

**LINK Smart**

Toward a shared, connected future

(Company Overview)

**CYBERLINKS CO., LTD.**  
**Financial Results for 1H FY12/23**  
(January 1, 2023 – June 30, 2023)

September 5, 2023

## 6. About CYBERLINKS Strengths

### Fundamental Strength

#### Anticipating current trends

- ◆ The era of system investments being the source of competitive edge is over
- ◆ In non-competitive areas, joint use (sharing) will be the norm

### Business Model

#### Shared Cloud

- ◆ Industry-specific systems, both hardware and software, will be used by everyone (joint use)
- Designed to provide industry leading systems at affordable prices
- ◆ Launched services in 2005, when the term "cloud" was not yet coined



reduce IT costs and streamline management

### Leading market share



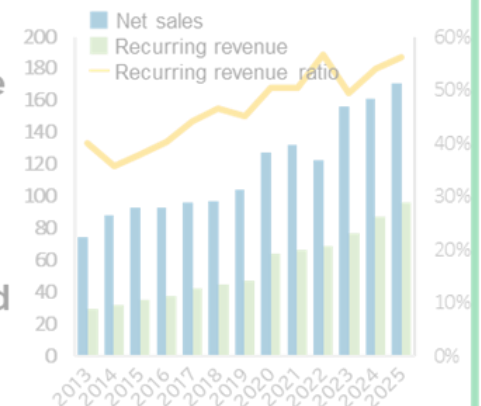
- ◆ Our EDI service for food wholesalers is the de facto **industry standard** service (GTV of JPY 9.3 trillion)
- ◆ **Approx. 30%** of grocery supermarkets nationwide use our system

### Stable management

- ◆ Recurring revenues such as usage fees and information processing fees amount to **JPY 6.9 billion\*!** (56.6% of total sales)

Secured stable management based on recurring revenue

\* FY12/22 results



## 6. About CYBERLINKS Strengths

### Fundamental Strength

#### Anticipating current trends

- ◆ The era of system investments being the source of competitive edge is over
- ◆ In non-competitive areas, joint use (sharing) will be the norm

### Business Model

#### Shared Cloud

- ◆ Industry-specific systems, both hardware and software, will be used by everyone (joint use)
- Designed to provide industry leading systems at affordable prices
- ◆ Launched services in 2005, when the term "cloud" was not yet coined



reduce IT costs and streamline management

### Leading market share

- ◆ Our EDI service for food wholesalers is the de facto **industry standard** service (GTV of JPY 9.3 trillion)
- ◆ **Approx. 30%** of grocery supermarkets nationwide use our system

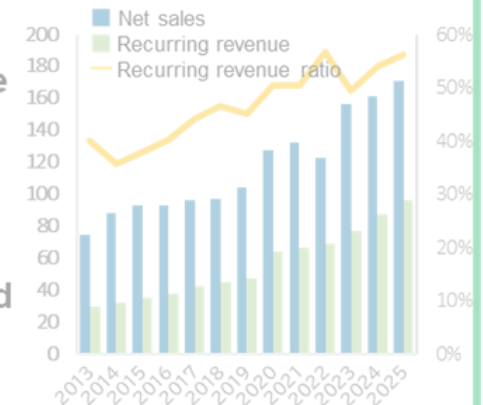


### Stable management

- ◆ Recurring revenues such as usage fees and information processing fees amount to **JPY 6.9 billion\*** (56.6% of total sales)

Secured stable management based on recurring revenue

\* FY12/22 results



## 6. About CYBERLINKS Strengths

### Fundamental Strength

#### Anticipating current trends

- ◆ The era of system investments being the source of competitive edge is over
- ◆ In non-competitive areas, joint use (sharing) will be the norm

### Business Model

#### Shared Cloud

- ◆ Industry-specific systems, both hardware and software, will be used by everyone (joint use)
- Designed to provide industry leading systems at affordable prices
- ◆ Launched services in 2005, when the term "cloud" was not yet coined



reduce IT costs and streamline management

### Leading market share



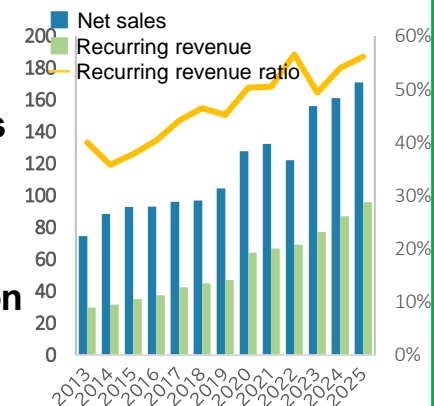
- ◆ Our EDI service for food wholesalers is the de facto **industry standard** service (GTV of JPY 9.3 trillion)
- ◆ **Approx. 30%** of grocery supermarkets nationwide use our system

### Stable management

- ◆ **Recurring revenues such as usage fees and information processing fees amount to JPY 6.9 billion\*!** (56.6% of total sales)

Secured stable management based on recurring revenue

\* FY12/22 results

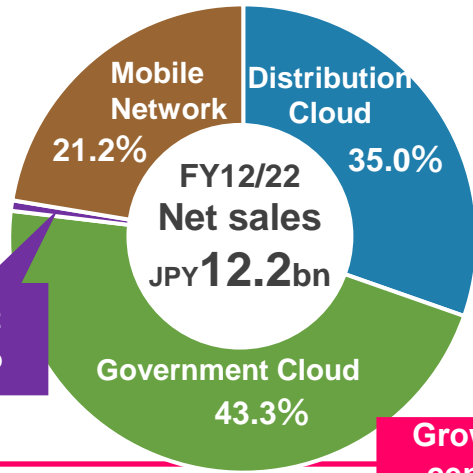


# 6. About CYBERLINKS Shared Cloud

Our Shared Cloud business model focuses on providing the industry's best functions at affordable prices through “**shared use**” rather than by addressing the functional requirements of individual companies

	On-premise system usage		Private cloud system usage		Cyberlinks's Shared Cloud
Hardware	On-premise		Private cloud		Shared use
Software	Packaged software	Proprietary system	Packaged software	Proprietary system	
Initial investment	Costly hardware investment Requires software purchase	Costly hardware and software investment	Affordable hardware investment Requires software purchase	Affordable hardware investment Costly software investment	Low initial investment for both hardware and software
Operation & Maintenance	Hardware and software maintenance personnel needed		Hardware maintenance can be outsourced, but software maintenance personnel needed		Outsource maintenance for both hardware and software!
System renewal	Requires hardware updates every few years Costly software updates		No hardware updates required, but software updates are costly		No hardware updates required! Software is continuously upgraded!
Helpdesk	Requires in-house support		Requires in-house support		Outsource helpdesk operations to Cyberlinks!

# 6. About CYBERLINKS Breakdown of Business (Consolidated)



**Distribution Cloud**  
Sales: JPY4.2bn  
Ordinary Profit: JPY0.81bn

**Government Cloud**  
Sales: JPY5.2bn  
Ordinary Profit: JPY0.71bn

**Trust**  
Sales: JPY0.04bn  
Ordinary Profit: JPY-0.23bn

**Mobile Network**  
Sales: JPY2.5bn  
Ordinary Profit: JPY0.16bn

**Growth driver centered on Shared Cloud**

**Food Retailers**

**Processed food wholesalers**

**Overall food distribution industry**

**Specialty stores**

**Local government**

**Elementary and Junior high schools**

**Medical institutions**

**Private companies**

**Government Professionals Companies**

**Individuals Corporations**

**ERP system**  
Internet EDI for retailers  
Shelf allocation system  
Fresh Food EDI

**Internet EDI for wholesalers**

**Inter-company Collaboration**  
Product Image Database

**Sales Management System**

**Government information system**  
Local disaster prevention system

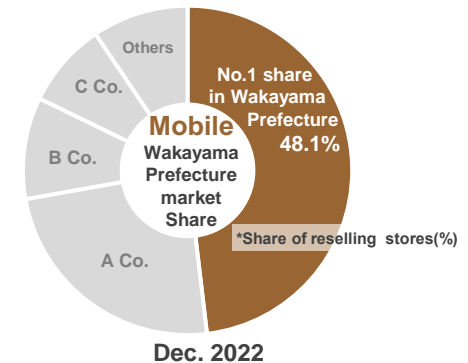
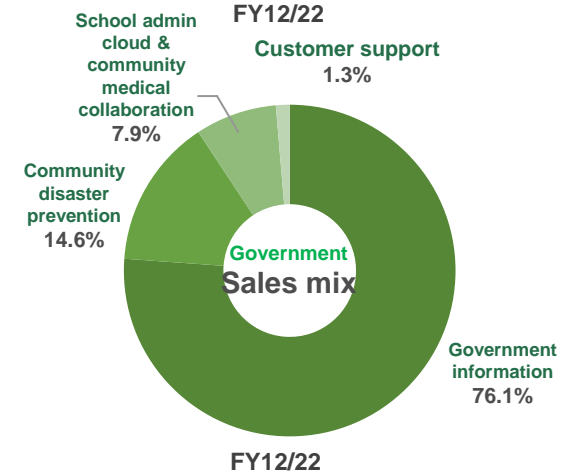
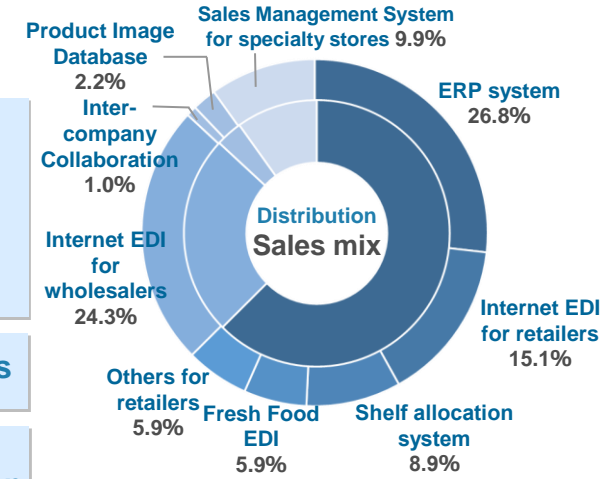
**School administration cloud service**

**Community medical collaboration**

**Customer support services**

**Digital contract service**  
Digital certificate issuing service  
Time Stamping





**Mobile phone reselling business**



\*Since the number of stores has increased from December 2022, The results for the same month only are listed.






In 2005, we launched @rms ERP, Japan's first cloud retail ERP service, then gradually expanded our lineup of peripheral services

### Key services for grocery supermarkets

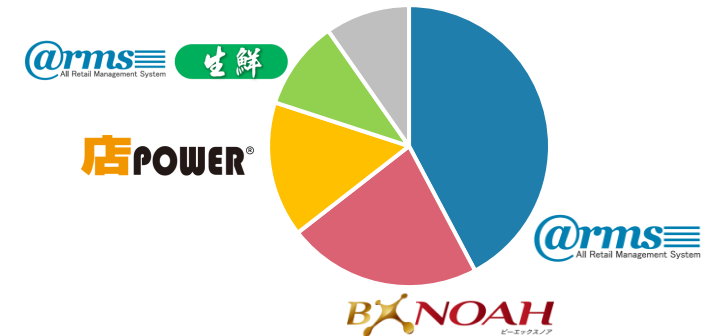
Service	Description	Industry rank (* Based on our research)
ERP system 	Support overall core business operations such as ordering, purchasing, inventory, sales management, etc.	Cloud retail ERP system installations <b>No.1</b>
Internet EDI for Retailers 	Support electronic data interchange (EDI), including order placement and receipt	Internet EDI for Retailers <b>No.1</b>
Fresh Food Ordering System 	EDI service specializing in fresh food products. Supports business practices specific to fresh food, such as market fluctuations and market purchases.	Fresh Food Ordering System <b>No.1</b>
Shelf allocation system 	Supports merchandising optimization through shelf allocation management, work instructions, and analytics	Shelf allocation system <b>No.1</b>

## 6. About CYBERLINKS Key Services – Distribution Cloud – Food Retail

### Monthly fee structure by service (recurring revenue)

	Base fee + Per store charge
	Base fee + Per partner charge
 	Base fee + Per partner charge + Per store charge
	Per user ID charge

Food Retail Recurring Revenue by service (FY12/22)



\*Standard billing structure.

Increase in store count = Increase in recurring revenue



Number of stores with @rms ERP installed\*1

**1,311 stores**

**out of 21,000 total stores\*2**

See p25 for medium-term target

\*1 Number of stores using @rms ERP (as of the end of 2Q FY12/23)

\*2 Total stores in the market based on our estimates



# 6. About CYBERLINKS Key Services – Distribution Cloud – Food Wholesale

The Cloud EDI-Platform centrally organizes all order data received from retailers via various communication methods on behalf of wholesalers (first in the industry)

## Cloud Service for Wholesalers Cloud EDI-Platform

GTV\*1

JPY 9.3tn



out of JPY36tn (overall market)\*2  
As of end Q2 FY12/23

Installed in **8 of the top 10** processed food wholesalers companies by sales

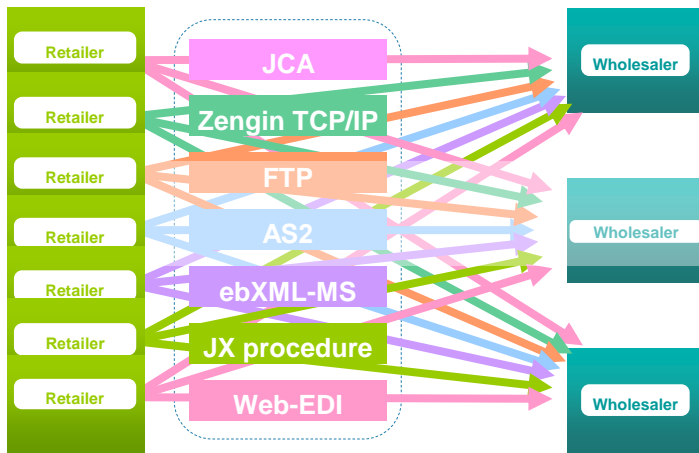
Also installed at **major manufacturers**

\*1 The value of orders received and placed by customers using the Cloud EDI-Platform  
\*2 Overall market GTV figure is an internal estimate



Leading Distribution EDI Cloud service (in terms of wholesaler EDI processing volume)

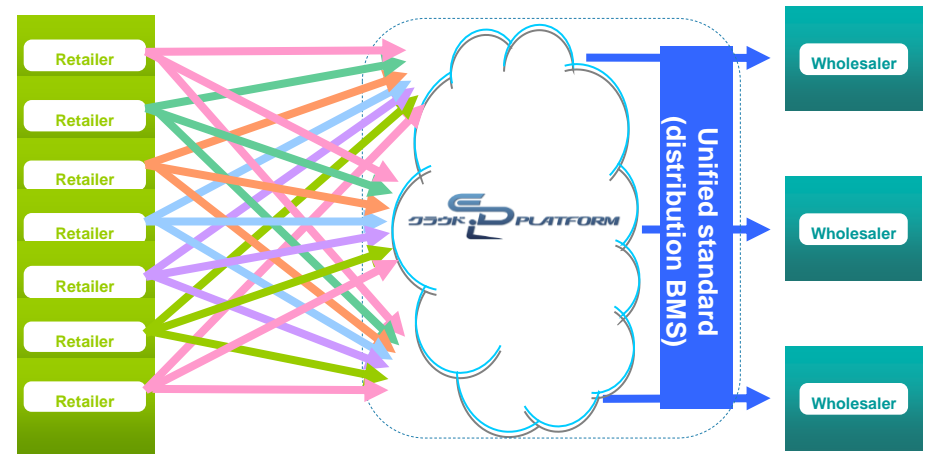
Order data received via a wide variety of communication methods



Consolidate network types and communication methods



Sent to wholesalers via an unified standard (distribution BMS)



## 6. About CYBERLINKS Key Services – Distribution Cloud(KPI)

(store)

Food Retail (@rms)	FY12/20 Results	1Q FY12/23 Results	2Q FY12/23 Results	FY12/25 Targets
KPI: # of stores (Overall Market: 21,000 stores)	1,205	1,304	1,311 (+7)	1,765

\*Number of stores using @rms ERP

(JPY trillion)

Processed Food Wholesale (EDI-Platform)	FY12/20 Results	1Q FY12/23 Results	2Q FY12/23 Results	FY12/25 Targets
KPI: GTV (Overall Market: JPY 36 trillion)	8.7	9.2	9.3 (+0.1)	12.3

\*Gross Transaction Value: The value of orders received and placed by customers using our services.

(ID)

Retailer/Wholesale /Manufacturing (C2Platform)	FY12/20 Results	1Q FY12/23 Results	2Q FY12/23 Results	FY12/25 Targets
KPI: # of IDs (Overall Market: 220,000 ID)	0	95	93 (-2)	5,000

Retail

@rms ERP system

Wholesale

EDI-Platform  
(Commercial Platform)

Manufacturing

C2Platform  
(Negotiation Platform)

## 6. About CYBERLINKS Key Services – Government Cloud, Mobile Network

### Government Cloud

Support local governments in keeping up with the rapid progress of digitization

#### Local government

Administrative information system (ERP and information systems)

- Local government information security cloud service
- information system (document management systems, etc.)
- ERP systems

Local disaster prevention system (disaster prevention radio, etc.)

#### Elementary and junior high school

- School administration cloud service (Clarinet)

#### Medical institutions

- Medical collaboration platform
- Electronic medical records, medical office system

### Mobile Network

Largest NTT Docomo reseller in Wakayama Prefecture, operating approximately half of all Docomo Shops in the area



Iwade Store (largest store in Wakayama Prefecture)



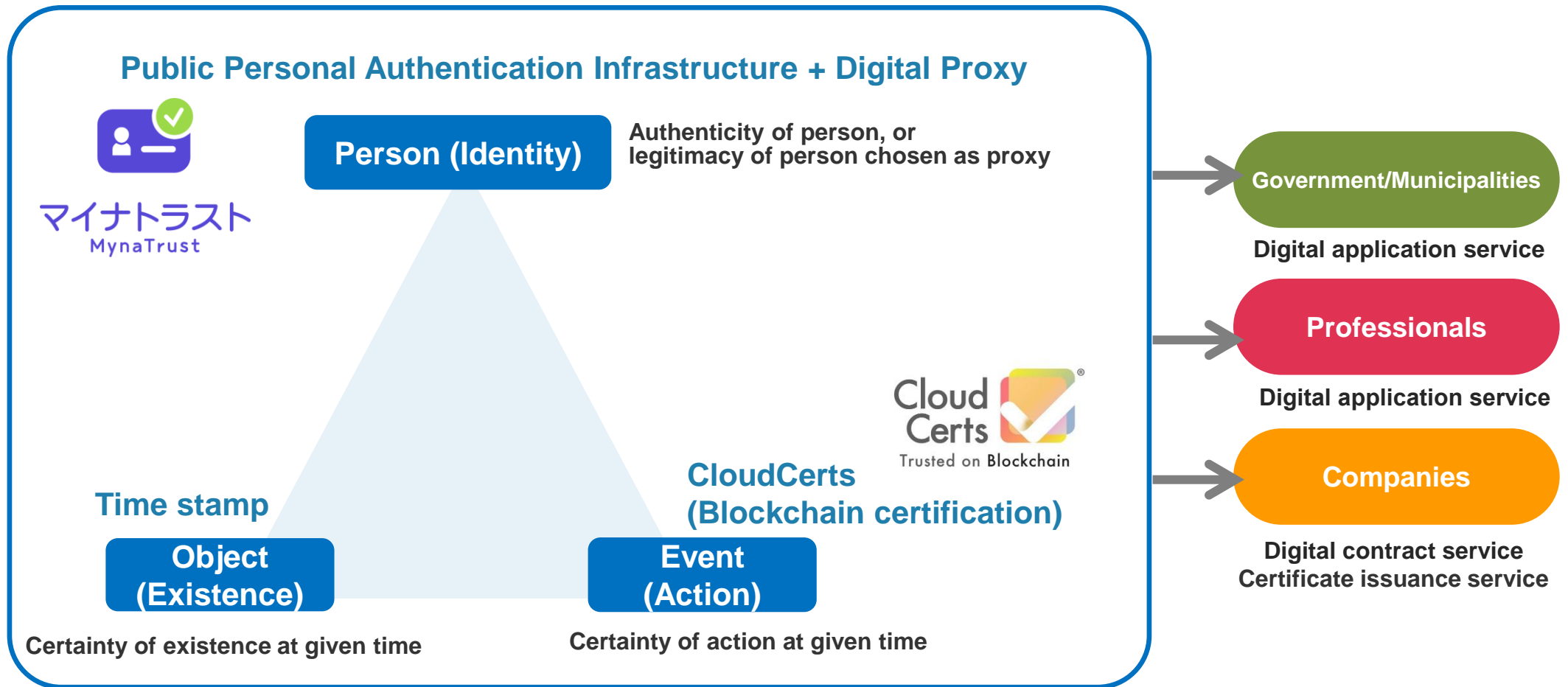
Central City Wakayama Store



Tanabe Store

## 6. About CYBERLINKS Trust Service

Leveraging our core strength in “Third Trust” service based on the My Number Card, we offer comprehensive trust services for people (identity), objects (existence), and experience (actions).



## 6. About CYBERLINKS Additional content

### Shared Research

Easy-to-understand information on Cyberlinks' strengths, business environment, performance, and recent initiatives.

<https://sharedresearch.jp/en/companies/3683>

### IRTV

Video now also available on the IRTV channel operated by IR Robotics, providing information on Cyberlinks' business, product releases, and other matters.

Medium-Term Management Plan (Feb.2023 Revised Version)

<https://youtu.be/9eDWomLI1BY>

TOEIC® Public Testing Program: blockchain adopted for digital certificates

<https://youtu.be/1dRgatbE3JQ>



### JapanStockChannel

President Murakami made an appearance on JapanStockChannel, a YouTube channel operated by IR Robotics Inc., to explain over the course of three videos the Company's trajectory, growth potential, and vision for the future.

Video 1: Story of the company's start assembling TVs after World War II

<https://youtu.be/WThVNgtZjpM>

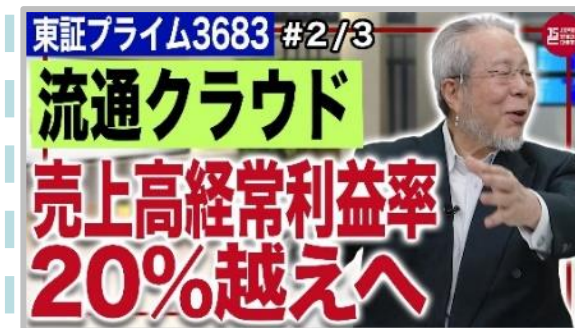
Video 2: Entering a phase of rapid growth! 20% ordinary profit margin rule!

<https://youtu.be/eLaCAJj-E>

Video 3: Transformation 2025! Currently exceeding the goals of the Company's medium-term management plan!

[https://youtu.be/J\\_m7hvLLyqU](https://youtu.be/J_m7hvLLyqU)

\*The video is based on the medium Term Management Plan before revision.



WiLL makes anything Everything starts with an idea



CYBERLINKS CO., LTD.  
Corporate Planning Division

<https://www.cyber-l.co.jp/inquiry/>

■ Disclaimer

This document contains forward-looking statements, including forecasts, future plans, and management targets pertaining to the Company. These forward-looking statements are based on current assumptions about future events and trends, and the accuracy of these assumptions is not guaranteed. Actual results may differ significantly from those described in this document due to a variety of factors. Unless otherwise specified, the financial data in this document is presented in accordance with accounting principles generally accepted in Japan. The Company makes no guarantee that it will revise any of the forward-looking statements it has already made, regardless of the occurrence of future events, except as required by disclosure regulations. Information regarding other companies is based on information that is generally known to the public.

WiLL makes anything