

Third Quarter of Fiscal Year ending June 30, 2025 Supplementary Material on Financial Statements

May 14, 2025

i Cubed Systems, Inc.

TSE Growth : 4495

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Disclaimer

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.


1. Summary

Summary of 3Q of FY6/25

During the nine months ended March 31, 2025, consolidated performance improved significantly YoY due not only to steady growth in the CLOMO Business but also the consolidation of a new subsidiary⁽¹⁾. Based on this, we revised up our consolidated earnings forecast for the fiscal year ending June 30, 2025.⁽²⁾


Net sales

2,718million yen

YoY: +25.1% 


Operating income

701million yen

YoY: +32.3% 

Profit attributable to owners of parent

441million yen

YoY: +29.9% 

Note:

1. The income statement for January-March 2025 of OneBe, Inc., which became a subsidiary in January 2025 (deemed acquisition date: December 31, 2024) was included in the scope of consolidation for the 3rd quarter.
2. For details, please refer to the following release dated April 9, 2025: "Notice Regarding Revision of Consolidated Full-Year Earnings Forecasts (Upward Revision)."

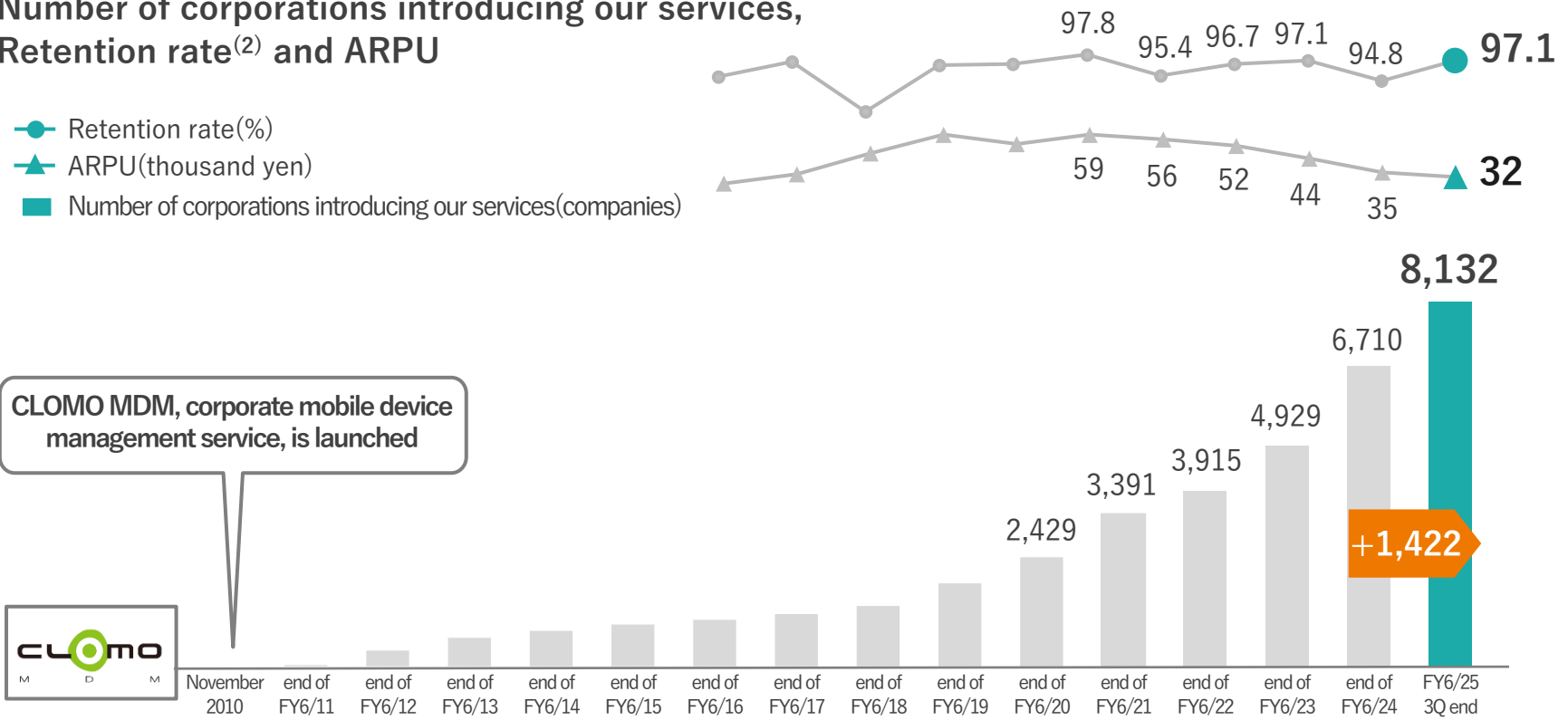
2. Financial Results for 3rd Quarter of Fiscal Year ending June 30, 2025

— Non-consolidated —

Number of corporations introducing our services/ Retention rate/ARPU

We continue to make progress in the acquisition of new customers through OEM provision, handle the number of corporations introducing our services is growing YoY. ARPU⁽¹⁾ is on a downward trend due to the increase in introductions of our services among small and medium-sized companies, but it was flat QoQ due to the positive impact of cross-selling.

Number of corporations introducing our services, Retention rate⁽²⁾ and ARPU



Notes :

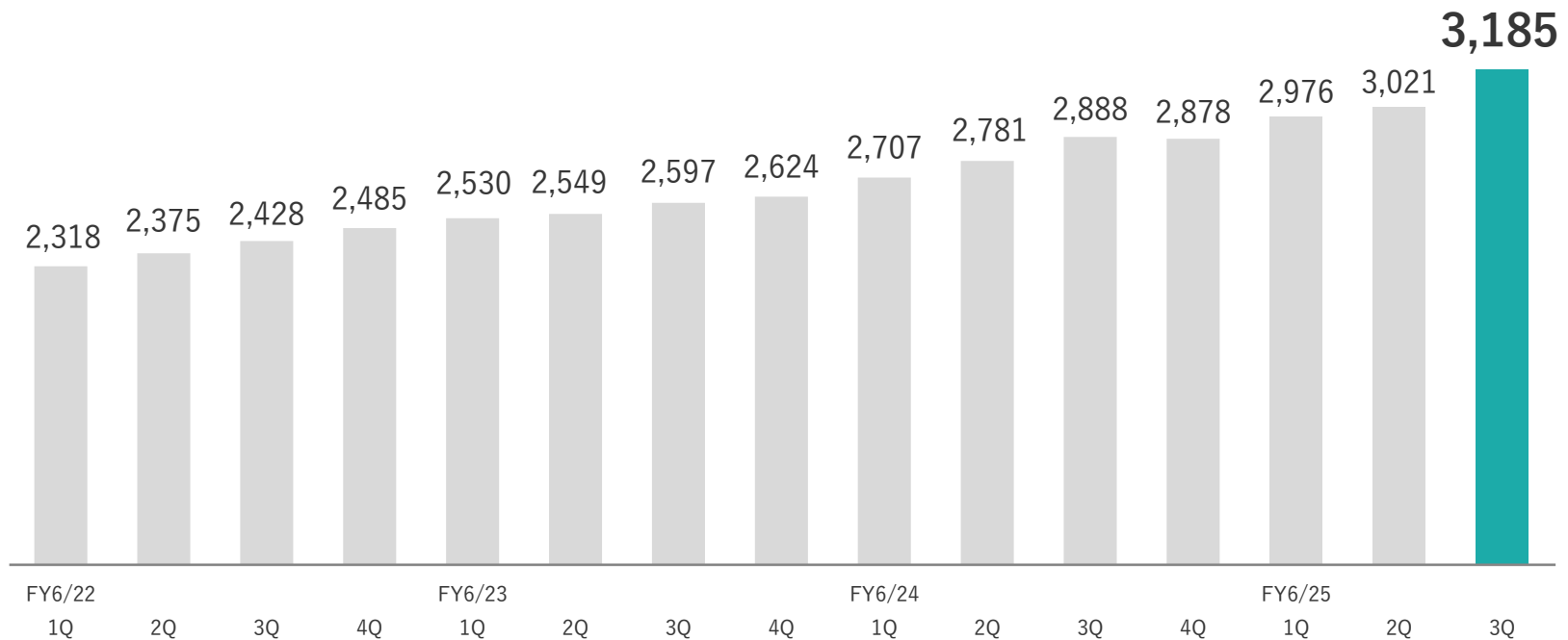
1. ARPU: Average Revenue Per User, which is the average monthly unit price per corporation introducing our services. Calculated by dividing 1/12 of ARR as of each month by the number of corporations introducing our services as of the end of the month concerned.
2. Retention rate is calculated by subtracting the number of cancellations in the last 12 months from the number of licenses at the end of the same month of the previous year and dividing it by the number of licenses at the end of the same month of the previous year.

ARR

ARR⁽¹⁾ grew by 10.3% YoY, driven by new customer acquisition through OEM provision and steady increases in license volumes from existing customers through upselling.

ARR trends as of the end of each quarter

(millions of yen)



Note :

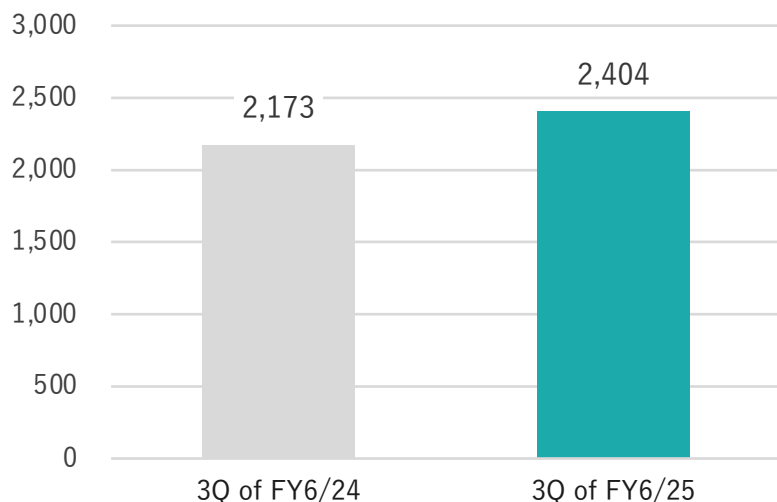
1. ARR: Annual Recurring Revenue. Calculated by multiplying the MRR for each month by 12, where MRR is the sum of the monthly fees for corporations deploying our services as of the end of the targeted month, excluding temporary costs.

Cumulative non-consolidated net sales/ operating income for 3Q of FY6/25

Net sales increased 10.6% YoY against the backdrop of steady improvements in business KPIs. Operating income for the cumulative 3Q rose, driven by profit growth accompanying higher sales and a business investment plan weighted toward the end of the fiscal year.

Net sales

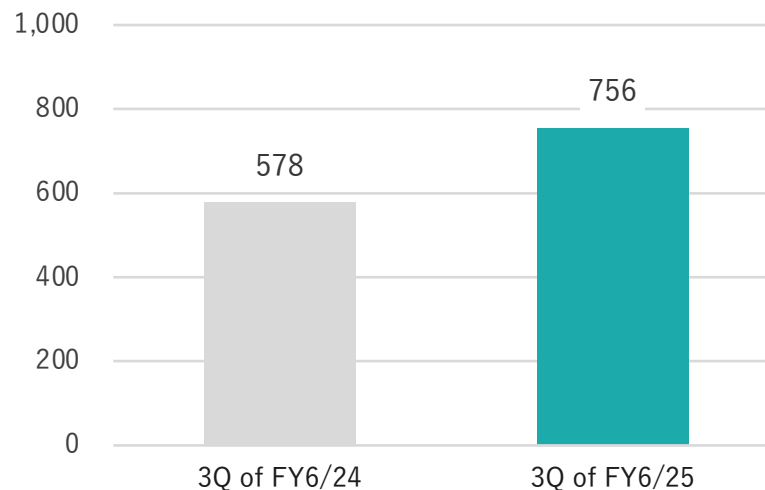
(millions of yen)



3Q of FY6/24	3Q of FY6/25	Year on year
2,173 million yen	2,404 million yen	+10.6% (+230 million yen)

Operating income

(millions of yen)



3Q of FY6/24	3Q of FY6/25	Year on year
578 million yen	756 million yen	+30.7% (+177 million yen)

2. Financial Results for 3rd Quarter of Fiscal Year ending June 30, 2025

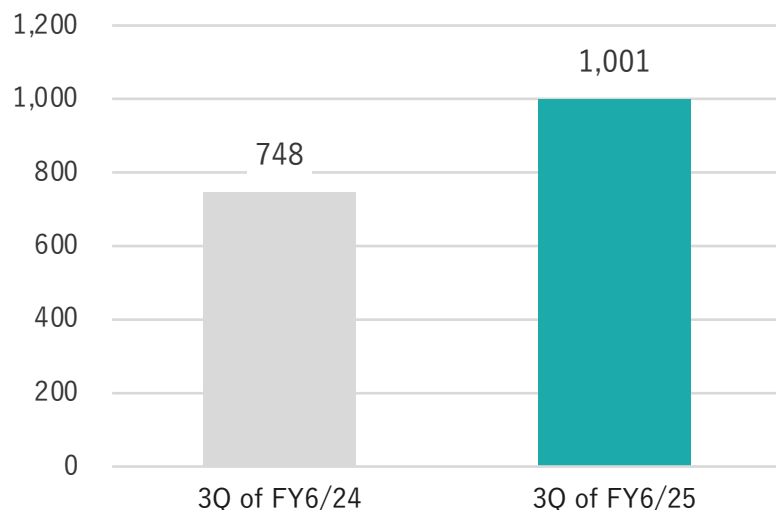
— Consolidated —

Consolidated net sales and operating income for 3Q of FY6/25

In addition to growth at the parent company, the consolidation of OneBe, Inc. resulted in 3Q consolidated net sales reaching 1,001 million yen, the first time that quarterly net sales have broken through the 1.0 billion yen mark.

Net sales

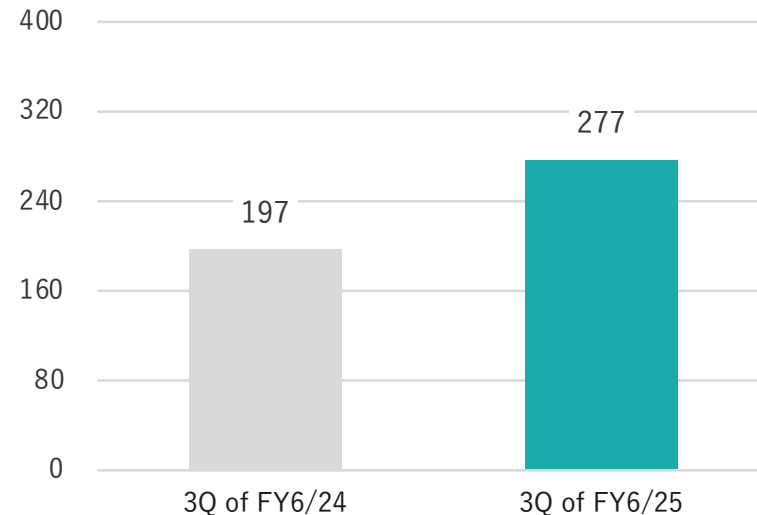
(millions of yen)



3Q of FY6/24	3Q of FY6/25	Year on year
748 million yen	1,001 million yen	+33.9% (+253 million yen)

Operating income

(millions of yen)



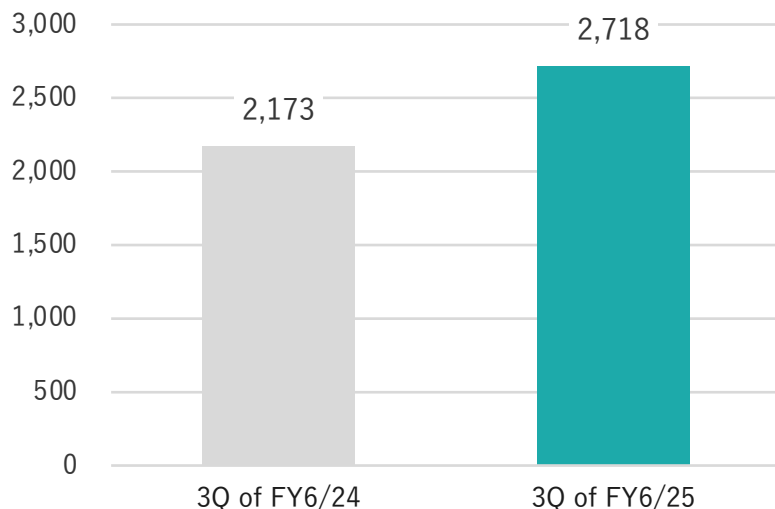
3Q of FY6/24	3Q of FY6/25	Year on year
197 million yen	277 million yen	+41.0% (+80 million yen)

Cumulative consolidated net sales/ operating income for 3Q of FY6/25

The rate of progress toward consolidated full-year net sales and operating income forecasts is 73.5% and 82.3% respectively. However because business investment is weighted towards the end of the fiscal year, we expect a slight decline in operating income in 4Q compared to 3Q.

Net sales

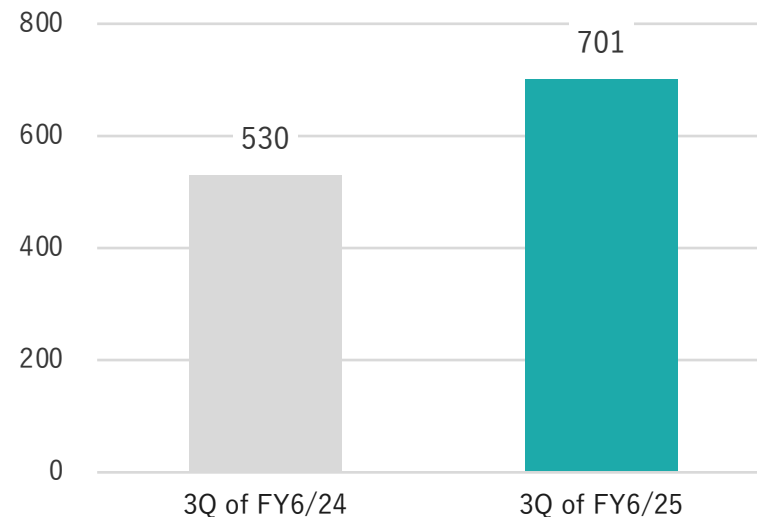
(millions of yen)



3Q of FY6/24	3Q of FY6/25	Year on year
2,173 million yen	2,718 million yen	+25.1% (+544 million yen)

Operating income

(millions of yen)



3Q of FY6/24	3Q of FY6/25	Year on year
530 million yen	701 million yen	+32.3% (+171 million yen)

Consolidated income statement for 3Q of FY6/25

While the consolidation of OneBe, Inc. led to an increase in the cost of sales and in selling, general and administrative expenses (including amortization of goodwill), growth in net sales and the weighting of business investment plans toward the end of the fiscal year drove the operating margin in the 3Q to a high 27.7%.

(units: millions of yen)	3Q of FY6/24 (Composition rate)	3Q of FY6/25 (Composition rate)	Change(Rate of change)
Net sales	748 (100.0%)	1,001 (100.0%)	+253 (+33.9%)
Cost of sales	203 (27.2%)	287 (28.7%)	+84 (+41.3%)
Depreciation expenses	77 (10.3%)	83 (8.4%)	+6 (+8.3%)
Manufacturing costs	82 (11.1%)	81 (8.1%)	△1 (△1.9%)
Others	43 (5.8%)	122 (12.3%)	+79 (+182.1%)
Gross profit	544 (72.8%)	714 (71.3%)	+169 (+31.2%)
Selling, general and administrative expenses	347 (46.4%)	436 (43.6%)	+89 (+25.6%)
Labor expenses, etc.	234 (31.3%)	279 (27.9%)	+45 (+19.3%)
Others	113 (15.1%)	157 (15.7%)	+43 (+38.7%)
Operating income	197 (26.4%)	277 (27.7%)	+80 (+41.0%)
Ordinary profit	181 (24.3%)	266 (26.6%)	+84 (+46.5%)

Cumulative consolidated income statement for 3Q of FY6/25

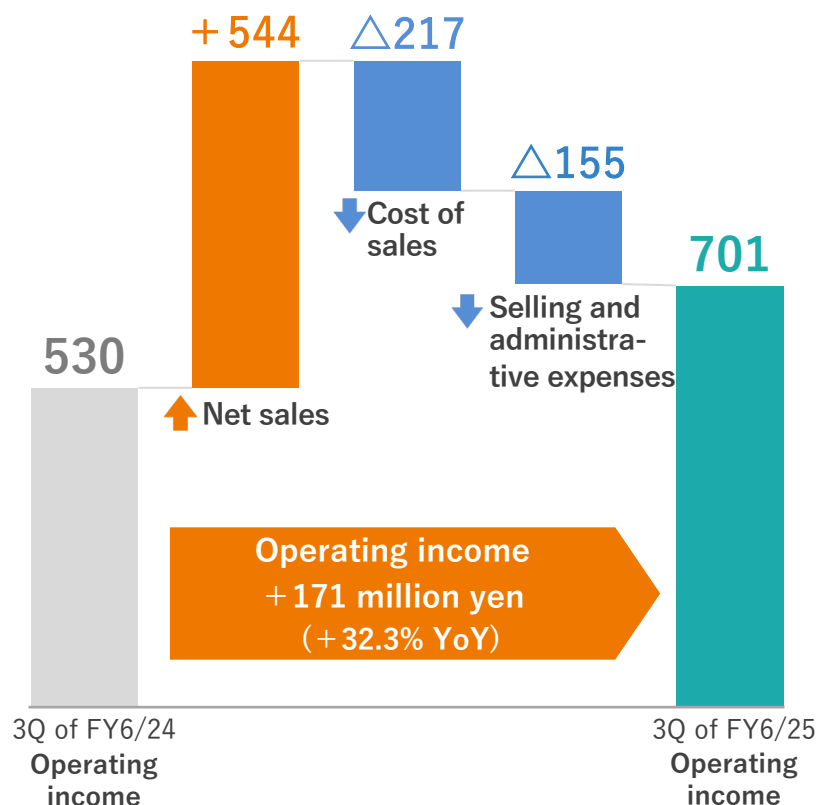
Although the operating margin rose by 1.4 percentage points YoY, in the 4Q we expect increased investment in development for the CLOMO Business for minor upgrades to address customer requests, and we also anticipate higher expenses resulting from increased investment in advertising.

(units: millions of yen)	3Q of FY6/24 (Composition rate)	3Q of FY6/25 (Composition rate)	Change(Rate of change)
Net sales	2,173 (100.0%)	2,718 (100.0%)	+544 (+25.1%)
Cost of sales	562 (25.9%)	780 (28.7%)	+217 (+38.7%)
Depreciation expenses	236 (10.9%)	235 (8.6%)	△1 (△0.7%)
Manufacturing costs	246 (11.4%)	250 (9.2%)	+3 (+1.5%)
Others	79 (2.5%)	295 (10.9%)	+215 (+272.0%)
Gross profit	1,610 (74.1%)	1,937 (71.3%)	+326 (+20.3%)
Selling, general and administrative expenses	1,080 (49.7%)	1,235 (45.5%)	+155 (+14.4%)
Labor expenses, etc.	707 (32.5%)	771 (28.4%)	+64 (+9.1%)
Others	372 (17.2%)	464 (17.1%)	+91 (+24.5%)
Operating income	530 (24.4%)	701 (25.8%)	+171 (+32.3%)
Ordinary profit	513 (23.6%)	688 (25.3%)	+175 (+34.2%)

Factors behind changes in consolidated operating income

In addition to the consolidation⁽¹⁾ of two subsidiaries, results improved due to the recording of income in the Investment Business. Operating income grew 32.3% YoY, with an operating margin of 25.8%.

(millions of yen)



↑ Increase in net sales (+544)

- In addition to the acquisition of new customers through OEM provision, net sales in the CLOMO Business increased as a result of M&A
- The Investment Business recorded net sales of 120 million yen

↓ Increase in cost of sales (△217)

- The cost of sales increased in the CLOMO Business due to M&A
- Recorded Investment Business cost of sales (99 million yen) and loss on valuation for some investments

↓ Increase in selling and administrative expenses (△155)

- Personnel expenses increased against a background of rising headcount, driven by M&A and a proactive approach to recruitment
- Various expenses and goodwill related to M&A were incurred

注：

1. The income statement of 10KN COMPANY LIMITED, which became a wholly owned subsidiary in April 2024, was included in consolidation in the 1st quarter, while the income statement for January-March 2025 of OneBe, Inc., which became a subsidiary in January 2025, was included in consolidation for the 3rd quarter.

Balance sheet for 3Q of FY6/25

Despite moving forward with investments for growth and returns to shareholders, we have maintained a stable financial base, and an equity ratio of 67.7%.

(units: millions of yen)	FY6/24	3Q of FY6/25	Change
Current assets	2,525	2,891	+366
Cash and deposits	1,812	2,165	+353
Receivables	332	399	+67
Operational investment securities	265	216	△49
Fixed assets	1,083	1,326	+242
Software	246	165	△81
Software in progress	103	139	+35
Total assets	3,609	4,218	+609
Current Liabilities	1,029	1,173	+144
Contract liabilities	483	692	+208
Fixed liabilities	—	—	—
Total liabilities	1,029	1,173	+144
Total net assets	2,579	3,044	+465

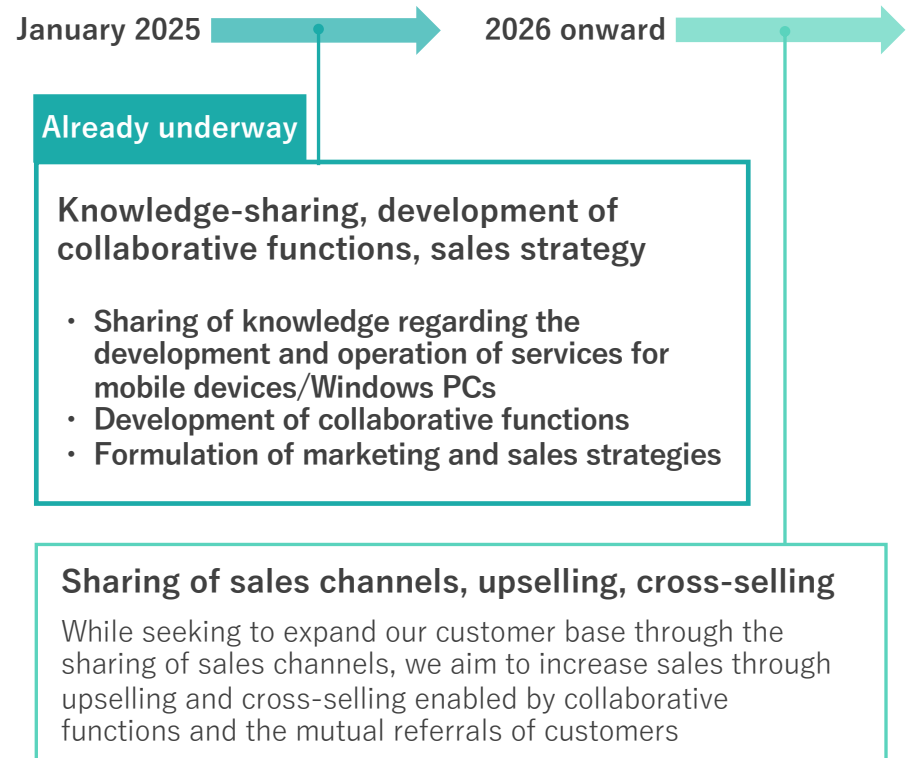
Strengthening collaboration following OneBe's integration into the group

We have initiated the development of a collaborative framework to expand group performance through mutual customer referrals and shared sales channels, while also aiming to enhance overall development capabilities and accelerate growth of the Group as a whole by addressing each other's challenges in function development.

Overview of OneBe, Inc.

Company Name	OneBe, Inc.
Founded in	May 2006
Location of HQ	4-3-17 Shinjuku, Shinjuku-ku, Tokyo 3F FORECAST Shinjuku SOUTH
Representative	President & CEO Takashi Kato
Capital	67,000,000 yen
Market on which listed	TOKYO PRO Market (Securities code: 5622)
Nature of business	Develops/provides "TRUST DELETE," a software for preventing information leakage
Strengths	<ul style="list-style-type: none">• Windows PC device management• Brand power for PC products• Extensive experience in OEM provision to PC manufacturers

Initiatives aimed at building cooperative structures



Returns to shareholders

In order to express our appreciation for the longstanding support shown by shareholders and to increase the appeal of our shares among investors, while at the same time improving liquidity and raising awareness of the stock, we are not only increasing the dividend⁽¹⁾ but also introducing a system of special benefits for those holding shares at the interim and end of the fiscal year.

Overview of the special benefit system for shareholders

Eligible shareholders are those listed or recorded in the register of shareholders as of the last day of June or December each year, and who hold at least 100 shares of the stock of the Company.

Note that there are no continuous holding conditions.

Number of shares held	Details of benefits	Timing of implementation
≥ 100 shares < 300 shares	Digital gift 1,000 yen in value	Twice a year at interim/year-end
≥ 300 shares	Digital gift 5,000 yen in value	

The following operators are expected to permit exchanges:

Amazon gift card / QUO Card Pay / PayPay points / d points / au PAY gift card / WAON points ID / Ponta points code / nanaco gift / Apple Gift Card / Edy gift ID / Google Play gift code / NET CASH / Uber gift card / Rakuten points gift card

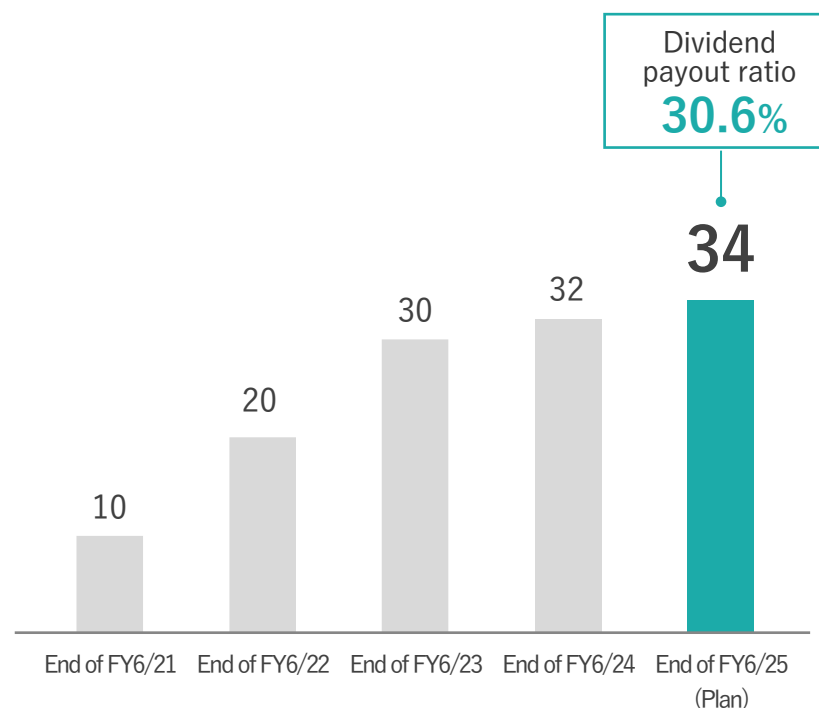
*The list of operators may change at a later date

*Exchange rates may vary for some gifts

Notes:

1. For details, please refer to the following release dated May 14, 2025: “Notice Regarding Revision of Dividend Forecast (Dividend Increase).”

Dividends over time (yen)



3. Reference Materials

Company Profile

Company Name	i Cubed Systems, Inc.
Locations	Fukuoka HQ : Daiichi Myojo Building, 4-1-37 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka Tokyo HQ : Hamamatsucho DS Building, 1-27-16 Hamamatsucho, Minato-ku, Tokyo Sales office : Sapporo／Sendai／Nagoya／Osaka／Hiroshima
Capital	414,068,600 yen
Founded in	September 2001
Representative	President and CEO Tsutomu Sasaki
Main Business	CLOMO business／ Investment business
Partner	Apple Consultants Network Member Android Enterprise Gold Partner Microsoft AI Cloud Partner
Group Company	i Cubed Ventures, Inc. OneBe, Inc. 10KN COMPANY LIMITED (Vietnam)

※Information as of the end of March 2025.

Corporate brand

Brand slogan

Enjoy challenges.

We ourselves will enjoy taking on challenges,
help people and organizations to take on their own challenges,
and help to realize all kinds of ideas to make many people smile.

Brand concept

Purpose : Become the matrix for realizing unknown ideas that lead to smiles

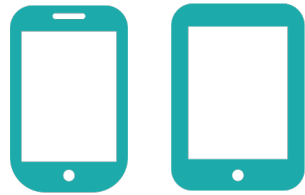
Value proposition : Using the power of design and engineering to support
those who take on challenges

Structure of the Group's business

CLOMO Business is the main focus of business development for the Group.

Investment Business was launched in June 2022 to further expand CLOMO Business and to accelerate growth of the Group as a whole.

CLOMO Business



Main business and revenue base of the Group, providing CLOMO MDM and CLOMO SECURED APPs to support use and management of mobile devices by corporates

Investment Business



Investment activities, such as CVC, aimed at generating business opportunities for CLOMO Business and execution of M&A aimed at further expansion of CLOMO Business and creation of new businesses

Reasons why MDM is gaining attention

Business use of mobile devices is expanding in a wide variety of industries with the promotion of DX and paperless operations. At the same time, there is a growing need to address risks arising from loss, theft, etc. of mobile devices.

Mobile device use cases (partial list)

● Smartphone

Device lent to employees (mobile phone for business use)
Extension tool at medical institutions

● Tablet

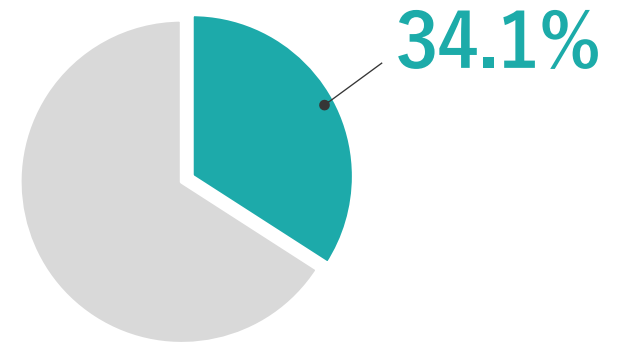
Devices lent to children in classrooms
Devices for reservations, inventory control, and payment
at stores that have customer interaction

● Dedicated terminals

Devices for delivery management by delivery personnel
in the forwarding industry
Devices for checking drawings and communication in the
manufacturing industry

Necessity of mobile device management (MDM)

1 in 3 companies has experienced loss or theft of
data or information devices by employees

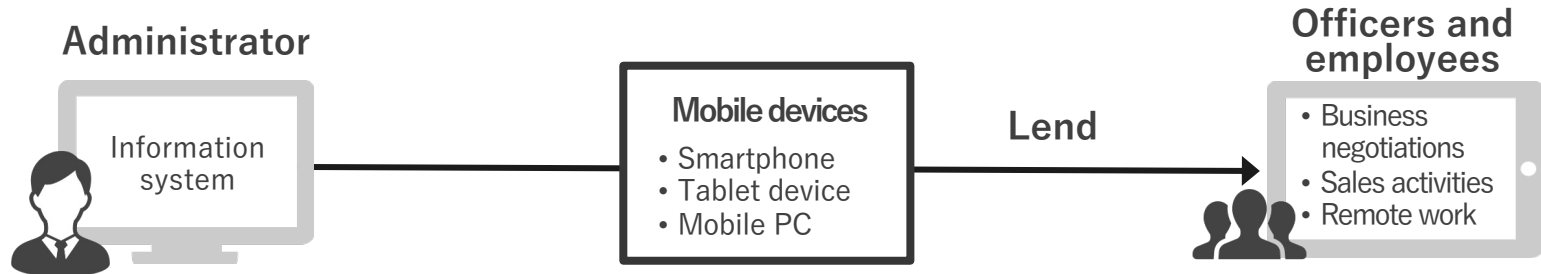




The most common security incident experienced by companies over the past year was loss or theft of data or information equipment by employees at 34.1%

Source) JIPDEC "JIPDEC IT-REPORT 2023 Spring"

Overview of the CLOMO Business (Service)

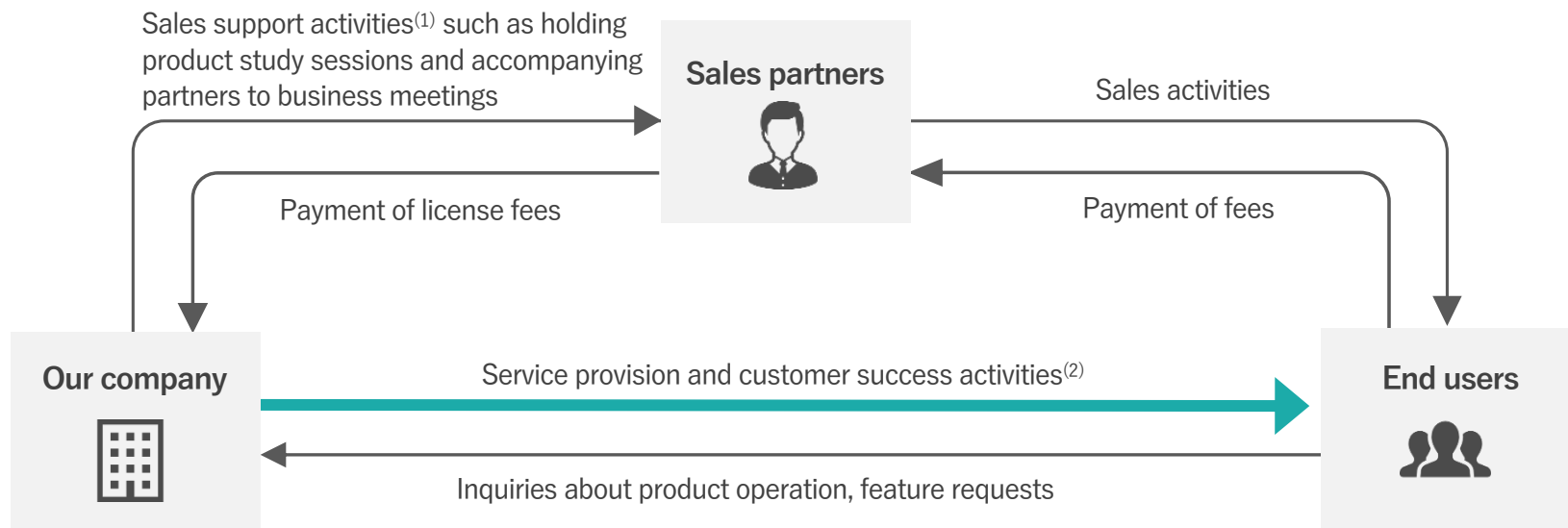
We provide MDM services to reduce the security risks of mobile devices for business use, and application services to enable more efficient use of mobile devices.



			Visualization of utilization status “Status monitoring”	Function restrictions And settings “Application of utilization rules”	Security measures “Measures for preventing information leakage”
Management	Basic functions for smooth management		Remotely assess the utilization status in real time	Properly set and restrict functions	Device lock and data erasure when the device is lost or stolen
Utilization	In combination with MDM, ensure both safety and convenience		Efficiently assess the utilization status	Efficiently use business software	Provide apps that meet security requirements
【Browser / Mailer / Calendar / Contacts / Docs】					

Overview of the CLOMO Business (Sales structure)

We focus on service expansion in collaboration with sales partners. Meanwhile, our Customer Success Division, which has extensive product knowledge, provides direct support to customers who have installed our products.



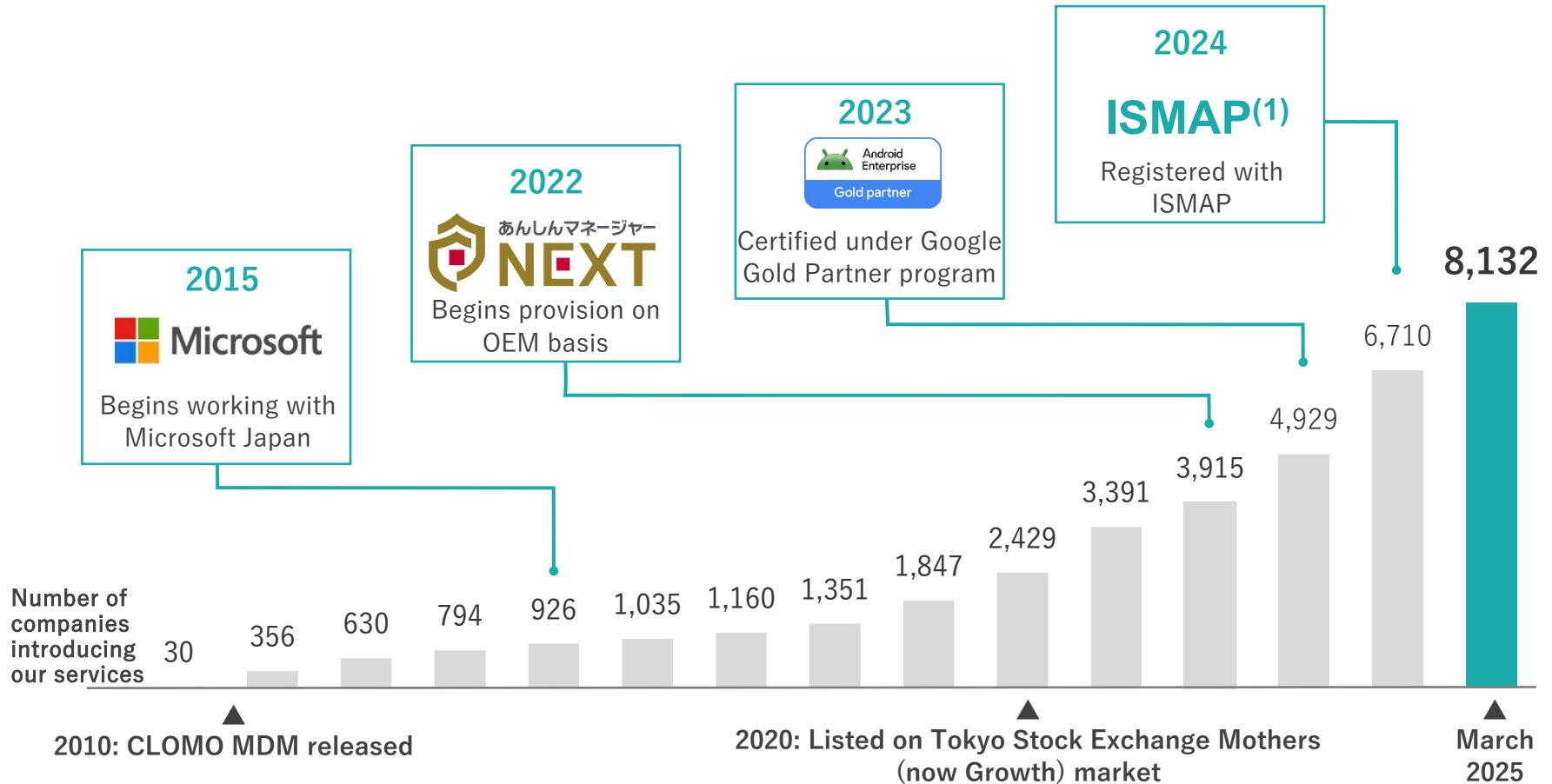
Notes:

1. In addition to sales support activities for sales partners, we carry out marketing activities targeting potential customers, mainly through case study ads and participation in seminars and events.
2. Our customer success activities include providing support for customer inquiries, conducting regular customer interviews, holding seminars and user meetings on product operation, and up-sells/cross-sells.

CLOMO's post-release evolution

Promoted service development through partnerships with/certification by OS developers.

Began providing on an OEM basis to NTT Docomo Group in 2022, grew customer base to more than 8,000 companies in 14 years.

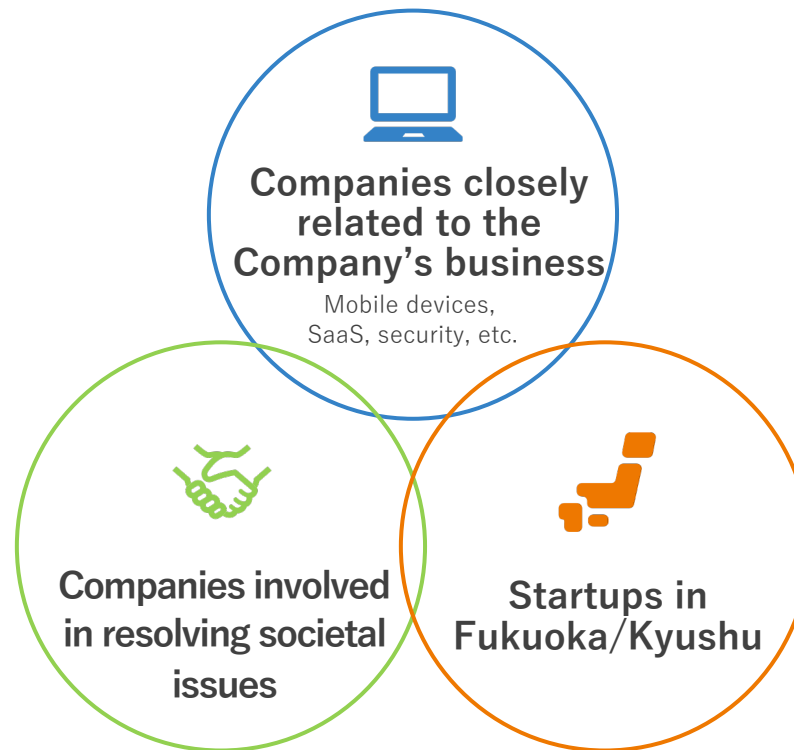


Notes:
1. An abbreviation of “Information system Security Management and Assessment Program.” A system for evaluating the security of cloud services utilized by the government, established by the Cabinet Secretariat, Ministry of Internal Affairs and Communications, and Ministry of Economy, Trade and Industry. By acquiring ISMAP certification, the Company seeks to improve the reliability of CLOMO Services and win market share at public agencies.

Overview of the Investment Business

We are conducting startup investments across a wide range of fields through our CVC subsidiary, i Cubed Ventures, Inc., aiming to further grow our company group through these investment activities.

Focus areas within investments



Source of competitiveness

1 Competitive advantage of CLOMO Business

1. Stable revenue base and highly profitable structure
2. Integration capabilities
3. Robust partnership with OS developers
4. Security quality recognized by the government

2 Management resources

1. Stable financial base
2. Strong customer base
3. Diverse and flexible organization

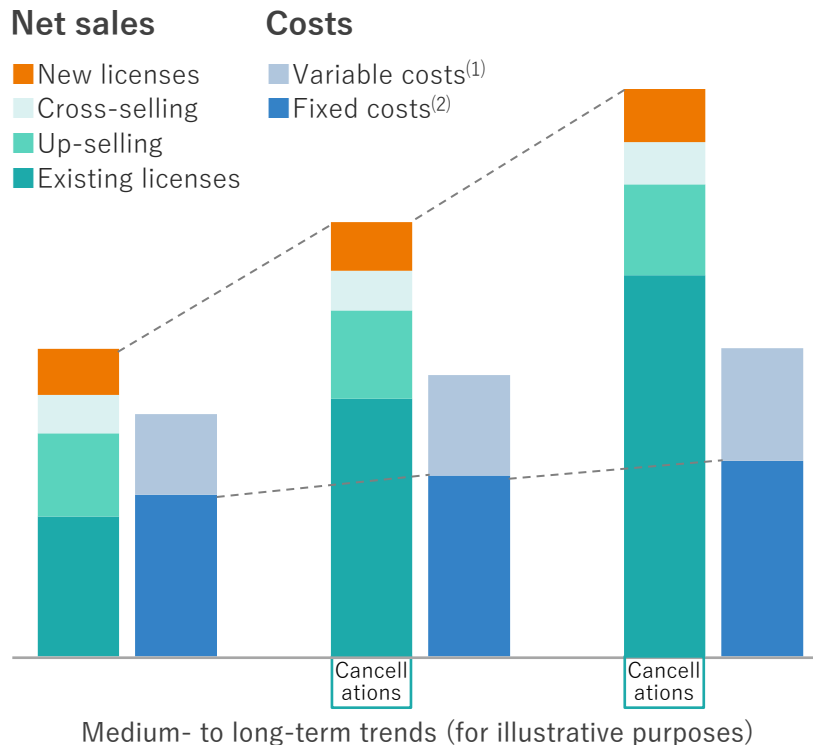
1 Competitive advantage of CLOMO Business

Stable revenue base and highly profitable structure

SaaS business using both subscription model and cloud technology.

It is possible to obtain stable revenue through continuous sales and establish a highly profitable structure through economies of scale.

Structure of net sales and costs



Notes:

1. Calculated as “other expenses (cost of sales) + advertising expenses (SG&A expenses) + R&D expenses (SG&A expenses) + other expenses (SG&A expenses)”.

2. Calculated as “depreciation expenses (cost of sales) of in-house product software + manufacturing cost (cost of sales) related to product development and operations + personnel cost (SG&A expenses) + property cost (SG&A expenses)”.

Features of net sales breakdown

- Acquisition of new customers**
Corporate with distributors to increase number of new customers
- Revenue growth from existing customers**
Approach directly, promote up-selling and cross-selling

Features of cost breakdown

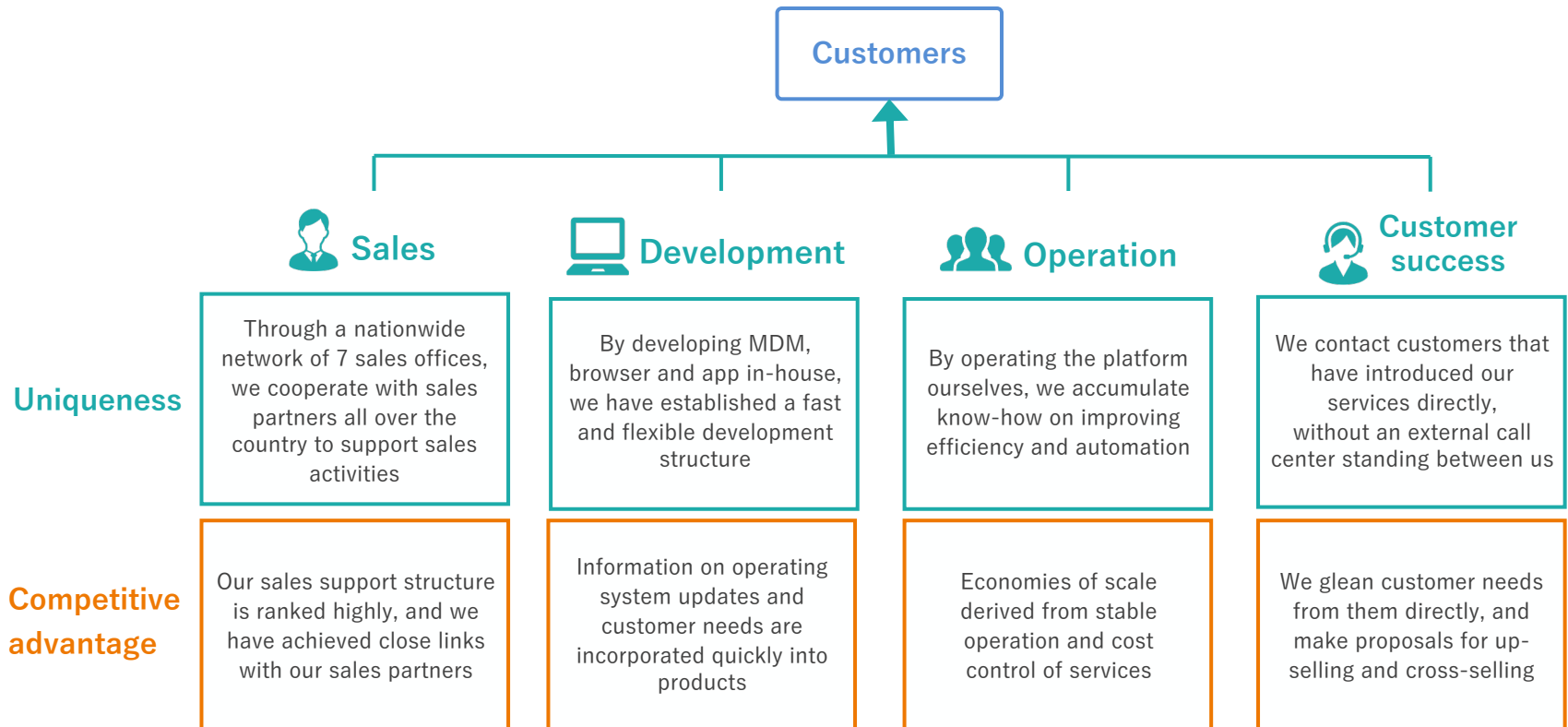
- Variable costs**
Utilize new technology to control increases in operating costs for servers, etc. following expansion in scale of business
- Fixed costs**
Furthermore, sales costs are controlled by means of marketing activities led by distributors, so that locations need to be opened only in core areas

Integration capabilities

Achieving services with high customer satisfaction through the integrated capability of performing all sales, development, operations, and support in-house.

Integration capabilities

Enables close cooperation with customers and the provision of service that scores highly for satisfaction



Robust partnerships with OS developers

Certified as Gold Partner in “Android Enterprise Partner Program” provided by Google.

Promoting acquisition of new customers in area of Android devices, while enhancing product capabilities through partnership.



Recognition of our superior technical capabilities, extensive track record in deploying CLOMO Services, and courteous and caring customer support has led to the Company being certified as a Gold Partner

Improve product quality through partnerships

By participating in conferences, etc. held by Google, and being able to receive priority technical support, we have consistently improved the quality of CLOMO product development and customer support

Acquisition of new customers in area of Android devices

CLOMO has continuously received the “Android Enterprise Recommended” designation for products that satisfy the high level of technical capabilities required by Google, and we are promoting the acquisition of new customers in the area of Android devices for corporates

Security quality recognized by the government

Highly secure nature of CLOMO has been recognized and the product has been added to the ISMAP cloud service list in 2024. Few competing products have been registered with ISMAP⁽¹⁾, which helps enhance our competitive advantage in the MDM market.

Overview of ISMAP

ISMAP

Information system Security Management and
Assessment Program

What is ISMAP?

A system that aims to facilitate the adoption of cloud services by ensuring security levels in cloud services procured by the government satisfy governmental security requirements through a process of prior assessment and registration of cloud services

Impact on CLOMO Business

ISMAP registration enhances the reliability and security of CLOMO MDM, making it easier to introduce for many customers, including administrative agencies, which is expected to lead to the expansion of the customer base going forward

Note:

1. Two MDM services other than CLOMO are registered with ISMAP. Figures as of June 30, 2024, based on research conducted by the Company.

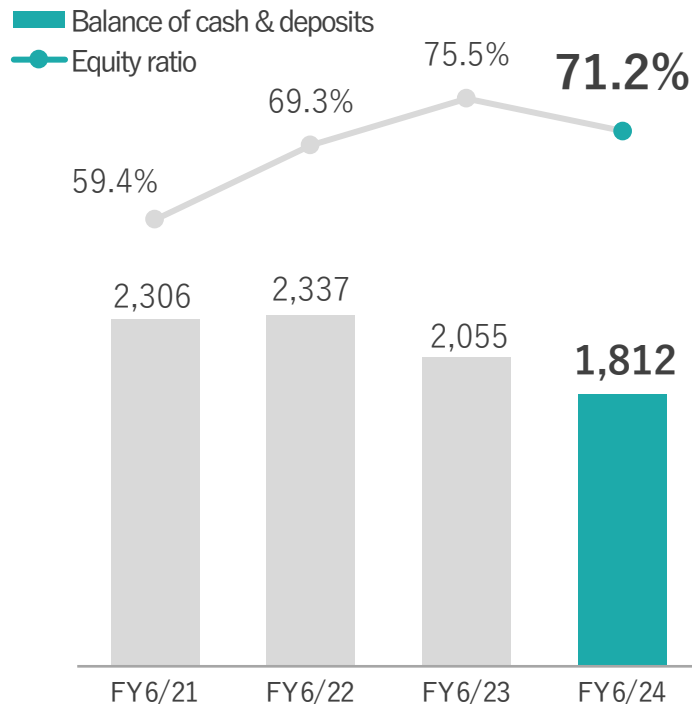
Stable financial base

Despite small year-on-year decline caused by purchase of treasury shares, etc., we maintained a certain level of cash and deposits and equity ratio.

Use of subscription model enables building of a stable financial platform for the future growth of the organization.

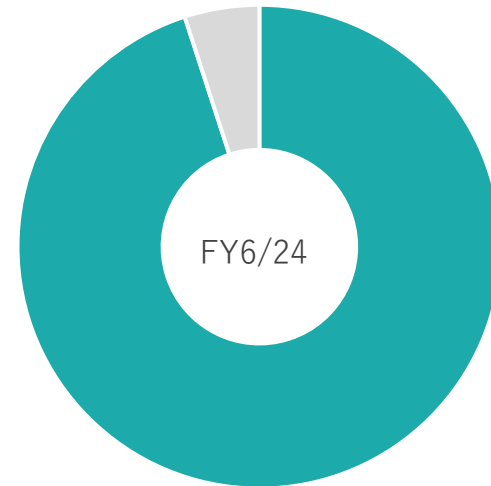
Trend in balance of cash & deposits and equity ratio

(millions of yen)



Ratio of revenue from stock business

95% of consolidated net sales consists of stock business

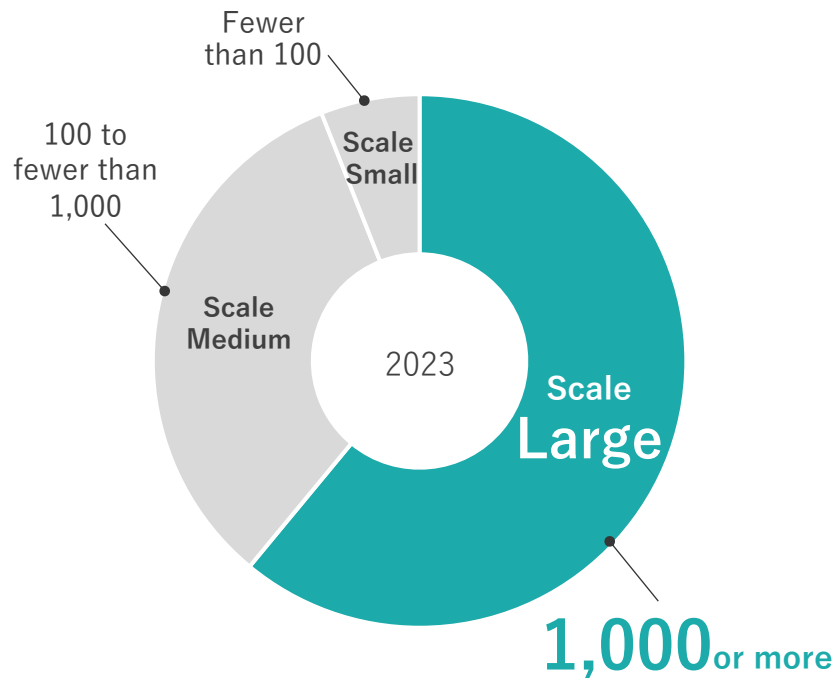


- Revenue from stock business
- Revenue from flow business

Strong customer base

More than 8,000 existing companies form a strong customer base various of industries, mainly large companies. In recent years, it has also been introduced to small and medium-sized companies, promoting growth of the company.

Sales composition by customer scale (number of employees)



Deployment track record



Source: Deloitte Tohmatsu MIC Research Institute Co., Ltd.

"Delivering the Optimal Solution for Hybrid Work: Market Outlook for Collaboration and Mobile Management Software, 2023 Edition (<https://mic-r.co.jp/mr/02880/>)"

Diverse and flexible organization

By building a diverse organization and promoting flexible work styles, we have fostered a culture that actively takes on challenges. Recognized for 5 consecutive years in the Best Workplaces⁽¹⁾ rankings, recipient of Stress Free Company⁽²⁾ award for 3 consecutive years.

Diverse organization and flexible work styles⁽³⁾

Male-to-female ratio

6 : 4

Percentage of foreign national employees

7 %

Percentage taking childcare leave

100 %

Average hours worked outside regular hours

4.5 hours

Certifications from external organizations

Best Workplaces
Certified for four
consecutive years



Stress Free Company
Awarded for three
consecutive years



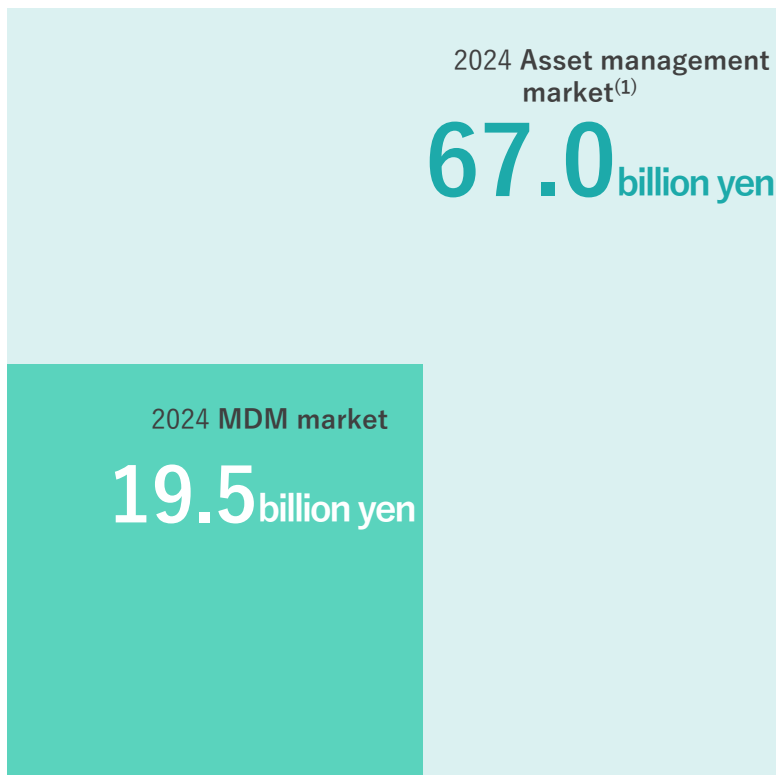
Notes:

1. A system whereby Great Place to Work® Institute Japan performs awareness surveys of employees in accordance with global standards, and certifies those that exceed a certain level as Best Workplaces companies.
2. A system whereby HRDataLab Inc. uses the results of a stress check based on the "The Brief Job Stress Questionnaire" recommended by the Ministry of Health, Labour and Welfare to award Stress Free Company status to corporations.
3. All indicators are based on actual figures for the parent company on a standalone basis as of June 30, 2024, rounded to the nearest whole number. As of June 30, 2024, the total number of employees at the consolidated level was 157, of which the percentage of foreign nationals is approximately 23.0%.

Markets targeted by the CLOMO Business

The size of the mainstay MDM market is 19.5 billion yen.

The size of the market that we are targeting is 67.0 billion yen overall, so the potential for the CLOMO Business is significant.



Market Growth Factors

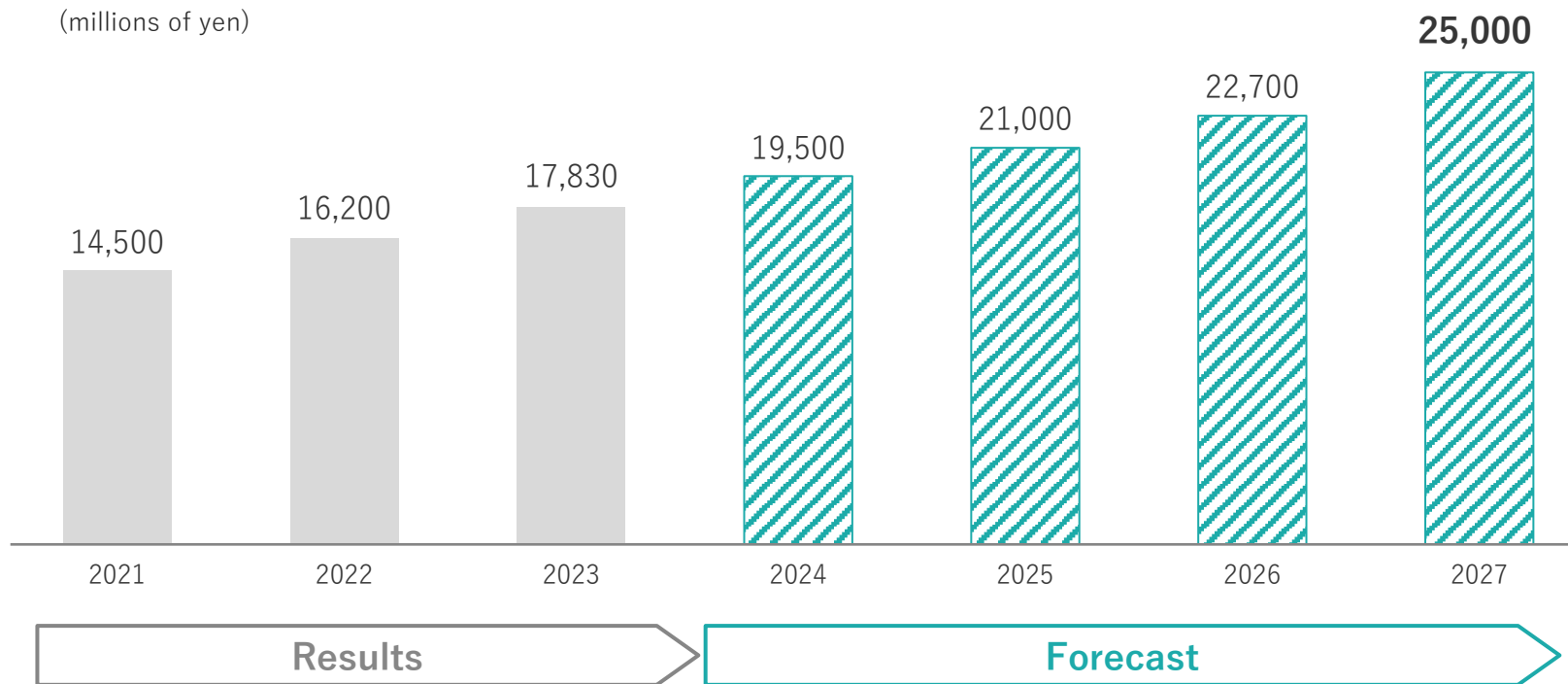
- Switch to smartphones accelerating ahead of decommissioning of 3G increase opportunity to introduce MDM.
- DX leading to increase in deployments of mobile devices at medical, manufacturing, and logistics sites, resulting in expansion of devices to be managed
- Shift to SaaS for PC asset management and security software accelerating. As a result of growing demand for integrated management with mobile devices, we expect opportunities for MDM vendors to enter market

Note:
1. This figure is the sum of the 2024 market size forecast for the MDM market and for the PC asset management market. For details on the market size of each market, please refer to the following pages.

MDM market size forecasts (shipment value)

Strong growth is expected for the MDM market, centered on smartphones and tablets.

It is expected to expand to **a size of 25.0 billion yen** by 2027



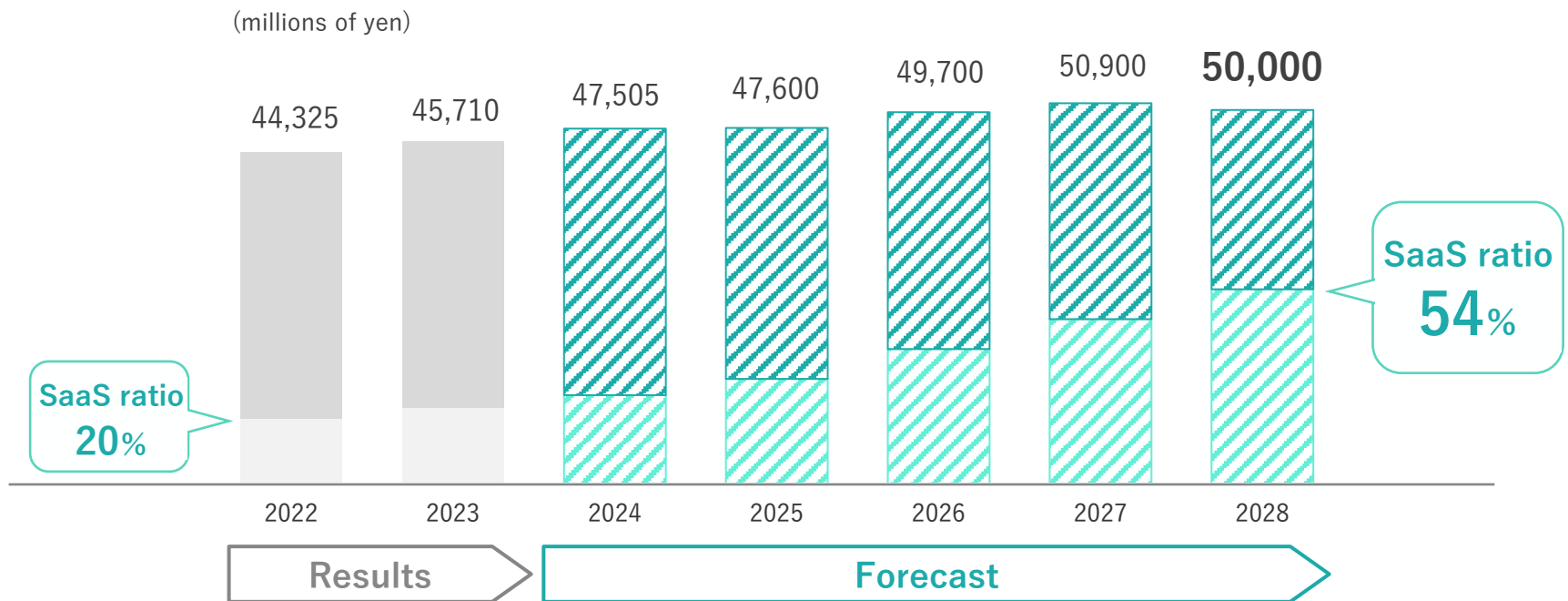
Source: Deloitte Tohmatsu MIC Research Institute Co., Ltd.

"Delivering the Optimal Solution for Hybrid Work: Market Outlook for Collaboration and Mobile Management Software, 2023 Edition (<https://mic-r.co.jp/mr/02880/>)"

PC asset management market size forecasts (shipment value)

Transition to SaaS making progress in PC asset management market, which is more than twice the size of MDM market. Opportunities have emerged for MDM vendors to enter against a backdrop of growing demand for integrated management of mobile devices/PCs.

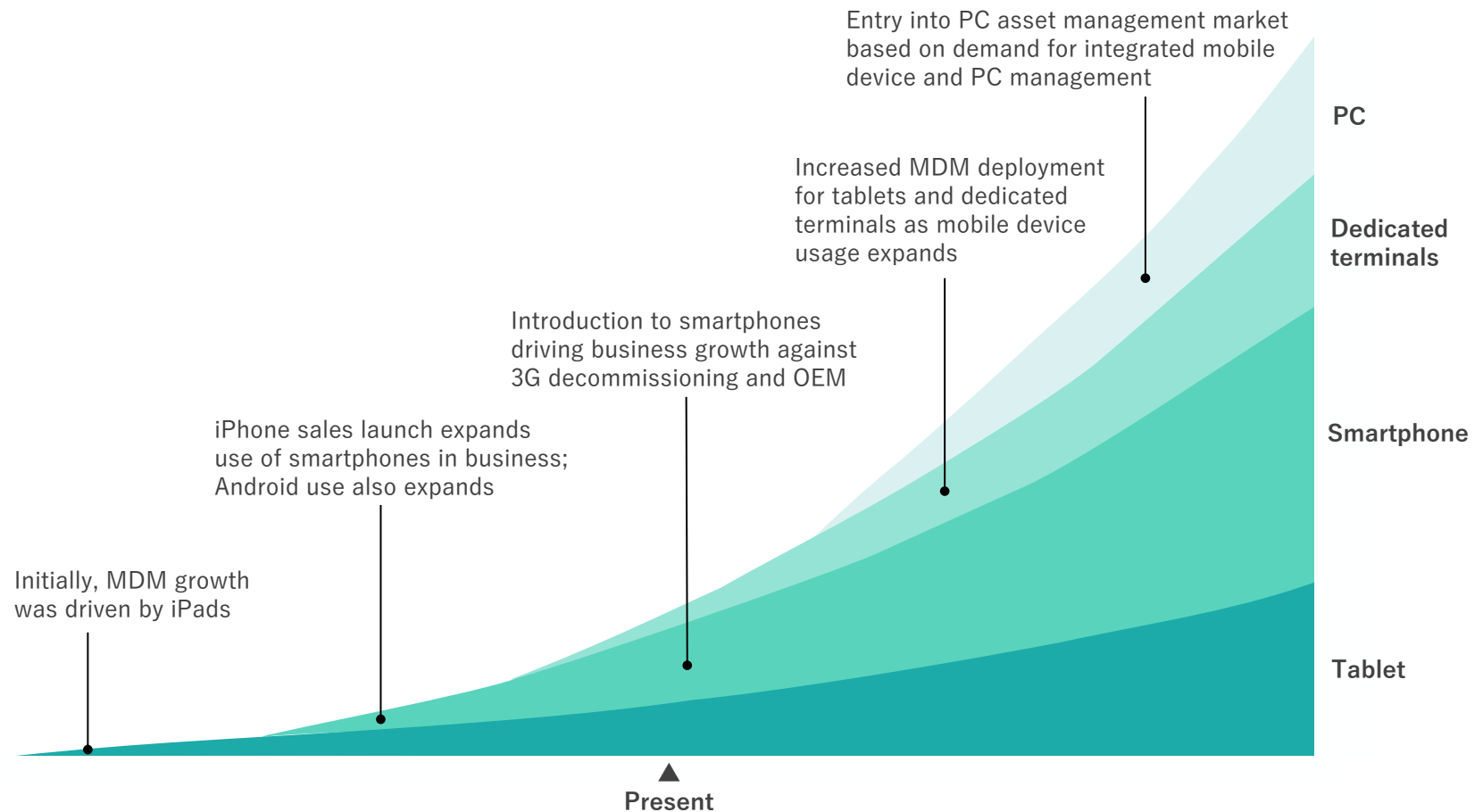
SaaS ratio is expected to grow to **54%** by 2028



Source: Techno Systems Research Co., Ltd. "2024 Endpoint Management Market Marketing Analysis"

Sales growth image of CLOMO business

Our business has been growing steadily up to now as business use of smartphones has expanded. We expect further business growth as the market expands to include new devices to be managed.



Handling of this document

- This document contains outlooks, future plans, and management objectives related to the Company. These outlooks are based on current assumptions on future events and trends, and there is no guarantee that these assumptions are accurate.
Owing to various factors, actual results may differ materially from those indicated in this document.
- Unless otherwise stated, the financial data provided in this document is presented in accordance with generally accepted accounting principles in Japan.
- The Company does not necessarily revise any statements on future outlooks which have already been made, regardless of future events, except as required by the Disclosure Rules.
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