 Paralym Art®

Financial Results Presentation

for the Fiscal Year Ended March 31, 2024

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.



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.	

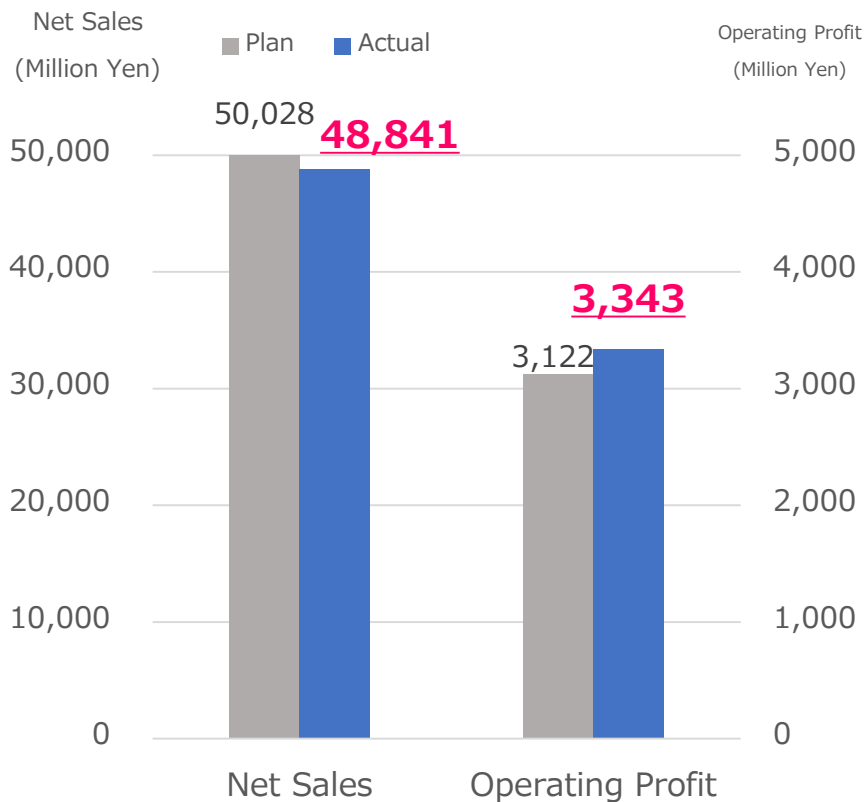
Highlights of the Results (Fiscal Year ended Mar. 31, 2024)



Net sales fell short of the plan, but reached a record high. A new record high operating profit was achieved, 107.1% of the forecast.

In the camera business, net sales and profit grew due to the use of AI, while the watch business achieved a V-shaped recovery leveraging data-driven sales and procurement strategies.

Full-year Plan and Actual Results



Net Sales 97.6% vs. plan

In the camera business, record sales were achieved due to certain new product. Despite few new product launches, the business achieved its highest monthly sales in March and double-digit growth for the year was achieved, due to increased traffic from LINE and YouTube.

In the watch business, net sales were 96% of the plan.

Operating Profit 107.1% vs. plan

Both the camera and watch businesses exceeded their initial gross margin targets, setting new record highs for the year.

In the camera business, the AIMD (AI-driven Merchandising system) operated smoothly and continued to generate high gross margins in used camera transactions. The high profits were also driven by strong sales of high-priced new products.

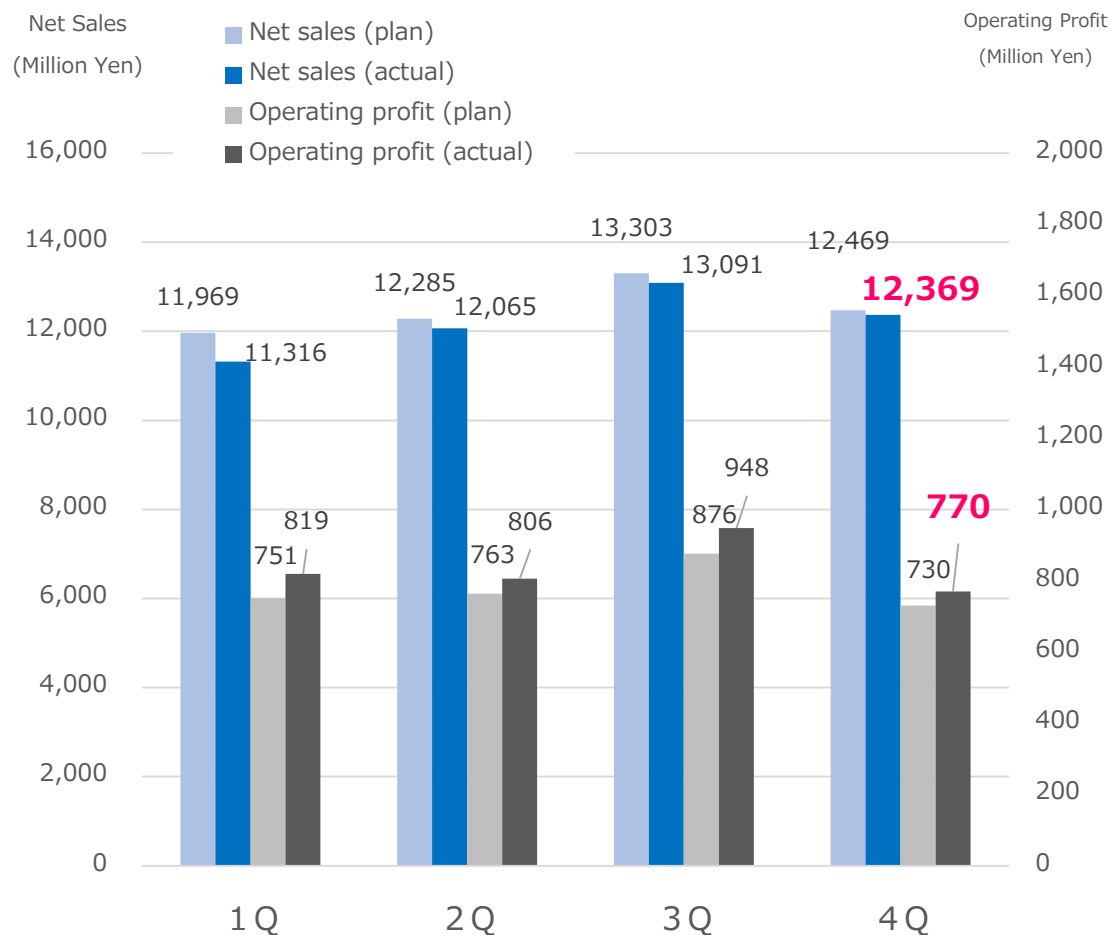
In the watch business, almost all of the unprofitable inventory was cleared in 1Q. From 2Q onwards, our pioneering fixed-price purchasing and other strategies ensured solid profits.



Highlights of 4Q Results

While net sales did not meet the plan, **monthly sales were the highest ever in March**. **Operating profit reached an all-time high for 4Q alone**. Strong sales and profit were supported by improved inventory turnover, with shorter purchase-to-sale periods for used cameras and watches.

Quarterly Change in Forecast and Actual Performance



Net Sales

Despite a slow start in January due to a system failure, net sales reached a record high in March.

Achieved record sales despite few tailwind factors, such as new camera launches and the increase of watch prices.

Gross Margin

Despite a year-end sale in the camera business, the quarterly gross margin remained around the full-year average.

[Changes in gross margins (overall)]

1Q : 19.4% 2Q : 18.2%
 3Q : 18.6% 4Q : 18.5%

Full-year: 18.7%

Trend in Net Sales by Sales Channel (Monthly)

EC

Stores

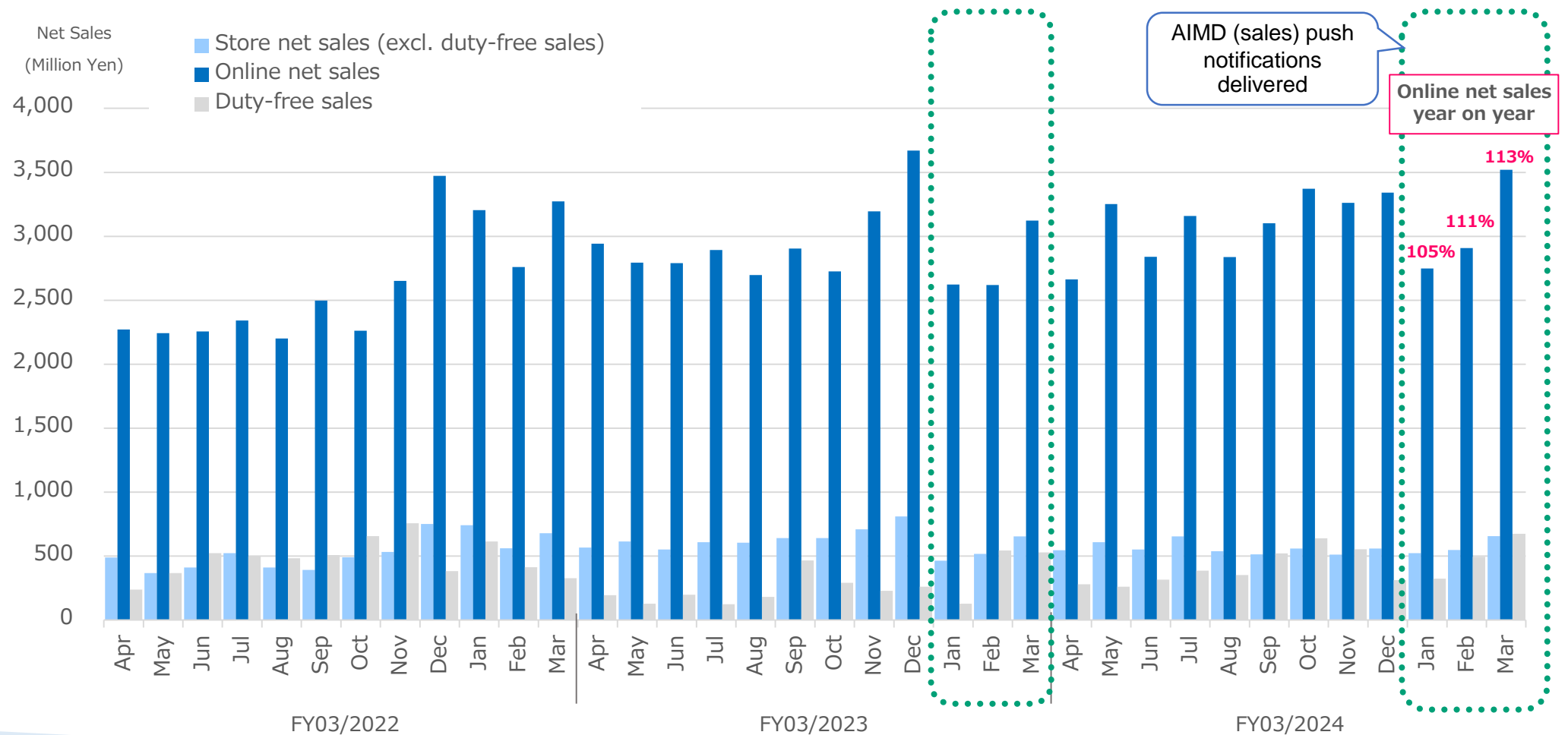
Duty-Free

E-commerce (EC) sales rebounded after the system issue was fixed in February.

March saw the second-highest EC sales ever, thanks to the record-high number of AIMD (sales) push notifications in 4Q.

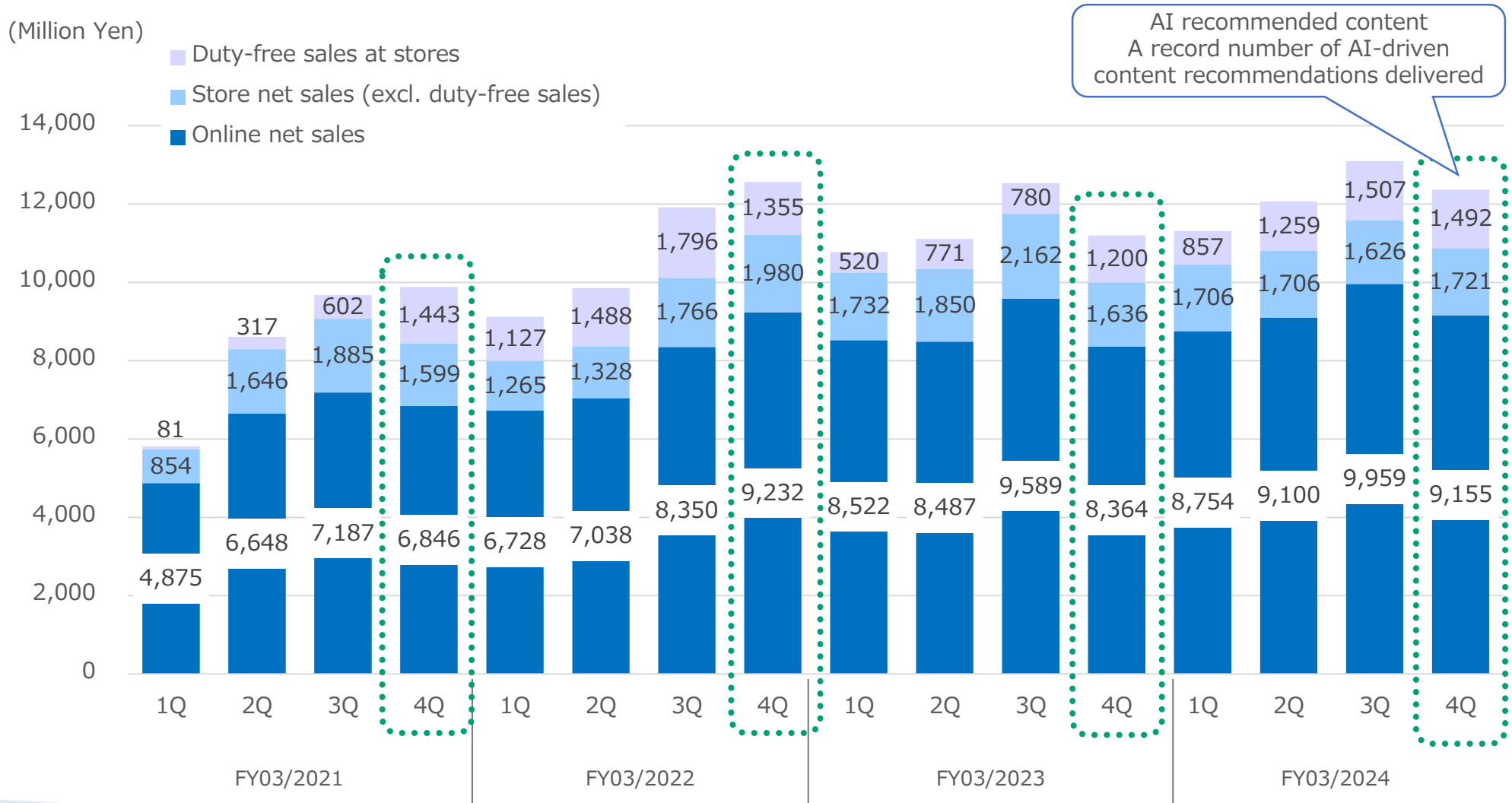
Store sales remained above the same month in the previous year.

Duty-free sales in March were the third-highest they have ever been. As a specialty camera store, brand recognition has increased among foreign visitors.



Trend in Net Sales by Sales Channel (Quarterly)

A record number of AI-driven content recommendations were delivered in 4Q, resulting in strong EC sales. Duty-free sales reached their third-highest quarterly level ever, driven by improved camera branding.

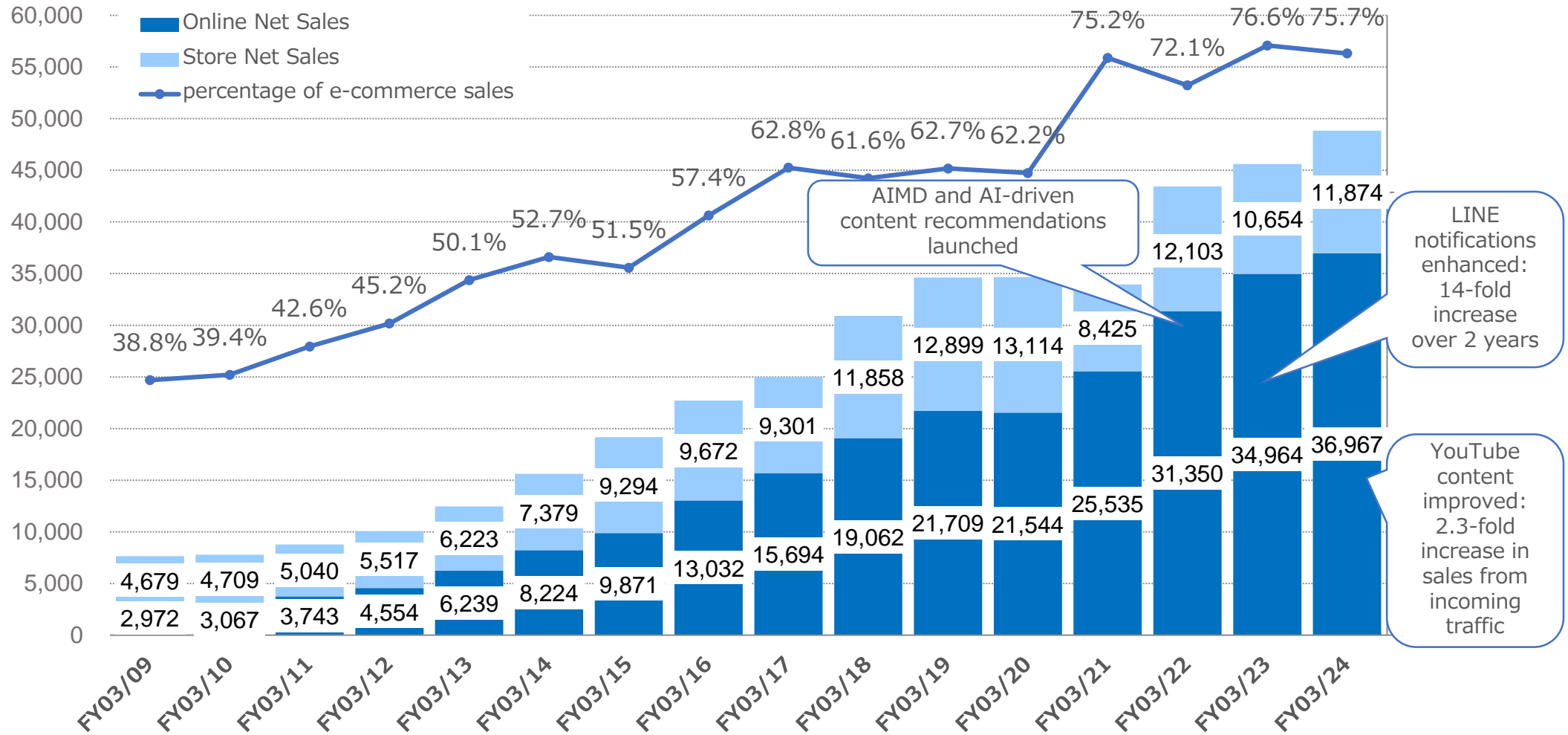


Trend in Net Sales by Sales Channel (Annual)



Despite system failures during the period, **EC sales reached a record high, driven by an increase in AI and LINE notifications, traffic from YouTube, and sales.**

(Million Yen)

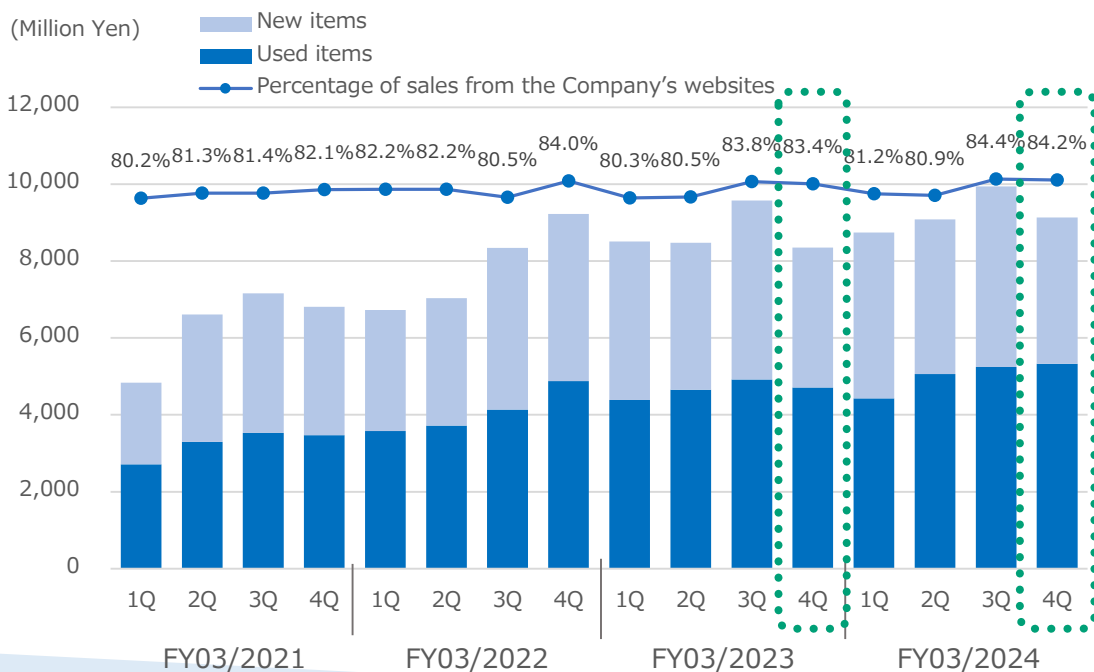


Trends in Online Net Sales (Quarterly)

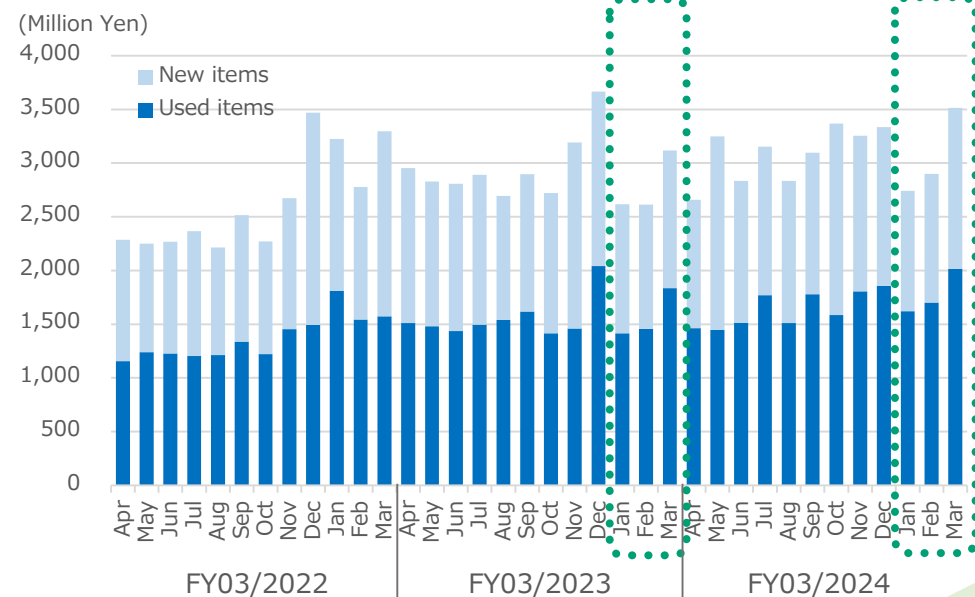
EC sales increased 9% year on year. The percentage of sales on the Company's websites remained high at 84.2%. Despite the suspension of camera sales at malls, the percentage of sales through malls in 4Q remained unaffected.

	1Q	2Q	3Q	4Q	YoY% Change
Online net sales (Million yen)	8,739	9,085	9,943	9,134	109%
Percentage of sales on the Company's websites	81.2%	80.9%	84.4%	84.2%	+0.8%
Percentage of sales at malls	18.8%	19.1%	15.6%	15.8%	▲0.8%

Trends in Quarterly



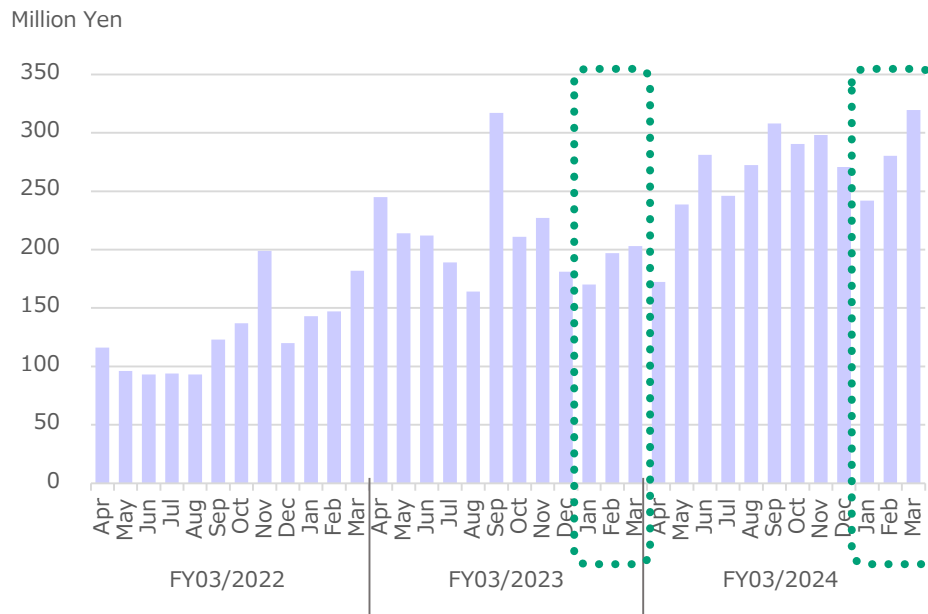
Trends in Monthly



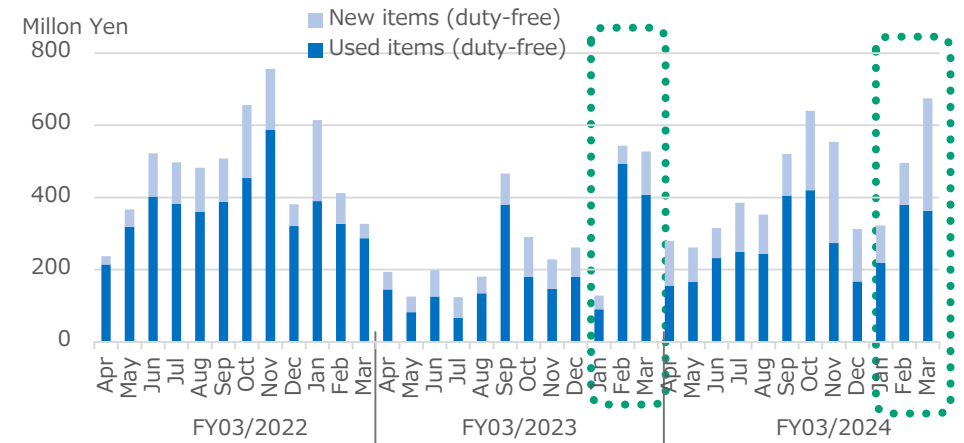
Trends in cross-border online sales, duty-free sales and store sales

Cross-border online sales grew by 27% annually and by 147% quarterly, both compared to the same periods in the previous year. The camera business won the eBay Award. Duty-free sales in March were the third highest they have ever been, with cameras being a higher proportion of sales.

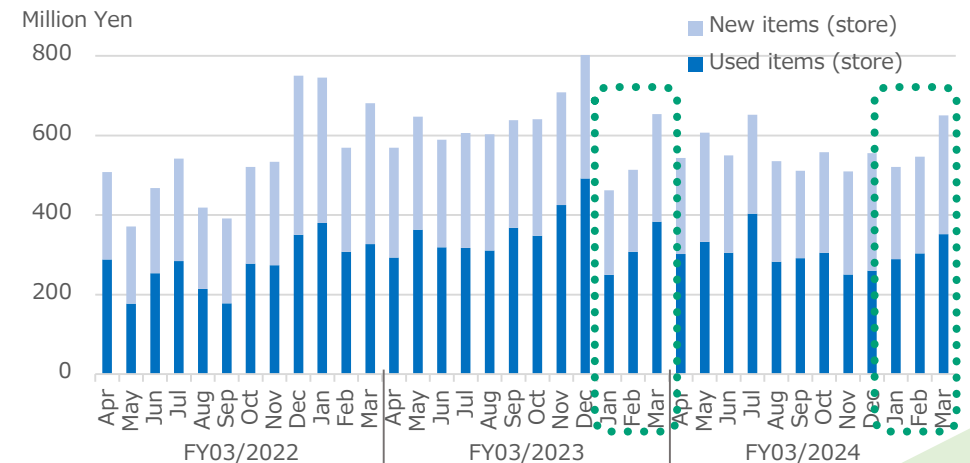
Cross-border online sales (overseas malls)



Duty-free sales



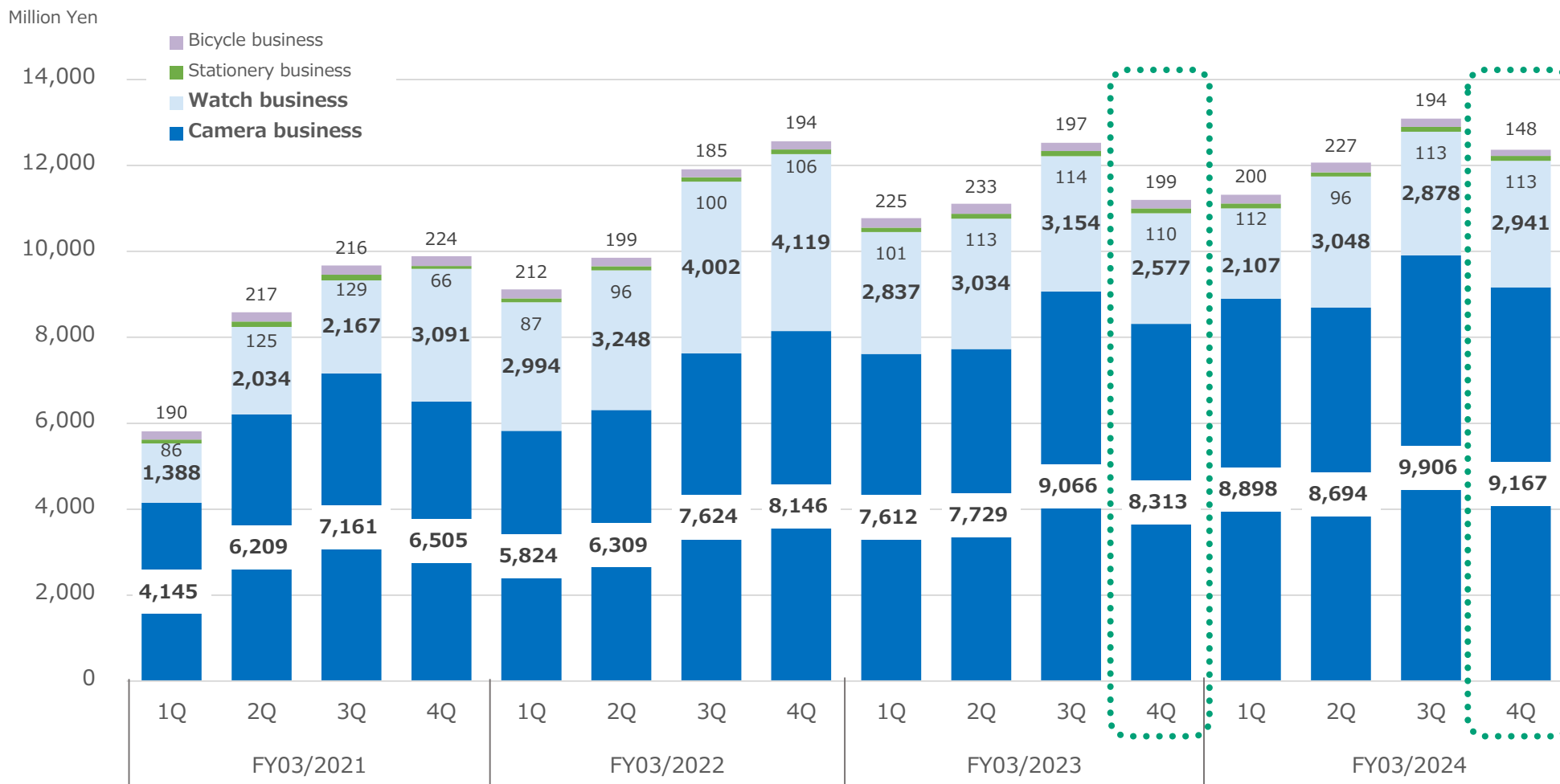
Store net sales (excl. duty-free sales)



Net Sales by Segment (Quarterly)



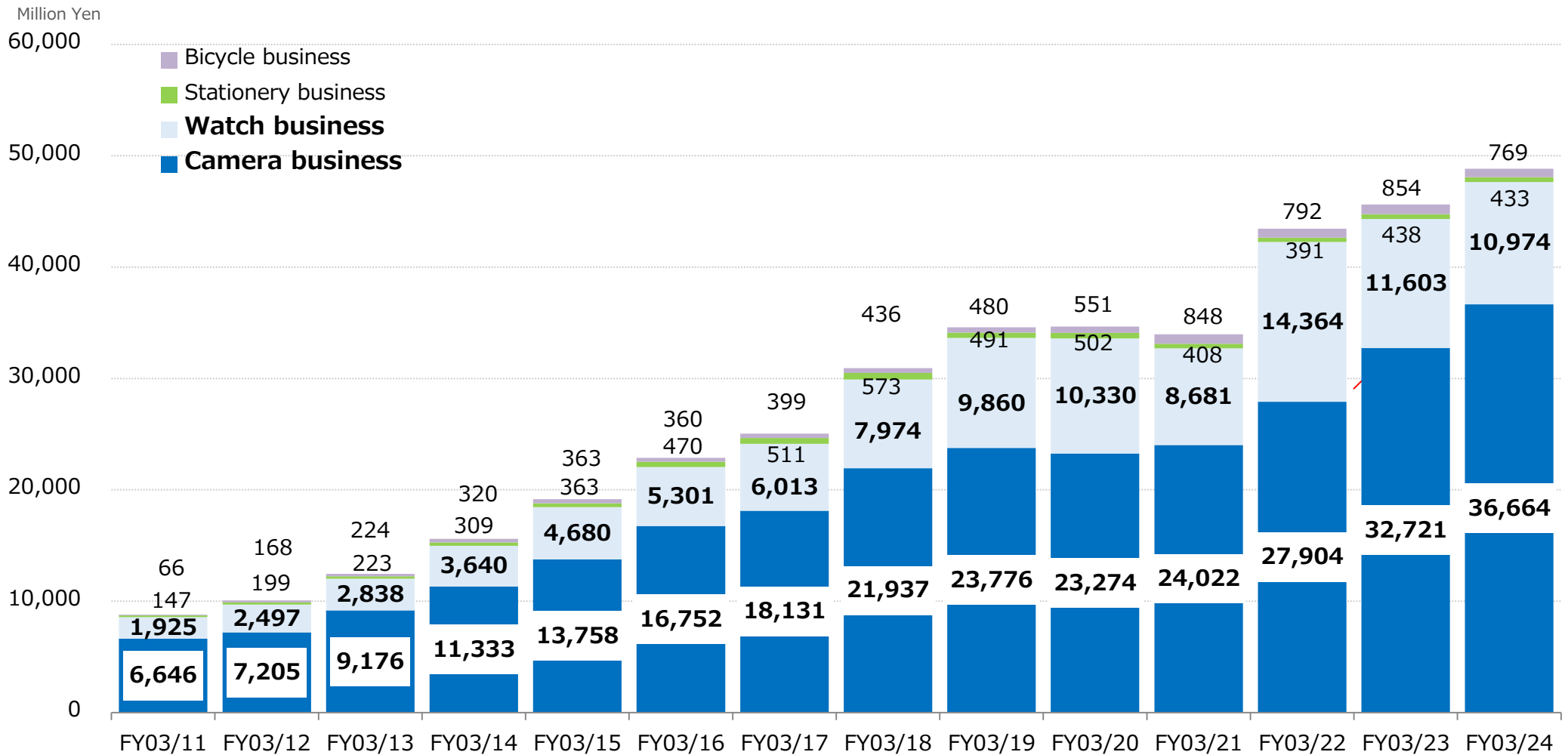
The camera business posted net sales of more than 9,000 million yen for the first time in 4Q due to the number of AIMD (sales) and AI-driven content recommendations delivered, which were quarterly records.





Net Sales by Segment (Annual)

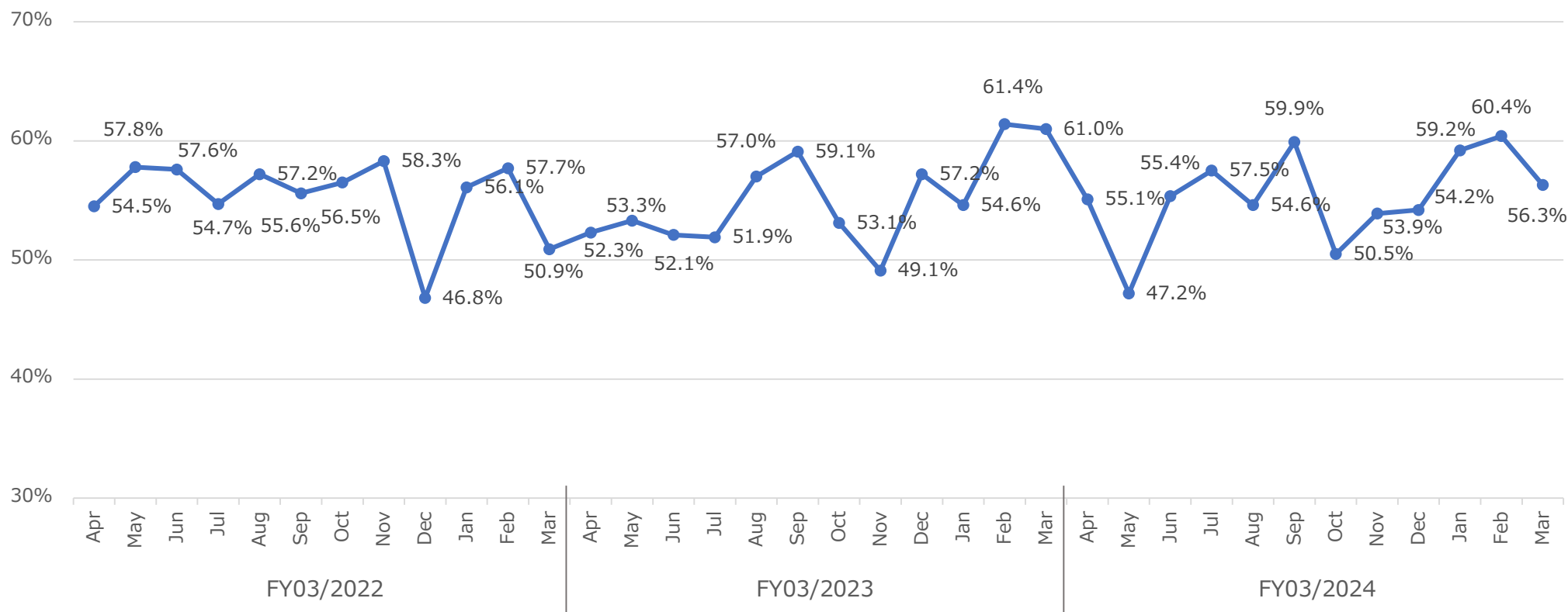
Net sales in the camera business grew by double digits, reaching their highest annual sales, by leveraging AI-driven recommendations and other strategies throughout the year. The number of LINE notifications increased 2.6-fold and the amount of purchases through YouTube increased 2.3-fold in one year.



Trends in Ratio of Used Items to Total Sales



The ratio of used items to total sales remained at an appropriate level, 58.5%. Given the limited number of new notable products being introduced, the focus shifted to promoting the sale of used items, especially through the year-end sale. The replacement cycle for new and used items remained robust.

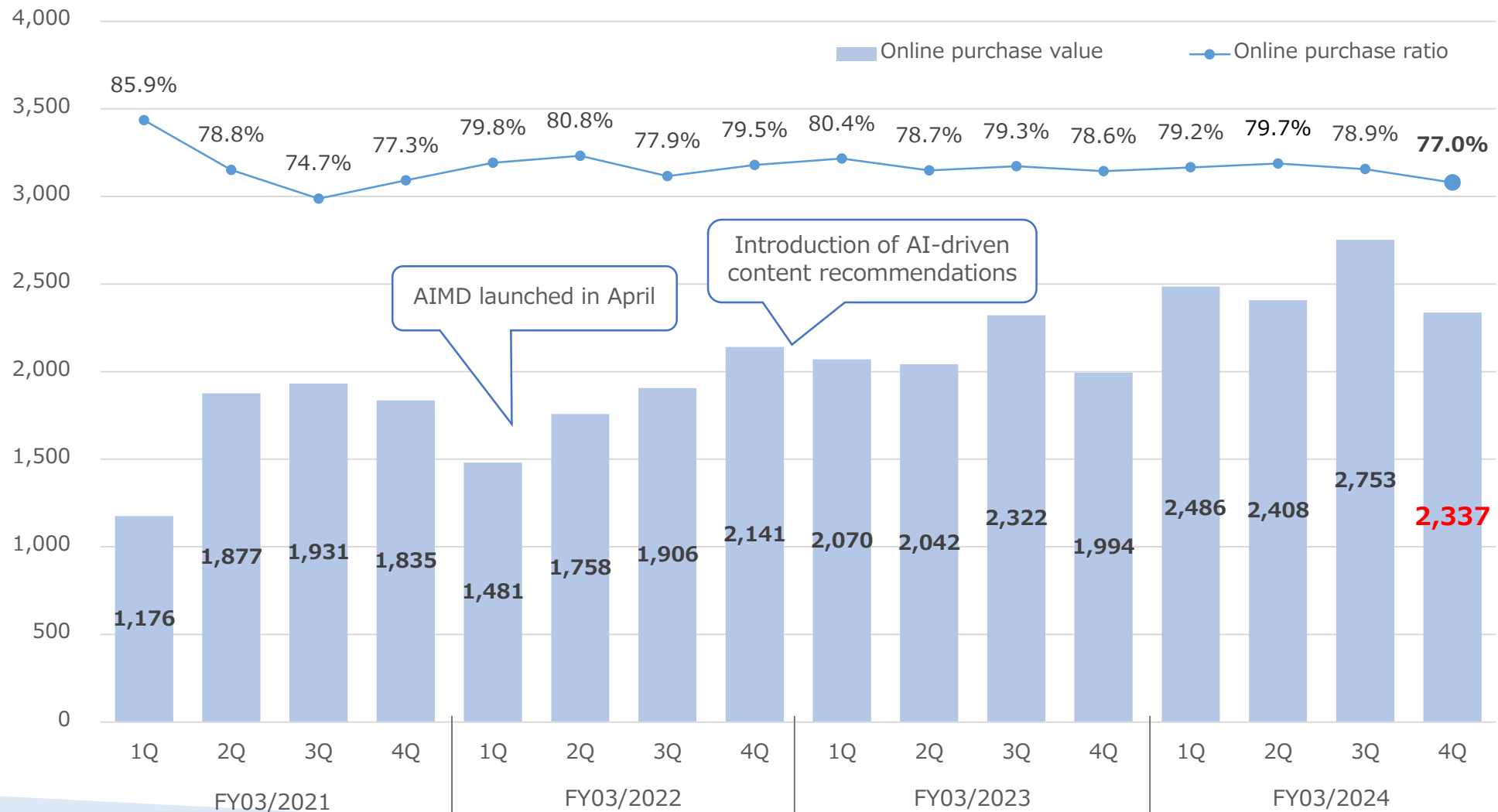


Quarterly figures	FY03/2022				FY03/2023				FY03/2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	56.5%	55.8%	53.4%	54.8%	52.6%	54.3%	53.4%	59.3%	52.3%	57.5%	52.9%	58.5%

Trends in Online Purchases of Used Cameras (Quarterly)

Despite the lack of major new product upgrades, the online purchase value was maintained at a high level on a quarterly basis. The online purchase ratio remained high after the introduction of AIMD and AI-driven content recommendations.

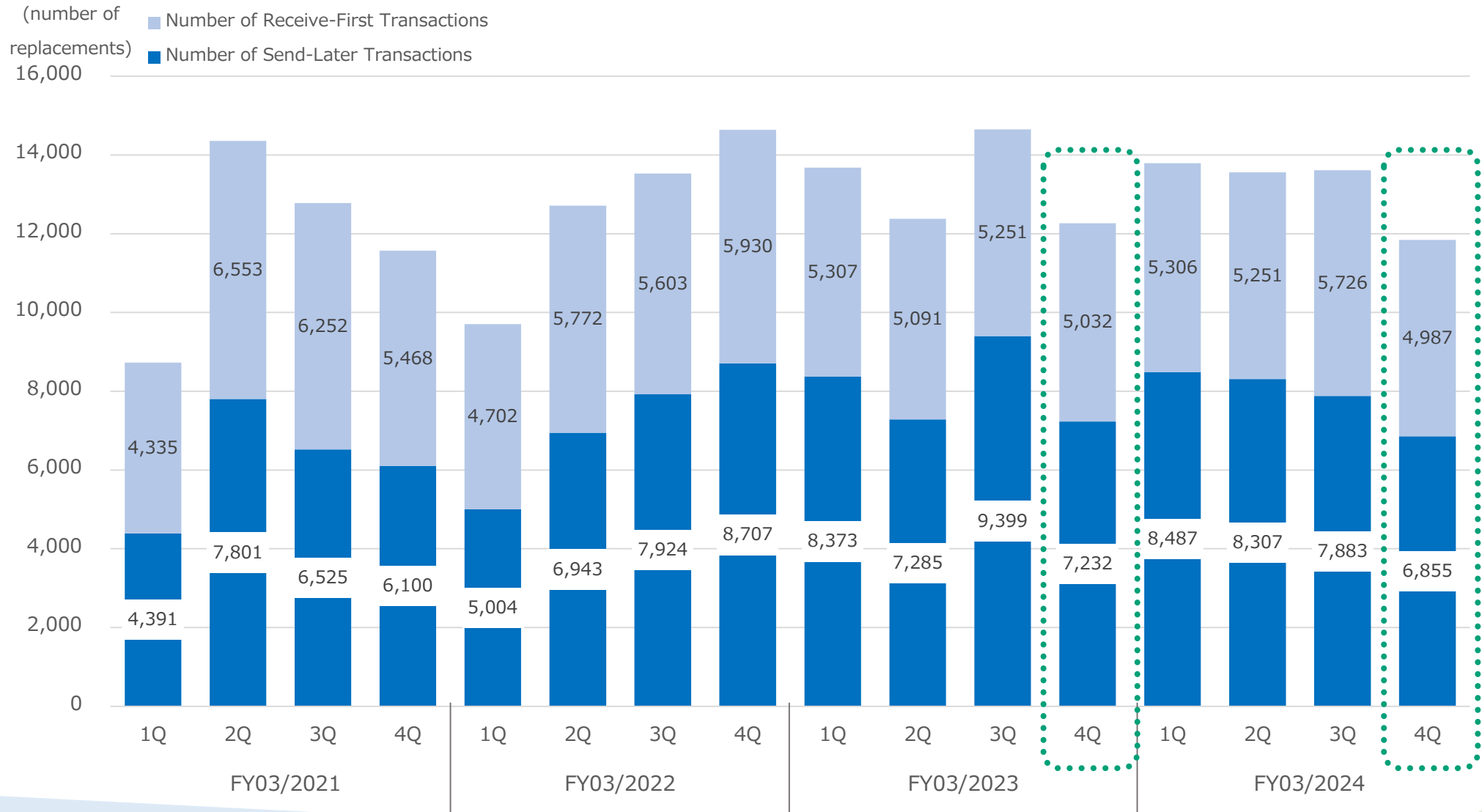
Million Yen



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



With no significant new product launches in 4Q, the number of receive-first/send-later camera transactions declined. There was a slight decrease compared to the previous year.





Summary of Financial Results

Net Sales	Year on year — Overall: Up 7.1% Online: Up 5.7%
Gross Profit	Gross margin reached 18.7% , surpassing the plan in the camera business due to the AIMD upgrade (phase 2).
SGA expenses	The SGA expense ratio was maintained at around 11% , due to the operation of a business model that generates high profits without increasing fixed costs.
Operating profit	Operating profit hit a record high of 3,340 million yen with an operating margin of 6.8% .

	FY03/2023		FY03/2024 (Million Yen)								
	Actual	Share	1Q	2Q	3Q	4Q	Actual	Share	YoY% Change	Plan	Percent of Plan (target)
Net sales	45,618	-	11,316	12,065	13,091	12,368	48,841	-	107.1%	50,028	97.63%
Gross profit	7,753	17.00%	2,198	2,199	2,436	2,292	9,127	18.70%	117.7%	9,001	101.40%
SGA expenses	5,290	11.60%	1,378	1,393	1,487	1,523	5,783	11.80%	109.3%	5,879	98.37%
Operating profit	2,463	5.40%	819	806	948	768	3,343	6.80%	135.7%	3,122	107.08%
Ordinary profit	2,439	5.35%	818	813	941	770	3,344	6.80%	137.1%	3,092	108.15%
Net income	1,697	3.72%	546	564	666	544	2,322	4.80%	136.8%	2,133	108.86%

Changes in Balance Sheet from End of Previous Year



Merchandise inventories decreased from 10,200 million yen at the end of December to 9,200 million yen due to strong sales. While the reduction of non-current liabilities (debt) has improved the soundness of the balance sheet, there are still persistent inventory shortages.

Million Yen

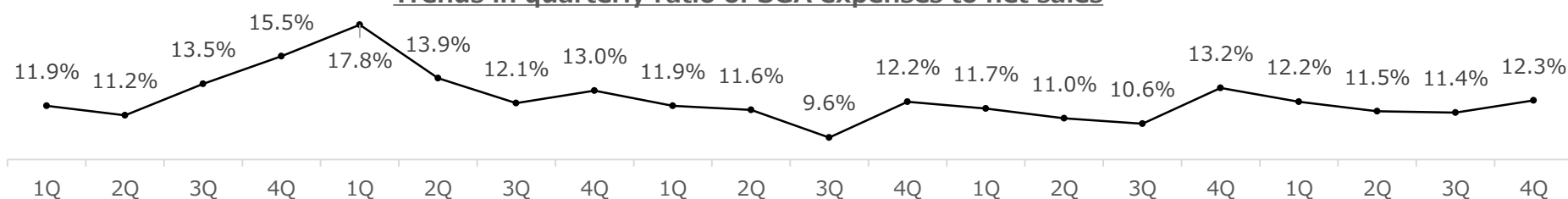
	End of FY03/2023	End of FY03/2024	
		Actual	Change
Current assets	13,202	13,952	750
Cash and deposits	1,423	1,321	-102
Merchandise	8,812	9,265	453
Non-current assets	1,863	2,111	248
Total assets	15,066	16,063	997
Current liabilities	5,640	5,979	339
Non-current liabilities	2,946	1,817	-1,129
Total liabilities	8,586	7,796	-790
Total net assets	6,479	8,266	1,787
Liabilities and net assets	15,066	16,063	997

Year-on-Year Change in SGA Expenses

The SGA expense ratio was maintained at around 11%. Despite rising prices, we continued our business model that generates high profits without increasing fixed costs, a model unique to e-commerce.

	FY03/2023 4Q		FY03/2024 4Q		YoY% Change (Million yen)		
	Actual	Ratio to net sales	Actual	Ratio to net sales	% change (Ratio to net sales)	Value change	Reasons
Personnel expenses	1,645	3.04%	1,794	3.67%	0.64%	149	Increase in pay
Advertising expenses	36	0.09%	73	0.15%	0.06%	36	
Promotion expenses	939	2.12%	1069	2.19%	0.07%	129	Increase in expenses due to higher sales
Business consignment expenses	370	0.81%	389	0.80%	▲0.01%	19	
Commission fee	1157	2.53%	1279	2.62%	0.09%	121	Increase in expenses due to higher sales
Depreciation	193	0.42%	173	0.35%	▲0.07%	▲20	
Rents	352	0.77%	354	0.72%	▲0.04%	1	
Other	593	1.29%	650	1.33%	0.04%	56	Increase in overhead costs due to increased prices
Total SGA expenses	5,290	11.08%	5,783	11.84%	0.76%	493	





Trends in quarterly ratio of SGA expenses to net sales



Trend in SGA expenses	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024
	12.9%	13.8%	11.3%	11.6%	11.8%

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

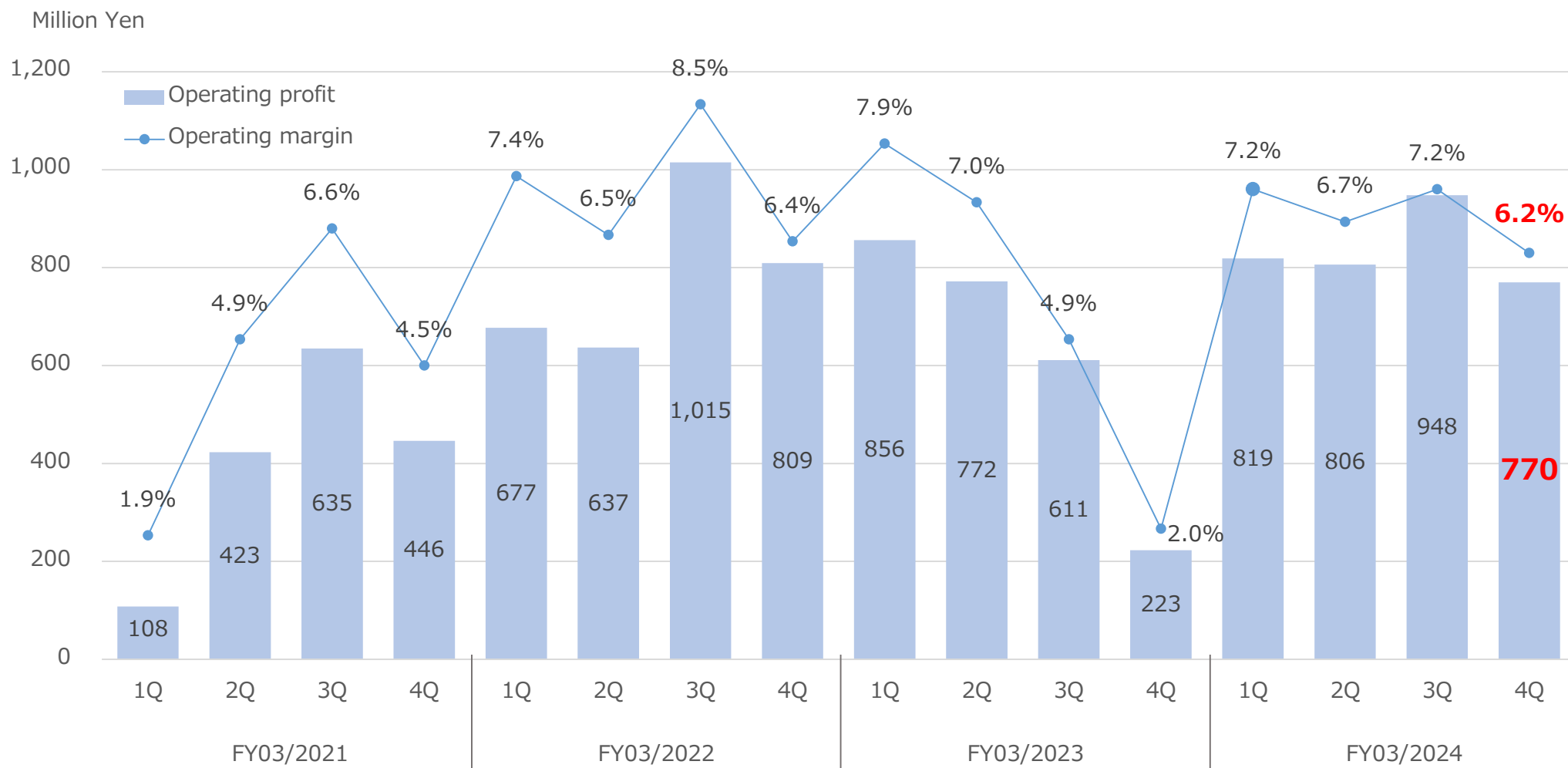
The camera business achieved double-digit growth, with segment profit exceeding 4,000 million yen for the first time. The watch business consistently generated segment profit of 130 million yen each quarter in and after 2Q, for a total of 440 million yen for the year.

Segments/Sales Channel		FY03/2023	FY03/2024	YoY% Change	Remarks
Figures in parentheses () are the percentage of total net sales.					Million Yen
 Camera (75.4%)	Online net sales	28,228	30,867	109.4%	<ul style="list-style-type: none"> ➤ Maintained double-digit growth, with segment profit exceeding 4,000 million yen for the first time. ➤ Achieved significant growth in both EC and store sales by notifications leveraging technological capabilities.
	Store net sales	4,493	5,797	129.0%	
	Segment net sales	32,721	36,664	112.1%	
	Segment operating profit	3,810	4,294	112.7%	
 Watch (22.0%)	Online net sales	5,854	5,340	91.2%	<ul style="list-style-type: none"> ➤ Achieved segment profit of 440 million yen. ➤ Consistently generated segment profit of 130 million yen each quarter in and after 2Q.
	Store net sales	5,748	5,633	98.0%	
	Segment net sales	11,603	10,974	94.6%	
	Segment operating profit	▲191	444	—	
 Stationery (0.9%)	Online net sales	337	305	90.6%	<ul style="list-style-type: none"> ➤ Achieved a 160% increase in segment profit over the same period last year, driven by strong sales of high-value, high-margin products.
	Store net sales	101	127	125.3%	
	Segment net sales	438	433	98.7%	
	Segment operating profit	38	62	160.4%	
 Bicycle (1.7%)	Online net sales	544	453	83.4%	<ul style="list-style-type: none"> ➤ Both net sales and segment profit decreased due to sluggish online sales (store sales grew). ➤ Maintained segment profitability despite a cooling market.
	Store net sales	310	316	101.8%	
	Segment net sales	854	769	90.0%	
	Segment operating profit	55	47	85.4%	
Total	Online net sales	34,964	36,967	105.7%	<ul style="list-style-type: none"> ➤ Both online net sales and store net sales increased year on year.
	Store net sales	10,654	11,874	111.5%	
	Total net sales	45,618	48,841	107.1%	

Trends in Operating Profit and Operating Margin (Quarterly)



Operating profit totaled 770 million yen, the second-highest ever achieved in 4Q.

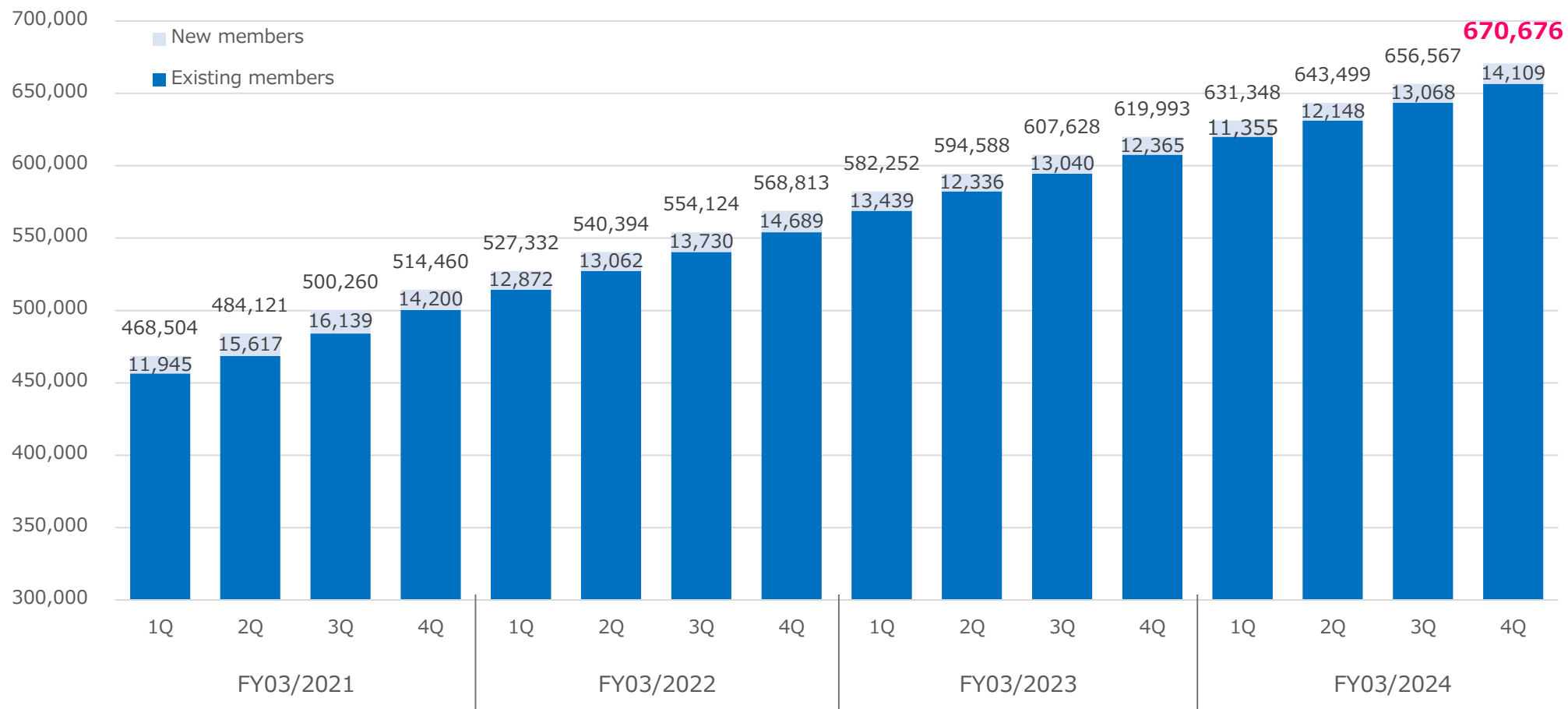


Trends in the Quarterly Number of Online Members (Quarterly)



New online memberships increased by 14,000 in the quarter, with a high net increase of 50,000 for the year.

(Number of people)

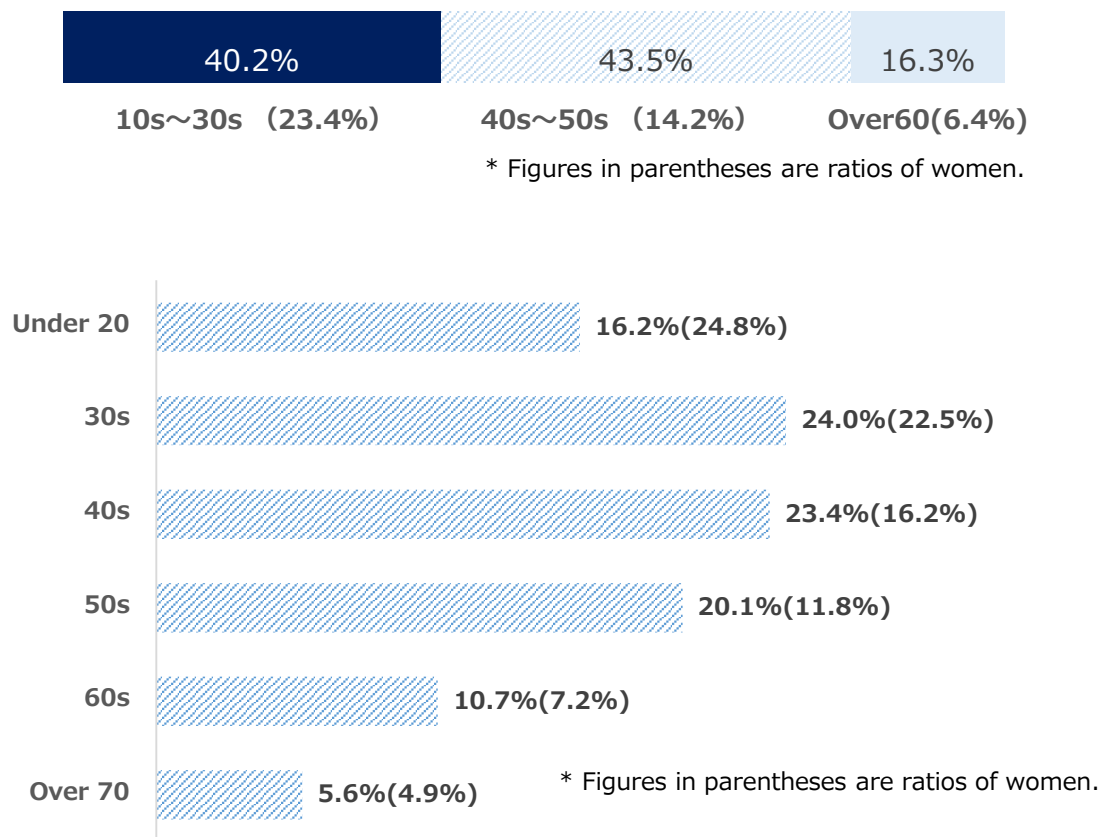


Attributes of Online Members

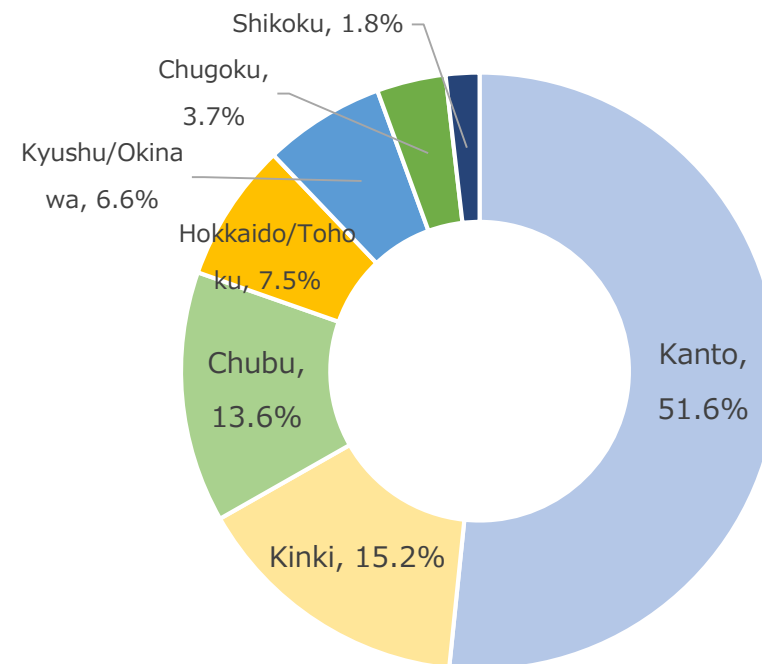
Women account for a large percentage, or 23.4%, of members in their 10s to 30s, reflecting the popularization of social media services such as Instagram.

Women are 21.6% of new registrations and 16.8% of all online members.

Age group distribution



Regional distribution

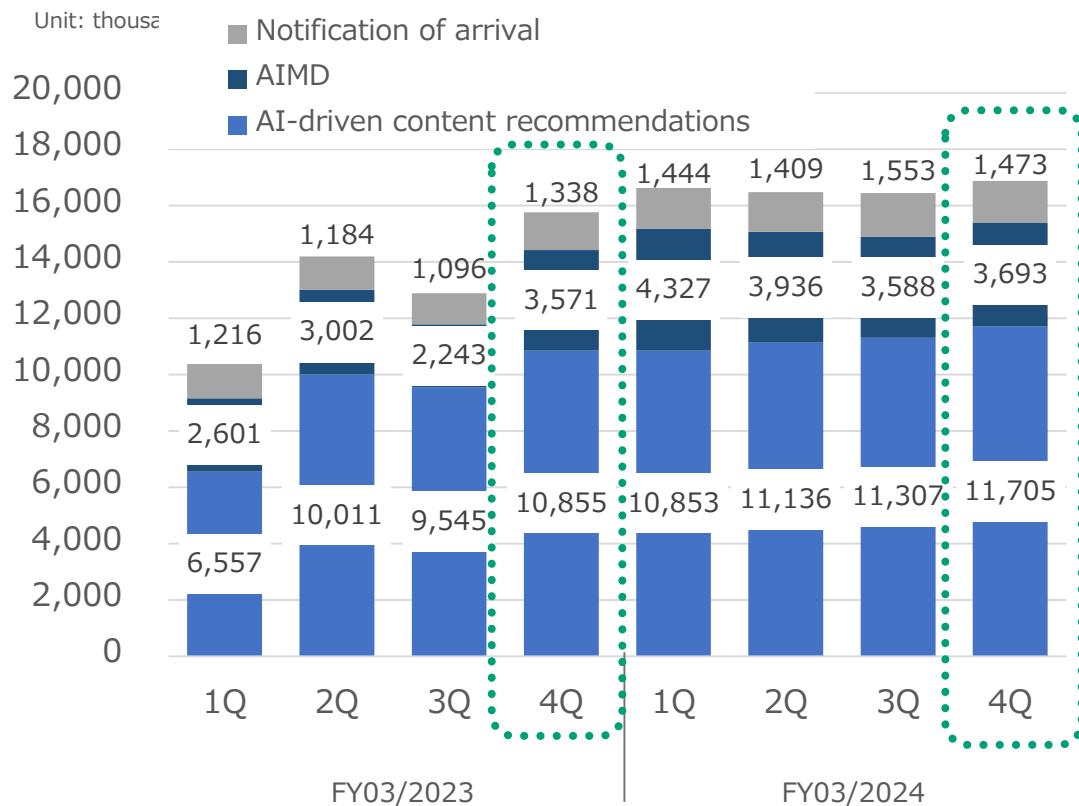


Gender distribution of online members – Men: 83.3%, Women: 16.8%
(Gender distribution of new members in FY03/2024 – Men: 78.4%, Women: 21.6%)

Technology Development and Number of Notifications(Quarterly)

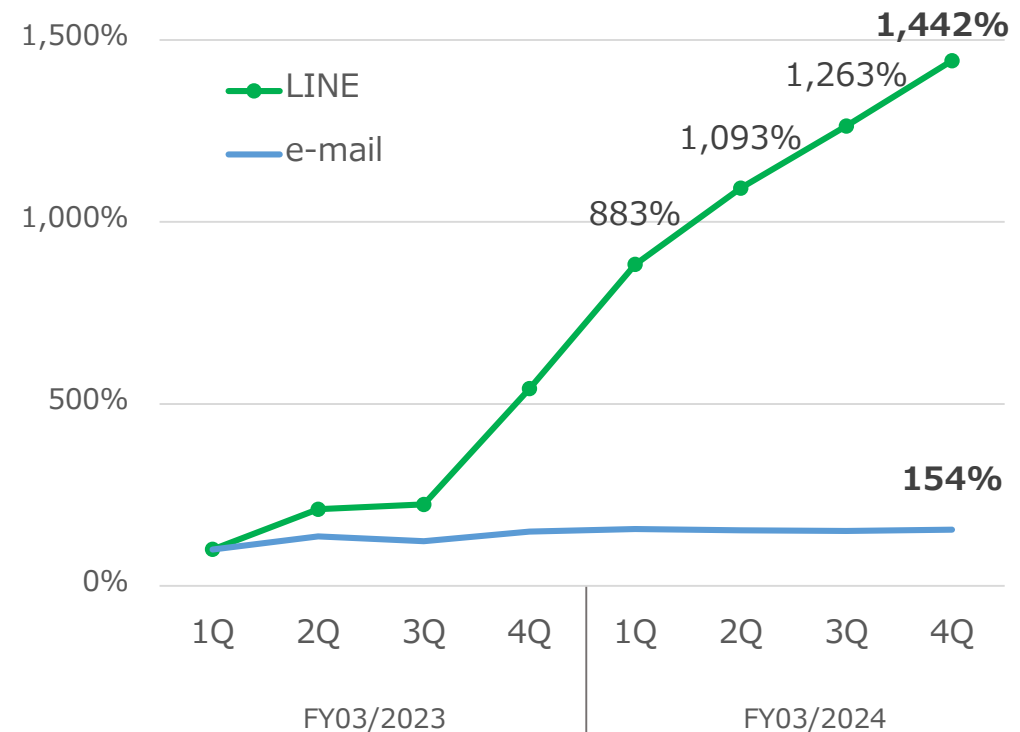
The number of LINE notifications continued to increase at a high rate. The number of AI-driven automated notifications remained at a high level, 16 million notifications on a quarterly basis. (Sixteen million notifications in a quarter is equivalent to approximately 350 physical stores in terms of the number of customers visiting the stores.†)

Number of notifications by purpose



Number of notifications by medium

(expressed as a ratio to the level in 1Q of FY03/2023)



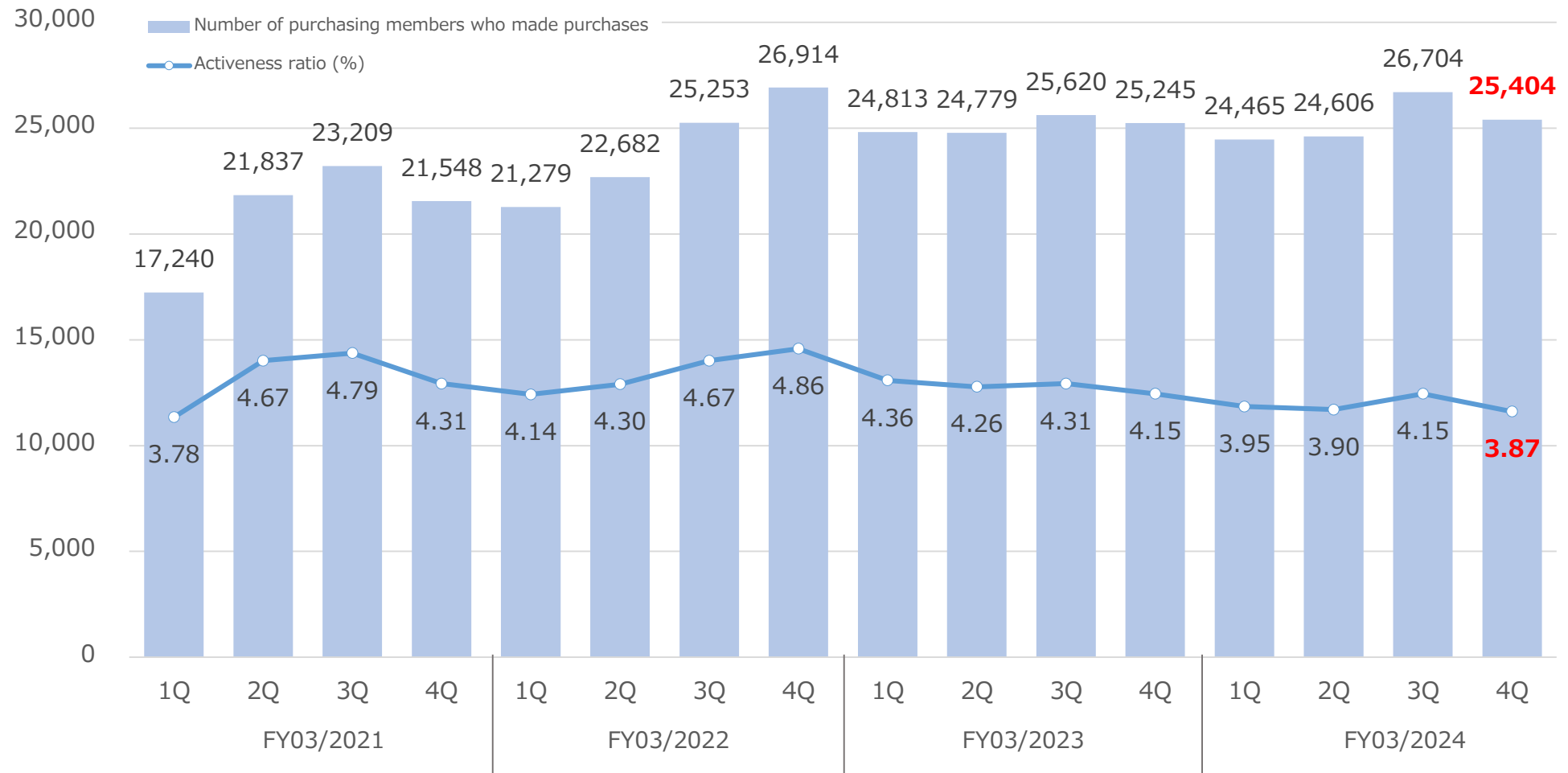
† According to the Company's own estimate

Quarterly online Purchasing Members out of Online Members (Existing Customers) and Activeness Ratio* (Quarterly)



The number of existing online purchasing members (of the Company's website) remained high, but the activeness ratio decreased to 3.87.

(Number of people)



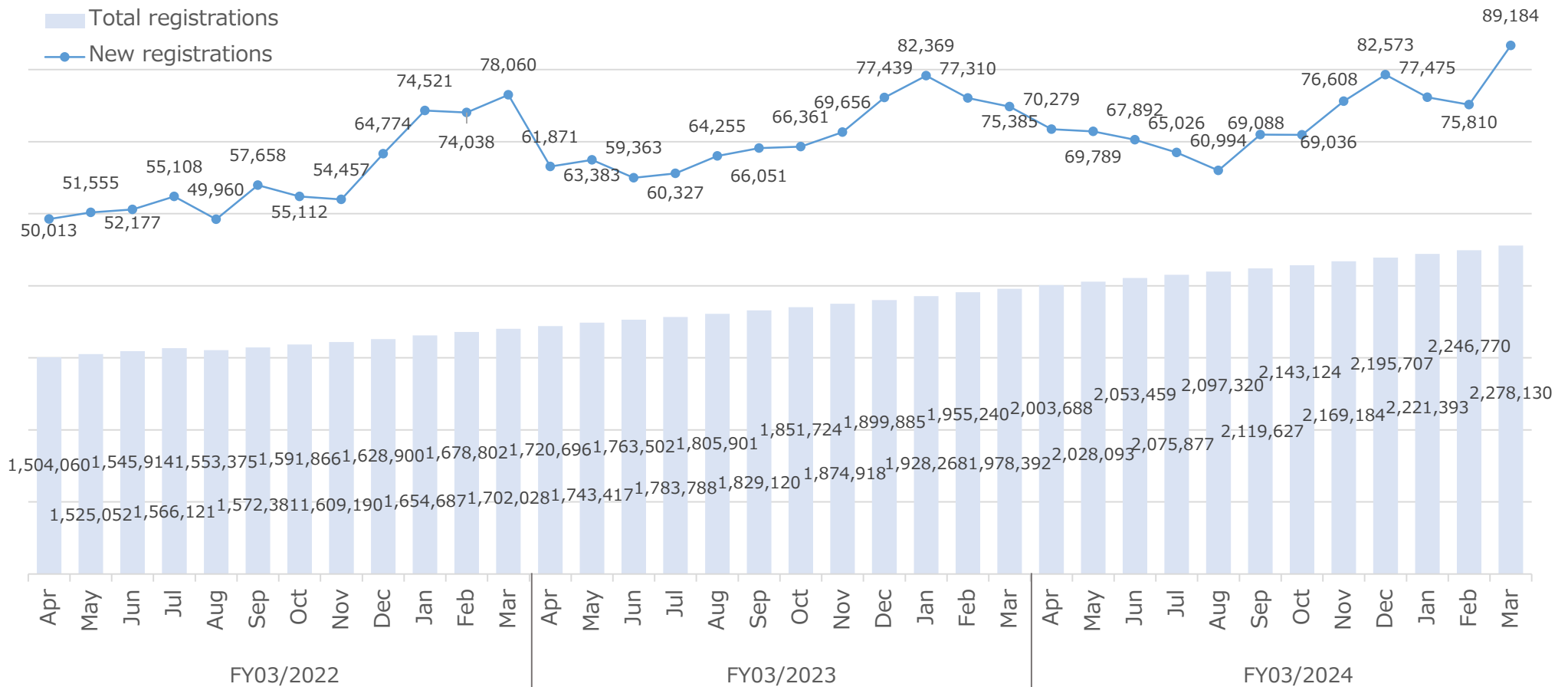
*Activeness ratio: The percentage of members who made purchases on the Company's website during any given quarter relative to the number of online members at the beginning of the quarter(excludes the number of purchases by online members at malls) .



Number of Items Registered on the Wish List

New item registrations range from 70,000 to 80,000 per month, with March recording a historical high, nearing 90,000 in a single month.

The total number of registrations rose steadily as well.

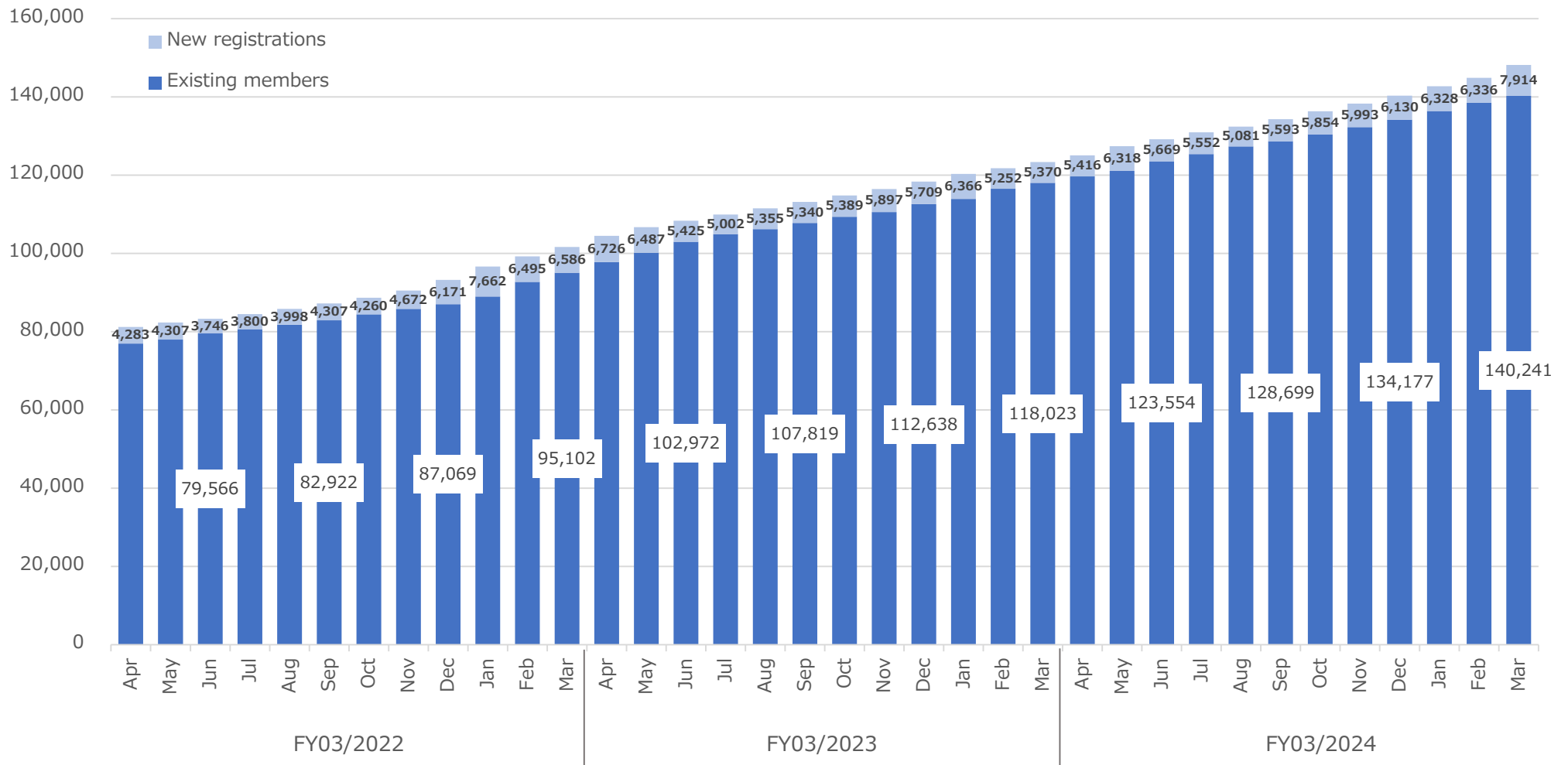


*When a registered product is purchased, it is automatically removed from the list

Number of Registrations for E-mails that Communicate Arrivals

New registrations in 4Q exceeded 20,000, nearing the highest quarterly total ever.

The number of existing registered accounts surpassed 140,000 for the first time. Approximately 400,000 notifications per month were sent to customers' smartphones.



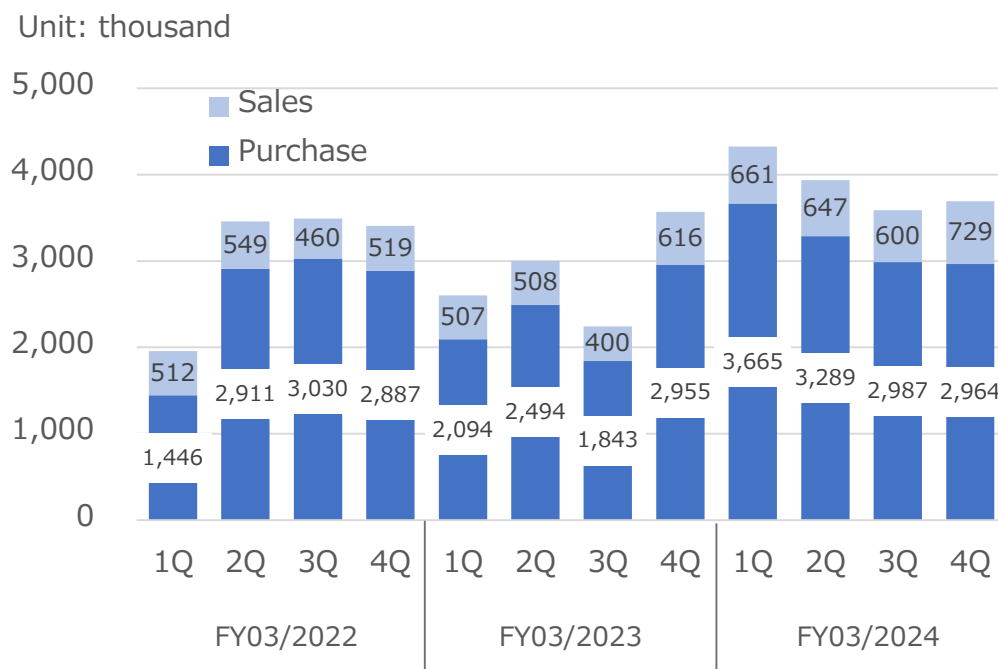
AIMD x One to One x AI-driven Content Recommendation



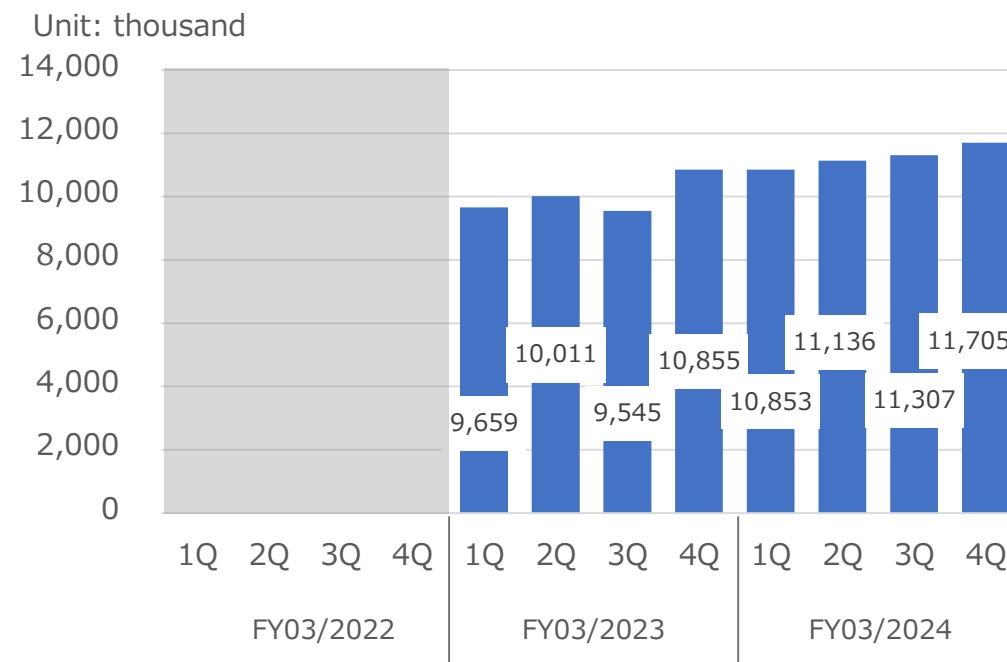
The number of AI-driven content recommendations increased steadily. The number of AIMD x One to One notifications increased, **with quarterly AIMD (sales) and AI-driven content recommendations reaching all-time highs.**

An average of **5.0 million notifications delivered** to customers' smartphones per month.

AIMD x One to One



AI-driven content recommendations



Medium-Term Management Plan



Abstracts of Medium-Term Management Plan

Focus on profitable investments, minimize fixed costs, and enhance e-commerce (EC) to maximize profits more than net sales, aiming for **net sales of 73 billion yen, a gross margin of 18.9%, and an ordinary profit ratio of 7.6% by FY03/2027.**

Net Sales

Maintain double-digit growth in e-commerce, targeting **73 billion yen in net sales by FY03/2027.**

Camera online sales: Aim for **over 15% annual growth** through FY03/2027.

Watch online sales: Aim for **35% growth by FY03/2025**, followed by **15% annual growth thereafter.**

Gross Margin

Increase the gross margin target from the previous plan (18.2% by FY03/2026) to achieve greater profitability.

Gross margin targets: 18.8% by FY03/2025, 18.9% by FY03/2026, 18.9% by FY03/2027

Camera business: Refine content and use AI to generate purchasing motivation.

Watch business: Use AI to minimize procurement risk and achieve both high profitability and the expansion of the business.

Operating Profit

While investing, keep the SGA expense ratio **at around 11%**, targeting an ordinary profit ratio of **7.6%**.

Online sales is a business model where SGA expenses are less likely to increase. Increase profits by increasing net sales without increasing fixed expenses.

Capital Expenditure

Invest in reopening BRILLER and establishing a new photography studio for content creation.

Medium-Term Management Plan



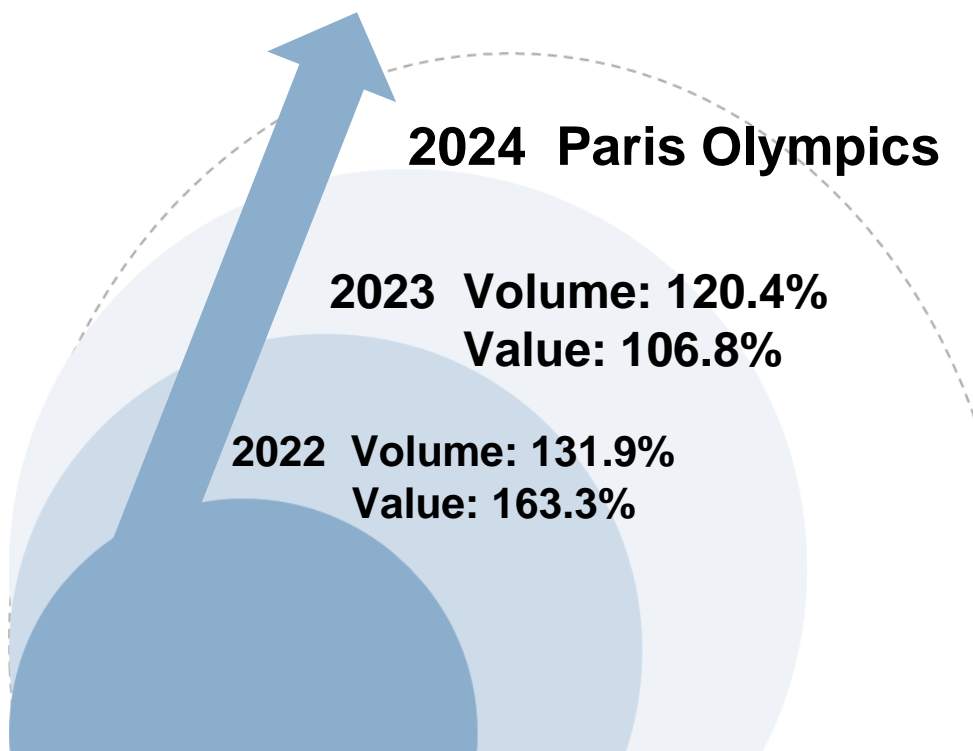
	FY03/2024			FY03/2025			FY03/2026			FY03/2027		
	Actual	Ratio to net sales	YoY% Change	Plan	Ratio to net sales	YoY% Change	Plan	Ratio to net sales	YoY% Change	Plan	Ratio to net sales	YoY% Change
Net sales	48,841	–	107.1%	56,617	–	115.9%	64,505	–	113.9%	73,514	–	114.0%
(EC)	(36,967)	(75.7%)	(105.7%)	(44,503)	(78.6%)	(120.4%)	(51,179)	(79.3%)	(115.0%)	(58,855)	(80.1%)	(115.0%)
Camera	36,664	75.1%	112.1%	41,972	74.1%	114.5%	47,972	74.4%	114.3%	54,841	74.6%	114.3%
(EC)	(30,867)		(109.4%)	(36,034)		(116.7%)	(41,439)		(115.0%)	(47,655)		(115.0%)
Watch	10,974	22.5%	94.6%	13,177	23.3%	120.1%	14,855	23.0%	112.7%	16,754	22.8%	112.8%
(EC)	(5,340)		(91.2%)	(7,200)		(134.8%)	(8,281)		(115.0%)	(9,523)		(115.0%)
Stationery	433	0.9%	98.7%	509	0.9%	117.7%	580	0.9%	113.7%	660	0.9%	113.8%
Bicycles	769	1.6%	90.0%	958	1.7%	124.5%	1,098	1.7%	114.6%	1,259	1.7%	114.6%
Gross Profit	9,127	18.7%	117.7%	10,663	18.8%	116.8%	12,171	18.9%	114.1%	13,895	18.9%	114.2%
SGA Expenses	5,783	11.8%	109.3%	6,808	12.0%	117.7%	7,558	11.7%	111.0%	8,297	11.3%	109.8%
Operating income	3,343	6.8%	135.7%	3,854	6.8%	115.3%	4,612	7.2%	119.7%	5,598	7.6%	121.4%
Net income	2,322	4.8%	136.8%	2,639	4.7%	113.6%	3,162	4.9%	119.8%	3,842	5.2%	121.5%

Camera Market



Domestic shipments of mirrorless cameras are increasing 20-30% each year, and it has become customary to release flagship cameras during Olympic years.

There continues to be high expectations for growth in the area of the main battlefield, mirrorless cameras.



Domestic Shipments of Mirrorless Cameras (YoY)

Source: Camera & Imaging Products Association

Examples of Initiatives Supporting Strong Performance in 2023

Release of AIMD Phase-2

Increased the frequency of price changes for used cameras 1.2 fold
Maintained a high gross margin despite a closing sale in 4Q



Capturing international market growth through cross-border e-commerce

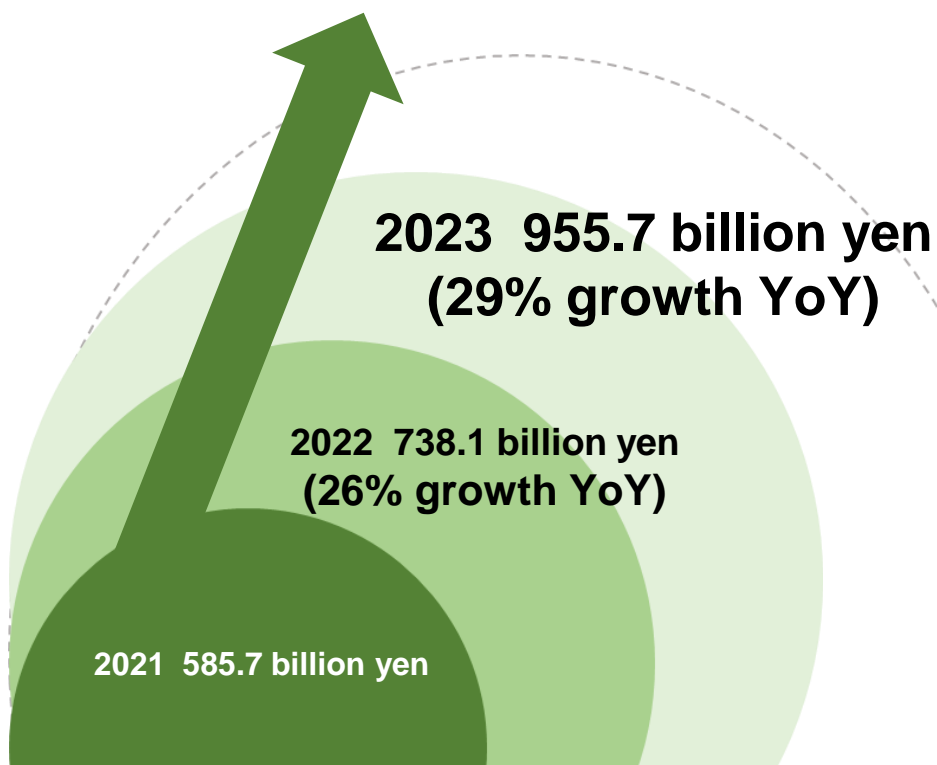
Won eBay's best award, Seller of the Year, for two consecutive years.



Watch Market

The imported watch market is nearing 1 trillion yen, continuing its high growth as an attractive market. We aim to utilize AI to secure stable profits regardless of price fluctuations.

Attractive approximately 1 trillion yen market with 25-30% annual growth



Domestic Imported Watch Market

Source: Japan Clock & Watch Association

Examples of Initiatives Supporting Strong Performance in 2023

AI-Driven Merchandising (AIMD) released

Utilizing AI to predict watch price trends, aiming to expand sales and profits while minimizing risks.



Significantly enhanced industry-first fixed-price purchasing

A pricing method that ensures no price reductions at the quotation stage, offering safety and reliability to secure stable profits.



*\$54,321 fixed-price
NO PRICE
REDUCTIONS*

Key Initiatives for FY03/2025

Key Initiatives for FY03/2025

Our key initiatives for FY03/2025 are based on our vision.

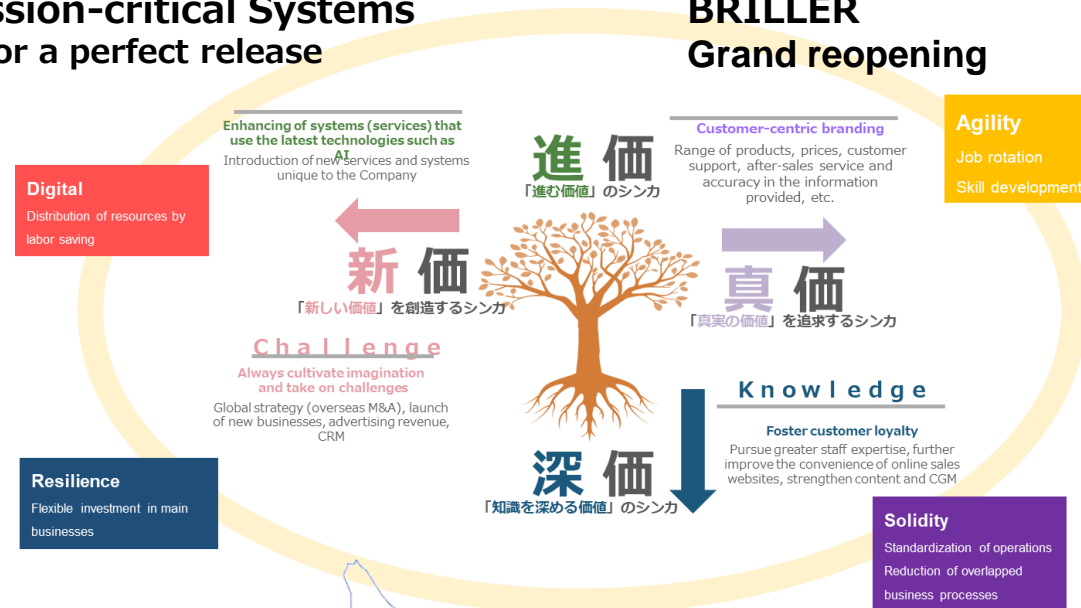
Four concepts (all pronounced as “ シンカ(Shinka) ” but expressed in different Chinese characters) are linked to all the Company's actions and the action goals of all employees. We strive to strengthen lean management, where waste and overwork were eliminated, and employee engagement, aiming to achieve growth for both the Company and employees.

進価(Enhancing) × Solidity

Replacement of Mission-critical Systems
Currently replanning for a perfect release

真価(Customer-centric branding) × Resilience

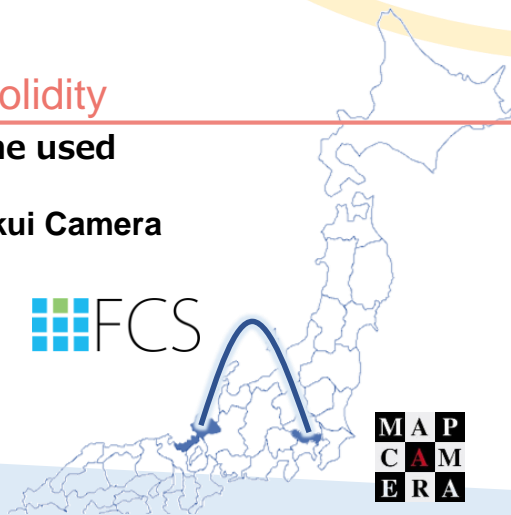
BRILLER
Grand reopening



新価(Challenge) × Solidity

Outsourcing of online used camera listings
Collaboration with Fukui Camera Service (FCS)

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



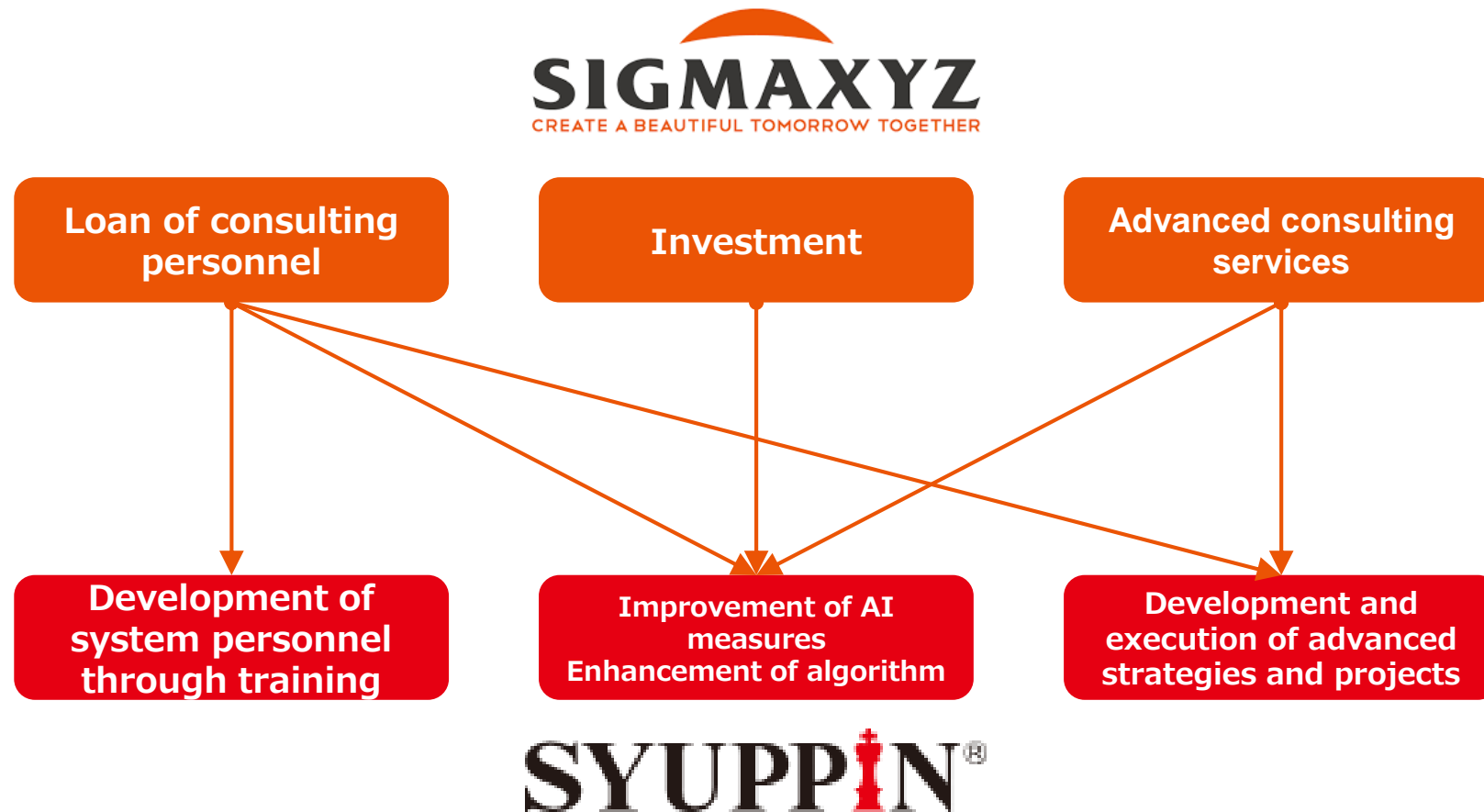
深価(Knowledge) × Agility

Launch of a new video content studio
Enriching YouTube content (Phase 2)



Capital and Business Alliance

Our capital and business alliance with SIGMAXYZ Group is geared towards increasing sales of high-value, high-value-added products by leveraging revaluation and technology.



In March 2024, we concluded an agreement to form a capital and business alliance with SIGMAXYZ Group to transform into a Technology Company. We received a capital injection of 500 million yen from SIGMAXYZ Investment Inc. and entered into a business alliance.



Transforming into a Technology Company

Syuppin declares its transformation from an e-commerce (EC) retailer to an Electronic Intelligent Commerce (EIC) company, continually leveraging cutting-edge technology.

SYUPPIN[®]

EIC Company + Re-Value

Electronic Commerce × Intelligence

Reuse × Value

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.