



Consolidated Financial Results
for the Six Months Ended June 30, 2024 (Interim Period)
[Japanese GAAP]

August 9, 2024

Company name: Cyberlinks Co., Ltd.
Listing: The Standard Market of the Tokyo Stock Exchange
Code number: 3683
URL: <https://www.cyber-l.co.jp/>
Representative: Naoki Higashi
President
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Scheduled date of filing of Semi-annual Securities Report: August 9, 2024
Scheduled date of dividend payment: -
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes
(for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (Interim Period)(January 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2024	7,936	3.4	567	(0.9)	570	(3.4)	333	132.6
June 30, 2023	7,675	23.1	572	(21.4)	589	(19.4)	143	(70.6)

(Note) Comprehensive income: For the six months ended June 30, 2024: ¥333 million (up 132.6% year on year)
For the six months ended June 30, 2023: ¥143 million (down 70.6% year on year)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	29.92	29.59
June 30, 2023	12.90	12.74

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	12,359	7,647	61.2
As of December 31, 2023	13,053	7,427	56.3

(Reference) Shareholders' equity: As of June 30, 2024: ¥7,563 million
As of December 31, 2023: ¥7,355 million

2. Dividends

	Annual dividends				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	0.00	—	13.00	13.00
Fiscal year ending December 31, 2024	—	0.00			
December 31, 2024 (Forecast)			—	16.00	16.00

(Note) Changes in dividend forecast from the most recent announcement: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	16,073	7.0	1,155	11.0	1,162	9.3	714	60.4	64.03

(Note) Changes in financial results forecast from the most recent announcement: None

Notes:

- (1) Significant changes in the scope of consolidation during the interim period under review: None
- (2) Application of special accounting treatment in preparing the interim consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2024: 11,389,111 shares
December 31, 2023: 11,366,712 shares
 - 2) Total number of treasury shares at the end of the period:
June 30, 2024: 216,067 shares
December 31, 2023: 216,067 shares
 - 3) Average number of shares outstanding during the period:
Six months ended June 30, 2024: 11,158,073 shares
Six months ended June 30, 2023: 11,125,052 shares

* The financial statements for the six months ended June 30, 2024 (interim period) are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

Disclaimer regarding forward-looking statements

The forward-looking statements, including financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable.

Interim Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	1,934	1,469
Notes receivable–trade, accounts receivable–trade, and contract assets	3,116	2,938
Lease receivables and investments in leases	272	346
Merchandise and finished goods	301	215
Work in process	306	156
Raw materials and supplies	21	18
Other	308	371
Allowance for doubtful accounts	(4)	(5)
Total current assets	6,256	5,510
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,616	2,642
Accumulated depreciation	(1,631)	(1,664)
Buildings and structures, net	985	977
Land	1,968	1,968
Other	2,708	2,817
Accumulated depreciation	(2,015)	(2,108)
Other, net	693	709
Total property, plant and equipment	3,647	3,654
Intangible assets		
Goodwill	663	580
Other	1,749	1,869
Total intangible assets	2,413	2,450
Investments and other assets	736	742
Total non-current assets	6,796	6,848
Total assets	13,053	12,359
Liabilities		
Current liabilities		
Accounts payable - trade	804	586
Short-term borrowings	300	—
Current portion of bonds payable	14	14
Current portion of long-term borrowings	409	401
Income taxes payable	192	252
Provision for bonuses	67	72
Provision for loss on order received	1	0
Asset retirement obligations	0	—
Other	1,506	1,271
Total current liabilities	3,295	2,599
Non-current liabilities		
Bonds payable	16	9
Long-term borrowings	2,186	1,987
Asset retirement obligations	64	64
Other	63	50
Total non-current liabilities	2,330	2,112
Total liabilities	5,625	4,711

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	874	883
Capital surplus	2,174	2,183
Retained earnings	4,618	4,807
Treasury shares	(311)	(311)
Total shareholders' equity	7,355	7,563
Share acquisition rights	72	84
Total net assets	7,427	7,647
Total liabilities and net assets	13,053	12,359

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	7,675	7,936
Cost of sales	5,181	5,508
Gross profit	2,493	2,428
Selling, general and administrative expenses	1,920	1,861
Operating profit	572	567
Non-operating income		
Interest income	0	0
Rental income from real estate	5	6
Subsidies for shop relocation etc.	13	—
Other	10	8
Total non-operating income	29	15
Non-operating expenses		
Interest expenses	9	9
Other	2	2
Total non-operating expenses	12	12
Ordinary profit	589	570
Extraordinary income		
Gain on sale of non-current assets	1	0
Other	0	—
Total extraordinary income	1	0
Extraordinary losses		
Impairment losses	206	29
Loss on retirement of non-current assets	0	1
Total extraordinary losses	206	30
Profit before income taxes	385	539
Income taxes - current	229	223
Income taxes - deferred	12	(17)
Total income taxes	241	205
Profit	143	333
Profit attributable to owners of parent	143	333

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	143	333
Comprehensive income	143	333
(Breakdown)		
Comprehensive income attributable to owners of parent	143	333

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	385	539
Depreciation	302	382
Impairment losses	206	29
Amortization of goodwill	93	82
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	28	5
Increase (decrease) in provision for loss on order received	(6)	(1)
Interest and dividend income	(0)	(0)
Interest expenses	9	9
Decrease (increase) in trade receivables	136	178
Decrease (increase) in inventories	161	239
Increase (decrease) in trade payables	(306)	(217)
Other	(217)	(167)
Subtotal	792	1,079
Interest and dividends received	0	0
Interest paid	(9)	(9)
Income taxes paid	(208)	(163)
Net cash provided by (used in) operating activities	574	906
Cash flows from investing activities		
Purchase of property, plant and equipment	(199)	(194)
Purchase of intangible assets	(346)	(507)
Other	31	0
Net cash provided by (used in) investing activities	(514)	(700)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(300)
Repayments of long-term borrowings	(223)	(205)
Dividends paid	(143)	(144)
Other	(12)	(22)
Net cash provided by (used in) financing activities	(380)	(672)
Effect of exchange rate change on cash and cash equivalents	1	1
Net increase (decrease) in cash and cash equivalents	(319)	(465)
Cash and cash equivalents at beginning of period	2,258	1,934
Cash and cash equivalents at end of period	1,938	1,469

(4) Notes to Interim Consolidated financial statements

(Notes to going concern assumptions)

None to be reported.

(In case of significant changes to shareholders' equity)

None to be reported.

(Segment information, etc.)

Six Months Ended June 30, 2023(January 1, 2023 to June 30, 2023)

1. Sales and profit by reportable segment

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount stated in the consolidated statement of income (Note 2)
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Net sales							
Sales to outside customers	2,216	3,747	13	1,697	7,675	—	7,675
Intersegment sales and transfers	113	13	1	0	128	(128)	—
Total	2,330	3,760	15	1,697	7,803	(128)	7,675
Segment profit (loss)	452	292	(59)	14	700	(110)	589

(Note) 1. Adjustments to segment loss of ¥110 million are company-wide expenses that are not allocated to any reportable segment. Company-wide expenses mainly comprise general administrative expenses that do not belong to any reportable segment.

2. Segment profit (loss) is adjusted with ordinary profit in the Interim consolidated statement of income.

2. Information on impairment losses on non-current assets, goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the Mobile Network segment, the amount of goodwill has changed significantly, decreasing ¥197 million, in the interim period under review, due to the recording of an impairment loss on goodwill.

Six Months Ended June 30, 2024(January 1, 2024 to June 30, 2024)

1. Sales and profit by reportable segment

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount stated in the consolidated statement of income (Note 2)
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Net sales							
Sales to outside customers	2,308	3,478	47	2,102	7,936	—	7,936
Intersegment sales and transfers	97	17	4	0	119	(119)	—
Total	2,405	3,496	51	2,102	8,056	(119)	7,936
Segment profit (loss)	341	235	(41)	161	696	(126)	570

(Note) 1. Adjustments to segment loss of ¥126 million are company-wide expenses that are not allocated to any reportable segment. Company-wide expenses mainly comprise general administrative expenses that do not belong to any reportable segment.

2. Segment profit (loss) is adjusted with ordinary profit in the Interim consolidated statement of income.

2. Matters related to changes in reportable segments

Effective January 1, 2024, the Group transferred the Business Process Management (BPM) service previously included in the Trust Business to the Government Cloud Business to promote inter-system collaboration and automation of operational processes in local governments. As a result, segment information for the interim period of the previous fiscal year has been prepared to reflect this change.

3. Information on impairment losses on non-current assets, goodwill, etc. by reportable segment

(Significant impairment loss on non-current assets)

In the Government Cloud segment, the Company recorded an impairment loss of ¥29 million on software for the education market during the interim period under review, as it no longer expects to generate initially projected earnings from the said software.

(Significant subsequent events)

None to be reported.