KURASHICOM

Summary of Results for the Three Months Ended October 31, 2024

December 13, 2024 Kurashicom Inc.

(TOKYO GROWTH MARKET : 7110)

HIGHLIGHTS

Kurashicom Net sales
1.85b
YoY+12.0%
Record high

Consolidated Net sales
1.89b
YoY+7.7%
Record high

Consolidated EBITDA
0.14b
YoY-54.8%

Purchasers※
99k
YoY+11.7%
Record high

Upward Revision
of Earnings forecast and Dividend

- Kurashicom sales grew 12.0% as the number of customers increased due to marketing investment in “Hokuoh Kurashi no Douguten”.
- The consolidated net sales grew 7.7% due to “foufou” sales decline, but reached a record high of 1.89 billion yen.
- The EBITDA also exceeded expectations at 0.14 billion yen, although profit declined due to increased expenses from mass advertising tests.
- The purchasers increased 11.7% to a record high of 99k, mainly due to expanded marketing investments.
- The forecast of financial results revised upward. Sales and all profits exceeded from the original forecasts.
- The dividend forecast was also revised upward from 20 yen to 25 yen per share.

※Number of purchasers of the “Hokuoh Kurashi no Douguten” segment in the quarter under review

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Consolidated

Statements of Income for 1Q of FY7/2025 vs. 1Q of the Previous Year

The Kurashicom sales grew 12.0% as the number of customers increased due to marketing investment in “Hokuoh Kurashi no Douguten”.

The consolidated net sales grew 7.7% due to “foufou” sales decline, but exceeded expectations and progressed steadily.

The profit, including EBITDA, decreased YoY as a result of higher SG&A expenses due to increased advertising expenses, including mass advertising testing although it remained above the expectation.

[￥Million]

	1Q Results FY Jul.25	1Q Results FY Jul.24	Change	Change[%]
Net Sales	**1,895**	1,759	+135	+7.7
Cost of sales	**1,085**	1,010	+75	+7.5
Gross Profit	**810**	749	+60	+8.0
Gross profit ratio	**42.7%**	42.6%	-	-
SG&A	**683**	444	+238	+53.7
Operating profit	**126**	304	-178	-58.6
Operating profit ratio	**6.7%**	17.3%	-	-
Ordinary profit	**130**	308	-178	-57.8
Ordinary profit ratio	**6.9%**	17.6%	-	-
Profit attributable to owners of parent	**78**	197	-119	-60.2
EBITDA	**144**	319	-175	-54.8
EBITDA margin	**7.6%**	18.1%	-	-

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

YoY Sales Growth Ratio

+7.7%

YoY Gross Profit Growth Ratio

+8.0%

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By Segment

Results by segment for 1Q of FY7/2025 vs. 1Q of the Previous Year

The ”Hokuoh Kurashi no Douguten” sales grew 12.0%, exceeding expectations, as marketing investments attracted new users and increased the number of customers.
The EBITDA is higher than expected as marketing investments and other costs stayed in line with expectations.
The sales of “foufou” declined. Engage in activities for future growth, including strategic product development and new marketing methods.

[￥Million]

		1Q Results FY Jul. 25	1Q Results FY Jul. 24	Change	Change[%]
Hokuoh Kurashi no Douguten Segment	Net Sales	**1,854**	1,655	+199	+12.0%
	EBITDA	**155**	295	-140	-47.6%
	EBITDA margin	**8.4%**	17.9%	-	-
foufou Segment	Net Sales	**42**	104	-62	-59.8%
	EBITDA	**-10**	23	-34	-145.5%
	EBITDA margin	**-25.6%**	22.5%	-	-
Consolidated	Net Sales	**1,895**	1,759	+135	+7.7%
	EBITDA	**144**	319	-175	-54.8%
	EBITDA margin	**7.6%**	18.1%	-	-

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

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Consolidated

Balance Sheets at 1Q of FY7/2025 vs. at the end of the Previous FY

The cash and cash equivalents decreased due to income taxes and dividend payments, but net cash was sufficient at 3.58 billion yen.

The capital adequacy ratio remains healthy at 84.1%.

The merchandise increased due to the seasonality reason and the sufficient preparation volume for sales growth.

[¥Million]

	As of Oct. 30, 2024	As of Jul. 31, 2024	Change	Main Reason for change
Total Assets	**5,564**	5,596	-32	
Current Assets	**4,874**	4,890	-16	
Cash and deposits	**3,723**	4,195	-471	・Payment of corporate taxes -227M ・Dividend payment -125M
Merchandise	**747**	423	+323	・Hokuoh Kurashi no Douguten +316M fall/winter products
Non-current assets	**690**	706	-15	
Goodwill	**188**	193	-5	Amortization
Liabilities	**884**	869	+14	
Borrowings	**139**	152	-13	Repayment
Other	**745**	717	+28	・Increase of accounts payable ・Decrease in income taxes payable
Net Assets	**4,680**	4,726	-46	・Profit +78M ・Dividend payment -125M

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Consolidated

Revised Business Forecasts for FY7/2025

The effects of marketing investments in the “Hokuoh Kurashi no Douguten” segment exceeded expectations.

The sales of “Hokuoh Kurashi no Douguten” segment in November (preliminary) were 34% higher YoY , exceeding the 1Q sales growth rate of 12%.

The forecast of financial results revised upward. Sales and all profits exceeded from the original forecasts.

[￥Million]

	FY Jul. 2025 Revised Forecasts	FY Jul. 2025 Original Forecasts	Change[%] to the Original Forecasts	Change[%] to the Previous Year
Net Sales	**8,200**	8,000	+2.5%	+16.9%
Gross Profit	**3,570**	3,470	+2.9%	+16.2%
Operating Profit	**760**	680	+11.8%	-29.9%
Ordinary Profit	**780**	700	+11.4%	-32.2%
Profit attributable to owners of parent	**500**	450	+11.1%	-36.4%
EBITDA	**830**	750	+10.7%	-27.8%
EBITDA margin	**10.1%**	9.4%	-	-

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

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By Segment

Revised Business Forecasts for FY7/2025

The sales of “Hokuoh Kurashi no Douguten” revised upward to 7,930 million yen. Annual growth rate forecasted to be 18.8%.

The budget for marketing investment still keep the original forecast, about 1 billion yen.

The forecasts for “foufou” were revised downward which reflects the current conditions.

[￥Million]

		FY Jul. 2025 Revised Forecasts	FY Jul. 2025 Original Forecasts	Change[%] to the Original Forecasts	Change[%] to the Previous Year
Hokuoh Kurashi no Douguten Segment	Net Sales	**7,930**	7,660	+3.5%	+18.8%
	EBITDA	**825**	705	+17.0%	-25.6%
	EBITDA margin	**10.4%**	9.2%	-	-
foufou Segment	Net Sales	**270**	340	-20.6%	-19.5%
	EBITDA	**5**	45	-88.9%	-87.7%
	EBITDA margin	**1.9%**	13.2%	-	-
Consolidated	Net Sales	**8,200**	8,000	+2.5%	+16.9%
	EBITDA	**830**	750	+10.7%	-27.8%
	EBITDA margin	**10.1%**	9.4%	-	-

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

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