

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 2, 2022

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
 Seniority Corporate Officer,
 Inquiries: President's Office Hirofumi Kitagaki TEL 03-5487-6030
 Scheduled date to file Quarterly Securities Report: February 8, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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	%
Nine months ended December 31, 2021	12,041	13.7	1,122	41.7	1,133	22.9	755	26.6
Nine months ended December 31, 2020	10,591	0.5	792	28.2	922	46.8	596	51.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	55.77		–	
Nine months ended December 31, 2020	43.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	9,732	7,069	72.2	520.59
As of March 31, 2021	9,444	6,515	68.6	476.52

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	8.00	–	12.00	20.00
Year ending March 31, 2022	–	8.00	–		
Year ending March 31, 2022 (Forecast)				15.00	23.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Full year	16,000	8.2	1,400	19.2	1,420	9.6	950	12.6	70.16

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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

(4) Number of issued shares (common shares)

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

As of December 31, 2021	14,500,000 shares	As of March 31, 2021	15,279,840 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	1,000,392 shares	As of March 31, 2021	1,689,732 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	13,539,830 shares	Nine months ended December 31, 2020	13,588,774 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	4,467,541	4,929,595
Accounts receivable-trade and contract assets	2,584,796	2,350,190
Work in process	83,449	50,280
Other	118,578	111,975
Allowance for doubtful accounts	(554)	(493)
Total current assets	7,253,810	7,441,549
Non-current assets		
Property, plant and equipment	193,249	163,241
Intangible assets	8,774	5,909
Investments and other assets		
Investment securities	1,169,963	1,339,008
Retirement benefit asset	162,786	173,401
Other	655,607	609,209
Total investments and other assets	1,988,358	2,121,618
Total non-current assets	2,190,382	2,290,768
Total assets	9,444,193	9,732,317
Liabilities		
Current liabilities		
Accounts payable - trade	775,081	723,591
Short-term borrowings	280,000	240,000
Income taxes payable	370,648	87,486
Provision for bonuses	337,488	342,294
Provision for bonuses for directors (and other officers)	36,700	7,688
Provision for loss on order received	–	1,991
Other	557,847	594,553
Total current liabilities	2,357,766	1,997,603
Non-current liabilities		
Provision for share-based compensation	228,511	286,007
Asset retirement obligations	138,007	138,420
Other	204,587	241,003
Total non-current liabilities	571,106	665,432
Total liabilities	2,928,872	2,663,036
Net assets		
Shareholders' equity		
Share capital	768,978	768,978
Capital surplus	826,828	705,435
Retained earnings	5,649,012	5,660,745
Treasury shares	(1,197,851)	(603,331)
Total shareholders' equity	6,046,968	6,531,828
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	336,160	429,508
Foreign currency translation adjustment	428	11,161
Remeasurements of defined benefit plans	92,442	55,280
Total accumulated other comprehensive income	429,032	495,950
Non-controlling interests	39,319	41,502
Total net assets	6,515,320	7,069,281
Total liabilities and net assets	9,444,193	9,732,317

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	10,591,691	12,041,702
Cost of sales	8,612,495	9,461,151
Gross profit	1,979,195	2,580,550
Selling, general and administrative expenses	1,187,068	1,458,011
Operating profit	792,127	1,122,538
Non-operating income		
Interest income	1,969	2,648
Dividend income	9,919	9,356
Gain on sale of investment securities	23,441	–
Consumption tax difference	–	5,901
Other	100,501	2,337
Total non-operating income	135,832	20,243
Non-operating expenses		
Interest expenses	1,208	1,261
Foreign exchange losses	2,032	4,360
Commission expenses	2,335	2,335
Other	10	1,525
Total non-operating expenses	5,586	9,483
Ordinary profit	922,372	1,133,298
Extraordinary losses		
Loss on valuation of investment securities	11,756	–
Total extraordinary losses	11,756	–
Profit before income taxes	910,616	1,133,298
Income taxes	311,611	375,201
Profit	599,004	758,097
Profit attributable to non-controlling interests	2,568	3,041
Profit attributable to owners of parent	596,435	755,056

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	599,004	758,097
Other comprehensive income		
Valuation difference on available-for-sale securities	144,944	93,348
Foreign currency translation adjustment	398	10,732
Remeasurements of defined benefit plans, net of tax	14,246	(37,419)
Total other comprehensive income	159,589	66,660
Comprehensive income	758,593	824,758
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	755,967	821,975
Comprehensive income attributable to non-controlling interests	2,626	2,783