

Six Months Ended August 31, 2021

PAL GROUP HOLDINGS

Materials for Financial Results Briefing

October 20, 2021

PAL GROUP Holdings CO., LTD.

Securities code: 2726

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Financial Report

Review of Financial Results
for the Six Months Ended August 31, 2021
Full-year Financial Results Forecast
for the Fiscal Year Ending February 28, 2022

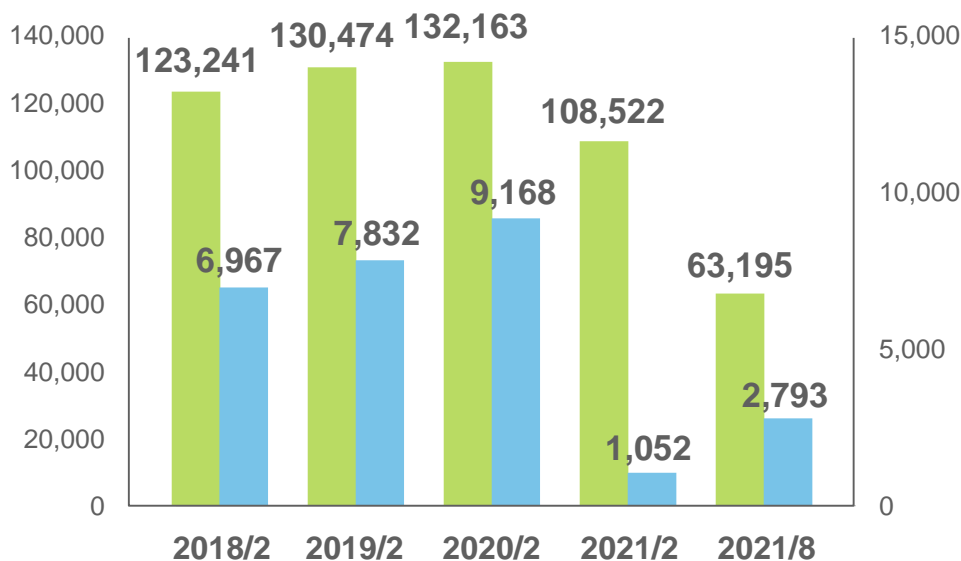


Review on the first half of the fiscal year

- **Net Sales:** A significant decline in customer traffic persisted throughout almost the entire first half, weighed down by the impact of customers refraining from outings as a result of the declaration of a state of emergency and priority preventative measures. As in the previous year, we endeavored to make up for the decline in storefront sales in the apparel business through E-commerce (EC), and were able to offset the overall decline in storefront sales thanks to rapid growth in 3COINS, Salut! and our other lifestyle miscellaneous goods brands, in response to stay-at-home demand.
- **Profit** : The business environment continued to make it difficult to achieve profits, amid lifestyle changes such as the spread of teleworking and customers being unable to eat out or travel, with demand for town fashion in particular suffering significant damage, and a detrimental impact on inventory from continuing restrictions.

Consolidated

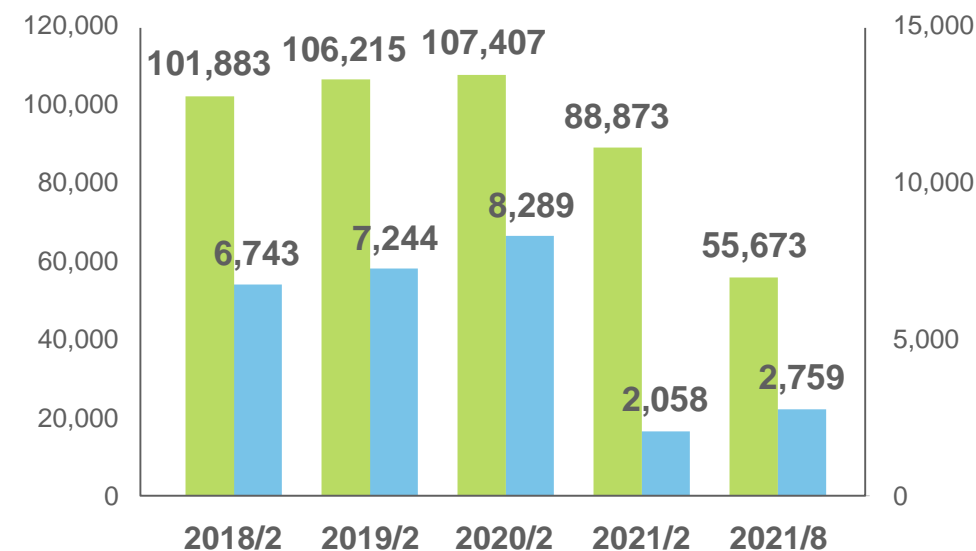
(Millions of yen)



Non-consolidated

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

(Millions of yen)



Consolidated Statements of Income of PAL GROUP Holdings CO., LTD. for the Six Months Ended August 31, 2021

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2021			
			Forecast	Actual results		
					Changes from the previous corresponding period	Compared to forecast
Net sales	66,958	45,165	63,000	63,195	139.9%	100.3%
Gross profit	38,209	24,191	35,500	34,809	143.9%	98.1%
(% of net sales)	57.1%	53.6%	56.4%	55.1%	1.5%	-1.3%
Operating profit	5,524	(1,761)	1,850	2,838	—	153.4%
(% of net sales)	8.2%	—	2.9%	4.5%	—	1.6%
Ordinary profit	5,488	(1,983)	1,700	2,793	—	164.3%
(% of net sales)	8.2%	—	2.7%	4.4%	—	1.7%
Profit attributable to owners of parent	3,468	(1,518)	800	1,444	—	180.5%
(% of net sales)	5.2%	—	1.3%	2.3%	—	1.0%

- In addition to continuing to offset the decline in storefront sales due to extended periods of the declaration of a state of emergency and priority preventative measures through EC sales, we were able to follow up on our net sales forecast thanks to a very strong performance from 3COINS, which captured stay-at-home demand.
- In terms of profit, despite a year-on-year increase in gross profit, factors such as the re-extension of the state of emergency meant that we could not act in time to control the level of purchasing inventory, and we had no option but to respond to a negative profit environment in the second quarter with the sale of marked-down items, etc.

Non-consolidated Statements of Income of PAL GROUP Holdings CO., LTD. PAL GROUP HOLDINGS and PAL CO., LTD. for the Six Months Ended August 31, 2021

(Millions of yen)

	Six months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2021	
			Forecast	Changes from the previous corresponding period
Net sales	54,216	36,742	55,673	151.5%
Gross profit	31,271	19,998	30,914	154.6%
(% of net sales)	57.7%	54.4%	55.5%	1.1%
Operating profit	4,866	(1,135)	2,701	—
(% of net sales)	9.0%	—	4.9%	—
Ordinary profit	4,869	(1,145)	2,759	—
(% of net sales)	9.0%	—	5.0%	—
Profit	7,271	287	1,642	572.1%
(% of net sales)	13.4%	0.8%	2.9%	2.1%

- We undertook thorough measures to raise the EC ratio as far as possible in the apparel business, in order to withstand the current harsh sales environment. As a result, we achieved 38% of net sales from EC during the first half of the fiscal year: the highest level ever. Net sales increased by 51.5% year on year, and 2.7% from the same period two years ago, due to this growth in EC.
- Amid the COVID-19 crisis, 3COINS achieved an increase in net sales of ¥8.5 billion (83.8%) year on year, due to the simultaneous implementation of measures such as increased store size and an expanded price range, as well as a new, enhanced product lineup including the launch of light household electrical appliance sales and the commencement of EC.

Financial Situation of NICE CLAUP Co., LTD. for the Six Months Ended August 31, 2021

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2019 Actual results	Six months ended August 31, 2020 Actual results	Six months ended August 31, 2021 Actual results	Changes from the previous fiscal year
Net sales	8,295	5,671	6,196	9.3%
Operating profit	598	(76)	(60)	—
Ordinary profit	609	(62)	(46)	—
Profit	516	(106)	(40)	—

- Amid the COVID-19 crisis, we continued to enhance EC and actively opened stores on new websites. As a result, the number of our EC stores increased by six, while our existing EC stores posted double-digit growth, enabling us to increase net sales year on year.
However, our physical stores continue to struggle, partly due to store shutdowns.
- At our physical stores, we will enhance our non-clothing products to boost customer traffic, not only after the post-pandemic reopening but also during the COVID-19 crisis. We will endeavor to acquire new customers to supplement sales.
- Regarding the situation in each brand, EC sales in our core brand, one after another NICE CLAUP, fell below the previous year's level.
This was mainly due to a decline in sales to casual customers, although we were able to maintain the level of customer sales.
From the second half of the fiscal year we will offer trending products to the mass market, aiming to increase the number of casual customers and boost sales.

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

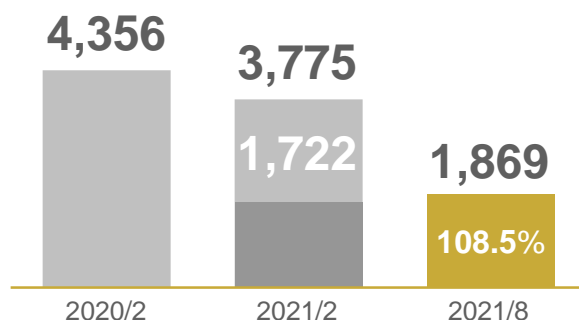
PAL GROUP HOLDINGS

(Millions of yen)				
	Six months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2021	Changes from the previous corresponding period
Apparel				
Net sales	48,714	32,061	39,824	124.2%
Composition %	72.8%	71.0%	63.0%	-8.0%
Operating profit	4,068	(2,085)	246	—
Operating profit %	8.4%	—	0.6%	—
Miscellaneous Goods/Accessories				
Net sales	18,194	13,080	23,325	178.3%
Composition %	27.2%	29.0%	36.9%	7.9%
Operating profit	1,433	317	2,597	819.2%
Operating profit %	7.9%	2.4%	11.1%	8.7%
Other				
Net sales	49	23	45	195.6%
	Six months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2021	Changes from the previous corresponding period
E-commerce net sales				
ZOZO TOWN	5,794	6,182	7,874	127.4%
PAL CLOSET (Our online store)	1,850	3,431	5,429	158.1%
Other	1,076	1,165	1,184	154.9%
Total	8,720	10,778	15,137	140.2%
Ratio to apparel net sales	17.9%	23.9%	38.0%	14.1P

- The ratio of the apparel business to the miscellaneous goods/accessories business was 63:37, with the miscellaneous goods/accessories business exceeding 30% for the first time.
- Sales from PAL CLOSET accounted for 35.9% of EC net sales. We will continue to strive to enhance these sales.

Main Brands

Net sales (Millions of yen)



Kastane

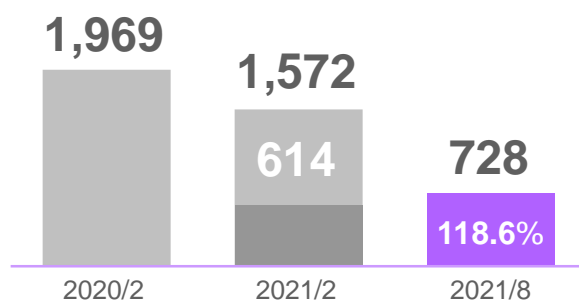
Based on the American classic, we offer authentic styles beyond generations and genders. Express yourself as you find your own style.

Kastane

24 stores



Net sales (Millions of yen)



Lui's

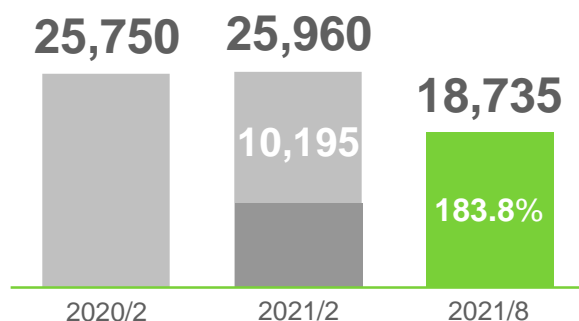
Based on the concept "wardrobe for popular man," we propose a mixed coordinate between mode and street styles. We select products with a high regard for comfort, fabric cutting and materials and introduce them to both domestic and overseas markets.

Lui's

11 stores



Net sales (Millions of yen)



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

220 stores



Selling, General and Administrative Expenses

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2021	Changes from the previous corresponding period
Non-consolidated PAL GROUP Holdings CO., LTD. + PAL CO., LTD.	26,404	21,134	28,213	133.5%
Consolidated	32,685	25,953	31,970	123.2%
SG&A ratio (consolidated)	48.8%	57.5%	50.6%	-6.9P
Personnel expenses ratio	18.2%	21.6%	17.7%	-3.9P
Rent expenses ratio	15.0%	15.1%	13.3%	-1.8P
Advertising expenses ratio	1.2%	1.7%	2.5%	0.8P

- SG&A expenses are progressively returning to normal levels, but the rent expenses ratio has fallen significantly as we rigorously tighten the terms of new store openings. We will continue to undertake thorough rent reductions in phase 2.
- SG&A expenses were inflated by an increase in variable costs such as transportation costs and online sales commissions resulting from the increase in EC net sales.

Number of Stores

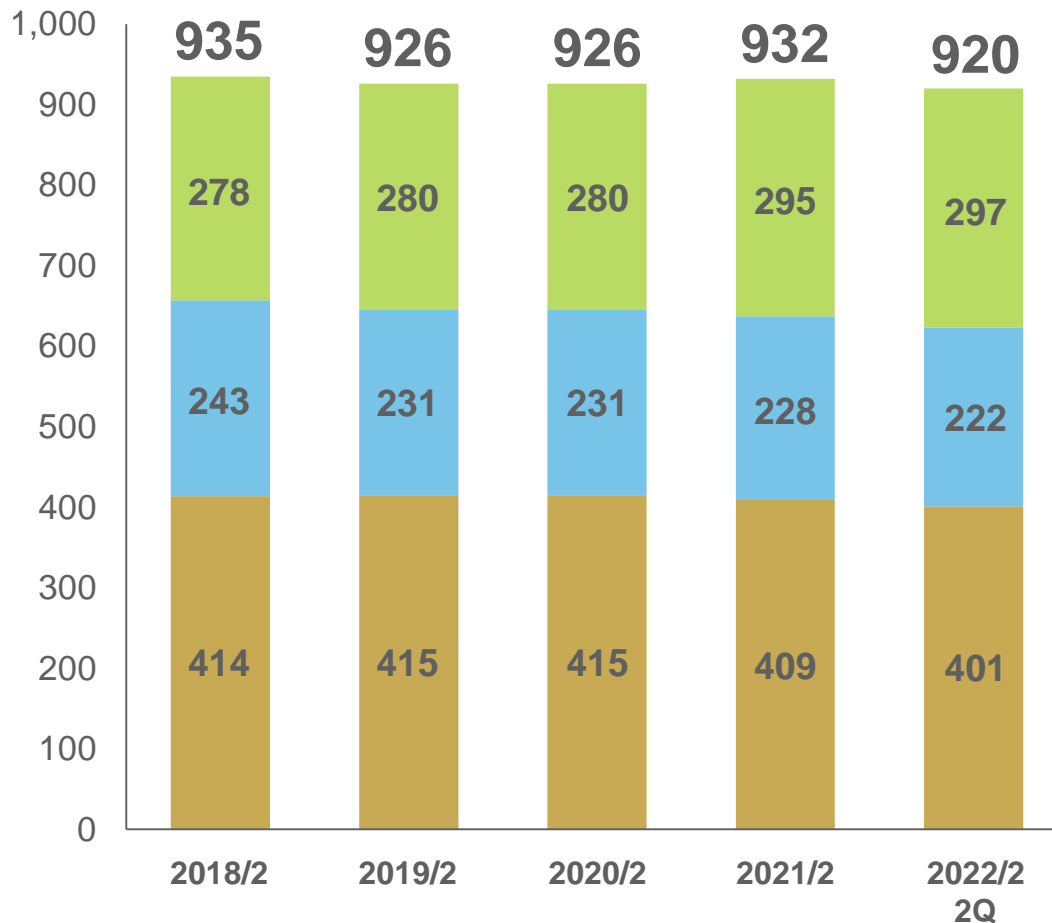
PAL GROUP HOLDINGS

Number of stores

as of August 31, 2021: 920

(-12 compared to the end
of the previous fiscal year)

- Other regions
- Kansai region
- Kanto region



- **Status of opening/closing stores**

Net decrease of 12 stores as a result of opening 25 new stores and closing 37 stores, with the implementation during the first half of store closures carried over from the previous fiscal year.

- **Status of new stores for each brand**

In the context of coexistence with COVID-19, we opened 13 stores in the popular 3COINS brand in response to stay-at-home demand, and 3 stores for CIAOPANIC TYPY, for which we are promoting larger store sizes. We implemented 4 store closures for the Un dix cors brand, which we aim to scale down.

Extraordinary Income or Losses

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2021
Loss on retirement of non-current assets	72	49	83
Impairment loss	80	209	381
Total extraordinary losses	152	258	465

- Extraordinary losses doubled year on year due to the closure of unprofitable stores, which we have been implementing since last year.

Consolidated Balance Sheets

PAL GROUP HOLDINGS

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021	As of August 31, 2021	Changes from the end of the previous fiscal year	Remarks
Current assets	67,842	81,966	61,663	(20,303)	
Cash and deposits	52,727	63,088	44,735	(18,353)	
Accounts receivable - trade	6,435	7,310	6,470	(840)	
Inventories	7,829	9,740	9,759	19	
Other	849	1,826	697	(1,129)	
Non-current assets	27,112	26,220	24,932	(1,288)	
Property, plant and equipment	7,780	7,677	7,402	(275)	
Intangible assets	690	549	494	(55)	
Investments and other assets	18,641	17,992	17,036	(956)	
Total assets	94,954	108,186	86,596	(21,590)	
Current liabilities	36,004	52,181	30,654	(21,527)	Repaid short-term borrowings of ¥15,000 mil.
Non-current liabilities	12,323	11,652	11,228	(424)	
Total liabilities	48,327	63,834	41,882	(21,952)	
Total net assets	46,627	44,351	44,713	362	
Total liabilities and net assets	94,954	108,186	86,596	(21,590)	

Consolidated Statements of Cash Flows

PAL GROUP HOLDINGS

(Millions of yen)

	Six months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2021
Cash flows from operating activities	9,417	(11,638)	(1,115)
Cash flows from investing activities	(2,636)	(1,228)	(413)
Cash flows from financing activities	388	11,077	(16,824)
Net increase (decrease) in cash and cash equivalents	7,169	(1,789)	(18,352)
Cash and cash equivalents at beginning of period	45,633	52,727	63,088
Cash and cash equivalents at end of period	52,802	50,938	44,735

- We repaid ¥15,000 million in short-term borrowings in full at the end of the first half of the fiscal year (end of August). This money had been raised last year for the purpose of maintaining a smooth cash flow amid the COVID-19 crisis.

Consolidated Full-year Financial Results Forecast for the Fiscal Year Ending February 28, 2022

PAL GROUP HOLDINGS

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	First half ended August 31, 2021	Second half ending February 28, 2022	Fiscal year ending February 28, 2022	Changes from the previous fiscal year
Net sales	132,163	108,522	63,195	68,000	131,000	120.7%
Gross profit	74,386	59,237	34,809	37,740	72,600	122.5%
SG&A expenses	65,319	57,853	31,970	33,200	65,150	112.6%
Operating profit	9,067	1,383	2,838	4,550	7,400	535.1%
Ordinary profit	9,168	1,052	2,793	4,300	7,100	674.9%
Extraordinary income or losses	(564)	(548)	(465)	(335)	(800)	184.9%
Profit attributable to owners of parent	7,028	270	1,444	2,450	3,900	270.1%
Gross profit ratio	56.3%	54.6%	55.1%	55.5%	55.4%	0.8P

- With the state of emergency extended until the end of September, and then only phased measures to remove restrictions implemented by local governments from October onwards, we believe that it will take some time for personal consumption to recover. We have therefore revised our net sales forecast downward by ¥3,000 million from the original forecast. Meanwhile, indications of demand for autumn and winter fashion items emerged in our town brands (GALLARDAGALANTE, BEARDSLEY, Whim Gazette, etc.) from the second half of August, in anticipation of the lifting of the state of emergency, and we expect sales to increase from October onwards.
- In terms of profit, we believe that the trend towards lower prices in fashion consumption will persist amid the COVID-19 crisis, and will continue to suppress growth in our gross profit ratio for some time. We therefore intend to secure profits through further reductions in all facets of SG&A expenses, centered on rent expenses. All profit items in the full-year financial results forecast have been left unchanged from the initial plan announced at the start of the fiscal year.

Premises for Full-year Financial Results Forecast for the Fiscal Year Ending February 28, 2022

PAL GROUP HOLDINGS

1. Number of stores

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	As of August 31, 2021	Fiscal year ending February 28, 2022 Forecast
Number of new stores	48	72	25	44
Number of closed stores	48	66	37	66
Net increase in number of stores	0	6	(12)	(22)
Number of stores at the end of the period	926	932	920	910

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

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	First half ended August 31, 2021 Actual results	Second half ending February 28, 2022 Forecast	Fiscal year ending February 28, 2022 Forecast
Sales at existing stores	100.1	79.7	161.6	104.0	132.8
Of which, sales at existing retail stores	98.2	71.2	225.6	96.7	161.2
Of which, sales at existing stores via internet	114.0	131.1	130.7	132.8	131.8

	March 2020	March 2021	April	May	June	July	August
Sales at existing stores	69.1	133.5	331.3	186.9	100.6	118.2	99.3
Of which, sales at existing retail stores	66.1	131.4	680.1	247.3	93.1	110.7	91.0
Of which, sales at existing stores via internet	101.9	144.2	131.4	129.3	122.8	136.9	123.6

"Sales at existing stores via internet" in the first quarter summary published in July contained an error, which is corrected above.

3. Sales at all stores

	March 2020	March 2021	April	May	June	July	August	First half total
Sales at all stores	71.7	143.6	389.3	203.9	105.8	124.7	106.8	144.1
Of which, E-commerce	98.8	153.7	143.9	137.1	129.4	146.0	136.9	140.2

4. Number of customers and average spending per customer

	Average spending per customer compared to the fiscal year ended February 29, 2020 (Accumulated figure for the first half)	Number of customers compared to the fiscal year ended February 29, 2020 (Accumulated figure for the first half)
Apparel Business	108.9%	115.2%
Miscellaneous Goods/Accessories Business	109.0%	145.2%
Overall	98.7%	141.3%

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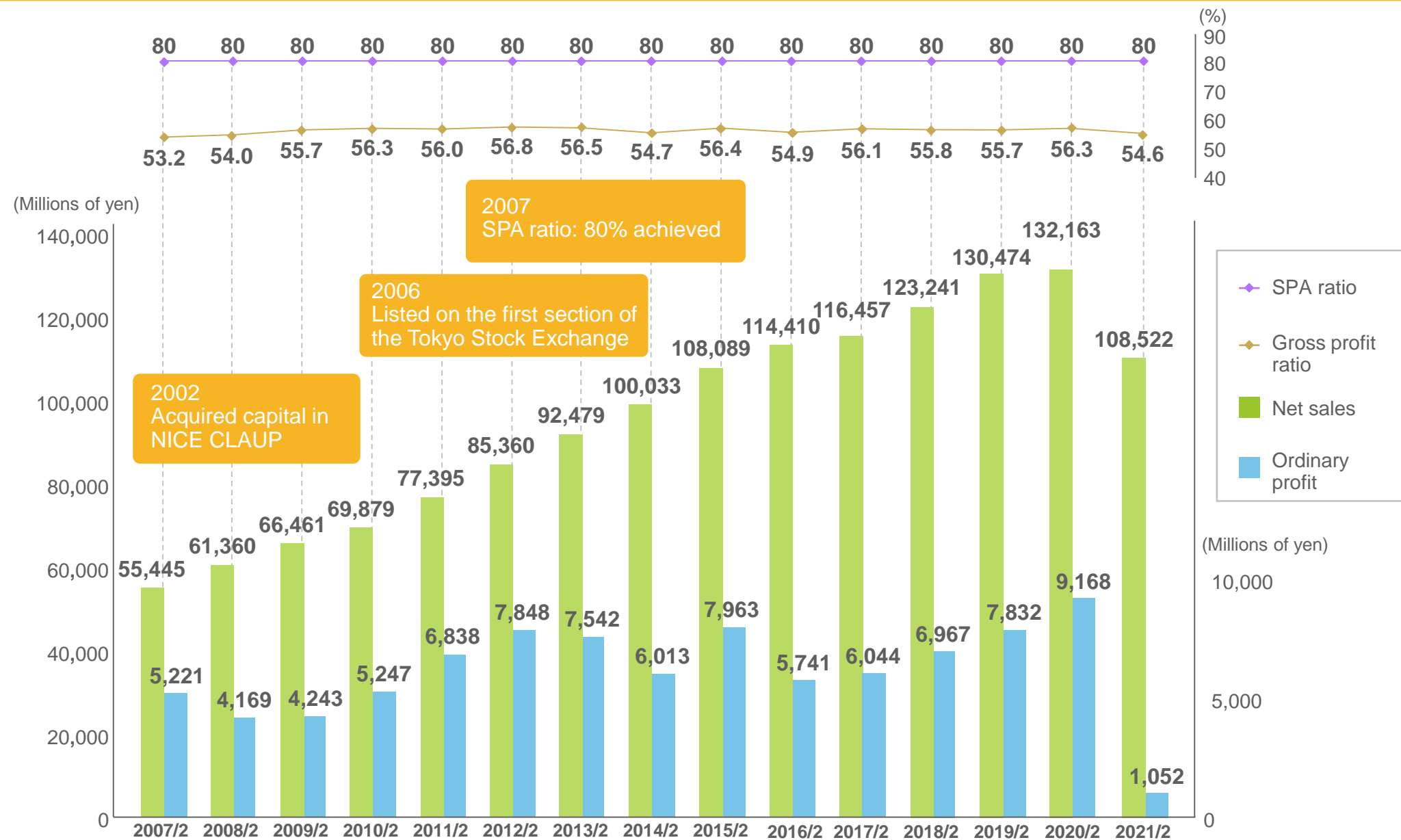
Management Vision

Business Results Trend
Medium- to Long-term Vision



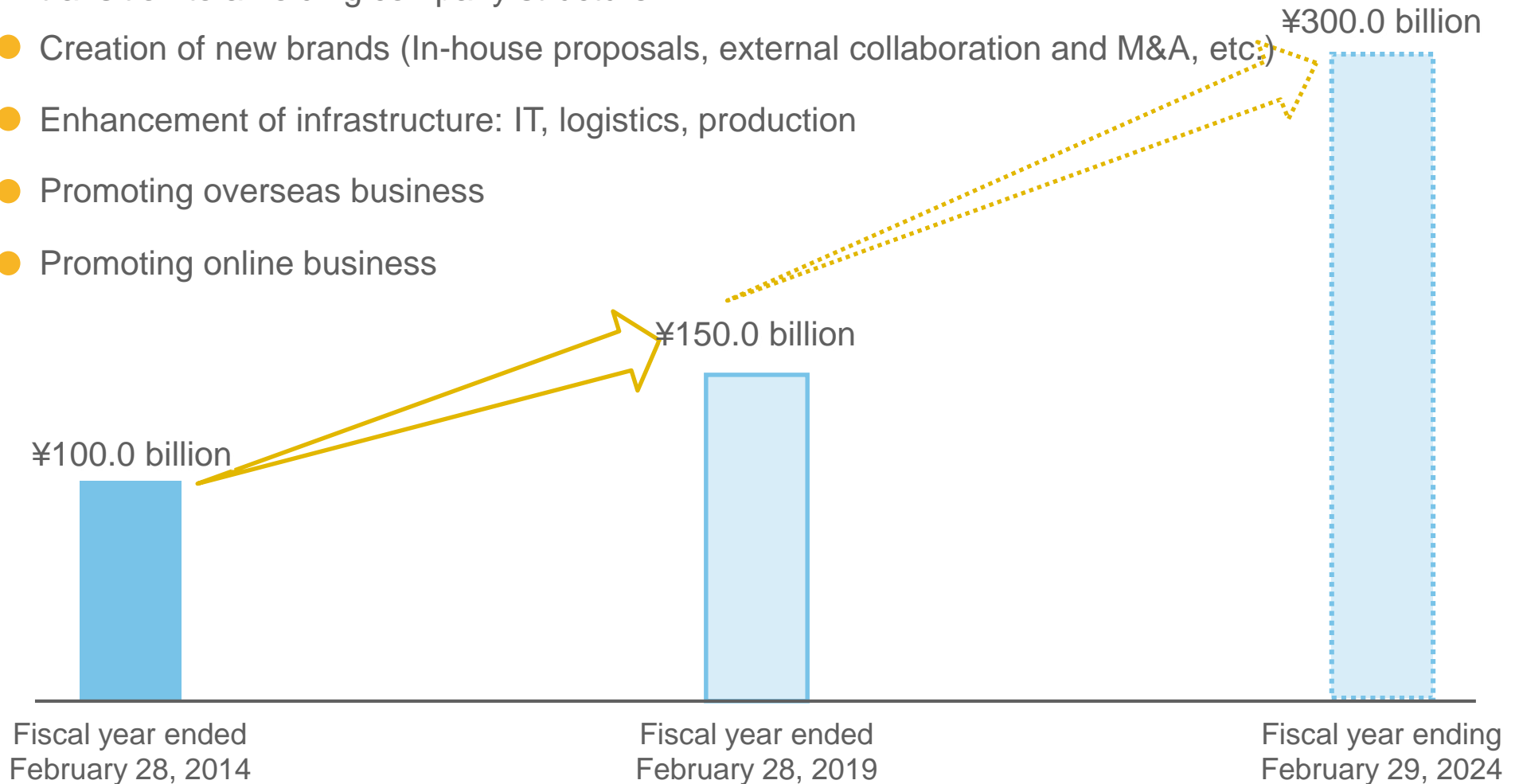
Business Results Trend

PAL GROUP HOLDINGS



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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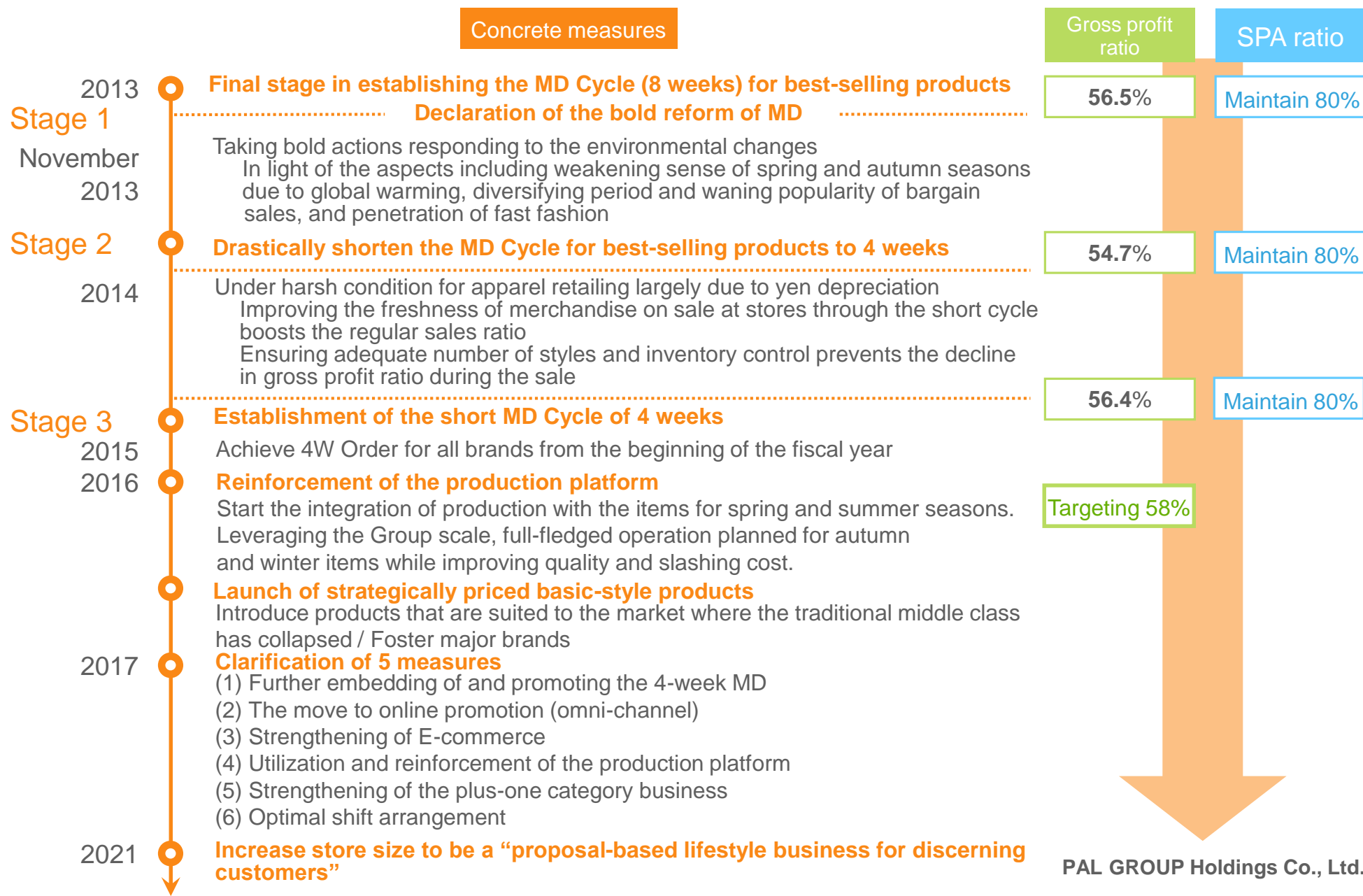
PAL GROUP HOLDINGS

Topics

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



1. Progress of the Reform of MD



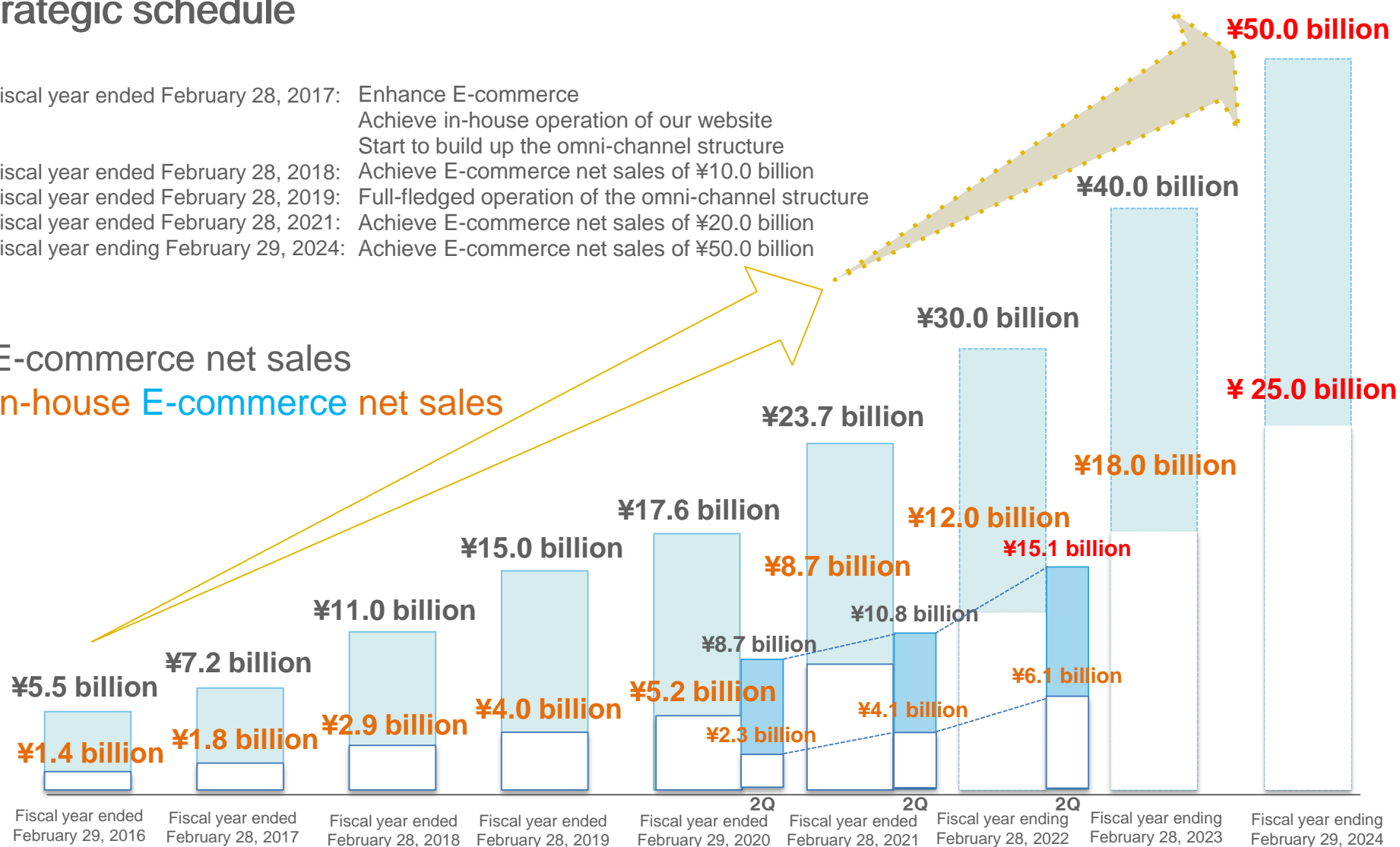
2. Enhancement of E-commerce Sales

Strategic schedule

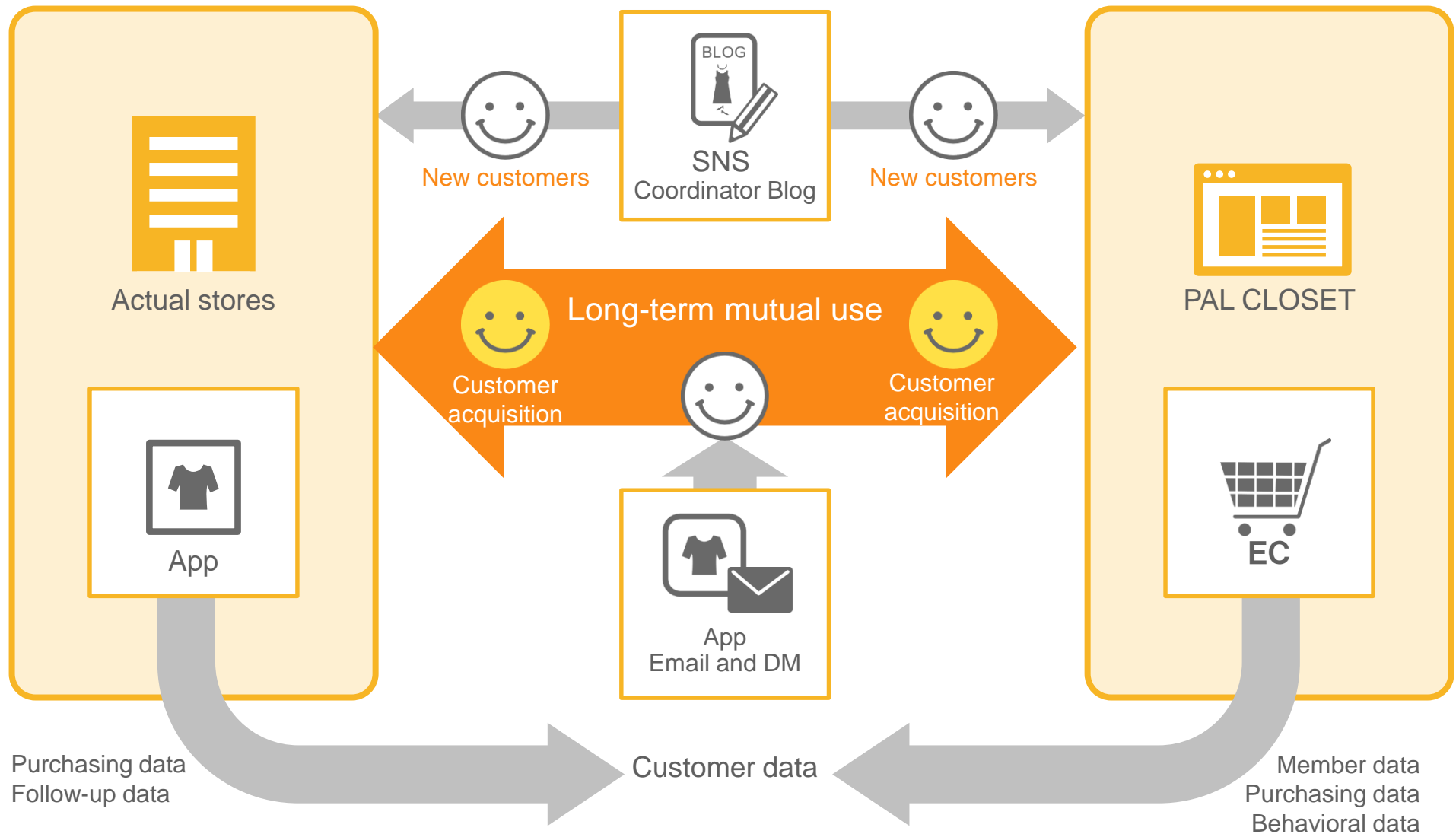
- Fiscal year ended February 28, 2017: Enhance E-commerce
Achieve in-house operation of our website
Start to build up the omni-channel structure
- Fiscal year ended February 28, 2018: Achieve E-commerce net sales of ¥10.0 billion
- Fiscal year ended February 28, 2019: Full-fledged operation of the omni-channel structure
- Fiscal year ended February 28, 2021: Achieve E-commerce net sales of ¥20.0 billion
- Fiscal year ending February 29, 2024: Achieve E-commerce net sales of ¥50.0 billion

● E-commerce net sales

● In-house E-commerce net sales



2-1). PAL-style omni-channel

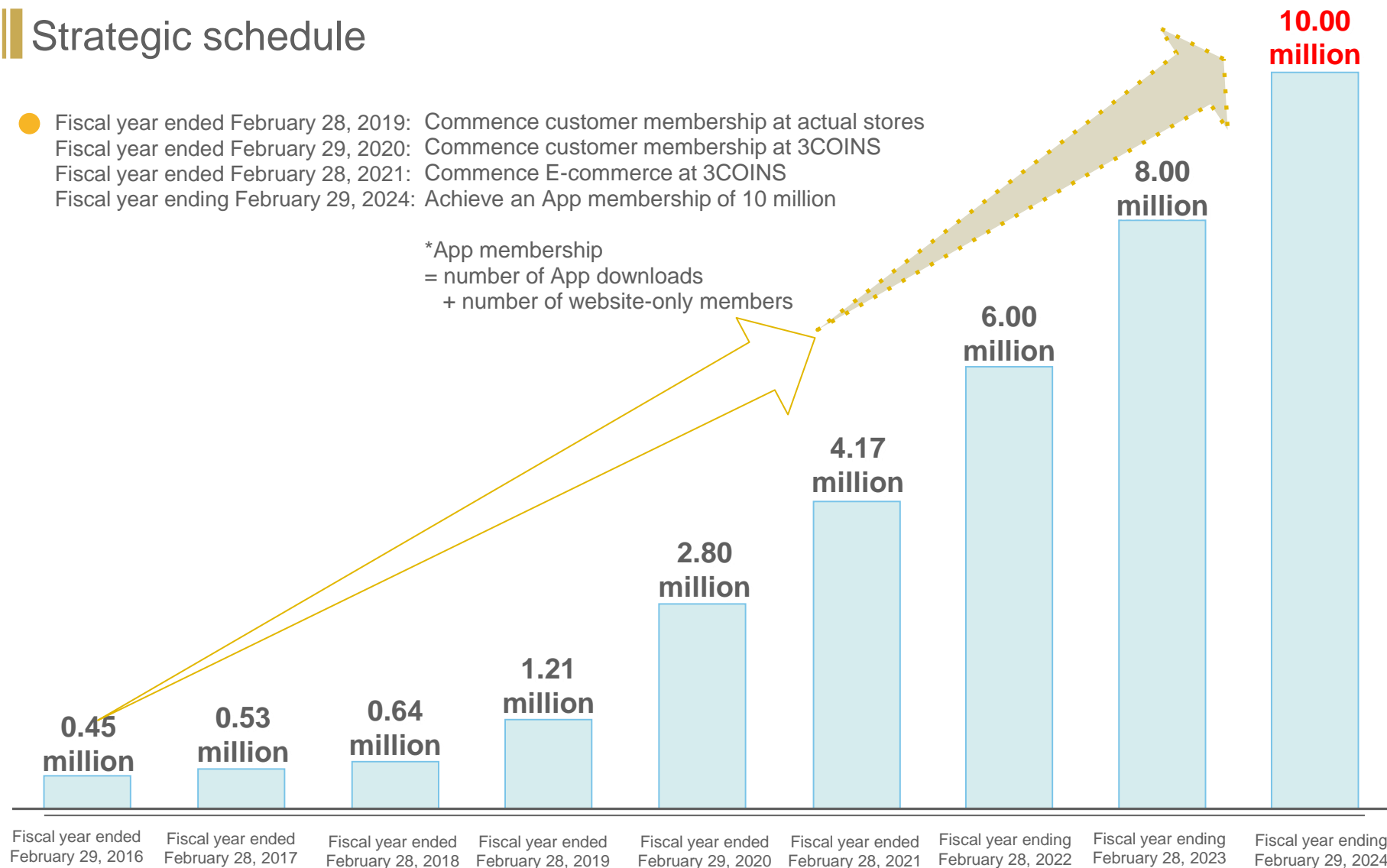


2-2). Trend in PAL App membership

Strategic schedule

- Fiscal year ended February 28, 2019: Commence customer membership at actual stores
- Fiscal year ended February 29, 2020: Commence customer membership at 3COINS
- Fiscal year ended February 28, 2021: Commence E-commerce at 3COINS
- Fiscal year ending February 29, 2024: Achieve an App membership of 10 million

*App membership
= number of App downloads
+ number of website-only members



Scholarship support program for the children of Indian cotton farmers

We planned new products using organic Indian cotton, with the participation of 13 brands in the PAL GROUP. These were sold in stores and via EC. Through the donation of part of the selling price of these products, we have enabled 13 children from the village of Purnapani in eastern India to commence higher education from the start of the new school year this autumn.

These activities heightened the sustainability consciousness not only of brand managers at the head office, but also of our in-store sales attendants. We hope to continue to contribute to achieving a sustainable society through the popularization of organic cotton.



In-house training activities

At the PAL GROUP, we believe that it is an important part of our promotion of sustainability within the Group for all our employees, from the head office to storefronts, to have a correct understanding of issues related to sustainability, and to engage with these issues from their respective positions. To this end, we have implemented sustainability training targeting each different layer of our organization. During the first half of this fiscal year, we actively provided training such as education on some specialized materials for brand buyers, as well as online new employee training and new store manager training.

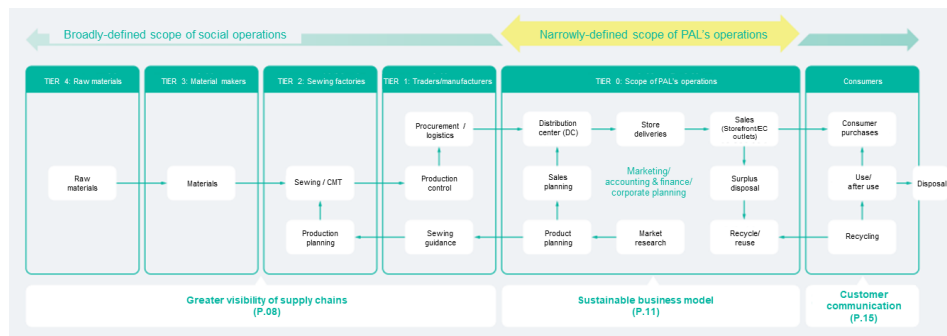
▶ https://www.palcloset.jp/shared/pc_pal/event/palcloset/2021_pal_pbp/

3-2). Initiatives for sustainability

Achieving transparency through supply chain collaboration

Our business model ensures more efficient and agile supply systems by forming robust partnerships with multiple companies in the midstream and upstream value chain.

By sharing our concept of sustainability standards with each of our suppliers in the form of our Supplier Code of Conduct, we will make our upstream supply chain more transparent and bring about the construction of more secure and reliable production systems.



PAL GROUP Sustainability Report

Consumers are becoming increasingly conscious of sustainability amid the new normal brought about by the COVID-19 crisis, and the role of companies is becoming ever more important.

We prepare the Sustainability Report to inform our customers, business partners, employees, and investors about the various initiatives related to sustainability that we have engaged in over the past year.



The Report can be downloaded from

<http://www.palgroup.holdings/sustainability/>

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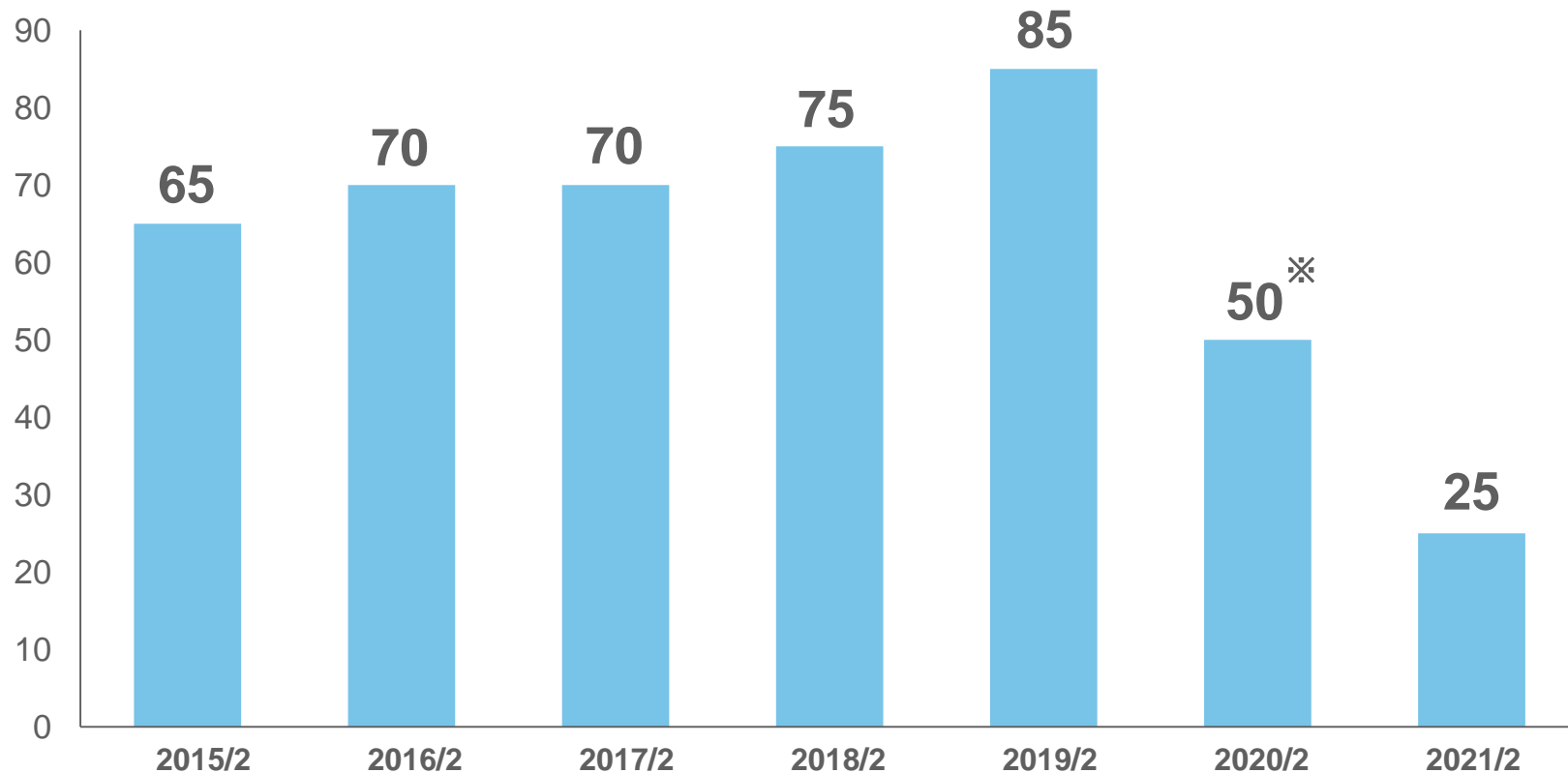
Response to Shareholders

-
1. Policy for Return to Shareholders
 2. Shareholder Benefit Program



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 fiscal year ended February 28, 2021 is ¥25 (decreased ¥25 from the previous fiscal year)



* On March 1, 2020, the Company implemented a two-for-one share split. As a result, dividend per share, which was increased to ¥100 per share at the end of the year in February was automatically converted to ¥50.

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 “Freigate Shirahama,” which are accommodation facilities operated by Freigate 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 became available from June 1, 2020)

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



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Initiatives for ESG

-
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.



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

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.



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

(1) Gender equality

Pal has a solid “Equal treatment for equal work” guideline for a 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 st Division	396	116	84	71	...	...	...	98
2 nd Division	353	78	77	...	...	...	...	86
3 rd Division	310	93	...	...	...	...	...	...
4 th Division	378	...	...	...	...	...	...	...
5 th Division	...	...	...	...	...	...	...	...
6 th Division	...	...	...	...	...	...	...	...
7 th 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	920
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Corporate Planning Department

TEL +81-6-6227-0308

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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.