

Q&A collection

Financial results for the Six Months Ended August 31, 2024 (Updated on November 29, 2024)

This Q&A collection is an excerpts of inquiries from investors and their responses regarding the financial results for the six months ended August 31, 2024, which were announced on October 10, 2024. We have added and revised some content to make it easier to understand. Regarding the Q&A document published on Friday, October 11 is [here](#).

Q | The group plans to open 30 stores this period. What is the current progress, and are there prospects for achieving this plan?

At the end of the second quarter, we had opened 11 stores and relocated 1 store. However, after the first quarter financial results announcement in July, new store acquisitions did not progress as planned. Currently, we have finalized 12 store openings for the second half of the year, with a total of 23 new stores and 2 relocations planned for the full year.

The reason for the delay in store openings is primarily due to difficulties in securing properties, especially for specialized stores like Trefac Style (clothing specialty) and Brand Collect (brand specialty). However, Trefac Style has the flexibility to open stores in various formats, including small stores near stations, commercial mall locations, and suburban medium-sized stores. We believe there is sufficient potential for expansion and will continue to secure candidate locations.

Additionally, our subsidiary GK Factory (golf specialty) and our Taiwan subsidiary have prioritized improving their profit structure, which led to postponing store openings. As a result, the group companies will open only 2 stores this period, compared to the initial plan of 6 stores.

It's worth noting that this period's store openings include larger stores such as the Urawa Nakao store (general category) opened in August and the Adachi Ogi store (general category) opened in September. These stores are expected to contribute more to performance than the number of stores would suggest. We also have multiple store relocations planned, which we aim to leverage for future revenue growth.

Regarding the next fiscal period, multiple store openings have already been confirmed, and we currently have no plans to revise the store opening numbers in our medium-term management plan.

Q | Has our group secured the personnel necessary to achieve the store opening targets in the medium-term management plan?

We are confident in our personnel strategy.

For new store openings, we are strategically reallocating staff from our existing stores.

To support our growth plans, we have recruited 106 new graduates this year, with an additional 120 new graduates expected to join next spring. We are further bolstering our workforce through approximately 40 mid-career hires and around 30 promotions of part-time and temporary staff to full-time positions.

Our efforts to improve compensation, including base salary increases and expanding annual leave, have proven effective in enhancing employee retention. We are seeing a positive trend in our ability to attract and retain talent, which is crucial for our continued expansion.