LINK Smart

Toward a shared, connected future

CYBERLINKS CO., LTD.

Financial Results for 3Q FY12/24

(January 1, 2024 – September 30, 2024)

November 12, 2024

CYBER LINKS

株式会社サイバーリンクス

Securities Code：3683

INDEX

1. Executive Summary

2. Consolidated 3Q FY12/24 Results & Full-Year FY12/24 Forecast

3. About CYBERLINKS

***We changed our reportable segment classification starting in FY12/24.**
The segment sales and profit figures for FY12/23 in this document are based on the new segment classification.
As a result, there are some discrepancies between this document and the financial results for 3Q FY 12/23 and the financial results for FY12/23.

©2024 CYBERLINKS CO.,LTD.

1. Executive Summary

©2024 CYBERLINKS CO.,LTD.

Net sales

Net sales increased due to growth in the Distribution Cloud Business and brisk sales of high-end handsets in the Mobile Network Business

Ordinary profit

Despite the contribution from recovery in the Mobile Network Business, ordinary profit declined slightly due to the strengthening of the development structure and other factors in the Distribution Cloud Business

(100mn yen)	3Q FY12/24 results	3Q FY12/23 results	YoY		Full-year FY12/24 plan	Progress vs. Plan
			Amount	%		%
Net sales	**114**	110	+4.1	3.8	160	71.3
Recurring revenue	**60**	57	+2.9	5.2	79	75.6
Ordinary profit	**7.4**	7.5	(0.1)	(2.0)	11.6	63.9
Ordinary profit margin	**6.5%**	6.9	(0.4pt)	—	7.2%	—

©2024 CYBERLINKS CO.,LTD.

Net Sales & Ordinary Profit

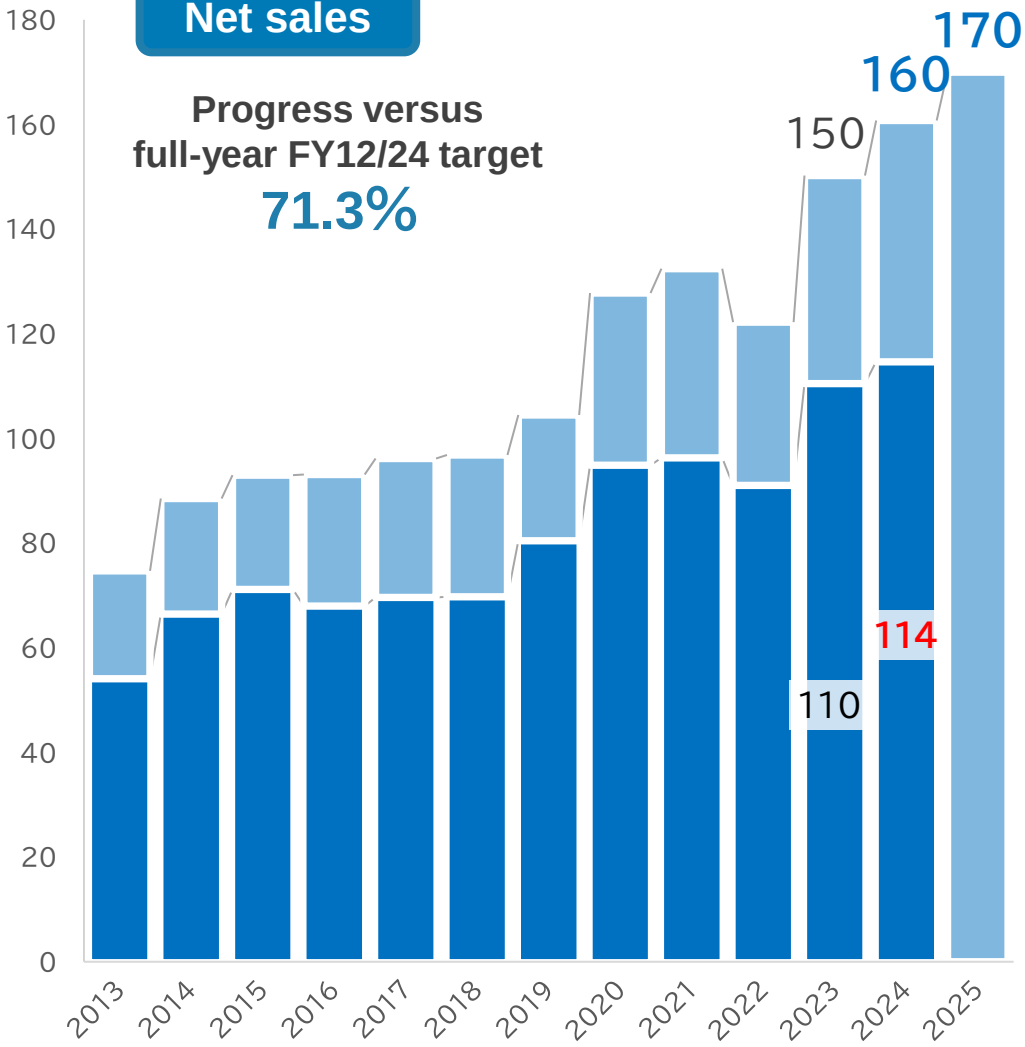
Offset amortization (240 million yen/year) related to acquisition of Synergy

(100mn yen)

Net sales

Progress versus full-year FY12/24 target

71.3%

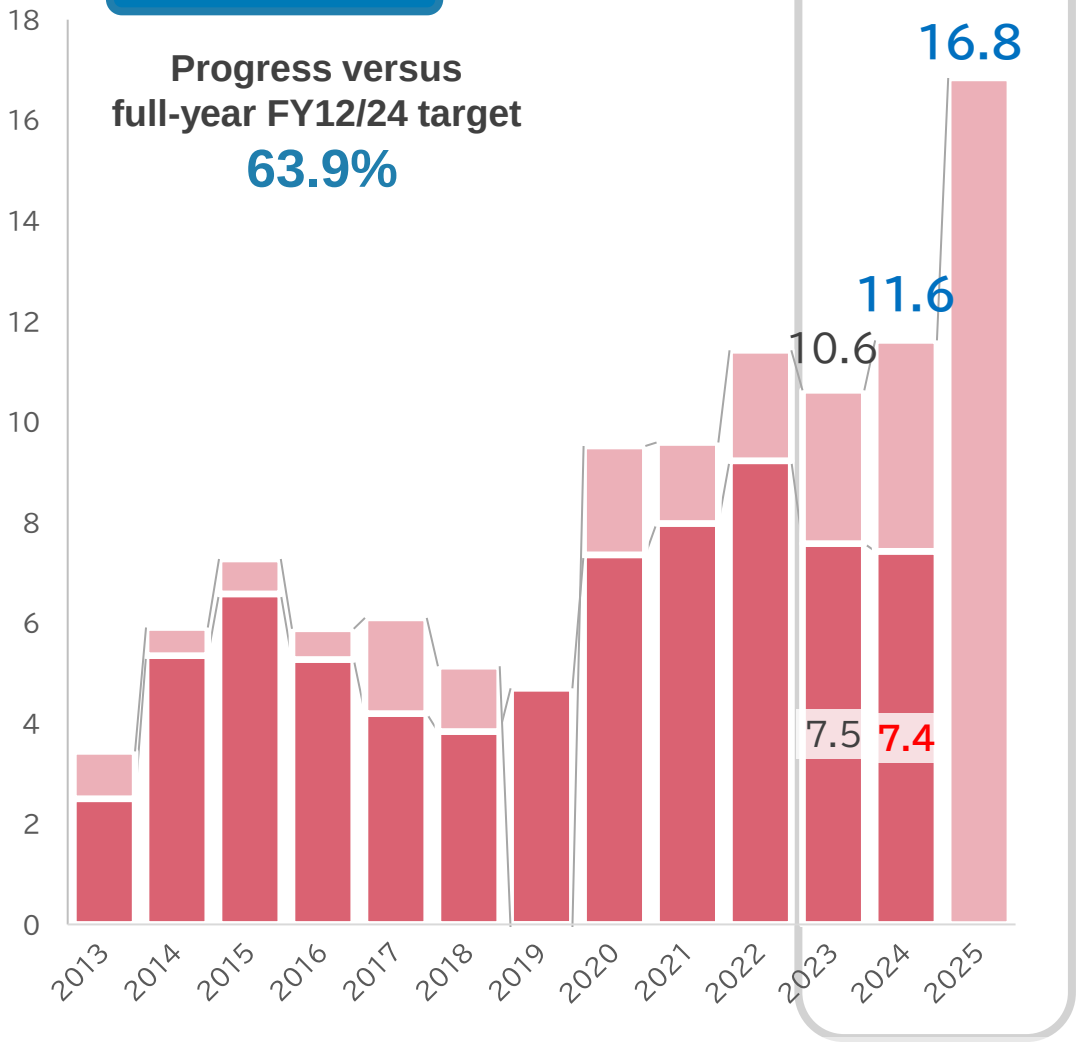


(100mn yen)

Ordinary profit

Progress versus full-year FY12/24 target

63.9%



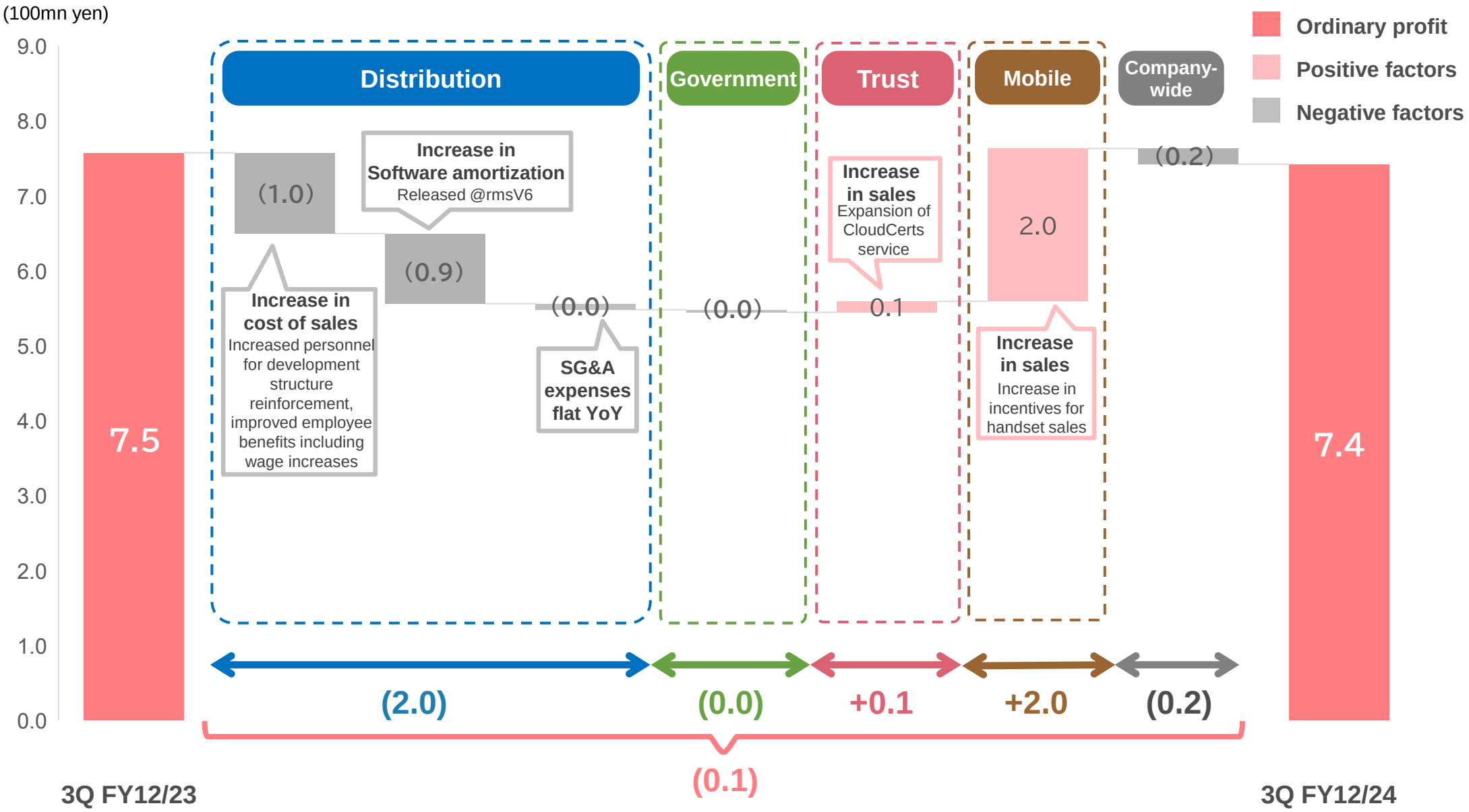
Note: The lower part of the stacked chart shows cumulative 3Q results, while the upper part shows full-year results minus cumulative 3Q results.
***2024 figures reflect earnings forecast, 2025 figures reflect medium-term management plan**

©2024 CYBERLINKS CO.,LTD.

2. Consolidated 3Q FY12/24 Results & Full-Year FY12/24 Forecast

©2024 CYBERLINKS CO.,LTD.

Recovery in the Mobile Network Business offset the reinforcement of the development structure in the Distribution Cloud Business

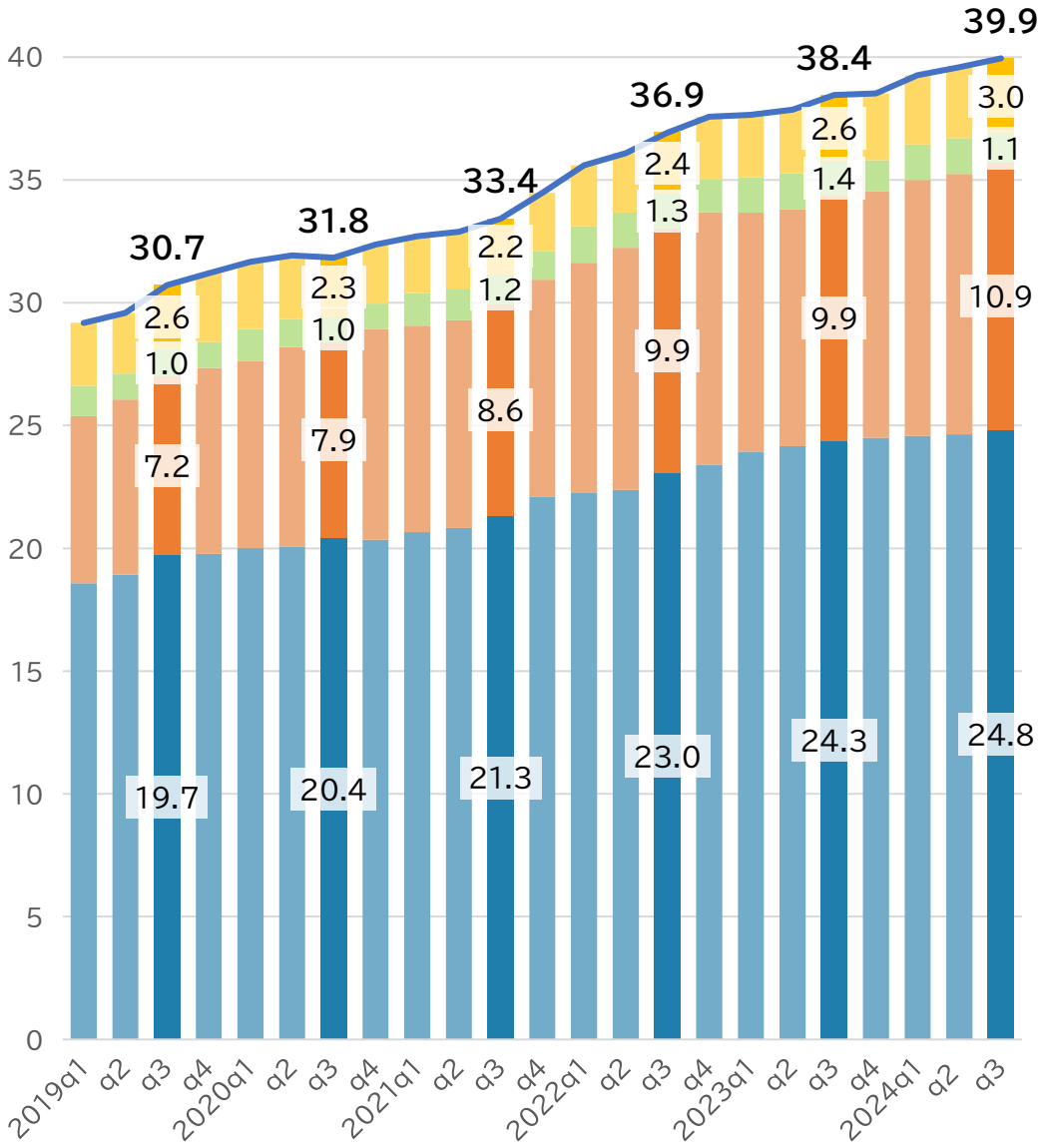


©2024 CYBERLINKS CO.,LTD.

ARR (Monthly recurring revenue for the final month of a given quarter × 12 months)

Example: ARR for 3Q FY12/24 = recurring revenue for September 2024 × 12

(100mn yen)



Achieved solid annual expansion of about JPY 200 million thanks primarily to growth in services for food retailers, including @rms ERP

■Services for Food Retailers Wholesalers

@rms All Retail Management System

YoY +0.4

■Services for Processed Food Wholesalers

クラウドPLATFORM

YoY +0.9

■Services for the Overall Food Distribution Industry

C2Platform

Mdb MULTIMEDIA DATABASE CENTER 商品情報・画像データベース

YoY (0.2)

■Services for Specialty Stores

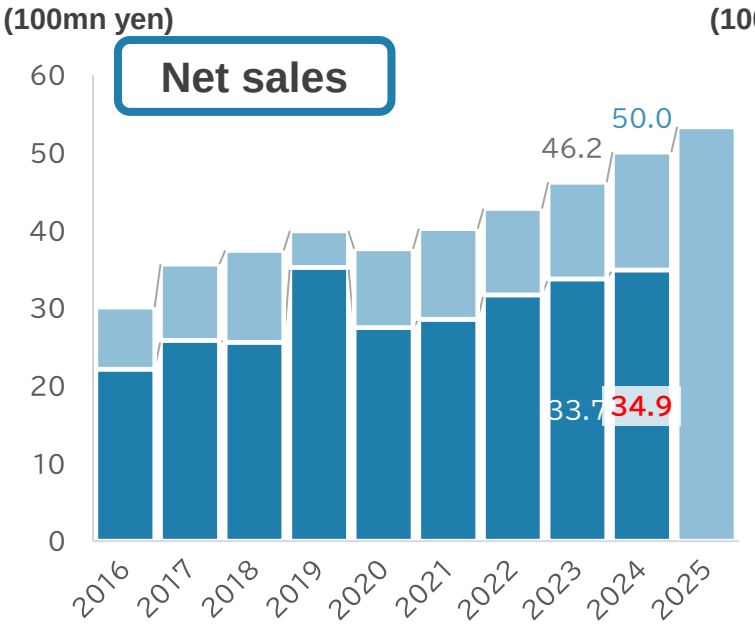
retailpro AUTHORIZED Business Partner

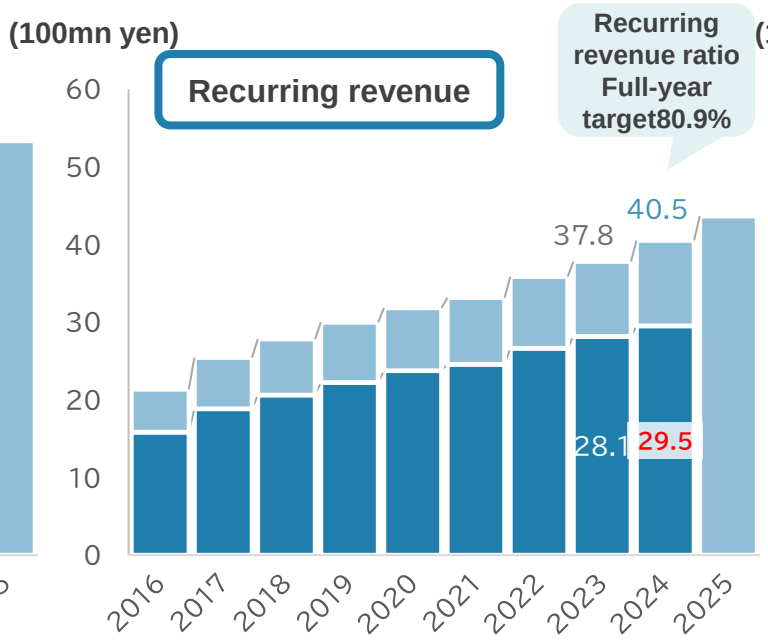
YoY +0.4

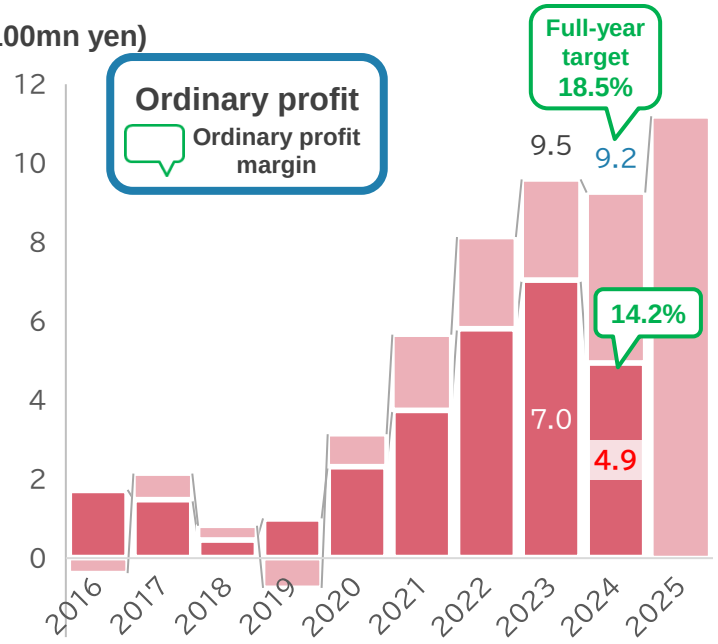
Note: ARR for 1H FY12/20 has been adjusted to reflect recurring revenues generated by special factors.

©2024 CYBERLINKS CO.,LTD.

2. Consolidated 3Q FY12/24 Results & Full-Year FY12/24 Forecast Distribution Cloud







*2024 figures reflect earnings forecast, 2025 figures reflect medium-term management plan

3Q FY12/24 Results

Net sales increased backed by higher recurring revenue

- Completed development for processing speed enhancements for @rms ERP
  → Released @rmsV6 (began recording software amortization)
- Marketed the C2Platform Negotiation Support service for wholesalers
  → Completed demonstration testing jointly conducted with the Japan Processed Foods Wholesalers Association and several major food wholesalers
- Released AI Automatic Ordering, using the AI engine of *SENSY Inc. in July 2024
  *Business alliance with SENSY Inc. started in February 2024

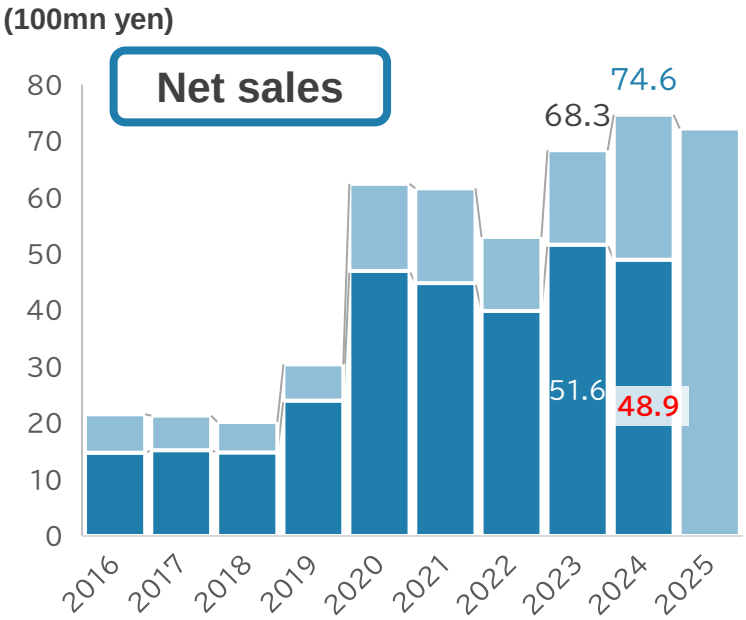
Full-Year FY12/24 Forecast

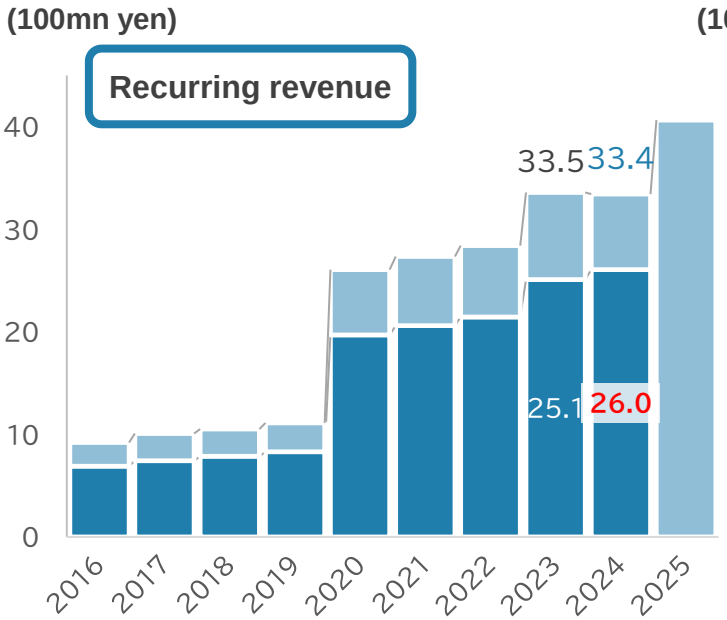
Accelerate growth

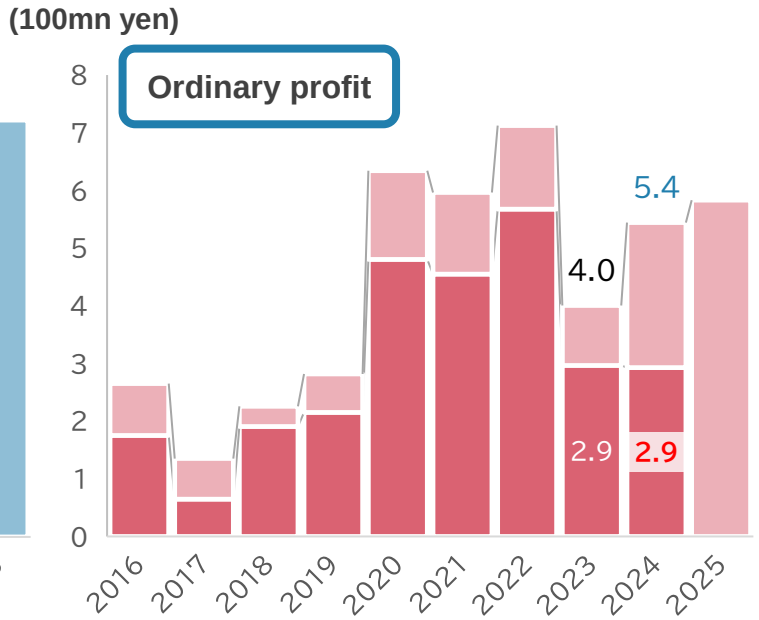
- Expand the provision of @rmsV6
  - Focus on making proposals targeting medium- to large-sized clients
  - Work on implementing the service at the five companies that have already placed an order
- Aim for full-scale utilization at major food wholesalers
- Updated version of Fresh Food EDI
  - Steadily capture orders from medium- to large-sized clients
- Revise fees for various services (from October 2024 onward)

©2024 CYBERLINKS CO.,LTD.

2. Consolidated 3Q FY12/24 Results & Full-Year FY12/24 Forecast Government Cloud







*2024 figures reflect earnings forecast, 2025 figures reflect medium-term management plan

3Q FY12/24 Results

Construction projects decreased, while DX-related services for local governments grew

- Several local governments, including the city of Sanda, adopted MynaSign electronic authentication service
- Orders for ActiveCity, a document management system, were strong
- Participated in a local government DX exhibition (June 2024)

Full-Year FY12/24 Forecast

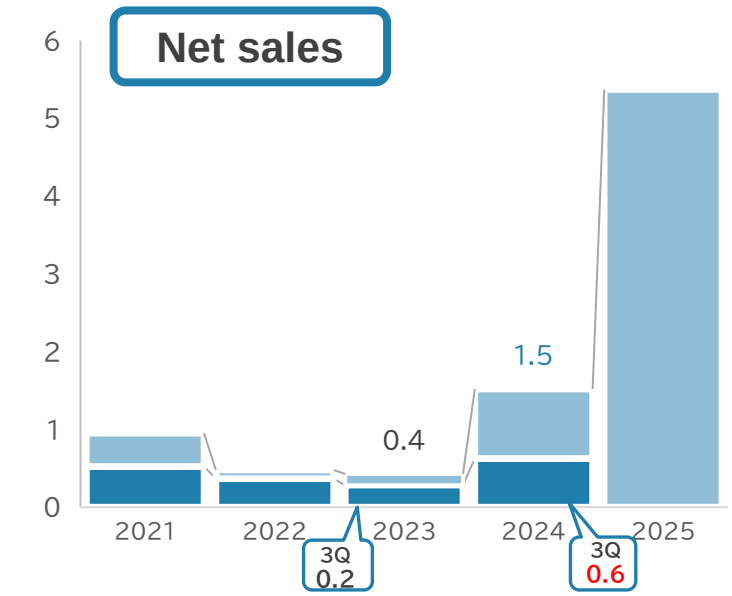
Promote DX for local governments

- Aim for sales growth, by responding to demand for centralized and standardized core operational systems for local governments and expanding sales of ActiveCity
- Rollout MynaSign nationwide
- M&A-related goodwill amortization expenses (240 million yen/ year) will continue
  - ・Software amortization: Approx. 70 million yen/year (ending in 2025)
  - ・Goodwill amortization: Approx. 160 million yen/year (ending in 2027)

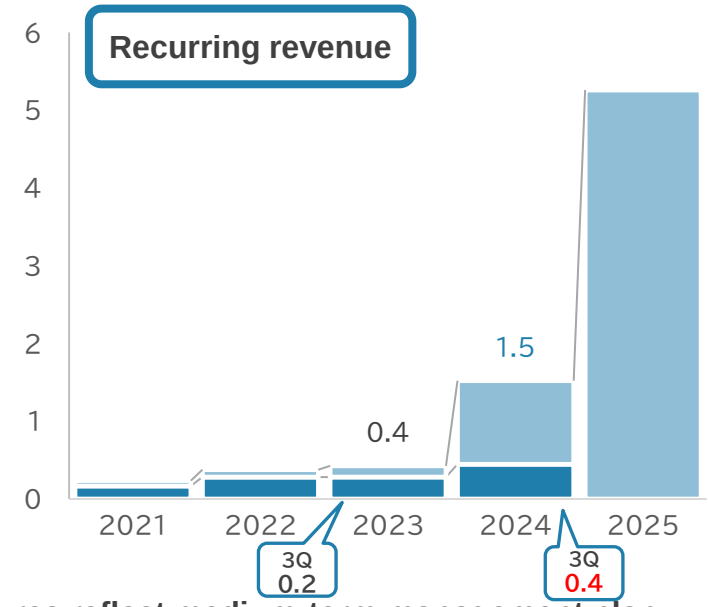
©2024 CYBERLINKS CO.,LTD.

2. Consolidated 3Q FY12/24 Results & Full-Year FY12/24 Forecast Trust

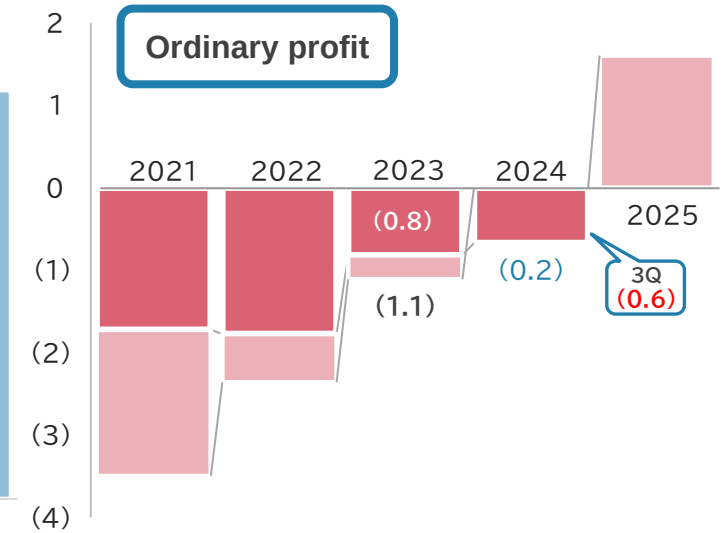
(100mn yen)



(100mn yen)



(100mn yen)



*2024 figures reflect earnings forecast, 2025 figures reflect medium-term management plan

3Q FY12/24 Results

Higher net sales on the back of CloudCerts rollout

◆ Expanded CloudCerts

→ Began issuing digital pharmacist certificates (from May 2024)
First digitization of national certificates in Japan

→ Began issuance of the certificates of completion for foreign language extracurricular courses offered at Kindai University (August 2024)

→ Released a standard version for small-scale users (from July 2024 onward) Reduced installation man hours

Full-Year FY12/24 Forecast

Develop a diverse user base and usage scenes

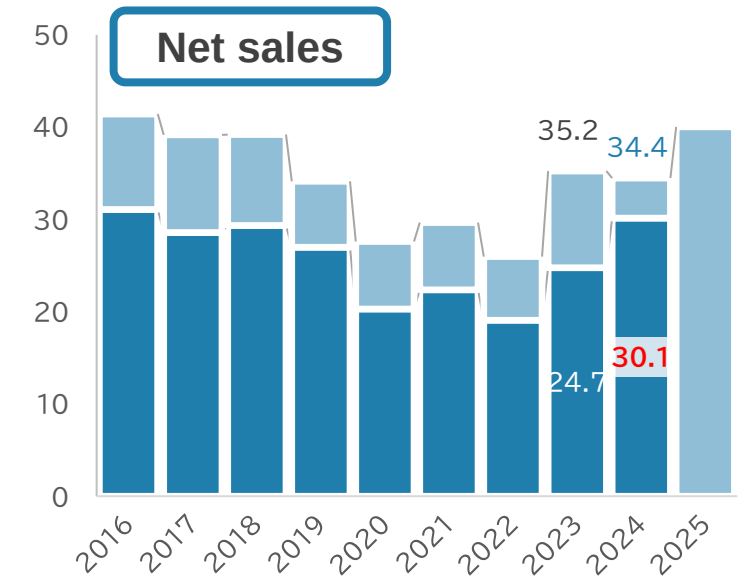
◆ Focus on marketing CloudCerts services

→ Make a proposal to manufacturers to digitize product warranty certificates

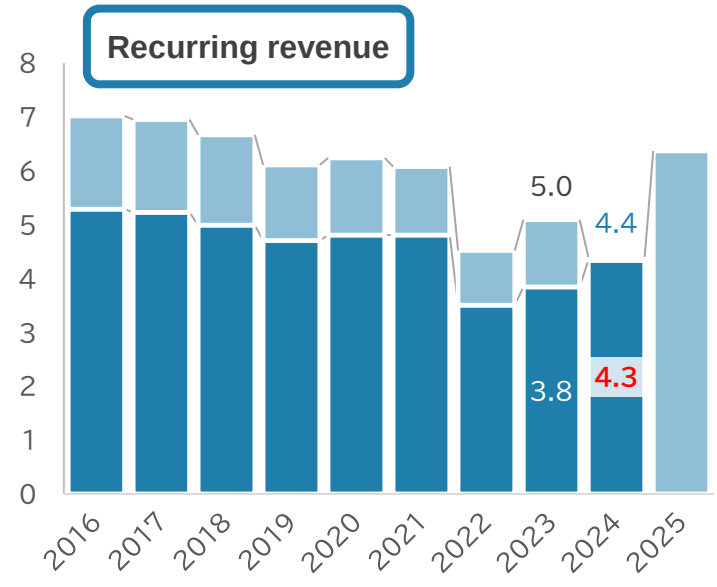
→ Accelerate adoption by small-scale users with the introduction of a standard version

©2024 CYBERLINKS CO.,LTD.

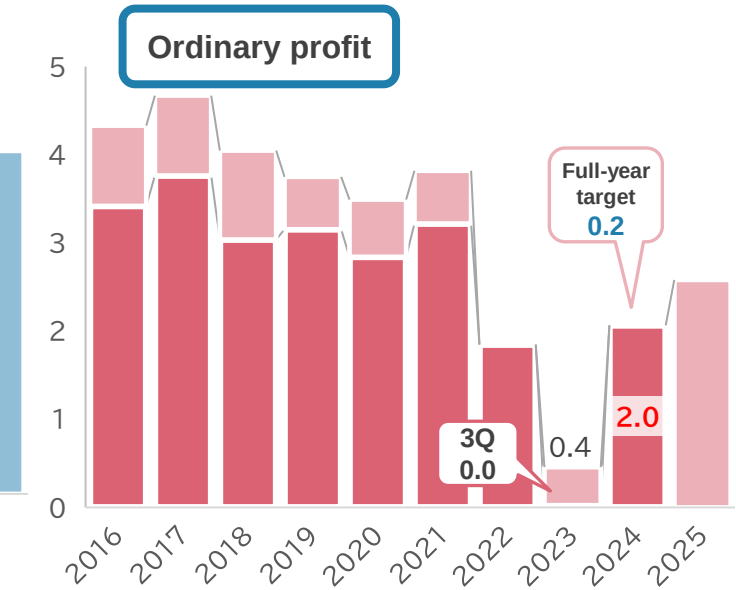
(100mn yen)



(100mn yen)



(100mn yen)



*2024 figures reflect earnings forecast, 2025 figures reflect medium-term management plan

3Q FY12/24 Results

Net sales and ordinary profit increased, continuing the recovery trend from 1H

- High-end handset sales were brisk
- Incentives for handset sales increased

Full-Year FY12/24 Forecast

Continue working to secure sales and profits

- Engage in aggressive sales activities, including door-to-door sales
  Pursue efficient store operation
- Strengthen sales activities targeting corporations and continue working on various measures, including providing DX solutions

©2024 CYBERLINKS CO.,LTD.

3. About CYBERLINKS

©2024 CYBERLINKS CO.,LTD.

Business Model

Shared Cloud specializing in the food distribution industry

- By sharing a system specialized for the industry, **provide an optimal system for the industry** at a **low price**
- **Launched services in 2005**

The system improves along with the industry

reduce IT costs and streamline management

©2024 CYBERLINKS CO.,LTD.

Leading market share

- Our EDI service for food wholesalers is the de facto industry standard service
- Approx. 30% of grocery supermarkets nationwide use our system



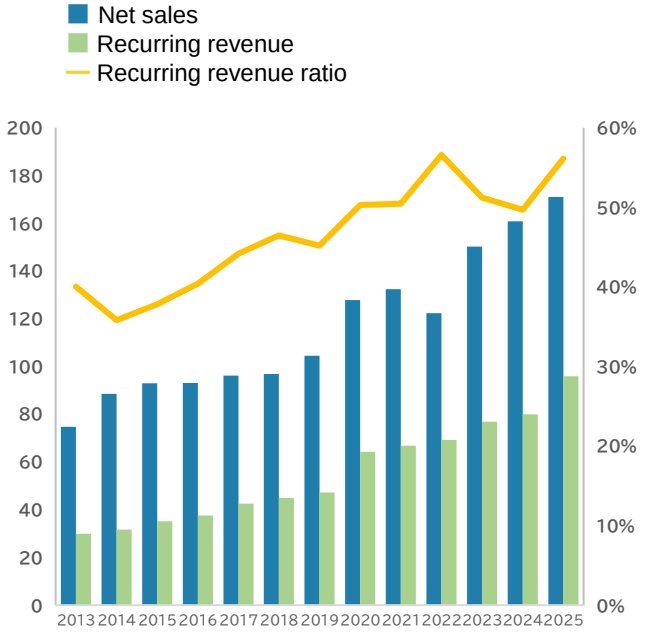
→ A vital service for the food distribution industry

Stable management

- Recurring revenue of JPY7.6bn (51.2% of total sales)

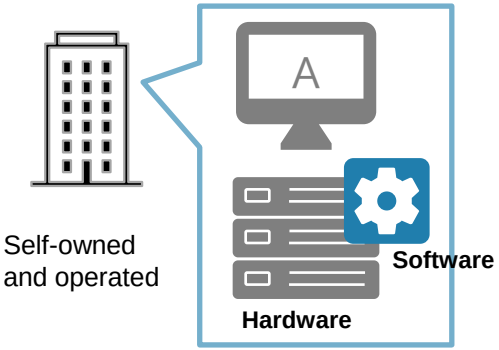
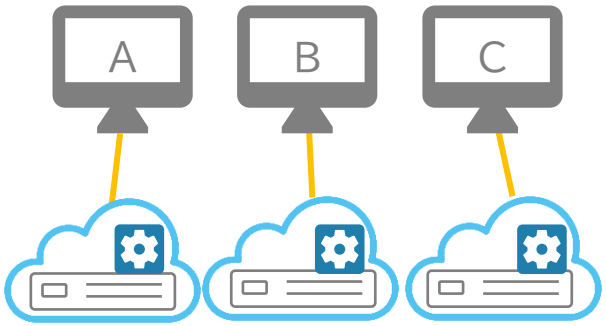
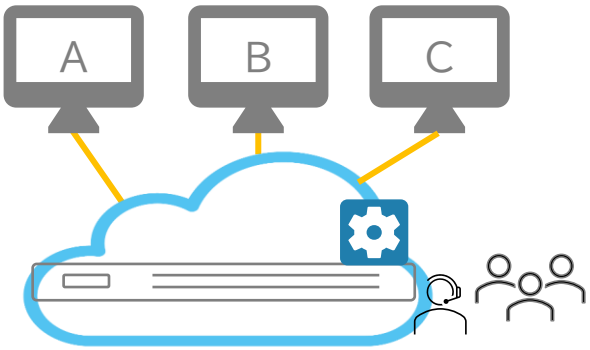
* FY12/23 results

→ Sustainable growth backed by stable revenue

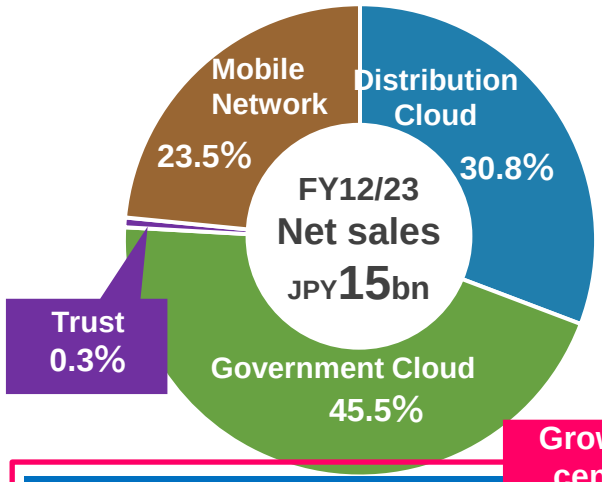


©2024 CYBERLINKS CO.,LTD.

Our Shared Cloud business model focuses on providing the industry's best functions at affordable prices through “shared use” rather than by addressing the functional requirements of individual companies

	On-premise system usage	Private cloud system usage	Cyberlinks’s Shared Cloud
			
Hardware	On-premise	Private cloud	Shared use
Software	Packaged software / Proprietary system	Packaged software / Proprietary system	
Initial investment	△ Costly hardware investment Requires software purchase / × Costly hardware and software investment	△ Affordable hardware investment Requires software purchase / △ Affordable hardware investment Costly software investment	○ Low initial investment for both hardware and software
Operation & Maintenance	× Hardware and software maintenance personnel needed	△ Hardware maintenance can be outsourced, but software maintenance personnel needed	○ Outsource maintenance for both hardware and software!
System renewal	× Requires hardware updates every few years Costly software updates	△ No hardware updates required, but software updates are costly	○ No hardware updates required! Software is continuously upgraded!
Helpdesk	× Requires in-house support	× Requires in-house support	○ Outsource helpdesk operations to Cyberlinks!

©2024 CYBERLINKS CO.,LTD.



Growth driver centered on Shared Cloud

Distribution Cloud

Sales JPY4.6bn

Ordinary Profit JPY0.95bn

Government Cloud

Sales JPY6.8bn

Ordinary Profit JPY0.4bn

Trust

Sales JPY0.04bn

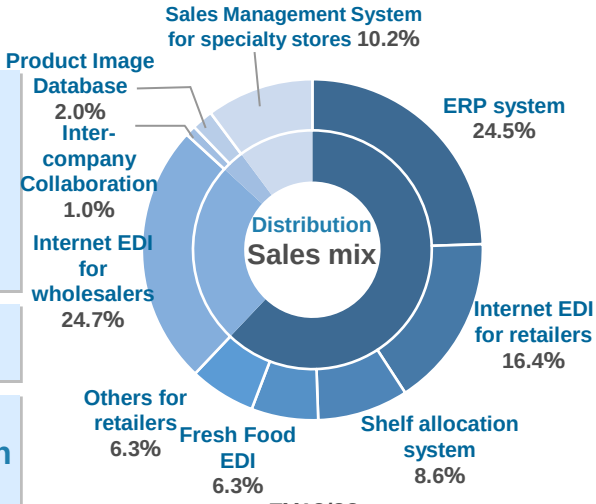
Ordinary Profit JPY-0.11bn

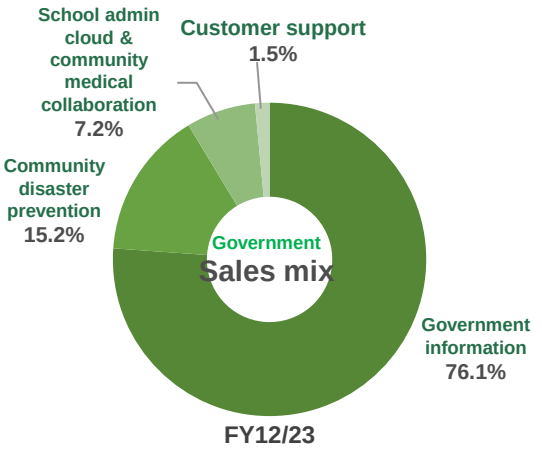
Mobile Network

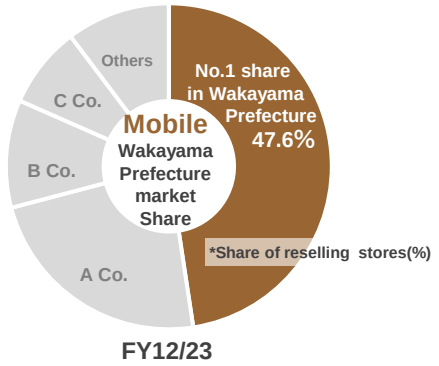
Sales JPY3.5bn

Ordinary Profit JPY0.04bn

Food Retailers	ERP system Internet EDI for retailers Shelf allocation system Fresh Food EDI
Processsed food wholesalers	Internet EDI for wholesalers
Overall food distribution industry	Inter-company Collaboration Product Image Database
Specialty stores	Sales Management System
Local government	Government information system Local disaster prevention system
Elementary and Junior high schools	School administration cloud service
Medical institutions	Community medical collaboration
Private companies	Customer support services
Government Professionals Companies	Digital contract service Digital certificate issuing service Time Stamping
Individuals Corporations	Mobile phone reselling business







©2024 CYBERLINKS CO.,LTD.

In 2005, we launched @rms ERP, Japan's first cloud retail ERP service, then gradually expanded our lineup of peripheral services

Key services for grocery supermarkets

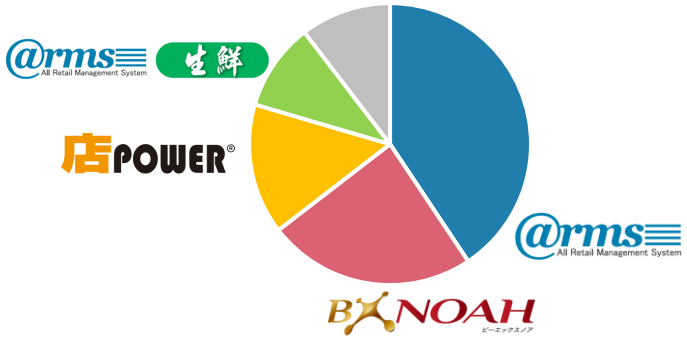
Service	Description	Industry rank (* Based on our research)
ERP system @rms All Retail Management System	Support overall core business operations such as ordering, purchasing, inventory, sales management, etc.	Cloud retail ERP system installations No.1
Internet EDI for Retailers BXNOAH ビーエックスノア	Support electronic data interchange (EDI), including order placement and receipt	Internet EDI for Retailers No.1
Fresh Food Ordering System @rms All Retail Management System 生鮮	EDI service specializing in fresh food products. Supports business practices specific to fresh food, such as market fluctuations and market purchases.	Fresh Food Ordering System No.1
Shelf allocation system 店POWER®	Supports merchandising optimization through shelf allocation management, work instructions, and analytics	Shelf allocation system No.1

©2024 CYBERLINKS CO.,LTD.

Monthly fee structure by service (recurring revenue)	
@rms All Retail Management System	Base fee ＋ Per store charge
BNOAH	Base fee + Per partner charge
@rms All Retail Management System 生鮮	Base fee + Per partner charge + Per store charge
店POWER®	Per user ID charge

*Standard billing structure.

Food Retail Recurring Revenue by service (FY12/23)



Increase in store count ＝ Increase in recurring revenue



Number of stores with @rms ERP installed*1

1,237 stores out of 21,000 total stores*2

See p20 for medium-term target

*1 Number of stores using @rms ERP (as of the end of 3Q FY12/24)
*2 Total stores in the market based on our estimates

©2024 CYBERLINKS CO.,LTD.

The Cloud EDI-Platform centrally organizes all order data received from retailers via various communication methods on behalf of wholesalers (first in the industry)

Cloud Service for Wholesalers

Cloud EDI-Platform

GTV*1

JPY9.8tn

out of **JPY36tn** (overall market)*2

As of the end of 3Q FY12/24

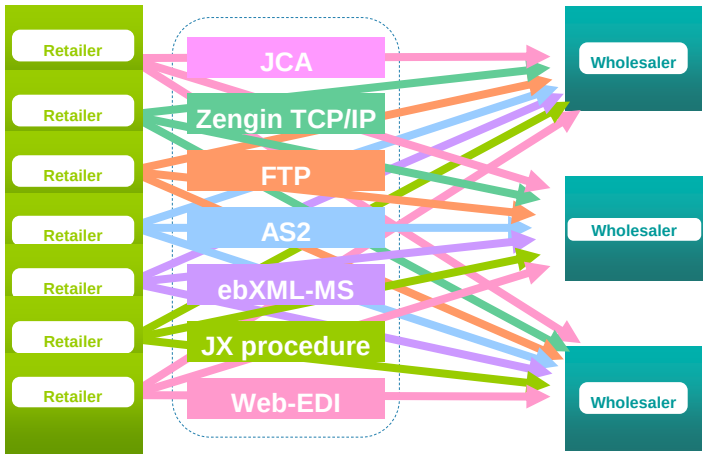
Installed in **8 of the top 10** processed food wholesalers companies by sales

Also installed at **major manufacturers**

*1 The value of orders received and placed by customers using the Cloud EDI-Platform
*2 Overall market GTV figure is an internal estimate

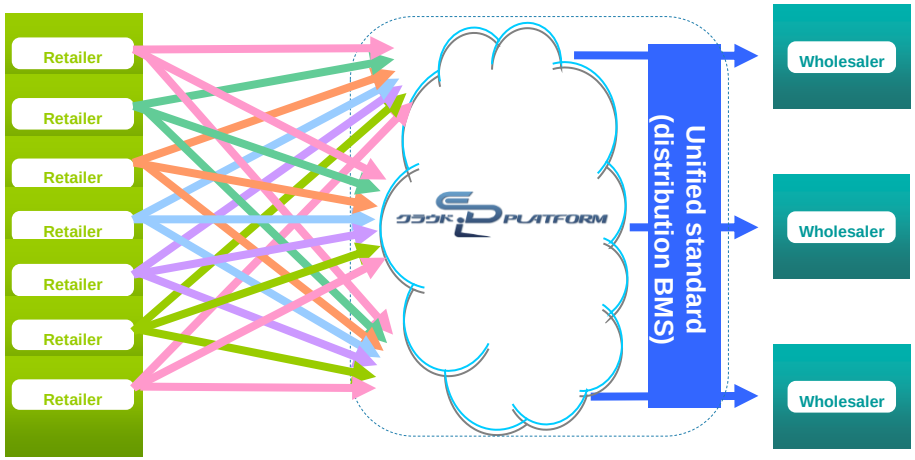
Leading Distribution EDI Cloud service **(in terms of wholesaler EDI processing volume)**

Order data received via a wide variety of communication methods



Consolidate network types and communication methods

Sent to wholesalers via an unified standard (distribution BMS)



©2024 CYBERLINKS CO.,LTD.

Key Services – Distribution Cloud (KPI)

(store)

Food Retail (@rms)	FY12/20 Results	1H FY12/24 Results	3Q FY12/24 Results	FY12/25 Targets
KPI：# of stores (Overall Market：21,000 stores)	1,205	1,254	1,237 (-17)	1,765

*Number of stores using @rms ERP

*Cancellation by one major client, etc.

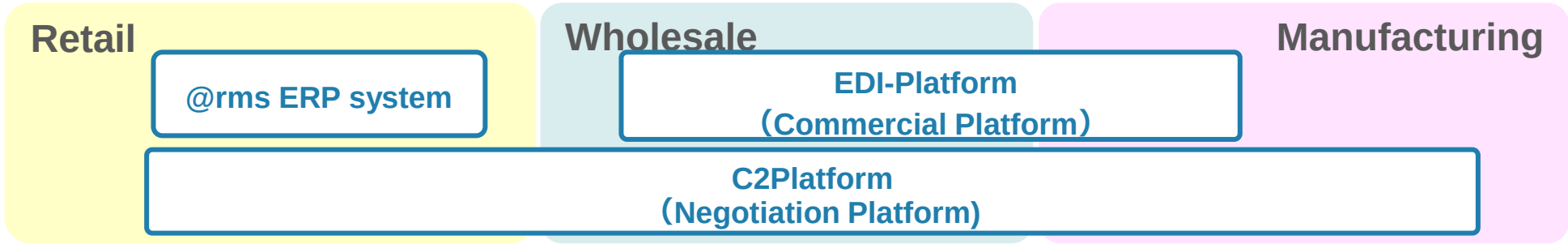
(JPY trillion)

Processed Food Wholesale (EDI-Platform)	FY12/20 Results	1H FY12/24 Results	3Q FY12/24 Results	FY12/25 Targets
KPI： GTV (Overall Market：JPY 36 trillion)	8.7	9.8	9.8 (+0.0)	12.3

*Gross Transaction Value: The value of orders received and placed bycustomers using our services.

(ID)

Retailer/Wholesale /Manufacturing (C2Platform)	FY12/20 Results	1H FY12/24 Results	3Q FY12/24 Results	FY12/25 Targets
KPI： # of IDs (Overall Market：220,000 ID)	0	170	174 (+4)	5,000



©2024 CYBERLINKS CO.,LTD.

Government Cloud

Support local governments in keeping up with the rapid progress of digitization

Local government

Administrative information system (ERP and information systems)

- **Local government information security cloud service**
- **information system (document management systems,etc,)**
- **ERP systems**

Local disaster prevention system (disaster prevention radio, etc.)

Elementary and junior high school

- **School administration cloud service (Clarinet)**

Medical institutions

- **Medical collaboration platform**
- **Electronic medical records, medical office system**

Mobile Network

Largest NTT Docomo reseller in Wakayama Prefecture, operating approximately half of all Docomo Shops in the area



Iwade Store (largest store in Wakayama Prefecture)



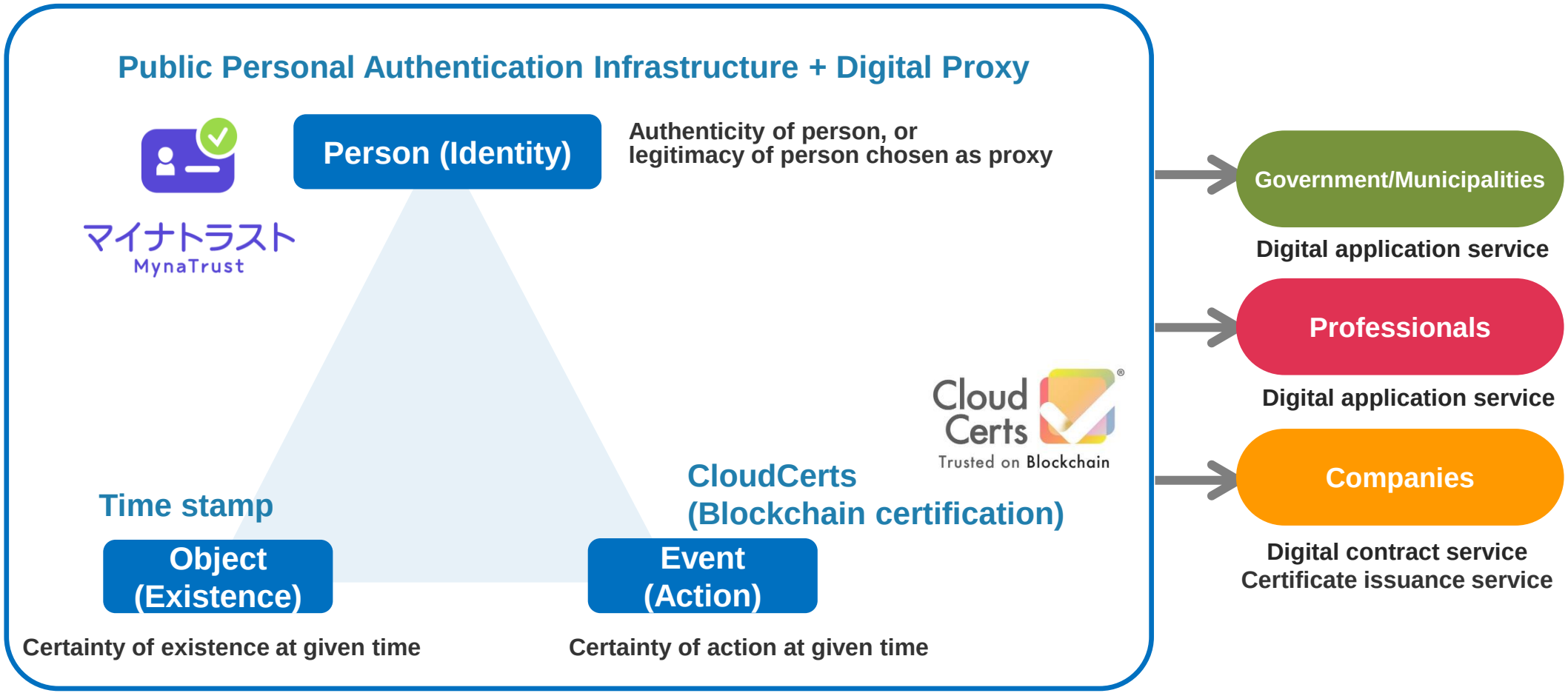
Central City Wakayama Store



Tanabe Store

©2024 CYBERLINKS CO.,LTD.

Leveraging our core strength in “Third Trust” service based on the My Number Card, we offer comprehensive trust services for people (identity), objects (existence), and experience (actions).



©2024 CYBERLINKS CO.,LTD.

Shared Research

Easy-to-understand information on Cyberlinks' strengths, business environment, performance, and recent initiatives.

https://sharedresearch.jp/en/companies/3683

IRTV

Video now also available on the IRTV channel operated by IR Robotics, providing information on Cyberlinks' business, product releases, and other matters.

Change in president to transit into a new organization /
Aiming for growth in its Distribution Cloud Business
https://youtu.be/B9TTcLxDpnI



CyberLinks, Co., Ltd./TSE Standard 3683

JapanStockChannel

President Murakami made an appearance on JapanStockChannel, a YouTube channel operated by IR Robotics Inc., to explain over the course of three videos the Company's trajectory, growth potential, and vision for the future.

Video 1: Story of the company's start assembling TVs after World War II
https://youtu.be/WThVNgtZjpM

Video 2: Entering a phase of rapid growth! 20% ordinary profit margin rule!
https://youtu.be/_eLa_CAJj-E

Video 3: Transformation 2025! Currently exceeding the goals of the Company's medium-term management plan!
https://youtu.be/J_m7hvLLyqU

*The video is based on the medium Term Management Plan before revision.

©2024 CYBERLINKS CO.,LTD.

Supplementary Materials

©2024 CYBERLINKS CO.,LTD.

Supplementary Materials Consolidated 3Q FY12/24 Results: Consolidated Income Statement

(millions of yen)

	3Q FY12/23 (Actual)	3Q FY12/24 (Actual)	YoY Change (%)	FY12/24 (Plan)	Progress Rate (%)
Net sales	11,046	**11,464**	**3.8%**	**16,073**	**71.3%**
Distribution Cloud	3,377	**3,491**	**3.4%**	**5,009**	**69.7%**
Government Cloud	5,163	**4,894**	**(5.2%)**	**7,463**	**65.6%**
Trust	28	**62**	**122.3%**	**152**	**41.2%**
Mobile Network	2,477	**3,015**	**21.7%**	**3,449**	**87.4%**
Recurring revenue	5,740	**6,038**	**5.2%**	**7,988**	**75.6%**
Distribution Cloud	2,817	**2,952**	**4.8%**	**4,052**	**72.9%**
Government Cloud	2,510	**2,606**	**3.9%**	**3,344**	**78.0%**
Trust	28	**44**	**59.1%**	**152**	**29.5%**
Mobile Network	384	**433**	**12.8%**	**440**	**98.5%**
Operating profit	732	**735**	**0.3%**	**1,155**	**63.6%**
Ordinary profit	757	**742**	**(2.0%)**	**1,162**	**63.9%**
Distribution Cloud	705	**495**	**(29.7%)**	**926**	**53.5%**
Government Cloud	296	**293**	**(1.2%)**	**544**	**53.9%**
Trust	(82)	**(67)**	**—**	**(25)**	**—**
Mobile Network	2	**206**	**8313.3%**	**29**	**711.7%**
Adjustments	(164)	**(185)**	**—**	**(312)**	**—**
Profit attributable to owners of parent	228	**445**	**95.3%**	**714**	**62.4%**
EPS	JPY20.48	**JPY39.91**	**—**	**JPY64.03**	**—**

©2024 CYBERLINKS CO.,LTD.

(millions of yen)

		End-Dec. 2023		End-Sep. 2024			Factors behind changes
		Amount	Composition	**Amount**	**Composition**	**Change**	
Assets	Current Assets	6,256	47.9%	**5,861**	**45.9%**	**(395)**	Decrease in notes receivable–trade, accounts receivable–trade, and contract assets
	Non-current Assets	6,796	52.1%	**6,921**	**54.1%**	**124**	Increase in software
	Total Assets	13,053	100.0%	**12,782**	**100.0%**	**(270)**	
Liabilities & Net Assets	Current Liabilities	3,295	25.2%	**3,006**	**23.5%**	**(289)**	Decrease in accounts payable-trade
	Non-current Liabilities	2,330	17.9%	**2,011**	**15.7%**	**(319)**	Long-term borrowings decreased due to repayment
	Total Liabilities	5,625	43.1%	**5,017**	**39.3%**	**(608)**	
	Total Net Assets	7,427	56.9%	**7,764**	**60.7%**	**337**	Increase in retained earnings due to accumulation of profit
	Total Liabilities & Net Assets	13,053	100.0%	**12,782**	**100.0%**	**(270)**	

©2024 CYBERLINKS CO.,LTD.

Supplementary Materials Full-Year Consolidated FY12/24 Earnings Forecast:Consolidated Income Statement

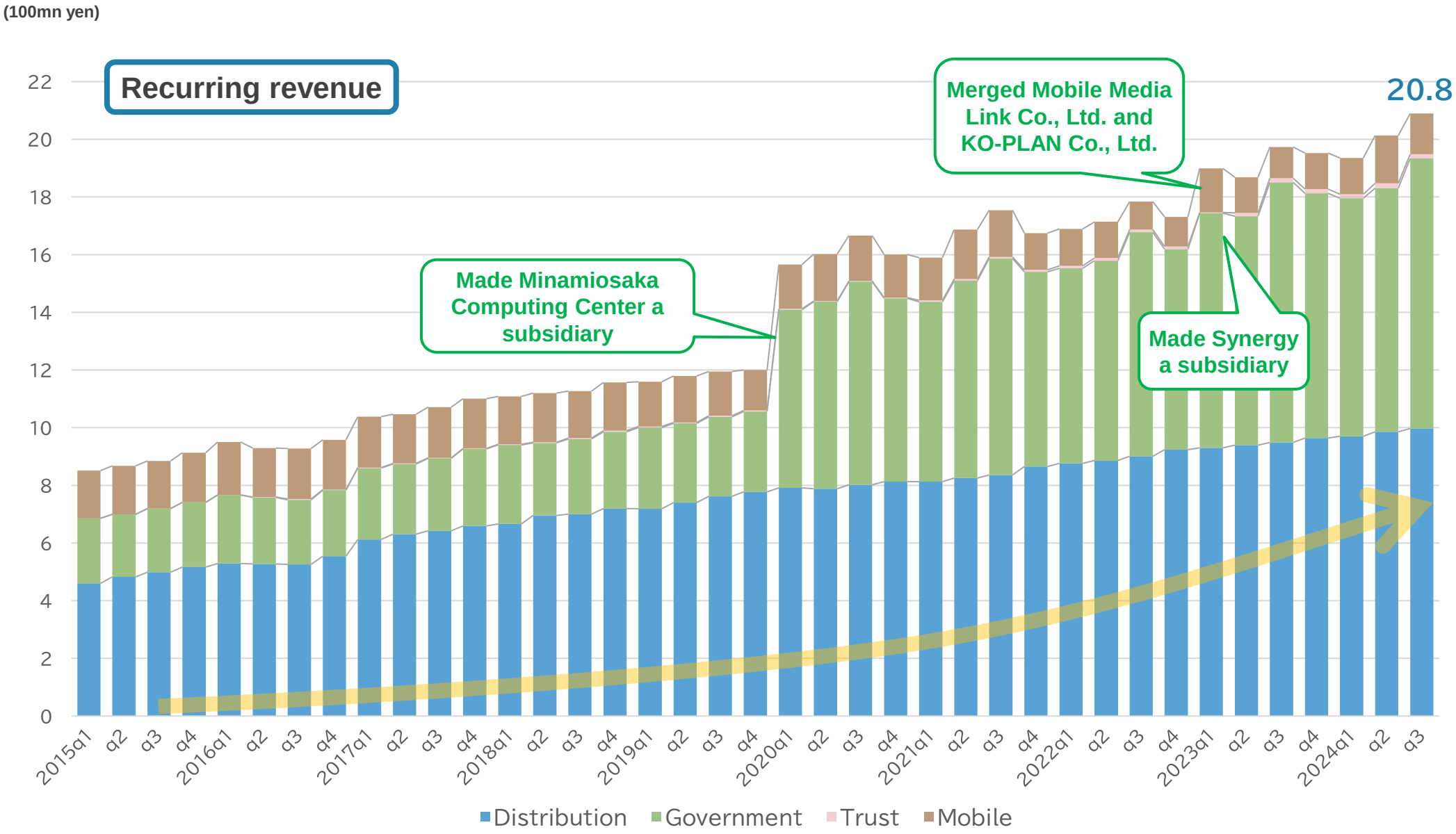
(millions of yen)

	FY12/23 (Actual)	FY12/24 (Forecast) (※)	YoY Change (%)
Net sales	15,023	**16,073**	**7.0%**
Distribution Cloud	4,622	**5,009**	**8.4%**
Government Cloud	6,835	**7,463**	**9.2%**
Trust	42	**152**	**255.7%**
Mobile Network	3,523	**3,449**	**(2.1%)**
Recurring revenue	7,692	**7,988**	**3.8%**
Distribution Cloud	3,781	**4,052**	**7.1%**
Government Cloud	3,358	**3,344**	**(0.4%)**
Trust	42	**152**	**256.6%**
Mobile Network	509	**440**	**(13.6%)**
Operating profit	1,040	**1,155**	**11.0%**
Ordinary profit	1,062	**1,162**	**9.3%**
Distribution Cloud	958	**926**	**(3.4%)**
Government Cloud	400	**544**	**35.9%**
Trust	(111)	**(25)**	**—**
Mobile Network	45	**29**	**(36.5%)**
Adjustments	(230)	**(312)**	**—**
Profit attributable to owners of parent	445	**714**	**60.4%**
EPS	JPY39.95	**JPY64.03**	**—**

*No revisions have been made to the forecast announced on February 14, 2024.

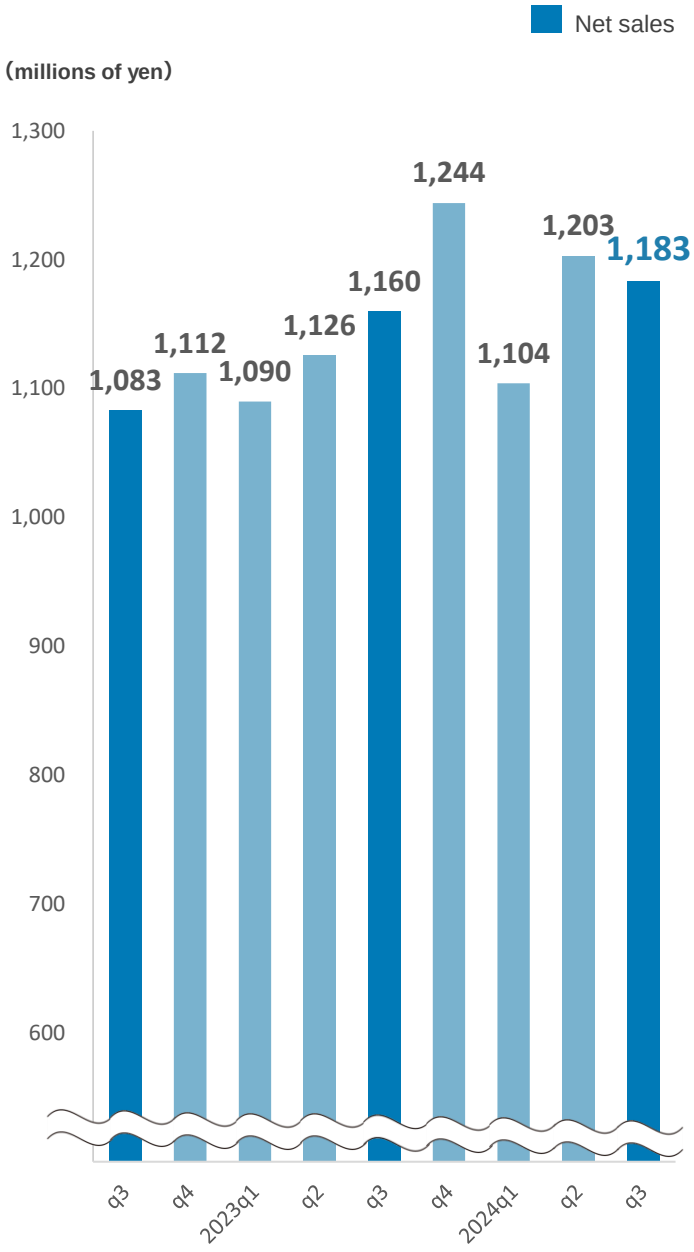
©2024 CYBERLINKS CO.,LTD.

Growth continued to be driven by the Distribution Cloud business

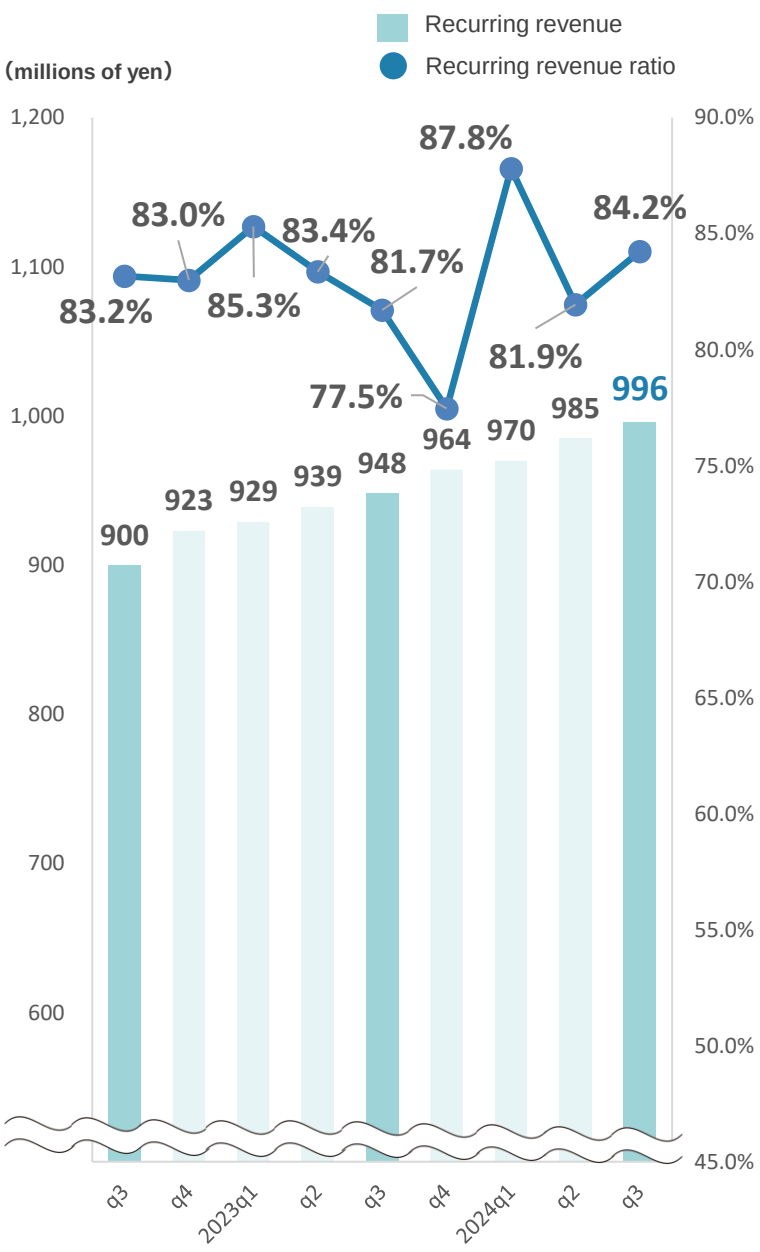


©2024 CYBERLINKS CO.,LTD.

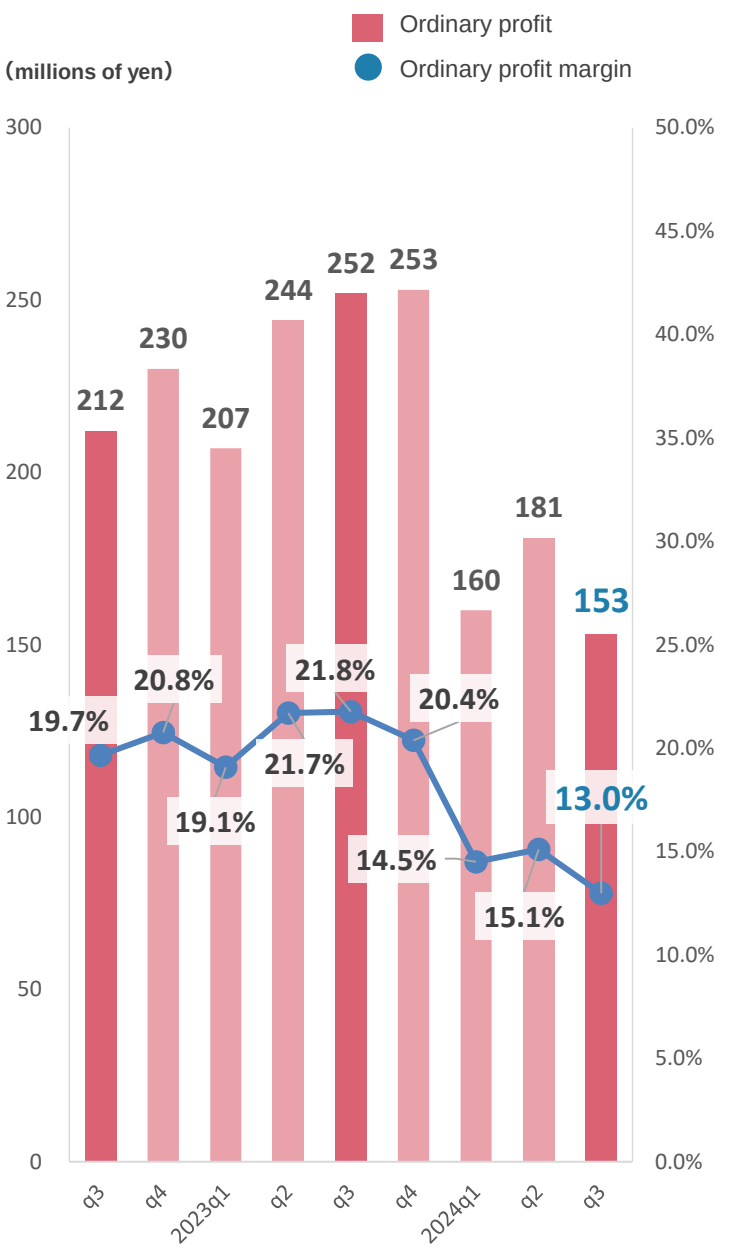
Net sales



Recurring revenue

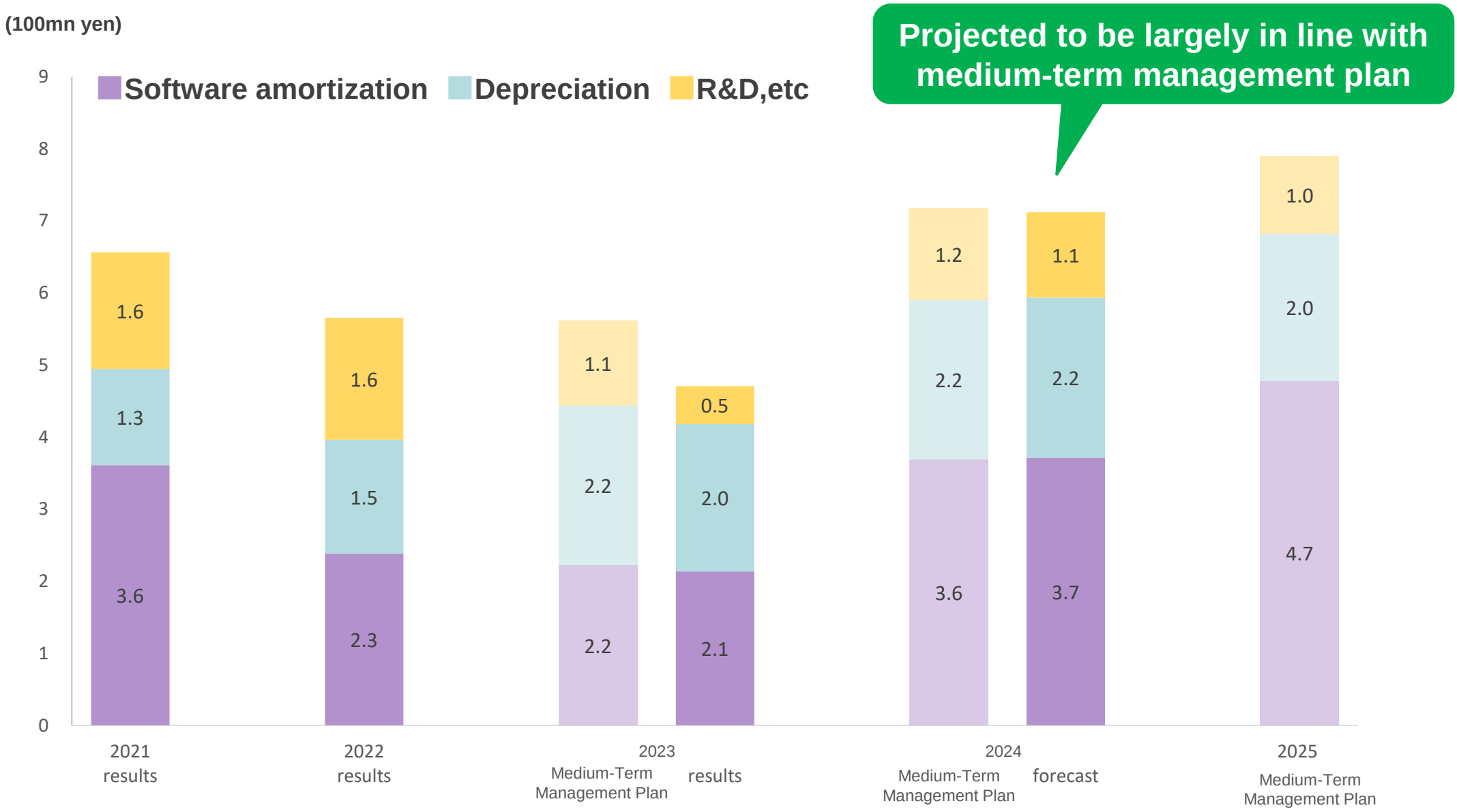


Ordinary profit



©2024 CYBERLINKS CO.,LTD.

Software amortization is trending upward owing to stepped-up development of @rms ERP to accelerate rollout to medium- and large-sized clients



©2024 CYBERLINKS CO.,LTD.

WiLL makes anything すべては思うことからはじまる―

CYBER LINKS

CYBERLINKS CO., LTD.
Corporate Planning Division

https://www.cyber-l.co.jp/inquiry/

■ Disclaimer

This document contains forward-looking statements, including forecasts, future plans, and management targets pertaining to the Company. These forward-looking statements are based on current assumptions about future events and trends, and the accuracy of these assumptions is not guaranteed. Actual results may differ significantly from those described in this document due to a variety of factors. Unless otherwise specified, the financial data in this document is presented in accordance with accounting principles generally accepted in Japan. The Company makes no guarantee that it will revise any of the forward-looking statements it has already made, regardless of the occurrence of future events, except as required by disclosure regulations. Information regarding other companies is based on information that is generally known to the public.

WiLL makes anything