

KURASHICOM

Results for the Fiscal Year Ended July 31, 2022

Kurashicom Inc.

(TOKYO GROWTH MARKET : 7110)

HIGHLIGHTS

Results for FY7/22

Achieved double-digit growth in net sales despite of slowdown of e-commerce market once expanded amid COVID-19

Sales/ Sales growth rate

5.1billion yen / 13.9%

Business Highlights for FY7/22

Deepening and expansion of each layer of Life Culture Platform

Number of engagement accounts※

5.6million

Forecast for FY7/23

Aiming for growth and stable profitability in an uncertain external environment

Ordinary profit ratio
(Forecasts for FY7/23)

Around15%

※ The sum of the number of followers of the official SNS, the number of YouTube channel subscribers, the number of downloads of the app, and the number of e-mail newsletter subscribers, etc. (LINE transitioned from LINE@ to the current account as of February 2020. "Instagram" includes the number of followers of the official account for the store manager of “Hokuoh Kurashi no Douguten”.)

Statements of Income FY7/22（vs. FY7/21）

[¥ Million]

	FY7/22 Results	FY7/21 Results	Change	Change[%]
Net Sales	**5,163**	4,532	630	13.9
D2C Sales	**4,860**	4,258	601	14.1
Brand Solution Sales	**303**	273	29	10.9
Cost of sales	**2,901**	2,478	422	17.0
Gross profit	**2,261**	2,053	208	10.2
Gross profit margin ratio	**43.8%**	45.3%	-	-
Selling, general and administrative expenses	**1,420**	1,273	146	11.5
Operating Profit	**841**	779	62	8.0
Operating profit ratio	**16.3%**	17.2%		-
Ordinary Profit	**850**	797	53	6.7
Ordinary profit ratio	**16.5%**	17.6%	-	-
Profit	**561**	570	△9	△1.7

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) was applied from FY7/22. Shipping and settlement fees received from customers, which were previously deducted from the cost of sales, are now recognized as revenue. Results for FY7/21 are before application.

Main Reasons for Change of FY7/22 vs. FY7/21

- Sales growth rate was 13.9% despite a temporary drop in stay-home demand in the EC market, maintaining solid growth compared to the overall EC market growth rate of 1.9%*1.

- In D2C, sales growth rate was 14.1% due to strong sales of original products "KURASHI&Trips PUBLISHING". The ratio of original products to total sales reached 50%, and the cost of merchandises per sales remained low at 46.7%.

- Increase in expenses due to hiring of human resources, advertising expenses to promote app downloads, and organizational improvements associated with the IPO. Kurashicom achieved healthy performance with operating profit of 841 million yen and ordinary profit of 850 million yen.

- Profit decreased from the previous year because the tax rate was lower than usual in the previous year due to Tax Credits for Salary Growth.

※1 Source: Nowcast, Inc “JCB Consumption NOW”
※2 Source: Cost ratio calculated based on sales and cost of goods sold excluding commissions, etc., and differs from the cost of sales ratio in the income statement.

Statements of Income for FY7/22 （vs. Forcast）

Results were almost in line with forecasts

[¥ Million]

	FY7/22 Results	FY7/21 Results	Change	Change[%]
Net Sales	**5,163**	5,149	13	0.3
Operating Profit	**841**	829	12	1.5
Ordinary Profit	**850**	834	15	1.8
Profit	**561**	550	11	2.0

Balance Sheets for FY7/2022

[¥ Million]

	FY7/22 Results	FY7/21 Results	Change	Main Reasons for Change
Total assets	**2,987**	2,480	506	
Current assets	**2,830**	2,403	427	
Cash and deposits	**2,385**	2,019	365	
Merchandise	**251**	194	56	Increase due to inventory adjustment in anticipation of higher sales in FY7/23 Increase is within an appropriate range
Non-current assets	**156**	77	78	Increase due to system development, etc.
Liabilities	**672**	727	△54	
Borrowings	**179**	247	△68	
Other	**493**	479	13	
Net assets	**2,314**	1,753	561	Increase in retained earnings due to FY7/2022 profit

Forecasts for FY7/23

Expect to increase revenues and profits in FY7/23
Preparing for the products to be ordered, marketing measures, etc. to meet the upper limit.
Even in case of lower performance due to the uncertainly external environment,
we would aim for an ordinary profit margin of around 15% by controlling expenditures.

[¥ Million]

	Forecasts	Result FY7/22	Change	Change[%]
Net Sales	**5,801～6,044**	5,163	638～881	12.4～17.1
D2C Sales	**5,589～5,831**	4,860	728～971	15.0～20.0
Brand Solution Sales	**212**	303	△90	△29.8
Operating Profit	**866～903**	841	24～61	3.0～7.3
Ordinary Profit	**870～906**	850	19～56	2.3～6.6
Profit	**601～626**	561	40～65	7.2～11.7