



## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

January 30, 2025

Company name: Global Security Experts, Inc. Listing: Tokyo Stock Exchange  
Securities code: 4417 URL: <https://www.gsx.co.jp>  
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Scheduled date to commence dividend payments: -  
Preparation of supplementary materials for the financial results: Yes  
Holding of presentation of financial results: None

(Rounded down to the nearest million yen)

### 1. Consolidated financial results for the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages represent changes versus the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Quarterly net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine month ended December 31, 2024	6,289	-	1,167	-	1,103	-	716	-
Nine month ended December 31, 2023	-	-	-	-	-	-	-	-

Note: Comprehensive income

Nine month ended December 31, 2024: 913 million yen (-%)

Nine month ended December 31, 2023: - million yen (-%)

	Quarterly net income per share	Diluted earnings per share
	Yen	Yen
Nine month ended December 31, 2024	95.33	95.00
Nine month ended December 31, 2023	-	-

Note: Since quarterly consolidated financial statements have been prepared as of the first three months of the fiscal year ending March 31, 2025, the figures for the first nine months of the fiscal year ended March 31, 2024 and the year on year percentage change, as well as the year on year percentage change for the first nine months of the fiscal year ending March 31, 2025, are not stated.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	7,210	2,741	38.0
As of March 31, 2024	-	-	-

Reference: Equity As of December 31, 2024: 2,741 million yen

As of December 31, 2023: - million yen

Note: Since quarterly consolidated financial statements have been prepared as of the first three months of the fiscal year ending March 31, 2025, the figures for the fiscal year ended March 31, 2024 are not stated.

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	0.00	-	26.21	26.21
Fiscal year ending March 31, 2025	-	20.85	-		
Fiscal year ending March 31, 2025 (forecast)				20.86	41.71

Note: Revisions to the forecast of cash dividends most recently announced: None

### 3. Consolidated performance forecast for the fiscal year ending march 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages represent changes versus the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	8,800	-	1,584	-	1,588	-	1,039	-	138.33

Note: Revisions to the forecast of performance most recently announced: None

Since quarterly consolidated financial statements have been prepared as of the first three months of the fiscal year ending March 31, 2025, the full year percentage change versus the previous fiscal year is not stated.

#### \* Notes

(1) Significant changes in scope of consolidation during the period: Yes

New: 1 company (Company name) CyberSTAR Inc., Excluded: - companies (Company name) -

Note: For more information, please refer to “2. Quarterly consolidated financial statements and related notes, (3) Notes to quarterly consolidated financial statements (Changes in scope of consolidation or scope of equity method)” on page 7 of the appendix.

(2) Application of special accounting methods for preparation of quarterly consolidated financial statements: Yes

Note: For more information, please refer to “2. Quarterly consolidated financial statements and related notes, (3) Notes to quarterly consolidated financial statements (Notes on special accounting methods for preparation of quarterly consolidated financial statements)” on page 7 of the appendix.

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

- (i) Changes in accounting policies due to revision of accounting standards, etc. : None
- (ii) Changes in accounting policies other than (i) above : None
- (iii) Changes in accounting estimates : None
- (iv) Restatements : None

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of period (including treasury stock)	As of December 31, 2024	7,642,800 shares	As of March 31, 2024	7,629,600 shares
(ii) Number of shares of treasury stock at end of period	As of December 31, 2024	138,209 shares	As of March 31, 2024	97,174 shares
(iii) Average number of shares during the period (quarterly cumulative)	Nine months ended December 31, 2024	7,512,871 shares	Nine months ended December 31, 2023	7,459,504 shares

Note: The Company has introduced the Stock Benefit Trust (Employee Stock Ownership Plan, or J-ESOP) and the number of shares of treasury stock at the end of the period includes the Company's shares remaining in such trust (65,526 shares as of December 31, 2024 and 65,784 shares as of March 31, 2024). The Company's shares remaining in the trust are included in treasury stock as a deduction in the calculation of the average number of shares outstanding during the period (65,647 shares for the nine months ended December 31, 2024 and 65,981 shares for the nine months ended December 31, 2023).

\* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

\* Explanation of appropriate use of performance forecasts and other special notes

(Precaution regarding forward-looking statements, etc.)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors.

(How to obtain supplementary quarterly financial results materials)

Supplementary materials for quarterly financial results are disclosed on TDnet on the same day. In addition, a video of the quarterly financial results presentation is scheduled to be posted on the Company's website on the same day.

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## 1. Outline of operating results, etc.

The Group began preparing quarterly consolidated financial statements from the first three months of the fiscal year ending March 31, 2025. Therefore, comparative analysis with the first nine months of the previous consolidated year and with the end of the previous consolidated fiscal year is not provided.

Forward-looking statements in this document are based on the Company's judgment as of the end of the first nine months under review.

### (1) Outline of operating results for the nine months under review

During the first nine months of the fiscal year ending March 31, 2025, the outlook for the Japanese economy remained uncertain, with growing geopolitical risks, the yen's trend toward depreciation, and rising prices, though inbound demand expanded and the employment and income environment improved.

The environment surrounding the cybersecurity industry, of which our Group is a part, is characterized by increasing reliance on IT, such as digital transformation (DX) among companies and utilization of cloud services, while cyberattacks have been on the rise. In addition, the national trend in Japan to strengthen cybersecurity and the demand for supply chain risk countermeasures have served as a tailwind, making it essential and urgent for medium-sized companies and SMEs to make up for their relative lag in cybersecurity measures.

On the other hand, there is still a shortage of cybersecurity personnel in Japan, and the supply of personnel is not keeping up with the demand from companies requiring specialized personnel in-house.

In addition, the need for cybersecurity training is dramatically increasing as the digitalization of operations, products, and services continues to advance, and the need for "Plus-Security" \* is growing in all aspects of corporate activities.

\* Definition of "Plus-Security"

The ability to have security awareness in carrying out one's own work and to acquire the ability to implement necessary and sufficient security measures, or the state of having acquired it. (Source: Cybersecurity Management Guidelines, Ministry of Economy, Trade and Industry)

In this environment, we are growing our business performance by providing security services that are suited to the size of the company, by capturing the strong security needs of semi-large and medium-sized companies, as well as SMEs, and by providing security training services for a wide range of IT-related personnel, as well as by providing specialized personnel to meet the needs of companies needing to secure security personnel.

During the first nine months of the fiscal year ending March 31, 2025, all services experienced growth and net sales amounted to 6,289,347 thousand yen. In terms of profit, operating income was 1,167,861 thousand yen due to the effect of a significant increase in revenue, despite one-time expenses associated with the relocation of the headquarters as of July 29, 2024, and investments in human capital, including increased personnel expenses associated with the increase in the number of employees and employee education and training. On the other hand, ordinary income was 1,103,956 thousand yen and quarterly net income attributable to owners of parent was 716,181 thousand yen, the highest ever for the third quarter, despite low contribution to earnings from equity-method affiliates and the posting of share of loss of entities accounted for using equity method.

As the Company operates in a single segment, the Cybersecurity Business, segment information is omitted.

### (2) Outline of financial position for the nine months under review

#### (Assets)

Total assets at the end of the first nine months under review amounted to 7,210,203 thousand yen. This mainly consisted of accounts receivable - trade, and contract assets of 1,893,143 thousand yen, prepaid expenses of 1,141,200 thousand yen, and shares of subsidiaries and associates of 1,984,520 thousand yen, etc.

#### (Liabilities)

Total liabilities at the end of the first nine months under review amounted to 4,469,169 thousand yen. This mainly consisted of contract liabilities of 1,436,809 thousand yen and long-term borrowings of 1,363,271 thousand yen.

#### (Net assets)

Total net assets at the end of the first nine months under review amounted to 2,741,033 thousand yen. This mainly consisted of share capital of 545,811 thousand yen and retained earnings of 2,006,684 thousand yen.

### (3) Explanation of information related to consolidated performance forecasts and forward-looking statements

The performance forecast for the fiscal year ending March 31, 2025 remains unchanged from that announced on April 26, 2024. Please refer to the "Notice of Change in Dividend Policy (Implementation of Interim Dividend) and Revision of Dividend Forecast" released on August 16, 2024 for the dividend forecast as of the end of the fiscal year.

2. Quarterly consolidated financial  
statements and related notes

(1) Quarterly consolidated balance sheets

(Thousands of yen)

	First nine months under review (December 31, 2024)
<b>Assets</b>	
Current assets	
Cash and deposits	858,983
Accounts receivable - trade, and contract assets	1,893,143
Merchandise	12,683
Work in process	173
Prepaid expenses	1,141,200
Other	3,852
Total current assets	3,910,036
Non-current assets	
Property, plant and equipment	
Buildings and structures	183,774
Accumulated depreciation	(5,955)
Buildings and structures, net	177,819
Machinery, equipment and vehicles	128,911
Accumulated depreciation	(24,191)
Machinery, equipment and vehicles, net	104,719
Leased assets	3,037
Accumulated depreciation	(1,012)
Leased assets, net	2,025
Total property, plant and equipment	284,563
Intangible assets	
Goodwill	71,027
Other	38,096
Total intangible assets	109,124
Investments and other assets	
Investment securities	735,280
Shares of subsidiaries and associates	1,984,520
Deferred tax assets	36,936
Other	150,540
Allowance for doubtful accounts	(800)
Total investments and other assets	2,906,478
Total non-current assets	3,300,167
Total assets	7,210,203

(Thousands of yen)

	First nine months of the fiscal year (December 31, 2024)
<b>Liabilities</b>	
Current liabilities	
Accounts payable - trade	300,723
Short-term borrowings	400,000
Current portion of long-term borrowings	219,624
Lease liabilities	1,113
Accounts payable - other	88,633
Accrued expenses	54,730
Income taxes payable	252,240
Contract liabilities	1,436,809
Provision for bonuses for directors (and other officers)	18,195
Provision for bonuses	78,232
Accrued consumption taxes	84,571
Other	59,068
Total current liabilities	2,993,943
Non-current liabilities	
Long-term borrowings	1,363,271
Lease liabilities	1,113
Provision for share awards	110,841
Total non-current liabilities	1,475,226
Total liabilities	4,469,169
<b>Net assets</b>	
Shareholders' equity	
Share capital	545,811
Capital surplus	641,985
Retained earnings	2,006,684
Treasury shares	(654,105)
Total shareholders' equity	2,540,376
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	200,657
Total accumulated other comprehensive income	200,657
Total net assets	2,741,033
Total liabilities and net assets	7,210,203

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income  
(Quarterly consolidated statements of income)  
(First nine months of the fiscal year ending March 31, 2025)

(Thousands of yen)

	First nine months under review (April 1, 2024 to December 31, 2024)
Net sales	6,289,347
Cost of sales	4,071,490
Gross profit	2,217,856
Selling, general, and administrative expenses	1,049,995
Operating income	1,167,861
Non-operating income	
Subsidy income	2,898
Other	530
Total non-operating income	3,428
Non-operating expenses	
Interest expenses	11,542
Share of loss of entities accounted for using equity method	49,627
Foreign exchange losses	5,934
Other	228
Total non-operating expenses	67,333
Ordinary income	1,103,956
Quarterly net income before income taxes and minority interests	1,103,956
Income taxes - current	387,001
Income taxes - deferred	773
Total income taxes	387,775
Quarterly net income	716,181
Quarterly net income attributable to non-controlling interests	-
Quarterly net income attributable to owners of parent	716,181

(Quarterly consolidated statements of comprehensive income)  
(First nine months of the fiscal year ending March 31, 2025)

	(Thousands of yen)
	First nine months under review (April 1, 2024 to December 31, 2024)
Quarterly net income	716,181
Other comprehensive income	
Valuation difference on available-for-sale securities	197,205
Share of other comprehensive income of entities accounted for using equity method	(211)
Total other comprehensive income	196,994
Quarterly comprehensive income	913,175
(Comprehensive income attributable to)	
Quarterly comprehensive income attributable to owners of parent	913,175
Quarterly comprehensive income attributable to non- controlling interests	-



(3) Notes to quarterly consolidated financial statements

(Changes in scope of consolidation or scope of equity method)

(1) Significant changes in scope of consolidation

CyberSTAR Inc., which was established through an incorporation-type company split, was included in the scope of consolidation during the first three months of the fiscal year ending March 31, 2025.

(2) Significant changes in scope of equity method

BroadBand Security, Inc. and Secure Innovation Inc. were included in the scope of equity method affiliates from the first three months of the fiscal year ending March 31, 2025 due to the preparation of quarterly consolidated financial statements.

(Notes on special accounting methods for preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses for the Company and its consolidated subsidiaries are calculated by multiplying quarterly net income before income taxes by an effective tax rate that is reasonably estimated by applying tax effect accounting to estimated income before income taxes for the consolidated fiscal year including the first nine months under review.

(Notes on segment information)

[Segment information]

First nine months of the fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024)

As the Company operates in a single segment, the Cybersecurity Business, this information is omitted.

(Notes on significant changes in shareholders' equity)

Based on the resolution of the Board of Directors meeting held on June 27, 2024, the Company acquired 47,600 shares of treasury stock, resulting in an increase of 281,316 thousand yen in treasury shares. As a result, treasury shares amounted to 654,105 thousand yen at the end of the first nine months of the fiscal year ending March 31, 2025.

(Notes on going concern assumption)

Not applicable.

(Notes to quarterly consolidated statements of cash flows)

A quarterly consolidated statements of cash flows for the first nine months of the fiscal year ending March 31, 2025 has not been prepared. The depreciation (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the first nine months of the fiscal year ending March 31, 2025 are as follows.

	First nine months of the fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024)
Depreciation	49,843 thousand yen
Amortization of goodwill	10,146

(Additional information)

(Significant matters that serve as the basis for preparing quarterly consolidated financial statements)

The Group began preparing quarterly consolidated financial statements from the first three months of the fiscal year ending March 31, 2025. Significant matters that serve as the basis for preparing quarterly consolidated financial statements are as follows.

1. Matters related to the scope of consolidation

Consolidated subsidiaries: 1 company

Name of consolidated subsidiary: CyberSTAR Inc.

2. Matters related to the application of equity method

(1) Equity-method affiliates: 2 companies

Affiliate company names: BroadBand Security, Inc., Secure Innovation Inc.

(2) Matters deemed particularly necessary to be stated with respect to the procedures for application of the equity method

For equity-method affiliates that have different closing dates, provisional financial statements prepared based on the most recent quarterly financial statements of those companies are used.

3. Matters related to fiscal years of consolidated subsidiaries

The quarterly closing date of consolidated subsidiaries is the same as the quarterly consolidated closing date.