1Q FY March 2027

Supplementary Materials for Financial Results

Securities code: 2335

Aug. 5, 2026

Executive Summary (1Q FY March 2027)

- **Business Environment**: Demand for modernization and cloud migration continues, while increasingly sophisticated cyberattacks are driving higher demand for cybersecurity measures, supporting continued strong IT investment.
  We are optimizing resources and ensuring development organization and facilities while pursuing modernization projects, expanding projects in existing business areas, acquiring projects utilizing AI and rolling out new services.
- **Net Sales**: Remained stable despite an overall growth trend driven by strong demand for modernization projects, due to the reduction of some large-scale projects.
- **Operating Profit**: Decreased due to strengthening AI and consulting areas, proactive investment in R&D and other initiatives, as well as the impact of some unprofitable projects.
- **Net Profit**: Increased due to lower income taxes resulting from the reversal of the provision for loss on orders received in the previous fiscal year.

1Q FY March 2027 Actual

Net sales	Operating profit	Profit attributable to owners of parent
45.5	3.5	2.2
100 million yen	100 million yen	100 million yen

- **Earnings Outlook**: No changes.

CONTENTS

1Q FY March 2027

1 Overview of Financial Results

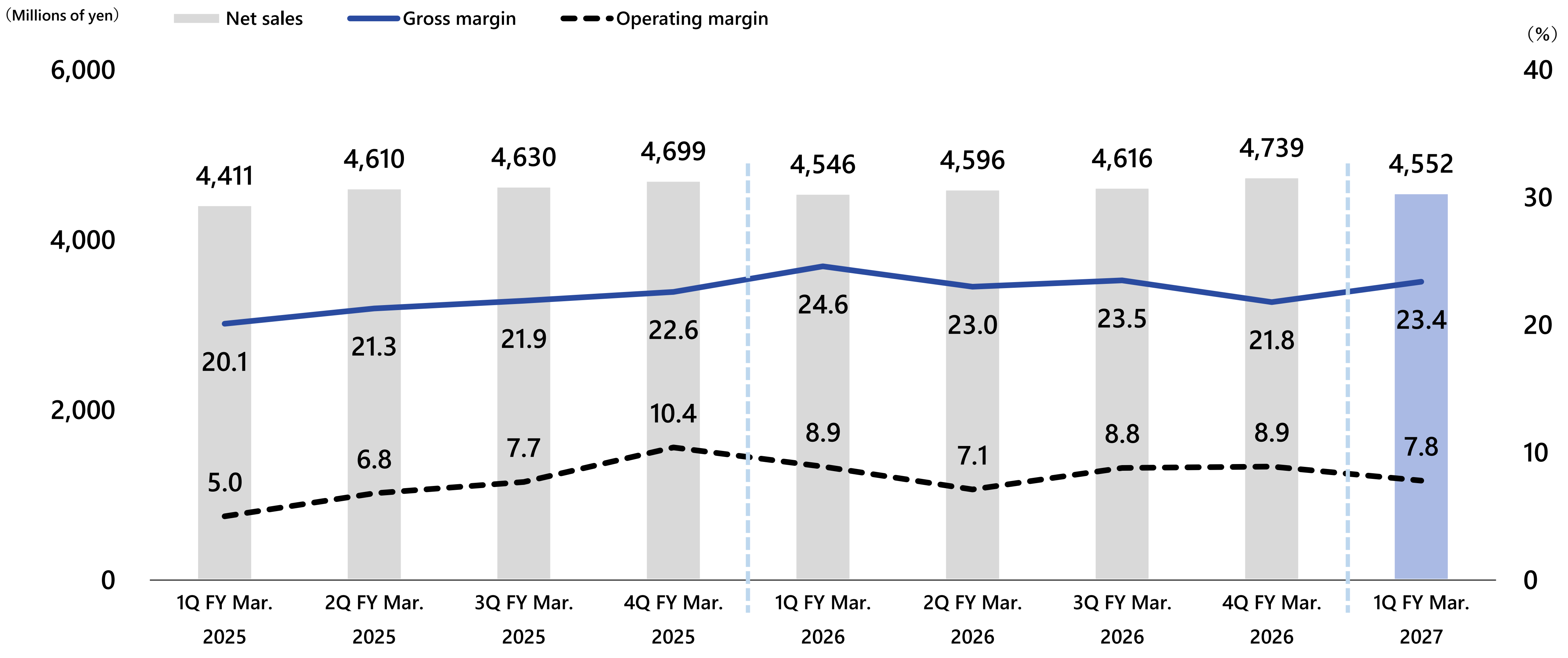
1 - 1 | Overview of Consolidated Statements of Income

- **Business Environment** : Demand for modernization and cloud migration continues, while increasingly sophisticated cyberattacks are driving higher demand for cybersecurity measures, supporting continued strong IT investment. We are optimizing resources and ensuring development organization and facilities while pursuing modernization projects, expanding projects in existing business areas, acquiring projects utilizing AI and rolling out new services.
- **Net Sales** : Remained stable despite an overall growth trend driven by strong demand for modernization projects, due to the reduction of some large-scale projects.
- **Operating Profit** : Decreased due to strengthening AI and consulting areas, proactive investment in R&D and other initiatives, as well as the impact of some unprofitable projects.
- **Net Profit** : Income taxes decreased due to the reversal of the provision for loss on orders received in the previous fiscal year.

(Millions of yen)	1Q FY Mar. 2026	1Q FY Mar. 2027	YoY
Net sales	4,546	4,552	+0.1%
Operating profit	402	355	-11.8%
Margin	8.9%	7.8%	–
Ordinary profit	412	355	-13.8%
Margin	9.1%	7.8%	–
Profit attributable to owners of parent	200	222	+10.9%
Margin	4.4%	4.9%	–

1 - 2 | Trends in Transition by Accounting Period

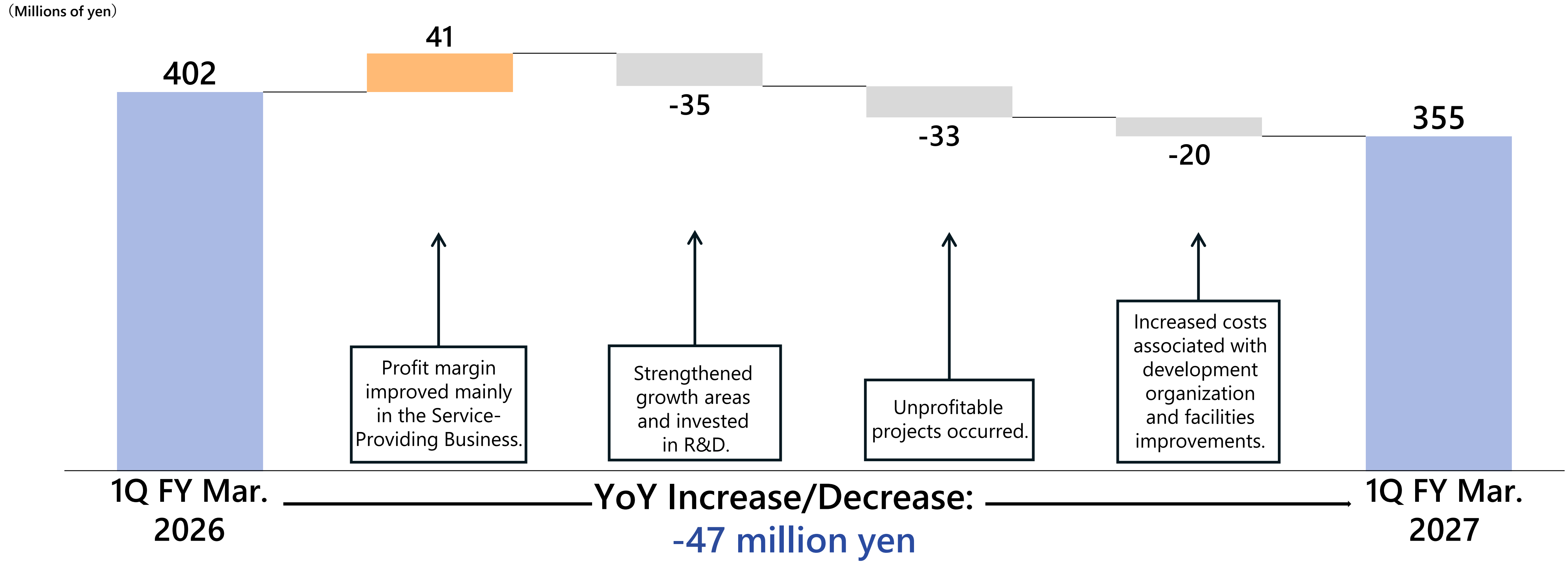
■ **Net sales increased by 6 million yen compared with the first quarter of the previous fiscal year, and the operating profit margin decreased by 1.1 points.**



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

■ **Positive Factors** : Expanded orders in the Service-Providing Business and improved profitability through the review of low-profit projects in the SIer* Business and End-User Business.

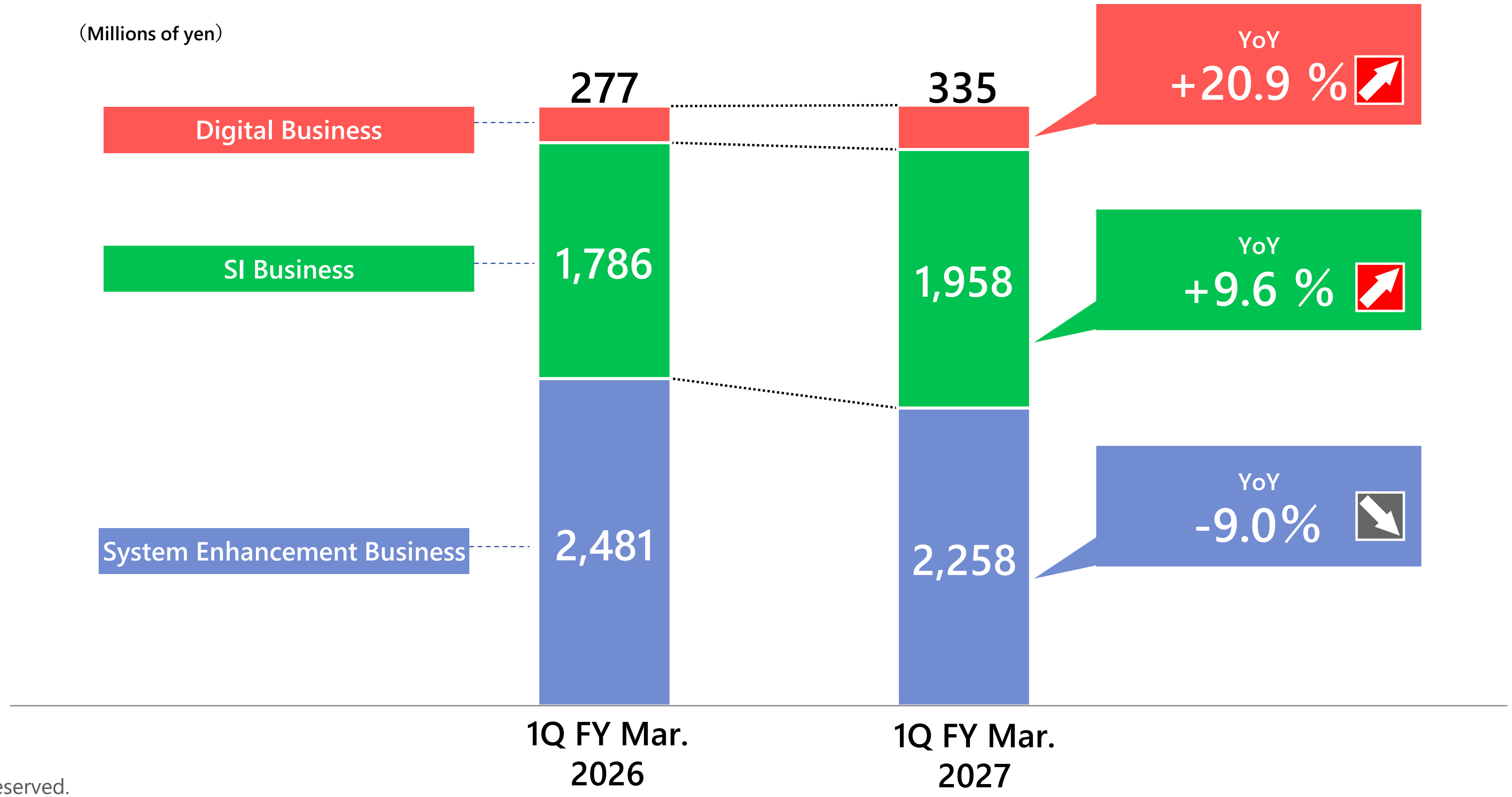
■ **Negative Factors** : Strengthened AI and consulting areas, promoted R&D investment, while some unprofitable projects occurred.



*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.

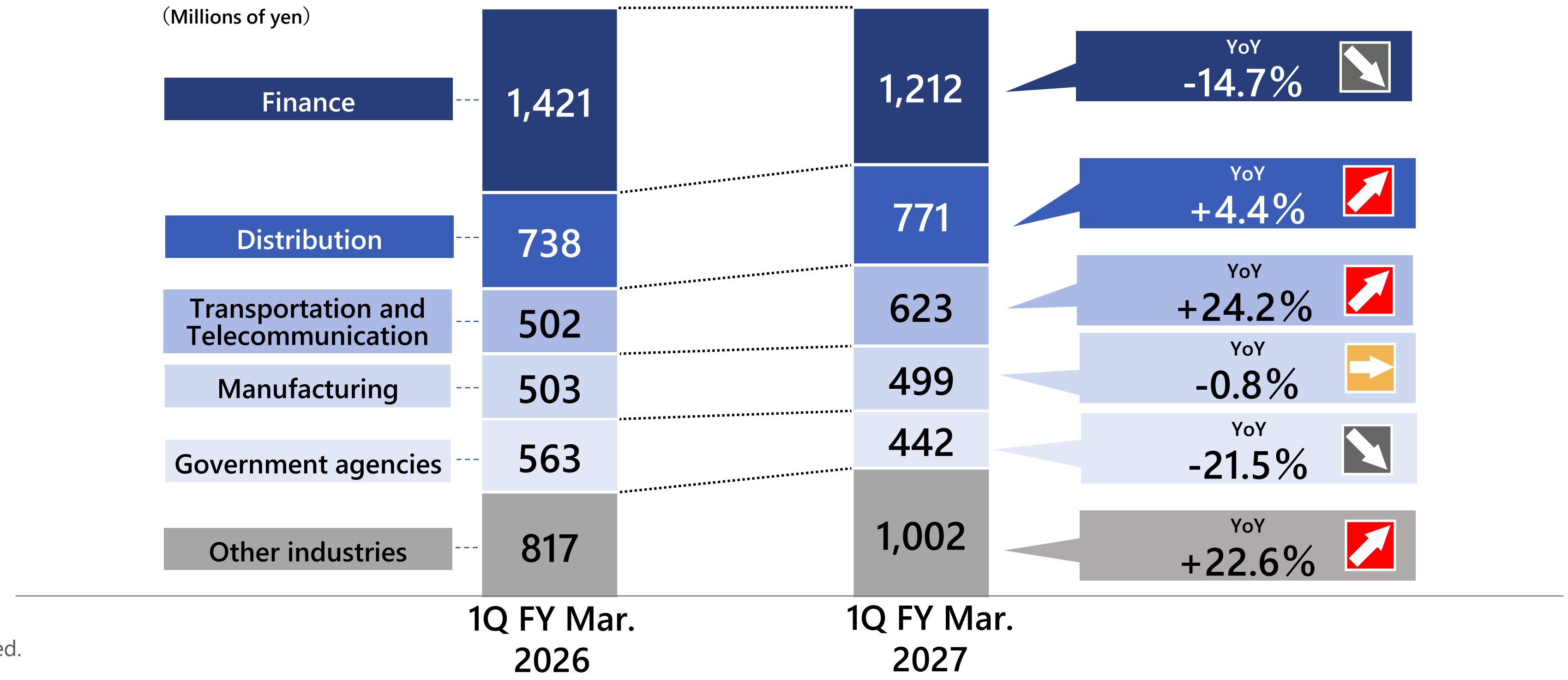
1 - 4 | Trends in Net Sales by Business Model

- **Digital Business** : Increased due to expanded orders for consulting and advanced technology support projects such as AI utilization.
- **SI Business** : Increased because of growth in orders received for modernization projects.
- **System Enhancement Business** : Decreased due to withdrawal from low-profit projects and the reallocation of resources to the SI Business in response to strong demand.



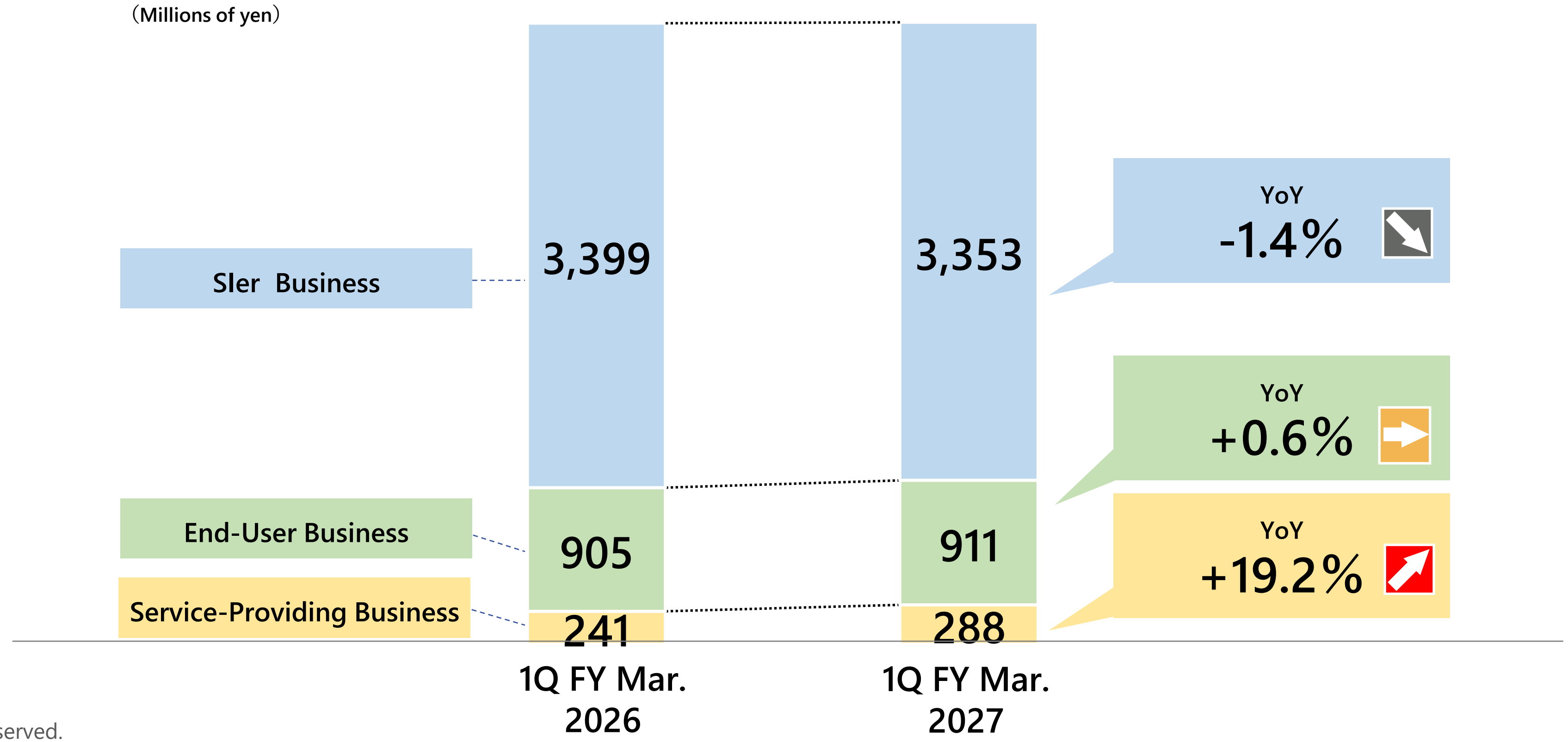
1 - 5 | Trends in Net Sales by Industry

■ Finance	: Decreased in projects for regional banks and online banks, as well as for megabanks.
■ Distribution	: Increased in projects for GMS and convenience stores.
■ Transportation and Telecommunication	: Increased significantly in projects for telecommunications companies.
■ Manufacturing	: Remained stable due to a decrease in projects for industrial manufacturers and other factors, despite an expansion in projects for alcoholic beverage companies.
■ Government agencies	: Decreased significantly, despite an expansion in projects for central government agencies, due to a decline in other government-related projects.
■ Other industries	: Increased in projects for energy-related industries and public racing.



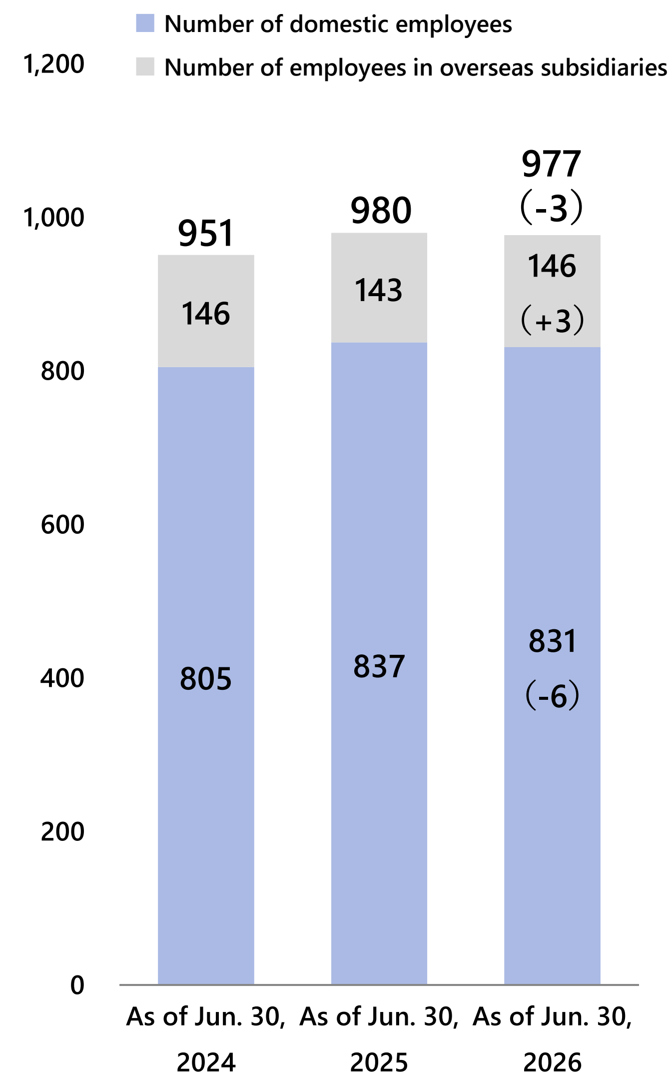
1 - 6 Trends in Net Sales by Business Style

- **SIer Business**: Decreased due to the reduction of some individual client projects, despite generally growing business with major customers.
- **End-User Business**: Remained stable despite efforts to deepen relationships with existing customers and acquire new customers, due to delays in converting opportunities into projects and the impact of reduced project scale resulting from customers' preference for in-house development.
- **Service-Providing Business**: Increased significantly through the provision of services utilizing cloud technology.



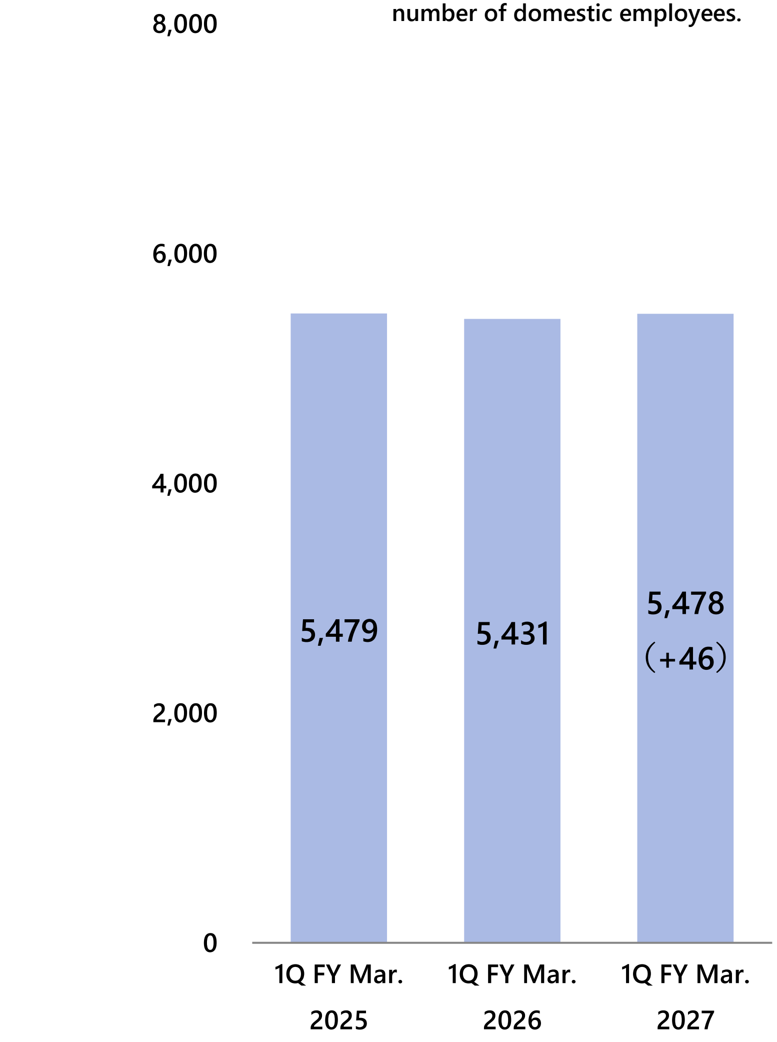
1 - 7 Index Per Employee

Number of Employees



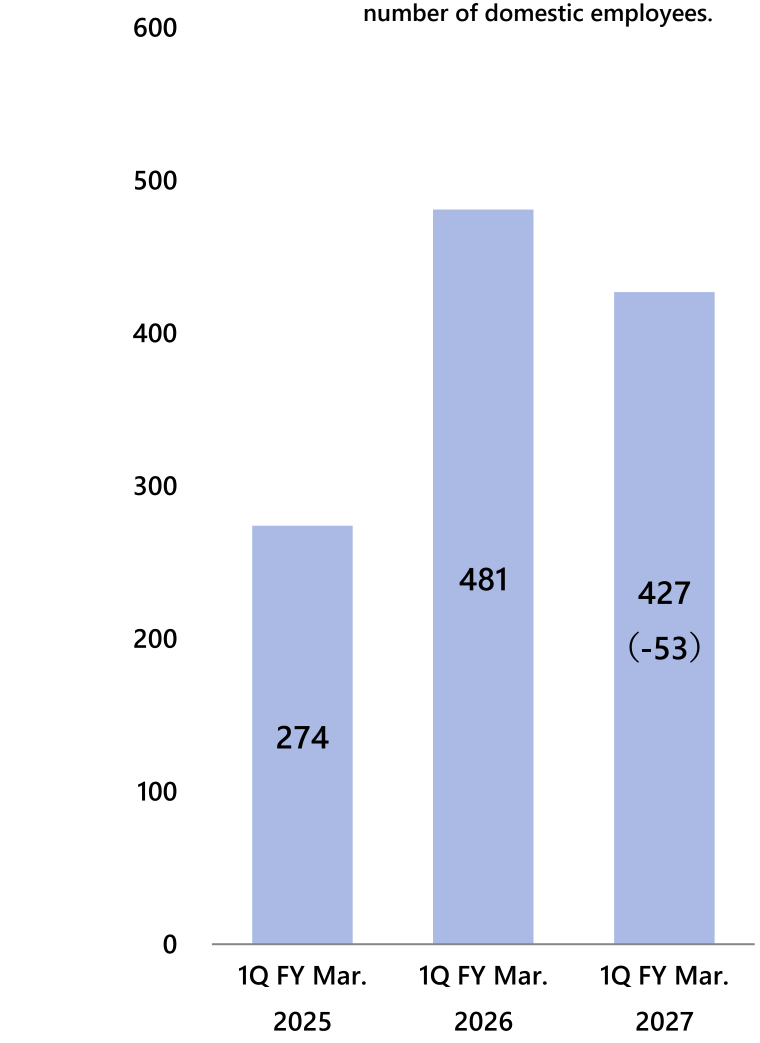
Net Sales Per Employee*

*Calculated based on the number of domestic employees.



Operating Profit Per Employee*

*Calculated based on the number of domestic employees.



FY March 2027

2 Earnings Outlook

1 Overview of Earnings Outlook

2 Orders Received and Order Backlog

3 Trends in Dividends and Dividend Payout Ratio

2 - 1 | Overview of Earnings Outlook

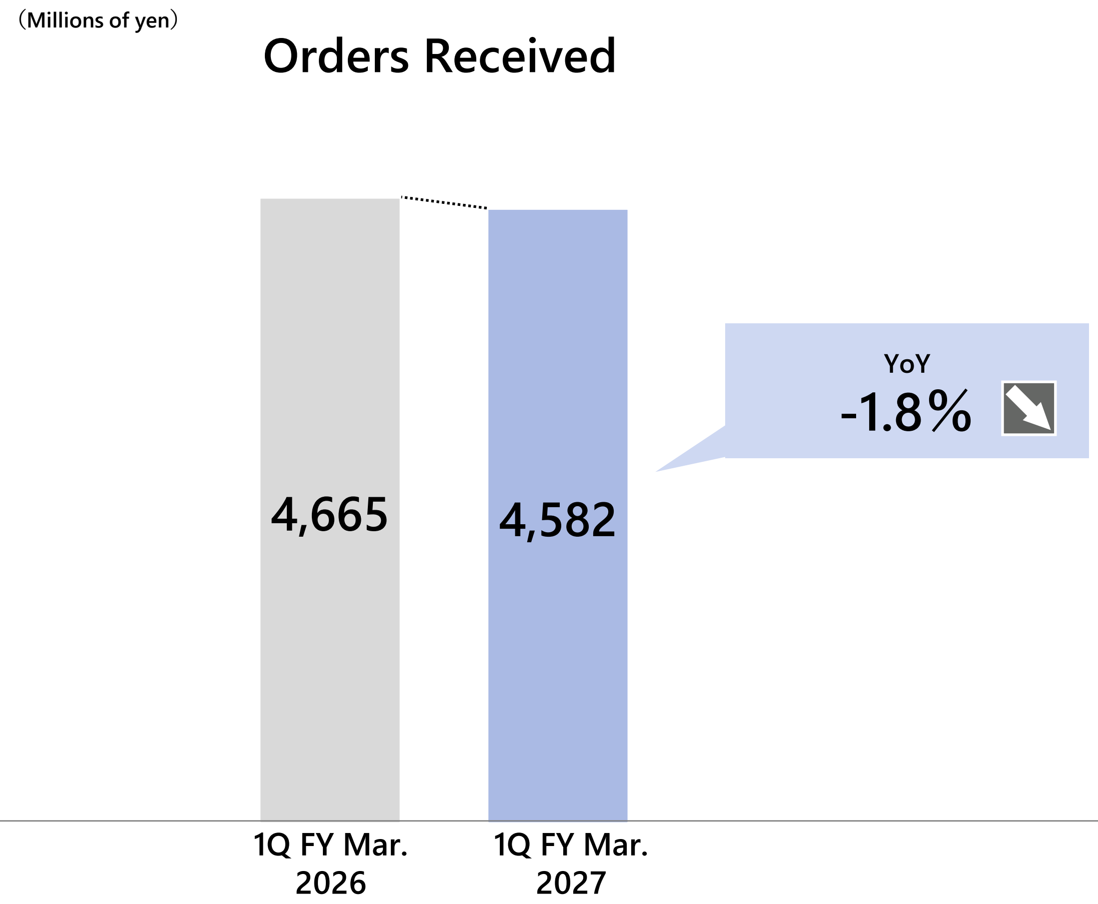
- **Business Environment** : Demand for IT investment, including cybersecurity measures, is expected to remain strong, while the outlook remains uncertain due to factors such as domestic and international policy trends and fluctuations in the financial markets.
- **Earnings Outlook** : No changes.

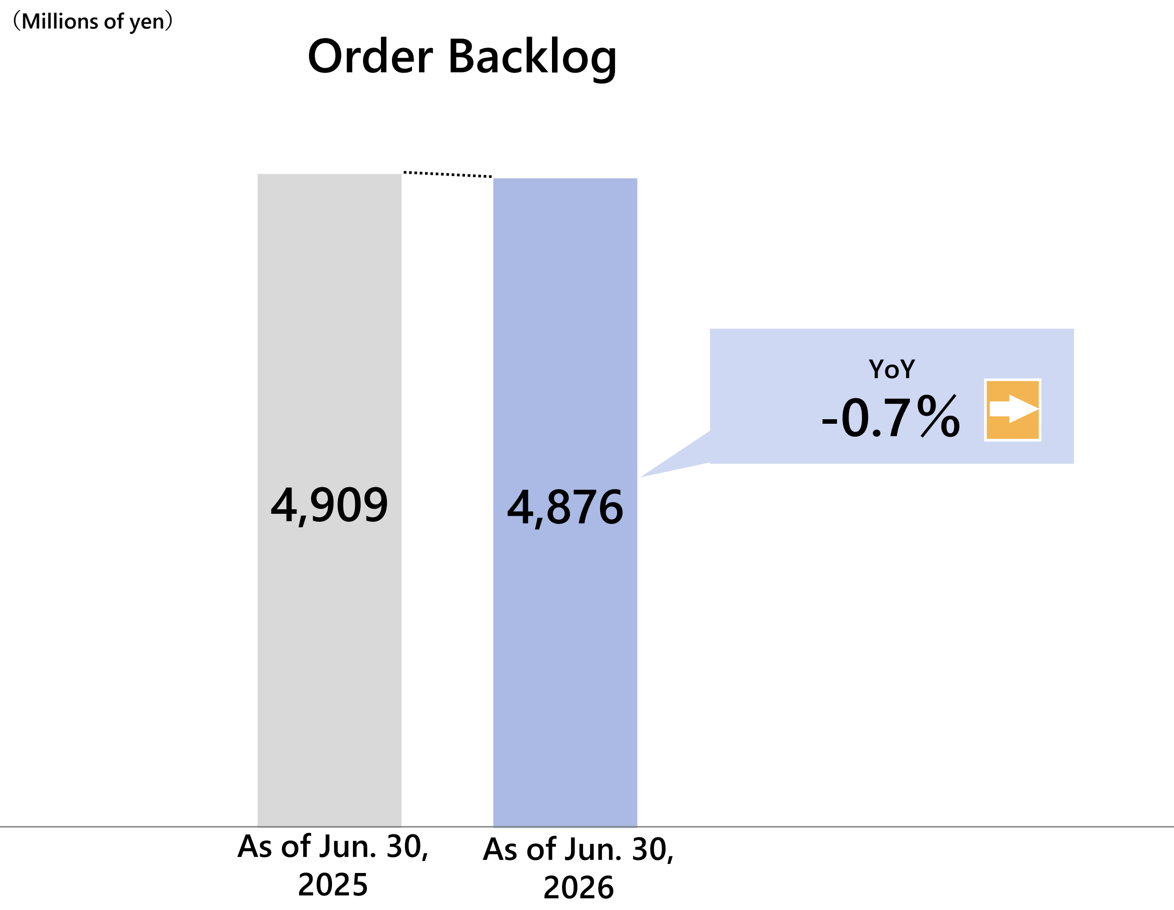
(Millions of yen)	FY Mar. 2027 Full-year Outlook*	1Q FY Mar. 2027	Progress rate toward Full-Year Outlook	FY Mar. 2027 First-half Outlook*
Net sales	20,000	4,552	22.8%	9,300
Operating profit	1,800	355	19.7%	741
Margin	9.0%	7.8%	–	8.0%
Ordinary profit	1,810	355	19.6%	751
Margin	9.1%	7.8%	–	8.1%
Profit attributable to owners of parent	1,500	222	14.8%	600
Margin	7.5%	4.9%	–	6.5%

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

2 - 2 | Orders Received and Order Backlog

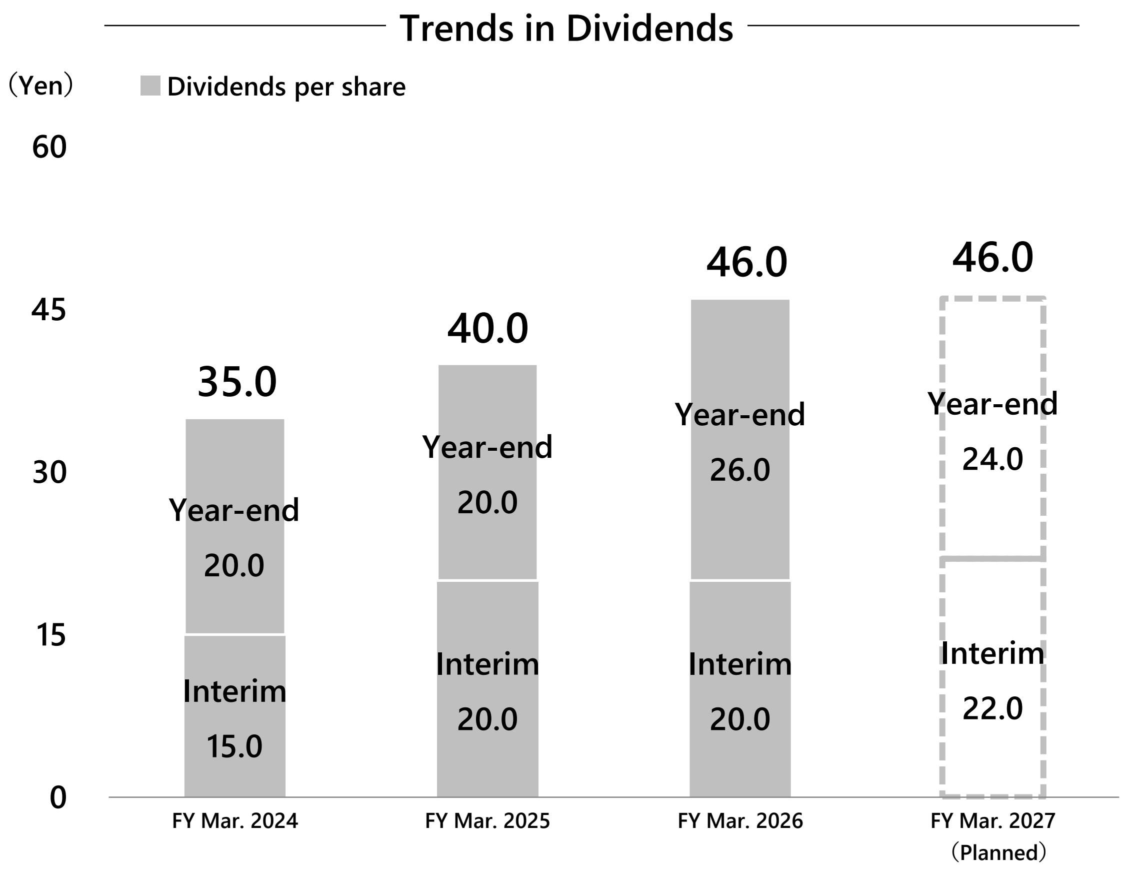
■ We are to strengthen our sales activities in the distribution sector as well as the transportation and telecommunication sectors, where demand is strong.

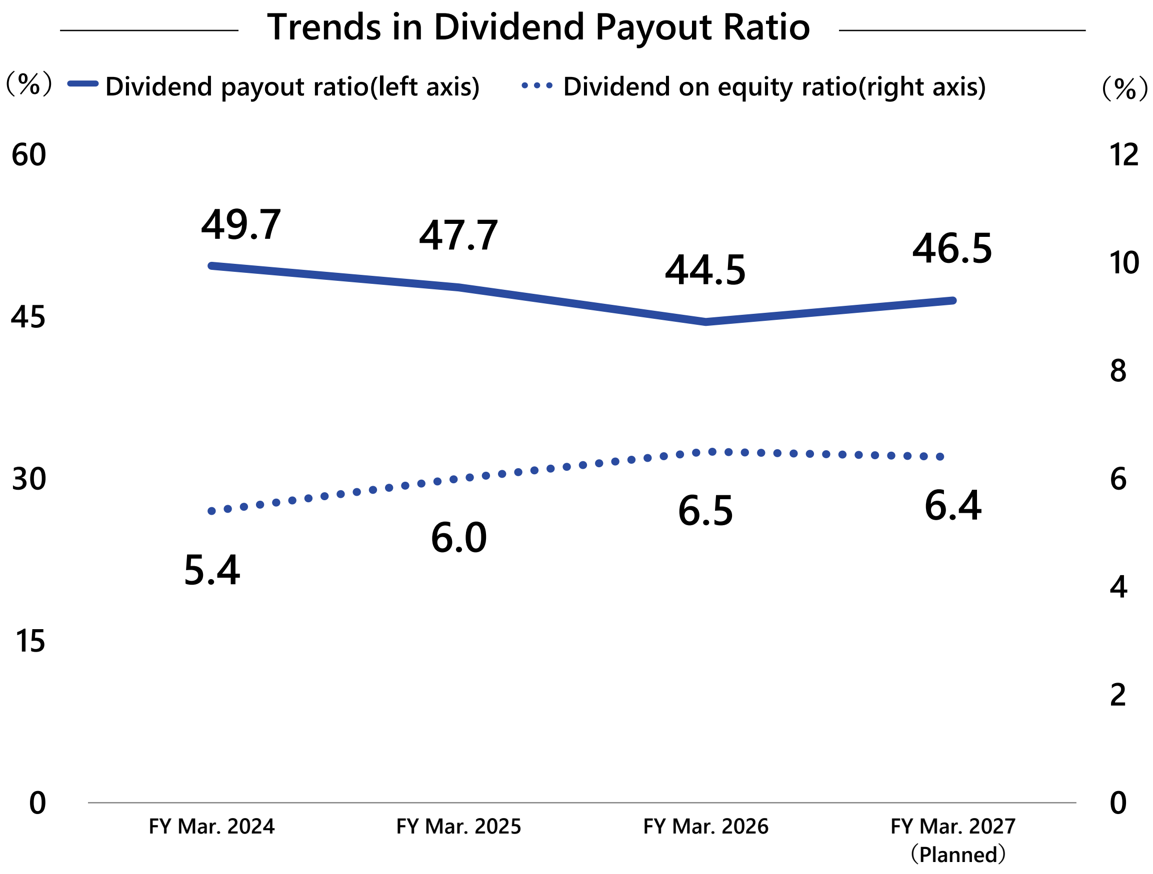




2 - 3 Trends in Dividends and Dividend Payout Ratio

- As announced on May 7, 2026, we have set the planned annual dividend for the fiscal year ending March 31, 2027, at 46 yen per share, based on a target consolidated dividend payout ratio of 50%.





3 Appendix

3 - 1 Five Year Summary

	1Q FY Mar. 2023	1Q FY Mar. 2024	1Q FY Mar. 2025	1Q FY Mar. 2026	1Q FY Mar. 2027
Net sales (Millions of yen)	3,982	4,376	4,411	4,546	**4,552**
Cost of sales (Millions of yen)	3,107	3,438	3,525	3,425	**3,485**
Gross profit (Millions of yen)	785	938	886	1,120	**1,066**
Gross margin (%)	20.2	21.4	20.1	24.6	**23.4**
Selling, general and administrative expenses (Millions of yen)	513	568	665	717	**711**
Operating profit (Millions of yen)	272	369	220	402	**355**
Operating margin (%)	7.0	8.5	5.0	8.9	**7.8**
Ordinary profit (Millions of yen)	271	371	226	412	**355**
Ordinary margin (%)	7.0	8.5	5.1	9.1	**7.8**
Profit attributable to owners of parent (Millions of yen)	173	232	157	200	**222**
Profit margin attributable to owners of parent (%)	4.5	5.3	3.6	4.4	**4.9**

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

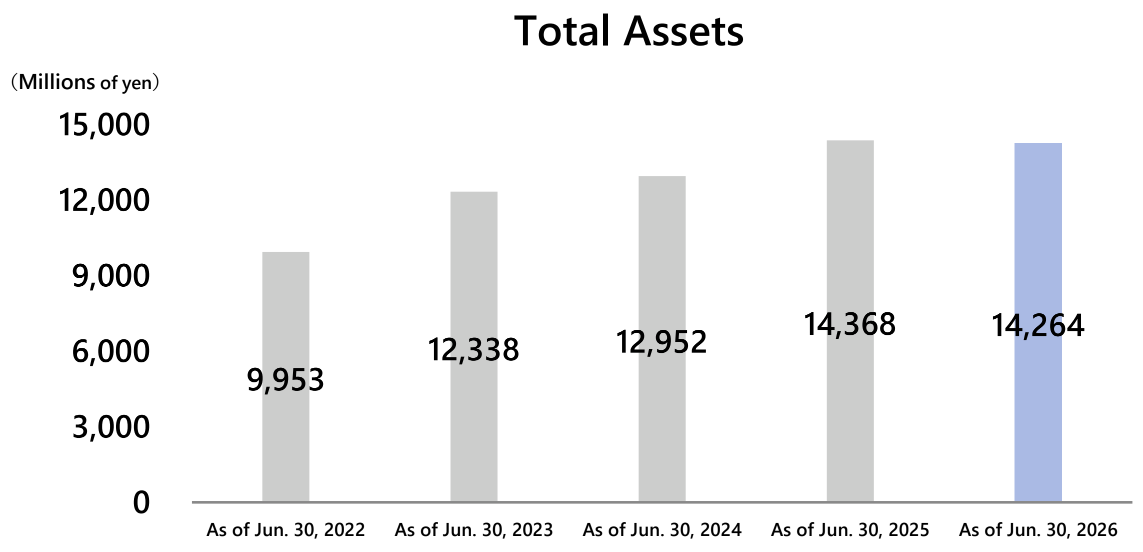
3 - 3 Trends in Net Sales and Operating Profit

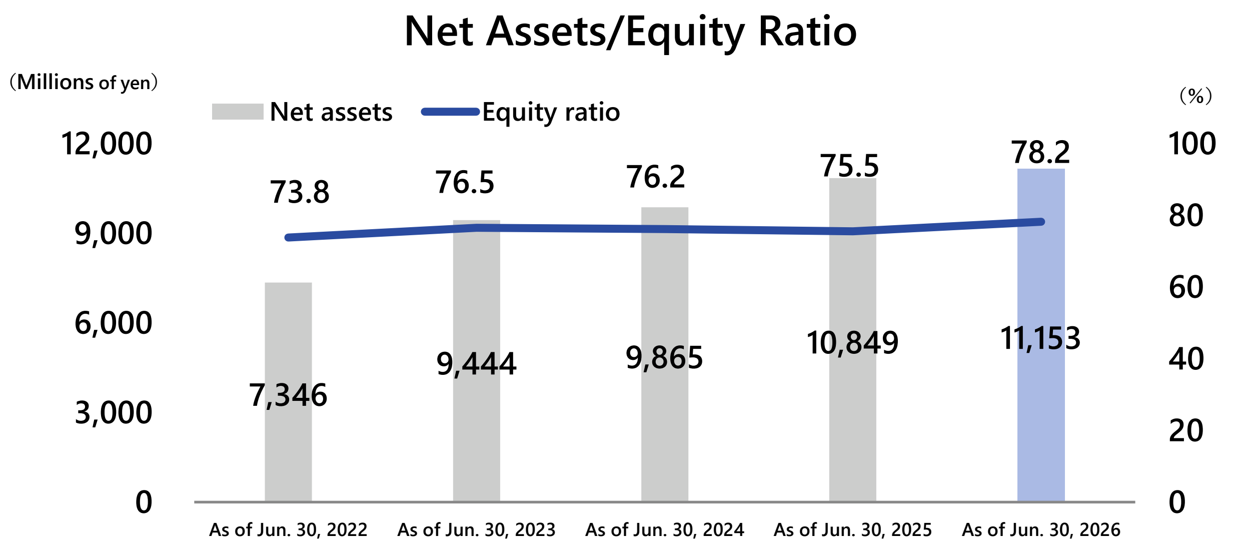
	1Q FY Mar. 2026	1Q FY Mar. 2027			1Q FY Mar. 2026	1Q FY Mar. 2027		1Q FY Mar. 2026	1Q FY Mar. 2027	
	Net sales (Millions of yen)	Net sales (Millions of yen)	Composition (%)	YoY (%)	Operating profit (Millions of yen)	Operating profit (Millions of yen)	YoY (%)	Operating margin (%)	Operating margin (%)	YoY (pt)
Digital Business	277	**335**	7.4	+20.9	26	**23**	-9.3	9.4	**7.1**	-2.3
SI Business	1,786	**1,958**	43.0	+9.6	155	**144**	-7.5	8.7	**7.4**	-1.3
System Enhancement Business	2,481	**2,258**	49.6	-9.0	220	**187**	-15.2	8.9	**8.3**	-0.6
Finance	1,421	**1,212**	26.7	-14.7	149	**107**	-28.5	10.5	**8.8**	-1.7
Distribution	738	**771**	16.9	+4.4	74	**91**	+22.9	10.1	**11.9**	+1.8
Transportation and Telecommunication	502	**623**	13.7	+24.2	64	**66**	+3.2	12.8	**10.6**	-2.2
Manufacturing	503	**499**	11.0	-0.8	28	**18**	-35.5	5.7	**3.7**	-2.0
Government agencies	563	**442**	9.7	-21.5	21	**34**	+57.4	3.8	**7.7**	+3.9
Other industries	817	**1,002**	22.0	+22.6	63	**37**	-41.2	7.8	**3.7**	-4.1
SIer Business	3,399	**3,353**	73.7	-1.4	254	**202**	-20.3	7.5	**6.0**	-1.5
End-User Business	905	**911**	20.0	+0.6	159	**141**	-11.4	17.6	**15.5**	-2.1
Service-Providing Business	241	**288**	6.3	+19.2	-10	**11**	–	△4.4	**3.9**	–
Total	4,546	**4,552**	100.0	+0.1	402	**355**	-11.8	8.9	**7.8**	-1.1

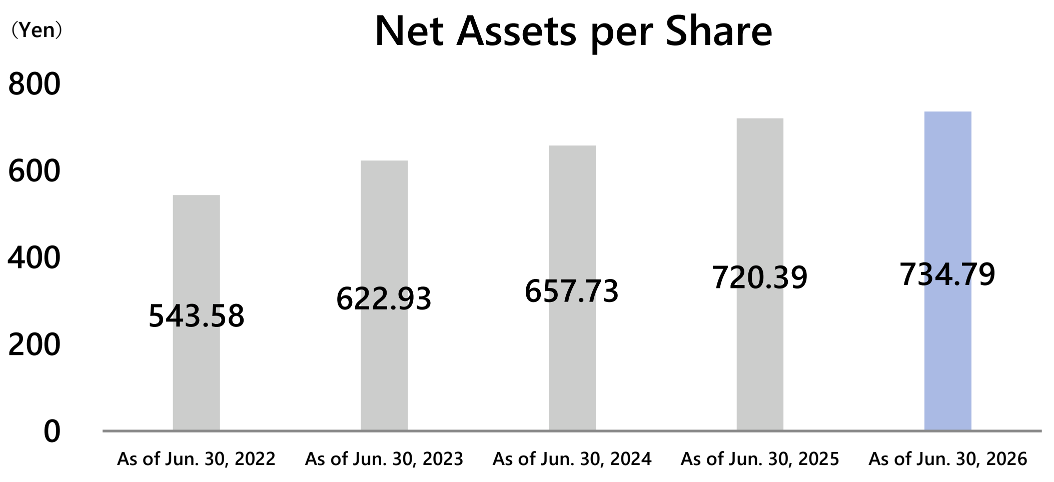
3 - 4 Trends in Orders Received and Order Backlog

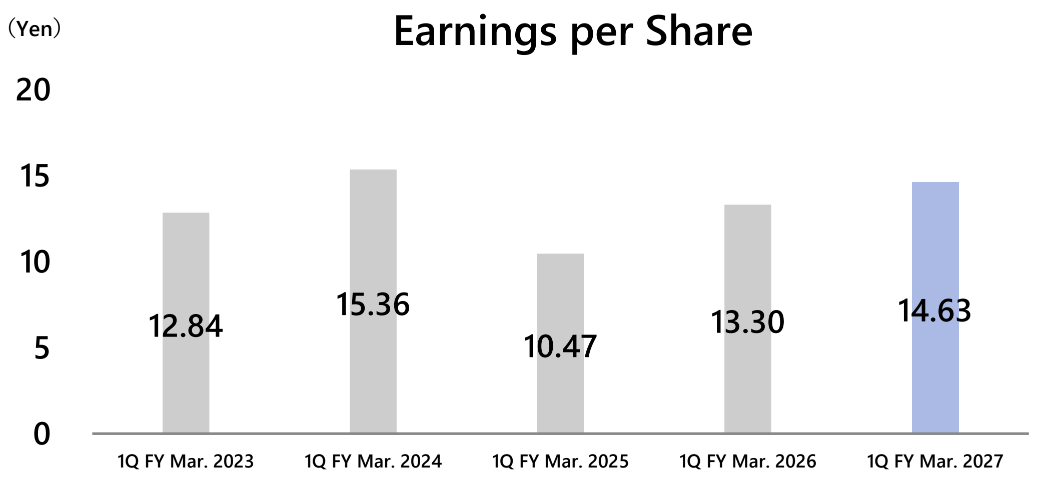
	1Q FY Mar. 2026	1Q FY Mar. 2027			As of Jun. 30, 2025	As of Jun. 30, 2026		
	Orders received (Millions of yen)	Orders received (Millions of yen)	Increase/Decrease (Millions of yen)	YoY (%)	Order backlog (Millions of yen)	Order backlog (Millions of yen)	Increase/Decrease (Millions of yen)	YoY (%)
Digital Business	301	**382**	+80	+26.7	371	**387**	+15	+4.2
SI Business	1,970	**1,956**	-13	-0.7	1,806	**1,764**	-42	-2.3
System Enhancement Business	2,393	**2,243**	-149	-6.3	2,731	**2,725**	-5	-0.2
Finance	1,549	**1,371**	-178	-11.5	1,640	**1,430**	-209	-12.8
Distribution	782	**1,114**	+331	+42.3	814	**1,045**	+230	+28.3
Transportation and Telecommunication	505	**725**	+220	+43.7	511	**620**	+108	+21.2
Manufacturing	464	**495**	+30	+6.6	423	**499**	+76	+18.0
Government agencies	717	**354**	-362	-50.5	711	**505**	-205	-28.9
Other industries	645	**520**	-125	-19.4	807	**775**	-32	-4.0
SIer Business	3,879	**3,636**	-242	-6.3	3,493	**3,317**	-176	-5.0
End-User Business	728	**755**	+27	+3.7	1,184	**1,213**	+28	+2.4
Service-Providing Business	57	**190**	+132	+229.5	230	**346**	+115	+50.1
Total	4,665	**4,582**	-82	-1.8	4,909	**4,876**	-32	-0.7

3 - 5 Other Performance Indicators

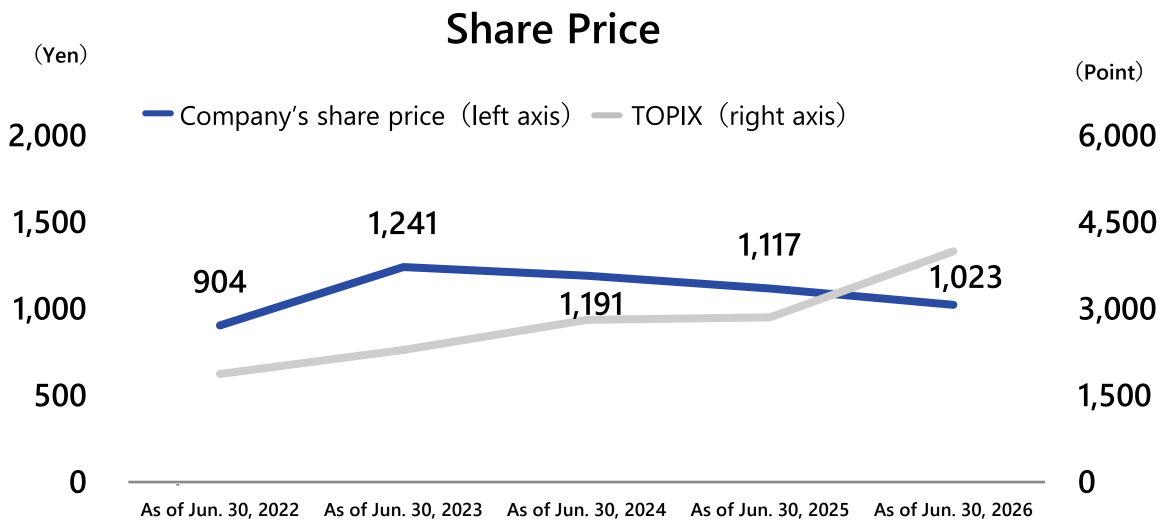


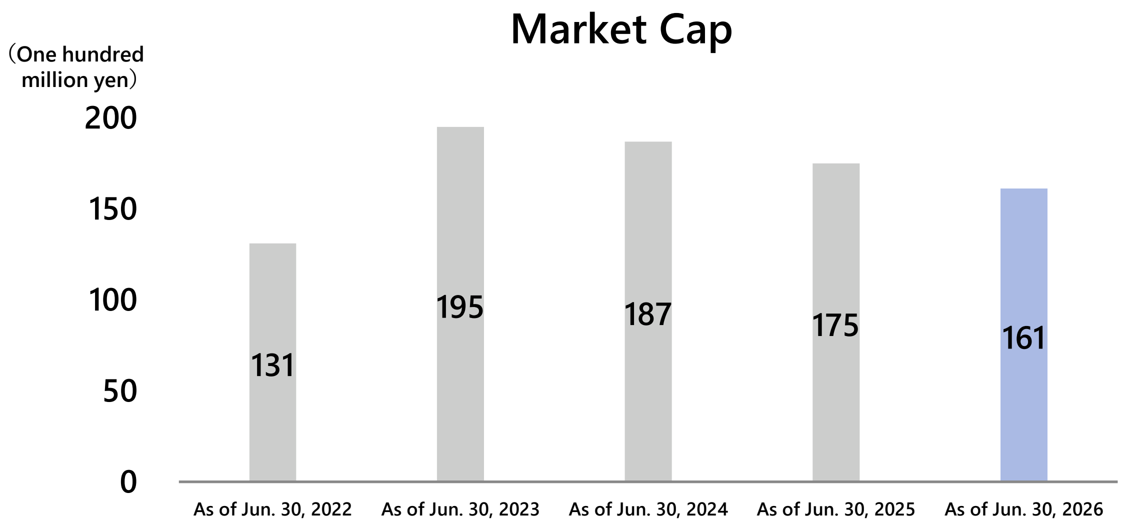


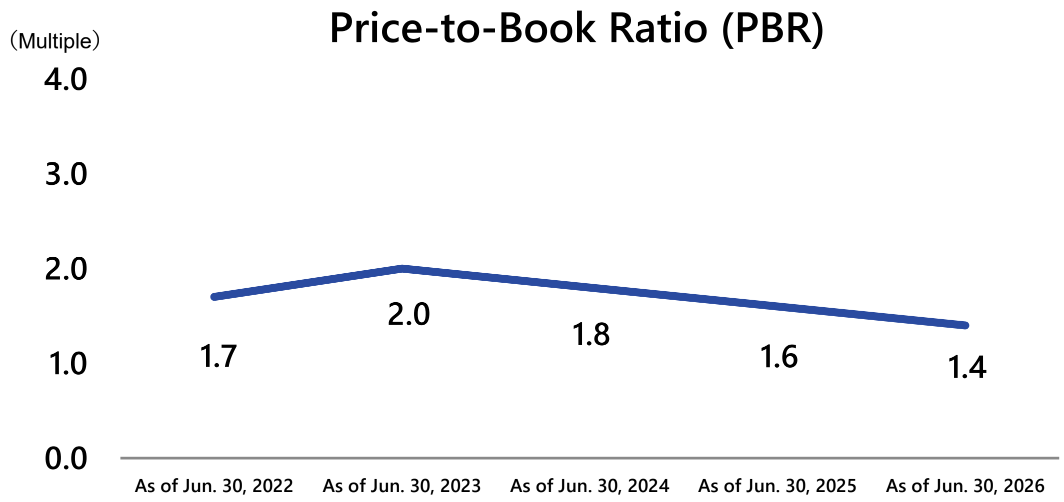


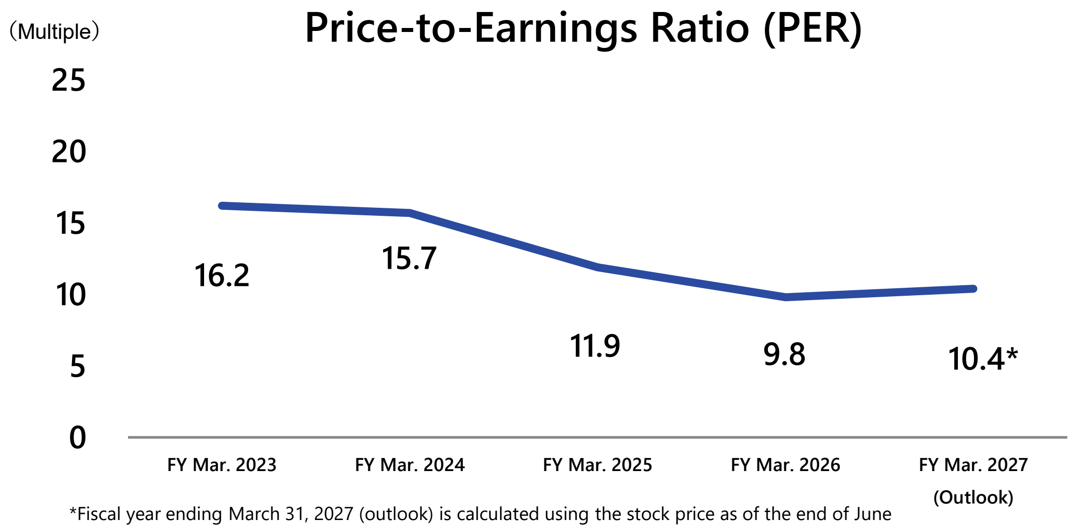


3 - 5 | Other Performance Indicators









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

3 - 6 | 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

CUBE SYSTEM

https://www.cubesystem.co.jp/en/