

FY March 2025

Supplementary Information Material for Financial Results

Securities code: 2335

May. 8, 2025



| Executive Summary (FY March 2025)

- **Business Environment** - Demand for DX promotion and cloud migration remains high, and IT investment is expanding.
However, we experienced sluggish orders received due to stagnant sales, which were caused by the suspension of projects resulting from the business conditions of individual companies and response to unprofitable projects.
- **Net Sales** - Slightly increased because of the expansion of End-User Business and Service Providing Businesses.
- **Operating Profit** - Decreased due to active investment in development organization and facilities as well as the impact of unprofitable projects.

Net sales 183.5 100 million yen	Operating profit 13.8 100 million yen	Profit attributable to owners of parent 12.6 100 million yen	ROE 12.0%
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FY March 2025

1 Overview of Financial Results

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1 - 1 | Overview of Consolidated Statements of Income

- **Business Environment**
 - IT investment continues to expand because of ongoing demand for DX against a backdrop of higher value-added services and a shortage of human resources , as well as strong demand for migrating mission-critical systems to the cloud and for system development aimed at improving usability.
However, we experienced sluggish orders received due to stagnant sales, which were caused by the suspension of projects resulting from the business conditions of individual companies and response to unprofitable projects.
- **Net Sales**
 - Slightly increased because of the extensive capture of Sler Business demand, despite a reduction in individual projects.
- **Operating Profit**
 - Decreased due to an increase in personnel expenses, continued investment in the expansion of bases, and the impact of unprofitable projects.
- **Profit**
 - Increased because of the gain on the revision of the retirement benefit plan*¹ resulting from the introduction of DC (Defined Contribution Pension) and the gain on sale of investment securities.

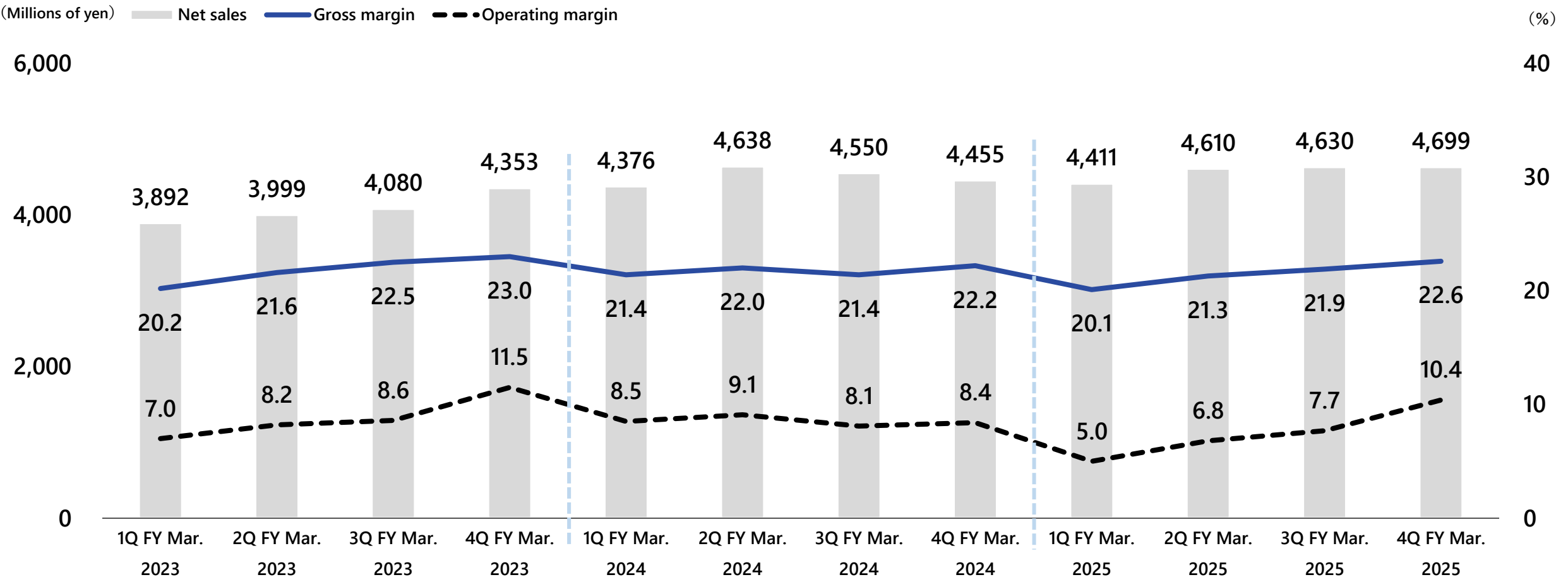
(Millions of yen)	FY Mar. 2024 (Actual)	FY Mar. 2025 (Actual)	YoY	(Reference) Achievement Rate* ² toward Forecasts
Net sales	18,021	18,351	+1.8%	100.3%
Operating profit	1,536	1,380	-10.1%	106.2%
Margin	8.5%	7.5%		
Ordinary profit	1,590	1,393	-12.4%	106.4%
Margin	8.8%	7.6%		
Profit attributable to owners of parent	1,067	1,261	+18.2%	104.2%
Margin	5.9%	6.9%		

*1: Please refer to the press release dated October 9, 2024, titled "Notice of Revision of Consolidated Earnings Forecasts and Recording of Extraordinary Income from Revision of Retirement Benefit Plan". <https://ssl4.eir-parts.net/doc/2335/tdnet/2508624/00.pdf>

*2: Please refer to the press release dated February 5, 2025, titled "Notice of Revised Earnings forecast". <https://ssl4.eir-parts.net/doc/2335/tdnet/2557300/00.pdf>

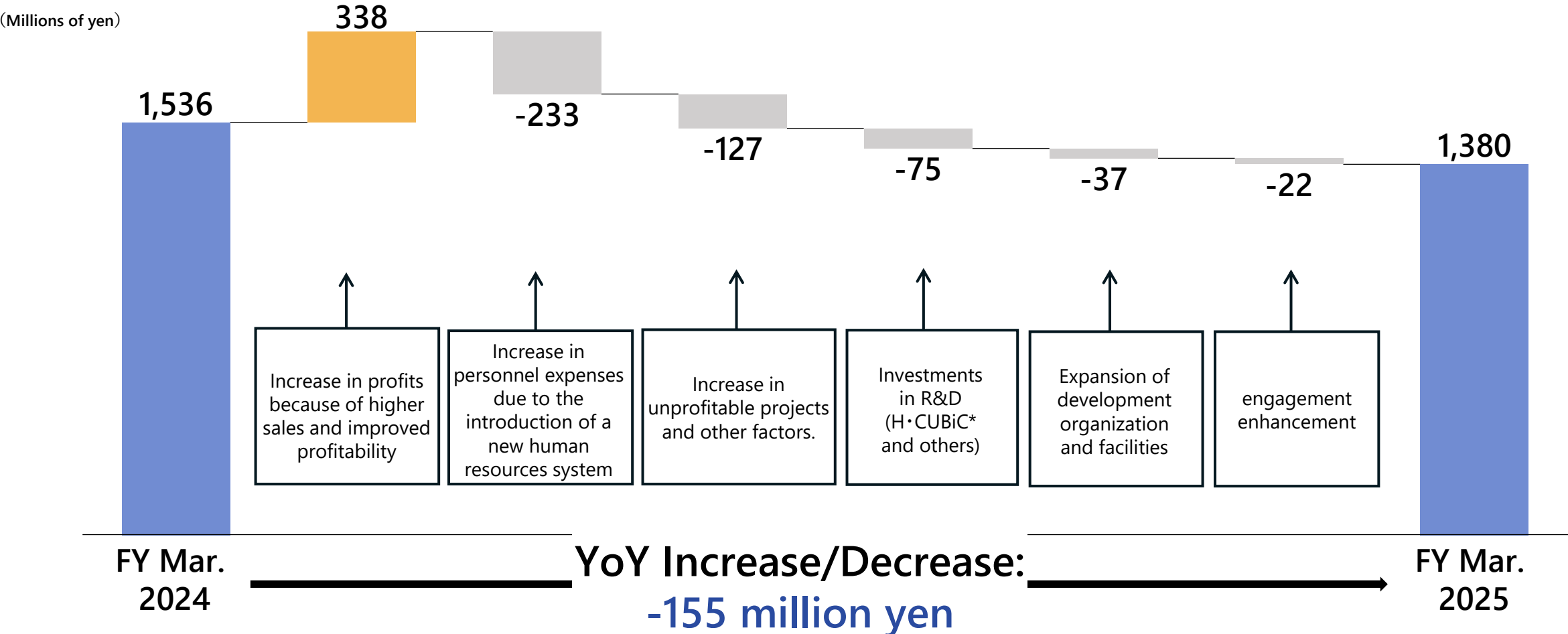
1 - 2 | Trends in Transition by Accounting Period

■ Net sales increased by 69 million yen and the operating profit margin increased by 2.7 percentage points compared to the previous quarter.



1 - 3 | Factors Leading to Changes in Operating Profit

- Positive Factors - Profits increased because of higher sales and measures to improve profitability.
- Negative Factors - Profits decreased due to increases in personnel expenses, unprofitable projects, investments in R&D for in-house business creation, investments in expanding development organization and facilities (such as expansion of bases), and investments in engagement enhancement and other initiatives.



1 - 4 | Trends in Net Sales by Business Model

■ Digital Business

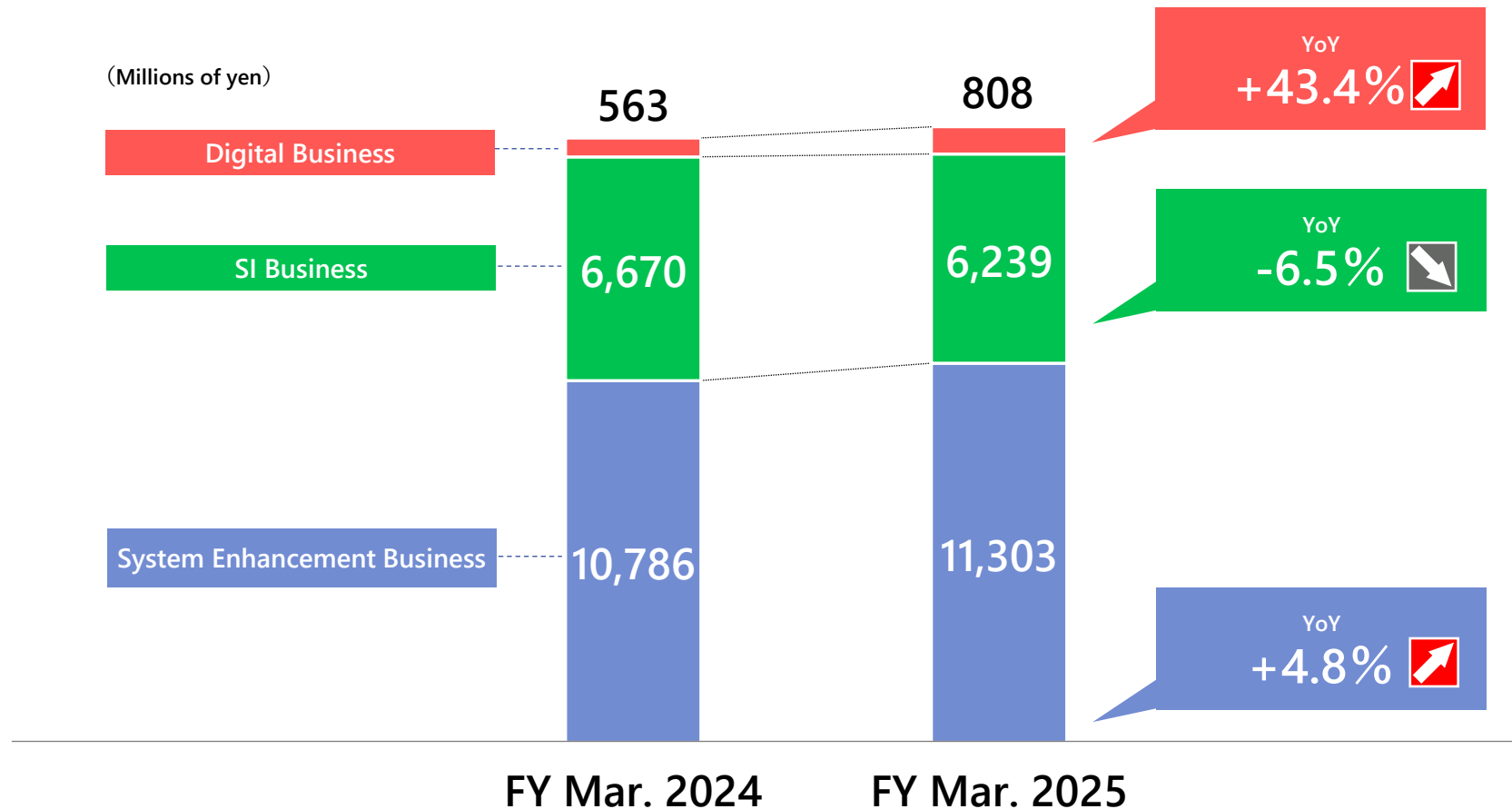
- Significantly increased because of the increase in orders received in consulting and advanced technology support projects.

■ SI Business

- Orders received declined because we couldn't fully capture demand.

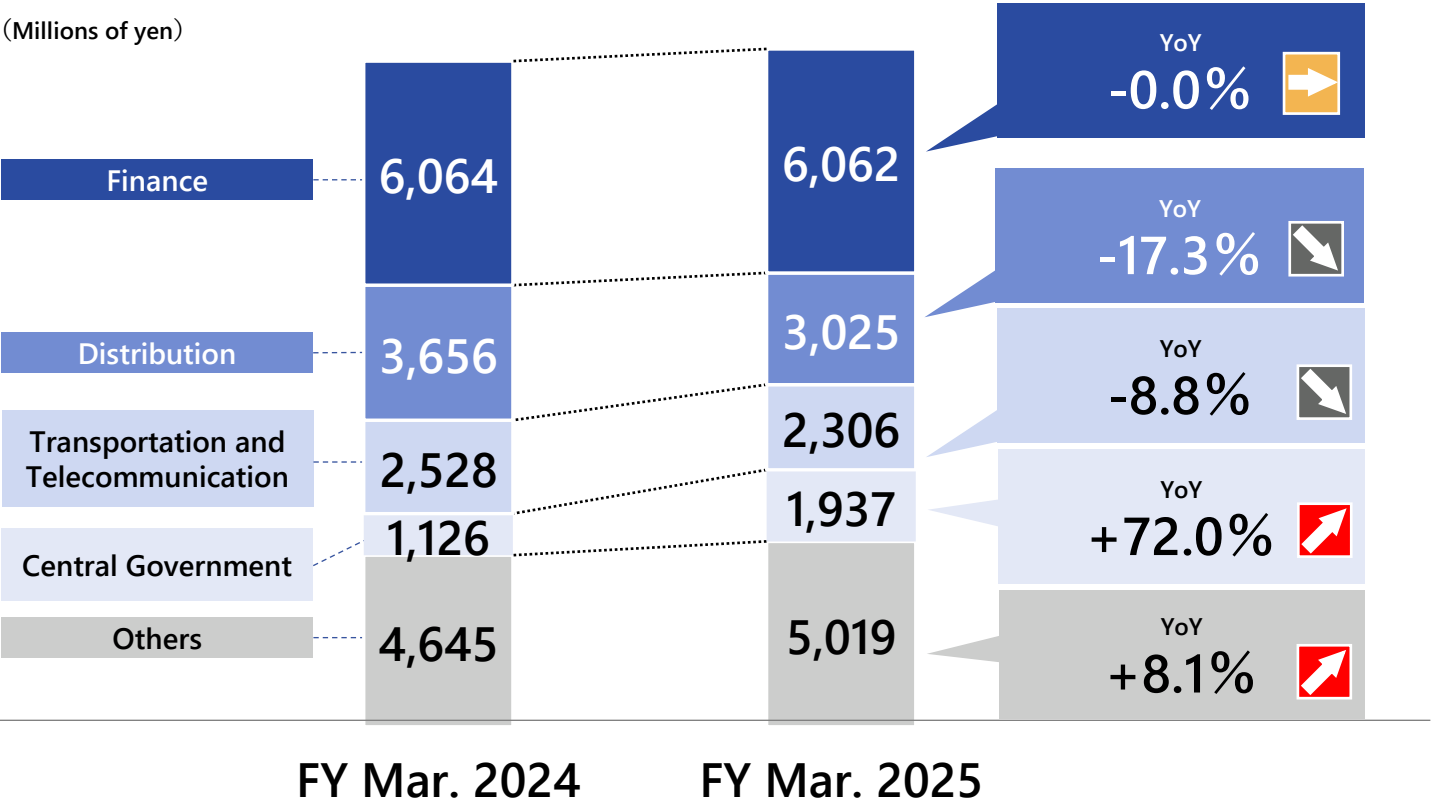
■ System Enhancement Business

- Steady growth achieved by acquiring derivative development projects in existing areas.



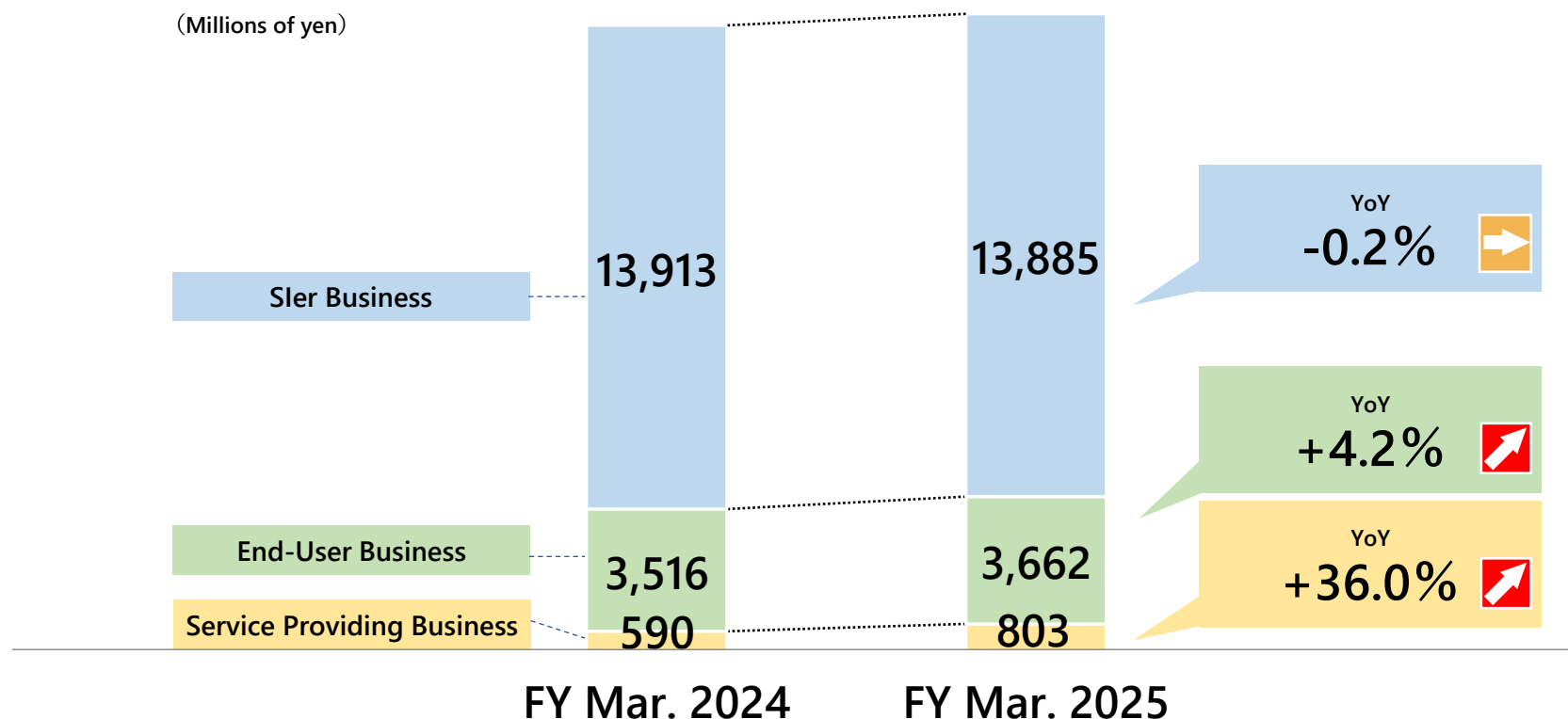
1 - 5 | Trends in Net Sales by Industry

- Finance
 - Decrease in projects for other financial firms, such as an insurance company, despite an increase in projects for a securities firm and a bank.
- Distribution
 - Decrease in projects for a major GMS and an apparel company.
- Transportation and Telecommunication
 - Decrease in projects for logistics companies.
- Central Government
 - Significant increase in projects for the central government agencies and an administration office.
- Others
 - Increase in projects for the energy-related industries and a food company.



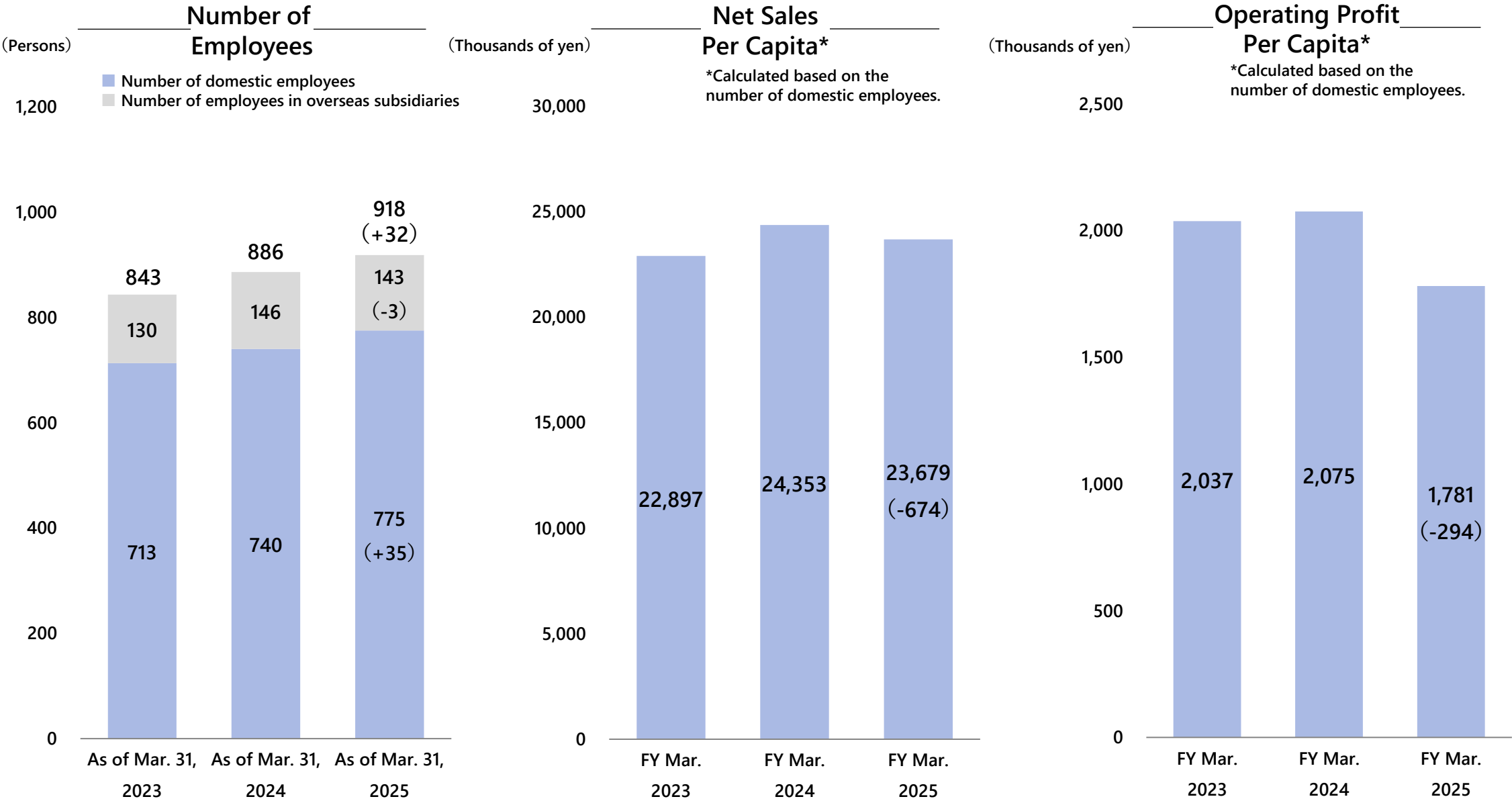
1 - 6 | Trends in Net Sales by Business Style

- Sler* Business
 - Remained stable due to the reduction of individual projects, despite the expansion because of strong demand from some system integrators.
- End-User Business
 - Remained steady because of progress in developing themes in existing areas.
- Service Providing Business
 - Increased because of collaboration with solution vendors and provision of technical support services.

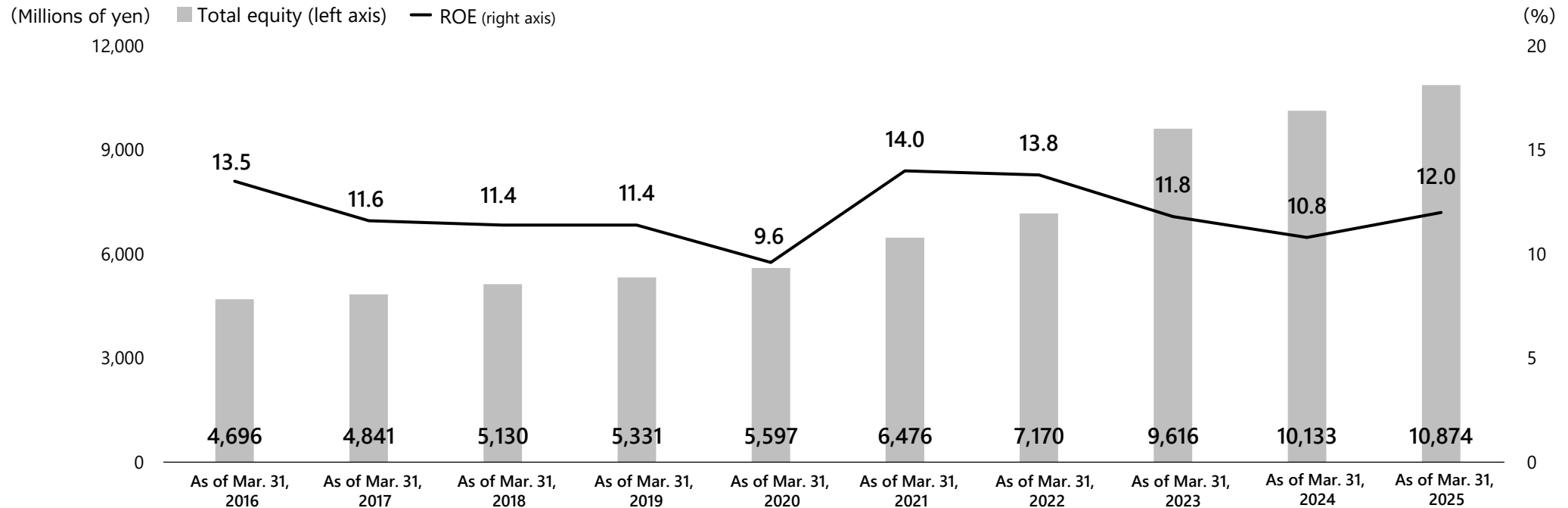


*System integrator: A company that conducts system integration, abbreviated as "Sler". A general term for companies that plan, design, develop, operate, and provide other solutions for the IT operation systems of customers including companies and the government.

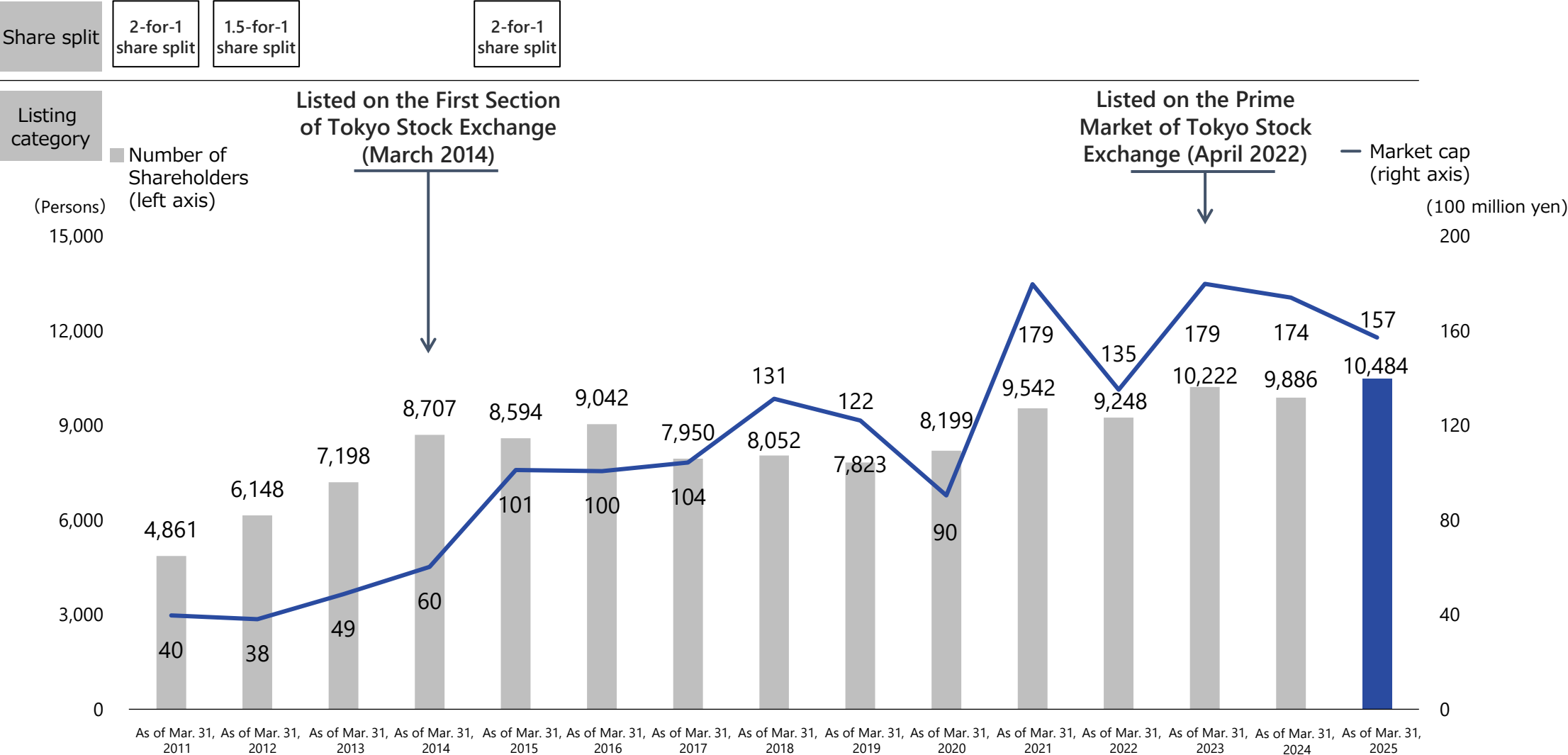
1 - 7 | Index Per Capita



We continuously target an **ROE of 14% or higher** by enhancing capital efficiency and profit margin.



1 - 9 | Trends in Number of Shareholders and Market Cap



1 - 10 | Status of High-Priority Measures

- FY 2024 is a year for strengthening the foundation and achieving certain results, despite issues occurring from a quality perspective.

FY2024

Year for strengthening foundation

Promotion of collaboration



- Continuous consideration of collaboration in one-stop services and new business areas
- Conceptualizing new businesses utilizing AI and process transformations
- Collaboration with solution vendors

Reinforcement of development organization and facilities



- Strengthening collaboration with CUBE SYSTEM VIETNAM CO., LTD. by inviting 20% of its employees to Japan and promoting offshore utilization
- Expansion of offices at domestic and international bases

Reinforcement of Quality



- Emergence of unprofitable projects
- Challenges in risk assessment of some small and medium-sized projects

Research investment



- Development of components(HCA*2) for "H·CUBiC"*1
- Promoting R&D through internal recruitment
- Investment in improving work efficiency utilizing generative AI
- Expansion of in-house products to improve engagement

Enrichment of human capital



- Consistent hiring of new graduates at a certain scale (70 in April 2025)
- Achievements in hiring of professionals through mid-career hiring (20 in FY2024)
- Improvement of employee treatment through the implementation of the new human resources system
- Promoting measures to improve engagement
- Clarification of employees' career fields

FY2025

Year of dramatic growth

*For *1 and *2, please refer to the press release dated October 23, 2024, titled "H·CUBiC Services concept to provide multifaceted support for human capital management".

<https://ssl4.eir-parts.net/doc/2335/tdnet/2512582/00.pdf>

FY March 2026

2 Earnings Outlook

- 1 Overview of Earnings Outlook
- 2 Outlook in Net Sales by Business Style
- 3 Orders Received and Order Backlog
- 4 Trends in Dividends and Dividend Payout Ratio

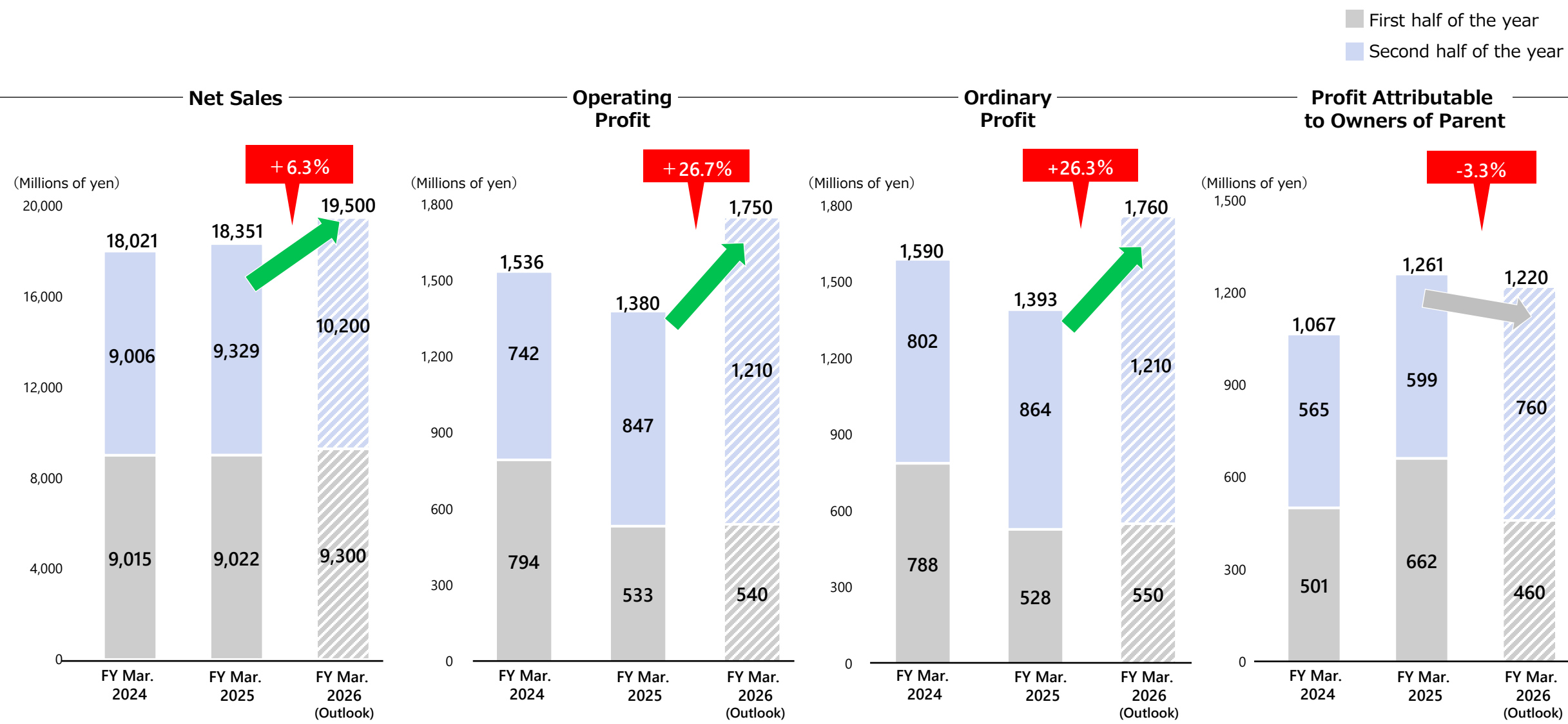


2 - 1 | Overview of Earnings Outlook

- **Business Environment** - The outlook remains uncertain due to factors such as domestic and international policy trends, and fluctuations in the financial markets, although demand for IT investment is expected to continue going forward.
- **Net Sales** - We aim to accurately capture demand and drive both the expansion of project scale and the acquisition of new projects by promoting collaboration with system integrators, collaborating with cloud vendors and expanding development organization and facilities.
- **Operating Profit** - We strive to eliminate unprofitable projects through quality improvement and to further improve productivity.

(Millions of yen)	FY Mar.2026 (Earning Outlook)	FY Mar. 2025 (Actual)	YoY	YoY(%)
Net sales	19,500	18,351	+1,148	+6.3%
Operating profit	1,750	1,380	+369	+26.7%
Margin	9.0%	7.5%		
Ordinary profit	1,760	1,393	+366	+26.3%
Margin	9.0%	7.6%		
Profit attributable to owners of parent	1,220	1,261	-41	-3.3%
Margin	6.3%	6.9%		

2 - 1 | Overview of Earnings Outlook



2 - 2 | Outlook in Net Sales by Business Style

SIer Business

- : Expansion of areas through one-stop services
- : Returning to collaboration with Japanese contractors
- : New initiatives to improve productivity, such as the use of generative AI
- : Establishing modernization collaborations and increasing orders received

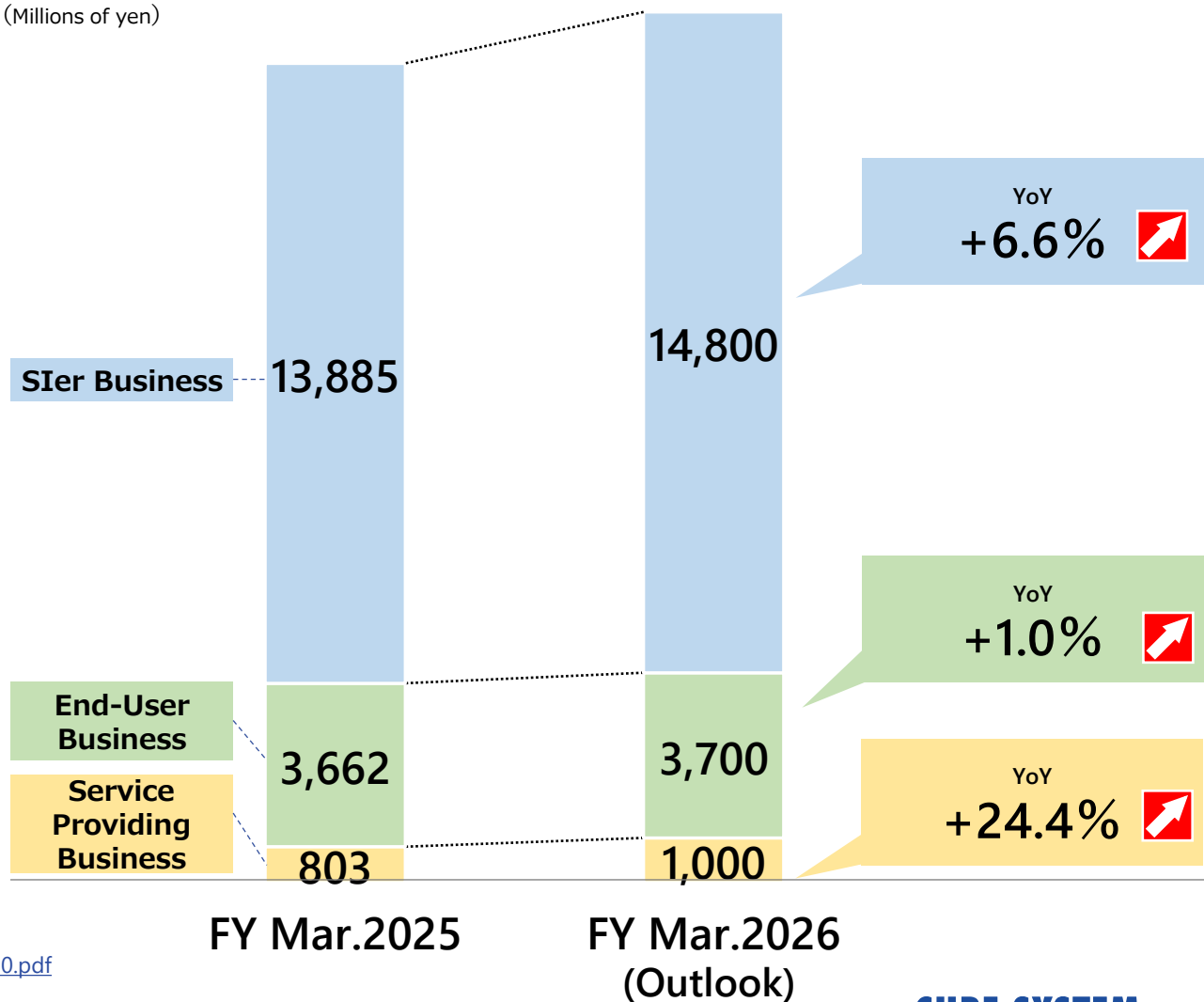
End-User Business

- : Cultivating projects from existing prime customers
- : Relationship Management for acquiring new customers and strengthening proposal capabilities

Service Providing Business

- : Promoting collaboration with cloud vendors
- : Introducing H•CUBiC* services to individual companies
- : Creating new services to acquire new customers

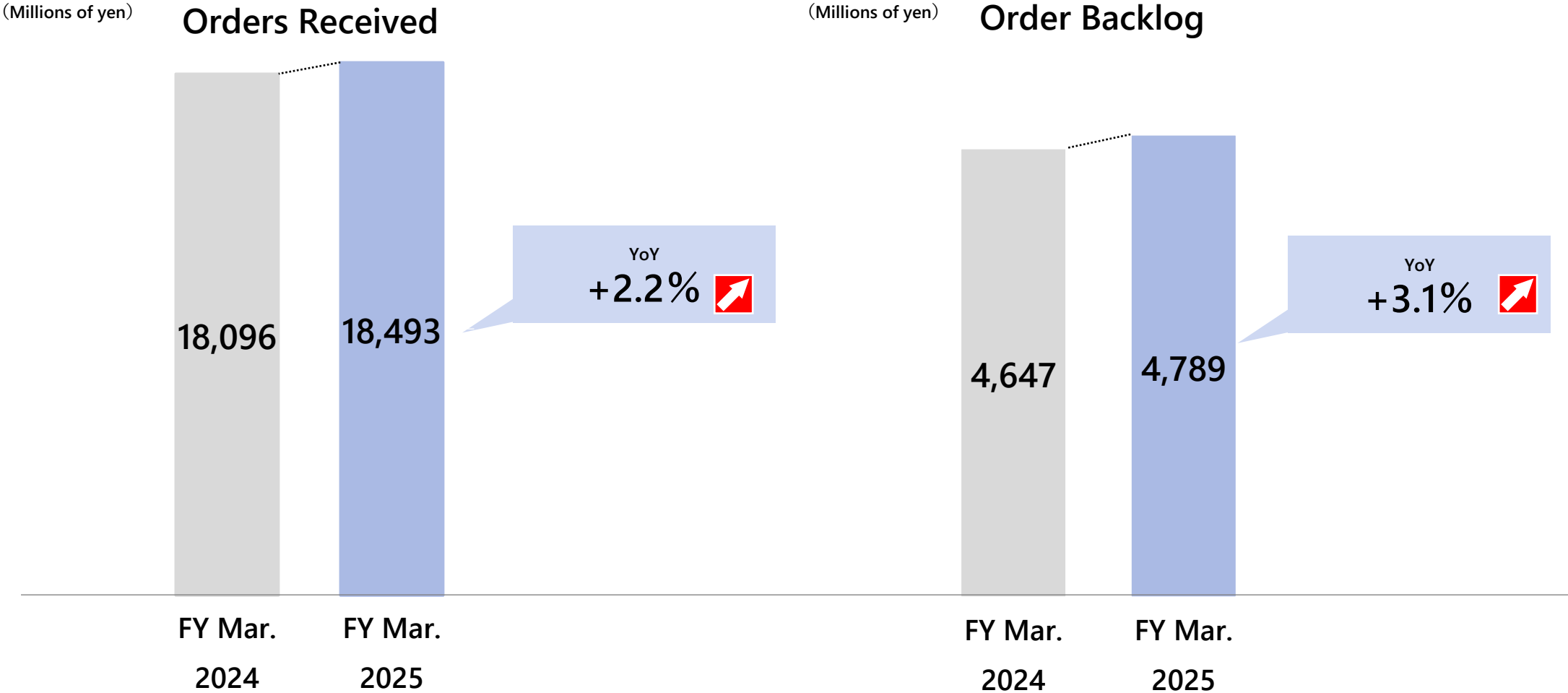
(Millions of yen)



*Please refer to the press release dated October 23, 2024, titled "H•CUBiC Services concept to provide multifaceted support for human capital management". <https://ssl4.eirparts.net/doc/2335/tdnet/2512582/00.pdf>

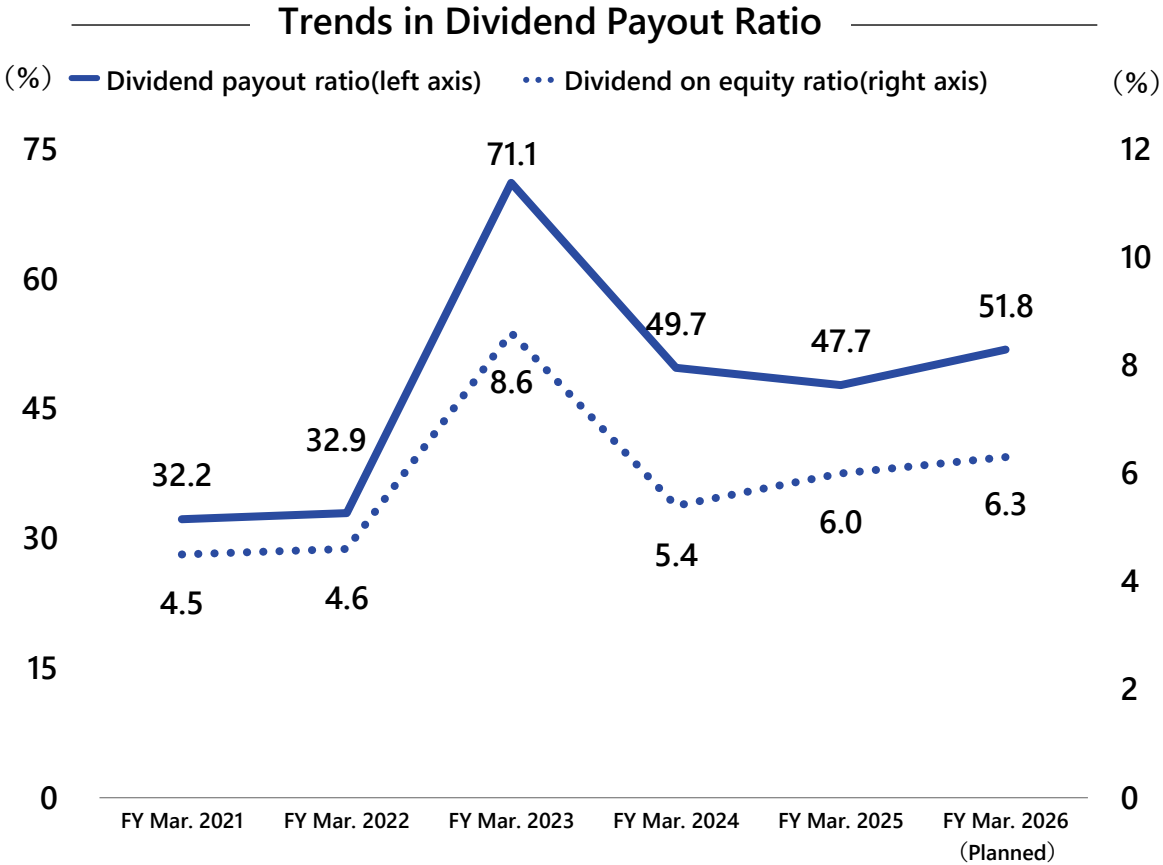
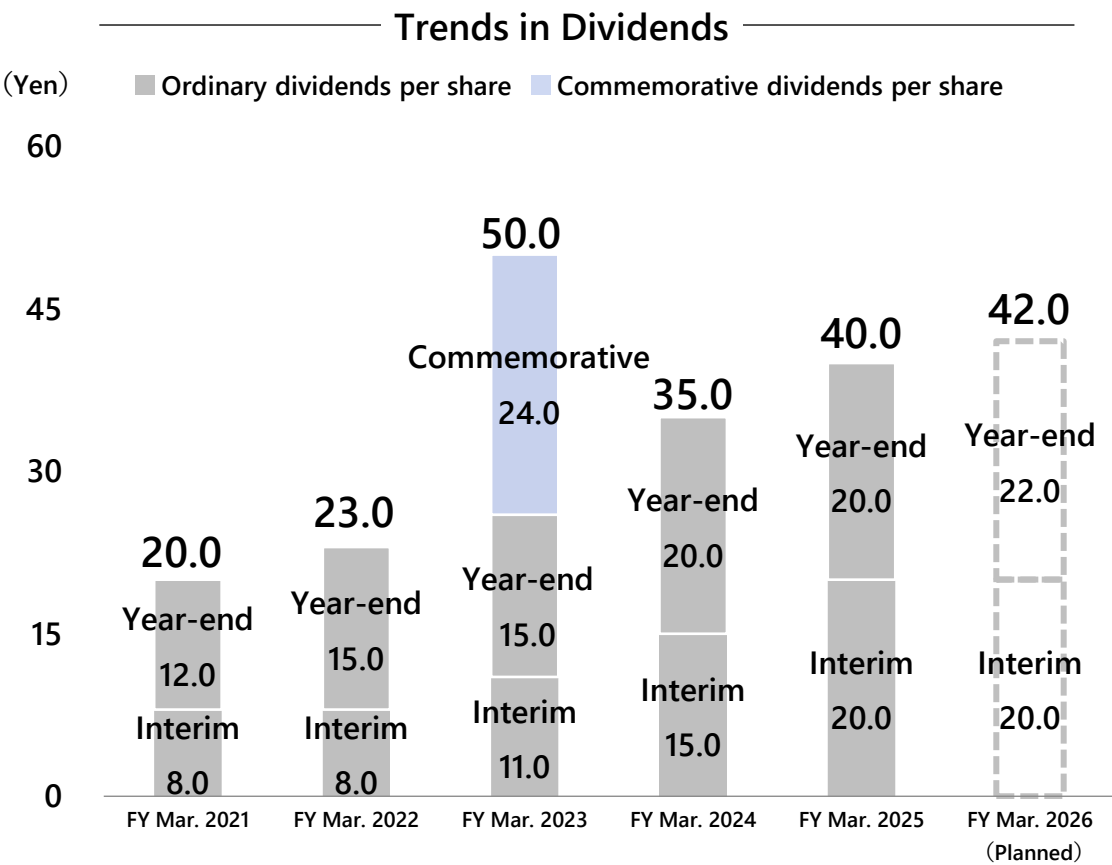
2 - 3 | Orders Received and Order Backlog

■ Orders received increased by 397 million yen and order backlog increased by 142 million yen.



2 - 4 | Trends in Dividends and Dividend Payout Ratio

■ With the aim of further returning profits to shareholders, we have set the planned amount of dividends for the fiscal year ending March 31, 2026, at 42 yen per annum, with a target consolidated dividend payout ratio of 50%.



3 Appendix

- 1 Five Year Summary
- 2 Trends in Transition by Accounting Period
- 3 Summary of Consolidated Balance Sheets and Consolidated Statements of Cash Flows
- 4 Trends in Net Sales and Operating Profit
- 5 Outlook in Net Sales and Operating Profit
- 6 Trends in Orders Received and Order Backlog
- 7 Other Performance Indicators



3 - 1 | Five Year Summary

	FY Mar. 2021	FY Mar. 2022	FY Mar. 2023	FY Mar. 2024	FY Mar. 2025
Net sales (Millions of yen)	14,788	16,099	16,325	18,021	18,351
Cost of sales (Millions of yen)	11,948	12,649	12,775	14,099	14,403
Gross profit (Millions of yen)	2,840	3,450	3,570	3,922	3,947
Gross margin (%)	19.2	21.4	21.9	21.8	21.5
Selling, general and administrative expenses (Millions of yen)	1,665	2,032	2,117	2,386	2,566
Operating profit (Millions of yen)	1,174	1,417	1,452	1,536	1,380
Operating margin (%)	7.9	8.8	8.9	8.5	7.5
Ordinary profit (Millions of yen)	1,295	1,432	1,480	1,590	1,393
Ordinary margin (%)	8.8	8.9	9.1	8.8	7.6
Profit attributable to owners of parent (Millions of yen)	844	944	989	1,067	1,261
Profit margin attributable to owners of parent (%)	5.7	5.9	6.1	5.9	6.9

3 - 2 | Trends in Transition by Accounting Period

	1Q FY Mar. 2023	2Q FY Mar. 2023	3Q FY Mar. 2023	4Q FY Mar. 2023	1Q FY Mar. 2024	2Q FY Mar. 2024	3Q FY Mar. 2024	4Q FY Mar. 2024	1Q FY Mar. 2025	2Q FY Mar. 2025	3Q FY Mar. 2025	4Q FY Mar. 2025
Net sales (Millions of yen)	3,892	3,999	4,080	4,353	4,376	4,638	4,550	4,455	4,411	4,610	4,630	4,699
Cost of sales (Millions of yen)	3,107	3,133	3,163	3,351	3,438	3,616	3,575	3,468	3,525	3,627	3,615	3,635
Gross profit (Millions of yen)	785	865	917	1,001	938	1,021	974	987	886	983	1,014	1,063
Gross margin (%)	20.2	21.6	22.5	23.0	21.4	22.0	21.4	22.2	20.1	21.3	21.9	22.6
Selling, general and administrative expenses (Millions of yen)	513	539	564	500	568	597	606	613	665	670	657	572
Operating profit (Millions of yen)	272	326	352	501	369	424	367	374	220	312	356	490
Operating margin (%)	7.0	8.2	8.6	11.5	8.5	9.1	8.1	8.4	5.0	6.8	7.7	10.4
Ordinary profit (Millions of yen)	271	323	359	526	371	416	380	421	226	301	365	499
Ordinary margin (%)	7.0	8.1	8.8	12.1	8.5	9.0	8.4	9.5	5.1	6.5	7.9	10.6
Profit attributable to owners of parent (Millions of yen)	173	214	239	361	232	268	257	308	157	504	242	356
Profit margin attributable to owners of parent (%)	4.5	5.4	5.9	8.3	5.3	5.8	5.7	6.9	3.6	10.9	5.2	7.6

3 - 3 | Summary of Consolidated Balance Sheets and Consolidated Statements of Cash Flows

(Unit: millions of yen)

Consolidated Balance Sheets	As of Mar. 31, 2024	As of Mar. 31, 2025	Increase/ Decrease	Remarks
Current assets	9,978	9,806	-172	Decrease in cash and deposits
Non-current assets	3,509	4,560	+1,050	Increase in retirement benefit assets
Total assets	13,487	14,366	+878	
Current liabilities	2,459	2,387	-72	Decrease in deposits received and income and other taxes payable
Non-current liabilities	894	1,104	+209	Increase in deferred tax liabilities
Total liabilities	3,353	3,491	+137	
Total shareholder's equity	9,252	9,733	+480	Increase in retained earnings
Total accumulated other comprehensive income	880	1,141	+260	Increase in remeasurements of defined benefit plans
Non-controlling shareholder share	-	-	-	
Total net assets	10,133	10,874	+740	

(Unit: millions of yen)

Consolidated Statements of Cash Flows	FY Mar. 2024	FY Mar. 2025	Increase/ Decrease	Remarks
Cash flows from operations	1,044	255	-789	Gain on revision of retirement benefit plan
Cash flows from investments	-259	-68	+191	Decrease in purchase of investment securities
Cash flows from financing	-672	-780	-108	Increase in treasury shares
Effects of exchange rate change on cash and cash equivalents	-1	-8	-7	
Net increase in cash and cash equivalents	111	-601	-713	
Cash and cash equivalents at beginning of period	6,703	6,815	+111	
Cash and cash equivalents at end of period	6,815	6,213	-601	

3 - 4 | Trends in Net Sales and Operating Profit

	FY Mar. 2024				FY Mar. 2025			
	Net sales (Millions of yen)	Net sales (Millions of yen)	Composition (%)	YoY (%)	Operating profit (Millions of yen)	Operating profit (Millions of yen)	YoY (%)	Operating margin (%)
Digital Business	563	808	4.4	+43.4	8	15	+88.1	1.4
SI Business	6,670	6,239	34.0	-6.5	614	497	-19.1	9.2
System Enhancement Business	10,786	11,303	61.6	+4.8	913	867	-5.0	8.5
Finance	6,064	6,062	33.0	-0.0	564	484	-14.3	9.3
Distribution	3,656	3,025	16.5	-17.3	278	172	-38.3	7.6
Transportation and Telecommunication	2,528	2,306	12.6	-8.8	232	284	+22.3	9.2
Central Government	1,126	1,937	10.6	+72.0	138	221	+60.4	12.3
Manufacturing	1,614	1,808	9.9	+12.0	107	133	+23.4	6.7
Others	3,030	3,211	17.5	+6.0	214	85	-59.9	7.1
Sler Business	13,913	13,885	75.7	-0.2	1,116	1,045	-6.3	8.0
End-User Business	3,516	3,662	20.0	+4.2	348	283	-18.6	9.9
Service Providing Business	590	803	4.4	+36.0	70	51	-27.8	12.0
Total	18,021	18,351	100.0	+1.8	1,536	1,380	-10.1	8.5

FY Mar. 2024				FY Mar. 2025			
Operating profit (Millions of yen)	Operating profit (Millions of yen)	YoY (%)	Operating margin (%)	Operating profit (Millions of yen)	Operating profit (Millions of yen)	YoY (%)	Operating margin (%)
1.4	1.9	+0.5	9.2	8.0	-1.2	8.5	7.7
9.2	8.0	-1.2	8.5	7.7	-0.8	9.3	8.0
8.5	7.7	-0.8	9.3	8.0	-1.3	7.6	5.7
9.3	8.0	-1.3	7.6	5.7	-1.9	9.2	12.3
7.6	5.7	-1.9	9.2	12.3	+3.1	12.3	11.4
9.2	12.3	+3.1	12.3	11.4	-0.9	6.7	7.4
12.3	11.4	-0.9	6.7	7.4	+0.7	7.1	2.7
6.7	7.4	+0.7	7.1	2.7	-4.4	8.0	7.5
7.1	2.7	-4.4	8.0	7.5	-0.5	9.9	7.8
8.0	7.5	-0.5	9.9	7.8	-2.1	12.0	6.4
9.9	7.8	-2.1	12.0	6.4	-5.6	8.5	7.5
12.0	6.4	-5.6	8.5	7.5	-1.0		

3 - 5 | Outlook in Net Sales and Operating Profit

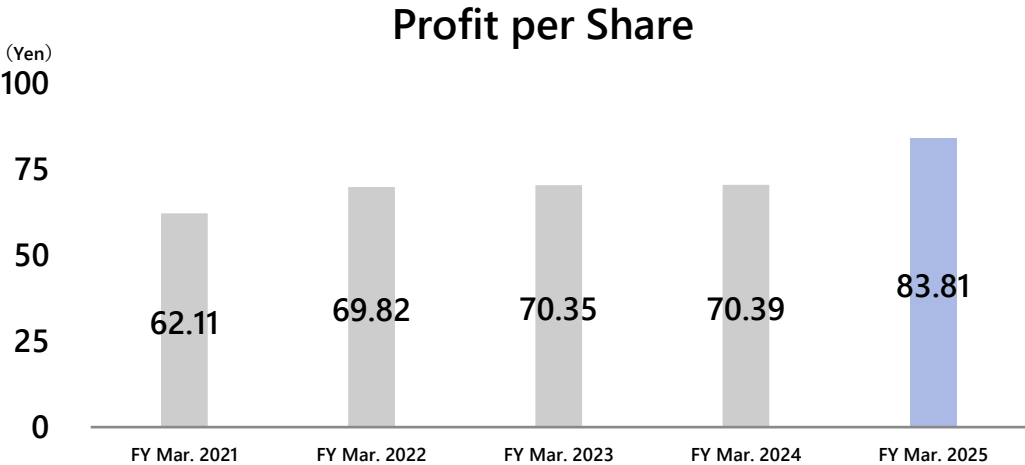
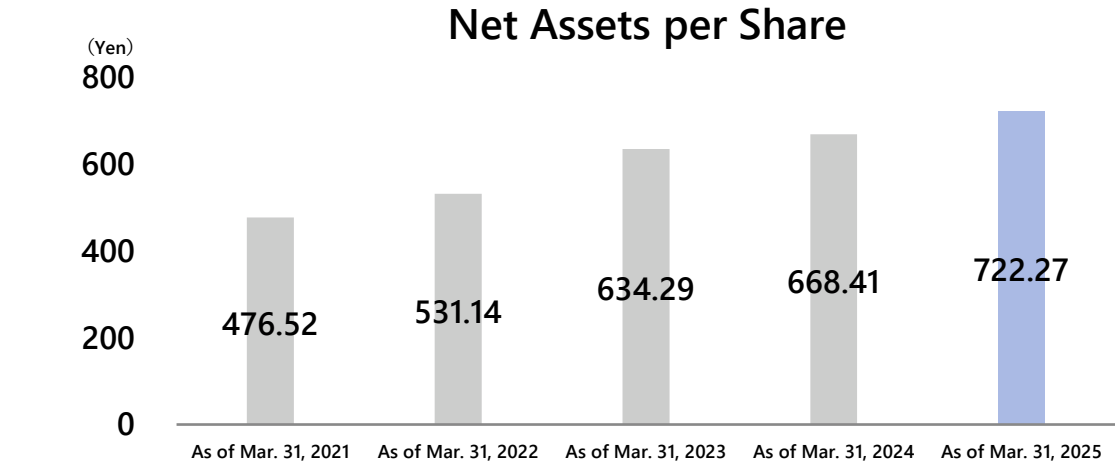
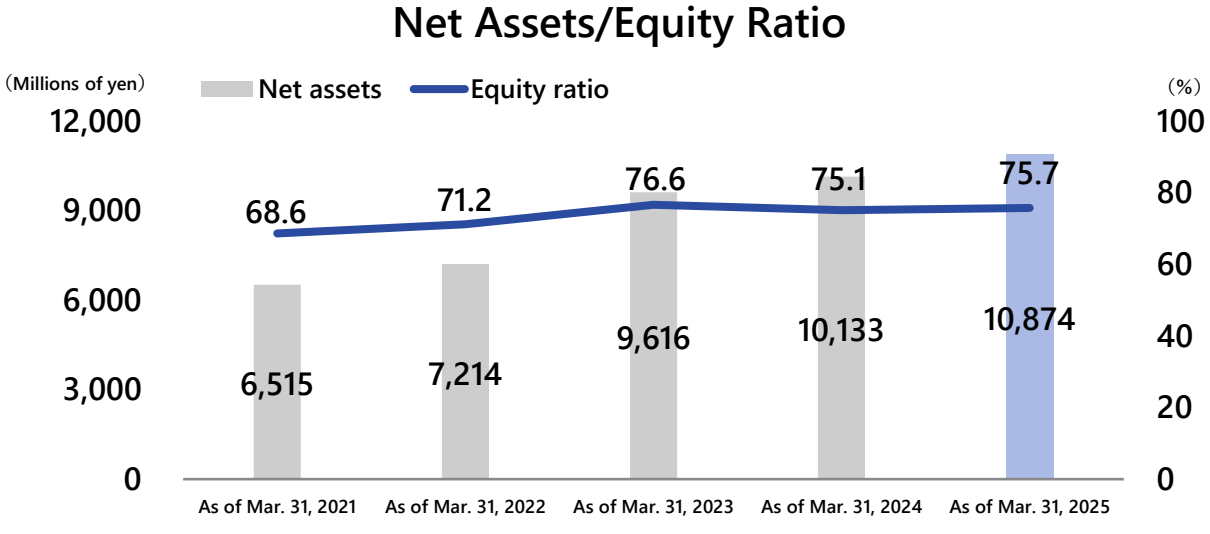
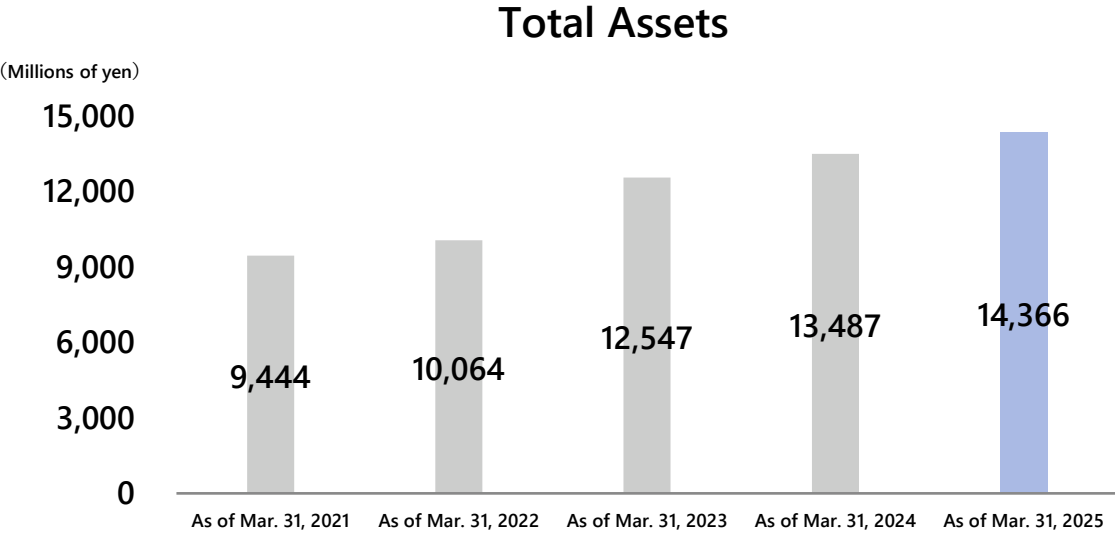
	FY Mar. 2025	FY Mar. 2026	FY Mar. 2025	FY Mar. 2026	FY Mar. 2025	FY Mar. 2026
	Net sales (Millions of yen)	Net sales (Outlook) (Millions of yen)	Operating profit (Millions of yen)	Operating profit (Outlook) (Millions of yen)	Operating margin (%)	Operating margin (Outlook) (%)
Digital Business	808	1,600	15	70	1.9	4.4
SI Business	6,239	8,500	497	850	8.0	10.0
System Enhancement Business	11,303	9,400	867	830	7.7	8.8
Finance	6,062	6,000	484	600	8.0	10.0
Distribution	3,025	2,500	172	100	5.7	4.0
Transportation and Telecommunication	2,306	2,400	284	250	12.3	10.4
Central Government	1,937	2,200	221	220	11.4	10.0
Manufacturing	1,808	2,000	133	180	7.4	9.0
Others	3,211	4,400	85	400	2.7	9.1
Sler Business	13,885	14,800	1,045	1,367	7.5	9.2
End-User Business	3,662	3,700	283	350	7.8	9.5
Service Providing Business	803	1,000	51	33	6.4	3.3
Total	18,351	19,500	1,380	1,750	7.5	9.0

3 - 6 | Trends in Orders Received and Order Backlog

	FY Mar. 2024	FY Mar. 2025		
	Orders received (Millions of yen)	Orders received (Millions of yen)	Increase/Decrease (Millions of yen)	YoY (%)
Digital Business	618	930	+312	+50.5
SI Business	6,640	6,522	-117	-1.8
System Enhancement Business	10,837	11,040	+202	+1.9
Finance	6,133	6,023	-109	-1.8
Distribution	3,445	2,987	-458	-13.3
Transportation and Telecommunication	2,543	2,230	-313	-12.3
Manufacturing	1,667	1,865	+197	+11.9
Central Government	1,381	2,011	+629	+45.6
Others	2,924	3,347	+450	+15.4
Sler Business	14,169	13,617	-552	-3.9
End-User Business	3,403	3,745	+341	+10.0
Service Providing Business	523	1,131	+607	+116.1
Total	18,096	18,493	+397	+2.2

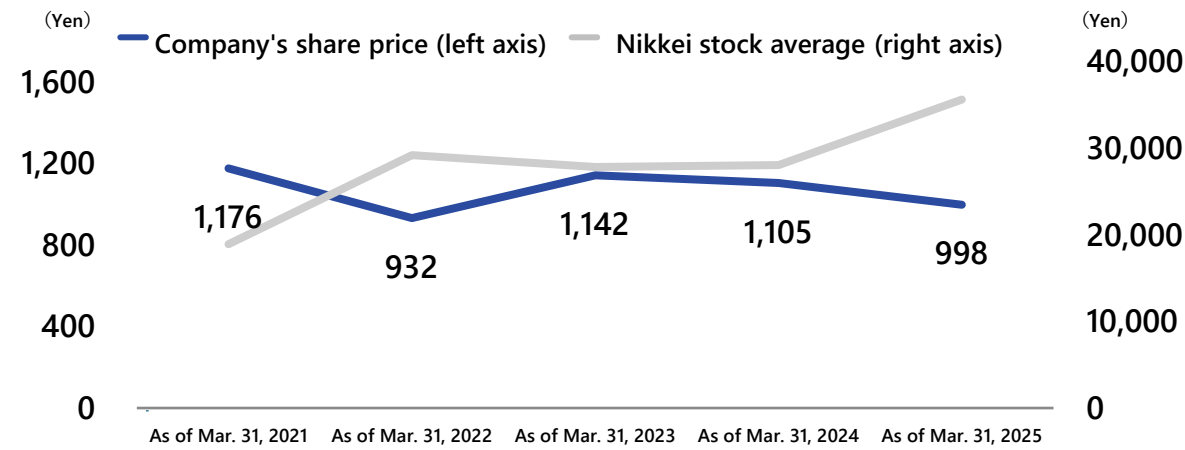
	FY Mar. 2024	FY Mar. 2025		
	Order backlog (Millions of yen)	Order backlog (Millions of yen)	Increase/Decrease (Millions of yen)	YoY (%)
	224	347	+122	+54.5
	1,339	1,622	+283	+21.2
	3,083	2,819	-263	-8.5
	1,550	1,511	-38	-2.5
	808	770	-38	-4.7
	584	508	-75	-12.9
	405	462	+56	+13.9
	483	557	+74	+15.3
	815	978	+163	+20.1
	3,320	3,052	-268	-8.1
	1,092	1,175	+82	+7.6
	234	561	+327	+139.9
Total	4,647	4,789	+142	+3.1

3 - 7 | Other Performance Indicators

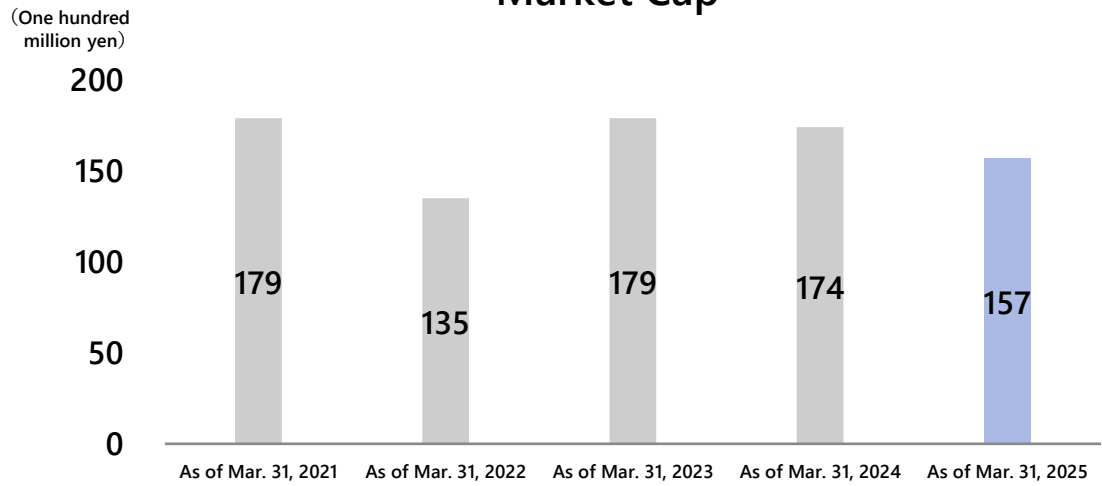


3 - 7 | Other Performance Indicators

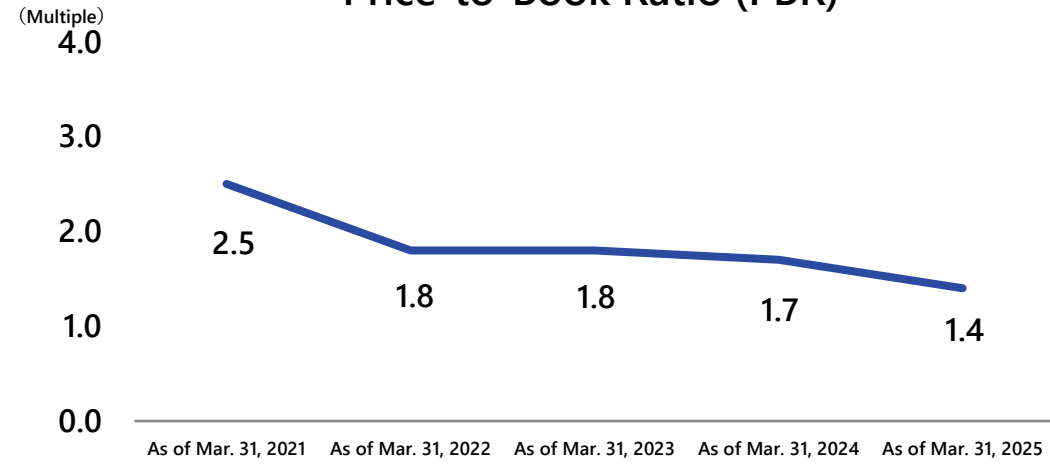
Share Price



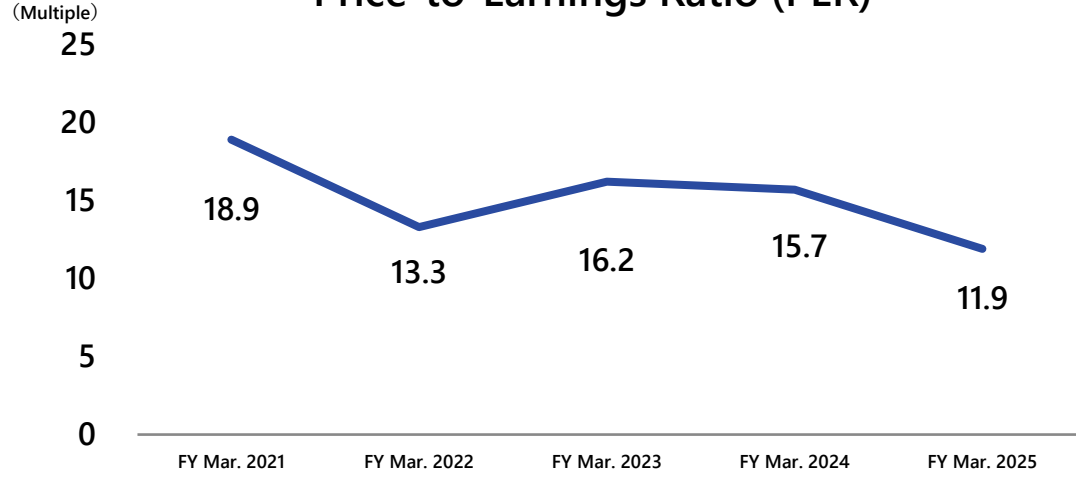
Market Cap



Price-to-Book Ratio (PBR)



Price-to-Earnings Ratio (PER)





<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.

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