FY03/2027 (2Q)

Materials for Financial Results Briefing
Laxus Technologies Inc.
November 12th, 2026

Laxus

Highlights

Net Sales	Operating Profit	Number of Contracts※1	ARPU (2Q Avg.)
1,023 mil. JPY	104 mil. JPY	16,613	8,793 JPY
94% YoY (▲69 mil. JPY)	2.0x YoY (+53 mil. JPY)	▲276 YoY	

Ad spending was sharply reduced while sign-up incentives increased. Operating profit doubled, but contracts fell 276 YoY, missing the target.
Acquisition costs fell 30%, including incentive discounts. However, heavily incentivized members churn earlier, with first-year LTV (revenue) at about 70% of non-incentivized members.
The challenge is retention, not acquisition efficiency. Since the end of 2Q, blanket large incentives have been discontinued, with funds shifted to advertising and incentives reviewed by bag and brand.

■ From Quantity to Quality

Discontinued blanket incentives over JPY 2,000 at the end of 2Q, reallocating funds to ads. A system for bag and brand-specific incentives and pricing is now being tested for new sign-ups.

■ Inventory Quality and Turnover

Launched "Royal Closet" for premium bag rentals at an extra fee. Shifted from BtoB sales to external EC (5 marketplaces), Omotesando store, and Rent-to-Own. Since October, weekly sourcing and sales decisions have been based on "Rental Speed."

■ Expansion of Business Model

Launched "ANA Luxury Bag" with ANA Group in late July. Following the sunglasses beta in August, premium down jackets are planned, extending screening, item management, and logistics beyond bags and to external partners.

※1： Total of single-plan, double-plan, and other contracts.

FY03/2027 2Q Financial Results Overview

Advertising expenses fell 40%, while operating profit doubled (+JPY 53 million). Net sales declined 6.4%. SG&A savings of JPY 130 million more than offset the JPY 77 million decline in gross profit

(JPY million)	FY03/2026 2Q	FY03/2027 2Q	+/- amount	YoY
Net Sales	1,093	**1,023**	a ▲69	93.6%
Gross Profit	798	**721**	b ▲77	90.3%
Gross Profit Margin	73.1%	**70.5%**		
SG&A Expenses	747	**616**	C ▲130	82.5%
SG&A Ratio	68.4%	**60.2%**		
Operating Profit	51	**104**	d +53	204.5%
Operating Profit Margin	4.7%	**10.2%**		
Interim Net Profit	46	**64**	e +17	138.0%
Interim Net Profit Margin	4.3%	**6.3%**		

a Net Sales：Bag sales revenue※1 was 88% of the prior-year level, reflecting reduced BtoB sales to prioritize profitability

b Gross Profit：Gross profit fell 9.7% YoY to JPY 721 million, mainly due to lower sales and higher depreciation from increased rental assets.

C SG&A Expenses：SG&A expenses decreased 17.5% YoY. See page 5 for details.

d Operating Profit：Operating profit increased as SG&A reductions more than offset the decline in gross profit.

e Interim Net Profit：Interim net profit increased 38.0% YoY.

※1 Includes lease revenue from "Kaechau Laxus" (other revenue)

FY03/2027 2Q Financial Results (SG&A Expenses)

Advertising expenses decreased by JPY 95 million, mainly due to a shift toward more efficient spending.
Sales commissions decreased by JPY 9 million, mainly due to changes in BtoB and BtoC bag sales channels

(JPY million)	FY03/2026 2Q	FY03/2027 2Q	+/- amount	YoY
Labor cost	212	207	▲5	97.5%
vs sales	19.5%	20.3%		
Advertising expenses※1	246	150	▲95	61.2%
vs sales	22.5%	14.7%		
Packing and freight※2	49	48	▲1	97.7%
vs sales	4.5%	4.7%		
Sales commission	48	39	▲9	81.5%
vs sales	4.5%	3.9%		
Others	189	170	▲19	89.6%
vs sales	17.4%	16.6%		
Total SG&A expenses	747	616	▲130	82.5%
vs sales	68.4%	60.2%		

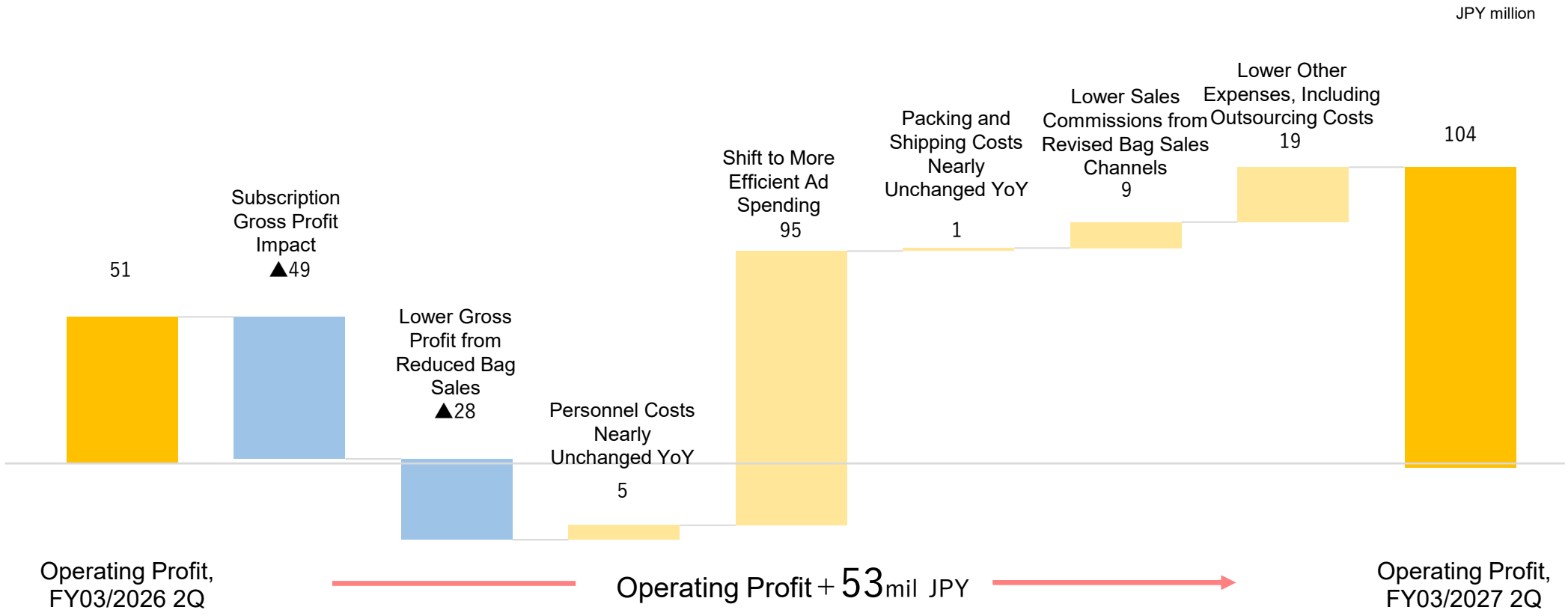
→ More popular bags per member have improved satisfaction and extended rental periods, also contributing to this trend

※1：Advertising expenses include promotional expenses. ※2：Packing and shipping expenses include sales packaging costs.

Factors Affecting Operating Profit (YoY)

A JPY 95 million reduction in advertising expenses offset the JPY 77 million decline in gross profit, resulting in a JPY 53 million increase in operating profit

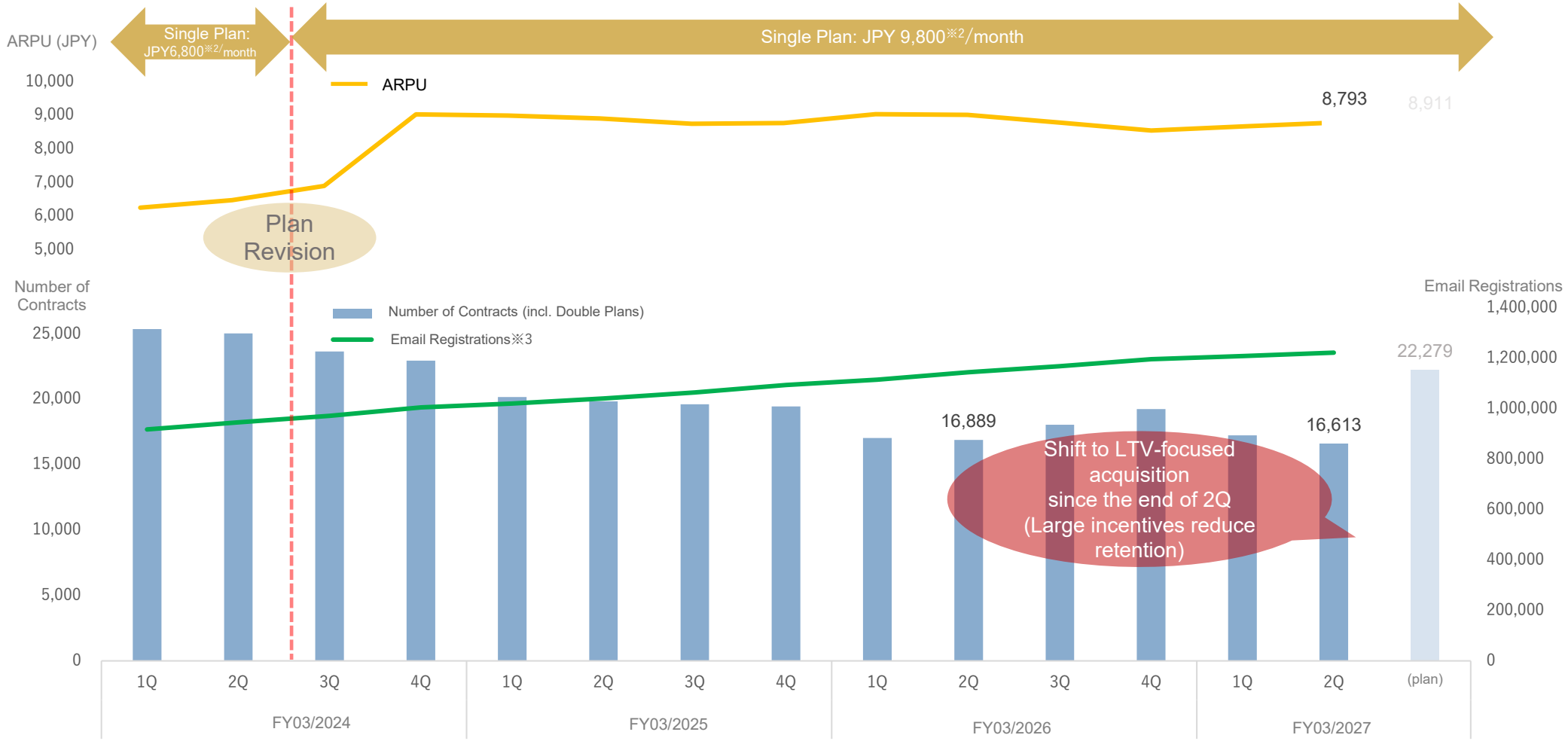
Factors Affecting Operating Profit – FY03/2027 2Q



Note: Totals may not match due to rounding down.

Key Operating Metrics (Contracts and ARPU)

Contracts※1 totaled 16,613 (down 276 YoY), with average revenue per user (ARPU) of JPY 8,793 in 2Q
Since the end of 2Q, shifted from incentive-driven acquisition to attracting long-term users



※1：Total of single-plan, double-plan, and other contracts. ※2：Excluding tax. ※3： Email registrations are cumulative.

Bag Assets and Financial Position

Rental assets (book value) reached JPY 2,865 million, while borrowings decreased to JPY 885 million
Cash decreased due to bag purchases and loan repayments. The equity ratio rose to 73.7% (+3.0 pp)

Item (JPY million)	Mar. 2026	Sep. 2026	+/- amount
Cash and Deposits	1,180	909	▲271
Rental Assets (Net)	2,601	2,865	＋263
Borrowings (Short and Long-Term)	1,022	885	▲136
Total Assets	4,364	4,292	▲71
Net Assets	3,085	3,162	＋76
Equity Ratio	70.7％	73.7％	＋3.0pt

- ✓ The JPY 271 million decrease in cash was mainly due to rental asset purchases (+JPY 263 million) and interest-bearing debt repayments (−JPY 136 million).
- ✓ In 2H, surplus inventory sales will improve asset turnover. (See the Financial Forecast section for the net value of bag assets.)

Note: Totals may not match due to rounding down.

1H Performance Summary

Reduced advertising and increased sign-up incentives. Acquisition costs fell, but incentivized members had low retention, limiting contract growth. Since the end of 2Q, the focus has shifted from CPA to retention (LTV), with incentives tailored by bag and brand

① 1H Acquisition Strategy

Ad Spending Down / Sign-Up Incentives Up

Ad spending fell 39% YoY, while sign-up incentives increased. CPA improved 33% (total acquisition costs, including discounts, fell 30%). Operating profit doubled from JPY 51 million to JPY 104 million.

② Results

Contracts Failed to Grow

Contracts fell by 276 YoY. Despite improved CPA, the contract base failed to grow.

③ Key Findings

LTV at Approx. 70%

Members acquired through large incentives tend to cancel early, with first-year LTV at about 70% of non-incentivized members. Acquisition is cheaper, but retention remains the key challenge.

④ Strategy Revised at End of 2Q

Shift to Expected LTV

Shifted acquisition evaluation from CPA to LTV. Discontinued blanket large incentives and reallocated funds to advertising. Incentives are now tailored by bag and brand to reflect retention differences.

2H Outlook

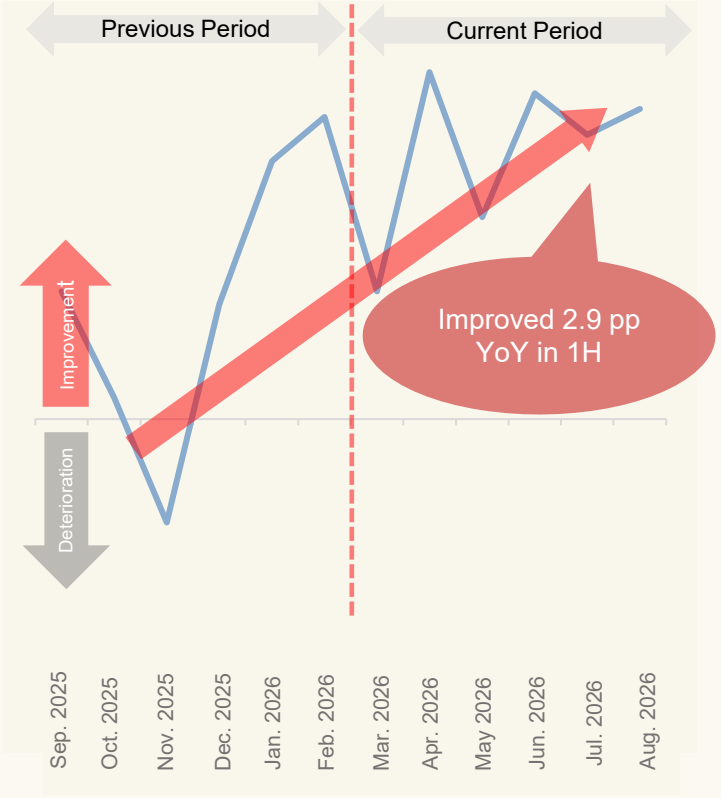
Focus on building a lasting member base rather than boosting contracts through incentives. As 2H is the peak season, contract growth is expected to accelerate in 4Q, with advertising focused on LTV-based acquisition.
Fully implement brand-specific incentives and pricing (from September) and purchasing and sales decisions based on "Current Rental Speed" (from October).

※LTV：Total revenue per member over 12 months after sign-up. Based on members who joined from Jan. 2024 to Sep. 2025, excluding returning members and major campaign months. Large incentives refer to sign-up discounts exceeding JPY 2,000.

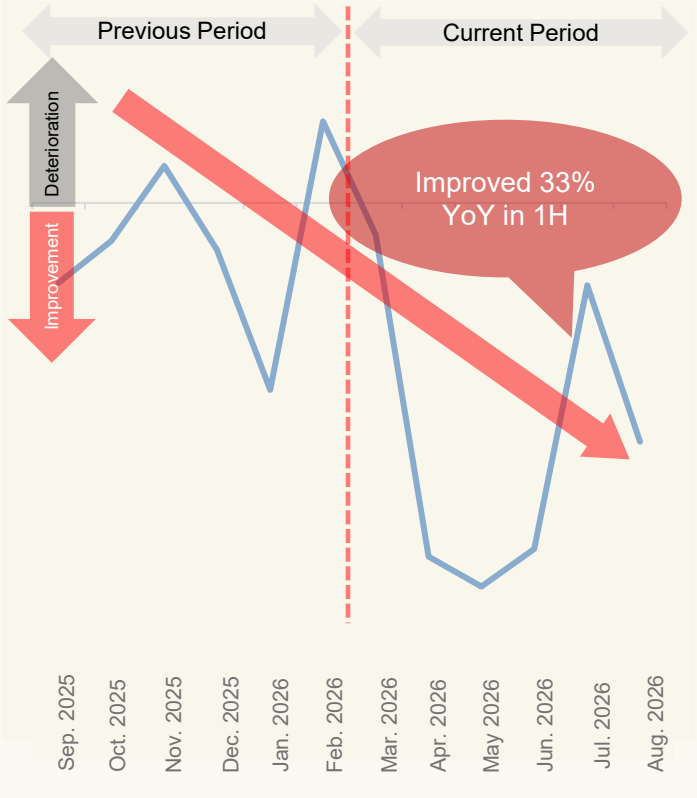
Initiatives in 1H

Despite a 39% YoY reduction in ad spending, CVR improved by 2.9 percentage points, reducing CPA by 33% (30% including incentive discounts). The average 1H churn rate worsened by 0.4 percentage points due to an increase in new members (within 3 months), but fell below the prior-year level in September

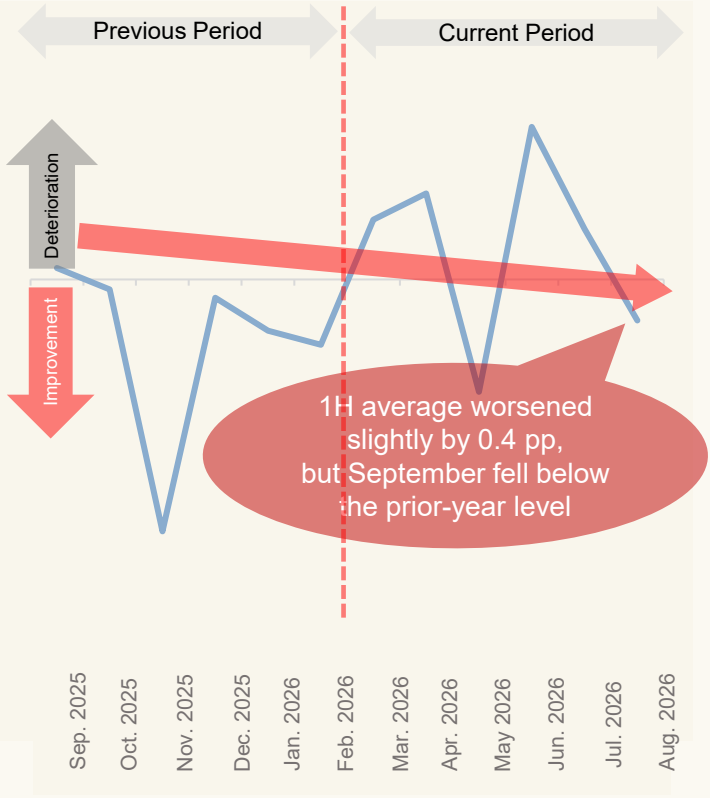
Conversion Rate (YoY)



CPA (YoY)



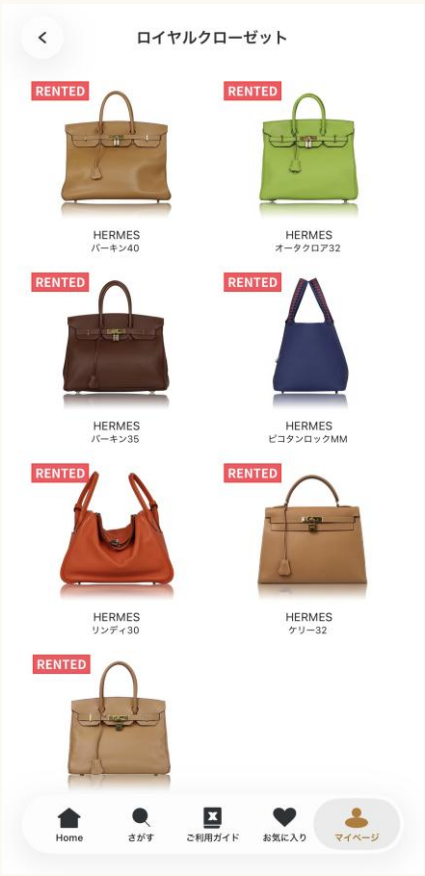
Churn Rate (YoY)



Initiatives in 1H

To enhance customer experience and increase average spending, we are moving forward with the introduction of "Royal Closet," a premium bag rental service available for an additional fee







Initiatives in 1H

Launched "ANA Luxury Bag" with ANA Group, which has a large customer base, in late July
Strengthening the partnership to expand our customer reach









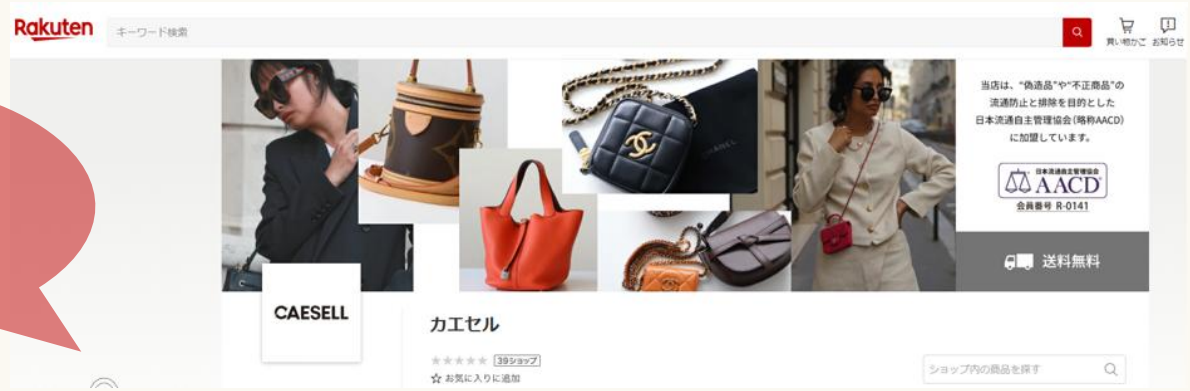


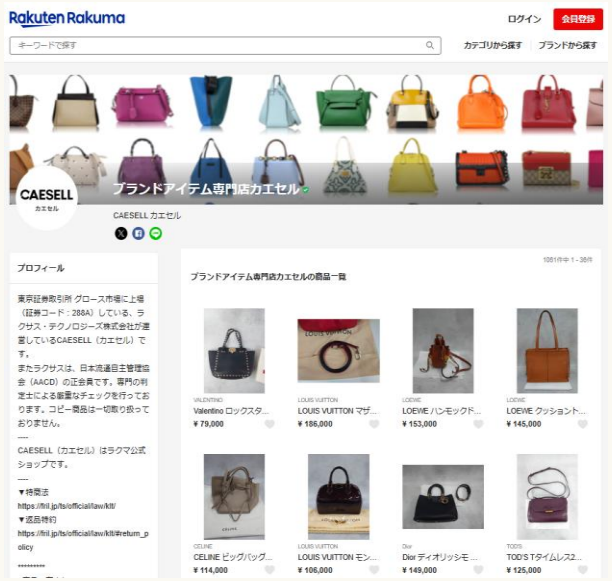


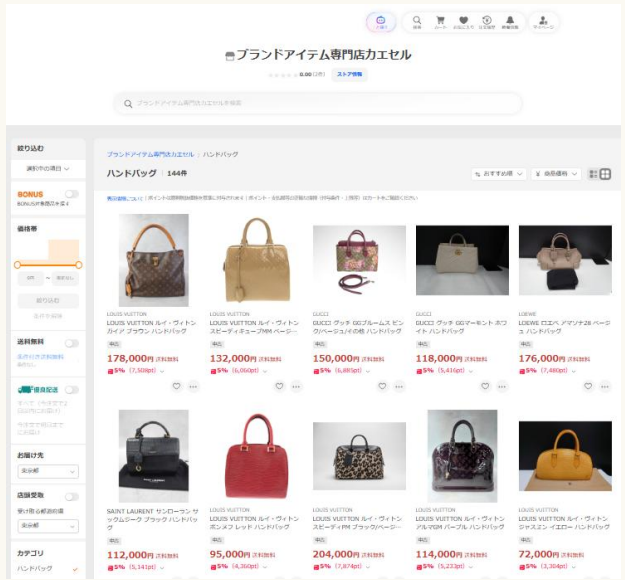
Initiatives in 1H

Following the full-scale rollout in late August, external EC sales in 2Q grew approximately 6.5x compared to 1Q. Reduced lower-margin BtoB sales, shifting toward higher-value sales channels

As of the end of 2Q:
5 external marketplaces
Further expansion
planned for 2H







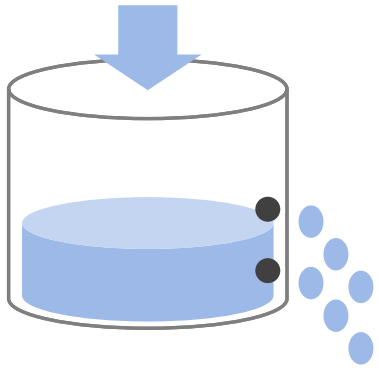


Initiatives in 1H

Analysis shows that members joining with large incentives tend to cancel early, with LTV at about 70% of members without incentives. Since the end of 2Q, blanket large incentives have been discontinued, shifting to bag- and brand-specific incentives and reallocating funds to advertising

Previously (Through 2Q)

Large sign-up incentives drove new contracts, contributing to the 2,365 increase in contracts in 2H last year

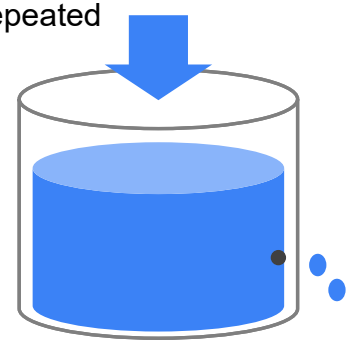


Number of Contracts
Limited Growth

Early Cancellations
High

Since the End of 2Q

Incentives are set by bag and brand, with funds reallocated to advertising. The previous year's growth approach will not be repeated



Number of Contracts
Steady Growth

Early Cancellations
Reduced

Actual LTV (Revenue in the First Year After Sign-Up)

Approx. 70%

Expected LTV (Actual LTV of Members Without Incentives as Benchmark)

100%

※LTV: Total revenue per member over 12 months after sign-up. Based on members who joined from Jan. 2024 to Sep. 2025, excluding returning members and major campaign months. Large incentives refer to sign-up discounts exceeding JPY 2,000. Illustration only.

Financial Forecast (FY03/2027)

(JPY million)	FY03/2026	FY03/2027	+/- amount	+/- %
Net Sales	2,280	2,546	+265	+11.6%
Operating Profit	184	295	+110	+59.5%
Ordinary Profit	190	255	+65	+34.3%
Net Profit	98	152	+54	+55.1%

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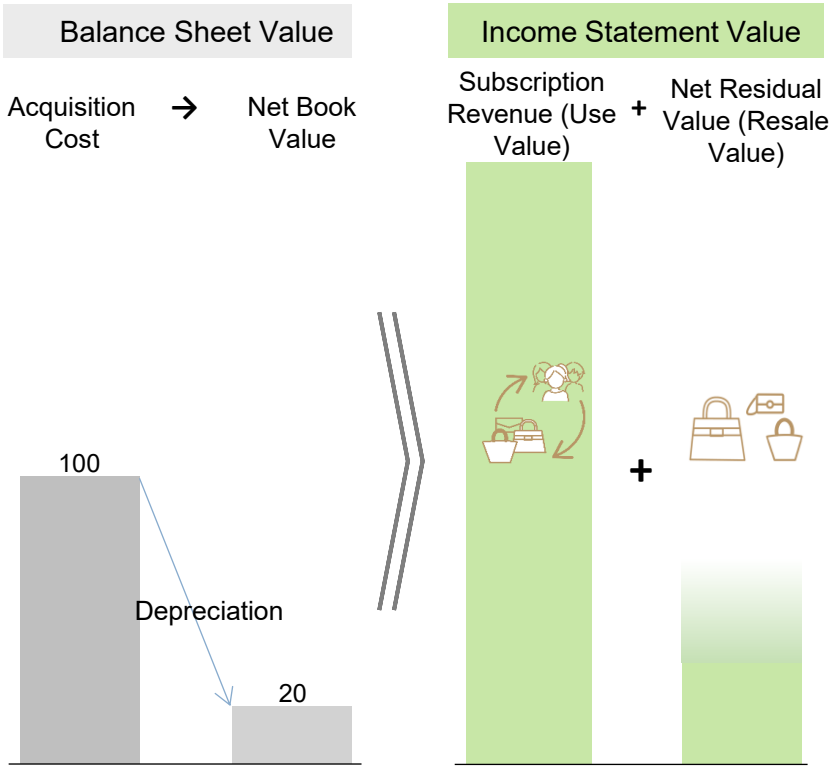
・The above forecasts are based on information currently available and involve risks and uncertainties. Actual results may differ significantly due to various factors, including rising oil prices amid escalating tensions in the Middle East and changes in global economic conditions.

Note: Totals may not match due to rounding down.

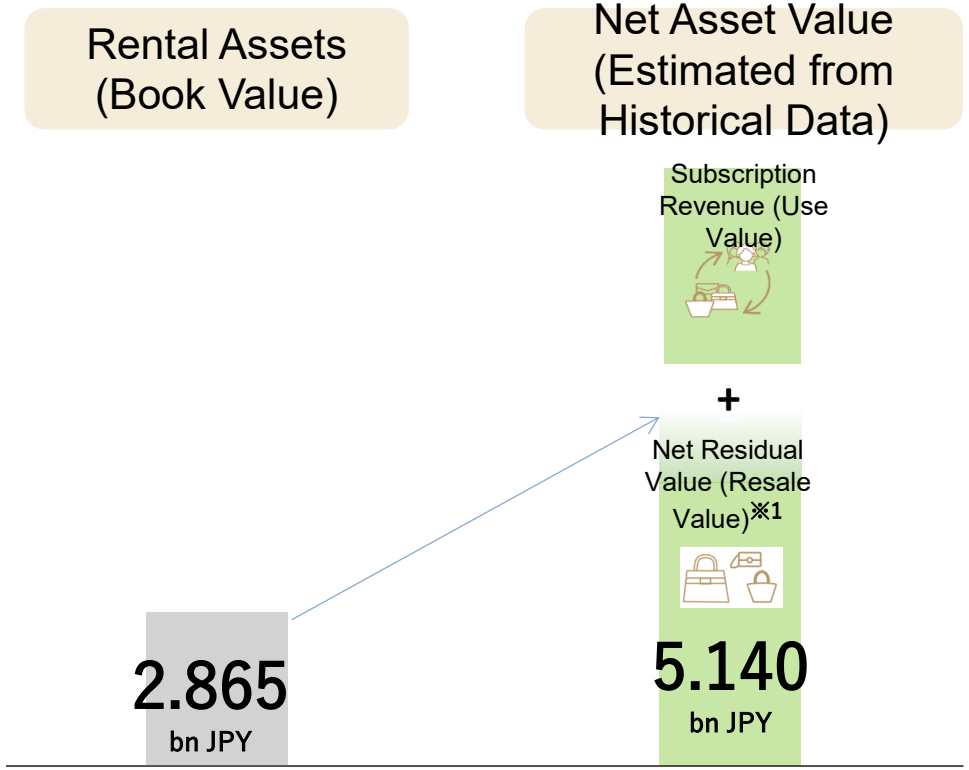
Net Asset Value

The estimated net asset value of our bag inventory is JPY 5.14 billion, approximately 1.8x its book value (JPY 2.865 billion). In 2H, surplus inventory identified by "Current Rental Speed" will be sold to improve asset turnover and generate revenue and cash

Laxus's Target Value Model



Current Net Asset Value (End of Sep. 2026)



※1：Estimated using historical bag sales over the past year (FY25 3Q–FY26 2Q), calculating sales-to-book-value ratios by brand and acquisition age and applying them to the current asset mix. Sales channels include Kaechau Laxus, the Omotesando store, EC, and auctions. Greater direct-to-consumer sales are expected to increase asset value.

Initiatives in 2H (From Late 2Q to Full Rollout in 3Q)

Developed a system to set incentives and prices by bag and brand. As retention and popularity vary by bag and brand, shifting from uniform incentives and pricing to tailored settings

Retention Varies by Bag and Brand



More Long-Term Members
Brands with Higher Retention



More Early Cancellations
Brands with Lower Retention

Previously: Uniform Incentives and Pricing

New System

Incentives and prices can be set by bag and brand



Initially applied to sign-up incentives;
testing with new members since September

Next Steps

1. Bag- and Brand-Specific Sign-Up Incentives
   Testing with new members since September
2. Pricing by Member Segment and Brand
   Expanding to brand-specific pricing
3. Expansion Beyond Bags
   Applying the same system to other products

Initiatives in 2H (From Late 2Q to Full Operation in 3Q)

Combining historical popularity with AI-based "Current Rental Speed" to guide purchasing
Like a POS system, tracking bag shortages and surpluses weekly to optimize purchasing and sales

Historical Performance (Popularity Rate)

Existing benchmark, retained as a reference metric

Popularity Rate / Historical Average

Tracks Long-Term Rental History

Lags Behind Recent Trends

Current Rental Speed

New metric: weekly tracking of days from listing to reservation

Reserved in 0.5 Days	Reserved in 2 Days	Not Reserved for 30 Days
Shortage	Balanced	Surplus

AI-based rules automatically assess inventory weekly based on rental speed

Next Steps

1. Prioritize Sourcing Bags in Short Supply
   Started in October
2. Sell Surplus Bags
   Improve Asset Turnover
3. Boost Visibility of Slow-Moving Bags
   Feature Older Listings in Recommendations

※Current Rental Speed: Days from a bag's listing in the app to reservation. Images are illustrative.

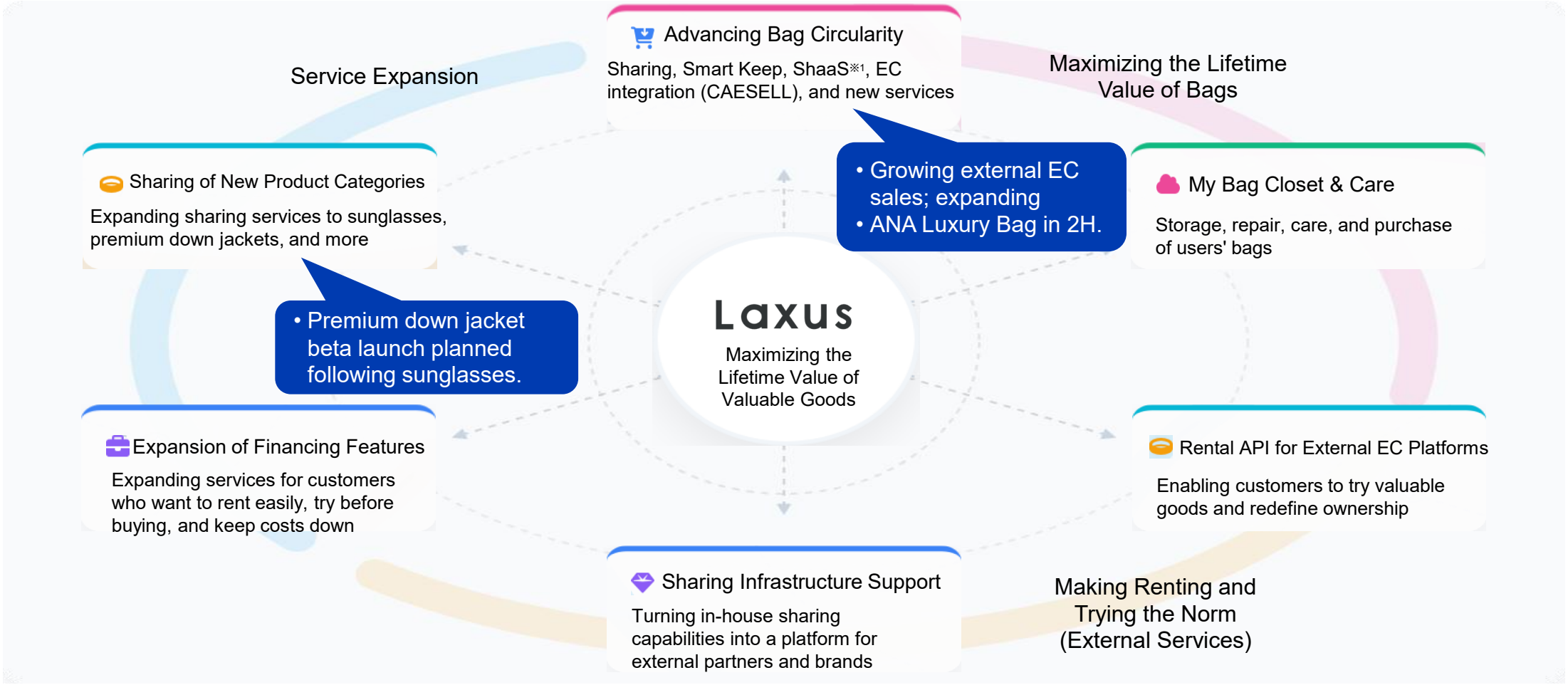
Initiatives in 2H (Sharing of New Products)

Planning to launch premium down jackets (beta) as the second phase of Laxus's product expansion



The Next Leap Toward Unlimited Possibilities

Pursuing sustainable growth while leveraging tangible and intangible assets for breakthrough growth



※1：“Sharing as a Service” (ShaaS) refers to an OEM service providing Laxus’ sharing platform capabilities to external partners.

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Our customers’ prayers for peace were turned into a total of 26,395 origami cranes



Laxus

Change the World for Smiles