

Financial Results Briefing for FY02/24 Q3

- Q&A Summary -

Date: January 12, 2024, Friday, 10:00–10:30 (JST)

Presenter: Osamu Sato, Managing Director in charge of Finance, Accounting, and Investor Relations

Q1. While both net sales and gross profit were up in the Q3, inventory was also up significantly from the end of the same period last year. I would like to know if the inventory will be disposed of in the Q4 and what the policy is.

A1. We constantly scrutinize the contents of the inventory. Since our products are not those that must be sold out or disposed of during the current period, we will continue to sell our inventory at appropriate prices in the Q4 and beyond.

Q2. What is your view on sales growth and profit margins in the next fiscal year and beyond?

A2. We will announce our performance forecasts for the next fiscal year and our three-year medium-term plan for the next fiscal year and beyond when the full-year financial results are released in April this year. The current situation is one of steady growth in the post-COVID-19 period. OMO services have taken off, the number of stores offering the service has increased, and sales staff are becoming more skilled for these services, so we expect to steadily increase sales.

We hope to steadily increase both sales and profits in the next fiscal year and beyond.

Q3. Please tell us, to the extent possible, what you feel are the financial issues at present and the key points of the medium-term management plan in relation to management that is conscious of the cost of capital and stock price, as requested by the Tokyo Stock Exchange.

A3. We are currently discussing our future financial policies and target financial indicators internally. While we are conscious of cost of capital, we are also preparing for the announcement in April of this year, in which we will disclose our policy of cash allocation, having organized our approach to shareholders returns and investment.