



Treasure Factory Co., Ltd.
FY 2024

Presentation Materials (Summary)

April 10, 2024

Summary of Financial Results for Fiscal Year Ended February 29, 2024

Summary of Financial Results

- Consolidated net sales came to ¥34.4 billion, achieving a growth of over 20% for three consecutive years
- Consolidated ordinary profit increased 29% YOY, reaching a record-high profit of ¥3.38 billion
- High profit ratio with ROE of 29.4% and ROIC of 18.6% for the fiscal year

FY2024 full year (consolidated)

Consolidated net sales

FY2023

FY2024

¥28.2 billion → ¥34.4 billion

+22.1% YOY

Consolidated ordinary profit

FY2023

FY2024

¥2.62 billion → ¥3.38 billion

+29.2% YOY

Consolidated EBITDA

FY2023

FY2024

¥2.91 billion → ¥3.81 billion

+30.9% YOY

POINTS

- Backed by the continued need for reused items from the previous quarter as consumers hope to spend less amidst rising prices, both number of sales and price per sales grew, **resulting in a 9.5% increase YOY in net sales at non-consolidated existing stores.**
- Opening of new stores progressed as planned, **completing the opening of 26 stores across the Group** during the fiscal year (against the plan to open around 25 stores this year).
- Steady performance of Group companies, including Kindal and PickUP JAPAN in the reuse business also contributed to profit.

Statement of Income: Overview (Consolidated)

- Net sales came to ¥34.4 billion, increased 22% YOY and ordinary profit increased 29% YOY, reaching a record-high profit of ¥3.38 billion
- Net sales achieved 100% and ordinary profit 102.5% against the full-year forecasts which were revised upward in Feb. 2024
- Ordinary profit ratio increased by 0.5 pts to 9.8%; EBITDA margin went up 0.8 pts reaching 11.1%

(Unit: million yen)	FY2023	FY2024	Year on year		Results forecast	
	Full-year results	Full-year results	Change	Year on year	Full-year forecast	Progress
Net sales	28,212	34,454	6,241	122.1%	34,415	100.1%
Net gross profit	17,398	20,870	3,472	120.0%	-	-
Gross profit ratio	61.7%	60.6%	▲1.1pt	-	-	-
Selling, general, and administrative expenses	14,833	17,522	2,688	118.1%	-	-
Operating profit	2,565	3,348	783	130.6%	3,259	102.8%
Ordinary profit	2,622	3,388	766	129.2%	3,306	102.5%
Ordinary profit ratio	9.3%	9.8%	0.5pt	-	9.6%	-
Profit attributable to owners of parent	1,710	2,241	531	131.0%	2,148	104.4%
Earnings per share	76.31 yen	95.94 yen	19.63 yen	-	91.94 yen	104.4%

(Unit: million yen)

EBITDA		
FY2023	FY2024	Year on year
2,917	3,819	130.9%

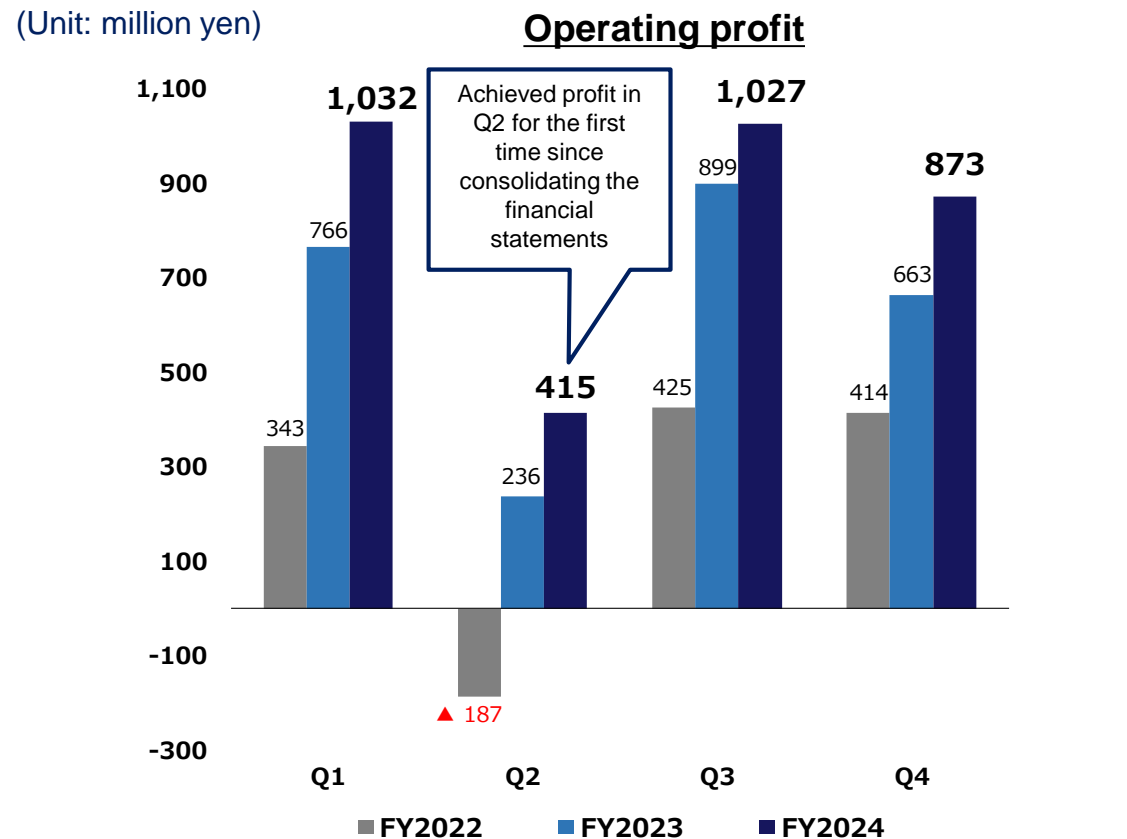
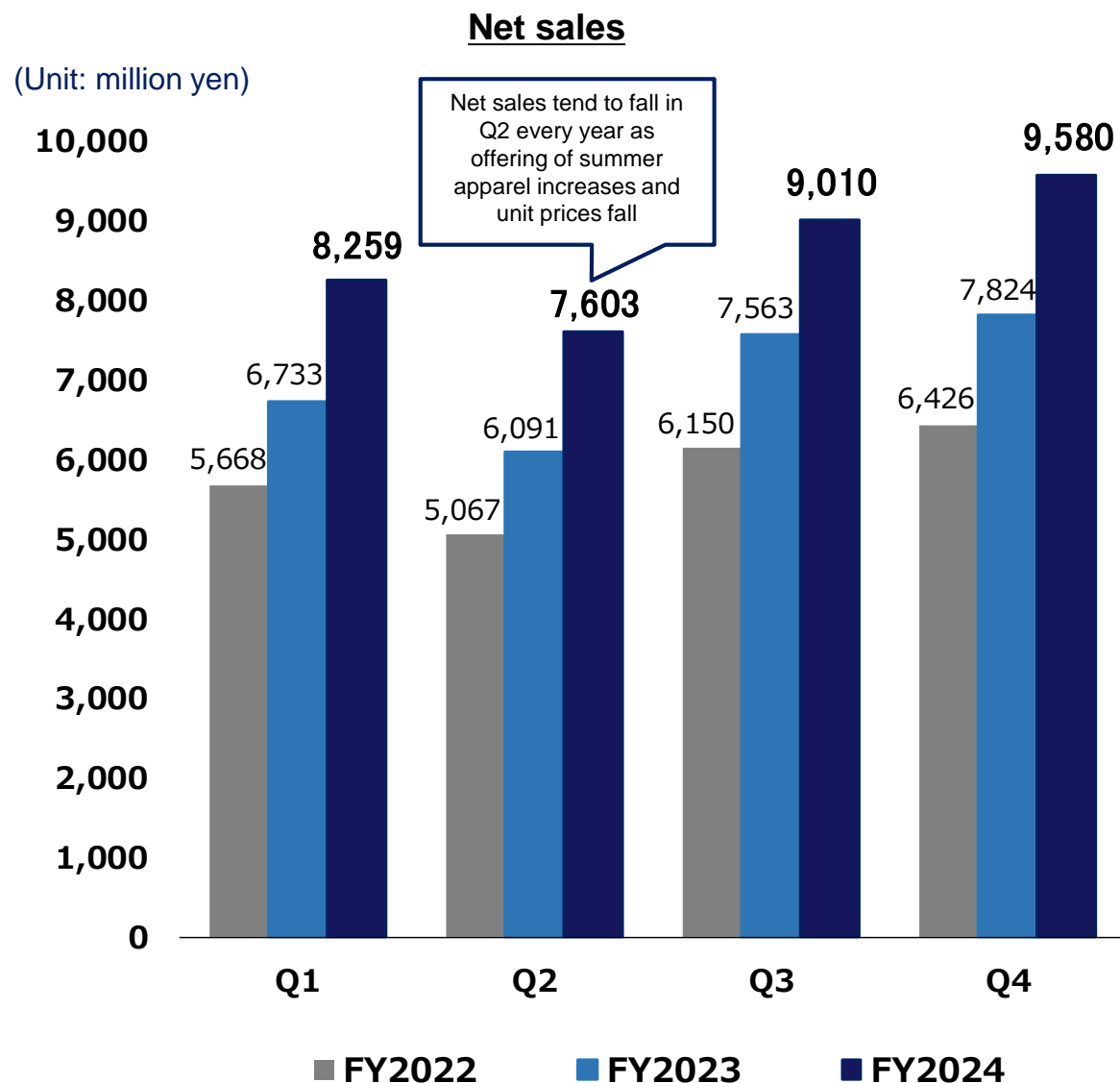
EBITDA margin		
FY2023	FY2024	Change
10.3%	11.1%	0.8pt

*EBITDA = Operating profit + depreciation (operating expenses) + amortization of goodwill

*The Company carried out a 2-for-1 stock split (common stocks) as of March 1, 2023. Earnings per share are calculated on the assumption that this stock split was conducted at the beginning of the previous consolidated fiscal year.

Changes in Quarterly Results (Consolidated)

- Operating profit increased over 30% YOY in the Q4 accounting period, resulting in ¥873 million
- Operating profit for the accounting period exceeded record-high levels for ten consecutive quarters since Q3 of FY2022
- Operating profit ratio in the Q4 accounting period grew 0.6 pts YOY exceeding 9%



Operating profit ratio

	Q1	Q2	Q3	Q4
FY2024	12.5%	5.5%	11.4%	9.1%
FY2023	11.4%	3.9%	11.9%	8.5%
FY2022	6.1%	▲3.7%	6.9%	6.5%

Performance and Dividends Forecasts

FY2025 Full-Year Performance Forecasts

- For FY2025, net sales of 40.5 billion yen (up 17.7% YOY) and ordinary profit of 3.7 billion yen (up 10.2% YOY) are projected
- Non-consolidated existing stores are projected to achieve 3% increase YOY in the fiscal year
- We plan to open a record-high 30 new stores on a consolidated basis.

(Unit: million yen)	FY2024 Full-year results	FY2025 Full-year forecast	Year on year	FY2024 First-half results	FY2025 Interim forecast	Year on year
Net sales	34,454	40,562	117.7%	15,862	19,169	120.8%
Operating profit	3,348	3,712	110.8%	1,448	1,533	105.8%
Operating profit ratio	9.7%	9.2%	—	9.1%	8.0%	—
Ordinary profit	3,388	3,733	110.2%	1,468	1,543	105.1%
Ordinary profit ratio	9.8%	9.2%	—	9.3%	8.0%	—
Profit attributable to owners of parent	2,241	2,466	110.0%	932	1,057	113.3%
Net profit margin	6.5%	6.1%	—	5.9%	5.5%	—
Earnings per share (yen)	95.94	105.35	—	39.97	45.15	—
Dividend per share (yen)	28.00	32.00	—	12.00	16.00	—
Dividend payout ratio	29.2%	30.4%	1.2pt	—	—	—

Revision of Dividends Forecast

- The annual dividends forecast was increased by 4 yen from 28 yen in the previous fiscal year to 32 yen per share, and dividend payout ratio forecast to 30.4%

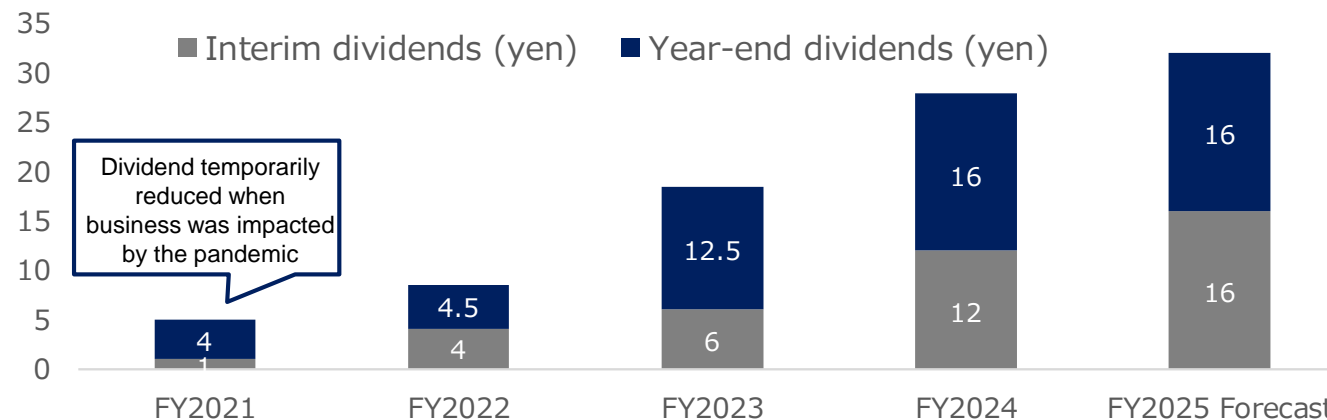
■ **Basic policy on allocation of profit** Continuously pay out dividends in line with earnings by taking into consideration the balance between shareholder returns and the need to strengthen the financial foundation by bolstering internal reserves.

Immediate target payout ratio shall be 30% or greater.

■ Dividends forecast

	FY2025	FY2024
Interim dividends per share (forecast)	16 yen	12 yen
Year-end dividends per share (forecast)	16 yen	16 yen
Annual dividends per share (forecast)	32 yen	28 yen

■ Changes in dividend per share



*The Company carried out a 2-for-1 stock split (common stocks) as of March 1, 2023.

Dividends per share reflect the impacts of said stock split.

FY2025 Initiatives

Reuse business

■ Reuse business in Japan

- Increase number of purchases and sales through continuous efforts, including acquiring app members (2.1 million app members as of end of Feb. 2024)
- Higher price per share against the backdrop of inflation, etc.
- Continuous expansion of sales targeting international visitors mainly through branded item business such as Brand Collect and Kindal

■ Reuse business overseas

- Continue opening stores in Thailand (now 4 stores) and Taiwan (now 2 stores) at a rate of 1-2 stores per year in each country
- Consider opening stores in new overseas markets

■ Opening of new stores

- Number of new stores (consolidated basis): 30 stores (26 stores in most recent FY)
(Breakdown by business) about 8 general reuse, about 10 style, and about 10 others (1–2 each), about 2 overseas stores
- Continue opening stores in Tokyo, Kanagawa, Chiba, Saitama, North Kanto, Kansai, Aichi, and Fukuoka, and open stores in other new regions

■ Strengthening purchases through channels other than physical stores

- Increase home-delivery and home-visit purchases by 15-20% in order to secure inventory for new store openings

Peripheral reuse businesses

■ Auction business

- Aim to increase number of listings and available quantity from the bases in Kanto and Kansai, and also expand listings from our own stores

■ Moving & removal business

- Aim to expand number of moves and purchases by effectively combining our moving services with services by partner moving companies

■ Rental business

- Expand our business base and increase both sales and profit by achieving growth of black formal rental in addition to dress rental

Detailed Assumptions on Performance Forecasts for FY2025

■ Net sales

• **Non-consolidated existing stores: 103% YOY**

Sales from non-consolidated existing stores continued to increase by around 10% for two consecutive fiscal years. Despite tougher YOY targets, we project 3% growth YOY

■ Gross profit ratio

• **Consolidated basis: 60.3% full-year** (down 0.3 pts from previous FY results of 60.6%)

(Factors for lower gross profit ratio)

• Until the previous fiscal year, a portion of the shipping cost for purchases was included in SG&A expenses, but this was changed to including them in cost of sales starting the current fiscal year. The golf gear reuse business (gross profit ratio in higher 30% range), which was acquired by M&A in previous FY and included in the consolidated PL starting Q4, will be incorporated in the PL from the beginning of the current fiscal year.

■ SG&A ratio

• **Consolidated basis: 51.2% full-year** (up 0.3 pts from previous FY results of 50.9%)

• Annual increase of approximately 6% for salaries is planned through employee pay raises and periodic wage increase (excludes increase due to increase in new stores and new employees)

• In addition, anticipate increase in expenses for expansion of points of purchases other than physical stores such as home-delivery and home-visit purchases

■ Capital expenditure & depreciation

• **Consolidated capital investment: approx. 1.3 billion yen** (previous FY results 1.1 billion yen)

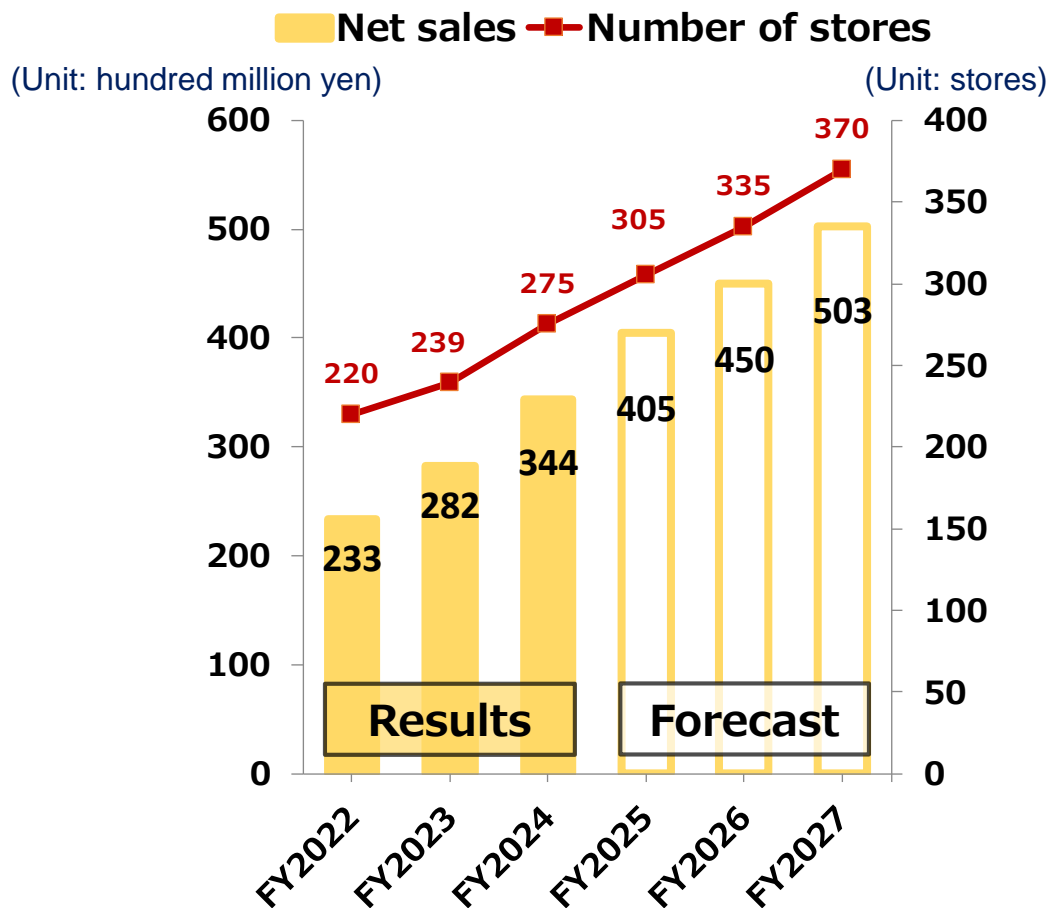
• **Consolidated depreciation: approx. 630 million yen** (previous FY results 530 million yen)

Medium-Term Management Plan

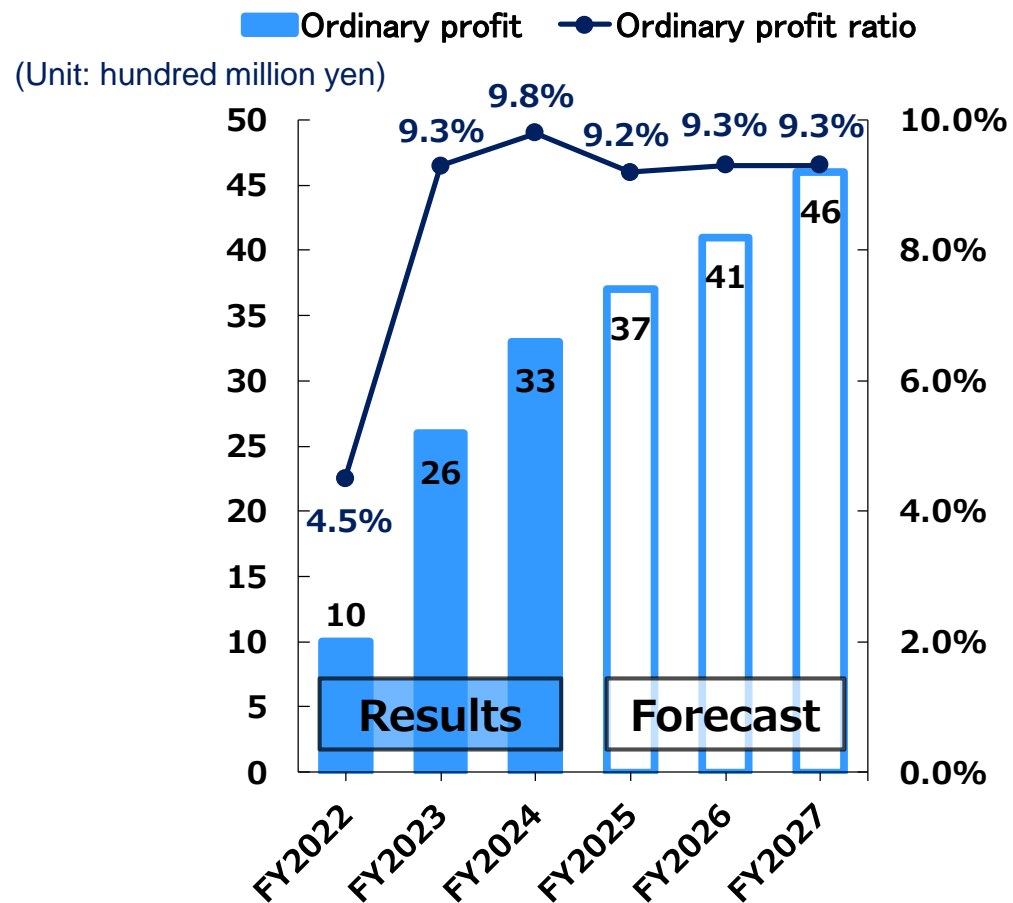
Summary of Medium-term Profit and Loss Projections

- In the three recent fiscal years, we achieved high growth with sales increasing consecutively by more than 20% YOY and ordinary profit ratio rising consecutively approaching 10%.
- With respect to the medium-term plan, sales and profit maintain growth of average 10%+ per year.

Changes in net sales & number of stores



Changes in ordinary profit & ordinary profit ratio



Revision of Medium-term Profit and Loss Projections (FY2025–FY2027)

The Company revised the projections for FY2025 and FY2026 upward, and formulated new projections for FY2027
 For FY2027, we forecast net sales of 50.3 billion yen and ordinary profit of approx. 4.6 billion yen.

(Unit: hundred million yen)

		FY2025		FY2026		FY2027		Three-year average of annual growth rates (CAGR)
	FY2024 results	Forecast before revision	Revised forecast	Forecast before revision	Revised forecast	Forecast before revision	Forecast	Forecast
Net sales	344	386	405	428	450	-	503	13.5%
Ordinary profit	33.8	36.3	37.3	40.2	41.9	-	46.7	11.4%
Ordinary profit ratio	9.8%	9.4%	9.2%	9.4%	9.3%	-	9.3%	-
Profit attributable to owners of parent	22.4	23.6	24.6	26.1	27.6	-	30.8	11.2%
Stores to be opened per year	26	25-30	30	30-35	30-35	-	35-40	-

*Figures before revision are those announced in November 2023

Assumptions and notes on the Plan

- As there are many uncertain elements related to M&A, increase in profit and expenses for M&A, including intermediary fees, are not included in the Plan.
- The Plan may be impacted in the event the Company fails to secure the number of new store properties as originally assumed.
- The Plan may be significantly impacted in the event of unexpected situations, such as the spread of COVID-19.
- The Medium-Term Management Plan may be revised as necessary.

Outlook for Earnings per Share, Dividends, and Dividend Payout Ratio

*Figures before revision are those announced in November 2023

	FY2025		FY2026		FY2027	
	Before revision	After revision	Before revision	After revision	Before revision	After revision
Earnings per share (yen)	100.8	105.3	111.7	118.1	-	131.7
Expected dividends Dividend per share (yen) (Dividend payout ratio)	30.0	32.0 (30.4%)	34.0	36.0 (30.5%)	-	40.0 (30.4%)

*Earnings per share is subject to changes depending on progress in exercise of share acquisition rights and purchase of treasury shares going forward.

*Expected dividends may change due to status of business results, etc.

Financial Planning for FY2025-FY2027

● Funding plan

- Operating cash flows expected to hover around 1.8 to 2.2 billion yen per year
- Bank loans: net increase of approximately 2.5 billion yen in accumulated total over 3 years
- Procure funds of approximately 8 to 9 billion yen in accumulated total over 3 years

● Capital investment plan

- Investments in new stores: 1.6 to 2.1 billion yen per year
- Investments of 5 to 6 billion yen in accumulated total expected to be made over 3 years (including investments in store facilities and security deposits for new stores)

● Shareholder return plan

- Outlook for total dividends for each fiscal year based on dividend forecast
 - FY2025: approximately 750 million yen
 - FY2026: approximately 840 million yen
 - FY2027: approximately 940 million yen
- Three years total: approximately 2.5 billion yen
- Purchase of treasury shares will be conducted in a timely manner based on trends in stock price and status of funds on hand