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January 30, 2024

**Cybertrust Japan Co., Ltd.**  
**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024**  
**(Nine Months Ended December 31, 2023)**

[Japanese GAAP]

**Company name:** Cybertrust Japan Co., Ltd.  
**Listing:** Tokyo Stock Exchange  
**Securities code:** 4498  
**URL:** <https://www.cybertrust.co.jp/>  
**Representative:** Yuji Kitamura, Representative Director, President & CEO  
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Scheduled date to file annual securities report: December 9, 2024  
Scheduled date to commence dividend payments: -  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

**1. Consolidated financial results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)**

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2023	4,624	4.2	694	5.1	695	4.2	461	2.7
Nine months ended Dec. 31, 2022	4,438	9.1	660	17.4	667	19.5	449	21.4

Note: Comprehensive income Nine months ended Dec. 31, 2023: 462 million yen [ 2.5%]

Nine months ended Dec. 31, 2022: 451 million yen [ 21.7%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2023	57.25	53.44
Nine months ended Dec. 31, 2022	56.08	52.27

(NOTE) We conducted a 2-for-1 stock split on April 1, 2023. "Net income per share" and "Diluted net income per share" have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2023	8,227	5,966	72.5
As of Mar. 31, 2023	7,868	5,625	71.5

Reference: Shareholders' equity (million yen) As of Dec. 31, 2023: 5,963 As of Mar. 31, 2023: 5,623

## 2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	-	0.00	-	35.00	35.00
Fiscal year ended Mar. 31, 2024	-				
Fiscal year ending Mar. 31, 2024 (Forecast)		0.00	-	17.50	17.50

(NOTE)1. Revisions to the most recently announced dividend forecast: None

2. We conducted a 2-for-1 stock split on April 1, 2023. For the year ended March 31, 2023, the actual amount of dividends before the stock split is stated.

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-on-year changes for the full fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions yen	%	Millions yen	%	Millions yen	%	Millions yen	%	Yen
Full year	6,500	5.4	1,100	4.4	1,100	3.2	740	2.0	91.72

(NOTE)1. Revision to the most recently announced earnings forecasts: Yes

2. For details of the revisions to the consolidated financial results forecasts, please refer to the "Notice Concerning Revisions to the Consolidated Financial Results Forecasts" announced today (January 30, 2024).

\* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of special accounting for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of Dec. 31, 2023	8,084,600 shares
As of Mar. 31, 2023	8,042,600 shares

(ii) Number of treasury shares at the end of the period

As of Dec. 31, 2023	332 shares
As of Mar. 31, 2023	308 shares

(iii) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023	8,067,623 shares
Nine months ended Dec. 31, 2022	8,017,004 shares

(NOTE) We conducted a 2-for-1 stock split on April 1, 2023. The figures for "Total number of issued shares at the end of the period," "Number of treasury shares at the end of the period" and "Average number of shares outstanding during the period" are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

※ Quarterly financial results are not subject to quarterly review by a certified public accountant or auditing company.

※ Explanation for appropriate use of operating forecasts, and other special items

(Notes on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute guarantees by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Results of Operations

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Net income per share(Yen)
Nine months ended Dec. 31, 2023	4,624	694	695	461	57.25
Nine months ended Dec. 31, 2022	4,438	660	667	449	56.08
Change (%)	4.2	5.1	4.2	2.7	2.1
(Reference) Actual results in the previous fiscal year (Year ended March 31, 2023)	6,167	1,053	1,065	725	90.40

Our group promotes the trust service business that supports the trust of the digital society by proving the legitimacy, completeness, and authenticity of "people," "goods," and "action" in a society where various things are connected to the Internet and all processes are digitized.

During the three quarters of the fiscal year under review (April 1, 2023 to December 31, 2023), the Japanese economy continued to show a gradual recovery trend as economic activities normalized after the transition to the five-type infectious diseases of new-type coronavirus infectious diseases. However, the outlook remains uncertain due to concerns about economic and price developments against the backdrop of global monetary tightening and other price increases.

The climate surrounding us is accelerating the trend toward DX related to responding to new lifestyles, such as the establishment of telework, the removal of hands, the shift to online, and the shift to non-face-to-face.

In this environment, in the case of authentication and security services, Capturing the need for security due to the expansion of DX market, net sales were ¥2.841 billion (up 10.7% year-on-year) as a result of growth driven by increased transactions with various partners: (1) in the electronic authentication service "iTrust" for financial institutions and local governments to provide eKYC services and electronic contract services, (2) in the device certificate management service "Device ID" for enterprises to provide cloud authentication services and remote access, and (3) SSL/TLS server certificate "SureServer."

In Linux/OSS services, Among corporate Linux support, the number of contracts increased and the renewal rate remained at a high level, despite revisions to the contract amount of some projects for CentOS extension support. On the other hand, sales of AlmaLinux support and extended support for CentOS7 fell 1.9% year on year to ¥1.037 billion due to delays in sales promotion activities as a result of the need to expand service specifications.

In IoT servicing,  
 (1) In support services for EMLinux, a IoT and embedded Linux OS, several new projects were adopted in the medical field, in addition to the existing automotive equipment and industrial control equipment domains.  
 (2) Acquired large-scale contracts for security consulting projects in the areas of automotive equipment and next-generation information and communications infrastructure  
 (3) In contract development, there were inquiries for large-scale projects from the domestic manufacturing industry, which is expanding into the global market. However, due to delays in acquiring necessary collaborative partners in line with the expansion of areas to be addressed, the acquisition of new customers was sluggish.

As a result, net sales decreased 8.3% year on year to ¥745 million.

Segment information is omitted because our Group is a single segment of the Trust Services Business.

As a result of the above, net sales were 4.624 billion yen (up 4.2% year on year), personnel expenses increased in line with the increase in the number of employees, and amortization expenses increased in line with the acquisition of intangible and tangible fixed assets. However, as a result of steady sales, operating income was 694 million yen (up 5.1% year on year), non-operating income including equity in net income of affiliates, and non-operating income due to foreign exchange losses and other factors were 695 million yen (up 4.2% year on year), and income attributable to owners of parent was 461 million yen (up 2.7% year on year) due to the impact of tax effect accounting.

<Main services>

- Authentication and security services

We provide client certificates such as SSL/TLS server certificate "SureServer" and device certificate management service "Device ID", electronic authentication services such as electronic identity verification and digital signature "iTrust", web security services, and vulnerability diagnosis services.

- Linux/OSS servicing

We provide services-related to open source software, such as LinuxOS "MIRACLE LINUX", "MIRACLE ZBX" integrated system monitoring solution, and Linux solutions utilizing backup software and kernel-technology.

- IoT servicing

We combine embedded Linux and electronic authentication technologies to develop equipment, implement long-term operations and security considering measures to reduce vulnerabilities and prevent threats from the manufacturing stage, and provide development support services to realize safe and secure use of IoT devices, such as mechanisms for the safe distribution of renewal software. We also provide long-term available IoT and embedded Linux OS "EMLinux", and Secure IoT Platform certification infrastructure. Consolidated subsidiary Lineo Solutions Co., Ltd. is engaged in the contract development of embedded /IoT mainly in Linux, as well as the markets of "LINEOWarp!!" high-speed start-up products and development environmental services.

<Transaction type>

- License

Primarily offering its own products (Linux/OSS products, etc.)

- Professional services

Provision of product customization, introduction support, and security consulting

- Recurring services (revenue expected to continue as contracts are renewed)

Provision of electronic authentication services and support services for proprietary products

Net sales by type of transaction for each service are shown in the table below.

(Millions of yen)

Service	Type of transaction	Nine months ended Dec. 31, 2022	Nine months ended Dec. 31, 2023	Change	Rate of change (%)
Authentication and security Services	License	125	115	△10	△8.1
	Professional services	291	372	81	28.0
	Recurring service	2,151	2,353	202	9.4
	Subtotal	2,568	2,841	273	10.7
Linux/OSS Services	License	219	226	7	3.4
	Professional services	99	108	8	8.9
	Recurring service	739	703	△36	△4.9
	Subtotal	1,057	1,037	△19	△1.9
IoT Services	License	88	75	△12	△14.7
	Professional services	674	606	△67	△10.1
	Recurring service	50	63	13	26.9
	Subtotal	813	745	△67	△8.3
Total sales		2,877	4,438	4,624	186
Company-wide	License	432	417	△15	△3.6
	Professional services	1,065	1,087	22	2.1
	Recurring service	2,940	3,120	179	6.1

## (2)Explanation of Financial Position

### ①Financial position

	As of March 31, 2023	As of December 31, 2023	(Millions of yen) (Reference) As of December 31, 2022
Total assets	7,868	8,227	7,552
Net assets	5,625	5,966	5,344
Equity ratio	71.5%	72.5%	70.7%

#### Assets

Assets at the end of the third quarter of the current fiscal year increased by 358 million yen from the end of the previous fiscal year to 8.227 billion yen.

Current assets increased by 461 million yen from the end of the previous fiscal year to 5.862 billion yen. This was mainly due to an increase of 400 million yen in cash and deposits mainly due to proceeds from sales.

Non-current assets decreased by 101 million yen from the end of the previous fiscal year to 2.364 billion yen. This was mainly due to decreases of 68 million yen in deferred tax assets and 27 million yen in software, and an increase of 24 million yen in software in progress.

#### Liabilities

Liabilities at the end of the third quarter of the current fiscal year increased by 17 million yen from the end of the previous fiscal year to 2.26 billion yen.

Current liabilities decreased by 18 million yen from the end of the previous fiscal year to 1.686 billion yen. This was mainly due to an increase of 220 million yen in contract liabilities and a decrease of 215 million yen in income taxes payable.

Non-current liabilities increased by 35 million yen from the end of the previous fiscal year to 573 million yen. This was mainly due to an increase of 41 million yen in contract liabilities.

#### (Net assets)

Net assets at the end of the third quarter of the current fiscal year increased by 341 million yen from the end of the previous fiscal year to 5.966 billion yen.

This was mainly due to an increase of 461 million yen due to the recording of quarterly profit attributable to owners of parent and a decrease of 140 million yen due to the payment of dividends, which resulted in an increase of 321 million yen in retained earnings from the end of the previous fiscal year. As a result, the equity ratio was 72.5%, compared with 71.5% at the end of the previous fiscal year.

## (3)Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

Consolidated forecasts are revised to the full-year forecast for the fiscal year ended March 31, 2024, which was announced in the fiscal year ended April 26, 2023 in the Consolidated Figures for Fiscal 2023 [Japan Standards] (Consolidated), based on the results for the third quarter of this fiscal year and recent performance trends. For details, please refer to the "Notice Regarding Revisions to Earnings Forecasts" announced today (January 30, 2024).

2. Quarter Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,366,018	4,766,756
Notes, accounts receivable and contract assets	878,016	898,196
Commodities	1,084	1,082
Work in process	173	4,079
Raw materials and supplies	525	500
Prepaid expenses	144,892	145,385
Others	11,132	46,944
<b>Total current assets</b>	<b>5,401,842</b>	<b>5,862,944</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	712,138	728,469
Accumulated depreciation	△475,148	△492,390
Buildings and structures, net	236,990	236,079
Tools, furniture and fixtures	792,418	865,677
Accumulated depreciation	△517,079	△587,775
Tools, furniture, and fixtures, net	275,339	277,901
Land	1,270	1,270
Others	1,551	1,551
Accumulated depreciation	△1,416	△1,518
Other, net	135	33
<b>Total property, plant and equipment</b>	<b>513,735</b>	<b>515,285</b>
<b>Intangible assets</b>		
Goodwill	91,047	81,628
Software	980,824	953,643
Software in progress	368,647	393,478
Others	71,671	47,083
<b>Total intangible assets</b>	<b>1,512,190</b>	<b>1,475,834</b>
<b>Investments and other assets</b>		
Investment securities	44,378	44,797
Long-term prepaid expenses	19,924	21,831
Guarantee deposits	204,777	204,697
Claims in bankruptcy	3,613	3,091
Deferred tax assets	168,873	100,798
Others	1,200	1,200
Allowance for doubtful accounts	△3,091	△3,091
<b>Total investments and other assets</b>	<b>439,675</b>	<b>373,324</b>
<b>Total noncurrent assets</b>	<b>2,465,601</b>	<b>2,364,445</b>
<b>Deferred assets</b>		
Stock issuance	1,276	328
<b>Total deferred assets</b>	<b>1,276</b>	<b>328</b>
<b>Total assets</b>	<b>7,868,720</b>	<b>8,227,718</b>



(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable	153,632	156,540
Lease obligations	13,062	8,216
Accounts payable-other	133,508	223,322
Income taxes payable	239,864	24,357
Consumption tax payable	104,527	62,712
Contractual liabilities	766,379	987,341
Provision for bonuses	212,737	102,077
Provision for directors' bonuses	26,450	16,147
Others	55,322	106,221
Total current liabilities	1,705,485	1,686,937
Long-term liabilities		
Lease obligations	73,394	67,223
Contractual liabilities	372,050	413,775
Obligations for retirement pay	4,515	4,245
Asset retirement obligations	88,182	88,724
Total noncurrent liabilities	538,143	573,968
Total liabilities	2,243,628	2,260,906
Net assets		
Shareholders' equity		
Common stock	806,465	815,668
Capital surplus	2,040,581	2,049,827
Retained earnings	2,773,277	3,094,405
Treasury stock	△792	△853
Total shareholders' equity	5,619,531	5,959,046
Other accumulated comprehensive income		
Foreign currency translation adjustments	4,111	4,813
Total other accumulated comprehensive income	4,111	4,813
Stock acquisition right	1,448	2,951
Total net assets	5,625,091	5,966,811
Total liabilities and net assets	7,868,720	8,227,718

## (2)Quarter Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarter Consolidated Statements of Income)

(Consolidated Cumulative Third Quarter)

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	4,438,607	4,624,886
Cost of sales	2,428,563	2,473,518
Gross profit	2,010,044	2,151,367
Selling, general and administrative expenses	1,349,616	1,457,026
Operating income	660,427	694,340
Non-operating income		
Interest income	44	26
Dividends income	1	1
Equity in earnings of associated companies	7,771	7,082
Subsidies and grants	1,100	1,407
Others	3,908	789
Total non-operating income	12,825	9,306
Non-operating expenses		
Interest expenses	886	620
Amortization of stock issuance costs	948	948
Loss on liquidation of subsidiaries	2,520	-
Loss on disposal of treasury stock acquisition rights	-	1,700
Foreign exchange losses	1,182	2,011
Others	14	2,589
Total non-operating expenses	5,552	7,868
Ordinary income	667,701	695,778
Current net income for the quarter before income taxes and minority interests	667,701	695,778
Income taxes	144,084	165,835
Income taxes-deferred	74,046	68,074
Total income taxes	218,130	233,910
Net profit	449,570	461,868
Net profit attributable to owners of parent	449,570	461,868

Quarter Consolidated Statements of Comprehensive Income  
(Consolidated Cumulative Third Quarter)

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net profit	449,570	461,868
Other comprehensive income		
Foreign currency translation adjustments	1,637	701
Total other comprehensive income	1,637	701
Quarterly comprehensive income	451,208	462,569
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of parent	451,208	462,569

(3)Notes to Quarter Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Segment Information)

[Segment Information]

I Previous Third Quarter (From April 1, 2022 to December 31, 2022)

Segment information is omitted because our Group is a single segment of the Trust Services Business.

II Current Third Quarter (From April 1, 2023 to December 31, 2023)

Segment information is omitted because our Group is a single segment of the Trust Services Business.