



Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (Japanese Accounting Standards)

April 10, 2024

Company name	Treasure Factory Co., Ltd.	Listings: Tokyo Stock Exchange
Securities code	3093	URL: https://www.treasurefactory.co.jp/
Representative	President & CEO, Eigo Nosaka	
Contact	Director & Manager-Corporate Planning, Eiji Kobayashi	
Telephone	+81-3-3880-8822	
Scheduled Date of the Annual General Meeting of Shareholders:	May 29, 2024	
Commencement of dividend payments:	May 30, 2024	
Submission of annual securities report:	May 29, 2024	
Supplementary documents for financial results:	Yes	
Financial results briefing:	Yes (for institutional investors and analysts)	

(Amounts in millions of yen rounded down to the nearest million yen)

1. Results for the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(1) Operating results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2024	34,454	22.1	3,348	30.6	3,390	29.3	2,241	31.0
FY2023	28,212	21.0	2,565	157.7	2,622	148.7	1,710	143.2

(Note) Comprehensive income: FY2024 2,291 million yen (34.0%)
FY2023 1,709 million yen (143.5%)

	Profit per share	Diluted profit per share	Return on equity	Return on assets	Operating profit margin
	yen	yen	%	%	%
FY2024	95.94	95.72	29.4	20.9	9.7
FY2023	76.31	74.98	29.8	19.8	9.1

(Reference) Share of loss (profit) of entities accounted for using equity method: FY2024 — million yen
FY2023 — million yen

(Note) On March 1, 2023, the Company carried out a 2-for-1 stock split (common stocks). The profit per share and the diluted profit per share have been calculated on the assumption that this stock split was carried out at the beginning of the previous consolidated fiscal year.

(2) Financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
FY2024	17,728	8,526	47.8	362.06
FY2023	14,659	6,815	46.1	291.34

(Reference) Shareholders' equity: FY2024 8,475 million yen
FY2023 6,750 million yen

(Note) On March 1, 2023, the Company carried out a 2-for-1 stock split (common stocks). The net assets per share have been calculated on the assumption that this stock split was carried out at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at fiscal year end
	million yen	million yen	million yen	million yen
FY2024	1,000	(1,908)	431	2,607
FY2023	1,764	(1,123)	56	3,065

2. Dividends

	Dividend per share					Total dividend (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY2023	—	12.00	—	25.00	37.00	423	24.2	7.3
FY2024	—	12.00	—	16.00	28.00	655	29.2	8.6
FY2025 (forecast)	—	16.00	—	16.00	32.00		30.4	

(Note) On March 1, 2023, the Company carried out a 2-for-1 stock split (common stocks). This table indicates the dividends paid for FY2023 before the stock split. The dividends for FY2024 and FY2025 (forecast) are figures after the stock split.

3. Results forecast for the fiscal year ending February 28, 2025 (March 1, 2024 to February 28, 2025)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First two quarters	19,169	20.8	1,533	5.8	1,543	5.1	1,057	13.3	45.15
Full year	40,562	17.7	3,712	10.8	3,733	10.2	2,466	10.0	105.35

*Notes

- (1) Changes in important subsidiaries during the fiscal year under review (changes in specified subsidiaries that caused changes in the scope of consolidation): None
 Number of new companies (their names):
 Number of excluded companies (their names):

- (2) Changes to accounting policies, changes of accounting estimates, and revisions and restatements
 [1] Changes in accounting policies in accordance with changes in accounting principles: None
 [2] Changes in accounting policies other than [1] above: None
 [3] Changes in accounting estimates: None
 [4] Revisions and restatements: None

- (3) Number of shares issued and outstanding (common stock)

[1] Number of shares issued at period-end (including treasury shares)	As of Feb. 29, 2024	24,347,800 shares	As of Feb. 28, 2023	24,323,800 shares
[2] Treasury shares at period-end	As of Feb. 29, 2024	939,176 shares	As of Feb. 28, 2023	1,152,200 shares
[3] Average number of shares issued during the period	As of Feb. 29, 2024	23,363,774 shares	As of Feb. 28, 2023	22,415,172 shares

(Note) On March 1, 2023, the Company carried out a 2-for-1 stock split (common stocks). The number of shares issued at period-end, treasury shares at period-end, and average number of shares issued during the period have been calculated on the assumption that this stock split was done at the beginning of the previous consolidated fiscal year.

(Reference) Overview of non-consolidated results

1. Non-consolidated results for the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(1) Non-consolidated operating results (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2024	26,412	19.8	2,316	23.5	2,386	19.9	1,626	24.1
FY2023	22,055	22.3	1,875	147.7	1,991	140.3	1,310	223.5

	Profit per share	Diluted profit per share
	yen	yen
FY2024	69.64	69.50
FY2023	58.46	57.44

(2) Non-consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
FY2024	14,424	7,224	50.1	308.50
FY2023	12,413	6,177	49.3	264.36

(Reference) Shareholders' equity: FY2024 7,221million yen
 FY2023 6,125million yen

* These financial results are outside the scope of an audit conducted by a certified public accountant or audit corporation.

*Explanation of the proper use of financial results forecast and other notes

(Notes on descriptions about forecasts)

Information relating to forecasts stated in this document was based on information available at the time of publication of the document. Actual results may differ materially from the forecasts due to a range of factors. Please refer to (4) Future Outlook in 1. Overview of Operating Results on Page 8 of the Attachments for matters regarding the financial results forecast.

(About the change of units of figures)

The figures for account titles and other information in the Company's consolidated financial statements were conventionally shown in thousands of yen. Starting from the beginning of the consolidated fiscal year under review, those figures are presented in millions of yen.

To make comparison easier, the figures for the previous consolidated fiscal year are also presented in millions of yen.

○ Table of Contents (Attachments)

1. Overview of Operating Results	5
(1) Overview of Operating Results for the Fiscal Year under Review	5
(2) Overview of Financial Position for the Fiscal Year under Review	7
(3) Overview of Cash Flows for the Fiscal Year under Review	7
(4) Future Outlook	8
2. Basic Approach for the Selection of Accounting Standards	8
3. Quarterly Consolidated Financial Statements and Main Notes	9
(1) Consolidated Balance Sheet	9
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Income	11
Consolidated Statement of Comprehensive Income	12
(3) Consolidated Statement of Changes in Equity	13
(4) Consolidated Statement of Cash Flows	15
(5) Notes on the Consolidated Financial Statements	16
(Notes on Going Concern Assumption)	16
(Information Related to Business Combination, etc.)	16
(Segment Information, etc.)	18
(Per Share Data)	22
(Material Post-Balance Sheet Events)	23

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

During the consolidated fiscal year under review, COVID-19 was reclassified as a Class-5 infection, which led consumer spending back to normal and increased demand from international visitors, helping Japan's economic recovery. However, the economic outlook remains uncertain because of concerns about exchange rate behavior (e.g., the yen's falls), energy price hikes, and rising prices, among others.

In the reuse industry, the market continues to grow as there have been positive changes in how consumers perceive and behave towards reuse in line with their society's greater efforts to achieve the Sustainable Development Goals (SDGs), and with rising prices.

The Treasure Factory Group posted a full-year consolidated operating profit of ¥3,348 million, which was considerably greater than planned, achieving a record-setting operating profit. During the fiscal year, the Group opened 26 stores, including franchise stores, and enjoyed steady sales at existing stores. The Group companies that engage in the reuse business also saw steady sales, which led to further revenues and profits.

Consequently, the operating results for the consolidated fiscal year under review show net sales of ¥34,454 million (up 22.1 percent year on year), operating profit of ¥3,348 million (up 30.6 percent year on year), ordinary profit of ¥3,390 million (up 29.3 percent year on year), and profit of ¥2,241 million attributable to owners of the parent (up 31.0 percent year on year).

In terms of profit ratios as indicators, net gross profit ratio was 60.6 percent (down 1.1 pts year on year), selling, general, and administrative expenses ratio was 50.9 percent (down 1.7 pts year on year), operating income ratio was 9.7 percent (up 0.6 pts year on year), and ordinary income ratio was 9.8 percent (up 0.5 pts year on year).

The results of operations sorted by segment are as stated below.

(Reuse Business)

Consolidated sales increased 22.4 percent year on year, non-consolidated sales increased 19.6 percent year on year, and non-consolidated sales at existing stores increased 9.5 percent year on year. The number of non-consolidated sales at existing stores increased 4.1 percent year on year, and, with rising prices and an increase in sales to international visitors, the price per sale rose 5.2 percent. Sales by category enjoyed considerable growth, with an increase in apparel being 25.9 percent year on year, fashion items 23.4 percent year on year, electric appliances 14.3 percent year on year, and hobby-related items 25.2 percent year on year. Consolidated e-commerce sales increased by 20.7% year on year, which make up 14.1 percent of the consolidated sales.

Purchases of merchandise for the fiscal year under review increased 27.6 percent year on year, and non-consolidated purchases also grew by 24.7 percent year on year. As for non-consolidated purchases by channel, in-store purchases continued to steadily grow, achieving an increase of 24.5 percent year on year. Home-delivery purchases dramatically increased by 20.6 percent year on year, and home-visit purchases enjoyed an increase of 1.9 percent year on year.

During the consolidated fiscal year under review, we opened 7 general reuse stores, 10 fashion reuse stores, 1 sports and outdoor reuse store, 1 fashion outlet reuse store, and 1 brand-name item reuse store, the non-consolidated total being 20 stores. In terms of new stores by region, we opened 15 in Kanto, 3 in Kansai, 1 in Chubu, and 1 in Kyushu. Kindal, our Group company, opened 2 directly-managed stores and 1 franchise store. PickUP JAPAN opened its first directly-managed store as a Treasure Factory Group company. As for our international businesses, the businesses in Thailand and Taiwan each opened 1 store. Furthermore, as ACUO Co., Ltd. became our wholly-owned subsidiary in October 2023, 10 golf gear reuse stores operating mostly in Aichi Prefecture joined the Group. Consequently, the numbers of stores at the end of the consolidated fiscal year under review are as follows: 187 directly-managed stores and 4 franchise stores; the non-consolidated total being 191, with 275 stores in total across the Group.

These results added up to net sales of ¥33,658 million (up 22.4% year on year) and a segment profit of ¥4,840 million (up 23.3% year on year).

(Other)

Cariru, our rental business, enjoyed growing demand for weddings and other events and for black formal attire, and sales from the rental business grew 28.3 percent year on year. However, the business's revenue dropped as we spent more on advertising, pushing up advertising and promotion expenses.

These results added up to net sales of ¥1,154 million (up 22.9% year on year) and a segment profit of ¥135 million (down 27.8% year on year).

[1] Reuse Business: Purchase Results by Merchandise

Item	Purchase (million yen)	Composition ratio (%)	YOY (%)
Household items	710	4.8	119.3
Apparel	6,534	44.1	130.9
Fashion items	3,921	26.5	125.9
Electric appliances	1,246	8.4	117.9
Furniture	302	2.0	104.0
Hobby-related items	1,242	8.4	136.8
Other	858	5.8	132.0
Total	14,816	100.0	127.6

(Note) Side expenses are included in "Other."

[2] Reuse Business: Sales Results by Merchandise

Item	Net sales (million yen)	Composition ratio (%)	YOY (%)
Household items	1,911	5.7	107.9
Apparel	16,292	48.4	125.9
Fashion items	7,234	21.5	123.4
Electric appliances	3,532	10.5	114.3
Furniture	1,294	3.8	107.8
Hobby-related items	2,632	7.8	125.2
Other	760	2.3	145.2
Total	33,658	100.0	122.4

(Note) Sales of other merchandise and moving-related sales are included in "Other."

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the consolidated fiscal year under review increased by ¥3,069 million compared to the end of the previous consolidated fiscal year, totaling ¥17,728 million because of a decrease of ¥456 million in cash and deposits, an increase of ¥269 million in accounts receivable-trade, an increase of ¥1,811 million in merchandise, an increase of ¥453 million in buildings and structures (net), an increase of ¥332 million in leasehold and guarantee deposits, among other reasons.

Total liabilities at the end of the consolidated fiscal year under review increased by ¥1,358 million compared to the end of the previous consolidated fiscal year, totaling ¥9,202 million because of an increase of ¥613 million in short-term borrowings, an increase of ¥135 million in the current portion of long-term borrowings, a decrease of ¥52 million in income taxes payable, and an increase of ¥405 million in long-term borrowings, among other reasons.

Total net assets at the end of the consolidated fiscal year under review increased by ¥1,710 million compared to the end of the previous consolidated fiscal year, totaling ¥8,526 million because share acquisition rights decreased ¥48 million, and a profit of ¥2,241 million attributable to owners of the parent was recorded, among other reasons.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the consolidated fiscal year under review decreased by ¥458 million compared to the end of the previous consolidated fiscal year, totaling ¥2,607 million. The status of the cash flows during the consolidated fiscal year under review and factors in these flows are as follows.

(Cash flows from operating activities)

Cash flows from operating activities during the fiscal year under review added up to ¥1,000 million in income. This is mostly because we recorded an increase of ¥1,526 million in inventories and paid income taxes of ¥1,094 million, whereas we also recorded ¥3,317 million in profit before income taxes, ¥533 million in depreciation, and ¥108 million in impairment loss.

(Cash flows from investing activities)

Cash flows from investing activities during the consolidated fiscal year under review added up to an expenditure of ¥1,908 million. This is mostly because we recorded ¥959 million in purchase of property, plant, and equipment, ¥338 million in payments of leasehold and guarantee deposits, ¥503 million in acquisition of shares in a subsidiary, and ¥72 million in purchase of intangible assets to establish new stores, among other activities.

(Cash flows from financing activities)

Cash flows from financing activities during the consolidated fiscal year under review added up to an income of ¥431 million. This is mostly because we recorded ¥1,113 million in repayments of long-term borrowings and ¥569 million in dividends paid, whereas we also recorded ¥1,472 million in proceeds from long-term borrowings and ¥613 million in short-term borrowings.

(Reference) Changes in cash flow indicators

	FY2023	FY2024
Equity capital ratio (%)	46.1	47.8
Equity capital ratio based on market value (%)	173.6	194.9
Ratio of interest-bearing liabilities to cash flow (annual)	2.4	5.4
Interest coverage ratio (times)	143.5	62.6

Equity capital ratio: Shareholders' equity/Total assets

Equity capital ratio based on market value: Market capitalization/Total assets

Ratio of interest-bearing liabilities to cash flow: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payment

(Note 1) These figures have been calculated based on consolidated financial values.

(Note 2) The market capitalization has been calculated based on the number of shares issued (excluding treasury shares).

(Note 3) Net cash provided by (used in) operating activities and interest paid in the statement of cash flows are used for the operating cash flow and interest payment.

(Note 4) The interest-bearing debt consists of all debts that are recorded in the consolidated balance sheet and for which interest is paid.

(4) Future Outlook

The Company pursues five management policies: development of the reuse business, investment in new businesses, growth in overseas markets, growth through M&A, and growth through investment in digital transformation (DX). On the basis of these policies, we will remain committed to expanding our businesses.

For the fiscal year ending February 28, 2025, the Company has set the goal of opening 25 to 30 new stores across the Group. As in the previous fiscal year, we will work toward this goal in Kanto, Kansai, Chubu, and other trade areas. As for non-consolidated sales at existing stores, the Company plans a 3% increase year on year. We also continue to invest in the expansion of centers as our jumping-off points in order to increase purchases outside stores, such as home-delivery and home-visit purchases. Our Group companies Kindal, PickUP JAPAN, and GK Factory in the reuse business aim to achieve further growth. As for our overseas businesses, we will work to achieve further growth of our business in Thailand, which now operates four stores, and to establish a solid revenue base for the business in Taiwan that opened its second store in January during the previous fiscal year.

We have calculated full-year financial results forecasts on the assumption that we will be making growth investments. Consequently, the consolidated financial results forecasts for the year ending February 28, 2025 show net sales of ¥40,562 million (up 17.7 percent year on year), operating profit of ¥3,712 million (up 10.8 percent year on year), ordinary profit of ¥3,733 million (up 10.2 percent year on year), and profit of ¥2,466 million attributable to owners of the parent (up 10.0 percent year on year).

2. Basis for the Selection of Accounting Standards

The Treasure Factory Group uses the Japanese Accounting Standards. Taking into account conditions in Japan and overseas, we plan to take appropriate action regarding the adoption of the International Financial Reporting Standards (IFRS).

3. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	Previous Consolidated Fiscal Year (Ended February 28, 2023)	Consolidated Fiscal Year under Review (Ended February 29, 2024)
Assets		
Current assets		
Cash and deposits	3,073	2,617
Accounts receivable—trade	905	1,174
Returned assets	11	15
Merchandise	5,087	6,899
Supplies	28	31
Other	591	725
Total current assets	9,697	11,464
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	1,361	1,815
Land	426	426
Construction in progress	0	21
Other, net	403	568
Total property, plant, and equipment	2,192	2,831
Intangible assets		
Goodwill	76	361
Other	137	158
Total intangible assets	214	520
Investments and other assets		
Investment securities	1	0
Deferred tax assets	413	413
Leasehold and guarantee deposits	1,941	2,274
Other	199	224
Total investments and other assets	2,555	2,912
Total non-current assets	4,962	6,264
Total assets	14,659	17,728

(Unit: million yen)

	Previous Consolidated Fiscal Year (Ended February 28, 2023)	Consolidated Fiscal Year under Review (Ended February 29, 2024)
Liabilities		
Current liabilities		
Accounts payable—trade	81	116
Short-term borrowings	1,892	2,506
Current portion of long-term borrowings	782	918
Income taxes payable	746	694
Contract liabilities	79	97
Refund liabilities	37	49
Provision for bonuses	481	455
Provision for bonuses for directors (and other officers)	5	2
Provision for shareholder benefit program	5	6
Other	1,453	1,580
Total current liabilities	5,563	6,426
Non-current liabilities		
Long-term borrowings	1,557	1,962
Asset retirement obligations	695	786
Other	26	26
Total non-current liabilities	2,279	2,775
Total liabilities	7,843	9,202
Net assets		
Shareholders' equity		
Share capital	898	906
Capital surplus	833	857
Retained earnings	5,625	7,296
Treasury shares	(610)	(603)
Total shareholders' equity	6,747	8,458
Cumulative amount of other comprehensive income		
Foreign currency translation adjustment	3	17
Total cumulative amount of other comprehensive income	3	17
Share acquisition rights	51	3
Non-controlling interests	13	47
Total net assets	6,815	8,526
Total liabilities and net assets	14,659	17,728

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Unit: million yen)

	Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)	Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)
Net sales	28,212	34,454
Cost of sales	10,814	13,583
Gross profit	17,398	20,870
Selling, general, and administrative expenses	14,833	17,522
Operating profit	2,565	3,348
Non-operating income		
Interest income	0	0
Vending machine income	11	13
Foreign exchange gains	19	8
Subsidy income	9	1
Proceeds from sales of abandoned goods	3	4
Commission income	2	7
Other	24	25
Total non-operating income	72	60
Non-operating expenses		
Interest expenses	12	15
Other	3	3
Total non-operating expenses	15	19
Ordinary profit	2,622	3,390
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on reversal of share acquisition rights	—	38
Total extraordinary income	0	38
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	3	2
Impairment loss	124	108
Loss on valuation of investment securities	5	1
Total extraordinary losses	134	112
Profit before income taxes	2,488	3,317
Income taxes—current	817	1,033
Income taxes—deferred	(39)	6
Total income taxes	778	1,039
Net profit	1,710	2,277
Profit attributable to non-controlling interests	—	35
Profit attributable to owners of parent	1,710	2,241

(Consolidated Statement of Comprehensive Income)

(Unit: million yen)

	Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)	Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)
Net profit	1,710	2,277
Other comprehensive income		
Foreign currency translation adjustment	(0)	14
Total of other comprehensive income	(0)	14
Comprehensive income	1,709	2,291
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,709	2,255
Comprehensive income attributable to non-controlling interests	—	35

(3) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	521	456	4,148	(410)	4,715
Changes during period					
Issuance of new shares (exercise of share acquisition rights)	377	377			755
Dividends of surplus			(233)		(233)
Profit attributable to owners of parent			1,710		1,710
Purchase of treasury shares				(200)	(200)
Net changes in items other than shareholders' equity					
Total changes during period	377	377	1,476	(200)	2,032
Balance at end of period	898	833	5,625	(610)	6,747

	Cumulative amount of other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total cumulative amount of other comprehensive income			
Balance at the beginning of period	3	3	162	13	4,895
Changes during period					
Issuance of new shares (exercise of share acquisition rights)					755
Dividends of surplus					(233)
Profit attributable to owners of parent					1,710
Purchase of treasury shares					(200)
Net changes in items other than shareholders' equity	(0)	(0)	(111)	-	(112)
Total changes during period	(0)	(0)	(111)	-	1,919
Balance at end of period	3	3	51	13	6,815

Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	898	833	5,625	(610)	6,747
Changes during period					
Issuance of new shares (exercise of share acquisition rights)	8	8			16
Dividends of surplus			(570)		(570)
Profit attributable to owners of parent			2,241		2,241
Purchase of treasury shares				(200)	(200)
Disposal of treasury shares		15		207	223
Net changes in items other than shareholders' equity					
Total changes during period	8	23	1,671	7	1,710
Balance at end of period	906	857	7,296	(603)	8,458

	Cumulative amount of other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total cumulative amount of other comprehensive income			
Balance at the beginning of period	3	3	51	13	6,815
Changes during period					
Issuance of new shares (exercise of share acquisition rights)					16
Dividends of surplus					(570)
Profit attributable to owners of parent					2,241
Purchase of treasury shares					(200)
Disposal of treasury shares					223
Net changes in items other than shareholders' equity	14	14	(48)	34	0
Total changes during period	14	14	(48)	34	1,710
Balance at end of period	17	17	3	47	8,526

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)	Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)
Cash flows from operating activities		
Profit before income taxes	2,488	3,317
Depreciation	385	533
Impairment loss	124	108
Amortization of goodwill	16	24
Share-based remuneration expenses	48	2
Increase (decrease) in provision for bonuses	162	(26)
Increase (decrease) in provision for bonuses for directors (and other officers)	5	(3)
Increase (decrease) in provision for shareholder benefit program	0	1
Loss (gain) on valuation of investment securities	5	1
Interest and dividend income	(0)	(0)
Interest expenses	12	15
Foreign exchange losses (gains)	(15)	(4)
Subsidy income	(9)	(1)
Gain on reversal of share acquisition rights	—	(38)
Loss (gain) on sales and retirement of non-current assets	2	1
Decrease (increase) in trade receivables	(259)	(218)
Decrease (increase) in inventories	(1,074)	(1,526)
Increase (decrease) in trade payables	21	24
Increase (decrease) in accrued consumption taxes	80	(105)
Other	153	5
Subtotal	2,149	2,109
Interest and dividends received	0	0
Interest paid	(12)	(15)
Proceeds from subsidy income	9	1
Income taxes paid	(382)	(1,094)
Cash flows from operating activities	1,764	1,000
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	38
Purchase of property, plant, and equipment	(730)	(959)
Purchase of intangible assets	(53)	(72)
Payments of leasehold and guarantee deposits	(260)	(338)
Proceeds from refund of leasehold and guarantee deposits	9	15
Payments from changes in ownership interests in subsidiaries that result in change in scope of consolidation	—	(503)
Other	(88)	(87)
Cash flows from investing activities	(1,123)	(1,908)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	99	613
Proceeds from long-term borrowings	600	1,472
Repayments of long-term borrowings	(805)	(1,113)
Proceeds from issuance of share acquisition rights	—	38
Proceeds from issuance of shares resulting from exercise of share acquisition rights	595	190
Purchase of treasury shares	(200)	(200)
Dividends paid	(233)	(569)
Cash flows from financing activities	56	431
Effect of exchange rate change on cash and cash equivalents	14	17
Net increase (decrease) in cash and cash equivalents	712	(458)
Cash and cash equivalents at beginning of period	2,353	3,065
Cash and cash equivalents at end of period	3,065	2,607

(5) Notes on the Consolidated Financial Statements

(Notes on Going Concern Assumption)

N/A

(Information Related to Business Combination, etc.)

(Business combination through acquisition)

(1) Summary of the business combination

[1] Name of the acquired company and description of its business

Name of the acquired company: ACUO Co., Ltd.

Business descriptions: Sales and purchase of golf gear, online services

[2] Main reason for the business combination

Based in Aichi Prefecture, ACUO Co., Ltd. directly runs 10 golf gear reuse stores named Golf King or Golfer's Place. It also manages Coco-Golf, an online store that sells only used golf apparel.

The Company has K.K. GK Factory ("GK Factory," a wholly-owned subsidiary since March 2018 that runs the golf gear reuse store "GOLF Kids") in its Group. We have integrated systems with GK Factory so that the subsidiary provides us with its knowledge about golf gear, thereby increasing golf equipment among offerings across the Group. However, since there is only one directly-managed GOLF Kids store, the Company decided to acquire shares in ACUO Co., Ltd. that has 10 directly-managed stores in order to speed up the expansion of golf gear stores going forward.

[3] Date of business combination

October 20, 2023 (share acquisition date)

November 30, 2023 (deemed acquisition date)

[4] Legal form of the business combination

Share acquisition with cash

[5] Name of the company after business combination

The name remains unchanged.

[6] Acquired voting rights ratio

100%

[7] Primary reason for the decision to acquire the business

The decision was made because the Company acquired 100 percent of the voting rights through share acquisition in cash.

(2) Period of the acquired company's financial results included in the consolidated financial statements

From December 1, 2023 to January 31, 2024

(3) Acquisition cost for the acquired company and the breakdown by type of consideration

Payment for acquisition: 624 million yen in cash

Acquisition cost: 624 million yen

(4) Description and amount of major costs related to acquisition

Compensation and fees for external advisers: 44 million yen

(5) Amount of the goodwill that has arisen, the cause of the goodwill, amortization method and period

[1] Amount of the goodwill that has arisen

309 million yen

[2] Cause of the goodwill

This goodwill is mostly excess earning power expected in the wake of business expansion going forward.

[3] Amortization method and period

Amortized in equal amounts over 10 years

Common control transactions and others

(Absorption-type merger between consolidated subsidiaries)

(1) Summary of the transaction

[1] Names of the combined companies and descriptions of their businesses

(a) Combiner

Name: K.K. GK Factory (consolidated subsidiary of the Company)

Business descriptions: Sales and purchase of golf gear, online services

(b) Combinee

Name: ACUO Co., Ltd. (consolidated subsidiary of the Company)

Business descriptions: Sales and purchase of golf gear, online services

[2] Date of business combination

February 1, 2024

[3] Legal form of the business combination

Absorption-type merger, with K.K. GK Factory being the surviving company and ACUO Co., Ltd. the disappearing company

[4] Name of the company after business combination

K.K. GK Factory (consolidated subsidiary of the Company)

(2) Other matters regarding the summary of the transaction

[1] Objective of the transaction

The objective of the transaction is to integrate management resources for greater business efficiency and to increase business value by merging two subsidiaries wholly owned by the Company.

[2] Summary of the transaction

Since this is a merger between subsidiaries wholly owned by the Company, the merger does not involve the allotment of shares and any other assets.

[3] Summary of the accounting done

The transaction has been processed as common control transaction in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10, January 16, 2019).

(Segment Information, etc.)

[Segment Information]

1. Summary of the reporting segment

Financial information about the Treasure Factory Group's reporting segment is available as a unit separated from the other components of the Group. The Board of Directors regularly reviews the information in order to determine how management resources should be allocated and to evaluate the segment's performance. The Treasure Factory Group operates the reuse business that centers on multiple reuse stores, including Treasure Factory (general reuse stores) and Treasure Factory Style (fashion reuse stores). In addition, the Group also runs the rental business and information system business.

2. Methods of calculation of net sales, profit/loss, assets, and other items for each reporting segment

The accounting method for the reported business segment is the same as the method used to prepare our consolidated financial statements. The reporting segment's profit is based on operating profit. Internal revenue and transfer between segments are based on prevailing market prices.

3. Information about the amounts of net sales, profit/loss, assets, and other items for each reporting segment

Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)

(Unit: million yen)

	Reporting segment	Other (Note 1)	Total	Adjustment amount (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	Reuse business				
Net sales					
Sales to external customers	27,499	713	28,212	—	28,212
Internal sales or transfer between segments	—	225	225	(225)	—
Total	27,499	939	28,438	(225)	28,212
Segment profit	3,925	187	4,112	(1,547)	2,565
Segment assets	11,062	180	11,243	3,415	14,659
Depreciation	300	55	355	29	385
Amortization of goodwill	16	—	16	—	16

(Note 1) "Other" refers to the business segments not included in the reporting segments, and includes the rental, information system, and real estate businesses.

(Note 2) Adjustment amounts are as stated below.

- (1) The adjustment amount for the segment profit is a company-wide expense and primarily part of selling, general, and administrative expenses not attributable to the segment.
- (2) The adjustment amount for the segment assets is for assets related to the administration department at the head office of the parent company, which are not attributable to the segment.
- (3) The adjustment amount for depreciation is a depreciation of assets related to administration departments not attributable to the reporting segment.

(Note 3) The segment profit has been adjusted according to the operating profit shown in the consolidated statement of income.

Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)

(Unit: million yen)

	Reporting segment	Other (Note 1)	Total	Adjustment amount (Note 2)	Amount recorded in the consolidated financial statements
	Reuse business				(Note 3)
Net sales					
Sales to external customers	33,658	795	34,454	—	34,454
Internal sales or transfer between segments	—	358	358	(358)	—
Total	33,658	1,154	34,813	(358)	34,454
Segment profit	4,840	135	4,976	(1,627)	3,348
Segment assets	14,579	230	14,810	2,918	17,728
Depreciation	408	86	495	37	533
Amortization of goodwill	24	—	24	—	24

(Note 1) “Other” refers to the business segments not included in the reporting segments, and includes the rental, information system, and real estate businesses.

(Note 2) Adjustment amounts are as stated below.

- (1) The adjustment amount for the segment profit is a company-wide expense and primarily part of selling, general, and administrative expenses not attributable to the segment.
- (2) The adjustment amount for the segment assets is for assets related to the administration department at the head office of the parent company, which are not attributable to the segment.
- (3) The adjustment amount for depreciation is a depreciation of assets related to administration departments not attributable to the reporting segment.

(Note 3) The segment profit has been adjusted according to the operating profit shown in the consolidated statement of income.

[Related Information]

Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)

1. Information about each product and service

Information sorted by product and service is omitted because sales of individual products and services to external customers make up more than 90 percent of the net sales recorded in the consolidated statement of income.

2. Information about each region

(1) Net sales

Net sales sorted by region are omitted because sales to external customers in Japan make up more than 90 percent of the net sales recorded in the consolidated statement of income.

(2) Property, plant, and equipment

Property, plant, and equipment sorted by region is omitted because the monetary value of these assets located in Japan makes up more than 90 percent of the value of property, plant, and equipment recorded in the consolidated balance sheet.

3. Information about each major customer

Information about each major customer is omitted because sales to none of our external customers make up 10 percent or more of the net sales recorded in the consolidated statement of income.

Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)

1. Information about each product and service

Information sorted by product and service is omitted because sales of individual products and services to external customers make up more than 90 percent of the net sales recorded in the consolidated statement of income.

2. Information about each region

(1) Net sales

Net sales sorted by region are omitted because sales to external customers in Japan make up more than 90 percent of the net sales recorded in the consolidated statement of income.

(2) Property, plant, and equipment

Property, plant, and equipment sorted by region is omitted because the monetary value of these assets located in Japan makes up more than 90 percent of the value of property, plant, and equipment recorded in the consolidated balance sheet.

3. Information about each major customer

Information about each major customer is omitted because sales to none of our external customers make up 10 percent or more of the net sales recorded in the consolidated statement of income.

[Information about the impairment loss on non-current assets for each reporting segment]

Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)

(Unit: million yen)

	Reporting segment	Other	Total	Adjustment amount	Total
	Reuse business				
Impairment loss	124	—	124	—	124

Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)

(Unit: million yen)

	Reporting segment	Other	Total	Adjustment amount	Total
	Reuse business				
Impairment loss	108	—	108	—	108

[Information about amortization of goodwill and unamortized balance for each reporting segment]

Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)

(Unit: million yen)

	Reporting segment	Other	Total	Adjustment amount	Total
	Reuse business				
Balance at end of period	76	—	76	—	76

(Note) Amortization of goodwill is omitted because the equivalent information is disclosed in Segment Information.

Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)

(Unit: million yen)

	Reporting segment	Other	Total	Adjustment amount	Total
	Reuse business				
Balance at end of period	361	—	361	—	361

(Note) Amortization of goodwill is omitted because the equivalent information is disclosed in Segment Information.

[Information about gain on bargain purchase for each reporting segment]

Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)

N/A

Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)

N/A

(Per Share Data)

	Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)	Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)
Net assets per share	291.34 yen	362.06 yen
Amount of profit per share	76.31 yen	95.94 yen
Amount of diluted profit per share	74.98 yen	95.72円

(Note 1) On March 1, 2023, the Company carried out a 2-for-1 stock split (common stocks). The net assets per share and the profit per share have been calculated on the assumption that this stock split was done at the beginning of the previous consolidated fiscal year.

(Note 2) The table below shows the basis for calculation of net assets per share.

	Previous Consolidated Fiscal Year (Ended February 28, 2023)	Consolidated Fiscal Year under Review (Ended February 29, 2024)
Total net assets (million yen)	6,815	8,526
Amount deducted from the total net assets (million yen)	64	50
(share acquisition rights (million yen))	(51)	(3)
(non-controlling interests (million yen))	(13)	(47)
Fiscal year-end net assets related to common shares (million yen)	6,750	8,475
Number of common shares at the fiscal year end used to calculate net assets per share (shares)	23,171,600	23,408,624

3. The table below shows the basis for the calculation of profit per share and diluted profit per share.

	Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)	Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)
(1) Amount of profit per share		
Profit attributable to owners of parent (million yen)	1,710	2,241
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	1,710	2,241
Average number of common shares issued during the period (shares)	22,415,172	23,363,774
(2) Amount of diluted profit per share		
Adjustment amounts for profit attributable to owners of parent (million yen)	—	—
Increase in common shares (shares)	199,161	55,487
(share acquisition rights (shares))	(199,161)	(55,487)

	Previous Consolidated Fiscal Year (from March 1, 2022 to February 28, 2023)	Consolidated Fiscal Year under Review (from March 1, 2023 to February 29, 2024)
Summary of potential shares that were not included in the calculation of diluted profit per share because of the absence of a dilutive effect	—	Share acquisition rights based on the resolution passed at the Board of Directors' meeting on April 12, 2023 Number of share acquisition rights: 6,709 Number of common shares: 670,900

(Material Post-Balance Sheet Events)

N/A