

# LINK Smart

Toward a shared, connected future

# CYBERLINKS CO., LTD.

## Financial Results for Q1 FY12/22

(January 1, 2022 - March 31, 2022)

May 20, 2022

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# 1. Consolidated Financial Results for Q1 FY12/22

### ■ Change in Accounting Policy

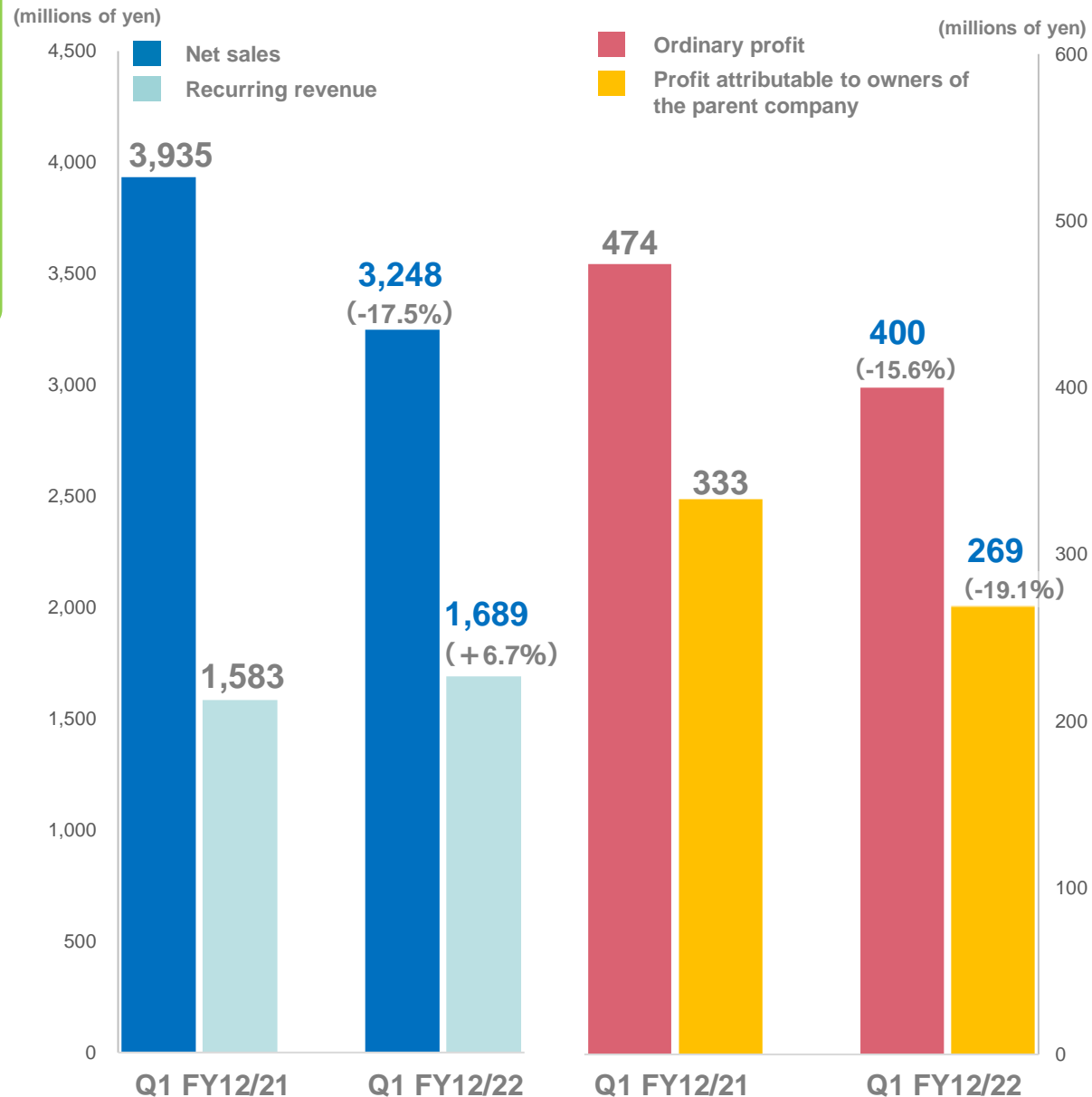
We began applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the outset of FY12/22.

For details, please refer to the subsection of our consolidated financial results for the three months ended March 31, 2022 entitled "(3) Notes to quarterly financial statements" and included under the section "Quarterly Consolidated Financial Statements and Primary Notes."

# 1. Consolidated Q1 FY12/22 Results: Highlights

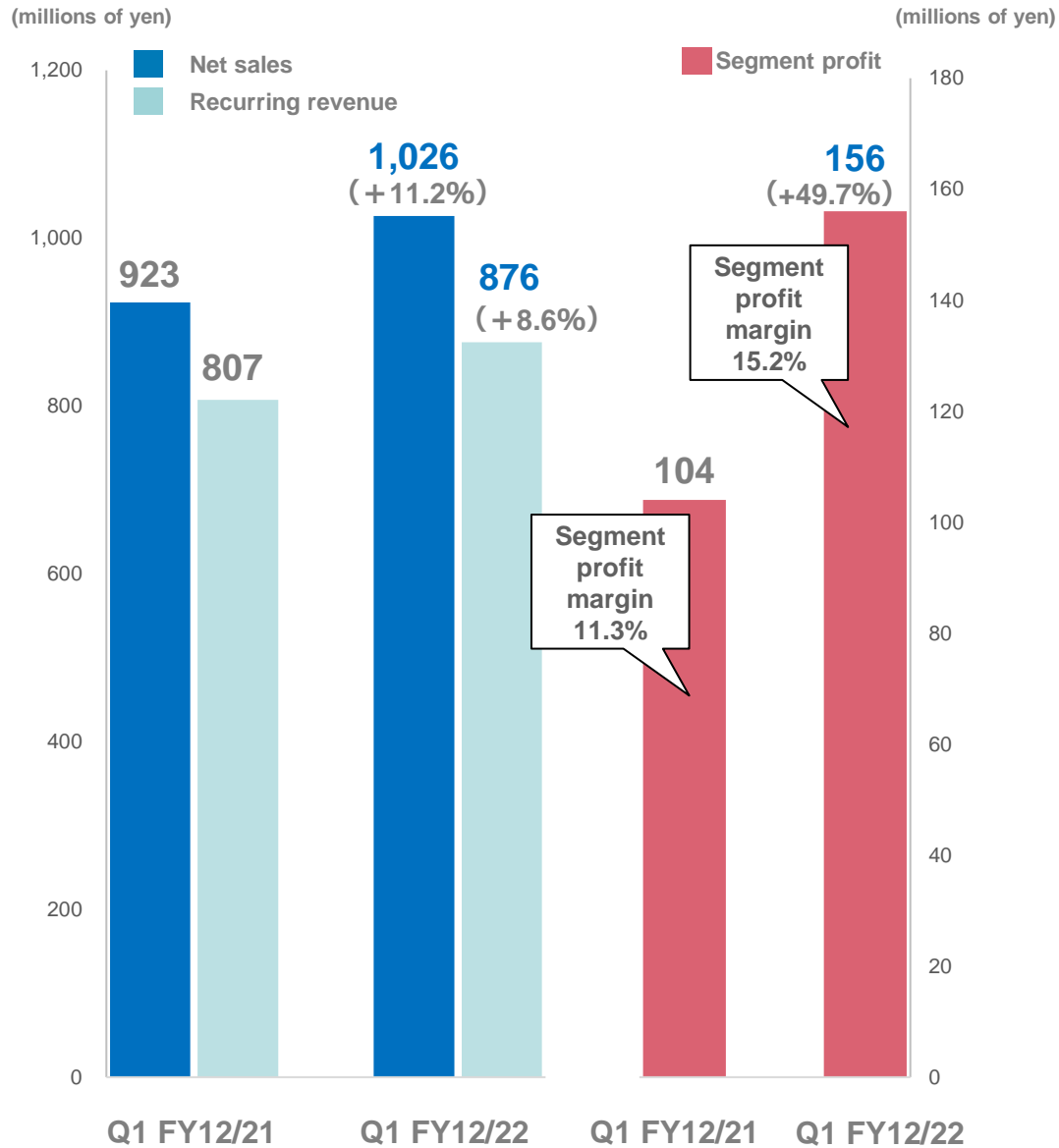
Net sales	3,248 million yen	YoY	-17.5%↓
Recurring revenue	1,689 million yen	YoY	+6.7%↑
Ordinary profit	400 million yen	YoY	-15.6%↓
Profit	269 million yen	YoY	-19.1%↓

- ◆ **Distribution Cloud: Profitability improved** thanks to an increase in recurring revenue and lower amortization expenses.
- ◆ **Government Cloud: Sales and profit declined significantly** due to the absence of special demand that previously boosted results in FY12/21.
- ◆ **Trust: Sales declined** as we devoted resources to the development of new services.
- ◆ **Mobile Network: Sales decreased** due primarily to a shortage of handset inventory. Profit also declined mainly because of a reduction in subsidies received from NTT Docomo.

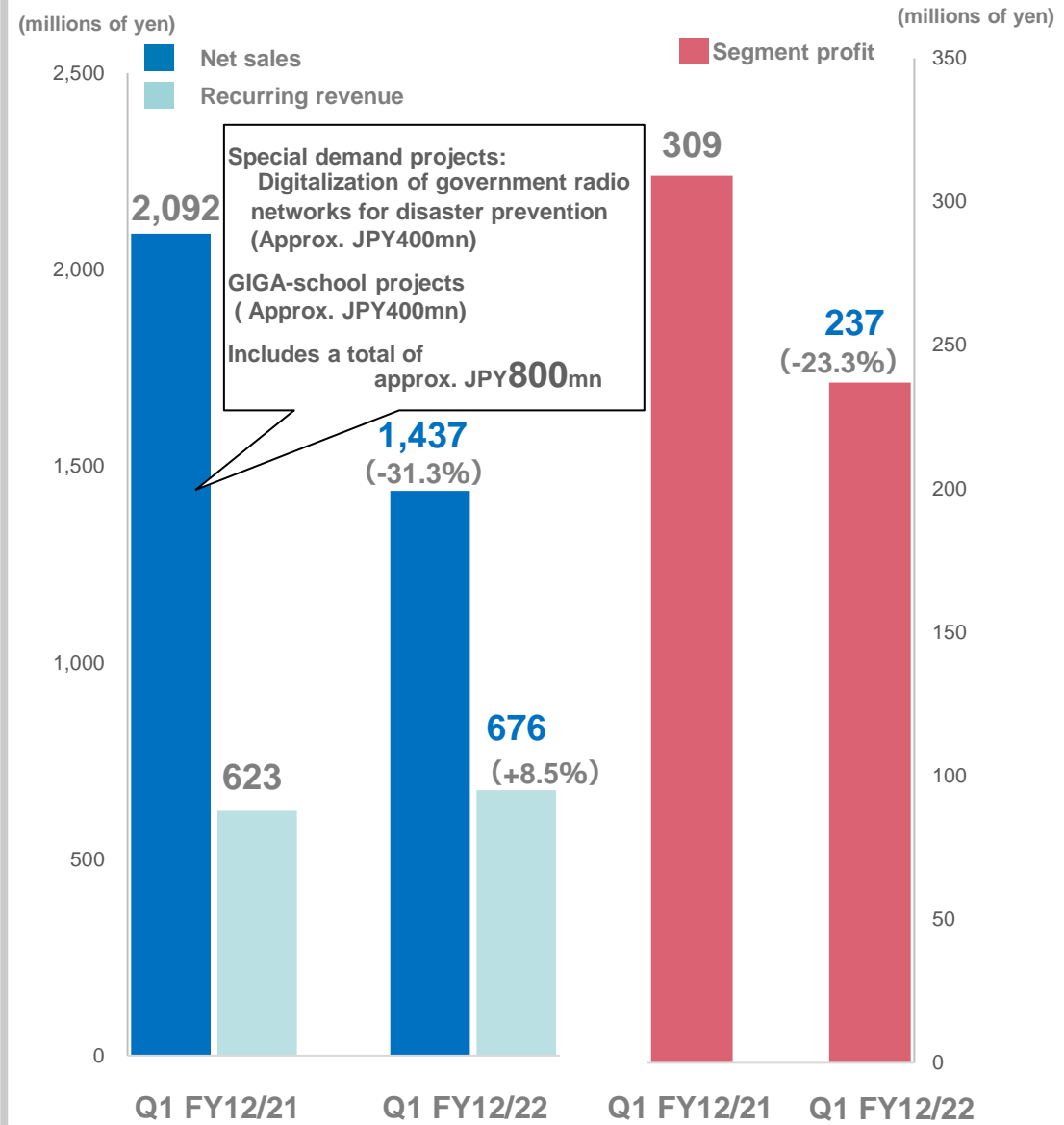


# 1. Consolidated Q1 FY12/22 Results: Distribution Cloud / Government Cloud

## Distribution Cloud

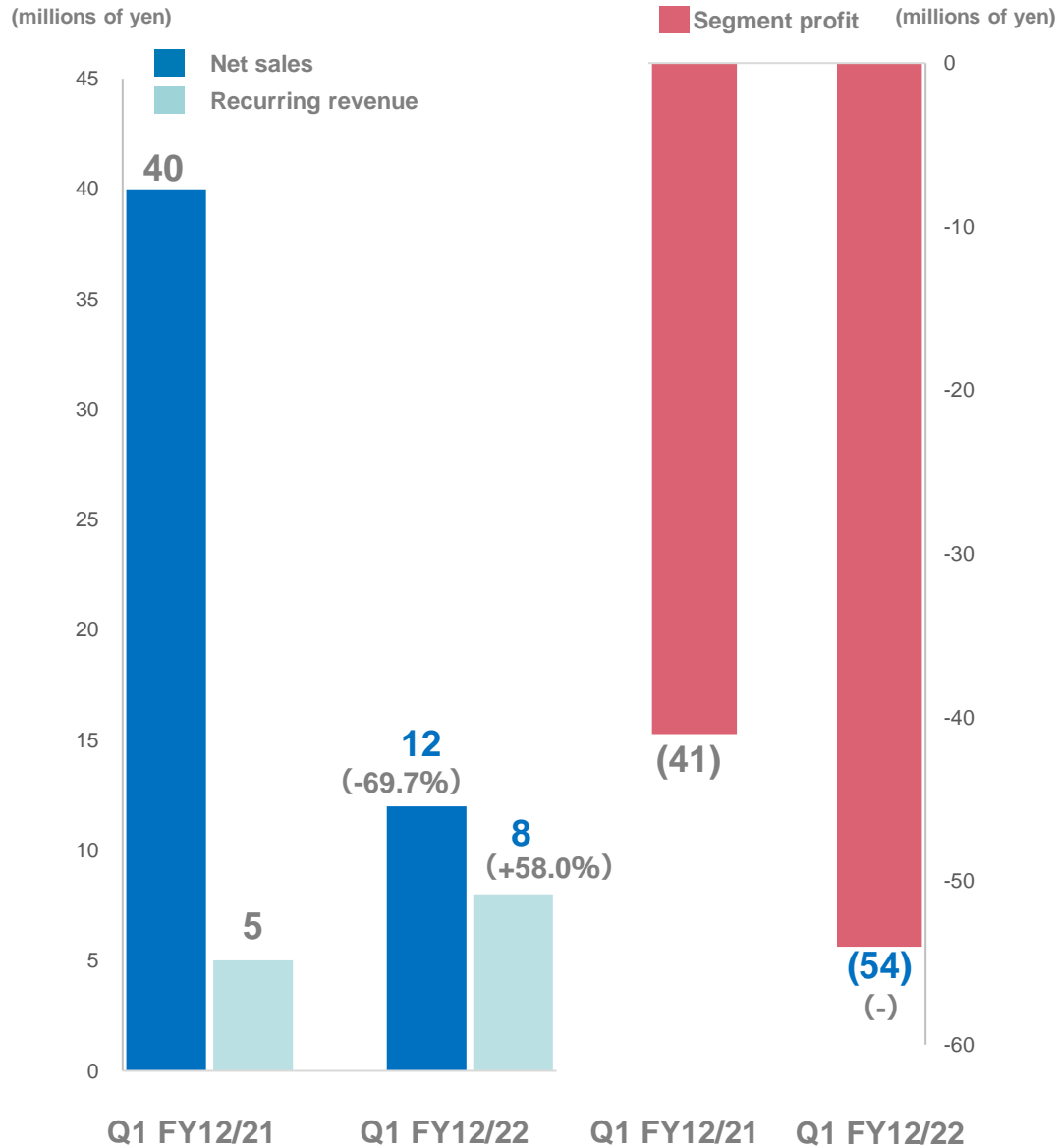


## Government Cloud

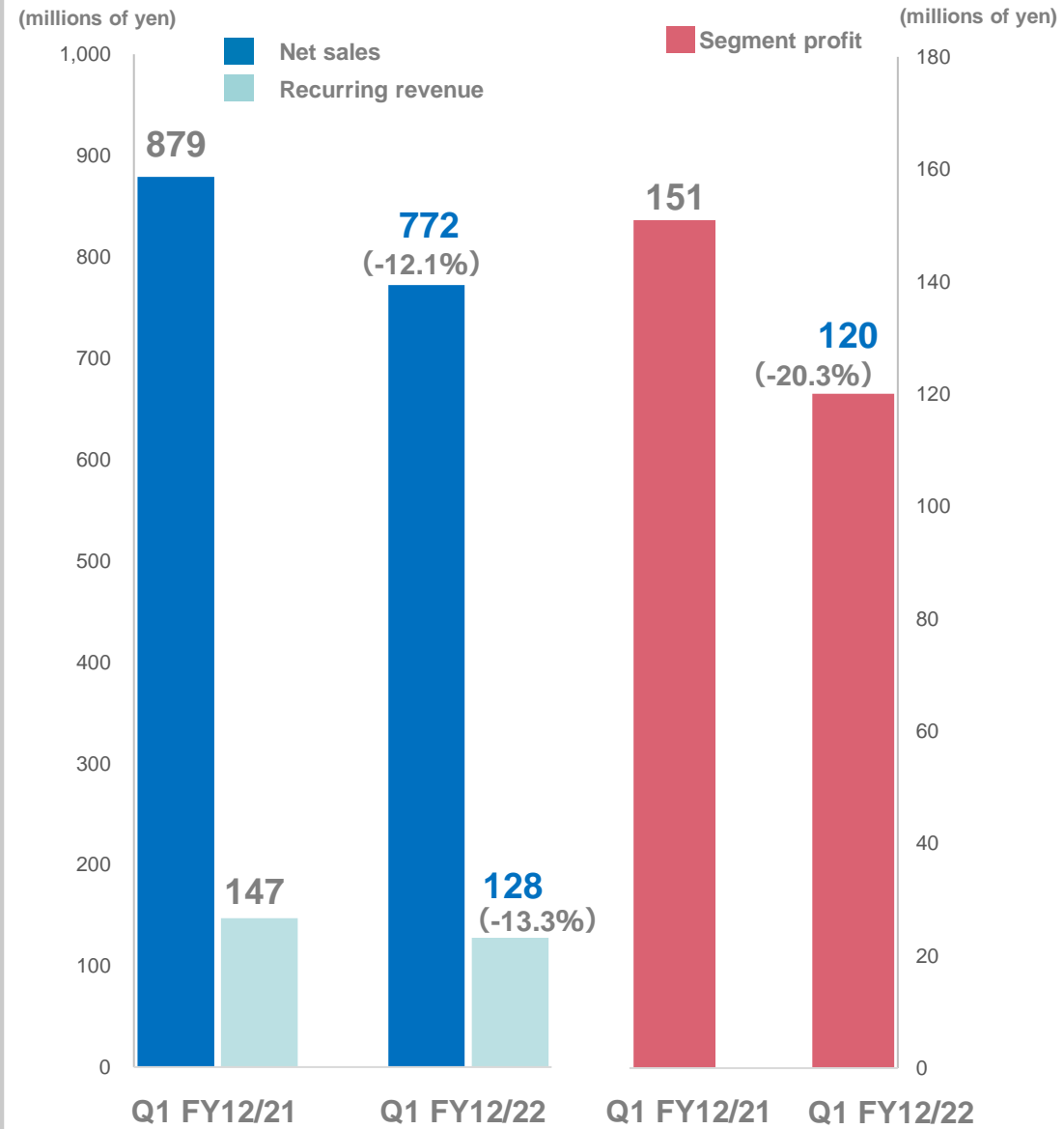


# 1. Consolidated Q1 FY12/22 Results: Trust / Mobile Network

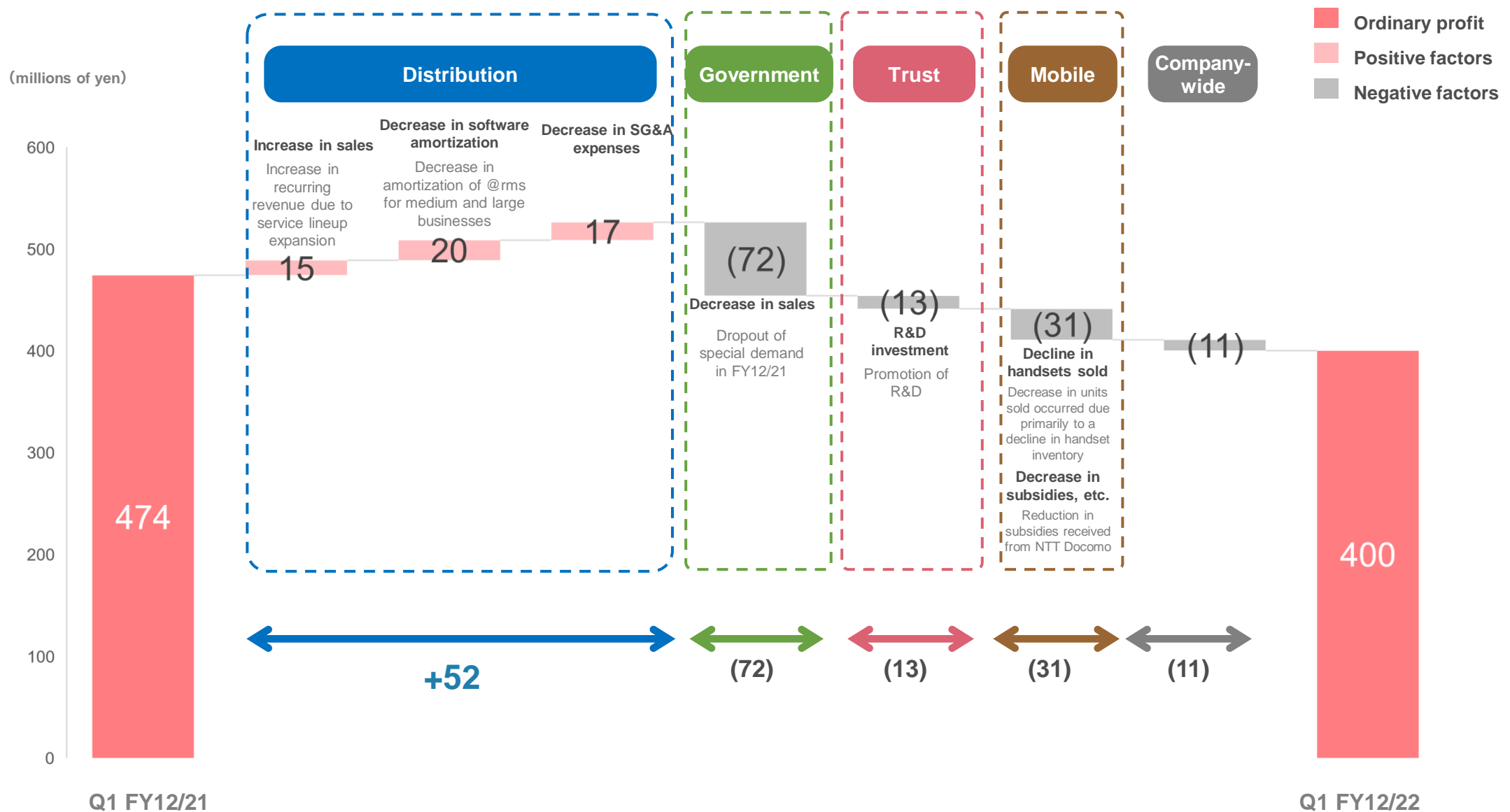
## Trust



## Mobile Network



# 1. Consolidated Q1 FY12/22 Results: Factors affecting ordinary profit



# 1. Consolidated Q1 FY12/22 Results: Consolidated Income Statement

(millions of yen)

	Q1 FY12/21 (Actual)	Q1 FY12/22 (Actual)	YoY Change (%)	1H FY12/22 (Plan)	Achievement Rate (%)
Net sales	3,935	3,248	(17.5)	6,428	50.5
Distribution Cloud	923	1,026	11.2	2,087	49.2
Government Cloud	2,092	1,437	(31.3)	2,838	50.7
Trust	40	12	(69.7)	40	30.8
Mobile Network	879	772	(12.1)	1,463	52.8
Recurring revenue	1,583	1,689	6.7	3,315	51.0
Distribution Cloud	807	876	8.6	1,737	50.5
Government Cloud	623	676	8.5	1,317	51.3
Trust	5	8	58.0	23	37.9
Mobile Network	147	128	(13.3)	238	53.9
Operating profit	469	398	(15.0)	592	67.4
Ordinary profit	474	400	(15.6)	592	67.6
Distribution Cloud	104	156	49.7	351	44.6
Government Cloud	309	237	(23.3)	345	68.9
Trust	(41)	(54)	—	(112)	—
Mobile Network	151	120	(20.3)	170	71.0
Adjustment	(49)	(60)	—	(162)	—
Profit attributable to owners of parent	333	269	(19.1)	380	71.0
EPS	JPY32.30	JPY26.09	—	JPY36.74	—



# 1. Consolidated Q1 FY12/22 Results: Consolidated Balance Sheet

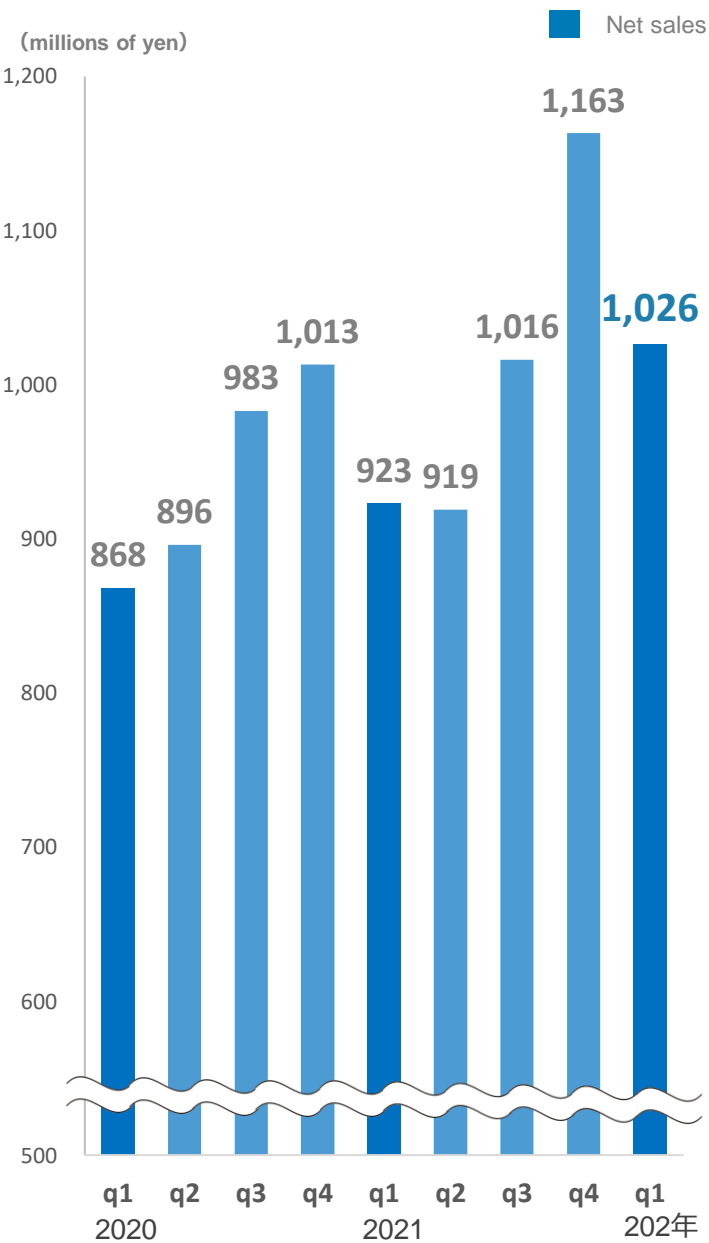
(millions of yen)

		End-Dec. 2021		End-Mar. 2022			Factors behind changes
		Amount	Composition	Amount	Composition	Change	
Assets	Current Assets	5,896	60.9%	<b>5,548</b>	<b>55.6%</b>	<b>(347)</b>	Decreases in cash and deposits and work in process
	Non-current Assets	3,786	39.1%	<b>4,432</b>	<b>44.4%</b>	<b>645</b>	Rose due to the acquisition of land
	Total Assets	9,682	100.0%	<b>9,980</b>	<b>100.0%</b>	<b>297</b>	
Liabilities & Net Assets	Current Liabilities	2,240	23.1%	<b>2,428</b>	<b>24.3%</b>	<b>188</b>	Increases in provision for bonuses and accounts payable—trade
	Non-current Liabilities	2,023	20.9%	<b>1,950</b>	<b>19.5%</b>	<b>(73)</b>	Decrease in long-term borrowings due to repayments
	Total Liabilities	4,264	44.0%	<b>4,379</b>	<b>43.9%</b>	<b>115</b>	
	Total Net Assets	5,418	56.0%	<b>5,601</b>	<b>56.1%</b>	<b>182</b>	Growth in retained earnings stemming from the accumulation of quarterly net profit
	Total Liabilities & Net Assets	9,682	100.0%	<b>9,980</b>	<b>100.0%</b>	<b>297</b>	

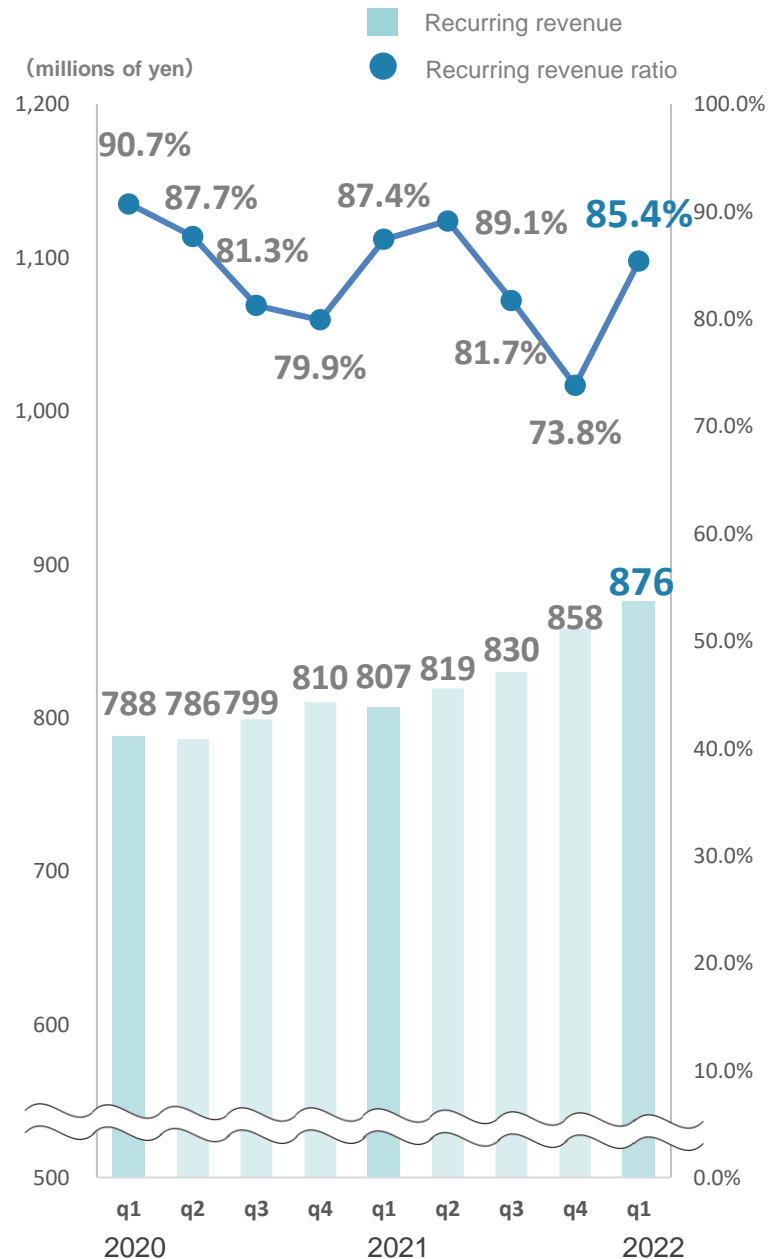
# 2. Performance in Distribution Cloud Business

## 2. Performance in Distribution Cloud Business Net sales & Ordinary profit (Quarterly)

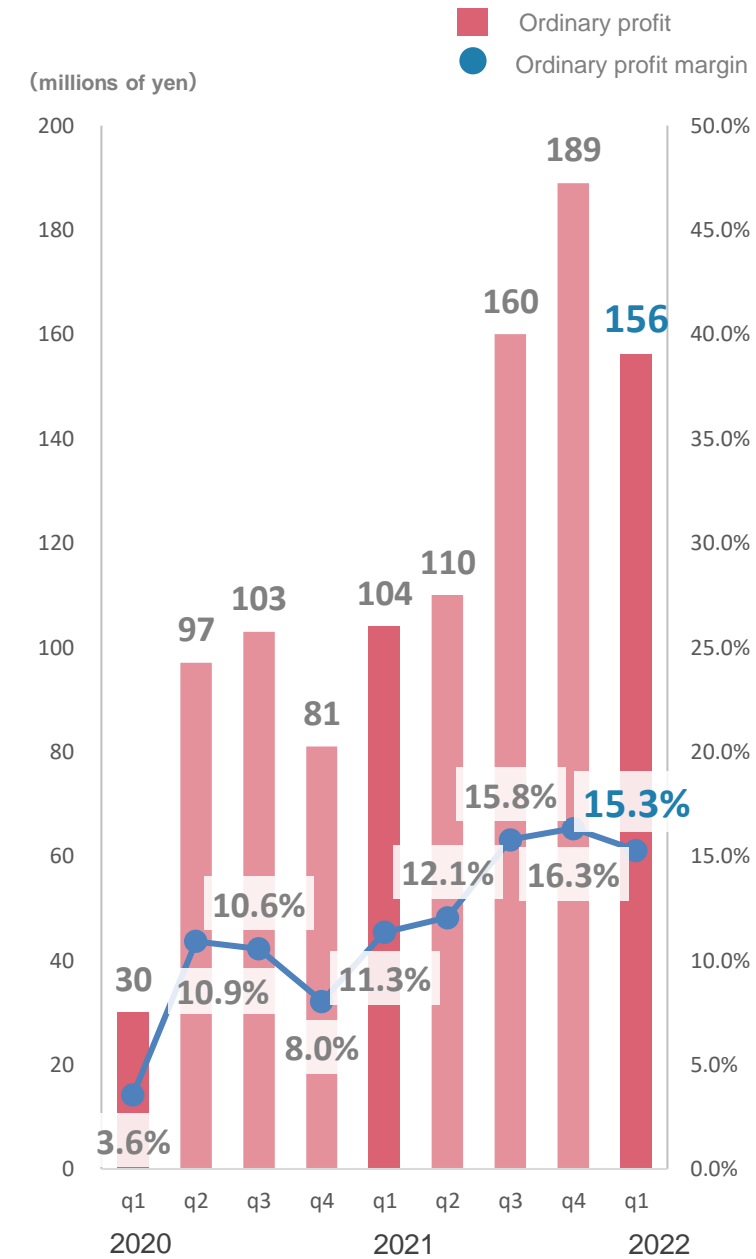
### Net sales



### Recurring revenue



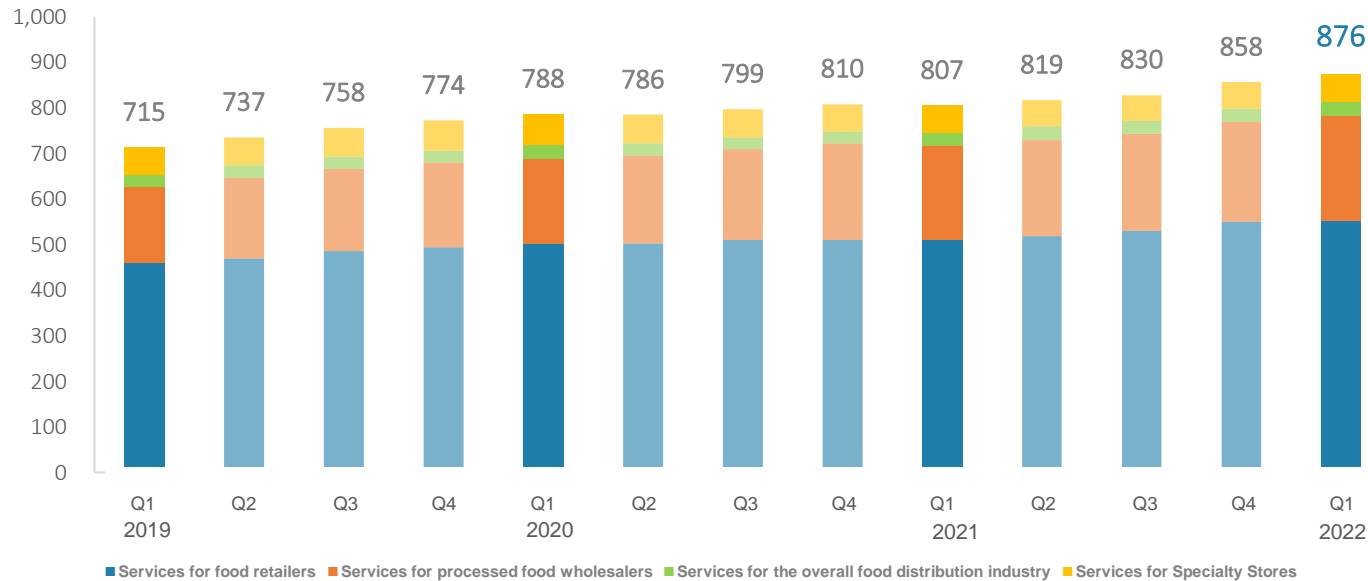
### Ordinary profit



## 2. Performance in Distribution Cloud Business **Recurring Revenue** ① (Quarterly)

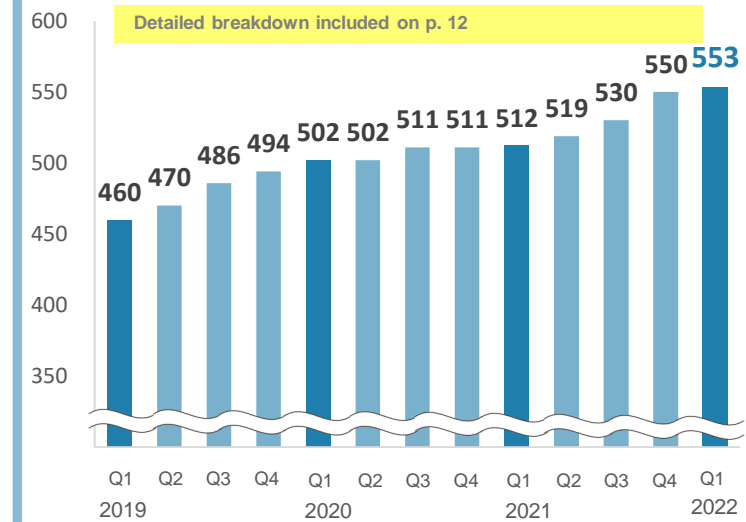
### Distribution Cloud

(millions of yen)



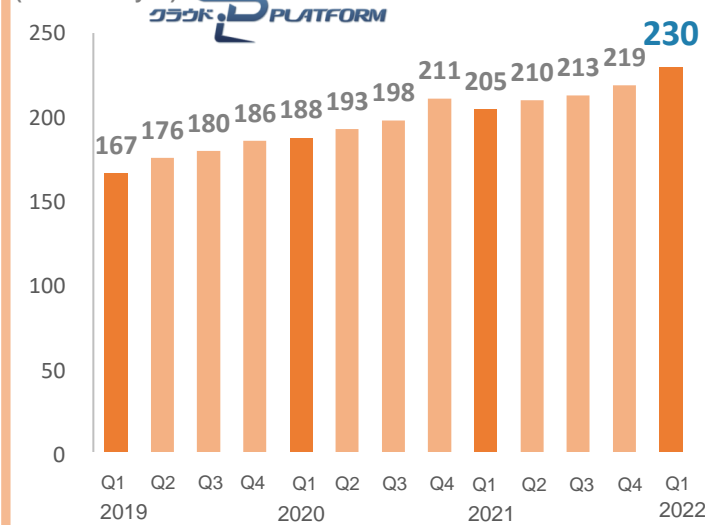
### Services for Food Retailers

(millions of yen)



### Services for Processed Food Wholesalers

(millions of yen)



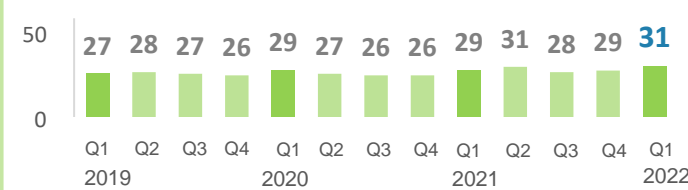
### Services for the Overall Food Distribution Industry



Last year, through C2Platform, we launched a support service that facilitates digital transformation in the field of retail business negotiations.

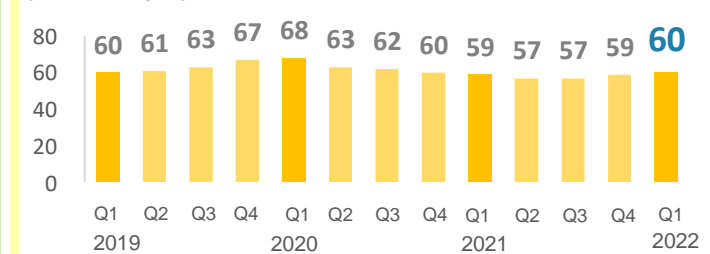
We will strive to expand the availability of this service in the future.

(millions of yen)

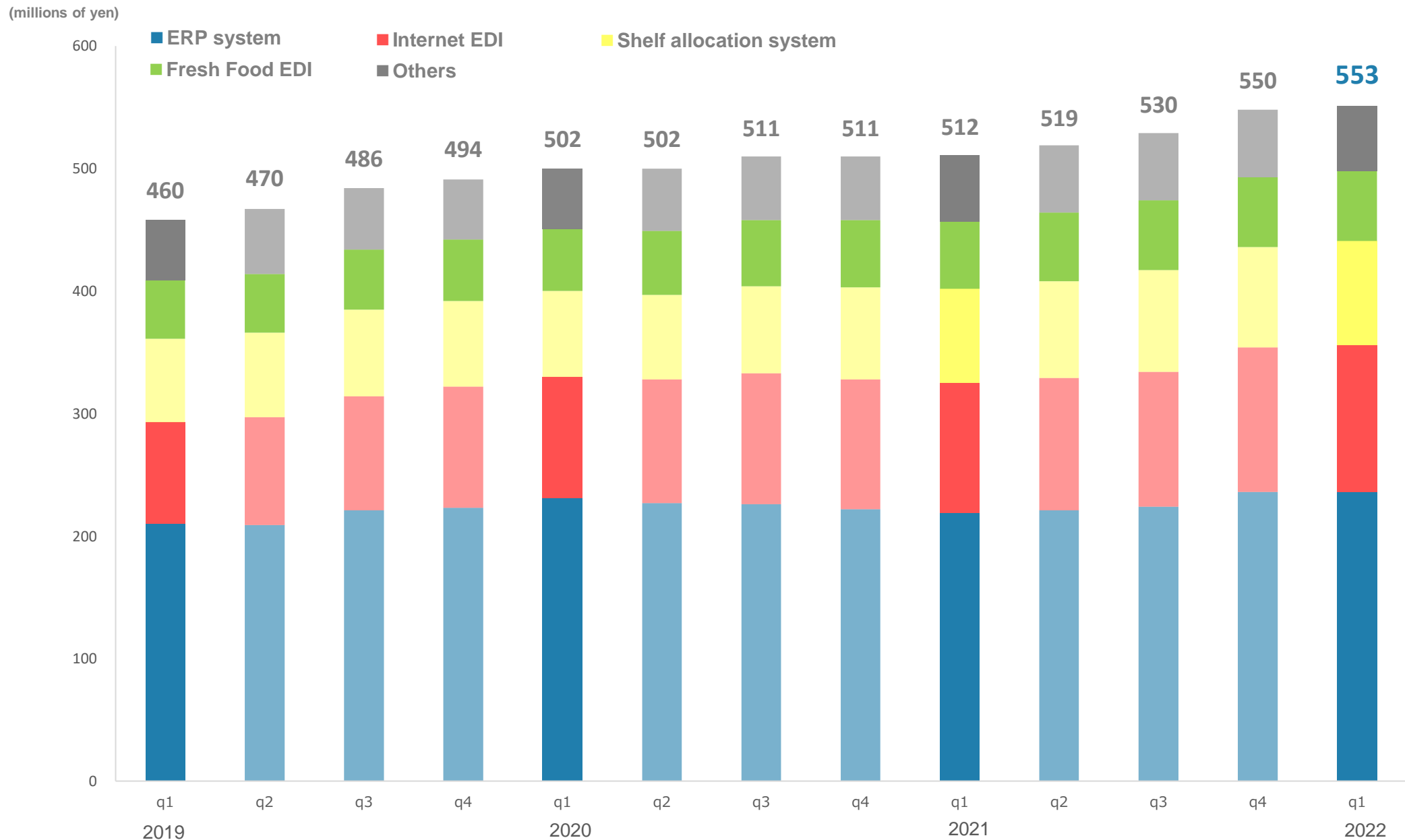


### Services for Specialty Stores

(millions of yen)



### Services for Food Retailers: Breakdown of service



# 3 . About CYBERLINKS

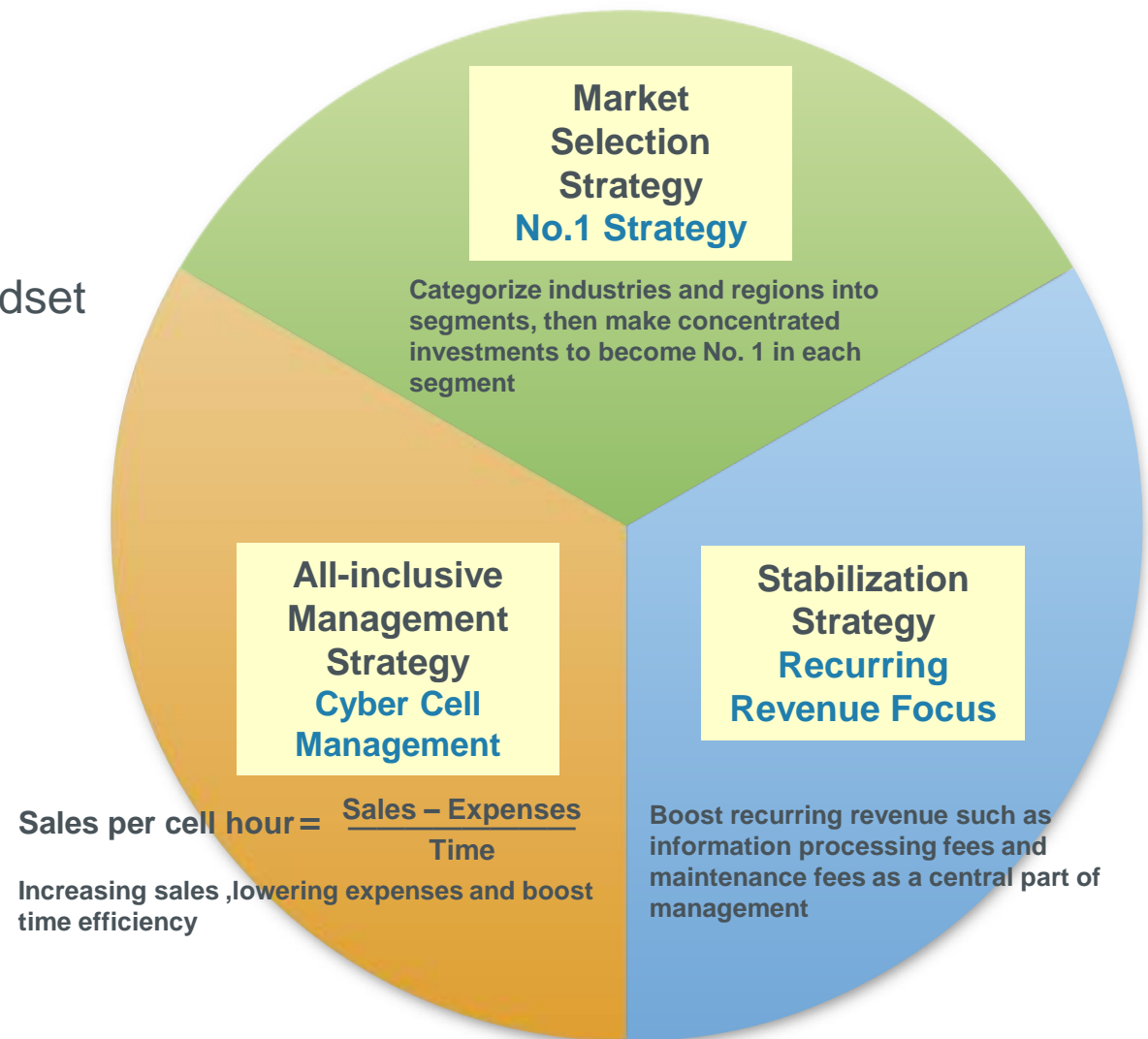
### 3. About CYBERLINKS: Management Philosophy and Basic Management Strategy

#### To be noble, strong, and devoted

Business is a noble social activity

Take on challenges with a strong mindset

Work together with devotion

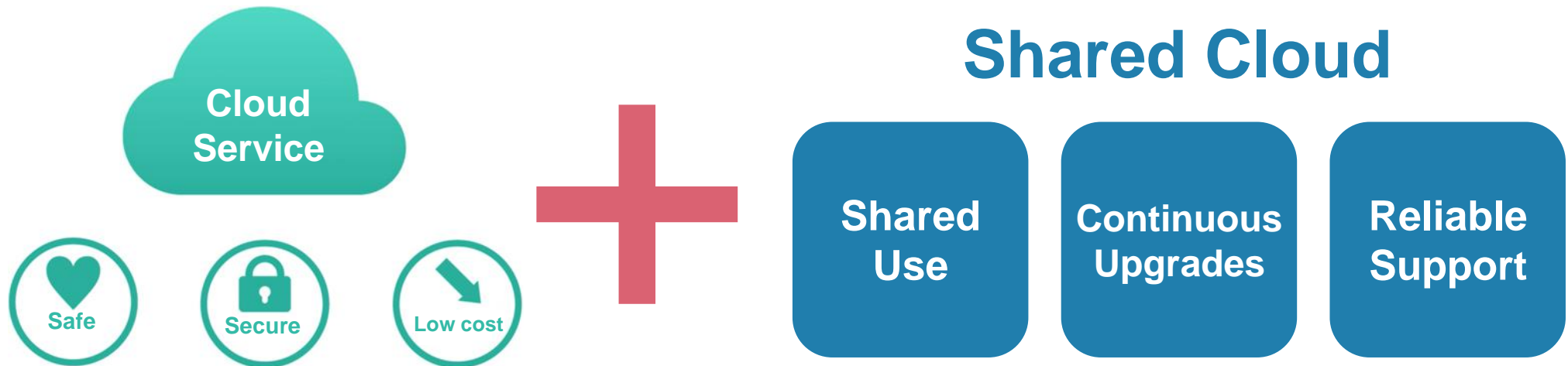


\* Cell: The smallest unit for managing profitability in management accounting. A section or small group of sections or subsections.

\* Recurring revenue is revenue that can be earned on an ongoing basis, such as through information processing fees and maintenance fees, and is a management indicator unique to the Company, which aims to expand stable earnings.

### 3. About CYBERLINKS: Business Model

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



#### High functionality and high quality through functional improvements (version upgrades)

- Reflect as many requests as possible as an industry standard system
- Continuous improvement in quality and function

#### Low cost through shared use

- Shared use of not only software and hardware, but also development and operation
- Total service from building cloud infrastructure to development, implementation, operation, and maintenance



In 2005, we introduced @rms ERP, Japan's first cloud retail ERP service, along with a full range of peripheral services for medium and large companies

#### @rms series



ERP system for order, purchase, inventory, sales, and profit management

#### Peripheral services for medium and large companies

Fresh Food Ordering System



Online Supermarket System



Planogram System for Retailers



Individual Product Information Analysis System



Internet EDI



**No.1** in cloud retail

ERP system installations

Installed at

**1,288** stores \*<sub>1</sub>   
out of 21,000 total stores\*<sub>2</sub>

As of end FY12/21

\*<sub>1</sub> Number of stores using @rms ERP

\*<sub>2</sub> Total stores in the market based on internal estimates

### 3. About CYBERLINKS Key Services – Distribution Cloud – Food Wholesale

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

JPY8.9tn

out of JPY36tn (overall market)\*2

As of end FY12/21



Installed in **7 of the top 10** processed food wholesalers companies by sales

Also installed at **major manufacturers**

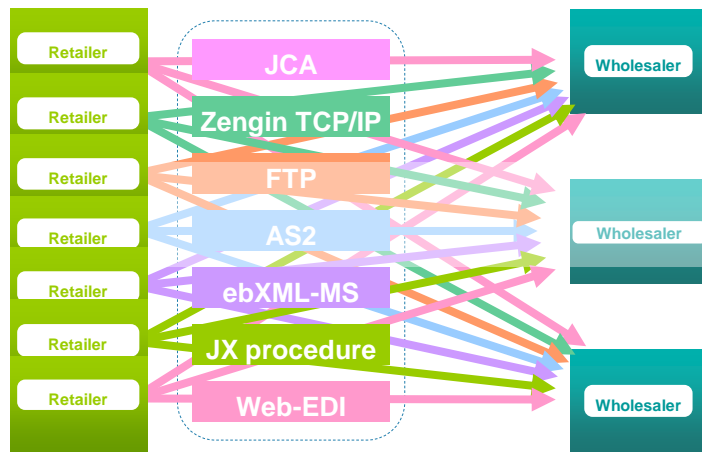
\*1 The value of orders received and placed by customers using the Cloud EDI-Platform

\*2 Overall market GTV figure is an internal estimate



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

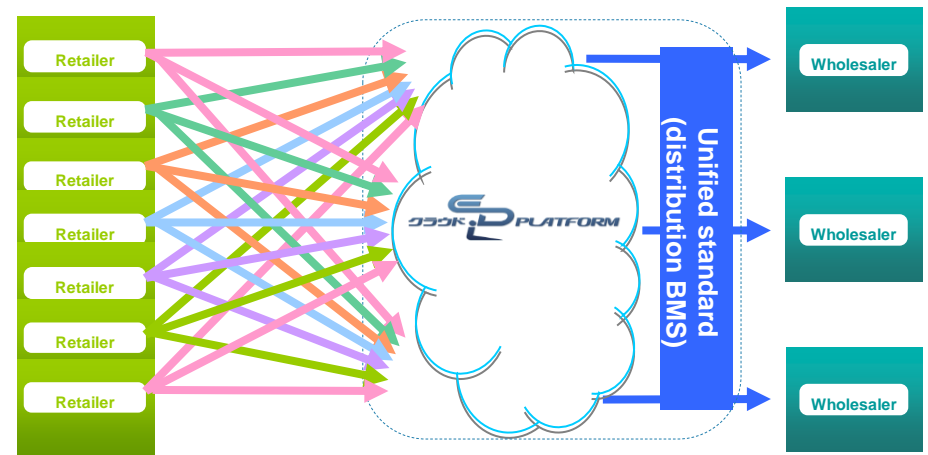
Order data received via a wide variety of communication methods



Consolidate network types and communication methods



Sent to wholesalers via an unified standard (distribution BMS)



## Government Cloud

**No. 1 market share for local disaster prevention systems in Wakayama Prefecture**

### Local government

Administrative information system (ERP and information systems)

- Local government information security cloud service
- Shared information system services
- 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

**Operates largest NTT Docomo reseller in Wakayama Prefecture with seven Docomo Store locations**

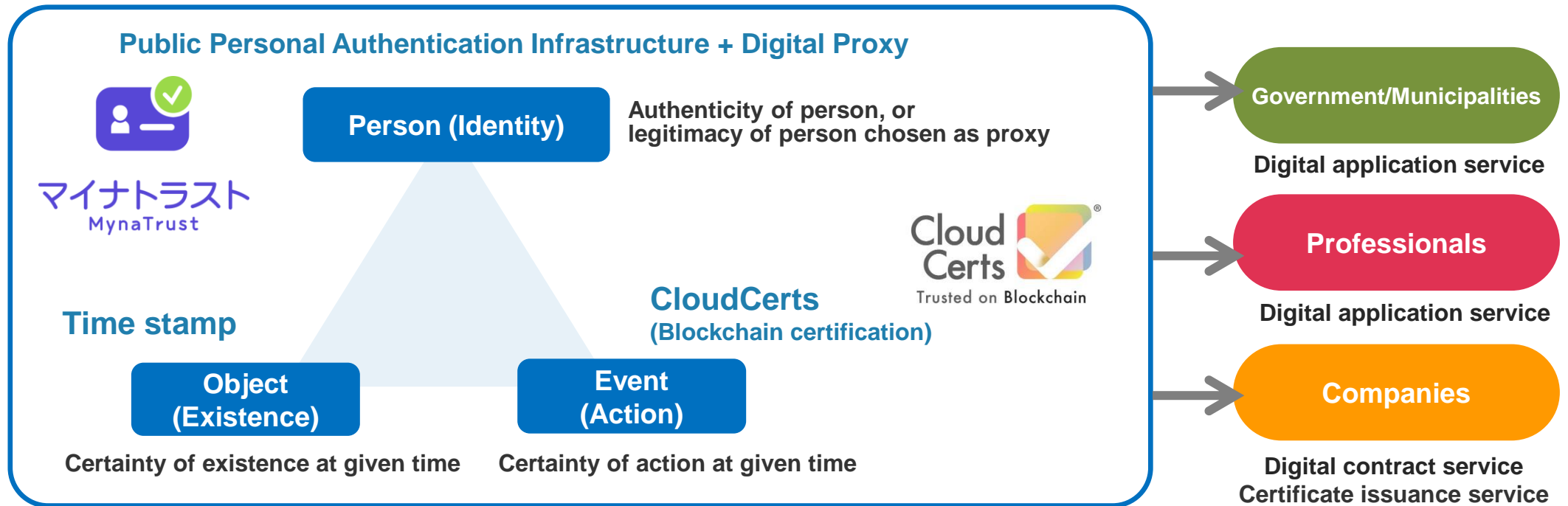


Docomo Store Iwade (largest store in Wakayama Prefecture)

- Nankai Station Store
- Hashimoto Store
- JR Wakayama Station Store
- Hashimoto Ayanodai Store
- Iwade Store
- Katsuragi Store
- Tanabe Store

### 3. About CYBERLINKS: Trust Service

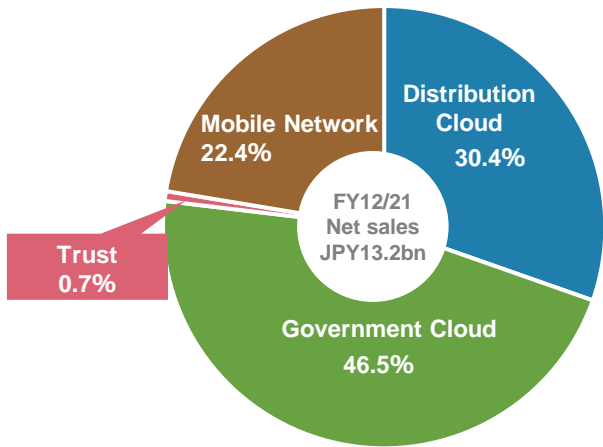
Leveraging our core strength in “Third Trust” service based on the My Number Card, we offer comprehensive trust services for people (identity), objects (existence), and experience (actions).



### Certification

- Acquired Time Stamp Authority (TSA) certification (April 2017)
- Acquired Public Personal ID Authentication service certification (December 2017) (My Number Card)
- Acquired Digital Proxy Authorization Management service certification (July 2020)

### 3. About CYBERLINKS: Breakdown of Business (Consolidated)



**Distribution Cloud**  
FY12/21 Sales JPY4.0bn

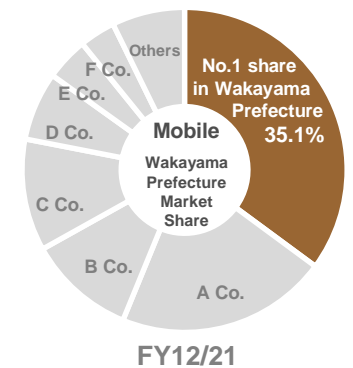
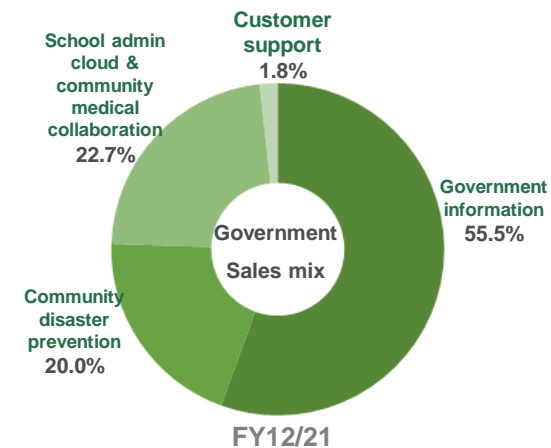
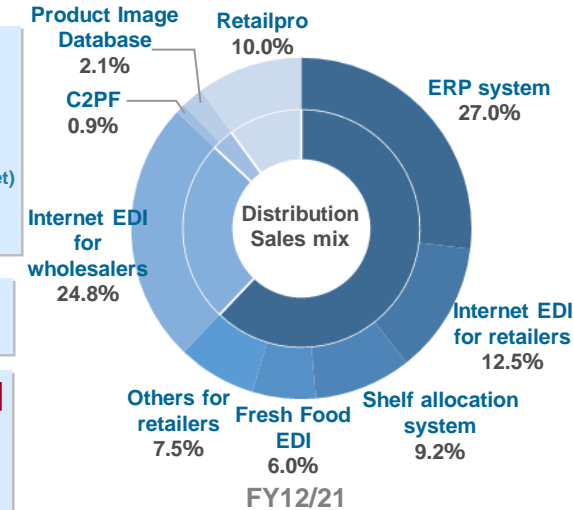
**Government Cloud**  
FY12/21 Sales JPY6.1bn

**Trust**  
FY12/21 Sales JPY90mn

**Mobile Network**  
FY12/21 Sales JPY2.9bn



Note: Beginning with this presentation, we have made changes to the categories included under the Distribution Cloud business and have accordingly adjusted the elements that appear in the corresponding pie chart.



\* Share of reselling stores (%)

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■ Disclaimer

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