Note: This document is an excerpt translation of the original Japanese document and is for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Non-consolidated Financial Statements for the Fiscal Year Ended July 31, 2022 (Japanese accounting standards)

September 14, 2022

Kurashicom Inc. Growth Market of the Tokyo Stock Exchange
Code number: 7110 URL https://kurashi.com/
Representative : Kohei Aoki, CEO
Contact : Shuichiro Seta, Executive Officer

Planned Date for Annual General Meeting of Stockholders : October 31, 2022
Planned Date for Submission of Securities Report : October 31, 2022
Planned Date for Start of Dividend Payment : —
Supplementary materials for the financial statements : Yes
Briefing session on financial results : Yes(for institutional investors)

Note: All amounts are rounded down to the nearest million yen.

1. Performance for the fiscal year ended July 31, 2022 (August 1, 2021 - July 31, 2022)

(1) Operating results

(Percentages represent change compared with the previous fiscal year.)

	Net Sales	Year-on-year change	Operating profit	Year-on-year change	Ordinary profit	Year-on-year change	Profit	Year-on-year change
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year ended July 31, 2022	5,163	13.9	841	8.0	850	6.7	561	△1.7
Fiscal Year ended July 31, 2021	4,532	30.5	779	46.4	797	42.1	570	52.4

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary profit/total assets	Operating profit/total net sales
	¥	¥	%	%	%
Fiscal Year ended July 31, 2022	87.71	—	27.6	31.1	16.3
Fiscal Year ended July 31, 2021	89.22	—	38.9	35.6	17.2

Reference: Equity in earnings of affiliates: Fiscal Year ended July 31, 2022: —
Fiscal Year ended July 31, 2021: —

Notes
1. The "Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied since the beginning of the current fiscal year. Figures for the fiscal year ended July 2022 are stated after the application of the said accounting standard, etc.
2. On April 8, 2022, Kurashicom Inc. conducted a 8,000-for-1 common stock split. Earnings per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.
3. Diluted earnings per share is not disclosed because there is no dilutive shares.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal Year ended July 31, 2022	2,987	2,314	77.5	361.65
Fiscal Year ended July 31, 2021	2,480	1,753	70.7	273.94

Reference: Shareholders' equity: Fiscal Year ended July 31, 2022: ¥2,314million
Fiscal Year ended July 31, 2021: ¥1,753million

Notes On April 8, 2022, Kurashicom Inc. conducted a 8,000-for-1 common stock split. Net assets per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

（３）Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
Fiscal Year ended July 31, 2022	535	△99	△70	2,385
Fiscal Year ended July 31, 2021	444	15	△87	2,019

２．Dividends

	Annual dividends					Total dividends paid (total)	Dividend payout ratio	Ratio of dividends to net assets
	First quarter - end	Second quarter - end	Third quarter - end	Year - end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
Fiscal Year ended July 31, 2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal Year ended July 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal Year ended July 31, 2023 (Est.)	—	—	—	—	—		—	

3. Earnings forecasts for the Fiscal Year Ended July 31, 2023 (August 1, 2022 - July 31, 2023)

(Percentages represent change compared with the previous fiscal year)

	Net Sales		Operating profit		Ordinary profit		Profit		Earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal Year ended July 31, 2023	5,801 ～6,044	12.4 ～17.1	866 ～903	3.0 ～7.3	870 ～906	2.3 ～6.6	601 ～626	7.2 ～11.7	94.03 ～97.97

*Notes

(1) Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement

① Changes in accounting policies due to changes in accounting standards : Yes

② Changes other than ① above : None

③ Changes in accounting estimates : None

④ Retrospective restatement : None

(2) Number of Shares Issued and Outstanding (Common stock)

① Number of shares issued at end of period (including treasury shares)	Year ended July 31, 2022	6,720,000 Shares	Year ended July 31, 2021	6,720,000 Shares
② Number of treasury shares at end of period	Year ended July 31, 2022	320,000 Shares	Year ended July 31, 2021	320,000 Shares
③ Average number of shares outstanding	Year ended July 31, 2022	6,400,000 Shares	Year ended July 31, 2021	6,400,000 Shares

Notes On April 8, 2022, Kurashicom Inc. conducted a 8,000-for-1 common stock split. Number of shares issued at end of period (including treasury shares), Number of treasury shares at end of period and Average number of shares outstanding (quarterly cumulative period) have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

* The Company's financial statements are not subject to financial review by certified public accountants or an auditing firm.

* Explanation on the Appropriate Usage of Performance Projections and Other Specific Matters

(Cautionary Statement Concerning Forward-Looking Statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to us and on certain assumptions deemed to be reasonable.

Financial Statements

Balance Sheets

(Thousands of yen)

	As of July 31, 2021	As of July 31, 2022
ASSETS		
Current assets		
Cash and deposits	2,019,559	2,385,482
Accounts receivable - trade	160,796	157,663
Merchandise	194,475	251,266
Work in process	16,937	16,125
Prepaid expenses	10,039	14,406
Other	1,494	6,013
Total current assets	2,403,302	2,830,957
Non-current assets		
Property, plant and equipment		
Buildings, net	22,639	22,985
Tools, furniture and fixtures, net	1,849	2,322
Construction in progress	—	43,087
Total property, plant and equipment	24,489	68,395
Intangible assets		
Software	3,458	2,425
Software in progress	3,300	48,212
Trademark right	—	7,980
Total intangible assets	6,758	58,618
Investments and other assets		
Leasehold deposits	10,520	10,693
Deferred tax assets	29,914	12,921
Other	5,650	5,650
Total investments and other assets	46,085	29,264
Total non-current assets	77,332	156,279
Total Assets	2,480,635	2,987,236

(Thousands of yen)

	As of July 31, 2021	As of July 31, 2022
LIABILITIES		
Current liabilities		
Accounts payable - trade	121,030	135,711
Current portion of long-term borrowings	76,752	76,633
Accounts payable - other	120,005	125,446
Accrued expenses	20,532	18,356
Deposits received	23,451	19,745
Income taxes payable	140,988	157,544
Accrued consumption taxes	52,956	32,582
Other	880	3,850
Total current liabilities	556,596	569,870
Non-current liabilities		
Long-term borrowings	170,810	102,787
Total non-current liabilities	170,810	102,787
Total liabilities	727,406	672,657
NET ASSETS		
Shareholders' equity		
Share capital	8,000	8,000
Capital surplus		
Legal capital surplus	136,700	136,700
Total capital surplus	136,700	136,700
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,745,229	2,306,578
Total retained earnings	1,745,229	2,306,578
Treasury shares	△136,700	△136,700
Total shareholders' equity	1,753,229	2,314,578
Total net assets	1,753,229	2,314,578
Total liabilities and net assets	2,480,635	2,987,236

Statements of Income

(Thousands of yen)

	Fiscal Year ended July 31, 2021	Fiscal Year ended July 31, 2022
Net sales	4,532,154	5,163,136
Cost of sales	2,478,685	2,901,167
Gross profit	2,053,468	2,261,968
Selling, general and administrative expenses	1,273,916	1,420,113
Operating profit	779,552	841,854
Non-operating income		
Interest income	20	25
Cashless Redemption income	2,875	—
Subsidy income	287	1,200
Commission income	12,471	13,220
Other	3,524	2,382
Total non-operating income	19,179	16,828
Non-operating expenses		
Interest expenses	1,381	1,055
Listing expenses	—	7,038
Other	38	118
Total non-operating expenses	1,420	8,212
Ordinary profit	797,311	850,469
Extraordinary income		
Gain on liquidation of associates	12,023	—
Total extraordinary income	12,023	—
Profit before income taxes	809,335	850,469
Income taxes-current	236,618	272,127
Income taxes-deferred	1,725	16,993
Total income taxes	238,344	289,120
Profit	570,990	561,349

Details of Cost of sales

Accounts		Fiscal Year ended July 31, 2021		Fiscal Year ended July 31, 2022	
		Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)	Ratio (%)
Ⅰ Cost of purchased goods		2,129,921	82.6	2,257,186	76.3
Ⅱ Personnel costs		10,910	0.4	10,944	0.4
Ⅲ Other expenses	※1	437,626	17.0	690,889	23.3
Total incurred cost		2,578,458	100.0	2,959,019	100.0
Beginning - work in process		4,180		16,937	
Beginning - merchandise		107,459		194,475	
Subtotal		2,690,098		3,170,432	
Ending - work in process		16,937		16,125	
Ending - merchandise		194,475		251,266	
Net		2,478,685		2,903,040	
Goods transfer to other account	※2	－		1,873	
Cost of sales		2,478,685		2,901,167	

※1 Breakdown of Other expenses is below

Accounts	Fiscal Year ended July 31, 2021	Fiscal Year ended July 31, 2022
Packing and transportation costs	254,765	493,070
Commission expenses	115,270	160,567

2 The matter of “Goods transfer to other accounts” is sales returns.

Statements of Changes in equity

Fiscal Year ended July 31, 2021

(Thousands of yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings			
Balance at beginning of period	8,000	136,700	136,700	1,174,238	1,174,238	△136,700	1,182,238	1,182,238
Changes during period								
Profit				570,990	570,990		570,990	570,990
Total changes during period	—	—	—	570,990	570,990	—	570,990	570,990
Balance at end of period	8,000	136,700	136,700	1,745,229	1,745,229	△136,700	1,753,229	1,753,229

Fiscal Year ended July 31, 2022

(Thousands of yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings			
Balance at beginning of period	8,000	136,700	136,700	1,745,229	1,745,229	△136,700	1,753,229	1,753,229
Changes during period								
Profit				561,349	561,349		561,349	561,349
Total changes during period	—	—	—	561,349	561,349	—	561,349	561,349
Balance at end of period	8,000	136,700	136,700	2,306,578	2,306,578	△136,700	2,314,578	2,314,578

Statements of Cash Flows

(Thousands of yen)

	Fiscal Year ended July 31, 2021	Fiscal Year ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	809,335	850,469
Depreciation	4,770	4,295
Gain on liquidation of associates	△12,023	—
Increase (decrease) in provision for point card certificates	△42,597	—
Interest income	△20	△25
Cashless Redemption income	△2,875	—
Subsidy income	△287	△1,200
Commission income	△12,471	△13,220
Interest expenses	1,381	1,055
Listing expenses	—	7,038
Decrease (increase) in trade receivables	△33,619	3,132
Decrease (increase) in inventories	△99,772	△55,978
Increase (decrease) in trade payables	△17,065	14,680
Increase (decrease) in accounts payable - other	30,777	△190
Increase (decrease) in accrued expenses	7,086	△2,175
Increase (decrease) in accrued consumption taxes	△696	△20,373
Other, net	22,931	△9,794
Subtotal	654,853	777,714
Interest received	23	25
Interest paid	△1,381	△1,055
Cashless Redemption received	2,875	—
Subsidy received	287	1,200
Commission received	12,471	13,220
Income taxes paid	△224,804	△255,571
Net cash provided by (used in) operating activities	444,324	535,533
Cash flows from investing activities		
Purchase of property, plant and equipment	△755	△46,440
Proceeds from sale of property, plant and equipment	1,636	—
Purchase of intangible assets	△3,300	△53,028
Proceeds from liquidation of associate	17,923	—
Net cash provided by (used in) investing activities	15,504	△99,468
Cash flows from financing activities		
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	△87,543	△78,142
Payment of listing expenses	—	△2,000
Net cash provided by (used in) financing activities	△87,543	△70,142
Net increase (decrease) in cash and cash equivalents	372,286	365,922
Cash and cash equivalents at beginning of period	1,647,272	2,019,559
Cash and cash equivalents at end of period	2,019,559	2,385,482