

Financial Results for 1H of the Fiscal Year Ending February 2023

Financial Results Briefing

October 26, 2022

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.

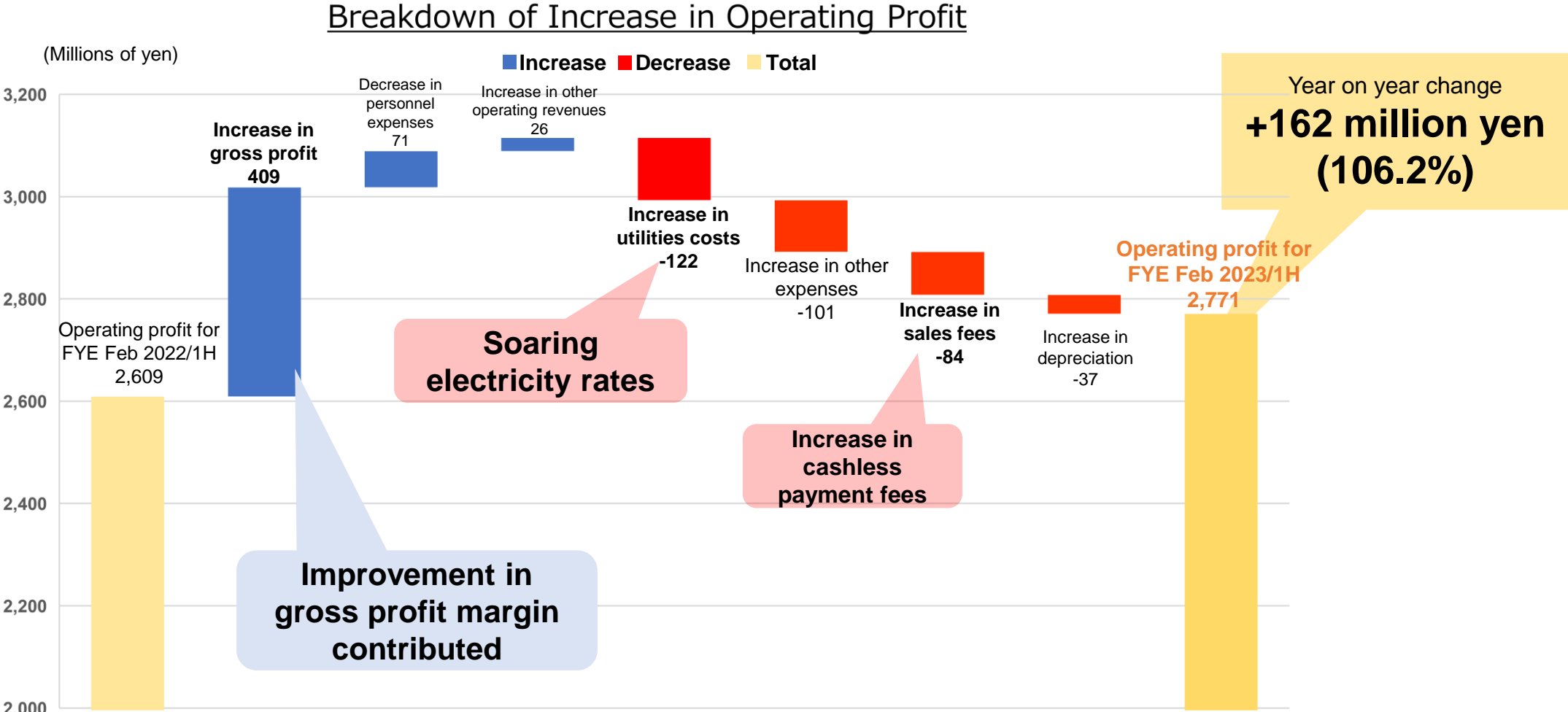
Financial Results Highlights for 1H of the Fiscal Year Ending February 2023

Higher revenue and improved gross profit margin offset the increase in expenses, resulting in higher operating profit.

Millions of yen		FYE February 2022/1H	FYE February 2023/1H	Year on Year
Operating Revenue		63,108	63,952	101.3%
	Net Sales	60,662	61,480	101.3%
	Gross Profit	13,790	14,199	103.0%
	(Gross Profit Margin)	22.7%	23.1%	+0.4%
	Real Estate Lease Revenue	1,918	1,915	99.8%
	Other Operating Revenue	526	556	105.7%
Operating Gross Profit		16,235	16,671	102.7%
Sales, General, and Administrative Expenses		13,626	13,900	102.0%
Operating Profit		2,609	2,771	106.2%
Ordinary Profit		2,559	2,707	105.8%
Net Profit Attributable to Parent Company Shareholders		1,636	1,832	112.0%

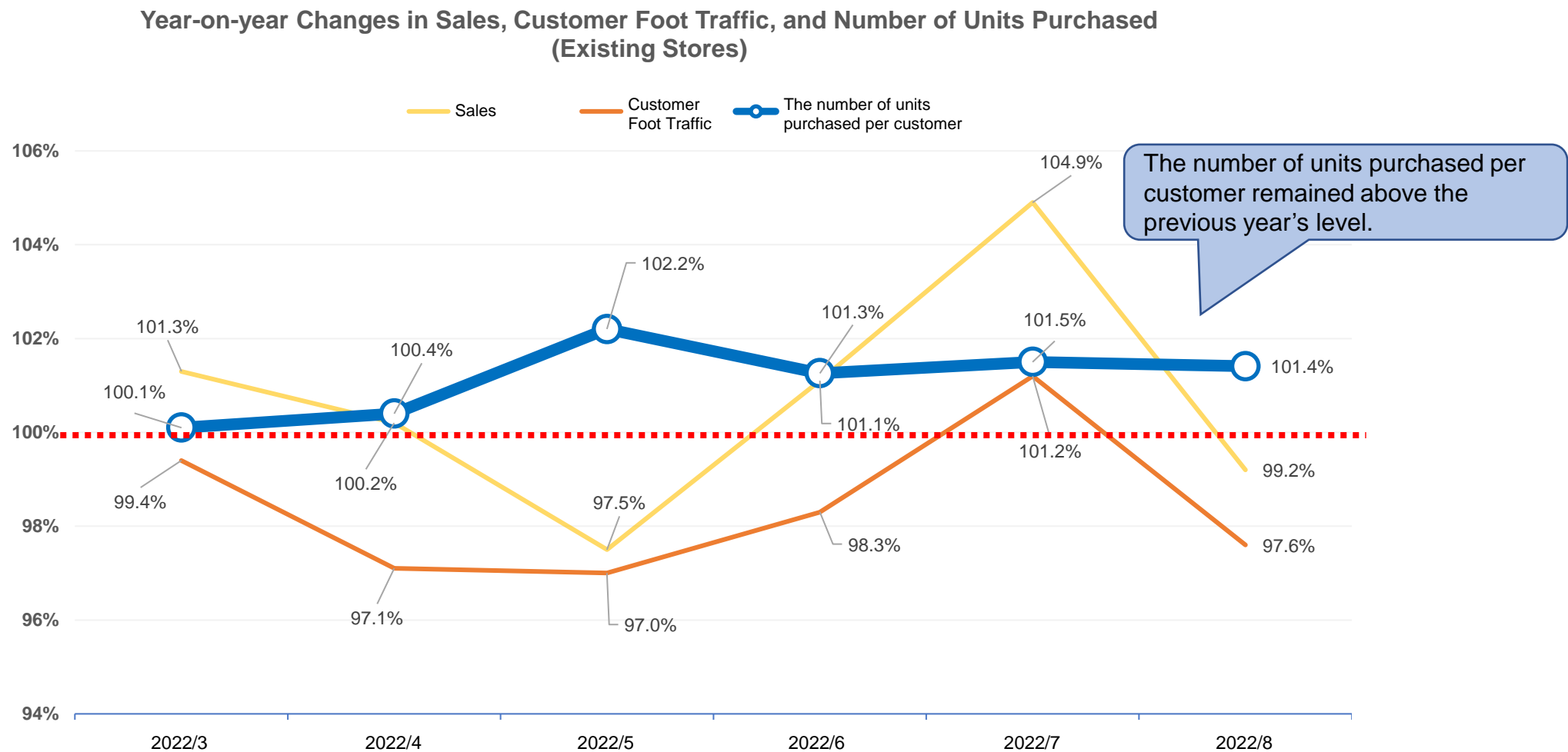
Factors behind the Increase in Operating Profit

The increase in gross profit offset higher electricity rates and cashless payment fees, resulting in an operating profit of +162 million yen.



Existing Stores Sales

Despite the declining stay-at-home demand, the number of units purchased per customer rose.



Net Sales by Division

- Due to the continued heat wave, seasonal home appliances such as air conditioners and fans performed well.
- Leisure goods, oral care products, etc. grew as movement restrictions were eased.

(Millions of yen)

	FYE February 2022		FYE February 2023	
	1H		1H	
	March 2021 to August 2021	% of total	March 2022 to August 2022	% of total
Home Appliances Division	8,556	14.1%	8,930	14.5%
Apparel Division	3,592	5.9%	3,381	5.5%
Lifestyle Division	8,465	14.0%	8,751	14.2%
Home Living Division	5,688	9.4%	5,644	9.2%
HBC Division	12,392	20.4%	12,922	21.0%
Food Division	21,952	36.2%	21,847	35.5%
Total	60,647	100.0%	61,479	100.0%

Main products that performed well

<Home Appliances Division>
Seasonal home appliances such as air conditioners and fans

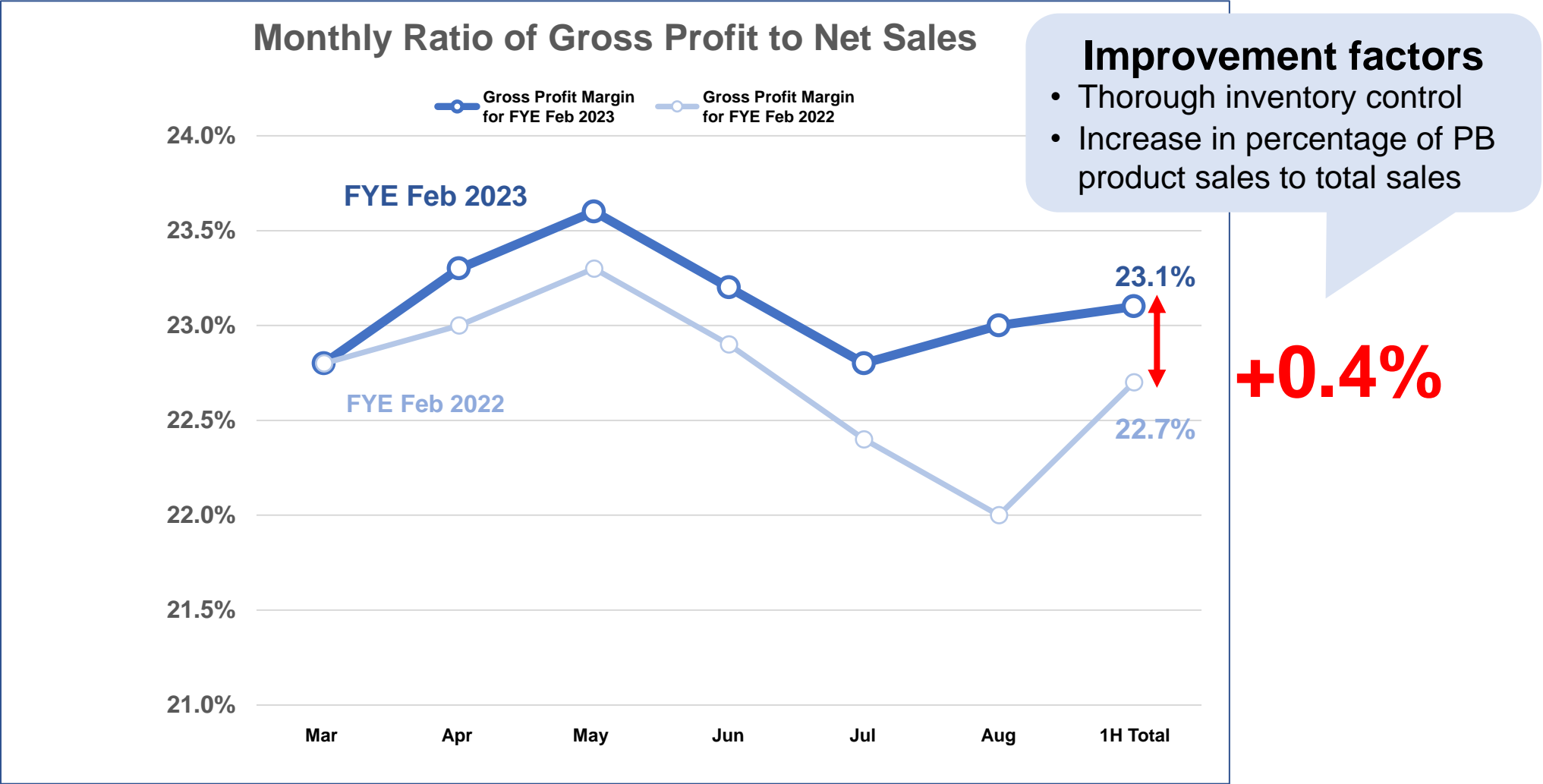
<Lifestyle Division>
Leisure goods, bicycles

<HBC Division>
Oral care products, masks

Note: Non-consolidated sales of Mr Max

Gross Profit Margin Improvement

Stable monthly improvement in gross profit margin compared to the previous year



Priority Measures for the Fiscal Year Ending February 2023

1. Continued Focus on EDLP: Pursuing “Valuable Low Prices”

Price appeal for both PB and NB products



[Merchandise display to reduce work]



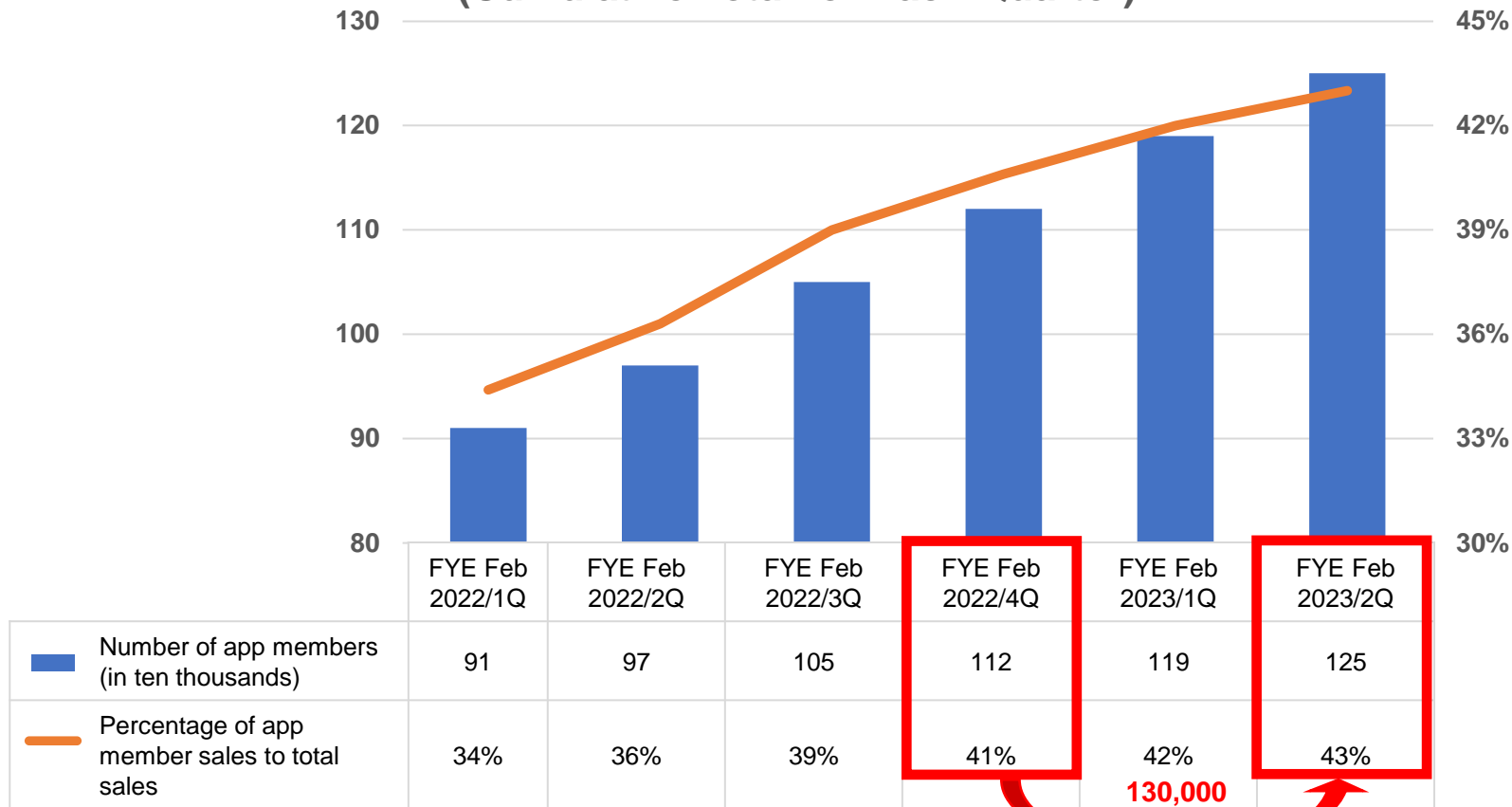
EDLP (Everyday Low Price) measures to be continued in 2H.

1. Continued Focus on EDLP

Percentage of app member sales to total sales increased with the increase in the number of app members.

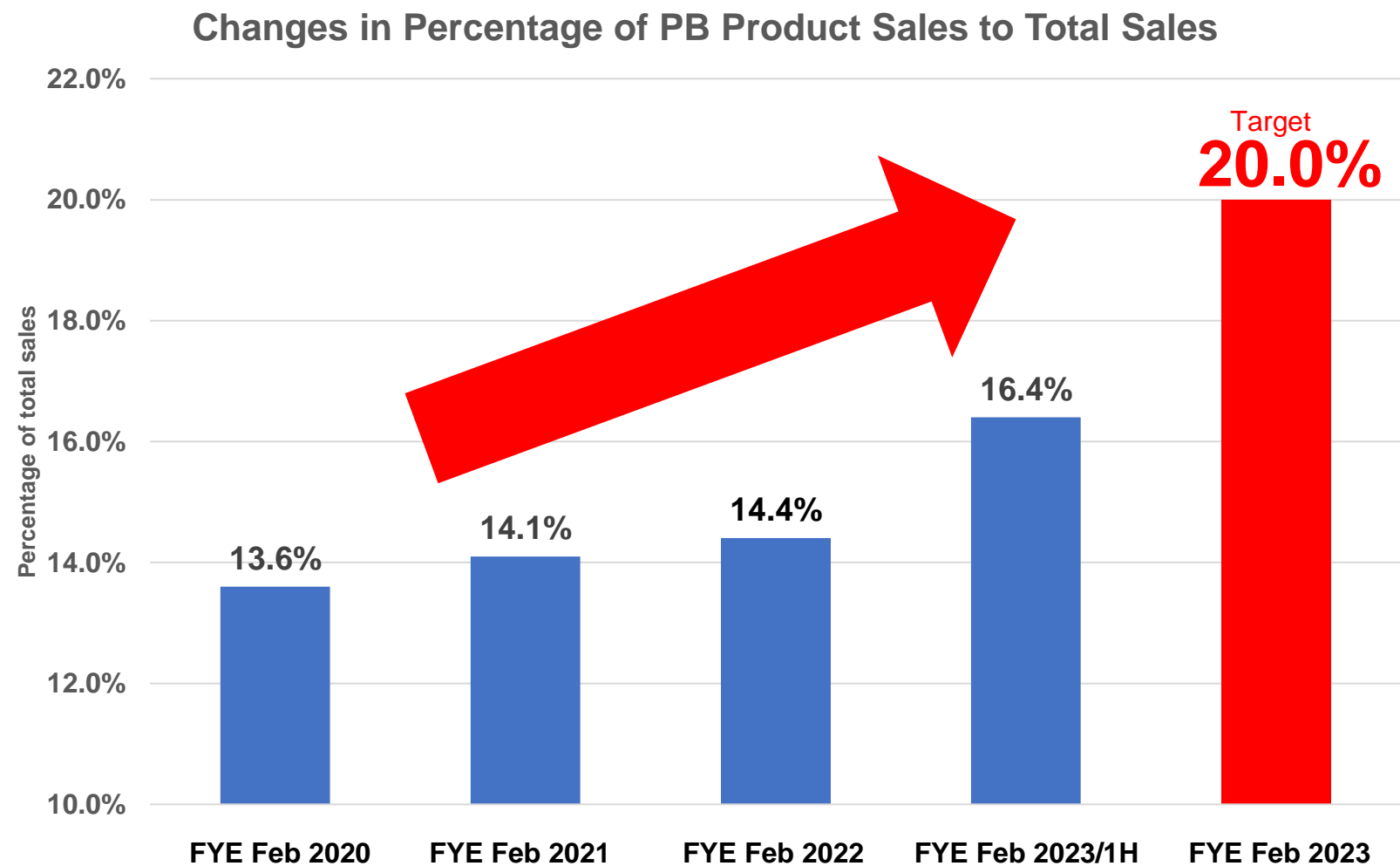
⇒ Members are continuously using the app.

Number of App Members and Percentage of Total Sales
(Cumulative Total for Each Quarter)



2. Expand the Lineup of PB Products

Percentage of PB product sales to total sales: 16.4% (FYE Feb 2023/1H actual) → 20.0% (FYE Feb 2023 target)



2. Expand the Lineup of PB Products

Further expand PB products in Q3 onward.

Examples of PB products that performed particularly well through August

Mayonnaise 99,000 bottles *
(200% compared to the previous year)



214 yen (including tax)
As of October 2022

Oatmeal 25,000 servings *
(Launched in November 2021, sales volume is 10 times that of NB.)



430 yen (including tax)
As of October 2022

* Results are for the period from March to August 2022.

Development of new
PB

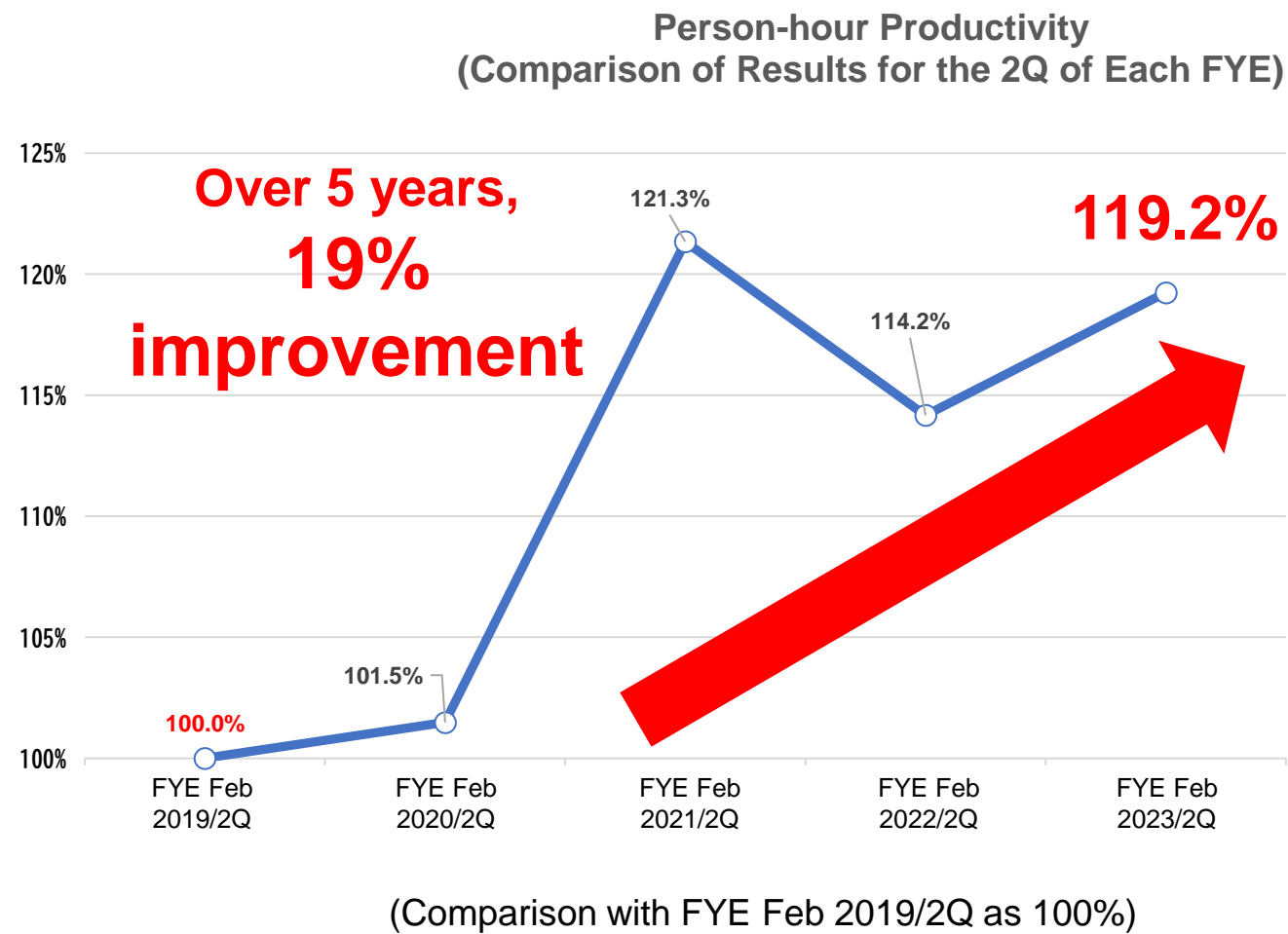
Revitalization of
existing PB

Percentage of PB sales
to total sales

20%
to be achieved

3. Productivity Improvement

Store person-hour productivity increased 19% over 5 years.



Major measures for the current fiscal year

- Controlling the fluctuation of delivery volume by day of the week
- Use of digital tools

* Person-hour productivity refers to the gross profit per hour earned by one employee.

4. Investment to Strengthen Existing Stores

Initial plan: Renovate 14 stores

- Improvement of sales per *tsubo* (3.3 m²)
- Improvement of store productivity

Status of recent major renovation

Oyumino Store (Chiba Prefecture)

- Renovation of 2,300 *tsubo* of sales floor space
- Expansion of pharmaceuticals, hygiene products, and food products



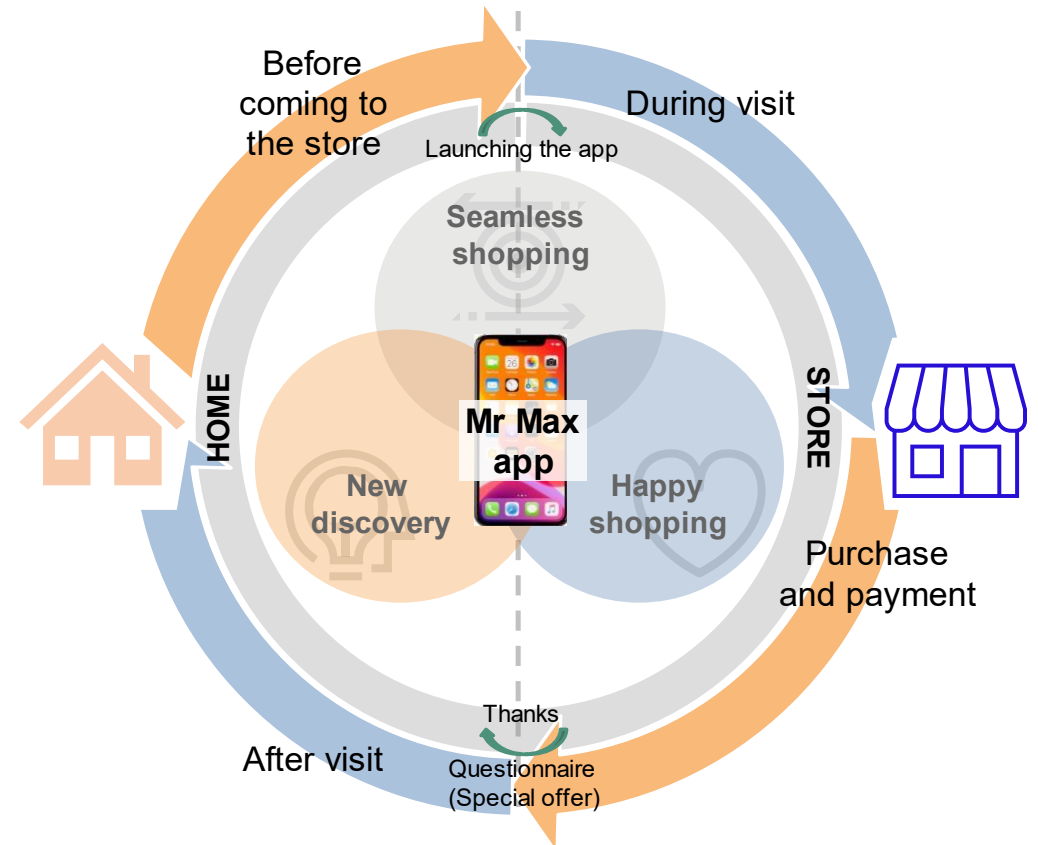
4. Investment to Strengthen Existing Stores

Restructuring of EC business: Provide services that respond to changes in the market environment.

Business Environment

- Intensifying competition from inside business categories to across business categories
- Diversifying customer preferences and shopping channels
- Changing to a living environment with the smartphone as a hub

EC × Store × App = New Services



Publication of Integrated Report

The Integrated Report 2022 was published in September 2022.



The Integrated Report is available on our website.

https://www.mrmax.co.jp/corporation/ir/integrated_report/



Earnings Forecast for the Fiscal Year Ending February 2023

- Operating revenue is expected to increase by 2.4% year-on-year.
- We forecast an operating profit of 5.0 billion yen, equivalent to 111.4% of the previous year.

Millions of yen	FYE February 2022 Actual	FYE February 2023 Forecast	Year on Year (%)
Operating Revenue	124,831	127,800	102.4
Net Sales	119,975	123,000	102.5
Gross Profit	26,812	27,429	102.3
(Gross profit margin (%))	22.3%	22.3%	
Real Estate Lease Revenue, Other Operating Revenue	4,856	4,871	100.3
Operating Gross Profit	31,668	32,300	102.0
Sales, General, and Administrative Expenses	27,181	27,300	100.4
Operating Profit	4,487	5,000	111.4
Ordinary Profit	4,346	4,800	110.4
Net Profit Attributable to Parent Company Shareholders	2,853	3,000	105.1
[Key Management Indicators]			
Ratio of change in existing stores (%)	(6.1)	+2.2	
Number of Store Openings	1	0	
Number of Store Closures	0	1	
Number of Stores at Year-end	58	57	

