

Leveraging social media marketing for apparel business targeting mainly Generation Z

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【5892 yutori Sector : Retail Trade】

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)
Mar.2022	1,631	2.9x	226	-	224	112x	149	4.7x	101.1	149.2	0.0
Mar.2023	2,470	51.4	-47	-	-54	-	-68	-	-46.2	103.0	0.0
Mar.2024 f	3,565	44.3	337	-	312	-	215	-	143.2	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2024 is the company's forecasts.
It conducted 1:100 stock split on September 1, 2023. Per share indices are adjusted retroactively.

Engaged in Apparel Business Leveraging Social Media Marketing

yutori is engaged in the apparel business of planning, wholesaling and retailing of clothing and fashion accessories, targeting mainly Generation Z customers in their teens and 20s by utilizing marketing on Instagram and other similar social media channels. The production of apparel products is outsourced to OEM manufacturers.

In addition to street fashion for Generation Z, which was yutori's main product line at the time of its founding in April 2018, the company has recently been diversifying its brand portfolio by introducing fashion categories not limited to street brands, but also brands targeting Generation Y, customers in their 20s and 30s.

Currently, yutori offers 22 brands. 70% to 80% of its net sales are from Generation Z, with a nearly equal gender distribution.

The company operates brands in four categories. Some brands commanding larger sales include 9090, nemne, HTH and Younger Song.

Sales Channels

yutori's sales channels are 1) direct sales through its YZ Store e-commerce site, which handles multiple company brands; 2) consignment sales through ZOZOTOWN; 3) physical store sales, including POPUP stores; and 4) wholesale. The company has been operating physical stores since April 2022. It has 13 stores, including five POPUP stores, as of the end of September 2023.

In fiscal year ended March 2023, direct sales accounted for 51.4% of net sales, consignment sales for 31.5%, physical store sales for 10.2% and wholesale sales for 6.1%. The order unit price of a single purchase is around ¥10,000 for direct sales and around ¥3,000 to ¥4,000 for consignment sales via ZOZOTOWN.

Financial Statements

Statement of income	Fiscal Year	Mar.2022		Mar.2023		Six months to Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,631	100.0	2,470	100.0	1,751	100.0
Cost of sales		633	38.8	1,120	45.3	693	39.6
Gross profit		997	61.1	1,349	54.6	1,058	60.4
Selling, general and administrative expenses		771	47.3	1,397	56.6	944	53.9
Operating profit		226	13.9	-47	-	113	6.5
Non-operating income		0	-	3	-	1	-
Non-operating expenses		2	-	9	-	8	-
Ordinary profit		224	13.7	-54	-	106	6.1
Profit before income taxes		225	13.8	-81	-	106	6.1
Net profit		149	9.1	-68	-	53	3.0

Balance sheet	Fiscal Year	Mar. 2022		Mar.2023		Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		823	97.6	891	66.4	1,304	75.1
Cash and deposits		510	60.5	244	18.2	449	25.9
Accounts receivable-trade		82	9.7	118	8.8	179	10.3
Inventories		199	23.6	421	31.4	582	33.5
Non-current assets		20	2.4	450	33.6	432	24.9
Property, plant and equipment		3	0.4	46	3.4	65	3.7
Intangible assets		-	-	322	24.0	286	16.5
Investments and other assets		16	1.9	80	6.0	79	4.6
Total assets		843	100.0	1,341	100.0	1,736	100.0
Current liabilities		455	54.0	915	68.2	1,156	66.6
Accounts payable - trade		80	9.5	145	10.8	345	19.9
Short-term borrowings		200	23.7	400	29.8	500	28.8
Current portion of long-term borrowings.		23	2.7	63	4.7	100	5.8
Non-current liabilities		89	10.6	195	14.5	290	16.7
Long-term borrowings		89	10.6	195	14.5	290	16.7
Net assets		298	35.3	230	17.2	288	16.6
Owners' equity		298	35.3	230	17.2	283	16.3

Statement of cash flows	Fiscal Year	Mar. 2022	Mar.2023	Six months to Sep.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		110	-291	211
Depreciation		1	6	5
Amortization of goodwill		-	48	35
Cash flows from investing activities		-2	-227	-239
Cash flows from financing activities		286	253	232
Dividends paid		-	-	-
Net increase in cash and cash equivalents		394	-265	204
Cash and cash equivalents		510	244	449

Note: Non-consolidated

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

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