

2020/7/14

Summary**First Quarterly Financial Report**

(Period : 2020/3/1 ~ 2020/5/31)

Consolidated Net Sales 53.6%down、Profit : Deficit since listed**Non-consolidated Net Sales 53.1%down、Profit : Deficit**

1. Consolidated Financial Results Overview (million yen)

| | Performance | Performance last year | YoY (%) |
|------------------|-------------|-----------------------|---------|
| Net Sales | 15, 834mio | 34, 138mio | ▲53.6% |
| Gross Profit | 8, 866mio | 20, 372mio | ▲56.5% |
| SGA Expenses | 11, 954mio | 16, 706mio | ▲28.4% |
| Operating Profit | ▲3, 088mio | 3, 665mio | — |
| Ordinary Profit | ▲3, 224mio | 3, 635mio | — |
| Net Profit | ▲2, 200mio | 2, 398mio | — |

2. Non-consolidated Financial Results Overview (million yen)

| | Performance | Performance last year | YoY (%) |
|------------------|-------------|-----------------------|---------|
| Net Sales | 12, 721mio | 27, 135mio | ▲53.1% |
| Gross Profit | 7, 188mio | 16, 323mio | ▲56.0% |
| SGA Expenses | 9, 812mio | 13, 399mio | ▲26.8% |
| Operating Profit | ▲2, 424mio | 2, 925mio | — |
| Ordinary Profit | ▲2, 431mio | 2, 924mio | — |
| Net Profit | ▲655mio | 2, 663mio | — |

3. Comment on Financial Result

- Due to the declaration of a state of emergency to stop Corona inflection spread, most of our retail stores were closed, and reopend completely on 3rd June. Net sales during 1Q, decreased 53.6% , but our EC sales 19.7% up , specially , our EC site 『PALCLOSET』 sales increased 211.3% .
- We' been trying to sell clothes for spring, but Gross Profit ratio was decreased by 3.7 point to 56.0%.
- SGA (Selling,General,and administrative) cost remained high level, even though we tried to reduce rental and personnel cost etc..
- We opend 27 stores newly and closed 7 stores in this term. Net increase of stores is 20 stores.
- In spite of being a reference place, Net sales in June recovered rapidly by over 90%. We also could start to adjust inventory.

4. Numerical Value from Financial Results

- Existing Stores Net Sales

| | 2020/3 | 2020/4 | 2020/5 | Cumulative Total |
|----------------------------|--------|--------|--------|------------------|
| Existing Store (Retail+EC) | 69.1 | 25.0 | 41.4 | 45.2 |
| of Retail Store | 66.1 | 10.9 | 25.6 | 34.2 |
| of EC Store | 101.9 | 117.0 | 135.0 | 119.7 |

- All Stores Net Sales

| | 2020/3 | 2020/4 | 2020/5 | Cumulative Total |
|---------------------|--------|--------|--------|------------------|
| All Store Net Sales | 71.7 | 25.0 | 42.4 | 46.4 |
| of EC Store | 98.8 | 117.3 | 135.2 | 118.0 |

- Existing Store Number of customers、and Average Price (2020/3~2020/5)

| | Average Price | Numbers |
|-----------------------------|---------------|---------|
| Garment Business | 95.6 | 31.7 |
| Miscellaneous good Business | 108.4 | 42.8 |