

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 Nine Months Ended September 30, 2024 (Based on Japanese GAAP)

November 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 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 nine months ended September 30, 2024 (from January 1, 2024 to September 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 | % |
| Nine months ended September 30, 2024 | 2,801 | 26.2 | 697 | 48.7 | 698 | 40.4 | 471 | 38.3 |
| Nine months ended September 30, 2023 | 2,220 | — | 468 | — | 497 | — | 341 | — |

| | Earnings per share | | Diluted earnings per share | |
|--------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended September 30, 2024 | 51.12 | | 50.19 | |
| Nine months ended September 30, 2023 | 36.17 | | 35.61 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2024 | 2,744 | 1,596 | 56.9 |
| 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 | — | 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 | 700 | 27.3 | 700 | 25.0 | 471 | 10.5 | 51.17 |

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended September 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 September 30, 2024 | 9,450,644 shares | As of December 31, 2023 | 9,450,644 shares |
|--------------------------|------------------|-------------------------|------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|----------------|-------------------------|-----------|
| As of September 30, 2024 | 251,849 shares | As of December 31, 2023 | 24 shares |
|--------------------------|----------------|-------------------------|-----------|

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

| | | | |
|--------------------------------------|------------------|--------------------------------------|------------------|
| Nine months ended September 30, 2024 | 9,230,111 shares | Nine months ended September 30, 2023 | 9,430,445 shares |
|--------------------------------------|------------------|--------------------------------------|------------------|

Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of December 31, 2023 | As of September 30, 2024 |
|--|-------------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,754,945 | 1,554,449 |
| Accounts receivable - trade | 279,530 | 323,573 |
| Other | 114,181 | 144,963 |
| Allowance for doubtful accounts | (2,059) | - |
| Total current assets | 2,146,597 | 2,022,986 |
| Non-current assets | | |
| Property, plant and equipment | 51,785 | 51,157 |
| Intangible assets | | |
| Software | 123,202 | 143,113 |
| Goodwill | 177,276 | 158,282 |
| Other | 49,719 | 43,504 |
| Total intangible assets | 350,199 | 344,900 |
| Investments and other assets | 232,497 | 325,639 |
| Total non-current assets | 634,481 | 721,698 |
| Total assets | 2,781,079 | 2,744,685 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 49,437 | 75,315 |
| Current portion of long-term borrowings | 92,459 | 120,828 |
| Income taxes payable | 117,880 | 139,006 |
| Contract liabilities | 197,505 | 260,418 |
| Provision for bonuses | - | 23,058 |
| Other | 409,526 | 228,372 |
| Total current liabilities | 866,808 | 846,998 |
| Non-current liabilities | | |
| Long-term borrowings | 91,739 | 301,133 |
| Total non-current liabilities | 91,739 | 301,133 |
| Total liabilities | 958,547 | 1,148,131 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 443,778 | 100,000 |
| Capital surplus | 434,778 | 766,894 |
| Retained earnings | 915,436 | 1,361,579 |
| Treasury shares | (55) | (668,317) |
| Total shareholders' equity | 1,793,936 | 1,560,156 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | 2,878 | 1,654 |
| Total accumulated other comprehensive income | 2,878 | 1,654 |
| Share acquisition rights | 25,716 | 34,742 |
| Total net assets | 1,822,531 | 1,596,553 |
| Total liabilities and net assets | 2,781,079 | 2,744,685 |

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

Consolidated statements of income (cumulative)

| | (Thousands of yen) | |
|--|---|---|
| | Nine months ended September 30, 2023 | Nine months ended September 30, 2024 |
| Net sales | 2,220,043 | 2,801,160 |
| Cost of sales | 679,961 | 904,044 |
| Gross profit | 1,540,082 | 1,897,115 |
| Selling, general and administrative expenses | 1,071,185 | 1,200,090 |
| Operating profit | 468,896 | 697,024 |
| Non-operating income | | |
| Interest income | 1,304 | 3,768 |
| Foreign exchange gains | 28,653 | 206 |
| Miscellaneous income | 69 | 2,096 |
| Total non-operating income | 30,026 | 6,072 |
| Non-operating expenses | | |
| Interest expenses | 1,037 | 2,632 |
| Commission expenses | - | 1,599 |
| Other | 133 | 23 |
| Total non-operating expenses | 1,170 | 4,255 |
| Ordinary profit | 497,753 | 698,841 |
| Profit before income taxes | 497,753 | 698,841 |
| Income taxes | 156,634 | 226,961 |
| Profit | 341,118 | 471,879 |
| Profit attributable to owners of parent | 341,118 | 471,879 |

Consolidated statements of comprehensive income (cumulative)

| | (Thousands of yen) | |
|--|---|---|
| | Nine months ended September 30, 2023 | Nine months ended September 30, 2024 |
| Profit | 341,118 | 471,879 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | 1,453 | (1,223) |
| Total other comprehensive income | 1,453 | (1,223) |
| Comprehensive income | 342,571 | 470,655 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 342,571 | 470,655 |
| Comprehensive income attributable to non-controlling interests | — | — |