



Consolidated Financial Results for the nine months ended September 30, 2021 [Japanese GAAP]

November 12, 2021

Company name: Cyberlinks Co., Ltd.
 Listing: Tokyo Stock Exchange, First Section
 Code number: 3683
 URL: <https://www.cyber-l.co.jp/>
 Representative: Tsuneo Murakami
 President
 Contact: Takayuki Torii, General Administration Manager
 Tel: +81-(0)50-3500-2797

Scheduled date of filing of Quarterly Report: November 12, 2021
 Scheduled date of dividend payment: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2021 (January 1, 2021 to September 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	%
Nine months ended September 30, 2021	9,631	1.5	786	9.3	797	8.5	538	9.9
September 30, 2020	9,486	—	719	—	735	—	489	—

(Note) Comprehensive income: For the nine months ended September 30, 2021: ¥538 million (up 9.9% year on year)
 For the nine months ended September 30, 2020: ¥489 million(—%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2021	52.10	50.76
September 30, 2020	47.40	46.88

(Note) YoY changes versus the third quarter 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 September 30, 2021	9,557	5,265	54.3
As of December 31, 2020	10,053	5,047	49.5

(Reference) Shareholders' equity: As of September 30, 2021: ¥5,186 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):

September 30, 2021: 10,473,572 shares

December 31, 2020: 10,342,772 shares

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

September 30, 2021: 215,420 shares

December 31, 2020: 19,120 shares

3) Average number of shares outstanding during the period:

Nine months ended September 30, 2021: 10,328,775 shares

Nine months ended September 30, 2020: 10,328,133 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 September 30, 2021
Assets		
Current assets		
Cash and deposits	1,863,331	2,939,929
Notes and accounts receivable - trade	2,935,110	1,615,917
Lease receivables and investments in leases	411,407	346,413
Merchandise and finished goods	134,624	78,688
Work in process	649,241	521,503
Raw materials and supplies	4,254	5,697
Other	415,724	245,771
Allowance for doubtful accounts	(2,456)	(882)
Total current assets	6,411,237	5,753,038
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,209,916	2,370,595
Accumulated depreciation	(1,466,444)	(1,465,590)
Buildings and structures, net	743,472	905,004
Land	1,399,470	1,399,470
Other	1,838,321	1,957,628
Accumulated depreciation	(1,445,814)	(1,505,242)
Other, net	392,506	452,386
Total property, plant and equipment	2,535,449	2,756,861
Intangible assets	614,619	493,636
Investments and other assets	492,394	553,528
Total non-current assets	3,642,463	3,804,026
Total assets	10,053,700	9,557,065
Liabilities		
Current liabilities		
Accounts payable - trade	744,281	310,341
Current portion of long-term borrowings	304,200	304,200
Income taxes payable	178,841	260,768
Provision for bonuses	38,792	209,117
Provision for loss on order received	62,354	31,613
Asset retirement obligations	6,223	6,225
Other	1,347,046	1,060,402
Total current liabilities	2,681,740	2,182,668
Non-current liabilities		
Long-term borrowings	2,079,906	1,845,923
Asset retirement obligations	31,583	32,860
Other	212,797	230,335
Total non-current liabilities	2,324,287	2,109,119
Total liabilities	5,006,027	4,291,787

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	792,324	828,478
Capital surplus	1,244,058	1,280,212
Retained earnings	2,954,205	3,389,138
Treasury shares	(11,616)	(311,505)
Total shareholders' equity	4,978,971	5,186,324
Share acquisition rights	68,702	78,953
Total net assets	5,047,673	5,265,277
Total liabilities and net assets	10,053,700	9,557,065

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

Consolidated Statement of Income

(Thousands of yen)

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
Net sales	9,486,774	9,631,748
Cost of sales	6,841,437	6,825,544
Gross profit	2,645,336	2,806,204
Selling, general and administrative expenses	1,925,651	2,019,311
Operating profit	719,685	786,892
Non-operating income		
Interest income	2	1
Dividend income	250	250
Rental income from real estate	7,484	8,118
Subsidies for shop renovation etc.	3,000	6,435
Other	20,032	9,097
Total non-operating income	30,769	23,902
Non-operating expenses		
Interest expenses	12,790	9,732
Other	2,301	3,279
Total non-operating expenses	15,091	13,012
Ordinary profit	735,363	797,781
Extraordinary income		
Surrender value of insurance policies	38,228	—
Other	28	965
Total extraordinary income	38,257	965
Extraordinary losses		
Loss on retirement of non-current assets	11,678	2,603
Total extraordinary losses	11,678	2,603
Profit before income taxes	761,942	796,144
Income taxes - current	399,031	305,217
Income taxes - deferred	(126,735)	(47,243)
Total income taxes	272,295	257,974
Profit	489,646	538,170
Profit attributable to owners of parent	489,646	538,170

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
Profit	489,646	538,170
Comprehensive income	489,646	538,170
(Breakdown)		
Comprehensive income attributable to owners of parent	489,646	538,170

(3) 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

Nine months ended September 30, 2020(January 1, 2020 to September 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	2,749,119	4,697,757	11,744	2,028,153	9,486,774	—	9,486,774
Intersegment sales and transfers	140,835	3,781	5,755	—	150,372	(150,372)	—
Total	2,889,955	4,701,538	17,500	2,028,153	9,637,147	(150,372)	9,486,774
Segment profit (loss)	232,607	480,173	(64,201)	284,196	932,776	(197,413)	735,363

(Note) 1. Adjustments to segment loss of ¥197,413 thousand include intersegment eliminations of ¥55,233 thousand and company-wide expenses of ¥142,179 thousand that are not allocated to any reportable segment.

2. Segment profit is adjusted with ordinary profit in the quarterly consolidated statement of income.

Nine months ended September 30, 2021(January 1, 2021 to September 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	2,858,400	4,482,681	52,255	2,238,410	9,631,748	—	9,631,748
Intersegment sales and transfers	127,001	14,313	12,141	225	153,682	(153,682)	—
Total	2,985,401	4,496,994	64,397	2,238,636	9,785,430	(153,682)	9,631,748
Segment profit (loss)	375,802	454,657	(172,423)	321,927	979,963	(182,182)	797,781

(Note) 1. Adjustments to segment loss of ¥182,182 thousand include intersegment eliminations of ¥36,415 thousand and company-wide expenses of ¥145,766 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 third quarter of the fiscal year ending December 31, 2021 was prepared based on the new reporting segment classifications.

(Significant subsequent events)

None to be reported.