

# JAPAN

## 2022 Financial Budget - PL Analysis KJPY

	2021	2022	Actual vs Budget		Analysis Comment
	Actual	Budget	Chg	Chg %	
Net Sales	4,800,000	4,833,840	33,840	0.7%	Existing store and casual wear category and small lehter goods increase 20%, but one department store closes and Ginza store will relocate to much smaller, 1/3 space
Cogs	1,560,000	1,450,152	(109,848)	-7.0%	Please see following gross margin change reason
<b>Gross Profit</b>	<b>3,240,000</b>	<b>3,383,688</b>	<b>143,688</b>	<b>4.4%</b>	
Payroll	1,680,000	1,600,400	(79,600)	-4.7%	HC decreases due to re-structuring, Ginza store relocation and department store close
Rent	828,000	530,000	(298,000)	-36.0%	Ginza sotre relocation and rent level decreases 50% compared with existing
PR and Marketing	120,000	210,000	90,000	75.0%	On March 22, new store relocation ceremony will be held and invite some celebrities
Other SG&A	636,000	601,613	(34,387)	-5.4%	Due to variable rent decrease due to department store close
<b>SG&amp;A</b>	<b>3,264,000</b>	<b>2,942,013</b>	<b>(321,987)</b>	<b>-9.9%</b>	
<b>EBITDA</b>	<b>(24,000)</b>	<b>441,675</b>	<b>465,675</b>	<b>-1940.3%</b>	
As a % of Net Sales					
<b>Gross Profit</b>	<b>67.5%</b>	<b>70.0%</b>	<b>2.5%</b>		Due to sales mix change, outlet weight decrease and normal sales increase
Payroll	35.0%	33.1%	-1.9%		
Rent	17.3%	11.0%	-6.3%		
PR and Marketing	2.5%	4.3%	1.8%		
Other SG&A	13.3%	12.4%	-0.8%		
<b>SG&amp;A</b>	<b>68.0%</b>	<b>60.9%</b>	<b>-7.1%</b>		
<b>EBITDA</b>	<b>-0.5%</b>	<b>9.1%</b>	<b>9.6%</b>		

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## 2022 Financial Budget – CAPEX Investment KJPY

	2022											
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Existing	1,000,000	1,000,000	1,000,000	800,000	800,000	800,000	800,000	700,000	700,000	700,000	700,000	700,000
Acquisition			300,000 ※1									
Retirement			(500,000) ※2				(100,000) ※3					
Remain	1,000,000	1,000,000	800,000	800,000	800,000	800,000	700,000	700,000	700,000	700,000	700,000	700,000

### Comment

※1 Ginza store relocation and new store's investment, mainly for construction work

※2 Ginza existing store's CAPEX

※3 Due to Department store's closure, CAPEX will be retired