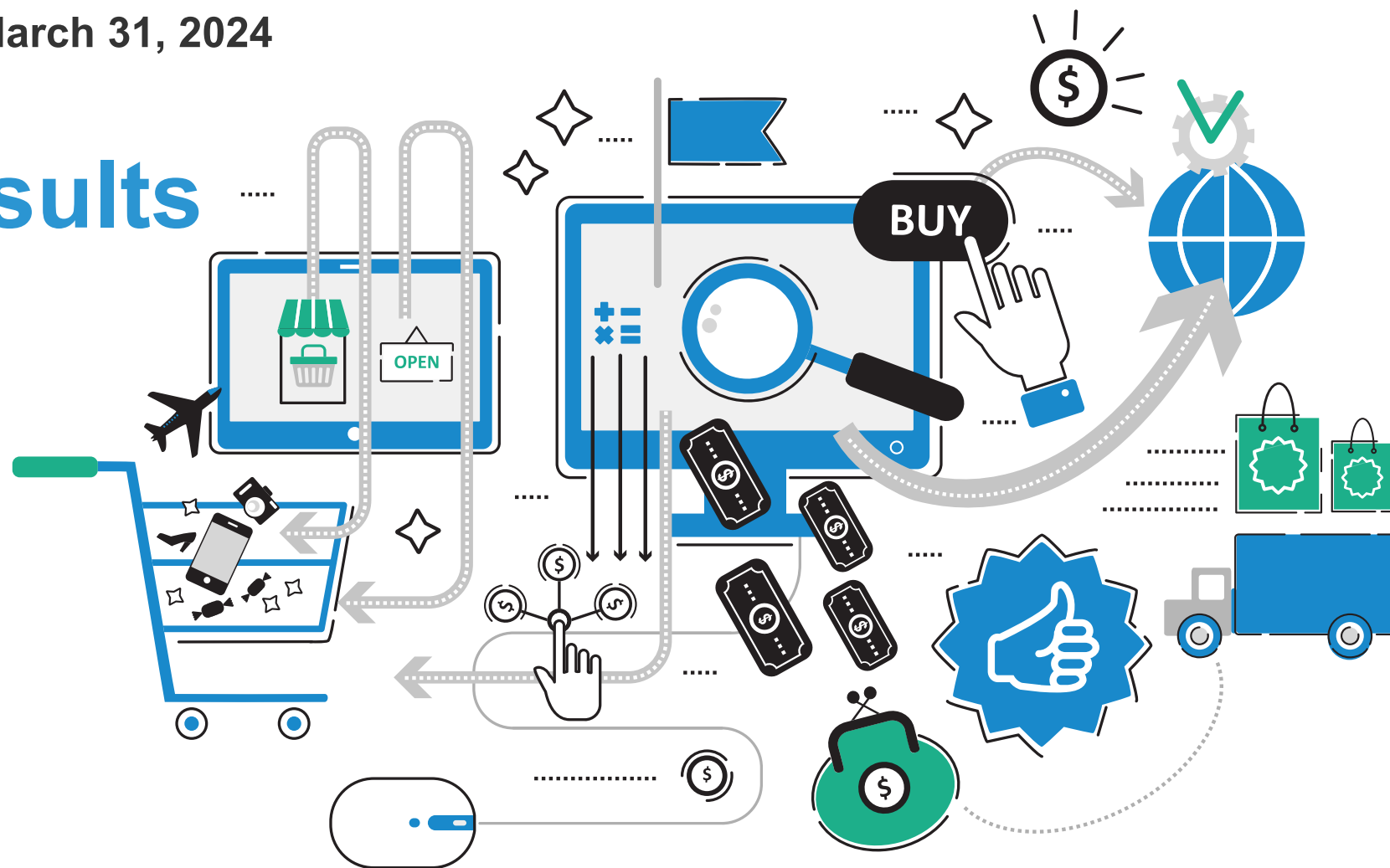


For the Fiscal Year Ended March 31, 2024

Full-year Financial Results

Vega corporation Co., Ltd.

Securities code: 3542





INDEX

- 1 Overview of Financial Results for the Fiscal Year Ended March 31, 2024**
- 2 Report on LOWYA Business**
- 3 Report on DOKODEMO Business**
- 4 Three-Year Plan (Fiscal Year Ending March 31, 2025, to Fiscal Year Ending March 31, 2027)**
- 5 Financial Results Forecast for the Fiscal Year Ending March 31, 2025**



1

Overview of Financial Results for the Fiscal Year Ended March 31, 2024



As a result of the shift to a profit-oriented management policy and the efforts made in each business operation, net sales decreased to **16,063 million yen (94.6% YoY)**, while operating profit significantly improved to **771 million yen (228.1% YoY)**.

Ordinary profit was **790 million yen (216.7% YoY)**, and profit came to **394 million yen (327.4% YoY)**.

(Million yen)

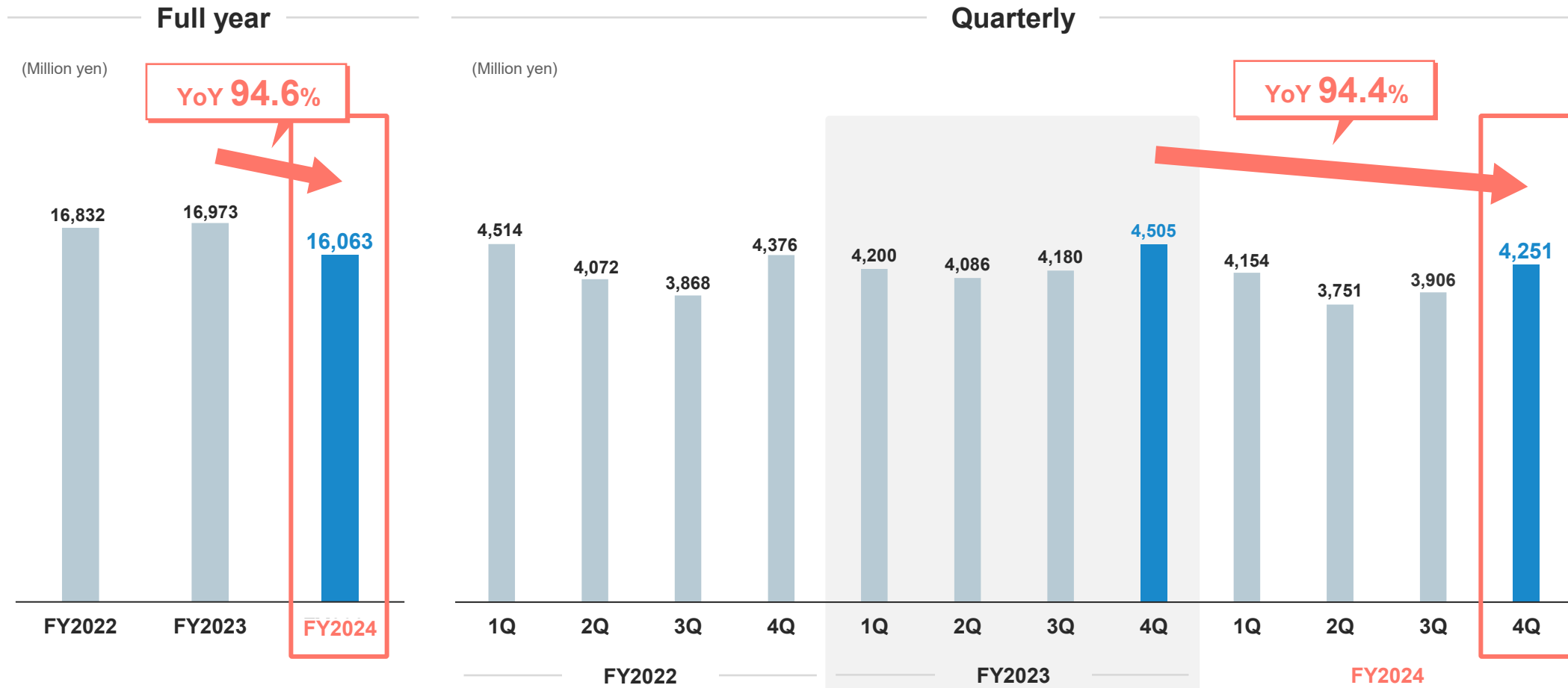
	Previous Fiscal Year (Fiscal Year Ended March 31, 2023)	Current Fiscal Year (Fiscal Year Ended March 31, 2024)	YoY
Net sales	16,973	16,063	94.6%
Gross profit	8,471	7,995	94.4%
Gross profit margin ratio	49.9%	49.8%	-
SG&A expenses	8,133	7,223	88.8%
SG&A expenses ratio	47.9%	45.0%	-
Operating profit	338	771	228.1%
Operating profit ratio	2.0%	4.8%	-
Ordinary profit	364	790	216.7%
Profit	120	394	327.4%

* Audit procedures pursuant to the Financial Instruments and Exchange Act are in progress as of the date of disclosure of this document.

Net Sales (Full Year & Quarterly)



From 2Q, each business implemented profit-oriented measures, resulting in an access count and distribution decline, with full-year net sales of **16,063 million yen (94.6% YoY)** and 4Q net sales of **4,251 million yen (94.4% YoY)**.

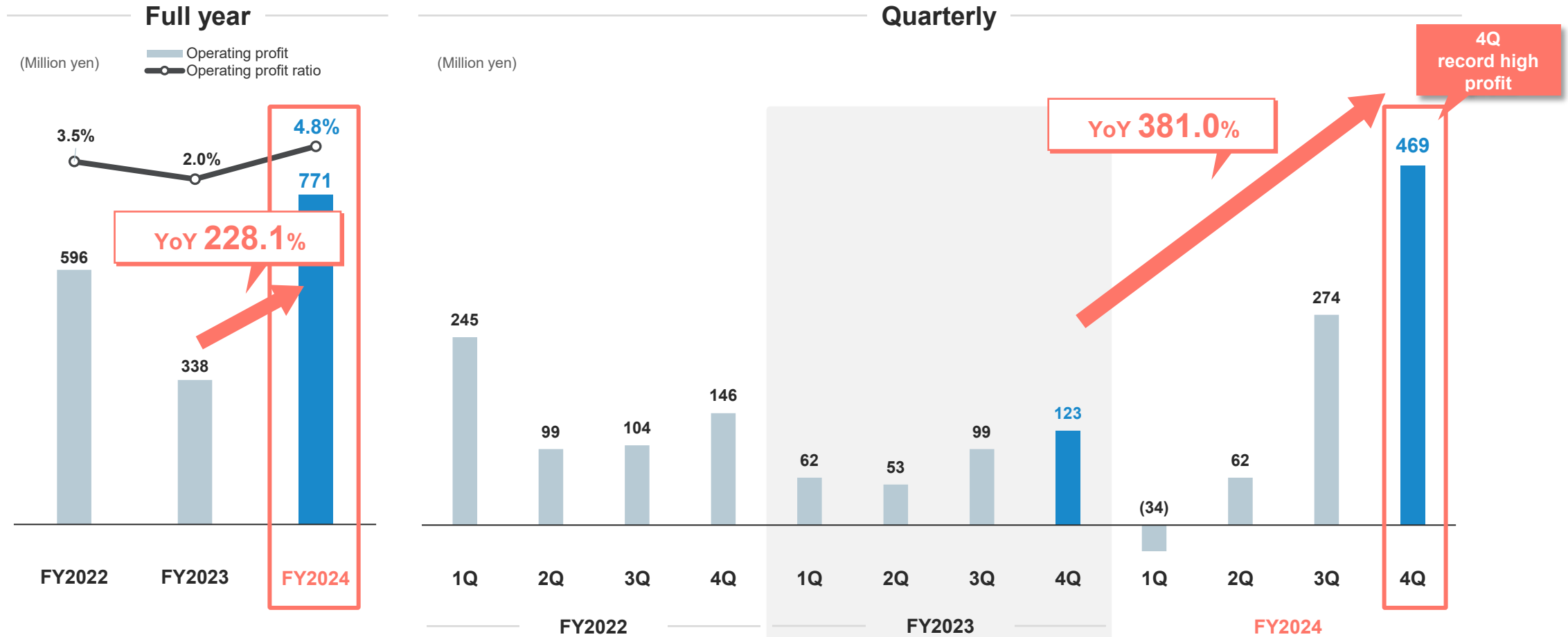


Operating Profit (Full Year & Quarterly)



From 2Q, each business implemented profit-oriented measures, resulting in full-year operating profit of **771 million yen (228.1% YoY)**.

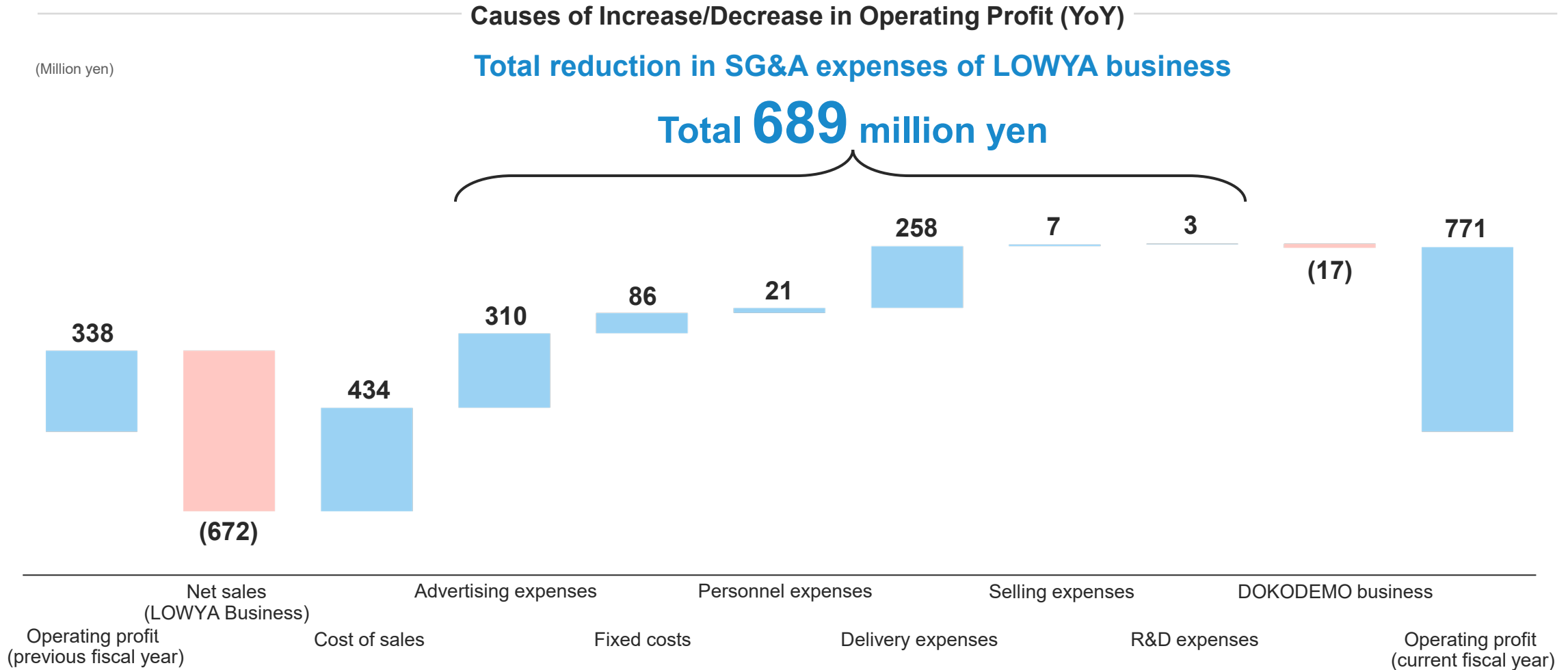
Operating profit for the quarter was **469 million yen (381.0% YoY)**, a record high for the 4Q.



Causes of Increase/Decrease in Operating Profit



In the LOWYA business, in an effort to improve profitability, the Company also worked to reduce personnel expenses and fixed costs, focusing on reducing advertising expenses. As a result, the Company **significantly reduced selling, general and administrative expenses** and improved operating profit.



* Revenue related to DOKODEMO Business and to research and development expenses is excluded from net sales used as the basis for the calculation of the SG&A expenses, and therefore this data does not match the SG&A expenses on the statement of income.



The Company continued to be **debt free** and maintained a high equity ratio of **77.2%**.

(Million yen)

	Previous Fiscal Year (as of March 31, 2023)	Current Fiscal Year (as of March 31, 2024)		Previous Fiscal Year (as of March 31, 2023)	Current Fiscal Year (as of March 31, 2024)
Current assets	5,956	6,153	Current liabilities	1,796	1,586
Cash and deposits	1,892	1,750	Debt obligations	-	-
Accounts receivable—trade	1,814	1,739	Non-current liabilities	51	56
Merchandise	1,819	2,110	Total liabilities	1,847	1,643
Non-current assets	1,195	1,056	Shareholders' equity	5,308	5,486
Property, plant and equipment, and intangible assets	526	518	Total net assets	5,304	5,566
Total assets	7,151	7,209	Total liabilities and net assets	7,151	7,209

* Audit procedures pursuant to the Financial Instruments and Exchange Act are in progress as of the date of disclosure of this document.



Operating cash flow increased due to profit improvement. However, capital expenditures for the opening of actual stores and the purchase of treasury shares resulted in decreases in both investing and financing cash flows. As a result, cash and cash equivalents at the end of the period were at **1,839 million yen (-160 million yen YoY)**.

(Million yen)

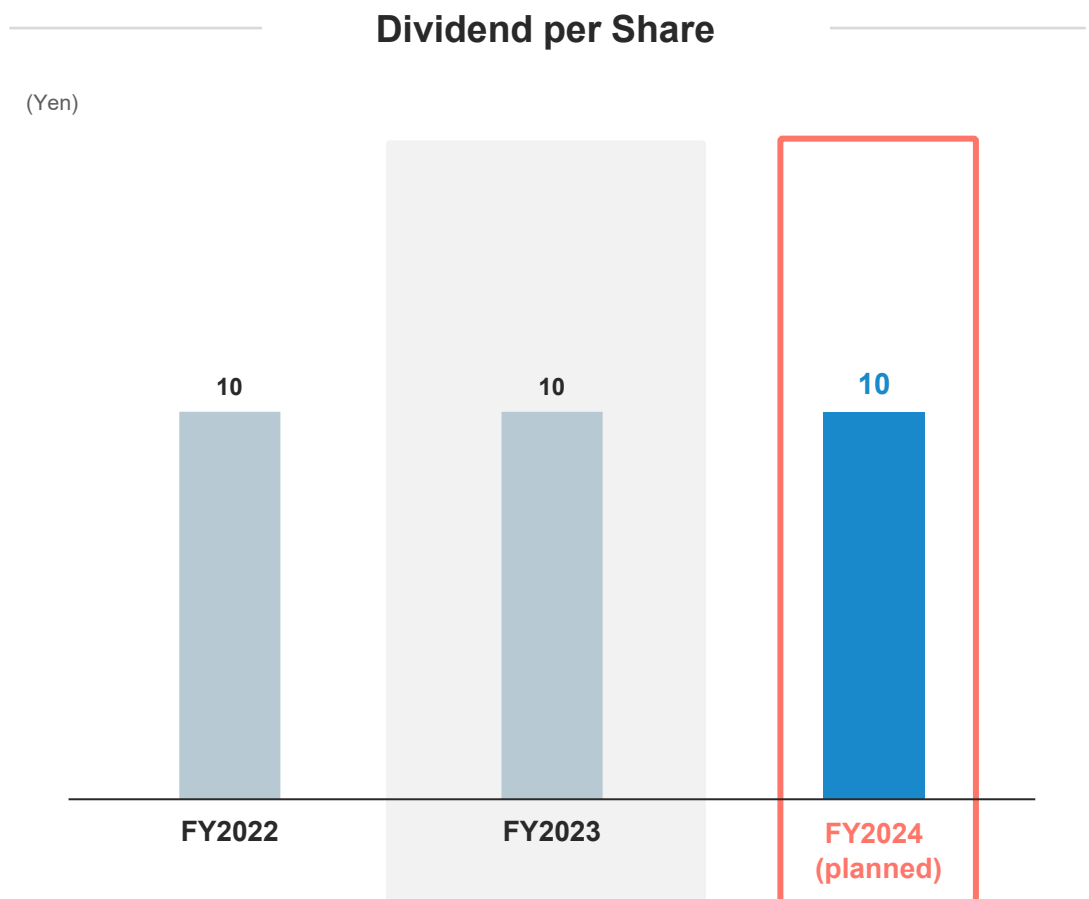
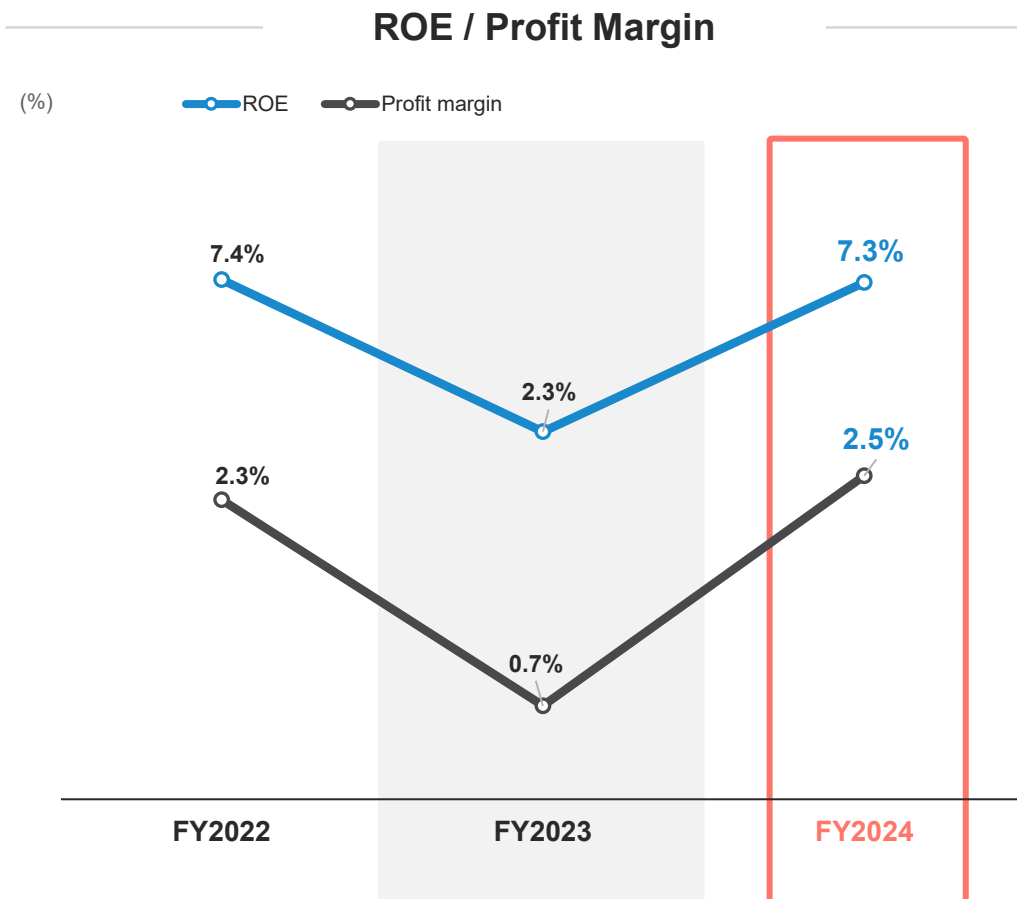
	Previous Fiscal Year (Fiscal Year Ended March 31, 2023)	Current Fiscal Year (Fiscal Year Ended March 31, 2024)	Increase/Decrease	Major Factors in the Current Fiscal Year
Cash flows from operating activities	2,043	264	(1,779)	Profit before income taxes +680 Decrease (increase) in inventories (290) Increase (decrease) in accounts payable–other (163)
Cash flows from investing activities	(179)	(189)	(10)	Purchase of property, plant and equipment (74) Purchase of intangible assets (83)
Cash flows from financing activities	(1,099)	(234)	+864	Purchase of treasury shares (141) Dividends paid (106)
Cash and cash equivalents at end of period	2,000	1,839	(160)	

* Audit procedures pursuant to the Financial Instruments and Exchange Act are in progress as of the date of disclosure of this document.



ROE of 7.3% and profit margin of 2.5% were achieved due to improved earnings.

The Company plans to pay a dividend of 10 yen per share. The Company's policy is to aim for continuous dividend payments with a target DOE of 2.0%.



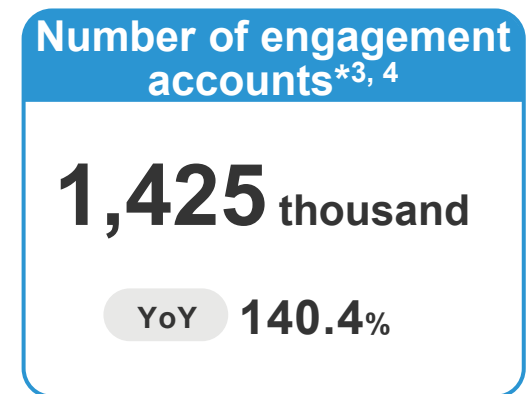
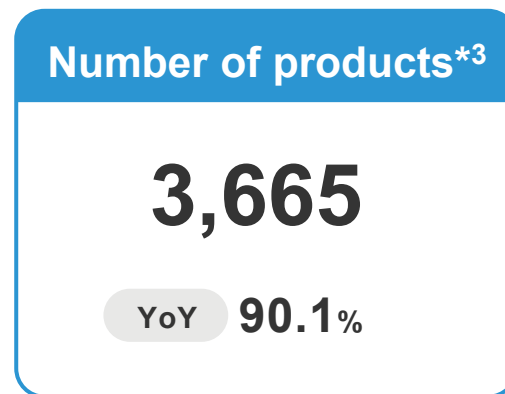
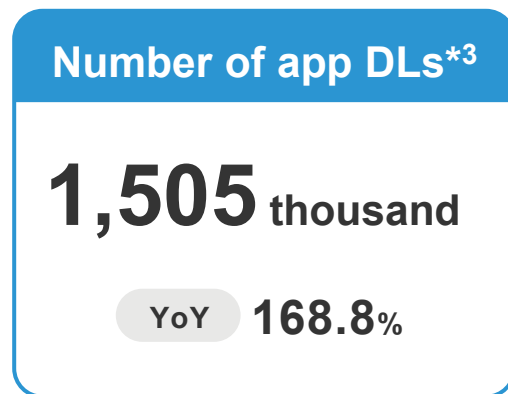
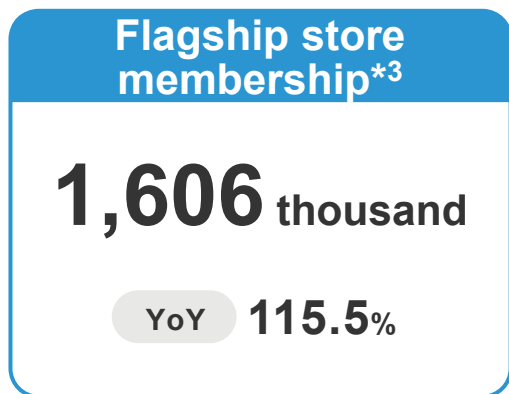
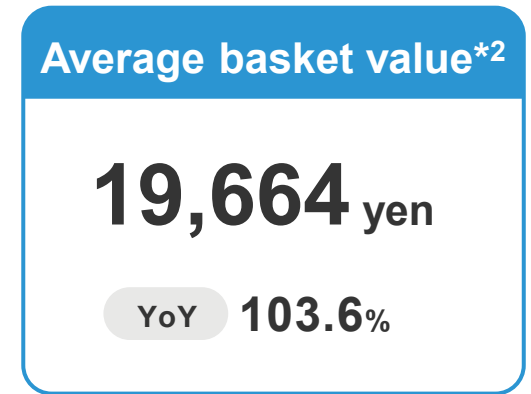
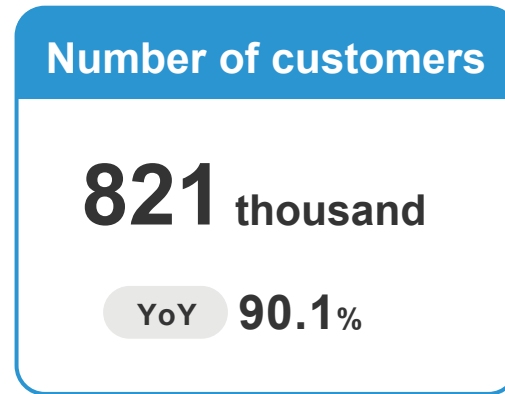
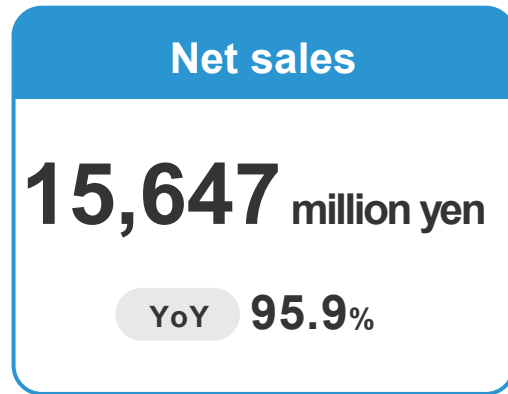
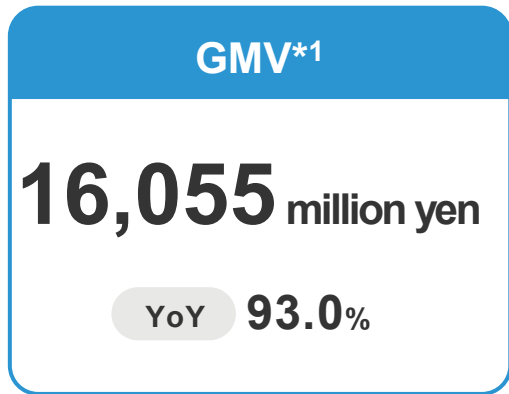


2

Report on LOWYA Business



The Company changed its policy to focus on profit and reduced promotion expenses and advertising expenses from 2Q. As a result, GMV was **16,055 million yen (93.0% YoY)**, and net sales were **15,647 million yen (95.9% YoY)**. **Membership of the flagship store and the number of engagement accounts** grow steadily. **Three actual stores (Fukuoka, Osaka, and Aichi) were opened** during the full year.



* 1. Gross Merchandise Value

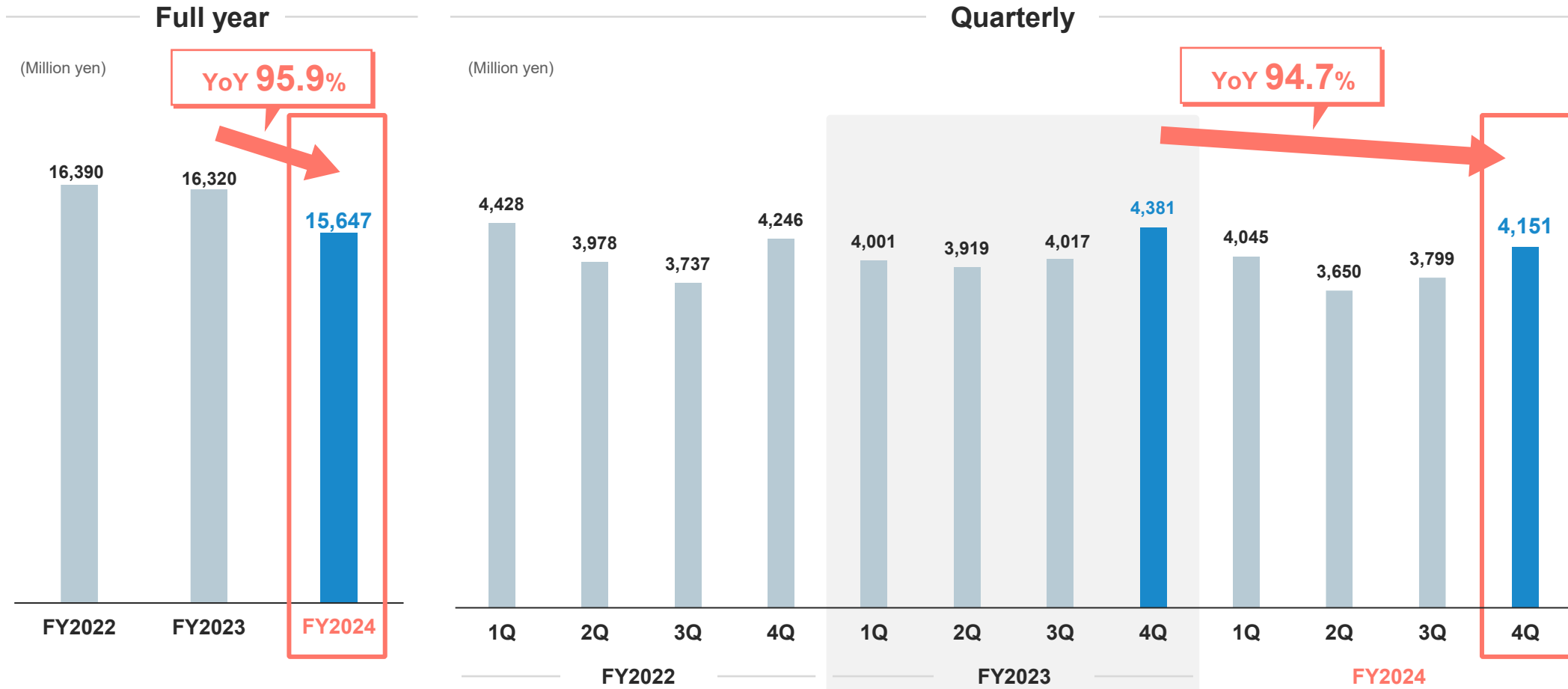
* 2. Calculated by dividing GMV of orders by the number of orders received

* 3. As of March 31, 2024

* 4. Total number of Instagram, TikTok, X (formerly Twitter), and Lemon8 followers, YouTube subscribers, and THE 608 HOTEL accounts

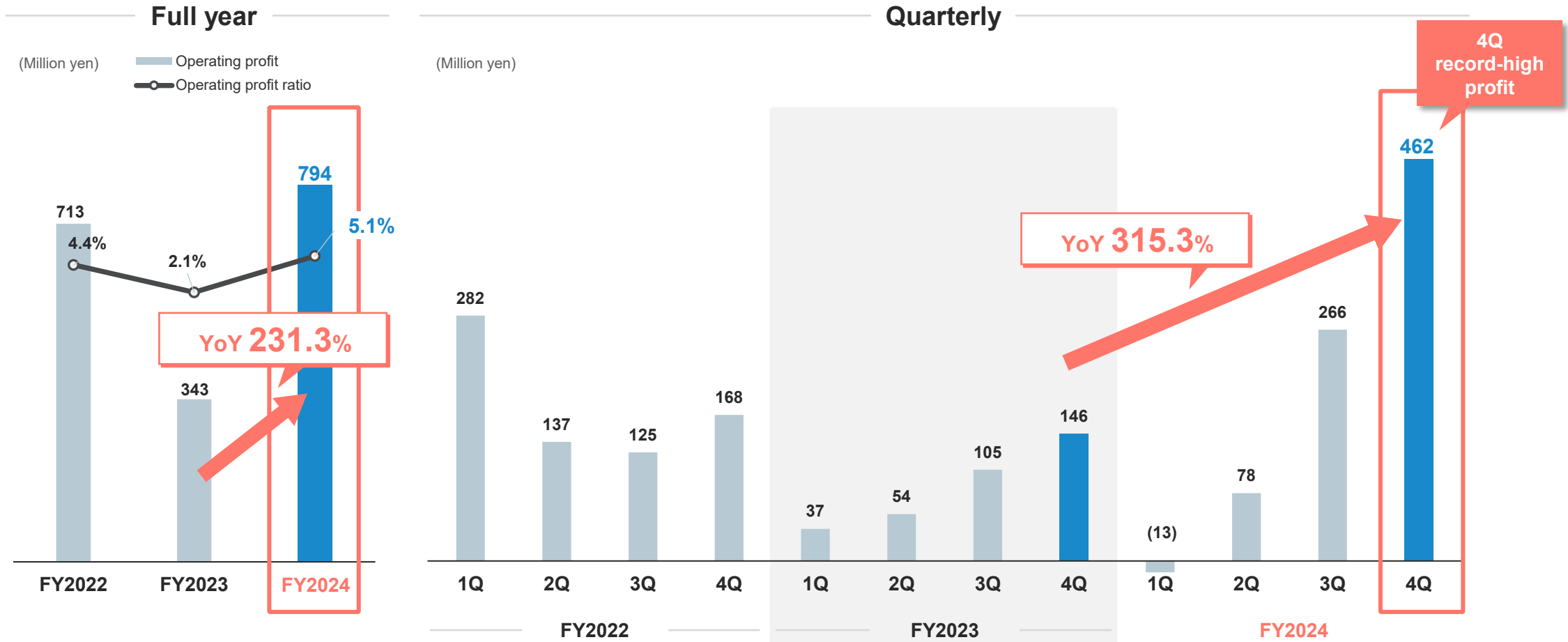


From 2Q, the Company **reduced promotion expenses and advertising expenses** in an effort to improve profitability. As a result, full-year net sales were **15,647 million yen (95.9% YoY)**, and 4Q net sales were **4,151 million yen (94.7% YoY)**.





From 2Q, the Company reduced promotion expenses, advertising expenses, and personnel expenses and fixed costs in an effort to improve profitability. As a result, full-year operating profit was **794 million yen (231.3% YoY)**, and 4Q operating profit was **462 million yen (315.3% YoY)**, a record high for the 4Q.

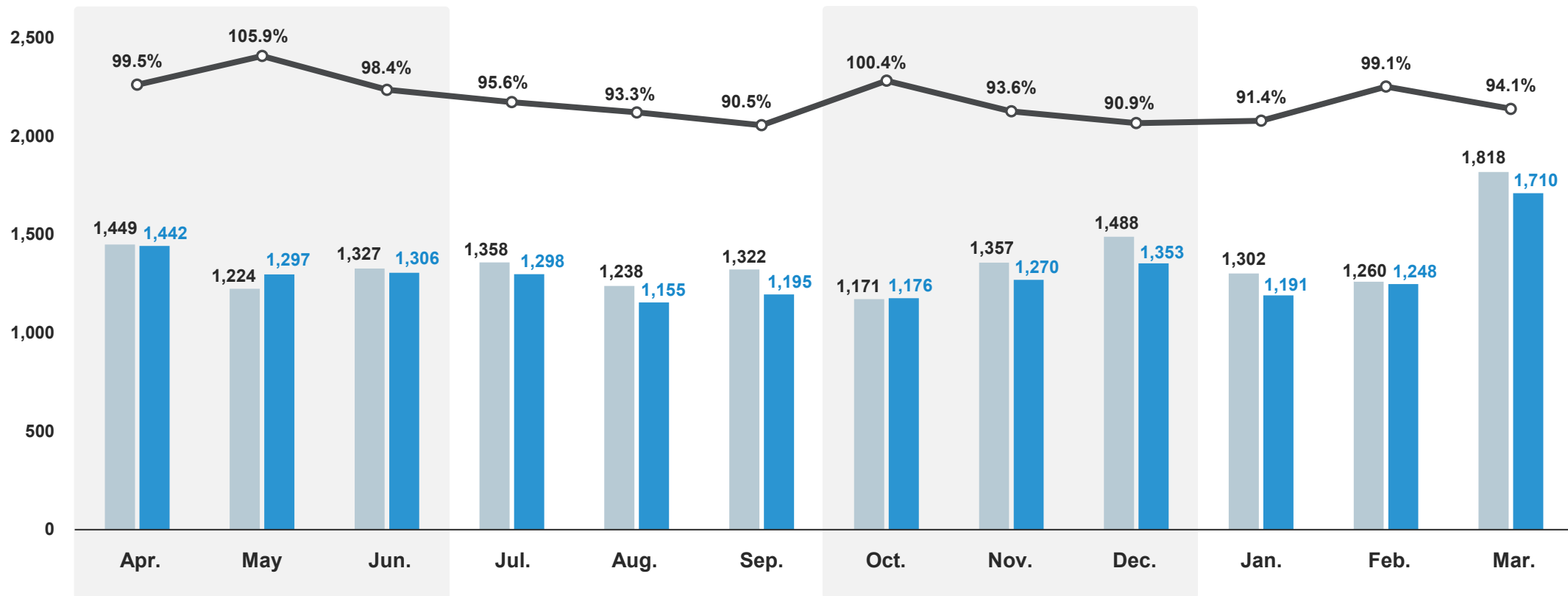




From 2Q, the Company **reduced promotion expenses and advertising expenses** in an effort to improve profitability. As a result, net sales remained at **90% to 100% YoY**.

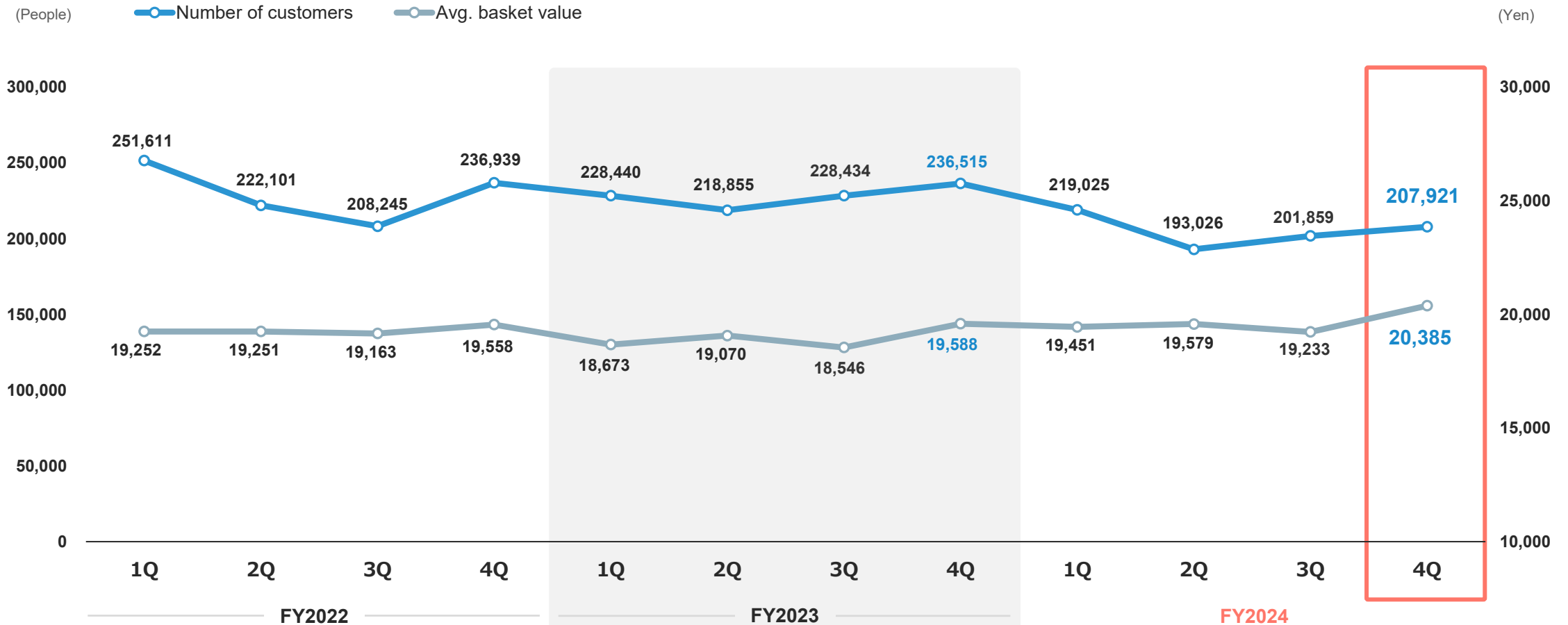
(Million yen)

FY2023 FY2024 YoY





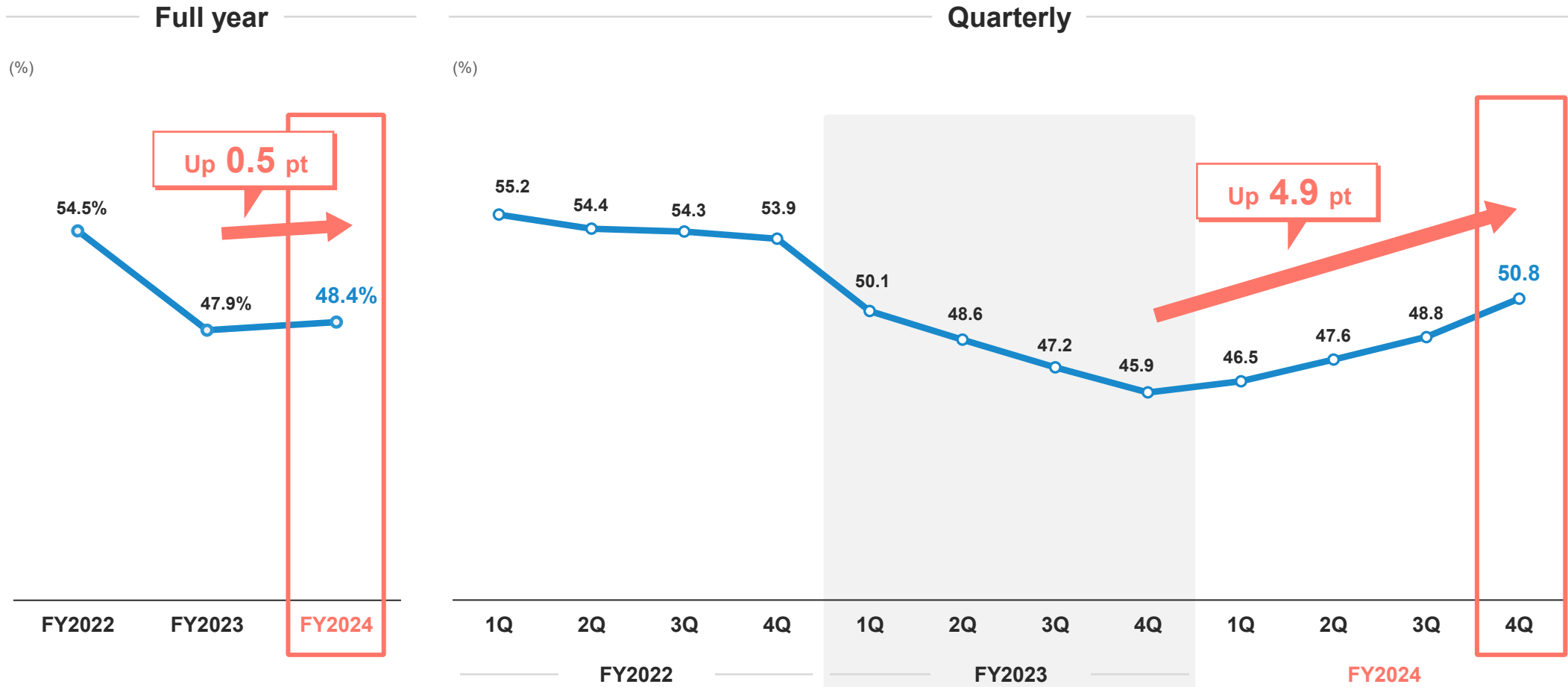
The Company **reduced promotion expenses** and **advertising expenses** in an effort to improve profitability. As a result, **the number of customers** decreased compared with 4Q in the previous year. **Average basket value** is on an upward trend due to the implementation of **price pass-throughs** from 3Q.



* Calculated by dividing GMV of orders by the number of orders received.

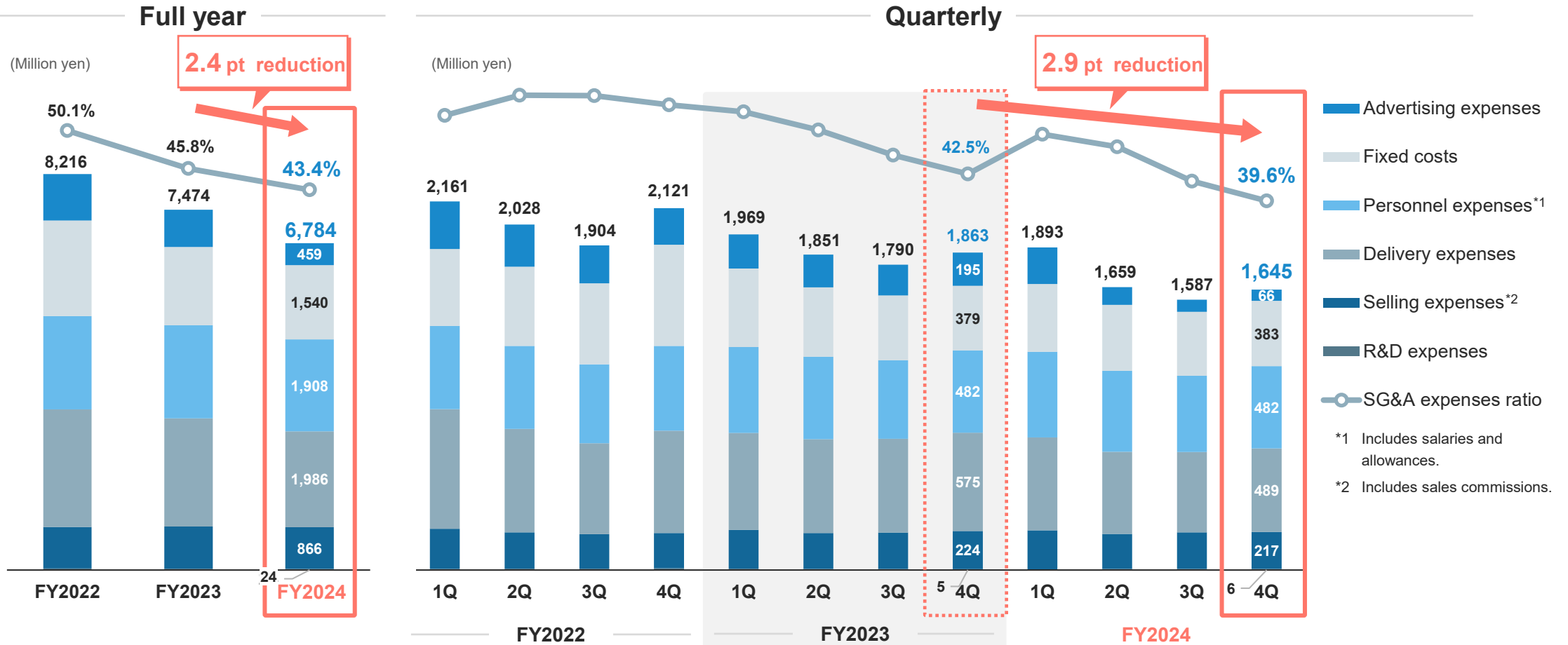


Although **the yen weakened significantly**, gross profit margin continued to improve throughout the year, reaching **48.4% (up 0.5 pt YoY)** for the full year and **50.8% (up 4.9 pt YoY)** in the 4Q due to **the reduction of promotion expenses** and the effect of **price pass-throughs**.





In an effort to improve profitability, which started in 2Q, the Company also worked to reduce personnel expenses and fixed costs, focusing on reducing advertising expenses. As a result, selling, general and administrative expense ratio for the full year reached **43.4%** (down 2.4 pt YoY), and for the 4Q reached **39.6%** (down 2.9 pt YoY).



* Revenue related to the DOKODEMO Business and to research and development expenses is excluded from net sales used as the basis for calculating the SG&A expense ratio, and therefore this data does not match the SG&A expense ratio on the statement of income.

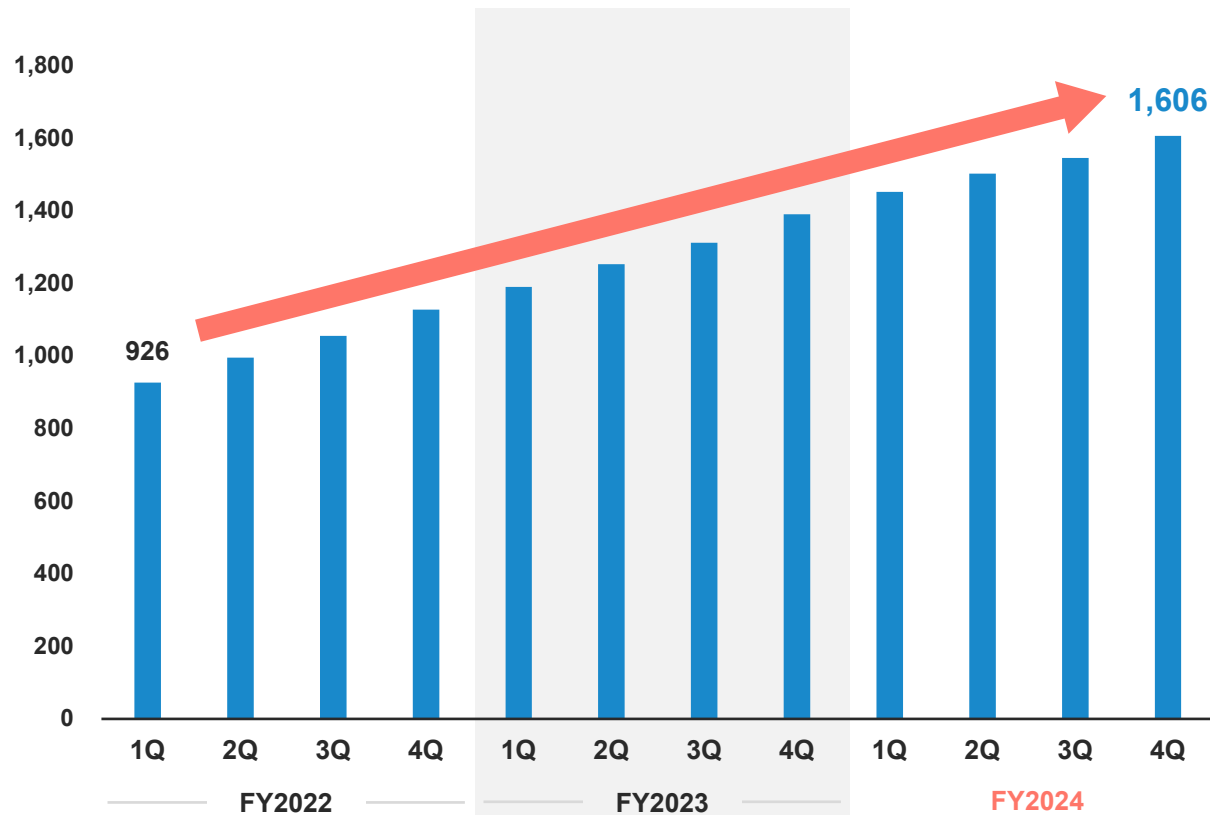
* Promotion expenses, which were included in selling expenses, are included in advertising expenses from the fiscal year ended March 31, 2024. As such, the figures for the fiscal year ended March 31, 2023, and prior periods have been retrospectively adjusted.



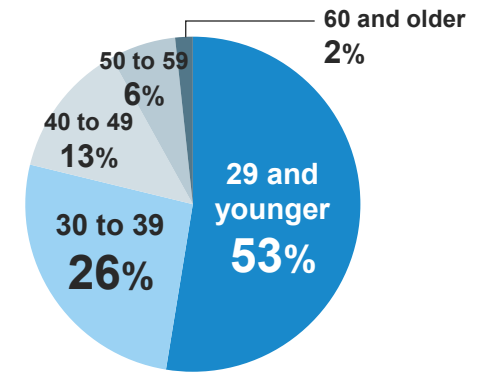
Membership of the flagship store is steadily increasing, with strong support from people in their 20s and 30s.

Trend in membership of flagship store

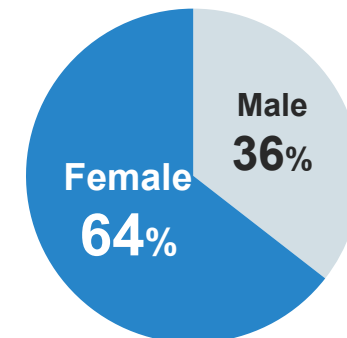
(Thousand people)



Age distribution



Ratio of male vs. female



* Membership is all members registered at the flagship store.

* Age distribution and ratio of male vs. female are data of members who answered they had made purchases at the flagship store in the past 12 months from the most recent quarter.



Release products with a focus on **our own private brand products** that are **design- and trend-conscious** and **pursue affordable prices** with cost competitiveness.

Expanding genres and the number of products of home appliances, sundries, etc.

Desk



Hemp-like material desk
13,990 yen (tax included)



2-way desk
26,990 yen (tax included)

Table



Dresser table with gold legs
16,990 yen (tax included)



Glass-topped nesting table
22,990 yen (tax included)

Other



Semi-oval open shelf
9,990 yen (tax included)







Made-in-Japan kitchen cupboard
89,990 yen (tax included)

* All sales prices listed here are current as of May 2024, and therefore may differ from current selling prices.



The internally developed official app and operation of social media function as the key to attracting customers. **1.5 million smartphone app DLs**, and more than **1 million Instagram** followers.

Sizes of engagement channels that deliver a unique brand image to a wide range of users

	Previous Fiscal Year (Fiscal Year Ended March 31, 2023)	Current Fiscal Year (Fiscal Year Ended March 31, 2024)	YoY
 Smartphone app cumulative downloads	890,000	1,500,000	168.8 %
 Instagram followers	840,000	1,000,000	118.8 %
 TikTok followers	100,000	220,000	213.3 %
 YouTube channel subscribers	20,000	100,000	380.7 %

LOWYA official app



LOWYA official social media accounts





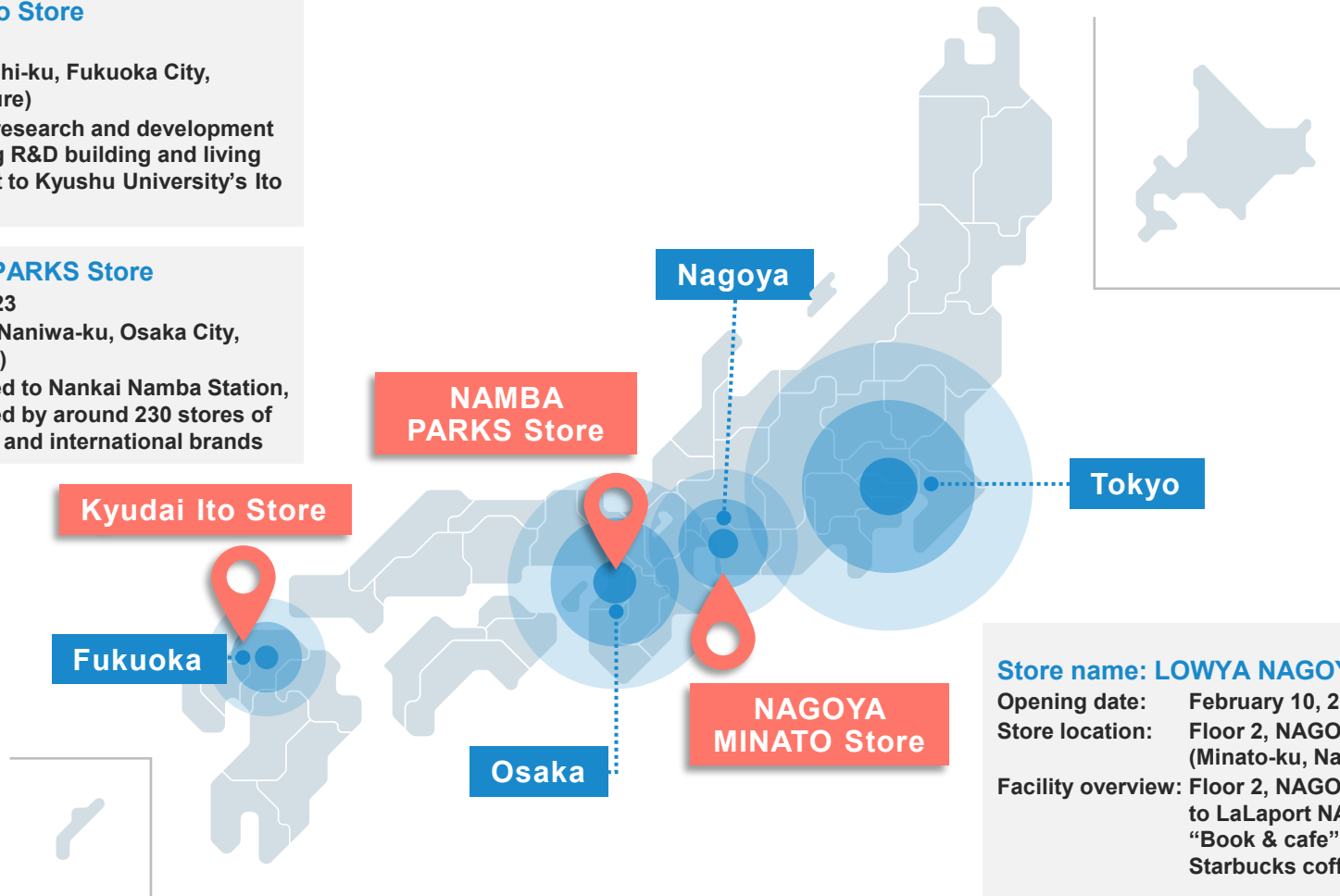
Beginning with the opening of the first store in April 2023, the Company opened three stores in FY2023.

Store name: LOWYA Kyudai Ito Store

Opening date: April 8, 2023
Store location: ITO Lab Plus (Nishi-ku, Fukuoka City, Fukuoka Prefecture)
Facility overview: Next-generation research and development center integrating R&D building and living facilities adjacent to Kyushu University's Ito Campus

Store name: LOWYA NAMBA PARKS Store

Opening date: December 16, 2023
Store location: NAMBA PARKS (Naniwa-ku, Osaka City, Osaka Prefecture)
Facility overview: Directly connected to Nankai Namba Station, currently occupied by around 230 stores of leading domestic and international brands



Store name: LOWYA NAGOYA MINATO Store

Opening date: February 10, 2024
Store location: Floor 2, NAGOYA MINATO TSUTAYA BOOKS (Minato-ku, Nagoya City, Aichi Prefecture)
Facility overview: Floor 2, NAGOYA MINATO TSUTAYA BOOKS linked to LaLaport NAGOYA minato AQULS via access way "Book & cafe" style bookstore containing a Starbucks coffee shop on floor 1



April 2023 — First actual store opened in “ITO Lab Plus” in Fukuoka City, Fukuoka Prefecture.

Exterior



Interior





December 2023 — Second actual store opened in “NAMBA PARKS” in Osaka City, Osaka Prefecture.

Exterior



Interior





February 2024 — Third actual store opened on the second floor of NAGOYA MINATO TSUTAYA BOOKS, LaLaport NAGOYA minato AQULS in Nagoya City, Aichi Prefecture.

Exterior



Interior





At the opening of the NAGOYA MINATO store, the store proved to be **a great success**, attracting many customers through **special collaborative coordination displays** and other customer-pleasing projects.

The store was very busy

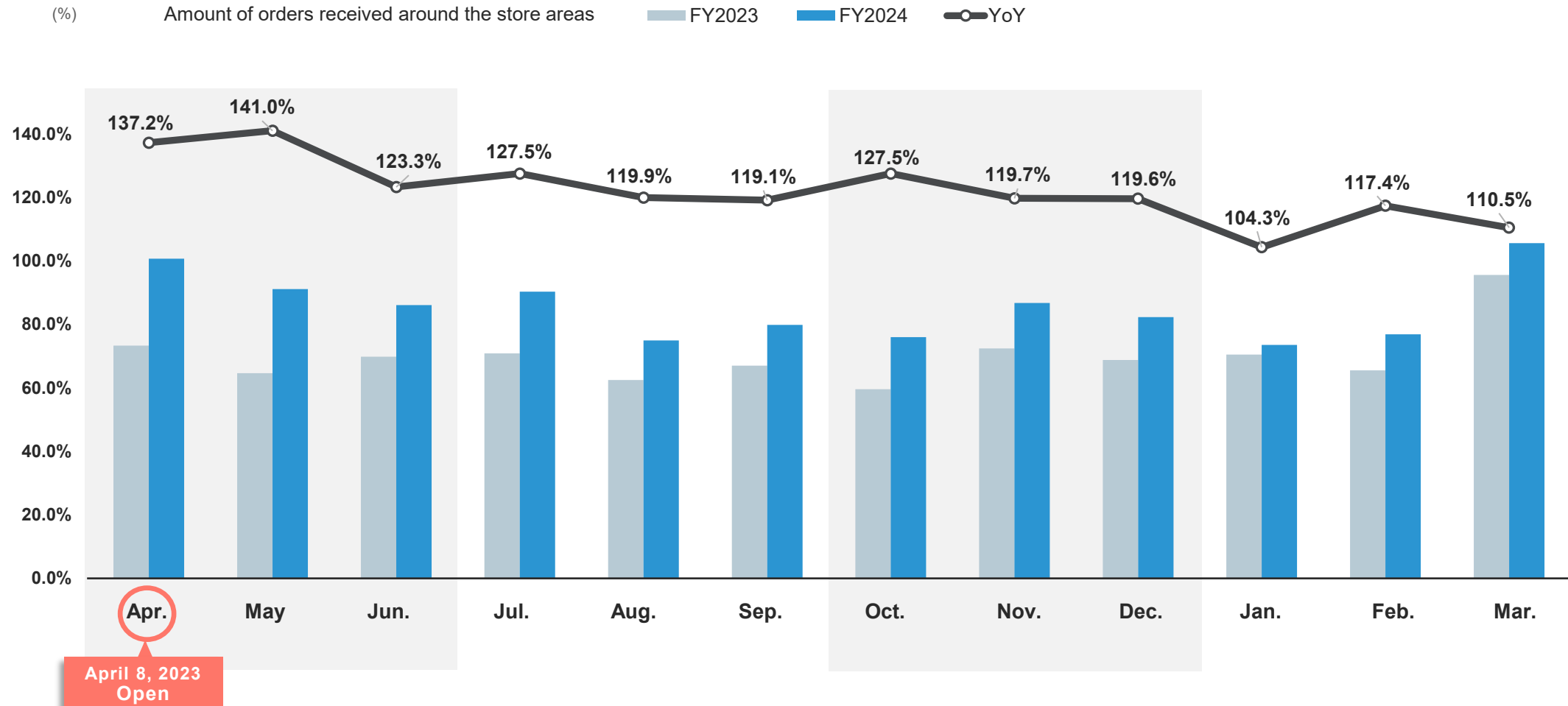


Special collaboration coordination with florist Edā also on display





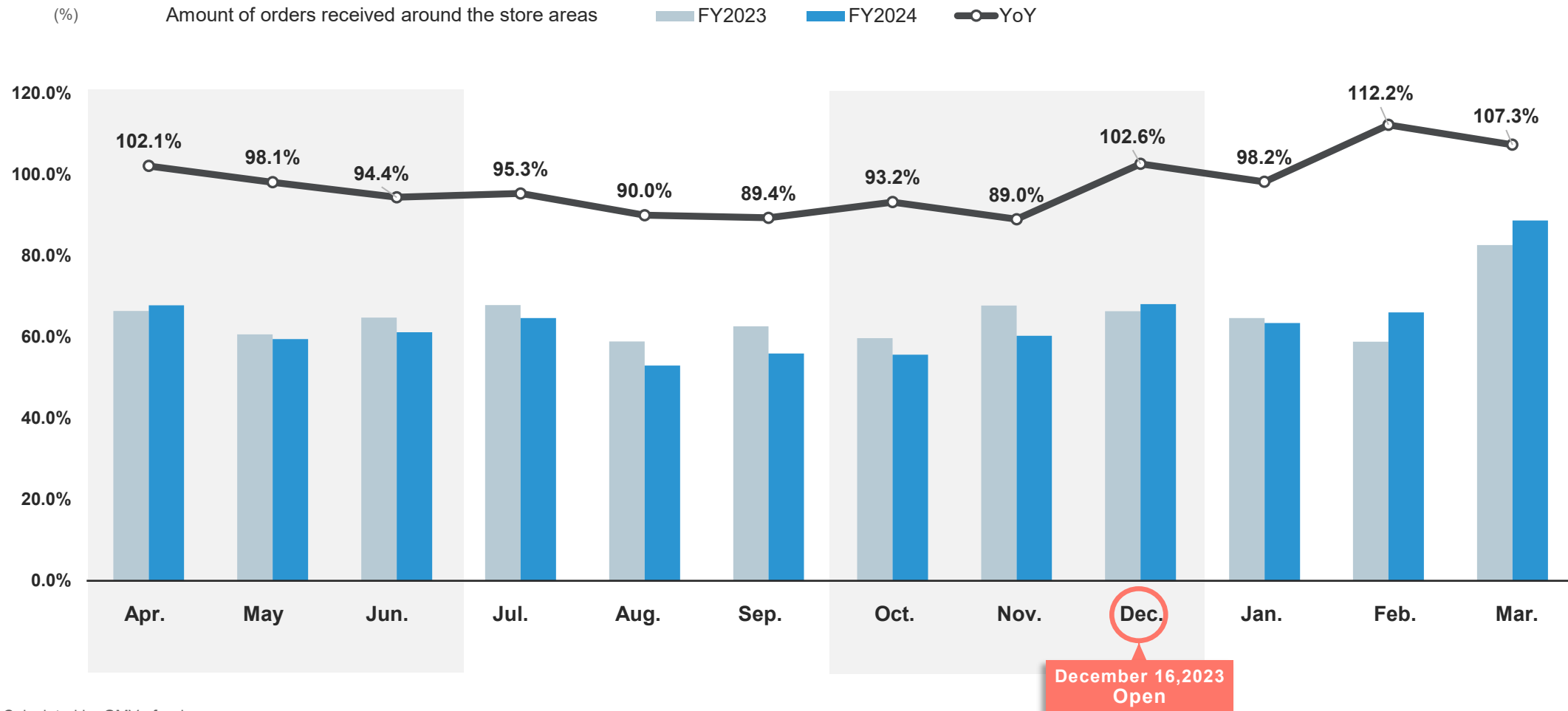
Since the opening in April 2023, the amount of orders received around the store areas has been stable at more than 100% YoY.



* Calculated by GMV of orders



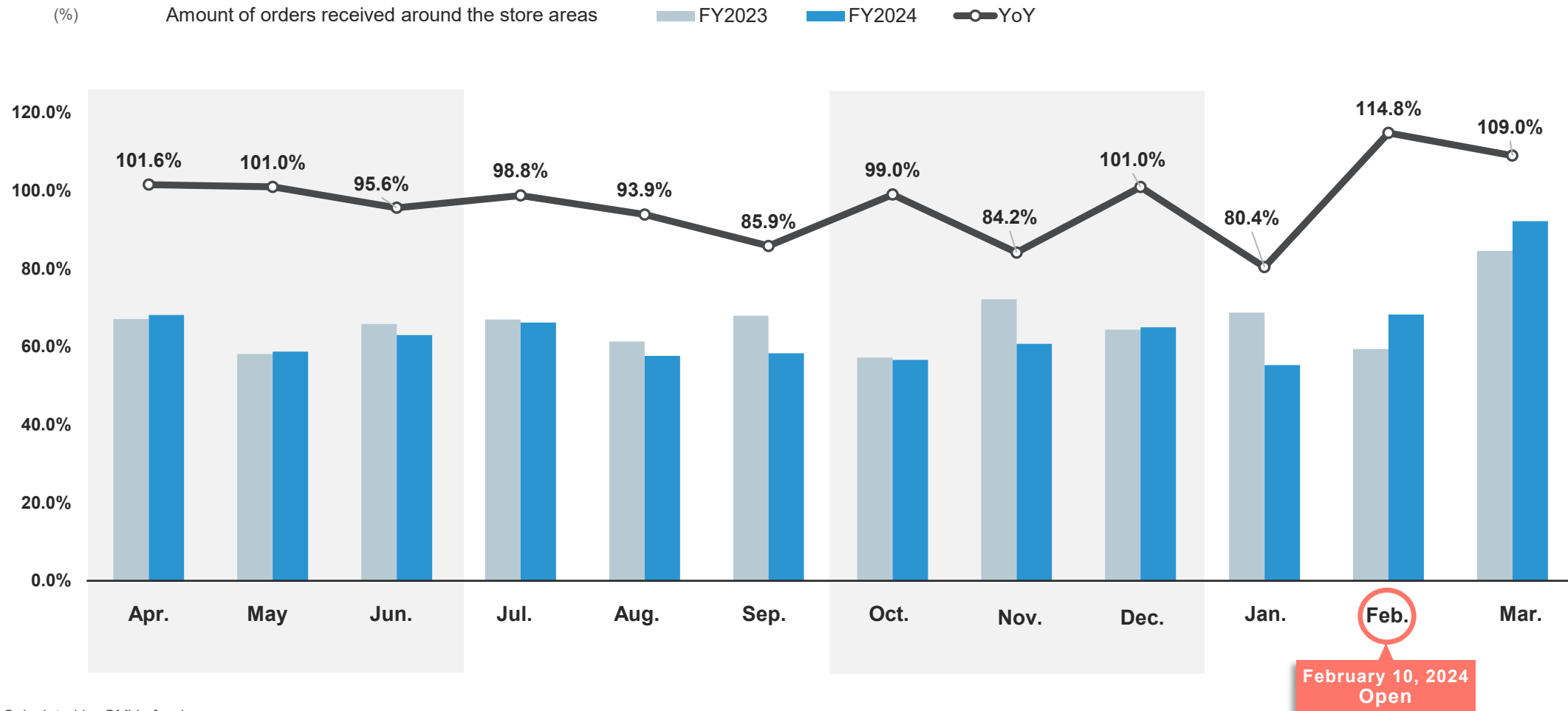
Since the opening in December 2023, amount of orders received around the store areas has been at more than around **100% YoY**.



* Calculated by GMV of orders



Opened in February 2024, amount of orders received around the store areas rose to **114.8% YoY**. It was **109.0% YoY** in March and is expected to remain at the same level.



* Calculated by GMV of orders



Of **ESG**, the Company conducted **activities related to the environment and society**.

It will also continue making various studies, including considering measures **to strengthen governance**.

Plastic bottle cap donation

January 2024

Donated plastic bottle caps collected within the company.

Plastic bottle caps are recycled as recycled plastic materials at the donation site. A portion of the proceeds from sales of recycled plastic materials supports the provision of vaccines to children around the world.



Donation of photographed goods

March 2024

Donated furniture and other items used for a photo shoot to a children's nursing home in Fukuoka Prefecture.



Bonuses and salary increases

April 2024

Decided to pay special bonuses due to improved performance.

In addition, a pay raise rate increase was also implemented as well.



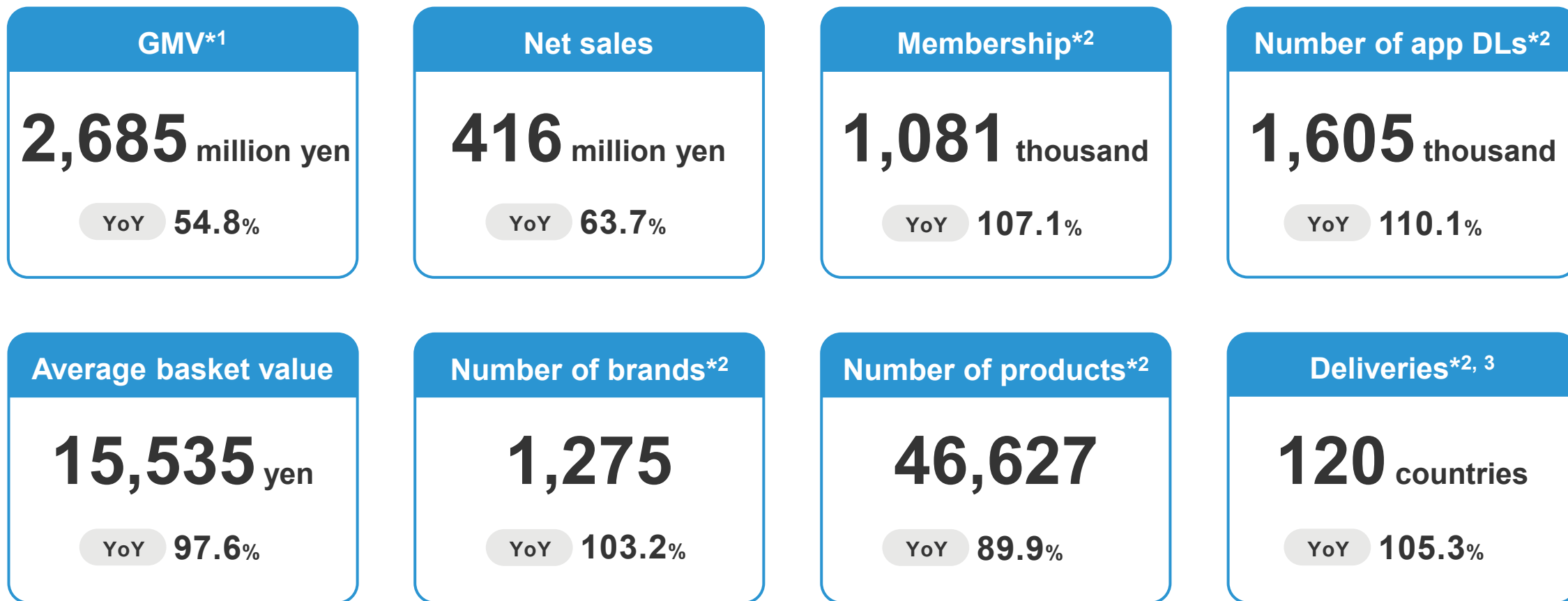


3

Report on DOKODEMO Business



The Company changed its policy to focus on profit and reduced promotion expenses and advertising expenses from 2Q. As a result, GMV was **2,685 million yen (54.8% YoY)**, and net sales were **416 million yen (63.7% YoY)**. **Membership** and the **number of app DLs** remained **strong**.



* 1. Gross Merchandise Value

* 2. As of March 31, 2024

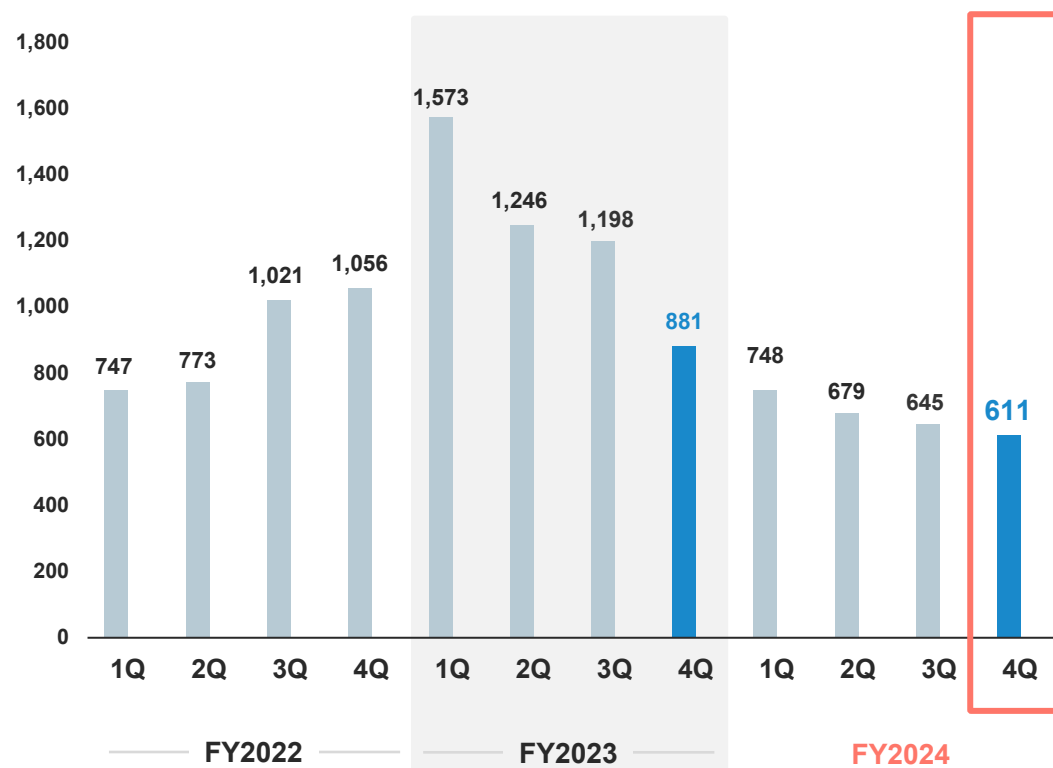
* 3. Number of countries and regions to which deliveries were made (cumulative)



Due to the impact of shortages of popular pharmaceuticals and the initiative to improve profitability by **reducing promotion expenses** and **advertising expenses**, GMV landed at **611 million yen**. However, the **revenue structure improved**, and the business balance achieved a profit as in 3Q. The Company plans to strengthen MD and expand its services.

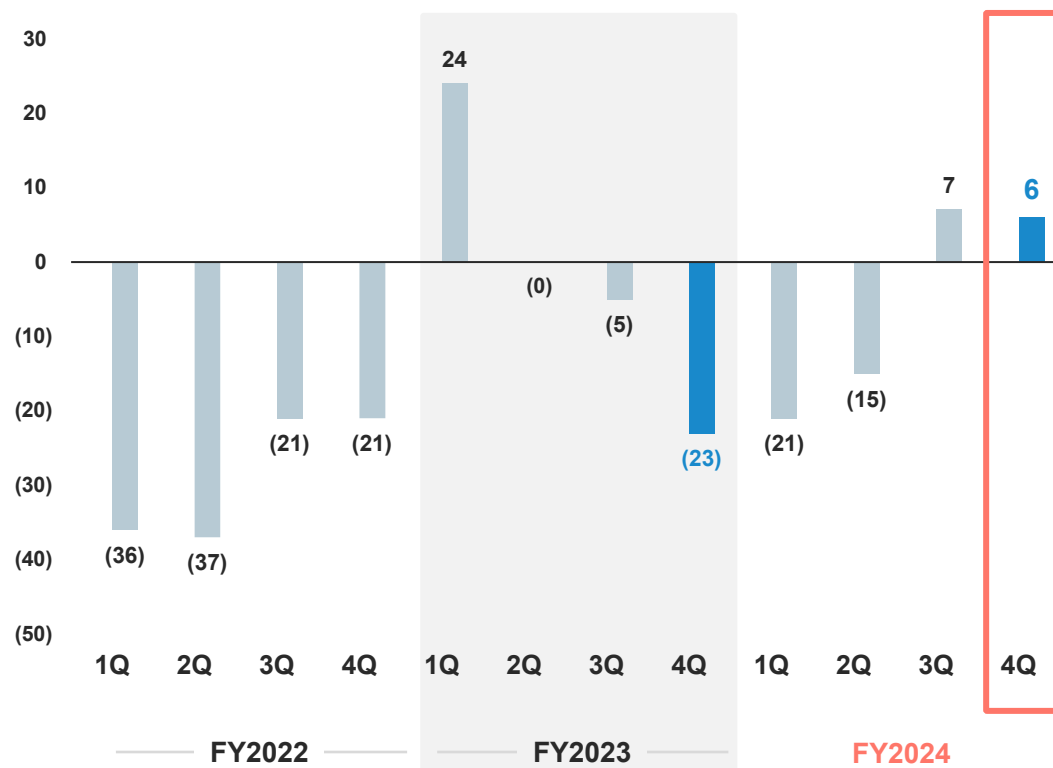
GMV

(Million yen)



Net Business Income

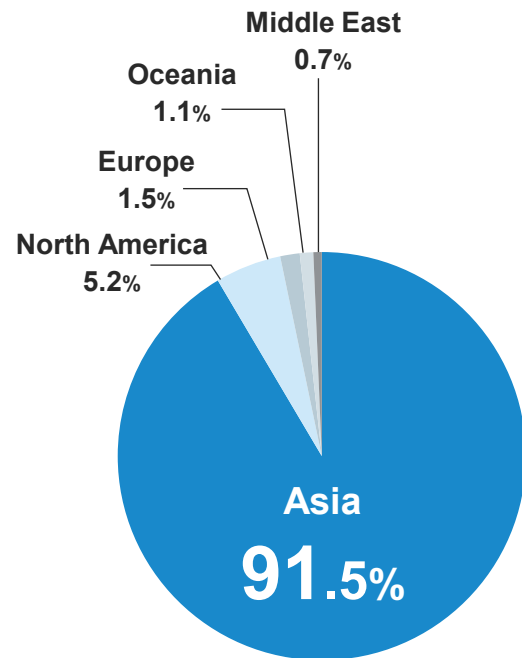
(Million yen)



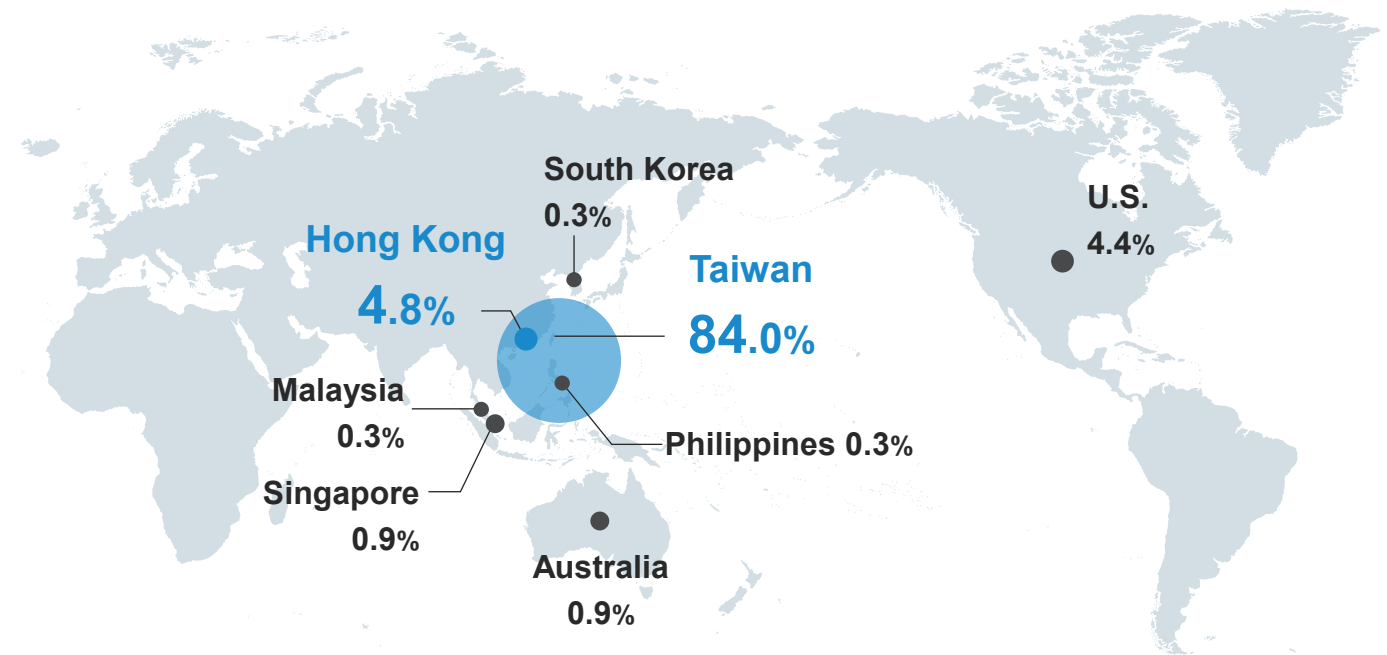


Deliveries to Asia, mainly Taiwan, account for more than 90% of GMV.

By region



By country



*Proportion of deliveries by country is calculated based on the ratio of GMV from April 2023 to March 2024.



4

Three-Year Plan

(Fiscal Year Ending March 31, 2025, to Fiscal Year Ending March 31, 2027)

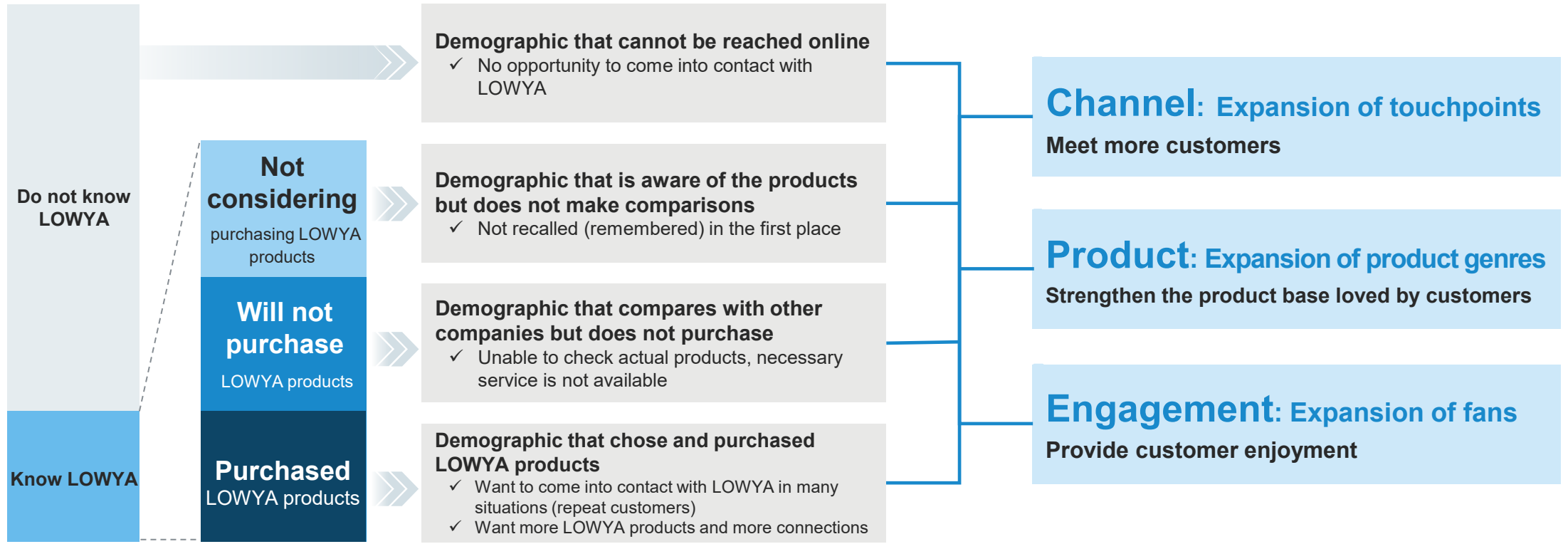


Converted to an OMO model by developing actual stores (channels) to build touch points with customers that could not be reached online alone.

Work to increase the number of fans and improve customer satisfaction (engagement) by utilizing SNS and strengthening products.

Classification of customers and their respective pains

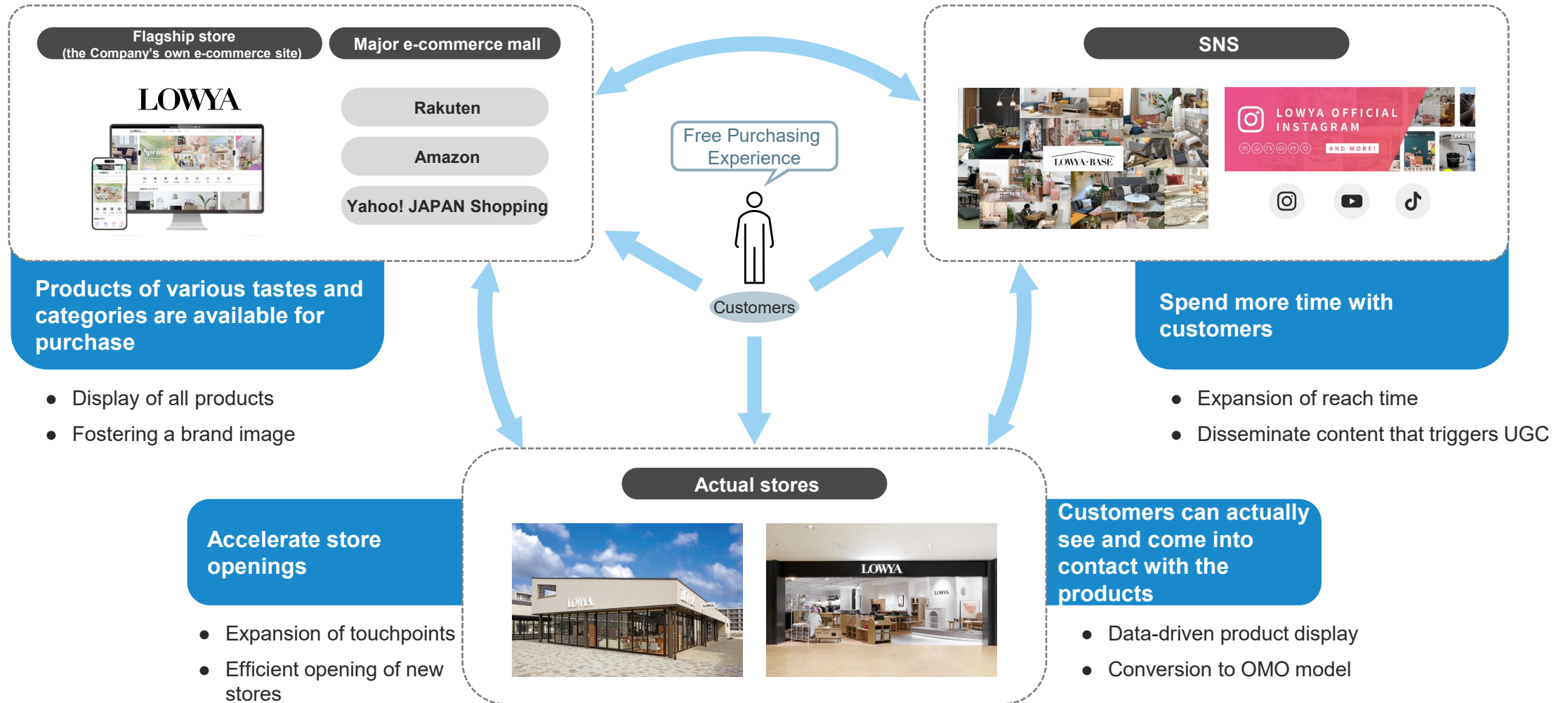
Three reinforcement points





Build a seamless purchasing experience that links online and offline, including SNS.

Accelerate the opening of actual stores and increase the number of places where customers can see and come into contact with our products.





Increase the share of LOWYA products in the living space by expanding product genres, and develop products that meet the needs of a broadening customer base.

Home furnishing

- General household goods including furniture
- Complete coordination of colors, patterns, materials, etc. of household goods in a coherent style



Increase the share of LOWYA products in customers' living spaces

Enhancement of product lineup



Furniture



Cabinet



Consumer electronics



Bedding



Outdoor goods



Interior goods

*The Company stated the number of products it handled until the previous financial results. However, it decided not to define a quantitative index, so the number has been omitted from this report.



Implement interactive communication measures online and offline for the enjoyment of customers.
The Company aims to deepen its fan base by activating communication with customers and developing a community centered on SNS.

SNS



Surveys of requests for content and products, and live streaming from actual stores

Actual stores



Events utilizing actual stores that allow offline interaction with customers

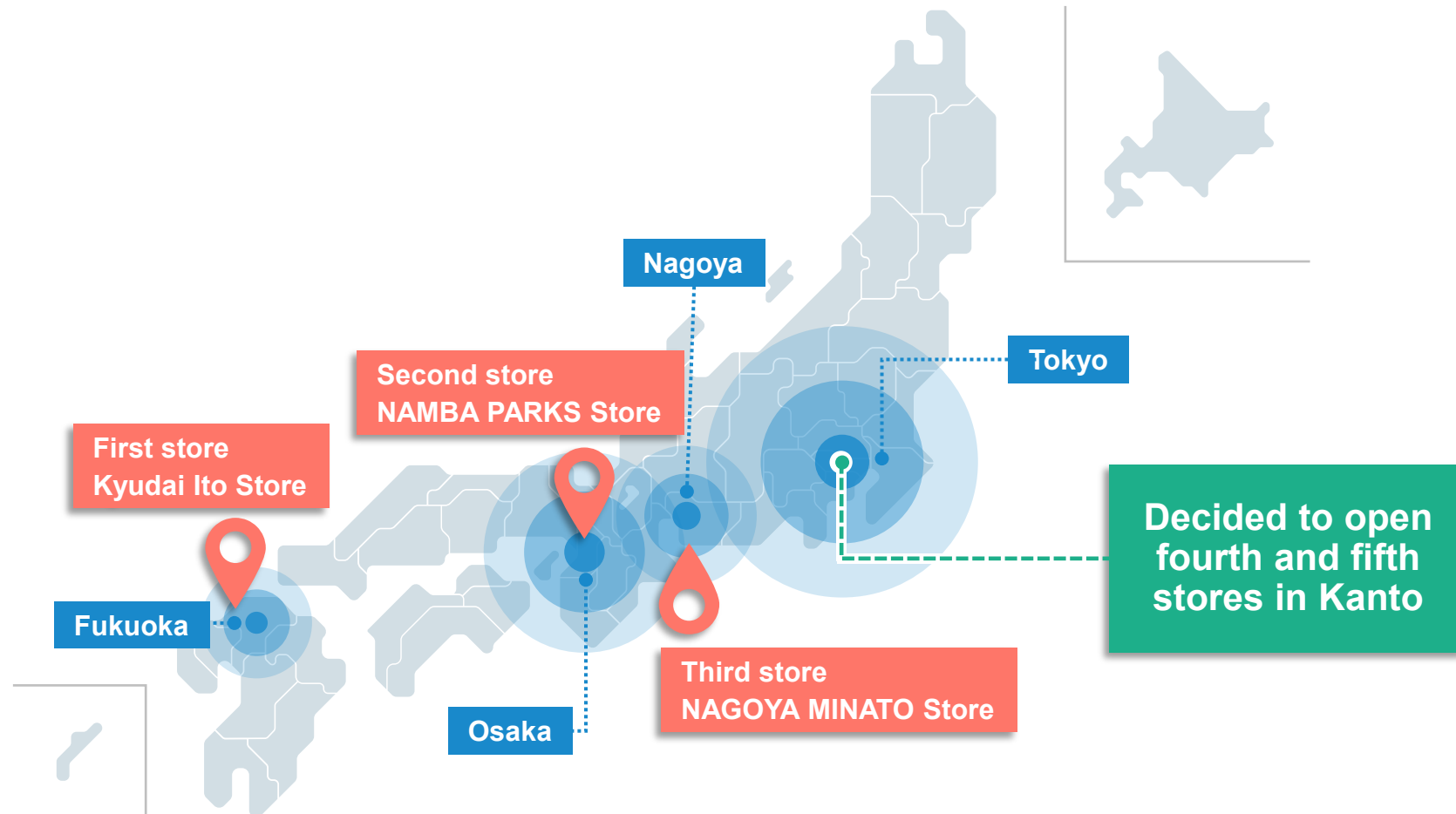
Fan community



Online exchange meetings with fan community members



Following the opening of three stores in FY2024, the Company plans to open **four to six stores** in FY2025. Of these, it **has been decided to open two in the Kanto region**, and details will be announced later. The Company plans to continue opening new stores in FY2025 and beyond, with the goal of opening dozens of new stores.





The LOWYA business plans to continue opening new stores in the fiscal year ending March 31, 2025, and beyond to expand the scale of its operations.

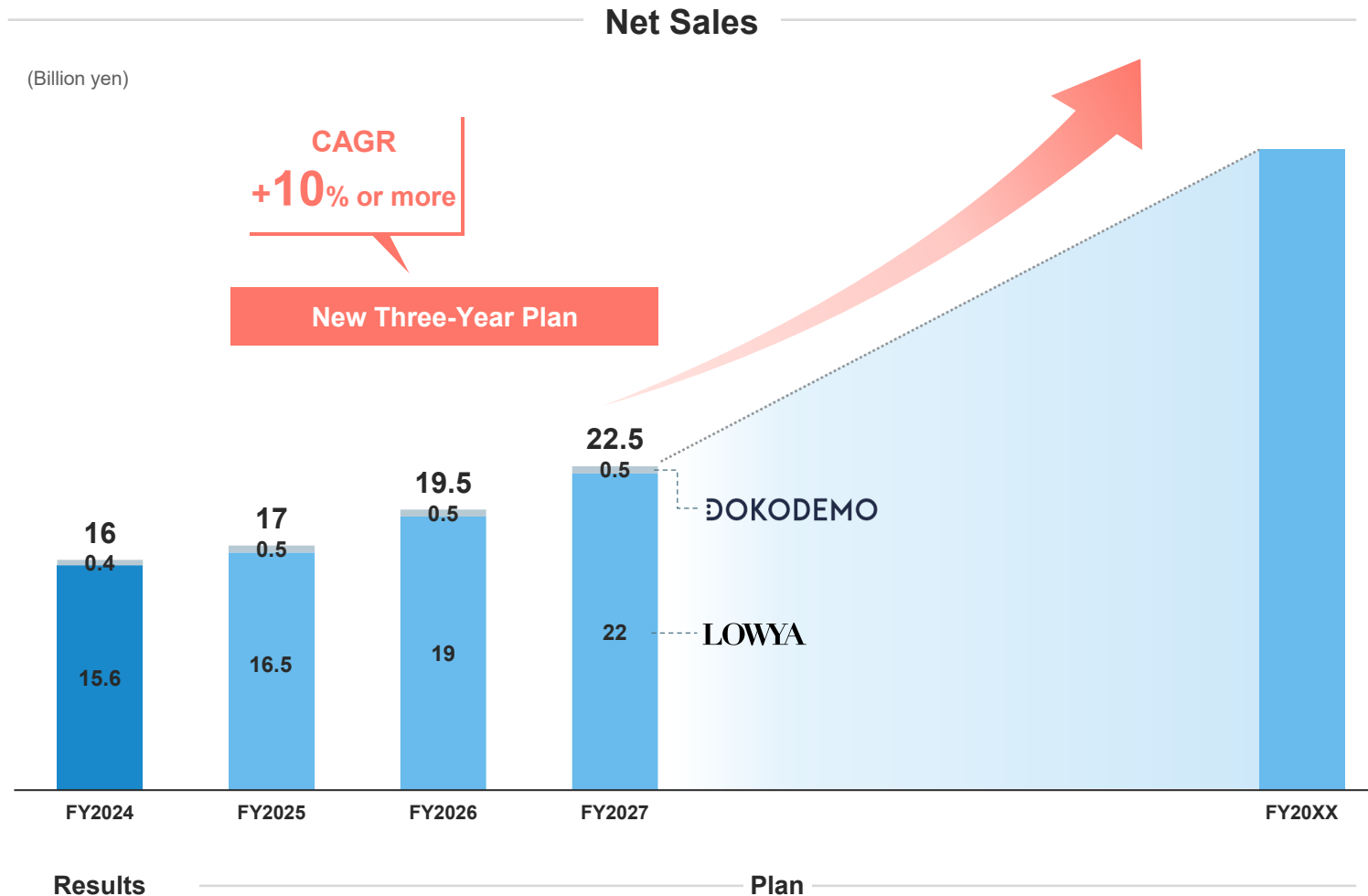
Target ROE of 15% or more and DOE of 2%.

	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2027
Net sales (million yen)	16,063	17,000	19,500	22,500
LOWYA Business	15,647	16,500	19,000	22,000
Number of new stores opened	3 stores	4 to 6 stores	6 to 8 stores	8 to 10 stores
DOKODEMO Business	416	500	500	500
Operating profit (million yen)	771	1,200	1,500	2,000
ROE (%)	7.3	12.4	13.9	16.2
Dividend per Share (yen)	10	11	13	15

Three-Year Plan: Sales Targets



Aim for a CAGR of 10% or more, mainly through growth in the LOWYA business.
The DOKODEMO business continues its R&D phase.



Mid-term target

50 billion yen



Long-term target

100 billion yen



5

Financial Results Forecast for the Fiscal Year Ending March 31, 2025

Financial Results Forecast for the Fiscal Year Ending March 31, 2025



In the LOWYA business, the Company will **continue to focus on** profitability while controlling advertising costs, and plans to **open four to six** new actual stores. Focus on expanding the OMO-type D2C model. The DOKODEMO business aims to increase GMV by **expanding the range of products and** genres it handles while controlling advertising costs.

	Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025		YoY	
	First-half results	Full-year results	First half forecast	Full-year forecast	First half	Full year
Net sales (million yen)	7,905	16,063	7,600	17,000	96.1%	105.8%
Operating profit (million yen)	27	771	400	1,200	1,435.8%	155.5%
Ordinary profit (million yen)	36	790	400	1,200	1,083.6%	151.8%
Profit (million yen)	24	394	240	720	984.0%	182.6%
Basic earnings per share (yen)	2.3	37.8	23.2	69.7	-	-

※Audit procedures pursuant to the Financial Instruments and Exchange Act are in progress as of the date of disclosure of this document.

IR Inquiries

<https://www.vega-c.com/contact/ir/>

Views and forecasts in this document were prepared based on the judgment of the Company at the time of preparation.

These statements are based on current expectations, forecasts, and assumptions that are subject to risks, and contain uncertainties that could cause actual outcomes to differ materially from these statements.

These risks and uncertainties include general economic conditions in Japan and overseas, namely general industry and market conditions.

The Company shall not bear any future obligation to update or revise the information contained in this document, even in the event of new information, future events, etc.