FY12/24 Q1
Supplementary Material on Financial Results

CUBE CO., LTD.

Stock Code: 7112

FY12/24
Q1 Financial Report

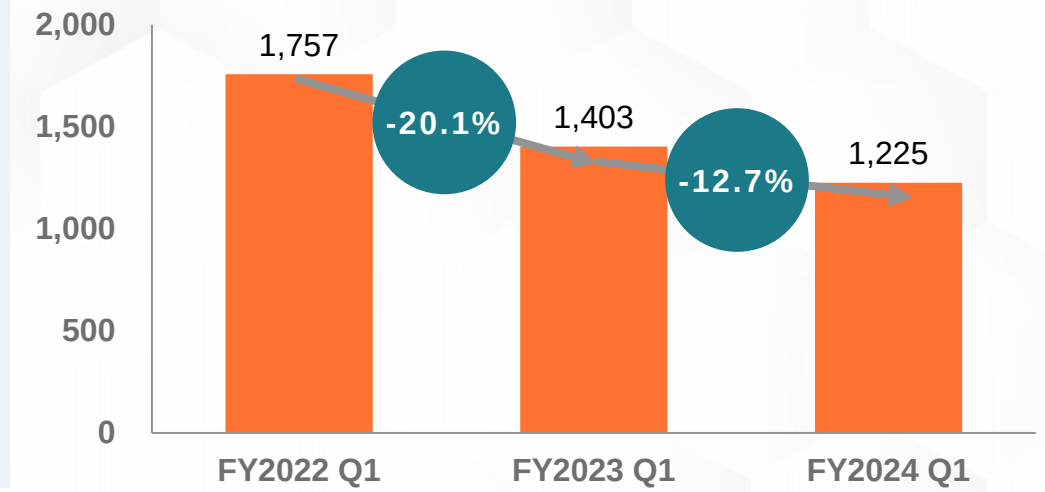
© Financial Results for FY12/24 Q1; CUBE CO.,LTD. Securities Code: 7112

FY12/24 Q1 Financial Summary

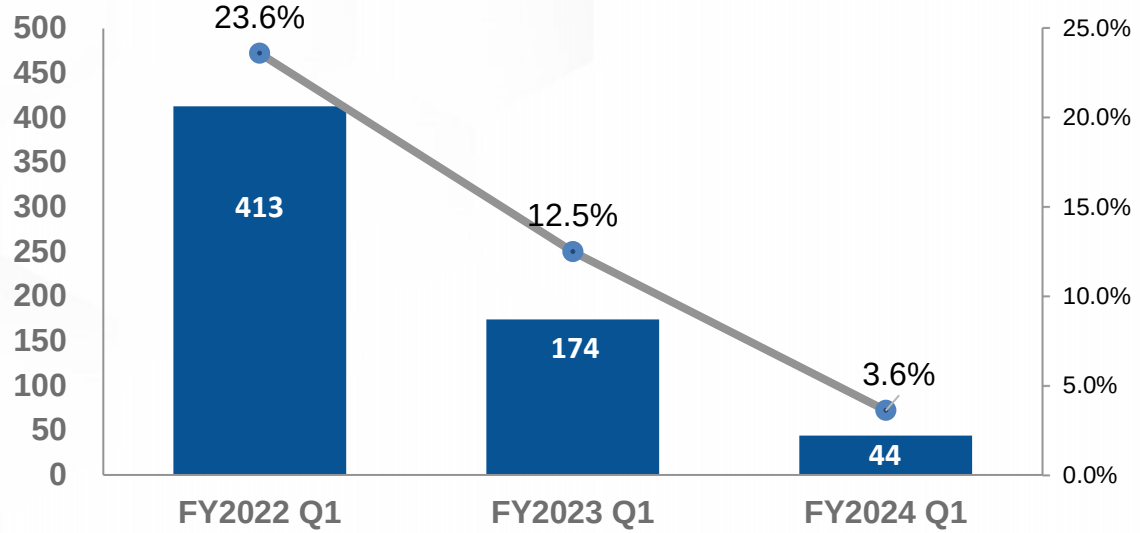
CUBE CO.,LTD.

Net sales

(Unit: Million yen)

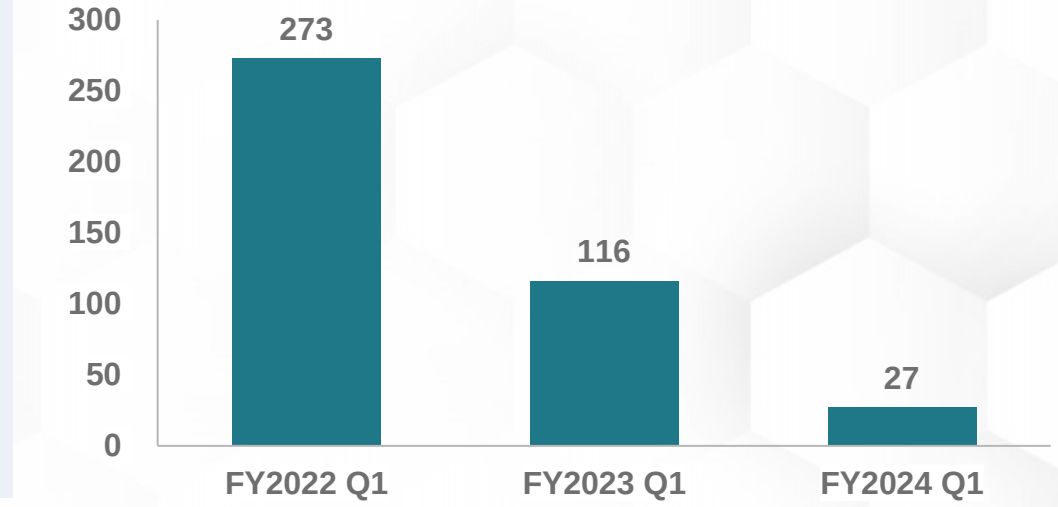


Operating profit/Operating profit margin



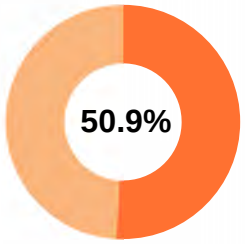
Profit

(Unit: Million yen)



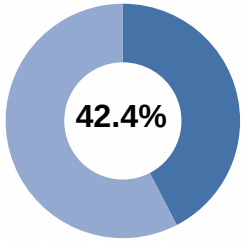
Key Indicators

Overseas Sales Ratio



714 Million yen

FY 2023 Q1

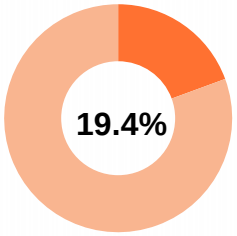


519 Million yen

FY 2024 Q1

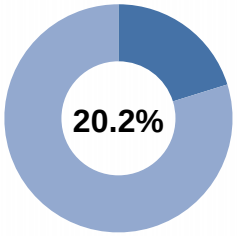
EC Ratio *1

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



272 Million yen

FY 2023 Q1



247 Million yen

FY 2024 Q1

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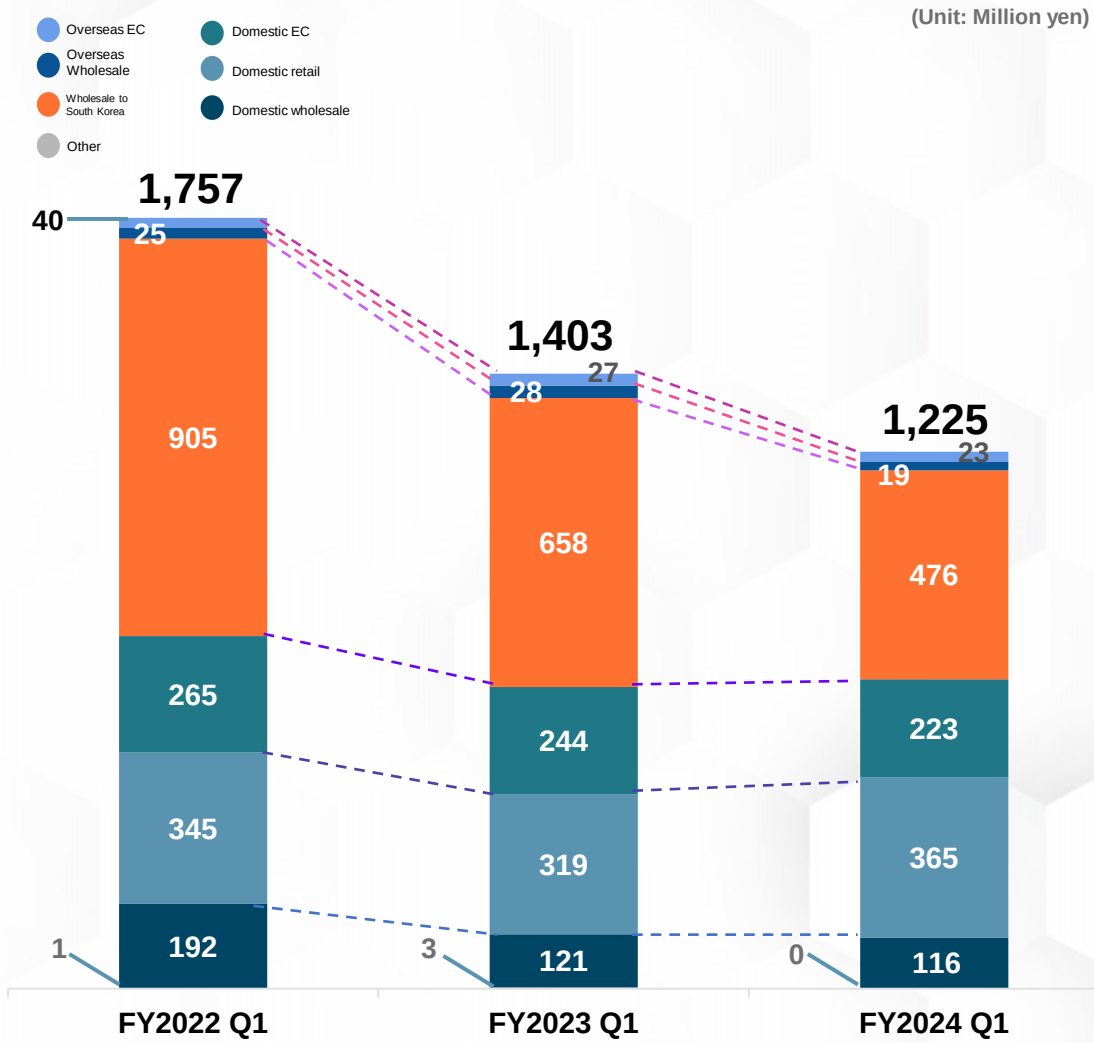
Sales Trends by Sales Channel



Financial Highlights

- Since the spread of COVID-19 in 2020, the golf market demand has been boosted worldwide, but the overheating has moderated.
- As for the wholesale business in South Korea, due to backlash against the overheated golf boom in 2022, wholesale sales continued to decline, but sales to end users are on a recovery trend.
- In the domestic e-commerce business, sales of spring/summer season items were sluggish in March reflecting abnormal weather and other factors.
- However, domestic retail sales are steadily increasing YoY, partly due to the opening of the Aoyama store in April 2023 and demand from inbound tourists.
- In the wholesale business in Japan, inventories at wholesalers increased temporarily as the golf boom has settled down, but adjustment to this situation is now coming to an end, and sales were at almost the same level as the previous year.
- Wholesale sales to overseas countries are expanding in the ASEAN and East Asian regions. During H1 deliveries were concentrated in Q2, so the year-on-year comparison for Q1 was negative.

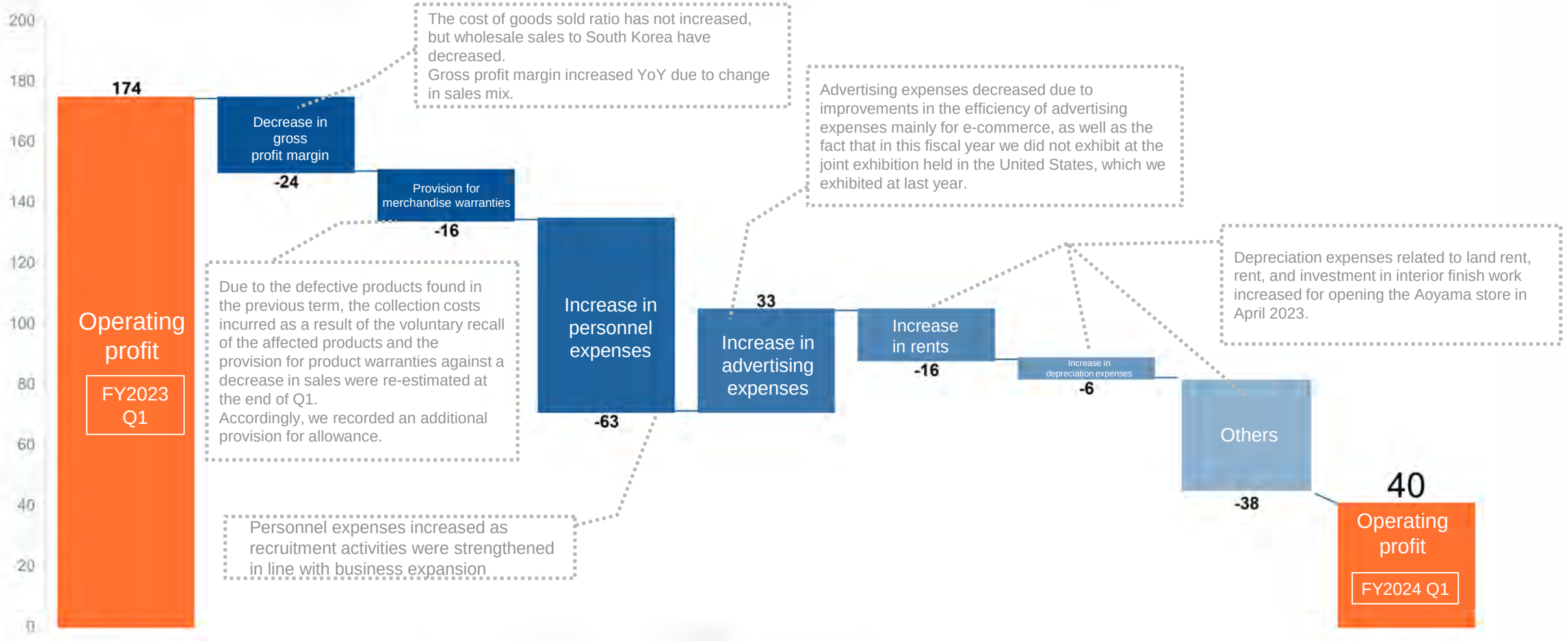
Outline of Financial Results (Year-on-year Results and Forecasts)

Unit: Million yen	FY2023 Q1	FY2024 Q1 (current period)	YoY	Forecasts	Achievement rate
Net sales	1,403	1,225	-178 (-12.7%)	5,120	23.9%
Operating profit (Operating profit margin)	174 (12.5%)	44 (3.6%)	-130 (-74.5%)	236 (4.6%)	18.8%
Ordinary profit (Ordinary profit margin)	175 (12.5%)	43 (3.5%)	-131 (-75.2%)	230 (4.5%)	18.8%
Profit (Profit margin)	116 (8.3%)	27 (2.2%)	-89 (-76.8%)	151 (3.0%)	17.9%

Factors behind Changes in Operating Profit

CUBE CO.,LTD.

Operating profit fell sharply due to a decrease in sales from wholesale to South Korea compared with the previous fiscal year, as well as the booking of provisions for merchandise warranties due to the impact of an increase in personnel expenses for business expansion and other factors, as well as the impact of voluntary recalls associated with defective products.



Overview of Balance Sheet

In the balance sheet, both current assets and current liabilities have increased due to increased purchases.

(Unit: Million yen)	FY2023 Q4	FY2024 Q1	Composition ratio	YoY	Main change factors
Total assets	4,507	4,809	100.0%	+301	
Current assets	3,719	3,935	81.8%	+216	・Increase in merchandise due to an increase in purchases ・Increase in accounts receivable due to an increase in sales during the fiscal year-end month
Noncurrent assets	788	873	18.2%	+85	・Increase due to acquisition of property, plant and equipment associated with reopening of the GINZA SIX store
Current liabilities	530	797	16.6%	+266	・Increase in accounts payable due to an increase in purchases during the fiscal year-end month ・Increase in accounts payable, including interior finish work expenses, associated with the reopening of the GINZA SIX store
Noncurrent liabilities	115	123	2.6%	+7	・Increase in asset retirement obligations due to the reopening of the GINZA SIX store
Net assets	3,861	3,888	80.9%	+27	Increase in profits

Business Status by Country and Region

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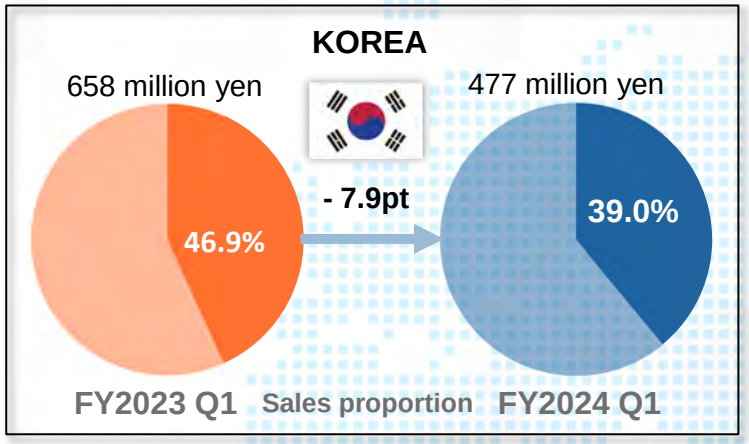
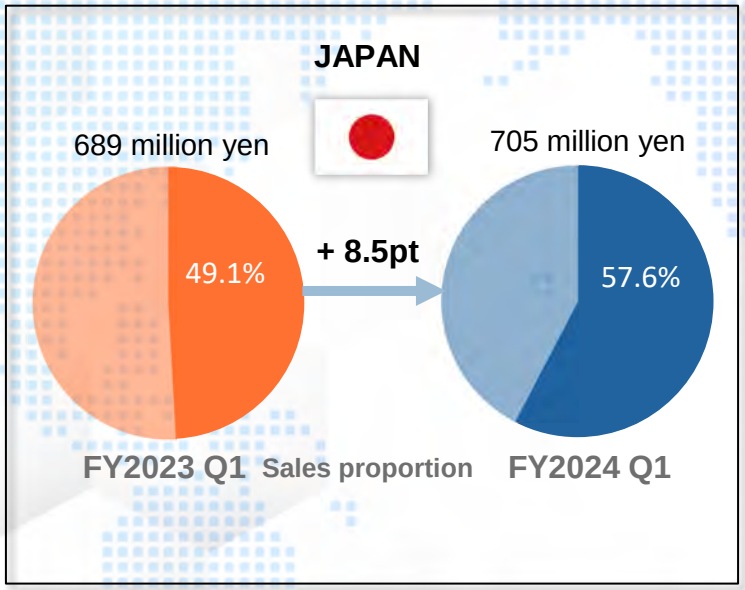
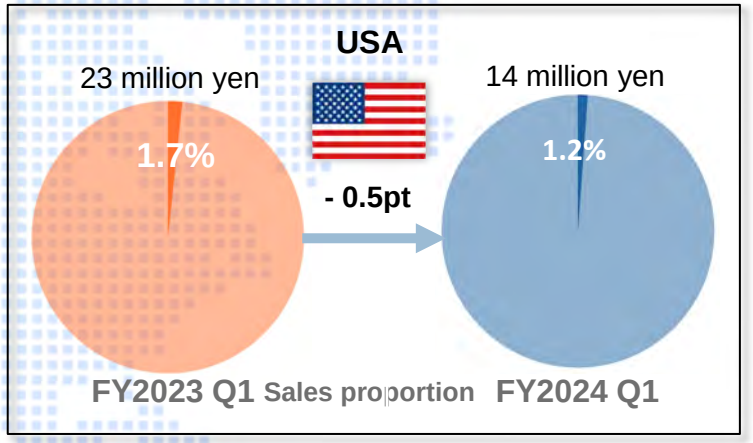
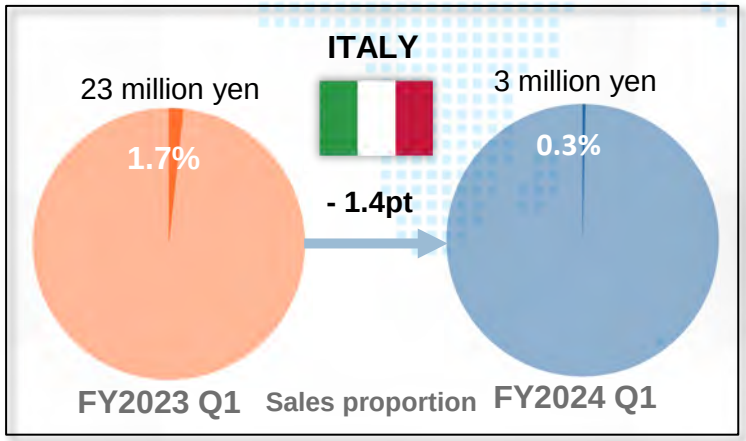
Overheating of the golf boom under the COVID-19 crisis settled worldwide, and sales in the South Korean market decreased, although the Japanese market was slightly positive.

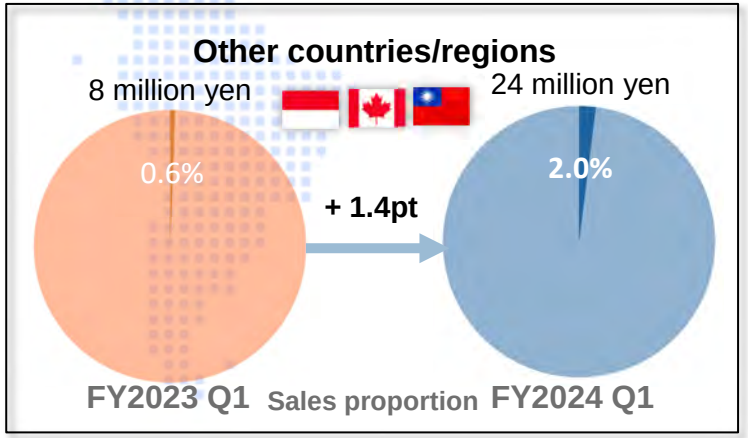
Business development in other countries and regions has been steady and sales have been on an uptrend, but the ratio of overseas sales to total sales has declined to 42.4% due to the impact of the South Korean market.











Key Indicators and Financial KPI

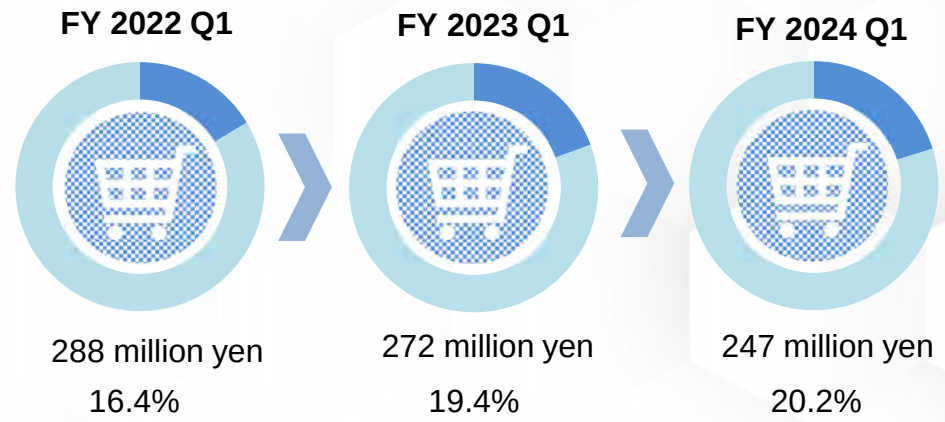
CUBE CO.,LTD.

Key Indicators

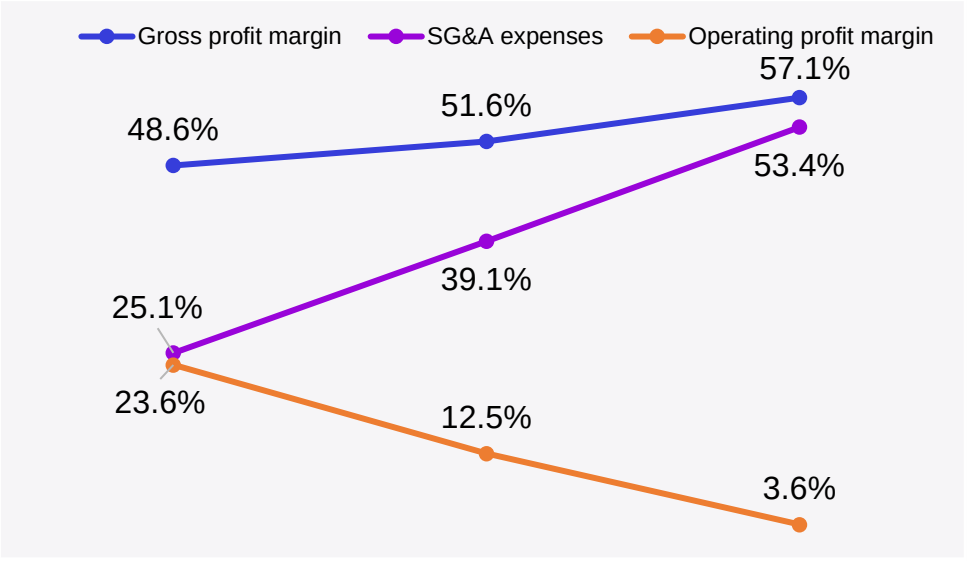
Overseas Sales Ratio



EC Market Ratio



Financial KPI



	FY 2022 Q1	FY 2023 Q1	FY 2024 Q1
ROE	15.5%	3.1%	0.7%
Shareholders' Equity ratio	63.5%	82.2%	80.9%
EPS	51.15 yen	19.18 yen	4.46 yen
BPS	353.69 yen	623.47 yen	640.17 yen

FY12/24
Business Progress

Future Plan for Sales Channels

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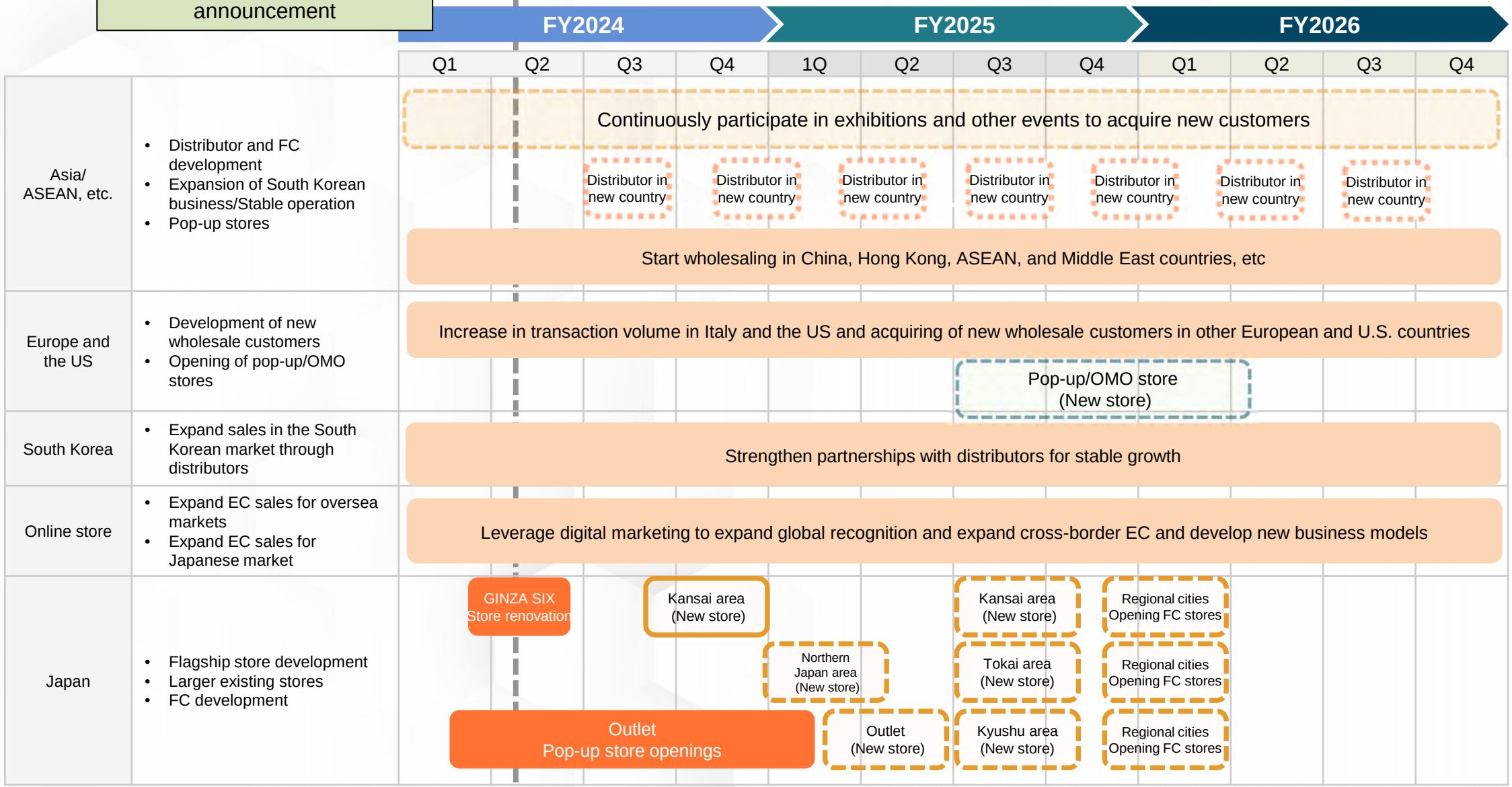
✓ Q1 financial results announcement



Strengthen Branding – Renovation of GINZA SIX Store

Larger-scale renovation of the GINZA SIX store, the main store in Tokyo, enhancing brand awareness to overseas countries and overseas visitors.



MARK & LONA

GINZA SIX

Opening for March 2024





GINZA SIX Store

Ginza 6-chome 10-1 GINZA 6 5F, Chuo-ku, Tokyo

Global Expansion - Taiwan

In March 2024, we opened a MARK&LONA store at Shinko Mitsukoshi A9 Pavilion in Taiwan.
Plan to open similar stores in Taichung in 2025.



Shin Kong Mitsukoshi Place A9

No. 9, Songshou Rd, Xinyi District, Taipei City





Global Expansion - South Korea

The largest dual-concept flagship store in South Korea, opened in the Apgujeong-dong area.

Fully equipped with a full-fledged café, simulated golf and fitting studio, we are strengthening its branding strategy.







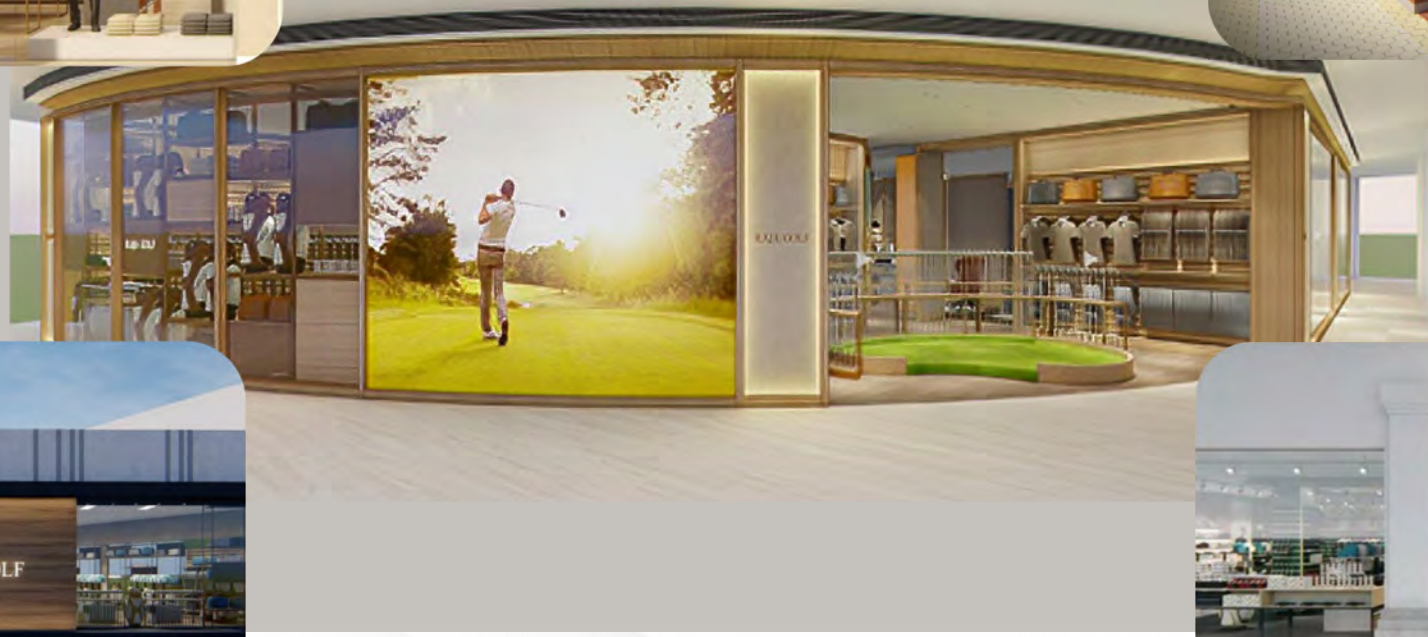
고객센터
1:1 게시판 이용시 빠른 상담이 가능합니다.

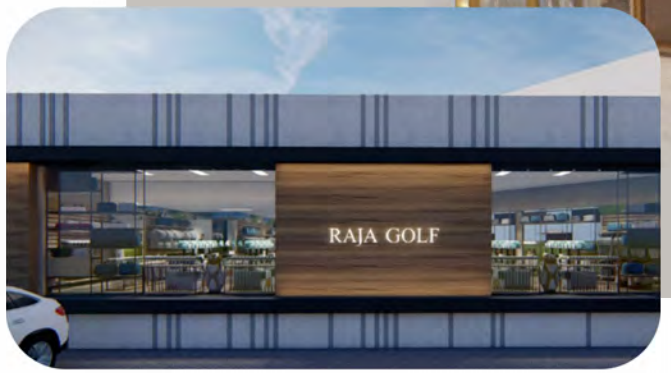
Global Expansion - Indonesia

Launched the shop-in-shop format stores in 5 locations, including premium shops in luxury department stores and membership golf courses.











Global Expansion - Vietnam

Pop-up stores were launched in Hanoi's shopping mall in April and planned to be opened at the department store in Ho Chi Minh City.







Global Expansion

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.

	Current	Future
China **Taiwan** **Hong Kong**	• **Negotiations are underway with multiple partner candidates for China** • **Start operation in Taiwan in H2 FY2023** • **Negotiating with potential partners in Macau and Hong Kong**	• Continue to win orders to expand sales • Select partners as future distributor candidates
ASEAN	• **In Viet Nam, we began operating through pop-up stores in 2024.** • **Start operation in Indonesia in H2 FY2023** • **In Singapore, we are currently in negotiations to begin business development in H2 of 2024.**	• Continue to win orders to expand sales • Select partners as future distributor candidates
Europe and the US	• Continued orders from existing customers	• Continue to win orders to expand sales • Develop new business partners in neighboring countries
South Korea	• Strengthen initiatives with sole distributors and expand sales through continued sales	



Global Strategy

Expand sales in the global market by increasing the proportion of overseas sales through accelerated global expansion using digital-based marketing.

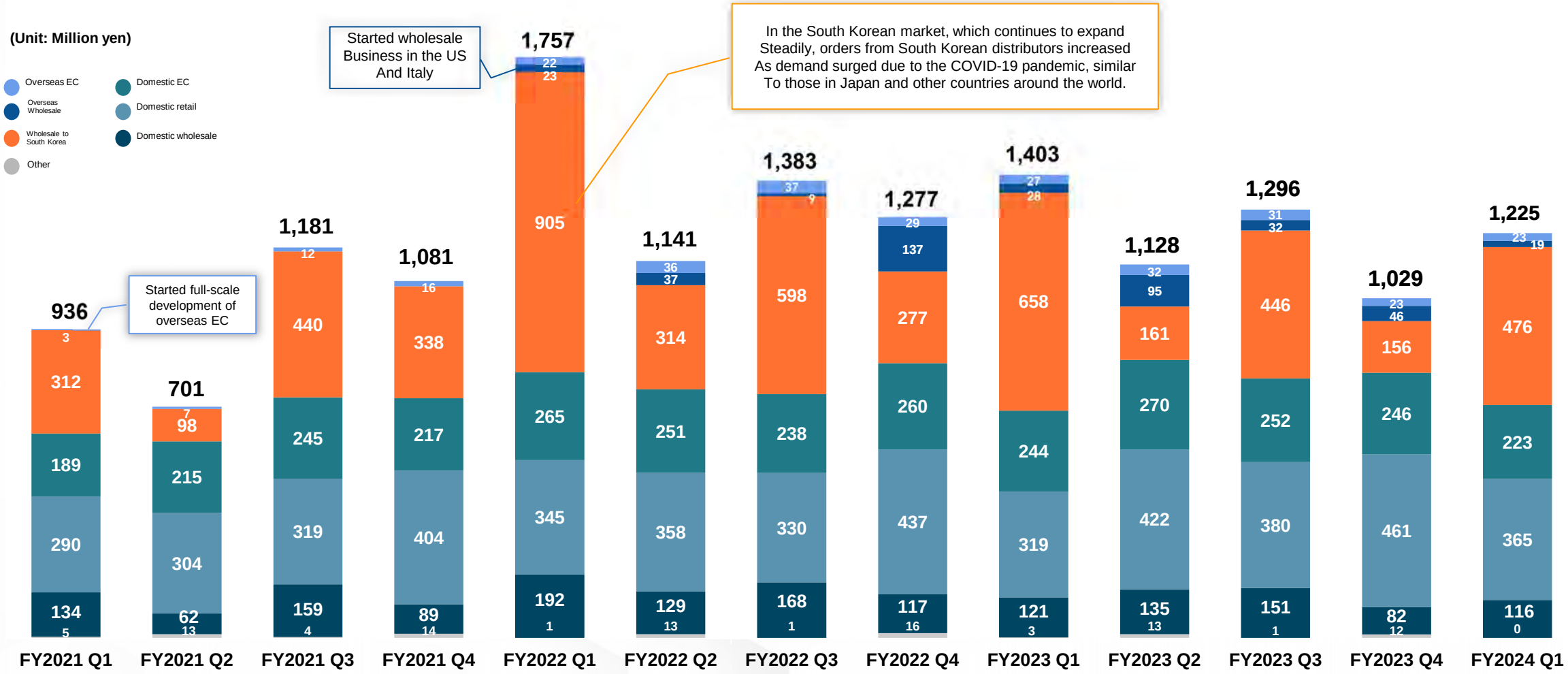


*1 WHOLESALE: Develop sales channels and strengthen promotion in offline markets worldwide through large-scale exhibitions held in Europe, online exhibitions, and overseas wholesale sales utilizing digital tools such as social medias

Sales Trends by Sales Channel

CUBE CO.,LTD.

Due to the timing of domestic and overseas wholesale shipments, Q1 and Q3 tend to have higher sales compared to Q2 and Q4. Q3 and Q4 tend to have higher sales compared to Q1 and Q2 due to the timing of the sales of heavy clothing and other autumn and winter items.



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.



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