

Operation of WAKUWAKU HIROBA, a producer-direct platform-type store of local food

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[9259 TAKAYOSHI Sector : Services]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Sep. 2020	5,165	-10.7	414	84.0	391	2.7x	284	97.2	66.1	-130.1	0.0
Sep. 2021	5,528	7.0	689	66.4	650	66.2	593	2.1x	138.1	8.2	0.0
Sep. 2022 f	6,366	15.2	801	16.3	774	19.1	429	-27.7	85.9	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending September 2022 are the company's forecasts.
It conducted 1-to-10 stock split on September 9, 2021. Per share indices are adjusted retroactively.

Provides Shared Stores to Local Producers and Food Manufacturers

As of the end of October 2021, TAKAYOSHI was operating 122 WAKUWAKU HIROBA shared stores, primarily in the Kanto region. The company provides a sharing service which allows such registered producers as confectioneries, delis and restaurants to share WAKUWAKU HIROBA stores as a sales location.

In principle, TAKAYOSHI is committed to serving as a platformer for food producers. The platform TAKAYOSHI provides makes it possible for local producers and food manufacturers to access a new sales channel without committing to new capital investments.

Of the 122 WAKUWAKU HIROBA stores, 100 are shopping mall tenants, while the remainder are roadside street-level stores. Although two of the stores are franchised, the company's basic policy is to open stores and directly manage them.

WAKUWAKU HIROBA adopts a consignment sales method, where it purchases only the products sold to consumers for a purchase price based on the percentage (50% to 80%) established by the company. This eliminates inventory-related risk on the part of TAKAYOSHI for products displayed at WAKUWAKU HIROBA. Of the products on display in stores, the total sales amount of the products purchased by consumers is calculated as "gross merchandise value," which the company views as a key performance indicator.

Although producers must register with the platform to display their products, they are not required to pay registration fees, deposits, or annual membership fees. Moreover, as the system is not based on contracts, registered producers are free to decide on the display timing, products to display, volume, and the selling price. This significantly softens the psychological barrier between producers and registration.

TAKAYOSHI (9259 TSE Mothers) - - - - - January 11,2022**Financial Statements**

Statement of income	Fiscal Year	Sep.2019		Sep.2020		Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Operating revenue		5,782	100.0	5,165	100.0	5,528	100.0
Net sales		5,515	95.4	4,921	95.3	5,299	95.9
Cost of sales		1,739	30.1	813	15.7	498	9.0
Gross profit		3,775	65.3	4,108	79.5	4,801	86.8
Operating income		267	4.6	244	4.7	228	4.1
Gross operating income		4,042	69.9	4,352	84.3	5,030	91.0
Selling, general and administrative expenses		3,817	66.0	3,938	76.2	4,341	78.5
Operating profit		225	3.9	414	8.0	689	12.5
Non-operating income		16	-	34	-	12	-
Non-operating expenses		98	-	56	-	50	-
Ordinary profit		144	2.5	391	7.6	650	11.8
Profit before income taxes		-11	-0.2	430	8.3	830	15.0
Net profit		144	2.5	284	5.5	593	10.7

Balance sheet	Fiscal Year	Sep.2019		Sep.2020		Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,549	37.0	1,786	41.6	2,456	51.4
Cash and deposits		815	19.5	957	22.3	1,429	29.9
Accounts receivable-trade		560	13.4	699	16.3	900	18.8
Inventories		85	2.0	55	1.3	49	1.0
Non-current assets		2,640	63.0	2,509	58.4	2,322	48.6
Property, plant and equipment		1,552	37.0	1,577	36.7	1,552	32.5
Intangible assets		38	0.9	43	1.0	80	1.7
Investments and other assets		1,049	25.0	888	20.7	689	14.4
Total assets		4,190	100.0	4,295	100.0	4,779	100.0
Current liabilities		2,450	58.5	2,626	61.1	2,845	59.5
Accounts payable - trade		943	22.5	1,118	26.0	1,337	28.0
Short-term borrowings		850	20.3	850	19.8	850	17.8
Current portion of long-term borrowings		220	5.3	243	5.7	243	5.1
Non-current liabilities		2,584	61.7	2,228	51.9	1,898	39.7
Long-term borrowings		1,870	44.6	1,645	38.3	1,402	29.3
Net assets		-844	-20.1	-559	-13.0	35	0.7
Owners' equity		-844	-20.1	-559	-13.0	35	0.7

Statement of cash flows	Fiscal Year	Sep.2019	Sep.2020	Sep. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		387	791	1,113
Depreciation		230	233	243
Cash flows from investing activities		544	-244	-420
Cash flows from financing activities		-860	-404	-431
Dividends paid		-	-	-
Net increase in cash and cash equivalents		71	142	261
Cash and cash equivalents		815	957	1,219

Note:Non-Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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