

FY12/24 Q3 Financial Results

CUBE CO., LTD

Stock Code: 7112

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Q3 Financial Report

[FY12/24]

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Business Progress

[FY12/24]

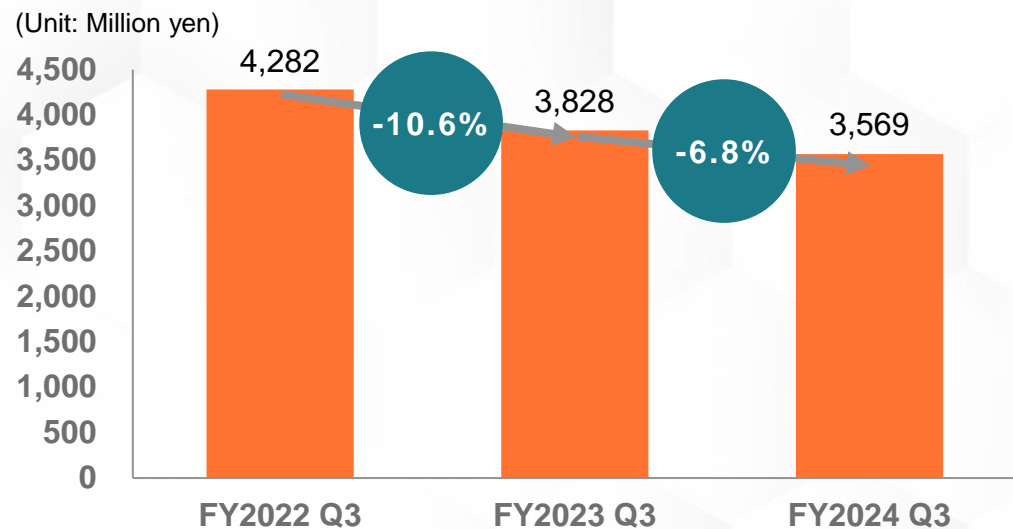
03

APPENDIX

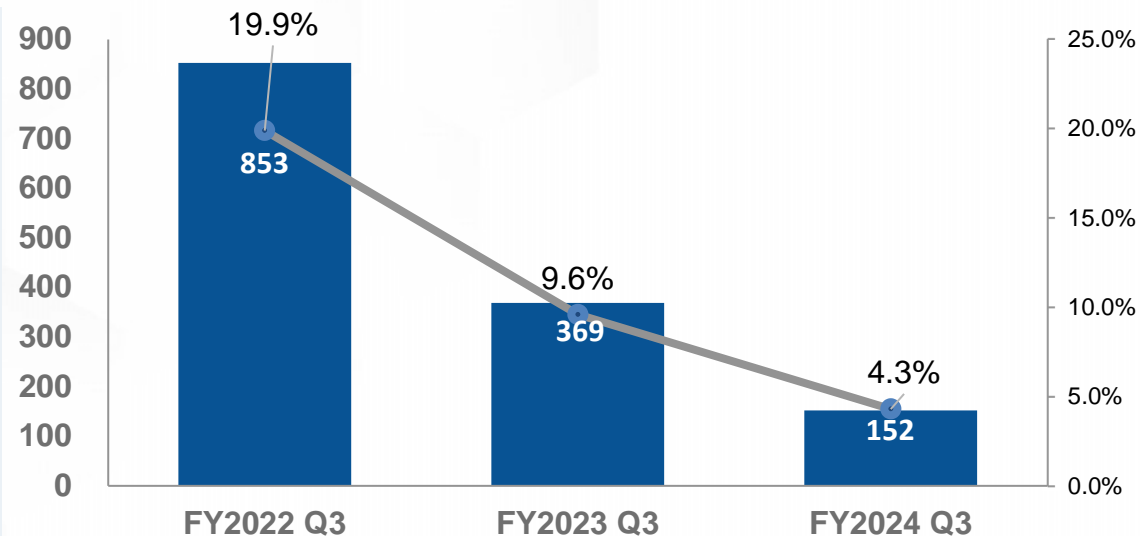
- Corporate Profile & Business Overview
- Product
- Sales Trends by Sales Channel

FY12/24 Q3 Financial Report

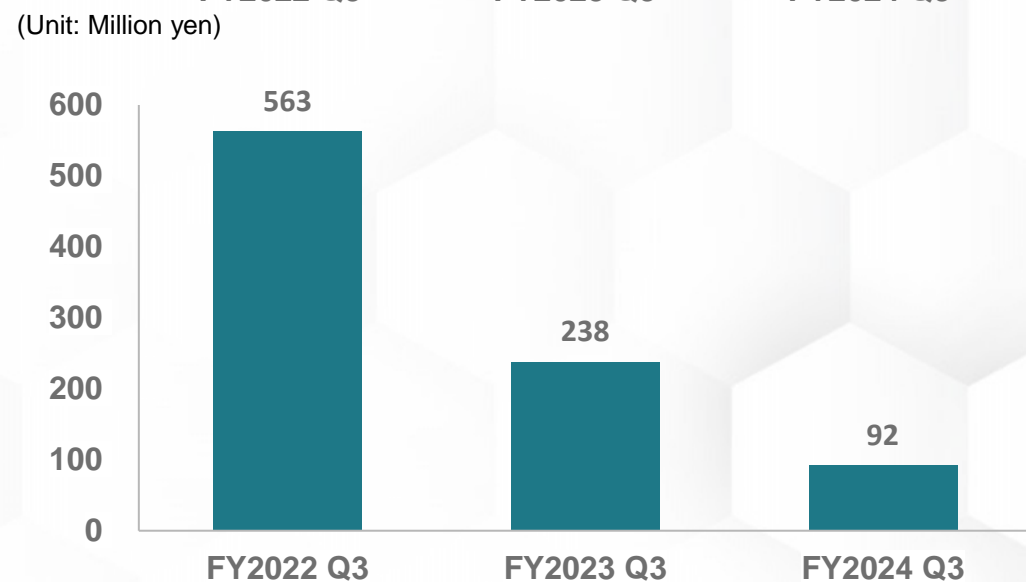
Net sales



Operating profit/Operating profit margin



Profit

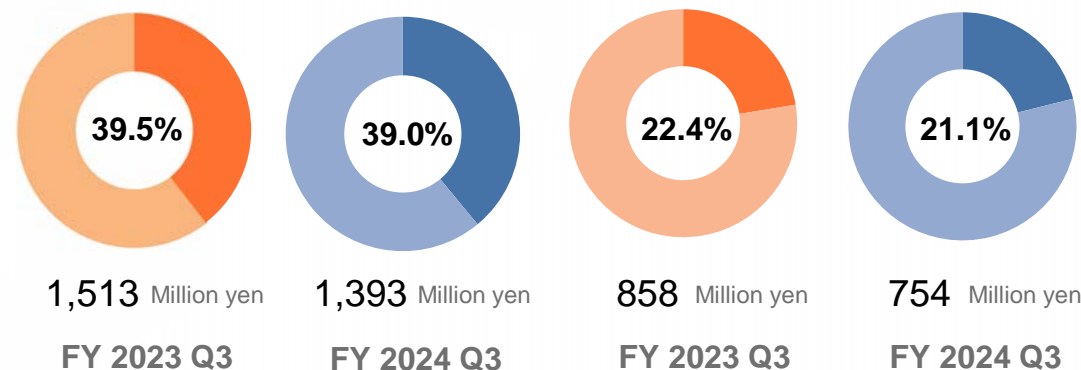


Key Indicators

Overseas Sales Ratio

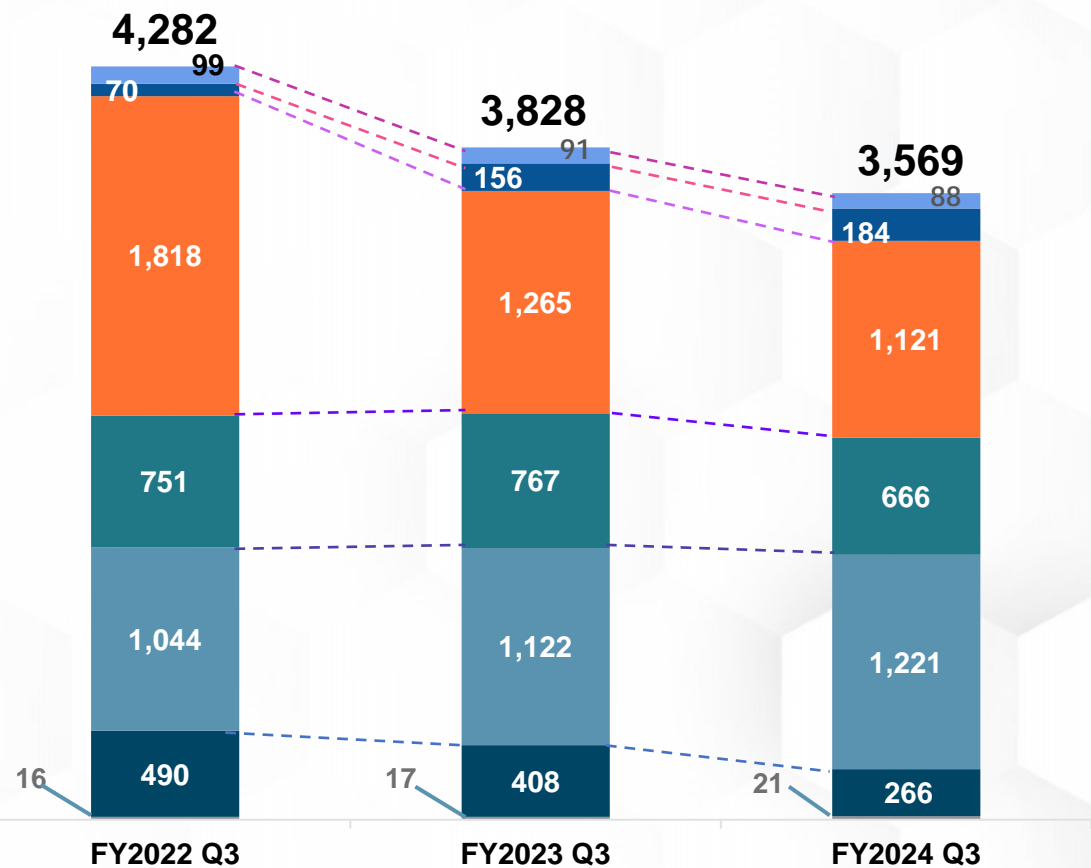
EC Ratio *1

*1 EC ratio = (Domestic EC sales + Overseas EC sales)/Net sales



Sales Trends by Sales Channel

(Unit: Million yen)

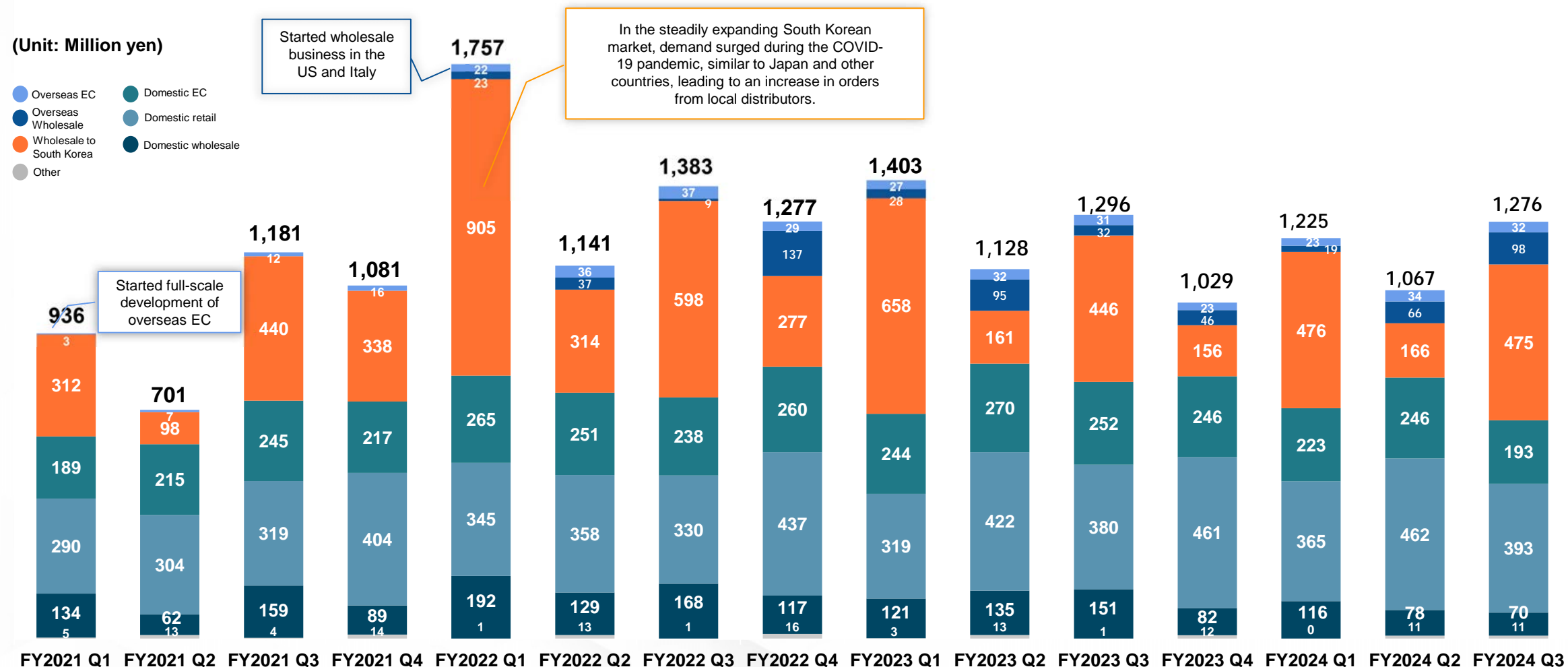


Financial Highlights

- Since the spread of COVID-19 in 2020, the golf market demand has been boosted worldwide, but the overheating has moderated.
- In the domestic retail and e-commerce sales, while the extreme summer heat has significantly impacted sales, leading to sluggish performance of new autumn/winter collections. Meanwhile, domestic retail sales alone are steadily increasing year by year. This is driven by initiatives such as the opening of the Aoyama store in April 2023, the renewal of the Ginza store in March 2024, increased demand from inbound tourists, and proactive pop-up store openings at locations like the Gotemba Premium Outlets.
- As for wholesale in South Korea, although wholesale sales continued to decline due to the significant golf boom in 2022 and the subsequent reactionary effect, the rate of decline has narrowed compared to Q2. Additionally, sales to local end-users are showing signs of stabilizing.
- Domestic wholesale sales declined YoY as inventories at wholesalers have temporarily expanded due to the moderated golf boom, and adjustments for autumn/winter products are still ongoing.
- Overseas wholesales are expanding in ASEAN and East Asia. In Q3, as we completed the delivery of order backlog up to Q2, sales have been steadily increasing year by year.

Sales Trends by Sales Channel

Domestic EC and wholesale sales fell YoY following Q2, but domestic retail sales grew steadily compared to the previous Q3. Since we focused on global expansion, overseas wholesale and EC expanded, and wholesale sales in South Korea also increased YoY following Q2.



*Q1 and Q3 tend to record higher sales compared to Q2 and Q4, driven by the timing of domestic and overseas wholesale shipments. Similarly, Q3 and Q4 tend to see higher sales compared to Q1 and Q2, as these periods align with the sales of heavy clothing and other autumn and winter items.

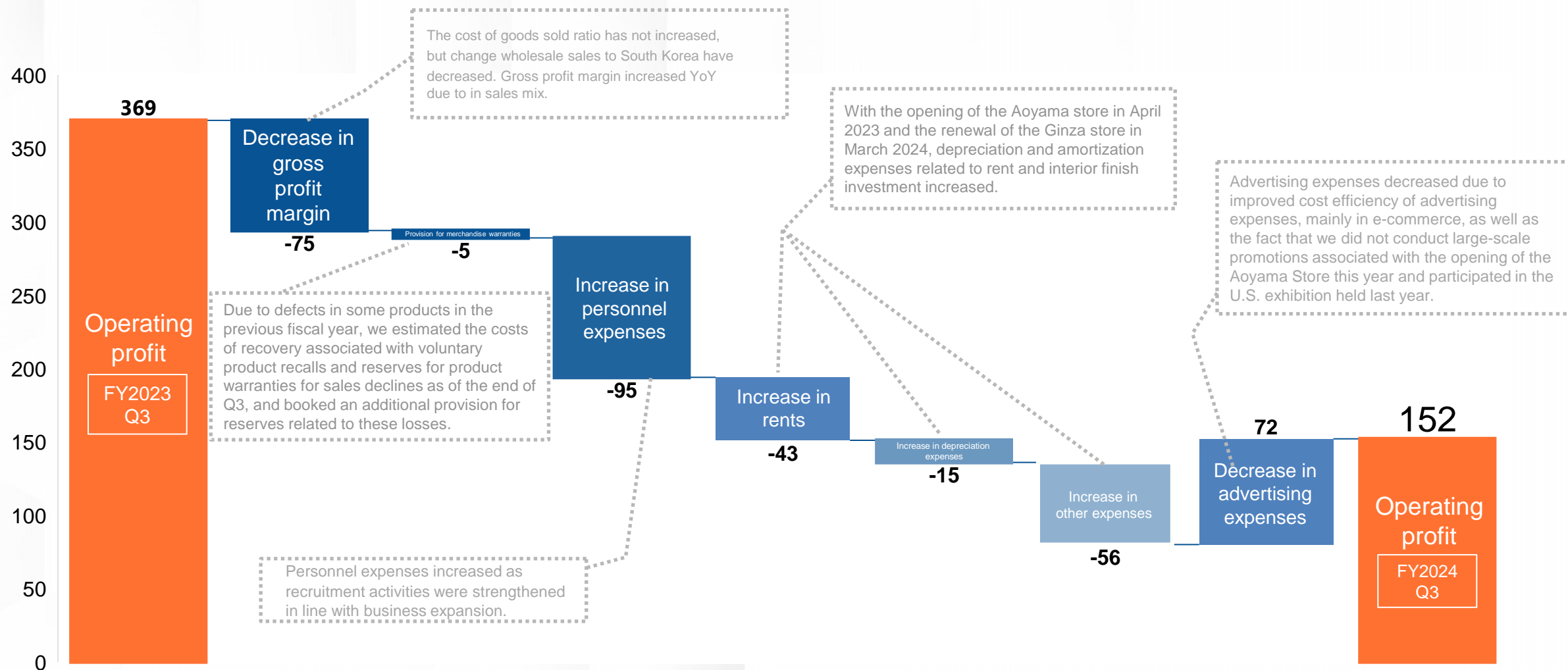
Outline of Financial Results (Year-on-year Results and Forecasts)

CUBE CO.,LTD.

(Unit: Million yen)	FY2023 Q3	FY2024 Q3 (current period)	YoY (pct. change)	Forecasts	Achievement rate
Net sales	3,828	3,569	-259 (-6.8%)	5,120	69.7%
Gross profit (Gross profit margin)	2,147 (56.1%)	2,071 (58.0%)	-75 (-3.5%)	-	-
Operating profit (Operating profit margin)	369 (9.6%)	152 (4.3%)	-216 (-58.6%)	236 (4.6%)	64.6%
Ordinary profit (Ordinary profit margin)	372 (9.7%)	152 (4.3%)	-220 (-59.0%)	230 (4.5%)	66.1%
Profit (Profit margin)	238 (6.2%)	92 (2.6%)	-146 (-61.3%)	151 (3.0%)	61.1%

Factors behind Changes in Operating Profit

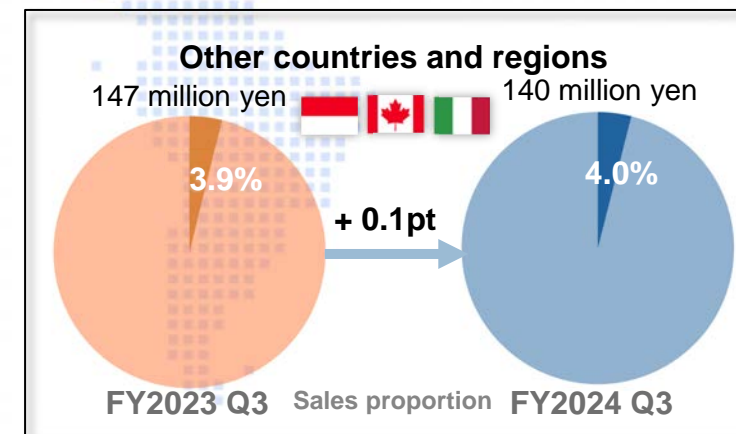
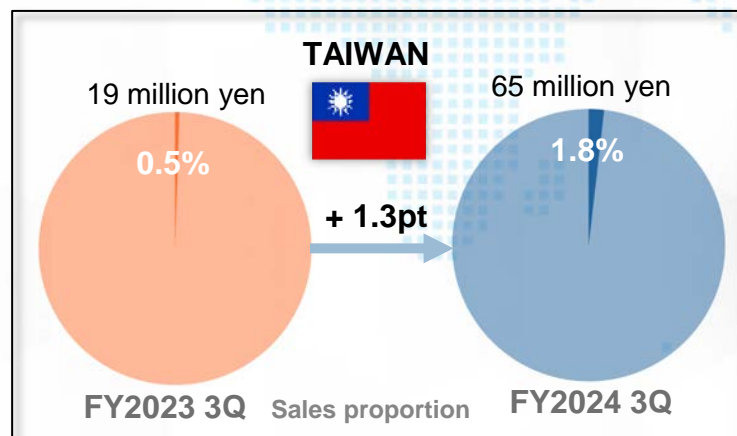
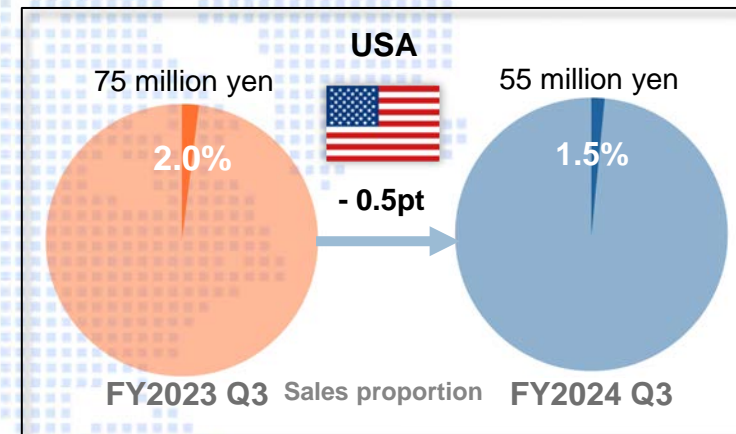
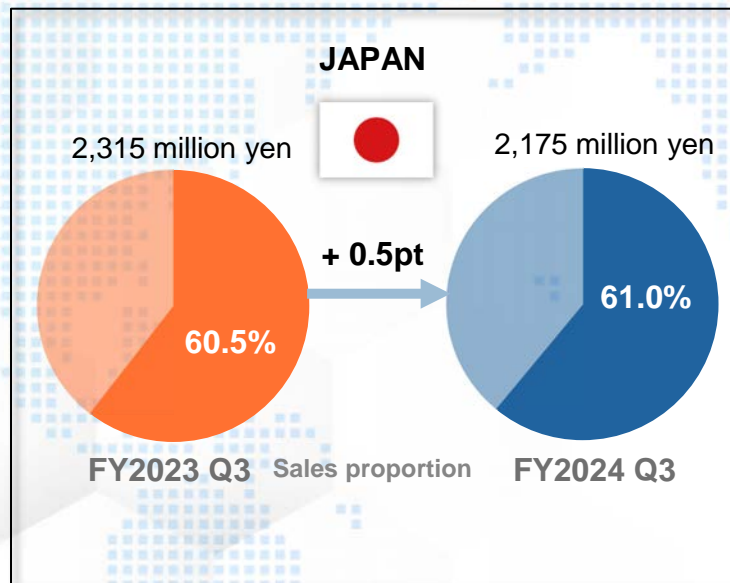
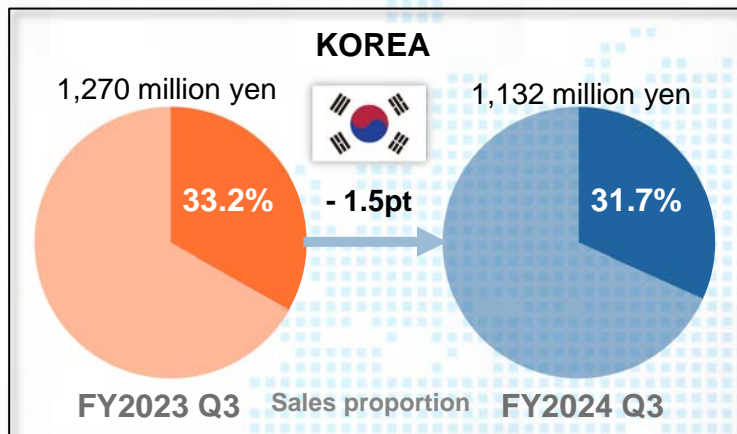
Operating profit decreased YoY. This was primarily due to the significant impact of lower wholesale sales in South Korea, as well as increases in rent costs and depreciation expenses, despite the positive impact of improved gross profit margins resulting from changes in the sales mix and cost reductions through more efficient advertising.



Current assets and current liabilities have increased in line with the increase in purchases.

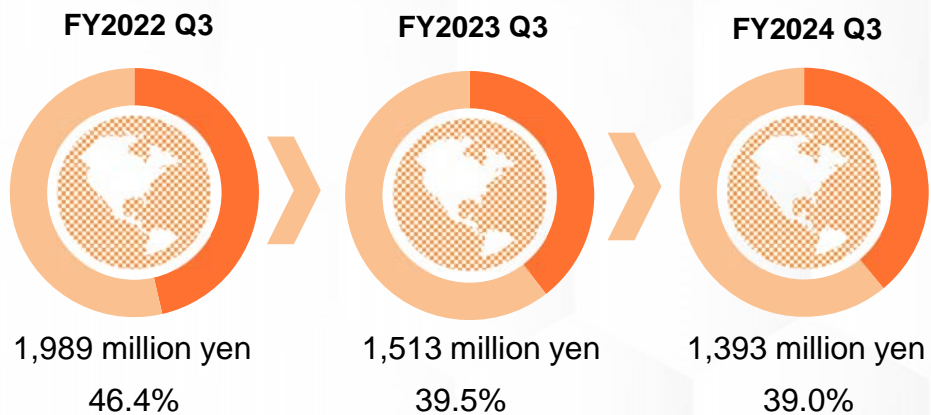
(Unit: Million yen)	FY2023 Q4	FY2024 Q2	FY2024 Q3	Composition ratio	QoQ	Main change factors (QoQ)
Total assets	4,507	4,710	4,885	100.0%	+175	
Current assets	3,719	3,832	3,977	81.4%	+145	<ul style="list-style-type: none"> · Increase in merchandise due to an increase in purchases · Increase in accounts receivable due to launch of autumn/winter collections
Noncurrent assets	788	877	907	18.6%	+29	<ul style="list-style-type: none"> · Increase due to acquisition of property, plant and equipment associated with the reopening of Daimaru Shinsaibashi store
Current liabilities	530	651	778	15.9%	+127	<ul style="list-style-type: none"> · Increase in accounts payable due to an increase in purchases · Increase in accounts payable, such as interior finish expenses, associated with the reopening of Daimaru Shinsaibashi store
Noncurrent liabilities	115	129	140	2.9%	+11	<ul style="list-style-type: none"> · Increase in asset retirement obligations due to reopening of the Daimaru Shinsaibashi store
Net assets	3,861	3,929	3,966	81.2%	+36	<ul style="list-style-type: none"> · Increase in retained earnings carried forward due to recording of profit

The global golf boom during the pandemic has started to stabilize. In the South Korean market, sales continued to decline, down 1.5 points YoY, but signs of a bottoming out are becoming evident. Meanwhile, sales in Taiwan increased by 1.3 points YoY, driven by the contributions from new store openings. We will continue to actively expand our business in new countries to drive further growth and create new opportunities.

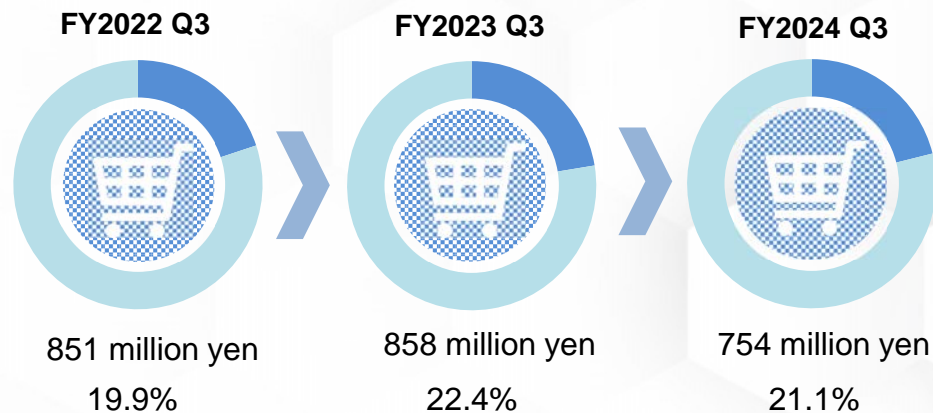


Key Indicators

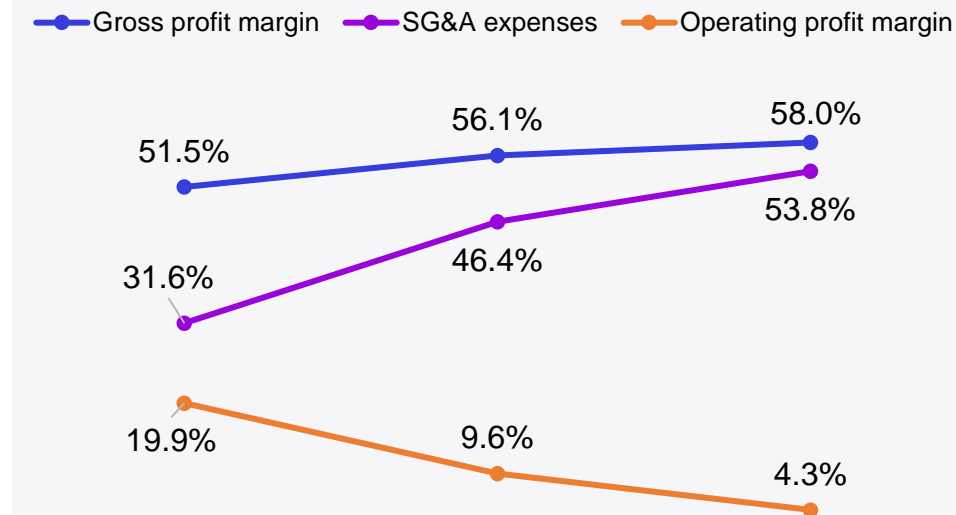
Overseas Sales Ratio



EC Market Ratio



Financial KPI



	FY2022 Q3	FY2023 Q3	FY2024 Q3
ROE	29.6%	6.3%	2.3%
Shareholders' equity ratio	63.3%	85.7%	81.2%
EPS	105.50 yen	39.27 yen	15.19 yen
BPS	408.03 yen	643.56 yen	651.52 yen

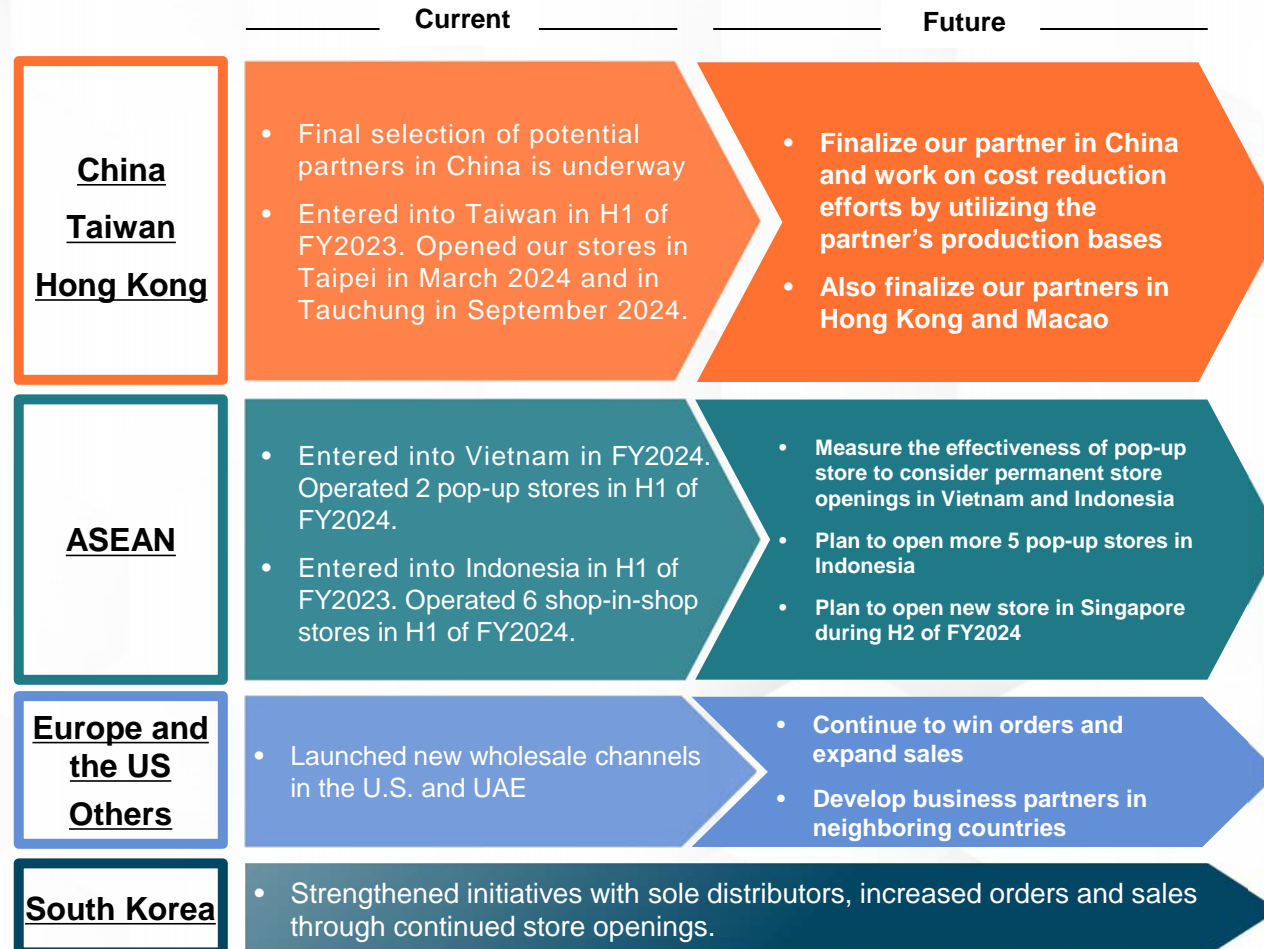
FY12/24 Business Progress

✓ Q3 financial results announcement

FY2024 → FY2025 → FY2026

		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
B 2 B	Asia	New store in Taipei		New store in Taichung		New store				New store			
		Selection of partners in China			Partners confirmed	New store	New store			New store	New store		
	ASEAN, etc.	Pop-up store in Indonesia			New store in Singapore	New store				New store			
		Pop-up store in Vietnam				New store				New store			
	Europe and the US/ Others	Increase in transaction volume from existing customers / Acquisition of new wholesale customers											
	South Korea	5 new stores		1 new store		New store				New store			
B 2 C	Online store		Launch of overseas online store for archive items			Strengthening our EC for mainland China by leveraging increased brand recognition through the launch of the China business				Opening of overseas online stores in external platforms			
				Launch of online store on Rakuten Fashion			Renewal of our own EC platform				Opening of domestic online stores in external platforms		
	Japan	Renovation of GINZA SIX store		Renovation of Daimaru Shinsaibashi store		Pop-up stores at department stores and retail facilities		New store in Northern Japan area	New store in Kansai area	Online store for regional cities			
		Pop-up stores at outlets				New store in outlets	New store in Tokai area	Online store for regional cities					
						New store in Kyushu area	Online store for regional cities						

Cultivate new customers, mainly in the Asian and ASEAN region, and continue to strengthen efforts to attract customers in the global EC channels.
Build a foundation for global branding and enhancing structure to increase profitability from both offline and online channels.



GLOBAL NETWORK

Open new stores in collaboration with partners in each country, operate pop-up stores through overseas marketing activities, exhibit at exhibitions held in Europe and the U.S., and strengthen overseas wholesaling using BtoB tools.



GLOBAL ONLINE STORE

Expand brand awareness through touchpoints in each country. Strengthen promotion through social media, messaging apps, and powerful content using KOL to promote loyalty among inbound tourist customers and attract customers to cross-border EC.

The Daimaru Shinsaibashi store, a flagship store in the Kansai region with strong demand from inbound tourists, has been expanded and renovated, similar to the GINZA SIX store. The store's floor space was expanded by approximately 2.5 times. Inside, a sophisticated design featuring white and grey creates a luxury space that embodies the brand slogan, "Freedom in Golf," setting it apart from traditional golf apparel stores.

MARK & LONA Daimaru Shinsaibashi

Sep. 2024
Renovated and
reopened



We opened a series of pop-up stores in Gotemba Premium Outlets, Kobe Daimaru, Tokyo Daimaru, and Isetan Haneda Stores to raise brand awareness and strengthen sales.



GOTEMBA PREMIUM OUTLETS



ISETAN HANEDA STORE



Daimaru Kobe



Daimaru Tokyo

In September 2024, we opened a MARK&LONA in Shin Kong Mitsukoshi Taichung Zhonggang in Taichung. The second flagship store in Taiwan adopts a sophisticated global store design, featuring a white and grey color.



Shin Kong Mitsukoshi Taichung Zhonggang branch No. 301, Taiwan Ave, Xitun District, Taichung City

Forward-Looking Statements

The materials and information provided in this presentation include "forward-looking statements" (forward-looking statements). These forward-looking statements are based on current expectations, projections, and assumptions that involve risks and are subject to uncertainties that could cause actual results to differ materially from this information. These risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rates and currency exchange rate fluctuations. This announcement is intended to provide information about us and is not intended to solicit or recommend the purchase or trade of any securities, financial instruments, or businesses, both domestically and internationally. The materials provided in this announcement are not disclosure documents based on the Financial Instruments and Exchange Law or other laws and regulations.

