CUBE SYSTEM

1H FY March 2027

Supplementary Materials for Financial Results

Securities code: 2335

Nov. 4, 2026



Executive Summary (1H FY March 2027)

- **Business Environment** : Demand for modernization, cloud migration and enhanced security continued to remain strong. Meanwhile, the demand structure is changing due to shifts in client companies' development needs, and we are responding to the changing market environment.
- **Net Sales** : Remained flat year on year due to a decrease in projects for local government-related organizations and other factors, despite the expansion of modernization projects and high value-added areas.
- **Operating Profit** : Profitability improved in the Service-Providing Business and the End-User Business. Meanwhile, operating profit decreased due to investment in AI and consulting areas and the impact of unprofitable projects.

1H FY March 2027 Actual

Net sales	Operating profit	Profit attributable to owners of parent
90.6 100 million yen	7.1 100 million yen	5.1 100 million yen

- **Earnings Outlook** : No changes.

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1 - 1 | Overview of Consolidated Statements of Income

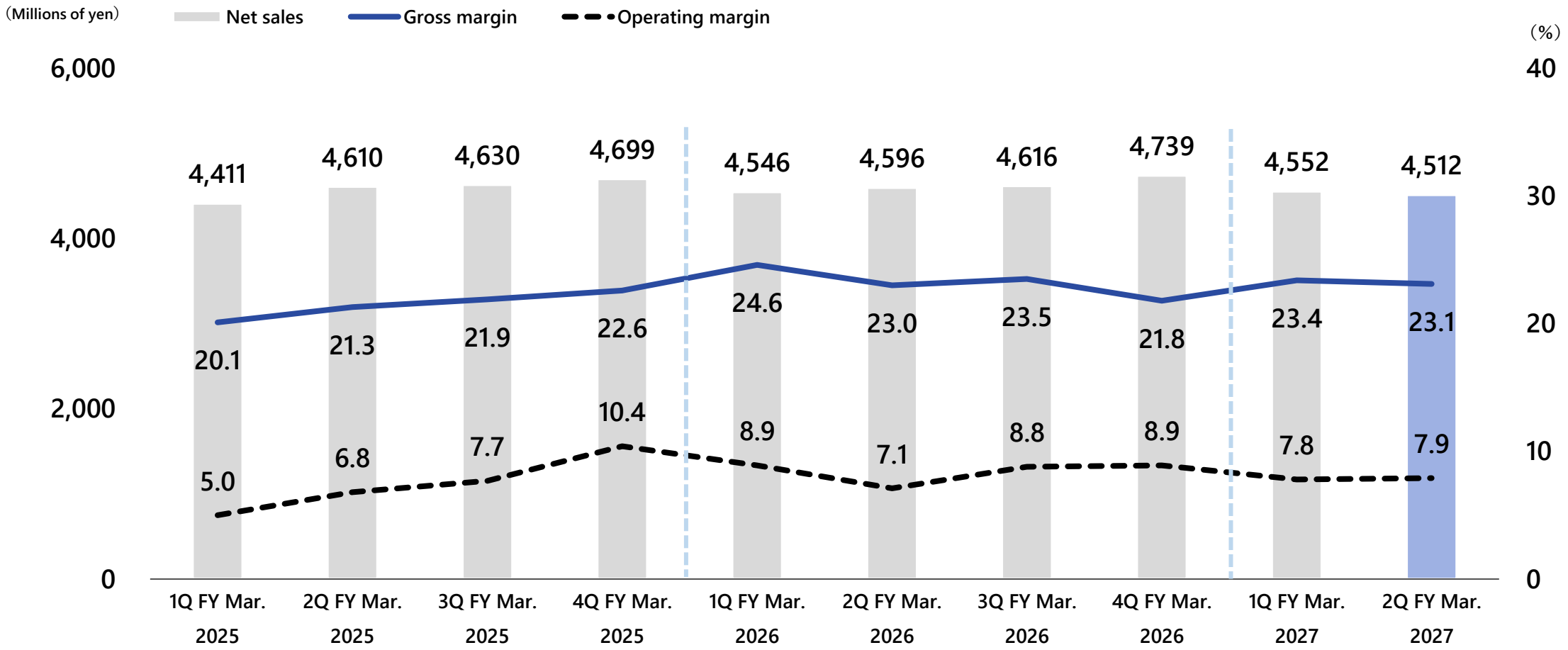
- **Business Environment** : Investment in modernization, cloud migration and enhanced security remained strong.
  Meanwhile, shifts in client companies' development needs have led to a trend toward smaller-scale and support-type projects, changing the demand structure.
  Based on resource optimization and productivity improvements through AI-driven development, we are actively acquiring modernization projects, expanding projects in existing business areas, and rolling out new services.
- **Net Sales** : Remained flat due to a decrease in projects for local government-related organizations, despite growth in modernization projects amid strong demand.
- **Operating Profit** : Profitability improved in the Service-Providing Business and the End-User Business.
  However, overall operating profit decreased due to the strengthening of AI and consulting areas and growth investments in R&D, as well as the impact of some unprofitable projects.

(Millions of yen)	1H FY Mar. 2026	1H FY Mar. 2027	YoY
Net sales	9,142	9,064	-0.9%
Operating profit	730	710	-2.8%
Margin	8.0%	7.8%	–
Ordinary profit	738	704	-4.5%
Margin	8.1%	7.8%	–
Profit attributable to owners of parent	555	515	-7.1%
Margin	6.1%	5.7%	–

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1 - 2 | Trends in Transition by Accounting Period

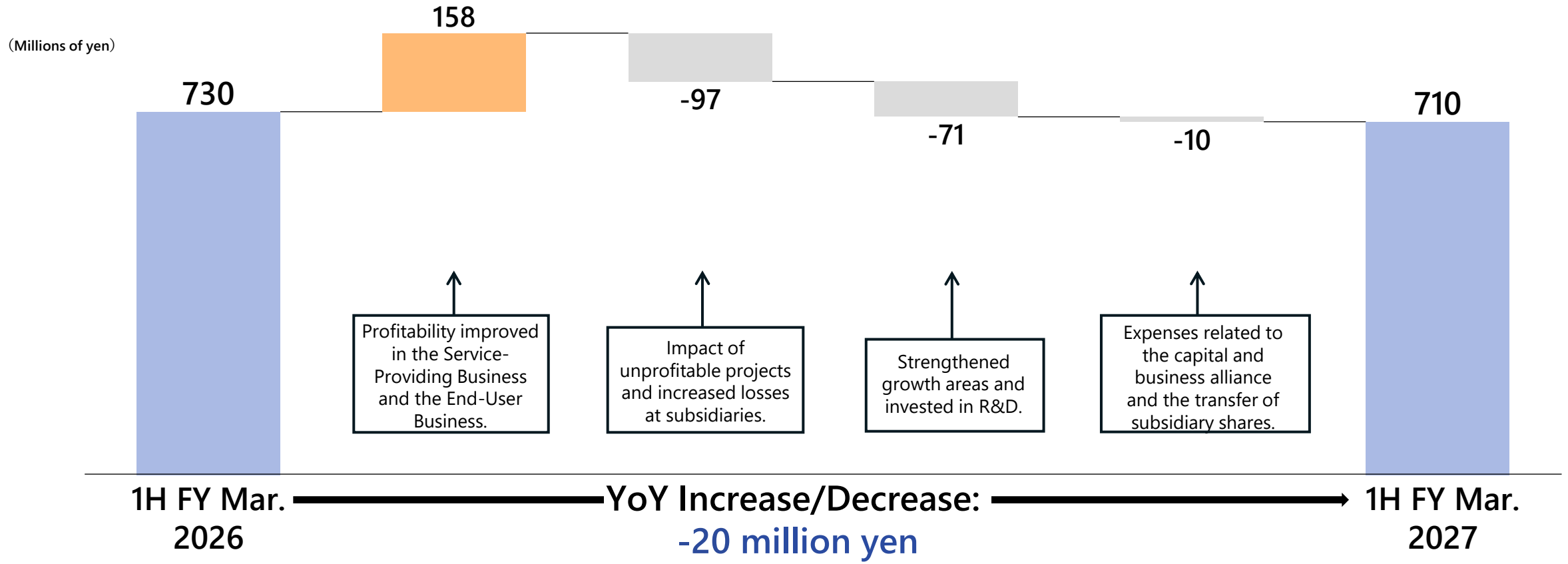
■ **Compared with 2Q of the previous fiscal year, net sales decreased by 84 million yen, while the operating profit margin increased by 0.8 points.**



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1 - 3 | Factors Leading to Changes in Operating Profit (Compared to the Previous Fiscal Year)

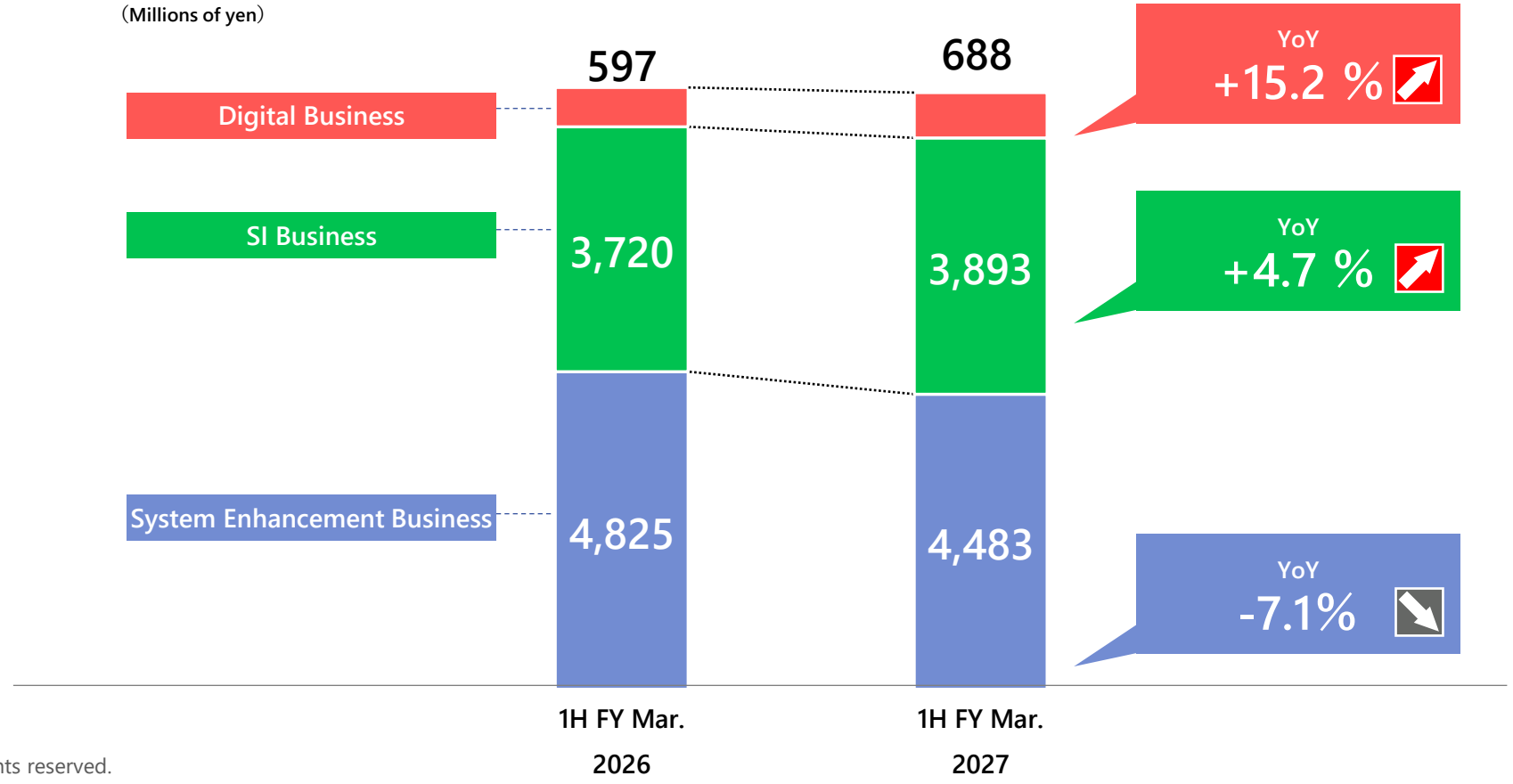
- **Positive Factors** : Improved profitability through the expansion of high value-added areas in the Service-Providing Business and the End-User Business.
- **Negative Factors** : Decreased due to the impact of some unprofitable projects, the strengthening of AI and consulting areas, and growth investments in R&D.



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1 - 4 | Trends in Net Sales by Business Model

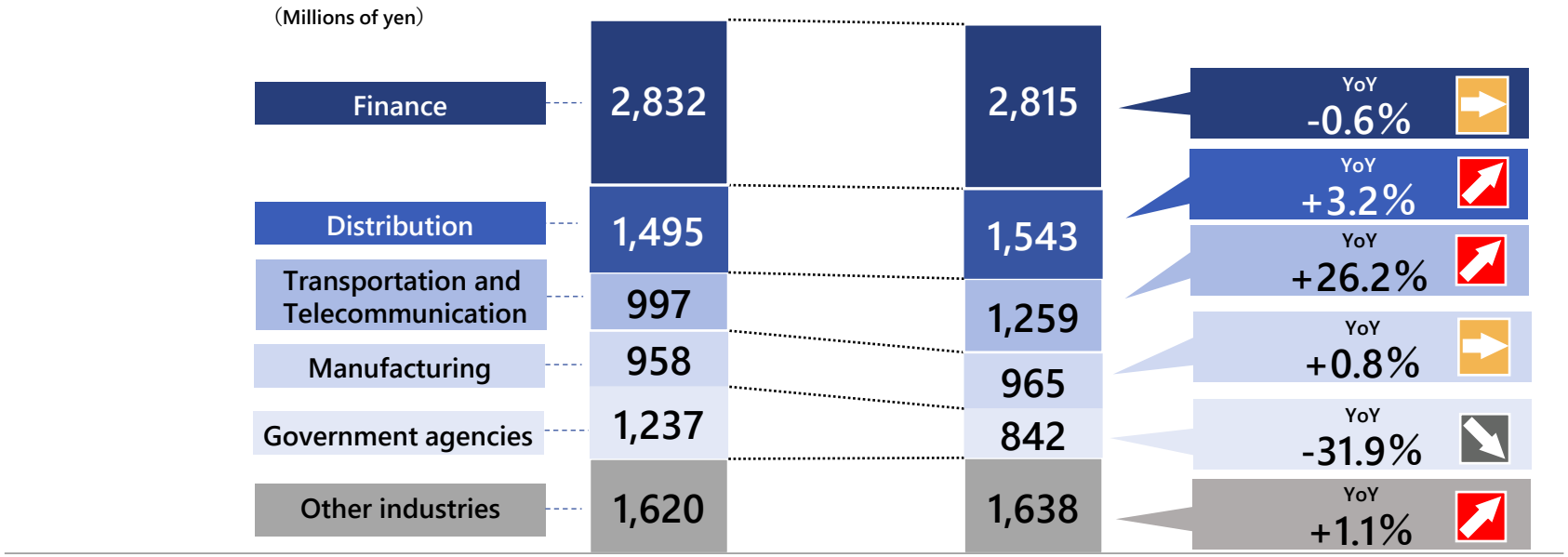
- **Digital Business** : Increased due to expanded orders for consulting and advanced technology support projects such as AI utilization.
- **SI Business** : Increased with growth in orders for modernization projects.
- **System Enhancement Business** : Decreased due to changes in demand driven by the shift to in-house development and the reallocation of resources to growth areas.



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1 - 5 | Trends in Net Sales by Industry

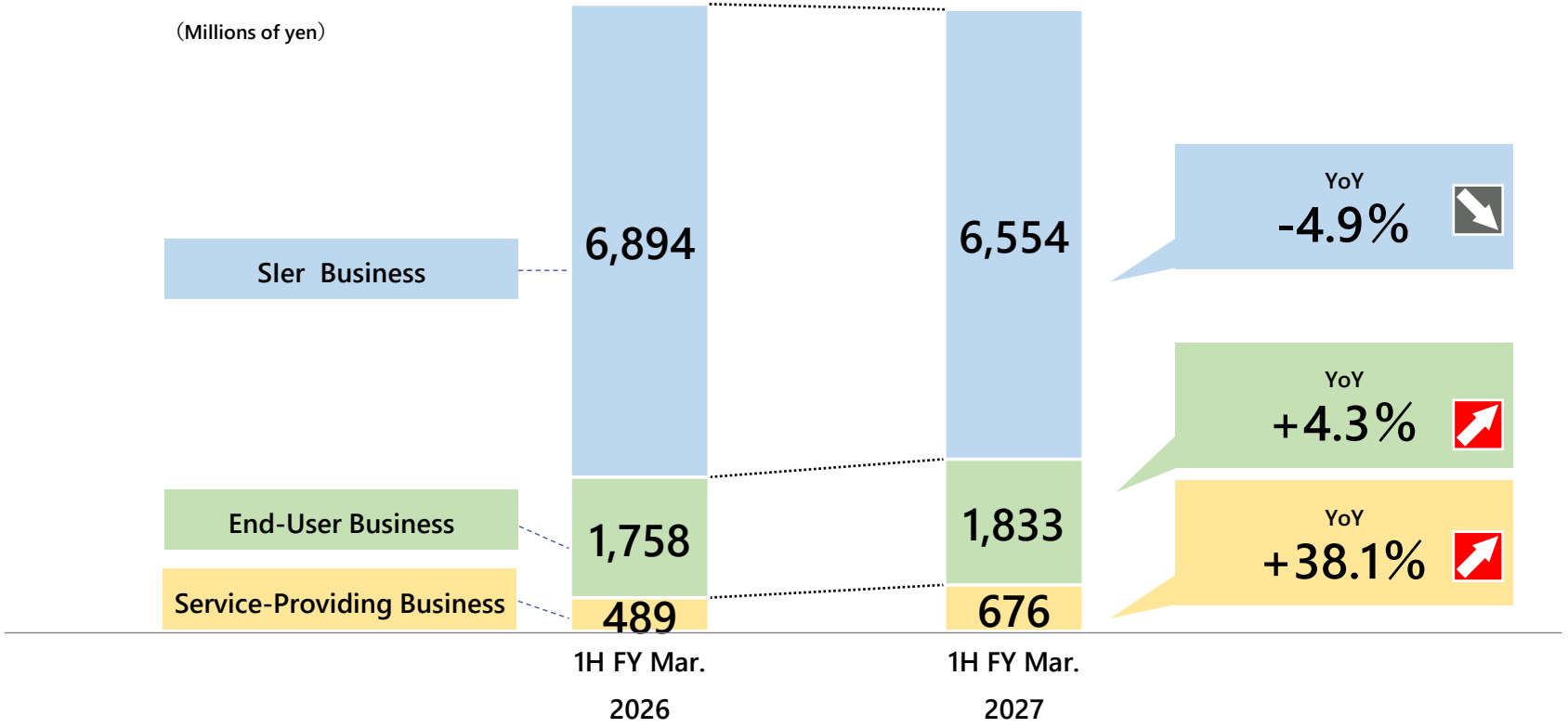
- Finance : Remained flat, reflecting a decrease in projects for regional banks and online banks.
- Distribution : Increased in projects for GMS and convenience stores.
- Transportation and Telecommunication : Increased in projects for telecommunications companies and logistics companies.
- Manufacturing : Remained flat due to a decrease in projects for construction machinery manufacturers and other factors, despite an expansion in projects for automobile manufacturers and alcoholic beverage companies.
- Government agencies : Decreased in projects for local government-related organizations and independent administrative commissions and similar bodies.
- Other industries : Increased in projects for energy-related and real estate-related industries.



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1 - 6 | Trends in Net Sales by Business Style

- **SIer* Business** : Decreased reflecting scaled-back projects for major clients.
- **End-User Business** : Increased due to an expanded scope of work and project expansion with existing clients.
- **Service-Providing Business** : Increased significantly with the scale-up of cloud migration support and the launch of new services.

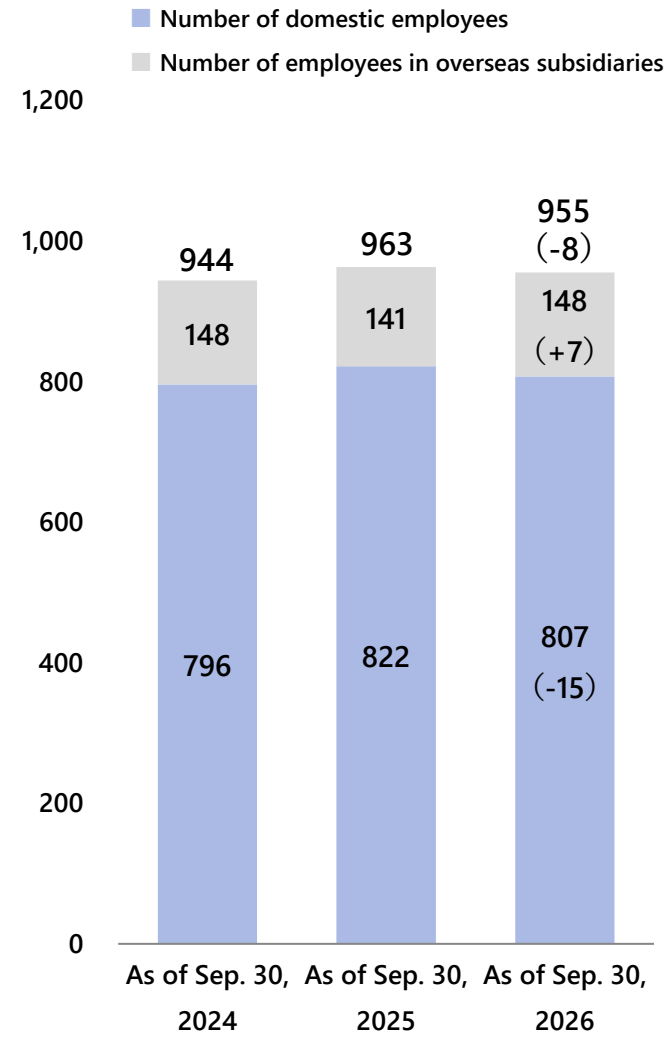


*System integrator: a company that conducts system integration. Abbreviated as "SIer." A general term for companies that plan, design, develop, operate, and provide other solutions for the IT operation systems of customers including companies and the government.

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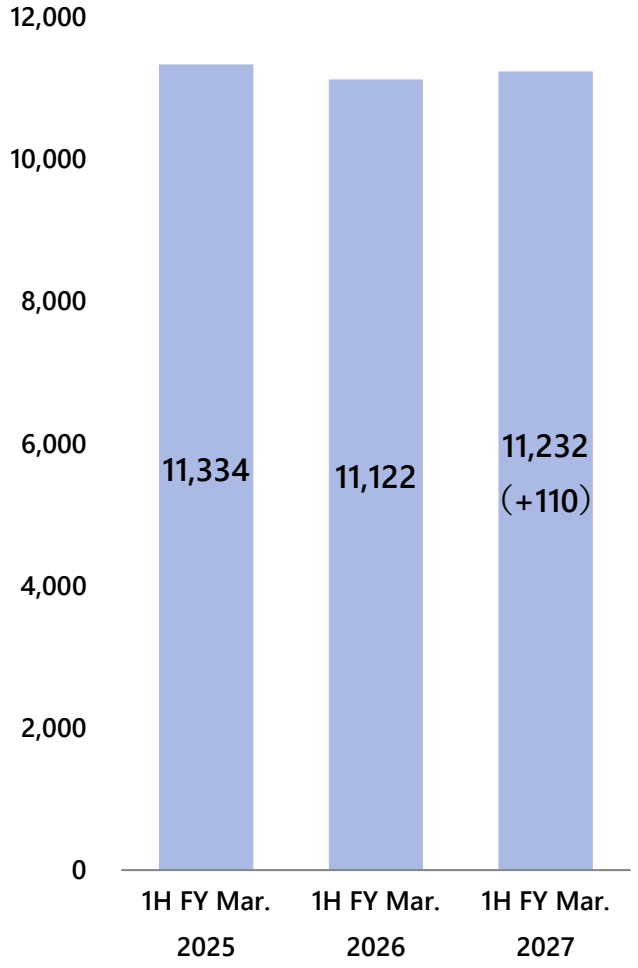
1 - 7 | Index Per Employee

Number of Employees



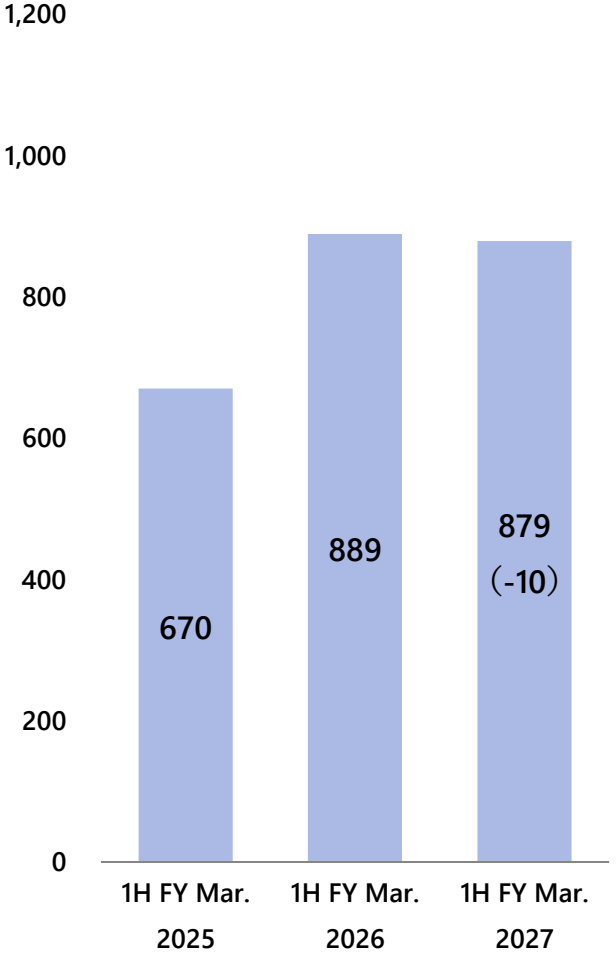
Net Sales Per Employee*

*Calculated based on the number of domestic employees.



Operating Profit Per Employee *

*Calculated based on the number of domestic employees.



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FY March 2027

2 Earnings Outlook

1. Overview of Earnings Outlook
2. First-Half Progress(Business Style/High-Priority Measures)
3. Orders Received and Order Backlog
4. Trends in Dividends and Dividend Payout Ratio



2 - 1 | Overview of Earnings Outlook

- **Business Environment** : Demand for DX promotion, modernization, cloud migration, and enhanced cybersecurity is expected to remain strong.
  Meanwhile, the demand structure is expected to continue changing due to the progress of in-house development at client companies and shifts in their development needs.
- **Earnings Outlook** : No changes.

(Millions of yen)	FY Mar. 2027 Full-year Outlook*	1H FY Mar. 2027	Progress rate toward Full-Year Outlook	FY Mar. 2027 First-half Outlook*
Net sales	20,000	9,064	45.3%	9,300
Operating profit	1,800	710	39.4%	741
Margin	9.0%	7.8%	–	8.0%
Ordinary profit	1,810	704	38.9%	751
Margin	9.1%	7.8%	–	8.1%
Profit attributable to owners of parent	1,500	515	34.4%	600
Margin	7.5%	5.7%	–	6.5%

*The figures are those announced on May 7, 2026.

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2 - 2 | First-Half Progress(Business Style/High-Priority Measures)

Medium- to Long-Term Management Vision "VISION2026"
Second Medium-Term Management Plan Targets

Aiming to create opportunities and scale up three areas : the contract-based “SIer“, ”End-User” businesses and the planning-based "Service-Providing" business

1 SIer Business

FY2026 Initiatives

- Expanding orders received for large-scale and highly-difficult projects
- Business process transformation and productivity improvement through AI technology
- Promoting one-stop services

Results

- **Modernization projects expanded**
  : Growth was particularly strong in the social infrastructure field.
- **One-stop services expanded**
  : Expanded system operation and maintenance services for apparel companies through business transfer.

Issues and Responses

- **Coping with some unprofitable projects**
  : Promoting quality improvements and operational efficiency to improve profitability.
- **Responding to changes in client needs**
  : In order to adapt the market environment changes, such as smaller project sizes and a shift toward support-type engagements, we are focusing on developing the modernization method and new growth areas.

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2 - 2 | First-Half Progress(Business Style/High-Priority Measures)

2 End-User Business

FY2026 Initiatives

- Strengthening sales activities by enhancing sales and proposal skills
- Acquiring clients in the system consulting field
- Engaging clients from upstream phases (system planning stage) to expand our business field

Results

- **Expanded our business scope with existing clients**
  : Received and expanded orders in high value-added areas on the back of good relationships with clients, followed by maintaining high profitability.
- **Captured security-related demand**
  : Captured demand for security measures and expanded business chance.

Issues and Responses

- **Expansion of the growth foundation**
  : In addition to expanding business with existing clients, we are developing new clients and new revenue areas.

3 Service-Providing Business

FY2026 Initiatives

- Expanding orders received through collaboration with cloud vendors
- Commercializing "H・CUBiC" and "AI automated ordering system"

Results

- **Cloud migration support services expanded**
  : Enhanced OCI services, enabling more flexible cloud migration.*1
- **Established a track record in AI-related services**
  : The number of companies adopting the AI automated ordering system increased steadily.
  Launched the HCA-AI Engineer Search service.*2

Issues and Responses

- **Expansion of the service business**
  : Leveraging our implementation track record to drive further rollout within existing clients and across their group.

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*1 Launched two services supporting the cloud migration of virtual infrastructure

*2 Launched the "HCA-AI Engineer Search" service

Strengthening and promoting our "business foundation" and "management foundation"for dramatic business growth

Research investment

Continuing investment for medium- to long-term growth

Currently investing 79 million yen in R&D projects.
Promoting the creation of new business opportunities and strengthening the competitiveness.

Reinforcement of quality

Strengthening the quality management system

Ensuring through risk assessment from the project start stage, while continuing to strengthen QMS operations and improve project management processes.

Expansion of development organization and facilities

Development of AI utilization infrastructure

Promoting the use of our in-house developed generative AI tool “InCUBEator”, Copilot and Claude.
Also holding internal AI seminars to promote the company-wide adoption of these generative AI.

Enhancement of human capital

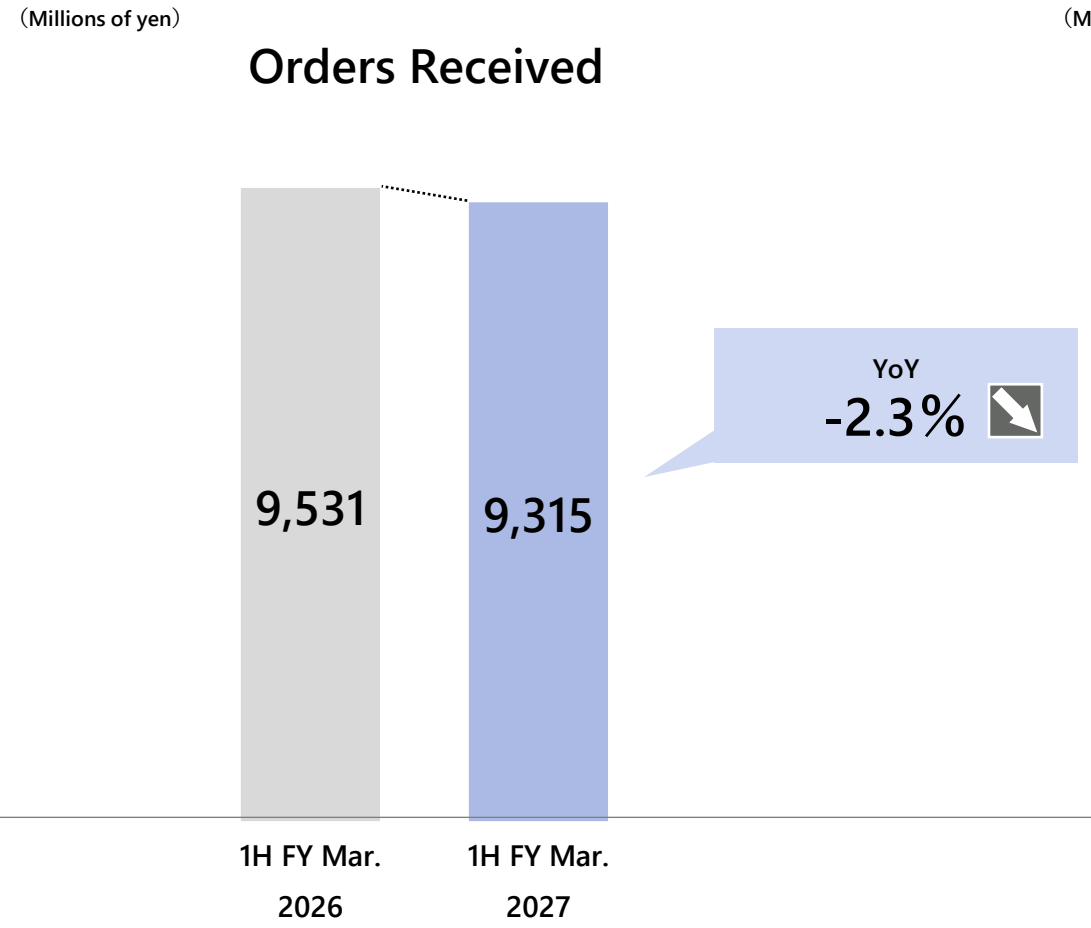
Promoting retention measures

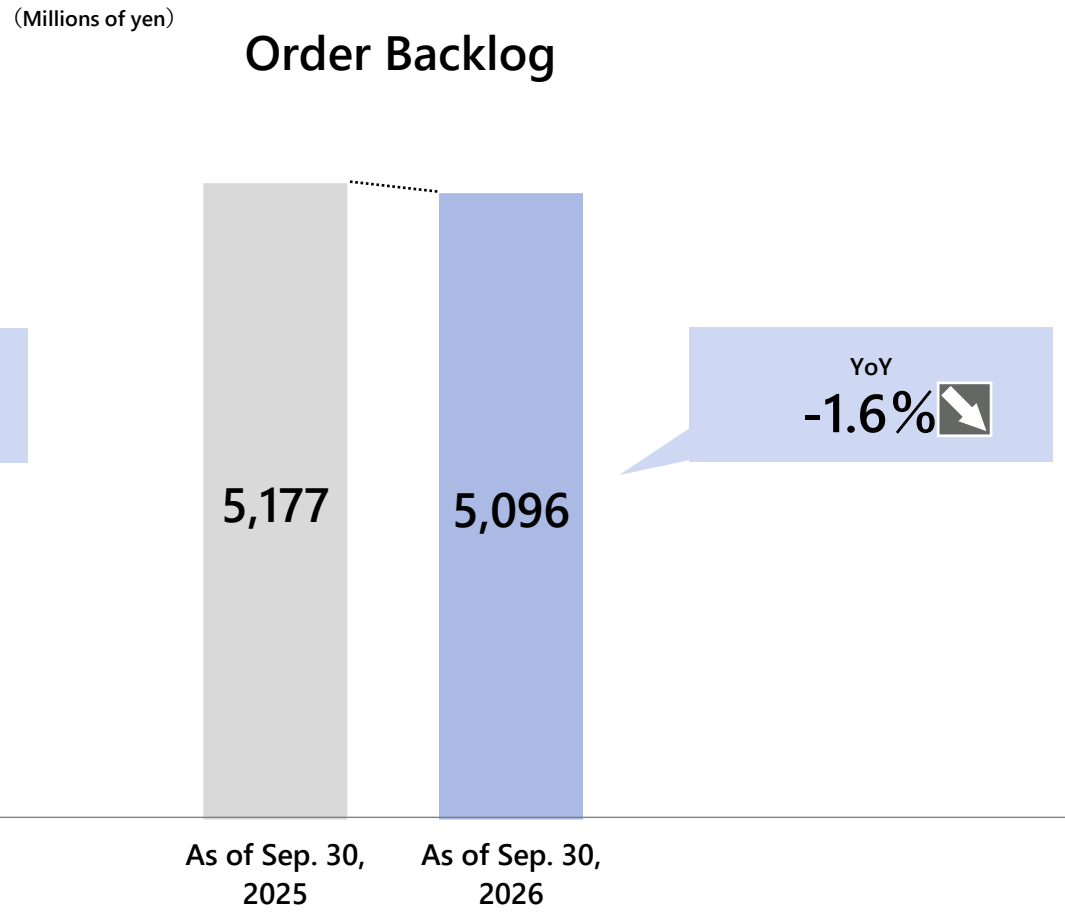
Introduced the "Career Challenge System" to support career development, implementing measures to improve retention rates and support the growth of young and mid-level employees. Also considering improving of the compensation system.

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2 - 3 | Orders Received and Order Backlog

- **Fell below the previous year due to a decrease in projects for the financial industry and government agencies, despite steady performance in projects for the transportation and telecommunication industry and the distribution industry.**



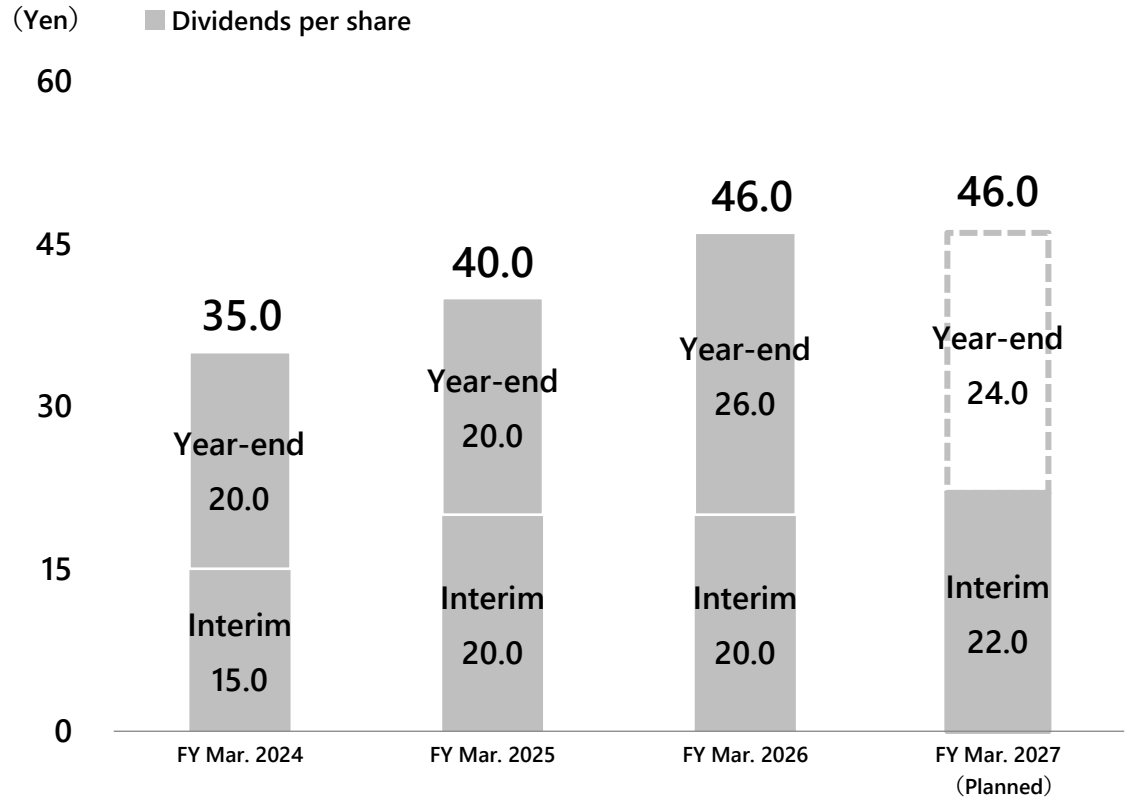


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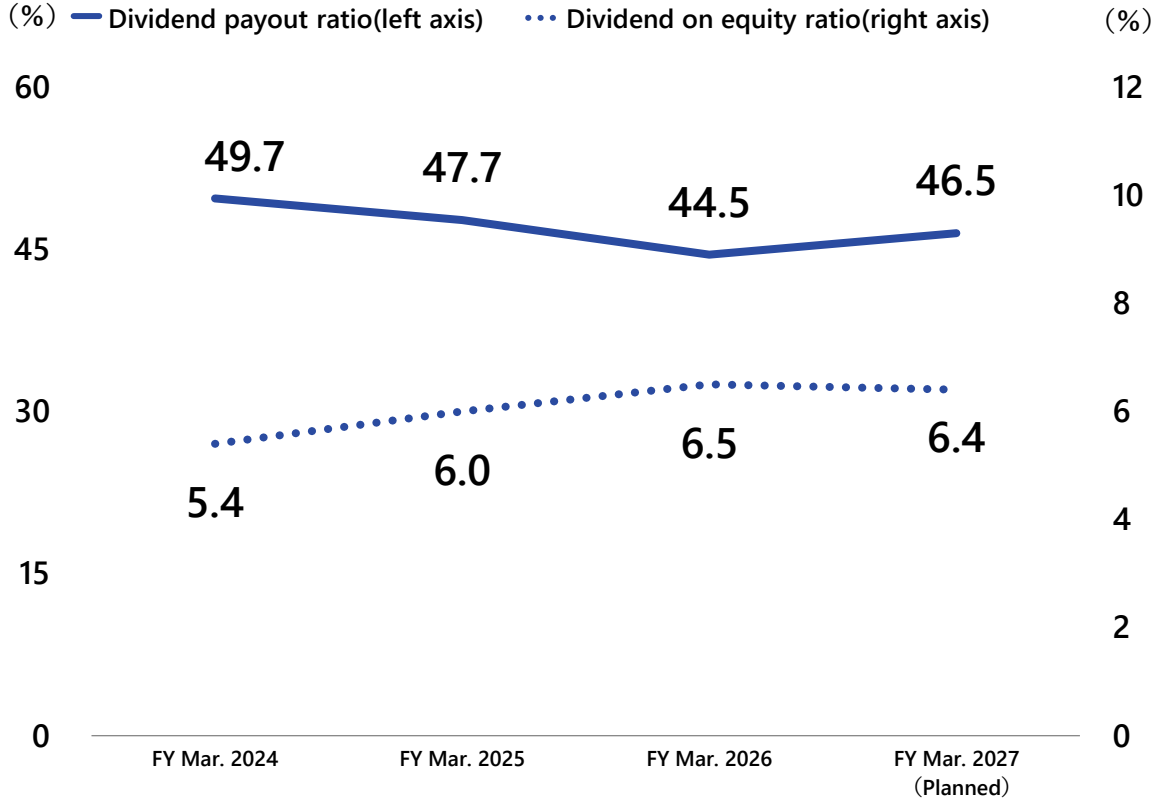
2 - 4 | Trends in Dividends and Dividend Payout Ratio

- Maintained stable shareholder returns with a target consolidated dividend payout ratio of 50%.
  Paid an interim dividend of 22.0 yen as initially planned.

Trends in Dividends



Trends in Dividend Payout Ratio



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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 Trends in Orders Received and Order Backlog

6 Other Performance Indicators

7 Corporate Information and History



3 - 1 | Five Year Summary

	1H FY Mar. 2023	1H FY Mar. 2024	1H FY Mar. 2025	1H FY Mar. 2026	1H FY Mar. 2027
Net sales (Millions of yen)	7,892	9,015	9,022	9,142	**9,064**
Cost of sales (Millions of yen)	6,241	7,055	7,152	6,964	**6,956**
Gross profit (Millions of yen)	1,650	1,959	1,869	2,178	**2,108**
Gross margin (%)	20.9	21.7	20.7	23.8	**23.3**
Selling, general and administrative expenses (Millions of yen)	1,052	1,165	1,336	1,447	**1,398**
Operating profit (Millions of yen)	598	794	533	730	**710**
Operating margin (%)	7.6	8.8	5.9	8.0	**7.8**
Ordinary profit (Millions of yen)	594	788	528	738	**704**
Ordinary margin (%)	7.5	8.7	5.9	8.1	**7.8**
Profit attributable to owners of parent (Millions of yen)	388	501	662	555	**515**
Profit margin attributable to owners of parent (%)	4.9	5.6	7.3	6.1	**5.7**

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3 - 2 | Trends in Transition by Accounting Period

	1Q FY Mar. 2025	2Q FY Mar. 2025	3Q FY Mar. 2025	4Q FY Mar. 2025	1Q FY Mar. 2026	2Q FY Mar. 2026	3Q FY Mar. 2026	4Q FY Mar. 2026	1Q FY Mar. 2027	2Q FY Mar. 2027
Net sales (Millions of yen)	4,411	4,610	4,630	4,699	4,546	4,596	4,616	4,739	4,552	**4,512**
Cost of sales (Millions of yen)	3,525	3,627	3,615	3,635	3,425	3,538	3,533	3,704	3,485	**3,470**
Gross profit (Millions of yen)	886	983	1,014	1,063	1,120	1,058	1,083	1,034	1,066	**1,042**
Gross margin (%)	20.1	21.3	21.9	22.6	24.6	23.0	23.5	21.8	23.4	**23.1**
Selling, general and administrative expenses (Millions of yen)	665	670	657	572	717	730	677	613	711	**687**
Operating profit (Millions of yen)	220	312	356	490	402	327	406	421	355	**354**
Operating margin (%)	5.0	6.8	7.7	10.4	8.9	7.1	8.8	8.9	7.8	**7.9**
Ordinary profit (Millions of yen)	226	301	365	499	412	326	421	422	355	**349**
Ordinary margin (%)	5.1	6.5	7.9	10.6	9.1	7.1	9.1	8.9	7.8	**7.7**
Profit attributable to owners of parent (Millions of yen)	157	504	242	356	200	354	522	487	222	**293**
Profit margin attributable to owners of parent (%)	3.6	10.9	5.2	7.6	4.4	7.7	11.3	10.3	4.9	**6.5**

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

(Unit: millions of yen)

Consolidated Balance Sheets	As of Mar. 31, 2026	As of Sep. 30, 2026	Increase/ Decrease	Remarks
Current assets	10,896	10,505	-390	Decrease in accounts receivable – trade and contract assets, and decrease in cash and deposits
Non-current assets	4,005	4,043	+37	Increase in investment securities Decrease due to depreciation of buildings
Total assets	14,901	14,548	-352	
Current liabilities	2,736	2,421	-315	Decrease in income taxes payable and provision for loss on orders received
Non-current liabilities	759	788	+28	Increase in provision for share-based compensation
Total liabilities	3,496	3,209	-286	
Total shareholder's equity	10,775	10,884	+108	
Total accumulated other comprehensive income	629	454	-174	Decrease in valuation difference on available-for-sale securities
Non-controlling interests	-	-	-	
Total net assets	11,404	11,339	-65	

(Unit: millions of yen)

Consolidated Statements of Cash Flows	1H FY Mar. 2026	1H FY Mar. 2027	Increase/ Decrease	Remarks
Cash flows from operating activities	634	560	-74	
Cash flows from investing activities	-120	-222	-102	Purchase of property, plant and equipment
Cash flows from financing activities	-206	-406	-199	Dividends paid
Effect of exchange rate changes on cash and cash equivalents	-2	-8	-6	
Net increase (decrease) in cash and cash equivalents	304	-77	-382	
Cash and cash equivalents at beginning of period	6,213	6,826	+612	
Cash and cash equivalents at end of period	6,518	6,748	+230	

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3 - 4 | Trends in Net Sales and Operating Profit

	1H FY Mar. 2026	1H FY Mar. 2027			1H FY Mar. 2026	1H FY Mar. 2027		1H FY Mar. 2026	1H FY Mar. 2027	
	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 (%)	Operating margin (%)	YoY (pt)
Digital Business	597	**688**	7.6	+15.2	53	**33**	-36.3	8.9	**4.9**	-4.0
SI Business	3,720	**3,893**	42.9	+4.7	246	**377**	+53.2	6.6	**9.7**	+3.1
System Enhancement Business	4,825	**4,483**	49.5	-7.1	430	**298**	-30.8	8.9	**6.7**	-2.2
Finance	2,832	**2,815**	31.1	-0.6	263	**155**	-41.1	9.3	**5.5**	-3.8
Distribution	1,495	**1,543**	17.0	+3.2	170	**205**	+20.6	11.4	**13.3**	+1.9
Transportation and Telecommunication	997	**1,259**	13.9	+26.2	141	**135**	-3.9	14.2	**10.8**	-3.4
Manufacturing	958	**965**	10.7	+0.8	52	**46**	-12.2	5.5	**4.8**	-0.7
Government agencies	1,237	**842**	9.3	-31.9	29	**90**	+206.2	2.4	**10.8**	+8.4
Other industries	1,620	**1,638**	18.1	+1.1	73	**76**	+4.2	4.6	**4.7**	+0.1
SIer Business	6,894	**6,554**	72.3	-4.9	500	**343**	-31.4	7.3	**5.2**	-2.1
End-User Business	1,758	**1,833**	20.2	+4.3	277	**303**	+9.6	15.8	**16.6**	+0.8
Service-Providing Business	489	**676**	7.5	+38.1	-46	**63**	–	-9.5	**9.3**	+18.8
Total	9,142	**9,064**	100.0	-0.9	730	**710**	-2.8	8.0	**7.8**	-0.2

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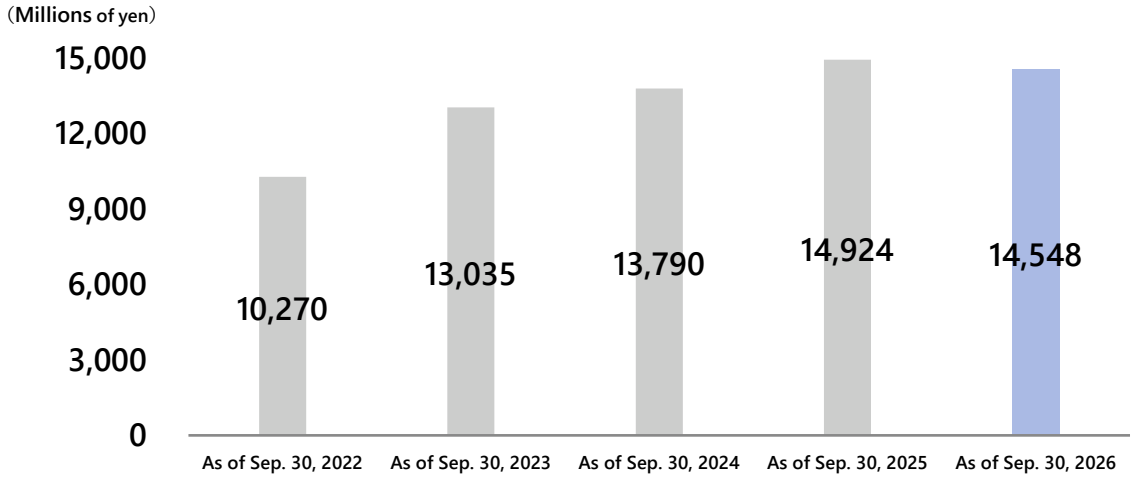
3 - 5 | Trends in Orders Received and Order Backlog

	1H FY Mar. 2026	1H FY Mar. 2027			As of Sep. 30, 2025	As of Sep. 30, 2026		
	Orders received (Millions of yen)	Orders received (Millions of yen)	Increase/Decrease (Millions of yen)	YoY (%)	Order backlog (Millions of yen)	Order backlog (Millions of yen)	Increase/Decrease (Millions of yen)	YoY (%)
Digital Business	677	**832**	+155	+22.9	427	**483**	+56	+13.3
SI Business	4,031	**4,034**	+2	+0.1	1,933	**1,907**	-26	-1.4
System Enhancement Business	4,821	**4,447**	-373	-7.8	2,816	**2,705**	-111	-4.0
Finance	3,036	**2,832**	-203	-6.7	1,715	**1,467**	-248	-14.5
Distribution	1,589	**1,880**	+290	+18.3	864	**1,038**	+174	+20.2
Transportation and Telecommunication	995	**1,468**	+472	+47.5	506	**727**	+221	+43.7
Manufacturing	1,051	**920**	-130	-12.4	554	**461**	-93	-16.8
Government agencies	1,362	**681**	-680	-49.9	682	**432**	-249	-36.6
Other industries	1,496	**1,531**	+35	+2.4	854	**968**	+114	+13.4
SIer Business	7,581	**6,686**	-895	-11.8	3,700	**3,165**	-534	-14.5
End-User Business	1,695	**2,019**	+324	+19.1	1,299	**1,555**	+255	+19.7
Service-Providing Business	253	**608**	+354	+140.1	178	**375**	+197	+111.0
Total	9,531	**9,315**	-216	-2.3	5,177	**5,096**	-81	-1.6

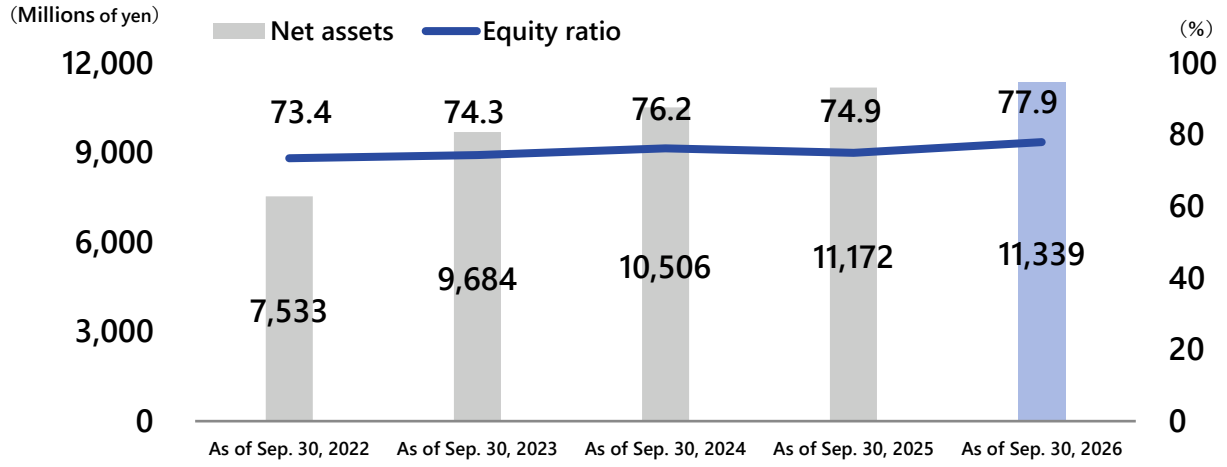
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3 - 6 | Other Performance Indicators

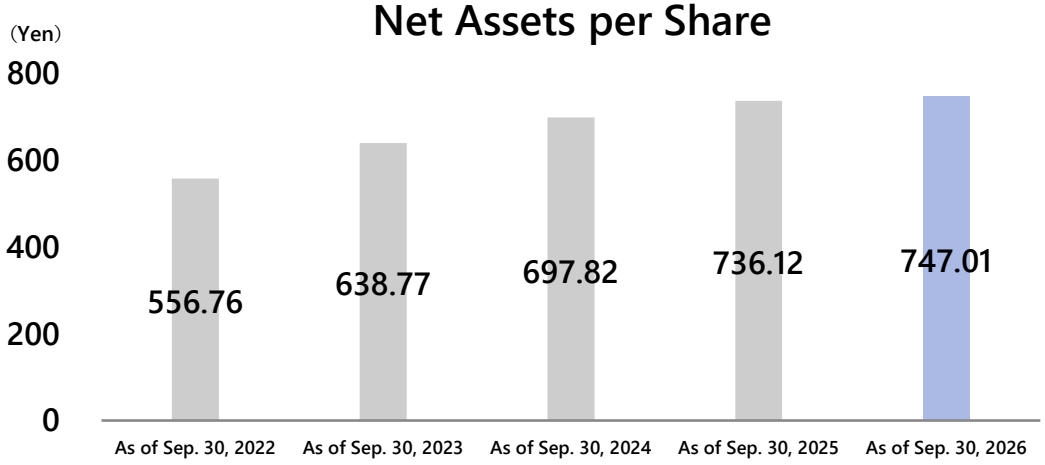
Total Assets



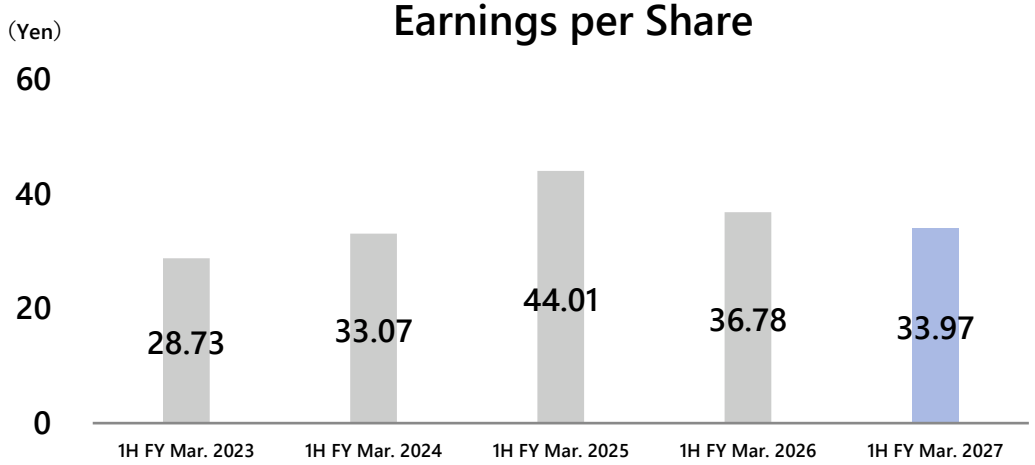
Net Assets/Equity Ratio



Net Assets per Share



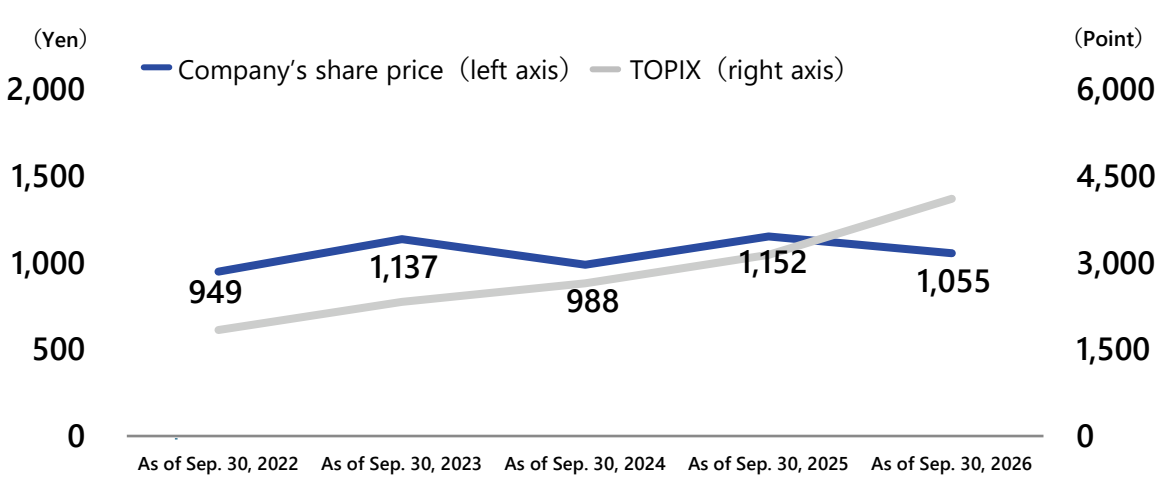
Earnings per Share



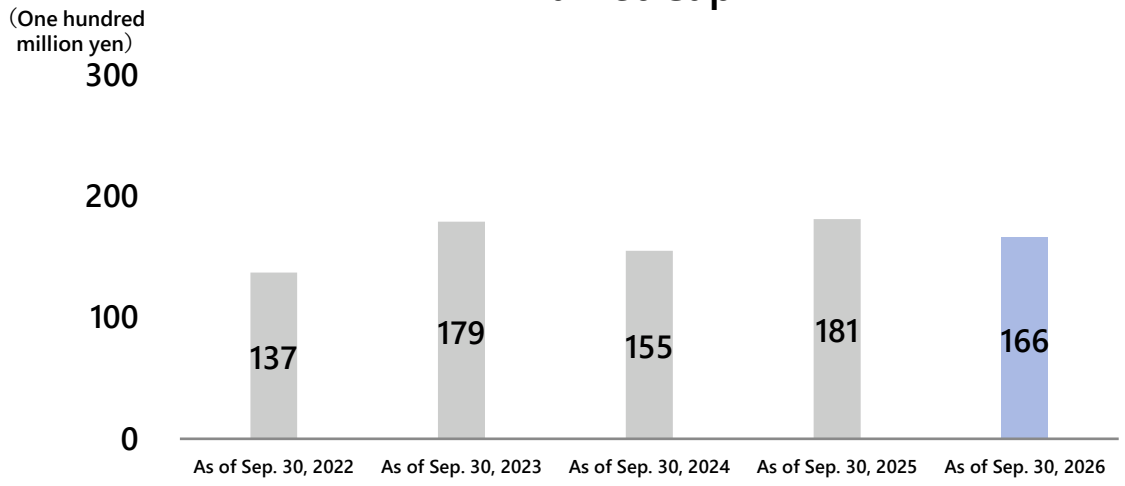
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3 - 6 | Other Performance Indicators

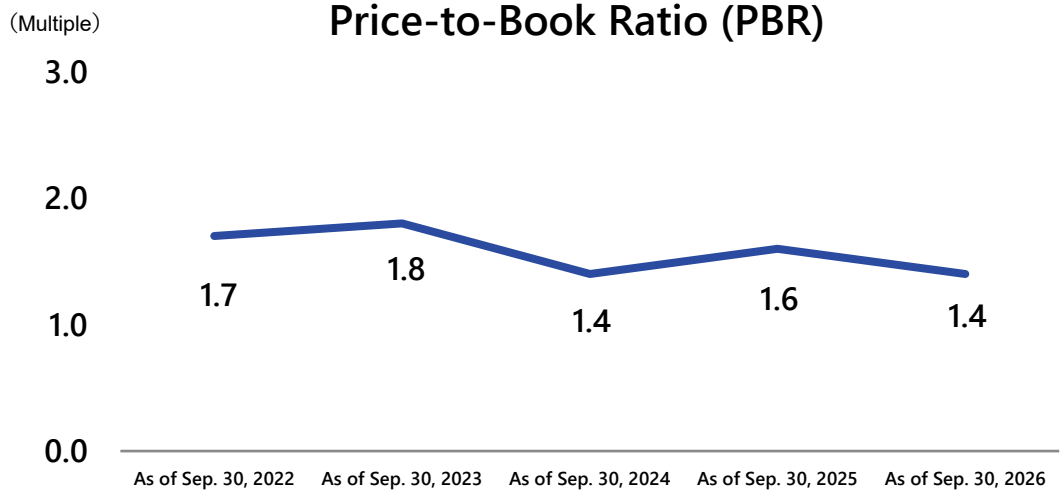
Share Price



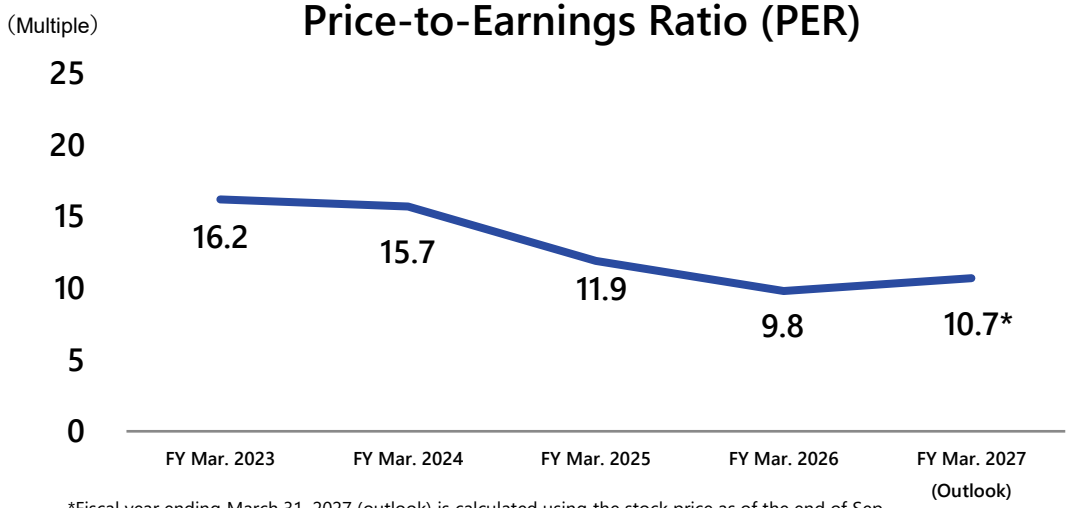
Market Cap



Price-to-Book Ratio (PBR)



Price-to-Earnings Ratio (PER)



*Fiscal year ending March 31, 2027 (outlook) is calculated using the stock price as of the end of Sep. and earnings per share in the full-year earnings outlook.

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3 - 7 | Corporate Information and History

Corporate Information

Company name	CUBE SYSTEM INC.
Established	July 5, 1972
Head office	Osaki Wiz Tower, 2-11-1 Osaki, Shinagawa-ku, Tokyo
Share capital	1.4 billion yen
Representative	Representative Director Masahiro Nakanishi
Securities market	Tokyo Stock Exchange Prime Market
Net sales	18.4 billion yen（FY March 2026 consolidated）
Total number of employees	988（as of April 1, 2026 consolidated）
Company website	https://www.cubesystem.co.jp/en/

History

July 1972	Customer Engineers Co., Ltd. founded
April 1985	Osaka Sales Office* established *now West Japan Solution Div.
October 1990	Changed the company name to "CUBE SYSTEM INC."
October 2002	Listed on Jasdaq (OTC)
March 2014	Designated to the First Section of the Tokyo Stock Exchange
May 2019	Nagoya Office established
April 2022	Transferred to the Prime Market of the Tokyo Stock Exchange
December 2022	Concluded a capital and business alliance agreement with Nomura Research Institute, Ltd.
September 2023	Fukuoka Office established
September 2025	Shinagawa Innovation Hub (S.I.H) established
June 2026	Concluded a capital and business alliance agreement with System Create Co., Ltd.
September 2026	Transfer of equity interest in CUBE SYSTEM SHANGHAI CO., LTD.

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CUBE SYSTEM

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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