

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

Contact: Takayuki Torii, Executive Officer, General Administration Manager

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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 sal	es	Operating	profit	Ordinary	profit	Profit attribution owners of	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
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 dividen	ds	
	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 sale	es	Operating	profit	Ordinary p	orofit	Profit attribut owners of p		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.

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Notes receivable-trade, accounts receivable-trade, and contract assets Lease receivables and investments in leases 272 346 Merchandise and finished goods 301 215 Mork in process 306 155 Raw materials and supplies 21 16 Other 308 377 Allowance for doubtful accounts 4 (4) 55 Total current assets 5 (256 5.516 Non-current assets Property, plant and equipment Buildings and structures 2,616 2,646 Accumulated depreciation (1,631) (1,684 Buildings and structures, net 985 977 Land 1,968 1,966 Other 2,708 2,817 Accumulated depreciation (2,015) (2,1186 Other, net 693 700 Total property, plant and equipment 3,647 3,657 Intangible assets Goodwill 663 586 Other 1,749 1,866 Total intangible assets 736 744 Total non-current assets 7,96 6,848 Total intangible assets 13,053 12,355 Liabilities Current liabilities Current portion of long-term borrowings 409 401 Current portion fol sayable 192 255 Provision for bonuses 67 772 Provision for loss on order received 1 1 60 Asset retirement obligations 64 68 Asset retirement obligations 64 Currert funding 64		As of December 31, 2023	As of June 30, 2024
Cash and deposits 1,934 1,466 Notes receivable—trade, and contract assets 3,116 2,936 Lease receivables and investments in leases 272 344 Merchandise and finished goods 301 211 Work in process 306 156 Raw materials and supplies 21 11 Other 308 371 Allowance for doubtful accounts (4) (5 Total current assets 6,256 5,510 Non-current assets 2,616 2,644 Accumulated sepreciation (1,631) (1,664 Buildings and structures, net 995 977 Land 1,968 1,968 Other 2,708 2,811 Accumulated depreciation (2,015) (2,105) Other, net 693 705 Total property, plant and equipment 3,647 3,654 Intagible assets 3 5 Goodwill 663 580 Other, net 1,749 1,866	Assets		
Notes receivable-trade, accounts receivable-trade, and contract assets 3,116 2,938 and contract assets Lease receivables and investments in leases 272 346 Merchandise and finished goods 301 215 and	Current assets		
Lease receivables and investments in leases 272 348	Cash and deposits	1,934	1,469
Merchandise and finished goods 301 215 Work in process 306 156 Raw materials and supplies 21 156 Other 308 377 Allowance for doubtful accounts (4) (5 Total current assets 6,256 5,510 Non-current assets 8 5,256 5,510 Non-current assets 2,616 2,642 Property, plant and equipment 2,616 2,644 Accumulated depreciation (1,631) (1,668) 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 70 Total property, plant and equipment 3,647 3,652 Intangible assets 663 586 Goodwill 663 586 Other, net 1,749 1,866 Total intangible assets 2,413 2,456		3,116	2,938
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 8 6,256 5,510 Non-current assets 8 6,256 5,510 Non-current assets 8 6,266 2,644 Accumulated depreciation (1,631) (1,664 Buildings and structures, net 995 977 Land 1,968 1,968 Other 2,708 2,817 Accumulated depreciation (2,015) (2,108 Other, net 693 700 Total property, plant and equipment 3,647 3,654 Intangible assets 8 5 Goodwill 663 580 Other 1,749 1,866 Intangible assets 2,413 2,451 Investments and other assets 6,796 6,844	Lease receivables and investments in leases	272	346
Raw materials and supplies 21 16 Other 308 371 Allowance for doubtful accounts (4) (5 Total current assets 6,256 5,516 Non-current assets 5,516 Property, plant and equipment 8 Buildings and structures 2,616 2,644 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 693 700 Total property, plant and equipment 3,647 3,654 Intrangible assets 663 580 Other 1,749 1,866 Other 1,749 1,866 Total intangible assets 2,413 2,450 Investments and other assets 736 744 Total assets 13,053 12,355 Liabilities 2 6,796	Merchandise and finished goods	301	215
Other 308 371 Allowance for doubtful accounts (4) (5 Total current assets 6,256 5,510 Non-current assets 5,510 5,510 Property, plant and equipment 2,616 2,642 Buildings and structures, net 995 977 Land 1,968 1,968 Other 2,708 2,817 Accumulated depreciation (2,015) (2,108 Other, net 693 700 Total property, plant and equipment 3,647 3,654 Intangible assets 3,647 3,654 Intangible assets 2,413 2,450 Other 1,749 1,868 Total intangible assets 2,413 2,450 Investments and other assets 736 744 Total assets 13,053 12,358 Liabilities 300 Current liabilities 804 586 Short-term borrowings 300 Accounts payable - trade <td>Work in process</td> <td>306</td> <td>156</td>	Work in process	306	156
Allowance for doubtful accounts Total current assets Property, plant and equipment Buildings and structures Accumulated depreciation Cuther Accumulated depreciation Accumulated depreciation Cuther Accumulated depreciation Accumulated depreciation Cuther Accumulated depreciation Accu	Raw materials and supplies	21	18
Total current assets 6,256 5,510 Non-current assets Property, plant and equipment Buildings and structures 2,616 2,644 Accumulated depreciation (1,631) (1,664 Buildings and structures, net 985 977 Land 1,968 1,968 Other 2,708 2,8117 Accumulated depreciation (2,015) (2,108 Other, net 693 705 Total property, plant and equipment 3,647 3,654 Intangible assets 8 8 Goodwill 663 580 Other 1,749 1,869 Total intangible assets 2,413 2,450 Investments and other assets 736 744 Total non-current assets 6,796 6,848 Total assets 13,053 12,355 Liabilities 804 586 Current liabilities 804 586 Current portion of bonds payable 14 14 Current portion of	Other	308	371
Non-current assets Property, plant and equipment Buildings and structures 2,616 2,644 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 693 700 Total property, plant and equipment 3,647 3,654 Intangible assets 663 586 Other 1,749 1,866 Total intangible assets 2,413 2,450 Investments and other assets 736 744 Total non-current assets 6,796 6,844 Total assets 13,053 12,355 Liabilities Current liabilities Current portion of bonds payable 14 14 Current portion of long-term borrowings 300 50 Current portion for bonuses 67 77 Provision for bonuses 67 77 Provision for loss on order received 1 0 Cher 1,506 1,271 Total current liabilities 3,295 2,595 Non-current liabilities 3,295 2,595 Long-term borrowings 2,186 1,985 Long-term borrowing	Allowance for doubtful accounts	(4)	(5)
Property, plant and equipment 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 693 705 Total property, plant and equipment 3,647 3,654 Intangible assets 663 580 Cother 1,749 1,868 Total property, plant and equipment 663 580 Intangible assets 663 580 Other 1,749 1,868 Total property, plant and equipment 1,749 1,866 Intangible assets 2,413 2,450 Intangible assets 2,413 2,450 Total intangible assets 2,413 2,450 Investments and other assets 6,796 6,848 Total assets 13,053 12,358 Liabilities 804 586	Total current assets	6,256	5,510
Buildings and structures 2,616 2,642 Accumulated depreciation (1,631) (1,684) Buildings and structures, net 985 977 Land 1,968 1,968 Other 2,708 2,817 Accumulated depreciation (2,015) (2,108 Other, net 693 705 Total property, plant and equipment 3,647 3,652 Intangible assets 8 586 Other 1,749 1,865 Other 1,749 1,865 Total intangible assets 2,413 2,450 Investments and other assets 6,796 6,844 Total assets 13,053 12,355 Liabilities 1 2,496 Current liabilities 8 8 Current borrowings 300 - Accounts payable - trade 804 586 Short-term borrowings 300 - Current portion of bonds payable 14 1 Current portion of bonds payable<	Non-current assets		
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 693 706 Total property, plant and equipment 3,647 3,654 Intangible assets 863 580 Other 1,749 1,866 Other 1,749 1,866 Total intangible assets 2,413 2,450 Investments and other assets 736 742 Total non-current assets 6,796 6,848 Total non-current assets 6,796 6,848 Total sests 13,053 12,356 Liabilities 20	Property, plant and equipment		
Buildings and structures, net 985 977 Land 1,968 1,968 Other 2,708 2,817 Accumulated depreciation (2,015) (2,108 Other, net 693 705 Total property, plant and equipment 3,647 3,655 Intangible assets 663 580 Other 1,749 1,865 Total intangible assets 2,413 2,450 Investments and other assets 736 742 Total non-current assets 6,796 6,844 Total assets 13,053 12,356 Liabilities 2 2 Current liabilities 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	Buildings and structures	2,616	2,642
Land 1,968 1,968 Other 2,708 2,817 Accumulated depreciation (2,015) (2,108 Other, net 693 705 Total property, plant and equipment 3,647 3,654 Intangible assets 8 580 Other 1,749 1,865 Total intangible assets 2,413 2,456 Investments and other assets 736 742 Total non-current assets 6,796 6,846 Total assets 13,053 12,355 Liabilities 2 300 Current liabilities 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 77 Provision for loss on order received 1 0 Asset retirement obligations 0 <tr< td=""><td>Accumulated depreciation</td><td>(1,631)</td><td>(1,664)</td></tr<>	Accumulated depreciation	(1,631)	(1,664)
Other 2,708 2,817 Accumulated depreciation (2,015) (2,108 Other, net 693 705 Total property, plant and equipment 3,647 3,652 Intangible assets 863 586 Goodwill 663 586 Other 1,749 1,866 Total intangible assets 2,413 2,450 Investments and other assets 736 742 Total non-current assets 6,796 6,844 Total assets 13,053 12,356 Liabilities 2 2 Current liabilities 804 586 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 ret	Buildings and structures, net	985	977
Accumulated depreciation (2,015) (2,108) Other, net 693 708 Total property, plant and equipment 3,647 3,654 Intangible assets 8 Goodwill 663 580 Other 1,749 1,868 Total intangible assets 2,413 2,450 Investments and other assets 736 742 Total non-current assets 6,796 6,844 Total assets 13,053 12,356 Liabilities 2 300 - Current liabilities 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 curre	Land	1,968	1,968
Other, net 693 705 Total property, plant and equipment 3,647 3,654 Intangible assets 3,647 3,654 Goodwill 663 580 Other 1,749 1,865 Total intangible assets 2,413 2,450 Investments and other assets 736 742 Total non-current assets 6,796 6,844 Total assets 13,053 12,356 Liabilities 2 13,053 12,356 Liabilities 804 586 Current liabilities 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 <	Other	2,708	2,817
Total property, plant and equipment 3,647 3,656 Intangible assets 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 6,849 Total assets 13,053 12,359 Liabilities 2 2 Current liabilities 804 586 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 2,595 Non-current liabilities 3,295 2,595	Accumulated depreciation	(2,015)	(2,108)
Intangible assets Goodwill 663 580	Other, net	693	709
Goodwill 663 580 Other 1,749 1,868 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 12,353 Liabilities Current liabilities Current portion of bords 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 2,596 Non-current liabilities 3,295 2,596 Non-current liabilities 64 64 Long-term borrowings 2,186 1,987 <	Total property, plant and equipment	3,647	3,654
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 2,590 Non-current liabilities 3,295 2,590 Non-current porrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 56 <td>Intangible assets</td> <td></td> <td></td>	Intangible assets		
Total intangible assets 2,413 2,456 Investments and other assets 736 742 Total non-current assets 6,796 6,846 Total assets 13,053 12,356 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 3 2,259 Non-current borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 560	Goodwill	663	580
Investments and other assets 736 742 Total non-current assets 6,796 6,848 Total assets 13,053 12,358 Liabilities	Other	1,749	1,869
Total non-current assets 6,796 6,846 Total assets 13,053 12,356 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 2,596 Non-current liabilities 5 2,186 1,987 Asset retirement obligations 64 64 Other 63 56	Total intangible assets	2,413	2,450
Total assets 13,053 12,356 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 2,596 Non-current liabilities 8 5,506 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 56	Investments and other assets	736	742
Liabilities Current liabilities 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 2,595 Non-current liabilities 3,295 2,595 Non-current borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 56	Total non-current assets	6,796	6,848
Current liabilities 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 2,596 Non-current liabilities 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 56	Total assets	13,053	12,359
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 2,595 Non-current liabilities 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Liabilities		
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 2,598 Non-current liabilities 8 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Current liabilities		
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 2,596 Non-current liabilities 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Accounts payable - trade	804	586
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 2,598 Non-current liabilities 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Short-term borrowings	300	_
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 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Current portion of bonds payable	14	14
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 2,598 Non-current liabilities 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Current portion of long-term borrowings	409	401
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 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Income taxes payable	192	252
Asset retirement obligations 0 — Other 1,506 1,271 Total current liabilities 3,295 2,599 Non-current liabilities 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Provision for bonuses	67	72
Other 1,506 1,271 Total current liabilities 3,295 2,598 Non-current liabilities 16 9 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Provision for loss on order received	1	0
Total current liabilities 3,295 2,599 Non-current liabilities 8 Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Asset retirement obligations	0	_
Non-current liabilities Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Other	1,506	1,271
Bonds payable 16 9 Long-term borrowings 2,186 1,987 Asset retirement obligations 64 64 Other 63 50	Total current liabilities	3,295	2,599
Long-term borrowings2,1861,987Asset retirement obligations6464Other6350	Non-current liabilities		
Long-term borrowings2,1861,987Asset retirement obligations6464Other6350	Bonds payable	16	9
Asset retirement obligations 64 62 Other 63 50		2,186	1,987
Other 63 50			64
Total non-current liabilities 2.330 2.112		63	50
, a a a a a a a a a a a a a a a a a a a	Total non-current liabilities	2,330	2,112
	Total liabilities		4,711

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	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

	For the six months ended	(Millions of yen) For the six months ended
	June 30, 2023	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

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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 9 Decrease (increase) in trade receivables 136 178 Decrease (increase) in inventories 161 239 Increase (decrease) in inventories 161 239 Increase (decrease) in trade payables (306) (217) Other (217) (167) Subtotal 792 1,079 Interest and dividends received 0 0 0 Interest and dividends received 0 0 0 Interest and dividends received 0 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 (346) (507) Other (194) (194) Purchase of property, plant and equipment (199) (194) Purchase of intangible assets (346) (507) Other (194) (700) Cash flows from financing activities (346) (440) Other (101) (22) (22) Net cash provided by (used in) investing activities (380) (672) Dividends paid (143) (144)		For the six months ended June 30, 2023	For the six months ended June 30, 2024
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 inventories 306 (217) Other (217) (167 Subtotal 792 1,079 Interest and dividends received 0 0 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 (199) (194 </td <td>Cash flows from operating activities</td> <td></td> <td></td>	Cash flows from operating activities		
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	Profit before income taxes	385	539
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 inventories 161 239 Increase (decrease) in trade payables (306) (217) Other (217) (167 Subtotal 792 1,079 Interest and dividends received 0 0 Interest and dividends received 0 0 Interest paid (9) (9) Interest paid	Depreciation	302	382
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) Intreest and dividend income (0) (0) Intreest 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 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 574 906 Cash flows from investing activities 574 906 Cash flows from investing activities (514) (700) Net cash provided by (use	Impairment losses	206	29
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 574 906 Cash flows from investing activities (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	Amortization of goodwill	93	82
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 574 90 Cash flows from investing activities (346) (507) Other 31 0 Net cash provided by (used in) investing activities (514) (700) Cash flows from financing activities (514) (700) Cash flows from financing activities (514) (700) Repayments of long-term borrowings	Increase (decrease) in allowance for doubtful accounts	0	0
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 574 906 Cash flows from investing activities (199) (194) 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 - (300) Net increase (decrease) in short-term borrowings -	Increase (decrease) in provision for bonuses	28	5
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 574 906 Cash flows from investing activities (199) (194) 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 - (300) Repayments of long-term borrowings - (300) Repayments of long-term borrowings (223) <td>Increase (decrease) in provision for loss on order received</td> <td>(6)</td> <td>(1)</td>	Increase (decrease) in provision for loss on order received	(6)	(1)
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 199 (194) 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 (514) (700) Repayments of long-term borrowings - (300) Repayments of long-term borrowings (223) (205) Dividends paid (143) (144) Other (12) (22) <td>Interest and dividend income</td> <td>(0)</td> <td>(0)</td>	Interest and dividend income	(0)	(0)
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 574 906 Cash flows from investing activities (199) (194) 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 - (300) Repayments of long-term borrowings - (300) Repayments of long-term borrowings (223) (205) Dividends paid (143) (144) Other (12) (22)	Interest expenses	9	9
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 (199) (194) 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 (514) (700) Cash flows from financing activities (223) (205) 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	Decrease (increase) in trade receivables	136	178
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 (199) (194) 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 (514) (700) Cash flows from financing activities (514) (700) Repayments of long-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 <td>Decrease (increase) in inventories</td> <td>161</td> <td>239</td>	Decrease (increase) in inventories	161	239
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 792 (193) 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 - (300) Repayments of long-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 an	Increase (decrease) in trade payables	(306)	(217)
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 8 199 (194) Purchase of property, plant and equipment (199) (194) (194) Purchase of intangible assets (346) (507) (507) Other 31 0 0 Net cash provided by (used in) investing activities (514) (700) Cash flows from financing activities - (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	Other	(217)	(167)
Interest paid (9) (9) Income taxes paid (208) (163) Net cash provided by (used in) operating activities 574 906 Cash flows from investing activities 8 8 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 (514) (700) Cash flows from financing activities — (300) Repayments of long-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	Subtotal	792	1,079
Income taxes paid (208) (163) Net cash provided by (used in) operating activities 574 906 Cash flows from investing activities 906 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 - (300) 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	Interest and dividends received	0	0
Net cash provided by (used in) operating activities574906Cash flows from investing activities(199)(194)Purchase of property, plant and equipment(199)(507)Purchase of intangible assets(346)(507)Other310Net cash provided by (used in) investing activities(514)(700)Cash flows from financing activities-(300)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 equivalents11Net increase (decrease) in cash and cash equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Interest paid	(9)	(9)
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	Income taxes paid	(208)	(163)
Purchase of property, plant and equipment(199)(194)Purchase of intangible assets(346)(507)Other310Net cash provided by (used in) investing activities(514)(700)Cash flows from financing activities-(300)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 equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Net cash provided by (used in) operating activities	574	906
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 flows from investing activities		
Other310Net cash provided by (used in) investing activities(514)(700)Cash flows from financing activities-(300)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 equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Purchase of property, plant and equipment	(199)	(194)
Net cash provided by (used in) investing activities(514)(700)Cash flows from financing activities-(300)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 equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Purchase of intangible assets	(346)	(507)
Cash flows from financing activitiesNet 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 equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Other	31	0
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 equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Net cash provided by (used in) investing activities	(514)	(700)
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 equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Cash flows from financing activities		
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	Net increase (decrease) in short-term borrowings	_	(300)
Other(12)(22)Net cash provided by (used in) financing activities(380)(672)Effect of exchange rate change on cash and cash equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Repayments of long-term borrowings	(223)	(205)
Net cash provided by (used in) financing activities(380)(672)Effect of exchange rate change on cash and cash equivalents11Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Dividends paid	(143)	(144)
Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents (319) (465) Cash and cash equivalents at beginning of period 2,258 1,934	Other	(12)	(22)
Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Net cash provided by (used in) financing activities	(380)	(672)
Net increase (decrease) in cash and cash equivalents(319)(465)Cash and cash equivalents at beginning of period2,2581,934	Effect of exchange rate change on cash and cash equivalents	1	1
Cash and cash equivalents at beginning of period 2,258 1,934	•	(319)	(465)
		1,938	·

(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)

		Rep		Amount stated in the consolidated			
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total	(Note 1)	statement of income (Note 2)
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)

	(triminate of you)									
		Rep		Amount stated in the consolidated						
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total	(Note 1)	statement of income (Note 2)			
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.