

Alpha-Win Company Research Report

CUBE SYSTEM INC. (2335 TSE Prime)

Issued: 8/28/2025

● Summary

Alpha-Win Research Department

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

◆ 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 Prime Market of the Tokyo Stock Exchange (TSE). Its primary customers include Nomura Research Institute (NRI) and the Fujitsu Group. The Company develops systems and provides services mainly for the financial, distribution, manufacturing, transportation, and telecommunication industries, as well as for government agencies.
- The Company’s strengths lie in its excellent customer base, extensive experience, strong credibility, and the technology and expertise accumulated over many years. Founded in 1972, it has a history of 53 years.
- With the exception of one fiscal year, the Company has continuously increased net sales year-on-year (YoY) for the past 24 years (consolidated basis). During this period, the average annual growth rate in net sales (simple average of the annual rate of increase) was 5.9%, while the average annual growth rate in ordinary profit (simple average) was 6.3%. The Company has thus steadily expanded its business while maintaining profitability over the long term. Its ordinary profit margin has remained stable at around 7% (simple average of 7.3%). Growth in net sales has translated directly into higher profits, dividends, and market capitalization.
- In FY2024 (note that the Company’s fiscal year is March-ending, i.e., FY2024 ended in March 2024), the Company achieved record highs for net sales and all profit categories, and implemented its fifth consecutive increase in ordinary dividend. In the previous fiscal year (FY2025), both net sales and net profit continued to reach new record highs.
- In April 2022, the Company transitioned from the First Section of the Tokyo Stock Exchange to the newly established Prime Market.
- In December 2022, the Company entered into a capital and business partnership agreement with NRI, a leading blue-chip company in the industry. As a result of this agreement, NRI became the Company’s largest shareholder, holding 20.18% of its voting rights. The NRI Group is also the Company’s largest customer, estimated to account for the majority of its consolidated net sales.
- Including its own cash on hand alongside funds raised through the capital alliance with NRI, the Company is investing a total of approximately 2.2 billion yen over the four fiscal years from FY2023 to FY2026. These investments are focused on strengthening and expanding its development bases, as well as its development organization and facilities, with the aim of supporting further growth and alleviating human resource bottlenecks.

◆ Results for the First Quarter of the Current Fiscal Year: Net Sales Increased Slightly, while Profit Grew Significantly Due to Improved Profitability

Q1: Summary

- In the first quarter of FY2026 (April to June 2025; hereinafter, “Q1”), the Company reported net sales of 4,546 million yen (+3.1% year-on-year or YoY), operating profit of 402 million yen (+82.6% YoY), ordinary profit of 412 million yen (+81.6% YoY), and profit attributable to owners of parent (hereinafter, “net profit”) of 200 million yen (+27.1% YoY). While net sales rose only slightly, profits increased significantly (Figure 1 on page 2). This represented a strong performance, in sharp contrast to the more than 30% profit decline recorded in the same quarter of the previous fiscal year.
- For a first-quarter result, the Company posted record-high net sales, operating profit, and ordinary profit. Although the Q1 plan was not disclosed, both sales and profits are estimated to have exceeded the Company’s internal targets.

Short Report

1/12

This Alpha-Win Company Research Report (hereinafter, “this Report”) has been prepared by Alpha Win Capital Inc. (hereinafter, “Alpha Win”) on the request of the company presented in this Report for the purpose of providing a description of the company. This Report is not to be construed as a recommendation or solicitation of investment. Contents of this Report are based on information current as of the issue date and are subject to change without notice. Alpha Win does not warrant or represent that the information in this Report is accurate, reliable, complete, appropriate, or fit for any purpose and does not accept any responsibility or liability. Alpha Win shall not be liable for any consequences including direct or indirect loss, lost profit, or damage resulting from the use of or reliance on this Report. Investors who read this report must make their own decisions on all investment matters and take full responsibility regarding their investment. Intellectual property of this Report belongs to Alpha Win and no part of this report may be copied, photocopied, cited, or translated without Alpha Win’s consent.

- Amid strong corporate earnings in Japan, IT investments in areas such as digital transformation (DX) and cloud migration have remained robust, driving an increase in orders received. In response, the Company made upfront investments focused on strengthening its development organization and facilities, as well as in human resources (including expanded hiring and the introduction of a new human resources system), which supported top-line growth. In addition to higher net sales, profit grew significantly due to progress in eliminating unprofitable projects, improvement in profitability, and a decrease in personnel expenses stemming from a change in the discount rate for retirement benefit obligations in line with rising interest rates.
- The gross profit margin improved by 4.5 percentage points from 20.1% in Q1 of the previous fiscal year to 24.6% in Q1 of the current fiscal year (hereinafter, the same order applies). Meanwhile, SG&A expenses increased by 7.8% from 665 million yen to 717 million yen, outpacing the net sales growth rate (+3.1%). However, the SG&A expense ratio rose only 0.7 percentage point, from 15.1% to 15.8%.
- As a result, the operating profit margin improved sharply, rising from 5.0% to 8.9% (+3.9 percentage points).

【Figure 1】 Summary of Q1 Results

Consolidated	Q1 Results		Q1 FY2025	Q1 FY2026	% Change	Change in Amount	% of Total Amount	% of Total	FY2026 Full-Year Company Plan	Change in Amount / %	% Change	Q1 Progress (% of Plan or Difference from Plan)
	Unit: million yen or %		Apr-Jun 2024	Apr-Jun 2025	YoY: %	YoY: million yen or %	%	%	Apr 2025 - Mar 2026	YoY: million yen or %	YoY: %	
1. By Business Model	Segmentation	Consolidated Net Sales	4,411	4,546	3.1	135	100.0	100.0	19,500	1,149	9.0	23.3%
	Net Sales	Digital Business	201	277	37.6	76	56.3	6.1	1,690	792	98.0	17.3%
		SI Business	1,501	1,786	19.0	285	211.1	39.3	8,500	2,261	36.2	21.0%
		System Enhancement Business	2,708	2,481	-8.4	-227	-168.1	54.6	9,400	-1,903	-16.8	26.4%
	Operating Profit	Digital Business	10	26	147.7	16	8.8	6.5	70	55	366.7	37.1%
		SI Business	105	155	47.6	50	27.5	38.6	850	353	71.0	18.2%
		System Enhancement Business	104	220	111.3	116	63.7	54.7	830	-37	-4.3	26.5%
	Operating Profit Margin (%)	Digital Business	5.2	9.4		4.2			4.4	2.5		5.0
		SI Business	7.0	8.7		1.7			10.0	2.0		-1.3
		System Enhancement Business	3.9	8.9		5.0			8.8	1.1		0.1
2. By Industry	Net Sales	Finance	1,527	1,421	-6.9	-106	-78.5	31.3	6,000	-62	-1.0	23.7%
		Distribution	731	738	0.9	7	5.2	16.2	2,500	-525	-17.4	29.5%
		Government Agencies	367	563	53.4	196	145.2	12.4	2,200	263	13.6	25.6%
		Manufacturing	419	503	20.2	84	62.2	11.1	2,000	192	10.6	25.2%
		Transportation and Telecommunication	577	502	-13.1	-75	-55.6	11.0	2,400	94	4.1	20.9%
		Others	788	817	3.6	29	21.5	18.0	4,400	1,189	37.0	18.6%
	Operating Profit	Finance	87	149	70.4	62	34.1	37.1	600	116	24.0	24.8%
		Distribution	17	74	324.2	57	31.3	18.4	100	-72	-71.1	74.0%
		Government Agencies	28	21	-23.2	-7	-3.8	5.2	220	-1	-0.5	9.5%
		Manufacturing	23	28	23.2	5	2.7	7.0	180	47	35.3	15.6%
		Transportation and Telecommunication	45	64	40.1	19	10.4	15.9	250	-34	-12.0	25.6%
		Others	17	63	261.1	46	25.3	15.7	400	315	370.6	15.8%
	Operating Profit Margin (%)	Finance	5.8	10.5		4.7			10.0	2.0		0.5
		Distribution	2.4	10.1		7.7			4.0	-1.7		6.1
		Government Agencies	7.7	3.8		-3.9			10.0	-4.4		-6.2
		Manufacturing	5.6	5.7		0.1			9.0	1.6		-3.3
		Transportation and Telecommunication	7.9	12.8		4.9			10.4	-1.9		2.4
3. By Business Style	Net Sales	Others	2.2	7.8		5.6			9.1	6.4		-1.3
		Ster Business	3,429	3,399	-0.9	-30	-22.2	74.8	14,800	915	6.6	23.0%
		End-User Business	804	905	12.6	101	74.8	19.9	3,700	38	1.0	24.5%
	Operating Profit	Service Providing Business	177	241	36.0	64	47.4	5.3	1,000	197	24.4	24.1%
		Ster Business	167	254	51.9	87	47.8	63.2	1,367	322	30.8	18.6%
		End-User Business	53	159	191.4	105	57.7	39.6	350	67	23.7	45.4%
	Operating Profit Margin (%)	Service Providing Business	-1	-10	Greater loss	-9	-4.9	-2.5	33	-18	-35.3	N/A
		Ster Business	4.9	7.5		2.6			9.2	1.7		-1.7
		End-User Business	6.8	17.6		10.8			9.5	1.7		8.1
	Service Providing Business	-0.8	-4.4		-3.6			3.3	-3.7		-7.7	
Consolidated	Gross Profit	886	1,120	26.4	234	-	-	-	-	-	-	-
	Gross Profit Margin (%)	20.1	24.6		4.5	-	-	-	-	-	-	-
	SG&A Expenses	665	717	7.8	52	-	-	-	-	-	-	-
	SG&A Expense Ratio (%)	15.1	15.8		0.7	-	-	-	-	-	-	-
	Operating Profit	220	402	82.6	182	-	-	-	1,750	4.2	23.0%	-
	Operating Profit Margin (%)	5.0	8.9		3.9	-	-	-	-	9.0	-	-
	Ordinary Profit	226	412	81.6	186	-	-	-	1,760	3.7	23.4%	-
	Ordinary Profit Margin (%)	5.1	9.1		4.0	-	-	-	-	9.0	-	-
	Net Profit	157	200	27.1	43	-	-	-	1,220	3.1	16.4%	-
	Net Profit Margin (%)	3.6	4.4		0.8	-	-	-	-	6.3	-	-

(Source/Notes) Q1 figures are actual results; FY2026 full-year figures are the Company's forecasts. Prepared by Alpha-Win Research Dept. based on the financial results summary and the supplementary materials for financial results. Percentage (%) of total amount of change represents the percentage relative to the absolute value of net change. Please note that numerical discrepancies may arise throughout this report due to processing in the calculation process. The italicized operating profit margins in the right-hand column of Figure 1, "Q1 Progress (% of Plan or Difference from Plan)," represent the operating profit margin in Q1 FY2026 minus the Company's full-year operating profit margin forecast for FY2026.

Q1: Segments (Segmentation 1, 2, and 3)

- Companywide, net sales increased by 135 million yen YoY (+3.1% YoY), and operating profit grew by 182 million yen (+82.6% YoY) (please refer to Figure 1 for the description below).

1. Results by Business Model (Three Segments): Profit margins improved across all segments, leading to higher profits

- The System Enhancement Business, which accounted for 54.6% of total net sales and 54.7% of total

operating profit in the current Q1, recorded net sales of 2,481 million yen, a decrease of 227 million yen YoY (-8.4% YoY). However, by allocating resources to high-profit projects, its operating profit margin improved substantially (by 5.0 percentage points, from 3.9% to 8.9%), and operating profit doubled (from 104 million yen to 220 million yen).

- The SI Business, which accounted for 39.3% of total net sales and 38.6% of total operating profit in the current Q1, saw growth in modernization projects (upgrading and optimizing aging IT assets from a business perspective) and the successful acquisition of new projects. Net sales rose to 1,786 million yen, an increase of 285 million yen (+19.0% YoY). With profit margin improving (by 1.7 percentage points, from 7.0% to 8.7%), operating profit increased by 50 million yen (+47.6% YoY) to 155 million yen.
- The Digital Business, which accounted for 6.1% of total net sales and 6.5% of total operating profit in the current Q1, continued rapid growth driven by an increase in orders received for consulting, as well as for advanced technology support projects leveraging AI. Net sales rose by 76 million yen (+37.6% YoY) to 277 million yen, and operating profit increased by 16 million yen (+147.7% YoY) to 26 million yen. Despite the high growth rates, its contribution to overall earnings remained limited due to its small scale.

2. Results by Industry (Six Segments): Growth in net sales was driven by projects for government agencies and the manufacturing industry, while profit was supported by finance and distribution

- Net sales declined for finance, due to fewer projects for regional banks, online banks, and insurance companies, and for transportation and telecommunication, due to fewer projects for logistics companies and telecommunications companies. On the other hand, net sales increased in the remaining four segments, including government agencies (a significant increase in projects for central government agencies) and the manufacturing industry (an increase in projects for automobile manufacturers).
- Regarding operating profit, excluding government agencies (whose profit margin fell sharply by 3.9 percentage points, from 7.7% to 3.8%), all five other industry segments improved profit margins and posted higher profits. In particular, the financial industry, despite lower net sales, contributed significantly to profit growth (+62 million yen YoY, from 87 million yen to 149 million yen, accounting for 34.1% of total profit growth). Likewise, the distribution industry, with flat sales, also made a major contribution (+57 million yen YoY, from 17 million yen to 74 million yen, accounting for 31.3% of total profit growth).
- Previously, the “Others” segment included three sub-segments: government agencies, the manufacturing industry, and others. These are each now disclosed as an independent segment, resulting in a total of six industry segments.
- For all industries, profit margins fluctuate by period depending on workload volume and profitability of individual projects.

3. Results by Business Style (Three Segments): Profit margins improved for both the SIer Business and the End-User Business, driving profit growth

- The SIer Business (system integrator, abbreviated as “SIer,” is a company that conducts system integration; 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), which accounted for 74.8% of total net sales and 63.2% of total operating profit in the current Q1, recorded net sales of 3,399 million yen, essentially flat YoY (-30 million yen, or -0.9% YoY). However, with its profit margin improving (by 2.6 percentage points, from 4.9% to 7.5%), operating profit increased from 167 million yen to 254 million yen (+87 million yen, or +51.9% YoY), contributing significantly to overall profit improvement and accounting for 47.8% of total profit growth.
- The End-User Business, which accounted for 19.9% of total net sales and 39.6% of total operating profit in the current Q1, grew through deeper engagement with existing customers and progress in acquiring new customers. Net sales increased by 101 million yen (+12.6% YoY) to 905 million yen. With a substantial improvement in the profit margin (by 10.8 percentage points, from 6.8% to 17.6%), operating profit rose sharply from 54 million yen to 159 million yen (+105 million yen, or +191.4% YoY), contributing to overall profit growth (57.7%), alongside the SIer Business.

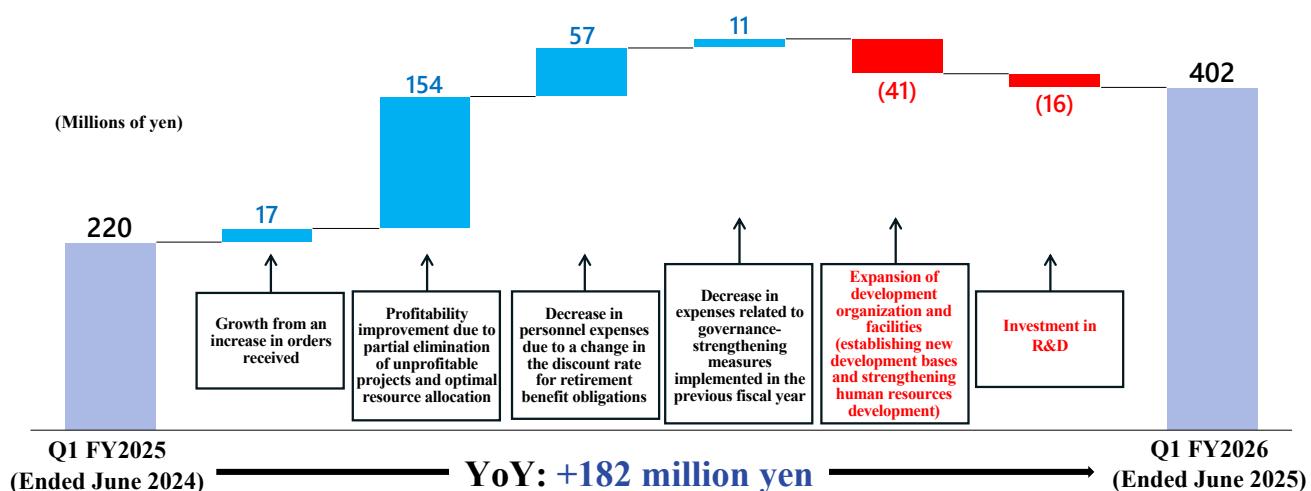
- Meanwhile, the Service Providing Business, through collaboration with solution vendors and provision of technical support services, increased net sales from 177 million yen to 241 million yen (+64 million yen, or +36.0% YoY). However, as the business remains small in scale (accounting for only 5.3% of total net sales) and is still in the upfront investment stage, its operating loss widened by 9 million yen, from -1 million yen to -10 million yen, representing a negative contribution (-4.9%) to overall profit growth.

Q1: Factors Behind the Change in Operating Profit

- The factors behind the change in operating profit in Q1 of the current fiscal year are shown in Figure 2.
- The partial elimination of unprofitable projects that occurred in the same period of the previous fiscal year, together with improved profitability through optimal resource allocation, contributed significantly to profit growth, adding 154 million yen and accounting for 84.6% of the total 182 million yen increase in operating profit. In addition, reduced personnel expenses due to a change in the discount rate for retirement benefit obligations added another 57 million yen to operating profit, absorbing the increase in upfront investments such as the strengthening of the development organization and facilities and R&D.
- Investments for growth, including the expansion of development bases, human resource development, and R&D, were executed as planned, with presumably no unspent investments or budgeted expenses in Q1, nor any cost carry-overs into subsequent periods.

【Figure 2】 Factors that Increased or Decreased Operating Profit in Q1

(Unit of million yen; YoY; factors that increased profit and factors that decreased profit)

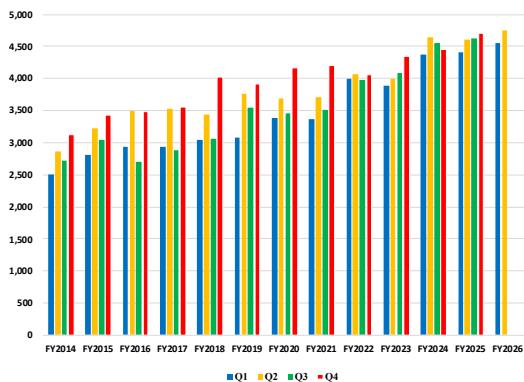


(Source) Prepared by Alpha-Win Research Dept. based on the supplemental materials for financial results.

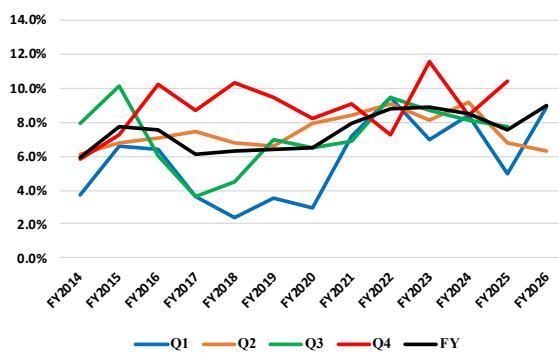
Q1: Progress and Quarterly Performance Volatility

- The progress in Q1 against the Company's full-year financial forecast (unchanged from the initial forecast) was 23.3% for net sales (compared to 24.0% in Q1 of the previous fiscal year) and 23.0% for operating profit (15.9% in the previous Q1).
- For reference, the simple average of the Q1 progress over the past five years, including the previous fiscal year, was 23.1% for net sales and 17.0% for operating profit. Compared to these figures, the Q1 progress of the current fiscal year is somewhat high in both net sales and operating profit.
- It should be noted that the Company's business performance and profit margins show volatility on a quarterly basis. The fourth quarter (Q4: Jan–Mar) carries the highest weight in the full year (five-year average: 26.1% of net sales and 29.6% of operating profit). This is followed by the second quarter (Q2: Jul–Sep; 25.2% and 25.0%, respectively) and the third quarter (Q3: Oct–Dec; 24.8% and 24.2%, respectively). Typically, Q1 accounts for the smallest share, while the second half, particularly Q4, carries a greater weight (Figures 3–5 on page 5).

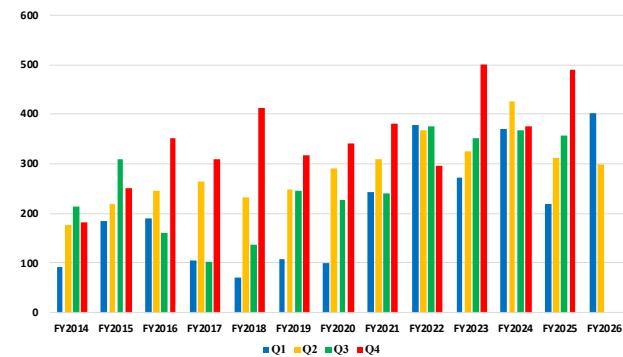
【Figure 3】 Quarterly Changes in Net Sales
(Unit: million yen)



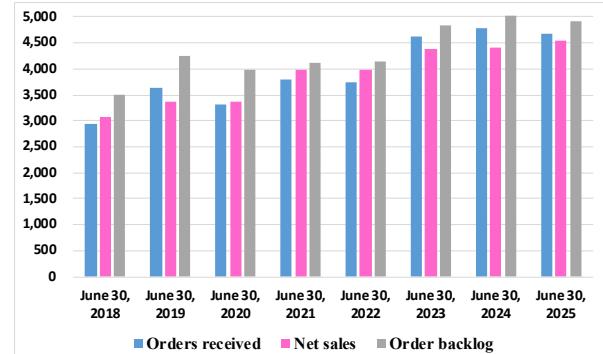
【Figure 5】 Quarterly Changes in Operating Profit Margin (Unit: %)



【Figure 4】 Quarterly Changes in Operating Profit
(Unit: million yen)



【Figure 6】 Changes in Orders Received, Order Backlog, and Net Sales in Q1 (Unit: million yen)



(Source) Figures 3–6: Prepared by Alpha-Win Research Dept. based on the supplementary materials for financial results.

(Note) The Company's Q2 forecast for the current fiscal year is derived by back-calculation.

Orders Received

- Orders received in Q1 of the current fiscal year decreased slightly to 4,665 million yen (−123 million yen, or −2.6% YoY) from 4,789 million yen in the same period of the previous fiscal year. The order backlog also declined slightly to 4,909 million yen (−115 million yen, or −2.3% YoY) from 5,025 million yen in the same period of the previous year (Figure 6).
- While system deliveries proceeded smoothly, delays appear to have occurred in the launch of large-scale projects, and sales activities continued to stagnate as a result of addressing unprofitable projects that occurred in the previous fiscal year.
- From Q2 onward, the Company intends to normalize sales activities and strengthen its sales efforts toward government agencies and the manufacturing industry.

Orders Received by Industry (Four Segments)

- In Q1 of the current fiscal year, orders received and order backlog by industry showed significant growth for government agencies and the manufacturing industry, while finance was nearly flat YoY.
- In contrast, distribution and others saw a significant decline, while transportation and telecommunication saw a slight decrease.

Orders Received by Business Model (Three Segments)

- Of the three segments, only the Digital Business recorded increases in both orders received (+79 million yen, or +36.0% YoY) and order backlog (+126 million yen, or +51.6% YoY). In contrast, the System Enhancement Business, the Company's core segment, saw declines in both orders received (−183 million yen, or −7.1% YoY) and order backlog (−220 million yen, or −7.5% YoY).

- The SI Business also showed slight decreases of around 20 million yen, or approximately 1%, in both orders received and order backlog.

Orders Received by Business Style (Three Segments)

- Orders received in the SIer Business increased, while order backlog in the Service Providing Business also increased. On the other hand, orders received and backlog under the other two business styles declined. Although still small in scale, the order backlog of the Service Providing Business has been steadily increasing.

Employees, Productivity, and Profitability

- Since the Company's business model is based on contract agreements priced on a man-month basis, net sales growth is generally correlated with the number of employees. By improving the workplace environment and treatment, increasing new graduate hires, strengthening employee engagement, and reinforcing mid-career hiring, the total number of employees in Japan and overseas has increased steadily, and the Company's capacity in terms of human resources has been on a growth trend (Figure 7).
- However, system demand remains robust, and personnel shortage persists.
- In addition, the Company places emphasis on the key management indicators of quarterly net sales per employee in Japan and quarterly operating profit per employee in Japan. While these fluctuate on a yearly basis, they generally remain within a certain range.

【Figure 7】 Changes in the Number of Employees and Net Sales and Operating Profit Per Employee

% Change	Total Number of Employees in Japan and Overseas		YoY: % Change	Quarterly Net Sales Per Employee in Japan			Quarterly Operating Profit Per Employee in Japan		
	Persons	YoY: Change in Number		Thousands of Yen	YoY: Change in Amount	YoY: % Change	Thousands of Yen	YoY: Change in Amount	YoY: % Change
As of June 30, 2020	799	33	4.3	4,737	-	-	339	-	-
As of June 30, 2021	829	30	3.8	5,402	665	14.0	513	174	51.3
As of June 30, 2022	882	53	6.4	5,082	-320	-5.9	355	-158	-30.8
As of June 30, 2023	904	22	2.5	5,744	662	13.0	485	130	36.6
As of June 30, 2024	951	47	5.2	5,479	-265	-4.6	274	-211	-43.5
As of June 30, 2025	980	29	3.0	5,431	-48	-0.9	481	207	75.5

(Source) Prepared by Alpha-Win Research Dept. based on the supplemental materials for financial results.

Balance Sheet

- There were no significant changes in the balance sheet at the end of Q1 of the current fiscal year. Cash and deposits stood at 6.2 billion yen, ensuring ample liquidity on hand (equivalent to 3.8 months of the forecast average monthly net sales; effectively debt-free). The current ratio was 443.5% and the equity ratio was 75.5%, both remaining at almost the same level as in the previous year, indicating a sound financial standing. Going forward, the key points will continue to be the effective use of surplus funds for strengthening shareholder returns and for growth, including M&A, business alliances, investments, and financing, as well as the profit contribution from such initiatives.

◆Upward Revision Only to Profit Forecast for the First Half; No Change in Full-Year Performance or Dividend Plan

Current Fiscal Year (First Half): Company Forecast

- The Company had initially planned (all figures based on the initial forecast) first-half net sales of 9,300 million yen (+278 million yen, or +3.1% YoY), operating profit of 540 million yen (+7 million yen, or +1.2% YoY), and net profit of 460 million yen (-202 million yen, or -30.5% YoY).
- Based on Q1 results and the current situation, the Company left its initial forecast for first-half net sales unchanged and revised upward only its profit forecast for the first half (Figure 8 on page 8).
- First-half net sales are expected to hit a record high for the third consecutive fiscal year, while operating profit is expected to be the second highest on record.

Current Fiscal Year (Full Year): Company Forecast

- The Company has maintained its initial full-year forecast announced at the beginning of the fiscal year: net sales of 19,500 million yen (+6.3% YoY), operating profit of 1,750 million yen (+26.7% YoY), and net profit of 1,220 million yen (-3.3% YoY).
- For this full fiscal year, the Company expects higher sales and profits, aiming to achieve record highs in net sales, operating profit, and ordinary profit. Although extraordinary income was recorded in the previous fiscal year, its absence this fiscal year will result in lower net profit. On a real basis, however, this represents an increase, and net profit is expected to be the second highest on record, following the previous fiscal year.
- The Company plans to increase its annual dividend per share from 40 yen in the previous fiscal year (20 yen at the end of the first half and 20 yen at year-end) to 42 yen in the current fiscal year (20 yen at the end of the first half and 22 yen at year-end), representing an increase of 2 yen in line with its initial plan. The consolidated dividend payout ratio is expected to exceed the target of 50%, reaching 51.8%. It also expects this fiscal year's dividend on equity (DOE) ratio to remain at the same level as the previous fiscal year (6.0%).
- The Company is expanding its development organization and facilities and investing in human resources, while also strengthening its approach to customers who are increasing strategic IT investments on the back of strong results. It is also shifting toward more profitable projects and reallocating resources. It plans to thereby expand capacity, enhance profitability, and strengthen shareholder returns.

Current Fiscal Year (Full Year): Alpha-Win Forecast

- Alpha-Win Research Department (hereinafter, “Alpha-Win”) had previously made a somewhat conservative full-year forecast (net sales and profits) for the current fiscal year. This was based on concerns that inflation, rising domestic interest rates, and global uncertainties (such as Trump tariffs and geopolitical risks) could lead to reduced IT investment by client companies in the event of weaker performance, among other changes.
- In addition, taking into account bottlenecks arising from human resource constraints and the risk of unprofitable projects recurring, Alpha-Win had forecast net sales and profits—particularly in the second half—at somewhat lower levels than the Company’s forecast. However, considering the strong Q1 results, the current situation, assumptions for Q2, and lower personnel expenses due to an unforeseen change in the discount rate for retirement benefit obligations (a factor that will contribute throughout the fiscal year from Q2 onward), Alpha-Win maintained its net sales forecast but raised its profit forecasts to the same level as the Company’s. The dividend forecast also remains unchanged at 42.0 yen, in line with the Company’s.
- For Q2 of the current fiscal year (calculated as: new first-half plan – Q1 results), the Company expects net sales of 4,754 million yen (+3.1% YoY, which is the same growth rate as Q1), operating profit of 298 million yen (-4.5% YoY), net profit of 350 million yen (-30.6% YoY), and an operating profit margin of 6.3% (6.8% in the same period of the previous fiscal year). Due to quarterly seasonality as well as the timing of cost execution, investments, and deliveries, Q2 performance tends to fluctuate. However, relative to Q1 and the same period of the previous fiscal year (in terms of growth rate and profit margins), the Company’s forecast appears somewhat conservative.
- Meanwhile, for the second half of the current fiscal year (calculated as: new full-year plan – new first-half plan), the Company projects net sales of 10,200 million yen (+9.3% YoY), operating profit of 1,050 million yen (+24.0% YoY), operating profit margin of 10.3% (10.2% in the previous second half), and net profit of 670 million yen (-5.8% YoY).
- Since the Company revised upward its first-half profit forecast while leaving the full-year forecast unchanged, it has effectively revised downward its second-half profit forecast (operating profit down 160 million yen, from 1,210 million yen to 1,050 million yen; net profit down 90 million yen, from 760 million yen to 670 million yen; and the second-half operating profit margin down 1.6 percentage points, from 11.9% to 10.3%).
- As in its previous forecast, Alpha-Win continues to view the Company’s second-half plan as ambitious and somewhat of a high hurdle, given the assumed net sales growth rate and operating profit margin relative to the previous second half, as well as the slight decline in Q1 orders received and backlog.
- However, at present, its customers’ appetite for strategic IT investments remains strong, and the Company’s current orders, business negotiations, and contract prices are firm, with no signs of major changes.

Alpha-Win Company Research Report

CUBE SYSTEM INC. (2335 TSE Prime)

Issued: 8/28/2025

- In addition, with expected synergies from the collaboration with NRI, and as the Company continues to secure strategic projects in strong-performing industries and projects for developing new business areas, while shifting toward high-profit projects and optimizing and streamlining resources, Alpha-Win believes that appropriate cost control in Q2 and the second half will limit the downside risk to full-year profit forecasts.

【Figure 8】 Current Fiscal Year's Financial Performance (Q1 Results and Forecasts for Q2, the First Half, and the Second Half)

Unit: million yen	Previous Fiscal Year's Results FY2025	The Company's Forecast for the Current Fiscal Year FY2026	H1 FY2025 Results		H1 FY2026 Initial Plan		H1 FY2026 Revised Plan		Revised Minus Initial Plan Difference		H1 FY2026 YoY Change (%)		H2 FY2025 Results		H2 FY2026 Initial Plan		H2 FY2026 Revised Plan		H2 FY2026 Amount of Revision		H2 FY2026 YoY Change (%)		Q1 FY2025 Results		Q2 FY2025 Results		Q1 FY2026 New Forecasts		Q1 FY2026 YoY Change (%)		Q1 FY2026 YoY Change (Amount)		Q1 FY2026 YoY Change (%)		Q1 FY2026 YoY Change (Amount)	
			A	B	C	D	E	F = E-D	G = F/D	H = E-C	I = A-C	J = B-D	K = E-F	L = K-J	M = L-I	N	O = G-N	P	Q = L-P	R = P-N	S = Q-Y	T = P-N	U = Q-S	V = Y-Q	W = Y-S	X = Y-U	Y = Y-U	Z = Y-U	AA = Y-U	AB = Y-U	AC = Y-U	AD = Y-U				
Net Sales	18,351	19,500	9,022	9,300	9,200	0	0.0%	3.1%	9,329	10,200	10,200	0	9.2%	4,413	4,610	4,546	4,754	3.1	3.1	135	144															
Gross Profit	3,947		1,869							2,078					886	983	1,130		26.4																	
Gross Profit Margin	21.5%		20.7%							22.3%					20,153	21.3%	24,65%																			
SG&A Expenses	2,566		1,236							1,230					665	671	717		7.8																	
SG&A Expense Ratio	14.0%		14.8%							13.2%					15,153	14.6%	15,85%		8.7%																	
Operating Profit	1,380	1,750	523	540	700	160	29.6%	31.2%	847	1,210	1,080	-160	24.0%	220	312	402	298	82.6	4.5	102	-11															
Operating Profit Margin	7.5%	9.0%	5.9%	5.8%	7.5%	1.7%			-1.6%	9.1%	10,800	10.2%	-1.6%	1.2%	5,000	6.8%	8,9%	6,3%																		
Ordinary Profit	1,393	1,760	528	550	720	170	30.9%	26.3%	865	1,210	1,080	-170	20.2%	224	301	412	308	81.6	2.3	116	7															
Net Profit	1,281	1,220	662	460	550	90	19.6%	-3.3%	599	760	670	-90	11.5%	157	584	200	250	27.1																		

(Source) Prepared by Alpha-Win Research Dept. based on the Company's forecast. H1: first half. H2: second half.

(Note) Q2 FY2026 figures were calculated as the Company's first-half forecast minus Q1 result.

Medium-Term Financial Outlook: The Company's Medium-Term Plan and Alpha-Win's Forecast

- In the Second Medium-Term Management Plan (V2026), which is positioned as the Company's "Second Founding," the Company plans to enhance profitability and achieve net sales of 23 billion yen and operating profit of 2.41 billion yen in FY2027, the final year of the plan (see Alpha-Win's research report issued in June 2025 for details).

- Alpha-Win has not revised its medium-term financial forecasts for the next fiscal year onward, which were prepared at the time of the previous research report (Figure 9).
- The Company's customers (companies) will likely continue to increase IT investments, driven by needs to develop new business models, strengthen competitiveness, address labor shortages, streamline and accelerate operations, implement DX, and migrate to the cloud. These factors underpin the Company's significant growth potential.
- With IT demand remaining strong, the Company is expected to achieve top-line growth over the medium to long term as well, as it continues to deploy its ample cash reserves to strengthen hiring and expand development bases.
- Alpha-Win forecasts that sales, profits, and dividends will continue to grow steadily over the medium term, supported by the expansion of the Digital and SI businesses, benefits from the alliance with NRI, development of new customers and business domains, improvement of productivity and profit margins through various initiatives, and profit contribution from investments in key focus areas.

【Figure 9】 Medium-Term Financial Forecast

Unit: million yen or %	FY2025 Results	FY2026 Medium-Term Plan	FY2026 CE	FY2026 New E	FY2026 Old E	FY2027 Medium-Term Plan	FY2027 E	FY2028 E	
Net Sales	18,351	20,600	19,500	19,200	19,200	23,000	21,000	22,500	
Digital Business	808		1,600	1,600	1,600	2,500	2,500	3,000	
SI Business	6,239		8,500	8,300	8,300	7,500	8,500	9,000	
System Enhancement Business	11,303		9,400	9,400	9,400	13,000	10,000	10,500	
Gross Profit	3,947			4,700	4,800		5,400	5,800	
Gross Profit Margin	21.5%				24.5%	25.0%		25.7%	25.8%
SG&A Expenses	2,566				2,950	3,100		3,400	3,600
(Ratio to sales)	14.0%				15.4%	16.1%		16.2%	16.0%
Operating Profit	1,380	1,950	1,750	1,750	1,760	2,410	2,000	2,200	
(Ratio to sales)	7.5%	9.5%	9.0%	9.1%	8.9%	10.5%	9.5%	9.8%	
Ordinary Profit	1,393		1,760	1,760	1,710		2,010	2,210	
(Ratio to sales)	7.6%		9.0%	9.2%	8.9%		9.6%	9.8%	
Net Profit	1,261		1,220	1,220	1,185		1,360	1,480	
(Ratio to sales)	6.9%		6.3%	6.4%	6.2%		6.5%	6.6%	
Net Sales (% YoY growth)	1.8%	12.3%	6.3%	4.6%	4.6%	11.6%	9.4%	7.1%	
Gross Profit Margin (% YoY difference)	-0.3%			3.0%	3.5%		1.2%	0.1%	
SG&A Expenses (% YoY growth)	7.5%			15.0%	20.8%		15.3%	5.9%	
Operating Profit (% YoY growth)	-10.1%	41.3%	26.7%	26.8%	23.2%	23.6%	14.3%	10.0%	
Ordinary Profit (% YoY growth)	-12.4%		26.3%	26.3%	22.8%		14.2%	10.0%	
Net Profit (% YoY growth)	18.2%		-3.3%	-3.3%	-6.0%		11.5%	8.8%	

(Source) Prepared by Alpha-Win Research Dept. based on financial results summaries and medium-term management plan materials.

(Notes) CE, Medium-Term Plan: the Company's forecasts. E: Alpha-Win Research Dept.'s forecasts.

Short Report

8/12

This Alpha-Win Company Research Report (hereinafter, "this Report") has been prepared by Alpha Win Capital Inc. (hereinafter, "Alpha Win") on the request of the company presented in this Report for the purpose of providing a description of the company. This Report is not to be construed as a recommendation or solicitation of investment. Contents of this Report are based on information current as of the issue date and are subject to change without notice. Alpha Win does not warrant or represent that the information in this Report is accurate, reliable, complete, appropriate, or fit for any purpose and does not accept any responsibility or liability. Alpha Win shall not be liable for any consequences including direct or indirect loss, lost profit, or damage resulting from the use of or reliance on this Report. Investors who read this report must make their own decisions on all investment matters and take full responsibility regarding their investment. Intellectual property of this Report belongs to Alpha Win and no part of this report may be copied, photocopied, cited, or translated without Alpha Win's consent.

◆ Share Price and Characteristics: As a Stable Growth Stock Centered on Domestic Demand, the Company Has Outperformed TOPIX Significantly Over the Long Term; Valuation (P/E Ratio and Dividend Yield) Appears Attractive**Performance**

- Backed by strong business performance, the Company's share price has risen approximately 5.2x over the past approximately 16 years, significantly outperforming TOPIX (by approximately +245%).
- The Company's stock is characterized as being defensive and domestic demand-oriented, with low volatility in past business performance. The coefficient of variation (standard deviation divided by the average) for the YoY rate of change in net sales and ordinary profit over the past 21 years is approximately 50 to 60% that of its two industry peers* listed on the TSE Market (*HIMACS [4299] and *Toho System Science [4333]), indicating that the Company's business performance is relatively stable (Figure 10 on page 10).
- Over the past six months, the Company's stock has somewhat outperformed TOPIX; however, amid the recent high-volatility stock market, it underperformed TOPIX over the past one month (Figure C on page 12). While the market has recognized the Company's strong business performance this fiscal year (notably a high operating profit growth rate for the full year), its industry's relative insulation from tariff-related risks, and its relatively low P/E ratio and high dividend yield versus the market average, the recent underperformance appears attributable to the rebound in related stocks following tariff resolution and the Company's status as a small/mid-cap stock with a low beta.
- Similarly, when compared with its two industry peers* over the past six or twelve months, the Company's stock has significantly outperformed both. This likely reflects strong Q1 results and current fiscal year forecasts relative to peers, the medium-term management plan targeting high profit growth, synergies from alliance with NRI, and its shareholder-focused management stance including a higher dividend payout ratio and continued dividend increases (though note that both industry peers have also strengthened shareholder returns and offer high dividend yields).
- Notably, Q1 operating profit grew 82.6% YoY for the Company, a standout result compared with HIMACS (-22.0% YoY) and Toho System Science (+31.6% YoY), although part of the increase reflects a rebound from profit declines in the previous fiscal year's Q1 caused by the occurrence of unprofitable projects.
- Meanwhile, due to the impact of Trump tariffs and inflation, EPS forecasts for Nikkei 225 constituents have been trending downward. Moreover, among March year-end companies comprising TOPIX, full-year net profit for FY2026 (the current fiscal year) is forecast to decline in the high single digits YoY, highlighting the relative strength of the Company's business performance.

Valuation

- As of August 15, 2025 (closing price basis), the valuation averages for all TSE Prime Market companies are as follows: forward P/E ratio of 17.34x, actual P/B ratio of 1.51x, and forecast dividend yield (simple average) of 2.47%.
- By comparison, the Company's valuation shows a P/E ratio of 14.56x, roughly 16% lower than the Prime average, while its P/B ratio is 1.64x, about 9% higher. Taking into account its medium-term profit growth potential and relatively high forecast dividend yield of 3.56% for the current fiscal year, the Company's stock appears somewhat undervalued.
- When compared with its two industry peers* in terms of key valuation indicators (P/E, P/B, forecast dividend yield, and EV/EBITDA), the Company generally ranks in the middle (second out of the three companies) (Figure 10 on page 10).

【Figure 10】 Comparison of Valuation with Industry Peers

Item	Company Name	CUBE SYSTEM (CS: Consolidated)	HIMACS (HM: Consolidated)	Toho System Science (TS: Non-Consolidated)	Reference: Nomura Research Institute (NRI: Consolidated/IFRS)	TSE Prime Stocks (Average)
Share Price Data	Securities code / Market listing	2335_P	4299_S	4333_P	4307_P	-
	Share price (closing price on August 15, 2025)	1,180	1,199	1,267	6,044	1,599.60
	Market capitalization (millions of yen)	18,585	14,871	26,352	3,513,024	-
Valuation	P/E ratio (price-to-earnings ratio)	14.56	11.18	18.38	33.26	17.34
	P/B ratio (price-to-book ratio)	1.64	1.19	2.50	7.80	1.51
	Forecast dividend yield (%)	3.56	3.84	3.55	1.22	2.47
	EV/EBITDA	6.95	2.86	9.80	18.00	-
	P/S ratio (price-to-sales ratio)	0.95	0.74	1.48	4.34	-
Volatility	Past 5 years' weekly historical beta (relative to TOPIX)	0.83	0.57	0.64	0.66	-
	Coefficient of variation of the net sales growth rate over the past 21 years	1.10	2.19	1.90	-	-
	Coefficient of variation of the operating profit growth rate over the past 21 years	2.32	3.77	3.85	-	-
Results for the First Quarter of the Current Fiscal Year (FY2026) (Q1: Apr-Jun 2025)	Net sales (millions of yen)	4,546	4,454	4,174	195,770	-
	Net sales growth rate (YoY: %)	3.1	2.9	-2.3	4.1	-
	Operating profit (millions of yen)	402	235	437	37,246	-
	Operating profit growth rate (YoY: %)	82.6	-22.0	31.6	14.1	-
	Operating profit margin (%)	8.9	5.3	10.5	19.0	-
	Current fiscal year's Q1: Net sales progress relative to full-year plan (%)	23.5	22.3	22.0	24.2	-
	Current fiscal year's Q1: Operating profit progress relative to full-year plan (%)	23.0	12.9	25.6	24.8	-
Forecast for the Current Fiscal Year (FY2026) (Each company's full-year forecast)	Net sales (millions of yen)	19,500	20,000	19,000	810,000	-
	Net sales growth rate (YoY: %)	6.3	10.7	9.6	5.9	-
	Operating profit (millions of yen)	1,750	1,820	1,710	150,000	-
	Operating profit growth rate (YoY: %)	26.3	0.7	3.1	11.2	-
	Operating profit margin (%)	9.0	9.1	9.0	18.5	-
Performance	YTD return (compared to the end of Dec. 2024: %)	10.8	-15.4	-8.6	29.7	11.6
	Return since the Company's announcement of Q1 results (since 8/6/2025: %)	-0.3	-0.2	-0.6	-1.8	4.8

(Source) Prepared by Alpha-Win Research Dept. based on each company's financial results summary and stock price data.

(Notes) Fiscal years are March-ending.

Market capitalization = Number of issued shares × Share price (closing price as of 8/15/2025)

EPS values used in P/E calculations reflect the companies' forecasts for FY2026.

BPS values used in P/B calculations reflect the companies' results for the current fiscal year's Q1.

EV/EBITDA = (Market capitalization + Interest-bearing debt – Cash & deposits) / (Operating profit + Depreciation + Intangible fixed asset amortization, etc.)

Interest-bearing debt and cash & deposits reflect the current fiscal year's Q1 results.

Operating profit is the companies' full-year forecasts for the current fiscal year.

Depreciation and intangible fixed asset amortization, etc., are calculated for the full year based on the current fiscal year's Q1 results.

P/S ratio = Market capitalization / Net sales (the companies' forecast for FY2026)

P: TSE Prime Market. S: TSE Standard Market.

Share Price Outlook

- In the short term, the Company's share price is expected to fluctuate depending on its business performance (Q2, first half, and full-year profit levels; trends in orders received; and changes in shareholder returns, such as dividend increases, share buybacks, and stock splits).
- In the medium term, attention should be paid to trends in topline growth (net sales growth rate, securing of personnel, and benefits of the alliance with NRI) and profit margins (gross profit margin, operating profit margin, and SG&A expense ratio). In addition, trends in Japanese companies' business performance and IT investment (as reflected in the Company's order environment: changes in orders received and contract prices) will also be key factors.
- The Company's forward P/E ratio, based on its profit forecast for the current fiscal year, is below the market average. If the likelihood of achieving around 10% profit growth from the next fiscal year onward increases, there appears to be upside potential for the share price through a re-rating of the forward P/E and EPS growth.
- Based on the Company's forecast operating profit of 2,410 million yen for FY2027, the final year of its medium-term management plan (assumed to be roughly equivalent to pre-tax net profit and representing a substantial 37.7% increase versus its forecast for the current fiscal year), and applying an effective corporate tax rate of 32%, net profit after tax is estimated at approximately 1,640 million yen.
- Based on the current market capitalization of 18,585 million yen, the forward P/E (based on FY2027) is calculated at 11.33x. If the Company achieves its operating profit target and the stock is re-rated to a P/E multiple in line with the current Prime Market average, this would imply a significant upside potential in the share price.
- In any case, profit and dividend levels for the next fiscal year and the year after will be the primary determinants of the share price.
- From a medium- to long-term perspective, the Company can be considered a candidate for investment as a stable growth stock centered on domestic demand with defensive characteristics.

Short Report

This Alpha-Win Company Research Report (hereinafter, "this Report") has been prepared by Alpha Win Capital Inc. (hereinafter, "Alpha Win") on the request of the company presented in this Report for the purpose of providing a description of the company. This Report is not to be construed as a recommendation or solicitation of investment. Contents of this Report are based on information current as of the issue date and are subject to change without notice. Alpha Win does not warrant or represent that the information in this Report is accurate, reliable, complete, appropriate, or fit for any purpose and does not accept any responsibility or liability. Alpha Win shall not be liable for any consequences including direct or indirect loss, lost profit, or damage resulting from the use of or reliance on this Report. Investors who read this report must make their own decisions on all investment matters and take full responsibility regarding their investment. Intellectual property of this Report belongs to Alpha Win and no part of this report may be copied, photocopied, cited, or translated without Alpha Win's consent.

Alpha-Win Company Research Report

CUBE SYSTEM INC. (2335 TSE Prime)

Issued: 8/28/2025

【 2335 CUBE SYSTEM Sector: Information & Communication 】 Figure A												
FY		Net Sales (Millions of yen)	YoY (%)	Operating Profit (Millions of yen)	YoY (%)	Ordinary Profit (Millions of yen)	YoY (%)	Net Profit (Millions of yen)	YoY (%)	EPS (Yen)	BPS (Yen)	Dividend (Yen)
2021	A	14,788	0.5	1,174	22.5	1,295	32.7	844	60.7	62.11	476.52	20.0
2022	A	16,099	8.9	1,417	20.7	1,432	10.6	944	11.9	69.82	531.14	23.0
2023	A	16,325	1.4	1,452	2.4	1,480	3.3	989	4.8	70.35	634.29	50.0
2024	A	18,021	10.4	1,536	5.8	1,590	7.5	1,067	7.8	70.39	668.41	35.0
2025	A	18,351	1.8	1,380	-10.1	1,393	-12.4	1,261	18.2	83.81	722.27	40.0
2026	Medium-Term Plan	20,600	12.3	1,950	41.3							
2026	CE	19,500	6.3	1,750	26.7	1,760	26.3	1,220	-3.3	81.03	Not Disclosed	42.0
2026	New E	19,200	4.6	1,750	26.7	1,760	26.3	1,220	-3.3	81.03	761.38	42.0
2026	Previous E	19,200	4.6	1,700	23.2	1,710	22.8	1,185	-6.0	78.70	756.82	42.0
2027	Medium-Term Plan	23,000	11.6	2,410	23.6							
2027	E	21,000	9.4	2,000	14.3	2,010	14.2	1,360	11.5	90.33	809.71	46.0
2028	E	22,500	7.1	2,200	10.0	2,210	10.0	1,480	8.8	98.30	862.01	50.0
2024	Q1	4,376	12.4	369	35.9	371	37.0	232	34.2	15.36	622.93	0.0
2025	Q1	4,411	0.8	220	-40.3	226	-38.9	157	-32.3	10.47	657.73	0.0
2026	Q1	4,546	3.1	402	82.6	412	81.6	200	27.1	13.30	720.39	0.0
2024	Q2	4,639	16.0	425	30.4	417	29.1	269	25.1	17.71		15.0
2025	Q2	4,611	-0.6	313	-26.4	302	-27.6	505	87.7	33.54		20.0
2026	Q2: CE	4,754	3.1	298	-4.8	308	2.0	350	-30.7	23.23		20.0
2024	H1	9,015	14.2	794	32.7	788	32.6	501	29.1	33.07		15.0
2025	H1	9,022	0.1	533	-32.8	528	-33.0	662	32.1	44.01		20.0
2026	H1: New CE	9,300	3.1	700	31.2	720	36.3	550	-16.9	36.53		20.0
2026	H1: Previous CE	9,300	3.1	540	1.2	550	4.1	460	-30.5	30.55		20.0
2024	H2	9,006	6.8	742	-13.1	802	-9.5	566	-5.8	37.32		27.0
2025	H2	9,329	3.6	847	14.2	865	7.9	599	5.8	39.80		22.0
2026	H2: New CE	10,200	9.3	1,050	24.0	1,040	20.2	670	11.9	44.50		22.0
2026	H2: Previous CE	10,200	9.3	1,210	42.9	1,210	39.9	760	26.9	50.48		22.0

(Notes) CE: the Company's forecast/estimate. E: Alpha-Win Research Dept.'s forecast/estimate. Q1: April to June. Q2: July to September. H1 (first half): April to September. H2 (second half): October to March.

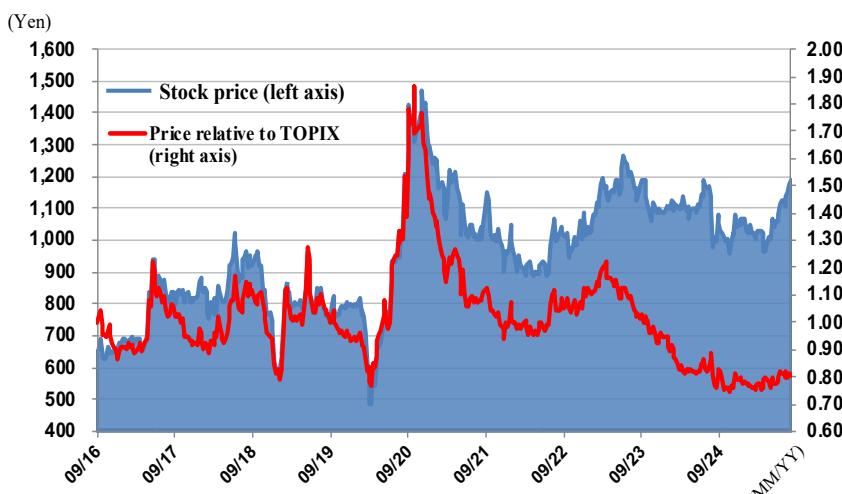
【 Share Price and Valuation Indicators: 2335 CUBE SYSTEM 】 Figure B											
Item	8/15/2025	Item	P/E Ratio	P/B Ratio	Dividend Yield	Dividend Payout Ratio					
Share price (yen)	1,180	Previous fiscal year (actual)	14.1	1.6	3.4%	47.7%					
Issued shares (thousands)	15,750	Current fiscal year (forecast)	14.6	1.5	3.6%	51.8%					
Market capitalization (millions of yen)	18,585	Next fiscal year (forecast)	13.1	1.5	3.9%	50.9%					
Dilutive shares (thousands)	0	Fiscal year after the next (forecast)	12.0	1.4	4.2%	50.9%					
Equity ratio for the current fiscal year's Q1	75.5	Last fiscal year's dividend on equity (DOE) ratio	6.0%	Last fiscal year's ROE		12.0%					

(Notes) Forecasts for the current fiscal year and the following two fiscal years have been prepared by Alpha-Win Research Dept.

Short Report

This Alpha-Win Company Research Report (hereinafter, "this Report") has been prepared by Alpha Win Capital Inc. (hereinafter, "Alpha Win") on the request of the company presented in this Report for the purpose of providing a description of the company. This Report is not to be construed as a recommendation or solicitation of investment. Contents of this Report are based on information current as of the issue date and are subject to change without notice. Alpha Win does not warrant or represent that the information in this Report is accurate, reliable, complete, appropriate, or fit for any purpose and does not accept any responsibility or liability. Alpha Win shall not be liable for any consequences including direct or indirect loss, lost profit, or damage resulting from the use of or reliance on this Report. Investors who read this report must make their own decisions on all investment matters and take full responsibility regarding their investment. Intellectual property of this Report belongs to Alpha Win and no part of this report may be copied, photocopied, cited, or translated without Alpha Win's consent.

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



Period	Performance	
	Return	Relative to TOPIX
1 month	0.6%	-5.0%
3 months	11.1%	0.2%
6 months	17.2%	1.3%
12 months	9.0%	-5.6%

(Notes)

- Reflects share price and index prices through the closing prices on August 15, 2025.
- Performance relative to TOPIX is calculated by subtracting the TOPIX's performance from the Company's stock performance.
- Performance for the 1-month period is the comparison between the closing price on the last day of July and the closing price on August 15 (similar for the other periods).

(Note) From the first week of September 2016 to the third week of August 2025 (through the closing price on August 15, 2025)

* * * * *

Disclaimer

This Alpha-Win Company Research Report (hereinafter, "this Report") has been prepared by Alpha Win Capital Inc. (hereinafter, "Alpha Win") on the request of the company presented in this Report.

This Report is not to be construed as a recommendation or solicitation of investment. Alpha Win shall not be liable for any consequences including direct or indirect loss, lost profit, or damage resulting from the use of or reliance on this Report. Investors who read this report must make their own decisions on all investment matters and take full responsibility regarding their investment.

This Report has been prepared with a focus on objectivity and neutrality based on the analysis of generally accessible public information and supplemental information including interview(s) by the analyst. Alpha Win, the writer, and/or other persons involved in the publication of this Report may already hold, or buy and sell in the future, the stock of the company presented in this Report.

Contents of this Report are based on information current as of the issue date and are subject to change without notice. For the latest (updated) report, please see Alpha Win's website (<https://www.awincap.com>). Alpha Win also does not warrant or represent that the information in this Report is accurate, reliable, complete, appropriate, or fit for any purpose and does not accept any responsibility or liability.

Copyright of this Report belongs to Alpha Win and no part of the publication may be copied, photocopied, cited, or translated without Alpha Win's consent. For inquiries regarding this Report, please send an e-mail to info@awincap.com. However, Alpha Win and the writer of this Report do not have any obligation to reply to inquiries.

SV2025-0818-0002

Short Report

This Alpha-Win Company Research Report (hereinafter, "this Report") has been prepared by Alpha Win Capital Inc. (hereinafter, "Alpha Win") on the request of the company presented in this Report for the purpose of providing a description of the company. This Report is not to be construed as a recommendation or solicitation of investment. Contents of this Report are based on information current as of the issue date and are subject to change without notice. Alpha Win does not warrant or represent that the information in this Report is accurate, reliable, complete, appropriate, or fit for any purpose and does not accept any responsibility or liability. Alpha Win shall not be liable for any consequences including direct or indirect loss, lost profit, or damage resulting from the use of or reliance on this Report. Investors who read this report must make their own decisions on all investment matters and take full responsibility regarding their investment. Intellectual property of this Report belongs to Alpha Win and no part of this report may be copied, photocopied, cited, or translated without Alpha Win's consent.

12/12