



3. Results forecast for the fiscal year ending February 29, 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: No

\*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 Nov. 30, 2023	24,347,800 shares	As of Feb. 28, 2023	24,323,800 shares
As of Nov. 30, 2023	955,130 shares	As of Feb. 28, 2023	1,152,200 shares
As of Nov. 30, 2023	23,350,737 shares	As of Nov. 30, 2022	22,274,682 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 third 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 third quarter of the current consolidated cumulative period, Japan saw social and economic activities increasingly return to normal as COVID-19 was reclassified into a different infectious disease class, and demand for incoming tourism also recovered owing to an increase in the number of visitors from overseas. However, the economic outlook remains uncertain because of rising prices of raw materials and other key goods, and of 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 that help consumers economize to maintain their standards of living.

During the third quarter, the Treasure Factory Group enjoyed steady business that continued from the previous quarter. We achieved an operating profit of ¥1,027 million over the third quarter of the consolidated accounting period from September to November, which was more than planned, and a record figure for our operating profit earned in the third quarter of a consolidated accounting period, just as we had in the second quarter. On a non-consolidated basis, we opened 14 directly-managed stores, a Group company opened 2 directly-managed stores and 1 franchise store, 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 third quarter of the current consolidated cumulative period show net sales of ¥24,873 million (up 22.0% year on year), operating profit of ¥2,475 million (up 30.2% year on year), ordinary profit of ¥2,509 million (up 29.1% year on year), and quarterly profit of ¥1,600 million attributable to owners of the parent (up 26.7% year on year).

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

#### (Reuse Business)

Consolidated sales increased 22.4% year on year, non-consolidated sales increased 20.1% year on year, and non-consolidated sales at existing stores increased 10.1% year on year. In terms of sales by category, apparel sales increased 27.3% year on year because demand for outfits for going out grew. The sales of electric appliances increased 15.4% year on year as the business responded to new lifestyle-related 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 24.9% year on year, and of hobby-related items, which have been selling more than before since the pandemic started, by 16.0% year on year. Consolidated e-commerce sales increased by 16.7% year on year, as did non-consolidated e-commerce sales by 22.0% year on year.

Consolidated purchases of merchandise for the fiscal year under review increased 29.7% year on year, and non-consolidated purchases of merchandise also grew by 28.1% year on year. As for non-consolidated purchases by channel, in-store purchases continued to steadily grow, achieving an increase of 27.1% year on year. Home-delivery purchases increased by 26.2% year on year, and home-visit purchases enjoyed an increase of 9.5% year on year.

During the third quarter of the current consolidated cumulative period, we opened 4 general reuse stores, 7 fashion reuse stores, 1 fashion outlet reuse store, 1 sports and outdoor reuse store, and 1 brand-name item reuse store, the non-consolidated total being 14 stores. In terms of new stores by region, we opened 10 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 and 1 franchise store. The number of stores at the end of the third quarter of the consolidated accounting period under review are as follows: 181 directly-managed stores and 4 franchise stores, the non-consolidated total being 185; and 266 stores in total across the Group.

These results added up to net sales of ¥24,270 million (up 22.4% year on year) and a segment profit of ¥3,614 million (up 25.3% year on year).

#### (Other)

Cairu, our rental business, successfully captured demand as people attended weddings and other events, and its sales increased 23.6% year on year. However, profit decreased because we spent more on advertising, leading SG&A to increase 50.6% year on year.

These results added up to net sales of ¥878 million (up 23.3% year on year) and a segment profit of ¥121 million (down 30.3% year on year).

(2) Explanation regarding the Non-consolidated Financial Position

Total assets at the end of the third quarter of the current consolidated accounting period increased by ¥2,566 million compared to the end of the previous consolidated fiscal year, totaling ¥17,225 million because of a decrease of ¥1,139 million in cash and deposits, an increase of ¥543 million in accounts receivable-trade, an increase of ¥1,998 million in merchandise, an increase of ¥408 million in buildings and structures (net), an increase of ¥296 million in goodwill, an increase of ¥250 million in leasehold and guarantee deposits, among other reasons.

Total liabilities at the end of the third quarter of the current consolidated accounting period increased by ¥1,425 million compared to the end of the previous consolidated fiscal year, totaling ¥9,269 million because of an increase of ¥811 million in short-term borrowings, a decrease of ¥359 million in income taxes payable, an increase of ¥747 million in long-term borrowings, among other reasons.

Total net assets at the end of the third quarter of the current consolidated accounting period increased by ¥1,140 million compared to the end of the previous consolidated fiscal year, totaling ¥7,956 million because a quarterly profit of ¥1,600 million attributable to owners of the parent was recorded, among other factors.

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

The full-year consolidated forecasts for the fiscal year ending February 29, 2024 remain unchanged from the figures released by the Company on October 11, 2023.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of Yen)

	Previous Consolidated Fiscal Year (Ended February 28, 2023)	Third Quarter of the Current Consolidated Accounting Period (Ended November 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	3,073	1,934
Accounts receivable — trade	905	1,448
Merchandise	5,087	7,085
Other	630	755
Total current assets	9,697	11,224
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	1,361	1,770
Land	426	426
Other, net	403	562
Total property, plant, and equipment	2,192	2,759
Intangible assets		
Goodwill	76	373
Other	137	159
Total intangible assets	214	532
Investments and other assets		
Leasehold and guarantee deposits	1,941	2,191
Other	614	516
Total investments and other assets	2,555	2,708
Total non-current assets	4,962	6,000
Total assets	14,659	17,225

(Millions of Yen)

	Previous Consolidated Fiscal Year (Ended February 28, 2023)	Third Quarter of the Current Consolidated Accounting Period (Ended November 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable — trade	81	113
Short-term borrowings	1,892	2,704
Current portion of long-term borrowings	782	880
Income taxes payable	746	387
Contract liabilities	79	107
Refund liabilities	37	43
Provision for bonuses	481	207
Provision for shareholder benefit program	5	—
Other	1,458	1,732
Total current liabilities	5,563	6,176
Non-current liabilities		
Long-term borrowings	1,557	2,305
Asset retirement obligations	695	761
Other	26	26
Total non-current liabilities	2,279	3,092
Total liabilities	7,843	9,269
<b>Net assets</b>		
Shareholders' equity		
Share capital	898	906
Capital surplus	833	857
Retained earnings	5,625	6,655
Treasury shares	(610)	(613)
Total shareholders' equity	6,747	7,806
Cumulative amount of other comprehensive income		
Foreign currency translation adjustment	3	13
Total cumulative amount of other comprehensive income	3	13
Share acquisition rights	51	85
Non-controlling interests	13	50
Total net assets	6,815	7,956
Total liabilities and net assets	14,659	17,225



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

(Millions of Yen)

	Third Quarter of the Previous Consolidated Cumulative Period (from March 1, 2022 to November 30, 2022)	Third Quarter of the Current Consolidated Cumulative Period (from March 1, 2023 to November 30, 2023)
Net sales	20,388	24,873
Cost of sales	7,640	9,498
Gross profit	12,748	15,375
Selling, general, and administrative expenses	10,846	12,899
Operating profit	1,901	2,475
Non-operating income		
Foreign exchange gains	19	8
Vending machine income	8	10
Subsidy income	5	0
Other	17	27
Total non-operating income	52	48
Non-operating expenses		
Interest expenses	9	10
Other	1	4
Total non-operating expenses	10	15
Ordinary profit	1,943	2,509
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	1	1
Total extraordinary losses	1	1
Quarterly profit before income taxes	1,942	2,508
Income taxes — current	588	732
Income taxes — deferred	89	137
Total income taxes	678	869
Net quarterly profit	1,263	1,638
Profit attributable to non-controlling interests	—	37
Profit attributable to owners of parent	1,263	1,600

(Quarterly consolidated statement of comprehensive income)  
(Third quarter of the consolidated cumulative period)

(Millions of Yen)

	Third Quarter of the Previous Consolidated Cumulative Period (from March 1, 2022 to November 30, 2022)	Third Quarter of the Current Consolidated Cumulative Period (from March 1, 2023 to November 30, 2023)
Net quarterly profit	1,263	1,638
Other comprehensive income		
Foreign currency translation adjustment	4	10
Total of other comprehensive income	4	10
Quarterly comprehensive income	1,267	1,648
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	1,267	1,610
Quarterly comprehensive income attributable to non- controlling interests	—	37

(3) 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. Third Quarter of Previous Consolidated Cumulative Period (from March 1, 2022 to November 30, 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	19,821	566	20,388	—	20,388
Internal sales or transfer between segments	—	145	145	(145)	—
Total	19,821	711	20,533	(145)	20,388
Segment's profit	2,884	174	3,059	(1,157)	1,901

(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. Third Quarter of Current Consolidated Cumulative Period (from March 1, 2023 to November 30, 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	24,270	603	24,873	—	24,873
Internal sales or transfer between segments	—	274	274	(274)	—
Total	24,270	878	25,148	(274)	24,873
Segment's profit	3,614	121	3,736	(1,260)	2,475

(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)

We acquired shares in ACUO Co., Ltd. on November 30, 2023, which is the deemed acquisition date, in the segment of the reuse business, thereby including ACUO in our financial consolidation. Goodwill of ¥309 million arose from this event.

(Business Combination, etc. and Related Information)

(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 for the acquired company's financial results included in the quarterly consolidated statement of income for the current quarter of the consolidated cumulative period

Since the deemed acquisition date is November 30, 2023, only the quarterly balance sheet is consolidated for the third quarter of the current consolidated cumulative period. The acquired company's business results are not included in the quarterly consolidated statement of income for the current quarter of the consolidated cumulative period.

(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

(Material Post-Balance Sheet Events)

N/A