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2Q of the Fiscal Year
Ending March 31, 2022

Overview of Financial Results

1. Overview of Consolidated Statements of Income
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(Compared to the Previous Fiscal Year)
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1-1. Overview of Consolidated Statements of Income

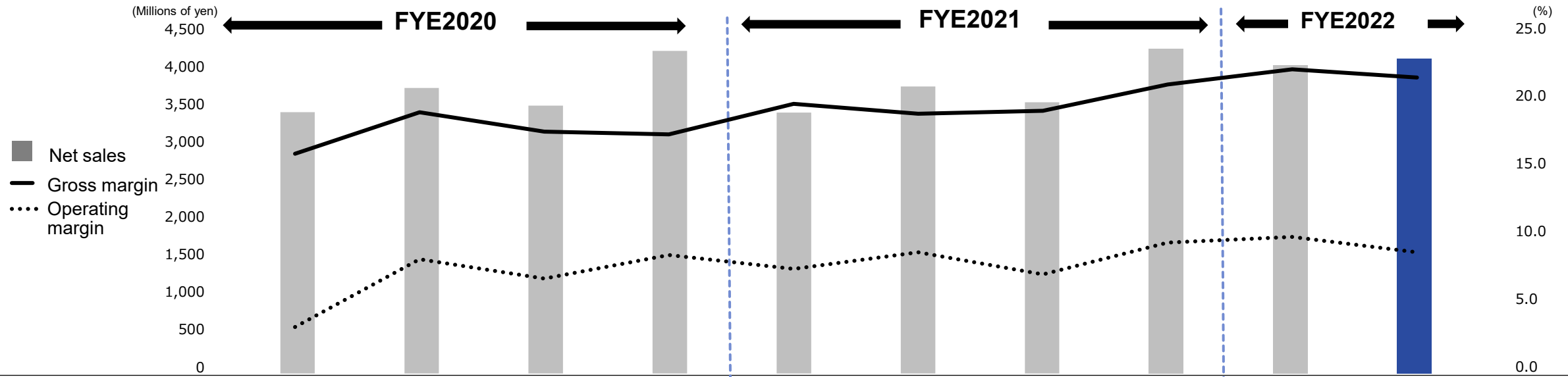
Continue to reform the business structure model

Increase in sales and profit due to optimization of resources with a focus on SI business

		2021/09 Actual (YoY)	2020/09 Actual	FYE 2022 Forecast(After revision) (Progress %)	
Net sales	<p>Up 13.8% from the previous fiscal year</p> <p>Achievement rate for earnings forecast: 50.4%</p> <p>Expansion of system building projects for a shipping company and a telecommunications company. Expansion of derivative development projects from existing markets in the distribution industry.</p>	(Unit: millions of yen)			
		Net sales	8,060 (+13.8%)	7,083	16,000 (50.4%)
Operating Profit	<p>Up 35.1% from the previous fiscal year</p> <p>Achievement rate for earnings forecast: 53.4%</p> <p>Achievement of high profit through resource optimization and consolidation for high margin SI business (*Lift & Shift). Expansion of derivative development projects in the enhancement business.</p>	Operating Profit	746 (+35.1%)	552 (53.4%)	
		Margin (%)	9.3%	7.8%	8.8%
		Ordinary Profit	752 (+24.6%)	603 (53.0%)	1,420 (53.0%)
Outlook	<p>Due to the progress in the reform of the business structure model, we have revised our earnings forecast.</p>	Margin (%)	9.3%	8.5%	8.9%
		Net Profit attributable to owners of parent	501 (+25.3%)	400	950 (52.8%)
		Margin (%)	6.2%	5.7%	5.9%

****Migrate customer's system from legacy environments to cloud one (Lift), followed by proceeding with system restructuring in stages while optimizing for cloud environments (Shift).

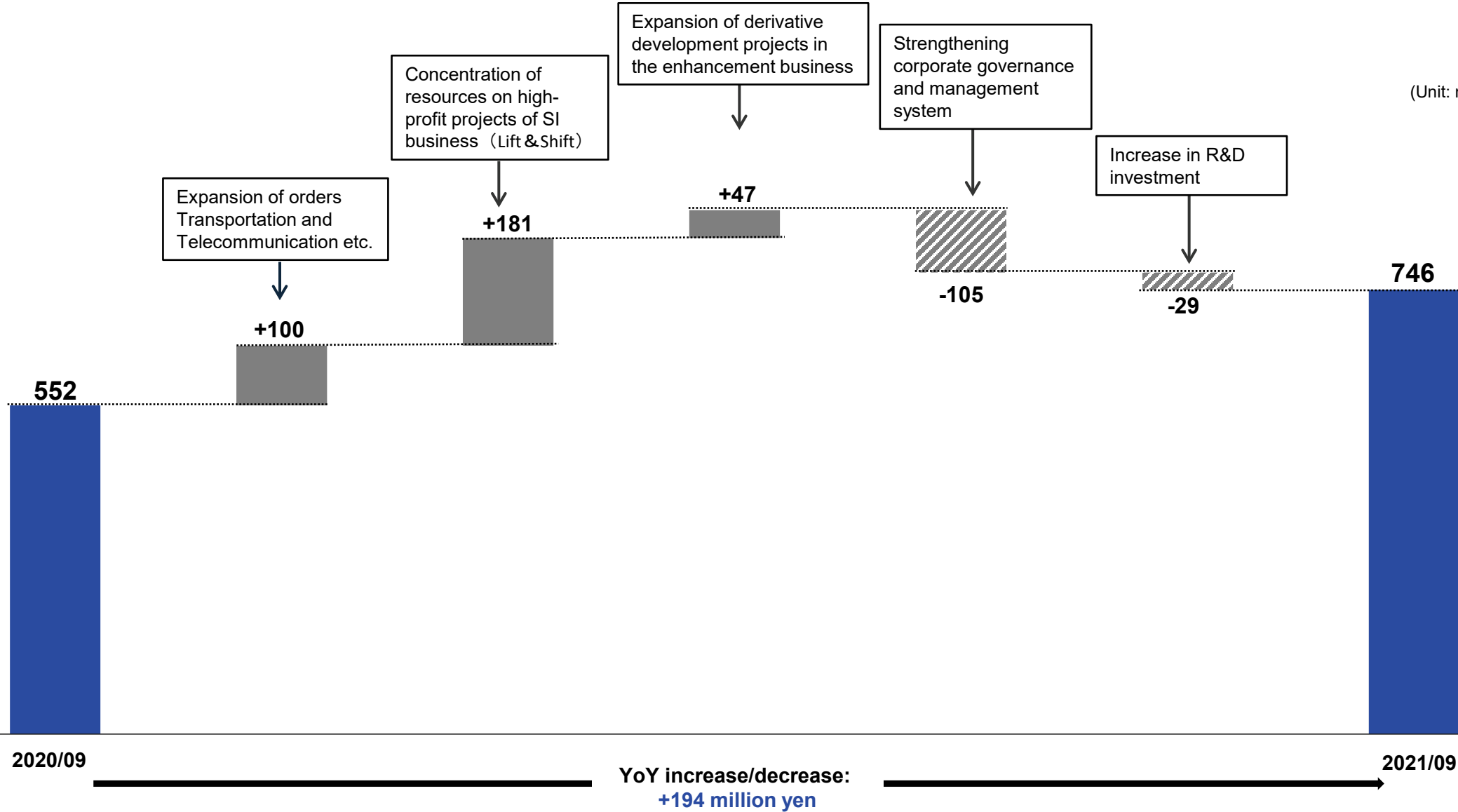
1-2. Trends in Transition by Accounting Period



	1Q Apr-Jun	2Q Jul-Sep	3Q Oct-Dec	4Q Jan-Mar	1Q Apr-Jun	2Q Jul-Sep	3Q Oct-Dec	4Q Jan-Mar	1Q Apr-Jun	2Q Jul-Sep
Net sales	3,379	3,691	3,463	4,172	3,373	3,710	3,508	4,197	3,987	4,073
Cost of sales	2,855	3,007	2,872	3,468	2,730	3,027	2,854	3,335	3,124	3,217
Gross profit	524 (15.5%)	683 (18.5%)	591 (17.1%)	703 (16.9%)	642 (19.1%)	683 (18.4%)	653 (18.6%)	861 (20.5%)	862 (21.6%)	855 (21.0%)
Selling, general and administrative expenses	423	391	365	362	400	372	413	478	483	487
Operating income	100 (3.0%)	291 (7.9%)	225 (6.5%)	340 (8.2%)	242 (7.2%)	310 (8.4%)	239 (6.8%)	382 (9.1%)	378 (9.5%)	368 (9.0%)
Ordinary income	107 (3.2%)	290 (7.9%)	230 (6.7%)	347 (8.3%)	248 (7.4%)	355 (9.6%)	318 (9.1%)	372 (8.9%)	390 (9.8%)	362 (8.9%)
Quarterly net income attributable to owners of parent	50 (1.5%)	191 (5.2%)	150 (4.4%)	132 (3.2%)	165 (4.9%)	235 (6.3%)	196 (5.6%)	247 (5.9%)	262 (6.6%)	238 (5.9%)

1-3. Factors Leading to Changes in Operating Profit

(Unit: millions of yen)



1-4. Summary of Consolidated Balance Sheets and Consolidated Statements of Cash Flows

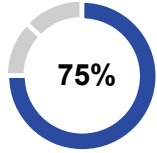
Overview of
Financial Results

Consolidated Balance Sheets	2021/03	2021/09	Increase/Decrease	Remarks	(Unit: millions of yen)
Current assets	7,253	7,394	+141	Increase in cash and deposits, Decrease in work in process, Decrease in accounts receivable	
Non-current assets	2,190	2,280	+90	Increase in investment securities	
Total assets	9,444	9,675	+231		
Current liabilities	2,357	2,150	-207	Decrease in income taxes payable, Decrease in short-term loans payable	
Non-current liabilities	571	613	+42		
Total liabilities	2,928	2,763	-165		
Total shareholder's equity	6,046	6,391	+344	Increase in retained earnings	
Total accumulated other comprehensive income	429	480	+51	Increase in valuation difference on available-for-sale securities	
Non-controlling shareholder share	39	40	+0		
Total net assets	6,515	6,911	+396		

Consolidated Statements of Cash Flows	2021/03	2021/09	Increase/Decrease	Remarks	(Unit: millions of yen)
Cash flows from operations	619	503	-116	Increase in income before income taxes and minority interests, Decrease in income taxes paid	
Cash flows from investments	-54	-68	-13	Payments for acquisition of tangible fixed assets and investment securities	
Cash flows from financing	-102	-210	-108	Increase in cash dividends paid	
Effects of exchange rate change on cash and cash equivalents	-0	1	+2		
Net increase in cash and cash equivalents	461	225	-236		
Cash and cash equivalents at beginning of period	3,557	4,447	+890		
Cash and cash equivalents at end of period	4,018	4,672	+654		

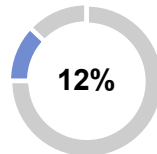
1-5. Trends in Net Sales and Operating Profit by Service Segment

Net Sales Composition
[2Q Fiscal Year Ending March 31, 2022]



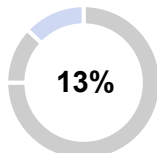
System Integration Services

- Expansion of system building projects for the transportation industry
- Expansion of system building projects for GMS in the distribution industry
- Expansion of projects for retailers in the distribution industry



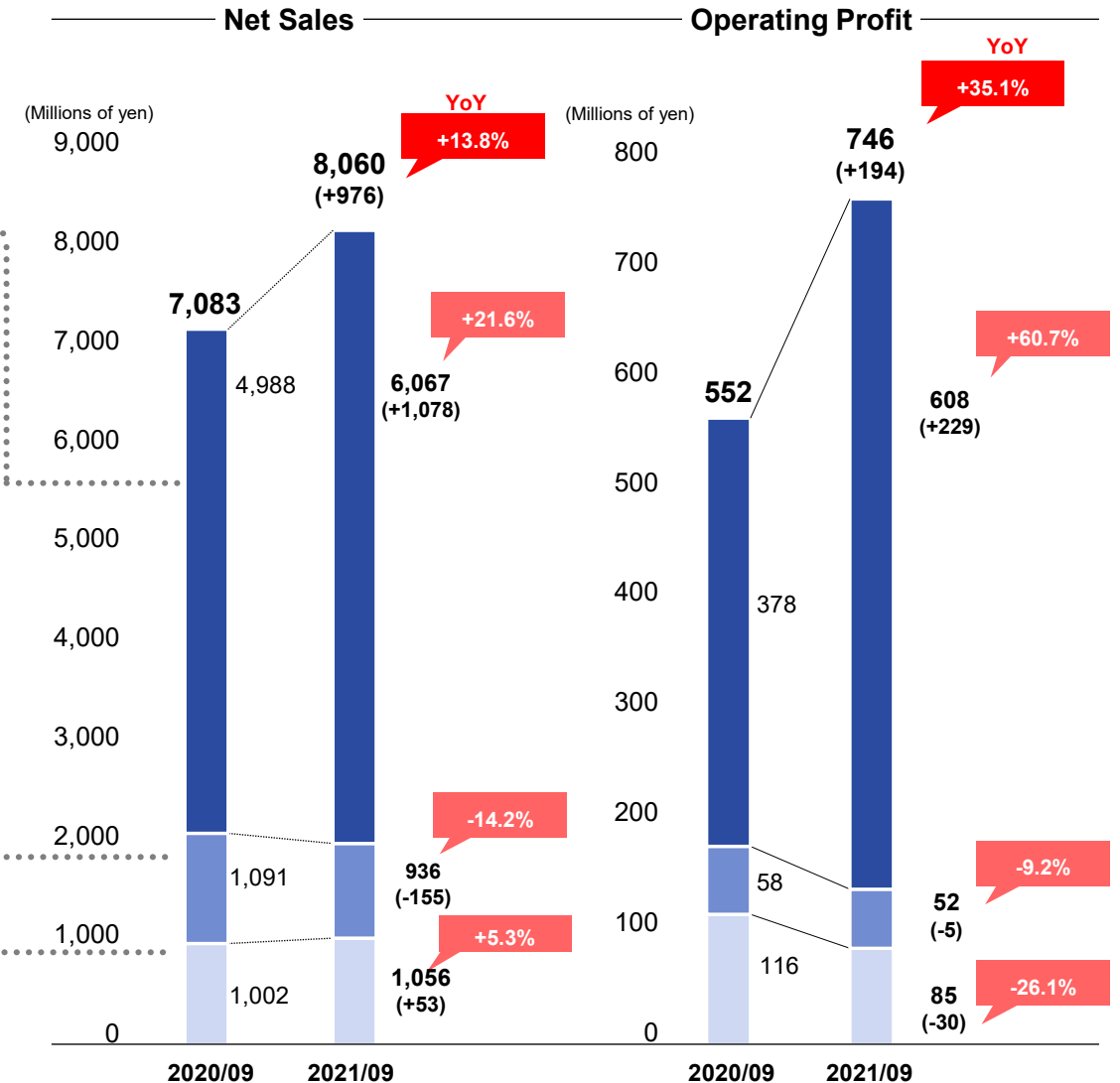
System Outsourcing Services

- Reduction due to project completion for data centers



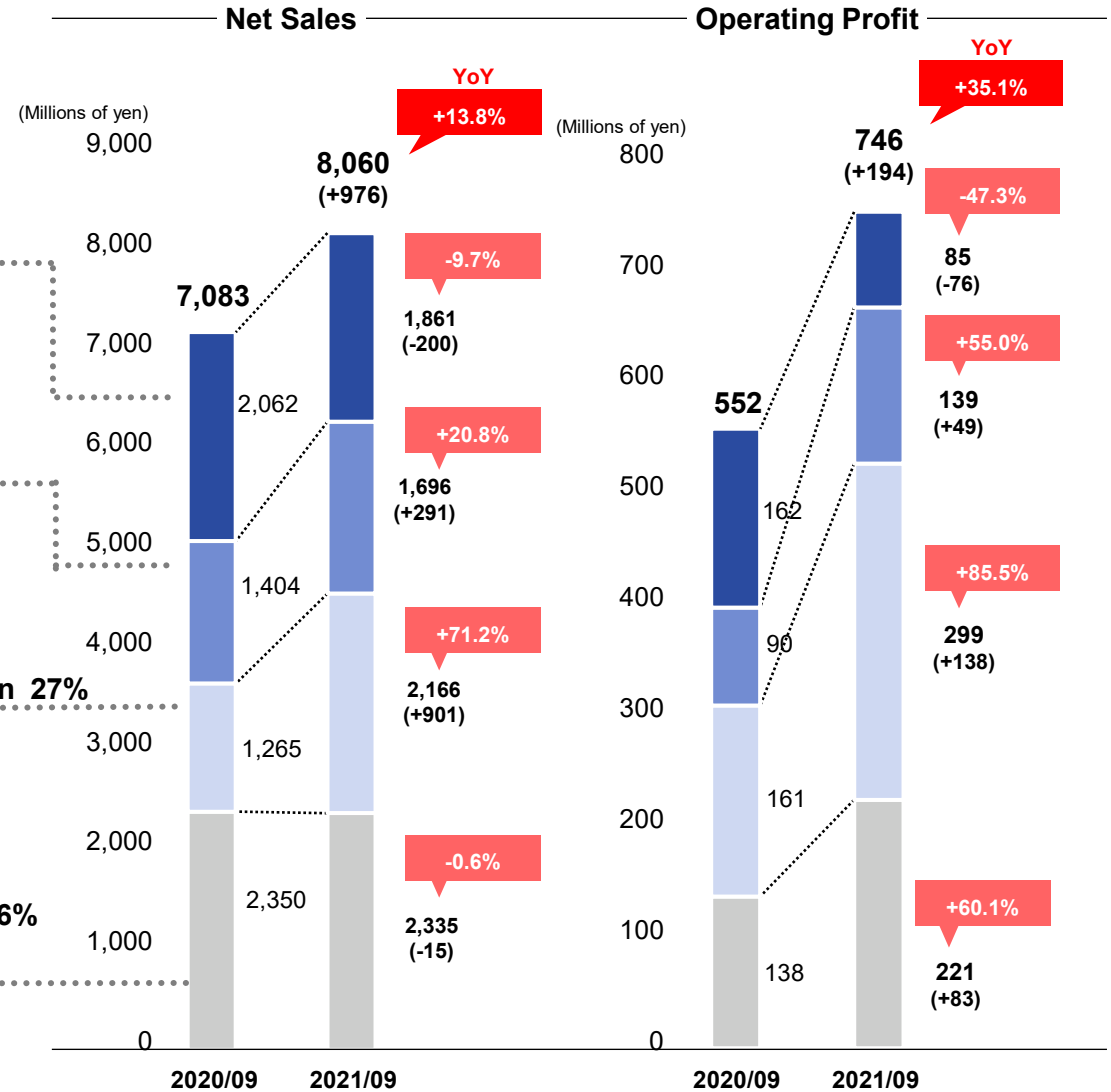
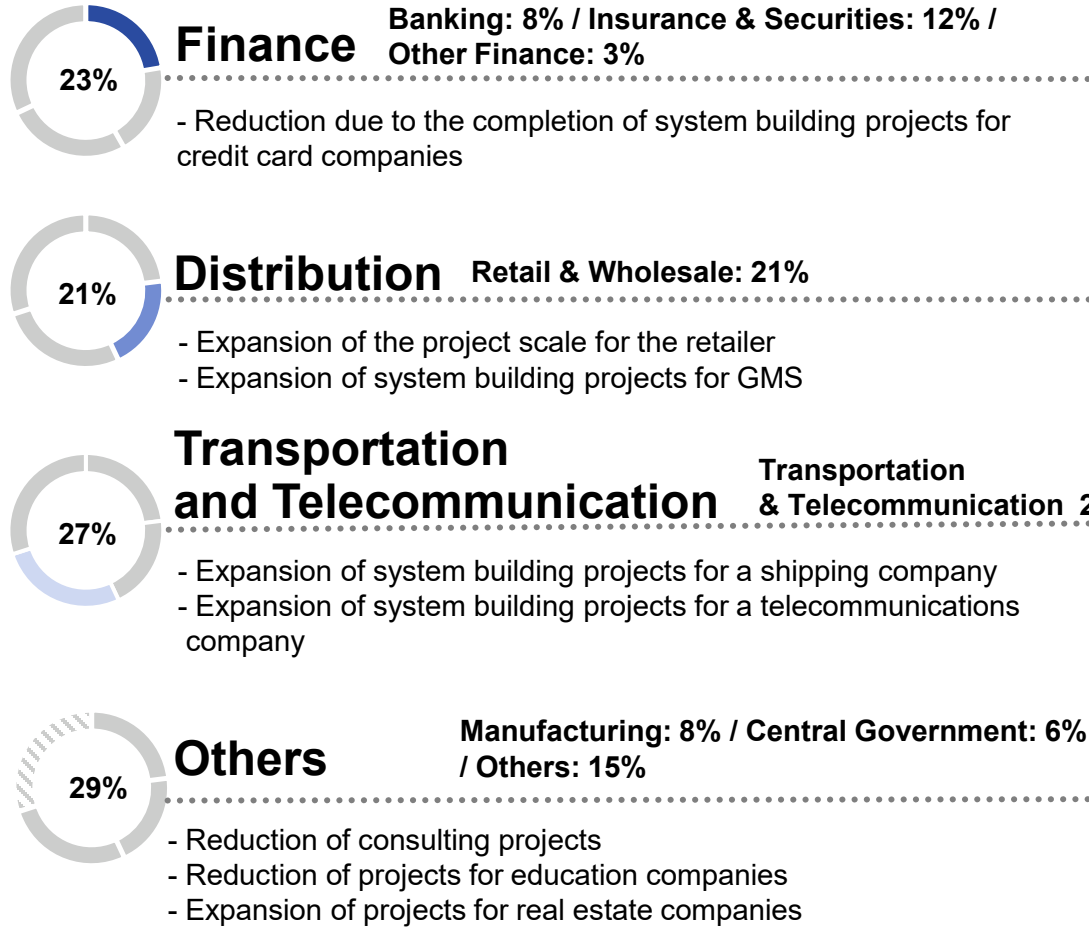
Professional Services

- Reduction of consulting projects
- Reduction of system building project for a bank set up by retailer, in the financial industry
- Expansion of system building projects for the telecommunication industry



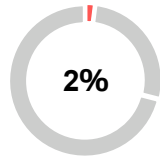
1-6. Trends in Net Sales and Operating Profit by Industry

Net Sales Composition
[2Q Fiscal Year Ending March 31, 2022]



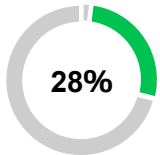
1-7. Trends in Net Sales and Operating Profit by Business Model

Net Sales Composition
[2Q Fiscal Year Ending March 31, 2022]



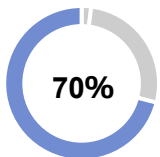
Digital Business

- Acquisition of new projects collaboration with consulting partners(SIers)
- Expansion of projects in existing field of current customers
- Acquisition of new PoC projects (Proof of Concept projects) for end users
- In-house product development, progressing as planned



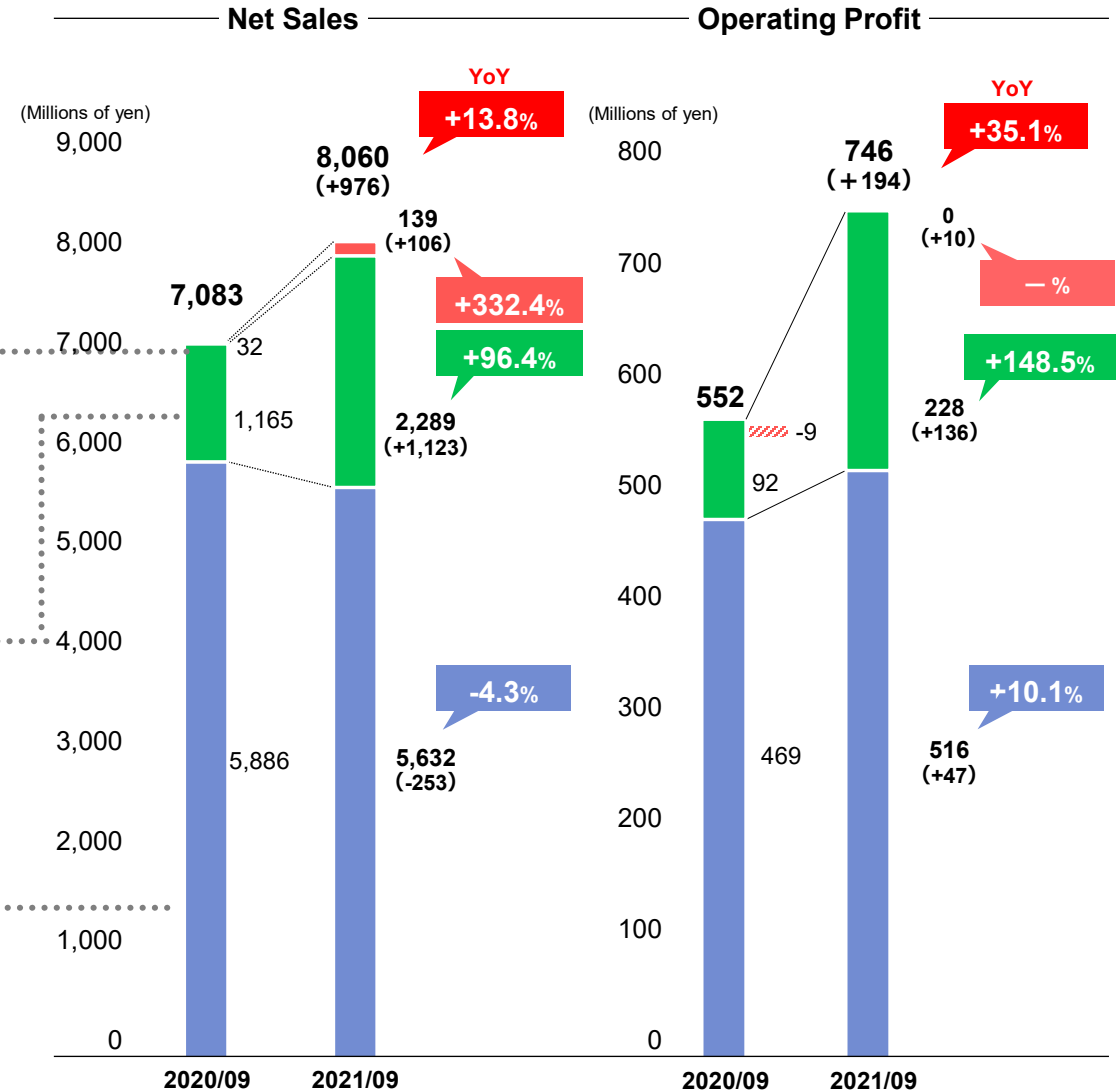
SI Business (Lift & Shift)

- Scale-up of system construction projects for a shipping company
- Acquisition of cloud system construction projects (microservices*related projects)
- Focus on promoting co-creation with cloud vendors



Enhancement Business

- Reduction of the projects for financial and other industries
- Improving profitability by resources optimization

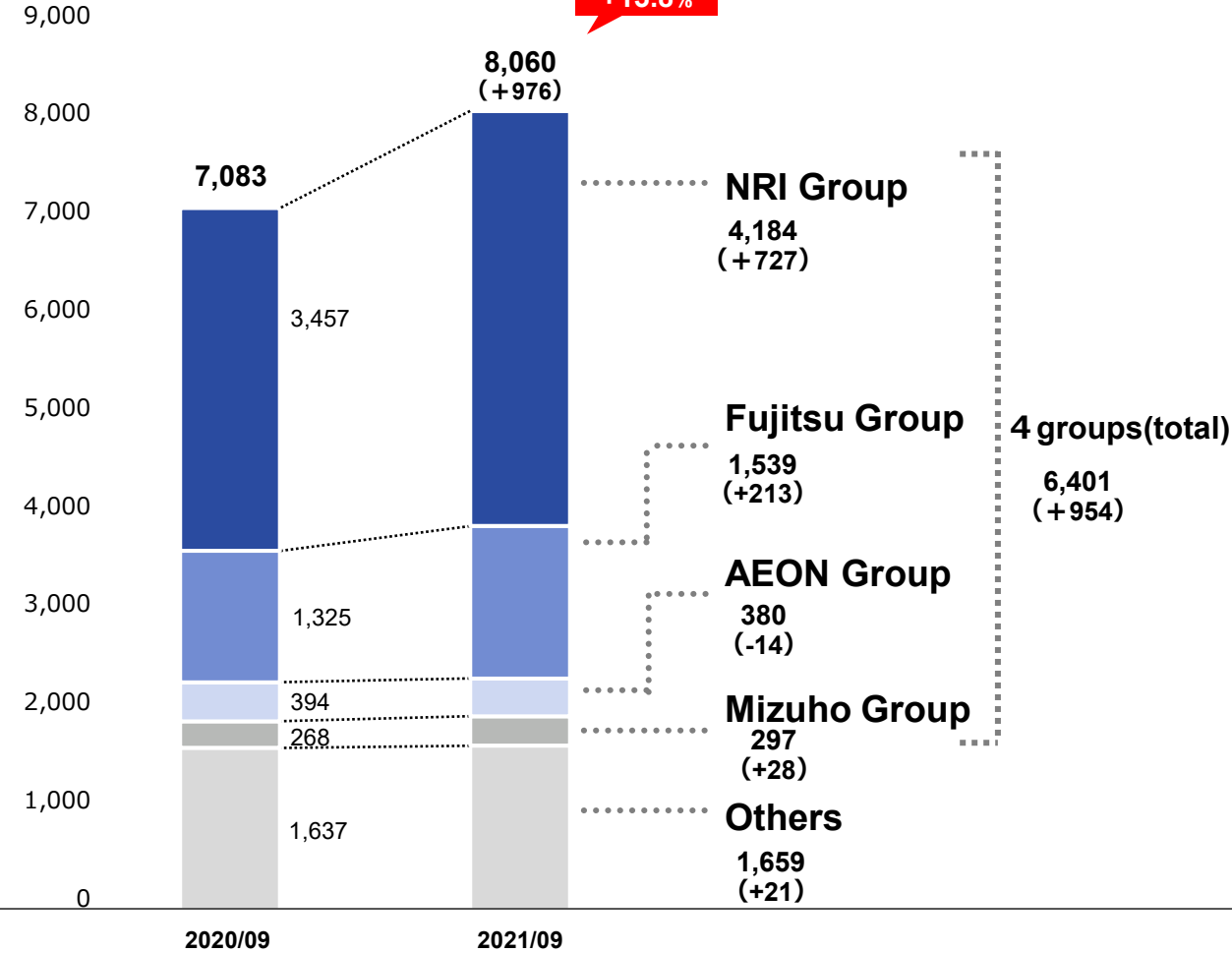


* A technique of software development that combines small individually developed components and services.

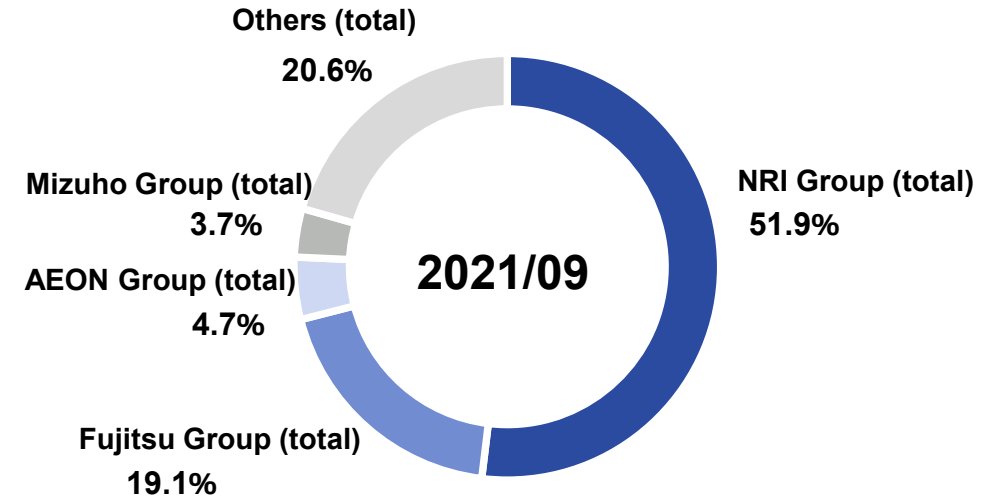
1-8. Net Sales to Customer Group Companies

Net Sales

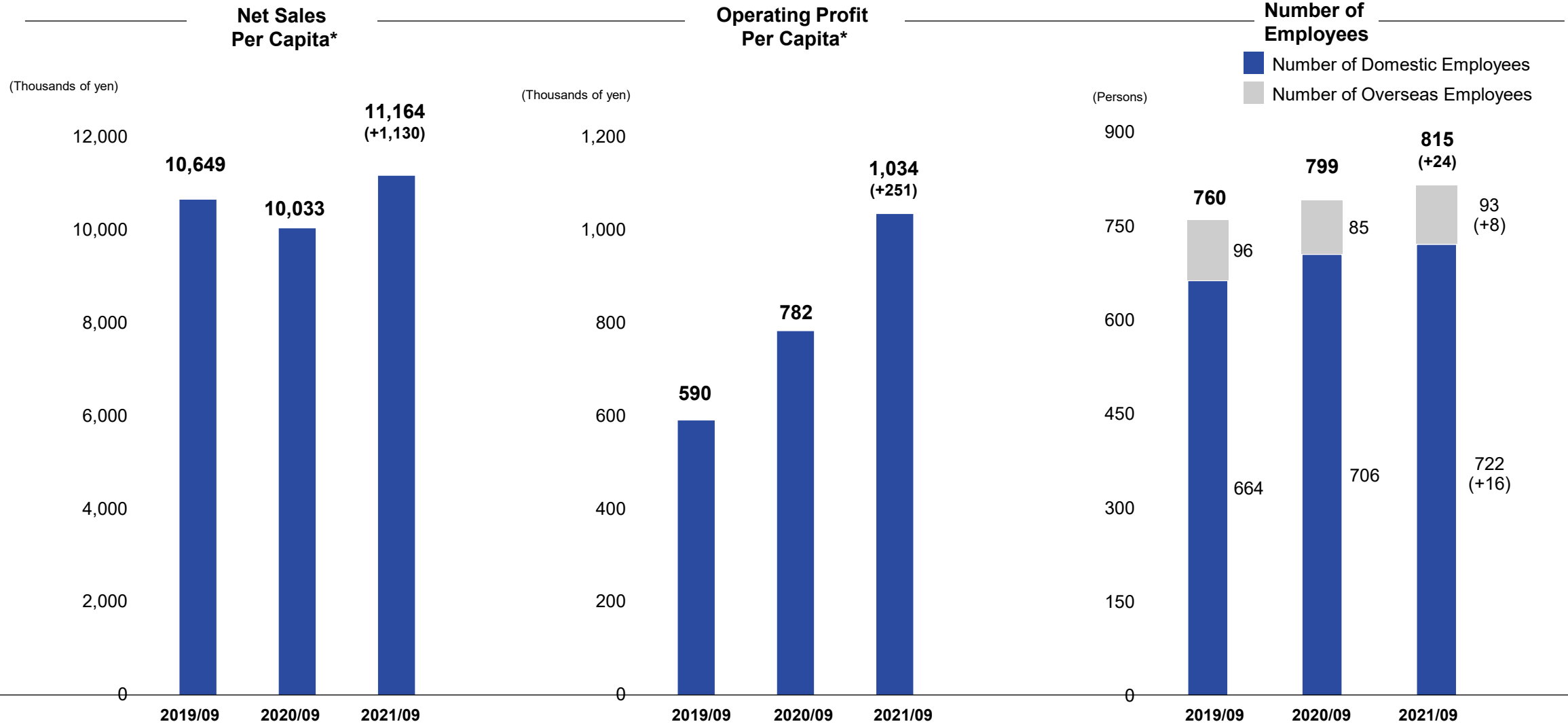
(Millions of yen)



Sales Composition [2021/09]



1-9. Index Per Capita



*Calculated based on the number of domestic employees.

**Fiscal Year Ending
March 31, 2022**

2 Outlook

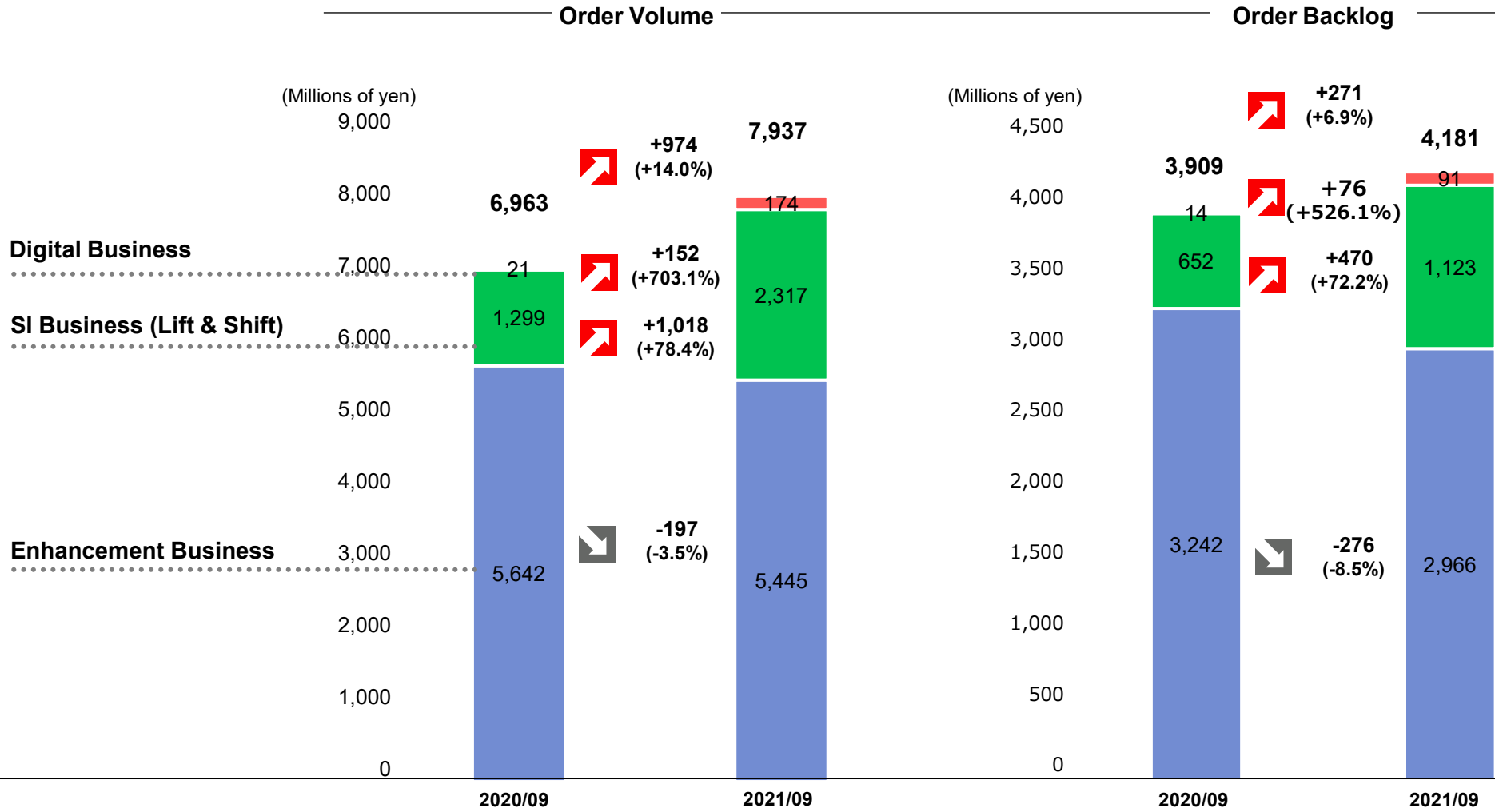
1. Overview of Earnings Outlook
2. Order Status by Industry
3. Order Status by Business Model
4. Net Sales Outlook by Industry
5. Net Sales Outlook by Business Model
6. Trends in Dividends and Dividend Payout Ratio

2-1. Overview of Earnings Outlook

	(Unit: millions of yen)	FYE 2022 Earnings forecast (Increase/decrease from the previous fiscal year) (After revision)	FYE 2021 Actual	2021/09 Actual (Progress %)
<p>A YoY increase of 8.2% is expected</p>				
<p>Net sales</p> <ul style="list-style-type: none"> - Active acquisition effort of strategic IT investment projects that are expected to continue in the transportation and telecommunication industry - Positive order receivment effort by strengthening sales capabilities for enhancement projects that are expected to resume 		<p>Net sales</p> <p>16,000 (+8.2%)</p>	<p>14,788</p>	<p>8,060 (50.4%)</p>
<p>A YoY increase of 19.2% is expected</p>				
<p>Operating Profit</p> <ul style="list-style-type: none"> - Promotion of in-house digitalization to improve operational productivity and efficiency - Boost productivity through advancement and optimization of enhancement services - Establishing a development system contributing to resource optimization - Continuation of cost reduction effort throught promoting digitalization 		<p>Operating Profit</p> <p>1,400 (+19.2%)</p>	<p>1,174</p>	<p>746 (53.4%)</p>
		<p>Margin (%)</p> <p>8.8%</p>	<p>7.9%</p>	<p>9.3%</p>
		<p>Ordinary Profit</p> <p>1,420 (+9.6%)</p>	<p>1,295</p>	<p>752 (53.0%)</p>
		<p>Margin (%)</p> <p>8.9%</p>	<p>8.8%</p>	<p>9.3%</p>
		<p>Net Profit attributable to owners of parent</p> <p>950 (+12.6%)</p>	<p>844</p>	<p>501 (52.8%)</p>
		<p>Margin (%)</p> <p>5.9%</p>	<p>5.7%</p>	<p>6.2%</p>

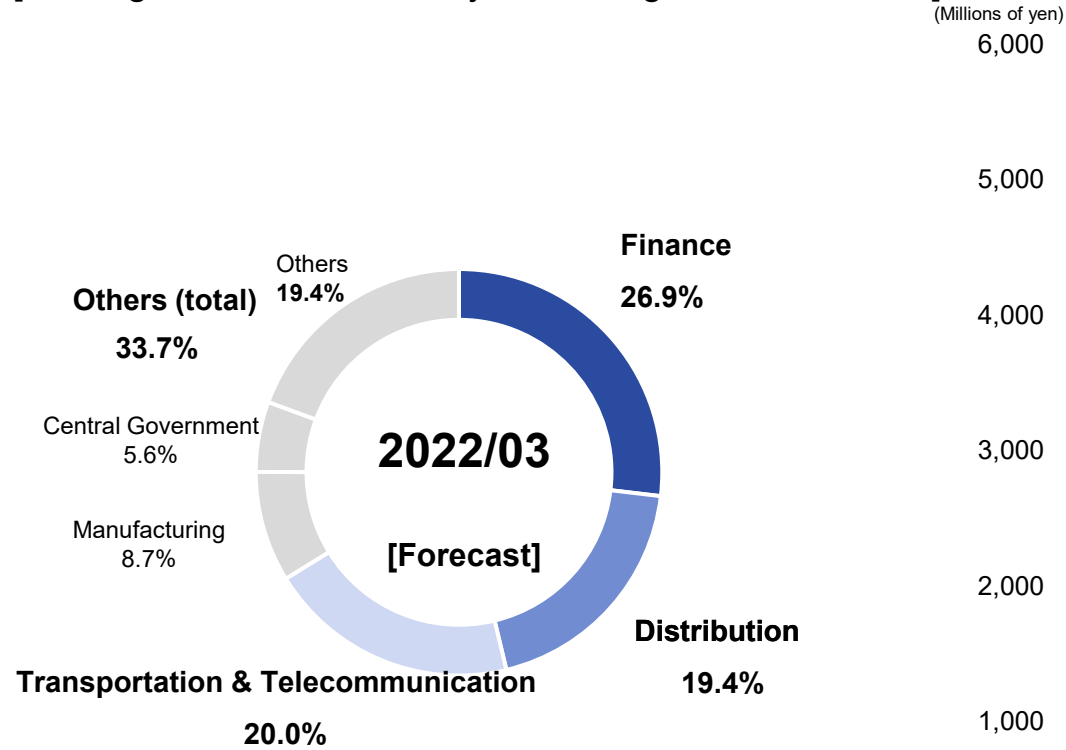
* Due to the progress in the reform of the business structure model, we have revised our earnings forecast, as we expect each stage of profit below operating income to exceed the initial forecast.

2-3. Order Status by Business Model

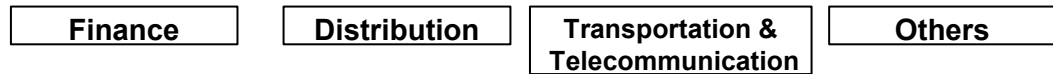
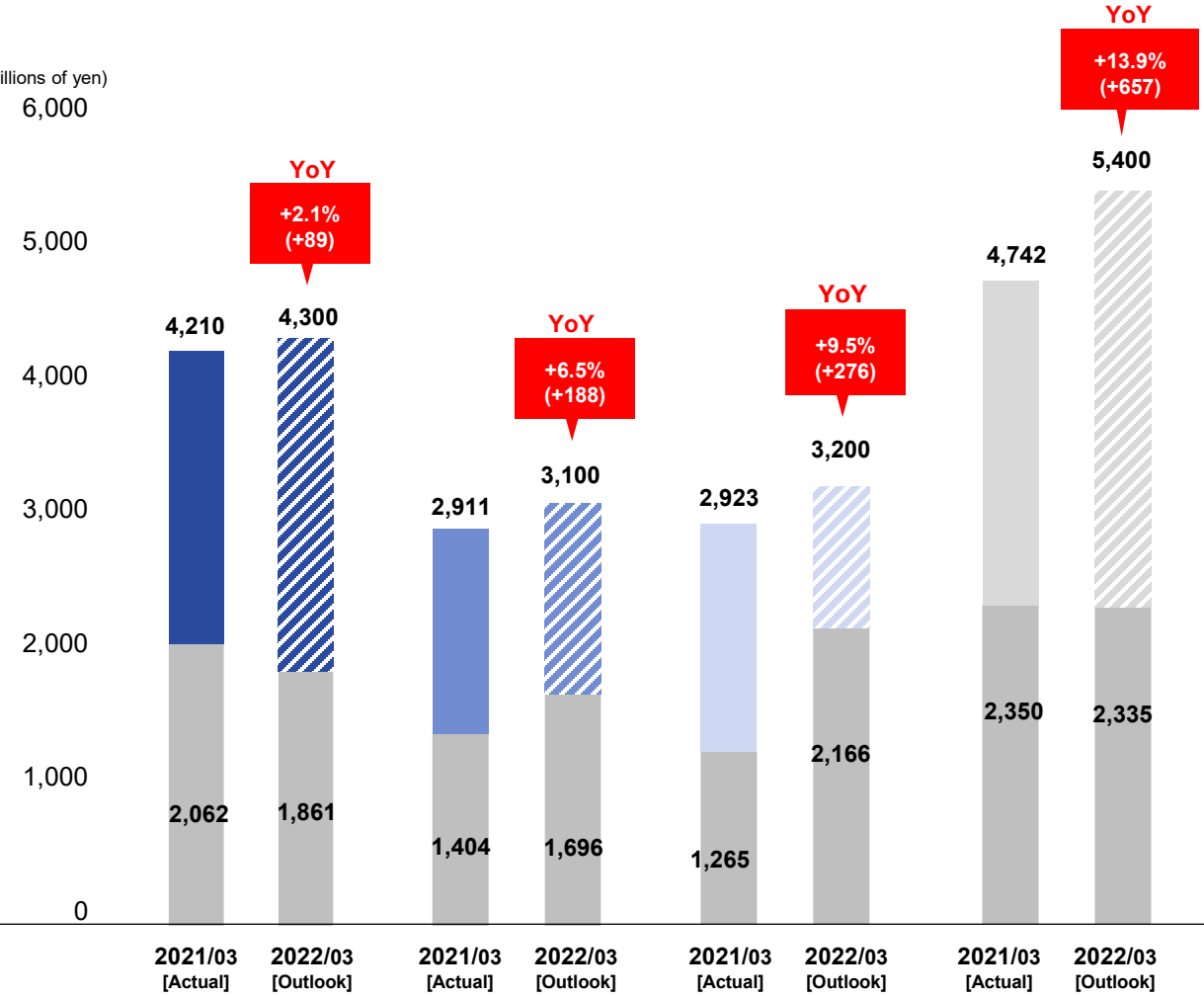


2-4. Net Sales Outlook by Industry

Net Sales Composition Ratio by Industry
[earnings forecast for fiscal year ending March 31, 2022]



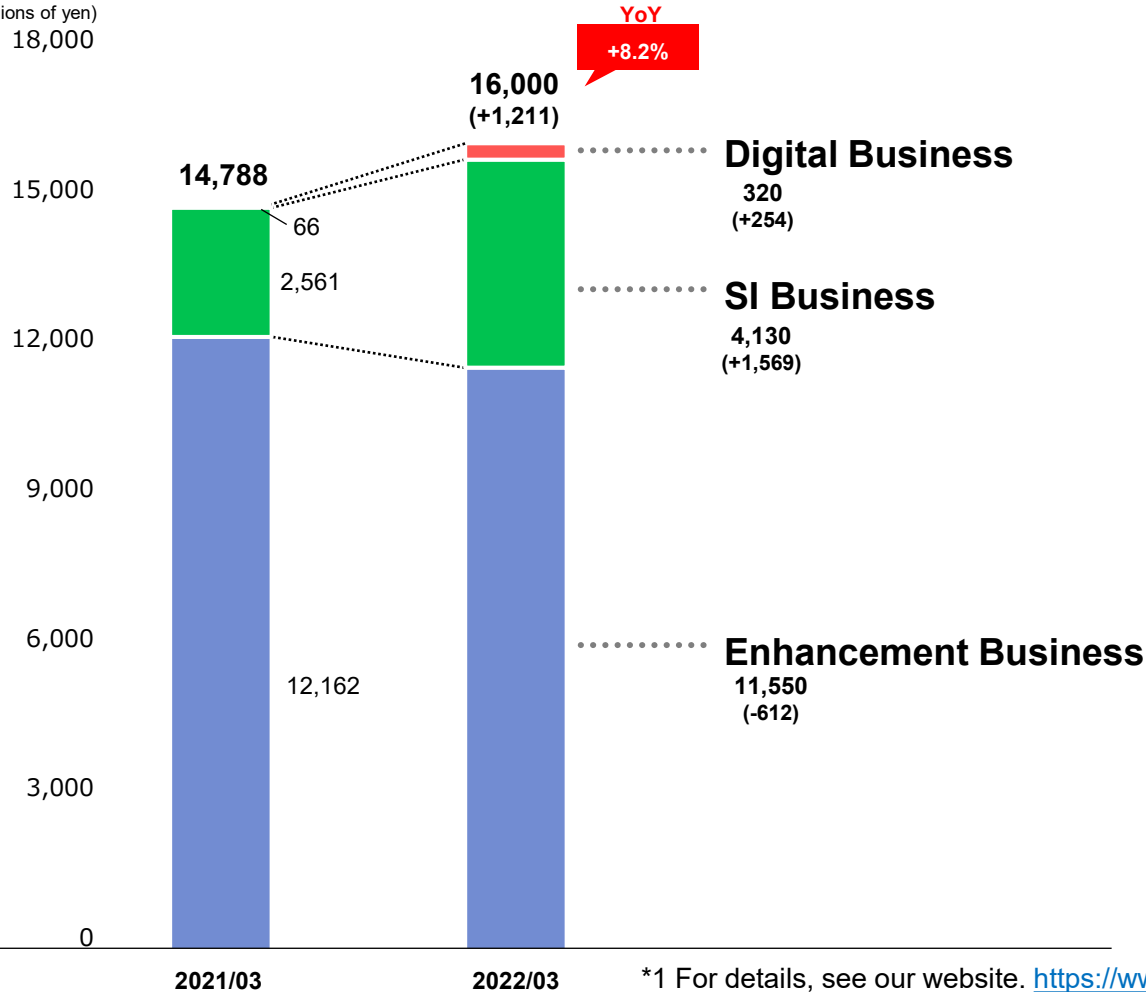
Trends in Consolidated Net Sales by Industry (Millions of yen)



2-5. Net Sales Outlook by Business Model

Net Sales

(Millions of yen)



Digital Business

- Promotion of collaborative consultation models
- Sales promotion of Smile Share Product *1

SI Business (Lift & Shift*2)

- Increase of orders received through active expansion of multi-cloud and microservices *3 projects
- Increase of orders received by promoting co-creation with cloud vendors

Enhancement Business

- Increase of orders received through active proposals of derivative development projects
- Expansion of target area (scope)
- Utilization of high-quality and efficient resources

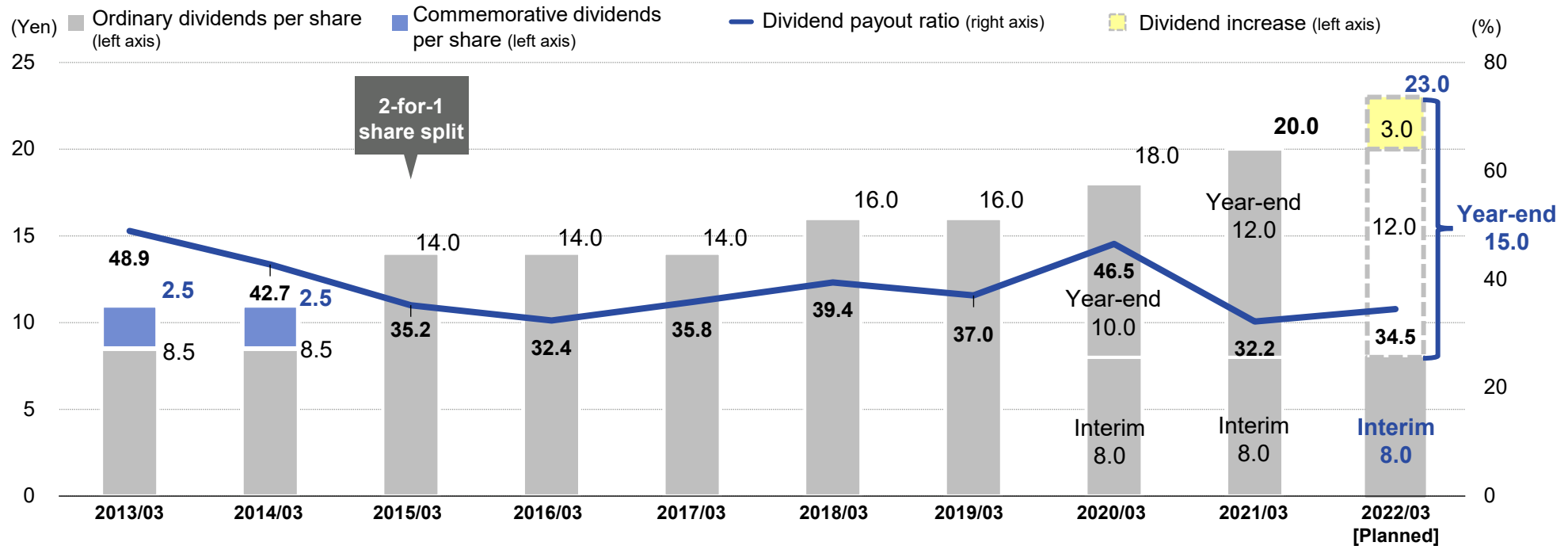
*1 For details, see our website. <https://www.cubesystem.co.jp/en/service/smile/>

*2 To provide SI services by migrating legacy environments into cloud environments (Lift) and establishing new methodologies (Shift)

*3 One of the software development techniques used to offer services in combination with small services developed on an individual basis

2-6. Trends in Dividends and Dividend Payout Ratio

Our basic policy is to continue paying stable dividends, so as to achieve a 35% consolidated dividend payout ratio, while securing necessary internal reserves. The annual dividend for the fiscal year end, March 31, 2022 is to be increased by 3 yen to 23 yen.

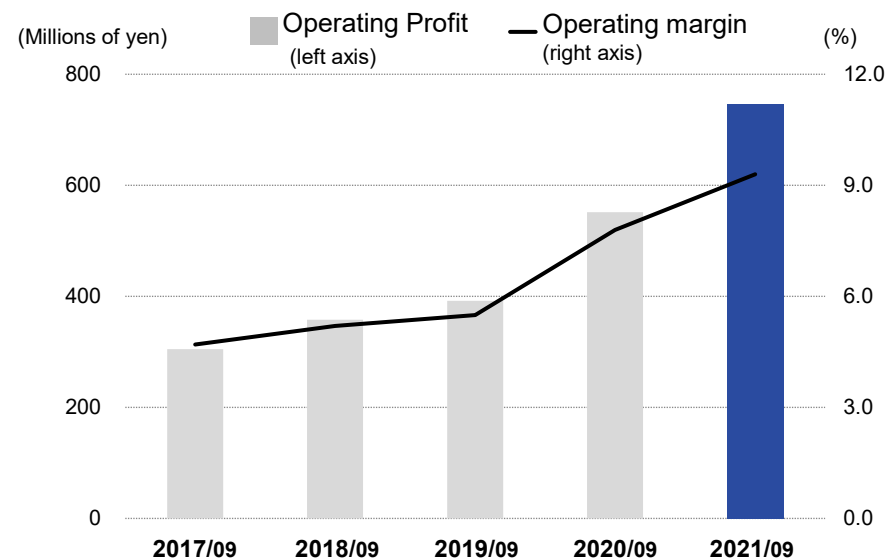
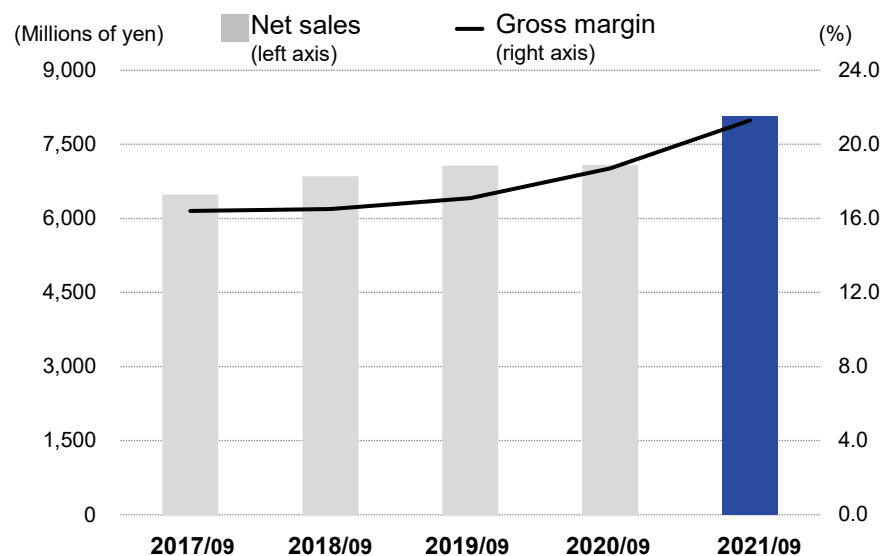


*1. Dividends are retroactively adjusted with the effect of the 2-for-1 share split on October 1, 2014.

3 Appendix

1. Five Year Summary
2. Consolidated Balance Sheets: Major Items
3. Net Sales and Operating Profit by Service Segment
4. Net Sales and Operating Profit by Industry
5. Assets and Capital-Related Items
6. Share Price and Equity-Related Items

3-1. Five Year Summary



(Unit: millions of yen)

	2017/09	2018/09	2019/09	2020/09	2021/09	YoY
Net sales	6,487	6,852	7,071	7,083	8,060	+13.8%
Cost of sales	5,424	5,721	5,863	5,757	6,342	+10.2%
Gross profit	1,062 (16.4%)	1,131 (16.5%)	1,207 (17.1%)	1,325 (18.7%)	1,718 (21.3%)	+29.6%
Selling, general and administrative expenses	756	772	815	773	971	+25.6%
Operating Profit	305 (4.7%)	358 (5.2%)	392 (5.5%)	552 (7.8%)	746 (9.3%)	+35.1%
Ordinary Profit	306 (4.7%)	376 (5.5%)	397 (5.6%)	603 (8.5%)	752 (9.3%)	+24.6%
Net Profit attributable to owners of parent	180 (2.8%)	225 (3.3%)	241 (3.4%)	400 (5.7%)	501 (6.2%)	+25.3%

3-2. Consolidated Balance Sheets: Major Items

(Unit: millions of yen)

Assets	2021/03	2021/09	Increase/ Decrease
Current assets	7,253	7,394	+141
Cash and deposits	4,467	4,702	+235
Accounts receivable and contract assets	2,584	2,549	-35
Current assets	83	21	-62
Allowance for doubtful accounts	-0	-0	+0
Others	118	121	+2
Non-current assets	2,190	2,280	+90
Property, plant and equipment	193	175	-17
Intangible assets	8	6	-1
Investments and other assets	1,988	2,097	+109
Total assets	9,444	9,675	+231

Liabilities	2021/03	2021/09	Increase/ Decrease
Current liabilities	2,357	2,150	-207
Accounts payable - trade	775	756	-18
Short-term loans payable	280	240	-40
Others	1,302	1,153	-149
Non-current liabilities	571	613	+42
Total liabilities	2,928	2,763	-165
Net assets	2021/03	2021/09	Increase/ Decrease
Shareholder's equity	6,046	6,391	+344
Accumulated other comprehensive income	429	480	+51
Non-controlling shareholder share	39	40	+0
Total net assets	6,515	6,911	+396
Total liabilities and net assets	9,444	9,675	+231

3-3. Net Sales and Operating Profit by Service Segment

Net Sales and Operating Profit by Service Segment (Unit: millions of yen)

		2020/09	2021/09	YoY
System Integration Services	Net sales	4,988	6,067	+21.6%
	Operating profit	378	608	+60.7%
	Operating margin	7.6%	10.0%	
System Outsourcing Services	Net sales	1,091	936	-14.2%
	Operating profit	58	52	-9.2%
	Operating margin	5.3%	5.6%	
Professional Services	Net sales	1,002	1,056	+5.3%
	Operating profit	116	85	-26.1%
	Operating margin	11.6%	8.1%	
Total	Net sales	7,083	8,060	+13.8%
	Operating profit	552	746	+35.1%
	Operating margin	7.8%	9.3%	

-4. Net Sales and Operating Profit by Industry

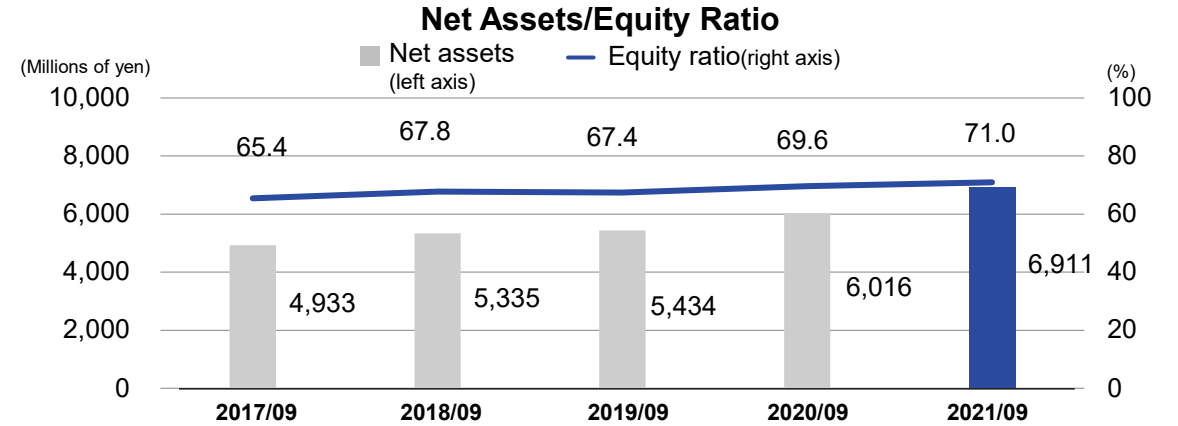
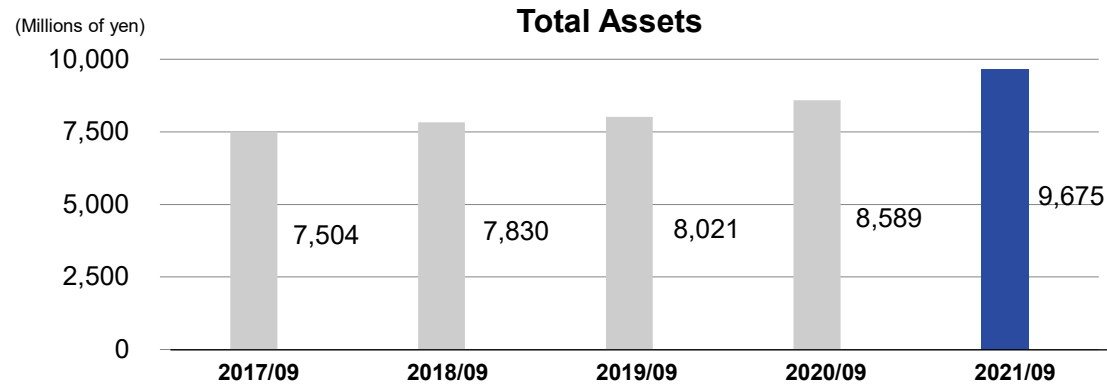
Net Sales and Operating Profit by Industry (Unit: millions of yen)

		2020/09	2021/09	YoY
Finance	Net sales	2,062	1,861	-9.7%
	Operating profit	162	85	-47.3%
	Operating margin	7.9%	4.6%	-
Distribution	Net sales	1,404	1,696	+20.8%
	Operating profit	90	139	+55.0%
	Operating margin	6.4%	8.2%	-
Transportation and Telecommunication	Net sales	1,265	2,166	+71.2%
	Operating profit	161	299	+85.5%
	Operating margin	12.8%	13.8%	-
Manufacturing	Net sales	696	657	-5.6%
	Operating profit	53	61	+15.4%
	Operating margin	7.7%	9.4%	-
Central Government	Net sales	386	476	+23.3%
	Operating profit	21	40	+93.9%
	Operating margin	5.4%	8.6%	-
Others	Net sales	1,267	1,201	-5.2%
	Operating profit	64	119	+86.4%
	Operating margin	5.0%	9.9%	-

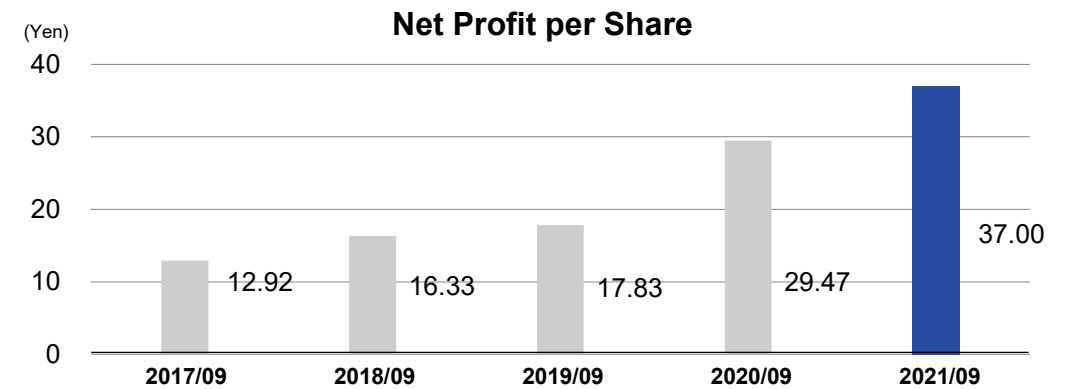
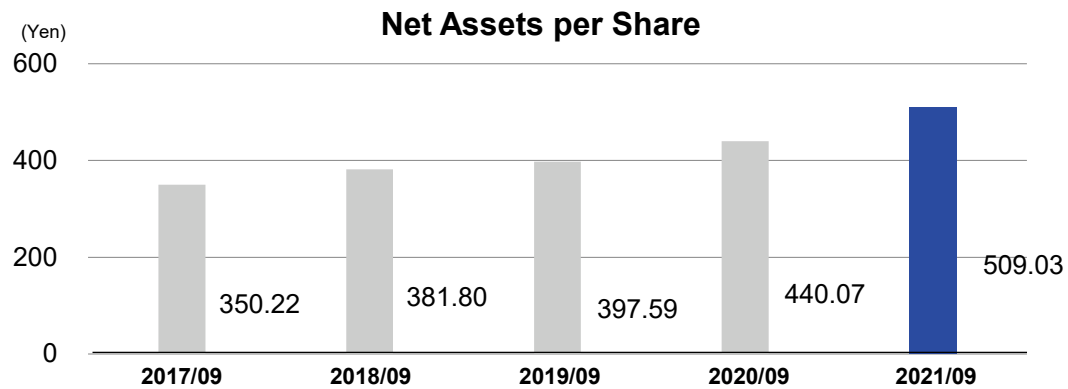
3-5. Assets and Capital-Related Items

-6. Share Price and Equity-Related Items

Assets and Capital-Related Items

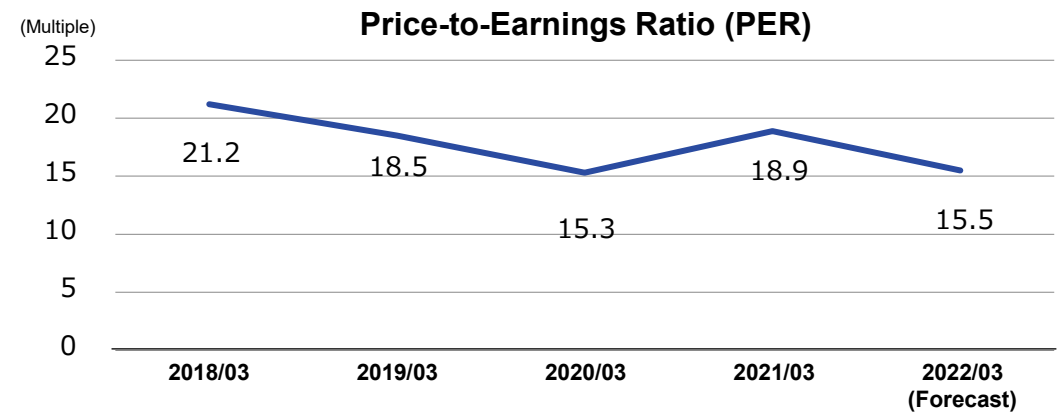
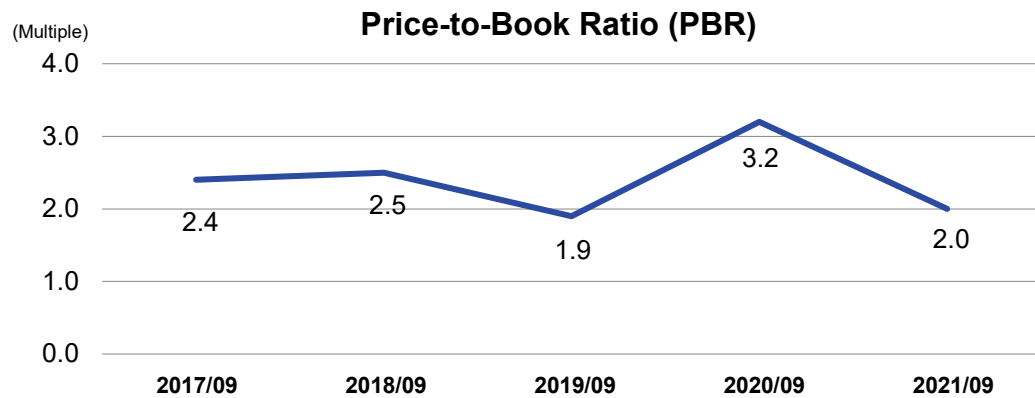
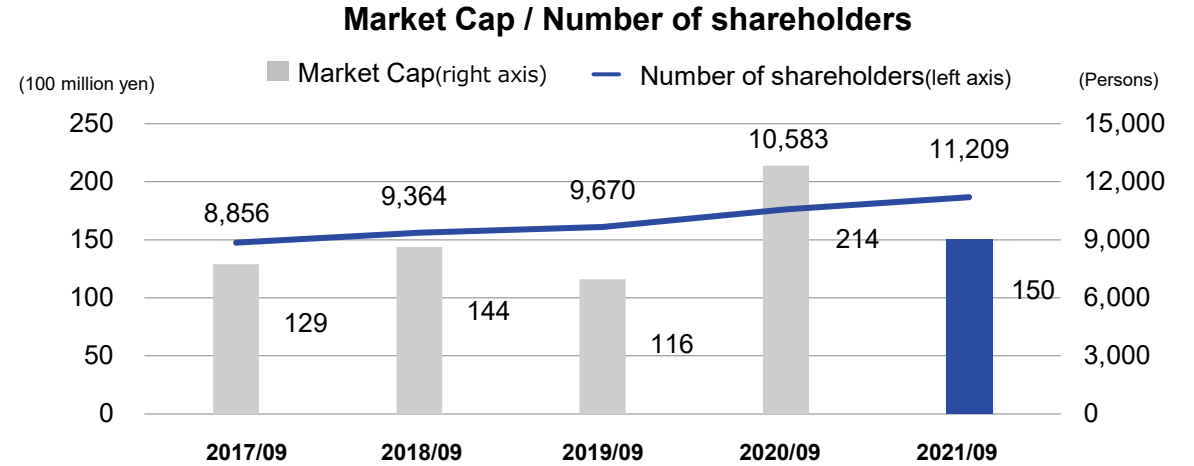
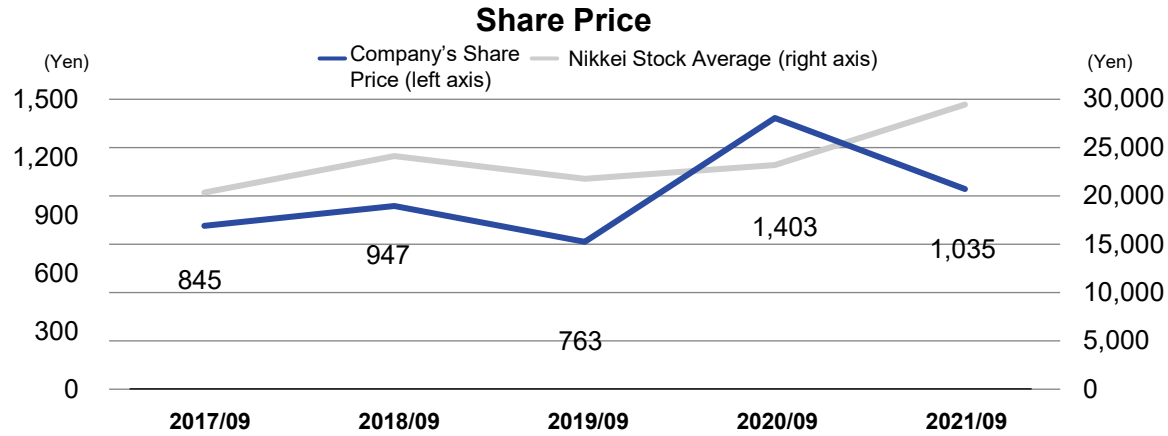


Share Price and Equity-Related Items



3-6. Share Price and Equity-Related Items

Share Price and Equity-Related Items



*Fiscal year ending March 31, 2022 (forecast) is calculated using the stock price as of the end of June and net profit per share in the full-year earnings forecast.

CUBE SYSTEM

<https://www.cubesystem.co.jp/en/>

The earnings outlook and other forward-looking statements provided in this material are based on the information currently available to the Company and are subject to potential risks and uncertainties.

Please understand that there is a large possibility that actual results may differ significantly from the outlook presented herein due to the impact of various external factors.