

FY12/23 Financial Results

CUBE CO., LTD.

Stock Code: 7112

01

Financial Results

[FY12/23]

02

Management Policies/Business Forecasts

[FY12/24]

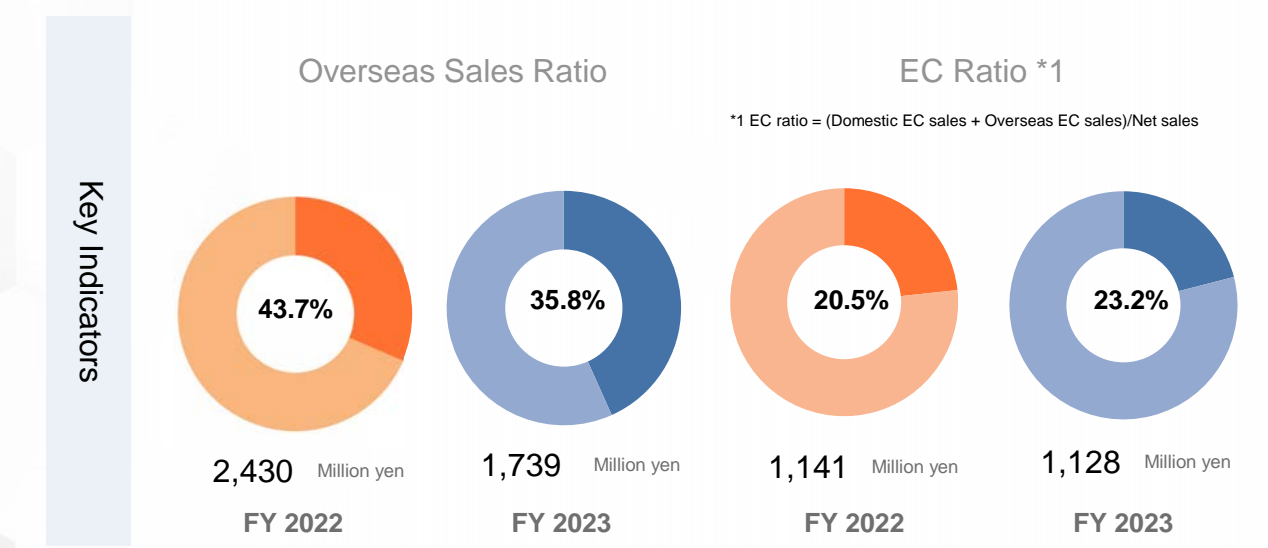
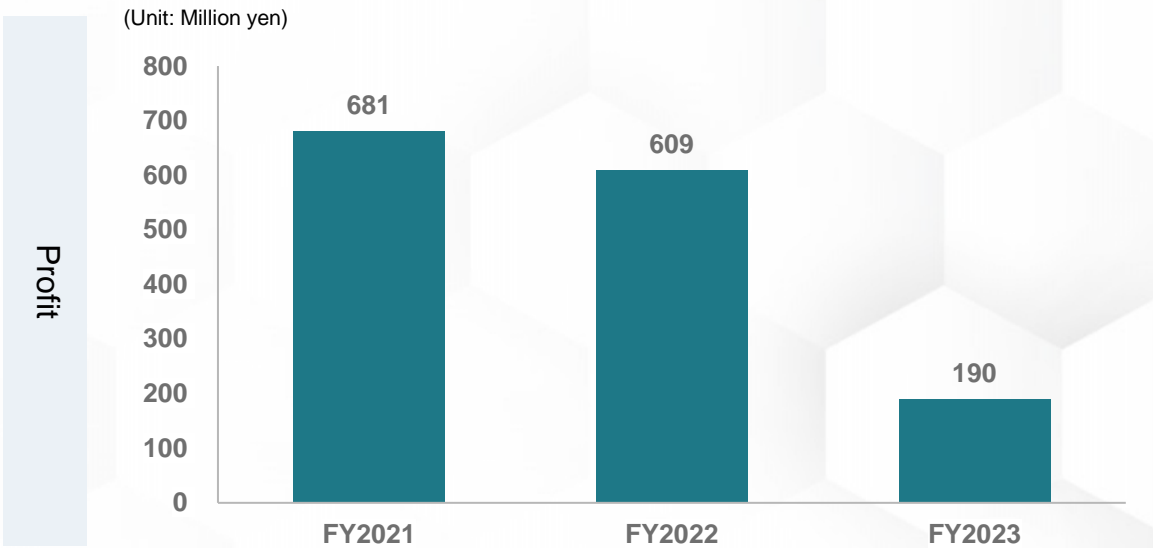
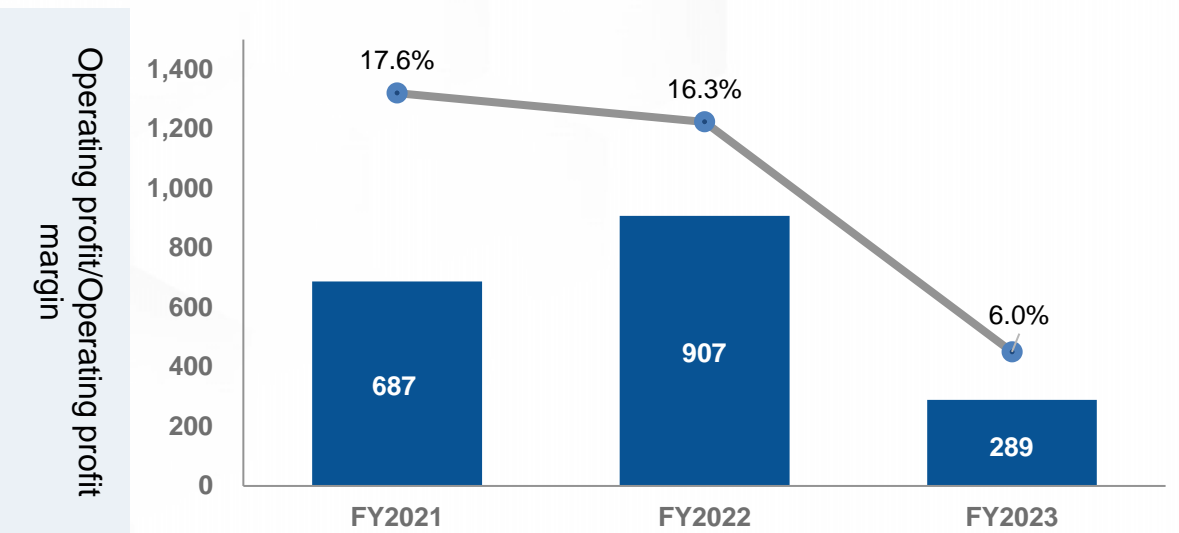
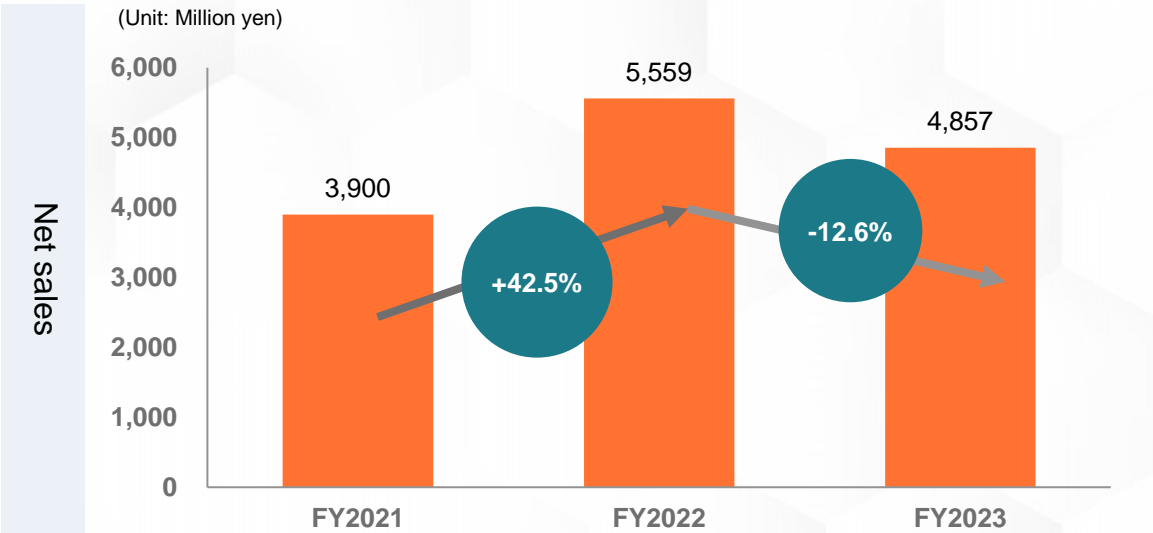
[FY12/24]

03

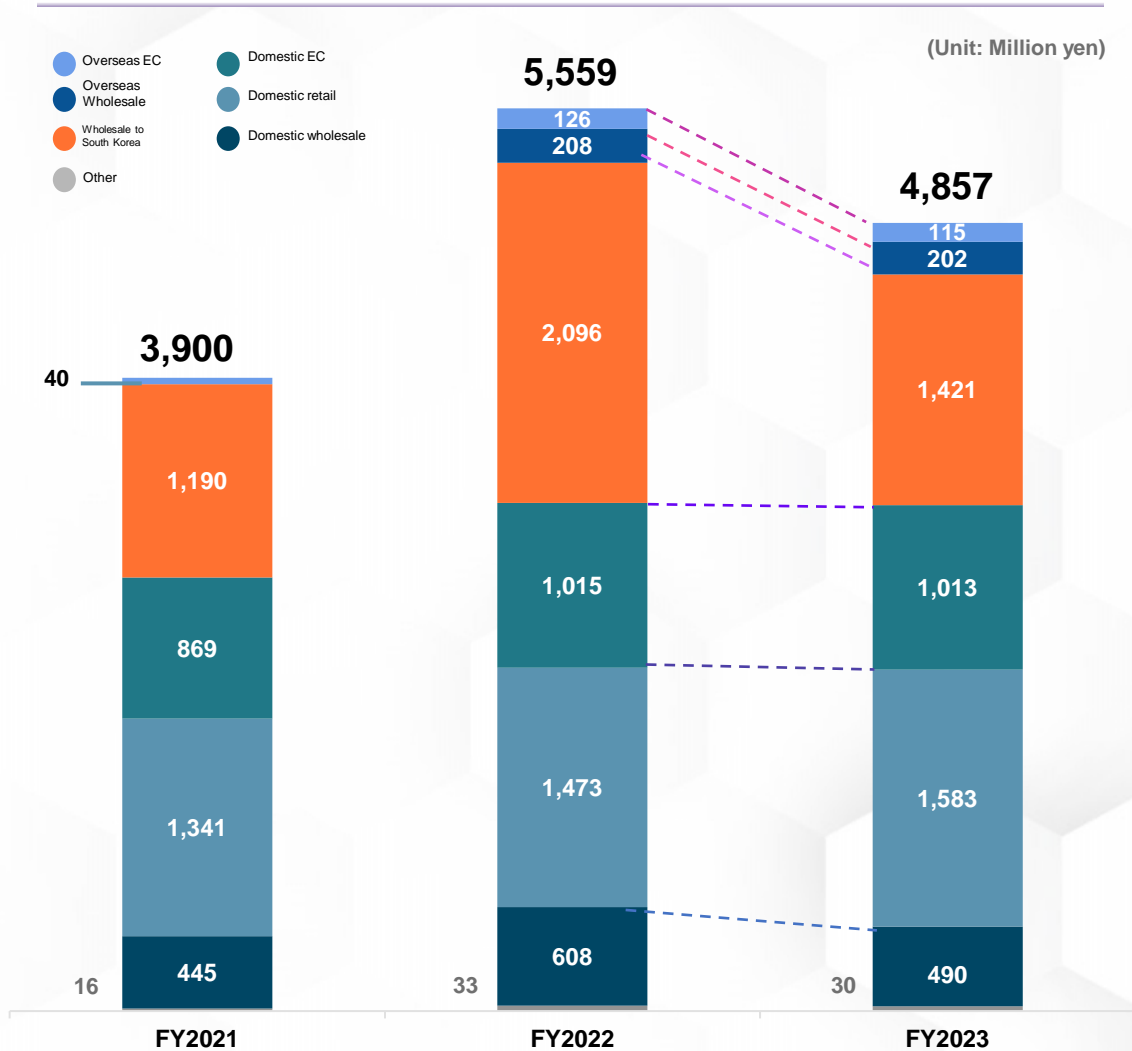
APPENDIX

- Corporate Profile & Business Overview
- Growth Strategy & Vision
- Quarterly Trends

FY12/23 Financial Report



Sales Trends by Sales Channel



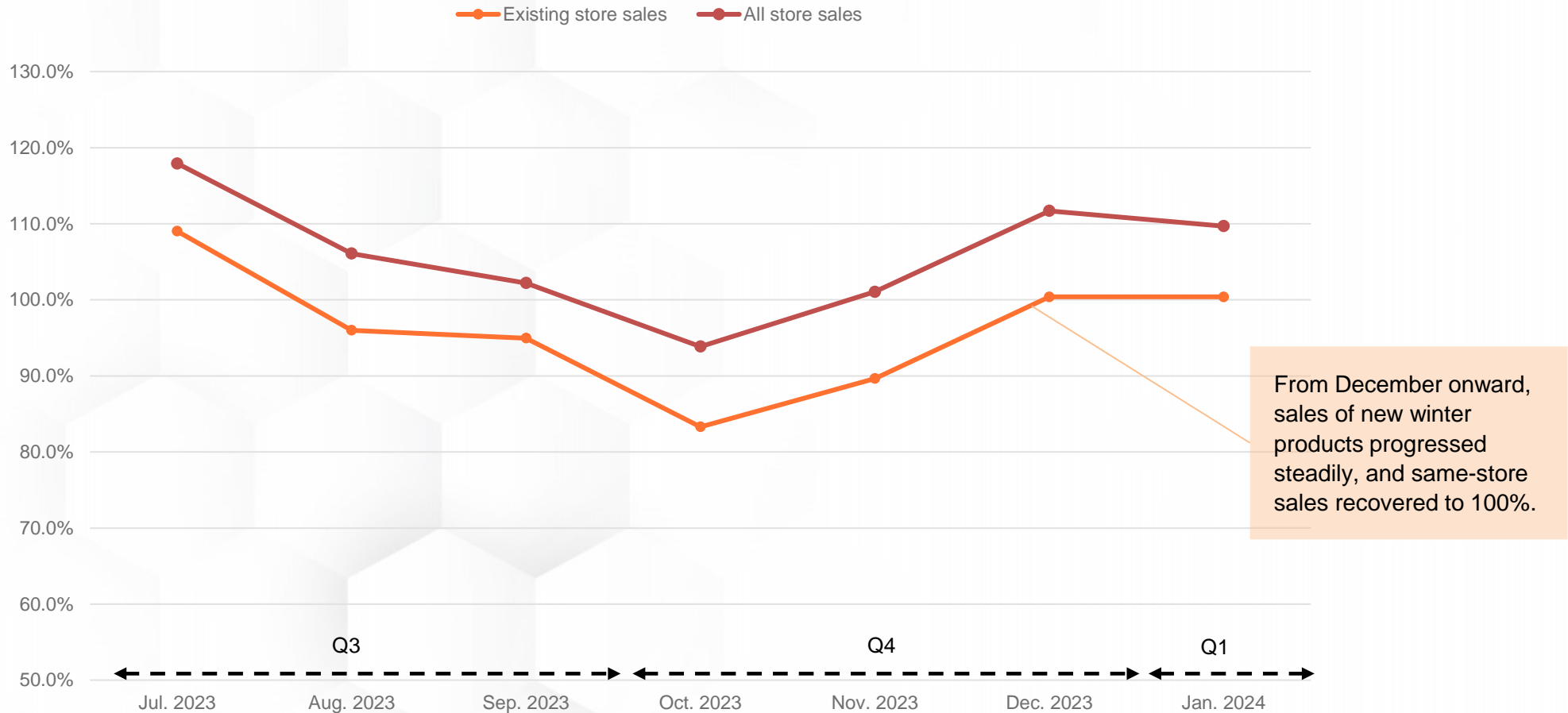
Financial Highlights

- Since the spread of COVID-19 in 2020, the golf market demand has been boosted worldwide, but the overheating has moderated.
- Sales from wholesale to South Korea declined compared with the previous fiscal year as a reaction to a noticeable overheating trend in 2022.
- Regarding domestic EC sales, sales of new fall/winter products were sluggish due to the extremely hot summer and the continuing high-temperature range compared to normal years even in the fall. On the other hand, domestic retail sales increased YoY, partly due to the opening of new stores and measures to recover demand from overseas visitors.
- Sales from domestic wholesale declined YoY due to a temporary increase in inventories at wholesalers as the golf boom subsided.
- Overseas wholesale sales have been expanding to ASEAN and East Asia since the fiscal year under review, following that of Europe and the United States.

(Unit: Million yen)

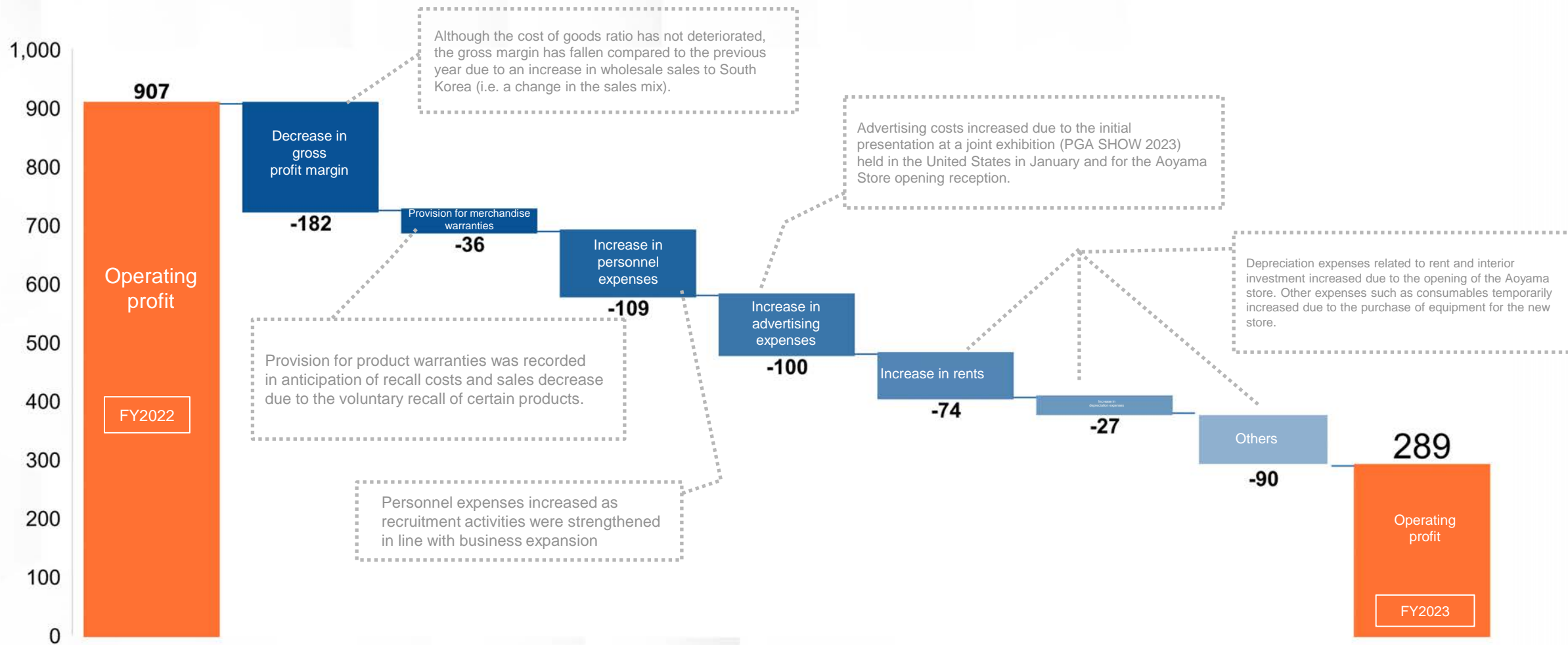
	FY2022	FY2023	YoY	Earnings forecasts (Announced on August 14, 2023)	Results vs. Forecasts
Net sales	5,559	4,857	-702 (-12.6%)	5,060	-202 (-4.0%)
Operating profit (Operating profit margin)	907 (16.3%)	289 (6.0%)	-618 (-68.1%)	440 (4.6%)	-151 (-34.4%)
Ordinary profit (Ordinary profit margin)	898 (16.2%)	292 (6.0%)	-606 (-67.5%)	444 (4.5%)	-152 (-34.3%)
Profit (Profit margin)	609 (11.0%)	190 (3.9%)	-418 (-68.7%)	299 (3.0%)	-108 (-36.3%)

Due to the extremely hot summer, the autumn/winter products showed slow growth, and sales at directly managed stores were negative YoY in October. However, sales in other months were positive YoY, driven by new stores, and have recently been on a recovery trend.



Factors behind Changes in Full-Year Operating Profit

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 and advertising expenses for business expansion and other factors, as well as the impact of voluntary recalls associated with defective products.



Overview of Balance Sheet

There has been no significant change in the balance sheet from the end of the previous fiscal year, but noncurrent assets related to new stores opened in April increased.

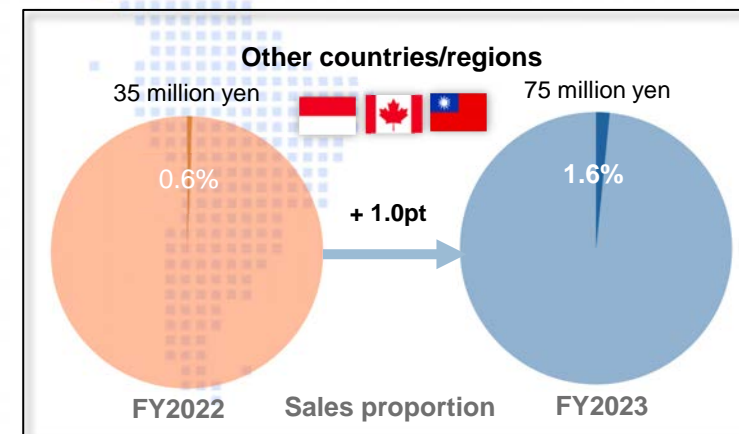
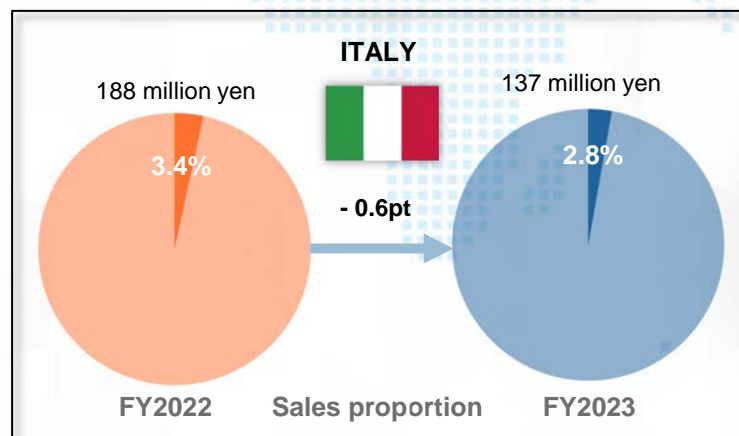
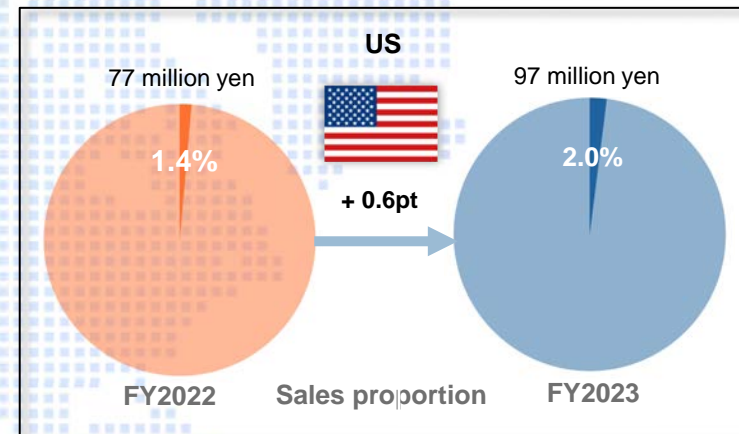
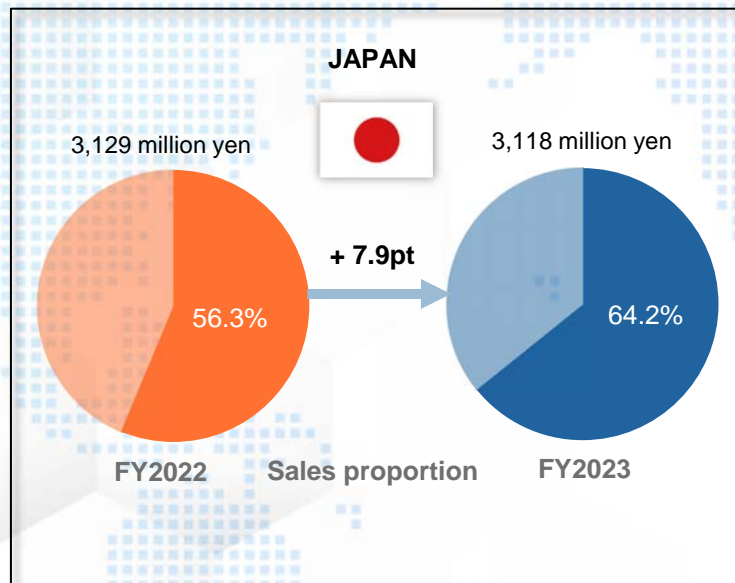
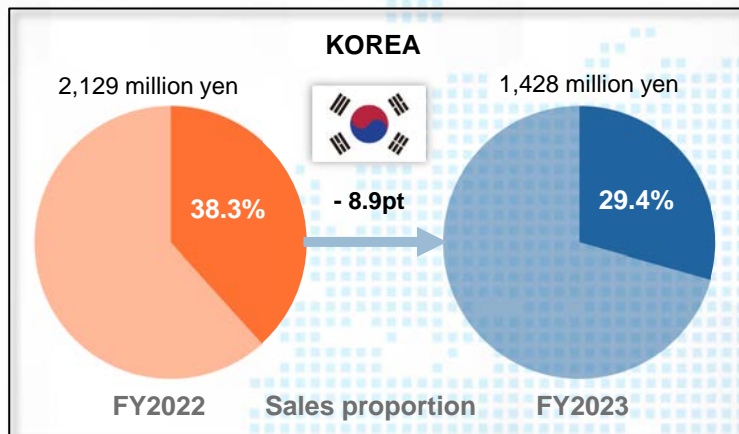
(Unit: Million yen)	FY2022 Q4					FY2023 Q3		
	FY2022 Q4	FY2023 Q4	Composition ratio	YoY	Main change factors	FY2023 Q3	QoQ	Main change factors
Total assets	4,619	4,507	100.0%	-111		4,559	-52	
Current assets	4,079	3,719	82.5%	-359	Decrease in cash and deposits mainly due to the acquisition of property, plant and equipment for new stores	3,842	-123	Decrease in merchandise due to sales of fall/winter products
Noncurrent assets	539	788	17.5%	+248	Increase due to acquisition of property, plant and equipment for new stores	716	+72	Increase due to acquisition of property, plant and equipment associated with new store openings
Current liabilities	880	530	11.7%	-349	Decrease in accounts payable (rebates) to Korean sole agents	546	-16	Accounts payable decreased due to a decrease in purchases at the end of the fall/winter season.
Noncurrent liabilities	67	115	2.6%	+47	Increase in asset retirement obligations mainly due to new stores	103	+12	
Net assets	3,670	3,861	85.7%	+190	Increase in profits	3,908	-47	

Similar to the balance sheets, there was an increase in cash outflow from investing activities associated with the opening or renovation of new stores during the period.

	FY2022	FY2023	Change	Major factors
Cash flow from operating activities	+393	-177	-570	Income before income taxes: +292 Income taxes paid: -463
Cash flow from investing activities	-137	-250	-113	Payments for purchase of property, plant and equipment: -195
Cash flow from financing activities	+1,430	—	—	
Change in cash and cash equivalents	+1,686	-427	-2,113	
Cash and cash equivalents at end of period	2,783	2,355	-428	

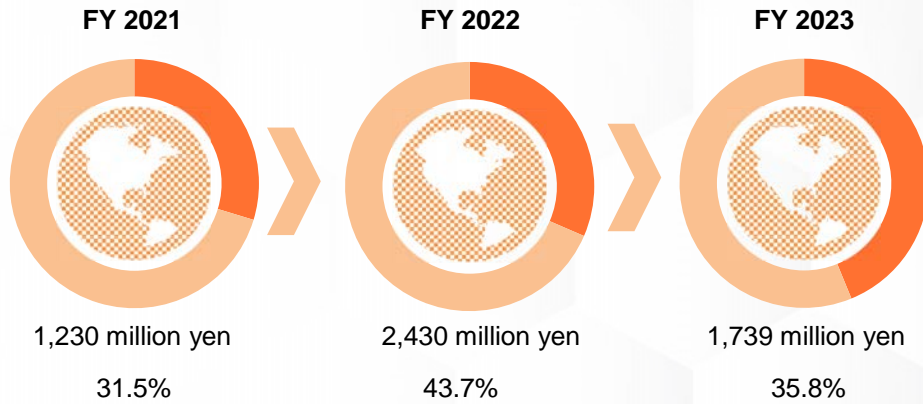
Overheating of the golf boom under the COVID-19 crisis settled worldwide, and sales in the South Korean market decreased, although the Japanese market was slightly positive.

The business expansion in untapped markets such as Italy and the U.S. is progressing smoothly, and sales in these countries are trending upward. However, the proportion of overseas sales has decreased to 35.8% due to the impact of the South Korean market.

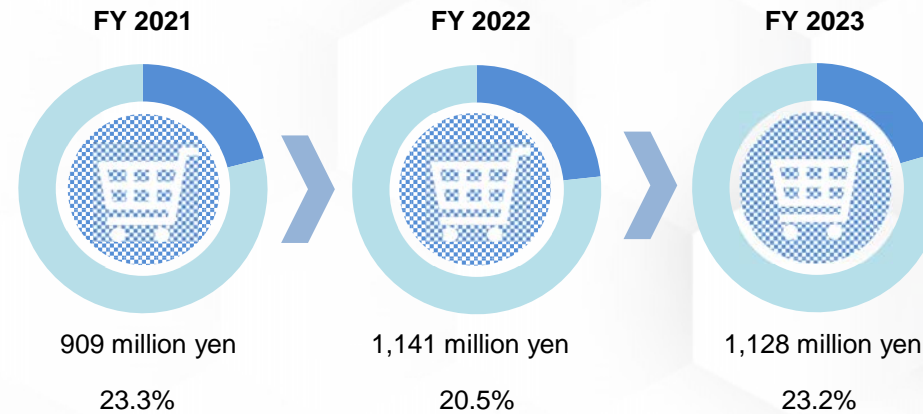


Key Indicators

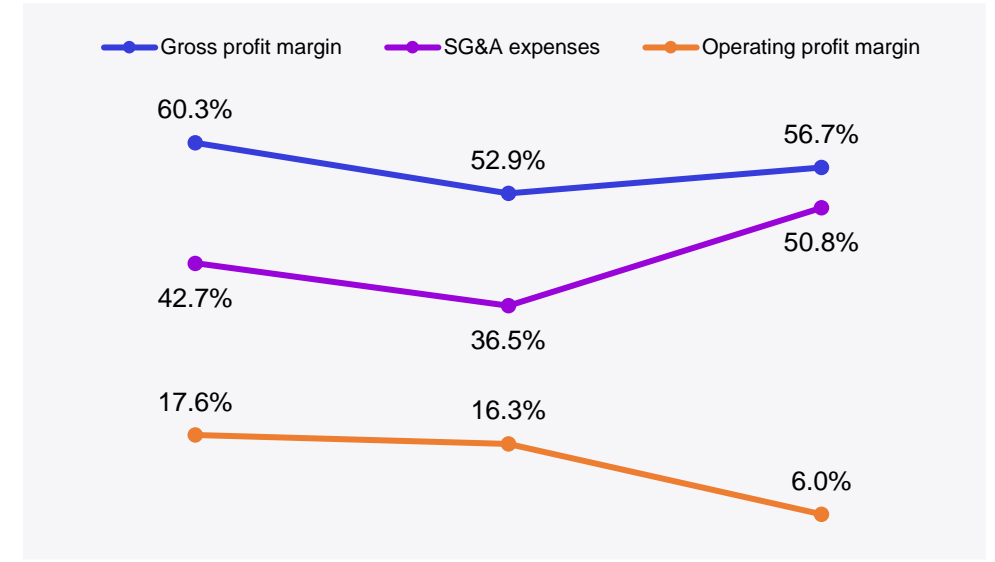
Overseas Sales Ratio



EC Market Ratio



Financial KPI



	FY 2021	FY 2022	FY 2023
ROE	53.0%	23.0%	5.1%
Shareholders' Equity ratio	62.8%	79.5%	85.7%
EPS	127.71 yen	110.58 yen	31.42 yen
BPS	304.96 yen	604.29 yen	635.72 yen

FY12/24
Management Policies/Business Forecasts



01 Global expansion

Develop new business partners through digital BtoB tools. Establish global channels centered on cross-border EC.

- Establish partnerships in the East Asia and ASEAN region
- Active marketing using digital BtoB tools and partner development through joint exhibitions
- Strengthen cross-border EC through overseas marketing strategy investment
- Expand store openings by analyzing data from pop-up stores and OMO stores

02 Increase our brand value

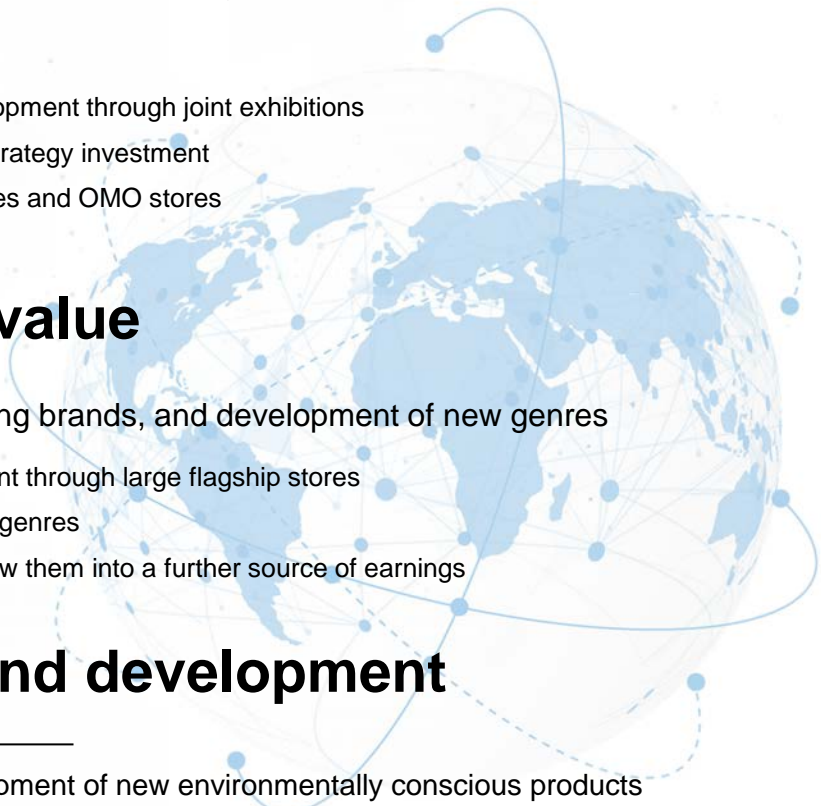
Store development, further enhancement of existing brands, and development of new genres

- Global branding and shop opening development through large flagship stores
- Develop products and brands to cultivate new genres
- Further develop successful categories and grow them into a further source of earnings

03 Collaborative brand development

Brand merchandise collaboration and the development of new environmentally conscious products

- Stable brand development through collaboration with businesses and brands
- Develop environmentally friendly lines for high-net-worth individuals
- Develop production bases around the world in preparation for an unprecedented situation



01 Global strategy

In East Asia, including China, which is the next high-volume market, we have begun to develop operations in Taiwan.

In the fast-growing ASEAN region, we have begun expanding in Indonesia and Vietnam. We are also developing partnerships in other regions.

Continue to cultivate new customers by strengthening points of contact with buyers through exhibitions at joint exhibitions overseas.

In Europe and the US, we develop wholesalers, mainly luxury boutiques, select shops, and luxury golf courses, and developed new pop-up and OMO formats.

Continue to expand sales and attract inbound tourists through digital marketing distribution through cross-border EC and social media.

02 Branding

Continue to use a celebrity Takuya Kimura as a powerful influencer for targeted marketing through online ads and social media. For Asia and ASEAN countries, we will work to raise brand awareness through local KOL and the use of influencers.

GINZA 6 store is scheduled to be reopened in March as a major domestic flagship store. A large-scale renovation of the Kansai store is scheduled in autumn. Including the Aoyama store that opened in April last year, we plan to develop new stores as a venue for disseminating the brand and expanding the size of existing stores.



03 Collaboration

Engage in sustainable collaboration with global businesses and brands, based on our creative activities.

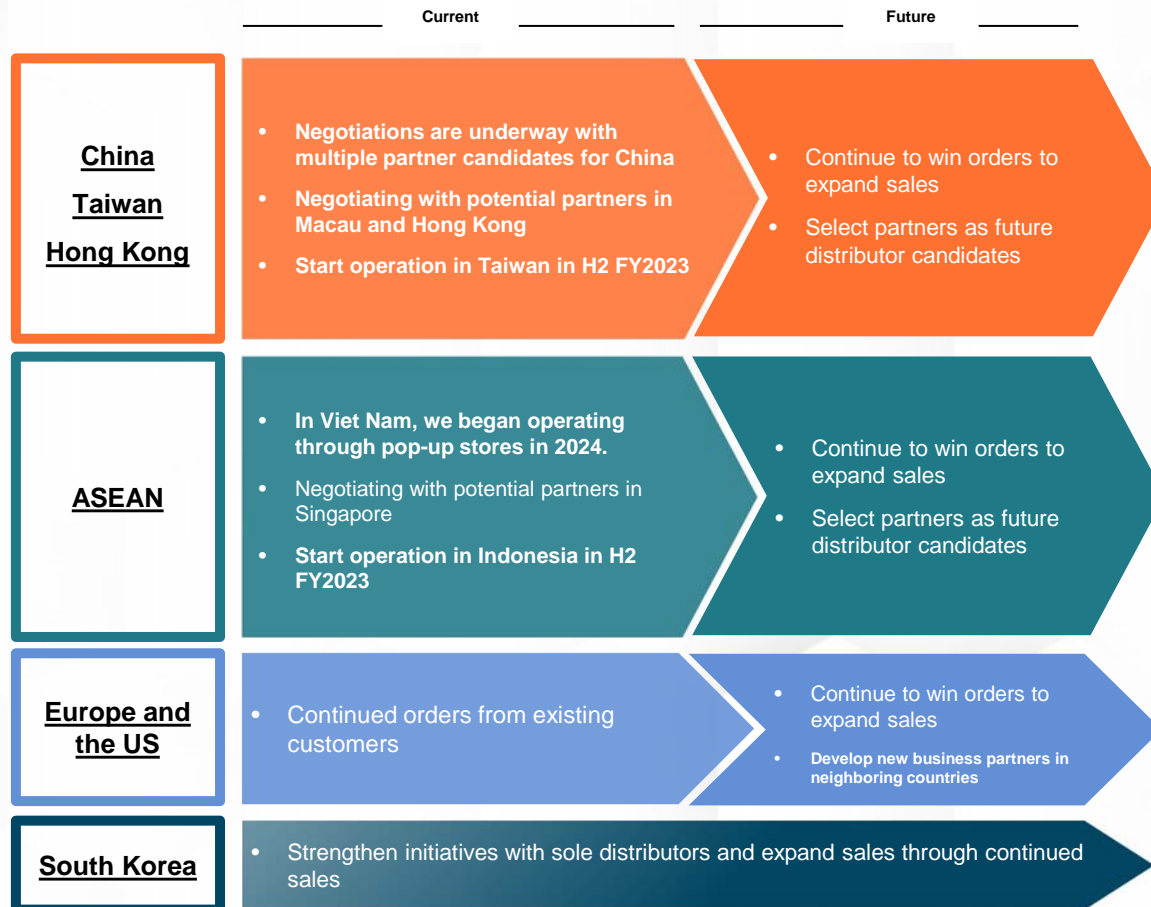
-Develop MARK&LONA's first sun care products jointly developed by Japan and Korea, that meet world-class standards.

-Roll out Italian eyewear brands, luggage collection and apparel based on the travel concept, and strengthen its power content for the new genre.



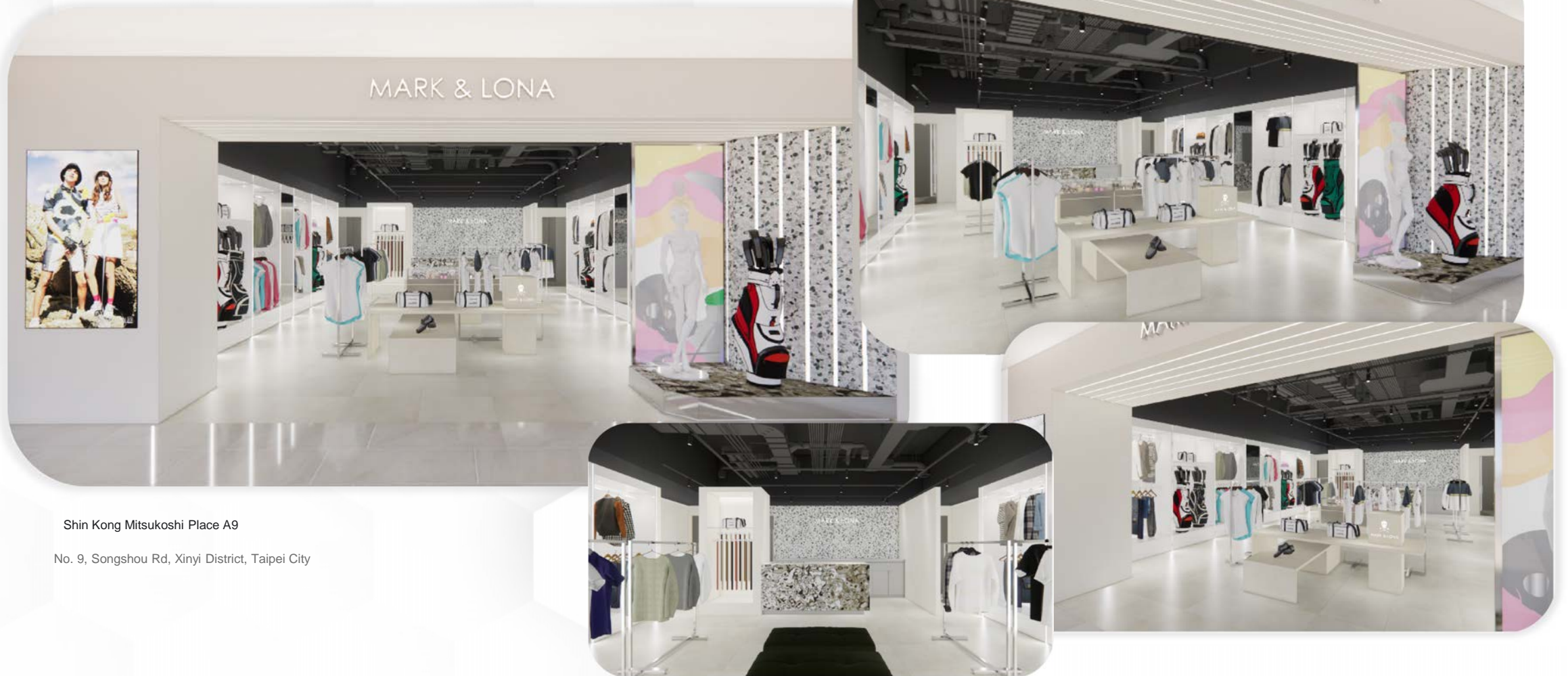
Cultivate new customers, mainly in the Asian and ASEAN region, and continue to strengthen efforts to attract customers in the global EC channels.

Build a foundation for global branding and enhancing structure to increase profitability from both offline and online channels.



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

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



Plan to roll out pop-up stores at 2 locations: a department store in Ho Chi Minh City and a shopping mall in Hanoi.



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.

In-store parts



고객센터
1:1 게시판 이용시 빠른 상담이 가능합니다.



Larger-scale renovation of GINZA 6 stores, the main stores in Tokyo, and strengthening of branding to overseas countries and overseas visitors.

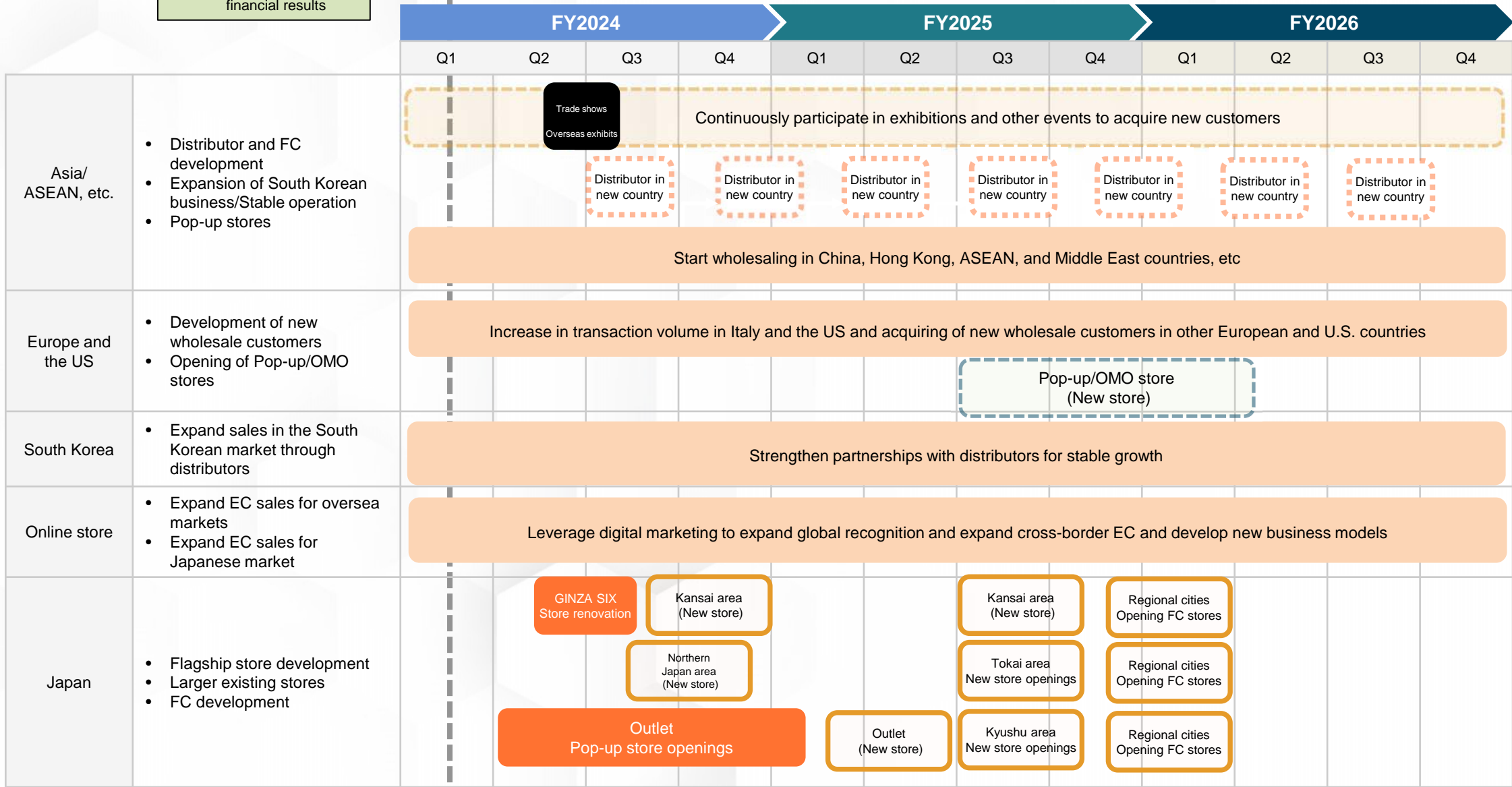


MARK & LONA
GINZA SIX
Opening for March 2024
(planned)



MARK & LONA GINZA SIX Store
Ginza 6-chome 10-1 GINZA 6 5F, Chuo-ku, Tokyo

✓ Announcement of the financial results

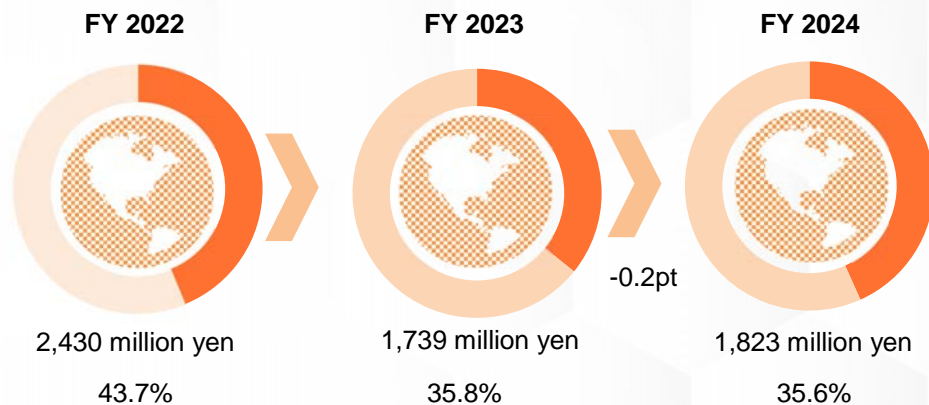


(Unit: Million yen)

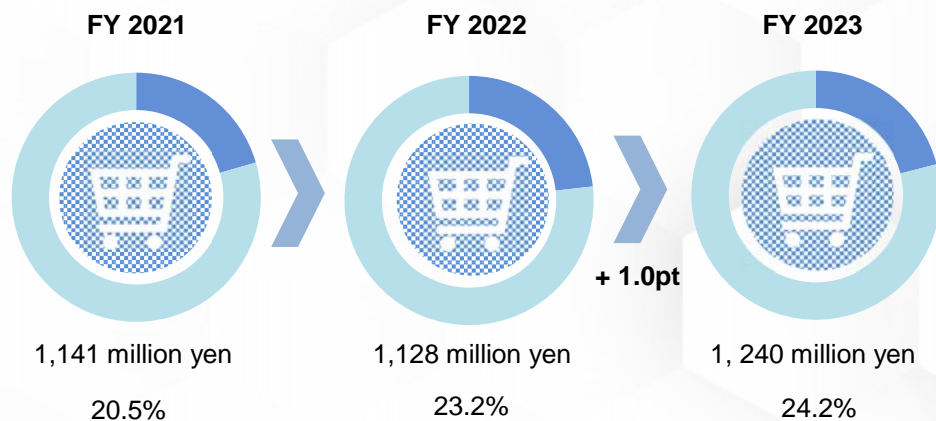
	FY2023	FY2024	YoY (Amount/%)
Net sales	4,857	5,120	+263 (+5.4%)
Operating Profit (Operating profit margin)	289 (6.0%)	236 (4.6%)	-53 (-18.2%)
Ordinary Profit (Ordinary profit margin)	292 (6.0%)	230 (4.5%)	-61 (-21.0%)
Profit (Profit margin)	190 (3.9%)	151 (3.0%)	-40 (-20.8%)

Key Indicators

Overseas Sales Ratio



EC Market Ratio



Sales by Channel and Key Indicators

Customers	Business Segment	FY2022 (million yen)	FY2023 (million yen)	FY2024 (million yen)	YoY change (million yen, %)
BtoC	Domestic retail	1,473	1,583	1,796	+213 (+13.4%)
	Domestic EC	1,015	1,013	1,094	+81 (+8.0%)
	Overseas EC	126	115	146	+31 (+27.0%)
BtoB	Wholesale to South Korea	2,096	1,421	1,405	-16 (-1.1%)
	Overseas wholesale	208	202	272	+70 (+34.7%)
	Domestic wholesale	608	490	378	-112 (-22.9%)

- In 2022, sales rose sharply reflecting special demand for golf equipment in South Korea due to the COVID-19 crisis. In FY2023, demand stabilized and sales decreased.
- We see 2024 as a period of growth stabilization, overcoming the growth slowdown and establishing a sustainable growth path.
- From 2025 onward, we aim to achieve long-term growth by reevaluating market needs and investing in new overseas channel development.



Medium-to-Long-Term Growth Targets

CAGR

- Net sales: Growth of 20% or more
- Operating profit: Growth of 40% or more
- Operating margin: 20% or more
- ROE: 15% or more

As we are a growing company, we will continue to make prior investments to expand our Business, such as investment in human resources, systems, shop development including OMO stores, and M&A.

In terms of shareholder returns, our priority for the time being is to expand our operations and increase our corporate value through investment.

In the event of sudden changes in the external environment, we will also consider flexible capital policies such as share buy-backs and strengthen IR activities to increase shareholder value.

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.

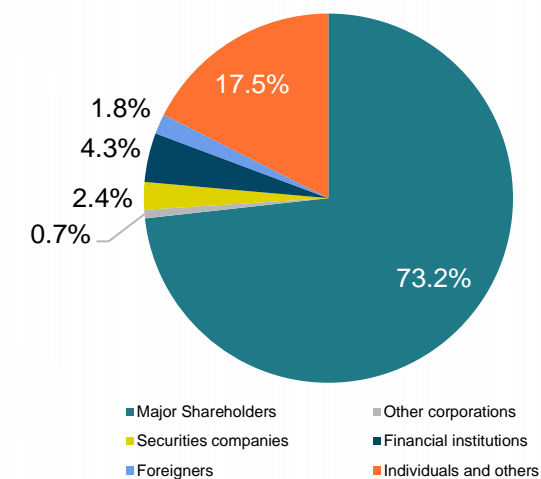
We plan to disclose "Items Relating to Business Plan and Growth Potential" by March 2024.

Corporate Profile & Business Overview

APPENDIX

Company Name	CUBE CO., LTD.
Head Office	2-17-7 Akasaka, Minato-ku, Tokyo
Representative	Tomoaki Matsumura, Representative Director
Established	December 1994
Capital stock	822,549,600 yen (as of December 31, 2023)
Number of employees	87 (including temporary employees, as of December 31, 2023)
Business Activities	Planning, manufacturing, and sales of apparel and general merchandise; licensing business (licensors)
Brands handled	MARK&LONA, HORN GARMENT, Gravis golf
Major clients	Hankyu Hanshin Department Stores, Inc., Daimaru Matsuzakaya Department Stores Co. Ltd., Iwataya Mitsukoshi Ltd., Mori Building Co., Ltd., ZOZO, Inc., VICTORIA CO.,LTD.

Shareholder Composition
As of December 31, 2023



VISION

Creating symbols of the times

Our corporate philosophy is that the brands and services we provide will become symbols and trends of the times and will continue to be remembered.

STRATEGY

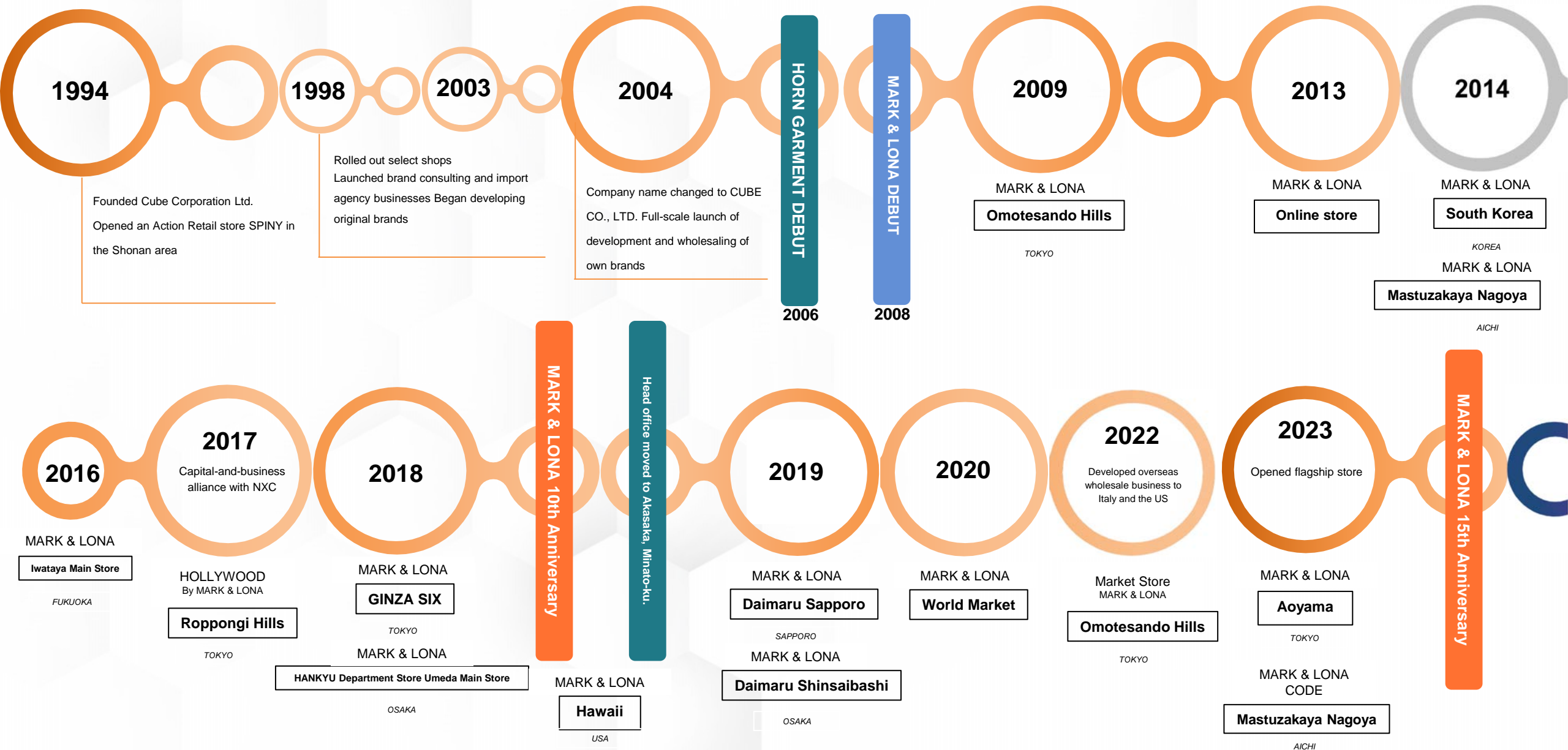
Creating a premium luxury brand

The strategy to realize this vision is to create Japan's first premium luxury brand.

MISSION

Freedom in Golf

As the sport of golf becomes more diverse, our mission is to help people enjoy golf freely as a fashionable sport and to be a partner in their elegant lifestyles.



President and
Representative Director



TOMOAKI MATSUMURA

Senior Managing Director



TAKU OZAWA

Director



YUSUKE TAKAHASHI

Director



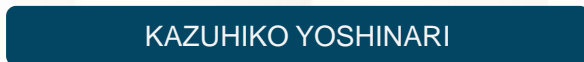
SUSUMU HATANO

Executive Officer



YUTA FUKUJOKA

Outside Director



KAZUHIKO YOSHINARI

Outside Director



HIDETSUGU ONISHI

Outside Director



TAKANOBU MUTO

Outside Auditor



KOKI KAKEHASHI

Outside Auditor



AKARI OTSUKA

Outside Auditor

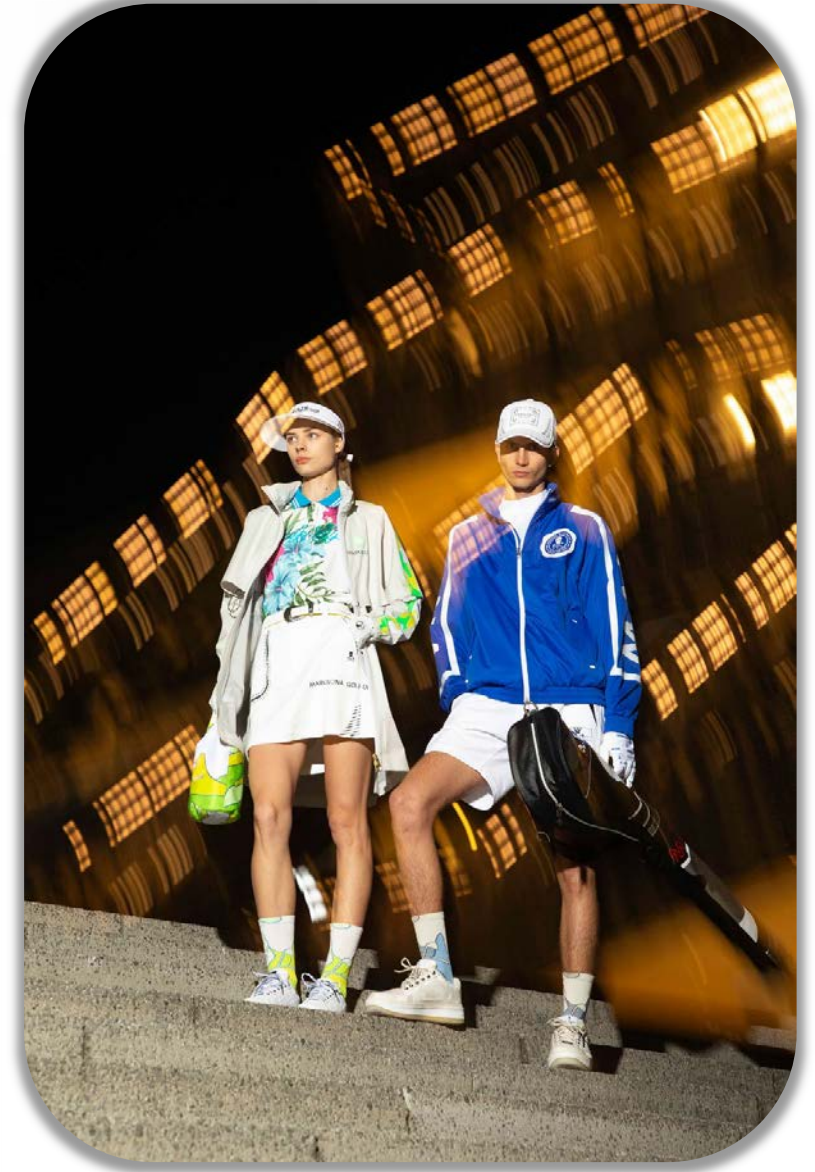
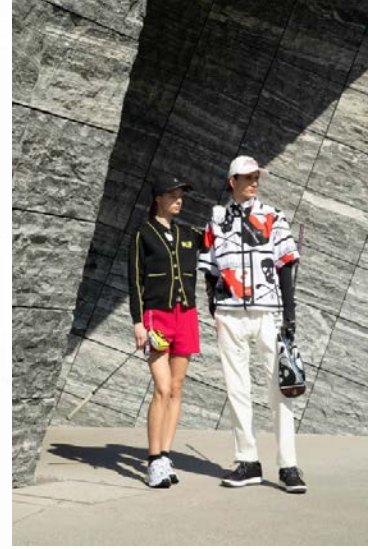
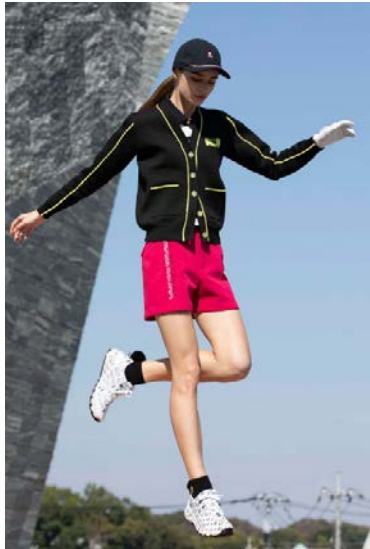


AKIKO TAKAYASU

Product APPENDIX

MARK & LONA[®]

MARK&LONA began in Los Angeles, USA, and has since launched unique collections. The brand has been uncompromising in its pursuit of innovative design, quality materials and high functionality that are not typical of a golf wear brand. In addition, the brand develops a wide range of collaborative products, from unique golf gear to figurines, through collaborations with world-renowned characters and musicians each season. More than ten years after its inception, the brand continues to be a leading representative of golf fashion, and to mark its "10 YEARS ANNIVERSARY" in 2018, it has appointed its first brand ambassador, who will be responsible for the brand's slogan "Freedom in Golf." It continues to challenge and innovate for the global market.



*1: The 'Luxury' strategy targets affluent customers who are also customers of other well-known brands, etc., and develops high-priced products for affluent lifestyles through the development of wholesale outlets and flagship shops in high-end commercial facilities.

In addition to golf wear collections such as GENERAL/CODE/T-LINE, the brand's first casual wear collection, FER, has been added, offering a wide range of collections.



GENERAL COLLECTION

MARK&LONA's core GENERAL COLLECTION. With the concept of offering luxury golf goods, this brand has excellent creativity and functionality and has developed a wide range of items. The brand continues to send out further challenges and innovations to the world under the slogan "Freedom in Golf."



CODE COLLECTION

The "CODE" collection brings high fashion to the golf market with the concept of "Efficient." High-end luxury sportswear with uncompromising design and high functionality. Down to the smallest detail, using high quality materials.



T-LINE COLLECTION

The capsule collection "T-LINE" was presented at the PGA SHOW in the U.S. as part of the 15th Anniversary. With its high functionality as golf wear, it is loved as essential wear not only in the Asian region but also in the European and American markets.



FER COLLECTION

A multi-purpose wear "FER" collection that reduces the lifestyle of brand ambassador. "FER" is the brand name-based word shared between "Golfer" and "Surfer" for those enjoying golf and surf.



ALARM COLLECTION

The "ALARM" collection is a street-style collection with the versatility of casual wear. The unique designs and collaborations created by crossing genres and crossover propose limitless sports apparel that is not restricted to any field.

TOPS / KNIT

JPY	¥38,000 - ¥120,000
USD	\$350 - \$1,400
KRW	₩506,000 - ₩1,597,000



POLO

JPY	¥23,000 - ¥33,000
USD	\$250 - \$450
KRW	₩306,000 - ₩439,000



GOLF BAG

JPY	¥95,000 - ¥210,000
USD	\$950 - \$2,500
KRW	₩1,228,000 - ₩2,715,000



OUTER

JPY	¥39,000 - ¥125,000
USD	\$400 - \$1,650
KRW	₩575,000 - ₩1,842,000



BOTTOMS

JPY	¥35,000 - ¥65,000
USD	\$350 - \$750
KRW	₩433,000 - ₩803,000



SHOES

JPY	¥29,000 - ¥54,000
USD	\$300 - \$800
KRW	₩452,000 - ₩842,000



ACCESSORY

JPY	¥23,000 - ¥72,000
USD	\$250 - \$850
KRW	₩295,000 - ₩9224,000



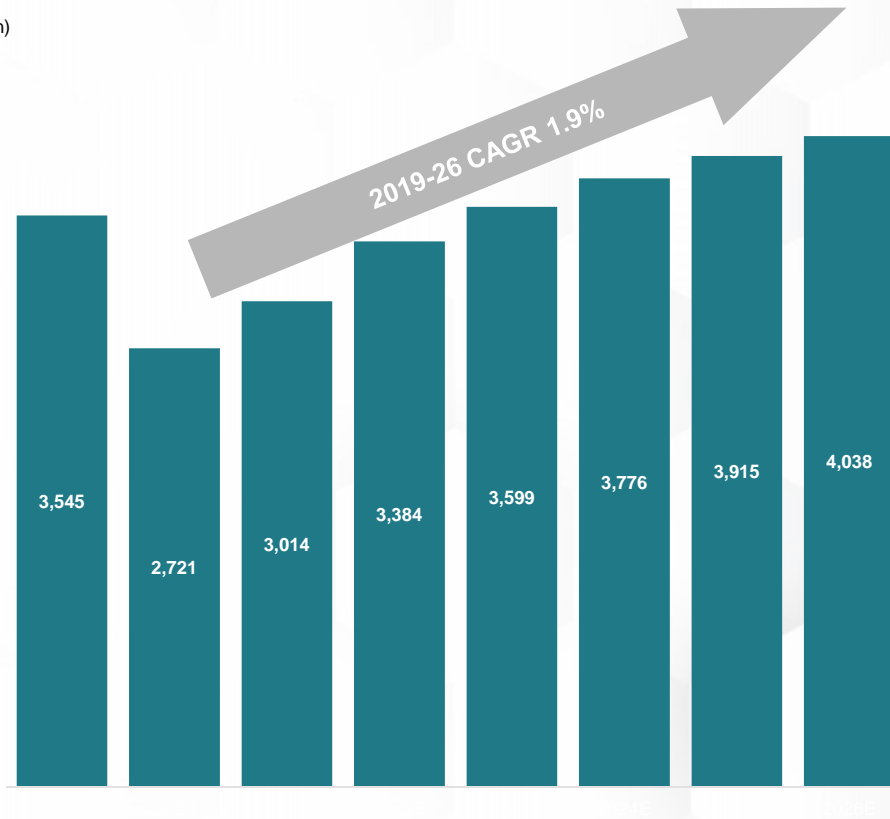
Growth Strategy 1: Global expansion

APPENDIX

Strengthen product development and expansion to reflect demand in the robust luxury market.

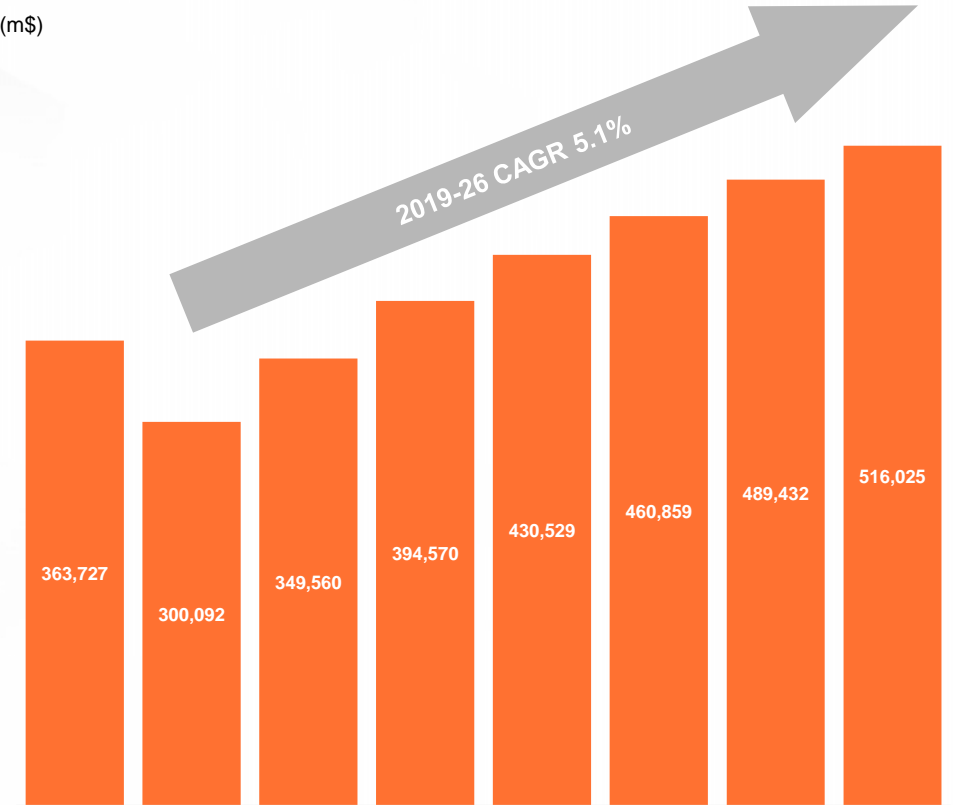
Personal Luxury*1 (Japan)

(Billion yen)



Personal Luxury*1 (World)

(m\$)



*1 Personal Luxury include designer apparel and footwear, luxury eyewear, luxury jewelry, luxury leather goods, luxury portable consumer electronics, luxury watches, luxury stationery, super premium beauty and personal care goods
 Source: Euromonitor (Personal Luxury of regional World, Japan/ categories)

Forming a new market as a luxury golf brand for affluent customers



*1 The size of the luxury market is as follows: designer apparel and footwear, luxury eyewear, luxury jewelry, and luxury leathergoods in Personal Luxury (Personal Luxury listed in Euromonitor, See luxury portable consumer electronics, luxury watches, luxury stationery, super premium beauty and personal care figures). Exchange rate at December 30, 2023: US\$1 141.83

*2 For the size of the domestic golf equipment and wear market, see figures in Yano Research Institute's 2022 White Paper on Golf Industry

*3 See Arizton "GOLF PRODUCTS MARKET2019 figures for the size of the global golfing equipment and wear market.

*4 Figures calculated by company as the sum of sales based on our retail merchandise prices and the production value of licensed commodities in South Korea

Accelerate GLOBAL expansion and aim to expand sales worldwide by raising the overseas sales ratio and EC ratio through marketing using digital tools.



*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

Growth Strategy 2: Further Strengthen Existing Brands

APPENDIX

On the occasion of the 15th anniversary of the brand, we opened one of the largest flagship stores in Japan suitable for luxury brands, to disseminate brands worldwide and strengthen domestic profitability.

From 2024 onward, we will conduct major renovations and floor space expansion at the GINZA SIX store and other leading stores in the Kansai area to respond to the increasing demand from overseas visitors since the containment of COVID-19 and to enhance its brand power through store development.



MARK&LONA GINZA SIX Store

As part of the branding and specialty store development of high-inventory turnover category products, a stand-alone store of the CODE Collection, which is popular for its minimalist design, was launched in the men's luxury zone of the Matsuzakaya Nagoya store.



CODE Collection 2023 Spring / Summer



MARK & LONA CODE

2F Matsuzakaya Nagoya North Bldg., 3-16-1 Sakae, Naka-ku, Nagoya-shi, Aichi, Japan

Through "T-LINE," a new collection launched in the U.S., we have begun developing products that respond to differences in size/seasonality in foreign countries. This new collection is expected to have a high turnover ratio in Japan.



The brand's first casual wear incorporates the lifestyle of the brand ambassador.

As a new collection that is expected to see strong inventory turnover from the start of sales, we will continue to develop new categories for the casual apparel market, aiming to develop a new customer base.



Growth Strategy 3: Collaboration

APPENDIX

A new skincare line by MARK & LONA.

Japanese and Korean companies jointly developed a human- and eco-friendly sunscreen for comfortable golf and beach life at resorts.

This skincare lineup seamlessly blends into your skin, providing protection against UV rays and dryness. It leaves your skin healthy and glowing with natural beauty when exposed to the sun.



The lineup includes non-chemical, additive-free sun cream, sun cushion & powder, sun patch, facial mask and sun cleanser. All products are unisex.

Utilizing spa algae RG92 and ALGAE derived from nature, we pursued anti-inflammatory action, inhibition of glycation and oxidative damage, and gentleness and effectiveness.



Aiming for new cross-sales by proposing eyewear with a sustainable concept in addition to functionality

In addition to a lineup of functional products made in collaboration with prominent European eyewear brands that excel in performance, we offer sustainable eyewear made from 96% recyclable materials such as recycled polyester lenses and recycled steel materials from the perspective of SDGs.

In addition to functionality as golf wear, we will promote sustainable product development.



Develop apparel and luggage collections based on the concept of travel, aiming for new cross-selling

While specializing in golf convenience, we will roll out luggage collection, which includes aluminum carry cases and hard covers and backpacks for golf bags of sizes that can be brought into the airplane, and apparel with excellent functionality that can be placed in the airplane or in towns.

FOR TRAVEL

LUGGAGE COLLECTION BY MARK&LONA



Summary and Roadmap

APPENDIX



01 Global expansion

Develop new business partners through digital BtoB tools. Establish global channels centered on cross-border EC.

- Establish partnerships in the East Asia and ASEAN region
- Active marketing using digital BtoB tools and partner development through joint exhibitions
- Strengthen cross-border EC through overseas marketing strategy investment
- Expand store openings by analyzing data from pop-up stores and OMO stores

02 Increase our brand value

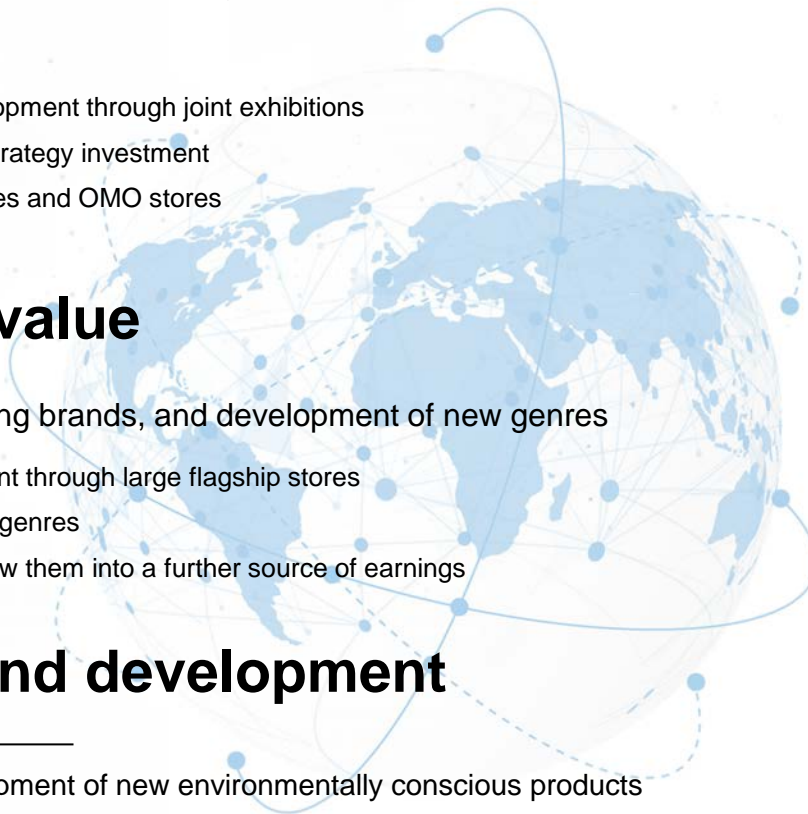
Store development, further enhancement of existing brands, and development of new genres

- Global branding and shop opening development through large flagship stores
- Develop products and brands to cultivate new genres
- Further develop successful categories and grow them into a further source of earnings

03 Collaborative brand development

Brand merchandise collaboration and the development of new environmentally conscious products

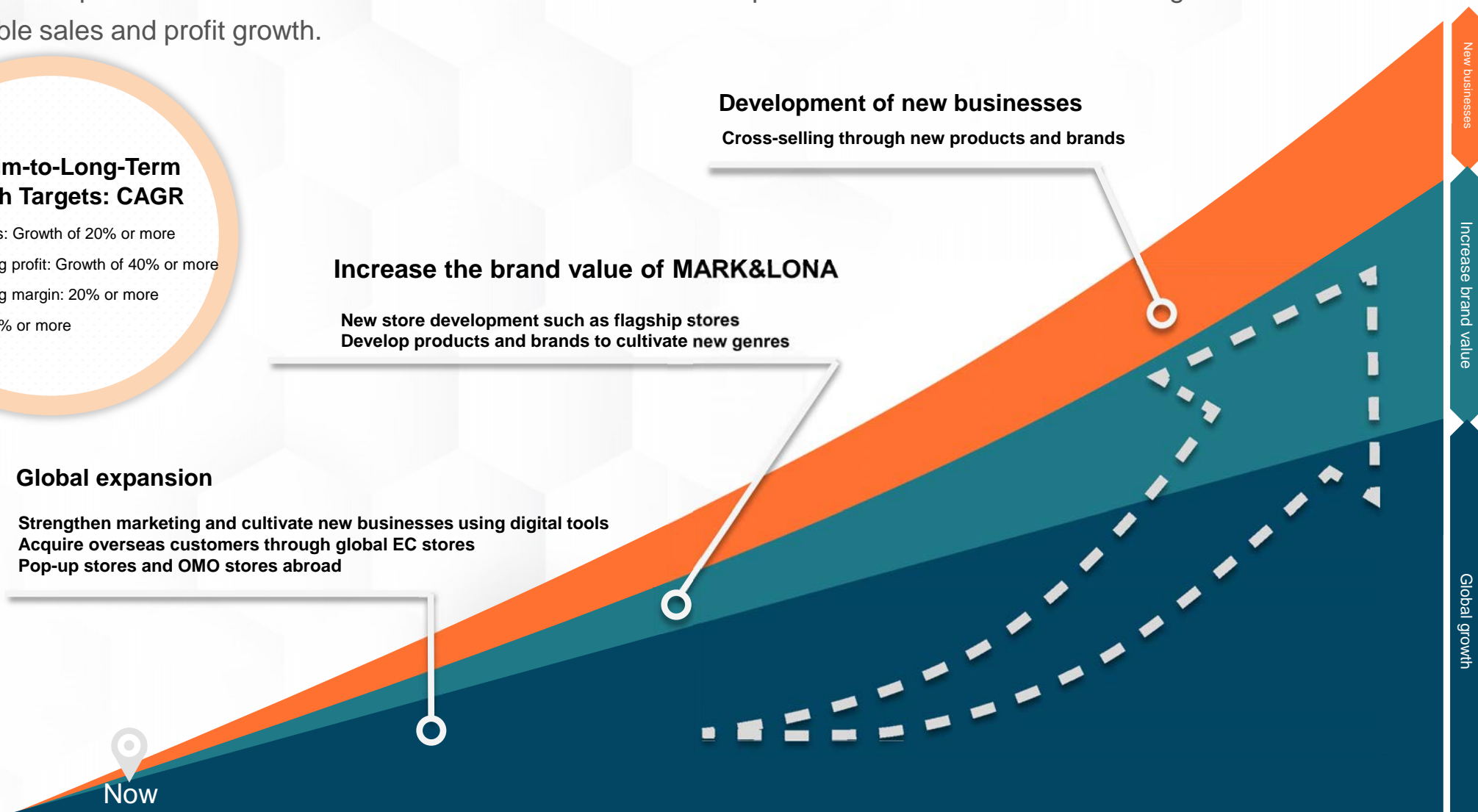
- Stable brand development through collaboration with businesses and brands
- Develop environmentally friendly lines for high-net-worth individuals
- Develop production bases around the world in preparation for an unprecedented situation



Continue to acquire new domestic and overseas customers and develop businesses in the medium-to-long-term to achieve sustainable sales and profit growth.

Medium-to-Long-Term Growth Targets: CAGR

- Net sales: Growth of 20% or more
- Operating profit: Growth of 40% or more
- Operating margin: 20% or more
- ROE: 15% or more

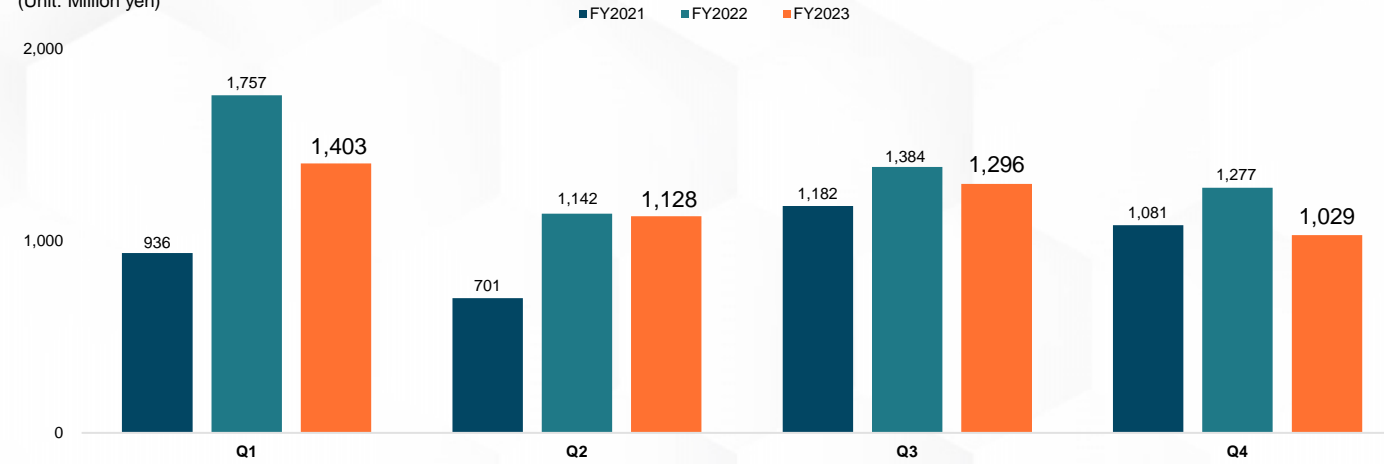


Quarterly trends

APPENDIX

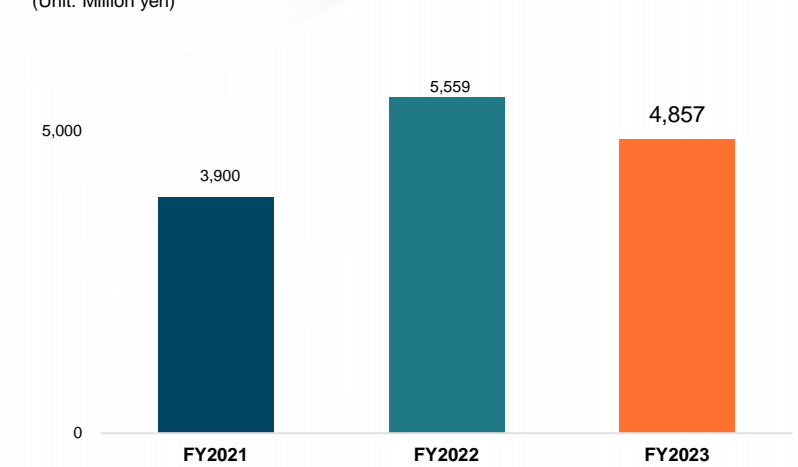
Quarterly Net Sales

(Unit: Million yen)



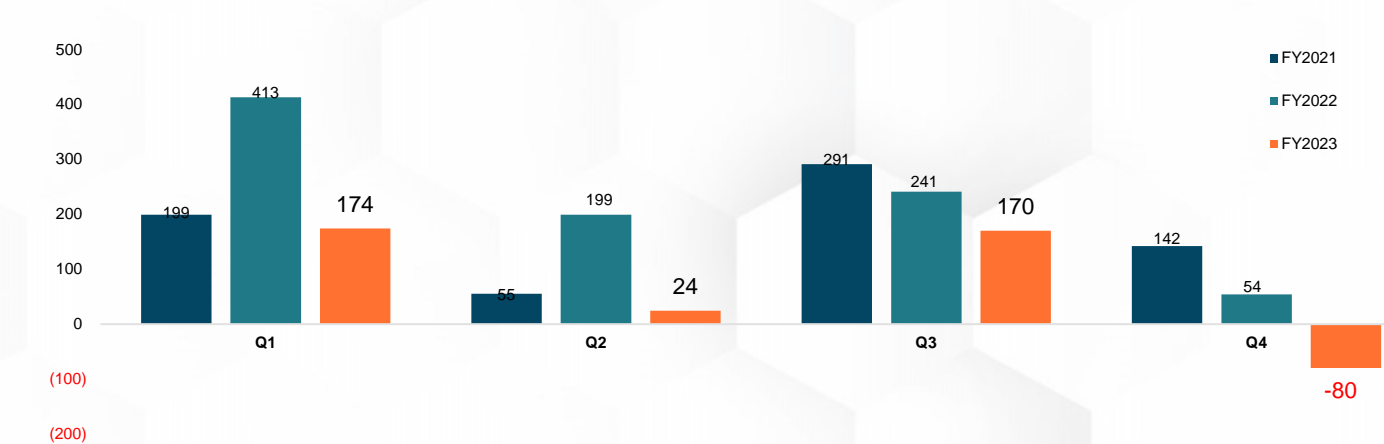
Quarterly Net Sales

(Unit: Million yen)



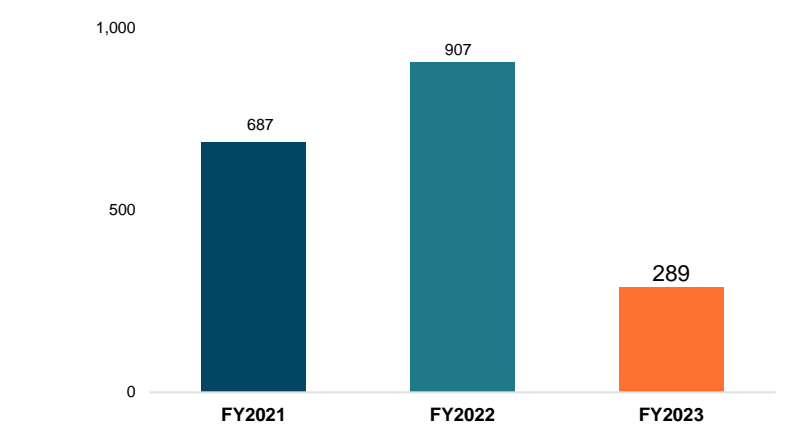
Quarterly Operating Profit

(Unit: Million yen)



Quarterly Operating Profit

(Unit: Million yen)



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.

