



TSE Prime Securities Code: 3093

# **Medium-Term Management Plan**

**Fiscal years ended February 28, 2025 to 2027**

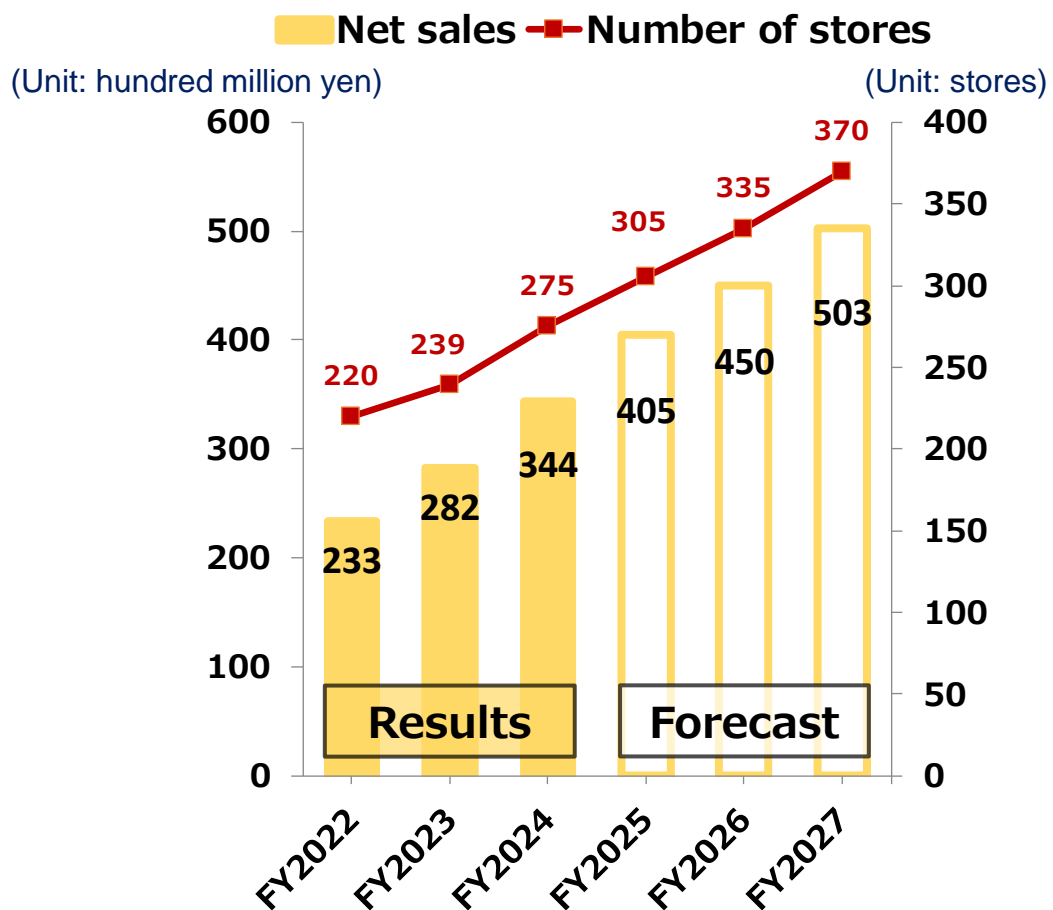
**Disclosed April 10, 2024**

**Treasure Factory Co., Ltd.**

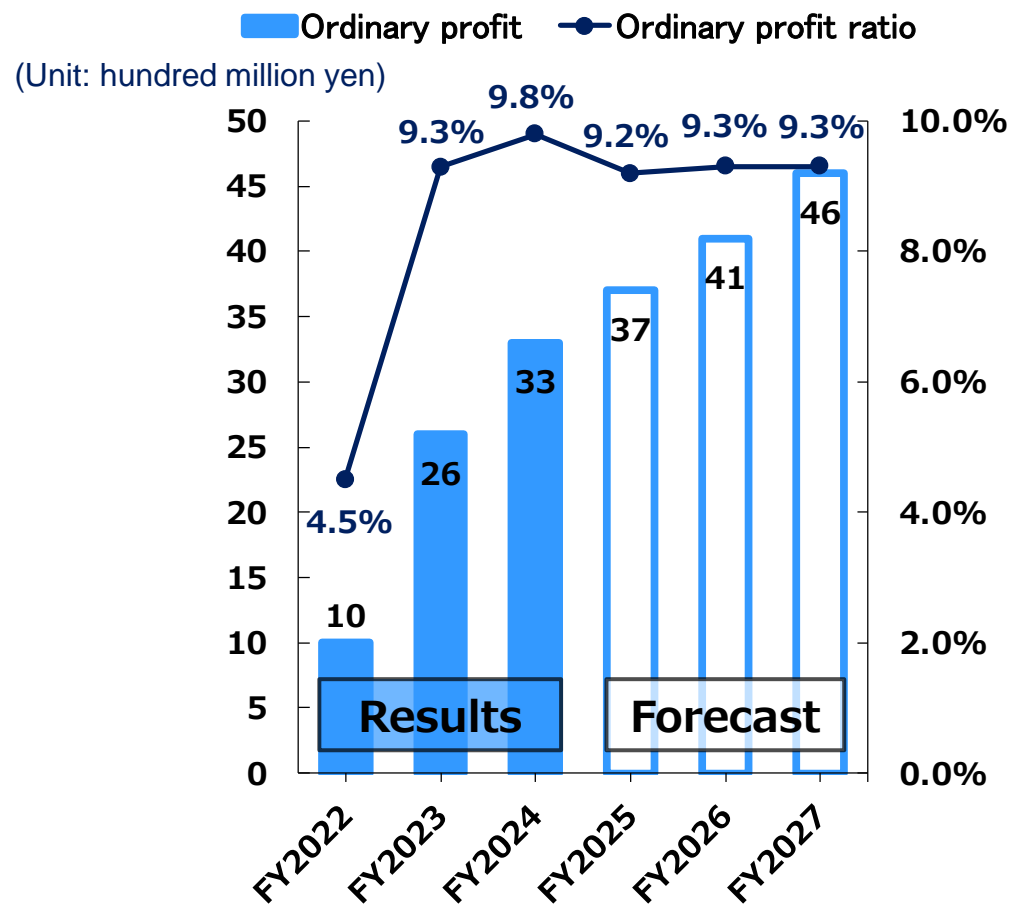
# Summary of Medium-term Profit and Loss Projections

- In the three recent fiscal years, we achieved high growth with sales increasing consecutively by more than 20% YOY and ordinary profit ratio rising consecutively approaching 10%.
- With respect to the medium-term plan, sales and profit maintain growth of average 10%+ per year.

Changes in net sales & number of stores



Changes in ordinary profit & ordinary profit ratio



# Main Factors for the Most Recent Growth

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 growth of approximately 10% at existing stores, leading to sustainable growth

## External factors

(1) Demands for apparel recovered as restrictions for the COVID pandemic were completely lifted in March 2022 (beginning of FY2023) and demands for going out increased

(2) Against the backdrop of inflation that began in early spring of 2022, reuse and used items are attracting full attention

(3) Inbound demand recovered with the ease of immigration restrictions on visitors from abroad in October 2022 (FY2023), and sales targeting inbound tourists (duty-free sales) increased backed by the weak yen

## Internal factors (resulting from corporate measures)

(i) Expansion of items handled

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

(ii) Expansion of high-priced products

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

(iii) 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

# Management Policies to Achieve the Medium-Term Management Plan

## Policy 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.

## Policy 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.

## Policy 3

### Growth in overseas markets

- (1) The Thailand business will drive the establishment of the business structure and promote the opening of a multiple number of new stores.
- (2) In Taiwan, aim for the establishment of a reuse business model and achieve a single-year profit.

## Policy 4

### Growth through M&A

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

## Policy 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 using AI, improve the efficiency of appraisals, and create opportunities for new purchases and sales through digital investments to increase the Group's revenue.

# Revision of Medium-term Profit and Loss Projections (FY2025–FY2027)

The Company revised the projections for FY2025 and FY2026 upward, and formulated new projections for FY2027  
For FY2027, we forecast net sales of 50.3 billion yen and ordinary profit of approx. 4.6 billion yen.

(Unit: hundred million yen)

		FY2025		FY2026		FY2027		Three-year average of annual growth rates (CAGR)
	FY2024 results	Forecast before revision	Revised forecast	Forecast before revision	Revised forecast	Forecast before revision	Forecast	Forecast
Net sales	344	386	405	428	450	-	503	13.5%
Ordinary profit	33.9	36.3	37.3	40.2	41.9	-	46.7	11.3%
Ordinary profit ratio	9.8%	9.4%	9.2%	9.4%	9.3%	-	9.3%	-
Profit attributable to owners of parent	22.4	23.6	24.6	26.1	27.6	-	30.8	11.2%
Stores to be opened per year	26	25-30	30	30-35	30-35	-	35-40	-

\*Figures before revision are those announced in November 2023

## Assumptions and notes on the Plan

- As there are many uncertain elements related to M&A, 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.

# Outlook for Earnings per Share, Dividends, and Dividend Payout Ratio

\*Figures before revision are those announced in November 2023

	FY2025		FY2026		FY2027	
	Before revision	After revision	Before revision	After revision	Before revision	After revision
Earnings per share (yen)	100.8	105.3	111.7	118.1	-	131.7
Expected dividends Dividend per share (yen) (Dividend payout ratio)	30.0	32.0 (30.4%)	34.0	36.0 (30.5%)	-	40.0 (30.4%)

\*Earnings per share is 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

## ● Funding plan

- Operating cash flows expected to hover around 1.8 to 2.2 billion yen per year
- Bank loans: net increase of approximately 2.5 billion yen in accumulated total over 3 years
- Procure funds of approximately 8 to 9 billion yen in accumulated total over 3 years

## ● Capital investment plan

- Investments in new stores: 1.6 to 2.1 billion yen per year
- Investments of 5 to 6 billion yen in accumulated total expected to be made over 3 years (including investments in store facilities and security deposits for new stores)

## ● Shareholder return plan

- Outlook for total dividends for each fiscal year based on dividend forecast
  - FY2025: approximately 750 million yen
  - FY2026: approximately 840 million yen
  - FY2027: approximately 940 million yen
- Three years total: approximately 2.5 billion yen
- Purchase of treasury shares will be conducted in a timely manner based on trends in stock price and status of funds on hand