

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 3, 2022

Company name: CUBE SYSTEM INC.
 Stock exchange listing: Tokyo
 Stock code: 2335 URL <https://www.cubesystem.co.jp/>
 Representative: Representative Director and President Masahiro Nakanishi
 Seniority Corporate Officer, Hirofumi Kitagaki
 Inquiries: President's Office TEL 03-5487-6030
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	3,892	(2.4)	272	(28.1)	271	(30.5)	173	(34.0)
Three months ended June 30, 2021	3,987	18.2	378	56.5	390	57.1	262	59.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	12.84		–	
Three months ended June 30, 2021	19.35		–	

(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, 2022	9,953	7,346	73.8	543.58
As of March 31, 2022	10,064	7,214	71.2	531.14

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, 2022	–	8.00	–	15.00	23.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		23.00	–	27.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	8,155	1.2	749	0.4	754	0.3	505	0.7	37.33
Full year	17,300	7.5	1,530	7.9	1,545	7.8	1,000	5.9	73.91

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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
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| 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 June 30, 2022	14,500,000 shares	As of March 31, 2022	14,500,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	984,592 shares	As of March 31, 2022	1,000,392 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	13,504,875 shares	Three months ended June 30, 2021	13,590,108 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	5,058,095	4,883,246
Accounts receivable and contract assets	2,584,355	2,357,671
Securities	–	100,000
Work in process	16,439	17,281
Other	147,277	183,134
Allowance for doubtful accounts	(667)	–
Total current assets	7,805,500	7,541,334
Non-current assets		
Property, plant and equipment	169,139	156,993
Intangible assets	4,954	4,548
Investments and other assets		
Investment securities	1,278,721	1,457,368
Retirement benefit asset	194,324	194,099
Other	611,890	599,510
Total investments and other assets	2,084,936	2,250,979
Total non-current assets	2,259,029	2,412,521
Total assets	10,064,530	9,953,856
Liabilities		
Current liabilities		
Accounts payable - trade	753,109	729,376
Short-term borrowings	240,000	240,000
Income taxes payable	231,054	39,457
Provision for bonuses	364,188	224,705
Provision for bonuses for directors (and other officers)	10,200	2,546
Provision for loss on orders received	3,382	964
Other	597,483	560,505
Total current liabilities	2,199,418	1,797,555
Non-current liabilities		
Stock-based compensation reserve	309,136	326,271
Asset retirement obligations	138,558	138,685
Other	203,097	344,684
Total non-current liabilities	650,792	809,641
Total liabilities	2,850,211	2,607,197
Net assets		
Shareholders' equity		
Share capital	768,978	768,978
Capital surplus	705,435	704,842
Retained earnings	6,006,514	5,967,485
Treasury shares	(759,459)	(745,509)
Total shareholders' equity	6,721,467	6,695,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	370,912	563,759
Foreign currency translation adjustment	21,851	38,016
Remeasurements of defined benefit plans	55,932	49,085
Total accumulated other comprehensive income	448,696	650,861
Non-controlling interests	44,155	–
Total net assets	7,214,319	7,346,658
Total liabilities and net assets	10,064,530	9,953,856

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	3,987,278	3,892,957
Cost of sales	3,124,643	3,107,445
Gross profit	862,634	785,511
Selling, general and administrative expenses	483,829	513,303
Operating profit	378,804	272,208
Non-operating income		
Interest income	692	574
Dividend income	4,448	4,847
Other	8,591	2,263
Total non-operating income	13,731	7,686
Non-operating expenses		
Interest expenses	435	334
Foreign exchange losses	1,296	6,718
Other	772	1,714
Total non-operating expenses	2,504	8,767
Ordinary profit	390,032	271,128
Profit before income taxes	390,032	271,128
Income taxes	126,451	97,697
Profit	263,580	173,430
Quarter profit (loss) attributable to non-controlling interests	641	–
Profit attributable to owners of parent	262,939	173,430

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	263,580	173,430
Other comprehensive income		
Valuation difference on available-for-sale securities	53,992	192,847
Foreign currency translation adjustment	2,050	16,165
Remeasurements of defined benefit plans, net of tax	(12,473)	(7,595)
Total other comprehensive income	43,570	201,417
Comprehensive income	307,151	374,847
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	306,595	374,847
Comprehensive income attributable to non-controlling interests	555	—