

PARIS MIKI

FY2022-2024

# Progress of the Medium-Term Management Plan

May 13, 2024

PARIS MIKI HOLDINGS Inc.

Securities Code

7455

PARIS MIKI NOUVEAU



# 01

## Overview and Progress of the Medium-Term Management Plan



## Purpose

Enrich each and every one of our customers with  
“**tokimeki**”<sup>\*</sup> and “**anshin**”<sup>\*\*</sup>

<sup>\*</sup> excitement in Japanese  
<sup>\*\*</sup> peace of mind in Japanese

## Vision

Become a world-class “**hospitality brand**” in 2030

Long-term  
management target

Medium-term  
management plan

Numerical target

**FY2024**

Net sales

JPY **51,067** million

Operating income

JPY **2,117** million



**Tokimeki**<sup>\*</sup>

- Creating stores tailored to customers and local communities
- Real experiences encompassing “seeing,” “hearing,” and “touching” at actual stores
- Fashion proposals with a wide selection of products
- Provide positive audio life care



**Anshin**<sup>\*\*</sup>

- Provide the highest standard of medical care and hospitality overseas
- Reciprocal utilization of Japanese and overseas know-how
- Strengthen “seeing” and “hearing” consulting
- Nurture human resources to support “peace of mind”
- Environmentally conscious corporate activities

# Policy of Medium- and Long-Term Management Target



Key Measures						
Domestic	Growth	<ul style="list-style-type: none"><li>Aggressive store openings and strategic renovating focused on lodge-type stores</li><li>Promote nationally-accredited certification for optical technicians</li></ul>	Growth	<ul style="list-style-type: none"><li>Closing of unprofitable stores, etc. completed in Phase 1, increase number of stores</li></ul>	Growth	<ul style="list-style-type: none"><li>Sales growth through greater collaboration with medical institutions</li></ul>
	Improvement	<ul style="list-style-type: none"><li>Closing of unprofitable stores and consolidation of aging stores</li><li>CX* implementation, operational streamlining, legal compliance, system investments</li></ul>	Improvement	<ul style="list-style-type: none"><li>Improvement in business performance due to CX* implementation</li><li>Improve earnings by strengthening product lineup of eyeglasses, sunglasses, etc.</li></ul>	Improvement	<ul style="list-style-type: none"><li>Improve profitability and efficiency per store through CX* improvement and DX</li></ul>
Overseas	Growth	<ul style="list-style-type: none"><li>Active investment in Southeast Asia, which is entering a demographic dividend period, developing low-cost, high-return stores</li><li>Accelerate collaboration with medical institutions to differentiate through value-added offerings</li></ul>	Growth	<ul style="list-style-type: none"><li>Operate three or more local ophthalmic hospital management companies</li><li>Expand stores for affluent customers</li><li>Strengthen product lineups that combine Japanese quality with local design</li></ul>	Growth	<ul style="list-style-type: none"><li>Grow solid profit base of ophthalmic hospital management</li><li>Expand new locations in Southeast Asia</li></ul>
	Improvement	<ul style="list-style-type: none"><li>Expedite closure of loss-making stores</li></ul>	Improvement	<ul style="list-style-type: none"><li>Improve profitability and efficiency per store</li></ul>	Improvement	<ul style="list-style-type: none"><li>Make all overseas subsidiaries profitable</li></ul>

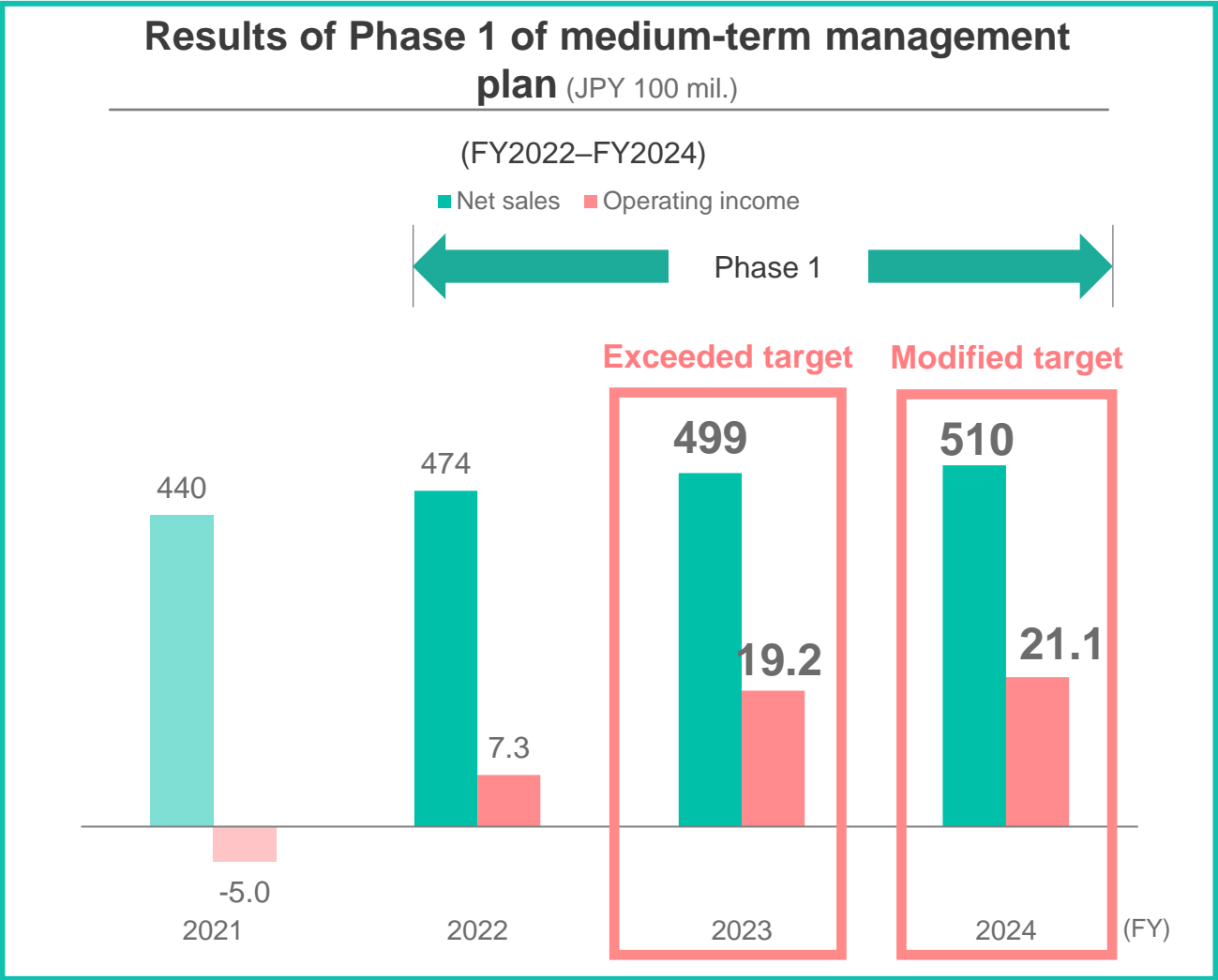
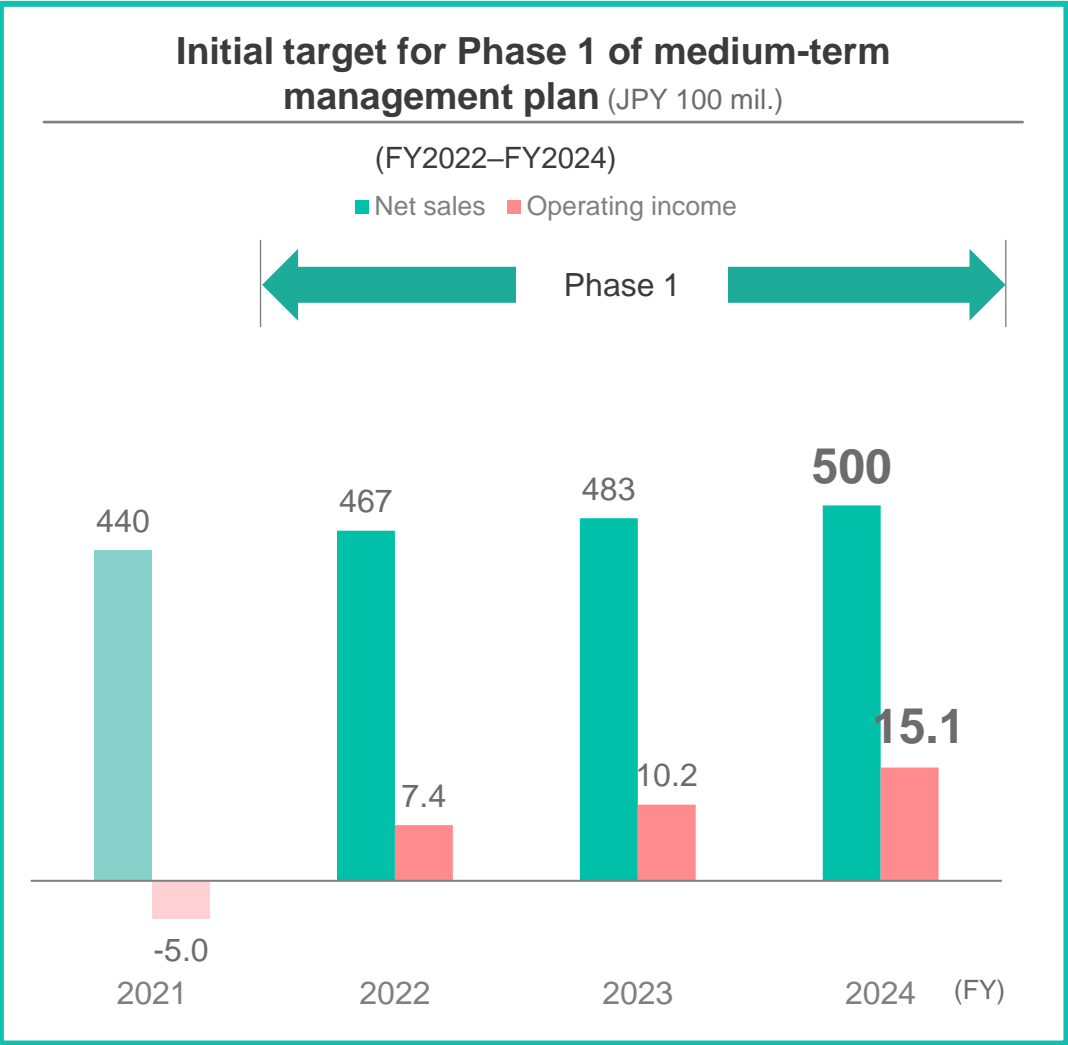
# Medium-Term Management Plan: Numerical Targets

Aim to achieve operating income of JPY 2.1 billion in FY2024, the final year of the management innovation stage (Phase 1), exceeding the initial plan

Ensure implementation of various measures, including CX<sup>\*</sup> improvement, to achieve medium- and long-term management targets

		Phase 1			Medium- and long-term management target
(JPY mil.)	FY2021	FY2022	FY2023	FY2024 Forecast	FY2030 Forecast
Net sales	44,092	47,400	49,912	51,067	65,000
Operating income	-500	732	1,928	2,117	6,550
Net profit	-1,108	501	1,690	1,380	4,389
EPS (JPY)	JPY -21.82	JPY 9.88	JPY 33.24	JPY 27.14	JPY 86.4
ROE	-4.0%	1.8%	5.8%	4.7%	10% target

**Exceeded** the numerical targets of Phase 1 (FY2024) of the medium-term management plan in FY2023  
Formulate new numerical targets for FY2024, the final year of Phase 1



## Review of Second Year of Phase 1 (FY2023)

	FY2022	FY2023 Initial Target	Actual Results	Factors, etc.
Net sales	JPY <b>47,400</b> million	JPY <b>48,300</b> million	JPY <b>49,912</b> million	Rapid demand recovery due to the settling down of COVID-19 Thorough product preparation in anticipation of demand for sunglasses
Operating income	JPY <b>732</b> million	JPY <b>1,025</b> million	JPY <b>1,928</b> million	Cost-effective sales promotion activities

	FY2023 Target	Achievements and Challenges in FY2023
Domestic	<ul style="list-style-type: none"> <li>Open 20 stores</li> <li>Total of 335 new and renovated stores</li> <li>1,000 recipients of the nationally-accredited certification of optical technician</li> <li>Improved business performance due to increase in number of customers and net sales</li> </ul>	<b>Achievements</b> <ul style="list-style-type: none"> <li>Opened 10 stores</li> <li>Total of 347 new and renovated stores</li> <li>994 recipients of the nationally-accredited certification of optical technician</li> <li>Total number of customers <b>99.5%</b>, retail sales <b>105.3%</b> compared with previous year</li> </ul>
		<b>Challenges</b> <ul style="list-style-type: none"> <li>Proactive approach to inbound demand, mainly for sunglasses</li> <li>Ensure profitability per store through planned store openings, closings, and renovating</li> <li>Preparation for expansion of audio business (hearing aids)</li> </ul>
Overseas	<ul style="list-style-type: none"> <li>Prompt decision to close unprofitable stores and establish a profitable structure</li> <li>Differentiate from low-priced stores by collaborating with medical institutions, mainly in Southeast Asia</li> <li>Further strengthen collaboration with medical institutions through stores in Cambodia and the Philippines scheduled to open in FY2023</li> </ul>	<b>Achievements</b> <ul style="list-style-type: none"> <li>Opened three stores, closed 16 stores</li> <li>Ophthalmic services attached: opened Cambodia store and third store in the Philippines</li> </ul>
		<b>Challenges</b> <ul style="list-style-type: none"> <li>We need to more quickly liquidate unprofitable stores due to deteriorating market conditions</li> <li>Priority on investments in labor and equipment costs – delays in opening ophthalmic hospital in the Philippines</li> </ul>

# 02

## Domestic Business



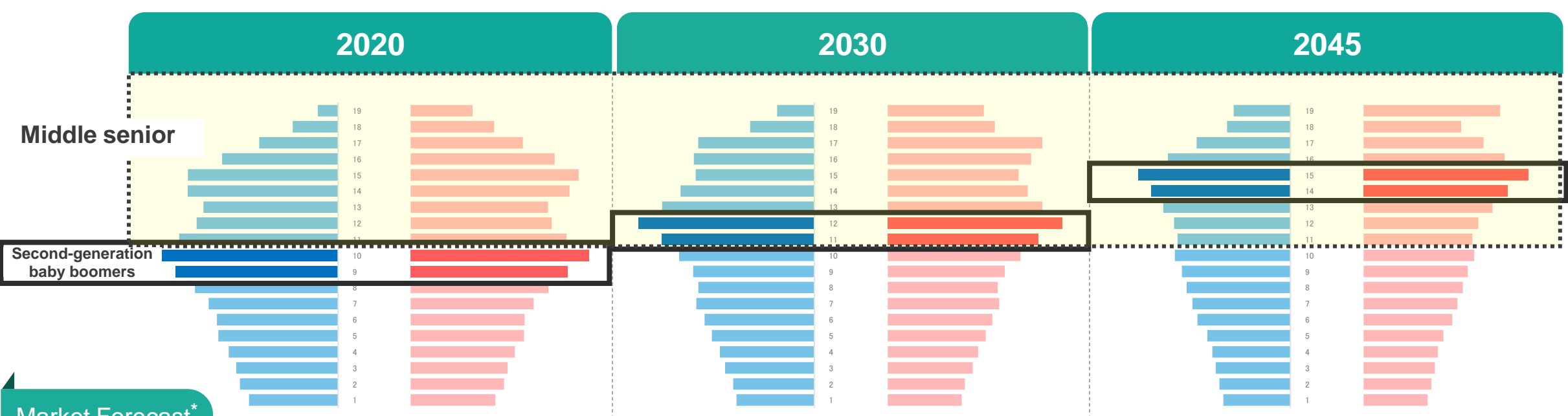


# Domestic Market Environment

By 2030, second-generation baby boomers will reach their 50s, and the population of those aged 65 or over will increase to just under 37 million

High potential needs for multifocal lenses and hearing aids

Projected Trends in the Composition of Japan's Population (based on the basic resident ledger, total population) Unit: 10,000 people



## Market Forecast\*



\*Market forecast based on our estimates

Source of data: Population, demographics and number of households based on the basic resident ledger (Ministry of Internal Affairs and Communications)

In the eyeglasses market, people aged 45 and over account for about **67%** of the market in terms of value

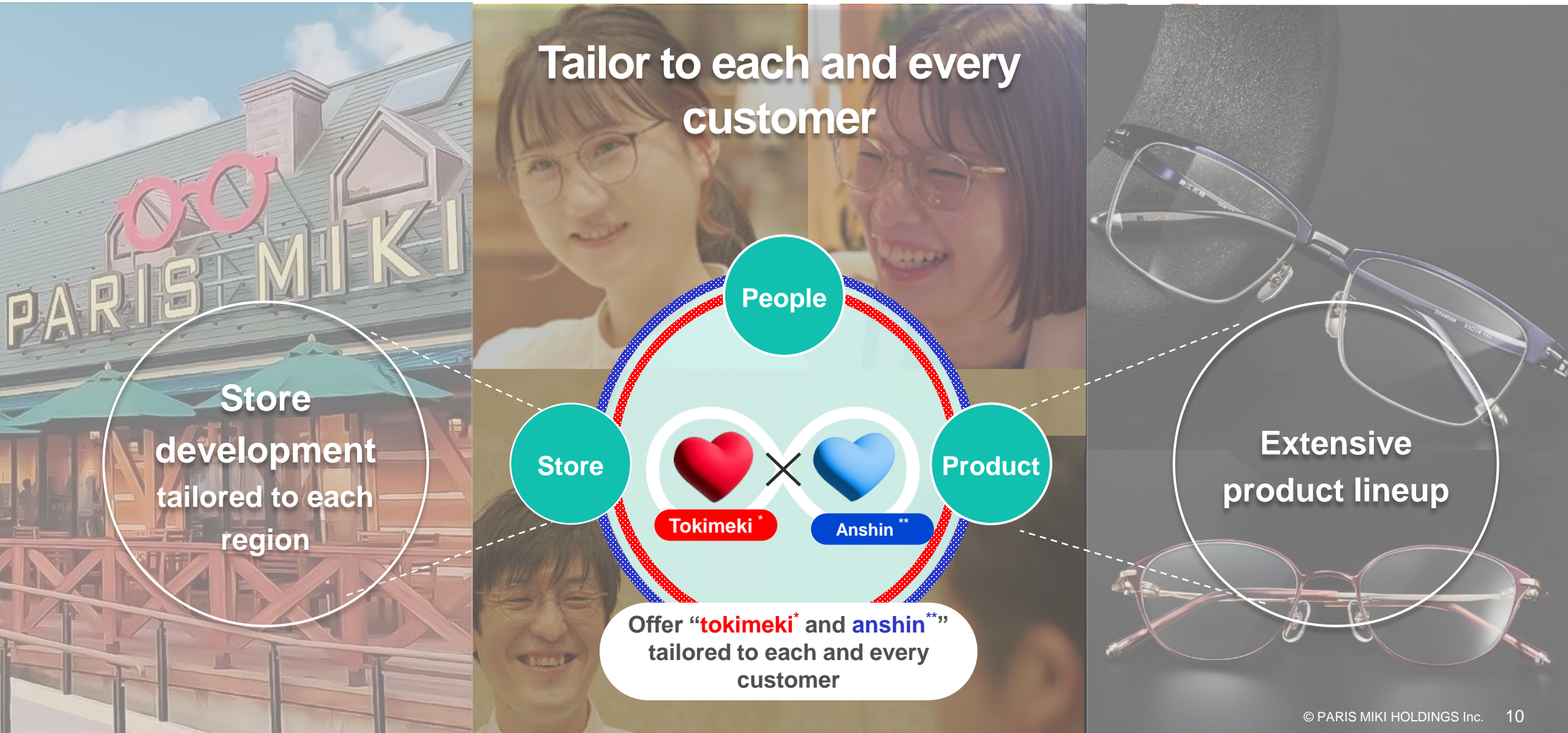
Unit price increases with age due to the need for high-function lenses such as progressive lenses (Multifocal)

### Eyeglass Market in Japan (FY2022)

Age group	Population by age	Composition ratio	Annual population of people buying eyeglasses	Composition ratio	Market size	Composition ratio	Average unit price
(Age)	(1,000 people)		(1,000 people)		(JPY mil.)		(JPY)
5-14	10,254	8.5%	2,072	10.6%	30,396	7.4%	14,676
15-24	11,779	9.7%	1,792	9.2%	24,379	6.0%	13,608
25-34	12,859	10.7%	2,042	10.5%	32,988	8.1%	16,151
35-44	15,152	12.6%	2,653	13.5%	46,076	11.3%	17,368
<b>45-54</b>	18,897	15.6%	3,367	17.2%	<b>63,031</b>	<b>15.4%</b>	<b>18,720</b>
<b>55-64</b>	15,513	12.9%	2,234	11.4%	<b>49,548</b>	<b>12.1%</b>	<b>22,180</b>
<b>65-74</b>	16,869	14.0%	2,634	13.5%	<b>74,068</b>	<b>18.1%</b>	<b>28,122</b>
<b>75 and over</b>	19,366	16.0%	2,756	14.1%	<b>88,548</b>	<b>21.6%</b>	<b>32,131</b>
<b>Total</b>	<b>120,689</b>	<b>100.0%</b>	<b>19,549</b>	<b>100.0%</b>	<b>409,036</b>	<b>100.0%</b>	<b>20,924</b>
<b>45 and over</b>	<b>70,645</b>	<b>58.5%</b>	<b>10,991</b>	<b>56.2%</b>	<b>275,195</b>	<b>67.3%</b>	<b>25,039</b>

We offer “**tokimeki**\* and **anshin**\*\*” to customers through people, stores and products

\* excitement in Japanese  
\*\* peace of mind in Japanese





# Customer Experience (CX) at the center of management

Review key measures to achieve medium- and long-term management targets based on the excess achievement in Phase 1



Summer festival at all lodge-type stores



Interaction between new employees and board members



Yokosuka Lodge Outlet Live music performance



Short-term career path overseas

\* excitement in Japanese

\*\* peace of mind in Japanese

\*\*\* Opera Club: Membership service for PARIS MIKI customers

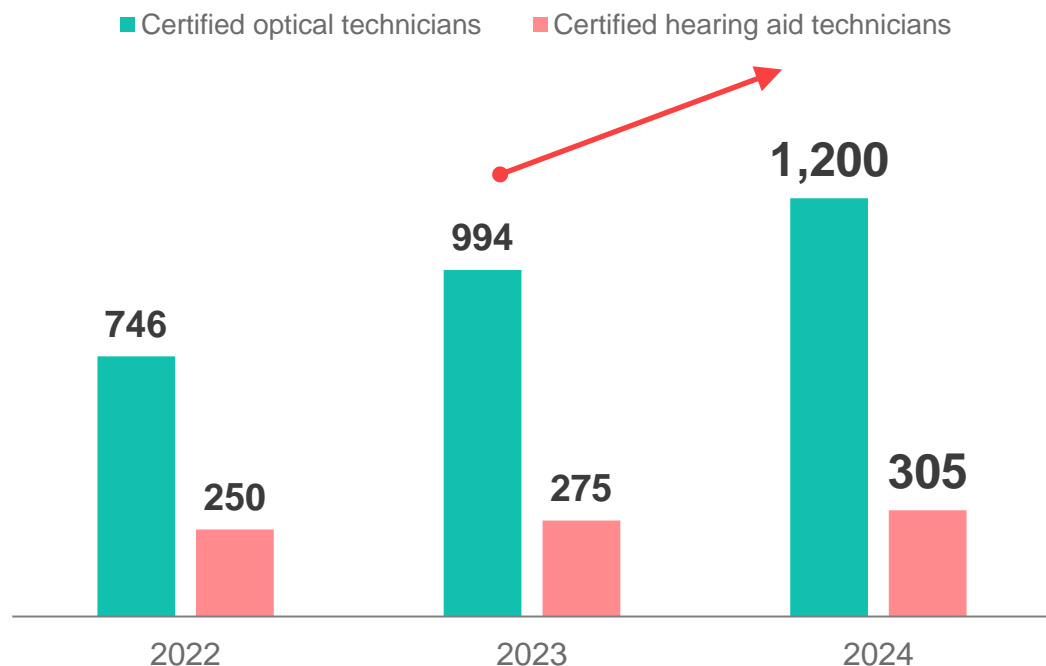
## Key Measures (1): Improve Employee Skills and Customer Satisfaction

Improvement of customer satisfaction (CX\* improvement) is our top priority, and we aim to grow as a result of customer satisfaction

Establish a system to assign certified optical technicians to regions with high needs, with a target of 1,200 certified technicians by FY2024

Target 305 certified hearing aid technicians, building a system that allows customers to purchase hearing aids with peace of mind

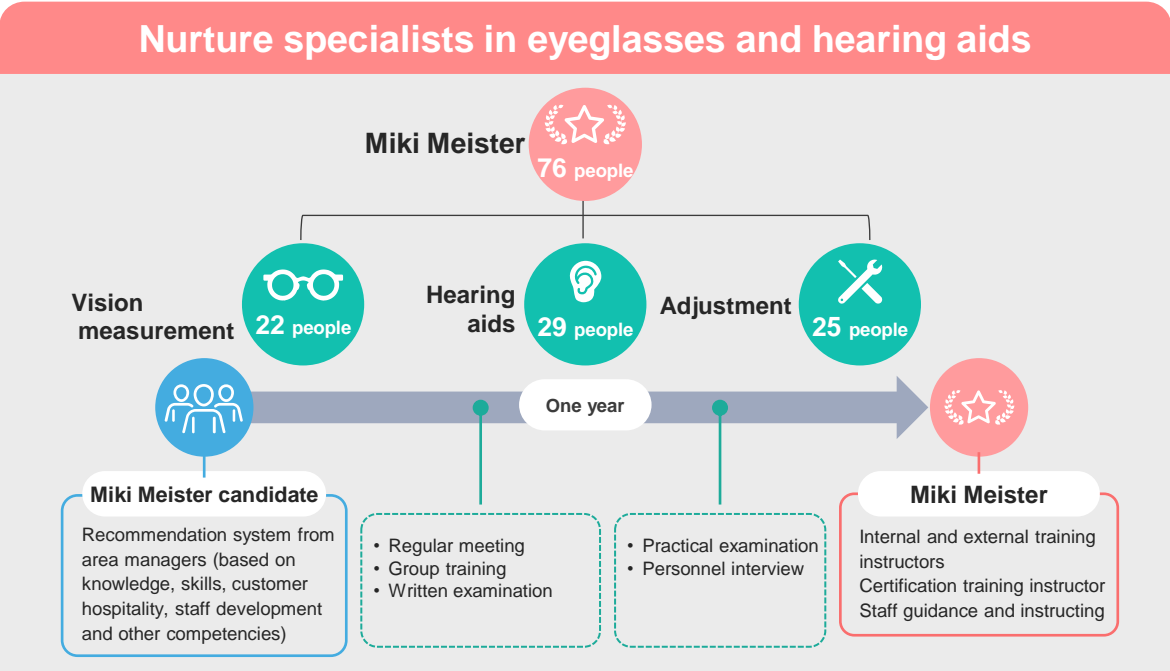
### Development of eyeglass and hearing aid professionals



**Customer satisfaction is paramount**  
**Customer satisfaction  $\geq$  Net sales**

### Improve customer satisfaction by improving skills

- Improve vision measurement and adjustment techniques through various types of training and certification
- Aim to increase the number of certified optical technicians to 1,200 and certified hearing aid technicians to 305 in FY2024
- Improve customer satisfaction through the use of our unique “Eye Pointer” and counseling (100% implementation of Visual Life Care)
- Implement projects and training to improve CX\*, strengthen improvement activities in stores, and Introduce a system to evaluate staff on improving customer satisfaction
- Introduce NPS (Net Promoter Score) to reflect customer feedback promptly and directly into store operations



Specialist training and advanced training	
Training for Miki Meister candidates	Training for unification of practical skills, roles, and direction of activities Instructors dispatched from WOC
Training for certification of optical technicians	Training for obtaining the nationally-accredited certification of "optical technician" Miki Meister serves as instructor
Basic training (first and second year of employment)	
Power-up training	Continuous improvement of skills
Skill-up training	One-on-one training in practical skills of vision measurement and adjustment under the guidance of Miki Meisters
New employee training	Basic training in vision measurement, adjustment, product knowledge and customer service

Employees with knowledge, technique, and communication skills provide customers with the optimal eyeglasses and hearing aids

 国家検定


The PARIS MIKI Group has 994 certified optical technicians.

\*As of November 2023, in-house research

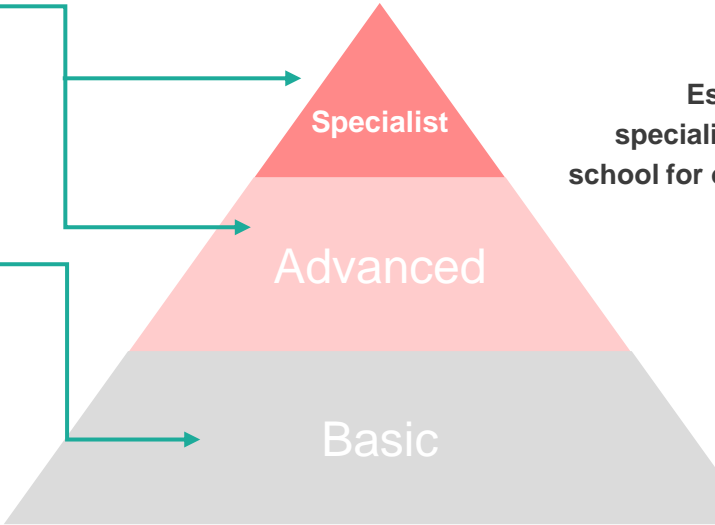
Certified optical technician (nationally-accredited certification)	994 people
Number of certified hearing aid technicians	275 people
Number of WOC graduates	102 people
Number of WOC correspondence graduates	787 people

Technical school for optometry and medical technology

**World Optical College**



**WOC** 眼耳鼻技術専門学校  
World Optical College  
ワールド オプティカル カレッジ



Established a curriculum for training specialists in cooperation with a technical school for optometry and medical technology

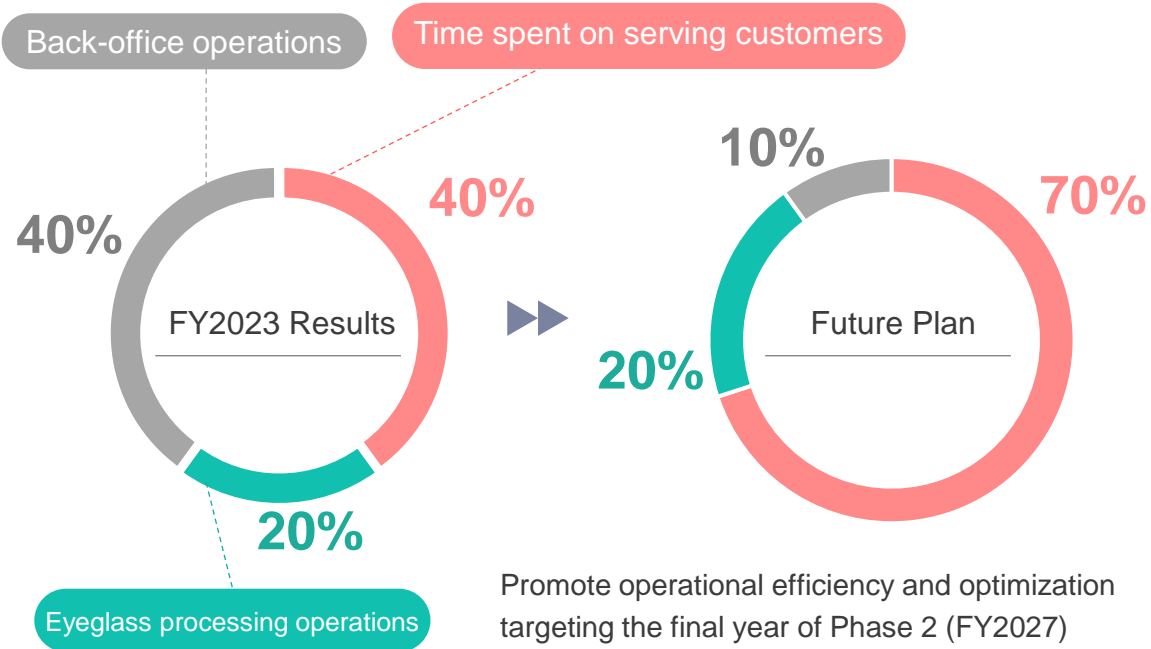


## Key Measures (2): Increase Time Spent on Serving Customers by Improving Operational Efficiency

DX and standardization of store operations to improve efficiency of store operations and reduce time spent on non-customer service by half

Aim to increase customer satisfaction and added value by increasing time spent on serving customers and number of customers served by store staff

### Time spent on serving customers by store staff



### Improve customer satisfaction by increasing efficiency

- Improve personnel efficiency through workflow improvement and DX, and appropriate allocation of personnel to stores
- Computerize customer medical records to streamline the entry and retrieval of medical records and increase time spent on serving customers (scheduled to be implemented gradually starting April 2024)
- Standardize operations to improve customer service from the bottom up
- Install self-measuring devices and other state-of-the-art vision measuring equipment to streamline the measurement time
- Introduce three-dimensional binocular frame tracing and request lens manufacturers to process the lenses, reducing processing work to be done by store staff
- Renovate store layout to reduce blind spots by reducing partitions, making it easier for customers to approach staff
- Reduce the number of seated counters to make it more efficient to deal with customers who only stay for a short time



•Self-vision-measuring instrument

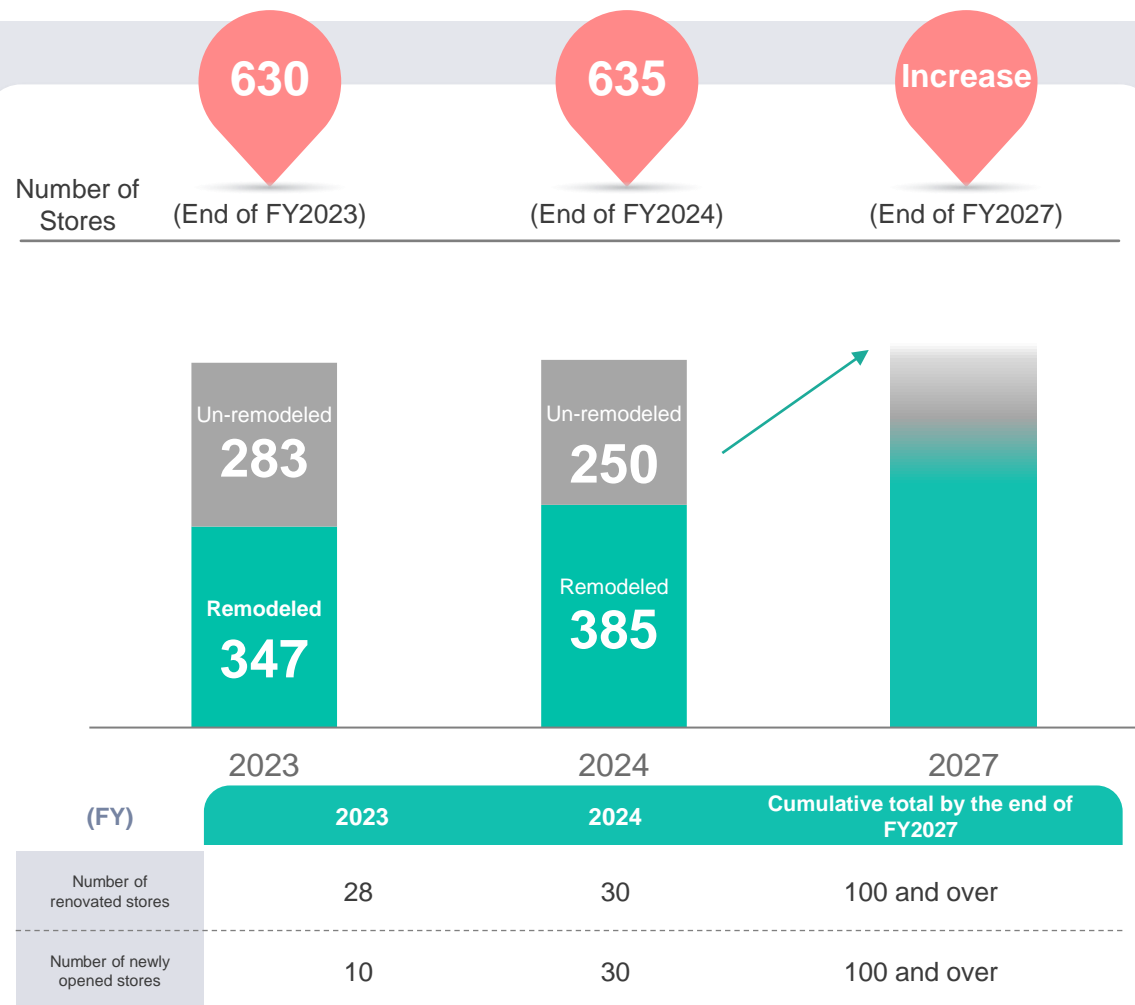


•Three-dimensional binocular frame tracing

## Key Measures (3): Increase the Number of Customers Visiting Stores (Store Measures)

Store consolidation and the liquidation of unprofitable stores was completed in FY2023, and from FY2024 onward, the number of stores will be increased by reinforcing renovating and store openings

Plan to open 30 new or relocated stores per year, primarily lodge-type, maison-type and entertainment-type stores, and strategically renovate\* 30 stores per year



### Store strategy

- Open around 30 new or relocated stores annually, with plans to open or strategically renovate more than 100 stores by the end of the final year of Phase 2 (FY2027)
- Open new and relocated stores, primarily entertainment-type stores in metropolitan areas and lodge-type stores in suburbs and core cities
- Plan to open stores in areas where many inbound customers are expected to visit in Japan, as well as stores specializing in hearing aids and other products with clear targets
- Store renovation includes replacing fixtures, reducing partitions, and changing the layout to make it easier for customers to find and approach staff
- Increase the number of stores with spacious waiting areas and children's spaces to make waiting time more comfortable
- Expand the number of new store visitors through community events such as in-store live performances and summer festivals



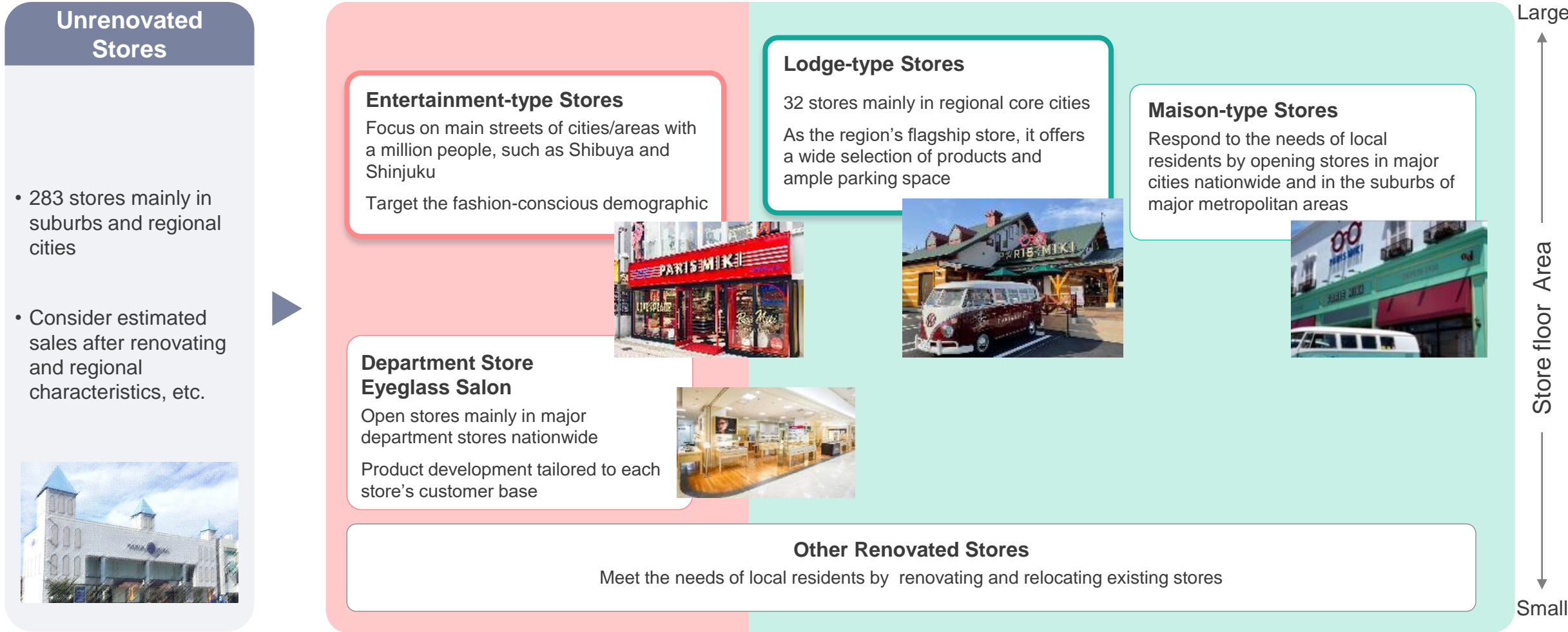
\*Strategic renovating: Renovation including store reconstruction and interior refurbishment



# Key Measures (3) (Supplemental): New Store Openings and Relocations, Strategic Renovation

Since FY2010, 347 new store openings and strategic renovating efforts have been carried out in accordance with estimated net sales and regional and location characteristics

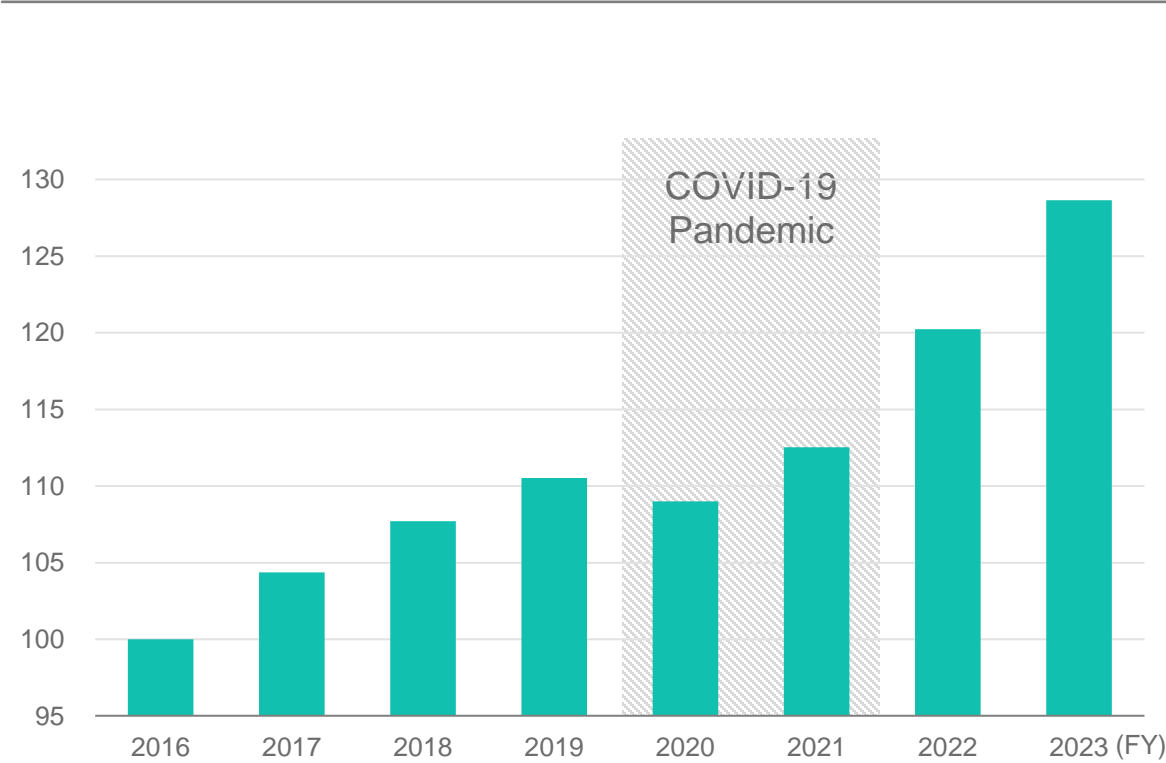
Successfully attracted new customers by opening and renovating stores with unique features such as entertainment-type and lodge-type stores



Sales per store increased due to new store openings and renovating

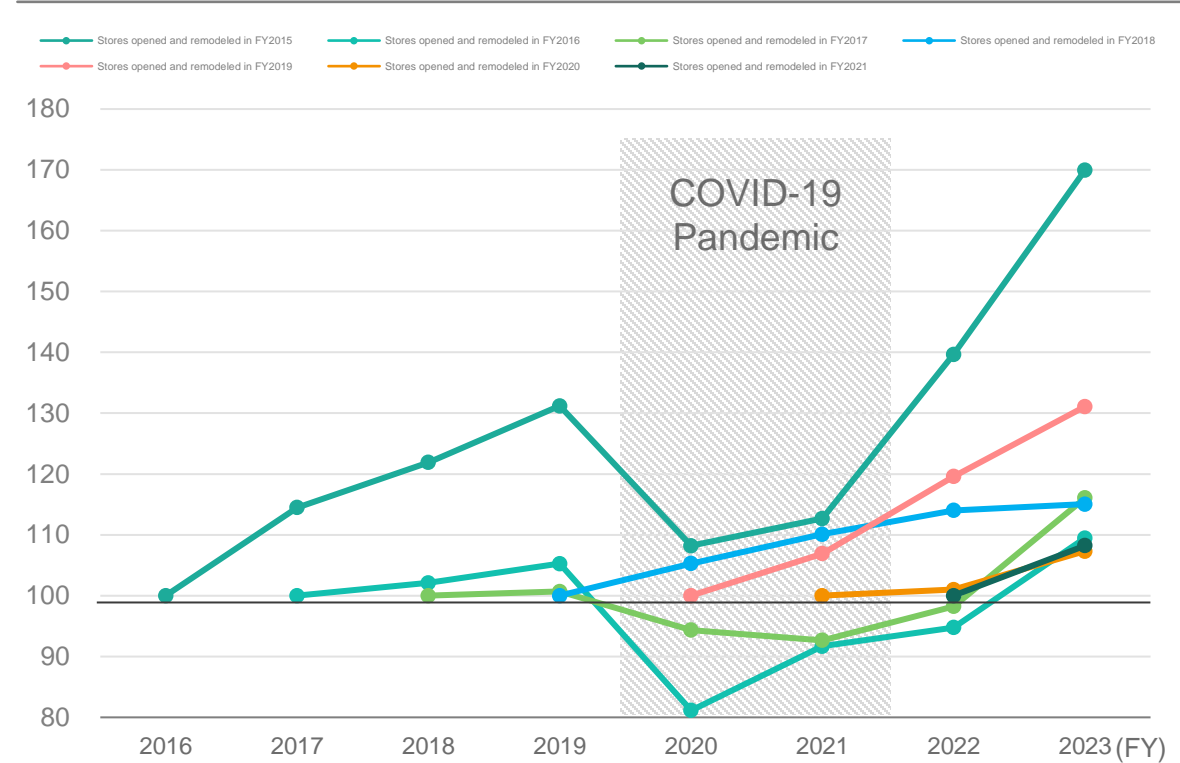
Newly opened and renovated stores continued to see an upward trend in sales, with the exception of during the COVID-19 pandemic, and contributed to the increase in sales per store

Sales Per Store\* (FY2016=100)



\*Total of directly managed PARIS MIKI stores and KIMPO-DO in Japan

Sales Trends for New and Renovated Stores



Note: The index for stores that newly opened or were renovated is calculated by setting sales in the 12 months following the year in which the store was opened or renovated at 100

## Key Measures (4): Further Enhancement of Product Lineup by Strengthening Private-Brand Products

“Eyewear of Sabae” were promoted as high-quality, affordable frames made in Japan, resulting in an increase in the unit price per pair

Aim to increase the number of pairs with a wide selection of PB\* products centered on “Eyewear of Sabae” and NB\* products by designer brands

### Unit Price Per Pair and Number of Pairs of Frames and Lenses



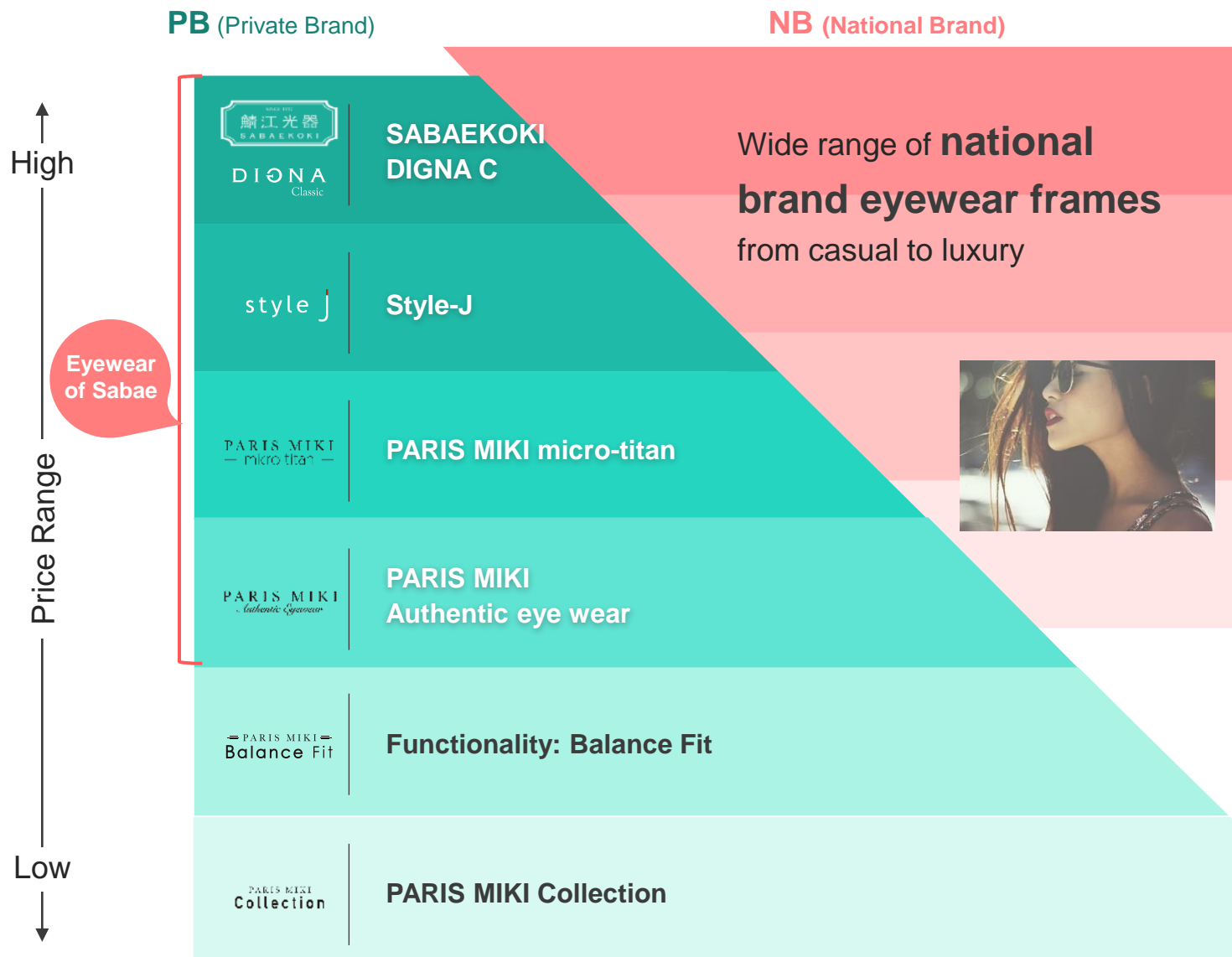
### Product and Brand Strategy

- Leveraging the strength of its manufacturing subsidiary Create three Co., Ltd. located in Sabae, we have taken an approach to its mainstay PB products as “Eyewear of Sabae” and expanded its product lineup along with NB products
- Branded “SABAEKOKI” and “DIGNA Classic” as the best quality “Eyewear of Sabae”
- Developed our in-house planned products “Balance Fit” and “PARIS MIKI Collection” as products in the introductory price range for customers
- Respond to the sustainability needs of “using quality products over a long period of time” through O.P.T make FUKUI, a subsidiary engaged in the repair of eyewear frames



## Key Measures (4) (Supplemental): Wide Variety of Eyewear Frames

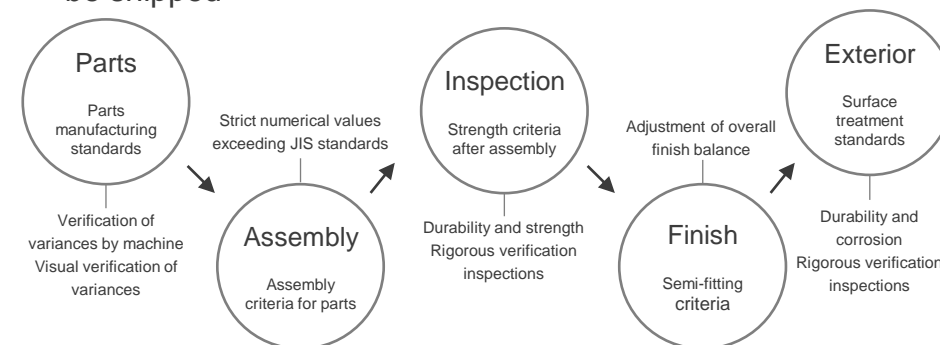
Taking advantage of having its own factory in Sabae, the Company offers a wide range of PB\* products centered on “Eyewear of Sabae” and NB\* products, which have one of the highest volumes handled in the industry



Strengths unique to our own factory that can immediately give shape to customers' needs

### In-house factory in Japan: Create three

Only products that meet all quality standards are allowed to be shipped



### “Eyewear of Sabae”

With its own technologically advanced factory in Sabae, the “City of Glasses,” the Company offers high-quality eyewear frames made in Japan at affordable prices. Many brands are available for use on a variety of everyday occasions, from formal to casual.

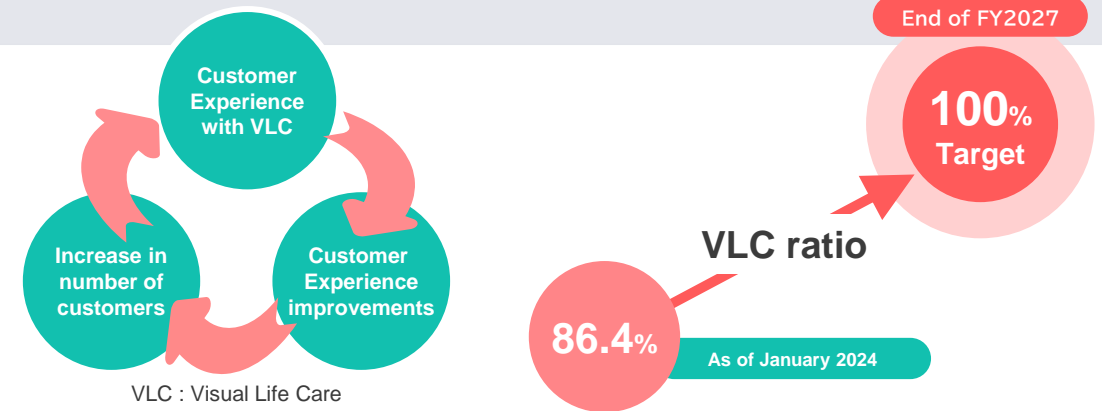
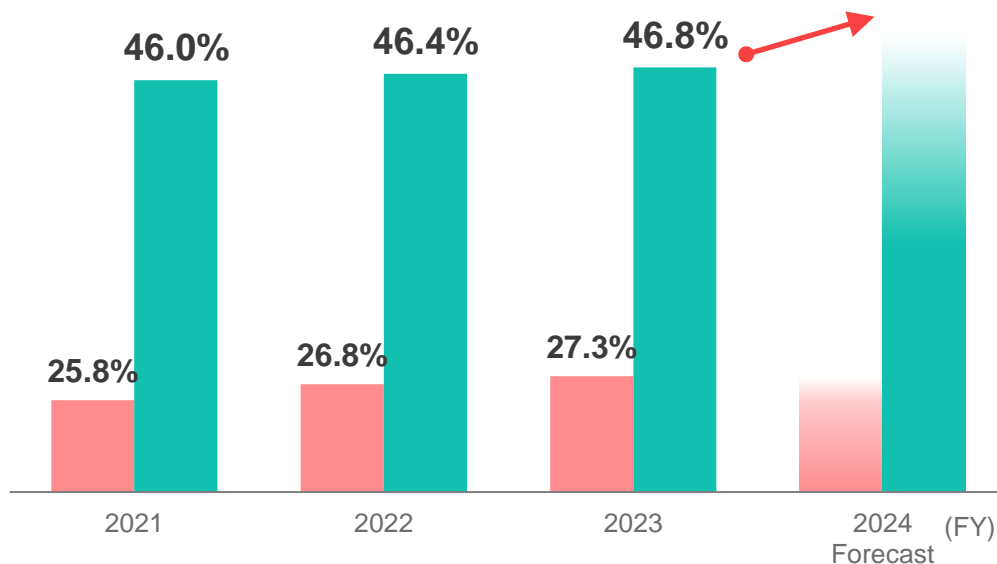
## Key Measures (5): Measures for Lens Offer “Good Eyeglasses” That Do More Than Just See

Appeal to customers with “Good Eyeglasses” based on the lineup of progressive (multifocal) lenses × measurement skills and adjustment capabilities

Organize the lineup of progressive lenses in line with the increase in the generation of people using progressive lenses and propose the optimal eyeglasses

### Progressive (Multifocal) Lens Composition Ratio

■ Volume composition ratio (%) ■ Amount composition ratio (%)



### Key Measures

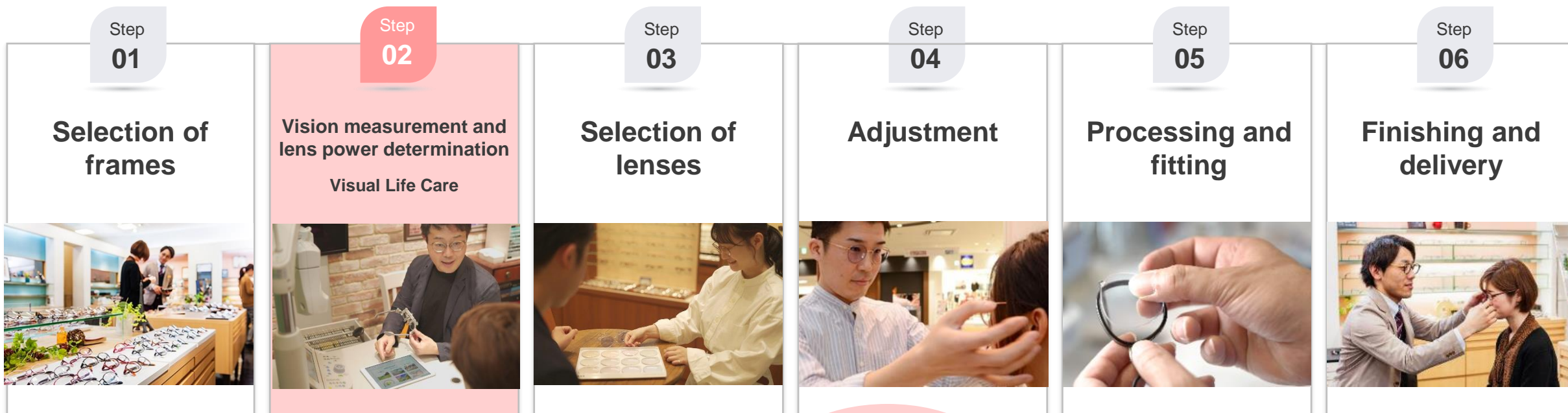
- Capturing the “multifocal generation” consisting of those aged 45 or older, which accounts for about 60% of the Japanese population, with quality and technology in lenses, measurement, and adjustment
- Lenses are available at seven different price points for both balanced design and soft design types, offering the optimal lens for each customer
- Visual Life Care (measurement and counseling using our unique eye pointer and other tools) to propose the optimal eyeglasses for each customer’s lifestyle
- Increase the Visual Life Care implementation rate from 86% in FY2023 to 100% in FY2027



# Key Measures (5) (Supplemental): Eyeglass Retail Business

## Selecting Optimal Frames and Lenses

Offer a wide range of frames and lenses and “Visual Life Care” to provide optimal frames and lenses



### Visual Life Care

**PARIS MIKI's unique vision measurement and counseling**

**Customized** vision measurement and lens power determination based on the individual's eye condition and purpose of use, in addition to the measuring device

With experience of Visual Life Care

Average Unit Price

UP +15%\*

No experience of Visual Life Care

### Our unique measurement method “Eye Pointer”



Accurate measurement of eye and eyeglass positioning

The pupil is positioned to maximize the performance of the lens

For stress-free, clear-vision eyeglasses

# Key Measures (5) (Supplemental): Eyeglass Retail Business

## Wide Variety of Progressive (Multifocal) Lenses

A wide variety of lenses, firmly customized to customers' needs and daily life

### Balance Design Type



Example: First S Lansee MF

#### Design features

- Distance clear vision width → Wide
- Near clear vision width → Wide
- Clear view

### Soft Design Type

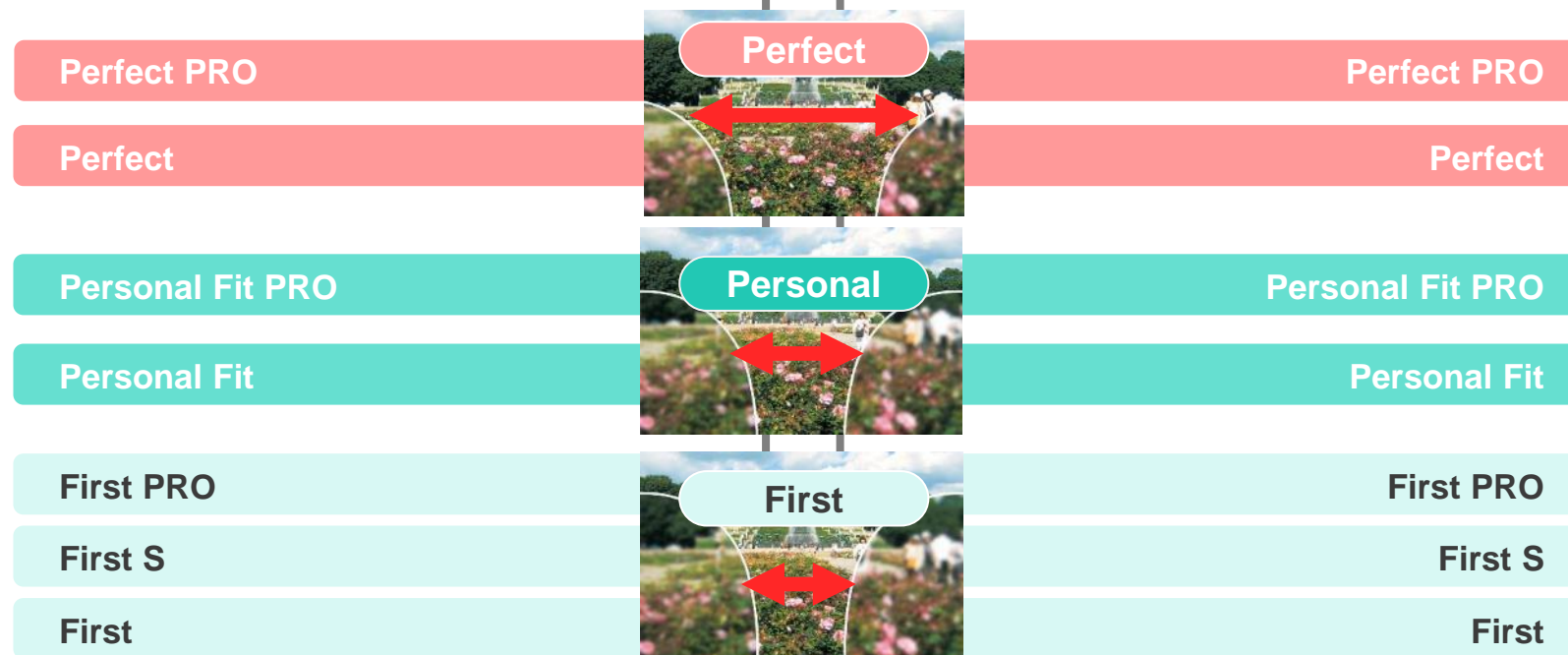


Example: First S Clear Feel NEO

#### Design features

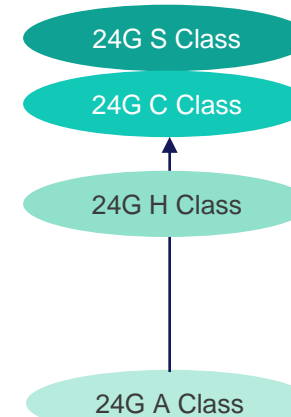
- Intermediate clear vision width → Wide
- Reduction of sway and distortion
- Easy to get used to

High  
Price Range  
Low



- Progressive (Multifocal) lenses that offer both speed of delivery and quality
- Progressive (Multifocal) lenses that usually take about one week to arrive are available in as quick as 24 hours

Significantly shortened delivery time for custom-made lenses



# Key Measures (6): Measures for Department Stores and Eyeglass Salons (Measures for Affluent Customers)

Aim for “No. 1 share of the affluent customer market” by creating fans



## ■ Provide high added value by enhancing vision measurement with state-of-the-art equipment

Plan to install in all stores (26 stores\*) by the end of FY2027

\*Total of 26 stores affiliated with department stores and eyeglass salons: 18 operated by KIMPO-DO and eight operated by PARIS MIKI



The pupils are measured in bright and dark environments and the individual's eye profile is analyzed.



Nine on-board cameras provide 180° view image in one shot



Optimizes frame and lens matching based on the distance between the pupils, the tilt of the lens when the frame is worn, and the position of the frame and eyes.

## ■ Other luxury strategies

- Use of owned media and introduction of reservation system
- Product development focused on affluent consumers (high-end frames and lenses)
- Aiming to establish a “Luxury Eye Wear Store” for the ultra-affluent
- In addition to relocating sales space within the same department store, strive to relocate to lower sales floors and establish pop up stores
- Analyze the needs of affluent customers visiting Japan by their country/region and reflect them in the product mix in the stores

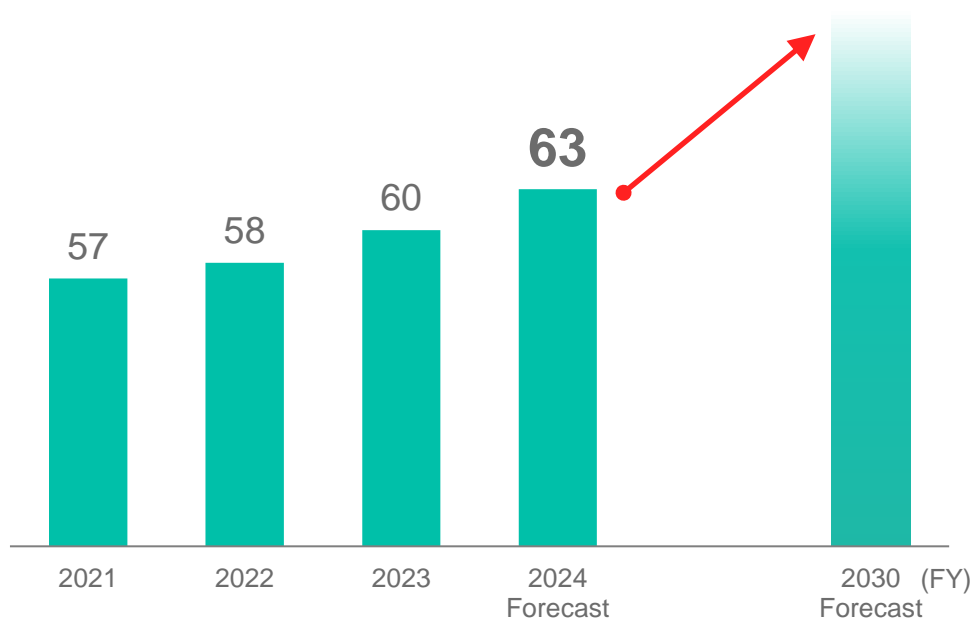




## Key Measures (7): Measures to Expand Hearing Aids

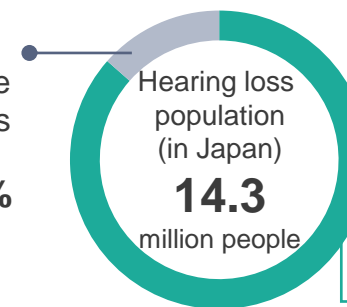
The number of people with hearing loss in Japan is approximately 14.3 million, but the number of people who wear hearing aids is less than 2 million  
Aim to increase the rate of wearing hearing aids through “hearing experiences” such as listening to live performances and music, to raise awareness of the need for hearing aids among people with hearing loss

### Hearing Aid Sales (JPY 100 mil.)



### Hearing Loss Population and Hearing Aid Usage Ratio in Japan

Population of those wearing hearing aids  
**13.5%**



Potential Market  
**86.5%**

### Key Measures

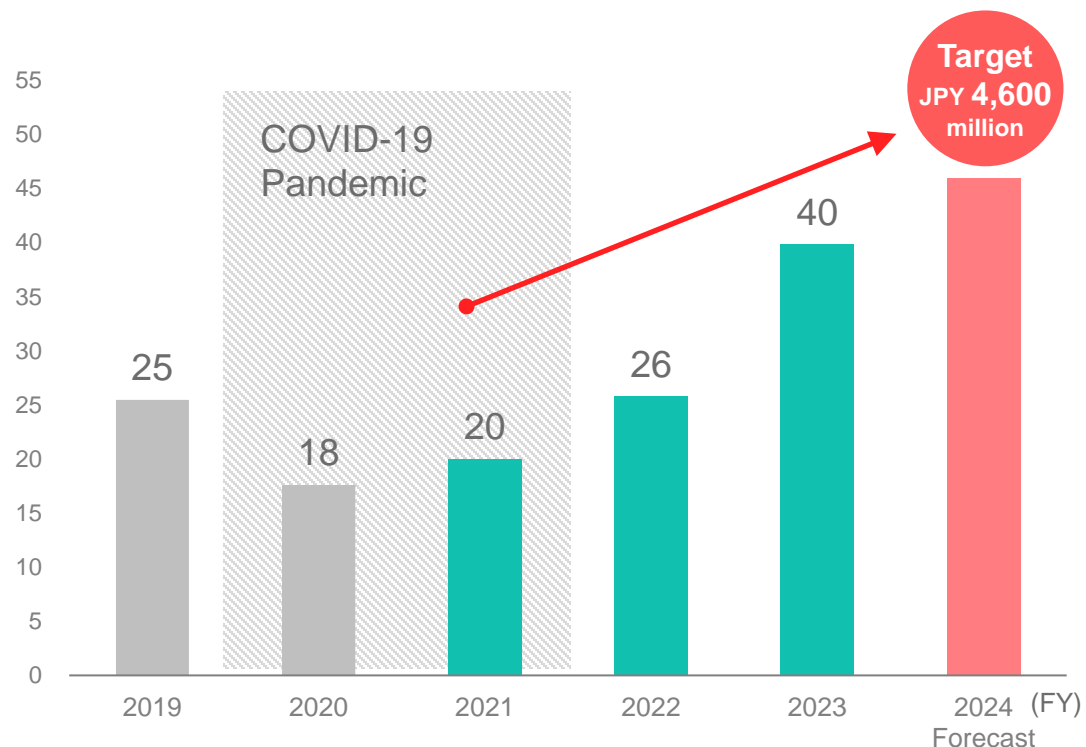
- Promote hearing aid purchases by approaching repeat customers through the use of hearing aid records and by approaching eyeglass users from the perspective of health
- Improve the hearing aid section at stores to increase the number of hearing measurement and rentals
- Proactive approach untapped segments, such as stores in department stores
- Develop stores specializing in hearing aids
- Further focus on strong rental service to lower the hurdle for first-time hearing aid users

## Key Measures (8): Measures to Expand Sunglasses

Expand line-up of sunglasses tailored to customer preferences at entertainment-type stores and tax-free stores

In FY2023, the Company strengthened its top-selling products in anticipation of an increase in inbound sales, resulting in a significant increase from the forecast

Sales of Sunglasses (Domestic retail basis) (JPY 100 mil.)



### Key Measures

- Wide range of NB and PB products to meet diverse needs
  - Aim to capture potential demand for sunglasses by offering popular brands tailored to customer preferences, especially in entertainment-type stores
  - Tax-free stores offer a wide selection of sunglasses that are popular with foreign tourists
  - Active opening of special time-limited sunglasses stores during the midsummer season
- Opened at 57 locations in FY2023 and scheduled to be more than 60 locations in FY2024



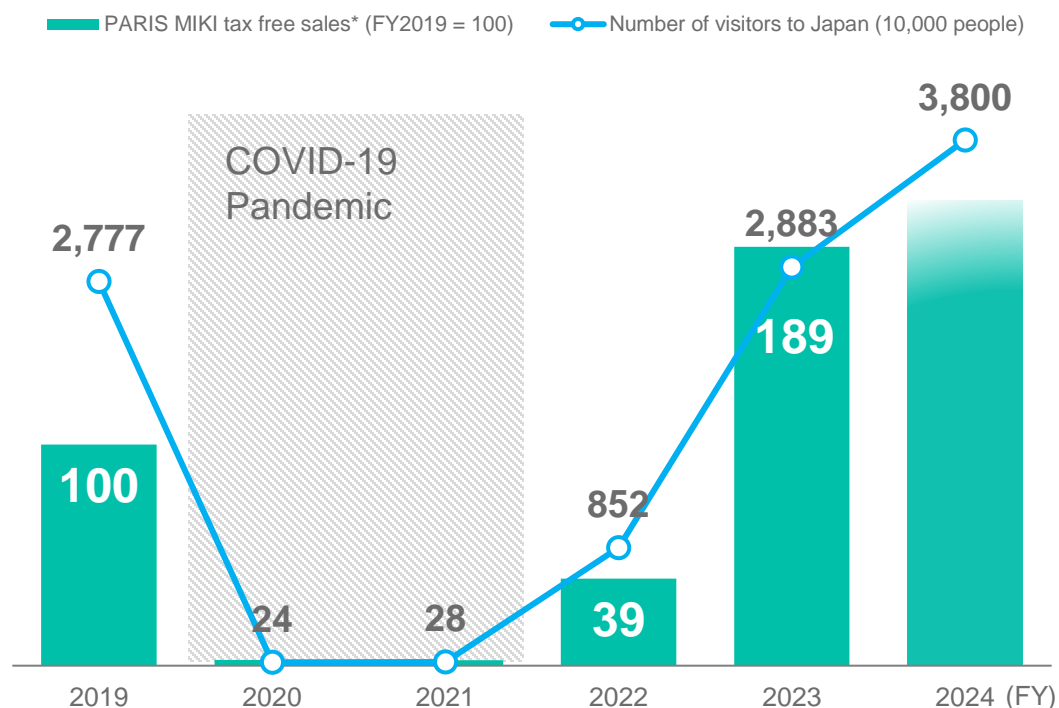
## Key Measures (9): Inbound Measures

Tax-free sales reached a record high in FY2023; further growth targeted for FY2024

Expand the number of duty-free stores, open stores at airports and terminal stations, and improve infrastructure such as foreign-language staff and instruction manuals



### Number of Visitors to Japan and the Company's Tax-Free Sales



\*Including tax-free sales of KIMPO-DO since FY2023

Source: Japan National Tourism Organization for data on foreign visitors to Japan, FY2024 forecast converted from JTB forecast growth rate for calendar year 2024

### Key Inbound Measures

- Plan to increase the number of tax-free stores from 98 (at the end of FY2023) to 156 at the end of this fiscal year
- Aggressive opening of new stores in commercial facilities where inbound demand can be expected
- Enhancement of foreign language point of purchase (POP) advertising and instruction manuals, and placement of foreign language speaking staff
- In-house language training to enhance the number of staff who can speak foreign languages
- Development of products tailored to the different preferences of visitors to Japan depending on their country or region
- Rapid supply of high-quality Japan-made eyeglasses by utilizing "Eyewear of Sabae" and Shamir lenses
- Delivery to hotels and other places of stay to improve convenience for foreign visitors to Japan



- Rapid delivery service for multifocal lenses combining both speed (of delivery) and quality

- Short-stay visitors to Japan can also take home multifocal eyeglasses

- Shortest delivery of following day for multifocal, which generally takes one week to 10 days to arrive

- Comfortable options for the eyes such as UV protection and coloring are available

# 03

## Overseas Business

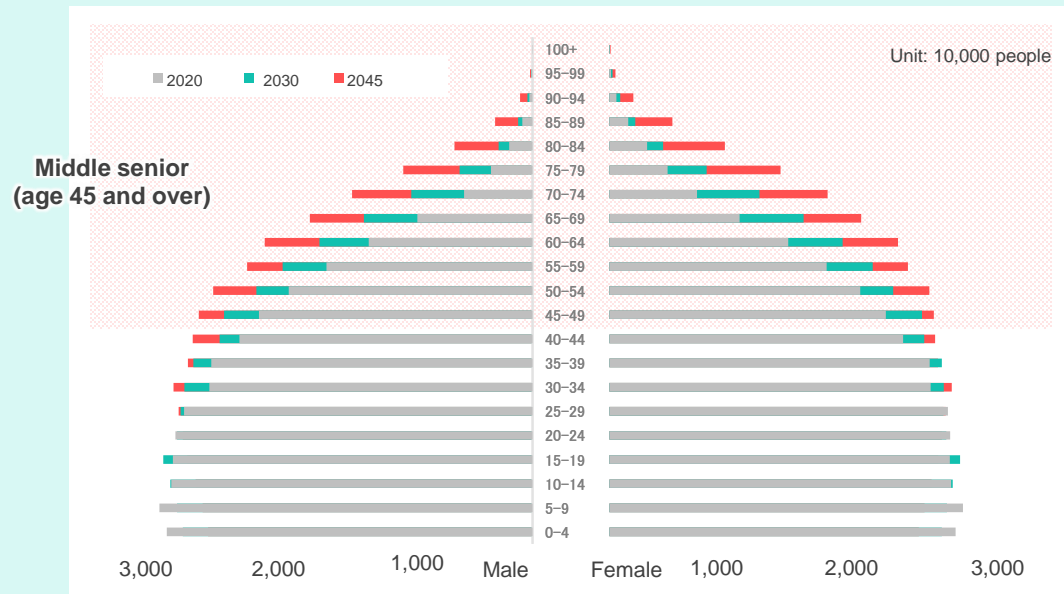


## Growing ASEAN Market

- Medical and eyeglass markets are expanding due to economic development associated with population growth
- Increasing health consciousness, including in the eyes

### Population growth of middle age class (age 45 and over)

2020: **189** million people → 2045: **309** million people



### Growth Potential

- Expansion of market for myopia (short-sightedness) progression control
- Expansion of the presbyopic population (aging of the eye)

### Growing eye care and eyeglasses market

#### Increased health consciousness

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



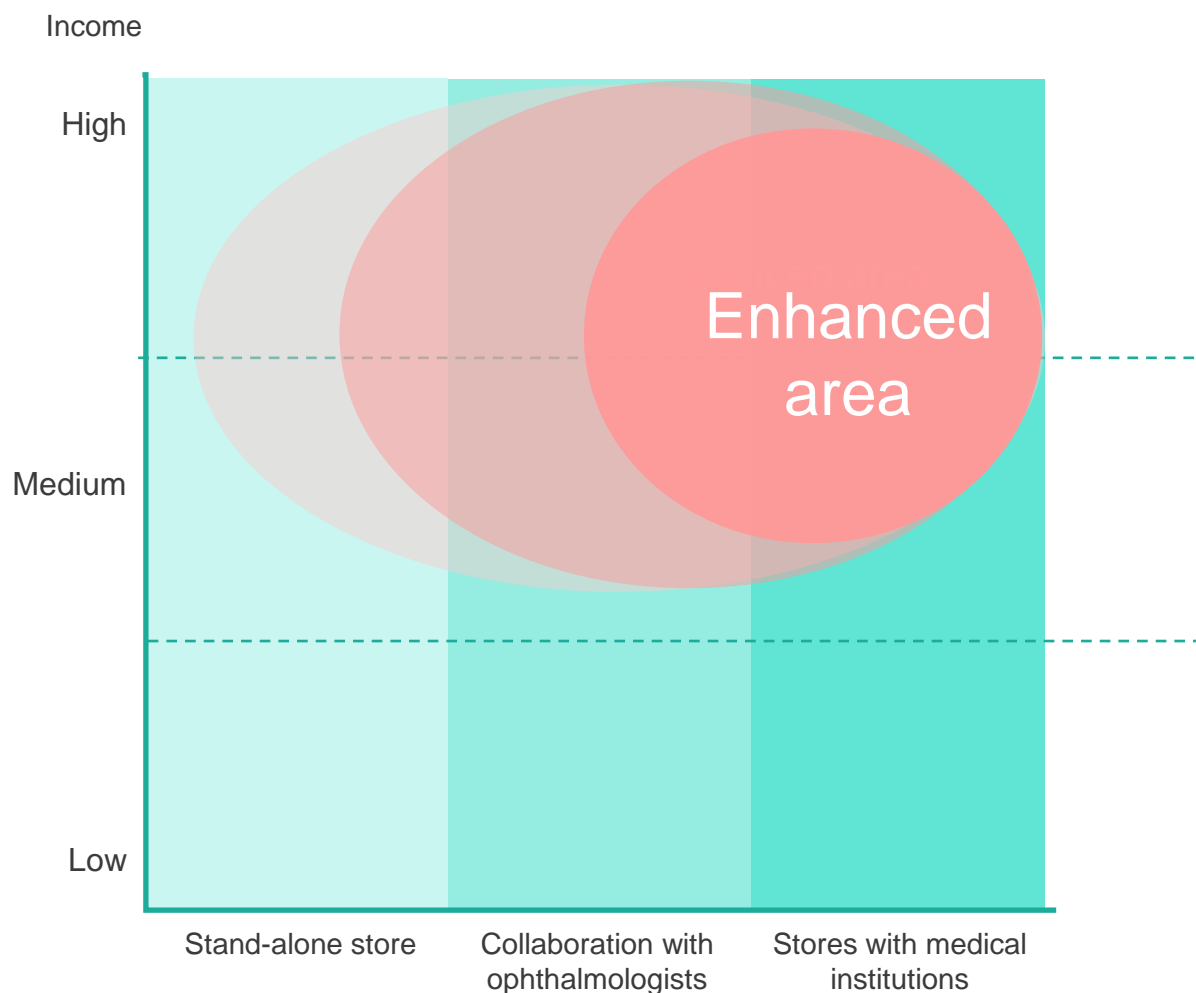
#### collaboration of ophthalmic care and eyeglasses market

- Need for a complementary system to support pre-symptomatic diseases and overall eye health



## Overseas Measures (1): Strengthening Efforts for Affluent Customers

Strengthen high-end products in Asia, where the number of affluent people is increasing along with economic growth



	Japan	Overseas*
Average unit price	JPY 33,846	JPY 107,253

### Key Measures

- Integrate operation of ophthalmic hospitals and eyeglass stores (combining eye health and eyeglass stores) targeting affluent customers in Southeast Asia
- Open stores in local department stores and high-end shopping centers for affluent customers
- Counseling customers to propose the optimal glasses for their lifestyles
- Offer mainly high-quality eyeglasses, including "Eyewear of Sabae" produced at Create Three, the Company's own factory in Japan, and a wide range of well-known brand products, with high-quality lenses
- Respond to new demand including myopia control eyeglasses, etc.

\*Average overseas unit prices are converted at the exchange rate at the end of the fiscal year ended March 31, 2024, in each country

## Overseas Measures (2): Medical Hospitality Business Model

Develop medical hospitality business model in Southeast Asia and strengthen it over the medium to long term

Established a hospital specializing in ophthalmology in Vietnam in 2014 and opened an eyeglass store annex to a clinic in 2022

### Management of a hospital specializing in ophthalmology

Bring Japan's highest standard of medical care to the region



Japan International Eye Hospital  
日本国際眼科病院



Provide Japan's highest standard of medical care at local prices

To date, 103,500 patients have been admitted and 34,400 surgeries have been performed  
(\*As of March 2024)

### Management of eyeglass store within hospitals

Bring Japan's highest standards of hospitality and high-quality products to the region



Offer high level of Japanese-style hospitality and a large selection of reasonably priced but high-quality frames, including original products made in Japan at our own factory, to propose the optimal eyeglasses to our customers

Send customers

Send patients

### World's leading medical hospitality business model



Despite a temporary decline due to the spread of COVID-19, steady growth has been seen since opening, establishing a solid business model  
Advancing into Southeast Asian countries

Expansion  
into Southeast Asian countries



### Collaboration with ophthalmic care tailored to each region



Promoting collaboration of ophthalmic care and eyeglass stores in Southeast Asian countries such as Cambodia, China, Thailand, the Philippines, and Malaysia by adapting the business model in Vietnam to each region



# 04

## Growth Investment





Phase 1 : Investments focused on strengthening the profit structure, including new store openings and strategic renovations, as well as closing unprofitable stores

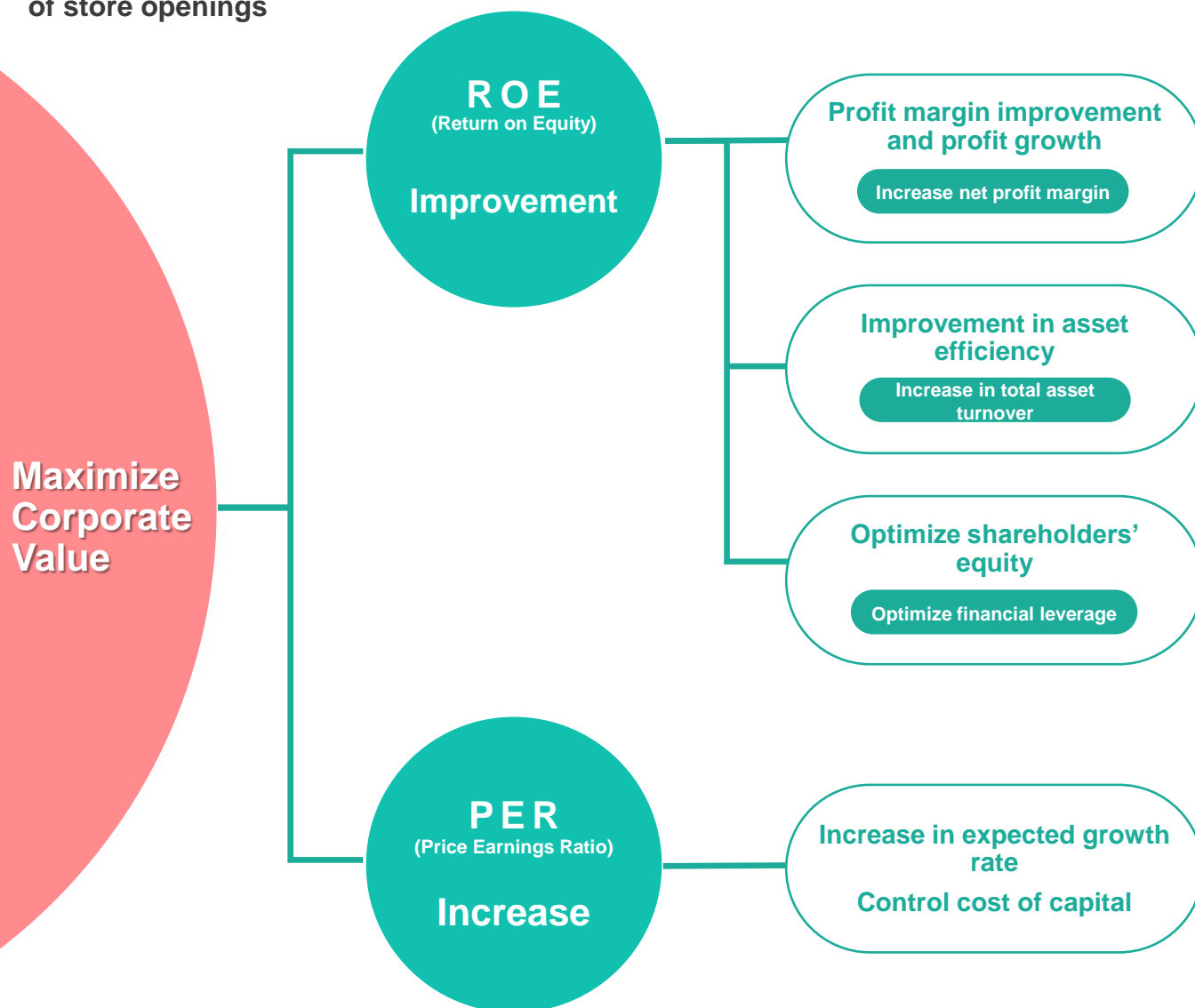
In Phase 2 and beyond : Investments in growth, including new shop openings, strategic renovation investment and strengthening of Group synergies, as well as a focus on shareholder returns

Three-Year Cash Allocation (FY2022–FY2024)

<div>Operating Cash Flow</div> <div>JPY 8,000 million</div> <div>FY2022-2023</div> <div>Actual JPY 5,300 million</div> <div>FY2024</div> <div>Budget JPY 2,700 million</div>	<div>Growth Investment</div> <div>JPY 7,000 million</div> <div>FY2022-2023</div> <div>Actual JPY 3,800 million</div> <div>FY2024</div> <div>Budget JPY 3,200 million</div>	Major capital investments	<div>Investment in new store openings and strategic renovation</div> <div>FY2022/2023 Actual: JPY 3,500 million</div> <div>FY2024 Budget: JPY 2,800 million</div>
			<div>DX and system investment</div> <div>FY2022/2023 Actual: JPY 300 million</div> <div>FY2024 Budget: JPY 200 million</div>
	<div>Shareholder Return</div> <div>JPY 1,000 million</div>		<div>Machinery and other capital investment</div> <div>FY2024 Budget: JPY 200 million</div>
			<div>FY2022/2023 Actual: JPY 600 million</div> <div>FY2024 Budget: JPY 400 million</div>

# “Action to Implement Management That is Conscious of Cost of Capital and Stock Price”

Aim to achieve profitability in Phase 1, and profit growth and profit margin improvement in Phase 2 and beyond through growth strategies such as expansion of store openings



## Aim for 7% net profit margin in FY2030

- Increase customer service hours through DX and proper allocation of store staff
- Increase the number of customers visiting stores by promoting new store openings and store renovating
- Reinforce high-quality frames by utilizing Create Three, the company's own frame manufacturing plant

## Increase in asset turnover through higher sales per store

- Increase revenue and optimize product inventory through consolidation and upsizing of stores
- Increase product turnover through collaboration with Create three
- Increase sales per capita due to improved efficiency of back-office operations

## Maintain appropriate financial leverage by reinforcing shareholder returns

- Achieve stable profit generation and a dividend policy in line with business performance

## Present growth strategies through the new medium-term management plan and steady implementation of the strategies

- Improve ROE through realization of medium-term management plan
- Penetration of growth strategy among investors by proactive investor relations activities
- Improve disclosure of information for investors through renewal of the IR website (June 2023)
- Improve investor briefing materials
- Reinforce investor briefings  
(Conducted financial results briefings twice a year since FY2021, and produced IR videos using YouTube, etc.)

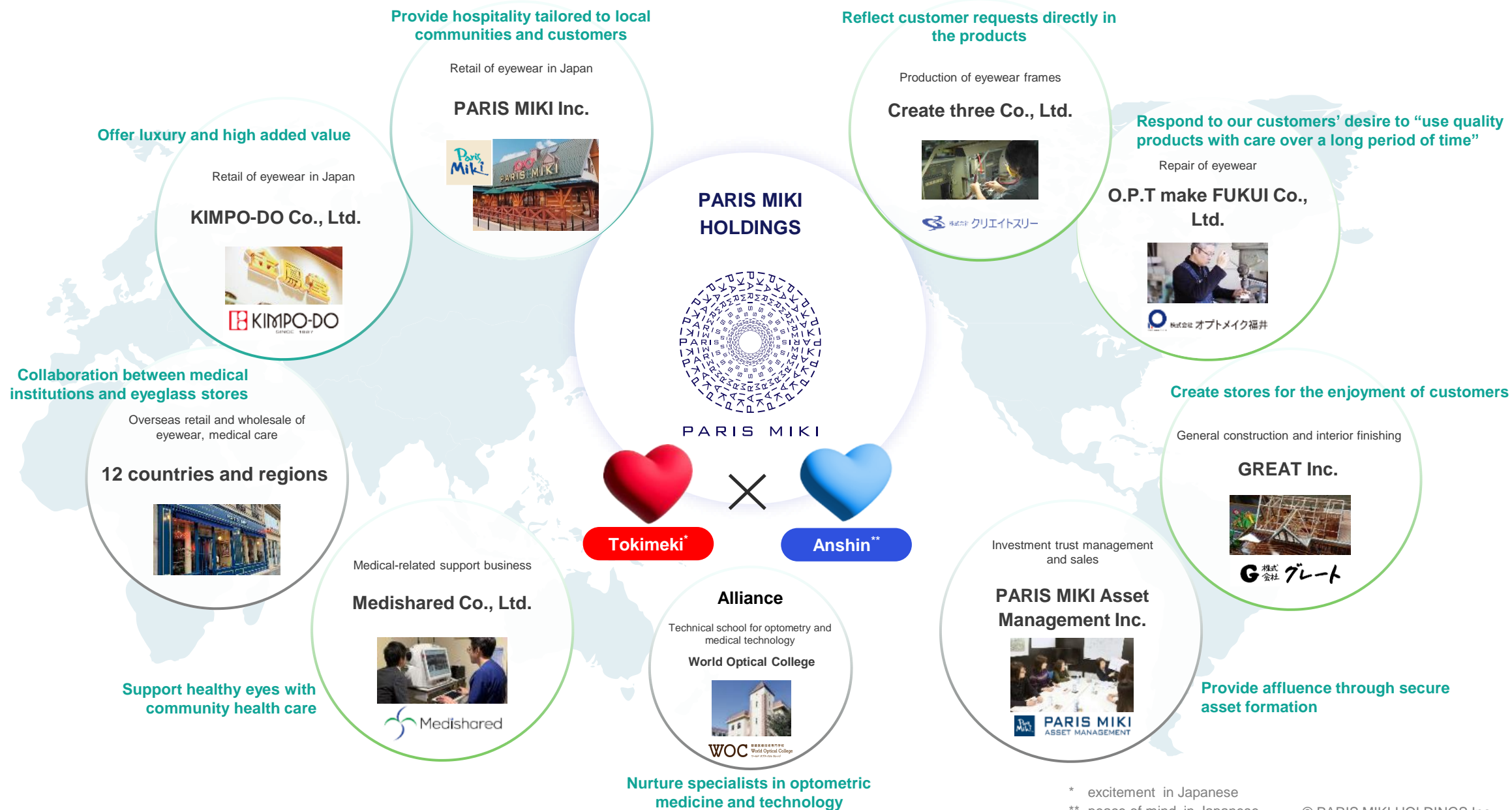
# 05

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## Appendix



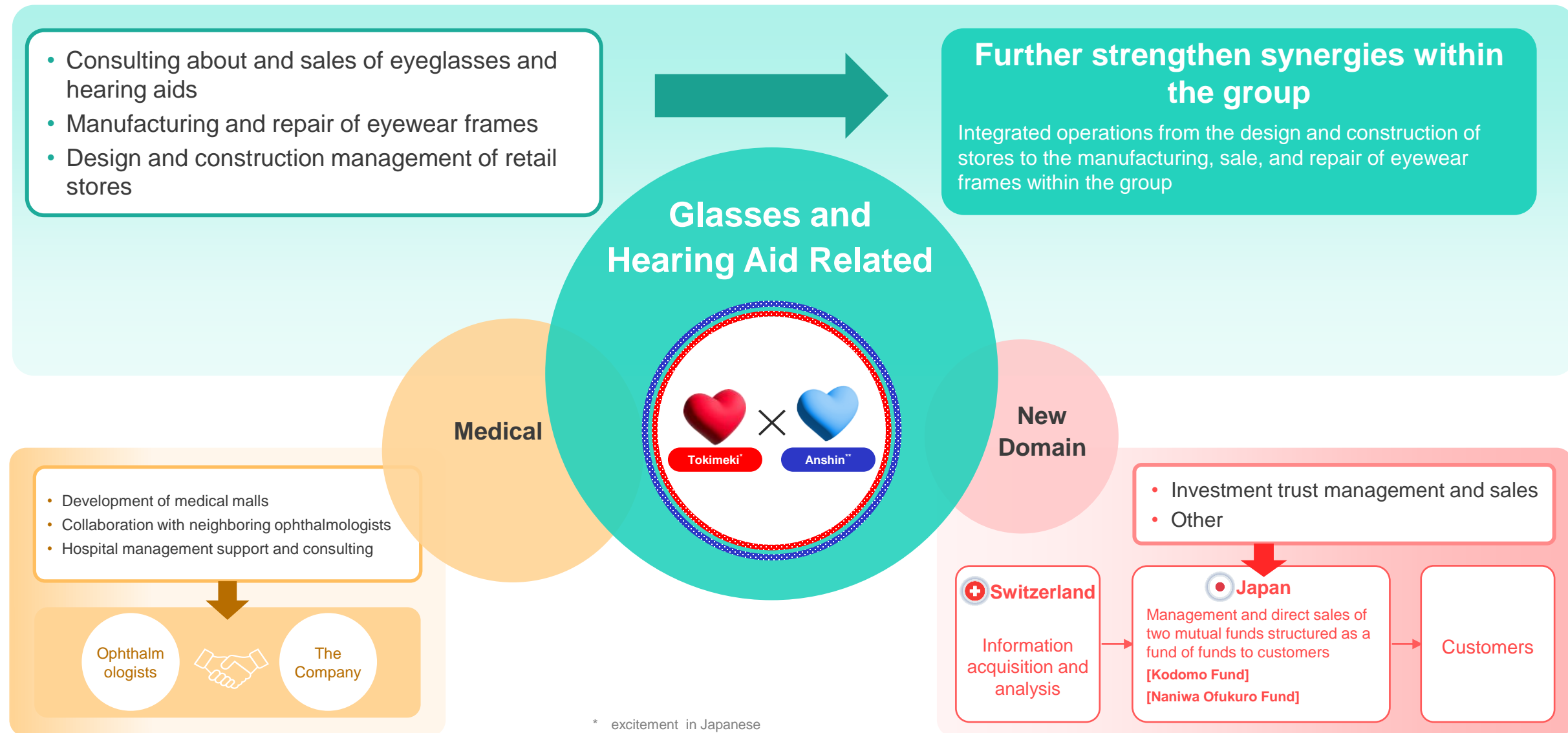
# Our Purpose: Enrich Each and Every One of Our Customers with “Tokimeki\*” and “Anshin\*\*”



\* excitement in Japanese

\*\* peace of mind in Japanese

In the future, the Company will focus on products related to eyeglasses and hearing aids and expand into new areas, such as frame manufacturing and repair, and the development of medical malls



\* excitement in Japanese  
\*\* peace of mind in Japanese

May 2022

## Opened a medical mall

The mall houses eyeglasses store PARIS MIKI, an ophthalmology department, and dispensing pharmacies, providing a **one-stop** service for eye examinations, prescriptions, and the purchase and adjustment of eyeglasses



## Philosophy of “tailoring to each and every person”

- **Largest number** of certified optical technicians in the industry
- Multiple-store development **with close ties to local communities**
- High skills as **a professional in eyeglasses**

## Incorporate medical elements

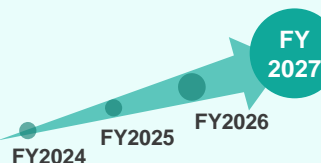
### Educational training program

Education and training programs incorporating medical elements by Medishared will strengthen PARIS MIKI's skills to provide optimum eyeglasses as **medical equipment**



Realization of **visual care for preventing and handling pre-symptomatic diseases** through collaboration with local ophthalmologists and certified optical technicians

The number of prescriptions for eyeglasses increased year by year by building trusting relationships with neighboring ophthalmologists



PARIS MIKI  
KIMPO-DO



Added Value for  
Customers and  
Patients

Ophthalmic  
clinic

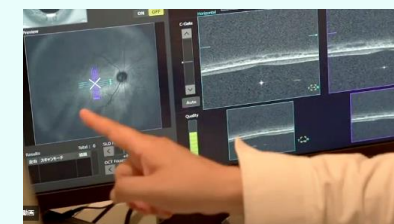


Community-based  
medical care

Medishared Co., Ltd.



Medishared



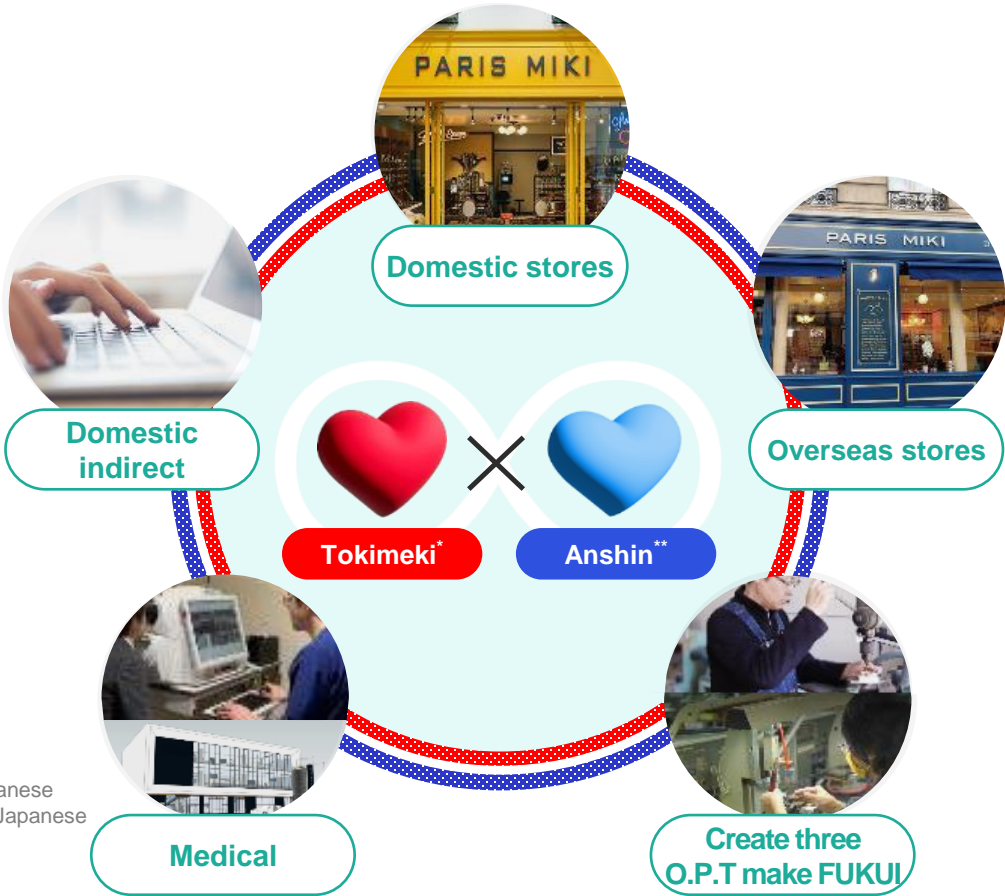
### Management support and consulting

- Wholesale of pharmaceuticals, etc.
- Hospital design and construction
- Temporary staffing and educational support



# Training and Career Paths to Maximize Potential of Personnel

Mutual dispatch of employees across the Group for long- and short-term training



\* excitement in Japanese  
\*\* peace of mind in Japanese



## Career path training

Domestic stores	Short-term: Six months temporary assignment, Long-term: One year or more	Medical	Short-term: One month, Long-term: One year or more
Domestic indirect	Short-term: One to six months, Long-term: One year or more	Create three O.P.T make FUKUI	Short-term: One month, Long-term: One year or more
Overseas stores	Short-term: 45 to 90 days, Long-term: One year or more		

## Japan

**630** stores

- PARIS MIKI Inc. **612** stores
  - └ 526 directly managed stores,  
86 franchise stores
- KIMPO-DO Co., Ltd. **18** stores



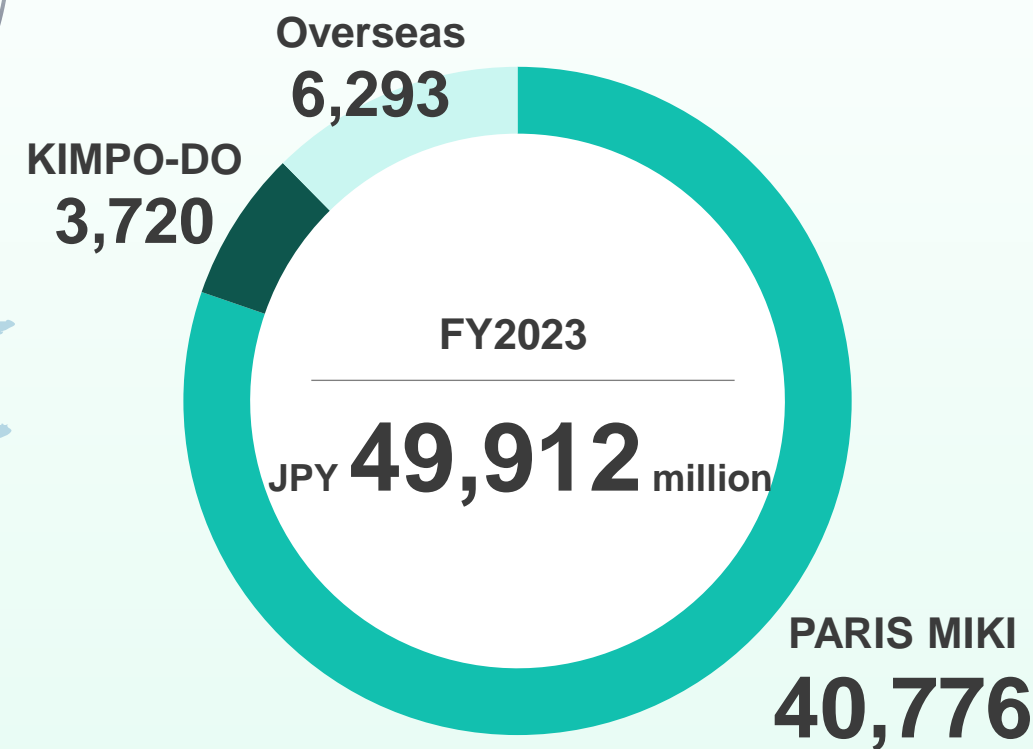
## Overseas

**91** stores

(58 directly-managed stores and 33 franchise stores)



## Sales (JPY mil.)



Before intragroup elimination transactions



## Notes

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Forecasts, earnings forecasts, business plans, and other forward-looking statements contained in this document are future projections at the time of preparation and are subject to potential risks and uncertainties, and do not constitute assurances as to their accuracy or completeness.

Please be aware that actual results may differ materially from these projections due to a variety of factors.