

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 2, 2023

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, President's Office Hirofumi Kitagaki TEL 03-5487-6030
 Inquiries: Office
 Scheduled date to file Quarterly Securities Report: August 8, 2023
 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, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	4,376	12.4	369	35.9	371	37.0	232	34.2
Three months ended June 30, 2022	3,892	(2.4)	272	(28.1)	271	(30.5)	173	(34.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	15.36	–
Three months ended June 30, 2022	12.84	–

(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, 2023	12,338	9,444	76.5	622.93
As of March 31, 2023	12,547	9,616	76.6	634.29

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, 2023	–	23.00	–	27.00	50.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		15.00	–	15.00	30.00

Notes: Whether the dividends forecasts have been revised: No

Breakdown of interim dividend for the six months ended September 30, 2022:

Ordinary dividend of ¥11.00, and 50th anniversary commemorative dividend of ¥12.00

Breakdown of year-end dividend for the fiscal year ended March 31, 2023:

Ordinary dividend of ¥15.00, and 50th anniversary commemorative dividend of ¥12.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	8,577	8.7	700	17.0	700	17.7	457	17.7	30.14
Full year	18,000	10.3	1,620	11.5	1,635	10.4	1,080	9.1	71.23

Note: Whether the consolidated financial forecasts for fiscal 2023 under review have been revised: No

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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: No
- 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, 2023	15,750,000 shares	As of March 31, 2023	15,750,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	588,832 shares	As of March 31, 2023	588,832 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, 2023	15,161,168 shares	Three months ended June 30, 2022	13,504,875 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	6,748,203	6,431,553
Accounts receivable and contract assets	2,702,189	2,646,653
Securities	100,000	–
Work in process	10,764	23,283
Other	141,995	189,916
Total current assets	9,703,153	9,291,407
Non-current assets		
Property, plant and equipment	124,378	123,325
Intangible assets	3,330	3,330
Investments and other assets		
Investment securities	1,634,179	1,825,042
Retirement benefit asset	490,358	489,128
Other	592,122	606,503
Total investments and other assets	2,716,660	2,920,674
Total non-current assets	2,844,369	3,047,331
Total assets	12,547,523	12,338,738
Liabilities		
Current liabilities		
Accounts payable - trade	796,239	859,990
Short-term borrowings	240,000	240,000
Income taxes payable	313,954	71,841
Provision for bonuses	351,565	252,749
Provision for bonuses for directors (and other officers)	8,500	2,499
Provision for loss on orders received	2,291	219
Other	476,293	626,033
Total current liabilities	2,188,844	2,053,333
Non-current liabilities		
Provision for share-based payments	332,222	344,074
Asset retirement obligations	139,065	146,200
Other	270,841	350,758
Total non-current liabilities	742,130	841,033
Total liabilities	2,930,974	2,894,367
Net assets		
Shareholders' equity		
Share capital	1,400,228	1,400,228
Capital surplus	1,491,474	1,491,474
Retained earnings	6,459,029	6,266,662
Treasury shares	(503,601)	(503,601)
Total shareholders' equity	8,847,130	8,654,763
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	509,026	551,063
Foreign currency translation adjustment	30,209	39,205
Remeasurements of defined benefit plans	230,182	199,338
Total accumulated other comprehensive income	769,418	789,607
Total net assets	9,616,548	9,444,371
Total liabilities and net assets	12,547,523	12,338,738

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, 2022	Three months ended June 30, 2023
Net sales	3,892,957	4,376,971
Cost of sales	3,107,445	3,438,899
Gross profit	785,511	938,071
Selling, general and administrative expenses	513,303	568,130
Operating profit	272,208	369,941
Non-operating income		
Interest income	574	1,191
Dividend income	4,847	4,676
Other	2,263	1,322
Total non-operating income	7,686	7,190
Non-operating expenses		
Interest expenses	334	315
Foreign exchange losses	6,718	2,952
Loss on investments in investment partnerships	941	1,364
Other	772	1,031
Total non-operating expenses	8,767	5,663
Ordinary profit	271,128	371,468
Profit before income taxes	271,128	371,468
Income taxes	97,697	138,658
Profit	173,430	232,809
Profit attributable to owners of parent	173,430	232,809

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	173,430	232,809
Other comprehensive income		
Valuation difference on available-for-sale securities	192,847	42,037
Foreign currency translation adjustment	16,165	8,996
Remeasurements of defined benefit plans, net of tax	(7,595)	(30,844)
Total other comprehensive income	201,417	20,189
Comprehensive income	374,847	252,999
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	374,847	252,999