



Yasutaka Kodama President

WASHHOUSE Co., Ltd. (6537)



Company Information

Market	TSE Growth, FSE Q-Board
Industry	Service business
President	Yasutaka Kodama
HQ Address	86-1, Shinei-cho, Miyazaki-shi, Miyazaki prefecture
Year-end	End of December
HOME PAGE	https://www.wash-house.jp/

Stock Information

Share Price	Shares Outstanding		Total market cap	ROE Act.	Trading Unit
¥380	6,925,400 Shares		¥2,632million	1.8%	100 Shares
DPS Est.	Dividend yield Est.	EPS Est.	PER Est.	BPS Act.	PBR Act.
¥0.00	-	¥13.13	28.9x	¥249.23	1.5x

*The share price is the closing price on April 24. ROE, BPS, and PBR were taken from the financial statements for FY 12/24. DPS, EPS, and PER are as per the forecast for FY 12/25.

Earnings Trend

Fiscal Year	Sales	Operating Income	Ordinary Income	Net Income	EPS	DPS
Dec. 2021 Act.	2,132	-140	-142	-176	-25.62	0.00
Dec. 2022 Act.	1,921	-54	61	11	1.70	0.00
Dec. 2023 Act.	1,914	13	26	-33	-4.83	0.00
Dec. 2024 Act.	2,083	22	24	31	4.53	0.00
Dec. 2025 Est.	3,292	189	178	90	13.13	0.00

*Unit: million yen.

This Bridge Report presents earnings results for the fiscal year ended December 2024 of WASHHOUSE Co., Ltd.

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Key Points

- In the fiscal year ended December 2024, sales increased 8.8% year on year to 2,083 million yen. In-laundromat sales grew 2% year on year through aggressive PR campaigns. Regarding the WASHHOUSE app, they achieved its target on November 11, 2024, about 1.5 months ahead of schedule, with a cumulative total of 899,000 downloads. Operating income increased 69.1% year on year to 22 million yen. In terms of profits, gross profit margin improved from 38.2% year on year to 38.5%, and the increase in SG&A expenses was controlled, resulting in an improvement in operating income margin. The company's efforts to reform its profit structure were successful and it achieved larger sales and profits than forecast.
- In the fiscal year ending December 2025, sales are expected to increase 58.0% year on year to 3,292 million yen, and operating income is projected to rise 748.8% year on year to 189 million yen. The company will further accelerate the growth of its "self-service laundry business as a platform." In the FC division, it will gradually install its original washing and drying machines in laundromats and expand its laundromat network. In the laundromat operation division, the company will conduct a PR campaign that will exceed the level of the fiscal year ended December 2024. The company plans to continue providing value beyond laundry services. In addition, the company will sell shipping container-type self-service laundromats and develop, sell, and operate laundromats using shipping containers, including hotels. The company plans to open 30 franchised laundromats, and the number of franchised laundromats is expected to reach 548, including 65 directly managed laundromats, by the end of the fiscal year.
- The highlight in the fiscal year ended December 2024 is the completion of the company's original washing and drying machines. During the fiscal year, a shipping container-type self-service laundromat equipped with the company's original washing and drying machines was opened. In the fiscal year ending December 2025, the company plans to install original laundry equipment in its laundromats, expand its laundromat network, and launch a PR campaign that will exceed the level in the previous fiscal year, and expects to increase sales and profits from the previous fiscal year. In addition, the number of downloads of the WASHHOUSE app reached 920,000 in February, up from 540,000 at the end of the fiscal year ended December 2023, and the customer base is steadily growing. Another area to focus on is overseas expansion. Furthermore, the company plans to open its first laundromat in China during the fiscal year ending December 2025, which will probably be a steppingstone to full-scale overseas expansion. The company's original washing and drying machines will be a competitive advantage there as well. Although share price has been sluggish, the company's stock market valuation is likely to change dramatically as it continues to build up its track record.

1. Company Overview

WASHHOUSE operates laundromats mainly based on the franchise system, with the aim of creating the global standard in the self-service laundry industry.

The company has developed an unprecedented franchise chain (FC) business system, which unifies the quality of laundromats by managing and operating all laundromats concurrently, so that both the FC headquarters and franchised shops can thrive. As a great advantage, the company has a stable earning structure with recurring revenue.

It made inroads into Osaka and Tokyo, embarking on nationwide business on a full-scale basis. It also plans to expand its business outside Japan.

As of December 2024, 583 laundromats (518 franchised ones and 65 directly managed ones) are in operation in Tokyo, Osaka and 25 other prefectures.

[1-1 Corporate History Until listing]

When starting up this business, President Kodama pondered over how to keep increasing sales and profit eternally in the age that will certainly witness the decreased birthrate and aging and declining population, whether the business has social meanings, whether there are any forerunners, whether the company can survive competitions, whether the business can be imitated easily, whether it is possible to achieve recurring revenue, and so on from various aspects, and decided to do the self-service laundry business.

For expanding the scale of business, the FC system is effective, but the FC business is accompanied by the problem of the conflict between the FC headquarters and franchised laundromats. In order to solve this problem, the company immediately introduced a call center that is in operation 24 hours a day all year round and the “system for managing and operating all laundromats at the same time,” which is composed of the swift support based on management webcams and remote control, etc. and reduced the burdens of franchised laundromats considerably. Its business grew steadily, partially thanks to the expansion of needs due to the increase in the number of working females.

From the Kyushu area, including Miyazaki Prefecture, where the business was launched, the company expanded its sales territory, entering Osaka in Dec. 2015 and Tokyo in Jul. 2016.

Then, in Nov. 2016, WASHHOUSE got listed on Mothers of Tokyo Stock Exchange and Q-Board of Fukuoka Stock Exchange. The company moved to the TSE Growth Market in April 2022.

[1-2 Management Philosophy]

The ethos of WASHHOUSE is “to think about all matters from the viewpoint of customers and keep being demanded by society.”

Under this ethos, the company is working on “creation of global standards in the self-service laundry industry” with the aim of continuously offering satisfactory services to users on behalf of laundromat owners by fully managing laundromats after the opening of the laundromat rather than “just selling self-service laundry equipment and instructing owners to operate it.”

[1-3 Market Environment]

◎ Social background of needs for a self-service laundry

The number of patients seeking medical attention for allergies such as atopic dermatitis has been increasing in recent years. The allergies are often triggered by dead mites and their droppings. Hay fever and health damage from PM2.5 cannot be ignored, either.

We live in an age where two out of three newborns have some sort of allergy. Within the highly sealed structures of modern-day houses, it is said that just one mite can produce up to 300,000 progenies in a single month, even in a brand new futon.

Many families also face laundry-related challenges at home. Some cannot set up washers and dryers in their apartments. Others have machines that are too small to accommodate large items like futons or cannot hang their laundry out on balconies. Two-income families may lack the time to manage laundry at home. Families with children tend to generate too much of laundry to handle. A coin-operated laundry has come to play an increasingly important part in our lives for these reasons.

◎ Potential of a self-service laundry

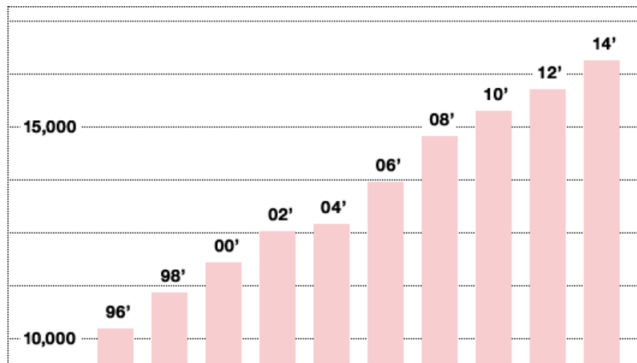
According to the “Survey on coin-operated laundromats” conducted by the Ministry of Health, Labour and Welfare, in fiscal year 2013, the number of self-service laundromats around Japan was 16,693, showing an increase from 10,228 in fiscal year 1996 at a CAGR (compound annual growth rate) of 2.9%. In the background of such growth, there are women’s needs for “the reduction in cleaning time” due to the increase of dual-earner households, measures against allergies, such as the allergy to pollen, decrease in the use of cleaning services due to the increase of low-priced high-quality clothes, and enhancement of awareness of cleanliness, and so on.

The “utilization rate” represents the proportion of households located within a 2-km radius of the company’s laundromats who

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use self-service laundromats. The utilization rate has more than doubled in the past 10 years and is expected to rise further (according to the company's research).



(Taken from the website of WASHHOUSE)

◎ Characteristics of the Business and Market Players

The self-service laundromat is a unique business unlike any other. The equipment operates only after coins are inserted, and since the system uses detergent and gas, no inventory or losses are generated. This makes the business unique in that it can be profitable with a small number of users. In addition, because they are unmanned laundromats, business operations are not dependent on the abilities of individuals, and labor costs can be kept to a minimum. Furthermore, most of the businesses are privately owned and operated, which means that it is an industry with outdated practices, with a low level of management awareness and delayed compliance with laws and regulations.

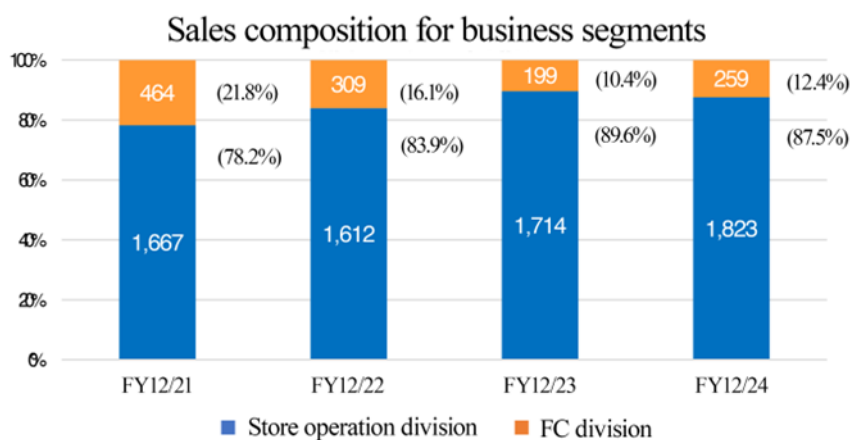
The number of main players in the self-service laundry market is said to be 4 to 5. WASHHOUSE has the largest number of laundromats with the same brand, and is the only listed company in this field.

Although many enterprises carry out the FC business for growth (increasing in the number of laundromats), WASHHOUSE possesses an unparalleled “system for managing and operating all laundromats at the same time,” which was developed in pursuing the streamlining of business operation and unification of quality. (For details, see “1-5 Characteristics and Strengths.”)

[1-4 Business Description]

1. Composition

In the term ended Dec. 2022, the number of divisions will change from three (FC Division, Laundromat Management Division, and Directly Managed Division, etc.) to two ((1) FC Division (former FC Division) and (2) Laundromat Operation Division (Former Laundromat Management Division + former Directly Managed Division, etc.).



*This figure is created by Investment Bridge Co., Ltd. based on disclosed materials.

(1) FC division

WASHHOUSE created a unique operation-supported FC division.

The company selects candidate places for opening laundromats, sells “a set of WASHHOUSE self-service laundromat

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systems,” which contains the design, interior finish work, equipment installation, etc. in a WASHHOUSE brand laundromat, to franchisees, and receives the preparation fees for opening laundromats, including advertisements, and fees for franchise rights.

Revenue structure of the FC division at the time of laundromat opening

(Unit: thousand yen)

Breakdown	Net sales
WASHHOUSE package	19,000
FC membership fee	500
Total sales	19,500

Ref) Example of equipment setup	
Equipment	Number of units
17-kg washer-dryer	3
27-kg washer-dryer	1
14-kg 2-tier dryer	3
25-kg dryer	1

*Standard example, actual situation may vary among properties.

An example of owner's expenditure at the time of laundromat opening

(Unit: thousand yen)

Breakdown	Owner's expenditure
WASHHOUSE package	19,000
FC membership fee	500
Membership deposit	1,000
New laundromat construction cost*	11,000
Total expenditure	31,500

*Standard example, the actual situation may vary depending on construction conditions and tenant property status.

Monthly operating revenue model for FC laundromats

(Unit: thousand yen)

Breakdown	Net sales
Laundromat's operation revenue (fixed)	60
Income from cleaning service	45
Commission income (detergent, water, electricity, gas)	20
Other income (cable broadcasting and advertising fees, etc.)	50
Total sales	175

*Monthly revenue structure model.

Owner's monthly income and expense model

(Unit: thousand yen)

Breakdown		Owner's expenditure
Revenue	Net sales	900
	Management and operating expenses (fixed)	60
Expenditure	Cleaning expenses	45
	Variable expenses (electricity, gas, water, detergent)	270
	Miscellaneous expenses (cable broadcasting and advertising fees, etc.)	75
Owner's profit (income-expenditure balance)		450

*Monthly revenue structure model.

(Taken from the reference material of the company)

For increasing franchisees, the company adopts the division system where sales staff visit possible franchisees, with which telephone staff set up an appointment, so that sales staff can concentrate on more active sales activities without the mental burden of sales calls. In addition, business simulation, contract production, etc. are conducted by other staff, so that sales staff can devote themselves to “footwork.” Furthermore, by concluding business matching contracts with financial institutions, etc., the company is accumulating information on sites for building laundromats and candidate owners and developing a “system” for increasing laundromats.

WASHHOUSE designs a plan to open new laundromats for each term based on the accumulated data on correlative relations of “the number of years of career of sales staff and achievements of opening franchised laundromats.”

(2) Laundromat operation division

The company is entrusted with laundromat management for all FC laundromats and reports the operational status, including laundromat income and expenditure, to the FC owners monthly. The company operates the former laundromat management division, which receives self-service laundry management income from FC owners by deducting it from monthly sales, and the self-service laundry “WASHHOUSE” as directly managed laundromats and receives a fee from laundromat users for the use of washing machines and dryers. This division also includes the revenue from the WASHHOUSE application.

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●Former Laundromat Management Division

In order to keep each laundromat “reliable, safe, and clean,” WASHHOUSE provides franchisees with such services as

- * 24/7 Call centers
- * Swift support based on management webcams and remote control
- * Daily inspection and cleaning
- * Replenishment of detergents
- * Maintenance patrol
- * Advertisement

Sales are composed of the fees for laundromat management and system maintenance, sales of detergents, cleaning fees, advertising charges, etc.

Since franchisees need not manage their laundromats, if they can bear initial investment costs, they can own multiple laundromats, increase revenue, and reduce the risk of revenue fluctuation with laundromats being operated in different regions.

●Former Directly Managed Division, etc.

The company directly manages self-service laundry “WASHHOUSE,” receiving the charges for washing and drying machines from users.

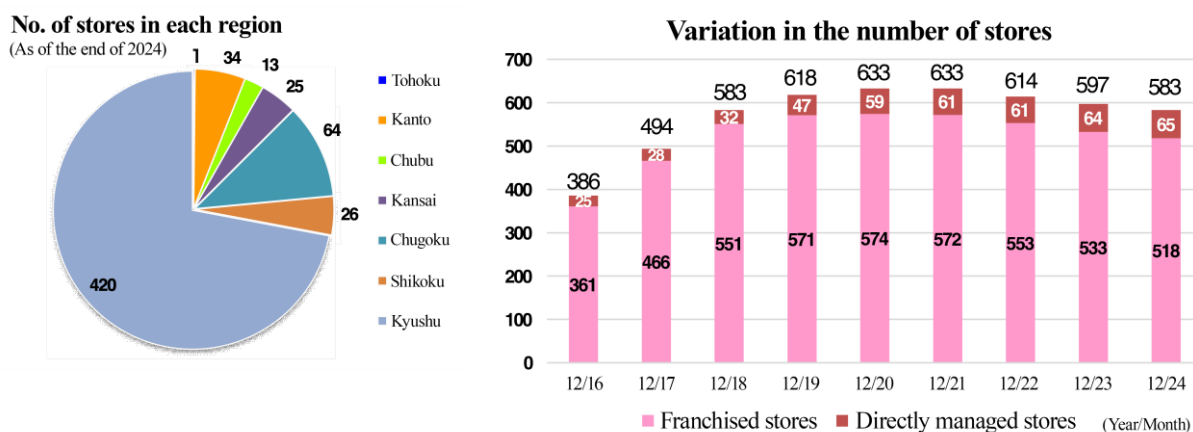
A directly managed laundromat is opened mainly when entering a new area. It takes the roles as an antenna shop, such as popularizing the “WASHHOUSE” brand as a “reliable, safe, and clean” self-service laundromat, promoting possible users to use it, and offering a laundromat model to franchisees and landowners (individuals and corporations that are thinking of utilizing their real estate).

In addition, the company receives commission fees related to the calculation of expenses for self-service laundry operation, etc. from enterprises.

It includes income from WASHHOUSE application, etc.

2. Laundromat operation

As of December 2024, WASHHOUSE operates 518 franchised laundromats and 65 directly managed laundromats, that is, a total of 583 laundromats in 27 prefectures. The company will continue nationwide business operations.



*This figure is created by Investment Bridge Co., Ltd. based on disclosed materials.

[1-5 Characteristics and strengths]

(1) Creation of a new FC business system

WASHHOUSE can be characterized most by its unique FC business model.

In ordinary FC business, a conflict between the FC headquarters and franchisees tends to emerge.

While franchisees pay franchise fees and royalties to the FC headquarters, the FC headquarters permit them to use a brand name, offer know-how to them and supply products to them, but laundromat operation, staffing, etc. must be carried out by

franchisees on their own responsibility.

For franchisees, the operation and management of laundromats are significant burdens. If their business performance is favorable, there are no problems, but if sales are sluggish, the franchisee complains, “the system of the headquarters is poor,” while the FC headquarters blames, “the education in the franchisee is poor,” and these complaints lead to a lawsuit in many cases.

Meanwhile, WASHHOUSE introduced the “system for managing and operating all laundromats at the same time.” As mentioned above, the company conducts all the necessary tasks for operating and managing franchised laundromats: As mentioned above, 24/7 Call centers, Swift support based on management webcams and remote control, Daily inspection and cleaning, Replenishment of detergents, Maintenance patrol, Advertisement. As a consequence, franchisees are free from the burdens of laundromat operation.

In addition, since the company targets real estate that would have sales of over 1 million yen, it has meticulously surveyed the market, including local population, age distribution, income state, etc. and accumulated know-how for cultivating profitable property.

Thanks to the combination of the system for fully managing laundromats and the capability of cultivating profitable real estate, the satisfaction level of franchisees is very high, contributing to outstanding results of no closing laundromats caused by poor performance up until now.

(2) Bright, clean, easy-to-use laundromats

A self-service laundry generally reminds us of a “dimly-lit, eerie and dirty” place, but self-service laundry WASHHOUSE operates “reliable, safe, and clean” laundromats with the unified brand targeting women and families including children.



(Taken from the website of WASHHOUSE)

In the past, using a self-service laundry was considered as one of “sloppy acts in homemaking.” However, there is a growing interest in self-service laundries, which can wash and dry a larger amount of clothes in a shorter period of time than household washing machines, as the employment rate for women rose, high-rise condominiums increased, and the life-work balance changed. Especially, the washing of large items, such as futons and carpets, for removing ticks and allergens is attracting attention, due to the rising health consciousness.

In addition, the needs for self-service laundromats mounted with equipment for washing and drying kids’ sneakers are getting stronger.

In these circumstances, the company installs the following equipment for meeting the needs of consumers:

- * Washing machines with a capacity of 22 kg, which can wash a full-sized futon, and dryers with a capacity of 25 kg (in standard laundromats),
- * Sneaker laundry equipment, which can wash sporting shoes, sneakers for commuting to school, etc.
- * Devices for removing stains free of charge (Spot remover)

Furthermore, all laundromats are monitored by management webcams 24 hours a day, and mounted with IoT laundry equipment, which can be controlled remotely by the headquarters, so as to offer real-time support like manned laundromats, although the laundromats are unmanned. Like this, the company has established a system that can be used by users without worry.



(Taken from the website of WASHHOUSE)

The company also indicates the components of detergents and the temperature in each dryer, to dispel the worries of consumers. In order to keep laundromats clean, the company cleans laundromats every day, including the cleaning of the filters of dryers and the sterilization of washing machines.

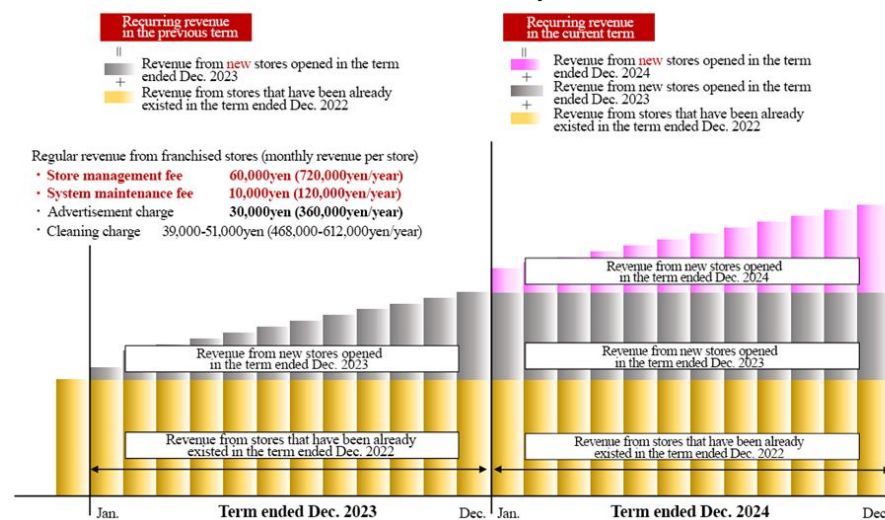
In addition, in April 2020, the company released the WASHHOUSE app, a smartphone payment application for self-service laundries.

The app is aimed at strengthening the self-service laundry business as a platform and is equipped with cashless payment functions and information distribution functions such as special coupons, and it was installed in all WASH House laundromats at the end of May 2020.

The company has also incorporated functions to create collaborations with a wide variety of other industries and will continue to work to create laundromats that are needed by users by providing them with meaningful information and highly convenient services that are closely related to their daily lives.

(3) Stable earning structure with recurring revenue

The sales from the laundromat management business are composed of the monthly laundromat management fee (60,000 yen per laundromat), the fee for system maintenance (10,000 yen), ad charge (30,000 yen), cleaning charge (39,000 – 51,000 yen), etc., that is, a total of about 140,000 – 150,000 yen/month.



(Taken from the reference material of the company)

Like this, sales from the laundromat management business grow steadily, as the sales from new laundromats are added to those from existing laundromats, year by year.

Meanwhile, the satisfaction level of franchisees is very high, as seen by the fact that no laundromats have been closed because of poor performance up until now. Therefore, there is a low possibility that the number of laundromats will decrease.

The revenue from Washhouse Financial is stable and recurring. This fortifies the stable revenue structure of the company.

(4) Efforts for improving the soundness of the self-service laundry market

Although the self-service laundry market is growing, president Kodama mentioned that there remain a lot of problems, including the issue of compliance with the law.

For example, the dryers in a self-service laundry consume a large volume of gas, and so the Fire Service Act, the Building Standards Act, etc. specify the materials for exhaust ducts, how to install them, etc. in detail, for safety reasons. However, there are many illegal installations.

Some self-service laundry operators try to reel in users by offering to wash clothes on behalf of customers as a measure for differentiating their services from competitors, but they are very likely to be violating the dry cleaning business law.

The dry cleaning business law enforced in 1950 set forth the following provisions from the viewpoint of maintaining public health.

(Excerpt from the dry cleaning business law)

Section		Provision	In other words
Article 2	2	In this law, a “dry cleaning business operator” means a person who operates dry cleaning business (including a person who does not wash clothes but receives and delivers the laundry).	A person who folds up clothes, too, is recognized as a dry cleaning business operator.
	3	In this law, a “dry cleaner” means a person who has obtained a license described in Article 6.	In order to conduct dry cleaning business, it is necessary to obtain a dry cleaner’s license.
	4	In this law, a “dry cleaning shop” means a facility of a dry cleaning business operator for handling, receiving, and delivering the laundry.	In order to open a dry cleaning shop, it is necessary to notify the governor of the prefecture. In addition, the dry cleaning shop needs to undergo the governor’s inspection before use. A dry cleaner need to be employed at each dry cleaning shop.

In a nutshell,

- * Even if a self-service laundry operator obtains a dry cleaner’s license, he/she cannot offer services of handling and folding up the laundry, etc. at a self-service laundry, which is not a dry cleaning shop.
- * The washing machines and dryers inside a facility registered as a dry cleaning shop is exclusively for dry cleaning business operators, and so they cannot be used by others (users of self-service laundries) from the viewpoint of hygiene.

Despite the existence of these laws, in order to avoid the guidance from a public health center, some business operators set a counter inside their laundromats, install washing machines, explain “We use this washing machine,” but actually they wash the laundry of users with unregistered self-service laundry equipment outside the counter (not installed ones), and fold up the laundry.

In this situation, president Kodama considered that in order to promote the use of self-service laundries, it is indispensable to develop “reliable, safe, and clean” self-service laundries inside his company and improve the soundness of the self-service laundry industry, therefore established the National Association of Laundromat Operators in Dec. 2003.

This association specified the operation standards for equipment and hygienic management complying with laws, regulations, etc. At present, the directly managed laundromats and franchised laundromats of WASHHOUSE belong to this association, which takes the roles of improving the soundness of this industry and educating general consumers (about the usefulness of self-service laundries, etc.).

[1-6 Business developments]

After the listing of WASHHOUSE in 2016, there emerged a trend of opening self-service laundromats.

The number of laundromats has increased from 20,000 to 25,000, indicating clearly that the habit of using a self-service laundry is spreading.

Under these circumstances, the company has been insisting “We have no intention of being a mere laundry business operator,” since the inauguration of business, because they had a vision of offering “charge-free” laundry and drying services.

Then, they conducted experiments of charge-free services and finally succeeded in monetization with ads.

Customers can wash and dry clothes “free of charge,” drink coffee “free of charge,” and get Miyazaki Beef or eels by lottery!!

Customers can wash clothes at a lower cost than washing at home!

Furthermore, customers can get useful information and purchase products at affordable prices!

The concept of laundry will be changed.

For 22 years, WASHHOUSE has been preparing for charge-free services and pursued thoroughgoing cost reduction, while assuming that price-cutting wars will break out in the fields of detergent factories, in-house washing and drying machines, and mission-critical systems. While looking ahead to global business operation, they researched and developed washing and drying machines and systems unique to WASHHOUSE, and strove to install digital signages in them.

Policy of expanding a single item multiple times in a derivative manner based on the self-service laundry (platform business)

- Employment of non-Japanese employees, and response to consumption and needs

- Foray into overseas markets!

- Cross-border EC and livestream e-commerce

- Distribution and trade



(Taken from the reference material of the company)

1st stage	Expansion of the network of laundromats for distribution information as the media and the growth of the revenue base
2nd stage	Development of software, hardware, etc. for realizing the ideal state
3rd stage	Advertisement, cross-border EC, distribution, trade businesses, and container business

[1-7 New Products]

The development of the company’s original washing and drying machines, which it had been working on in order to realize its goal of offering free laundry services since establishment, has now been completed. Through this development, they will brush up their capabilities as a manufacturer. In addition, bringing this new laundry equipment to the market will not only expand the group’s business in the future, but will also significantly change the conventional standards of the industry.

In addition, on December 26 last year, they opened their first shipping container-type self-service laundromat, WASHHOUSE Miyazakikomatsu, equipped with their original washing and drying machines.

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Miyazakikomatsu Laundromat

(Taken from the reference material of the company)



Inside the Miyazakikomatsu Laundromat

[1-8 WASHHOUSE App]

System of the Advertising Service

By accepting submissions for ad placements and distributing them through the WASHHOUSE app, the company generates advertising revenue with the goal of eventually offering laundry services for free.



Distribute video and banner ads

Since users see in-app advertisements when using the self-service laundromat — such as when checking machine availability, during wash cycles, or upon completion — the platform enables highly effective ad placement for advertisers. Examples of past advertisers include:

- Sake breweries
- Moving companies
- Food manufacturers
- Local governments

Booking system

This resolves the common issue of “bringing laundry only to find no available machines,” and also greatly contributes to reducing in-laundromat congestion.



Reservation screen

How to Use the Reservation System

- 1) From the “Laundry Reservation” screen on the WASHHOUSE app, select your preferred laundromat and machine.
- 2) Choose your desired wash course and drying time.
- 3) Select your preferred date and time from the available slots → Reservation complete.
- 4) At the reserved time, scan the QR code displayed on the machine at the laundromat and make payment via the WASHHOUSE app to start the cycle.

System for Cashless payment

Cashless payment is possible, eliminating the need for coins. Currently compatible with 13 different payment services



(Taken from the reference material of the company)

Cross-Referral System



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The number of app downloads has been steadily increasing, reaching 920,000 in February. The goal is to achieve 1 million downloads by May and 1.2 million downloads by the end of the year.

Additionally, the company plans to focus on expanding its e-commerce business.

The WASHHOUSE app offers value beyond just laundry services.

Example of Campaigns at Laundromats Using the WASHHOUSE App



(Taken from the reference material of the company)

[1-9 Overseas Expansion]

The company plans to localize the original washing and drying machines completed last year for the Chinese market.

It will be exhibiting at the “China Household Electrical Appliances World Expo” in Shanghai on March 20.

By October, the company is expected to open two model laundromats in Jinan, like its first domestic laundromat opening in 2002.

Expansion into Thailand is also planned for 2026, marking the beginning of the company’s overseas expansion that had been delayed due to the impact of COVID-19.

[1-10 Launch of New Businesses and Establishment of Subsidiaries]

The company has launched a new “Shipping container business,” which is related to one of the seven business strategies outlined during its IPO in 2016: “Unitization of Buildings.” By utilizing durable and mobile containers, the company will expand its shipping container-type self-service laundromats.

To accelerate this container business, a consolidated subsidiary named WASHHOUSE Sustainable Co., Ltd. has been established through a joint investment by three companies.

Going forward, through this subsidiary, the company plans to engage in the planning, laundromat development, and sales of facilities utilizing containers, such as hotels, while also promoting the adoption of renewable energy systems.

The initiative is expected to contribute to building a sustainable society by reducing greenhouse gas (GHG) emissions, for example, by generating electricity through solar power to meet the energy needs of the laundromats.



An example of facilities using containers

2. Fiscal Year ended December 2024 Earnings Results

(1) Business Results

	FY 12/23	Ratio to Sales	FY 12/24	Ratio to Sales	YoY	The company's forecasts	Compared with the forecasts
Sales	1,914	100.0%	2,083	100.0%	+8.8%	2,054	+1.4%
Gross profit	732	38.2%	801	38.5%	+9.5%	-	-
SG&A	718	37.5%	778	37.4%	+8.4%	-	-
Operating Income	13	0.7%	22	1.1%	+69.1%	3	+505.2%
Ordinary Income	26	1.4%	24	1.2%	-4.6%	6	+264.8%
Net Income	-33	-	31	1.5%	-	22	+40.4%

*Unit: million yen.

Sales and operating income grew 8.8% and 69.1%, respectively, year on year.

Sales increased 8.8% year on year to 2.083 billion yen.

The company launched aggressive PR campaigns, resulting in a 2% year on year increase in in-laundromat sales. For the WASHHOUSE app, they achieved a total of 850,000 downloads on November 11, ahead of the target for the fiscal year ended December 2024 by about 1.5 months (the total reached 899,000 downloads by the end of the period). Additionally, the 5th and 6th rounds of the free service trials were conducted from April 19-21 (300 laundromats in 21 prefectures) and from October 25-27 (322 laundromats in 22 prefectures). The company also started operating hotels as a new business. Operating income increased 69.1% year on year to 22 million yen. In terms of profit, gross profit margin improved from 38.2% to 38.5% year on year, and by controlling the increase in SG&A expenses, they improved operating profit margin. These results reflect the achievements of activities aimed at transforming the revenue structure.

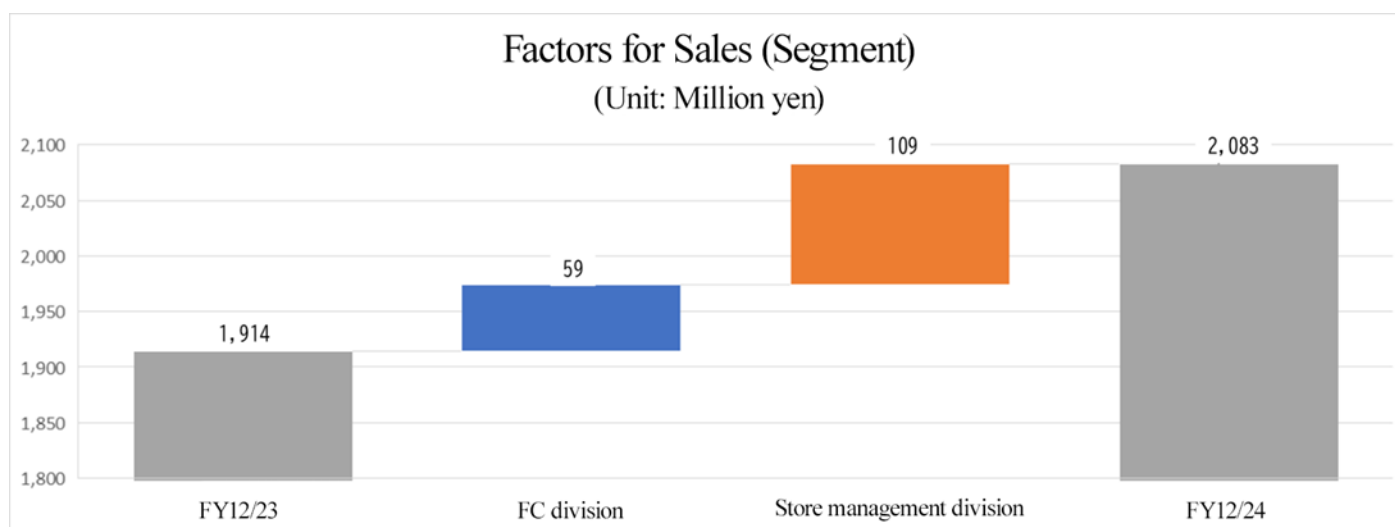
The company's actual performance exceeded its forecast for both sales and profits. The increase in the number of new FC laundromats (one additional laundromat) and the higher-than-expected demand for self-service laundromats contributed to an increase of deliveries to FC laundromats.

(2) Sales trend in each business segment

	FY12/23	Composition Ratio	FY12/24	Composition Ratio	YoY
Sales					
FC division	199	10.4%	259	12.5%	+29.9%
Laundromat operation division	1,714	89.6%	1,823	87.5%	+6.4%
Total	1,914	100.0%	2,083	100.0%	+8.8%
Gross profit					
FC division	63	31.6%	63	24.6%	+1.2%
Laundromat operation division	668	39.0%	737	40.4%	+10.2%
Total	732	38.2%	801	38.5%	+9.5%

*Unit: million yen. Composition of gross profit is gross profit ratio.

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*This figure is created by Investment Bridge Co., Ltd. based on disclosed materials.

① FC division

Sales were 259 million yen (up 29.9% year on year), and gross profit was 63 million yen (up 1.2% year on year).

The company opened 8 new franchised laundromats, up 6 laundromats year on year and renovated 12 laundromats, down 4 laundromats year on year. Gross profit margin declined 7.0 points from the previous fiscal year to 24.6%.

② Laundromat operation division

Sales were 1,823 million yen (up 6.4% year on year), and gross profit was 737 million yen (up 10.2% year on year).

Incomes grew, thanks to the continuous growth of sales at laundromats. Gross profit margin increased 1.4 points from the previous fiscal year to 40.4%, due to cost reduction, etc.

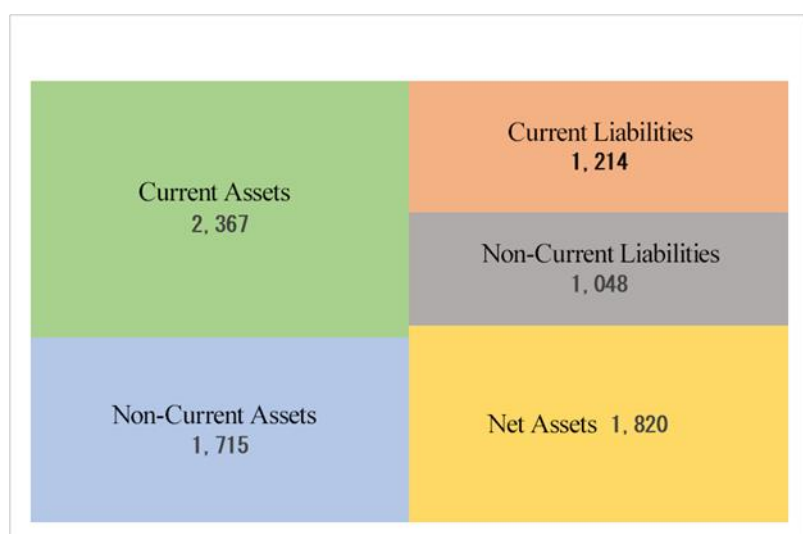
(3) Financial standing and cash flows

◎ Main BS

	End of Dec. 23	End of Dec. 24		End of Dec. 23	End of Dec. 24
Current Assets	2,405	2,367	Current liabilities	1,246	1,214
Cash	1,013	999	Deposits received	401	366
Receivables	139	162	Noncurrent liabilities	1,118	1,048
Operating loans	923	853	Guarantee deposited	770	750
Noncurrent Assets	1,723	1,715	Borrowing Ballance	835	754
Tangible Assets	1,156	1,150	Total Liabilities	2,365	2,263
Intangible Assets	141	133	Net Assets	1,764	1,820
Investment, Others	425	431	Shareholder's Equity	1,654	1,686
Total Assets	4,129	4,083	Total Liabilities and Net Assets	4,129	4,083

*Unit: million yen. Borrowing Balance = Long-term debt + Short-term debt + Current portion of long-term debt due within one year

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*This figure is created by Investment Bridge Co., Ltd. based on disclosed materials.

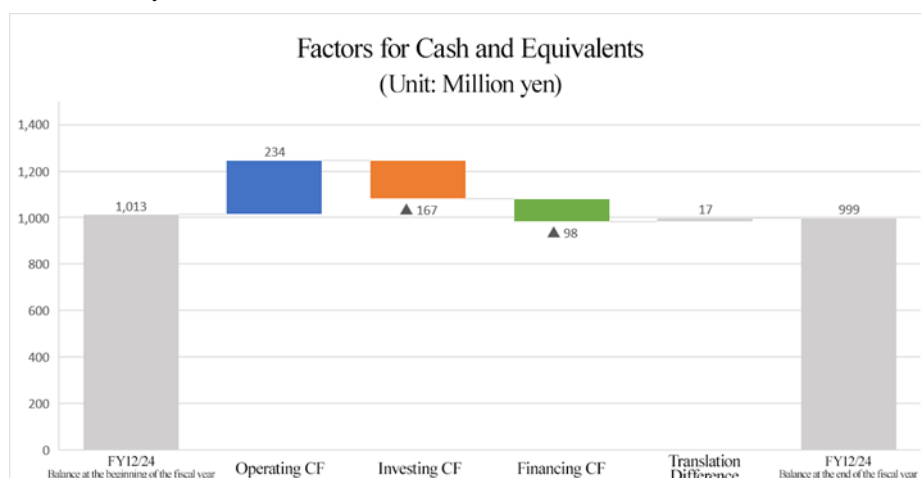
The total assets as of the end of the fiscal year ended December 2024 stood at 4,083 million yen, down 46 million yen from the end of the previous fiscal year. This is mainly because of a decrease in operating loans. Total liabilities decreased 102 million yen to 2,263 million yen, mainly due to a decrease in payable loans. Total net assets increased 56 million yen to 1,820 million yen, mainly due to net income.

Equity ratio improved by 1.5 points from the end of the previous term to 42.3%.

◎ Cash Flow

	FY 12/23	FY 12/24	Increase/decrease
Operating Cash Flow	95	234	+139
Investing Cash Flow	-131	-167	-35
Free Cash Flow	-36	66	+103
Financing Cash Flow	-56	-98	-41
Term End Cash and Equivalents	1,013	999	-14

*Unit: million yen.



*This figure is created by Investment Bridge Co., Ltd. based on disclosed materials.

While the cash inflow from operating activities increased significantly and the cash outflow from investment activities grew, free cash flow increased. Due to the decrease in the increment in short-term debt, a cash outflow from financial activities was posted. The cash position declined.

3. Fiscal Year ending December 2025 Earnings Forecasts

Forecasts of Consolidated Business Results

	FY 12/24	Ratio to Sales	FY 12/25 Est.	Ratio to Sales	YoY
Sales	2,083	100.0%	3,292	100.0%	+58.0%
Operating Income	22	1.1%	189	5.8%	+748.8%
Ordinary Income	24	1.2%	178	5.4%	+615.3%
Net Income	31	1.5%	90	2.8%	+190.1%

*Unit: million yen.

In the fiscal year ending December 2025, sales are expected to increase 58.0% year on year to 3,292 million yen, and operating income is projected to rise 748.8% year on year to 189 million yen.

The company will further accelerate the growth of its “self-service laundry business as a platform.” In the FC division, it will gradually install its original washing and drying machines in laundromats and expand its laundromat network. In the laundromat operation division, the company will conduct a PR campaign that will exceed the level of the fiscal year ended December 2024. In addition to giveaway campaigns featuring prizes provided by advertisers, the company plans to continue offering added value beyond laundry services, such as information on how to purchase Miyazaki Wagyu at special prices and advertisements for new products. In addition, the company will sell shipping container-type self-service laundromats and develop, sell, and operate laundromats using shipping containers, including hotels. The company will also continue to promote the adoption of renewable energy facilities.

The company plans to open 30 franchised laundromats, and the number of franchised laundromats is expected to reach 548, including 65 directly managed laundromats, by the end of the fiscal year.

4. Conclusions

The results for the fiscal year ended December 2024 exceeded the company’s forecast. However, the highlight in the fiscal year ended December 2024 was the completion of the company’s original washing and drying machines. During the fiscal year, a shipping container-type self-service laundromat equipped with the company’s original washing and drying machines was opened. In addition, the number of downloads of the WASHHOUSE app reached 920,000 in February, up from 540,000 at the end of the fiscal year ended December 2023, steadily strengthening the company’s customer base.

Another area to focus on is overseas expansion. Furthermore, the company plans to open its first laundromat in China during the fiscal year ending December 2025, which will probably be a steppingstone to full-scale overseas expansion. The company’s original washing and drying machines will be a competitive advantage there as well.

The company was listed in 2016, and since 2017, the company’s share price has been low for a long period of time and has fallen significantly from the IPO price (1,150 yen after retroactive revision). However, the company’s efforts to reform its revenue structure have been successful, with both sales and profits increasing year on year in the fiscal year ended December 2024 and plans for fiscal year ending December 2025 including the introduction of original laundry equipment to laundromats, expansion of laundromat network, and a PR campaign which is to exceed the level of the previous fiscal year, so sales and profits are expected to increase in fiscal year ending December 2025. In the previous report, we stated that the developments in the fiscal year ending December 2025 would be worth keeping a close eye on, particularly the rollout of new products and the status of new laundromat openings — and this is indeed now proving to be the case.

In 2025, the company is expected not only to demonstrate strong performance, but also to experience a significant change in valuation on the stock market.

<Reference: Regarding Corporate Governance>

◎ Organization type and the composition of directors and auditors

Organization type	Company with an audit and supervisory board
Directors	6 directors, including 1 outside one
Auditors	3 auditors, including 2 outside ones

◎ Corporate Governance Report

Last update date: March. 28, 2024

<Basic policies>

Our company will comply with laws, carry out fair and transparent corporate activities, and contribute to the regional community by achieving growth. Additionally, we will strive to gain trust from all concerned stakeholders including shareholders, customers, clients, employees, and the regional community and plan to expand global corporate activities in the future.

Furthermore, we aim to maximize our corporate value by improving the management's fairness and transparency, making agile adaptation to environmental changes, strengthening our competitiveness, and striving to build a corporate governance structure according to our company's growth.

<Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts)>

The company mentioned, "We will implement all of the basic principles."

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