COMPANY RESEARCH AND ANALYSIS REPORT

Sanyei Corporation

8119

Tokyo Stock Exchange Standard Market

14-Jul.-2025

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Summary

FY3/25 full-year ordinary profit exceeded ¥2.1bn. Medium-term management plan target reached one year early

Sanyei Corporation <8119> is a multifunctional trading company specializing in high-value-added products with a history of 78 years. The Company handles a full range of lifestyle consumer goods and covers an expansive supply chain spanning manufacturing, imports and exports, wholesale, and retail. The Group has 17 overseas locations and 22 directly managed retail stores in Japan. The Company stands out in terms of its coverage of high-value-added products, including the introduction of differentiated European brands to Japan and OEM supply of products to customers, such as Ryohin Keikaku Co., Ltd. <7453>. In terms of the ratio of net sales, OEM Business represents about 80%, and the Brand Business about 20%. It has three main business segments—Furniture and Houseware Business (46.6% of sales in FY3/25), Fashion Accessories Business (40.7%), and Home Appliance Business (8.0%).

1. Overview of FY3/25 results

In the FY3/25 consolidated results, net sales were ¥39,861mn (up 8.6% year on year (YoY)), operating profit was ¥2,096mn (up 80.2%), ordinary profit was ¥2,149mn (up 72.2%), and profit attributable to owners of parent totaled ¥974mn (up 81.1%), and both sales and profits increased significantly. Net sales grew, driven by both the Fashion Accessories Business and the Furniture and Houseware Business. In the Fashion Accessories Business, sales of products related to going-out and travel grew. In the Furniture and Housewares Business, the status of orders improved thanks to stronger sales activities, leading to a recover in OEM, while e-commerce sales of furniture and interior goods also contributed significantly to sales. Meanwhile, sales decreased in the Home Appliance Business due to the impacts of delays in mass production of new products under OEM agreements and faltering growth in the Brand Business. Gross profit increased on higher sales, while selling, general and administrative (SG&A) expenses were controlled as a reduction in the number of directly operated stores (from 31 stores at the start of the fiscal year to 16 stores at fiscal year-end) resulted in lower store expenses. Significant profit increases were achieved, with operating profit increasing ¥933mn to ¥2,096mn and ordinary profit increasing ¥900mn to ¥2,149mn. Under the medium-term management strategy SANYEI 2025, the Company aimed to reach ordinary profit of ¥2.0bn by the final year of the strategy, FY3/26, but it has achieved this target one year ahead of schedule.

2. FY3/26 forecasts

For the FY3/26 consolidated results, the Company forecasts higher sales and lower profits with net sales to increase 0.3% YoY to ¥40,000mn and ordinary profit to decline 39.5% to ¥1,300mn. Since the Company has reached its target ordinary profit of ¥2.0bn for the final year of its medium-term management strategy SANYEI 2025 ahead of schedule in FY3/25, it will invest more aggressively in growth, positioning the current fiscal year as a year for establishing the foundation for long-term growth. On the sales front, performance forecasts vary for each segment. In the Furniture and Houseware Business, the Company expects an overall increase in sales with an increase sales for the e-commerce related business as well as a forecast improvement in the status of orders due to strengthening of overseas sales activities continuing from the previous fiscal year. In the Fashion Accessories Business, the Company is forecasting a decline in sales as growth eases off from the previous fiscal year, despite continued brisk going-out and inbound tourism demand. In the Home Appliances Business, the overseas OEM business is expected to remain sluggish amid an adverse market environment. On the profit front, profit is forecast to decrease, although the Company expects to secure a certain level of ordinary profit. This is mainly due to a decrease in gross profit caused by changes in the sales mix in furniture and houseware (operating profit margin of 5 to 6%) and fashion accessories (operating profit margin of around 10%). Other factors weighing on profit levels include aggressive investment in e-commerce, M&A examination expenses, investments in emerging overseas brands (Orthofeet, etc.), and further structural reform expenses. In addition, the Company plans in the current fiscal year to complete the revision of store scale for BENEXY CORPORATION and structural reform of the Home Appliance Business, which it has been conducting for the past few years. FISCO believes that the Company's business domain will be unaffected by the direction of US customs policies, and we see solid domestic personal consumption in the high-value-added lifestyle products market. Points to focus on include whether the ongoing structural reforms and business reorganization can be completed, whether the effects of aggressive growth investments will emerge, and the post M&A progress in the disaster preparedness field.

3. Growth strategy

In May 2025, the Company made disaster preparedness supplies e-commerce sales operators Bosai Bohan Direct Ltd. and Bosai Direct Co., Ltd. into consolidated subsidiaries through M&A, effecting a full-scale entry into the disaster preparedness business. The 2 companies specialize in e-commerce, and have strengths in brand power and expertise, with approximately 20 years of sales experience, including experience as the overall number-one ranking on Rakuten. The Company will aim to utilize these strengths to generate energies with overseas procurement networks and domestic logistics, and has clearly positioned the companies as growth drivers for the entire Group. The shares were acquired for over ¥1.6bn, and the consolidation is scheduled to take place from 2H FY3/26.

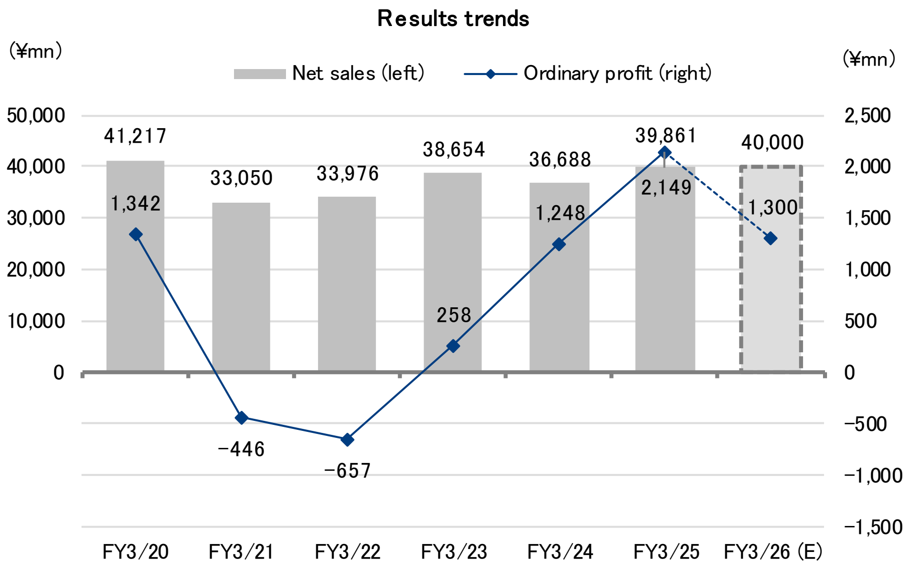
With a view to further accelerating growth in the e-commerce business, in April 2025 the Company established the New Channel Promotion Division. The Company is promoting expansion of its business domains, having started handling new products and expanding its fulfillment business in addition to existing stores such as MINT and FURNBONHEUR. E-commerce sales in FY3/25 recorded double digit growth, increasing 11.8% YoY to ¥5.87bn, and are expected to grow by 9.0% in FY3/26 to ¥6.4bn. The Company plans to invest ¥0.2bn to strengthen the core of the e-commerce business in FY3/26.

4. Shareholder return policy

The Company has positioned the appropriate return of profits to shareholders, who have a close relationship with the Company, as one of its most important management priorities, in line with its corporate philosophy of "Zuien" (connection—i.e., the bonds). The Company targets a dividend payout ratio of 30–50%. The Company has paid dividends over 28 consecutive fiscal years since FY3/1998. For FY3/25, the annual dividend was ¥31.0 per share (with an interim dividend of ¥10.0 already paid and a year-end dividend of ¥21.0, resulting in an increase of ¥11.0 YoY), yielding a dividend payout ratio of 30.1% (the amounts before the stock split have been converted into post-split values.) For FY3/26, the Company is forecasting an annual dividend of ¥31.0 (the same as the previous fiscal year), with a dividend payout ratio of 49.0%. Furthermore, the Company conducted a four-for-one stock split of its common shares, with an effective date of October 1, 2024. The goal is to expand the investor base by making it easier for investors to buy the Company's shares.

Key Points

- FY3/25 full-year ordinary profit exceeded ¥2.1bn (up 72.2% YoY), and the medium-term management plan target was reached one year ahead of schedule
- The Company forecasts FY3/26 net sales of ¥40.0bn and ordinary profit of ¥1.3bn. Structural reforms to be completed and growth investment to accelerate
- Made a dedicated disaster-preparedness e-commerce operating company with strengths in internet sales into a consolidated subsidiary
- FY3/25 annual dividend increased substantially by ¥11.0 YoY to ¥31.0. Conducted a share split to make it easier for investors to buy the Company's shares



Source: Prepared by FISCO from the Company's financial results

Company profile

Manufacturing and selling lifestyle goods throughout the world based on the concept of offering “enhancing health and enriching life through lifestyle goods.”

1. Company profile and history

Established as an exporter of accessories in Osaka in 1946 shortly after World War II, the Company has a history of 79 years. Today, it carries a full range of lifestyle consumer goods and covers an expansive supply chain spanning manufacturing, imports and exports, wholesale, and retail. It has grown to be a multifunctional trading company with 17 overseas locations and 22 directly managed domestic retail stores. The Company stands out in terms of its coverage of lifestyle goods with high added value based on the theme of “health and environment,” including the introduction of differentiated European brands to Japan and OEM supply of unique products to clients, such as Ryohin Keikaku (MUJI). The Company is a global enterprise that engages in manufacturing at domestic and overseas sites and sells them in the Japanese and overseas markets, based on the concept of offering “enhancing health and enriching life through lifestyle goods.” In personnel matters, the Company announced the promotion of Masaki Mizukoshi to the position of President and CEO from January 2022, and it transitioned to a new management system. Mr. Mizukoshi, who was formerly an employee of Sumitomo Corporation <8053>, makes use of his abundant experience and knowledge, including wholesale, retail, e-commerce and online shopping, targeting business development over the next 10 years. The Company is listed on the Standard Market following the Tokyo Stock Exchange market segment restructuring in April 2022.

2. Business composition

The Company’s business segments are categorized as the Furniture and Houseware Business, the Fashion Accessories Business, the Home Appliance Business, and Others. The Furniture and Houseware Business includes MINT, the furniture and interior goods e-commerce brand, mainly procures OEM products for major domestic and overseas companies. The Fashion Accessories Business conducts import sales of brand products to which it has the sales rights, such as BIRKENSTOCK sandals and shoes and Kipling bags, operates directly managed multi-brand stores BENEXY, conducts domestic and overseas OEM Business and other businesses. The Home Appliance Business consists of OEM product procurement and Brand Business, and the brands it focuses on are Vitantonio, which are cooking appliances, and mod’s hair, which are beauty appliances. The Others segment consists of pet stores, veterinary hospitals, and other businesses. In FY3/25, the Furniture and Houseware Business accounted for 46.6% of sales, the Fashion Accessories Business 40.7%, the Home Appliance Business 8.0%, and other businesses 4.6%.

The Company has two business models: Brand Business and OEM Business. The Brand Business mainly promotes wholesale and retail business in Japan for overseas brands and the Company’s own brands. It mainly carries brands with strong histories that have not yet been introduced in Japan, while in recent years the Company has proactively introduced new sustainable brands. The Brand Business accounted for 22% of overall sales in FY3/25, and the Company aims to increase the sales of the Brand Business to broaden business in the lifestyle consumer product category. The OEM Business makes up 78% of all sales. It provides various procurement services, such as review of product specifications for goods that meet the needs of client companies, manufacturer selection, price negotiation, production management, and export/import and logistics. The Company has strengths in the manufacturing network in Asia built through overseas initiatives over many years and production management by its own staff.

Business overview

Conducts OEM Business from major clients such as Ryohin Keikaku (MUJI) and store sales with a focus on imported brands

1. Trends in the Furniture and Houseware Business

The Furniture and Houseware Business is the Company's largest business segment. In this segment, OEM Business accounts for around 90% of net sales and has grown alongside the growth of the major clients, such as Ryohin Keikaku (MUJI). The net sales ratio of Ryohin Keikaku (MUJI) and its affiliates accounts for 56.7% (total of all segments for FY3/25), which makes it a significant presence. Expected to lead to further growth as new sales channels are the Company's own e-commerce interior shops, such as MINT. They sell more than 1,000 items on Rakuten and Yahoo! Shopping, including good quality beds and mattresses, antique-style furniture, interior goods, garden exterior and outdoor goods at reasonable prices. The Company also been aggressively expanding its product range since last year, starting to handle ornamental plants and other items. The Company owns a furniture and interior goods manufacturing factory in Malaysia (approximately 4,000 m^2) which serves as a development base for ODM proposals in addition to the Company's own brand products and manufacturing of OEM products.

2. Trends in the Fashion Accessories Business

In the Fashion Accessories Business, OEM sales of products for going-out and travel are performing particularly well. The ratio of sales of the Brand Business tends to be higher than that of the Furniture and Houseware Business. One of the brands the Company handles is BIRKENSTOCK, a long-standing German brand known for its comfortable shoes and sandals, which recently celebrated the 250th anniversary of its founding in Germany. The Company's subsidiary BENEXY CORPORATION is engaged in the retail sales business, as well as dealing with BIRKENSTOCK products. Previously, it operated BIRKENSTOCK specialty stores, but the contract for these stores was terminated in September 2024. The stores are now being converted into directly managed multi-brand stores, such as BENEXY and Quorinest. OrthoFeet, a footwear brand known for its hands-free, slip-on design and anatomical insoles, is expected to drive future growth. The Company also carries other brands such as Kipling, a Belgian bag brand, and Our EARTH Project, a curated selection of products with excellent environmental performance.

3. Trends in the Home Appliance Business

In the OEM Business, the Chinese subsidiary Sanfat Electric Manufacturing (Dongguan) Co., Ltd., and the Hong Kong subsidiary Sanfat Electric Manufacturing Co., Ltd. manufacture and export home appliances. In the Brand Business, the segment manufactures and sells its own Vitantonio brand of cooking appliances, beauty appliances brand mod's hair, and commercial cooking appliances brand MULTI CHEF. For the Vitantonio brand, hot sandwich makers and cordless portable blenders have been selling well. It is well known as a unique brand offering products that allow users to make hot sandwiches and original drinks at home. Stay-at-home demand has subsided at this time, so the Company is working to refresh this brand. In the beauty appliances category, popular products include hairdryers, hair irons, and the mod's hair Compact Ion Heat Brush. Segment earnings are currently being squeezed by factors such as a decline in the plant utilization rate. In response, the Company is moving forward with the rationalization of production facilities and the production structure.

Results trends

FY3/25 full-year ordinary profit exceeded ¥2.1bn. Medium-term management plan target reached one year early

1. Overview of FY3/25 results

In the FY3/25 consolidated results, net sales were ¥39,861mn (up 8.6% YoY), operating profit was ¥2,096mn (up 80.2%), ordinary profit was ¥2,149mn (up 72.2%), and profit attributable to owners of parent totaled ¥974mn (up 81.1%), and both sales and profits increased significantly. The increase in net sales was led by the Fashion Accessories Business (up 15.6%) and the Furniture and Houseware Business (up 7.4%). In the Fashion Accessories Business, going-out and travel-related product sales grew atop soaring inbound tourism demand and going out demand, while sustainable product sales also grew steadily. Sales declined for the Brand Business operator BENEXY, mainly reflecting the impact of a reduction in the number of directly operated stores, although the Company accelerated its business reorganization, including the market launch of the Orthofeet brand of premium hands-free shoes from the United States, which promote a comfortable walking lifestyle. In the Furniture and Houseware Business, OEM recovered, mainly due to an improvement in the status of orders following efforts to strengthen sales activities, despite the impact of sluggish economic conditions in Europe and China. There was also a substantial contribution to the increase in sales from e-commerce of furniture and interior goods, such as MINT. On the other hand, in the Home Appliance Business, sales decreased due to impacts including delays in mass production of new products in the OEM business, and the impact of struggling sales of mod's hair beauty appliances in Japan and Vitatonio cooking appliances overseas.

Gross profit increased ¥549mn YoY, or 5.6%, supported by increased sales. SG&A expenses declined ¥383mn, or 4.5%. Reasons for the decline in expenses include a reduction in store expenses following a reduction in the number of directly operated stores (from 31 stores at the start of the fiscal year to 16 stores at the end), as well as a net decrease in expenses for a consolidated subsidiaries that was dissolved in February 2024. As a result, significant profit increases were achieved, with operating profit increasing ¥933mn to ¥2,096mn and ordinary profit increasing ¥900mn to ¥2,149mn. Under medium-term management strategy SANYEI 2025, the Company planned to achieve ordinary profit of ¥2.0bn in the final year, FY3/26, but this target has been achieved one year ahead of schedule. Profit attributable to owners of parent increased ¥436mn to ¥974mn, due in part to tax effects at consolidated subsidiaries, despite the recognition of impairment losses at a brand sales subsidiary.

FY3/25 results (consolidated)

(¥mn)

	FY3/24		FY3/25		YoY	
	Results	% of sales	Results	% of sales	Change	Change (%)
Net sales	36,688	100.0%	39,861	100.0%	3,173	8.6%
Furniture and Houseware Business	17,299	47.2%	18,584	46.6%	1,284	7.4%
Fashion Accessories Business	14,039	38.3%	16,236	40.7%	2,196	15.6%
Home Appliance Business	3,685	10.0%	3,199	8.0%	-485	-13.2%
Cost of sales	26,941	73.4%	29,565	74.2%	2,623	9.7%
Gross profit	9,746	26.6%	10,296	25.8%	549	5.6%
SG&A expenses	8,583	23.4%	8,199	20.6%	-383	-4.5%
Operating profit	1,163	3.2%	2,096	5.3%	933	80.2%
Ordinary profit	1,248	3.4%	2,149	5.4%	900	72.2%
Profit attributable to owners of parent	538	1.5%	974	2.4%	436	81.1%

Source: Prepared by FISCO from the Company's financial results

2. Financial position

Looking at the Company's financial position at the end of FY3/25, the equity ratio stood at 56.4% (up 5.1 percentage points over the past two years), showing a further increase in safety and financial soundness. Amid progress with structural reforms in the Brand Business, inventory (merchandise and finished goods) steadily declined ¥75mn YoY to ¥4,357mn. Cash and deposits totaled ¥7,721mn, reflecting an abundant level even when compared to interest-bearing debt of ¥4,121mn. The Company is highly regarded for its financial soundness, which is supported by prior equity accumulation. As it enters a profit growth phase, its financial position has become even stronger.

Outlook

The Company forecasts FY3/26 net sales of ¥40.0bn and ordinary profit of ¥1.3bn. Structural reforms to be completed and growth investment to accelerate

● FY3/26 forecasts

For the FY3/26 consolidated results, the Company forecasts increased sales and decreased profits, with net sales to increase 0.3% YoY to ¥40,000mn, operating profit to decrease 38.0% to ¥1,300mn, ordinary profit to decrease 39.5% to ¥1,300mn, and profit attributable to owners of parent to decline 38.4% to ¥600mn. Since the Company has reached its target ordinary profit of ¥2.0bn for the final year of its medium-term management strategy SANYEI 2025 one year ahead of schedule, it will invest more aggressively in growth, positioning the current fiscal year as a year for establishing the foundation for long-term growth.

On the sales front, performance forecasts vary for each segment, but the Company is forecasting performance level with the previous fiscal year. In the Furniture and Houseware Business, the Company expects an overall increase in sales (up ¥1,416mn YoY), with an increase sales for the e-commerce related business as well as a forecast improvement in the status of orders due to strengthening of overseas sales activities continuing from the previous fiscal year. In the Fashion Accessories Business, the Company is forecasting a decline in sales (down ¥1,336mn) as growth eases off from strong performance in the previous fiscal year, and having factored in continued brisk going-out and inbound tourism demand. The environmental products business is expected to continue expanding in the current fiscal year as well. In the Home Appliances Business, the overseas OEM business is expected to remain sluggish and plant capacity utilization to remain low amid an adverse market environment. On the profit front, profit is forecast to decrease with ordinary profit decreasing ¥849mn to ¥1,300mn, although the Company expects to secure a certain level of ordinary profit. This is mainly due to a decrease in gross profit (forecast for a ¥646mnn decrease) caused by changes in the balance of sales in furniture and houseware (operating profit margin of 5 to 6%) and fashion accessories (operating profit margin of around 10%). Other factors weighing on profit levels include aggressive investment in e-commerce, M&A examination expenses, investments in emerging overseas brands (Orthofeet, etc.), and further structural reform expenses. In addition, the Company plans in the current fiscal year to complete the revision of store scale for BENEXY and structural reform of the Home Appliance Business, which it has been conducting for the past few years.

Looking at external factors, despite uncertainty over the direction of the US tariff policy, the impact is expected to be slight since the only a small proportion of the Company's import and export trade is with the United States. With regard to foreign currency exchange, the Company has been striving for some time to achieve business operations that are resilient to the effects of exchange rate fluctuations, and the current strong yen trend is a substantial positive factor. Domestic private consumption, including from inbound tourism, is strong, and FISCO expects the business environment to remain favorable in the current fiscal year for the Company's specialty areas of travel and fashion accessories, houseware, and environmental products. With regard to internal factors, the Company has positioned FY3/26 as a year for completing ongoing structural reforms and business reorganization. FISCO will be focusing on whether the effects of aggressive growth investments will emerge, and the post M&A progress in the disaster preparedness field.

FY3/26 results forecasts (consolidated)

(¥mn)

	FY3/25		FY3/26		YoY	
	Results	% of sales	Forecast	% of sales	Change	Change (%)
Net sales	39,861	100.0%	40,000	100.0%	139	0.3%
Furniture and Houseware Business	18,584	46.6%	20,000	50.0%	1416	7.6%
Fashion Accessories Business	16,236	40.7%	14,900	37.3%	-1,336	-8.2%
Home Appliance Business	3,199	8.0%	3,100	7.8%	-100	-3.1%
Cost of sales	29,565	74.2%	30,350	75.9%	785	2.7%
Gross profit	10,296	25.8%	9,650	24.1%	-646	-6.3%
SG&A expenses	8,199	20.6%	8,400	21.0%	201	2.4%
Operating profit	2,096	5.3%	1,300	3.3%	-796	-38.0%
Ordinary profit	2,149	5.4%	1,300	3.3%	-849	-39.5%
Profit attributable to owners of parent	974	2.4%	600	1.5%	-374	-38.4%

Source: Prepared by FISCO from the Company's financial results

Growth strategy

Made a dedicated disaster-preparedness e-commerce operating company with strengths in internet sales into a consolidated subsidiary

1. Disaster preparedness products operating company became a consolidated subsidiary

In May 2025, the Company decided to acquire 100% of the outstanding shares of Bosai Bohan Direct Ltd. and Bosai Direct Co., Ltd., making them into subsidiaries. The Company has been promoting business for creating "health and rich lifestyles" under the theme of "health and environment" in the lifestyle consumer goods field. The disaster preparedness field is a good match for this domain, and the Company judged that the acquisition will contribute to expanding its business and increasing corporate value. The two consolidated subsidiaries are headed by the same person, but undertake separate functions, with Bosai Bohan Direct focusing mainly on sales and Bosai Direct on manufacturing and procurement. Their combined net sales is ¥2,747mn (FY11/24). The 2 companies specialize in the disaster preparedness products field, with sales activities mainly in e-commerce, and have accrued expertise over around 20 years. They have a strong reputation in e-commerce sales expertise and brand power, including experience as the overall number-one ranking on Rakuten. Having joined the SANYEI Group, they can be expected to create synergies in various fields, such as utilizing the Group's product procurement network, including overseas (potential cost savings, for example), and the Group's domestic logistics knowledge, and to serve as key drivers of the Group's sustainable growth by strengthening and expanding their activities in these fields. Their operating results are expected to be reflected in the Group's consolidated results from 2H FY3/26. Their financial results for FY11/24 reflect special demand from the time of an emergency information broadcast regarding the Nankai Trough Earthquake (August 2024), and the business scale that will be consolidated is expected to be for a more settled period. The share acquisition amount is ¥1,644mn, and the Company will hold 100% of the voting rights ratio for both companies. The share transfer execution date is scheduled for June 30, 2025.

2. E-commerce business growth accelerates: establishment of New Channel Promotion Division, investment plan of approx. ¥0.2bn for the current fiscal year

One of the growth drivers under the medium-term management plan is expansion of the e-commerce business. In April 2025, the Company established the New Channel Promotion Department with the aim of accelerating the e-commerce business further. The goal is to speed up growth by expanding stores handling new products and expanding business domains such as fulfillment services (logistics agency) in addition to the operation of the e-commerce stores MINT and FURNBONHEUR operated by the Furniture Division. The Company also intends to propagate the division's business model and expertise across the entire Group in the future. FY3/25 full-year e-commerce business net sales achieved double-digit growth, rising 11.8% YoY to ¥5,870mn. COVID-19 pandemic demand has subsided, and demand has been stalled for several years, but interior shops have played a leading role in successfully expanding the line up of services and widening the range of products (new genres). In FY3/25, the Company plans to invest around ¥0.2bn toward further expansion. FY3/26 full-year e-commerce net sales are forecast to increase 9.0% to ¥6,400mn.

Shareholder return policy

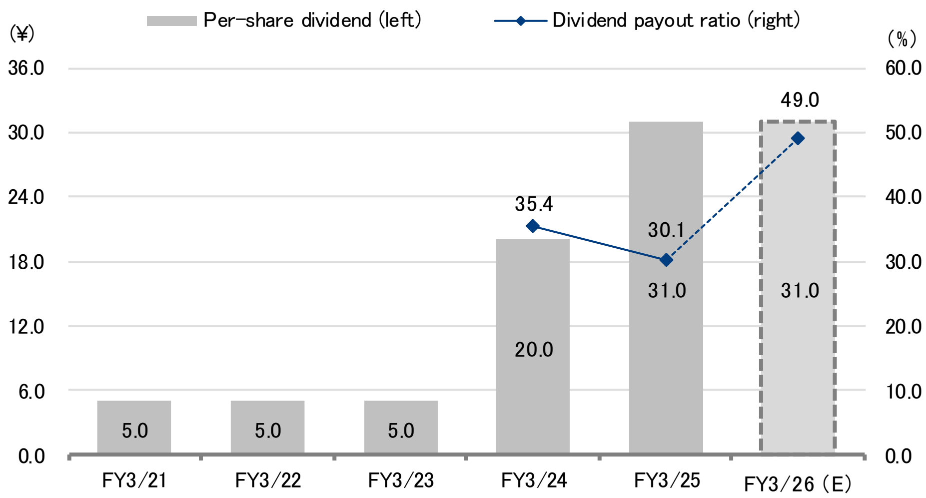
FY3/25 annual dividend increased substantially by ¥11.0 YoY to ¥31.0

The Company has positioned the appropriate return of profits to shareholders who have a close relationship with the Company as one of its most important management issues, in line with its corporate philosophy of "Zuien" (connection-i.e., the bonds). The Company determines the distribution of profits by comprehensively assessing a range of factors, including financial position, projected earnings trends, and capital requirements, taking into account the need to maintain and reinforce the management base by retaining earnings for future business development and contingencies, and to implement appropriate investments, including investment in human capital, in order to deliver sustainable growth and enhance corporate value over the medium to long term. The Company's basic policy is to pay dividends twice a year—an interim dividend and a year-end dividend—targeting a dividend payout ratio of 30–50%. It has a record of paying dividends for 28 consecutive fiscal years since FY3/1998. Furthermore, the Company conducted a four-for-one stock split of its common shares, with an effective date of October 1, 2024. The goal is to expand the investor base by making it easier for investors to buy the Company's shares.

For FY3/25, the annual dividend was ¥31.0 per share (including an interim dividend of ¥10.0 already paid and a year-end dividend of ¥21.0, resulting in an increase of ¥11.0 YoY). The dividend payout ratio was 30.1% (The amounts before the stock split have been converted into post-split values.) For FY3/26, the Company is forecasting an annual dividend of ¥31.0 (the same as the previous fiscal year), for a dividend payout ratio of 49.0%.

The Company operates a shareholder benefit program. Shareholders as of the shareholder benefit reference date (March 31 each year) will enjoy benefit points according to the number of shares held and length of time held, which can be exchanged for the Company's benefit program products. In FY3/25, benefit points could be exchanged for 1) the Group's products, 2) discount vouchers that can be used at the Group's directly managed stores, 3) discount coupons that can be used at designated online stores, 4) original QUO cards, and 5) donations to designated social contribution activities.

Trends in per-share dividend and payout ratio



Note: On in October 2024, the Company conducted a four-for-one stock split of common shares, and results for FY3/24 and prior have been retrospectively restated to reflect this.
Source: Prepared by FISCO from the Company's financial results

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