



February 29, 2024

Company name: Cyberlinks Co., Ltd.
Representative: Tsuneo Murakami President
(Code number: 3683 The Standard Market of the Tokyo Stock Exchange)
Contact: Takayuki Torii, Executive Officer,
General Administration Manager
(Tel: +81-(0)50-3500-2797)

(Corrections) Partial Corrections to the Consolidated Financial Results for the Fiscal Year ended
December 31, 2023 (Japanese GAAP)

Cyberlinks Co, Ltd. (hereafter, "the Company") announces that it has made corrections to some of the contents of the "Consolidated Financial Results for the Fiscal Year ended December 31, 2023 (Japanese GAAP)" released on February 14, 2024. Corrections are underlined.

1. Reasons for corrections

The Company made corrections to the "Consolidated Financial Results for the Fiscal Year ended December 31, 2023 (Japanese GAAP)" (shown in the attachment), as we discovered errors in some parts of the report after submission. The corrections have no impact on the consolidated and non-consolidated financial results.

2. Details of corrections

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Consolidated Financial Statements and Primary Notes

(4) Consolidated Statement of Cash Flows

[Before]

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,221	804
Depreciation	530	649
Impairment losses	—	256
Amortization of goodwill	3	176
Increase (decrease) in allowance for doubtful accounts	(1)	(3)
Increase (decrease) in provision for bonuses	4	23
Increase (decrease) in provision for loss on order	1	(7)

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
received		
Interest and dividend income	(4)	(0)
Real estate rent	(14)	(11)
Interest expenses	11	19
Loss (gain) on step acquisitions	(79)	—
Decrease (increase) in trade receivables	28	(215)
Net decrease (increase) in lease receivables and investment assets	76	(29)
Decrease (increase) in inventories	(137)	(112)
Increase (decrease) in trade payables	21	12
Increase (decrease) in contract liabilities	(66)	(92)
Other	(107)	<u>55</u>
Subtotal	<u>1,486</u>	<u>1,524</u>
Interest and dividends received	4	0
Interest paid	(12)	<u>28</u>
Proceeds from insurance income	2	—
Income taxes paid	(434)	(397)
Net cash provided by (used in) operating activities	<u>1,046</u>	<u>1,155</u>
(Omitted)		

[Corrected]

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,221	804
Depreciation	530	649
Impairment losses	—	256
Amortization of goodwill	3	176
Increase (decrease) in allowance for doubtful accounts	(1)	(3)
Increase (decrease) in provision for bonuses	4	23
Increase (decrease) in provision for loss on order received	1	(7)
Interest and dividend income	(4)	(0)
Real estate rent	(14)	(11)
Interest expenses	11	19
Loss (gain) on step acquisitions	(79)	—
Decrease (increase) in trade receivables	28	(215)
Net decrease (increase) in lease receivables and investment assets	76	(29)
Decrease (increase) in inventories	(137)	(112)
Increase (decrease) in trade payables	21	12
Increase (decrease) in contract liabilities	(66)	(92)
Other	(107)	103
Subtotal	1,486	1,571
Interest and dividends received	4	0
Interest paid	(12)	(18)
Proceeds from insurance income	2	—
Income taxes paid	(434)	(397)
Net cash provided by (used in) operating activities	1,046	1,155
(Omitted)		

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Consolidated Financial Statements and Primary Notes

(5) Notes to quarterly financial statements

(Segment information, etc.)

3. Information on the amount of net sales, profit or loss, assets, liabilities, and other items by reportable segment

[Before]

Current consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount stated in consolidated financial statements
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Net sales							
Sales to outside customers	4,622	6,778	99	3,523	15,023	—	15,023
Intersegment sales and transfers	<u>183</u>	<u>22</u>	<u>3</u>	1	<u>211</u>	<u>(211)</u>	—
Total	<u>4,805</u>	<u>6,801</u>	<u>103</u>	3,525	<u>15,235</u>	<u>(211)</u>	15,023
Segment profit (loss)	<u>899</u>	<u>562</u>	<u>(232)</u>	<u>46</u>	<u>1,276</u>	<u>(213)</u>	1,062
(Omitted)							

(Notes) 1. The following adjustments have been made.

(1) Adjustments to segment loss of ¥213 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.

(Omitted)

[Corrected]

Current consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount stated in consolidated financial statements
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Net sales							
Sales to outside customers	4,622	6,778	99	3,523	15,023	—	15,023
Intersegment sales and transfers	<u>243</u>	<u>27</u>	<u>6</u>	1	<u>278</u>	<u>(278)</u>	—
Total	<u>4,865</u>	<u>6,805</u>	<u>105</u>	3,525	<u>15,301</u>	<u>(278)</u>	15,023
Segment profit (loss)	<u>958</u>	<u>524</u>	<u>(235)</u>	<u>45</u>	<u>1,293</u>	<u>(230)</u>	1,062
(Omitted)							

(Notes) 1. The following adjustments have been made.

(1) Adjustments to segment loss of ¥230 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.

(Omitted)



Consolidated Financial Results for the Fiscal Year ended December 31, 2023 [Japanese GAAP]

February 14, 2024

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

Scheduled date of Ordinary General Meeting of Shareholders: March 27, 2024
 Scheduled date of filing of Annual Report: March 28, 2024
 Scheduled date of dividend payment: March 28, 2024
 Preparation of supplementary materials for annual financial results: Yes
 Holding of annual 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 Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate rates of year-on-year change)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2023	15,023	22.9	1,040	(7.7)	1,062	(6.9)	445	(51.1)
December 31, 2022	12,225	(7.7)	1,127	19.3	1,141	19.1	909	41.0

(Note) Comprehensive income: For the Year ended December 31, 2023: ¥445 million (down 51.1% year on year)
 For the Year ended December 31, 2022: ¥909 million (up 41.0% year on year)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2023	39.95	39.50	6.2	8.2	6.9
December 31, 2022	87.35	86.08	14.7	10.2	9.2

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2023	13,053	7,427	56.3	659.67
As of December 31, 2022	12,746	7,101	55.1	632.46

(Reference) Shareholders' equity: As of December 31, 2023: ¥7,355 million
 As of December 31, 2022: ¥7,023 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2023	1,155	(1,164)	(315)	1,934
December 31, 2022	1,046	(2,267)	534	2,258

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended December 31, 2022	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
	—	0.00	—	13.00	13.00	144	14.9	2.3
Fiscal year ended December 31, 2023	—	0.00	—	13.00	13.00	144	32.5	2.0
Fiscal year ending December 31, 2024 (Forecast)	—	0.00	—	16.00	16.00		—	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(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	7,632	(0.6)	406	(29.1)	409	(30.7)	232	61.6	20.80
Full-year	16,073	7.0	1,155	11.0	1,162	9.3	714	60.4	64.03

Notes:

- (1) Changes in specific subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None
- (2) 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
- (3) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
December 31, 2023: 11,366,712 shares
December 31, 2022: 11,320,175 shares
 - 2) Total number of treasury shares at the end of the period:
December 31, 2023: 216,067 shares
December 31, 2022: 216,067 shares
 - 3) Average number of shares outstanding during the period:
Fiscal year ended December 31, 2023: 11,137,953 shares
Fiscal year ended December 31, 2022: 10,416,423 shares

[Reference]Overview of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Non-Consolidated Operating Results (cumulative)

(Percentages indicate rates of year-on-year change)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2023	11,275	17.5	846	(10.3)	887	(7.9)	474	(31.4)
December 31, 2022	9,593	(7.6)	943	7.8	963	8.2	692	15.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	42.60	42.12
December 31, 2022	66.44	65.47

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2023	12,571	8,080	63.7	718.16
As of December 31, 2022	12,094	7,724	63.2	688.54

(Reference) Shareholders' equity: As of December 31, 2023: ¥8,007 million
As of December 31, 2022: ¥7,645 million

* The 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.

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,258	1,934
Accounts receivable - trade	1,941	2,583
Contract assets	960	533
Lease receivables and investments in leases	242	272
Merchandise and finished goods	203	301
Work in process	300	306
Raw materials and supplies	12	21
Other	264	308
Allowance for doubtful accounts	(7)	(4)
Total current assets	6,176	6,256
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,660	2,616
Accumulated depreciation	(1,585)	(1,631)
Buildings and structures, net	1,074	985
Land	1,974	1,968
Construction in progress	28	129
Other	2,286	2,579
Accumulated depreciation	(1,836)	(2,015)
Other, net	450	564
Total property, plant and equipment	3,528	3,647
Intangible assets		
Goodwill	1,037	663
Software	640	758
Software in progress	479	864
Other	155	126
Total intangible assets	2,313	2,413
Investments and other assets		
Investment securities	14	14
Deferred tax assets	335	323
Other	381	399
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	728	736
Total non-current assets	6,570	6,796
Total assets	12,746	13,053

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	791	804
Short-term borrowings	—	300
Current portion of bonds payable	14	14
Current portion of long-term borrowings	436	409
Lease obligations	30	30
Income taxes payable	237	192
Contract liabilities	525	409
Asset retirement obligations	5	0
Provision for bonuses	43	67
Provision for loss on order received	9	1
Other	761	1,065
Total current liabilities	2,855	3,295
Non-current liabilities		
Bonds payable	30	16
Long-term borrowings	2,595	2,186
Lease obligations	48	17
Deferred tax liabilities	40	35
Asset retirement obligations	63	64
Other	10	10
Total non-current liabilities	2,789	2,330
Total liabilities	5,644	5,625
Net assets		
Shareholders' equity		
Share capital	858	874
Capital surplus	2,158	2,174
Retained earnings	4,317	4,618
Treasury shares	(311)	(311)
Total shareholders' equity	7,023	7,355
Share acquisition rights	78	72
Total net assets	7,101	7,427
Total liabilities and net assets	12,746	13,053

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	12,225	15,023
Cost of sales	8,221	10,249
Gross profit	4,003	4,774
Selling, general and administrative expenses	2,876	3,734
Operating profit	1,127	1,040
Non-operating income		
Interest income	4	0
Dividend income	0	0
Rental income from real estate	14	11
Subsidies for shop relocation etc.	—	13
Subsidy income	2	7
Other	8	13
Total non-operating income	29	46
Non-operating expenses		
Interest expenses	11	19
Cost of real estate rent	2	2
Other	0	1
Total non-operating expenses	14	23
Ordinary profit	1,141	1,062
Extraordinary income		
Gain on step acquisitions	79	—
Gain on sale of non-current assets	—	1
Other	—	0
Total extraordinary income	79	1
Extraordinary losses		
Loss on retirement of non-current assets	0	3
Impairment losses	—	256
Total extraordinary losses	0	259
Profit before income taxes	1,221	804
Income taxes - current	382	353
Income taxes - deferred	(70)	5
Total income taxes	311	359
Profit	909	445
Profit attributable to owners of parent	909	445

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Profit	909	445
Comprehensive income	909	445
(Breakdown)		
Comprehensive income attributable to owners of parent	909	445

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2022

(Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of current period	851	1,303	3,496	(311)	5,340	78	5,418
Cumulative effect due to change in accounting policy			35		35		35
Restated balance	851	1,303	3,532	(311)	5,376	78	5,454
Changes of items during period							
Issuance of new shares – exercise of share acquisition rights	0	0			1		1
Issuance of new shares (restricted stock compensation)	5	5			11		11
Increase due to share exchange		847			847		847
Dividends of surplus			(124)		(124)		(124)
Profit attributable to owners of parent			909		909		909
Net changes of items other than shareholders' equity						(0)	(0)
Total changes of items during period	6	854	785	–	1,646	(0)	1,646
Balance at end of current period	858	2,158	4,317	(311)	7,023	78	7,101

Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of current period	858	2,158	4,317	(311)	7,023	78	7,101
Cumulative effect due to change in accounting policy					—		—
Restated balance	858	2,158	4,317	(311)	7,023	78	7,101
Changes of items during period							
Issuance of new shares – exercise of share acquisition rights	8	8			17		17
Issuance of new shares (restricted stock compensation)	7	7			14		14
Increase due to share exchange					—		—
Dividends of surplus			(144)		(144)		(144)
Profit attributable to owners of parent			445		445		445
Net changes of items other than shareholders' equity						(6)	(6)
Total changes of items during period	16	16	300	—	332	(6)	326
Balance at end of current period	874	2,174	4,618	(311)	7,355	72	7,427

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,221	804
Depreciation	530	649
Impairment losses	—	256
Amortization of goodwill	3	176
Increase (decrease) in allowance for doubtful accounts	(1)	(3)
Increase (decrease) in provision for bonuses	4	23
Increase (decrease) in provision for loss on order received	1	(7)
Interest and dividend income	(4)	(0)
Real estate rent	(14)	(11)
Interest expenses	11	19
Loss (gain) on step acquisitions	(79)	—
Decrease (increase) in trade receivables	28	(215)
Net decrease (increase) in lease receivables and investment assets	76	(29)
Decrease (increase) in inventories	(137)	(112)
Increase (decrease) in trade payables	21	12
Increase (decrease) in contract liabilities	(66)	(92)
Other	(107)	103
Subtotal	1,486	1,571
Interest and dividends received	4	0
Interest paid	(12)	(18)
Proceeds from insurance income	2	—
Income taxes paid	(434)	(397)
Net cash provided by (used in) operating activities	1,046	1,155
Cash flows from investing activities		
Purchase of property, plant and equipment	(667)	(514)
Purchase of intangible assets	(650)	(697)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(943)	—
Proceeds from rental of investment property	14	11
Other	(20)	35
Net cash provided by (used in) investing activities	(2,267)	(1,164)

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	300
Proceeds from long-term borrowings	1,000	—
Repayments of long-term borrowings	(340)	(436)
Dividends paid	(123)	(143)
Other	(1)	(34)
Net cash provided by (used in) financing activities	534	(315)
Effect of exchange rate change on cash and cash equivalents	1	0
Net increase (decrease) in cash and cash equivalents	(684)	(324)
Cash and cash equivalents at beginning of period	2,552	2,258
Increase in cash and cash equivalents resulting from merger	390	—
Cash and cash equivalents at end of period	2,258	1,934

(5) Notes to quarterly financial statements

(Notes to going concern assumptions)

None to be reported.

(Business consolidation, etc.)

(Finalization of provisional treatment for business consolidation)

Regarding the business consolidation with Synergy Inc. on July 14, 2022, the Company provisionally accounted for it in the previous consolidated fiscal year, but it had been finalized in the consolidated fiscal year under review. With the finalization of this provisional accounting treatment, the comparative data included in the consolidated financial statements for the consolidated fiscal year under review reflects significant revisions made to the initial distributions of acquisition costs.

Due to the finalization of this accounting treatment, the provisionally calculated goodwill amount of ¥1,113 million decreased by ¥283 million to ¥829 million. The decrease in goodwill was due to increases of ¥212 million in software, ¥111 million in other intangible assets (customer-related assets), and ¥40 million in deferred tax liabilities. The finalization of this accounting treatment has no impact on the Company's consolidated statement of income for the previous consolidated fiscal year.

(Segment information, etc.)

1. Overview of reportable segments

(1) Method of determining reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are subject to regular review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The Company has established business divisions by product and service, each of which draws up comprehensive strategies for the products and services it handles and carries out business activities.

Therefore, the Group consists of segments by product and service based on business divisions and subsidiaries, and has the following four reportable segments: Distribution Cloud, Government Cloud, Trust, and Mobile Network.

(2) Types of products and services included in each reportable segment

The Distribution Cloud business offers solutions for the food retail sector, with a focus on its flagship @rms ERP, a cloud-based system for essential food retail operations. Additionally, it provides EDI and additional services for the wholesale sector, serving major food wholesalers as its primary clients, and provides product image databases and other services in the cloud.

The Government Cloud business offers installation, maintenance, and implementation services for administrative information systems to local governments, and construction and maintenance services for communication systems, including disaster prevention radio systems. Additionally, it provides cloud-based school administration support services to elementary and junior high schools and cloud-based medical information collaboration services to medical institutions.

In the Trust Business, the Company provides CloudCerts, a blockchain-based digital certificate issuing service, and a wide range of trust services utilizing My Number Card based on accreditations including a Public Personal ID Authentication Service operator and Digital Proxy Authorization Management business.

In the Mobile Network business, the Company operates ten Docomo shops in Wakayama Prefecture as a secondary agent in accordance with an agency agreement concluded with CONEXIO Corporation, a primary agent of NTT Docomo, Inc.

2. Calculation method of sales, profit or loss, assets, liabilities, and other items by reportable segment

Profits in reportable segments are figures for ordinary profit, and the method of accounting is generally the same as described in "Important Basic Matters for Preparation of Consolidated Financial Statements."

3. Information on the amount of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Previous consolidated fiscal year (from January 1, 2022 to December 31, 2022)

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount stated in consolidated financial statements
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Net sales							
Sales to outside customers	4,284	5,296	47	2,596	12,225	—	12,225
Intersegment sales and transfers	182	27	4	0	215	(215)	—
Total	4,466	5,324	52	2,597	12,440	(215)	12,225
Segment profit (loss)	813	712	(236)	167	1,457	(315)	1,141
Segment assets	2,082	5,688	15	734	8,520	4,225	12,746
Other items							
Depreciation & amortization	396	80	0	9	485	44	530
Goodwill amortization	—	—	—	3	3	—	3
Interest income	—	0	—	—	0	4	4
Interest expenses	0	—	—	—	0	11	11
Impairment losses	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	741	1,310	3	223	2,279	865	3,145

(Notes) 1. The following adjustments have been made.

- (1) Adjustments to segment loss of ¥315 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) Adjustments to segment assets of ¥4,225 million are company-wide assets that are not allocated to any reportable segment. Company-wide assets mainly comprise surplus funds (cash and deposits) and head office land and buildings, which do not belong to any reportable segment.
 - (3) The basis for allocating non-current assets to business segments differ from the basis for allocating the related depreciation.
 - (4) Adjustments to depreciation of ¥44 million are related to company-wide assets and adjustments of ¥865 million for the increase in property, plant and equipment and intangible assets represent the increase in company-wide assets.
2. Segment liabilities are not stated as they are irrelevant to the determination of the allocation of management resources and evaluation of performance.

Current consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amount stated in consolidated financial statements
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Net sales							
Sales to outside customers	4,622	6,778	99	3,523	15,023	—	15,023
Intersegment sales and transfers	243	27	6	1	278	(278)	—
Total	4,865	6,805	105	3,525	15,301	(278)	15,023
Segment profit (loss)	958	524	(235)	45	1,293	(230)	1,062
Segment assets	2,694	5,840	65	696	9,297	3,756	13,053
Other items							
Depreciation & amortization	417	164	2	9	594	55	649
Goodwill amortization	—	165	—	10	176	—	176
Interest income	—	0	—	—	0	0	0
Interest expenses	0	4	—	—	4	14	19
Impairment losses	—	8	—	209	218	37	256
Increase in property, plant and equipment and intangible assets	956	181	26	4	1,170	158	1,328

(Notes) 1. The following adjustments have been made.

- (1) Adjustments to segment loss of ¥230 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) Adjustments to segment assets of ¥3,756 million are company-wide assets that are not allocated to any reportable segment.
Company-wide assets mainly comprise surplus funds (cash and deposits) and head office land and buildings, which do not belong to any reportable segment.
 - (3) The basis for allocating non-current assets to business segments differ from the basis for allocating the related depreciation.
 - (4) Adjustments to depreciation of ¥55 million are related to company-wide assets and adjustments of ¥158 million to the increase in property, plant and equipment and intangible assets represent the increase in company-wide assets.
2. Segment liabilities are not stated as they are irrelevant to the determination of the allocation of management resources and evaluation of performance.

[Related information]

Previous consolidated fiscal year (from January 1, 2022 to December 31, 2022)

1. Information by product and service

This information has been omitted as the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

This information has been omitted because sales to external customers in Japan exceed 90% of net sales in the consolidated income statement.

(2) Property, plant and equipment

This information has been omitted as the value of property, plant and equipment located in Japan exceeds 90% of the total value of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Name of customer	Net sales	Relevant segment name
CONEXIO Corporation	2,574	Mobile Network

Current consolidated fiscal year (from January 1, 2023 to December 31, 2023)

1. Information by product and service

This information has been omitted as the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

This information has been omitted as sales to external customers in Japan exceed 90% of net sales in the consolidated income statement.

(2) Property, plant and equipment

This information has been omitted as the value of property, plant and equipment located in Japan exceeds 90% of the total value of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Name of customer	Net sales	Relevant segment name
CONEXIO Corporation	2,829	Mobile Network

[Information on impairment losses on non-current assets by reportable segment]

This information has been omitted as the same information is disclosed in the segment information.

[Information on amortization and unamortized balance of goodwill by reportable segment]

Current consolidated fiscal year (from January 1, 2022 to December 31, 2022)

(Millions of yen)

	Reportable segments					Consolidation and elimination	Total
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Balance at the end of current period	—	829	—	207	1,037	—	1,037

(Notes) Information on the amortization of goodwill has been omitted as the same information is disclosed in the segment information.

(Significant changes in the amount of goodwill)

Due to the acquisition of shares of Synergy Inc., the Company has included Synergy in the scope of consolidation in the Government Cloud business. As a result, goodwill increased by ¥829 million in the consolidated fiscal year under review.

Increases in goodwill reflect the impact of significant revisions made to the initial distributions of acquisition costs, which were implemented in response to the finalization of provisional accounting treatment (details included in the "Business consolidation, etc." section of the notes attached to this statement of consolidated financial results).

Additionally, in the Mobile Network business, the Company merged its operations with Mobile Media Link Co., Ltd. and KO-PLAN Co., Ltd., resulting in an increase in goodwill of ¥211 million yen for the period.

Current consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segments					Consolidation and elimination	Total
	Distribution Cloud	Government Cloud	Trust	Mobile Network	Total		
Balance at the end of current period	—	663	—	—	663	—	663

(Notes) Information on the amortization of goodwill has been omitted as the same information is disclosed in the segment information.

(Significant changes in the amount of goodwill)

There was a significant change in the amount of goodwill in the Mobile Network business due to the recording of an impairment loss on goodwill. As a result of this event, the goodwill decreased by ¥197 million in the consolidated fiscal year under review.

[Information on gain on negative goodwill by reportable segment]

None to be reported.

(Per share information)

	Previous consolidated fiscal year (January 1, 2022—December 31, 2022)	Current consolidated fiscal year (January 1, 2023—December 31, 2023)
Net assets per share	632.46 yen	659.67 yen
Basic earnings per share	87.35 yen	39.95 yen
Diluted earnings per share	86.08 yen	39.50 yen

(Notes) 1. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Previous consolidated fiscal year (from January 1, 2022 to December 31, 2022)	Current consolidated fiscal year (from January 1, 2023 to December 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	909	445
Profit not attributable to common stock shareholders (million yen)	—	—
Profit attributable to common stock shareholders of parent (million yen)	909	445
Average number of common stock during the period	10,416,423	11,137,953
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (million yen)	—	—
Increase in number of common stock	153,454	128,680
(of which, number of share acquisition rights)	(153,454)	(128,680)
Summary of dilutive shares not included in calculation of diluted earnings per share due to lack of dilutive effect	—	Board of Directors Meeting on November 20, 2023 Cyberlinks Co., Ltd. Second Series Share Acquisition Rights (20,000 shares of common stock) Board of Directors Meeting on November 20, 2023 Cyberlinks Co., Ltd. Third Series Share Acquisition Rights (316,000 shares of common stock)

2. The basis for calculating net assets per share is as follows.

	End of previous consolidated fiscal year (as of December 31, 2022)	End of current consolidated fiscal year (as of December 31, 2023)
Total net assets (million yen)	7,101	7,427
Amount to be deducted from total net assets (million yen)	78	72
(of which, share acquisition rights (million yen))	(78)	(72)
Net assets attributable to common stock shareholders at the end of the fiscal year (million yen)	7,023	7,355
Number of common stock at the end of the fiscal year used to calculate net assets per share	11,104,108	11,150,645

(Significant subsequent events)

None to be reported.