



# Q3 FY2021 Financial Results

November 15, 2021



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# 1. Company Overview



## 1. Company Overview

2. Financial Highlights and Forecast

3. Growth Strategy

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- a. Company Information and KPIs
- b. Business Environment
- c. Service Characteristics and Client Base
- d. Use Cases

## Company Information

Company Name

Safie Inc.

CEO

Ryuhei Sadoshima

Location

Nishi-Gotanda Shinagawa-ku  
Tokyo

Established

October 2014

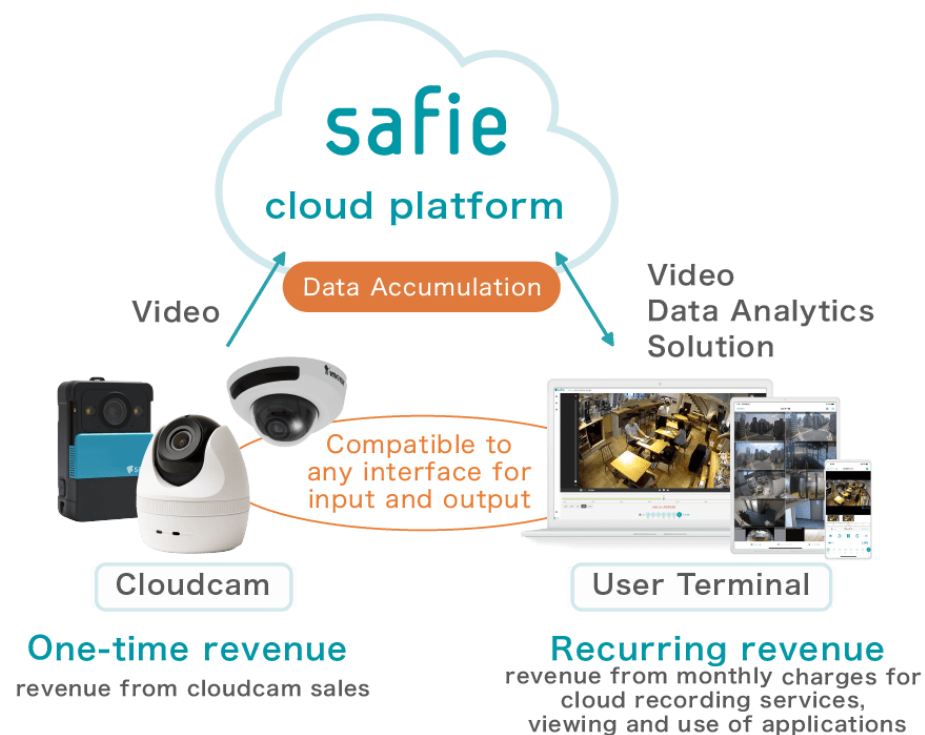
Number of Employees

239 (as of October 2021)

Business

Development and operation of the  
cloud-based video recording  
platform "Safie"

## Overview of products and services

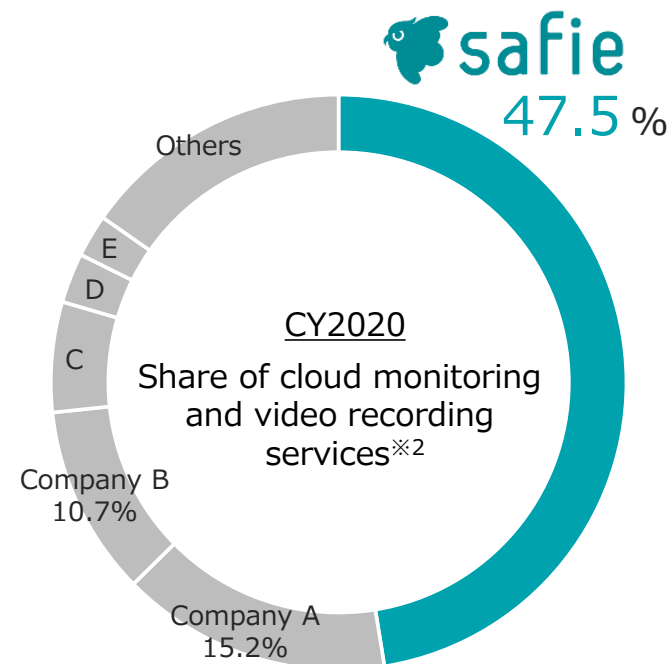
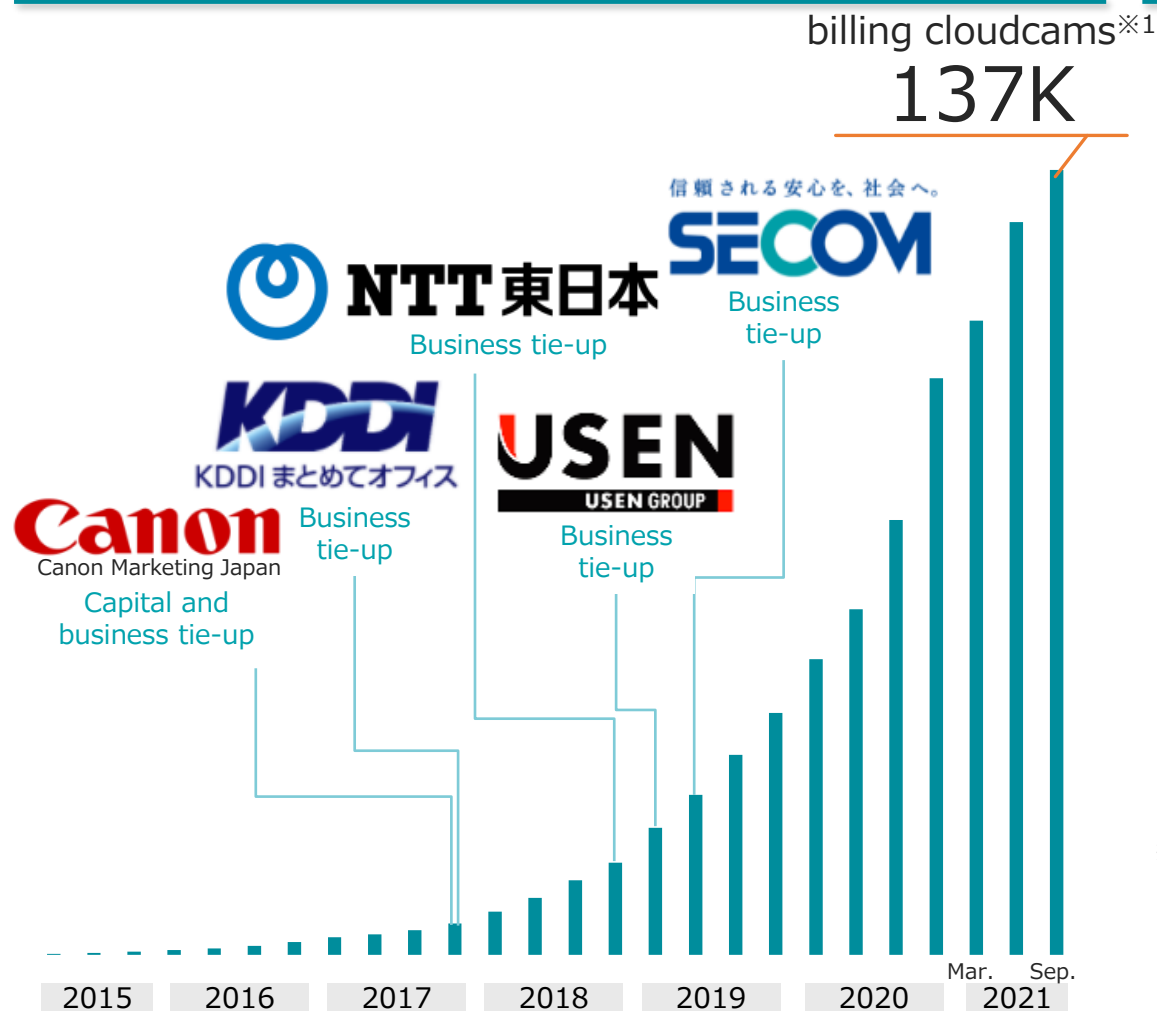


# History and Market share

- ✓ We have grown together with our business partners to achieve a market share of 47.5% in the cloud monitoring and video recording services market.

Number of billing cloudcams / Business tie-ups

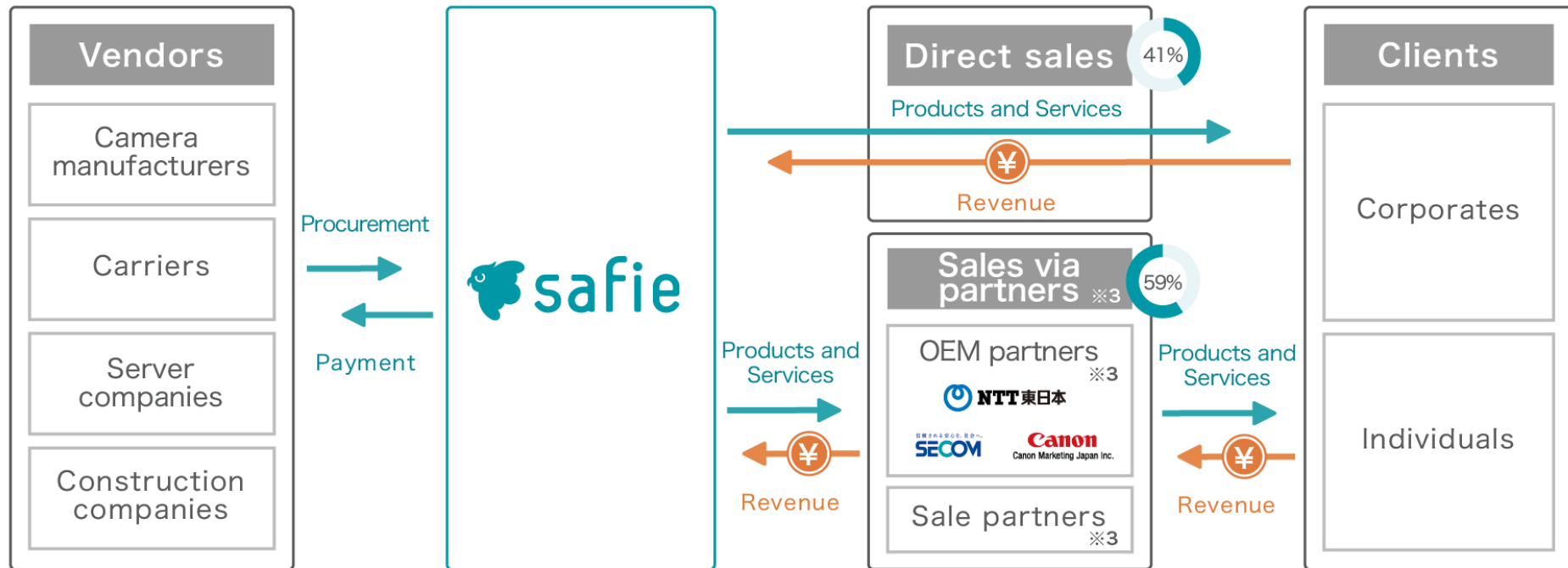
Market share



※2 Techno Systems Research report on "cloud recording service market of network camera market research". Cloud monitoring and recording service is defined as a cloud service that uses network cameras and provides monitoring or recording as a paid service. Market share is based on the number of registered cameras by engine (vendor)

※1 Billing cloudcam is defined as the number of cloudcams in operation and is fee-charging as of the end of each quarter and is not the number of cloudcams sold in each quarter.

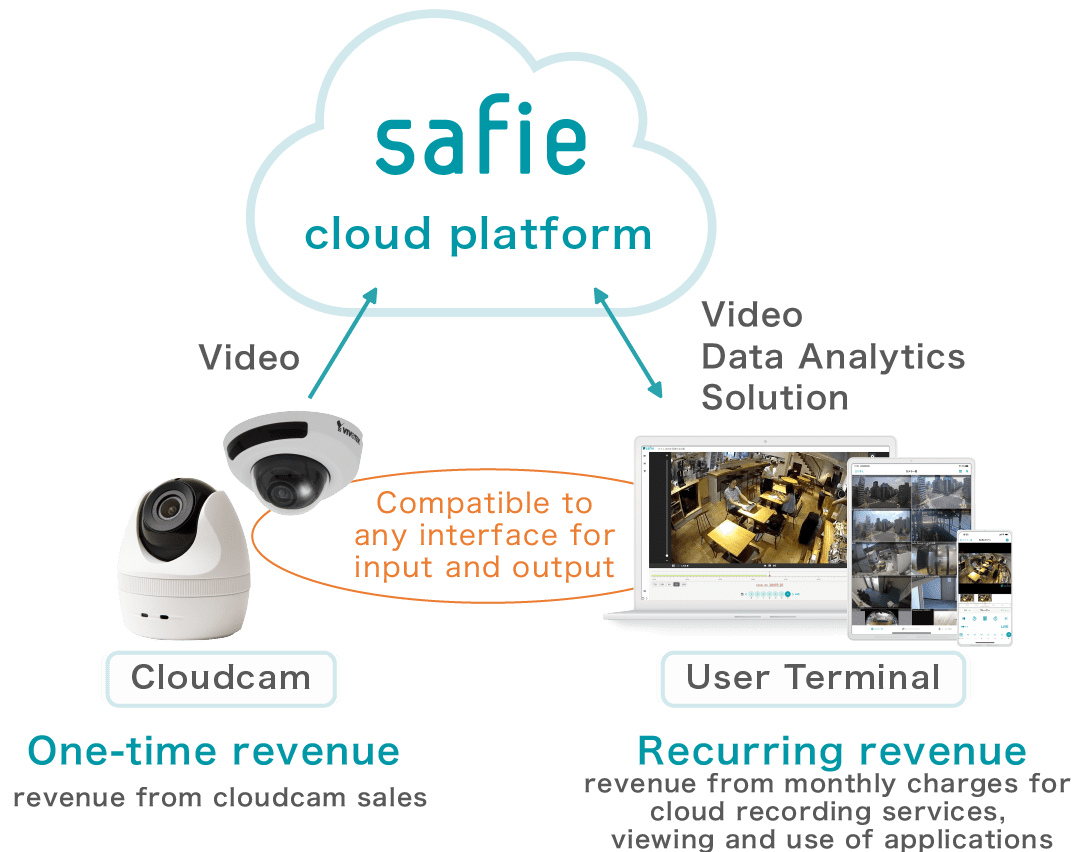
- ✓ Cloudcams<sup>\*1</sup> and cloud recording services<sup>\*2</sup> sold directly and/or through sales partners.



One-time revenue (revenue from cloudcam sales)  
 Recurring revenue (revenue from monthly charges for cloud recording services, viewing and use of applications)

- ※1 Safie procures cameras from various camera manufacturers (incl. Safie brand cloudcams) and does not engage in manufacturing.
- ※2 Safie does not develop all the cloud infrastructure on its own but utilizes the services of major cloud vendors to provide data storage and viewing services.
- ※3 "OEM partner" is a partner that purchases cloudcams and cloud services (or only the latter) from Safie and resells to end clients under the partner's brand name.  
 "Other sales partners" is a partner that purchases cloudcams and cloud services (or only the latter) from Safie and resell to end customers under the Safie brand name.

- ✓ Safie PRO is a cloud video recording service, where users can view/browse the video recorded from the cloudcams and stored on the cloud on a monthly subscription basis.



## Service Characteristics



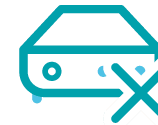
HD Image



High-Level of Security



Low Price



No Recorders



Video Sharing※



Central control for multiple units



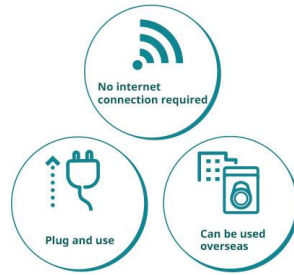
Available 24h

※Up to 15 people per camera

# Products and services – Safie GO & Safie Pocket safie

- ✓ Safie GO and Safie Pocket significantly contributes to on-site digital transformation (DX) mainly in the construction industry and for outdoor work.

## Safie GO (Series)



- ✓ Safie GO is an outdoor camera that packages LTE mobile router, communication fee and cloud recording service into a single cloudcam service.
- ✓ Suitable for various on-site work with its waterproof and compact body; helps to improve operations.

## Safie Pocket (Series)



Built-in SIM card  
LTE communication



Built-in battery  
for up to 8  
hours



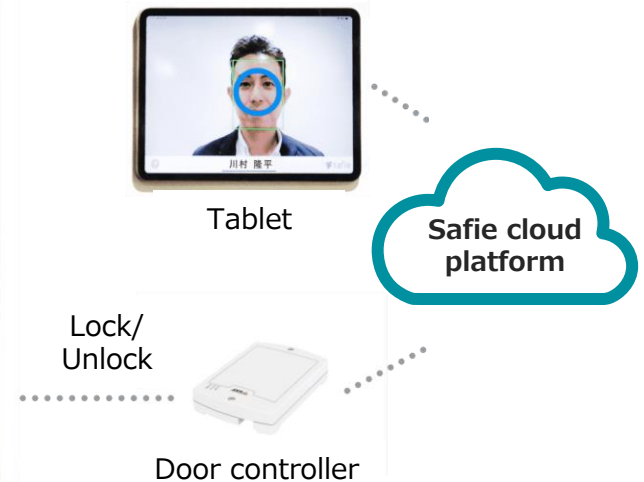
Easy operation  
Plug and use



- ✓ Safie Pocket2 is a cloud wearable camera to support on-site remote operation
- ✓ Capable of LTE communication, built-in battery and real time communication
- ✓ Enables remote operation at various on-sites scenes.



- ✓ Safie Entrance is an application for entrances and exits that uses automatic facial recognition to enable hands-free unlocking, manage access records and, link to attendance management systems.



**Hands-free unlock**



**Multiple locations and doors control**



**Access control**



- ✓ Safie Visitors is an optional function on the application suited for physical stores that uses automatic facial recognition to analyze visitor attributes and behavioral data.



- Auto Face Recognition and Recording
- Auto Attribute Prediction (age, gender, etc.)
- Visit Count
- Registration by Store (Customers' names and Labelling)
- Link with the customer DB

Measurement of purchasing rates

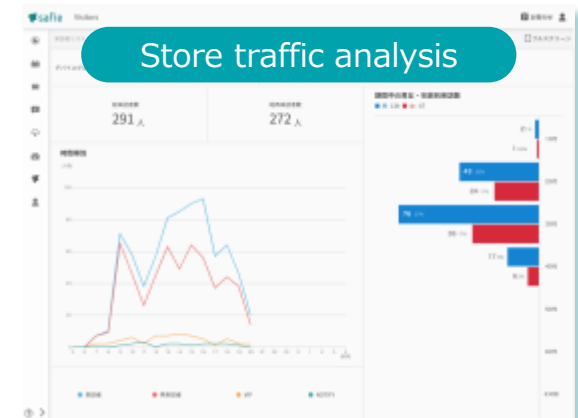
Customer attribute analysis

Acquisition of repeat customers

Analysis of loyal customers

Track shop-hopping<sup>※1</sup>

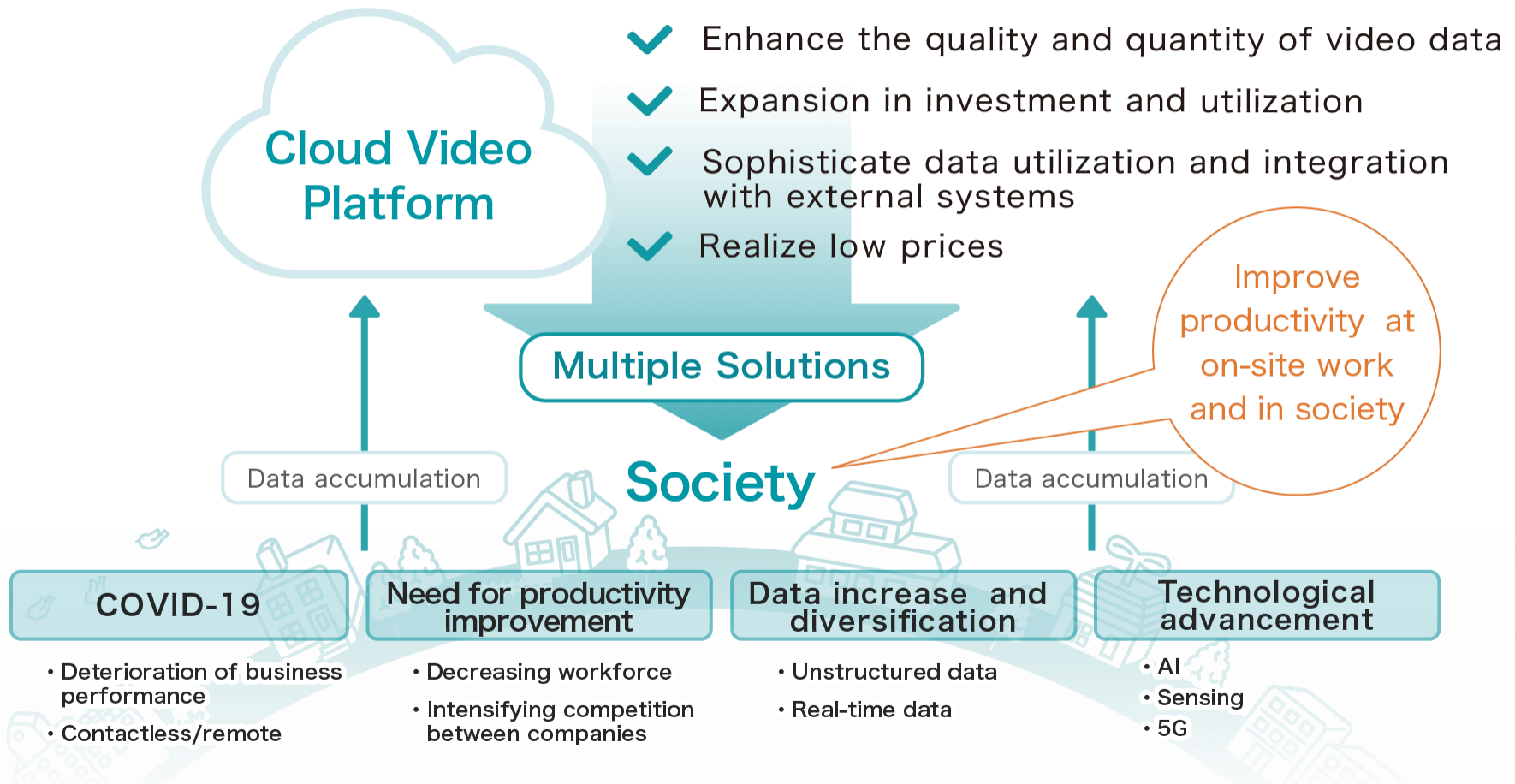
Crime prevention<sup>※2</sup>



※1 Automatic face recognition and recording of visitors makes it possible to monitor the status of visits to multiple stores

※2 Store staff receives a notification when a visitor who has been previously registered for shoplifting or for suspicious conduct at other store, visits the store.

- ✓ The need for DX using cloud video platform is increasing dramatically due to the declining working population and the increased adoption of remote work due to COVID-19.



# Business growth leading to an expanding TAM

- ✓ Domestic market growth potential is huge at 28.63 million units, and an even larger potential exists in the global market.

## Global market

Total number of operating surveillance/monitoring cameras<sup>※3</sup>  
(in year 2024; Safie estimate)

## Domestic market

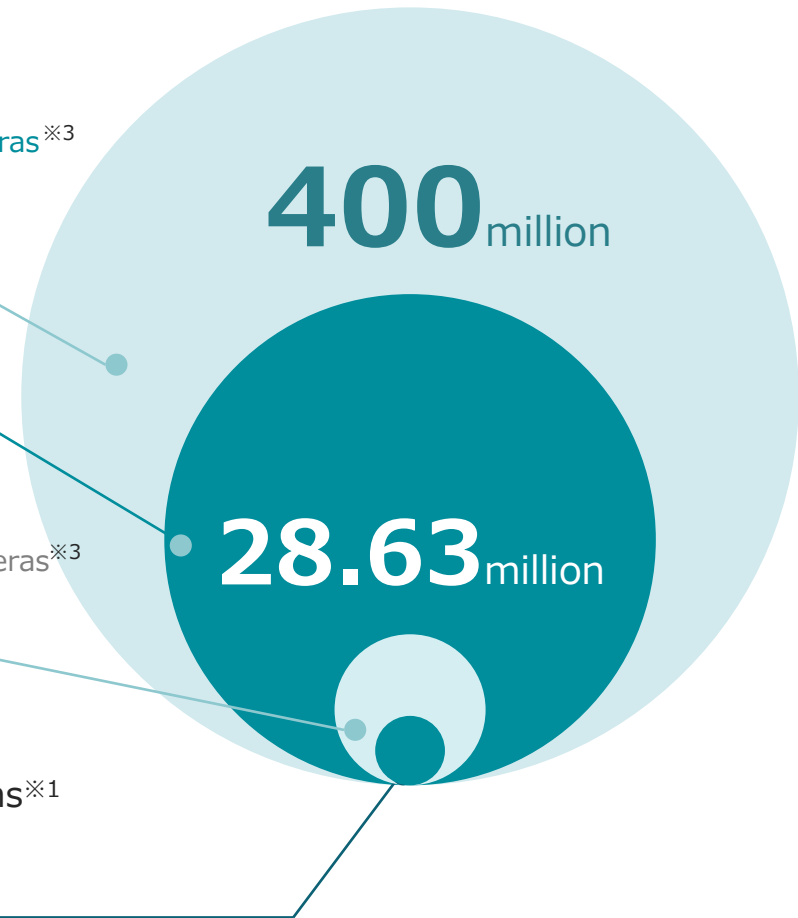
Potential number of networking cameras<sup>※2</sup>  
(as of March 2021; Safie estimate)

## Domestic market

Total number of operating surveillance /monitoring cameras<sup>※3</sup>  
6.6million (2024 estimate)

(End of September 2021)  
Number of billing cloudcams<sup>※1</sup>

 **safie 137** thousands



- ※1 This number represents the number of operating and billable cloudcams as of the end of September 2021 and not the number of cloudcams sold during Q3 FY2021.
- ※2 A network camera is a commercial-use camera with a built-in IP function that can self-connect to Internet (Source: Yano Research Institute). Refer to page 47 of the Appendix for the calculation.
- ※3 A surveillance/monitoring camera refers to surveillance camera products which can be broadly classified into IP cameras and analog cameras. (Source: Yano Research Institute). The figures are based on Safie estimates.

# Create a better future with intelligent vision

A platform to assist the decisions made by people and things by building an infrastructure of data from the household to the city



Safie Inc.

## 2. Financial Highlights and Forecast



1. Company Overview

## 2. Financial Highlights and Forecast

3. Growth Strategy

### Appendix

- a. Company information and KPIs
- b. Business environment
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- ✓ Q3 revenue was ¥6.1 bil., up 87.9% YoY<sup>\*1</sup>
  - ✓ Up 13.3% QoQ
- ✓ Q3 ARR grew steadily, exceeding ¥5.2 bil.
- ✓ Number of billing cloudcams only reached 137 thousand units due to the cancellation from users purchased at a specific wholesale channel.<sup>\*2</sup> Full year guidance revised down from 150 K to 140 K for December-end 2021.  
(ARR forecast unchanged)
- ✓ Q3 gross profit margin was 39.5%, up 5.6point<sup>\*1</sup> YoY, GP margin improvement trend continues.
- ✓ SG&A-to-sales ratio increased due to accelerating recruitment and brand awareness activities after the IPO.
- ✓ FY2021 guidance revised upwards from higher revenue expectation and lowered SG&A outlook from focusing only on effective investments.

※1 The quarterly results for cumulative period to Q3 FY2020 has not been reviewed and audited by the auditor.

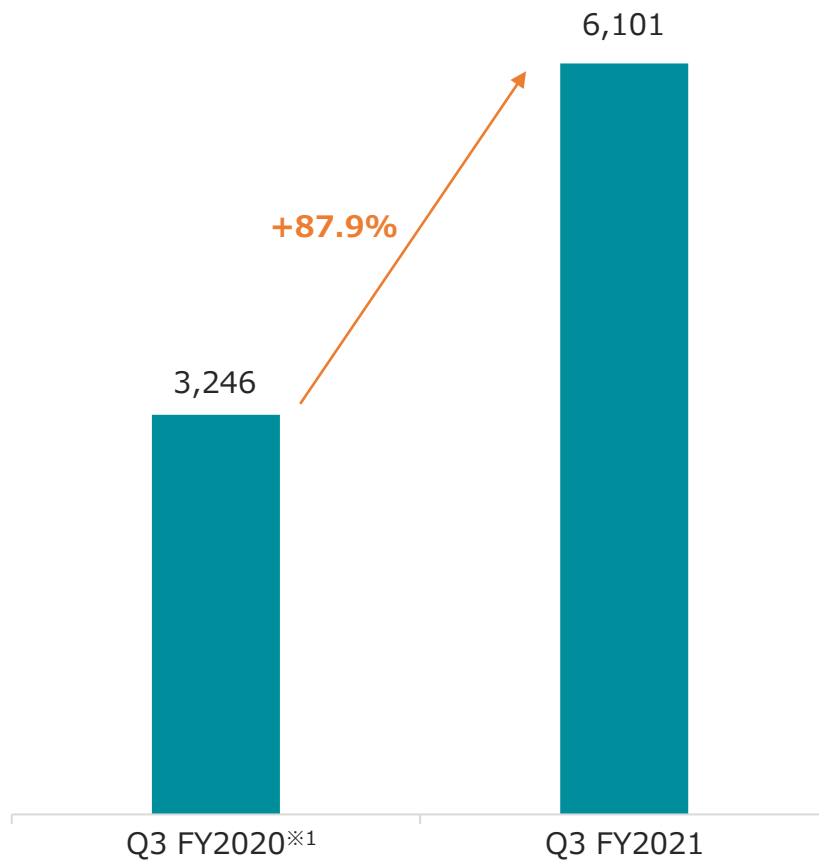
※2 Refers to a single sales partner company.



- ✓ Q3 revenue increased by 87.9% YoY and 13.3% QoQ.

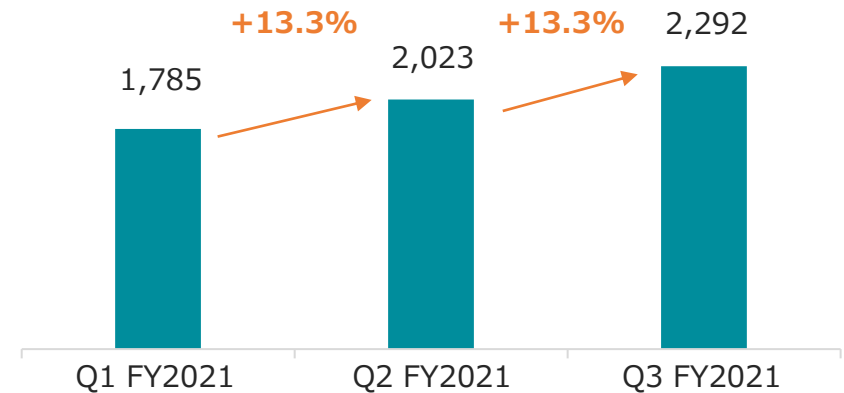
## Q3 Revenue (cumulative 9-month period)

(¥: million)



## Quarterly trend

(¥: million)



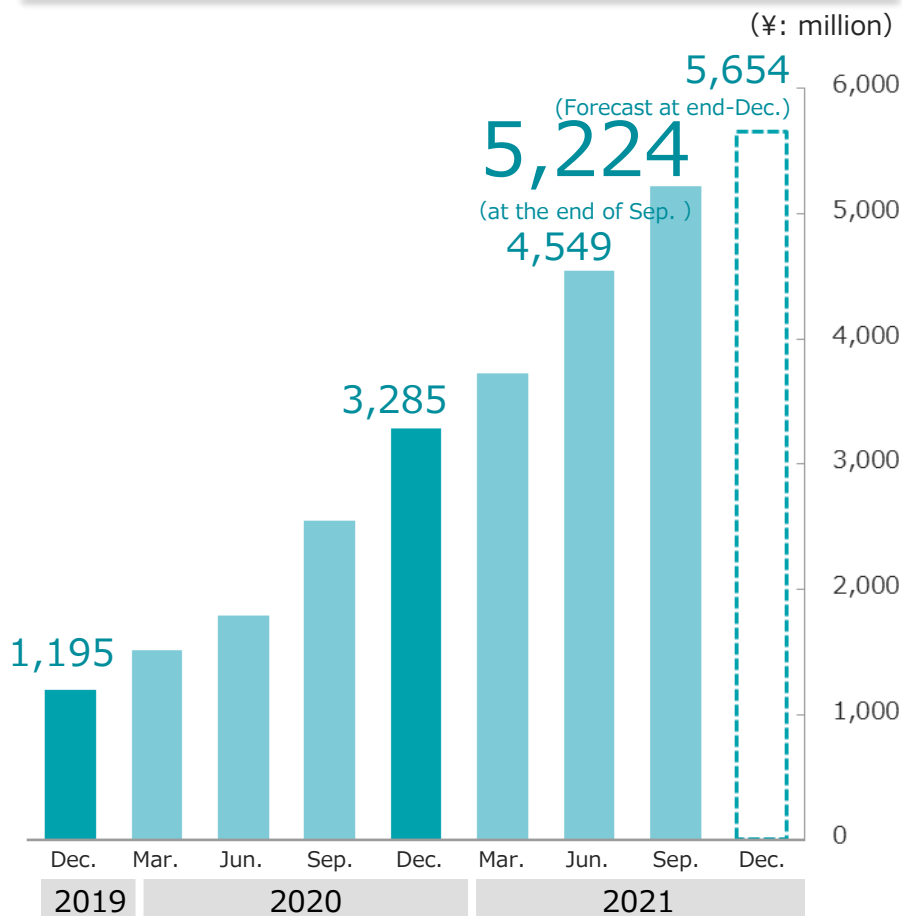
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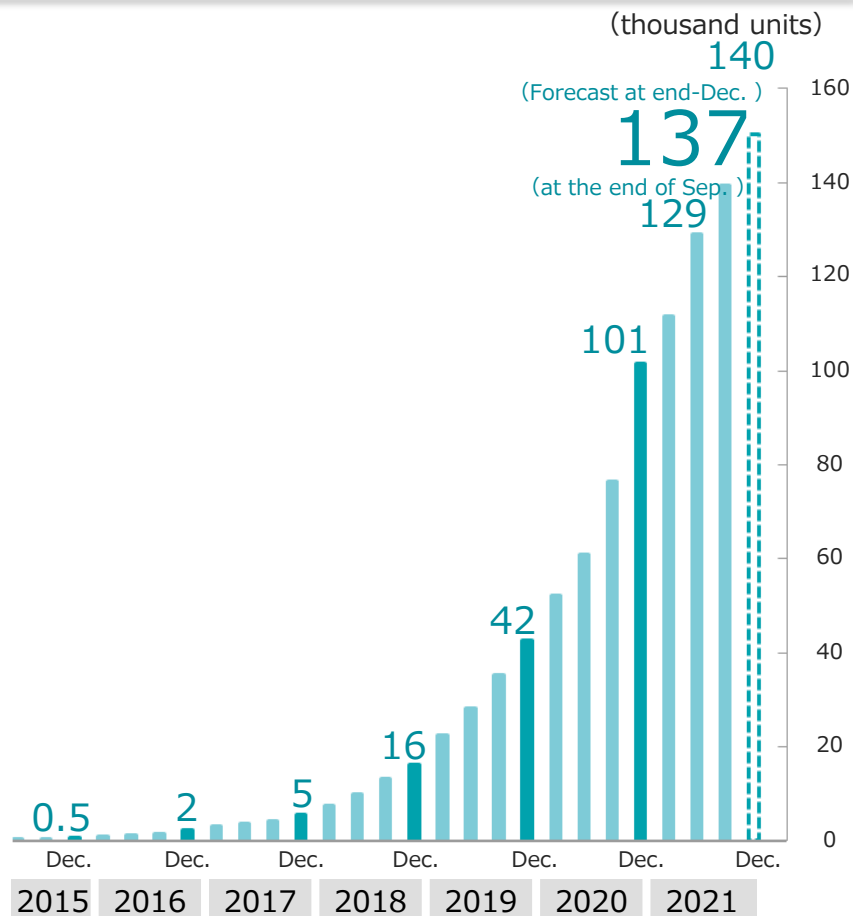
# ARR and Number of Billing Cloudcams

- ✓ ARR exceeded ¥5.2 bil. and growing steadily; guidance for FY2021 is at ¥5.6 bil. Number of billing cloudcams reached 137 thousand units, and end-December 2021 guidance is revised down from 150K to 140K units.

## ARR※1



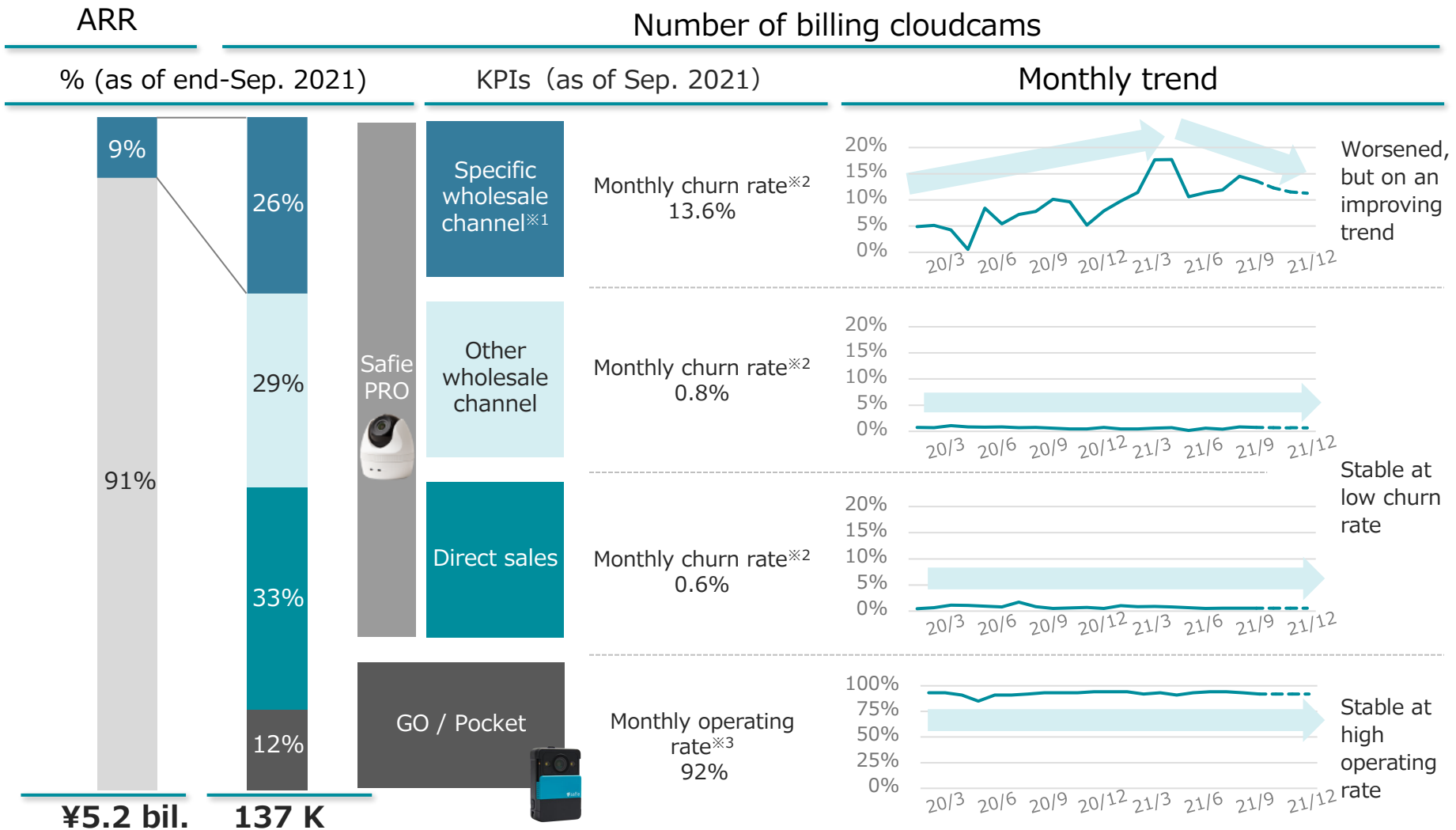
## Number of billing cloudcams



※1 ARR : Annual Recurring Revenue. ARR is calculated by multiplying MRR at the end of the month by 12 (months)  
MRR : Monthly Recurring Revenue. MMR is the total amount of charges for the current month based on the contract with continuous billing as of the end of the applicable month (including sales through sales partners)

# Breakdown of ARR and billing cloudcams

- ✓ Churn rate increased for specific wholesale channel<sup>※1</sup> but has returned to an improving trend. Hence, the impact is likely to be limited going forward.
- ✓ Over 90% of ARR is stable as it is generated from low churn and high operating rate customers.



※1 Refers to a single sales partner company.

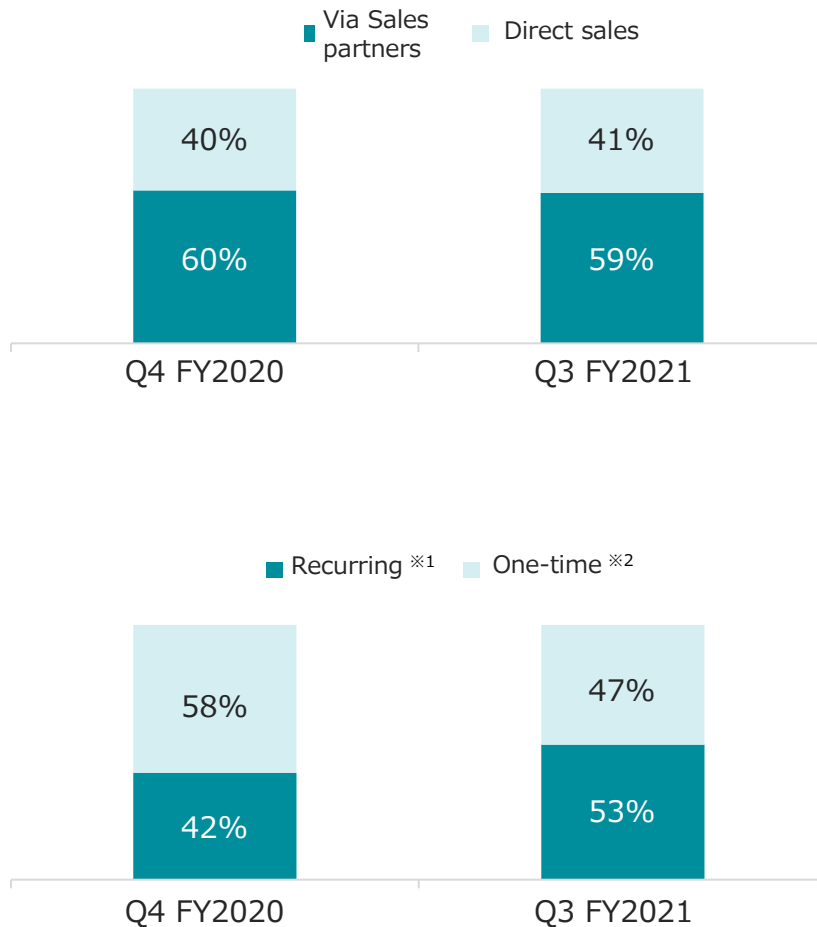
※2 Figures are as of end of month. Monthly Churn rate = number of cloudcam cancellation / total number of billing cloudcams at the end of previous month

※3 Monthly operating rate = number of billing cloudcams at the end of month / the number of cloudcams for rental business at the end of month

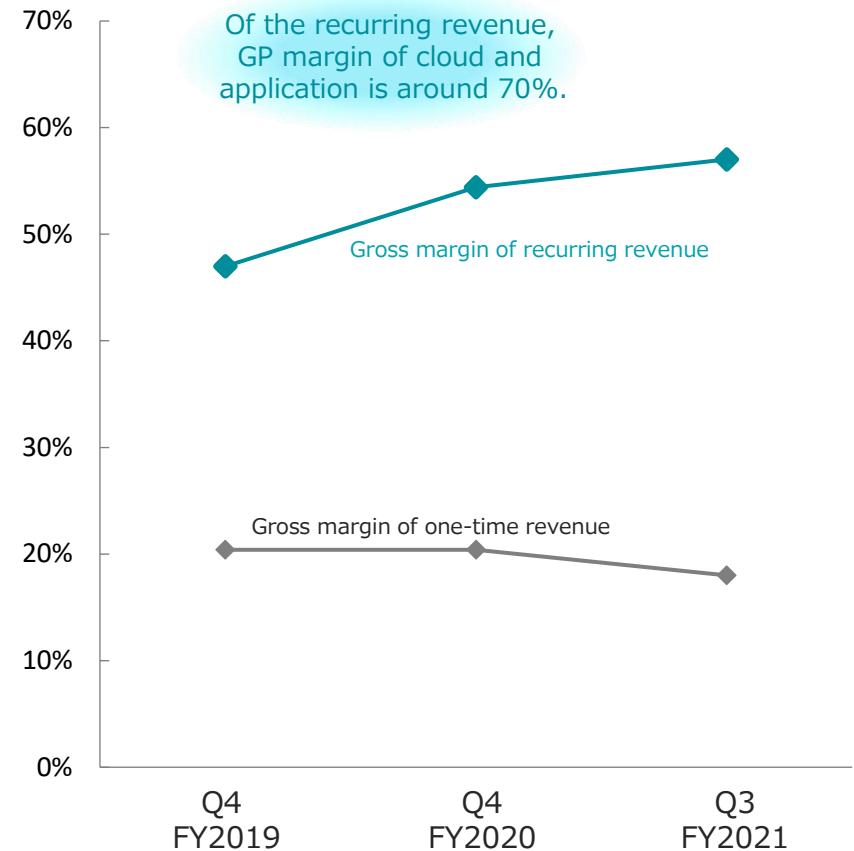
# Revenue breakdown and GP margin by revenue type safie

- ✓ Recurring revenue ratio increased to 53% and contributed to gross margin expansion.

## Revenue breakdown



## Gross margin trend



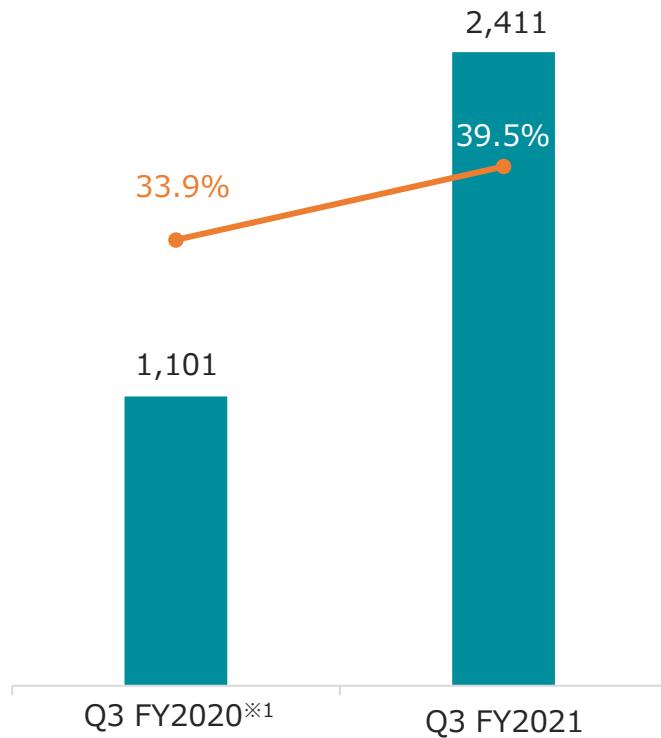
※1: Recurring revenue includes cloud services, application, rental, SIM etc.  
※2: One-time revenue includes sales of cameras, fees for installation working, etc.

- ✓ Gross profit margin reached 39.5%, up 5.6point YoY and continues to improve.

## Q3 trend (cumulative 9-month period)

(¥: million)

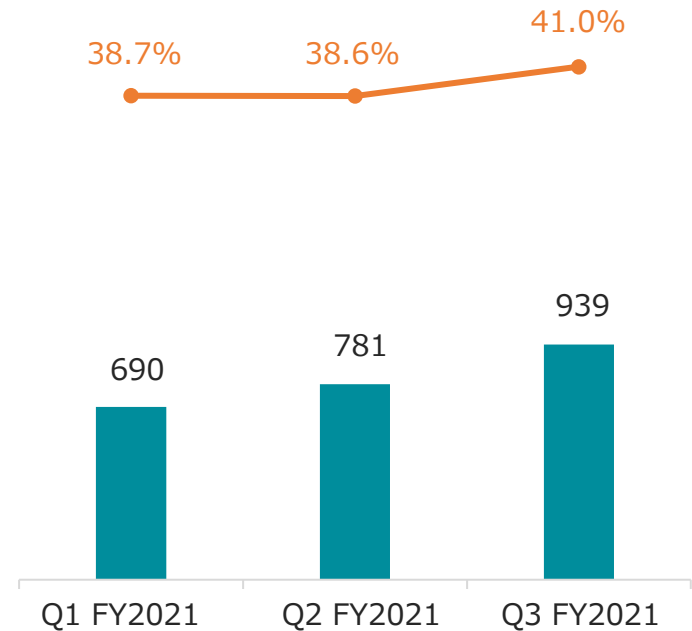
■ Gross profit    —●— Gross profit margin



## Quarterly trend

(¥: million)

■ Gross profit    —●— Gross profit margin



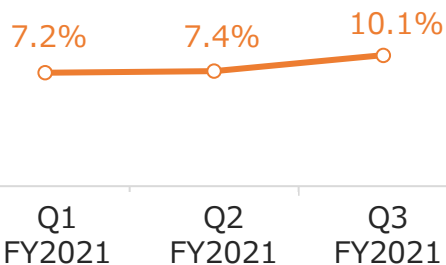
※1 The quarterly results for cumulative period to Q3 FY2020 has not been reviewed and audited by the auditor.

# SG&A to Revenue ratio

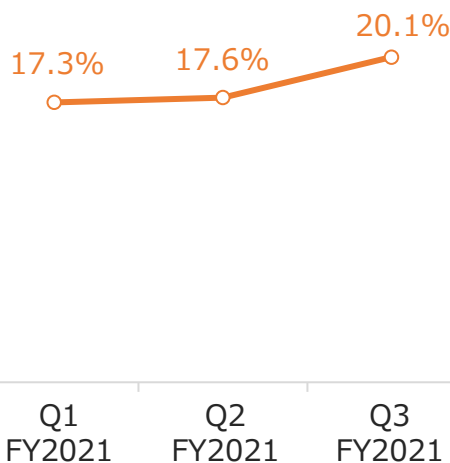
- ✓ Investments to raise brand awareness and recruitment accelerated after the IPO in September 2021.

## Quarterly trend

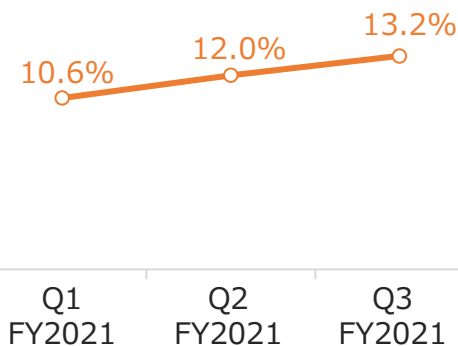
% of advertising expenses※1



% of personnel expenses※2



% of other expenses※3



※1 Includes advertising and sales promotion expenses etc.

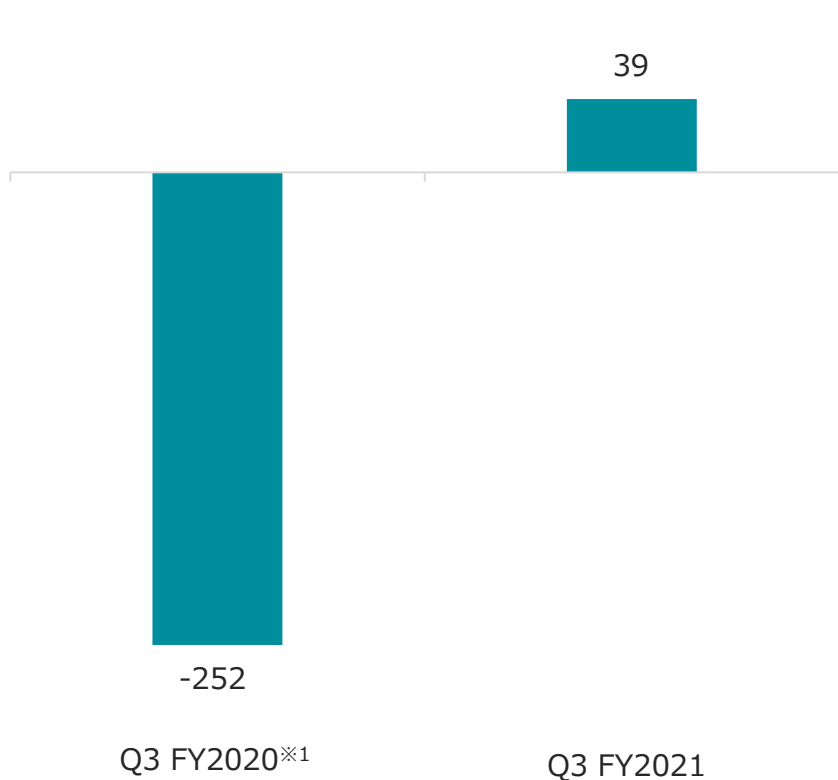
※2 Includes personnel expenses, executive remunerations and recruitment expense etc.

※3 Mainly includes R&D expense, outsourcing costs, commission fees, packing and freight costs, and rent expense.

- ✓ Q3 (cumulative period) operating profit was ¥39 mil. However, Q3 (3-month period) recorded operating losses due to accelerated investment for the various initiatives.

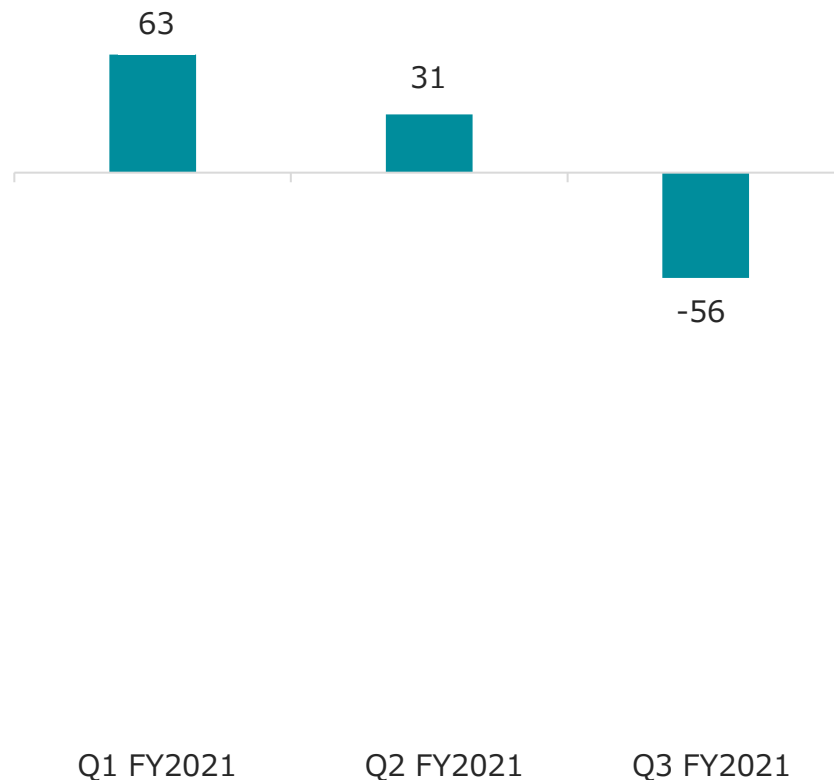
Q3 (cumulative 9-month period)

(¥: million)



Quarterly trend




(¥: million)



※1 The quarterly results for cumulative period to Q3 FY2020 has not been reviewed and audited by the auditor.

# Progress in the use of IPO proceeds

- ✓ We plan to proactively invest in raising brand awareness of Safie and recruitment activities.

Major use of proceeds		Status		
Item	Purpose			
Advertising	Raise brand awareness of Safie and its services, mainly to top market share companies in the respective industries	<ul style="list-style-type: none"><li>✓ Implemented brand awareness initiatives post-IPO</li><li>✓ Safie brand awareness still remains relatively low; further investments to enhance brand awareness is required</li></ul>		
		 Newspaper advertisement on the listing day	 Advertisement at stations	 Taxi advertisement
Recruiting	Secure human resources for business expansion, such as planning and development of new services, business alliances with partners	<ul style="list-style-type: none"><li>✓ The number of employees reached to 239 as of October 2021, increased by +94 from January 2021.</li><li>✓ Further initiatives are ongoing<ul style="list-style-type: none"><li>✓ Aggressively promoting recruitment activities, strengthening recruitment for engineers and preparing for recruitment for new graduates</li></ul></li></ul>		

# Revision to FY2021 Forecast

- ✓ FY2021 forecast is revised upwards from higher revenue expectation and lowered cost outlook by focusing only on effective investments. Guidance for the number of billing cloudcams is revised down to 140 K from 150 K due to the impact from a specific wholesale counterpart. ARR forecast is unchanged.

(¥: million)

	Before As of September 2021	After
Revenue	8,020	8,322
Operating Profit	△454	△225
Ordinary Profit	△509	△302
Net Profit	△510	△306
ARR	5,654	5,654
# of billing cloudcams (thousand units)	150	140



# 3. Growth Strategy



1. Company Overview
2. Financial Highlights and Forecast

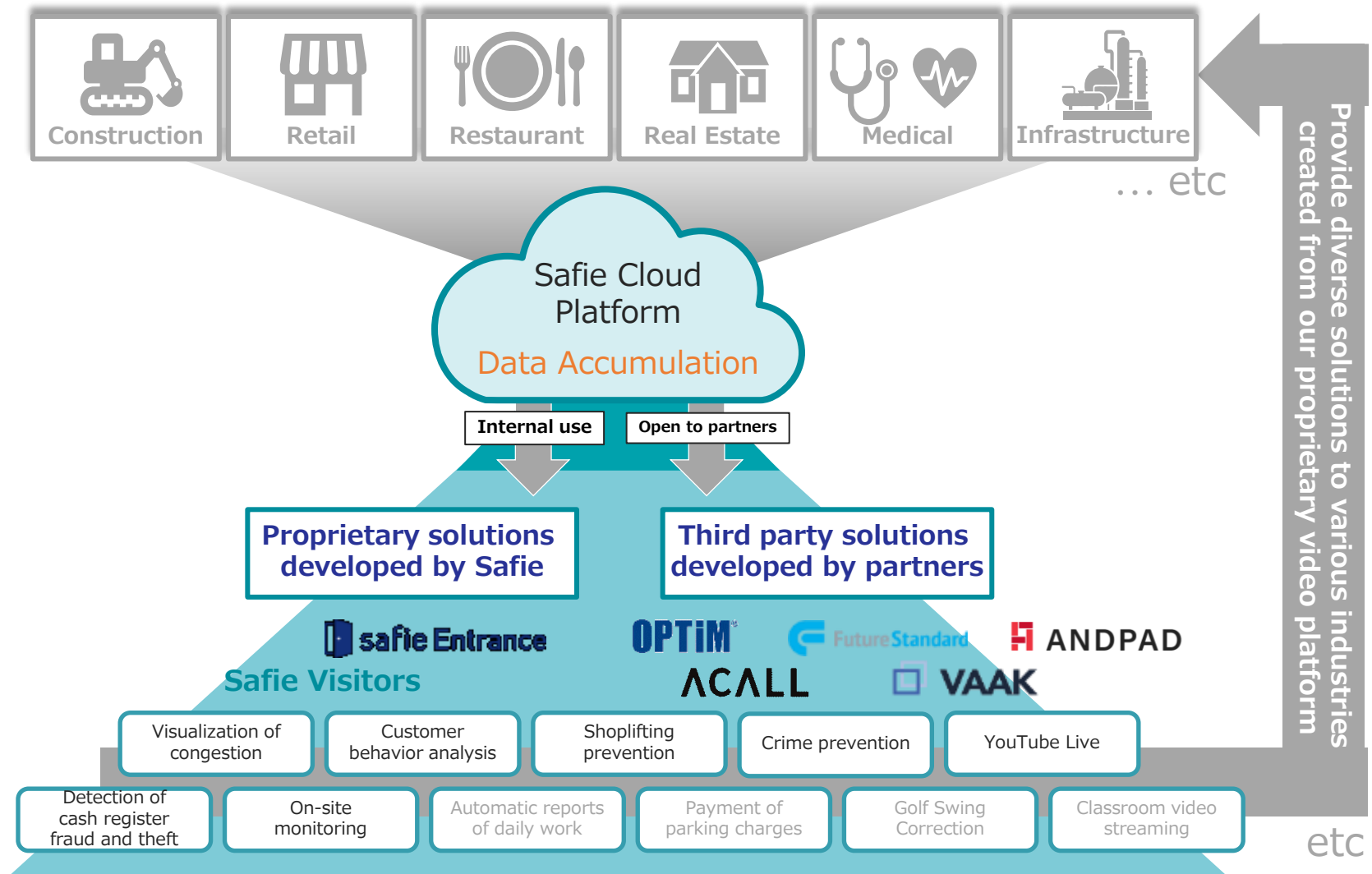
## 3. Growth Strategy

### Appendix

- a. Company information, Key KPIs
- b. Business environment
- c. Service Characteristics and Client Base
- d. Use Cases

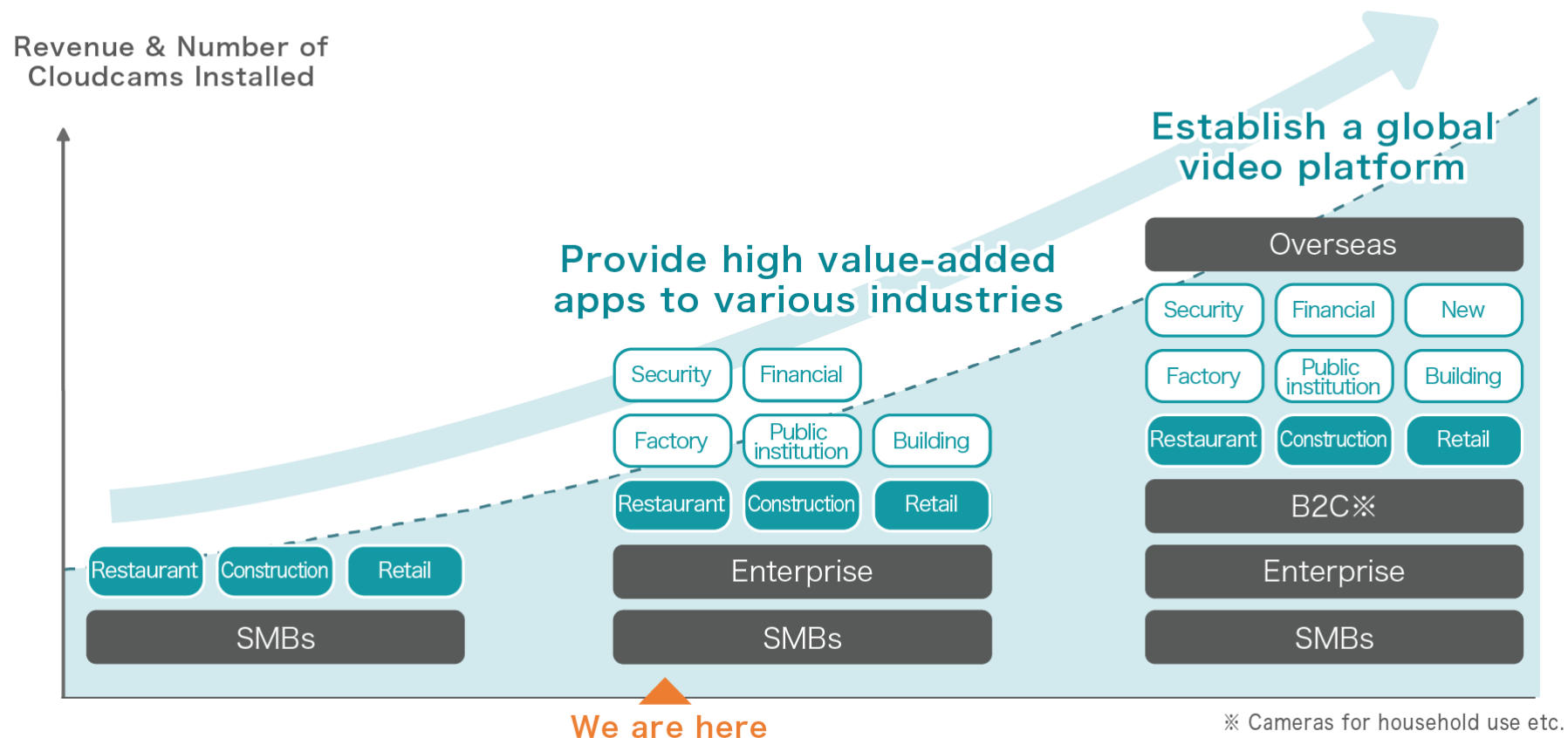
# Evolution into an On-Site DX Platformer

- ✓ Expand solution line-up by leveraging proprietary development as well as external partner companies.



\*1 Items in gray are not currently available and this slide does not guarantee its availability in the future.

While further penetrating the restaurant, construction, and retail industries, we will focus on a wider range of industries in the future.



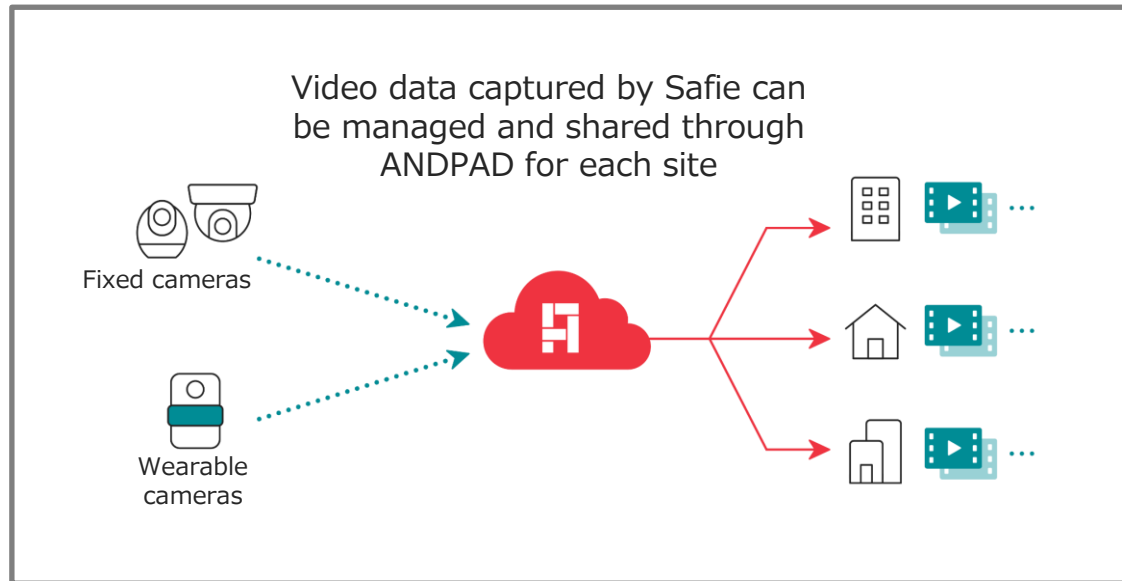
# Safie on-site DX: Construction sector penetration



- ✓ Our products and services are utilized not only for crime prevention and surveillance, but also for access control and safety confirmation.
- ✓ We will continue to promote our products and services in the construction industry.



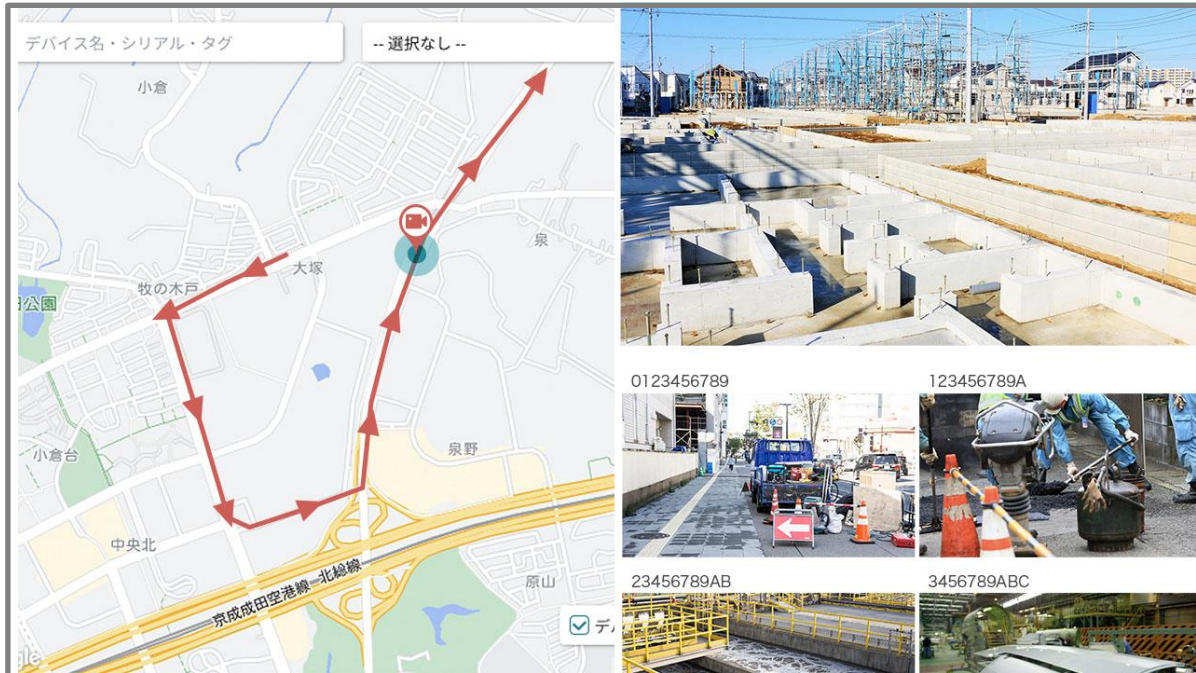
- ✓ This alliance accelerates on-site DX by combining the video data captured by Safie with ANDPAD's site-specific management and sharing function



The functional alliance between the two companies enables a one-stop centralized management by linking information captured from Safie's stationary and wearable cloudcam devices with ANDPAD's on-site information.

This alliance contributes to enhance smooth operations at construction sites by improving video communication and video data management at the construction site that requires remote instruction/supervision.

- ✓ Add-on functions of displaying video clips and movement tracking has been added to Safie Pocket 2, which enables reviewing on-site work that will further contribute to improve operations and reduce accidents and near-accidents.



Added new function to acquire real time GPS information and to display captured image data and movement history superimposed on a map.

The ability to visualize and review the GPS positioning data of workers should contribute to enhance safety of construction sites and improve work efficiency at corporates undertaking large-scale construction/civil engineering projects, such as road and building construction.



# Safie on-site DX: Retail sector penetration



- ✓ In addition to crime prevention, our services are utilized to improve operational efficiency and analyze store visitors.
- ✓ We will continue to promote our services in a wide range of areas in the retail industry.



- ✓ Safie AI People Count is an application that uses cameras and AI to provide at-a-glance congestion assessment.

1

Visually represent historical data of number of people



## safie AI People Count

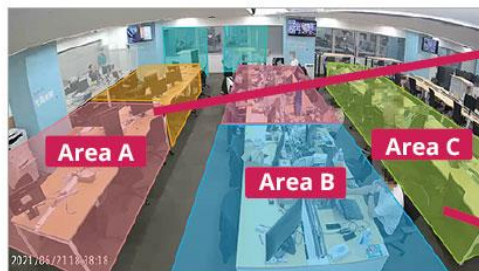
Using “cloud cameras x AI”

analysis to display a graph of the trend of people inside a store.

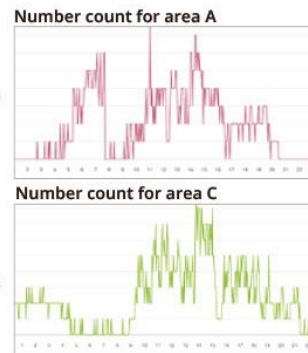
Can be used to improve staffing by enabling at-a-glance congestion monitoring at any given time.

2

Counting number of people by area

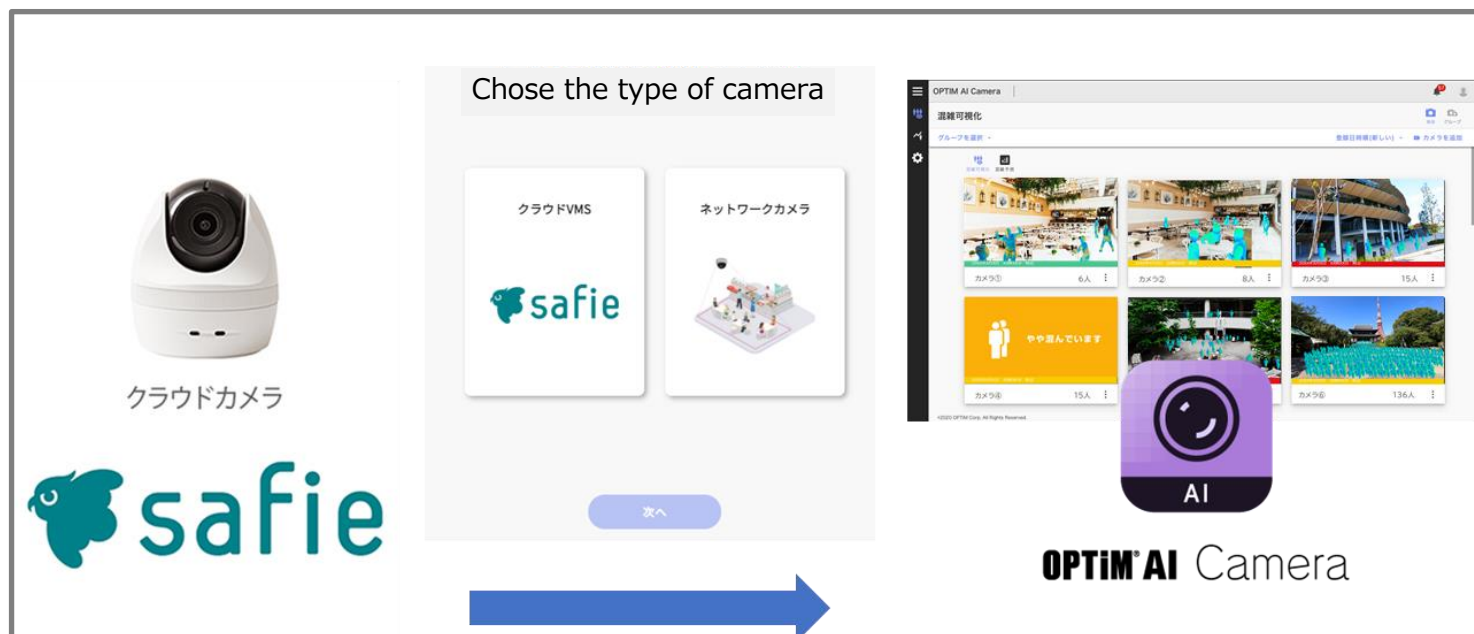


Area names can be freely set and changed.





- ✓ Announced new alliance with OPTiM Corp., the market leader for AI, IoT and Big Data platforms to utilize their “OPTiM AI Camera,” a cloud AI image analysis service for visualizing congestion.



Safie's cloud video recording service had already been compatible with “OPTiM AI Camera Enterprise,” a real-time AI image analytics service that has completed “learning” over 300 models across 11 industries. This alliance deepens the collaboration in order to further enhance value creation for customers of both companies by making Safie's cloudcam also compatible with “OPTiM AI Camera” (formerly called OPTiM AI Camera Lite).

OPTiM AI Camera is an AI image analytics service that uses existing surveillance cameras to perform image analysis in the cloud. The service can be easily used as it does not require dedicated hardware for image analysis. OPTiM AI Camera supports digital marketing, infection prevention measures, headcount counting and visualization of congestion.

# Accelerate rollout of industry-optimized solutions safie

- ✓ Building a corporate organization to be able to accelerate value positions customized to the different needs in each industry.

Before and now



Main value proposition consists of “crime prevention” and “surveillance” across all industries



Customer

From now on



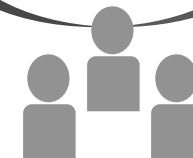
Value proposition that helps resolve the industry-specific issues and challenges



Evolve into an application platformer  
Continue to provide value across industries



Industry A



Industry B



Industry C

- ✓ Build a system to proactively examine how our services ought to be.

## Members



Mr. Tatsuhiko Yamamoto  
Professor, Keio University  
Law School



Mr. Atsushi Okada  
Partner, Mori Hamada &  
Matsumoto  
Audit & Supervisory Board  
Member, Safie Inc.



Mr. Shoichiro Iwata  
CEO, FORCE marketing and  
management, inc.  
Outside Director, Safie Inc.

**Direct advice**

**Safie management**

Next step to expand members and deepen discussions

# Appendix



1. Company Overview
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## **Appendix**

- a. Company Information and KPIs
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## a. Company Information and KPIs

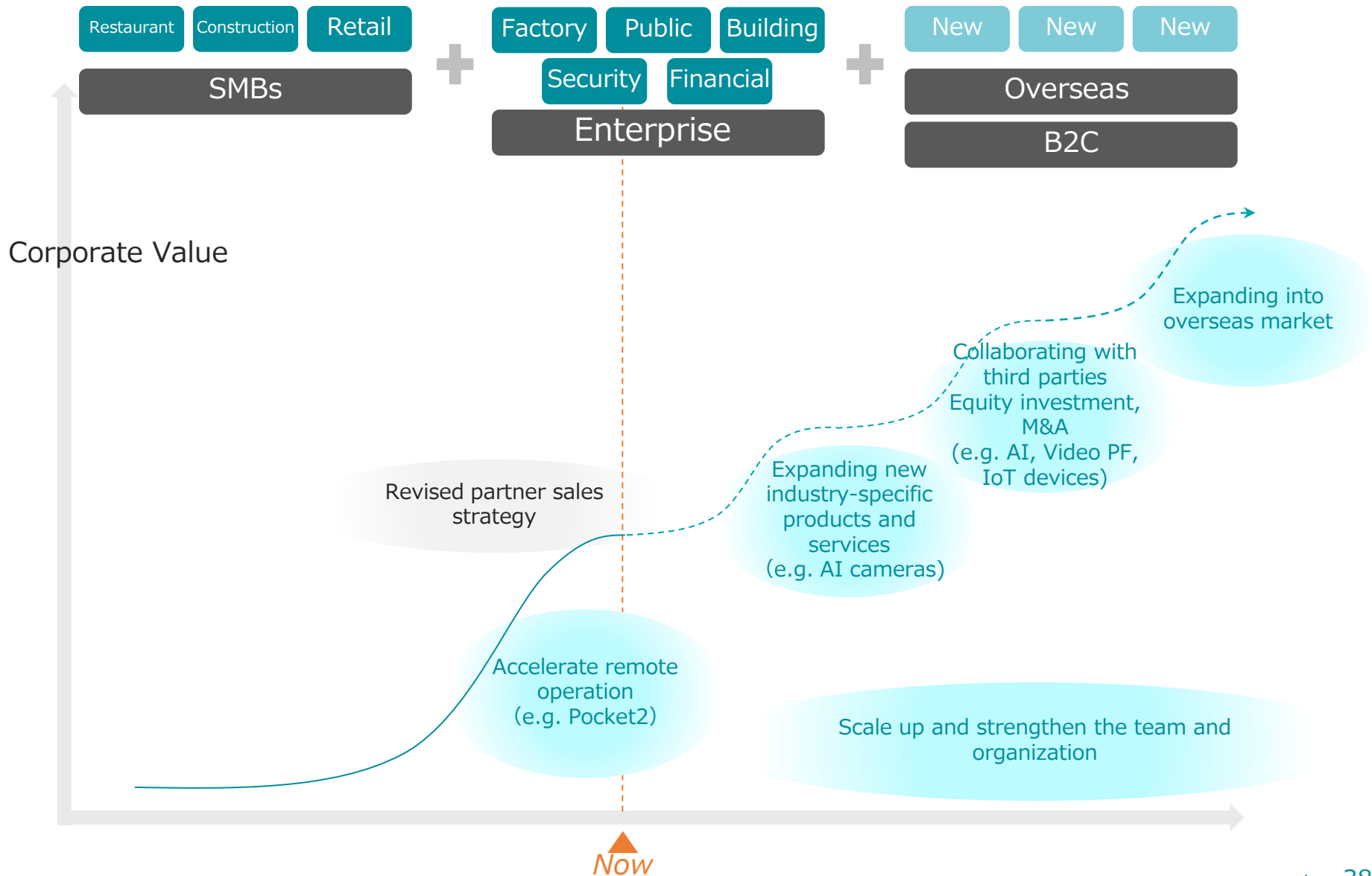


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- a. Company Information and KPIs**
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# Image of future growth trend and strategies





**Ryuhei Sadoshima**  
President and CEO  
Co-founder



**Kazuma Morimoto**  
Director  
Co-founder



**Moriaki Shimozaki**  
Director  
Co-founder



**Tetsuharu Furuta**  
Director  
CFO

**SONY**

Sony Network Communications

**SONY**

**SONY**

Sony-Kihara  
Research Center

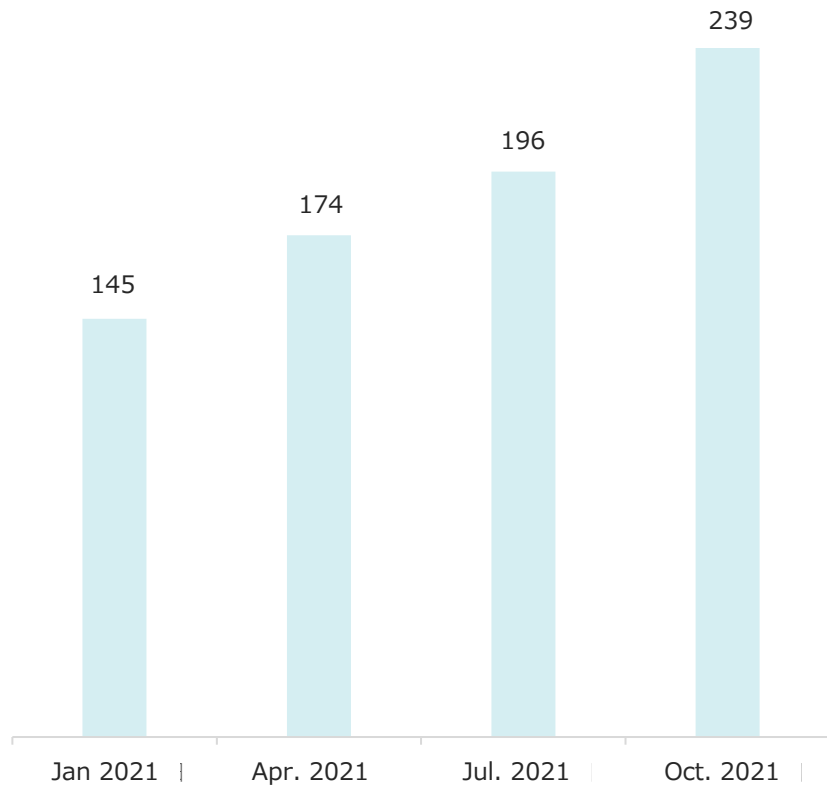
McKinsey  
& Company



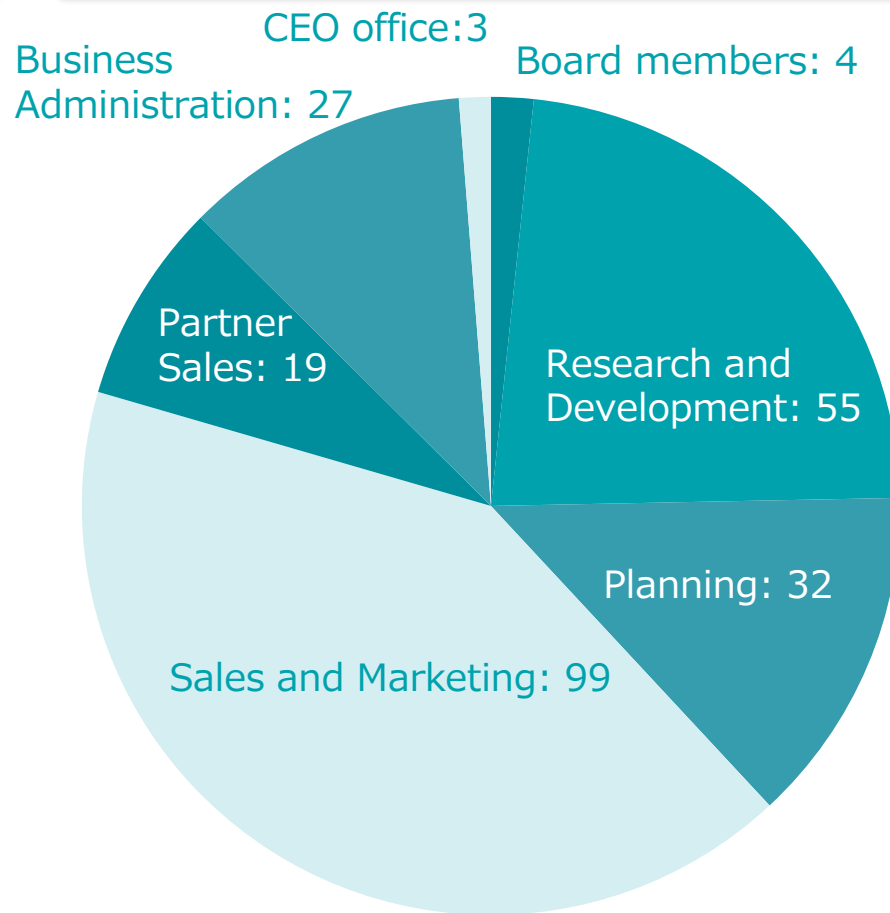
**Forbes** JAPAN

1st Prize in  
"Japanese entrepreneur  
ranking 2021"

Number of employees※1



Employee breakdown (as of October 2021)



※1 Number of employees is counted at the beginning of the month.



# Q3 FY2021 Financial Result

(¥: million)

	Q3 FY2021	Q3 FY2020 <sup>※1</sup>
Revenue	6,101	3,246
<i>Growth rate (YoY)</i>	87.9%	-
COGS	3,690	2,144
Gross profit	2,411	1,101
<i>Gross margin</i>	39.5%	33.9%
SG&A	2,372	1,353
Operating profit	39	△252
<i>Operating profit margin</i>	0.6%	-
Non-operating income	1	23
Non-operating expense	41	2
Ordinary profit	△0	△231
Corporate taxes etc.	2	1
Net profit	△3	△233

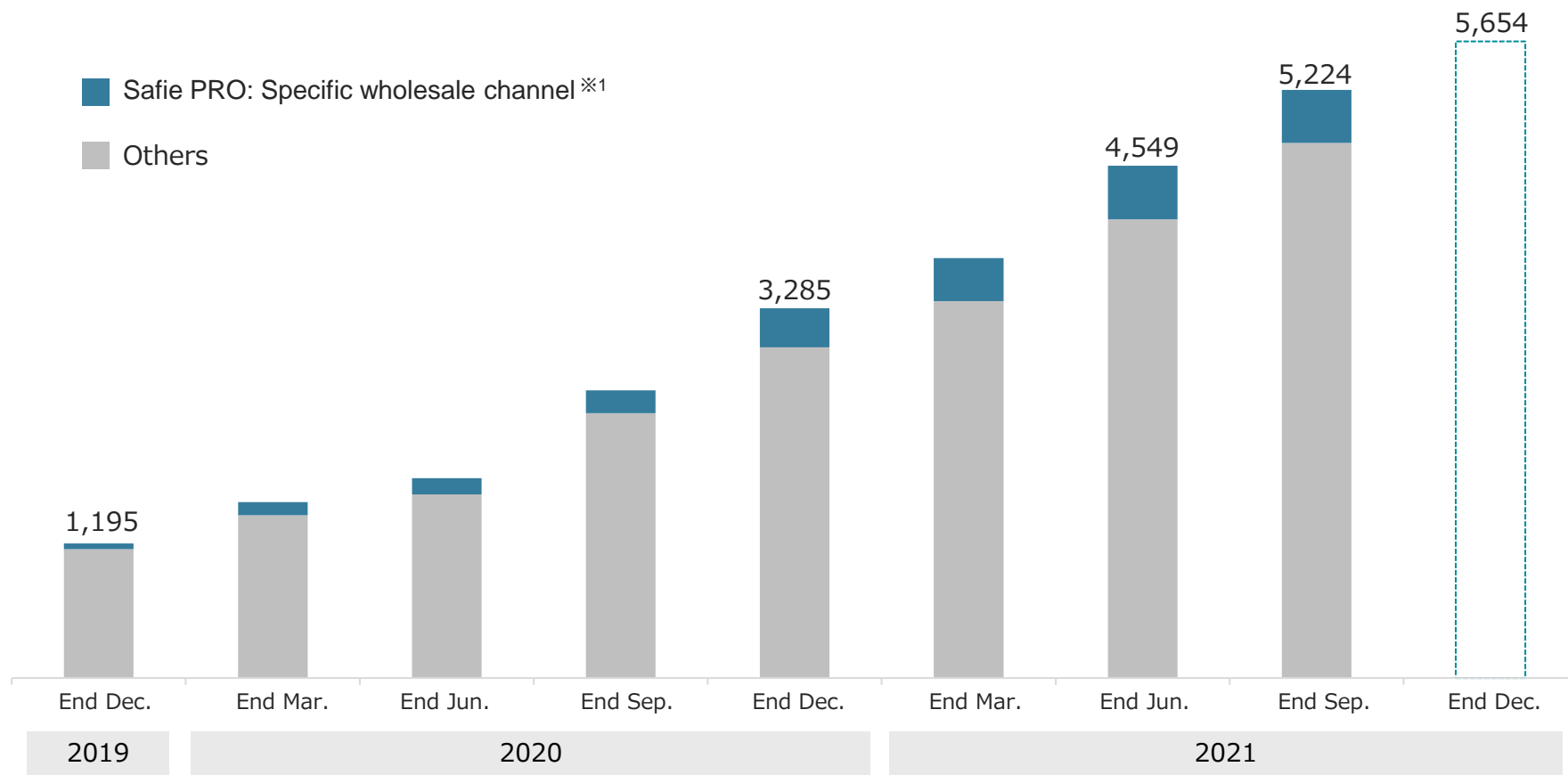
※1 The quarterly results for cumulative period to Q3 FY2020 has not been reviewed and audited by the auditor.

# Balance Sheet (Non-consolidated)

(¥: million)	End Dec. 2020	End Sep. 2021		End Dec. 2020	End Sep. 2021
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current Assets</b>			<b>Current liabilities</b>		
Cash and deposits	1,540,096	8,802,291	Accounts payable	394,010	624,580
Accounts receivable	813,786	1,160,811	Short-term borrowings	–	200,000
Inventories	404,042	620,067	Current portion of long-term borrowings	130,700	12,479
Other assets	106,633	148,861	Income taxes payable	2,290	52,228
Allowance for doubtful accounts	△1,623	△2,340	Provision for bonuses	30,250	400
Total Current assets	2,862,936	10,729,690	Other assets	305,477	478,200
<b>Fixed assets</b>			Total current liabilities	862,727	1,367,888
Property, plant and equipment	9,648	95,204	<b>Non-current liabilities</b>		
Investments and other assets	220,775	213,967	Long-term borrowings	135,005	126,136
Total Fixed assets	230,424	309,172	Total non-current liabilities	135,005	126,136
<b>Total assets</b>	<b>3,093,360</b>	<b>11,038,863</b>	<b>Total liabilities</b>	<b>997,732</b>	<b>1,494,024</b>
			<b>(Net assets)</b>		
			<b>Shareholders' equity</b>		
			Capital stock	100,000	3,826,236
			Capital surplus	2,585,382	6,311,618
			Retained earnings	△595,081	△598,343
			<b>Total shareholders' equity</b>	<b>2,090,300</b>	<b>9,539,511</b>
			<b>Subscription rights to shares</b>	<b>5,328</b>	<b>5,328</b>
			<b>Total net assets</b>	<b>2,095,628</b>	<b>9,544,839</b>
			<b>Total liabilities and net assets</b>	<b>3,093,360</b>	<b>11,038,863</b>

## ARR

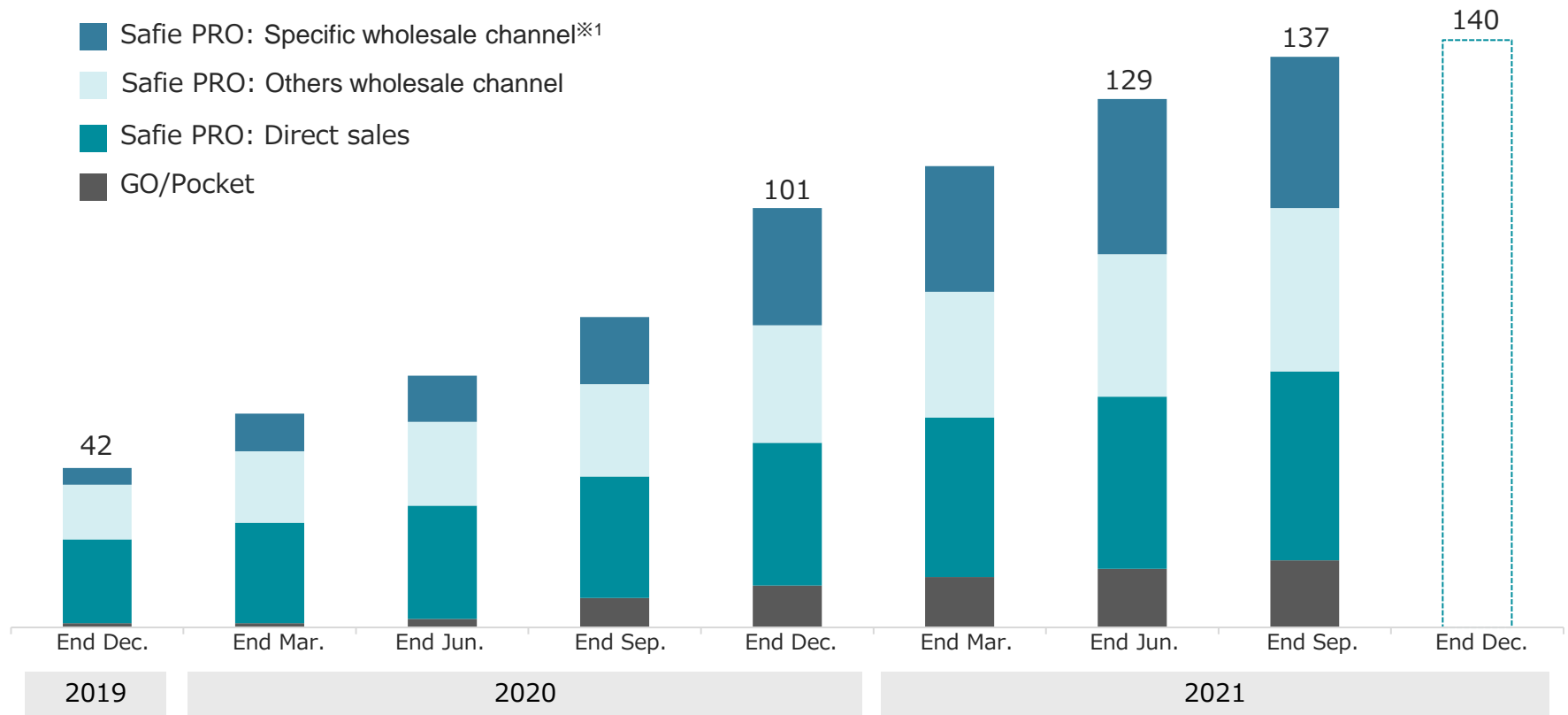
(¥: million)



※1 : The wholesale channel through a specific sales partner.


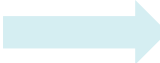

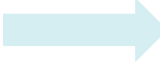

## Number of billing cloudcams

(Thousand Units)

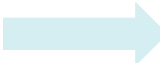


※1 : The wholesale channel through a specific sales partner.

## Churn Rate of Safie PRO

		Dec. 2020	Mar. 2021	Jun. 2021	Sep. 2021	Outlook
Specific wholesale channel※1	Monthly	-	17.7%	11.4%	13.6%	
	12-month average	-	8.4%	10.5%	11.8%	
Other wholesale channel	Monthly		0.6%	0.6%	0.8%	
	12-month average		0.7%	0.6%	0.6%	
Total wholesale channel	Monthly	-	9.2%	6.2%	6.9%	
	12-month average	2.9%	4.2%	5.4%	6.2%	
Direct sales	Monthly	-	0.9%	0.5%	0.6%	
	12-month average	0.9%	0.9%	0.8%	0.7%	
Total	Monthly	-	6.0%	4.1%	4.5%	
	12-month average	2.1%	2.9%	3.6%	4.1%	

## Operating Rate of GO/Pocket

		Dec. 2020	Mar. 2021	Jun. 2021	Sep. 2021	Outlook
Total	Monthly	94%	93%	94%	92%	

※1 : The wholesale channel through a specific sales partner.

## b. Business Environment



1. Company Overview
2. Financial Highlights and Forecast
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### Appendix

- a. Company Information and KPIs

#### **b. Business Environment**

- c. Service Characteristics and Client base
- d. Use Cases

# Estimated TAM

Strategy	Industry	Potential business locations	✕ Estimated number of cloudcams per location※1	▬ Potential number of cloudcams
<b>Founding to 2017</b> Promoting penetration since the company's inception	Restaurant	1.42MM※2	4 cloudcams	5.67MM
	Retail	0.99MM※3	4 cloudcams	3.96MM
	Service	0.47MM※4	4 cloudcams	1.89MM
<b>2018 to 2020</b> Made inroads with Safie GO	Construction	0.21MM※5	5 cloudcams	1.05MM
<b>2021 and onwards</b> Entering new enterprise domains with sales partners	Financial	0.25MM※6	3 cloudcams	0.75MM
	Infrastructure	2.00MM※7	3 cloudcams	6.01MM
	Manufacturing and logistics	0.05MM※8	10 cloudcams	0.45MM
<b>Mid and Long-Term TAM</b> (unpenetrated industries)	Parking lot	5.34MM※9	1 cloudcam	5.34MM
	Hospital and nursing home	0.19MM※10	5 cloudcams	0.97MM
	Educational institution	0.08MM※11	10 cloudcams	0.83MM
	Office	0.19MM※12	3 cloudcams	0.57MM
	Apartment	0.12MM※13	3 cloudcams	0.36MM
	Elevator	0.77MM※14	1 cloudcam	0.77MM
	Total	12.08MM	-	28.63MM

※1 Estimated number of units installed per base: our estimated value based on past business experience, etc

※2 Number of restaurants operating facilities cited from Ministry of Health, Labor and Welfare "Report on Public Health Administration and Services" (2019)

※3 Number of establishments of retailers cited from Ministry of Economy, Trade and Industry "Economic census-activity survey results (wholesale and retail, 2016)"

※4 Total number of amusement stores (2017), pachinko stores (2018), hotels (2017), inns (2017), museums (2018), hair dressing shops and barbers (2018), and public bathhouse (2018) cited from Yano Research and Institute Ltd." Surveillance Camera Market Forecast and Next-Generation"

※5 Total number of construction orders from public institutions based on data from Ministry of Land, Infrastructure, Transport and Tourism "Construction work order dynamic statistics survey report (2019)"

※6 Total number of bank branches (2018~19), and ATMs (2018~19) cited from Yano Research and Institute Ltd." Surveillance Camera Market Forecast and Next-Generation"

※7 Total number of renewable energy power generation equipment (2019), railway stations (2018), water crew and water purification plants (2014), sewage treatment plants (2015), and river management facilities cited from Yano Research and Institute Ltd." Surveillance Camera Market Forecast and Next-Generation"

※8 Total number of facilities and workplace (2018), distribution depot (estimated, 2013), and large distribution depot (estimated, 2013) cited from Yano Research and Institute Ltd." Surveillance Camera Market Forecast and Next-Generation"

※9 Total number of shared parking lots (2018) cited from Japan Parking Association "National Parking Lot Maintenance Survey 2020"

※10 Total number of medical facilities (2019) cited from Ministry of Health, Labor and Welfare's "Medical Facility (Dynamics) Survey / Hospital Report (2019)" and pay nursing homes (2019) cited from Ministry of Health, Labor and Welfare's "Survey of social welfare facilities (2019)"

※11 Total number of schools (2019), nursery school (2019), other childcare facilities (2019), and kindergartens (2019) cited from Yano Research and Institute Ltd." Surveillance Camera Market Forecast and Next-Generation"

※12 Total number of office buildings cited from Ministry of Land, Infrastructure, Transport and Tourism "corporate land and building basic survey (2018)"

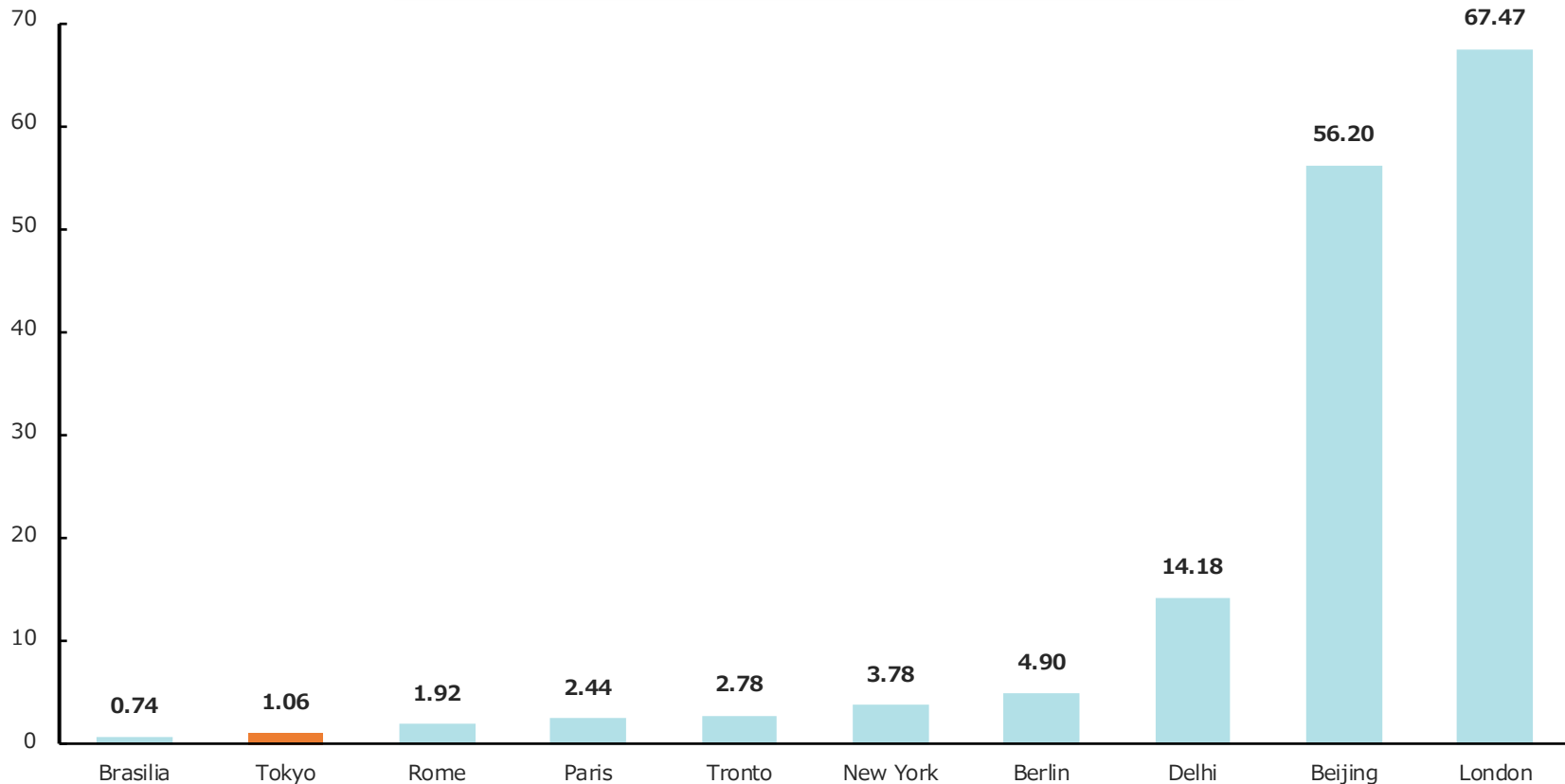
※13 Total number of condominiums cited from Condominium Management Companies Association "condominium management contract trend survey result summary (2020)"

※14 Total number of maintenance number of elevators cited from Japan Elevator Association "Report on the results of the survey on the number of elevators installed in 2019" (2020)

# Number of CCTV※1 Cameras per Capita

(# of cameras  
per 1,000 people)

**Number of CCTV cameras per capita**  
Number of CCTV cameras per 1,000 people in major cities※2



※1 CCTV stands for closed-circuit television and generally means video surveillance systems

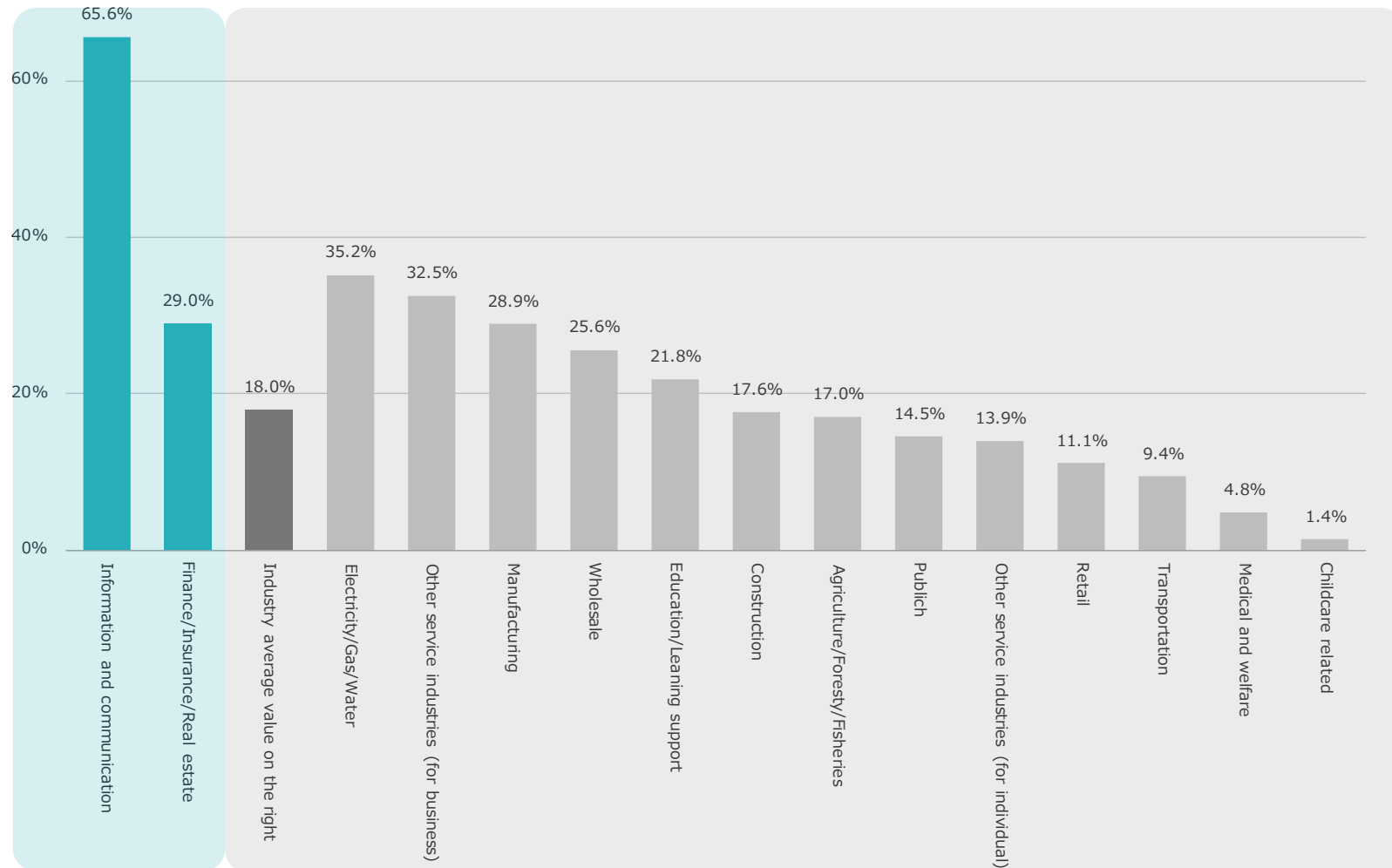
※2 Number of CCTV cameras per 1,000 people sited from Comparitech "Surveillance camera statistics: which cities have the most CCTV cameras?" (22th, July 2020)  
The definition of major cities are cities of top 10 countries in GDP based on World Bank (actual, 2019) and if the number of CCTV cameras of each capital city of those countries are confirmed in the article above, the number of CCTV cameras of each capital city are used, and if it is not, the city with the largest population is used.



# Remote Work Implementation Rate by Industry safie

Mainly in-office work

Industries that have a “on-site” work



※

Period for investigation : from December 11~17th, 2020

Source : Cabinet Office “The second survey on changes in life conscious behavior under the influence of coronavirus infection”, December 2020.

## c. Service Characteristics and Client Base



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- a. Company Information and KPIs
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## Technological points



### 1 Cloud-driven OS for cameras

Broad line-up of cloudcams for B2B use  
Cloud-controlled videos and device



### 2 High security

Fully encrypted secure network



### 3 High quality and user-friendly UI/UX

Plug-and-use easy UX design  
High quality/high compression video data



### 4 Highly scalable platform

A video data platform for AI development  
Open API to link to various services

## Customer feedback

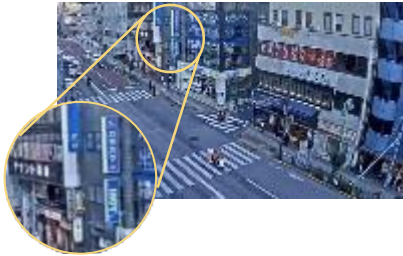
- High quality, low price
- Highly scalable services
- Large sales network/channel



# Safie's Cloudcams vs. conventional surveillance cameras safie

## High-def video data & UX

- HD, 30fps, high quality and smooth video
- Real-time access from smartphone etc
- Video sharing at multiple sites and users



HD image quality · · · 1,280×720px

## High security

- Communication encryption
- ID management for each employee
- No direct access to cloudcams from external sources



## Low pricing

- Initial cost is only cameras price
- Monthly plan: ¥1,200/month~※



Safie-enabled cloudcams



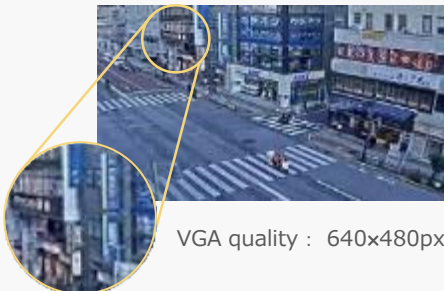
Smartphone

- Image quality is poor, grainy
- Video viewable only at the site's monitors/recorder

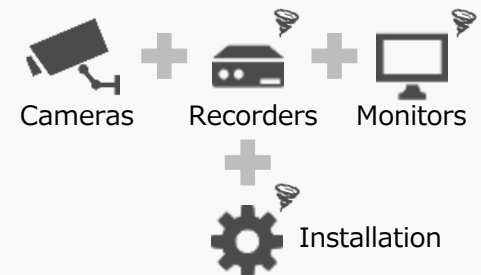
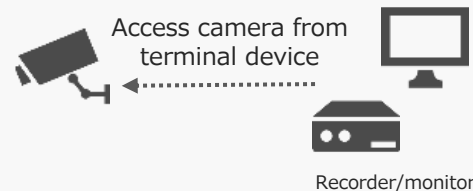
- Risk of information leakage by accessing the video stored in the camera

- Many devices require initial installation (cameras and other related equipment, installation)
- Monthly plan: often requires expensive usage fee

## Challenges of surveillance cameras



VGA quality : 640×480px



		Initial cost	Monthly usage plan	
			Recording plan	per cloudcam
Cloud recording service (Safie PRO)		¥19,800~	7days	¥1,200/month
			14days	¥1,650/month
			30days	¥2,000/month
			60days	¥2,500/month
			90days	¥3,000/month
			180days	¥4,500/month
			365days	¥7,000/month
Safie Pocket2	Rental plan 1 month~	¥15,000	-	¥25,000/month
	Long-term rental plan 24 months~	Open price	-	Open price

## ■ Applications

Safie Entrance	Door controller ¥39,800~/camera※2	¥2,000/month per camera + up to 100 registered people ¥6,000/month※3
Safie Visitors	-	¥10,000/month per cloudcam

※1 All figures are excluding tax

※2 Note there may be construction work required, in addition to the above charges

※3 Additional charges apply if registered users exceed 100.

## Security of Safie's cameras

- Safie's cameras
  - Highly secure; access to cloudcams from outside is extremely difficult.
  - Company's website received an "A" rating\*<sup>2</sup> for the SSL Server Test\*<sup>1</sup> conducted by Qualys SSL LABS (same security level as online banking\*<sup>3</sup>)
- General network cameras
  - Risk of video leakage and hacking caused by unauthorized access to cameras and recorders from malicious third parties



※1 The test to check the safety of SSL/TSL encryption on websites  
※2 Survey conducted in June 2021  
※3 Based on our research

## Handling of Personal Information

### Acquisition and storage of video data

- Video data stored belongs to the customer
- Employees cannot view the video, except in cases of special support when the customer shares video

### Providing video data to third parties

- Customer consent must be obtained before providing video data to a third party (e.g. AI service provider) for purposes such as the development and provision of applications that utilize video data
  - Thorough encryption is used to reduce the risk of unexpected leaks

- ✓ Market share close to 50% achieved through both direct sales and building a cooperative sales structure with sales partners including OEM manufacturers

## OEM partners (sample)



Canon Marketing Japan  
November, 2017~



October, 2018~



June, 2019~



## Other sales partners (sample)



SECOM imaging  
cloud service

Sell cloudcams and  
services with Safie  
brand

Direct Sales  
41%

Sales ratio of  
direct sales and  
sales via partners  
(Q3 FY2021)

Sales via  
partners  
59%



- Accelerate sales with partners
- Focus on R&D

**No.1 market share of 47.5%**  
**(CY2020 Market share of cloud monitoring and video recording services※)**

※ : Techno Systems Research "cloud recording service market of network camera market research"

Cloud monitoring and recording service is defined as a cloud service that uses network cameras and provides monitoring or recording paid service functions  
The share is based on the number of registered cameras by engine (vendor)

# Client Base: Track record of adoption by large enterprises

## ■ Consumer



## ■ Restaurant



R&K Food Service



## ■ Construction/Real estate



## ■ Office



## ■ Utility



## ■ Logistics facilities



思いに応えるロジスティクス  
神鋼物流株式会社

## ■ Other shops



## ■ Factories



## ■ Transportations





- ✓ Looking into launching an app marketplace for users to easily use applications developed by Safie as well as third-parties.

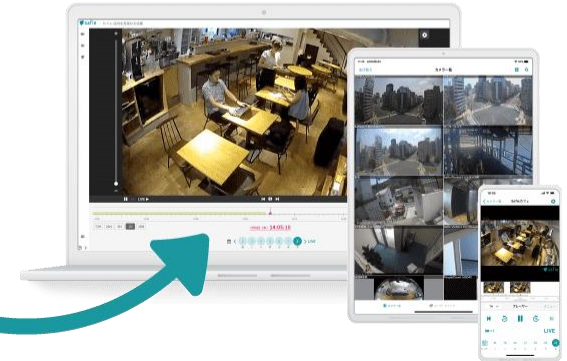
## safie Application portal service

Proprietary  
apps developed  
by Safie

Apps developed  
by third  
parties; Apps linked  
with others



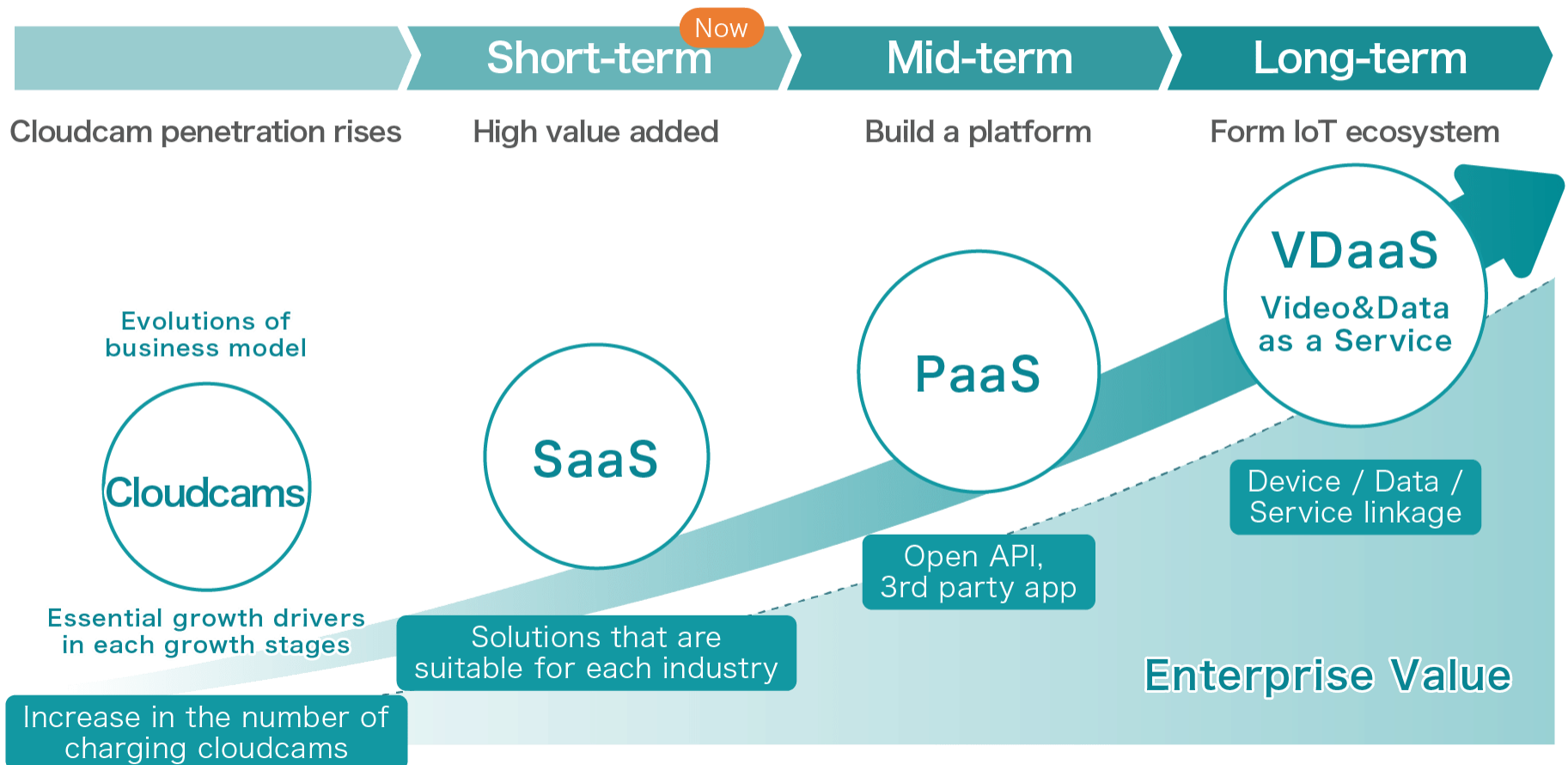
- Introduce proprietary and third-party applications
- Complete download and payment online
- Continue viewing on existing Safie viewer



※The app market has not been launched yet at this time, and it does not guarantee that it will be launched in the future.

# Long term growth strategy

- ✓ Short term: Provide industry-specific value-added solutions, as in the case of construction and retail sector.
- ✓ Medium term: Develop platform by collaborating with partner companies, incl. API.
- ✓ Long term: Evolve into a VDaaS provider to enhance corporate value by expanding business that links various devices, data and services in an IoT-enabled world.



## d. Use Cases



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## **d. Use Cases**

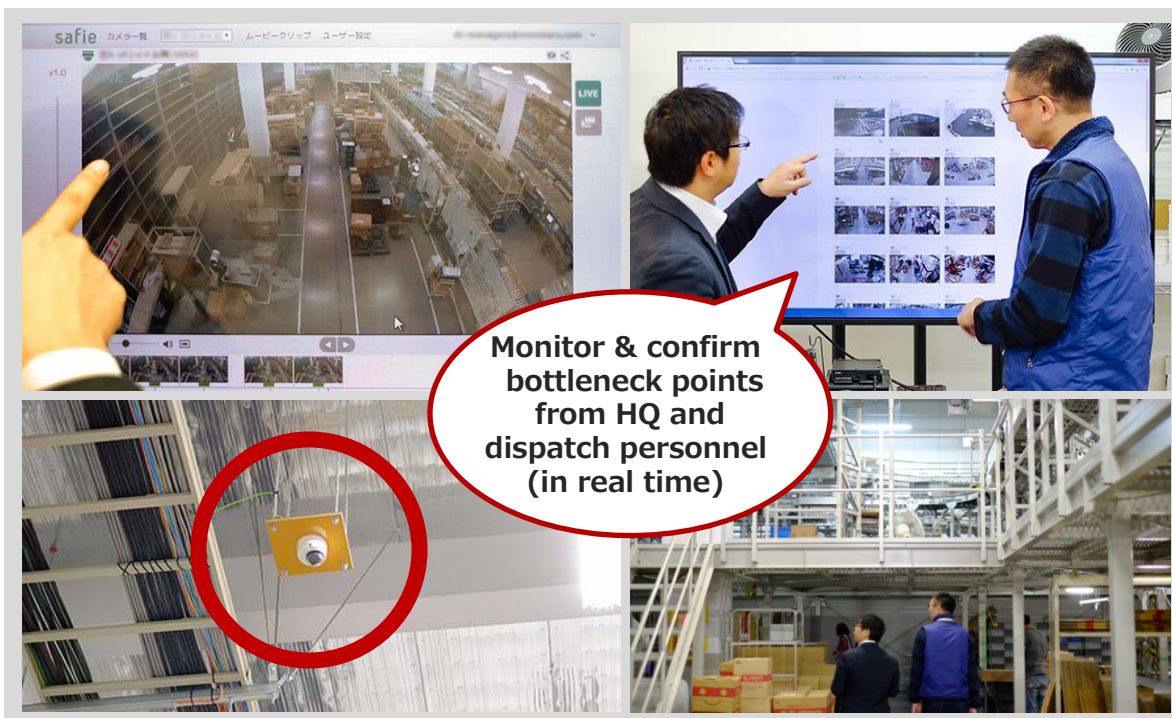
- ✓ A portable cloud camera enables researchers to remotely monitor production tests. This raises employee motivation and helps create a vibrant work environment.



The development laboratory of House Foods Corp. comprehensively undertakes development of new products and improvement of existing products, from the taste-creation stage all the way to production line.

By using Safie Pocket2 for the on-site processes, the company was able to resolve three issues of: (1) enabling remote on-site participation, (2) participation by researchers unable to travel to the site, and (3) reduction of travel time and other costs. Safie contributed to create an environment where each employee can work actively and agilely.

- ✓ Safie cloudcam used to prevent temporary and sudden facility stoppages (phenomenon nicknamed “choco-tei”) caused by malfunction of the equipment.



A lot of cameras have been installed in the warehouse to monitor the status of the line in real time.

Bottlenecks such as packages piling up, can be video monitored in real time, and prompt decision to send relief personnel can be made, contributing to improving speedy shipment.

The Safie Pocket2, which can be easily used anywhere, is also utilized in the same way. Rather than monitoring the operation status of the equipment, it is used to find out the cause of “choco-tei”.



- ✓ Safie cloudcam used in proof-of-concept tests to assess damage and evacuation center conditions in the event of a natural disaster.



Potential use to assess evacuation centers and disaster areas when disaster occurs

Used to confirm potential landslide prone areas before disaster strikes

Chiba City (Chiba City) is carrying out proof-of-concept tests to assess the conditions at evacuation centers during natural disasters as well as to confirm landslide damage using Safie Pocket2.

Also used to inspect roads and cliffs prone to collapsing before disaster strikes, and actual pilot test have been carried out.

Logos: safie, Canon, CDC情報システム株式会社



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Promote On-Site DX of  
every industry with video data



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