

PARIS MIKI

PARIS MIKI HOLDINGS Inc.- Visions

The Company's plans, strategies and forecasts, except historical facts, contained in this document may be subject to change due to factors of risk and uncertainty.

Therefore, the Company does not guarantee their attainability, explicitly or implicitly.

The Company assumes that the 'factors of potential risk and uncertainty' may include the economic climate, especially concerning eyeglasses and hearing aid markets which constitute the Company's main business field, competition in the market and competitiveness of the Company's products, also include other unpredictable factors.



CONTENTS

Company Profile

**Market Overview
& Trends**

**Growth Strategy 1
Stores**

**Growth Strategy 2
Audio Life Care**

**Growth Strategy 3
Visual Life Care**

**Growth Strategy 4
Collaboration
with Medical Care**

**Financial
Projection**



PARIS MIKI

1930

● The First Stage

Founded "Seikakudo Watch Store" amid the emergence of an industrialized society.

The company was founded in 1930 in Himeji City, Hyogo Prefecture, by founder Yoshio Tane as "Seikakudo Watch Store." At that time, it was the year after the Great Depression began, and Japan was also starting to experience serious agricultural depression, with the price of rice plummeting. At the same time, people's lives were beginning to shift from farming to a "corporate job," a form of labor in which more and more people began to work common hours. Watches were becoming a necessity of the times.

1960

● The Second Stage

Re-established as "Megane no Miki" at the dawn of the TV era.

In the early 1960s, television replaced radio as the dominant mass media. This event marked the dawn of the Information Age, which has continued to the present day and is centered on the visual sense. Hiroshi Tane (former chairman of the company), who was one of the first to visit the U.S. and was convinced of the future of eyeglasses, reestablished the company as a specialty eyeglasses store. He took on the challenge of solving various customer problems to meet the needs of the times, including the enhancement of eye examinations, the price destruction of expensive imported frames, and the development of suburban stores.

2022

To the Third Stage

In the time of changes, what are our customers' problems and what can we do to solve them?

In a world where anything you want is readily available to you and the peoples desires have been fulfilled to a great extent, what are people searching for? Wouldn't you agree that it is the richness of mind, and that richness is "tokimeki" (excitement) and "anshin" (peace of mind)?

We not only offer glasses that assist in conventional "seeing," but also a wide range of products for all of our customers' needs.

We will provide the best service for each customer with our experience and advanced technology.

We will continue to provide "excitement" and "peace of mind" to meet the individual needs of our customers.

We will continue to evolve "for our customers and their future".

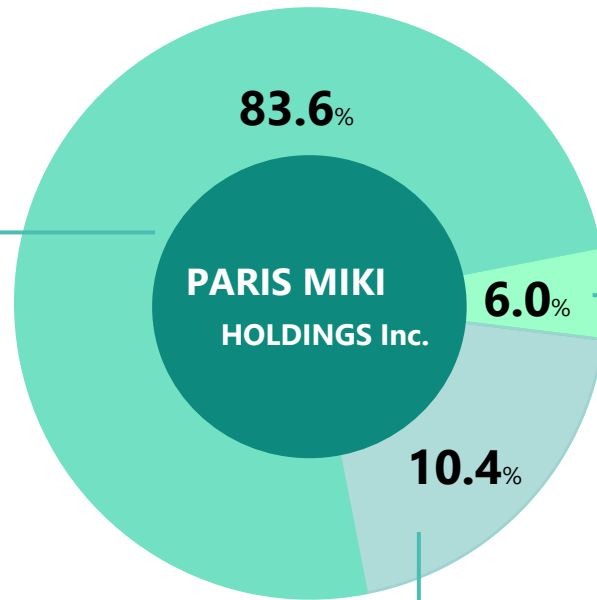
Trade Name	PARIS MIKI HOLDINGS Inc.
Foundation	October 10, 1930
Establishment	January 27, 1950
Listing date	August 9, 1995
Stock market listing	Prime Market of the Tokyo Stock Exchange (Ticker 7455)
Capital	5,901,075,000 yen
Group companies	28 consolidated subsidiaries, 3 unconsolidated subsidiaries, 1 related companies
Number of Employees	3,848 (2,720 Full-time, 1,128 Part-time (Contractor))
	Note: Part-time employees (Contractor) are converted by a regular working hours (8hrs per day).



Himeji, Hyogo Prefecture, is the place where we started out in response to the changes of the times and our customers. Founder Yoshio Tane is in the center of the photo, and the infant being held by the woman is former Chairman Hiroshi Tane.

Group Organization

Percentage of sales



Eyeglasses retail in Japan

PARIS MIKI Inc.



Eyeglasses retail in Japan

KIMPO-DO Co., Ltd.



Eyeglasses retail, wholesale and Medical business in overseas

13 countries 109 stores



Partnership

College of Optometry and Medical Technology

World Optical College



WOC 視覚医療技術専門学校
World Optical College
ワールド オプティカル カレッジ

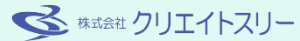
Medical related support business

Medishared Co., Ltd.



Eyeglass frames Manufacturing

Create Three Co., Ltd.



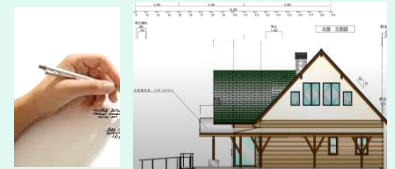
Eyeglass Frames Repair

O.P.T make FUKUI Co., Ltd.



General construction & Interior finishing

GREAT Inc.



Segment

Japan

650 stores all over the country

631 PARIS MIKI Inc.
(538 company-owned stores,
93 independent shops allowed to use "PARIS MIKI" branding)

19 KIMPO-DO Co. Ltd

Overseas

109 stores

(70 company-owned stores, 39 franchised stores)

Europe

2 stores

Asia

98 stores

U.S.

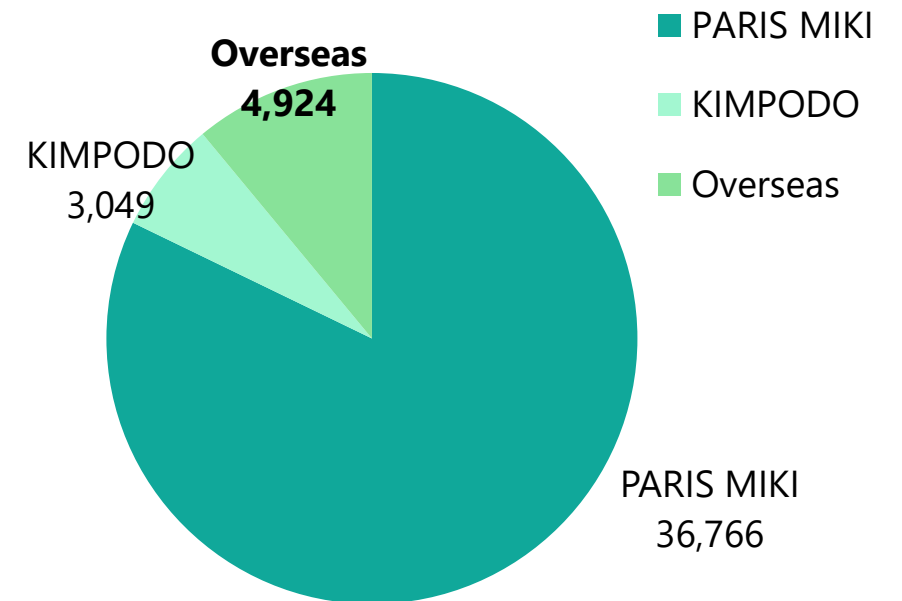
5 stores

Oceania

4 stores

【Sales FY03/2022】

Unit: million yen



(before inter-company eliminations)

CONTENTS

Company Profile

Market Overview

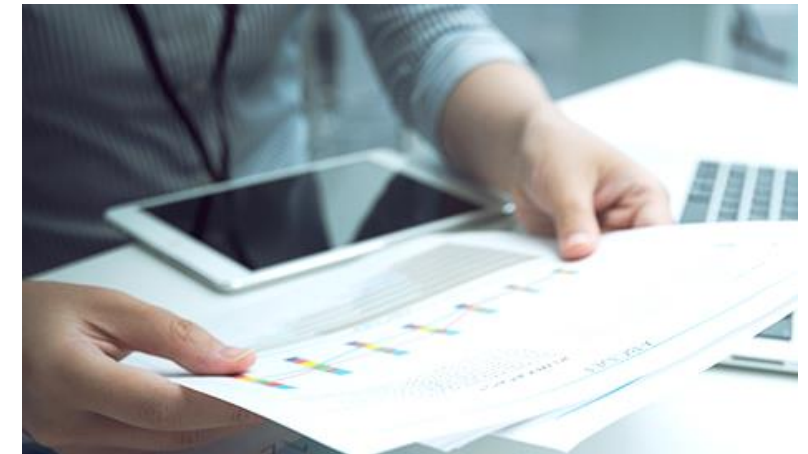
**Growth Strategy 1
Stores**

**Growth Strategy 2
Audio Life Care**

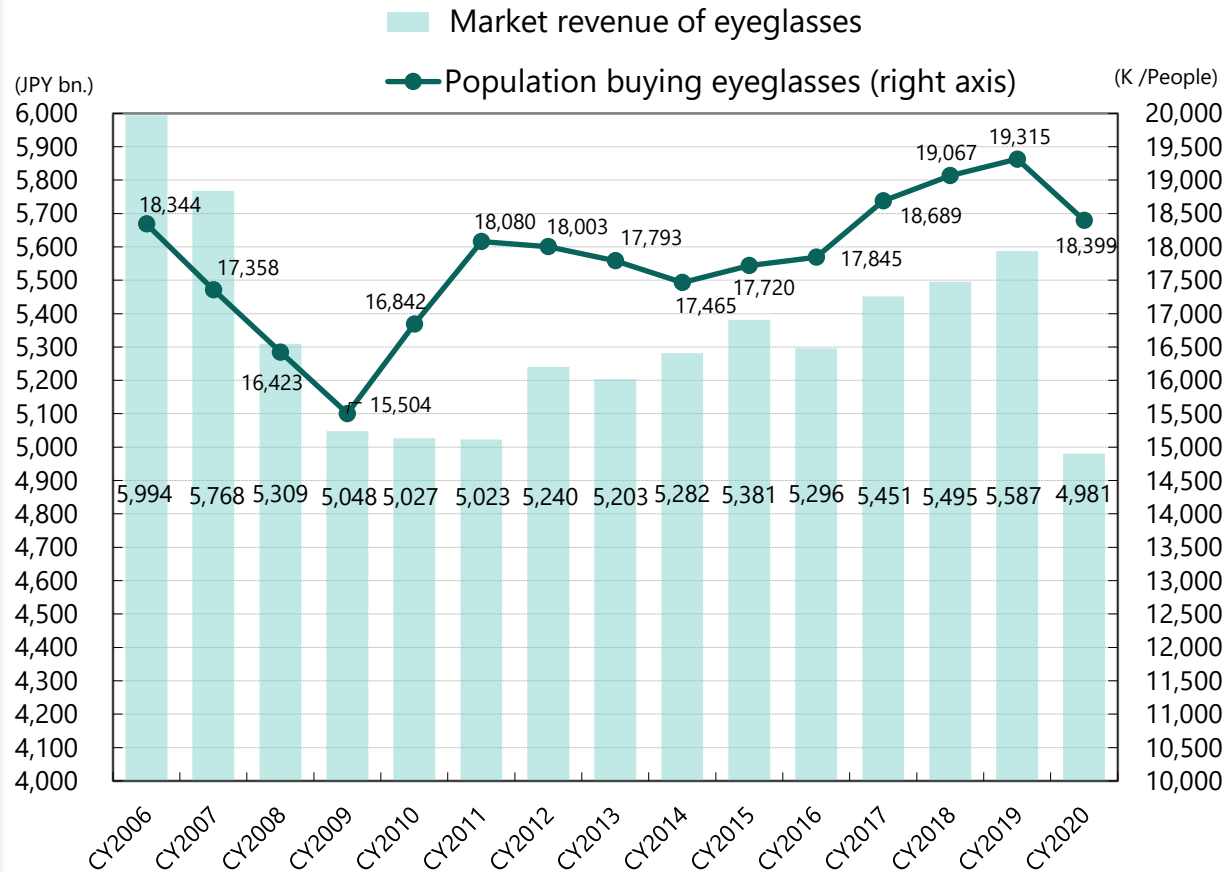
**Growth Strategy 3
Visual Life Care**

**Growth Strategy 4
Collaboration
with Medical Care**

**Financial
Projection**



【Retail sales of eyeglasses】



Eyeglasses market remains flat over 10 years. It will not shrink rapidly, but it will not expand due to aging and depopulation. To expand the market, we need to provide not only products, but also "added values".

【Eyeglasses Market in Japan】 (CY 2020)

Age Range	Population composition by age	Ratio	Population buying glasses	Ratio	Market Scale	Ratio	Average unit price (1 pair of glasses)
(y/o)	(K/people)		(K/people)		(K/JPY)		(JPY)
5-14	10,360	8.5%	1,367	6.8%	20,312	5.4%	14,879
15-24	12,090	9.9%	2,664	14.7%	32,623	8.7%	12,127
25-34	12,920	10.7%	1,963	11.3%	28,132	7.5%	14,104
35-44	15,820	13.0%	2,140	11.2%	33,749	9.0%	15,535
45-54	18,500	15.3%	2,710	14.1%	47,747	12.7%	17,520
55-64	15,330	12.7%	2,471	13.5%	55,845	14.8%	22,575
65-74	17,470	14.4%	2,594	14.4%	72,016	19.1%	27,776
Over 75	18,720	15.5%	2,491	13.8%	86,345	22.9%	33,878
Total	121,210	100.0%	18,399	100.0%	376,768	100.0%	20,478

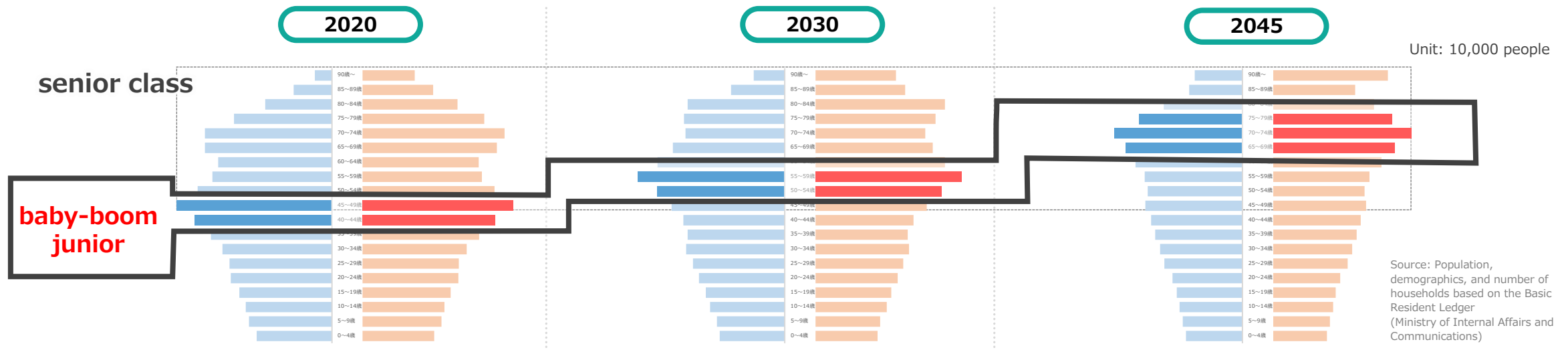
Because of the need for high functional lenses such as bifocal lens, the unit price increases with age. In the eyeglass market, demand for eyeglasses from people aged 45 and over accounts for **69.5%*** of the market in terms of value.

Japanese Market Trends

- Our population is not only declining but also aging and the number of patients with eye diseases is increasing. The market is increasing due to the growing demand for bifocal lenses.
- Increase in the number of active seniors, resulting in growing need to "want to see and hear things positively."
- Market for mid 50's and up projected to grow from 2025 onward
- Market potential of approximately 500 billion yen in total is expected around 2030
- In the eyeglass market, the demand for eyeglasses by people **aged 45 and over** accounts for **69.5%*** in terms of value. *Source: "Megane DB 2021", Megane Optical Publishing Co.
- Japan's overall population will decline, but the market for eyeglasses and hearing aids will continue to grow as baby boomers transition to senior citizens.

.....**The "baby boomers," the largest group in the population pyramid, are shifting into senior citizens.**.....

Projected changes in the composition of Japan's population (based on the Basic Resident Ledger, total population)



Market forecast*

*Based on our calculations

Glasses: **403 billion yen**
Hearing Aids: **35.5 billion yen**

450.4 billion yen
40 billion yen

520.5 billion yen
48 billion yen

Global Market Overview

[Sales breakdown by product]

Global Eyeglasses Market

100 billion Euro

(Approx. 12,817.2 billion JPY) Year 2020

Sunglasses, 14

Contactlens, 16

Frame, 27

Others, 3 (Unit: billion Euro)

Lens, 40

Growth potential

- Expand myopia and myopia prevention market
- Expand presbyopia market

- Number of myopia population in 2010

Approx. **2 billion people**

- Projection of myopia population in 2050**

Approx. **4.758 billion people**
(About half of the world's population)

- Number of presbyopia population in 2020

Approx. **1.4 billion people**

- Projection of presbyopia population in 2050**

Approx. **4.5 billion people**

* market forecast based on PARIS MIKI calculations

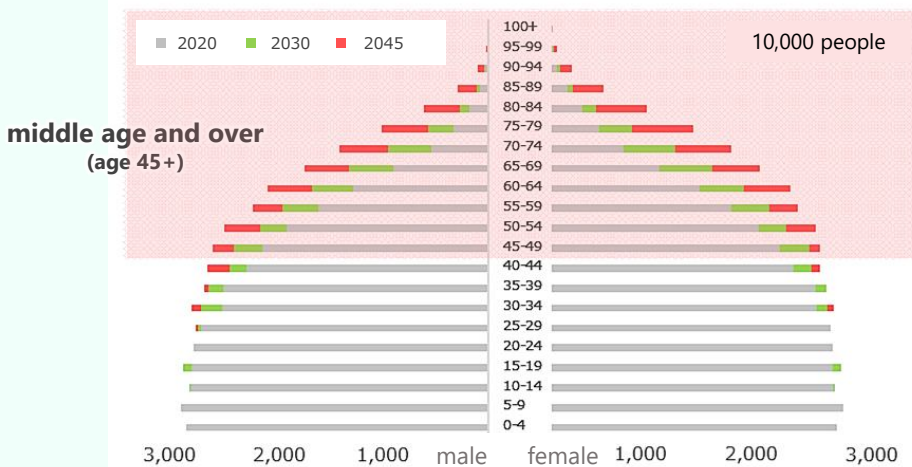
Remarkable growth in Southeast Asian market

- Expanding medical and eyeglass markets due to economic development following population growth
- Increased health awareness, including optical health

Increase in the population of middle age and over (age 45+)

Year 2020: **189** million people

Year 2045: **309** million people



Expand Ophthalmic Care and Eyeglass Market

Growing health awareness

- Increased awareness of eye diseases and health due to economic development, longevity and aging
- Increased demand for advanced medical services
- Increased demand for medical tourism



Integration of ophthalmology and eyeglass market

- Provide full eye health support from preventative care through mutually complementary system between optometrist and ophthalmologist.



Source: World Population Prospects 2019

URL : <https://population.un.org/wpp/Download/Probabilistic/Population/>

CONTENTS

Company Profile

Market Overview

**Growth Strategy 1
Stores**

**Growth Strategy 2
Audio Life Care**

**Growth Strategy 3
Visual Life Care**

**Growth Strategy 4
Collaboration
with Medical Care**

**Financial
Projection**



New Concept Store Development

The concept is "an eyeglass store that doesn't look like an eyeglass store".

Variety of exciting stores

Full range of stores tailored to local regions and customers

Customer

Regional Characteristics

Location



Providing "time for more than just shopping"



● Music Live



● Collaboration with an outdoor company



● Guide dog demonstration



■ Lodge

Standalone suburban stores. With the appearance of a log house and having the smell of lumber, the stores' spacious interiors allow customers to take their time shopping. Lodge format stores are mainly created by renovating and expanding existing standard format regional flagship stores. The target customer base can range widely, from existing customers to new families.



■ Bell Epoque

Located mainly inside shopping centers. The format evokes the golden age of Paris in the late 1800s and early 1900s. The target is families and parents in their 30s.



■ Nouveau



■ Maison

Mainly standalone suburban stores. The stores are furnished with European-style furniture and offer a café corner and waiting area where visitors can relax. The stores are closely connected with the local community and provide a space where customers can get counselling about their vision and hearing. The target customer based can range widely, from new families to baby boomer, depending on store location.



■ Salon



■ Entertainment

Mainly general tenant stores in cities with populations of more than 1million. With a music and fashion theme (i.e., displaying guitars or drum sets), the stores at first glance do not have the appearance of an eyewear store. The target is customers in their 20s to late 30s. The stores also play a role in driving traffic to the online site and setting new trends.

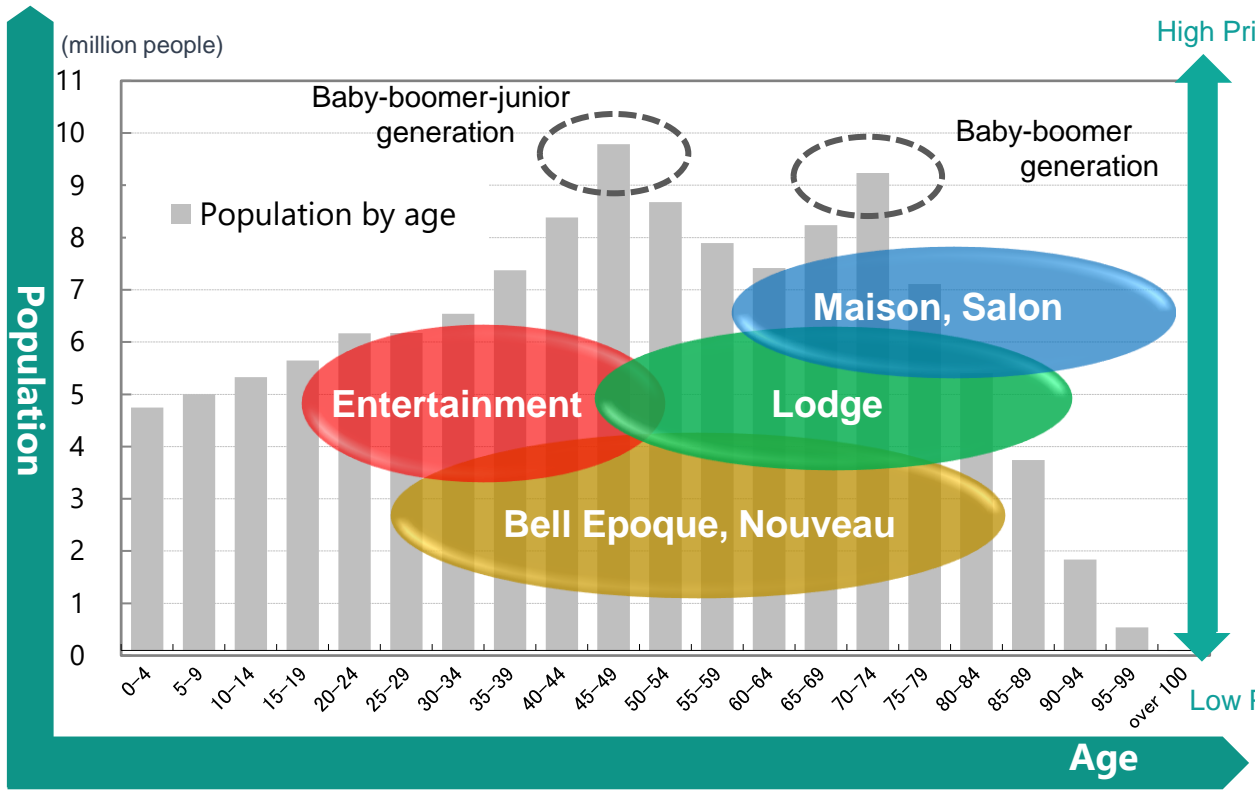
Speeding up store openings & renovations tailored to the region and location

Short-term Plan

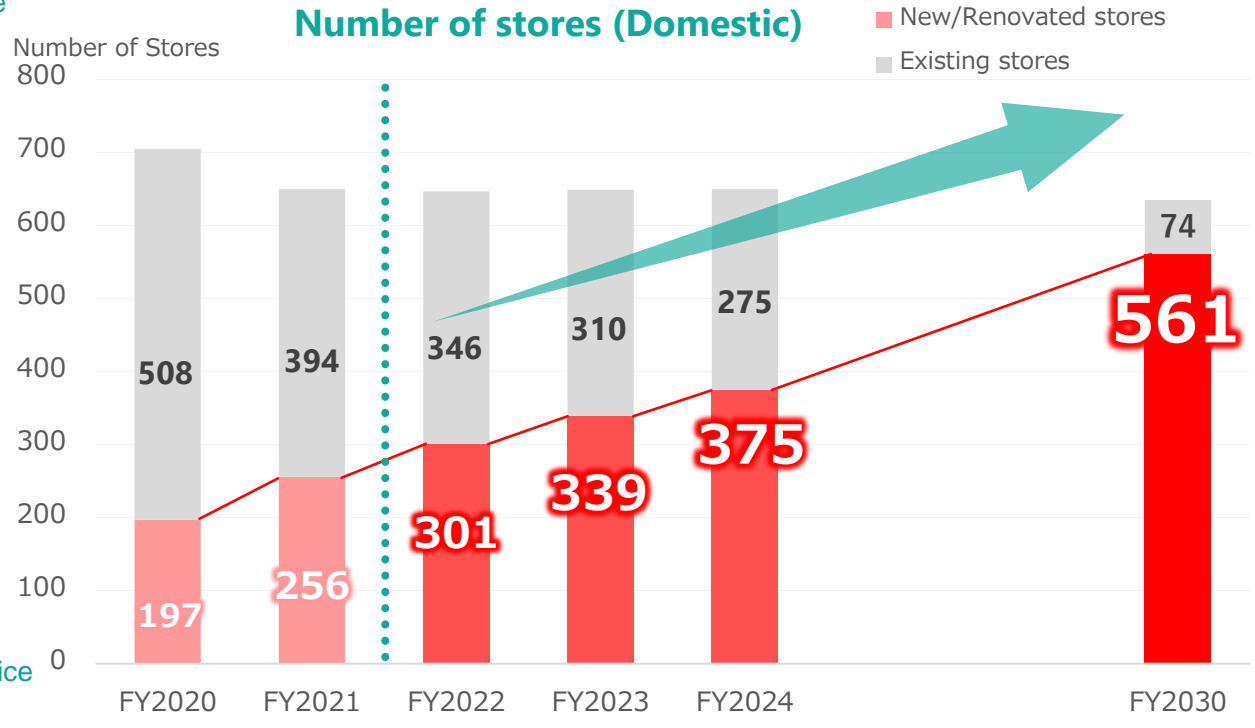
- Existing dominant stores and unprofitable stores will be consolidated or moved to a better location. (Effects of this plan: **0.2** billion yen)
- Renovate **20** to **25** stores per year

Mid-term Plan

- Expand "Lodge" and "Maison" type stores from **23** in FY2021 to **64** in FY2024
 Net Sales: **7** billion yen Operating Income: **1** billion yen (Total of 64 stores in FY2024):



Developing community-based stores supported by a wide range of age groups through various store developments



Store Investments

5 billion yen (Domestic FY2022 – 2024 Cumulative Forecasts)

Unrenovated stores

VS New/Renovated stores

Annual Profit/Loss per store*

*Calculated based on FY2019 annual results before COVID-19.

(Unit: thousand yen)

Unrenovated



Cost of Sales	14,553
Personnel Expenses	16,424
Advertising Expenses	1,727
Fixed Rent	7,972
Depreciation Expenses	371
Others (system cost · sales expenses etc.)	8,993

Net Sales
50,694

Operating Income
654

39.5% UP

135.9% UP

Net Sales
70,728

Cost of Sales	20,958
Personnel Expenses	21,932
Advertising Expenses	2,113
Fixed Rent	9,582
Depreciation Expenses	1,308
Others (system cost · sales expenses etc.)	13,292

Operating Income
1,543

Planning to open or renovate **119** new stores over the next three years

- Many customers of all ages
- High growth rate for the next year

New · Renovated



● Long-established stores have many older regular customers, however decrease in foot traffic from younger generation remain an issue.

Unrenovated stores

vs "Lodge" type stores

Annual Profit/Loss per store*

*Calculated based on FY2019 annual results before COVID-19.

(Unit : thousand yen)

Unrenovated



Net Sales	50,694
Cost of Sales	14,553
Personnel Expenses	16,424
Advertising Expenses	1,727
Fixed Rent	7,972
Depreciation Expenses	371
Others (system cost · sales expenses etc.)	8,993

Operating Income 654

● Long-established stores have many older regular customers, however decrease in foot traffic from younger generation remain an issue.

124.5% UP

Over 2,000% UP

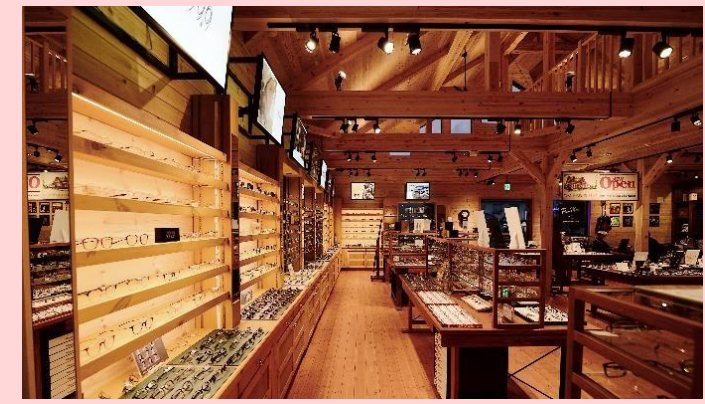
Net Sales 113,798

Cost of Sales	34,255
Personnel Expenses	28,913
Advertising Expenses	5,500
Fixed Rent	7,983
Depreciation Expenses	7,065
Others (system cost · sales expenses etc.)	16,162

Operating income 13,920

- There are currently 21 Lodge stores
- Plans to increase to 50 Lodge stores by FY2024

Lodge type store



CONTENTS

Company Profile

Market Overview

**Growth Strategy 1
Stores**

**Growth Strategy 2
Audio Life Care**

**Growth Strategy 3
Visual Life Care**

**Growth Strategy 4
Collaboration
with Medical Care**

**Financial
Projection**



Enhanced Audio Life Care

Hearing Loss Population in Japan

Approx. 14.3 million*

*Source: Japan Hearing Aid Manufacturers Association



Hearing Aid Wearing Population
13.5%

Conventional Market

- Prosthetic devices for hearing loss
- Hearing aid is for seniors



What is Audio Life Care?

Not limited to traditional hearing aid sales, which often accompanied by negative image, but we provide detailed counseling about the ear and "hearing" to comprehensively produce the joy of hearing and the pleasure of sound for our customers.

Establishment of Audio Division in April 2022

Aiming for further business expansion in line with evolving markets and products.

Enhanced Audio Life Care

【Hearing aid market (total units shipped)】

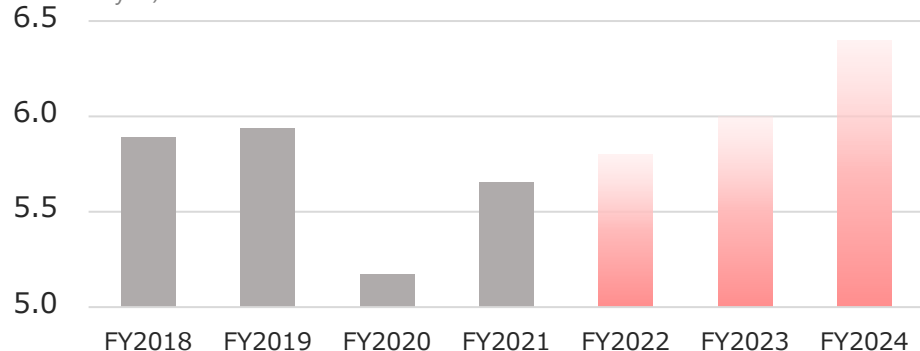
CY2014	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020
525,980	562,284	561,557	562,747	585,255	613,086	563,257

【PARIS MIKI Hearing aid (total units shipped)】

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
31,214	32,264	30,299	30,772	30,460	29,687	26,576

【Audio Life Care Sales】

(Unit: billion yen)



Forecast sales of **6.4 billion yen*** in FY2024

※Audio Life Care sales are included in domestic business.



application

2 month

Cancellation at any time after 2 month

3 years

Period to examine & adjust

Available up to 3 years

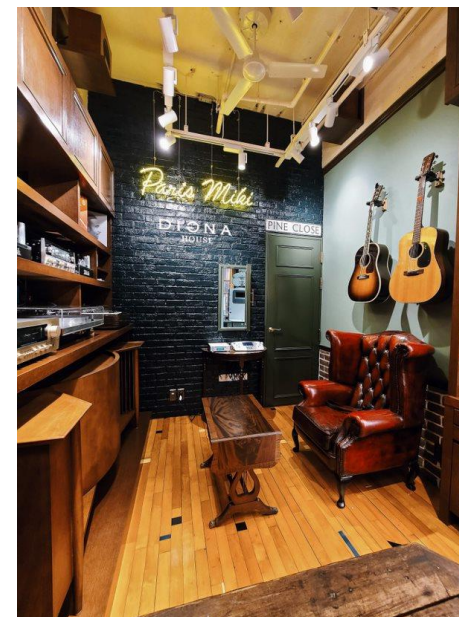
- The RAKU MIMI Service (system providing hearing aids at a fixed price) helps to reduce the economic and psychological burden of using expensive hearing aids by providing a unique, long-term guarantee, eliminating the anxiety experienced by the elderly and family members.

Develop potential demand

Develop potential demand



- Opened a store specialized "Audio Life Care" accommodate generations who want to enjoy music from a variety of music sources.
- Audio equipment is set up for customers to experience "the excitement of hearing"



CONTENTS

Company Profile

Market Overview

**Growth Strategy 1
Stores**

**Growth Strategy 2
Audio Life Care**

**Growth Strategy 3
Visual Life Care**

**Growth Strategy 4
Collaboration
with Medical Care**

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Projection**



Human Resource Development to Support "Peace of Mind"



Eye problems are becoming **more diverse and sophisticated**, such as the deterioration of eyesight due to the aging of the population and the deterioration of children's eyesight due to the spread of smartphones and other devices.



The need to make spectacles that not only help people see, but are also tailored to each individual's needs



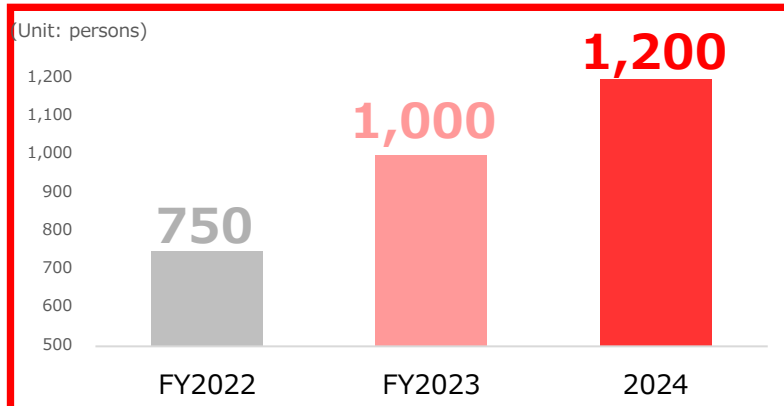
The Importance of Eye Disease Prevention in Collaboration with Ophthalmologists to Protect Eye Health

Requirement of national certification mandatory for **"Eyewear Specialist"***
Starting April 2022

*Not credentialed for medical procedures

*Since the inception of the Organization for Promotion of National Certification, which aims to realize national certification, we have provided **the greatest possible support** as a key player in the eyeglass store industry.

Accelerate human resource development by deploying know-how cultivated at technical schools within the Company



Aim to have **1,200** qualified employees throughout the company by FY2024.



With ophthalmologist and optician
Vision Care Through Collaboration



Visual Life Care to Support Eye Health

Visual Life Care – a detailed vision measurement system

Visual life care is a service to provide our customers with the best eye exams, which are based on six types of categories which are tailored to them after counseling on their living situations and how they use their eyeglasses (i.e., daily life, working on the computer, driving, and outdoor sports) .

With this service, we can realize our goal to provide our customers with eyeglasses that can make their lives comfortable in addition to correcting their vision.

We have Over 700 senior vision testing technicians

Our qualified and experienced staff is dedicated in providing the best services to our customers. They are also up to date with the constant changes in eyewear technology and eye care related issues by attending seminars and courses in order to provide best customer service. We can carry out Visual Life care service because we have many highly skilled employees.

We provide our employees education such as an internal & external staff training program to ensure that we can achieve to provide the world class PARIS MIKI customer service to our valued customers.

We aim to provide "customized solutions for each customer". We will work towards earning the trust of our customers and wholeheartedly help to improve their quality of lives by implementing the idea of anticipating and fulfilling customer's needs, offering solutions in the best interest of each customer.



Advanced technology through cooperation with 'World Optical College' (college of optometry and medical technology)



Easy-to-understand by using visual aids like illustrations, slides, and movies



Eyeglass fabricating specialists through in-house training

CONTENTS

Company Profile

Market Overview

**Growth Strategy 1
Stores**

**Growth Strategy 2
Audio Life Care**

**Growth Strategy 3
Visual Life Care**

**Growth Strategy 4
Collaboration
with Medical Care**

**Financial
Projection**



Integration and collaboration with Ophthalmology in Southeast Asia

The world's leading medical hospitality business model

State-of-the-art ophthalmic care × High-quality eyeglass store = Generate High Synergy from individual strengths

Vietnam

- In 2014 started “integrated management of an ophthalmology hospital and eyeglass store”
- Provided the highest standard of Japanese medical care to the local people



 Japan International Eye Hospital
日本国際眼科病院

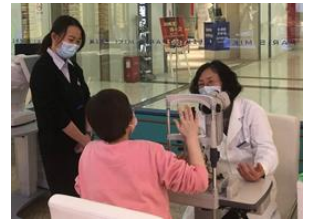
Cambodia

- Utilize hospital management know-how learned from Vietnam
- Started the second “integrated management of an ophthalmology hospital and eyeglass store” site in 2021



China

- Established “Eyecare center” that can provide eye exams using the latest equipment, ophthalmologist and AI
- More than **90%** of employees in PARIS MIKI China have high skill & license



Thai

- In-store Eye Screening Exams by Ophthalmologist and Optometrist
- Cooperate with ophthalmologist if consultation and treatment are necessary

Philippines

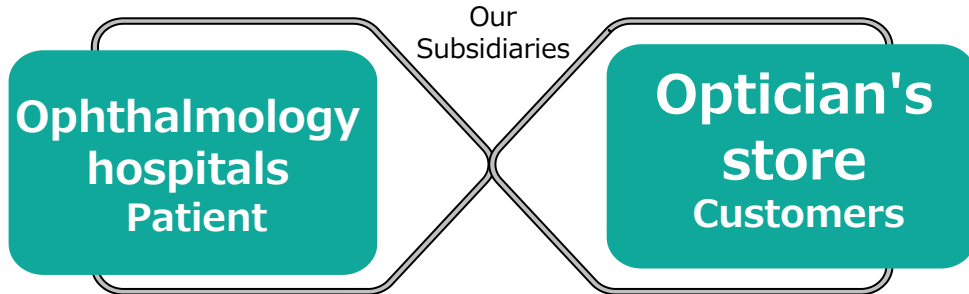


Collaboration in the medical field (overseas and domestic)

Overseas

Construct a successful business model of "Ophthalmology + Eyeglass Store" integrated management

Provide the highest standard of medical care and hospitality in Japan



- Physicians of the highest caliber
- State-of-the-art medical equipment
- Educated Staff

Development of Overseas Subsidiaries

Commercialization

Vietnam, Cambodia

In preparation

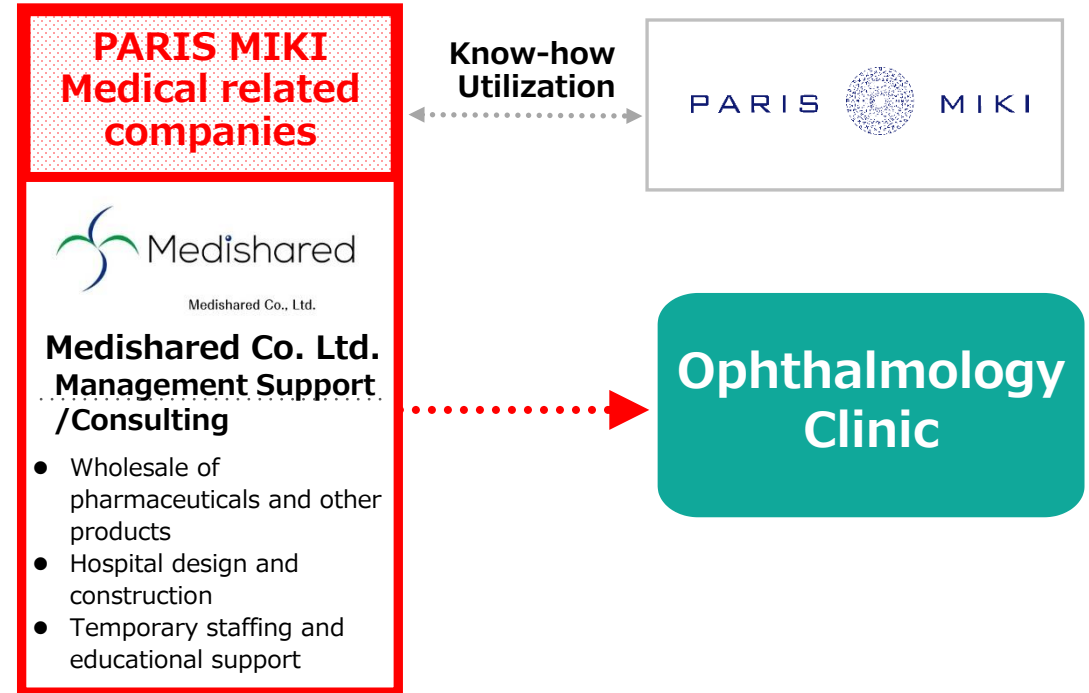
Philippines, etc.

Mutual Utilization of Know-how

Japan

Management support for ophthalmology hospitals

Practice philosophy of the "For Patients (Customers)"



Synergy between eyeglasses and medical care

As society's longevity accelerates, medical care is even more necessary, and collaboration between opticians and ophthalmic care is an indispensable trend. We believe that our customer-oriented spirit creates a unique synergy by combining the respective strengths of optometry and ophthalmology.

We not only provide our clients with effective and functional lenses, but also with a system that supports comprehensive eye health as a "preventive" measure. "Collaboration between optometry and ophthalmology" is an important keyword for enriching our customers' lives and for the further development of the PARIS MIKI Group.

Southeast Asia

Expand cooperative management structure between eye clinic and eyeglass store

Provide Japan's high standards of medical care to locals.



June 2022 Open **the second facility** in Vietnam

- Inside the facility
- 1F: Eyeglass store
 - 2F: Eye clinic

Japan

Active investment in medical malls

Medical care + high quality eyeglass store = **Peace of mind** (eye clinic)



May 2022 Open **the first Medical Mall** in Japan

- Inside the mall
- 1F: Eyeglass store
 - 1F: Dispensing Pharmacy
 - 2F/3F: Eye clinic

Invest **3** billion yen in the medical business area
(Cumulative Forecasts to FY2030)

CONTENTS

Company Profile

Market Overview

**Growth Strategy 1
Stores**

**Growth Strategy 2
Audio Life Care**

**Growth Strategy 3
Visual Life Care**

**Growth Strategy 4
Collaboration
with Medical Care**

**Financial
Projection**



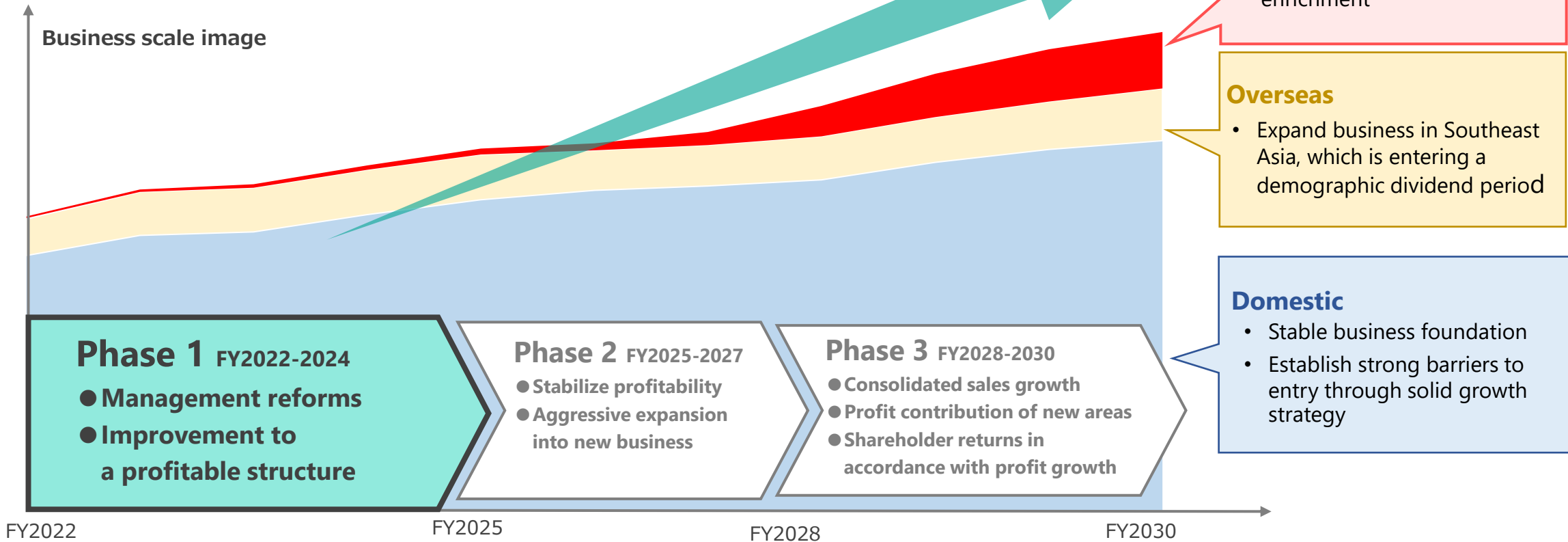
Purpose & Vision / Business Portfolio

Purpose:

Enrich their lives of our customers
by bringing them **"Excitement" & "Peace of Mind"**

Vision:

In 2030, we will become a **"Global Hospitality Brand"**



Financial Projection ①

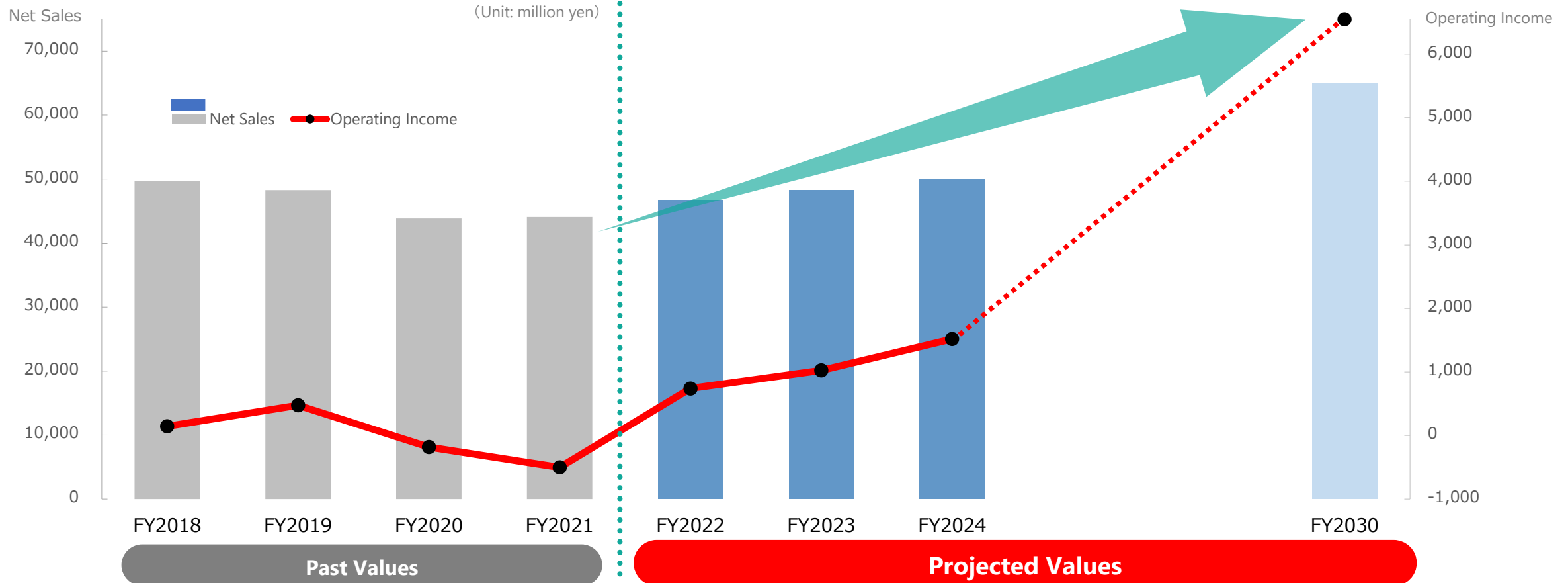
Looking 10 years ahead, the coming three years are crucial to becoming a profitable company

Target value in three years

Operating Income 1,518 million yen

Net Income 1,000 million yen

Group Total Projected Values



Financial Projection ②

(Unit : million yen)

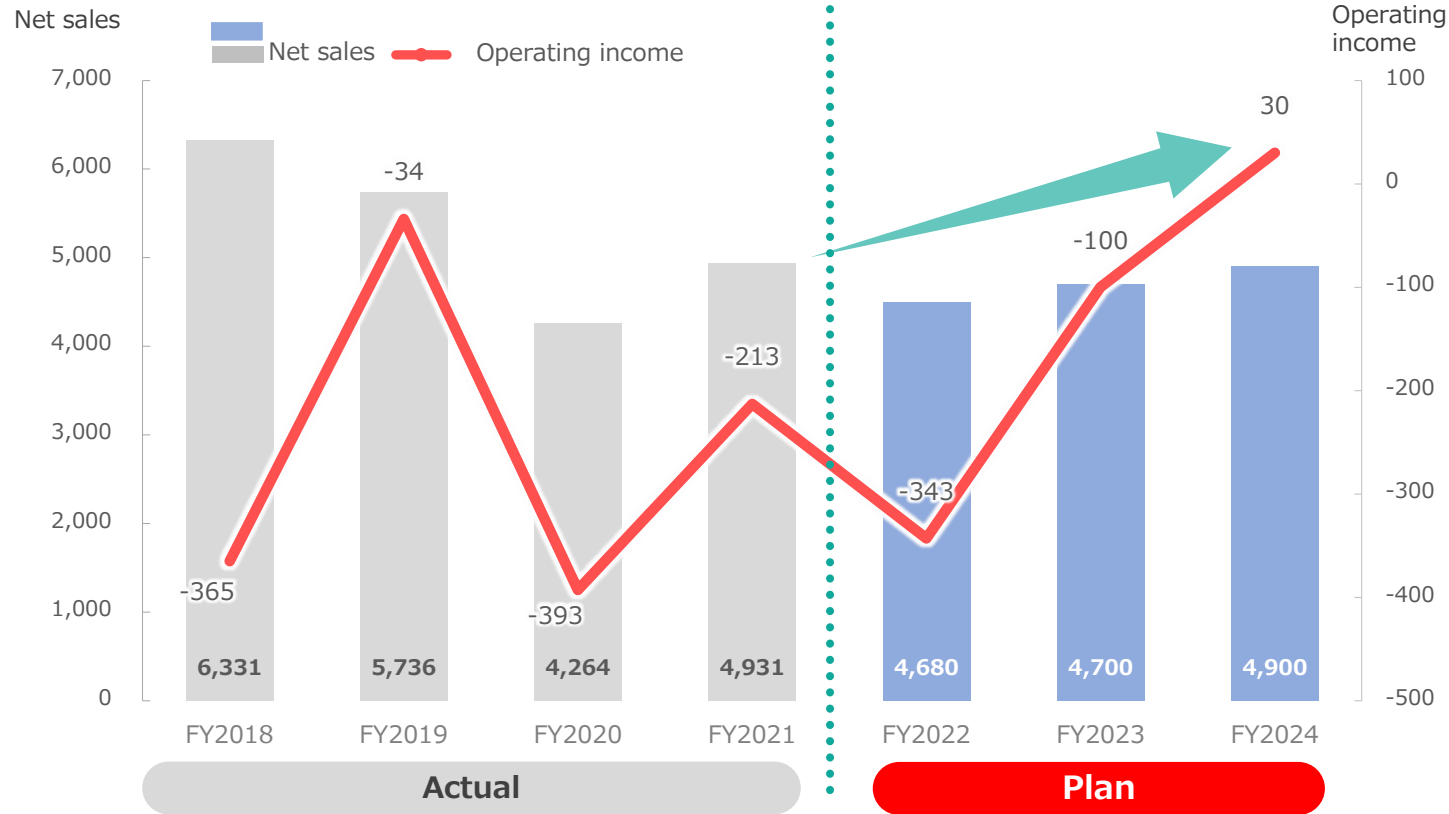
Business Breakdown		Past Values				Projected Values				
		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	...	FY2030
Net Sales	① Domestic	43,089	42,319	39,393	38,995	41,810	43,300	44,800		56,500
	② Overseas	6,331	5,736	4,264	4,839	4,680	4,700	4,900		6,000
	③ New · Others	269	252	216	258	260	300	320		2,500
	Total	49,689	48,307	43,873	44,092	46,750	48,300	50,020		65,000
SG & A Expenses	Total	33,153	32,266	29,938	30,816	31,424	31,819	32,496		37,650
Operating Income	Total	146	476	-180	-500	740	1,025	1,518		6,550
Profit Loss Attributable to Owners of Parent	Total	-1,342	-730	-39	-1,108	380	610	1,000		4,389
Operating Income Ratio (Group total)		0.3%	1.0%	-0.4%	-1.1%	1.6%	2.1%	3.0%		10.1%
EPS		-	-	-	-	7.5yen	12.0yen	19.7 yen		86.4 yen
ROE		-	-	-	-	1.4%	2.2%	3.5%		11.2%

shareholder return

Maintain current dividend level

Financial Projection: Overseas

(Unit: million yen)



Phase 1 FY2022-2024
Management Reform and Profit-Bearing Structure

Overseas business to accomplish **"Selection and Concentration"**

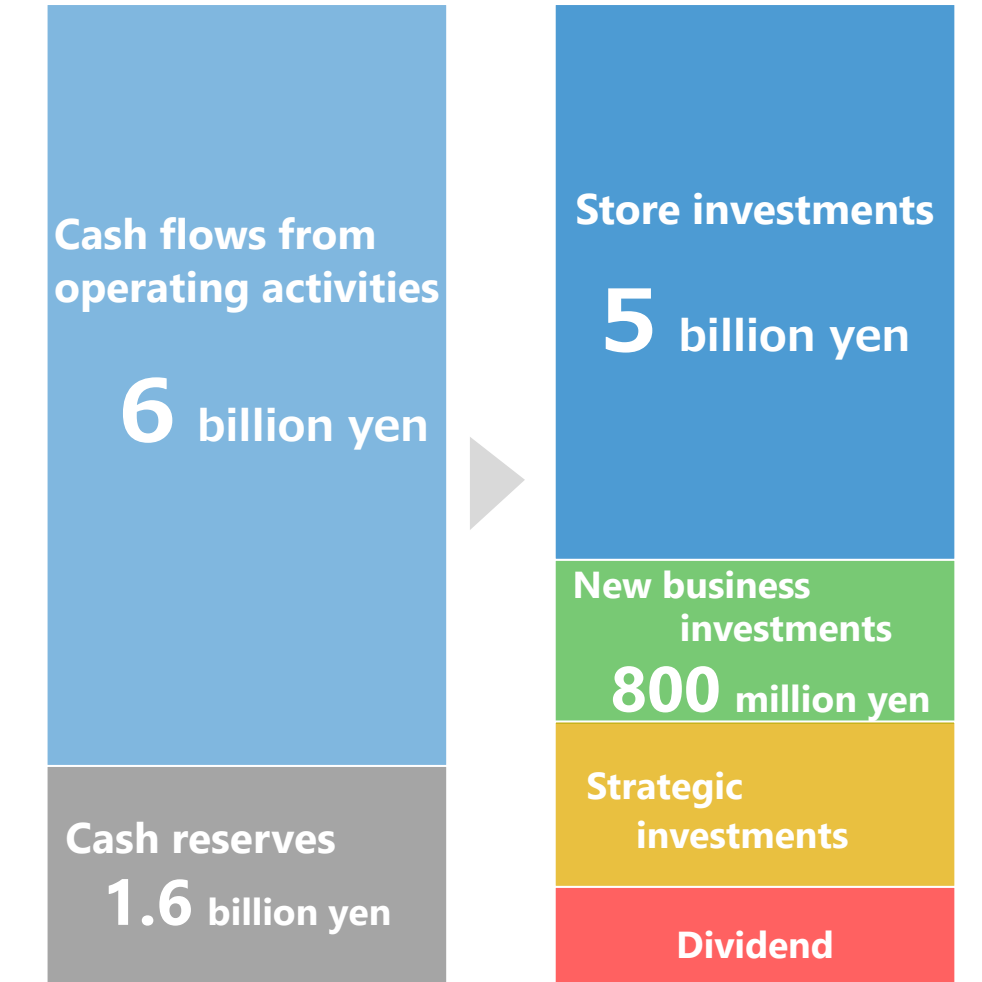
Management Policies and Measures

Extension	Southeast Asia is entering a period of demographic dividend. Aggressive investment, expansion of low-cost and high-return stores
	Accelerate collaboration with medical and differentiate from competitors through value-added offering
Improvement	Accelerate closure of loss-making stores, mainly in China, to improve profitability

FY2019-2020
 Restructuring brought the company to the verge of profitability, but the pandemic temporarily stalled

FY2021
 In the second year of the pandemic, there are signs of a turnaround in performance again. Drastic restructuring will be pursued over the next three years.

Growth investments & Shareholder returns (Total for FY2022-2024)



Investments · Shareholder returns

Store investments **5 billion yen**

- Investment in opening and renovating new concept stores
- Plan to open 119 stores in 3 years

New business investments

Domestic 300 million yen Overseas 500 million yen

- Integration of ophthalmology and eyeglass store business model in Southeast Asia
- collaboration between medicine and eyeglass business

Strategic investments

- Installation and replacement of new optometry equipment
- Strengthen customer touch points and branding

Dividend

- The next three years will be an important period for aggressive investment in growth.
- Maintain the current level of dividends based on continuous dividend payments, taking into consideration the balance with retained earnings.