

KURASHICOM

Summary of Results for the Three Months Ended October 31, 2023

Kurashicom Inc.

(TOKYO GROWTH MARKET : 7110)

HIGHLIGHTS

YoY Sales Growth Ratio
+11.3%

YoY EBITDA Growth Ratio
+17.3%

EBITDA Margin
18.1%

- The 11.3% increase in sales was due to the growth in "Hokuoh Kurashi no Douguten" sales and the inclusion of "foufou” sales.
- The 17.3% increase in EBITDA was due to the sales growth, appropriate cost control and improved profitability of "foufou”.
- EBITDA margin is higher than this year's forecast of 15%.
- Steady progress generally in line with forecasts.

※ Consolidated basis. Growth rate is compared with Kurashicom non-consolidated in the previous period.

Copyright 2023 Kurashicom Inc. All Rights Reserved.

Consolidated Statements of Income for 1Q of FY7/2024 vs. 1Q of the Previous Year

Our 1Q results are growing steadily despite the pessimistic economic environment including 0.7% drop of real quarterly GDP growth rate in Jul.-Sep. 2023 and the downtrend of consumer spending.
Record quarterly sales and EBITDA due to the solid growth of "Hokuoh Kurashi no Douguten" and inclusion of "foufou" started from this quarter.

[￥Million]

	1Q Results FY Jul.24 (Consolidated)	1Q Results FY Jul.23 (Non-Consolidated)	Change	Change[%]
Net Sales	**1,759**	1,581	+178	+11.3
Cost of sales	**1,010**	921	+89	+9.7
Gross Profit	**749**	660	+89	+13.6
Gross profit ratio	**42.6%**	41.7%	-	-
Selling, general and administrative expenses	**444**	389	+55	+14.3
Operating profit	**304**	270	+34	+12.6
Operating profit ratio	**17.3%**	17.1%	-	-
Ordinary profit	**308**	260	+48	+18.6
Ordinary profit ratio	**17.6%**	16.5%	-	-
Profit attributable to owners of parent	**197**	181	+15	+8.6
EBITDA	**319**	272	+47	+17.3
EBITDA margin	**18.1%**	17.2%	-	-

※ EBITDA = Operating Profit + Depreciation and amortization ＋Goodwill amortization

Copyright 2023 Kurashicom Inc. All Rights Reserved.

By Segment

Results by segment for 1Q of FY7/2024 vs. 1Q of the Previous Year

"Hokuoh Kurashi no Douguten" achieved sales and profit growth despite a difficult domestic consumption environment and a backlash from the 15th anniversary campaign in the previous fiscal year.
Focused on building a new management structure for "foufou". Improvement in profitability was realized from 1Q.

[￥Million]

		1Q Results FY Jul. 24	1Q Results FY Jul. 23	Change	Change[%]
Hokuoh Kurashi no Douguten Segment	Net Sales	**1,655**	1,581	74	+4.7%
	EBITDA	**295**	272	23	+8.6%
	EBITDA margin	**17.9%**	17.2%	-	-
foufou Segment	Net Sales	**104**	-	-	-
	EBITDA	**23**	-	-	-
	EBITDA margin	**22.5%**	-	-	-
Consolidated	Net Sales	**1,759**	1,581	178	+11.3%
	EBITDA	**319**	272	47	+17.3%
	EBITDA margin	**18.1%**	17.2%	-	-

※ EBITDA = Operating Profit + Depreciation and amortization ＋Goodwill amortization

Copyright 2023 Kurashicom Inc. All Rights Reserved.

Consolidated

Balance Sheets at 1Q of FY7/2024

The assets and liabilities, including goodwill, increased due to the start of "foufou" consolidation. The net assets decreased due to dividend payments, but the equity ratio remained high at 81.0%. The net cash was 3.4 billion yen which is sufficient despite M&A expenditures and dividend payments. The capital reduction completed on December 15, 2023 during 2Q which aimed for ensuring flexibility in capital policy and shareholder returns (no impact on net assets)

[¥Million]

	As of Oct. 31, 2023	As of Jul. 31, 2023	Change	Main Reason for change
Total Assets	5,107	5,020	+87	
Current Assets	4,568	4,829	△260	
Cash and deposits	3,609	4,336	△726	・Acquisition of foufou △300M ・Dividend payment △331M
Merchandise	555	271	+284	・fouofou +55M ・Hokuoh Kurashi no Douguten ＋228M
Non-current assets	538	190	+347	
Goodwill	210	—	+210	Acquisition of foufou
Liabilities	968	742	+225	
Borrowings	200	216	△15	
Other	768	526	+241	Accounts payable from inventory reserves ＋210M
Net Assets	4,138	4,277	△138	・Profit＋198M ・Dividend payment △331M

Equity Ratio

81.0%

Net Cash

3.4

billion yen

Copyright 2023 Kurashicom Inc. All Rights Reserved.

Consolidated

Progress of Business Forecasts for FY7/2024

The 1Q sales were mostly in line with the plan despite the impact of record-breaking late summer heat. The 1H sales are expected to be around the forecast. The profits, including EBITDA, were slightly higher than planned in 1Q which is mainly due to the underspending of SG&A expenses. The forecast for the fiscal year is estimated to remain unchanged as there could have marketing expenditures and other investments.

[￥Million]

	1Q Results FY Jul. 2024	FY Jul. 2024 Forecasts	Rate of progress[%]
Net Sales	1,759	6,835	25.7%
Operating Profit	304	945	32.3%
Ordinary Profit	308	960	32.2%
Profit attributable to owners of parent	197	635	31.1%
EBITDA	319	1,025	31.2%
EBITDA margin	18.1%	15.0%	-

※ EBITDA = Operating Profit + Depreciation and amortization ＋Goodwill amortization

Copyright 2023 Kurashicom Inc. All Rights Reserved.

By Segment

Progress of Business Forecasts for FY7/2024

The sales of "Hokuoh Kurashi no Douguten" were mostly in line with the plan. The EBITDA exceeded the plan due to underspending of SG&A expenses. Sales of "foufou" were mostly in line with the plan. EBITDA also exceeded the plan due to the effect of profitability improvement by appropriate pricing.

[￥Million]

		1Q Results FY Jul. 2024	FY Jul. 2024 Forecasts	Rate of progress[%]
Hokuoh Kurashi no Douguten Segment	Net Sales	1,655	6,465	25.6%
	EBITDA	295	970	30.5%
	EBITDA margin	17.9%	15.0%	-
foufou Segment	Net Sales	104	370	28.3%
	EBITDA	23	55	42.9%
	EBITDA margin	22.5%	14.9%	-
Consolidated	Net Sales	1,759	6,835	25.7%
	EBITDA	319	1,025	31.2%
	EBITDA margin	18.1%	15.0%	-

※ EBITDA = Operating Profit + Depreciation and amortization ＋Goodwill amortization

Copyright 2023 Kurashicom Inc. All Rights Reserved.