

Providing custom-made jewelry through an integrated production and sales system

This report is an English translation of part of the report issued on October 11, 2024.
For inquiries concerning the report, please contact info@stock-r.org

【259A K-uno group Sector : Retail Trade】

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Sep. 2022	5,823	-	2	-	26	-	33	-	35.9	834.2	0.0
Sep. 2023	6,170	6.0	177	88.5x	167	6.4x	80	2.4x	85.1	917.6	0.0
Sep. 2024 f	6,508	5.5	259	46.3	232	38.9	173	2.2x	183.5	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending September 2024 is the company's forecasts.
It conducted 1:200 stock split on June 14, 2024. Per share indices are adjusted retroactively.

Manufacture and Sale of Custom-Made Jewelry

The K-uno group, which consists of the company itself, its consolidated subsidiary U-TREASURE, its manufacturing subsidiary in Thailand, U-International Factory, and its equity method affiliate in Taiwan, is engaged in the manufacture and sale of jewelry and watches.

The group's strength is in custom-made jewelry sales. In addition to fully custom-made jewelry, they offer partially customized pieces where customers can choose a pre-existing design and personalize it with gems or engravings. They also provide ready-made products.

The company's custom-made jewelry is crafted by a designer. Each piece is designed by sketching an image based on customer requests and then creating a one-of-a-kind piece.

Brands

K-uno group brands include the flagship brand K.UNO, Disney Treasure created by K.UNO, which handles a wide range of jewelry from custom to ready-made items under a licensing agreement with Walt Disney Japan and U-TREASURE, which deals in jewelry based on anime and game characters.

In fiscal year ended September 2023, K.UNO accounted for 62% of net sales, Disney Treasure created by K.UNO accounted for 27% and U-TREASURE accounted for 11%.

Sales

K.UNO and Disney Treasure created by K.UNO are handled by a total of 34 stores, including 31 in Japan and three operated by the company's equity method affiliate in Taiwan. U-TREASURE products are sold at two stores in Japan, one of which is operated by a company with no capital relationship with K-uno.

Moreover, the company also engages in wholesale and original design manufacturing (ODM), which involves the design, engineering and manufacturing of products on consignment from partner companies.

Financial Statements

Statement of income	Fiscal Year	Sep. 2022		Sep. 2023		Nine months to Jun. 2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		5,823	100.0	6,710	100.0	4,956	100.0
Cost of sales		2,493	42.8	2,625	42.5	2,023	40.8
Gross profit		3,329	57.2	3,544	57.4	2,933	59.2
Selling, general and administrative expenses		3,327	57.1	3,367	54.6	2,684	54.2
Operating profit		2	0.0	177	2.9	249	5.0
Non-operating income		30	0.5	9	0.1	11	-
Non-operating expenses		6	0.1	19	0.3	18	-
Ordinary profit		26	0.4	167	2.7	243	4.9
Profit before income taxes		69	1.2	135	2.2	242	4.9
Profit attributable to owners of parent		33	0.6	80	1.3	159	3.2

Balance sheet	Fiscal Year	Sep. 2022		Sep. 2023		Jun. 2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,736	68.7	3,185	73.5	3,286	74.5
Cash and deposits		635	16.0	978	22.6	979	22.2
Accounts receivable-trade		346	8.7	384	8.9	400	9.1
Inventories		1,679	42.2	1,701	39.3	1,763	40.0
Non-current assets		1,244	31.2	1,147	26.5	1,124	25.5
Property, plant and equipment		590	14.8	521	12.0	526	11.9
Intangible assets		97	-	78	1.8	72	1.6
Investments and other assets		557	14.0	547	12.6	525	11.9
guarantee deposits		335	8.4	341	7.9	ND	-
Total assets		3,981	100.0	4,332	100.0	4,410	100.0
Current liabilities		2,116	53.2	2,595	59.9	2,483	56.3
Accounts payable - trade		72	1.8	71	1.6	105	2.4
Short-term borrowings		200	5.0	800	18.5	750	17.0
Current portion of long-term borrowings		370	9.3	332	7.7	295	6.7
Non-current liabilities		1,078	27.1	871	20.1	899	20.4
Long-term borrowings		778	19.5	576	13.3	613	13.9
Net assets		786	19.7	865	20.0	1,027	23.3
Owners' equity		786	19.7	865	20.0	1,027	23.3

Statement of cash flows	Fiscal Year	Sep. 2022	Sep. 2023
		(mn yen)	(mn yen)
Cash flows from operating activities		208	37
Depreciation		96	96
Cash flows from investing activities		-179	-42
Cash flows from financing activities		-331	351
Dividends paid		-	-
Net increase in cash and cash equivalents		-303	342
Cash and cash equivalents		635	978

Note: Consolidated

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

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■ Supporting Members

Tokyo Stock Exchange, Inc.

Nomura Securities Co., Ltd.

KPMG AZSA LLC

Deloitte Touche Tohmatsu LLC

PricewaterhouseCoopers Japan LLC

GYOSEI & CO.

PRONEXUS INC.

The Securities Analysts Association of Japan

SMBC Nikko Securities Inc.

Mizuho Securities Co., Ltd.

ICMG Co., Ltd.

SBI SECURITIES Co., Ltd.

Ichiyoshi Securities Co., Ltd.

Avantia G.P.

Japan Securities Dealers Association

Daiwa Securities Co. Ltd.

Ernst & Young ShinNihon LLC

Grant Thornton Taiyo LLC

BDO Sanyu

A&A Partners

TAKARA PRINTING CO., LTD.

■ Endorsement

Nagoya Stock Exchange, Inc.

Japan Venture Capital Association

Institutional Investors Collective Engagement Forum

Sapporo Securities Exchange

Japan Investor Relations Association

Japan Stewardship Forum

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.