

Alpha-Win Company Research Report

CUBE SYSTEM INC. (2335 TSE First Section)

Issued: 8/13/2021

Alpha-Win Capital Inc. Research Department

<http://www.awincap.com/>

● Summary

◆ Independent, mid-tier system integrator with long-term, stable growth

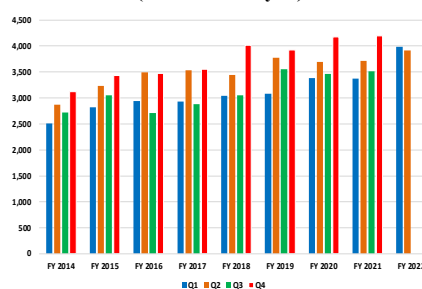
- CUBE SYSTEM INC. (hereinafter, the “Company”) is an independent, mid-tier system integrator listed on the First Section of the TSE. Its main customers include Nomura Research Institute and Fujitsu Group. It develops systems and provides services mainly for the finance, distribution, transportation, and telecommunications industries. Its strengths are its excellent customer base, extensive experience, high credibility, and the skill and expertise that it has built up over the years. Founded in 1972, it has about 49 years of history.
- With the exception of one fiscal year, the Company has been continuously increasing sales YoY for the past 20 years. During this period, the annual sales growth rate (simple average of the rate of increase in sales) was +6.0% and annual recurring profit growth rate (simple average) was +7.1%; it has been steadily expanding its business and staying in the black over many years. Its recurring margin has stably been at around 7%, and the increase in sales has been contributing directly to increases in profit, dividend, and market capitalization. In FY 2021 (note that the Company’s fiscal year is March-ending, e.g., FY 2021 ended in March 2021), it achieved record-high sales and profits. It has also been working on the Digitalization Business as one of its areas of focus.
- Since the Company satisfies the criteria of the Prime Market that will be newly established, it is expected to move from TSE First Section to the Prime Market.

◆ This Q1’s Results: sales grew by +18.2% and operating profit grew significantly by +56.5% YoY, thanks to orders for new strategic IT investment projects received from its customers and the optimization of resources.

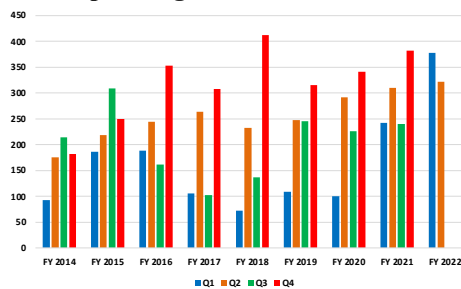
Q1 Summary

- In the first quarter of FY 2022 (April-June 2021: hereinafter, “Q1”), sales were Y3,987 million (+18.2% YoY), operating profit was Y378 million (+56.5% YoY), recurring profit was Y390 million (+57.1% YoY), and net profit attributable to owners of the parent (hereinafter, “net profit”) was Y262 million (+59.0% YoY) (see Figures 1-3, and Figure 4 on page 2).
- Although the new revenue-recognition standard has been adopted starting this fiscal year, its impact has been small (sales were decreased by Y89 million, and gross profit and operating profit were each decreased by Y14 million compared to the previous standard), and the Company achieved record-high Q1 sales and profits.
- In addition to the increase in sales, profits increased significantly due to the shift to high-profit projects, optimization of resources, and reduced cost such as travel expenses for business trips due to COVID-19. Gross margin increased by about 2.5 percentage points from 19.1% in the previous Q1 to 21.6% in this fiscal year’s Q1 (the same order applies below). On the other hand, SG&A expenses had increased by about 20.7% from Y400 million to Y483 million, but the SG&A expenses ratio had increased only slightly from 11.9% to 12.1%. As a result, the operating margin improved by about 2.3 percentage points from 7.2% to 9.5%. The plan that the Company had set for Q1 has not been announced, but the results have presumably exceeded its expectations.

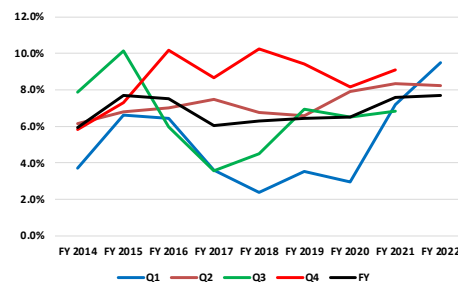
【Figure 1】 Quarterly Change in Sales
(Unit: million yen)



【Figure 2】 Quarterly Change in Operating Profit
(Unit: million yen)



【Figure 3】 Quarterly Change in O.P. Margin
(Unit: %)



Short Report

1/8

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[Figure 4] Summary of Q1 Results

Consolidated	Q1 Results		Q1 FY 2021	Q1 FY 2022	Change (%)	Change in Amount / Diff.	% of Total	% of Total	Company's Plan for Full FY 2022	Change (%)
	Unit: million yen		Apr-Jun 2020	Apr-Jun 2021	YoY: %	YoY: million yen / %	%	%	Apr 2021 - Mar 2022	YoY: %
Category	Consolidated Sales	Service/Category Name	3,373	3,987	18.2	614	100.0	100.0	16,000	8.2
By Service Category	Sales	System Integration: SIS	2,311	2,985	29.1	673		74.9		
		System Outsourcing: SOS	506	493	-2.4	-13		12.3		
		Professional: ProS	555	508	-8.5	-47		12.7		
	Operating Profit	System Integration: SIS	158	311	95.9	153	112.5	82.3		
		System Outsourcing: SOS	21	37	69.9	15	11.0	9.8		
		Professional: ProS	61	30	-50.0	-30	-22.1	7.9		
Operating Margin (%)	System Integration: SIS	6.9	10.4	3.5						
	System Outsourcing: SOS	4.3	7.5	3.2						
	Professional: ProS	11.1	6.1	-5.0						
By Industry	Sales	Finance	989	934	-5.6	-55	-9.0	27.7	4,300	2.1
		Distribution	675	815	20.7	140	22.8	24.2	3,100	6.5
		Telecommunications/Transportation	592	1,062	79.4	470	76.6	31.5	3,200	9.5
		Manufacturing (other)	329	318	-3.3	-11	-1.8	9.4		
		Government (other)	182	244	34.4	62	10.1	7.2	5,400	13.9
		Other (other)	603	610	1.2	7	1.1	18.1		
	Operating Profit	Finance	72	75	3.9	3	2.2	19.8		
		Distribution	35	84	142.3	49	36.0	22.2		
		Telecommunications/Transportation	84	148	75.4	63	46.3	39.2		
		Manufacturing (other)	16	20	25.0	4	2.9	5.3		
		Government (other)	5	24	339.0	19	14.0	6.3		
		Other (other)	27	24	-11.3	-3	-2.2	6.3		
	Operating Margin (%)	Finance	7.3	8.1	0.8					
		Distribution	5.2	10.4	5.2					
		Telecommunications/Transportation	14.3	14.0	-0.3					
Manufacturing (other)		5.0	6.5	1.5						
Government (other)		3.1	10.2	7.1						
Other (other)		4.6	4.0	-0.6						
By Business Model	Sales	Digitalization Business	19	64	231.4	45	1.6	320	384.8	
		SI Business	509	1,082	112.4	573	27.1	4,130	61.3	
		Enhancement Business	2,843	2,840	-0.1	-3	71.2	11,550	-5.0	
	Operating Profit	Digitalization Business	5	0	95.9	5	3.7	0.0		
		SI Business	33	125	69.9	92	67.6	33.1		
		Enhancement Business	213	253	18.9	40	29.4	66.9		
Operating Margin (%)	Digitalization Business	-26.3	0.0	26.3						
	SI Business	6.5	11.6	5.1						
	Enhancement Business	7.5	8.9	1.4						
Consolidated	Gross Profit	643	863	34.2	220					
	Gross Margin (%)	19.1	21.6	2.5						
New Revenue-Recognition Standard	SG&A Expenses	406	483	20.8	83					
	SG&A Expenses Ratio (%)	11.9	12.1	0.2						
	Operating Profit	242	379	56.5	137			1,230	4.7	
	Operating Margin (%)	7.2	9.5	2.3				7.0		
	Recurring Profit	248	390	57.1	142			1,250	-3.3	
	Recurring Margin (%)	7.4	9.8	2.4				7.0		
	Net Profit	165	264	59.0	98			850	0.7	
	Net Margin (%)	4.9	6.6	1.7				5.3		

(Note) In Figures 1-4, values for Q1 FY 2022 are actual results, and values for Q2 and the full year are the Company's forecasts. Figures were prepared by Alpha-Win Research Dept. based on the financial results summary and financial results briefing supplemental materials. Due to processing of data during calculations, values for the same item may slightly differ throughout this Report.

Q1 Results by Segment

- Overall, sales grew by Y614 million and operating profit increased by Y137 million (see Figure 4 for the information below).

Results by Service Category (three categories)

- In the System Integration Service (SIS), which is its core business, sales grew by Y673 million (+29.1% YoY) to Y2,985 million. The increase in system construction projects for delivery companies in the transportation industry, electric power companies, and retailers had contributed to this growth. Operating profit increased significantly by Y152 million (+95.9% YoY) to Y311 million (note that starting this fiscal year, each segment's profit is disclosed in terms of operating profit instead of gross profit).
- In the System Outsourcing Service (SOS), sales decreased by Y12 million (-2.4% YoY) to Y493 million due to the reduced amount of projects for the finance industry (maintenance and operation of stock exchanges, etc.). However, operating profit increased by Y15 million (+69.9% YoY) to Y37 million.
- In the Professional Service (ProS), sales decreased by Y47 million (-8.5% YoY) to Y508 million and operating profit decreased by Y30 million (-50.0% YoY) to Y30 million due to the reduction in the amount of consulting projects and system construction projects for banks run by distribution companies.

Results by Industry (four industries)

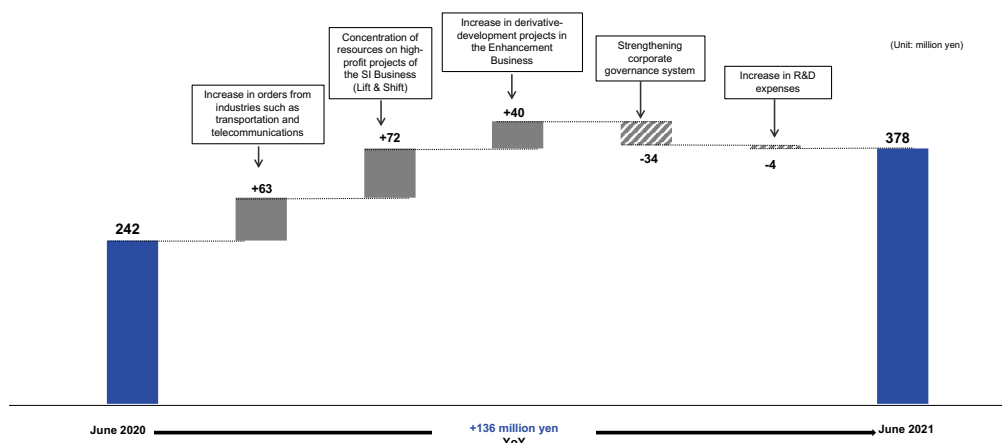
- Sales increased for the three industries excluding finance. Thanks to the overall sales growth, cost reduction, and measures to improve profit, profits increased for all industries, including finance whose sales had slightly decreased (by -55 million yen or -5.6%) due to the reduction in the amount of projects.
- Sales from the transportation industry (delivery system) and telecommunications industry had increased by Y470 million (+79.4%) YoY to Y1,062 million, accounting for 76.6% of the overall increase in sales. Similarly, their operating profit increased by Y63 million (+75.4%) YoY to Y148 million, accounting for 46.3% of the overall profit growth and contributing significantly to the Company's overall business performance. Sales and profits had increased thanks to the increase in projects for retailers in the distribution industry and for electric power companies and the government in the "other industries" category.

Results by Business Model (three models)

- In line with the strategies and directions set forth in its medium-term management plan, the Company began disclosing its results by business model starting this fiscal year.
- In the Enhancement Business, which accounts for 71% of sales and 67% of operating profit, although projects in existing areas have shrunk, it had received orders for new derivative-development projects and was able to maintain sales at the same level as the previous Q1. On the other hand, due to resource optimization, operating profit had grown by Y40 million (+18.9%) YoY to Y253 million.
- In the SI business (Lift & Shift: moving the legacy environment to the cloud environment in “Lift,” and stepwise system reconstruction while optimizing for the cloud environment in “Shift”), which accounts for 27% of sales and 33% of operating profit, sales doubled and operating profit grew by a little under four times due to the expansion of the scale of system development projects for the transportation and telecommunications industries, new cloud projects (microservices*-related projects: *a software development method in which individually developed, small-scale services are provided as a collection), and co-creation with cloud vendors.
- The Digitalization Business is in the start-up phase and its sales are small, at 2% of the total. However, its sales and profits had grown at double-digit rates, and the balance of profit and loss had improved to nearly zero.

Factors that Contributed to Profit Increase/Decrease in Q1

- Figure 5 shows the factors that increased or decreased operating profit in Q1. Sales growth from the continuation of large-scale projects received during the previous fiscal year and from the increase in orders received, as well as the profit growth due to the consolidation of resources (improvement of operation rate through the increase in the amount of operation, review of employee allocation, and improvement of efficiency), contributed largely to the increase in profit, offsetting the increase in costs from the strengthening of the governance system and increased R&D expenses. As a result, operating profit increased by Y136 million (+56.5%) YoY.

【Figure 5】 Factors that Increased/Decreased Operating Profit in Q1

(Note) Financial results briefing supplemental materials

Q1 Progress

- Progress in Q1 against the Company’s full-year forecast was 24.9% for sales (progress during previous Q1: 22.8%) and 30.8% for operating profit (previous Q1: 21.6%). Since the simple average of the progress during Q1 for the past eight years including the previous fiscal year is 22.6% for sales and 14.9% for operating profit, this Q1’s progress has significantly exceeded the recent years’ average progress, especially for profit.
- One of the characteristics of the Company is that its business performance tend to fluctuate on a quarterly basis, with business performance of the fourth quarter (Q4: Jan-Mar) contributing the most to the full-year results (eight-year average: 28.0% of full-year sales and 35.3% of full-year operating profit). The next largest is the second quarter (Q2 or Jul-Sep; 26.0% and 27.6%, respectively), followed by the third quarter (Q3 or Oct-Dec; 23.4% and 22.8%, respectively). Q1 has generally tended to be the smallest in contribution.

Number of Employees and Productivity

- In the Company’s current business model, sales growth is generally directly correlated with the number of employees. The total number of employees in Japan and overseas has been steadily increasing from 707 in June

2017 (end of month) ⇒ 745 in June 2018 (+38; +5.4%) ⇒ 766 in June 2019 (+21; +2.8%) ⇒ 799 in June 2020 (+33; +4.3%) ⇒ 829 in June 2021 (+30; +3.8%). Its capacity has been increasing stably. However, since there is still strong potential demand for system development (DX businesses and non-face-to-face businesses such as those related to remote work, EC, and AI), the Company is somewhat short of staff. Consequently, the Company has been working on strengthening recruitment, such as through web interviews, and improving productivity by increasing sales per employee in Japan (from previous Q1 ⇒ this Q1: 4,737 thousand yen / person ⇒ 5,402 thousand yen / person, in an increase of +665 thousand yen / person) as well as operating profit per employee (339 thousand yen / person ⇒ 513 thousand yen / person, in an increase of +173 thousand yen / person).

Balance Sheet

- There has been no significant change in the balance sheet as of the end of Q1. The Company has ample liquidity on hand, with cash & deposits of Y4.4 billion (3.3 months' worth of average monthly sales; essentially debtless). Its financial standing is also firm, with an equity ratio of 72.3%. Its next challenges would be to effectively utilize its excess capital for greater return of profit to shareholders and for future growth through M&As, business alliances, investments, and financing.

◆ H1 forecast revised up, but no change to the full-year forecast or dividend plan from the beginning of the FY

H1 Forecast

- The Company has revised its forecast for the first half (H1) upward to reflect the better-than-expected, solid performance in Q1. Sales were raised from Y7,505 million ⇒ Y7,900 million (+395 million yen or +5.3%), operating profit was raised from Y555 million ⇒ Y700 million (+145 million yen or +26.1%), and net profit was changed from Y370 million ⇒ Y466 million (+96 million yen or +25.9%).

The Company's Full-Year Forecast

- On the other hand, the Company has not changed its full-year forecast announced at the beginning of this fiscal year: sales of Y16,000 million (+8.2% YoY), operating profit of Y1,230 million (+4.7% YoY), and net profit of Y850 million (+0.7% YoY). The planned dividend of 20 yen per share has also not been changed. This was because the Company had taken into account the uncertainties over the potential impact of the rapid outbreak of COVID-19 variants. In its plan for this fiscal year, the Company expects to increase sales and profits again in continuation from the previous fiscal year, as well as achieving consecutive record highs in sales and net profit.
- The Company has been working on increasing sales activities while taking measures against COVID-19 (combination of decentralized/non-face-to-face sales activities using digital technology with in-person sales) and strengthening its prioritized approach toward customers who are actively conducting strategic IT investments. It has also been strengthening its sales activities toward its major customers, expanding the existing businesses, and developing new domains/areas of business, and these efforts are gradually becoming reflected in its business results.

Alpha-Win Research Department's Full-Year Forecast

- Due to the COVID-19 crisis, there had been some stagnation in the Company's sales activities, especially with new negotiations. Some of its corporate customers had also been scaling down their IT investments due to worsened financial performance. Therefore, we had considered the risks of COVID-19 and made a somewhat cautious forecast for the full year compared to the Company (please refer to the previous report issued on June 7, 2021).
- However, while the customers' IT investment trends are becoming polarized, the Company has been receiving orders for strategic or derivative projects from industries with solid business performance, while also shifting to high-profit projects and improving resource efficiency. In addition, the amount of orders received and the order backlog had increased by about 14.3% and 3.4% YoY, respectively, in Q1. Recently, there seems to be recovering demand from industries such as finance that had been experiencing a slowdown and increasingly more DX investments by companies.
- The increase in sales and the improvement of profitability have been greater than expected. Therefore, we reviewed the full-year forecast and revised sales upward (from previous ⇒ current forecast) from Y15.7 billion ⇒ Y16.1 billion, operating profit from Y1,200 million ⇒ Y1,270 million, and net profit from Y830 million ⇒ Y877 million (Figure 6 on page 5). As a result, our forecast now slightly exceeds the level of financial results expected by the Company. The reasons are described below.

1. When the expected Q2 results are estimated by subtracting the Q1 results from the upwardly revised H1 forecast, it can be seen that the Company expects sales to increase from Q1 ⇒ Q2 from Y3,987 million ⇒ Y3,913 million, with the YoY sales growth rate expected to slow down from +18.2% to +5.5%. As mentioned above (see "Q1

Progress” on page 3), considering the quarterly fluctuation of results, Q2 tends to exceed Q1 in terms of sales, profit, and profit margin. Considering this, the Company’s forecast seems somewhat conservative, since it is expecting Q2’s sales to decrease by Y74 million (-1.9%), operating profit to decrease by Y56 million (-14.8%) from Y378 million ⇒ Y322 million, and operating margin to worsen by 1.3 percentage points from 9.5% ⇒ 8.2% compared to Q1.

2. In addition, the Company predicts that sales will increase but profit will decrease due to worsened margin in the second half (= full-year forecast minus first-half forecast) compared to the previous fiscal year’s second half. It is expecting sales of Y8,100 million (+394 million yen or +5.1% YoY), operating profit of Y530 million (-93 million yen or -14.9% YoY), net profit of Y384 million (-60 million yen or -13.5% YoY), and operating margin of 6.5% (compared to 8.1% in the first half of the previous fiscal year). Comparing the forecasts of the first and the second half of this fiscal year, too, the Company’s forecasts seem cautious, since sales are expected to decrease by Y200 million (-2.5% QoQ), profit is expected to decrease by Y170 million (-24.3%), and operating margin is expected to worsen (8.9% ⇒ 6.5%).

3. Going forward, costs are expected to increase due to development and investment in in-house products (Cubecoin, Smart Cash Register, etc.) and due to IT investment for COVID-19 measures. However, since the main uncertainties and risk factors that are expected at present are the sharp decrease in orders due to the spread of COVID-19 and the occurrence of unprofitable projects (preventive measures have already been taken), there seems to be no particular factor that may cause a significant slowdown in sales or profit growth after Q1.

• If the impact of COVID-19 remains small and the Company continues to steadily receive orders, and if it conducts appropriate control, then we believe that the Company has the potential for further upward revisions (operating profit for the full fiscal year to be about 1.3 to 1.5 billion yen). Depending on the amount of growth of the final profit, we also believe that an increase in dividend (by about 2 yen/share) may also be possible.

【Figure 6】 Financial Forecast

Unit: million yen, %	FY 2021 A	FY 2022 CE	FY 2022 New E	FY 2022 Old E	Q1 FY 2022 A	Q2 FY 2022 CE	H1 FY 2022 CE	H2 FY 2022 CE
Sales	14,789	16,000	16,100	15,700	3,987	3,913	7,900	8,100
Gross Profit	2,841		3,350	3,300	862			
Gross Margin	19.2%		20.8%	21.0%	21.6%			
SG&A Expenses	1,666		2,080	2,100	484			
(% of sales)	11.3%		12.9%	13.4%	12.1%			
Operating Profit	1,175	1,230	1,270	1,200	378	322	700	530
(% of sales)	7.9%	7.7%	7.9%	7.6%	9.5%	8.2%	8.9%	6.5%
Recurring Profit	1,295	1,250	1,290	1,220	390	315	705	545
(% of sales)	8.8%	7.8%	8.0%	7.8%	9.8%	8.1%	8.9%	6.7%
Net Profit	844	850	877	830	262	204	466	384
(% of sales)	5.7%	5.3%	5.4%	5.3%	6.6%	5.2%	5.9%	4.7%
Sales (% YoY growth)	0.5%	8.2%	8.9%	6.2%	18.2%	5.5%	11.5%	5.1%
Gross Margin (% YoY diff.)	2.2%		1.6%	1.8%	2.5%			
SG&A Expense (% YoY growth)	7.9%		24.9%	26.1%	20.8%			
Operating Profit (% YoY growth)	22.5%	4.7%	8.1%	2.1%	56.5%	3.9%	26.7%	-14.9%
Recurring Profit (% YoY growth)	32.7%	-3.5%	-0.4%	-5.8%	57.1%	-11.3%	16.8%	-21.3%
Net Profit (% YoY growth)	60.7%	0.7%	3.9%	-1.7%	59.0%	-13.2%	16.4%	-13.5%

(Note) Prepared by Alpha-Win Research Dept. based on the financial results summary. CE: the Company’s forecast/estimate. E: Alpha-Win Research Dept.’s forecast/estimate. A: actual. Old: previous forecast. New: current forecast.

Alpha-Win’s Forecast of Medium-Term Financial Performance

- We have not changed our medium/long-term evaluation of the Company. In this report, we have only revised the forecast for this fiscal year, and kept the forecast for the next fiscal year and beyond the same.
- IT investments are expected to eventually increase as customers adapt to the changes in the world with and after COVID-19, as they develop new business models, strengthen their competitive advantage, work on solving HR shortages, streamline and speed up operations, and work on DX. Therefore, the Company’s growth potential is large. We believe that the Company will be able to continue to stably increase sales and profit at a rate of about 6-10% per year, if economic conditions normalize, through the expansion of the Enhancement Business, acquisition of new customers, development of new businesses, overseas expansion, and improvement of productivity through various measures.

◆ Concerning the Transfer to the Prime Market

- According to the first round of assessment by the TSE, the Company satisfies the listing criteria of the “Prime Market.” Consequently, at the Company’s board of directors meeting convened on August 2021, a resolution to “Select and Apply for the Prime Market” was passed.

◆ **Stock price and characteristics: domestic-demand-oriented, stable growth stock that has been significantly outperforming the TOPIX over the long term. Average valuation.**

Performance

- Over the past approximately ten years, the Company's stock price has increased by about four times thanks to its solid financial performance, and has been outperforming the TOPIX significantly. However, over the past twelve months, large-cap, economically sensitive stocks have tended to outperform the TOPIX, and the Company's stock has been underperforming due to its small-cap, defensive characteristics.

Valuations

- Its current valuation is somewhat above the average of TSE First Section (TSE First Section's average: forecasted P/E of 15.5, actual P/B of 1.3, and simple average of forecasted dividend yield of 1.8%). However, considering the potential upward revision of this fiscal year's results and its medium-term growth potential, its valuation does not seem expensive.
- Compared to its competitors (HIMACS and Toho System Science; please see Figure 7), its valuation is somewhat high, presumably reflecting the anticipation of growth and premium due to liquidity.

Stock Price Outlook

- Over the short term, its stock price will likely be affected by the situation regarding when and how the COVID-19 crisis will settle down, as well as this full fiscal year's financial outlook (whether there will be potential revisions to profit or dividend). Over the medium term, the following should also be noted as factors that may affect stock price: changes in sales growth rate, profit growth rate, and margins in the next fiscal year and beyond; development of the SI and the Digitalization Business and their contribution to results; return of profit to shareholders (dividend hike, share buyback, and stock split); and the financial performance and IT investment trends of Japanese companies (its end users).
- We believe that if the Company continues to be viewed by the market as a domestic-demand-oriented, defensive, and stable growth stock, and if it can maintain a stable, double-digit annual profit growth rate, then its stock price may rise further to adjust for the level of P/E and the increase in EPS.

【Figure 7】 Comparison of Valuation with Competitors

Company Name	CUBE SYSTEM (CS: consolidated)	HIMACS (HM: consolidated)	Toho System Science (TS: non-consolidated)
Code	2335	4299	4333
Stock Price (at 8/12 closing)	1,030	1,084	954
Market Cap (million yen)	14,935	13,456	13,228
P/E (price-to-earnings ratio)	16.5	14.6	13.7
P/B (price-to-book ratio)	2.1	1.4	1.5
Dividend Yield (%)	1.9	2.8	2.6
EV/EBITDA	8.7	5.0	4.7
P/S (price-to-sales ratio)	0.9	0.8	1.0
Sales (Q1: same applies below) (million yen)	3,987	3,779	3,378
Sales Growth Rate (%)	18.2	0.1	23.8
Operating Profit (million yen)	378	293	313
Operating Profit Growth Rate (%)	56.5	1.8	96.1
Operating Margin (%)	9.5%	7.8%	9.3%

Market cap= (shares outstanding) x (market share price [at 8/12/2021 closing])

The companies' planned EPS and dividend values for FY 2022 were used in all P/E and dividend yield calculations.

Actual BPS values of Q1 FY 2022 were used in P/B calculations.

EV/EBITDA=(market cap + interest bearing debt - cash&deposits)/(O.P. + depreciation + intangible fixed asset amortization)

P/S=market cap / sales [the companies' forecasts for FY 2022]

(Note) Prepared by Alpha-Win Research Dept. based on each company's financial results summary

【 2335 CUBE SYSTEM Sector: Information & Communication 】 Figure A

FY		Sales (million yen)	YOY (%)	O.P. (million yen)	YOY (%)	R.P. (million yen)	YOY (%)	N.P. (million yen)	YOY (%)	EPS (Y)	BPS (Y)	Dividend (Y)
2018		13,559	5.1	855	9.5	892	10.0	567	2.9	40.59	372.23	16.0
2019		14,325	5.6	921	7.8	959	7.5	596	5.1	43.25	393.29	16.0
2020		14,708	2.7	959	4.1	976	1.7	525	-11.9	38.69	411.96	18.0
2021		14,788	0.5	1,174	22.5	1,295	32.7	844	60.7	62.11	476.52	20.0
2022	CE	16,000	8.2	1,230	4.7	1,250	-3.5	850	0.7	62.55	-	20.0
2022	E	16,100	8.9	1,270	8.2	1,290	-0.4	877	3.9	64.53	521.06	20.0
2023	E	16,650	3.4	1,290	1.6	1,310	1.6	890	1.5	65.49	566.54	20.0
2024	E	17,700	6.3	1,400	8.5	1,420	8.4	965	8.4	71.01	617.55	20.0
2018	Q1	3,082	1.4	109	52.4	132	80.5	76	131.3	5.45	393.29	0.0
2019	Q1	3,379	9.6	100	-8.8	107	-19.0	50	-34.2	3.70	379.63	0.0
2020	Q1	3,373	-0.2	242	141.3	248	130.8	165	229.3	12.17	418.69	0.0
2021	Q1	3,987	18.2	378	56.5	390	57.1	262	59.0	19.35	487.51	0.0
2021	Q2-Q4	11,415	0.8	932	274.3	1,047	329.1	679	355.7	49.94	-	-
2022	Q2-Q4 CE	12,013	5.2	852	-8.6	860	-17.9	588	-13.4	43.20	-	-

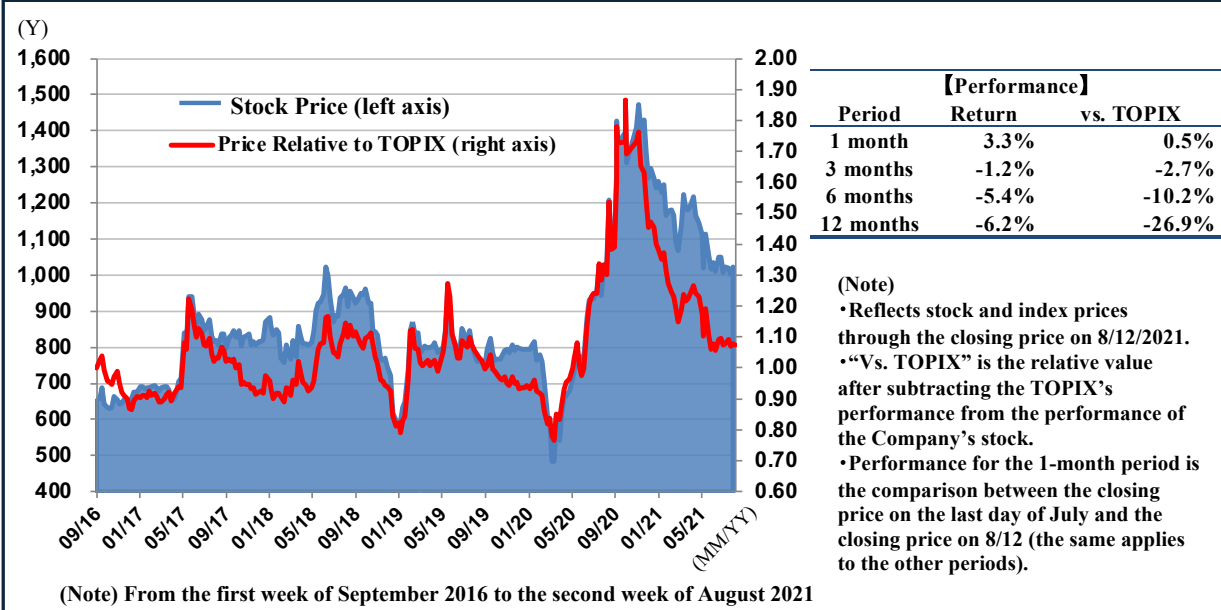
(Note) CE: the Company's forecast/estimate. E: Alpha-Win Research Dept.'s forecast/estimate. Q1: Apr-June. Q2-Q4: July-Mar.

【 Stock Price and Valuation Indicators: 2335 CUBE SYSTEM 】 Figure B

Item	8/12/2021	Item	P/E	P/B	Dividend Yield	Dividend Payout Ratio
Stock Price (Y)	1,030	Last FY (actual)	16.6	2.2	1.9%	32.2%
Shares Outstanding (thou.)	14,500	This FY (est.)	16.0	2.0	1.9%	31.0%
Market Capitalization (million yen)	14,935	Next FY (est.)	15.7	1.8	1.9%	30.5%
Dilutive Shares (thou.)	0	Equity Ratio at Q1-End	72.3%		Last FY's ROE	14.0%

(Note) Estimates had been made by Alpha-Win Research Dept.

【 Stock Chart (end-of-week prices): 2335 CUBE SYSTEM 】 Figure C



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