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Consolidated Financial Results for the Year Ended December 31, 2024 (Japanese GAAP)

February 13, 2025

Company name: Cybozu, Inc.
Listing: Tokyo
Securities code: 4776
URL: <https://cybozu.co.jp/>
Representative: Yoshihisa Aono, Representative Director & President
Inquiries: Person in charge of investor relations, Corporate Affairs Division
Telephone: +81-3-6671-9525
Scheduled date of annual general meeting of shareholders: March 30, 2025
Scheduled date to commence dividend payments: March 31, 2025
Scheduled date to file annual securities report: March 28, 2025
Preparation of supplementary material on financial results: None
Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2024	29,675	16.7	4,892	44.1	5,335	49.0	3,555	42.8
December 31, 2023	25,432	15.2	3,394	454.9	3,579	262.5	2,488	-

(Note) Comprehensive income: Fiscal year ended December 31, 2024: ¥ 3,973 million [46.1%]
Fiscal year ended December 31, 2023: ¥ 2,719 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended December 31, 2024	Yen 74.99	Yen -	% 31.1	% 26.5	% 16.5
December 31, 2023	52.29	-	31.3	20.4	13.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2024: ¥ - million
Fiscal year ended December 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of December 31, 2024	Millions of yen 21,087	Millions of yen 11,633	% 55.2	Yen 251.69
December 31, 2023	19,248	11,253	58.5	236.33

(Reference) Equity: As of December 31, 2024: ¥ 11,630 million
As of December 31, 2023: ¥ 11,253 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended December 31, 2024	Millions of yen 5,601	Millions of yen (3,089)	Millions of yen (3,599)	Millions of yen 5,589
December 31, 2023	4,548	(2,532)	(777)	6,492

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2023	-	0.00	-	14.00	14.00	666	26.8	8.3
December 31, 2024	-	0.00	-	30.00	30.00	1,386	40.0	12.3
Fiscal year ending December 31, 2025 (Forecast)	-	0.00	-	40.00	40.00		31.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	36,004	21.3	8,437	72.4	8,494	59.2	5,904	66.1	127.77

* Notes

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

Yes

Newly included: 2 companies Company name(s): Kintone Thai Holdings Co., Ltd., and Kintone (Thailand) Co., Ltd.

Note: For details, please refer to (5) Notes to Consolidated Financial Statements (Changes in scope of consolidation or scope of equity method application), on page 15 of the attachment.

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

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

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

December 31, 2024: 52,757,800 shares

December 31, 2023: 52,757,800 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 6,550,183 shares

December 31, 2023: 5,139,478 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended December 31, 2024: 47,406,986 shares

Fiscal Year ended December 31, 2023: 47,599,257 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	28,743	16.7	5,955	38.9	6,347	41.3	3,401	40.6
December 31, 2023	24,635	15.2	4,289	52.8	4,493	45.7	2,419	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2024	71.76	-
December 31, 2023	50.84	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2024	19,827	10,068	50.8	217.89
December 31, 2023	18,172	9,855	54.2	206.96

(Reference) Equity: As of December 31, 2024: ¥ 10,068 million
As of December 31, 2023: ¥ 9,855 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

Full year	Net sales		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	35,010	21.8	9,842	55.1	5,949	74.9	128.75

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable and do not constitute a guarantee by the Company that they will be achieved. Actual performance and other results may differ significantly from these forecasts due to a variety of factors. For the underlying assumptions for financial results forecasts and notes on using financial results forecasts, etc., please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 6 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024	YoY change	YoY % change
Consolidated net sales	25,432	29,675	4,242	16.7%
Operating profit	3,394	4,892	1,498	44.1%
Ordinary profit	3,579	5,335	1,755	49.0%
Profit attributable to owners of parent	2,488	3,555	1,066	42.8%

Cybozu's cloud services, which we launched in November 2011, have been performing steadily with the number of subscribing companies and subscribing user licenses surpassing 67,000 and 3.30 million, respectively.

Under these circumstances, regarding our consolidated financial results for the fiscal year under review, consolidated net sales amounted to ¥29,675 million (up 16.7% YoY) as sales of our cloud services continued to build up, with factors such as the revised pricing system also contributing. Of this amount, net sales from cloud-related business amounted to ¥26,791 million (up 20.2% YoY). Operating profit was ¥4,892 million (up 44.1% YoY), with the main factors being an increase in personnel expenses primarily resulting from an increase in the number of employees, an increase in advertising expenses due to active investment in advertising in the fiscal year under review, after being confined to investments to maintain brand awareness in the previous fiscal year, and an increase in research and development expenses due to the revitalization of long-term research and development activities aimed at the creation of new business with a global perspective. Ordinary profit was ¥5,335 million (up 49.0% YoY), mainly due to an increase in foreign exchange gains related to forward exchange contracts. Profit attributable to owners of parent after income taxes was ¥3,555 million (up 42.8% YoY), with the main factor being the recording of business restructuring expenses in extraordinary losses.

1. Progress and results of major products and services

For the past several years, we have continued to invest in growing and gaining recognition for our cloud services, as well as in expanding and strengthening our ecosystem. In particular, business through our ecosystem is steadily expanding, with the number of partner companies reaching approximately 500 and the number of integrated services provided by partner companies amounting to more than 400 as of December 31, 2024; 64.7% or ¥16,587 million of domestic sales in cloud-related business came from sales via partners, and the percentage of partner sales has been increasing each year. Amid expanding demand for cloud services, from November 2024, we revised the pricing system for Kintone, and the cloud services, Cybozu Office, Garoon, and Mailwise, and changed the minimum number of users per Kintone and Mailwise license. The aim of these initiatives is to provide even better services by increasing our investment in overall operations as well as development.

Meanwhile, in 2024 we strengthened our regional sales activities and support structure with the relocation of our Nagoya office in February and our Sapporo office in May and the establishment of a contact center in Naha, Okinawa in June. With these developments, we are further promoting support for business operational improvements by local businesses and local governments and responding to the growing demand for cloud services.

To implement a partner strategy that is able to respond to changing needs in the cloud era, we continued our efforts to build a strong ecosystem with our partners and to maximize customer value by promoting partner initiatives and product enhancements through our partner program, the Cybozu Partner Network.

○ Kintone cloud service for building business apps

The number of companies subscribing to our flagship product, Kintone, in Japan has been steadily increasing, standing at 37,000 as of December 31, 2024. Net sales on a consolidated basis totaled ¥16,192 million (up 24.4% YoY). In terms of television commercials, in addition to running advertisements designed to gain awareness of Kintone as “a cloud service that helps improve business operations,” we continued and stepped up the previous fiscal year's efforts to promote Kintone's product value of “allowing users to create apps themselves to improve their business operations.”

In July 2024, we began sales of the Wide Plan, a dedicated product for large-scale customers with 1,000 or more users. In addition, we have enhanced our range of products and services designed to address the wide range of operational issues faced by large organizations. This includes publicly announcing for the first time companies that have obtained Kintone Enterprise

Partner Certification, which is a program to assist large-scale users of Kintone with the selection of appropriate Kintone partners to support them. As the adoption of no-code and low-code tools as a means of digital transformation (DX) in the enterprise domain becomes more widespread, the use of Kintone is expanding as a tool that supports “business improvement led by people on the frontline,” as it allows users even without programming expertise to easily build systems.

To enable Kintone to support more diverse business operations and information sharing, we launched a new optional feature, the Email Sharing Option, in October 2024. We have also proceeded with the development of products that use AI technologies, including recruiting users for the beta version of the Kintone AI Assistant (provisional name), a new AI feature that incorporates generative AI to support data utilization by teams.

As the use of Kintone continues to expand, the number of local governments adopting Kintone has continued to grow, reaching approximately 380 municipalities as of December 31, 2024. Further, the number of partner companies participating in our “Complete local government DX all-in-one box,” DX program for local governments with Kintone as a platform primarily targeting small municipalities launched in 2023, now exceeds 40 partner companies. We will continue our efforts to further drive its full-scale deployment by local governments and rollout across entire government agencies.

In addition, we have continued to strengthen our ties with regional banks as part of our efforts to expand our sales partner channels. This year, we concluded partnership agreements with several banks, including the Yamanashi Chuo Bank and the Bank of Iwate. The regional banks have set up a special ICT consulting team within their respective organizations, and we have been providing product training to such special ICT consulting teams to support their consulting proposals to customers. As of December 31, 2024, we are working with over 20 regional banks nationwide. In the around seven years this partnership program has been running, we have had about 700 companies adopt Cybozu products through consulting provided by these regional banks. We will continue with these initiatives designed to help local SMEs raise productivity and create worker-friendly environments by proposing ways they can utilize IT.

○ Other products and services

Sales of cloud services have increased steadily for all products. The number of companies adopting the Cybozu Office groupware for SMEs reached a cumulative total of 81,000 in Japan as of December 31, 2024, and net sales on a consolidated basis totaled ¥5,755 million (up 8.3% YoY), with 88.6% of net sales coming from cloud services. The number of companies adopting Garoon groupware for medium- and large-sized organizations reached a cumulative total of 8,000 in Japan as of December 31, 2024, and net sales on a consolidated basis totaled ¥5,536 million (up 10.6% YoY), with 70.0% of net sales coming from cloud services, indicating that demand for cloud services is also increasing among medium- and large-sized organizations. The number of companies adopting the Mailwise email sharing service reached a cumulative total of 15,000 in Japan as of December 31, 2024, and net sales on a consolidated basis totaled ¥883 million (up 12.2% YoY), with 96.0% of net sales coming from cloud services.

○ Efforts to strengthen reliability

We are focusing on efforts to raise the reliability of our products and services as well as confidence in the Group to ensure that our many-and-varied users can use our products and services with peace-of-mind for years to come. Since we launched our cloud-related business in 2011, we have continued to develop and operate cloud infrastructure in-house. We are particularly focusing on strengthening the reliability of our cloud services and are continuously investing in security enhancements. These efforts include moving forward with the migration to NECO, the new cloud infrastructure developed in-house that offers greater reliability with new technology.

In 2021, our cloud services were certified as services that meet the security requirements of the Japanese government under the Information System Security Management and Assessment Program (hereinafter, “ISMAP”), and they are on the ISMAP cloud services list in FY2024 as well. This ongoing registration gives administrative organizations the peace-of-mind to consider and deploy Cybozu cloud services.

In 2023, the Kintone cloud service that we offer overseas received a SOC 2 Type I Report, which is an evaluation of internal controls, followed by a SOC 2 Type II Report in FY2024. These reports are the result of the assessment performed by an external auditor as an independent third party of internal controls related to security, etc. under the Trust Services Criteria established by the American Institute of CPAs (AICPA).

We will contribute to the creation of a society brimming with teamwork by continuing to work on internal controls that meet

international standards and respond to security threats, including by meeting the requirements of government information systems, and providing reliable, safe, and secure cloud services.

○ Evaluation by the market

In the 2024-2025 Customer Satisfaction Survey published in the September 5, 2024 edition of Nikkei Computer magazine, Cybozu ranked No. 1 in the “Groupware/Business Chat” and “Operational Efficiency Improvement and In-house Support Software/Services” categories. This was our 12th No. 1 ranking in the “Groupware/Business Chat” category (2000, 2002-2009, 2014-2015, 2024), and our first time winning that position in the “Operational Efficiency Improvement and In-house Support Software/Services” category.

In addition, our Customer Center was awarded the highest rank of 3 stars in the 2024 HDI rating benchmark for quality evaluation (center evaluation: telephone) by HDI-Japan for the third consecutive year and fifth time overall (previously awarded in 2018, 2019, 2022, and 2023).

2. Strengthening our structure for global rollout

The roll out of our services in various overseas markets continues. As of December 31, 2024, the number of companies who had deployed our services was 880 companies (up 2.3% YoY) in the U.S. market, 1,400 companies (up 1.4% YoY) in the Greater China market, and 1,290 companies (up 9.3% YoY) in the Southeast Asian market. In the U.S. market, in addition to continuing our collaboration with Ricoh Company, Ltd., we have engaged in further sales activities, including rolling out RICOH Kintone plus for Latin America in January 2024. In the Southeast Asian (SEA) market, we established our Thailand subsidiary, Kintone (Thailand) Co., Ltd. in Bangkok, our second SEA sales base after our Malaysian subsidiary, and began sales and marketing in Thailand in March 2024. In October 2024, our Malaysian subsidiary, Kintone Southeast Asia Sdn. Bhd., concluded a sales partnership agreement with a state-owned enterprise of the Sarawak state government. Moving forward, we will strengthen our ties with partners to continue to accelerate the global rollout of our products.

3. Efforts to create a society brimming with teamwork

Cybozu is involved in a wide range of activities to support teamwork, including support for non-profit organizations, regional development, and school business process re-engineering (BPR) to realize workstyle reform in schools, and the Kintone Teamwork Fund, which promotes equity investment in, commercialization support for, and collaborations with startups that identify with Cybozu’s company vision. Through information sharing support using cloud services offered by Cybozu, we will contribute to fostering the teamwork that is essential to sport. For example, in the fiscal year under review, we concluded a new partnership agreement with the Japan Lacrosse Association. In addition, as part of our disaster support program to support IT introduction in disaster management using Kintone, in preparation for large-scale earthquake disasters, which have become more frequent in recent years, we compiled various techniques for using ICT disaster management support tools into a training text, which we published in February 2024. We will continue to utilize Cybozu-style teamwork improvement expertise to improve teamwork across society and for disaster prevention, management, and relief.

(2) Overview of Financial Position for the Fiscal Year under Review

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024	YoY change
Total assets	19,248	21,087	1,838
Total liabilities	7,995	9,454	1,458
Total net assets	11,253	11,633	380

Total assets increased by ¥1,838 million from the end of the previous fiscal year to ¥21,087 million, mainly due to increases in accounts receivable - trade, and increases in tools, furniture and fixtures resulting from additional servers for cloud services and other factors, as well as an increase in investment securities resulting from rising stock prices of listed shares, despite a decrease in cash and deposits.

Total liabilities increased by ¥1,458 million from the end of the previous fiscal year to ¥9,454 million, mainly due to an increase in contract liabilities.

Total net assets increased by ¥380 million from the end of the previous fiscal year to ¥11,633 million, mainly due to an increase in retained earnings resulting from the recording of ¥3,555 million in profit attributable to owners of parent, as well as an increase of ¥2,929 million in treasury shares due to the purchase of treasury shares based on a resolution of the Board of Directors, offsetting the payment of ¥666 million in dividends of surplus. The equity ratio was 55.2%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis at the end of the fiscal year under review decreased by ¥902 million from the end of the previous fiscal year to ¥5,589 million.

The status of cash flows for the fiscal year under review and the major factors involved are described below.

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024	YoY change
Cash flows from operating activities	4,548	5,601	1,052
Cash flows from investing activities	(2,532)	(3,089)	(556)
Cash flows from financing activities	(777)	(3,599)	(2,821)

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥5,601 million in the fiscal year under review. This was mainly due to the recording of profit before income taxes and depreciation expenses, despite the payment of income taxes.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥3,089 million in the fiscal year under review. This was mainly due to expenditures for the acquisition of non-current assets resulting from the acquisition of servers, etc. as part of investment in cloud services.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥3,599 million in the fiscal year under review. This was mainly due to the purchase of treasury shares based on a resolution of the Board of Directors and the payment of dividends.

(4) Future Outlook

Consolidated net sales for the fiscal year ending December 31, 2025 are expected to amount to ¥36,004 million as we expect continued growth with the number of companies subscribing to cloud services exceeding 67,000, in addition to the effect of the pricing system revision. In light of the solid sales growth in cloud-related businesses, we will continue to make active investments in the next fiscal year to enhance future profitability. In particular, personnel expenses are expected to increase, mainly due to hiring and salary increases, as are advertising expenses, mainly for television commercials for Kintone, and data center operations, maintenance, and other expenses are also expected to increase in line with the expansion of cloud-related businesses.

As a result, in terms of profits, consolidated operating profit and ordinary profit are expected to be ¥8,437 million and ¥8,494 million, respectively. Profit attributable to owners of parent is projected to be ¥5,904 million.

The projected figures are subject to constant change as the Company flexibly responds to changes in the cloud-related business environment and makes the most appropriate investment decisions on a case-by-case basis. We plan to disclose future progress should the situation change, so that there will continue to be no disparities in information between internal and external parties.

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP in order to ensure comparability among companies and over time.

The Group intends to consider the application of International Financial Reporting Standards, taking into account various conditions in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	6,492	5,589
Accounts receivable - trade	3,419	4,212
Accounts receivable - other	832	1,027
Work in process	3	2
Raw materials and supplies	40	31
Other	728	1,075
Allowance for doubtful accounts	(3)	(5)
Total current assets	11,513	11,933
Non-current assets		
Property, plant and equipment		
Buildings	1,281	1,335
Accumulated depreciation	(622)	(717)
Buildings, net	658	617
Tools, furniture and fixtures	9,047	10,680
Accumulated depreciation	(5,681)	(6,858)
Tools, furniture and fixtures, net	3,366	3,822
Other	3	4
Accumulated depreciation	(0)	(0)
Other, net	3	3
Total property, plant and equipment	4,028	4,442
Intangible assets		
Software	200	409
Software in progress	34	-
Other	30	29
Total intangible assets	265	438
Investments and other assets		
Investment securities	1,547	2,261
Leasehold and guarantee deposits	869	785
Deferred tax assets	946	1,104
Other	77	121
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,442	4,273
Total non-current assets	7,735	9,154
Total assets	19,248	21,087

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	0	0
Accounts payable - other	805	798
Accrued expenses	1,338	1,663
Income taxes payable	1,121	1,365
Contract liabilities	3,838	4,867
Provision for point card certificates	40	38
Other	715	552
Total current liabilities	7,860	9,287
Non-current liabilities		
Asset retirement obligations	130	161
Other	4	5
Total non-current liabilities	134	166
Total liabilities	7,995	9,454
Net assets		
Shareholders' equity		
Share capital	613	613
Capital surplus	5,022	5,022
Retained earnings	5,820	8,709
Treasury shares	(1,346)	(4,275)
Total shareholders' equity	10,110	10,069
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	858	1,265
Foreign currency translation adjustment	284	294
Total accumulated other comprehensive income	1,142	1,560
Non-controlling interests	-	3
Total net assets	11,253	11,633
Total liabilities and net assets	19,248	21,087

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	25,432	29,675
Cost of sales	2,364	2,940
Gross profit	23,068	26,735
Selling, general and administrative expenses		
Personnel expenses	8,828	9,389
Outsourcing expenses	986	930
Advertising expenses	4,313	5,618
Research and development expenses	889	1,228
Retirement benefit expenses	38	35
Other	4,618	4,638
Total selling, general and administrative expenses	19,674	21,842
Operating profit	3,394	4,892
Non-operating income		
Interest income	5	6
Dividend income	14	17
Sponsorship money income	84	171
Foreign exchange gains	75	270
Membership fee income	37	44
Other	32	33
Total non-operating income	250	543
Non-operating expenses		
Interest expenses	2	0
Contract costs	16	12
Loss on sale of trade receivables	42	46
Loss on investments in investment partnerships	0	31
Other	3	9
Total non-operating expenses	64	100
Ordinary profit	3,579	5,335
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on receipt of donated non-current assets	26	-
Total extraordinary income	27	0
Extraordinary losses		
Impairment losses	17	2
Loss on sale and retirement of non-current assets	11	3
Loss on valuation of investment securities	49	-
Business restructuring expenses	-	*150
Total extraordinary losses	78	156
Profit before income taxes	3,528	5,179
Income taxes - current	1,363	1,961
Income taxes - deferred	(323)	(338)
Total income taxes	1,039	1,623
Profit	2,488	3,555
Profit attributable to non-controlling interests	-	0
Profit attributable to owners of parent	2,488	3,555

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	2,488	3,555
Other comprehensive income		
Valuation difference on available-for-sale securities	174	407
Foreign currency translation adjustment	56	9
Total other comprehensive income	230	417
Comprehensive income	2,719	3,973
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,719	3,972
Comprehensive income attributable to non-controlling interests	-	0

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	613	976	3,928	(1,800)	3,718
Changes during period					
Dividends of surplus			(596)		(596)
Profit attributable to owners of parent			2,488		2,488
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4,045		454	4,499
Net changes in items other than shareholders' equity					
Total changes during period	-	4,045	1,892	454	6,392
Balance at end of period	613	5,022	5,820	(1,346)	10,110

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	683	228	911	4,630
Changes during period				
Dividends of surplus				(596)
Profit attributable to owners of parent				2,488
Purchase of treasury shares				(0)
Disposal of treasury shares				4,499
Net changes in items other than shareholders' equity	174	56	230	230
Total changes during period	174	56	230	6,623
Balance at end of period	858	284	1,142	11,253

For the fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	613	5,022	5,820	(1,346)	10,110
Changes during period					
Dividends of surplus			(666)		(666)
Profit attributable to owners of parent			3,555		3,555
Purchase of treasury shares				(2,929)	(2,929)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,888	(2,929)	(41)
Balance at end of period	613	5,022	8,709	(4,275)	10,069

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	858	284	1,142	-	11,253
Changes during period					
Dividends of surplus					(666)
Profit attributable to owners of parent					3,555
Purchase of treasury shares					(2,929)
Net changes in items other than shareholders' equity	407	9	417	3	421
Total changes during period	407	9	417	3	380
Balance at end of period	1,265	294	1,560	3	11,633

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,528	5,179
Depreciation	1,987	2,254
Amortization of software	63	98
Loss (gain) on sale and retirement of non-current assets	10	2
Gain on receipt of donated non-current assets	(26)	-
Loss (gain) on investments in investment partnerships	0	31
Loss (gain) on valuation of investment securities	49	-
Impairment losses	17	2
Increase (decrease) in allowance for doubtful accounts	(1)	1
Interest and dividend income	(19)	(23)
Interest expenses	2	0
Business restructuring expenses	-	150
Decrease (increase) in trade receivables	(597)	(791)
Decrease (increase) in accounts receivable - other	(95)	(190)
Decrease (increase) in inventories	(12)	10
Increase (decrease) in trade payables	(1)	0
Increase (decrease) in accounts payable - other	(639)	86
Increase (decrease) in accrued expenses	298	164
Increase (decrease) in contract liabilities	211	1,002
Increase (decrease) in provision for point card certificates	(18)	(1)
Other, net	323	(685)
Subtotal	5,082	7,291
Interest and dividends received	19	23
Interest paid	(2)	(0)
Income taxes paid	(555)	(1,710)
Income taxes refund	5	0
Business structure improvement expenses paid	-	(3)
Net cash provided by (used in) operating activities	4,548	5,601
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,268)	(2,691)
Purchase of intangible assets	(182)	(280)
Purchase of investment securities	(75)	(160)
Payments of leasehold and guarantee deposits	(29)	(33)
Proceeds from refund of leasehold and guarantee deposits	2	84
Other, net	20	(8)
Net cash provided by (used in) investing activities	(2,532)	(3,089)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,200)	-
Repayments of long-term borrowings	(2,480)	-
Purchase of treasury shares	(0)	(2,939)
Proceeds from disposal of treasury shares	4,499	-
Dividends paid	(596)	(662)
Other, net	-	3
Net cash provided by (used in) financing activities	(777)	(3,599)
Effect of exchange rate change on cash and cash equivalents	128	183
Net increase (decrease) in cash and cash equivalents	1,367	(902)

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash and cash equivalents at beginning of period	5,124	6,492
Cash and cash equivalents at end of period	6,492	5,589

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

In the fiscal year ended December 31, 2024, we established Kintone Thai Holdings Co., Ltd., and Kintone (Thailand) Co., Ltd., and included them in the scope of consolidation.

(Consolidated statements of income)

* Business restructuring expenses

For the fiscal year ended December 31, 2024

To optimize the Group's development structure, we abolished the development business of consolidated subsidiary, Cybozu IT Shanghai Inc., and the resulting personnel restructuring expenses were recorded as business restructuring expenses.

(Revenue recognition)

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers disaggregated in accordance with the timing of revenue recognition is as follows.

The reportable segments of the Group (the Company and its consolidated subsidiaries) consist solely of "Development and Sale of Software." Information by segment has been omitted as other segments are immaterial in terms of disclosure.

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Goods and services transferred at a point in time	737	717
Goods and services transferred over time	24,695	28,958
Revenue from contracts with customers	25,432	29,675
Net sales to external customers	25,432	29,675

(Segment information, etc.)

[Segment information]

For the fiscal year ended December 31, 2023

The reportable segments of the Group consist solely of "Development and Sale of Software." Information by segment has been omitted as other segments are immaterial in terms of disclosure.

For the fiscal year ended December 31, 2024

The reportable segments of the Group consist solely of "Development and Sale of Software." Information by segment has been omitted as other segments are immaterial in terms of disclosure.

(Per share information)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net assets per share	¥236.33	¥251.69
Basic earnings per share	¥52.29	¥74.99

(Notes) 1. Information on diluted earnings per share is omitted since there are no dilutive shares.

2. The basis for the calculation of basic earnings per share is as follows:

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	2,488	3,555
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (millions of yen)	2,488	3,555
Average number of shares during the period (shares)	47,599,257	47,406,986

(Significant subsequent events)

Not applicable.