

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

September 14, 2023

## Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2023 (Under Japanese GAAP)

Company name: Kurashicom Inc.

Listing: Tokyo Stock Exchange

Securities code: 7110

URL: <https://kurashi.com/>

Representative: Kohei Aoki, CEO

Inquiries: Yohei Yamaguchi, Director and CFO

Telephone: +81-42-577-0486

Scheduled date of annual general meeting of shareholders: October 27, 2023

Scheduled date to commence dividend payments: October 30, 2023

Scheduled date to file annual securities report: October 30, 2023

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Non-consolidated financial results for the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 2023)

#### (1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2023	6,060	17.4	965	14.7	968	13.8	695	23.9
July 31, 2022	5,163	13.9	841	8.0	850	6.7	561	△1.7

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
July 31, 2023	94.81	—	21.1	24.2	15.9
July 31, 2022	87.71	—	27.6	31.1	16.3

Reference: Diluted earnings per share is not disclosed because there is no dilutive shares.

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2023	5,020	4,277	85.2	580.38
July 31, 2022	2,987	2,314	77.5	361.65

Reference: Equity

As of July 31, 2023: 4,277 million yen

As of July 31, 2022: 2,314 million yen

**(3) Non-consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2023	732	△65	1,283	4,336
July 31, 2022	535	△99	△70	2,385

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended July 31, 2023	—	0.00	—	45.00	45.00	331	47.5	9.6
Fiscal year ending July 31, 2024 (Forecast)	—	—	—	—	—		—	

**3. Earnings forecasts for the Fiscal Year ended July 31, 2024**

Please find the other material “Results for the Fiscal year ended July 31, 2023”.

\* **Notes**

- (1) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2023	7,370,400 shares
As of July 31, 2022	6,720,000 shares

(ii) Number of treasury shares at the end of the period

As of July 31, 2023	46 shares
As of July 31, 2022	320,000 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended July 31, 2023	7,334,360 shares
Fiscal year ended July 31, 2022	6,400,000 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

# Financial Statements

## Balance Sheets

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
<b>ASSETS</b>		
Current assets		
Cash and deposits	2,385,482	4,336,738
Accounts receivable - trade	157,663	159,915
Merchandise	251,266	271,337
Work in process	16,125	744
Advance payments to suppliers	—	11,693
Prepaid expenses	14,406	34,110
Other	6,013	14,698
Total current assets	2,830,957	4,829,240
Non-current assets		
Property, plant and equipment		
Buildings, net	22,985	20,757
Machinery and equipment, net	—	5,718
Tools, furniture and fixtures, net	2,322	31,361
Construction in progress	43,087	5,082
Total property, plant and equipment	68,395	62,920
Intangible assets		
Software	2,425	66,942
Software in progress	48,212	—
Trademark right	7,980	7,169
Total intangible assets	58,618	74,111
Investments and other assets		
Leasehold deposits	10,693	35,247
Long-term prepaid expenses	—	2,148
Deferred tax assets	12,921	10,801
Other	5,650	5,650
Total investments and other assets	29,264	53,847
Total non-current assets	156,279	190,879
Total Assets	2,987,236	5,020,119

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable - trade	135,711	108,700
Current portion of long-term borrowings	76,633	63,332
Accounts payable – other	125,446	161,199
Accrued expenses	18,356	22,376
Deposits received	19,745	30,251
Income taxes payable	157,544	156,311
Accrued consumption taxes	32,582	46,752
Other	3,850	825
Total current liabilities	569,870	589,750
Non-current liabilities		
Long-term borrowings	102,787	152,777
Total non-current liabilities	102,787	152,777
Total liabilities	672,657	742,527
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	8,000	432,841
Capital surplus		
Legal capital surplus	136,700	561,541
Other capital surplus	—	281,348
Total capital surplus	136,700	842,889
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,306,578	3,001,918
Total retained earnings	2,306,578	3,001,918
Treasury shares	△136,700	△56
Total shareholders' equity	2,314,578	4,277,592
Total net assets	2,314,578	4,277,592
Total liabilities and net assets	2,987,236	5,020,119

## Statements of Income

(Thousands of yen)

	Fiscal Year ended July 31, 2022	Fiscal Year ended July 31, 2023
Net sales	5,163,136	6,060,836
Cost of sales	2,901,167	3,432,794
Gross profit	2,261,968	2,628,041
Selling, general and administrative expenses	1,420,113	1,662,361
Operating profit	841,854	965,680
Non-operating income		
Interest income	25	35
Subsidy income	1,200	—
Commission income	13,220	17,497
Other	2,382	1,576
Total non-operating income	16,828	19,109
Non-operating expenses		
Interest expenses	1,055	1,063
Listing expenses	7,038	15,542
Other	118	36
Total non-operating expenses	8,212	16,643
Ordinary profit	850,469	968,145
Profit before income taxes	850,469	968,145
Income taxes—current	272,127	270,686
Income taxes—deferred	16,993	2,119
Total income taxes	289,120	272,806
Profit	561,349	695,339

## Details of Cost of sales

		Fiscal Year ended July 31, 2022		Fiscal Year ended July 31, 2023	
Accounts		Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)	Ratio (%)
I Cost of purchased goods	※ 1	2,257,186	76.3	2,669,674	77.7
II Personnel costs		10,944	0.4	6,816	0.2
III Other expenses		690,889	23.3	760,994	22.1
Total incurred cost		2,959,019	100.0	3,437,485	100.0
Beginning – work in process		16,937		16,125	
Beginning - merchandise		194,475		251,266	
Subtotal		3,170,432		3,704,877	
Ending – work in process		16,125		744	
Ending – merchandise		251,266		271,337	
Net		2,903,040		3,432,794	
Goods transfer to other account	※ 2	1,873		–	
Cost of sales		2,901,167		3,432,794	

※ 1 Breakdown of Other expenses is below

Accounts	Fiscal Year ended July 31, 2022	Fiscal Year ended July 31, 2023
Packing and transportation costs	493,070	543,661
Commission expenses	160,567	197,381

2 The matter of “Goods transfer to other accounts” is sales returns.

# Statements of Changes in equity

Fiscal Year ended July 31, 2022

(Thousands of yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholder s' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at beginning of period	8,000	136,700	136,700	1,745,229	1,745,229	△136,700	1,753,229	1,753,229
Changes during period								
Profit				561,349	561,349		561,349	561,349
Total changes during period	—	—	—	561,349	561,349	—	561,349	561,349
Balance at end of period	8,000	136,700	136,700	2,306,578	2,306,578	△136,700	2,314,578	2,314,578

Fiscal Year ended July 31, 2023

(Thousands of yen)

	Shareholders' equity								Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholder s' equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
					Retained earnings brought forward				
Balance at beginning of period	8,000	136,700	—	136,700	2,306,578	2,306,578	△136,700	2,314,578	2,314,578
Changes during period									
Issuance of new shares	424,841	424,841		424,841				849,682	849,682
Profit					695,339	695,339		695,339	695,339
Purchase of treasury shares							△56	△56	△56
Disposal of treasury shares			281,348	281,348			136,700	418,048	418,048
Total changes during period	424,841	424,841	281,348	706,189	695,339	695,339	136,643	1,963,013	1,963,013
Balance at end of period	432,841	561,541	281,348	842,889	3,001,918	3,001,918	△56	4,277,592	4,277,592

## Statements of Cash Flows

(Thousands of yen)

	Fiscal Year ended July 31, 2022	Fiscal Year ended July 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	850,469	968,145
Depreciation	4,295	17,369
Interest income	△25	△35
Subsidy income	△1,200	—
Commission income	△13,220	△17,497
Interest expenses	1,055	1,063
Listing expenses	7,038	15,542
Decrease (increase) in trade receivables	3,132	△2,251
Decrease (increase) in inventories	△55,978	△4,691
Increase (decrease) in trade payables	14,680	△27,011
Increase (decrease) in accounts payable – other	△190	65,114
Increase (decrease) in accrued expenses	△2,175	4,020
Increase (decrease) in accrued consumption taxes	△20,373	14,170
Other, net	△9,794	△20,696
Subtotal	777,714	1,013,243
Interest received	25	35
Interest paid	△1,055	△1,063
Subsidy received	1,200	—
Commission received	13,220	16,649
Income taxes paid	△255,571	△296,050
Net cash provided by (used in) operating activities	535,533	732,814
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△46,440	△16,994
Purchase of intangible assets	△53,028	△23,335
Payments of leasehold and guarantee deposits	—	△25,008
Net cash provided by (used in) investing activities	△99,468	△65,338
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	10,000	200,000
Repayments of long-term borrowings	△78,142	△163,311
Proceeds from issuance of shares	—	849,682
Purchase of treasury shares	—	△56
Proceeds from disposal of treasury shares	—	418,048
Payment of listing expenses	△2,000	△20,581
Net cash provided by (used in) financing activities	△70,142	1,283,781
Net increase (decrease) in cash and cash equivalents	365,922	1,951,256
Cash and cash equivalents at beginning of period	2,019,559	2,385,482
Cash and cash equivalents at end of period	2,385,482	4,336,738