

FY2025 Q3 Financial Results

CUBE CO., LTD

Stock Code: 7112

01

Q3 Financial Report

[FY2025]

02

Business Progress

[FY2025]

03

APPENDIX

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

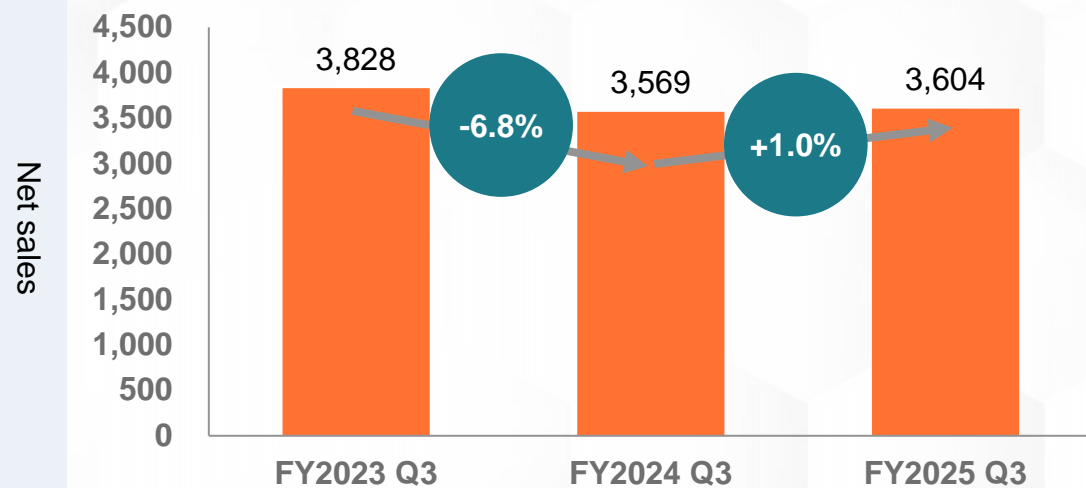
FY2025 Q3 Financial Report

FY2025 Q3 Financial Summary

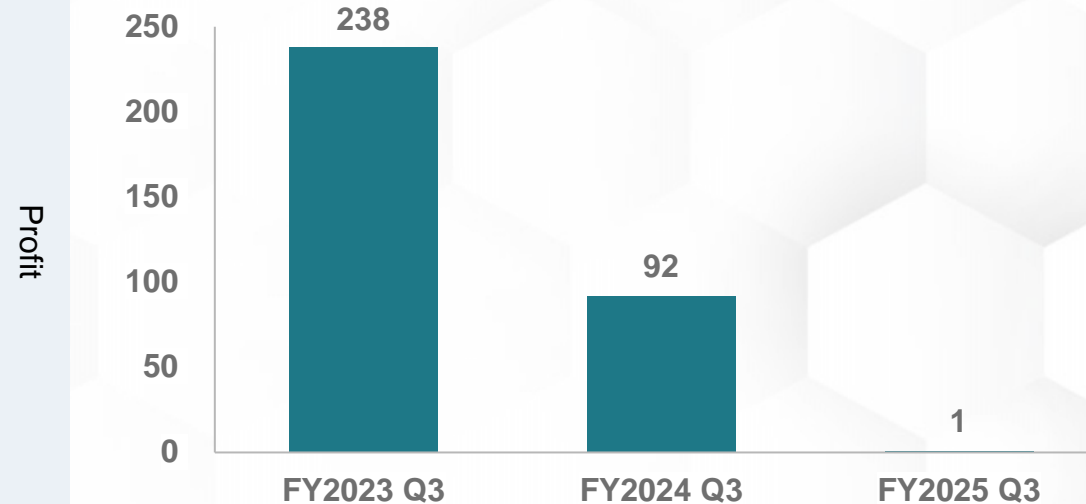
CUBE CO.,LTD.

Net sales increased to 3.6 billion yen, while operating profit declined to 10 million yen. In the strong retail business, we strengthen our sales-growth initiatives by actively rolling out pop-up stores across various locations, launching new high-end products for the autumn/winter season, and implementing measures for our loyal customers.

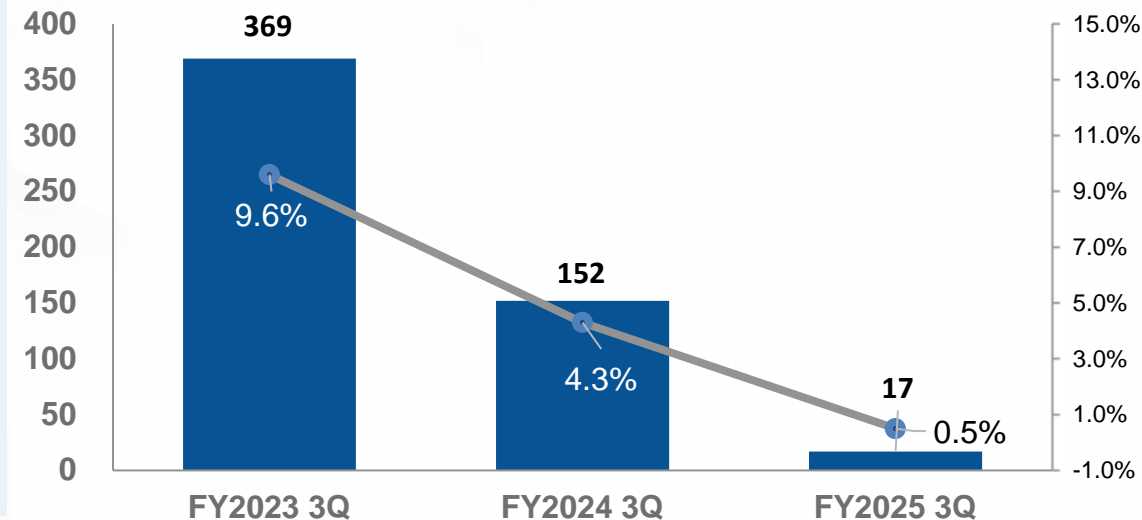
(Unit: Million yen)



(Unit: Million yen)



**Operating profit/
Operating profit margin**

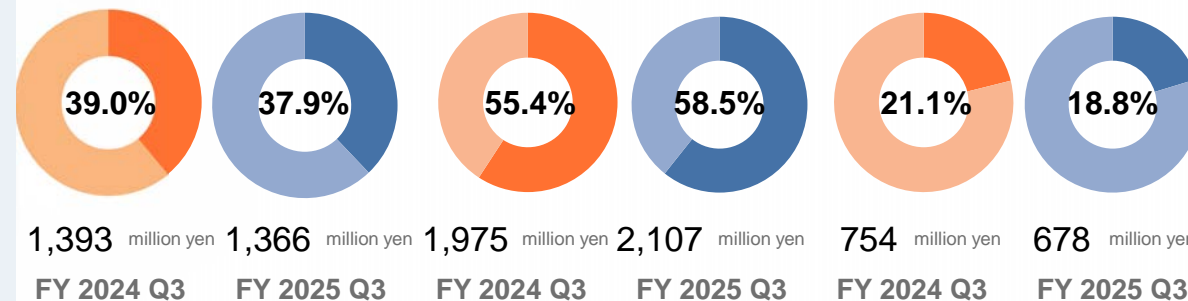


Key Indicators

Overseas Sales Ratio

D2C Ratio*1

EC Ratio*2

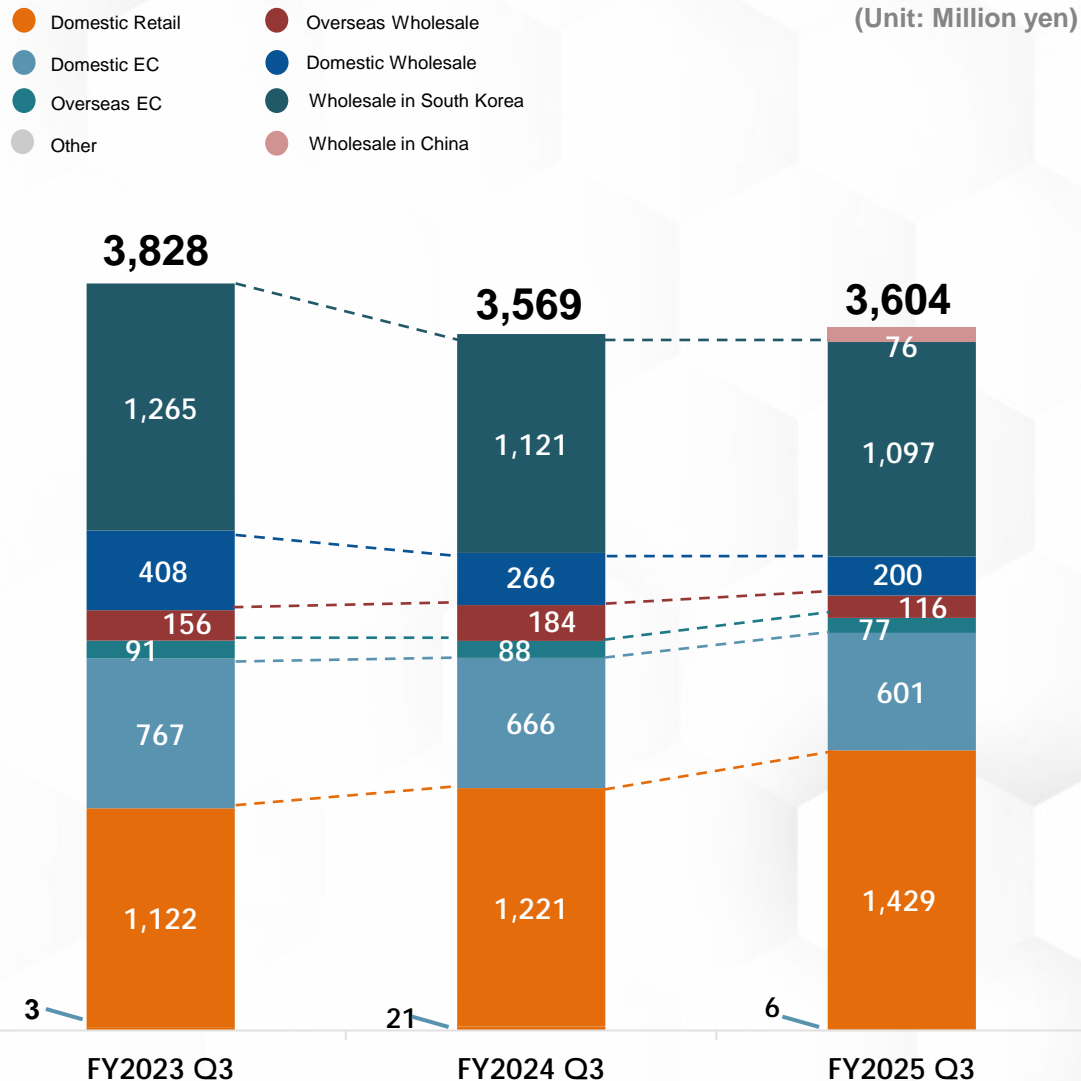


*1 D2C Ratio = (Domestic Retail Sales + Domestic E-commerce Sales + Overseas E-commerce Sales) ÷ Net Sale

*2 EC Ratio = (Domestic E-commerce Sales + Overseas E-commerce Sales) ÷ Net Sales

Sales Trends by Sales Channel

(Unit: Million yen)



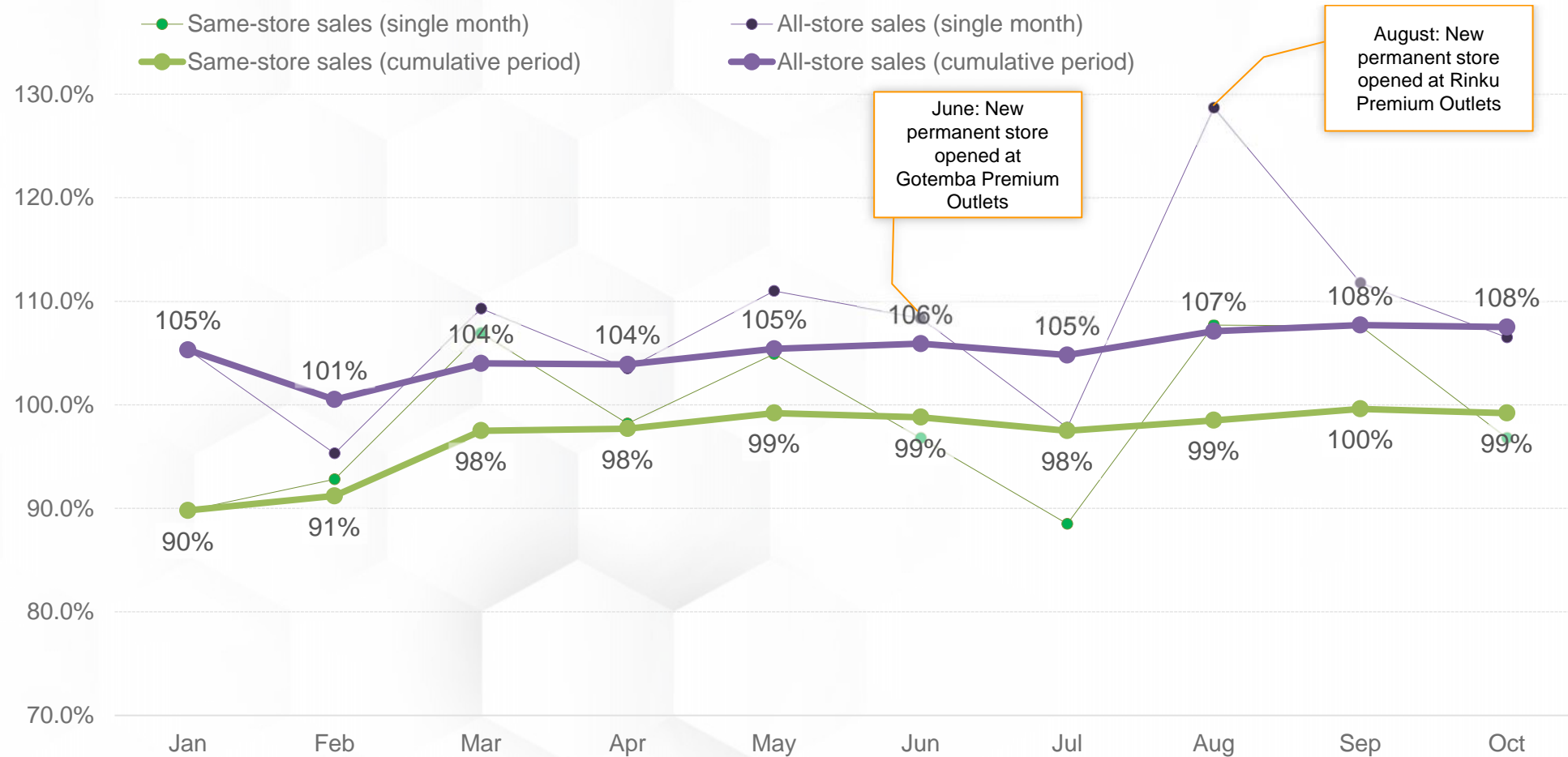
Financial Highlights

- **Domestic retail** remained strong, **posting double-digit growth of +17% YoY**. Sales at renovated stores, including the Ginza, Daimaru Shinsaibashi, and Matsuzakaya Nagoya, posted strong year-on-year growth. In addition, growth has been supported by the opening of permanent stores at Gotemba and Rinku Premium Outlets, which helped attract new customer segments.
- At the new **wholesale in China**, we opened a **flagship store in Beijing in June**, as well as **two shops at golf courses**, and sales have performed strongly.
- **Wholesale in South Korea** remained nearly flat YoY. While the Korean golf market has returned to pre-pandemic conditions, our performance in this channel has remained steady.
- **Overseas wholesale** sales decreased YoY as we changed partners after establishing a joint venture in Southeast Asian, leading to a temporary decline in this region's sales.
- **Domestic and overseas e-commerce, as well as domestic wholesale**, posted YoY declines due to both a reaction following the post-pandemic golf boom and a shift back to in-person shopping, along with the rollout of BOPIS (buy online, pick up in store).

FY2025 Q3 Monthly Sales of Directly-managed Stores

CUBE CO.,LTD.

In addition to the rollout of pop-up stores (Tokyo Daimaru, Shinjuku Takashimaya, and Osaka Takashimaya), we opened permanent stores in Gotemba Premium Outlets in June and Rinku Premium Outlets in August. Same-store sales were significantly affected by the extreme summer heat, but the total sales of all stores grew steadily.



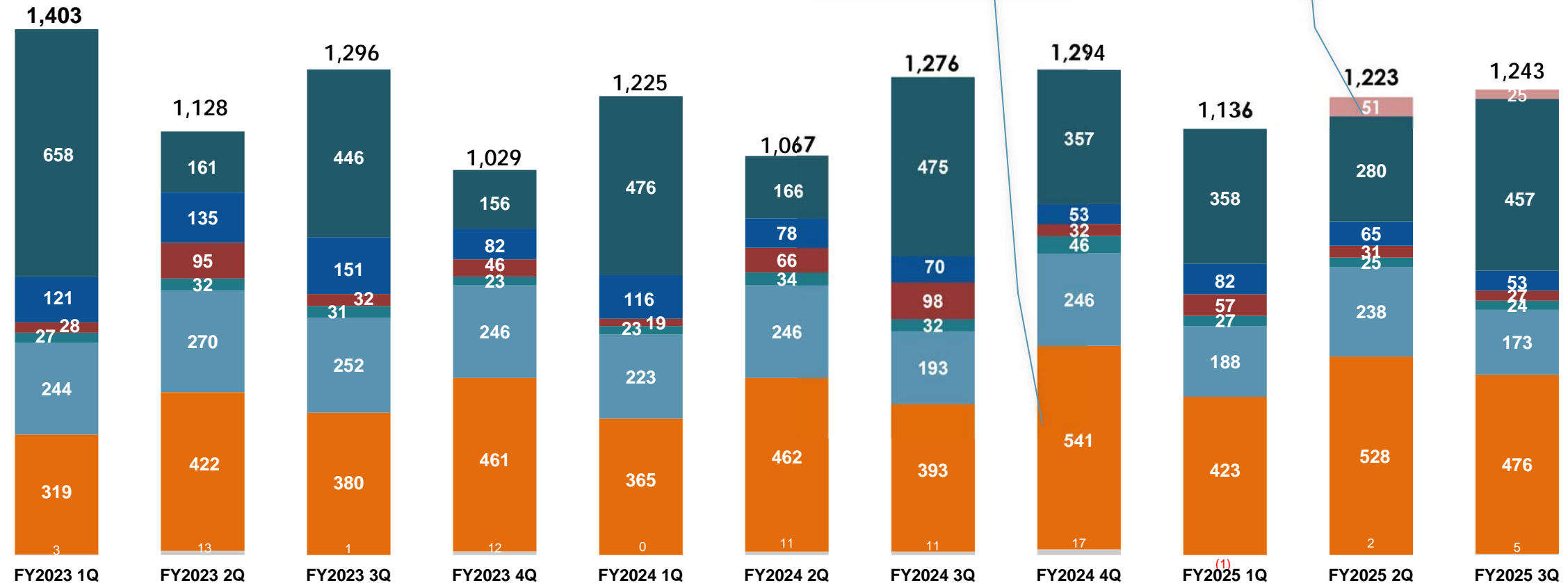
Quarterly Sales Trends by Sales Channel

CUBE CO.,LTD.

Net sales for the Q3 were 1,243 million yen, compared to 1,276 million yen during the same period last year, indicating a nearly flat YoY performance. In the strong retail business, sales increased approximately 83 million yen (+21.1%) YoY, reaching a record high on a non-consolidated basis for Q3.

(Unit: Million yen)

- Domestic Retail
- Domestic EC
- Overseas EC
- Other
- Overseas Wholesale
- Domestic Wholesale
- Wholesale in South Korea
- Wholesale in China



*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 (YoY Results and Forecasts)

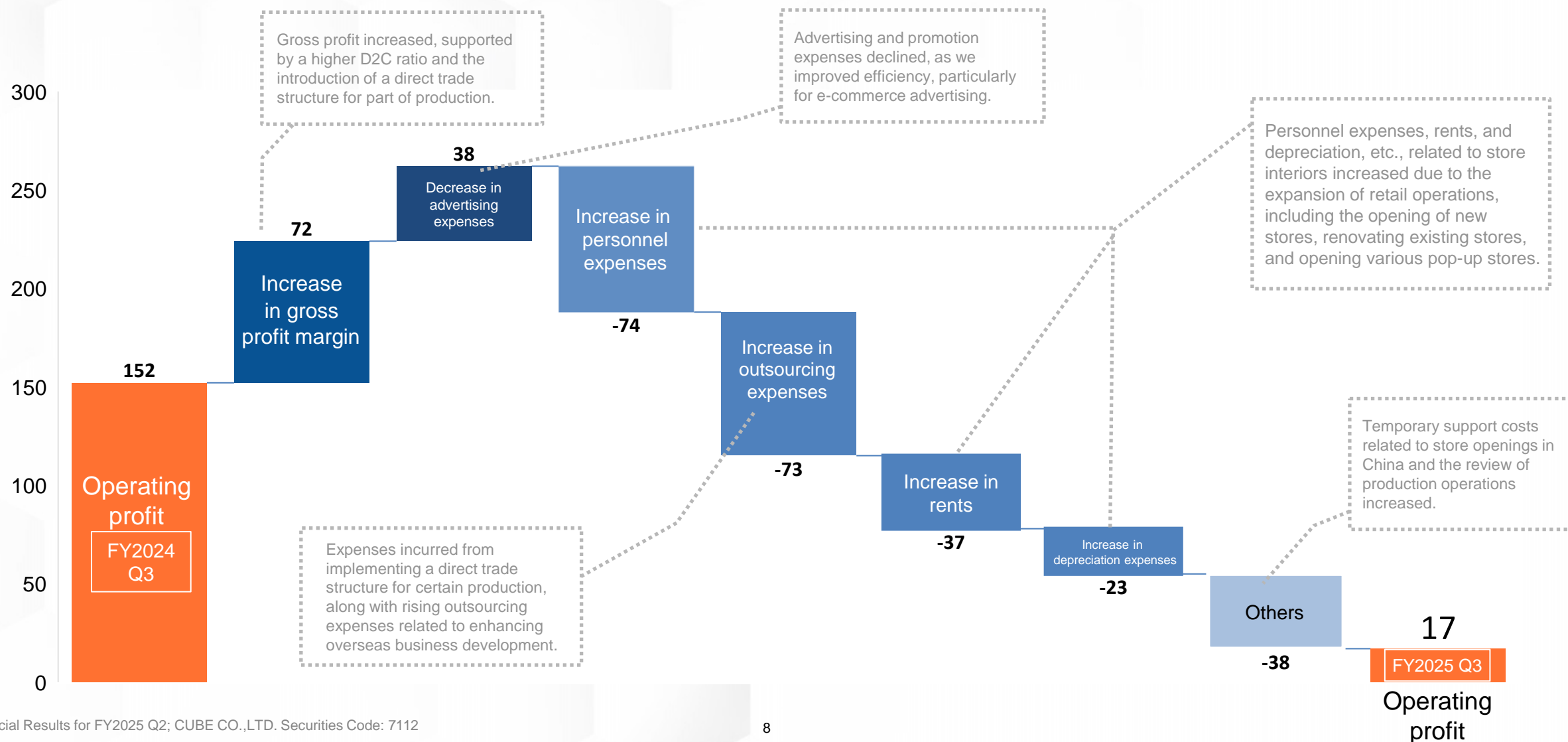
CUBE CO.,LTD.

Sales increased, driven by the retail business, and the gross profit margin also improved. SG&A expenses increased due to prioritizing upfront investments to expand the scope of operations, despite ongoing savings compared to the Company's internal plan. As a result, profit by stage below operating profit declined YoY.

(Unit: Million yen)	FY2024 Q3	FY2025 Q3 (current period)	YoY (pct. change)	Forecasts	Achievement rate	Progress Status, etc.
Net sales	3,569	3,604	35 (1.0%)	5,200	69.3%	<ul style="list-style-type: none"> Sales in the retail business increased YoY, despite the record-breaking heat.
Gross profit (Gross profit margin)	2,071 (58.0%)	2,143 (59.5%)	72 (3.5%)	—	—	<ul style="list-style-type: none"> Our shift toward a direct trade structure is driving continued improvement in the cost-of-sales ratio. The D2C ratio, which contributes to improving gross margin, continued to rise (+3.1pt YoY).
Operating profit (Operating profit margin)	152 (4.3%)	17 (0.5%)	-135 (-88.9%)	206 (4.0%)	8.2%	<ul style="list-style-type: none"> Despite a reduction in SG&A expenses compared to the internal plan, the operating profit declined YoY due to increased costs associated with business expansion.
Ordinary profit (Ordinary profit margin)	152 (4.3%)	21 (0.6%)	-131 (-86.0%)	206 (4.0%)	10.3%	<ul style="list-style-type: none"> Same as above
Profit (Profit margin)	92 (2.6%)	1 (0.1%)	-90 (-98.0%)	125 (2.4%)	1.5%	<ul style="list-style-type: none"> Same as above

Factors behind Changes in Operating Profit

While SG&A expenses were reduced due to improved efficiency in advertising and promotion expenses, operating profit declined YoY as personnel, outsourcing, rents, and depreciation expenses increased with business expansion.



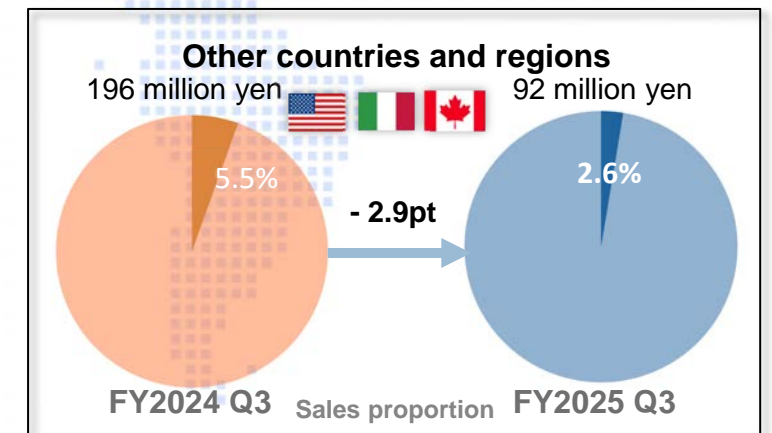
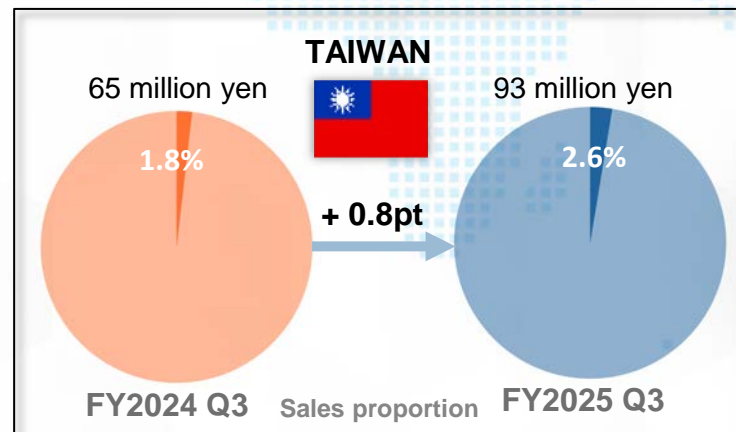
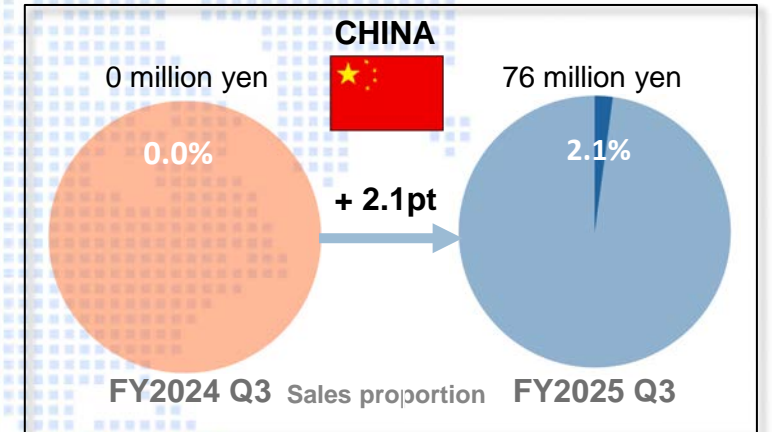
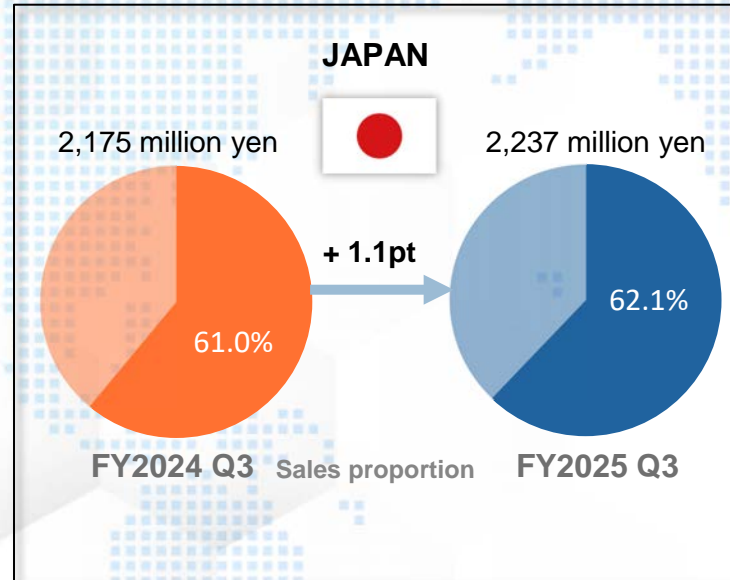
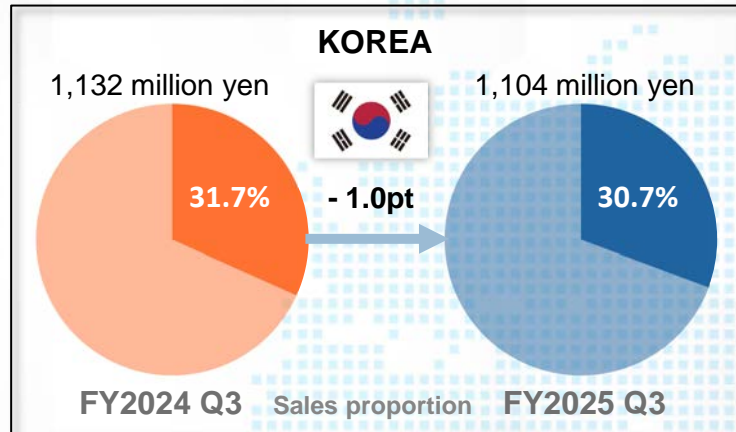
Overview of Balance Sheet

CUBE CO.,LTD.

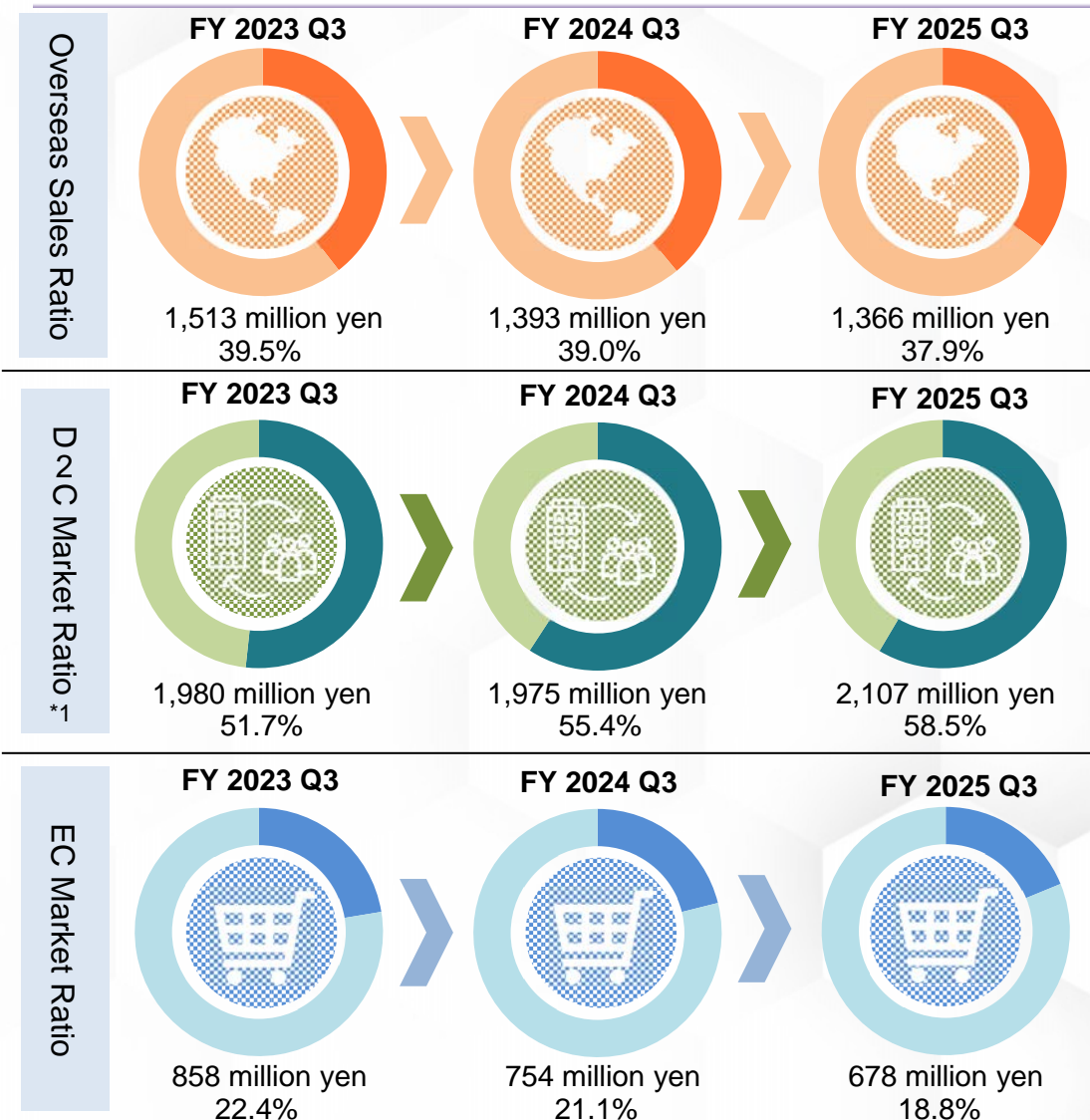
We continued to make proactive investments, including the establishment of a joint venture for business expansion in China and the opening of new permanent stores at Gotemba and Rinku Premium Outlets, while maintaining a healthy equity ratio of 82%.

(Unit: Million yen)	FY2024 Q4	FY2025 Q2	FY2025 Q3	Composition ratio	QoQ	Main change factors (QoQ)
Total assets	4,791	4,674	4,868	100.0%	+77	
Current assets	3,882	3,380	3,531	72.5%	-350	<ul style="list-style-type: none"> • Cash and deposits decreased, reflecting capital contributions for the establishment of the joint venture in China, as well as increased payments for corporate taxes payable at the end of the previous fiscal year.
Noncurrent assets	909	1,293	1,337	27.5%	+427	<ul style="list-style-type: none"> • Shares of affiliated companies increased as a result of establishing a joint venture for business expansion in China. • Buildings and structures increased in line with the opening of the Gotemba and Rinku Premium Outlets store.
Current liabilities	667	509	695	14.3%	+27	
Noncurrent liabilities	142	151	164	3.4%	+22	
Net assets	3,982	4,013	4,009	83.3%	+26	<ul style="list-style-type: none"> • Retained earnings increased.

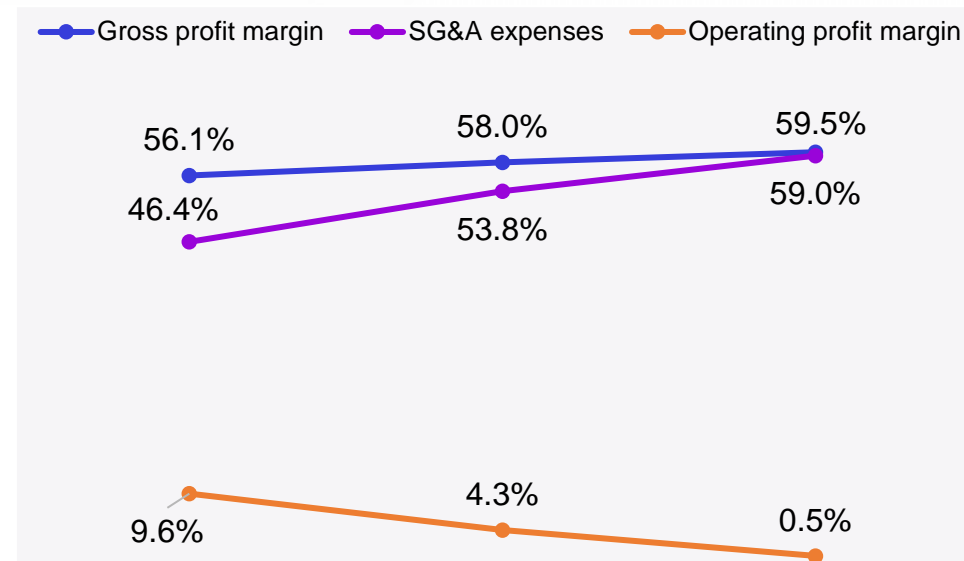
Sales proportion of the two major markets of Japan and South Korea remained roughly flat YoY. The China and Taiwan markets, where we operate specialty stores, continue to expand steadily.



Key Indicators



Financial KPI



	FY 2023 Q3	FY 2024 Q3	FY 2025 Q3
ROE	6.3%	2.3%	0.4%
Shareholders' Equity ratio	85.7%	81.2%	82.3%
EPS	39.27 yen	15.19 yen	0.30 yen
BPS	643.56 yen	651.52 yen	653.04 yen

FY2025 Business Progress

Plan for Sales Channels

Q3: Renovated the Matsuzakaya Nagoya store and opened the first pop-up store at Osaka Takashimaya.
Q4: Opened the first pop-up store at Shinjuku Takashimaya in October, with additional locations at Tokyo Daimaru and Kobe Daimaru.

CUBE CO.,LTD.

✓ Q3 financial results announcement			FY2025				FY2026				FY2027			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
D 2 C	Domestic Retail	<ul style="list-style-type: none">Flagship store developmentExpansion of store sizes to boost inbound salesPop-up store openings, including at outlet locations	Opening pop-up stores (Osaka Takashimaya, Tokyo Daimaru, and outlets, etc.)				Pop-up store marketing for new store openings				Pop-up store marketing for new store openings			
					Mastuzakaya Nagoya store renewal		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)			
				Opening new permanent stores in outlets (Gotemba, Rinku)			Opening new permanent store at outlets (approx. 1 store)				Opening new permanent store at outlets (approx. 1 store)			
	EC	<ul style="list-style-type: none">Expansion of a domestic e-commerce storeExpansion of an overseas e-commerce store	Domestic EC: Platform renewal				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	<ul style="list-style-type: none">Strengthening collaboration with exclusive distributors	Opening new stores (total: 3 stores)				Execution of market-appropriate penetration strategies							
	China Hong Kong Macau	<ul style="list-style-type: none">Store openings through JV projects		Opening new store in Beijing	Opening e-commerce stores		Opening new permanent retail store				Opening new permanent retail store			
				Opening new store in golf course			Opening new stores in Macau and Hong Kong							
	Other Overseas Countries	<ul style="list-style-type: none">Distributor partnershipsStore openings through JV projects	Selection of partners in Southeast Asia				Opening new store in Taiwan							
			Opening new store in Vietnam				New store openings in Southeast Asia							
							New store openings in other parts of Asia							
	Japan	<ul style="list-style-type: none">Development of wholesale customers					Development of new business accounts							

Domestic Retail - Matsuzakaya Nagoya stores reopened after expanding floor space

CUBE CO.,LTD.

The Matsuzakaya Nagoya store, one of MARK & LONA's key stores, reopened in September following an expansion of its floor space. The latest collection offers a full lineup that combines golf-wear functionality with an effortlessly city-ready design.



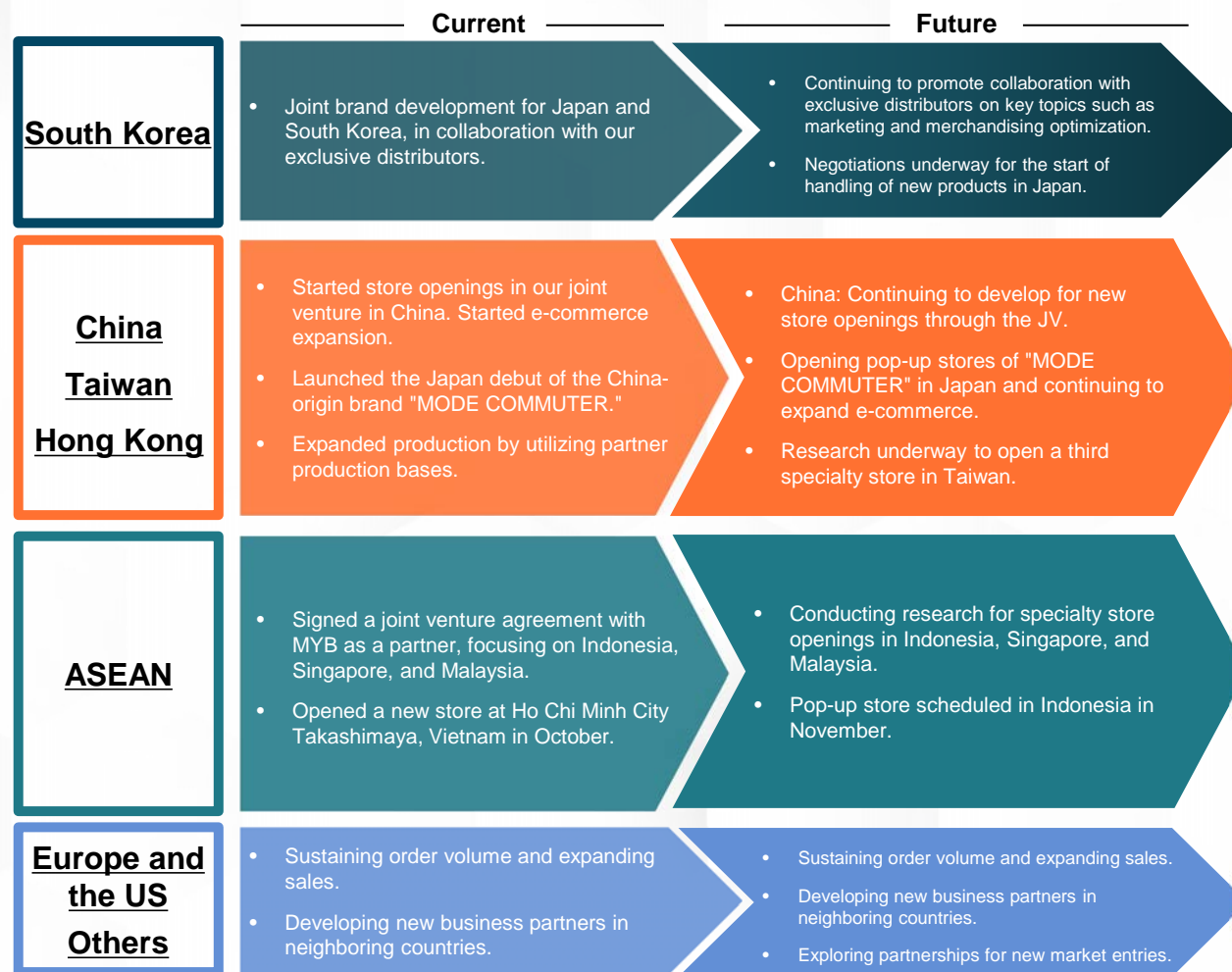
We opened the first pop-up stores at Osaka Takashimaya in September and at Shinjuku Takashimaya in October. The pop-up store at Tokyo Daimaru, which proved highly popular last year, reopened in October. We aim to further grow our business and enhance our brand value.



In October, we opened the first permanent MARK & LONA store in Vietnam at Ho Chi Minh City Takashimaya, the city's premier luxury mall, attracting affluent and style-conscious customers.



The joint venture in China has started sales through e-commerce website following the opening of retail stores. In ASEAN countries, we opened a new store at Ho Chi Minh City Takashimaya, Vietnam in October. We are steadily expanding our business in Asia.



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.

As a growing company, we will continue to make strategic investments aimed at expanding our operations, including investments in human resources, systems, OMO store development, and M&A.

Our policy on shareholder returns prioritizes enhancing corporate value through business expansion driven by such investments, at least for the time being.

At the same time, to express our gratitude for the continued support of our shareholders and to encourage long-term shareholding by deepening their understanding of our business through the use of our services, we adopt a shareholder benefit program.

In the event of sudden changes in the external environment, we will also consider implementing flexible capital policies, such as share buybacks, while strengthening our IR activities to enhance shareholder value.

To express our sincere appreciation for the ongoing support of our shareholders, we adopt a shareholder benefit program. This program is designed to deepen shareholders' understanding of our business through the use of our services, while also enhancing the attractiveness of our stock as an investment and encouraging long-term ownership.

In FY2026, we offer coupons worth 10,000 yen, redeemable at domestic stores and the official domestic online store.

Eligible Shareholders

Shareholders who are listed or recorded in our shareholder registry as of December 31 each year and hold 200 shares (2 trading units) or more are eligible for the program.

Shareholder Benefits

#	Item	Details
1	Benefit Content	Coupons worth 10,000 yen for use at domestic and official domestic online stores.
2	Applicable Usage	Domestic stores and domestic official online stores. <u>*Overseas online stores are not eligible.</u>
3	Application Timing	Specific information will be enclosed with the shareholder meeting materials, which are scheduled to be sent in early March each year.

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.

