

Consolidated Financial Results for the Nine Months Ended November 30, 2024 (Japanese Accounting Standards)

January 14, 2025

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Securities code	3093
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Commencement of dividend payments:	—
Supplementary documents for financial results:	Yes
Financial results briefing:	No

Listings: Tokyo Stock Exchange
URL: <https://www.treasurefactory.co.jp/>

(Amounts in millions of yen rounded down to the nearest million yen)

1. Results for the nine months ended November 30, 2024 (March 1, 2024 to November 30, 2024)

(1) Operating results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2025 Q3	30,515	22.7	2,982	20.5	3,011	20.0	1,958	22.3
FY2024 Q3	24,873	22.0	2,475	30.2	2,509	29.1	1,600	26.7

(Note) Comprehensive income:	FY2025 Q3	1,985million yen(20.4%)
	FY2024 Q3	1,648million yen(30.0%)

	Profit per share	Diluted profit per share
FY2025 Q3	yen 83.58	yen 83.57
FY2024 Q3	68.55	68.30

(2) Financial position

	Total assets	Net assets	Equity capital ratio
	million yen	million yen	%
FY2025 Q3	20,427	9,745	47.3
FY2024	17,728	8,526	47.8

(Reference) Shareholders' equity:	FY2025 Q3	9,656 million yen
	FY2024	8,475 million yen

2. Dividends

	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year end	Total
FY2024	yen —	yen 12.00	yen —	yen 16.00	yen 28.00
FY2025	—	18.00	—		
FY2025 (forecast)				16.00	34.00

(Note) Revisions to dividend forecast published most recently: No

3. Results forecast for the fiscal year ending February 28, 2025 (March 1, 2024 to February 28, 2025)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full year	million yen 41,862	% 21.5	million yen 4,041	% 20.7	million yen 4,069	% 20.0	million yen 2,723	% 21.5	yen 116.23

(Note) Revisions to results forecast published most recently: No

* Notes

(1) Critical changes in the scope of consolidation during the nine months of the current consolidated cumulative period under review: None

Number of new companies (their names): Number of excluded companies (their names):

(2) Adoption of accounting unique to the preparation of quarterly consolidated financial statements: None

(3) Changes to accounting policies, changes of accounting estimates, and revisions and restatements

[1] Changes in accounting policies in accordance with changes in accounting principles: None

[2] Changes in accounting policies other than [1] above: None

[3] Changes in accounting estimates: None

[4] Revisions and restatements: None

(4) Number of shares issued and outstanding (common stock)

[1] Number of shares issued at period-end (including treasury shares)	As of Nov. 30, 2024	24,347,800 shares	As of Feb. 29, 2024	24,347,800 shares
[2] Treasury shares at period-end	As of Nov. 30, 2024	911,716 shares	As of Feb. 29, 2024	939,176 shares
[3] Average number of shares issued during the period	As of Nov. 30, 2024	23,430,258 shares	As of Nov. 30, 2023	23,350,737 shares

* Review of the attached quarterly consolidated financial statements conducted by a certified public accountant or audit corporation:
No

* Explanation of the proper use of financial results forecast and other notes

(Notes on descriptions about forecasts)

Information relating to forecasts stated in this document was based on information available at the time of publication of the document. Actual results may differ materially from the forecasts due to a range of factors. For further information about the results forecast, please refer to (3) Explanation regarding the Information on Forecast including Consolidated Forecasts in 1. Overview of Operating Results on Page 5 of the attached material.

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1. Overview of Operating Results

(1) Overview of Quarterly Operating Results

During the third quarter of the current consolidated cumulative period, Japan saw increased demand from an increase in international visitors, as well as improved employment and income circumstances, and other factors that drove a gradual economic recovery. However, the economic outlook remains uncertain because of instability in situations overseas, which include concern about a slowdown in China's economy and growing tension in the Middle East, rising prices due to the weakened yen, and abrupt changes in exchange rate trends, among others.

In the reuse industry, the market continues to grow as there has been a societal shift in consumer behavior toward sustainability and growing demand for used and reuse items because of rising prices.

During this third quarter, the Treasure Factory Group enjoyed steady business that continued from the previous quarter. We achieved an operating profit of ¥2,982 million over the third quarter of the consolidated accounting period from September to November. On a non-consolidated basis, we opened 16 directly-managed stores, a Group company opened 1 directly-managed stores, and existing stores also enjoyed steady sales. K.K. Kindal ("Kindal") and K.K. PickUp Japan, our Group companies that engage in the reuse business, also saw steady sales, which led to further revenues and profits.

Consequently, the results of operations for the third quarter of the current consolidated cumulative period show net sales of ¥30,515 million (up 22.7 percent year on year), operating profit of ¥2,982 million (up 20.5 percent year on year), ordinary profit of ¥3,011 million (up 20.0 percent year on year), and quarterly profit of ¥1,958 million attributable to owners of the parent (up 22.3 percent year on year).

The results of operations sorted by segment are as stated below.

(Reuse Business)

Consolidated sales increased 22.4 percent year on year, non-consolidated sales increased 18.1 percent year on year, and non-consolidated sales at existing stores increased 7.3 percent year on year. In terms of sales by category, apparel sales increased 22.2 percent year on year because demand for fall and winter clothing grew. The sales of electric appliances increased 15.0 percent year on year as the business responded to demand for winter home appliances from September through November. The sales of items targeted at foreign tourists grew, which helped boost the sales of fashion items such as branded items and wristwatches by 24.0 percent year on year. Sales of hobby-related items increased as much as 54.8 percent year on year owing to the sales of the golf reuse business that joined the Group last fiscal year, and to the steady sales of outdoor and sports items. Consolidated e-commerce sales increased by 29.7 percent year on year, as did non-consolidated e-commerce sales by 27.8 percent year on year.

Consolidated purchases of merchandise for the fiscal year under review increased 20.1 percent year on year, and non-consolidated purchases of merchandise also grew by 11.3 percent year on year. As for non-consolidated purchases by channel, in-store purchases continued to steadily grow, achieving an increase of 8.9 percent year on year. Home-delivery purchases increased by 9.8 percent year on year, and home-visit purchases enjoyed an increase of 29.9 percent year on year.

During the third quarter of the current consolidated cumulative period, we opened 7 general reuse stores, 6 fashion reuse stores, 2 fashion outlet reuse store, and 1 sports and outdoor reuse store, the non-consolidated total being 16 stores. In terms of new stores by region, we opened 11 in Kanto, 2 in Kansai, and 3 in Tokai, maintaining a good balance of geographic locations. Furthermore, Kindal, our Group company, opened 1 directly-managed store. The numbers of stores at the end of the third quarter of the consolidated accounting period under review are as follows: 203 directly-managed stores and 4 franchise stores, the non-consolidated total being 207; and 290 stores in total across the Group.

These results added up to net sales of ¥29,710 million (up 22.4 percent year on year) and a segment profit of ¥4,420 million (up 22.3 percent year on year).

(Other)

Cariru, our rental business, successfully captured demand as people attended events such as weddings, and its sales increased 5.0 percent year on year. However, profit decreased because the relocation of the center pushed up costs, leading SG&A to increase 20.0 percent year on year.

These results added up to net sales of ¥1,119 million (up 27.4 percent year on year) and a segment profit of ¥17 million (down 86.0 percent year on year).

(2) Overview of Quarterly Financial Position

Total assets at the end of the third quarter of the current consolidated accounting period increased by ¥2,699 million compared to the end of the previous consolidated fiscal year, totaling ¥20,427 million because of a decrease of ¥180 million in cash and deposits, an increase of ¥570 million in accounts receivable-trade, an increase of ¥1,329 million in merchandise, an increase of ¥334 million in buildings and structures (net), a decrease of ¥35 million in goodwill, and an increase of ¥357 million in leasehold and guarantee deposits, among other reasons.

Total liabilities at the end of the third quarter of the current consolidated accounting period increased by ¥1,479 million compared to the end of the previous consolidated fiscal year, totaling ¥10,681 million because of an increase of ¥1,076 million in short-term borrowings, a decrease of ¥202 million in income taxes payable, an increase of ¥82 million in long-term borrowings, among other reasons.

Total net assets at the end of the third quarter of the current consolidated accounting period increased by ¥1,219 million compared to the end of the previous consolidated fiscal year, totaling ¥9,745 million because a quarterly profit of ¥1,958 million attributable to owners of the parent was recorded, and dividend payment led to a decrease of ¥796 million, among other reasons.

(3) Explanation regarding the Information on Forecast including Consolidated Forecasts

The full-year consolidated forecasts for the fiscal year ending February 28, 2025 remain unchanged from the figures released by the Company on July 10, 2024.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

	Previous Consolidated Fiscal Year (Ended February 29, 2024)	Third Quarter of the Current Consolidated Accounting Period (Ended November 30, 2024)
Assets		
Current assets		
Cash and deposits	2,617	2,436
Accounts receivable—trade	1,174	1,745
Merchandise	6,899	8,228
Other	772	938
Total current assets	11,464	13,348
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	1,815	2,149
Land	426	426
Other, net	590	788
Total property, plant, and equipment	2,831	3,364
Intangible assets		
Goodwill	361	325
Other	158	164
Total intangible assets	520	490
Investments and other assets		
Leasehold and guarantee deposits	2,274	2,631
Other	638	592
Total investments and other assets	2,912	3,223
Total non-current assets	6,264	7,078
Total assets	17,728	20,427

(Unit: million yen)

	Previous Consolidated Fiscal Year (Ended February 29, 2024)	Third Quarter of the Current Consolidated Accounting Period (Ended November 30, 2024)
Liabilities		
Current liabilities		
Accounts payable—trade	116	172
Short-term borrowings	2,506	3,583
Current portion of long-term borrowings	918	1,151
Income taxes payable	694	491
Contract liabilities	97	131
Refund liabilities	49	57
Provision for bonuses	455	248
Provision for shareholder benefit program	6	2
Asset retirement obligations	9	52
Other	1,572	2,087
Total current liabilities	6,426	7,978
Non-current liabilities		
Long-term borrowings	1,962	1,880
Asset retirement obligations	786	797
Other	26	25
Total non-current liabilities	2,775	2,702
Total liabilities	9,202	10,681
Net assets		
Shareholders' equity		
Share capital	906	906
Capital surplus	857	865
Retained earnings	7,296	8,458
Treasury shares	(603)	(585)
Total shareholders' equity	8,458	9,645
Cumulative amount of other comprehensive income		
Foreign currency translation adjustment	17	11
Total cumulative amount of other comprehensive income	17	11
Share acquisition rights	3	—
Non-controlling interests	47	89
Total net assets	8,526	9,745
Total liabilities and net assets	17,728	20,427

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly consolidated statement of income)
(Third quarter of the consolidated cumulative period)

(Unit: million yen)

	Third Quarter of the Previous Consolidated Cumulative Period (from March 1, 2023 to November 30, 2023)	Third Quarter of the Current Consolidated Cumulative Period (from March 1, 2024 to November 30, 2024)
Net sales	24,873	30,515
Cost of sales	9,498	12,188
Net gross profit	15,375	18,326
Selling, general, and administrative expenses	12,899	15,344
Operating profit	2,475	2,982
Non-operating income		
Interest income	0	1
Foreign exchange gains	8	5
Vending machine income	10	11
Subsidy income	0	—
Other	27	31
Total non-operating income	48	50
Non-operating expenses		
Interest expenses	10	19
Other	4	1
Total non-operating expenses	15	20
Ordinary profit	2,509	3,011
Extraordinary income		
Gain on sales of non-current assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on retirement of non-current assets	1	5
Total extraordinary losses	1	5
Quarterly profit before income taxes	2,508	3,005
Income taxes—current	732	940
Income taxes—deferred	137	74
Total income taxes	869	1,014
Net quarterly profit	1,638	1,991
Profit attributable to non-controlling interests	37	32
Profit attributable to owners of parent	1,600	1,958

(Quarterly consolidated statement of comprehensive income)
(Third quarter of the consolidated cumulative period)

(Unit: million yen)

	Third Quarter of the Previous Consolidated Cumulative Period (from March 1, 2023 to November 30, 2023)	Third Quarter of the Current Consolidated Cumulative Period (from March 1, 2024 to November 30, 2024)
Net quarterly profit	1,638	1,991
Other comprehensive income		
Foreign currency translation adjustment	10	(6)
Total of other comprehensive income	10	(6)
Quarterly comprehensive income	1,648	1,985
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	1,610	1,952
Quarterly comprehensive income attributable to non- controlling interests	37	32

(3) Notes on the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

N/A

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

N/A

(Notes on the Quarterly Consolidated Statement of Cash Flows)

We do not have a quarterly consolidated statement of cash flows for the third quarter of the current consolidated cumulative period. The table below shows the depreciation (including depreciation pertaining to intangible assets that exclude goodwill) and amortization of goodwill that are applicable to the third quarter of the consolidated cumulative period.

	Third Quarter of the Previous Consolidated Cumulative Period (from March 1, 2023 to November 30, 2023)	Third Quarter of the Current Consolidated Cumulative Period (from March 1, 2024 to November 30, 2024)
Depreciation	380,000,000 yen	531,000,000 yen
Amortization of goodwill	12,000,000 yen	35,000,000 yen

(Notes on Segment Information, etc.)

[Segment Information]

I. Third Quarter of Previous Consolidated Cumulative Period (from March 1, 2023 to November 30, 2023)

1. Information about the amounts of net sales and profit or loss for each reporting segment

(Unit: million yen)

	Reporting segment	Other (Note 1)	Total	Adjustment amount (Note 2)	Amount reported on the quarterly consolidated statement of income (Note 3)
	Reuse business				
Net sales					
Sales to external customers	24,270	603	24,873	—	24,873
Internal sales or transfer between segments	—	274	274	(274)	—
Total	24,270	878	25,148	(274)	24,873
Segment profit	3,614	121	3,736	(1,260)	2,475

(Note 1) “Other” refers to the business segments not included in the reporting segments, such as the rental, information system, and real estate businesses.

(Note 2) The adjustment amount for the segment’s profit is a company-wide expense and primarily part of selling, general, and administrative expenses not attributable to the segment.

(Note 3) The segment’s profit has been adjusted according to the operating profit shown in the Quarterly Consolidated Statement of Income.

2. Information about the impairment loss on non-current assets or goodwill for each reporting segment

(Material Impairment Loss Pertaining to Non-current Assets)

N/A

(Material Change in the Amount of Goodwill)

We acquired shares in ACUO Co., Ltd. on November 30, 2023, which is the deemed acquisition date, in the segment of the reuse business, thereby including ACUO in our financial consolidation. Goodwill of ¥309 million arose from this event.

II. Third Quarter of Current Consolidated Cumulative Period (from March 1, 2024 to November 30, 2024)

1. Information about the amounts of net sales and profit or loss for each reporting segment

(Unit: million yen)

	Reporting segment	Other (Note 1)	Total	Adjustment amount (Note 2)	Amount reported on the quarterly consolidated statement of income (Note 3)
	Reuse business				
Net sales					
Sales to external customers	29,710	804	30,515	—	30,515
Internal sales or transfer between segments	—	314	314	(314)	—
Total	29,710	1,119	30,829	(314)	30,515
Segment profit	4,420	17	4,438	(1,456)	2,982

(Note 1) “Other” refers to the business segments not included in the reporting segments, such as the rental, information system, and real estate businesses.

(Note 2) The adjustment amount for the segment’s profit is a company-wide expense and primarily part of selling, general, and administrative expenses not attributable to the segment.

(Note 3) The segment’s profit has been adjusted according to the operating profit shown in the Quarterly Consolidated Statement of Income.

2. Information about the impairment loss on non-current assets or goodwill for each reporting segment

(Material Impairment Loss Pertaining to Non-current Assets)

N/A

(Material Change in the Amount of Goodwill)

N/A