



SYUPPIN®

 **Paralym Art®**
障がい者アートを応援しています

Financial Results Presentation for the Three Months Ended September 30, 2024

Corporate Information



Name	Syuppin Co., Ltd.	
Securities Code	3179	
Representative	Naohiko Ono	
Head Office	Daiwa Nishi-Shinjuku Bldg.3F., 14-11 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, Japan	
Date of Establishment	August 2005	
Business	Safe and secure online trading of valuable new and used items	
No. of Employees	244 (as of the end of March 2024)	
History	Aug. 1994	Camera business set up under the specialty shop name of Map Camera
	Aug. 2005	Company established with 100 million yen in capital
	Jun. 2006	Watch purchase and sales business started
	Apr. 2008	Stationery purchase and sales business started
	Nov. 2008	Sports bicycle purchase and sales business started
	Dec. 2012	Listed in the Mothers Market of the Tokyo Stock Exchange
	Dec. 2015	Listing changed to the First Section of the Tokyo Stock Exchange
	Dec. 2019	Launched dedicated website for ladies' watches
	Jan. 2022	Concluded a capital and business alliance with FUKUI CAMERA SERVICE, Ltd.
	Apr. 2022	Shifted to the Prime Market of the Tokyo Stock Exchange
	Nov. 2022	BRILLER expanded the store and reopened the store as a ladies' brand salon.
	Mar. 2024	Concluded a capital and business alliance with SIGMAXYZ Group.

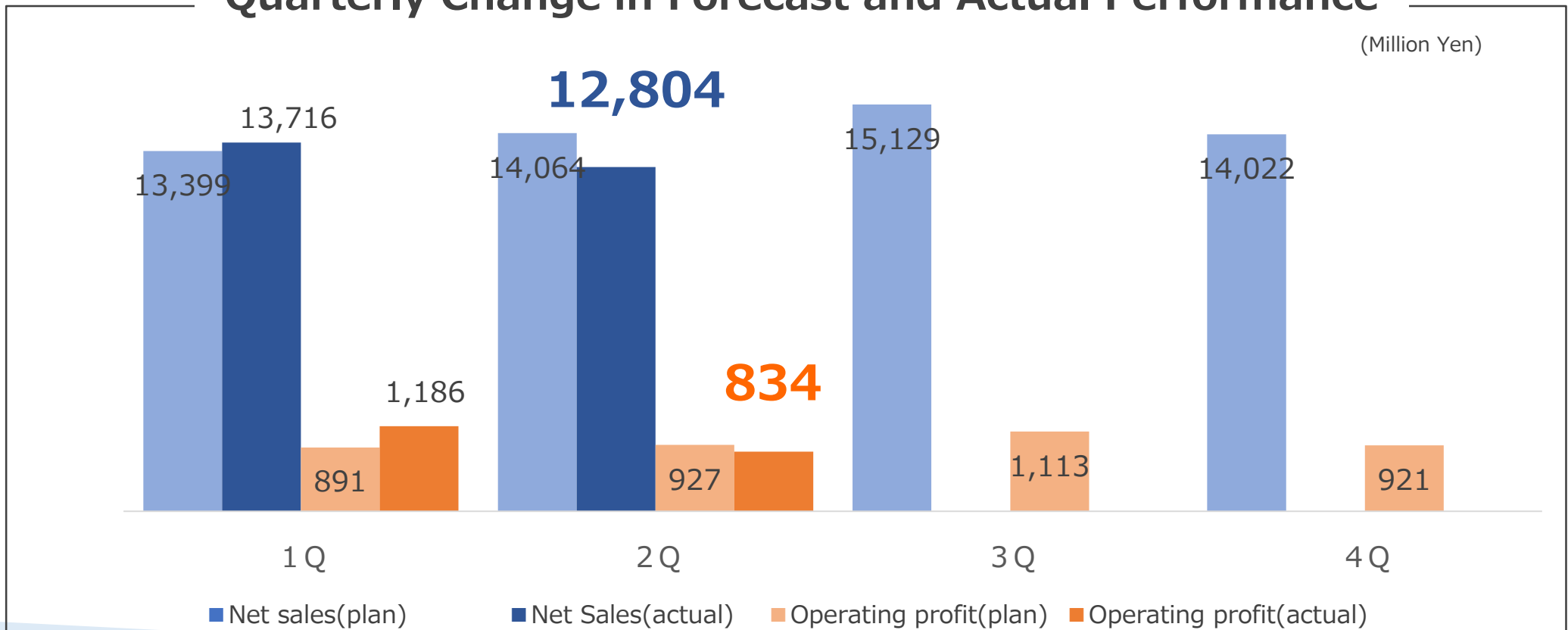
Highlights of 2Q Results



Online net sales reached a new record high, surpassing **10,000 million yen**; however, with the domestic watch market softening, performance reached only **91% of planned net sales** and **90% of planned operating profit**.

- Topics: [Camera business] The sales of new products and the cycle of the purchase and sale of used items continued to perform well, achieving 102% of the plan.
[Watch business] Lower duty-free sales due to reduced inbound demand and a sluggish domestic market resulted in achieving only 60% of the plan.

Quarterly Change in Forecast and Actual Performance



Financial Highlights (2Q Cumulative)



In 2Q cumulatively, **net sales reached 97%** of the plan, while **operating profit exceeded the plan at 111%**, demonstrating **profit progress ahead of the plan**.

Quarterly Change in Forecast and Actual Performance

(Million Yen)

Net sales

Operating profit

27,464 **26,521**

1,819

2,020

Plan

Actual

Plan

Actual

Full-year Forecast and 1Q Progress

(Million Yen)

Net sales

Operating profit

56,617

3,854

Progress
47%

Progress
52%

26,521

2,020

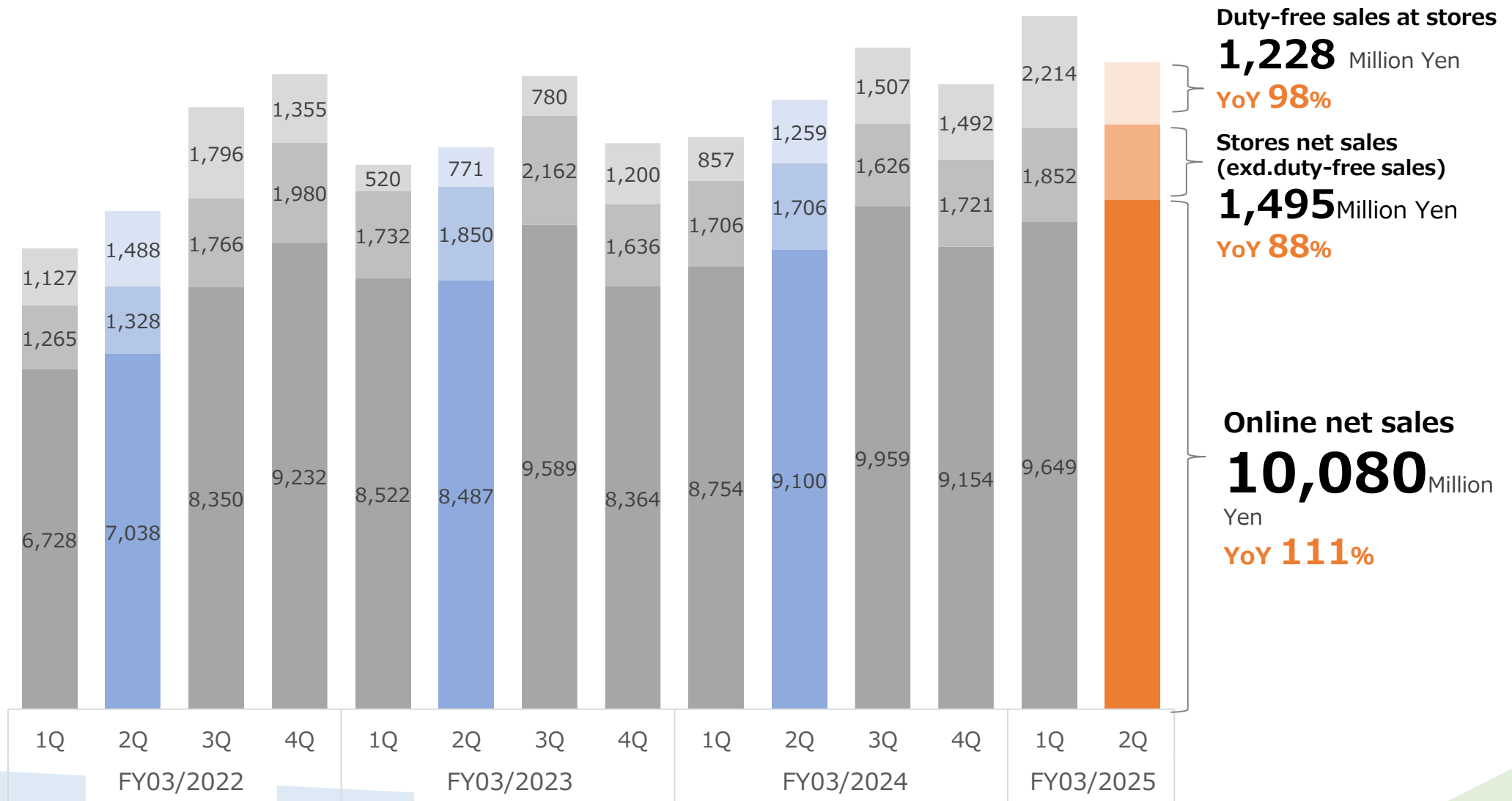


Sales / Purchases Records

Trend in Net Sales by Sales Channel (Quarterly)



Online net sales reached a **record high** on a quarterly basis, **exceeding 10,000 million yen**. Despite sluggish sales in both the duty-free and domestic watch markets, **online sales as a whole maintained double-digit growth year on year.**

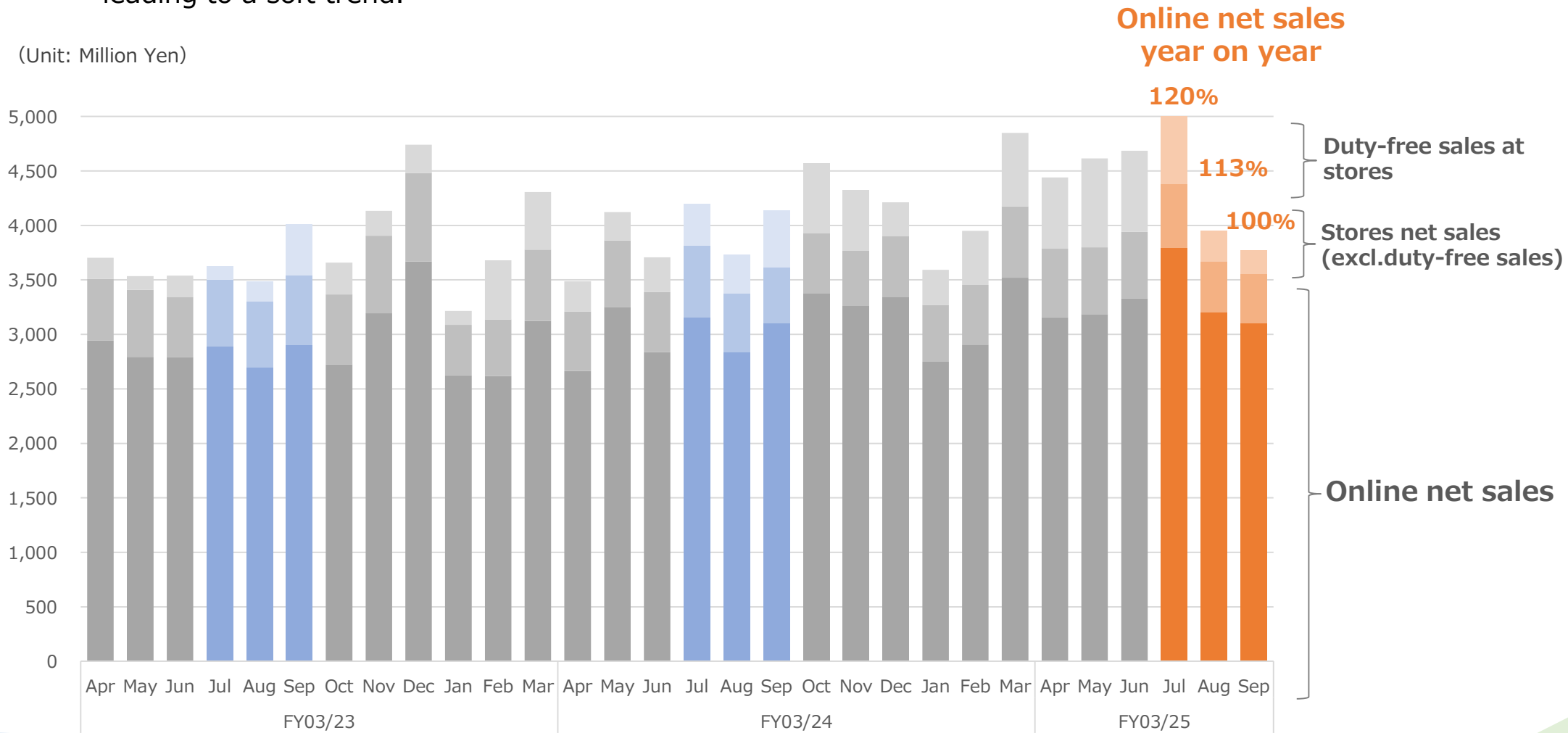


Trend in Net Sales by Sales Channel (Monthly)



- Online: Driven by the mainstay camera business, online sales continued to make steady progress as a growth driver.
- Stores: In contrast to cameras, the watch business, reliant on retail stores, saw a sluggish performance due to domestic market conditions.
- Duty-Free: Since August, the appreciation of the yen and other factors have weakened inbound demand, leading to a soft trend.

(Unit: Million Yen)



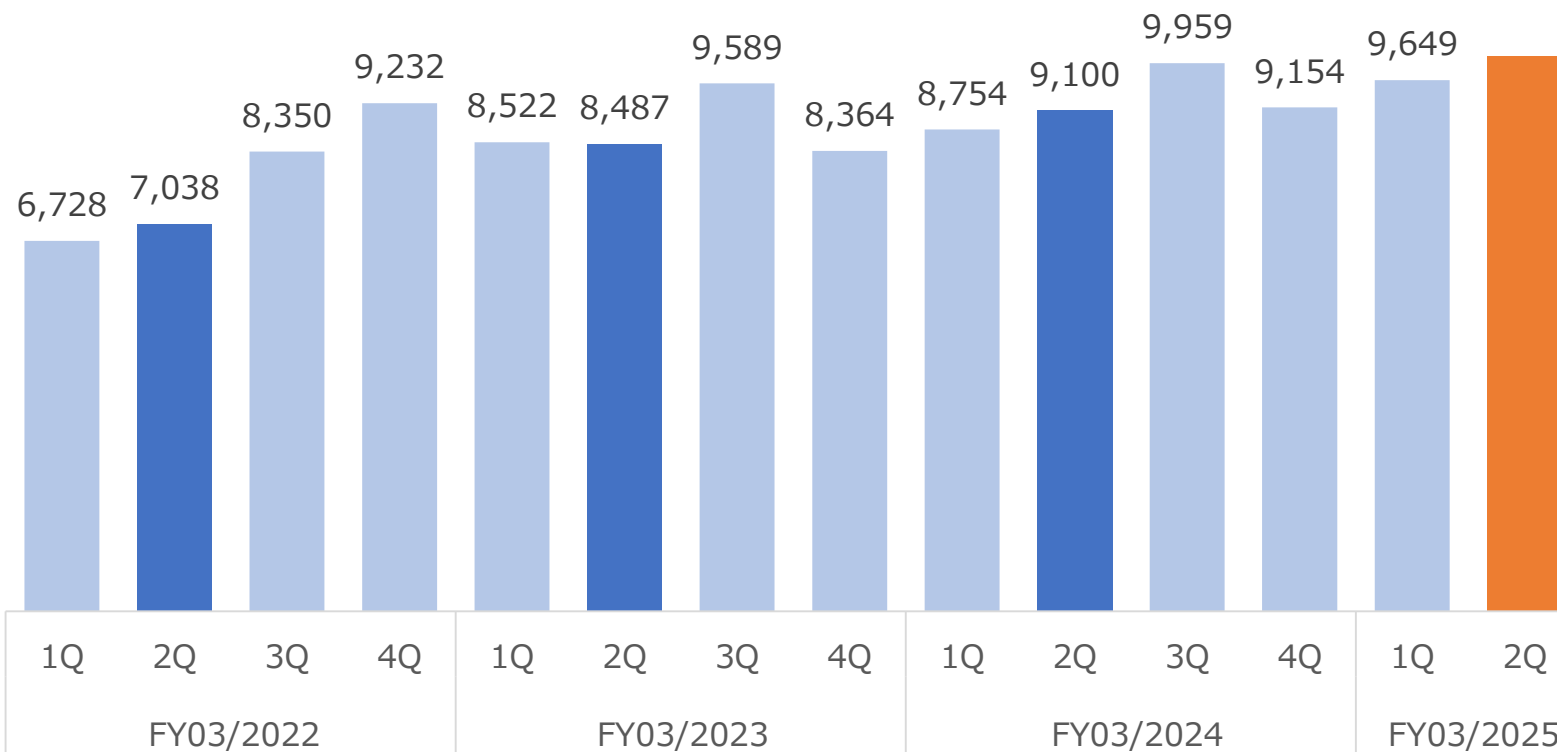
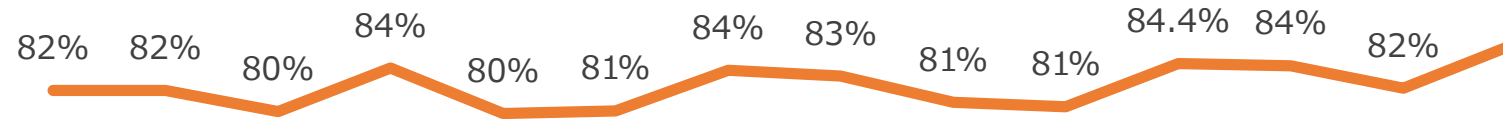
Trends in Online Net Sales (Quarterly)



The percentage of sales on the Company's websites **remained high at a level of consistently over 80%.**

Percentage of sales on the Company's websites

86.0%
YoY **+5.1%**



Online net sales
10,080 Million Yen
YoY **111%**

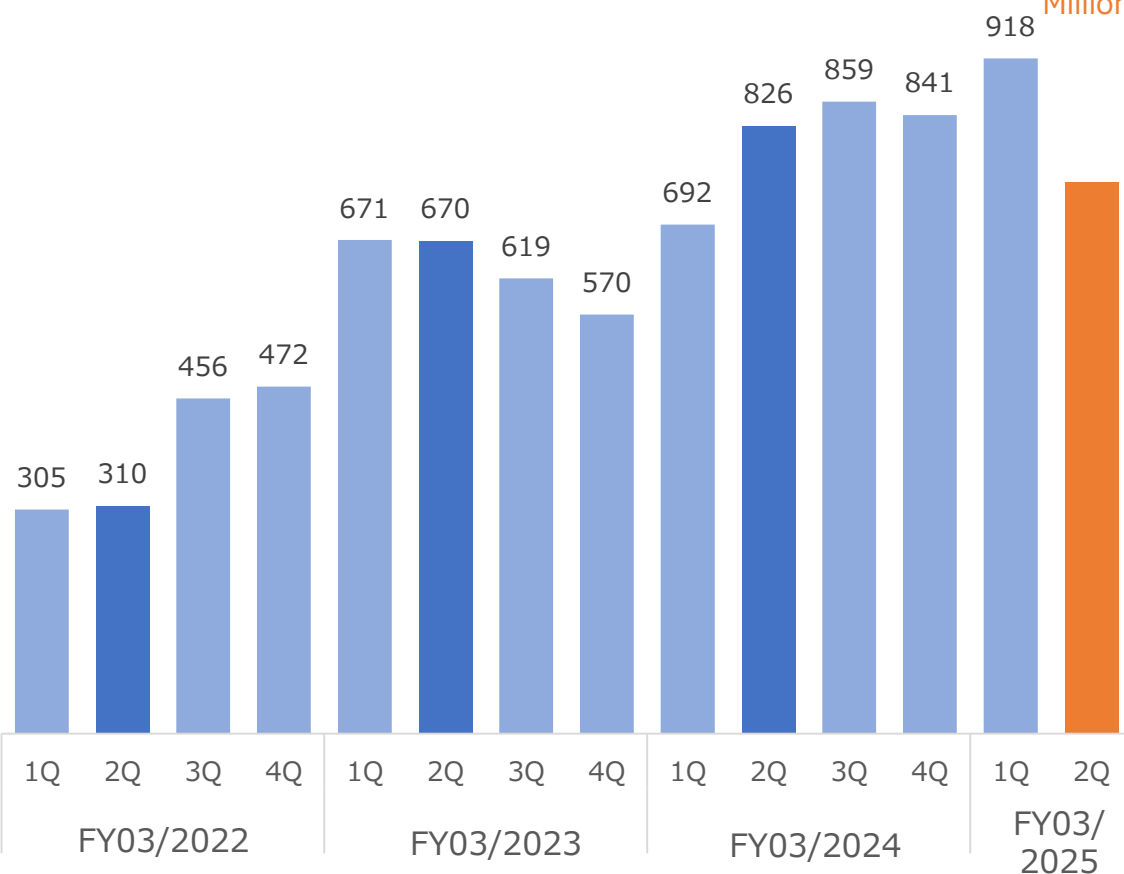
Trends in cross-border online sales, duty-free sales and store sales



Similar to duty-free sales, cross-border online sales were affected by the appreciation of the yen, softening to **90%** year on year.

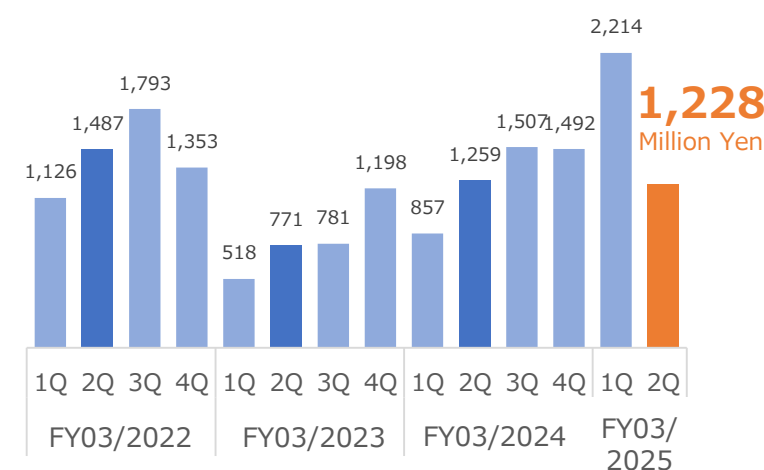
Cross-border online sales (overseas malls)

750
Million Yen



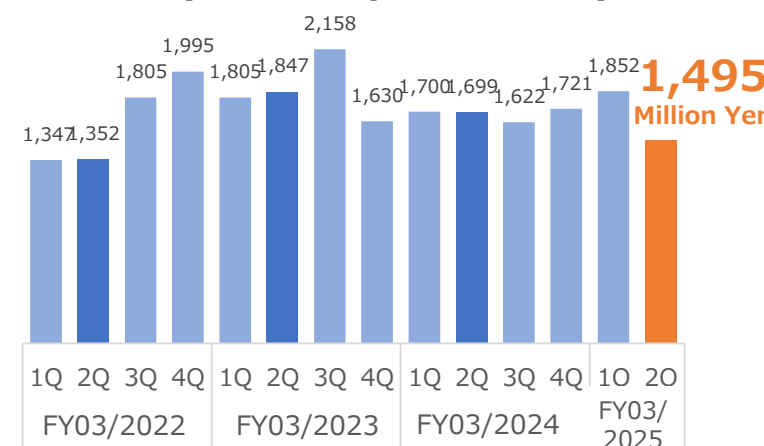
Duty-free sales

1,228
Million Yen



Store net sales (excl. duty-free sales)

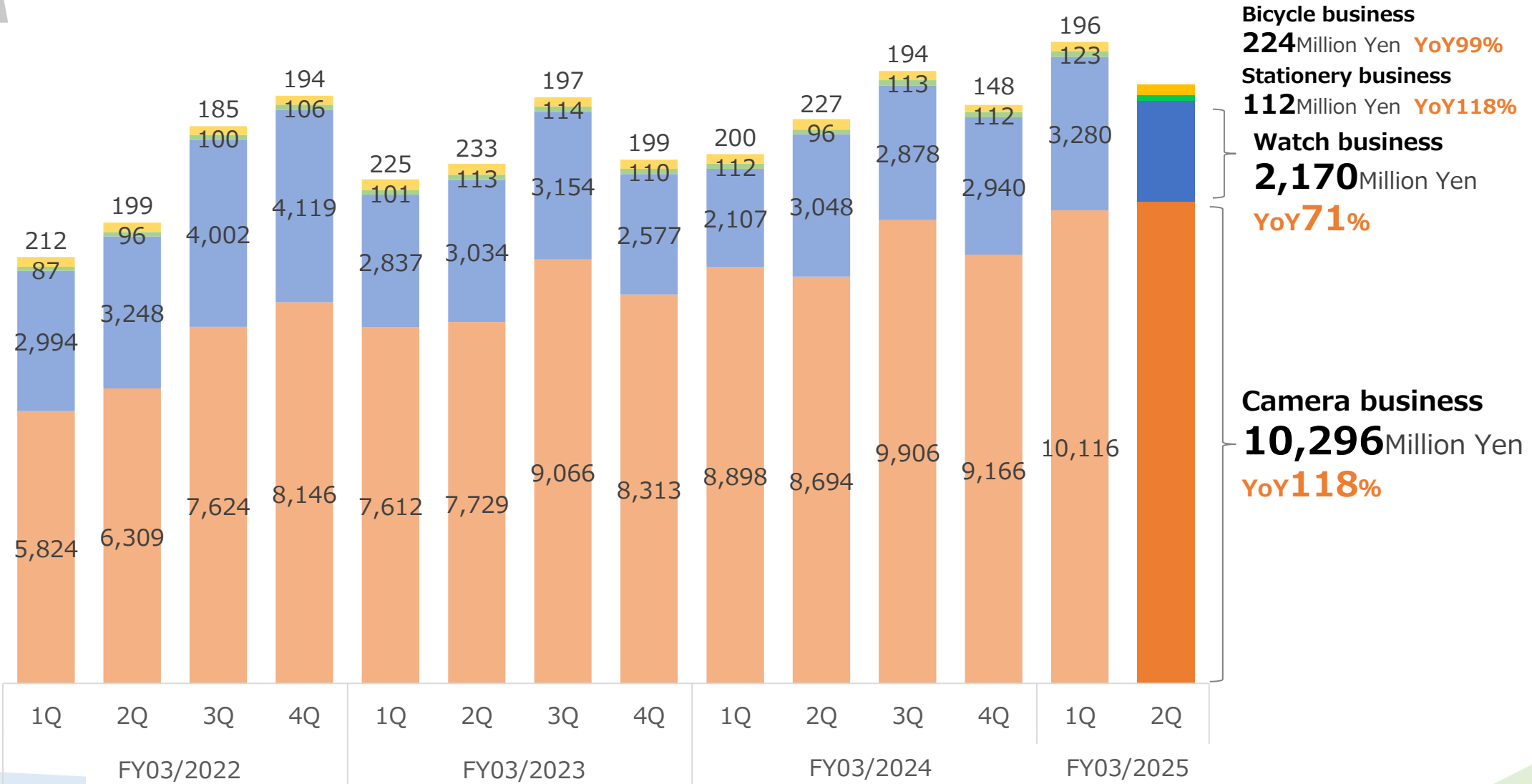
1,495
Million Yen



Net Sales by Segment (Quarterly)



The mainstay camera business continued to **exceed 10,000 million yen**, achieving **118%** of the year-ago level and setting a **new quarterly record**.
 The watch business, affected by reduced duty-free and domestic demand, reached only **71%** of the year-ago level.



Bicycle business
 224 Million Yen YoY99%

Stationery business
 112 Million Yen YoY118%

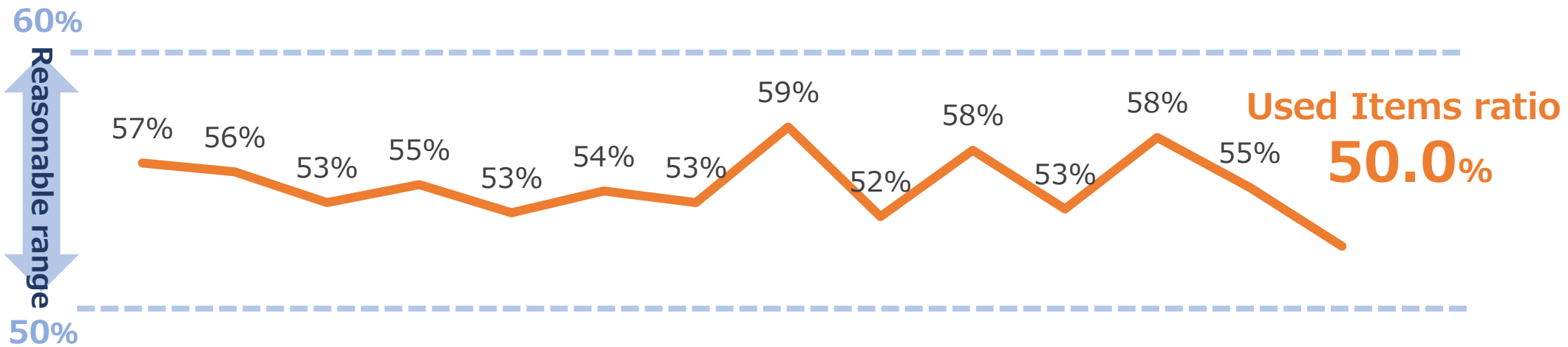
Watch business
 2,170 Million Yen
 YoY71%

Camera business
 10,296 Million Yen
 YoY118%

Trends in Ratio of Used Items to Total Sales



Used items were **50.0%** of net sales in 2Q. The cycle of new purchases and replacement purchases **remained strong**.

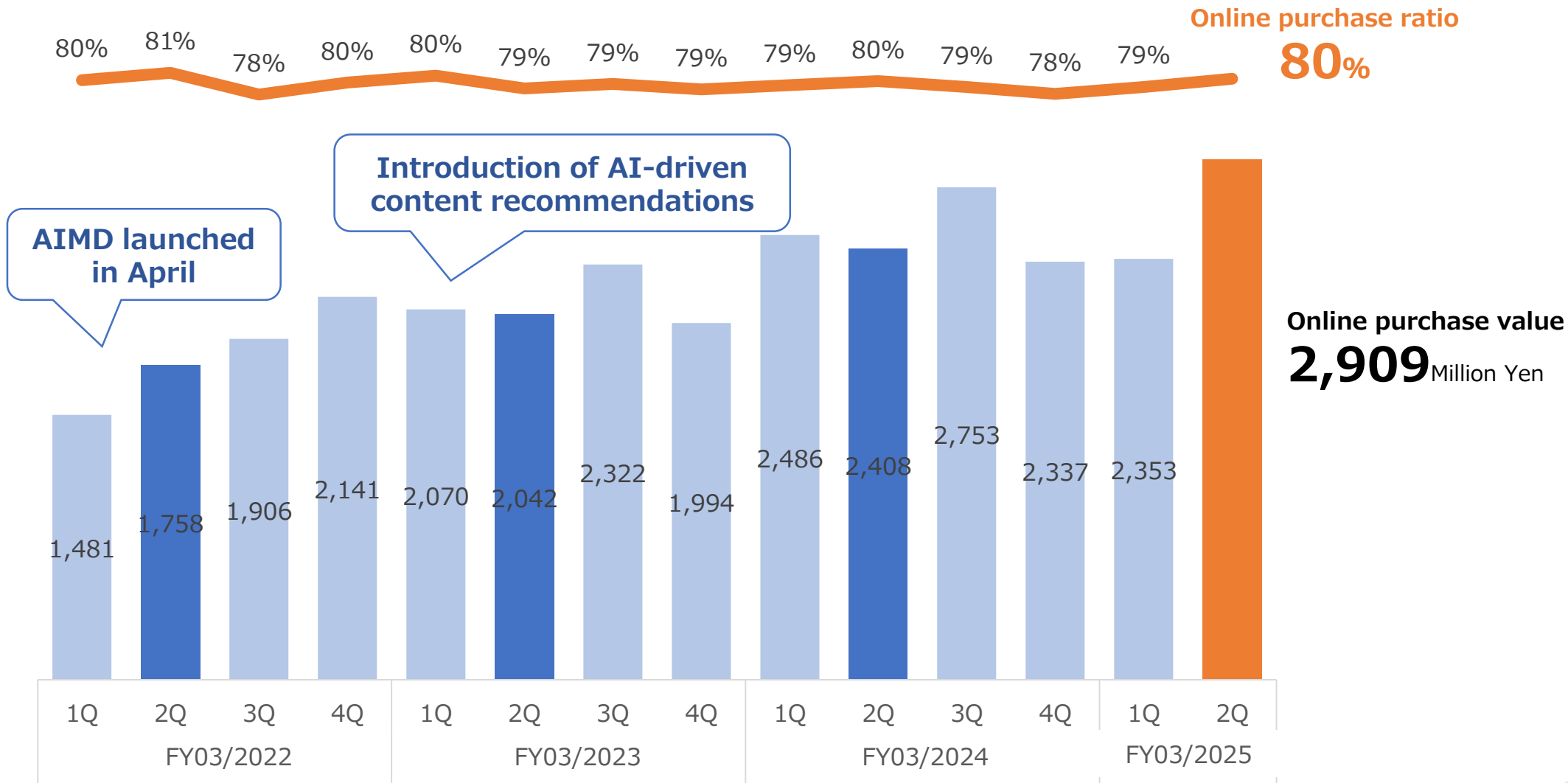


1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
FY03/2022				FY03/2023				FY03/2024				FY03/2025	

Trends in Online Purchases of Used Cameras



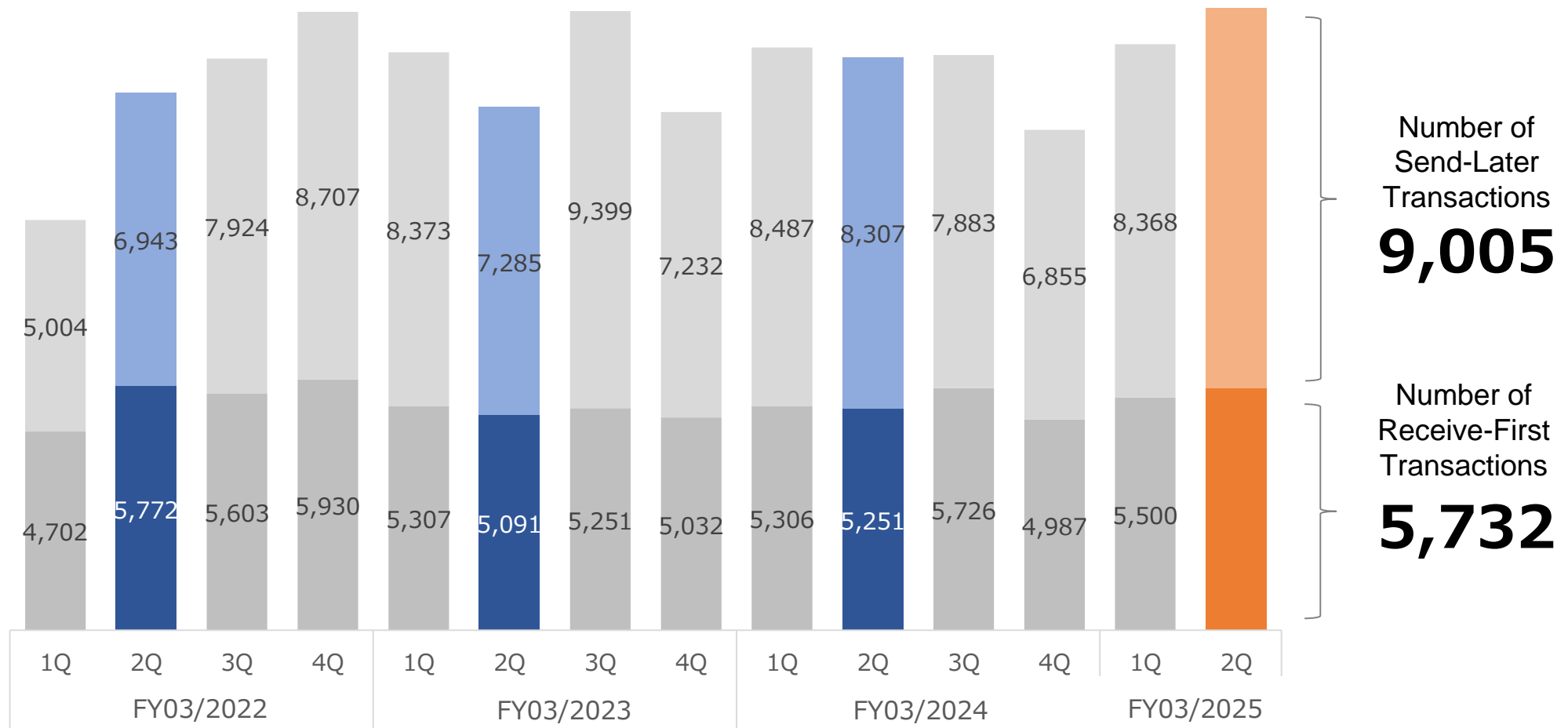
The online purchase ratio continued to hover at **above 78%** after the introduction of the **AIMD (AI-driven MerchanDising)** system and the **AI-driven content recommendations**.



Trends in the Number of Receive-First Send-Later Transactions



The number of **receive-first/send-later transactions** remained **solid** and exceeded the level of the same period last year, ensuring stable purchases of used items.





Financial Highlights

Summary of Financial Results



Net sales stood at greater than **113%** of the year-ago level while ordinary profit was **123%** of the year-ago level.

While net sales lagged behind plan, **operating profit remained strong.**

(Million Yen)

	FY03/2024 2 Q		FY03/2025 2 Q				
	Actual	Share	Actual	Share	YoY% Change	Plan	Percent of plan (target)
Net sales	23,381	—	26,521	—	113%	27,464	97%
Gross profit	4,398	18.8%	5,102	19.2%	116%	5,132	99%
SGA expenses	2,772	11.9%	3,081	11.6%	111%	3,313	93%
Operating profit	1,625	7.0%	2,020	7.6%	124%	1,819	111%
Ordinary profit	1,632	7.0%	2,003	7.6%	123%	1,804	111%
Net income	1,111	4.8%	1,365	5.1%	123%	1,244	110%

Year-on-Year Change in SGA Expenses



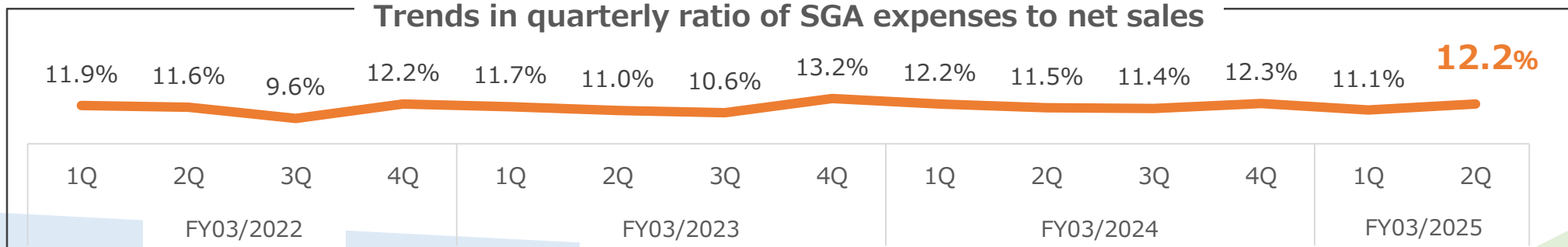
The **SGA expense ratio** remained stable at **11.6%**, while the sales performance remained solid.

※figures in () represent sales ratio

(Million Yen)

			YoY% Change (Ratio to net sales)	YoY change amount	
	2,772 (11.9%)	3,081 (11.6%)	▲0.3pt	309	
		347 (1.3%)	▲0.1pt	13	
		42 (0.2%)	0.1pt	12	
		88 (0.3%)	▲0.1pt	0	
		186 (0.7%)	▲0.1pt	9	
	334 (1.4%)	251 (0.9%)	0.1pt	66	• Increase in operating expenses due to system enhancements
	30 (0.1%)				
	88 (0.4%)				
	176 (0.8%)				
	184 (0.8%)				
	530 (2.3%)	550 (2.1%)	▲0.2pt	20	
	630 (2.7%)	734 (2.8%)	0.1pt	104	• Increase in commission fees in sync with sales
	797 (3.4%)	880 (3.3%)	▲0.1pt	83	• Increase in personnel expenses due to planned staff increase
FY03/2024 2Q		FY03/2025 2Q			

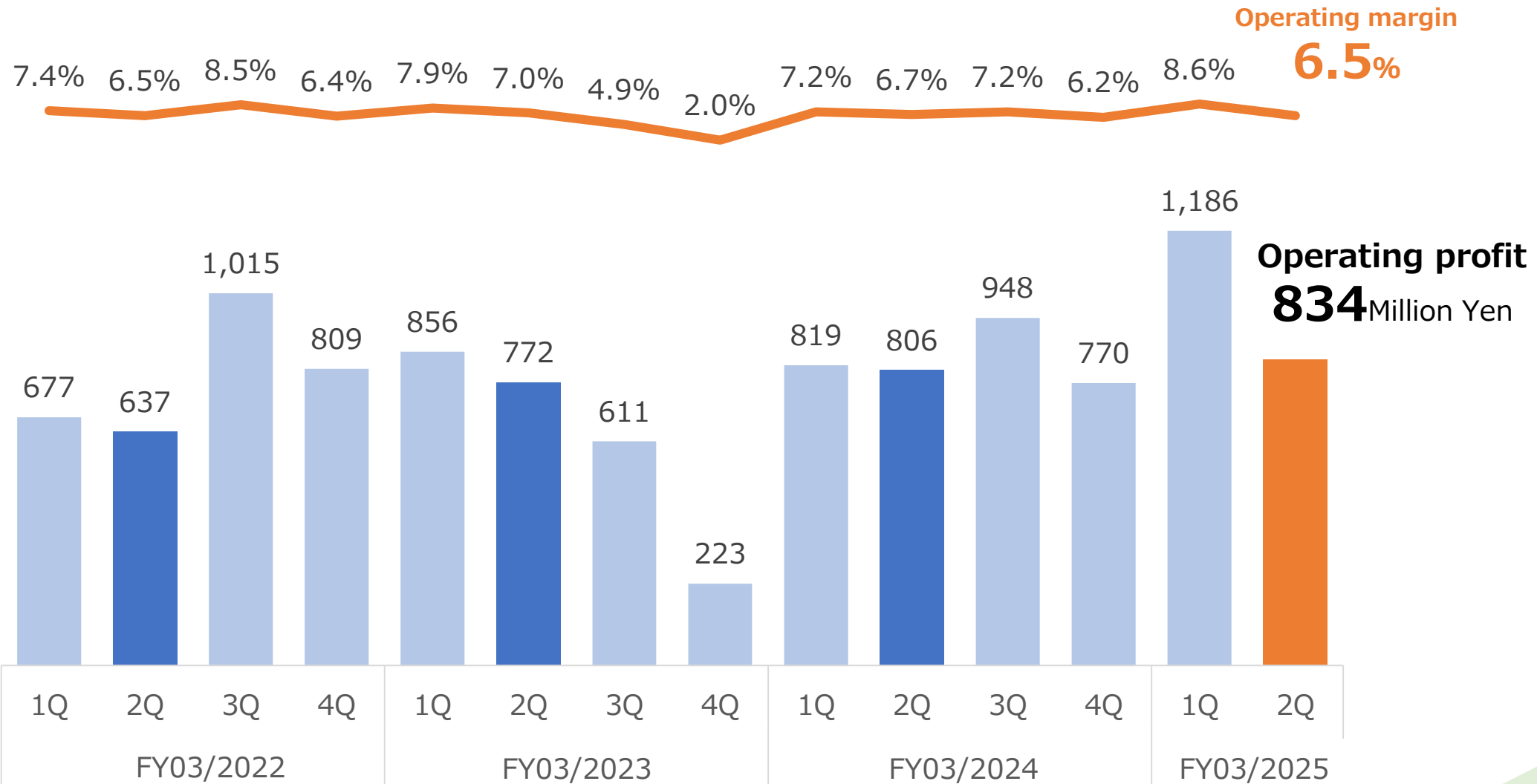
Trends in quarterly ratio of SGA expenses to net sales



Trends in Operating Profit and Operating Margin (Quarterly)







Operating profit rose steadily to **103%** of the year-ago level, maintaining stability despite the domestic watch market's slowdown from yen appreciation.



Year-on-Year Changes in Net Sales and Profit by Segment



(Unit: Million Yen)

Figures in parentheses () are the percentage of total net sales.	Sales Channel	FY03/2024 2Q	FY03/2025		Remarks
			2Q	YoY% Change	
 Map Camera [®] Camera (77.0%)	Online net sales	15,012	16,910	113%	<ul style="list-style-type: none"> Both online and store sales saw double-digit growth. Operating profit reached 120% of the year-ago level, with sales and profit both showing double-digit growth.
	Store net sales	2,579	3,502	136%	
	net sales	17,591	20,412	116%	
	Operating profit	2,072	2,493	120%	
 GMT Watch (20.6%)	Online net sales	2,448	2,267	93%	<ul style="list-style-type: none"> Despite a softening domestic market due to yen appreciation since August, profit-focused sales were maintained, resulting in operating profit at 154% of the year-ago level.
	Store net sales	2,706	3,183	118%	
	net sales	5,154	5,450	106%	
	Operating profit	187	289	154%	
 KINGDOM NOTE [®] Stationery (0.9%)	Online net sales	147	166	113%	<ul style="list-style-type: none"> Online and store sales posted double-digit growth year on year, with operating profit at 156%.
	Store net sales	60	70	117%	
	net sales	207	236	114%	
	Operating profit	25	39	156%	
 CROWN GEARS Bicycle (1.6%)	Online net sales	244	386	158%	<ul style="list-style-type: none"> While duty-free sales declined, online sales reached 158% of the previous year, achieving double-digit growth. Profitability was maintained despite weak market conditions.
	Store net sales	182	35	19%	
	net sales	427	421	99%	
	Operating profit	18	14	76%	
Total	Online net sales	17,853	19,730	111%	<ul style="list-style-type: none"> Both online and store sales remained strong, achieving double-digit growth across the entire company.
	Store net sales	5,528	6,791	123%	
	net sales	23,381	26,521	113%	

Changes in Balance Sheet from End of Previous Year



Merchandise inventories **increased by approximately 1,600 million yen** from the level at the end of FY03/2024, ensuring sufficient inventory levels.

(Million Yen)

	End of FY03/2024	End of 2Q of FY03/2025	
		Actual	Change
Current assets	13,961	15,952	1,990
Cash and deposits	1,321	1,709	388
Merchandise	9,265	10,918	1,652
Non-current assets	2,101	2,253	152
Total assets	16,063	18,206	2,143
Current liabilities	5,979	5,871	▲108
Non-current liabilities	1,817	2,836	1,018
Total liabilities	7,796	8,707	910
Total net assets	8,266	9,499	1,232
Liabilities and net assets	16,063	18,206	2,143

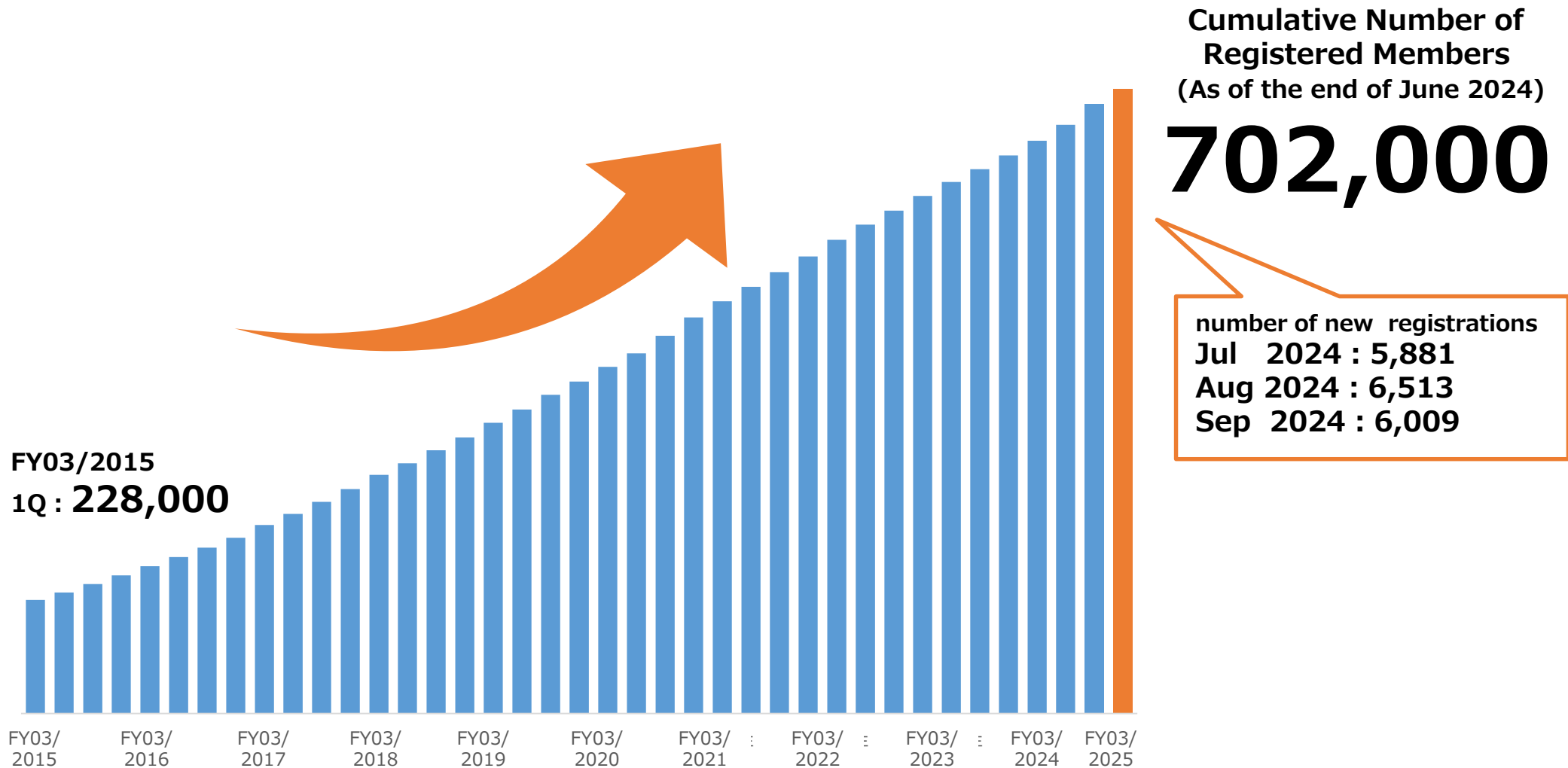


Number of Online Members and Notifications

Trends in the Quarterly Number of Online Members



Number of registered members **exceeds 700,000** and continues to grow.



Attributes of Online Members: Distribution by Age Group/Gender/Area

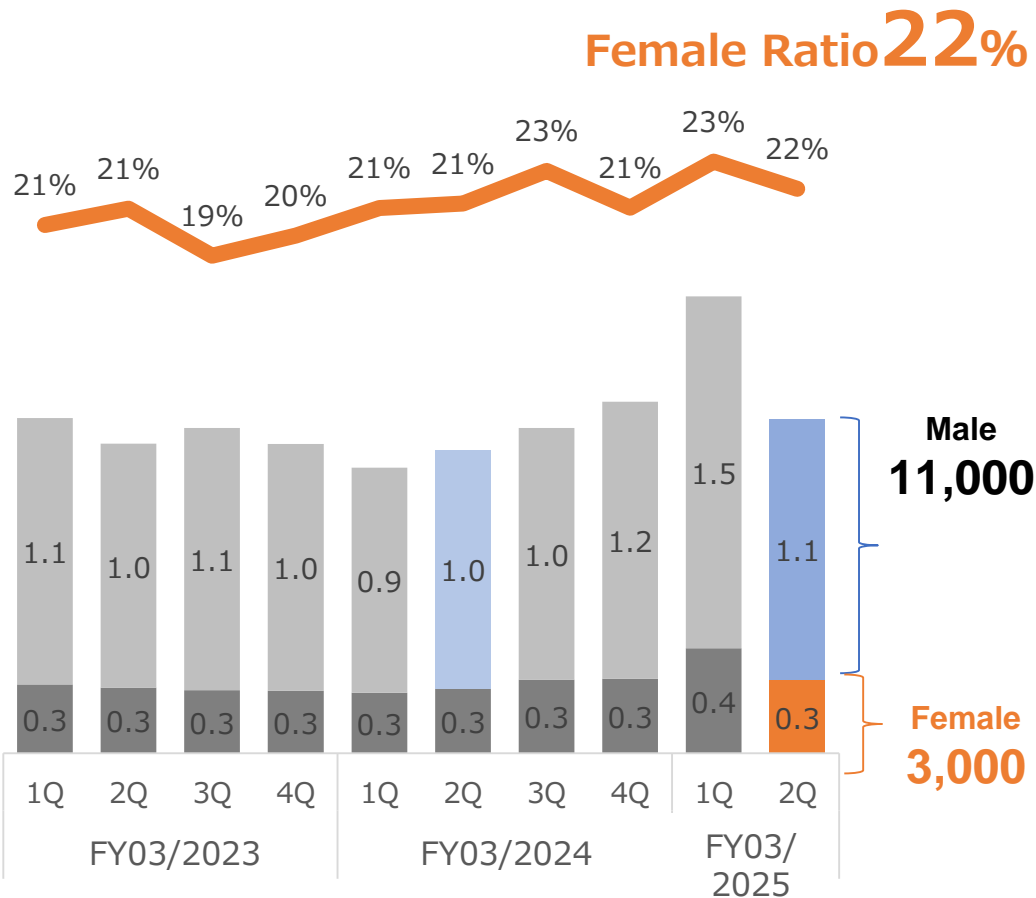


Women accounted for **22%** of new members in 2Q, maintaining the ratio of over 20%.

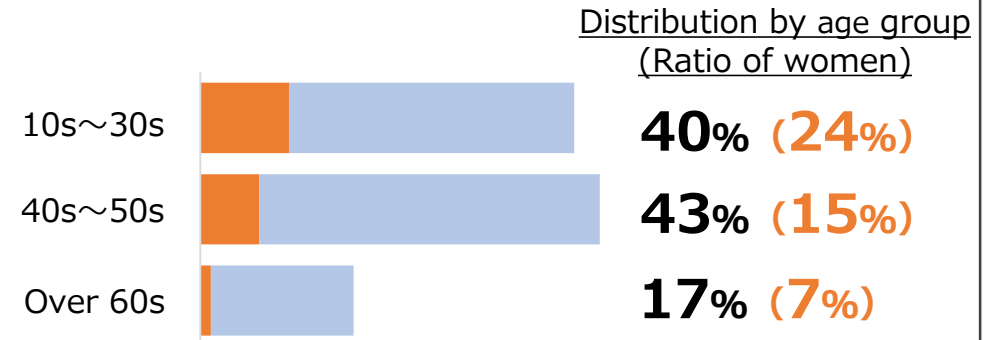
*The ratio of women to all online members: 17%

Women in their 10s to 30s account for a high percentage, **approx. 24.0%**, reflecting the popularization of social media such as Instagram.

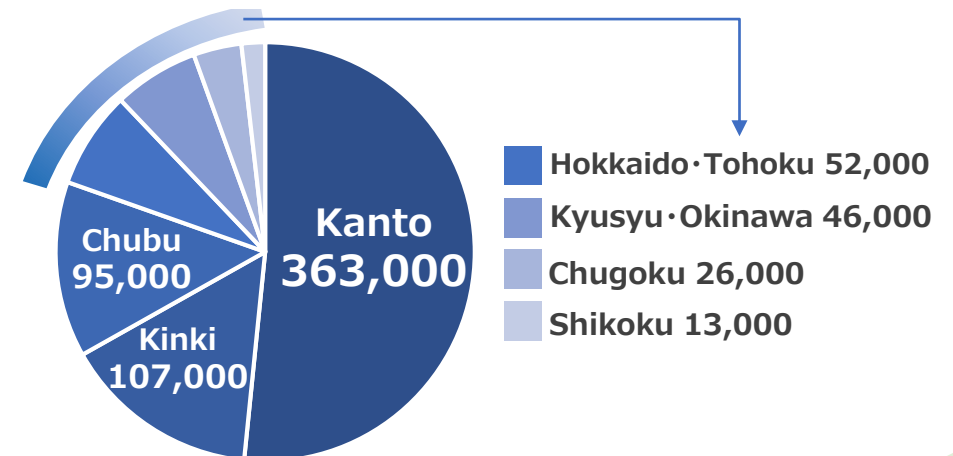
Number of new members by gender



Distribution by age group / Ratios of women in each age group



Regional distribution



Technology Development and Number of Notifications



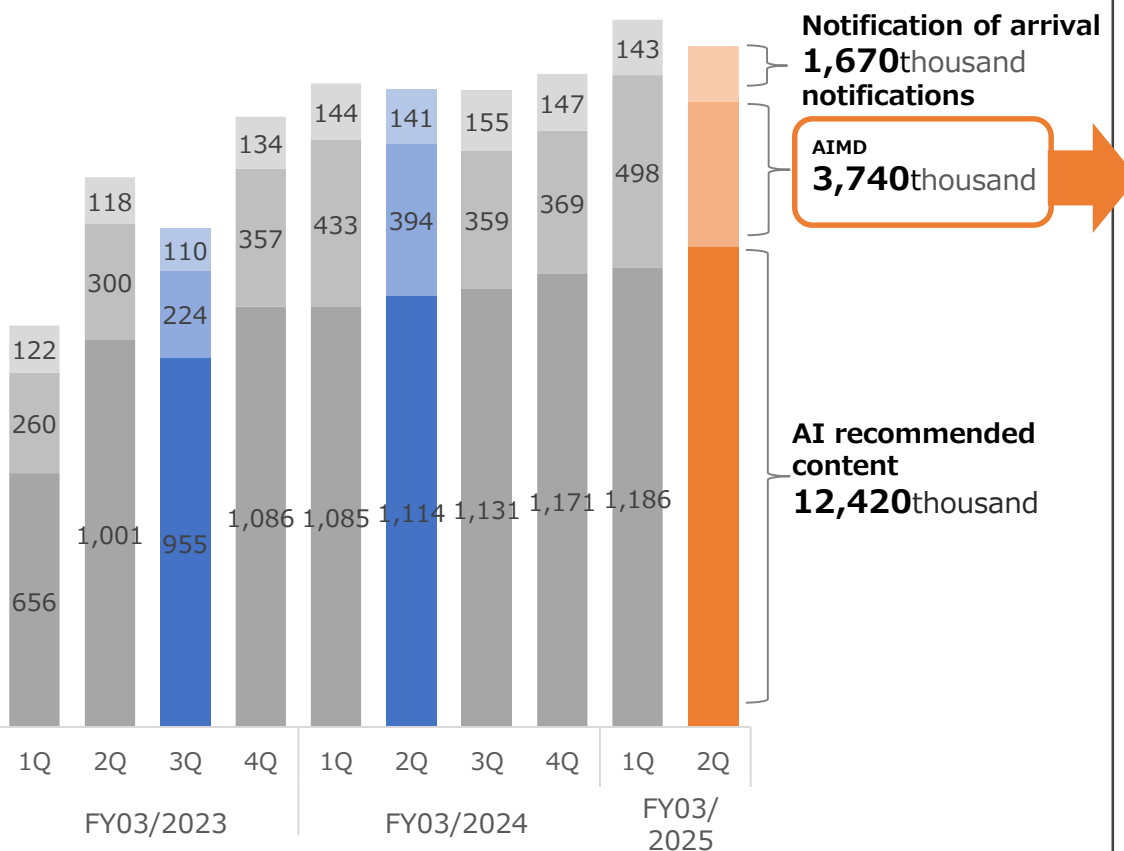
The number of AI-based automatic notification remained at high levels (2Q: **17,590** thousand notifications). **17,820** thousand notifications are equivalent to approximately **400** stores*

※The Company's calculation: Based on the assumption of converting the number of notifications to that of customers visiting stores.

Number of notifications by purpose

Unit: thousand

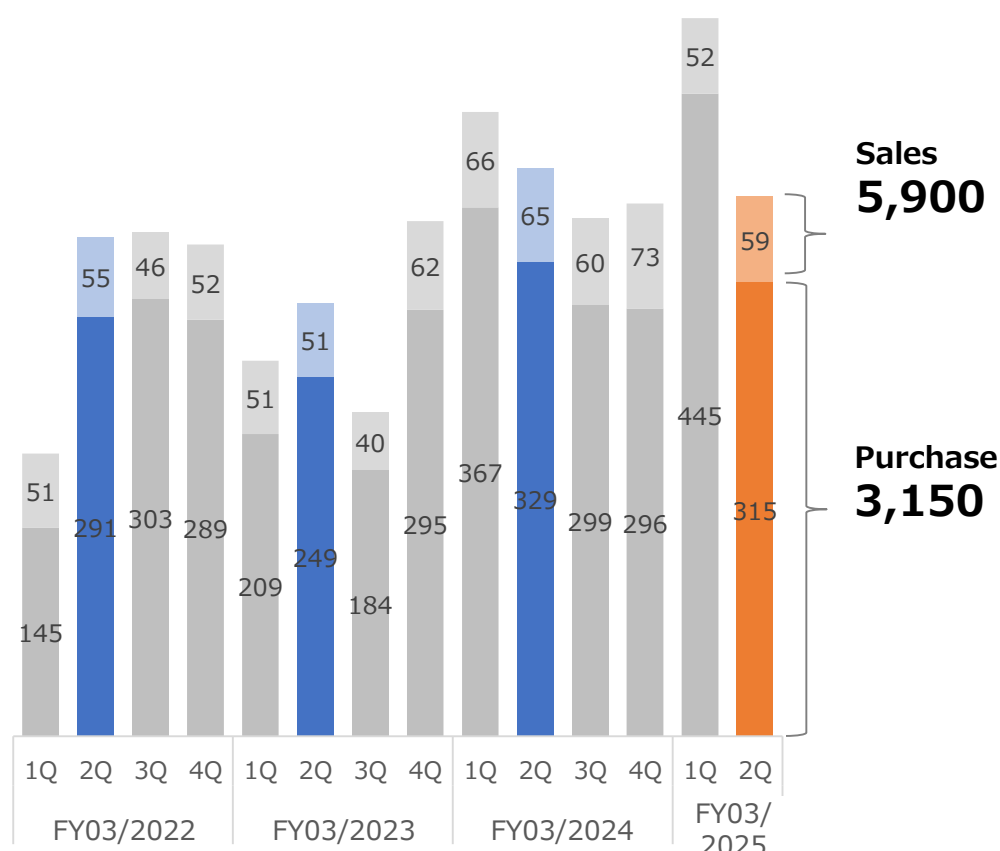
Total **17,820** thousand



AIMD × One to One

Unit: thousand

Total **3,740** thousand



Number of Notifications (LINE)



The number of **notifications on LINE** grew by **17 times** after implementation of enhancement measures.

Implementation of measures to enhance notifications on LINE

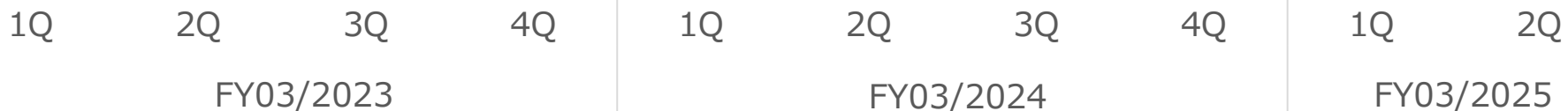


Number of notifications on LINE: **17 times**

10 times

8 times

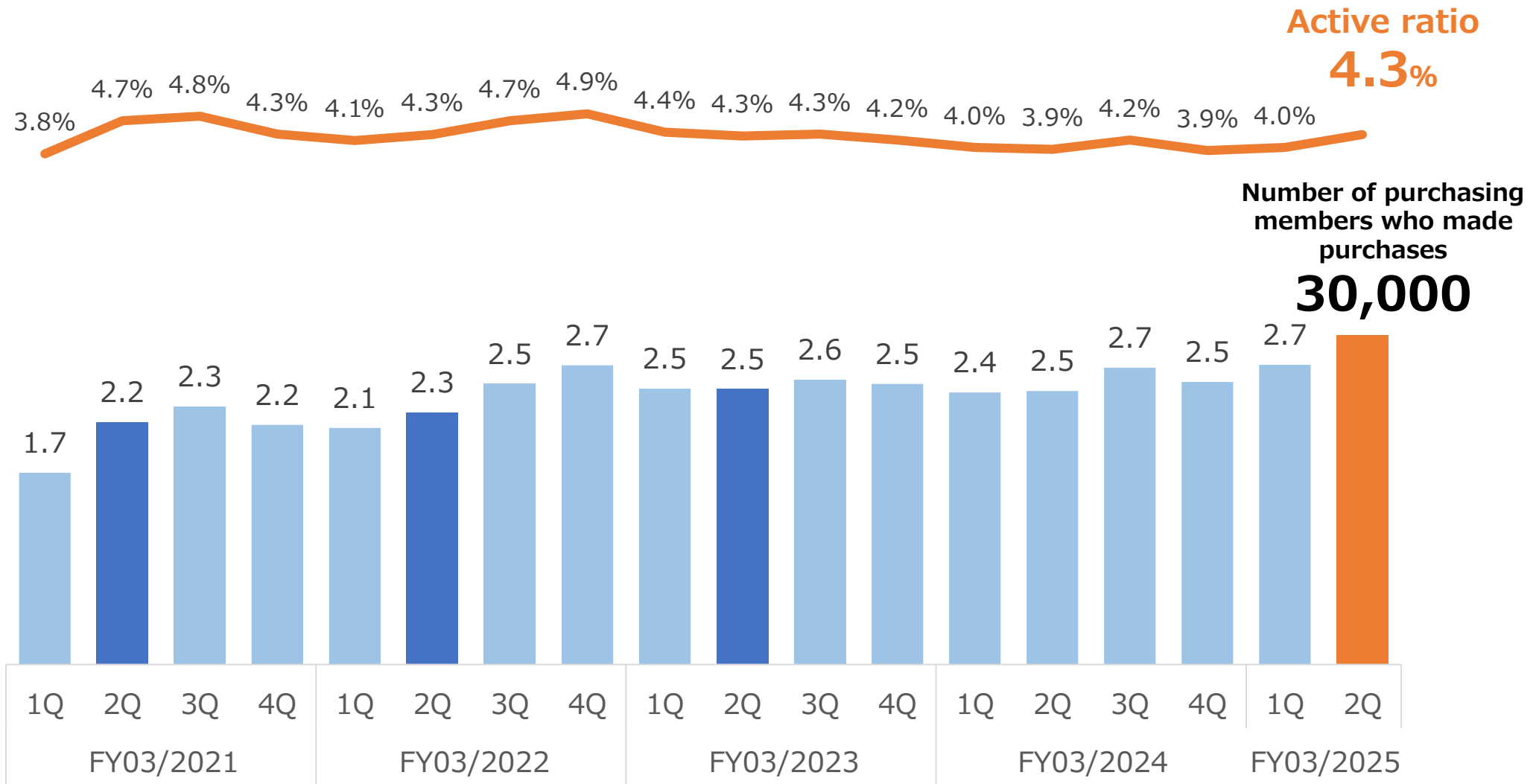
Number of notifications via email: **1.6 times**



Quarterly Activeness Ratio of Online Members (Existing Customers)*



Both the number of online purchasing members included in existing customers (the Company's website) and the activeness ratio **remained strong**.



*Activeness ratio: The ratio of the number of members who made purchases in a quarter (excluding new members) to the number of members at the beginning of the quarter

Number of Items Registered on the Wish List



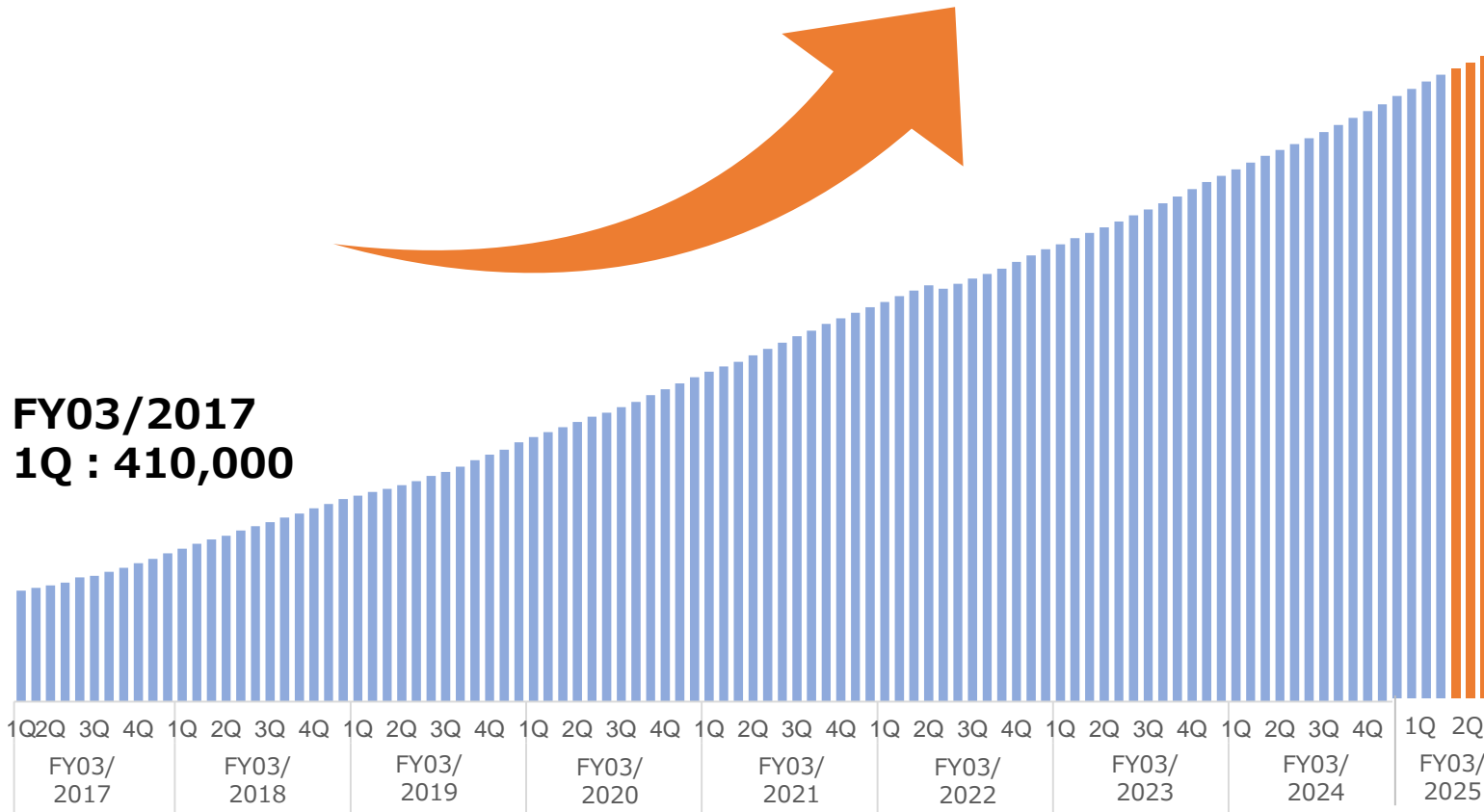
The number of new registrations continued to hover **70,000 to 80,000 per month.**

Wish List



Total registrations
(As of the end of June 2024)

2,430,000



number of new registrations
Jul 2024 : 68,616
Aug 2024 : 69,316
Sep 2024 : 75,035

*When a registered product is purchased, it is automatically removed from the list

Quarterly Activeness Ratio of Online Members (Existing Customers)*



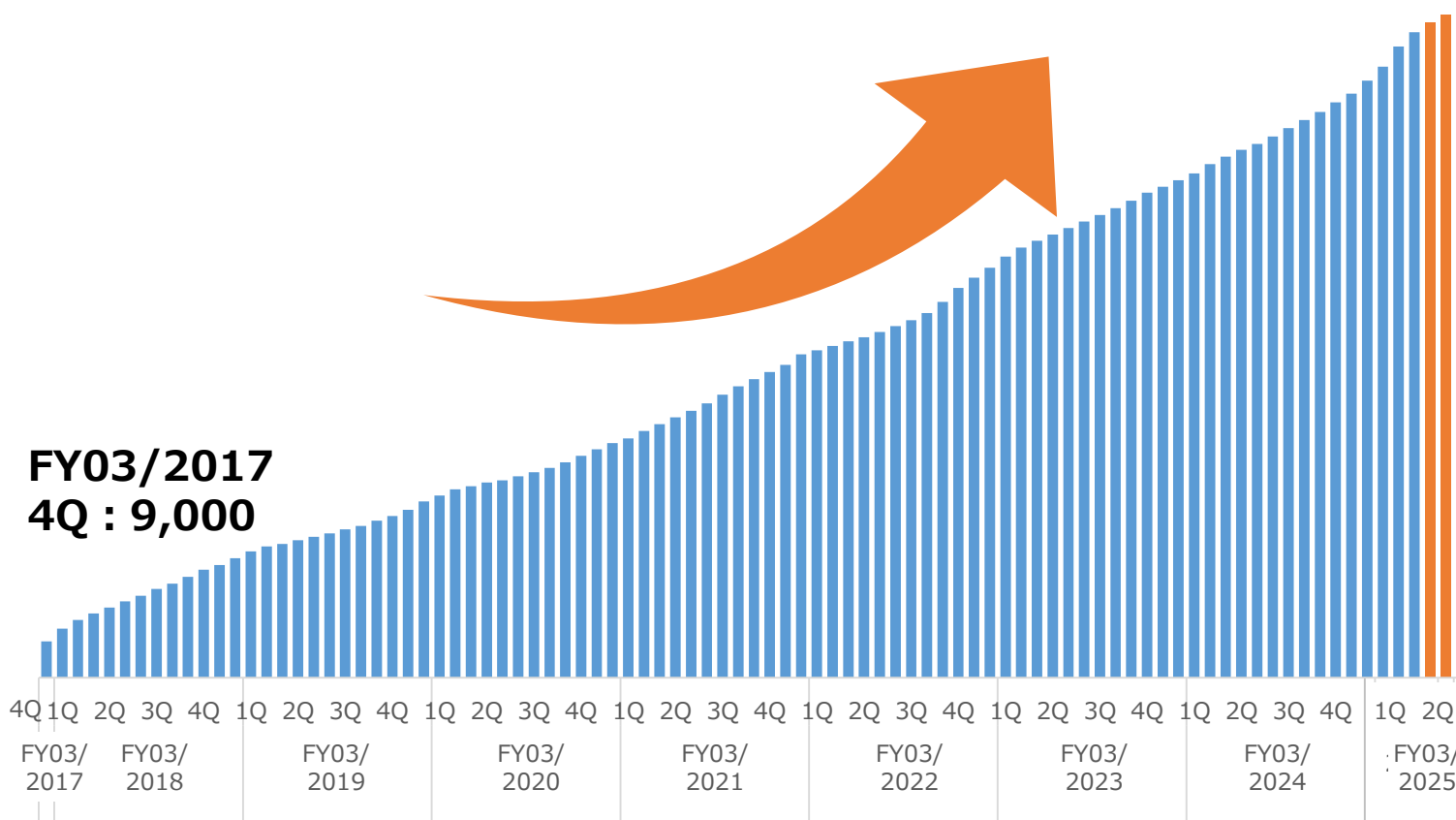
2Q saw about **20,000** new registrations. An average of about **570,000 notifications per month** were sent to customers' smartphones.

Arrivals



Total registrations
(As of the end of June 2024)

166,000



FY03/2017
4Q : 9,000

number of new registrations
 Jul 2024 : 7,328
 Aug 2024 : 6,489
 Sep 2024 : 6,042



FY03/2025

Main Actions from 2H Onward

Initiative 1 for EIC Companies: Improved coordination between sales and system departments



A new office was opened to facilitate close coordination between the Sales Division and the Information Systems Division.
Achieving greater innovation in an up-to-date office environment



- Swiftly respond to customer needs
- Improve sales support
- Speed up decision making
- Enhance the ability to propose services
- Business process optimization
- Improved work environment

EIC Company + Re-Value

Electronic Commerce × Intelligence

Reuse × Value

Initiative 2 for EIC Companies: Launch of a new video content studio



Deep Value x Agility

Further evolve content creation that has been continually enhanced
Newly establish a unique studio to accelerate **the transformation of EC ahead of the times**



**FY03/2025 -
January
Enriching YouTube
content (Phase2)
New establishment of
a video content studio**



**FY03/2024 – April
enriching YouTube
content (Phase1)
New establishment
of a dedicated
department**



**An Electronic
Intelligent Commerce
Company with Unique
Content Creation
Functions**

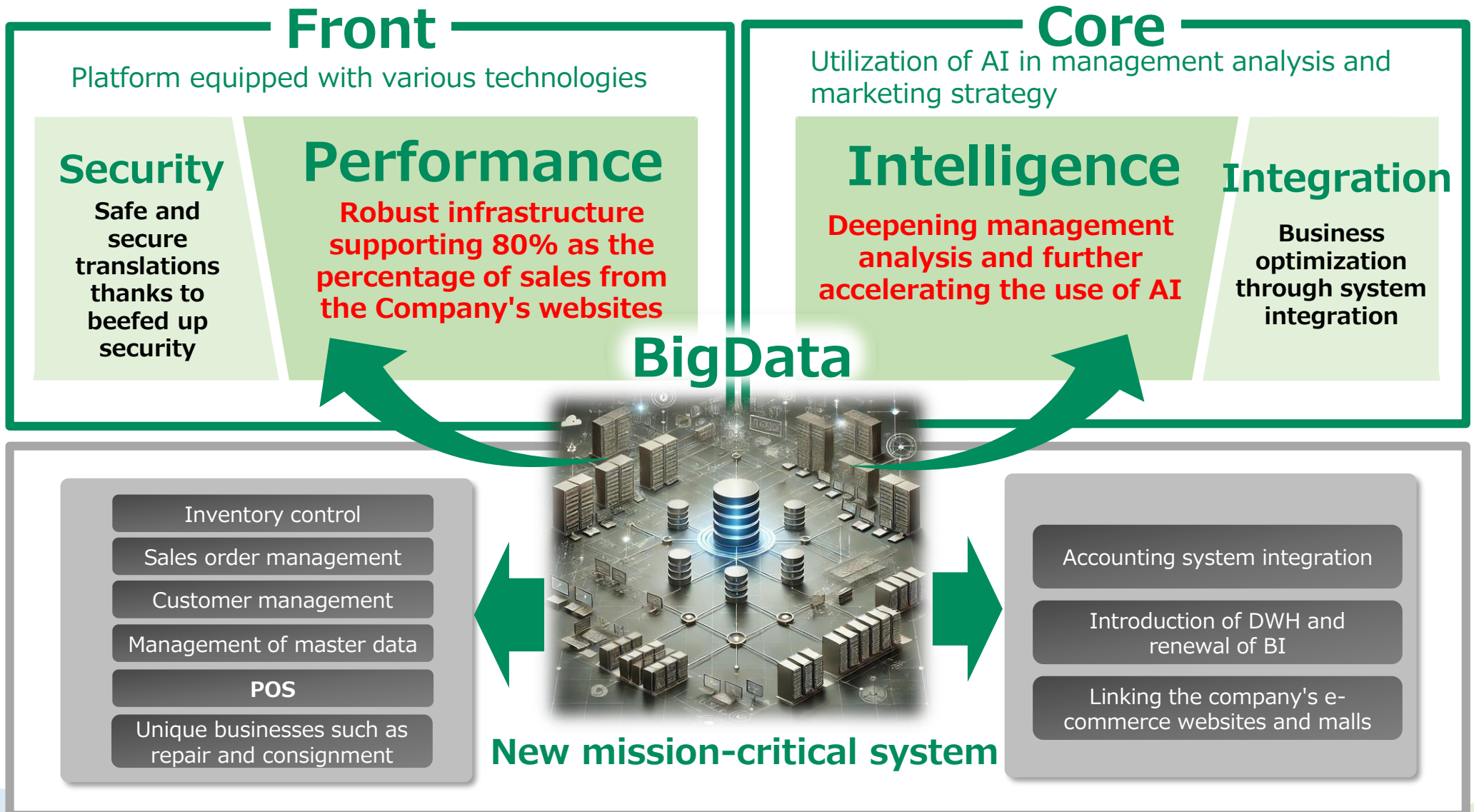
- ✓ Strengthen sales promotion capabilities in the e-commerce business by further enhancing **quality and creativity**
- ✓ Expand contact points with customers, **improve brand recognition, and promote sales growth**

Initiative 3 for EIC Companies: Replacement of mission-critical systems



Progressive Value x Solidity

Replacement of mission-critical systems is scheduled at the end of March 2027



Reopening of BRILLER in October



True Value x Resilience

Floor expansion of the ladies' brand salon BRILLER Expand the product lineup and strengthen its role as a hub of information dissemination

- Focuses on e-commerce as the primary channel, positioning the store as an information hub while offering a curated lineup prioritizing quality over quantity.
- Features extensive product photos and individual purchases, dealing exclusively in nearly brand-new items. Inventory is treated as an asset, ensuring a safe and secure shopping experience and a commitment to sustainable value.

Floor expansion

Being authentic and knowing authenticity
Floor expansion aimed at enhancing the product range



Enhanced product lineup

Offers a selection of Hermes interior decor items, tableware and scarves, and now newly deals in Dior products



Reinforcement as a hub of information dissemination

Staff who have had contact with the genuine items create content for the products
Customer contact points are expended to enhance synergy with e-commerce



Main Actions in the Fiscal Year Ending March 31, 2025

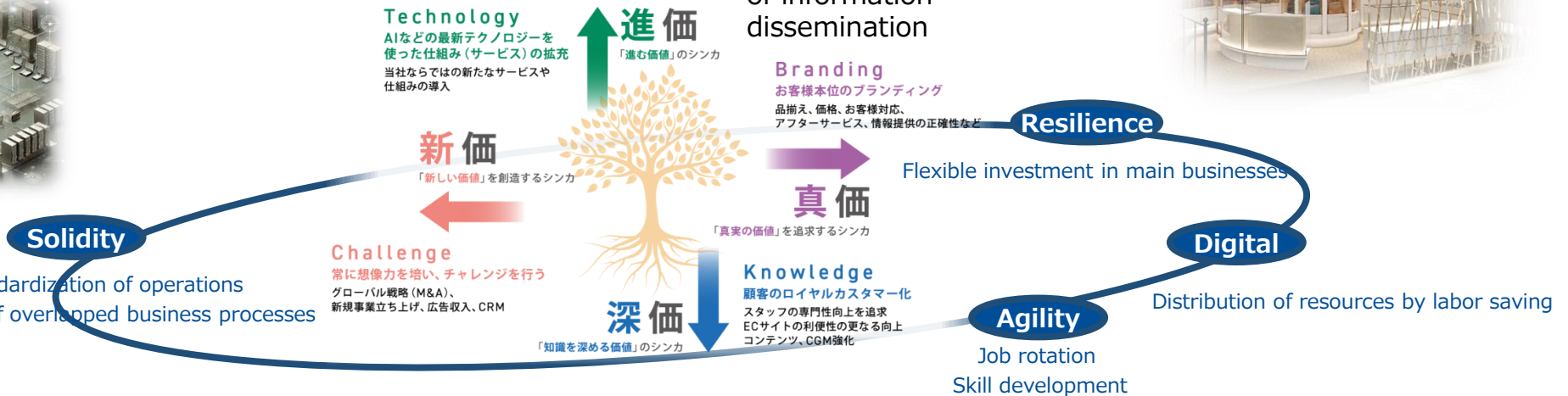


Promoting a range of actions by multiplying each aspect of the Four Concepts by Value Chain Scenario Planning

Progressive Value x Solidity

Replacement of mission-critical systems

Currently replanning for a perfect release



True Value x Resilience

Reopening of BRILLER

Reinforcement as a hub of information dissemination

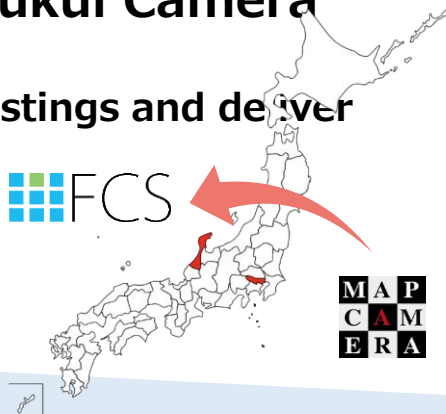


New Value x Solidity

Outsourcing to Fukui Camera Service (FCS)

Online used camera listings and deliver services

Implemented a capital and business alliance in 2022 to enhance the revaluation of used cameras



Deep Value x Agility

Launch of a new video content studio

Enriching YouTube content (Phase 2)

Toward becoming an electronic intelligent commerce company with unique content creation functions



Notes on Forward-Looking Statements

- The materials and information provided in this presentation include so-called forward-looking statements. These statements are based on assumptions that include current expectations, forecasts, and risk factors, which include uncertainties that may cause actual performance to differ from these statements.
- These risks and uncertainties include general industrial and market circumstances and general domestic and international economic conditions such as fluctuations in interest rates and currency exchange rates.
- Syuppin Co., Ltd. disclaims any obligation to update or revise any forward-looking statements included in this presentation in light of new information, future events, or other findings.