Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 7, 2024

Company name: CUBE SYSTEM INC.
Stock exchange listing: Tokyo
Stock code: 2335 URL https://www.cubesystem.co.jp/en/
Representative: Representative Director and President Masahiro Nakanishi
Inquiries: Seniority Corporate Officer, President's Office Hirofumi Kitagaki TEL 03-5487-6030

Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative) 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	%
Three months ended June 30, 2024	4,411	0.8	220	(40.3)	226	(38.9)	157	(32.3)
Three months ended June 30, 2023	4,376	12.4	369	35.9	371	37.0	232	34.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	10.47	–
Three months ended June 30, 2023	15.36	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	12,952	9,865	76.2	657.73
As of March 31, 2024	13,487	10,133	75.1	668.41

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	15.00	–	20.00	35.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		20.00	–	20.00	40.00

Notes: Whether the dividends forecasts have been revised: No

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	8,800	(2.4)	600	(24.4)	650	(17.6)	440	(12.2)	29.02
Full year	18,800	4.3	1,600	4.2	1,650	3.7	1,100	3.1	72.55

Note: Whether the consolidated financial forecasts for fiscal 2024 under review have been revised: No

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

1.

(4) Number of issued shares (common shares)

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

As of June 30, 2024	15,750,000 shares	As of March 31, 2024	15,750,000 shares

Number of treasury shares at the end of the period

As of June 30, 2024	750,267 shares	As of March 31, 2024	588,832 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	15,051,120 shares	Three months ended June 30, 2023	15,161,168 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	6,835	6,416
Accounts receivable - trade, and contract assets	2,932	2,675
Work in process	3	25
Other	207	238
Total current assets	9,978	9,357
Non-current assets		
Property, plant and equipment	160	164
Intangible assets	3	3
Investments and other assets		
Investment securities	2,068	2,150
Retirement benefit asset	617	615
Other	659	661
Total investments and other assets	3,345	3,427
Total non-current assets	3,509	3,595
Total assets	13,487	12,952
Liabilities		
Current liabilities		
Accounts payable - trade	821	820
Short-term borrowings	230	230
Income taxes payable	271	46
Provision for bonuses	356	252
Provision for bonuses for directors (and other officers)	8	1
Provision for loss on orders received	10	4
Other	761	753
Total current liabilities	2,459	2,108
Non-current liabilities		
Provision for share-based payments	389	403
Asset retirement obligations	149	149
Other	354	424
Total non-current liabilities	894	978
Total liabilities	3,353	3,087
Net assets		
Shareholders' equity		
Share capital	1,400	1,400
Capital surplus	1,491	1,491
Retained earnings	6,864	6,707
Treasury shares	(503)	(683)
Total shareholders' equity	9,252	8,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	646	710
Foreign currency translation adjustment	43	50
Remeasurements of defined benefit plans	190	188
Total accumulated other comprehensive income	880	950
Total net assets	10,133	9,865
Total liabilities and net assets	13,487	12,952

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	4,376	4,411
Cost of sales	3,438	3,525
Gross profit	938	886
Selling, general and administrative expenses	568	665
Operating profit	369	220
Non-operating income		
Interest income	1	1
Dividend income	4	5
Other	1	1
Total non-operating income	7	8
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	2	0
Loss on investments in investment partnerships	1	–
Commission expenses	0	0
Other	0	0
Total non-operating expenses	5	2
Ordinary profit	371	226
Extraordinary income		
Gain on sale of investment securities	–	52
Total extraordinary income	–	52
Extraordinary losses		
Retirement benefit expenses for prior periods	–	33
Total extraordinary losses	–	33
Profit before income taxes	371	245
Income taxes	138	87
Profit	232	157
Profit attributable to owners of parent	232	157

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	232	157
Other comprehensive income		
Valuation difference on available-for-sale securities	42	63
Foreign currency translation adjustment	8	7
Remeasurements of defined benefit plans, net of tax	(30)	(1)
Total other comprehensive income	20	69
Comprehensive income	252	226
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	252	226