COMPANY RESEARCH AND ANALYSIS REPORT

Sanyei Corporation

8119

Tokyo Stock Exchange Standard Market

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Contents

Summary

Sales and profits increased significantly in 1H FY2024. Growth in sales and profits is also expected for the full year, with ordinary profit forecast at ¥1.5bn

Sanyei Corporation <8119> is a multifunctional trading company specializing in high-value-added products with a history of 78 years. The Company handles a full range of lifestyle consumer goods and covers an expansive supply chain spanning manufacturing, imports and exports, wholesale, and retail. The group has 17 overseas locations and 29 directly managed retail stores in Japan. The Company stands out in terms of its coverage of high-value added products, including the introduction of differentiated European brands to Japan and OEM supply of products to customers, such as Ryohin Keikaku Co., Ltd. <7453>, which operates Ryohin Keikaku (MUJI). In terms of the ratio of net sales, OEM Business represents about 70%, and the Brand Business about 30%. It has three main business segments—Furniture and Houseware Business (45.2% of sales in 1H FY2023), Fashion Accessories Business (42.6%), and Home Appliance Business (7.9%).

1. 1H FY2024 results

In the 1H FY2024 consolidated results, net sales were ¥20,900mn (up 22.6% year on year (YoY)), operating profit was ¥1,328mn (up 189.5%), ordinary profit was ¥1,217mn (up 117.4%), and profit attributable to owners of parent totaled ¥1,018mn (up 99.7%), and both sales and profits increased significantly YoY. Net sales grew by double digits for the Company as a whole, driven by both the Fashion Accessories Business and the Furniture and Houseware Business. Sales growth in the Fashion Accessories Business was supported by higher demand for products related to going out and travel amid a recovery in going-out, travel, and inbound demand. In addition, new initiatives such as sustainable products contributed to this growth. In the Furniture and Houseware Business, an overall recovery trend in OEM, along with e-commerce, contributed substantially to increased sales, despite the impact of sluggish economic conditions in Europe and China. Results benefited from higher gross profit due to increased sales, as well as tighter control of SG&A expenses through the dissolution of a subsidiary and a reduction in the number of stores. Significant profit increases were achieved, with operating profit increasing ¥869mn to ¥1,328mn and ordinary profit increasing ¥657mn to ¥1,217mn. Considering the initial forecast for ordinary profit was ¥500mn, the Company's actual ordinary profit was approximately 2.4 times greater than the forecast on a six-month basis.

2. FY2024 results forecast

For the FY2024 consolidated results, the Company forecasts higher sales and profits with net sales to increase 6.3% YoY to ¥39,000mn and ordinary profit to grow 20.2% to ¥1,500mn. FY2024 is the second year of the new medium-term management strategy SANYEI 2025. The Company has positioned FY2024 as a year to reinforce its business base to achieve the final-year ordinary profit target of ¥2.0bn by stepping up investment in growth. On the sales front, the Company expects expansion of the e-commerce business, which is a growth driver in the medium-term management strategy, and orders from new customers, which is a key strategy, to lift sales. In adition to that, it expects demand related to going out and inbound demand to remain firm, as well as growth for environmental products. However, it expects sales to decline in the Home Appliance Business, due to a drop in forecast overseas OEM sales. The net sales progress rate for the 1H period was 53.6%. On the profit front, the Company upwardly revised forecasts due to increased sales, as well as the positive impact of the structural reforms. The ordinary profit progress rate for the 1H period was 81.2%, reaching a high level. In 2H, FISCO believes that external factors such as domestic consumer spending, including inbound consumption, will remain strong. FISCO also expects the business environment in 2H to remain favorable particularly for travel, fashion accessories, beauty products, and environmental products, all of which are areas in which the Company excels. In terms of internal factors, FISCO believes the Company is in the stage of completing the structural reforms and business reorganization that it has been undertaking so far. FISCO expects the Company to make positive investments to further strengthen its earnings power in 2H.

3. Growth strategy

In September 2019, the Company launched Our EARTH Project based on the concept of being “more Earth friendly.” Under this initiative, the Company has conducted activities such as importing and selling overseas brand products, developing original brands, and supplying and manufacturing materials with a focus on the keywords of sustainable and ethical. It now offers more than 10 brands, with an increasing number of products and materials experiencing rapid growth. These include uF, which offers bags and pouches using recycled materials, and YOT WATCH wristwatches created from waste plastic materials derived from toys. Other brands include e.dye®, a solution-dyed fabric brand using anhydrous dyeing technologies, and heat-blocking sheet, a summer heat protection product that reduces heat intrusion from sunlight and other sources when applied to building roofs and walls. In October 2024, uF received the Good Design Award 2024 Best 100. The brand was highly commended for its high level of design and convenience, as well as its use of fabrics dyed with e.dye and the reduction and visualization of CO_2 emissions (verifiable using QR codes).

4. Shareholder return policy

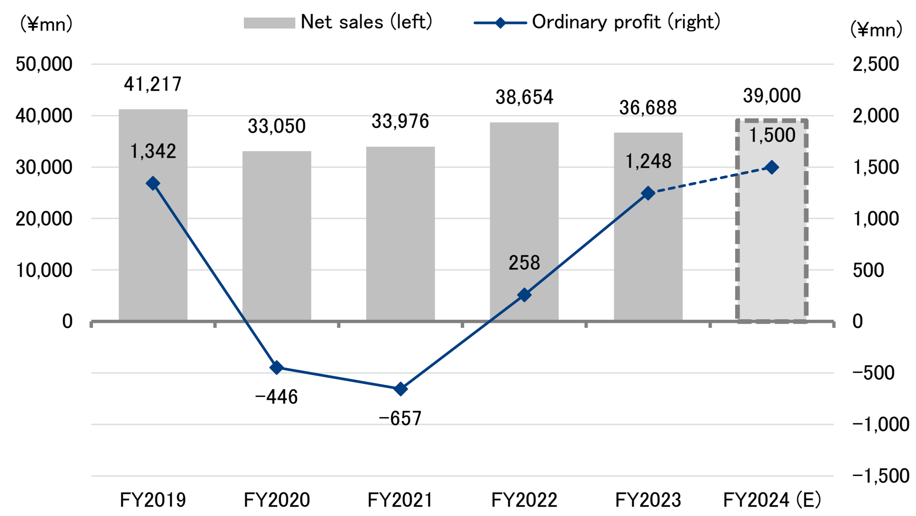
In May 2024, the Company revised its policy on determining dividends from surplus. Under the new policy, the Company has positioned the appropriate return of profits to shareholders who have a close relationship with the Company as one of its most important management issues, in line with its corporate philosophy of “Zuien” (connection—i.e., the bonds). The Company’s basic policy is to pay dividends twice a year—an interim dividend and a year-end dividend—targeting a dividend payout ratio of 30–50%. Currently, the Company has gained confidence in its ability to generate profits, and the new policy can be expected to lift the pace of dividend increases.

The Company conducted a four-for-one stock split of its common shares, with an effective date of October 1, 2024. The goal is to expand the investor base by making it easier for investors to buy the Company's shares. For FY2024, the Company plans to increase the annual dividend significantly from an initial forecast of ¥20.0 per share to ¥29.0 per share (with an interim dividend of ¥10.0 already paid and a year-end dividend of ¥19.0, resulting in an increase of ¥9.0 YoY). (The amounts before the stock split have been converted into post-split values.) The Company is forecasting a dividend payout ratio of 30.5%.

Key Points

- Sales and profits rose sharply in 1H FY2024. Demand related to going out caused sales of relevant products to grow. Structural reforms reduced SG&A expenses
- The Company forecasts FY2024 net sales of ¥39.0bn and ordinary profit of ¥1.5bn (upwardly revised in July). In 2H, the Company will step up investments to reinforce its business base in preparation for the final year of the medium-term management strategy
- The e-commerce and sustainable businesses, which the Company is focusing on as growth drivers, have gained a stronger presence
- The Company conducted a stock split. For FY2024, the annual dividend is forecast at ¥29.0 per share, an increase of ¥9.0 YoY, with a dividend payout ratio of 30.5%

Results trends



Source: Prepared by FISCO from the Company's financial results

Company profile

A multifunctional trading company that manufactures and sells worldwide high-value-added lifestyle goods on the theme of health and the environment

1. Company profile and history

Established as an exporter of accessories in Osaka in 1946 shortly after World War II, the Company has a history of 78 years. Today, it carries a full range of lifestyle consumer goods and covers an expansive supply chain spanning manufacturing, imports and exports, wholesale, and retail. It has grown to be a multifunctional trading company with 17 overseas locations and 29 directly managed domestic retail stores. The Company stands out in terms of its coverage of lifestyle goods with high added value based on the theme of "health and the environment," including the introduction of differentiated European brands to Japan and OEM supply of unique products to clients, such as Ryohin Keikaku (MUJI). The Company is a global enterprise that deals with products at domestic and overseas sites and sells them in the Japanese and overseas markets, based on the concept of offering "enhancing health and enriching life through lifestyle goods." In personnel matters, the Company announced the promotion of Mr. Masaki Mizukoshi to the position of President and CEO from January 2022, and it transitioned to a new management system. Mr. Mizukoshi, who was formerly an employee of Sumitomo Corporation <8053>, makes use of his abundant experience and knowledge, including wholesale, retail, e-commerce and online shopping, targeting business development over the next 10 years. The Company is listed on the Standard Market following the Tokyo Stock Exchange market segment restructuring in April 2022.

2. Business composition

The Company's business segments are categorized as the Furniture and Houseware Business, the Fashion Accessories Business, the Home Appliance Business, and Others. The Furniture and Houseware Business includes MINT, the furniture and interior goods e-commerce brand, mainly procures OEM products for major domestic and overseas companies. The Fashion Accessories Business conducts import sales of brand products to which it has the sales rights, such as BIRKENSTOCK sandals and shoes and Kipling bags, operates directly managed multi-brand stores BENEXY, conducts domestic and overseas OEM Business and other businesses. The Home Appliance Business consists of OEM product procurement and Brand Business, and the brands it focuses on are Vitantonio, which are cooking appliances, and mod's hair, which are beauty appliances. The Others segment consists of pet stores, veterinary hospitals, and other businesses. In 1H FY2024, the Furniture and Houseware Business accounted for 45.2% of sales, the Fashion Accessories Business 42.6%, the Home Appliance Business 7.9%, and other businesses 4.3%.

The Company has two business models: Brand Business and OEM Business. The Brand Business mainly promotes wholesale and retail business in Japan for overseas brands and the Company's own brands. It mainly carries brands with strong histories that have not yet been introduced in Japan, while in recent years the Company has proactively introduced new sustainable brands. The Brand Business accounted for about 30% of overall sales in FY2023, and the Company aims to increase the sales of the Brand Business to broaden business in the lifestyle consumer product category. The OEM Business makes up around 70% of all sales. It provides various procurement services, such as review of product specifications for goods that meet the needs of client companies, manufacturer selection, price negotiation, production management, and export/import and logistics. The Company has strengths in the manufacturing network in Asia built through overseas initiatives over many years and production management by its own staff.

Business overview

Conducts OEM Business from major clients such as Ryohin Keikaku (MUJI) and store sales with a focus on imported brands

1. Trends in the Furniture and Houseware Business

The Furniture and Houseware Business is the Company's largest business segment. In this segment, OEM Business accounts for around 90% of net sales and has grown alongside the growth of the major clients, such as Ryohin Keikaku (MUJI). The net sales ratio of Ryohin Keikaku (MUJI) and its affiliates accounts for 52.0% (total of all segments for FY2023), which makes it a significant presence. Expected to lead to further growth as new sales channels are the Company's own e-commerce interior shops, such as MINT. They sell more than 1,000 items on Rakuten and Yahoo! Shopping, and meet the needs of consumers for items at reasonable prices, including good quality beds and mattresses, antique-style furniture, interior goods, garden exterior and outdoor goods. The Company owns a furniture and interior goods manufacturing factory in Malaysia (approximately 4,000 m^2) which serves as a development base for ODM proposals in addition to the Company's own brand products and manufacturing of OEM products.

2. Trends in the Fashion Accessories Business

In the Fashion Accessories Business, the Brand Business accounts for a larger sales ratio than that of the Furniture and Houseware Business, although some OEM business is also conducted. One of the brands the Company handles is BIRKENSTOCK, a long-standing German brand known for its comfortable shoes and sandals, which recently celebrated the 250th anniversary of its founding in Germany. The Company's subsidiary BENEXY CORPORATION is engaged in the retail sales business, and as well as dealing with BIRKENSTOCK products. Previously, it operated BIRKENSTOCK specialty stores, but the contract for these stores was terminated in September 2024. The stores are now being converted into directly managed multi-brand stores, such as BENEXY and Quorinest. The Company also carries brands such as OrthoFeet, a footwear brand known for its hands-free, slip-on design and anatomical insoles; Kipling, a Belgian bag brand; and Our EARTH Project, a multi-brand selection of products with excellent environmental performance.

3. Trends in the Home Appliance Business

In the OEM Business, the Chinese subsidiary Sanfat Electric Manufacturing (Dongguan) Co., Ltd., and the Hong Kong subsidiary Sanfat Electric Manufacturing Co., Ltd. manufacture and export home appliances. In the Brand Business, the segment manufactures and sells its own Vitantonio brand of cooking appliances, beauty appliances brand mod's hair, and cooking appliances brand MULTI CHEF. For the Vitantonio brand, hot sandwich makers and cordless portable blenders have been selling well. It is well known as a unique brand offering products that allow users to make hot sandwiches and original drinks at home. Stay-at-home demand has subsided at this time, so the Company is working to refresh this brand. As the pandemic has subsided, demand for beauty appliances has been recovering. The mod's hair products include hairdryers and hair irons as well as a compact ion heat brush, for which sales have been strong. Segment earnings are currently being squeezed by factors such as a decline in the plant utilization rate. In response, the Company is moving forward with the rationalization of production facilities and the production structure.

Business performance trends

Sales and profits rose sharply in 1H FY2024

1. Overview of 1H FY2024 results

In the 1H FY2024 consolidated results, net sales were ¥20,900mn (up 22.6% YoY), operating profit was ¥1,328mn (up 189.5%), ordinary profit was ¥1,217mn (up 117.4%), and profit attributable to owners of parent totaled ¥1,018mn (up 99.7%), and both sales and profits increased significantly YoY. Net sales grew by double digits for the Company as a whole, driven by both the Fashion Accessories Business (up 37.0%) and the Furniture and Houseware Business (up 20.4%). Sales growth in the Fashion Accessories Business was supported by higher demand for products related to going out and travel amid a recovery in going-out, travel, and inbound demand. In addition, new initiatives such as sustainable products contributed to this growth. In the Furniture and Houseware Business, an overall recovery trend in OEM, along with e-commerce, contributed substantially to increased sales, despite the impact of sluggish economic conditions in Europe and China. Meanwhile, sales decreased in the Home Appliance Business due to delays in the launch of new products in the OEM Business and weak growth in cooking appliances, such as Vitantonio, particularly overseas.

Gross profit increased ¥731mn YoY, or 15.7%, supported by increased sales. SG&A expenses declined ¥137mn, or 3.3%. This decline was mainly due to a net decrease in expenses from a dissolved brand sales subsidiary and a decrease in store expenses resulting from a reduction in the number of stores. As a result, significant profit increases were achieved, with operating profit increasing ¥869mn to ¥1,328mn and ordinary profit increasing ¥657mn to ¥1,217mn. Considering the initial forecast for ordinary profit was ¥500mn, the Company's actual ordinary profit was approximately 2.4 times greater than the forecast. Profit attributable to owners of parent increased ¥508mn to ¥1,018mn, due partly to tax effects of consolidated subsidiaries, despite the recognition of impairment losses.

1H FY2024 results (consolidated)

(¥mn)

	1H FY2023		FY2024			YoY	
	Results	% of sales	Initial forecast	Result	% of sales	Change	Change (%)
Net sales	17,048	100.0%	19,000	20,900	100.0%	3,851	22.6%
Furniture and Houseware Business	7,844	46.0%	-	9,444	45.2%	1,599	20.4%
Fashion Accessories Business	6,496	38.1%	-	8,902	42.6%	2,406	37.0%
Home Appliance Business	1,836	10.8%	-	1,646	7.9%	-190	-10.3%
Cost of sales	12,394	72.7%	-	15,514	74.2%	3,119	25.2%
Gross profit	4,654	27.3%	-	5,386	25.8%	731	15.7%
SG&A expenses	4,195	24.6%	-	4,057	19.4%	-137	-3.3%
Operating profit	459	2.7%	450	1,328	6.4%	869	189.5%
Ordinary profit	560	3.3%	500	1,217	5.8%	657	117.4%
Profit attributable to owners of parent	510	3.0%	200	1,018	4.9%	508	99.7%

Source: Prepared by FISCO from the Company's financial results

Equity ratio of 58.6%. Stronger financial position with entry into a profit growth phase, alongside prior equity accumulation

2. Financial condition

Looking at the Company's financial condition as of the end of September 2024, current ratio was 216.9% and equity ratio was 58.6%, which is sound with a high level of safety. Amid steady progress with structural reforms in the Brand Business, inventory (merchandise and finished goods) declined ¥56mn YoY to ¥4,375mn. Cash and deposits totaled ¥7,321mn, reflecting an abundant level even when compared to interest-bearing debt of ¥2,400mn. The Company is highly regarded for its financial soundness, which is supported by prior equity accumulation. As it enters a profit growth phase, its financial position has become even stronger.

Outlook

Forecasts net sales of ¥39.0bn and ordinary profit of ¥1.5bn for FY2024

● FY2024 results forecast

For the FY2024 consolidated results, the Company forecasts increased sales and profits, with net sales to increase 6.3% YoY to ¥39,000mn, operating profit to increase 20.3% to ¥1,400mn, ordinary profit to increase 20.2% to ¥1,500mn, and profit attributable to owners of parent to rise 67.2% to ¥900mn. The Company significantly raised its forecasts for each profit level in July 2024. FY2024 is the second year of the new medium-term management strategy SANYEI 2025. The Company has positioned FY2024 as a year to reinforce its business base to achieve the final-year ordinary profit target of ¥2.0bn by stepping up investment in growth.

The Company has not revised its sales forecast upward, despite strong sales in 1H FY2024. In FY2024, sales growth in the mainstay Furniture and Houseware Business and Fashion Accessories Business is expected to contribute significantly. In the Furniture and Houseware Business, the Company expects expansion of the e-commerce business, which is a growth driver in the medium-term management strategy, and in the Fashion Accessories Business, it expects demand related to going out and inbound demand to remain firm, as well as growth for environmental products or orders from new customers, which is a key strategy, to lift sales. Additionally, it expects sales to decline in the Home Appliance Business, due to a drop in forecast overseas OEM sales. The net sales progress rate for the 1H period was 53.6%. On the profit front, the Company revised its forecasts upward as progress on structural reforms and successive price hikes had a positive effect. The ordinary profit progress rate for the 1H period was 81.2%, reaching a high level. In 2H, the Company expects the profit level to decline (in 2H only), due to factors in the Fashion Accessories Business and the Home Appliance Business. In the Fashion Accessories Business, BENEXY will make further progress on rolling out and reorganizing its business around the multi-brand store format. In the Home Appliance Business, where improving profitability remains a key priority, the Company will work to speed up business reforms, including those at plants in China, and the rebranding of cooking appliance product lines is still ongoing.

Looking at external factors, FISCO believes domestic consumer spending, including inbound consumption, will remain strong. FISCO also expects the business environment in 2H to remain favorable particularly for travel, fashion accessories, beauty products, and environmental products, all of which are areas in which the Company excels. In terms of internal factors, FISCO believes the Company is in the stage of completing the structural reforms and business reorganization that it has been undertaking so far. FISCO expects the Company to make positive investments to further strengthen its earnings power in 2H. The key focus for the current fiscal year is for the Company to reinforce its business base in preparation for the final year of the medium-term management strategy. Accordingly, FISCO will closely monitor developments such as efforts to enhance the multi-brand store business model, growth in online sales and environmental products, and M&A trends.

FY2024 results forecasts (consolidated)

(¥mn)

	FY2023		FY2024		YoY		1H progress rate
	Results	% of sales	Forecast	% of sales	Change	Change (%)	
Net sales	36,688	100.0%	39,000	100.0%	2,312	6.3%	53.6%
Furniture and Houseware Business	17,299	47.2%	18,800	48.2%	1,501	8.7%	50.2%
Fashion Accessories Business	14,039	38.3%	15,000	38.5%	961	6.8%	59.3%
Home Appliance Business	3,685	10.0%	3,400	8.7%	-285	-7.7%	48.4%
Operating profit	1,163	3.2%	1,400	3.6%	237	20.3%	94.9%
Ordinary profit	1,248	3.4%	1,500	3.8%	252	20.2%	81.2%
Profit attributable to owners of parent	538	1.5%	900	2.3%	362	67.2%	113.2%

Source: Prepared by FISCO from the Company's financial results

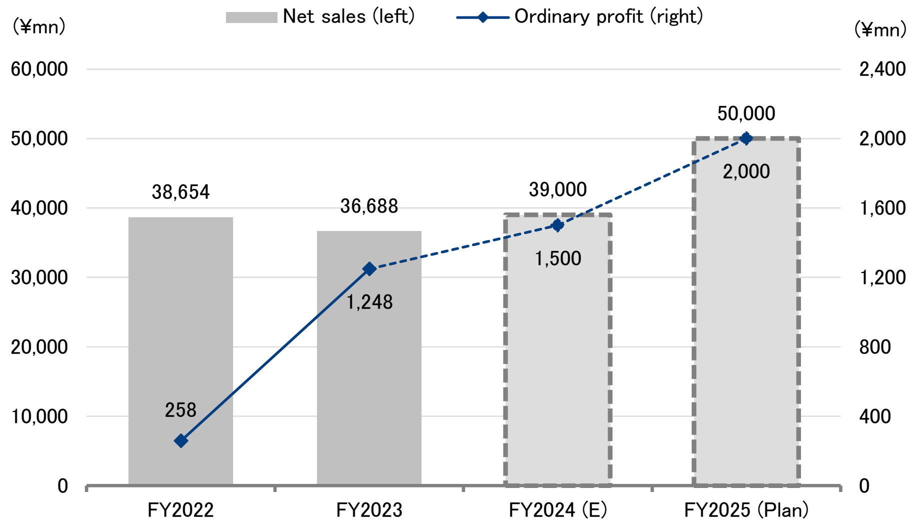
Growth strategy

The e-commerce and sustainable businesses, which the Company is focusing on as growth drivers, have gained a stronger presence

1. Progress on the medium-term management strategy SANYEI 2025

The Company is currently implementing its medium-term management strategy SANYEI 2025 (FY2023–25). The Company's quantitative targets are net sales of ¥50.0bn and ordinary profit of ¥2.0bn in the final year. The current fiscal year is a crucial period for reinforcing the Company's business base toward those targets. One of the Company's key "defensive" strategies is to "review the Group's business portfolio (liquidate unprofitable businesses)." This strategy is delivering results, with the Company merging with and absorbing Zelic Corporation into the head office in April 2023, dissolving and taking over the operations of Essen Corporation in February 2024, and reducing costs by taking decisive actions such as reducing the number of directly managed brand stores (from 47 stores to 18 stores). The remaining priorities include restoring the Home Appliance Business' earnings power and establishing BENEXY's multi-brand store format. One of its key "offensive" strategies is to "strengthen overseas sales." Overseas sales have been weak, partly due to sluggish economic conditions in Europe and China, but it is making good progress with two other strategies, "expand the e-commerce business" and "promote the sustainable business." Product lineups have been improved in both categories and it has strengthened the marketing base to support growth.

Quantitative targets of the medium-term management strategy



Source: Prepared by FISCO from the Company's results briefing materials

2. Expanding the e-commerce business

One of the growth drivers in the medium-term management strategy is "expand the e-commerce business." Sales in the e-commerce business totaled ¥2,878mn in 1H FY2024. Although sales in the e-commerce business occasionally leveled off due to a decline in stay-at-home demand, these sales returned to a growth trajectory in the current fiscal year. Until now, the e-commerce business has focused on furniture and interior goods, but it is now expanding into exterior goods and products in other new genres. For example, in November 2024, the furniture and interior goods brand MINT began e-commerce sales of ornamental plants through its Rakuten Ichiba store. Through a collaboration with a plantation in Kumamoto Prefecture that has specialized in ornamental plants for more than 40 years, the Company established a system to ship high-quality, fresh plants directly from the plantation, utilizing its expertise in quality control and cultivation technologies. MINT currently offers small and medium-sized plant species, such as pachira and monstera. In the future, it plans to expand its range of plant species and increase the number of large plants. Also, because it operates a certain level of e-commerce infrastructure, the Company has started providing various fulfillment functions on an outsourced basis, such as product photography, product page creation, order processing and payment settlement. It has already established a track record with multiple projects undertaken for clients. In FY2024, the Company is targeting e-commerce sales of ¥6,000mn on a full-year basis, up 14.3% YoY.

3. Promoting the sustainable business

In September 2019, the Company launched Our EARTH Project based on the concept of being "more Earth friendly." Under this initiative, the Company has conducted activities such as importing and selling overseas brand products, developing original brands, and supplying and manufacturing materials with a focus on the keywords of sustainable and ethical. It now offers more than 10 brands, with an increasing number of products and materials now emerging as standout offerings. These include uF, which offers bags and pouches using recycled materials, YOT WATCH wristwatches created from waste plastic materials derived from toys, and Pure Waste apparel wear made of recycled clothing scraps from Finland, an environmentally advanced country. Other brands include e.dye®, a solution-dyed fabric brand using anhydrous dyeing technologies, and heat-blocking sheet, a summer heat protection product that reduces heat intrusion from sunlight and other sources when applied to building roofs and walls. In October 2024, uF received the Good Design Award 2024 Best 100, which is organized by the Japan Institute of Design Promotion, a public interest incorporated foundation. The brand was strongly commended for its high level of design and convenience, as well as its use of fabrics dyed with e.dye, an anhydrous solution-dyed fabric that enables dyeing without water, and the reduction and visualization of CO_2 emissions (verifiable using QR codes).

The Company's brand uF received the Good Design Award 2024 Best 100

uF
ユーエフ
With e.dye®
Waterless Color System™
GOOD DESIGN AWARD 2024
BEST 100

Source: The Company's financial results briefing materials

Shareholder return policy

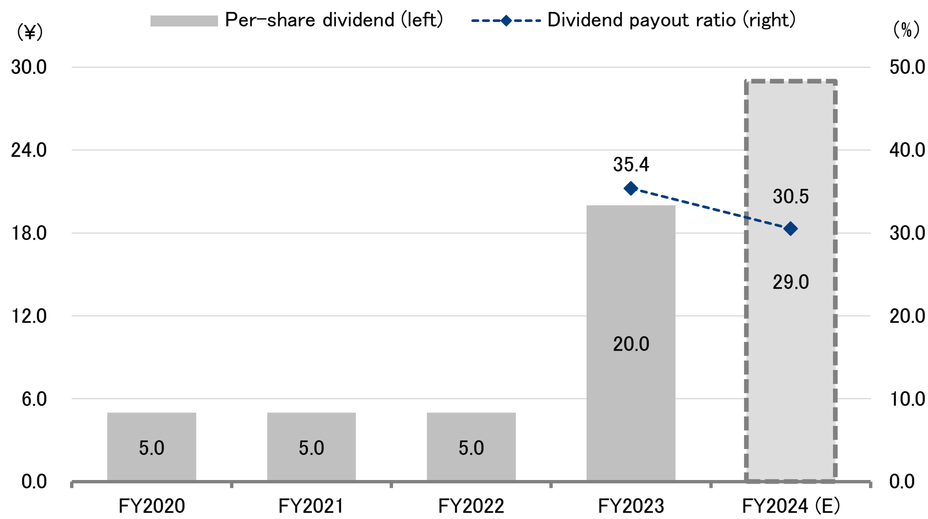
For FY2024, the annual dividend is forecast at ¥29.0 per share, an increase of ¥9.0 YoY, with a dividend payout ratio of 30.5%

In May 2024, the Company revised its policy on determining dividends from surplus. Under the new policy, the Company has positioned the appropriate return of profits to shareholders who have a close relationship with the Company as one of its most important management issues, in line with its corporate philosophy of “Zuien” (connection-i.e., the bonds). The Company determines the distribution of profits by comprehensively assessing a range of factors, including financial position, projected earnings trends, and capital requirements, taking into account the need to maintain and reinforce the management base by retaining earnings for future business development and contingencies, and to implement appropriate investments, including investment in human capital, in order to deliver sustainable growth and enhance corporate value over the medium to long term. The Company’s basic policy is to pay dividends twice a year—an interim dividend and a year-end dividend—targeting a dividend payout ratio of 30–50%. Currently, the Company has gained confidence in its ability to generate profits, and the new policy can be expected to lift the pace of dividend increases. Furthermore, the Company conducted a four-for-one stock split of its common shares, with an effective date of October 1, 2024. The goal is to expand the investor base by making it easier for investors to buy the Company’s shares.

For FY2024, the Company plans to increase the annual dividend significantly from an initial forecast of ¥20.0 per share to ¥29.0 per share (with an interim dividend of ¥10.0 already paid and a year-end dividend of ¥19.0, resulting in an increase of ¥9.0 YoY). (The amounts before the stock split have been converted into post-split values.) The Company is forecasting a dividend payout ratio of 30.5%.

The Company operates a shareholder benefit program. Shareholders as of the shareholder benefit reference date (March 31 each year) will enjoy benefit points according to the number of shares held and length of time held, which can be exchanged for the Company’s benefit program products. In FY2023, benefit points could be exchanged for 1) Company group products, 2) discount vouchers that can be used at the group’s directly managed stores, 3) discount coupons that can be used at designated online stores, 4) QUO cards, and 5) donations to designated social contribution activities.

Trends in per-share dividend and payout ratio



Note: Figures have been retrospectively adjusted due to a four-for-one stock split of common shares (effective date: October 1, 2024).
Source: Prepared by FISCO from the Company's financial results

FISCO

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