireless module hardware, driver software, and reliable certification support
  - Ubiquitous's "small, light, and fast" wireless-related software technology
- Made a joint proposal and established a development framework for Wi-Fi, Wi-Fi Direct, and Miracast solutions for the automotive market
- Collaborated in the wireless area for smart home
- Provided Wi-Fi middleware solutions that best match Murata's Wi-Fi module
- Strengthen collaboration opportunities and systems mainly in the Bluetooth-related business, through the merger with A.I. Corporation which has a long history of working with Murata Manufacturing

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Business Structure/Business Model of the Group

Development Support for Customers in Connection with Sale of Our Products

R&D/Product Development

Product Development Combined with Overseas Software

System Integration Content-Production Business

Own Product Development Business

Distribution Business

AIM Corporation

Development Support for Customers in Connection with Sale of Distribution Business Products

Exploration and Sale of Overseas Software Products Product Development

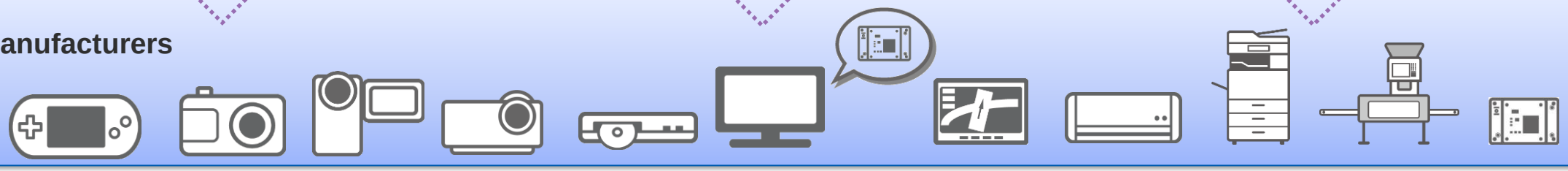
Commissioned Development

Content Licensing

Software Licensing

Sale of SDKs (SoftwareDevelopment Kits) and Tools

Manufacturers



Planning, Development , Exploration, Procurement of Products

Sale of SDK (software development kit)

Development Support/Commissioned Development of Application Software

Manufacturing and Licensing Royalty

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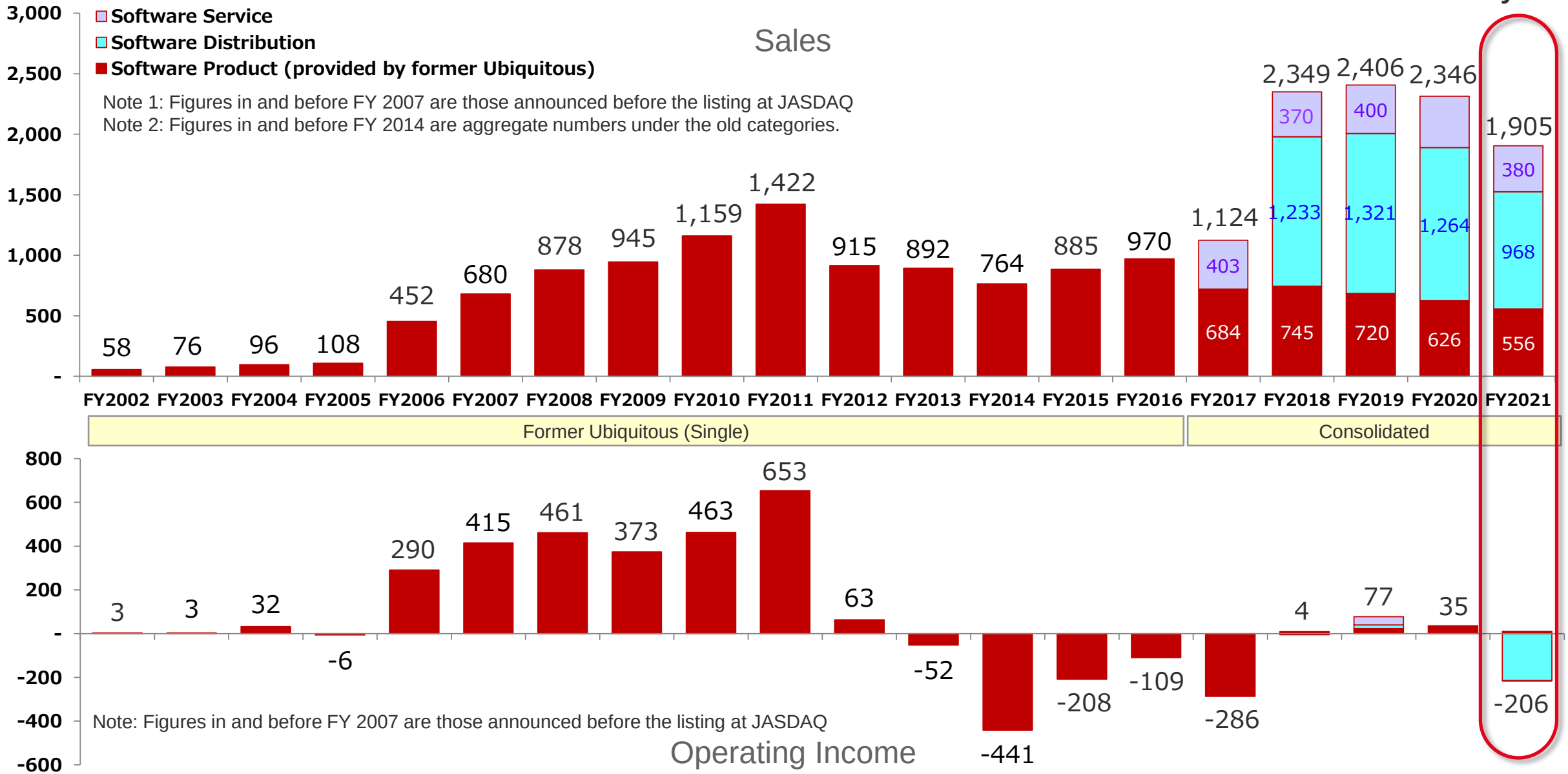
Sales and Operating Income

(Unit: Million yen)



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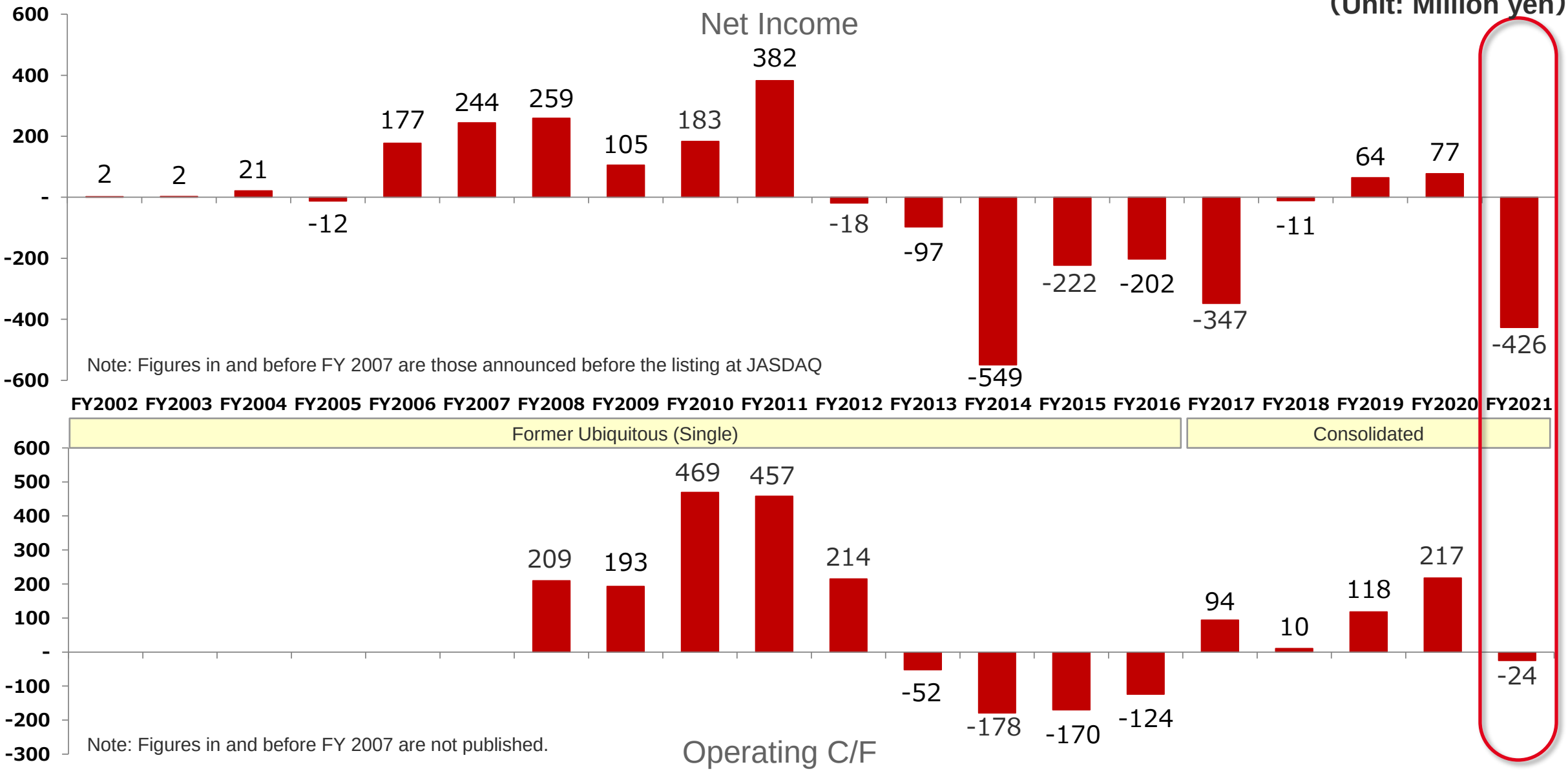
Net Income and Operating C/F

(Unit: Million yen)



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Business Direction of the Group

To become “Global Embedded Company”

Expanding business opportunities based on a superior embedded software technology and by sharing products, resources (engineering) and sales channels with global partners

Targets for the FY ending March 2025,
Sales: Three billion yen / Operating profit margin:10% level

Products

Investments in R&D and new product development for improving operating profit margin

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Global

Initiatives for full-scale global expansion mainly targeting the Asian market that is expanding as a production base

Distribution

Obtaining a stable profit base by enhancing the Distribution business and discovering/enhancing collaboration with overseas partners to construct a new business model

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Business Direction of Our Group

Main Product Categories/Technologies

Connectivity & Security

- Network wireless technologies to realize the IoT
- Security technology to realize endpoint security

Fast-Boot/ Hybrid

- Increasing demand for faster system boot-up with the spread of Linux/Android, and system integration with RTOS
- Expanding of applicable markets and enhancing solutions by supporting Arm and x86

Software Quality Improvement Support Tool

- Expanding development scale, mainly for automobiles
- Improvement of software development efficiency and quality through the spread of IoT and network support
- Strengthening products line-up and providing solutions to support the verification of vulnerabilities for further security enhancement

AI/ Cloud Collaboration

- Technical R&D and product offering necessary for collaboration between AI/ cloud services and embedded systems, and for implementation of embedded systems
- Product planning in collaboration with AI and cloud service providers

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Business Environment and Challenges Surrounding the Group

	Strength	Weakness
Internal	• Business portfolio • Technical capabilities, number and variety of commercial products • Partner channels, number of business partners, business history (over 30 years in total for all businesses) • Technical knowledge and skills in specialized fields (standards and semiconductors)	• Cloud/ AI technology • Application/ Service development • Cost and time required for own product development • Sales force (outbound sales)
	Opportunities	**Threats**
External	• Shortage of engineers • Knowledge in expertise • Different knowledge on cloud and embedded systems due to IoT expansion • Shortening of time required for product development • Expansion of development scale	• Expansion of OSS • Platforms/ Solutions by semiconductor manufacturers • Solution packaging by (cloud) platformers

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Changes in Business Environment Surrounding the Group

Business Field		Pros	Cons
Software product business	Quick Boot	• Expanding use of Linux and Android in the embedded field	• Platformization by platformers and semiconductor vendors
	Connectivity	• Market expansion by IoT dissemination • More needs for embedded security	• Expansion of OSS • Platformization by platformers and semiconductor vendors
Software distribution business		• Number of products, variations • Partner channels, number of customers, performance	• Responding to product life cycle • Responding to business model changes • Loss of sales rights
Software service business		• Differentiated metadata assets • Strong partner collaboration	• Changes in the music content business model • Changes in partner business models

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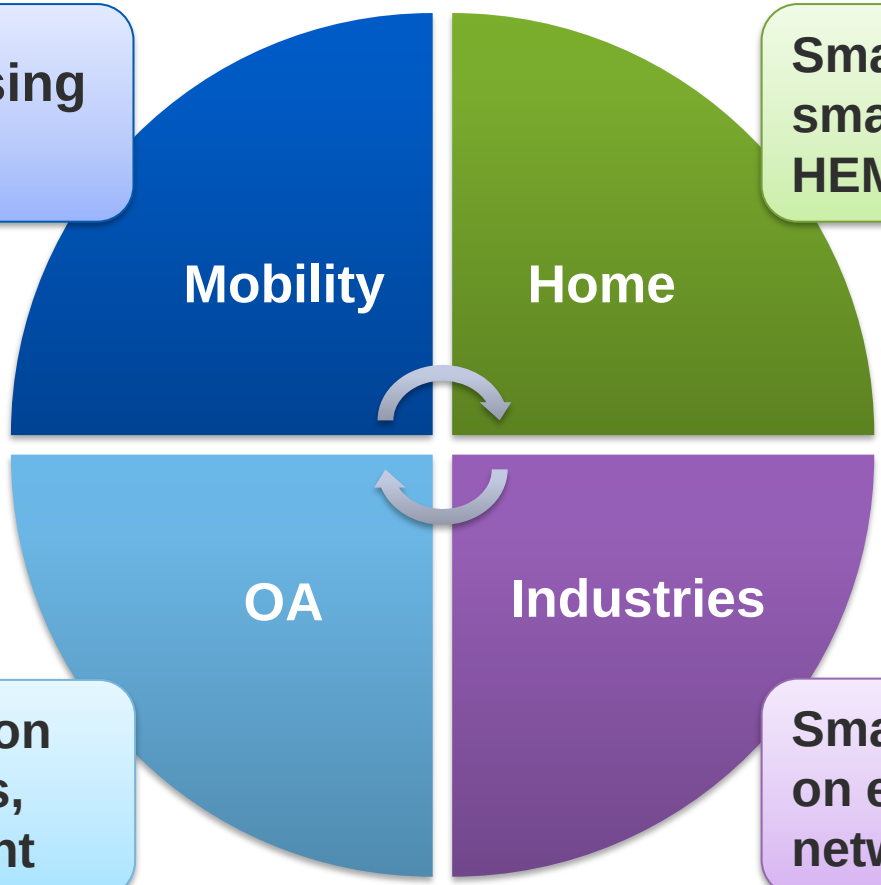
Business Direction of the Group

Approaching a wider range of markets with the spread of IoT

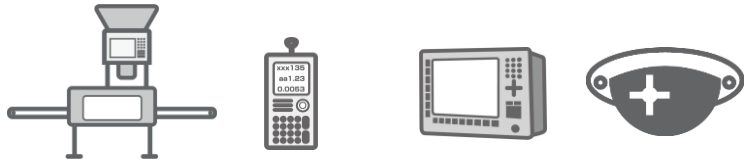
Smart mobility market focusing on automobiles

Smart home market focusing on smart electronic appliances and HEMS devices



Smart office market focusing on multifunction devices (copiers, printers), building management

Smart industry market focusing on equipment sophistication, networking, and automation



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Business Direction of the Group

Potential Business Opportunities in Each Market

- Various software needs associated with CASE
- Expanding use of Linux/Android including drive recorders
- Security needs due to increased connectivity

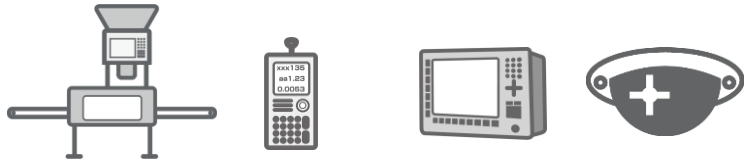
Smart Mobility

- Growing needs following the spread of smart speakers
- Realization of smart home by linking to cloud services

Smart Home

Smart Office

- Device support for Linux / Android
- Remote monitoring and efficiency improvement through networking



Smart Industry

- Increasing trend of networking through efforts toward the Fourth Industrial Revolution in various countries (e.g., efficiency improvement by AI)
- Security support for networking

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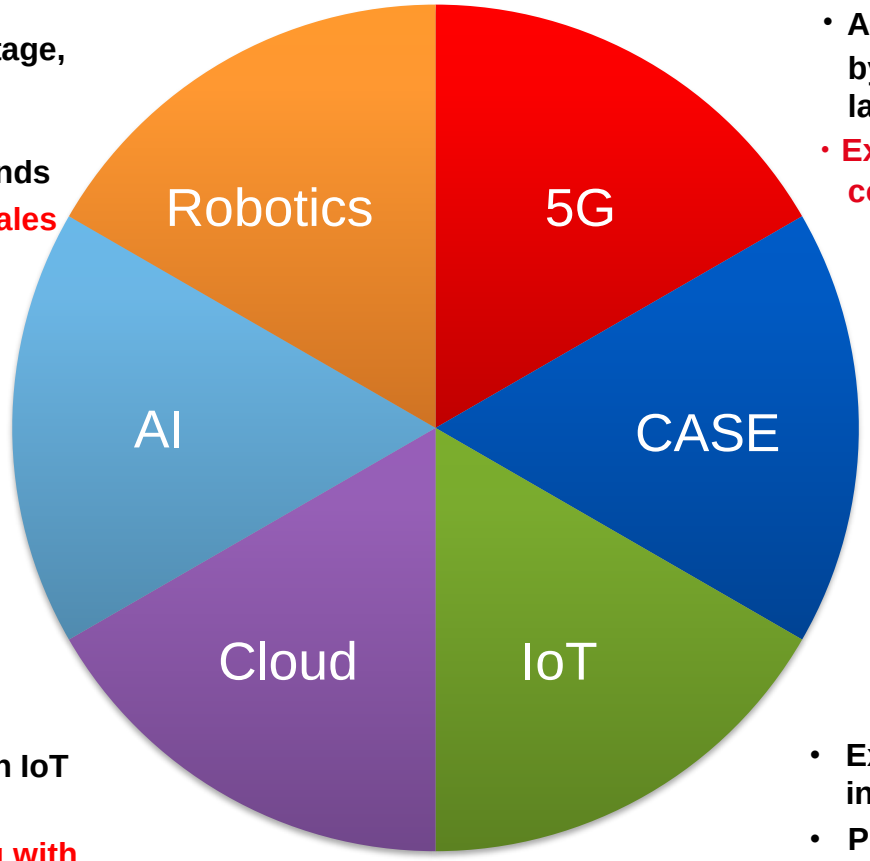
Technology Trend and Our Business Direction

- Evolving and disseminating due to labor shortage, efficiency improvement and technological innovation
- Using all necessary technologies for other trends
- **Applying development power and products; sales increase by customer proposal**

- Expanding Edge AI supported by expansion of network bandwidth and evolution of semiconductors; Enabling larger data processing due to the introduction of 5G
- **Obtaining Edge AI products and developing software for IoT device that connects with AI**

- Expanding services through collaboration with IoT device
- **Providing software for IoT devices connecting with platformers' service technologies**



- Accelerating the dissemination of IoT device supported by faster mobile network, making it easier to handle large volume content
- **Explore marketable products in the areas of connectivity, security, multimedia, and AI**

- Further enhancement of electronic use and networking in cars, in parallel with the progress in the infrastructure side; more focus on software
- **Aiming at further strengthening in-vehicle products; proposing product mixes, creating customized solutions, and expanding sales supported by a strong customer base**

- Expanding in various areas; more standardization in each area
- Putting more importance on security of IoT devices
- **Exploring telecommunication and security products that are standardized for each industry**
- **Providing solutions that include services**

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Results and Mid-Term Challenges/Measures for FY Ended March 2021

Business Segment		Results	Challenges and Measures
Software Product Business	Fast Device Boot-up	• Although we were adversely impacted by COVID-19 in the auto-related field in Q1, products in this area became a major driver with a stable royalty income in and after Q2.	• Take actions to be compatible with the next generation platform, and actively explore overseas markets to expand sales
	Connectivity	• Commissioned development shrunk and a royalty income from previous projects decreased. • We received more inquiries and orders for in-vehicle audio-visual-related products (security products). • Contribution to profits from new projects delayed.	• Plan to focus on IoT security and in-vehicle audio-visual products and projects
Software Distribution Business		• Cost reduction in our customer side as a result of COVID-19 significantly impaired our new project demand and sales of tools. • While our major products generated profits, new promising products did not increase as expected, resulting in significant sales deterioration caused by COVID-19.	• Accelerate to explore new products and expand sales of newly-developed products for FY 2022
Software Service Business		• Although sales of auto-related products deteriorated due to COVID-19 in Q1, it has recovered since Q2, generating a stable profit.	• Need to have more R&D staff members to expand the scale. Consider M&A and other measures for this purpose

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Revised Mid-Term Management Plan

Ubiquitous AI Corporation Group
Becoming the No.1 Vendor of Embedded Software

Ubiquitous AI Corporation

FY ended March 2020
Projection : 2,419 (10)
Actual: 2,346 (35)

- Implementing measures for increasing profitability in and after FY 2021 (recruitment, new products, R&D)
- Creating new business opportunities for new initiatives such as Edge Trust
- Synergy created by inter-business actions (proposal based on the product combination, engineering collaboration, joint development project with overseas partners)

FY ended March 2021
Projection: 2,550 (30)
Actual: 1,905 (-206)

- Realizing sales of fast boot-up products in and after FY 2022 supported by full-fledged development of overseas markets
- Enhancing the business base to respond to changes in a product lifecycle and loss of marketable products

FY ending March 2022
Target: 2,740 (150)
- > 2,196 (80)

- Achieving contribution to profit by expansion of overseas sales of fast boot-up products in and after FY 2023
- Expecting to achieve the target by increasing profits in SP and SS business units, accumulated sales from new products, and decreased goodwill amortization.

FY ending March 2025
Aiming at achieving 3 billion yen in sales and >10% of operating profit margin

Developing and exploring new products based on the technology trend

5G	CASE	IoT	Cloud	AI	Robotics

FY 2020 & FY 2021: Measures for stabilizing profits and next steps for growth
FY 2022: Full-fledged actions for recovering from adversary impact caused by the COVID-19 pandemic toward FY 2023

Enhancing sales in the areas of IoT security; AI-related products; and automobile-related and automotive products where we have ample experience and knowledge

Joint development and collaboration with partner companies for launching new products and participating in new areas within a shorter period at a lower development cost

*Sales (Operating Income)
Unit: Million yen

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Forecast of Consolidated Performance for FY 2021

(Unit: Million yen)

	FY2021 (Actual)	FY2022 (Projection)	Change
Sales	1,905	2,196	290
Operating Income	-206	80	286
Ordinary Income	-202	80	282
Net Income	-426	57	483

– Actions for recovery in and after FY ending 2023

- While sales were significantly lower than those expected in the mid-term business plan, we achieved a positive year-on-year comparison. We aim at generating an operating profit supported by the decreasing goodwill amortization as a result of booking of impairment loss.
- While obtaining stable profits in the Software Product Business mainly consisting of fast boot-up products, Software Service Business mainly consisting of licensing fee from “YOMI” data for in-vehicle products and commissioned development from existing customers, we target a further increase of sales from Software Distribution Business supported by new products and newly-developed products that are acquired/developed in FY 2021.

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Business Target for FY 2022

Software Product Business
(Connectivity & Security, Embedded Software Products)

FY 2022 **Sales: ¥620 mn.**

- Expanding sales by responding to the next generation platform for fast boot-up products and active exploration of overseas market.
- Enhancing R&D activities to develop faster products and hiring more staff for receiving more project orders.
- Promoting sales of network products for embedded products and security-related software products mainly for the automobile and IoT areas

Software Distribution Business

FY 2022 **Sales: ¥1,188 mn.**

- Continuing enhancing sale of software quality improvement support tools, and focusing on marketing of “GSIL” that was developed jointly with A&D, an IoT security-related product “beSTORM X”, and “IoT security verification service” using “beSTORM X”
- Increasing AI-related products and realizing profits
- Enhancing sales of new products that were obtained by FY 2021 and building a more rigid earnings base by continuously acquiring new products.

Software Service Business
(Group Company: AIM)

FY 2022 **Sales: ¥420 mn.**
(Including internal transaction)

- Continuing a business collaborative relationship with Gracenote and considering to make a new business plan
- Make efforts to obtain new stable customers in addition to existing customers to have a steady income stream from commissioned development.

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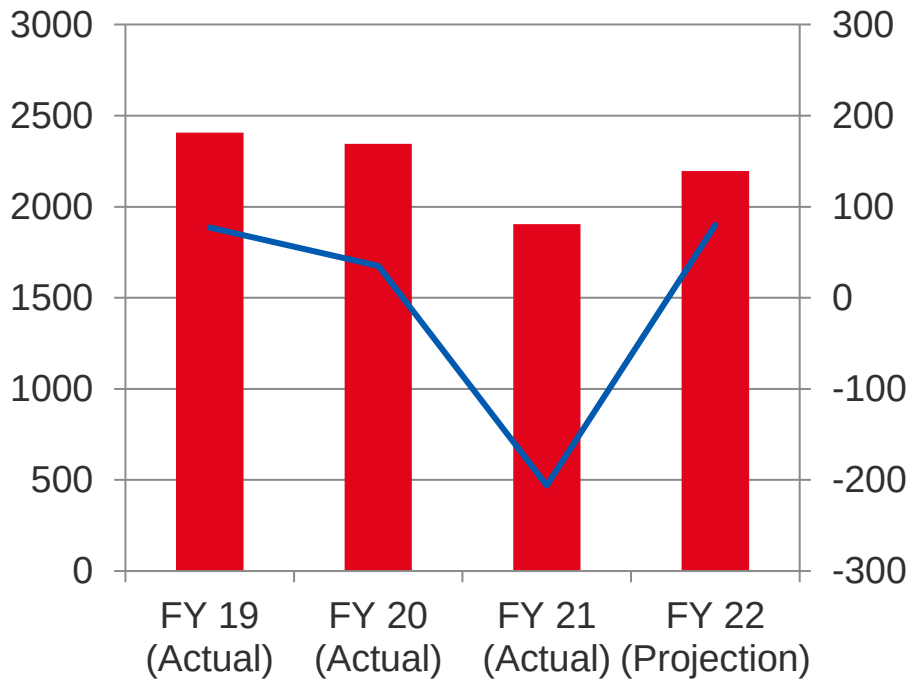
Numerical Targets – Profit Plan (Consolidated)



- Upward sales trend in and after FY 2021
- FY 2021: Completion of goodwill amortization of AIM
  Completion of goodwill amortization of former AI Corporation (including booking of impairment loss)

(Unit: Million yen)

	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	FY 2022 (Projection)
Sales	2,406	2,346	1,905	2,196
Operating Income	77	35	-206	80

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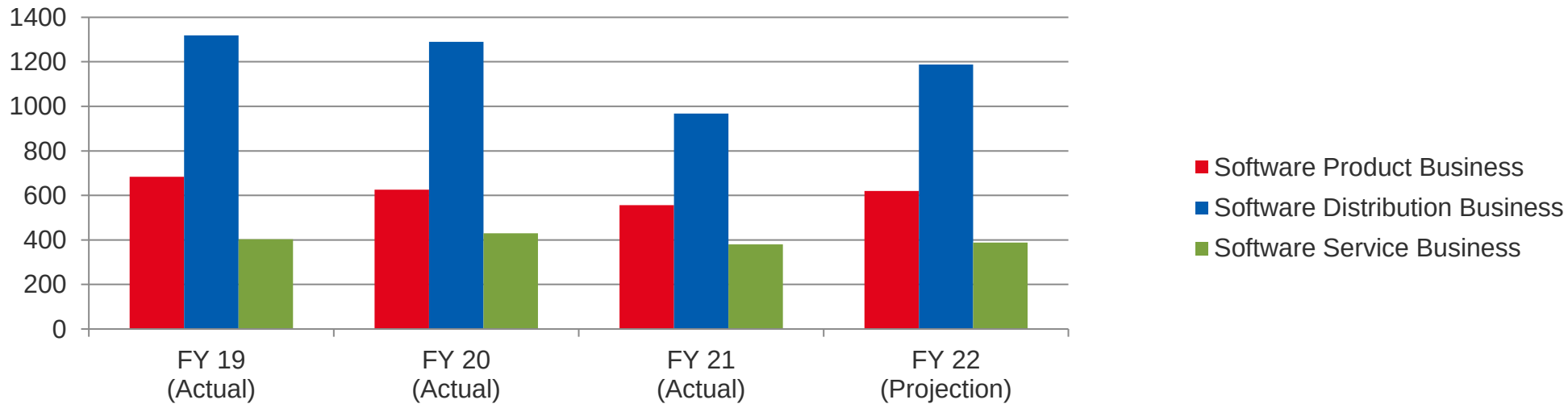
Numerical Targets – Sales Breakdown by Segment



（単位：百万円）

Segment	Division	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Projection)	FY 2022 (Target)
Software Product Business		684	626	556	620
Software Distribution Business		1,319	1,290	968	1,188
Software Service Business		403	430	380	388
Total		2,406	2,346	1,905	2,196

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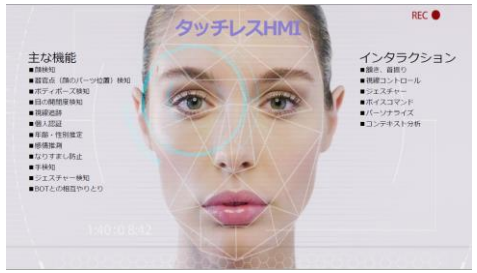
Focused Initiatives: AI-Related Products

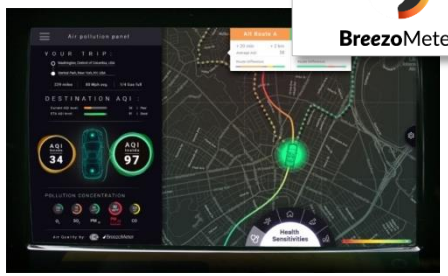
Enhancing Edge AI-Related Product Line-up

Preventing accidents using deep-learning technology



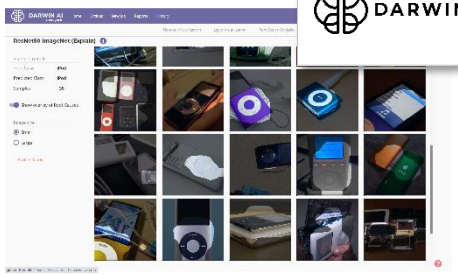
Touchless HMI using AI

Patient monitoring using AI



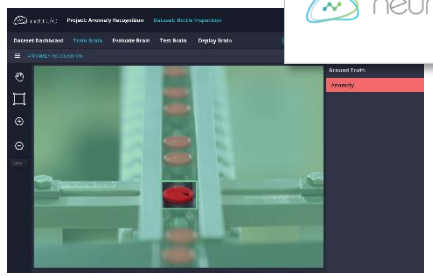
Air quality analysis using AI

Deep-leaning model optimization

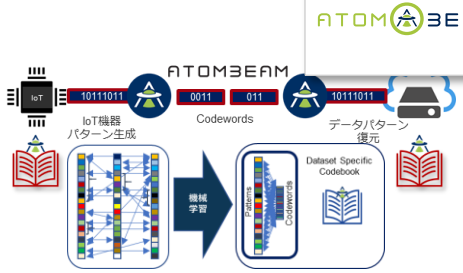


Promoting deep-learning development using AI

Edge AI that adopts self-learning



Automatic appearance inspection process using AI



Reducing data transmission volume based on the patented AI technology

Providing Products that Best Fit the Purpose of Use in Various Areas

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Focused Initiatives : AI-Related Products

Enhancing Marketing of AI-Related Products under the Capital and Business Collaboration with AI Venture Companies

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Various AI Solutions for Embedded Products

Touchless UI

Appearance Inspection

Reduction of Data Transmission Volume

Air Quality Analysis

DARWIN AI

JUNGO

neurala

Deeplite

BreezoMeter

ATOMBEAM

EKHONO

Autonomous Driving/ADAS

Deep Learning Development

AIBOD
AI VALUE CREATOR

From consultation to implementation/operation of AI and human resource development

AIC

AI Operation

AI Implementation

Synergy Effect

Human resource development

AIDI

AIBOD ACADEMY

Promote customer adoption with our full range of products and the high technology of Team AIBOD

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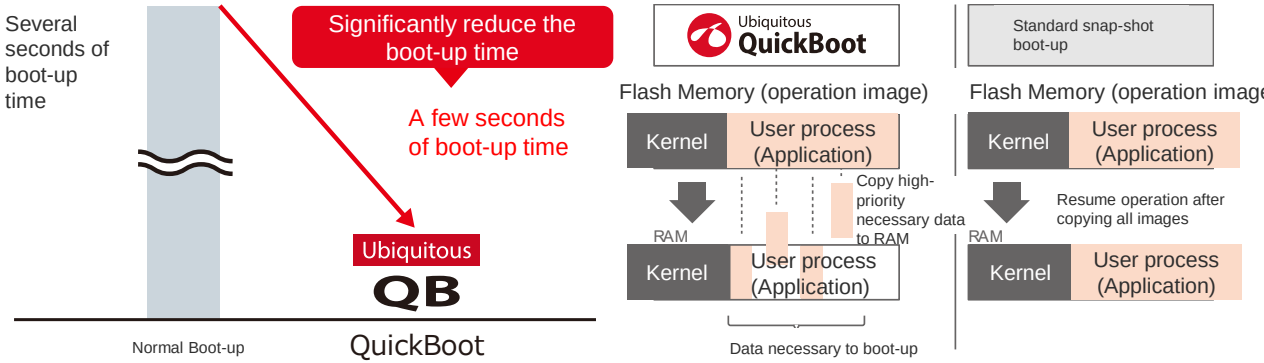
Focused Initiatives: Fast Boot-up

Ubiquitous QuickBoot

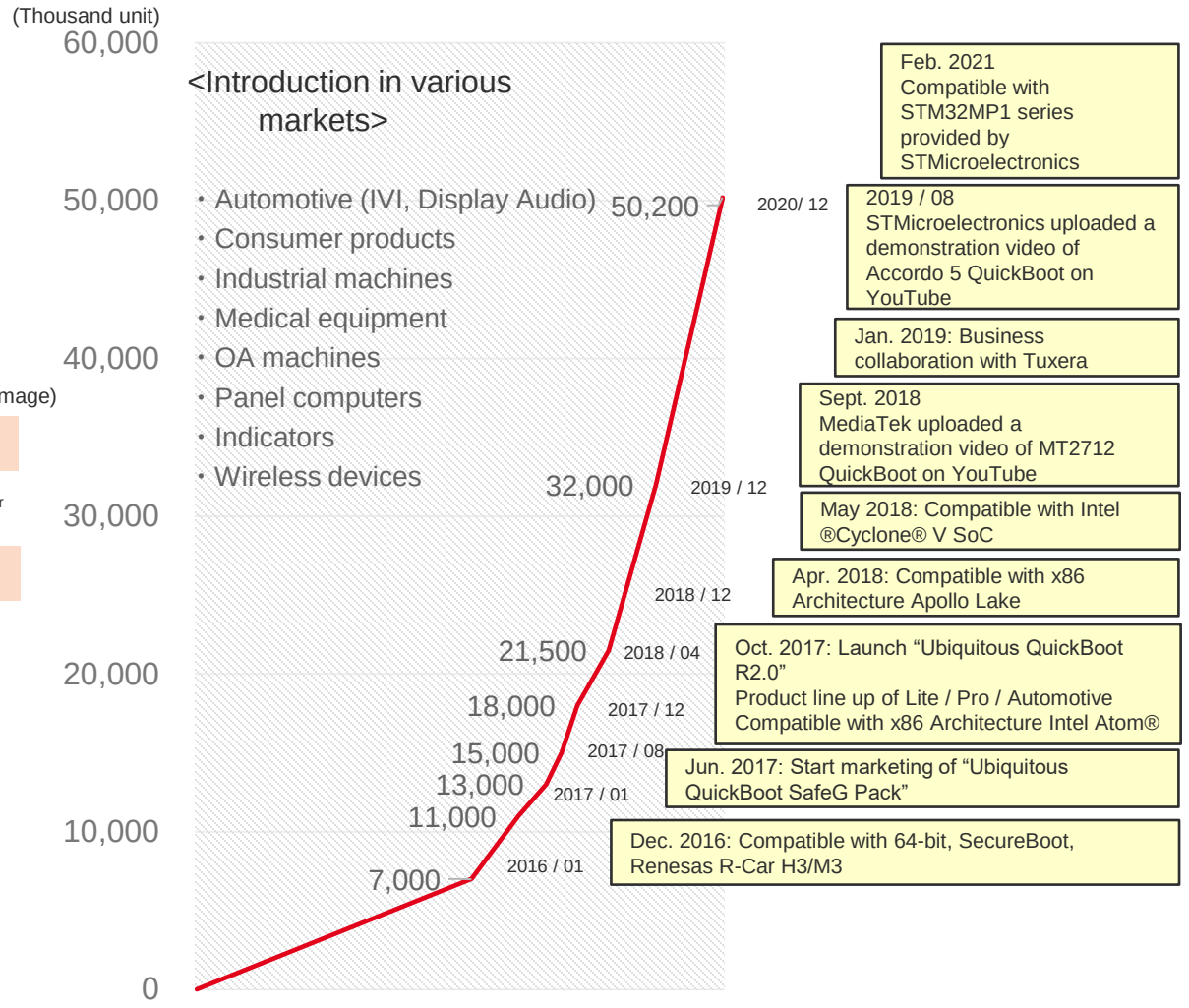
Stable increase in shipments as our main product

Expect cumulative shipments to reach 60 million units in FY 2021



Introduction effects	Example of applications
Quickly start various processing tasks such as saving and monitoring	Monitoring camera, Digital camera, Drive recorder
Mitigate stress of users who are waiting for the boot-up	Car navigation system, TV, PC/Various console
Can operate with zero standby current thanks to quick boot-up	Mobile rooter, Digital book, multifunction printer/printer
Improve productivity by reducing the testing time per unit at the time of product inspection	Testing equipment, Production of products

■ Accumulated number of licenses shipped



Focus on supporting next-generation major platforms and expanding overseas sales

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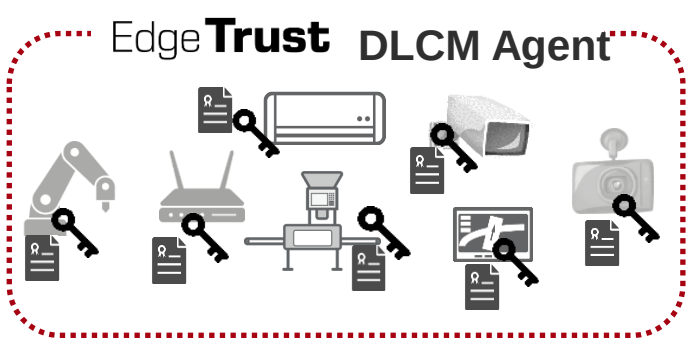
Focused Initiatives: IoT + Security

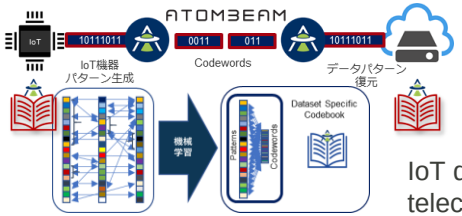
Accelerating the Construction of “System” for Secure, One-stop Use and Operation of IoT Devices



Embedded software products necessary for IoT of electronics devices and implementation support
“Embedded Software Solutions”

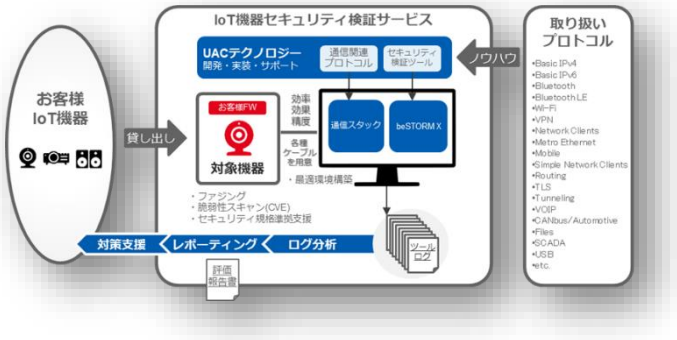
Regular health check service for IoT equipment
“Edge Trust Health Check”

Solutions for Secure IoT Services



IoT data compression/Secure telecommunication AI solution
「AtomBeam」

Prevention of falsification by creating a distributed ledger of IoT device data
“Business Blockchain Solution”



Vulnerability verification tool **”beSTORM X”**

Security verification & consultation for IoT devices
“Security Verification Service for IoT devices”

NEWS

Received a decision to grant a patent for Edge Trust on June 1, 2021

Patent Summary: A technology that automatically deletes the issued device use certification by the IoT device itself when the cloud service is terminated or the IoT device is disposed of, so that the IoT device can use the cloud service securely.

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Focused Initiatives: IoT + Security

Realizing Solutions through Broad Alliances

Life cycle of **IoT device**

EdgeTrust — Ubiquitous AI Corporation — TOPPAN — **Device Life Cycle Management Service**

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- Embedded solution for IoT devices
- Support for IoT device development
- IoT verification service

TOPPAN
- Firmware writing service

Serverworks
- AWS integration

ptc thingworx
- Industrial IoT Platform

RENESAS
- Equipped with Trusted Secure IP **"RX65N"**

- TrustZone® support
  Equipped with Arm® Cortex®-M33 **"STM32L5 Series"**

IAR SYSTEMS
- Integrated development environment **"IAR Embedded Workbench®"**

Ubiquitous AI Corporation
- Regular health check service for IoT devices **"Edge Trust Health Check"**

Ubiquitous AI Corporation / Rablock
- Business Blockchain Solution (Under development)

Providing one-stop solutions from embedded systems to cloud

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Focused Initiatives: Automotive Device Development and Testing Tools

Launched products jointly developed through a business alliance with A&D

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In-vehicle Software Products

- Verification tools for software development
- Products for supporting software quality improvement
- Various OS and middleware products

Providing sales support in more than 30 years

A&D Discover Precision

In-vehicle Hardware Products

- iTest: Testing software for automobile
- HILS products for real ECU verification
- Various measuring and control systems

Providing high-precision electronic measuring equipment

Software simulation that can be completed without a real machine

SILS (Software In the Loop Simulator: **This Product**)

Can start verification at an early stage where **no hardware** exist

Reduce costs of verification process as it only consists of software

One-machine for one-user environment that can meet diversified development styles (remote)

Simulation Tool "GSIL" for Developing In-vehicle ECU Software

Sales Started in April 2021, expect to be a major product in and after FY 2022

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Post-COVID-19 Era

Economic Impact

- Short-term: Impact of infection prevention measures
- Long-term: Impact of changes in business environment

Paradigm Shift

- Changes in the business model
- Changes in values and a view of life

Lifestyle/ Workstyle

- From “Gathering” to “Connecting”
- From “Real” to “Virtual”
- From “Time” to “Results”

How to Respond to the “Once-in-a-Century Crisis” and “Changes”

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Mid-Term Management Issues: Business – Post-COVID-19

Software Product Business

- Enhancing sale of high boot-up products to overseas markets
- Moving from “Component” to “Solution”
- Realizing solutions in the IoT security area through partnerships with partner companies

Software Distribution Business

- Actively discovering and collaborating with venture companies and new products that emerge from the paradigm shift and changes in work/lifestyle
- Long-term securing of good products under capital alliance and joint development
- Enhancing the AI-related business

Software Service Business

- Strengthening the development power in the areas of smart device and web/cloud products/services
- Obtaining excellent human resources for expanding the business

New Initiatives

- Seeking new business opportunities to respond to changes after COVID-19
- **Enhancing services that are supported by our accumulated know-how in the embedded products area** such as a tool to support development quality improvement

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Actions to Cope with Changes in Business Environment Arising as a Result of COVID-19

Connecting the Future

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Re-innovation

Recognize our strength and change our viewpoint

Recognize "our strength" again

- Implementation technology
- No. of customers
- Various products
- Brand

Review our sales expansion plan to cope with changes

- Enhance web sales
- Solution
- Strengthen Organization
- Strengthen Sales division

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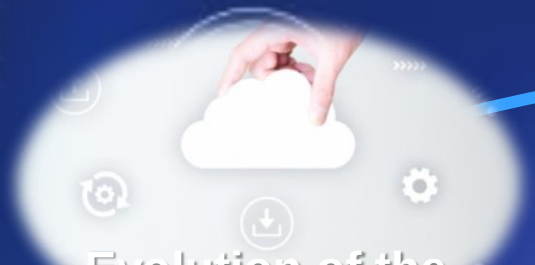
Changes in Post-COVID-19 Era and Toward the Next Mid-Term Plan

Exploring New Business Opportunities
based on the embedded software technology



Evolution of the Internet and Cloud

Changes in Workstyle and Lifestyle

Acceleration of IT Utilization

Changes in the Concept of Transportation

Acceleration of AI/Robotics Utilization

Changes in Communications

Connecting the Future

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