



## Consolidated Financial Results for the six months ended June 30, 2021 [Japanese GAAP]

August 12, 2021

Company name: CYBERLINKS CO., LTD.  
 Listing: Tokyo Stock Exchange, First Section  
 Code number: 3683  
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Scheduled date of filing of Quarterly Report: August 12, 2021  
 Scheduled date of dividend payment: -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of quarterly 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, 2021 (January 1, 2021 to June 30, 2021)

#### (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, 2021	6,862	7.3	578	21.8	583	19.6	406	23.4
June 30, 2020	6,393	—	475	—	487	—	328	—

(Note) Comprehensive income: For the six months ended June 30, 2021: ¥406 million (up 23.4% year on year)  
 For the six months ended June 30, 2020: ¥328 million(—%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2021	39.24	38.16
June 30, 2020	31.84	31.51

(Note) YoY changes versus the first half of the fiscal year ending December 31, 2020 are not shown as the Company started preparing consolidated financial statements from the end of the fiscal year ending December 31, 2019.

(Note) The Company conducted a 2-for-1 stock split of common stock on January 1, 2021. Basic earnings per share and diluted earnings per share are calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	9,450	5,311	55.4
As of December 31, 2020	10,053	5,047	49.5

(Reference) Shareholders' equity: As of June 30, 2021: ¥5,232 million  
 As of December 31, 2020: ¥4,978 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2020	—	0.00	—	20.00	20.00
Fiscal year ending December 31, 2021	—	0.00			
December 31, 2021 (Forecast)			—	10.00	10.00

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

(Note) The Company conducted a 2-for-1 stock split of common stock on January 1, 2021, and the actual dividend amount prior to the stock split is shown for the fiscal year ended December 31, 2020.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021)

(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	13,341	4.4	791	(14.5)	824	(13.4)	556	(13.8)	53.85

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

Notes:

(1) Changes in specific subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Application of special accounting treatment in preparing the quarterly 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, 2021: 10,439,772 shares

December 31, 2020: 10,342,772 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 81,520 shares

December 31, 2020: 19,120 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2021: 10,345,426 shares

Six months ended June 30, 2020: 10,330,399 shares

(Note) The Company conducted a 2-for-1 stock split of common stock on January 1, 2021. The total number of issued shares at the end of the period (including treasury shares), the total number of treasury shares at the end of the period, and the average number of outstanding shares during the period (cumulative quarterly period) are calculated on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

\* The quarterly financial statements are outside the scope of quarterly reviews by certified public accountants and auditing firms.

\* 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.

Quarterly Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	1,863,331	3,067,391
Notes and accounts receivable - trade	2,935,110	1,665,523
Lease receivables and investments in leases	411,407	354,142
Merchandise and finished goods	134,624	143,738
Work in process	649,241	410,325
Raw materials and supplies	4,254	16,354
Other	415,724	189,519
Allowance for doubtful accounts	(2,456)	(752)
<b>Total current assets</b>	<b>6,411,237</b>	<b>5,846,244</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,209,916	2,230,176
Accumulated depreciation	(1,466,444)	(1,498,514)
Buildings and structures, net	743,472	731,661
Land	1,399,470	1,399,470
Other	1,838,321	1,919,598
Accumulated depreciation	(1,445,814)	(1,482,910)
Other, net	392,506	436,687
<b>Total property, plant and equipment</b>	<b>2,535,449</b>	<b>2,567,820</b>
Intangible assets	614,619	521,074
Investments and other assets	492,394	515,848
<b>Total non-current assets</b>	<b>3,642,463</b>	<b>3,604,743</b>
<b>Total assets</b>	<b>10,053,700</b>	<b>9,450,987</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	744,281	463,576
Current portion of long-term borrowings	304,200	304,200
Income taxes payable	178,841	216,452
Provision for bonuses	38,792	40,980
Provision for loss on order received	62,354	25,226
Asset retirement obligations	6,223	6,225
Other	1,347,046	886,382
<b>Total current liabilities</b>	<b>2,681,740</b>	<b>1,943,044</b>
Non-current liabilities		
Long-term borrowings	2,079,906	1,926,973
Asset retirement obligations	31,583	31,861
Other	212,797	237,885
<b>Total non-current liabilities</b>	<b>2,324,287</b>	<b>2,196,720</b>
<b>Total liabilities</b>	<b>5,006,027</b>	<b>4,139,764</b>

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
<b>Net assets</b>		
Shareholders' equity		
Share capital	792,324	819,135
Capital surplus	1,244,058	1,270,869
Retained earnings	2,954,205	3,257,000
Treasury shares	(11,616)	(114,865)
<b>Total shareholders' equity</b>	<b>4,978,971</b>	<b>5,232,140</b>
Share acquisition rights	68,702	79,082
<b>Total net assets</b>	<b>5,047,673</b>	<b>5,311,222</b>
<b>Total liabilities and net assets</b>	<b>10,053,700</b>	<b>9,450,987</b>

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

## Consolidated Statement of Income

(Thousands of yen)

	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Net sales	6,393,447	6,862,507
Cost of sales	4,633,739	4,919,758
Gross profit	1,759,707	1,942,748
Selling, general and administrative expenses	1,284,672	1,364,171
Operating profit	475,034	578,576
Non-operating income		
Interest income	1	0
Dividend income	250	250
Rental income from real estate	4,936	5,382
Insurance claim income	11,029	3,500
Other	7,065	4,594
Total non-operating income	23,282	13,727
Non-operating expenses		
Interest expenses	8,850	6,585
Other	1,668	2,493
Total non-operating expenses	10,519	9,079
Ordinary profit	487,797	583,224
Extraordinary income		
Surrender value of insurance policies	38,228	—
Other	13	965
Total extraordinary income	38,241	965
Extraordinary losses		
Loss on retirement of non-current assets	10,240	1,164
Total extraordinary losses	10,240	1,164
Profit before income taxes	515,799	583,025
Income taxes - current	262,620	191,389
Income taxes - deferred	(75,749)	(14,395)
Total income taxes	186,871	176,994
Profit	328,927	406,031
Profit attributable to owners of parent	328,927	406,031

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Profit	328,927	406,031
Comprehensive income	328,927	406,031
(Breakdown)		
Comprehensive income attributable to owners of parent	328,927	406,031

## (3) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2020	For the six months ended June 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	515,799	583,025
Depreciation	327,825	310,450
Amortization of goodwill	6,324	—
Increase (decrease) in allowance for doubtful accounts	762	(1,543)
Increase (decrease) in provision for bonuses	1,053	2,188
Increase (decrease) in provision for loss on order received	38,138	(37,127)
Interest and dividend income	(251)	(250)
Interest expenses	8,850	6,585
Surrender value of insurance policies	(38,228)	—
Decrease (increase) in trade receivables	(80,948)	1,269,587
Decrease (increase) in inventories	(11,040)	217,573
Increase (decrease) in trade payables	17,789	(280,704)
Increase (decrease) in deposits received	(103,816)	(210,315)
Other	(64,488)	(63,297)
Subtotal	617,768	1,796,169
Interest and dividends received	250	250
Interest paid	(8,892)	(6,651)
Income taxes paid	(140,977)	(87,063)
Net cash provided by (used in) operating activities	468,149	1,702,704
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(64,461)	(259,341)
Purchase of intangible assets	(66,423)	(96,647)
Payments for asset retirement obligations	(11,000)	—
Proceeds from cancellation of insurance funds	701,927	—
Proceeds from refund of leasehold and guarantee deposits	13,711	166,427
Other	(40,511)	(2,604)
Net cash provided by (used in) investing activities	533,241	(192,166)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(200,000)	—
Repayments of long-term borrowings	(152,933)	(152,933)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	—	53,253
Purchase of treasury shares	(6,467)	(103,249)
Dividends paid	(82,581)	(102,872)
Other	(1,103)	(1,137)
Net cash provided by (used in) financing activities	(443,084)	(306,938)
Effect of exchange rate change on cash and cash equivalents	(403)	460
Net increase (decrease) in cash and cash equivalents	557,902	1,204,060
Cash and cash equivalents at beginning of period	1,385,377	1,863,331
Cash and cash equivalents at end of period	1,943,280	3,067,391



#### (4) Notes to quarterly financial statements

(Notes to going concern assumptions)

None to be reported.

(In case of significant changes to shareholders' equity)

None to be reported.

(Application of special accounting treatment in preparing the quarterly financial statements)

None to be reported.

(Segment information, etc.)

##### Segment information

Six months ended June 30, 2020(January 1, 2020 to June 30, 2020)

##### 1. Sales and profit by reportable segment

(Thousands 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	1,765,555	3,261,226	6,338	1,360,327	6,393,447	—	6,393,447
Intersegment sales and transfers	95,145	2,837	4,268	—	102,251	(102,251)	—
Total	1,860,701	3,264,063	10,606	1,360,327	6,495,698	(102,251)	6,393,447
Segment profit (loss)	128,775	350,656	(32,078)	189,965	637,318	(149,520)	487,797

(Note) 1. Adjustments to segment loss of ¥149,520 thousand include intersegment eliminations of ¥36,401 thousand and company-wide expenses of ¥113,119 thousand that are not allocated to any reportable segment.  
2. Segment profit is adjusted with ordinary profit in the quarterly consolidated statement of income.

Six months ended June 30, 2021(January 1, 2021 to June 30, 2021)

##### 1. Sales and profit by reportable segment

(Thousands 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	1,842,335	3,372,117	46,456	1,601,597	6,862,507	—	6,862,507
Intersegment sales and transfers	84,564	8,053	10,466	225	103,310	(103,310)	—
Total	1,926,899	3,380,171	56,923	1,601,823	6,965,817	(103,310)	6,862,507
Segment profit (loss)	215,467	370,291	(119,831)	246,065	711,992	(128,767)	583,224

(Note) 1. Adjustments to segment loss of ¥128,767 thousand include intersegment eliminations of ¥23,540 thousand and company-wide expenses of ¥105,227 thousand that are not allocated to any reportable segment.  
2. Segment profit is adjusted with ordinary profit in the quarterly consolidated statement of income.

##### 2. Matters related to changes in reportable segments, etc.

Effective from the first quarter of the fiscal year ending December 31, 2021, the Group has changed the segment classification for its IT Cloud business to the three segments of Distribution Cloud business, Government Cloud business, and Trust business. As a result, the Group now has four reportable segments.

The segment information for the first half of the fiscal year ending December 31, 2021 was prepared based on the new reporting segment classifications.

(Significant subsequent events)

None to be reported.