



Consolidated Financial Results for the three months ended March 31, 2023 [Japanese GAAP]

May 15, 2023

Company name: Cyberlinks Co., Ltd.
 Listing: The Prime Market of the Tokyo Stock Exchange
 Code number: 3683
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 President
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Scheduled date of filing of Quarterly Report: May 15, 2023
 Scheduled date of dividend payment: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)

(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	%
Three months ended								
March 31, 2023	4,215	29.8	342	(14.3)	357	(10.6)	15	(94.1)
March 31, 2022	3,248	(17.5)	398	(15.0)	400	(15.6)	269	(19.1)

(Note) Comprehensive income: For the three months ended March 31, 2023: ¥15 million (down 94.1% year on year)
 For the three months ended March 31, 2022: ¥269 million (down 19.1% year on year)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2023	1.42	1.40
March 31, 2022	26.09	25.71

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2023	13,107	6,978	52.7
As of December 31, 2022	12,705	7,101	55.3

(Reference) Shareholders' equity: As of March 31, 2023: ¥6,908 million
 As of December 31, 2022: ¥7,023 million

2. Dividends

	Annual dividends				
	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, 2022	—	0.00	—	13.00	13.00
Fiscal year ending December 31, 2023	—				
December 31, 2023 (Forecast)		0.00	—	13.00	13.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

(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
First-half	7,763	24.5	505	(30.7)	504	(31.2)	105	(78.5)	9.43
Full-year	15,065	23.2	822	(27.1)	817	(28.5)	279	(69.3)	25.07

(Note) Changes in financial results forecast from the most recent announcement: Yes

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):

March 31, 2023: 11,341,886 shares

December 31, 2022: 11,320,175 shares

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

March 31, 2023: 216,067 shares

December 31, 2022: 216,067 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2023: 11,116,039 shares

Three months ended March 31, 2022: 10,343,263 shares

* 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

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,258	1,578
Notes receivable–trade, accounts receivable–trade, and contract assets	2,901	3,943
Lease receivables and investments in leases	242	229
Merchandise and finished goods	203	231
Work in process	300	233
Raw materials and supplies	12	9
Other	264	354
Allowance for doubtful accounts	(7)	(8)
Total current assets	6,176	6,572
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,660	2,657
Accumulated depreciation	(1,585)	(1,599)
Buildings and structures, net	1,074	1,057
Land	1,974	1,974
Other	2,315	2,453
Accumulated depreciation	(1,836)	(1,879)
Other, net	479	573
Total property, plant and equipment	3,528	3,606
Intangible assets		
Goodwill	1,321	1,057
Other	950	1,059
Total intangible assets	2,272	2,117
Investments and other assets	728	810
Total non-current assets	6,529	6,534
Total assets	12,705	13,107

(Millions of yen)

As of December 31, 2022 As of March 31, 2023

Liabilities		
Current liabilities		
Accounts payable - trade	791	1,004
Short-term borrowings	—	300
Current portion of bonds payable	14	14
Current portion of long-term borrowings	436	428
Income taxes payable	237	196
Provision for bonuses	43	225
Provision for loss on order received	9	7
Asset retirement obligations	5	5
Other	1,317	1,315
Total current liabilities	2,855	3,496
Non-current liabilities		
Bonds payable	30	30
Long-term borrowings	2,595	2,486
Asset retirement obligations	63	64
Other	58	51
Total non-current liabilities	2,748	2,632
Total liabilities	5,603	6,129
Net assets		
Shareholders' equity		
Share capital	858	865
Capital surplus	2,158	2,164
Retained earnings	4,317	4,189
Treasury shares	(311)	(311)
Total shareholders' equity	7,023	6,908
Share acquisition rights	78	69
Total net assets	7,101	6,978
Total liabilities and net assets	12,705	13,107

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

Consolidated Statement of Income

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Net sales	3,248	4,215
Cost of sales	2,159	2,874
Gross profit	1,089	1,341
Selling, general and administrative expenses	690	999
Operating profit	398	342
Non-operating income		
Interest income	0	0
Dividend income	0	—
Rental income from real estate	2	2
Subsidies for shop relocation etc.	—	13
Other	1	5
Total non-operating income	4	21
Non-operating expenses		
Interest expenses	2	5
Other	0	1
Total non-operating expenses	3	6
Ordinary profit	400	357
Extraordinary income		
Other	—	0
Total extraordinary income	—	0
Extraordinary losses		
Impairment losses	—	206
Other	0	0
Total extraordinary losses	0	206
Profit before income taxes	400	151
Income taxes - current	192	178
Income taxes - deferred	(62)	(43)
Total income taxes	130	135
Profit	269	15
Profit attributable to owners of parent	269	15

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Profit	269	15
Comprehensive income	269	15
(Breakdown)		
Comprehensive income attributable to owners of parent	269	15

(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.)

Three Months Ended March 31, 2022(January 1, 2022 to March 31, 2022)

1. Sales and profit by reportable segment

(Millions 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	1,026	1,437	12	772	3,248	—	3,248
Intersegment sales and transfers	41	7	1	0	50	(50)	—
Total	1,067	1,445	13	772	3,299	(50)	3,248
Segment profit (loss)	156	237	(54)	120	460	(60)	400

(Note) 1. Adjustments to segment loss of ¥60 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 is adjusted with ordinary profit in the quarterly consolidated statement of income.

Three Months Ended March 31, 2023(January 1, 2023 to March 31, 2023)

1. Sales and profit by reportable segment

(Millions 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	1,090	2,178	21	925	4,215	—	4,215
Intersegment sales and transfers	50	6	0	0	57	(57)	—
Total	1,140	2,184	21	925	4,273	(57)	4,215
Segment profit (loss)	207	216	(61)	35	398	(40)	357

(Note) 1. Adjustments to segment loss of ¥40 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 is adjusted with ordinary profit in the quarterly 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 business, there was a significant change in the amount of goodwill due to the recording of an impairment loss on goodwill. The resulting decrease in goodwill amounted to ¥197 million in the first quarter of the current fiscal year.

(Significant subsequent events)

None to be reported.