

FY12/24 Financial Results

CUBE CO., LTD

Stock Code: 7112

01

Financial Report

[FY12/24]

02

Management Policy/Business Forecasts/Medium-to-Long-term Targets

[FY12/25]

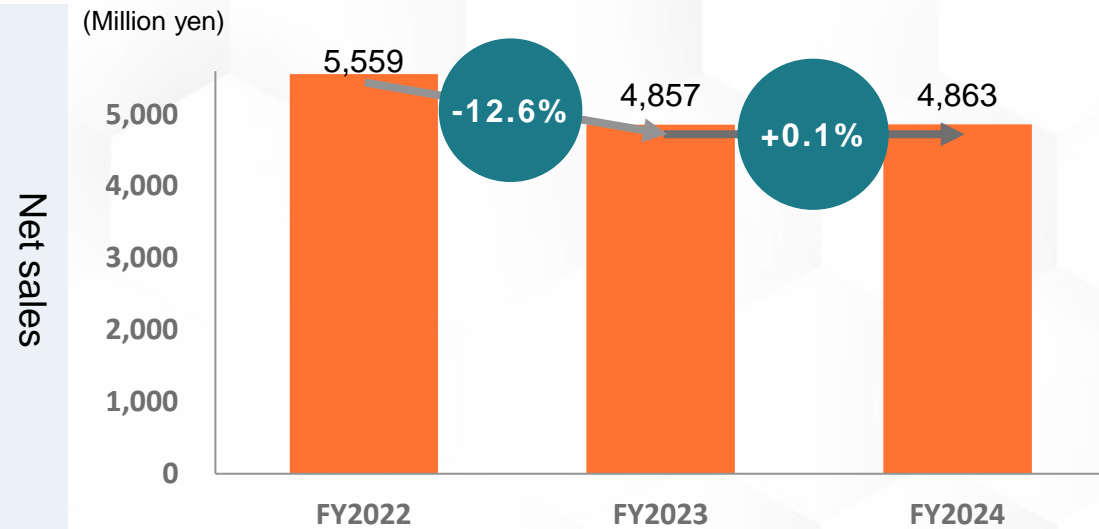
[FY12/25]

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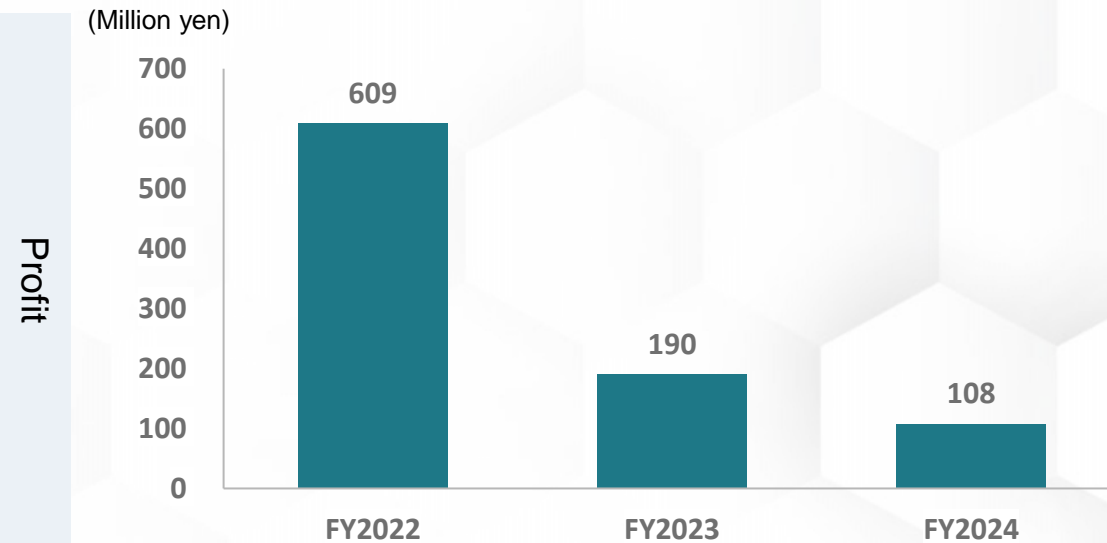
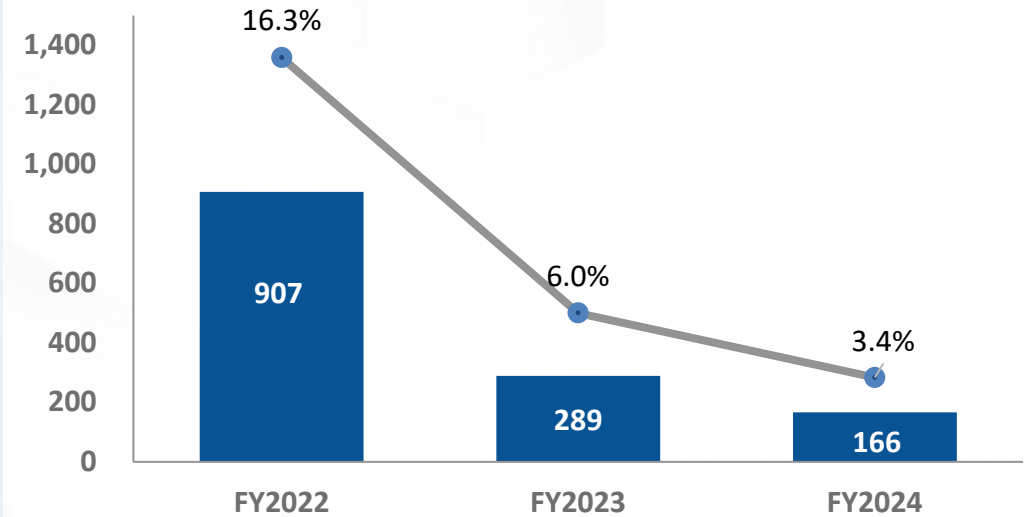
APPENDIX

- Corporate Profile & Business Overview
- Products
- Trends in Quarterly Performance

FY12/24 Financial Report



**Operating profit/
Operating profit margin**

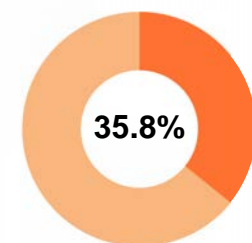


Key Indicators

Overseas Sales Ratio

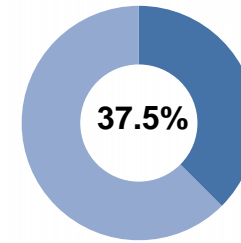
EC Ratio *1

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



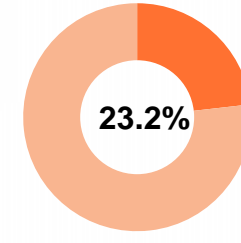
1,739 million yen

FY2023



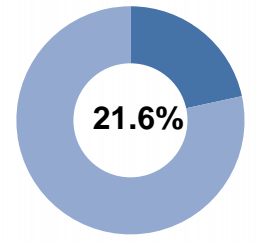
1,825 million yen

FY2024



1,128 million yen

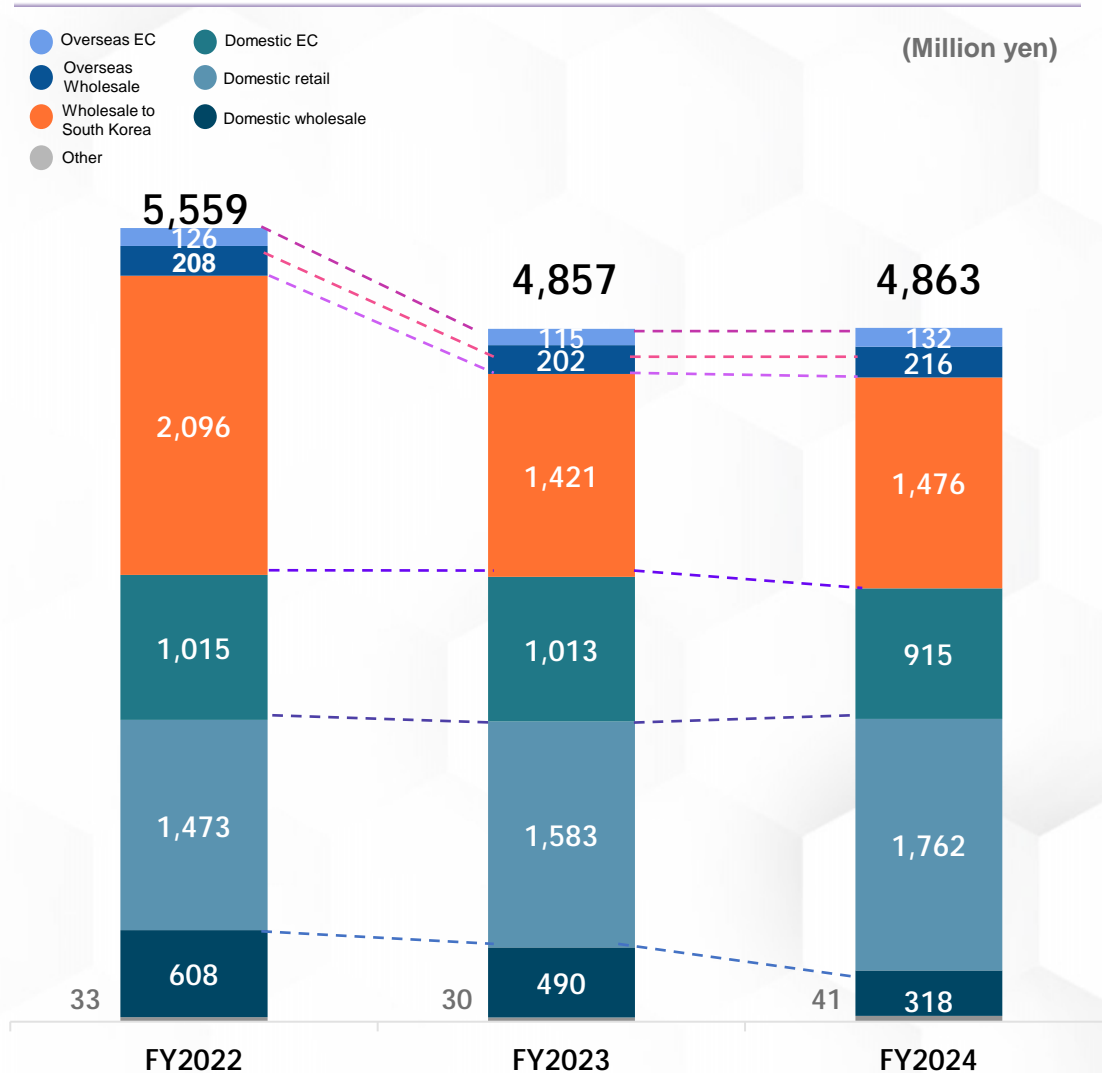
FY2023



1,048 million yen

FY2024

Sales Trends by Sales Channel



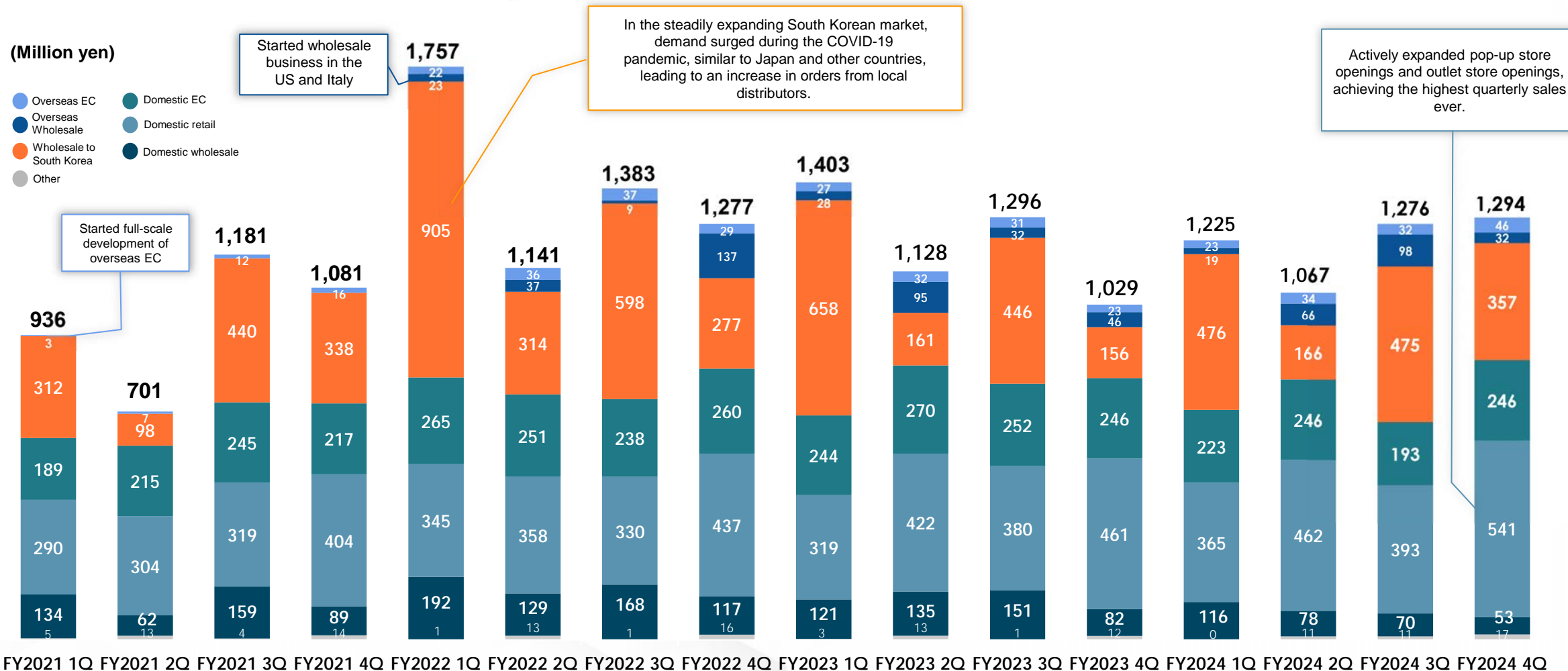
Financial Highlights

- Since the outbreak of COVID-19 in 2020, the global golf market has been booming; however, this rapid growth has gradually stabilized.
- Domestic retail and EC: The extreme summer heat significantly impacted sales of new autumn/winter products. However, the domestic retail segment achieved double-digit growth of +11.3%, supported by the reopening of the Ginza and Daimaru Shinsaibashi stores, inbound tourism demand, and active pop-up store openings, including at Gotemba Premium Outlets, despite the challenging golf apparel market.
- Wholesale in South Korea: The golf boom in 2022 was particularly intense, leading to a sharp decline in 2023 sales due to its aftereffects. However, in 2024, sales to end-users in South Korea hit the bottom, showing a slight increase year-on-year.
- Domestic wholesale: Sales declined due to the cooling golf boom and a shift in repeat customers toward direct stores.
- Overseas wholesale: Sales increased as we expanded regular stores and pop-up stores in ASEAN and East Asia regions through distributors.

Sales Trends by Sales Channel

CUBE CO.,LTD.

Although sales up to Q3 were slightly sluggish year-on-year due to the extreme heat, Q4 saw a recovery in weather conditions and aggressive store openings. Additionally, the delayed demand for fall and winter products contributed to sales exceeding those of both the previous and two fiscal years ago. In particular, the domestic retail segment performed exceptionally well, achieving the highest quarterly sales.



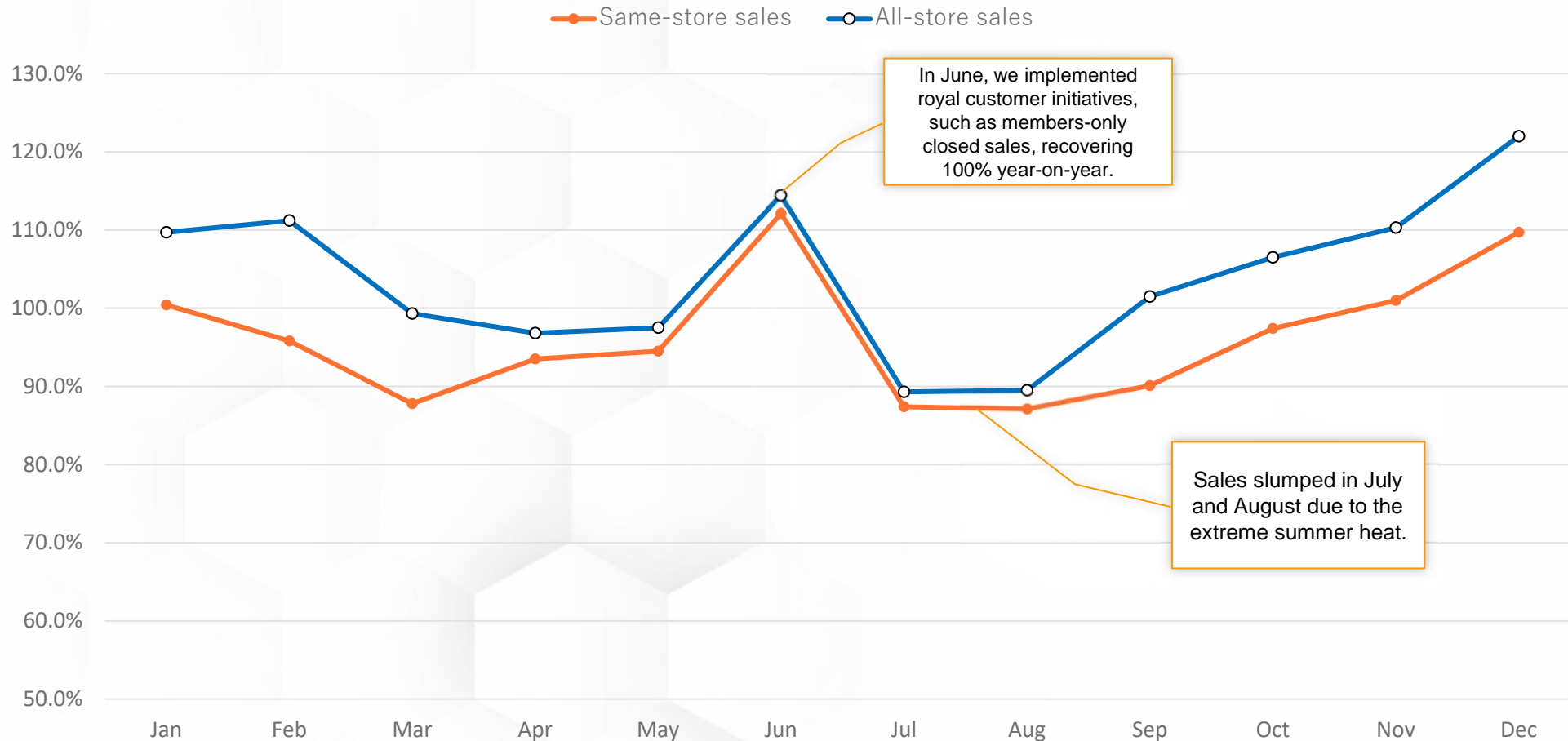
*Q1 and Q3 tend to record higher sales compared to Q2 and Q4, driven by the timing of domestic and overseas wholesale shipments. Similarly, Q3 and Q4 tend to see higher sales compared to Q1 and Q2, as these periods align with the sales of heavy clothing and other autumn and winter items.

FY12/24 Monthly Sales Trends for Directly-managed Stores

CUBE CO.,LTD.

Sales slightly declined year-on-year in early spring due to unfavorable weather. In June, royal customer initiatives, resulted in a 114% year-over-year increase in total store sales.

The heatwave during the summer caused sales to drop to 90% of the previous year's level. From September onward, sales rebounded as temperatures cooled, reaching 122% year-on-year in December.



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

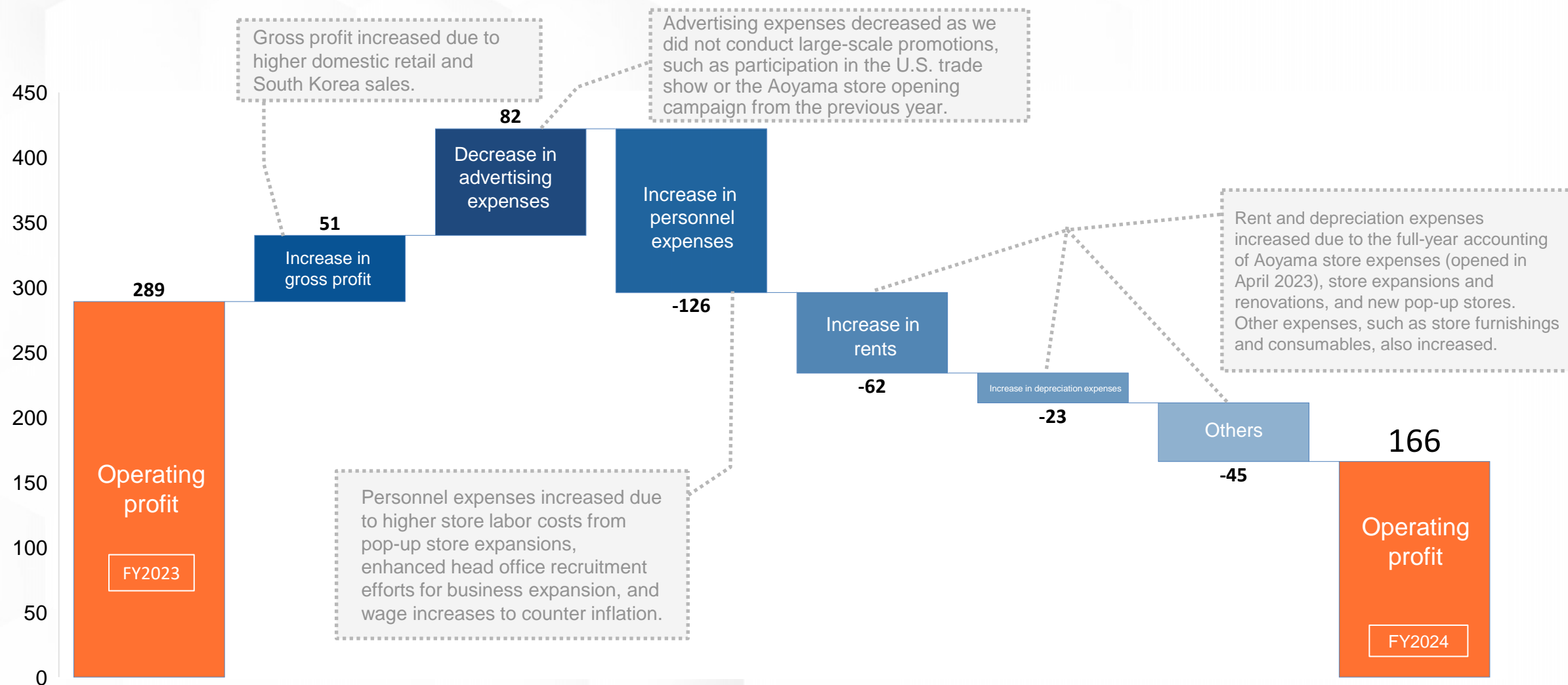
CUBE CO.,LTD.

(Unit: Million yen)	FY2023	FY2024	YoY	Forecasts	Achievement rate
Net sales	4,857	4,863	+6 (+0.1%)	5,120	-256 (-5.0%)
Gross profit (Gross profit margin)	2,755 (56.7%)	2,807 (57.7%)	+51 (+1.9%)	—	—
Operating profit (Operating profit margin)	289 (6.0%)	166 (3.4%)	-123 (-42.6%)	236 (4.6%)	-70 (-29.8%)
Ordinary profit (Ordinary profit margin)	292 (6.0%)	170 (3.5%)	-122 (-41.7%)	230 (4.5%)	-60 (-26.3%)
Profit (Profit margin)	190 (3.9%)	108 (2.2%)	-82 (-43.0%)	151 (3.0%)	-42 (-28.1%)

Factors behind Changes in Operating Profit

CUBE CO.,LTD.

While gross profit increased and advertising expenses were reduced, labor costs significantly increased due to workforce expansion and wage increases. Store expansions and renovations, as well as pop-up store openings, led to higher rent and depreciation costs, resulting in a decline in operating profit.



Overview of Balance Sheet

CUBE CO.,LTD.

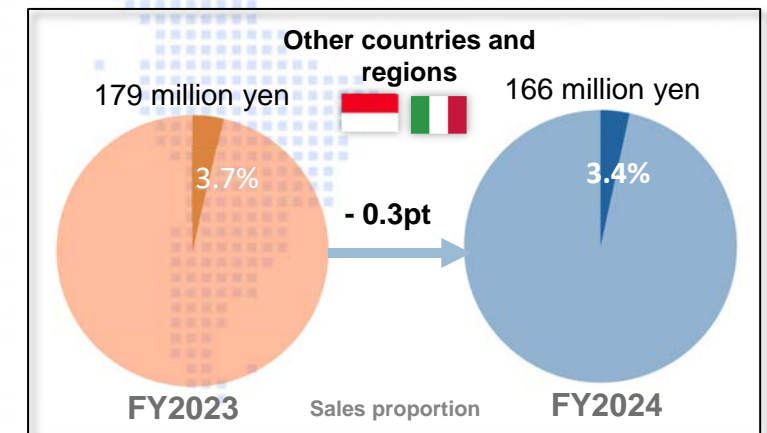
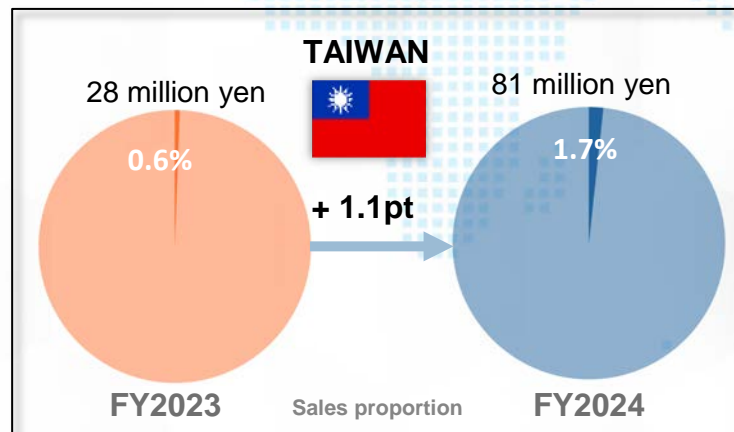
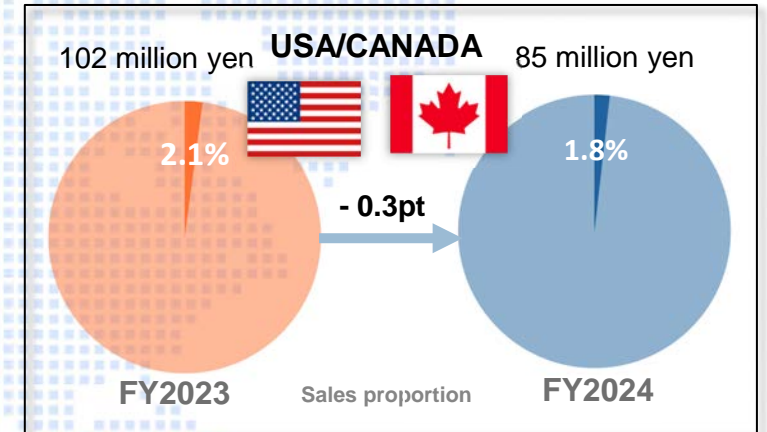
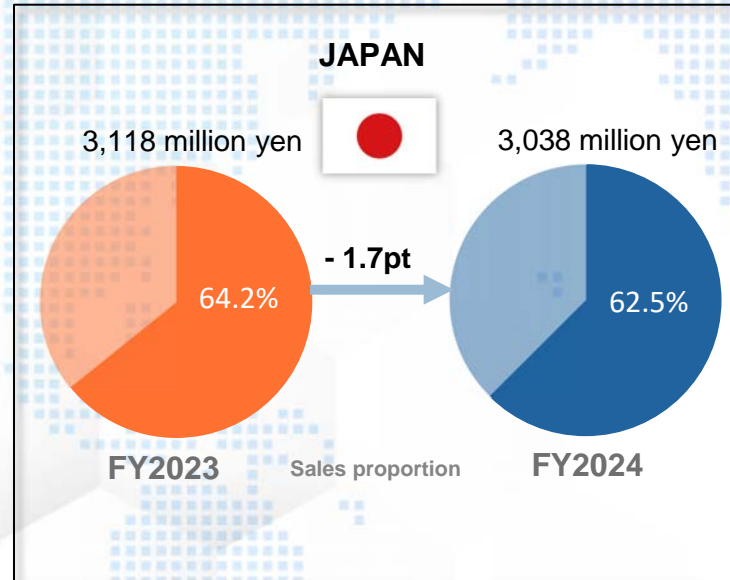
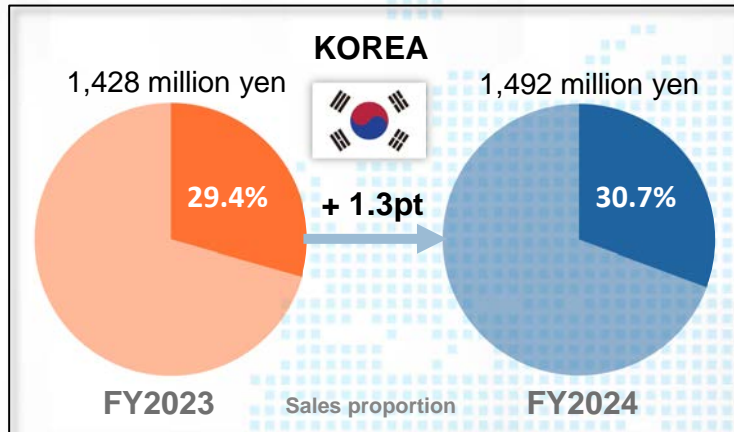
No significant changes compared to the previous fiscal year-end. Cash and deposits, as well as tangible fixed assets, increased.

(Unit: Million yen)	FY2023 Q4	FY2024 Q4	Ratio to sales	YoY	Major change factors	FY2024 Q3	QoQ	Major change factors
Total assets	4,507	4,791	100.0%	+283		4,885	-93	
Current assets	3,719	3,882	81.0%	+162	Increase in inventory purchases for the spring/summer season and accounts receivable growth due to deliveries	3,977	-95	Decrease in inventory due to autumn/winter product sales
Noncurrent assets	788	909	19.0%	+120	Increased due to acquisition of tangible fixed assets reflecting store expansions and renovations	907	+1	
Current liabilities	530	667	13.9%	+136	Increase in accounts payable due to spring/summer inventory purchases	778	-110	Decrease in accounts payable due to reduced purchasing at the end of the autumn/winter season
Noncurrent liabilities	115	142	3.0%	+26	Increase in asset retirement obligations mainly due to new store openings	140	+1	
Net assets	3,861	3,982	83.1%	+121	Profit growth	3,966	+16	

Operating cash flow turned positive, supported by pre-tax net income and depreciation expenses.

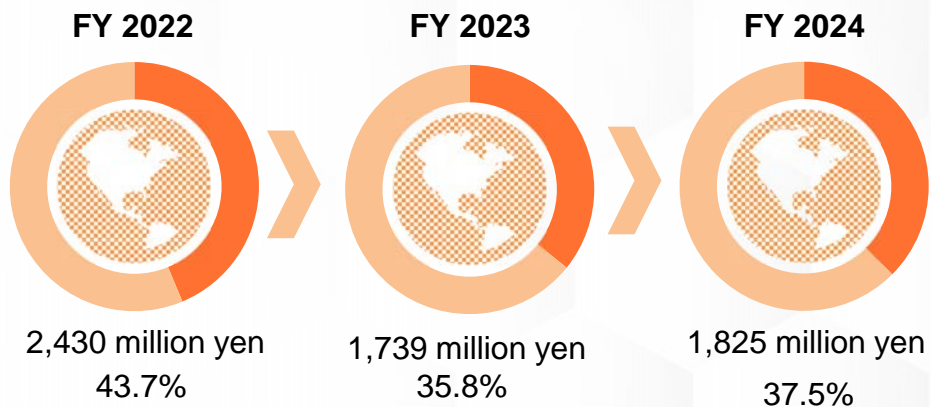
	FY2023	FY2024	Change	Major factors
Cash flow from operating activities	-177	238	+415	Income before income taxes: +170 Depreciation and amortization: +97
Cash flow from investing activities	-250	-172	+77	Purchase of property, plant and equipment: -141
Cash flow from financing activities	—	-0	-0	
Change in cash and cash equivalents	-427	68	+495	
Cash and cash equivalents at end of period	2,355	2,423	+68	

As the global golf boom due to the COVID-19 pandemic stabilizes, the South Korean market bottomed out, with a 1.3pt increase in sales year-on-year. Sales in Taiwan increased by 1.1pt, driven by new store openings. We will continue our aggressive expansion strategy in new markets to drive further growth and create new opportunities.

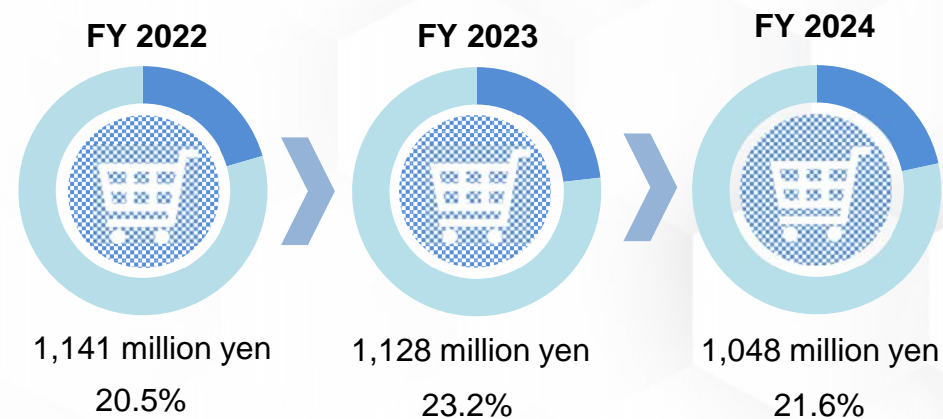


Key Indicators

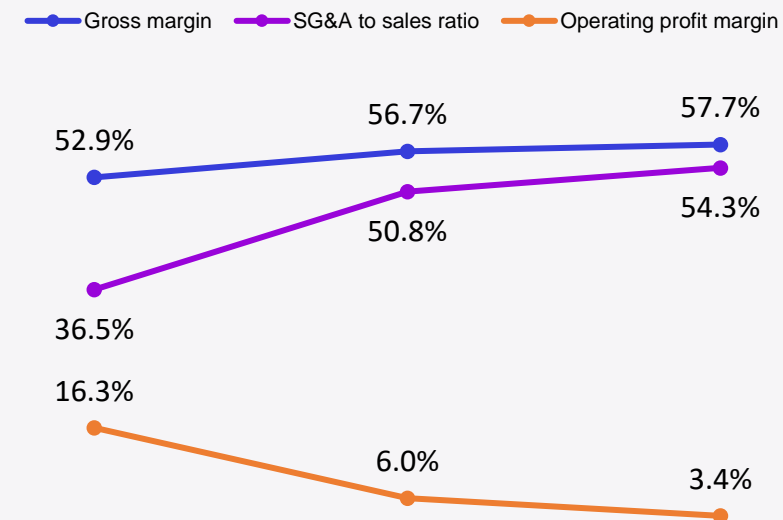
Overseas Sales Ratio



EC Sales Ratio



Financial KPI

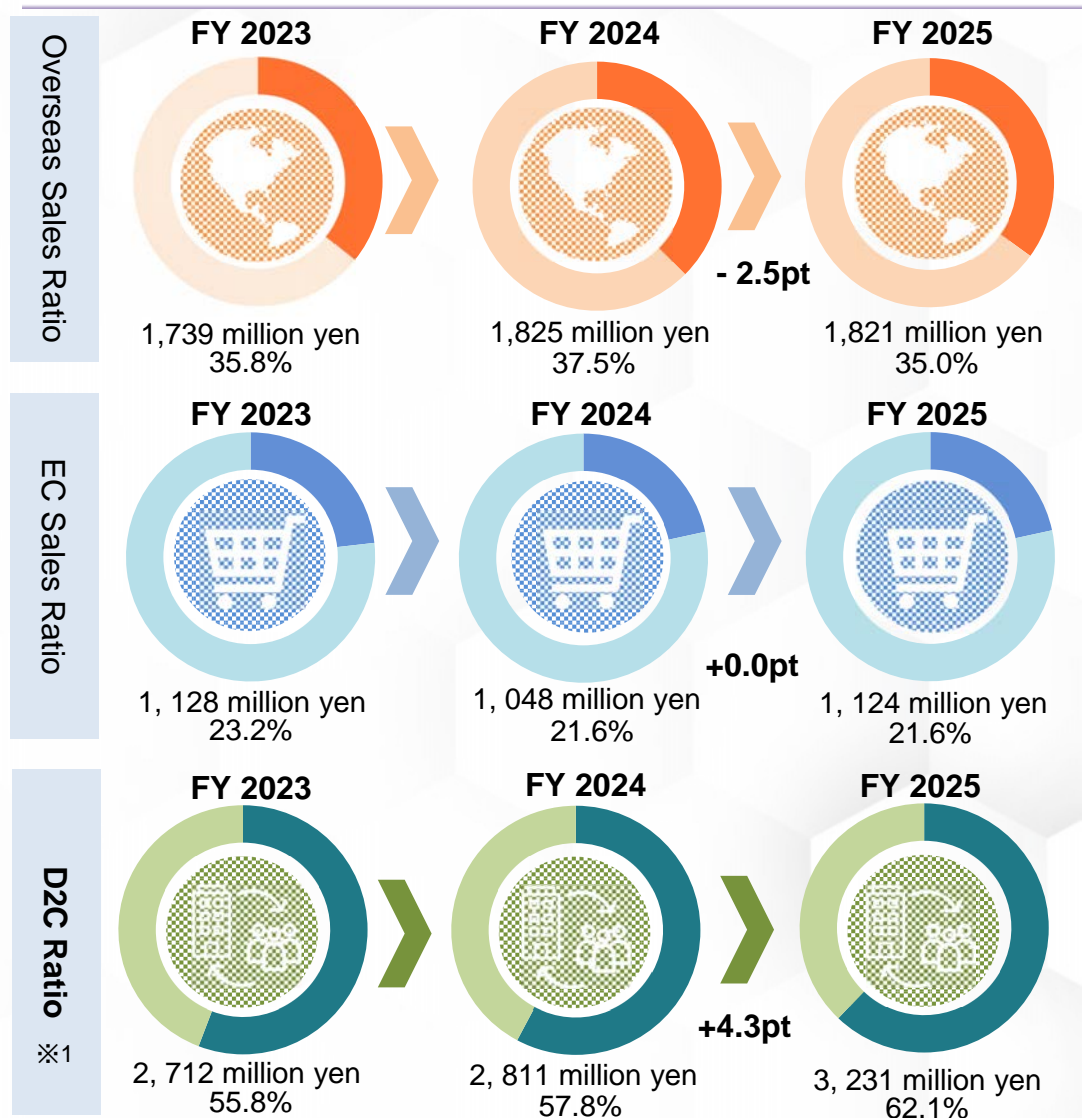


	FY2022	FY2023	FY2024
ROE	23.0%	5.1%	2.8%
Shareholders' equity ratio	79.5%	85.7%	83.1%
EPS	110.58 yen	31.42 yen	17.88 yen
BPS	604.29 yen	635.72 yen	654.22 yen

FY12/25
**Management Policies/Business Forecasts/
Medium-to-Long-term Targets**

(Unit: Million yen)	FY2024	FY2025	YoY (Amount/%)
Net sales	4,863	5,200	+336 (+6.9%)
Gross profit (Gross profit margin)	2,807 (57.7%)	—	—
Operating Profit (Operating profit margin)	166 (3.4%)	206 (4.0%)	+40 (+24.4%)
Ordinary Profit (Ordinary profit margin)	170 (3.5%)	206 (4.0%)	+36 (+21.5%)
Profit (Profit margin)	108 (2.2%)	125 (2.4%)	+17 (+15.0%)

Key Indicators



Sales by Channel and Key Indicators

Sales destination	Business Segment	FY2023 (Million yen)	FY2024 (Million yen)	FY2025 (Million yen)	YoY (Million yen, %)
D2C	Domestic retail	1,583	1,762	2,106	+343 (+19.5%)
	Domestic EC	1,013	915	964	+48 (+5.3%)
	Overseas EC	115	132	160	+27 (+20.4%)
B2B	Wholesale to South Korea	1,421	1,476	1,349	-126 (-8.5%)
	Wholesale to China	—	—	102	—
	Overseas wholesale	202	216	208	-7 (-3.6%)
	Domestic wholesale	490	318	272	-45 (-14.4%)

01 Global Strategy

To expand into China, the world's second-largest economy with a massive apparel market, we established a joint venture in 2024 and plan to launch specialty stores starting in 2025.

In China, we are restructuring our production and logistics systems to reduce costs by utilizing partner manufacturing bases, thereby strengthening profitability.

We are actively expanding into East Asia and the ASEAN region, focusing on Taiwan, Indonesia, and Vietnam, with an increasing number of specialty store openings to enhance brand recognition and sales.

In the highly volatile South Korean market, we prioritize adapting to market changes while leveraging brand awareness to deepen market penetration.

02 Store Development Strategy

With the post-COVID trend of returning to physical stores, we are accelerating store openings.

We plan new pop-up store openings in the department store channel, which continues to perform well, driven by inbound tourism demand. These efforts will expand customer touchpoints, conduct test marketing, and lead to future permanent store openings.

Existing department store locations will undergo expansion and renovations, following the 2024 expansion of the Ginza Six and Daimaru Shinsaibashi stores, to further increase profitability.

In the stores at outlet malls, multiple pop-up stores were launched in 2024 for test marketing purposes. Based on the results, negotiations for permanent outlet store openings are underway in various regions.

03 Branding Strategy

We are strengthening branding in Japan and South Korea, our core golf apparel markets.

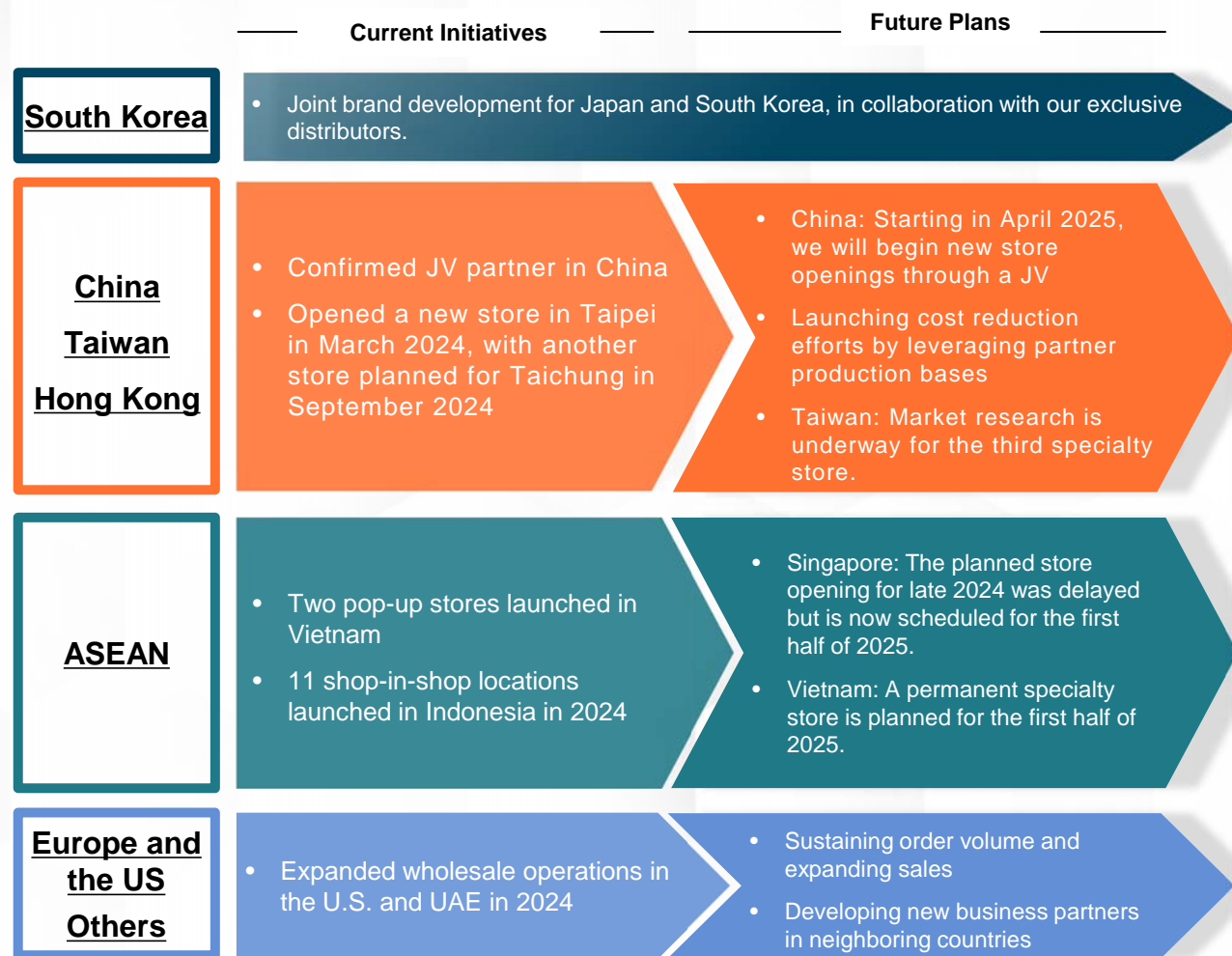
We have previously launched many joint Japan-Korea products, and this year, we are working on integrating and evolving our brands into a new unified brand.

As a new marketing initiative, we collaborated with South Korean girl group VVUP to launch exclusive items.

Additionally, for the first time, we plan to introduce a female brand ambassador. Through influencer marketing, we aim to further enhance brand awareness and market share in both Japan and South Korea.

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.

Future Plan for Sales Channels

CUBE CO.,LTD.

✓ As of the announcement of financial results

FY2025

FY2026

FY2027

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	<div>Pop-up store marketing for new store openings</div> <div>Department store and commercial facility Openings, relocations and renovations</div> <div>Outlet New permanent store openings</div>				<div>Pop-up store marketing for new store openings</div> <div>Department store and commercial facility Openings, relocations and renovations (approx. 2 stores)</div> <div>Outlet New permanent store openings (approx. 1 store)</div>				<div>Pop-up store marketing for new store openings</div> <div>Department store and commercial facility Openings, relocations and renovations (approx. 2 stores)</div> <div>Outlet New permanent store openings (approx. 1 store)</div>			
	EC	<ul style="list-style-type: none">Expansion of domestic e-commerceExpansion of overseas e-commerce	<div>Domestic EC: Platform renewal with enhanced membership and loyalty strategy</div> <div>Overseas EC: Utilizing platforms for continuous acquisition and nurturing of new international customers</div>						<div>Maximizing customer LTV through an OMO strategy leveraging e-commerce</div>					
	B 2 B	South Korea	<ul style="list-style-type: none">Strengthening collaboration with exclusive distributors	<div>Revitalization of existing stores</div>				<div>Execution of market-appropriate penetration strategies</div>						
China Hong Kong Macau		<ul style="list-style-type: none">Store openings through JV projects	<div>New permanent retail store openings</div> <div>New e-commerce store openings</div>				<div>New permanent retail store openings</div>				<div>New permanent retail store openings</div>			
Other Overseas Countries		<ul style="list-style-type: none">Distributor partnerships	<div>New store openings in Taiwan</div>				<div>New store openings in Taiwan</div>							
			<div>New store openings in Singapore</div>				<div>New store openings in the ASEAN region</div>							
			<div>New store openings in Vietnam</div>											
Japan	<ul style="list-style-type: none">Distributor partnerships	<div>Development of new business accounts</div>												

April 2025: Planned opening of a MARK & LONA store in Beijing, with continuous expansion preparations underway.



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

Planning to open the first luxury-concept store in Singapore, featuring high-end interiors similar to the Aoyama store.



* This store will be launched through a local distributor via wholesale, and no direct investment costs will be incurred by our company.



01 Global expansion

Aggressive store expansion and market growth through local partners. Development of production bases to enhance gross profit margins.

- Establishing partnerships in the Asia-ASEAN region.
- Expanding partnerships and business connections through digital B2B tools and joint exhibitions.
- Strengthening cross-border e-commerce through overseas marketing investments, utilizing data for market analysis and store development.
- Enhancing gross profit margins by developing production bases leveraging local partner resources.

02 D2C Strategy

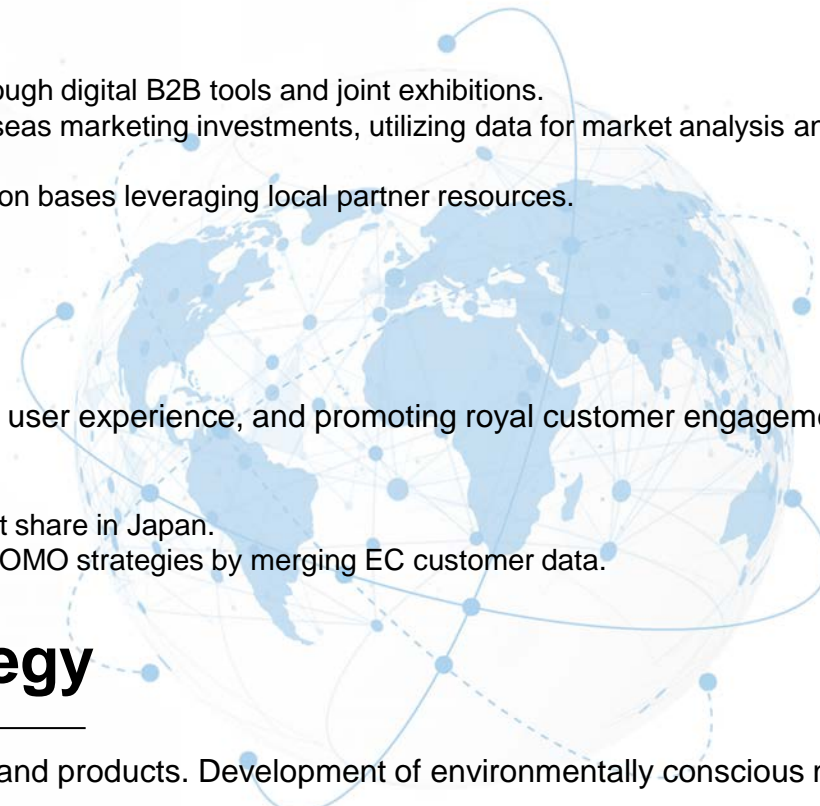
Strengthening customer touchpoints, improving user experience, and promoting royal customer engagement.

- Brand promotion through flagship stores.
- Aggressive store development to expand market share in Japan.
- Maximizing revenue through pop-up stores and OMO strategies by merging EC customer data.

03 Branding Strategy

Collaborations with globally recognized brands and products. Development of environmentally conscious new product lines.

- Partnering with globally active companies and brands to create innovative brand concepts.
- Developing eco-friendly product categories targeting the high-end market.
- Enhancing global brand recognition through KOLs and influencer marketing.



Fandom Marketing

- Strategic store expansion to increase domestic retail touchpoints, strengthening the foundation of Royal Customers.
- Enhancing customer engagement, particularly in Japan, China, and South Korea, to expand a passionate Royal Customer base and improve LTV (Lifetime Value).
- Rebuilding a more flexible MD (Merchandising) strategy tailored to climate change and customer needs in different regions.

Sales growth

Supply Chain Optimization

- Promoting the transition to a direct trade structure by utilizing the production base of our Chinese partner.
- Reducing vendor fees and lowering costs by consolidating suppliers through the direct trade structure.
- Establishing a logistics system within China to reduce high domestic and international logistics costs.

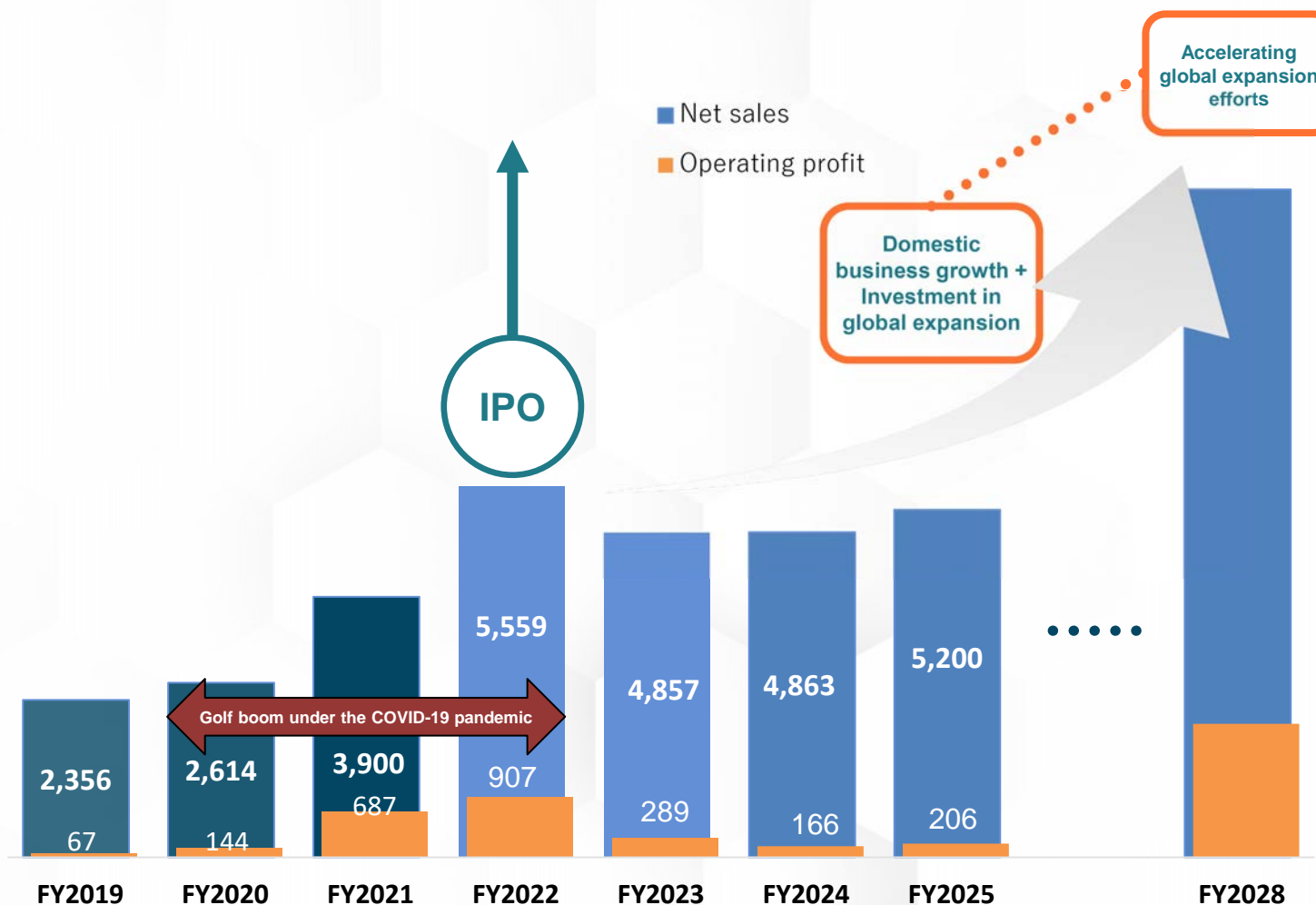
Improving gross margin

Managing the SG&A Ratio

- Enhancing systemization and digitalization to establish an efficient operational structure, improve workforce efficiency, and moderate labor cost increases relative to sales.
- Improving the accuracy of effectiveness measurement to enhance advertising efficiency and moderate advertising cost increases relative to sales.
- Conducting more detailed ROI planning for store development to improve store profitability.

Reducing the SG&A to sales ratio

- 2022: Sales surged due to the COVID-driven golf equipment demand boom in South Korea. 2023: Demand stabilized, leading to a decline in sales, and market conditions bottomed out in 2024.
- 2025: Defined as a phase of growth stabilization, focusing on establishing a sustainable growth foundation and building a strong platform for further expansion.
- 2026 and beyond: Aiming for long-term growth by reassessing market needs and driving both global and domestic business expansion.



* Growth targets were revised based on an assessment of external and internal conditions post-golf boom.
CAGR revenue growth target adjusted from 20%+ to 15%+.
Operating profit margin target adjusted from 20%+ to 15%+.

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.

To express our gratitude for the continuous support of our shareholders, we have introduced a new shareholder benefit program. This initiative aims to enhance shareholders' understanding of our business through the use of our services, as well as to increase the attractiveness of investing in our stock and encourage long-term ownership.

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	Shareholders will receive 10,000 points annually, which can be used for our services, upon application.
2	Applicable Usage	Points can be used at domestic stores and official online store. <u>Note: Points cannot be used on overseas online stores.</u>
3	Application Timing	Specific application details 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.

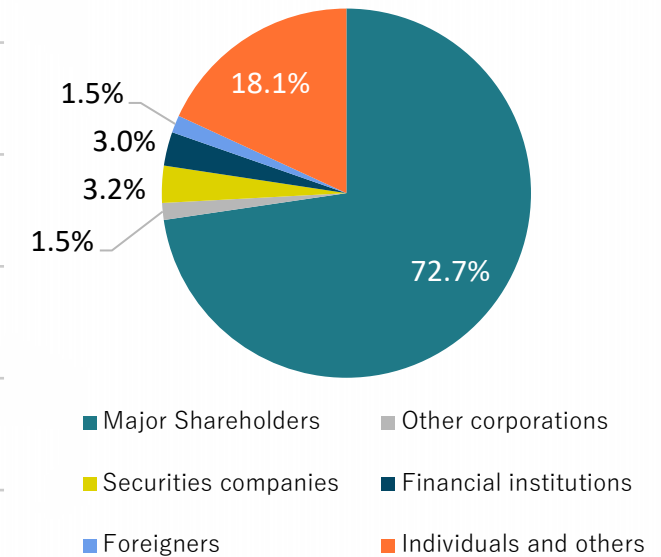
We plan to disclose "Items Relating to Business Plan and Growth Potential" by March 2025.

Corporate Profile & Business Overview

APPENDIX

Company Name	CUBE CO., LTD. CUBE CO., LTD.]
Head Office	2-17-7 Akasaka, Minato-ku, Tokyo
Representative	Tomoaki Matsumura, Representative Director
Established	December 1994
Capital stock	828,800,638 yen (as of December 31, 2024)
Number of employees	94 (including temporary employees, as of December 31, 2024)
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, 2024



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

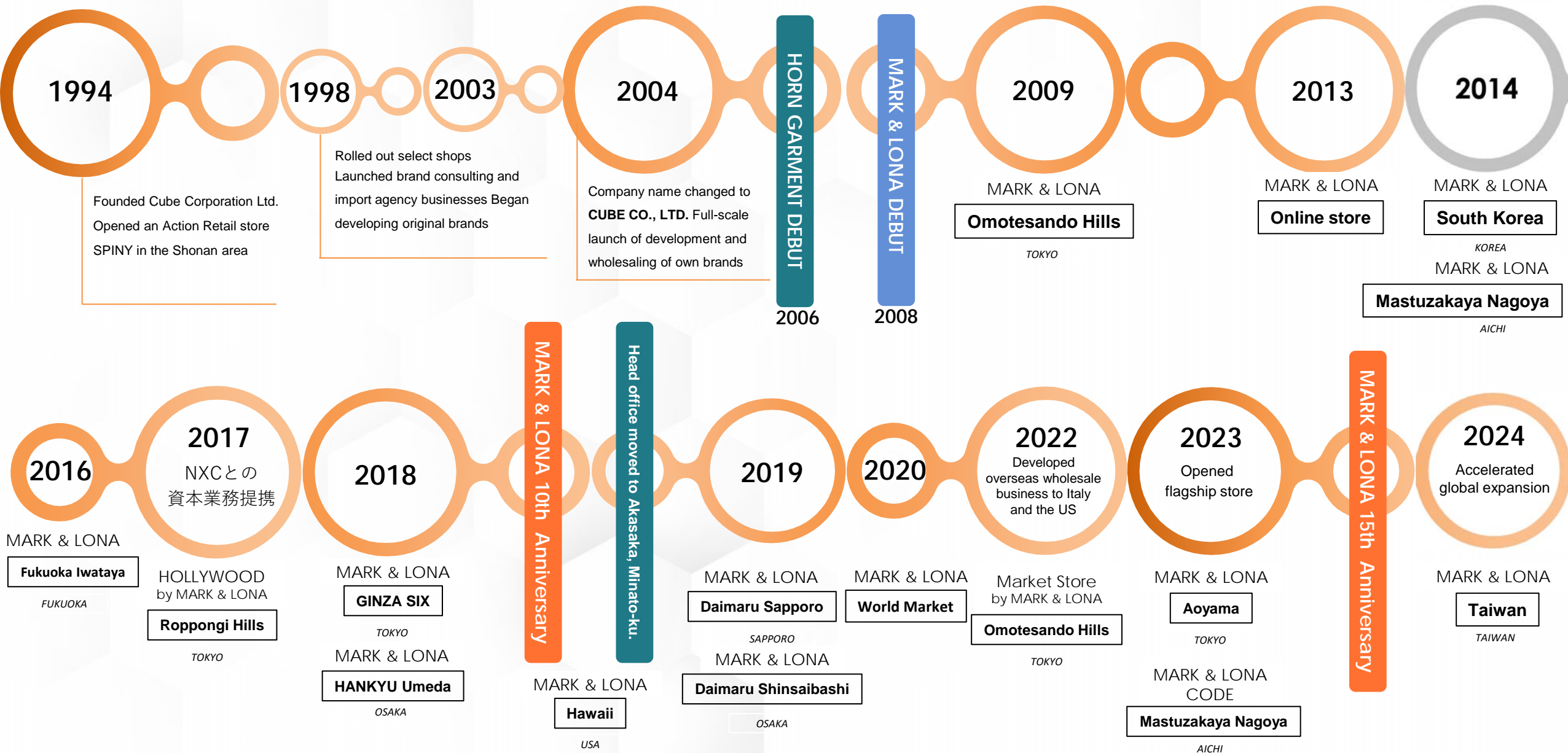
Creating a premium luxury brand

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

KAZUTAKE HASHIMOTO

Director

YUSUKE TAKAHASHI

Director

SUSUMU HATANO

Director

YUTA FUKUOKA

Executive Officer

TOSHIMICHI KUNITAKE

Outside Director

KAZUHIKO YOSHINARI

Outside Director

HIDETSUGU ONISHI

Outside Auditor

KOKI KAKEHASHI

Outside Auditor

AKARI OTSUKA

Outside Auditor

AKIKO TAKAYASU

Products

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.



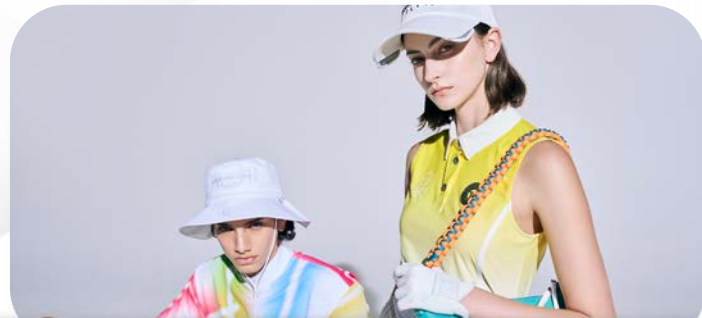
GENERAL COLLECTION

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.



DST COLLECTION

A series of apparel and accessories developed for the world-traveling golf enthusiast. Develop accessories such as travel cases for golf bags, which are durable and functional, and which protect important golf equipment, with a focus on apparel that is lightweight and has high functionality.

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

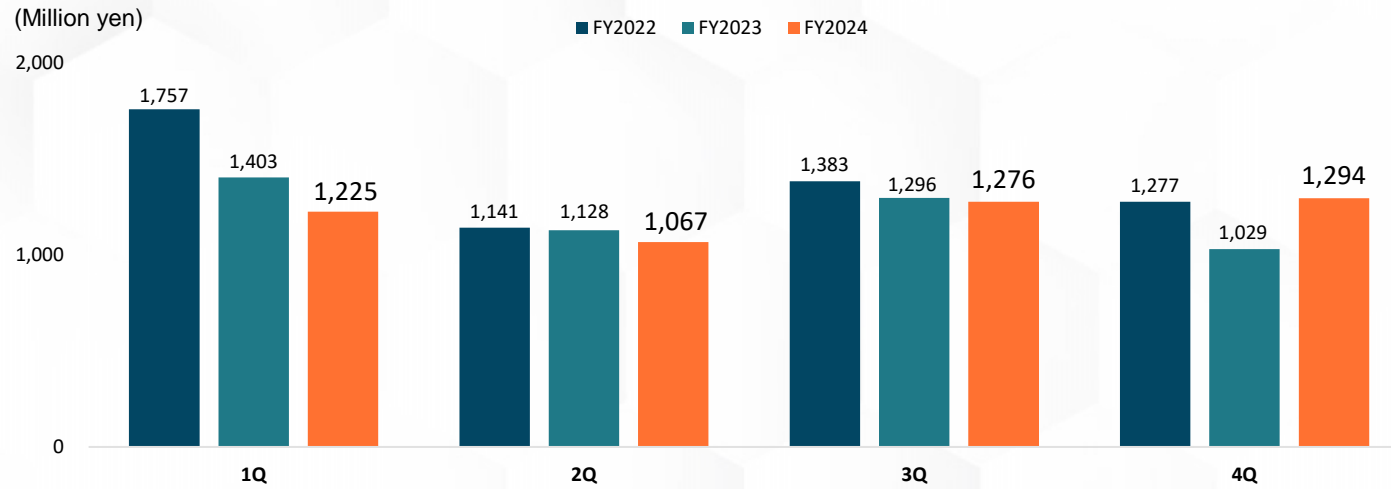
JPY	¥23,000 - ¥72,000
USD	\$250 - \$850
KRW	₩295,000 - ₩9224,000



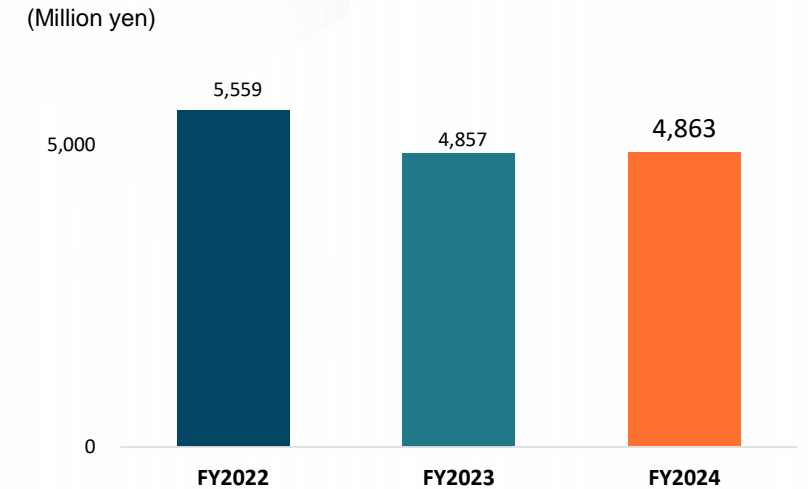
Trends in Quarterly Performance

APPENDIX

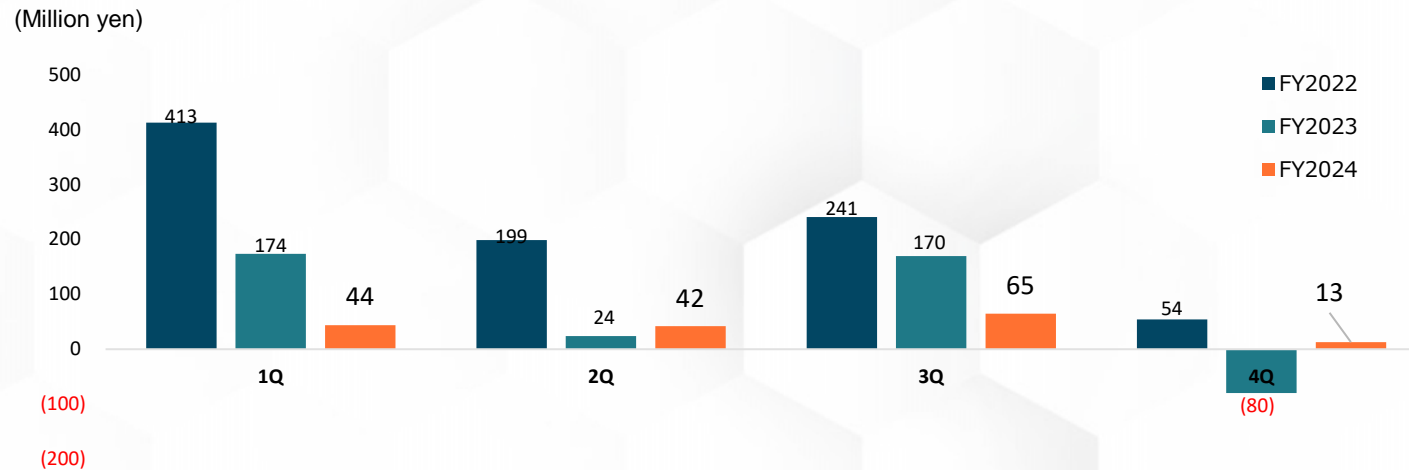
Quarterly Net Sales



Yearly Net Sales



Quarterly Operating Profit



Yearly Operating Profit

