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Overview of Financial Results for the Three Months Ended December 31, 2024

Corporate Information



Name	Syuppin Co., Ltd.	
Securities Code	3179	
Representative	Naohiko Ono	
Head Office	3F Nikko Bldg., 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	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	

Financial Highlights (3Q Cumulative)



In 3Q cumulatively, **net sales reached 93%** of the plan, while **operating profit stood at 91%**, both falling short of the plan.

Quarterly Change in Forecast and Actual Performance

(Million Yen)

Net sales

Operating profit

42,594 **39,616**

2,932 **2,653**

Plan

Actual

Plan

Actual

Full-year Forecast and 3Q Progress

(Million Yen)

Net sales

Operating profit

56,617

3,854

Progress
70%

Progress
69%

39,616

2,653

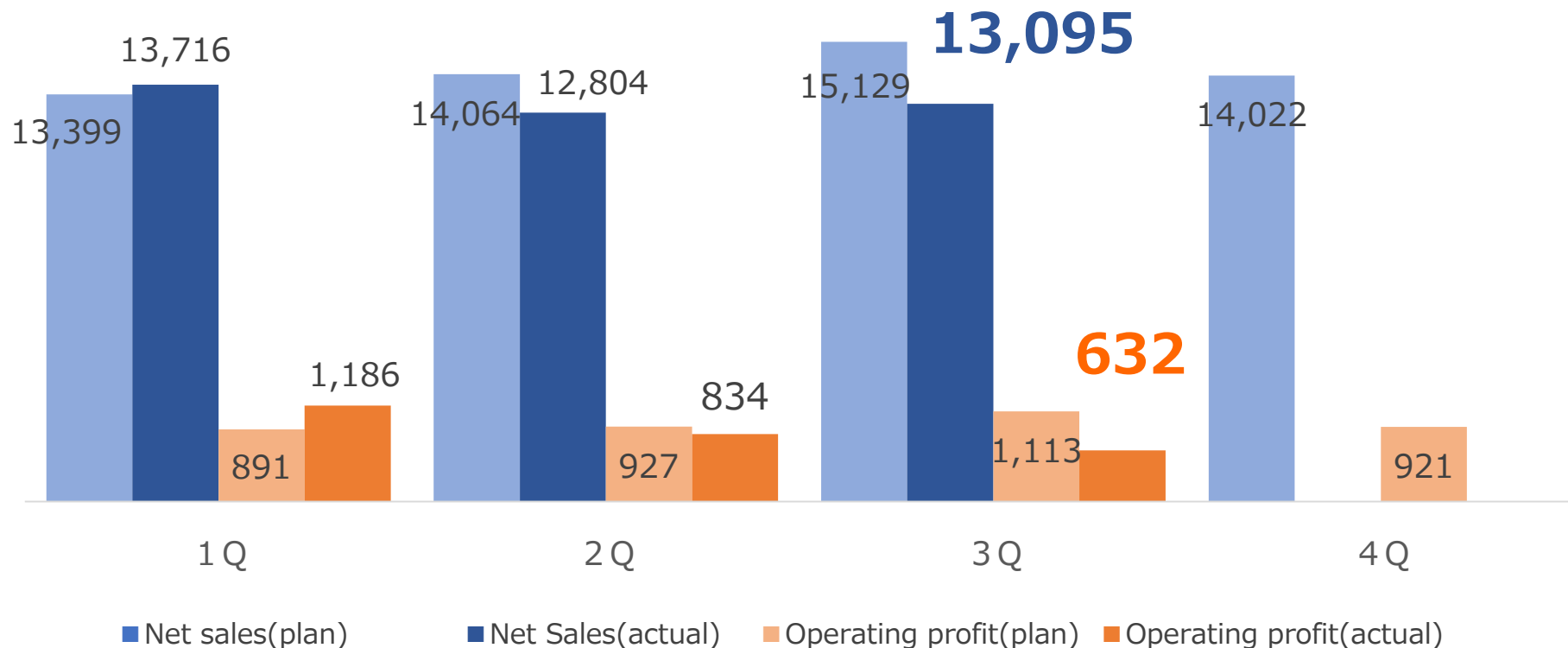
Highlights of 3Q Results



Online net sales surpassed 10,000 million yen, marking a record high.
However, the decline in the camera business's gross margin and the underperformance of both sales and profit in the watch business resulted in weaker-than-expected figures, with **net sales at 87% and operating profit at 57% of the plan.**

Quarterly Change in Forecast and Actual Performance

(Million yen)



[Camera Business] Factors Behind Gross Margin Decline / New Initiatives



1. AIMD (AI-Driven Merchandising System) Adjustment

- AI adjustments implemented in July 2024 caused fluctuations in the gross margin for certain used cameras.
➔ AI optimization is expected to progress, with normalization anticipated within the fiscal year ending March 2025.

2. Implementation of Points Campaign (Nov. 21–Jan.6)

- While the campaign drove strong sales, the significant amount of points awarded impacted profitability.

Enhancement of the Syuppin Points Program (Launched on January 28, 2025)

Click [here](#) to view the release.



- Improved customer satisfaction through added value
- Stronger customer retention and higher repeat purchase rates across Syuppin's platforms (beyond product categories)
- Advantage in new product purchases
- Further market share expansion in the industry

The initiative is being implemented as a **long-term strategic measure**, although it may result in a temporary reduction in the gross margin.

*Based on revenue recognition standards, the adjusted amount of points granted at the time of sale is deducted from sales.

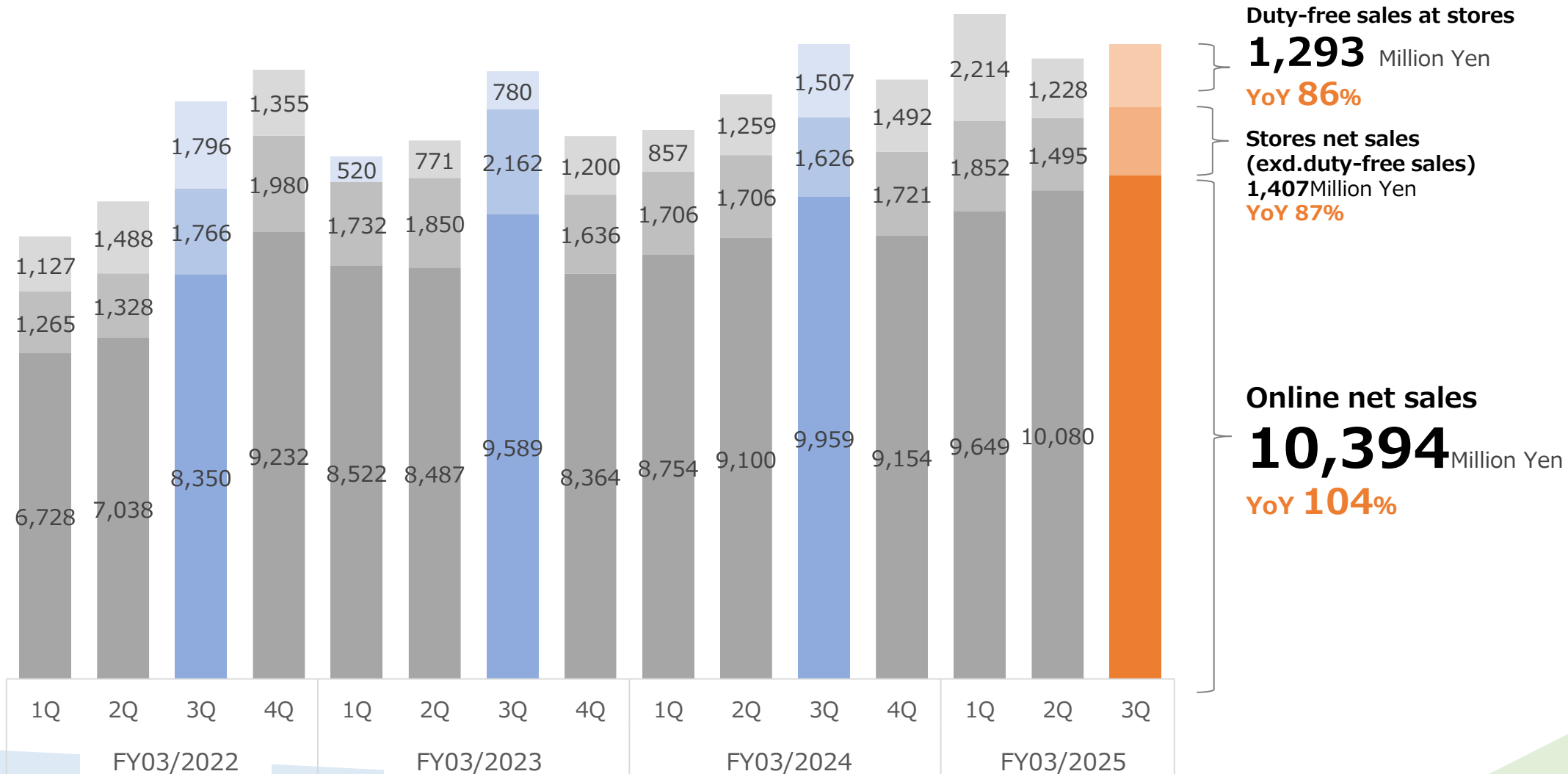
*The point program applies only to purchases made through the e-commerce sites of Map Camera, KINGDOM NOTE, and CROWN GEARS.



Sales / Purchases Records

Trend in Net Sales by Sales Channel (Quarterly)

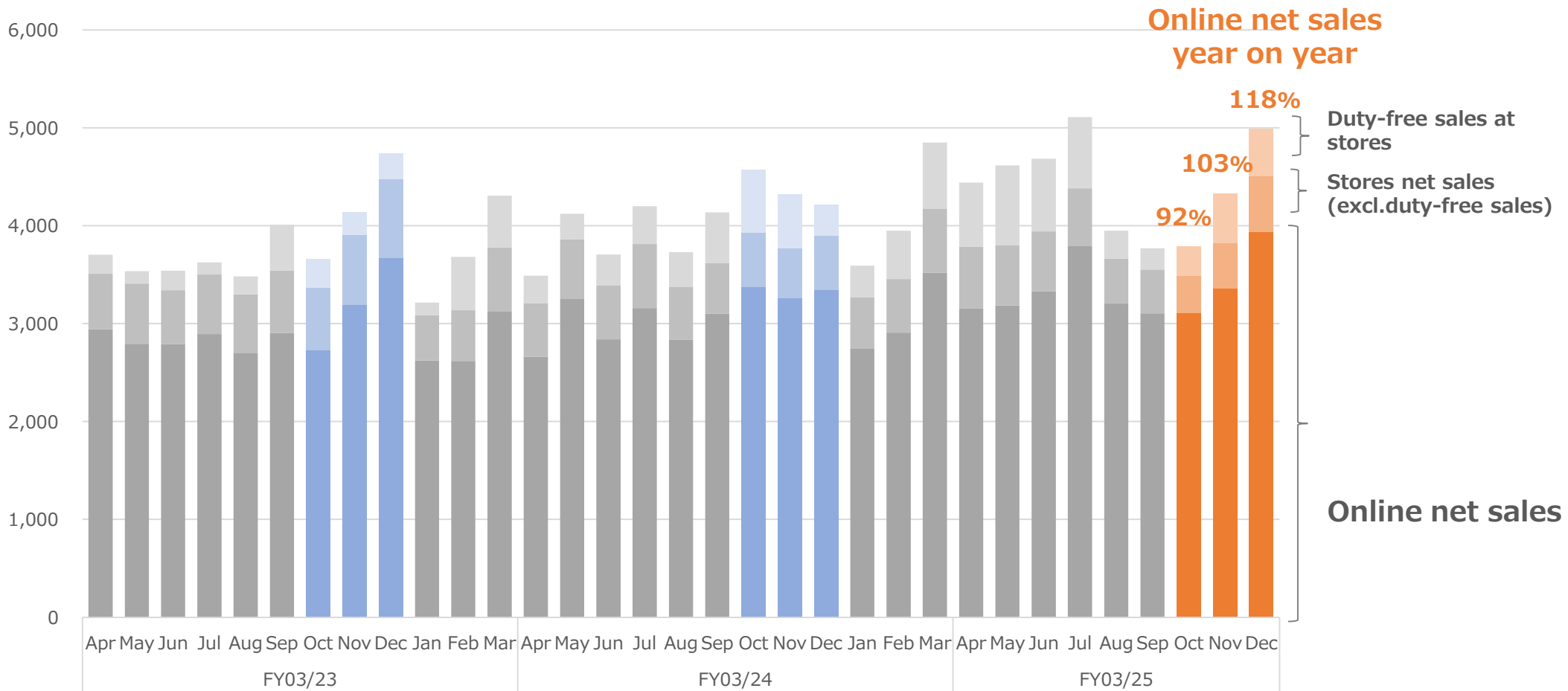
Online net sales continued to **reach record highs** on a quarterly basis, following on from 2Q. The mainstay camera business performed well, and the watch business showed signs of recovery. However, overall online net sales reached only 104% year on year.



Trend in Net Sales by Sales Channel (Monthly)



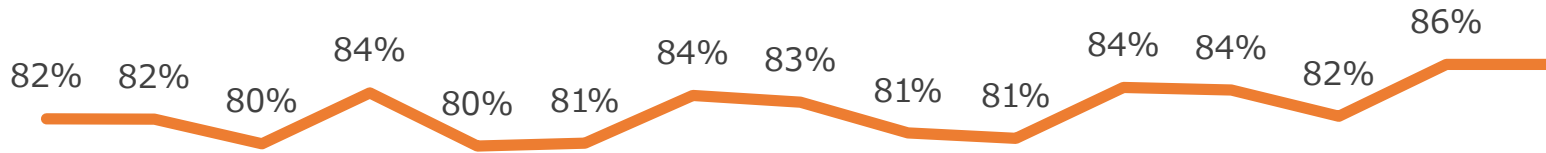
- EC: The camera business served as the growth driver, with online sales maintaining a steady upward trend.
- Stores: Store net sales fell below the previous year's level but remained stable.
- Duty-Free: Sales declined from August onward due to exchange rate fluctuations but began recovering in 3Q.



Trends in Online Net Sales (Quarterly)

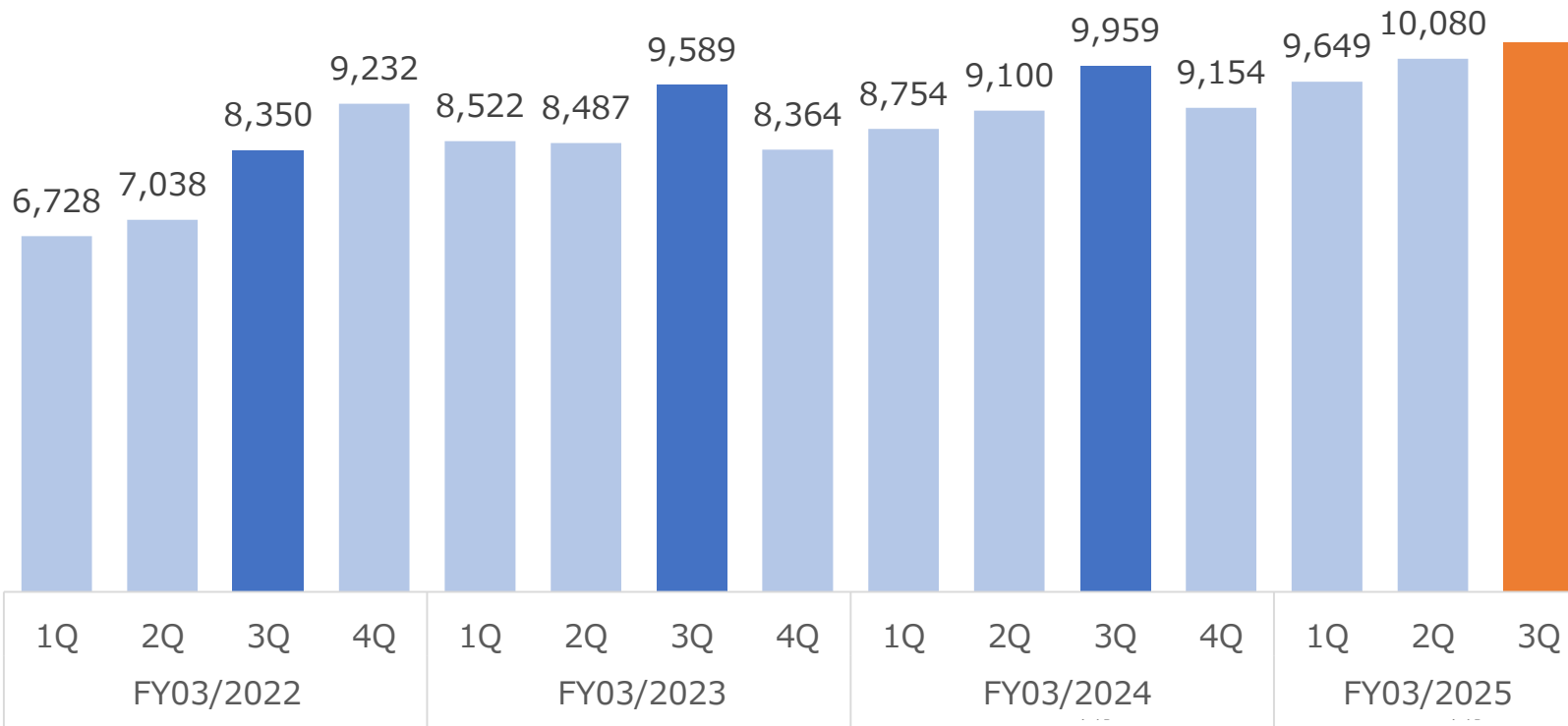


The percentage of sales on the Company's websites **remained high at a level of consistently over 80%.**



Percentage of sales on the Company's websites

86%
YoY +2%



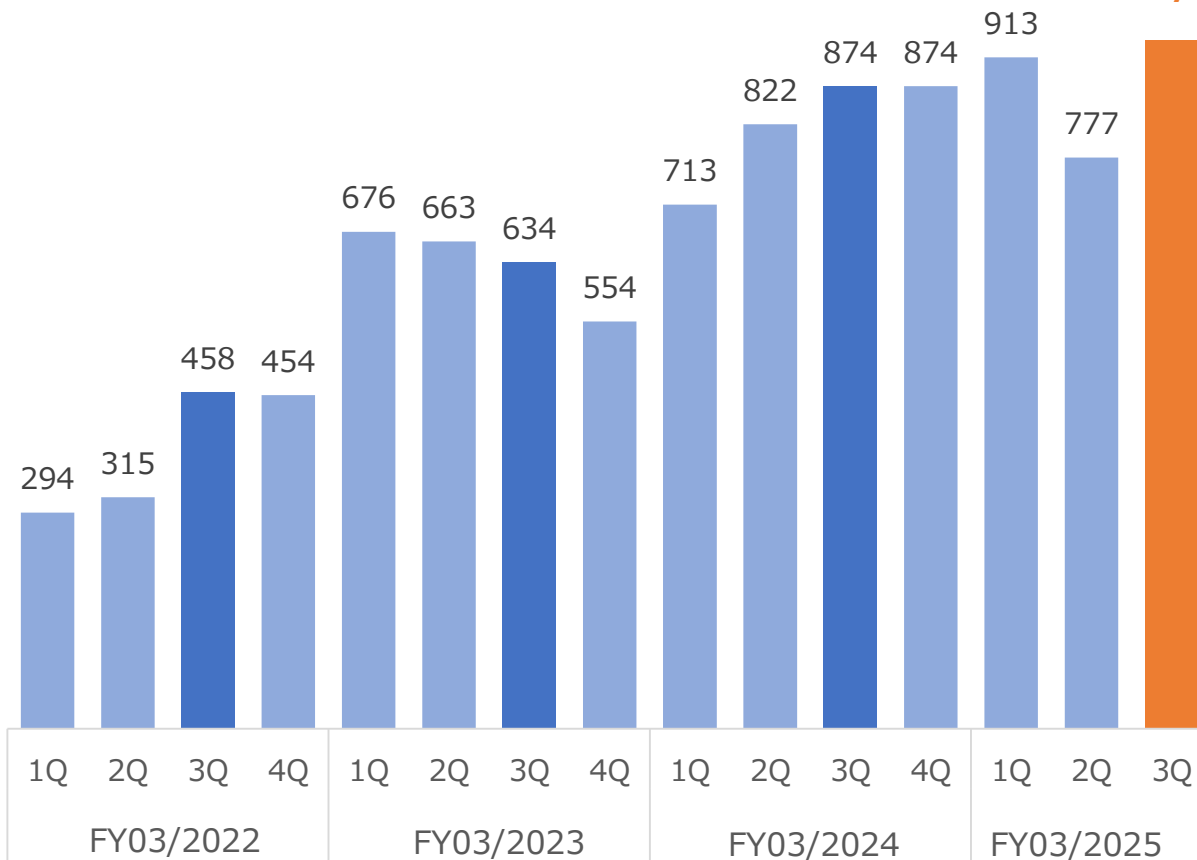
Online net sales
10,394 Million Yen
YoY **104%**

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

Cross-border online sales **set a new record**, driven by strong performance in the camera business.

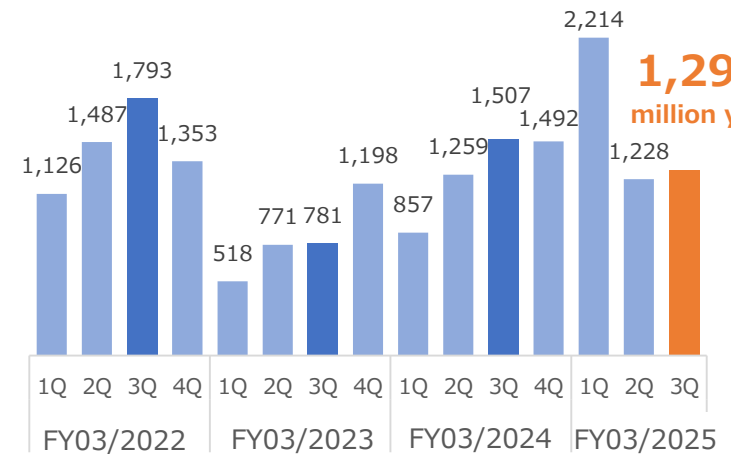
Cross-border online sales (overseas malls)

937
million yen



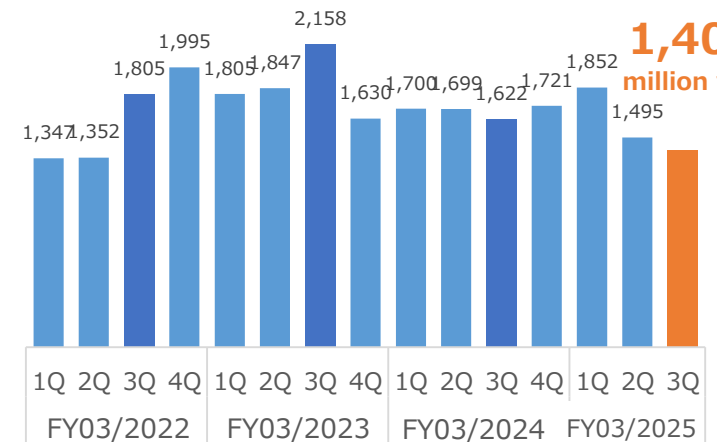
Duty-free sales

1,293
million yen



Store net sales (excl. duty-free sales)

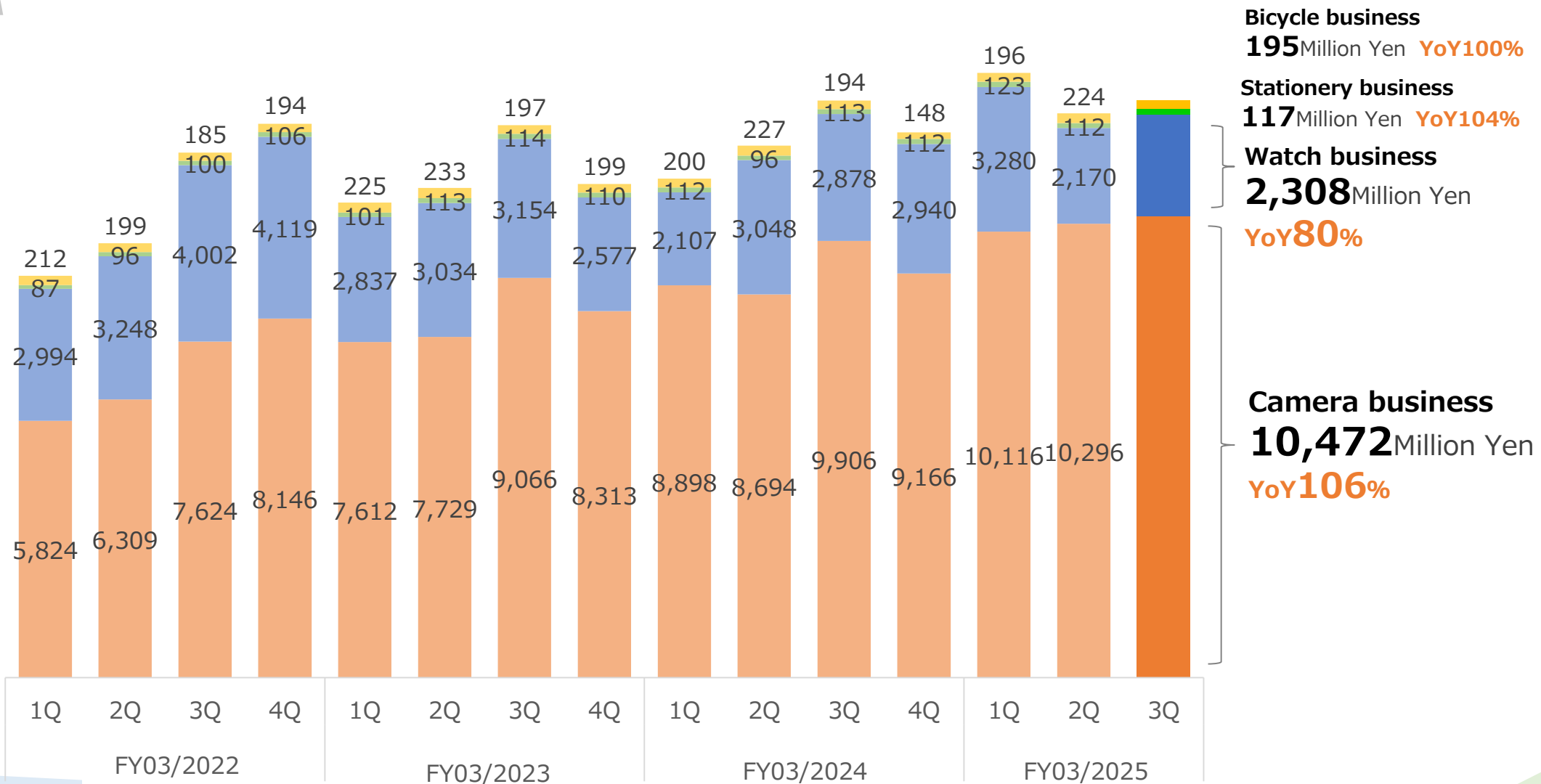
1,407
million yen



Net Sales by Segment (Quarterly)



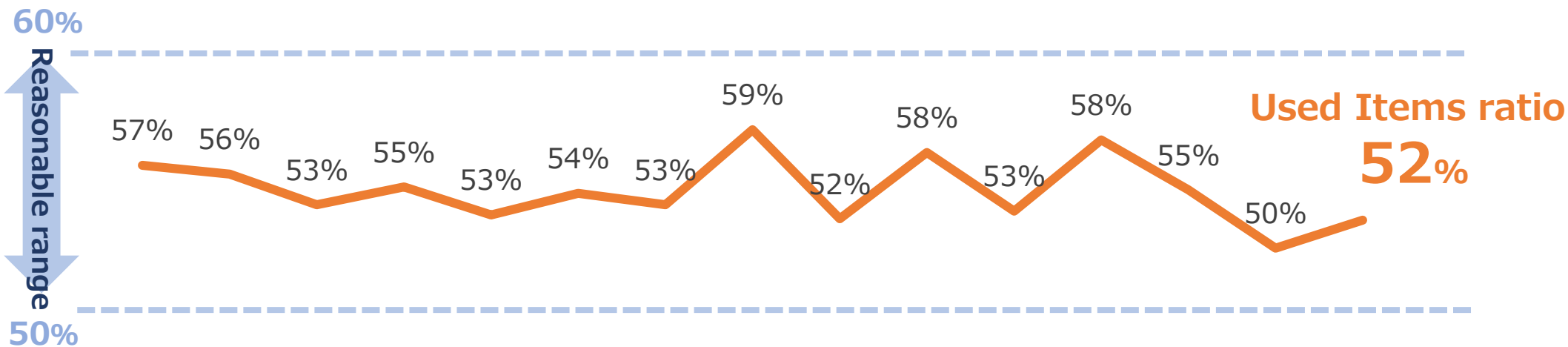
The mainstay camera business continued to **exceed 10,000 million yen**, setting a **new quarterly record**. While the watch business showed signs of recovery in both domestic and duty-free sales compared to the previous quarter, it remained at **80%** year on year.



Trends in Ratio of Used Items to Total Sales



Used items were **52%** of net sales in 3Q. The cycle of new purchases and replacement purchases **remained strong**.

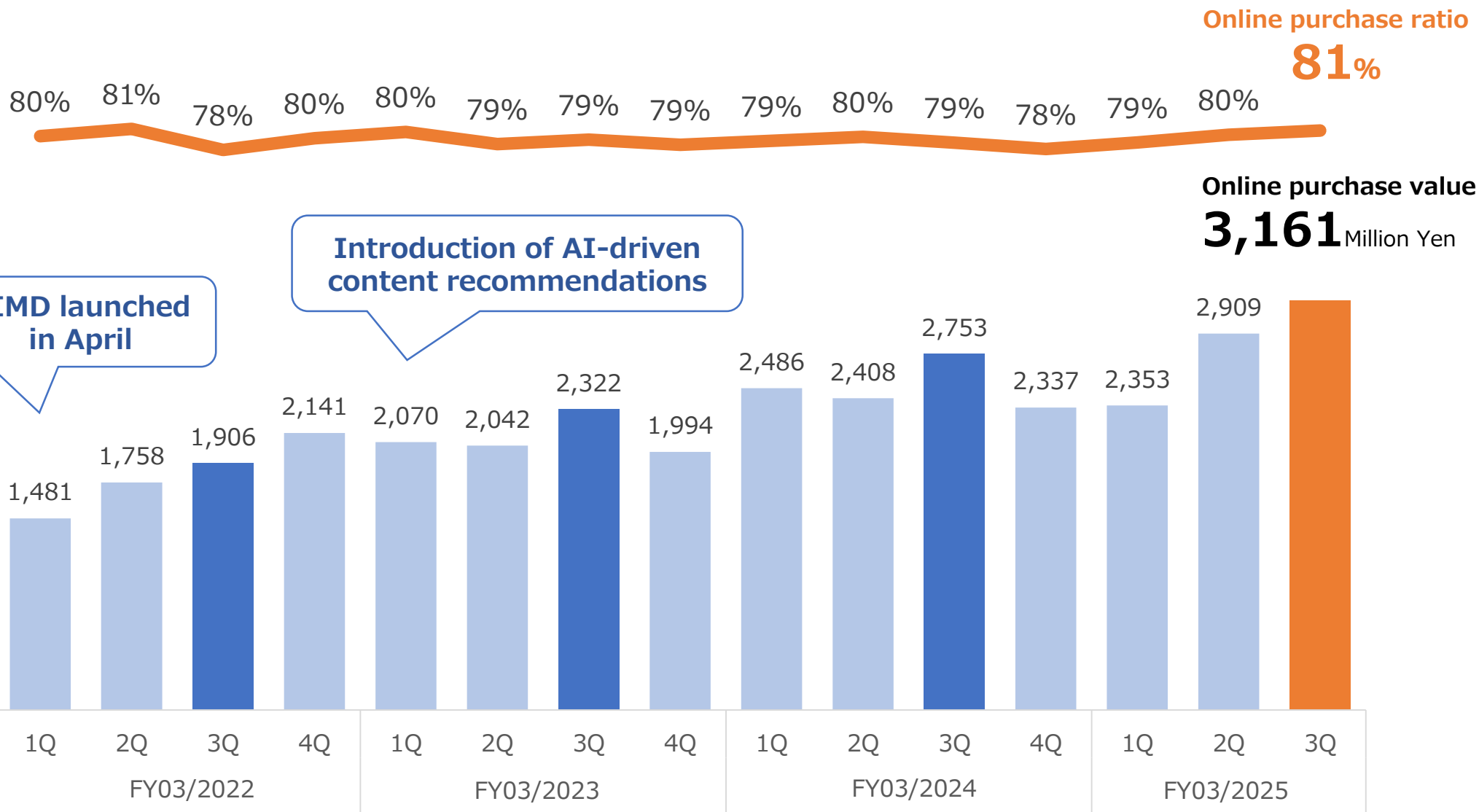


1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
FY03/2022				FY03/2023				FY03/2024				FY03/2025		

Trends in Online Purchases of Used Cameras



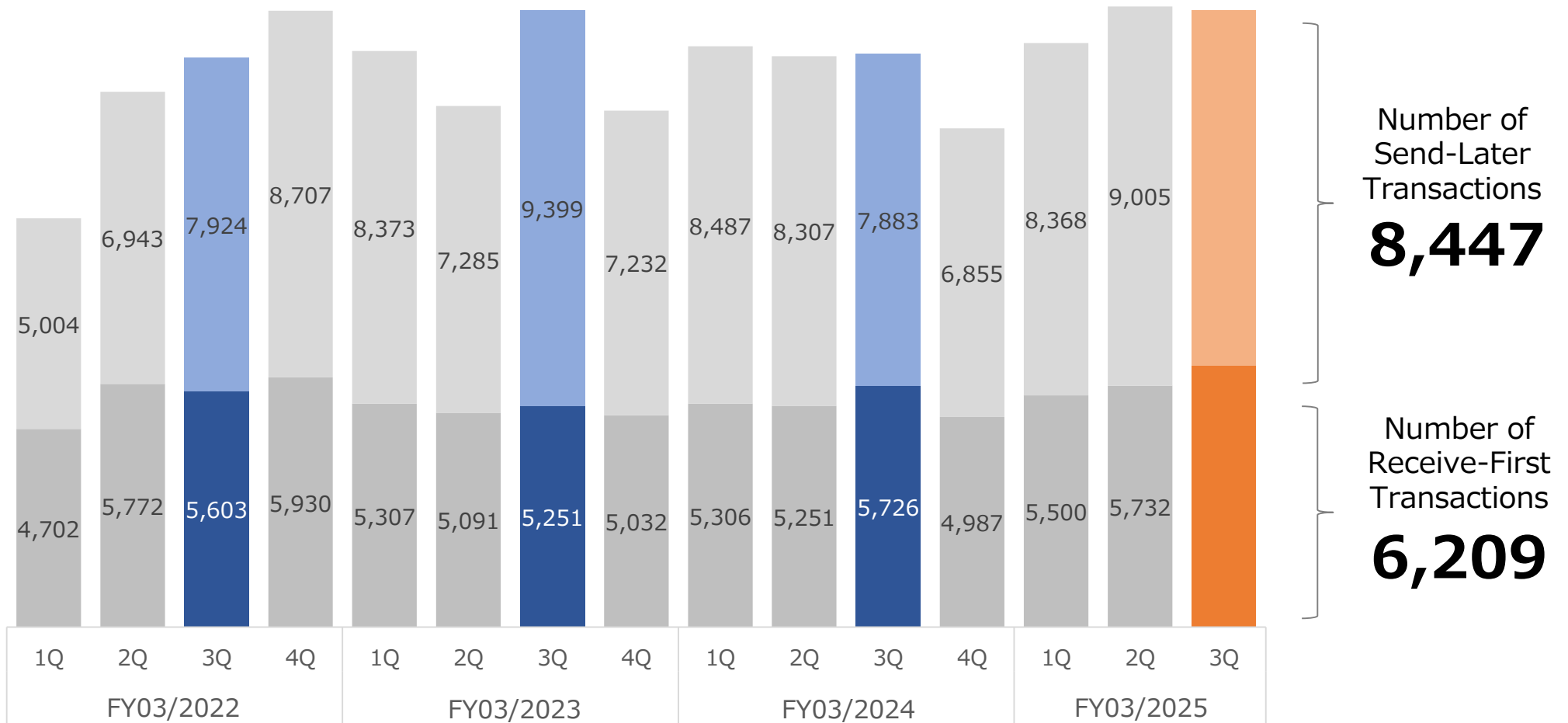
The online purchase value reached a record high, with the online purchase ratio also strong at 81%.



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.**

(Million Yen)





Financial Highlights

Summary of Financial Results



Net sales stood at **109%** of the year-ago level while ordinary profit was **102%** of the year-ago level.

***An extraordinary loss of approximately 386 million yen was recorded in 3Q due to software asset impairment.**

	FY03/2024 3Q		FY03/2025 3Q				
	Actual	Share	Actual	Share	YoY% Change	Plan	Percent of plan (target)
Net sales	36,473	—	39,616	—	109%	42,594	93%
Gross profit	6,834	18.7%	7,317	18.5%	107%	7,970	92%
SGA expenses	4,260	11.7%	4,664	11.8%	109%	5,037	93%
Operating profit	2,574	7.1%	2,653	6.7%	103%	2,932	90%
Ordinary profit	2,573	7.1%	2,634	6.6%	102%	2,910	91%
Net income			386	Due to changes in the development plan for mission-critical systems, the asset value of software in progress was reassessed, resulting in an impairment loss.			
	—		20	Due to the relocation of the Kingdom Note store, the asset value of fixed assets was reassessed, resulting in a loss on disposal of fixed assets.			
Net sales	1,777	4.9%	1,514	3.8%	85%	2,008	75%

Year-on-Year Change in SGA Expenses

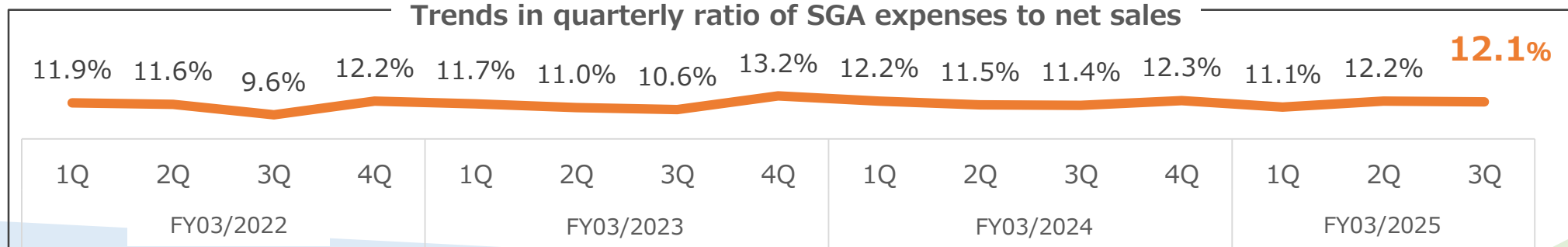
The SGA expense ratio remained stable at **11.8%**, while the sales performance remained solid.

※figures in () represent sales ratio

(Million Yen)

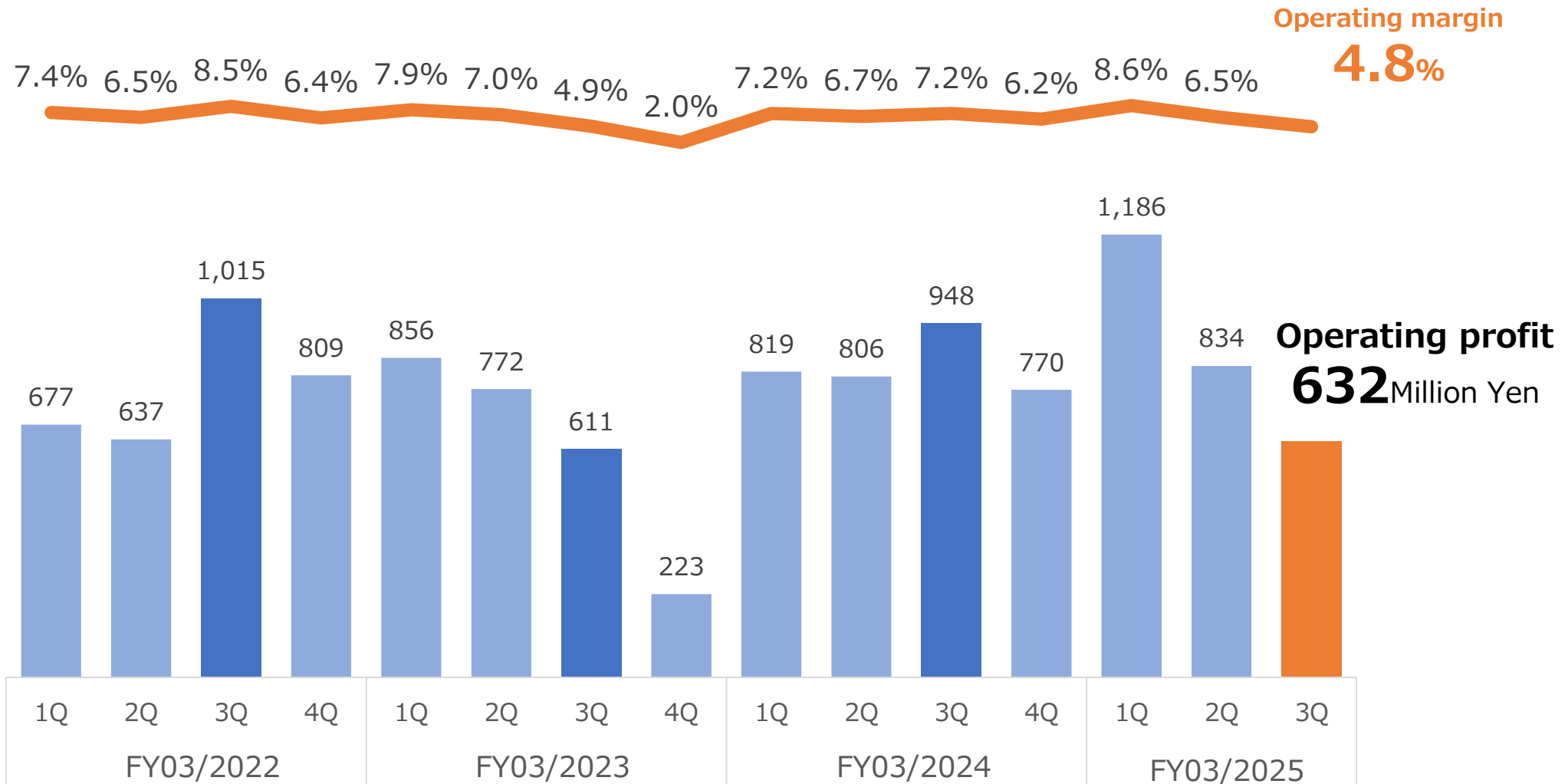
		YoY% Change (Ratio to net sales)	YoY change amount	
4,260 (11.7%)	4,664 (11.8%)	0.1pt	404	Total SGA expenses
500 (1.4%)	514 (1.3%)	▲0.1pt	14	Other
52 (0.1%)	69 (0.2%)	0.1pt	16	Advertising expenses
131 (0.4%)	146 (0.4%)	0.0pt	14	Depreciation
265 (0.7%)	287 (0.7%)	0.0pt	22	Rents
286 (0.8%)	380 (1.0%)	0.2pt	93	Business consignment expenses
847 (2.3%)	850 (2.1%)	▲0.2pt	3	Promotion expenses
961 (2.6%)	1,083 (2.7%)	0.1pt	122	Commission fee
1,216 (3.3%)	1,331 (3.4%)	0.1pt	114	Personnel expenses
				<ul style="list-style-type: none"> Increase in operating expenses due to system enhancements Increase in commission fees in sync with sales Increase in personnel expenses due to planned staff increase
FY03/2024 3Q	FY03/2025 3Q			

Trends in quarterly ratio of SGA expenses to net sales



Trends in Operating Profit and Operating Margin (Quarterly)





Operating profit and margin were impacted by a decline in the gross margin, along with a higher SGA expense ratio due to system enhancements and maintenance, resulting in an operating margin of 4.8%.



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 3Q	FY03/2025		Remarks
			3Q	YoY% Change	
 Map Camera Camera (78.0%)	Online net sales	23,329	25,924	111%	<ul style="list-style-type: none"> Both online and store sales saw double-digit growth. Operating profit remained strong, reaching 108% year on year.
	Store net sales	4,168	4,961	119%	
	net sales	27,498	30,885	112%	
	Operating profit	3,193	3,450	108%	
 GMT Watch (19.6%)	Online net sales	3,912	3,374	86%	<ul style="list-style-type: none"> While short-term exchange rate fluctuations impacted net sales, the focus on profit-driven sales resulted in operating profit reaching 109% year on year.
	Store net sales	4,121	4,385	106%	
	net sales	8,033	7,759	97%	
	Operating profit	320	350	109%	
 KINGDOM NOTE Stationery (0.9%)	Online net sales	228	255	112%	<ul style="list-style-type: none"> Both online and store sales achieved double-digit growth. Net sales and profit increased by double digits year on year.
	Store net sales	92	98	107%	
	net sales	320	354	111%	
	Operating profit	42	52	125%	
 CROWN GEARS Bicycle (1.6%)	Online net sales	342	570	167%	<ul style="list-style-type: none"> While duty-free sales declined, leading to lower store sales, online sales surged to 167% year on year. Strong mall sales increased sales commissions, resulting in a decline in operating profit.
	Store net sales	278	46	17%	
	net sales	621	617	99%	
	Operating profit	35	18	53%	
Total	Online net sales	27,812	30,124	108%	<ul style="list-style-type: none"> Both online and store sales remained strong, contributing to the steady progress of the company's overall net sales.
	Store net sales	8,661	9,491	110%	
	net sales	36,473	39,616	109%	

Changes in Balance Sheet from End of Previous Year



Merchandise inventories **increased by approximately 2,000** million yen from the level at the end of FY03/2024, ensuring sufficient inventory levels.

(Million Yen)

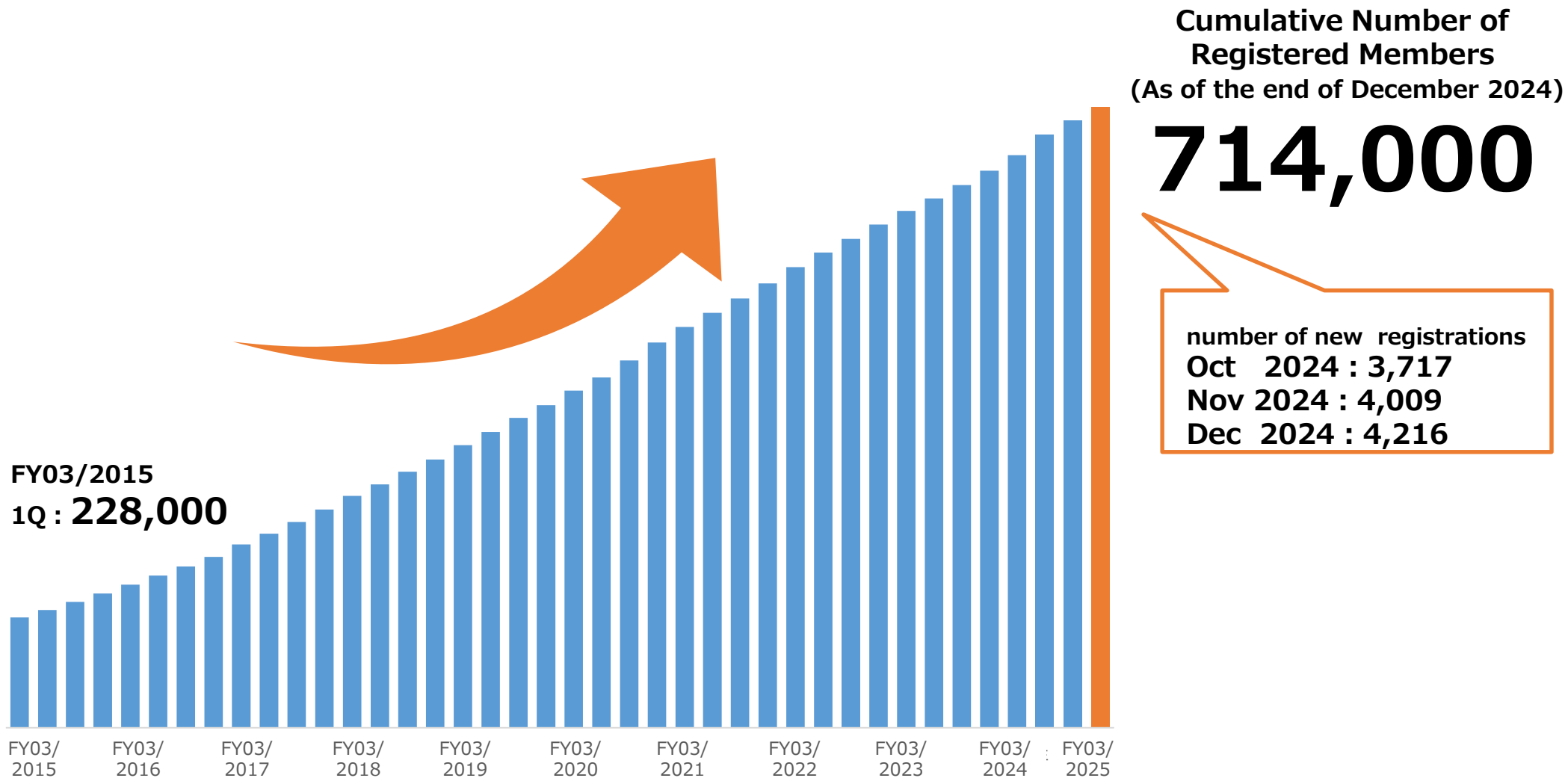
	End of FY03/2024	End of 3Q of FY03/2025	
		Actual	Change
Current assets	13,961	17,175	3,213
Cash and deposits	1,321	1,878	556
Merchandise	9,265	11,291	2,025
Non-current assets	2,101	2,099	▲1
Total assets	16,063	19,275	3,212
Current liabilities	5,979	6,964	984
Non-current liabilities	1,817	2,660	843
Total liabilities	7,796	9,624	1,827
Total net assets	8,266	9,650	1,384
Liabilities and net assets	16,063	19,275	3,212



Number of Online Members and Notifications

Trends in the Quarterly Number of Online Members

The number of new members continued to grow steadily, **increasing by approximately 4,000 per month.**



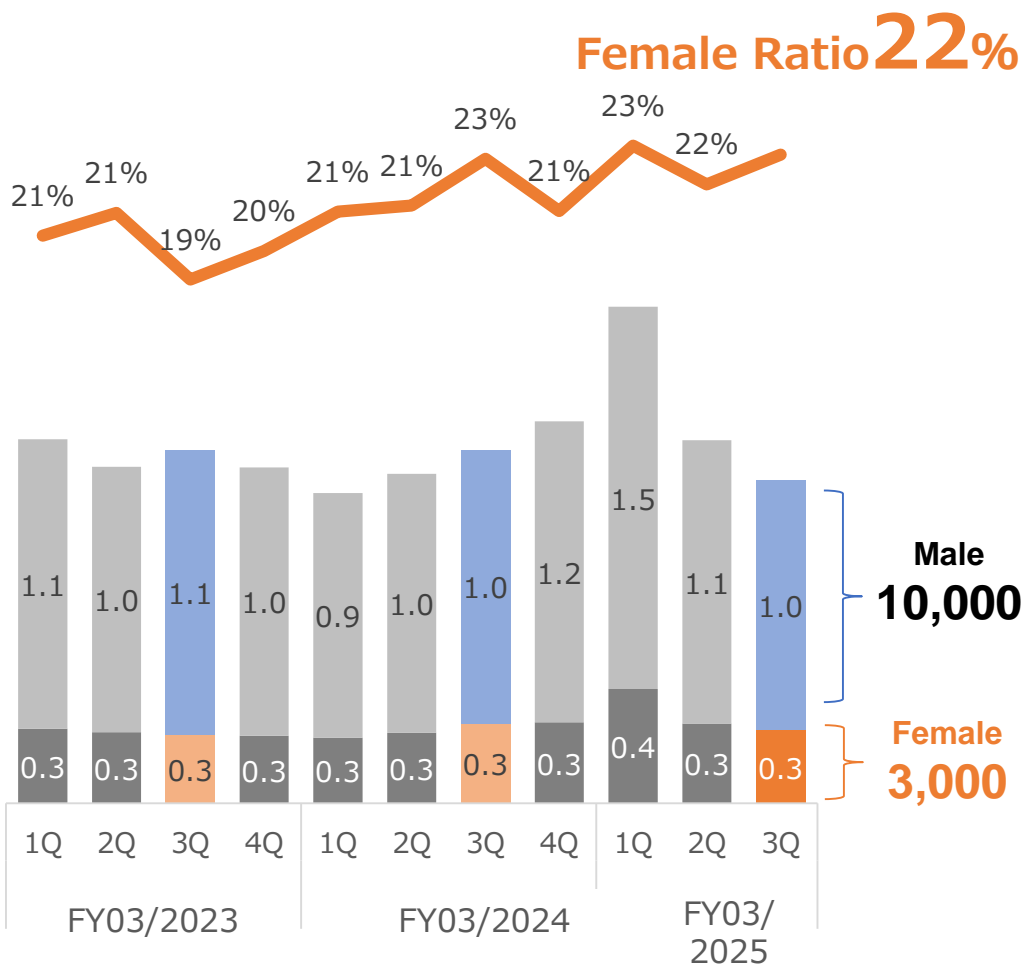
Attributes of Online Members: Distribution by Age Group/Gender/Area

Women accounted for **23%** of new members in 3Q, maintaining the ratio of over 20%.

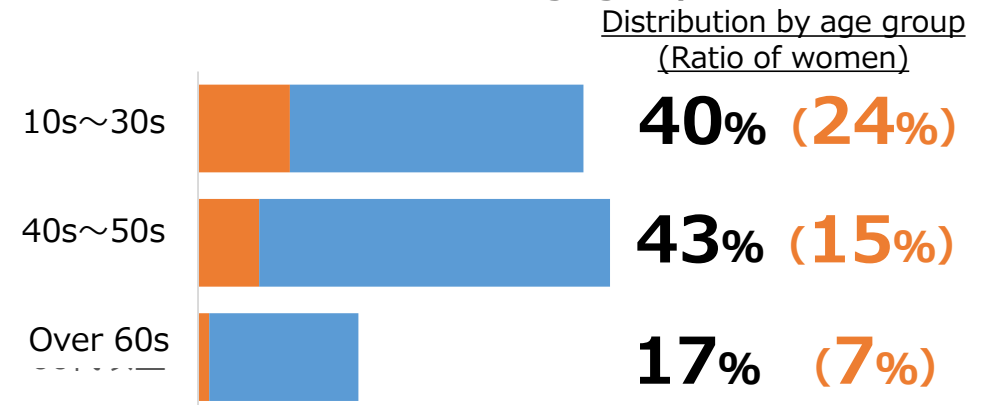
*The ratio of women to all online members: **17%**

Women in their 10s to 30s account for a high percentage, **approx. 24%**, reflecting the popularization of social media such as Instagram.

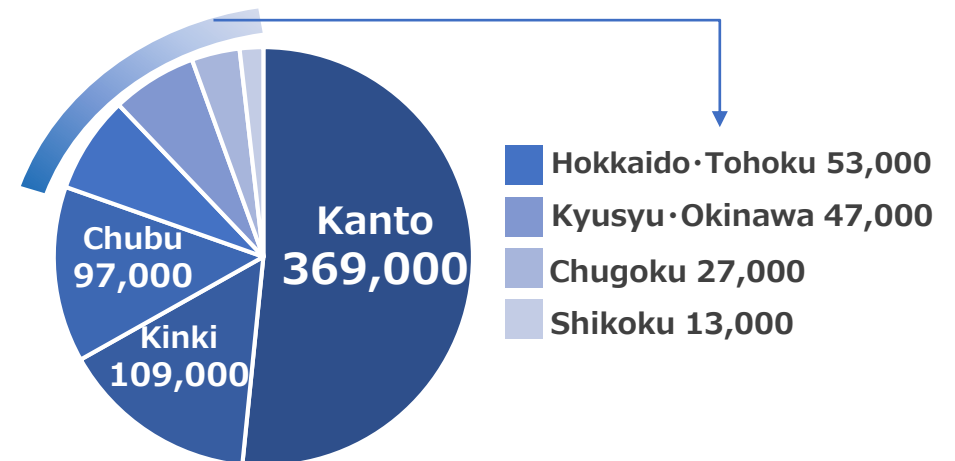
Number of new members by gender



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



Regional distribution



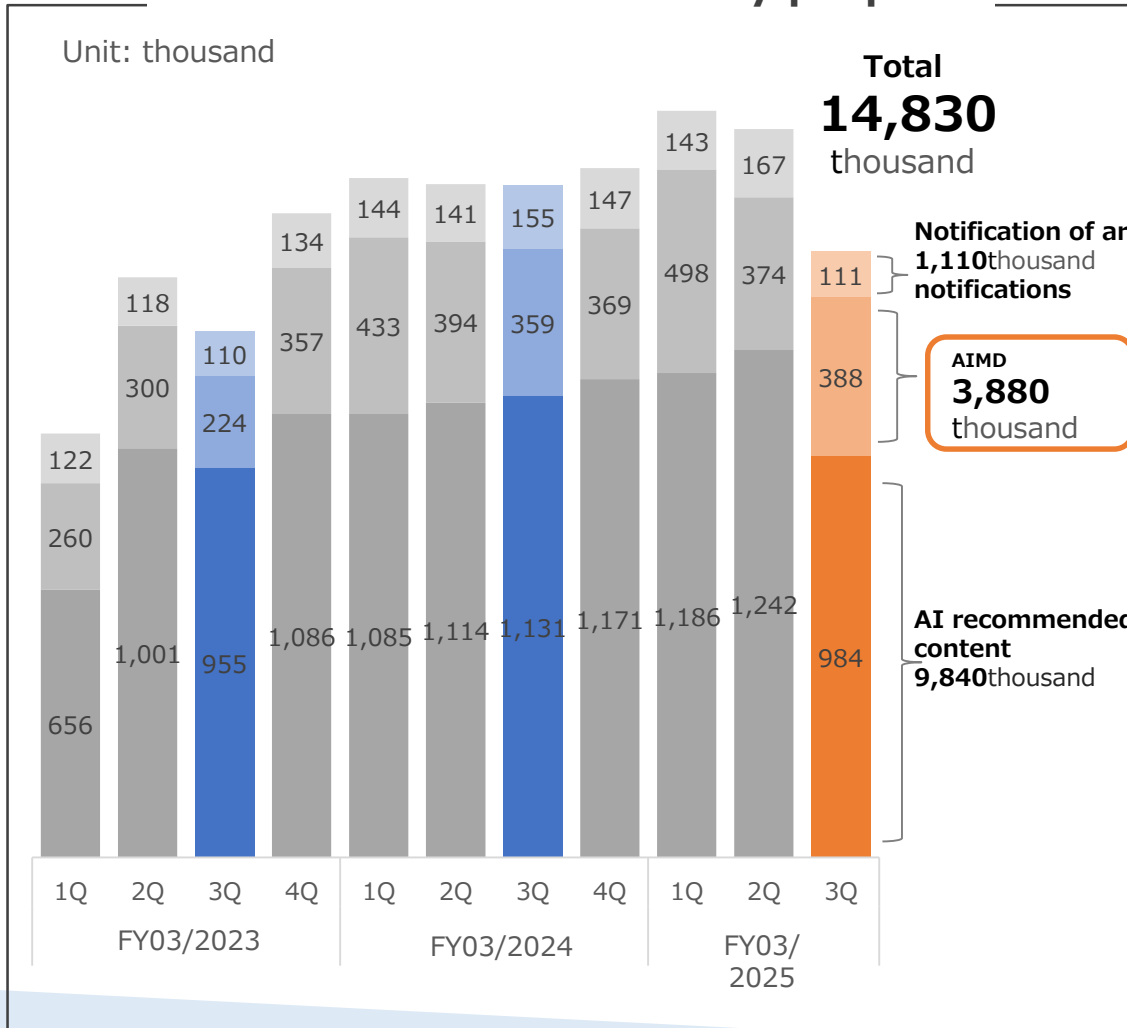
Technology Development and Number of Notifications

14,830 thousand notifications are equivalent to **approximately 350 stores***

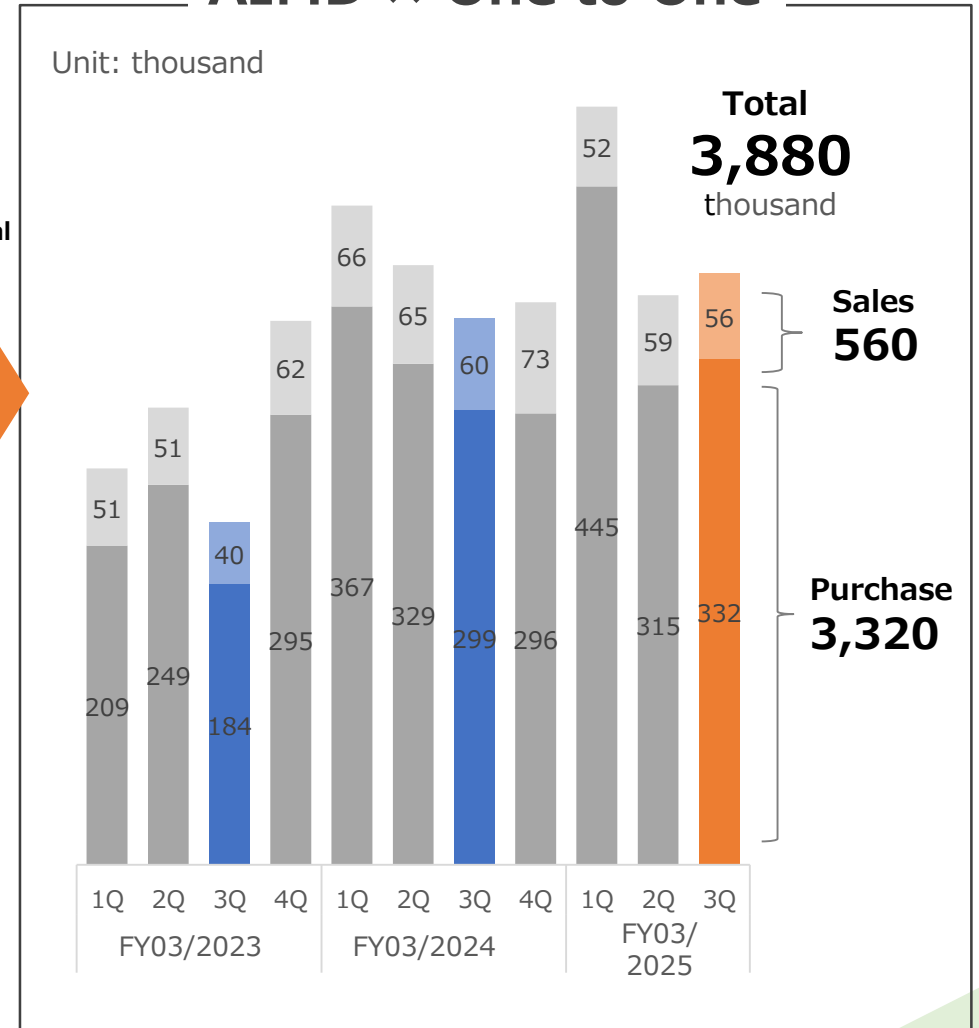
The number of notifications temporarily dropped due to system issues. (Duration: 34days)

※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



AIMD x One to One



Number of Notifications (LINE)



Despite a temporary decline due to system issues, the number of notifications **remained 15 times higher** compared to 1Q of FY03/2023.

Implementation of measures to enhance notifications on LINE

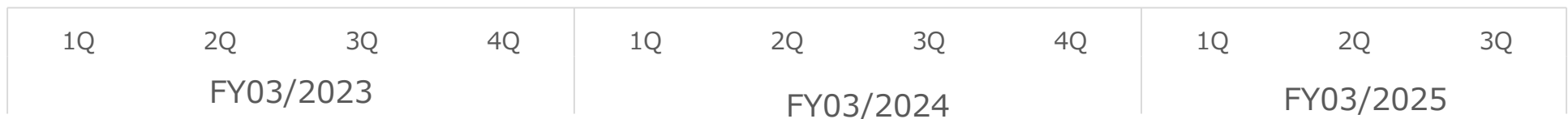


Number of notifications on LINE: **15 times**

10 times

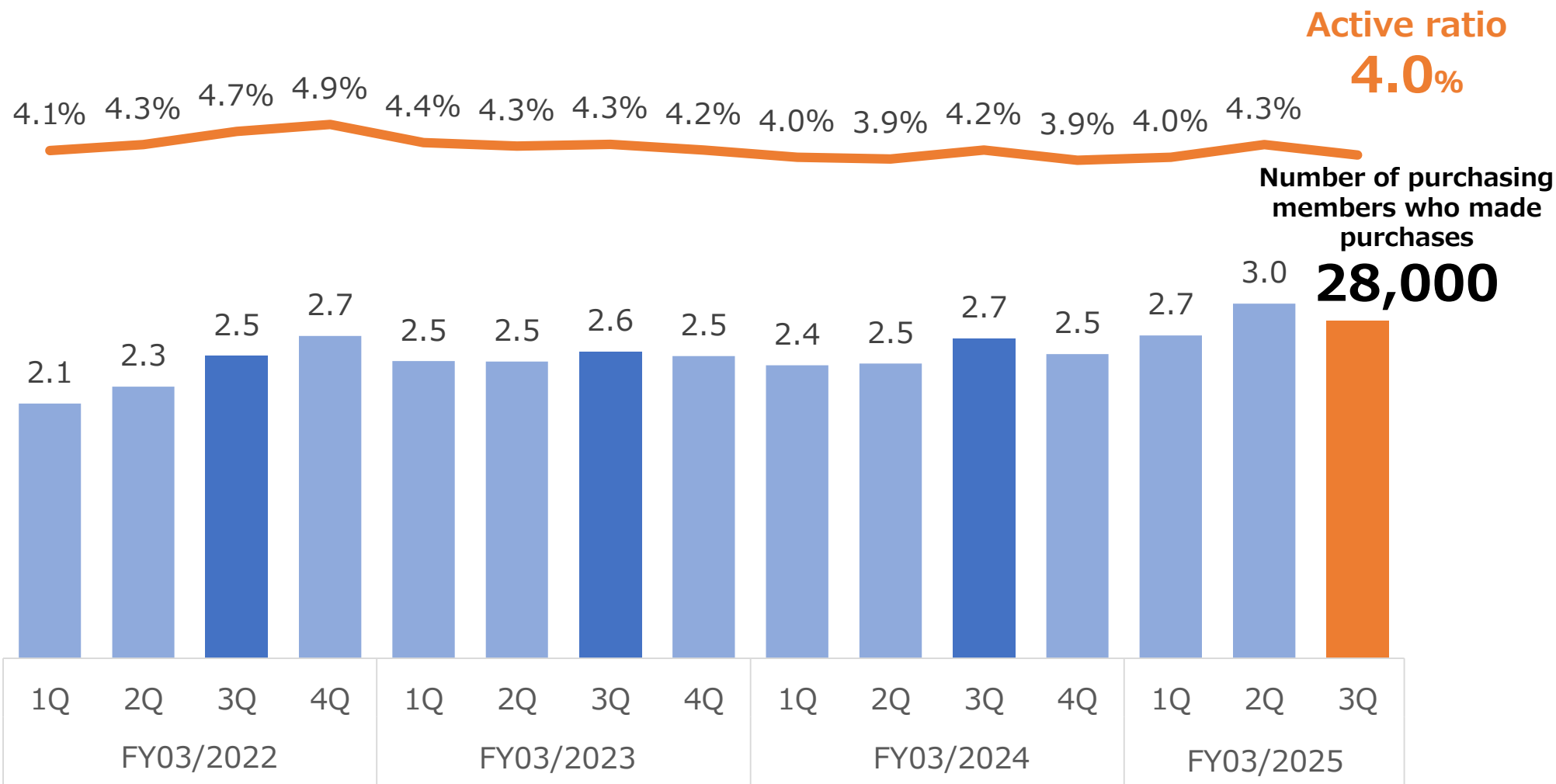
8 times

Number of notifications via email: **1.3 times**



Quarterly Activeness Ratio of Online Members (Existing Customers)*

The number of online purchasing members (on the Company's own website) and their activeness ratio **remained stable**.



*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 **approx. 70,000 per month.**

Wish List

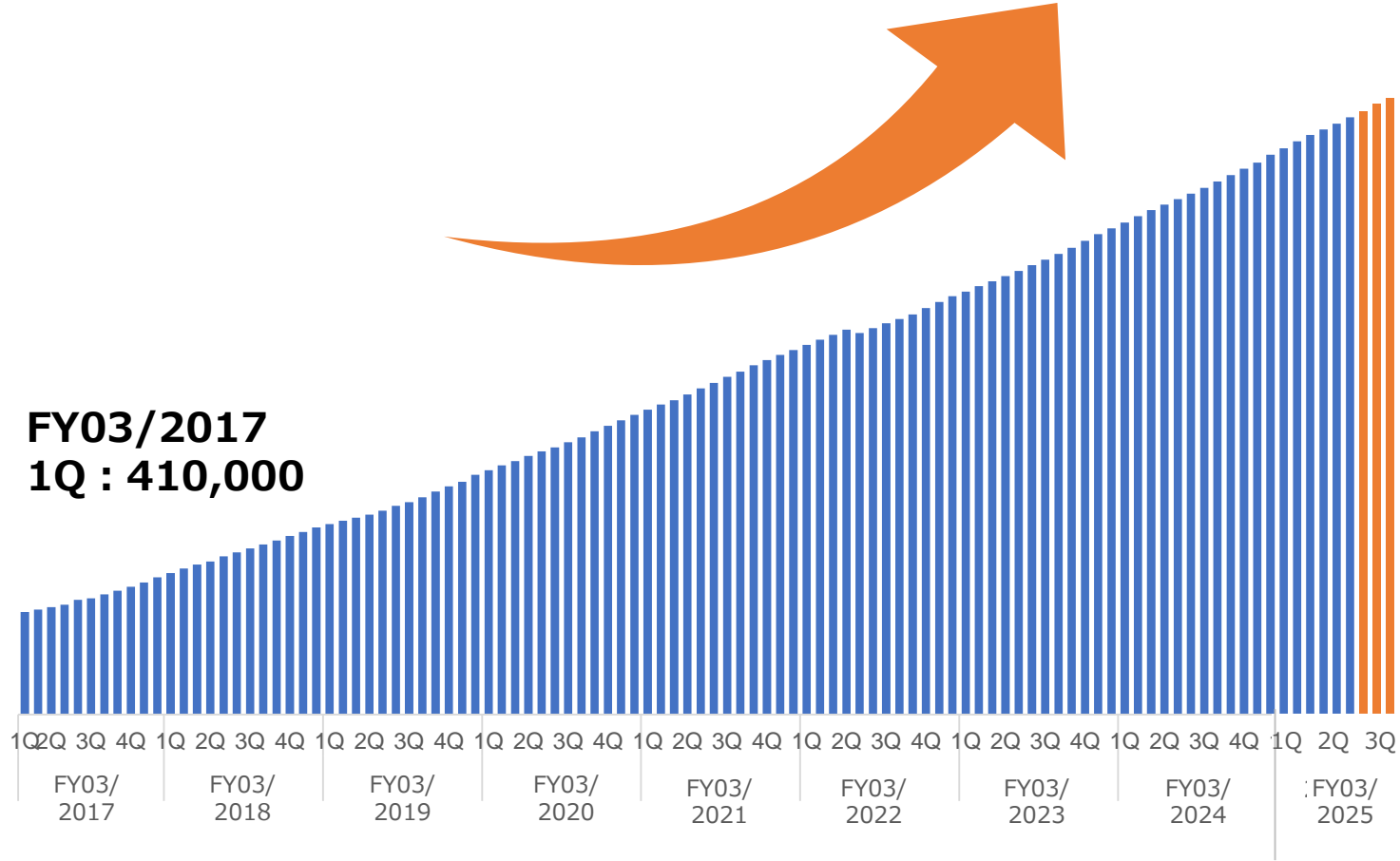


Total registrations
(As of the end of December 2024)

2,500,000

number of new registrations
 Oct 2024 : 72,138
 Nov 2024 : 80,819
 Dec 2024 : 71,111

FY03/2017
1Q : 410,000



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

Quarterly Activeness Ratio of Online Members (Existing Customers)*



3Q saw **about 18,000** new registrations.

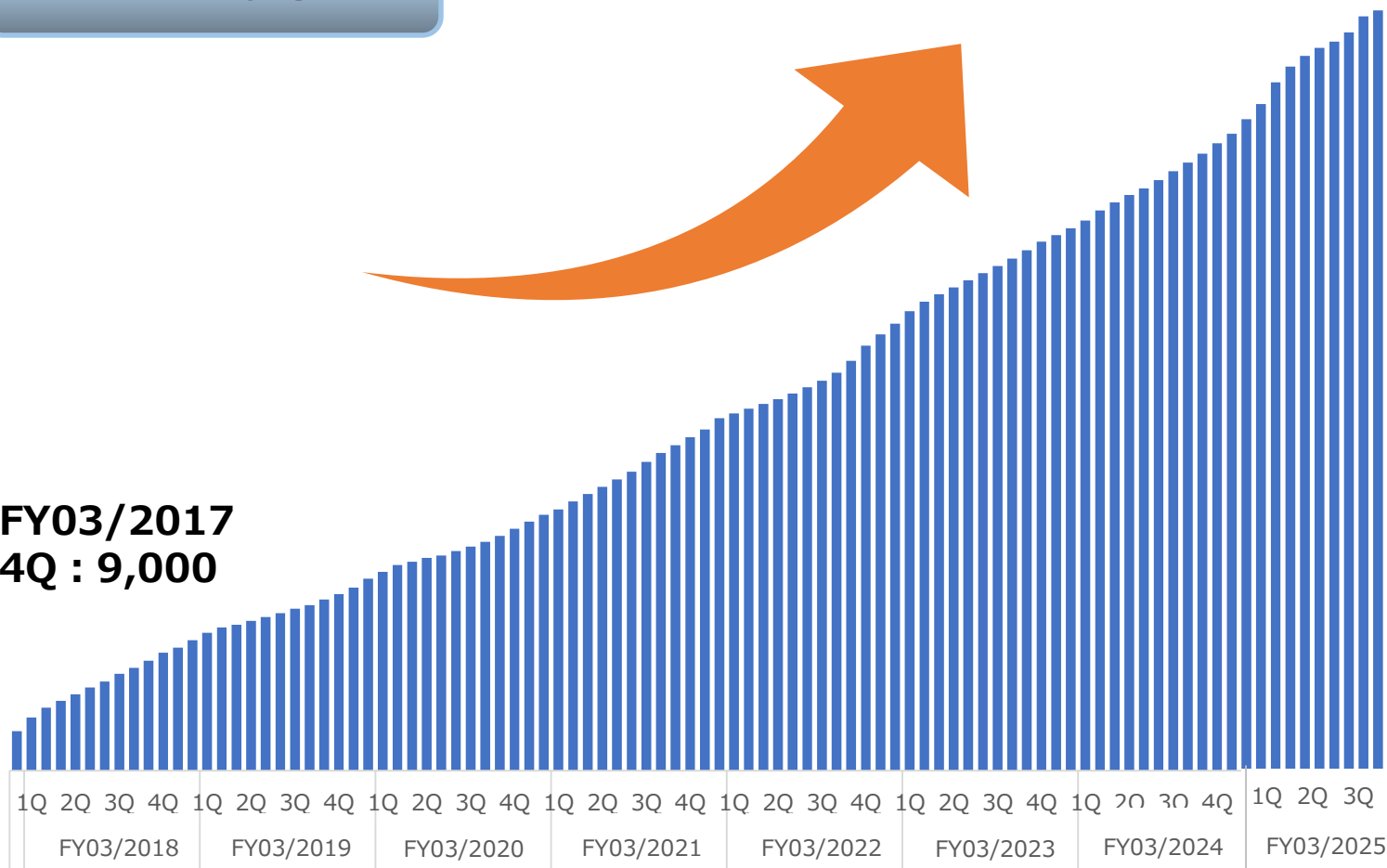
Arrivals



Total registrations
(As of the end of December 2024)

173,000

FY03/2017
4Q : 9,000



number of new registrations
Oct 2024 : 6,020
Nov 2024 : 5,816
Dec 2024 : 6,179

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.