



TREASURE FACTORY

Treasure Factory Co., Ltd.

Presentation Materials

Nine Months Ended November 30, 2024
(March 2024 to November 2024)

January 14, 2025

Summary of Q3 Results

1

Both sales and operating profit grew by more than +20% YOY in the first three quarters

- Existing stores continue to enjoy high-level growth rates, achieving **107.3%** YOY in the first three quarters.
- While profit decreased in Q2 as a result of advance investments, **operating profit increased again in Q3, recording a highest-ever profit**

2

Non-consolidated existing stores exceeded YOY sales for 39 consecutive months

- Non-consolidated existing stores exceeded YOY sales for **39 consecutive months** from September 2021 through November 2024.

3

Progress against full-year targets is similar to previous FY results

- Progress against targets as of Q3 recovered to 74%, similar to what we achieved in the previous FY

Consolidated | Profit and Loss Statements (PL)



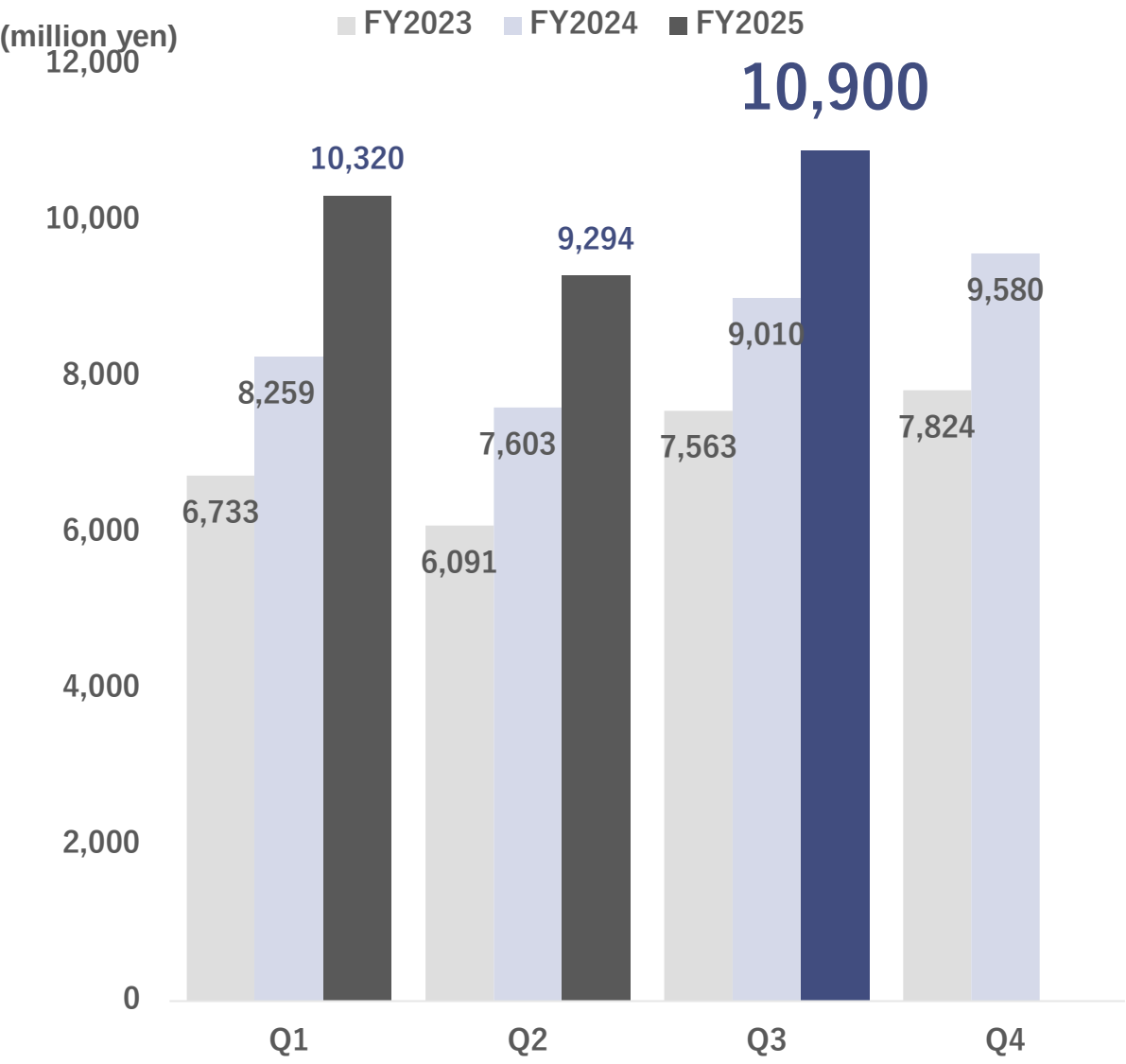
Both cumulative net sales and operating profit grew more than +20% YOY in the first three quarters. We continue to expect similar growth rates for the full year.

(million yen)	FY2024	FY2025	Year on year		Performance forecasts		Factors in YOY increase/decease and differences between performance forecast and actual results
	First 3 quarters	First 3 quarters	Change (million yen)	Change (%)	Full-year forecast	Progress	
Net sales	24,873	30,515	+5,641	+22.7%	41,862	72.9%	Year on year: Cumulative growth rate of existing stores in the first three quarters was 107.3% : Benefited from 26 stores opened in previous FY + 17 stores in current FY + M&A in previous FY
Net gross profit	15,375	18,326	+2,951	+19.2%	-	-	
Gross profit ratio	61.8%	60.1%	-1.7pts	-	-	-	Due to increase in sales composition ratio of expensive items catering to inbound tourists -0.8 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	12,899	15,344	+2,445	+19.0%	-	-	
Operating profit	2,475	2,982	+506	+20.5%	4,041	73.8%	
Operating profit ratio	10.0%	9.8%	-0.2 pts	-	-	-	
Ordinary profit	2,509	3,011	+502	+20.0%	4,069	74.0%	
Profit attributable to owners of parent	1,600	1,958	+357	+22.3%	2,723	71.9%	
Earnings per share	68.55 yen	83.58 yen	+15.03 yen	+21.9%	116.23 yen	71.9%	

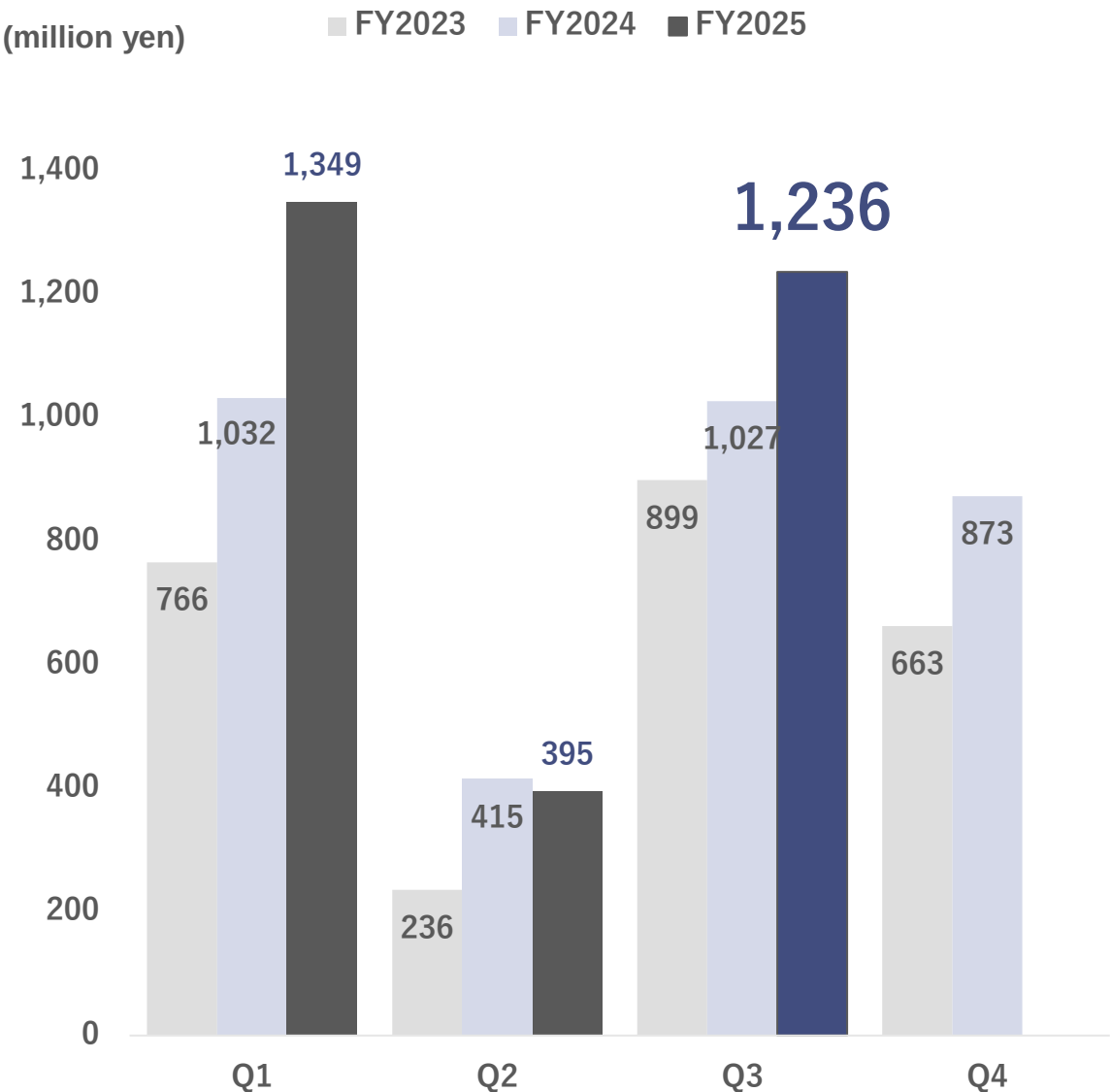
Consolidated | Quarterly Results



Net sales



Operating profit



Both cumulative sales and operating profit grew by more than +20% YOY in the first three quarters

- Existing stores continue to enjoy high-level growth rates
- Net sales increased by nearly 20% YOY, exceeding 10 billion yen in Q3

Operating profit for Q3 exceeded record-high level

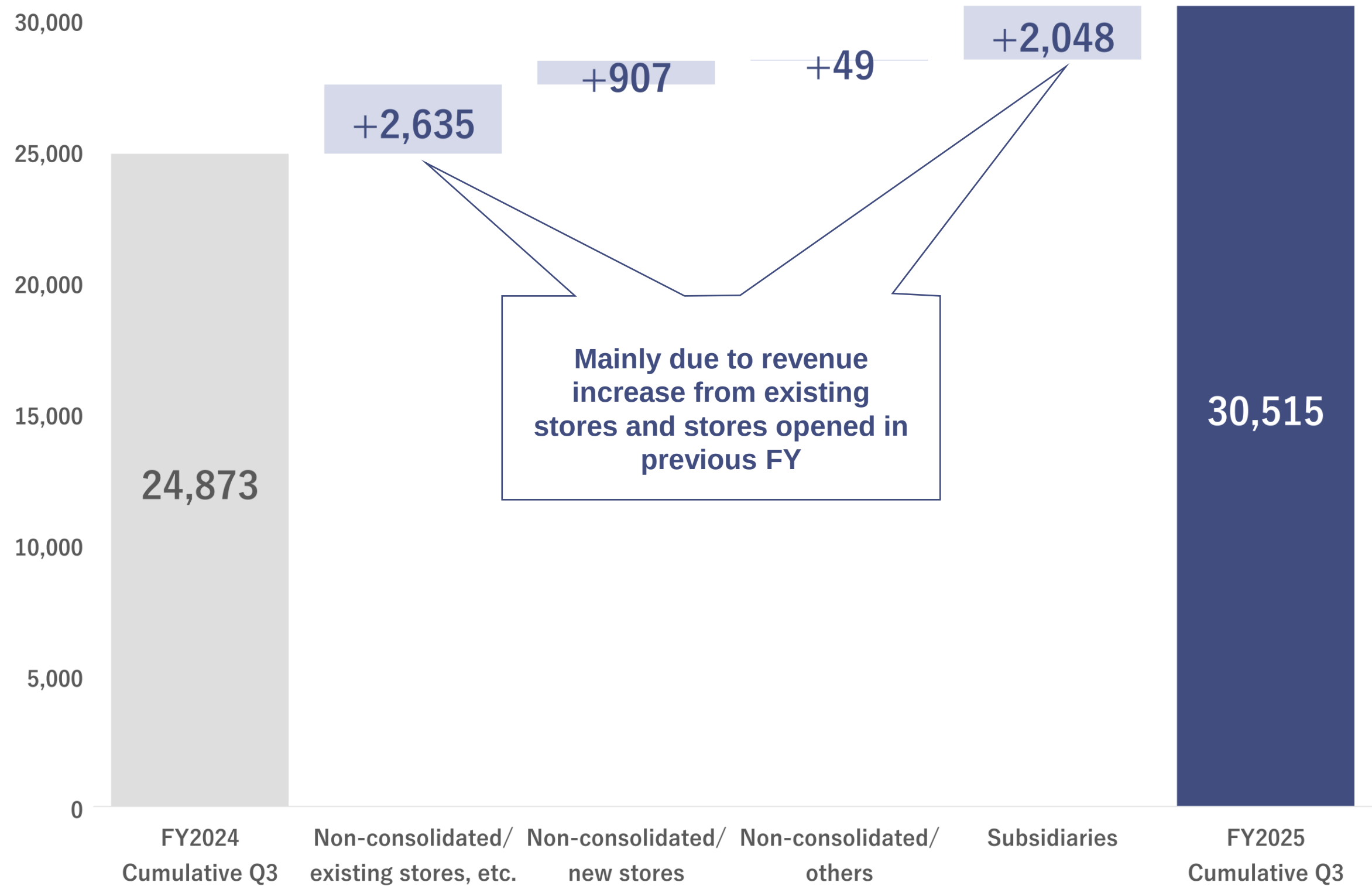
- Profit decreased YOY in Q2 as a result of advance investments for expansion and relocation of distribution center, etc.
- Profit increased by nearly 20% YOY in Q3, breaking record of 1.2 billion yen

(million yen)	Quarterly Results			First 3 quarters		
	FY2024 Q3	FY2025 Q3	Year on year	FY2024	FY2025	Year on year
Net sales	9,010	10,900	21.0%	24,873	30,515	22.7%
Operating profit	1,027	1,236	20.4%	2,475	2,982	20.5%
Operating profit ratio	11.3%	11.3%	—	10.0%	9.8%	-0.2 pts

Consolidated | Net Sales Fluctuation Analysis



(million yen)



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

- Revenue increased **+4,683** million yen in the first three quarters (total of non-consolidated stores/subsidiaries)

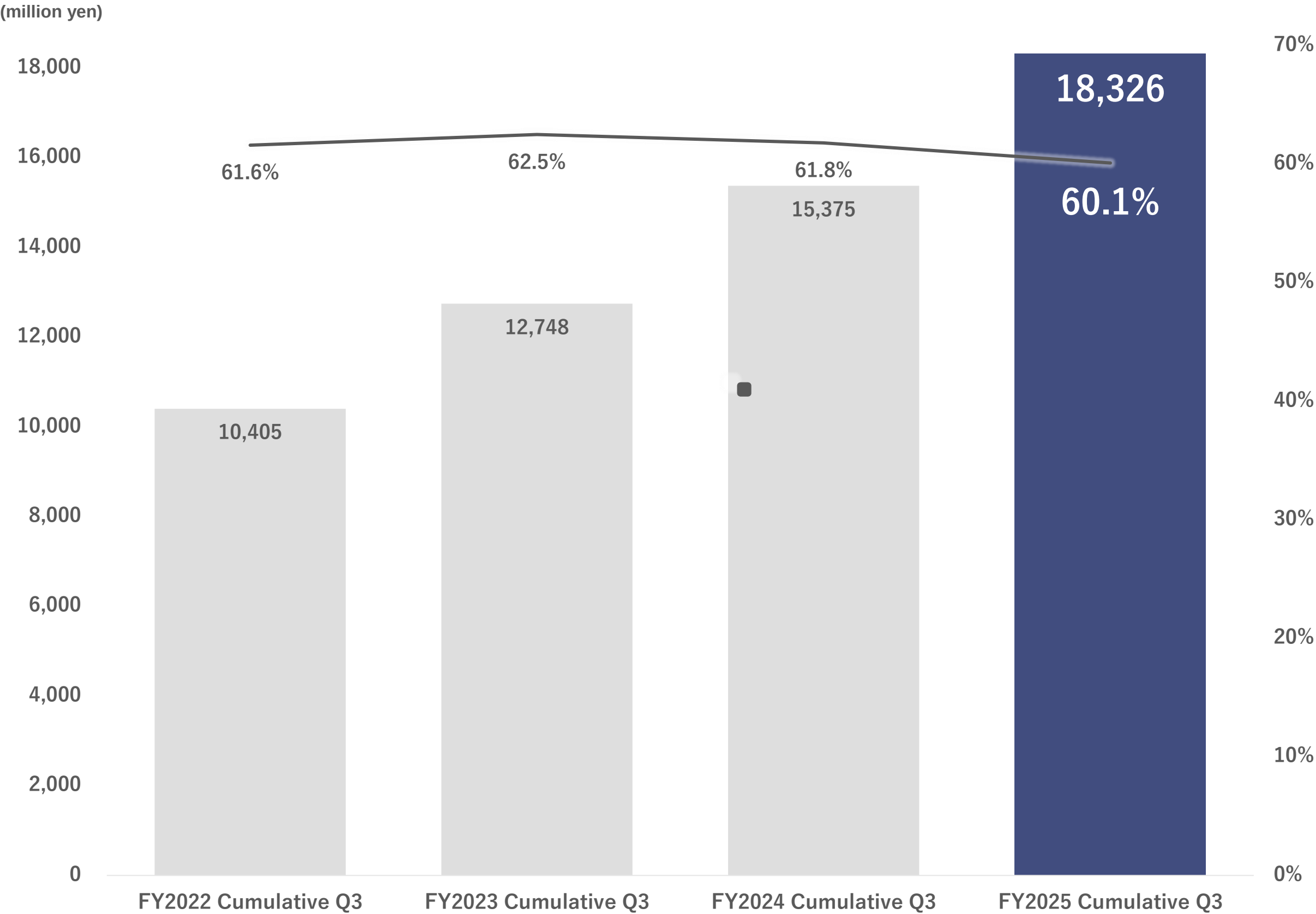
New stores opened in the current fiscal year generally made a strong start

- 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 | Net Gross Profit for the Past 4 Years



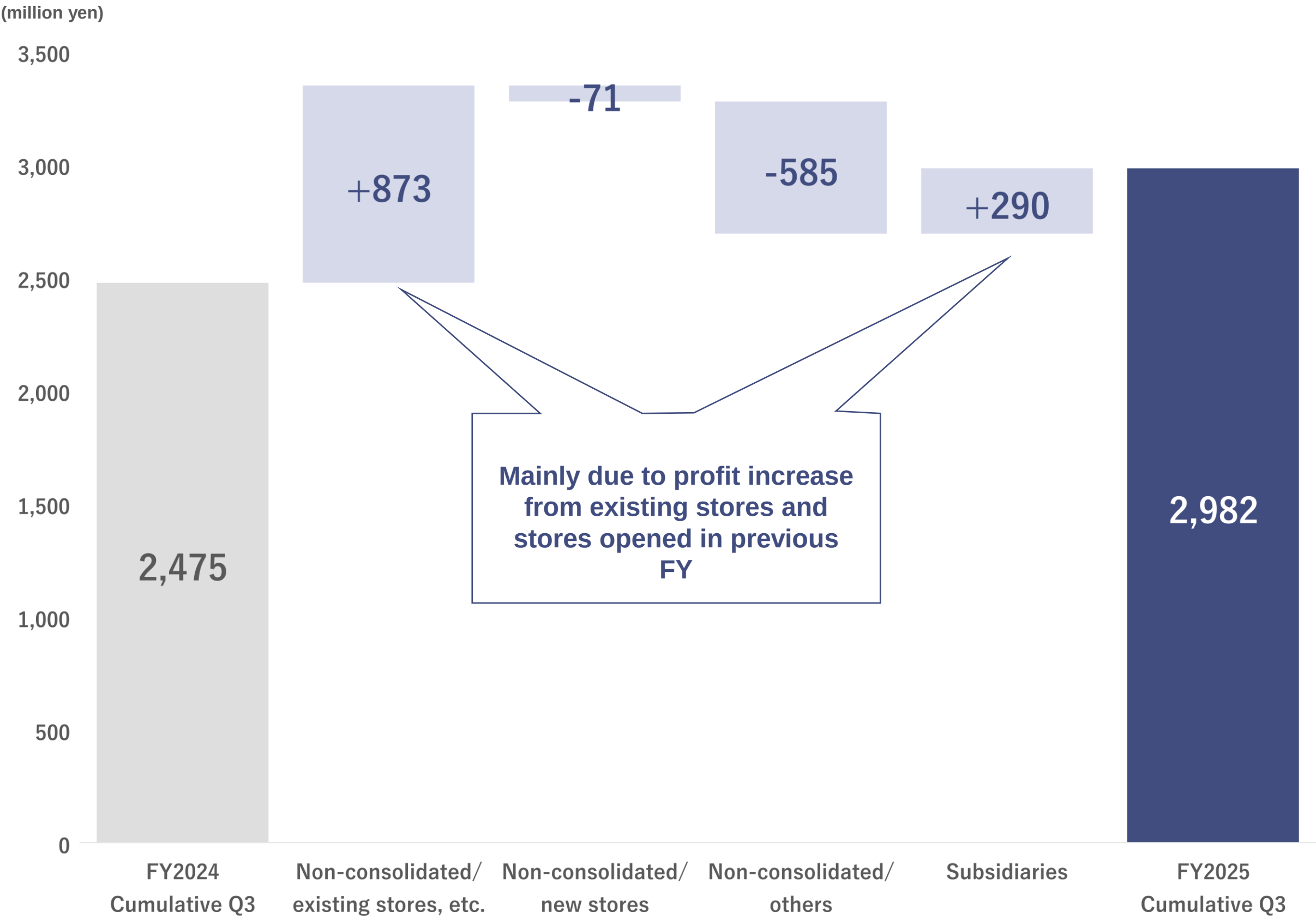
Growth of sales brought increase in net gross profit

- 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 **9.8%**, up 3.0 pts YOY)

Gross profit ratio came to -1.7% YOY

- Due to increase in sales composition ratio of expensive items catering to inbound tourists
-0.8 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



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

- Profit increased **+1,163**million yen in the first three quarters (total of non-consolidated stores/subsidiaries)

Major breakdown of “non-consolidated/others”

- Increase in staffing for purchase channels other than in-store purchases -116M yen
- Increase in advertising expenses for EC and strengthening purchases -55M yen
- Increase in costs for expansion and relocation of distribution center -33M yen
- Decrease in profit YOY from rental business -52M 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)

Changes in KPIs-Summary



Non-consolidated	Existing stores-YOY sales Leading indicator of demand and indicator of business growth potential	First 3 quarters: 107.3% Both number of sales and unit prices continued to rise	YOY: 110.1% (-2.8 pts)
Non-consolidated	Existing stores-gross profit ratio Indicator of business profitability	First 3 quarters: 64.9% Dropped by -0.5 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 -0.2 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: 65.7% (-0.8 pts)
Consolidated	EC ratio Indicator of response to a new channel	First 3 quarters: 14.1% E-commerce ratio has increased due to increase in the handling of high-priced products such as branded products and hobby-related items, and improved listing efficiency through the establishment of an EC listing system	YOY: 13.5% (+0.6 pts)
Consolidated	YOY purchases Leading indicator of capacity for sales & store opening	First 3 quarters: 120.1% In-store purchases increased +8.9% YOY, home-delivery purchases increased +9.8% YOY, and home-visit purchases increased +29.9% 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 center in Q2	YOY: 129.7% (-9.6 pts)
Consolidated	Number of new stores opened in the current FY Leading indicator of increase in revenue and profit	First 3 quarters: 17 stores Among property, inventory, and human resources, we were not able to secure suitable property as expected. However, despite the number of new store openings falling below the initial plan, we maintained the same number as the previous fiscal year	YOY: 17 stores (± 0 stores)

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 Q3			Full year			Assumptions & supplementary information
	Previous FY results	Results to date	Increase/decrease	Previous FY results	Full-year forecast	Increase/decrease	
Net sales	24,873	30,515	+22.7%	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	2,475	2,982	+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	10.0%	9.8%	-0.2 pts	9.7%	9.7%	-	
Ordinary profit	2,509	3,011	+20.0%	3,390	4,069	+20.0%	
Ordinary profit ratio	10.1%	9.9%	-0.2 pts	9.8%	9.7%	-0.1 pt	
Profit attributable to owners of parent	1,600	1,958	+22.3%	2,241	2,723	+21.5%	
Net profit ratio	6.4%	6.4%	-	6.5%	6.5%	-	
Earnings per share	68.55 yen	83.58 yen	+21.9%	95.94 yen	116.23 yen	+21.1%	
Dividend per share	-	-	-	28.00 yen	34.00 yen	+21.4%	
Dividend payout ratio	-	-	-	29.2%	29.3%	+0.1pt	

Progress Against Full-year Targets



Operating profit recovered in Q3 despite a slow-down in Q2, progressing successfully towards full-year forecast



Fiscal Year Dividends Forecast

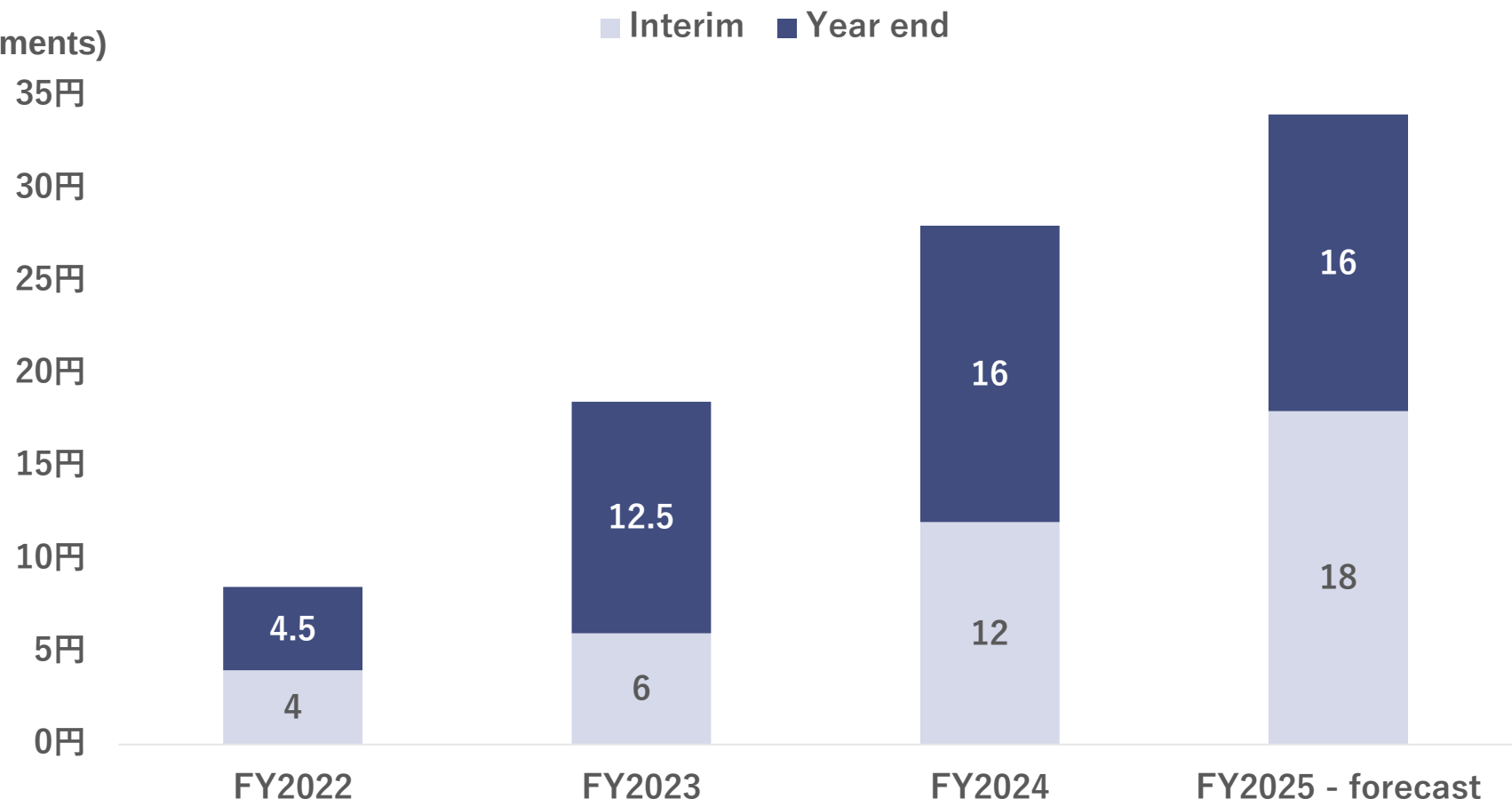


*No changes from the forecasts released on July 10, 2024

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