スーツに、もっと進化を。

洋服の青山
AOYAMA TAILOR SINCE 1964

60th Anniversary

FY3/2025

Second Quarter (Interim Period) Financial Results Briefing

AOYAMA TRADING Co., Ltd.

青山商事株式会社

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To Our Stakeholders

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We would like to appreciate all of our stakeholder's support of the Aoyama Trading Group.

As described in this document, the first year of the New Medium-Term Management Plan was tough start. However, we will try to achieve our plan by new initiatives starting in the second half of the year.

From now on, we will start innovation for achievement of the Mid-Term Management Plan and improvement of under 1x P/B with greater determination.

We are looking forward to more support of our stakeholders.

President

青山　理

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60th Anniversary

1. Measures to Realize Management Conscious of Cost of Capital and Stock Price
2. The First Half of FY3/2025 Results and Revised Plan
3. The First Half of FY3/2025 Results and Initiatives for the Second Half by Segment
4. Initiatives of Sustainability

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Summary

Recognized P/B of 0.4x as a critical level in the board of directors

**P / B of 1 x cannot be achieved through only shareholder returns, growth of our business performance is essential.
We have determination to advance Business Wear Business's transformation and challenges at an unprecedented speed.**

Following decisions were made for Mid-Term Management Plan

■ Growth Strategy

・Aim to grow through Business Wear Business's transformation. Challenge five basic strategies in the Mid-Term Management Plan.

・The progress of the following strategies of Business Wear Business is slow.
Maintain and improve profitability of existing stores
Expanding market share through new store openings

■ Shareholder Return

・We discussed that a DPS range of 110 yen to 130 yen is necessary to maintain a dividend yield of 3% to 3.5% at a P/B of 1x.
(The current share price corresponds to a dividend yield of about 8%)

・Need to improve asset and capital efficiency

・Formulate new growth strategies
・Proceed fundamental organizational reform

・Adopt the higher of the consolidated payout ratio 70% or DOE 3%
・Flexible share repurchases (Maximum of 10 billion yen)

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1. Re-analysis of the Current Situation and Sort Out Perceptions

2. Initiatives to Increase Corporate Value

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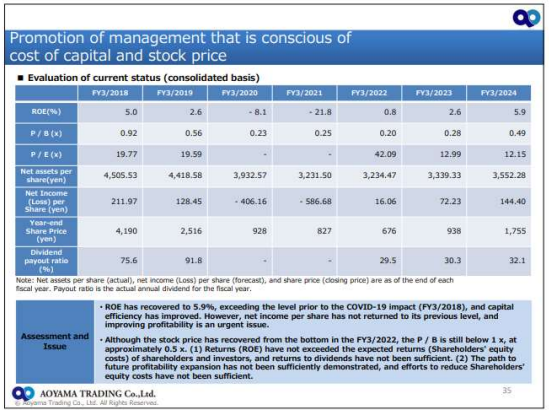
Measures to Realize Management Conscious of Cost of Capital and Stock Price

A part of materials of "FY3/2025 to FY3/2027 Mid-Term Management Plan" released on May 14, 2024



Promotion of management that is conscious of cost of capital and stock price

■ Evaluation of current status (consolidated basis)

	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
ROE(%)	5.0	2.6	- 8.1	- 21.8	0.8	2.6	5.9
P / B (x)	0.92	0.56	0.23	0.25	0.20	0.28	0.49
P / E (x)	19.77	19.59	-	-	42.09	12.99	12.15
Net assets per share(yen)	4,505.53	4,418.58	3,932.57	3,231.50	3,234.47	3,339.33	3,552.28
Net Income (Loss) per Share (yen)	211.97	128.45	- 406.16	- 586.68	16.06	72.23	144.40
Year-end Share Price (yen)	4,190	2,516	928	827	676	938	1,755
Dividend payout ratio (%)	75.6	91.8	-	-	29.5	30.3	32.1

Note: Net assets per share (actual), net income (Loss) per share (forecast), and share price (closing price) are as of the end of each fiscal year. Payout ratio is the actual annual dividend for the fiscal year.

Assessment and Issue

- ROE has recovered to 5.9%, exceeding the level prior to the COVID-19 impact (FY3/2018), and capital efficiency has improved. However, net income per share has not returned to its previous level, and improving profitability is an urgent issue.
- Although the stock price has recovered from the bottom in the FY3/2022, the P / B is still below 1 x, at approximately 0.5 x. (1) Returns (ROE) have not exceeded the expected returns (Shareholders' equity costs) of shareholders and investors, and returns to dividends have not been sufficient. (2) The path to future profitability expansion has not been sufficiently demonstrated, and efforts to reduce Shareholders' equity costs have not been sufficient.

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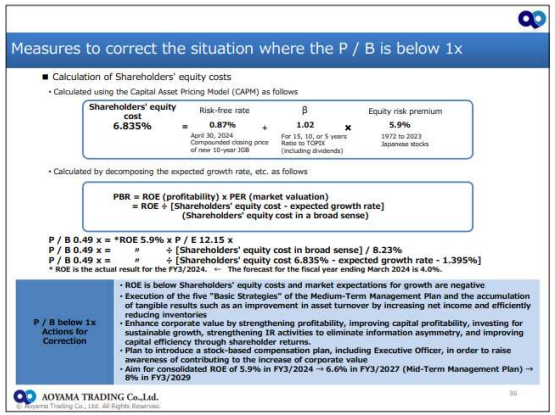
35



Measures to correct the situation where the P / B is below 1x

■ Calculation of Shareholders' equity costs

- Calculated using the Capital Asset Pricing Model (CAPM) as follows

Shareholders' equity cost 6.835% = Risk-free rate 0.87% (April 30, 2024 Compounded closing price of new 10-year JGB) + β 1.02 (For 15, 10, or 5 years Ratio to TOPIX (including dividends)) × Equity risk premium 5.9% (1972 to 2023 Japanese stocks)

- Calculated by decomposing the expected growth rate, etc. as follows

PBR = ROE (profitability) x PER (market valuation)
= ROE ÷ [Shareholders' equity cost - expected growth rate]
(Shareholders' equity cost in a broad sense)

P / B 0.49 x = *ROE 5.9% x P / E 12.15 x
P / B 0.49 x = 〃 ÷ [Shareholders' equity cost in broad sense] / 8.23%
P / B 0.49 x = 〃 ÷ [Shareholders' equity cost 6.835% - expected growth rate - 1.395%]
* ROE is the actual result for the FY3/2024. ← The forecast for the fiscal year ending March 2024 is 4.0%.

P / B below 1x Actions for Correction

- ROE is below Shareholders' equity costs and market expectations for growth are negative
- Execution of the five "Basic Strategies" of the Medium-Term Management Plan and the accumulation of tangible results such as an improvement in asset turnover by increasing net income and efficiently reducing inventories
- Enhance corporate value by strengthening profitability, improving capital profitability, investing for sustainable growth, strengthening IR activities to eliminate information asymmetry, and improving capital efficiency through shareholder returns.
- Plan to introduce a stock-based compensation plan, including Executive Officer, in order to raise awareness of contributing to the increase of corporate value
- Aim for consolidated ROE of 5.9% in FY3/2024 → 6.6% in FY3/2027 (Mid-Term Management Plan) → 8% in FY3/2029

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36

<u>Based on the above, we aim to increase our corporate value through increase in net income and improving asset efficiencies by implementing five "Basic Strategies".</u>



Need to re-analyze the current situation and sort out perceptions

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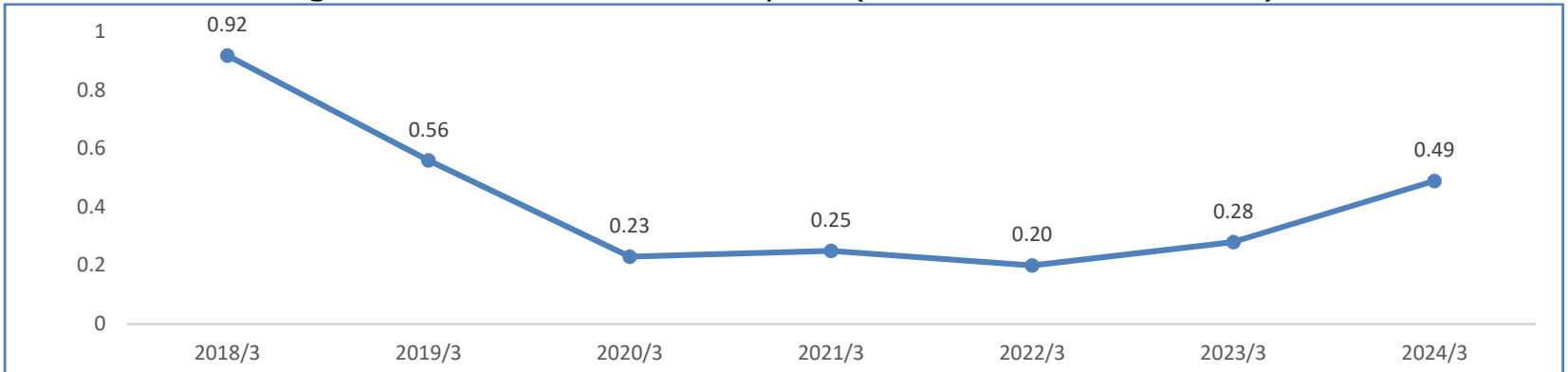
Re-analysis of the Current Situation (Changes in PBR)

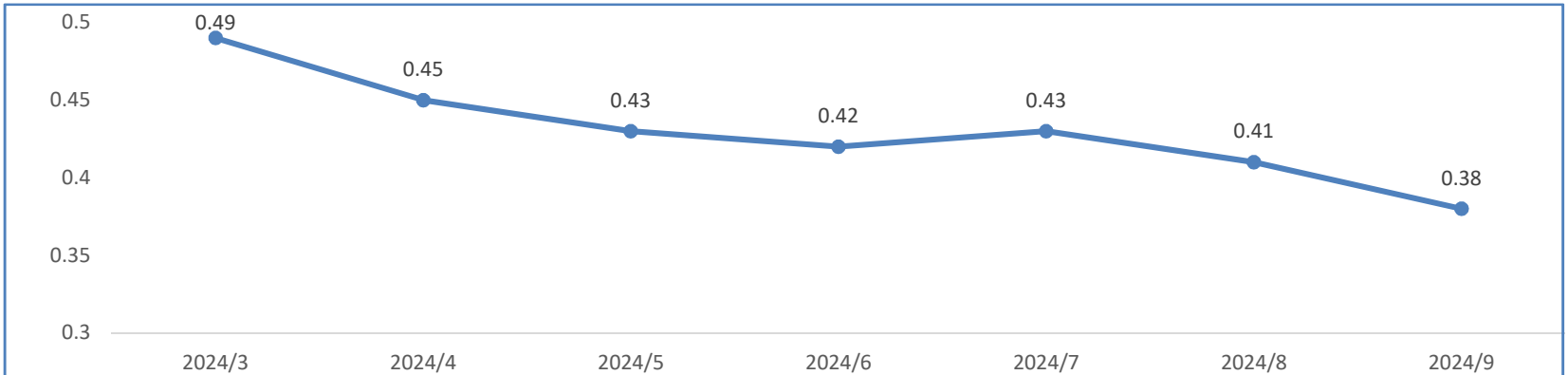
PBR was on a recovery trend after the pandemic, but it has been on a declining trend since the beginning of this fiscal year.

■ Trend of change at the end of the fiscal year (FY3/2018 to FY3/2024)



* Net assets per share (actual) and share price (closing price) are as of the end of each fiscal year.

■ Trend of change at the end of the month (April 2024 to September 2024)



* Net assets per share: Figures for March to July are as of the end of March 2024 (actual)
Figures for August and September are as of the end of June 2024 (actual)
Stock prices (closing prices) : as of the end of each business month.

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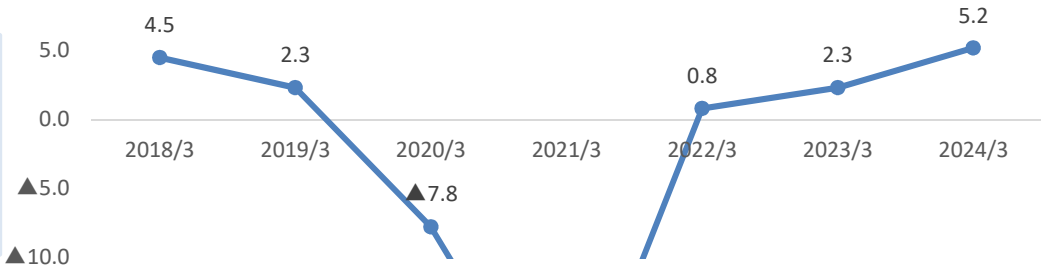
Re-analysis of Current Status (Analysis of ROE)

Improvement of asset efficiency index, but low level in the three indicators of ROE breakdown

	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
ROE (%)	**5.0**	**2.6**	**- 8.1**	**- 21.8**	**0.8**	**2.6**	**5.9**

=

Net sales Net income rate (%)



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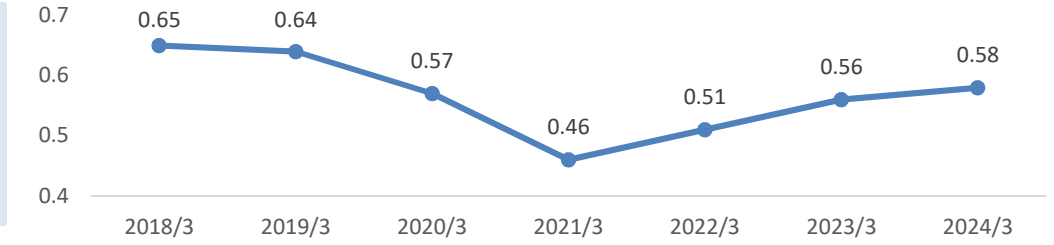
Turnover of total assets (times)



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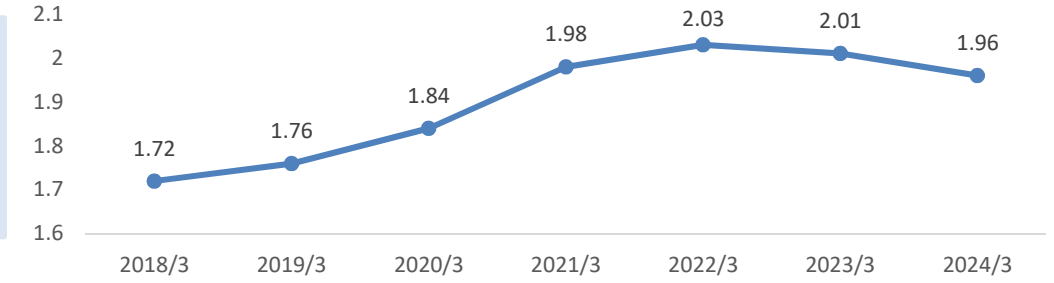
Financial leverage (×)



Despite the improvement, more raise needed
↓
Implement in Mid-Term Management Plan

Despite the improvement, still at a low level. More improvement needed.
↓
Improve asset efficiency
↓
Review balance sheet

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Clarification of Current Status

Growth strategy, performance and issues

Basic Strategy of Mid-Term Management Plan (Growth Strategy) gave no impact to the market.

Delayed Business Wear Business strategy (Order, stores, inventory, etc.)

First half results couldn't achieve
+
Delayed system replacement /
Response to new lease accounting

Shareholder Return

We judged that shareholder return was insufficient by recent market trends and industry growth potential consideration of the company's financial balance, etc.

P / B was down to around 0.4 x

Need to update the content of promotion for conscious of cost of capital and stock price

To increase corporate value

Formulate new growth strategies
Proceed fundamental organizational reform

Change in dividend policy
Flexible share repurchases

Smooth communication with investors

Review of capital allocation and set appropriate balance sheet

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Details on the Board of Directors

Agenda	Discussion at the Board of Directors
Circumstances of P / B around 0.4x	Having strong sense of crisis. We recognize that it would be extremely difficult to achieve a P/B ration of 1x with conventional extension measures.
How to get valuation of 1x P/B continuously	We can't achieve this by only shareholder returns. We have to make growth in our performance by growth strategies. We determinate to advance Business Wear Business's transformation and challenges at an unprecedented speed.
Business Wear Business's transformation and challenges	In addition to implementing the five basic strategies of the Mid-Term Management Plan, a new growth strategy needs to be formulated. We also proceed fundamental organizational reform.
Target level of shareholder returns	Taking into account the domestic interest rate level and the industry's expected growth rate Target: P / B of 1x, dividend yield of 3% to 3.5% Adjustment: A minimum DPS range of 110 to 130 yen is required (Dividend yield of 8% or more at the current share price)
Changes in shareholder return policy	In order to improve capital efficiency, achieve stable dividend increases over the medium to long term, and pursue profit growth, we will adopt the higher of the dividend payout ratio of 70% or DOE of 3.0%. Also we made a policy to repurchase treasury share up to 10 billion yen during the period of the Mid-Term Management Plan.
Improvement of asset and capital efficiency Review of owned assets and effective use of on-hand liquidity	Set appropriate balance sheet targets to improve asset and capital efficiency. Reviewing assets and labilities of Credit Card Business.
Capital allocation review	Determine whether it is possible to increase shareholder returns. After then, securing cash to maintain growth investment funds.
Communication with investors	Currently, there are no requests from investors for interviews with outside directors, but if there are requests in the future, we will conduct them as much as possible.

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Plan of Appropriate Balance Sheet

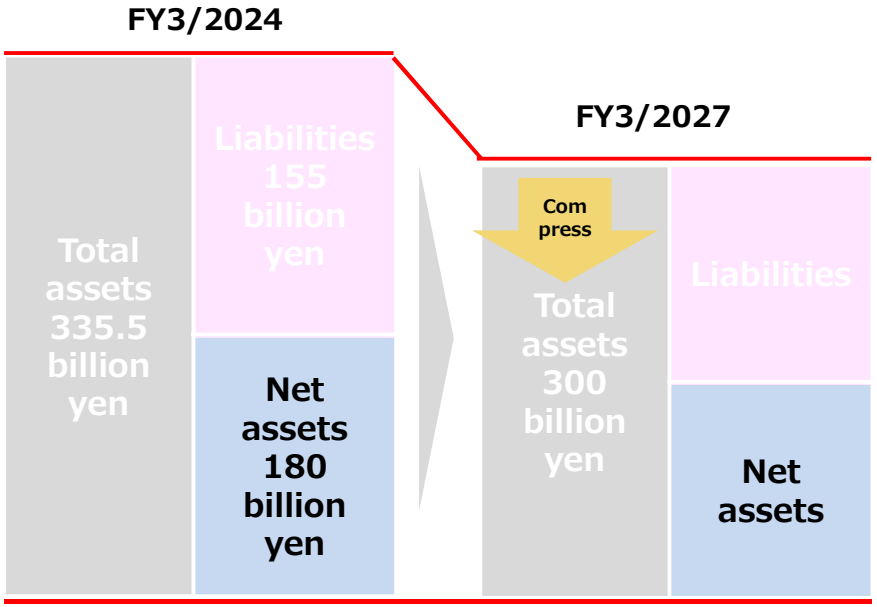
We aim to optimize our balance sheet and increase corporate value by enhancing asset and capital efficiency

Improve asset and capital efficiency by reviewing assets, reducing inventories, optimizing liquidity, and acquiring treasury share.

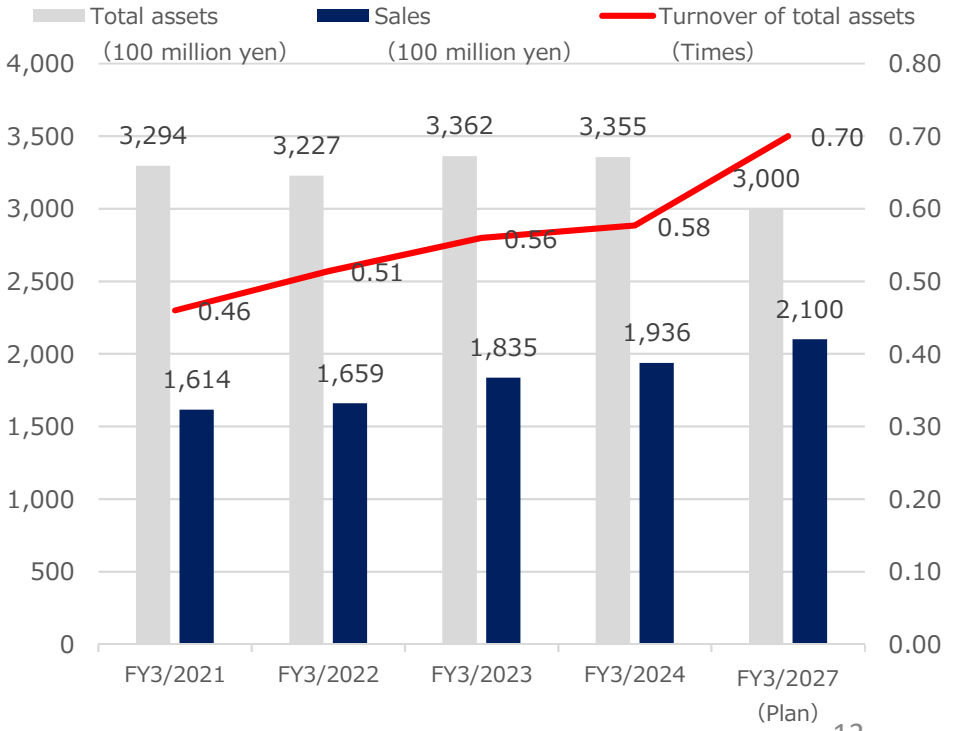
Specifically, the current medium-term plan calls for an increase in total asset turnover from 0.58 times (FY3 / 2024) to 0.7 times (FY3 / 2027).

We aim to compress the total assets 335.5 billion yen (FY3/2024) to 300 billion yen (FY3/2027) in addition to improving capital efficiency through purchase of treasury.

Balance sheet optimization



Turnover of total assets



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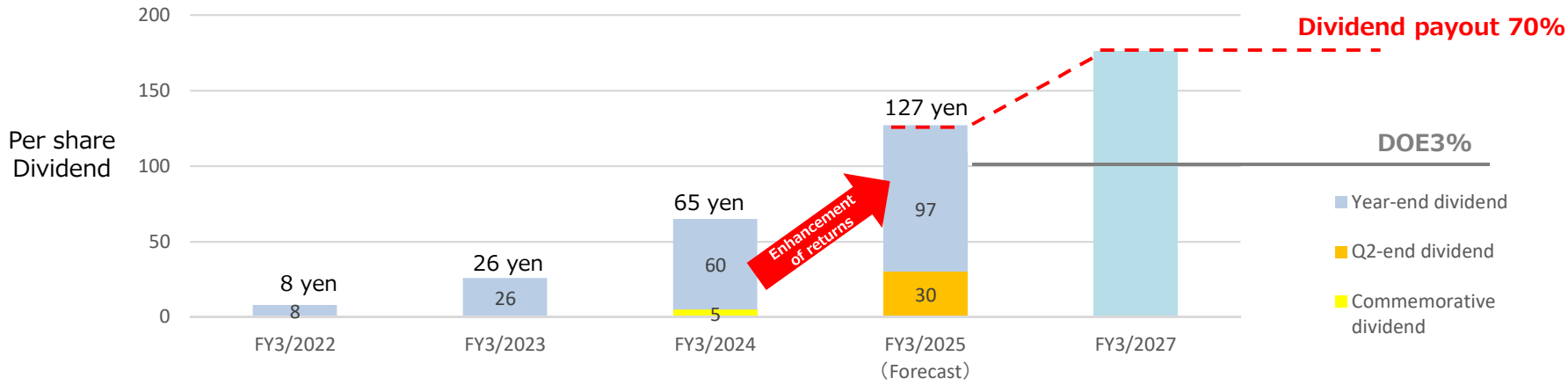
Shareholder Return Policy ①

During this mid-term management plan for FY3/2025 to FY3/2027, we will maintain its basic policy of actively and stably returning profits to shareholders while investing in growth to maintain and strengthen competitiveness and working to improve profitability and strengthen its financial position. In addition, to realize management that is conscious of the cost of capital and the share price, and to further advance initiatives to increase corporate value, we will adopt the higher of the consolidated dividend payout ratio of 70% or the dividend on equity ratio (DOE) of 3% and we will improve capital efficiency and increasing dividends over the mid to long term and pay dividends through profit growth. The company will flexibly conduct share repurchases with the aim of improving capital efficiency, while taking into account business performance, capital conditions, and market conditions, including stock prices. During the period of the Medium-Term Management Plan, the company will purchase up to 10 billion yen of its treasury share, starting with 3 billion yen of share repurchase during the fiscal year under review.

Purchase of treasury share

Implement 3 billion yen

Implement flexibly taking into account business performance, capital conditions, and market conditions with stock prices



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Shareholder Return Policy ②

Change in dividend policy

	Details
Before	We will pay progressive dividends through profit growth with a minimum annual dividend of 60 yen per share and consolidated dividend payout 40% as a prospect.
After	**We will pay dividends using the higher of a consolidated payout ratio of 70% or a DOE ratio of 3%.**

Purchase of treasury share

Details of matters pertaining to purchase	
Type of shares to be purchased	Common share
Total number of shares to be purchased	**Up to 1.5 million shares**
Total purchase cost of shares	**3 billion yen (maximum)**
Purchase period	November 15, 2024 to March 24, 2025
Purchase method	On the Tokyo Stock Open market purchase

Reference date	Cash dividends per share		
	Q2-end	Year-end	Total
Previous Forecast (Announced on May 10, 2024)	30.00 yen	31.00 yen	61.00 yen
Revised forecast		**97.00 yen**	**127.00 yen**
Current Period Results	30.00 yen		
Previous Period Results (FY3/2025)	0.00 yen	Ordinary dividend of 60.00 yen Commemorative dividend of 5.00 yen	65.00 yen

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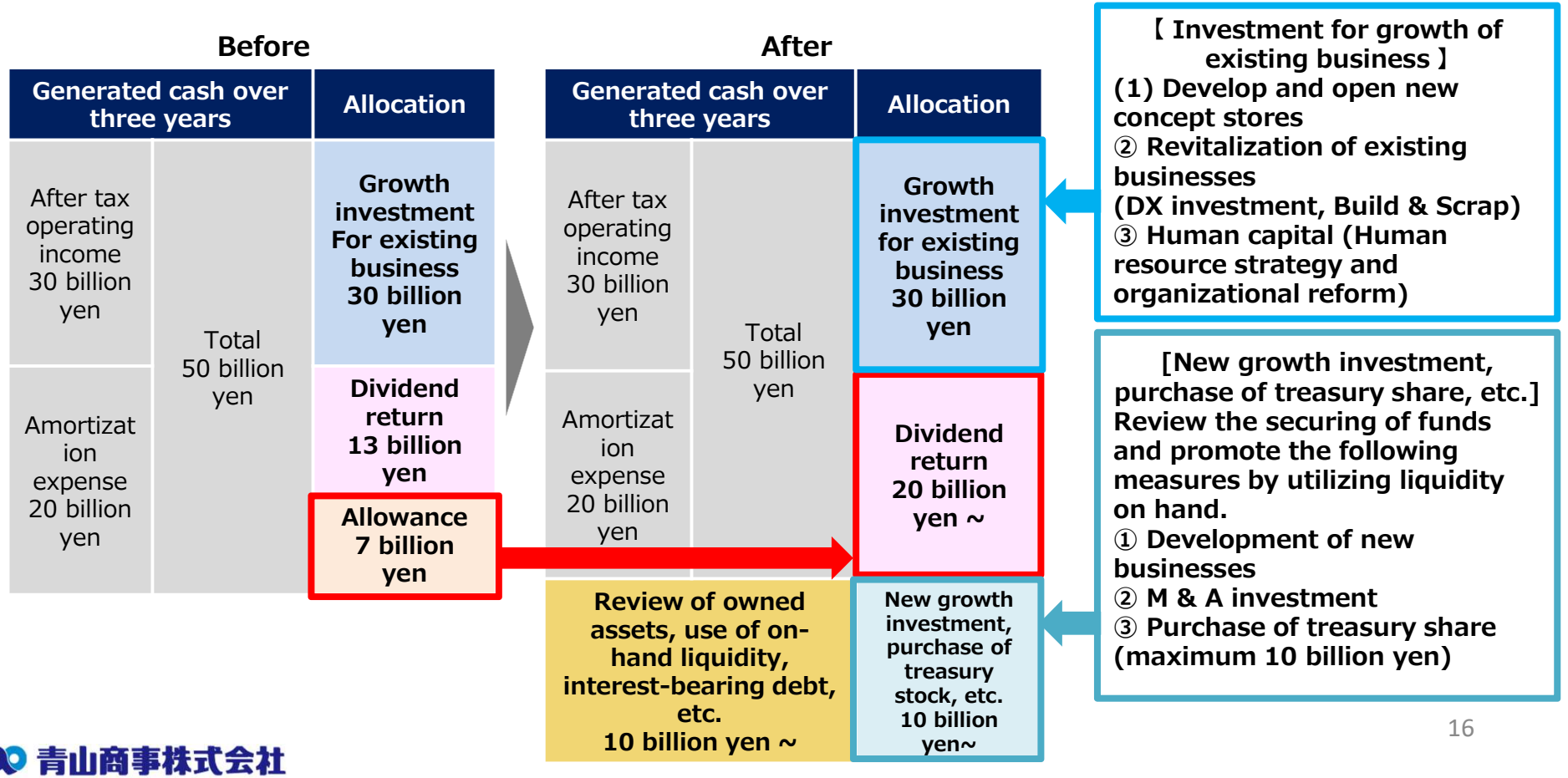
Review of Capital Allocation

We will use allowance 7 billion yen for returning profits to shareholders. With stable return profit to shareholders, we will try to increase corporate value.
Still keep 30 billion yen in growth investments in existing businesses will be maintained to maintain and strengthen competitiveness as well as respond to the new lease accounting.
For new growth investments, we will conduct new business development, M & A investments, etc., by reviewing its owned assets and utilizing on-hand liquidity, interest-bearing debt, etc. at the same time of repurchasing shares.



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Summary of Consolidated and Non-consolidated Results for the First Half of FY3/2025

Consolidated PL	Net sales 84 billion yen YoY +1 billion yen	Operating income 0.6 billion yen YoY -0.7billion yen	Ordinary income 0.5 billion yen YoY -1.2 billion yen	Profit attributable to owners of parent -0.6 billion yen YoY -1 billion yen

Environment: Consumption market was back to normal as revenge consumption calmed down.
High prices of commodity due to rising raw material prices and the yen's depreciation is still raising.
Awareness of sustainability is getting high.
Conditions : Revenue was increase, profit was decrease, net sales 101.2% YoY.
Although Consolidated net sales was slightly increased, the gross profit ratio decreased by 0.7 pt from previous year, resulting in a decrease in profits. Net income was a deficit.

Non-Consolidated PL	Net sales 51.3 billion yen YoY -0.4 billion yen	Operating income -1.3 billion yen YoY -0.8 billion yen	Ordinary income -0.3 billion yen YoY -0.9 billion yen	Net Income -0.6 billion yen YoY -0.8 billion yen

Environment: In addition to the above environment, there were impacts from disasters such as historical heat waves and torrential rains caused by the heat waves.
Conditions : Revenue and profit decreased, net sales 99.1% YoY.
Sales of suits which is mainstay item was slow due to high temperature and diversification of business wear.
The gross profit rate was decreased by 0.3 pt from previous year by increasing cost of raw materials etc.
Reduced advertising and other expenses while increase in personnel expense gave affect on profits.

Note: Figures are rounded down to the nearest unit.

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Consolidated Earnings Result for the First Half of the FY3/2025

Sales and gross profit ratio was under the plan.
Net income was -600 million yen from previous year.

Sales fell short of plan, gross profit ratio fell short of plan.
Although we tried to use SG & A expense efficiently, profits fell short of plan at all levels.

Unit : 100 million yen	Plan	Current Period Results	Planned ratio	YoY	Main Factors of Fluctuations
Net sales	854	840	- 13	+10 (101.2%)	Reference: Result by Business Segment of First Half of the FY3/2025
Gross profit	434	421	- 12	- 0	<YoY> Business Wear - 0.1 pt Printing and Media - 1.3 pt Sundry Sales -0.9 pt Total Repair Service - 0.6 pt
Gross profit rate	50.8%	50.1%	- 0.7 pt	- 0.7 pt	
SG & A expenses	420	414	- 5	+7	Reference: Non-consolidated Results for the First Half of FY3/2025
Operating income	14	6	- 7	- 7	Reference: Result by Business Segment of First Half of the FY3/2025
Ordinary income	14	5	- 8	- 12	<YoY> Foreign exchange gain: - 3.3
Net income	1	- 6	- 7	- 10	

Note: Figures are rounded down to the nearest unit.

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Result by Business Segment of First Half of the FY3/2025

Main factor is failure to meet plan in Business Wear Business

The main reason of not achieving the consolidated plan is Business Wear Business which is our core business was under the plan in sales and operating income.

Unit: 100 million yen

Business Segment	Plan		Current Period Results		Planned ratio		YoY	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Business Wear	549	- 6	533	- 12	- 15	- 6	- 1	- 6
Credit Card	26	11	26	11	+0	+0	+1	+0
Printing and Media	52	- 1	50	- 1	- 1	- 0	- 0	- 0
Sundry Sales	74	0	76	1	+2	+1	- 0	+0
Total Repair Service	71	1	71	0	+0	- 0	+7	- 0
Franchisee	75	4	76	5	+1	+1	+5	+0
Real Estate	15	2	15	2	+0	+0	- 0	+0
Others	8	0	5	- 1	- 2	- 1	- 2	- 1
Adjustments	- 16	2	- 15	0	+0	- 1	+2	- 0
Total	854	14	840	6	- 13	- 7	+10	- 7

Note: Figures are rounded down to the nearest unit.

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Non-consolidated Results for the First Half of FY3/2025

Unit: 100 million yen

			Plan	Current period results	Planned ratio	YoY	Main Factors of Fluctuations
Net sales			531	513	- 17	- 4	Business Wear Exiting store's YoY -4.1 pt under the initial plan
	Business Wear		516	497	- 18	- 4	
	Real Estate		15	15	+0	- 0	
Gross profit (rate)			295(55.6%)	282(55.1%)	- 12 (- 0.5 pt)	- 4 (- 0.3 pt)	Business Wear -0.5pt under the initial plan due to a decrease in sales of ready-made suits
	Business Wear		292(56.6%)	279(56.1%)	- 12 (- 0.5 pt)	- 4 (- 0.3 pt)	
	Real Estate		3(23.3%)	3(23.5%)	+0 (+0.2pt)	- 0 (+ 0.2 pt)	
SG & A expense			300	296	- 4	+3	<Compared to Plan> Bonus and salary : -0.8 Repair expenses : -2.1 Computer management expenses, etc. : -0.4 Depreciation : -0.4 <YoY> Salary and bonus : +5.9 Advertising expenses : -2.0 Repair expenses : +0.7 Lease fee : -1.8
	Business Wear	Personnel expense	115	114	- 0	+4	
		Selling expense	45	45	+0	- 1	
		General and administrative expenses	56	52	- 3	+2	
		Property expenses	84	83	- 0	- 1	
		Transfer to real estate	- 1	- 0	+0	+0	
	Real Estate		1	0	- 0	- 0	
Operating income			- 5	- 13	- 8	- 8	Sales and gross profit was slow. Try to reduce SG & A expense but operating income was -8.0 lower than the initial target
	Business Wear		- 7	- 16	- 8	- 8	
	Real Estate		2	2	+0	+0	

Note: Figures are rounded down to the nearest unit.

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Summary of Consolidated and Non-Consolidated Revised Plan for the FY3/2025

Consolidated PL	Net sales 198.6 billion yen YoY +4.9 billion yen	Operating income 13.8 billion yen YoY +1.8 billion yen	Ordinary income 13.8 billion yen YoY +1.3 billion yen	Profit attributable to owners of parent 9.1 billion yen YoY -0.9 billion yen

Environment assumption:
Still keep increasing geopolitical risks, exchange rate fluctuations, and increases in raw material prices.
Growing awareness of wage increase, etc.
While all kind of prices increasing, consumer confidence is becoming more uncertain due to a rise in consumers' desire to save money due to rising prices.

Plan:
Net sale 102.5% YoY, plan to increase in both sales and profit.
Net income is expected to decrease due to deferred income taxes caused by increase in deferred tax assets in previous year.

Non-consolidated PL	Net sales 131.6 billion yen YoY +1.6 billion yen	Operating income 9.7 billion yen YoY +1.9 billion yen	Ordinary income 10.6 billion yen YoY +1.5 billion yen	Net Income 7.8 billion yen YoY +0.1 billion yen

Plan:
Exiting store's net sale 101.7% YoY (Second half year), 100.8% YoY (Full year)
While preparing for system replacement delays and new lease accounting standards, we aim to expand sales and gross profit by reviewing product price, etc.
Also, we plan to increase sales and profits through using expenses efficiently.

Note: Figures are rounded down to the nearest unit.

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Revised Plan of Consolidated Profit and Loss for the FY3/2025

Full-year operating profit forecast

Full-year sales and gross profit plan keeps initial plan by raising gross profit ratio of second half year.
We also plan to increase operating income through efficient use of SG & A expenses.

Unit: 100 million yen	Revised plan	Previous period results	YoY		Initial plan	Compared to the initial plan		Main Factors of Fluctuations from the initial plan
			Variance	(%)		Variance	(%)	
Net sales	1,986	1,936	+49	102.5	1,988	- 2	99.9	Reference: Profit and Loss by Business Segment (revised) Plan
Gross profit	1,026	998	+27	102.8	1,026	± 0	100.0	Non-consolidated: Gross profit rate +0.7 pt (+0.3 pt through year)
Gross profit rate	51.7%	51.6%	+0.1pt	-	51.6%	+0.1pt	-	
SG & A expenses	888	879	+8	101.0	896	- 8	99.1	Non-consolidated: Selling expenses -4.0 Personnel expense -2.0 Property expenses -1.0
Operating Income	138	119	+18	115.8	130	+8	106.2	Reference: Profit and Loss by Business Segment (revised) Plan
Ordinary Income	138	125	+13	110.8	133	+5	104.1	Non-consolidated: Loss on valuation of derivatives +1.0
Net Income	91	100	- 9	90.2	91	± 0	100.0	

Note: Figures are rounded down to the nearest unit.

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Revised Plan of Profit and Loss by Each Business Segment for the FY3/2025

The Plan of Profit Revised Upward in 4 Business.

Operating income in Credit Card Business, Sundry Sales Business and Franchisee Business have been revised upward from the initial plan.
We expected improvement in profitability in the second half of the fiscal year of Business Wear Business by a review of pricing strategies.

Unit: 100 million yen

Business Segment	Revised plan		YoY		(%)		Compared to the initial plan		(%)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Business Wear	1,356	100	+23	+21	101.8	128.1	- 6	+14	99.6	116.3
Credit Card	52	18	+2	- 2	104.8	88.8	+2	+1	104.0	105.9
Printing and Media	114	1	- 0	+0	99.5	120.2	- 6	- 1	95.0	50.0
Sundry Sales	151	1	- 1	- 1	99.1	40.7	+3	± 0	102.0	100.0
Total Repair Service	144	2	+10	+0	108.1	116.5	+0	- 1	100.3	66.7
Franchisee	161	11	+9	+0	106.2	100.9	+5	+1	103.2	110.0
Real Estate	30	5	- 0	- 0	97.8	89.8	± 0	± 0	100.0	100.0
Others	12	-2	- 2	+0	80.6	-	- 5	- 3	70.6	-
Adjustment	- 34	1	+7	+0	-	100.3	+4	- 2	-	-
Total	1,986	138	+49	+18	102.5	115.8	- 2	+8	99.9	106.2

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Revised Plan of Non-Consolidated Profit and Loss for the FY3/2025

			Revised plan	Current period results	YoY	Initial plan	Compared to the initial plan
Net sales			1,316	1,299	+16	1,320	- 4
	Business Wear		1,286	1,268	+17	1,290	- 4
	Real Estate		30	30	- 0	30	± 0
Gross profit (rate)			738(56.1%)	721(55.6%)	+16(+0.5pt)	737(55.8%)	+1(+0.3pt)
	Business Wear		731(56.8%)	714(56.4%)	+16(+0.4pt)	730(56.6%)	+1(+0.2pt)
	Real Estate		7(23.3%)	7(23.2%)	- 0 (+ 0.1 pt)	7(23.3%)	± 0 (± 0 pt)
SG & A expense			641	644	- 3	652	- 11
	Business Wear	Personnel expense	238	233	+4	241	- 2
		Selling expense	130	138	- 7	135	- 4
		General and administrative expenses	106	102	+4	108	- 2
		Property expenses	165	169	- 4	167	- 1
		Transfer to real estate	- 2	- 1	- 0	- 2	± 0
	Real Estate		2	1	+0	2	± 0
Operating income			97	77	+19	85	+12
	Business Wear		92	72	+19	80	+12
	Real Estate		5	5	- 0	5	± 0

Note: Figures are rounded down to the nearest unit.

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1. Measures to Realize Management Conscious of Cost of Capital and Stock Price
2. The First Half of FY3/2025 Results and Revised Plan
3. The First Half of FY3/2025 Results and Initiatives for the Second Half by Segment
4. Initiatives of Sustainability

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Summary of Business Segments

Segment	Overview
Business Wear Business	Operating 740 stores nationwide, including Yofuku-no-Aoyama and THE SUIT COMPANY (as of the end of September 30, 2024) This segment also includes Blue Rivers Co., Ltd., Eisho Co., Ltd., MDS Co., Ltd., Fukuryo Co., Ltd., Aoyama Suits (Shanghai) Co., Ltd., and Melbo Men's Wear, Inc.
Credit Card Business (Aoyama Capital Co., Ltd.)	This business issues and manages the Aoyama Card and other credit cards while seeking to obtain new customers, thus supporting efficient sales promotion in our Business Wear Business. (The number of valid members stood at 3.87 million as of the end of August 2024)
Printing and Media Business (ASCON Co., Ltd.)	Operating service mainly "total sales promotion support business" for distribution and retail stores nationwide. This business involving in distribution and retail supporting business, digital marketing business, and the planning and production of various publications.
Sundry Sales Business (Seigo Co., Ltd.)	Concluding a distributorship agreement for the 100-yen shop DAISO. Operating stores for using closed stores of Yofuku-no-Aoyama and establishing stores in Yofuku-no-Aoyama to generate synergies. Operating 101 stores as of the end of August 2024.
Total Repair Service Business (Minit Asia Pacific Co., Ltd.)	Providing comprehensive repair services, including shoe repair and key duplication. Operating 253 stores in Japan and 369 stores overseas (as of the end of September 2024)
Franchisee Business (glob Co., Ltd.)	Operating 40 "Yakiniku King" and 13 "Yuzu An" as a franchise of The Monogatari Corporation, 18 "2nd STREET" as a franchise of Geo Holdings Corp. and 10 "Anytime Fitness" as a franchise of Fast Fitness Japan Inc. (as of the end of September 2024)
Real Estate Business (Aoyama Trading Co., Ltd., Real Estate Business)	The company is engaged in the comprehensive management of real estate owned and leased, as well as the business related to lease and transfer of real estate. The segment was added as a new reportable segment from the fiscal year ended March 31, 2024.
Others WTW Corporation Customlife Co., Ltd.	WTW Corporation: Operating seven stores, selling sundries and interiors (as of the end of September 2024) Customlife Co., Ltd.: Operating owned media "Customlife"

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Results for the First Half and Initiatives for the Second Half of Each Segment - Business Wear Business -

Basic strategy

Maintaining and improving the profitability of existing businesses



Order



Results for the First Half of the FY3/2025

Aoyama Trading Co., Ltd. (Non-consolidated)

【 Progress of first half 】

- YoY:124.8% (Existing stores YoY:116.0%)
- Order suits service started newly in 36 stores
- Some stores have increased the order sales composition from 5% to 17% due to renovation inside and outside the store
- The number of renovated stores with notice boards outside the order-made stores has reached 130.

[New Initiatives]

- **Improve gross profit by expanding variations of option**
- **Efficiency improvement through online order renewal**
- **Gaining recognition through nationwide TV commercials**

Group of Melbo (azabu tailor)

- YoY:111.4%
- Sales was favorable by increasing in the unit price per customer resulting from rising the unit price of a single product
- October 25th, Yokohama MORE'S store opened (28 stores in total)

[New Initiatives]

- **System development for improving the operation of order receiving and placing business**
- **Distribution of brand book for azabu tailor 25th anniversary project**
- **Improvement of quality by external technical leaders in factory departments, etc.**
- **Start working with new partner factories to address future capacity shortages**

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Results for the First Half and Initiatives for the Second Half of Each Segment - Business Wear Business -

Basic strategy

Maintaining and improving the profitability of existing businesses



Expanding market share through new store openings



Results for the First Half of the FY3/2025

【 Progress of first half 】
・YoY:111.6%
・Some measures may be affected due to extension of system replacement.

[New Initiatives]
・Enhancement of EC limited products: Expansion of entry price products
▶Sales of EC-only products was 379.1% YoY.
・Implementation of live commerce in cross-border EC
・In line with the promotion of OMO, employee evaluations that will start in fiscal 2025 are being tested.
・Strengthen measures for each e-commerce mall (specialist personnel, products, advertising) and planning to open stores in new malls.
(Plan to increase EC mall sales to 200% of the previous year)

【 Progress of first half 】
・New Stores: 5 stores (Yofuku-no-Aoyama 1 store, SUIT SQUARE 4 stores)
・Promoting "Build & Scrap" in response to new lease accounting
▶Relocated stores: 2 stores
(Yofuku-no-Aoyama 1 store, SUIT SQUARE 1 store)

[New Initiatives]
・Preparing for new store opening.
Determining the outline and design of new urban concept stores.
▶Small-scale and low-cost store opening and small-scale operations by digital technology.
・"Build & scrap" for unprofitable stores
▶Opening small-scale and low-cost stores in SUIT SQUARE
▶Promotion of efficiency through small-scale, low-investment models, including response to new lease accounting

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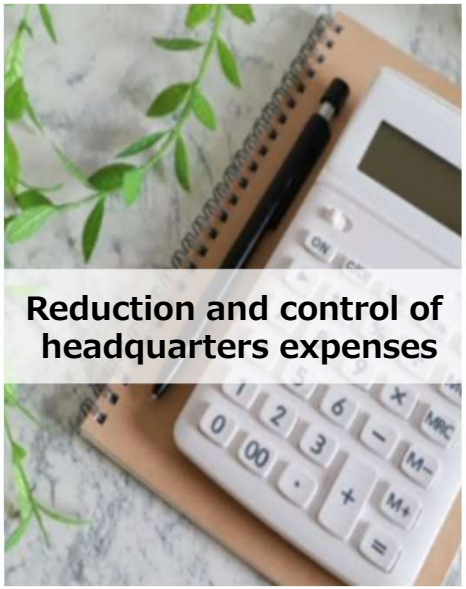
Results for the First Half and Initiatives for the Second Half of Each Segment - Business Wear Business -

Profit-oriented management

Basic strategy



Inventory reduction



Reduction and control of headquarters expenses

Results for the First Half of the FY3/2025

【 Progress of first half 】
・Progress of number of items was generally in line with the plan (YoY: -3.3 pt)
・Aim to more inventory reduction than plan by the end of fiscal year 2026
・Reduce the number of each item

[New Initiatives]
・Reduce SKUs for suits, formal and dress shirts
▶Improve efficiency by reducing inventory to 30-40% in price and item

【 Progress of first half 】
・Optimizing investment allocation to existing stores based on analysis of investment effects.
・System replacement:
Although its delayed, it will be possible to grasp the situation, analyze, and make decisions instantly, and precision and productivity in business are expected to increase significantly.

[New Initiatives]
・Build a MMM model (Marketing Mix Modeling) to increase the efficiency of advertising expenses by visualizing the contribution of each medium.
・From the second half of the year, reducing personnel cost by using AI, etc. to gather data, analyze, and create materials.
・Promote headquarters cost reductions by optimizing headquarters personnel, systems, and logistics costs

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Results for the First Half and Initiatives for the Second Half by Segment - Group Business -

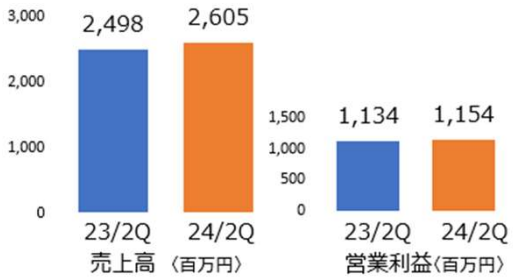
Credit Card Business (Aoyama Capital Co., Ltd.)

AOYAMA CARD

【Sales and profit increased】

Sales: 2.6 billion yen （YoY +0.1 billion yen)

Operating income: 1.15 billion yen （YoY 10 million yen)



【 First half Results 】

- Valid Aoyama Card members: 3.87 million (YoY: -70,000)
- Shopping transaction volume was increase due to the effect of the campaign and the improvement of the cashless ratio
- Increase in total commissions due to increase in shopping

[Initiatives in the second half]

- Plan to increase both sales and profit
- Shopping transaction volume is expected to increase throughout the year
- Plan to start card payment using our own app. Plan to expand shopping transaction volume and revolving balance.

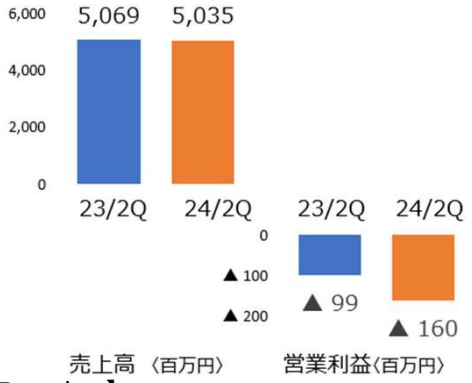
Printing and Media Business (ASCON Co., Ltd)

ascon

【Sales and profit decreased】

Sales: 5.03 billion yen （YoY -30 million yen)

Operating income: - 160 million yen (YoY -60 million yen)



【 First half Results 】

- Sales was decrease due to a decrease in orders from existing customers
- Despite reducing personnel and other expenses, profit was decrease due to an increase in outside processing costs by rising costs for paper and other main materials.

[Initiatives in the second half]

- Expect to decrease sales and increase profit
- Review of sales price strategy in inserts
- Expanding sales channels for taxi signage services
- Sales of banners using digital printing machines and new sales expansion through establishment of EC
- Expanding sales channels for terminals for schools
- Strengthen overseas sales channels for Baby & Me (baby sling)

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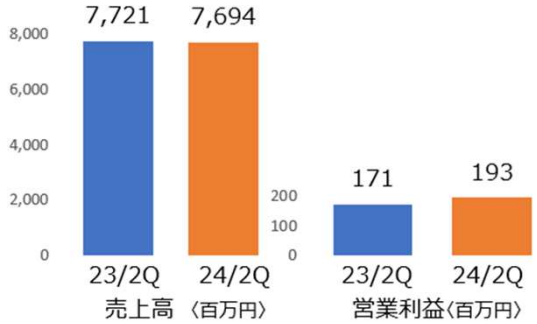
Results for the First Half and Initiatives for the Second Half by Segment - Group Business -

Sundry Sales Business (Seigo Co., Ltd.)

【 Sales decreased, profit increased 】

Net sales 7.69 billion yen (YoY: -20 million yen)

Operating income 190 million yen (YoY: +20 million yen)



【 First half Results 】

- The factor of sales decrease was 8 stores closed YoY.
- Exiting stores YoY: 105.2
  Bulk buying demand increased due to heightened awareness of disaster prevention as a result of natural disasters in summer.
- Despite the increase of purchase price, the profit was increased by improvement of sales floors and accuracy of orders, expansion of self-checkout counters and promotion of part-time job operation system

[Initiatives in the second half]

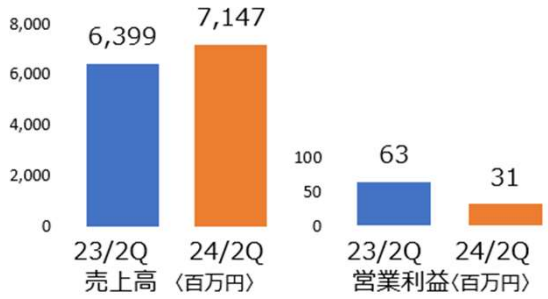
- Sales and profit expected to decrease
- Plan to open and renovate 6 stores in total
- Plan to open stores in THREEPPY format
- Promote low-cost operations and inventory reduction

Total Repair Service Business (Minit Asia Pacific Co., Ltd.)

【 Sales increased, profit decreased 】

Net sales: 7.14 billion yen (YoY: +740 million yen)

Operating income: 30 million yen (YoY: -30 million yen)



【 First half Results 】

- Japan Business:
  Sales was increased by new services (carry bag caster replacement, umbrella repair, etc.) but profit was decrease by high profitability shoe repair service decreased from the previous year.
- Overseas Business:
  Sales and profit was increased by expansion of sales network through acquisition of Western Australia stores and improvement of unprofitable stores.

[Initiatives in the second half]

- Plan to increase both sales and profit
- Japan Business:
  Enhance the OMO services by own EC and review umbrella repair fees.
- Overseas Business:
  Aiming for a strong earnings structure by introducing new services.
  Opening stores is in southeast Asia.

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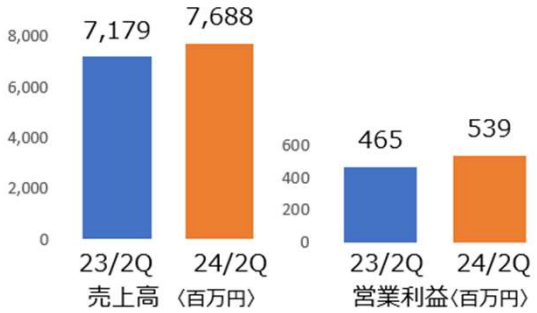
Results for the First Half and Initiatives for the Second Half by Segment - Group Business -

Franchisee Business (glob Co., Ltd.)

【Sales and profit increased】

Sales: 7.68 billion yen (YoY: +500 million yen)

Operating income: 530 million yen (YoY: 70 million yen)



【 First half Results 】
Best result in sales and operating income since establishment
- Food Business: Exiting stores YoY: 104.3%
  Stable growth due to increased media exposure
- Reuse Business: Exiting stores YoY: 113.0%
- Fitness Business: Exiting stores YoY: 107.3% (1 store opened)
  Stable growth by increasing membership of existing stores

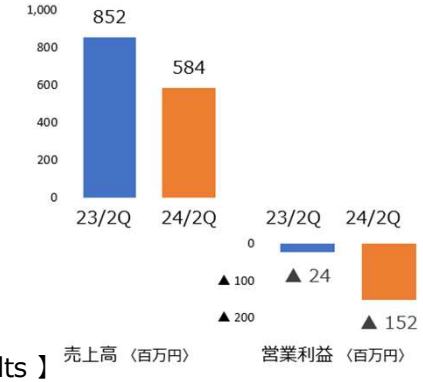
[Initiatives in the second half]
- Plan to achieve highest sales and operating income
- Plan to open a total of 5 stores in all businesses
  (Yakiniku King 2 stores, Anytime fitness 2 stores, 2nd street 1 store)
- Secure personnel in high growth food business

Other (WTW Corporation, Customlife Co., Ltd)

【Sales and profit decreased】

Sales: 580 million yen (YoY: -260 million yen)

Operating income: - 150 million yen (YoY: -120 million yen)



【 First half Results 】
《WTW》
- Significant growth centered on apparel in enhanced categories

《Customlife》
- Due to the impact of Google Update, PV decreased, Home Wine Significant increase in the deficit due to the impact of Google Update, PV decreased, and increasing expenses of Home Wine business' advertising costs.

[Initiatives in the second half]
《WTW》
- In addition to apparel, strengthen measures to attract customers through e-commerce

《Customlife》
- Commercialization of the independently developed headless CMS business

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Mid-Term Growth Strategy

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Growth Strategy:
Establishment of New Production Base for Made-to-order Suits

New Production Base Established to Expand Market Share of Made-to-order Suits

In August 2024, the Indonesian factory in FUKURYO Co., Ltd., one of our consolidated subsidiaries, began new order-made production. The establishment of a new production base in addition to the two existing bases (both in China) will enable us to respond to a significant increase in orders. This new base will play an important role in expanding the handling of women's orders by following the nationwide development of men's orders.





Sedex

Three Advantages for Expanding Orders

① Able to respond to a significant increase in orders
▶Prepare to respond when order increased to 150%

② Avoiding risks by diversifying production sites
▶Enable to avoid risk of reduced production speed due to the Chinese New Year and National Day of the People's Republic of China

③ Reducing production costs
▶Production at a new factory enables to reduce in purchase price of per piece
▶Gross profit margin is expected to increase by 4.3 pt compared to 2024 SS, including the change of the price of new fabric.

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Growth Strategy: New Businesses

"BLUE OCEAN" a new business idea contest for all 6000 employees of Aoyama Trading Co., Ltd.
~ Start inviting partner companies to realize the 10 selected ideas ~

On November 7, Aoyama Trading Co., Ltd. and TIMEWELL Co., Ltd. (CEO: Ryuta Hamamoto) began recruiting co-creation partners to realize innovative ideas. This initiative aims to create new value by combining external knowledge and creativity, based on the 10 innovative ideas that emerged from the "BLUE OCEAN Program" jointly promoted by Aoyama Trading Co., Ltd. and TIMEWELL CO., Ltd.



Background and Objectives

Since its foundation, Aoyama Trading Co., Ltd. has provided products and services that meet the needs of the times.

However, in order to achieve further innovation and growth in today's rapidly changing society, we believe that it is essential to integrate our diverse knowledge from outside the company.

“The BLUE OCEAN MIRAI Lab“ is the lab to create new value that transcends the framework of our main Business Wear Business by combining our strengths with the expertise of external partners.

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TOPICS

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TOPICS: Zero Pressure Suits

New lineup planned due to strong sales of zero pressure suits

From the zero pressure suit series which is entering its third year this season, with the high cost performance starting from 9,900 yen and the comfortable fit, this item has grown into a core item that take in non-user of Yofuku-no-Aoyama. The ladies style was introduced in March this year and already sold about 70,000 items. There are also derivative effects on related items, which greatly contribute to sales.We are planning to introduce a tailored series for men's that is higher price and quality than the current item. We aim to expand sales and profits by upgraded product through "high quality + high cost-performance."











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TOPICS: New Brand "CIS."

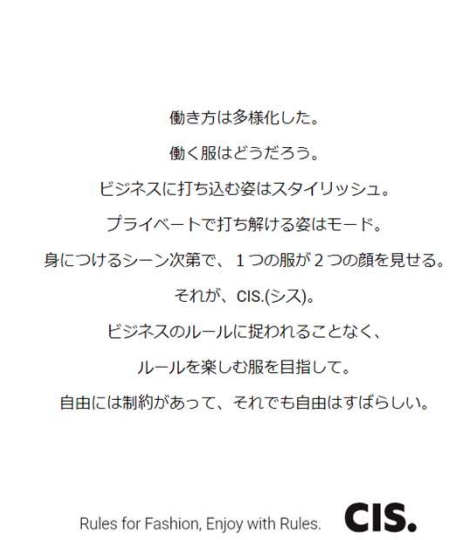
Appointing Ms. Kuroishi as director.
The new brand "CIS." released on September 20th.

"CIS." is a new ladies brand. Appointing Ms. Naoko Kuroishi as director, who is the director and CEO of "Ameri" and "Ameri Vintage" and is extremely popular among women in their 20s and 30s. We began sales at 15 stores on September 20, including SUIT SQUARE etc.

With the concept of "Even if you wear it for business or private, you can enjoy it stylishly in both scene", this brand proposes business items and new layered styles that have never been seen before.

Sales of “CIS” items were favorable. Attracting new customers more than 70% of the customer base, and the new customer rate has reached 90% in e-commerce. There are many interviews on the "CIS." and media exposure is continuing. New items will be released in March 2025.





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TOPICS ：Project of Visualizing Corporate Culture

On November 5th, "Yofuku-no-Aoyama" and "ONE CAREER Inc." launched the "Project of Visualizing Corporate Culture" on the special website.

We collaborate with ONE CAREER Inc. as a company that supports the "choice of business style."

The purpose of we launched this project is to solve job-hunting students' worries about choosing clothes and increasing the time they spend thinking about their careers.

We aim to solve the problems for job-hunting students and business person by visualizing the clothing and daily lives of workers through photographs and videos, i.e., "visualizing corporate culture".



企業の服装や日常を3つの切り口で見える化します！

写真を見る　データを見る　会話を聞く

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Content Browser



Special site URL
https://www.onecareer.jp/lp/shafu-mieruka-project

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Initiatives of Sustainability

- Set new targets to further deepen ESG management established in Aoyama Reborn2023
- Contribute to the realization of a sustainable society by addressing important issues related to climate change (environment), human rights and human capital (society), and supply chain management and governance (governance).

Themes for Deepening ESG Management	Results for the first half of the year TOPICS
 **Efforts to Declare Carbon Neutral by 2025**	・Disclosed consolidated Scope1 and 2 calculation results for the first time ・Expand and introduce renewable energy to 10% from 3% ‣ 75 sites from 5 sites ・Expansion of third party verification items for environmental data ‣ In addition to Scope 1,2 and 3, energy consumption and CFC gas have been added.
 **Promotion of Human Rights Management, Human Capital Management, and Diversity & Inclusion**	Ratio of female managers **11.2%** (As of the end of September 2024) ・Revised human rights policy ・Develop a customer harassment policy ・Holding seminar of nursing care, childcare leave, and for pre mother and father ・Develop SOGI policy
 **Strengthen Supply Chain Management and Governance**	Number of registered factories **26 factories** (As of the end of September 2024) Sedex Member ・Strengthen response to human rights due diligence ‣ First disclosure of human rights impact assessment results (in Indonesia) ・Implementation of third party verification of ERM system ・Request self-evaluation of the board of directors to a third party organization ・Implementation of compliance training inviting outside lecturers

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TOPICS: Progress of Initiatives of Sustainability

Sustainability Data Book 2024

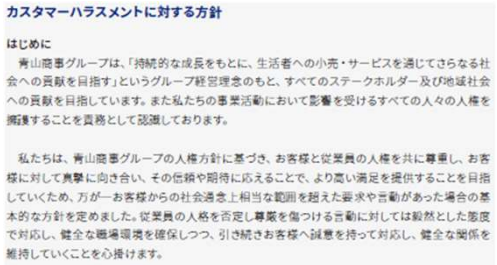
✓ A fact book for stakeholders with a strong interest in ESG investment has been published since fiscal 2022. This year's fact book was also updated in this month.



[Materiality]



[Customer Harassment Policy]



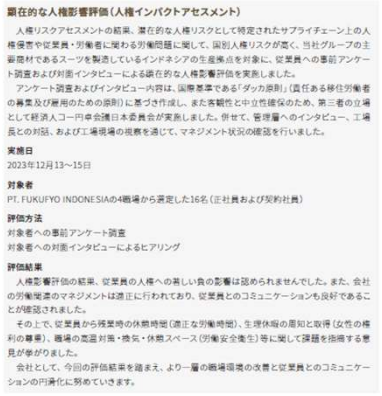
カスタマーハラスメントに対する方針

はじめに

青山商事グループは、「持続的な成長をもとに、生活者への小売・サービスを通じてさらなる社会への貢献を目指す」というグループ経営理念のもと、すべてのステークホルダー及び地域社会への貢献を目指しています。また私たちの事業活動において影響を受けるすべての人々の人権を擁護することを責務として認識しております。

私たちは、青山商事グループの人権方針に基づき、お客様と従業員の人権を共に尊重し、お客様に対して真摯に向き合い、その信頼や期待に応えることで、より高い満足を提供することを目指していくため、万が一お客様からの社会通念上相当な範囲を超えた要求や言動があった場合の基本的な方針を定めました。従業員の人格を否定し尊厳を傷つける言動に対しては毅然とした態度で対応し、健全な職場環境を確保しつつ、引き続きお客様へ誠意を持って対応し、健全な関係を維持していくことを心掛けます。

[Human Rights Impact Assessment]



顕在的な人権影響評価（人権インパクトアセスメント）

人権リスクアセスメントの結果、潜在的な人権リスクとして特定されたサプライチェーン上の人権侵害や従業員・労働者に関わる労働問題に関して、国別人権リスクが高く、当社グループの主要原材料であるスーツを製造しているインドネシアの生産拠点を対象に、従業員への事前アンケート調査および対面インタビューによる顕在的な人権影響評価を実施しました。

アンケート調査およびインタビュー内容は、国際基準である「ダッカ原則」（責任ある移住労働者の募集及び雇用のための原則）に基づき作成し、また客観性と中立性確保のため、第三者の立場として経済人コー円卓会議日本委員会が実施しました。併せて、管理層へのインタビュー、工場長との対話、および工場現場の視察を通じて、マネジメント状況の確認を行いました。

実施日
2023年12月13～15日

対象者
PT. FUKUFYO INDONESIAの4職場から選定した16名（正社員および契約社員）

評価方法
対象者への事前アンケート調査
対象者への対面インタビューによるヒアリング

評価結果
人権影響評価の結果、従業員の人権への著しい負の影響は認められませんでした。また、会社の労働関連のマネジメントは適正に行われており、従業員とのコミュニケーションも良好であることが確認されました。

その上で、従業員から残業時の休憩時間（適正な労働時間）、生理休暇の周知と取得（女性の権利の尊重）、職場の感染対策・換気・休憩スペース（労働安全衛生）等に関して課題を指摘する意見が挙がりました。

会社として、今回の評価結果を踏まえ、より一層の職場環境の改善と従業員とのコミュニケーションの円滑化に努めていきます。

External Evaluations

✓ Selected as a domestic and overseas ESG investment index constituent for three years.

FTSE Blossom Japan Sector Relative Index

2024 Sompo Sustainability Index

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Stores Opened/Closed Results and Plans

First half of FY3/2025

(Unit : store)

Business Segment	Number of stores as of March, 2024	Number of store opened	Number of store closed	Number of stores as of September, 2024	YoY
Business Wear	777	6	10	773	▲9
Sundry Sales	102	0	1	101	▲8
Total Repair Service	623	16	17	622	+7
Franchisee	80	1	0	81	+2
Others	6	1	0	7	+2
Total	1,588	24	28	1,584	▲6

Revised plan for second half of FY3/2025

(Unit : store)

Business Segment	Number of stores as of September, 2024	Number of store openings	Number of store closings	Number of stores as of March, 2025	YoY (Forecast)
Business Wear	773	1	5	769	▲8
Sundry Sales	101	1	1	101	▲1
Total Repair Service	622	13	3	632	+9
Franchisee	81	5	0	86	+6
Others	7	0	0	7	+1
Total	1,584	20	9	1,595	+7

Note: Business Wear Business includes Aoyama Suits (Shanghai) Co., Ltd. and Melbo Men's Wear, Inc. stores.

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スーツに、もっと進化を。

洋服の青山

60th Anniversary

Supplementary Materials for Financial Results Briefing

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Consolidated Interim Results and Forecast

(Unit : million yen)

	FY3/2024 1st Half		FY3/2025 1st Half				
	Results	Ratio	Results	Ratio	YoY	Initial plan	compared to the initial plan
Sales	83,013	100.0	84,044	100.0	101.2	85,400	▲ 1,355
Business Wear Business	53,528	—	53,335	—	99.6	54,900	▲ 1,564
Credit Card Business	2,498	—	2,605	—	104.3	2,600	5
Printing and Media Business	5,069	—	5,035	—	99.3	5,200	▲ 164
Sundry Sales Business	7,721	—	7,694	—	99.7	7,400	294
Total Repair Service Business	6,399	—	7,147	—	111.7	7,100	47
Franchisee Business	7,179	—	7,688	—	107.1	7,500	188
Real Estate Business	1,548	—	1,527	—	98.7	1,500	27
Others	852	—	584	—	68.6	800	▲ 215
Adjustment	▲ 1,783	—	▲ 1,574	—	—	▲ 1,600	25
Gross profit	42,168	50.8	42,142	50.1	▲ 0.7Pt	43,400	▲ 1,257
SG & A expense	40,769	49.1	41,496	49.4	101.8	42,000	▲ 503
Operating income	1,399	1.7	646	0.8	46.2	1,400	▲ 753
Ordinary income	1,797	2.2	518	0.6	28.9	1,400	▲ 881
Interim income	463	0.6	▲ 630	▲ 0.8	—	100	▲ 730
Interim income per share	9yen30sen	—	▲12yen65sen	—	—	2yen01sen	—

(Notes) 1. Sales by segment are figures before elimination of intersegment transactions.

2.Gross profit for the YoY is the change in the sales ratio.

3.Interim income per share is calculated based on the average number of shares outstandng during the period (excluding treasury stock) for actual results.

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Consolidated Results Summary and Forecast

(Unit : million yen)

	FY3/2024 Full-year		FY3/2025 Full-year				
	Results	Ratio	Revised plan	Ratio	YoY	Initial plan	Compred to the initial plan
Sales	193,687	100.0	198,600	100.0	102.5	198,800	▲ 200
Business Wear Business	133,210	—	135,600	—	101.8	136,200	▲ 600
Credit Card Business	4,959	—	5,200	—	104.8	5,000	200
Printing and Media Business	11,452	—	11,400	—	99.5	12,000	▲ 600
Sundry Sales Business	15,232	—	15,100	—	99.1	14,800	300
Total Repair Service Business	13,362	—	14,450	—	108.1	14,400	50
Franchisee Business	15,157	—	16,100	—	106.2	15,600	500
Real Estate Business	3,066	—	3,000	—	97.8	3,000	0
Others	1,489	—	1,200	—	80.6	1,700	▲ 500
Adjustment	▲ 4,243	—	▲ 3,450	—	—	▲ 3,900	450
Gross Profit	99,853	51.6	102,600	51.7	0.1Pt	102,600	0
SG & A expense	87,934	45.4	88,800	44.7	101.0	89,600	▲ 800
Operating income	11,918	6.2	13,800	6.9	115.8	13,000	800
Ordinary income	12,503	6.5	13,850	7.0	110.8	13,300	550
Income	10,089	5.2	9,100	4.6	90.2	9,100	0
Income per share	202yen38sen	—	182yen44sen	—	—	182yen50sen	—

(Notes) 1. Sales by segment are figures before elimination of intersegment transactions.

2.Gross profit for the YoY is the change in the sales ratio.

3.Income per share is calculated based on the average number of shares outstandng during the period (excluding treasury stock) and revised plan is calculated based on number of shares at the end of the interim (excluding treasury stock)

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Non-Consolidated Interim Results and Forecast

(Unit : million yen)

	FY3/2024 1st Half		FY3/2025 1st Half				
	Results	Ratio	Results	Ratio	YoY	Initial plan	Compared to the initial plan
Sales	51,781	100.0	51,325	100.0	99.1	53,100	▲ 1,774
Business Wear Business	50,232	100.0	49,798	100.0	99.1	51,600	▲ 1,801
Real Estate Business	1,548	100.0	1,527	100.0	98.7	1,500	27
Gross profit	28,697	55.4	28,286	55.1	▲ 0.3Pt	29,550	▲ 1,263
Business Wear Business	28,336	56.4	27,926	56.1	▲ 0.3Pt	29,200	▲ 1,273
Real Estate Business	360	23.3	359	23.5	0.2Pt	350	9
SG & A expense	29,219	56.4	29,613	57.7	101.3	30,050	▲ 436
Business Wear Business	29,134	58.0	29,538	59.3	101.4	29,950	▲ 411
Real Estate Business	84	5.4	75	4.9	88.9	100	▲ 24
Operatng income	▲ 521	▲ 1.0	▲ 1,326	▲ 2.6	—	▲ 500	▲ 826
Business Wear Business	▲ 797	▲ 1.6	▲ 1,611	▲ 3.2	—	▲ 750	▲ 861
Real Estate Business	276	17.8	284	18.6	103.1	250	34
Non-operating income	1,305	2.5	1,151	2.2	88.2	1,220	▲ 68
Non-operating loss	187	0.4	206	0.4	110.3	120	86
Ordinary income	596	1.2	▲ 382	▲ 0.7	—	600	▲ 982
Extraordinary income	0	0.0	21	0.0	—	0	21
Extraordinary loss	218	0.4	312	0.6	142.7	250	62
Interim income	177	0.3	▲ 636	▲ 1.2	—	200	▲ 836
Interim income per share	3yen55sen	—	▲12yen76sen	—	—	4yen01sen	—

(Notes) 1. Gross profit for the YoY is the change in the sales ratio.

2. Interim income per share is calculated based on the average number of shares outstanding during the period (excluding treasury stock) for actual results.

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Non-Consolidated Results and Forecasts

(Unit : million yen)

	FY3/2024 Full-year		FY3/2025 Full year				
	Results	Ratio	Revised plan	Ratio	YoY	Initial plan	Compared to the initial plan
Sales	129,903	100.0	131,600	100.0	101.3	132,000	▲ 400
Business Wear Business	126,837	100.0	128,600	100.0	101.4	129,000	▲ 400
Real Estate Business	3,066	100.0	3,000	100.0	97.8	3,000	0
Gross profit	72,191	55.6	73,800	56.1	0.5Pt	73,700	100
Business Wear Business	71,479	56.4	73,100	56.8	0.4Pt	73,000	100
Real Estate Business	711	23.2	700	23.3	0.1Pt	700	0
SG & A expense	64,411	49.6	64,100	48.7	99.5	65,200	▲ 1,100
Business Wear Business	64,256	50.7	63,900	49.7	99.4	65,000	▲ 1,100
Real Estate Business	154	5.0	200	6.7	129.5	200	0
Operatng income	7,780	6.0	9,700	7.4	124.7	8,500	1,200
Business Wear Business	7,223	5.7	9,200	7.2	127.4	8,000	1,200
Real Estate Business	557	18.2	500	16.7	89.8	500	0
Non-operating income	1,643	1.3	1,350	1.0	82.1	1,400	▲ 50
Non-operating loss	410	0.3	450	0.3	109.7	300	150
Ordinary income	9,013	6.9	10,600	8.1	117.6	9,600	1,000
Extraordinary income	198	0.2	30	0.0	15.1	0	30
Extraordinary loss	1,916	1.5	1,270	1.0	66.3	800	470
Income	7,651	5.9	7,800	5.9	101.9	7,300	500
Income per share	153yen46sen	—	156yen37sen	—	—	146yen40sen	—

(Notes) 1. Gross profit for the YoY is the change in the sales ratio.

2. Income per share is calculated based on the average number of shares outstanding during the period (excluding treasury stock) for actual results and the number of shares outstanding at the end of the period (excluding treasury stock) fot the plan.

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Non-Consolidated Main Expenses

【1st Half】 (Unit : million yen)

	FY3/2024 1st Half		FY3/2025 1st Half				
	Results	Ratio	Results	Ratio	YoY	Initial plan	Compared to the initial plan
Personnel expense	10,924	21.1	11,418	22.2	104.5	11,500	▲ 81
Selling expense	4,755	9.2	4,559	8.9	95.9	4,550	9
Advertising expense	2,627	5.1	2,552	5.0	97.1	2,530	22
General and Administrative expense	5,057	9.8	5,282	10.3	104.5	5,600	▲ 317
Utility expense	1,390	2.7	1,411	2.7	101.5	1,430	▲ 18
Internet expense	1,260	2.4	1,197	2.3	95.0	1,240	▲ 42
Property expense	8,481	16.4	8,353	16.3	98.5	8,400	▲ 46
Rent	6,842	13.2	6,660	13.0	97.4	6,660	0
Depreciation	1,188	2.3	1,251	2.4	105.4	1,300	▲ 48
Business Wear Business	29,134	58.0	29,538	59.3	101.4	29,950	▲ 411
Real Estate Businee	84	5.4	75	4.9	88.9	100	▲ 24
Total	29,219	56.4	29,613	57.7	101.3	30,050	▲ 436

【Full-year】

	FY3/2024 Full-year		FY3/2025 Full-year				
	Results	Ratio	Revised plan	Ratio	YoY	Initial plan	Compared to the initial plan
Personnel expense	23,359	18.0	23,820	18.1	102.0	24,110	▲ 290
Selling expense	13,826	10.6	13,040	9.9	94.3	13,500	▲ 460
Advertising expense	8,965	6.9	8,430	6.4	94.0	8,850	▲ 420
General and Administrative expense	10,234	7.9	10,680	8.1	104.4	10,880	▲ 200
Utility expense	2,730	2.1	2,780	2.1	101.8	2,800	▲ 20
Internet expense	2,676	2.1	2,640	2.0	98.6	2,650	▲ 10
Property expense	16,991	13.1	16,560	12.6	97.5	16,710	▲ 150
Rent	13,559	10.4	13,200	10.0	97.3	13,230	▲ 30
Depreciation	2,533	2.0	2,480	1.9	97.9	2,600	▲ 120
Business Wear Business	64,256	50.7	63,900	49.7	99.4	65,000	▲ 1,100
Real Estate Businee	154	5.0	200	6.7	129.5	200	0
Total	64,411	49.6	64,100	48.7	99.5	65,200	▲ 1,100

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Non-Consolidated Non-Operating Revenue

(Unit : million yen)

	FY3/2024		FY3/2025	
	1st Half	Full-year	1st Half	Full-year plan
Interest income dividend	1,028	1,133	1,113	1,230
Gain on valuation of derivatives	—	—	—	—
Foreign exchange profit	168	223	—	—
Others	107	286	37	120
Total non-operating profit	1,305	1,643	1,151	1,350
Interest expense	80	163	122	270
Loss on valuation of derivatives	78	140	64	100
Transfer to allowance for doubtful accounts	—	51	—	—
Foreing exchange loss	—	—	1	—
Others	28	54	18	80
Total non-operating expense	187	410	206	450
Non-operating revenue	1,117	1,233	944	900
(Financial revenue)	(948)	(970)	(991)	(960)

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Non-Consolidated Trends in Sales and Inventory per Unit

	FY3/2023 1st Half	FY3/2024 1st Half	FY3/2025 1st Half
Number of employees	2,863 people	2,760 people	2,892 people
Number of temporary employees	1,502 people	1,556 people	1,559 people
Total	4,365 people	4,316 people	4,451 people

Average	4,495 people	4,421 people	4,360 people
(Of which, temporary employees)	(1,533 people)	(1,614 people)	(1,443 people)
Net sales per employee	10,122 thousand yen	11,144 thousand yen	11,155 thousand yen
Average sales area in use	476,040 ㎡	467,140 ㎡	461,751 ㎡
Net sales per ㎡	95 thousand yen	105 thousand yen	105 thousand yen
Average number of stores in use	763 stores	745 stores	740 stores
Net sakes per store	59,633 thousand yen	66,135 thousand yen	65,728 thousand yen
Year-end inventories per ㎡	72 thousand yen	89 thousand yen	92 thousand yen
Year-end inventories per store	45,376 thousand yen	55,755 thousand yen	57,631 thousand yen

(Notes) Company employees ate directly employed personnel, the number of temporary employees is calculated based on an 8-hours working day per person.

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Non-Consolidated Sales by Product Category

(Unit : million yen)

		FY3/2024 1st Half		FY3/2025 1st Half		YoY	
		Sales	Ratio	Sales	Ratio	Sales	Ratio
Heavy wear	Suits/three-peace suits	12,848	25.6	12,210	24.5	▲ 637	95.0
	Jackets	1,871	3.7	2,024	4.1	152	108.2
	Slacks	2,953	5.9	3,059	6.1	105	103.6
	Coats	65	0.1	72	0.2	7	111.1
	Formal wear	8,235	16.4	8,115	16.3	▲ 120	98.5
	Vest	347	0.7	319	0.6	▲ 28	91.7
	Sub-total	26,321	52.4	25,800	51.8	▲ 521	98.0
Light wear	Shirts and clothing	9,480	18.9	9,343	18.7	▲ 137	98.6
	Casual goods	1,254	2.5	1,382	2.8	127	110.2
	Other products	4,025	8.0	3,986	8.0	▲ 39	99.0
	Sub-total	14,760	29.4	14,711	29.5	▲ 48	99.7
Ladies		7,760	15.4	7,897	15.9	136	101.8
Compensation processing fee		1,390	2.8	1,388	2.8	▲ 1	99.9
Total		50,232	100.0	49,798	100.0	▲ 434	99.1

(Notes) 1. Other products includes shoes, underwear, sundry goods, and others.
2. Ladies include ladie's suits, formal wear, clothing, pumps, etc.

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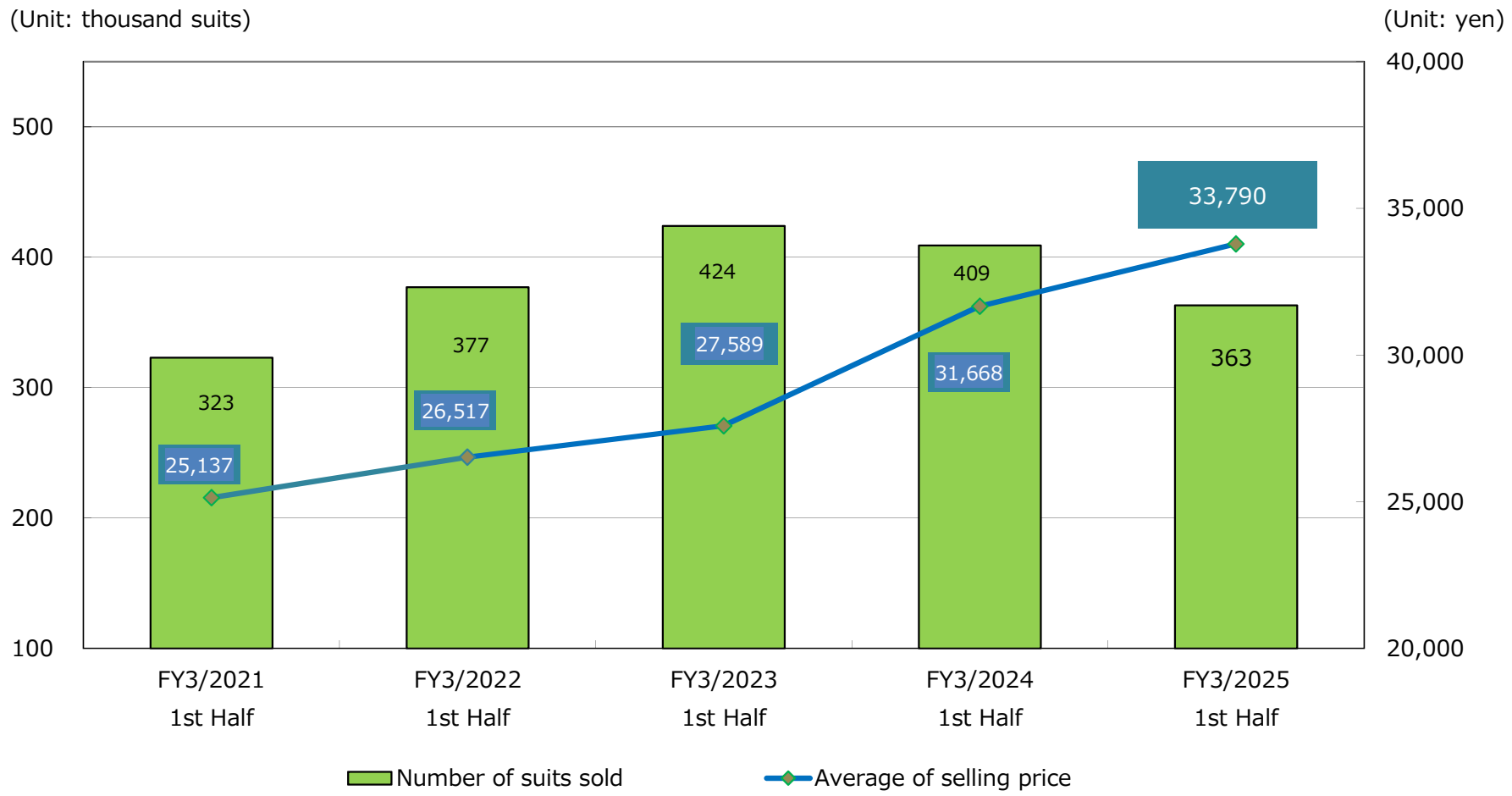
Number of Sold Men's Suits and Average of Selling Price



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Domestic Suit Imports

(Unit: thousand pieces)

	2022 (Jan~Aug)	2023 (Jan~Aug)	2024 (Jan~Aug)	YoY	Change in composition ratio (Pt)	Unit price (yen)	YoY of unit price (%)
China	991	1,286	1,121	87.2	▲ 0.4	12,666	110.6
Vietnam	339	475	434	91.4	0.4	9,931	110.7
Myanmar	543	702	656	93.5	1.1	6,704	110.6
Indonesia	515	738	641	86.8	▲ 0.3	8,509	107.8
Italy	15	17	16	91.7	0.0	118,813	122.1
Others	489	633	530	83.7	▲ 0.8	8,475	106.9
Total	2,892	3,851	3,398	88.2	0.0	10,228	110.2
Unit price（yen）	8,208	9,281	10,228	–	–	–	–
Average Foreign exchange（yen）	127.6	138.3	152.7	–	–	–	–

* Source: Ministry of Finance, Trade and Industry, Total

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- The forecast contained in this document are based on the company’s assumptions and beliefs in light of information available at the time of writing and include potential risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including changes in the business environment.

[Contact for inquiries regarding this document and the Company's IR]

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