

Translation

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

November 6, 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
 Seniority Corporate Officer,
 Inquiries: President's Office Hirofumi Kitagaki TEL 03-5487-6030
 Scheduled date to file Semi-annual Securities Report: November 12, 2024
 Scheduled date to commence dividend payments: December 3, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	9,022	0.1	533	(32.8)	528	(33.0)	662	32.1
Six months ended September 30, 2023	9,015	14.2	794	32.7	788	32.6	501	29.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	44.01		-	
Six months ended September 30, 2023	33.07		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	13,790	10,506	76.2	697.82
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				
Year ended March 31, 2024	-	15.00	-	20.00	35.00
Year ending March 31, 2025	-	20.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	20.00	40.00

Notes: Revisions to the forecast of cash dividends most recently announced: None

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
Full year	18,800	4.3	1,600	4.2	1,650	3.7	1,260	18.1	83.76

Note: Revisions to the financial results forecast announced most recently: None

4. Notes

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

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	15,750,000 shares	As of March 31, 2024	15,750,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	693,476 shares	As of March 31, 2024	588,832 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	15,042,690 shares	Six months ended September 30, 2023	15,161,168 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	6,835	6,387
Accounts receivable - trade, and contract assets	2,932	3,005
Work in process	3	26
Other	207	209
Total current assets	9,978	9,628
Non-current assets		
Property, plant and equipment	160	152
Intangible assets	3	3
Investments and other assets		
Investment securities	2,068	2,384
Retirement benefit asset	617	947
Other	659	673
Total investments and other assets	3,345	4,005
Total non-current assets	3,509	4,161
Total assets	13,487	13,790
Liabilities		
Current liabilities		
Accounts payable-trade	821	836
Short-term borrowings	230	230
Income taxes payable	271	193
Provision for bonuses	356	477
Provision for bonuses for directors (and other officers)	8	3
Provision for loss on orders received	10	4
Other	761	580
Total current liabilities	2,459	2,327
Non-current liabilities		
Provision for share-based payments	389	292
Asset retirement obligations	149	150
Other	354	513
Total non-current liabilities	894	956
Total liabilities	3,353	3,283
Net assets		
Shareholders' equity		
Share capital	1,400	1,400
Capital surplus	1,491	1,491
Retained earnings	6,864	7,211
Treasury shares	(503)	(654)
Total shareholders' equity	9,252	9,448
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	646	879
Foreign currency translation adjustment	43	38
Remeasurements of defined benefit plans	190	139
Total accumulated other comprehensive income	880	1,057
Total net assets	10,133	10,506
Total liabilities and net assets	13,487	13,790

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	9,015	9,022
Cost of sales	7,055	7,152
Gross profit	1,959	1,869
Selling, general and administrative expenses		
Provision for bonuses for directors (and other officers)	4	1
Salaries and allowances	293	356
Provision for bonuses	79	73
Retirement benefit expenses	3	5
Provision for share-based payments	26	47
Other	757	851
Total selling, general and administrative expenses	1,165	1,336
Operating profit	794	533
Non-operating income		
Interest income	2	2
Dividend income	4	5
Other	2	3
Total non-operating income	9	11
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	7	6
Loss on investments in investment partnerships	5	7
Other	1	1
Total non-operating expenses	15	16
Ordinary profit	788	528
Extraordinary income		
Gain on revision of retirement benefit plan	–	359
Gain on sale of investment securities	–	52
Total extraordinary income	–	411
Extraordinary losses		
Retirement benefit expenses for prior periods	–	33
Total extraordinary losses	–	33
Profit before income taxes	788	906
Income taxes	287	244
Profit	501	662
Profit attributable to owners of parent	501	662

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	501	662
Other comprehensive income		
Valuation difference on available-for-sale securities	41	232
Foreign currency translation adjustment	11	(4)
Remeasurements of defined benefit plans, net of tax	(61)	(51)
Total other comprehensive income	(8)	176
Comprehensive income	493	839
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	493	839

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	788	906
Depreciation	20	25
Increase (decrease) in provisions	156	13
Increase (decrease) in assets and liabilities related to retirement benefits	(92)	(79)
Interest and dividend income	(7)	(7)
Interest expenses	0	0
Loss (gain) on investments in investment partnerships	5	7
Loss (gain) on sale of investment securities	–	(52)
Gain on revision of retirement benefit plan	–	(359)
Retirement benefit expenses for prior periods	–	33
Decrease (increase) in trade receivables	(172)	(72)
Decrease (increase) in inventories	3	(21)
Decrease (increase) in prepaid expenses	(11)	(49)
Increase (decrease) in trade payables	90	15
Increase (decrease) in accrued consumption taxes	46	(116)
Increase (decrease) in accounts payable - other	47	(35)
Increase (decrease) in accrued expenses	60	(32)
Other, net	13	5
Subtotal	949	181
Interest and dividends received	7	8
Interest paid	(0)	(0)
Income taxes paid	(276)	(233)
Income taxes refund	–	0
Net cash provided by (used in) operating activities	679	(44)
Cash flows from investing activities		
Proceeds from redemption of securities	100	–
Purchase of property, plant and equipment	(16)	(18)
Purchase of investment securities	(132)	(10)
Proceeds from sale of investment securities	2	119
Purchase of membership	–	(6)
Payments of leasehold and guarantee deposits	(54)	(4)
Other, net	12	(5)
Net cash provided by (used in) investing activities	(88)	74
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(10)	–
Decrease (increase) in treasury shares	–	(151)
Dividends paid	(424)	(314)
Repayments of lease liabilities	(0)	–
Net cash provided by (used in) financing activities	(435)	(465)
Effect of exchange rate change on cash and cash equivalents	2	(11)
Net increase (decrease) in cash and cash equivalents	157	(447)
Cash and cash equivalents at beginning of period	6,703	6,815
Cash and cash equivalents at end of period	6,861	6,367