

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended June 30, 2023 (Based on Japanese GAAP)

August 14, 2023

Company name: Cyber Security Cloud, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4493 URL <https://www.cscloud.co.jp/>  
 Representative: Representative Director, President and CEO Toshihiro Koike  
 Inquiries: Director, CFO Masafumi Kurata TEL 03(6416)9996  
 Scheduled date to file Quarterly Securities Report: August 14, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2023 (from January 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2023	1,455	–	304	–	322	–	220	–
Six months ended June 30, 2022	–	–	–	–	–	–	–	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2023	23.39		23.06	
Six months ended June 30, 2022	–		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	2,483	1,608	64.0
As of December 31, 2022	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2022	–	0.00	–	0.00	0.00
Year ending December 31, 2023	–	0.00			
Year ending December 31, 2023 (Forecast)			–	0.00	0.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,000	–	500	–	500	–	346	–	36.84

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2023  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	9,446,644 shares	As of December 31, 2022	9,416,244 shares
---------------------	------------------	-------------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2023	24 shares	As of December 31, 2022	– shares
---------------------	-----------	-------------------------	----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2023	9,422,225 shares	Six months ended June 30, 2022	9,382,612 shares
--------------------------------	------------------	--------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

As of June 30, 2023

Assets	
Current assets	
Cash and deposits	1,573,942
Accounts receivable - trade	240,450
Other	110,452
Allowance for doubtful accounts	(1,786)
Total current assets	1,923,059
Non-current assets	
Property, plant and equipment	54,730
Intangible assets	
Goodwill	189,938
Other	104,023
Total intangible assets	293,962
Investments and other assets	212,152
Total non-current assets	560,845
Total assets	2,483,904
Liabilities	
Current liabilities	
Accounts payable - trade	68,674
Current portion of long-term borrowings	95,208
Income taxes payable	113,189
Contract liabilities	224,688
Other	236,942
Total current liabilities	738,704
Non-current liabilities	
Long-term borrowings	136,594
Total non-current liabilities	136,594
Total liabilities	875,298
Net assets	
Shareholders' equity	
Share capital	443,128
Capital surplus	434,128
Retained earnings	708,568
Treasury shares	(55)
Total shareholders' equity	1,585,769
Accumulated other comprehensive income	
Foreign currency translation adjustment	3,137
Total accumulated other comprehensive income	3,137
Share acquisition rights	19,698
Total net assets	1,608,606
Total liabilities and net assets	2,483,904

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

Six months ended

June 30, 2023

Net sales	1,455,839
Cost of sales	447,194
Gross profit	1,008,645
Selling, general and administrative expenses	704,277
Operating profit	304,367
Non-operating income	
Interest income	67
Foreign exchange gains	18,399
Other	76
Total non-operating income	18,543
Non-operating expenses	
Interest expenses	733
Other	99
Total non-operating expenses	833
Ordinary profit	322,078
Profit before income taxes	322,078
Income taxes	101,738
Profit	220,340
Profit attributable to owners of parent	220,340

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended June 30, 2023
Profit	220,340
Other comprehensive income	
Foreign currency translation adjustment	1,236
Total other comprehensive income	1,236
Comprehensive income	221,577
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	221,577
Comprehensive income attributable to non-controlling interests	—

**Consolidated statements of cash flows**

(Thousands of yen)

Six months ended

June 30, 2023

Cash flows from operating activities	
Profit before income taxes	322,078
Depreciation	9,724
Amortization of goodwill	12,662
Increase (decrease) in allowance for doubtful accounts	529
Foreign exchange losses (gains)	(18,869)
Interest and dividend income	(67)
Interest expenses	733
Share-based payment expenses	21,518
Decrease (increase) in trade receivables	(31,510)
Increase (decrease) in contract liabilities	51,613
Decrease (increase) in other assets	(15,086)
Increase (decrease) in other liabilities	5,961
Subtotal	<u>359,287</u>
Interest and dividends received	67
Interest paid	(758)
Income taxes paid	(96,386)
Net cash provided by (used in) operating activities	<u>262,209</u>
Cash flows from investing activities	
Purchase of intangible assets	(26,734)
Net cash provided by (used in) investing activities	<u>(26,734)</u>
Cash flows from financing activities	
Repayments of long-term borrowings	(47,604)
Purchase of treasury shares	(55)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	450
Proceeds from issuance of share acquisition rights	253
Net cash provided by (used in) financing activities	<u>(46,956)</u>
Effect of exchange rate change on cash and cash equivalents	20,918
Net increase (decrease) in cash and cash equivalents	<u>209,437</u>
Cash and cash equivalents at beginning of period	1,330,154
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	34,350
Cash and cash equivalents at end of period	<u>1,573,942</u>