

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended March 31, 2024
(Based on Japanese GAAP)**

May 15, 2024

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: May 15, 2024
 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 three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

(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	%
Three months ended March 31, 2024	953	32.5	315	94.2	342	110.6	235	111.9
Three months ended March 31, 2023	719	37.3	162	66.5	162	61.4	110	53.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	25.23	24.70
Three months ended March 31, 2023	11.78	11.63

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	2,426	1,266	51.0
As of December 31, 2023	2,781	1,822	64.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	–	0.00	–	0.00	0.00
Year ending December 31, 2024	–				
Year ending December 31, 2024 (Forecast)		0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	3,800	24.2	650	18.2	650	16.1	450	5.6	47.72
	~4,000	~30.7	~750	~36.4	~750	~34.0	~520	~21.8	~55.06

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2024
(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 March 31, 2024	9,450,644 shares	As of December 31, 2023	9,450,644 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	289,849 shares	As of December 31, 2023	24 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2024	9,318,602 shares	Three months ended December 31, 2023	9,416,244 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,754,945	1,272,473
Accounts receivable - trade	279,530	381,330
Other	114,181	91,862
Allowance for doubtful accounts	(2,059)	(2,427)
Total current assets	2,146,597	1,743,239
Non-current assets		
Tangible assets	51,785	53,642
Intangible assets		
Software	123,202	155,375
Goodwill	177,276	170,944
Other	49,719	47,648
Total intangible assets	350,199	373,968
Investments and other assets	232,497	255,367
Total non-current assets	634,481	682,978
Total assets	2,781,079	2,426,217

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	49,437	41,150
Current portion of long-term borrowings	92,459	154,124
Income taxes payable	117,880	116,758
Contract liabilities	197,505	192,944
Provision for bonuses	-	22,364
Other	409,526	281,775
Total current liabilities	866,808	809,117
Non-current liabilities		
Long-term borrowings	91,739	350,439
Total non-current liabilities	91,739	350,439
Total liabilities	958,547	1,159,556
Net assets		
Shareholders' equity		
Share capital	443,778	443,778
Capital surplus	434,778	434,778
Retained earnings	915,436	1,124,783
Treasury shares	(55)	(769,169)
Total shareholders' equity	1,793,936	1,234,170
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,878	3,765
Total accumulated other comprehensive income	2,878	3,765
Share acquisition rights	25,716	28,725
Total net assets	1,822,531	1,266,661
Total liabilities and net assets	2,781,079	2,426,217

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

	(Thousands of yen)	
	Three Months ended March 31, 2023	Three Months ended March 31, 2024
Net sales	719,594	953,586
Cost of sales	227,848	263,168
Gross profit	491,746	690,418
Selling, general and administrative expenses	329,392	375,114
Operating profit	162,354	315,303
Non-operating income		
Interest income	67	1,527
Foreign exchange gains	722	27,377
Other	33	785
Total non-operating income	824	29,690
Non-operating expenses		
Interest expenses	385	542
Commission expenses	—	1,599
Total non-operating expenses	385	2,142
Ordinary profit	162,792	342,851
Profit before income taxes	162,792	342,851
Total income taxes	51,873	107,767
Profit	110,919	235,084
Profit attributable to owners of parent	110,919	235,084

Consolidated statements of comprehensive income

	(Thousands of yen)	
	Three months ended March 31, 2023	Three months ended March 31, 2024
Profit	110,919	235,084
Other comprehensive income		
Foreign currency translation adjustment	108	887
Total other comprehensive income	108	887
Comprehensive income	111,027	235,971
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	111,027	235,971
Comprehensive income attributable to non-controlling interests	—	—