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1Q of the Fiscal Year
Ending March 31, 2022

Overview of Financial Results

1. Overview of Consolidated Statements of Income
2. Trends in Transition by Accounting Period
3. Factors Leading to Changes in Operating Profit
(Compared to the Previous Fiscal Year)
4. Trends in Net Sales and Operating Profit by Service
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5. Trends in Net Sales and Operating Profit by Industry
6. Trends in Net Sales and Operating Profit by Business Model
7. Index Per Capita

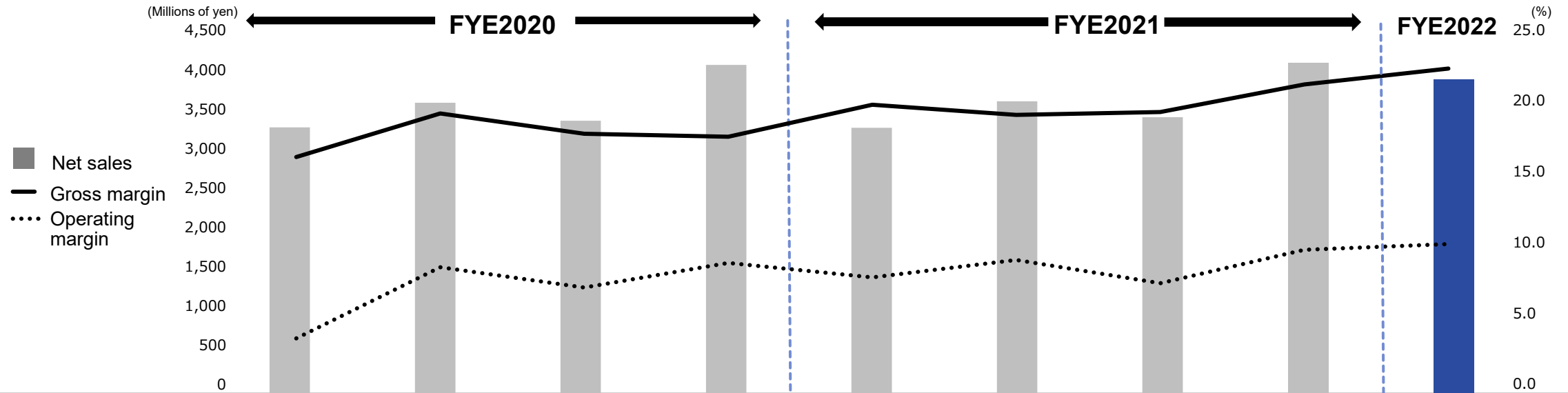
1-1. Overview of Consolidated Statements of Income

Increased sales and profits due to increased orders in the transportation and telecommunications industry, in addition to reform of business structure model

		FYE 2022 1Q (Actual) (% change)	FYE 2021 1Q (Actual)	FYE 2022 (Forecast) (Progress %)
Net sales	Up 18.2% from the previous fiscal year Achievement rate for earnings forecast: 24.9% Significant expansion of system building projects for a courier business operators and expansion of orders for system building projects for a telecommunications company in the transportation and telecommunication industry. Expansion of derivative development projects from existing markets in the distribution industry.			
		(Unit: millions of yen)		
		3,987 (+18.2%)	3,373	16,000 (24.9%)
Operating Profit	Up 56.5% from the previous fiscal year Achievement rate for earnings forecast: 30.8% Realization of high-profit through resource consolidation for high margin SI business (*Lift & Shift). Expansion of derivative development projects in the enhancement business.			
		378 (+56.5%)	242	1,230 (30.8%)
	Margin (%)	9.5%	7.2%	7.7%
Outlook	Due to the uncertain situation of the convergence of the new coronavirus infection, we have not changed our full-year forecasts as stated in the "Summary of Financial Results for the Fiscal Year Ended March 31, 2021" released on May 11, 2021.			
		390 (+57.1%)	248	1,250 (31.2%)
	Margin (%)	9.8%	7.4%	7.8%
		262 (+59.0%)	165	850 (30.9%)
		6.6%	4.9%	5.3%

*Migrate customer's system from legacy environments to cloud one (Lift), followed by proceeding with system restructuring in stages while optimizing for cloud environments (Shift).

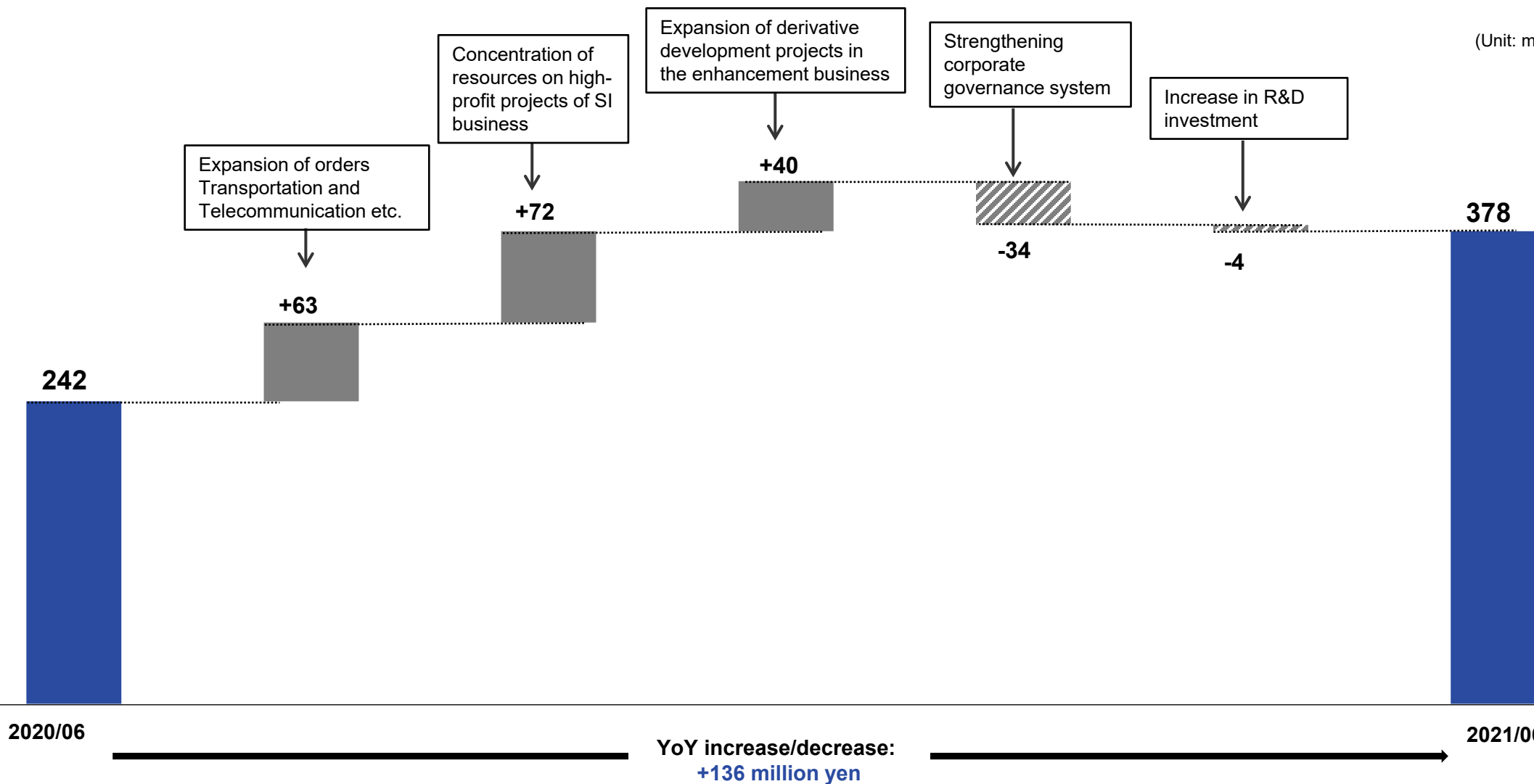
1-2. Trends in Transition by Accounting Period



	FYE2020				FYE2021				FYE2022
	1Q Apr-Jun	2Q Jul-Sep	3Q Oct-Dec	4Q Jan-Mar	1Q Apr-Jun	2Q Jul-Sep	3Q Oct-Dec	4Q Jan-Mar	1Q Apr-Jun
Net sales	3,379	3,691	3,463	4,172	3,373	3,710	3,508	4,197	3,987
Cost of sales	2,855	3,007	2,872	3,468	2,730	3,027	2,854	3,335	3,124
Gross profit	524 (15.5%)	683 (18.5%)	591 (17.1%)	703 (16.9%)	642 (19.1%)	683 (18.4%)	653 (18.6%)	861 (20.5%)	862 (21.6%)
Selling, general and administrative expenses	423	391	365	362	400	372	413	478	483
Operating Profit	100 (3.0%)	291 (7.9%)	225 (6.5%)	340 (8.2%)	242 (7.2%)	310 (8.4%)	239 (6.8%)	382 (9.1%)	378 (9.5%)
Ordinary Profit	107 (3.2%)	290 (7.9%)	230 (6.7%)	347 (8.3%)	248 (7.4%)	355 (9.6%)	318 (9.1%)	372 (8.9%)	390 (9.8%)
Quarterly net Profit attributable to owners of parent	50 (1.5%)	191 (5.2%)	150 (4.4%)	132 (3.2%)	165 (4.9%)	235 (6.3%)	196 (5.6%)	247 (5.9%)	262 (6.6%)

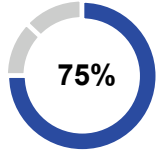
1-3. Factors Leading to Changes in Operating Profit

(Unit: millions of yen)



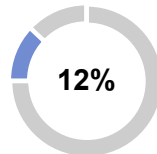
1-4. Trends in Net Sales and Operating Profit by Service Information Segment

Net Sales Composition
[1Q Fiscal Year Ending March 31, 2022]



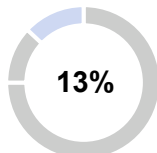
System Integration Services

- Expansion of system building projects for a courier business operators in the transportation industry
- Expansion of system building projects for an electric power company
- Expansion of system building projects for retailers in the distribution industry



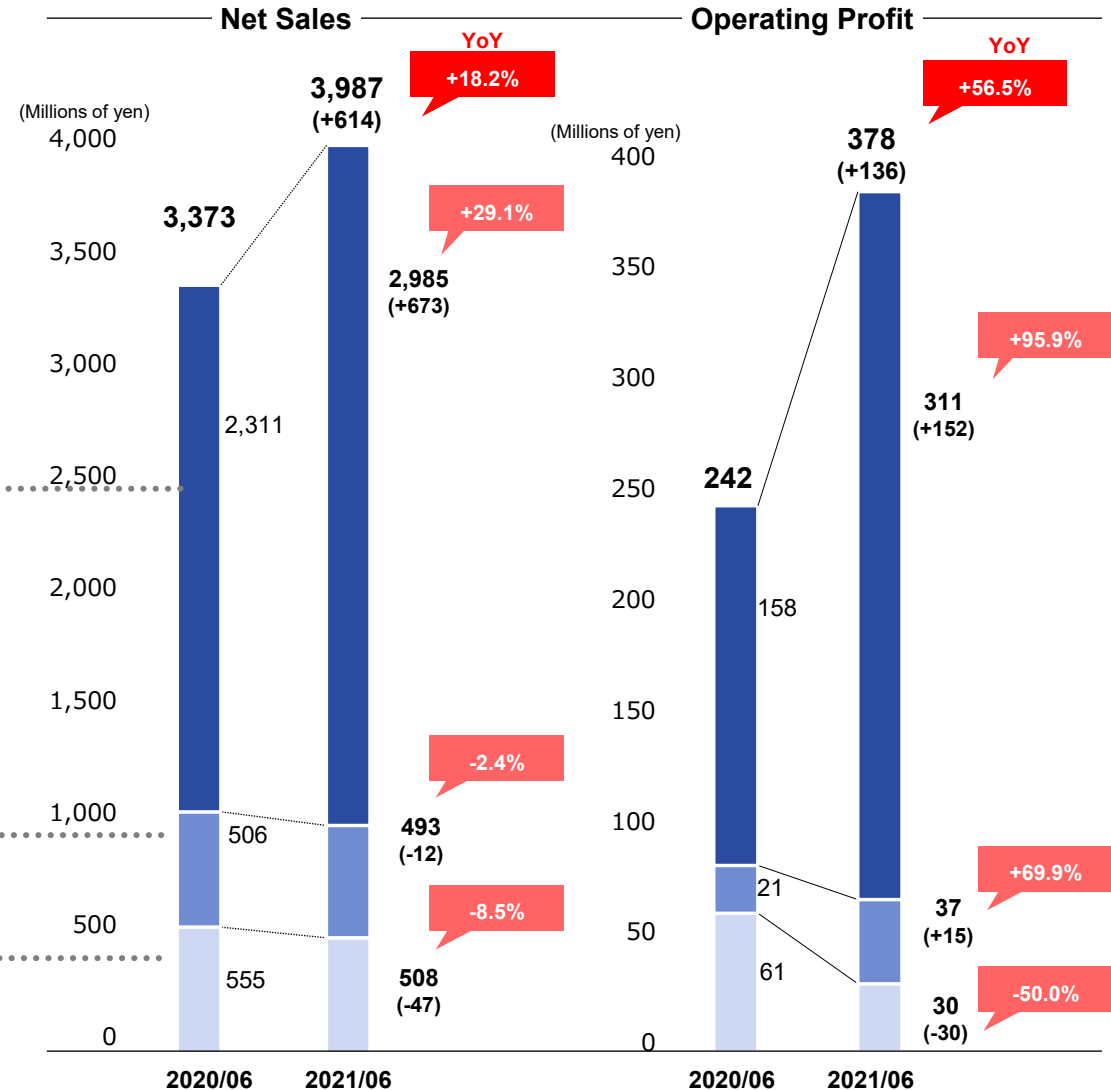
System Outsourcing Services

- Expansion of system enhancement projects for retailer in the distribution industry
- Reduction of system maintenance and operation projects for securities exchanges in the financial industry



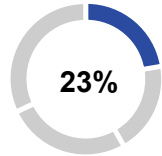
Professional Services

- Reduction of consulting projects
- Reduction of system building project for a bank set up by retailer, in the financial industry
- Expansion of system infrastructure construction projects for telecommunications companies in the telecommunications industry



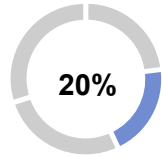
1-5. Trends in Net Sales and Operating Profit by Industry

Net Sales Composition
[1Q Fiscal Year Ending March 31, 2022]



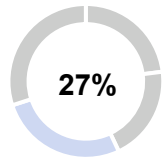
Finance Banking: 8% / Insurance & Securities: 12% / Other Finance: 3%

- Reduction of system building projects for a bank set up by retailer
- Reduction of system maintenance and operation projects for stock exchanges



Distribution Retail & Wholesale: 20%

- Expansion of projects for the retail industry



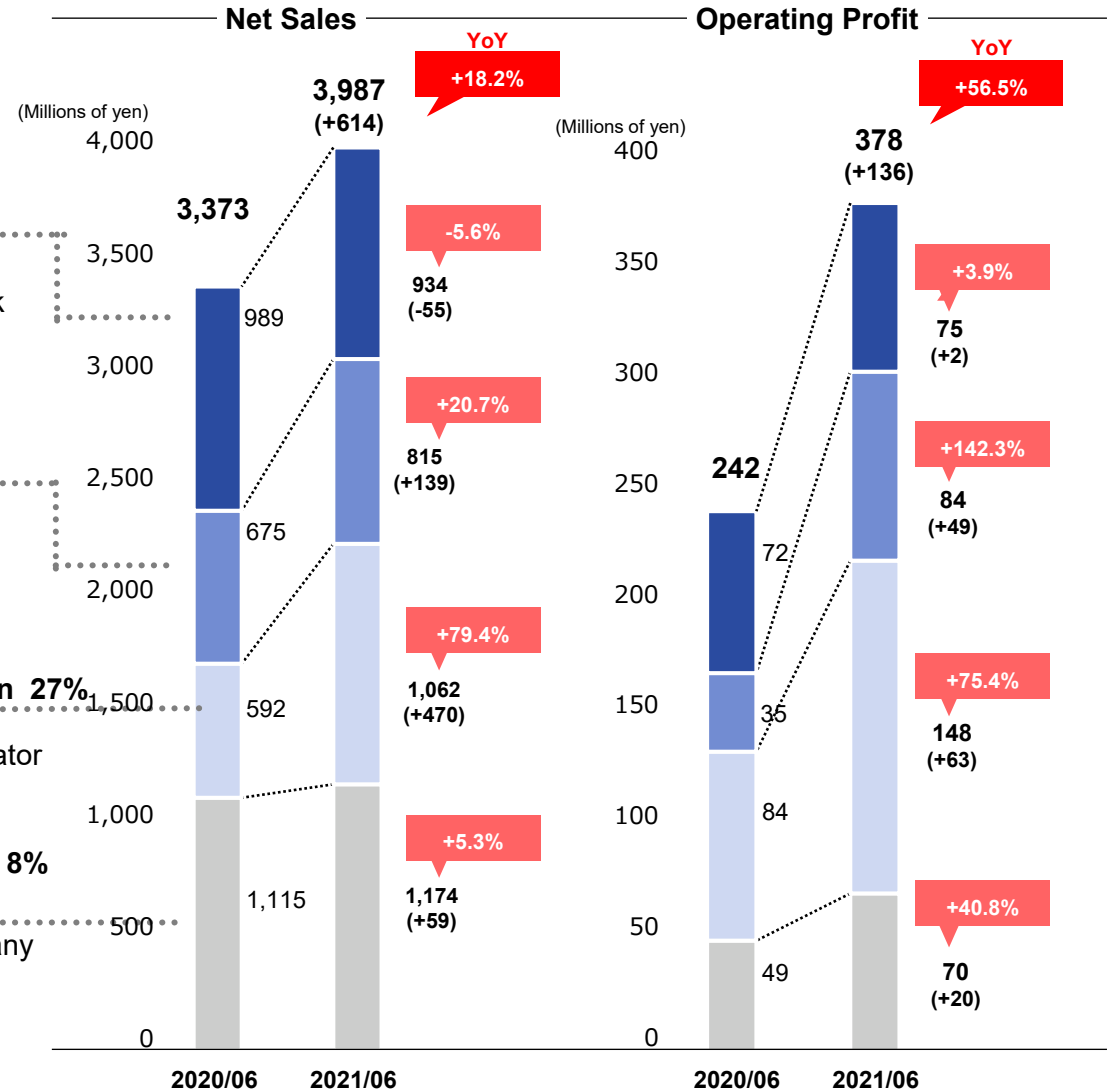
Transportation and Telecommunication Transportation & Telecommunication 27%

- Expansion of system building projects for a courier business operator



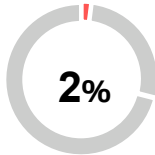
Others Central Government: 6% / Manufacturing: 8% / Others: 16%

- Expansion of system building projects for an electric power company
- Expansion of system building projects for the central government
- Reduction of consulting projects



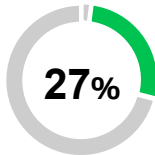
1-6. Trends in Net Sales and Operating Profit by Business Model

Net Sales Composition
[1Q Fiscal Year Ending March 31, 2022]



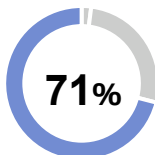
Digital Business

- Acquisition of new projects in the consulting collaboration business for SIs and expansion of projects in current client base or field of expertise
- Acquisition of new PoC projects (Proof of Concept projects) for end users
- In-house product development progressing as planned



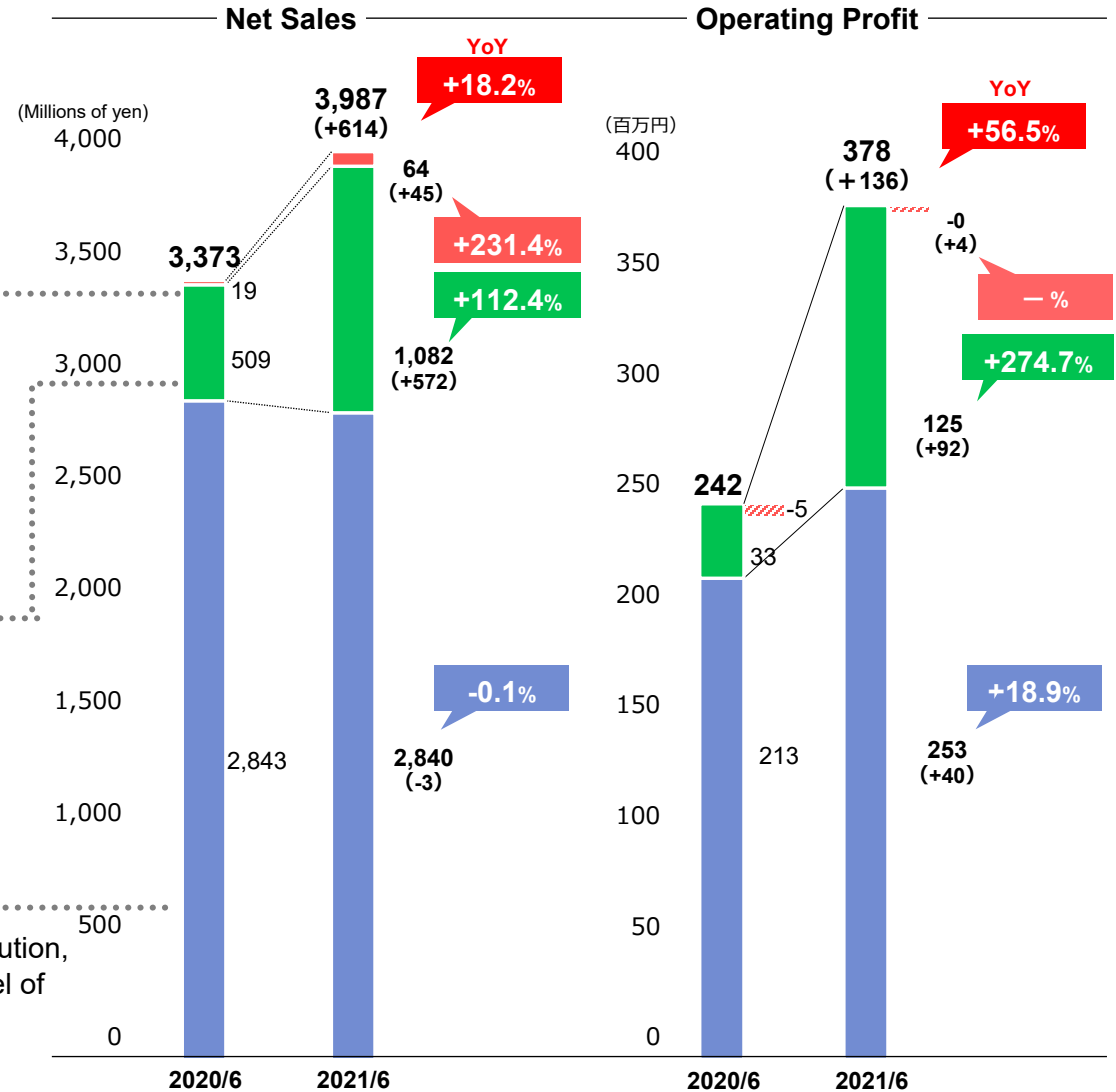
SI Business (Lift & Shift)

- Expansion of system projects for the transportation and telecommunications industries
- Acquisition of cloud computing projects (microservices*related projects)
- Focus on promoting co-creation with cloud vendors



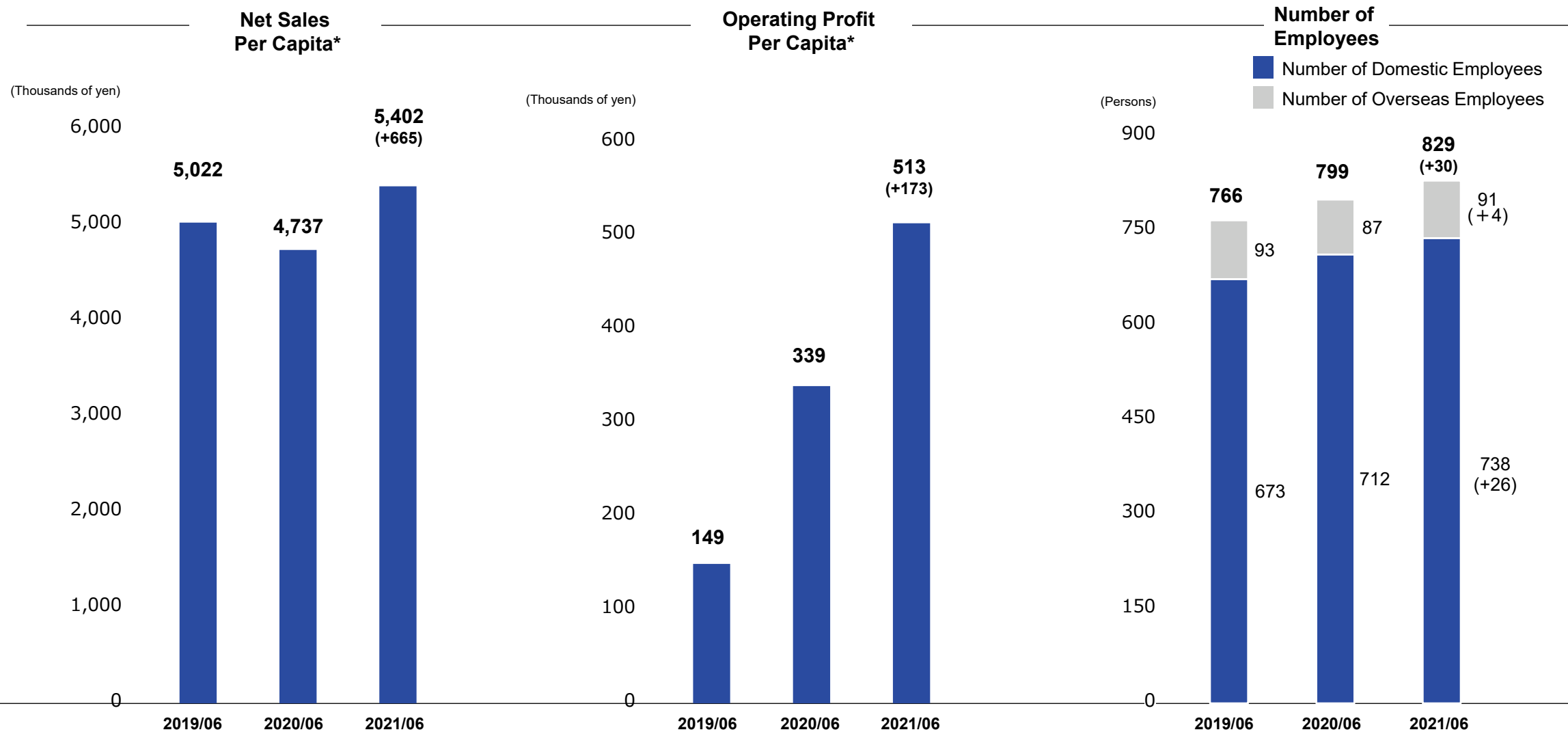
Enhancement Business

- Although existing areas, mainly in the telecommunications, distribution, and financial industries were downscale, we secured the same level of sales by receiving orders for new development projects
- Improving profitability by resources optimization



* A technique of software development that combines small individually developed components and services.

1-7. Index Per Capita



*Calculated based on the number of domestic employees.

**Fiscal Year Ending
March 31, 2022**

2 Outlook

1. Overview of Earnings Outlook
2. Order Status by Industry
3. Order Status by Business Model
4. Net Sales Outlook by Industry
5. Net Sales Outlook by Business Model
6. Trends in Dividends and Dividend Payout Ratio

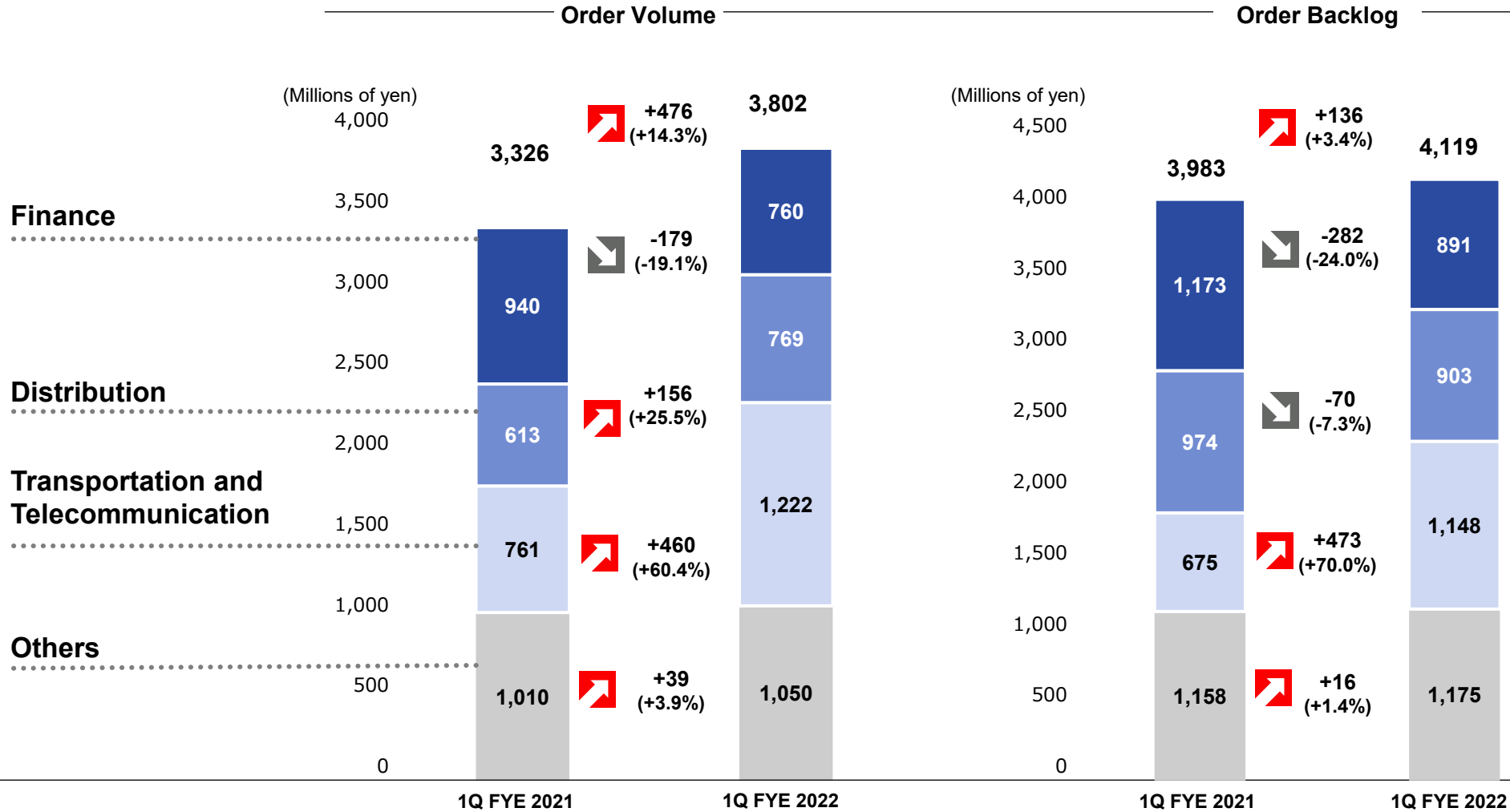
2-1. Overview of Earnings Outlook

A YoY increase of 8.2% is expected	
Net sales	<ul style="list-style-type: none"> - Actively acquisition of strategic IT investment projects that are expected to continue in the transportation and telecommunication industry - Steadily receivment of orders by strengthening sales capabilities for enhancement projects that are expected to resume
<hr/>	
A YoY increase of 4.7% is expected	
Operating Profit	<ul style="list-style-type: none"> - Promotion of in-house digitalization to improve operational productivity Boost productivity through advancement and optimization of enhancement services - Optimization of both development organization and resources allocation - Maintanance of reduced expenses throught promoting digitalization

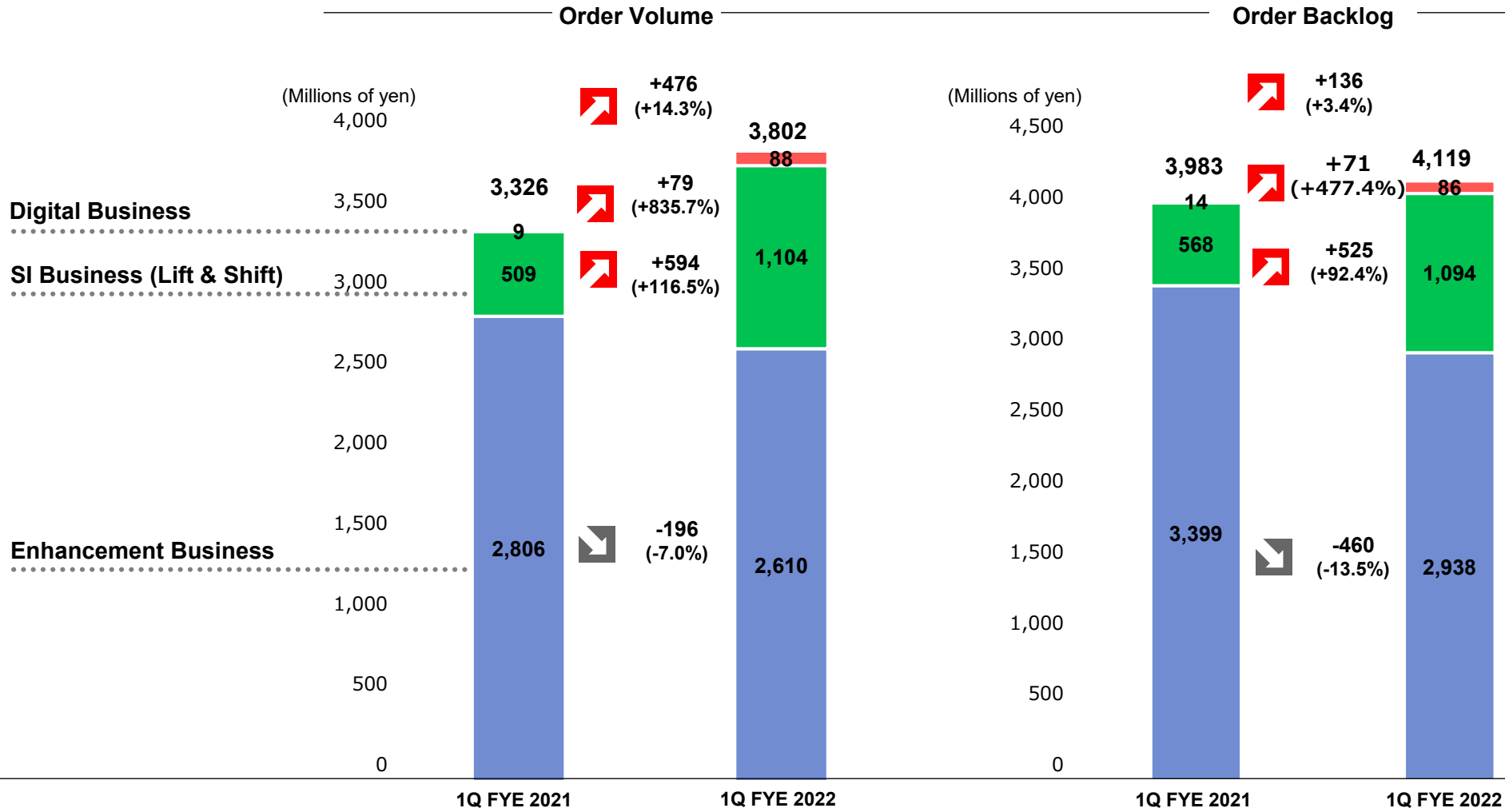
* The consolidated earnings forecast is calculated based on the assumption that the novel coronavirus (COVID-19) infection will be contained, and economic and social activities will gradually recover.
As the situation of the convergence of the COVID-19 infection is still uncertain, we have not changed the full-year earnings forecast stated in the "Summary of Financial Results for the Fiscal Year Ended March 31, 2021" released on May 11, 2021.

(Unit: millions of yen)	FYE 2022 Earnings forecast (Increase/decrease from the previous fiscal year)	FYE 2022 1Q Actual (Progress %)
Net sales	16,000 (+8.2%)	3,987 (24.9%)
Operating Profit	1,230 (+4.7%)	378 (30.8%)
Margin (%)	7.7%	9.5%
Ordinary Profit	1,250 (-3.5%)	390 (31.2%)
Margin (%)	7.8%	9.8%
Net Profit attributable to owners of parent	850 (+0.7%)	262 (30.9%)
Margin (%)	5.3%	6.6%

2-2. Order Status by Industry

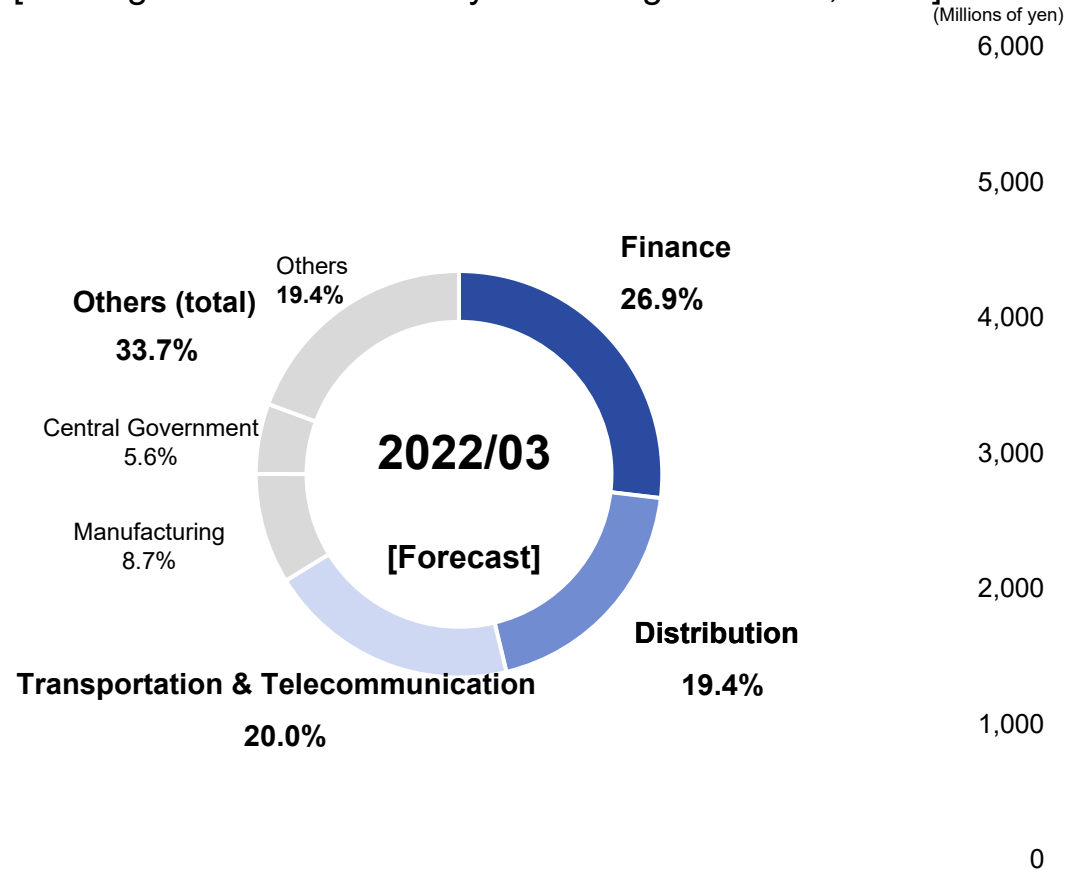


2-3. Order Status by Business Model

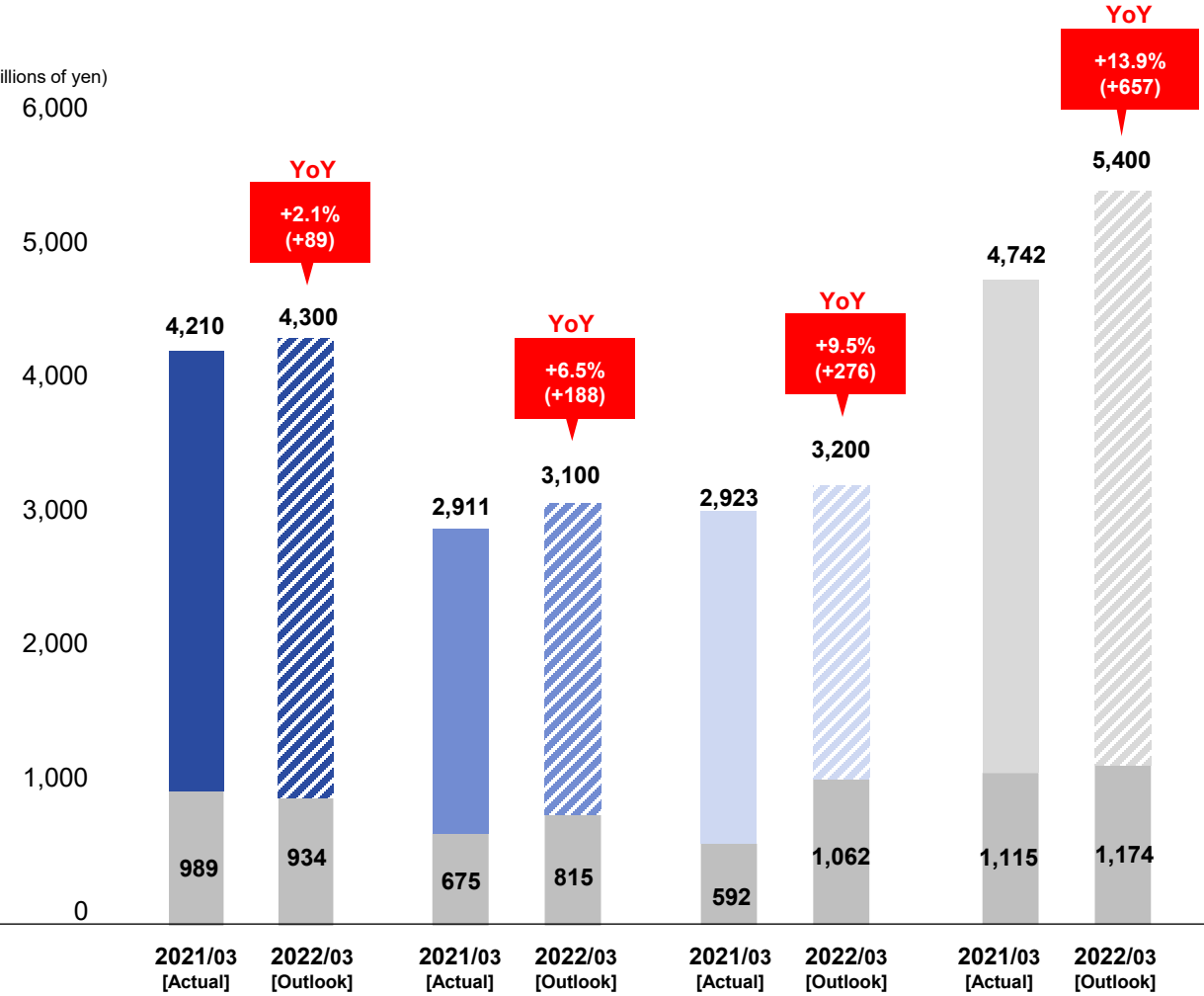


2-4. Net Sales Outlook by Industry

Net Sales Composition Ratio by Industry
 [earnings forecast for fiscal year ending March 31, 2022]



Trends in Consolidated Net Sales by Industry (Millions of yen)



Finance

Distribution

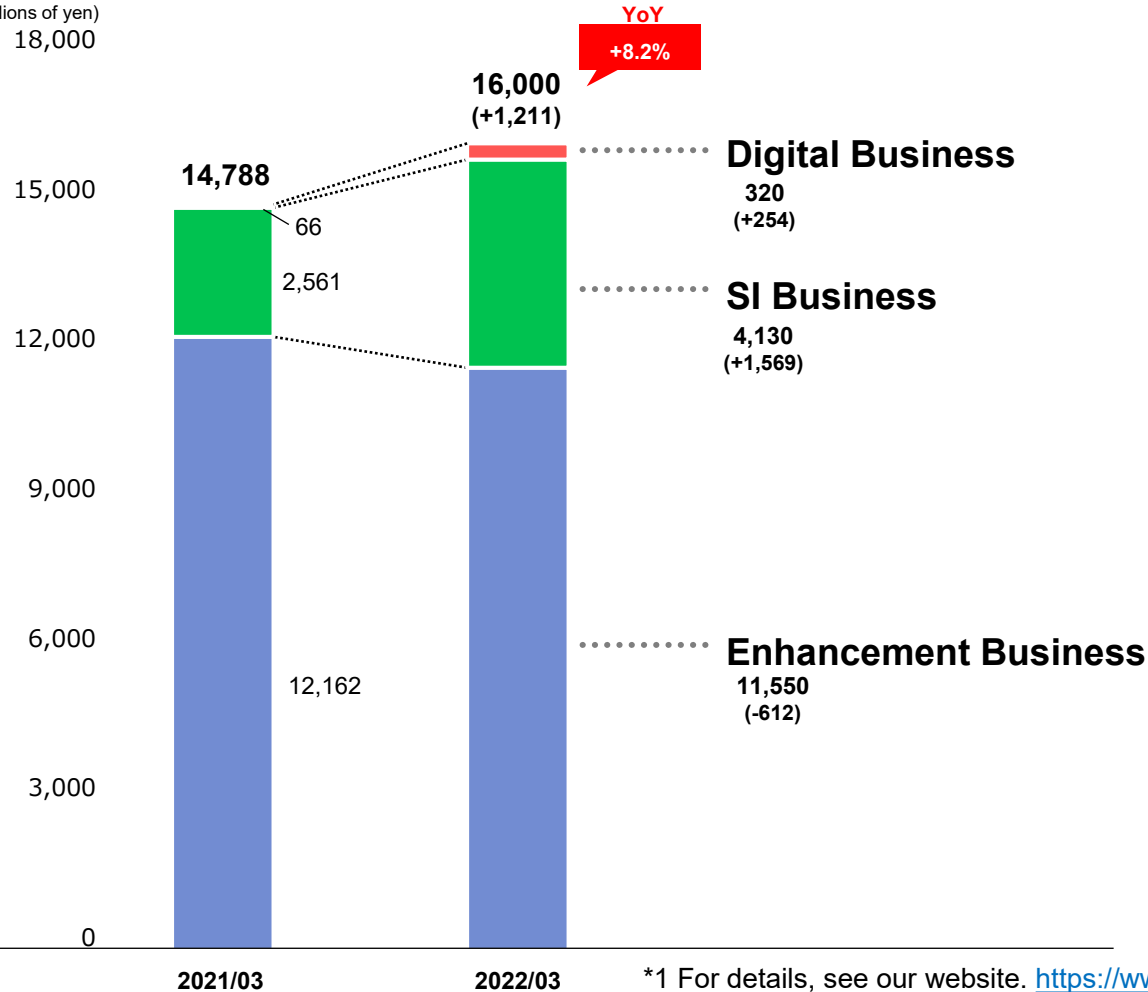
Transportation & Telecommunication

Others

2-5. Net Sales Outlook by Business Model

Net Sales

(Millions of yen)



Digital Business

- Promotion of collaborative consultation models
- Sales promotion of Smile Share Product *1

SI Business (Lift & Shift*2)

- Increase of orders received through active expansion of multi-cloud and microservices *3 projects
- Increase of orders received by promoting co-creation with cloud vendors

Enhancement Business

- Increase of orders received through active proposals of derivative development projects
- Expansion of target area (scope)
- Utilization of high-quality and efficient resources

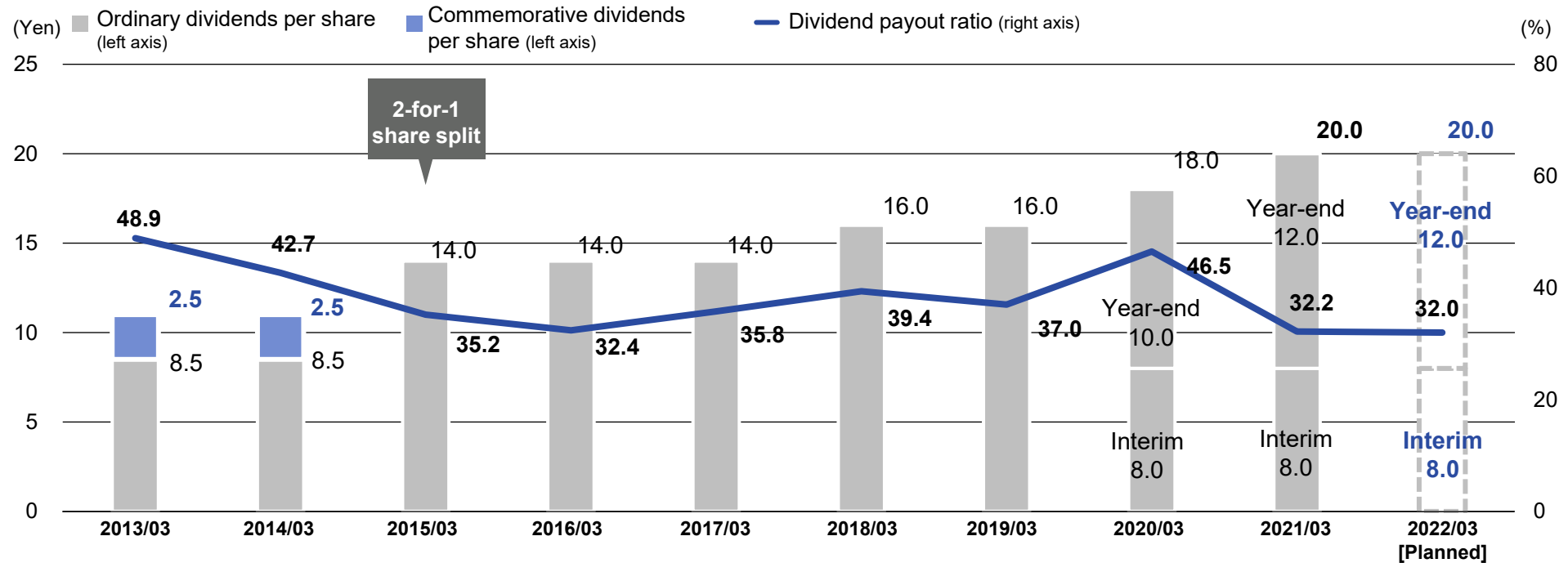
*1 For details, see our website. <https://www.cubesystem.co.jp/en/service/smile/>

*2 To provide SI services by migrating legacy environments into cloud environments (Lift) and establishing new methodologies (Shift)

*3 One of the software development techniques used to offer services in combination with small services developed on an individual basis

2-6. Trends in Dividends and Dividend Payout Ratio

Our basic policy is to continue paying stable dividends, so as to achieve a 35% consolidated dividend payout ratio, while securing necessary internal reserves.

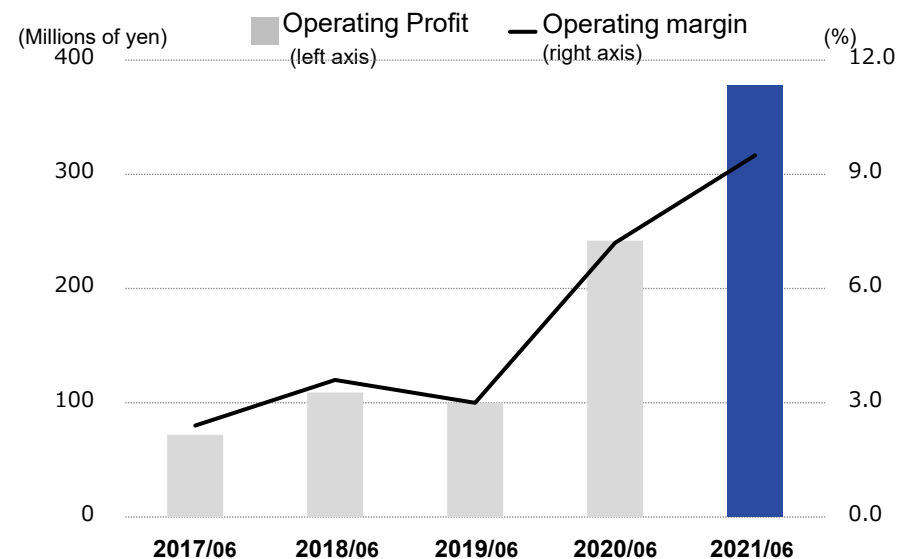
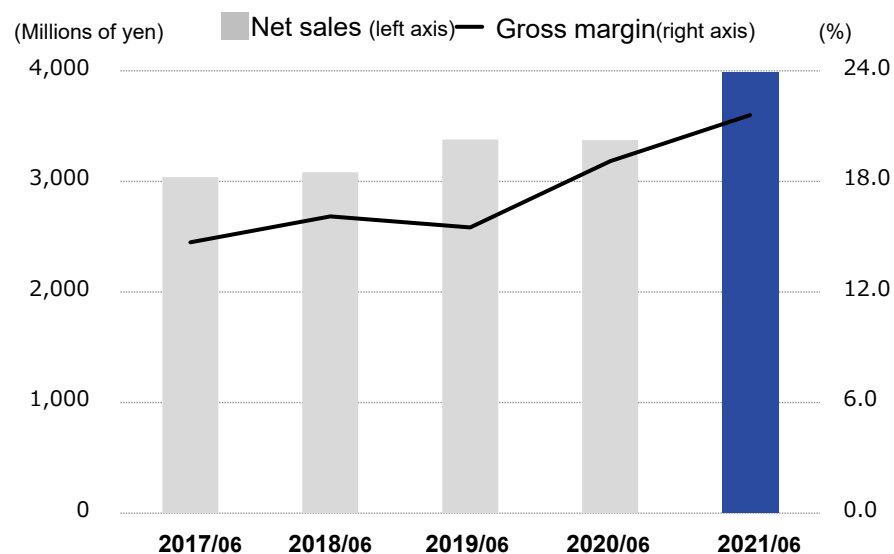


*1. Dividends are retroactively adjusted with the effect of the 2-for-1 share split on October 1, 2014.

3 Appendix

1. Five Year Summary
2. Consolidated Balance Sheets: Major Items
3. Net Sales and Operating Profit by Service Information Segment
4. Net Sales and Operating Profit by Industry
5. Assets and Capital-Related Items
6. Share Price and Equity-Related Items

3-1. Five Year Summary



(Unit: millions of yen)

	2017/06	2018/06	2019/06	2020/06	2021/06	YoY
Net sales	3,039	3,082	3,379	3,373	3,987	+18.2%
Cost of sales	2,591	2,586	2,855	2,730	3,124	+14.5%
Gross profit	448 (14.7%)	495 (16.1%)	524 (15.5%)	642 (19.1%)	862 (21.6%)	+34.2%
Selling, general and administrative expenses	375	385	423	400	483	+20.7%
Operating Profit	72 (2.4%)	109 (3.6%)	100 (3.0%)	242 (7.2%)	378 (9.5%)	+56.5%
Ordinary Profit	73 (2.4%)	132 (4.3%)	107 (3.2%)	248 (7.4%)	390 (9.8%)	+57.1%
Net Profit attributable to owners of parent	32 (1.1%)	76 (2.5%)	50 (1.5%)	165 (4.9%)	262 (6.6%)	+59.0%

3-2. Consolidated Balance Sheets: Major Items

(Unit: millions of yen)

Assets	2021/03	2021/06	Increase/ Decrease
Current assets	7,253	6,934	-319
Cash and deposits	4,467	4,401	-66
Accounts receivable and contract assets	2,584	2,363	-221
Current assets	83	41	-41
Others	118	128	+10
Non-current assets	2,190	2,227	+37
Property, plant and equipment	193	180	-12
Intangible assets	8	7	-0
Investments and other assets	1,988	2,039	+51
Total assets	9,444	9,162	-281

Liabilities	2021/03	2021/06	Increase/ Decrease
Current liabilities	2,357	1,877	-480
Accounts payable - trade	775	763	-12
Short-term loans payable	280	280	-
Others	1,302	834	-468
Non-current liabilities	571	620	+49
Total liabilities	2,928	2,497	-431
Net assets	2021/03	2021/06	Increase/ Decrease
Shareholder's equity	6,046	6,152	+105
Accumulated other comprehensive income	429	472	+43
Non-controlling shareholder share	39	39	-0
Total net assets	6,515	6,664	+149
Total liabilities and net assets	9,444	9,162	-281

3-3. Net Sales and Operating Profit by Service Information Segment

Net Sales and Operating Profit by Service Information Segment

(Unit: millions of yen)

Segment		2020/06	2021/06	YoY
System Integration Services	Net sales	2,311	2,985	+29.1%
	Operating profit	158	311	+95.9%
	Operating margin	6.9%	10.4%	
System Outsourcing Services	Net sales	506	493	-2.4%
	Operating profit	21	37	+69.9%
	Operating margin	4.3%	7.5%	
Professional Services	Net sales	555	508	-8.5%
	Operating profit	61	30	-50.0%
	Operating margin	11.1%	6.1%	
Total	Net sales	3,373	3,987	+18.2%
	Operating profit	242	378	+56.5%
	Operating margin	7.2%	9.5%	

-4. Net Sales and Operating Profit by Industry

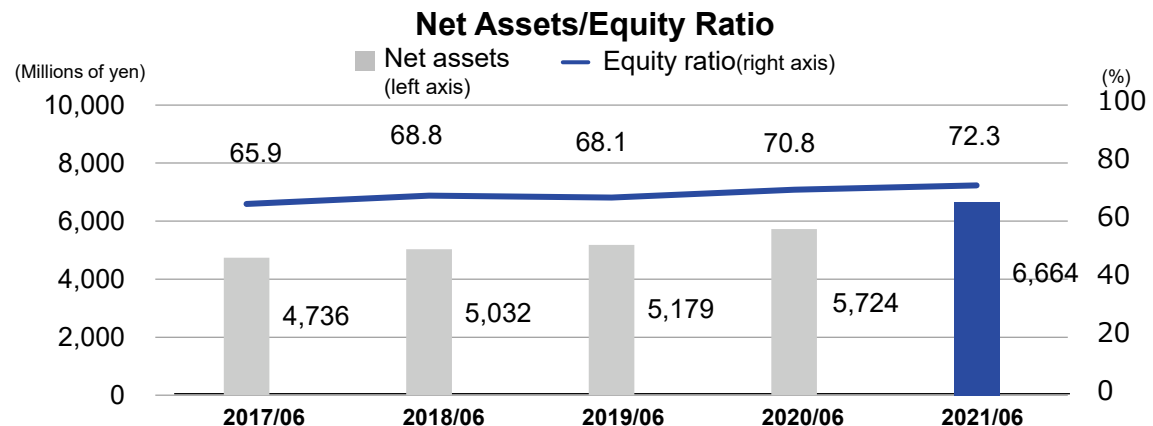
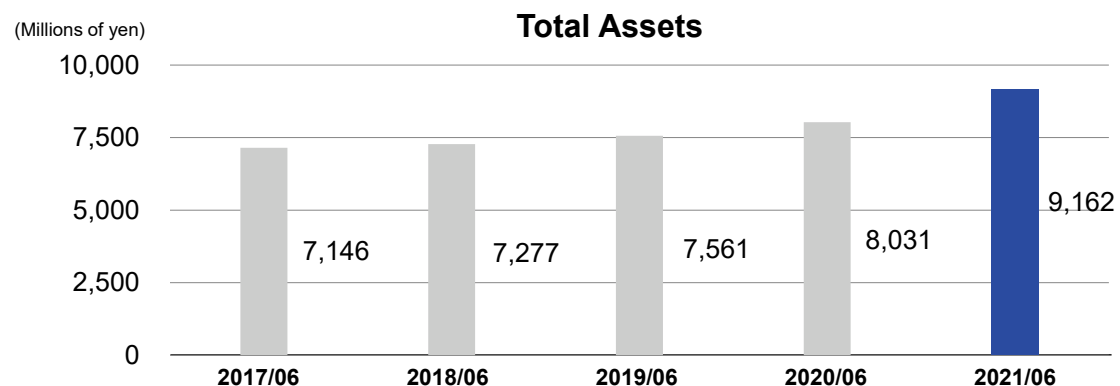
Net Sales and Operating Profit by Industry

(Unit: millions of yen)

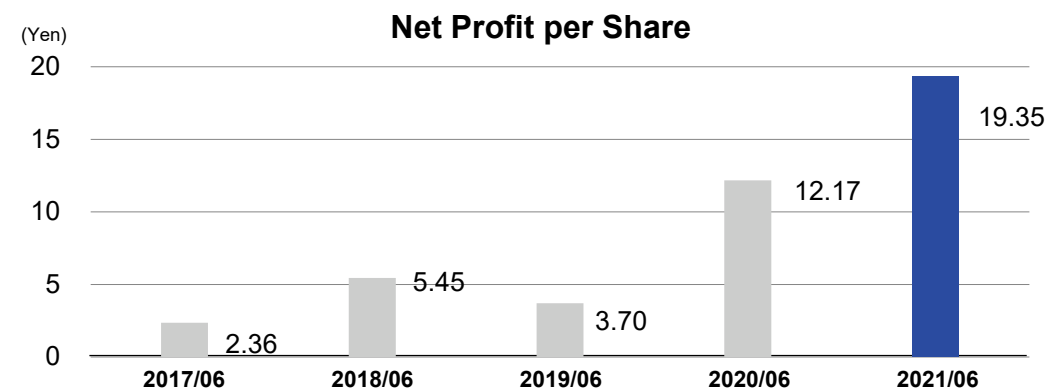
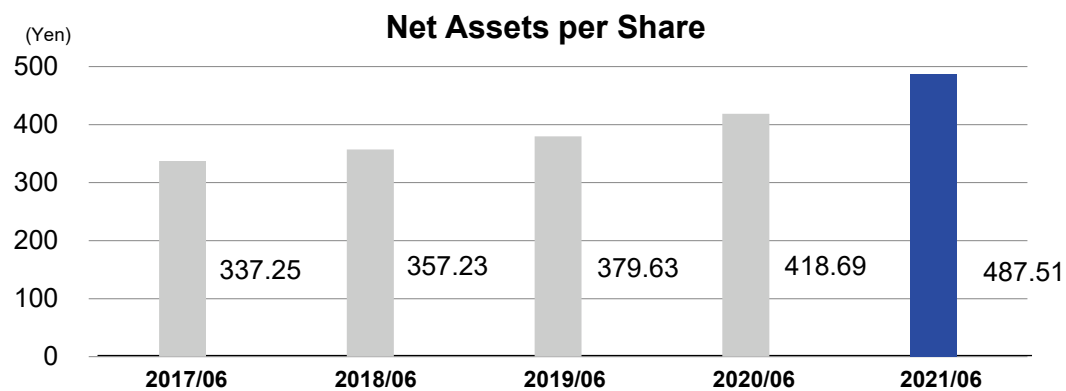
Industry		2020/06	2021/06	YoY
Finance	Net sales	989	934	-5.6%
	Operating profit	72	75	+3.9%
	Operating margin	7.3%	8.1%	-
Distribution	Net sales	675	815	+20.7%
	Operating profit	35	84	+142.3%
	Operating margin	5.2%	10.4%	-
Transportation and Telecommunication	Net sales	592	1,062	+79.4%
	Operating profit	84	148	+75.4%
	Operating margin	14.3%	14.0%	-
Manufacturing	Net sales	329	318	-3.3%
	Operating profit	16	20	+25.0%
	Operating margin	5.0%	6.5%	-
Central Government	Net sales	182	244	+34.4%
	Operating profit	5	24	+339.0%
	Operating margin	3.1%	10.2%	-
Others	Net sales	603	610	+1.2%
	Operating profit	27	24	-11.3%
	Operating margin	4.6%	4.0%	-

3-5. Assets and Capital-Related Items

Assets and Capital-Related Items

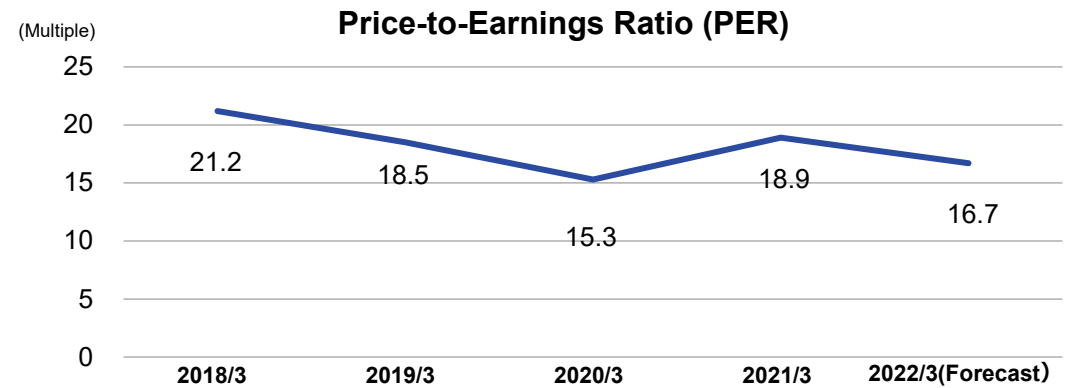
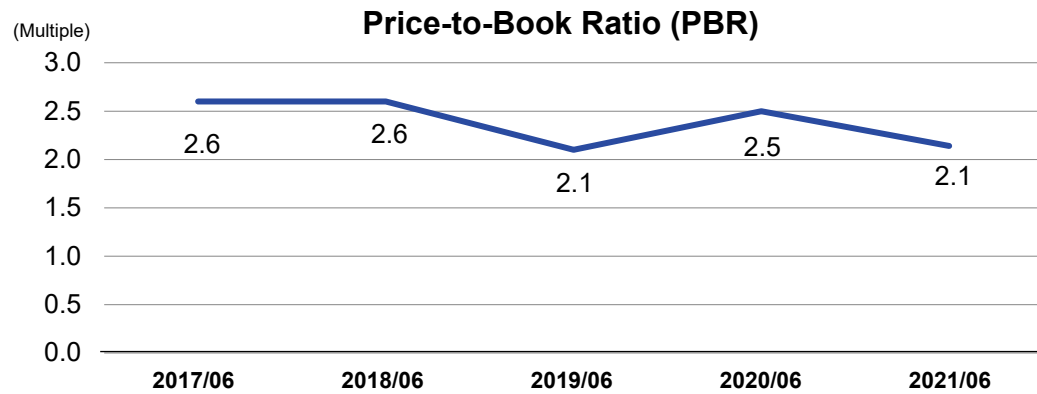
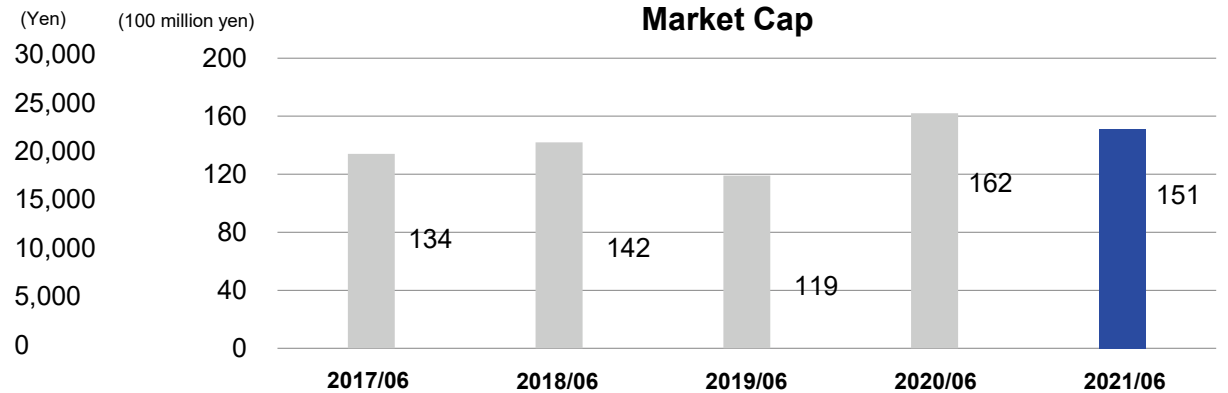
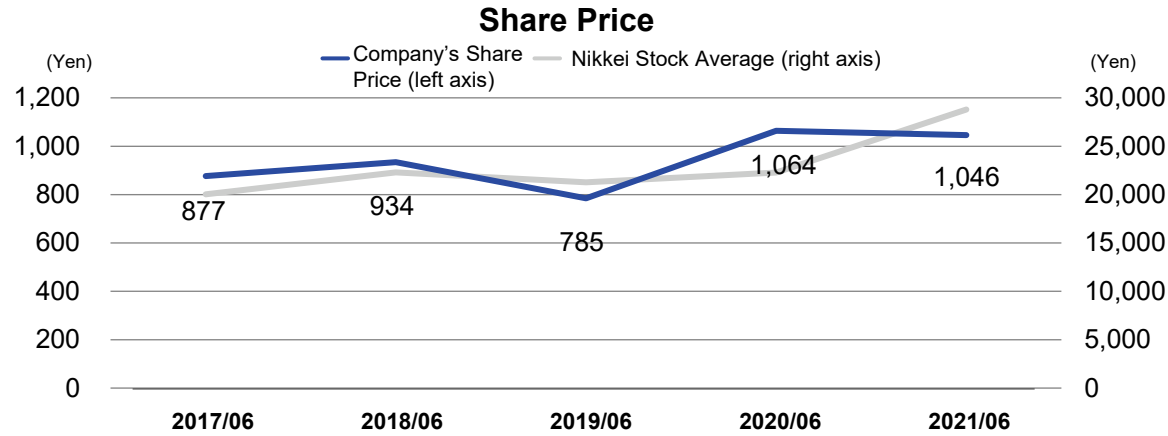


Share Price and Equity-Related Items



3-6. Share Price and Equity-Related Items

Share Price and Equity-Related Items



*Fiscal year ending March 31, 2022 (forecast) is calculated using the stock price as of the end of June and net profit per share in the full-year earnings forecast.

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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.