

## We're Almost at Our Goal - Let Us Make All Efforts to Achieve Our Revised Forecasts

President & CEO  
**Masahiro Okitsu**

On February 7, we announced our Q3 financial results.

After our Q2 financial results we announced last November, I mentioned in my Message that we must build up our operating income in order for us to achieve our annual forecast targets. As a result, with everyone's efforts, we have been able to secure a large growth of 8.8 times operating income year on year.

I am aware you gave it all your best over these past three months. Thank you once again for your commitment and efforts.

I would like you to refer to details of our business results through the announced materials, but overall, for Q3, although our Brand Business faced harsh situations with the depreciation of the Japanese yen, we were able to secure operating income rate higher than our target 7%, and in our Device Business, our losses are steadily decreasing from Q1 and Q2, making it a positive outcome.

Based on this result, we have revised our annual operating income forecast upward from 10 billion yen to 20 billion yen. For the net income forecast, we decided to announce figures since it is difficult to make a rational calculation of expected profit from selling our real estate at Green Front

Sakai and assume the costs from promoting our Asset-Light strategy and structural reform in our Device Business. Still, we expect the results to surpass the initial forecast of 5 billion yen.

Following our announcement, various stakeholders including media, analysts, monetary institutes and rating agencies have made many positive feedback, such as "Q3 operating income have surpassed the market forecast and show positive signs," "Brand Business shows increase in income while losses in Device Business decreased, resulting positively overall with large increase in operating income," and "Asset-Light strategy is being promoted steadily and securely, which is well-accepted."

Also since our announcement, I am hearing more inquiries and expectations regarding our future outlook and growth strategy in Brand Business. I understand our Medium-Term Management Plan that we are aiming to announce by May will be observed with high interest.

Although our business results in Brand Business, our future core, is currently promoting steadily and positively, but as market conditions continue to grow harsh, we must take on challenges to make bold changes ahead of our competitors in order to maintain our competitiveness.

Based on such ideas, in our next Medium-Term Management Plan, we will not simply draw our plans based on our current businesses, but will set more challenging targets looking onto the future, and explain how we aim to achieve such goals. Especially, we will emphasize on achieving operating income rate 7% in Brand Business, which we announced in our Medium-Term Management Policy last year.

We are now down to less than one month and a half in Fiscal 2024. Let us reach our upward revised annual operating income target together with all our efforts, and give a boost to our regrowth in our next fiscal year and on.

We're almost at our goal now. Let us hang on until the very end and give our final efforts together!