



Financial Results Briefing for the Fiscal Year Ended February 29, 2024

(March 1, 2023 - February 29, 2024)

April 10, 2024

KOHNAN SHOJI CO., LTD.

(Securities Code: 7516 TSE Prime)



Fiscal year ended February 29, 2024

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Abbreviation and Definition

HC : Stands for "Home Center," which is our store format which offers daily necessities including DIY goods with a wide range of products and reasonable prices.

PRO: Refers to our product division or store format for professional customers. It is stocked with a wide range of specialist items including building materials, paints, and other work supplies.

PB : Stands for "Private Brand," which is originally designed and sold by us.

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Summary of Financial Results for the Fiscal Year Ended February 29, 2024

Consolidated Statement of Income

- Net sales increased due to strong sales of frequently used products such as PRO products and daily consumables

Operating profit increased due to higher gross profit on higher sales and lower-than-planned SG&A expenses

Item (Millions of yen)	FYE Feb. 2023	Sales ratio	FYE Feb. 2024	Sales ratio	Year-on-year change	Year-on-year change (excluding HI HIROSE)	Year-on-year change (amount)	Plan ratio
Net sales	423,136	—	456,345	—	107.8%	103.7%	33,209	100.5%
Existing stores net sales*1	420,022	—	424,373	—	101.0%	101.0%	4,350	101.9%
Operating income	15,888	—	16,309	—	102.7%	101.1%	421	99.2%
Operating revenue	439,024	—	472,655	—	107.7%	103.6%	33,630	100.5%
Gross profit (Figures in parentheses indicate gross profit margin Y-o-Y difference)	159,835	<Gross profit margin> 37.77%	170,806	<Gross profit margin> 37.43%	106.9% [(0.34)pt]	103.6% <Gross profit margin> 37.74% [(0.03)pt]	10,970	99.1%
SG&A expenses	153,704	36.3%	163,018	35.7%	106.1%	102.5%	9,313	98.3%
Operating profit	22,019	5.2%	24,097	5.3%	109.4%	109.6%	2,078	105.2%
Ordinary profit	20,732	4.9%	22,598	5.0%	109.0%	108.9%	1,866	107.1%
Profit attributable to owners of parent	13,235	3.1%	14,054	3.1%	106.2%	105.1%	819	103.7%

*1: For the period under review, stores that have been open for 13 months or longer are considered to be existing stores, and their sales results and those of the same period of the previous year are compared.

Consolidated Statement of Income (Quarterly)

- In the fourth quarter, gross profit margin declined year on year due to sluggish sales of high-margin winter products and price intensification of daily necessities, resulting in higher sales and lower profits.

Item (Millions of yen)	FYE Feb. 2024										
	1st Quarter (Mar.-May)	Year-on-year change	2nd Quarter (Jun.-Aug.)	Year-on-year change	Year-on-year change (excluding HI HIROSE)	3rd Quarter (Sep.-Nov.)	Year-on-year change	Year-on-year change (excluding HI HIROSE)	4th Quarter (Dec.-Feb.)	Year-on-year change	Year-on-year change (excluding HI HIROSE)
Net sales	111,088	103.4%	119,025	111.4%	105.6%	113,733	108.7%	103.3%	112,498	107.9%	102.2%
Existing stores net sales*1	107,292	100.2%	109,175	103.0%	103.0%	104,803	101.0%	101.0%	103,101	99.9%	99.9%
Operating income	3,992	101.2%	4,104	103.8%	101.7%	4,106	102.9%	100.7%	4,106	102.8%	100.6%
Operating revenue	115,080	103.3%	123,130	111.1%	105.5%	117,839	108.5%	103.2%	116,605	107.7%	102.2%
Gross profit	42,559	103.4%	44,322	110.7%	106.3%	42,064	107.8%	103.4%	41,859	105.7%	101.1%
Gross profit margin	38.31%	(0.01)pt	37.24%	(0.25)pt	0.24pt	36.98%	(0.32)pt	0.04pt	37.21%	(0.77)pt	(0.41)pt
SG&A expenses	38,357	102.9%	40,992	106.8%	102.1%	41,424	107.3%	102.6%	42,242	107.0%	102.2%
Operating profit	8,194	104.2%	7,434	131.9%	131.7%	4,745	107.5%	108.4%	3,722	90.7%	90.6%
Ordinary profit	7,709	105.0%	7,249	132.9%	132.5%	4,099	104.6%	105.2%	3,539	88.1%	87.7%
Profit attributable to owners of parent	5,523	111.0%	4,729	133.3%	133.5%	2,620	104.7%	106.0%	1,180	53.4%	45.3%

*1: For the period under review, stores that have been open for 13 months or longer are considered to be existing stores, and their sales results and those of the same period of the previous year are compared.

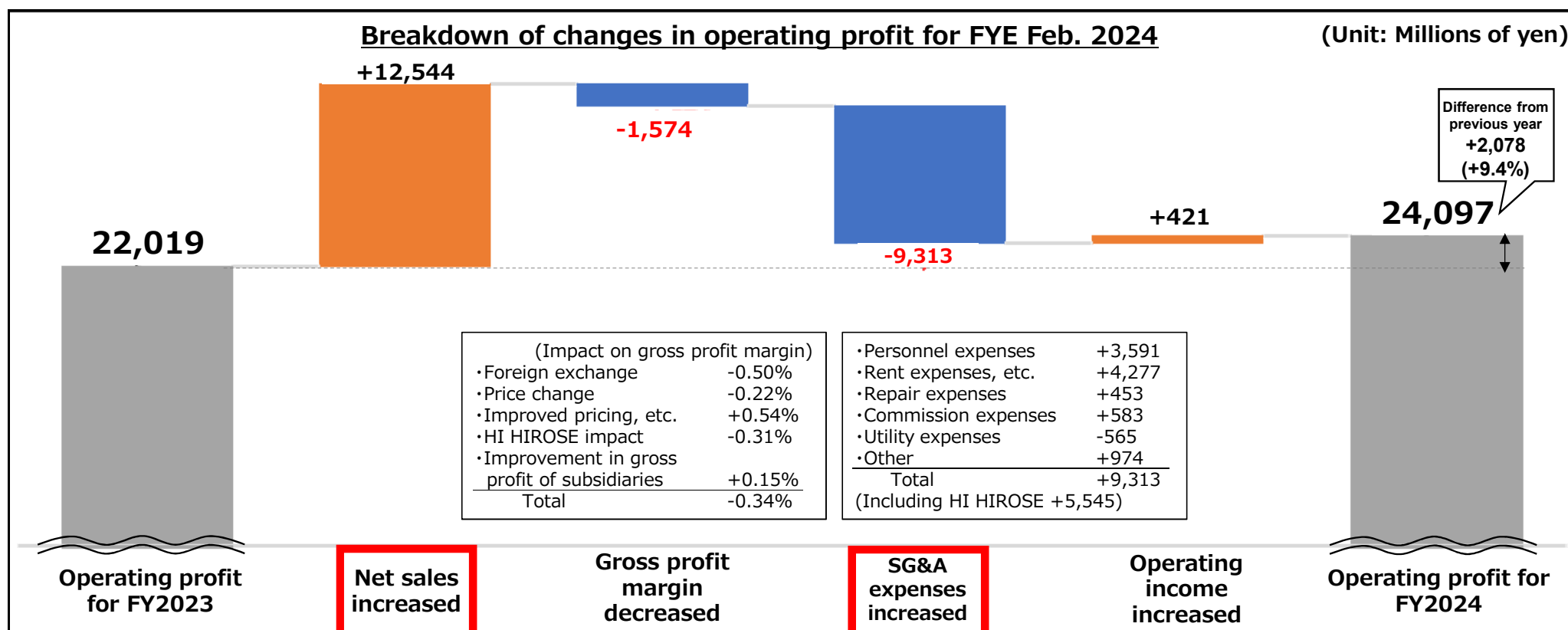
Consolidated Statement of Income SG&A expenses

- SG&A ratio: 36.3% in the previous period ⇒ 35.7% (35.9%*) in the current period, an improvement of 0.6 pt (0.4 pt*) from the same period last year *Excluding HI HIROSE
- Change in SG&A expenses (KOHNAN non-consolidated): New stores: +¥4,917 million (+3.3%), existing stores: -¥3,099 million (-2.1%)
- Personnel expenses (KOHNAN non-consolidated): New stores: +¥1,501 million (+3.1%), existing stores: -¥710 million (-1.5%)
- Other SG&A expenses: Utilities expenses ⇒ Decreased approx. 15% (-¥851 million) due to reduced usage and subsidies (excluding HI HIROSE) Commission expenses ⇒ Increased approx. 6% (+¥288 million) due to increased cashless ratio (47.1% ⇒ 50.4%)

Item (Millions of yen)	FYE Feb. 2023	Sales ratio	FYE Feb. 2024	Sales ratio	Year-on- year change	Year-on- year change (excluding HI HIROSE)	Year-on- year change (amount)	Plan ratio
Personnel expenses	52,078	12.3%	55,669	12.2%	106.9%	102.7%	3,591	102.1%
Rent expenses	48,076	11.4%	51,043	11.2%	106.2%	104.0%	2,967	102.9%
Depreciation, etc.	14,537	3.4%	15,848	3.5%	109.0%	103.1%	1,310	105.7%
Other SG&A expenses	39,013	9.2%	40,457	8.9%	103.7%	99.9%	1,443	86.5%
Total SG&A expenses	153,704	36.3%	163,018	35.7%	106.1%	102.5%	9,313	98.3%

Consolidated Statement of Income Factors of Change in Operating Profit

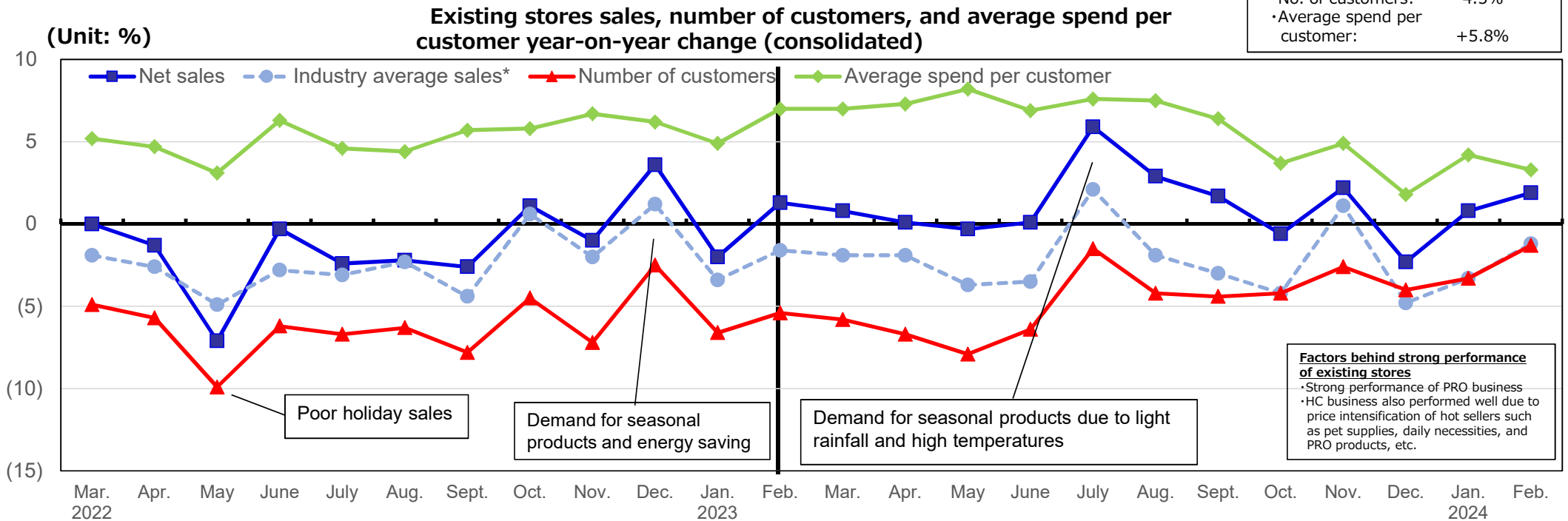
➤ Operating profit increased 9.4% year-on-year (+¥2.08 billion) due to higher sales



Existing Stores Year-on-Year Change (Consolidated) Net Sales, Number of Customers, and Average Spend per Customer

- Comparable store cumulative sales increased 1.0% year-on-year, well above the industry average of -2.2%.
- Customer numbers are recovering due to price intensification of hot sellers such as PRO products and daily necessities, etc., in response to cooling consumer confidence due to rising prices
- Average spend per customer increased due to price revisions based on the impact of yen depreciation and soaring raw material expenses, etc.

FYE Feb. 2024 cumulative year-on-year change	
• Net sales:	+1.0%
(Industry average* -2.2%)	
• No. of customers:	-4.5%
• Average spend per customer:	+5.8%



*Industry average is the average of 10 listed HC's existing store sales

Results by Business Category (Sales, Gross Profit Margin, Operating Profit Margin) Consolidated/KOHNAN Non-consolidated

- **HC business:** Sales increased strongly for pet supplies, daily necessities, and PRO products. Gross profit margin declined due to the effect of some price intensification. Operating profit margin increased at KOHNAN on a non-consolidated basis, partly as a result of cost controls.
- **PRO business:** Sales remained strong, reflecting customer needs. Gross profit margin rose due to price and cost review. Operating profit margin also rose steadily, exceeding that of HC business category.

(Millions of yen)	Business category	FYE Feb. 2024	Net sales year-on-year change	Gross profit margin	Previous year gross profit margin	Gross profit margin year-on-year difference	Operating profit margin	Operating profit margin year-on-year difference
Consolidated	HC*1	314,420	105.7%	39.08%	39.55%	(0.47)pt	6.3%	0.0pt
	PRO*1	129,074	107.9%	33.72%	33.32%	0.40pt	6.8%	0.2pt
KOHNAN (Non-consolidated)	HC*1	300,074	101.9%	39.34%	39.62%	(0.28)pt	6.7%	0.3pt
	PRO*1	81,903	109.2%	35.43%	35.29%	0.14pt	7.5%	0.5pt

*1: Figures for each business category are at the store level.

<Company total>

(Millions of yen)		FYE Feb. 2024	Net sales year-on-year change	Gross profit margin	Previous year gross profit margin	Gross profit margin year-on-year difference	Operating profit margin	Operating profit margin year-on-year difference
Consolidated	Company total*2	456,345	107.8%	37.43%	37.77%	(0.34)pt	5.3%	0.1pt
KOHNAN (Non-consolidated)	Company total*2	392,101	103.4%	38.15%	38.33%	(0.18)pt	5.9%	0.4pt

*2: Company total includes other sales (e-commerce, CAMP DEPOT, supply of products to other companies, etc.).

Results by Business Category (Sales and Gross Profit Margin) By Subsidiary

- **KEN DEPOT:** Sales increased due to such factors as new store openings, while gross profit margin increased due to the introduction of private-brand products, etc. Continued strong performance.
- **HI HIROSE:** Accelerated KOHNAN-style shelf allocation and introduction of PB products in order to strengthen sales and increase gross profit margin.
- **KOHNAN VIETNAM:** Sales rose due to new store openings, but growth was slower than planned due to the economic slowdown. Gross profit margin rose as PB and local store brand products steadily increased their market share.

(Millions of yen)	Business category	FYE Feb. 2024	Net sales year-on-year change	Gross profit margin	Previous year gross profit margin	Gross profit margin year-on-year difference
KEN DEPOT	PRO*1	47,170	105.6%	30.74%	30.01%	0.73pt
HOME IMPROVEMENT HIROSE	HC+PRO*1	10,588	—	33.54%	—	—
	Food*1	5,753	—	25.55%	—	—
	HI HIROSE Company Total	17,748	—	29.86%	—	—
KOHNAN VIETNAM	HC*1	3,757	122.1%	33.69%	32.73%	0.96pt

*1: Figures for each business category are at the store level.

Sales by Product Division (Consolidated)

Product division (Millions of yen)	Consolidated		
	FYE Feb. 2024	Year-on-year change	Sales composition ratio
Home improvement (DIY supplies, PRO products, gardening, and remodeling)	218,848	105.6%	48.0%
Housekeeping (household supplies)	144,630	105.6%	31.7%
Pet and leisure (pet and leisure supplies)	67,554	111.6%	14.8%
Food (food, alcoholic beverages)	11,351	—	2.5%
Other (100 Yen Shops, kerosene, vending machines)	13,961	103.9%	3.0%
Total	456,345	107.8%	100.0%

- Home improvement … Timber and building materials, tools, hardware and plumbing, painting and work supplies, gardening supplies, gardening plants, materials and exteriors, housing equipment, remodeling
- Housekeeping … Dining supplies, interiors, electrical materials and lighting, daily necessities, storage supplies, medicines, footwear and clothing, household goods, home appliances, nursing care supplies
- Pet and leisure … Automotive supplies, pet supplies, stationery and office supplies, cycling and leisure supplies

Sales by Product Division (Detailed: KOHNAN Non-consolidated)

Product division (Millions of yen)	KOHNAN non-consolidated		
	FYE Feb. 2024	Year-on-year change*	Sales composition ratio
Home improvement (HC)	54,650	102.4%	13.9%
Home improvement (PRO)	65,575	113.8%	16.8%
Gardening	38,768	103.8%	9.9%
Remodeling	14,195	101.7%	3.6%
Daily sundries and household supplies	84,846	102.2%	21.6%
Interiors, storage, home appliances, and stationery	60,139	100.6%	15.4%
Pet, automotive, and leisure	54,596	109.3%	13.9%
Other (100 Yen Shops, kerosene, vending machines)	19,327	106.8%	4.9%
Total	392,101	105.1%	100.0%

*Figures for the same period of the previous year are calculated without including BEAVERTOZAN.

■ Home improvement (HC/PRO) ... Timber and building materials, tools, hardware and plumbing, painting and work supplies	■ Gardening ... Gardening supplies, gardening plants, materials and exteriors
■ Remodeling ... Housing equipment, remodeling work, storage sheds	■ Daily sundries and household supplies ... Dining supplies, daily necessities, medicines, footwear and clothing, household goods, nursing care supplies, food, alcoholic beverages
■ Interiors, storage, home appliances, and stationery ... Interior supplies, storage supplies, electrical materials and lighting, home appliances, stationery and office supplies	■ Pet, automotive, and leisure ... Pet supplies, automotive supplies, cycling and leisure supplies

Sales by PB Product Division (Consolidated/KOHNAN Non-consolidated)

	Product division (Millions of yen)	FYE Feb. 2023 ^{*1}		FYE Feb. 2024	
		PB net sale	PB sales composition ratio ^{*2}	PB net sale	PB sales composition ratio ^{*2} (year-on-year change)
Consolidated	Home improvement (DIY supplies, PRO products, gardening)	60,757	33.7%	65,227	34.1% [0.4pt]
	Housekeeping (household supplies)	50,541	37.1%	51,878	36.1% [(1.0)pt]
	Pet and leisure (pet and leisure supplies)	24,126	40.8%	26,272	39.7% [(1.1)pt]
	Total	135,425	36.0%	143,377	35.7% [(0.3)pt]
KOHNAN Non-consolidated	Home improvement (DIY supplies, PRO products, gardening)	53,353	36.0%	56,509	35.5% [(0.5)pt]
	Housekeeping (household supplies)	49,513	38.9%	49,827	38.6% [(0.3)pt]
	Pet and leisure (pet and leisure supplies)	23,942	40.9%	25,863	40.8% [(0.1)pt]
	Total	126,809	37.9%	132,200	37.6% [(0.3)pt]

^{*1}: Figures for KOHNAN on a non-consolidated basis for the fiscal year ended February 28, 2023 do not include figures for BEAVERTOZAN.

^{*2}: Division sales composition ratios are calculated excluding remodeling, 100 Yen Shops, food and alcoholic beverages, etc.

Consolidated Balance Sheet

Item (Millions of yen)	FYE Feb. 2023	FYE Feb. 2024	Change	HI HIROSE (included in the total)	Factors for change, etc.
Total current assets	141,292	159,455	18,163		
Cash and deposits	9,218	11,723	2,505		
Accounts receivable - trade	13,568	15,798	2,230		Increase in cashless ratio (47.1% in the previous year ⇒ 50.4% this fiscal year)
Merchandise and finished goods	108,898	121,758	12,859	5,110	Due to increase in inventory from new stores and HI HIROSE, and stronger sales
Total non-current assets	277,957	299,101	21,144		
Property, plant and equipment	189,393	206,786	17,392	11,054	Due to capitalization of HI HIROSE
Intangible assets	26,888	26,860	(28)		
Total assets	419,249	458,557	39,307		
Total current liabilities	115,553	125,032	9,478		
Accounts payable - trade	42,280	44,823	2,542		
Short-term borrowings	20,937	24,000	3,062	5,500	Due to short-term borrowings by HI HIROSE
Current portion of long-term borrowings	26,624	27,673	1,049		
Total non-current liabilities	154,140	176,267	22,127		
Long-term borrowings	87,626	108,138	20,511	4,414	HI HIROSE acquisition costs, HIROSE external borrowings, and new store investments
Total net assets	149,555	157,257	7,702		Equity ratio: 34.3%
Total liabilities and net assets	419,249	458,557	39,307		

Status of Cash Flows (Consolidated)

Unit: Millions of yen	FYE Feb. 2023	FYE Feb. 2024	Change	FYE Feb. 2024 Major breakdown of each CF (Millions of yen)
Cash flows from operating activities	9,402	22,494	13,092	Profit before income taxes 21,051 Depreciation 14,553 Interest paid (2,154) Income taxes paid (6,714)
Cash flows from investing activities	(17,935)	(24,013)	(6,078)	Purchase of property, plant and equipment (17,998) Purchase of intangible assets (755)
Cash flows from financing activities	5,428	2,502	(2,925)	Proceeds from short-term and long-term borrowings, etc. 257,100 Repayments of short-term and long-term borrowings, etc. (246,257) Purchase of treasury shares and dividends (5,924)
Cash and cash equivalents at beginning of period	12,224	9,199	(3,024)	
Cash and cash equivalents at end of period	9,199	10,205	1,005	
Free cash flows	(8,533)	(1,519)	7,013	(Operating CF + Investing CF)

Interest-Bearing Debt

- Interest-bearing debt increased due to new store openings and associated inventory growth, and the acquisition of HI HIROSE as a subsidiary.
- DE ratio (interest-bearing debt / net assets): 1.26x (1.15x at the end of the previous period)
- Equity ratio: 34.3%
- ROE (return on equity): 9.16%

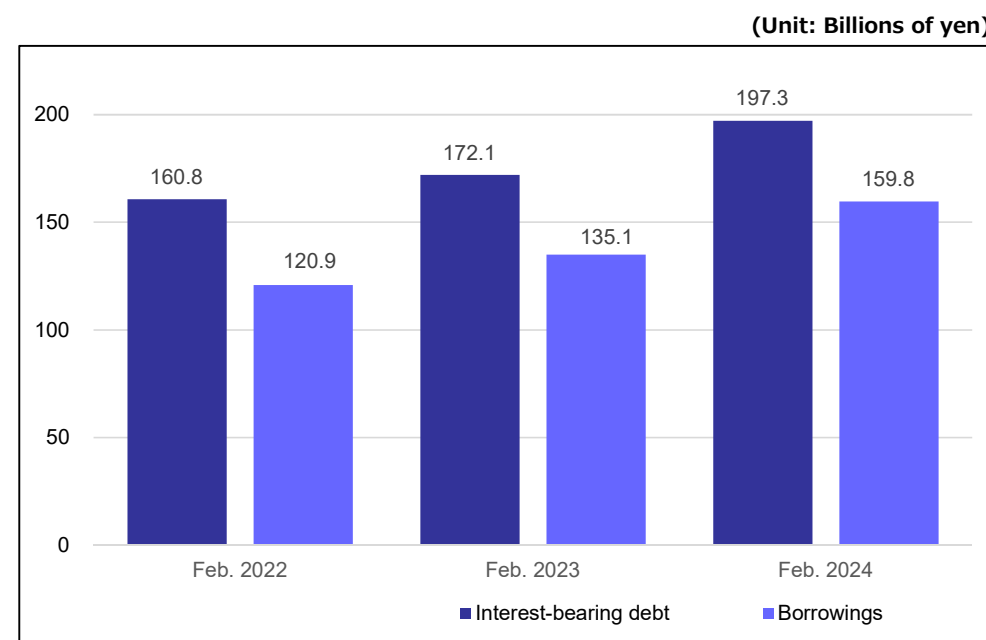
(Unit: Billions of yen)

Item	FYE Feb. 2023	FYE Feb. 2024	Change
Total interest-bearing debt*1	172.1	197.3	25.2
Incl.) Total borrowings*2	135.1	159.8	24.6

*1: Total interest-bearing debt: Total borrowings + current portion of lease liabilities + lease liabilities + current portion of long-term accounts payable - other + long-term accounts payable - other

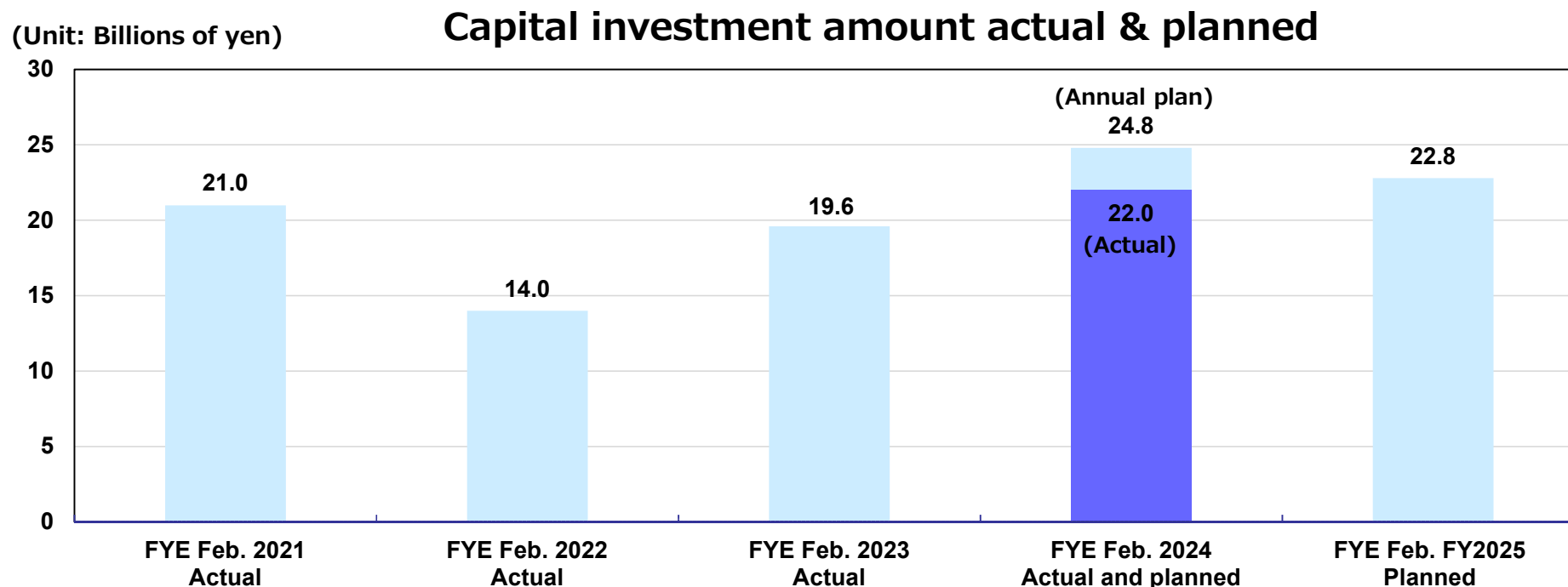
*2: Total borrowings: Short-term borrowings + long-term borrowings + current portion of long-term borrowings

Interest-bearing debt and borrowings chart



Capital Investment Actual & Planned

- Actual capital investment for the fiscal year ended February 29, 2024 is approximately ¥22.0 billion, compared to the plan of ¥24.8 billion (down ¥2.8 billion from the plan due to the delayed timing of new store investment, etc.).
- Approximately 90% of capital investment is for new store openings, store remodeling, etc.
- ¥22.8 billion investment plan expected for the fiscal year ending February 28, 2025, mainly for new store investment and remodeling of existing stores.



2

Forecast of Business Results and Shareholder Returns for the Fiscal Year Ending February 28, 2025

Forecast of Business Results for the Fiscal Year Ending February 28, 2025 (Consolidated)

- In the fiscal year ending February 28, 2025, we aim to increase sales and profits for the second consecutive fiscal year through the implementation of growth strategies.

Item (Millions of yen)	FYE Feb. 2025 2nd Quarter	Sales ratio (previous year)	Year-on-year change	FYE Feb. 2025 Full Year	Sales ratio (previous year)	Year-on-year change
Operating revenue	252,400	—	106.0%	501,300	—	106.1%
Net sales	244,000	—	106.0%	484,500	—	106.2%
(Existing stores sales included)	—	—	101.2%	—	—	101.2%
Gross profit	92,000	37.70% [37.76%]	105.9% [(0.06)pt]	181,200	37.40% [37.43%]	106.1% [(0.03)pt]
Operating income	8,400	—	103.7%	16,800	—	103.0%
SG&A expenses	83,800	34.3%	105.6%	172,180	35.5%	105.6%
Operating profit	16,600	6.8%	106.2%	25,900	5.3%	107.5%
Ordinary profit	15,700	6.4%	105.0%	24,000	5.0%	106.2%
Profit attributable to owners of parent	10,600	4.3%	103.4%	14,800	3.1%	105.3%

Shareholder Returns

- Recognizing that shareholder returns are a key management issue, we will return profits to our shareholders based on the following policies.

■ Basic policies

- Regarding the return of profits to shareholders as one of our important management policies, we will pay stable dividends over the long term, based on a comprehensive assessment of our business outlook, investment in business activities, financial soundness, and other factors.
- We will consider treasury share buybacks as appropriate, depending on business performance, stock price levels, etc.

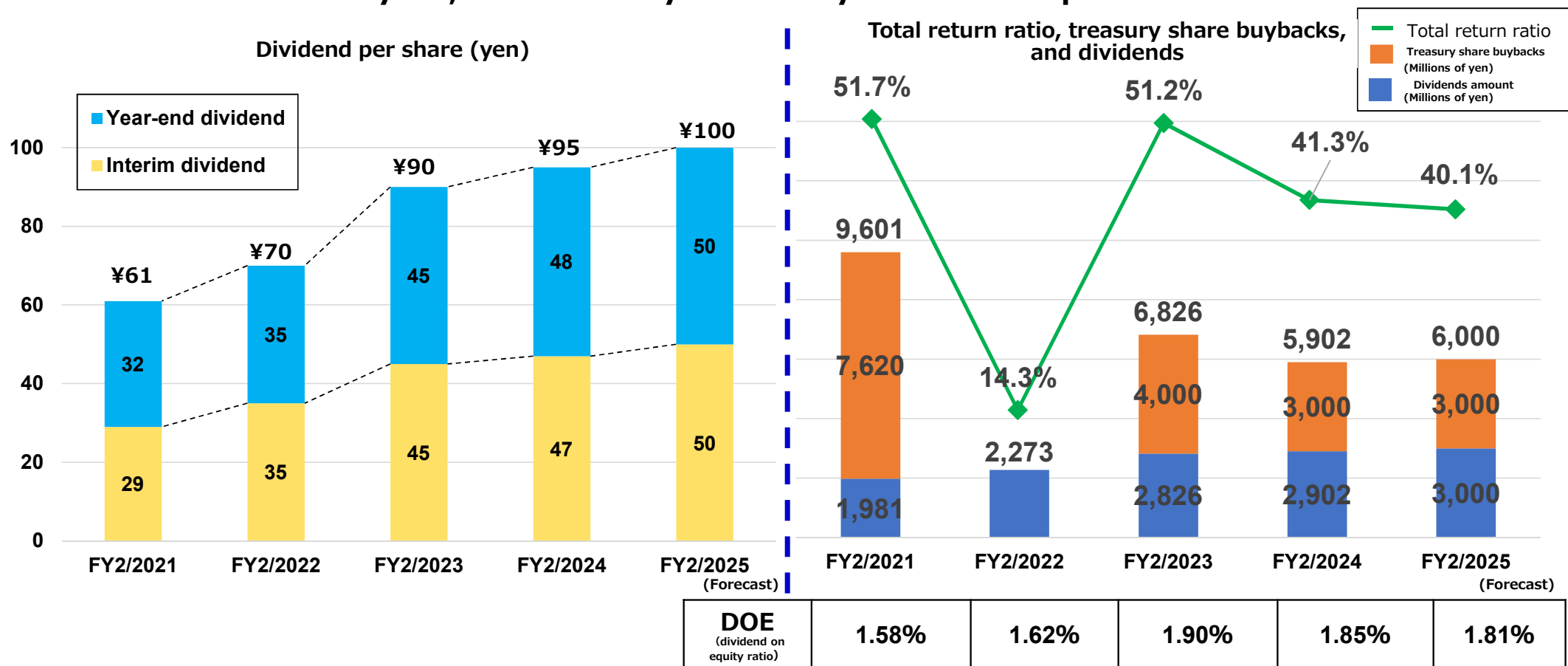
<Target> During the Medium-Term Management Plan Part III (2021-2025)

•Total return ratio: 30% or more

•DOE (dividend on equity ratio): 2.0%

Shareholder Returns: Dividends and Buybacks of Treasury Shares

- Fiscal year ending February 28, 2025 ⇒ Dividends are expected to increase for the 10th consecutive fiscal year, and treasury share buybacks are expected to continue.

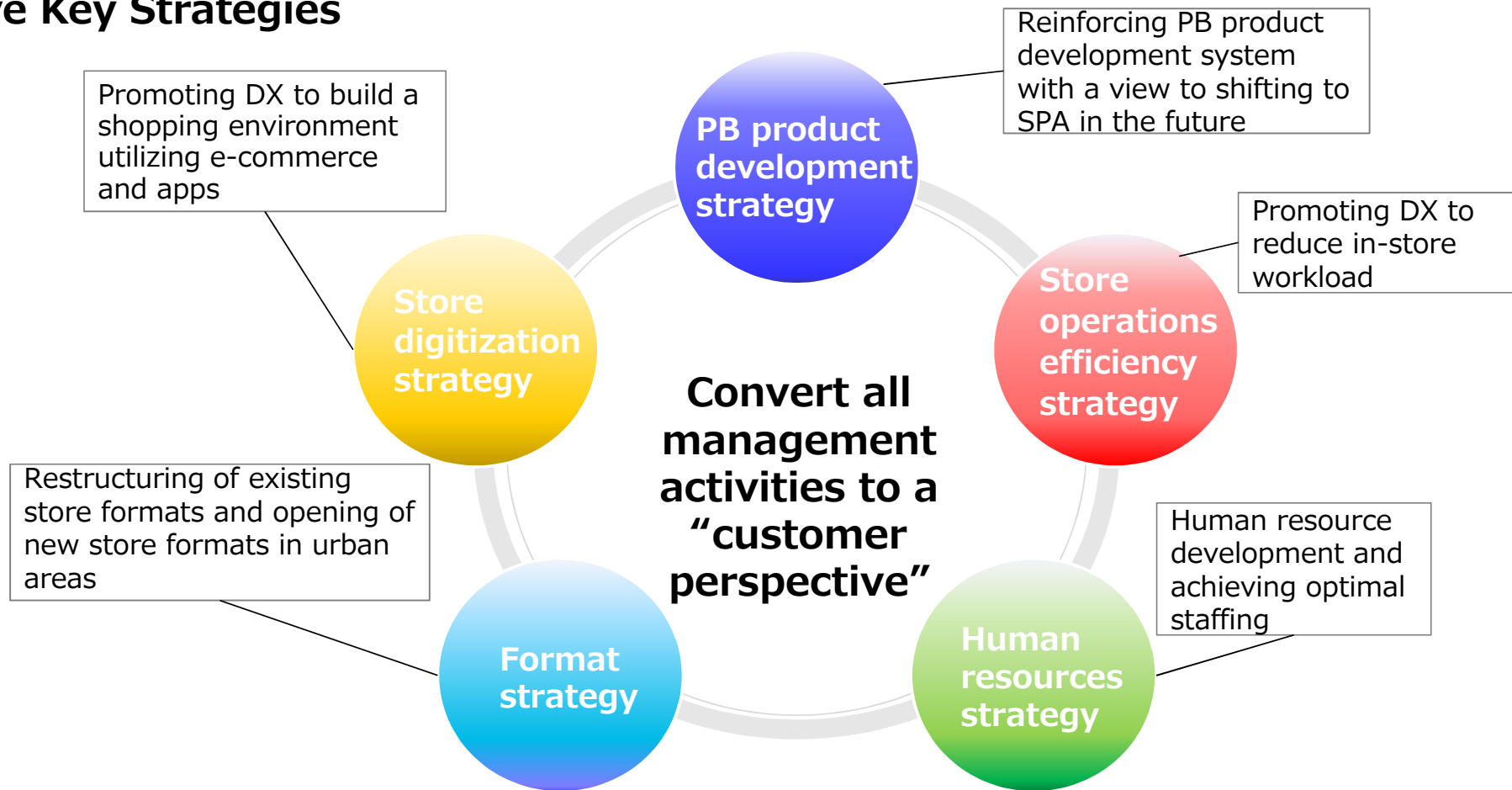


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Medium-Term Management Plan Part III Initiatives and Growth Strategy for the Fiscal Year Ending February 28, 2025

Outline of Medium-Term Management Plan Part III (2021-2025)

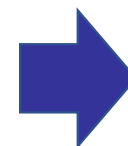
■ Five Key Strategies



Progress of Medium-Term Management Plan Part III

- To achieve the targets for the fiscal year ending February 28, 2026, we will work on five key strategies and new growth strategies.

	FYE Feb. 2022	FYE Feb. 2023*	FYE Feb. 2024
Net sales	¥425.7 billion	¥423.1 billion	¥456.3 billion
Ordinary profit	¥24.2 billion	¥20.7 billion	¥22.5 billion
Profit attributable to owners of parent	¥15.5 billion	¥13.2 billion	¥14.0 billion
ROE (return on equity)	11.3%	9.1%	9.2%
EPS (earnings per share)	¥489	¥431	¥473
ROIC (return on invested capital)	6.0%	4.9%	4.8%
Total return ratio	14.3%	51.2%	41.3%
DOE (dividend on equity ratio)	1.62%	1.90%	1.85%



FYE Feb. 2026 (Target figures)	
Net sales	¥500.0 billion
Ordinary profit	¥31.0 billion
Profit attributable to owners of parent	¥19.5 billion
ROE (return on equity)	10.0%
EPS (earnings per share)	¥575
ROIC (return on invested capital)	6.5%
Total return ratio	30% or more
DOE (dividend on equity ratio)	2.0%

*Effective from the fiscal year ended February 28, 2023, the Company has applied the accounting standard for revenue recognition, etc.

Medium-Term Management Plan Part III: PB Product Development Strategy

Target for the final year of the medium-term management plan (2025): PB products account for 40% of the total

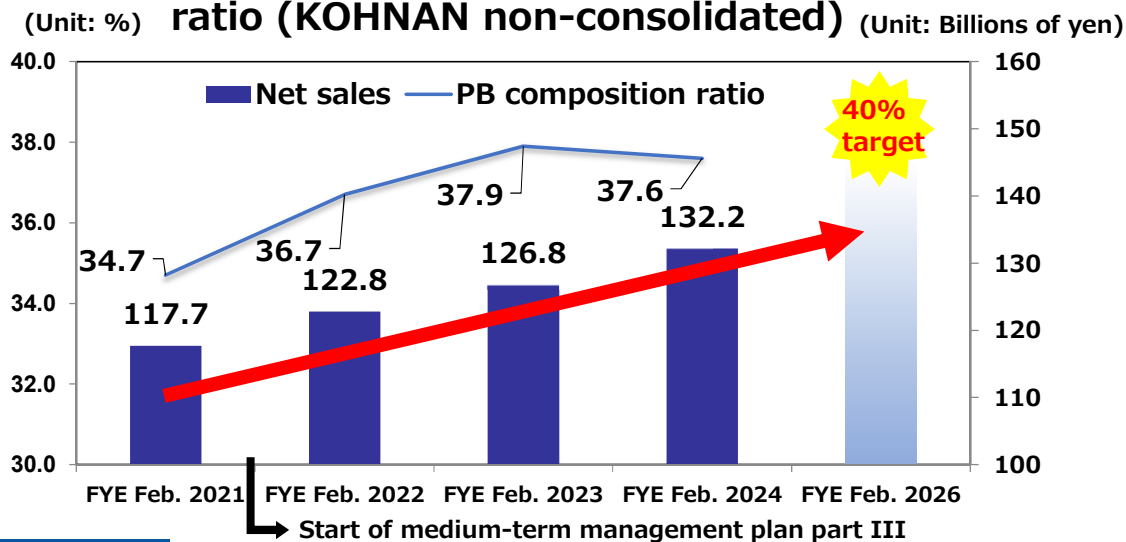
- Promotion of unique product development utilizing workshops (increase the number of intellectual property registrations/utility model acquisitions)
- Increased priority categories: **Pet, gardening, leisure, and PRO products** + Challenge to develop new fields of business
- Cost reduction/improved pricing and supply of reasonably priced products, taking into account weak yen



<Scene from a workshop>

* "Product information" on the Company's website (introducing newly released and recommended PB products) (<https://www.hc-kohnan.com/news/products/>) (in Japanese)

Trends in PB sales and composition ratio (KOHNAN non-consolidated)



<Adjustable height and angle cat dish stand>



<New shaped clothes hanger without clothespins>

Medium-Term Management Plan Part III: Store Digitization Strategy

Medium-Term Management Plan Target (2025): Integrate online (EC) and offline (stores), and achieve EC ratio of 5.5%.

Develop infrastructure focused on increasing store traffic and sales (EC sales) through use of EC sites

<FYE Feb. 2024>

Preparation period,
including platform
construction

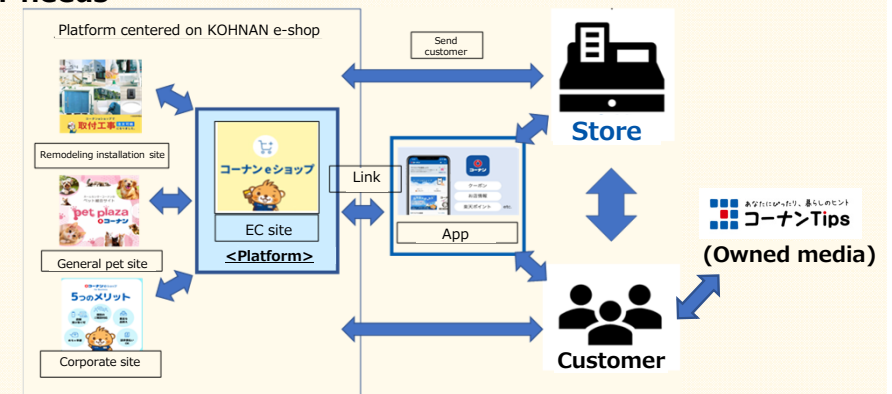
EC stand-alone
In-store pickup

<FYE Feb. 2025>

Operate in a new
platform and site
environment
(contributing to
increased sales)

EC stand-alone
In-store pickup
Remodeling,
corporate sales, etc.
(through EC sales)

- KOHNAN e-shop serves as a “platform” for customer information, providing a variety of services and deals according to their needs



- Strengthen product lineup through inventory collaboration with DIY and pet suppliers
- Site renewal / diversification of payment methods

Medium-Term Management Plan Part III: Store Operations Efficiency Strategy

**Target for final year of medium-term management plan (FYE Feb. 2026):
Workload -20%, personnel expenses -¥2.5 billion (*)**

(*) 800 people, 1.6 million hours per year

[Next-generation POS system]



- Installation completed by end of September 2022
- Simplified smartphone payment process
- Eliminated need for cash register inspections
- Automated Daiso store ordering, etc.

[Next-generation smartphone-type ordering terminal "NAVI-KO"]



- Installation completed by end of January 2023
- Product/inventory search function
- Work task function
- Enhanced floor map functionality, etc.

Effects of Introduction

FYE Feb. 2021 - FYE Feb. 2023

- Reduced working hours by approximately 10% per store over 3 years
- ⇒ Cumulative working hours: Reduced by total of 700,000 hours / Personnel expenses: Reduced by approx. ¥1.4 billion

From FYE Feb. 2024

- Estimated reduction of total working hours over 5 years
- ⇒ Cumulative working hours: Reduced by total of 1,150,000 hours / Personnel expenses: Reduced by approx. ¥2.3 billion

+In addition to the above, "digitization of order forms," "automation of work schedules and work instructions," etc.
⇒ Cumulative working hours: Reduced by total of 260,000 hours / Personnel expenses: Reduced by approx. ¥500 million

Medium-Term Management Plan Part III: Format Strategy

[New urban concept store: gardens umekita]

- New store to be opened in “Grand Green Osaka,” the second phase development district of the Umekita Project, a large-scale mixed-use development in front of JR Osaka Station
- New urban concept store specializing in plants and aquariums to open around September, 2024



<Bird's-eye view of exterior of Grand Green Osaka>



<Image of sales floor of gardens umekita store>

[PRO+HC Hybrid Stores] ⇒ Open 7 stores in total

- Eliminated overlapping display shelves in PRO and HC, improving customer circulation
- Achieved efficient store operations by implementing measures such as unifying office functions and reassigning personnel
- Increased sales by stores recently remodeled into hybrid stores

Sales at Myodani store: 112.4% of the previous year's level;
sales at Ishiuchi Bypass store: 114.8% of the previous year's level



<Akashi Futami hybrid store>
Newly opened in December, 2023



<Kamakura Ofuna hybrid store>
Newly opened in March, 2024

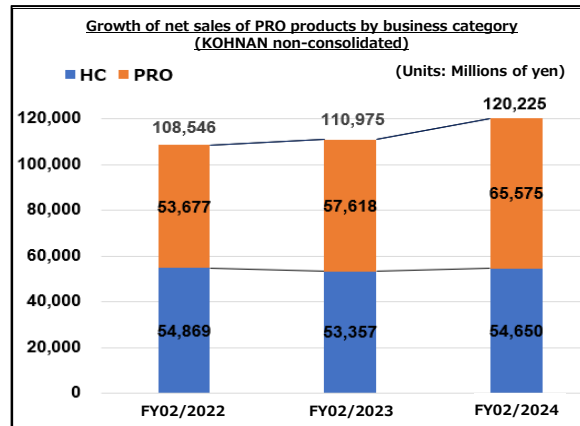
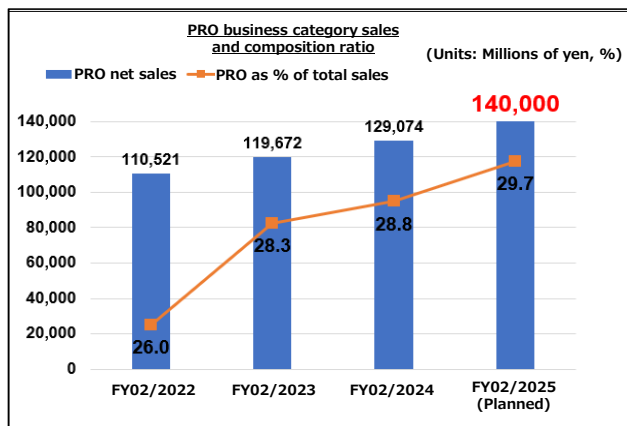
Growth Strategy: Capture Further Demand in the PRO Market



What makes us unique in the PRO market

- **Overwhelming network of PRO business stores in Kanto, Kansai and Kyushu areas** where construction demand is high
(In areas without PRO business stores, this dominance is supplemented by HC's HI sales floors/hybrids)
- PRO business sales account for about 1/3 of total sales
→ Compared to general customers, customers are more likely to stick with a store after shopping there, and **are less likely to be influenced by daily consumption trends, resulting in stable sales**

Strengths in having been capturing PRO demand

- Enhanced product lineup (particularly, materials), reasonable prices, and ability to capture customer needs based on many years of accumulated sales expertise
→ Emphasis on dialogue with craftsmen / PRO-specific personnel training
- Real stores near areas with high construction-related demand
→ Craftsmen can efficiently purchase parts and tools without needing storage space (online ordering and store layaway services are also provided)



No. of stores	Kanto	Kansai	Kyushu
	33	65	9
	44	2	16
Total	77	67	25

Growth Strategy: M & A Strategy

Rapid recovery in performance of companies acquired through M&A

<KEN DEPOT> Joined the Group in June, 2019

	3 years average before joining the Group
Net sales	¥34.0 billion
Gross profit margin	28.54%
Operating profit	(¥900 million)

<BEAVERTOZAN> Joined the Group in June 2017; merger in March, 2023

Net sales	¥8.0 billion
Gross profit margin	29.83%
Operating profit	(¥20 million)

*3 years from beginning of full-year financial results

3 years average after joining the Group
¥42.0 billion
30.09%
¥2.0 billion

¥6.5 billion
33.95%
¥300 million

[Key Improvement Points]

Leveraging the following group synergies

- Pricing improvement by unifying trade partners
- Change to KOHNAN-style shelf space allocation
- Introduction of PB products
- Cooperative logistics
- Consolidation of unprofitable stores (BEAVERTOZAN)

<HI HIROSE> Joined the Group in June, 2023

	FYE Feb. 2024 (9-months)
Net sales	¥17.7 billion
Operating profit	¥130 million

[Key Improvement Points (Home Center)]

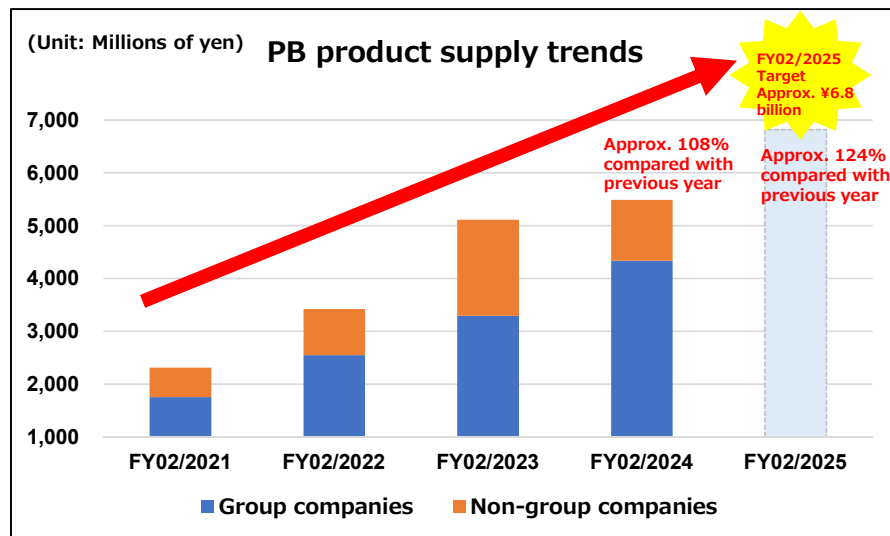
- Increase market share of KOHNAN PB products (improve gross profit margin)
⇒ Increase PB product sales to 25% of total sales in an early stage
- Enhance price competitiveness and efficiency by sharing product procurement and distribution systems
⇒ Increase gross profit margin by 1.5% through expansion of PB products and review of purchase costs
- Strengthen sales by introducing KOHNAN-style shelf space allocation and sales promotion

[Key Improvement Points (Food)]

- Strengthen cross-merchandising with HC merchandise by leveraging the food division's ability to attract customers
- Consider introducing into KOHNAN stores

Growth Strategy: Expansion of PB Product Supply Destinations

- To maximize synergies with group companies and product supply destinations, we are aiming to improve profit margins and logistics efficiency by utilizing economies of scale associated with the expansion of supply volume and supply destinations.
- February 2024 - Started supplying products to Home Center Mitsuwa (HC in Fukui Prefecture, an area where we have yet to open a store)



* HI HIROSE shifted from “non-group companies” to “group companies” because the company became a group company in the fiscal year ended February 29, 2024

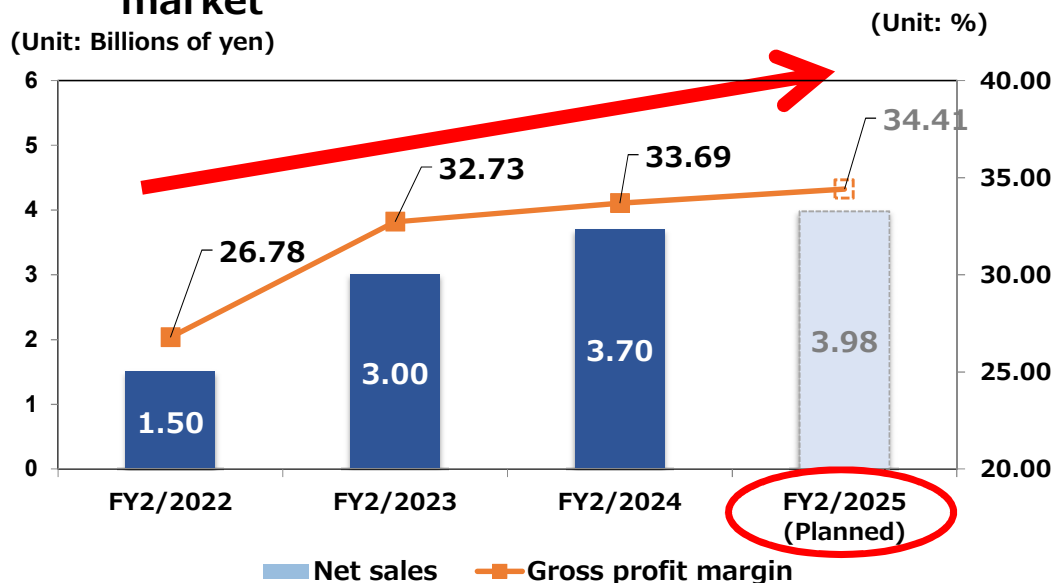
<Main PB product supply destinations>

*Total of 11 product supply destinations



Growth Strategy: Strengthen Overseas Strategies

- Plan for FYE Feb. 2025:
Net sales: ¥3.98 billion (106% YoY)
Gross profit margin: 34.41% (+0.72 pt YoY)
- Focus on improving sales and profitability by strengthening DIY products in addition to healthcare and interior design products amid the economic downturn in the Vietnamese market



Growth Strategies

<New store openings and remodeling of existing stores>



Plans to open two stores in Vietnam this fiscal year
Focusing on product lineup with DIY elements, such as perforated boards, by remodeling existing stores in the future

<Product strategy>



Developing PB products in sizes limited to overseas stores to suit local lifestyles
(The left photo shows bedding specially designed for Vietnamese bed sizes)
Enhanced lineup of SB products

*PB: Private brand; SB: Local store brand

Growth Strategy: Strengthen Sales Promotion

- Aggressively implementing new sales promotion activities to recover customer numbers, such as a commemorative sale to celebrate the 600-store milestone and airing of TV commercials



<Commemorative sale to celebrate 600-store milestone>

- Sale period: March 1 - June 17
- Numerous events including commemorative price products and promotions



<TV commercials>

TV commercial commemorating the 600-store milestone (from March 11)



Corporate image TV commercial (from April 10)

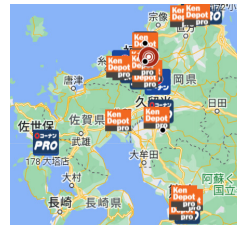


Growth Strategy: Approaches to the 2024 Logistics Issue

FYE Feb. 2024 Results

[Cost reduction measures]

- Joint logistics operations between KOHNAN and KEN DEPOT (Kyushu area)
⇒ Reduced by ¥13 million/year



Unified subcontractors at KEN DEPOT Fukuoka Center for joint deliveries

- Reduction of delivery services from Osaka to Kanto by increasing storage volume at Kawasaki warehouse
⇒ Reduced by ¥80 million/year

[Personnel shortage response]

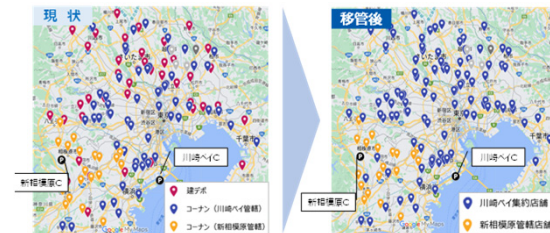
- Reduction of driver's business hours and working hours by changing the delivery method between long distances
 - Partially changed to relay trucking
 - Changed some delivery formats from "manual loading/unloading" to "pallet loading/unloading"



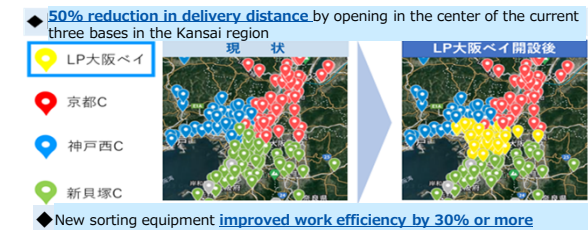
- Operation of double articulated trucks for some long-distance deliveries

FYE Feb. 2025 Plan

- Joint logistics operations between KOHNAN and KEN DEPOT (Kanto region)
⇒ Reduced by ¥179 million/year



- Conversion of a portion of the storage warehouse in Osaka into a distribution center
⇒ Reduced by ¥300 million/year









- Installation of automated work equipment in distribution centers



Growth Strategy: Store Opening Strategy (Number of stores in the Fiscal Year Ended February 29, 2024)

■ As of February 29, 2024: Total number of stores: 598 (30 stores opened / 3 stores closed)

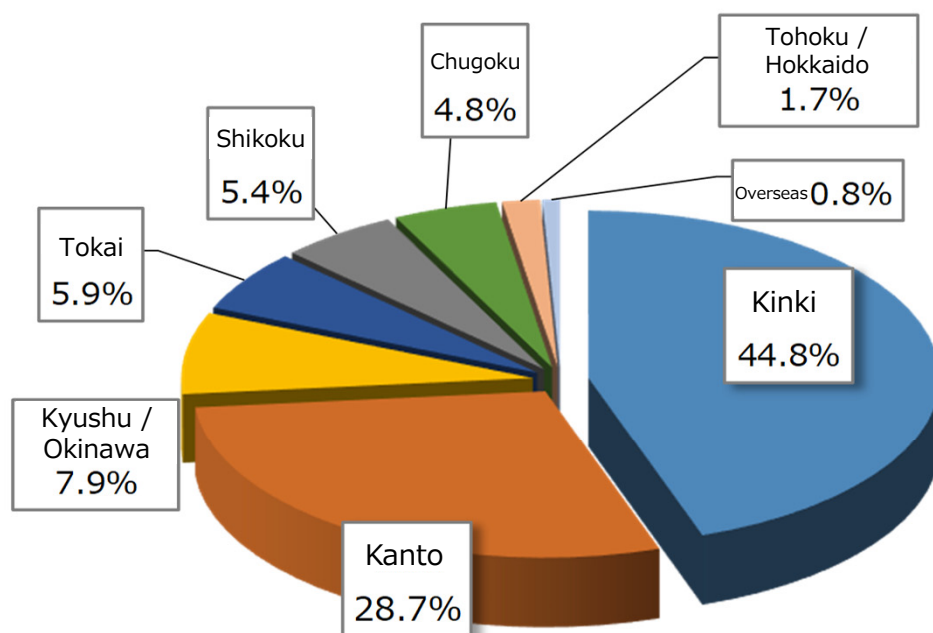
	No. of stores	Home Center	PRO		Home Center + Food + PRO
Japan	582				
		340 ^{*1}	130	80 (incl. 3 franchise stores)	32 (incl. 1 PRO store)
	28 stores opened 3 stores closed	8 stores opened 2 stores closed	12 stores opened 1 store closed	8 stores opened 0 stores closed	0 stores opened 0 stores closed
	No. of stores	Home Center			
Overseas	16	 KOHNAN VIETNAM CO.,LTD.		 KOHNAN (CAMBODIA) CO.,LTD. (Non-consolidated)	
		13 ^{*2}		3	
	2 stores opened 0 stores closed	2 stores opened 0 stores closed		0 stores opened 0 stores closed	

*1: Includes 9 CAMP DEPOT stores.

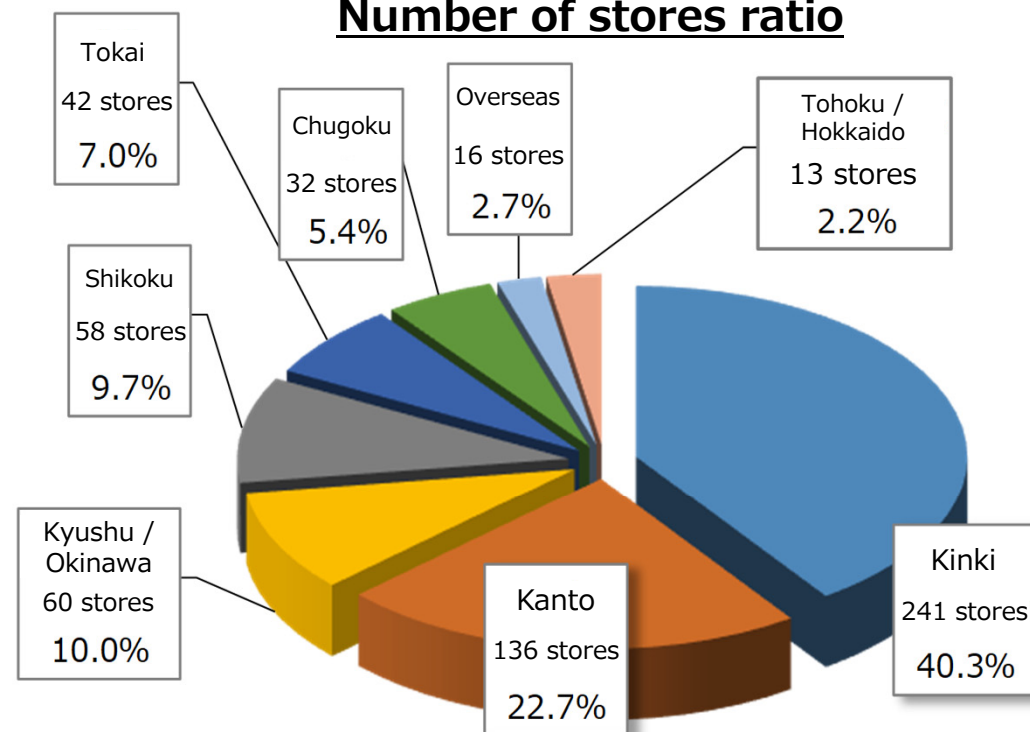
*2: The number of stores represents stores opened within the Company's accounting period (March-February), not the accounting period of KOHNAN VIETNAM (January-December).

Net Sales and Store Count Results by Region (March 2023-February 2024)

Net sales composition ratio








Number of stores ratio









**Total number of stores: 598
(As of February 29, 2024)**

Growth Strategy: Store Opening Strategy (Store Opening Plan for FYE Feb. 2025)

■ Planned store openings in FYE Feb. 2025: 39 (planned)

	No. of stores	Home Center	PRO	
Japan	37			
		15	14	8
Overseas	2		 (Non-consolidated)	
		2 ^{*1}	0	

■ Total number of stores by end of FYE Feb. 2025: 637 (planned)

	No. of stores	No. of stores	PRO		HC + Food + PRO
Japan	619				
		355	144	88 (incl. 3 franchise stores)	32 (incl. 1 PRO store)
Overseas	18			 (Non-consolidated)	
		15 ^{*1}		3	

*1: The number of stores represents stores opened within the Company's accounting period (March-February), not the accounting period of KOHNAN VIETNAM (January-December).

4

Initiatives to Enhance Corporate Value

Initiatives Aimed at Enhancing Corporate Value

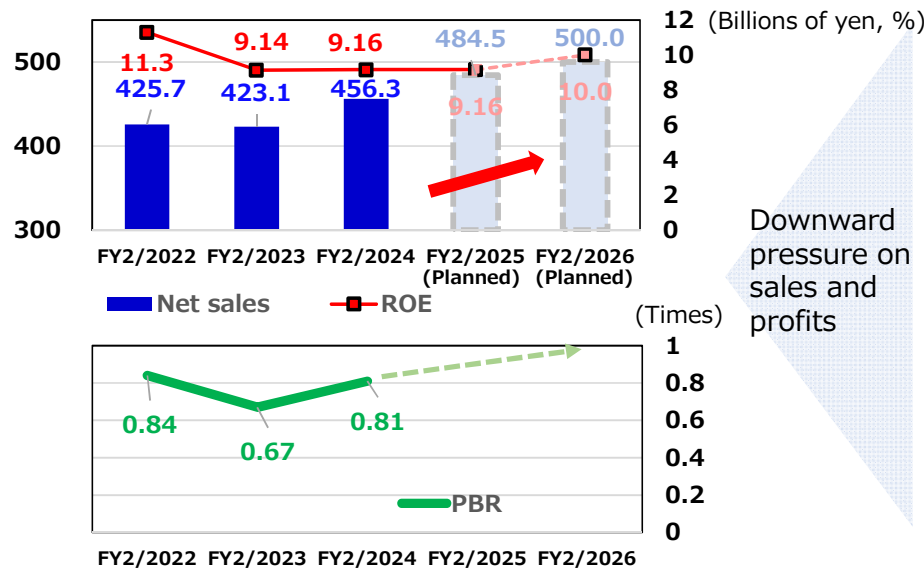
Current situation

- **PBR**: Currently below 1.0x at around 0.8
- **Cost of equity capital**: Approximately 6-7% based on CAPM-based calculation method
- **ROE**: 9.2% in FYE Feb. 2024, above cost of equity capital

Measures

- | | |
|------------------------------|--|
| PBR (price book-value ratio) | ➤ Promote investment in growth strategies |
| | |
| ROE (return on equity) | ➤ Improve profitability and efficiency (FYE Feb. 2026: ROE of 10% or more) |
| × | |
| PER (price-earnings ratio) | ➤ Strengthening IR |

<Trends in net sales, PBR, and ROE during the period of the medium-term management plan (actual/planned)>



Changes in the external environment at this time

- **Unexpected depreciation of the yen**
 - ¥110 per dollar at the time of establishment of the medium-term management plan → ¥140-150 per dollar in the recent past
 - Gross profit margin have decreased by approximately 2.0% based on the average settlement rate in FYE Feb. 2024.
- **Soaring personnel, utilities, and logistics expenses (basic salary increases/fuel price hikes/2024 issue)**
- **Application of "Accounting Standard for Revenue Recognition" from the fiscal year ended February 28, 202**
 - "agent transactions" (concession business) and "point system operated by other companies" are no longer included in sales.
 - Sales of the corresponding amounts: Reduced by approx. ¥10.0 billion (¥15.0 billion after merger with HI HIROSE)
- **Merged with HI HIROSE (absorption) in June, 2023**
 - FYE Feb. 2024 sales: Additional approx. ¥17.0 billion (9 months after merger)
 - FYE Feb. 2024 gross profit margin: -0.3% on a consolidated basis (the company has a high food composition ratio, with a gross profit margin of 29%)

Initiatives Aimed at Enhancing Corporate Value

- Improve ROE through growth strategy initiatives ⇒ Targeting **ROE of 10% or more** in the final year of the medium-term management plan (FYE Feb. 2026) and P/B ratio in excess of 1x

ROE	=	$\frac{\text{Profit}}{\text{Net sales}}$	×	$\frac{\text{Net sales}}{\text{Total assets}}$	×	$\frac{\text{Total assets}}{\text{Equity}}$
(return on equity)		(Net profit margin)		(Total assets turnover)		(Financial leverage)
[FYE Feb. 2024] 9.16%		3.08%		1.02		2.91
[FYE Feb. 2025] 9.16% (Planned)		3.05%		1.03		2.93

Net sales ↑

Profit ↑

- **Store opening strategy/Increasing dominance:** Build up annual sales by ¥8.0-10.0 billion through new store openings
- **Further strengthen PRO and HC HI divisions by leveraging geographical advantages of urban store development and long-standing sales expertise:** PRO business category sales ratio of 30% or more
- **Extensive product lineup and sales floor development focused on frequently used products such as daily necessities, pet supplies, gardening supplies, PRO consumables, etc.**
- **Promote development of reasonably priced PB products**
- Attract more customers by promoting effective sales promotion activities using customer information data
- Creation of time- and location-neutral purchasing opportunities through the integration of online and offline (stores) shopping
- Business expansion through M&A

Initiatives Aimed at Enhancing Corporate Value

Profit ↑

- Gross profit margin improvement
 - Increase sales composition ratio of PB products (including subsidiaries): PB sales composition ratio of 40% or more
 - **Promote cost improvement (pricing improvement / synergy effects from unification of suppliers and products handled by the Group, etc.)**: Pricing improvement results of +1.1% in FYE Feb. 2024
- General SG&A expense control
 - Curbing rising labor costs and increasing workforce productivity by improving store operational efficiency (increasing the functionality of sales support terminals)
 - Logistics costs reduction

Total assets↓

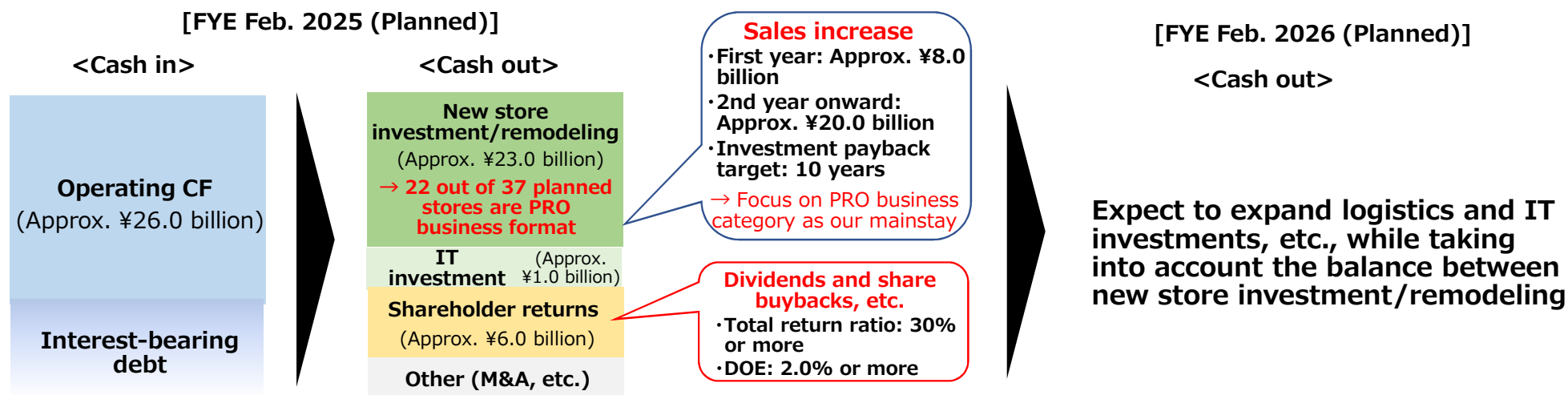
- Reduction of interest-bearing debt: DER target 1.1 (result of 1.26 in FYE Feb. 2024) → aim for 1.0 or lower
- Proper inventory control: Inventory turnover ratio target of 3.0 (result of 2.5 in FYE Feb. 2024)

Equity ↓

- Use of treasury share buybacks, etc.

Initiatives Aimed at Enhancing Corporate Value

● Cash allocation for growth investments



● Strengthen IR/enhance disclosure content

- Significantly increase the volume of investor relation activities (including online) for individual investors and strengthen points of contact and dialogue with investors
- Plans to enhance disclosure content from this year
 - Enhancement of human capital initiatives
 - Started disclosing English translations of financial results briefing materials

	No. of times implemented		Presenter
	FY2/2023	FY2/2024	
Financial results briefing	4	4	President, Managing Director, etc.
Briefing for individual investors	1	1	Managing Director, etc.
Individual IR briefing	77	117	Senior Executive Officer, Manager of Investor Relations and Public Relations Office, etc.

Initiatives Aimed at Enhancing Corporate Value

Non-financial Strategies <Human Capital (Medium-Term Management Plan Part III: Human Resources Strategy)>

Human Capital Management Initiatives

<Human resources development policy>

The KOHNAN Group will support the mid- to long-term and systematic growth of employees to develop human resources with a “challenging spirit” and “sense of independence,” and will develop human resources in tandem with the growth of the company.

<Internal environmental improvement policy>

The KOHNAN Group will create an internal environment in which each and every employee can fulfill their maximum potential and continue to work in a safe and secure environment. In particular, we will actively engage in health management to maintain and promote physical and mental health, diversity to promote the success of diverse human resources, and childcare and nursing care systems to support a balance between work and private life.

<Disclosure related to human capital>

- Wage gap between men and women*1 ⇒77.2%
- Ratio of female managers*1 ⇒5.3%
- Male employees taking childcare leave*1 ⇒44.0%

*1: All figures announced by the Company are as of March 31, 2024, and apply to regular employees for the most recent one-year period, and on a non-consolidated basis for KOHNAN.

•Increasing the ratio of women among new graduate hires

	First Medium-Term Management Plan Period (2015-17)	Second Medium-Term Management Plan Period (2018-20)	Third Medium-Term Management Plan Period (2021 onwards)
Ratio of women	25.9%	34.4%	40.5%

•Number of qualified employees in the company (as of March 31, 2024)

- DIY Advisers 1,177
- Class-2 health officers 1,229
- Class B Group 4 Hazardous Materials Specialist 1,502
- Retail Sales Specialist Level 2 1,031

Initiatives Aimed at Enhancing Corporate Value

Non-financial Strategies <Human Capital (Medium-Term Management Plan Part III: Human Resources Strategy)>

<Training system based on human resource development policy>

Supporting the mid- to long-term and systematic growth of employees to develop human resources with a “challenging spirit” and “sense of independence” through rank-based training tailored to each position

NEW

<Digitally proficient human resource development training>

- Selecting mainly young people from each department for 6-month training
- Training: AI, Cloud, DX, Web Marketing, App Development, etc.
- * Developing human resources capable of solving problems using digital technology

Position	Rank-specific training	Other training	Self-development
Manager	Training for developing management candidates Pegasus Club Seminar, FUDAI Management Skills Training		
Store Manager Buyer Team Leader	Store Manager Training		
Assistant Leader	Store Manager certification training Buyer certification training Leader certification training Training for new supervisors		
Chief	Training for new chiefs Training for selected young employees		
General staff	Career planning training Follow-up training levels 3 to 4		
New employees	Follow-up training levels 1 to 2 Introduced training		

NEW

Qualification support training

Digitally proficient human resource development training

Overseas training

Globis University Graduate School of Management

e-Learning

Distance learning courses –
Self-development support program

Initiatives Aimed at Enhancing Corporate Value

Non-financial Strategies <Human Capital (Medium-Term Management Plan Part III: Human Resources Strategy)>

<Initiatives aimed at improving the internal environment>

[2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program]

Recognized for three consecutive years as a KENKO Investment for Health Outstanding Organization (2024) through initiatives such as 100% health checkup rate, smoking prevention, women's health, and diet and nutrition.



[Increased employee engagement]

Fostering a sense of belonging to the company and job satisfaction through the introduction of J-ESOP (Employee Share Benefit Trust), increased incentives for employee stock holding association, a new personnel system, employee surveys, etc.

[Promoting the success of diverse human resources]

Creating an environment in which a diverse workforce can thrive by providing career planning training for female employees, educating employees about childcare and nursing care support through internal newsletters, conducting internal job openings tailored to the career aspirations of individual employees, etc.



<Career planning training for female employees>

Initiatives Aimed at Enhancing Corporate Value

Non-financial Strategies <Sustainability>

● Status of initiatives to reduce CO2 emissions

[Installation of solar power generation equipment for private consumption (store rooftops)]

Installed at 2 stores in FYE Feb. 2024. Cumulative **reduction of 781 tons/year** at 5 stores



<Ishiuchi Bypass store / Hiroshima> <Green Walk Tama store / Tokyo>

[Operations with double articulated trucks]



Started operations from October 2022. **Reduction of approximately 22%** on some long-distance deliveries compared to the past

[Installation of quick chargers for EVs (electric vehicles)]



Installed at 20 stores in FYE Feb. 2024. A total of 33 stores with a total of 27,000 hours of charge time

<DOit Toda store / Saitama>

● Status of initiatives to support local communities in relation to disaster preparedness

[Major disaster prevention agreements signed from 2024 onwards]



<Kyoto Prefecture>



<Koto City, Tokyo>



<Sagami-hara City>

[Cooperation in disaster drills and events]



<Kochi Prefecture Disaster Drill>



<Habikino Disaster Prevention Event>



<Mitaka Disaster Prevention Event>



<Ashiya City Disaster Drill>

[Providing supplies to the Self-Defense Forces responding to the Noto Earthquake]





Fiscal year ended February 29, 2024

Supplementary Materials

(FYE Feb. 2022 to FYE Feb. 2024)

*** The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the fiscal year ended February 28, 2023. Year-on-year comparisons show estimated percentage changes based on the assumption that the said accounting standard and regulations were applied in the fiscal year ended February 28, 2022.**

01. Consolidated Statement of Income

Item (Millions of yen)	FYE Feb. 2022			FYE Feb. 2023			FYE Feb. 2024		
	Actual	Year-on-year change	Sales ratio	Actual	Year-on-year change* ¹	Sales ratio	Actual	Year-on-year change	Sales ratio
Net sales	425,704	99.7%	—	423,136	101.8%	—	456,345	107.8%	—
Existing stores net sales* ²	412,880	97.1%	—	410,253	98.9%	—	424,373	101.0%	—
Operating income	15,517	103.8%	—	15,888	102.4%	—	16,309	102.7%	—
Operating revenue	441,222	99.8%	—	439,024	101.9%	—	472,655	107.7%	—
Gross profit	160,495	99.8%	37.70%	159,835	100.4%	37.77%	170,806	106.9%	37.43%
SG&A expenses	150,225	103.7%	35.3%	153,704	103.2%	36.3%	163,018	106.1%	35.7%
Operating profit	25,788	83.4%	6.1%	22,019	85.2%	5.2%	24,097	109.4%	5.3%
Non-operating income and expenses	(1,581)	—	—	(1,287)	—	—	(1,498)	—	—
Ordinary profit	24,206	81.3%	5.7%	20,732	85.5%	4.9%	22,598	109.0%	5.0%
Extraordinary income/losses	(1,028)	—	—	(1,190)	—	—	(1,547)	—	—
Profit attributable to owners of parent	15,590	83.6%	3.7%	13,235	84.7%	3.1%	14,054	106.2%	3.1%

*1: Year-on-year comparisons for the fiscal year ended February 28, 2023 are calculated based on the assumption that the “Accounting Standard for Revenue Recognition” and other regulations were applied in the previous year.

*2: Stores that have been open for 13 months or longer during each period are considered to be existing stores, and their sales results and those of the same period of the previous year are compared.

02. Selling, General and Administrative Expenses (Consolidated), etc.

Item (Millions of yen)	FYE Feb. 2022			FYE Feb. 2023			FYE Feb. 2024		
	Actual	Year-on-year change	Sales ratio	Actual	Year-on-year change*	Sales ratio	Actual	Year-on-year change	Sales ratio
Personnel expenses	51,106	104.1%	12.0%	52,078	101.9%	12.3%	55,669	106.9%	12.2%
Rent expenses	46,503	103.5%	10.9%	48,076	103.4%	11.4%	51,043	106.2%	11.2%
Depreciation (incl. amortization of goodwill)	14,141	103.4%	3.3%	14,537	102.8%	3.4%	15,848	109.0%	3.5%
Other SG&A expenses	38,473	103.6%	9.0%	39,013	105.0%	9.2%	40,457	103.7%	8.9%
Total	150,225	103.7%	35.3%	153,704	103.2%	36.3%	163,018	106.1%	35.7%

* Year-on-year comparisons for the fiscal year ended February 28, 2023 are calculated based on the assumption that the "Accounting Standard for Revenue Recognition" and other regulations were applied in the same period of the previous fiscal year.

Item (Millions of yen)	FYE Feb. 2022		FYE Feb. 2023		FYE Feb. 2024	
	Actual	Year-on-year change	Actual	Year-on-year change	Actual	Year-on-year change
Equity ratio	35.8%	2.1pt	35.7%	(0.1)pt	34.3%	(1.4)pt
Interest-bearing debt	160,835	100.0%	172,122	107.0%	197,398	114.7%
DE ratio	1.13 times	—	1.15 times	—	1.26 times	—

03. Consolidated Balance Sheet

Item (Millions of yen)	FYE Feb. 2022	Change	FYE Feb. 2023	Change	FYE Feb. 2024	Change
Total current assets	123,884	4,461	141,292	17,408	159,455	18,163
Cash and deposits	12,242	(2,439)	9,218	(3,024)	11,723	2,505
Accounts receivable - trade	10,636	2,067	13,568	2,932	15,798	2,230
Merchandise and finished goods	93,113	4,867	108,898	15,785	121,758	12,859
Total non-current assets	274,192	(1,480)	277,957	3,764	299,101	21,144
Property, plant and equipment	187,571	(2,196)	189,393	1,822	206,786	17,392
Intangible assets	28,169	(624)	26,888	(1,281)	26,860	(28)
Total assets	398,076	2,980	419,249	21,173	458,557	39,307
Total current liabilities	102,414	(2,251)	115,553	13,139	125,032	9,478
Accounts payable - trade	39,412	(1,558)	42,280	2,868	44,823	2,542
Short-term borrowings	9,187	2,750	20,937	11,750	24,000	3,062
Current portion of long-term borrowings	25,741	(371)	26,624	882	27,673	1,049
Total non-current liabilities	153,217	(3,925)	154,140	922	176,267	22,127
Long-term borrowings	85,988	47	87,626	1,638	108,138	20,511
Total net assets	142,444	9,157	149,555	7,110	157,257	7,702
Total liabilities and net assets	398,076	2,980	419,249	21,173	458,557	39,307

04. Net Sales by Product Division (Consolidated/KOHNAN Non-consolidated)

■ Consolidated

Product Division (Millions of yen)	FYE Feb. 2022		FYE Feb. 2023		FYE Feb. 2024	
	Net sales	Year-on-year change	Net sales	Year-on-year change*1	Net sales	Year-on-year change
Home improvement (DIY supplies, PRO products, gardening)	201,114	104.4%	207,336	103.5%	218,848	105.6%
Housekeeping (household supplies)	143,383	93.5%	141,815	99.2%	144,630	105.6%
Pet and leisure (pet and leisure supplies)	68,374	100.6%	60,549	102.1%	67,554	111.6%
Food (food, alcoholic beverages)	—	—	—	—	11,351	—
Other (100 Yen Shops, kerosene, vending machines, etc.)	12,832	97.5%	13,434	105.0%	13,961	103.9%
Total	425,704	99.7%	423,136	101.8%	456,345	107.8%

■ KOHNAN Non-consolidated

Product Division (Millions of yen)	FYE Feb. 2022*2			FYE Feb. 2023*2			FYE Feb. 2024		
	Net sales	Year-on-year change	Gross profit margin	Net sales	Year-on-year change*1	Gross profit margin	Net sales	Year-on-year change	Gross profit margin
Home improvement	159,661	104.1%	40.05%	162,274	101.9%	39.37%	173,190	106.7%	39.03%
Housekeeping	136,222	93.0%	37.90%	132,775	97.7%	37.56%	134,844	101.6%	37.21%
Pet and leisure	67,828	100.7%	37.41%	59,916	102.0%	41.59%	64,738	108.0%	41.80%
Other	16,151	104.2%	29.32%	18,102	112.3%	25.57%	19,327	106.8%	24.58%
Total	379,863	99.3%	38.35%	373,068	100.8%	38.41%	392,101	105.1%	38.15%

*1: Year-on-year comparisons for the fiscal year ended February 28, 2023 are calculated based on the assumption that the "Accounting Standard for Revenue Recognition" and other regulations were applied in the same period of the previous fiscal year.

*2: Figures for BEAVERTOZAN are not included.



05. Net Sales by PB Product Division (Consolidated/KOHNAN Non-consolidated)

■ Consolidated

Product Division (Millions of yen)	FYE Feb. 2022			FYE Feb. 2023			FYE Feb. 2024		
	PB net sales	PB sales composition ratio*1	Composition ratio year-on-year difference	PB net sales	PB sales composition ratio*1	Composition ratio year-on-year difference	PB net sales	PB sales composition ratio*1	Composition ratio year-on-year difference
Home improvement (DIY supplies)	55,598	31.5%	3.1pt	60,757	33.7%	2.2pt	65,227	34.1%	0.4pt
Housekeeping (household supplies)	50,282	36.5%	1.8pt	50,541	37.1%	0.6pt	51,878	36.1%	(1.0)pt
Pet and leisure (pet and leisure supplies)	22,513	38.9%	2.2pt	24,126	40.8%	1.9pt	26,272	39.7%	(1.1)pt
Total	128,394	34.5%	2.4pt	135,425	36.0%	1.5pt	143,377	35.7%	(0.3)pt

■ KOHNAN Non-consolidated

Product Division (Millions of yen)	FYE Feb. 2022*2			FYE Feb. 2023*2			FYE Feb. 2024		
	PB net sales	PB sales composition ratio*1	Composition ratio year-on-year difference	PB net sales	PB sales composition ratio*1	Composition ratio year-on-year difference	PB net sales	PB sales composition ratio*1	Composition ratio year-on-year difference
Home improvement (DIY supplies)	50,867	34.8%	2.1pt	53,353	36.0%	1.2pt	56,509	35.5%	(0.5)pt
Housekeeping (household supplies)	49,577	37.9%	2.0pt	49,513	38.9%	1.0pt	49,827	38.6%	(0.3)pt
Pet and leisure (pet and leisure supplies)	22,361	39.0%	2.2pt	23,942	40.9%	1.9pt	25,863	40.8%	(0.1)pt
Total	122,807	36.7%	2.0pt	126,809	37.9%	1.2pt	132,200	37.6%	(0.3)pt

*1: Division sales composition ratios for both consolidated and KOHNAN non-consolidated are calculated excluding remodeling, 100 Yen Shops, food and alcoholic beverages, etc.

*2: Figures for BEAVERTOZAN are not included.



06. Results by Business Category at Companies

Company name (Millions of yen)	Business category	FYE Feb. 2022			FYE Feb. 2023			FYE Feb. 2024		
		Net sales	Year-on-year change	Gross profit margin	Net sales	Year-on-year change ^{*1}	Gross profit margin	Net sales	Year-on-year change	Gross profit margin
KOHNAN	HC	308,347	96.2%	39.07%	294,372	98.6%	39.62%	300,074	101.9%	39.34%
	PRO	69,889	111.0%	35.42%	75,016	107.6%	35.29%	81,903	109.2%	35.43%
	Other ^{*2}	7,865	—	—	9,793	—	—	10,123	—	—
	Total	386,103	99.2%	38.26%	379,183	100.8%	38.33%	392,101	103.4%	38.15%
KEN DEPOT	PRO	40,632	107.3%	30.15%	44,655	110.9%	30.01%	47,170	105.6%	30.74%
	Other ^{*2}	892	—	—	1,034	—	—	1,564	—	—
	Total	41,524	107.8%	29.81%	45,690	111.0%	29.66%	48,734	106.7%	30.25%
HI HIROSE	Sundries	—	—	—	—	—	—	10,588	—	33.54%
	Food	—	—	—	—	—	—	5,753	—	25.55%
	Other ^{*2}	—	—	—	—	—	—	1,406	—	—
	Total	—	—	—	—	—	—	17,748	—	29.86%
KOHNAN VIETNAM	Total	1,586	91.9%	26.78%	3,077	194.1%	32.73%	3,757	122.1%	33.69%
Consolidation adjustment		(3,509)	—	—	(4,815)	—	—	(5,996)	—	—
Consolidated total	Total	425,704	99.7%	37.70%	423,136	101.8%	37.77%	456,345	107.8%	37.43%

*1: Year-on-year comparisons for the fiscal year ended February 28, 2023 are calculated based on the assumption that the "Accounting Standard for Revenue Recognition" and other regulations were applied in the same period of the previous fiscal year.

*2: Others: EC, supply of products to other companies (including within own group), etc.

07. Number of Stores (as of February 29, 2024)

	Business category	FYE Feb. 2022			FYE Feb. 2023			FYE Feb. 2024		
		Stores opened	Stores closed	No. of stores	Stores opened	Stores closed	No. of stores	Stores opened	Stores closed	No. of stores
KOHANAN	HC*	18	3	320	15	1	334	8	2	340
	PRO	5	1	106	13	0	119	12	1	130
	Total	23	4	426	28	1	453	20	3	470
KEN DEPOT	PRO	3	1	68	6	2	72	8	0	80
HI HIROSE	HC+Food +PRO	—	—	—	—	—	—	32	0	32
KOHANAN VIETNAM	HC	0	0	8	3	0	11	2	0	13
KOHANAN CAMBODIA	HC	—	—	—	3	0	3	0	0	3
Sum total	Total	26	5	502	40	3	539	62	3	598

* Including 9 CAMP DEPOT stores



[Notes on Prospects]

Some of the information disclosed by the Company may contain forward-looking statements. These statements are based on assumptions determined from information currently available to the Company, and are subject to various risks, uncertainties and assumptions. Therefore, actual results may differ from our estimates.