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Consolidated Financial Results for the Six Months Ended December 31, 2024 [Japanese GAAP]

February 12, 2025

Company name: i Cubed Systems, Inc.
 Listing: Tokyo
 Securities code: 4495
 URL: <https://www.i3-systems.com/>
 Representative: Tsutomu Sasaki President and CEO
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 Scheduled date to file semi-annual securities report: February 12, 2025
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended December 31, 2024 (July 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended December 31, 2024	1,716	20.4	423	27.2	422	27.5	280	26.2
December 31, 2023	1,425	8.4	333	6.7	331	6.3	222	5.0

(Note) Comprehensive income: Six months ended December 31, 2024: ¥ 274 million [23.3%]
 Six months ended December 31, 2023: ¥ 222 million [5.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2024	54.98	54.52
December 31, 2023	42.02	41.63

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	3,546	2,693	75.6
June 30, 2024	3,609	2,579	71.2

(Reference) Equity: As of December 31, 2024: ¥ 2,683 million
 As of June 30, 2024: ¥ 2,570 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2024	-	0.00	-	32.00	32.00
Fiscal year ending June 30, 2025	-	0.00			
Fiscal year ending June 30, 2025 (Forecast)			-	32.00	32.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025(July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,503	18.8	809	17.0	786	17.7	539	16.5	105.80

(Note) 1. Revision to the financial results forecast announced most recently: None

2. On December 28, 2024, our company announced the "Notice Regarding the Results of the Tender Offer for Shares of OneBe, Inc. (Securities Code: 5622) and Changes in Subsidiaries (Changes in Specified Subsidiaries)." However, the impact on the consolidated financial results for the fiscal year ending June 2025 is currently under review and has not been incorporated into the consolidated financial results forecast.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024: 5,306,750 shares

June 30, 2024: 5,303,750 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 200,168 shares

June 30, 2024: 200,168 shares

3) Average number of shares outstanding during the period:

Six months ended December 31, 2024: 5,103,827 shares

Six months ended December 31, 2023: 5,293,377 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The financial results forecasts and other forward-looking statements herein are based on information currently available and certain assumptions considered to be reasonable, and the Company does not in any way guarantee the achievement of the projections. Actual results may differ significantly from these forecasts due to a wide range of factors.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of June 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	1,812,591	1,847,090
Accounts receivable - trade	332,127	316,355
Operational investment securities	265,391	165,398
Other	115,215	117,085
Total current assets	2,525,326	2,445,929
Non-current assets		
Property, plant and equipment	44,061	40,919
Intangible assets		
Software	246,828	173,033
Software in progress	103,978	151,256
Goodwill	133,248	114,812
Other	7,417	6,983
Total intangible assets	491,473	446,084
Investments and other assets	548,377	613,731
Total non-current assets	1,083,912	1,100,735
Total assets	3,609,238	3,546,665
Liabilities		
Current liabilities		
Accounts payable - trade	46,590	47,443
Income taxes payable	189,136	154,222
Contract liabilities	483,634	361,760
Provision for bonuses	89,506	96,663
Other	220,805	193,087
Total current liabilities	1,029,673	853,178
Total liabilities	1,029,673	853,178
Net assets		
Shareholders' equity		
Share capital	413,018	414,068
Capital surplus	313,018	314,068
Retained earnings	2,151,179	2,268,495
Treasury shares	(299,174)	(299,174)
Total shareholders' equity	2,578,042	2,697,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,090	1,090
Foreign currency translation adjustment	(8,944)	(15,540)
Total accumulated other comprehensive income	(7,854)	(14,450)
Share acquisition rights	6,486	7,703
Non-controlling interests	2,890	2,775
Total net assets	2,579,565	2,693,486
Total liabilities and net assets	3,609,238	3,546,665

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended December 31, 2023	For the six months ended December 31, 2024
Net sales	1,425,640	1,716,554
Cost of sales	359,395	493,168
Gross profit	1,066,244	1,223,385
Selling, general and administrative expenses	732,867	799,425
Operating profit	333,376	423,960
Non-operating income		
Interest income	15	165
Other	1,482	1,521
Total non-operating income	1,498	1,686
Non-operating expenses		
Loss on retirement of non-current assets	2,496	3,440
Other	1,134	17
Total non-operating expenses	3,631	3,458
Ordinary profit	331,244	422,187
Profit before income taxes	331,244	422,187
Income taxes	108,924	141,472
Profit	222,320	280,715
Profit (loss) attributable to non-controlling interests	(125)	84
Profit attributable to owners of parent	222,445	280,630

(Thousands of yen)

	For the six months ended December 31, 2023	For the six months ended December 31, 2024
Profit	222,320	280,715
Other comprehensive income		
Foreign currency translation adjustment	-	(6,596)
Total other comprehensive income	-	(6,596)
Comprehensive income	222,320	274,118
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	222,445	274,034
Comprehensive income attributable to non-controlling interests	(125)	84

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended December 31, 2023	For the six months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	331,244	422,187
Depreciation	165,594	161,715
Amortization of goodwill	-	13,215
Increase (decrease) in provision for bonuses	8,823	7,262
Interest income	(15)	(165)
Loss on retirement of non-current assets	2,496	3,440
Decrease (increase) in trade receivables	(38,771)	15,266
Increase (decrease) in trade payables	(18,142)	968
Increase (decrease) in contract liabilities	81,546	(121,873)
Decrease (increase) in operational investment securities	-	99,992
Other, net	51,766	(10,803)
Subtotal	584,542	591,207
Interest and dividends received	15	165
Income taxes paid	(67,008)	(189,136)
Net cash provided by (used in) operating activities	517,549	402,235
Cash flows from investing activities		
Purchase of securities	(500,000)	-
Purchase of property, plant and equipment	(4,819)	(3,974)
Purchase of intangible assets	(140,377)	(132,693)
Other, net	(251,347)	(68,778)
Net cash provided by (used in) investing activities	(896,544)	(205,446)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	590	2,100
Dividends paid	(158,627)	(163,291)
Proceeds from share issuance to non-controlling shareholders	-	1,000
Dividends paid to non-controlling interests	-	(1,200)
Net cash provided by (used in) financing activities	(158,037)	(161,391)
Effect of exchange rate change on cash and cash equivalents	-	(834)
Net increase (decrease) in cash and cash equivalents	(537,032)	34,563
Cash and cash equivalents at beginning of period	2,055,977	1,811,066
Cash and cash equivalents at end of period	1,518,945	1,845,630