

FY2025 Q1 Financial Results

CUBE CO., LTD

Stock Code: 7112

01

Q1 Financial Report

[FY2025]

02

Business Progress

[FY2025]

03

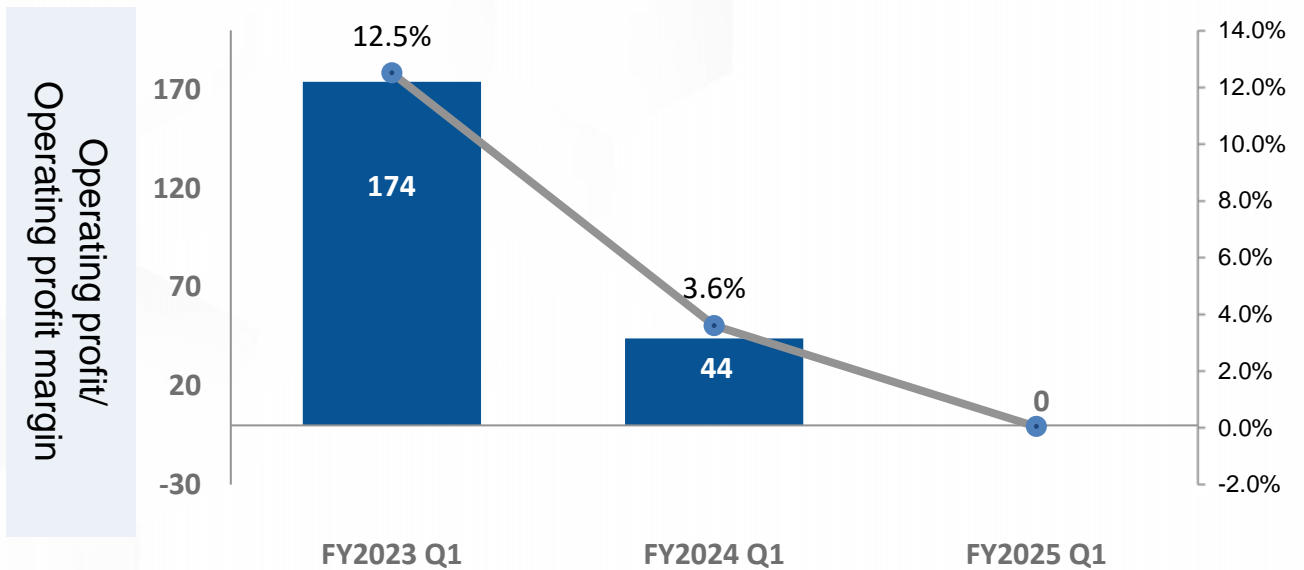
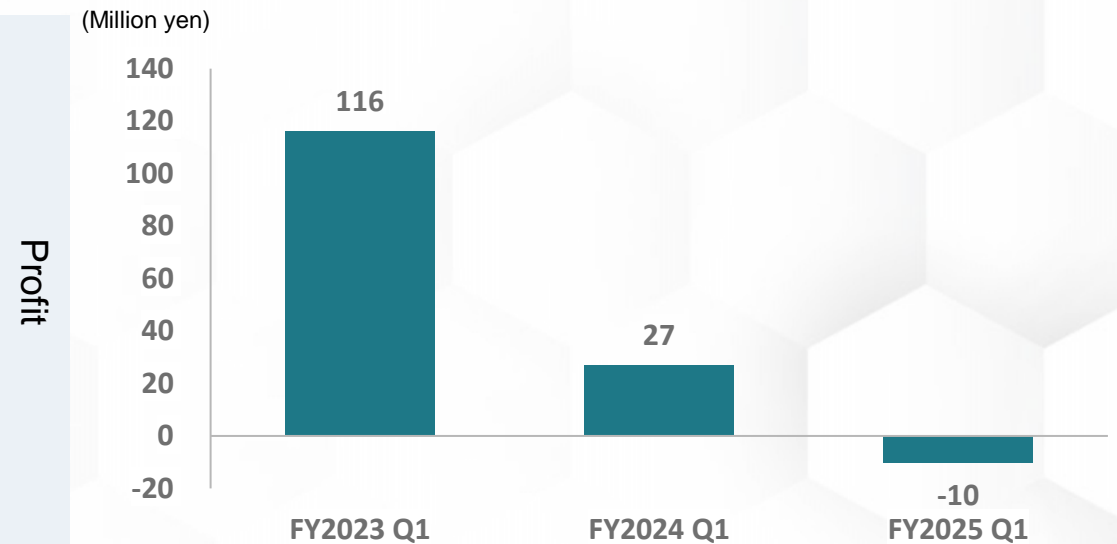
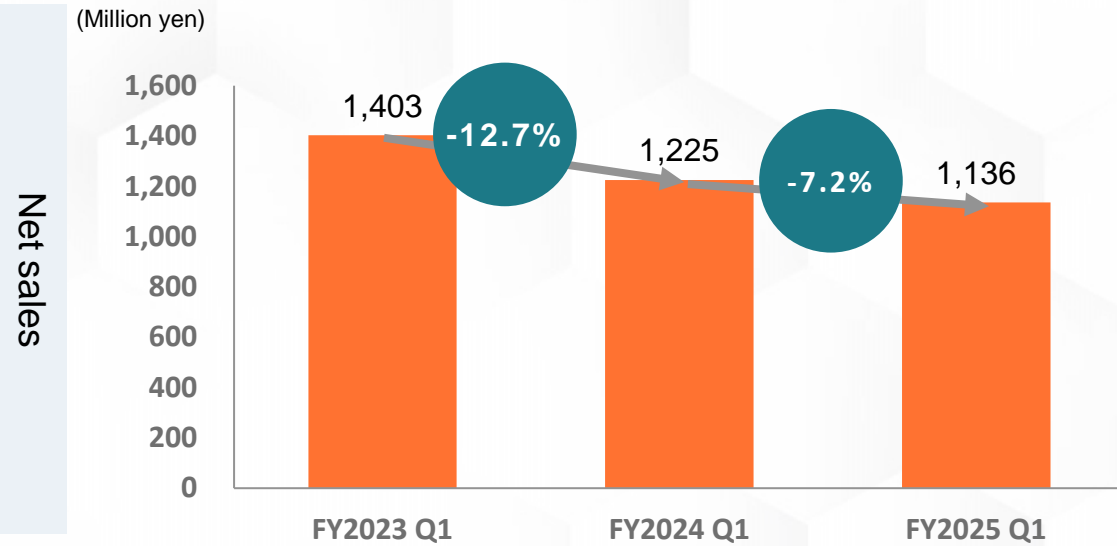
APPENDIX

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

FY2025 Q1 Financial Report

FY2025 Q1 Financial Summary

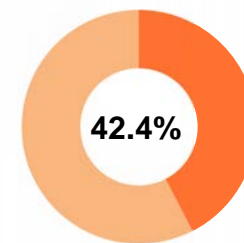
CUBE CO.,LTD.



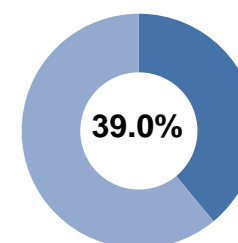
Overseas Sales Ratio

EC Ratio *1

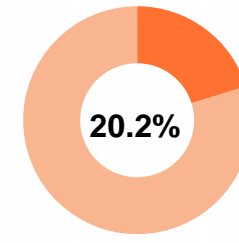
*1 EC ratio = (Domestic EC sales + Overseas EC sales)/Net sales



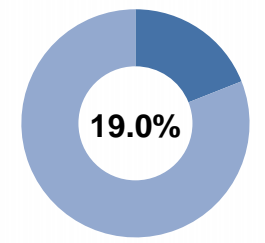
519 million yen
FY 2024 Q1



443 million yen
FY 2025 Q1

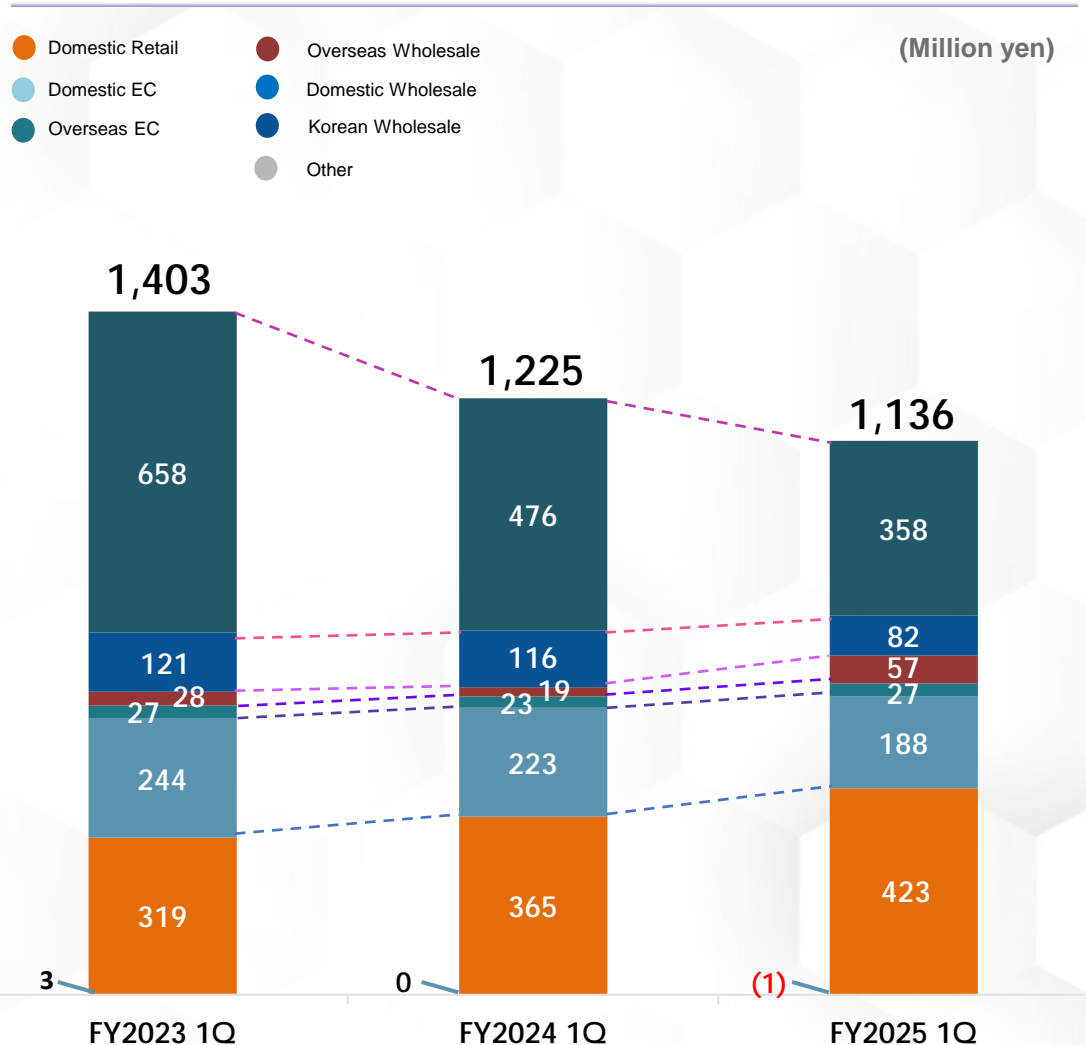


247 million yen
FY 2024 Q1



215 million yen
FY 2025 Q1

Sales Trends by Sales Channel



Financial Highlights

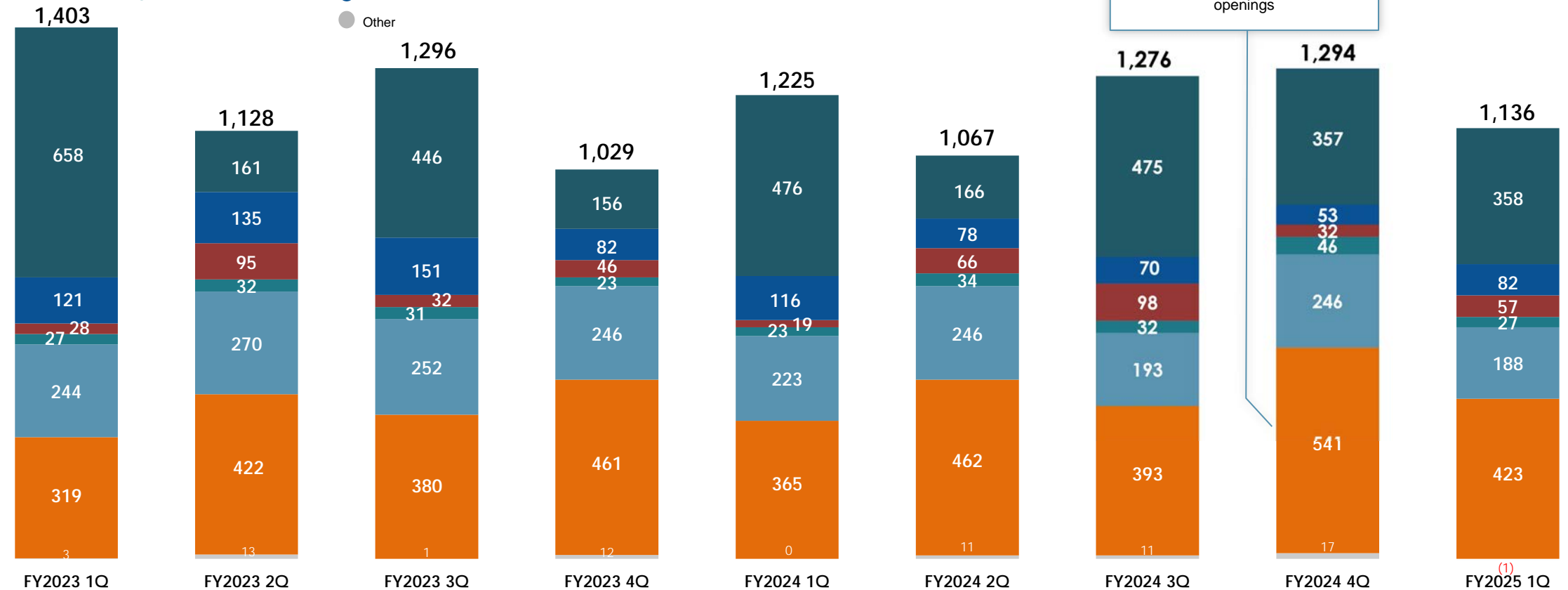
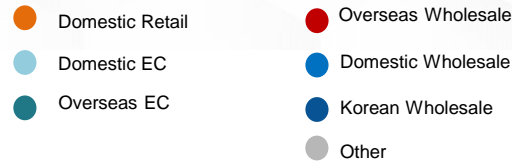
- The golf market, which experienced rapid growth during the COVID-19 pandemic, has seen its momentum gradually ease since entering the post-COVID phase in 2023.
- In domestic retail, sales grew by 15% year on year, marking double-digit growth** and maintaining strong performance. This was achieved through the renovation and reopening of the Ginza store and Daimaru Shinsaibashi store in 2024, along with active expansion of pop-up stores.
- Overseas wholesale is also steadily expanding, centered on the ASEAN and East Asia markets. In China, wholesale sales are expected to be recorded starting from the second quarter. Overseas e-commerce is showing an expanding trend, particularly in the ASEAN and East Asia regions.
- The Korean wholesale business** recorded a year-on-year decline, partly **due to the shift in delivery timing for some Spring/Summer 2024 products from the current fiscal year to Q4**. Although the market continues to experience a downward trend following the end of the golf boom, the total amount of wholesale orders has remained largely unchanged from the previous year.
- In domestic e-commerce (EC), sales declined year on year, reflecting a consumer shift back toward physical stores in the post-COVID environment. The domestic wholesale continues to trend downward, due to the reactionary fall from the post golf boom.

Sales Trends by Sales Channel

CUBE CO.,LTD.

D2C sales in 1Q—including domestic retail, domestic e-commerce, and overseas e-commerce—totaled 639 million yen, exceeding both 612 million yen in the same period of the previous year and 592 million yen in 1Q FY2023 during the COVID-driven golf boom. This reflects steady progress in acquiring loyal customers through directly managed stores.

(Million yen)



*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)

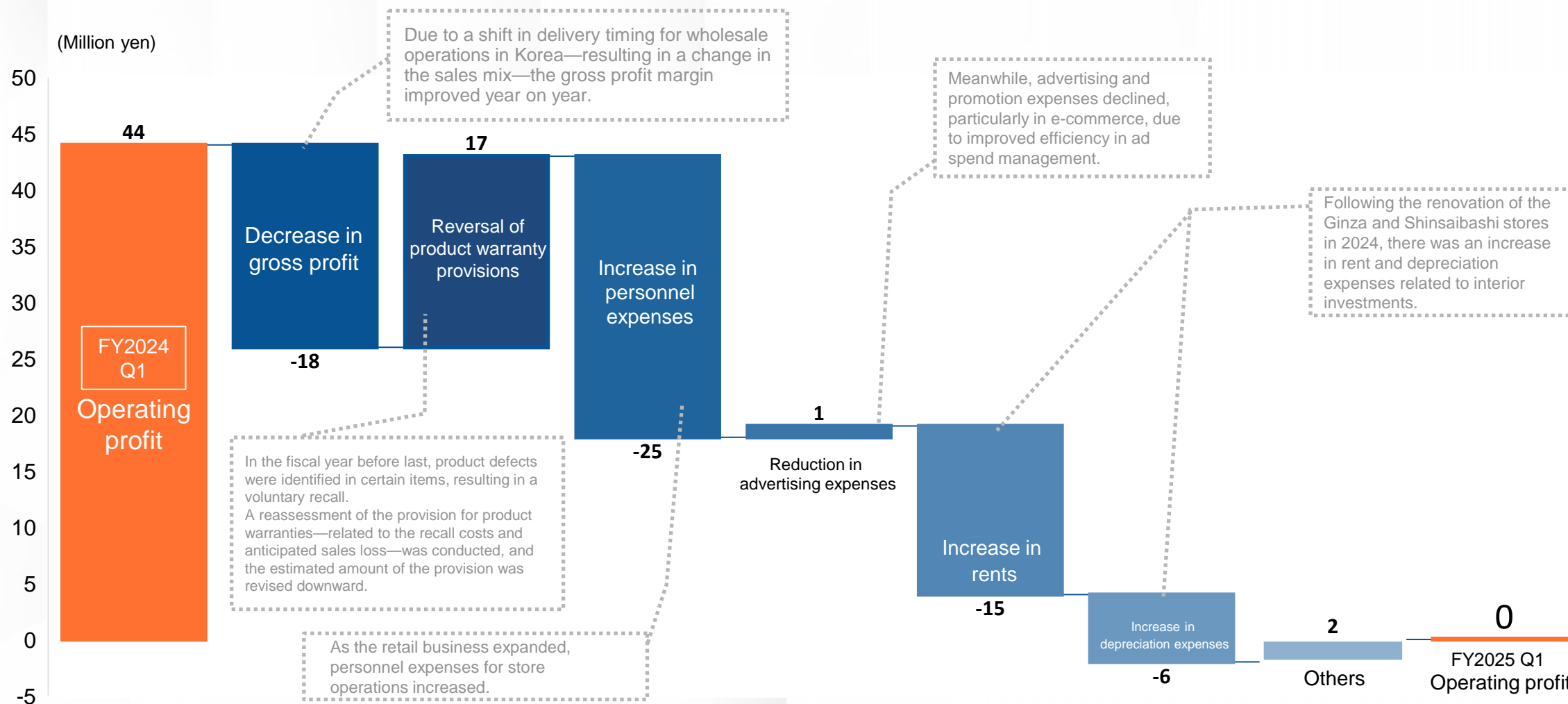
CUBE CO.,LTD.

While net sales declined due to a shift in delivery timing in wholesale to Korea, gross profit margin improved thanks to an increased share of D2C sales. While all other indicators declined year on year, operating profit recovered to positive, despite the internal plan at the end of Q1 having projected a loss.

(Unit: Million yen)	FY2024 Q1	FY2025 Q1 (Period under review)	YoY Change (Pct. change)	Forecasts	Achievement rate	Progress
Net sales	1,225	1,136	-88 (-7.2%)	5,200	21.9%	<ul style="list-style-type: none"> Although sales declined year on year, it is progressing largely in line with its internal plan based on the full-year forecast, with new store openings in China and domestic retail expansion scheduled from Q2 onward.
Gross profit (Gross profit margin)	699 (57.1%)	680 (59.9%)	-18 (-2.7%)	—	—	<ul style="list-style-type: none"> Due to the decline in Korean wholesale sales, which accounts for a large share of total sales, gross profit decreased year on year. However, the D2C sales ratio improved by 6.3 ppt., leading to a 2.8 ppt. increase in gross profit margin.
Operating profit (Operating profit margin)	44 (3.6%)	0 (0.0%)	-44 (-98.9%)	206 (4.0%)	—	<ul style="list-style-type: none"> Despite the improved margin, higher costs, including personnel expenses and rent, contributed to a decline in operating profit. Operating profit is progressing as planned against the full-year forecast. A recovery is expected from Q2 onward, driven by new store openings in China and other initiatives.
Ordinary profit (Ordinary profit margin)	43 (3.5%)	0 (0.0%)	-43 (-99.8%)	206 (4.0%)	—	<ul style="list-style-type: none"> Same as above
Profit (Profit margin)	27 (2.2%)	-10 (—)	-37 (—)	125 (2.4%)	—	<ul style="list-style-type: none"> Same as above

Factors behind Changes in Operating Profit

Compared to the previous fiscal year, the shift in delivery timing for wholesale to Korea resulted in lower net sales and gross profit. Additionally, personnel expenses and rent increased due to business expansion—particularly in domestic retail—leading to a decline in operating profit.



Overview of Balance Sheet

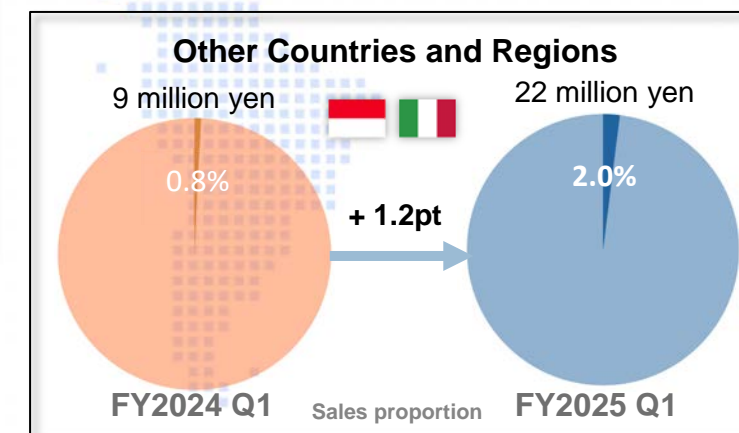
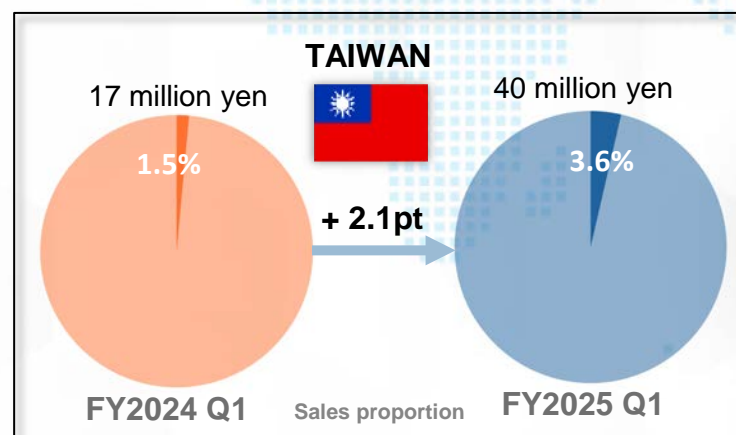
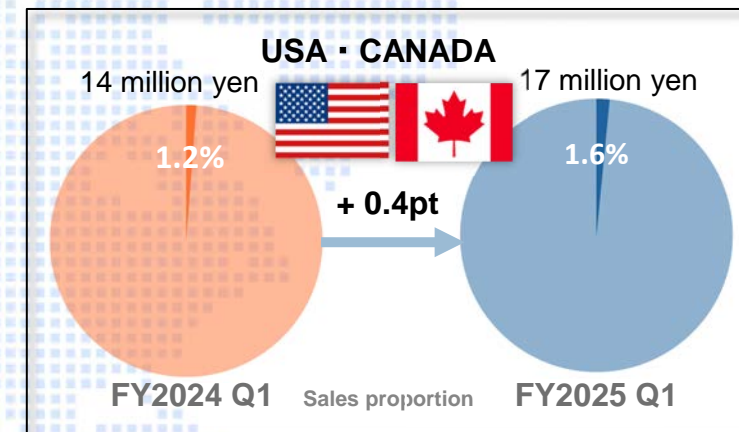
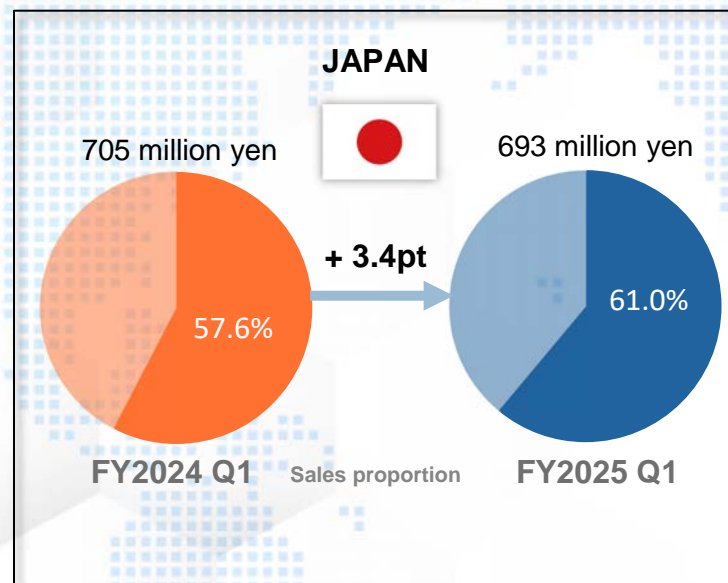
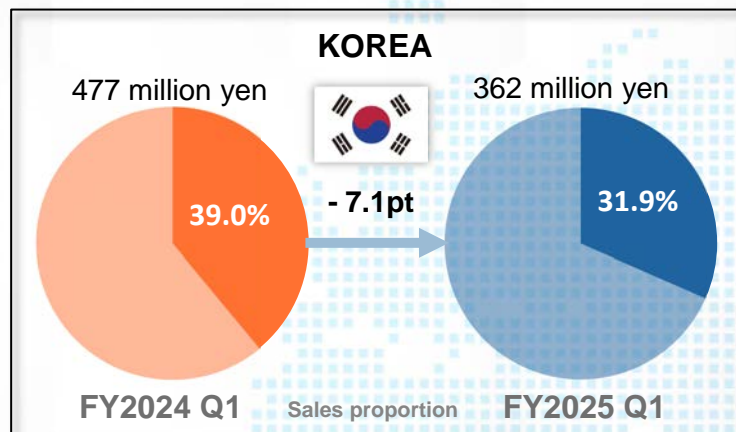
CUBE CO.,LTD.

With the establishment of a joint venture in China, we have executed an investment and is actively pursuing strategic investments that make effective use of its assets.

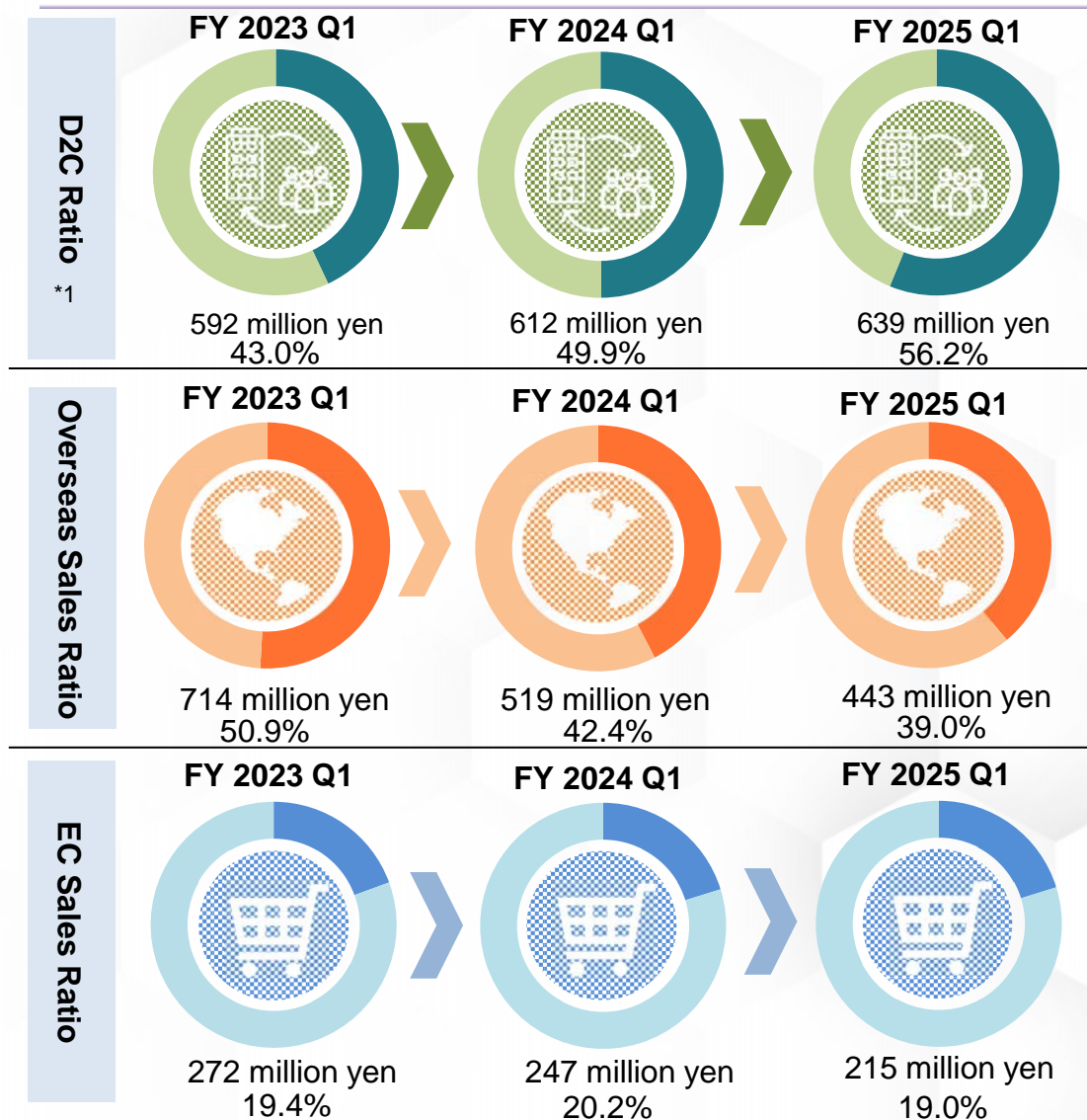
(Unit: Million yen)	FY2024 Q4	FY2025 Q1	Ratio to sales	Compared to end of the pervious fiscal year	Major change factors
Total assets	4,791	4,697	100.0%	-94	
Current assets	3,882	3,614	76.9%	-267	<ul style="list-style-type: none"> Cash and cash equivalents decreased due to capital contributions made in connection with the establishment of a joint venture for business expansion in China, as well as increased payments for corporate taxes payable at the end of the previous fiscal year and for merchandise procurement.
Noncurrent assets	909	1,083	23.1%	+173	<ul style="list-style-type: none"> Investment securities increased as a result of acquiring shares in an affiliated company, following the establishment of a joint venture for business development in China. Software in progress increased due to internal system upgrades.
Current liabilities	667	583	12.4%	-83	<ul style="list-style-type: none"> Contract liabilities decreased, reflecting a decline in advance payments for Spring/Summer season products.
Noncurrent liabilities	142	141	3.0%	-0	
Net assets	3,982	3,972	84.6%	-10	<ul style="list-style-type: none"> Retained earnings declined.

In terms of sales composition by county, Japan continues to account for approximately 61%, and Korea for around 32%, with these two major markets making up over 90% of total sales, a structure that remains unchanged.

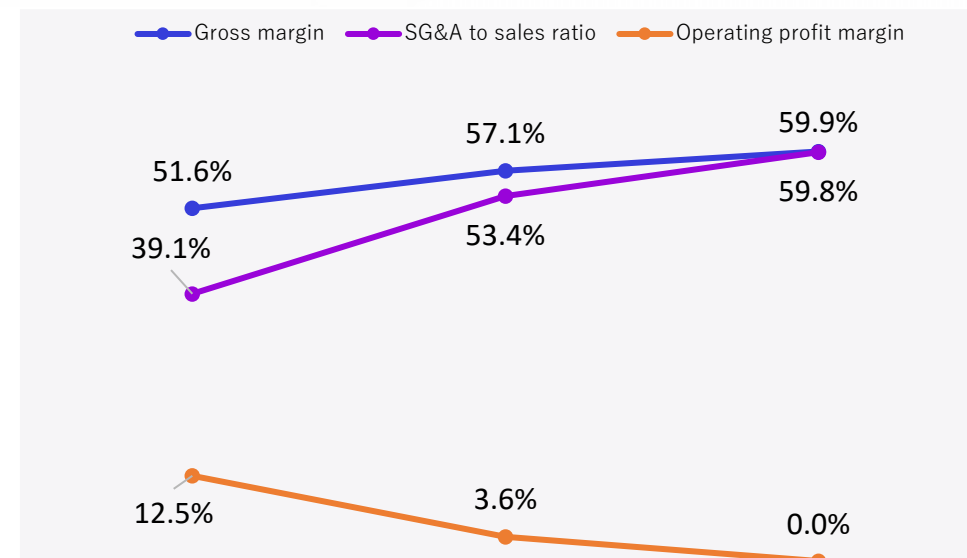
At the same time, sales in the ASEAN and East Asia regions have been steadily growing, and we anticipate further expansion, including the planned launch of a flagship store in China.



Key Indicators



Financial KPI



	FY 2023 Q1	FY 2024 Q1	FY 2025 Q1
ROE	3.1%	0.7%	-
Shareholders' equity ratio	82.2%	80.9%	84.6%
EPS	19.18 yen	4.46 yen	-1.68 yen
BPS	623.47 yen	640.17 yen	652.53 yen

FY2025 Business Progress

Sales Channels: Progress and Future Plans

Q1 performance progressed largely in line with the plan /
A new store opening in Beijing is scheduled for Q2.

CUBE CO.,LTD.

		FY2025				FY2026				FY2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
D 2 C	Domestic Retail	Opening pop-up stores (Yokohama Takashimaya and Kobe Daimaru, etc.)				Pop-up store marketing for new store openings				Pop-up store marketing for new store openings			
		Openings, relocations and renovations at department stores and commercial facilities				Openings, relocations and renovations at department stores and commercial facilities (approx. 2 stores)				Openings, relocations and renovations at department stores and commercial facilities (approx. 2 stores)			
B 2 B	EC	Domestic EC: Platform renewal with enhanced membership and loyalty strategy				Overseas EC: Utilizing platforms for continuous acquisition and nurturing of new international customers				Maximizing customer LTV through an OMO strategy leveraging e-commerce			
		Overseas EC: Utilizing platforms for continuous acquisition and nurturing of new international customers											
B 2 B	South Korea	Revitalization of existing stores				Execution of market-appropriate penetration strategies							
	China Hong Kong Macau	New store openings in Beijing				Opening new permanent retail store				Opening new permanent retail store			
		Opening new permanent retail store and e-commerce store				Opening new stores in Macau and Hong Kong							
	Other Overseas Countries	Opening new store in Taiwan				Opening new store in Taiwan				Opening new stores in the ASEAN region			
B 2 B	Japan	Distributor partnerships				Development of new business accounts							

In May 2025, a MARK & LONA flagship store is scheduled to open in Beijing, China. This opening marks the starting point for ongoing expansion through stores in commercial facilities and shop-in-shops at golf courses, aiming to enhance brand awareness in the Chinese market.



* This will be operated as a joint venture (JV) with a local partner, structured as an indirect investment through a locally incorporated company.

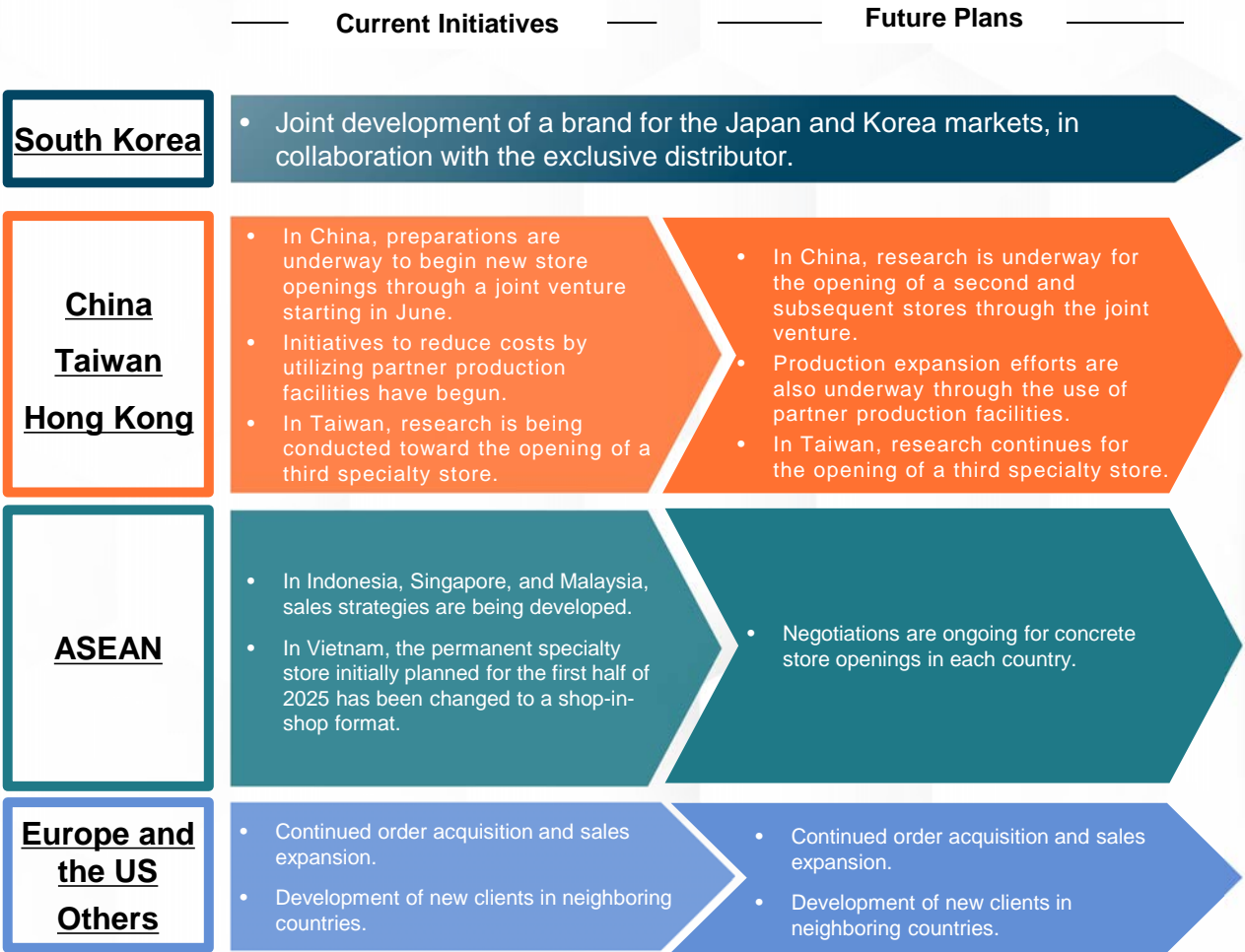
Scheduled to appear across various media platforms, including social media, as the first-ever digital muse for MARK & LONA.



Following test marketing conducted through a pop-up store in autumn 2024, MARK & LONA will open its first permanent outlet location at Gotemba Premium Outlets in June 2025.



Development of new business partnerships have been progressing steadily in the Asia and ASEAN regions, while efforts to increase customer engagement through global e-commerce continue.
We are building a strong branding and profitability foundation globally by integrating offline and online strategies.



GLOBAL NETWORK

We will promote the development of new store openings in collaboration with partners in various countries, develop pop-up stores through overseas marketing activities, participate in exhibitions held in various regions, and use B2B tools to strengthen overseas wholesaling.

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.