

LINK Smart

Toward a shared, connected future

(Company Overview)

CYBERLINKS CO., LTD.
Financial Results for FY12/23
(January 1, 2023 – December 31, 2023)

March 5, 2024

7. 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



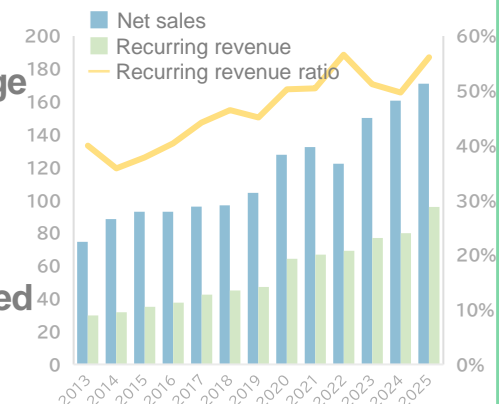
- ◆ Our EDI service for food wholesalers is the de facto **industry standard** service (GTV of JPY 9.4 trillion)
- ◆ **Approx. 30%** of grocery supermarkets nationwide use our system

Stable management

- ◆ Recurring revenues such as usage fees and information processing fees amount to **JPY 76 billion*** (51.2% of total sales)

Secured stable management based on recurring revenue

* FY12/23 results



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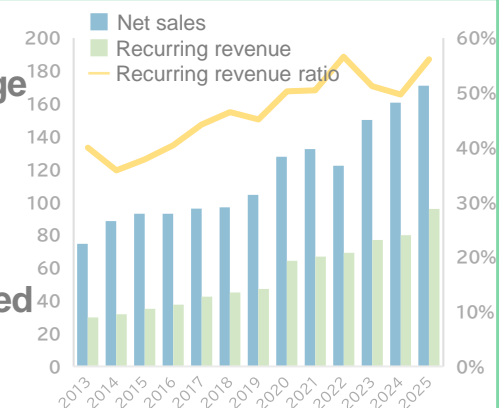
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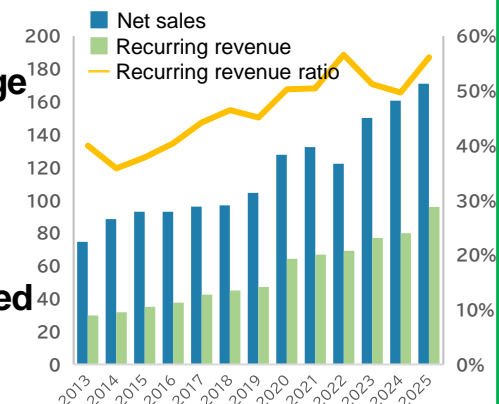
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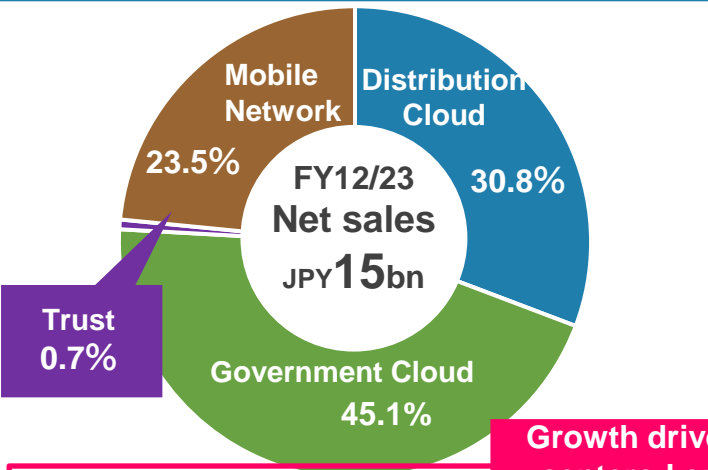


7. About CYBERLINKS Shared Cloud

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!

7. About CYBERLINKS Breakdown of Business (Consolidated)



Distribution Cloud

Sales: JPY4.6bn | Ordinary Profit: JPY0.95bn

Growth driver centered on Shared Cloud

Government Cloud

Sales: JPY6.7bn | Ordinary Profit: JPY0.52bn

Trust

Sales: JPY0.09bn | Ordinary Profit: JPY-0.23bn

Mobile Network

Sales: JPY3.5bn | Ordinary Profit: JPY0.04bn

Food Retailers

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

Processed food wholesalers

Internet EDI for wholesalers

Overall food distribution industry

Inter-company Collaboration
Product Image Database

Specialty stores

Sales Management System

Local government

Government information system
Local disaster prevention system

Elementary and Junior high schools

School administration cloud service

Medical institutions

Community medical collaboration

Private companies

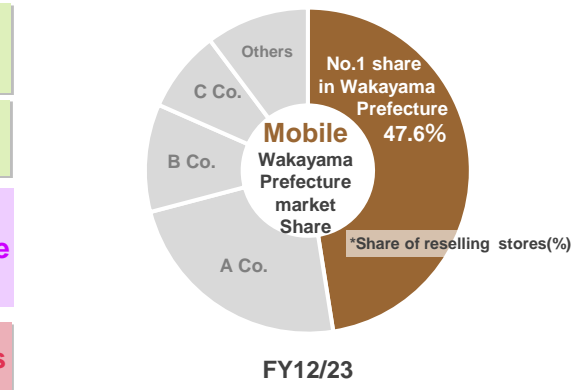
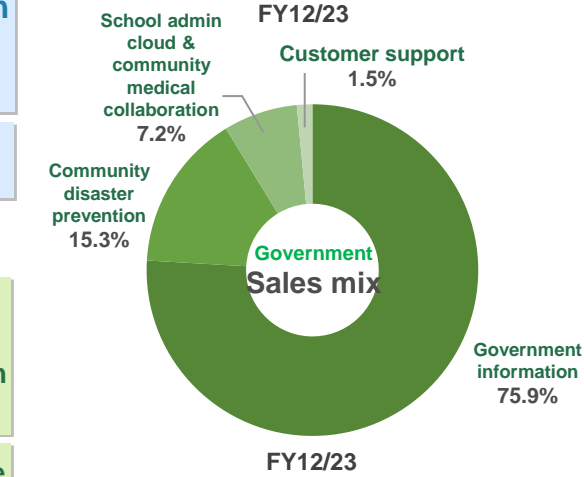
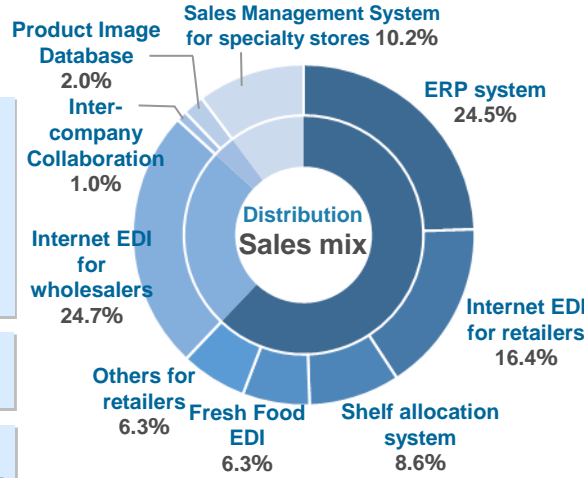
Customer support services

Government Professionals Companies

Digital contract service
Digital certificate issuing service
Time Stamping





Individuals Corporations

Mobile phone reselling business








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

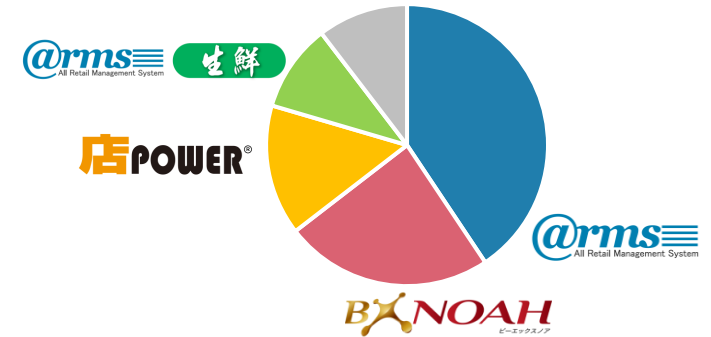
Service	Description	Industry rank (* Based on our research)
ERP system 	Support overall core business operations such as ordering, purchasing, inventory, sales management, etc.	Cloud retail ERP system installations No.1
Internet EDI for Retailers 	Support electronic data interchange (EDI), including order placement and receipt	Internet EDI for Retailers No.1
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 No.1
Shelf allocation system 	Supports merchandising optimization through shelf allocation management, work instructions, and analytics	Shelf allocation system No.1

7. 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 (FY12/23)



*Standard billing structure.

Increase in store count = Increase in recurring revenue



Number of stores with @rms ERP installed*1

1,302 stores

out of 21,000 total stores*2

See p35 for medium-term target

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

*2 Total stores in the market based on our estimates

7. 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

JPY9.4tn

out of JPY36tn (overall market)*2

As of end FY12/23



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

Also installed at **major manufacturers**

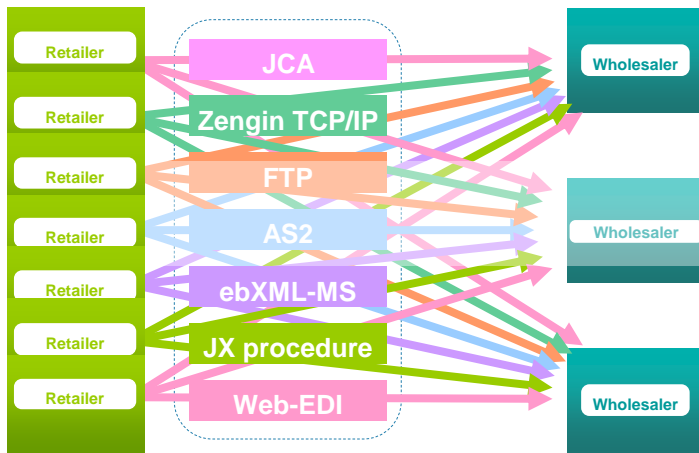
*1 The value of orders received and placed by customers using the Cloud EDI-Platform

*2 Overall market GTV figure is an internal estimate



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

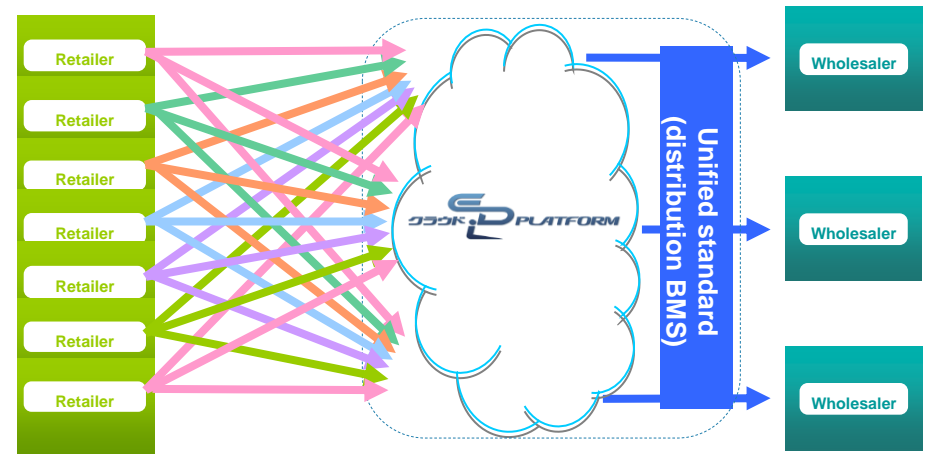
Order data received via a wide variety of communication methods



Consolidate network types and communication methods



Sent to wholesalers via an unified standard (distribution BMS)



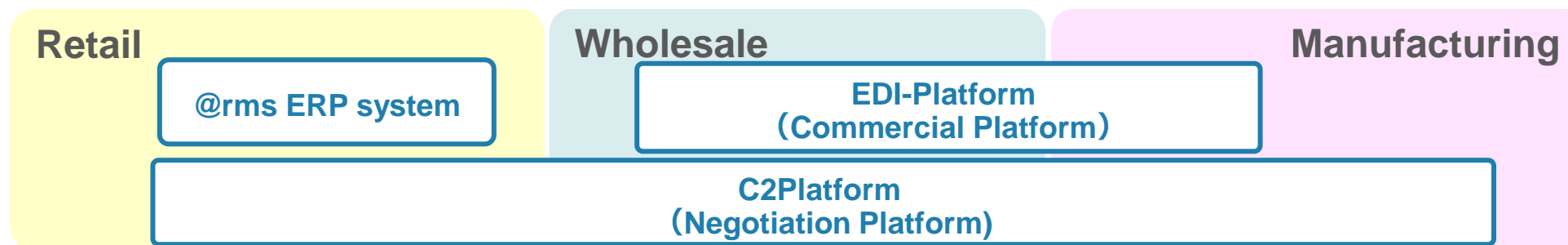
7. About CYBERLINKS Key Services – Distribution Cloud (KPI)

Food Retail (@rms)	Overall Market	FY12/23 Results (YoY)	FY12/25 Targets	Target Share
Recurring revenue (JPY100mn)	200	25.1 (+1.4)	28	70 (35%)
KPI: # of stores	21,000	1,302 (-14)	1,765	—

*# of stores: Number of stores using @rms ERP

Processed Food Wholesale (EDI-Platform)	Overall Market	FY12/23 Results (YoY)	FY12/25 Targets	Target Share
Recurring revenue (JPY 100mn)	40	9.6 (+0.3)	11	32 (80%)
KPI: GTV (JPY trillion)	36	9.4 (+0.2)	12.3	—

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



Retailer/Wholesale /Manufacturing (C2Platform)	Overall Market	FY12/23 Results (YoY)	FY12/25 Targets	Target Share
Recurring revenue (JPY100mn)	60	0.4 (+0.0)	2	48 (80%)
KPI: # of IDs	220,000	160 (+70)	5,000	—

Overall Food Distribution Market	Overall Market	FY12/23 Results (YoY)	FY12/25 Targets	Target Share
Recurring revenue (JPY100mn)	300	35.2 (+1.8)	41	150

*Market size is estimated based on the fee structure of our service

*Excludes the market for sales management systems for specialty stores

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)



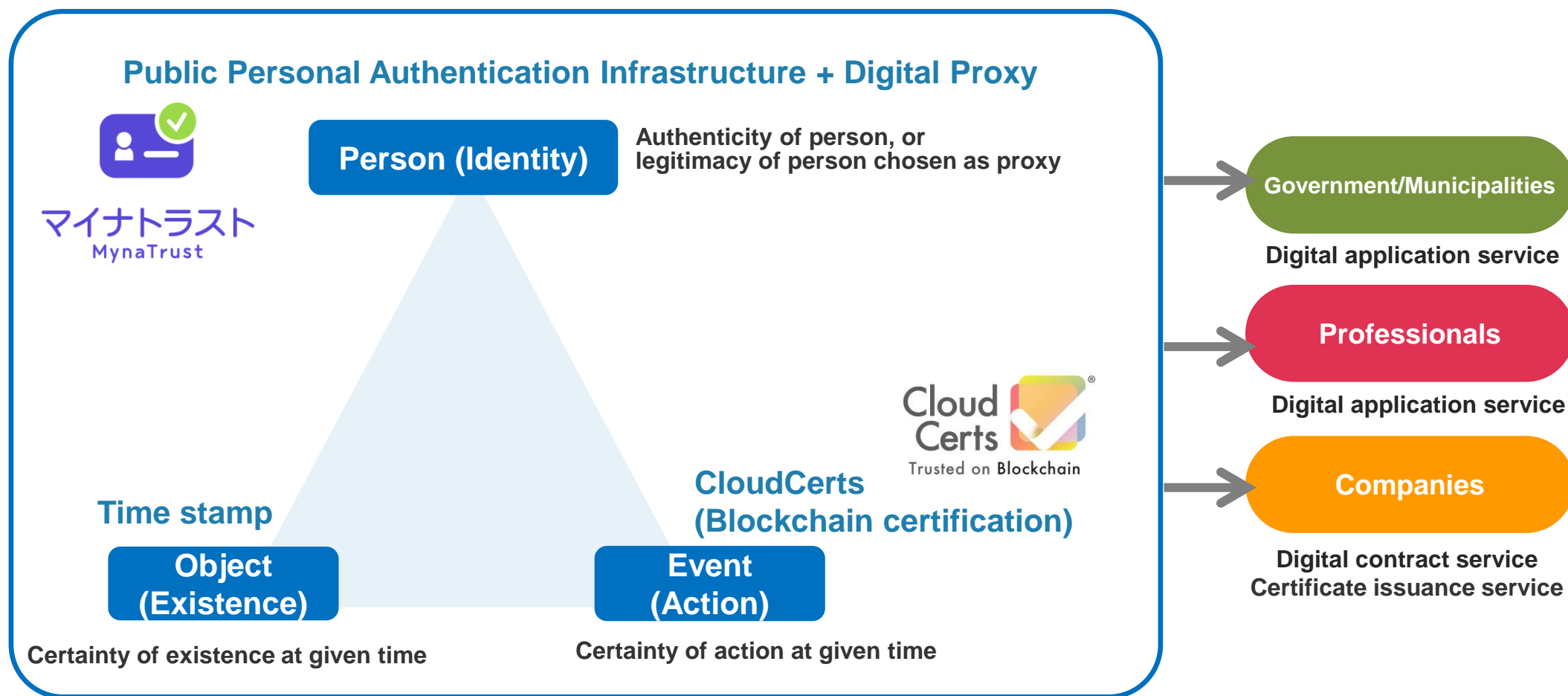
Central City Wakayama Store



Tanabe Store

7. 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).



7. 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>

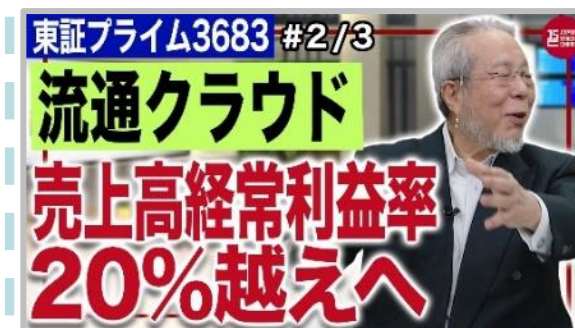
Video 2: Entering a phase of rapid growth! 20% ordinary profit margin rule!

<https://youtu.be/eLa CAJj-E>

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

https://youtu.be/J_m7hvLLyqU

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



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.