



3. Results forecast for the fiscal year ending February 28, 2024 (March 1, 2023 to February 29, 2024)

(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
Full year	33,586	19.0	3,147	22.7	3,176	21.1	2,015	17.8	86.25

(Note) Revisions to results forecast published most recently: Yes

\*Notes

(1) Changes in important subsidiaries during the six months of the current consolidated cumulative period 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) Adoption of accounting unique to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of shares issued and outstanding (common stock)

[1] Number of shares issued at period-end  
(including treasury shares)

As of Aug. 31, 2023	24,347,800 shares	As of Feb. 28, 2023	24,323,800 shares
As of Aug. 31, 2023	955,130 shares	As of Feb. 28, 2023	1,152,200 shares
As of Aug. 31, 2023	23,329,998 shares	As of Aug. 31, 2022	22,249,910 shares

[2] Treasury shares at period-end

[3] Average number of shares issued during the  
period

(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.

\*These quarterly financial results are outside the scope of quarterly review procedures 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. For further information about the results forecast, please refer to (3) Explanation regarding the Information on Forecasts including Consolidated Forecasts in 1. Qualitative Information about the Quarterly Financial Results on Page 6 of the attached material.

(About the change of units of figures)

The figures for account titles and other information in the Company's quarterly consolidated financial statements were conventionally shown in thousands of yen. Starting from the first quarter of this consolidated accounting period and the first quarter of this consolidated cumulative period, those figures are presented in millions of yen.

To make comparison easier, the figures for the previous consolidated fiscal year and those for the second quarter of the previous consolidated cumulative period are also presented in millions of yen.

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## 1. Qualitative Information about the Quarterly Financial Results

### (1) Explanation regarding the Non-consolidated Results of Operations

During the second quarter of the current consolidated cumulative period, Japan saw social and economic activities going back to normal as COVID-19 was reclassified into a different infectious disease class. However, the economic outlook remains uncertain because of ongoing rising prices and financial and capital market fluctuations, among other factors.

In the reuse industry, the market continues to grow as consumers turn to reuse more consciously in line with their greater efforts to achieve the Sustainable Development Goals (SDGs), and as rising prices boost demand for reusable items.

During the second quarter, the Treasure Factory Group enjoyed steady business that continued from the previous quarter. We achieved an operating profit of ¥415 million over the second quarter of the consolidated accounting period from June to August, which was more than planned, and a record figure for our operating profit earned in the second quarter of a consolidated accounting period, just as we had in the first quarter. On a non-consolidated basis, we opened 10 directly-managed stores, a Group company opened 2 directly-managed stores, and existing stores also enjoyed steady sales. K.K. Kindal (“Kindal”) and K.K. PickUp Japan, our Group companies that engage in the reuse business, also saw steady sales, which led to further revenues and profits.

Consequently, the results of operations for the second quarter of the current consolidated cumulative period show net sales of ¥15,862 million (up 23.7 percent year on year), operating profit of ¥1,448 million (up 44.5 percent year on year), ordinary profit of ¥1,468 million (up 42.3 percent year on year), and quarterly profit of ¥932 million attributable to owners of the parent (up 40.2 percent year on year), record figures for our profits.

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

#### (Reuse Business)

Consolidated sales increased 24.2 percent year on year, non-consolidated sales increased 21.6 percent year on year, and non-consolidated sales at existing stores increased 11.5 percent year on year. In terms of sales by category, apparel sales increased 30.5 percent year on year because demand for outfits for going out grew. The sales of electric appliances increased 16.5 percent year on year as the business responded to demand related to new lifestyles demands in March and April as well as to demand for summer home appliances from June through August. The sales of items targeted at foreign tourists picked up again, and this helped significantly boost the sales of fashion items such as branded items and wristwatches by 26.9 percent year on year, and of hobby-related items, which have been selling more than before since the pandemic started, by 18.7 percent year on year. Consolidated e-commerce sales increased by 17.9 percent year on year, as did non-consolidated e-commerce sales by 22.9 percent year on year.

Consolidated purchases of merchandise for the fiscal year under review increased 32.2 percent year on year, and non-consolidated purchases also grew by 29.5 percent year on year. As for non-consolidated purchases by channel, in-store purchases continued to steadily grow, achieving an increase of 28.0 percent year on year. Home-delivery purchases increased by 29.9 percent year on year, and home-visit purchases enjoyed an increase of 23.3 percent year on year.

During the second quarter of the current consolidated cumulative period, we opened 2 general reuse stores, 6 fashion reuse stores, 1 fashion outlet reuse store, and 1 sports and outdoor reuse store, the non-consolidated total being 10 stores. In terms of new stores by region, we opened 6 in Kanto, 3 in Kansai, and 1 in Kyushu, maintaining a good balance of geographic locations. Furthermore, Kindal, our Group company, opened 2 directly-managed stores. The number of stores at the end of the second quarter of the consolidated accounting period under review are as follows: 177 directly-managed stores and 4 franchise stores, for a non-consolidated total of 181; and 251 stores in total across the Group.

These results added up to net sales of ¥15,500 million (up 24.2 percent year on year) and a segment profit of ¥2,282 million (up 35.5 percent year on year).

#### (Other)

Cariru, our rental business, successfully captured demand as people attended weddings and other events, and its sales increased 26.6 percent year on year. However, profit decreased because we spent more on advertising, leading SG&A to increase 60.0 percent year on year.

These results added up to net sales of ¥523 million (up 23.0 percent year on year) and a segment profit of ¥64 million (down 35.0 percent year on year).

## (2) Explanation regarding the Non-consolidated Financial Position

Total assets at the end of the second quarter of the current consolidated accounting period increased by ¥536 million compared to the end of the previous consolidated fiscal year, totaling ¥15,195 million because of a decrease of ¥976 million in cash and deposits, an increase of ¥938 million in merchandise, an increase of ¥216 million in buildings and structures (net), and an increase of ¥133 million in leasehold and guarantee deposits, among other factors.

Total liabilities at the end of the second quarter of the current consolidated accounting period decreased by ¥179 million compared to the end of the previous consolidated fiscal year, totaling ¥7,663 million because of an increase of ¥295 million in short-term borrowings, a decrease of ¥222 million in income taxes payable, a decrease of ¥56 million in provision for bonuses, and a decrease of ¥126 million in long-term borrowings, among other reasons.

Total net assets at the end of the second quarter of the current consolidated accounting period increased by ¥716 million compared to the end of the previous consolidated fiscal year, totaling ¥7,532 million because a quarterly profit of ¥932 million attributable to owners of the parent was recorded, among other factors.

### (Analysis of cash flows)

Cash and cash equivalents at the end of the second quarter of the current consolidated accounting period decreased by ¥976 million compared to the end of the previous consolidated fiscal year, totaling ¥2,089 million. The status of the cash flows during the second quarter of the current consolidated cumulative period and their factors are as follows.

### (Cash flows from operating activities)

Cash flows from operating activities during the second quarter of the current consolidated cumulative period added up to an expenditure of ¥158 million (the same period of the previous year saw an income of ¥459 million). This is mostly because we recorded an increase of ¥945 million in inventories, whereas we also recorded ¥1,468 million in profit before income taxes and ¥237 million in depreciation.

### (Cash flows from investing activities)

Cash flows from investing activities during the second quarter of the current consolidated cumulative period added up to an expenditure of ¥695 million (the same period of the previous year saw an expenditure of ¥404 million). This is mostly because we recorded ¥460 million in purchase of property, plant, and equipment, along with ¥160 million in payments of leasehold and guarantee deposits, to establish new stores.

### (Cash flows from financing activities)

Cash flows from financing activities during the second quarter of the current consolidated cumulative period added up to an expenditure of ¥128 million (the same period of the previous year saw an expenditure of ¥59 million). This is mostly because we recorded ¥465 million in repayments of long-term borrowings, whereas we also recorded ¥310 million in proceeds from long-term borrowings.

## (3) Explanation regarding the Information on Forecasts including Consolidated Forecasts

The Company pursues five growth strategies: 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 strategies, we are working toward the goals of our medium-term management plan.

During the second quarter of the current consolidated cumulative period, consolidated sales added up to 123.7 percent year on year. Ordinary income ratio also further increased from the same period of the previous year, with growth of more than 140 percent year on year in operating profit, ordinary profit, and profit attributable to owners of parent, which was greater than planned. Consequently, net sales, operating profit, ordinary profit, and profit attributable to owners of parent for the full year are projected to surpass the previous forecast. Hence, we have revised the results forecast published on April 12, 2023.

Please see “Notice on Revisions to Results Forecast and Dividends Forecast” published today (October 11, 2023) for details.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of Yen)

	Previous Consolidated Fiscal Year (Ended February 28, 2023)	Second Quarter of the Current Consolidated Accounting Period (Ended August 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	3,073	2,097
Accounts receivable - trade	905	954
Merchandise	5,087	6,025
Other	630	703
Total current assets	9,697	9,781
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	1,361	1,578
Land	426	426
Other, net	403	539
Total property, plant, and equipment	2,192	2,544
Intangible assets		
Goodwill	76	68
Other	137	149
Total intangible assets	214	217
Investments and other assets		
Leasehold and guarantee deposits	1,941	2,074
Other	614	578
Total investments and other assets	2,555	2,653
Total non-current assets	4,962	5,414
Total assets	14,659	15,195

(Millions of Yen)

	Previous Consolidated Fiscal Year (Ended February 28, 2023)	Second Quarter of the Current Consolidated Accounting Period (Ended August 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable — trade	81	76
Short-term borrowings	1,892	2,188
Current portion of long-term borrowings	782	753
Income taxes payable	746	524
Contract liabilities	79	86
Refund liabilities	37	49
Provision for bonuses	481	424
Provision for shareholder benefit program	5	0
Other	1,458	1,364
Total current liabilities	5,563	5,467
Non-current liabilities		
Long-term borrowings	1,557	1,430
Asset retirement obligations	695	738
Other	26	26
Total non-current liabilities	2,279	2,195
Total liabilities	7,843	7,663
<b>Net assets</b>		
Shareholders' equity		
Share capital	898	906
Capital surplus	833	857
Retained earnings	5,625	6,268
Treasury shares	(610)	(613)
Total shareholders' equity	6,747	7,419
Cumulative amount of other comprehensive income		
Foreign currency translation adjustment	3	6
Total cumulative amount of other comprehensive income	3	6
Share acquisition rights	51	67
Non-controlling interests	13	38
Total net assets	6,815	7,532
Total liabilities and net assets	14,659	15,195



(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly consolidated statement of income)  
(Second quarter of the consolidated cumulative period)

(Millions of Yen)

	Second Quarter of the Previous Consolidated Cumulative Period (from March 1, 2022 to August 31, 2022)	Second Quarter of the Current Consolidated Cumulative Period (from March 1, 2023 to August 31, 2023)
Net sales	12,825	15,862
Cost of sales	4,777	6,024
Gross profit	8,047	9,838
Selling, general, and administrative expenses	7,045	8,389
Operating profit	1,002	1,448
Non-operating income		
Vending machine income	5	7
Foreign exchange gains	14	5
Subsidy income	5	0
Other	10	15
Total non-operating income	36	28
Non-operating expenses		
Interest expenses	6	6
Other	0	2
Total non-operating expenses	6	8
Ordinary profit	1,032	1,468
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Quarterly profit before income taxes	1,031	1,468
Income taxes — current	343	448
Income taxes — deferred	23	61
Total income taxes	366	510
Net quarterly profit	665	958
Profit attributable to non-controlling interests	—	25
Profit attributable to owners of parent	665	932

(Quarterly consolidated statement of comprehensive income)

(Second quarter of the consolidated cumulative period)

(Millions of Yen)

	Second Quarter of the Previous Consolidated Cumulative Period (from March 1, 2022 to August 31, 2022)	Second Quarter of the Current Consolidated Cumulative Period (from March 1, 2023 to August 31, 2023)
Net quarterly profit	665	958
Other comprehensive income		
Foreign currency translation adjustment	1	3
Total of other comprehensive income	1	3
Quarterly comprehensive income	667	961
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	667	935
Quarterly comprehensive income attributable to non- controlling interests	—	25

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of Yen)

	Second Quarter of the Previous Consolidated Cumulative Period (from March 1, 2022 to August 31, 2022)	Second Quarter of the Current Consolidated Cumulative Period (from March 1, 2023 to August 31, 2023)
<b>Cash flows from operating activities</b>		
Quarterly profit before income taxes	1,031	1,468
Depreciation	172	237
Amortization of goodwill	8	8
Share-based remuneration expenses	48	24
Increase (decrease) in provision for bonuses	47	(56)
Increase (decrease) in provision for bonuses for directors (and other officers)	—	(5)
Interest and dividend income	(0)	(0)
Interest expenses	6	6
Foreign exchange losses (gains)	(12)	(2)
Subsidy income	(5)	(0)
Loss (gain) on sales and retirement of non-current assets	0	0
Increase (decrease) in accrued consumption taxes	(20)	(147)
Decrease (increase) in trade receivables	(88)	(49)
Decrease (increase) in inventories	(565)	(945)
Increase (decrease) in trade payables	1	(5)
Other	65	(18)
Subtotal	689	513
Interest and dividends received	0	0
Interest paid	(6)	(6)
Proceeds from subsidy income	5	0
Income taxes paid	(229)	(665)
Net cash provided by (used in) operating activities	459	(158)
<b>Cash flows from investing activities</b>		
Purchase of property, plant, and equipment	(276)	(460)
Purchase of intangible assets	(17)	(48)
Payments of leasehold and guarantee deposits	(86)	(160)
Proceeds from refund of leasehold and guarantee deposits	6	20
Other	(31)	(47)
Net cash provided by (used in) investing activities	(404)	(695)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	88	295
Proceeds from long-term borrowings	300	310
Repayments of long-term borrowings	(386)	(465)
Proceeds from issuance of share acquisition rights	—	38
Proceeds from issuance of shares resulting from exercise of share acquisition rights	39	182
Purchase of treasury shares	(0)	(200)
Dividends paid	(100)	(289)
Net cash provided by (used in) financing activities	(59)	(128)
Effect of exchange rate change on cash and cash equivalents	14	5
Net increase (decrease) in cash and cash equivalents	9	(976)
Cash and cash equivalents at beginning of period	2,352	3,065
Cash and cash equivalents at end of period	2,362	2,089

(4) Notes on the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

N/A

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

N/A

(Segment Information, etc.)

[Segment Information]

I. Second Quarter of Previous Consolidated Cumulative Period (from March 1, 2022 to August 31, 2022)

1. Information about the amounts of the net sales and profit or loss for each reporting segment

(Millions of Yen)

	Reporting segment	Other (Note 1)	Total	Adjustment amount (Note 2)	Amount reported on the quarterly consolidated statement of income (Note 3)
	Reuse business				
Net sales					
Sales to external customers	12,477	347	12,825	—	12,825
Internal sales or transfer between segments	—	78	78	(78)	—
Total	12,477	425	12,903	(78)	12,825
Segment's profit	1,684	99	1,784	(782)	1,002

(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) The adjustment amount for the segment's profit is a company-wide expense and primarily part of selling, general, and administrative expenses not attributable to the segment.

(Note 3) The segment's profit has been adjusted according to the operating profit shown in the Quarterly Consolidated Statement of Income.

2. Information about the impairment loss on non-current assets or goodwill for each reporting segment

(Material Impairment Loss Pertaining to Non-current Assets)

N/A

(Material Change in the Amount of Goodwill)

N/A

II. Second Quarter of Current Consolidated Cumulative Period (from March 1, 2023 to August 31, 2023)

1. Information about the amounts of the net sales and profit or loss for each reporting segment

(Millions of Yen)

	Reporting segment	Other (Note 1)	Total	Adjustment amount (Note 2)	Amount reported on the quarterly consolidated statement of income (Note 3)
	Reuse business				
Net sales					
Sales to external customers	15,500	362	15,862	—	15,862
Internal sales or transfer between segments	—	161	161	(161)	—
Total	15,500	523	16,024	(161)	15,862
Segment's profit	2,282	64	2,347	(898)	1,448

(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) The adjustment amount for the segment's profit is a company-wide expense and primarily part of selling, general, and administrative expenses not attributable to the segment.

(Note 3) The segment's profit has been adjusted according to the operating profit shown in the Quarterly Consolidated Statement of Income.

2. Information about the impairment loss on non-current assets or goodwill for each reporting segment

(Material Impairment Loss Pertaining to Non-current Assets)

N/A

(Material Change in the Amount of Goodwill)

N/A

(Material Post-Balance Sheet Events)

Acquisition of a business through share acquisition

At the board meeting held on October 11, 2023, the Company resolved to acquire shares in ACUO Co.,Ltd. (“ACUO”) to make it a wholly-owned subsidiary, and executed a share transfer agreement as of the same date.

(1) Purpose of the share acquisition

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 are working toward the goals of our medium-term profit and loss plan. In the area of M&A, we plan specifically to forge ahead with M&A of companies that can supplement the Company’s business, including other reuse companies, which will enable us to leverage synergies within the Group.

Based in Aichi Prefecture, ACUO 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 that has 10 directly-managed stores in order to speed up the expansion of golf gear stores going forward.

(2) Name of the seller of shares

Name: Shintaro Mori

Address: Nagoya, Aichi Prefecture

Relationship between the listed company and the individual: N/A

(3) Profile of the acquired company

Name: ACUO Co.,Ltd.

Address: 2-3-2 Nishibiwajimacho Kojo, Kiyosu, Aichi

Representative: Shintaro Mori

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

Share capital: 10 million yen

Date of establishment: December 2004

(4) Date of business combination

October 20, 2023 (share acquisition date)

November 30, 2023 (deemed acquisition date)

(5) Legal form of the business combination

Share acquisition with cash

(6) Number of shares to acquire

Number of shares to acquire: 200 (percentage of voting rights: 100%)

(7) Acquisition cost for the acquired business, and the breakdown by type of consideration

Type of consideration: 624 million yen in cash

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

Compensation and fees for external advisers: 41 million yen

(9) Means of raising capital for the acquisition

The Company plans to borrow 650 million yen from MUFG Bank, Ltd. on October 19, 2023.

(10) 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.