



PARIS MIKI HOLDINGS INC.

## **PARIS MIKI HOLDINGS Inc.**

Financial Results Briefing for the Fiscal Year Ended March 2023

May 18, 2023

## Event Summary

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<b>[Company Name]</b>	PARIS MIKI HOLDINGS Inc.	
<b>[Company ID]</b>	7455-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	Financial Results Briefing for the Fiscal Year Ended March 2023	
<b>[Fiscal Period]</b>	FY2023 Annual	
<b>[Date]</b>	May 18, 2023	
<b>[Number of Pages]</b>	33	
<b>[Time]</b>	15:30 – 16:34 (Total: 64 minutes, Presentation: 47 minutes, Q&A: 17 minutes)	
<b>[Venue]</b>	Shiodome Shiba-Rikyu Building, Conference Room B, C, D, 10F, 1-2-3 Kaigan, Minato-ku, Tokyo 105-0022	
<b>[Venue Size]</b>		
<b>[Participants]</b>	18	
<b>[Number of Speakers]</b>	3	
	Masahiro Sawada	President and Representative Director
	Yuji Tsuneyoshi	Executive Officer, Responsible for Sales/President and Representative Director of PARIS MIKI Inc.
	Yuji Kayama	Executive Officer, Responsible for Finance and Accounting

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## Presentation

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**Kayama:** As it is now the appointed time, we will commence the Financial Results Briefing for the Fiscal Year Ended March 2023 of PARIS MIKI HOLDINGS Inc.

Thank you very much for taking the time to attend our financial results briefing today.

Allow me to introduce today's presenters. We have our President and Representative Director, Masahiro Sawada. Next is Yuji Tsuneyoshi, our Executive Officer Responsible for Sales and also the President and Representative Director of PARIS MIKI Inc. I, Kayama, Executive Officer Responsible for Finance and Accounting at PARIS MIKI HOLDINGS, will be facilitating today's proceedings.

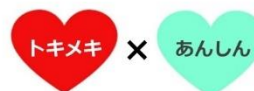
Now, I will provide an overview of today's presentation. First, we will give an opening address, followed by our financial report for the fiscal year ending March 2023. Then, we will discuss our past initiatives, followed by our future initiatives. Lastly, we will provide our financial forecasts for the fiscal year ending March 2024. We expect the presentation to last approximately 45 minutes. After that, we will have a Q&A session for about 15 minutes, for a total duration of around one hour. We appreciate your attention until the end.

Please note, we plan to release a video of the proceedings, excluding the Q&A session, at a later date. We hope you understand and thank you for your cooperation.

Now, without further ado, President Sawada will give the opening address.

## 事業報告 社名変更

- 2022年4月、社名を「三城ホールディングス」から「パリミキホールディングス」へ変更



- 「メガネの三城」の屋号を「パリミキ」へと統一



**Sawada:** Thank you very much for taking the time out of your busy schedules to attend our financial results briefing today.

I am Masahiro Sawada, the President and Representative Director of PARIS MIKI HOLDINGS.

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Our company, guided by our purpose to enrich every individual with excitement and assurance, resolved to set our sights on becoming a renowned global hospitality brand. To better reflect this aspiration, we changed our name to PARIS MIKI HOLDINGS Inc. two years ago in April.

Subsequently, we also renamed our main subsidiary, previously Miki Co., Ltd., to PARIS MIKI Inc. Historically, our storefronts were divided regionally: those east of Shizuoka were under the PARIS MIKI banner, and those to the west operated as Megane no Miki. However, we have now unified all of our stores nationwide under the PARIS MIKI brand.

As for me, I took on the role of president at PARIS MIKI Inc., our principal subsidiary, back in 2016. In the following year, 2017, I was also appointed as president of PARIS MIKI HOLDINGS Inc., thereby holding dual roles until the end of the previous fiscal year.

When I first took the helm at PARIS MIKI Inc., the eyewear industry was in the midst of a significant transformation that had started around 2000. We're in the world of fashion after all. Similar to the seismic shift triggered by fast-fashion brands like Uniqlo, our industry experienced a pricing revolution led by the introduction of three-tier and then one-tier pricing systems. This dramatic change unsettled our footing in the market and started a trend of declining sales and customer numbers.

It felt like we were wandering through a very dark tunnel at that time. When I stepped into the role of president at PARIS MIKI, we first identified the issues and realized that we were struggling to attract younger customers, particularly in large urban areas. This was one of the key challenges we needed to overcome.

We also noticed our suburban stores, our primary retail stores, were becoming outdated and less attractive. This led to difficulties in attracting new customers, sparking a major overhaul of our store design.

In the past, chain stores have typically emphasized uniformity—identical store décor, identical products, identical services—all designed for efficiency. But our ethos has always been about tailoring our service to each individual customer. This led us to the realization that we needed store designs that resonated with the local community. Our transformation started with our Shibuya store, which had been in operation since 1979. It had been underperforming until we renovated it. However, after the renovation, it remarkably became our highest-earning store. This underscored the significant impact of tailoring our stores to meet customer needs.

Next, we set our sights on establishing powerful, entertainment-centric stores in cities with populations over a million, including Tokyo, Osaka, Nagoya, and Kobe. We particularly focused on the younger demographic and the sunglasses market. The average sunglasses sales in Japan account for only about 3% of a store's total sales. However, starting with our Shibuya store and expanding to Harajuku and other entertainment hubs, we were able to capture over 50% of sales from sunglasses. We believe this is a significant achievement.

As for our suburban stores, you may recall our castle-themed stores. These were impressive, towering structures in the 80s, but over time, they became outdated and less appealing. This raised the question of how to rejuvenate our suburban stores. What we came up with was an all-wood, somewhat enigmatic structure. Onlookers often mistake it for an Italian restaurant under construction or possibly a soon-to-open café. These conversation-generating, lodge-style stores are now a key part of our strategy, with 28 such stores currently operating nationwide.

These stores come equipped with a café, creating a warm and welcoming space scented with wood, where customers can enjoy the process of choosing their glasses. This too, we believe, is a significant innovation in our approach.

Since taking the helm, my primary focus has been expanding the sunglasses market and implementing store reforms. We have over 600 stores, and I'm pleased to share that we've been able to renovate nearly half of

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these to embody our new concept. Last fiscal year marked a turning point for us, finally emerging from a lengthy period of struggle. Although the three-year span of the pandemic presented its own challenges, we managed to navigate our way through and successfully rolled out our three-year medium-term plan last year. I'm proud to say that we met our targets in the plan's inaugural year.

We've now achieved a profitable bottom line after a long journey, suggesting we've set a solid path for future success. As a result, I've decided it's the right time to hand over the presidency to Tsuneyoshi, who served as the president of KIMPO-DO up until the previous fiscal year. As for me, I will be turning my attention to further developing the business at the holdings level. I will be working closely with the presidents and executive teams of each subsidiary, fostering synergy and strengthening our business foundation. As we move forward, I deeply appreciate your continued guidance and support.

That's all from me. Thank you.

## 2023年3月期 連結業績/PL

### 8年ぶりの黒字決算

売上高 +7.5% 営業利益 +1,232百万円 経常利益 +1,030百万円

#### ■ 損益計算書

連結 (百万円)

	2022年3月期 実績	2023年3月期 実績	前年対比
売上高 (売上比)	44,092 100.0%	47,400 100.0%	107.5% —
売上原価 (売上比)	13,775 31.2%	15,023 31.7%	109.1% +0.5
売上総利益 (売上比)	30,316 68.8%	32,377 68.3%	106.8% ▲0.5
販管費 (売上比)	30,816 69.9%	31,645 66.8%	102.7% ▲3.1
営業利益 (売上比)	▲500 ▲1.1%	732 1.5%	—
経常利益 (売上比)	175 0.4%	1,206 2.5%	686.9% +2.1
当期純利益 (売上比)	▲1,108 ▲2.5%	501 1.1%	—

**Kayama:** Moving on, let's discuss the business report for the fiscal year ended March 2023.

As you can see in the slide, we have an overview of the consolidated income statement. Sales amounted to JPY47,400 million, which is 107.5% compared to the level in the same period last year. Operating income stood at JPY732 million, and net income was JPY501 million.

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## 2023年3月期 連結業績／PL

■売上高 国内新規出店 18 退店 30 → 期末 店舗数 638  
(純減 12店舗)

増収率	全店	既存店
国内小売	104.9%	104.8%
パリミキ	104.4%	104.2%
金鳳堂	110.5%	111.6%

増収率	円ベース	現地通貨ベース
海外法人合計	120.2%	105.9%

Next, I will explain the changes in our sales figures.

As for the number of stores, we had 18 new openings and 29 closures, resulting in a net decrease of 10 stores, for a total of 639 stores at the end of the period.

As for domestic sales, compared to the level in the same period last year, existing store sales were 104.8%, and all stores were 104.9%. Our main subsidiary, PARIS MIKI, saw existing store sales at 104.2% and all store sales at 104.4% of last year's level. KIMPO-DO's existing store sales were 111.6% of last year's level, while all store sales were 110.5%.

As for our total overseas sales, they were 105.9% on a local currency basis and 120.2% on a yen basis.

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## 2023年3月期 連結業績／PL

### ■ 営業損益前年比較 国内、海外ともにコロナの影響が落ち着き、前年より改善

(百万円)

	営業利益	増減額
国内セグメント	849	+1,137
海外セグメント	▲38	+174
<b>連結</b>	<b>732</b>	<b>+1,232</b>

### ■ 経常利益前年比較 貯蔵品売却益（235百万円）などがあり増加

(百万円)

	経常利益	増減額
<b>連結</b>	<b>1,206</b>	<b>+1,030</b>

Next is our operating income and loss.

For the domestic segment, we saw an income of JPY849 million, an increase of JPY1,137 million. For the overseas segment, we saw a loss of JPY38 million, an increase of JPY174 million. As for ordinary income, due to an increase in the sales of stored goods, it was JPY1,206 million, an increase of JPY1,030 million.

## 2023年3月期 連結業績／PL

### パリミキ、金鳳堂、海外 いずれも改善

#### ■ 売上高（内部消去前）



#### ■ 営業損益



This slide presents a graphical representation of the sales and operating income of PARIS MIKI and KIMPO-DO in Japan, as well as our overseas corporations.

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In particular, although there was an impact from the pandemic two periods ago, there is a recovery trend in FY2023, and improvements are being made both domestically and internationally.

## 国内小売事業 月次売上



Moving on to the domestic situation.

Although the spread of COVID-19, specifically the Omicron variant dubbed as the seventh wave, led to an increase in infections in August and resulted in a slight underperformance compared to the previous year, the figures for each month were as expected.

As for the factors contributing to the strong sales performance, as mentioned earlier by Sawada, the expansion of sunglasses played a significant role. The fact that we had prepared the product beforehand paid off as the infection situation settled down, and pedestrian traffic increased as anticipated.

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## 2023年3月期 連結業績／PL

光熱費・運送費用などが増加した影響はあったが、おおむね計画通りに推移

### ■ 販売費及び一般管理費

連結 (百万円)

勘定科目	金額	増減額	前期比
販売促進費	2,299	173	108.2%
広告宣伝費	1,095	▲53	95.4%
人件費	16,019	303	101.9%
賃借料	7,790	165	102.2%
他販管費	4,440	239	105.7%
うち減価償却費	798	0	101.1%
<b>合計</b>	<b>31,645</b>	<b>829</b>	<b>102.7%</b>

Next, I will explain about our SG&A expenses.

These expenses have not increased significantly except for those associated with the increase in sales, and have generally been in line with our plan. However, due to some increases in costs such as utility bills and transportation costs, our SG&A expenses increased by 2.7% from the previous year to JPY31,645 million.

## 2023年3月期 連結業績／PL

### ■ 主な営業外収益

連結 (百万円)

勘定科目	連結
為替差益	86
貯蔵品売却益	235
<b>営業外収益</b>	<b>576</b>

### ■ 主な特別損益

勘定科目	連結
金地金売却益	211
<b>特別利益合計</b>	<b>212</b>
固定資産売却損	49
減損損失	434
<b>特別損失合計</b>	<b>511</b>

Next, we have the data on non-operating income and extraordinary gains and losses.

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First, for non-operating income, we saw a foreign exchange gain of JPY86 million. In addition, we sold our gold material, which we had been holding as stock and decided to sell based on our future usage forecast, resulting in a profit of JPY235 million from the sale of stored goods.

Next, for extraordinary gains and losses, we saw a profit of JPY211 million from the sale of gold bullion, which we had held as other assets, after observing recent trends in gold prices.

We also recorded an extraordinary loss of JPY511 million due to costs associated with the sale of fixed assets and impairment of stores with low profitability.

## 2023年3月期 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	25,111	+925
固定資産	12,260	+661
<b>資産合計</b>	<b>37,371</b>	<b>+1,586</b>
流動負債	8,067	+900
固定負債	1,099	▲70
負債合計	9,167	+829
純資産合計	28,204	+757
<b>負債・純資産合計</b>	<b>37,371</b>	<b>+1,586</b>

Next, we have our balance sheet.

The total assets increased by JPY1,586 million due to an increase in cash and buildings as fixed assets. Total liabilities increased by JPY829 million due to an increase in prepaid expenses and others. The total net assets increased due to an increase in retained earnings and foreign exchange adjustment accounts.

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## 2023年3月期 連結業績／CF

### ■キャッシュ・フロー

連結 (百万円)

	21.4 - 22.3	22.4 - 23.3	増減
営業活動によるキャッシュ・フロー	1,512	2,608	1,096
投資活動によるキャッシュ・フロー	330	▲1,776	▲2,107
財務活動によるキャッシュ・フロー	▲3,518	▲487	3,030
現金及び現金同等物 期末残高	9,776	10,408	632

Lastly, let me explain about our cash flow.

Net cash provided by operating activities was JPY2,608 million, mainly due to net income before taxes and minority interests of JPY907 million, and depreciation and other amortization costs of JPY894 million.

Moving on, net cash used in investment activities amounted to JPY1,776 million. This was mainly due to expenditures for the acquisition of tangible fixed assets, amounting to JPY1,618 million.

Net cash used in financing activities was JPY487 million. This was simply due to a net decrease in borrowings of JPY148 million and payment of dividends of JPY277 million.

As a result, the closing balance of cash and cash equivalents was JPY10,408 million.

Next, we will report on our efforts during the fiscal year ended March 2023 in terms of our past initiatives. I will hand over to Sawada for the report.

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## 2023年3月期 これまでの取り組み

### 海外事業

- 日本国内よりコロナの収束が早く、業績が順調に回復
- 東南アジア法人が堅調に推移
- 不採算店の整理が順調に推移
- 日本の自社工場製品の売上が好調に推移

### 国内事業

- コロナの影響があった期間以外は概ね順調に推移
- 出店・統廃合計画は計画通りに推移
- 眼鏡作製技能士 資格取得者数が業界最多（グループ合計 746名）
- オーディオライフケア（補聴器）売上が順調に推移

Sawada: Now I will talk about our initiatives during the last fiscal year.

## 海外事業



### 海外地域別トピックス 出店 4 退店 10 店舗総数 103

<b>東南アジア (+台湾)</b> 27 店舗	シンガポール マレーシア タイ ベトナム フィリピン 台湾	<ul style="list-style-type: none"> <li>・シンガポールは大型改装もあり順調に売上が続伸</li> <li>・タイ・マレーシアはコロナ後の経済回復が早く売上増加</li> <li>・ベトナムは眼科病院・眼鏡店ともに堅調に推移</li> <li>・フィリピンはインフレ影響で低調だったが、後半は回復</li> </ul>
<b>中国・韓国</b> 66 店舗	中国 韓国	<ul style="list-style-type: none"> <li>・中国はコロナでの外出規制があり売上に大きく影響 ゼロコロナ政策後は少しずつ客足が戻る</li> <li>・韓国はPBの商品を東南アジアへ輸出 卸販売は順調に推移</li> </ul>
<b>欧・米・豪</b> 10 店舗	フランス ドイツ イギリス アメリカ ハワイ オーストラリア	<ul style="list-style-type: none"> <li>・欧州はロックダウン解除後もインフレ、デモの影響あり ※ドイツ法人2022.01営業終了</li> <li>・アメリカはインフレの中、年末保険需要で売上維持</li> <li>・オーストラリアは大幅なコスト削減と、営業が好調な こともあり堅調に推移</li> </ul>

First, I will report on our overseas business. Our overseas business had been struggling due to the pandemic, and in recent years it had been one of the toughest parts of our overall business. However, in this fiscal year, the pandemic was brought under control earlier overseas than in Japan, which brought about a significant improvement, particularly in Southeast Asia.

In Singapore, we renovated our flagship store at Takashimaya, and since we entered the Singapore market, we now have eight stores, all of which have turned profitable, a remarkable result.

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Furthermore, our ophthalmic hospital in Vietnam and the PARIS MIKI store within the hospital have recovered to the state they were in before the pandemic.

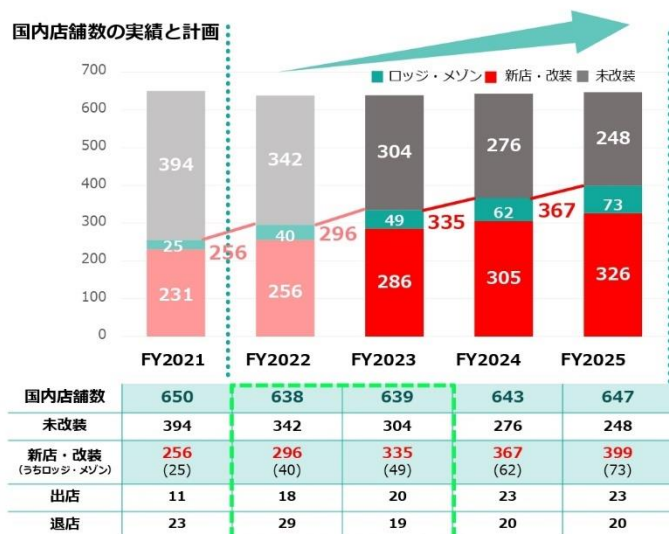
Thailand, Malaysia, and the Philippines have also managed to turn a profit. While these regions struggled quite a bit two fiscal years ago, we saw significant improvement in the last fiscal year.

Two fiscal years ago, we had an operating loss of JPY238 million in our overseas business, but this fiscal year, due to improvements primarily in Southeast Asia, we have reduced our operating loss to JPY38 million, significantly reducing our loss.

Our Chinese subsidiary is still struggling, but our consolidation efforts are progressing smoothly, and we are also focusing on new initiatives, especially the sale of myopia control lenses. The unit price of glasses per person exceeds that of PARIS MIKI in Japan, indicating a shift towards the sale of high-quality glasses. We have received reports that the loss in China will significantly improve within one to two years, and that we may start seeing profits from the third year onwards. This fiscal year, we report a break-even point in our overseas business, but I personally believe that turning this into a profit won't be too difficult.

## 国内事業 店舗戦略

### 国内店舗 出店・改装が順調に推移



※店舗数には金風堂、のれん自立店含む



Next, I will report on our domestic business.

Since 2016, as I mentioned earlier, we have put a lot of effort into renovating our stores. Initially, our staff had quite a few questions about our new store designs, wondering why a glasses store needed to look different, or why we needed a drum display. However, once the renovations were complete, it became clear from the results that many people supported the new design, and we have been able to establish a cooperative system with our employees all working towards the same goal.

Despite the situation around COVID-19, we continued to invest aggressively in the last fiscal year. As initially planned, we opened 18 new stores and renovated 22 stores with a new type of design.

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## 国内事業 店舗戦略

収益性の高いロジ型店舗を中心に  
新店・改装の計画は順調に進捗

※ 改装店1店あたりの売上高・営業利益が増加

FY2023 中期経営計画より抜粋

売上高  
50,440

(単位：千円)

売上原価	14,851
人件費	16,332
広告宣伝費	1,312
固定費料	7,846
減価償却費	310
その他 (システム・販売費など)	9,502



営業利益  
287



パリミキ 鴻巣店 (埼玉県)

売上高  
79,641

(単位：千円)

売上原価	23,366
人件費	23,728
広告宣伝費	1,528
固定費料	13,858
減価償却費	1,354
その他 (システム・販売費など)	14,646

営業利益  
1,158

This is a graph showing the average figures per store for our domestic business renovations and post-renovation. As you can see, there is a significant difference in both sales and operating income, so we would like to continue accelerating this store strategy.

In particular, in the case of our lodge-type stores, the sales and profitability are even higher than the average for all stores post-renovation. Currently, we have 28 of these stores, and we plan to increase this to 70 or 80 over the next five to six years. We are confident that this will become a mainstay in suburban areas and garner the support of many customers.

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## 店舗戦略 ロッジ型店舗



This is one of the lodge-type stores that opened last year, the Konosu store in Saitama Prefecture. Konosu is known for its large driver's license center, and many people come to this store to get glasses when renewing their license.

As you can see in the photo, this is a driving simulator, the same kind found in the driver's license center. It's a finely crafted driving simulator made by Honda. As accidents caused by elderly drivers aged 75 and over have become a social issue, mandatory courses like this one have become more common. Customers appreciate being able to simulate how well they can see with their current glasses or newly made ones.

Since creating stores that fit the community is also part of PARIS MIKI's policy, we plan to continue opening stores with themes that match the local area, including lodge-type stores.

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Asia's Meetings, Globally

## 国内事業 眼鏡作製技能士

2022年  
業界NO1の在籍者数 **746名**

今まで、気づかなかった かけごころ。



Gankyo  
Sakusei  
Ginoshi

パリスミキの眼鏡作製技能士  
眼鏡作製技能士は  
業界に一つ  
あなただけのメガネを  
お仕立てします。

FY2023 中期経営計画より抜粋

専門学校で培ってきたノウハウを当  
社内でも展開し、人材育成を加速化



知識の連携



実践の連携

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



Furthermore, the national certification for eyeglass crafting technicians was implemented in 2023.

This is a national certification. Until now, when people bought glasses for the first time, they often wondered where to buy them—was it about the price? Or was it about recognizing that glasses are medical devices? Especially for those who want to purchase bifocals for the first time, it is impossible to take accurate measurements without a high level of knowledge and skill about glasses.

As a guideline for this, we have been participating in this movement for over 10 years, and we have a glasses school called WOC. In conjunction with them, we have been conducting distance education for over 10 years.

As a result, while there are about 6,000 people nationwide who passed the national certification exam for eyeglass crafting technicians in the first year, our group produced 746, which is the highest number in the industry. We believe that by promoting this, people will recognize PARIS MIKI as a company that can deliver high-quality glasses, not just based on price.

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## 国内事業 金鳳堂

FY2022 最高営業利益高



Next, I would like to talk about KIMPO-DO, another one of our domestic businesses.

Although it's a group company, it mainly operates in department stores. Particularly, the stores located in the metropolitan area have been affected by the drop in inbound tourism, and there was a trend where more elderly people started visiting when the COVID-19 situation began to ease slightly.

Moreover, Tsuneyoshi, who will become the Representative Director of PARIS MIKI this time, has dedicated his efforts to rebuilding KIMPO-DO over the past four years, and this time, it has posted its highest profits since joining the PARIS MIKI Group. Therefore, we believe that he can be expected to contribute significantly to the operations of PARIS MIKI in the future as well.

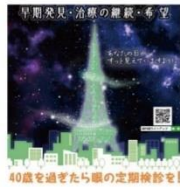
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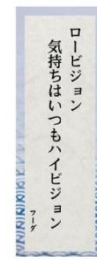
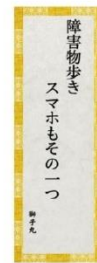
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## 国内事業 その他の取り組み

世界緑内障週間  
2023年3月12日(日)-18日(土)  
★ ライトアップ in グリーン運動 ★



第五回  
ロビジョンブランド  
川柳  
コンクール



Lastly, allow me to briefly discuss our social contribution initiatives.

Here we have an initiative called Green Up, which is held during World Glaucoma Week, and this year marks our fourth participation. It is a campaign where we light up the storefronts with green lights.

Additionally, we host a senryu contest for individuals with low vision, in collaboration with the Japan Ophthalmologists Association and the non-profit organization NEXT VISION, as part of their initiatives to support individuals with vision impairment. This is the fifth time we're hosting this contest, and we plan to continue activities like this in the future. That's all from me.

**Kayama:** Next, Tsuneyoshi will report on our future initiatives.

**Tsuneyoshi:** I am Tsuneyoshi, thank you for your time. I took up the position of Representative Director at PARIS MIKI this April.

As mentioned earlier, I served as the Representative Director of KIMPO-DO last fiscal year. Upon taking office, there are several points that I believe I am expected to address, both as a representative and from the employees, which I would like to introduce.

Firstly, my predecessor, Sawada, had been in office for seven years, and I am exactly 12 years younger than him, which is a generational change. I personally think that a change in president is a major turning point in the story, so I believe that there is a great opportunity here, and I think that many employees also have high expectations for this.

In addition, as mentioned earlier, KIMPO-DO achieved its highest profits under my leadership. Therefore, I have a strong commitment to generating profits. I believe that profit is indispensable for the continuous existence of a company, for the prosperity of its employees, and for continuously providing excitement and assurance to our customers. Therefore, I have a strong commitment to generating substantial profits.

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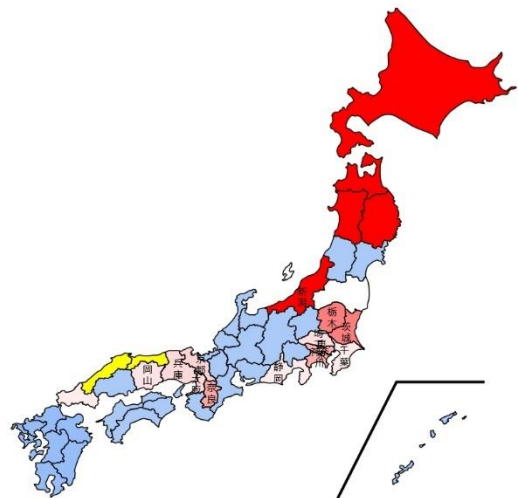
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## これからの取り組み コミュニケーション戦略

コロナ禍を経て

### 「コミュニケーション」の重要性

を再認識、今期の重点課題とする



1年間ですべての店舗を臨店予定

Furthermore, there are expectations around the last store strategy that Sawada created, as explained earlier. Although the stores of Miki are changing rapidly, I think my job is to infuse these changes with soul. I believe that my strength lies in performing the task of carefully building a "Bukkaku", literally, a Buddhist temple, and placing the "Buddha", spirit, inside it, one by one.

Having started my career as a new employee in the sales department of PARIS MIKI, I have been in sales for 30 years. I have always been at the store front, where I'm very good at sales and enjoy customer service. Ideally, I would still like to be standing at the store front and making sales even today.

However, with 620 stores at present, I can't provide customer service myself at every store, so I rely on our 3,000 employees to stand in my place. From April, we have introduced a new communication strategy, where instead of just delivering my thoughts and directions, we have discussions as you see in this picture, and half the time is spent hearing what the employees thought about what was conveyed and any opinions they may have. We have already carried out this process in six locations nationwide.

In parallel with this, I've mentioned that I will be visiting all 620 stores within this year. The purpose is not just to make rounds, but to have direct dialogues with the employees at each store, and to personally request each one of them to stand at the store front on my behalf.

Just last week, I visited Sapporo, Iwate, and Akita, the places marked in red on this map. Some employees were genuinely delighted and surprised, saying things like, "This is the first time the President has visited," or "The President came for the first time in 20 years." Many employees are holding the expectation that the Company might be changing. However, I genuinely believe that if we want to make a change, it will not happen unless we take specific actions. That's what I would like to convey to you today.

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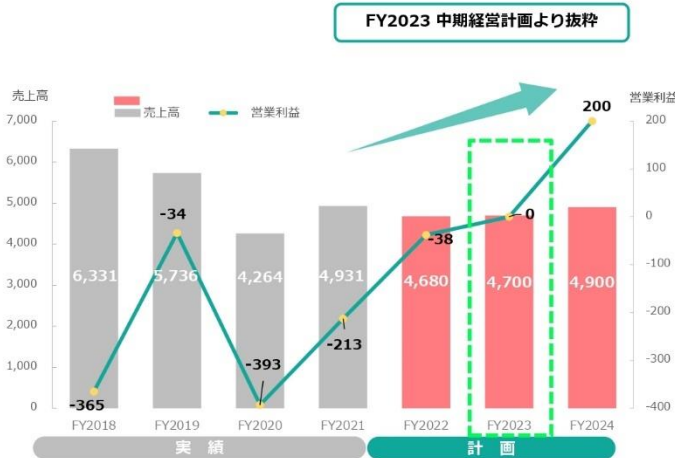
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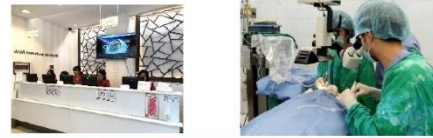
## これからの取り組み 海外

海外事業は「**選択と集中**」を完遂  
営業利益フラットへ



コロナによる業績悪化は急速に回復

パンデミックにより一時的に停滞したリストラクチャリングによる黒字化は、再び業績の立て直しの兆しが見えており、今後はさらにリストラクチャリングを積極的に加速していく



### 経営方針・施策

人口ボーナス期を迎える東南アジア地域への積極的投資、低コスト・高リターンのお店を展開

伸長

競合他社にない付加価値の提供による差別化を図る

→ 眼科医療との融合・協業を軸に東南アジアで展開

**FY2023 カンボジア・フィリピン展開予定**

改善

赤字店舗の退店を迅速に決断し利益体質へと改善

First, I would like to explain our overseas operations.

As I touched on earlier, for the previous fiscal year, the figures improved significantly more than expected, which was a positive factor. For this fiscal year, I would like to convey that we aim to return to a break-even point.

Here, this is the business model in Vietnam, where there is high profitability. We plan to expand this model, which is a collaboration between good glasses stores and good optical stores, in Cambodia and the Philippines during this fiscal year.

Also, in Japan, we have been able to leverage the advantages of operating overseas to a great extent. This is related to the exchange of human resources; we have seen a significant shift in personnel, which allows us to take advantage of each other's strengths. Moreover, there are benefits to being able to experiment overseas with businesses that are particularly difficult to run in Japan.

Regarding recruitment, it's currently quite challenging in the retail sector. However, expanding into 13 countries overseas has been beneficial in terms of recruitment, and the return of employees who have worked overseas to Japan contributes to the development of strong human resources. This has been a significant advantage.

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## これからの取り組み 国内 店舗戦略

継続した「国内店舗出店・改装」を実施

出店 = 20 店

半数以上の店舗が新しい店装へ

	FY2022	FY2023	FY2024
国内店舗数	638	639	643
未改装	342	304	276
新店・改装 (うちロッジ・メゾン)	296 (40)	335 (49)	367 (62)
出店	18	20	23
退店	29	19	20

### 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

首都圏については、大型商業施設はじめ人流の多い場所への出店を予定



Next, I will talk about our domestic store strategy.

This was the primary strategy of my predecessor, Sawada. I plan to continue to push forward with this strategy, especially since we have a lot of significant store impairments. I believe we have to put a stop to this, so I have changed the previous flow to a more stringent standard and process. This change took effect in April, and it applies to renovations and new stores. I believe we can avoid significant store impairments by strictly judging investments in terms of their return on investment, or ROI, especially in terms of their cost-effectiveness.

Also, the chart here shows the number of store openings and closings. Our company has been decreasing the number of stores steadily since 2018. I believe we have finally managed to organize this. However, there are always some closures that are unavoidable. This can be due to things like leases ending at shopping centers or shopping centers themselves closing down.

Considering the future, what is happening in the current eyewear industry is that the number of store closures, especially those of mom-and-pop shops, has rapidly accelerated over the past year. As other companies in the same industry are closing, there are significant benefits to remaining players. We have also made considerable progress in consolidating and eliminating stores, so we see this as an opportunity and intend to actively expand our business.

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## これからの取り組み 国内 団塊ジュニア世代を意識した戦略

### 「団塊ジュニア世代」を意識した戦略 フレーム・レンズ・サングラス

#### フレーム

##### 機能性商品の充実

- 来て、見て、試してこそ分かる商品の価値を提供
- 分かりやすいお求めやすい機能性オリジナルブランドの開発
- エシカル消費をリードする世代に合わせたアップサイクルフレームの提案

##### Made in Japan Project リブランディング

- 日本製から「さばえメガネ」へ



#### レンズ

##### ビジュアルライフケア

- 快適な視生活のご提案をするビジュアルライフケアを全店舗にて展開 FY2024までに実施率 **100%** を目指す

##### 眼鏡作製技士

- 国家検定資格「眼鏡作製技士」1級・2級保持者による安心測定の実現により、ただ見えるだけでなく「よいメガネ」、遠近両用レンズを含めた付加価値を提案する



Next, I would like to focus on a major factor in our initiatives, which is our strategy focusing on the baby-boomer junior generation.

The baby-boomer junior generation is mainly those in their 40s and 50s, and currently, those from the baby boomer's generation account for a large part of our sales.

Customers from the baby boomer generation who come to our stores are very youthful in their tastes and are up-to-date on the latest trends, and many see themselves as young. However, instead of catering to the young generation, we aim to create stores and product strategies that please customers in their 40s and 50s by catering to their tastes.

In particular, for frames, as we have our own factory, we can create products that are functional, especially lighter or easier to wear. Also, collaborations with companies from other industries have been well received when launched, so we will continue to release such collaborative products.

Regarding lenses, dimmable lenses have been growing significantly since the year before last. In many countries abroad, it's common to have dimmable lenses, but in Japan, the demand for super-hard lenses that darken when you go outside and lighten when you come inside has not grown much. However, dimmable lenses have been rapidly growing since about a year ago. I think this, along with lenses for smartphones, will be points of focus for us.

As I mentioned earlier, for lenses, progressive lenses are becoming the norm for the baby boomer junior generation. We have national certification and offer visual life care, where we prepare detailed examination items and use an eye pointer on an iPad, a tool unique to us, to accurately measure eye focal lengths. If you are going to create progressive lenses, we believe you need such machines and knowledge to make a proper fit. We would like to carry out marketing activities, centered on digital, with the idea that when it comes to progressive lenses, you think of PARIS MIKI.

#### Support

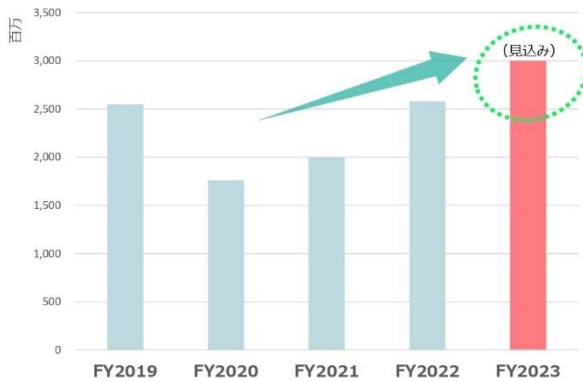
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## これからの取り組み 国内 団塊ジュニア世代を意識した戦略

### 「団塊ジュニア世代」を意識した戦略 フレーム・レンズ・**サングラス**

サングラス売上高実績推移と FY2023予算



### サングラス

#### マスク生活からの解放

- コロナ禍においてのマスク着用によりサングラスの普及率が激減。アフターコロナにおいて実績の向上を目指す

#### サングラスジャックイベント

- エンターテインメント店やテナント店を中心にサングラスイベントを開催、色々な場所で盛り上がりを見せています。



Next, let's talk about sunglasses.

As I mentioned earlier, sunglasses are the product category that is growing the most this fiscal year. Compared to our competitors, we have a distinct advantage in offering national brand sunglasses. Rather than our own products, there's a significant demand for national brands, especially branded sunglasses. We carry a large number of these national brands, so we have a clear advantage over our competitors in this regard.

The production of glasses has been taking longer recently, and it generally takes about a year to make glasses and sunglasses. So, our abundant stock for this period, as a result of ordering products to match our needs half a year, a year ago, has shown growth in April and May, with particularly strong growth for sunglasses at over 150% of last year's level. We have high hopes for this product category, and we want to further expand the results achieved by leveraging the efforts of my predecessor, Sawada, who aimed to create a market with sunglasses, as explained earlier.

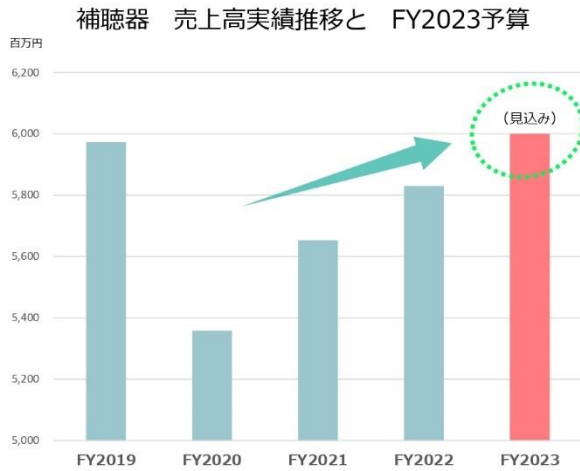
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# これからの取り組み 国内 団塊世代を意識した戦略

## 「団塊世代」を意識した戦略 オーディオ



### 補聴器

#### アフターコロナ

- 高齢のお客様がコロナ禍において、来店が激減した影響もあったが、昨年度より順調に来店数が増えてきている。アフターコロナにおいて実績の向上を目指す

#### 定額制

- 定額で契約するお客様が年々増加、気軽に試せて定額であることで利用者の増加を目指す

#### 認定補聴器技能者

- 高い技術力と提案力によりさまざまなお客様のニーズに応える

資格取得者：250名 (FY2022) → 370名 (FY2027) を目指す



Next is audio products.

This is where we see a significant increase in demand for hearing aids. After the pandemic, the elderly, who had been less active, are starting to be active again, and while department stores are seeing a rapid return in growth, the increase in demand for hearing aids is particularly notable.

We were the first in the industry to introduce a subscription system for hearing aids, which are usually high-cost items. It's not always easy to buy them outright, but by introducing a system where you can try them for a monthly fee of JPY3,000 or JPY4,000, we've lowered the hurdle for their use.

In recent years, as written here, there is a bit of selection based on design. Traditionally, hearing aids have been associated with the elderly, but we have reframed this as audio products. The act of listening is not limited to the elderly—younger people listen to music too. Nowadays, there are more devices that serve as both headphones or earphones for listening to music and as hearing aids. We were quick to spot this trend and would like to expand in this area.

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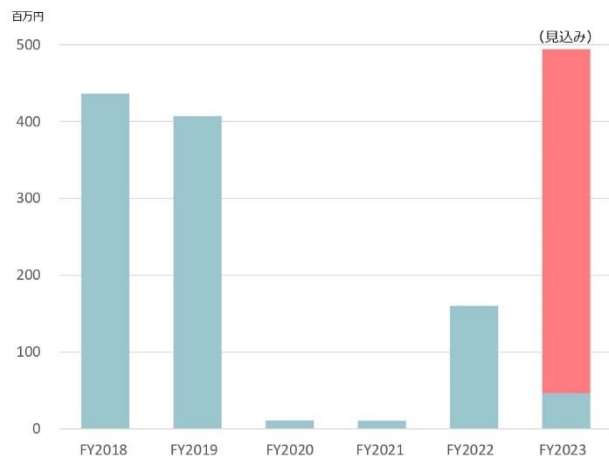
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## これからの取り組み 国内 インバウンド需要への対応

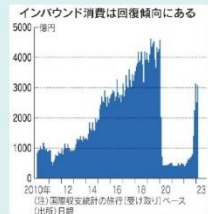
### 「インバウンド需要」への対応



### インバウンド需要

百貨店部門や首都圏において、インバウンド需要への対応は非常に重要と捉えている

大型商業施設はじめフローの多い場所への対応を強化



2023年度4月29日～5月7日の大型連休で海外旅行の予約数は前年同期の18倍以上

Another significant factor for this fiscal year is indeed our response to inbound tourism.

Our group has a significant presence in department stores compared to our competitors. Both KIMPO-DO and PARIS MIKI have stores in department stores. In major cities, especially with regard to inbound tourists, we've experienced a significant downturn in the past three years, but this fiscal year, we're seeing a very positive rebound. As of last month, April, we've already recovered to 85% of the pre-pandemic level. Even though the number of customers from China hasn't fully recovered yet, the number of inbound customers is being driven by tourists from the US and Taiwan. We anticipate that the situation will surpass the levels of 2018 once Chinese tourists return after May.

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## 国内事業 パリミキ これからの取り組み（言行一致の経営）

### 1) 2030年ホスピタリティブランドに向けて

- ➔ パリミキでお客様体験・満足を最優先する会社
- ・ **NPS評価（ファン指数）**の導入とお客様の店舗体験の向上
- ・ **パリミキ基準**（パリミキのやるべきサービスの均一化・標準化の設定）



### 2) DXの推進

- ・ **業務フローの改善**（紙カルテから電子カルテへ、データ管理の簡素化）
  - ➔ 労働生産性の向上から人材の有効活用
- ・ 紙媒体の広告からデジタル広告へ  
（チラシ媒体からデジタル媒体へ、DMから**オペラクラブ会員配信**へ）

### 3) コスト効率化（コストカットではなく効率化の見直し）

- ・ 営業時間・定休日の見直し
  - ➔ 出店・改装投資計画の厳格化

### 4) 他企業とのコラボ

- ・ 出店移転時→店舗集客向上を行う



Lastly, to sum up, our company has always been guided by the management philosophy of putting our customers and their future first, which is closest to my heart. In business, the natural inclination is to maximize the sales to customers who visit us each day. However, we have declared that we want to become a company that focuses all its efforts on reflecting on and meeting our customers' current circumstances and shopping needs.

To that end, we introduced the Net Promoter Score or NPS around the autumn of last year to more specifically track the trends of customers in each block and each store, as well as the interactions of each employee. We have implemented a system since April that allows us to see what kind of evaluations are being made, what kind of specific services are being offered, where there are points of dissatisfaction, and where there are opportunities for improvement.

In line with this, we believe it is essential to raise the PARIS MIKI standard as we aim to be a hospitality brand.

The reason for this is that no matter how much I, as the President, speak positively, the experience of the customers who use our services and their experience in our stores is everything to the PARIS MIKI brand. We believe that unless the customer experience improves, PARIS MIKI Inc. will not improve, so we are focusing all our efforts on the experience at our stores and plan to review each aspect carefully.

With this comes digital transformation, or DX. I believe this has become indispensable. From the perspective of productivity, we will improve our business flow, moving everything from paper to digital, and shift all communication with customers to digital. We have been implementing changes in this direction since April, such as flying banners or F-banners and map engine optimization or MEO measures, and we will accelerate DX even more.

Another thing is a review of efficiency, which is not about cost cutting. As I mentioned earlier, it is necessary to pay our employees more, so to secure good talent, we think it is necessary to improve efficiency, so we will review this aspect. Also, we are considering collaborations with other industries in this fiscal year. I believe there will be a time when we can announce this through IR.

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The COVID-19 crisis has certainly prevented us from proceeding as originally planned in many ways, but even in this context, Sawada proactively made store investments and significant other investments, and the consolidation and closure of unprofitable stores has been progressing significantly.

For this fiscal year, we have kept the medium-term plan we originally announced, but we are confident that we can exceed this plan significantly, and we would like to move forward with this confidence. We appreciate your continued support. Thank you.

## 2024年3月期 連結業績予算

連結 (百万円)

	2023年3月期 実績	2024年3月期 予想	前年対比
売上	47,400	<b>48,300</b>	<b>101.9%</b>
営業利益	732	<b>1,025</b>	<b>140.0%</b>
経常利益	1,206	<b>1,210</b>	<b>100.3%</b>
当期純利益	501	<b>610</b>	<b>121.6%</b>

- 主要な前提 → 国内 出店 20 退店 19 改装 28
- 設備投資 2,594百万円

**Kayama:** Lastly, I would like to talk about our earnings forecast for the fiscal year ending March 2024.

For the fiscal year ending March 2024, we are planning for sales of JPY48,300 million, which is 101.9% of the level in the previous fiscal year, operating income of JPY1,025 million, ordinary income of JPY1,210 million, and net income of JPY610 million.

As main premises, we are planning for 20 new domestic store openings, 19 store closures, 28 store renovations, and a total of JPY2,594 million in capital investment across the group.

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## 2024年3月期 配当

### ■ 配当

#### ● 2023年3月期 予定通り実施

中間期末	3円
期末	3円
年間	6円

#### ● 2024年3月期 期末（予想）

中間期末	3円
期末	3円
年間	6円

As for dividends, in the fiscal year that just ended, we distributed JPY3 per share at the end of the interim period and JPY3 per share at the end of the full-year period, for a total annual dividend of JPY6 per share. For the current period, we are similarly planning to distribute JPY3 per share at the end of the interim period and JPY3 per share at the end of the full-year period, for a total annual dividend of JPY6 per share, based on our current forecast.

With this, we would like to conclude the financial results presentation for the fiscal year ended March 2023.

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## Question & Answer

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**Kayama [M]:** As mentioned earlier, we would be happy to address any questions during this time. If you have a question, please indicate by raising your hand. Does anyone have any questions?

**Participant [Q]:** Thank you. It's nice to see that your business performance seems to be recovering. While it's quite challenging to draw clear distinctions, I notice that as we emerge from the pandemic, the broader economy, as evidenced by recent GDP figures, shows a trend of personal consumption leading the recovery.

Could you give us a sense, even if it's just an estimate, of how much of the improvement in your figures is due to the broader recovery from the pandemic, versus the results of internal efforts such as store renovations and new openings? I understand it's difficult to put precise numbers on this.

**Sawada [A]:** Our stores in major cities, in particular, were greatly affected by the decrease in inbound traffic, causing them to struggle significantly during the pandemic. Our primary target in these cities was attracting young customers, especially in areas like Shibuya, Harajuku, and Shinsaibashi.

Our Shibuya store, for example, was our most profitable, yet even that store faced an incredible downturn, falling into the red. Thankfully, we are now seeing it return to its performance level in 2019.

Despite these challenges, we also worked to tap into domestic demand that was independent of inbound tourism. While we had been focusing on sunglasses, we found it equally important to offer high-quality eyeglasses that combined technical excellence and quality.

Our goal was not to create high-priced glasses, but rather to focus on providing the right pair of glasses that would meet each customer's needs and desires. After the pandemic and with the rebound of inbound tourism, this strategy has been particularly effective in our urban stores.

As for our suburban stores, they were not as impacted by the pandemic as our city-based locations. Therefore, after seeing a significant drop in performance in April and May of 2020, a recovery trend was led by these suburban locations. Despite the circumstances, we actively opened new lodge-style stores. Even though competition was increasing, when a new lodge-style store opened, the growth rate often doubled, especially as the customer base changed. This is because suburban stores tended to be supported by older customers. But now, we're seeing a younger demographic, including the baby boomer junior generation, visiting our lodge-style stores.

So, what are we doing with the introduction of lodge-style stores? We're not just selling glasses; we're hosting various events. These include music events, cooperating with locals to host markets, and even collaborating with other companies. For instance, with the recent popularity of camping, we display tents and show how to assemble them. Additionally, we've collaborated with a glassmaker called Aderia Retro [inaudible], and with their help, we host events where customers can create their own original Aderia Retro pieces. We also host events like nagashi-somen competitions, or fine white noodles flowing in a small fume and invite food trucks.

The purchase cycle for glasses in Japan is quite long because we don't have an established insurance system. In other countries, private insurance can cover up to about USD200 per year, but in Japan, we don't have such a system. Therefore, once customers buy glasses, it's quite a while before they replace them. Thus, we need to find ways to keep customers engaged during that time.

When we aim to sell high-quality glasses like ours, it's important to strengthen our connection with customers. At our lodge-style stores, customers can also drink coffee. Customers inherently feel a resistance to the idea

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of receiving services for nothing. Therefore, when they come in for a coffee, we take the opportunity to make adjustments and clean their eyewear. They are then encouraged to return in two weeks' time. I believe such initiatives are extremely crucial.

In terms of the effect of renovations, it's not just about the numbers. I can tell you that it has also had the effect of significantly broadening our customer base.

**Participant [Q]:** Sorry, this question also connects to my next one, but if I understand you correctly, the previous fiscal year was largely marked by a rise in sales at existing stores. I noticed a figure around 97.5% in August or so. However, the prior period was impacted by COVID-19, a situation that wasn't unique to your company.

In the current fiscal year, we're likely already recovering from COVID-19. Even if we factor out the positive impact of this recovery, I believe there's a chance that the results of your various efforts might start to become evident. That said, your current year's forecast for total sales, which shows a 1.9% increase from the previous fiscal year, seems rather conservative.

I understand the situation with new stores, but how are you viewing the performance of your existing stores, especially considering the projection of only a 1.9% increase in sales? As far as the stores are concerned, there's a net increase of one, right? Considering you're opening 20 new stores and closing 19, it's the first net increase in quite some time, though it may be rude to say it's been a long time. With 28 renovations, if you think about it in financial terms, it seems like it would contribute positively to financial results.

If that is so, then, how do you reach a projection of a 1.9% decline in sales for existing stores? I think that was in the data file, right? I see. I'll check that again. If it's no trouble, I'd like to confirm just the numbers. Sorry, I've skimmed through the materials, but I've forgotten the figures.

**Company Representative [A]:** In terms of both existing and all stores, we're planning for a net increase this fiscal year. But on the flip side, there were a considerable number of store closures in February and March. Those numbers will be reflected in our yearly totals, so to speak. To put it extremely, there's generally a two-year cycle, and the offset of this shift will inevitably surface in sales and [inaudible].

**Participant [M]:** I'll check the data file again to confirm those numbers. Sorry about that.

**Kayama [M]:** Are there any further questions?

**Participant [Q]:** I apologize for my late arrival and subsequent query. I have a lasting impression of your company from a time when consistently turning a profit of more than JPY10 billion was almost a given. It's striking to witness the struggles of late and how time has shifted.

Could you help provide clarity on what you anticipate as your normal level of sales and profits in the post-COVID-19 environment? An earlier question referred to reactionary impacts, among other things. So, what can be considered as your business's current natural strength or potential? I imagine your strategy involves striving for growth beyond these figures, but could you give us a sense of the natural level of sales and profits we should consider as a baseline? That's my first point.

Additionally, it seems to me that the price of glasses has dramatically decreased. Conversely, there appear to be companies that have successfully targeted the senior demographic, sold at higher price points, and thus emerged from lengthy periods of difficulty. As we face an inflationary situation, how do you perceive the appropriate price point for glasses?

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Given the growing elderly population, issues around vision will inevitably rise. I don't foresee a decline in the number of people with myopia either. With these factors in mind, what would you consider the fair price for a pair of glasses, or rather, the price you aim to achieve? Could you share your perspective on this matter?

**Sawada [A]:** I believe you've asked two questions. The first one is, how much progress should we expect in the financial results if we go by the pre-COVID-19 level? This is just asking for a rough estimate, right?

**Participant [Q]:** It's not so much about progress, but rather, in the post-COVID-19 environment moving forward, what are the expected levels of natural sales and operating income for your company? When I say natural, I mean without the influence of tailwinds.

**Sawada [A]:** Do you mean the numbers reflected in our three-year medium-term plan?

**Participant [Q]:** I'm sorry, but I'm not referring to the medium-term plan. Of course, I understand the medium-term plan involves striving for certain targets, but in the current business environment, what would you say is the real strength of the business?

**Sawada [A]:** The medium-term plan isn't really about stretching beyond us; it's more about the natural strength.

**Participant [Q]:** So, I should understand that this is the expected level under natural conditions. Is that correct?

**Sawada [A]:** Indeed. Regarding your second question about what the appropriate price for glasses should be, the situation in Japan is somewhat unique. Glasses here are exceptionally cheaper compared to Western countries. Take France for instance, the eyeglasses market there is twice the size of Japan's despite having only half the population.

What happened was that since the year 2000, a massive influx of low-priced Chinese products disrupted the market. Glasses are supposed to provide a precise fit. Our faces aren't symmetrical, and ideally, the distance between the lens and the cornea should be set at 12 millimeters. However, with cheap, injection-molded frames, you can't achieve that kind of fitting. They're practically one-size-fits-all products, so they may fit unevenly on different faces.

However, because these glasses are made from lightweight materials and aren't uncomfortable, they're probably not seen as problematic, even though from an engineering standpoint, they're far from ideal. This view has become mainstream in Japan, leading people to believe that glasses should cost somewhere around JPY5,000 to JPY8,000.

This isn't the case in France, the US, or other Western countries, in part due to the presence of optometrists—qualified individuals who perform eye exams. One positive development in Japan this year is the introduction of a national certification exam for eyeglass technicians. I think it's important for us to explain to consumers what really makes a good pair of glasses, and to help them understand the value of a medical device like eyeglasses. Take bifocals, for instance, they're quite tricky to fit properly. And given that staff at lower-priced eyewear stores are predominantly part-time workers, selling bifocals can be a real challenge.

So, what I mean is, bifocals can sometimes be challenging to see through properly. Consequently, many people tend to use two separate pairs of glasses—one for near vision and the other for distance.

Now, as for lens options, our selection is quite extensive, including quality lenses for bifocals that go up to roughly JPY200,000. However, other companies might just select a single type of lens, buy it in massive quantities to reduce cost, and then use that single type for all their glasses. So, it's not without difficulty to

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produce high-quality glasses for a mere JPY10,000. This is especially true considering our perspective on eyewear as medical devices in their original sense, adhering to the standards prevalent in Western countries.

When you ask about a reasonable price, we can even offer a pair of Japanese-made bifocals for JPY19,800. So, in my estimation, you should be able to get a high-quality pair for around JPY20,000.

**Participant [Q]:** How are you planning to increase prices in the future? I get the feeling your company thinks they're currently too low.

**Sawada [A]:** We're currently expanding our original brand. If you look at our website, you'll see it's called DIGNA Classic. We have two DIGNA HOUSE stores, one on Kotto-dori Ave. and another in Ura-Harajuku. The average price for frames at these stores exceeds JPY30,000. We're selling over 10,000 of these products annually, showing there's a definite market for them.

The glasses I'm wearing now are from Sabae Koki, another one of our own brands. They're made at our Create three factory in Sabae. Primarily, these glasses are sold at KIMPO-DO and our other [inaudible] stores. The frames alone range from JPY40,000 to JPY50,000 and sell quite well.

They offer different functionality and are made of different materials. For instance, these frames are made of a material called rubber metal, a type of biocompatible titanium. This type of titanium is safe enough to be implanted in the body without causing allergic reactions. It costs 10 times as much as regular titanium. Only four factories worldwide can process this material. We believe that highlighting such unique materials can strongly appeal to customers seeking high-quality products.

**Kayama [M]:** As we have reached the scheduled end time, we will conclude PARIS MIKI HOLDINGS' Financial Results Briefing for the Fiscal Year Ended March 2023.

Thank you all for joining us today.

[END]

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