



PARIS MIKI HOLDINGS INC.

PARIS MIKI HOLDINGS Inc.

Financial Results Briefing for the 2nd Quarter of Fiscal Year Ending March 2024

November 17, 2023

Event Summary

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[Participants]	
[Number of Speakers]	2 Masahiro Sawada Yuji Kayama President and Representative Director Executive Officer, Responsible for Finance and Accounting

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Presentation

Sawada: Hello, everyone. My name is Masahiro Sawada, President and Representative Director of PARIS MIKI HOLDINGS Co.

Kayama: I am Yuji Kayama, Executive Officer in charge of Finance and Accounting.

Sawada: Thank you for viewing the online presentation of our financial results.

本日のアジェンダ

1. 2024年3月期第2四半期 業績報告
執行役員 財務経理担当 加山雄治

**2. 上半期トピックスおよび
今後の取り組みについて**
代表取締役社長 澤田将広

PARIS MIKI

トキメキ あんしん

As you can see from today's agenda, first, Mr. Kayama will explain our financial results for Q2 of the fiscal year ending March 31, 2024, followed by my presentation on the topics for H1 of the year and initiatives for the future.

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2024年3月期 第2四半期 連結業績/PL

決算サマリー 增收増益

売上高 +6.7% 営業利益 +1,578百万円 当期純利益 +1,518百万円

■ 損益計算書

連結 (百万円)

	2023年3月期 2Q 実績	2024年3月期 2Q 実績	前年対比
売上高 (売上比)	23,647 100.0%	25,220 100.0%	106.7% —
売上原価 (売上比)	7,527 31.8%	7,768 30.8%	103.2% ▲1.0
売上総利益 (売上比)	16,119 68.2%	17,452 69.2%	108.3% +1.0
販管費 (売上比)	15,707 66.4%	15,873 62.9%	101.1% ▲3.5
営業利益 (売上比)	411 1.7%	1,578 6.3%	383.6% +4.6
経常利益 (売上比)	760 3.2%	2,068 8.2%	272.0% +5.0
当期純利益 (売上比)	441 1.9%	1,518 6.0%	343.9% +4.1

Kayama: I will now explain the consolidated results for Q2 of the fiscal year ending March 2024.

The slide you see is a summary of the consolidated statement of income. Net sales increased 6.7% YoY to JPY25,220 million, with operating income of JPY1,578 million and an operating margin of 6.3%. Ordinary income was JPY2,068 million and net income for the quarter was JPY1,518 million.

国内小売事業 月次売上

各月前年対比を上回る売上業績

サングラス、補聴器の売上が好調、売上高増加に寄与



I will now explain the situation in Japan. The new COVID-19 infection, which has been going on for about three years, has finally settled down to a certain level, and its classification has been lowered to category 5, the

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same as seasonal influenza, since May 8. Following Q1, monthly domestic same-store retail sales continued to exceed those of the previous year in Q2.

Sales of sunglasses and hearing aids, which had been struggling during the pandemic, were particularly strong, contributing to the topline increase. The current month of October has also been trending well at 107.8%.

2024年3月期 第2四半期 連結業績/PL

■ 国内小売売上高 前年対比

	既存店	全店
国内小売	107.1%	106.9%
パリミキ	106.4%	106.5%
金鳳堂	114.4%	112.3%

国内新規出店 4 退店 5 → 店舗数 637
(純減 1店舗)

■ 国内セグメント売上高

	2023年3月期2Q 実績	2024年3月期2Q 実績	前年対比
国内セグメント合計	20,990	22,275	106.1%

In Q2 total, sales at existing stores were 107.1% against previous year, while sales at all stores were 106.9%. By subsidiary, Paris Miki existing stores; 106.4%, all stores; 106.5%, and for Kimpo-do, existing stores; 114.4%, all stores; 112.3%.

In terms of domestic store openings and closings this quarter, four stores were opened and five stores were closed, for a total of 637 stores at the end of Q2, a net decrease of one store from the end of the previous fiscal year.

Total domestic segment sales were JPY22,275 million, 106.1% of the same period last year.

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2024年3月期 第2四半期 連結業績／PL

■ 海外セグメント売上高 前年対比

	2023年3月期2Q 実績	2024年3月期2Q 実績
売上高	2,748	3,027

	円ベース	現地通貨ベース
海外セグメント合計	110.2%	104.1%

Here are the sales figures for the overseas segment. The negative impact of the pandemic on overseas subsidiaries has largely disappeared, and they are now in a position to conduct normal operations. As a result, net sales totaled JPY3,027 million, 110.2% of the same period last year on a JPY basis and 104.1% on a local currency basis.

2024年3月期 第2四半期 連結業績／PL

■ 営業損益前年対比

	営業利益	増減額
国内セグメント	1,591	+1,194
海外セグメント	▲13	▲26
連結	1,578	+1,167

(百万円)

■ 経常利益前年対比

為替差益（373百万円）などがあり増加

	経常利益	増減額
連結	2,068	+1,308

(百万円)

Here is the results of profit and loss. While the overseas segment posted a segment loss of JPY13 million due to increased costs and other factors, the domestic segment's increased sales and improved profit structure resulted in a consolidated operating profit of JPY1,578 million, up JPY1,167 million for H1 of the current fiscal

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year. Ordinary income increased JPY1,308 million to JPY2,068 million due to foreign exchange gains of JPY373 million.

2024年3月期 第2四半期 連結業績/PL

■ 販売費及び一般管理費

勘定科目	金額	増減額	前年対比
販売促進費	1,189	54	104.8%
広告宣伝費	389	▲231	62.8%
人件費	8,094	129	101.6%
賃借料	4,013	152	103.9%
他販管費	2,186	60	102.9%
うち減価償却費	430	81	123.5%
合計	15,873	165	101.1%

Here are the results of selling, general and administrative expenses. Although advertising expenses decreased YoY due to a review such as shifting some TV commercials to digital advertising, other items increased, resulting in a total of JPY15,873 million, up 1.1% from the same period of the previous year. We believe that the increase in this amount is an inevitable consequence of the increase in sales.

While the amount increased, SG&A ratio decreased 3.5 percentage points from the previous year, and we believe that our efforts to improve profitability are progressing as planned.

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2024年3月期 第2四半期 連結業績／BS

■ 貸借対照表

連結 (百万円)

勘定科目	金額	前期末比
流動資産	26,712	+1,601
固定資産	12,603	+343
資産合計	39,316	+1,944
流動負債	8,370	+303
固定負債	1,127	+28
負債合計	9,498	+331
純資産合計	29,817	+1,613
負債・純資産合計	39,316	+1,944

This is the consolidated balance sheet. Total assets amounted to JPY39,316 million, up JPY1,944 million from the end of the previous fiscal year. This was mainly due to increases of JPY986 million in cash and deposits, JPY339 million in merchandise and finished goods, and JPY239 million in notes and accounts receivable in current assets.

Total liabilities amounted to JPY9,498 million, up JPY331 million from the end of the previous fiscal year. This was mainly due to an JPY81 million increase in contract liabilities and a JPY211 million increase in other in current liabilities.

Net assets amounted to JPY29,817 million, up JPY1,613 million from the end of the previous fiscal year, mainly due to a JPY1,366 million increase in retained earnings.

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2024年3月期 第2四半期 連結業績／CF

■キャッシュ・フロー

連結 (百万円)

	2023年3月期 第2四半期累計	2024年3月期 第2四半期累計	増減
営業活動によるキャッシュ・フロー	717	1,654	936
投資活動によるキャッシュ・フロー	▲1,424	▲723	701
財務活動によるキャッシュ・フロー	▲205	▲310	▲105
現金及び現金同等物 期末残高	9,116	11,206	2,090

Here are our cash flows. Net cash provided by operating activities was JPY1,654 million, mainly due to JPY1,996 million in income before income taxes and minority interests. Funds used in investing activities totaled JPY723 million. This was mainly due to the acquisition of tangible fixed assets of JPY567 million and intangible fixed assets of JPY102 million.

Net cash used in financing activities amounted to JPY310 million, mainly due to a JPY115 million net decrease in short-term loans payable, and payment of JPY151 million in dividends. As a result, cash and cash equivalents at the end of the period totaled JPY11,206 million.

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2024年3月期 通期連結業績予想値について

期初予想値（2023年5月12日公表）を上方修正

	2023年3月期 実績	2024年3月期 期初予想	2024年3月期 今回修正予想	期初予想からの 増減額	前年対比
売上高	47,400	48,300	49,400	1,100	104.2%
営業利益	732	1,025	1,800	775	245.8%
経常利益	1,206	1,210	2,310	1,099	191.4%
当期純利益	501	610	1,615	1,005	321.8%

連結（百万円）

Next, as we disclosed on November 8, we have revised our earnings forecast upward from the forecast announced at the beginning of the fiscal year.

Net sales are forecasted to be JPY49.4 billion, an increase of JPY2 billion. This is an increase of JPY1.1 billion from the initial forecast. Operating income is forecasted to be JPY1.8 billion, an increase of JPY1.068 billion, a revision of JPY0.775 billion from the initial forecast. For ordinary profit, the Company revised its forecast to JPY2.31 billion, a JPY1.1 billion revision. Net income attributable to shareholders of the parent company is forecasted to be JPY1,615 million, an upward revision of JPY1,005 million.

2024年3月期 配当

■ 配当

● 2024年3月期 中間期末 予定通り実施

中間配当金 3円

● 2024年3月期 期末（予想） 配当予想に変更はございません

期末配当金 3円

Based on the current earnings forecast, we have decided to pay an interim dividend of JPY3 per share, in line

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with our most recent dividend forecast. The year-end dividend plan remains unchanged at this time and is expected to be JPY3 per share. This decision was made in light of plans to accelerate advertising expenses from Q3 onward by stepping up promotions and strengthening DX to improve store efficiency.

This concludes the explanation of the consolidated results for Q2 of the fiscal year ending March 2024.

2024年3月期 上半期 トピックス

サングラス売上高 (国内全店小売ベース)



Sawada: In May 2023, the new COVID-19 infections were reclassified to category 5. As the flow of people gradually recovered, the world began to regain its vitality. The Group also enjoyed particularly strong sales of sunglasses, which had been struggling during the pandemic. Sales have increased significantly compared to the same period in previous years during the pandemic, as well as against the FY ended March 2019, which is before the pandemic.

This was a result of the steady procurement of products and preparation of effective sales promotions in advance of the peak summer season, which matched well with the increase in people’s willingness to purchase. In addition, there is a trend among seniors, who had previously refrained from going out, to actively go shopping at physical stores, and sales of both Paris Miki and Kimpo-do at department stores have been strong.

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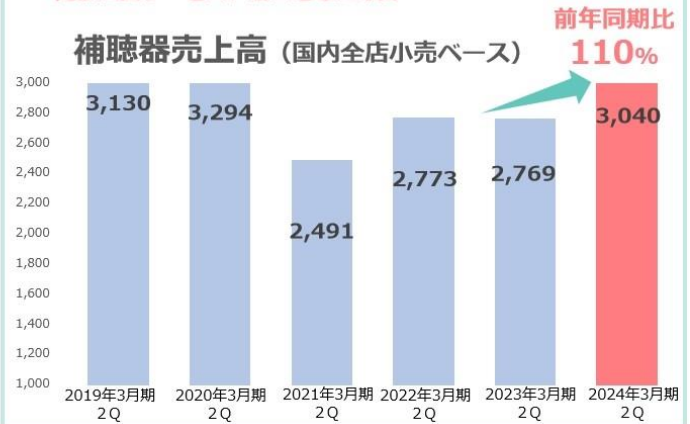
2024年3月期 上半期 トピックス



インバウンド需要の再拡大により急速に増加
免税売上高 (国内パブリシティ小売ベース)



定額貸出サービス、購入ともに好調



In addition, growth in the number of foreign visitors to Japan has been recovering rapidly, and perhaps because the impact of foreign exchange rates is also boosting consumption in Japan, the Group has also seen a 16% increase in duty-free sales compared to the same period in FY03/2019, when duty-free sales peaked, prior to the pandemic.

In the hearing aid business, the number of visits by elderly customers dropped during the pandemic, but is now on the steady recovery track. In addition, we enjoy steady sales of hearing aid subscription service that we started a few years ago ahead of our competition. Customers can try our products before the purchase, at a monthly fee as low as JPY3,000. Demand for this service is on the rise.

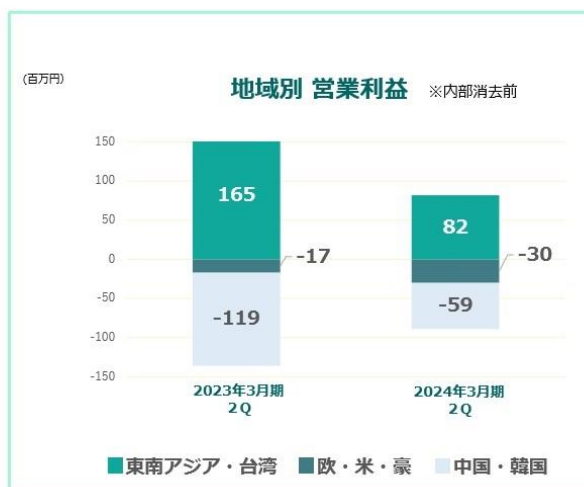
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2024年3月期 上半期トピックス 海外事業



出店 1 退店 11 店舗総数 94

Regarding overseas, our collaboration with medical facilities, which we are focusing on mainly in Southeast Asia, is currently incurring investment costs, such as increased labor costs, in advance of sales, but we are looking at growth over the long term and expect steady growth in the future.

In addition, the recovery of each local entity in China, Australia, Seattle, and the Philippines, which had been struggling until now, resulted in overall sales at almost the same level as the previous year.

2024年3月期 下半期の取り組み

【国内】

「出店・改装」を継続



継続した店舗投資

地方都市・地方を中心としたロッジ型・メゾン型の収益増を見込む

都市部については、大型商業施設はじめ人流の多い場所への出店を予定

【海外】

「メディカルとのコラボレーション」で東南アジアへの注力を継続



Next, I will explain our initiatives for H2 and beyond. With regard to the domestic store strategy, the transition to new store format is currently progressing as planned, and more than half of all stores are expected to be converted by the end of this fiscal year, including the aggressive opening of lodge-type stores.

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For overseas, we plan to continue to focus on Southeast Asia, with an emphasis on collaborations with medical facilities. During this fiscal year, we plan to open a new store in Mitsukoshi Global City in the Philippines, a fully operational ophthalmic hospital, and two new stores in Malaysia.

2024年3月期 下半期の取り組み

国家検定資格 眼鏡作製技能士
業界NO1の在籍者数 994名

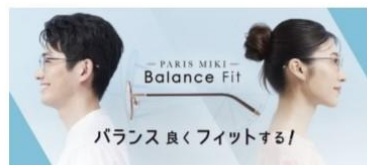


Gankyo
Sakusei
Ginoshi

あんしん測定の実現により、ただ見えるだけでない
「よいメガネ」、遠近両用(累進) レンズなど、他にない付加価値を提案



眼科医と眼鏡作製技能士との
連携により、ビジョンケアを実現



Regarding the national certification of *Skilled Professionals of Spectacle Manufacturing (*tentative name in English) which was implemented in 2022, we were number one in terms of certificate holders at the first round of exam last time, with 746 employees passing the exam. As of November 2023, we have 994 employees who have passed the exam combined with the previous one, almost reaching our goal of 1,000 for this fiscal year.

As a medical device, spectacles, especially bifocals, cannot be sold for first-time buyers without a high level of skill and knowledge to ensure proper vision measurement. In the future, we will put more focus on providing high quality eyeglasses, not just on price, to further distinguish our competitive advantage.

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中・長期経営目標の全体像：私たちが目指すもの



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With the determination to become a world-class hospitality brand with a purpose to enrich each and every one of our customers with "excitement and peace of mind", we have changed our company name from Miki Holdings, Inc. to PARIS MIKI HOLDINGS Inc. in 2022 and formulated a medium-term management plan.

In the previous year, the first year of the plan, we steadily sowed the seeds of various measures as initially planned, even under the difficult circumstances in which the impact of the pandemic remained strong. As we enter the second year of the plan, we are seeing signs of its successes gradually sprouting and steadily growing.

I believe that it is my mission as Representative Director to do my utmost to help the Company grow, blossom, and bear fruit in the future, and to sow the seeds of new growth.

In addition, we are reviewing the current status and discussing necessary actions, with respect to management that is aware of stock price and cost of capital. We intend to announce our policy and approach at an appropriate time in the future. We hope that you will continue to place your trust in us, PARIS MIKI HOLDINGS. Thank you very much for watching.

[END]

Document Notes

1. Portions of the document where the audio is unclear are marked with [Inaudible].
2. Portions of the document where the audio is obscured by technical difficulty are marked with [TD].
3. Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.
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