

Fiscal Year Ending February 2025 Financial Result Briefing

April 23, 2025
Mr Max Holdings Ltd.
(Securities Code: 8203)



● The earnings outlook contained in this material is a forecast prepared by the Company based on information available as of the date of this material. As such, it includes risks and uncertainties. Therefore, the Company does not guarantee that the outlook will be achieved. This material is not intended for investment solicitation. Users of this material should make their investment decisions based on their own judgment.

Financial Results Highlights for the Fiscal Year Ending February 2025

- Operating revenue was 136.5 billion yen, a record high, achieving revenue growth for three consecutive years.
- Operating profit was 126.6% of the previous fiscal year, the first increase in two years.

Unit: Millions of yen	FYE Feb 2024 Results	FYE Feb 2025 Results	Year on Year	FYE Feb 2025 Plan Note 2	Versus Plan
Operating Revenue	129,570	136,569	105.4%	132,000	103.5%
Net Sales	124,514	131,331	105.5%	127,000	103.4%
Gross Profit	26,949	28,759	106.7%	27,900	103.1%
(Gross Profit Margin) Note 1	21.6%	21.9%	0.3%	22.0%	99.5%
Real Estate Lease Revenue	3,862	3,978	103.0%	-	-
Other Operating Revenue	1,193	1,259	105.5%	-	-
Operating Gross Profit	32,005	33,997	106.2%	33,000	103.0%
Selling, General, and Administrative Expenses	28,984	30,174	104.1%	29,700	101.6%
Operating Profit	3,021	3,823	126.6%	3,300	115.8%
Ordinary Profit	2,908	3,782	130.0%	3,200	118.2%
Net Profit Attributable to Parent Company Shareholders	2,444	2,477	101.4%	2,200	112.6%

Note 1: Gross Profit Margin = Gross Profit / Net Sales

Note 2: The figures in the plan are from financial results and financial results briefing materials (released on April 10, 2024).

Net Sales by Division

- Sales of attractively-priced processed foods, detergent and paper products increased as consumers remained cost-conscious.
- The revival model strategy (sale of old models of home appliance manufacturers as exclusive products for Mr Max) kept sales of large home appliances strong.

(Unit: Millions of yen)

	FYE February 2024			FYE February 2025		
	Net Sales	% of Total	YoY	Net Sales	% of Total	YoY
Home Appliances Division	17,407	14.0%	97.8%	19,236	14.6%	110.5%
Apparel Division	6,677	5.4%	100.3%	6,843	5.2%	102.5%
Lifestyle Division	17,066	13.7%	99.4%	17,314	13.2%	101.5%
Home Living Division	11,569	9.3%	99.9%	11,983	9.1%	103.6%
HBC Division	25,514	20.5%	101.8%	26,467	20.2%	103.7%
Food Division	46,507	37.3%	106.1%	49,815	37.9%	107.1%
Other	(220)	(0.2%)	—	(319)	(0.2%)	—
Total	124,523	100.0%	102.0%	131,341	100.0%	105.5%

* Net sales are based on Mr Max nonconsolidated basis.

Main products with strong sales

<Home Appliances Division>
Air-conditioners, washing machines, television sets and refrigerators

<Home Living Division>
Cooking devices, flasks and kitchen consumables

<HBC Division>
Detergent and paper products

<Food Division>
Rice, pre-packaged food, instant noodles and alcoholic beverages

Progress in Improving Gross Profit Margin

■ With an upward trend starting from Q3, the margin improved 0.3% year on year.

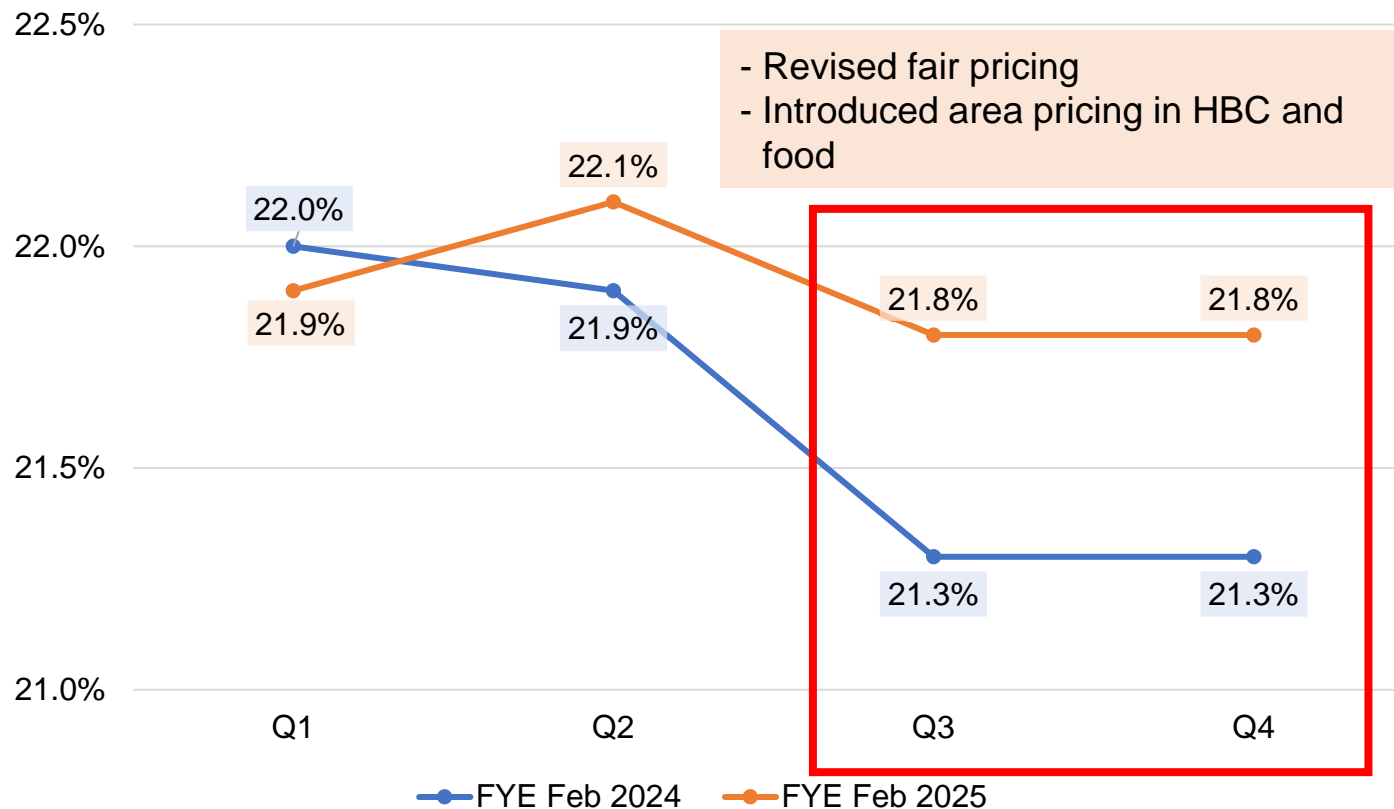
FYE February 2024 21.6%



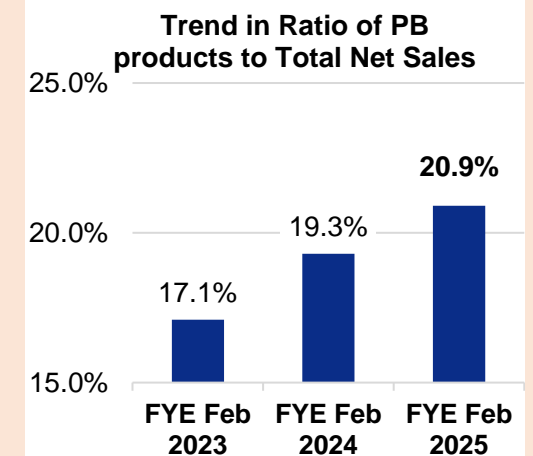
FYE February 2025 21.9%

+0.3% improvement

Quarterly (3-month) Trend in Gross Profit Margin



Sales increase of Private Brand (PB) products too helped the gross profit margin rise



Factors Behind the Change in Operating Profit

Increase in gross profit

Increase thanks to the strong rising trend of net sales

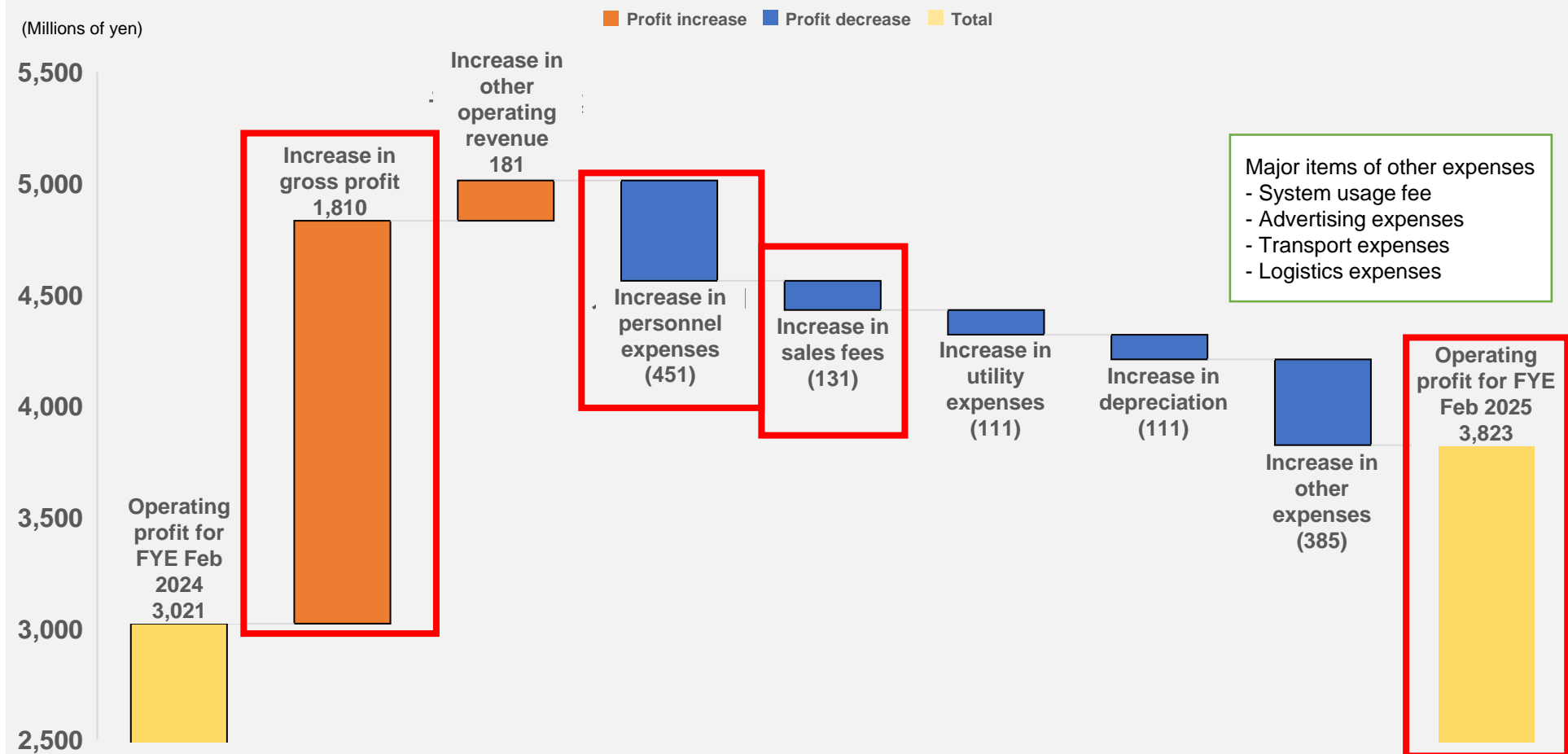
Increase in personnel expenses

Increase in unit prices due to base-salary hikes, etc.

Increase in sales fees

Increase in cashless payment charges as consumers used more cashless payments

Factors of change in operating profit for FYE Feb 2025



New Store [Fiscal Year Ended February 2025]

Mr Max SunLive Koga Store



Opened on November 21, 2024

Address	Tenjin, Koga-shi, Fukuoka Prefecture
Sales floor area	Approx. 2,995 m ² (Approx. 906 tsubo)
Store format	Discount store (DS)



- Opened as tenant on 1st floor of SunLive Koga
- First Mr Max store opened inside a general merchandise store (GMS)
- Mainly selling non-food products
- Home appliances are driving store sales

Result Forecasts for the Fiscal Year Ending February 2026

Unit: millions of yen	FYE February 2025 Results	FYE February 2026 Forecasts	Year on Year
Operating Revenue	136,569	143,000	104.7%
Net Sales	131,331	137,500	104.7%
Gross Profit	28,759	30,700	106.7%
(Gross Profit Margin (Note 1))	21.9%	22.3%	-
Real Estate Lease and Other Operating Revenues	5,238	5,400	103.1%
Operating Gross Profit	33,997	36,100	106.2%
Selling, General, and Administrative Expenses	30,174	32,000	106.1%
Operating Profit	3,823	4,100	107.2%
Ordinary Profit	3,782	4,100	108.4%
Net Profit Attributable to Parent Company Shareholders	2,477	2,700	109.0%
[Key Management Indicators]			
Ratio of Change in Existing Stores	+5.4%	+3.0%	
Operating Profit to Net Sales	2.9%	3.0%	
Number of Store Openings	1 store	1 store	
Number of Store Closures	None	None	
Number of Stores at Year-end	57 stores	58 stores	
Year-end Dividend (Per Share) (Note 2)	23 yen	25 yen	

Note 1: Gross Profit Margin = Gross Profit / Net Sales

Note 2: Year-end dividends (per share) for FYE Feb. 2025 and FYE Feb. 2026 are planned figures.

Assumptions for forecasts

Ratio of change in existing stores: 3.0%
It is assumed that expenses will increase due to investment.

- Store openings: 1
- Expenses for renovation of eight stores

Details of Initiatives for Fiscal Year Ending February 2026

100th Anniversary of Founding



- Rebuild of the corporate philosophy system
- Sales promotions to commemorate the centenary
- PB rebranding



New Store

Mr Max Beppu Store

Scheduled to Open in Summer 2025



Address	Oaza-Tsurumi, Beppu-shi, Oita Prefecture
Sales floor area	Approx. 4,375 m ² (Approx. 1,323 tsubo)
Store format	Supercenter

Refurbishment

■ Refurbishment of eight existing stores in the pipeline



<Points in refurbishment>

- The central aisle leads to departments of mainly kitchen supplies and everyday goods
⇒ Sales growth and gross profit margin increase
- Consumables are narrowed down to popular items and sold in standard sales areas
⇒ Sales growth and workload reduction
- Changing to layouts and displays that are high in operational efficiency

Pursue higher profitability and aim to enhance customer convenience

Medium-term Management Plan

Medium-term Management Plan (FYE February 2025 to FYE February 2029)

FYE Feb 2029 Target

Net Sales
200 billion yen

Operating Profit Margin
5%

Growth Strategy

Store Openings

- Expand a dominant presence in the Northern Kyushu area and the central Metropolitan area.

25 store openings

Omnichannel

Spread Omnichannel with apps as hubs

- Offer assortments of products in physical stores and something extra.
- Attract customers in a way that exceeds physical sales areas.

FYE February 2029 [Target] Ratio of net sales: 10%

M&A and New Business Strategy

- Expand business scale by M&A.
- Accept logistics contracts from other companies.
- Expand into overseas markets.

Medium-term Management Plan (FYE February 2025 to FYE February 2029)

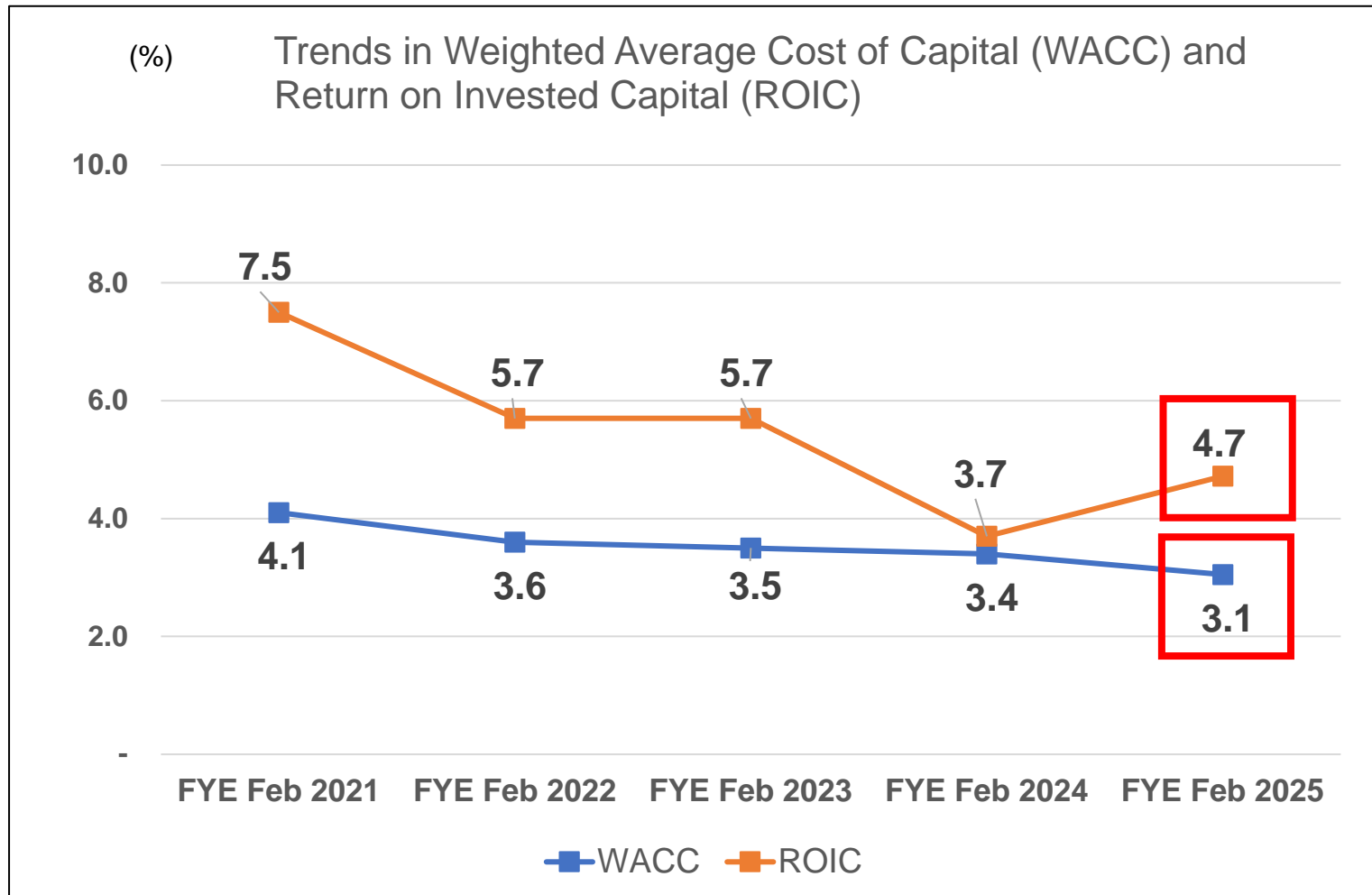
KPI	Target for FYE February 2029 in Medium-term Management Plan	FYE February 2025 Forecasts	FYE February 2025 Results	Main Initiatives	Progress	
					Evaluation	Status of initiatives
Net Sales	200 billion yen	127 billion yen	131.3 billion yen	<ul style="list-style-type: none"> - Review existing product items - Solve the lack of additional new product items 	Good	<ul style="list-style-type: none"> - Refurbish existing stores - Efforts to strengthen categories underway
Operating Profit Margin	5%	2.6%	2.9%	<ul style="list-style-type: none"> - Review shelf allocations for stable products - Improve gross profit margin with PB - Enhance productivity with DX 	Fair	<ul style="list-style-type: none"> - Efforts to improve gross profit margin underway - Introducing self-checkout registers to all stores
Ratio of PB to Total Net Sales	30%	30%	20.9%	<ul style="list-style-type: none"> - Lack of PB new product items - Change sales floors to the one in which consumers can compare between PB and NB 	Fair	<ul style="list-style-type: none"> - Broadening and deepening assortments of home appliances, paper products and food
Ratio of Omnichannel Sales to Total Net Sales	10%	—	—	<ul style="list-style-type: none"> - Offer assortment of products in physical stores and something extra - Attract customers who live beyond physical sales catchments 	Slow	<ul style="list-style-type: none"> - Improving UI/UX - Expanding areas of immediate delivery service - Starting to sell medicines
New Store Openings	25 stores	1 store	1 store	<ul style="list-style-type: none"> - Expand to create a dominant presence primarily in the Northern Kyushu area and the Tokyo metropolitan area 	Slow	<ul style="list-style-type: none"> - Opening a store in FYE February 2025 - Opening a store in FYE February 2026
M&A Expansion into New Businesses	—	—	—	<ul style="list-style-type: none"> - Expand business scale by M&A - Accept logistics contracts from other companies - Expand into overseas markets 	Slow	<ul style="list-style-type: none"> - Multiple cases are under consideration - Conducting an on-site investigation in Vietnam

Management that is Conscious of Cost of Capital and Stock Price

Initiatives to Achieve Management that is Conscious of Cost of Capital and Stock Price

WACC and ROIC:

- Return on Invested Capital (ROIC) has remained above Weighted Average Cost of Capital (WACC), but it is on a downward trend.
- It is necessary to improve ROIC when taking into account the risk of interest rates rising in the future.



Premises:

Both WACC and ROIC are computed using figures as of the end of each fiscal year.

1. WACC

- (1) Risk free rate: 10-year government bond yields
- (2) Risk premium: 6.50%
- (3) β value: 0.62 Computed over the last 60 months

2. ROIC

- (1) Market capitalization is computed using the number of outstanding shares excluding treasury shares (average for the period).
- (2) Stock price is the average of the share price at the beginning of the period and that of the end of the period.
- (3) Shareholder equity is computed using the **book value** at the end of the previous and current fiscal years.

Initiatives to Achieve Management that is Conscious of Cost of Capital and Stock Price

PER, PBR and ROE: ROE is low at 6.9%. There is a problem with profitability. There are concerns of the impact of low profitability on the capital, including the downward trend of ROIC. On the other hand, we have returned profits to shareholders at levels similar to the average of listed companies.

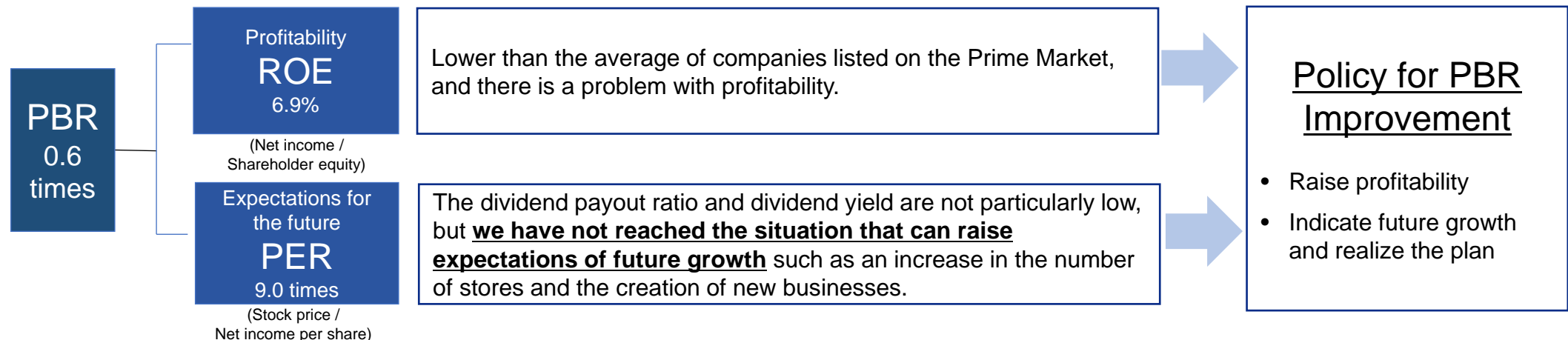
Mr Max Stock-price related Indicators

	PER (times)	PBR (times)	ROE (%)	Dividend payout ratio (%)	Dividend yield (%)	Equity ratio (%)	D/E ratio (times)
FYE February 2025 results	9.0	0.6	6.9	30.9	3.4	43.3	0.55
Average of companies listed on Prime Market	16.6	1.3	9.5	34.2	2.4	34.4	-
Average of retailers listed on Prime Market	25.8	2.2	9.2	33.9	-	35.1	-

(Note)

- The stock price is the closing price on February 28, 2025.
- Dividend payout and yield are based on the company plan for financial results for FYE February 2025.
- The average numbers of companies and retailers listed on the Prime Market are from the website of TSE.

A condition for enhancing corporate value is to keep announcing the growth strategy and fulfilling it without fail in addition to raising the profitability of assets.



Initiatives to Achieve Management that is Conscious of Cost of Capital and Stock Price

8203: Mr Max Holdings Ltd. Share Price Chart
(From January 2020 to February 2025)



(Note) From the website of Yahoo! Finance

To exceed a PBR of 1x, achieving the Medium-term Management Plan without fail and enhancing corporate value are essential

