

Fiscal Year Ended February 29, 2020

PAL GROUP HOLDINGS

# Materials for Financial Results Briefing

April 22, 2020

PAL GROUP Holdings CO., LTD.

Securities code: 2726

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Management dedicated to the happiness of all employees and shareholders



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# Financial Report

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Review of Financial Results  
for the Fiscal Year Ended February 29, 2020  
Financial Results Forecast  
for the Fiscal Year Ending February 28, 2021



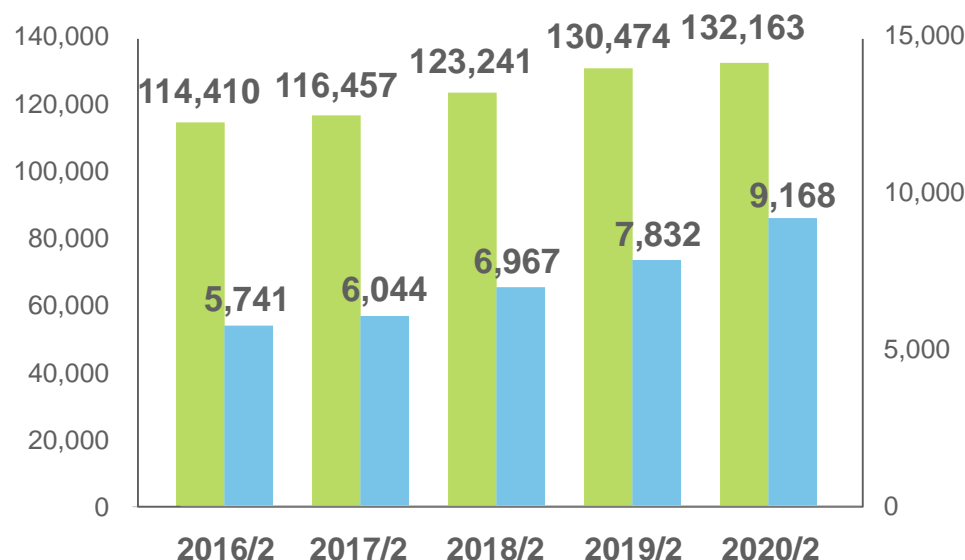
## Review on the previous fiscal year: Achieved increased sales and profit, and a new record high profit

- **Net Sales** : Despite a challenging business environment our online store PAL CLOSET was the driving force with net sales increased by 1.3% from the previous fiscal year.
- **Profit** : Gross profit ratio and SG&A ratio improved by 0.6 percentage points and 0.2 percentage points from the previous fiscal year, respectively, and consolidated ordinary profit reached ¥9.0 billion level for the first time.

### Consolidated

■ Net Sales ■ Ordinary Profit

(Millions of yen)

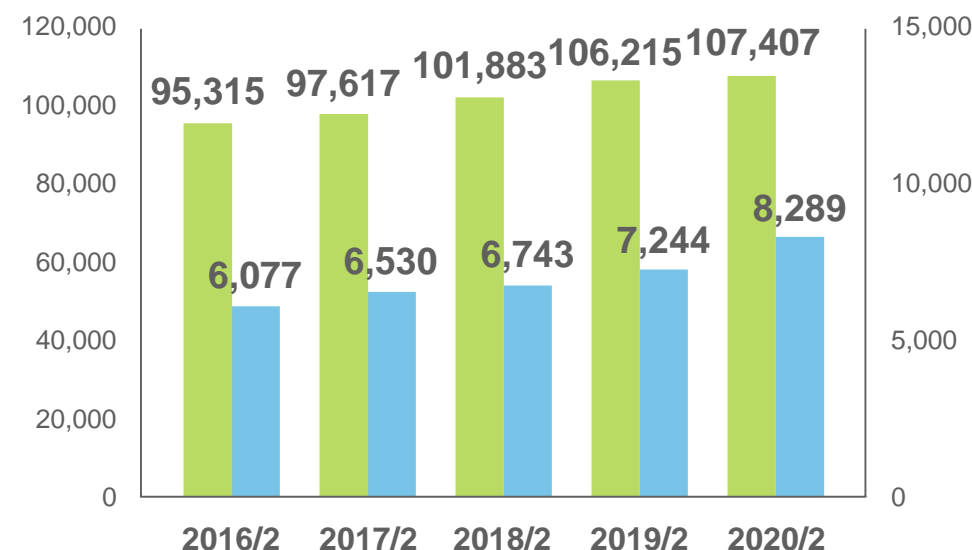


### Non-consolidated

(PAL GROUP Holdings CO., LTD.  
+ PAL CO., LTD.)

■ Net Sales ■ Ordinary Profit

(Millions of yen)



# Consolidated Statements of Income of PAL GROUP Holdings CO., LTD. for the Fiscal Year Ended February 29, 2020

PAL GROUP HOLDINGS

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020			
		Forecast	Actual results		
				Changes from the previous corresponding period	Compared to forecast
Net sales	<b>130,474</b>	<b>137,700</b>	<b>132,163</b>	<b>101.3%</b>	<b>-4.0%</b>
Gross profit	<b>72,700</b>	<b>77,140</b>	<b>74,386</b>	<b>102.3%</b>	<b>-3.6%</b>
(% of net sales)	<b>55.7%</b>	<b>56.0%</b>	<b>56.3%</b>	<b>0.6%</b>	<b>0.3%</b>
Operating profit	<b>7,933</b>	<b>9,190</b>	<b>9,067</b>	<b>114.3%</b>	<b>-1.3%</b>
(% of net sales)	<b>6.1%</b>	<b>6.7%</b>	<b>6.9%</b>	<b>0.8%</b>	<b>0.2%</b>
Ordinary profit	<b>7,832</b>	<b>9,000</b>	<b>9,168</b>	<b>117.1%</b>	<b>101.9%</b>
(% of net sales)	<b>6.0%</b>	<b>6.5%</b>	<b>6.9%</b>	<b>0.9%</b>	<b>0.4%</b>
Profit attributable to owners of parent	<b>4,760</b>	<b>7,050</b>	<b>7,028</b>	<b>147.6%</b>	<b>-0.3%</b>
(% of net sales)	<b>3.6%</b>	<b>5.1%</b>	<b>5.3%</b>	<b>1.7%</b>	<b>0.2%</b>

- Precise 4-week MD and thorough inventory control reduced markdown sales during the fiscal year, which resulted in 0.6 points improvement in gross profit ratio. With companywide cost-cutting efforts, SG&A ratio improved by 0.2 points.
- Regarding profit, as announced on July 9, 2019, PAL CO., LTD. posted a ¥1,520 million decrease in total income taxes, due to the merger of consolidated subsidiaries. The consolidated financial statements have been revised to reflect this decrease.



# Non-consolidated Statements of Income of PAL GROUP Holdings CO., LTD. PAL GROUP HOLDINGS and PAL CO., LTD. for the Fiscal Year Ended February 29, 2020

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020			
		Forecast	Actual results	Changes from the previous fiscal year	Compared to forecast
Net sales	<b>106,215</b>	<b>109,631</b>	<b>107,407</b>	<b>101.1%</b>	<b>-2.0%</b>
Gross profit	<b>60,036</b>	<b>62,797</b>	<b>61,310</b>	<b>102.1%</b>	<b>-2.4%</b>
(% of net sales)	<b>56.5%</b>	<b>57.3%</b>	<b>57.1%</b>	<b>0.6%</b>	<b>-0.2%</b>
Operating profit	<b>7,263</b>	<b>8,868</b>	<b>8,321</b>	<b>114.6%</b>	<b>-6.2%</b>
(% of net sales)	<b>6.8%</b>	<b>8.1%</b>	<b>7.8%</b>	<b>1.0%</b>	<b>-0.3%</b>
Ordinary profit	<b>7,244</b>	<b>8,783</b>	<b>8,289</b>	<b>114.4%</b>	<b>-5.6%</b>
(% of net sales)	<b>6.8%</b>	<b>8.0%</b>	<b>7.7%</b>	<b>0.9%</b>	<b>-0.3%</b>
Profit	<b>6,317</b>	<b>9,700</b>	<b>14,160</b>	<b>224.2%</b>	<b>146.0%</b>
(% of net sales)	<b>5.9%</b>	<b>8.8%</b>	<b>13.2%</b>	<b>7.3%</b>	<b>4.4%</b>

- To achieve more precise 4-week MD, order quantities were controlled accurately, and inventory was kept lower compared to the previous year volumes, which contributed to improved gross profit ratio.

Financial Situation of NICE CLAUP Co., LTD.  
for the Fiscal Year Ended February 29, 2020

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Financial Situation of NICE CLAUP Co., LTD.

(Millions of yen)

	Fiscal year ended February 28, 2019 Actual results	Fiscal year ended February 29, 2020 Actual results	Changes from the previous fiscal year
Net sales	<b>11,620</b>	<b>15,862</b>	<b>136.5%</b>
Operating profit	<b>775</b>	<b>815</b>	<b>105.2%</b>
Ordinary profit	<b>796</b>	<b>835</b>	<b>104.9%</b>
Profit	<b>500</b>	<b>654</b>	<b>130.8%</b>

- Led by favorable E-commerce sales, both net sales and profit increased.

# Overview of Sales Results and E-commerce Net Sales by Segment

PAL GROUP HOLDINGS

(Millions of yen)

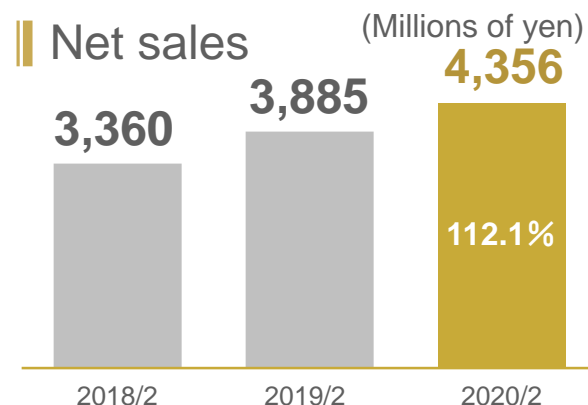
		Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	Changes from the previous fiscal year
Apparel				
	Net sales	96,139	97,102	101.0%
	Composition %	73.7%	73.5%	
	Operating profit	6,311	6,701	106.2%
	Operating profit %	6.6%	6.9%	
Miscellaneous Goods/Accessories				
	Net sales	34,231	34,968	102.2%
	Composition %	26.2%	26.5%	
	Operating profit	1,565	2,329	148.8%
	Operating profit %	4.6%	6.7%	
Other				
	Net sales	103	92	-10.7%
		Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	Changes from the previous fiscal year
E-commerce net sales				
	ZOZO TOWN	10,289	11,340	110.2%
	PAL CLOSET (Our online store)	2,950	4,168	141.2%
	Other	1,990	2,082	104.6%
	Total	15,231	17,591	115.5%
	Ratio to apparel net sales	15.8%	18.1%	2.3P

- Net sales at ZOZO TOWN significantly dropped after mid-2019, as it underwent changes in organization. Meanwhile, our online store PAL CLOSET grew by more than 40%, supported by fashion-loving customers.



# Main Brands

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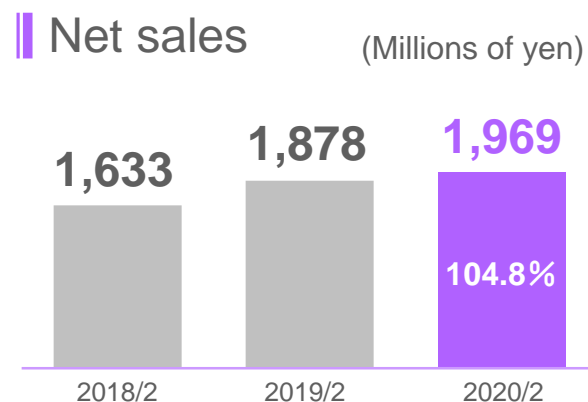


## Kastane

Based on the American classic, we offer authentic styles beyond generations and genders. Express yourself as you find your own style.

Kastane

23 stores

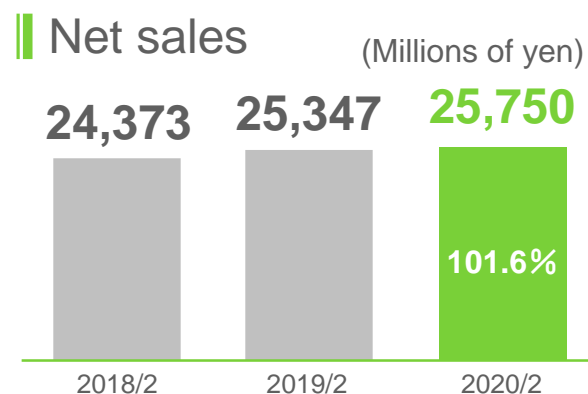


## Lui's

Based on the concept "wardrobe for popular man," we propose a mixed coordinate between mode and street styles. We select products with a high regard for comfort, fabric cutting and materials and introduce them to both domestic and overseas markets.

Lui's

11 stores



## 3COINS

You will feel like visiting over and over again, where you can always find something new! 3COINS, a HAPPY STORE filled with fun, promises to bring you a spark of excitement every time. We offer a wide variety of 300-yen goods from basic to colorful items, everything from kitchen goods to those for bath, interior, as well as socks, accessories, and more.

3COINS

199 stores



# Selling, General and Administrative Expenses

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(Millions of yen)

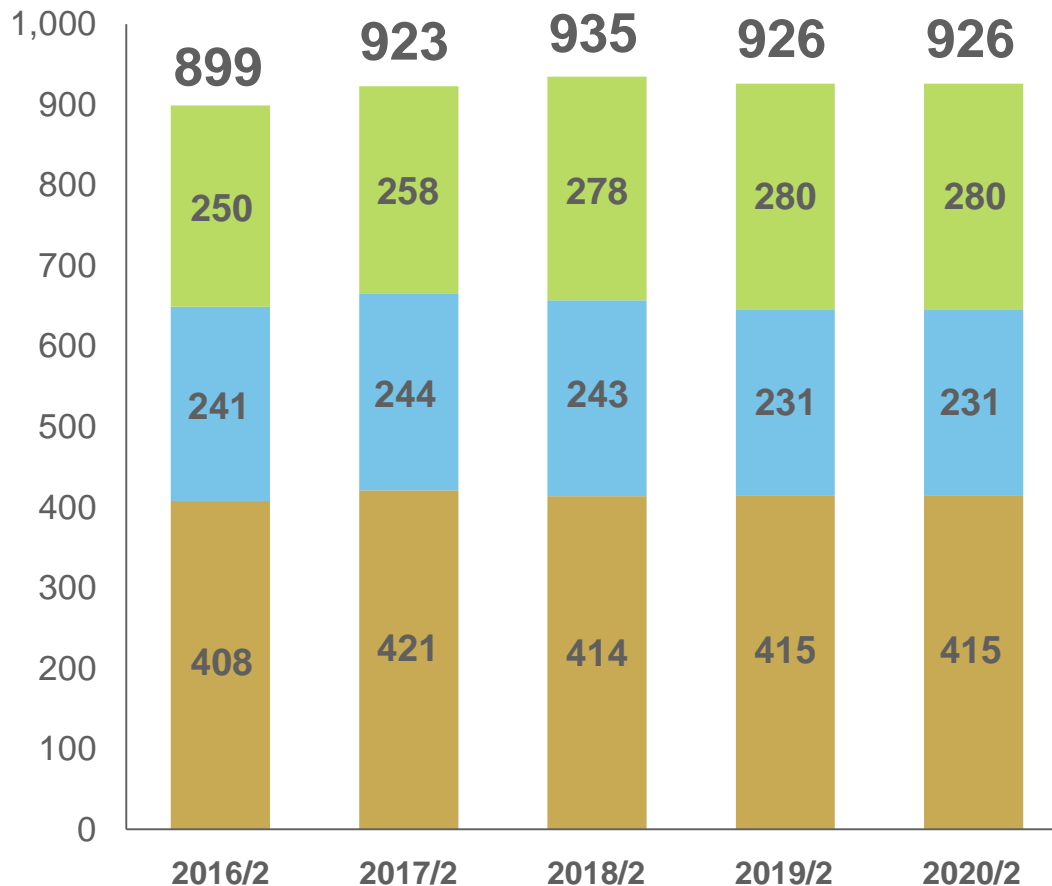
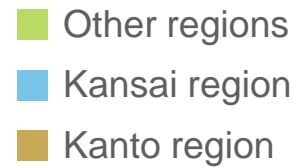
	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	Changes from the previous fiscal year
Non-consolidated PAL GROUP Holdings CO., LTD. + PAL CO., LTD.	<b>52,773</b>	<b>52,989</b>	<b>100.4%</b>
Consolidated	<b>64,766</b>	<b>65,319</b>	<b>100.9%</b>
SG&A ratio (consolidated)	<b>49.6%</b>	<b>49.4%</b>	<b>-0.2P</b>
Personnel expenses ratio	<b>18.6%</b>	<b>18.5%</b>	<b>-0.1P</b>
Rent expenses ratio	<b>15.4%</b>	<b>15.1%</b>	<b>-0.3P</b>
Advertising expenses ratio	<b>1.2%</b>	<b>1.3%</b>	<b>0.1P</b>

- Negotiations continue to lower rent expenses. In addition, personnel expenses also decreased from the previous fiscal year, as a result of improved efficiency through flexible shift operation under the modified working hours system which was introduced companywide from the current fiscal year.

# Number of Stores

Number of stores  
as of February 29, 2020: 926

(No change from the end  
of the previous fiscal year)



## ● Status of opening/closing stores

The number of stores remained unchanged from the end of the previous fiscal year as a result of opening 48 new stores and closing 48 stores.

Regarding new store openings, Discoat was ranked top with 6 new store openings.

Regarding store closures, 3 PalinkA stores were closed, as the brand has been terminated, and 4 stores under a Group company, Ei International, are slated for closure, while 8 stores under Salut! were either closed or changed their business models due to the sluggish performance from the previous fiscal year.

# Extraordinary Income or Losses

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	(Millions of yen)	
	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Gain on sales of non-current assets	310	—
Compensation income (for damage sustained due to Typhoon Jebi in 2018)	198	—
Compensation for transfer (for relocation of the Head Office)	242	—
<b>Total extraordinary income</b>	<b>751</b>	<b>—</b>
Loss on retirement of non-current assets	266	162
Loss on cancellation of leases	3	3
Impairment loss	475	387
Loss on disaster	136	—
Loss on sales of shares of subsidiaries and associates	—	10
<b>Total extraordinary losses</b>	<b>882</b>	<b>564</b>

- Primary measures such as brand termination and closure of unprofitable stores were completed by 2018, and extraordinary losses associated thereto were decreased.

# Consolidated Balance Sheets

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(Millions of yen)

	As of February 28, 2019	As of February 29, 2020	Changes from the end of the previous fiscal year	Remarks
Current assets	62,566	67,842	5,276	
Cash and deposits	45,633	52,727	7,094	
Accounts receivable - trade	5,623	6,435	812	
Inventories	10,438	7,847	(2,591)	Inventories decreased
Other	871	830	(41)	
Non-current assets	25,159	27,112	1,953	
Property, plant and equipment	8,153	7,780	(373)	
Intangible assets	808	690	(118)	
Investments and other assets	16,197	18,641	2,444	
Total assets	87,726	94,954	7,228	
Current liabilities	33,358	36,004	2,646	
Non-current liabilities	12,728	12,323	(405)	
Total liabilities	46,087	48,327	2,240	
Total net assets	41,639	46,627	4,988	Equity ratio 49.0%
Total liabilities and net assets	87,726	94,954	7,228	

# Consolidated Statements of Cash Flows

PAL GROUP HOLDINGS

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from operating activities	<b>10,378</b>	<b>14,705</b>
Cash flows from investing activities	<b>(1,182)</b>	<b>(3,543)</b>
Cash flows from financing activities	<b>(4,291)</b>	<b>(4,068)</b>
Net increase (decrease) in cash and cash equivalents	<b>4,904</b>	<b>7,094</b>
Cash and cash equivalents at beginning of period	<b>40,728</b>	<b>45,633</b>
Cash and cash equivalents at end of period	<b>45,633</b>	<b>52,727</b>



(Millions of yen)

1. Consolidated	Fiscal year ended February 29, 2020	First half ending August 31, 2020	Second half ending February 28, 2021	Fiscal year ending February 28, 2021	Changes from the previous fiscal year
Net sales	132,163	—	—	—	—
Gross profit	74,386	—	—	—	—
SG&A expenses	65,319	—	—	—	—
Operating profit	9,067	—	—	—	—
Ordinary profit	9,168	—	—	—	—
Extraordinary losses	564	—	—	—	—
Profit attributable to owners of parent	7,028	—	—	—	—
Gross profit ratio	56.3%	—	—	—	—

## 2. Non-consolidated

(PAL GROUP Holdings CO., LTD. + PAL CO., LTD.)	Fiscal year ended February 29, 2020	Fiscal year ending February 28, 2021	Changes from the previous fiscal year
Net sales	107,407	—	—
Gross profit	61,310	—	—
SG&A expenses	52,989	—	—
Operating profit	8,321	—	—
Ordinary profit	8,289	—	—
Extraordinary income or losses	193	—	—
Profit	14,160	—	—
Gross profit ratio	57.1%	—	—

- Consolidated financial results forecast for the fiscal year ending February 28, 2021 has not been determined since it is difficult to reasonably assess the impact of the spread of the coronavirus disease 2019 (COVID-19) on the financial results at this point. The forecast will be promptly disclosed when it becomes possible.

# Premises for Full-year Financial Results Forecast for the Fiscal Year Ending February 28, 2021

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1. Number of stores	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	Fiscal year ending February 28, 2021 (those fixed as of today)
Number of new stores	61	48	49
Number of closed stores	70	48	30
Net increase in number of stores	(9)	0	19
Number of stores at the end of the period	926	926	945

## 2. Sales at existing stores (Total for the PAL Group companies)

	Fiscal year ended February 28, 2019	First half ended August 31, 2019 Actual results	Second half ended February 29, 2020 Actual results	Fiscal year ended February 29, 2020 Actual results	Fiscal year ending February 28, 2021 Forecast
Sales at existing stores	102.1	102.7	97.1	100.1	—
Of which, sales at existing retail stores	99.0	100.2	96.3	98.2	—
Of which, sales at existing stores via internet	132.2	121.0	105.1	114.0	—

	March 2019	April	May	June	July	August	September	October	November	December	January 2020	February
Sales at existing stores	104.7	104.3	107.5	104.8	96.5	100.9	104.9	89.5	100.0	96.2	99.2	92.8
Of which, sales at existing retail stores	101.4	100.8	104.1	100.1	94.9	99.6	103.7	89.2	100.2	93.3	99.7	91.7
Of which, sales at existing stores via internet	140.8	128.1	130.7	117.6	109.0	110.0	113.0	95.8	102.2	116.2	98.6	105.9

## 3. Sales at all stores

	March 2019	April	May	June	July	August	September	October	November	December	January 2020	February	Full year
Sales at all stores	104.3	103.2	106.0	103.9	97.5	102.7	105.5	92.1	101.8	98.7	102.0	95.8	101.1
Of which, E-commerce	149.1	139.2	134.9	120.8	113.4	115.9	117.5	98.1	100.9	116.2	98.9	106.2	115.5

## 4. Number of customers and average spending per customer

	Average spending per customer compared to the previous fiscal year	Number of customers compared to the previous fiscal year
Apparel Business	103.7%	94.7%
Miscellaneous Goods/ Accessories Business	100.4%	98.9%

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# Management Vision

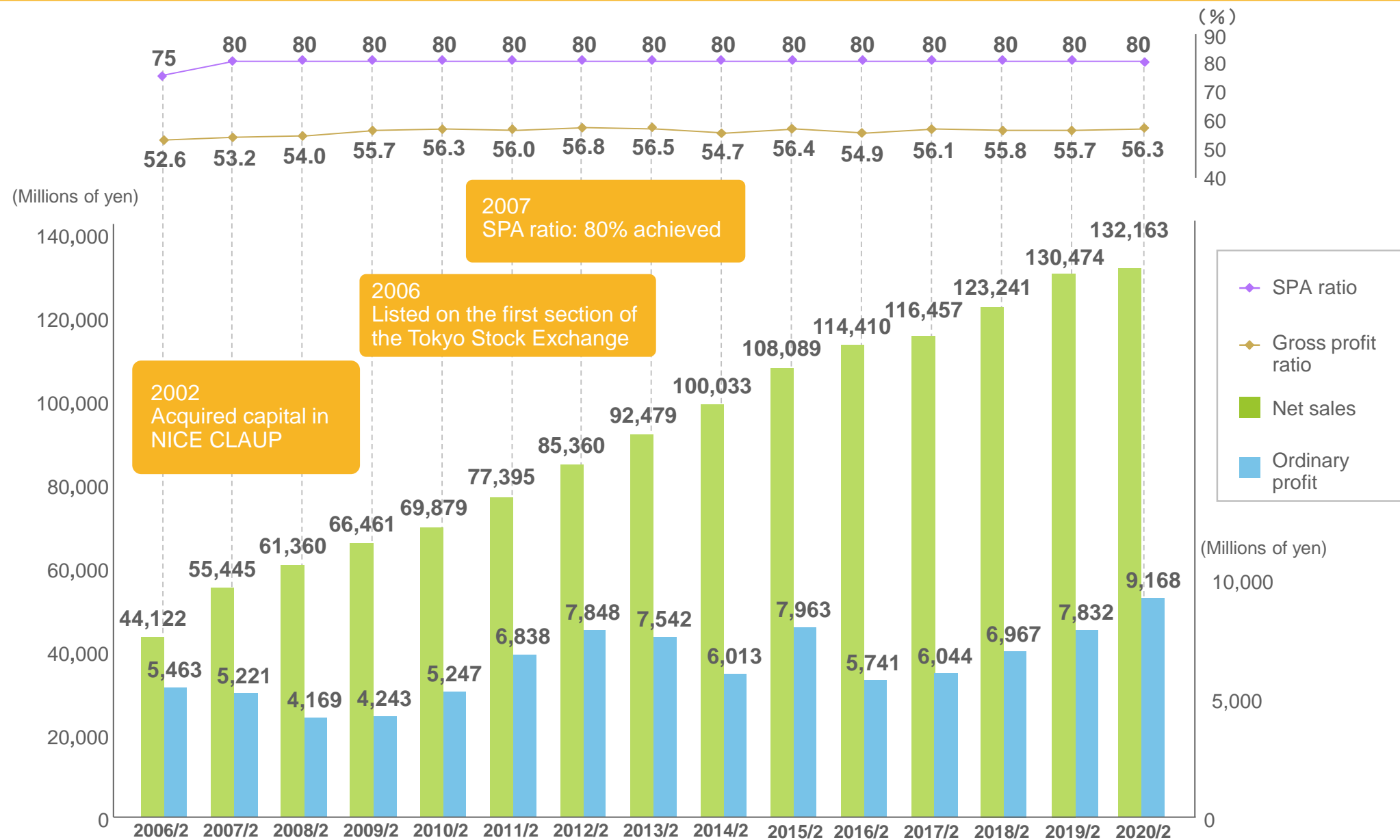
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Business Results Trend  
Medium- to Long-term Vision



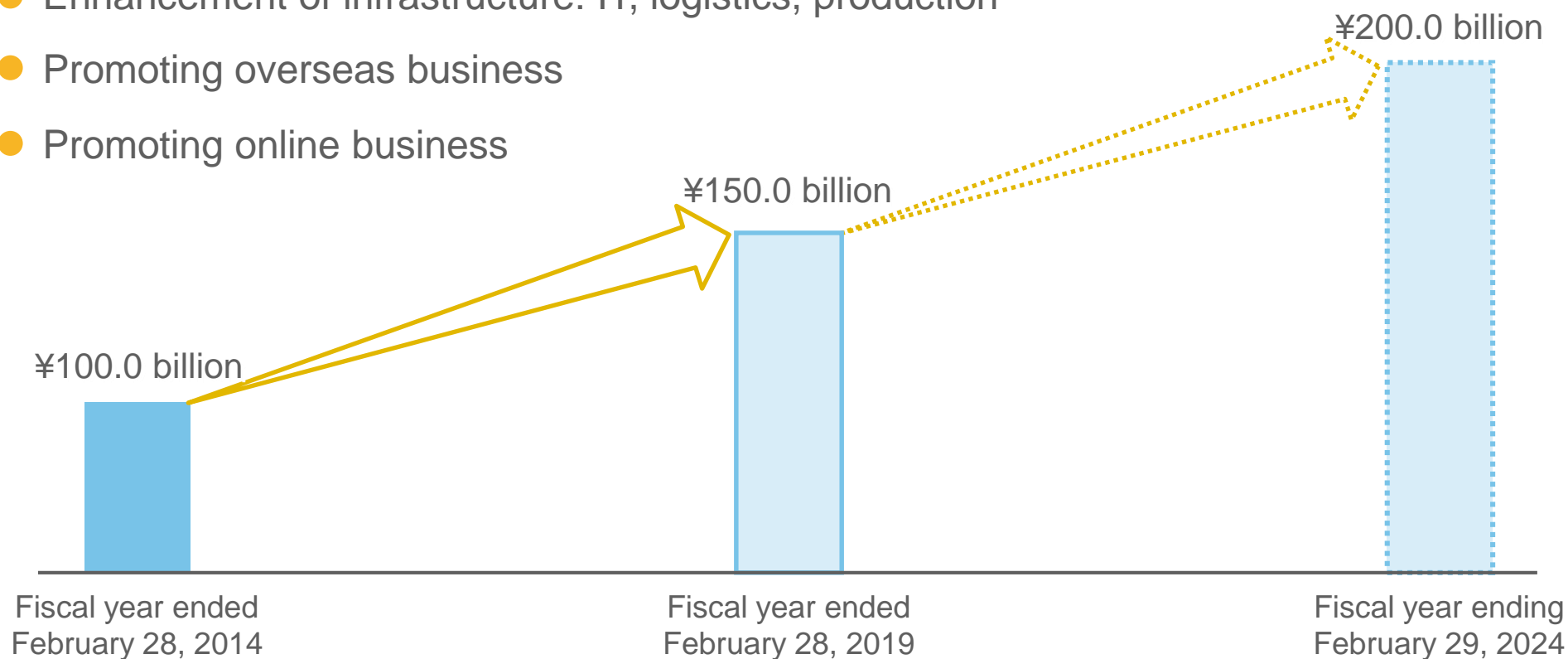
# Business Results Trend

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## Business strategies

- Further penetration of “PAL-style” management to Group companies: transition to a holding company structure
- Creation of new brands (In-house proposals, external collaboration and M&A, etc.)
- Enhancement of infrastructure: IT, logistics, production
- Promoting overseas business
- Promoting online business



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# Topics

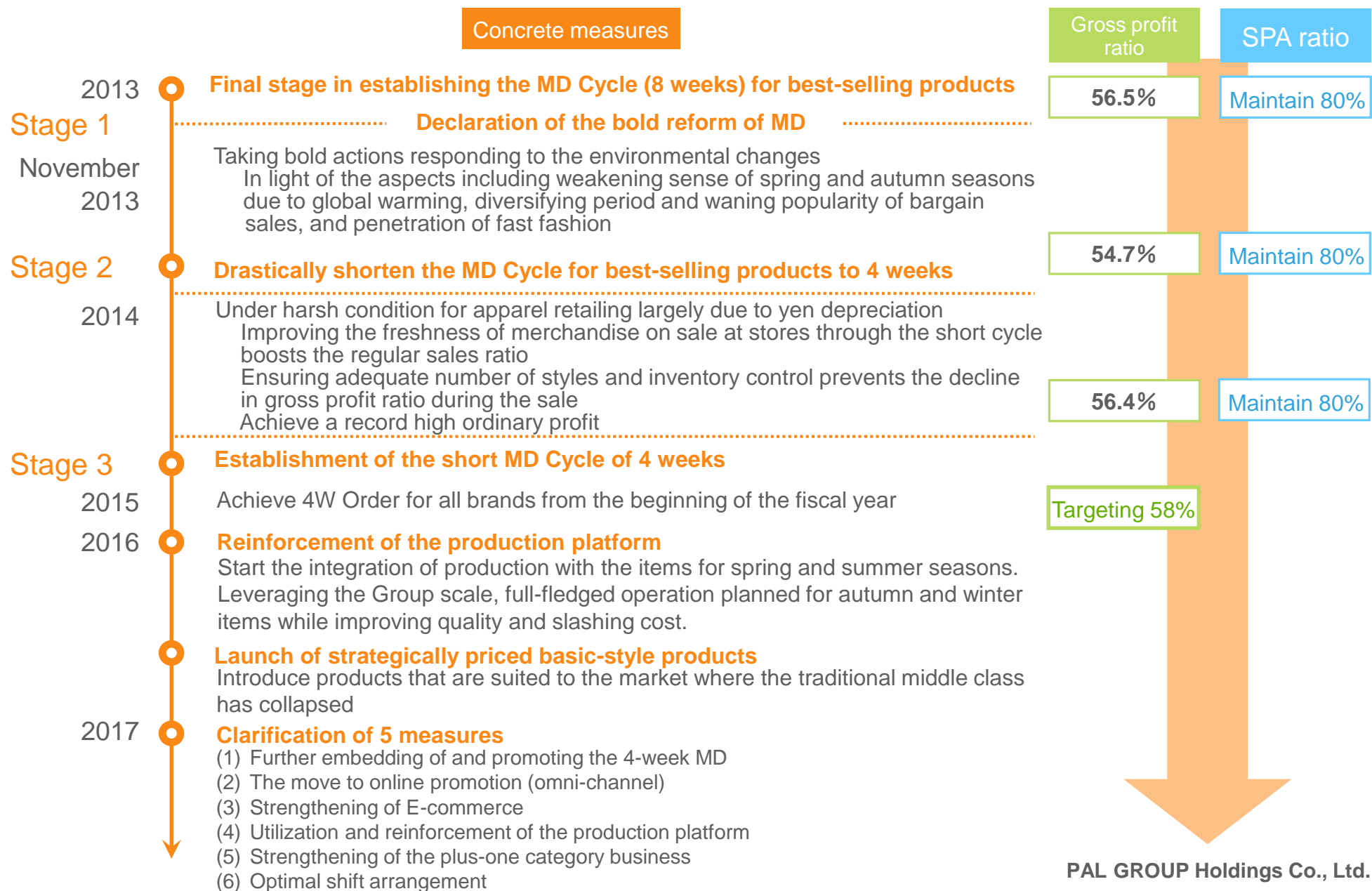
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1. Progress of the Reform of MD
2. Enhancement of E-commerce Sales  
2-1). PAL-style omni-channel
3. Initiatives for Sustainability





# 1. Progress of the Reform of MD



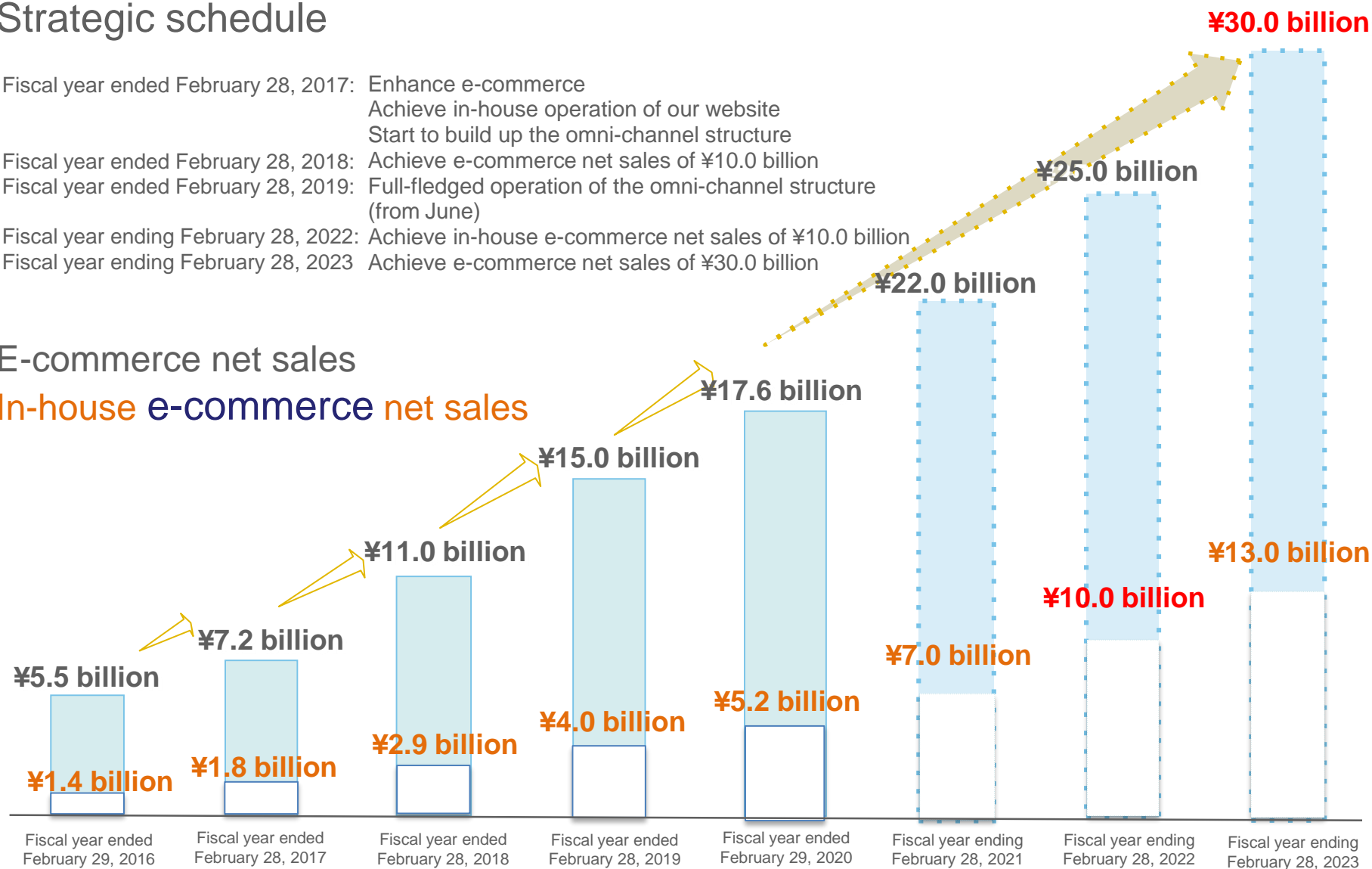
## 2. Enhancement of E-commerce Sales

### Strategic schedule

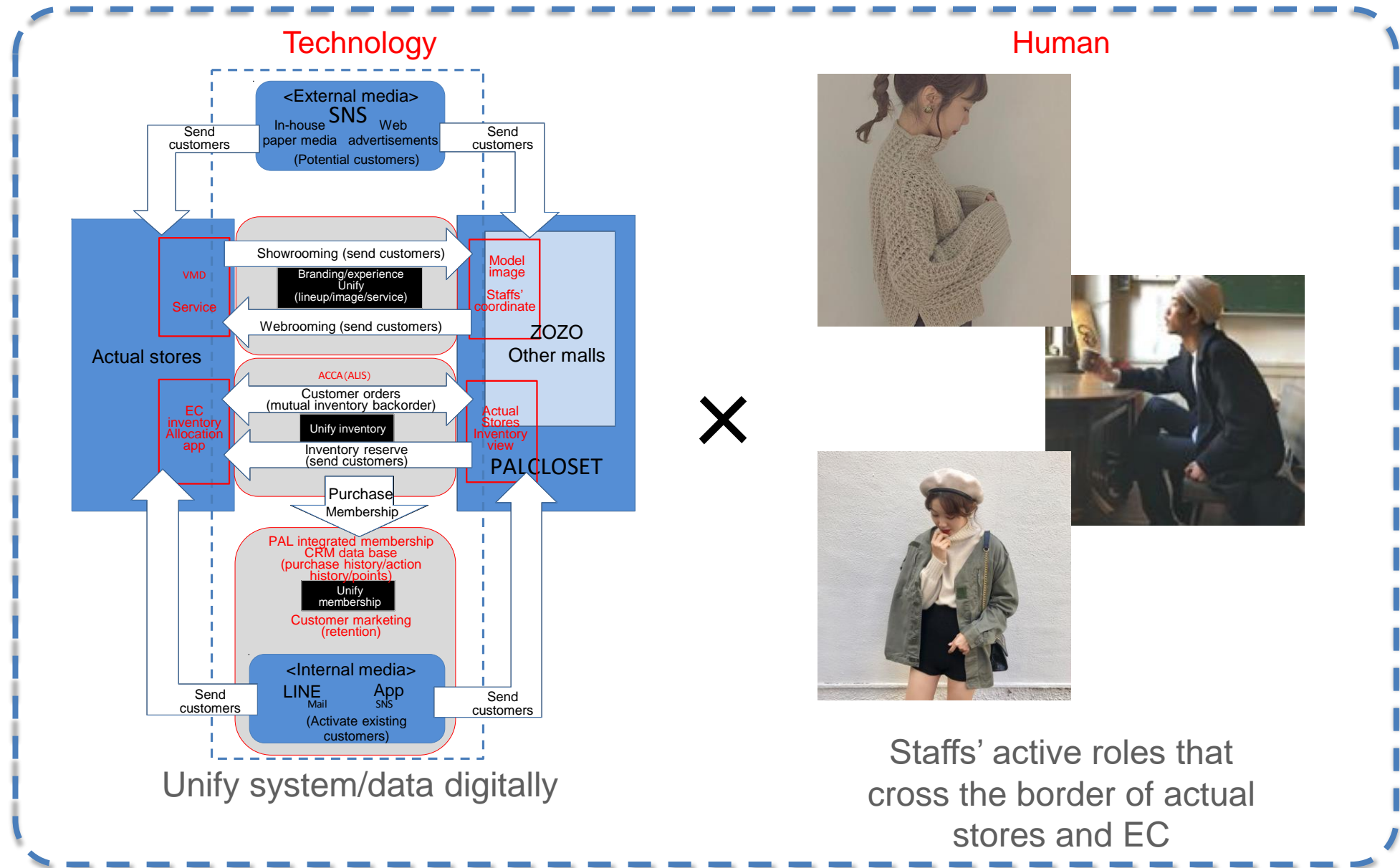
- Fiscal year ended February 28, 2017: Enhance e-commerce  
Achieve in-house operation of our website  
Start to build up the omni-channel structure
- Fiscal year ended February 28, 2018: Achieve e-commerce net sales of ¥10.0 billion
- Fiscal year ended February 28, 2019: Full-fledged operation of the omni-channel structure (from June)
- Fiscal year ending February 28, 2022: Achieve in-house e-commerce net sales of ¥10.0 billion
- Fiscal year ending February 28, 2023: Achieve e-commerce net sales of ¥30.0 billion

- E-commerce net sales

- In-house e-commerce net sales

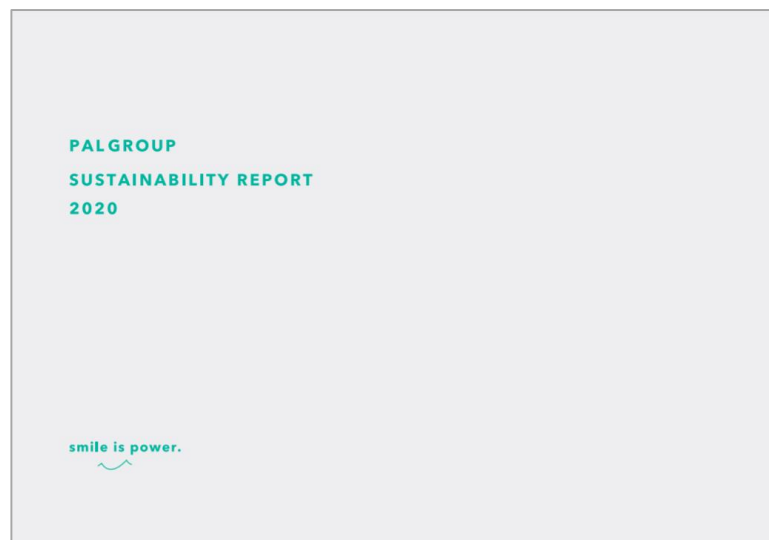


## 2-1). PAL-style omni-channel



## 3-1). Initiatives for Sustainability

- Since its foundation, PAL GROUP Holdings has inherited a consistent and sound attitude towards environment and society as its management philosophy. The Company has released a Sustainability Report to clearly convey its attitude within and outside the Company.
- The Report contains the Group's basic views on sustainability, as well as the details of its initiatives currently in progress and policies for future activities. We hope that this Report will be read not only by our customers and business partners, but also by our shareholders, investors and other broader audience.



The Report can be downloaded from: <http://www.palgroup.holdings/>

## 3-2). Initiatives for Sustainability

- To further develop our sustainability activities with a sense of speed and to engage in the activities as a groupwide management task in common, a Sustainability Committee was set up within PAL GROUP Holdings.
- Our Action Guidelines for Sustainability accord with the United Nations' SDGs. Of the 17 Sustainable Development Goals under SDGs, seven items below were selected as our main subjects. We classify them into three areas as shown below to implement Sustainability Actions.

### Three Areas of Sustainability Actions



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# Response to Shareholders

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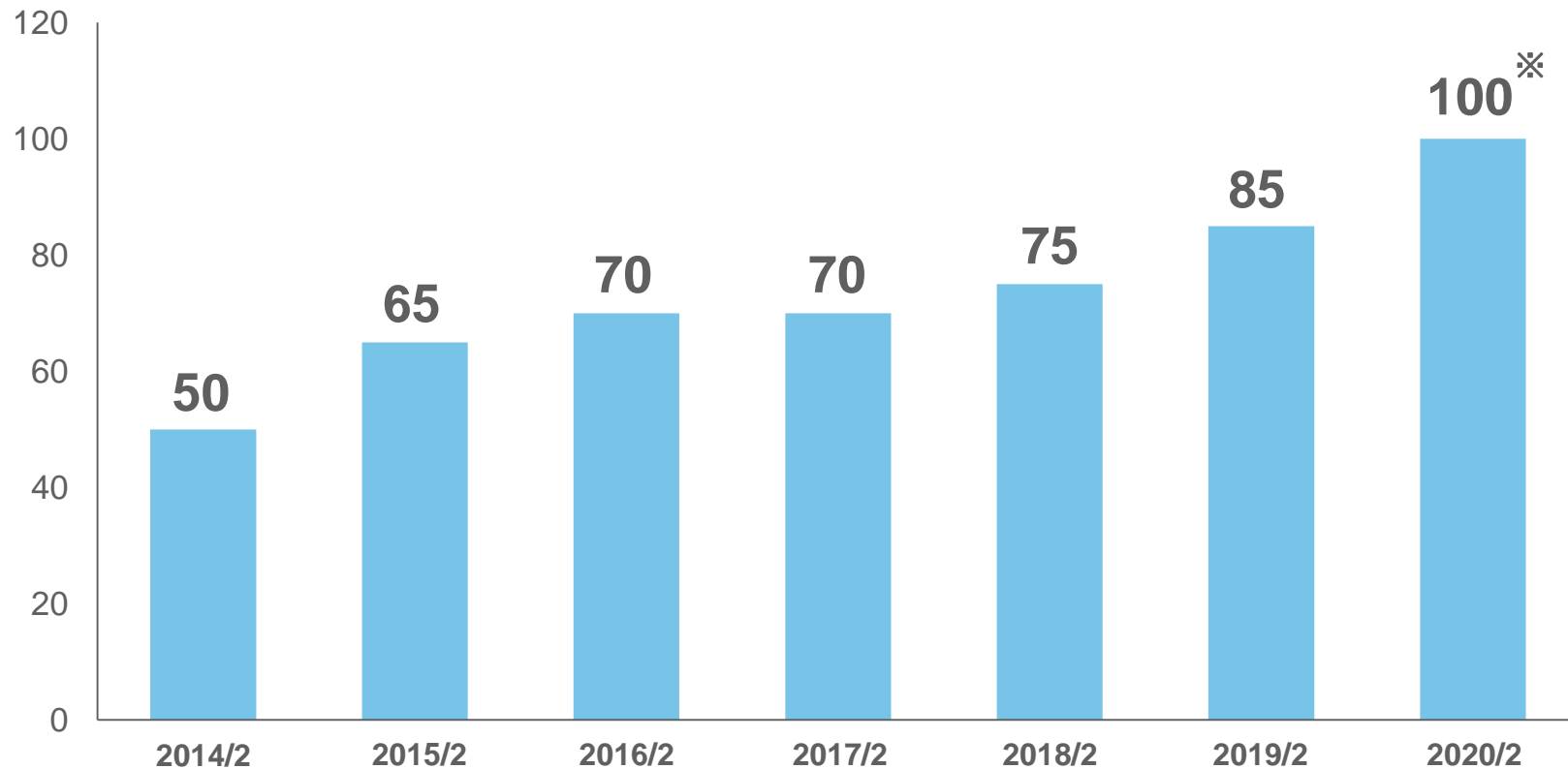
1. Policy for Return to Shareholders
2. Shareholder Benefit Program
3. Acquisition of treasury shares





# 1. Policy for Return to Shareholders

- Basic policy for return of profits is to continue providing stable dividends.
- Year-end dividend per share for the current fiscal year is ¥100 (increased ¥15 from the previous fiscal year).



\* On March 1, 2020, the Company implemented a two-for-one share split. As a result, dividend per share will be automatically converted to ¥50 yen.

## 2. Shareholder Benefit Program

### “Decided to enhance the shareholder benefit program, aiming to increase the attractiveness of investing in the Company’s shares ”

We have enhanced the shareholder benefit program as below for the purpose of expanding the number of new individual investors by increasing the attractiveness of investing in the Company’s shares and promoting the ownership of the Company’s shares over the medium to long term.

### Details of Benefit Program

#### ● Eligible shareholders

Shareholders recorded or registered on the Company’s shareholder registry as of the last day of February of each year who hold more than 100 shares (one unit) are eligible.

#### ● Details of Shareholder Benefits

Shareholders will receive common discount coupons which allow them to choose from the following four benefits according to the number of shares they hold. The coupons can be used from June 1 every year to May 31 of the following year.

- 1) 15% discount on the amount purchased at the Company group’s stores throughout Japan
- 2) 15% discount on the amount purchased at the Company’s EC site “PAL CLOSET ONLINE STORE”
- 3) 50% discount on accommodation course charges at “Hamayu Kuroshio” and “Freegate Shirahama,” which are accommodation facilities operated by Freegate Shirahama Co., Ltd., an affiliated subsidiary of the Company, in Shirahama-cho, Nishimuro-gun in Wakayama Prefecture
- 4) 50% discount on accommodation course charges at “Kinugawa Onsen Hotel” owned by Kanaya Hotel Kanko Co., Ltd. in the Nikko and Kinugawa area, in cooperation with the said company (Discount becomes available from June 1, 2020)

- Number of coupons to be granted: Remains unchanged even after the share split, which will substantially double the number of coupons

Number of shares held	100 shares or more	200 shares or more	500 shares or more	1,000 shares or more
Number of coupons to be granted	2	4	6	10



### 3. Acquisition of treasury shares

Decided to acquire the Company's treasury shares for the purpose of "enhancing shareholder returns and increasing capital efficiency"

#### Details of matters concerning the acquisition

(1) Type of shares to be acquired:	Common shares
(2) Total number of shares to be acquired:	900,000 shares (Ratio to the total number of issued shares (excluding treasury shares): 1.9%)
(3) Total amount of shares to be acquired:	Approx. ¥1.0 billion
(4) Acquisition period:	From March 18, 2020 to April 30, 2020
(5) Acquisition method:	Market purchase at Tokyo Stock Exchange

\* (Reference)

#### Ownership status of treasury shares as of March 1, 2020

Total number of issued shares	46,272,000 shares
Treasury shares	2,274,644 shares

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# Initiatives for ESG

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1. PAL's initiatives for ESG
  2. PAL Forest Project (Environment)
  - 3-1). Employment of people with disabilities (Social)
  - 3-2). Endowed courses at Kwansei Gakuin University (Social)
  - 3-3). Initiatives by PAL Inoue Scholarship Foundation (Social)
  4. Gender equality and work style reform (Governance)



# 1. PAL's initiatives for ESG

PAL's initiatives for ESG (Environment, Social, Governance) are to strive for achieving its management philosophy of "Management dedicated to the happiness of all employees and shareholders" and "Management dedicated to society and the globe into the future" through its daily corporate activities, i.e. continuously making profits, paying taxes, and maintaining employment.





## 2. PAL Forest Project (Environment)

### “PAL Forest Project” (Environment)

PAL has been engaged in tree-planting activities at the Yoshino Forest in Nara Prefecture, a World Heritage site, since 2012. Considering the origin of the wrapping materials we use in our daily operations, every year many employees and their families participate in these activities to share valuable experiences that recognize the importance of maintaining the global environment conservation.





## 3-1). Employment of people with disabilities (Social) PAL GROUP HOLDINGS

### Providing full support to Japan's first hotel and Japanese inn “operated by people with disabilities” (Social)

Since June 2011, PAL has been operating the hotel “Freegate Shirahama” for the purpose of employing people with disabilities. PAL purchased the neighboring accommodation facilities to expand operations and opened “Hamayu Kuroshio,” a traditional Japanese inn offering Japanese cuisine.

The majority of employees at both facilities have disabilities. Employing such people in the service sector to work at hotels and Japanese inns is still rare in Japan, but we impart our customer service know-how to employees with disabilities as they think for themselves and complete their duties by themselves.



Hamayu Kuroshio ► [www.hamayu-kuroshio.com](http://www.hamayu-kuroshio.com)

## 3-2). Endowed courses at Kwansei Gakuin University (Social) PAL GROUP HOLDINGS

### Endowed courses for the School of International Studies, Kwansei Gakuin University (Social)

Following the endowed courses provided at Osaka University for five years from 2013, PAL started a course for the School of International Studies, Kwansei Gakuin University in 2019. In addition to academic knowledge, we offer frontline experiences in management and distribution, aiming to contribute to developing future talents.



Kwansei Gakuin campus with a beautiful clock tower



## Human resources development through the “PAL Inoue Scholarship Foundation” (1) (Social)

PAL established the “PAL Inoue Scholarship Foundation” together with the Inoue family, the founder of the Company. After its establishment in 2013, it has been approved as a public interest incorporated foundation by the Cabinet Office, and operates public services.

Specifically, the foundation has been set up to offer scholarships to students with excellent academic records and personality who have financial difficulties in attending school, with the aim of developing promising human resources capable of contributing to the fashion industry and related fields in the future.

Currently, we offer scholarships to approximately 50 students at universities, colleges and technical schools studying fashion throughout Japan (including international students).

Website of the “PAL Inoue Scholarship Foundation”

Front page



About the PAL Inoue Scholarship Foundation



#### Human resources development through the “PAL Inoue Scholarship Foundation” (2) (Social)

In addition to the scholarship program, from 2018 PAL Inoue Scholarship Foundation holds a role-playing contest participated by students majoring in distribution courses at fashion schools.

The event named PAL FOUNDATION CUP is a venue for students selected from fashion schools nationwide from Hokkaido to Kyushu, where they demonstrate their extraordinary role-playing performance in their own manner. PAL intends to make this event a goal for the students aiming for fashion business in the future.



## 4. Gender equality and work style reform (Governance) PAL GROUP HOLDINGS

### Thorough “gender equality” and “work style reform” (Governance)

#### (1) Gender equality

Pal has a solid “Equal treatment for equal work” guideline for transparent personnel evaluation system, creating an environment where each and every employee can work with a sense of security while being motivated.

	Sales	Gross profit	Personnel expenses	Inventory	Capital	Stocktaking	Total	Out of 100 points
1 <sup>st</sup> Division	396	116	84	71	...	...	...	98
2 <sup>nd</sup> Division	353	78	77	...	...	...	...	86
3 <sup>rd</sup> Division	310	93	...	...	...	...	...	...
4 <sup>th</sup> Division	378	...	...	...	...	...	...	...
5 <sup>th</sup> Division	...	...	...	...	...	...	...	...
6 <sup>th</sup> Division	...	...	...	...	...	...	...	...
7 <sup>th</sup> Division	...	...	...	...	...	...	...	...
Development Division	...	...	...	...	...	...	...	...
Corporate total	382	82	66	61	...	...	...	85

#### (2) Work style reform

PAL is working to foster a vibrant work environment by starting operations that allow flexible working hours not bound by the “8-hour system” and make it easier for the employees to take paid and long-term leaves.

## Company motto

“Contributing to society by constantly proposing new fashionable ways of life”

## Group management philosophy

“Management dedicated to the happiness of all employees and shareholders”

Company name	PAL GROUP Holdings CO., LTD.
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Location	(Head Office) Keihanshin Midosuji Bldg. 10F, 3-6-1 Doshomachi, Chuo-ku, Osaka-shi, Osaka (Tokyo Office) Akita Bldg. 4F, 12-22 Jingumae 6-chome, Shibuya-ku, Tokyo
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Representative	Ryuta Inoue
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Capital	¥3,181,200,000
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Establishment	October 1973
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Description of business	Planning, manufacturing, and wholesale and retail sale of women's clothing, men's clothing, miscellaneous goods and accessories, etc.
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Number of stores	926
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## Management Planning Office

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**TEL +81-6-6227-0308**

**FAX +81-6-6231-1056**

The plans, strategies, predictions, etc., contained in this document which are not matters of historical fact are forecasts related to future business results, etc., and include elements of risk and uncertainty. Please be advised that for various reasons actual results may differ from the results forecast herein.

In addition, this document has been produced for further understanding of the PAL GROUP, not for the purpose of soliciting investment in the Company. Readers are asked to rely on their own judgment when making decisions related to investment.