



Treasure Factory Co., Ltd.

Presentation Materials

Six Months Ended August 31, 2024 (March 2024 to August 2024)

October 10, 2024

Summary of Q2 Results

1

Both cumulative Q2 sales and operating profit grew by +20% YOY

- Existing stores continue to enjoy high-level growth rates, achieving **107.9%** YOY in cumulative Q2.
- Operating cash flows increased significantly with the improvement of inventory efficiency, resulting in **better quality of earnings** which is a greater benefit than the profit amount.

2

Operating cash flows improved significantly

- Operating cash flows for cumulative Q2 came to a record-high **1,256**million yen (+**1,414**million yen YOY)
- Enforced a group-wide theme of improving inventory efficiency, and the actions at each store proved successful.

3

Non-consolidated existing stores achieved sales exceeding 100% YOY for 36 consecutive months

- Sales from non-consolidated existing stores exceeded 100% YOY for **36 consecutive months** from September 2021 through August 2024.

4

Made advance investments to accelerate store openings

- Expanded and relocated the distribution center to secure ample inventory for new stores
- Increased base pay by **7%**to **become more competitive** in the recruitment market

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Consolidated | Profit and Loss Statements (PL)



Both net sales and operating profit grew more than +20% YOY in cumulative Q2 period. We continue to expect similar growth rates in the second half.

(million yen)	FY2024	FY2025	Year on year		Performance forecasts		Factors that caused YOY increase/decease and differences between performance forecast and actual results:
	Cumulative Q2	Cumulative Q2	Change (million yen)	Change (%)	Cumulative Q2 forecasts	Progress	
Net sales	15,862	19,614	+3,751	+23.7%	19,810	99.0%	Year on year:Growth rate of existing stores in cumulative Q2 was 107.9% : Benefited from 26 stores opened in previous FY + 11 stores in current FY + M&A in previous FY Performance forecasts:Decrease of 121 million yen due to delayed new store openings in current FY
Net gross profit	9,838	11,813	+1,975	+20.1%	-	-	
Gross profit ratio	62.0%	60.2%	-1.8 pts	-	-	-	Due to increase in sales composition ratio of expensive items catering to inbound tourists -1.1 pts Impacts of golf gear reuse business which was acquired by M&A in the previous fiscal year -0.5 pts Impacts of changes in accounting process (part of the shipping cost for purchases under SG&A expenses is now included in cost of sales) -0.2 pts
Selling, general, and administrative expenses	8,389	10,068	+1,678	+20.0%	-	-	
Operating profit	1,448	1,745	+296	+20.5%	1,785	97.8%	Performance forecasts:-46 million yen due to delayed new store openings in current FY
Operating profit ratio	9.1%	8.9%	-0.2 pts	-	-	-	
Ordinary profit	1,468	1,757	+289	+19.7%	1,803	97.5%	
Interim net profit attributable to owners of parent	932	1,144	+212	+22.8%	1,165	98.3%	
Earnings per share of interim net profit	39.97 yen	48.86 yen	+8.89 yen	+22.2%	49.73 yen	98.3%	

Consolidated | Balance Sheets (BS)



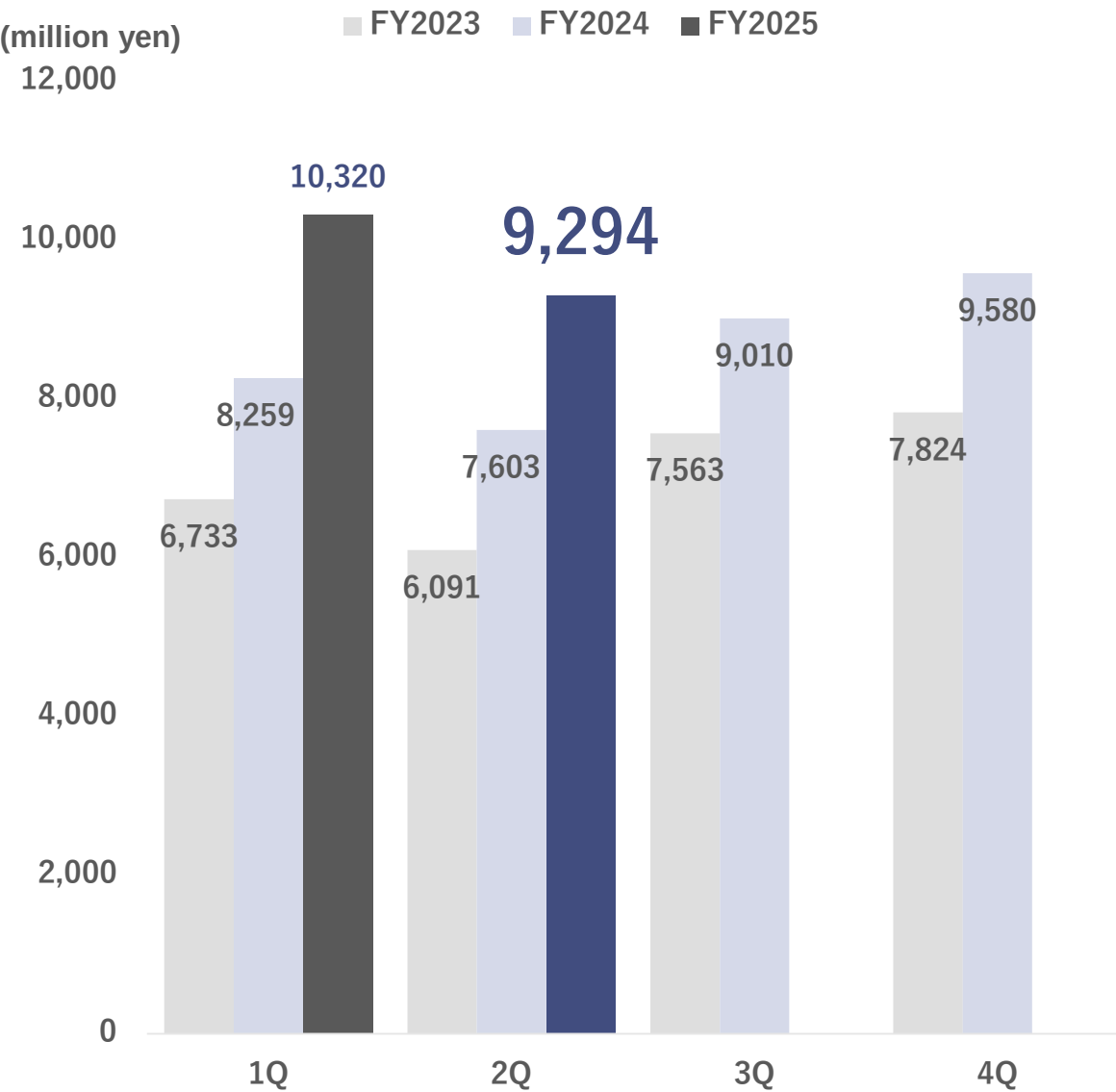
As a result of enforcing a group-wide theme of improving inventory efficiency, and the actions taken at each store, we successfully controlled excess inventory that posed negative impacts on sales growth.

(million yen, % shows composition ratio)				
	End of FY2024	End of FY2025 Q2	Increase/decrease	Increase/decrease factors
Current assets	11,464 (64.7%)	12,072 (63.7%)	+608 (-1.0 pts)	By improving the balance between purchases and sales, inventory increased moderately compared to sales growth (Composition ratio in FY2024 Q2 was +5.0 pts over FY2023 Q2)
Of which, merchandise	6,899 (38.9%)	7,433 (39.2%)	+534 (+0.3pt)	
Non-current assets	6,264 (35.3%)	6,893 (36.3%)	+629 (+1.0pt)	
Total assets	17,728 (100.0%)	18,966 (100.0%)	+1,237	
Current liabilities	6,426 (36.3%)	7,024 (37.0%)	+597 (+0.7pt)	
Non-current liabilities	2,775 (15.7%)	2,590 (13.7%)	-184 (-2.0 pts)	
Net assets	8,526 (48.1%)	9,351 (49.3%)	+825 (+1.2pt)	
Total liabilities and net assets	17,728 (100.0%)	18,966 (100.0%)	+1,237	
Equity capital ratio	47.8%	48.9%	+1.1pt	

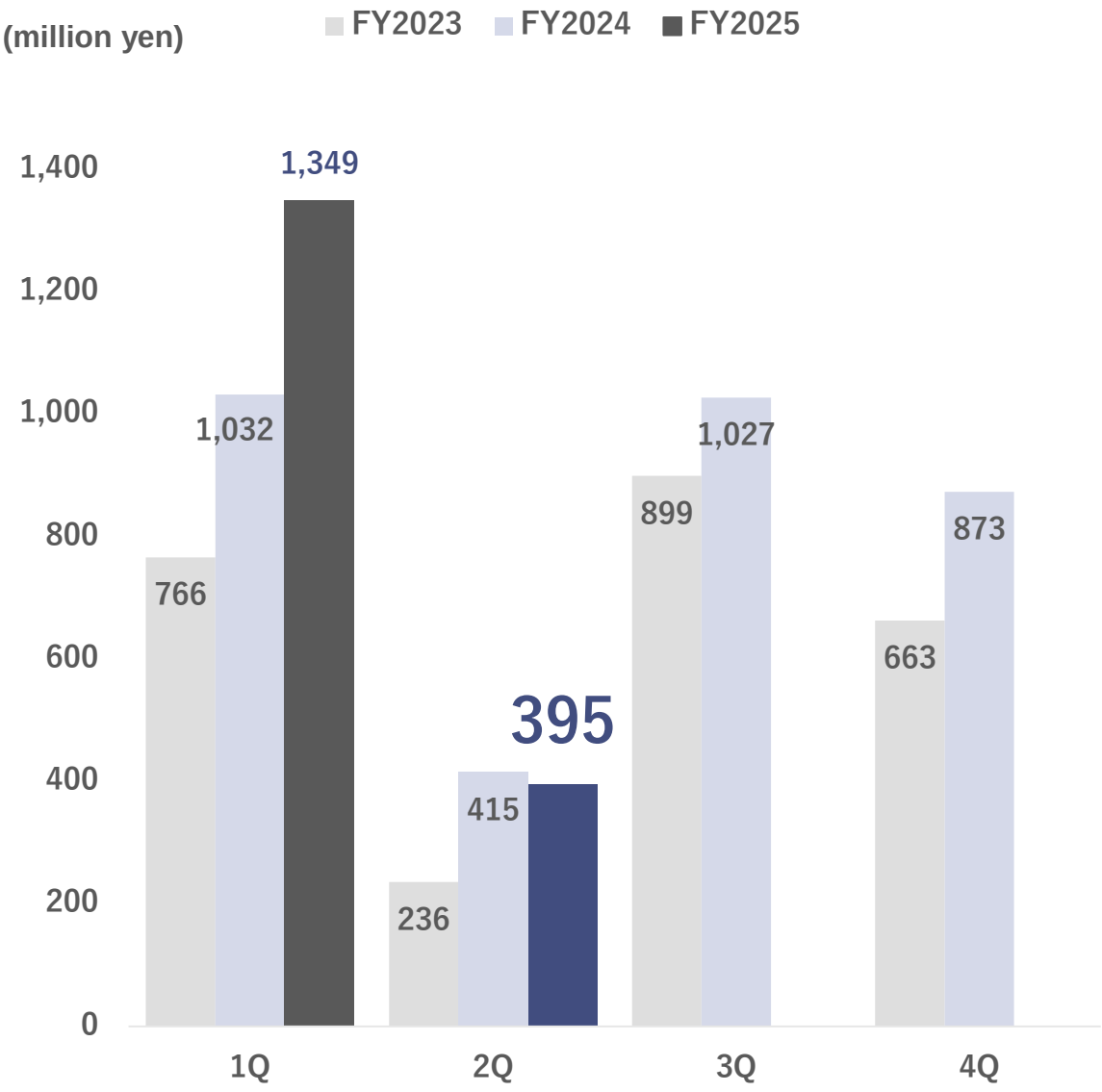
Consolidated | Quarterly Results



Net sales



Operating profit



Both six months cumulative sales and operating profit grew by +20% YOY

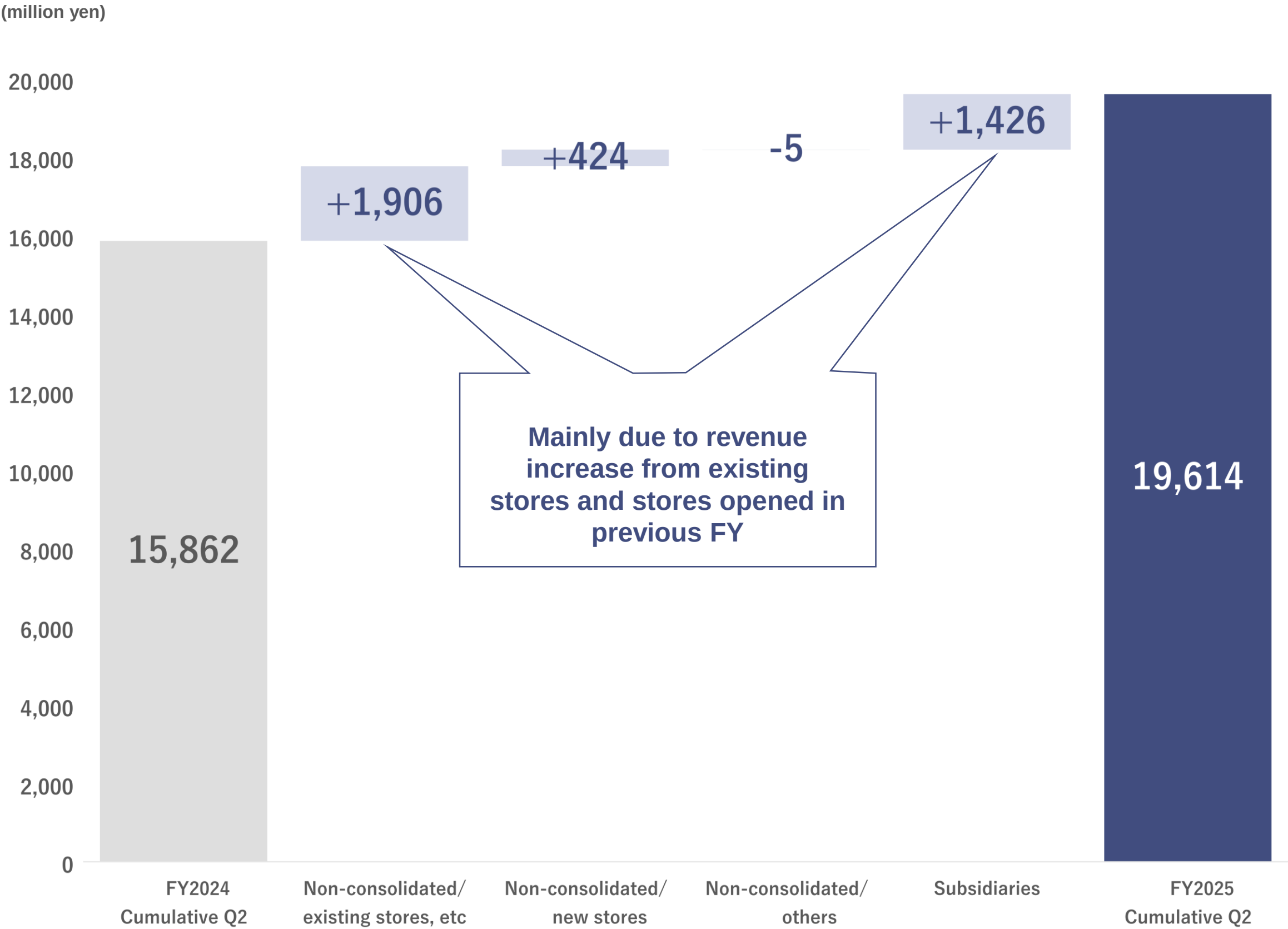
- Existing stores continue to enjoy high-level growth rates
- Despite advance investments to accelerate opening of new stores, we saw significant increase in revenue and profit in cumulative Q2
- Operating cash flows increased significantly, resulting in **better quality of earnings** which is a greater benefit than the profit amount
- (See p. 12)

Profit decreased YOY in Q2 as a result of advance investments, etc.

- Increase in costs due to expansion and relocation of distribution center to maintain inventory for new stores
- Increase in cost as a result of base pay raise aiming to secure staffing
- Decrease in profit due to impacts of greater investment in advertisement by competitors in dress rental business

(million yen)	Quarterly Results			Cumulative Q2		
	FY2024 Q2	FY2025 Q2	Year on year	FY2024	FY2025	Year on year
Net sales	7,603	9,294	22.2%	15,862	19,614	23.7%
Operating profit	415	395	-4.8%	1,448	1,745	20.5%
Operating profit ratio	5.5%	4.3%	-1.2 pts	9.1%	8.9%	-0.2 pts

Consolidated | Net Sales Fluctuation Analysis



Increase in revenue from existing stores, etc. drove growth in net sales

- Revenue increase exceeded **+3,000**million yen in the first half alone (total of non-consolidated stores/subsidiaries)

New stores opened in the current fiscal year generally made a strong start

- While there has been some shift in the store opening schedule from the initial plan, performance of already opened stores is largely as planned

Supplementary comments

- Non-consolidated/existing stores, etc. represents the total of existing stores and stores opened in the previous fiscal year

Consolidated | Purchases and Sales, by Category



(million yen)	Purchases			Sales		
	Q2 results	Composition ratio	Year on year	Q2 results	Composition ratio	Year on year
Household items	407	5.0%	118.3%	1,118	5.8%	122.7%
Apparel	3,315	40.5%	114.1%	8,734	45.7%	123.7%
Fashion items	2,361	28.8%	125.7%	4,385	22.9%	126.1%
Electric appliances	646	7.9%	107.3%	2,104	11.0%	114.9%
Furniture	150	1.8%	98.7%	702	3.7%	107.2%
Hobby-related items	837	10.2%	151.6%	1,845	9.7%	154.3%
Other	474	5.8%	110.5%	228	1.2%	62.6%
Total	8,192	100.0%	119.3%	19,119	100.0%	123.3%

Apparel, fashion items, and hobby-related items were particularly successful

- Solid demand for reusable items lead to steady sales of key apparel items
- With continued demand of international visitors, fashion items including branded bags, watches, etc. sold well
- In addition to healthy sales of sports and outdoor items, and musical instruments, sales of hobby-related items increased significantly thanks to the golf reuse business acquired through M&A in the previous fiscal year

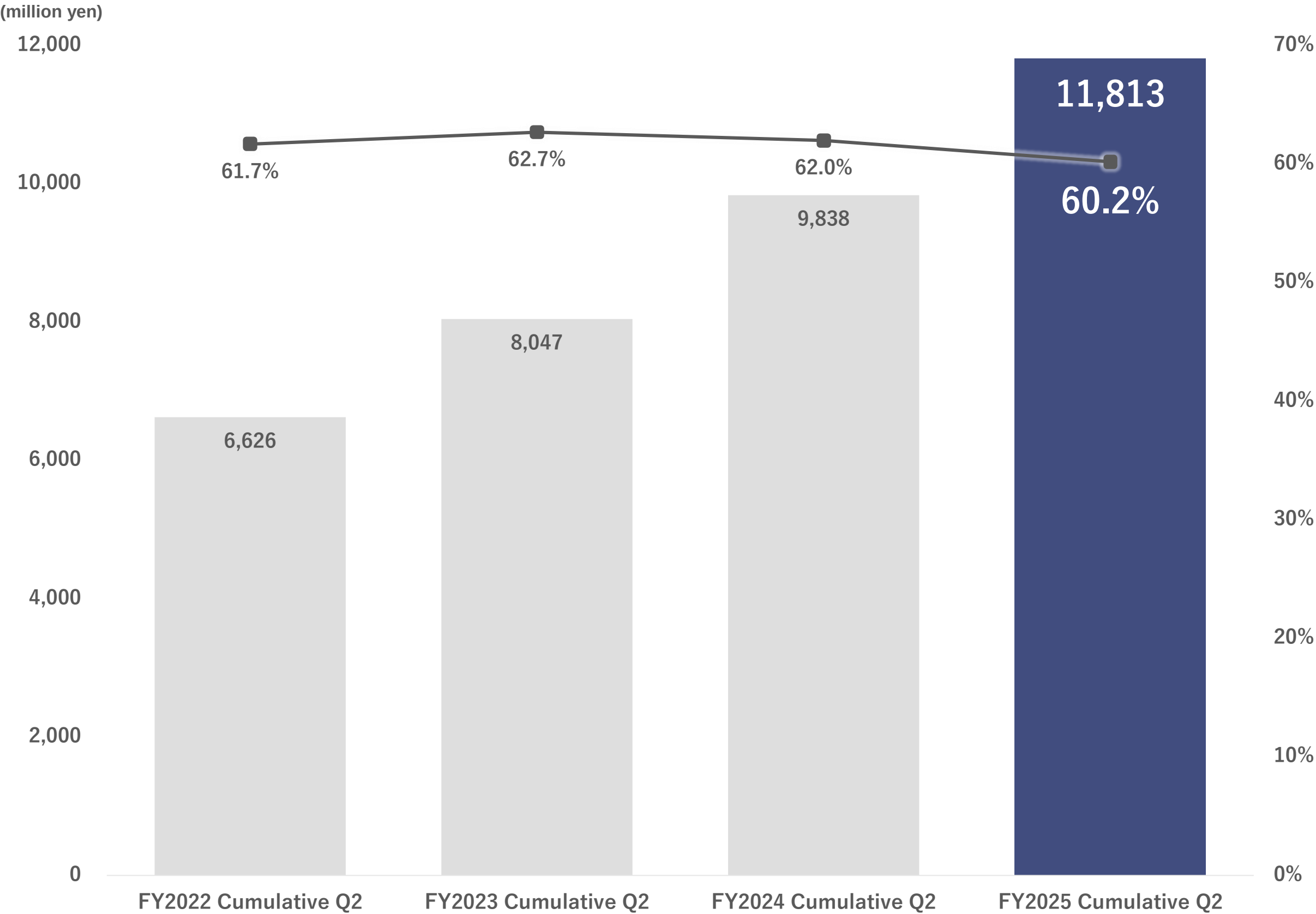
Cost rates rose and SGA ratio declined

- Of the strong-selling product categories, fashion items and hobby-related items have relatively high selling unit prices and selling efficiency
- While cost rates are high, the SGA ratio tends to be lower, which was evident in the current PL (Gross profit ratio decreased and SGA ratio declined)

Supplementary comments

- Fashion items: bags, wallets, watches, etc.
- Hobby-related items: sports and outdoor items, toys, musical instruments, etc.
- “Other” under Purchases: include side expenses

Consolidated | Net Gross Profit for the Past 4 Years



Growth of sales brought increase in net gross profit

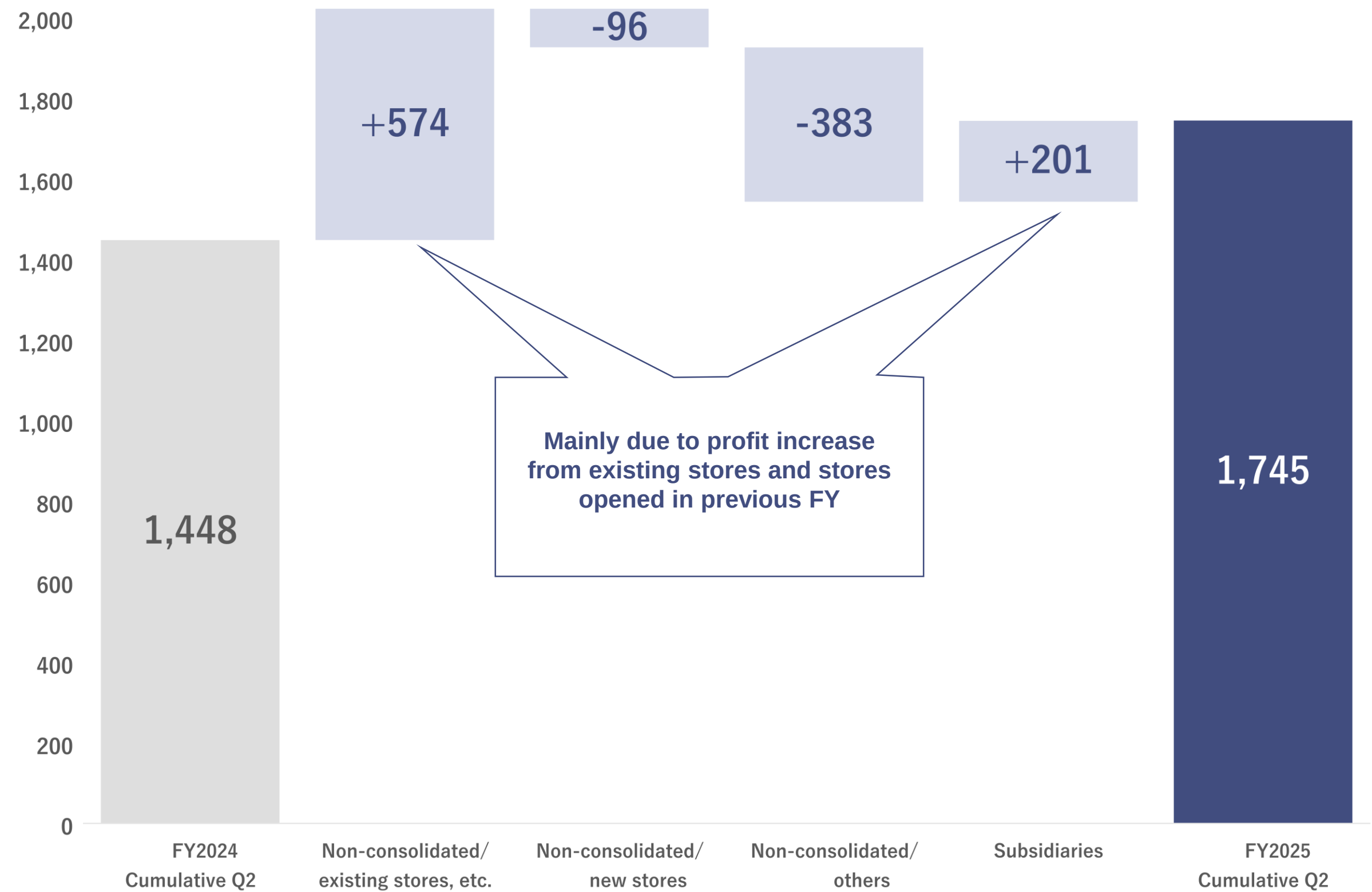
- While gross profit ratio is fluctuating with changes in the composition ratio of sales of each product category, gross profit is stably increasing in terms of monetary amounts
- Increase in sales of expensive items catering to inbound tourists resulted in an increase in net gross profit
(Duty-free sales ratio was **9.7%**, up 3.7 pts YOY)

Gross profit ratio came to -1.8% YOY

- Due to increase in sales composition ratio of expensive items catering to inbound tourists **-1.1 pts**
- Impacts of golf gear reuse business which was acquired by M&A in the previous fiscal year **-0.5 pts**
- Impacts of changes in accounting process (part of the shipping cost for purchases under SG&A expenses is now included in cost of sales) **-0.2 pts**

Consolidated | Operating Profit Fluctuation Analysis

(million yen)



Increase in revenue from existing stores, etc. enabled solid increase in profit

- Profit increased by more than **+775** million yen in the first half alone (total of non-consolidated and subsidiaries)

Breakdown of Non-consolidated, Others

- Increase in staffing for purchase channels other than in-store purchases -78M yen
- Increase in advertising expenses for strengthen EC and perching -27M yen
- Increase in costs for expansion and relocation of distribution center -33M yen
- Decrease in profit YOY from rental business -30M yen

Supplementary comments

- Non-consolidated/existing stores, etc. represents the total of existing stores and stores opened in the previous fiscal year
- The distribution center handling home-delivery purchases was expanded and relocated in FY2024 (February)
- The distribution center for home-visit purchases/auction/rental businesses was expanded and relocated in the current fiscal year (July–August)

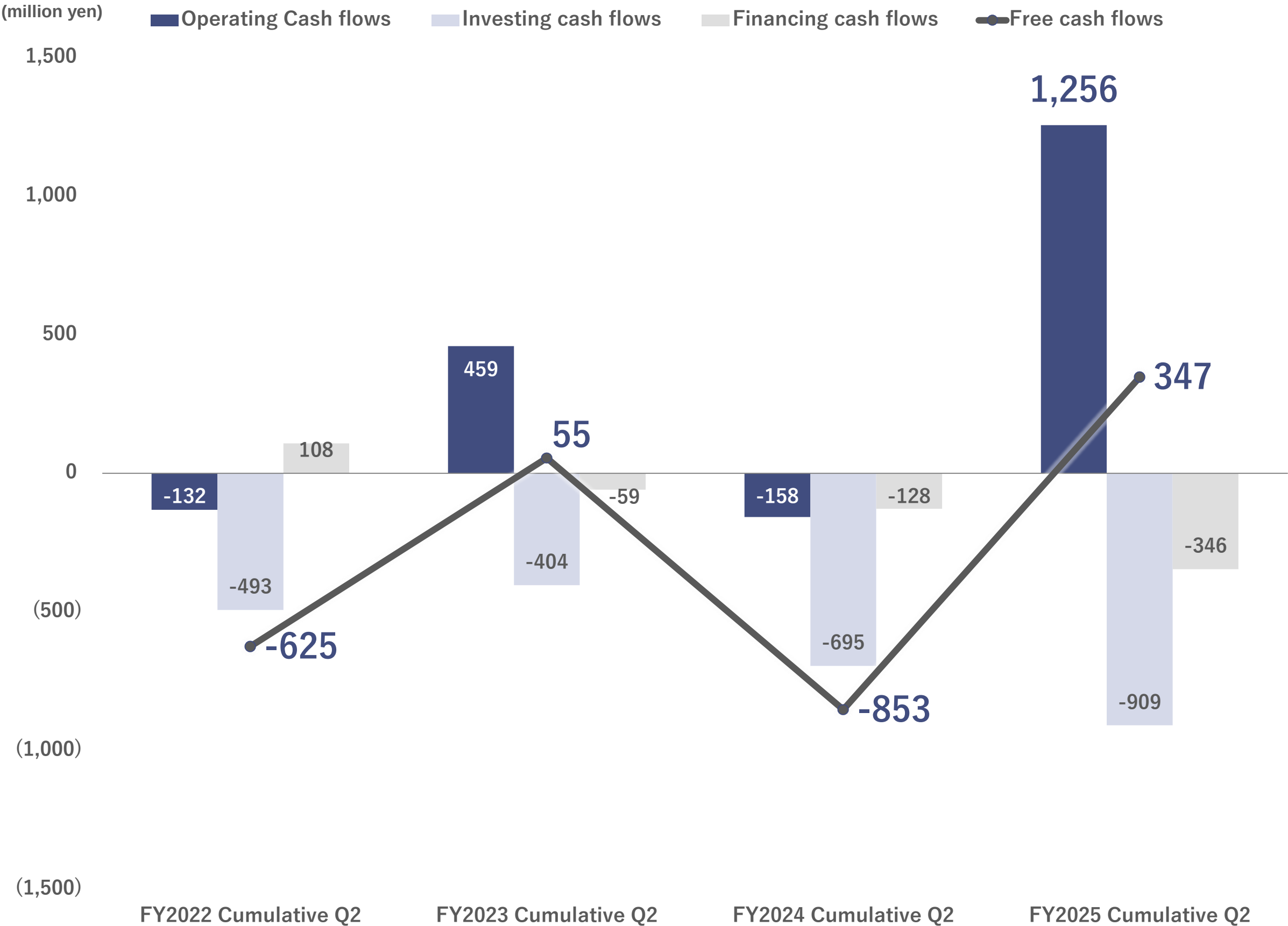
Consolidated | Selling, General, and Administrative Expenses (Itemization)



SGA to sales ratio came to -1.6pts YOY. While fixed expenses increased, sales increase sufficiently absorbed rise in expenses

(million yen, % shows sales ratio)	FY2024 Cumulative Q2	FY2025 Cumulative Q2	Year on year	Increase/decrease factors
Personnel expenses	4,187 (26.4%)	4,984 (25.4%)	119.0% (-1.0 pts)	Increased base pay of full-time employees by 7% in June
Rent expenses	1,757 (11.1%)	2,089 (10.7%)	118.9% (-0.4 pts)	New store opening, expansion and relocation of distribution center
Depreciation	198 (1.3%)	292 (1.5%)	147.6% (+0.2pt)	New store opening, expansion and relocation of distribution center
Utilities expenses	227 (1.4%)	283 (1.4%)	124.8% -	New store opening, expansion and relocation of distribution center
Advertising expenses	205 (1.3%)	250 (1.3%)	121.8% -	Increase in e-commerce sales and rental business, increase in customer acquisition costs
Job advertisement expenses	87 (0.6%)	93 (0.5%)	106.2% (-0.1 pts)	
Supplies expenses	202 (1.3%)	240 (1.2%)	118.5% (-0.1 pts)	New store opening, expansion and relocation of distribution center
Amortization of goodwill	8 (0.1%)	23 (0.1%)	285.2% -	M&A in FY2024
Other	1,514 (9.5%)	1,809 (9.2%)	119.5% (-0.3 pts)	Expansion and relocation of distribution center (repair expenses, furniture and fixtures expenses) Increase in cashless payment transactions (settlement fees)
Total SGA	8,389 (52.9%)	10,068 (51.3%)	120.0% (-1.6 pts)	

Consolidated | Cash Flows for the Past 4 Years



Operating cash flows in cumulative Q2 came to +1,414 million yen YOY

- In the first half, we saw strong demand for purchases which largely exceeded successful sales, temporarily shifting business to purchase-centric. Based on our knowledge from the previous fiscal year, we enforced a group-wide theme of improving inventory turnover, and the actions at each store proved successful.

Made advance investments, while increasing financing cash flows significantly

- While we continued to make greater capital investments for the future (including expansion and relocation of the distribution center, new store openings, relocation, etc.), we achieved significant increase in free cash flows of **+1,200** million yen YOY.

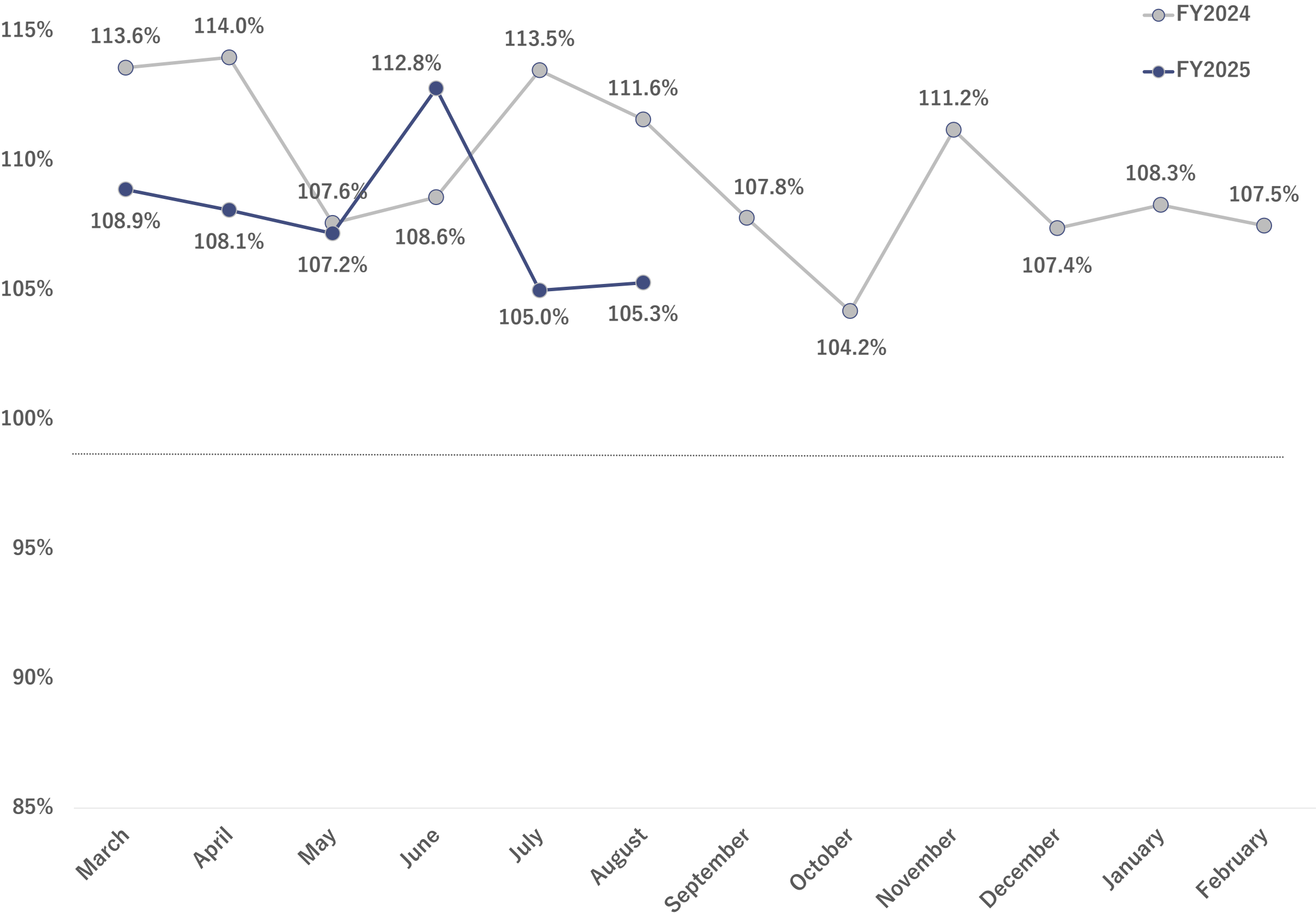
Supplementary comments

- FCF (Free cash flows) represents the total of operating cash flows and investment cash flows

Changes in KPIs-Summary

Non-consolidated	Existing stores-YOY sales Trends in demand and indicator of business growth potential	Cumulative Q2: 107.9% Both number of sales and unit prices continued to rise	YOY: 111.5% (-3.6 pts)
Non-consolidated	Existing stores: Gross profit ratio Indicator of business profitability	Cumulative Q2: 65.1% Dropped by -0.6 pts due to changes in merchandise mix (sales of merchandise with high unit prices and high cost rates increased, mainly in duty-free sales) Dropped by -0.3 pts due to changes in accounting process (part of the shipping cost for purchases under SG&A expenses is now included in cost of sales) *Page 9 shows consolidated figures, while the figures above are non-consolidated	YOY: 65.9% (-0.8 pts)
Consolidated	EC ratio Indicator of response to new channel	Cumulative Q2: 13.7% E-commerce ratio has increased due to an increase in the handling of high-priced products such as branded products and hobby goods, and improved listing efficiency through the establishment of an EC listing system.	YOY: 12.9% (+0.8 pts)
Consolidated	YOY Purchases Leading indicator of capacity for sales & store opening	Cumulative Q2: 119.3% In-store purchases increased +9.1% YOY, home-delivery purchases increased +12.8% YOY, and home-visit purchases increased +11.2% YOY (all non-consolidated) In particular, home-delivery and home-visit purchases have greater potential for future growth with the expansion and relocation of distribution centers	YOY: 132.2% (-12.9 pts)
Consolidated	Number of new stores in the current fiscal year Leading indicator of increase in revenue and profit	Cumulative Q2: 11 stores Number of new store openings fell below initial plan. Among property, inventory, and human resources, we were not able to secure suitable property as expected.	YOY: 12 stores (-1 stores)

Changes in KPIs | (Non-consolidated) Existing Stores, YOY Sales



Exceeded 100% YOY for 36 consecutive months

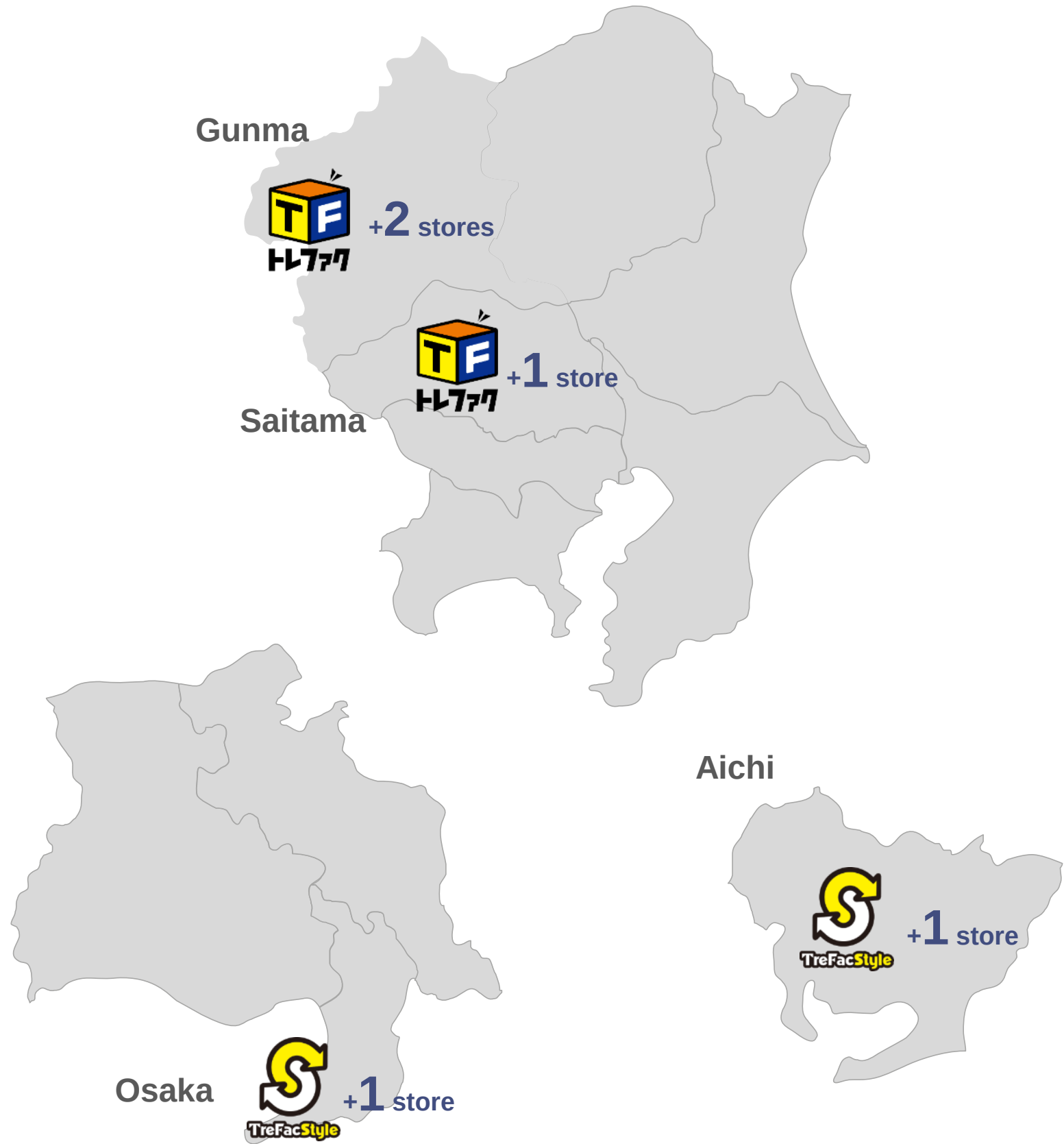
- Both number of sales and price per sale increased

	Q2	Cumulative Q2
Net sales year on year	107.7%	107.9%
Number of sales year on year	104.1 %	103.3 %
Price per sale year on year	103.5 %	104.5 %

Changes in KPIs | (Consolidated) Number of New Stores Opened in FY2025



New stores opened in Q2 (June–August)



New stores opened during the fiscal year-finalized

	Business category	Q1	Q2	Q3 plan	Q4 plan	Full year plan
	Treasure Factory	+2 stores	+3 stores	+2 stores	+2 stores	+9 stores
	Treasure Factory Style	+3 stores	+2 stores	+1 store	+2 stores	+8 stores
	Treasure Factory Sports	-	-	+1 store	-	+1 store
	UseLet	+1 store	-	+1 store	-	+2 stores
	Kindal	-	-	+1 store	-	+1 store
	Thailand	-	-	-	+1 store	+1 store
	Other categories	-	-	-	-1 store	+0 store -1 store
	Total	+6 stores	+5 stores	+6 stores	+5 stores -1 store	+22 stores -1 store

*Relocation of 1 Treasure Factory store (completed); consolidation and relocation of 1 Kindal store (to be conducted)
*Closing of other category stores: golf gear reuse business (scheduled in Q4)
*Relocation of FC stores are not indicated.

Performance of Group Companies

 Kindal Reuse business specializing in branded used clothing	Thanks to an increase in international visitors and impacts of the weak yen, sales targeting inbound tourists expanded further, mainly at urban stores. Cumulative Q2 net sales increased by 36% YOY to ¥2.6 billion, bringing a significant increase in revenue and profit.
 PickUP JAPAN Reuse business based in Shizuoka Prefecture	Thanks to a rise in sales at existing stores and the opening of new stores in December 2023, furniture, apparel, and jewelry sold well. Cumulative Q2 net sales increased by 17% YOY to ¥1.3 billion, resulting in revenue and profit growth.
 GK Factory Reuse business specializing in used golf gear	Absorbed and merged ACUO Co.,Ltd. as Group subsidiary in February 2024, resulting in cumulative Q2 net sales of ¥510 million. Working to establish staffing system and improvement of profitability.
 Business in Thailand General reuse business operating mainly in Bangkok	Both sales and purchases were steady, achieving increase in revenue and profit. New directly managed store scheduled to be opened in December 2024, coming to a total of 5 stores.
 Business in Taiwan General reuse business operating mainly in areas around Taipei	Second store opened in January 2024. Working to establish a sales team and revenue base with two stores.

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Fiscal Year Performance Forecasts

We will continue to maintain the same level of growth from the previous fiscal year while making growth investments towards the future

*No changes from the forecasts released on July 10, 2024

(million yen)	Cumulative Q2			Full year			Assumptions & supplementary information
	Previous FY results	Results to date	Increase/decrease	Previous FY results	Full-year forecast	Increase/decrease	
Net sales	15,862	19,614	+23.7%	34,454	41,862	+21.5%	Sales growth of existing stores (non-consolidated) for the 2nd half has been set at 104% YOY%
Operating profit	1,448	1,745	+20.5%	3,348	4,041	+20.7%	Gross profit ratio (consolidated) for the 2nd half has been set at 59.5% SG&A ratio (consolidated) for the 2nd half has been set at 49.3%
Operating profit ratio	9.1%	8.9%	-0.2 pts	9.7%	9.7%	-	
Ordinary profit	1,468	1,757	+19.7%	3,390	4,069	+20.0%	
Ordinary profit ratio	9.3%	9.0%	-0.3 pts	9.8%	9.7%	-0.1 pts	
Profit attributable to owners of parent	932	1,144	+22.8%	2,241	2,723	+21.5%	
Net profit ratio	5.9%	5.8%	-0.1 pts	6.5%	6.5%	-	
Earnings per share	39.97 yen	48.86 yen	+22.2%	95.94 yen	116.23 yen	+21.1%	
Dividend per share	12.00 yen	18.00 yen	+50.0%	28.00 yen	34.00 yen	+21.4%	
Dividend payout ratio	-	-	-	29.2%	29.3%	+0.1pt	

Fiscal Year Dividends Forecast

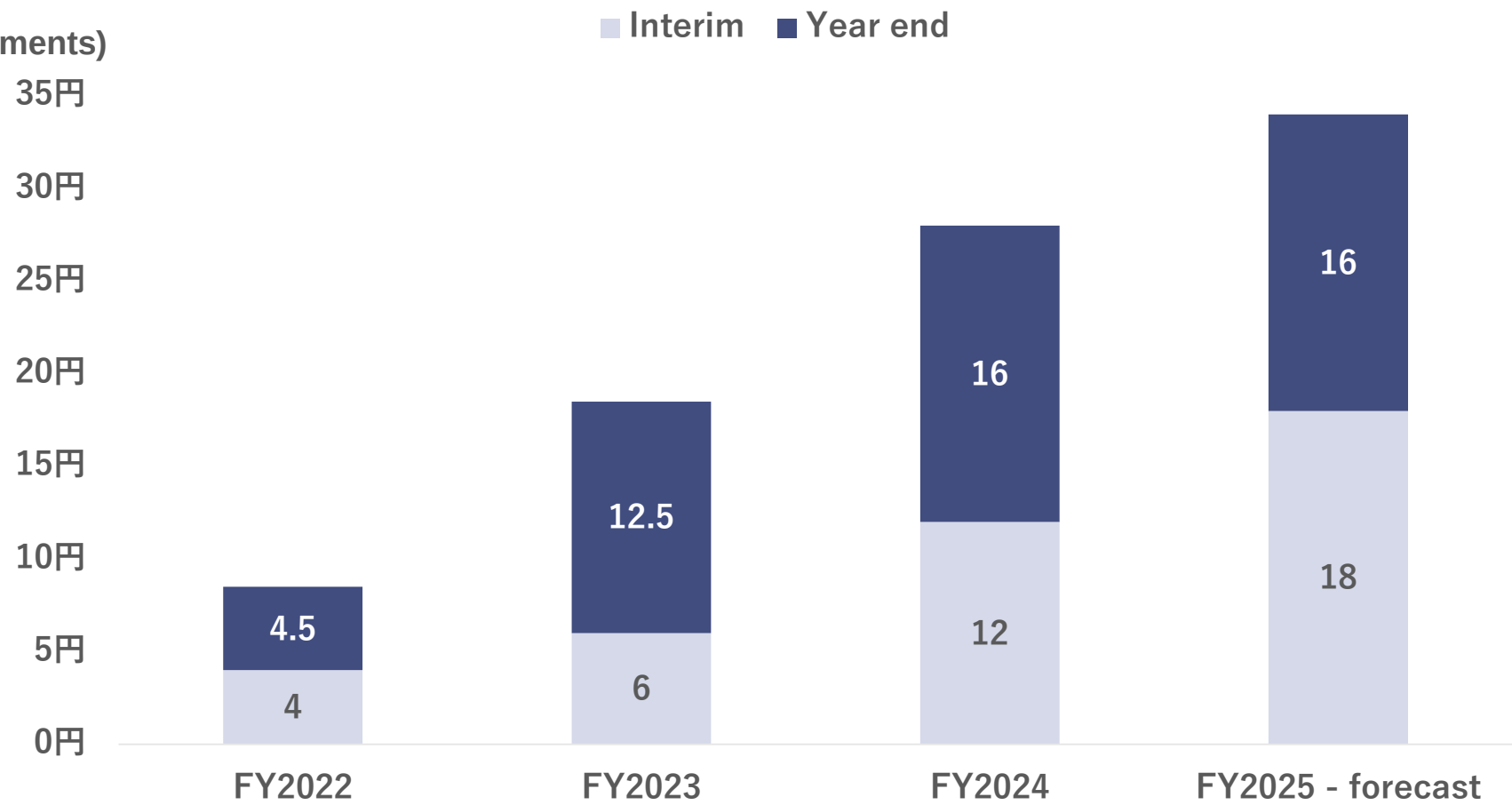


*No changes from the forecasts released on July 10, 2024

Dividends forecast (per share)	Previous FY results	Full-year forecast	YOY
Interim	12 yen	18 yen	+ 6 yen
Year end	16 yen	16 yen	-
Annual	28 yen	34 yen	+ 6 yen
Dividend payout ratio	29.2 %	29.3 %	

Dividends for the past 4 years

(after stock split & adjustments)



Interim dividends increased by 6 yen YoY

- Based on future performance trends, year-end dividends forecast will review and revision as necessary

Supplementary comments (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

FY2025 Initiatives



Reuse business



Japan

- Increase number of purchases and sales through continuous efforts, including acquiring app members (2.1 million app members as of end of February 2024)
- Higher price per share against the backdrop of inflation, etc.
- Expansion of sales targeting international visitors mainly through high-end brand businesses (Brand Collect, Kindal)

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

- Goal of opening 30 stores during the fiscal year across the Group (26 stores in FY2024)
Existing regions (Tokyo, Kanagawa, Chiba, Saitama, North Kanto, Kansai, Aichi, and Fukuoka) & new regions

Strengthening purchases through channels other than physical stores

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

Peripheral reuse businesses



Auction business

- Increase number of listings and quantity available from the bases in Kanto and Kansai (also expand listings from our own stores)

Moving & removal business

- Expand number of moves and purchases by effectively combining our moving services with services by partner moving companies

Rental business

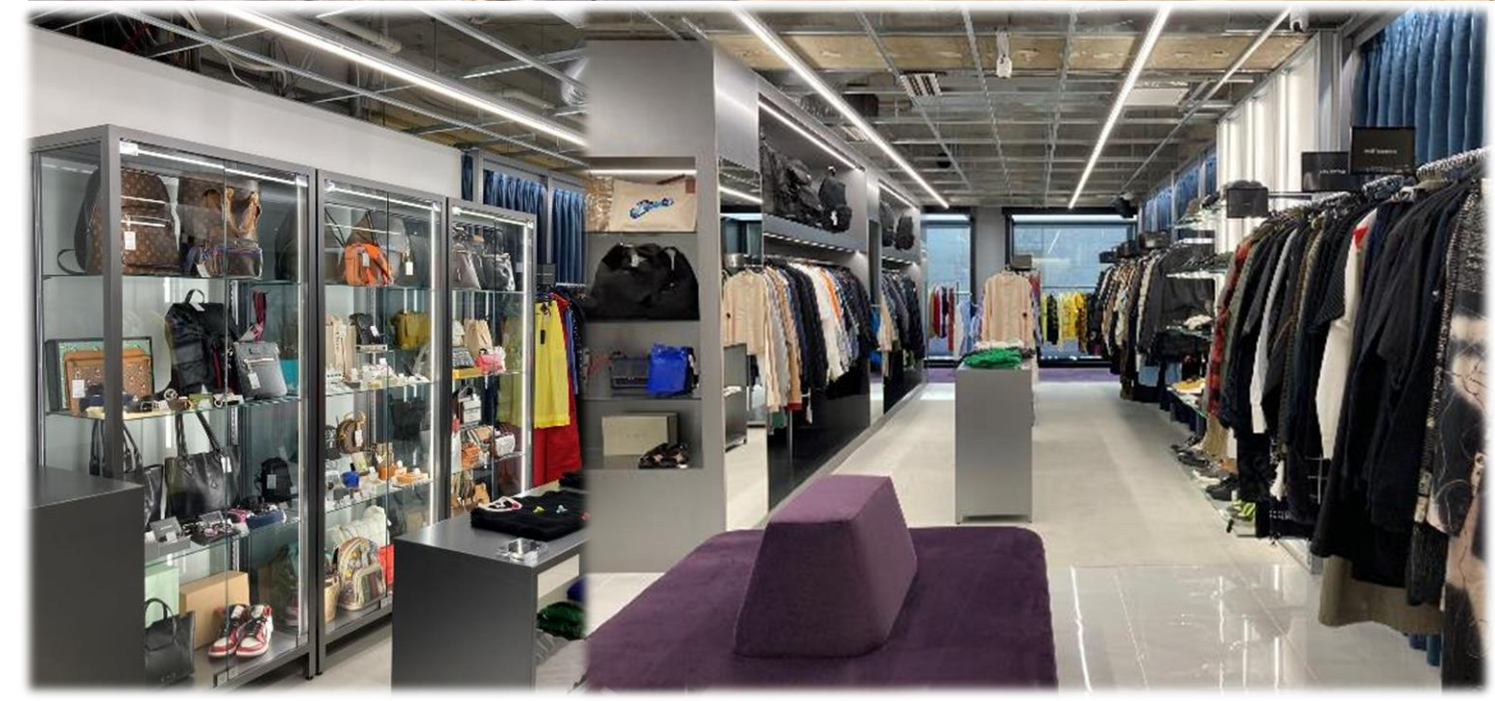
- Increase both sales and profit with business base expansion and product expansion (dresses, black formal suits)

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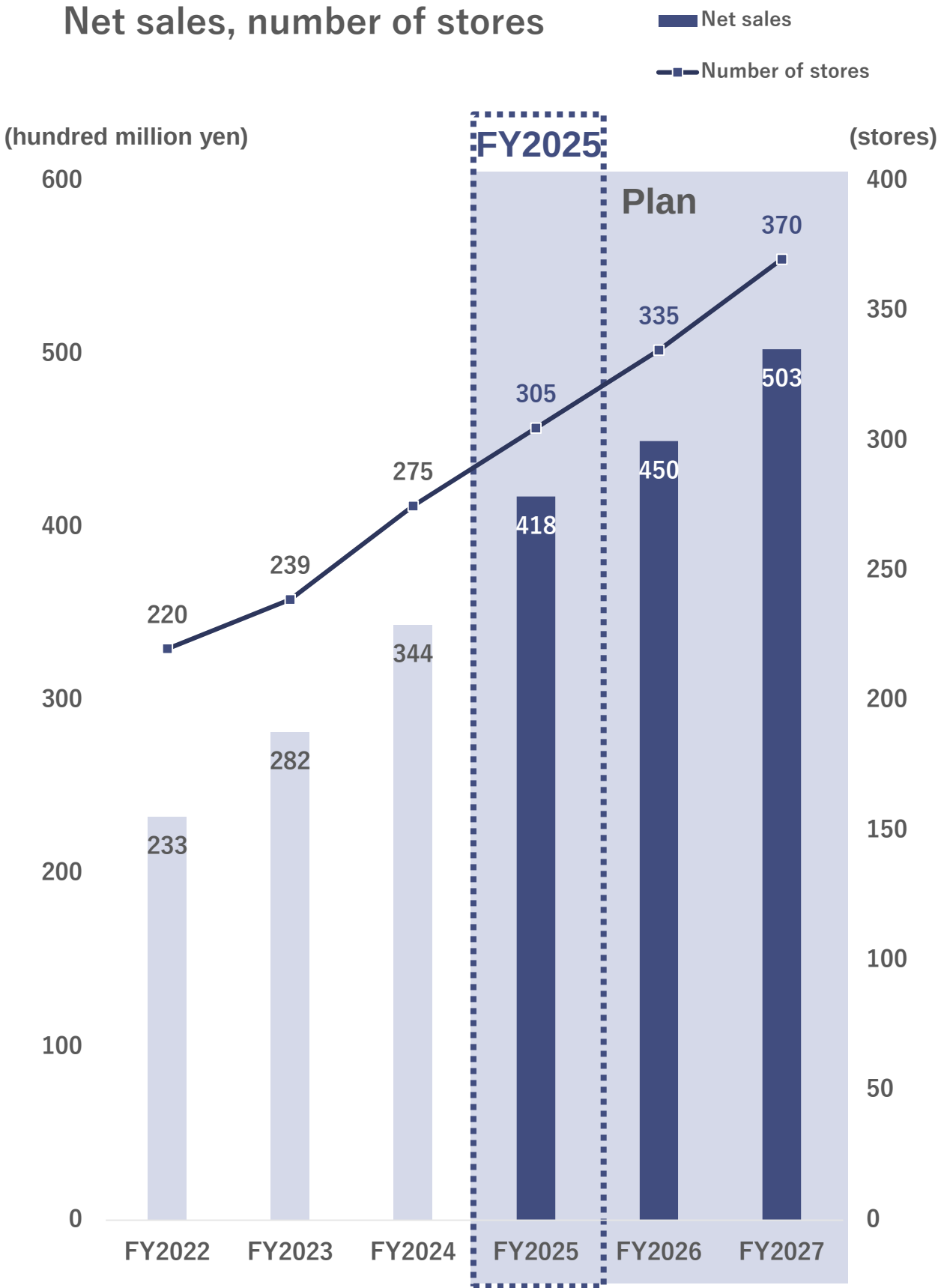
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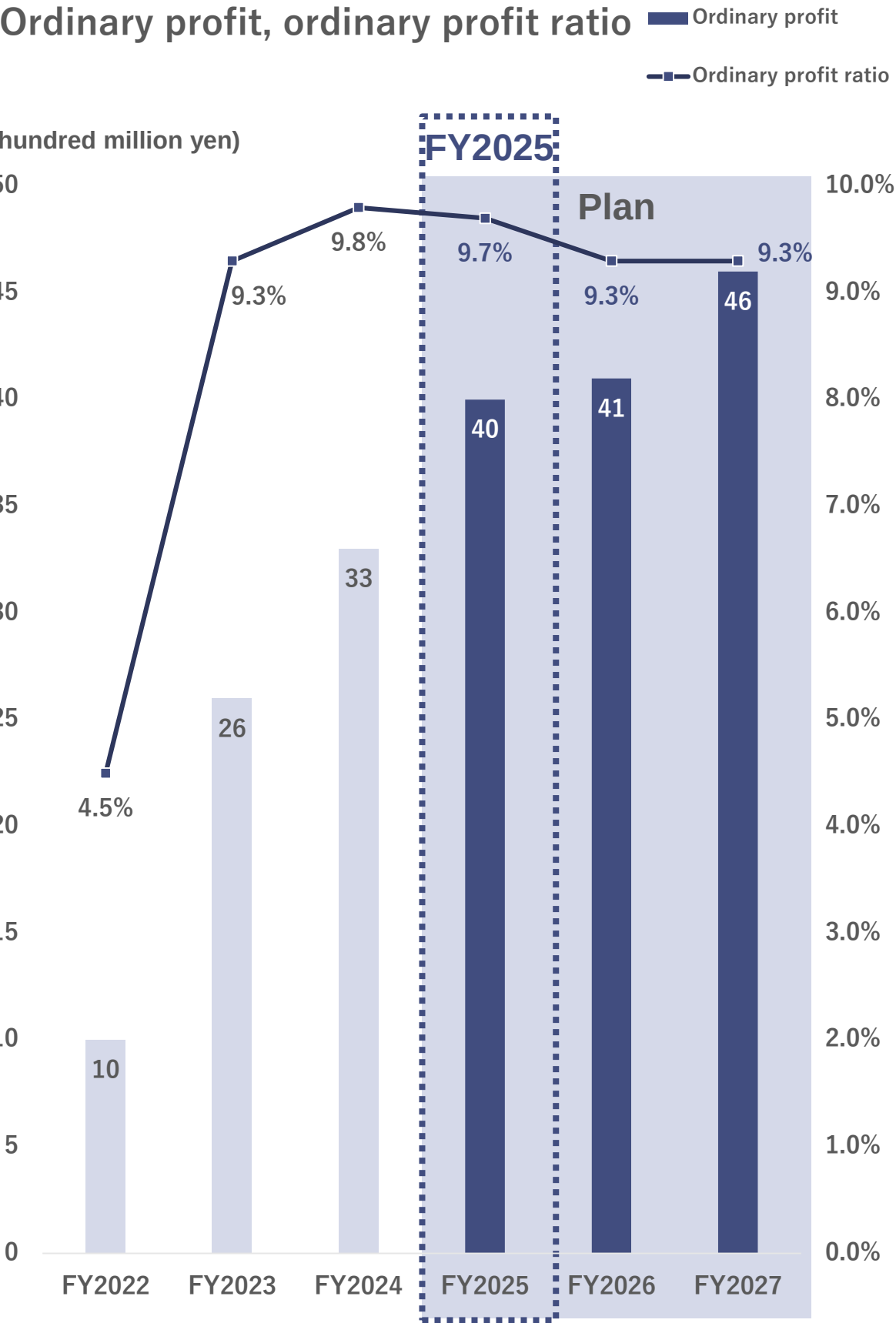
Summary of Medium-term Profit and Loss Projections



Net sales, number of stores



Ordinary profit, ordinary profit ratio



Sales increased by more than 20% YOY for three consecutive fiscal years

- Ordinary profit ratio approaching 10%

Final fiscal year of the Plan (FY2027)

- Forecast net sales of **50.3 billion** yen and ordinary profit of **4.6 billion** yen.

Supplementary comments

- The Medium-Term Management Plan is a rolling forecast updated in April every year
- FY2025 projections have been updated to reflect the most recent performance forecast revisions announced in July 2024; meanwhile, no changes were made to the original projections for FY2026 and FY2027 since the beginning of the fiscal year
- Will continue to consider review and revise as necessary based on performance

Factors for Recent Growth

External factors

Greater demands for reusable items backed by inflation

Demands of international visitors

Growing interest in sustainability

Internal factors (corporate measures)

Expansion of categories handled

Expansion of the hobby-related category such as sports and outdoor items, and musical instruments

Expansion of high-priced products

Expansion of handling of luxury brand items and other high-priced products in other categories

Strengthening of EC channels

Taking advantage of the COVID pandemic to develop EC sales operations and establish a combined sales system for physical stores and EC

Backed by external factors, the internal measures that the Group has been continuously implementing since the COVID pandemic period have yielded results in the form of **sales growth of approximately 10% YOY at existing stores**, leading to sustainable growth



Management Policies to Achieve the Medium-Term Management Plan

1

Development of reuse business

- ① Open 30 to 40 new stores per year, mainly in the Kanto, Kansai, Chubu, and Kyushu regions, to expand the reuse network. These stores will serve as physical purchase and sales locations and also as hubs for online sales.
- ② Through recovery of earnings of the Group's reuse companies, achieve continuous contribution to consolidated profit

2

Investment in new businesses

- ① Expand the distribution bases in Kanto and Kansai regions for full-scale deployment of the B2B auction business
- ② Accelerate growth by offering our original moving and removal business plus purchasing services at the same time. In addition to partnering with moving companies, the Company will have its own moving and removal division to provide moving services
- ③ Continue investing in the rapidly growing rental business to create a new pillar of business

3

Growth in overseas markets

- ① As Thailand business achieved full-year profit, it will promote the operation of a multiple number of stores
- ② In Taiwan, aim for the establishment of a reuse business model and achieve a single-year profit

4

Growth through M&A

Continue to aggressively conduct M&A of reuse companies, etc. that can realize synergies, such as complementing expertise and regional coverage

5

Growth through investments in digital transformation

Utilize the development capabilities of the Company's systems division and the system developer subsidiary to streamline operation and improve the efficiency of appraisals using AI, and create opportunities for new purchases and sales through digital investments to increase the Group's revenue

Medium-term Profit and Loss Projections, Expected Dividends (FY2025–FY2027)

	FY2024 results (FY ending February 2024)	Published in July 2024 FY2025 (FY ending February 2025)	FY2026 (FY ending February 2026)	FY2027 (FY ending February 2027)	CAGR (annual growth rate)
Stores opened per year	26 stores	30 stores	30-35 stores	35-40 stores	-
Net sales	¥34.4 billion	¥41.8 billion	¥45.0 billion	¥50.3 billion	13.5%
Ordinary profit	¥3.39 billion	¥4.06 billion	¥4.19 billion	¥4.67 billion	11.3%
Ordinary profit ratio	9.8%	9.7%	9.3%	9.3%	-
Profit attributable to owners of parent	¥2.24 billion	¥2.72 billion	¥2.76 billion	¥3.08 billion	11.2%
Earnings per share	¥95.9	¥116.2	¥118.1	¥131.7	11.2%
Dividend per share	¥28.0	¥34.0	¥36.0	¥40.0	-
Dividend payout ratio	29.2%	29.3%	30.5%	30.4%	-

Final fiscal year of the Plan (FY2027)

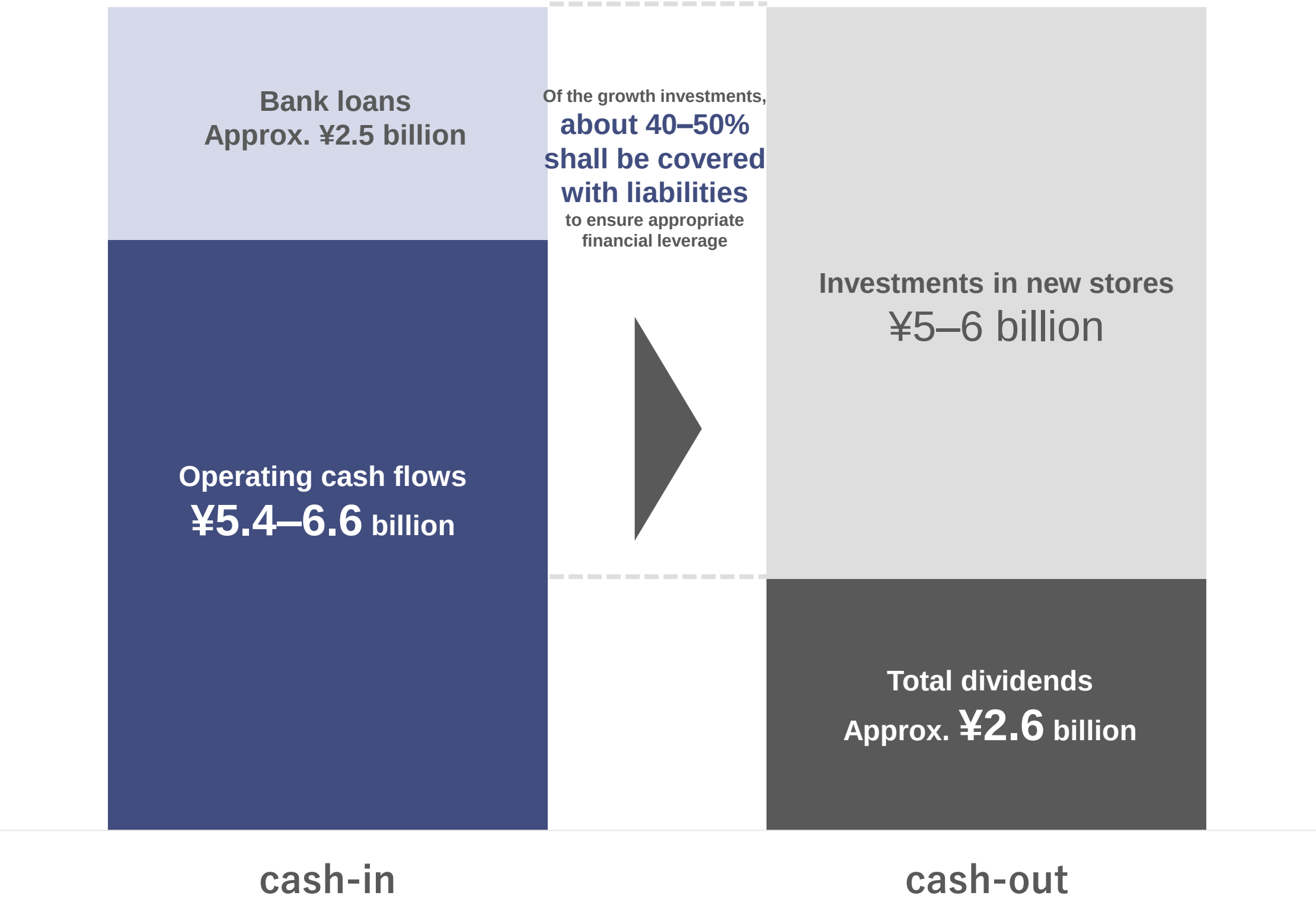
- Forecast net sales of **50.3 billion** yen and ordinary profit of **4.6 billion** yen.

Target dividend payout ratio will be 30% or higher

Notes

- As there are many uncertain elements, 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.
- Earnings per share are 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 | Accumulated Total Over 3 Years



Funding plan (cash-in)

- (1) Operating cash flows: approx. 1.8 to 2.2 billion yen per year
: approx. **5.4 to 6.6** billion yen in accumulated total over 3 years
- (2) Bank loans : approx.**2.5** billion yen
- (1) + (2) = : approx.**8 to 9** billion yen

Capital investment plan (cash-in)

Investments in new stores: approx. 1.6 to 2.1 billion yen per year
: approx. **5 to 6** billion yen in accumulated total over 3 years

- Investments in store facilities and security deposits for new stores

Shareholder return plan (cash-out)

- Total dividends: approx. **2.6** billion yen in accumulated total over 3 years
- Purchase of treasury shares are planned to be conducted in a timely manner based on trends in stock price and status of funds on hand

Contents

1. Summary of Financial Results
2. Performance and Dividends Forecasts
3. Medium-Term Management Plan
- 4. Sustainability**

References

- 1) Business Model and the Company's Strengths
- 2) Measures to Actualize Management that is Conscious of Cost of Capital and Stock Price
- 3) Corporate Overview and History



Basic Policy on Sustainability & Basic Data



Treasure Factory aims to contribute to the establishment of a recycling society through its core business of reuse, to achieve symbiosis with society and provide new values, and to grow sustainably through our diversified organization. The company will pursue highly reliable management to meet the expectations of customers, employees, business partners, shareholders, and various other stakeholders.

Environment

- Reduce CO2 through reuse business
- Utilize LED lighting
- Engage in activities to conserve the environment (cleaning activity at head office, Mt. Fuji cleaning activity)

		Unit	2022	2023	2024
CO2 emissions	Scope 1	t-CO2	154	184	235
	Scope 2	t-CO2	5,398	5,399	5,484
	Total	t-CO2	5,552	5,583	5,719
CO2 emissions per unit	Per sales of one million yen	t-CO2/million yen	0.308	0.253	0.217

Note 1: Scope 1 emissions include CO2 emissions from gasoline. Scope 2 emissions include CO2 emissions from electricity.
Note 2: Scope 1 emissions are calculated by estimating the amount of gasoline consumption (from data on costs of fuel purchased within the Company and the average of gasoline prices during each period) and applying the emission coefficient.
Scope 2 emissions are calculated using the location-based method, taking the electricity consumption and applying the emission coefficient (alternative value set forth by the Ministry of the Environment).
Note 3: Locations where electricity consumption could not be measured were excluded from the Scope 2 emissions calculations.

		Unit	FY2022	FY2023	FY2024
Amount of CO2 emissions reduced by reuse business	Four goods subject to home appliance recycling	t	13,060	14,658	17,719
	Apparel	t	15,636	19,163	22,134
	Furniture	t	2,976	3,091	3,114
	Subtotal of major categories	t	31,672	36,912	42,967

Note 1: The four goods subject to home appliance recycling are washing machines, refrigerators, TVs, and air conditioners. Amounts for the four goods and furniture are calculated based on the Ministry of the Environment's FY2010 Report by the Study Committee on the Promotion of Reuse of Used Products, etc.
Note 2: Apparel is calculated based on the Ministry of the Environment's Visualization Tool for 3R Initiatives.

Social - Community

- Support the development of employees
- Promote recruitment of people with disabilities
- Improve system for reducing work hours
- Approach social issues through new businesses
- Invest in start-up companies
- Develop young executives

	FY2022	FY2023	FY2024
Number of new recruits	61	89	115
Number of mid-career recruits	62	41	113
Total number of recruits	123	130	228
Number of full-time employees	690	776	902
Number of part-time employees	1,679	2,083	2,403
Total number of employees	2,369	2,859	3,305
Number of female full-time employees	97	128	155
Number of female part-time employees	1,061	1,274	1,452
Total number of female employees	1,158	1,402	1,607
Percentage of female full-time employees	14.1%	16.5%	17.2%
Percentage of female part-time employees	63.2%	61.2%	60.4%
Percentage of female employees	48.9%	49.0%	48.6%
Number of in-house training sessions	128	167	175
Percentage of paid leave used	61.6%	66.6%	65.9%
Number of employees taking child care leave	27	24	22

Governance

- Strengthen the corporate governance framework

		FY2022	FY2023	FY2024
Internal Directors	Male	4	4	4
External Directors	Male	1	1	1
	Female	1	1	1
Percentage of External Directors		33.3%	33.3%	33.3%
Percentage of female Directors		16.7%	16.7%	16.7%
External Auditors	Male	3	3	3

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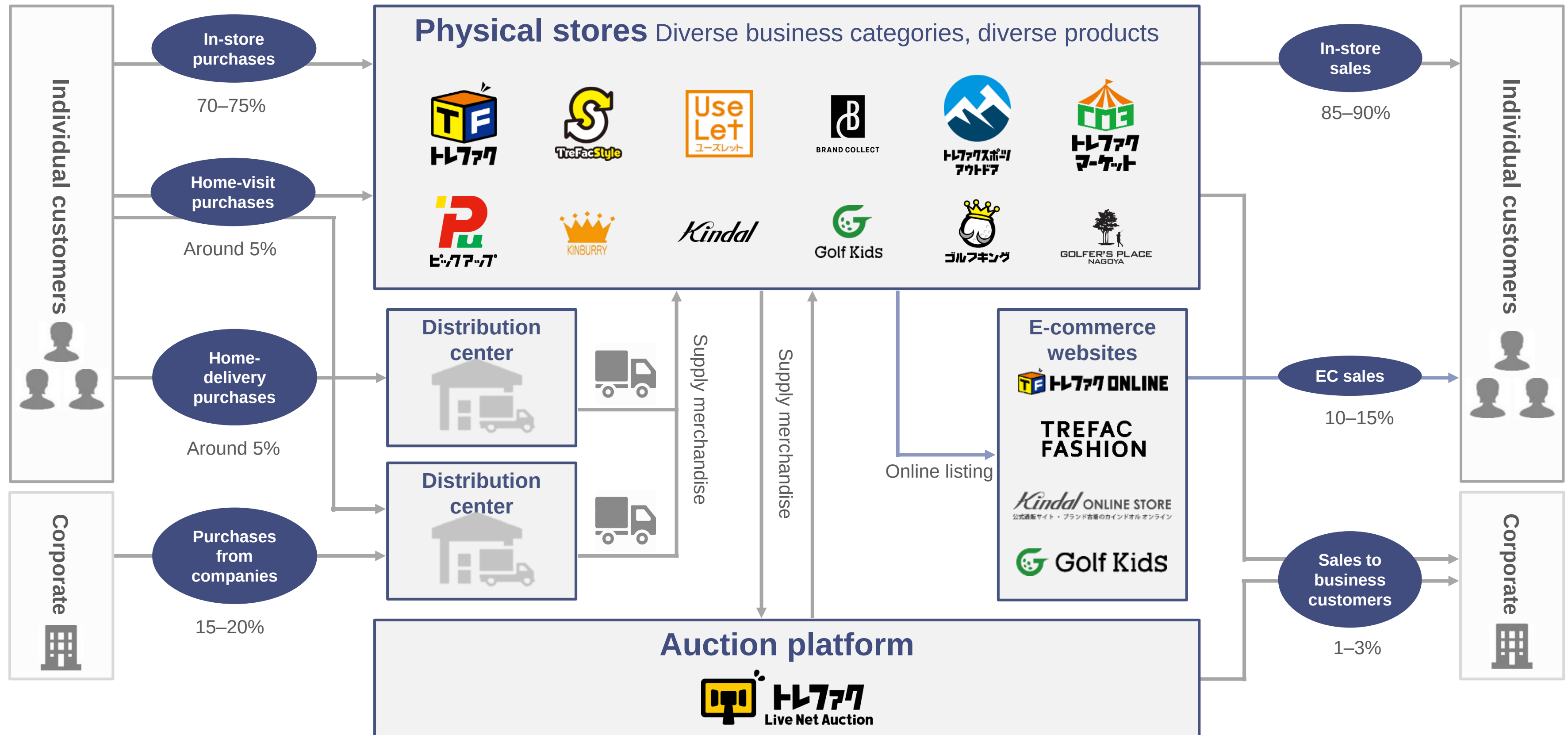
- 1) Business Model and the Company's Strengths
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Business Model

Purchases in multiple categories through multiple channels

Multiple-store operation in diverse business categories



Competitive Advantages Supporting our Growth

By rolling out over 10 business formats of general reuse and specialized reuse, the Company will achieve sustainable growth through constant expansion of the types of products and price ranges that it offers.

In addition to in-store sales channels, the Company is strengthening its own e-commerce and in-house auctions to strengthen sell out.

1

Multiple-store operation in diverse business categories

- ① By possessing multiple business formats, the Group can meet the diverse needs of customers, as well as share its expertise on appraisals across business categories.
- ② By possessing multiple business formats, the Group can open new stores in various locations.
- ③ As each business format handles different product categories, Group stores can be located in close proximity.

2

Purchases in multiple categories through multiple channels

- ① Through its diverse purchasing channels including in-store purchases, home-visit purchases, home-delivery purchases, purchases in moving & removal, corporate purchases, and purchases through auctions, the Group has the capacity to purchase products from various categories.

3

Established distribution network

- ① With its distribution centers in multiple locations in the Kanto and Kansai regions and a network of freight trucks, the Group is capable of stocking large items and mass quantities for home-visit and corporate purchases.
- ② By stocking inventory at the centers at all times, the Group can supply inventory to new stores without affecting the performance of existing stores.

4

System development and data analysis capabilities

- ① With its in-house systems development division and subsidiary for system development, the Group develops its own systems, apps, and online sales systems to make improvements quickly.
- ② The Group established a system in which data is updated on a real-time basis, data of all bases are shared, and the PDCA cycle based on data analysis is rapidly reflected.

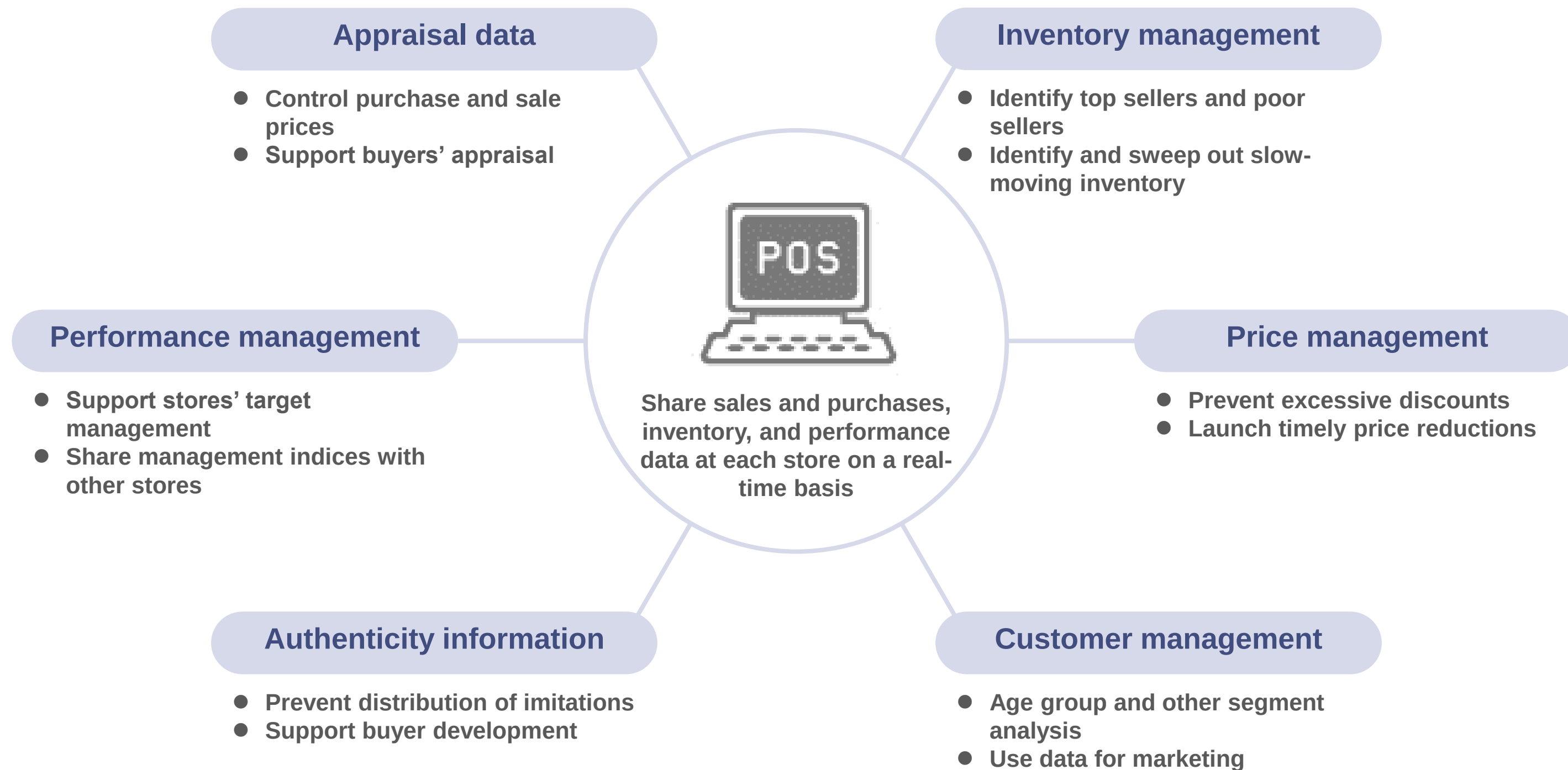
Multiple-store operation in diverse business categories

Business category	Concept & items		Typical locations
Flagship brands		General reuse stores handling a wide range of reusable products	Along major roads Inside shopping malls
		Fashion reuse stores handling a wide range of fashion items	Areas within 10-minute walk from train stations Areas close to major train stations Inside shopping malls
Specialty brands		Specialized reuse stores handling sporting gear and outdoor goods	Along major roads
		Used clothing outlet stores offering low-priced fashion items	Near train stations in the Tokyo metropolitan area Busy areas such as shopping arcades Suburban areas
		Luxury brand reuse stores specializing in high-end branded goods, jewelry, etc.	Central Tokyo (Omotesando, Harajuku) Areas also popular among international visitors
		Large furniture and home appliance reuse stores handling large furniture items, interior products, and home appliances	Suburbs in Kanto region Along major roads
Group companies		Branded used clothing reuse stores handling domestic and imported brand items	Urban areas in Kanto and Kansai regions Fashion-conscious areas
	  	Reuse stores specializing in golf gear and golf apparel	Along major roads Inside shopping malls
		General reuse stores based in Shizuoka Prefecture	Along major roads
		Branded items & jewelry reuse stores based in Shizuoka Prefecture	Along major roads

System development and data analysis capabilities

Product management expertise is critical in reuse business dealing with one-of-a-kind products.

We developed our own POS system using item-by-item management expertise that we have been refining since establishment. The system is used as the foundation to enhance system functionality and store management.



Cost of Capital and Stock Price Trends

Cost of Capital

Current situation

Cost of equity	:	approx. 7.5%
ROE	:	29.4% (FY2024)
WACC	:	approx. 6.5%
ROIC	:	18.6% (FY2024)

- ROE trends well above cost of equity
(ROE 29.4% = Net profit margin 6.5% x total assets turnover 2.13 x financial leverage 2.13)
- ROIC trends well above WACC

Future direction

- The Company aims to expand its business through opening 30 to 40 stores per year
- By increasing profitability at new stores and existing stores, the Company will strive to maintain and raise its net profit margin and total assets turnover
- By increasing profitability at new stores and existing stores, the Company will strive to maintain and raise its ROIC, the index of return on investment

Stock Price

Current situation

PER	:	around 15x to 16x
PBR	:	around 4x

Future direction

- The Company will aim to increase profitability (e.g., ordinary profit ratio) and maintain a constant level of sales growth rate
- We will enhance stock market valuation by achieving sustainable expansion of operating cash flows
- We will provide a clear description on the Company's competitive advantage and growth potentials, and continue to disclose information to shareholders and investors
- We will work to release English disclosures at the same time as Japanese versions

Corporate Overview



Company name	Treasure Factory Co., Ltd.
Representative	Eigo Nosaka, President & CEO
Number of full-time employees	1,021 (full-time employees only; as of the end of August 2024)
Fiscal year end	February
Foundation	May 25, 1995
Address of head office	3 Kanda-neribeicho, Chiyoda-ku, Tokyo, Japan
Paid-in capital	906 million yen (as of the end of August 2024)
Business description	Operation of reuse stores, operation of auctions Operation of Treasure Factory moving service, operation of Treasure Factory real estate business Operation of end-of-life organization and cleanout business “Regacy,” operation of EC dress rental business “Cariru”
Management philosophy	Treasure Factory provides people with joy, discovery, and excitement.
Mission statement	“To create new norms in society” • We will be innovative in making the world a better place and creating new values. • We will accumulate new values to create new norms in society.
Vision	The Treasure Factory Group will accumulate new values that are unique to us and become a corporate group that is relied upon by all. And, through challenge and innovation, we aim to continue growing for 300 years.
Origin of company name	Treasure Factory: “A factory for finding new value in used goods” With a rich lineup of rare one-of-a-kind products, we provide customers with the joy of buying and selling disused articles, all in one place, and the excitement of discovering unique products that can be found nowhere else.

History



1995	May	Established Treasure Factory Y. K. (limited private company) in Yokohama City, Kanagawa Prefecture
	Oct.	Opened the Treasure Factory Adachi Head Office in Toneri, Adachi-ku, Tokyo, the Company’s first comprehensive recycle shop
1998	Nov.	First expansion into Saitama Prefecture; opened the Treasure Factory Soka Store in Soka City, Saitama Prefecture
1999	Dec.	Increased capital to ¥10 million and reorganized Treasure Factory as a joint-stock company (kabushiki kaisha)
2000	Sep.	Established a distribution center in Iriya, Adachi-ku, Tokyo
2002	May	Relocated the corporate headquarters to Takenotsuka, Adachi-ku, Tokyo
2003	Mar.	First expansion into Kanagawa Prefecture; opened the Treasure Factory Tsurumi Store in Yokohama City, Kanagawa Prefecture
2004	Jul.	Launched franchise operations. Opened the Treasure Factory Iwaki-Kashima Store as the first franchise store in Iwaki City, Fukushima Prefecture
2006	Jan.	First expansion into Chiba Prefecture; opened the Treasure Factory Wakaba Mitsuwadai Store in Chiba City, Chiba Prefecture
	Oct.	Launched Treasure Factory Style, a new business dedicated to clothing and fashion accessories; opened the first store in Chiba City, Chiba Prefecture
2007	Dec.	Listed on the Mothers Section of the Tokyo Stock Exchange (TSE)
2008	Feb.	Relocated the corporate headquarters to Umejima, Adachi-ku, Tokyo
2010	Feb.	Opened Treasure Factory Style online store
	Oct.	Launched Cariru, a rental business for branded bags and fashion, which was acquired through business transfer
2013	May	First expansion into Kansai area; opened the Treasure Factory Kobe Shin-Nagata Store in Kobe City, Hyogo Prefecture
	Nov.	Launched UseLet, a new business for providing a wide range of fashion products at low prices; opened the first store in Kuki City, Saitama Prefecture
2014	Sep.	Launched Treasure Factory Sports, a new business dedicated to sports and outdoor goods; opened the first store in Yokohama City, Kanagawa Prefecture
	Sep.	Launched Treasure Factory Moving & Removal, a moving & removal business
	Oct.	Launched Brand Collect, a business acquired through business transfer, dedicated to used designer clothing
	Dec.	Moved from the TSE Mothers Section to the First Section of the TSE



History



2016	Mar.	Established Treasure Factory (Thailand) Co., Ltd., a local affiliate in Thailand
	May	First expansion into Chubu area; opened the Treasure Factory Tokushige Store in Nagoya City, Aichi Prefecture
	Jul.	First expansion into Kyushu area; opened the Treasure Factory Fukuoka Kasuga Store in Kasuga City, Fukuoka Prefecture
	Jul.	Relocated the head office to Kanda, Chiyoda-ku, Tokyo
	Jul.	Opened the first overseas store, Treasure Factory Sukhumvit 39 Store, in Bangkok, Thailand
	Sep.	Launched Treasure Factory Market, a new business of large-scale stores that handle mainly electric appliances and furniture; opened the first store in Chiba City, Chiba Prefecture
	Sep.	Acquired shares of K.K. Kindal to make it a wholly-owned subsidiary
2017	Oct.	Opened the general reuse online store, Treasure Factory Online
2018	Mar.	Acquired shares of GOLF Kids Co., Ltd. to make it a subsidiary (currently K.K. GK Factory)
2019	Jan.	Acquired shares of Digital Quest Co., Ltd. to make it a subsidiary
	Oct.	Launched Treasure Factory Real Estate, a real estate business
2020	Feb.	Acquired shares of K.K. STANDING OVATION and concluded a capital and business alliance with the company
	Mar.	Launched Treasure Factory Live Net Auction, an online auction business
	Oct.	Acquired shares of PickUP JAPAN to make it a subsidiary
	Nov.	Launched Regacy, an end-of-life organization and cleanout business
2021	Apr.	Established Treasure Factory (Taiwan) Co., Ltd., a local affiliate in Taiwan
2022	Feb.	Split Digital Quest Co., Ltd. and established Treasure Factory Technologies Co., Ltd.
	Feb.	Sold shares of Digital Quest Co., Ltd.
	Apr.	Moved from the First Section of the TSE to the Prime Market of the TSE
	Dec.	Opened Treasure Factory Xinzhuang Xingfu Store in New Taipei City, the first store in Taiwan
2023	Oct.	Acquired shares of ACUO Co., Ltd. to make it a wholly-owned subsidiary
2024	Feb.	K.K. GK Factory absorbed and merged ACUO Co., Ltd.



Golf Kids
USED GOLF SHOP



トレファク不動産



トレファク
Live Net Auction



Regacy



ピックアップ



KINBURI



Trefac
Technologies



JPX
PRIME

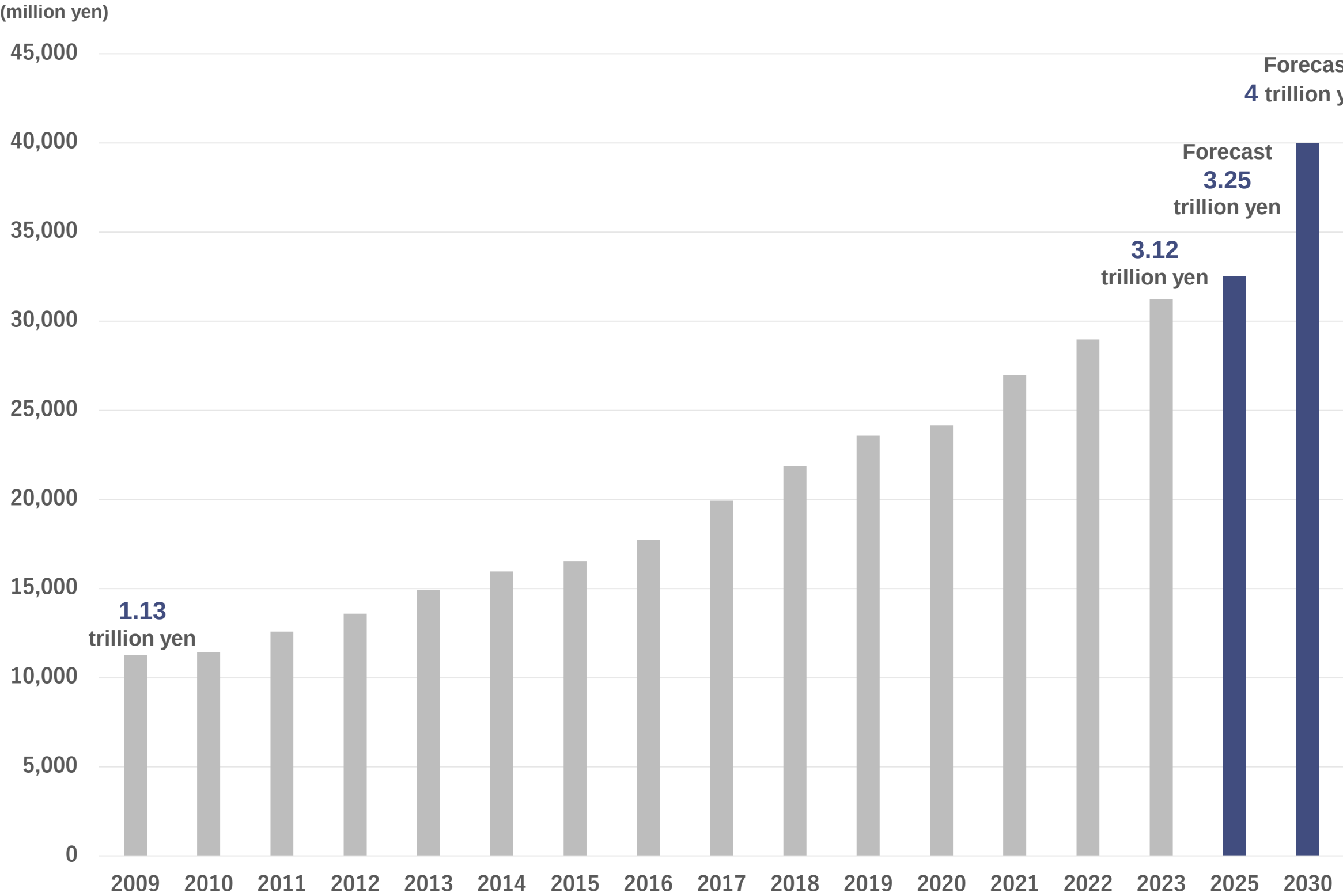


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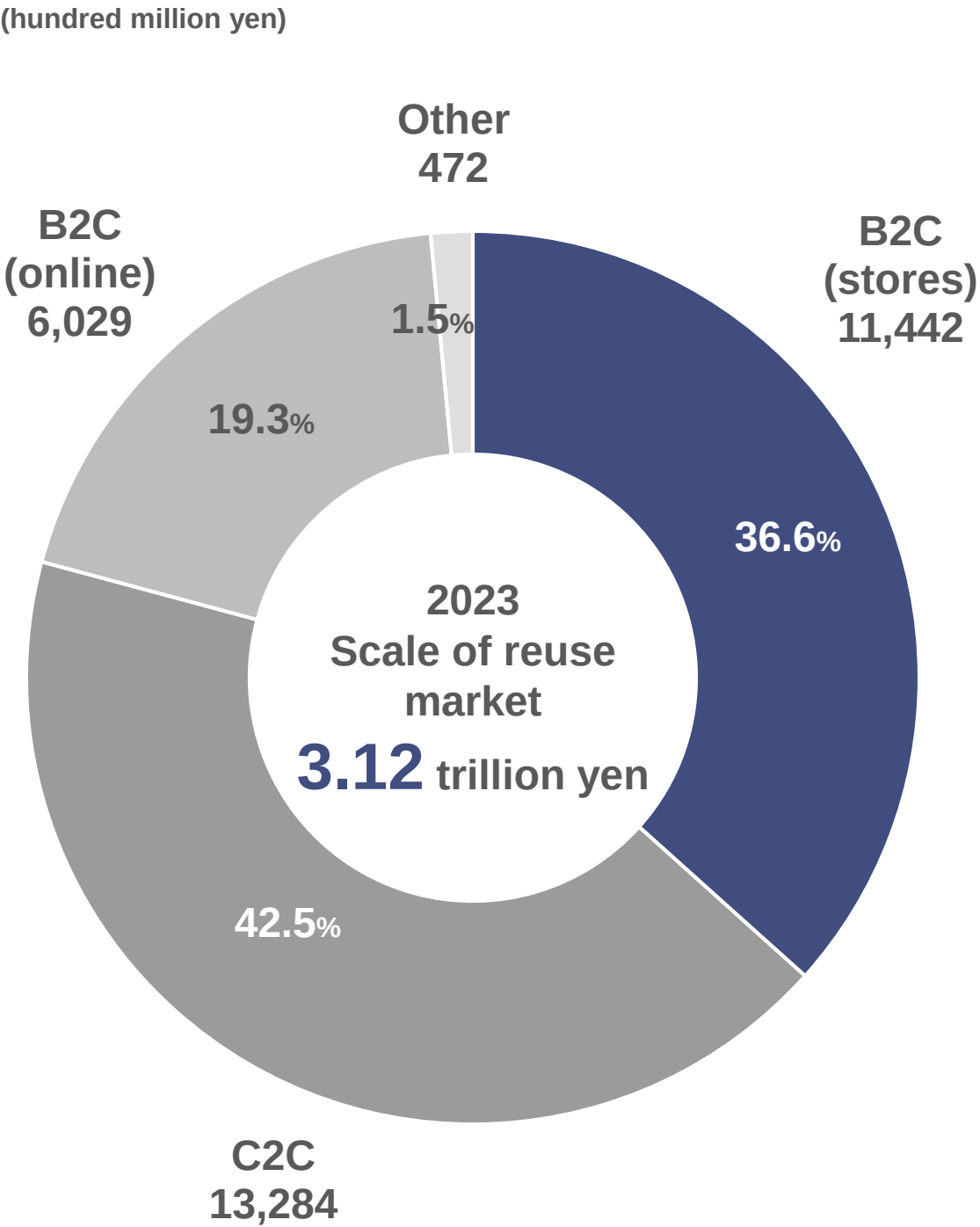
Reuse Market Trends



Sales of entire reuse market

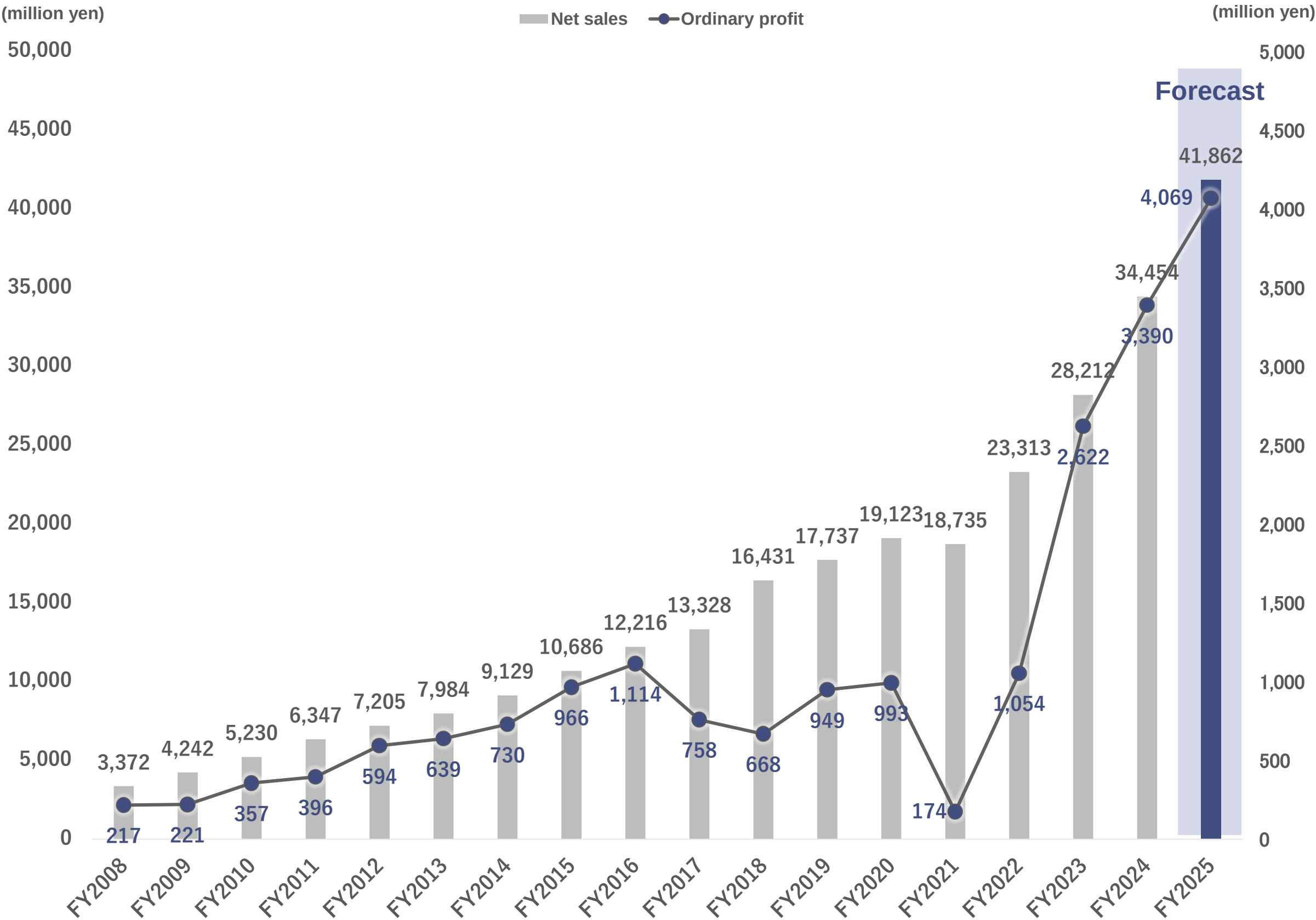


Business composition ratio of entire reuse market



*Source: “Reuse Market Data Book 2023,” The Reuse Economic Journal

Changes in Sales and Ordinary Profit



Changes in ordinary profit

- Broke the record of highest-ever profit in FY2024
- Plan to renew the highest profit record with ¥4,069 million in FY2025

Track record of listing

- December 2007: Listed on the TSE Mothers Section
- December. 2014: Changed market to TSE First Section
- April 2022: Restructured to TSE Prime Market

Number of Group Stores



Number of Group stores: 289 stores (of which, 257 stores are directly managed)*As of October 31, 2024

Prefecture												Total by Prefecture/City
Kanto	Tokyo	16	38	2	7	4	—	17	—	3	—	87 stores
	Kanagawa	11	13	1	—	3	—	—	—	—	—	28 stores
	Saitama	20	9	3	—	4	1	—	—	—	—	37 stores
	Chiba	11	9	2	—	—	1	—	—	—	—	23 stores
	Tochigi	1	—	—	—	—	—	—	—	1	—	2 stores
	Gunma	3	1	—	—	—	—	—	—	—	—	4 stores
	Ibaraki	3	—	—	—	—	—	—	—	—	—	3 stores
Chubu	Shizuoka	—	—	—	—	—	—	—	13	—	—	13 stores
	Aichi	4	5	1	—	—	—	3	—	1	9	23 stores
Hokuriku	Niigata	—	—	—	—	—	—	1	—	—	—	1 store
Kinki	Mie	—	—	—	—	—	—	—	—	—	1	1 store
Kansai	Shiga	1	—	—	—	—	—	1	—	2	—	4 stores
	Wakayama	—	—	—	—	—	—	1	—	—	—	1 store
	Kyoto	1	—	—	—	—	—	3	—	1	—	5 stores
	Osaka	9	11	—	—	—	—	10	—	5	—	35 stores
	Hyogo	2	2	—	—	—	—	3	1	1	—	9 stores
Kyushu	Fukuoka	3	—	—	—	—	—	—	—	—	—	3 stores
Tohoku	Fukushima	4	—	—	—	—	—	—	—	—	—	4 stores
Thailand	Bangkok	4	—	—	—	—	—	—	—	—	—	4 stores
Taiwan	Taiwan	2	—	—	—	—	—	—	—	—	—	2 stores
Total by business category		95 stores	88 stores	9 stores	7 stores	11 stores	2 stores	39 stores	14 stores	14 stores	10 stores	289 stores

Non-consolidated | Store Business Category



Reuse business



Peripheral reuse businesses



General reuse business

Treasure Factory

General reuse business handling a wide range of items including furniture, home appliances, apparel, accessories and branded items



Fashion reuse business

Treasure Factory Style

Fashion reuse business handling a wide range of fashion items



Non-consolidated | Store Business Category



Reuse business



Peripheral reuse businesses



Fashion outlet reuse business

UseLet

Outlet business handling a wide range of fashion goods at low prices



Luxury brand reuse business

Brand Collect

Luxury brand reuse stores specializing in high-end branded goods, jewelry, etc.
Compact stores focused on urban areas



Non-consolidated | Store Business Category



Reuse business



Peripheral reuse businesses



Sports & outdoor business

Treasure Factory Sports & Outdoor



Specialized reuse stores handling outdoor goods and sporting gear for winter sports, etc.

Large furniture and home appliances reuse business

Treasure Factory Market



Reuse business at large-scale stores, mainly handling electric appliances and furniture
Operating in suburban areas



Subsidiaries | Store Business Category



Reuse business



Peripheral reuse businesses



Branded used clothing reuse business

Kindal



Reuse business specializing in branded used clothing
Operating mainly in central locations in Osaka and Tokyo



*Became a wholly-owned subsidiary in September 2016

Subsidiaries | Store Business Category



Reuse business



Peripheral reuse businesses



General reuse business

PickUP



General reuse business handling a wide range of items including home appliances, furniture, apparel, branded items, leisure-related items, work tools, etc.
Operating in Shizuoka Prefecture



*Became a wholly-owned subsidiary in October 2020

Branded items & jewelry reuse business

Kinburry



Branded items & jewelry reuse business handling gold, platinum, branded goods, watches, cash vouchers, etc.
Operating in Shizuoka Prefecture



*Became a wholly-owned subsidiary in October 2020

Subsidiaries | Store Business Category



Reuse business



Peripheral reuse businesses



Golf reuse business

Golf Kids

Reuse business specializing in golf gear
Operating mainly in the Tokyo metropolitan area and Kansai



*Became a wholly-owned subsidiary in March 2018

Golf reuse business

Golf King

Reuse business specializing in golf gear
Operating mainly in Nagoya, Aichi Prefecture



*Became a wholly-owned subsidiary in October 2023

Subsidiaries | Store Business Category



Reuse business



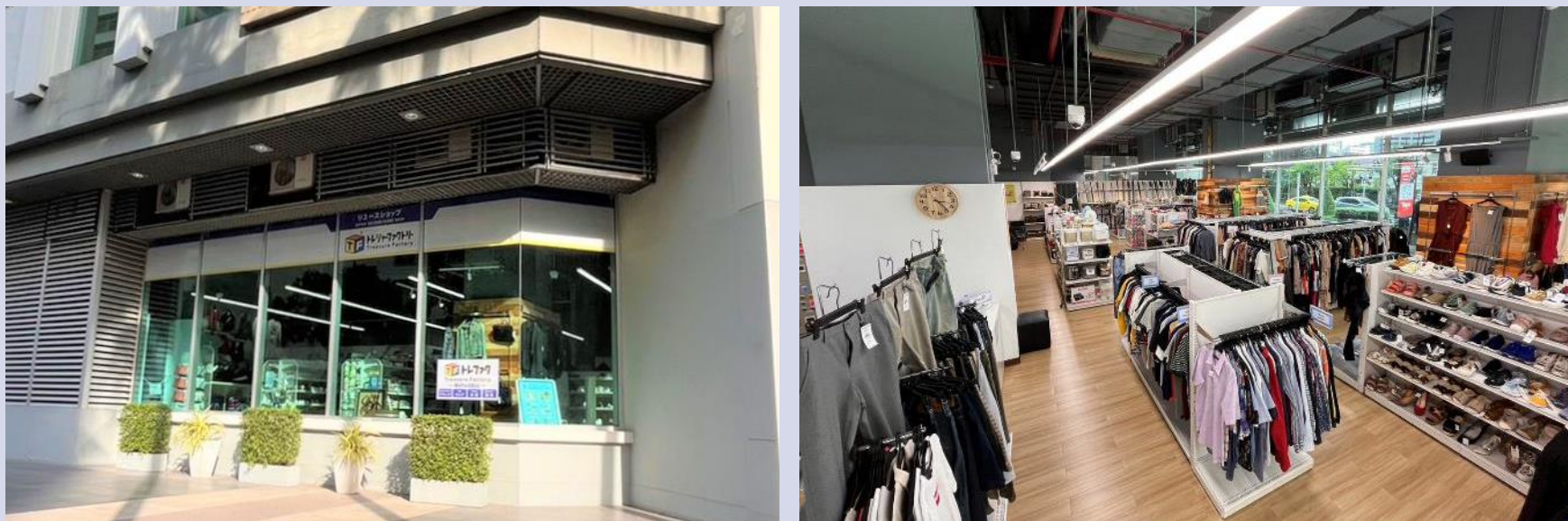
Peripheral reuse businesses



General reuse business (Thailand subsidiary) Treasure Factory Thailand



General reuse business handling a wide range of items including furniture, home appliances, apparel, accessories and branded items
Operating mainly in Bangkok



General reuse business (Taiwan subsidiary) Treasure Factory (Taiwan) Co., Ltd.



General reuse business handling a wide range of items including furniture, home appliances, apparel, accessories and branded items
Operating mainly in areas around Taipei



Non-consolidated | Outline of Services



Reuse business



Peripheral reuse businesses



B2B Live Net Auction

Treasure Factory Live Net Auction



B2B online auction for reuse business operators for dealing of furniture, home appliances, and other general household items

- Launched in April 2020
- Operating an online auction platform for reuse business operators
- Handling a wide variety of merchandise for general households, focusing mainly on large electric appliances and furniture
- Hold auctions for branded items
- Diverse companies buy and sell on a real-time basis

トップ > オークション会場 > オークション

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数量	1個
商品種別	ブランド家具 家電
サイズ	W 850 / D 430 / H 1,075

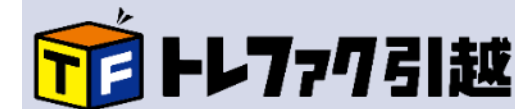
Non-consolidated | Outline of Services



Reuse business



Peripheral reuse businesses



Moving & removal + purchase service

Treasure Factory Moving & Removal

An innovative service that offers moving, removal, and purchasing at the same time, reducing both luggage and costs

- Launched in September 2014
- Reduces the burden of disposing unwanted items by offering moving, removal, and purchasing at the same time
- Users can keep the costs of moving low by deducting purchase price from the moving service fee
- Partners with over 50 certified moving companies across Japan
- Approximately 200 partners for customer referrals

Real estate purchases & agency services

Treasure Factory Real Estate

A convenient suite of services supporting customers from the purchase & sale of real estate to purchasing of unwanted items and disposing of household items

- Launched in October 2019
- A service developed based on requests for the purchase of the real estate properties together with the purchase of unwanted items
- By leveraging the synergy between Treasure Factory's services, we are capable of offering a one-stop service which includes purchasing of unwanted items in addition to real estate sales
- We can offer services from demolition and renovation of real properties, to introducing senior housing through service cooperation with partner companies

Non-consolidated | Outline of Services



Reuse business



Peripheral reuse businesses



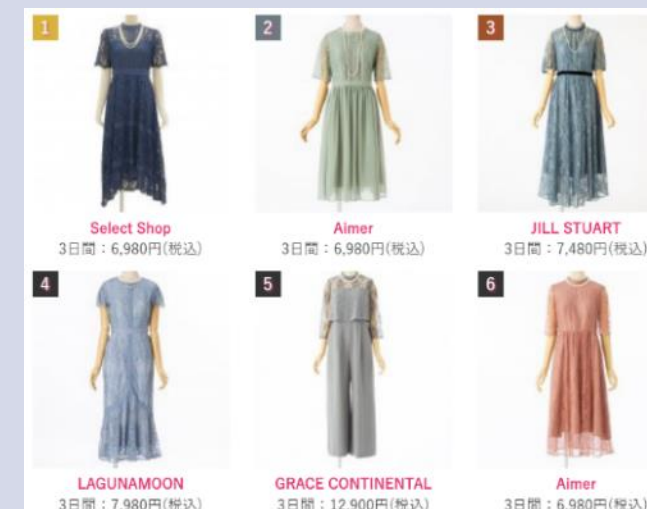
Formal Wear Rental Service

Cariru



Online fashion rental service site specializing in formal dress for special occasions and black formal suits for funerals

- Launched in October 2010
- Rental service for party dresses, bags, shoes, jewelry, and other items mainly for weddings and other special occasions
- Also handles less frequently worn items, such as maternity dresses, suits for school entrance and graduation ceremonies, and yukata
- Started a new rental site in April 2021 specializing in formal suits for funerals



Shareholder Benefits



Shareholders holding one shareholding unit (100 shares) or more will receive two types of vouchers:

- (1) Shopping discount voucher
- (2) Purchase price increase voucher

(1) Shopping discount voucher

- Shareholders holding 1 shareholding unit (100 shares) or more and less than four shareholding units (400 shares) will receive a 1,000 yen discount voucher
- Shareholders holding 4 shareholding units (400 shares) or more will receive a 2,000 yen discount voucher

(2) Purchase price increase voucher

- Shareholders will receive a 20% UP voucher applicable to purchase prices regardless of number of shareholding units



This material has been prepared to provide information about the Company and is not intended to solicit investment.

The information provided in the material is based on the Company's judgment at the time of the preparation thereof, and the Company does not guarantee the accuracy of such information.

The Company asks that investors use their own judgment when making investment decisions.

<Inquiries on the Presentation Materials>

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**Company website
(Company information and IR information)
<https://www.treasurefactory.co.jp>**