

Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024 (Based on Japanese GAAP)

August 14, 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 Semi-annual Securities Report: August 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 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	%
Six months ended June 30, 2024	1,843	26.6	489	60.8	549	70.6	372	69.3
Six months ended June 30, 2023	1,455	–	304	–	322	–	220	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	40.33		39.52	
Six months ended June 30, 2023	23.39		23.06	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	2,759	1,497	53.1
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				
Year ended December 31, 2023	–	0.00	–	0.00	0.00
Year ending December 31, 2024	–	0.00			
Year ending December 31, 2024 (Forecast)			–	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) Significant changes in the scope of consolidation during the six months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing interim 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, 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 June 30, 2024	255,849 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)

Six months ended June 30, 2024	9,246,798 shares	Six months ended June 30, 2023	9,422,225 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	1,754,945	1,540,381
Accounts receivable - trade	279,530	301,771
Other	114,181	146,122
Allowance for doubtful accounts	(2,059)	(2,982)
Total current assets	2,146,597	1,985,292
Non-current assets		
Property, plant and equipment	51,785	52,400
Intangible assets		
Software	123,202	169,785
Goodwill	177,276	164,613
Other	49,719	45,576
Total intangible assets	350,199	379,976
Investments and other assets	232,497	341,641
Total non-current assets	634,481	774,017
Total assets	2,781,079	2,759,310
Liabilities		
Current liabilities		
Accounts payable - trade	49,437	47,680
Current portion of long-term borrowings	92,459	137,490
Income taxes payable	117,880	186,025
Contract liabilities	197,505	267,020
Other	409,526	298,105
Total current liabilities	866,808	936,321
Non-current liabilities		
Long-term borrowings	91,739	325,772
Total non-current liabilities	91,739	325,772
Total liabilities	958,547	1,262,093
Net assets		
Shareholders' equity		
Share capital	443,778	100,000
Capital surplus	434,778	776,210
Retained earnings	915,436	1,262,638
Treasury shares	(55)	(678,933)
Total shareholders' equity	1,793,936	1,459,915
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,878	5,567
Total accumulated other comprehensive income	2,878	5,567
Share acquisition rights	25,716	31,733
Total net assets	1,822,531	1,497,216
Total liabilities and net assets	2,781,079	2,759,310

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	Six months ended June 30, 2024
Net sales	1,455,839	1,843,475
Cost of sales	447,194	557,945
Gross profit	1,008,645	1,285,530
Selling, general and administrative expenses	704,277	795,964
Operating profit	304,367	489,566
Non-operating income		
Interest income	67	2,907
Foreign exchange gains	18,399	58,379
Other	76	1,678
Total non-operating income	18,543	62,964
Non-operating expenses		
Interest expenses	733	1,578
Commission expenses	–	1,599
Other	99	14
Total non-operating expenses	833	3,193
Ordinary profit	322,078	549,337
Profit before income taxes	322,078	549,337
Income taxes	101,738	176,399
Profit	220,340	372,938
Profit attributable to owners of parent	220,340	372,938

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	220,340	372,938
Other comprehensive income		
Foreign currency translation adjustment	1,236	2,689
Total other comprehensive income	1,236	2,689
Comprehensive income	221,577	375,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	221,577	375,627
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	322,078	549,337
Depreciation	9,724	17,921
Amortization of goodwill	12,662	12,662
Increase (decrease) in allowance for doubtful accounts	529	599
Foreign exchange losses (gains)	(18,869)	(58,455)
Interest income	(67)	(2,907)
Interest expenses	733	1,578
Share-based payment expenses	21,518	29,743
Decrease (increase) in trade receivables	(31,510)	(5,151)
Increase (decrease) in contract liabilities	51,613	69,514
Decrease (increase) in other assets	(15,086)	(7,405)
Increase (decrease) in other liabilities	5,961	(148,663)
Subtotal	359,287	458,773
Interest received	67	2,907
Interest paid	(758)	(1,840)
Income taxes paid	(96,386)	(105,928)
Net cash provided by (used in) operating activities	262,209	353,911
Cash flows from investing activities		
Purchase of property, plant and equipment	–	(3,074)
Purchase of intangible assets	(26,734)	(57,901)
Expenditure from acquisition of investment and other assets	–	(25,000)
Purchase of shares of subsidiaries and associates	–	(34,526)
Net cash provided by (used in) investing activities	(26,734)	(120,503)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	350,000
Repayments of long-term borrowings	(47,604)	(70,936)
Proceeds from disposal of treasury shares	–	5,050
Purchase of treasury shares	(55)	(799,900)
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	(46,956)	(515,786)
Effect of exchange rate change on cash and cash equivalents	20,918	67,813
Net increase (decrease) in cash and cash equivalents	209,437	(214,564)
Cash and cash equivalents at beginning of period	1,330,154	1,754,945
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	34,350	–
Cash and cash equivalents at end of period	1,573,942	1,540,381