

LINK Smart

Toward a shared, connected future

(Company Overview)

CYBERLINKS CO., LTD.

Financial Results for 1H FY12/24(Interim Period)

(January 1, 2024 – June 30, 2024)

September 3, 2024

Business Model

Shared Cloud specializing in the food distribution industry

- ◆ By sharing a system specialized for the industry, **provide an optimal system for the industry at a low price**
- ◆ **Launched services in 2005**

The system improves along with the industry

reduce IT costs and streamline management

Leading market share

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



A vital service for the food distribution industry

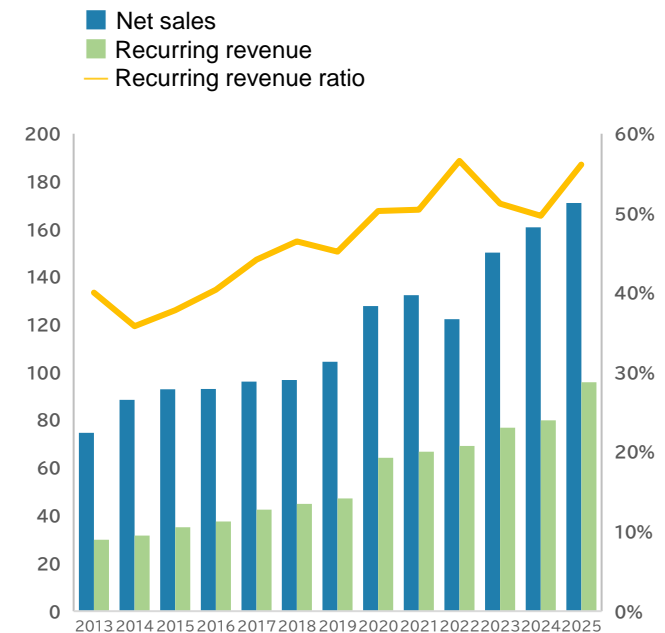
Stable management

- ◆ Recurring revenue of JPY7.6bn (**51.2%** of total sales)

* FY12/23 results



Sustainable growth backed by stable revenue

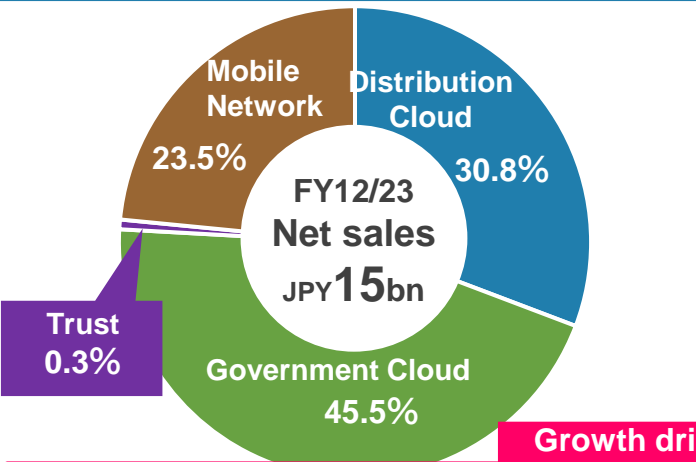


6. About CYBERLINKS Shared Cloud

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: JPY 4.6bn | Ordinary Profit: JPY 0.95bn

Growth driver centered on Shared Cloud

Government Cloud

Sales: JPY 6.8bn | Ordinary Profit: JPY 0.4bn

Trust

Sales: JPY 0.04bn | Ordinary Profit: JPY -0.11bn

Mobile Network

Sales: JPY 3.5bn | Ordinary Profit: JPY 0.04bn

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

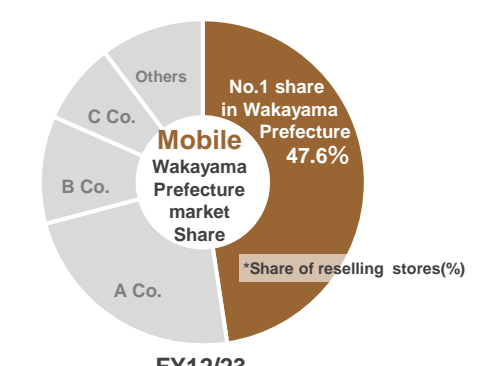
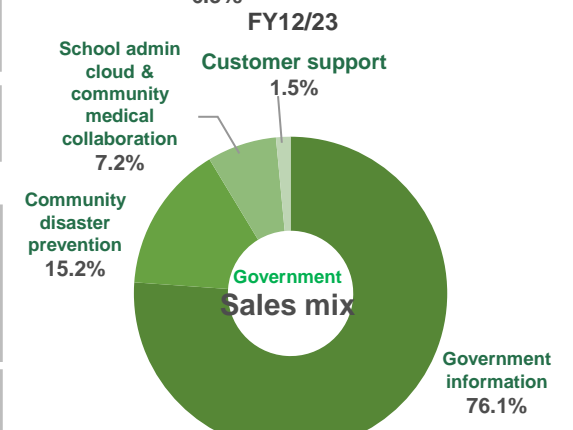
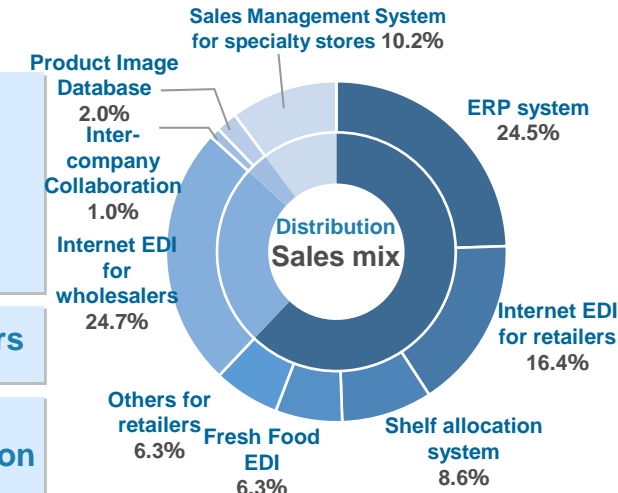
- Customer support services

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

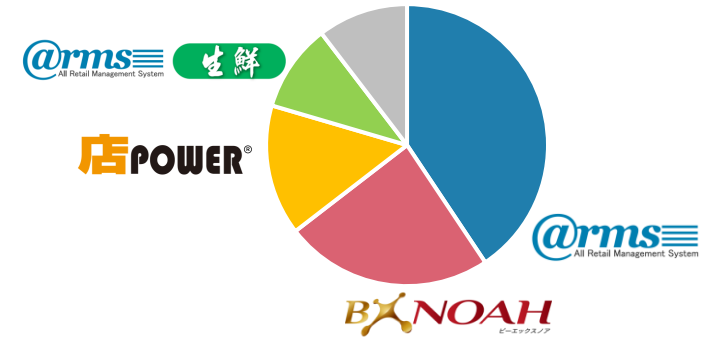
Key services for grocery supermarkets

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

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

1,254 stores
out of **21,000 total stores***2

See p27 for medium-term target

*1 Number of stores using @rms ERP (as of the end of 1H FY12/24)

*2 Total stores in the market based on our estimates

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 9.8tn

out of JPY36tn (overall market)*2

As of the end of 1H FY12/24



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

Also installed at major manufacturers

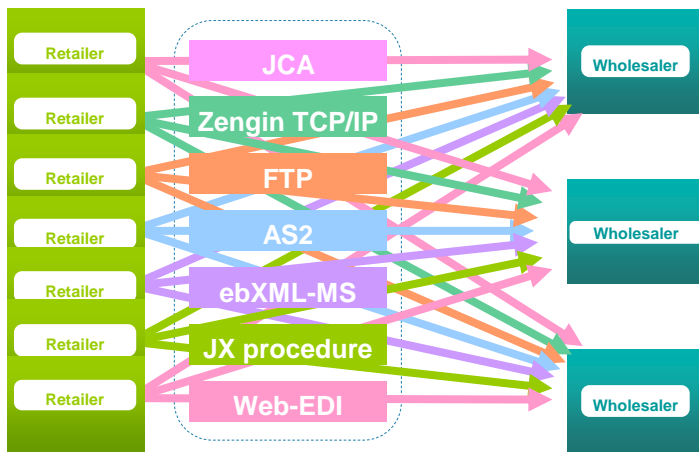
*1 The value of orders received and placed by customers using the Cloud EDI-Platform

*2 Overall market GTV figure is an internal estimate



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

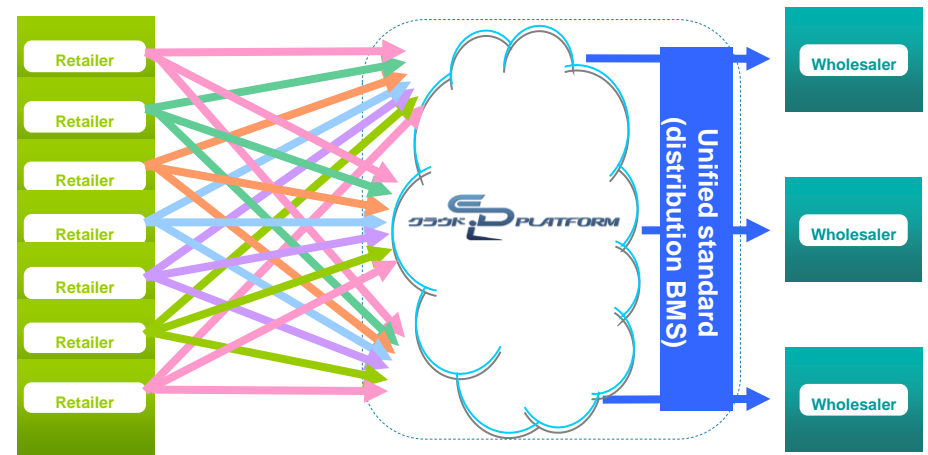
Order data received via a wide variety of communication methods



Consolidate network types and communication methods



Sent to wholesalers via an unified standard (distribution BMS)



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

Food Retail (@rms)	FY12/20 Results	1Q FY12/24 Results	1H FY12/24 Results	FY12/25 Targets
KPI: # of stores (Overall Market: 21,000 stores)	1,205	1,256	1,254 (-2)	1,765

*Number of stores using @rms ERP

*Cancellation by one major client, etc.

Processed Food Wholesale (EDI-Platform)	FY12/20 Results	1Q FY12/24 Results	1H FY12/24 Results	FY12/25 Targets
KPI: GTV (Overall Market: JPY 36 trillion)	8.7	9.7	9.8 (+0.1)	12.3

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

Retailer/Wholesale /Manufacturing (C2Platform)	FY12/20 Results	1Q FY12/24 Results	1H FY12/24 Results	FY12/25 Targets
KPI: # of IDs (Overall Market: 220,000 ID)	0	164	170 (+6)	5,000

Retail

@rms ERP system

Wholesale

EDI-Platform
(Commercial Platform)

Manufacturing

C2Platform
(Negotiation Platform)

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)

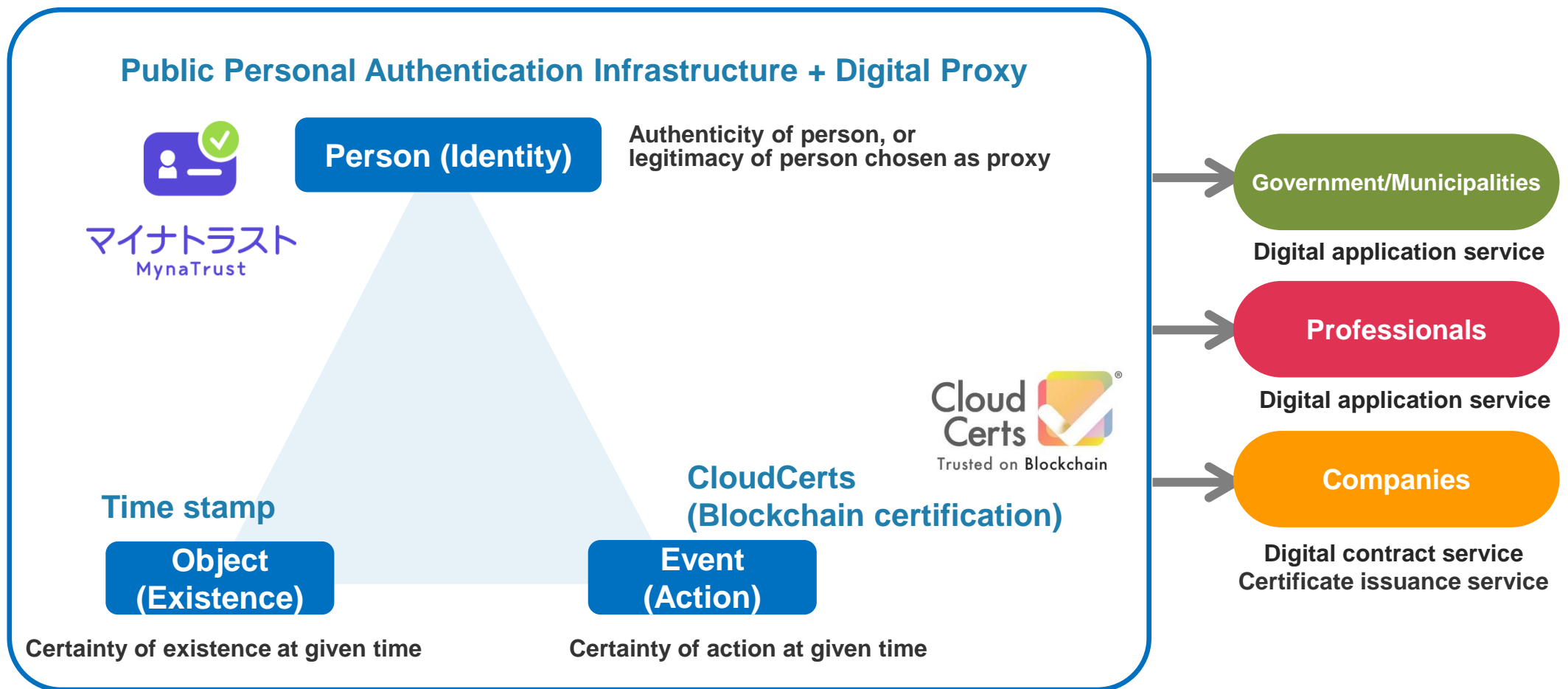


Central City Wakayama Store



Tanabe Store

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).



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.

Change in president to transit into a new organization /
Aiming for growth in its Distribution Cloud Business

<https://youtu.be/B9TTcLxDpnl>



CyberLinks, Co., Ltd./TSE Standard 3683

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/Jm7hvLLyqU>

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

WiLL makes anything すべては思うことから始まる—



CYBERLINKS CO., LTD.
Corporate Planning Division

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

■ Disclaimer

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